July 24, 2026

Company Name:	TISI Inc.
Representative:	Yasushi Okamoto, Representative Director, President and Executive Officer
Stock Listing:	Prime Market of the Tokyo Stock Exchange
Stock Code:	3626
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Notice Regarding Succession of Certain Back-Office Operations to Our Wholly Owned Subsidiary through a Simplified Absorption-Type Company Split

TISI Inc. (hereinafter, the "Company") hereby announces that its Board of Directors, at a meeting held on July 24, 2026, resolved to have TIBS Inc. (hereinafter, "TIBS"), a wholly owned subsidiary of the Company, succeed to certain back-office operations of the Company through an absorption-type company split effective October 1, 2026 (hereinafter, the "Company Split"). Details are as follows.

As the Company Split constitutes a simplified absorption-type company split in which the succeeding company is a wholly owned subsidiary of the Company, certain disclosure items and details have been omitted.

Details

1. Purpose of the Company Split

In pursuit of its long-term management policy, "Group Vision 2032," the Group is working to enhance and streamline corporate functions across the Group. As part of these efforts, the Group is consolidating back-office operations that are expected to benefit from centralization at TIBS, which provides shared services for the Group.

Through the Company Split, TIBS will succeed to certain back-office operations of the Company related to general affairs and sales and purchasing administration. This will further promote the use of shared services for back-office operations across the Group, thereby improving productivity, strengthening Group governance, and enhancing operational efficiency through integrated Group management.

2. Summary of the Company Split

(1) Schedule of the Company Split

Date of the Board of Directors' resolution on the Company Split	July 24, 2026
Date of execution of the absorption-type company split agreement	July 24, 2026
Effective date of the Company Split	October 1, 2026 (scheduled)

Note: Pursuant to Article 784, Paragraph 2 of the Companies Act, the Company Split will be conducted as a simplified absorption-type company split without obtaining approval at the Company's general meeting of shareholders. With respect to TIBS, pursuant to Article 796, Paragraph 1 of the Companies Act, the Company Split will be conducted as a short-form absorption-type company split without obtaining approval at TIBS's general meeting of shareholders.

(2) Method of the Company Split
The Company Split will be conducted as a simplified absorption-type company split, with the Company as the splitting company and TIBS as the succeeding company.

(3) Details of Allotment in Connection with the Company Split
As the Company Split will be conducted between the Company and its wholly owned subsidiary, no shares will be allotted by TIBS to the Company in connection with the Company Split.

(4) Treatment of Stock Acquisition Rights and Bonds with Stock Acquisition Rights in Connection with the Company Split
Not applicable.

(5) Reduction in Capital Stock as a Result of the Company Split
There will be no reduction in the Company's capital stock as a result of the Company Split.

(6) Rights and Obligations Succeeded by the Succeeding Company
TIBS will succeed to the assets, rights, and obligations of the Company relating to the business subject to the Company Split as of the effective date of the Company Split.

(7) Prospects for Fulfilling Obligations
The Company, as the splitting company, and TIBS, as the succeeding company, have determined that there will be no issues with their ability to fulfill their respective obligations falling due on or after the effective date of the Company Split.

3. Overview of Companies Involved in the Company Split

	Splitting Company	Succeeding Company
(1)Name	TISI Inc.	TIBS Inc.
(2) Head office location	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo	17-1, Nishi-Shinjuku 8-chome, Shinjuku-ku, Tokyo
(3) Representative	Yasushi Okamoto, Representative Director, President and Executive Officer	Tsuneyoshi Ito, Representative Director and President
(4) Business activities	Provision of outsourcing services related to IT investment, software development, solution services, management of group companies, and other related operations.	Shared services business Office services business
(5) Capital stock	¥10,001 million	¥50 million
(6) Date of incorporation	April 1, 2008	May 29, 1995
(7) Number of shares outstanding	228,400 thousand shares	100 thousand shares
(8) Fiscal year-end	March 31	March 31
(9) Major shareholders and shareholding ratios (as of March 31, 2026)	ICHIGO TRUST PTE. LTD. 12.64% The Master Trust Bank of Japan, Ltd. (Trust Account) 12.31% Custody Bank of Japan, Ltd. (Trust Account) 4.31% JP MORGAN CHASE BANK 380055 3.62% Nippon Life Insurance Company 3.31%	TISI Inc. 100%

(10) Financial position and operating results for the most recent fiscal year		
	Fiscal year ended March 31, 2026 (Consolidated)	Fiscal year ended March 31, 2026 (Non-consolidated)
Net assets	¥337,726 million	¥933 million
Total assets	¥551,507 million	¥2,197 million
Net assets per share	¥1,475.55	¥9,336.89
Net sales	¥596,479 million	¥5,489 million
Operating income	¥76,229 million	¥224 million
Recurring profit	¥76,511 million	¥228 million
Net income attributable to owners of the parent company / Net income	¥46,624 million	¥151 million
Net income per share	¥204.91	¥1,510.78

4. Overview of the Business to Be Split Off

(1) Description of the Business to Be Split Off

Certain back-office operations related to general affairs and sales and purchasing administration.

(2) Operating Results of the Business to Be Split Off (Fiscal Year Ended March 31, 2026)

As the business to be split off comprises back-office operations and does not generate any direct sales to external customers, no operating results are presented.

(3) Items and Amounts of Assets and Liabilities to Be Transferred in the Company Split (as of March 31, 2026)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	¥55 million	Current liabilities	¥37 million
Fixed assets	¥57 million	Fixed liabilities	¥76 million
Total	¥113 million	Total	¥113 million

5. Status After the Company Split

There will be no changes to the name, head office location, title and name of the representative, business activities, capital stock, or fiscal year-end of either the Company or TIBS as a result of the Company Split.

6. Outlook

As TIBS is a wholly owned subsidiary of the Company, the impact of the Company Split on the Company's consolidated financial results will be minimal. The Company will promptly disclose any matters requiring disclosure should they arise.

(Reference)

Forecast for Fiscal 2027 (Announced May 8, 2026), and Fiscal 2026 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, 2027 (forecast)	¥620,000	¥81,000	¥81,000	¥57,000
Previous fiscal year ended March 31, 2026 (actual)	¥596,479	¥76,229	¥76,511	¥46,624

END