

**Notice of the 17th Annual General Meeting of Shareholders**  
**(Business Report and Others)**

From April 1, 2024 to March 31, 2025

Business report for the 17th period

Consolidated balance sheet

Consolidated statement of Income

Consolidated statement of changes in net assets

Balance sheet

Statement of Income

Statement of changes in net assets

Accounting Audit Report for Consolidated Financial Statements

Accounting Audit Report for Financial Statements

Audit Report of the Audit & Supervisory Board

**TIS Inc.**

**Business report for the 17th period**  
(From April 1, 2024 to March 31, 2025)

**1. Matters related to the current situation of the corporate group**

**(1) Business progress and achievement**

During the consolidated fiscal year under review, the Japanese economy recovered moderately despite some stagnation, due in part to the effects of various policies, as the new employment and income environment improved. Looking ahead, although a moderate recovery is expected to continue, it will be necessary to watch carefully for the risk of downward pressure on Japan's economy due to the effects of continued rising prices on personal consumption and the impact from U.S. policy trends, including trade policy, as well as fluctuations in financial and capital markets, and other factors.

In the information service industry to which the Group belongs, demand for IT investment is expected to increase further as business processes and business model reforms utilizing digital transformation technology progress globally as the Bank of Japan's Short-term Economic Survey of Principal Enterprise in Japan, which was released during the period, indicated that all the software investment plans (all the industries, including financial institutions) showed a year-on-year increase.

Under these circumstances, the Group launched a new three-year medium-term management plan (2024–2026) at the start of the consolidated fiscal year under review as the first stage toward achieving “Group Vision 2032” which was formulated in April 2024. While translating the various investments and customer relationship-building activities undertaken in the previous medium-term management plan into positive results, we will aim at sustainable growth with added value through the implementation of measures in line with the basic policy.

In the consolidated fiscal year under review, net sales were 571,687 million yen (up 4.1% year on year), operating income was 69,047 million yen (up 6.9% year on year), recurring profit was 70,503 million yen (up 2.8% year on year) and the net income attributable to owners of the parent company was 50,012 million yen (up 2.3%).

Net sales increased year on year due to factors such as business expansion by accurately responding to IT investment demand, including customers' digital transformation demand, and promotion of service provision, even though the large-scale development projects that have driven business growth in recent years are passing their peak. Operating income grew year on year due to factors such as the increase in income from higher revenue, provision of high-added-value businesses, and promotion of productivity enhancement measures, as well as a decrease in unprofitable projects. In terms of profitability, the gross profit margin was 28.0% (up 0.4 percentage points year on year) and the operating margin was 12.1% (up 0.3 percentage points year on year). Recurring profit increased year on year mainly due to the increase in operating income. Net income attributable to owners of the parent company increased year on year due to an increase in recurring profit and an improvement in extraordinary income/loss. In the consolidated fiscal year under review, the Group recorded extraordinary income of 9,570 million yen and extraordinary loss of 5,926 million yen. The main components were a gain on sale of investment securities of 8,558 million yen resulting from a reduction of cross-shareholdings recorded as extraordinary income, and impairment losses of 4,242 million yen recorded as extraordinary loss.

The situation by segment is as follows. Net sales for each segment include net sales between segments.

### **1) Offering Service Business**

We provide knowledge-intensive IT services by constructing services based on the best practices accumulated in our group through our own investments.

Net sales in the consolidated fiscal year under review were 145,515 million yen (up 11.3% year on year), and operating income was 9,937 million yen (up 29.7% year on year). In addition to the expansion in IT investment in the enterprise, platforms, and settlement solutions fields, overseas operations contributed, and the business results, etc., of companies which became consolidated subsidiaries in the previous fiscal year, primarily Nihon ICS Co., Ltd., were reflected in the consolidated financial results, offsetting the impact of unprofitable projects. This resulted in a year-on-year increase in both revenue and profit with an operating margin of 6.8%, up 0.9 percentage points year on year.

### **2) Business Process Management**

We realize and provide advancement, improvement in efficiency and outsourcing through IT technology, business know-how, human resources, etc. for solving issues related to business processes.

Net sales in the consolidated fiscal year under review were 42,646 million yen (up 1.7% year on year), and operating income was 5,326 million yen (up 17.0% year on year). Although some existing BPO operations remained sluggish, the acquisition of projects in the DX business among others and continued cost reductions through streamlining operations resulted in a year-on-year increase in both revenue and profit with an operating margin of 12.5%, up 1.7 percentage points year on year.

### **3) Financial IT Business**

We examine and promote both business and IT strategy and support business promotion based on our business/operational know-how specialized in the financial industry.

Net sales in the consolidated fiscal year under review were 100,252 million yen (down 5.7% year on year), and operating income was 12,321 million yen (down 18.9% year on year). There were significant impacts as large-scale development projects for credit card companies and other core clients as well as public-sector financial institutions passed their peak. As a result, both revenue and profit decreased year on year, and the operating margin decreased to 12.3% (down 2.0 percentage points year on year).

### **4) Industrial IT Business**

We examine and promote both business and IT strategy and support business promotion based on our business/operational know-how specialized in each industrial field other than the financial industry.

Net sales in the consolidated fiscal year under review were 128,120 million yen (up 5.1% year on year), and operating income was 19,330 million yen (up 5.7% year on year). Despite the impacts of a decrease due to the non-recurrence of large-scale development projects in the manufacturing sector and unprofitable projects, the trend of expanding IT investments in a wide range of industries, including services, manufacturing and distribution led overall growth, resulting in a year-on-year increase in revenue and profit, and the operating margin increased 0.1 percentage points to 15.1%.

### **5) Regional IT Solutions**

We provide a wide range of IT professional services involving regions and customer sites and accumulate and deploy our know-how as solutions to support problem-solving and business promotion.

Net sales in the consolidated fiscal year under review were 177,425 million yen (up 2.9% year on year), and operating income was 21,576 million yen (up 16.6% year on year). Despite the non-recurrence of medical distribution projects, expansion in IT investment demand in the local government and life and non-life insurance sectors, as well as a significant decrease

in unprofitable projects, resulted in year-on-year growth in revenue and profit, while the operating margin increased 1.5 percentage points year on year to 12.2%.

## 6) Others

It consists of incidental businesses, etc. upon providing various IT services.

Net sales in the consolidated fiscal year under review were 10,123 million yen (up 5.7% year on year), operating income was 877 million yen (up 12.9% year on year), and the operating margin came to 8.7% (up 0.6 percentage points year on year).

As mentioned earlier, the Group launched a new three-year medium-term management plan (2024-2026) at the start of the consolidated fiscal year under review. We will set frontier development as a fundamental strategy and strive for sustainable growth with higher added value. We will strive to achieve changes in society and for corporate clients by enhancing quality across all value chains, starting with forward-looking market development and business domain expansion.

(Note) For more detailed information, please refer to [(4) Issues Requiring a Response 3) “Frontiers 2026” medium-term management plan (2024-2026)]

The status of the main initiatives for the fiscal year under review are presented below.

As part of the initiative to promote service strategy for the payment business, the Company entered into a capital and business alliance agreement with Nudge Inc. in April 2024 and launched “Light version of Credit Card Processing Service” targeting the digital native generation. In addition, in February 2025, in order to meet the needs of companies considering adopting this service, we also began offering the “Startup Suite” as an optional menu that provides comprehensive support from launch to expansion of a credit card business. Through these initiatives, the Company will strengthen the asset of “PAYCIERGE,” its brand of digital payment settlement platform, aiming for a top share in the light credit card market.

In the modernization services, which is positioned as one of the growth drivers of the medium-term management plan, like the payment business, we focus on our proprietary rewrite technology, the Xenlon Modernization Service, which boasts an overwhelming conversion rate and strengths in accuracy, performance and maintainability. We began collaboration with JFE Steel Corporation to promote this business in November 2024. Going forward, we will continue to work on solutions to legacy systems that pose the risk of a stagnation and decline in society and companies, and contribute to the sustainable growth of companies and society through the elimination of technical debt and system optimization.

As part of our market strategies, we clarified our direction in the Business Process Management segment in order to increase the probability of achieving the targets of the medium-term management plan. In order to realize structural reforms such as a shift to a new value provision model, the BPO business will promote a shift of resources to the customer experience (CX) domain, where there is high demand, and will also strengthen collaboration within the Group to accelerate the growth of the BPM business, which is positioned as the core business of the future, aiming to improve the value it provides through the full value chain, including promotion of the “BPaaS business (BPO + SaaS)” model.

To upgrade our human resources, which the Company regards as its most important management capital, we have developed our own human capital scenario to enhance the effectiveness of the cycle of higher added value through investment in human resources, and we are promoting initiatives for themes on three levels. In these circumstance, and with the success of our efforts to date, we received the Special Jury Award at the Nikkei Smart Work Awards 2025 in February 2025. We will continue to support each employee in taking on new challenges through proactive investment so that our specialized personnel can provide high added value, promoting a virtuous cycle of value exchange between our employees and the Company.

In addition, from May to June 2024, the Company acquired treasury stock of 6,499 million yen (total of 2,216,200 shares) in total, as part of its efforts to increase benefits for shareholders and enhance capital efficiency by implementing flexible capital policies that can swiftly respond to changes in the business environment. As a general rule, the Company holds up to 5% of the number of issued shares, and will retire any holdings exceeding 5% of issued shares.

## **(2) Capital investments**

In the consolidated fiscal year under review, capital investments in property and equipment include investments for the purpose of expansion for regular equipment renewal, various types of renovation as part of the promotion of work style reform, etc., as well as the installment acquisition of real estate trust beneficiary rights for the core facilities used for system operation business activities and providing cloud services of our own brand. With regard to intangible fixed assets, the Company made software investments to promote the service-type business. As a result, the total amount of capital investment was 25,961 million yen.

## **(3) Financing**

In the consolidated fiscal year under review, the Group as a whole borrowed 7,200 million yen in long-term debts and repaid 7,042 million yen.

## **(4) Issues Requiring a Response**

### **1) Management policies**

The Company determines ten-year visions in the form of the Group Vision, in order to guide efforts by all officers and employees of the Group to combine their capabilities to achieve our ideal state and sustainably enhance corporate value. In April 2024, the Company formulated the “Group Vision 2032,” the latest version of the Group Vision, taking into consideration changes in the internal and external environment.

#### **< Group Vision 2032: Long-term Management Policy >**

Based on the theme of “Society oriented, operationally diverse, globally active,” the Group aims to become an advanced global IT group, while maintaining a social and innovative nature. In order to solve social issues, the Group will work to make its businesses more diverse and global, while actively adopting innovative technologies and incorporating capabilities from other industries, thereby achieving business innovation and market creation.

Domains where the Group engages in original business activities to achieve sustainable growth will be defined as strategic domains, and in each segment, the Group will work to develop and create markets with the best mix of strategic domains, taking into consideration the unique characteristics of markets.

<Strategic domains>

Social Innovation Services	Businesses where the Group directly solves social issues, based on social impact indicators
Co-Creation Business	Businesses where the respective strengths of the Group and co-creation partners are combined to create new markets, in domains where the Group cannot compete alone
Strategic Partnership Business	Businesses where we discuss and promote business strategies for top-class customers in the industry together to play a fundamental role in business with foresight in the industry as well as knowledge which other companies cannot emulate
IT & Business Offering Services	Businesses where we offer services with the potential to become future de-facto standards by anticipating industry needs in specific industries and operations, utilizing our accumulated technology and expertise

## 2) Management issues (issues requiring a response)

There are numerous factors that require close attention, such as rising political and social tension and the ramifications caused by the increasingly unclear outlook for the global economy, but we expect the favorable business environment for the Group to continue.

Amid the social trend requiring the balancing of solutions to social issues with economic development, a succession of innovative technologies, such as generative AI, have entered the stage of practical application, and it is likely that social demand for the utilization of digital technologies will continue to expand and diversify. In connection with these clear business opportunities, we expect significant changes in the competitive environment on both the demand side and the supply side, influenced by factors including advancements by global IT platformers and consulting firms, as well as more active new entry to the industry from companies in peripheral industries.

With forecasted major changes in the environment, we believe it is important that the Group further refines our strength in our deep understanding of customers and technologies and also strengthens and expands our ability to solve issues through co-creation with players with a diverse range of capabilities. Our understanding of management issues facing the Company is as follows.

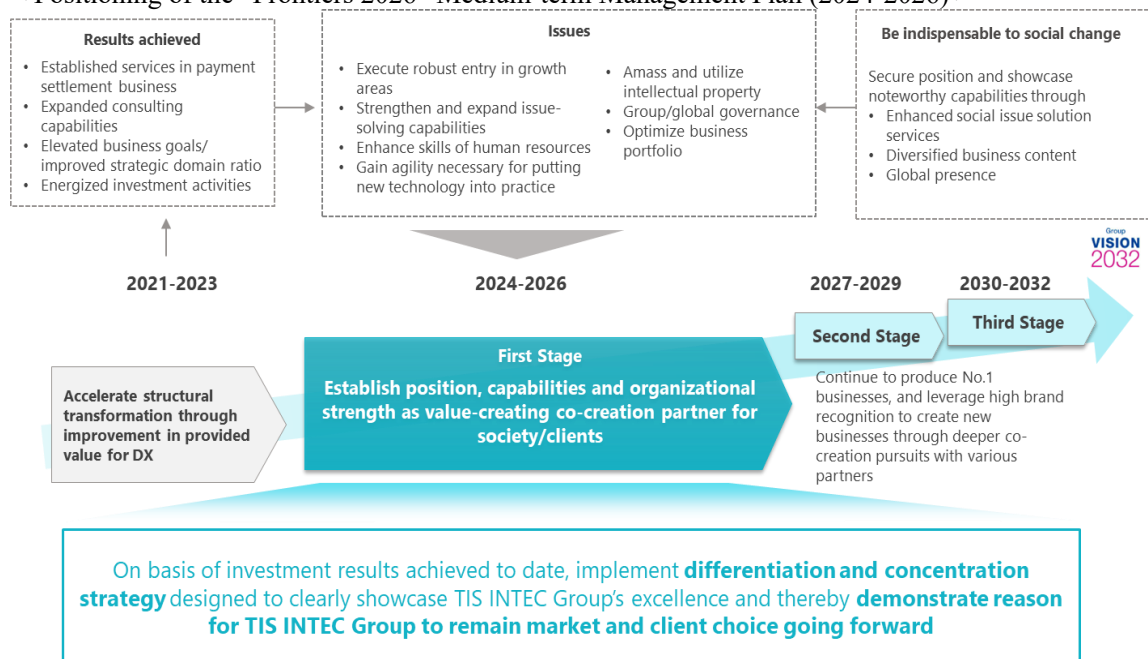
- Active entry into growth domains  
Continue efforts to strengthen our earnings base and develop an environment for creating high value-added services, technologies, and human resources
- Strengthening and expansion of issue-solving capabilities  
Enhance insight concerning the true issues faced by society and customers, and acquire issue-solving methods unconstrained by existing frameworks
- More sophisticated human resources  
Achieve more high value-added human resources and competitive remuneration levels
- Acquisition of agility to create practical applications for new technologies  
Develop human resources with advanced technical skills capable of driving continuous assessments of new technologies and their application in the field, and develop a knowledge base
- Promotion of the accumulation and utilization of intellectual property  
Promote the accumulation and utilization of quality intellectual property to achieve business structural transformation and the scaling-up of businesses
- More advanced governance  
Create more advanced governance to support ambitious growth plans

- Optimized business portfolios

Pursue the optimal business portfolio to achieve the above and generate the maximum returns with the least capital

Based on the above, the Company started “Frontiers 2026,” a medium-term management plan (2024-2026) formulated as a three-year plan starting from April 2024. In addition to linking various investments and relationships built with customers during the previous medium-term management plan to results, we will also create reasons for us to continue being the company of choice for markets and customers in the future, through differentiation and concentration to establish clear superiority, based on the results achieved to date as the first stage of realizing our Group Vision 2032.

