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Securities Code: 9715

June 4, 2009

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 24th ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 24th 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 24, 2009 (Wednesday).

1. Date and Time: 10:00 a.m., Thursday, June 25, 2009

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 24th Fiscal Term (from April 1, 2008 to March 31, 2009)
 2. Financial Statements for the 24th Fiscal Term (from April 1, 2008 to March 31, 2009)

Proposals to be resolved:

- Proposal No. 1:** Partial Amendment to Articles of Incorporation (No. 1)
Proposal No. 2: Partial Amendment to Articles of Incorporation (No. 2)
Proposal No. 3: Gratis Allotment of Stock Acquisition Rights for Takeover Defense Measures
Proposal No. 4: Election of Ten Directors
Proposal No. 5: Election of Four Statutory Auditors
Proposal No. 6: Election of One Substitute Statutory Auditor

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 Electronic Exercise of Voting Rights (via the Internet, etc.)

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 24, 2009 (Wednesday). 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, 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 Electromagnetic Exercise of Voting Rights (via the Internet, etc.)

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 SP2 (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 128bit SSL 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; within Japan only)
Request for forms and other inquiries:	(Toll free) 0120-176-417 (Weekdays 9 a.m. - 5 p.m.; within Japan only)

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., founded by Tokyo Stock Exchange Group, Inc., may use the TSE Platform as an alternative to the conventional method of online voting described above.

Attached document (1)

BUSINESS REPORT
(from April 1, 2008 to March 31, 2009)

1. Business Overview of the Group

(1) Progress and Results of Operations

In the first half of the fiscal year ended March 31, 2009, concern about the slowdown of Japan's economy grew due to steep increases in energy and resource prices following the rise in crude oil prices. In the latter half, Japan's economy plunged into a business downturn at a rapid pace because of the global financial crisis originating in the U.S. The Nikkei Stock Average declined to the 6,000 range at one stage for the first time since October 1982 and companies saw their earnings drop one after another, with the number of failures among listed companies standing at one of the highest levels since World War II. Uncertainty over the future of the economy remains, as exemplified by significant cooling-off of consumer spending following a marked aggravation of the employment environment, characterized by large-scale personnel cuts by many companies, mainly manufacturers. Though such emerging countries as China and India could continue to grow, their economic growth slowed down. Industrialized countries, including the U.S. and European nations, expect their economy to contract. Thus, economic misgivings are expanding globally.

Under such business environment, the Group announced revised earnings projections in December 2008, since its results were projected to be below the initial projections due in part to a rapid appreciation of the yen and deterioration of the economy in addition to sluggish stock markets.

However, the CRM outsourcing market, to which the business of the Group is related, remained robust thanks to new outsourcing needs, aimed at improvement of management efficiency and reduction of cost, among companies which need to speed up their profitability improvement.

As a result, consolidated net sales for the year ended March 31, 2009 amounted to 166,291 million yen, up 0.9% year on year. Consolidated operating income amounted to 59 million yen, down 98.6% compared with the previous term, and consolidated ordinary loss totaled 1,193 million yen compared to the ordinary income of 3,677 million yen for the previous term, mainly due to up-front investments for the enhancement of competitiveness for the future and the posting of an operating loss in the corporate venture capital business. The Company posted a net profit of 2,201 million yen compared with a net loss of 3,139 million yen for the previous term attributable to tax effects relating to a tax deficit and a decrease in income taxes—deferred of 5,028 million yen.

Operating results by segment

Information services business

Sales grew 3.5% year on year to 164,543 million yen in the information services business. This increase was attributable to relatively robust orders received in our core field of call center services sector as the economic environment rapidly worsened. Operating income decreased 0.8% year on year to 10,216 million yen as a result of a reinforcement of personnel resources for enhancement of future competitiveness and up-front investments in facilities and equipment proactively made from the latter half of the previous term.

Corporate venture capital business

Sales in the corporate venture capital business decreased 70.1% compared with the previous term to 1,748 million yen due to decreased sales of shares held by the Company because of sluggish stock markets. An operating loss of 4,863 million yen (versus an operating income of 15 million yen in the previous term) was posted due to impairment of shares held by the Company.

Operating results by geographic segment

In Japan, business in the information services business grew steadily, resulting in 4.1% growth in sales year on year to 154,460 million yen. Operating income decreased 32.4% year on year to 7,219 million yen mainly because of impairment of shares held by the Company in the corporate venture capital business.

In the U.S., sales decreased 31.0% year on year to 1,643 million yen due to decreased sales of shares held by the Company in the corporate venture capital business. An operating loss of 2,192 million yen (compared with an operating loss of 911 million yen in the previous term) was posted as a result of impairment of shares held by the Company in the business.

In Asia, sales decreased 27.1% year on year to 10,188 million yen due in part to the impact of foreign exchange fluctuations. Operating income decreased to 216 million yen, down 65.6% year on year.

(2) Issues to Be Addressed

Conditions impacting the Japanese economy worsened during the fiscal year ended March 31, 2009. For example, the Nikkei Stock Average declined to the 6,000 range at one stage for the first time since October 1982 due to the global financial crisis; companies saw their earnings decrease one after another; and the number of failures of listed companies reached one of the highest levels since World War II. The impact of these economic trends must be considered as risk factors in the management of the Company. Meanwhile, the environment in which the Company operates is changing along with the business strategies of its clients, who are speeding up recovery efforts. Clients have replaced the *in-sourcing philosophy* of “owning and effecting all functions in-house” for an *outsourcing philosophy* where they “concentrate managerial resources on their core competency while outsourcing peripheral tasks to specialized companies based on efficiency and speed considerations.” While the Company can expect this change in the business environment to bring new opportunities for expanded orders, we recognize that creating, maintaining and providing high value-added outsourcing services that strengthen our corporate competitiveness is an important managerial issue. To achieve this, we will improve our service menu to expand sales and reduce costs at client companies, promote efficiency in marketing and enhance customer satisfaction in the areas of call center services, business process outsourcing services, business process solution services, digital marketing services, and more.

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 corporate value, and to contribute to the progress of our shareholders, client companies, employees, and society by growing our group businesses.

(3) Status of Fundraising

The Company raised funds of 4,210 million yen by means of long-term borrowings from financial institutions as funds required by the Group.

The Company issued the first unsecured bonds worth 2,500 million yen on July 4, 2008 and the second unsecured bonds worth 2,000 million yen on August 20, 2008.

