

Notice of the 18th Annual General Meeting of Shareholders
(Business Report and Others)

From April 1, 2025 to March 31, 2026

Business report for the 18th 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

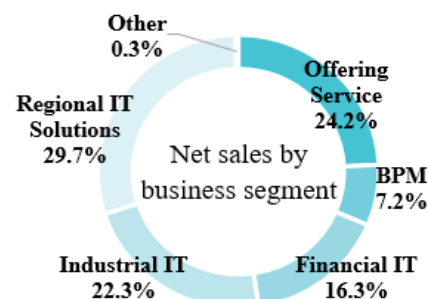
Audit Report of the Audit & Supervisory Board

TIS Inc.

Business report for the 18th period
(From April 1, 2025 to March 31, 2026)

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

	18th Fiscal Year Fiscal year ended March 31, 2026	Year-on-year change
Net sales	596,479 million yen	Up 4.3%
Operating income	76,229 million yen	Up 10.4%
Recurring profit	76,511 million yen	Up 8.5%
Net income attributable to owners of the parent company	46,624 million yen	Down 6.8%



(1) Business progress and achievement

During the fiscal year under review, the Japanese economy recovered moderately, although the impact of U.S. trade policy was felt primarily in certain manufacturing sectors. Looking ahead, while the economy is expected to pick up supported by improvements in the employment and income environment and an array of policy measures, we must remain fully vigilant regarding risks such as developments in U.S. trade policy, fluctuations in financial and capital markets, and, in particular, the surge in crude oil prices caused by the escalating tensions in the Middle East. In the information service industry to which the Group belongs, demand for IT investment is expected to increase further amid the rapid evolution and widespread adoption of AI and the ongoing global transformation of business processes and business models driven by digital technology, 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 industries, including financial institutions) showed a year-on-year increase.

Under these circumstances, committed to achieving Group Vision 2032 and in accordance with the basic policies of the current medium-term management plan (2024–2026), the Group will strive for sustainable growth with higher added value and 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.

In the fiscal year under review, net sales were 596,479 million yen (up 4.3% year on year), operating income was 76,229 million yen (up 10.4% year on year), recurring profit was 76,511 million yen (up 8.5% year on year) and the net income attributable to owners of the parent company was 46,624 million yen (down 6.8% year on year).

Net sales increased year on year due to factors such as business expansion by accurately responding to IT investment demand, including customers' digital transformation, and by promoting service delivery. Operating income increased from the previous year owing to higher net sales, proactive implementation of growth investments, including investments in human capital, which is our most important management capital, the provision of high-value-added services, the promotion of productivity improvement measures, and the reduction of unprofitable projects. In terms of profitability, the gross profit margin was 28.2% (up 0.2 percentage points year on year) and the operating margin was 12.8% (up 0.7 percentage points year on year). Recurring profit increased year on year due to the increase in operating income. Net income attributable to owners of the parent company decreased year on year due to a deterioration in net extraordinary income/loss.

In the fiscal year under review, the Group recorded extraordinary income of 5,118 million yen and extraordinary loss of 12,677 million yen. The main components were a gain on sale of investment securities of 4,374 million yen resulting from a reduction of cross-shareholdings recorded as extraordinary income; and a provision for loss on litigation of 7,434 million yen in connection with the settlement of a pending lawsuit and impairment losses of 2,827 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 fiscal year under review were 160,574 million yen (up 10.3% year on year), and operating income was 10,442 million yen (up 5.1% year on year). While there was an increase in IT investment demand in areas such as settlement solutions, infrastructure, and enterprise solutions, as well as contributions from overseas operations and a decrease in unprofitable projects, demand related to the renewal cycle of financial, tax, and payroll systems provided to tax accountant offices has run its course, and there has been an increase in upfront investments in the settlement solutions field. As a result, both sales and profit increased year on year. The operating margin was 6.5% (down 0.3 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 fiscal year under review were 44,092 million yen (up 3.4% year on year), and operating income was 6,397 million yen (up 20.1% year on year). 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 sales and profit, with an operating margin of 14.5%, up 2.0 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 fiscal year under review were 98,730 million yen (down 1.5% year on year), and operating income was 12,729 million yen (up 3.3% year on year). Although both the peaking out of large-scale development projects for core credit card clients that had continued from the previous fiscal year and the termination of operations for some customers had an impact, sales decreased but profit increased year on year due to the promotion of high value-added businesses such as modernization-related projects. The operating margin was 12.9% (up 0.6 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 fiscal year under review were 133,396 million yen (up 4.1% year on year), and operating income was 22,507 million yen (up 16.4% year on year). The trend of expanding IT investments in a wide range of industries, including services, manufacturing, and distribution led overall growth, while unprofitable projects decreased, resulting in a year-on-year increase in sales and profit, and the operating margin increased 1.8 percentage points to 16.9%.

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 fiscal year under review were 184,238 million yen (up 3.8% year on year), and operating income was 23,328 million yen (up 8.1% year on year). Although profitability was adversely affected by responses to changes in the situation surrounding public sector projects, year-on-year increases in both sales and profit were achieved due to the expansion of IT investment demand across a wide range of sectors, primarily healthcare and other industries, as well as a decrease in one-off expenses that occurred in the previous fiscal year. The operating margin was 12.7% (up 0.5 percentage points year on year)

6) Other

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

Net sales in the fiscal year under review were 10,397 million yen (up 2.7% year on year), operating income was 940 million yen (up 7.1% year on year), and the operating margin came to 9.0% (up 0.3 percentage points year on year).

As mentioned above, the Group has been executing the medium-term management plan (2024–2026), which serves as the first stage toward achieving Group Vision 2032, since the previous fiscal year, and we will continue to pursue sustainable growth. 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 announced in the “Notice regarding Decision on Basic Policy for Merger with Subsidiary (INTEC Inc.), Change of Trade Name, and Transition to a Company with an Audit and Supervisory Committee” dated July 30, 2025, and the “Notice regarding Absorption-type Merger (Simplified and Short-form Merger) of Our Subsidiary (INTEC Inc.)” dated October 31, 2025, we resolved at a Board of Directors meeting held on July 30, 2025 to adopt a basic policy to implement an absorption-type merger of INTEC Inc. (hereinafter “INTEC”), a wholly-owned subsidiary of the Company. Subsequently, as scheduled, at a Board of Directors meeting held on October 31, 2025, we passed a resolution to carry out the merger effective July 1, 2026, and entered into an absorption-type merger agreement. Through the management integration resulting from the establishment of IT Holdings Corporation in April 2008 and the transition to a business holding company structure in July 2016, the Company and INTEC, as core companies of the Group, have been working to enhance the value provided to customers and to improve corporate value by generating synergies. Meanwhile, in light of changes in the business environment surrounding the Group, the early and steady realization of our long-term management policy, Group Vision 2032, is of utmost importance. To this end, we have determined that it is essential to merge the Company with INTEC in order to build a stronger management and business foundation than ever before. Through this merger, we aim to enhance value creation with our customers and society, and to further increase corporate value by strongly promoting the optimal allocation of management resources—centered on strategic investments in technology and highly skilled talent—as well as by further enhancing the value provided by our core business locations. In addition, as part of the merger, the Company plans to change its trade name to “TISI Inc.” In conjunction with this, we plan to transition to a company with an Audit and Supervisory Committee in order to further enhance our corporate governance and meet the expectations of our domestic and international stakeholders from a global perspective.

