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Securities Code: 9715
June 4, 2007

To Those Shareholders with Voting Rights

Masataka Okuda
President and COO
transcosmos inc.
25-18, Shibuya 3-chome, Shibuya-ku,
Tokyo, Japan

NOTICE OF THE 22nd ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 22nd Annual General Meeting of Shareholders. The meeting will be held as described below.

If you are unable to attend the meeting, you can exercise your voting rights by paper ballot using the Voting Rights Exercise Form enclosed herein or electronically via the Company's website on the exercise of voting rights indicated on the Voting Rights Exercise Form (please refer to the instructions on page 2).

Please review the Reference Documents for the Annual General Meeting of Shareholders shown in the following pages and either return the Voting Rights Exercise Form with your vote by postal mail or vote via the Internet by 5:50 p.m. of June 25, 2007 (Monday).

1. **Date and Time** 10:00 a.m., Tuesday, June 26, 2007

2. **Place** Aoyama Diamond Hall 1st Floor (Diamond Room)
6-8, Kita-Aoyama 3-chome, Minato-ku, Tokyo

3. **Agenda of the Meeting:**

Matters to be reported:
1. Business Report, Consolidated Financial Statements and results of audits by the Accounting Auditor and the Board of Statutory Auditors of the Consolidated Financial Statements for the 22nd Fiscal Term (from April 1, 2006 to March 31, 2007)
2. Financial Statements for the 22nd Fiscal Term (from April 1, 2006 to March 31, 2007)

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus for the 22 nd Fiscal Term
Proposal No. 2: Partial Amendments to the Articles of Incorporation
Proposal No. 3: Election of Eleven Directors
Proposal No. 4: Election of One Statutory Auditor
Proposal No. 5: Payment of Bonuses to Directors

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1. For those attending, please submit the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.
2. Please be notified beforehand that if it becomes necessary to amend any matters related to the contents described in the attached Reference Documents for the Annual General Meeting of Shareholders, Business Report, Financial Statements, or Consolidated Financial Statements before the day preceding the Annual General Meeting of Shareholders, it will be presented on the Company's website at: (http://www.trans-cosmos.co.jp/e/ir/).

Procedures for the Exercise of Voting Rights via the Internet

If you prefer to exercise your voting rights via the Internet, please accept the following conditions before exercising your rights.

1. Shareholders exercising their voting rights via the Internet can only do so via the website designated by the Company (shown below). They can also exercise their voting rights online by mobile phone.
   (Website URL for the exercise of voting rights) http.//www.webdk.net
   *** If you have a mobile phone with barcode-reading capability, you can exercise your voting rights via the company-designated website by scanning the "QR code" to the right. For further details on the procedure, please refer to the operation manual for your mobile phone.**
2. If you are exercising your voting rights via the Internet, please enter the code and the password for the exercise of voting rights indicated on the Voting Rights Exercise Form attached herein and follow the instructions on the screen to register whether you approve or disapprove of each proposal.
3. Exercise of voting rights via the Internet is accepted until 5:50 p.m. of June 25, 2007 (Monday). Note, however, that we would like to ask you to exercise your voting rights as soon as possible to ensure that we have sufficient time for tallying the votes.
4. If you exercise your voting rights twice, once by mail and once via the Internet, we will treat your Internet vote as the valid exercise of your voting rights, regardless of the time or date of arrival of your vote.
5. If you exercise your voting rights several times via the Internet, or via both your computer and mobile phone, we will treat the most recent vote as the valid exercise of your voting rights.
6. Connection fees payable to the providers and communication expenses payable to telecommunication carriers (including telephone charges) when accessing the website for the exercise of voting rights will be borne by the shareholders.

System Environment for the Electronic Exercise of Voting Rights

The following system environment is required for the use of the website to exercise voting rights.

1) Access to the Internet
2) If you are to exercise voting rights using your personal computer, Microsoft® Internet Explorer 5.5 (or above) or Netscape 6.2 (or above) must be installed as your browser. Any PC hardware capable of supporting these browsers will be adequate.
3) If you are to exercise voting rights via mobile phone, the device must be capable of 128bitSSL telecommunication (encrypted communication). (For security reasons, the Company website is only configured to support mobile telecommunications (encrypted communication). Consequently, certain devices cannot be used.

(Microsoft® is a trademark of U.S. Microsoft Corporation in the U.S. and other countries. Netscape is a trademark of Netscape Communications Corporation in the U.S. and other countries.)

Inquiries about the Exercise of Voting Rights via the Internet

If you have any questions about the exercise of voting rights via the Internet, please call one of the following numbers.

Transfer Agent	The Sumitomo Trust & Banking Co., Ltd. Stock Transfer Agency Department
Direct Line	(Toll free) 0120-186-417 (accessible 24 hours)

TSE Platform for the Electronic Exercise of Voting Rights

Management trust banks and other nominee shareholders (including standing proxies) who send in applications to use the "Electronic Voting Platform for Institutional Investors" (the "TSE Platform") managed by ICJ Inc. may use the TSE Platform as an alternative to the conventional method of online voting described above.

Attached documents (1)

BUSINESS REPORT

(from April 1, 2006 to March 31, 2007)

1. Business Overview of the Group

(1) Review of Operations

The upward trend in the corporate sector in Japan improved employment and income conditions, stimulating the household sector of the domestic economy. Recovery in private-sector demand continued to lead recovery overall, but at a guarded pace. Among the various causes for concern remaining, the trends in interest rate levels and the prices of raw materials merit close attention.

Companies are more intent on reviewing their resources and using outsourcing services in operations outside their core fields. Many of the services and prices now under review are for contracts that have reached the renewal dates.

With the rapid spread of broadband, the IT environment, both personal and household, is growing increasingly sophisticated on a global scale. The rapid prevalence of mobile phones equipped with various functions, including digital cameras, digital money, and TV phones, has streamlined and enriched the channels of communication linking companies with consumers.

The Japanese internet advertisement market in fiscal 2006, a market that actively engages the “digital marketing services” of the Company group, continues to grow robustly in this social environment. According to investigations by Dentsu, the market for digital marketing service grew to 363 billion yen in fiscal 2006, surpassing the level of the previous year by about 130%. According to MIC Research Institute Ltd., the web integration market, a field closely linked with internet advertising, climbed to about 540 billion yen in fiscal 2006, up by approximately 130% from the previous year. According to “Survey 2006 (from October 2005-September 2006)” by Nihon Ryutsu Sangyo Shimbun, sales of “call center services” by the top 30 companies in domestic telemarketing market broke the 400 billion yen mark for the first time ever, and the demand for call centers continues to steadily rise. We can conclude from this that call center services are bolstering the improvements in corporate earnings and improving the quality of the services provided by customer companies.

Apart from the above services, segments of the Company group specialized in information services offer the following: “business process outsourcing services” to maximize business efficiency by way of comprehensive maintenance and management through strategic support programs within the customer companies; “business process solution services” to comprehensively diagnose, design, structure and implement the business processes of customer companies; “engineering solution services” to strongly and comprehensively support the creative capabilities of customer companies; and “China offshore development services” to provide systems demanded by customer companies at many stages of operation, from planning to upstream design, development, and maintenance of high-quality services at low prices. We provide services with consistently outstanding quality and technologies not only in Japan, but also in overseas markets such as China and Korea. Customer companies benefit from these services through direct improvements in sales, cost reductions, and efficient marketing for enhanced customer satisfaction.

As a result, the BtoB services sector for the companies that specialize in information services in the Company group recorded sales and operating income far surpassing the levels recorded the year before.

The Company has also been working to develop the BtoC services business for consumers as one of the core businesses of the group on a medium-term basis. The operating loss in this business sector amounted to about 1.5 billion yen as a result of increased expenses from prior investments committed by the group subsidiaries, mainly Ask.jp Co., Ltd. The extent of this loss was far below the level forecasted in the original plan.

The Company has also been conducting a “corporate venture capital business” with the principal aim of grasping the latest technologies and trends in services from both home and abroad. Through this effort we expect to enhance the added value of services to be provided to our customer companies and to include these services in our service menus. In this area as well, the Company recorded net sales surpassing those of the previous term through sales of securities held.

As a result, we started the first year of the medium-term business project published in May of the preceding year by exceeding the planned results for both sales and income, with consolidated net sales of 141,489 million, up by 32.9% (35,021 million yen) year on year. Consolidated operating income amounted to 7,465 million yen, down 6.7% (536 million yen) compared to the previous term, while consolidated ordinary income increased 9.0% year on year (602 million yen) to 7,289 million yen. Consolidated net income rose 10.5% (699 million yen) compared to the previous term to 7,369 million yen.

Operating results by segment

Sales grew 33.4% year on year (33,357 million yen) to 133,216 million yen in the information services sector. This favorable performance was mainly attributable to the ongoing stream of orders received in our core field of Marketing Chain Management services, unchanged from the high volumes of the previous term, and increases in our consolidated subsidiaries. Operating income increased 15.0% year on year (1,362 million yen) to 10,464 million yen.

Sales in the corporate venture capital business increased by 25.2% (1,663 million yen) compared with the previous term to 8,272 million yen, as a result of a partial sale of securities held exceeding the previous term. Operating income increased 27.2% year on year (1,472 million yen) to 3,933 million yen, as a result of a decrease in the gain on sale and loss on devaluation of investment securities.

Operating results by geographic segment
Business in the information services sector grew steadily in Japan, resulting in 18.0% growth in sales year on year (18,814 million yen) to 123,619 million yen. Operating income decreased 23.7% year on year (3,397 million yen) to 10,940 million.
In the U.S., sales increased 516.8% year on year (4,288 million yen) to 5,118 million yen and operating income amounted to 2,176 million yen (versus an operating loss of 64 million yen in the previous term).
In Asia, sales grew significantly to 12,750 million, surpassing sales of the previous term by as much as 11,918 million, due to the increased consolidated subsidiaries. Operating income also increased significantly to 1,459 million yen, up by 486.0% year on year (1,210 million).

(2) Issues to be Addressed
The upward trend in the corporate sector in Japan improved the employment and income situations, stimulating the household sector. Private-sector demand continued to lead recovery, though only gradually. On the other hand, the effects of the trends in the prices of crude oil and stagnant investment growth from overseas should be considered risk factors.

The environment in which the Company operates and client strategies are changing. Clients no longer adhere to the “in-sourcing philosophy,” a philosophy that compels companies to retain “all of the functions they have traditionally held in-house” and to have their permanent employees perform all of the services they offer. Instead they are now adopting an “outsourcing philosophy,” a philosophy under which they aim to concentrate more on core competencies of business while utilizing more outsourcers and increasing their composition ratios of contract and dispatched employees. This change in the business environment will bring new opportunities for expanded orders for outsourcing. We will endeavor to separate the missions of our permanent employees from those of our contract and dispatched employees as this takes place, and to create, maintain, and provide high value-added services.

The technical environment surrounding the Company continues to hold great promise. Broadband users exceeded 30 million and cellular subscribers reached almost 95 million. Traffic volume continues to grow and the IT environment of our society is expected to change rapidly in the future. As a result, the demand for outsourcing services is expected to rise further We also expect increases in call center businesses performed in-house at client companies, marketing services using website and mobile functions, system development businesses, application management businesses, and other outsourcing businesses.

Under these circumstances, it will be necessary to expand sales and reduce costs at client companies, promote efficiency in marketing, and continuously improve service menus to enhance customer satisfaction. We believe it will be crucial for our management to develop and provide high value-added services in the areas of digital marketing, including internet advertising, website creation, call center services, business process outsourcing services, and other services for companies in the BtoB business arena.

In line with the Company’s principles outlined above, the whole Company will continue to work together to put its corporate philosophy into practice (“Client satisfaction is the true value of our company, and the growth of every employee creates the value that shapes our future”), to strive to raise shareholder value, and to contribute to the progress of our client companies, employees, and society by growing our businesses.

(3) Status of Fundraising

The Company raised funds of 7 billion yen by means of long-term borrowings during the current fiscal year for the purpose of loans and investments of affiliated companies.

(4) Status of Capital Investment

Major facilities completed during the current fiscal year:

Name of Company	transcosmos CRM Okinawa Inc.
Name of Facilities	Marketing Chain Management Center Naha (Information Services Business segment)
Description	Newly constructed call center facilities

(5) Transfers, Absorption-type Splits, or Incorporation-type Splits of Business
There is nothing significant to be noted during the current fiscal year.

(6) Acquisition of Businesses of Other Companies
There is nothing significant to be noted during the current fiscal year.

(7) Succession of Rights and Duties of Other Companies in Relation to Mergers or Absorption-type Splits
There is nothing significant to be noted during the current fiscal year.

(8) Acquisition or Disposal of the Shares, Other Equities, or Stock Acquisition Rights of Other Companies
There is nothing significant to be noted during the current fiscal year.

(9) Consolidated Business Results and Summary of Assets of the Group

	FY 2004 (19th Fiscal Term)	FY 2005 (20th Fiscal Term)	FY 2006 (21st Fiscal Term)	FY 2007 (22nd Fiscal Term)
Net sales (millions of yen)	77,918	91,898	106,468	141,489
Ordinary income (millions of yen)	2,065	7,631	6,687	7,289
Net income (millions of yen)	952	4,847	6,669	7,369
Net income per share (yen)	39.34	211.33	297.94	171.38
Total assets (millions of yen)	71,136	86,915	88,293	96,380
Total Shareholders' equity, (millions of yen)	54,084	57,133	58,365	59,070
Shareholders' equity per share (yen)	2,329.80	2,510.99	2,612.93	1,232.42

Notes:

1. From the 20th fiscal term, the Company has prepared consolidated financial statements provided under Article 19-2 of the former "Law for Special Provisions for the Commercial Code Concerning Audits, etc., of *kabushiki kaisha*."
2. Net income per share is calculated by deducting the average number of treasury stocks in each fiscal term from the average number of shares outstanding in each fiscal term. Net assets per share are calculated by deducting the number of treasury stocks as of end of the term from the number of outstanding shares as of end of the term.
3. The Company carried out stock split at ratio of two-for-one share of common stock as of April 1, 2006. Net income per share and net assets per share after making retroactive adjustments are as follows:

	FY2004 (19th Fiscal Term)	FY2005 (20th Fiscal Term)	FY2006 (21st Fiscal Term)
Net income per share:	19.67 yen	105.66 yen	148.97 yen
Net assets per share:	1,164.90 yen	1,255.50 yen	1,306.46 yen

4. From the 22nd fiscal term, the Company has adopted the "Accounting Standards for Presentation of Net

Assets in the Balance Sheet" (Corporate Accounting Standards No. 5, December 9, 2005) and the "Guidance for Adopting the Accounting Standards for Presentation of Net Assets in the Balance Sheet" (Corporate Accounting Standards Adoption Guide No. 8, December 9, 2005). Amount equal to the previous Total Shareholders' Equity is 52,546 million yen.

5. In the 19th fiscal term, sales increased in the Marketing Chain Management Services Business as a result of the acquisition of new business. Measures to reduce costs also helped to increase operating profit and net income from this business.
   In the 20th fiscal term, sales increased due to growth in digital-marketing-related services. Ordinary profit also increased as a result of the partial sale of securities held.
   In the 21st fiscal term, digital-marketing-related services continued to expand abruptly, as in the 20th fiscal term, and sales increased as a result. The Company has newly formed a corporate venture capital business by reshaping the investment business in which the Company has engaged so far. The Company has modified its accounting method to include net sales and cost of sales as figures for its principal business.
   The overview of business performance during the 22nd fiscal term (current term) is as set forth under "(1) Review of Operations."

