



MEMBERSHIP

May 10, 2017

(Translated from the Japanese original)

Company Name: TIS Inc.  
Representative: Toru Kuwano, President  
Stock Listing: First Section of the Tokyo Stock Exchange  
Stock Code: 3626  
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**Notice Regarding Transfer of TIS' Hamamatsu Area Business,  
Emphasizing Client Premises Style On-Site Services to wholly owned subsidiary,  
through Corporate Divestiture (Simple Divestiture)**

The Board of Directors at TIS Inc. (hereafter, “the Company”) resolved on this date that the Company would transfer its Hamamatsu area business, which emphasizes client premises style on-site services to TIS Solution Link Inc. (hereafter, “TSOL”), wholly owned subsidiary, by way of corporate divestiture to TSOL (hereafter, “the Divestiture”)—that is, to be absorbed by TSOL—effective July 1, 2017. Details are provided below.

Please note that some details of disclosure have been omitted from this press release because simple divestiture of operations to a wholly owned subsidiary does not require such information.

**Details**

**1. Purpose of the Divestiture**

TIS is gradually pushing forward on the establishment of a redefined Group structure that will lead to greater optimization of Group capabilities and a business portfolio management. As part of this journey, the client premises style on-site services business that the Company offers will be centralized under TSOL. The objective is to hone a sharper competitive edge in this area of operations. Consequently, the Hamamatsu area business—most of which is client premises style on-site services—will be transfer to TSOL. This move should not only expand the on-site services business but also, through close business ties between TIS and TSOL, accurately identify opportunities to suggest services other than on-site services to clients and thereby boost the value of the Group.

**2. Overview of the Divestiture**

**(1) Schedule**

May 10, 2017	Board of Directors' meeting approving the Divestiture
May 10, 2017	Conclude agreement for the Divestiture
July 1, 2017	Date of the Divestiture (planned effective date)

Note: Neither TSOL nor the Company are required to obtain approval of the Divestiture at a general meeting of shareholders because for the Company, the Divestiture satisfies the conditions described for a simplified corporate divestiture under Article 784, Paragraph 3 of the Company Law, and for TSOL, it satisfies the conditions described for a summary corporate divestiture under Article 796, Paragraph 1 of the same law.

**(2) Method**

The Divestiture will be based on an absorption-type corporate divestiture method, wherein the divesting company is the Company, and the succeeding company is TSOL.

- (3) Share Allocation Associated with Divestiture  
No shares of stock will be allocated because TSOL is a wholly owned subsidiary of the Company.
- (4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in the Divesting Company  
The Company has not issued any stock acquisition rights or bonds with stock acquisition rights.
- (5) Capitalization Decrease Through the Divestiture  
No capitalization decrease will occur through the Divestiture.
- (6) Rights and Obligations Assumed by the Divesting Company  
Upon the effective date of the Divestiture, TSOL will assume the assets and the associated rights and obligations that the Company holds related to its Hamamatsu area business, which emphasizes client premises style on-site services.
- (7) Expectations for Fulfillment of Financial Obligations  
Management at the Company, the divesting company, and at TSOL, the succeeding company, anticipate no problems in regard to fulfillment of financial obligations that come due after the effective date.

### 3. Summary of the Relevant Companies (As of March 31, 2017)

(1) Name	TIS Inc. (divesting company)	TIS Solution Link Inc. (succeeding company)
(2) Head office	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo	18 floor, Shinjuku Square Tower, 22-1, Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo
(3) Representative	Toru Kuwano, President	Takahide Nishino, President
(4) Business	Outsourcing services, software development, and solution services regarding investments in information technology. Management of Group companies and related business.	Planning, design and development of all kinds of information processing systems as well as implementation, operation and management of such systems
(5) Paid-in capital	¥10,001 million	¥230 million
(6) Established	April 1, 2008	December 22, 1972
(7) Number of shares issued	87,789 thousand shares	76 thousand shares
(8) Fiscal period	March 31	March 31
(9) Major shareholders and shareholding ratio	Japan Trustee Services Bank, Ltd. 14.15% The Master Trust Bank of Japan, Ltd. 6.55% ICHIGO TRUST PTE. LTD. 5.88% Employees' Shareholding Association of TIS INTEC Group 2.73% Nippon Life Insurance Company 2.36%	TIS Inc. 100%
(10) Financial Status and Business Results for Most Recent Fiscal Year (March 2017)		
Net assets	¥199,202 million (Consolidated)	¥4,983 million (Nonconsolidated)
Total assets	¥337,622 million (Consolidated)	¥7,739 million (Nonconsolidated)
Net assets per share	¥2,265.76 (Consolidated)	¥65,566.35 (Nonconsolidated)
Net sales	¥393,398 million (Consolidated)	¥20,071 million (Nonconsolidated)
Operating income	¥27,019 million (Consolidated)	¥1,859 million (Nonconsolidated)
Recurring profit	¥27,092 million (Consolidated)	¥1,865 million (Nonconsolidated)
Net income attributable to owners of the parent company	¥16,306 million (Consolidated)	¥1,258 million (Nonconsolidated)
Net income per share	¥189.02 (Consolidated)	¥16,588.91 (Nonconsolidated)

#### 4. Overview of Business Division to be Divested

(1) Business Activities of Subject Division

Hamamatsu area business, which emphasizes client premises style on-site services

(2) Business Performance of Subject Division (Fiscal year ended March 31, 2017)

Net sales: ¥427 million

Gross profit: ¥117 million

(3) Assets and Liabilities to be Divested (As of March 31, 2017)

Assets		Liabilities	
Items	Book Value	Items	Book Value
Current assets (accounts receivable)	¥14 million	Current liabilities (accounts payable)	¥8 million
Fixed assets	¥2 million	—	—
Total	¥16 million	Total	¥8 million

#### 5. Company Status Following the Divestiture

The Divestiture will not result in any changes to the corporate name, business description, head office address, name and position of representatives, capitalization or fiscal period of the Company or TSOL.

#### 6. Outlook

The Divestiture will have only a minor impact on the Company's consolidated business results for fiscal 2018 because TSOL is a wholly owned subsidiary of the Company.

(Reference)

#### Forecast for Fiscal 2018 (announced May 10, 2018), and Fiscal 2017 Results on Consolidated Basis

	Net Sales	Operating Income	Recurring Profit	Net income attributable to owners of the parent company	Net Income per Share
	Million	Million	Million	Million	Yen
Current Fiscal Year, ending March 31, 2018 (forecast)	¥400,000	¥30,000	¥30,000	¥18,000	¥209.09
Previous Fiscal Year, ended March 31, 2017 (actual)	¥393,398	¥27,019	¥27,092	¥16,306	¥189.02

END