Since establishing the basic merger policy, the steering committee composed primarily of the presidents of both companies has been diligently reviewing and discussing key issues,

such as generating business synergies by accelerating co-creation with customers and partners, with a focus on expanding overall value. At the same time, task forces organized by field bring together employees from both companies to discuss the ideal future state and translate those discussions into concrete initiatives. In addition, we are working to foster integration and a sense of unity between the two companies by holding town hall meetings where the presidents of both companies explain the significance and objectives of the merger to employees from both companies, as well as dialogue sessions involving employees from both companies.

Regarding the review of the business portfolio, in September 2025, the Company decided to succeed the AI

and data analytics business (excluding certain customers) of Miotsukushi Analytics Co., Ltd., a consolidated subsidiary, effective April 1, 2026, through an absorption-type company split. Furthermore, in January 2026, the Company decided to carry out an absorption-type merger of Fixel Inc., a non-consolidated subsidiary, effective April 1, 2026. In May 2026, we established a basic policy regarding the merger of TIS Solution Link Inc., a wholly owned subsidiary of the Company, and INTEC Solution Power Inc. This merger is part of our efforts to enhance the value we provide to customers by strengthening the Group's overall value chain. It will integrate the two companies, which operate chiefly on-site working as close partners with customers in value creation, in a bid to consolidate management resources and intellectual property and build a stronger business foundation. We will continue to optimize Group resources and accelerate business development.

In order to implement a nimble capital policy that responds flexibly to changes in the business environment and to improve shareholder returns and capital efficiency, in May 2025, the Company decided to repurchase treasury shares totaling 42.0 billion yen—comprising about 7.0 billion yen for shareholder returns and about 35.0 billion yen for the purpose of optimizing the capital structure. Based on this decision, between May and December 2025, the Company completed the planned repurchase of its own shares, totaling approximately 42.0 billion yen (8,656,200 shares). Of the shares acquired as described above, 35.0 billion yen worth (7,833,411 shares) acquired for the purpose of optimizing the capital structure were canceled in February 2026 as originally planned in accordance with the Company's policy, which stipulates that treasury share holdings should generally not exceed 5% of the total number of shares issued, with any excess shares to be canceled, and to eliminate concerns about future dilution of shares. Furthermore, based on the premise that sustainable growth and enhanced corporate value can be achieved by advancing a growth strategy that takes into account the widespread adoption of AI, and recognizing that given our view of the Company's intrinsic value, the current stock price does not necessarily reflect a full appreciation of the Company's worth, we decided in March 2026 on an additional measure to repurchase a total of 50.0 billion yen in treasury stock, as a means to help achieve the key performance indicators of the medium-term management plan: "ROE of over 16%" and "average annual EPS growth rate of over 10%." The repurchase period runs from March to September 2026. As of the end of March 2026, we have repurchased 13.9 billion yen worth of treasury stock (4,122,600 shares). This repurchase includes the 8.2 billion yen worth of treasury stock scheduled for repurchase in the fiscal year ending March 31, 2027, based on our shareholder return policy of a 50% total payout ratio.

(2) Capital investments

In the 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 27,741 million yen.

(3) Financing

In the fiscal year under review, the Group as a whole borrowed 10,700 million yen in long-term debts and repaid 13,072 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)

Although there are factors to monitor, such as political and geopolitical risks and rising global inflation, IT investment demand among domestic companies remains robust, and we believe that the favorable business environment for the Group will continue. As the practical application of innovative technologies, including AI agents, advances rapidly, the demand for digital solutions continues to grow and become more sophisticated. Meanwhile, in addition to increased entry by global IT platform providers and players from other industries, structural

changes are underway in which AI itself has the potential to transform development processes, leading to a qualitative shift in the competitive landscape.

In light of these environmental changes, the Group will merge TIS and INTEC in July 2026 to establish a new company, TISI Inc. This merger is not merely an organizational integration; its purpose is to achieve unified management as “One Company” and maximize overall value by combining both companies’ customer bases, technologies, and human resources. By integrating the two companies’ customer bases, technologies, and human resources, we will enhance the comprehensive value we provide to address four key social challenges, namely, “financial inclusion,” “concentration in cities/decline in rural areas,” “low-carbon/decarbonization” and “health issues,” and create a virtuous cycle that strengthens our competitiveness.

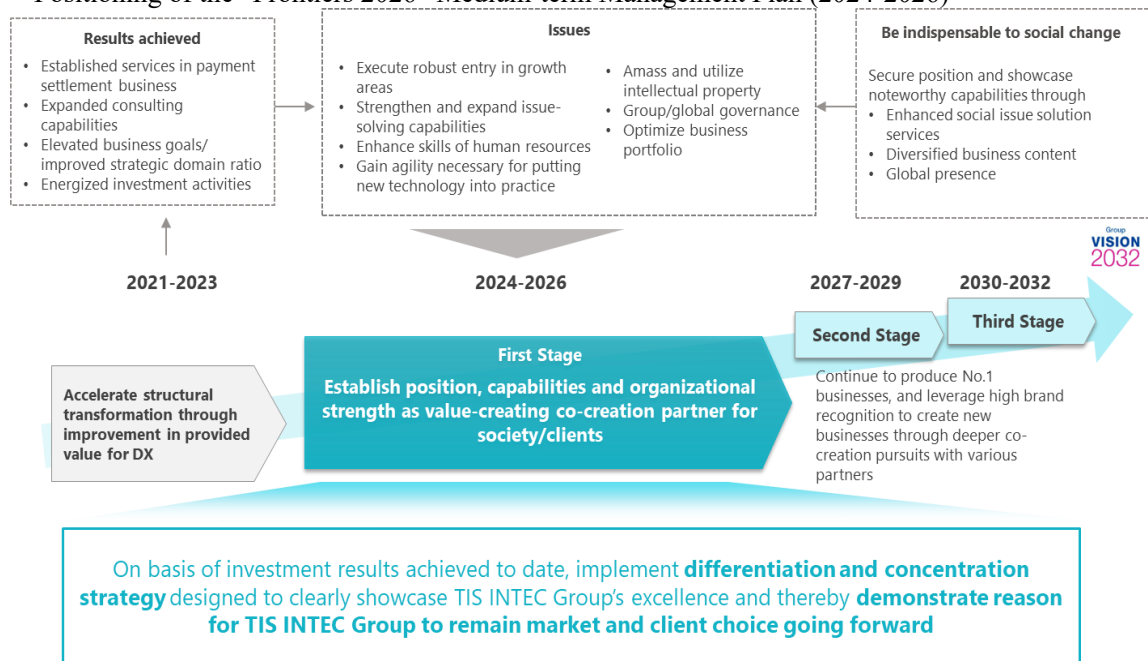
At the same time, by establishing an optimal organizational structure through this group reorganization, we will fundamentally review the allocation of resources and the efficiency of decision-making across the entire Group, and pursue further improvements in management efficiency. We believe it is important that the Group refines our strength in our deep understanding of customers and industries and also strengthens and expands our ability to solve issues through co-creation with a diverse range of players. Our understanding of management issues facing the Group 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
- Accelerating the transformation of our business model
Moving away from labor-intensive businesses and expanding revenue from results, services, and products
- Realizing integration synergies
Establishing a “One Company” management approach and expanding overall value