(4) Status of Capital Investment

There is nothing significant to be noted during the current fiscal year.

(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

The Company acquired all the businesses of BPS Inc. at a transfer price of 333 million yen on February 1, 2009.

(7) Succession of Rights and Duties of Other Institutions 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) Business Results and Summary of Assets of the Group

	FY 2006 (21 st Fiscal Term)	FY 2007 (22 nd Fiscal Term)	FY 2008 (23 rd Fiscal Term)	FY 2009 (24 th Fiscal Term)
Net sales (millions of yen)	106,468	141,489	164,771	166,291
Ordinary income (millions of yen)	6,687	7,289	3,677	(1,193)
Net income (loss) (millions of yen)	6,669	7,369	(3,139)	2,201
Net income (loss) per share (yen)	297.94	171.38	(74.37)	55.75
Total assets (millions of yen)	88,293	96,380	97,098	88,092
Net assets (millions of yen)	58,365	59,070	49,760	39,560
Net assets per share (yen)	2,612.93	1,232.42	1,047.98	871.39

Notes:

1. Net income per share is calculated by deducting the average number of treasury shares in each fiscal term from the average number of shares issued in each fiscal term. Net assets per share are calculated by deducting the number of treasury shares as of end of the term from the number of issued shares as of end of the term.
2. 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:

	FY2006 (21 st Fiscal Term)
Net income per share:	148.97 yen
Net assets per share:	1,306.46 yen

3. From the 22nd fiscal term, the Company has adopted the “Accounting Standard for Presentation of Net Assets in the Balance Sheet” (Accounting Standards Board of Japan (ASBJ) Statement No. 5, December 9, 2005) and the “Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet” (ASBJ Guidance No. 8, December 9, 2005). Amount equivalent to the previous Total Shareholders’ Equity is as follows.

22 nd fiscal term:	52,546 million yen
23 rd fiscal term:	42,958 million yen
24 th fiscal term:	34,253 million yen

(10) Major Status of Parent Company and Subsidiaries

1) Relationship with the parent company

Not applicable.

2) Major subsidiaries

Name	Common stock	Ratio of voting	Principal business
J-Stream Inc.	2,182 million yen	44.6%	Data distribution service business using the Internet
DoubleClick Japan Inc.	1,883 million yen	64.1%	Solution services business in Internet advertising
APPLIED TECHNOLOGY CO., LTD.	1,205 million yen	60.2%	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 "Ratio of voting" column are the percentage of indirect ownership by the subsidiaries of the Company.

(11) Principal Business of the Group (As of March 31, 2009)

The Company Group mainly engages in call center services, business process outsourcing services, business process solutions services, digital marketing services, china offshore development services and overseas services.

(12) Principal Business Offices of the Group (As of March 31, 2009)

Offices	Location
Head Office of the Company:	25-18, Shibuya 3-chome, Shibuya-ku, Tokyo
Business Offices etc.:	Osaka, Nagoya, Wakayama, Fukuoka
Call Centers, etc.:	Sapporo, Sendai, Tokyo, Yokohama, Nagoya, Osaka, Wakayama, Fukuoka, Miyazaki, Kumamoto, Okinawa
Overseas Offices:	U.S.A. (New York, Los Angeles), Korea (Seoul), China (Beijing, Shanghai, Tianjin, Dalian, Qingdao, Guangzhou, Suzhou, Shenyang, Benxi), Singapore, Thailand (Bangkok), Philippines (Manila)

(13) Employees (As of March 31, 2009)

1) Employees of the Group

Business Segment	Number of employees	(Number of temporary employees)
Information Services Business	16,474	(17,507)
Corporate Venture Capital Business	107	—
All companies (common)	415	—
Total	16,996	(17,507)

Note: The main factors for increasing the number of employees by 5,113 from the previous fiscal year is a change in the contractual format with respect to some overseas consolidated subsidiaries and the addition of new consolidated subsidiaries.

2) Employees of the Company

Number of employees	Year-on-year change	Average age	Average length of service
8,977 (13,187)	+637 (+3,204)	31 years, 4 months	5 years, 4 months

Note: "Number of employees" refers to the number of employees actually working at the Company. Number of temporary employees is separately indicated in parentheses, which shows the average number in the current fiscal year.

(14) Major Creditors (As of March 31, 2009)

Creditors	Loan Outstanding (in millions of yen)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	6,375
Mizuho Corporate Bank, Ltd.	6,200
Sumitomo Mitsui Banking Corporation	3,559

2. Matters Concerning Shares of the Company (As of March 31, 2009)

- (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: 21,862
(of which 21,624 shareholders hold unit shares)

(4) Major shareholders

Name	Investment in the Company by the Shareholders	
	Number of shares held (thousands of shares)	Equity participation (%)
Koki Okuda	7,498	19.1
Masataka Okuda	5,910	15.0
Mihoko Hirai	2,185	5.6
Okuda Ikueikai, Foundation	1,753	4.5
Japan Trustee Services Bank, Ltd. (Account in Trust 4G)	1,203	3.1
State Street Bank & Trust Co. 505012	1,143	2.9
Japan Trustee Services Bank, Ltd. (Account in Trust 4)	772	2.0
Japan Trustee Services Bank, Ltd. (Account in Trust)	624	1.6
Northern Trust Company (AVFC) Account Non-Treaty	616	1.6
Mellon Bank ABN Amro Global Custody NV	578	1.5

Notes:

1. Number of shares less than one thousand is rounded down to the nearest thousand.
2. Equity participation is rounded off to the nearest first decimal.
3. The Company holds 9,484 thousand shares of treasury stock, which are excluded from the number as basis of calculating equity participation above.

(5) Important Facts Concerning Shares of the Company

The Company established transcosmos Directors' Shareholding Association in February 2009, aiming to avoid insider trading when the Company Directors purchase shares of the Company and to further improve shareholder value and work on the management to increase corporate value through Directors' continuous purchasing and holding of the shares.

