



**TIS Inc.**

Financial Results Briefing for the Fiscal Year Ended March 31, 2026

May 8, 2026

## Event Summary

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<b>[Company Name]</b>	TIS Inc.	
<b>[Company ID]</b>	3626-QCODE	
<b>[Event Language]</b>	JPN	
<b>[Event Type]</b>	Earnings Announcement	
<b>[Event Name]</b>	Financial Results Briefing for the Fiscal Year Ended March 31, 2026	
<b>[Fiscal Period]</b>	FY2026 Annual	
<b>[Date]</b>	May 8, 2026	
<b>[Number of Pages]</b>	43	
<b>[Time]</b>	17:00 – 17:52 (Total: 52 minutes, Presentation: 29 minutes, Q&A: 23 minutes)	
<b>[Venue]</b>	Webcast	
<b>[Venue Size]</b>		
<b>[Participants]</b>		
<b>[Number of Speakers]</b>	2	
	Yasushi Okamoto	President and Representative Director
	Masakazu Kawamura	Managing Executive Officer, Division Manager of Corporate Planning SBU
<b>[Analyst Names]*</b>	Yusuke Hori	Mizuho Securities
	Moriya Koketsu	Citigroup Global Markets
	Makoto Ueno	Daiwa Securities
	Hideaki Tanaka	BofA Securities

\*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

# Presentation

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**Moderator:** It is time to commence the telephone conference of the financial Result Briefing for the Fiscal Year Ending March 2026 of TIS Inc. First, let me introduce today's two presenters. The first one is Yasushi Okamoto, President and Representative Director, on your left as you face us. Next, Masakazu Kawamura, Managing Executive Officer, Division Manager of Corporate Planning SBU.

Let me give you a brief overview of today's proceedings. First, Kawamura and Okamoto from our company will give an explanation in that order, followed by a question-and-answer session with everyone. This briefing is scheduled to last one hour, including question-and-answer session. Please refer to our website for the documents as appropriate. A video of the briefing will be available on our website at a later date.

Kawamura will now give an overview of our business performance for the fiscal year ending March 31, 2026, the outlook for the fiscal year ending March 31, 2027, and shareholder returns. Thank you.

**Kawamura:** This is Kawamura from TIS. Thank you.

I will now begin by explaining the summary of financial results for the fiscal year ending March 31, 2026, which was announced at 15:30 today, the outlook for the fiscal year ending March 31, 2027, and shareholder returns.

## Highlights



### Fiscal 2026 : Financial Highlights

- Sales and operating income increased year on year, exceeding the revised forecast.
- Operating margin improved by 0.7 percentage points to 12.8%.
- Orders received and order backlog continued to grow steadily.

### Fiscal 2027: Performance Forecast

- Forecasting higher sales and higher income even while continuing growth investment and increasing investment in compensation.
- Incorporates extraordinary income expected from the sale of investment securities in line with the Company's policy.

### Return to Shareholders

- Year-end dividend increased by ¥4 in fiscal 2026, resulting in an annual dividend of ¥80 per share, reflecting business growth that exceeded the forecast.
- Annual dividend of ¥90 per share planned for fiscal 2027, up ¥10.  
Treasury stock repurchase of up to ¥50 billion underway based on the resolution dated March 10.

See page two. Here are the highlights of the current financial results.

First, for the fiscal year ending March 31, 2026, the Company's sales and operating income increased from the previous fiscal year, exceeding the plan revised in H1 of the fiscal year. The operating margin increased 0.7 percentage points to 12.8%. In addition, both orders received and backlogs of orders received accumulated steadily.

Next, for the fiscal year ending March 31, 2027, we plan to increase sales and operating income even as we strengthen compensation investments in addition to ongoing growth investments. Based on the policy of selling investment securities, the expected extraordinary gains are also factored in.

Finally, shareholder Returns. For the fiscal year ending March 31, 2026, we increased the year-end dividend by JPY4, bringing the annual dividend per share to JPY80. The annual dividend per share for the fiscal year ending March 31, 2027 is planned to increase by JPY10 to JPY90. In addition, the Company is in the process of repurchasing a total of JPY50 billion of its own shares, including for the purpose of ordinary shareholder returns.

These are the main highlights of this year's event. Now I would like to go on to explain what I have just said.

## Fiscal 2026: Performance Highlights (YOY change)



- Sales and operating income increased, driven by business expansion through effectively capturing clients' IT investment demand, including digital transformation needs, and expanding service offerings. However, net income declined due to a deterioration in net extraordinary income/loss.

[Millions of yen]	Fiscal 2025	Fiscal 2026	YOY change	
Net Sales	571,687	<b>596,479</b>	+24,792	[+4.3%]
Operating Income	69,047	<b>76,229</b>	+7,181	[+10.4%]
Operating Margin	12.1%	<b>12.8%</b>	+0.7P	-
Net Income Attributable to Owners of the Parent Company	50,012	<b>46,624</b>	-3,388	[-6.8%]
Net Income to Net Sales Ratio	8.7%	<b>7.8%</b>	-0.9P	-
Net Income per Share [Yen]	215.00	<b>204.91</b>	-10.09	[-4.7%]
ROE	15.3%	<b>14.0%</b>	-1.3P	-

• Non-operating income: ¥2,612 million (YOY change -¥7 million)  
 → Dividend income ¥966 million  
 Interest income ¥599 million, etc.

• Non-operating expenses: ¥2,330 million (YOY change +¥1,165 million)  
 → Share of loss of entities accounted for using equity method ¥749 million  
 Interest expenses ¥602 million, etc.

• Extraordinary income: ¥5,118 million (YOY change -¥4,451 million)  
 → Gain on sale of investment securities ¥4,374 million, etc.

• Extraordinary loss: ¥12,677 million (YOY change +¥6,750 million)  
 → Provision for loss on litigation ¥7,434 million  
 Impairment losses ¥2,827 million, etc.

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Page five is a summary of our financial results for the fiscal year ending March 31, 2026.

Business expansion continued against the backdrop of a favorable business environment, resulting in increased sales and operating income. Sales increased 4.3% YoY to JPY596.4 billion. Operating income increased 10.4% from the previous year to JPY76.2 billion, and the operating margin rose 0.7 percentage points to 12.8%.

Meanwhile, net income attributable to owners of the parent declined 6.8% to JPY46.6 billion. The main reason for this was that a provision for litigation loss was recorded as an extraordinary loss due to the settlement of a lawsuit pending at a subsidiary. Due in part to this effect, ROE declined 1.3 percentage points from the previous year to 14%.

## Fiscal 2026: Performance Highlights (vs. Forecast)



- Sales and operating income exceeded the revised forecast, driven by growing IT investment demand from a broad range of clients.

[Millions of yen]	Fiscal 2026 Revised Forecast	Fiscal 2026 Actual	Vs. Forecast	
Net Sales	588,000	<b>596,479</b>	+8,479	[+1.4%]
Operating Income	75,000	<b>76,229</b>	+1,229	[+1.6%]
Operating Margin	12.8%	<b>12.8%</b>	+0.0P	-
Net Income Attributable to Owners of the Parent Company	50,000	<b>46,624</b>	-3,375	[-6.8%]
Net Income to Net Sales Ratio	8.5%	<b>7.8%</b>	-0.7P	-
Net Income per Share [Yen]	220.70	<b>204.91</b>	-15.79	[-7.2%]
ROE	14.8%	<b>14.0%</b>	-0.8P	-

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\* ROE in the fiscal 2026 forecast is an estimated value.

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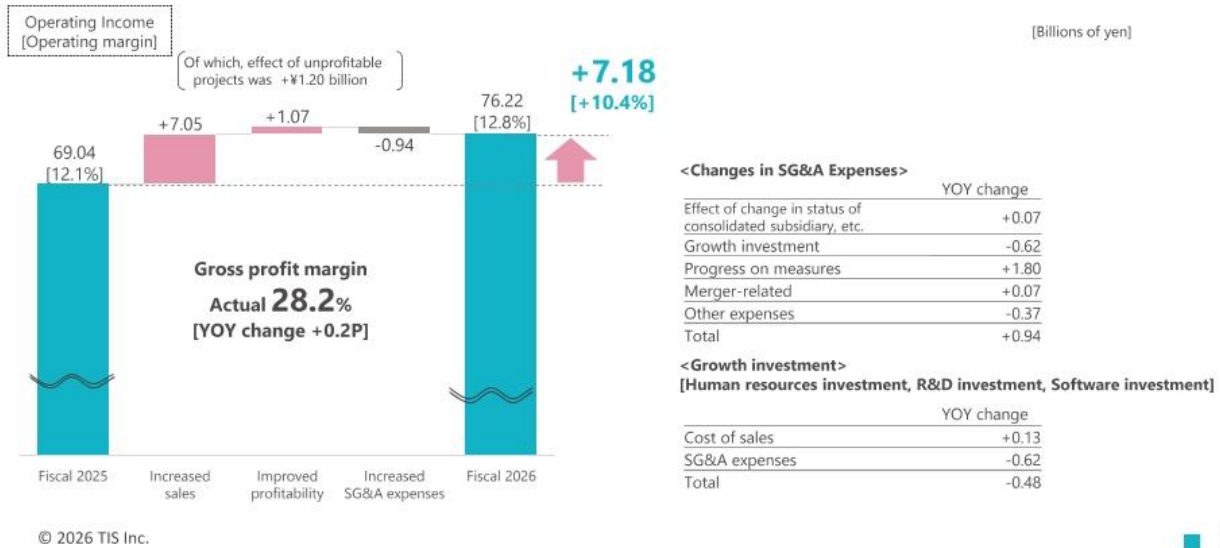
Page six shows the comparison to the plan.

Both net sales and operating income exceeded the plan on the back of rising IT investment demand from a wide range of customers. Operating margin was 12.8% as planned. The decrease in net income and ROE are explained earlier.

**Fiscal 2026:**

**Analysis of Changes in Operating Income by Factor (YOY change)**

- Despite growth investments and an additional ¥2.5 billion in compensation-related investment year on year, operating income increased due to profit growth from higher sales and a decrease in unprofitable projects. Gross profit margin improved to 28.2%.

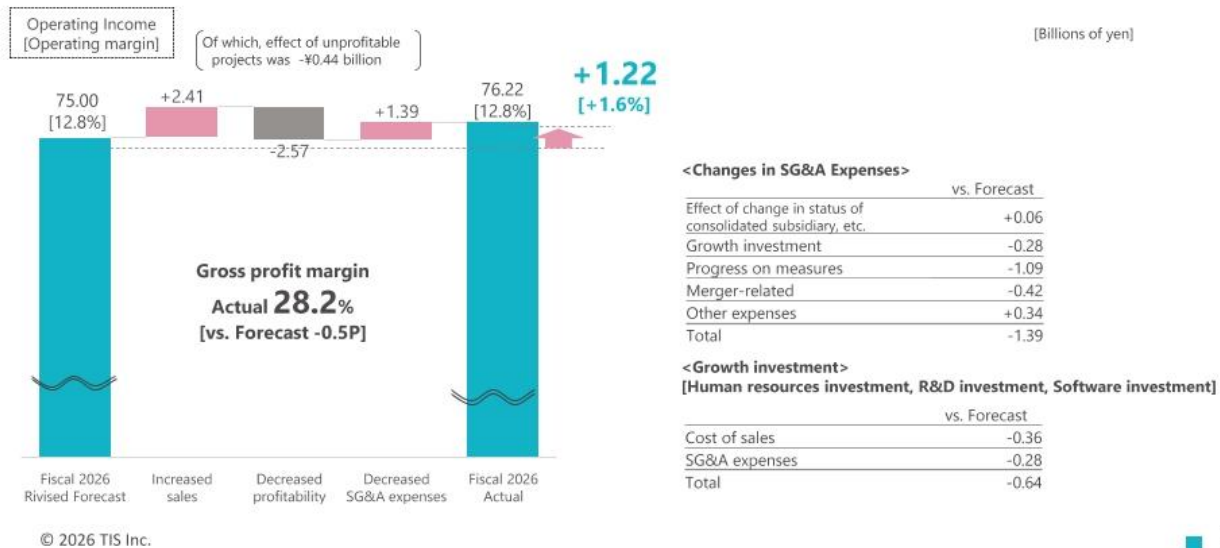


Page seven shows changes in operating income by factor.