Under the “Frontiers 2026” medium-term management plan (2024-2026), which we have been implementing since April 2024, the Group has been advancing differentiation and consolidation as the first stage of the Group Vision 2032, building on the results of our investments and customer base development during the period of the previous medium-term management plan.

Fiscal 2026, the final year of the current medium-term management plan, marks a significant milestone involving a structural transformation with the launch of the new company, TISI Inc. Based on our understanding of the management issues outlined above, we will strive to both bring the current medium-term management plan to a successful conclusion and lay the groundwork for the next one.

< 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	Frontiers 2026				
	<ul style="list-style-type: none"> We will set frontier development as a fundamental strategy and strive for sustainable growth paralleling higher added value. We will strive to achieve changes in society and for corporate clients by enhancing quality across all value chains, starting with forward-looking market development and business domain expansion. 				
Key performance indicators	Human resources growth and added value cycle	Improved earning power	Asset (=intellectual property) value creation	Winning confidence of society	Meaningful growth
	Operating income per person More than ¥3.5 million	Operating margin 13.1% Adjusted operating margin 13.4%*1	ROIC/ROE Above 13%/above 16%	Sales ¥620 billion	EPS CAGR Above 10%
Priority strategies	Market Strategies				
	<ul style="list-style-type: none"> Concentrate investment of management resources into defined growth areas, based on social issues and in-house strengths Balancing efforts to increase added value of services and reinforce technology investment, expand business with sense of speed, especially in ASEAN region 				
	Service Strategies	Technology Strategies	Intellectual Property Strategies	Human Resources Strategies	
	<ul style="list-style-type: none"> All services, from upstream to business process outsourcing, will benefit under full value chain status Enrich pure services*3, focusing on four social issues*2 	<ul style="list-style-type: none"> Leverage knowledge distribution, IT architect development and redeployment structure Promote process redevelopment using AI x automation 	<ul style="list-style-type: none"> Seek balance between higher added value and expanded business scale, with greater accumulation and utilization of intellectual property Accelerate intellectual property creation through internal use of information on points of client contact 	<ul style="list-style-type: none"> Bolster issue resolution capabilities by increasing number consultants to create 700-person structure and by standardizing basic consulting skills Secure and develop top talent and establish structure for flexible redeployment of human resources 	

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

*2 Financial inclusion, 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.

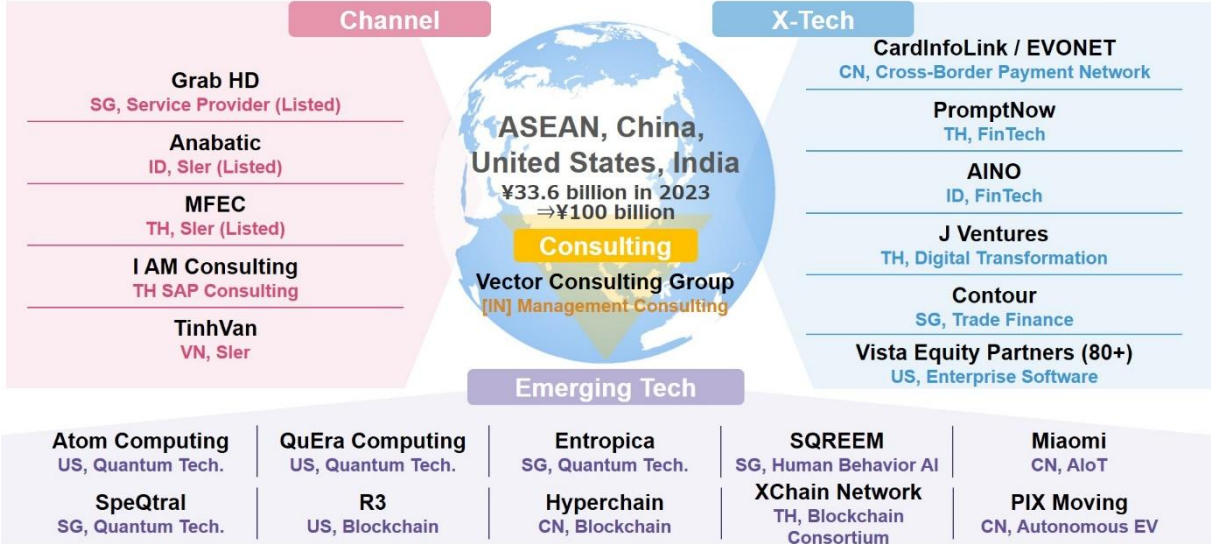
i) Market Strategies/Overall Segment Strategies