3. Matters Concerning the Stock Acquisition Rights, etc. of the Company (As of March 31, 2009)

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

	First Stock Acquisition Rights 2003		First Stock Acquisition Rights 2004		First Stock Acquisition Rights 2005	
	(Persons)	(No. of the rights)	(Persons)	(No. of the rights)	(Persons)	(No. of the rights)
Number of persons holding the Stock Acquisition Rights and the Number of Stock Acquisition Rights						
- Directors (excluding Outside Directors)	5	177	7	132	8	166
- Outside Directors	—		—		1	17
- Statutory Auditors	—		1	2	1	4
Class of shares subject to Stock Acquisition Rights	Common stock		Common stock		Common stock	
Number of shares subject to Stock Acquisition Rights	35,400 shares		26,800 shares		37,400 shares	
Property value to be contributed when the Stock Acquisition Rights are exercised (per share)	1,171 Yen		1,611 Yen		2,270 Yen	
Exercise Period for Stock Acquisition Rights	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, statutory auditor, executive officer, or employee of the Company or of any of the subsidiaries of the Company as of the exercise date of the right.		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 exercise date of the right.		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 exercise date of the right.	

(2) Stock Acquisition Rights Delivered to the Company's Employees During 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 units

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 value of properties to be contributed upon exercise of the Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights are to be in money, 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 July 18, 2006 and ends on 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 (As of March 31, 2009)

(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	
President, Representative Director & COO	Masataka Okuda	Chief Operating Officer
Executive Vice President, Director	Koichi Iwami	Chief of Digital Marketing Services Sector and Administration Department Affiliated Companies Management, Call Center Services Sector, Business Process Outsourcing Services Sector, Business Process Solution Services Division, Overseas Business Division, China Offshore Developing Services Department, MCM Analysis Services Department, Service Planning Division, Special Project Office
Executive Vice President, Director	Shojiro Takashima	In charge of Sales Division
Senior Managing Director	Masakatsu Moriyama	General Manager of BtoC Business Development Division
Senior Managing Director	Shinichi Nagakura	General Manager of Business Development & Investments
Senior Managing Director	Hiroyuki Mukai	Chief of Sales Division
Outside Director	Taiki Yoshioka	
Outside Director	Kichiro Takao	
Outside Director	Yoko Kamiyama	
Outside Director	Takeshi Natsuno	
Standing Statutory Auditor	Hideaki Ishioka	
Outside Statutory Auditor	Teruyuki Hiiro	
Outside Statutory Auditor	Kazushi Watanabe	
Outside Statutory Auditor	Toshiaki Nakamura	

Notes:

1. Directors Taiki Yoshioka, Kichiro Takao, Yoko Kamiyama and Takeshi Natsuno, are Outside Directors.
2. Statutory Auditors Teruyuki Hiiro, Kazushi Watanabe, and Toshiaki Nakamura, are Outside Statutory Auditors.
3. Toshiaki Nakamura, Outside Statutory Auditor, is a certified public tax accountant and possesses considerable expertise and experience in finance and accounting.
4. Apart from the above, Directors who concurrently hold significant positions at other companies are as follows:
 - (1) President, Representative Director & COO, Masataka Okuda, concurrently holds the position of Representative Director of eVentures Inc.
 - (2) Executive Vice President, Director, Koichi Iwami, concurrently holds the positions of Chairman of transcosmos Information system (Shanghai) Co., Ltd., Chairman of transcosmos MCM Shanghai Co., Ltd., Representative Director and President of transcosmos MCM Korea Co., Ltd., and Chairman of Shenyang transcosmos Information System Co., Ltd.
 - (3) Senior Managing Director, Masakatsu Moriyama, concurrently holds the positions of Representative Director of TEAM LAB BUSINESS DEVELOPMENT Inc. and Representative Director of Kabushiki Kaisha Co-Core Inc.
 - (4) Outside Director Yoko Kamiyama concurrently holds the position of Representative Director of Genbar Ltd.

5. Standing Statutory Auditor Mitsuo Ishii retired from office due to resignation at the conclusion of the 23rd Annual General Meeting of Shareholders held on June 25, 2008.
6. Vice Chairman, Director Osamu Goto and Executive Vice President, Director Shojiro Takashima retired from office due to resignation as of March 31, 2009.

(2) Outside Corporate Officers

1) Positions concurrently held as Outside Directors in other companies

Title held in the Company	Name	Name of other companies	Position held in other companies
Outside Director	Kichiro Takao	NIPPON DENTSU Co., Ltd.	Outside Statutory Auditor
Outside Director	Takeshi Natsuno	SEGA SAMMY HOLDINGS INC.	Outside Director
		SBI Holdings, Inc.	Outside Director
Outside Statutory Auditor	Teruyuki Hiio	DoubleClick Japan Inc.	Outside Statutory Auditor
Outside Statutory Auditor	Toshiaki Nakamura	RISO KYOIKU CO., LTD.	Outside Statutory Auditor

2) Status of positions held in other companies as executive officer and relation of said other companies with the Company

Outside Director Takeshi Natsuno concurrently holds the positions of Director of PIA Corporation and Director of DWANGO Co., Ltd., with which the Company has business relationship.

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

The Company provides in its Articles of Incorporation that it may enter into 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 Company, 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 and regulations. The Company has executed the Liability Limitation Agreement with each of Outside Directors Taiki Yoshioka, Kichiro Takao, Yoko Kamiyama and Takeshi Natsuno, and with Outside Statutory Auditors Teruyuki Hiio, Kazushi Watanabe, and Toshiaki Nakamura.

(3) Principal Activities of Outside Corporate Officers

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

Name of Outside Corporate Officers	Position	Attendance at Board of Directors' Meetings and Board of Statutory Auditors' Meetings (Number of times)	Main comments
Taiki Yoshioka	Outside Director	18/19 —	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	17/19 —	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	18/19 —	She has generally given advice and made proposals on matters to be resolved and reported, as necessary, based on her wide knowledge and experience.
Takeshi Natsuno	Outside Director	14/15 —	He has generally given advice and made proposals on matters to be resolved and reported, as necessary, based on his wide knowledge and experience.
Teruyuki Hiiro	Outside Statutory Auditor	19/19 19/19	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	19/19 19/19	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	19/19 19/19	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

Category	Number of Directors and Statutory Auditors paid	Amount paid
Directors (Outside Directors among the above)	12 (4)	250,714 thousand yen (35,548 thousand yen)
Statutory Auditors (Outside Statutory Auditors among the above)	5 (3)	24,048 thousand yen (12,036 thousand yen)
Total	17	274,763 thousand yen

Notes:

1. 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.)
2. 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 LLC

Note: On July 1, 2008, Ernst & Young ShinNihon transitioned to a limited liability company structure becoming Ernst & Young ShinNihon LLC.

