



October 21, 2010

To all concerned,

Company Name: transcosmos, inc.
Representative: President and COO, Masataka Okuda
(Code No. 9715, Tokyo Stock Exchange, 1st Section)
Inquires: Hitoshi Honda, Corporate Officer,
Accounting and Finance Division Chief
Contact: +81-3-4363-1111 (Main)

Notification regarding Dropping of Lawsuit

Regarding the actions for damages and trading value restitution brought against our company on August 3, 2007 by Japan General Electric Company (hereafter "Japan GE"), and the action brought for assignment of obligations on February 12, 2010, we hereby notify you as indicated below that the lawsuits have been dropped by Japan GE, and with our company's agreement, all actions have been terminated.

Description

1. Summaries of subject actions

(1) Action for damages brought on August 3, 2007

This action began with fraudulent practices related to 3D-CAD software sales transactions, wherein Japan GE was seeking approximately ¥5.8 billion in damages from our company and several others who were involved in the transactions.

(2) Action for trading value restitution brought on August 3, 2007

Concerning the above transactions, and based on the cancellation of the sales contract concluded between Japan GE and our company for the above mentioned software, they were seeking approximately ¥1.9 billion in restitution from our company for lost trading value.

(3) Action for assignment of obligations brought on February 12, 2010

Concerning the above transactions, Japan GE was seeking to take over Silicon Studio Corporation's claim against our company for trading value restitution, and to receive payment of approximately ¥2.6 billion from our company.

2. Factors leading to termination of the lawsuits

Our company argued to have all of these actions dismissed, but on this occasion in order to resolve the actions at an early date, we made an amicable settlement with Japan GE outside of the litigation by paying Japan GE ¥2.477 billion, and the lawsuits were dropped as of October 21, 2010.

3. Effect on business results, etc.

Regarding this matter, the corresponding projected amount has already been allocated as a

reserve for litigation losses for the period ending March 2010, and at the present time there is no effect on the consolidated earnings forecast for the current period due to this settlement.

In addition, regarding the payment amount specified above, our company should be able to recover from the third party responsible for the above mentioned fraudulent practices, and we are planning to make a claim.

End