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"> 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 Enhance profitability through more advanced investment management
Business Process Management	<ul style="list-style-type: none"> 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
Financial IT Business	<ul style="list-style-type: none"> 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
Industrial IT Business	<ul style="list-style-type: none"> Develop deeper relationships with customers and develop services, particularly in the manufacturing industry, energy, and social infrastructure 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
Regional IT Solutions	<ul style="list-style-type: none"> 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)

ii) Market Strategies/Global Strategies

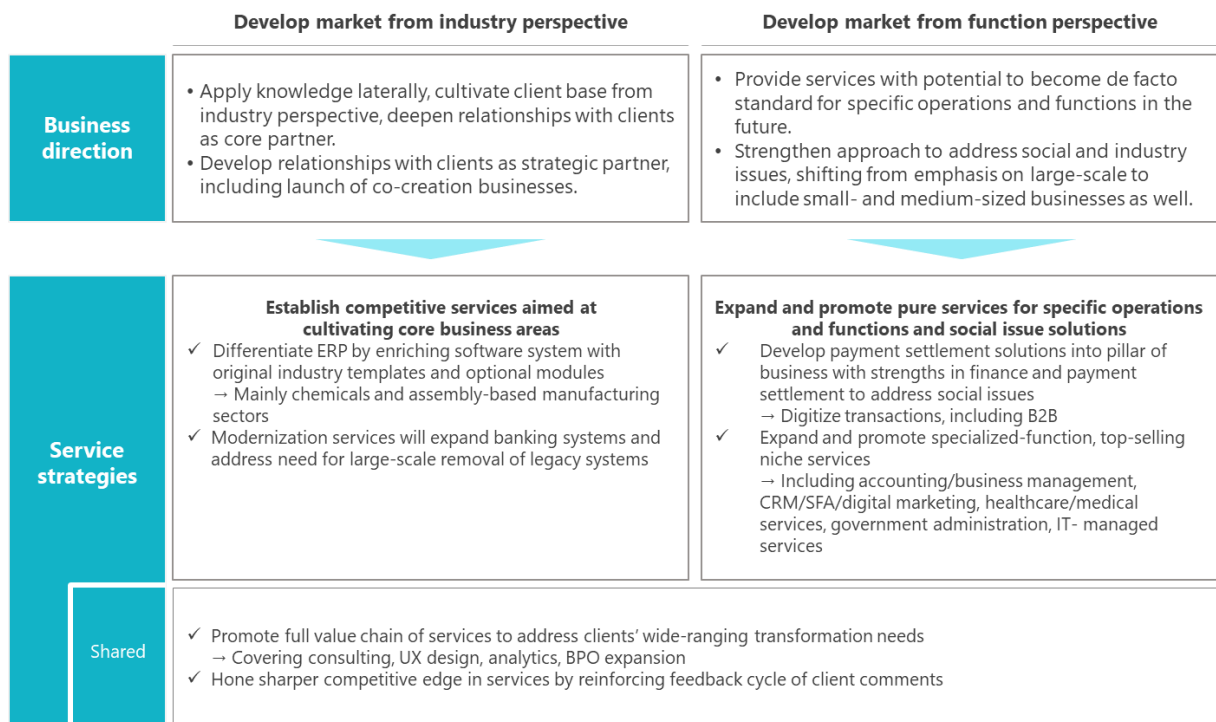
While targeting Asia, which has enormous market potential, over the long term, we will broaden the scope of global partnerships and expand our business in the ASEAN region as we aim to achieve consolidated net sales of 100 billion yen. We will promote the shift toward higher added value across all businesses 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 AI, the redevelopment of processes in various internal operations based on the assumption of utilizing AI, and the development of an 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, the Company 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 second year of the medium-term management plan, despite the impact of upfront investments in settlement solutions field and unprofitable public sector projects, we chalked up increases in both sales and profit by effectively responding to IT investment demand, and achieved the medium-term management plan target of 3.5 million yen in operating income per person one year ahead of schedule. Looking ahead to the final year, we will further accelerate profit growth alongside sales growth and promote “frontier development” across the entire Group.

Our key priority moving forward is to adapt to the rapidly changing business environment driven by the dramatic evolution and widespread adoption of AI, and to effectively capitalize on new growth opportunities for the Group. Taking these changes as opportunities for growth, the Group will work toward realizing our long-term vision by strengthening the Group-wide value chain and advancing our growth strategy for the AI era. As a prerequisite for this, we have recently reviewed our materiality (priority issues), taking into account changes in the business environment and the Group’s unique characteristics, and have redefined materiality as a source of competitive advantage for achieving sustainable enhancement of corporate value. Based on the new materiality, we will proceed with planning for the next medium-term management plan by focusing on the following key strategies: 1) a qualitative transformation of revenue through AI-driven development; 2) expansion of recurring revenue through vertical AI (agent-based AI designed to perform industry-specific tasks) services; and 3) diversification of revenue model through strategic investments in priority areas.

<Progress on key performance indicators>

	Fiscal year ended March 31, 2025 (Actual results)	Fiscal year ended March 31, 2026 (Revised plan)	Fiscal year ended March 31, 2026 (Actual results)	Fiscal year ending March 31, 2027 (Mid-term plan)
Operating income per person	3.1 million yen	3.4 million yen	3.5 million yen	3.7 million yen
Operating margin	12.1%	12.8%	12.8%	13.1%
ROIC	12.6%	13.6%	14.9%	14.4%
ROE	15.3%	14.8%	14.0%	17.5%
Net sales	571.6 billion yen	588.0 billion yen	596.5 billion yen	620.0 billion yen
EPS	215.00 yen	220.70 yen	204.91 yen	271.70 yen

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

While we have steadily built on our achievements in the second year of the medium-term management plan, we must not only strengthen our efforts to address segment-specific challenges in our market strategy but also advance our various strategies in light of trends such as changes in the competitive environment resulting from industry reorganization and technological innovations driven by AI.

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

(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 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	The 18th Period: Fiscal year ended March 31, 2026 (the fiscal year under review)
Net sales (millions of yen)	508,400	549,004	571,687	596,479
Operating income (millions of yen)	62,328	64,568	69,047	76,229
Recurring profit (millions of yen)	63,204	68,553	70,503	76,511
Net income attributable to owners of parent company (millions of yen)	55,461	48,873	50,012	46,624
Net income per share (yen)	227.11	203.28	215.00	204.91
Total assets (millions of yen)	462,320	525,456	558,051	551,507
Net assets (millions of yen)	309,226	324,725	356,064	337,726
Net assets per share (yen)	1,227.44	1,333.32	1,477.61	1,475.55

(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 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.
3. 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).
4. In the 17th period, 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)

2) Properties and profit and loss of the Company

Category		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	The 18th Period: Fiscal year ended March 31, 2026 (the fiscal year under review)
Net sales	(millions of yen)	238,140	251,334	259,155	273,173
Operating income	(millions of yen)	29,450	32,025	31,927	35,836
Recurring profit	(millions of yen)	41,599	53,541	55,741	54,051
Net income	(millions of yen)	40,323	44,249	47,009	44,050
Net income per share	(yen)	165.12	184.05	202.08	193.60
Total assets	(millions of yen)	362,079	388,113	420,425	395,613
Net assets	(millions of yen)	228,815	234,346	260,055	233,174
Net assets per share	(yen)	945.52	1,000.16	1,119.15	1,059.53

(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	400 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. 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.
2. Sorun Pure Inc. is a special subsidiary for employing people with disabilities.
3. TIS Business Service Inc. has succeeded a portion of INTEC Inc.'s line support operations through a company split effective April 1, 2026. Leveraging this succession opportunity, TIS Business Service Inc. changed its trade name to TIBS Inc. as of the same day to further bolster the shared service business of TIS INTEC Group and embark on a new beginning under shared values.
4. Figures with an asterisk (*) include shares owned by subsidiaries.