In addition to ongoing investments in growth, the Company achieved an increase in operating income due to increased revenues and a decrease in unprofitable projects while investing in compensation. The gross profit margin rose 0.2 percentage points from the previous year to 28.2%. Unprofitable projects amounted to JPY440 million in Q4 and JPY1.44 billion for the full year.

**Fiscal 2026:**

**Analysis of Changes in Operating Income by Factors (vs. Forecast)**



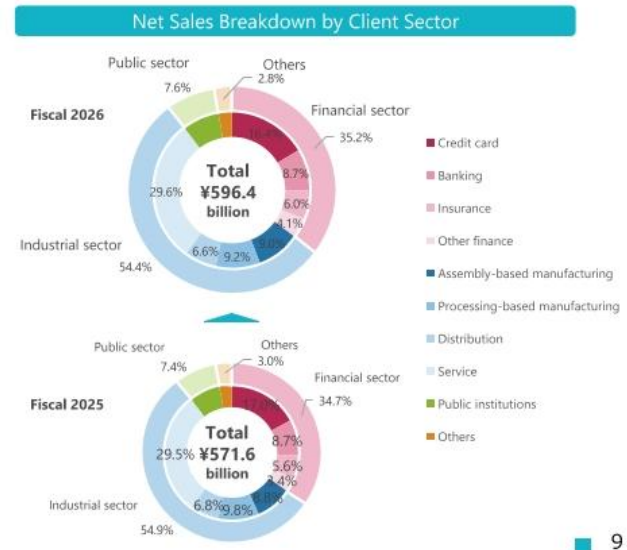
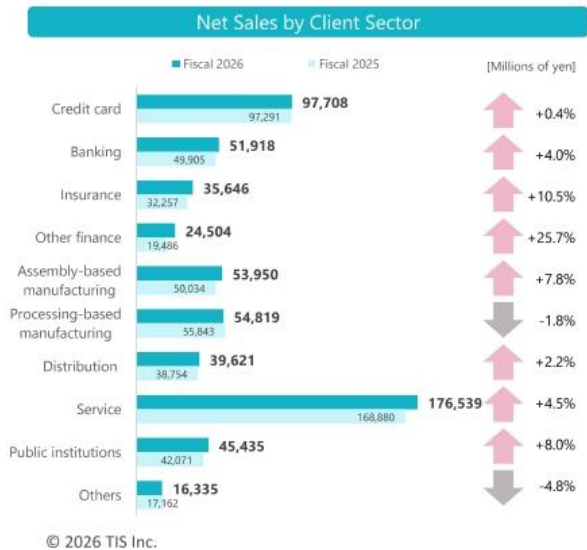
Page eight shows the comparison to the forecast.

Although the gross profit margin fell short of the plan, operating income exceeded the plan. We had planned at the beginning of the fiscal year with the intention of improving the gross profit margin by one percentage point each fiscal year, but progress in the service business, which is expected to be highly profitable, is still on its way, and a certain number of unprofitable and low-profit projects have occurred. Although SG&A expenses were within plan, investments in human resources, the most important management capital, such as compensation investments and training, are proceeding according to plan.

As for growth investments, we are flexibly reviewing our investment themes, including the expanded use of AI, and we hope you will understand that we have by no means relaxed our approach.

## Fiscal 2026: Sales by Client Sector

- Finance performed strongly, particularly in other finance (including leasing) and insurance. Industrial was driven by services and assembly-based manufacturing. Public also delivered strong growth.



Page nine shows sales by client sector.

Finance performed well, especially other finance and insurance. In the industrial, service and assembly-based manufacturing led the way. The public institutions also showed strong growth, and as a whole, the Company was able to capture robust demand across a wide range of industries.

## Fiscal 2026:

### Sales and Income by Key Business Segment (YOY change)



[Millions of yen]	Fiscal 2025	Fiscal 2026	YOY change		Overview	
Offering Service Business	Net Sales	145,515	<b>160,574</b>	+15,059	[+10.3%]	Sales and operating income increased despite higher upfront investment in payment and a tapering off of renewal demand for tax accountant office systems and other products. Growth was driven by project wins in payment, infrastructure, enterprise, and other areas, fewer unprofitable projects, and overseas business.
	Operating Income	9,937	<b>10,442</b>	+505	[+5.1%]	
	Operating Margin	6.8%	<b>6.5%</b>	-0.3P	-	
Business Process Management	Net Sales	42,646	<b>44,092</b>	+1,445	[+3.4%]	Sales and operating income increased, driven by project wins in the DX business and other areas, as well as ongoing cost control.
	Operating Income	5,326	<b>6,397</b>	+1,071	[+20.1%]	
	Operating Margin	12.5%	<b>14.5%</b>	+2.0P	-	
Financial IT Business	Net Sales	100,252	<b>98,730</b>	-1,521	[-1.5%]	Sales declined but operating income increased, despite the peaking out of large-scale development projects and the completion of operations services for certain clients, as high-value-added businesses such as modernization-related projects improved profitability.
	Operating Income	12,321	<b>12,729</b>	+408	[+3.3%]	
	Operating Margin	12.3%	<b>12.9%</b>	+0.6P	-	
Industrial IT Business	Net Sales	128,120	<b>133,396</b>	+5,276	[+4.1%]	Sales and operating income increased, driven by expanded IT investment across services, manufacturing, distribution, and other industries, as well as fewer unprofitable projects.
	Operating Income	19,330	<b>22,507</b>	+3,177	[+16.4%]	
	Operating Margin	15.1%	<b>16.9%</b>	+1.8P	-	
Regional IT Solutions	Net Sales	177,425	<b>184,238</b>	+6,812	[+3.8%]	Sales and operating income increased despite lower profitability on some public-sector projects due to changes in conditions, supported by broader IT investment demand from healthcare and other industrial clients and lower one-off expenses recorded in the previous fiscal year.
	Operating Income	21,576	<b>23,328</b>	+1,752	[+8.1%]	
	Operating Margin	12.2%	<b>12.7%</b>	+0.5P	-	

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Page 10 shows the situation by key segment.

offering services posted higher revenues and profits due to the acquisition of projects in the payment, infrastructure, and enterprise areas, as well as a decrease in unprofitable projects. BPM sales and profits are up due to the acquisition of DX projects and ongoing cost control. In financial IT, sales declined due to the peak-out of large development projects and the termination of operation services for some customers, but earnings increased due to high value-added business related to modernization. Industrial IT and regional IT solutions also posted increases in both sales and profit, thanks to the capture of IT investment demand from a wide range of customers.

## Fiscal 2026:

### Sales and Income by Key Business Segments (vs. Forecast)



[Millions of yen]	Fiscal 2026 Revised Forecast	Fiscal 2026 Actual	Vs. Forecast		Overview	
Offering Service Business	Net Sales	153,500	160,574	+7,074	[+4.6%]	Sales and operating income exceeded the revised forecast, driven by expanded IT investment, particularly in the enterprise domain. Overseas business also contributed to sales growth.
	Operating Income	10,250	10,442	+192	[+1.9%]	
	Operating Margin	6.7%	6.5%	-0.2P	-	
Business Process Management	Net Sales	44,000	44,092	+92	[+0.2%]	Sales were in line with the forecast, while operating income exceeded the forecast, reflecting steady project wins in the DX business and other areas as anticipated.
	Operating Income	6,200	6,397	+197	[+3.2%]	
	Operating Margin	14.1%	14.5%	+0.4P	-	
Financial IT Business	Net Sales	99,000	98,730	-269	[-0.3%]	Sales were generally in line with the forecast, while operating income exceeded the forecast, driven by progress in modernization-related and other high-value-added businesses.
	Operating Income	12,550	12,729	+179	[+1.4%]	
	Operating Margin	12.7%	12.9%	+0.2P	-	
Industrial IT Business	Net Sales	132,500	133,396	+896	[+0.7%]	Sales and operating income exceeded the forecast, driven by stronger-than-expected IT investment across a wide range of industries, including services, manufacturing, and distribution.
	Operating Income	21,900	22,507	+607	[+2.8%]	
	Operating Margin	16.5%	16.9%	+0.4P	-	
Regional IT Solutions	Net Sales	182,000	184,238	+2,238	[+1.2%]	Sales exceeded the forecast, driven by stronger-than-expected demand for broad-based IT investment from healthcare and other industrial clients. However, operating income fell short of the forecast due to lower profitability on public-sector projects resulting from changes in conditions.
	Operating Income	23,750	23,328	-421	[-1.8%]	
	Operating Margin	13.0%	12.7%	-0.3P	-	

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Page 11 shows the comparison by major segment.

In most segments, sales and profits were generally in line with or above projections. In regional IT solutions, sales exceeded the plan, but profits fell short of the plan. This was mainly due to the deterioration in profitability resulting from the change in conditions in public sector projects as explained in Q3.

Pages 12 through 13 show the results for the three months of Q4, but we will skip them.

## Fiscal 2026:

### Order Status (Orders received during fiscal year)

- Full-year orders received increased year on year, driven by software development.
- Software development orders in Offering Services Business, Business Process Management, and Financial IT Business grew at solid double-digit rates year on year, while those in Industrial IT Business declined slightly.

[Millions of yen]		Fiscal 2025	Fiscal 2026	YOY change	
Orders received		577,091	<b>605,805</b>	+28,713	[+5.0%]
Software development		295,838	<b>315,223</b>	+19,384	[+6.6%]
<b>Key Business Segments</b>					
Offering Service Business	Orders received	136,740	<b>144,181</b>	+7,440	[+5.4%]
	Software development	53,632	<b>60,223</b>	+6,591	[+12.3%]
Business Process Management	Orders received	40,922	<b>43,454</b>	+2,531	[+6.2%]
	Software development	13,395	<b>15,251</b>	+1,855	[+13.9%]
Financial IT Business	Orders received	93,787	<b>100,593</b>	+6,806	[+7.3%]
	Software development	48,637	<b>54,697</b>	+6,059	[+12.5%]
Industrial IT Business	Orders received	133,659	<b>135,186</b>	+1,527	[+1.1%]
	Software development	92,404	<b>91,987</b>	-417	[-0.5%]
Regional IT Solutions	Orders received	171,983	<b>182,390</b>	+10,406	[+6.1%]
	Software development	87,768	<b>93,063</b>	+5,294	[+6.0%]

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From page 14, I will explain the status of orders.

Orders received in the fiscal year under review grew steadily, up 5% from the previous fiscal year, driven by software development. We apologize for the concern in Q3 due to the decrease from the previous quarter, but this is due to the fact that quarterly sales are sometimes prone to fluctuations. We hope you have seen that we have built up a solid base if you look at it on a half-year or full-year basis.

By segment, offering services, BPM, and financial IT saw double-digit growth in software development, while industrial IT saw a slight decline, but overall sales remained strong.

## Reference: Fiscal 2026 Fourth Quarter (Jan-Mar): Order Status

[Millions of yen]	Fiscal 2025 Q4	Fiscal 2026 Q4	YOY change	
Orders received	194,217	214,701	+20,484	[+10.5%]
Software development	87,705	101,215	+13,510	[+15.4%]
<b>Key Business Segments</b>				
Offering Service Business	Orders received	50,523	54,141	+3,618 [+7.2%]
	Software development	16,156	18,375	+2,218 [+13.7%]
Business Process Management	Orders received	11,150	12,048	+898 [+8.1%]
	Software development	3,967	4,737	+769 [+19.4%]
Financial IT Business	Orders received	34,084	39,421	+5,336 [+15.7%]
	Software development	14,393	16,896	+2,502 [+17.4%]
Industrial IT Business	Orders received	42,908	47,023	+4,115 [+9.6%]
	Software development	27,292	30,360	+3,068 [+11.2%]
Regional IT Solutions	Orders received	55,550	62,066	+6,515 [+11.7%]
	Software development	25,895	30,845	+4,950 [+19.1%]

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Page 15 shows orders received for the three months of Q4.

In all segments, software development showed double-digit YoY growth rates, confirming a strong buildup of orders.

## Fiscal 2026: Order Status (Order backlog at year-end)

- Order backlog at fiscal year-end increased year on year, driven by software development.
- Software development backlog grew steadily in Regional IT Solutions Business and Offering Services Business.