(10) Status of Major Parent Company and Subsidiaries

1) Relationship with the Parent Company
   Not applicable

2) Major subsidiaries

Name	Common stock	Percentage of equity participation	Principal business
Transcosmos Investments & Business Development, Inc.	US$376,531 thousand	100.0%	Investment business for U.S. venture companies and U.S. holding company
J-Stream Inc.	2,182 million yen	44.6% (44.6%)	Data distribution service business using the Internet
DoubleClick Japan Inc.	1,870 million yen	61.4% (61.4%)	Solution services business in Internet advertising
APPLIED TECHNOLOGY CO., LTD.	1,205 million yen	60.1% (17.1%)	System integration business for GIS/manufacturers
transcosmos Information Creative (China) Co., Ltd.	RMB81,091 thousand	100.0% (100.0%)	Information service business in China

Note: Figures within parentheses under the "Percentage of equity participation" column are the percentage of indirect ownership by the subsidiaries of the Company.

(11) Principal Business of the Group

The Company Group mainly engages in Digital Marketing Services, Call Center Services, Business Process Outsourcing Services, Business Process Solutions Services, Engineering Solutions Services, China Offshore Development Services and Corporate Venture Capital Business.

(12) Principal Business Offices of the Group

Offices	Location
Head Office of the Company	25-18, Shibuya 3-chome, Shibuya-ku, Tokyo
Business Offices etc.	Sapporo, Sendai, Nagoya, Osaka, Wakayama, Fukuoka
Call Centers	Sapporo, Sendai, Tokyo, Yokohama, Osaka, Wakayama, Miyazaki, Naha
Kainan Sogo Technology Center	Wakayama
Overseas Offices	U.S.A. (New York, Seattle, Silicon Valley, Los Angeles), China (Shanghai, Tianjin, Dalian, Chintao,), Korea (Seoul)

(13) Employees

1) Employees of the Group

Business Segment	Number of employees	(Number of temporary employees)
Information Service Business	9,983	(12,657)
Corporate Venture Capital Business	97	―
All companies (common)	276	―
Total	10,356	(12,657)

2) Employees of the Company

	Total or average
Number of employees	7,520 (7,444)
Year-on-year change	＋438 (＋1,739)
Average age	30 years, 8 months
Average length of service	4 years, 2 months

Note: The above numbers exclude temporary employees. Number of temporary employees is indicated in parentheses of average number of employees employed by the Company in the current fiscal year.

(14) Major Creditors

Creditors	Loan Outstanding (in millions of yen)
Sumitomo Mitsui Banking Corporation	2,000
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000
Mizuho Corporate Bank, Ltd.	2,000

2. Matters Concerning Shares of the Company

(1)	Total number of shares authorized to be issued	150,000,000 shares
(2)	Total number of shares issued	48,794,046 shares (number of shares constituting one unit: 100 shares)
(3)	Number of shareholders	22,559 (of which 22,455 shareholders hold unit shares)

(4) Major shareholders

Name	Investment in the Company by the Shareholders	
	Number of shares (thousands of shares)	Equity participation (%)
Koki Okuda	7,478	17.5
Masataka Okuda	5,910	13.9
Mihoko Hirai	2,185	5.1
Okuda Ikueikai, Foundation	1,753	4.1
Japan Trustee Services Bank, Ltd. (Account in Trust)	1,543	3.6
The Master Trust Bank of Japan, Ltd. (Account in Trust)	1,011	2.4
Deutsche Bank AG London-PB Irish Residents 619	863	2.0
State Street Bank & Trust Co., 505012	560	1.3
CBLUX PIONEER ASSET MANAGEMENT SA (SL)	467	1.1
Morgan Stanley & Co. Inc.	428	1.0

Notes:

1. Figures less than one thousand are rounded down to the nearest thousand.
2. Equity participation is rounded off to the nearest second decimal.
3. The Company holds 6,157 thousand shares of treasury stock, which are excluded from the major shareholders listed above.

3. Matters Concerning the Stock Acquisition Rights, etc. of the Company

(1) Stock Acquisition Rights, etc. Held by the Company's Officers

	Stock Acquisition Rights 2001		First Stock Acquisition Rights 2002		First Stock Acquisition Rights 2003		First Stock Acquisition Rights 2004		First Stock Acquisition Rights 2005	
Number of persons holding the Stock Acquisition Rights and the Number of Stock Acquisition Rights	(persons)	(No. of the rights)	(persons)	(No. of the rights)	(persons)	(No. of the rights)	(persons)	(No. of the rights)	(persons)	(No. of the rights)
- Directors (excluding Outside Directors)	4		4	184	7	224	8	154	9	189
- Outside Directors	—		—	—	—	—	—	—	1	17
- Statutory Auditors	—		—	—	—	—	1	2	1	4
Class of shares subject to Stock Acquisition Rights	Common stock		Common stock		Common stock		Common stock		Common stock	
Number of shares subject to Stock Acquisition Rights	18,500		36,800		44,800		31,200		42,000	
Asset (and value thereof) to be contributed when the Stock Acquisition Rights are exercised (per share)	2,083 yen		833 yen		1,171 yen		1,611 yen		2,270 yen	
Exercise Period for Stock Acquisition Rights	July 1, 2003-June 30, 2007		July 1, 2004-June 30, 2008		July 1, 2005-June 30, 2009		July 1, 2006-June 30, 2010		July 1, 2007-June 30, 2011	
Conditions for exercising the Stock Acquisition Rights	The stock acquisition rights holder must be posted as a director or employee of the Company or of any of the subsidiaries of the Company as of the date of right allotment.		The stock acquisition rights holder must be posted as a director, statutory auditor, executive officer, or employee of the Company or of any of the subsidiaries of the Company as of the date of right allotment.		The stock acquisition rights holder must be posted as a director, statutory auditor, executive officer, or employee of the Company or of any of the subsidiaries of the Company as of the date of right allotment.		The stock acquisition rights holder must be posted as a director, statutory auditor, executive officer, or employee of the Company or of any of the subsidiaries of the Company as of the date of right allotment.		The stock acquisition rights holder must be posted as a director, statutory auditor, executive officer, or employee of the Company or of any of the subsidiaries of the Company as of the date of right allotment.	

(2) Stock Acquisition Rights Delivered to the Company's Employees as of the end of the fiscal term
Not applicable.

(3) Other Significant Matters Related to Stock Acquisition Rights, etc.
The Company issued Stock Acquisition Rights without consideration (third party allotment to The Sumitomo Trust and Banking Co., Ltd.) in accordance with the resolution of the Board of Directors' Meeting held on May 22 and May 29, 2006 and the resolution of the 21st Annual General Meeting of Shareholders held on June 29, 2006, as part of the implementation of a Trust-type Rights Plan. The details of the Stock Acquisition Rights are as follows:

The details and number of Stock Acquisition Rights
Number of Stock Acquisition Rights 75,000,000 shares

1) Number of shares to be acquired upon exercise of the Stock Acquisition Rights
The number of shares in the Company to be acquired upon exercise of one Stock Acquisition Right shall be one share.

2) The amount of properties to be contributed upon exercise of the Stock Acquisition Rights
Contributions upon exercise of the Stock Acquisition Rights are to be in cash, and the amount per share in the Company of properties to be contributed upon exercise of the Stock Acquisition Rights (hereinafter referred to as the "Exercise Price") shall be (i) the amount obtained by multiplying the arithmetic mean of the closing price (including quotations) of common shares of the Company in regular trading at the Tokyo Stock Exchange for each trading day (excluding the days on which trades are not made) of the month immediately prior to the month to which the date (hereinafter referred to as the "Exercise Date") on which each of the Stock Acquisition Rights is exercised belongs (provided, however, that adjustment shall be

applied appropriately if the Company's board of directors recognizes that a stock split and reverse stock split or any other events that require the Exercise Price to be adjusted occurs in the month immediately prior to the month to which the Exercise Date belongs) (hereinafter referred to as the "Market Price") by three (3) (with any fraction of a yen after such calculation to be rounded up to the nearest whole yen) prior to the date (hereinafter referred to as the "Exercise Price Change Date") immediately following the date on which a person becomes a defined Specified Large Holder and (ii) the amount obtained by multiplying the Market Price by three ten-thousandths (3/10,000) (with any fraction of a yen after such calculation to be rounded up to the nearest whole yen) on and after the Exercise Price Change Date.

3) Exercise Period of the Stock Acquisition Rights

The exercise period of the Stock Acquisition Rights begins on Tuesday, July 18, 2006 and ends on Tuesday, June 30, 2009; provided, however, that if the Company acquires the Stock Acquisition Rights, the exercise period for the Stock Acquisition Rights with respect to that acquisition ends on the day immediately prior to the relevant acquisition date. In addition, if a defined Trigger Event occurs from and including January 1, 2009 to and including June 30, 2009, the exercise period shall extend for 6 months from the date on which the Trigger Event occurs.

4. Corporate Officers

(1) Directors and Statutory Auditors

Position	Name	Assignment or principal responsibilities
Founder, Representative Director & Group CEO	Koki Okuda	Group Chief Executive Officer
Chairman, Representative Director & CEO	Koji Funatsu	Chief Executive Officer
Vice Chairman, Director	Osamu Goto	
Vice Chairman, Director	Toshikazu Tanizawa	
President, Representative Director & COO	Masataka Okuda	Chief Operating Officer
Executive Vice President, Director	Shojiro Takashima	Chief of Marketing Division
Executive Vice President, Director	Koichi Iwami	Chief of Services Division, Marketing Chain Management Services
Senior Managing Director	Masakatsu Moriyama	CIO, BtoC Business Strategy Division Manager, Human Resources Division Manager
Senior Managing Director	Shinichi Nagakura	Business Development & Investment Division
Outside Director	Taiki Yoshioka	
Outside Director	Kichiro Takao	
Outside Director	Yoko Kamiyama	
Standing Statutory Auditor	Yoshiharu Uenoyama	
Outside Statutory Auditor	Teruyuki Hiiro	
Outside Statutory Auditor	Kazushi Watanabe	
Outside Statutory Auditor	Toshiaki Nakamura	

Notes:

1. Directors, Taiki Yoshioka, Kichiro Takao, and Yoko Kamiyama, are Outside Directors as stipulated in Article 2, Paragraph 15 of the Company Law.
2. Statutory Auditors, Teruyuki Hiiro, Kazushi Watanabe, and Toshiaki Nakamura, are Outside Statutory Auditors as stipulated in Article 2, Paragraph 16 of the Company Law.
3. The changes of Directors and Statutory Auditors during the term under review are as follows.
   (1) Shinichi Nagakura, Kichiro Takao, and Yoko Kamiyama were newly elected and appointed as Directors at the 21st Annual General Meeting of Shareholders held on June 29, 2006.
   (2) Kazushi Watanabe and Toshiaki Nakamura were newly elected and appointed as Statutory Auditors at the 21st Annual General Meeting of Shareholders held on June 29, 2006.
4. Toshiaki Nakamura, Outside Statutory Auditor, is a certified public accountant and possesses expertise and experience in finance and accounting.
5. Apart from the above, Directors and Statutory Auditors who concurrently hold other significant positions are as follows:
   (1) President, Representative Director & COO, Masataka Okuda, concurrently holds the position of Representative Director of IBR Inc.
   (2) Vice Chairman, Director, Toshikazu Tanizawa, concurrently holds the positions of Representative Director of transcosmos CRM Wakayama Inc. and President of transcosmos design development Co., Ltd.
   (3) Executive Vice President, Director, Koichi Iwami, concurrently holds the positions of Representative Director of BPS Inc., Chairman of transcosmos Information system (Shanghai) Co., Ltd., President of transcosmos CRM Okinawa Inc., President of transcosmos CRM Sapporo Inc., President of transcosmos CRM Miyazaki Inc., President of transcosmos CRM Wakayama Inc., Chairman of transcosmos MCM Shanghai Co., Ltd., President of CIC Korea, Inc., President of transcosmos MCM Korea Co., Ltd., Representative Director of Organic Trend International Corporation.
   (4) Senior Managing Director, Masakatsu Moriyama, concurrently holds the positions of Representative Director of TEAM LAB BUSINESS DEVELOPMENT Inc., Representative Director of Listen Japan, Inc., Representative Director of Kabushiki Kaisha Co-Core Inc.
   (5) Outside Director, Yoko Kamiyama, concurrently holds the position of Representative Director of Genbar Ltd.

(2) Outside Directors

1) Positions held by Outside Directors in other companies

Title Held in the Company	Name	Name of Other Companies	Position Held in other Companies	Relationship
Outside Director	Taiki Yoshioka			
Outside Director	Kichiro Takao	NIPPON DENTSU Co., Ltd.	Statutory Auditor	No significant relationship
Outside Director	Yoko Kamiyama			
Outside Statutory Auditor	Teruyuki Hiiro			
Outside Statutory Auditor	Kazushi Watanabe	SOMPO JAPAN INSURANCE INC.	Part-time Adviser	No significant relationship
Outside Statutory Auditor	Toshiaki Nakamura	RISO KYOIKU CO., LTD.	Statutory Auditor	No significant relationship

2) Liability Limitation Agreement with Outside Directors and Outside Statutory Auditors

The Company provides in its Articles of Incorporation that it may enter into Liability Limitation Agreements with Outside Directors and Outside Statutory Auditors to impose a maximum amount of liability the Outside Directors and Outside Statutory Auditors are to bear for damages, to the higher of either an amount of 1 million yen or more as specified in advance, or an amount prescribed by the relevant laws. The Company has executed Liability Limitation Agreements with the Outside Directors Taiki Yoshioka, Kichiro Takao, and Yoko Kamiyama, and with the Outside Statutory Auditors Teruyuki Hiiro, Kazushi Watanabe, and Toshiaki Nakamura.

(3) Principal Activities of Outside Directors

Principal Activities at Board of Directors' Meetings and Statutory Auditors' Meetings during the current fiscal year

Name of Outside Directors	Position	Attendance at Board of Directors' Meetings and Statutory Auditors' Meetings (Number of times)	Main Comments
Taiki Yoshioka	Outside Director	15 -	He has generally given advice and made proposals on matters to be resolved and reported, as necessary, based on his wide knowledge and experience.
Kichiro Takao	Outside Director	11 -	He has generally given advice and made proposals on matters to be resolved and reported, as necessary, based on his wide knowledge and experience.
Yoko Kamiyama	Outside Director	12 -	She has generally given advice and made proposals on matters to be resolved and reported, as necessary, based on her wide knowledge and experience.
Teruyuki Hiiro	Outside Statutory Auditor	13 13	He has generally given advice and made proposals on matters to be resolved and reported, as necessary, based on his wide knowledge and experience.
Kazushi Watanabe	Outside Statutory Auditor	13 13	He has generally given advice and made proposals on matters to be resolved and reported, as necessary, based on his wide knowledge and experience.
Toshiaki Nakamura	Outside Statutory Auditor	12 13	He has generally given advice and made proposals on matters to be resolved and reported, as necessary, based on his wide knowledge and experience.

(4) Remuneration paid to Directors and Statutory Auditors

Title	Number of Directors and Statutory Auditors	Amount Paid
Directors (Outside Directors among the above)	12 (3)	283,790 thousand yen (19,000 thousand yen)
Statutory Auditors (Outside Statutory Auditors among the above)	4 (3)	22,350 thousand yen (11,100 thousand yen)
Total	16	306,140 thousand yen

Notes:

1. The amount of remuneration includes 16,000 thousand yen, the aggregate bonus to Directors in accordance with the proposal No. 5 "Payment of Bonuses to Directors" expected to be submitted to the 22nd Annual General Meeting of Shareholders to be held on June 26, 2007.
2. A resolution of the General Meeting of Shareholders limits the remuneration to Directors to 50,000 thousand yen per month. (Annual General Meeting of Shareholders held on June 27, 1997.)
3. A resolution of the General Meeting of Shareholders limits the remuneration to Statutory Auditors to 5,000 thousand yen per month. (Annual General Meeting of Shareholders held on June 25, 1988.)

