



March 6, 2020

(Translated from the Japanese original)

Company Name: TIS Inc.
Representative: Toru Kuwano, Chairman, President and Representative Director
Stock Listing: First Section of the Tokyo Stock Exchange
Stock Code: 3626
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Notice regarding Acquisition of Stock to Turn Thailand's MFEC Public Company Limited into TIS Subsidiary

The Board of Directors at TIS Inc. (hereafter, "TIS" and "the Company") resolved on this date that the Company would acquire shares in MFEC Public Company Limited (hereafter, "MFEC") through a tender offer (hereafter, "the Tender Offer"), in accordance with the securities exchange law and local laws of Thailand. MFEC is currently a TIS affiliate accounted for by the equity method. Details are provided below.

Note that the Tender Offer does not fall under tender offers described in Article 27 Paragraph 2-1 of Japan's Financial Instruments and Exchange Law.

Details

1. Reason for Acquisition of Stock and Tender Offer

The TIS INTEC Group seeks to realize sustained corporate growth and higher corporate value, guided by the slogan "Transformation to 2020 — Achieving structural transformation as a corporate family and taking the lead in finding solutions to social issues" that underpins Medium-Term Management Plan (2018-2020). Various measures are being pursued toward this destination. As part of this journey, TIS is pursuing an overseas business strategy aimed at becoming a top-class IT group in the ASEAN region and is driving robust expansion of business domains through capital and business alliances and other forms of cooperation with leading companies from the perspective of channels—that is, office networks and client bases—and technology in select business domains, namely, payment settlement, banking and enterprise resource planning.

MFEC, listed on the Thai stock exchange, is a leading provider of IT solutions to enterprises in Thailand. To TIS management, MFEC earned top marks for its high profile in Thailand, the service quality inherent in the solutions it provides to its clients, and its extensive, well-balanced client base. This solid reputation in the market led TIS to sign a capital and business alliance agreement with MFEC in April 2014. In the time since then, the two companies have deepened their understanding of each other, which has underpinned TIS' efforts to strengthen their relationship through the creation of joint schemes across a wide range of pursuits as well as additional investment.

At this time, turning MFEC into a consolidated subsidiary, accelerating business restructuring at MFEC, and expanding the scale of the TIS INTEC Group's overseas operations hold major significance in forming a top-class IT group in the ASEAN region. Management sees the Tender Offer approach contributing to enhanced corporate value of the TIS INTEC Group and thus decided to acquire additional shares in MFEC and turn it into a consolidated subsidiary.

2. Overview of the Tender Offer

(1) Tender offeror	TIS Inc.
(2) Target company	MFEC Public Company Limited
(3) Tender offer period	To be determined Note: The tender offer will be implemented after shareholders give approval at MFEC's Ordinary General Meeting of Shareholders and permission is granted by Thailand's Securities and Exchange Commission.
(4) Class of shares for tender offer	Common stock
(5) Tender offer price	5.0 Thai baht (¥17.35) per share of common stock Note: The tender offer price will be based on the company's stock price level and take various factors generally into account, including marketability of the stock (such as volume and pricing rate) and the performance forecast for MFEC.
(6) Capital required for tender offer	532 million Thai baht (¥1,846 million)
(7) Number of shares to be purchased	106,390,307 shares Note: If the total number of tendered shares is less than the number of shares (106,390,307) that TIS planned to purchase, all tendered shares will be purchased. If the total number of tendered shares exceeds the number of shares (106,390,307) that TIS planned to purchase, the Company will purchase neither the entire amount nor any partial amount of the excess shares, and the transfer of shares and other settlements of the sale and purchase of the tendered shares will be made using the proportional distribution method.
(8) Other	The Board of Directors at the target company, MFEC, have expressed agreement to the tender offer.

Notes: 1. Details regarding conditions for this tender offer will be announced in Thailand, in accordance with Thai laws and rules set by Thailand's Securities and Exchange Commission.

2. Converted at a rate of 1 Thai baht = ¥3.47, the rate prevailing at the end of February 2020

3. Overview of Company Subject to Tender Offer (MFEC Public Company Limited)

(1) Name	MFEC Public Company Limited	
(2) Address	699 Modernform Tower, Srinakarind Road, Patthanakan Suan Luang, Bangkok, Thailand	
(3) Representative	Siriwat Vongjarukorn, Chief Executive Officer	
(4) Business activities	IT services, system integration	
(5) Paid-in capital	441 million Thai baht (¥1,532 million)	
(6) Date of establishment	March 3, 1997	
(7) Listed stock exchange	Stock Exchange of Thailand	
(8) Major shareholders and shareholding ratios	TIS Inc.	24.90%
	Siriwat Vongjarukorn	3.11%
	Kongboonma Family	3.03%
	Sirisak Thirawattanangkul	2.93%
	Prasert Foongvanich	2.49%
	Group of Ramade Silaprom	2.28%