(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)	145,000 thousand yen
Total amount of money and other profits from properties to be paid by the Company and its subsidiaries to the Accounting Auditor	263,772 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 Corporation 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 of the Company, 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 non-audit services

The Company entrusts the Accounting Auditor with advisory services concerning the establishment of internal control.

(5) Details of the Liability Limitation Agreement

Not applicable.

(6) 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 Corporation Law, the Certified Public Accountant Law, or any other laws or regulations of Japan, or if there is any considerable doubt therefore, 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 Corporation 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 Execution of Duties by Directors and Other Corporate Structure to Ensure the Properness of Operations

- 1) Corporate structure to ensure legal compliance and compliance with the Articles of Incorporation in the execution 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 execution of duties. The Company will further raise the awareness of all of the Directors on matters of compliance through training and ensure the execution 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 execution of one another's duties. The Statutory Auditors will also participate in the Board Meetings and oversee the execution 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 execution of duties by the Directors

Important decision-making and reports are made in accordance with the Board of Directors Regulations.

Documents related to the execution 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 has built a system 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 execution 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 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 execution of duties by the employees complies with laws and 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 and regulations, and the Articles of Incorporation in the execution of their duties.

Anti-social elements threatening the order and safety of civil society will be approached with a resolute attitude by the organization as a whole and an internal system excluding business and all other relationships with these elements shall be developed based on the Code of Conduct.

The Compliance Department will name an executive officer in charge of the department as the responsible person, and plan for and implement compliance programs regularly. The Company will raise employees' knowledge of 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 internal whistleblowers may easily provide information.

6) System to ensure the properness of operations 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.

The Group periodically holds a Statutory Auditors Group Meeting constituted of Standing Statutory Auditors of the Company and major subsidiaries and takes measures to raise efficiency and effectiveness of audits.

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 audits by the Statutory Auditors will be effectively conducted

The Directors and employees will work to deepen their understanding of the audits by the Statutory Auditors and to improve the environment for the audits 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 will strive to enhance the corporate value of the Company through the following measures, based on its philosophy that "the customer is the priority."

(i) Provision of services to globalizing market

Since the Company launched its business in China in 1995 and entered the system development market (offshore development) providing high quality services at a low cost, it has accelerated the structuring and development of the service system in the global market such as local call center services, digital marketing services, and business process outsourcing services. In preparation for globalization of client needs, the Company will strive to strengthen its global competitiveness by promoting globalization of its core business, i.e., call center services, establishing call center bases in Asia including China, South Korea, Thailand, and the Philippines, and providing global call center services that offer assistance in 10 major languages in Asia.

(ii) Provision of services specific to business categories and operations

The business environment is changing rapidly as indicated in amendments to laws. With the changes in the business environment, needs in outsourcing have diversified and issues specific to each industry sector and business category have been revealed. The Company has adopted an industry-sector-based structure in order to comprehensively respond to diversified needs. The Company secures qualified personnel and technology in each industry sector and business category, and endeavors to improve its service structure to enable it to provide the best services in each industry sector.

(iii) Provision of services with high value-added and high quality in cooperation with Group companies

The Company has not only its original services but also various subsidiaries that are highly specialized in their analytical abilities and technology. The Company will seek to provide high value-added and high quality services by strengthening cooperation with Group companies and creating higher business synergy based on the management ability of the Company's personnel, and strengthen its cost competitiveness with its originality and comprehensive ability.

To strengthen its corporate governance, the term of office of the Company's directors is one year which enables the Company to implement highly transparent and fair management. The Company has appointed thirteen directors, including four independent Outside Directors, which enables tightened supervision of management (Since two directors retired from office due to resignation as of March 31, 2009, the total number of directors now stands at eleven, including four Outside Directors.). In addition, the Company has appointed executive officers so that the Company can make decision in a timely manner to promptly respond to changes in the business environment. The Board of Statutory Auditors of the Company consists of four Statutory Auditors, including three Outside Statutory Auditors, who attend all important meetings including meetings of the Board of Directors, audit the Company and its subsidiary in Japan and overseas.

b) Measures to prevent inappropriate person from controlling the Company in the light of the basic policy

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's 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's 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.

These Stock Acquisition Rights, if a Trigger Event occurs in connection with an acquisition by a certain party or parties, shall not be exercisable if non-existence of the rationale 1) through 5) below concerning the subject acquisition, or if exercising the Stock Acquisition Rights is not appropriate in relation with the rationale, even if any of the rationale exists. Whether the conditions described above have been met, or not, shall be determined in accordance with the procedures set forth in the Rules of the Stock Acquisition Rights.

- 1) There is a concern that the actions described below will clearly result in damage to the Company's corporate value or the common interests of its shareholders
 - a) Buying up the Company's shares and demanding that the Company repurchase them at an unduly high price.

- b) Temporarily controlling the Company and acquiring its significant assets, etc. at bargain prices or engaging in other such actions that benefit the acquirer at the expense of the Company.
 - c) Using the Company's assets to secure or repay the debts of the acquirer, its group companies, or other entities.
 - d) Temporarily taking over managerial control of the Company, disposing of high-value assets not presently being used in Company operations, and using the sale proceeds to pay dividends temporarily increased to extraordinarily high levels or selling off shares at prices that have risen in response to temporarily high dividends.
- 2) Use of a transaction scheme that is related to the subject acquisition to coerce shareholders into accepting the subject acquisition
 - 3) Lack of an opportunity for the Company's shareholders or Board of Directors to acquire sufficient information on the subject acquisition, or lack of a reasonable amount of time for the Board of Directors, once it has acquired sufficient information about the acquisition, to put forth an alternative proposal in response to the acquisition
 - 4) Conditions (including price or type of consideration to be paid, acquisition timing, legality of the acquisition method, likelihood of acquisition execution, policy of treatment of the Company's employees, companies with which the Company transacts business and other stakeholders after the acquisition, etc.) for the subject acquisition are either inadequate or inappropriate given the Company's underlying value
 - 5) Apart from 1) through 4) above, there are serious concerns that the subject acquisition or related transactions will be detrimental to the Company's corporate value or to the common interests of its shareholders (including the interests of the Company's employees, companies with which the Company transacts business, and other stakeholders).

These Stock Acquisition Rights, however, shall not be exercisable if the conditions in 1) and 2) below regarding the subject acquisition are met, when a Trigger Event occurs in relation with an acquisition by a certain party or parties. Whether the conditions described herein have been met, or not, shall be determined in accordance with the procedures provided in the Rules of the Stock Acquisition Rights.