< Positioning of the “Frontiers 2026” Medium-term Management Plan (2024-2026) >



### 3) “Frontiers 2026” medium-term management plan (2024-2026)

Through the exchange of value with stakeholders in all directions, the Group aims for continuous business expansion and the achievement of a sustainable society, while also aiming to provide consistent value through all processes for solving social issues, from strategy formulation to solution implementation.

In the “Frontiers 2026” medium-term management plan (2024-2026), we will work to focus on achieving qualitative enhancements across all aspects of the value chain, rooted in the development of new future-oriented markets and the expansion of our business domains, under the basic policy of expanding into new frontiers.

Basic policy	<b>Frontiers 2026</b> <ul style="list-style-type: none"> <li>We will set <b>frontier development</b> as a fundamental strategy and strive for <b>sustainable growth paralleling higher added value</b>. We will strive to achieve <b>changes in society and for corporate clients by enhancing quality across all value chains</b>, starting with <b>forward-looking market development</b> and <b>business domain expansion</b>.</li> </ul>				
	Human resources growth and added value cycle	Improved earning power	Asset (=intellectual property) value creation	Winning confidence of society	Meaningful growth
Key performance indicators	Operating income per person <b>More than ¥3.5 million</b>	Operating margin <b>13.1%</b> Adjusted operating margin 13.4%※1	ROIC/ROE <b>Above 13%/above16%</b>	Sales <b>¥620 billion</b>	EPS CAGR <b>Above 10%</b>
Priority strategies	<b>Market Strategies</b> <ul style="list-style-type: none"> <li>Concentrate investment of management resources into defined growth areas, based on social issues and in-house strengths</li> <li>Balancing efforts to increase added value of services and reinforce technology investment, expand business with sense of speed, especially in ASEAN region</li> </ul>				
	<b>Service Strategies</b>	<b>Technology Strategies</b>	<b>Intellectual Property Strategies</b>	<b>Human Resources Strategies</b>	
	<ul style="list-style-type: none"> <li>All services, from upstream to business process outsourcing, will benefit under full value chain status</li> <li>Enrich pure services*3, focusing on four social issues*2</li> </ul>	<ul style="list-style-type: none"> <li>Leverage knowledge distribution, IT architect development and redeployment structure</li> <li>Promote process redevelopment using AI x automation</li> </ul>	<ul style="list-style-type: none"> <li>Seek balance between higher added value and expanded business scale, with greater accumulation and utilization of intellectual property</li> <li>Accelerate intellectual property creation through internal use of information on points of client contact</li> </ul>	<ul style="list-style-type: none"> <li>Bolster issue resolution capabilities by increasing number consultants to create 700-person structure and by standardizing basic consulting skills</li> <li>Secure and develop top talent and establish structure for flexible redeployment of human resources</li> </ul>	

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

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

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

## i) Market Strategies/Overall Segment Strategies

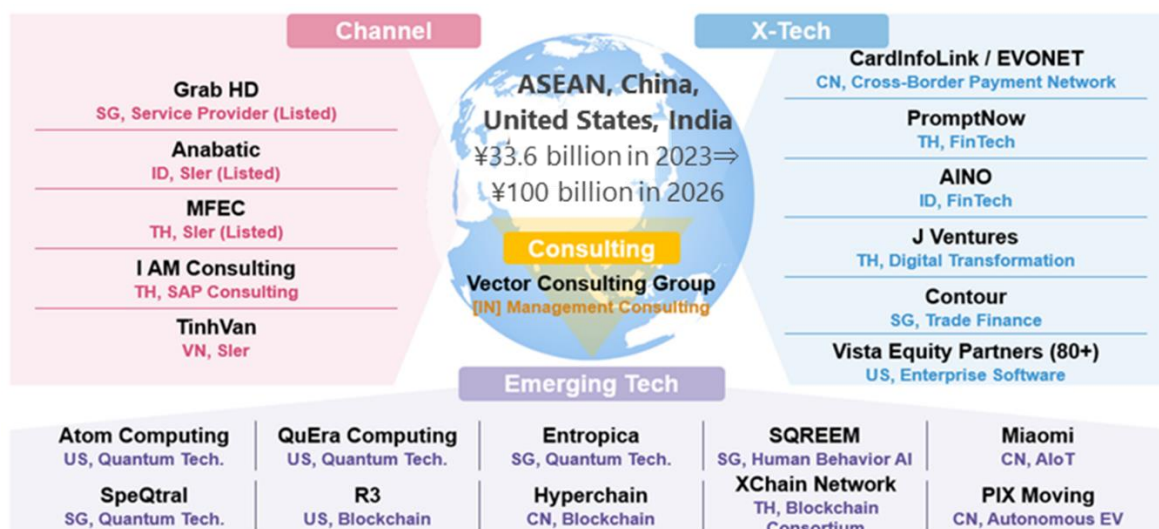
We will take steps to expand our business domains and continuously strengthen business foundations for sustainable growth, through the provision of a diverse range of services based on unique characteristics in each segment. Growth strategies by segment are as follows.

Offering Service Business	<ul style="list-style-type: none"> <li>While responding to diverse demand for cashless services, newly expand our business domains as a business creator with strengths in finance and settlement in the social issue domain</li> <li>Enhance profitability through more advanced investment management</li> </ul>
Business Process Management	<ul style="list-style-type: none"> <li>As the market shrinks for some aspects of BPO services, revise our business portfolio and return to a growth trajectory, through measures such as expansion of the CX domain, where there is high demand, and enhancement of services in coordination with other segments</li> </ul>
Financial IT Business	<ul style="list-style-type: none"> <li>Although this segment is approaching a peak along with the completion of large-scale projects, establish the foundations for the next stage of growth through co-creation businesses with customers, the roll-out of the modernization business and the acquisition of new customers, and the diversification of our customer base</li> </ul>
Industrial IT Business	<ul style="list-style-type: none"> <li>Develop deeper relationships with customers and develop services, particularly in the manufacturing industry, energy, and social infrastructure</li> <li>Promote the development of existing customers and the acquisition of new customers while leveraging the strength of our diverse range of services, such as ERP and modernization</li> </ul>
Regional IT Solutions	<ul style="list-style-type: none"> <li>Nationwide deployment of proprietary IT solutions developed through close relationships with customers in five priority areas (public administration, medicine and healthcare, finance, industry, and infrastructure)</li> </ul>



## ii) Market Strategies/Global Strategies

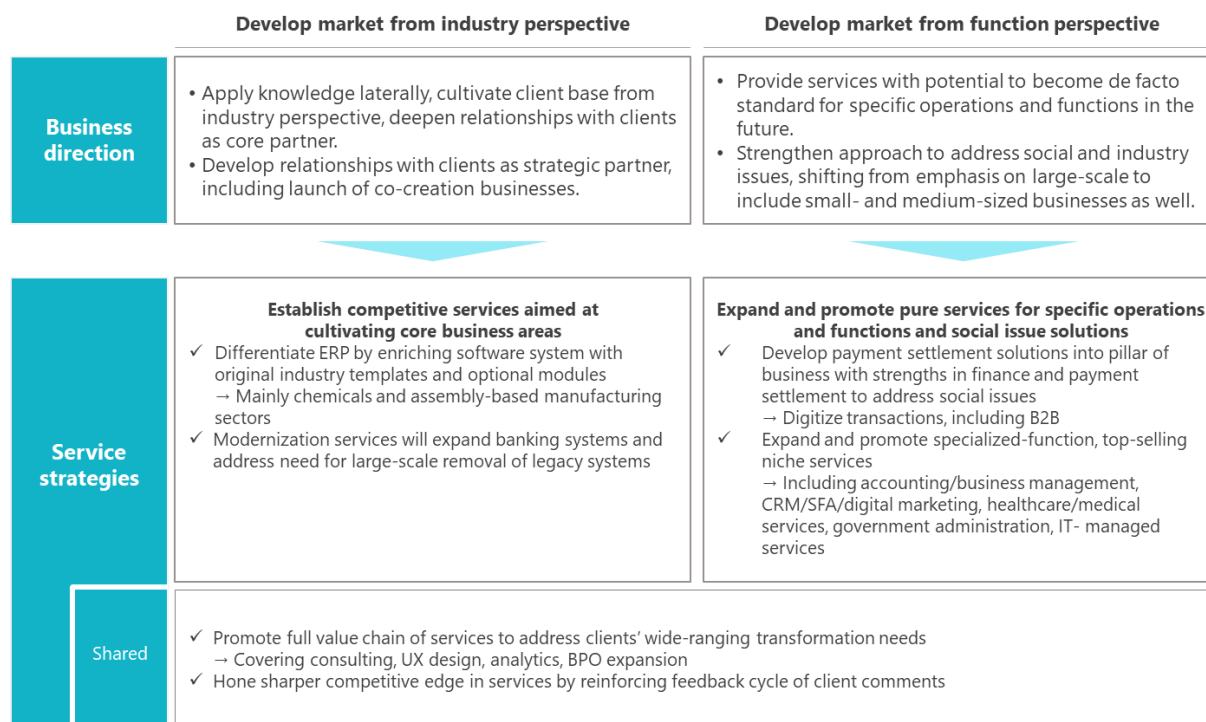
While targeting Asia, which has enormous market potential, over the long term, we will broaden the scope of global partnerships and expand our business in the ASEAN region as we aim to achieve consolidated net sales of 100 billion yen by fiscal 2026. We will promote the shift toward higher added value across all businesses by integrating business restructuring consulting and IT, while also making technology investment functions more advanced, and thus develop our business at a brisk pace.



CN: China, ID: Indonesia, TH: Thailand, US: United States, VN: Vietnam, IN: India  
 \* The names of Group companies and other information are based on the data available at the time of the formulation of the medium-term management plan.

## iii) Service Strategies

Customer needs are becoming increasingly diversified as a result of changes in social trends and the emergence of innovative technologies. Amid these conditions, we will develop new markets by enhancing our services and providing greater added value, in order to support the transformations of society and our customers. In Financial IT and Industrial IT Businesses, we will develop new markets based mainly on industries, while in Offering Service Business, Business Process Management, and Regional IT Solutions Business, we will develop new markets based on functions. In each business, we will provide services in line with respective business policies.



#### iv) Technology Strategies

The evolution and diversification of fundamental technologies is remarkable, and we believe that rapid adaptation to these technologies will significantly impact competitive strength. Based on a select technology portfolio of key technologies for the Group, we will engage in comprehensive measures for anticipatory research into these technologies and their rapid application in the field.

In the short term, we will promote initiatives such as the development of environments that encourage employees to use generative AI, the redevelopment of processes in various internal operations based on the assumption of utilizing AI, and the development of a generative AI educational curriculum and related education. In parallel with these efforts, we will leverage collaboration between industry and academia for applied research into multiple technologies that will act as the core of business differentiation over the next three to ten years, and combinations of such technologies, including technology for sending large quantities of data and related algorithms, which will be required as the digital world and real world become increasingly integrated.

#### v) Human Resources Strategies

We will propel human resources strategies focusing on diversification and advancement of individuals in order to continuously enhance the value exchange between the employees and the company. We will work to improve employees' engagement by developing an environment and organizational culture in which diverse individuals can play an active role, promoting next-generation work style reform in anticipation of a new work environment and advancing human resource portfolio management through digitalization of the human resource database among others.

We have proactively made upfront investments in human resources regarding human resources as the most important management capital. In our human resources strategies, we are investing in human resources to increase employees' engagement based on three axes, "meaning of work," "work environment," and "remuneration," and we will continue striving to further grow our company by strengthening the virtuous cycle of high added value for the company, employees and society and secure excellent domestic and overseas human resources who will realize growth.

In the medium-term management plan (2024-2026), we will focus on increasing consultants, advanced sales human resources, and IT architects, invest in their development and acquisition, and create related frameworks, based on the themes of strengthening our issue-solving abilities, strengthening our insight, and strengthening our integration abilities.

#### vi) Intellectual Property Strategies

In order to strengthen the services of the Group and the processes for providing those services, and balance business scale expansion with higher added value, we believe it will be increasingly important that we accumulate intellectual property and use it in an advanced manner. In the medium-term management plan (2024-2026), we will work to stimulate the creation of intellectual property by strengthening feedback from contact points with customers. We will strengthen the virtuous cycle, in which high-value services and processes for providing services with a high level of satisfaction result in quality communication with customers, which in turn creates high-value information that contributes to updates to existing intellectual property and the next intellectual property.

#### vii) Financial Policies/Basic Policy on Capital Policies

In order to sustainably increase corporate value, the Company's basic policy on capital policies is to optimize its capital structure, based on a balance between promoting investment for growth, ensuring a sound financial position, and strengthening shareholder returns, from a medium- to long-term management perspective.

Specifically, the Company actively invests in future growth in order to strengthen cash flow generation through sustainable business profit growth and enhancements to profitability, and as part of this, the Company reviews and revises its business portfolio on an ongoing basis.

Additionally, optimizes its capital structure to match its business portfolio through stronger balance sheet management and other methods, and thus sustainably creates returns that exceed the cost of capital, while ensuring a sound financial position. The Company takes steps to strengthen and enhance shareholder returns in accordance with business growth.