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

Not applicable.

3) Other important business combinations

- 1) At a meeting of the Company's Board of Directors held on October 31, 2025, a resolution was passed to implement a simplified absorption-type merger, with the Company as the surviving company and INTEC Inc., a wholly-owned subsidiary of the Company, as the dissolving company, effective July 1, 2026. A merger agreement was executed on the same date.
- 2) In accordance with a stock transfer agreement concluded with iRidge, Inc., the Company acquired 100% of the shares of FinnoValley, Inc., a subsidiary of iRidge, Inc., and made it a consolidated subsidiary of the Company on July 1, 2025.
- 3) At a meeting of the Company's Board of Directors held on January 14, 2026, a resolution was passed to implement a simplified absorption-type merger, with the Company as the surviving company and Fixel Inc., a non-consolidated subsidiary of the Company, as the dissolving company, effective April 1, 2026. A merger agreement was executed as of February 2, 2026.

(7) Major business contents (as of March 31, 2026)

The Group consists of the Company and 50 consolidated subsidiaries as well as 62 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, 2026)

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, 2026)

1) Employees of the corporate group

Business category	Number of employees		Increase/decrease from the previous fiscal year-end	
Offering Service Business	5,812	[288]	Increased by 106 employees	[Increased by 56 employees]
Business Process Management	2,182	[955]	Decreased by 179 employees	[Decreased by 39 employees]
Financial IT Business	1,887	[14]	Decreased by 77 employees	(-)
Industrial IT Business	3,795	[93]	Decreased by 22 employees	[Increased by 17 employees]
Regional IT Solutions	7,197	[525]	Decreased by 67 employees	[Increased by 8 employees]
Others	725	[138]	Increased by 72 employees	[Increased by 4 employees]
Total	21,598	[2,013]	Decreased by 167 employees	[Increased by 46 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
6,066	Increased by 96 employees	40 years and 8 months old	14 years and 5 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, 2026)

Creditors	Amount of borrowings (million yen)
MUFG Bank, Ltd.	28,150
Sumitomo Mitsui Banking Corporation	2,000
Sumitomo Mitsui Banking Corporation (Note)	1,544
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, had been involved in a lawsuit for damages regarding the system development and other business activities entrusted in 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). Following negotiations based on a settlement proposal from the Tokyo District Court, a settlement was reached on April 24, 2026. Consequently, during the fiscal year under review, we have recorded 7,434 million yen, including a settlement payment of 7,090 million yen and litigation expenses, as a provision for loss on litigation under extraordinary losses.

2. Matters related to stock of the company (as of March 31, 2026)

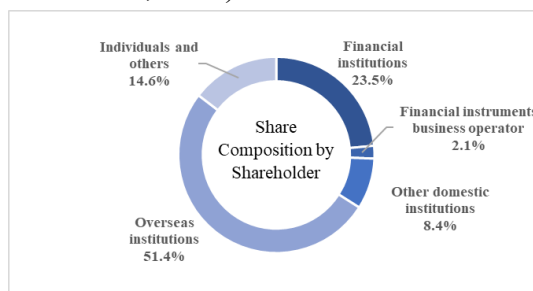
(1) Total number of authorized shares

840,000,000

(2) Total number of issued shares

228,400,000

(including 7,164,984 shares of treasury stock)



(Note) Due to the cancellation of treasury stock, which was implemented on February 27, 2026, the total number of issued shares decreased by 7,833,411 compared with the previous fiscal year.

(3) Number of shareholders

18,952

(4) Major shareholders (top 10 shareholders)

Name of shareholder	Number of shares held (thousand shares)	Shareholding ratio (%)
Ichigo Trust Pte. Ltd.	27,970	12.64
The Master Trust Bank of Japan, Ltd. (trust account)	27,231	12.31
Custody Bank of Japan, Ltd. (trust account)	9,540	4.31
JP MORGAN CHASE BANK 380055	8,019	3.62
Nippon Life Insurance Company	7,333	3.31
TIS INTEC Group Employees' Shareholding Association	6,625	2.99
STATE STREET BANK AND TRUST COMPANY 505001	5,838	2.64
JCB Co., Ltd.	3,484	1.58
JP MORGAN CHASE BANK 385781	3,033	1.37
STATE STREET BANK AND TRUST COMPANY 505223	2,370	1.07

(Note) The ratio of shareholding is calculated after deducting treasury stock (7,164,984 shares). Treasury stock does not include 661,000 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.

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

Not applicable.

(6) Other important matters related to stock

1) Acquisition of treasury stock

Based on the resolution of the meeting of the Board of Directors, which was held on May 8, 2025, treasury stock was acquired as follows:

Type and number of shares acquired	Common shares: 8,656,200 shares
Acquisition cost	41,999 million yen
Acquisition period	From May 9, 2025 to December 23, 2025

Based on the resolution of the meeting of the Board of Directors, which was held on March 10, 2026, treasury stock was acquired as follows:

Type and number of shares acquired	Common shares:	4,122,600 shares
Acquisition cost		13,926 million yen
Acquisition period		From March 11, 2026 to March 31, 2026

2) Cancellation of treasury stock

Based on the resolution of the meeting of the Board of Directors, which was held on February 3, 2026, treasury stock was canceled as follows:

Type and numbers of shares canceled	Common shares:	7,833,411 shares
Amount of treasury stock canceled		34,941 million yen
Cancellation date		February 27, 2026

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,” “low-carbon/decarbonization” 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 8 issues of shares held for cross-holdings, including 6 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, 2026 decreased by 2.9 billion yen to 20.2 billion yen. As a result, the above-mentioned percentage in the fiscal year ended March 31, 2026 is 6.0% (down 0.5 percentage points year on year), and the percentage excluding strategically held shares is 1.5%.

(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 17th Period: Fiscal year ended March 31, 2025	The 18th Period: Fiscal year ended March 31, 2026 (the fiscal year under review)
Number of issues	79	82
(Breakdown) Strategically held stock	61	64
Shares held as cross-shareholdings	18	18
Total amount recorded on the balance sheet	23,140 million yen	20,212 million yen
(Breakdown) Strategically held stock	14,998 million yen	14,981 million yen
Shares held as cross-shareholdings	8,141 million yen	5,231 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 (941 million yen).