(9) Relationships with TIS	Capital relationship	TIS holds 24.90% equity in MFEC, making it an affiliate accounted for by the equity method.		
	Personnel relationship	One executive officer from TIS holds a position of director (vice-chairman) at MFEC.		
	Business relationship	TIS and MFEC are party to business-related transactions, based on a business alliance agreement.		
	Related party status	MFEC is an affiliate of TIS accounted for by the equity method.		
(10) Consolidated performance and financial position for the past three years				
Fiscal year	Fiscal year ended December 31, 2017	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2019	
Net assets (millions of Thai baht)	1,987 (6,894 million yen)	1,731 (6,006 million yen)	1,857 (6,443 million yen)	
Total assets (millions of Thai baht)	3,369 (11,690 million yen)	3,330 (11,555 million yen)	3,670 (12,734 million yen)	
Net assets per share (Thai baht)	4.50 (15.61 yen)	3.92 (13.60 yen)	4.20 (14.59 yen)	
Net sales (millions of Thai baht)	2,961 (10,274 million yen)	3,339 (11,586 million yen)	3,688 (12,797 million yen)	
Operating income (millions of Thai baht)	142 (492 million yen)	74 (256 million yen)	241 (836 million yen)	
Recurring profit (millions of Thai baht)	194 (673 million yen)	124 (430 million yen)	278 (964 million yen)	
Net income (loss) to attributable to owners of the parent company (millions of Thai baht)	153 (530 million yen)	(166) (-576 million yen)	225 (780 million yen)	
Net income (loss) per share (Thai baht)	0.34 (1.17 yen)	(0.37) (-1.28 yen)	0.50 (1.73 yen)	
Dividend per share (Thai baht)	0.25 (0.86 yen)	0.20 (0.69 yen)	0.35 (1.21 yen)	

Note: Converted at a rate of 1 Thai baht = ¥3.47, the rate prevailing at the end of February 2020

4. Number of Shares Acquired, Acquisition Price and Shareholding Status Before and After Acquisition

(1) Shareholding prior to change	109,921,999 shares (Number of voting rights: 109,921,999) (Percentage of voting rights: 24.90%)
(2) Number of shares acquired	106,390,307 shares (Number of voting rights: 106,390,307)
(3) Acquisition price	532 million Thai baht (¥1,846million)
(4) Shareholding after change	216,312,306 shares (Number of voting rights: 216,312,306) (Percentage of voting rights: 49.00%)

- Notes:
1. Describes situation if TIS is able to purchase planned tender offer MFEC shares through this tender offer.
 2. Equity stakes held by foreign shareholders are limited to 49% of total shares in accordance with MFEC's Articles of Incorporation, which take into consideration restrictions on foreign investment under the laws of Thailand. Therefore, the number of acquired shares may change, based on the shareholding ratios of other foreign shareholders when the Tender Offer closes.
 3. Converted at a rate of 1 Thai baht = 3.47 yen, the rate prevailing at the end of February 2020

5. Schedule

Resolution by the TIS Board of Directors	March 6, 2020
Date of MFEC Ordinary General Meeting of Shareholders	April 27, 2020 (planned)
Start of tender offer	To be determined
End of tender offer	To be determined
Share transfer date	To be determined

Note: The Tender Offer will take place after shareholders at MFEC's Ordinary General Meeting of Shareholders approve the plan and permission to proceed is granted by Thailand's Securities and Exchange Commission. At the present time, TIS has not received information regarding the dates that will be set by Thailand's Securities and Exchange Commission for the start and end of the Tender Offer. A series of procedures that culminates with MFEC becoming a consolidated subsidiary of TIS should wrap up at the end of September 2020.

6. Outlook

TIS will promptly disclose the duration of the Tender Offer and the share transfer date after permission to proceed with the Tender Offer is granted by Thailand's Securities and Exchange Commission. Also, the results of the Tender Offer will be promptly announced as soon as the details are clear.

If, TIS acquires MFEC shares as planned through the Tender Offer, MFEC and its 10 subsidiaries—a total of 11 companies—will become consolidated subsidiaries of TIS in accordance with control criteria. Therefore, TIS will likely include the consolidated results of MFEC in the Company's consolidated results from the fourth quarter of fiscal 2021, ending March 31, 2021.

(Reference) Forecast for Fiscal 2020 (announced November 1, 2019), and Fiscal 2019 Results on Consolidated Basis

	Net Sales	Operating Income	Recurring Profit	Net income attributable to owners of the parent company
	Million	Million	Million	Million
Current Fiscal Year, ending March 31, 2020 (forecast)	¥436,000	¥42,000	¥43,000	¥28,800
Previous Fiscal Year, ended March 31, 2019 (actual)	¥420,769	¥38,043	¥38,603	¥26,034

END