5. Principal Activities of the Accounting Auditor

(1) Name of the Accounting Auditor
Ernst & Young ShinNihon

(2) Remuneration paid to the Accounting Auditor during the current fiscal year

Total remuneration to be paid during the current fiscal year of the Company (Note)	70,000 thousand yen
Total amount of money and other profits from properties to be paid by the Company and its subsidiaries to the Accounting Auditor	111,000 thousand yen

Note: The Audit agreement between the Company and the Accounting Auditor does not separate or is unable to effectively separate audit remunerations for audits under the Company Law and audit remunerations for audits under the Securities and Exchange Law. Accordingly, the amount described above does not separate these two types of payment.

(3) Audits of Subsidiaries
Among the major subsidiaries, APPLIED TECHNOLOGY CO., LTD., and transcosmos Information Creative (China) Co., Ltd. underwent legal audits by certified public accountants or Accounting Auditors other than the Company's Accounting Auditor (including overseas accountants with qualifications similar to those of these accountants).

(4) Details of the Liability Limitation Agreement
Not applicable

(5) Policy on determining the dismissal or disapproval of reappointment of the Accounting Auditor
If the Accounting Auditor commits or causes any violations of or conflicts with the provisions of the Company Law, the Certified Public Accountant Law, or any other laws or regulations of Japan, or if there is any considerable doubt therefor, the Board of Directors will, after obtaining the consent of the Board of Statutory Auditors, submit a proposal for the dismissal or the disapproval of reappointment of the Accounting Auditor to the General Meeting of Shareholders. If any of the provisions of Article 340, Paragraph 1 of the Company Law applies to the Accounting Auditor, the Board of Statutory Auditors will dismiss the Accounting Auditor upon the unanimous approval of the Statutory Auditors. Further, the Board of Statutory Auditors may decide on the reappointment or the disapproval of reappointment by taking into consideration the length of years the Accounting Auditor has served in his or her office.

6. Corporate Structure and Policies

(1) Corporate structure to ensure legal compliance and compliance with the Articles of Incorporation in the performance of duties by Directors and other corporate structure to ensure the proper conduct of businesses

1) Corporate structure to ensure legal compliance and compliance with the Articles of Incorporation in the performance of duties by Directors.

In order to satisfy corporate social responsibility, compliance with laws and regulations, and compliance with the Articles of Incorporation, the Company ensures that Directors adhere to the Compliance Charter, the Code of Conduct, and the Compliance Rules in the performance of duties. The Company will further raise the awareness of all of the Directors on matters of compliance through training and ensure the performance of duties based on these principles.

The Meeting of Board of Directors, which is to be held once a month in principle, will be operated in accordance to the Board of Directors Regulations. Communication among the Directors is encouraged, and the Directors will oversee the performance of one another's duties. The Statutory Auditors will also participate in the Board Meetings and oversee the performance of the duties of the Directors to ensure that such duties are performed in accordance with all relevant laws. Outside Directors will also be present at the Board Meetings and work to enhance management oversight functions.

Through the implementation of the laws and regulations related to internal control, the Company has once again drawn up a set of basic plans for the establishment of a stronger system for internal control, with the cooperation and support of attorneys, certified public accountants, and other external consultants.

2) System for the storage and management of information in relation to the performance of duties by the Directors

Important decision-making and reports are made in accordance with the Board of Directors Regulations. Documents related to the performance of duties and other information shall be handled in compliance with the Document Management Rules, Information Management Rules, and Insider Trading Rules. Inspections will be carried out to confirm whether these rules are applied properly, and each rule will be reviewed as necessary.

The administrative work related to these matters, including the inspections to confirm whether the rules are applied and the reviews of the procedures, will be managed under the control of the executive officers of the Business Administration Headquarters and reported regularly to the Board of Directors.

To ensure efficient execution of business, the Company shall endeavor to further promote a system for the rationalization of business and implementation of the IT system.

3) Rules related to the management of the risk of loss and other systems

As stipulated under the Internal Audit Regulations, the Internal Audit Office, an organization under the direct supervision of the President, will prepare an audit plan based on careful consideration of the items to be audited and the audit methods, and conduct the audit in accordance with the plan.

If any breach of law, regulations, or the Articles of Incorporation is discovered through an audit by the Internal Audit Office, or if any business act which may lead to a risk of loss due to other causes is found, the matter shall be reported immediately to the President.

The Compliance Department will be in charge of risk management in accordance with the basic rules on risk management.

Each department will conduct risk management in relation to its respective sector and a system will be built to report matters promptly to the Compliance Department in case a risk of loss is discovered. To facilitate the collection of risk information, the Company will familiarize employees with the importance of the existence of the Compliance Department and instruct them to promptly report any risk of loss they discover through the organization.

The information management system will be strengthened in accordance with the rules on the protection of privacy marks and other personal information.

4) System to ensure the efficient performance of duties by the Directors

The Company will ensure the efficient performance of business and implement an assessment and remuneration system linked to the performance results by drawing up an annual plan, medium term management plan, etc., clarifying the objectives to be achieved by the Company, clarifying the organization and business targets with which each Director will be charged, and then by having the Board of Directors review the level of target achievements and feed back the results.

In accordance with the Board of Directors Regulations, the Rules on the Division of Authorities, and the Document Approval Rules, the Company will clarify the authoritative powers and the responsibilities of

the Directors.
The Directors will manage and oversee the execution of business by the Executive Officers.
The Company will simplify its processes to ensure that decisions can be made promptly in accordance with the rules on operation of management meetings. Decisions on significant matters shall be made promptly and with care at management meetings comprising the representative directors.

5) System to ensure that the performance of duties by the employees complies with laws, regulations, and the Articles of Incorporation.
The Company will see to it that all of employees are familiar with the Compliance Charter, Code of Conduct, and Compliance Rules, to ensure that the employees fulfill their social responsibilities and comply with all relevant laws, regulations, and Articles of Incorporation in the performance of their duties.
The Compliance Department will name an executive officer within the department as the responsible person, and plan for and implement compliance programs regularly. The Company will raise the awareness of the employees on compliance and create a mindset that adheres to compliance by holding training sessions on compliance and preparing and distributing manuals.
The Company will create hotlines in order to establish an environment in which whistleblowers may easily provide information.
Internal Audit Workshops consisting of attorneys, certified public accountants, and other external consultants will be held once a month, in principle, to help enhance knowledge on compliance matters among the responsible persons from the administration departments.

6) System to ensure the proper execution of business by the Company group made up of the Company and its subsidiaries
In order to confirm whether there is any information suggestive of a risk to the Company group made up of the Company and its subsidiaries, the headquarters in charge of the Company's subsidiaries will take necessary measures for the management of the subsidiaries in accordance with the management rules of the affiliated companies, as called for by the situations of the subsidiaries. If the headquarters in charge of the subsidiaries discovers any risk of loss of the subsidiaries, it will promptly notify the President of the details of the risk of loss discovered, the level of possible loss, and the influence on the Company.
The Company will dispatch its personnel as Directors or Statutory Auditors to the subsidiaries, and the dispatched directors will attend the Board of Directors' Meetings of the subsidiaries and manage the operations of the subsidiaries.
In order to prevent improper transactions or accounting procedures between the Company and the subsidiaries, the Internal Audit Office will conduct audits, as necessary.

7) Matters related to employees appointed for the support of Statutory Auditors when so requested by Statutory Auditors
If the Statutory Auditors request the Company to appoint employees to assist them in their work, the President will select one or more suitable employees promptly after considering the reasons for their assignment as assistants to the Statutory Auditors, the number of employees to assign, and the conditions and period of the assignment..

8) Matters related to the independence of the employees described in (7) above from Directors
Employees who are to assist the Statutory Auditors in their work will support the auditing business of the Statutory Auditors under the direction and supervision of the Statutory Auditors. Transfers, evaluation, and disciplinary measures of such employees shall be carried out with the prior consent of the Board of Statutory Auditors.

9) System for reporting to the Statutory Auditors by Directors and employees, and other systems for reporting to the Statutory Auditors
Directors and employees shall report to the Statutory Auditors regularly on the following items, and the Statutory Auditors will attend the Board of Directors' Meetings and other important meetings for briefing.
- Matters to be resolved and matters to be reported at the Board of Directors' Meetings
- Monthly, quarterly, semi-annually, and annual business results, earnings forecasts, and financial conditions
- Details of significant disclosure materials
- Significant organizational and personnel changes
- Matters that may cause material loss to the Company

- The Company's significant accounting principles, accounting standards, and any changes thereto
- Activities of the Internal Audit Office and the Compliance Department
- Other significant matters for approval, or for resolution

If any other event determined by the Statutory Auditors to require reporting occurs, it shall be promptly reported.

10) Other system to ensure that auditing by the Statutory Auditors will be effectively conducted

The Directors and employees will work to deepen their understanding of the auditing by the Statutory Auditors and to improve the environment for the auditing by the Statutory Auditors.

The President will exchange opinions regularly with the Statutory Auditors and establish a system to help the Statutory Auditors communicate efficiently with the Internal Audit Office and perform effective auditing services.

11) System to conduct timely and appropriate disclosures

The Company will keep the officers and employees well informed in accordance with the Timely Disclosure Rules, and establish a reporting line of disclosure information within the Company group consisting of the Company and the subsidiaries. The propriety of the details will be secured, and timely and appropriate disclosures will be achieved at the management meetings.

(2) Basic Policy regarding the Control of the Company

Basic Policy regarding persons who control decision the Company's financial and business policies

1) Details of the Basic Policy

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who understand the source of the Company's corporate value and who will make it possible to continually and persistently ensure and enhance the Company's corporate value and the common interests of its shareholders.

If any party proposes a purchase involving a transfer of corporate control of the Company, the Company believes that the decision on the proposed purchase shall be ultimately made based on the intent of the shareholders as a whole. Also, the Company would not reject a large-scale purchase of the Company's shares if it would contribute to ensuring and enhancing the Company's corporate value and the common interests of its shareholders. Nonetheless, there are several forms of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders, such as the following: those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders; those with the potential to substantially coerce shareholders into selling their shares; those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the terms of the large-scale purchase, or for the target company's board of directors to make an alternative proposal; and those that require the target company to discuss or negotiate with the acquirer in order to procure more favorable terms for the shareholders than those presented by the acquirer.

The corporate value of the Company places value on enhanced customer satisfaction. The sources of the corporate value of the Company lie in: i) the intrinsic energy of the employees who can, with originality and ingenuity, combine the experiences, know-how and the latest technology, working as professionals without fear of changes in the environment, ii) the driving power of "Marketing Chain Management" services that provide high value-added services to customer corporations through various creative powers generated from the intrinsic energy of the employees. If these sources of the corporate value are not understood and these elements are not secured and improved over the mid-to-long-term by the acquirer of a proposed large-scale purchase of the Company's shares, the Company's corporate value and the common interests of its shareholders will be harmed.

The Company believes that it is necessary to ensure its corporate value and the common interests of its shareholders by taking necessary and reasonable countermeasures against such abusive purchases.

2) Specific details of the measures to realize the Basic Policy

(a) Special measures to realize the Basic Policy such as effective use of the Company's assets and proper formation of the Company group

The Company announced on May, 2006, the "transcosmos mid-term business plan", aiming to enhance the Company's corporate value and realize the Basic Policy outlined above. The Company is now providing high value-added services in digital marketing fields such as internet advertising, website creation, and call center services, while endeavoring to the utmost to enhance customer satisfaction. Three core targets have been drawn up under the mid-term business plan, together with the numerical targets of sales of 220 billion yen and operating profit of 16 billion yen for fiscal 2009: i) Acquire the number one position in the digital marketing industry; ii) Become the largest global IT outsourcer in Japan; iii) Establish a major BtoC business. As one of the main activities in the fiscal term ended March 31, 2007, the Company worked to develop overseas business services focusing in various centers in Asia, mainly in China and Korea. With respect to the marketing for Chinese offshore development services that engage in information system development on consignment primarily from corporations in Japan, business results expanded steadily (sales grew by 50% year on year).

To strengthen its corporate governance practices, the Company added three Outside Directors and three Outside Statutory Auditors in the previous year with the Board of Directors and the Board of Statutory Auditors system at the core. The Company seeks to enhance the internal control system by working to achieve even more transparent and fair management as a priority issue.

(b) In order to ensure its corporate value and the common interests of its shareholders, the Company issued Stock Acquisition Rights without consideration to Sumitomo Trust and Banking Co., Ltd. as a trustee, as part of the implementation of the Trust-type Rights Plan, in accordance with the resolutions of the Board of Directors' Meetings held on May 22 and May 29, 2006 and the 21st Annual General Meeting of Shareholders held on June 29, 2006.

The Trust-type Rights Plan is a mechanism that uses a trust to issue rights in advance which could dilute the shareholding ratio of a certain acquirer, and allows these rights to be obtained by all shareholders (other than the Company) when the acquirer appears.

If an acquirer appears in the future, the Trust Bank delivers Stock Acquisition Rights to beneficiaries as determined by certain procedures for the receipt of the Stock Acquisition Rights. When Stock Acquisition Rights issued upon the introduction of the Trust-type Rights Plan are exercised, future shareholders of the Company will receive, in principle, one common share of the Company for each Stock Acquisition Right. Contributions upon the exercise of the Stock Acquisition Rights are to be in cash, and the amount per share in the Company of properties to be contributed upon the exercise of the Stock Acquisition Rights shall be the equivalent of 0.03% of the fair market value on and after the day immediately following the date on which a Specified Large Holder (defined hereunder) appears (with any fraction of a yen after such calculation to be rounded up to the nearest whole yen).

Only a person who does not fall under any of the persons listed in (i) through (vi) below may exercise the Stock Acquisition Rights regardless of before, on, or after the allotment date of the Stock Acquisition Rights, provided that such person may do so only after (a) a 10-day period passes, in principle, from the date on which it is publicly announced that the one or more persons have become shareholders of the Company with a shareholding ratio of 20% or more (including any person who is deemed to fall under the above by the Company' Board of Directors) (hereinafter "Specified Large Holders") or after (b) a 10-day period passes, in principle, from the date on which one or more persons make a public notice of a tender offer that makes them holders of share certificates, etc. issued by the Company with a shareholding holding ratio with respect of such share certificates, etc. after the tender offer of at least 20% in aggregate with the holding ratio of the Person having a Special Relationship (including any person who is deemed to fall under the above by the Company' Board of Directors) (hereinafter "Specified Large Purchasers") (this together with (a) are referred to as a "Trigger Event", and the time at which any Trigger Event occurs shall be referred to as the "Trigger Event Occurrence Time"): (i) Specified Large Holders, (ii) Joint Holders with the Specified Large Holders, (iii) Specified Large Purchasers, (iv) Persons having a Special Relationship with the Specified Large Purchasers, (v) persons accepting or succeeding to the Stock Acquisition Rights from the persons listed in any of (i) , (ii), (iii) or (iv) above without the approval of the Board of Directors of the Company, or (vi) Affiliated Parties to persons who falls under any of (i), (ii), (iii), (iv) or (v) above (the persons falling under any of (i) through (vi) are hereinafter collectively referred to as the "Non-Qualified Person"). If the Company's Board of Director deems, in accordance with the Rules of the Stock Acquisition Rights separately determined by the Company (hereinafter referred to as the "The Rules of the Stock Acquisition Rights"), a person who acquires share certificates, etc. of the Company in a manner not contrary to the Company's corporate value or the common interests of its shareholders as a person who does not fall under any of the definitions of a Specified Large Holder or a Specified Large Purchaser, the Company may make arrangements to preclude the occurrence of the Trigger Event. Also, the Company may postpone the Trigger Event Occurrence Time by extending the 10-day period set out in (a) and (b) above. If the Trigger Event occurs and the Stock Acquisition Rights become exercisable, the Company's shareholders excluding the Non-Qualified Persons etc. will, in principle, be able to acquire the Company's shares under favorable conditions. Meanwhile, the Non-Qualified Persons etc. may, as a result of the exercise of the Stock Acquisition Rights by other shareholders face the risk of dilution in their holding ratios.