[Millions of yen]	Fiscal 2025	Fiscal 2026	YOY change	
Order backlog	197,590	210,769	+13,179	[+6.7%]
Software development	107,993	117,201	+9,208	[+8.5%]
<b>Key Business Segments</b>				
Offering Service Business	Order backlog	48,954	50,000	+1,045 [+2.1%]
	Software development	18,383	20,749	+2,365 [+12.9%]
Business Process Management	Order backlog	7,943	8,594	+650 [+8.2%]
	Software development	7,526	8,139	+613 [+8.1%]
Financial IT Business	Order backlog	40,822	44,474	+3,652 [+8.9%]
	Software development	21,433	22,484	+1,050 [+4.9%]
Industrial IT Business	Order backlog	43,033	45,428	+2,394 [+5.6%]
	Software development	29,427	29,946	+519 [+1.8%]
Regional IT Solutions	Order backlog	56,835	62,272	+5,436 [+9.6%]
	Software development	31,222	35,882	+4,659 [+14.9%]

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Page 16 shows the order backlog at the end of the fiscal year.

Driven by software development, the order backlog increased 6.7% from the previous fiscal year. In particular, software development for regional IT solutions and offering services has been building steadily.

## Fiscal 2026: Balance Sheets and Cash Flow Status



- Maintained a sound financial base while optimizing the capital structure through the acquisition of treasury stock. Free cash flow increased due to growth in operating cash flow.

### Balance Sheets

[Millions of yen]	As of March 31, 2025	As of March 31, 2026	YOY change	Key Factors for YOY Change
Current assets	319,080	295,295	-23,785	Securities -28,487 Cash and deposits +3,222
Non-current assets	238,970	256,211	+17,241	Property, plant and equipment +7,883 Intangible assets -2,052
<b>Total Assets</b>	<b>558,051</b>	<b>551,507</b>	<b>-6,544</b>	
Current liabilities	153,210	164,190	+10,980	Contract liabilities +9,897 Provision for loss on litigation +7,434
Non-current liabilities	48,775	49,589	+813	Long-term borrowings -1,272
<b>Total Liabilities</b>	<b>201,986</b>	<b>213,780</b>	<b>+11,793</b>	
Shareholders' equity	326,709	300,304	-26,404	Treasury stock -19,325 Capital surplus -8,178
Others	29,355	37,422	+8,066	
<b>Total Net Assets</b>	<b>356,064</b>	<b>337,726</b>	<b>-18,337</b>	
Equity ratio	61.5%	58.9%	-2.6P	
Interest-bearing debt	37,012	34,824	-2,187	

### Cash Flows

[Millions of yen]	Fiscal 2025	Fiscal 2026	YOY change	Key Factors for YOY Change
Cash flow from operating activities	63,748	81,447	+17,698	Income before income taxes -5,194 Decrease (increase) in trade receivables +13,027
Cash flow from investing activities	-17,741	-30,920	-13,178	Purchase of investment securities +4,227 Proceeds from sale of investment securities -12,294
Free cash flow	46,006	50,527	+4,520	
Cash flow from financing activities	-27,791	-78,362	-50,571	Purchase of treasury stock -48,064
Cash and cash equivalents at the end of the term	121,288	93,733	-27,554	

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\* Interest-bearing debt does not include lease obligations.

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Page 17 shows the balance sheet and cash flows.

Through share repurchases, the Company ensures a sound financial base while promoting the optimization of its capital structure. Free cash flow also increased due to higher operating cash flow.

I would like to continue by explaining our full-year forecast for the fiscal year ending March 31, 2027.

- IT investment continues to expand over the long term, supported in part by wider use of AI, while changes in the business environment warrant continued close monitoring.

		To date	From now
<b>Offering Service Business</b>	<ul style="list-style-type: none"> <li>The cashless payments market continued to expand, while the basis of competition shifted toward sophistication and profitability. Touchpoints with clients are becoming increasingly important.</li> <li>The advance of embedded finance is driving the wider social implementation of digital finance. Interest in stablecoins and Web3 also remains high.</li> <li>Cybersecurity is a critical issue directly linked to business continuity, requiring continued investment.</li> <li>The ASEAN economy is expected to remain resilient despite political instability, with high expectations for digital economy agreements.</li> </ul>		
<b>Business Process Management</b>	<ul style="list-style-type: none"> <li>Demand for business process redesign and sophistication continued amid labor shortages. The advanced BPO/BPM market, incorporating AI and DX, remained solid.</li> <li>Demand is rising for value-added services combining consulting and AI utilization, as well as BPaaS, while simple outsourcing continues to shrink and pricing pressure remains strong.</li> </ul>		
<b>Financial IT Business</b>	<ul style="list-style-type: none"> <li>Against the backdrop of changes in the interest rate environment, financial institutions continued to make IT investments both to strengthen competitiveness and profitability and to address regulatory requirements and enhance security. Modernization demand, including for core systems, also remained solid.</li> <li>As AI adoption expands, it is becoming increasingly important to establish implementations linked to existing systems. With payment methods diversifying, investment in external service integration and end-to-end business processes is also becoming more important.</li> </ul>		
<b>Industrial IT Business</b>	<ul style="list-style-type: none"> <li>Geopolitical risks, raw material prices, foreign exchange rates, and rising wages and prices continue to affect cost structures, particularly in manufacturing. The importance of passing on costs, improving operational efficiency, and making prompt, data-driven management decisions remains high.</li> <li>Against the backdrop of the government's growth policies, appetite for investment in areas such as DX/GX, modernization, ERP renewals, and smart factories remains solid.</li> <li>In the restaurant, service, and retail sectors, demand continues to recover, while labor shortages and wage-hike pressure persist. IT utilization and overseas expansion are key to securing profits.</li> </ul>		
<b>Regional IT Solutions</b>	<ul style="list-style-type: none"> <li>In the finance and insurance sectors, investment expanded in next-generation systems and digital channel enhancement. Business efficiency improvement and digital transformation also remain important for regional financial institutions.</li> <li>In the securities sector, IT investment remained solid, driven by regulatory compliance and security enhancement needs.</li> <li>For life and non-life insurers, enhancing IT infrastructure and strengthening client touchpoints are key issues. The Group is working to expand its inner share by participating in strategic business areas.</li> <li>Amid ongoing system standardization initiatives, municipalities are showing growing interest in business DX, data utilization, and enhanced resident services.</li> <li>In the healthcare field, IT demand continues for standardization, system integration, and data infrastructure development, supported by medical DX.</li> </ul>		

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Page 19 is the understanding of the business environment.

We expect IT investment to continue to expand over the long term, including the spread of AI utilization. We expect the business environment to remain favorable, although we will continue to monitor changes in the business environment in each segment.

## Fiscal 2027: Performance Forecasts

- The Group plans higher sales and operating income through business expansion and continued investments toward achieving the Medium-Term Management Plan (2024–2026).
- Net income is expected to rise significantly, reflecting an estimated ¥5 billion extraordinary gain under the investment securities disposal policy. EPS CAGR of 10% and ROE of over 16%, key management indicators under the plan, are also expected to be achieved.

[Millions of yen]	Fiscal 2026 Actual	Fiscal 2027 Forecast	YOY change	
Net Sales	596,479	<b>620,000</b>	+23,520	[+3.9%]
Operating Income	76,229	<b>81,000</b>	+4,770	[+6.3%]
Operating Margin	12.8%	<b>13.1%</b>	+0.3P	-
Net Income Attributable to Owners of the Parent Company	46,624	<b>57,000</b>	+10,375	[+22.3%]
Net Income to Net Sales Ratio	7.8%	<b>9.2%</b>	+1.4P	-
Net Income per Share [Yen]	204.91	<b>271.70</b>	+66.79	[+32.6%]
ROE	14.0%	<b>17.5%</b>	+3.5P	-

\* ROE in the fiscal 2027 forecast is an estimated value.

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Page 20 is the forecast for the fiscal year ending March 31, 2027.

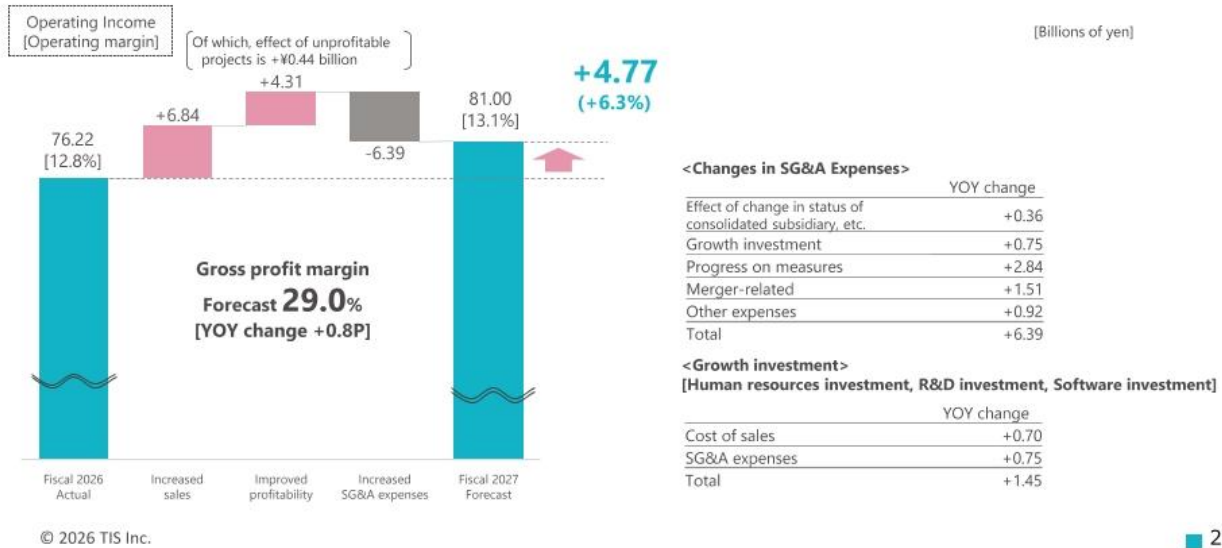
Sales is projected to increase 3.9% YoY to JPY620 billion. Operating income is forecast to be JPY81 billion, up 6.3% from the previous year, after factoring in approximately JPY1.6 billion in merger-related expenses. All of these figures are targets of the medium-term management plan. Net income is expected to increase 22.3% from the previous year to JPY57 billion, which exceeds the target of the medium-term management plan, after factoring in an expected extraordinary gain of JPY5 billion based on the policy of selling investment securities.

As a result, we expect to achieve EPS CAGR of 10% and ROE of over 16%, which are key indicators in our medium-term management plan. The target for unprofitable projects is planned to be controlled within JPY1 billion.

**Fiscal 2027:**

**Analysis of Changes in Operating Income by Factor (Forecast)**

- Despite continued growth investments, including an additional ¥4.0 billion in compensation-related investment year on year, operating income is expected to increase, driven by high-value-added businesses and productivity improvements.



Page 21 shows changes in operating income by factor.

In addition to continued investment in growth, we expect to increase operating income by providing high value-added business and promoting productivity improvement measures, even as we step up investment in compensation. The gross profit margin is once again targeted at 29%.

## Fiscal 2027: Sales and Income by Key Business Segment (Forecast)



[Millions of yen]		Fiscal 2026 Actual	Fiscal 2027 Forecast	YOY change		Overview
Offering Service Business	Net Sales	160,574	<b>164,100</b>	+3,525	[+2.2%]	Sales and operating income are expected to increase, supported by IT investment demand, particularly in payment and infrastructure-related areas. The Group aims to improve profitability in overseas operations through structural reforms and other measures.
	Operating Income	10,442	<b>11,250</b>	+807	[+7.7%]	
	Operating Margin	6.5%	<b>6.9%</b>	+0.4P	-	
Business Process Management	Net Sales	44,092	<b>44,300</b>	+207	[+0.5%]	Sales increased, mainly reflecting growth in the DX business, which is positioned as a focus area. Meanwhile, operating income declined, reflecting increased investment in growth areas.
	Operating Income	6,397	<b>6,250</b>	-147	[-2.3%]	
	Operating Margin	14.5%	<b>14.1%</b>	-0.4P	-	
Financial IT Business	Net Sales	98,730	<b>108,500</b>	+9,769	[+9.9%]	Sales and operating income are expected to increase, supported by expanded business with existing clients and the capture of demand from new clients, including modernization-related demand.
	Operating Income	12,729	<b>14,900</b>	+2,170	[+17.0%]	
	Operating Margin	12.9%	<b>13.7%</b>	+0.8P	-	
Industrial IT Business	Net Sales	133,396	<b>137,000</b>	+3,603	[+2.7%]	Sales and operating income are expected to increase, supported by deeper engagement with existing clients, stronger industry-specific capabilities, service expansion, and the capture of ERP-related IT investment demand.
	Operating Income	22,507	<b>23,100</b>	+592	[+2.6%]	
	Operating Margin	16.9%	<b>16.9%</b>	+0.0P	-	
Regional IT Solutions	Net Sales	184,238	<b>191,000</b>	+6,761	[+3.7%]	Sales and operating income are expected to increase, reflecting growing demand for network-related services, the capture of broad-based IT investment demand from clients in the industrial and financial sectors, and control of unprofitable projects.
	Operating Income	23,328	<b>25,000</b>	+1,671	[+7.2%]	
	Operating Margin	12.7%	<b>13.1%</b>	+0.4P	-	

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Page 22 is a description of the forecast by segment.