Based on the above, in the medium-term management plan (2024-2026), the Company will work toward cumulative growth investment of 100 billion yen over three years, a total return ratio of 50%, and the optimization of the capital structure in accordance with the enhancement of cash flow generation.



#### 4) Objective indicators to assess the status of the achievement of management indicators, etc.

In the medium-term management plan (2024-2026), the Company has set forth the following objective indicators for measuring its contribution to society: "net sales of 620 billion yen," "operating income of 81 billion yen (operating margin of 13.1%)," "average annual EPS growth rate of over 10%," "ROIC/ROE of over 13%/over 16%," and "operating income per person of over 3.5 million yen."

In the first fiscal year of the medium-term management plan, the Company took measures for unprofitable projects and a drop in the BPM segment, with order status beginning to show a sign of improvement. To achieve the medium-term management plan targets, we recognize the profit growth accompanying sales growth as one of the highest priority issues and will continue to promote it throughout the entire Group under the slogan of frontier development.

Looking forward, our priority issues are to acquire new customers in all segments and to turn existing customers into core clients by developing deeper relationships with them. In particular, we will focus on acquiring large projects by using our proprietary rewrite technology, the Xenlon Modernization Service (XMS), among others and also on tapping into more new customers through collaboration within the Group, to ensure our return to a growth trajectory in the Financial IT Business and the BPM segment. To do so, we will strengthen our front line through: the improvement in the solution lineup for customers' core business areas, including ERP, XMS and settlement; the accelerated use of intellectual property such as points of client contact and project performance information; and the review of our sales system and promotion of collaboration within the Group.

As for the use of generative AI, thus far, we have worked on productivity improvement as an extension of the existing framework, through a corporate-wide use of AI chatbot and the use of GitHub Copilot, among others. In 2025 and beyond, we will promote the drastic reform of development process on the premise of the use of generative AI, aiming to revolutionize our business structure.

Through our efforts to tackle these priority issues, our goal is to realize improved productivity per employee and higher ROIC to further enhance our value circulation with stakeholders.

**<Progress on key performance indicators>**

	Fiscal year ended March 31, 2024 (Actual results)	Fiscal year ended March 31, 2025 (Actual results)	Fiscal year ending March 31, 2026 (Estimate)	Fiscal year ending March 31, 2027 (Mid-term plan)
Operating income per person	2.9 million yen	3.1 million yen	3.3 million yen	over 3.5 million yen
Operating Margin	11.8%	12.1%	12.5%	13.1%
ROIC	13.5%	12.6%	13.3%	over 13%
ROE	16.0%	15.3%	14.5%	over 16%
Net Sales	549.0 billion yen	571.6 billion yen	582.0 billion yen	620.0 billion yen
EPS	203.28 yen	215.00 yen	216.86 yen	CAGR over 10%

## <Progress on the medium-term management plan (2024–2026): fiscal 2024 (fiscal year ended March 31, 2025) summary>

- While promotion of the five basic strategies produced certain results, it will be necessary to respond to the rapidly changing external environment and to qualitatively strengthen initiatives.

external environment and its proactivity strengthening initiatives					
<div>Market Strategies</div> <div>○</div> <ul style="list-style-type: none"><li>● Business expansion, driven by accurate responses to clients' demand for IT investment, including digital transformation, and promotion of service provision, contributed to overall results for each segment.</li><li>● Steadily capturing demand for social issues such as legacy system modernization, completion of SAP ERP standard support, and standardization and standardization of local government information systems</li><li>● In global business, pursue capital and business alliances and expand business scale, especially in ASEAN countries</li></ul>					
<div>Service Strategies</div> <div>△</div> <ul style="list-style-type: none"><li>● On the industry front, roll out Xenlon for finance</li><li>● On the functional axis, we will develop credit (light version) in the payment domain, but order expansion will continue</li><li>● Progress in development of ERP+ complementary services, but IOS expansion effect is limited</li></ul>		<div>Technology Strategies</div> <div>△</div> <ul style="list-style-type: none"><li>● Utilization of generated AI for indirect operations became routine, but application to system development process is in verification phase</li><li>● [GitHub Copilot] Publish knowledge gained through its use in offshore and large-scale development projects. Improve presence.</li><li>● Full-fledged efforts to create higher added value for businesses are expected to come forward.</li></ul>		<div>Intellectual Property Strategies</div> <div>○</div> <ul style="list-style-type: none"><li>● Consolidate knowledge and problem-solving know-how in providing solutions as intellectual property to create a foundation for creating new value provision. Further strengthen decision-making support through use of generated AI</li><li>● Formulate education programs to more effectively use information and platform and promote development of advanced sales personnel to drive high value-added proposals</li></ul>	<div>Human Resources Strategies</div> <div>○</div> <ul style="list-style-type: none"><li>● Develop human capital scenarios and promote internal and external dialogues and priority measures to support 8% year-on-year increase in operating income per person</li><li>● Thanks in part to our efforts to date [Nikkei Smart Work Grand Prize 2025], we received the Special Award for Examiners.</li><li>● Further strengthen training for next-generation leaders in addition to cultivating advanced human resources</li></ul>



## (Reference) Approach to Sustainability and Related Initiatives

We aim to improve value exchangeability with our stakeholders by solving social issues through business activities and enhancing management in response to social demands with our basic group philosophy “OUR PHILOSOPHY” as a firm axis to promote sustainability management to achieve both sustainable contribution to society and continuous improvement of corporate value.

<Overall picture of sustainability management>



To date, the Group has established an execution framework to advance sustainability management such as setting up a Corporate Sustainability Committee, identifying materiality and identifying four social issues it aims to solve, and has promoted initiatives related to human rights and the environment, which are high-priority themes as urgent and important social issues based on the basic corporate sustainability policies. In addition to continuing these initiatives, we recognize that it is important to review not only the Group's direct corporate activities but also the Group's corporate activities in the entire value chain. We will strengthen our management framework with the aim of establishing our presence as a leading company in sustainability by further deepening our sustainability management.

Also, even in an increasingly uncertain environment, we will continue to develop and strengthen the management foundation in order to realize sustainable growth. We have appointed segment owners to clarify who has authority and responsibility to promote realization of growth strategy taking advantage of the strengths of each group company. We are also pursuing optimal group formation by replacing the business portfolio through business management with an awareness of the cost of capital as well as M&A of domestic and overseas companies and working to further enhance and improve the efficiencies of the head office functions including getting indirect business activities shared in the Group. In addition, we will propel enhancement of investment management to acquire proper returns while proactively making growth investments that contribute to future growth (software

investment, human resource investment, research & development investment, M&A investment, etc.).

At the same time, we will continue to carry out strategic brand activities by broadcasting TV commercials and posting articles on advertisement media among others as part of activities to increase corporate value and the degree of recognition. Even now, we are steadily seeing results such as an increase in recognition of the Group and the corresponding effect in terms of employee job satisfaction and recruitment. We will continue to be committed to it in order to strengthen the appeal of our service brand based on our corporate brand among others.

## (5) Change of the status of properties and profit and loss

### 1) Properties and profit and loss of the corporate group

Category	The 14th Period: Fiscal year ended March 31, 2022	The 15th Period: Fiscal year ended March 31, 2023	The 16th Period: Fiscal year ended March 31, 2024	The 17th Period: Fiscal year ended March 31, 2025 (Consolidated fiscal year under review)
Net sales (millions of yen)	482,547	508,400	549,004	571,687
Operating income (millions of yen)	54,739	62,328	64,568	69,047
Recurring profit (millions of yen)	55,710	63,204	68,553	70,503
Net income attributable to owners of parent company (millions of yen)	39,462	55,461	48,873	50,012
Net income per share (yen)	157.69	227.11	203.28	215.00
Total assets (millions of yen)	476,642	462,320	525,456	558,051
Net assets (millions of yen)	302,993	309,226	324,725	356,064
Net assets per share (yen)	1,173.60	1,227.44	1,333.32	1,477.61

(Notes)

1. “Net income per share” is calculated based on the average total number of shares issued during the fiscal year, and “net assets per share” is calculated based on the total number of shares issued at the end of the fiscal year.  
Both the average total number of shares issued during the period and the total number of shares issued at the end of the period are calculated by deducting treasury stock. Also, the respective shares of the Company, which are held by the dedicated trust account of the TIS INTEC Group Employees’ Shareholding Association and the Board Incentive Plan (BIP) Trust account are included in treasury stock to be deducted.
2. In the 14th period, profit increased year on year because revenue increased and also the increase in the gross profit rate to 26.7% (up 1.3 percentage points year on year) due to promotion of measures to provide a high-added-value business and improve productivity absorbed the selling, general and administrative expenses mainly for investments for future growth including office reform cost.
3. In the 15th period, operating income grew year on year due to the increase in profit from higher revenue as well as by absorbing increases in selling, general and administrative expenses centered on upfront investment costs to promote structural transformation and investments that facilitates future growth such as improvement of work conditions. Meanwhile, the gross profit margin improved to 27.9% (up 1.2 percentage points year on year) by providing high value-added businesses and promoting measures to improve productivity and quality among others.
4. In the 16th period, operating income grew year on year due to factors such as the provision of high-value-added businesses and the promotion of productivity improvement measures, in addition to the increase in

income driven by higher revenue. However, unprofitable projects significantly impacted profitability, resulting in a gross profit margin of 27.6% (down 0.3 percentage points year on year).

## 2) Properties and profit and loss of the Company

Category		The 14th Period: Fiscal year ended March 31, 2022	The 15th Period: Fiscal year ended March 31, 2023	The 16th Period: Fiscal year ended March 31, 2024	The 17th Period: Fiscal year ended March 31, 2025 (Fiscal year under review)
Net sales	(millions of yen)	222,986	238,140	251,334	259,155
Operating income	(millions of yen)	25,298	29,450	32,025	31,927
Recurring profit	(millions of yen)	38,833	41,599	53,541	55,741
Net income	(millions of yen)	33,563	40,323	44,249	47,009
Net income per share	(yen)	134.12	165.12	184.05	202.08
Total assets	(millions of yen)	396,315	362,079	388,113	420,425
Net assets	(millions of yen)	242,920	228,815	234,346	260,055
Net assets per share	(yen)	972.59	945.52	1,000.16	1,119.15

(Note) “Net income per share” is calculated based on the average total number of shares issued during the fiscal year, and “net assets per share” is calculated based on the total number of shares issued at the end of the fiscal year.

Both the average total number of shares issued during the period and the total number of shares issued at the end of the period are calculated by deducting treasury stock. Also, the respective shares of the Company, which are held by the dedicated trust account of the TIS INTEC Group Employees’ Shareholding Association and the Board Incentive Plan (BIP) Trust account are included in treasury stock to be deducted.



## (6) Significant status of subsidiaries

### 1) Significant status of subsidiaries

Company name	Common stock	Voting rights ratio(%)	Principal lines of business
INTEC Inc.	¥20,830 million	100.0	Outsourcing network, software development, system integration
AGREX INC.	¥1,292 million	100.0	Business process outsourcing, software development, system integration
QUALICA Inc.	¥1,234 million	80.0	Outsourcing network, software development, solutions
AJS Inc.	¥800 million	51.0	Outsourcing network, software development, solutions
TIS Solution Link Inc.	¥230 million	100.0	Software development, system operation
TIS System Service Inc.	¥100 million	100.0	System operation
Nihon ICS Co., Ltd.	¥100 million	100.0	Package provision and maintenance of finance, tax, and payroll accounting systems
MFEC Public Company Limited	441 million Thai baht	49.0	IT service, system integration
Synergy Group Ventures Company Limited	350 million Thai baht	*49.0	Implementation of strategic investment that contributes to business expansion of the MFEC Group
TIS Business Service Inc.	¥50 million	100.0	DX promotion business and shared services business for group companies
Sorun Pure Inc.	¥45 million	100.0	Cleaning business

(Notes)

1. Figures with an asterisk (\*) include shares owned by subsidiaries.
2. MFEC Public Company Limited and Synergy Group Ventures Company Limited are considered to be subsidiaries because they are substantially controlled by us even though our ownership ratio of voting rights is 50/100 or less.
3. Sorun Pure Inc. is a special subsidiary for employing people with disabilities.

### 2) Specified wholly owned subsidiaries as of the end of the fiscal year

Not applicable.

### 3) Other important business combinations

Sorun Pure Inc. implemented a ¥20 million capital reduction effective August 9, 2024, which decreased its common stock to ¥45 million.

**(7) Major business contents** (as of March 31, 2025)

The Group consists of the Company and 49 consolidated subsidiaries as well as 60 affiliated companies accounted for by the equity method.

The business categories and business contents in the Group are as follows:

Category	Principal business
Offering Service Business	We provide knowledge-intensive IT services by constructing services based on the best practices accumulated in our group through our own investments.
Business Process Management	We realize and provide advancement, improvement in efficiency and outsourcing through IT technology, business know-how, human resources, etc. for solving issues related to business processes.
Financial IT Business	We examine and promote business and IT strategies together to support business promotion based on our business/operational know-how specialized in the financial industry.
Industrial IT Business	We examine and promote business and IT strategies together to support business promotion based on our business/operational know-how specialized in each industrial field other than the financial industry.
Regional IT Solutions	We provide a wide range of IT professional services involving regions and customer sites and accumulate and deploy our know-how as solutions to support problem-solving and business promotion.