Upon introducing the Trust-type Rights Plan, the Company has set up an Independent Committee. If the Independent Committee decides on the postponement of the Trigger Event Occurrence Time, a non-occurrence of the Trigger Event or any other form of non-satisfaction of the conditions for the exercise of the Stock Acquisition Rights in relation to the person proposing the purchase or acquisitions of Stock Acquisition Rights by the Company in accordance with the procedures set forth in the Rules of the Stock Acquisition Rights, it will make recommendations to the Board of Directors of the Company. The Board of Directors shall make decisions as a directorial function under the Corporation Law, substantially in accordance with the recommendations made by the Independent Committee.

The total number of Stock Acquisition Rights issued without consideration to Sumitomo Trust and Banking Co., Ltd. on July 18, 2006 for the Trust-type Rights Plan is 75,000,000. Generally, the Stock Acquisition Rights may only be exercised during the 3 years from July 18, 2006 to June 30, 2009.

Even after the introduction of the Trust-type Rights Plan, there will be no direct or specific impact on the shareholders as long as the Trust-type Rights Plan is not triggered. When the Trust-type Rights Plan is triggered, the Trust Bank will deliver, to each shareholder other than the Company as of the date separately determined by the Board of Directors of the Company, one Stock Acquisition Right per Company share held by the shareholders. Each shareholder of the Company will receive one share of the Company for each Stock Acquisition Right when the shareholder submits the request form for exercise of Stock Acquisition Rights and other documents prescribed by the Company and pays the amount equivalent to the prescribed exercise price per share of the Company share issued upon the exercise of the Stock Acquisition Rights to the payment place. If a shareholder does not make such payments or does not go through other procedures in relation to the exercise of the Stock Acquisition Rights, the shares in its possession may be diluted upon the exercise of the Stock Acquisition Rights by the other shareholders.

For further details on the Trust-type Rights Plan, please refer to the press release dated May, 29, 2006 presented on the Company's website at: http://www.trans-cosmos.co.jp/ir/news_pdf/ir060529_1.pdf

3) The decision and the reasons of the Directors regarding the specific measures

The special measures to achieve the Company's Basic Policy as set forth in (2) (a) above have been planned as specific measures for the continuous and sustainable enhancement of the Company's corporate value and the common interests of its shareholders, and are in compliance with the Company's Basic Policy.

As set forth in (2) (b) above, the Trust-type Rights Plan has been introduced for the purpose of ensuring and enhancing the Company's corporate value and common interests of its shareholders, and is in line with the Company's Basic Policy. In particular, the Board of Directors believes that the Trust-type Rights Plan has fairness and objectivity, contributes to the corporate value of the Company and, in turn, the common interests of its shareholders, and does not aim to maintain the positions of directors and statutory auditors of the Company for the reasons including without limitation the following reasons.

a) The Trust-type Rights Plan has been introduced by obtaining the special resolution of the general meeting of shareholders.
b) Reasonable and objective terms and conditions of cancellation have been established.
c) The Independent Committee composed of outside persons who are highly independent from the Company's management has been established and its judgment is required for the decisions on matters such as the triggering of the Trust-type Rights Plan, non-satisfaction of the exercise conditions, and acquisition of the Stock Acquisition Rights.
d) The Independent Committee may, at the Company's expense, obtain the advice of independent third-party experts.
e) The effective period of the Plan will be around 3 years and the Stock Acquisition Rights may be acquired at any time by a resolution of the Board of Directors.

(3) Policies on the distribution of retained earnings

The Company positions the return of profits to shareholders as one of the most important issues in management.

As for the distribution policy, the Company changed, from the term ended March 31, 2005, from a traditional policy of stable distribution to a policy of dividend payouts linked to consolidated performance. It is the basic policy of the Company to further enhance the marketability of its shares by working to return

more profits to its customers.
The Company intends to use its internal reserves to improve its financial standing and to make capital investments in new call centers and information systems in an effort to respond to the growth of the Company's services and to improve its service quality. The Company aims to increase the shareholders' benefits by pursuing profits from the growth of its businesses, and to increase added value through new investments and M&A in areas that have synergies with its businesses. In accordance with the above basic policies, the Company plans to pay a dividend of 40 yen *(annual dividend of 40 yen) per share at the end of the current fiscal term.

* The Company carried out a two-for-one share stock split for shares of its common stock as of April 1, 2006. In consideration of this stock split, the substantial dividend payout for the previous term was 35 yen, and therefore a dividend increase of 5 yen per share is planned for this year.

Attached document (2)

Consolidated Balance Sheet

(As of March 31, 2007)

(Thousands of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	**61,791,133**	**Current liabilities**	**24,260,534**
Cash and deposits	21,324,800	Accounts payable —trade	5,306,751
Notes and accounts receivable —trade	22,901,666	Short-term bank loans	1,148,868
Investment in securities for operating purposes	12,178,703	Current portion of long-term bank loans	90,510
Marketable securities	703,689	Accounts payable	4,099,269
Inventories	1,365,795	Income taxes payable	4,069,252
Deferred tax assets	188,173	Accrued consumption tax	1,638,286
Other	3,421,582	Advances received	544,997
Allowance for doubtful accounts	(293,277)	Accrued bonuses for employees	2,799,474
		Other	4,563,123
Fixed assets	**34,589,688**	**Fixed liabilities**	**13,049,940**
Tangible fixed assets	**11,351,292**	Bonds	5,414,000
Buildings and structures	5,125,092	Long-term bank loans	7,281,904
Vehicles and transportation Equipment	47,778	Deferred tax liabilities	69,514
Tools, furniture and fixtures	4,766,504	Reserve for retirement benefits	253,736
Land	1,406,958	Security deposits received	11,200
Construction in progress	4,958	Other	19,585
Intangible fixed assets	**5,655,537**	**Total liabilities**	**37,310,475**
Goodwill	2,136,989		
Software	3,167,636		
Other	350,911		
Investments and other assets	**17,582,858**	**Net Assets**	
Investment in securities	1,035,358	**Shareholders' equity**	**44,907,778**
Investment in stocks of unconsolidated subsidiaries and affiliates	5,200,944	**Common stock**	**29,065,968**
		Capital surplus	**23,080,728**
		Retained earnings	**8,576,441**
Investment in other securities of unconsolidated subsidiaries and Affiliates	398,260	**Treasury stock**	**(15,815,359)**
		Valuation and translation Adjustments	**7,638,567**
Investments	14,400	**Unrealized gain on securities**	**2,303,292**
Investment in unconsolidated subsidiaries and affiliates	282,477	**Foreign currency translation adjustment**	**5,335,275**
Long-term loans receivable	801,905	**Minority interests**	**6,523,999**
Deferred tax assets	2,589,750		
Security deposits	4,470,435		
Prepaid pension costs	1,518,578		
Other	1,664,927		
Allowance for doubtful accounts	(394,179)	**Total net assets**	**59,070,346**
Total assets	**96,380,821**	**Total liabilities, minority interests and net assets**	**96,380,821**

Note: Figures less than one million are rounded down to the nearest million.

Attached document (3)

Consolidated Statement of Income

(from April 1, 2006, to March 31, 2007)

(Thousands of yen)

Account item	Amount	
Net sales		**141,489,600**
Cost of sales		**107,410,359**
Gross Profit		**34,079,240**
Selling, general and administrative expenses		**26,613,695**
Operating income		**7,465,544**
Non-operating income:		
Interest income	125,190	
Dividend income	4,947	
Subsidy income	180,230	
Development grant	171,592	
Other	355,521	837,481
Non-operating expenses:		
Interest expenses	174,339	
Equity in loss of unconsolidated subsidiaries and affiliates	661,421	
Other	177,769	1,013,530
Ordinary income		**7,289,496**
Extraordinary gains:		
Gain on sale/disposal of investment in securities	1,258,500	
Gain on sale/disposal of investment in unconsolidated subsidiaries and affiliates	9,707,984	
Reversal of allowance for doubtful accounts	28,028	
Gain on changes in equity	385,027	
Gain on change of retirement benefits plan	773,208	
Other	395,872	12,548,621
Extraordinary losses:		
Loss on disposal of fixed assets	846,517	
Loss on sale/disposal of investment in securities	186,924	
Loss on write-down of investment in securities	257,280	
Loss on write-down of investment in unconsolidated subsidiaries and affiliates	559,750	
Loss on changes in equity	2,245	
Impairment loss of fixed assets	4,056,137	
Other	318,564	6,227,419
Income (loss) before income taxes and minority interests in net loss of subsidiaries		**13,610,698**
Income taxes—current		4,117,205
Income taxes—deferred		2,156,707
Minority interests in net loss of subsidiaries		32,566
Net income		**7,369,350**

Note: Figures less than one thousand are rounded down to the nearest thousand.

Attached document (4)

Consolidated Statement of Changes in Net Assets

(from April 1, 2006, to March 31, 2007)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	29,065,968	23,217,772	2,768,157	(10,290,728)	44,761,169
Change during the fiscal year					
Distribution of surplus			(1,563,528)		(1,563,528)
Bonuses for directors and statutory auditors			(3,000)		(3,000)
Net income			7,369,350		7,369,350
Acquisition of treasury stock				(5,794,893)	(5,794,893)
Disposal of treasury stock		(137,043)		270,262	133,218
Increase as a result of increase of the number of consolidated subsidiaries			6,625		6,625
Decrease as a result of increase of the number of consolidated subsidiaries			(1,163)		(1,163)
Net change in items other than shareholders' equity during the fiscal term					-
Total change during the fiscal year	-	(137,043)	5,808,283	(5,524,630)	146,608
Balance as of March 31, 2007	29,065,968	23,080,728	8,576,441	(15,815,359)	44,907,778

(Thousands of yen)

	Valuation and translation adjustments			Minority interests	Total net assets
	Unrealized gain on securities	Foreign currency translation adjustment	Total valuation and translation adjustments		
Balance as of March 31, 2006	8,632,917	4,971,630	13,604,547	4,602,253	62,967,970
Change during the fiscal year					
Distribution of surplus			-		(1,563,528)
Bonuses for directors and statutory auditors			-		(3,000)
Net income			-		7,369,350
Acquisition of treasury stock			-		(5,794,893)
Disposal of treasury stock			-		133,218
Increase as a result of increase of the number of consolidated subsidiaries			-		6,625
Decrease as a result of increase of the number of consolidated subsidiaries			-		(1,163)
Net change in items other than shareholders' equity during the fiscal term	(6,329,624)	363,645	(5,965,979)	1,921,746	(4,044,232)
Total change during the fiscal year	(6,329,624)	363,645	(5,965,979)	1,921,746	(3,897,624)
Balance as of March 31, 2007	2,303,292	5,335,275	7,638,567	6,523,999	59,070,346

Note: Figures less than one thousand are rounded down to the nearest thousand.

Notes Consolidated Financial Statement

Basis of preparation of consolidated financial statements

1. Scope of Consolidation
   (1) Number of consolidated subsidiaries 59
   The names of principal consolidated subsidiaries
   Transcosmos Investments & Business Development, Inc., J-Stream Inc., DoubleClick Japan Inc., APPLIED TECHNOLOGY CO., LTD., transcosmos Information Creative (China) Co., Ltd.
   Changes in our consolidated subsidiaries during the fiscal year under review are as follows:
   (New)
   - amino LLP (established on April 3, 2006)
   - BASIS PLANET Inc. (established on April 12, 2006)
   - Inwoo Tech, Inc. (changed through additional acquisition from company accounted for by the equity method)
   - CCP Mezzanine2006 Toushijigyokumiai (established on June 13, 2006)
   - Larc ccp9 tousijigyokumiai (established on June 19, 2006)
   - Guangzhou transcosmos Information Creative Co., Ltd. (established on July 4, 2006)
   - FromSoftware, Inc. (newly acquired)
   - Larc ccp10 tousijigyokumiai (established on August 25, 2006)
   - Become,Japan Corporation (changed through additional acquisition from company accounted for by the equity method)
   - Larc ccp12 tousijigyokumiai (established on September 11, 2006)
   - Transcosmos Investments & Business Development (China), LLC. (increased significance)
   - TCI technology inc. (increased significance)
   - OneXeno Limited(changed through additional acquisition from company accounted for by the equity method)
   - TransCosmos Technologies Inc. (established on January 1, 2007)
   - Co-Core Inc. (established on March 12, 2007)
   - Larc ccp15 tousijigyokumiai (established on March 14, 2007)
   - CinemaNow Japan Inc. (changed through additional acquisition from company accounted for by the equity method)
   - Organic Trend International Corporation (newly acquired)

   (Excluded)
   - EGI Fund Management Company, LLC. (liquidation completed on February 28, 2007)
   - EGI Fund Management Company 2, LLC. (liquidation completed on February 28, 2007)
   - Accelcareer Inc. (liquidation completed on March 29, 2007)
   - TRANS WELNET Inc. (liquidation completed on March 29, 2007)
   - Init. Co., LTD. (liquidation completed on March 29, 2007)
   - AD2 inc. (liquidation completed on March 29, 2007)
   - CODE INC. (liquidation completed on March 29, 2007)
   - transcosmos Telemarketing inc. (liquidation completed on March 29, 2007)

   (2) Names of principal non-consolidated subsidiaries
   transcosmos design development Co., Ltd., transcosmos MCM Korea Co., Ltd.
   (Reason for exclusion from the scope of consolidation)
   Total assets, net sales, net income (calculated according to our equity interest) and retained earnings (calculated according to our equity interest) were not substantial respectively, and do not have a material impact on the consolidated financial statements.

2. Application of equity method
   (1) Number of affiliates 23
   Names of principal non-consolidated subsidiaries accounted for by the equity method
   NetRatings Japan Inc., Forecast Communications Inc.
   Changes in non-consolidated subsidiaries accounted for by the equity method are as follows:

(New)

- NCP Zero-Base Fund (increased significance)
- GLOBAL A Information Inc. (newly acquired)
- Grid Solutions inc. (newly acquired)
- NetSuite Co., Ltd. (newly acquired)
- Digimiho K.K. (newly acquired)
- X-networks Co., Ltd. (newly acquired)
- Tong Yang Online Co., Ltd. (newly acquired)
- DIGIMA inc. (newly acquired)

(Excluded)

- Inwoo Tech, Inc. (changed to consolidated subsidiary through additional acquisition)
- Become, Japan Corporation (changed to consolidated subsidiary through additional acquisition)
- Netage Group, Inc. (sold all shares held)
- OneXeno Limited (changed to consolidated subsidiary through additional acquisition)
- CinemaNow Japan Inc. (changed to consolidated subsidiary through additional acquisition)
- MetaCast, inc. (sold all shares held)

The profits and losses of the two companies in which the Company invested, DIGIMA inc. and Tong Yong Online Co., Ltd., are not consolidated as these companies have different account closing dates. Accordingly, the profit and losses of these companies are not consolidated.