We plan to increase sales and profits in offering services, financial IT, industrial IT, and regional IT solutions. BPM, on the other hand, plans a slight decrease in profit due to strengthened investment in growth areas.

To wrap up my presentation, I would like to explain our shareholder return policy.

## Status/Targets for Return to Shareholders

- In fiscal 2026, the year-end dividend was increased by ¥4 per share compared with the forecast, bringing the annual dividend to ¥80 per share. This marked the 14th consecutive year of dividend increases.
- For fiscal 2027, an annual dividend of ¥90 per share is planned, up ¥10 year on year. Of the ¥50.0 billion treasury stock acquisition resolved on March 10, 2026, ¥13.9 billion was acquired in fiscal 2026, with the remaining ¥36.1 billion planned for acquisition in fiscal 2027.



We will skip page 24, which is a restatement of the basic policy, and turn to page 25.

For the fiscal year ending March 31, 2026, in response to business growth that exceeded our plan, we increased the year-end dividend by JPY4 to JPY80 per share for the full year, based on our shareholder return policy, with a 50% total return ratio in mind. For the fiscal year ending March 31, 2027, we plan to pay an annual dividend of JPY90 per share, an increase of JPY10 from the previous year.

Regarding the repurchase of treasury stock, of the total amount of JPY50 billion decided on March 10, 2026, JPY13.9 billion has already been repurchased by the end of the fiscal year ending March 31, 2026. The remaining JPY36.1 billion is currently being acquired. Of this amount, JPY8.2 billion is equivalent to the acquisition cost based on the shareholder return policy. In the fiscal year ending March 31, 2027, we intend to steadily implement such shareholder returns and enhance our corporate value through improved capital efficiency.

This concludes my explanation.

**Moderator:** Thank you. Next, Okamoto will explain the progress of the medium-term management plan and the direction of strategies for future growth. Thank you.

**Okamoto:** This is TIS Okamoto. Once again, thank you very much for attending our earnings presentation today.

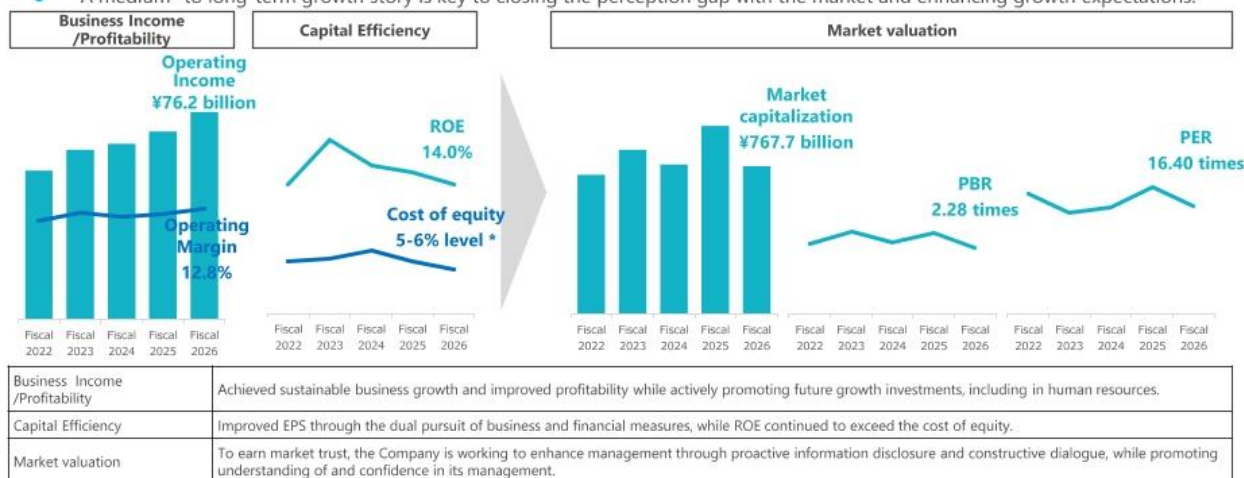
I would like to begin by explaining two points: the progress of our medium-term management plan and the direction of our strategy for future growth.

First, as a premise for our efforts to sustainably enhance the corporate value of our group, our basic philosophy of "OUR PHILOSOPHY" remains unchanged as the foundation of our sustainability management.

## Efforts for Sustainable Corporate Value Improvement

### (2) Analysis and Evaluation of Current Status

- Continue to generate returns above the cost of capital through business growth and financial measures. Although IT services sector valuations have adjusted significantly amid speculation over AI evolution, the business environment remains favorable, and the view remains unchanged that the Company's intrinsic value is not appropriately reflected in the market.
- A medium- to long-term growth story is key to closing the perception gap with the market and enhancing growth expectations.



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\* Cost of equity estimated using CAPM

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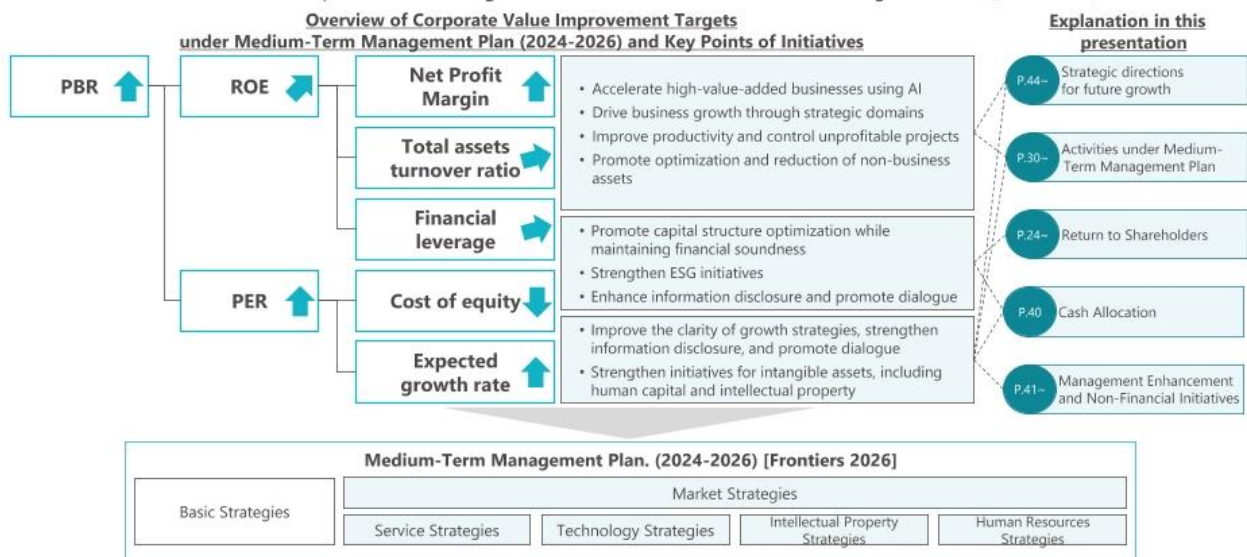
Page 28 is an analysis and evaluation of our efforts to date.

Over the years, we believe that we have been able to sustainably generate returns in excess of our cost of capital in terms of both business growth and financial measures. However, most recently, we recognize that the market view of IT services as a whole driven by the speculation surrounding AI improvement has affected the market evaluation of our company.

We believe that sustainable growth is possible in the future, and we recognize that the market does not fully reflect the intrinsic value based on this premise. In order to close the perception gap with the market, we will continue to present a clearer story that raises growth expectations from a medium- to long-term perspective.

### Efforts for Sustainable Corporate Value Improvement (3) Overview of Plans and Efforts

- Aim to further enhance corporate value through the execution of the Medium-Term Management Plan (2024–2026).



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As you can see on page 29, we have been working toward the sustainable enhancement of corporate value based on the implementation of the medium-term management plan, and in light of recent changes in circumstances, we have also set forth the direction of our strategy for future growth, which I will explain later.

From page 30, I would like to focus on the progress of the medium-term management plan and explain its key points.

### Progress on Key Management Indicators

- On track to achieve the targets set in the Medium-Term Management Plan.



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I will skip the summary of the medium-term management plan on page 30 and talk about the progress of key management indicators on page 31.

We are on track to achieve all of these goals through business expansion and the promotion of various measures over the past two years. In terms of operating income per capita, we achieved our target one year ahead of schedule, but naturally we will not be satisfied with this, but will strive to further improve it.

## Progress on the Medium-Term Management Plan (2024–2026): Fiscal 2026 Overview



- Steady progress was made in the second year of the Medium-Term Management Plan. Further efforts are needed to address segment-specific market issues and advance strategies in light of industry restructuring and AI-driven technological innovation.

<p><b>Market Strategies</b> <b>On track</b></p>	<ul style="list-style-type: none"> <li>Despite lower profitability in Offering Services Business and Regional IT Solutions due to increased upfront investment in payment and low-margin/unprofitable public-sector projects, overall sales and operating income achieved the upwardly revised forecast, supported by growth in other segments driven by IT investment demand. Both sales and operating income increased year on year.</li> <li>In Global Business, business scale expanded steadily, mainly in ASEAN, although profitability remains an issue.</li> </ul>		
<p><b>Service Strategies</b> <b>In progress</b></p> <ul style="list-style-type: none"> <li>Industry axis: Modernization orders expanded in finance and industrial sectors; projects on track.</li> <li>Functional axis: Credit light version rolled out, but orders remained sluggish. Profitability declined due to higher upfront investment in payment.</li> <li>Integrate UI/UX, AI, and data analytics to establish a full service value chain.</li> </ul>	<p><b>Technology Strategies</b> <b>In progress</b></p> <ul style="list-style-type: none"> <li>AI use in indirect operations has become routine. AI-driven development is being rolled out across projects, aiming to improve development productivity by 50%.</li> <li>Progress is on track, but amid changes in the external environment, efforts will be accelerated as a company-wide project to expand AI application areas and create concrete results in higher-value-added businesses.</li> </ul>	<p><b>Intellectual Property Strategies</b> <b>On track</b></p> <ul style="list-style-type: none"> <li>Began operation of information platforms and training programs to consolidate client touchpoint data, solution know-how, and problem-solving expertise as intellectual property and create new value.</li> <li>Promote initiatives to improve speed and quality by formalizing the tacit knowledge of experienced SEs and increasing project turnover through AI-driven development.</li> </ul>	<p><b>Human Resources Strategies</b> <b>On track</b></p> <ul style="list-style-type: none"> <li>Operating income per person reached ¥3.5 million, achieving the Medium-Term Management Plan target one year early, driven by priority measures based on the human capital scenario despite higher compensation investment.</li> <li>Job satisfaction reached 59%, exceeding the fiscal 2027 target of 58% ahead of schedule.</li> <li>Optimize HR strategy in response to AI-driven changes in development and business processes.</li> </ul>

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Page 32 is a summary of our efforts toward the medium-term management plan for the fiscal year ending March 31, 2026.

In the second year of our medium-term management plan, while we have steadily achieved results, we recognize the need to promote each strategy in light of changes in the external environment, such as segment-specific issues in our market strategy and technological innovation through AI.