**(8) Major offices** (as of March 31, 2025)

**1) The Company**

Tokyo Head Office: 17-1, Nishi-shinjuku 8-chome, Shinjuku-ku, Tokyo  
Toyosu Office: 2-1, Toyosu 2-chome, Koto-ku, Tokyo  
Nagoya Head Office: 6-1, Ushijima-cho, Nishi-ku, Nagoya  
Osaka Head Office: 2-1, Dojimahama 1-chome, Kita-ku, Osaka  
Kyushu Branch: 5-1, Hakataeki-higashi 2-chome, Hakata-ku, Fukuoka

**2) Major subsidiaries**

INTEC Inc.: (Head office) Toyama City, Toyama Prefecture, (Tokyo Head Office) Shinjuku-ku, Tokyo  
AGREX INC.: (Head office) Shinjuku-ku, Tokyo  
QUALICA Inc.: (Head office) Shinjuku-ku, Tokyo  
AJS Inc.: (Head office) Shinjuku-ku, Tokyo  
TIS Solution Link Inc.: (Head office) Shinjuku-ku, Tokyo  
TIS System Service Inc.: (Tokyo Head Office) Shinjuku-ku, Tokyo, (Nagoya Head Office) Naka-ku, Nagoya, (Osaka Head Office) Kita-ku, Osaka  
Nihon ICS Co., Ltd.: (Head office) Tennoji-ku, Osaka  
MFEC Public Company Limited: (Head office) Bangkok, Thailand  
Synergy Group Ventures Company Limited: (Head office) Bangkok, Thailand  
TIS Business Service Inc.: (Head office) Shinjuku-ku, Tokyo  
Sorun Pure Inc.: (Head office) Shinjuku-ku, Tokyo

**(9) Employees (as of March 31, 2025)****1) Employees of the corporate group**

Business category	Number of employees		Increase/decrease from the previous fiscal year-end	
Offering Service Business	5,706	[232]	Increased by 34 employees	[Increased by 2 employees]
Business Process Management	2,361	[994]	Decreased by 135 employees	[Increased by 28 employees]
Financial IT Business	1,964	[14]	–	[Increased by 2 employees]
Industrial IT Business	3,817	[76]	Decreased by 38 employees	[Increased by 13 employees]
Regional IT Solutions	7,264	[517]	Increased by 29 employees	[Increased by 20 employees]
Others	653	[134]	Decreased by 97 employees	[Increased by 26 employees]
Total	21,765	[1,967]	Decreased by 207 employees	[Increased by 91 employees]

(Notes)

1. The number of employees is the number of those who are at work.
2. The number in parentheses in the number of employees column is the annual average number of people employed as temporary employees, and is not included in the total.

**2) Number of employees of the Company**

Number of employees	Change from the end of the previous fiscal year	Average age	Average years of service
5,970	Increased by 136 employees	40 years and 7 months old	14 years and 6 months

(Notes)

1. The number of employees is the number of those who are at work.
2. Upon calculating average length of service, the length of service at each company is aggregated for the employees who work at the Company on loan.

**(10) Major creditors (as of March 31, 2025)**

Creditors	Amount of borrowings (million yen)
MUFG Bank, Ltd.	28,250
Sumitomo Mitsui Banking Corporation (Note)	3,816
Sumitomo Mitsui Banking Corporation	2,000
Mizuho Bank, Ltd.	1,500

(Note) Refers to borrowings by the dedicated trust account of the TIS INTEC Group Employees' Shareholding Association, which was established as a result of the trust-type employee shareholding incentive plan.

**(11) Other important matters related to the current situation of the corporate group**

INTEC Inc., a consolidated subsidiary of the Company, is in a lawsuit for damages regarding the system development and other business activities entrusted in the said company from Mitsubishi Shokuhin Co., Ltd. (The amount of damages claimed on November 13, 2018 was 12,703 million yen. On December 8, 2023, the amount of damages claimed was changed to 15,485 million yen).

## 2. Matters related stock of the company (as of March 31, 2025)

### (1) Total number of authorized shares

840,000,000

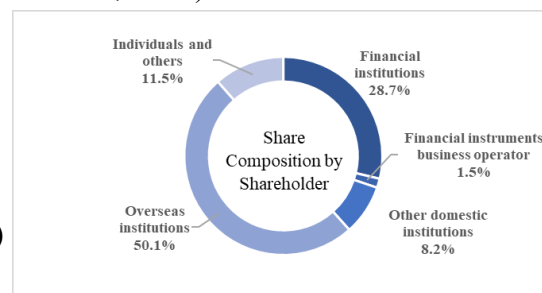
### (2) Total number of issued shares

236,233,411

(including 2,218,758 shares of treasury stock)

### (3) Number of shareholders

13,051



### (4) Major shareholders (top 10 shareholders)

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

(Notes)

- The ratio of shareholding is calculated after deducting treasury stock (2,218,758 shares). Treasury stock does not include 1,147,000 shares of stock of the Company, which are held by the dedicated trust account for the TIS INTEC Group Employee Shareholding Association Trust, and 499,000 shares of the stock of the Company, which are held by the Board Incentive Plan (BIP) Trust.
- Mitsubishi Electric Corporation retains the right to direct the exercise of voting rights for the 4,796,000 shares held by the Master Trust Bank of Japan, Ltd. (retirement benefit trust account/Mitsubishi Electric Corporation account).

### (5) Status of shares delivered to officers of the Company as compensation for the execution of duties during the fiscal year under review

The Company has introduced a performance-linked stock remuneration system, under which shares are delivered every three years, in accordance with the level of achievement of company performance indicators established in the "stock delivery regulations for officers' remuneration BIP trust."

The shares delivered in the relevant fiscal year to officers of the Company are shown.

Person(s) eligible for delivery	Number of shares delivered	Number of person(s) eligible for delivery
Directors (excluding part-time Directors and External Directors)	9,900 shares	4

(Note) At the 16th Annual General Meeting of Shareholders, the "Officers' Remuneration BIP Trust" was revised.

**(6) Other important matters related to stock**

Based on the resolution of the meeting of the Board of Directors, which was held on May 8, 2024, treasury stock was acquired as follows:

Type and number of shares acquired	Common shares: 2,216,200
Acquisition cost	¥6,499 million
Acquisition period	From May 9, 2024, to June 17, 2024

**3. Matters related to the share acquisition rights of the company**

Not applicable.

**4. Basic policies for shares held as cross-shareholdings and exercise of voting rights related to cross-shareholdings**

**(1) Policies for cross-holdings of shares**

In accordance with the basic corporate governance policies set by the Company, the Company will not newly acquire any domestic listed shares, and works to reduce domestic listed shares that it holds as much as possible by positioning it as a priority issue. On the other hand, only if it is judged that it will contribute to the sustainable growth of the Group as well as the enhancement of its medium- to long-term corporate value, shares of companies including start-up and venture companies may be strategically held. Specifically, in order to proactively promote business deployment focusing on the social issues to be resolved, which the Company has selected to contribute to the realization of a sustainable society, including “financial inclusion,” “concentration in cities/decline in rural areas” and “health issues,” collaboration and co-creation activity with those companies and stable alliance and cooperative relationships may be essential for continuous creation of business opportunities and utilization of technologies. We position shareholdings for that case as an investment that meets the growth strategy of the Group, and define them as “strategically held shares.”

Upon verifying the rationality of continuing to hold shares, we classify shares held into the following two categories and set a verification method for each of them.

**<Capital alliance partners>**

After making an investment, the Company will continue to hold the shares for a certain period of time determined by the Company as a period to establish the foundation of the strategic alliance.

After a certain period of time has passed, we will verify to check the progress status of the collaborative business and to see whether or not there are ongoing transactions through qualitative evaluation. As a result of the verification, if it is judged that there is little significance in holding them, listed shares will be sold based on the market conditions, etc. and unlisted shares will be sold as soon as a buyer is found in consultation with the issuer.

**<Others (what does not fall under the above category)>**

We will calculate the percentage of the total amount of the business-related revenue and dividends from each issuer and its affiliated companies against the amount of shares of each stock held as cross-shareholdings, which is recorded on the balance sheet to check to see whether or not it exceeds 10%. As a result of the verification, also considering the qualitative evaluation such as future transaction prospects, if it is judged that there is little significance in holding them, listed shares will be sold based on the market conditions, etc. and unlisted shares will be sold as soon as a buyer is found in consultation with the issuer.

Also, while proceeding with reduction in line with the above-mentioned policies and concepts, we aim to lower the percentage of the amount of the cross-shareholding shares recorded on the balance sheet against the consolidated net assets to the 10% level. To achieve this goal, we reduced 13 issues of shares held for cross-holdings including 9 issues sold in full. Due to fluctuations in the market value in the stock market in addition to the above-mentioned reduction, the amount recorded on the balance sheet for the fiscal year ended March 31, 2025 decreased by 3.6 billion yen to 23.1 billion yen. As a result, the above-mentioned percentage in the fiscal year ended March 31, 2025, is 6.5% (down 1.7 percentage points year on year), and the percentage excluding strategically held shares is 2.3%.

**(2) Criteria for exercising voting rights for cross-shareholdings**

We will exercise voting rights for listed shares held properly after comprehensively judging whether or not it will contribute to the sustainable growth of the Group and the investees as well as the enhancement of their medium- to long-term corporate value among others also while considering the proxy advisory policies of proxy advisory firms.

**(3) Number of issues held by the Company for purposes other than portfolio investment and total amounts recorded on the balance sheet**

Category	The 16th Period: Fiscal year ended March 31, 2024	The 17th Period: Fiscal year ended March 31, 2025 (the consolidated fiscal year under review)
Number of issues	79	79
(Breakdown) Strategically held stock	59	61
Shares held as cross-shareholdings	20	18
Total amount recorded on the balance sheet	26,774 million yen	23,140 million yen
(Breakdown) Strategically held stock	17,700 million yen	14,998 million yen
Shares held as cross-shareholdings	9,073 million yen	8,141 million yen

(Note) During the fiscal year under review, for the purpose of strategic collaboration to promote open innovation, etc., we newly acquired shares of 9 capital alliance partner companies including a venture company (2,193 million yen).

## 5. Matters related to corporate officers

### (1) Name, etc. of the Director and Audit & Supervisory Board Member (as of March 31, 2025)

Position at the company	Name	Responsibilities in the Company and significant concurrent positions outside the Company
Chairman and Director	Toru Kuwano	External Director of CTI Engineering Co., Ltd.
President and Representative Director	Yasushi Okamoto	In charge of the Audit Department
Representative Director Executive Vice President	Josaku Yanai	In charge of Financial Industry SBU, Industries & Public Solutions SBU, Digital Innovation SBU, Enterprise Consulting SBU, IT Platform SBU, Business Innovation Div., Social Innovation Div., and Global Div., General Manager of Social Innovation Div. and Global Div.
Representative Director Executive Vice President	Shinichi Horiguchi	In charge of Corporate Planning SBU, Human Resources SBU, Corporate Management SBU, System Development & Quality Management Innovation SBU, Technology & Innovation SBU
Director	Takayuki Kitaoka	Chairman and Director of INTEC Inc. Chairman of Telecom Services Association
Director	Shuzo Hikida	President and Representative Director of INTEC Inc.
Director (External Director)	Fumio Tsuchiya	
Director (External Director)	Naoko Mizukoshi	Partner of Leftright Law & IP External Director of Nabtesco Corporation
Director (External Director)	*Junko Sunaga	External Director of KYOCERA Corporation
Full-Time Audit & Supervisory Board Member	Makoto Tsujimoto	
Full-Time Audit & Supervisory Board Member	*Hideki Kishimoto	
Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	Yukio Ono	Director of the Accounting Offices of Yukio Ono External Audit & Supervisory Board Member of SEIKITOKYU KOGYO CO., LTD.
Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	Akiko Yamakawa	Partner of the Vanguard Lawyers Tokyo
Audit & Supervisory Board Member (External Audit & Supervisory Board Member)	Hiroko Kudo	Professor of Chuo University Faculty of Law

(Notes)

- Changes in officers during the fiscal year under review
  - Appointment: Director Junko Sunaga and Audit & Supervisory Board Member Hideki Kishimoto (indicated with \*) were newly elected and appointed at the 16th Annual General Meeting of Shareholders, which was held on June 25, 2024.
  - Retirement: Koichi Sano retired as a Director and Tetsuya Asano retired as an Audit & Supervisory Board Member at the expiration of their terms of office, at the conclusion of the 16th Annual General Meeting of Shareholders, which was held on June 25, 2024.
- The Company has submitted notification to the Tokyo Stock Exchange that all the External Directors and External Audit & Supervisory Board Members have been designated as independent officers as provided for by the aforementioned exchange.

3. Audit & Supervisory Board Member Hideki Kishimoto has experience in financial institutions and company management for many years and considerable knowledge of finance and accounting.
4. Audit & Supervisory Board Member Yukio Ono is a certified public accountant and has considerable knowledge of finance and accounting.
5. Change of “position and responsibility” of directors after the fiscal term

Change as of April 1, 2025

Position at the company	Name	Responsibility
Representative Director Executive Vice President	Josaku Yanai	In charge of Special Project President and Representative Director of AGREX INC.
Representative Director Executive Vice President	Shinichi Horiguchi	In charge of Corporate Planning SBU, Human Resources SBU, Corporate Management SBU, System Development & Quality Management Innovation SBU

## (2) Amount of remuneration for Directors and Audit & Supervisory Board Members for the fiscal year under review

### 1) Total amount of remuneration, etc. for the fiscal year under review

Category	Number of eligible persons	Total amount of remuneration	Total amount of remuneration, etc. by type		
			Base remuneration	Performance-linked remuneration	Performance-linked stock remuneration
Directors	10	million yen 439	million yen 247	million yen 108	million yen 83
[External Directors]	[4]	[32]	[32]	[–]	[–]
Audit & Supervisory Board Members	6	57	57	–	–
[External Audit & Supervisory Board Members]	[3]	[28]	[28]	[–]	[–]
Total	16	496	304	108	83
[External officer]	[7]	[61]	[61]	[–]	[–]

(Notes)

1. There is no employee portion of salaries for Directors who concurrently serve as employees for the fiscal year under review. Also, no bonuses were paid because the Company has not implemented an Officer retirement benefit system.
2. As of the end of the fiscal year under review, there are nine (9) Directors (including three (3) External Directors) and five (5) Audit & Supervisory Board Members (including three (3) External Audit & Supervisory Board Members). It is different from the above-mentioned number of Directors and Audit & Supervisory Board Members because it includes one (1) Director and one (1) Audit & Supervisory Board Member who retired at the conclusion of the 16th Annual General Meeting of Shareholders, which was held on June 25, 2024.
3. It has been resolved at the 16th Annual General Meeting of Shareholders, which was held on June 25, 2024, that the amount of remuneration for Directors and Audit & Supervisory Board Members (base remuneration and performance-linked remuneration) shall be 800 million yen or less per year (of which, 100 million yen or less for External Directors) and 150 million yen or less per year for Audit & Supervisory Board Members. At the conclusion of the relevant General Meeting of Shareholders, there are nine (9) Directors (including three (3) External Directors) and five (5) Audit & Supervisory Board Members (including three (3) External Audit & Supervisory Board Members).
4. As for performance-linked remuneration, a revised officers' remuneration system was introduced in July 2024 and the amount paid includes performance-linked remuneration based on the previous officers' remuneration system.
5. Performance-linked stock remuneration is the amount of expenses recorded during the fiscal year under review for three (3) Directors (excluding External Directors, part-time Directors, and non-residents of Japan).  
The relevant performance-linked stock remuneration was introduced with Directors (four (4) persons excluding External Directors and part-time Directors), Executive Officers, and Executive Fellows as eligible persons at the 10th Annual General Meeting of Shareholders held on June 26, 2018. At the 13th Annual General Meeting of Shareholders held on June 24, 2021, partial revisions were made such as



adding Directors (excluding External Directors and part-time Directors) and Executive Officers of INTEC Inc., a subsidiary of the Company, as eligible persons. In addition, it was resolved at the 16th Annual General Meeting of Shareholders, which was held on June 25, 2024, to make partial revisions such as limiting the eligible persons to Directors and Executive Officers (excluding non-executive Directors and those who do not reside in Japan), and Directors and Executive Officers (excluding non-executive Directors and those who do not reside in Japan) of INTEC Inc., a subsidiary of the Company, as well as that the number of shares of the Company to be delivered through the trust shall be limited to 230,000 shares per fiscal year (including 200,000 shares for the Company) by contributing a maximum of 1,810 million yen (including 1,630 million yen for the Company) to the relevant trust for each target period (three fiscal years), with the number of Directors (executive Directors) at the time of resolution of said General Meeting of Shareholders standing at three (3).

