



February 25, 2021

(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 Disposition of Treasury Stock Through Third-Party Allocation of Shares

The Board of Directors at TIS Inc. (hereafter, “the Company”) resolved on this date that the Company would execute a disposition of treasury stock through a third-party allocation of shares. Details are provided below.

Details

1. Summary of disposition

(1)	Date of disposition	March 26, 2021
(2)	Number of shares to be disposed	1,602,100 shares
(3)	Disposition price	¥ 2,207 per share
(4)	Amount to be raised	¥ 3,535,834,700
(5)	Subscriber	The Nomura Trust and Banking Co., Ltd. (TIS INTEC Group Employees’ Shareholding Association Exclusive Trust Account)
(6)	Other	This disposition of treasury stock is conditioned upon a statement, filed under the Financial Instruments and Exchange Act, taking effect.

2. Purpose and reason for disposition

A decision was made at the Board of Directors meeting today that the Company would introduce an E-Ship® Trust-Type Employee Stock Ownership Incentive Plan (hereafter, “the Incentive Plan”) for employees of the Company and the entire TIS INTEC Group. The purpose is to promote constant development of the TIS INTEC Group by motivating employees to approach their work with greater enthusiasm, and this will be accomplished by providing incentives to raise the medium- to long-term corporate value of the Group, enriching the employee welfare program, and facilitating capital participation as shareholders of the Company. This disposition of treasury stock will be directed toward The Nomura Trust and Banking Co., Ltd. (TIS INTEC Group Employees’ Shareholding Association Exclusive Trust Account), which was set up for

implementing the Incentive Plan. For an outline of the Incentive Plan, please refer to the press release “Notice Regarding Renewal of Trust-Type Employee Stock Ownership Incentive Plan,” dated today.

The number of shares in the disposition will be equivalent to the number likely purchased by the TIS INTEC Group Employee Stock Ownership Plan through The Nomura Trust and Banking Co., Ltd. (TIS INTEC Group Employees’ Shareholding Association Exclusive Trust Account) over the next three years, based on current actual annual purchases by the Employees’ Shareholding Association of TIS INTEC Group. The level of dilution is deemed acceptable. For reference, the level of dilution was about 0.61% to the total number of shares outstanding (percentage to total number of voting rights (2,507, 492) as of September 30, 2020: 0.64%).

Outline of Trust Agreement

Trustor:	The Company
Trustee:	The Nomura Trust and Banking Co., Ltd.
Beneficiaries:	Employees who meet beneficiary eligibility criteria (must complete certain procedures once eligibility as beneficiary is confirmed)
Trust administrator:	Selected by employees of the Company
Date of trust contract:	February 25, 2021
Trust period:	From February 25, 2021 to March 7, 2024
Purpose of trust:	Stable and continuous supply of shares to the Employees’ Shareholding Association of TIS INTEC Group and distribution of trust assets to those employees who meet beneficiary eligibility criteria
Exercise of voting rights:	The trustee will exercise voting rights related to Company shares, based on instructions from the trust administrator.

3. Basis for calculating amount to be paid and specific details thereof

The purpose of this disposition of treasury stock is to implement the Incentive Plan, which is a stockholding program for employees. To ensure non-arbitrary valuation, the disposition price shall be set at ¥2,207, the closing price of Company shares on the Tokyo Stock Exchange on February 24, 2021 (the business day immediately preceding the day on which the Board of Directors made its decision on the Incentive Plan). Rates of divergence (rounded off to two decimal places) relative to the average closing price for Company shares on the TSE are as follows:

Terms	Average closing price (rounded down to nearest one yen)	Rate of divergence
One-month (From January 25, 2021 to February 24, 2021)	¥2,344	-5.84%
Three-months (From November 25, 2020 to February 24, 2021)	¥2,175	1.47%
Six-months (From August 25, 2020 to February 24, 2021)	¥2,161	2.13%

In view of the above, the disposition price for this disposition of treasury stock would not be considered particularly advantageous and is therefore deemed reasonable.

Four members of the Audit & Supervisory Board, which includes two external members who attended the Board of Directors’ meeting, were also of the opinion that the amount to be paid is not particularly advantageous to the disposition target, that the process determined by the Company is reasonable and that the associated decisions are appropriate, since the purpose of the

third-party allocation is to implement the Incentive Plan and the disposition price is the closing price on the day before the decision was made by the Board of Directors to implement the Incentive Plan.

4. Procedures based on the Corporate Code of Conduct

In this third-party allocation, 1) the dilution rate is less than 25%, and 2) no changes in controlling shareholders will follow (and even if all new share subscription rights or all rights to acquire are exercised, no change in the status of controlling shareholders is expected). Therefore, this third-party allocation is not subject to procedures requiring the opinion of an independent third-party and does not require approval from shareholders, as described in Article 432 of the Securities Listing Regulations established by the Tokyo Stock Exchange.

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