5. Matters related to corporate officers

(1) Names, etc. of the Directors and Audit & Supervisory Board Members (as of March 31, 2026)

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. Vice Chairman of Japan Information Technology Services Industry Association
President and Representative Director	Yasushi Okamoto	In charge of the Audit Department
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
Director Senior Managing Executive Officer	*Kiyotaka Nakamura	In charge of Digital Innovation SBU, IT Platform SBU, Business Innovation Div., Social Innovation Div., Global Div., Technology & Innovation SBU, and General Manager of Business Innovation Div., Social Innovation Div., and Global Div.
Director	Shuzo Hikida	President and Representative Director of INTEC Inc. External Director of PLANET, INC.
Director	*Akira Makado	Representative Director and Executive Vice President of INTEC Inc.
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 External Director of Yamaha Motor Co., Ltd.
Director (External Director)	*Mitsuhiro Furusawa	President, Institute for Global Financial Affairs, Sumitomo Mitsui Banking Corporation Outside Director of Mitsubishi Heavy Industries, Ltd. Japan Member of APEC Business Advisory Council (Ministry of Foreign Affairs of Japan)
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: Directors Kiyotaka Nakamura, Akira Makado, and Mitsuhiro Furusawa (indicated with *) were newly elected and appointed at the 17th Annual General Meeting of Shareholders, which was held on June 24, 2025.
 - Retirement: Josaku Yanai, Takayuki Kitaoka, and Fumio Tsuchiya retired as Directors at the expiration of their terms of office, at the conclusion of the 17th Annual General Meeting of Shareholders, which was held on June 24, 2025.
- 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 “responsibility” of directors after the fiscal term

Change as of April 1, 2026

Position at the company	Name	Responsibility
Representative Director Executive Vice President	Shinichi Horiguchi	In charge of Corporate Planning SBU, Human Resources SBU, Corporate Management SBU, and System Development & Quality Management SBU
Director Senior Managing Executive Officer	Kiyotaka Nakamura	In charge of Digital Innovation SBU, IT Platform Technology SBU 1, Business Innovation Div., Social Innovation Div., Global Div., Technology SBU, and General Manager of Business Innovation Div., Social Innovation Div., and Global Div.

(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
		million yen	million yen	million yen	million yen
Directors	12	389	248	65	75
[External Directors]	[4]	[32]	[32]	[-]	[-]
Audit & Supervisory Board Members	5	55	55	-	-
[External Audit & Supervisory Board Members]	[3]	[28]	[28]	[-]	[-]
Total	17	444	303	65	75
[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 because it includes three (3) Directors (including one (1) External Director) who retired at the conclusion of the 17th Annual General Meeting of Shareholders, which was held on June 24, 2025.
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 four (4) Directors (excluding External Directors, non-executive 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"> It is determined based on the role and the scope of responsibility for each position. 	Monthly payment
Performance-linked remuneration	Variable compensation (performance-linked)		<ul style="list-style-type: none"> The Company-wide performance is calculated by considering the degree of achievement of financial and non-financial indicators of the previous fiscal year. When the standard is set at 100%, the provision rate fluctuates between 0% and 150%. Individual performance-linked remuneration is calculated based on the standard remuneration limit for each position and performance. 	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"> The Company's stock is granted based on actual performance as performance-linked stock remuneration. Relative TSR is set as an indicator, and it is calculated based on the performance-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). Performance-linked coefficient fluctuates within a range of 0% to 200%.
			<ul style="list-style-type: none"> The Company's stock is granted in accordance with the calculation made for each position as performance-linked stock remuneration. Provided after three (3) fiscal years have passed from the beginning of the application (50% is paid in cash equivalent to the market value). The provision rate is calculated as 50% of performance-linked stock remuneration when it is paid 100% for each position. 	

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 Member	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

- a. 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.
- b. At the performance evaluation meeting mentioned in a. above, the President and Representative Director evaluates officers.
- c. 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.
- d. 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.
- e. 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.
- f. 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.
- g. 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 five Remuneration Committee meetings were held in the fiscal year ended March 31, 2026, 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 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, 2026 was 91.62%.

Category	Indicators	Announced value	Evaluation target value (100% achievement) (Note 1) a	Full-year result b	Degree of achievement (%) c=a/b	Ratio (%) d	Company-wide performance evaluation rate 0 - 150% e=c×d	
Financial	Consolidated net sales (millions of yen)	582,000	599,460	596,479	99.5%	25%	24.88%	
	Consolidated operating income (millions of yen)	73,000	76,650	76,229	99.5%	25%	24.86%	
	Consolidated EPS (yen)	216.9	227.7	204.9	90.0%	25%	22.50%	
Non-financial	DJSI score (points)	72.0	75.6	75.0	99.2%	5%	4.96%	
	Stakeholders' satisfaction (Note 2)	Job satisfaction (%)	57.0%	59.9%	59.0%	98.6%	5%	4.93%
		Customer/service satisfaction (%)	60.5%	63.5%	60.6%	95.4%	5%	4.77%
		Business partner satisfaction (%)	78.0%	81.9%	77.4%	94.5%	5%	4.73%
Governance (Note 2)	0	0	5	0.0%	5%	0.00%		
							91.62%	

(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 = Σ (Degree of achievement of each financial indicator \times each ratio) + Σ (Degree of achievement of each non-financial indicator \times 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^(*2) 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)^(*1) and the degree of leadership demonstrated (three-grade evaluation) by the officer.

*1: Three-grade evaluation

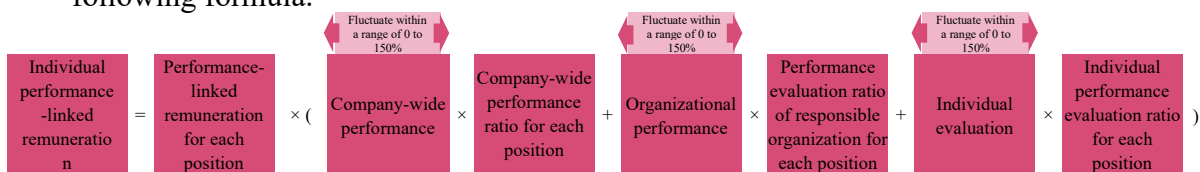
		Leadership		
		3	2	1
Organizational strategy	3	A	B	C
	2	B	C	D
	1	C	D	E

*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.