**2) Total amount of officers' remuneration, etc. received by external officers from subsidiaries**

Not applicable.

**(3) Overview of the policies for determination of remuneration, etc.**

**1) Remuneration determination policies**

In order to ensure objectivity and transparency of the remuneration determination process and further strengthen the corporate governance framework, the Company has set up an arbitrary remuneration committee consisting mainly of Independent External Directors as an advisory body to the Board of Directors.

Officers' remuneration is determined by the resolution of the Board of Directors after consulting and reporting to the Remuneration Committee with the basic policy of strengthening incentives to improve performance by implementing a remuneration system linked to the company performance indicators.

## 2) Remuneration structure for officers

The Company's remuneration system consists of base remuneration, performance-linked remuneration and performance-linked stock remuneration. Each remuneration's type, calculation method and provision method are as follows.

Remuneration name	Type		Calculation method	Provision method
Base remuneration	Fixed remuneration	Monetary remuneration	<ul style="list-style-type: none"><li>It is determined based on the role and the scope of responsibility for each position.</li></ul>	Monthly payment
Performance-linked remuneration	Variable compensation (performance-linked)		<ul style="list-style-type: none"><li>The Company-wide performance is calculated by considering the degree of achievement of financial and non-financial indicators of the previous fiscal year.</li><li>When the standard is set at 100%, the provision rate fluctuates between 0% and 150%.</li><li>Individual performance-linked remuneration is calculated based on the standard remuneration limit for each position and performance.</li></ul>	It is provided once a year based on the evaluation of the previous fiscal year.
Performance-linked stock remuneration		Non-monetary remuneration	<ul style="list-style-type: none"><li>The Company’s stock is granted based on actual performance as performance-linked stock remuneration.</li><li>Relative TSR is set as an indicator, and it is calculated based on the performance-linked coefficient that is determined after three (3) fiscal years have passed from the beginning of the application (50% is paid in cash equivalent to the market value).</li><li>Performance-linked coefficient fluctuates within a range of 0% to 200%.</li></ul>	Provided every three (3) years * The provision rate is between 50% to 150%.
	<ul style="list-style-type: none"><li>The Company’s stock is granted in accordance with the calculation made for each position as performance-linked stock remuneration.</li><li>Provided after three (3) fiscal years have passed from the beginning of the application (50% is paid in cash equivalent to the market value).</li><li>The provision rate is calculated as 50% of performance-linked stock remuneration when it is paid 100% for each position.</li></ul>			

## 3) Remuneration structure for External Directors and Audit & Supervisory Board Members

The remuneration for External Directors consists of only base remuneration without performance-linked remuneration paid.

Also, remuneration for Audit & Supervisory Board Members is determined through discussions among Audit & Supervisory Board Members. Only base remuneration is paid without linking to performance from the perspective of ensuring a high degree of independence.

## Remuneration ratio for each position

Officer's category and position	Base remuneration	Performance-linked remuneration	Performance-linked stock remuneration
Directors			
President	50.0%	25.0%	25.0%
Executive Vice President, Senior Managing Executive Officer	55.0%	22.5%	22.5%
Managing Executive Officer, Executive Officer	60.0%	20.0%	20.0%
Director (excluding Executive Officer)	100.0%	—	—
External Director	100.0%	—	—
Audit & Supervisory Board Members	100.0%	—	—

\* Since Directors, External Directors and Audit & Supervisory Board Members are Non-executive Officers who are in a position to manage and supervise the executing side, they are not paid performance-linked remuneration but are granted only base remuneration.

### 4) Others

When the performance-linked stock remuneration system was introduced, the Board of Directors resolved to stipulate activities that are not complying with the “stock delivery regulations for officers’ remuneration BIP trust” (hereinafter referred to as “stock delivery regulations”) and a clause that makes it possible to request that a person who has violated the regulations returns the amount equivalent to the delivered shares, etc. and a clause that makes it possible to confiscate the awarded points.

### 5) Process to determine officers’ remuneration

- Based on the medium-term management plan, evaluate the results including the status of achievement of the business plans drawn up at the beginning of the fiscal year at a performance evaluation meeting to be held in late May, every year.
- At the performance evaluation meeting mentioned in a. above, the President and Representative Director evaluates officers.
- Consult on the evaluation result of b. above and the amount of remuneration based on the evaluation result at the Remuneration Committee to be held in mid-June each year.
- The Board of Directors shall resolve the amount of remuneration for officers, which has been mentioned to and discussed with the Remuneration Committee mentioned in c. above.
- Among the annual amount of officers’ remuneration, which has been resolved at the meeting of the Board of Directors as described in d. above, base remuneration is paid monthly while performance-linked remuneration is paid in one lump sum in July.
- As for the level of the amount of officers’ remuneration, we ask a third-party organization to conduct a survey on officers’ remuneration to analyze trends of other companies from July each year.
- We report the result of the officers’ remuneration survey conducted by the third-party in f. above to the Remuneration Committee in November each year to inquire about a revision of the amount of officers’ remuneration.

Performance-linked stock remuneration is calculated based on the stock delivery regulations, and there is no room for discretion of the Representative Director or the Remuneration Committee.

## 6) Activities of the Advisory Committee with respect to determination of officers' remuneration

A total of four Remuneration Committee meetings were held in the fiscal year ended March 31, 2025, to inquire about the validity of the remuneration of the Company based on comparative analysis between the officers' remuneration amount of the Company and the officers' remuneration of other companies, which had been made by the research company. The Board of Directors put a proposal on officers' remuneration on the agenda based on the result of the advice given by the relevant organization.

## 7) Method of calculating remuneration

The calculation methods for the base remuneration, performance-linked remuneration and performance-linked stock remuneration shown in "2) Remuneration structure for officers" are as follows:

### i) Base remuneration

Paid based on the magnitude of the role and the scope of responsibility for each position.

### ii) Performance-linked remuneration

For the calculation of performance-linked remuneration, a provision rate is calculated based on company-wide performance, the performance of the responsible organization and individual performance. Then, the allocation ratio of performance evaluation for each position is added to the calculated provision rate. The delivered rate is used for the calculating individual payments (0% to 150%). The specific calculation method is as follows:

### Performance-linked remuneration assessment item

#### a. Allocation ratio of performance evaluation for each position

The amount of individual performance-linked remuneration is calculated by determining an allocation ratio of performance evaluation for each position as follows, and calculating an evaluation score for company-wide performance, the performance of the responsible organization and individual performance separately.

Position	Company-wide performance	Organizational performance	Individual performance
Director			
President	100%	—	—
Executive Vice President, Senior Managing Executive Officer	60%	20%	20%
Managing Executive Officer, Executive Officer	40%	40%	20%

#### b. Determination of company-wide performance evaluation score

##### (i) Company-wide performance indicator and evaluation ratio

The company-wide performance evaluation was calculated using the degree of achievement of each indicator against the plan and the ratio of each indicator, and the company-wide performance evaluation rate for the fiscal year ended March 31, 2025 was 95.27%.

			Performance evaluation result of officers (Degree of achievement against target base value)					Reference (100% conversion)		
Category	Indicators	Announced value	Target base value (Note 1)	Full-year result	Degree of achievement of target base value (%)	Ratio (%)	Company- wide performance evaluation rate 0 - 150%	Degree of achievement of target base value 0 - 100%	Company- wide performance evaluation rate 0 - 100%	
			a	b	c=a/b	d	e=c×d	f=c/150	f×d	
Financial	Consolidated net sales (millions of yen)		555,000	571,650	571,687	100.0%	25%	25.00%	66.7%	16.67%
	Consolidated operating income (millions of yen)		66,500	70,875	69,047	97.4%	25%	24.36%	64.9%	16.24%
	Consolidated EPS (yen)		192.5	202.1	215.0	106.4%	25%	26.59%	70.9%	17.73%
Non-financial	DJSI score (points)		70.0	73.5	71.0	96.6%	5%	4.83%	64.4%	3.22%
	Stakeholders' satisfaction (Note 2)	Job satisfaction (%)	54.4%	57.1%	56.4%	98.7%	5%	4.94%	65.8%	3.29%
		Customer/service satisfaction (%)	55.7%	58.5%	58.5%	100.0%	5%	5.00%	66.6%	3.33%
		Business partner satisfaction (%)	78.0%	81.9%	74.6%	91.1%	5%	4.56%	60.8%	3.04%
	Governance (Note 2)		—	100%	0.0%	0.0%	5%	0.00%	0.0%	0.00%
								95.27%		63.51%

(Notes)

1. The target value for the plan of each indicator is set higher than the announced value for the operation.
2. We set targets and conduct evaluation in accordance with the Company's internal evaluation criteria.

(ii) Company-wide performance evaluation score formula

A company-wide performance evaluation score is determined using the formula below based on the degree of achievement of the target value for each company-wide performance indicator and each indicator's ratio.

Company-wide performance evaluation score =  $\Sigma$  (Degree of achievement of each financial indicator × each ratio) +  $\Sigma$  (Degree of achievement of each non-financial indicator × each ratio)

\*The upper limit is 150% if it exceeds 150%.

c. Determination of organizational performance evaluation score

Organizational performance is calculated within a range of 0 to 100 points based on the degree of achievement of financial and non-financial indicators for the officer's responsible organization during the target fiscal year for the performance evaluation. The calculated organizational performance evaluation score is divided by the base score of 66.5 points so that it falls within a range of 0% to 150%, and the evaluation score is determined within a range of 0% to 150%.

Organizational performance evaluation score = Performance evaluation of responsible organization/base score

\*The upper limit is 150% if it exceeds 150%.

d. Determination of individual performance evaluation score

An individual performance evaluation score is delivered as a final five-grade evaluation<sup>(\*)2</sup> based on the two-axis evaluation assessing the progress of the strategies developed as targets by an eligible officer for his/her responsible organization in the previous fiscal year (three-grade evaluation)<sup>(\*)1</sup> and the degree of leadership demonstrated (three-grade evaluation) by the officer.

\*1: Three-grade evaluation

Organizational strategy	Leadership			
		3	2	1
	3	A	B	C
	2	B	C	D
	1	C	D	E

\*2: Five-grade evaluation

Evaluation	A	B	C	D	E
Evaluation ratio	150	100	50	25	0

e. Formula for individual performance-linked remuneration

(a) Allocation ratio of performance evaluation for each position, (b) Company-wide performance, (c) Organizational performance and (d) Individual performance described above are separately evaluated. The amount of remuneration is determined with the following formula.

$$\begin{array}{c} \text{Individual} \\ \text{performance-} \\ \text{linked} \\ \text{remuneration} \end{array} = \begin{array}{c} \text{Performance-} \\ \text{linked} \\ \text{remuneration} \\ \text{for each} \\ \text{position} \end{array} \times \left( \begin{array}{c} \text{Fluctuate within} \\ \text{a range of 0 to} \\ \text{150\%} \\ \text{Company-wide} \\ \text{performance} \end{array} \times \begin{array}{c} \text{Company-wide} \\ \text{performance} \\ \text{ratio for each} \\ \text{position} \end{array} + \begin{array}{c} \text{Fluctuate within} \\ \text{a range of 0 to} \\ \text{150\%} \\ \text{Organizational} \\ \text{performance} \end{array} \times \begin{array}{c} \text{Performance} \\ \text{evaluation ratio} \\ \text{of responsible} \\ \text{organization for} \\ \text{each position} \end{array} + \begin{array}{c} \text{Fluctuate within} \\ \text{a range of 0 to} \\ \text{150\%} \\ \text{Individual} \\ \text{evaluation} \end{array} \times \begin{array}{c} \text{Individual} \\ \text{performance} \\ \text{evaluation ratio} \\ \text{for each} \\ \text{position} \end{array} \right)$$

f. Maximum amount of performance-linked remuneration

Position		Amount of performance-linked remuneration
Directors		
	President	45 million yen
	Executive Vice President	29.4 million yen
	Senior Managing Executive Officer	21.6 million yen

iii) Performance-linked stock remuneration

Performance-linked stock remuneration is a system that provides non-monetary remuneration (hereinafter referred to as the “System”). The Company establishes an incentive plan that covers consecutive three (3) fiscal years (hereinafter referred to as the “Assessment Period”) as the consideration for executing duties during the target job execution period. Under the System set in fiscal 2024, the Company grants officers who are eligible for the System (hereinafter referred to as “Eligible Officers”) 50% each of the base points defined for each position as a performance-linked part (PSU) and fixed part (RSU) during the Assessment Period of the three (3) consecutive fiscal years starting from a fiscal year between fiscal 2024 to fiscal 2026. As a general rule, in July, after the completion of the Assessment Period, for people who satisfy certain requirements, the number of base points is converted into stock delivery points based on the formula for performance-linked stock remuneration for each person, and the Company’s common stock is provided in accordance with the total number of the stock delivery points. (1 point = 1 share)

About 50% of the Company stock is sold on the stock market to secure the funds to pay taxes and the proceeds of the sales is paid.

- PSU (Performance Share Unit) is the Company’s common stock provided after three (3) fiscal years have passed from the beginning of the application to Eligible Officers who belong to the Company as of April 1 of the initial fiscal year of the application based on the growth rate of the Company’s stock price during the Assessment Period. (50% is paid in cash equivalent to the market price.)

