



MEMBERSHIP  
May 8, 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 Continuation of Performance-Linked Stock Incentive Plan and Partial Changes**

TIS Inc. (hereafter, “TIS” and “the Company”) hereby gives notice that the Company’s Board of Directors decided at its meeting on this date to continue the performance-linked stock incentive plan (hereafter, “the Plan”), introduced in fiscal 2019, ended March 31, 2019, for directors, executive officers and executive fellows (excluding external directors, non-executive directors and non-residents of Japan) of the Company and directors and executive officers (excluding external directors, non-executive directors and non-residents of Japan) of INTEC, a subsidiary of TIS (hereafter, “the Subsidiary” and, collectively with TIS, “Companies Covered”), and also decided to put forward at the 16th Annual General Meeting of Shareholders to be held on June 25, 2024 (hereafter, “the General Meeting of Shareholders”), an agenda item concerning partial changes (hereafter, “the Agenda Item”), including changes affecting such issues as eligible participants in the Plan, the stock calculation method and delivery timing.

Revisions to the Plan were submitted to and approved by the Board of Directors, based on recommendations by the Compensation Committee, a voluntary advisory body to the Board of Directors comprising a majority of independent outside directors.

For background on the Plan prior to revision, please refer to “Notice Regarding Introduction of a Performance-Linked Stock Incentive Plan,” dated May 10, 2018, and “Notice regarding Continuation of Performance-Linked Stock Incentive Plan and Partial Changes,” dated May 12, 2021.

### **Details**

#### **1. Continuation of the Plan**

- (1) Seeking to make directors and executive officers more aware of contributions to medium- to long-term improvement in performance and increased corporate value by promoting a deeper sense of shared interest with shareholders, TIS will maintain the Plan as a highly transparent and objective directors’ compensation system closely linked to business results over the medium to long term, and along with the decision to continue the Plan, partially revised the content therein.
- (2) Partial changes to the Plan are conditioned upon shareholder approval of directors’ compensation relating to the Plan at the General Meeting of Shareholders.

(3) The Plan is a program connected to the Company’s medium- to long-term corporate performance, using a Board Incentive Plan Trust (hereafter, “the BIP Trust”). A BIP Trust, like performance share plans and restricted stock plans in the United States and Europe, is a program for delivery and payment (hereafter, collectively “Delivery”) of TIS shares and an amount equivalent to conversion of TIS shares into cash (hereafter, collectively, “TIS Shares”) to participants, according to position and performance results.

## 2. Details on the Plan following changes

### (1) Key items changed

The BIP Trust (hereafter, “the Trust”), which TIS had already established, matures on September 30, 2024. The Company will amend the trust agreement and implement an additional trust, thereby extending the trust period to three years and maintaining the Plan. At this juncture, the decision to implement partial changes to the Plan will necessitate the following key revisions to content, as underlined below.

#### (i) Eligibility under the Plan

Before change	After change
For directors, executive officers and <u>executive fellows (excluding external directors, non-executive directors and non-residents of Japan; and the Subsidiary’s directors and executive officers (excluding external directors, non-executive directors and non-residents of Japan.</u>	For directors, and executive officers (excluding <u>non-executive directors and non-residents of Japan; hereafter, collectively “Directors”</u> ) and the Subsidiary’s directors and executive officers (excluding <u>non-executive directors and non-residents of Japan; hereafter, “Subsidiary Directors”</u> ; collectively, “Directors Covered” along with Directors of TIS).

