



February 27, 2024

(Translated from the Japanese original)

Company Name: TIS Inc.
Representative: Yasushi Okamoto, President and
Representative Director
Stock Listing: Prime Market of the Tokyo Stock Exchange
Stock Code: 3626
Contact: Makoto Nakagawa, Section Manager of
Investor Relations & Shareholder Relations
Office
Phone: +81-50-1702-4115 (in Japan, 050-1702-4115)

Notice regarding Renewal of E-Ship® Trust-Type Employee Stock Ownership Incentive Plan

The Board of Directors at TIS Inc. (hereafter, “the Company” and “TIS”) resolved on this date that the Company would implement an E-Ship® Trust-Type Employee Stock Ownership Incentive Plan (hereafter, “the Incentive Plan”). Details are provided below.

Details

1. Purpose of Incentive Plan

Aimed at employees of the Company as well as the TIS INTEC Group as part of human capital management efforts to promote constant development of Group activities by motivating employees to approach their work with greater enthusiasm through incentives to raise the medium- to long-term corporate value of the Group, an enhanced employee welfare program, and capital participation as shareholders of the Company.

Note that the Company introduced an E-Ship® Trust-Type Employee Stock Ownership Incentive Plan in March 2021. This plan will end in March 2024 at which time it will be renewed.

2. Incentive Plan Overview

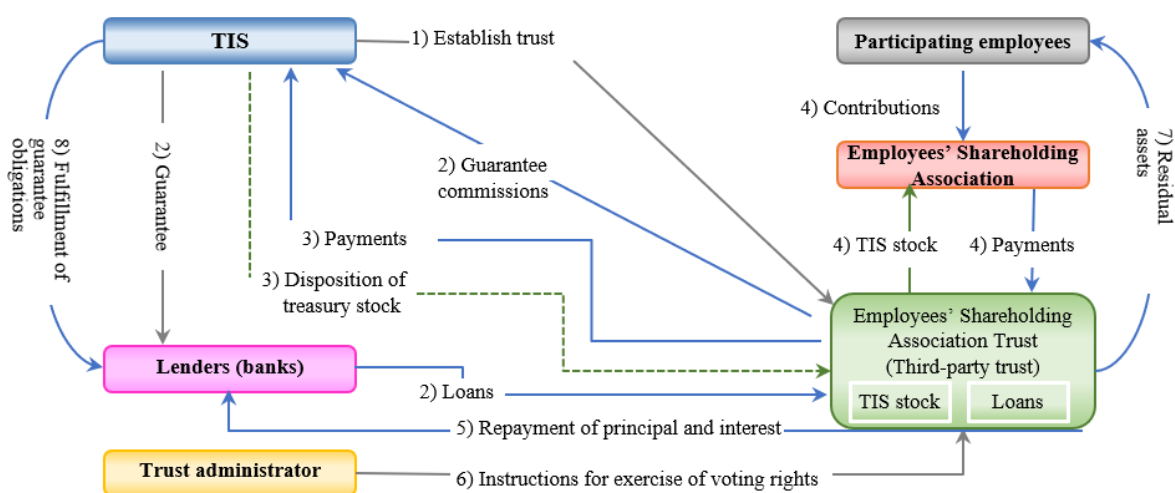
The Incentive Plan is available to all employees who belong to the Employees’ Shareholding Association of TIS INTEC Group (hereafter, “the Employees’ Shareholding Association”). Under the Employees’ Shareholding Association, TIS set up a trust—the TIS INTEC Group Employees’ Shareholding Association Exclusive Trust Account (hereafter, “the Employees’ Shareholding Association Trust”)—through a trust bank. The Employees’ Shareholding Association Trust will estimate the number of shares that the Employees’ Shareholding Association is likely to acquire over the next three years and purchase this amount in advance using bank loans. Then the Employees’ Shareholding Association Trust will continuously sell Company shares to the Employees’ Shareholding Association and, if an amount equivalent to net gains on Company shares has accumulated in the Employees’ Shareholding Association Trust when the trust period comes to an end, such money will be distributed as residual assets to members of the Employees’ Shareholding Association who meet beneficiary eligibility criteria. Note that TIS will guarantee loans taken to purchase Company shares and will repay any outstanding portion of loans if, due to a drop in the market price of Company shares, an amount equivalent to loss on sale of shares has accumulated in the Employees’ Shareholding Association Trust when the trust period comes to an end.