- RSU (Restricted Share Unit) system is introduced in fiscal 2024 and allows the Company to grant Eligible Officers who belong to the Company as of April 1 of the initial fiscal year of the application a fixed number of the Company's common stock after three (3) fiscal years have passed from the beginning of the application.  
(50% is paid in cash equivalent to the market price.)

a. Performance evaluation period (model period from 2024 to 2026)

Established fiscal year	Type	2024	2025	2026	2027	2028	2029
Fiscal 2024	PSU	<input type="checkbox"/> →		→	■ ☆		
	RSU	<input type="checkbox"/> →		→	■ ☆		
Fiscal 2025	PSU		<input type="checkbox"/> →	→	→	■ ☆	
	RSU		<input type="checkbox"/> →	→	→	■ ☆	
Fiscal 2026	PSU			<input type="checkbox"/> →	→	→	■ ☆
	RSU			<input type="checkbox"/> →	→	→	■ ☆

Legend: ☐ Grant of base points ■ Convert to stock delivery points ☆ Delivery of company stock and payment of cash

b. Calculation of base amount for each position

Base amount used to grant points is set for each position as follows:

Base amount for each position = Base remuneration for each position × Coefficient for each position

Coefficient for each position

		Coefficient for each position	
Position		TIS	INTEC
Directors			
	President	25.0%	5.0%
	Executive Vice President, Senior Managing Executive Officer	22.5%	5.0%
	Managing Executive Officer, Executive Officer	20.0%	5.0%

c. Method of calculating point (1 point = 1 share)

(i) PSU:

(a) At the beginning of fiscal year

Number of base points (PSU)<sup>(\*1)</sup> = Base amount for each position × 50% / The Company's stock price at the time of acquisition

(\*1: figures below the decimal point are omitted)

(b) At the time of performance evaluation (at the time of granting stock)

Number of stock delivery points (PSU)<sup>(\*2)</sup> = Number of base points (PSU) × Number of months of service / 12 months × Performance-linked coefficient

(\*2: figures below 1 point are omitted)

(c) Performance-linked coefficient

The performance-linked coefficient applied at the time of the performance evaluation (at the time of granting stock) is determined based on relative TSR as follows.

Relative TSR (%)	Performance-linked coefficient
200% or higher	200%
50% or higher, less than 200%	Calculated relative TSR (%)
Less than 50%	0%

(ii) RSU:

(a) At the beginning of fiscal year

Number of base points (RSU)<sup>(\*1)</sup> =

Base amount for each position × 50% / The Company's stock price at the time of acquisition

(\*1: figures below the decimal point are omitted)

(b) At the time of share delivery

Number of stock delivery points (RSU)<sup>(\*2)</sup> = Number of base points (RSU) × Number of months of service / 12 months

(\*2: figures below 1 point are omitted)

(iii) Number of stock delivery points:

Number of stock delivery points = Number of stock delivery points (PSU) + Number of stock delivery points (RSU)

The number of base points and the upper limit on the number of stock delivery points to be awarded to Executive Directors and Executive Officers (excluding External Directors and those who do not reside in Japan) for the consecutive Assessment Period from fiscal 2024 to fiscal 2026 are as follows.

For stock delivery points, one share is awarded for one point. However, if a stock split, consolidation, etc. occurs with respect to the Company's common stock during the trust period, the number of the Company's common stock per point (including the number of shares that are subject to conversion into cash) will be adjusted according to the stock split ratio, consolidation ratio, etc.

In addition, the application of the number of fixed points and the upper limit on the number of performance-linked points in <Number of points awarded for each position> will be based on the title of the positions at each Group company immediately after the conclusion of the Annual General Meeting of Shareholders for fiscal year 2024.

<Upper limit on number of points awarded>

	Upper limit on number of stock delivery points
TIS	200,000 points
INTEC	30,000 points
Total	230,000 points



<Number of points awarded for each position>

	Position	Fixed points	Upper limit on number of performance-linked points 200% of performance-linked coefficient
TIS	Directors		
	President	4,747	9,494
	Executive Vice President	3,101	6,202
	Senior Managing Executive Officer	2,278	4,557
INTEC	Directors		
	President	379	759
	Executive Vice President	303	607
	Senior Managing Executive Officer	224	448

\* The share acquisition price is 3,159.80 yen (rounded down to two decimal places), which is the average share price for the acquisition of the required number of shares from August 7, 2024.

d. Calculation method of relative TSR (%) (As an example for the explanation, the case of fiscal 2024 is shown.)

Relative TSR (%) = The Company's TSR (%) / TOPIX growth rate (%)

The Company's TSR (%) = (B + C) / A

A Average closing price of the Company's stock on the Tokyo Stock Exchange in May 2024

B Average closing price of the Company's stock on the Tokyo Stock Exchange in May 2027

C Total amount of dividend per share of the Company's stock from the beginning of fiscal 2024 to the end of fiscal 2026

TOPIX growth rate (%) = E / D

D Average closing price of TOPIX on the Tokyo Stock Exchange in May 2024

E Average closing price of TOPIX on the Tokyo Stock Exchange in May 2027

In the event that an eligible Director, etc. of the Group dies or is determined to be a person who does not reside in Japan, the points will be promptly converted into stock delivery points based on the calculation method, using a performance-linked coefficient of 100%. All shares of the Company corresponding to the stock delivery points will be sold on the stock market with the proceeds from the sale to be paid to the eligible Director, etc. (In the event that the eligible Director, etc. dies, the proceeds will be paid to the heirs of the eligible Director, etc.).

<Overview of the performance-linked stock remuneration system>

The performance-linked stock remuneration was introduced with Directors (four (4) persons excluding External Directors and part-time Directors), Executive Officers, and Executive Fellows as eligible persons at the 10th Annual General Meeting of Shareholders held on June 26, 2018. At the 13th Annual General Meeting of Shareholders held on June 24, 2021, partial revisions were made such as adding Directors (excluding External Directors and part-time Directors) and Executive Officers of INTEC Inc., a subsidiary of the Company, as eligible persons. In addition, it was resolved at the 16th Annual General Meeting of Shareholders, which was held on June 25, 2024, to make partial revisions such as limiting the eligible persons to Directors and Executive Officers (excluding non-executive Directors and those who do not reside in Japan), and Directors and Executive Officers (excluding non-

executive Directors and those who do not reside in Japan) of INTEC Inc., a subsidiary of the Company, as well as that the number of shares of the Company to be delivered through the trust shall be limited to 230,000 shares per fiscal year (including 200,000 shares for the Company) by contributing a maximum of 1,810 million yen (including 1,630 million yen for the Company) to the relevant trust for each target period (three fiscal years).

a. Mechanism of the BIP trust system

When introducing the BIP trust system, “stock delivery regulations for officers’ remuneration BIP trust” (hereinafter, stock delivery regulations) were established. Based on the stock delivery regulations established, in order to acquire the shares to be granted in the future in advance, we entrusted money (up to 1,810 million yen (including 1,630 million yen for the Company)), and the trust bank acquired the shares of the Company according to the entrusted money.

The BIP trust system is a mechanism to award points to Directors, etc. based on the stock delivery regulations and to grant stock to Directors, etc. according to the points.

b. Total number of shares scheduled to be provided for the eligible Directors, etc.

One fiscal year 230,000 (including 200,000 shares for the Company) (maximum)

c. Scope of those eligible for receiving beneficiary rights and other rights under the BIP trust system

Persons who have retired as Directors, etc. and meet the beneficiary requirements stipulated in the stock delivery regulations

**(4) Overview of the contents of the indemnity agreement, etc.**

The Company has concluded an indemnity agreement as stipulated in Article 430-2, Paragraph 1 of the Companies Act with Directors and Audit & Supervisory Board Members.

**1) Names of officers of the Company that are parties to the corporate indemnity agreement**

i) All Directors

Toru Kuwano, Yasushi Okamoto, Josaku Yanai, Shinichi Horiguchi, Takayuki Kitaoka, Shuzo Hikida, Koichi Sano, Fumio Tsuchiya, Naoko Mizukoshi, and Junko Sunaga

ii) All Audit & Supervisory Board Members

Tetsuya Asano, Makoto Tsujimoto, Hideki Kishimoto, Yukio Ono, Akiko Yamakawa, and Hiroko Kudo

As Koichi Sano and Tetsuya Asano retired effective June 25, 2024, the indemnity agreement concluded with each of them terminated on the same date.

**2) Overview of the contents of the indemnity agreement**

The Company will provide indemnification for expenses described in Article 430-2, Paragraph 1, item (i) of the Companies Act and losses described in item (ii) of the same, within the scope prescribed in laws and regulations. Certain measures, however, have been taken to ensure that this indemnity agreement does not impair the proper execution of duties of officers of the Company, such as excluding officers from eligibility for indemnification if the relevant duties were performed in bad faith or with gross negligence, and if the Company enforces the liability of officers.

**(5) Overview of the contents of the officers' liability insurance contract**

The Company has concluded an officer liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company as follows:

**1) Scope of the insured**

- i) Directors, audit & supervisory board members and executive officers of the Company and consolidated subsidiaries of the Company
- ii) Executive officers and employees who are dispatched to or concurrently serving at overseas subsidiaries and overseas investment companies of the Company

**2) Overview of the contents of the insurance contract**

In the event of a claim for damages due to an action (including in-action) by the insured as part of their duties as officers of the company, that falls under 1), damages including compensation for damages and legal expenses to be borne by the insured shall be compensated for under the said insurance agreement. However, damages, etc., incurred by officers themselves who have conducted a criminal act such as bribery and/or intentionally conducted an illegal act are not subject to compensation. This way, measures are taken to ensure that the appropriateness of the execution of duties by officers, etc. is not impaired.

The Company bears the full amount of insurance premiums including the rider portion, and there are no substantial premiums borne by the insured.

**(6) External officers**

**1) Significant concurrent positions at other organizations and relationships with such other organizations**

Position at the company	Name	The corporation at which the concurrent positions are held and the details of the concurrent positions
Director	Naoko Mizukoshi	Partner of Leftright Law & IP External Director of Nabtesco Corporation
Director	Junko Sunaga	External Director of KYOCERA Corporation
Audit & Supervisory Board Member	Yukio Ono	Director of the Accounting Offices of Yukio Ono External Audit & Supervisory Board Member of SEIKITOKYU KOGYO CO., LTD.
Audit & Supervisory Board Member	Akiko Yamakawa	Partner of the Vanguard Lawyers Tokyo
Audit & Supervisory Board Member	Hiroko Kudo	Professor of Chuo University Faculty of Law

(Note) There is no special relationship between the Company and the above-mentioned organizations at which the External Director(s) and the External Audit & Supervisory Board Member(s) hold a concurrent position.

## 2) Major activities during the fiscal year

Position at the company	Name	Attendance status, activity status and an overview of the duties performed in relation to the roles expected of External Directors
Director	Fumio Tsuchiya	He attended all 17 meetings of the Board of Directors, which were held during the fiscal year under review, and provided advice and recommendations to ensure validity and appropriateness of decision-making of the Board of Directors based on his abundant experience and insight in corporate management. Also, he has served as a member of the Nomination Committee and the Remuneration Committee, which are voluntary advisory bodies to the Board of Directors, and has served as chairperson of the respective committee until June 25, 2024, attending all 8 meetings of the Nomination Committee and all 4 meetings of the Remuneration Committee held during the fiscal year under review, and playing an important role upon reporting to the Board of Directors in response to the inquiries of the Board of Directors about nomination and remuneration of Directors, etc.
Director	Naoko Mizukoshi	She attended 16 out of the 17 meetings of the Board of Directors, which were held during the fiscal year under review, and provided advice and recommendations to ensure validity and appropriateness of decision-making of the Board of Directors from her professional viewpoint as a lawyer. Also, she has served as chairperson of the Nomination Committee and the Remuneration Committee, which are voluntary advisory bodies to the Board of Directors, since June 25, 2024, attending all 8 meetings of the Nomination Committee and all 4 meetings of the Remuneration Committee held during the fiscal year under review, and playing an important role upon summarizing opinions and reporting to the Board of Directors in response to the inquiries of the Board of Directors about nomination and remuneration of Directors, etc.
Director	Junko Sunaga	She attended all 11 meetings of the Board of Directors, which were held after her appointment on June 25, 2024, and provided advice and recommendations to ensure validity and appropriateness of decision-making of the Board of Directors based on her abundant experience and insight in corporate management. Also, she has served as a member of the Nomination Committee and the Remuneration Committee, which are voluntary advisory bodies to the Board of Directors, attending all 6 meetings of the Nomination Committee and both of the 2 meetings of the Remuneration Committee held since her appointment on June 25, 2024, and playing an important role upon reporting to the Board of Directors in response to the inquiries of the Board of Directors about nomination and remuneration of Directors, etc.

Position at the company	Name	Attendance status, activity status and an overview of the duties performed in relation to the roles expected of External Directors
Audit & Supervisory Board Member	Yukio Ono	He attended 16 out of the 17 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Board, each of which were held during the fiscal year under review, and provided recommendations to ensure appropriateness of decision-making of the Board of Directors from his professional viewpoint as a certified public accountant. Also, he made the necessary remarks as appropriate at meetings of the Audit & Supervisory Board.
Audit & Supervisory Board Member	Akiko Yamakawa	She attended all 17 meetings of the Board of Directors and all 13 meetings of the Audit & Supervisory Board, each of which were held during the fiscal year under review, and provided recommendations to ensure appropriateness of decision-making of the Board of Directors from her professional viewpoint as a lawyer. Also, in addition to making the necessary remarks as appropriate at meetings of the Audit & Supervisory Board, she has served as a member of the Nomination Committee and the Remuneration Committee, which are voluntary advisory bodies to the Board of Directors, attending all 8 meetings of the Nomination Committee and all 4 meetings of the Remuneration Committee held while she was in office during the fiscal year under review, and playing an important role upon reporting to the Board of Directors in response to the inquiries of the Board of Directors about nomination and remuneration of Directors, etc.
Audit & Supervisory Board Member	Hiroko Kudo	She attended all 17 meetings of the Board of Directors and 12 out of the 13 meetings of the Audit & Supervisory Board, each of which were held during the fiscal year under review, and provided recommendations to ensure appropriateness of decision-making of the Board of Directors with her high level of knowledge and insight as an academic expert. Also, she made the necessary remarks as appropriate at meetings of the Audit & Supervisory Board.

(Note) In addition to the above-mentioned number of meetings of the Board of Directors that were held, we have made two written resolutions deemed to have been made by the Board of Directors based on the provisions of Article 370 of the Companies Act and Article 27 of the Articles of Incorporation.

### 3) Overview of the contents of limited liability agreement

The Company and each External Director and each External Audit & Supervisory Board Member have concluded an agreement to limit liability for damages stipulated in Article 423, Paragraph 1 of the Companies Act based on the provisions of Article 427, Paragraph 1 of the said Act.

The amount of limit of liability for damages under the relevant agreement is the minimum liability limit amount stipulated in Article 425, Paragraph 1 of the said Act.

