

Note: This English translation is for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

May 15, 2024

To Whom It May Concern,

Name of Company: transcocosmos inc.

Representatives: Masaaki Muta, Representative Director, Co-president

Takeshi Kamiya, Representative Director, Co-president

(Code No.9715, Tokyo Stock Exchange, Prime Market)

Contact: Kenichi Ooya

Corporate Officer,

Co-headquarters Manager of Corporate Headquarters

Phone Number: +81-50-1751-7700 (main number)

Announcement Regarding the Opinion of the Company's Board of Directors on Shareholder Proposals

transcocosmos (the Company) has received a document dated April 9, 2024, from a shareholder stating that the shareholder intends to make proposals (the Shareholder Proposals) at the Company's 39th Annual General Meeting of Shareholders to be held on June 25, 2024 (the Shareholders Meeting). The Company hereby notifies that it resolved at its board of directors meeting held on May 15, 2024, to oppose the Shareholder Proposals, the details of which are described below:

Details of Resolution

I. Proposing shareholder

NORTHERN TRUST CO. (AVFC) RE NVI01

(Representative: Nippon Value Investors KK)

II. The Shareholder Proposals and the reasons

1. Proposals

- (1) Partial amendment to the Articles of Incorporation (cancellation of treasury shares)
- (2) Cancellation of treasury shares

2. Details and the reasons for the Shareholder Proposals

As per the attachment "The Shareholder Proposals" below. The attachment, "The Shareholder Proposals," is an English translation of a relevant part of the original Japanese document submitted by the proposing shareholder with minor editing for formality.

III. Opinions of the Board of Directors on the Shareholder Proposals

Proposal (1) Partial amendment to the articles of corporation (cancellation of treasury shares)

(1) Opinion of the Board of Directors

The board of directors opposes the Shareholder Proposal.

(2) Reason for the opinion

The Company believes that it should discuss its policy on, and approach to the cancellation of treasury shares as part of its medium- to long-term capital policy. Therefore, the Company will examine ways to use the shares to flexibly implement its capital policies including future funding needs and mergers and acquisitions (M&A), while taking into consideration the Company's future business strategies.

With regard to the cancellation of treasury shares, the Company resolved at its board of directors meeting held on April 30, 2024, to retire 4,930,930 shares, or 10.11% of shares outstanding, of its total treasury shares with the purpose to mitigate concerns over possible share dilution by decreasing the number of shares outstanding. As for remaining treasury shares, the Company will use the shares for the redemption of its 2026 due euro-yen denominated convertible bonds with stock acquisition rights, and will decide other usages in line with the policy above.

The Company will consider the option to retire the remaining treasury shares if the board of directors, based on the business and economic climate at the time, judges it serves the purpose of enhancing the Company's corporate value and the common interests of its shareholders.

The board of directors believes that capital policy, including the cancellation of treasury shares, should be resolved at the board of directors meeting pursuant to the provisions of the Companies Act, not at the shareholders' meeting, as it enables the Company to flexibly implement its capital policies based on the medium-to long-term business strategy, and in turn better serve its purpose of enhancing the corporate value.

For the reasons above, the Company's board of directors opposes the Shareholder Proposal.

Proposal (2) Cancellation of treasury shares

(1) Opinion of the Board of Directors

The board of directors opposes the Shareholder Proposal.

(2) Reason for the opinion

The Company resolved at its board of directors meeting held on April 30, 2024, to retire 4,930,930 shares, or 10.11% of shares outstanding, of its total treasury shares. Given this decision, the board of directors believes it unnecessary for the Company to retire additional treasury shares at this point in time.

For the reasons above, the board of directors opposes the Shareholder Proposal.

Attachment: The Shareholder Proposals

*English translation of relevant part of the original Japanese document submitted by the proposing shareholder with minor editing for formality.

Shareholder Proposals

1 Partial amendment to the Articles of Incorporation (cancellation of treasury shares)

(1) Proposal

Establish and add the below provision as Article 15, Section III SHAREHOLDER'S MEETING to the Articles of Incorporation.

(Cancellation of Treasury Shares)

Article 15 The Company's shareholders' meetings may, in addition to matters provided for in the Companies Act, resolve matters regarding the cancellation of the Treasury Shares (including the classes of the shares and the number of Treasury Shares for each class) by ordinary resolutions pursuant to the provision of the Article 309 (1) of the Companies Act.

(2) Reasons for the proposal

- The Company holds approximately 11,320,000 treasury shares, or 23.2% of shares outstanding, as of the end of December 2023.
- The Company could use the treasury shares to pay for M&A and other transactions. However, the Company holds a net cash total of approximately 41.8 billion yen, which is equivalent to 41% of its equity capital, as of the end of December 2023. Therefore, the Company should allocate the cash for M&A and other transactions in order to prevent possible share dilution, which could result in drastic decline in return on equity (RoE) from current levels.
- In addition, from the Company's shareholder composition, the top three shareholders, who in total own 50.1% of shares, are considered to be insider shareholders. Given this, retaining the takeover defense measures while holding the net cash mentioned above could increase risks to shareholders such as management buyout (MBO) at a price below fair enterprise value.
- Cancellation of some treasury shares as proposed above will further clarify that the Company is working on enhancing its enterprise value seriously.

2 Cancellation of treasury shares

(1) Proposal

Subject to the approval of the proposal above, cancel all the treasury shares that exceed 10% of shares outstanding.

(2) Reasons for the proposal

Same as the proposal above.