#### (ii) Period Covered

Before change	After change
Three fiscal terms from <u>fiscal 2022, ending March 31, 2022 to fiscal 2024, ending March 31, 2024</u>	Three fiscal terms from <u>fiscal 2025, ending March 31, 2025 to fiscal 2027, ending March 31, 2027</u>

#### (iii) Number of TIS Shares for Delivery to Directors

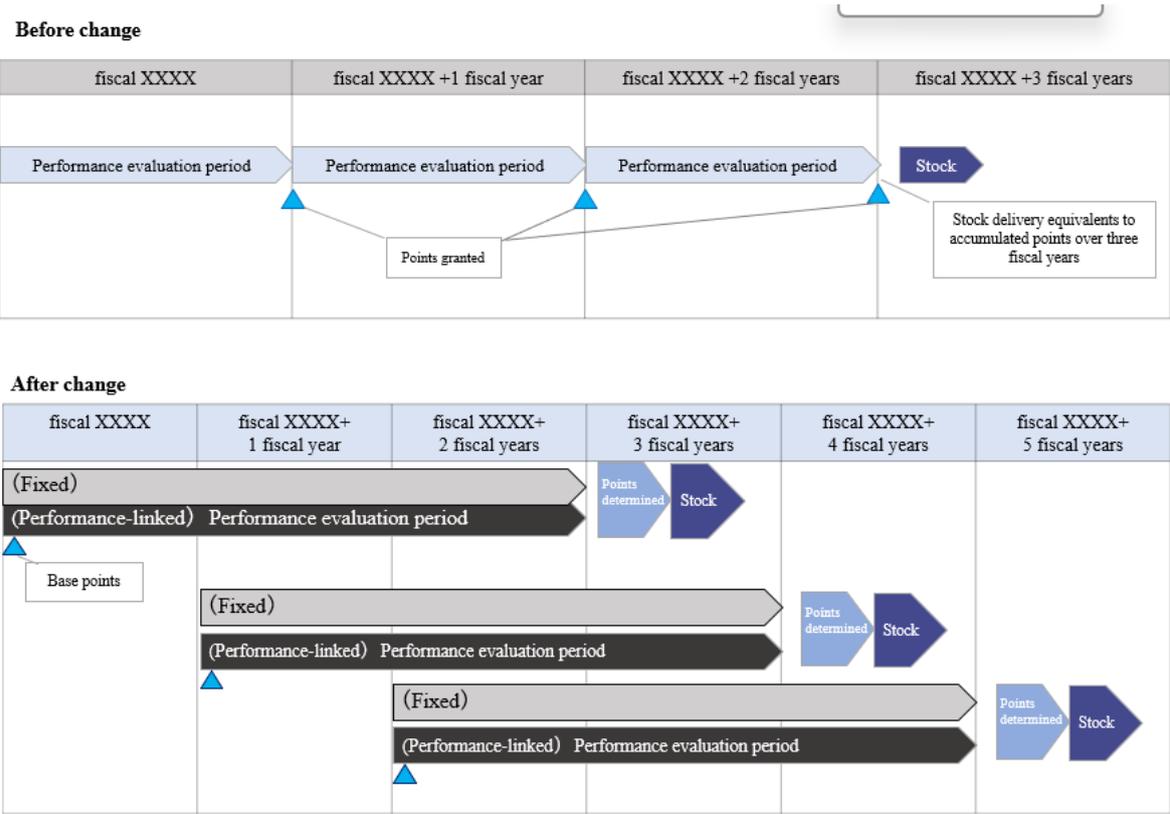
Before change	After change
During the trust period, <u>points</u> calculated by the formula below will be granted to Directors Covered (including those who have newly become Directors after the start of the Plan) at <u>the designated time after the end of each fiscal year (the first is the fiscal year 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</u>	During the trust period, <u>Base Points</u> calculated by the formula below will be granted to Directors Covered (including those who have newly become Directors after the start of the Plan) at <u>a specified time after the target period has passed (in principle, three years after granting Base Points) and the Base Number of Shares for Calculation will be determined based on such factors as position during the relevant fiscal year, and the Base Number of Shares for Calculation will be determined based on Stock Delivery Points calculated using the following formula according to</u>