- 6) There is an alternative proposal to the subject acquisition that the Company's Board of Directors has either put forth or agreed to
- 7) The subject alternative proposal results in the transfer of control of the Company and all four of the following conditions are met
 - a) The subject acquisition is to be implemented only through an all-cash tender offer for all of the shares for which the Company is the issuer.
 - b) There is no fear of clear damage to the Company's corporate value or the common interests of its shareholders resulting from the actions described in (ii) 1) (a) through (d) above.
 - c) The transaction scheme related to the subject acquisition does not tend to coerce the Company's shareholders into accepting the subject acquisition.
 - d) There is no fear that the subject acquisition or related transactions will be detrimental to the Company's corporate value or to the common interests of its shareholders.

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 (in Japanese).

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.

The Company plans to introduce a proposal, "Gratis Allotment of Stock Acquisition Rights for Takeover Defense Measures", which will replace the aforementioned initiatives, at the 24th Annual General Meeting of Shareholders. For the details of this proposal, please refer to the reference documents for the Annual General Meeting of Shareholders in this Notice of the 24th Annual General Meeting of Shareholders.

(3) Policies on the Decision on Dividends from Surplus

The Company positions the return of profits to shareholders as one of the most important issues in management. The Company shifted from its previous dividend policy, in which the focus was on stable dividends, to a policy attaching importance to payout ratio, which is indexed to earnings, in the fiscal year ended March 31, 2005. It is the basic policy of the Company to further enhance the marketability of its shares by striving to return more profits to its shareholders.

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 the added value of its services.

With much regret, however, the Company skips paying a year-end dividend for the fiscal year ended March 31, 2009, as announced on December 5, 2008, since it expects its earnings to fall below the initial projections.

Note: Digits less than those shown in this Business Report are rounded down.

Attached document (2)

Consolidated Balance Sheet

(As of March 31, 2009)

(Thousands of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	50,047,905	Current liabilities	25,867,546
Cash and deposits	14,646,429	Accounts payable — trade	4,786,707
Notes and accounts receivable—trade	24,367,896	Short-term bank loans	4,799,351
Investment in securities for operating purposes	5,133,011	Current portion of bonds	846,000
Merchandise and finished goods	259,787	Current portion of long-term bank loans	682,942
Work and software in progress	662,420	Accounts payable	3,063,531
Supplies	17,495	Income taxes payable	376,636
Deferred tax assets	1,880,874	Accrued consumption tax	1,565,709
Other	3,275,986	Accrued expenses	5,280,612
Allowance for doubtful accounts	(195,986)	Advances received	531,386
Fixed assets	38,044,391	Accrued bonuses for employees	3,133,171
Tangible fixed assets	11,678,355	Reserve for loss on litigation	124,509
Buildings and structures	5,032,125	Other	676,988
Vehicles and transportation equipment	35,954	Fixed liabilities	22,663,933
Tools, furniture and fixtures	4,551,831	Bonds	3,700,000
Land	1,146,730	Long-term bank loans	18,209,859
Lease assets	123,664	Reserve for retirement benefits	116,963
Construction in progress	788,048	Security deposits received	11,200
Intangible fixed assets	7,207,872	Other	625,910
Goodwill	1,546,788	Total liabilities	48,531,479
Software	2,375,945	Net Assets	
Lease assets	1,017	Shareholders' equity	36,482,037
Software in progress	2,943,578	Common stock	29,065,968
Other	340,543	Capital surplus	23,009,658
Investments and other assets	19,158,163	Retained earnings	4,155,622
Investment in securities	956,943	Treasury stock	(19,749,211)
Investment in stocks of unconsolidated subsidiaries and affiliates	4,504,354	Valuation and translation adjustments	(2,228,277)
Investment in other securities of unconsolidated subsidiaries and affiliates	96,548	Unrealized gain on securities	407,626
Investments	7,800	Deferred gains or losses on hedges	(4,835)
Investment in unconsolidated subsidiaries and affiliates	383,812	Foreign currency translation adjustment	(2,631,068)
Long-term loans receivable	291,373	Stock acquisition rights	300
Deferred tax assets	5,138,259	Minority interests	5,306,756
Security deposits	5,423,891		
Prepaid pension costs	2,109,368		
Other	625,684		
Allowance for doubtful accounts	(379,873)	Total net assets	39,560,816
Total assets	88,092,296	Total liabilities and net assets	88,092,296

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

Attached document (3)

Consolidated Statement of Income
(from April 1, 2008, to March 31, 2009)

(Thousands of yen)

Account item	Amount	
Net sales		166,291,905
Cost of sales		137,225,102
Gross Profit		29,066,803
Selling, general and administrative expenses		29,007,734
Operating income		59,068
Non-operating income:		
Interest income	100,815	
Dividend income	23,693	
Employment development subsidy	190,980	
Development grant	133,071	
Other	356,009	804,570
Non-operating expenses:		
Interest expenses	492,359	
Loss on valuation of derivatives	341,448	
Equity in loss of unconsolidated subsidiaries and affiliates	499,295	
Equity in loss of movie business fund	365,102	
Other	359,353	2,057,559
Ordinary loss		1,193,919
Extraordinary gains:		
Gain on sale/disposal of fixed assets	10,382	
Gain on sale/disposal of investment in securities	10,814	
Gain on sale/disposal of investment in unconsolidated subsidiaries and affiliates	6,073	
Gain on dissolution of subsidiaries and affiliates	2,940,138	
Reversal of allowance for doubtful accounts	23,346	
Gain on changes in equity	171,461	
Other	179,073	3,341,291
Extraordinary losses:		
Loss on sale/disposal of fixed assets	59,992	
Loss on disposal of fixed assets	218,582	
Impairment loss of fixed assets	2,583,378	
Loss on sale/disposal of investment in securities	51,488	
Loss on write-down of investment in securities	167,334	
Loss on write-down of investment in unconsolidated subsidiaries and affiliates	525,948	
Loss on changes in equity	101,023	
Other	1,389,869	5,097,618
Loss before income taxes and minority interests		2,950,245
Income taxes—current		535,473
Income taxes—deferred		(5,028,477)
Minority interests in net loss of subsidiaries		659,109
Net income		2,201,868

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, 2008, to March 31, 2009)

