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transcosmos and Dongbu Information Technology form strategic capital alliance

Also embarking on a business partnership through a joint venture
to enhance system solution services across Asia

Tokyo, December 13, 2005—Japan's leading outsourced services provider, transcosmos inc., the Marketing Chain Management company, today announced that this month it acquired a 5% equity stake in Dongbu Information Technology Co., Ltd. is forging a strategic capital alliance with the major South Korean systems. The alliance will enhance transcosmos's ability to provide system-solution services for building and administering mission-critical and other back-office systems in Japan and South Korea. The two companies will also form a business partnership by establishing a joint venture in Japan with transcosmos owning a 34% stake and Dongbu Information Technology owning a 66% stake. The new venture is scheduled to commence operations in 2006.

Dongbu Information Technology was established in July 1997 to provide information communication services to the Dongbu Group and affiliated companies in financial services, construction, semiconductors, chemicals, distribution, and other businesses. The company offers system-integration, Internet, radio-frequency identification, and business-continuity planning services and is especially active in expanding its system development services across Asia.

The capital alliance is intended to help transcosmos provide local South Korean companies as well as Japanese and other foreign-owned companies moving from Japan into Korea with a complete range of system solution services—from IT consulting to system development and administration—that couple help-desk services and call- and contact-center services with the latest technology. transcosmos also hopes to build on the alliance to expand its data-entry outsourcing services to provide its clients with a one-stop source for their non-core operations.

Dongbu Information Technology seeks to provide even higher value-added services by gaining access to and utilizing transcosmos's expertise in data-entry and call- and contact-center services. The new joint venture will leverage the experience and expertise gained from providing information communication services in South Korea to provide system-integration services and sell South Korean software in Japan. The company will also pursue a human resources business to train and supply South Korean engineers experienced in system development and design in Japan. Having hired South Korean engineers on a full-time basis in 1998, transcosmos already has experience in this area: it enjoys a solid track record and reputation for recruiting and training a wide range of human resources, and several hundred South Korean transcosmos engineers have provided on-site development and design services to clients, primarily in the automotive industry, since 2000. The partnership with Dongbu Information Technology will give transcosmos access to highly skilled South Korean engineers over the long term and allow it to respond flexibly to the development needs of its client companies.

In conjunction with the transcosmos–Dongbu Information Technology partnership, Osaka-based Applied Technology Co., Ltd.—which already provides transcosmos group companies with complete integration services encompassing information-system planning, design, maintenance, and administration—will supply technology and expertise in disaster-mitigation engineering, a field that seeks to avert system failures caused by fires and disasters using advanced analytical and simulation technology and geographical information systems.

transcosmos started to establish its presence in Asia ex-Japan with its 1995 founding of wholly owned subsidiary transcosmos Information Creative (China) Co., Ltd., which provides offshore development services at about one-third the cost of development in Japan while maintaining the same level of quality. The company later established CIC Korea, Inc., a joint venture with leading South Korean private telecoms carrier Dacom Corporation, and opened a call center in Pusan in July 2003. transcosmos's new joint venture with Dongbu Information Technology is intended to further enhance its ability to provide system-solutions services tailored to the specific needs of clients moving to expand their presence in Japan, South Korea, China, and other parts of East Asia.

About Dongbu Information Technology

Dongbu Information Technology Co., Ltd. was founded on July 6, 1994, and has corporate headquarters on the 28th floor of the Dongbu Financial Center at 891-10 Daechi-dong, Gangnam-gu, Seoul, South Korea. It is capitalized at 11,800 million won (¥1.2 billion), employs 600, and has annual sales of some 135 billion won (¥14 billion). Its mainstay businesses are system development and administration, and sales of software solutions.

About Applied Technology

Applied Technology Co., Ltd. was established on June 14, 1984, and employs 386 (as of June 30, 2005) who provide system-integration, solution, and engineering services. It is headquartered at RISE88 1-1-10 Honjohigashi, Kita-ku, Osaka 531-0074; is capitalized at ¥1,204,321,000 (as of October 31, 2005); and had sales estimated at ¥5.4 billion during the year to December 2005.

About transcosmos

Shibuya-ku, Tokyo-based transcosmos inc. has been pioneering Japan's outsourced information services field since 1966. Led by President and COO Masataka Okuda and traded on the First Section of the Tokyo Stock Exchange (symbol: 9715), it had 7,604 employees and annual sales of ¥91.9 billion (consolidated) in the year to March 2005.

Since its founding, transcosmos has continually striven to enhance client-corporations' competitiveness through innovations combining the strengths of human resources and technology to offer outsourced services with higher value-added. Foreseeing how the quickening spread of broadband Internet and VoIP is going to facilitate more-direct communication of mutually valuable information between companies and consumers—and the implications this has for corporate marketing—in June 2002 transcosmos moved to transform itself into The Marketing Chain Management Company. With a new communications channel now taking shape through the integration of telephone, the Web, email, and even live video using Internet protocols, transcosmos realizes that Internet expertise will be indispensable in the running of contact and call centers. Continuing in its tradition of developing more advanced outsourcing services while adapting the latest Internet technologies, transcosmos is committed to continue maximizing these, its unique strengths, to help clients speed up business processes, expand sales, cut costs, and enhance customer satisfaction. To find out how transcosmos can help your company with its cutting-edge interactive solutions, you are invited to visit its Web site at <http://www.transcosmos.co.jp>.