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	□ → → → →			■ ☆		
	RSU	□ → → → →			■ ☆		
Fiscal 2025	PSU		□ → → → →			■ ☆	
	RSU		□ → → → →			■ ☆	
Fiscal 2026	PSU			□ → → → →			■ ☆
	RSU			□ → → → →			■ ☆

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

Position	Coefficient for each 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)^(*1) = 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)^(*2) = 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)^(*1) =

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)^(*2) = 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, Kiyotaka Nakamura, Takayuki Kitaoka, Shuzo Hikida, Akira Makado, Fumio Tsuchiya, Naoko Mizukoshi, Junko Sunaga, and Mitsuhiro Furusawa

ii) All Audit & Supervisory Board Members

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

As Josaku Yanai, Takayuki Kitaoka, and Fumio Tsuchiya retired effective June 24, 2025, 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 External Director of Yamaha Motor Co., Ltd.
Director	Mitsuhiro Furusawa	President, Institute for Global Financial Affairs, Sumitomo Mitsui Banking Corporation Outside Director of Mitsubishi Heavy Industries, Ltd. Japan Member of APEC Business Advisory Council (Ministry of Foreign Affairs of Japan)
Audit & Supervisory Board Member	Yukio Ono	Director of the Accounting Offices of Yukio Ono External Audit & Supervisory Board Member of SEKITOKYU 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	Naoko Mizukoshi	She attended 15 out of the 16 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 a member of the Nomination Committee and the Remuneration Committee, which are voluntary advisory bodies to the Board of Directors, attending all 11 meetings of the Nomination Committee and all 5 meetings of the Remuneration Committee held during the fiscal year under review, and playing an important role upon reporting to the Board of Directors.

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	Junko Sunaga	She attended all 16 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 her abundant experience and insight in corporate management. 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 24, 2025, to respond to the inquiries of the Board of Directors about nomination and remuneration of Directors, etc., attending all 11 meetings of the Nomination Committee and all 5 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	Mitsuhiro Furusawa	He attended 11 out of the 12 meetings of the Board of Directors, which were held after his appointment on June 24, 2025, and provided advice and recommendations to ensure validity and appropriateness of decision-making of the Board of Directors based on the broad insight into fiscal and monetary policy gained as a government official and a global perspective gained as a senior executive at an international organization. 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, attending all 8 meetings of the Nomination Committee and all 3 meetings of the Remuneration Committee held since his appointment on June 24, 2025, 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	Yukio Ono	He attended all 16 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.

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	Akiko Yamakawa	She attended all 16 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 8 out of 11 meetings of the Nomination Committee and all 5 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.
Audit & Supervisory Board Member	Hiroko Kudo	She attended 15 out of 16 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 four 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	152
2) Total of money and other economic benefits to be paid by the Company and its subsidiaries to the financial auditor	261

(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.

Remuneration, etc. for operations related to third-party guarantee

(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

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

8. Basic policies for dividends

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, 2026)

(Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	295,295	Current liabilities	164,190
Cash and deposits	87,235	Notes and accounts payable - trade	30,064
Notes receivable, accounts receivable and contract assets	144,106	Short-term borrowings	21,330
Lease receivables and lease investment assets	5,025	Income taxes payable	14,121
Marketable securities	10,229	Accrued bonuses to directors and employees	17,994
Merchandise and finished goods	5,510	Provision for loss on orders received	457
Work in process	1,542	Provision for loss on litigation	7,434
Raw materials and supplies	166	Allowance for performance-linked compensation	321
Prepaid expenses	37,787	Other allowances	169
Others	3,920	Contract liabilities	37,839
Allowance for doubtful accounts	(231)	Others	34,457
Fixed assets	256,211	Non-current liabilities	49,589
Property and equipment	88,886	Long-term debts	13,494
Buildings and structure	36,773	Lease obligations	3,408
Machinery and equipment	6,135	Deferred tax liabilities	12,088
Land	35,712	Accrued retirement benefits to directors	0
Leased assets	3,664	Allowance for performance-linked compensation	738
Others	6,600	Other allowances	177
Intangible assets	46,669	Net defined benefit liability	10,456
Software	16,275	Asset retirement obligation	7,051
Software in progress	3,311	Others	2,173
Goodwill	7,969	Total liabilities	213,780
Others	19,112	(Net assets)	
Investments and other assets	120,655	Shareholders' equity	300,304
Investment securities	58,705	Common stock	10,001
Net defined benefit asset	18,848	Additional paid-in capital	4,111
Deferred tax assets	21,040	Retained earnings	317,476
Others	22,124	Treasury stock	(31,284)
Allowance for doubtful accounts	(62)	Accumulated other comprehensive income	24,426
		Net unrealized gains on other securities	12,815
		Deferred gains or losses on hedges	(71)
		Foreign currency translation adjustments	2,557
		Remeasurements of defined benefit plans	9,124
		Non-controlling interests	12,995
		Total net assets	337,726
Total assets	551,507	Total liabilities and net assets	551,507

Consolidated statement of Income

(From April 1, 2025 to March 31, 2026)

(Millions of yen)

Account title	Amount	
Net sales		596,479
Cost of sales		428,145
Gross profit		168,334
Selling, general and administrative expenses		92,105
Operating income		76,229
Non-operating income		
Interest income	599	
Dividend income	966	
Foreign exchange gains	429	
Others	617	2,612
Non-operating expense		
Interest expenses	602	
Share of loss of entities accounted for using equity method	749	
Merger expenses	373	
Others	604	2,330
Recurring profit		76,511
Extraordinary income		
Gain on sale of non-current assets	715	
Gain on sale of investment securities	4,374	
Others	28	5,118
Extraordinary loss		
Impairment losses	2,827	
Loss on valuation of investment securities	1,274	
Provision for loss on litigation	7,434	
Other	1,140	12,677
Income before income taxes		68,953
Income taxes: current	22,590	
Income taxes: deferred	(2,232)	20,358
Net income		48,594
Net income attributable to non-controlling interests		1,970
Net income attributable to owners of parent company		46,624

Consolidated statement of changes in net assets

(From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Shareholders' equity				
	Common stock	Additional paid-in capital	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2025	10,001	12,290	316,376	(11,958)	326,709
Changes during the consolidated fiscal year					
Dividends from surplus	–	–	(17,096)	–	(17,096)
Net income attributable to owners of parent company	–	–	46,624	–	46,624
Acquisition of treasury stock	–	–	–	(55,929)	(55,929)
Disposal of treasury stock	–	–	–	1,663	1,663
Cancellation of treasury stock	–	(34,941)	–	34,941	–
Transfer from retained earnings to capital surplus	–	26,762	(26,762)	–	–
Reversal of revaluation reserve for land	–	–	(1,665)	–	(1,665)
Items other than changes in shareholders' equity, net	–	–	–	–	–
Net changes during the consolidated fiscal year	–	(8,178)	1,099	(19,325)	(26,404)
Balance as of March 31, 2026	10,001	4,111	317,476	(31,284)	300,304

