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(Translated from the Japanese original)

Company Name: TIS Inc.
Representative: Toru Kuwano, President
Stock Listing: First Section of the Tokyo Stock Exchange
Stock Code: 3626
Contact: Masakazu Kawamura, Department Manager
of Corporate Management Dept.
Phone: +81-3-5337-4569 (in Japan, 03-5337-4569)

Notice Regarding Introduction of a Performance-Linked Stock Incentive Plan

TIS Inc. (hereafter, “TIS” and “the Company”) gives notice that its Board of Directors decided at its meeting on this date to revise the compensation structure for directors, executive officers and executive fellows (excluding external directors, non-executive directors and non-residents of Japan; hereafter, collectively “Directors”) and introduce a performance-linked stock incentive plan (hereafter, “the Plan”) as a new incentive plan. The resolution was adopted after discussion by the Compensation Committee, a voluntary advisory body to the Board of Directors. The Plan will be put forward at the 10th Annual General Meeting of Shareholders to be held on June 26, 2018, (hereafter, “the General Meeting of Shareholders”). Details are provided below.

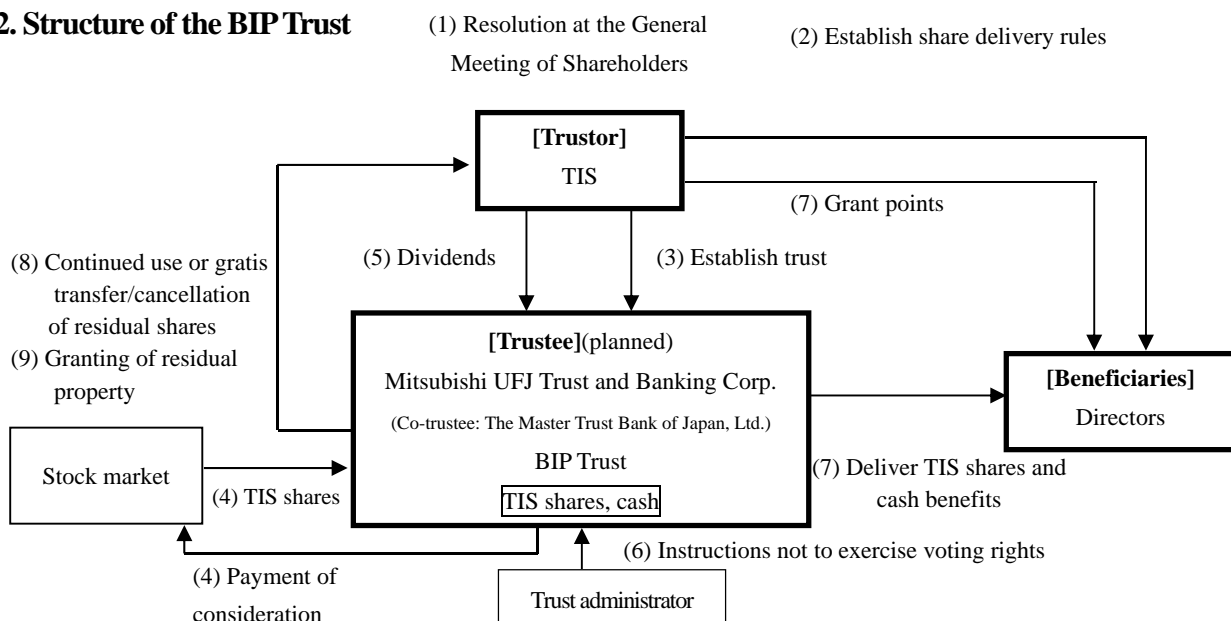
Details

1. Introduction of the Plan

- (1) The Company will introduce the Plan for Directors 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 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 medium-term management plan of the Company*.
- (2) Introduction of the Plan for Directors is conditioned upon shareholder approval of directors’ compensation relating to the Plan at the General Meeting of Shareholders.
- (3) In introducing the Plan, the Company will adopt a framework known as 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, according to position and level of achievement in reaching performance goals.