(Thousands of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2008	29,065,968	23,057,566	3,649,849	(17,834,374)	37,939,010
Change during the fiscal year					
Dividends of surplus			(1,639,676)		(1,639,676)
Net income			2,201,868		2,201,868
Acquisition of treasury stock				(1,993,840)	(1,993,840)
Disposal of treasury stock		(47,907)		79,003	31,095
Change of scope of consolidation			(40,762)		(40,762)
Other			(15,656)		(15,656)
Net change in items other than shareholders' equity during the fiscal term					-
Total change during the fiscal year	-	(47,907)	505,772	(1,914,837)	(1,456,972)
Balance as of March 31, 2009	29,065,968	23,009,658	4,155,622	(19,749,211)	36,482,037

(Thousands of yen)

	Valuation and translation adjustments				Stock acquisition rights	Minority interests	Total net assets
	Unrealized gain on securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total valuation and translation adjustments			
Balance as of March 31, 2008	310,530	(7,134)	4,716,406	5,019,802	–	6,802,085	49,760,898
Change during the fiscal year							
Dividends of surplus				–	–	–	(1,639,676)
Net income				–	–	–	2,201,868
Acquisition of treasury stock				–	–	–	(1,993,840)
Disposal of treasury stock				–	–	–	31,095
Change of scope of consolidation				–	–	–	(40,762)
Other				–	–	–	(15,656)
Net change in items other than shareholders' equity during the fiscal term	97,096	2,299	(7,347,475)	(7,248,079)	300	(1,495,329)	(8,743,109)
Total change during the fiscal year	97,096	2,299	(7,347,475)	(7,248,079)	300	(1,495,329)	(10,200,081)
Balance as of March 31, 2009	407,626	(4,835)	(2,631,068)	(2,228,277)	300	5,306,756	39,560,816

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

Notes to Consolidated Financial Statements

Basis of preparation of consolidated financial statements

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 71

The names of principal consolidated subsidiaries

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)

- Project NETGHOST PIPOPA (established on April 1, 2008)
- Ares & Mercury Co., Ltd. (changed through additional acquisition from company accounted for by the equity method)
- transcosmos field marketing inc. (because its significance increased)
- DIGIT Co., Ltd. (additional acquisition)
- Biz Trust inc. (established on July 31, 2008)
- transcosmos Information Creative Japan. (established on August 6, 2008)
- Up Arrows Inc. (newly acquired)
- transcosmos (Thailand) Co., Ltd. (changed through additional acquisition from company accounted for by the equity method)
- SMART LUCK ENTERPRISES LIMITED (newly acquired)
- Flavour. Inc. (because its significance increased)
- Shanghai transcosmos Interactive Services Co., Ltd. (because its significance increased)
- Beijing transcosmos Interactive Services Co., Ltd. (because its significance increased)
- Suzhou transcosmos Information Creative Co., Ltd. (established on October 16, 2008)
- TGWW (Beijing) Information Consultation Co., Ltd (established on November 12, 2008)
- BeiJing Technology Glorious World-Wide (newly acquired)

(Excluded)

- Experience Inc. (sale of all shares held by the Company)
- Guangzhou transcosmos Information Creative Co., Ltd. (permission for dissolution, as of July 7, 2008)
- Larc ccp15 tousijigyokumiai (dissolution completed on October 31, 2008)
- Primus Knowledge Solutions, Inc. (dissolution completed on December 26, 2008)
- Transcosmos Investments & Business Development (China), LLC. (dissolution completed on February 12, 2009)
- Transcosmos Investments & Business Development, Inc. (dissolution completed on March 28, 2009)
- Best Career Company (dissolution completed on March 30, 2009)
- amimo LLP (dissolution completed on March 31, 2009)
- Japan Utility Charge Services (change to a subsidiary accounted for by the equity method due to the decline in the ratio of voting rights)
- Access Markets International Partners, Inc. (change to a subsidiary accounted for by the equity method due to the decline in the ratio of voting rights)

(2) Names of principal non-consolidated subsidiaries

transcosmos design development (Dalian) Co., Ltd., transcosmos MCM Korea Co., Ltd.

(Reason for exclusion from the scope of consolidation)

All non-consolidated subsidiaries are small in size, and each item of their total assets, net sales, net income (calculated according to our equity interest) and retained earnings (calculated according to our equity interest) is not substantial, and do not have a material impact on the consolidated financial statements.

2. Application of equity method

(1) Number of affiliates: 22

Names of principal non-consolidated subsidiaries and affiliates accounted for by the equity method
NetRatings Japan Inc., Forecast Communications Inc.

Changes in non-consolidated subsidiaries and affiliates accounted for by the equity method are as follows:

(New)

- Fuji TV-lab, LLC (because its significance increased)
- Japan Utility Charge Services (change from a consolidated subsidiary due to the decline in the ratio of voting rights)
- Access Markets International Partners, Inc. (change from a consolidated subsidiary due to the decline in the ratio of voting rights)

(Excluded)

- Ares & Mercury Co., Ltd. (changed to consolidated subsidiary through additional acquisition)
- transcosmos (Thailand) Co., Ltd. (changed to a consolidated subsidiary through additional acquisition)

(2) Non-consolidated subsidiaries that are not accounted for by the equity method (transcosmos design development (Dalian) 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.

- Autoc one K.K.
- Become, Inc.
- Pheedo, Inc.
- CHINASOURCE LIMITED
- Wangyou Media Limited.

(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)

- Listen Japan, Inc.
- Shockwave Entertainment, Inc.
- APPLIED TECHNOLOGY CO., LTD.
- Ask.jp Co., Ltd.
- Become, Japan Corporation
- CCP Mezzanine 2006 Toushijigyokumiai
- CinemaNow Japan Inc.
- Organic Trend International Corporation
- CCP-Global Fund I
- CCP-Biotech 3 toushijigyokumiai
- transcocosmos Information Creative (China) Co., Ltd.
- transcocosmos America, Inc.
- Beijing transcocosmos Technologies Co., Ltd.
- Flavour. Inc.
- SMART LUCK ENTERPRISES LIMITED
- Beijing transcocosmos Interactive Services Co., Ltd.
- BeiJing Technology Glorious World-Wide
- TransCosmos Technologies Inc.
- transcocosmos Information system (Shanghai) Co., Ltd.
- transcocosmos MCM Shanghai Co., Ltd.
- Career Incubation USA, Inc.
- IBR, Inc.
- CIC Korea, Inc.
- Shine Harbour Ltd.
- APPLIED TECHNOLOGY KOREA, INC.
- Transcocosmos Information Creative Holdings.
- Inwoo Tech, Inc.
- TGWW (Beijing) Information Consultation Co., Ltd
- Shenyang transcocosmos Information System Co., Ltd.
- OneXeno Limited
- transcocosmos CC China
- transcocosmos Information Creative Japan.
- Shanghai transcocosmos Interactive Services Co., Ltd.
- Suzhou transcocosmos Information Creative Co., Ltd.
- transcocosmos (Thailand) Co., Ltd.