	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, 2025	12,671	(26)	(2,672)	1,903	4,763	16,639	12,715	356,064
Changes during the consolidated fiscal year								
Dividends from surplus	–	–	–	–	–	–	–	(17,096)
Net income attributable to owners of parent company	–	–	–	–	–	–	–	46,624
Acquisition of treasury stock	–	–	–	–	–	–	–	(55,929)
Disposal of treasury stock	–	–	–	–	–	–	–	1,663
Cancellation of treasury stock	–	–	–	–	–	–	–	–
Transfer from retained earnings to capital surplus	–	–	–	–	–	–	–	–
Reversal of revaluation reserve for land	–	–	–	–	–	–	–	(1,665)
Items other than changes in shareholders' equity, net	144	(45)	2,672	654	4,361	7,786	280	8,066
Net changes during the consolidated fiscal year	144	(45)	2,672	654	4,361	7,786	280	(18,337)
Balance as of March 31, 2026	12,815	(71)	–	2,557	9,124	24,426	12,995	337,726

Balance sheet (As of March 31, 2026)

(Millions of yen)

Account title	Amount	Account title	Amount
(Assets)		(Liabilities)	
Current assets	158,984	Current liabilities	130,964
Cash and deposits	47,959	Accounts payable	13,111
Notes receivable	235	Short-term borrowings	19,700
Accounts receivable and contract assets	74,371	Short-term borrowings from subsidiaries and associates	52,087
Marketable securities	10,000	Lease obligations	366
Merchandise and finished goods	608	Accounts payable - other	2,014
Work in process	130	Accrued expenses	9,584
Prepaid expenses	23,167	Income taxes payable	7,374
Short-term loans receivable from subsidiaries and associates	3,466	Contract liabilities	17,651
Other	1,383	Deposit received	705
Allowance for doubtful accounts	(2,338)	Accrued bonuses to directors and employees	7,191
Fixed assets	236,629	Provision for loss on orders received	279
Property and equipment	49,890	Allowance for performance-linked compensation	321
Buildings	15,456	Other allowances	35
Structure	0	Other	542
Machinery	2,983	Non-current liabilities	31,474
Tools, furniture and fixtures	2,022	Long-term debts	13,494
Land	28,878	Long-term debts from subsidiaries and associates	10,380
Lease assets	489	Lease obligations	231
Construction in progress	58	Reserve for retirement benefits	1,142
Intangible assets	12,265	Allowance for performance-linked compensation	671
Software	10,506	Other allowances	177
Software in progress	1,752	Asset retirement obligation	4,001
Other	5	Other	1,375
Investments and other assets	174,473	Total liabilities	162,439
Investment securities	26,163	(Net assets)	
Shares of subsidiaries and associates	123,039	Shareholders' equity	229,087
Investments in capital of subsidiaries and associates	2,584	Common stock	10,001
Guarantee deposits	10,157	Additional paid-in capital	20,984
Long-term prepaid expenses	981	Legal capital surplus	4,111
Prepaid pensions costs	583	Other additional paid-in capital	16,872
Deferred tax assets	10,732	Retained earnings	229,385
Other	230	Other retained earnings	229,385
		Retained earnings brought forward	229,385
		Treasury stock	(31,284)
		Valuation and translation adjustments	4,087
		Net unrealized gains on other securities	4,087
		Total net assets	233,174
Total assets	395,613	Total liabilities/net assets	395,613

Statement of Income

(From April 1, 2025 to March 31, 2026)

(Millions of yen)

Account title	Amount	
Net sales		273,173
Cost of sales		198,662
Gross profit		74,510
Selling, general and administrative expenses		38,674
Operating income		35,836
Non-operating income		
Interest income	569	
Dividend income	19,459	
Others	528	20,556
Non-operating expense		
Interest expenses	817	
Merger expenses	394	
Provision of allowance for doubtful accounts	770	
Others	360	2,342
Recurring profit		54,051
Extraordinary income		
Gain on sale of investment securities	3,192	
Gain on sale of non-current assets	674	3,867
Extraordinary loss		
Loss on valuation of shares of subsidiaries and affiliates	1,541	
Loss on sale of investment securities	872	
Impairment losses	1,070	
Contract losses	597	
Others	232	4,313
Profit (loss) before income taxes		53,604
Income taxes: current	10,179	
Income taxes: deferred	(625)	9,553
Net income		44,050

Statement of changes in net assets

(From April 1, 2025 to March 31, 2026)

(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	Total retained earnings		
Balance as of April 1, 2025	10,001	4,111	51,814	55,926	204,095	204,095	(11,958)	258,064
Change during the fiscal year								
Dividends from surplus	–	–	–	–	(17,096)	(17,096)	–	(17,096)
Net income	–	–	–	–	44,050	44,050	–	44,050
Acquisition of treasury stock	–	–	–	–	–	–	(55,929)	(55,929)
Disposal of treasury stock	–	–	–	–	–	–	1,663	1,663
Cancellation of treasury stock	–	–	(34,941)	(34,941)	–	–	34,941	–
Reversal of revaluation reserve for land	–	–	–	–	(1,665)	(1,665)	–	(1,665)
Items other than changes in shareholders' equity, net	–	–	–	–	–	–	–	–
Net change during the fiscal year	–	–	(34,941)	(34,941)	25,289	25,289	(19,325)	(28,977)
Balance as of March 31, 2026	10,001	4,111	16,872	20,984	229,385	229,385	(31,284)	229,087

	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, 2025	4,662	(2,672)	1,990	260,055
Change during the fiscal year				
Dividends from surplus	–	–	–	(17,096)
Net income	–	–	–	44,050
Acquisition of treasury stock	–	–	–	(55,929)
Disposal of treasury stock	–	–	–	1,663
Cancellation of treasury stock	–	–	–	–
Reversal of revaluation reserve for land	–	–	–	(1,665)
Items other than changes in shareholders' equity, net	(575)	2,672	2,096	2,096
Net change during the fiscal year	(575)	2,672	2,096	(26,880)
Balance as of March 31, 2026	4,087	–	4,087	233,174

Accounting Audit Report for Consolidated Financial Statements

Independent auditor's audit report

May 14, 2026

To the Board of Directors
TIS, INC.

Ernst & Young ShinNihon LLC
Tokyo Office

Osamu Kimura
Designated limited liability partner Engagement partner
Certified Public Accountant

Yukio Chiashi
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, 2025 to March 31, 2026, 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 (including regulations applicable to audits of financial statements of public interest entities), 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 14, 2026

To the Board of Directors
TIS, INC.

Ernst & Young ShinNihon LLC
Tokyo Office

Osamu Kimura
Designated limited liability partner Engagement partner
Certified Public Accountant

Yukio Chiashi
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 18th fiscal year from April 1, 2025 to March 31, 2026, 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 (including regulations applicable to audits of financial statements of public interest entities), 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 18th fiscal year from April 1, 2025 to March 31, 2026, 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 15, 2026

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