



January 19, 2022

(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 Transfer of Group Shared Service Business
to Wholly Owned Subsidiary through Corporate Divestiture
(Simplified Absorption-Style Corporate Split)**

The Board of Directors at TIS Inc. (hereafter, “the Company” and “TIS”) resolved on this date that the Company’s group shared service business will be transferred to TIS Total Service Co., Ltd. (hereafter, TIS Total Service), a wholly owned company, by way of corporate divestiture (simplified absorption-style corporate split) (hereafter, “the Divestiture”) effective April 1, 2022. Details are provided below.

Please note that some details of disclosure have been omitted from this press release because this is a simplified absorption-style corporate split wherein a wholly owned subsidiary assumes the business.

Details

1. Purpose of the Divestiture

As part of the strategy to raise the level of management capabilities, described in Medium-Term Management Plan (2021–2023), which currently guides the TIS INTEC Group’s activities, TIS seeks to centralize back-office operations and promote higher added value and also apply digital transformation (DX) to in-house operations.

By taking the step now to split the group shared service business off and transfer it to subsidiary TIS Total Service, TIS will promote the shift toward shared services in back-office operations throughout the TIS INTEC Group and fuel DX in-house and will reinforce progress in making operations more efficient based on unified Group management.

2. Overview of the Divestiture

(1) Schedule

January 19, 2022 Board of Directors meets to approve the Divestiture

January 19, 2022 Agreement for the Divestiture concluded

April 1, 2022 Date of Divestiture (planned effective date)

Note: The Divestiture will not require approval at a general meeting of shareholders, neither for TIS nor TIS Total Service, because for the Company, it satisfies the conditions described for a simplified corporate divestiture under Article 784, Paragraph 2 of the Company Law, and for TIS Total Service, it satisfies the conditions described for a summary form corporate split under Article 796, Paragraph 1 of the same law.

(2) Method

The Divestiture will be based on a simplified absorption-style corporate split, wherein the divesting company is the Company and the succeeding company is TIS Total Service.

- (3) Share Allocation Associated with the Divestiture
No shares will be allocated to TIS from TIS Total Service because the Divestiture is made between TIS and its own wholly owned subsidiary.
- (4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights Accompanying the Divestiture
TIS has not issued any stock acquisition rights or bonds with stock acquisition rights.
- (5) Capitalization Decrease Through the Divestiture
No capitalization decrease will occur through the Divestiture.
- (6) Rights and Obligations Assumed by the Divesting Company
When the Divestiture occurs, TIS will transfer to TIS Total Service the assets and associated rights and obligations the Company holds related to group shared service business on the effective date of the Divestiture.
- (7) Expectations for Fulfillment of Financial Obligations
Neither the Company, the divesting company, nor TIS Total Service, the succeeding company, anticipate any problems in regard to fulfillment of financial obligations that come due after the effective date of the Divestiture.

3. Summary of Companies Involved in the Divestiture (As of September 30, 2021)

	Divesting company	Succeeding company
(1) Name	TIS Inc.	TIS Total Service Inc.
(2) Head office	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo	22-1, Nishi-Shinjuku 6-chome, Shinjuku-ku, Tokyo
(3) Representative	Yasushi Okamoto, President	Naoto Minami, President
(4) Business activities	Outsourcing services, cloud services, software development and solutions related to investments in information technology. Management of Group companies and related business.	Shared service business, security system business and staffing service business.
(5) Paid-in capital	¥10,001 million	¥50 million
(6) Date of establishment	April 1, 2008	May 29, 1995
(7) Number of shares issued	251,160 thousand shares	100 thousand shares
(8) Fiscal period	March 31	March 31
(9) Major shareholders and shareholding ratios	Japan Trustee Services Bank, Ltd. 12.98% ICHIGO TRUST PTE. LTD. 9.12% Custody Bank of Japan, Ltd. 7.70% Employees' Shareholding Association of TIS INTEC Group 2.65% Nippon Life Insurance Company 2.48%	TIS Inc. 100%
(10) Financial Status and Business Results for Most Recent Fiscal Year (March 2021)		
Net assets	¥279,429 million (Consolidated)	¥420 million (Nonconsolidated)
Total assets	¥451,072 million (Consolidated)	¥693 million (Nonconsolidated)
Net assets per share	¥1,078.60 (Consolidated)	¥4,208.53 (Nonconsolidated)
Net sales	¥448,383 million (Consolidated)	¥1,544 million (Nonconsolidated)
Operating income	¥45,748 million (Consolidated)	¥89 million (Nonconsolidated)
Recurring profit	¥39,257 million (Consolidated)	¥89 million (Nonconsolidated)
Net income attributable to owners of the parent company	¥27,692 million (Consolidated)	¥57 million (Nonconsolidated)
Net income per share	¥110.51 (Consolidated)	¥570.76 (Nonconsolidated)

4. Overview of Business Division to be Divested

(1) Business Activities of Subject Division

Planning, administration and management of business processes and business systems as well as business related to system implementation and support for companies under the TIS INTEC Group umbrella, along with shared services for the Group.

(2) Business Performance of Subject Division

Details on business performance are not provided because shared services are extended to companies within the TIS INTEC Group.

(3) Assets and Liabilities to be Divested and Assumed(As of September 30, 2021)

Assets		Liabilities	
Items	Book Value	Items	Book Value
Current assets	¥606 million	Current liabilities	¥477 million
Fixed assets	¥45 million	Fixed liabilities	¥128 million
Total	¥651 million	Total	¥605 million

5. Company Status Following the Divestiture

The Divestiture will not result in any changes to the corporate name, business description, head office address, name and position of representatives, capitalization or fiscal period of the Company or TIS Total Service.

6. Outlook

The Divestiture will have only a minor impact on the Company's consolidated business because TIS Total Service is already a wholly owned subsidiary.

(Reference)

Forecast for Fiscal 2022 (announced November 5, 2021), and Fiscal 2021 Results on Consolidated Basis

	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 (forecast)	¥480,000	¥52,000	¥52,000	¥38,000
Previous fiscal year, ended March 31, 2021 (actual)	¥448,383	¥45,748	¥39,257	¥27,692

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