Paralleling implementation of the Incentive Plan, TIS decided on a one-time disposition of 1,742,900 shares of treasury stock (value equivalent of about ¥5,959 million) from the 3,189,456 shares currently held, as of September 30, 2023, to the Employees' Shareholding Association. For details, please refer to the press release "Notice regarding Disposition of Treasury Stock Through Third-Party Allocation of Shares," dated today.

As described in "Notice regarding Result of Acquisition of Treasury Stock through Off-Auction Own Share Repurchase Trading System (ToSTNeT-3) and Completion of Acquisition of Treasury Stock," dated on February 5, 2024, the Company acquired 6,766,000 shares of its own stock on the same date. As of February 26, 2024, treasury stock stood at 9,955,853 shares, a number than includes repurchase of shares less than one unit.

*Note: This holding of treasury stock does not include Company shares held by the Employees' Shareholding Association Trust or the Board Incentive Plan Trust.

3. Incentive Plan Framework



- 1) TIS will set up the Employees' Shareholding Association Trust as a third-party trust for which members of the Employees' Shareholding Association who have fulfilled beneficiary eligibility criteria are the beneficiaries.
- 2) The Employees' Shareholding Association Trust will turn to banks to obtain the funds necessary for purchasing Company shares. TIS will guarantee the borrowed amount. TIS will receive guarantee commissions from the Employees' Shareholding Association Trust as compensation for taking on the guarantee obligation.
- 3) The number of Company shares purchased by the Employees' Shareholding Association Trust will be equivalent to the number that the Employees' Shareholding Association is expected to purchase during the trust period.
- 4) Throughout the trust period, the Employees' Shareholding Association Trust will continuously sell the Company shares which it acquires in accordance with 3) above to the Employees' Shareholding Association at market price, in line with an established plan of conditions and methods.
- 5) The Employees' Shareholding Association Trust will use proceeds, from the sale of Company shares to the Employees' Shareholding Association as well as dividends on Company shares which it holds, to repay loan interest and principal.
- 6) Voting rights associated with Company shares held by the Employees' Shareholding Association Trust will be exercised according to instructions from the trust administrator, which has been selected to act on behalf of beneficiaries.
- 7) Any residual assets held in the Employees' Shareholding Association Trust when the trust period ends will be distributed to individuals who meet beneficiary eligibility criteria.
- 8) Any loans outstanding when the trust period ends will be repaid by TIS, based on the promise

to fulfill loan guarantee obligations, as described in 2) above.

4. Outline of Employees' Shareholding Association Trust

- (1) Name: TIS INTEC Group Employees' Stock Ownership Plan Exclusive Trust
- (2) Trustor: The Company
- (3) Trustee: The Nomura Trust and Banking Co., Ltd.
- (4) Beneficiaries: Employees who meet beneficiary eligibility criteria (must complete certain procedures once eligibility as beneficiary is confirmed)
- (5) Date of trust contract: February 27, 2024
- (6) Trust period: From February 27, 2024 to March 9, 2027
- (7) 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
- (8) Beneficiary eligibility requirements: To be eligible, a beneficiary must be living on the date when procedures for confirming eligibility begin (such as, the date on which the trust period ended, when all trust assets were converted to cash or all TIS stock held as trust assets were sold to the Employees' Shareholding Association of TIS INTEC Group), and be a member of this Employees' Shareholding Association (or a former member who had to withdraw membership due to mandatory retirement, job transfer or promotion to an executive position on or after the date when the trust contract was signed and up to the date when procedures for confirming beneficiary eligibility begin).

(Reference)

E-Ship® is a registered trademark of Nomura Securities Co., Ltd.

E-Ship® (an abbreviation of Employee Shareholding Incentive Plan) is an incentive plan for employees modeled after employee stock ownership plans widely used in the United States. It was jointly developed by Nomura Securities Co., Ltd., and The Nomura Trust and Banking Co., Ltd., for use as an employee stock ownership plan.

END