Medium-Term Management Plan (2024-2026)  
Basic Policies



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Fiscal 2027 Group Management Policy

- Sustainable growth in value provided to society and corporate value through sustainability management**
- Advancing Higher Value Creation in the AI Era with TISI as the Core Company**
- Expansion of profitability through business structure transformation supported by continued active investment**
- Business expansion and governance establishment aimed at becoming a top-class IT corporate alliance in ASEAN**
- Enhancement of added value and efficiency through strengthened human capital and intellectual property utilization**

- Aim to continuously enhance corporate value by embedding and deepening management that is conscious of cost of capital and stock price.
- Achieve sustainable growth by enhancing risk management and optimizing priority strategy monitoring, with the aim of becoming "indispensable to social transformation."
- TISI, the new core company responsible for Group-wide value creation, will drive higher added value across the Group in the AI era.
- Strengthen and optimize development measures for consultants, IT architects, advanced sales talent, and all employees, focusing on AI-enabled problem-solving, insight, and integration capabilities.
- Strengthen initiatives to develop new clients and deepen existing client relationships toward becoming an SPB
- Ensure Group-wide control of unprofitable projects
- Generate results through greater use of generative AI in direct and indirect operations
- Target Asia's enormous market potential over the long term, while strengthening relationships with investee partners and promoting joint business development for ASEAN expansion.
- Enhance global governance and management.
- Enable talent with strong expertise to deliver high added value through proactive human capital investment and responses to talent-related issues based on the human capital scenario.
- Further promote IP accumulation and utilization, including IP creation through enhanced feedback from client touchpoints.

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We will incorporate them into the Group management policies for the fiscal year ending March 31, 2027, which are shown on page 33 below, and make progress on them.

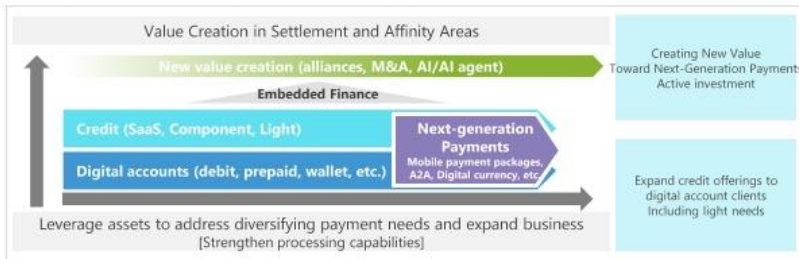
Activities under Medium-Term Management Plan (Topics):  
Service Strategies - Payment Business

- The cashless payments market remained solid, with the SME market in the B2B domain expanding as expected. The financial industry is also becoming increasingly active in the social implementation of next-generation payment methods such as stablecoins. The Group will further evolve PAYCIERGE by incorporating AI into processing services that function as social infrastructure, and will work to create new value.

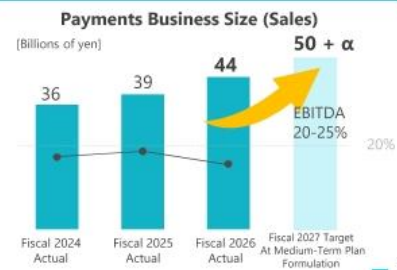
Fiscal 2026: Key Initiatives

- Reinvestment needs in the credit domain are becoming more active, with the development structure strengthened to handle multiple large-scale projects in parallel. Focus on sales expansion in the core systems domain (SoR) and AI utilization in RegTech, including fraud detection.
- Strengthen investment in payment services for functional evolution and stable operations amid the expansion of cashless payments.
- Collaboration with business partners is progressing steadily, including DX initiatives for the SME market in the B2B domain with regional banks such as Hiroshima Bank, as well as initiatives to accelerate the commercialization of stablecoins. The Group is also focusing on sales expansion in the sports domain, including arena and stadium payments.

Fiscal 2027: Key Themes	
<b>01 Next-Generation Payments</b>	Accelerate commercialization of stablecoin/tokenization services
<b>02 Credit</b>	Expand core SoR areas
<b>03 Digital Accounts</b>	Acquire more partner regional banks



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Starting on page 34, we will discuss the progress of each of the initiatives in the medium-term management plan.

First is the payments business. With the business environment remaining favorable, we are actively working to create new value as we continue to evolve PAYCIERGE, focusing on processing services that function as social infrastructure, while also incorporating AI. We are stepping up investments for the future, and although

profitability declined slightly in the fiscal year ended March 31, 2026, we continue to recognize that the business has a large room for growth.

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



- Steadily capture robust modernization demand and expand business in line with the plan.
- Enhance solution value and strengthen delivery capabilities, anticipating system renewal demand driven by broader client AI adoption.

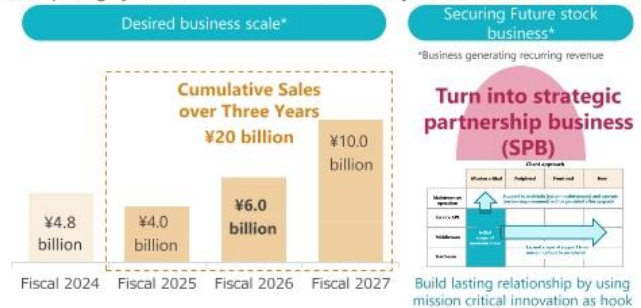
### Fiscal 2026: Key Initiatives

- Drive business centered on dedicated modernization organizations in Financial IT and Industrial IT.** Large-scale projects, particularly in the financial domain, and Group collaboration projects are driving business expansion.
- Develop integrated modernization from front-end to back-end** through collaboration with Pegasystems Corporation; case studies disclosed.
- Use AI to enhance solution value and productivity,** and strengthen delivery capabilities to improve client value.

### Fiscal 2027: Key themes

- Expand the pipeline and build initiatives in priority areas for medium- to long-term growth, while continuously strengthening relationships toward becoming an SPB**
- Strengthen capabilities to steadily advance the modernization business**
- Further enhance solutions using AI**

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\* Sales related to modernization services using Xenlon and other solutions

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Page 35 is the modernization business.

The modernization business is expanding in line with plans, including the acquisition of a large project for a new client in the financial IT, driven by brisk business conditions. We will continue to aim to expand our business as a strategic partner that contributes to our clients' business growth and corporate transformation, while building a strong relationship of trust.

## Activities under Medium-Term Management Plan (Topics): Market Strategies - Global Business



- Strengthen global competitiveness through the expansion of global partners and strategic investments. Continue aiming to form an "ASEAN top-class IT alliance" and achieve global consolidated sales of ¥100 billion.

### Fiscal 2026: Key Initiatives

- Invested in Cleverse (TH), an AI workspace provider, via MFEC's CVC; joint proposals underway for MFEC clients
- Promoting Channel development collaboration to improve productivity and global support capabilities

- Agreement to invest in three AI startups through a joint accelerator program with the National University of Singapore (NUS)
- Order received for a collaborative project with one of these startups for financial clients of the Anabatic Group



### Fiscal 2027: Key themes

<b>Value-Up on Channel</b>	Business selection and concentration / Shift to higher-value-added AI-enabled services
<b>Expansion of Value Chain</b>	Cross-border expansion with NTQ / Acquisition of consulting capabilities
<b>Diversification of investment targets</b>	Second phase of NUS joint program / Global sourcing centered on North America
<b>Acquire and develop human resources to create new businesses</b>	Acquisition of young entrepreneurial talent through partnerships with top Asian universities

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### Global business scale



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Page 36 is the global business.

In the short term, there are issues such as the impact of the local situation. In spite of this, we continue to expand our global partner base and strengthen our competitiveness through our investment strategy in order to achieve our goal of forming a top-class ASEAN IT consortium.

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

- AI-driven development processes are progressing as planned toward a 50% productivity improvement by fiscal 2030.
- Accelerate AI utilization across new development, maintenance, and quality management.

<p><b>New development</b></p>	<p><b>AI-driven development platform completed</b></p> <ul style="list-style-type: none"> <li>✓ Completed integration of AI tools into the company-wide development platform "AXION"</li> <li>✓ Promote application to code generation and design documentation based on security and governance-conscious processes</li> <li>✓ Confirmed 47% productivity improvement in specific projects</li> </ul> <p><b>Priority Themes for Fiscal 27</b>    Expand application and quantify impact</p>	<p><b>Maintenance development</b></p>	<p><b>Verification of AI utilization in maintenance development started</b></p> <ul style="list-style-type: none"> <li>✓ Started verification of project-specific chat using project information (Agentic RAG)</li> <li>✓ Verified use in client projects for inquiries, research, and design</li> <li>✓ Verified quality and productivity improvement in the maintenance phase</li> </ul> <p><b>Priority Themes for Fiscal 27</b>    Accelerate implementation through standardization and Group-wide deployment</p>
<p><b>Quality management</b></p> <p><b>Initiated quality management enhancement using AI</b></p> <ul style="list-style-type: none"> <li>✓ Quality Engineering Department leads AI-enabled project management enhancement</li> <li>✓ Build AI-enabled functions by linking on-site knowledge with product knowledge, including quality (Q), cost (C), schedule (D), and risk (R)</li> <li>✓ Review quality management systems and prepare development guidelines based on AI utilization</li> </ul> <p><b>Priority Themes for Fiscal 27</b>    Strengthen quality management through advanced review and monitoring</p>			
<ul style="list-style-type: none"> <li>• <b>Promote technology and talent strategies in an integrated manner so that people can lead and take responsibility for completing AI-driven system development</b></li> <li>• <b>Accelerate implementation and deployment through collaboration with external partners and experts</b></li> </ul>			

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These are technology strategies.

We aim to improve development productivity by 50% by the fiscal year ending March 31, 2030, and the deployment of AI-driven development processes is progressing as planned. In the fiscal year ending March 31, 2026, we incorporated AI tools into the company-wide development infrastructure, and we are proceeding with this and confirming the effect of productivity improvement. We will continue to actively utilize AI with a sense of speed.

I used to use the term AI-centered development, but I would like to change it to AI-driven development from now on.

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

- Aggregate client touchpoints, project track records, and other information as intellectual assets to enhance proposals and provide high-value-added services.
- In fiscal 2026, foundations for utilizing intellectual assets were developed and AI was incorporated. Going forward, the Company will leverage these assets to offer high-value-added proposals linked to client issues and generate Group synergies.

### Fiscal 2026: Key Initiatives

- ✓ **Collection and structuring of intellectual assets; development of foundations**  
Promoted foundations to accumulate and utilize information in a structured manner
- ✓ **Enhancement of AI-enabled proposal and decision-making support**  
Built an environment to support faster and more advanced proposal and decision-making through AI incorporation
- ✓ **Development of client-issue-based sales and proposal processes**  
Strengthened an organizational approach to enhance sales and proposal capabilities

### Fiscal 2027: Key themes

- ✓ **Operationalize the intellectual asset platform**  
Use knowledge in sales and management to enhance decision-making and resource allocation
- ✓ **Full-scale deployment of intellectual asset utilization**  
Deploy mechanisms to improve proposal quality and speed
- ✓ **Embed talent development and processes**  
Establish client-issue-based sales processes and strengthen organizational sales capabilities

### Target State for Intellectual Asset Utilization



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These are the intellectual property strategies.

We will continue our efforts to provide sophisticated proposals and high value-added services by consolidating and centrally managing customer contact information, project results, and other intellectual assets, and actively utilizing them.

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



- Continue human capital investment based on the human capital scenario. In fiscal 2026, advanced talent was strengthened and the organizational foundation was developed, achieving operating income per person of ¥3.5 million.
- In fiscal 2027, enhance people and organizational capabilities, the source of competitiveness, through AI utilization, and accelerate initiatives to improve value creation capabilities.

### TIS INTEC Group Human Capital Scenario



### Fiscal 2026: Key Initiatives and Results

- Strengthened advanced talent in focus areas
- Continued compensation investment and strengthened management foundation / organizational climate
- Built foundations for strategic AI utilization

### Fiscal 2026 → Fiscal 2027

- **Advanced talent personnel**
  - Consultants: 589 → **700 or more**
  - IT Architect: 303 → **370 or more**
  - Advanced sales talent: 274 → **360 or more**
- **Job satisfaction: 59%** → **58% or more**
- **Women in management: 13.8%** → **15% or more**

## Enhance people and organizational capabilities through AI to evolve value creation — Talent that attracts, mobilizes, and inspires empathy in the AI era, and organizational capabilities that support challenge and growth —

Fiscal 2027 Key themes	Key Theme	Description
Fiscal 2027 Key themes	01 Accelerate Expansion of Advanced Talent	Accelerate the strategic acquisition and development of advanced talent who will drive business results — Strengthen talent capable of identifying the essence of issues and leading transformation
	02 Transform the Talent Portfolio	Dramatically enhance the power of people and organizations through AI, and optimize staffing to improve value creation capabilities — Dramatically improve productivity and added value through company-wide AI utilization — Promote flexible talent management aligned with Group companies
	03 Enhance the Management Foundation	Strengthen the management foundation that fosters growth and challenge through the integration of HR systems at TIS, the core company of the Group, and improve employee engagement — Further strengthen organizational capabilities by enhancing management and improving engagement

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Page 39 is the human resources strategies.