<p><u>Plan has elapsed.</u></p> <p>Points=Amount of stock compensation by position x <u>Performance factor (*1) / Average acquisition unit price of TIS shares by the Trust after continuation</u> (*1)<u>The performance factor will move within a range from 0% to 150%, depending on amount of consolidated operating income, EPS, EBITDA from service-type business, employee satisfaction, customer and service satisfaction and business partner satisfaction for each fiscal year.</u></p>	<p><u>growth rate of the Company's stock price.</u></p> <p><u>&lt;Base Points&gt;</u>  <u>Base Points = Amount of stock compensation by position / Average acquisition unit price of TIS shares by the Trust after continuation</u></p> <p><u>&lt;Stock Delivery Points&gt;</u>  <u>(Fixed portion)</u>  <u>Stock Delivery Points (fixed portion) = Base Points x 50% x Number of months in office during target fiscal year / 12</u></p> <p><u>(Performance-linked portion)</u>  <u>Stock Delivery Points (performance-linked portion) = Base Points x 50% x Number of months in office during target fiscal year / 12 x Performance factor (*1)</u></p> <p>(*1) <u>Performance factor will move with a range from 0% to 200%, according to the growth rate of TSR against TOPIX.</u></p>
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(vi) Methods and Time of Delivery of TIS Shares to Directors Covered

Before change	After change
<p>Directors who satisfy the beneficiary requirements, <u>at the designated time after the final fiscal year under the Plan has elapsed</u>, receive delivery of 50% of the Base Number of Shares for Calculation corresponding to <u>Accumulated Points</u> (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.</p>	<p>Directors who satisfy the beneficiary requirements, <u>at a specified time after the target period has passed (in principle, three years after granting Base Points)</u> receive delivery of 50% of the Base Number of Shares for Calculation corresponding to <u>Stock Delivery Points</u> (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.</p>

Reference: Period covered by performance evaluation before and after revision of the Plan, and stock delivery framework



(v) Upper limit for trust money to be contributed to the Trust and upper limit for the number of TIS Shares for Delivery to Directors Covered per fiscal year

Before change	After change
<p>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 Covered will be as follows subject to shareholder approval at the General Meeting of Shareholders.</p> <p>a. Upper limit for the total amount of trust money to be contributed to the Trust by the Company: <u>¥700 million, including ¥520 million of the Company portion</u></p> <p>b. Upper limit for the number of TIS Shares for Delivery to Directors Covered per fiscal year: <u>132,100 shares, including 99,000 shares of the Company portion</u></p> <p>(*2) 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 <u>396,300 shares, which is the number of</u></p>	<p>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 Covered will be as follows subject to shareholder approval at the General Meeting of Shareholders.</p> <p>a. Upper limit for the total amount of trust money to be contributed to the Trust by the Company: <u>¥1,810 million, including ¥1,630 million of the Company portion</u></p> <p>b. Upper limit for the number of TIS Shares for Delivery to Directors Covered per fiscal year: <u>230,000 shares, including 200,000 shares of the Company portion</u></p> <p>(*2) 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 <u>690,000 shares, which is the number of</u></p>

shares equivalent to the upper limit of TIS Shares for Delivery to Directors Covered per fiscal year multiplied by three, the number of years of the trust period.	shares equivalent to the upper limit of TIS Shares for Delivery to Directors Covered per fiscal year multiplied by three, the number of years of the trust period.
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(2) Other details

(i) Malus and clawback provision and other rules

In the event a Covered Director engages in illegal activity (in cases where the Board of Directors finds a Covered Director has committed a serious violation of assigned duties or a serious violation of internal regulations, or if serious accounting fraud or a huge loss has occurred), the Covered Director will no longer be eligible to receive delivery of shares. In addition, should illegal activity come to light after delivery of shares, the Company will require compensation equivalent to a monetary amount based on the calculation method described in share delivery regulations.

(ii) Other details on the Plan will be established by the Board of Directors if changes are made to the trust contract or additional funds are contributed to the Trust.

**(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 (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(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
(8) Trust period	August 1, 2018 to September 30, 2027 (planned)
(9) Plan start date	August 1, 2018
(10) Exercise of voting rights	Not to be exercised.
(11) Class of acquired shares	Common shares of the Company
(12) Amount of trust money	¥1,810 million (planned) (including trust fees and expenses)
(13) Share acquisition time	August 7, 2024 (planned) to August 21, 2024 (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.

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