(2) Non-consolidated subsidiaries that are not accounted for by the equity method transcosmos design development Co., Ltd. and others) are excluded as the impact of net income and retained earnings to the Company and overall significance of these companies are minimal.

(3) Among companies in which the Company has invested through the purchase of securities for operating purposes, the following are the names of those companies which are not included in the scope of the affiliates of the Company but which are substantially owned by the company through ownership of voting rights at a ratio of not more than one-half and not less than one-fifth.

- DIGIT Co., Ltd.
- autobytel Japan K.K.
- Become, Inc.
- Pheedo, Inc.
- SingShot Media, Inc.

(Reason for excluding from affiliates)
We acquired shares of the above companies as investment companies for primary operating purposes. Accordingly, we will not control these investment companies through transactions involving operations, personnel affairs, or funds.

(4) For those subsidiaries accounted for by the equity method that have different account closing dates from the Company, financial statements are stated according to fiscal year of the respective companies.

3. Fiscal year, etc. of the consolidated subsidiaries

Following are the consolidated subsidiaries with different account closing dates from the Company.

(Account closing date: December 31)

- EnCompass Group Inc.
- Listen Japan, Inc.
- Shockwave Entertainment, Inc
- APPLIED TECHNOLOGY CO., LTD.
- Ask.jp Co., Ltd.
- Become, Japan Corporation
- CCP Mezzanine2006 Toushijigyokumiai
- CinemaNow Japan Inc.
- Organic Trend International Corporation
- TransCosmos Technologies Inc.
- transcosmos Information system (Shanghai) Co., Ltd.
- IBR Inc.
- Career Incubation USA, Inc.
- transcosmos MCM Shanghai Co., Ltd.
- CIC Korea, Inc.
- Shine Harbour Ltd.
- Transcosmos Information Creative Holdings
- APPLIED TECHNOLOGY KOREA, INC.
- Access Markets International Partners, Inc.
- Inwoo Tech, Inc.

- transcosmos Information Creative (China) Co., Ltd.
- transcosmos America, Inc.
- Transcosmos Investments & Business Development, Inc.
- Guangzhou transcosmos Information Creative Co., Ltd.
- OneXeno Limited
- Transcosmos Investments & Business Development (China), LLC.

The consolidated financial statements are prepared based on the financial statements of each of the consolidated subsidiaries as of its account closing date. In the case of significant transactions that took place between the account closing dates of the consolidated subsidiaries and the consolidated account closing date, necessary adjustments are made for consolidation purposes.

(Account closing date: Other)

Name of company	Account closing date
• BandWagon, Inc.	April 30
• Larc ccp9 tousijigyokumiai	May 31
• Larc ccp15 tousijigyokumiai	May 31
• Larc ccp10 tousijigyokumiai	July 31
• Larc ccp12 tousijigyokumiai	August 31
• CAREER INCUBATION, INC.	September 30

The consolidated financial statements are prepared based on the financial statements of each of the consolidated subsidiaries prepared on the basis of the provisional closing of account as of the consolidated account closing date.

4. Significant accounting policies

(1) Standards and methods of valuation of securities

Other available-for-sale securities (including investments in securities for operating purposes)

Securities with market value ······ Market value method based on the market price as of the account closing date. (Differences in valuation are included directly in shareholders' equity and costs of securities sold are calculated using the moving-average method.)

Securities without market value ······ Stated at cost using the moving-average method. As for investments to limited liability partnership for investment and other similar limited partnership, figures are based on the most recent statements of account available in accordance with account reporting dates provided for under the partnership agreements, and profits and expenses according to respective equity interests are carried as net sales and cost of sales.

(2) Derivative transactions

Market value method

(3) Standards and method of valuation of inventories

Work in process ······ Stated at specific cost method

Other inventories ······ Stated at cost using the gross average method

(4) Depreciation methods for fixed assets

Tangible fixed assets ······ The Company and the consolidated domestic subsidiaries use the declining-balance method (however, buildings (excluding building fixtures) acquired on or after April 1, 1998 are depreciated using the straight-line method.), and the consolidated overseas subsidiaries mainly use the straight-line method.
For a part of the Company's call center facilities (equipment and fixtures), straight-line method according to economic life (approximately 50% shorter than the legal economic life) is used.

Intangible fixed assets ············ Mainly use the straight-line method
As for software for in-house use, the straight-line method is used with a useful life of 5 years.
Software is depreciated based on the quantity expected to be sold within 3 years after being put on the market. If the amount of depreciation is less than the amount of even installment based on the remaining life, it is depreciated with the amount not less than the even installment.

(5) Standards of accounting for significant allowances and reserves

Allowance for doubtful accounts ············ Estimated uncollectible amounts are calculated using historical data for trade receivables and individually considering the probability of collection for doubtful receivables.

Reserve for bonuses ············ The reserve for bonuses for employees of the Company and domestic consolidated subsidiaries is calculated based on the estimates of bonus obligations for the current fiscal term.

Reserve for bonuses for directors and statutory auditors
············ The reserve for bonuses for directors and statutory auditors is calculated based on the estimates of bonus obligations for the current fiscal term.

Reserve for retirement benefits ············ The reserve for retirement benefits for employees of the Company and consolidated subsidiaries is calculated based on the estimates of retirement benefit obligations and pension assets as of the end of the consolidated fiscal term.
Prior service cost is amortized in the year in which the gain or loss is recognized primarily by the declining-balance method over various periods (5 years) which is not more than the average remaining service period of employees.
Unrecognized actuarial differences are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over the period (5 years) which is not more than the average remaining service period of employees.

(6) Translation of significant assets and liabilities denominated in foreign currencies into yen

Monetary assets and liabilities denominated in foreign currencies are translated into Japanese yen at the spot rate of foreign exchange as of the end of the fiscal term, and the resulting exchange differences are credited or charged to income. Assets and liabilities as well as revenues and expenses of overseas consolidated subsidiaries are translated into Japanese yen at the spot rate of foreign exchange as of the account closing date of each company. The resulting exchange differences have been recorded as a component of “foreign currency translation adjustment” and minority interests in shareholders’ equity.

(7) Significant accounting method for leases

Finance leases other than those for which the ownership of the leased property are deemed to be transferred to the lessee are accounted for primarily as ordinary rental transactions.

(8) Hedge accounting

(1) Hedge accounting: ············ Deferred accounting treatment is applied. Special accounting rules are applied to interest swap transactions which conform to requirements of special accounting rules.

(2) Means for edging and hedged items: ······················ Means for hedging: Interest swap transactions
Hedged items: Borrowings

(3) Hedging policy: ······················ Hedge transactions are entered into with the purpose of avoiding risks of fluctuations in interest rates in accordance with the Company’s internal rules.

(9) Other significant accounting policies
Accounting for consumption taxes
Consumption tax and local consumption tax are accounted for by the tax exclusion method.

5. Valuation of assets and liabilities of consolidated subsidiaries
Valuation of assets and liabilities of consolidated subsidiaries is determined based on the full-assessment market value method.

6. Amortization of goodwill
Goodwill is amortized by equal installments over 5 years or 10 years. If any circumstance arises which prevents the effect of amortization of goodwill, amount of amortization will be decreased accordingly.

7. Change in accounting standards
(Accounting standards for presentation of net assets in the balance sheet)
From the current consolidated fiscal year, the Company adopted the “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (Accounting Standards Board of Japan (ASBJ), ASBJ Statement No. 5, December 9, 2005) and the “Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet” (Accounting Standards Board of Japan (ASBJ), ASBJ Guidance No. 8, December 9, 2005).
The amount equal to the total amount of the former Shareholders’ equity is 52,546,346 thousand yen.
Net Assets in the consolidated balance sheet for the current consolidated fiscal year are prepared in accordance with the “Ordinance on the Company Computation” (Ordinance No. 13 of Ministry of Justice, February 7, 2006).

(Accrued bonuses for directors and statutory auditors)
From the current consolidated fiscal year, the Company adopted the “Accounting Standard for Directors’ Bonus” (Accounting Standards Board of Japan (ASBJ), ASBJ Statement No. 4, November 29, 2005). As a result, operating income, ordinary income and income before income taxes and minority interests decreased by 16,000 thousand yen compared to the corresponding amount under the previous standard.

(Accounting for contributions to investment associations)
From the current consolidated fiscal year, the Company adopted the “Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations” (Accounting Standards Board of Japan (ASBJ), PITF No. 20, September 8, 2006). As a result, five associations of consolidated subsidiaries, one association accounted for by the equity method and one association of a non-consolidated subsidiary are included in the scope of consolidation. There are no significant influences on the consolidated financial statements.

8. Change in presentation
(Consolidated Balance Sheet)
Consolidation goodwill, an item formerly presented separately under the Intangible fixed assets, is presented as Goodwill from the current consolidated fiscal year.
Software, an item included in “Other” under the Intangible fixed assets in the previous consolidated fiscal year, is presented separately in the current fiscal year, as the amount has become significant.
In the previous consolidated fiscal year, Software was 1,737,747 thousand yen.
In the previous consolidated fiscal year, contributions to investment associations were included in the Investments in securities for operating purposes. In the current consolidated fiscal year, contributions to investment associations, an item added to the scope of consolidation, are presented in the Investments in other securities of unconsolidated subsidiaries and affiliates.
In addition, the amount of the above contributions included in the Investments in securities for operating purposes for the previous consolidated fiscal year was 255,509 thousand yen.
(Consolidated Statement of Income)
The Translation adjustment (1,736 thousand yen for the current consolidated fiscal year) is to be included in

"Other" under the Non-operating expenses from the current consolidated fiscal year.
Loss on write-down of golf-membership (150 thousand yen for the current consolidated fiscal year), an item presented separately until the previous consolidated fiscal year, is to be included in "Other" under the Extraordinary losses, as the amount has become insignificant.

Notes to the Consolidated Balance Sheet

1. Accumulated depreciation of tangible fixed assets ¥7,552,016 thousand
2. Assets pledged as collateral:

Bank deposit	¥1,000 thousand
Buildings and structures	¥482,029 thousand
Land	¥268,893 thousand
Total	¥751,922 thousand

Secured liabilities:

Short-term bank loans	¥176,780 thousand
Current portion of long-term bank loans	¥18,473 thousand
Long-term bank loans	¥232,726 thousand
Bonds	¥108,000 thousand
Total	¥535,980 thousand

Notes to the Non-Consolidated Statement of Changes in Net Assets

1. Total number of shares issued

Class of shares	Number of shares at the end of the previous consolidated fiscal year	Number of shares increased during the current consolidated fiscal year	Number of shares decreased during the current consolidated fiscal year	Number of shares at the end of the current consolidated fiscal year
Common stock (shares)	24,397,023	24,397,023	-	48,794,046

(Outline of causes for changes)
The increase of the number of shares issued to 24,397,023 was due to a two-for-one stock split.

2. Treasury stock

Class of shares	Number of shares at the end of the previous consolidated fiscal year	Number of shares increased during the current consolidated fiscal year	Number of shares decreased during the current consolidated fiscal year	Number of shares at the end of the current consolidated fiscal year
Common stock (shares)	2,060,902	4,202,009	105,438	6,157,473

(Outline of causes for changes)
Details of number of shares increased are as follows.

Increase due to a two-for-one stock split	2,060,902 shares
Increase due to the acquisition of treasury stock	2,140,800 shares
Increase due to redemptions of odd-lot shares	307 shares

Details of number of shares decreased are as follows.

Decrease due to the exercise of stock options	105,400 shares
Decrease due to sales of odd-lot shares	38 shares

3. Shares subject to the stock acquisition rights (excluding the Stock Acquisition Rights for which the exercise period does not arrive) as of the consolidated fiscal year

Effective date	Class of shares subject to the stock acquisition rights	Number of shares subject to the stock acquisition rights (shares)
Stock acquisition rights for 2001	Common stock	149,000
Stock acquisition rights for 2002	Common stock	155,400
Stock acquisition rights for 2003	Common stock	212,400
Stock acquisition rights for 2004	Common stock	225,600
Bonds with stock subscription rights (convertible bonds type) in euro due 2008	Common stock	2,345,158
First Trust-type Rights Plan	Common stock	75,000,000
Total		78,087,558

4. Distribution

(1) Payment of distribution

Resolution	Class of shares	Total amount of distributions (thousands of yen)	Distribution per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 29, 2006	Common stock	1,563,528	70	March 31, 2006	June 29, 2006

(2) Distribution with an effective date falling in the following consolidated fiscal year, among distributions with record dates belonging to the current consolidated fiscal year

Resolution	Class of shares	Resource of distribution	Total amount of distributions (thousands of yen)	Distribution per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders to be held on June 26, 2007	Common stock	Retained earnings	1,705,462	40	March 31, 2007	June 27, 2007

Notes to per share data

1. Net assets per share 1,232.42 yen
2. Net income per share 171.38 yen

Attached document (5)

Non-Consolidated Balance Sheet

(As of March 31, 2007)

(Thousands of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	**35,161,112**	**Current liabilities**	**17,835,022**
Cash and deposits	8,416,239	Accounts payable —trade	5,042,513
Notes receivable	31,816	Accounts payable	1,960,962
Accounts receivable - trade	17,609,692	Accrued expenses	2,955,214
Investment in securities for operating purposes	7,101,797	Income taxes payable	3,652,106
Merchandise	976	Accrued consumption tax	1,097,414
Work and software in progress	128,440	Advances received	336,155
Supplies	3,841	Deposits received	78,813
Advances	355,142	Accrued bonuses for employees	2,568,241
Prepaid expenses	626,727	Accrued bonuses for directors and statutory auditors	16,000
Deferred tax assets	153,711	Other	127,601
Short-term loans	151,140	**Fixed liabilities**	**12,182,200**
Other	665,231	Bonds	5,171,000
Allowance for doubtful accounts	(83,646)	Long-term bank loans	7,000,000
Fixed assets	**48,753,472**	Security deposits received	11,200
Tangible fixed assets	**3,755,654**		
Buildings	1,132,273		
Structures	282,292		
Machinery and transportation	77		
Tools, furniture and fixtures	1,776,918		
Land	564,092		
Intangible fixed assets	**1,634,570**		
Software	1,047,188		
Telephone rights	79,407		
Utility rights	2,114	**Total liabilities**	**30,017,222**
Goodwill	505,859		
Investments and other assets	**43,363,247**	**Net Assets**	
Investment in securities	474,360	**Shareholders' equity**	**51,837,960**
Investment in stocks of subsidiaries and affiliates	32,386,366	**Common stock**	**29,065,968**
Investment in other securities of subsidiaries and affiliates	1,456,406	**Capital surplus**	**23,080,728**
Investment in subsidiaries and affiliates	151,926	Other capital reserve	23,080,728
Long-term loans receivable from subsidiaries and affiliates	6,684,879	**Retained earnings**	**15,506,622**
Deferred tax assets	223,201	Other retained earnings	15,506,622
Security deposits	2,734,230	Unappropriated retained earnings	15,506,622
Prepaid pension costs	1,518,578	**Treasury stock**	**(15,815,359)**
Other	1,256,245	**Valuation and translation adjustments**	**2,059,401**
Allowance for doubtful accounts	(3,522,947)	**Net unrealized gain on securities**	**2,059,401**
		Total net assets	**53,897,362**
Total assets	**83,914,584**	**Total liabilities and net assets**	**83,914,584**

Note: Figures less than one thousand are rounded down to the nearest thousand.