(*1) With the introduction of this Plan, compensation for Directors will consist of “base compensation,” “performance-linked compensation” and “performance-linked stock incentive compensation.” Compensation for external directors and non-executive directors and members of the Audit & Supervisory Board will continue to consist of “base compensation” only, as before.

2. Structure of the BIP Trust



- (1) The Company will obtain necessary approval for director compensation at the General Meeting of Shareholders pursuant to introduction of the Plan.
- (2) The Company's Board of Directors will establish share delivery rules pertaining to the Plan.
- (3) The Company will establish a BIP Trust ("the Trust") for which the beneficiaries are Directors who satisfy beneficiary requirements and will entrust the trustee with money for funding stock compensation to Directors. within the limit approved by shareholders at the General Meeting of Shareholders described in (1) above.
- (4) The trustee (the Trust) will acquire TIS shares in the stock market with money contributed through (3) above, according to instructions by the trust administrator. The number of shares acquired by the Trust will be within the limit approved by shareholders at the General Meeting of Shareholders described in (1) above.
- (5) Dividends will be paid on TIS shares in the Trust in the same manner as those on other TIS shares.
- (6) During the trust period, voting rights of TIS shares in the Trust will not be exercised.
- (7) Each year during the trust period, points will be granted to Directors based on such factors as position and level of achievement in reaching performance goals during the relevant business year. TIS Shares in the number of shares corresponding to accumulated points at that time (described in 3. (1) below) will be delivered and paid for each covered period (described in 3. (1) below) to Directors who meet predetermined beneficiary requirements. (As described in 3. (6) below, in principle, 50% of the number of shares (any fraction less than one share will be rounded down) that serve as the basis of Delivery of TIS Shares, based on accumulated points (hereafter, "the Base Number of Shares for Calculation") will be delivered and cash equivalent to converted TIS shares corresponding to the remaining Base Number of Shares for Calculation after they are converted in the Trust will be paid in accordance with the provisions of the trust agreement.)
- (8) If any residual shares remain at expiration of the trust period due to reasons such as not meeting performance goals, the Trust may continue to be used as the Plan or a stock compensation plan similar to the Plan by amending the trust agreement and making additional contributions to the Trust. If the Trust is terminated and not continued, the Company will acquire the residual shares without consideration through gratis transfer from the Trust and cancel them.
- (9) Any residual dividends that arose during the trust period on TIS shares in the Trust will be used as funds for acquiring shares if the Trust continues to be used. However, if the Trust is terminated and not continued, the residual dividends will belong to the Company within the limit of trust expense reserve (funds contributed by the Company to provide for expenses such as trust fees and expenses) and any dividends in excess of the limit will be donated to organizations that do not have any interest in the Company and Directors.

Note: If TIS shares no longer remain in the Trust during the trust period due to reasons such as Delivery of TIS Shares to Directors who satisfy beneficiary requirements, the Trust will be terminated before the expiration of the trust period.

The Company may entrust additional cash with the Trust for acquisition of additional TIS shares by the Trust within the amount of trust money (the sum of funds for acquiring shares and trust fees and expenses) approved by shareholders at the General Meeting of Shareholders and within the upper limit for the number of shares to be delivered (stipulated in 3. (7) below).

3. Details of the Plan

(1) Outline of the Plan

The Plan is an incentive plan covering three fiscal years from the fiscal year ending March 31, 2019 to the fiscal year ending March 31, 2021 (hereafter, “the Covered Period”). Under the Plan, points are awarded to eligible persons for each fiscal year (specified in (3) below) according to such factors as position and level of achievement in reaching performance goals and, after the Covered Period has elapsed, the number of TIS Shares delivered will be based on the accumulated value of points granted (hereafter, “Accumulated Points”) as director compensation. If the trust period stipulated in (4) (ii) below is extended, the period of three fiscal years that follows will be the Covered Period.

