



May 12, 2020

(Translated from the Japanese original)

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Stock Listing: First Section of the Tokyo Stock Exchange
Stock Code: 3626
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Notice regarding Dividends from Surplus (Dividend Increase)

TIS Inc. (hereafter, “TIS” and “the Company”) hereby announces that the Board of Directors resolved at its meeting today to distribute dividends from surplus, with a record date of March 31, 2020. Details are provided below.

Note that this resolution will be referred for discussion and approval at the 12th Annual General Meeting of Shareholders scheduled for June 24, 2020.

Details

1. Dividend details

	Determined value	Latest dividend forecast (Announced May 13, 2019)	Results in previous fiscal year (Fiscal 2019)
Record date	March 31, 2020	Same as left	March 31, 2019
Dividend per share	¥60	¥50	¥50
Total dividends	¥5,047 million	—	¥4,244 million
Effective date	June 25, 2020	—	June 26, 2019
Source of dividends	Retained earnings	—	Retained earnings

Note: As described in “Notice regarding Stock Split and Partial Amendment of Articles of Incorporation,” dated February 6, 2020, the Company executed a stock split, with each share of common stock split into three shares, effective April 1, 2020. The annual dividend, with March 31, 2020, as the record date, will be based on the number of shares before the stock split.

2. Reasons

The Company’s basic policy is to keep internal reserves at a level sufficient to ensure business growth from a medium- to long-term perspective, while continuing to pay a stable dividend in consideration of consolidated financial results.

Guided by this policy, TIS seeks to build a more appropriate capital structure and improve capital efficiency during Medium-Term Management Plan (2018-2020), underpinned by a good balance in its approaches to promote growth investments and ensure a sound financial position. In the process, the Company intends to enhance return to shareholders by boosting the total return ratio yardstick, to 40%, from 35%, through measures that include treasury stock buybacks, and then deliver a payout ratio of 30% by fiscal 2021 through stable dividend growth.

Management would like to distribute a year-end dividend of ¥60 per share for fiscal 2020, ended March 31, 2020, which is ¥10 higher than first announced. The increase reflects the fact that business results exceeded expectations. Consequently, the annual dividend for fiscal 2020 will be ¥90 per share. Adding in the repurchase of 749,800 shares of treasury stock, for ¥4,139 million, the total return ratio will reach 39.8%.

Reference: Breakdown of annual dividends

Effective date	Dividend per share			Total return ratio	Payout ratio
	End of second quarter	Year-end	For the year (total)		
Fiscal 2020 (March 31, 2020)	¥30	¥60	¥90	39.8%	25.7%
Fiscal 2019 (March 31, 2019)	¥20	¥50	¥70	39.0%	22.8%

END