As I mentioned earlier, we believe that our achievement of operating income per employee one year ahead of the Mid-term Management Plan target is the result of our continued investment in human resources based on the human capital scenario. However, we naturally cannot be satisfied that this is sufficient, and we will continue to promote initiatives for human resources, our most important management capital, without slackening in our efforts to further evolve our value-creating capabilities.

## Activities under Medium-Term Management Plan (Topics): Financial Investment Strategies Cash Allocation

- Continue to actively consider and execute M&A and equity investments, while incorporating AI utilization across business operations. The ¥100 billion growth investment framework remains unchanged from the initial plan.
- Resolved in March 2026 to acquire ¥50 billion in treasury stock to accelerate improvements in shareholder returns and capital efficiency; acquisition already underway.



Page 40 is the financial investment strategies.

In the fiscal year ending March 31, 2026, we have decided to repurchase a total of more than JPY90 billion of our own shares to increase shareholder returns and improve capital efficiency as quickly as possible. However, there is no change in the original plan of JPY100 billion frame for growth investment. We will continue to actively consider and implement mergers and acquisitions and investments for investment purposes, and we will also incorporate the use of AI into our overall business operations.

## Activities under Medium-Term Management Plan (Topics): Enhancing Management Capabilities

- Restructure systems and processes to integrate the management and utilization of risks and opportunities, in light of rapid changes in the business and social/ESG environments.
- Begin phased operation in fiscal 2027 and full-scale operation from April 2027, strengthening links to management decisions and next-year measures.

**Fiscal 2026: Rebuilt risk and opportunity management— Integration of sustainability-related issue management and management risk management —**



**Fiscal 2026: Key Initiatives in Response to Changes in the Social/ESG Environment**

Environment (E)	Society (S)	Governance (G)
<ul style="list-style-type: none"> <li>• Promoted early transition to renewable energy-derived electricity at data centers and offices</li> <li>✓ On track to achieve the Medium-Term Management Plan target for GHG emissions reductions (Scope 1+2) one year ahead of schedule</li> <li>• Updated disclosures based on TCFD</li> </ul>	<ul style="list-style-type: none"> <li>• Responded to labor shortages</li> <li>✓ Expanded the talent foundation in focus areas</li> <li>✓ Strengthened talent strategies based on AI utilization</li> <li>✓ Formulated a compensation investment policy</li> <li>✓ Promoted co-creation with the supply chain</li> </ul>	<ul style="list-style-type: none"> <li>• Organized key issues and decided the transition policy for an Audit &amp; Supervisory Committee structure</li> <li>• Strengthened and embedded discussions and monitoring of key strategies</li> <li>• Considered succession plans</li> <li>• Established a basic policy on AI utilization</li> </ul>

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Page 41 is our effort on the enhancing management capabilities.

In light of the rapidly changing business and social environment, we have restructured our systems and processes to manage and utilize risks and opportunities in an integrated manner. In the fiscal year ending March 31, 2027, the Company began phased-in operations. Through formal operation starting in April 2027, we will strengthen the reflection of the results in management decisions and measures for the next fiscal year.

## Activities under Medium-Term Management Plan (Topics): Non-Financial Management Indicators



- Further reinforce the growth foundation by enhancing human capital and deepening relationships with stakeholders.

Materiality themes	Perspective/policy on measuring progress	Indicators	Scope <sup>1</sup>	Fiscal 2025 Results	Fiscal 2026 Results	Fiscal 2027 Targets
1	<b>Demonstrate capabilities of employees</b> Human resources with specialized expertise will be at forefront of frontier development and provide high added value	Job satisfaction	B	56%	59%	58%
		Number of consultants	B	545 persons	589 persons	700 persons
		Number of female employees in management positions	B	12.9%	13.8%	15%
2	<b>Provide value to society</b> Aim to integrate business and sustainability so that promoting business aligned to strategic domains itself creates social value	Strategic domain ratio	A	51%	52%	52%
		Operating income per person	A	¥3.1 million	¥3.5 million	¥3.7 million
		Growth investment	A	Annual ¥19.5 billion	Annual ¥17.2 billion	Three-year total ¥100.0 billion
3	<b>Quality demanded by society</b> Realize management attitude/practices supporting accumulation/distribution of intellectual property, and create appealing quality	Client/service satisfaction	C	58.5%	60.6%	59%
		Business partner satisfaction	D	74%	77%	81%
4	<b>Company chosen by society</b> Constantly reinforce internal controls on groupwide basis, and contribute to decarbonized society and recycling-oriented society	GHG emissions (Scope 1+2) [Compared with fiscal 2020]	A	65% reduction	82% reduction (preliminary)	70% reduction
		Renewable energy utilization rate (Offices and data centers)	B	Introduced 64%	Introduced 78% (preliminary)	Fiscal 2031: 100% introduction

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\*1 A: Consolidated / B: Consolidated (domestic) / C: TIS, INTEC, AGREX, QUALICA, AJS, TIS Solutions Link / D: TIS, INTEC

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Page 42 shows progress on non-financial management indicators.

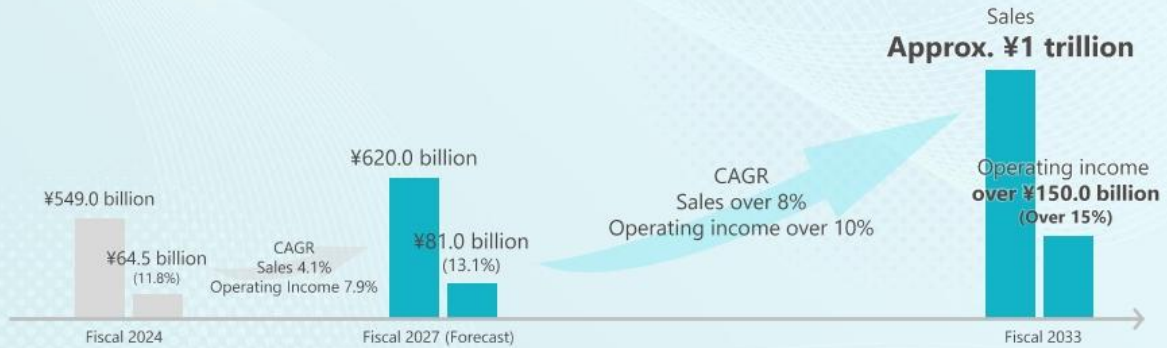
Many of the indicators are generally on track toward the mid-term goals. We will continue to make steady progress to enhance corporate value from non-financial aspects as well.

Next, I would like to explain the direction of our strategy for future growth, which we have clarified in order to look beyond the current medium-term management plan.

## Toward Our Vision through Business Growth



- Aims to achieve consolidated sales of approximately ¥1 trillion and operating income of over ¥150 billion in fiscal 2033 by strengthening the Group-wide value chain centered on TISI and advancing growth strategies for the AI era.



Medium-Term  
Management Plan  
(2024-2026)

- **Strengthening the Group Value Chain**
  - Pursue the maximization of Group-wide value creation with TISI at the core
  - Strengthen client-facing value creation through the establishment of TISI Solutions
- **Advancing Growth Strategies for the AI Era**
  - Transform earnings quality through AI-driven development
  - Expand recurring revenue through Vertical AI services
  - Diversify earnings models through strategic investments in priority areas

Group  
**VISION**  
2032

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First, page 44 shows our vision through business growth.

We hope to increase the growth rate by strengthening the value chain of the entire group, centered on TISI, and by promoting a growth strategy in the age of AI. This will result in sales of JPY1 trillion scale and operating income of more than JPY150 billion by the fiscal year ending March 2033, the target of the current group vision. We would like to grow the Group toward this goal to achieve our vision.

## Materiality Review in Response to Changes in the Business Environment



- In light of changes in the business environment and the Group's characteristics, we have reviewed our materiality and positioned it as a source of competitive advantage for the sustainable enhancement of corporate value.

Changes in the Business Environment	Direction of Growth Strategies	Characteristics of the Group
<ul style="list-style-type: none"> <li>Progress in industry and capital restructuring / convergence across industries</li> <li>Intensifying competition for talent</li> <li>Shift in the source of added value driven by AI</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening SPB and IOS / developing CCB and SIS</li> </ul>	<ul style="list-style-type: none"> <li>Enterprise Solutions Business</li> <li>Extensive track record in mission-critical domains</li> </ul>

### TIS INTEC Group's New Materiality

Even in an era of accelerating AI, it is people who identify the issues facing clients and society, develop technological capabilities, and build trust. By placing people at the center of our management, we will maximize their potential. We will continue to build an organization where everyone can learn, take on challenges, and create meaningful results.

<b>Foundation for Value Creation</b>	Clients	Client base that expands value through co-creation and enables transformation at scale	<b>Delivery Capabilities</b>	System Development	Capabilities to reliably design and develop highly complex systems
	Talent	Talent capabilities needed in the AI era: engaging deeply with clients, mobilizing action, and fostering empathy		Quality	Capabilities that ensure trusted quality and stable operations
<b>Problem-Solving Capabilities</b>	Solutions	Solutions that deliver repeatable outcomes	<b>Organizational Capabilities</b>	Growth Opportunities	Environment that supports challenge and growth
	Technology	Technology foundation that supports robust quality and transformation		Management Foundation	Organization that continuously learns through dialogue

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\* The new materiality is scheduled to be applied from the next Medium-Term Management Plan, which begins in April 2027.

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Page 45 is a review of materiality.

The business environment surrounding our group is changing drastically on a daily basis, and in light of these changes in the environment and the characteristics of our group, we have positioned materiality as a source of competitive advantage to realize sustainable improvement of corporate value, and have reviewed it. The new materiality clarifies the capital and capabilities that will support future growth, and will be formally operationalized in April 2027, coinciding with the start of the next mid-term management plan.

# Growth Strategy Policy in Light of the Growing Adoption of Generative AI



Disclosed on March 10, 2026  
(reposted)

We view the AI revolution as a growth opportunity and accelerate growth through integrated management across the TIS INTEC Group.

## Our View of the Business Environment

- The AI revolution will expand IT demand
- Core systems, operations, and data will need to be redesigned for the AI era
- IT will further evolve into core infrastructure for corporate competitiveness

### New Challenges Faced by Many Companies

- Legacy modernization
- Beyond AI PoCs
- AI adoption at scale
- Data, governance, and security
- Foundation model selection

Challenges that Sters are uniquely positioned to solve

## Value We Provide

- End-to-end support** from mission-critical core system development to operation
- Optimal integration** spanning modernization to advanced technologies, backed by broad expertise and technological capabilities as an independent provider
- Measurable improvements** in clients' efficiency and competitiveness through deep industry, business, and IT expertise

Value Created by Our Core Competencies

Eliminating transformation uncertainty across the client business lifecycle  
Creating sustainable competitive advantage through client co-creation and enabling AI adoption in society

AI-driven development dramatically expands our delivery capabilities and evolves our revenue model, allowing us to deliver greater value to clients.

Mission-critical system modernization powered by our proprietary modernization technologies

Industry-specific AI agents powered by proprietary know-how and technologies built over many years

M&A to accelerate growth

Value Aligned with Changing Client Needs

### AI Platform Preparation Phase

**Becoming AI-ready**  
Consultants with expertise in IT, business, and industry lead problem-solving and implementation

### Knowledge Asset Phase

**Operating with AI**  
Providing industry-specific AI agents powered by our engineers' client-level tacit industry and business knowledge

### Operational Transformation Phase

**Embedding and evolving AI**  
Evolving and upgrading client operations through problem-solving, adoption, and feedback loops driven by front-line engineers

### Business Transformation Phase

**Co-creating businesses for a new era**  
Co-creating new businesses for a new era through our next-generation businesses, including stablecoins and healthcare

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Page 46 is the basis for the direction of our strategy for future growth, and is actually a restatement of the information we announced in our timely disclosure on March 10, so I will skip the explanation this time.

# Business Environment in the AI Era and the Group's Approach



- Clients' DX investments have already shifted their focus toward business transformation, with AI further enhancing execution speed and quality. Toward the next Medium-Term Management Plan, we will further strengthen our client base in mission-critical domains and advance initiatives to capture growth opportunities arising from this shift.