(2) Approval at General Meeting of Shareholders for Introduction of Plan

At the General Meeting of Shareholders, the upper limit for the amount to be contributed to the Trust, the upper limit for the number of shares for Delivery of TIS Shares to Directors per fiscal year, and other necessary matters will be determined. If the trust period (see (4) (ii) below) is extended at expiration by amending the trust agreement and making an additional contribution to the Trust, the extension of the trust agreement and additional contributions to the Trust at expiration of the trust period within the limit approved by the General Meeting of Shareholders will be decided by resolution of the Board of Directors.

(3) Eligibility under the Plan (Beneficiary Requirements)

Directors will receive Delivery of TIS Shares in the number corresponding to Accumulated Points from the Trust pursuant to designated procedures for finalizing beneficiaries on condition that the Directors meet the following beneficiary requirements.

(i) Holds position of Director during Covered Period (including a person who becomes Director after the start of the Plan)

(*2) (*3) (*4)

(ii) Is a resident of Japan

(iii) Has not resigned voluntarily or whose employment has not otherwise been terminated due to reasons such as punitive dismissal, has not engaged in specified illegal activities while in office, and has not become employed by another company engaged in the same business as that of the Company without authorization of the Company

(iv) Satisfies other requirements that are deemed necessary for achieving the intent of the Plan and set forth in the trust agreement or share delivery rules

(*2) If a Director with eligibility under the Plan retires, he or she will, promptly following designated procedures, receive delivery of 50% of the Base Number of Shares for Calculation corresponding to Accumulated Points at the time of retirement (any fraction less than one share will be rounded down) and the payment of money equivalent to the converted value of TIS shares corresponding to the remaining Base Number of Shares for Calculation after they are converted.

- (*3) If a Director with eligibility under the Plan dies while in office, his or her heir will, promptly following designated procedures, receive payment of cash equivalent to the converted value of the Base Number of Shares for Calculation corresponding to the Accumulated Points at the time of death after conversion.
- (*4) If a Director with eligibility becomes a non-resident of Japan during the Covered Period, he or she will receive payment of cash equivalent to the converted value of the Base Number of Shares for Calculation corresponding to the Accumulated Points at that time after conversion.

(4) Trust Period

(i) Trust Period

The trust period will be for about three years from August 1, 2018 (planned) to September 30, 2021 (planned).

(ii) Continuation of the Trust

The Trust may be continued at expiration by amending the trust agreement and making additional contributions to the Trust. In that case, the trust period will be extended for an additional three-year period, and the Company will make an additional contribution for each such extended period within the upper limit for the amount of trust money approved by resolution of the General Meeting of Shareholders and continue awarding points to Directors, etc. during the extended trust period. However, in the case of making such an additional contribution, if there are TIS shares remaining (excluding TIS shares equivalent to points awarded to Directors but for which Delivery is yet to be completed; hereafter, “Residual Shares”) and cash remaining in the Trust at the time of extension (hereafter, with Residual Shares, collectively “Residual Shares”), the sum of the value of Residual Shares and trust money to be additionally contributed will be within the upper limit amount of trust money approved at the General Meeting of Shareholders, and the sum of the Residual Shares and the number of shares to be additionally acquired by the Trust will be within the upper limit for the Number of Shares to Be Acquired. The extension of the trust period is not limited to one time, and the trust period of the Trust may be extended in the same manner thereafter.

(5) Number of TIS Shares for Delivery to Directors

During the trust period, points calculated by the formula below will be granted to Directors (including those who have newly become Directors after the start of the Plan) at the designated time after the end of each fiscal year (the first is the fiscal year ending March 31, 2019) based on such factors as position and level of achievement in reaching performance goals during the relevant fiscal year, and the Base Number of Shares for Calculation will be determined based on the Accumulated Points at the designated time after the final fiscal year under the Plan has elapsed. One point corresponds to one TIS share. However, if a stock split or stock consolidation of TIS shares or other events for which adjustment is found to be fair occur during the trust period, the number of TIS shares per point will be adjusted according to the ratio of stock split, stock consolidation or the like.

