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(Translated from the Japanese original)

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Notice regarding Continuation of Performance-Linked Stock Incentive Plan and Partial Changes

TIS Inc. (hereafter, “TIS” and “the Company”) hereby gives notice that the Company’s Board of Directors decided at its meeting on this date to continue the performance-linked stock incentive plan (hereafter, “the Plan”), introduced in fiscal 2019, ended March 31, 2019, for directors, executive officers and executive fellows (excluding external directors, non-executive directors and non-residents of Japan; hereafter, collectively “Directors”) and also decided to put forward at the 13th Annual General Meeting of Shareholders to be held on June 24, 2021 (hereafter, “the General Meeting of Shareholders”) an agenda item concerning partial changes to the Plan, namely, to include INTEC, a subsidiary of TIS (hereafter, “the Subsidiary” and, collectively with TIS, “Companies Covered”), directors and executive officers (excluding external directors, non-executive directors and non-residents of Japan; hereafter, “Subsidiary Directors”; collectively, “Directors Covered” along with Directors of TIS) as participants in the Plan. These decisions reflect recommendations by the Compensation Committee, an advisory body to the Board of Directors.

For a description of the Plan, please refer to “Notice regarding Introduction of a Performance-Linked Stock Incentive Plan,” dated May 10, 2018.

Details

1. Continuation of the Plan

- (1) The Company will continue the Plan as a highly transparent and objective directors’ compensation program that is closely linked to medium- to long-term business performance. The idea is to make Directors Covered more aware of respective contribution to enhanced business performance and improved corporate value over the medium to long term and to align their interests with those of shareholders, as well as to strengthen their commitment to achieving the goals of Medium-Term Management Plan (2021–2023). The Group embarked on this management plan in April 2021.
- (2) Partial changes to the Plan, as they apply to Directors Covered, are conditioned upon shareholder approval of directors’ compensation relating to the Plan at the General Meeting of Shareholders.

- (3) The Plan is a program linking to the Company’s medium- to long-term corporate performance, using a Board Incentive Plan Trust (hereafter, “the BIP Trust”). The BIP Trust, like performance share plans and restricted stock plans in the United States and Europe, is a plan for delivery and payment (hereafter, collectively “Delivery”) of TIS shares and a cash equivalent to the amount obtained by converting TIS shares (hereafter, collectively, “TIS Shares”) to Directors Covered, according to position and level of achievement in reaching performance goals.

2. Details on the Plan following changes

(1) Key items changed

The BIP Trust (hereafter, “the Trust”), which TIS had already established, matures on September 30, 2021. The Company will amend the trust agreement and implement an additional trust, thereby extending the trust period to three years and maintaining the Plan. At this juncture, the decision to implement partial changes to the Plan will necessitate the following key revisions to content, as underlined below.

(i) Eligibility under the Plan

Before change	After change
The Company’s Directors	The Company’s Directors <u>and Subsidiary Directors</u>

(ii) Period Covered

Before change	After change
Three fiscal terms from <u>fiscal 2019, ended March 31, 2019 to fiscal 2021, ended March 31, 2021</u>	Three fiscal terms from <u>fiscal 2022, ending March 31, 2022 to fiscal 2024, ending March 31, 2024</u>

(iii) Formula for calculating points

Before change	After change
<p>Points=Amount of stock compensation by position x Performance factor (*1) / Average acquisition unit price of TIS shares by the Trust</p> <p>(*1)The performance factor ranges from 0% to 150% according to consolidated operating income, ROE, net sales of service-type business, employee satisfaction <u>and other elements</u> for each fiscal year.</p>	<p>Points=Amount of stock compensation by position x Performance factor (*1) / Average acquisition unit price of TIS shares by the Trust <u>after continuation</u></p> <p>(*1)The performance factor <u>will move within a range</u> from 0% to 150%, <u>depending on amount of consolidated operating income, EPS, gross profit from service-type business, employee satisfaction, customer and service satisfaction and business partner satisfaction</u> for each fiscal year.</p>

(iv) Upper limit for trust money to be contributed to the Trust and upper limit for the number of TIS Shares for Delivery to Directors Covered per fiscal year

Before change	After change
<p>The upper limit amount for trust money to be contributed by the Company to the Trust during the trust period and the upper limit for the total number of TIS Shares for Delivery to Directors will be as follows subject to shareholder approval at the General Meeting of Shareholders.</p> <p>a. Upper limit for the total amount of trust money to be contributed to the Trust by the Company: ¥500 million</p> <p>b. Upper limit for the number of TIS Shares for Delivery to Directors per fiscal year: 61,300 shares</p> <p>(*2) The number of shares to be acquired by the Trust during the trust period (hereafter, “the Number of Shares to Be Acquired”) is capped at the number of shares equivalent to the upper limit of TIS Shares for Delivery to Directors per fiscal year multiplied by three, the number of years of the trust period (<u>183,900</u> shares).</p> <p>Note: The Company executed a stock split, with each share of common stock split into three shares, effective April 1, 2020. The above number of shares is the number of shares prior to the stock split.</p>	<p>The upper limit amount for trust money to be contributed by the Company to the Trust during the trust period and the upper limit for the total number of TIS Shares for Delivery to Directors <u>Covered</u> will be as follows subject to shareholder approval at the General Meeting of Shareholders.</p> <p>a. Upper limit for the total amount of trust money to be contributed to the Trust by the Company: <u>¥700 million, including ¥520 million of the Company portion</u></p> <p>b. Upper limit for the number of TIS Shares for Delivery to Directors <u>Covered</u> per fiscal year: 132,100 shares, <u>including 99,000 shares of the Company portion</u></p> <p>(*2) The number of shares to be acquired by the Trust during the trust period (hereafter, “the Number of Shares to Be Acquired”) is capped at <u>396,300 shares, which is</u> the number of shares equivalent to the upper limit of TIS Shares for Delivery to Directors <u>Covered</u> per fiscal year multiplied by three, the number of years of the trust period.</p>

(2) Other details

(i) Clawback provisions and other rules

A director covered under the Plan who engages in illegal activity will not be eligible to receive delivery of shares. In addition, should illegal activity come to light after a director covered under the Plan retires, the Company will require compensation equivalent to a monetary amount based on the calculation method described in share delivery regulations.

(ii) Other details on the Plan will be established by the Board of Directors if changes are made to the trust contract or additional funds are contributed to the Trust.

(Reference)

Details of the Trust Agreement

(1) Trust type	Individually operated designated trust of money other than money trust (third-party benefit trust)
(2) Trust purpose	Provision of incentive to Directors
(3) Trustor	The Company
(4) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(5) Beneficiaries	Directors who satisfy the beneficiary requirements
(6) Trust administrator	Third party with no interests in the Company (certified public accountant)
(7) Trust agreement date	August 1, 2018
(8) Trust period	August 1, 2018 to September 30, 2024 (planned)
(9) Plan start date	August 1, 2018
(10) Exercise of voting rights	Not to be exercised.
(11) Class of acquired shares	Common shares of the Company
(12) Amount of trust money	¥700 million (planned) (including trust fees and expenses)
(13) Share acquisition time	August 16, 2021 (planned) to August 31, 2021 (planned)
(14) Method of share acquisition	Acquisition in the market
(15) Holder of vested rights	The Company
(16) Residual property	Residual property that can be received by the Company, the holder of vested rights, shall be within the limit of trust expense reserve calculated by deducting the funds for acquiring shares from the trust money.

Note: The schedule above may be changed to a more appropriate time in light of applicable laws and regulations.

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