



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  
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### **Notice regarding Disposition of Treasury Stock Through Third-Party Allocation of Shares Accompanying Renewal of E-Ship® Trust-Type Employee Stock Ownership Incentive Plan**

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 22, 2024
(2) Number of shares to be disposed	1,742,900 shares
(3) Disposition price	¥ 3,419 per share
(4) Amount to be raised	¥ 5,958,975,100
(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 as part of human capital management efforts and to promote constant development of the TIS INTEC Group by motivating employees to approach their work with greater enthusiasm, a process achieved through incentives to raise the medium- to long-term corporate value of the Group, enrich the employee welfare program, and facilitate 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 the number of shares likely to be purchased by the Employees' Shareholding Association of TIS INTEC Group (hereafter, "the Employees' Shareholding Association") over the trust period (about three years), using an annualized equivalent of the Employees' Shareholding Association's actual purchases (most recent monthly purchases, bonus purchases and dividend reinvestments), and then divided by the disposition price.

Although this disposition of treasury stock will cause dilution, the transfer of shares from the subscriber, TIS INTEC Group Employees' Shareholding Association Exclusive Trust Account, to the Employees' Shareholding Association in small amounts every month. Therefore, the effect of this disposition of treasury stock will be negligible, and the level of dilution is deemed acceptable. The scale of dilution is presented below.

Total number of shares outstanding (As of September 30, 2023)	244,445,411	0.71%
Total number of voting rights (As of September 30, 2023)	2,410,337	0.72%

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 that includes repurchase of shares less than one unit. In addition, this holding of treasury stock does not include Company shares held by the TIS INTEC Group Employees' Shareholding Association Exclusive Trust Account or the Board Incentive Plan Trust.

### 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 27, 2024
Trust period:	From February 27, 2024 to March 9, 2027
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 ¥3,419, the closing price of Company shares on the Tokyo Stock Exchange on February 26, 2024 (the business day immediately preceding the day on which the Board of Directors made its decision on the Incentive Plan). Management feels the disposition price is not particularly favorable to the subscriber. Moreover, the method for setting the aforementioned disposition price is in compliance with the "Guidelines Concerning Treatment of Capital Increase by Allotment to a Third Party" issued by the Japan Securities Dealers Association. Deviation rates (rounded off to two decimal places) relative to the average closing price for Company shares on the TSE are as follows:

Period	Average closing price (rounded down to nearest yen)	Deviation rate
One month (From January 26, 2024 to February 26, 2024)	¥3,378	1.21%
Three-months (From November 27, 2023 to February 26, 2024)	¥3,241	5.49%
Six months (From August 25, 2023 to February 26, 2024)	¥3,245	5.36%

All five 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 disposition of treasury stock 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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