## Client Transformation in the AI Era

Allocate the majority of digital investments to AI-ready renewal projects

Drive business transformation and system renewal based on human-AI collaboration

Generate investment capacity by improving productivity and profitability

Improve the speed and quality of business expansion

- Beyond Enhancing Digital Competitiveness -

Starting from mission-critical domains, the Group will support AI transformation across client layers and lead clients and society toward sustainable growth.

## Our Group Strategy to Drive Transformation

Consulting X Modernization supports AI readiness from concept to implementation

Business-specific agentic AI transforms client operations

AI-driven development accelerates the cycle from IT investment to implementation

Establish a trusted position across layers by leveraging industry expertise and strengths in mission-critical domains

Leading Clients Forward



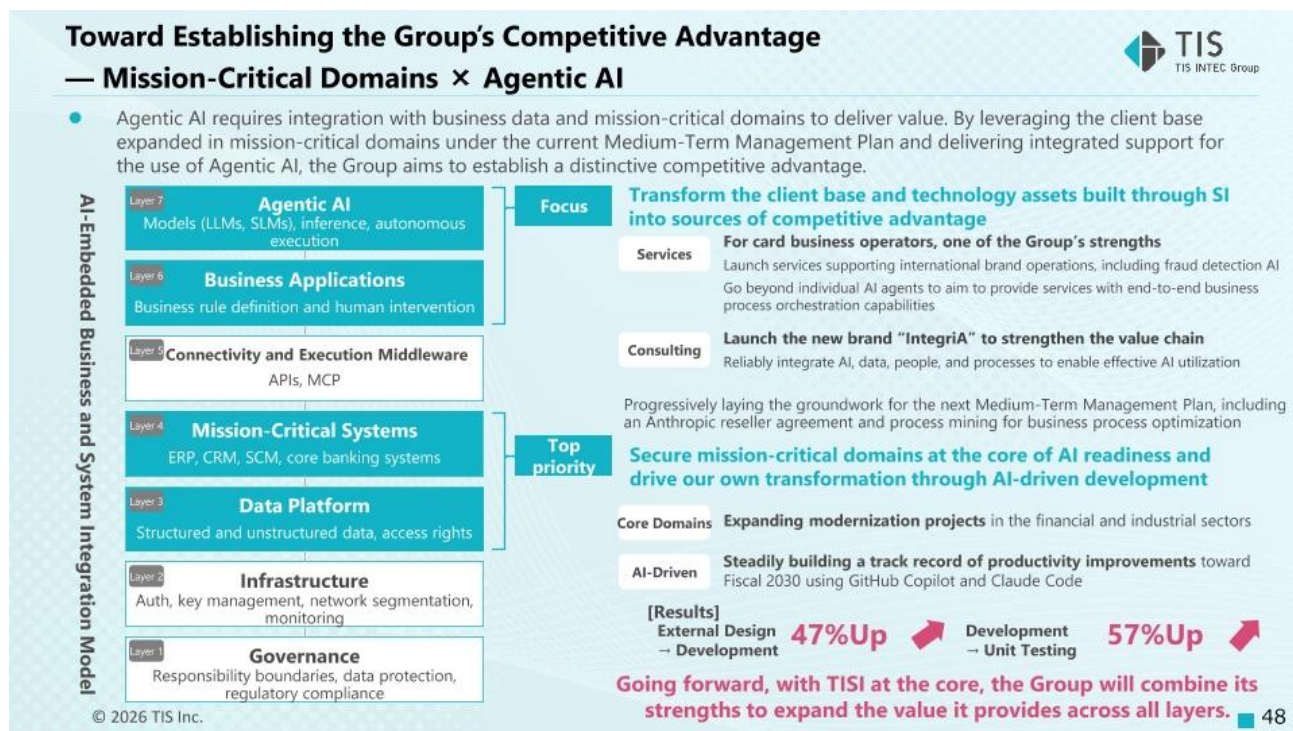
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On page 47 is the business environment in the AI era and the Group's approach.

The focus of our clients' DX investments has already shifted to business structure transformation, and we recognize that the execution speed and quality of this transformation will be further enhanced by the use of AI. Against this backdrop, the Group will further strengthen its client base in the mission-critical domains for the next medium-term management plan.

Specifically, we will support our clients' AI transformation from the perspective of both transforming their business operations and improving our own development speed by providing consulting, modernization, business-specific agentic AI, and AI-driven development across layers, starting with the mission-critical domains. By doing so, we hope to establish a trusted position across layers by leveraging industry expertise and strengths in mission-critical domains.



Page 48 presents the Group's approach to establishing a competitive advantage.

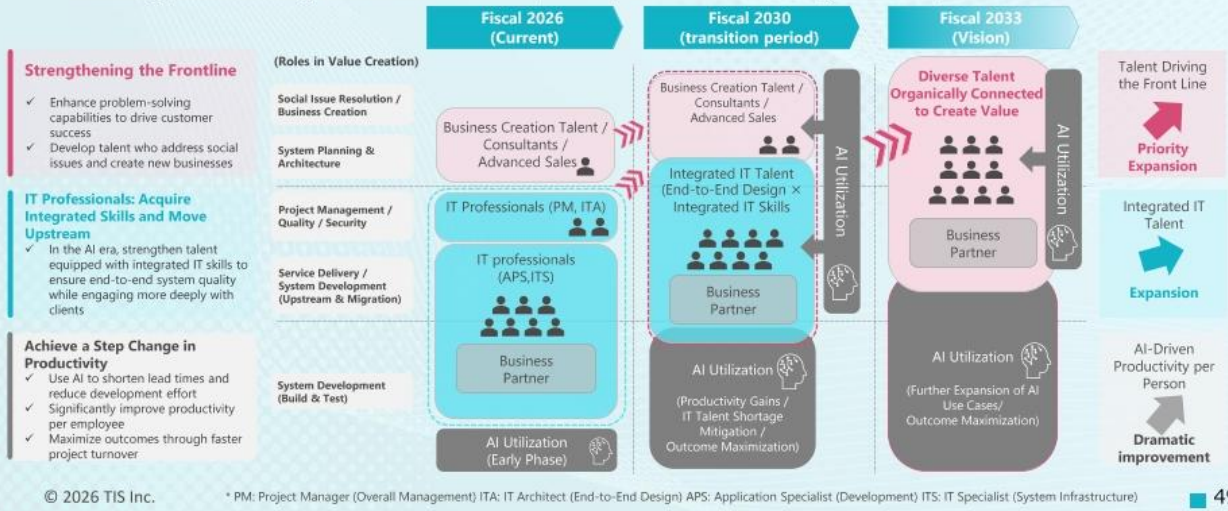
In order for agentic AI to demonstrate its value, it is essential to link it with business data and mission-critical domains.

The mission-critical domains are the heart of AI-Ready. The Group will establish a unique position by providing AI application support in combination with its customer base and technological assets built up through SI as a source of competitive advantage. Leveraging our strength in card business operations, we launched the service to offer fraud detection AI. In addition, we have launched a new brand, IntegriA, which provides comprehensive support for AI applications from strategic planning to implementation and effect generation, and we have signed a reseller agreement with Anthropic. In this way, we are working to build the foundation for the next medium-term management plan.

In our own AI-driven development, we have achieved a 47% productivity improvement in external design and manufacturing, and a 57% improvement in manufacturing unit testing. Going forward, with TISI at the core, we will continue to expand the value we provide at all layers.

## Toward Establishing the Group's Competitive Advantage — Strengthening Human Capital to Drive Value Creation

- Promote AI utilization across the workforce to shorten project lead times and dramatically improve productivity per employee, driving top-line growth through higher project turnover while addressing the structural shortage of IT talent.
- Accelerate strategic investment in talent with integrated IT skills that serve as a source of competitive advantage in the AI era, and strong problem-solving and business-creation capabilities, to achieve sustainable growth in corporate value.



Page 49 is about strengthening the human capital to drive value creation.

In the age of AI, it is necessary to improve productivity through the use of AI and upgrade the roles played by human resources in an integrated manner. It is now a matter of course for all employees to utilize AI, but we will achieve a shortening of the construction period per project and a dramatic increase in productivity per person. This will help to increase the turnover rate of projects and expand the top line, as well as address the structural issue of a shortage of IT personnel.

At the same time, we will strengthen the human resources who lead the front line in resolving customer issues and those who are responsible for business creation. In addition, IT professionals will enhance their integrated IT skills and shift to more upstream areas.

We believe that utilizing AI as a means of expanding human potential and organically linking diverse human resources to create value will enhance the Group's strength and lead to competitive advantage, and we will accelerate strategic investments to this end.

## Key Strategies for the Next Medium-Term Management Plan (2027–2029)



- The next Medium-Term Management Plan will advance qualitative earnings transformation through AI-driven development, recurring revenue expansion through Vertical AI services, and revenue model diversification through strategic investment in priority areas. Through these structural shifts, the Group aims to drive sustainable growth in corporate value.

### Opportunities for Clients

- Establish a competitive advantage through simultaneous renewal of business operations and systems
- Create new revenue opportunities by turning accumulated data and know-how into value through AI
- Redirect AI-generated resources into investment to achieve non-linear growth

### Threats to Clients

- Unclear priorities for AI adoption and deployment
- Urgent need to make aging mission-critical domains AI-ready
- Erosion of competitive advantage as AI-enabled competitors emerge

To address both client opportunities and threats, the Group will promote three market strategies grounded in mission-critical domains and business expertise.

### Qualitative Transformation of Earnings through AI-Driven Development

- Increase project turnover and expand project volume through AI-driven development
- Provide seamless services from upstream consulting to modernization to increase project value and repeat business

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### Expansion of Recurring Revenue through Vertical AI Services

- Provide outcome-based agentic AI that orchestrates entire business processes based on core systems and business expertise, thereby expanding recurring revenue

### Diversification of Revenue Models through Strategic Investment in Priority Areas

- Looking beyond AI, advance revenue-sharing businesses in the payments and healthcare domains

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Page 50 is the key strategies defined for the next medium-term management plan.

Again, AI has the potential to significantly change the way society and our clients do business. We see this change as an opportunity for growth, and we intend to dramatically increase the value we provide to our customers while transforming our own business model.

To this end, as a solution to both the opportunities and threats faced by its customers, the Group will pursue three market strategies, starting with the mission-critical domains and business knowledge.

The first is a qualitative transformation in earnings through AI-driven development to raise project turnover and unit costs. Second, expansion of recurring revenue through outcome-based vertical AI Services. Third, diversification of revenue models through revenue-sharing business driven by strategic investment in priority areas such as payment and healthcare. We will be working on the details of the medium-term plan over the next year, but I hope you will understand that we aim to achieve sustainable improvement in corporate value through these structural reforms.

In closing my explanation, I would like to reiterate my message for the future.

# Seeking Further Improvement in Corporate Value



With regard to the current medium-term management plan, we are beginning to see the achievement of the goals that we described as challenging at the start of the plan. This is the result of steady efforts to strengthen the front line and structural transformation, and we are determined to achieve the goals of the medium-term management plan.

On the other hand, for us, that is not the goal. We will continue to transform ourselves to further increase our corporate value, viewing changes in the AI era as an opportunity for growth.

The merger of TIS and INTEC is one of our efforts to achieve this goal. I am not going to cover this today, but preparations are progressing very well toward July 1, which is two months away. We also continue to review our group portfolio.

In addition to the integration of some of INTEC's back-office operations into the Group's shared company in April, the basic merger policy of TIS Solution Link and INTEC Solution Power, which was decided today, is also aimed at strengthening the value chain of the entire Group.

The Group has faced changes in the business environment in the past, and we are proud that we have evolved, grown, and overcome these changes by promoting structural reforms. With "OUR PHILOSOPHY" as our firm axis, we will continue to mobilize the Group's management resources and knowledge to achieve sustainable growth through evolution and transformation. We are convinced that we have capabilities to achieve that. We hope you will continue to look forward to the progress of the TIS INTEC Group.

This concludes my explanation. Thank you.

## Question & Answer

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**Moderator [M]:** Thank you. We will now move on to the question-and-answer period.

Due to time constraints, each person will be limited to two questions at a time. Please understand that we may not be able to answer all of your questions depending on the progress of the session.

If you have a question about a particular slide, please specify the slide number with which you would like to ask a question, so that we can put up the slide.

We will now begin the question-and-answer session. First, Daiwa Securities, Mr. Ueno. Please go ahead.

**Ueno [Q]:** I would like to start with page 21. On page 21, there is a forecast for SG&A expenses. As for this JPY6.39 billion increase in the SG&A expenses, while we heard about it every quarter in the previous fiscal year, the increase for the fiscal year ended March 31, 2026 ended up by JPY940 million, or JPY1.39 billion less than the plan.