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)

Names of company	Account closing date
• BandWagon, Inc.	April 30
• Larc ccp9 tousijigyokumiai	May 31
• CCP-Global Fund II	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 net assets and costs of securities sold are calculated using the moving-average method.)

Securities without market value..... Stated at cost using the moving-average method. Investments to limited liability partnership for investment, etc.

The evaluation is based on the Company's holding ratio of the net asset of the limited liability partnership for investment, etc., in which the Company invests, in the most recent consolidated fiscal year.

(2) Derivative transactions Market value method

(3) Standards and method of valuation of inventories

- Merchandise and finished goods Stated at cost using the gross average method
- Work and software in progress Stated at specific cost method
- Supplies Stated at cost using the last-purchase-price method

(Changes of accounting policies)

The "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan Statement No. 9, released on July 5, 2006) has been applied from the current consolidated fiscal year, and standards of valuation have been changed from valuation at cost to valuation at cost (cost devaluation method based on decline in profitability). The change has no impact on profits and losses.

(4) Depreciation methods for fixed assets

- Tangible fixed assets
(excluding lease assets) The Company and the consolidated domestic subsidiaries mainly use the declining-balance method.
 - Buildings (excluding building fixtures)
 - a) Buildings acquired on or before March 31, 1998
Depreciated using the old declining-balance method.
 - b) Buildings acquired on or before March 31, 2007 after April 1, 1998
Depreciated using the old straight-line method.
 - c) Buildings acquired after April 1, 2007
Depreciated using the straight-line method.
 - Other property and equipment
 - a) Other property and equipment acquired on or before March 31, 2007
Depreciated using the old declining-balance method.
 - b) Other property and equipment acquired after April 1, 2007
Depreciated using the straight-line method.
- For a part of the Company's call center facilities (furniture and fixtures), declining-balance method according to economic useful life (approximately 50% shorter than the statutory useful life) is used. Overseas consolidated subsidiaries mainly use the straight-line method.

- Intangible fixed assets
(excluding lease assets) Depreciated mainly using 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 for commercial sale 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.

Lease assets Finance leases other than those for which the ownership of the leased property is deemed to transfer to the lessee.
These lease transactions are accounted for over the lease terms without residual value.

(5) Standards of accounting for significant allowances, accruals and reserves

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

Accrued bonuses for employees Accrued 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 loss on litigation To provide for loss regarding lawsuits involving consolidated subsidiaries of the Company, the monetary loss that could occur in the future is estimated and the amount deemed necessary is posted.

Reserve for retirement benefits Reserve for retirement benefits for employees of the Company and certain 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 by the straight-line method over the specific period of time (5 years) which is not more than the average remaining service period of employees at the time such prior year service cost was incurred.

Unrecognized actuarial differences are amortized starting from the year following the year in which the gain or loss is recognized by the straight-line method over the specific period of time (5 years) which is not more than the average remaining service period of employees at the time such prior year service cost was incurred.

(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 the section of Net Assets.

(7) Significant hedge accounting

- (1) Hedge accounting method:..... 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 hedging and hedged items: ... Means for hedging: Interest rate swaps and forward foreign exchange contract
Hedged items: Bank loans, monetary liabilities denominated in foreign currency, and prospective transactions in foreign currency
- (3) Hedging policy: Interest rate swaps are entered into with the purpose of avoiding risks of fluctuations in interest rates and forward exchange contract are entered into with the purpose of avoiding risks of fluctuations in foreign exchange rates, in accordance with the internal rules.
- (4) Assessment method of effectiveness of hedges:
Effectiveness of hedges is assessed based on a correlation of value fluctuations obtained by comparing accumulated value fluctuations of hedged items and means for hedging.

(8) 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 by 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 important items that form the basis for the preparation of the consolidated financial statements

(Accounting Standard for Lease Transactions, etc.)

The “Accounting Standard for Lease Transactions” (Accounting Standards Board of Japan Statement No. 13 [Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007]) and the “Guidance on Accounting Standard for Lease Transactions” (Accounting Standards Board of Japan Guidance No. 16 [The Japanese Institute of Certified Public Accountants (JICPA) Accounting Standard Committee; revised March 30, 2007]) have been applied from the current consolidated fiscal year.

Transactions of finance leases other than those for which the ownership of the leased property is deemed to transfer to the lessee, which commenced before the application of the revisions of the standard for lease transactions, are accounted for primarily as ordinary rental transactions.

As a result, lease assets of 123,664,000 yen are posted in tangible fixed assets and lease assets of 1,017,000 yen are posted in intangible fixed assets in the current consolidated fiscal year. The impact of the change on profits and losses is insignificant.

(Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statement)

The “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statement” (ASBJ Practical Issues Task Force No. 18, May 17, 2006) has been applied from the current consolidated fiscal year, and revisions necessary on a consolidated basis were made.

As a result, operating income, ordinary income and income (loss) before income taxes and minority interests in net income of subsidiaries all decreased 5,704,000 yen.

8. Change in presentation in consolidated balance sheet

With the application of the “Cabinet Office Ordinance on Partial Amendment of the Regulations on Terminology, Format and Preparation Method of Financial Statements, etc.” (Cabinet Office Ordinance No. 50, August 7, 2008), what was presented as “Inventories” in the previous consolidated fiscal year are separately presented as “Merchandise and finished goods,” “Work and software in progress” and “Supplies,” starting from the current consolidated fiscal year. “Merchandise and finished goods,” “Work and software in progress” and “Supplies,” which were included in “Inventories” in the previous consolidated fiscal year, respectively amounted to 208,760,000 yen, 1,046,719,000 yen and 10,704,000 yen.

“Software in progress” (1,698,534,000 yen in the previous consolidated fiscal year), which was included in “Other” under intangible fixed assets in the previous consolidated fiscal year, is separately presented, since its significance in terms of amount increased in the current consolidated fiscal year.