## 6. Financial auditor

### (1) Name of the financial auditor

Ernst & Young ShinNihon LLC

### (2) Amount of remuneration for the financial auditor for the fiscal year

Category	Amount paid (million yen)
1) Amount of remuneration as the financial auditor for the fiscal year under review	148
2) Total of money and other economic benefits to be paid by the Company and its subsidiaries to the financial auditor	257

(Notes)

1. In the audit contract between the Company and the financial auditor, the amount of remuneration, etc. for audits in terms of the Companies Act and the amount of remuneration for audits in terms of the Financial Instruments and Exchange Act are not distinguished and cannot be actually distinguished. Therefore, the amount of money in 1) above is the total amount of these.
2. The Audit & Supervisory Board makes the necessary verification to check the contents of the audit plans for the financial auditor, status of fulfillment of the duties of accounting auditing and whether or not the grounds for calculating the estimates of remuneration, etc. are appropriate to decide whether to agree on the amount of remuneration, etc. of the financial auditor.

### (3) Details of the non-audit business activities

The Company outsources the following business activities other than the business activities stipulated in Article 2, Paragraph 1 of the Certified Public Accountants Act to the financial auditor, and pays consideration to them.

Advice and guidance on taxation, etc.

### (4) Policy on decisions of dismissal or non-reappointment of financial auditor

In case that it is difficult for the financial auditor to execute their duties, the Audit & Supervisory Board will determine the contents of a proposal on dismissal or non-reappointment of the financial auditor to be submitted to the General Meeting of Shareholders if they deem it necessary.

Also, if the financial auditor is deemed to fall under what is stipulated in each item of Article 340, Paragraph 1 of the Companies Act, the financial auditor will be dismissed based on the consent of all the Audit & Supervisory Board Members. In this case, the Audit & Supervisory Board Member selected by the Audit & Supervisory Board will report the dismissal of the financial auditor and the reason for the dismissal at the first General Meeting of Shareholders convened after the dismissal.

## 7. Basic policies for control of stock companies [renumber]

We are not considering any introduction of countermeasures against acquisitions (so-called takeover defense measures) as of now.

## 8. Basic policies for dividends [renumber]

The Company recognizes returns to shareholders as an important management issue and strives for a sustainable and stable dividend payout in consideration of consolidated business performance while maintaining a level of retained earnings appropriate for business development from a medium- to long-term management perspective.

Based on this policy, in regard to the medium-term management plan (2024-2026), the Company is raising our total return ratio target from 45% to 50% and has a policy to

continually enhance the dividend per share, while balancing the promotion of investment for growth, the maintenance of fiscal health and the strengthening of shareholder returns. In order to continually enhance the return of profits to shareholders, the Company believes it is desirable to return to shareholders based on profits from business activities that are not affected by one-off profits.

.....  
[Reference]

The numbers shown are truncated to the nearest number of digits displayed. Note that percentages and numeric values per share are rounded to the nearest digits displayed.

**Consolidated balance sheet (As of March 31, 2025)**

(Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
<b>Current assets</b>	<b>319,080</b>	<b>Current liabilities</b>	<b>153,210</b>
Cash and deposits	84,013	Notes and accounts payable - trade	28,946
Notes receivable, accounts receivable and contract assets	151,313	Short-term borrowings	22,213
Lease receivables and lease investment assets	4,184	Income taxes payable	12,971
Marketable securities	38,717	Accrued bonuses to directors and employees	17,757
Merchandise and finished goods	5,330	Provision for loss on orders received	487
Work in process	966	Allowance for performance-linked compensation	313
Raw materials and supplies	186	Other allowances	181
Prepaid expenses	30,939	Contract liabilities	27,941
Others	3,709	Others	42,397
Allowance for doubtful accounts	(280)	<b>Non-current liabilities</b>	<b>48,775</b>
<b>Fixed assets</b>	<b>238,970</b>	Long-term debts	14,766
<b>Property and equipment</b>	<b>81,002</b>	Lease obligations	4,093
Buildings and structure	35,564	Deferred tax liabilities	8,763
Machinery and equipment	7,044	Deferred tax liabilities for revaluation of land	272
Land	27,348	Accrued retirement benefits to directors	0
Leased assets	4,214	Allowance for performance-linked compensation	384
Others	6,829	Other allowances	195
<b>Intangible assets</b>	<b>48,722</b>	Net defined benefit liability	11,922
Software	17,729	Asset retirement obligation	6,794
Software in progress	2,540	Others	1,582
Goodwill	7,863	<b>Total liabilities</b>	<b>201,986</b>
Others	20,588	(Net assets)	
<b>Investments and other assets</b>	<b>109,245</b>	<b>Shareholders' equity</b>	<b>326,709</b>
Investment securities	57,041	Common stock	10,001
Net defined benefit asset	12,920	Additional paid-in capital	12,290
Deferred tax assets	16,716	Retained earnings	316,376
Others	22,821	Treasury stock	(11,958)
Allowance for doubtful accounts	(255)	<b>Accumulated other comprehensive income</b>	<b>16,639</b>
		Net unrealized gains on other securities	12,671
		Deferred gains or losses on hedges	(26)
		Revaluation reserve for land	(2,672)
		Foreign currency translation adjustments	1,903
		Remeasurements of defined benefit plans	4,763
		<b>Non-controlling interests</b>	<b>12,715</b>
		<b>Total net assets</b>	<b>356,064</b>
<b>Total assets</b>	<b>558,051</b>	<b>Total liabilities and net assets</b>	<b>558,051</b>



## Consolidated statement of Income

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

(Millions of yen)

Account title	Amount	
Net sales		571,687
Cost of sales		411,480
<b>Gross profit</b>		<b>160,206</b>
Selling, general and administrative expenses		91,158
<b>Operating income</b>		<b>69,047</b>
<b>Non-operating income</b>		
Interest income	405	
Dividend income	775	
Equity in earnings of affiliated companies	833	
Others	606	2,620
<b>Non-operating expense</b>		
Interest expenses	495	
Compensation expenses	142	
Others	527	1,164
<b>Recurring profit</b>		<b>70,503</b>
<b>Extraordinary income</b>		
Gain on sale of investment securities	8,558	
Others	1,011	9,570
<b>Extraordinary loss</b>		
Impairment losses	4,242	
Loss on valuation of shares of subsidiaries	827	
Other	855	5,926
<b>Income before income taxes</b>		<b>74,147</b>
Income taxes: current	19,533	
Income taxes: deferred	2,598	22,132
<b>Net income</b>		<b>52,014</b>
<b>Net income attributable to non-controlling interests</b>		<b>2,002</b>
<b>Net income attributable to owners of parent company</b>		<b>50,012</b>

**Consolidated statement of changes in net assets**

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

(Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2024	10,001	12,314	283,533	(6,395)	299,453
Changes during the consolidated fiscal year					
Dividends from surplus	—	—	(17,169)	—	(17,169)
Net income attributable to owners of parent company	—	—	50,012	—	50,012
Acquisition of treasury stock	—	—	—	(7,865)	(7,865)
Disposal of treasury stock	—	(24)	—	2,302	2,277
Items other than changes in shareholders' equity, net	—	—	—	—	—
Net changes during the consolidated fiscal year	—	(24)	32,843	(5,563)	27,255
Balance as of March 31, 2025	10,001	12,290	316,376	(11,958)	326,709

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Net unrealized gains on other securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance as of April 1, 2024	11,715	(2)	(2,672)	983	2,931	12,956	12,315	324,725
Changes during the consolidated fiscal year								
Dividends from surplus	—	—	—	—	—	—	—	(17,169)
Net income attributable to owners of parent company	—	—	—	—	—	—	—	50,012
Acquisition of treasury stock	—	—	—	—	—	—	—	(7,865)
Disposal of treasury stock	—	—	—	—	—	—	—	2,277
Items other than changes in shareholders' equity, net	955	(23)	—	920	1,831	3,683	400	4,084
Net changes during the consolidated fiscal year	955	(23)	—	920	1,831	3,683	400	31,339
Balance as of March 31, 2025	12,671	(26)	(2,672)	1,903	4,763	16,639	12,715	356,064

# **Balance sheet (As of March 31, 2025)**

(Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
<b>Current assets</b>	<b>194,403</b>	<b>Current liabilities</b>	<b>134,902</b>
Cash and deposits	55,283	Accounts payable	11,580
Notes receivable	187	Short-term borrowings	20,800
Accounts receivable and contract assets	78,709	Short-term borrowings from subsidiaries and associates	60,364
Marketable securities	37,994	Lease obligations	362
Merchandise and finished goods	770	Accounts payable - other	679
Work in process	144	Accrued expenses	13,616
Prepaid expenses	16,295	Income taxes payable	4,298
Short-term loans receivable from subsidiaries and associates	5,177	Contract liabilities	8,870
Other	1,410	Deposit received	685
Allowance for doubtful accounts	(1,569)	Accrued bonuses to directors and employees	6,773
<b>Fixed assets</b>	<b>226,021</b>	Provision for loss on orders received	92
<b>Property and equipment</b>	<b>40,809</b>	Allowance for performance-linked compensation	323
Buildings	13,682	Other allowances	33
Structure	1	Asset retirement obligation	287
Machinery	3,819	Other	6,135
Tools, furniture and fixtures	2,056	<b>Non-current liabilities</b>	<b>25,467</b>
Land	20,393	Long-term debts	14,766
Lease assets	777	Long-term debts from subsidiaries and associates	3,340
Construction in progress	78	Lease obligations	583
<b>Intangible assets</b>	<b>13,738</b>	Deferred tax liabilities for revaluation of land	272
Software	12,094	Reserve for retirement benefits	1,152
Software in progress	1,567	Allowance for performance-linked compensation	350
Other	77	Other allowances	195
<b>Investments and other assets</b>	<b>171,473</b>	Asset retirement obligation	3,962
Investment securities	26,005	Other	843
Shares of subsidiaries and associates	121,185	<b>Total liabilities</b>	<b>160,370</b>
Investments in capital of subsidiaries and associates	2,584	(Net assets)	
Guarantee deposits	10,432	<b>Shareholders' equity</b>	<b>258,064</b>
Long-term prepaid expenses	1,180	Common stock	10,001
Prepaid pensions costs	648	Additional paid-in capital	55,926
Deferred tax assets	9,244	Legal capital surplus	4,111
Other	191	Other additional paid-in capital	51,814
		Retained earnings	204,095
		Other retained earnings	204,095
		Retained earnings brought forward	204,095
		Treasury stock	(11,958)
		<b>Valuation and translation adjustments</b>	<b>1,990</b>
		Net unrealized gains on other securities	4,662
		Revaluation reserve for land	(2,672)
		<b>Total net assets</b>	<b>260,055</b>
<b>Total assets</b>	<b>420,425</b>	<b>Total liabilities/net assets</b>	<b>420,425</b>

**Statement of Income**  
(From April 1, 2024 to March 31, 2025)

(Millions of yen)

Account title	Amount	
Net sales		259,155
Cost of sales		188,118
<b>Gross profit</b>		<b>71,036</b>
Selling, general and administrative expenses		39,109
<b>Operating income</b>		<b>31,927</b>
<b>Non-operating income</b>		
Interest income	449	
Dividend income	24,704	
Others	101	25,255
<b>Non-operating expense</b>		
Interest expenses	436	
Provision of allowance for doubtful accounts	673	
Others	332	1,441
<b>Recurring profit</b>		<b>55,741</b>
<b>Extraordinary income</b>		
Gain on sale of investment securities	7,162	
Others	198	7,360
<b>Extraordinary loss</b>		
Loss on valuation of shares of subsidiaries and affiliates	3,558	
Loss on sale of investment securities	450	
Impairment losses	2,145	
Others	38	6,192
<b>Profit (loss) before income taxes</b>		<b>56,910</b>
Income taxes: current	6,818	
Income taxes: deferred	3,082	9,900
<b>Net income</b>		<b>47,009</b>

## **Statement of changes in net assets**

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

(Millions of yen)

	Shareholders' equity							
	Common stock	Additional paid-in capital			Retained earnings		Treasury stock	Total shareholders' equity
		Legal capital surplus	Other additional paid-in capital	Total additional paid-in capital	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance as of April 1, 2024	10,001	4,111	51,839	55,950	174,256	174,256	(6,395)	233,812
Change during the fiscal year								
Dividends from surplus	—	—	—	—	(17,169)	(17,169)	—	(17,169)
Net income	—	—	—	—	47,009	47,009	—	47,009
Acquisition of treasury stock	—	—	—	—	—	—	(7,865)	(7,865)
Disposal of treasury stock	—	—	(24)	(24)	—	—	2,302	2,277
Items other than changes in shareholders' equity, net	—	—	—	—	—	—	—	—
Net change during the fiscal year	—	—	(24)	(24)	29,839	29,839	(5,563)	24,251
Balance as of March 31, 2025	10,001	4,111	51,814	55,926	204,095	204,095	(11,958)	258,064

	Valuation and translation adjustments			Total net assets
	Net unrealized gains on other securities	Revaluation reserve for land	Total valuation and translation adjustments	
Balance as of April 1, 2024	3,205	(2,672)	533	234,346
Change during the fiscal year				
Dividends from surplus	—	—	—	(17,169)
Net income	—	—	—	47,009
Acquisition of treasury stock	—	—	—	(7,865)
Disposal of treasury stock	—	—	—	2,277
Items other than changes in shareholders' equity, net	1,456	—	1,456	1,456
Net change during the fiscal year	1,456	—	1,456	25,708
Balance as of March 31, 2025	4,662	(2,672)	1,990	260,055

# Accounting Audit Report for Consolidated Financial Statements

## Independent auditor's audit report

May 15, 2025

To the Board of Directors  
TIS, INC.

Ernst & Young ShinNihon LLC  
Tokyo Office

Osamu Kimura  
Designated limited liability partner Engagement partner  
Certified Public Accountant

Takanori Miyake  
Designated limited liability partner Engagement partner  
Certified Public Accountant

Taro Kuramochi  
Designated limited liability partner Engagement partner  
Certified Public Accountant

### Audit opinions

In accordance with the provisions of Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of TIS, INC. for the fiscal year from April 1, 2024 to March 31, 2025, that is, the consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity and consolidated notes.

We acknowledge that the above-mentioned consolidated financial statements properly represent the status of the assets and profit and loss for the period of time for the relevant consolidated financial statements of the corporate group that consists TIS INC. and its consolidated subsidiaries in all the important points in accordance with the generally accepted accounting principles in Japan.

