



May 10, 2018

(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 Absorption-Style Merger (Simple Merger) of Wholly Owned Subsidiary, IT Service Force Inc.**

TIS Inc. (hereafter, “TIS” and “the Company”) hereby announces that the Board of Directors resolved at its meeting on this date to absorb IT Service Force Inc. (hereafter, “ITSF”), a wholly owned subsidiary. Details are provided below.

Note that this merger is an absorption-type merger (simple merger) of a wholly owned subsidiary, and therefore, certain disclosure items and details have been omitted.

#### **Details**

##### 1. Purpose of merger

As part of a vigorous effort to reinforce the headquarters function under TIS, as the operating holding company for the TIS INTEC Group, management decided to absorb ITSF, which has a shared function, through merger and thereby realize enhanced efficiency by standardizing operating processes within the Group and consolidating indirect services.

##### 2. Overview of merger

###### (1) Schedule

May 10, 2018	Board of Directors’ resolution on merger
May 10, 2018	Merger agreement signed
July 1, 2018	Planned date of merger (effective date)

Note: Since the merger is considered a simplified merger under Article 796, Paragraph 2 of the Companies Act and a short-form merger under Article 784, Paragraph 1 of the same act, neither TIS nor ITSF will hold general shareholders’ meetings to approve the merger agreement.

###### (2) Method

In this absorption-style merger, TIS is the surviving company and ITSF is dissolved.

###### (3) Allotment in relation to merger

TIS holds all shares in ITSF so no considerations of any sort will be granted upon the merger.

###### (4) Treatment of stock acquisition rights and bonds with stock acquisition rights of the dissolving company accompanying the merger

Not applicable.

### 3. Overview of companies party to the merger

(As of March 31, 2018)

(1) Name	TIS Inc. (surviving company)	IT Service Force Inc. (dissolving company)
(2) Head office	17-1, Nishi-Sinjuku 8-chome, Sinjuku-ku, Tokyo	15-17, Nishi-Sinjuku 8-chome, Sinjuku-ku, Tokyo
(3) Representative	Toru Kuwano, President	Naoki Ura, President
(4) Principal lines of business	Outsourcing services, software development and solution services related to IT investment, management and administration of Group companies and associated services	Outsourced services related to general affairs, accounting, procurement and wages
(5) Paid-in capital	¥10,001 million	¥100 million
(6) Established	April 1, 2008	April 2, 2001
(7) Number of shares issued	87,789,098 shares	7,768 shares
(8) Fiscal period	March 31	March 31
(9) Major shareholders and shareholding ratio	Japan Trustee Services Bank, Ltd. 13.25% The Master Trust Bank of Japan, Ltd. 6.40% ICHIGO TRUST PTE. LTD. 5.93% Employees' Shareholding Association of TIS INTEC Group 2.65% TIS Inc. 2.39% Nippon Life Insurance Company 2.36%	TIS Inc. 100%
(10) Financial Status and Business Results for Most Recent Fiscal Year (Year ended March 31, 2018)		
Net assets	¥226,298 million (consolidated)	¥639 million (non-consolidated)
Total assets	¥369,504 million (consolidated)	¥958 million (non-consolidated)
Net assets per share	¥2,602.07 (consolidated)	¥82,385.29 (non-consolidated)
Net sales	¥405,648 million (consolidated)	¥1,810 million (non-consolidated)
Operating income	¥32,743 million (consolidated)	¥71 million (non-consolidated)
Recurring profit	¥32,795 million (consolidated)	¥71 million (non-consolidated)
Net income attributable to owners of the parent company / Net income	¥20,620 million (consolidated)	¥46 million (non-consolidated)
Net income per share	¥241.44 (consolidated)	¥5,994.11 (non-consolidated)

### 4. Status after merger

This merger will not affect the Company's corporate name, head office location, name and title of representatives, principal lines of business, stated capital and fiscal year-end will not be changed by the merger.

### 5. Outlook

ITSF is a wholly owned subsidiary of TIS. Therefore, the impact of the merger on TIS' consolidated performance will be minimal.

(Reference)

Forecast for Fiscal 2019 (announced May 10, 2018), and Fiscal 2018 Results on Consolidated Basis

	Net sales	Operating income	Recurring profit	Net income attributable to owners of the parent company	Net income per share
	millions of yen	millions of yen	millions of yen	millions of yen	yen
Current Fiscal Year, ending March 31, 2019 (forecast)	414,000	35,000	35,500	23,300	273.55
Previous Fiscal Year, ended March 31, 2018 (actual)	405,648	32,743	32,795	20,620	241.44

END