Attached document (6)

Non-Consolidated Statement of Income

(from April 1, 2006, to March 31, 2007)

(Thousands of yen)

Account item	Amount	
Net sales		**109,822,514**
Cost of sales		**85,908,273**
Gross Profit		**23,914,240**
Selling, general and administrative expenses		**18,486,569**
Operating income		**5,427,670**
Non-operating income:		
Interest income	78,914	
Dividend income	60,392	
Subsidy income	173,592	
Other	98,237	411,138
Non-operating expenses:		
Interest expenses	145,448	
Miscellaneous loss	67,138	212,587
Ordinary income		**5,626,221**
Extraordinary gains:		
Gain on sale/disposal of investment in securities	330,970	
Gain on sale/disposal of investment in subsidiaries and affiliates	8,970,548	
Gain on dissolution of subsidiaries and affiliates	172,542	
Gain on change of retirement benefits plan	773,208	
Other	258,864	10,506,133
Extraordinary losses:		
Loss on disposal of fixed assets	96,684	
Loss on sale/disposal of investment in securities	186,924	
Loss on write-down of investment in securities	71,859	
Loss on write-down of investment in subsidiaries and affiliates	816,671	
Bad debt expense	795,260	
Impairment loss on fixed assets	897,712	
Other	131,099	2,996,211
Income before income taxes		**13,136,143**
Income taxes—current		3,472,292
Income taxes—deferred		2,161,119
Net income		**7,502,731**

Note: Figures less than one thousand are rounded down to the nearest thousand.

Attached document (7)

Non-Consolidated Statement of Changes in Net Assets

(from April 1, 2006, to March 31, 2007)

(Thousands of yen)

	Shareholders' equity			
		Capital surplus		
	Common stock	Additional paid-in capital	Other capital surplus	Total capital surplus
Balance as of March 31, 2006	29,065,968	15,069,145	8,148,626	23,217,772
Change during the fiscal year				
Distribution of surplus				-
Bonuses for directors and statutory auditors				-
Net income				-
Acquisition of treasury stock				-
Disposal of treasury stock			(137,043)	(137,043)
Transfer from additional paid-in capital to other capital surplus		(15,069,145)	15,069,145	-
Net change in items other than shareholders' equity during the fiscal year				-
Total change during the fiscal year	-	(15,069,145)	14,932,101	(137,043)
Balance as of March 31, 2007	29,065,968	-	23,080,728	23,080,728

	Shareholders' equity			
	Retained earnings			
	Other retained earnings			
	Unappropriated retained earnings	Total retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	9,570,420	9,570,420	(10,290,728)	51,563,432
Change during the fiscal year				
Distribution of surplus	(1,563,528)	(1,563,528)		(1,563,528)
Bonuses for directors and statutory auditors	(3,000)	(3,000)		(3,000)
Net income	7,502,731	7,502,731		7,502,731
Acquisition of treasury stock		-	(5,794,893)	(5,794,893)
Disposal of treasury stock		-	270,262	133,218
Transfer from additional paid-in capital to other capital surplus		-		-
Net change in items other than shareholders' equity during the fiscal year		-		-
Total change during the fiscal year	5,936,202	5,936,202	(5,524,630)	274,528
Balance as of March 31, 2007	15,506,622	15,506,622	(15,815,359)	51,837,960

Note: Figures less than one thousand are rounded down to the nearest thousand.

(Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Unrealized gain on securities	Total valuation and translation adjustments	
Balance as of March 31, 2006	5,355,716	5,355,716	56,919,149
Change during the fiscal year			
Distribution of surplus		-	(1,563,528)
Bonuses for directors and statutory auditors		-	(3,000)
Net income		-	7,502,731
Acquisition of treasury stock		-	(5,794,893)
Disposal of treasury stock		-	133,218
Transfer from additional paid-in capital to other capital surplus		-	-
Net change in items other than shareholders' equity during the fiscal year	(3,296,315)	(3,296,315)	(3,296,315)
Total change during the fiscal year	(3,296,315)	(3,296,315)	(3,021,787)
Balance as of March 31, 2007	2,059,401	2,059,401	53,897,362

Note: Figures less than one thousand are rounded down to the nearest thousand.

Notes to Non-Consolidated Financial Statements

Significant Accounting Policies

1. Standards and methods of valuation of securities

Shares of majority-owned subsidiaries and affiliates	Stated at cost using the moving-average method
Other available-for-sale securities (including investments in securities for operating purposes)	
Securities with market value	Market value method based on the market price as of the account closing date. (Differences in valuation are included directly in shareholders' equity and costs of securities sold are calculated using the moving-average method.)
Securities without market value	Stated at cost using the moving-average method. As for investments to limited liability partnership for investment and other similar limited partnership, total percentage share of profit and expenses are calculated as net sales and sales cost, respectively, based on the most recent statement of accounts available according to the closing date of accounts applicable to limited partnership agreements.

2. Derivative transactions

Market value method

3. Standards and methods of valuation of inventories

Finished goods	Stated at cost using the gross average method
Work in process	Stated at specific cost method
Supplies	Stated at cost using the last-purchase-price method

4. Depreciation methods for fixed assets

Tangible fixed assets	Declining-balance method However, buildings (excluding building fixtures) acquired on or after April 1, 1998 are depreciated using the straight-line method. As for a part of call-center facilities (furniture and fixtures), straight-line method is used for the economic life (approximately 50% shorter than the legal useful life).
Intangible assets	Straight-line method As for software for in-house use, the straight-line method is used with a useful life of 5 years.

5. Standards of accounting for allowances and reserves

Allowance for doubtful accounts	Estimated uncollectible amounts are calculated using historical data for trade receivables and individually considering the probability of collection for doubtful receivables as of end of fiscal term.
Reserve for bonuses	Reserve for bonuses for employees are calculated based on the estimates of bonus obligations for the current fiscal term.
Reserve for bonuses for directors and statutory auditors	Reserve for bonuses for directors and statutory auditors are calculated based on the estimates of bonus obligations for the current fiscal term.

Reserve for retirement benefits ······ Reserve for retirement benefits are calculated based on the estimates of retirement benefit obligations and pension assets as of the end of the fiscal term.
Prior service cost is amortized in the year in which the gain or loss is recognized primarily by the straight-line method over various periods (5 years) which is not more than the average remaining service period of employees.
Unrecognized actuarial differences are amortized in the year following the year in which the gain or loss is recognized primarily by the straight-line method over various periods (5 years) which is not more than the average remaining service period of employees.

6. Accounting method for leases

Finance leases other than those for which the ownership of the leased property are deemed to be transferred to the lessee are accounted for primarily as ordinary rental transactions.

7. Hedge accounting

(1) Hedge accounting: ······ Deferred accounting treatment is applied. Special accounting rules are applied to interest swap transactions which conform to requirements of special accounting rules.

(2) Means for edging and hedged items: ······ Means for hedging: Interest swap transactions
Hedged items: Borrowings

(3) Hedging policy: ······ Hedge transactions are entered into with the purpose of avoiding risks of fluctuations in interest rates in accordance with the Company's internal rules.

8. Accounting for consumption taxes

Consumption tax and local consumption tax are accounted for by the tax exclusion method.

9. Changes in accounting standards

(Accounting standards for the presentation of net assets in the balance sheet)
From the current fiscal year, the Company adopted the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan (ASBJ), ASBJ Statement No. 5, December 9, 2005) and the "Guidance on the Accounting Standard for the Presentation of Net Assets in the Balance Sheet" (Accounting Standards Board of Japan (ASBJ), ASBJ Guidance No. 8, December 9, 2005).
The amount equal to the total amount of the former Shareholders' equity is 53,897,362 thousand yen.
In addition, Net Assets in the balance sheet for the current fiscal year are prepared in accordance with the "Ordinance on the Company Computation" (Ordinance No. 13 of Ministry of Justice, February 7, 2006).
(Accrued bonuses for directors and statutory auditors)
The Company adopted the "Accounting Standard for Directors' Bonuses" (Accounting Standards Board of Japan (ASBJ), ASBJ Statement No. 4, November 29, 2005) from the current fiscal year. As a result, operating income, ordinary income, and income before income taxes decreased by 16,000 thousand yen compared to the total of the corresponding amounts under the previous standard.

10. Changes in presentation

(Balance sheet)
Consolidation goodwill, an item formerly presented separately under Intangible fixed assets, is presented as Goodwill from the current fiscal year.
In the previous fiscal year, contributions to investment associations were included in the Investments in securities for operating purposes. In the current fiscal year, contributions to investment associations, an item added to the scope of consolidation, are presented in the Investments in other securities of unconsolidated

subsidiaries and affiliates.
In addition, the amount of the above contributions included in the Investments in securities for operating purposes for the previous fiscal year was 254,291 thousand yen.
(Statement of income)
Loss on disposal of inventories (4,078 thousand yen for the current fiscal year), an item presented separately until the previous fiscal year, is to be included in “Other” under the Non-operating income, as the amount has become insignificant.
Loss on write-down of golf-membership (150 thousand yen for the current fiscal year), an item presented separately until the previous fiscal year, is to be included in “Other” under the Extraordinary losses, as the amount has become insignificant.

11. Additional information
(Change in retirement benefits plan)
The Company changed a part of the former defined benefits pension plan to the defined contribution pension plan, effective as of March 1, 2007.
As a result of the change, a 321,669 thousand yen decrease in the retirement benefit obligation incurred and a 451,539 thousand yen decrease in unrecognized actuarial losses were accounted for in a lump as Extraordinary gains.

Notes to the Non-Consolidated Balance Sheet

1. Short-term monetary receivables from subsidiaries and affiliates	¥703,813 thousand
Short-term monetary payables to subsidiaries and affiliates	¥1,281,643 thousand
Long-term monetary receivables from subsidiaries and affiliates	¥6,828,670 thousand
2. Accumulated depreciation of tangible fixed assets	¥3,365,936 thousand
3. Guarantee liability:	
Guarantee on deposit obligations from subsidiaries and affiliates	
Tci-Business-Service Co., Ltd.	¥4,689,000 thousand
Guarantee on loan obligations from financial institutions	
transcosmos MCM Shanghai Co., Ltd.	¥397,280 thousand
	(RMB 26,000 thousand)
Guarantee on rental agreement obligations	
BPS, Inc.	¥334,340 thousand
transcosmos Information Creative (China) Co., Ltd.	¥2,476 thousand
Total	¥336,817 thousand
Guarantee on lease agreement obligations	
Qingdao Zuki Industrial Design Co., Ltd.	¥32,177 thousand
	¥47,231 thousand
	(RMB 3,091 thousand)
Total	¥79,408 thousand

4. A deposit of ¥1,000 thousand was pledged as collateral.

Notes to the Non-Consolidated Statement of Income

Transactions with subsidiaries and affiliates

Net sales	¥1,119,539 thousand
Net purchase	¥9,947,429 thousand
Transactions other than operating transactions	¥192,474 thousand

Notes to the Non-Consolidated Statement of Changes in Net Assets

Treasury stock

Class	Number of shares at the end of the previous fiscal year	Number of shares increased during the current fiscal year	Number of shares decreased during the current fiscal year	Number of shares at the end of the current fiscal year
Common stock (shares)	2,060,902	4,202,009	105,438	6,157,473

(Outline of causes for changes)

Details on the number of shares increased are as follows.

Increase due to a two-for-one stock split	2,060,902 shares
Increase due to the acquisition of treasury stock	2,140,800 shares
Increase due to redemptions of odd-lot shares	307 shares

Details on the number of shares decreased are as follows.

Decrease due to the exercise of stock options	105,400 shares
Decrease due to sales of odd-lot shares	38 shares

Notes to Income Taxes

Details by primary causes of deferred tax assets and deferred tax liabilities

Deferred tax assets:	
Accrued bonuses	¥1,045,017 thousand
Wages payable	¥2,848 thousand
Accrued corporation tax	¥316,885 thousand
Loss on write-down of investment in securities for operating purposes	¥479,258 thousand
Loss on write-down of investment in stocks of subsidiaries and affiliates	¥1,048,958 thousand
Loss on write-down of golf membership	¥149,237 thousand
Loss on write-down of investment in securities	¥82,150 thousand
Bad debt expense	¥1,361,308 thousand
Impairment loss on fixes assets	¥487,567 thousand
Prepaid pension costs	(¥617,909 thousand)
Other	¥169,345 thousand
Sub-total	¥4,524,667 thousand
Provision for devaluation	(¥2,758,388 thousand)
Sub-total of deferred tax assets	¥1,766,278 thousand
Deferred tax liabilities:	
Net unrealized gain on investment in other securities	¥1,389,366 thousand
Sub-total of deferred tax liabilities	¥1,389,366 thousand
Net of deferred tax assets	¥376,912 thousand

Notes to Leased Assets

In addition to the fixed assets stated in the Balance Sheet, the Company uses computers and computer peripherals by lease agreement.

1. Acquisition costs equivalents, accumulated depreciation equivalents, and year-end balance equivalents of leased assets

	Acquisition costs equivalents (thousands of yen)	Accumulated depreciation equivalents (thousands of yen)	Year-end balance equivalents (thousands of yen)
Building	22,000	18,180	3,819
Machinery and transportation	2,425	1,576	848
Tools, furniture, and fixtures	678,486	394,722	283,764
Software	238,676	154,076	84,599
Total	941,588	568,556	373,032

2. Year-end balance of prepaid lease equivalents

Within one year	¥185,389 thousand
Over one year	¥193,605 thousand
Total	¥378,995 thousand

3. Lease expenses, accumulated depreciation equivalents, and interest expense equivalents

Lease expenses	¥278,501 thousand
Accumulated depreciation equivalents	¥249,184 thousand
Interest expense equivalents	¥10,280 thousand

4. Calculation method for depreciation equivalents

Depreciation equivalents of leased assets are calculated by straight-line method based on lease period with residual values of zero.

5. Calculation method for interest expense equivalents

An interest expense equivalent is the difference between the total amount of lease expenses and the acquisition cost equivalent of leased assets. The interest expense equivalents are allocated to each fiscal year by the interest method.

Notes to transactions with related parties

1. Directors and statutory auditors, primary shareholders, etc.

(Thousands of yen)

Type	Name of company, etc.	Percentage of owning (owned) voting rights, etc. (%)	Related parties involved in transaction	Type of transaction	Transaction amount	Account	Balance as of the end of the fiscal year
Director	Koji Funatsu	Owned Direct (0.1)	Chairman, Representative Director	Exercise of stock option	11,664	-	-
Director	Toshikazu Tanizawa	Owned Direct (0.0)	Vice Chairman, Director	Exercise of stock option	3,332	-	-
Director	Shojiro Takashima	Owned Direct (0.0)	Executive Vice President, Director	Exercise of stock option	4,388	-	-
Director	Koichi Iwami	-	Executive Vice President, Director	Exercise of stock option	1,166	-	-
Director and immediate family	Shozo Okuda	Owned Direct (0.7)	Special Advisor	Payment of advisory fee	2,771	-	-

Note: Percentages of voting rights, etc. owned are expressed down to the nearest first decimal place.