### Grounds for the audit opinions

We have conducted audits in accordance with the generally accepted accounting principles in Japan. Our responsibilities in the standards for audits are described in “auditor’s responsibilities in audits of consolidated financial statements.” We are independent of the Company and its consolidated subsidiaries in accordance with the regulations on professional ethics in Japan, and fulfill our other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence used as the basis to express our opinions.

### Other content

Other content includes the business report and supplementary schedules. Management is responsible for preparing and disclosing other content. Further, Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for monitoring the execution of duties by directors in development and management of the reporting process for other content.

Other content is not included in the scope of our audit opinions on the consolidated financial statements, and we do not express any opinions on other content.

Our responsibility in the audit of the consolidated financial statements is to read through other content, and examine whether or not there are any material discrepancies between the other content and the consolidated financial statements or the knowledge we obtained in the process of the audit, in the process of reading it through, and also to pay attention to whether or not there are any signs of significant errors in the other content other than such material discrepancies.

Based on the work carried out, if it is judged that there are any significant errors in the other content, we are required to report that fact.

There are no matters to be reported by us regarding the other content.

### Responsibilities of management, Audit & Supervisory Board members and the Audit & Supervisory Board for the consolidated financial statements

Management is responsible for preparing and properly representing consolidated financial statements in accordance with the generally accepted accounting principles in Japan. This includes developing and

managing internal controls deemed necessary by management in order to prepare and properly represent consolidated financial statements that are free from material misstatements due to fraud or error. Upon preparing consolidated financial statements, management is responsible for assessing whether or not it is appropriate to prepare consolidated financial statements based on the premise of going concern. If it is necessary to disclose matters related to going concern in accordance with the generally accepted accounting principles in Japan, they are responsible for disclosing the relevant matters.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for monitoring the execution of duties by the directors in the development and management of the financial reporting process. The auditor's responsibility in auditing consolidated financial statements is to obtain reasonable assurance that there are no material misrepresentations due to fraud or error in the consolidated financial statements as a whole based on the audits conducted by the auditor and to express opinions on the consolidated financial statements from an independent standpoint in the audit report. Misrepresentation may be caused by fraud or error and are considered to be material if it is reasonably expected to affect decision-making of the users of the consolidated financial statements individually or in aggregate.

The auditor shall exercise professional judgment throughout the audit process in accordance with auditing standards generally accepted as fair and appropriate in Japan, and shall maintain professional skepticism concerning the following;

- Identify and evaluate the risk of material misrepresentation due to fraud or error. Further, to draw up and implement audit procedures that address the risk of material misrepresentations. The audit procedures shall be selected and applied at the discretion of the auditor. In addition, obtain sufficient and appropriate audit evidence used as a basis to express opinions.
- The purpose of auditing consolidated financial statements is not to express any opinions on the efficiency of internal controls. However, the auditor shall examine internal controls related to audits in order to draw up appropriate audit procedures according to the relevant circumstances when conducting a risk assessment.
- Evaluate the appropriateness of the accounting policies and methods of application adopted by management as well as the method to apply them and rationality of the accounting estimates made by management and the validity of related notes.
- Conclude whether or not it is appropriate for management to prepare consolidated financial statements on the premise of going concern and whether or not any incident that would cause any significant doubt to the premise of going concern or any significant uncertainty is recognized regarding the situation based on the audit evidence obtained. If any significant uncertainty regarding the premise of going concern is recognized, it is required to call attention in notes of the consolidated financial statements in the audit report. Or, if the notes of the consolidated financial statements on the significant uncertainty are not appropriate, it is required to express opinions with exclusions on the consolidated financial statements. Although the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, future incidents and/or circumstances may prevent the Company from continuing as a going concern.
- Evaluate whether or not the representation and notes on the consolidated financial statements comply with generally accepted accounting principles in Japan and whether or not the representation, structure and content of the consolidated financial statements, including related notes and the consolidated financial statements properly represent underlying transactions and accounting incidents.
- Plan and perform audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to provide a basis for our opinion on the consolidated financial statements. The auditor is responsible for providing direction, supervision and inspection of the audit of the consolidated financial statements. The auditor is solely responsible for the audit opinions. The auditor shall report to Audit & Supervisory Board members and the Audit & Supervisory Board on the planned scope of the audit and the timing of its implementation, important findings in the audit, including material weaknesses in internal controls identified in the course of carrying out the audit, and other matters required by auditing standards.

The auditor shall report to Audit & Supervisory Board members and the Audit & Supervisory Board on compliance with the regulations on professional ethics in Japan regarding independence, matters reasonably considered to affect independence of the auditor, and where applicable, any measures taken to remove the factors of inhibition to independence or any safeguards applied to mitigate the factors of inhibition to a tolerable level.



Interest

Our audit firm or executive partners have no interest with the Company and its consolidated subsidiaries, which should be described in accordance with the provisions of the Certified Public Accountants Act.

END

## Accounting Audit Report for Financial Statements

### Independent auditor's audit report

May 15, 2025

To the Board of Directors  
TIS, INC.

Ernst & Young ShinNihon LLC  
Tokyo Office

Osamu Kimura  
Designated limited liability partner Engagement partner  
Certified Public Accountant

Takanori Miyake  
Designated limited liability partner Engagement partner  
Certified Public Accountant

Taro Kuramochi  
Designated limited liability partner Engagement partner  
Certified Public Accountant

#### Audit opinions

In accordance with the provisions of Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the financial statements of TIS, INC. for the 17th fiscal year from April 1, 2024 to March 31, 2025, that is, the balance sheet, the income statement, the statement of changes in equity and the individual notes as well as supplementary schedules (hereinafter referred to as “financial statements, etc.”).

We acknowledge that the above-mentioned financial statements, etc. properly represent the status of the assets and profit and loss for the period of time for the relevant financial statements, etc. in all the important points in accordance with generally accepted accounting principles in Japan.

#### Grounds for the audit opinions

We have conducted audits in accordance with the generally accepted accounting principles in Japan. Our responsibilities in the standards for audits are described in “auditor’s responsibilities in audits of financial statements, etc.” We are independent of the Company in accordance with the regulations on professional ethics in Japan, and we are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence used as the basis to express our opinions.

#### Other content

Other content includes the business report and supplementary schedules. Management is responsible for preparing and disclosing other content. Further, Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for monitoring the execution of duties by the directors in the development and management of the reporting process for other content.

Other content is not included in the scope of our audit opinions on the financial statements, etc., and we do not express any opinions on other content.

Our responsibility in the audit of the financial statements, etc. is to read through other content, and examine whether or not there are any material discrepancies between the other content and the financial statements, etc. or the knowledge we obtained in the process of the audit in the process of reading it through, and also pay attention to whether or not there are any signs of significant errors in the other content other than such material discrepancies.

Based on the work carried out, if it is judged that there are any significant errors in the other content, we are required to report that fact.

There are no matters to be reported by us regarding the other content.

Responsibilities of management, Audit & Supervisory Board members and the Audit & Supervisory Board for the financial statements, etc.

Management is responsible for preparing and properly representing financial statements, etc. in accordance with generally accepted accounting principles in Japan. This includes developing and managing internal controls deemed necessary by management in order to prepare and properly represent financial statements, etc. that are free from material misstatements due to fraud or error.

Upon preparing financial statements, etc., management is responsible for assessing whether or not it is appropriate to prepare financial statements, etc. based on the premise of going concern. If it is necessary to disclose matters related to going concern in accordance with generally accepted accounting principles in Japan, they are responsible for disclosing the relevant matters.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for monitoring the execution of duties by the directors in the development and management of the financial reporting process.

Responsibility of the auditor in auditing the financial statements, etc.

The auditor's responsibility is to obtain reasonable assurance that there are no material misrepresentations due to fraud or error in the financial statements, etc. as a whole based on the audits conducted by the auditor and to express opinions on the financial statements, etc. from an independent standpoint in the audit report. Misrepresentation may be caused by fraud or error and are considered to be material if it is reasonably expected to affect decision-making of the users of the financial statements, etc. individually or in aggregate.

The auditor shall exercise professional judgment throughout the audit process in accordance with auditing standards generally accepted as fair and appropriate in Japan, and shall maintain professional skepticism concerning the following;

- Identify and evaluate the risk of material misrepresentation due to fraud or error. Further, to draw up and implement audit procedures that address the risk of material misrepresentations. The audit procedures shall be selected and applied at the discretion of the auditor. In addition, obtain sufficient and appropriate audit evidence used as a basis to express opinions.
- The purpose of auditing consolidated financial statements is not to express any opinions on the efficiency of internal controls. However, the auditor shall examine internal controls related to audits in order to draw up appropriate audit procedures according to the relevant circumstances when conducting a risk assessment.
- Evaluate the appropriateness of the accounting policies and methods of application adopted by management as well as the method to apply them and rationality of the accounting estimates made by management and the validity of related notes.
- Conclude whether or not it is appropriate for management to prepare consolidated financial statements on the premise of going concern and whether or not any incident that would cause any significant doubt to the premise of going concern or any significant uncertainty is recognized regarding the situation based on the audit evidence obtained. If any significant uncertainty regarding the premise of going concern is recognized, it is required to call attention in notes of the financial statements, etc. in the audit report. Or, if the notes of the financial statements, etc. on the significant uncertainty are not appropriate, it is required to express opinions with exclusions on the financial statements, etc. Although the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, future incidents and/or circumstances may prevent the Company from continuing as a going concern.
- Evaluate whether or not the representation and notes on the consolidated financial statements comply with generally accepted accounting principles in Japan and whether or not the representation, structure and content of the consolidated financial statements, including related notes and the consolidated financial statements properly represent underlying transactions and accounting incidents.

The auditor shall report to Audit & Supervisory Board members and the Audit & Supervisory Board on the planned scope of the audit and the timing of its implementation, important findings in the audit, including material weaknesses in internal controls identified in the course of carrying out the audit, and other matters required by auditing standards.

The auditor shall report to Audit & Supervisory Board members and the Audit & Supervisory Board on compliance with the regulations on professional ethics in Japan regarding independence, matters reasonably considered to affect independence of the auditor, and where applicable, any measures taken to remove the factors of inhibition to independence or any safeguards applied to mitigate the factors of inhibition to a tolerable level.

Interest

Our audit firm or executive partners have no interest with the Company, which should be described in accordance with the provisions of the Certified Public Accountants Act.

END

## Audit Report of the Audit & Supervisory Board

### Audit report

The Audit & Supervisory Board has deliberated and has prepared the audit report based on the audit report prepared by each Audit & Supervisory Board member regarding the execution of duties of the directors for the 17th fiscal year from April 1, 2024 to March 31, 2025, and hereby reports as follows;

1. Auditing methods and content of audits by audit & supervisory board members and the Audit & Supervisory Board
  - (1) The Audit & Supervisory Board has established audit policies, audit plans, etc., received a report on the implementation and result of the audit from each Audit & Supervisory Board member as well as the execution of duties from the directors, etc. and the financial auditor, and requested explanations as necessary.
  - (2) Each Audit & Supervisory Board member has communicated with the directors, the Internal Audit Department and other employees, etc. to strive to collect information and establish an appropriate audit environment, and carried out the audit using the following method while utilizing means via telephone or the Internet, etc. in accordance with the Audit & Supervisory Board Members' Auditing Standards provided by the Audit & Supervisory Board as well as the audit policies and audit plans, etc.;
    - 1) We attended the meetings of the Board of Directors, management meetings and other important meetings, received reports from directors and employees, etc. on the execution of their duties, and requested explanations as necessary, perused important approval documents, etc. to investigate the status of the business activities and assets. Further, in regard to subsidiaries, we have communicated and exchanged information with the directors and Audit & Supervisory Board members of the subsidiaries in person and online, and received business reports from the subsidiaries as necessary.
    - 2) In regard to the content of resolutions made by the Board of Directors regarding the preparation and maintenance of systems to ensure that the execution of duties by the directors as described in the business report, complies with laws and regulations and the Articles of Incorporation as well as the systems prepared and maintained as necessary to ensure the appropriateness of the business activities of the corporate group, consisting of the stock company and its subsidiaries as stipulated in the enforcement rules of Article 100, Paragraphs 1 and 3 of the Companies Act and the systems prepared and maintained based on the relevant resolution (internal control system), we have regularly received reports from the directors and employees, etc. on the status of construction and operation, requested explanations as necessary and expressed opinions.
    - 3) We have monitored and verified to confirm whether the financial auditor maintained an independent position and conducted an appropriate audit, received reports from the financial auditor on the status of the execution of duties, and requested explanations as necessary. Further, we have been notified by the financial auditor that the "systems to ensure that duties are performed properly" (matter listed in each item of Article 131 of the Regulations on Corporate Accounting) in accordance with the "the Quality Control Standards for Audits" (October 28, 2005 Business Accounting Council), etc., and requested explanations as necessary. We have discussed the major audit matters to be examined with the financial auditor, received reports on the status of implementation of the audit, and requested explanations as necessary.

Based on the above method, we have examined the business report and its supplementary schedules, financial statements (balance sheet, income statement, statement of changes in equity and individual notes) and supplementary schedules as well as consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in equity and consolidated notes) for the relevant fiscal year.

#### 2. Results of the audit

- (1) Results of the audit of the business report, etc.
  - i. We acknowledge that the business report and supplementary schedules properly represent the status of the Company in accordance with the laws and regulations and the Articles of Incorporation.
  - ii. We have not found any illegal acts or material violations of the laws and regulations or the Articles of Incorporation, that are related to the execution of duties by the Directors.
  - iii. We acknowledge that the content of resolutions made by the Board of Directors regarding internal control systems is appropriate. Further, we have not found any matters to be pointed out regarding the description of the business report and the execution of duties by the directors in relation to the relevant internal control systems.

- (2) Results of audit of financial statements and the accompanying supplementary schedules  
We acknowledge that the methods applied and results of the audit by the financial auditor Ernst & Young ShinNihon LLC are appropriate.
- (3) Results of audit of the consolidated financial statements  
We acknowledge that the methods applied and results of the audit by the financial auditor Ernst & Young ShinNihon LLC are appropriate.

May 16, 2025

Audit & Supervisory Board, TIS, INC.

Makoto Tsujimoto (Seal)  
Full-Time Audit & Supervisory Board Member  
Hideki Kishimoto (Seal)  
Full-Time Audit & Supervisory Board Member  
Yukio Ono (Seal)  
External Audit & Supervisory Board Member  
Akiko Yamakawa (Seal)  
External Audit & Supervisory Board Member  
Hiroko Kudo (Seal)  
External Audit & Supervisory Board Member

END