Looking at the orders received for this fiscal year, I think that the people in the field will be very busy, and will not be able to devote their time and energy to the promotion of the measures. What do you think, since you already have AI and such, you will make the use of cost mandatory for this fiscal year, is it correct?

Or, even so, since there is a demand on the side of the customer, is there a possibility that the budget for the SG&A expenses may not be fully digested as it was the previous year? Could you answer this question first?

**Kawamura [A]:** Yes, I will answer then. As you pointed out, we were not able to fully digest the budget for SG&A expenses in the previous fiscal year, but we intend to further strengthen our investment in human resource development and education, including AI, and we will continue to promote these efforts. In addition, as I mentioned earlier, there are merger-related costs of about JPY1.5 billion or so, and we would like to digest these as necessary expenses.

We have incorporated such necessary growth investments into our plans with a high degree of certainty. On the other hand, we will also control SG&A expenses well in response to changes in the environment. We are investing in growth while replacing the contents of the plan according to the situation, so first of all, we would like to use up this plan and make a solid investment in growth for the next move, as Okamoto explained earlier. That is all.

**Ueno [Q]:** In terms of being able to judge from the figures, are you able to foresee to certain extent if you can use up the budget by looking at the amount spent for SG&A in Q1? Or, as you just said, considering the buffer for the full year, is it not a very good reference value since the digestion at the beginning of the period does not go that far?

**Kawamura [A]:** As for human resource investment and merger-related costs, which I mentioned in the previous section, I think we will be able to proceed with the spending about a 50-50 split between the H1 and H2 plan. Since growth investment will depend on the progress, we will explain it in every quarter.

**Ueno [Q]:** Understood. Next point is on page 50. The response to AI and such came up in detail this time despite it is in the middle of the medium-term management plan. The stock price adjustment in the sector as a whole is due to the destructive impact of AI on the industry. I'm afraid this is the case of other company, but even if they set a target in their mid-term business plan, the next day the share price plummets, and I have the feeling that the market does not trust the target very much even if the Company sets a target.

So, regarding this part, it is a KPI that is necessary. For example, there are three initiatives here, and in the case of qualitative transformation of earnings through AI-driven development, KPI would be something like you can increase turnover by this initiative and development plan would be shortened by this much and turnover ratio will increase 1.1 times per year. In the case of the application rate of AI development and Vertical AI services, everyone says it is a performance-based system, but it is not so easy to do so. For this part, I hope you would disclose the specific example in the future.

For the next part, a revenue-sharing business, you said that you would explain it later, but I would like to ask you to include as many figures as possible in these areas and disclose them every quarter or every three months. You may think it would be difficult to disclose these qualitative initiatives. However, looking at the current overall adjustment in the stock price for the sector as a whole, I think it would be difficult to disprove the statement without disclosing these figures. This is the request, rather than a question. That is all.

**Okamoto [A]:** Yes, I fully understood your request. We will be studying the mid-term plan over the next year or six months, and we will set targets in the process. We will disclose what we can clearly. That is all.

**Ueno [M]:** Please do so. Thank you. That is all.

**Moderator [M]:** Thank you. Next, BofA Securities, Mr. Tanaka. Please go ahead.

**Tanaka [Q]:** BofA Securities, Tanaka. Please put up slide 15 which is about the order.

Orders for software development this time have been very strong, a complete change from Q3, haven't they? I would like some more comments from Mr. Kawamura, because I would feel it would be insufficient if he says that is due to a fluctuation of quarters. Please comment first on each segment regarding what kind of products grew well during the quarter, and what kind of slightly larger products were added, including future prospect.

**Kawamura [A]:** Yes, sir. Although we caused some concern in Q3, as I mentioned at that time, we were able to make a strong comeback in Q4, and I am pleased to report that we were able to make a solid accumulation during the second half of the fiscal year.

By segment, in the offering services, the business management field is one of our strong areas, and we have received a large order in this segment. In the payment area, we also received orders from customers, but since there was a reactionary decline from the previous fiscal year, the business is generally flat. Therefore, please consider that the business management area made a significant contribution.

In the area of financial IT, orders from the customers in the mission-critical domains have been increasing steadily, and this figure of plus 25 is the result of orders from such customers in the credit card industry and megabanks.

Industrial IT, which was weak in Q3, has turned positive, thanks to an increase in orders from customers in the energy field, our area of expertise, and positive demand from service-related customers for mission-critical system renewals.

One point to note is that while orders in the energy field were strong, there was a slight shift in the period, and orders of about JPY2 billion for Q1 of the current fiscal year ending March 31, 2027 were received ahead of schedule in Q4. Therefore, please note that this will affect Q1.

In the area of regional IT, overall orders of both financial and industrial IT were strong, especially from megabanks and migration projects for our major customers, which are being carried out in cooperation between Intec and TIS. Due to these strong orders, we believe that orders have been steadily accumulated for Q4. That is all.

**Tanaka [Q]:** Thank you. By the way, in the business management of offering services, is large order as large as JPY1 billion or so?

**Kawamura [A]:** Yes. Some of the orders are worth about JPY1 billion, but there are also several other projects worth several hundred million yen that we have received orders for, and we believe that finishing them well will lead to good results in H1.

**Tanaka [Q]:** Thank you. If that is the case, if we look at Q1 of the fiscal year, although there is some impact from the JPY2 billion shifted advance for energy as mentioned earlier, the outlook for the rest of the year is quite solid.

**Kawamura [A]:** Yes. We believe that the environment remains favorable, and we will continue to take orders in Q1 firmly. In addition, since there are fluctuations on a quarterly basis, we will accumulate orders by looking them throughout H1.

**Tanaka [Q]:** Thank you. The second one is the same as before, page 21. This is the plan for this fiscal year. As for the merger-related expenses, we originally thought that they would be JPY2 billion to JPY3 billion. However, they were almost negligible in the fiscal year just ended and it is an increase of only bit less than JPY1.6 billion in the plan. Does this mean that you estimated the plan conservatively and that became obvious in the figures?

Also, 29% gross profit margin, while not an impossible level, seems like a high target considering that the gross profit margin has been in the low 28% range for the past three years or so, even after adding back unprofitable operations. I imagine that even if this becomes short of the target, you may be able to control it by curbing SG&A expenses. Is the gross profit margin quite foreseeable?

**Kawamura [A]:** Let me explain step by step. First, regarding merger-related expenses in SG&A expenses, since the merger is within the Group, the expenses are mostly personnel expenses, and we are now proceeding with the integration process by firmly promoting measures. We are generally making good progress, so we are proceeding within the scope of that plan, which means that there was not much of an impact as a merger-related expense in the previous fiscal year.

On the other hand, we will change the Company name this fiscal year, and we will also change various signs and increase outflow costs, so we are planning to spend over JPY1.5 billion mainly in H1 of the fiscal year. This is generally in line with our plan, and we would like to use it up.

As I mentioned earlier, our first priority is to fully digest SG&A expenses and invest in growth.

As for the gross profit margin, we expect an increase of about JPY400 million on the premise that we will firmly curb unprofitable projects. Other than that, we would like to raise the gross profit margin by steadily promoting productivity reforms using AI, which I have just explained in the growth investment section.

We are still in the middle of the road in some of the areas where we have been working to achieve highly profitable services. First of all, we will steadily achieve a gross profit margin of 29% by firmly implementing productivity reforms in the field of system integration, and then aim for 30% or more. This approach has not been changed, and we would like to generate solid outcome in H1. That is all.

**Tanaka [M]:** Thank you. That is all.

**Moderator [M]:** Thank you. Next, Mr. Koketsu, Citigroup Securities Inc. Please go ahead.

**Koketsu [Q]:** Thank you for your support. This is Koketsu of Citi Group Securities. Thank you for the opportunity to ask a question.

First, I would like to ask you about the JPY1 trillion and the 15% operating income plan for the fiscal year ending March 31, 2033 that you announced this time. I am sure you will take into account the use of AI, but from the management's point of view, at least 8% is a must, and taking into account the revenue growth rate of the previous fiscal year and the current fiscal year, I think it is well below that level.

Therefore, I think that the next mid-term plan will be used to create a base for accelerating revenue growth. Again, can you first tell us how management creates the growth rate?

**Okamoto [A]:** First of all, I would like to say that this figure of JPY1 trillion, or over JPY150 billion, is the vision we are aiming for.

As I explained earlier in my strategy, we will increase sales and profits at an accelerated pace by improving efficiency and turnover through the use of AI.

However, unless we set specific goals and strategies, we will not be able to make them a reality, so we have set the figures. Specifically, this is for two mid-term plans, so we will finalize the figures and strategies in due course. We will be creating a medium-term plan over the next year, and I hope to be able to make a firm announcement at that time. That is all.

**Koketsu [Q]:** Thank you. Second point is the meaning of doing Xenlon~Shenron, which I just heard from President Okamoto. I thought it was a good initiative to expand and develop areas that are difficult to be replaced by AI, from front-end systems to mission-critical system development. I was wondering if you can see any business prospects in the acquisition of mission-critical systems through Xenlon~ Shenron and the subsequent introduction of AI. Can you please tell us about it?

**Okamoto [A]:** Regarding Xenlon~ Shenron, Xenlon~ Shenron itself is evolving day by day. We have completed 25 projects in the past, including ongoing ones, and we have a large pipeline of nearly JPY10 billion, so we are determined to reap the rewards. We are also making proposals for the parts that became AI-Ready or shifted to Java.

We will realize them with customers more and more going forward. In this cycle, we will convert mission-critical systems to Java by Xenlon~Shenron with our customers. We would like to rotate this flow more and more.

**Koketsu [Q]:** Thank you. I would like to follow up on this. I know that your company is vendor-free when it comes to introducing AI beyond that. I think it would be better to form a partnership with Anthropic when introducing Claude, for example. What do you think about a partnership?

**Okamoto [A]:** We have already announced the partnership with Anthropic on April 24. We, as well as Anthropic are intended to provide the best solution to meet customers' requirement. Such Sler's approach has not changed and that is what we are going to do.

**Koketsu [M]:** Thank you. Please continue to do so.

**Moderator [M]:** Thank you. Next, Mizuho Securities, Mr. Hori. Please go ahead.

**Hori [Q]:** My name is Hori from Mizuho Securities. Thank you. I would like to make one point, and I would like to know your thoughts on the use of money.

President Okamoto mentioned that the market perception is not correct, but that is exactly where the market concerns for the mid- to long-term. Although the KPI per-head operating income is steadily improving, productivity levels are inferior when compared to the major players.

I am aware that measures will be taken to address this issue, but since human proficiency does not suddenly double or triple, and since everyone around us is also working at a certain speed, I don't think the relative positions will change that easily. I am aware of the fact that you still have to do this for five or 10 years.

When we think about strengthening the upstream here, in the diagram on page 40, although this includes my personal opinion, but rather than doing this much share buybacks, I think there is also an approach to do M&A more aggressively, even if you ignore this rules, to acquire an excellent consulting company or particular software. What do you think?

It says "actively consider and execute M&A", but could tell us whether you are leaning toward it more eagerly than in the past?

**Okamoto [A]:** To be frank about my thoughts, one is, as you said, investment in human resources. Naturally, it is a matter of course to educate existing personnel, but as you mentioned, we would like to be very proactive in acquiring sharp personnel, including AI architects, and consultants. We would like to promote it very actively. That is one thing.

The other thing is, as you mentioned, in promoting three pillars of strategy I talked about, although we have so far been focusing on M&A, mainly with regard to IT companies, I would like to broaden our perspective a little more, and do M&A with companies that we can revenue-share with. I believe it is essential to expand M&A from various perspectives, and I am quite eager to do it. That is all.

**Hori [M]:** Yes, okay. Thank you.

**Moderator [M]:** Thank you. Since there appears to be no one else with questions, I will now conclude the question-and-answer session. Lastly, Okamoto would like to say a few words.

**Okamoto [M]:** Thank you very much for joining us today for the financial Results Briefing for the Fiscal Year Ended March 31, 2026 of TIS Inc. If you have any questions after this, please call us for an individual interview or contact our IR department by phone and we will be happy to answer your questions and look forward to working with you in the future.

**Moderator [M]:** With that, I would like to close today's briefing.

Thank you very much for taking time out of your busy schedules to participate in this event.

[END]

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### **Document Notes**

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