2. Subsidiaries and affiliates, etc.

(Thousands of yen)

Type	Name of company, etc.	Percentage of owning (owned) voting rights, etc. (%) (Note 7)	Details of relationship		Type of transaction	Transaction amount (Note 6)	Account	Balance as of the end of the fiscal year
			Combination of offices of directors or statutory auditors, etc.	Factual relationship				
Subsidiary	Transcosmos Investments & Business Development, Inc.	Owning Direct 100.0%	4	Investment	Issuance of shares (Note 1)	5,185,200	-	-
Subsidiary	CCP Mezzanine 2006 Toushijigyokumiai	Owning Direct 99.9%	-	Investment	Response to capital call (Note 2)	1,169,000	-	-
Subsidiary	Tci-Business-Service Co., Ltd.	Owning Direct 100.0%	-	Loan of funds	Loan (Note 3)	4,622,000	Long-term loans receivable	6,183,879
					Guarantee of obligations (Note 4)	4,689,000	-	-
Affiliate	CyberSource K.K.	Owning Direct 48.3%	-	Agency for collection of bills	Remittance of payment from credit card companies (Note 5)	3,686,056	-	-

Transaction terms and decision policies of transaction terms, etc.

(Note 1) Due to the issuance of shares through a shareholder allocation.

(Note 2) Payment under an investment business association agreement.

(Note 3) The interest rate of the loan was determined reasonably based on the market interest rate.

(Note 4) This guarantees obligations in custody from the subsidiaries and affiliates.

(Note 5) As the Company engages in the collection of bills, these are not direct transactions.

(Note 6) Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(Note 7) Percentages of voting rights, etc. owned are expressed down to the nearest first decimal place.

3. Fellow subsidiaries, etc.

(Thousands of yen)

Type	Name of company, etc.	Percentage of voting rights, etc. owned (%)	Relationship with related party	Type of transaction	Transaction amount	Account	Balance as of the end of the fiscal year
Companies, etc., owned by directors or statutory auditors, or their immediate families (through ownership of a majority of voting rights)	HM Kosan, Ltd.	Directly owned 100%	Rental of real estate	Offer of corporate housing (Note)	5,758	-	-

Transaction terms, decision policies on transaction terms, etc.

Notes:

1. The transaction was conducted under the same transaction terms applied for other corporate housing, and the transaction amount excludes consumption taxes. In addition, the voting rights of HM Kosan, Ltd. are wholly owned by the immediate families (shareholders of the Company) of Koki Okuda, Founder, Representative Director & Group CEO of the Company.
2. The percentages of voting rights, etc. owned are expressed down to the nearest first decimal place.

Notes to per share data

1. Net assets per share	1,264.11 yen
2. Net income per share	174.48 yen

Attached document (8)
Certified Copy of the Accounting Auditors' Report

REPORT OF INDEPENDENT AUDITORS

May 17, 2007

To the Board of Directors of transcosmos inc.

Ernst & Young ShinNihon

Designated and Engagement Partner
Certified Public Accountant
Isao Onda

Designated and Engagement Partner
Certified Public Accountant
Kazuo Ogawa

Designated and Engagement Partner
Certified Public Accountant
Go Nakagawa

Pursuant to Article 444, Paragraph 4 of the Company Law, we have audited the financial statements, that is, the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and the notes to consolidated financial statements of the Company applicable to the 22nd fiscal year from April 1, 2006 to March 31, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to independently express an opinion based on the audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements and the supplementary schedules, assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion. Our audit includes audit procedures for subsidiaries as we considered necessary.

As a result of our audit, it is our opinion that the consolidated financial statements properly present in all material respects the Company's financial position and the results of operations of the group in accordance with accounting standards generally accepted in Japan.

Additional Information
As disclosed in the Change in accounting standards under the Basis of preparation of consolidated financial statements, the Company adopted the "Accounting Standard for Presentation of Net Assets in the Balance Sheet" from the current consolidated fiscal year.

Our firm and engagement partners have no interest in the Company that must be disclosed pursuant to the provisions of the Certified Public Accountants Law.

The above represents a translation, for convenience only, of the original report issued in the Japanese language

Attached document (9)
Certified Copy of the Accounting Auditors' Report

REPORT OF INDEPENDENT AUDITORS

May 17, 2007

To the Board of Directors of transcosmos inc.

Ernst & Young ShinNihon

Designated and Engagement Partner
Certified Public Accountant
Isao Onda

Designated and Engagement Partner
Certified Public Accountant
Kazuo Ogawa

Designated and Engagement Partner
Certified Public Accountant
Go Nakagawa

Pursuant to Article 436, Paragraph 2, Item 1 of the Company Law, we have audited the financial statements, that is, the balance sheet, the statement of income, the statement of changes in net assets, the notes to financial statements, and the supplementary schedules of the Company applicable to the 22nd fiscal year from April 1, 2006 to March 31, 2007. These financial statements and the supplementary schedules are the responsibility of the Company's management. Our responsibility is to independently express an opinion on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements and the supplementary schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and the supplementary schedules, assessing the accounting policies used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion. Our audit includes audit procedures for subsidiaries as we considered necessary.

As a result of our audit, it is our opinion that the financial statements and the supplementary schedules properly present in all material respects the Company's financial position and the results of operations of the group in accordance with accounting standards generally accepted in Japan.

Our firm and engagement partners have no interest in the Company that must be disclosed pursuant to the provisions of the Certified Public Accountants Law.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Attached document (10)
Certified Copy of the Audit Report concerning the Consolidated Financial Statements of the Board of Statutory Auditors

AUDIT REPORT OF STATUTORY AUDITORS

The Board of Statutory Auditors, having deliberated the issues based on the reports made by each Statutory Auditor concerning the methods and results of their audit of the business activities of the directors for the 22nd fiscal term from April 1, 2006 to March 31, 2007, prepared this Audit Report and hereby submits it as follows:

1. Outline of auditing method applied by the Statutory Auditors and the Board of Statutory Auditors:

The Board of Statutory Auditors established the auditing policies and the audit plan for the term under review, received reports and explanations regarding the status of audits and the results thereof from each Statutory Auditor, as well as reports and explanations regarding the status of the execution of duties from the Directors and Accounting Auditor, and requested explanation as necessary.

In accordance with the auditing standards for Statutory Auditors determined by the Board of Statutory Auditors and the auditing policies and the audit plan for the term under review, each Statutory Auditor endeavored to collect information and established auditing circumstances through communication with internal audit staff and other employees, and attended the Board of Directors' meeting and other important meetings to receive reports regarding performance of duties from directors and employees and requested explanations as necessary. Each Statutory Auditor also inspected the significant approved documents and examined the status of operations and conditions of assets at its head office and principal offices.

Each Statutory Auditor monitored and verified the resolutions adopted by the Board of Directors s regarding the establishment of the system for ensuring that the directors' duties are performed in conformity of laws, regulations and the Articles of Incorporation of the Company, and the establishment of the system necessary to ensure proper business operations of the company set forth in Items 1 and 3 of Article 100 of Enforcement Regulations of the Company Law, and the systems (Internal Control System) established in accordance with the resolution of the Board of Directors. Statutory Auditors received from subsidiaries their business reports as necessary through communication and information sharing with their directors and statutory auditors. Statutory Auditors also reviewed the basic policy stipulated in Item 1, Article 127 of the Enforcement Regulations for the Company Law and the activities stipulated in Item 2 of the same Article which are described in the business report, based on the deliberations at the meetings of the Board of Directors and other meetings.. In accordance with the procedures mentioned above, we reviewed the business reports and supplementary schedules for the year ended on March 31, 2007.

Further, Statutory Auditors monitored and verified that Accounting Auditor maintains independence and conduct the audits appropriately. Each Statutory Auditor also received reports of the status of the execution of duties from Accounting Auditor and requested explanation as necessary. In addition, we were informed of the arrangement of the "System for ensuring that the duties are performed appropriately" (matters stipulated in the items of Article 159 of the Corporate Calculation Regulations in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council, October 28, 2005)) from the Accounting Auditor and requested explanations as necessary. In accordance with the procedures mentioned above, we reviewed the financial statements (the balance sheet, statement of profit and loss, statement of changes in net assets and notes to the financial statements), and the supplementary schedules, as well as the consolidated financial statements (the consolidated balance sheet, consolidated statement of profit and loss, consolidated statement of changes in net assets and notes to the consolidated financial statements), and the supplementary schedules, for the year ended on March 31, 2007.

2. Results of Audit

(1) Results of audit of business report
1) The business reports and supplementary schedules present fairly the financial condition of the Company in conformity with related laws, regulations, and the Articles of Incorporation of the Company;

2) Regarding the performance of duties by Directors, there were no instances of misconduct or material matters in violation of laws, regulations, nor the Articles of Incorporation of the Company; and

3) Resolution of the Board of Directors regarding the internal control system is fair and reasonable. There are no matters requiring additional mention regarding such internal control and the execution of duties by Directors.

4) There are no matters to be pointed out with respect to the basic principles on those who shall control the decision of the Company's financial and operational policies described in the business reports. Activities stipulated in Item 2, Article 127 of the Enforcement Regulations for the Company Law, which are described in the business reports, are in line with such basic principles, unharmful to common interest of shareholders, and not intended to maintain the positions of Directors or Statutory Auditors of the Company.

(2) Results of audit of financial statements and supplementary schedules

The auditing methods and results of the Accounting Auditor, Ernst & Young ShinNihon, are fair and reasonable.

(3) Results of audit of consolidated financial statements and supplementary schedules

The auditing methods and results of the Accounting Auditor, Ernst & Young ShinNihon, are fair and reasonable.

May 17, 2007

Board of Statutory Auditors of transcosmos inc.

Standing Statutory Auditor Yoshiharu Uenoyama
Statutory Auditor Teruyuki Hiiro
Statutory Auditor Kazushi Watanabe
Statutory Auditor Toshiaki Nakamura

Reference Documents for the Annual General Meeting of Shareholders

1. Proposals and references

Proposal No. 1: Appropriation of Surplus for the 22nd Fiscal Term

Year-end dividend

With regard to year-end dividends, management proposes to pay a dividend as follows, pursuant to a dividend distribution policy that lays importance on a dividend payout ratio linked to business results.

(1) Allotment of dividends to shareholders, and the total allotment amount

¥40 per share of common stock Total amount ¥1,705,462,920

(2) Effective date of distribution of surplus

June 27, 2007, Wednesday

Proposal No. 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

(1) The services listed under the article on the purposes of the business of the Company have been extended as a result of the new focus on call centers services, contract services using the Internet, and data entry services. Some of these services are redundant, however. In addition, in light of the Company's aim to newly extend the marketing channel in response to a variety of deregulatory changes and to smoothly consolidate the businesses in which the Company has invested, new services will be added and service contents will be newly arranged and consolidated. (Proposed Amendments Article 2)

(2) The Company determines Representative Directors and Executive Directors by resolution of the Board of Directors, and furthermore appoints Executive Officers and Operating Officers in order to clarify their management responsibility and operating responsibility. For the Operating Officers, arrangement of wording will be made to respond speedily to the changing economic conditions. (Proposed Amendments Article 24)

(3) In line with the inclusion of the above new articles, necessary improvements will be made.

2. Contents of the Amendments

(Note: Underlined parts are amended. In case that change in original Japanese text does not effect a substantial change in the meaning, no change is made in the English translation.)

Existing Articles of Incorporation	Proposed Amendments
CHAPTER I. GENERAL PROVISIONS	CHAPTER I. GENERAL PROVISIONS
Article 1. (Omitted)	Article 1. (Unchanged)
(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses.	(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses.
1. Development, operations, sale, lease, and export and import of a variety of software applications relating to telecommunication services and telecommunication networks such as the Internet, the development of large-scale network systems, and value-added telecommunication networks;	1. Development, operation, sale, lease, and export and import of a variety of software applications, websites, and online games relating to telecommunication services and telecommunication networks such as the Internet, the development of large-scale network systems, and value-added telecommunication networks;
2. (Omitted)	2. (Unchanged)
3. Mail order services and sales agency services using telecommunication channels such as the Internet, cable televisions, and telecommunication satellites;	3. Mail order services and sales agency services using telecommunication channels such as the Internet, cable televisions, and telecommunication satellites, and services to deliver sounds, images, etc.;
4. Services to deliver sounds, images, etc. using telecommunication channels such as the Internet, cable televisions, and telecommunication satellites;	(Deleted)
5. Handling of a variety of advertisements, and projects, production, and sale relating to advertisement expressions;	4. Handling of a variety of advertisements, projects, production, sale, and export and import relating to advertisement expressions, including advertisements, press releases, public relations announcements, etc. disseminated via newspapers, magazines, broadcasting media, movies, outdoor displays, displays in transportation environments, direct mail, Internet, and all other channels;
(New)	5. Market surveillance and advertisement services;
(New)	6. Project, planning, and production services for sales promotion;
(New)	7. Project, production, administration, and sale of software for images and software for voice;
6. Storage and user authoring services of data by cryptosystem;	8. Storage and user authoring services of data by cryptosystem and electronic settlement services;
7. Electronic settlement services;	(Deleted)
8. Development, administration, sale, lease, and export and import of hardware and software related to computers;	9. Development, administration, sale, lease, and export and import of hardware and software related to computers;
9. Development, administration, sale, lease, and export and import of databases of characters, figures, images, models, etc.;	10. Development, administration, sale, lease, and export and import of databases of characters, figures, images, models, etc.;
10. Provision of design technologies for semi-conductors;	11. Provision of design technologies for semiconductors;
11. Project, production, sale, and export and import of content, including sounds and images related to records, music tapes, compact discs, laser discs, videotapes, distal video discs, publications, and printed matter;	(Deleted)
12. to 14. (Omitted)	12. to 14. (Unchanged)

Existing Articles of Incorporation	Proposed Amendments
15. Contract computation services using computer systems;	15. Contract computation services using computer systems, contract production services for the entry of computer data files, and contract operations and administration services for computer rooms;
16. Contract production services for the entry of computer data files;	(Deleted)
17. Contract operation and administration services for computer rooms;	(Deleted)
18. Consultation, surveillance, research, publishing, technical guidance, and information-provision services relating to or incidental to the above 1 to 17;	16. Manufacturing, sale, export and import, and leasing services for office automation equipment, office appliances, and computer peripherals;
(New)	17. Development and operation of mobile content; contract development, contract administration; delivery of licenses; delivery of mobile advertisements;
(New)	18. Projects, production, sale, and export and import of character goods;
(New)	19. Invitations and management of artists, authors, musicians, reporters, newscasters, actors, chairpersons, etc., both domestically and overseas;
(New)	20. Lines reselling services as a second class telecommunication carrier under the Telecommunication Business Law;
19. Sale and leasing services for office automation equipment and office appliances;	21. Consultation, surveillance, research, publishing, technical guidance, and information-provision services relating to or incidental to the above 1 to 20;
20. Manufacturing, sale, and export and import of computer peripherals;	(Deleted)
21. Design, execution, and administration of construction works (including accessory works);	22. Design, execution, and administration of construction works (including accessory works) and telecommunication works;
22. Execution of telecommunication works and electrical works;	(Deleted)
23. (Omitted)	23. (Unchanged)
24. Travel agency services;	24. Travel agency services and bank agency business (*ginko dairigyo*);
25. (Omitted)	25. (Unchanged)
26. (Omitted)	26. (Unchanged)
27. Fee-charging employment agency business;	27. Fee-charging employment agency business and worker dispatch business;
28. Worker dispatch business;	(Deleted)
29. Antique dealing;	28. Antique dealing;
30. Bank agency business (*ginko dairigyo*);	(Deleted)
(New)	29. Sale or agency services for pharmaceuticals; and
(New)	30. Sale or mediation services for alcoholic beverages.
31. (Omitted)	31. (Unchanged)
Article 3. to Article 23. (Omitted)	Article 3. to Article 23. (Unchanged)
(Representative Director and Executive Director) Article 24. (Omitted) 2. (Omitted) 3. (Omitted)	(Representative Director and Executive Director) Article 24. (Unchanged) 2. (Unchanged) 3. (Unchanged)