(Formula for calculating points)

Points = Amount of stock compensation by position × Performance factor (*5) / Average acquisition unit price of TIS shares by the Trust

- (*5) The performance factor ranges from 0% to 150% according to consolidated operating income, ROE, net sales of service-type business, employee satisfaction and other elements for each fiscal year.

(6) Methods and Time of Delivery of TIS Shares to Directors

Directors who satisfy the beneficiary requirements described in (3) above will, at the

designated time after the final fiscal year under the Plan has elapsed, receive delivery of 50% of the Base Number of Shares for Calculation corresponding to Accumulated Points described in (5) above (any fraction less than one share will be rounded down) and the payment of money equivalent to the converted value of TIS shares corresponding to the remaining Base Number of Shares for Calculation after conversion in the Trust.

(7) Upper Limit for Trust Money to Be Contributed to the Trust and Upper Limit for the Number of TIS Shares for Delivery to Directors per Fiscal Year

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.

(i) Upper limit for the total amount of trust money to be contributed to the Trust by the Company:

500 million yen (*6)

(*6) The upper limit amount for trust money considers the current level of directors' compensation and is calculated by adding trust fees and expenses to funds for acquiring shares.

(ii) Upper limit for the number of TIS Shares for Delivery to Directors per fiscal year:
61,300 shares (*7) (*8)

(*7) The upper limit is established in reference to past share prices and other information based on the upper limit amount for trust money described above.

(*8) 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 (183,900 shares).

(8) Method of Acquisition of TIS Shares by the Trust

Acquisition in the market is planned for initial acquisition of TIS shares by the Trust within the limit described in (7) above.

(9) Exercise of Voting Rights on TIS Shares in the Trust

Voting rights of TIS shares in the Trust will not be exercised during the trust period to ensure management neutrality.

(10) Treatment of Dividends on TIS Shares in the Trust

Dividends on TIS shares in the Trust will be received by the Trust and appropriated to cover trust fees and expenses of the Trust.

(11) Treatment of Residual Property at Expiration of the Trust

If there are any residual shares in the Trust at expiration of the Trust (or at expiration of the extended trust period if the trust period is extended under (4) (ii) above) due to reasons such as not achieving performance goals, the Trust will transfer the residual shares to the Company without consideration and the Company will cancel them by resolution of its Board of Directors as a measure for return to shareholders. In addition, any residual dividends that arose during the trust period on TIS shares in the Trust will be used as funds for acquiring shares if the Trust continues to be used. However, if the Trust is terminated upon expiration of the trust period, the residual dividends will belong to the Company within the limit of trust expense

reserve and any dividends in excess of the limit will be donated to organizations that do not have any interest in the Company and directors.

(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 (planned) Co-trustee: The Master Trust Bank of Japan, Ltd. (planned)
(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 (planned)
(8) Trust period	August 1, 2018 (planned) to September 30, 2021 (planned)
(9) Plan start date	August 1, 2018 (planned)
(10) Exercise of voting rights	Not to be exercised.
(11) Class of acquired shares	Common shares of the Company
(12) Amount of trust money	500 million yen (planned) (including trust fees and expenses)
(13) Share acquisition time	August 3, 2018 (planned) to August 31, 2018 (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.

Trust/Share Related Administration

- (1) Trust-related administration: Mitsubishi UFJ Trust and Banking Corporation will serve as the trustee of the Trust and perform trust-related administrative tasks.
- (2) Share-related administration: Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. will perform administrative tasks for delivery of TIS shares to beneficiaries under an administration service agreement.

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