September 27, 2018

(Translated from the Japanese original)

Company Name:	TIS Inc.
Representative:	Toru Kuwano, Chairman, President and Representative Director
Stock Listing:	First Section of the Tokyo Stock Exchange
Stock Code:	3626
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Notice Regarding Booking of Extraordinary Loss and Extraordinary Income

The Board of Directors at TIS Inc. (hereafter, "TIS" and "the Company") resolved at its meeting on this date to carry some of the expense burden related to data center migration and to sell investment securities. As a result, the Company will book extraordinary loss as well as extraordinary income. Details are provided below.

Details

1. Reason for carrying some of the expense burden related to data center migration and details about extraordinary loss

(1) Reason for carrying partial burden of expenses related to transfer of data centers

As described in "Notice Of Extraordinary Loss and Extraordinary Income," dated September 30, 2015, management reviewed the future direction of TIS' data center business, decided on a plan to integrate data center operations in Tokyo and Osaka, and began rolling out measures, including suggestions to user companies that they migrate to new data centers, as the Company moved toward the eventual closure of old data centers where equipment was becoming outdated.

At old data centers in the Tokyo area, a particularly vital component of the migration strategy is the migration of special customers whose usage of data center services is large-scale. TIS pursued discussions with these customers, seeking to shape a consensus on such factors as the timing of migration, and realized during the process of these discussions that data center migration-related expenses associated with these special customers would be enormous. It was imperative that the Company avoid issues that would erode future profitability, namely, the appearance of additional expenses accompanying a delay in the closure of old data centers. To stay on schedule, it was decided that TIS would carry some of the expense burden related to data center migration for these special customers and book the amount under extraordinary loss.

This will cause a temporary expense burden, but after considering the overall picture, not just the fact that migration ensures that TIS maintains existing business, including continued use of TIS' data centers by these special customers, but also potential requests for services associated with migration paralleling the stronger relationship that TIS develops through the discussion process with each of these special customers as well as expanded business opportunities for services in new fields where aggressive IT investment is anticipated, then the contribution to higher corporate value over the medium to long term is worth carrying some of the expense burden for these special customers.

(2) Details about extraordinary loss

Expenses related to data center migration: ¥8.8 billion

2. Reason for sale of investment securities and details about extraordinary income

(1) Reason for sale

As part of efforts to utilize corporate assets more efficiently and improve financial footing, management decided to sell investment securities, with gains from the associated sale to be booked under extraordinary income.

(2) Sold assets — Listed securities: One issue

(3) Date of sale — September 27, 2018

(4) Details of extraordinary income — Gain on sale of investment securities: ¥10.0 billion

3. Outlook

The impact of extraordinary loss and extraordinary income booked in this situation was considered and, given the fact that TIS' consolidated performance is moving generally in line with targets announced on May 10, 2018, no changes will be made to the consolidated forecast at this time.

Reference: TIS' Consolidated Performance Forecast (Announced May 10, 2018) and Previous Fiscal Year's Actual Results

(Millions of yen)

	Net sales	Operating income	Recurring profit	Net income attributable to parent company
Fiscal 2019 consolidated forecast (Year ending March 31, 2019)	414,000	35,000	35,000	23,300
Fiscal 2018 (actual) (Year ended March 31, 2018)	405,648	32,743	32,795	20,620

END