Existing Articles of Incorporation	Proposed Amendments
4. The Chief <u>Financial</u> Officer <u>(CFO)</u> may be elected by resolution of the Board of Directors of the Company from among the Directors. Article 25. to Article 41. (Omitted)	4. The Chief <u>Operating</u> Officer may be elected by resolution of the Board of Directors of the Company from among the Directors <u>in accordance with the operations to be executed</u>. Article 25. to Article 41. (Unchanged)

Proposal No. 3: **Election of Eleven Directors**
The term of office of all the Directors will expire at the conclusion of this Meeting. It is proposed that eleven Directors be elected.
The candidates for Directors are as follows:

Candidate Number	Name (Date of Birth)	Career summary, position and representation of other companies		Number of Company shares held
1	Koki Okuda (January 9, 1937)	June 1966	Established Maruei Keisan Center Kabushiki Kaisha	7,478,800 shares
		December 1974	President, Representative Director of Kabushiki Kaisha Kansai Maruei Keisan Center	
		June 1975	President, Representative Director of Wakayama Maruei Keisan Center Kabushiki Kaisha	
		November 1978	President, Representative Director of Kabushiki Kaisha Input Research Institute	
		January 1982	President, Representative Director of Gunma Maruei Keisan Center Kabushiki Kaisha	
		April 1982	President, Representative Director of Kabushiki Kaisha Maritec	
		June 1984	Board member of Japan Information Technology Services Industry Association	
		June 1985	President, Representative Director of the Company	
		May 1997	President, Representative Director of J-Stream Inc.	
		June 1998	Chairman, Representative Director of the Company	
		December 1999	President, Representative Director of eVentures Inc.	
		September 2002	Chairman, Representative Director & Group CEO of the Company	
		June 2003	Founder, Representative Director & Group CEO (present post)	

Candidate Number	Name (Date of Birth)	Career summary, position and representation of other companies		Number of Company shares held
2	Koji Funatsu (March 18, 1952)	April 1981 December 1995 April 1998 June 1998 June 1999 April 2000 November 2000 April 2001 April 2002 September 2002 June 2003	Joined RECRUIT CO., LTD. Director of Recruit Hokkaido Jalan Co., Ltd. Joined the Company, General Manager of Business Planning & Development Division Managing Director Senior Managing Director, Assistance in Overseas Business Control Vice President, Representative Director, in charge of Marketing and Consulting Divisions, in charge of each Business Divisions In charge of Business Control Division (present post) In charge of Business Strategy Division and Human Resources Division CEO of Business Control Division & in charge of Human Resources President, Representative Director & CEO Chairman, Representative Director & CEO (present post)	25,200 shares
3	Osamu Goto (December 2, 1942)	April 1965 May 1972 January 1974 July 1986 October 1992 April 2000 June 2003 May 2004 June 2004	Joined NCR Japan, Ltd. Joined Kawasaki Gakuen (school juridical person) Joined C. Itoh Data Systems Corp. Joined ITOCHU TECHNO-SCIENCE Corporation (present ITOCHU Techno-Solutions Corporation) President, Representative Director of CTC FINANCIAL ENGINEERING Corporation (present ITOCHU Techno-Solutions Corporation) President, Representative Director of ITOCHU TECHNO-SCIENCE Corporation (present ITOCHU Techno-Solutions Corporation) Adviser of ITOCHU TECHNO-SCIENCE Corporation Special Advisor of the Company Vice President, Director (present post)	0 shares

Candidate Number	Name (Date of Birth)	Career summary, position and representation of other companies		Number of Company shares held
4	Masataka Okuda (March 29, 1967)	April 1988	Joined the Company	5,910,368 shares
		June 1996	Director, Deputy General Manager of Marketing Division	
		June 1998	Managing Director, Chief of Office of President	
		April 2000	Vice President, Representative Director, Chief of Business Planning & Development, Deputy Chief of Overseas Business Division	
		December 2000	Representative Director of Ask Jeeves Japan Co., Ltd.	
		April 2001	Chief of Office of President & Business Promotion Division, Deputy Chief of Overseas Business Division, Deputy Chief of Accounting & Finance Division & Maintenance Services Division of the Company	
		April 2002	CEO of Business Development Division	
		June 2002	Representative Director of eVentures Inc. (present post)	
		September 2002	Vice President, Representative Director & COO of the Company	
		January 2003	Representative Director of IBR Inc. (present post)	
		June 2003	President, Representative Director & COO of the Company (present post)	

Candidate Number	Name (Date of Birth)	Career summary, position and representation of other companies	Number of Company shares held
5	Koichi Iwami (January 10, 1967)	April 1993 Joined Ajinomoto Co., Inc. March 2001 Joined the Company June 2002 Director, Deputy General Manager of Business Development Division October 2002 Deputy General Manager of Service Marketing Division No. 1, Deputy General Manager of Service Marketing Division No. 2 , Marketing Chain Management Services, and Deputy General Manager of Web Solutions Business June 2003 Managing Director, General Manager of Services Business Division, Marketing Chain Management Services April 2004 Deputy Chief of Services Division & Chief of Marketing Chain Management Services June 2004 Corporate Executive Officer September 2004 President, Representative Director of BPS, Inc. (present post) March 2005 Chairman of transcosmos Information system (Shanghai) Co., Ltd. (present post) President, Representative Director of transcosmos CRM Okinawa Inc. (present post) President, Representative Director of transcosmos CRM Sapporo Inc. (present post) President, Representative Director of transcosmos CRM Miyazaki Inc. (present post) President, Representative Director of transcosmos CRM Wakayama Inc. (present post) April 2005 Chief of Marketing Chain Management Services of the Company June 2005 Senior Managing Director August 2005 Chairman of transcosmos MCM Shanghai Co., Ltd. (present post) February 2006 President, Representative Director of CIC Korea, Inc. (present post) President, Representative Director of transcosmos MCM Korea Co., Ltd. (present post) June 2006 Executive Vice President, Director of the Company (present post) March 2007 Representative Director of Organic Trend International Corporation April 2007 In charge of the Digital Marketing Services Sector, Call Center Services Sector, Business Process Outsourcing Services Sector, Business Process Solution Services Division, Engineering Solution Business Division, Overseas Business Division, and China Offshore Developing Services Department of the Company (present post)	0 shares

Candidate Number	Name (Date of Birth)	Career summary, position and representation of other companies	Number of Company shares held
6	Shojiro Takashima (January 13, 1936)	April 1958 Joined Nihon Keisanki Hanbai Kabushiki Kaisha November 1964 Joined IBM Japan, Ltd. January 1993 Vice President, Representative Director of Sumitomo Metal Information Systems Corporation (present CANON SYSTEM SOLUTIONS INC.) October 2001 Adviser of the Company June 2002 Director, in charge of Business Operations and Business Promotion October 2002 Development Services Division April 2003 General Manager of Support Desk Services Business April 2004 Senior Managing Director, Chief of Marketing Division (present post) June 2005 Executive Vice President, Director (present post)	3,400 shares
7	Masakatsu Moriyama (May 21, 1970)	April 1993 Joined Pricewaterhouse Consultant (present IBM Japan, Ltd.) February 1997 Joined Gemini Consulting Japan Inc. (present Booz Allen Hamilton Inc.) August 1999 Joined Arthur D. Little (Japan), Inc. June 2000 Joined the Company April 2001 In charge of corporate strategy, Office of President April 2002 General Manager of Corporate Planning Division June 2002 Director June 2003 Managing Director June 2004 Corporate Executive Officer, Chief of Business Operations Division & General Manager of Business Planning Division September 2004 Executive Officer, in charge of Strategy Planning & General Manager of Fund Investment Incubation of SBI Investment Co., Ltd. April 2005 Corporate Executive Officer & CIO, in charge of Personnel Planning of the Company June 2005 Senior Managing Director & CIO, in charge of Personnel Planning (present position), President, Representative Director of transcosmos inc. & TEAM LAB Inc. (present TEAM LAB BUSINESS DEVELOPMENT Inc.) (present position) September 2005 Senior Managing Director & CIO, in charge of Personnel Planning, General Manager of BtoC Business Development Division of the Company (present post) November 2005 President, Representative Director of Listen Japan, Inc. (present post) March 2007 Representative Director of Co-Core Inc. (present post) April 2007 Senior Managing Director& CIO, in charge of the General Manager of BtoC Business Development Division & the General Manager of the Human Resources Division (present post)	2,000 shares

Candidate Number	Name (Date of Birth)	Career summary, position and representation of other companies		Number of Company shares held
8	Shinichi Nagakura (January 7, 1964)	March 1986 June 1998 August 2002 June 2004 June 2005 September 2005 June 2006	Joined RECRUIT CO., LTD. Joined the Company, assumed post at Trans Cosmos USA, Inc. (present Transcosmos Investments & Business Developments, Inc.) Director of Trans Cosmos USA, Inc. Corporate officer, General Manager of Service Development Division of the Company, Director of transcosmos U.S.A. Inc. (present Transcosmos Investments & Business Development, Inc.) (present post) Corporate Senior Officer, in charge of group strategy Corporate Executive Officer, General Manager of Business Development & Investments Senior Managing Director, in charge of Business Development & Investment Division (present post)	0 shares
9	Taiki Yoshioka (September 16, 1940)	April 1963 July 1995 April 1997 April 1999 July 2001 April 2002 January 2003 June 2005 January 2006	Joined SUMITOMO LIFE INSURANCE COMPANY Director, General Manager of Saitama Business Development Division of SUMITOMO LIFE INSURANCE COMPANY Managing Director, General Manager of Corporate Division No. 2, Tokyo Head Office of SUMITOMO LIFE INSURANCE COMPANY Senior Managing Director of SUMITOMO LIFE INSURANCE COMPANY Deputy President & Representative Director of SUMITOMO LIFE INSURANCE COMPANY Deputy President & Director, Executive Officer & Executive Vice President of SUMITOMO LIFE INSURANCE COMPANY Chairman of the Board of SUMISEI COMPUTER SERVICE Co., Ltd. Outside Director of the Company (present post), Chairman of the Board of HiSoft Technology Japan Chairman of the Board of CIJ Solutions, Ltd.	0 shares

Candidate Number	Name (Date of Birth)	Career summary, position and representation of other companies		Number of Company shares held
10	Kichiro Takao (December 23, 1934)	March 1958	Joined Nikko Securities Co., Ltd. (present Nikko Cordial Corporation)	0 shares
		March 1975	Manager of Wakayama Branch of Nikko Securities Co., Ltd.	
		December 1982	Director, General Manager of Corporate Business Division No. 1, Osaka Branch of Nikko Securities Co., Ltd.	
		November 1985	Managing Director, in charge of Osaka area & Manager of Osaka Branch of Nikko Securities Co., Ltd.	
		August 1988	Senior Managing Director, in charge of Marketing & Planning of Nikko Securities Co., Ltd.	
		May 1990	Vice President of Nikko Securities Co., Ltd.	
		June 1991	President of Nikko Securities Co., Ltd.	
		October 1997	Adviser of Nikko Securities Co., Ltd.	
		June 2000	Statutory Auditor of NIPPON DENTSU CO., LTD. (present post)	
		October 2001	Adviser of Nikko Cordial Corporation	
		June 2006	Outside Director of the Company (present post)	
11	Yoko Kamiyama (October 1, 1947)	April 1970	Joined LION-SHA CORPORATION	0 shares
		September 1970	Joined Japan Recruit Center (present Recruit Co., Ltd.)	
		August 1985	Director of Recruit Co., Ltd.	
		June 1997	Standing Auditor of RECRUIT CO., LTD.	
		June 2003	Outside Director of PIA Corporation	
		July 2003	Representative Director of Genbar Ltd. (present post)	
		December 2003	Director & General Manager of Publishing Division, PIA Corporation	
		June 2006	Outside Director of the Company (present post)	

Notes: 1. No conflict of interest exists between the Company and any of the above candidates for Directors.

2. Taiki Yoshioka, Kichiro Takao and Yoko Kamiyama are candidates for Outside Directors as stipulated in Article 2, Paragraph 3, Item 7 of the Enforcement Regulations of the Company Law.

3. Reasons for the election of candidates for Outside Directors and reasons why the Company considers the offices of Outside Directors to be performed appropriately
Taiki Yoshioka, Kichiro Takao, and Yoko Kamiyama have ample experience, track histories of performance, and knowledge, including knowledge and experience in corporate management, and are also in objective positions amenable to the execution of operations independently of our management team. We consider that their presence will be highly conducive to the management of the Company. Therefore, we nominate them for election as Outside Directors.

4. Agreements on the Limited Liability of Outside Directors
The Articles of Incorporation of the Company stipulate that the Company may enter into an agreement with an Outside Director to limit the liability of the Outside Director for damages to the maximum amount of liability to be predetermined, the amount of which shall be either an amount not less than ¥1 million or the amount provided for in laws and regulations, whichever is higher. As a result, upon approval of election of Taiki Yoshioka, Kichiro Takao, and Yoko Kamiyama, the Company will enter into agreements on the limited liability of Outside Directors.

5. Years for which the candidates for Outside Directors are to take office as Outside Directors:
1) The term of office of Taiki Yoshioka, an Outside Director, shall be two years from the conclusion of this Annual General Meeting of Shareholders.
2) The term of office of Kichiro Takao, an Outside Director, shall be one year from the conclusion of this Annual General Meeting of Shareholders.
3) The term of office of Yoko Kamiyama, an Outside Director, shall be one year from the conclusion of this Annual General Meeting of Shareholders.

Proposal No. 4: Election of One Statutory Auditor

Statutory Auditor, Uenoyama Yoshiharu, will resign at the conclusion of this Meeting. Accordingly, election of the following one Statutory Auditors is proposed.
The candidate for Statutory Auditor is as follows.
The Board of Statutory Auditors has previously given its approval to this proposal.

Candidate Number	Name (Date of Birth)	Career summary, position and representation of other companies		Number of Company shares held
1	Mitsuo Ishii (August 18, 1941)	April 1966	Joined CEMEDINE CO., LTD.	8,800 shares
		December 1990	Joined the Company	
		June 1992	Accounting Manager of Maintenance Services Division	
		June 1993	Director	
		June 1994	General Manager of Maintenance Services Division & Administrative Manager	
		June 1995	Managing Director, General Manager of Management Services Division	
		March 1996	Representative Director	
		June 1999	Statutory Auditor of transcosmos CRM Inc. (present transcosmos CRM Okinawa Inc.)	
		April 2000	General Manager of Accounting & Finance Division of the Company	
		June 2000	Statutory Auditor of C-Three Inc.	
		April 2001	Deputy Chief of Accounting & Finance Division of the Company	
		June 2001	Statutory Auditor of TRANS WELNET Inc.	
		April 2002	Assistance and in charge of Accounting & Finance Division	
		June 2002	In charge of Operating Audit, Vice President & Representative Director of Mac Interface Co., Ltd. (present APPLIED TECHNOLOGY CO., LTD.)	
		January 2005	Senior Managing Director, in charge of Maintenance Division of the Company	
		January 2006	Director, General Manager of Maintenance Division	
		March 2006	Standing Statutory Auditor (present post)	
		January 2007	Statutory Auditor of TransCosmos Technologies Inc. (present post)	

Note: 1. No conflict of interest exists between the Company and the above candidate for Statutory Auditor.

Proposal No. 5: Payment of Bonuses to Directors

It is proposed to provide bonuses of ¥16 million in the aggregate to six Directors, taking into consideration the consolidated operating results and other factors of the 22nd fiscal term.