

(Translated from the Japanese original)

Company Name: TIS Inc.
 Representative: Yasushi Okamoto, President and Representative Director
 Stock Listing: First Section of the Tokyo Stock Exchange
 Stock Code: 3626
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Notice regarding Change in Consolidated Subsidiary (Share Transfer)

TIS Inc. (hereafter, “TIS” and “the Company”) hereby announces that the Board of Directors decided at its meeting today to transfer all outstanding shares in Chuo System Corporation, a consolidated subsidiary, to Chuo System Holdings Co., Ltd., a special purpose company with capital support from BCM-V Investment Limited Partnership operated by Basic Capital Management Co., Ltd., and also signed a share transfer agreement. Details are provided below.

Note that paralleling this share transfer, TIS will remove Chuo System from its scope of consolidation.

Details

1. Reason for share transfer

TIS seeks to achieve sustainable corporate growth and improve corporate value on a groupwide basis through realization of Group Vision 2026 and has been concentrating business activities into four strategic domains (note). As part of the effort to promote measures aimed at structural transformation, as described in Medium-Term Management Plan (2021–2023), management at TIS is constantly considering steps that will shape the Group in optimum formation. This led to this decision to transfer shares.

Note: Four business domains at the core of TIS INTEC Group operations by 2026, under Group Vision 2026

2. Overview of subsidiary changing status

(1) Name	Chuo System Corporation	
(2) Address	17-1, Nishishinjuku 8-chome, Shinjuku-ku, Tokyo	
(3) Representative	Honma Tadashi, President	
(4) Business activities	Develops business applications, offers system operation / management solutions	
(5) Paid-in capital	¥73 million	
(6) Date of establishment	June 1, 1981	
(7) Major shareholder and shareholding ratios	TIS Inc. 100%	
(8) Relationship with TIS	Capital relationship	Chuo System is a wholly owned consolidated subsidiary of TIS.
	Personnel relationship	A personnel relationship exists, including seconding of directors and corporate auditors from

		TIS to Chuo System.	
	Business relationship	TIS outsources system development to Chuo System. In addition, Chuo System signs agreements related to Group operations and carries capital loans for TIS based on Group Cash Management System.	
(9) Performance and financial position for the past three years			
Fiscal year	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net assets	¥1,580 million	¥1,789 million	¥1,999 million
Total assets	¥2,964 million	¥3,228 million	¥3,497 million
Net assets per share	¥11,373.19	¥12,870.62	¥14,385.72
Net sales	¥6,706 million	¥7,248 million	¥7,250 million
Operating income	¥449 million	¥537 million	¥611 million
Recurring profit	¥460 million	¥548 million	¥625 million
Net income	¥293 million	¥348 million	¥407 million
Net income per share	¥2,109.23	¥2,503.83	¥2,939.28
Dividend per share	¥862.69	¥1,006.41	¥1,417.18

3. Overview of counterparty to share transfer

(1) Name	Chuo System Holdings Co., Ltd.,	
(2) Address	4-1, Yaesu 2-chome, Chuo-ku, Tokyo	
(3) Representative	Ouna Kaneda, President	
(4) Business activities	Manage business activities through corporate stockholding	
(5) Paid-in capital	¥100 thousand	
(6) Date of establishment	September 27, 2021	
(7) Net assets	¥100 thousand	
(8) Total assets	¥100 thousand	
(9) Major shareholders and shareholding ratios	BCM-V Investment Limited Partnership 100%	
(10) Relationship with TIS	Capital relationship	There is no relevant information
	Personnel relationship	There is no relevant information
	Business relationship	There is no relevant information
	Related party status	There is no relevant information

4. Number of shares transferred, transfer price and shareholding status before and after transfer

(1) Shareholding prior to transfer	139,000 shares (Number of voting rights: 139,000) (Percentage of voting rights: 100%)
(2) Number of shares for transfer	139,000 shares (Number of voting rights: 139,000)
(3) Transfer price	Not provided due to nondisclosure agreement
(4) Shareholding after transfer	0 shares (Number of voting rights: 0) (Percentage of voting rights: 0%)

5. Schedule

TIS Board of Directors decision	October 12, 2021
Share transfer agreement signed	October 12, 2021
Transfer of shares (planned)	November 18, 2021

6. Outlook

Following this share transfer, TIS expects to book extraordinary income of about ¥6.0 billion under gain on sales of shares of subsidiaries. If this and other factors require a revision to the consolidated performance forecast for fiscal 2022, an announcement will be made as soon as details are known.

(Reference) Fiscal 2022 forecast (announced May 12, 2021) and Fiscal 2021 actual results

	Net Sales	Operating Income	Recurring Profit	Net income attributable to owners of the parent company
	Million	Million	Million	Million
Current Fiscal Year, ending March 31, 2022 (consolidated, forecast)	¥470,000	¥48,500	¥48,500	¥32,200
Previous Fiscal Year, ended March 31, 2021 (consolidated, actual)	¥448,383	¥45,748	¥39,257	¥27,692

END