“Accrued expenses” (4,999,604,000 yen in the previous consolidated fiscal year), which was included in “Other” under current liabilities in the previous consolidated fiscal year, is separately presented, since its significance in terms of amount increased in the current consolidated fiscal year.

“Deferred tax liabilities” (153,000 yen in the current consolidated fiscal year) in current liabilities and “Deferred tax liabilities” (5,000 yen in the current consolidated fiscal year) in fixed liabilities, which were independently presented in the previous consolidated fiscal year, are included in “Other” under current liabilities and “Other” under fixed liabilities, since their amounts are insignificant.

9. Change in presentation in consolidated statement of income

“Loss on valuation of derivatives” under non-operating expenses (126,624,000 yen in the previous consolidated fiscal year), which was included in “Other” under non-operating expenses in the previous fiscal year, is separately presented, since its significance in terms of amount increased in the current consolidated fiscal year.

Notes to the Consolidated Balance Sheet

1.	Accumulated depreciation of tangible fixed assets	¥10,475,000 thousand
2.	Assets pledged as collateral:	
	Bank deposit	¥1,000 thousand
	Buildings and structures	¥300,362 thousand
	Land	¥202,310 thousand
	<u>Total</u>	<u>¥503,672 thousand</u>
	Secured liabilities:	
	Accounts payable—trade	¥13,490 thousand
	Short-term bank loans	¥54,450 thousand
	Current portion of bonds	¥36,000 thousand
	Current portion of long-term bank loans	¥20,156 thousand
	<u>Long-term bank loans</u>	<u>¥84,044 thousand</u>
	<u>Total</u>	<u>¥208,142 thousand</u>

3. Contingent liabilities

The Company was sued on August 3, 2007, by GE Capital Leasing Corporation for the reimbursement of sales proceeds of approximately 1.9 billion yen from transactions of ASP type CAD software, and 5 other companies involved in said transactions were sued a total of approximately 5.8 billion yen in damages. Although these two lawsuits are separate, the fact is that they are overlapping maximum amounts of 1.9 billion yen. These transactions are stemmed from the fraud committed on the part of former employees of end users because agreements between them and GE Capital Leasing Corporation were denied thus leading to lawsuits filed against the Company, as the seller to GE Capital Leasing Corporation, 2 other companies along with the end users.

Notes to the 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)	48,794,046	—	—	48,794,046

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)	7,802,130	1,719,837	37,254	9,484,713

(Outline of causes for changes)

Details of number of shares increased are as follows.

Increase due to the acquisition of treasury stock: 1,719,700 shares

Increase due to purchase of shares less than one unit: 137 shares

Details of number of shares decreased are as follows.

Decrease due to the exercise of stock options:	37,200 shares
Decrease due to sales of shares less than one unit:	54 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 current consolidated fiscal year

	Class of shares subject to the stock acquisition rights	Number of shares subject to the stock acquisition rights (shares)
Stock acquisition rights for 2003	Common stock	191,800
Stock acquisition rights for 2004	Common stock	204,200
Stock acquisition rights for 2005	Common stock	236,200
First Trust-type Rights Plan	Common stock	75,000,000
Total		75,632,200

4. Dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (thousands of yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 25, 2008	Common stock	1,639,676	40	March 31, 2008	June 26, 2008

(2) Dividends with an effective date falling in the following consolidated fiscal year, among distributions with record dates belonging to the current consolidated fiscal year
Not applicable.

Notes regarding per share data

1. Net assets per share 871.39 yen
2. Net income per share 55.75 yen

Notes regarding significant subsequent events

Not applicable.

Attached document (5)

Non-Consolidated Balance Sheet

(As of March 31, 2009)

(Thousands of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	38,127,338	Current liabilities	19,139,026
Cash and deposits	5,683,749	Accounts payable—trade	4,621,747
Notes receivable	56,543	Short-term bank loans	2,500,000
Accounts receivable—trade	19,641,085	Current portion of bonds payable	800,000
Investment in securities for operating purposes	8,263,855	Current portion of long-term bank loans payable	582,500
Merchandise	1,695	Accounts payable	1,636,132
Work and software in progress	173,094	Accrued expenses	4,328,988
Supplies	12,658	Income taxes payable	100,700
Advances	161,370	Accrued consumption tax	912,772
Prepaid expenses	968,452	Advances received	337,862
Deferred tax assets	1,611,984	Deposits received	174,454
Short-term loans	129,500	Accrued bonuses for employees	2,854,050
Accounts receivable—other	1,111,814	Other	289,817
Other	391,233		
Allowance for doubtful accounts	(79,699)	Fixed liabilities	22,754,039
Fixed assets	40,930,564	Bonds	3,700,000
Tangible fixed assets	6,150,332	Long-term bank loans	17,917,500
Buildings	1,788,214	Security deposits received	11,200
Structures	185,748	Reserve for loss on liabilities for guarantees	1,068,932
Machinery and transportation equipment	18	Other	56,406
Tools, furniture and fixtures	2,953,477		
Lease assets	66,170	Total liabilities	41,893,065
Land	373,839		
Construction in progress	782,864	Net Assets	
Intangible fixed assets	5,017,804	Shareholders' equity	36,680,348
Goodwill	272,189	Common stock	29,065,968
Software	1,512,388	Capital surplus	23,009,658
Telephone rights	86,075	Other capital surplus	23,009,658
Utility rights	19	Retained earnings	4,353,932
Lease assets	1,017	Legal retained earnings	334,513
Software in progress	3,146,113	Other retained earnings	4,019,418
Investments and other assets	29,762,427	Unappropriated retained earnings	4,019,418
Investment in securities	780,890		
Investment in stocks of subsidiaries and affiliates	16,063,677	Treasury stock	(19,749,211)
Investment in other securities of subsidiaries and affiliates	197,329	Valuation and translation adjustments	484,489
Investment in subsidiaries and affiliates	1,269,050	Net unrealized gain on securities	484,489
Long-term loans receivable from subsidiaries and affiliates	3,097,971		
Deferred tax assets	5,219,414	Total net assets	37,164,837
Security deposits	3,675,860	Total liabilities and net assets	79,057,902
Prepaid pension costs	2,109,368		
Other	574,626		
Allowance for doubtful accounts	(3,225,761)		
Total assets	79,057,902		

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

Attached document (6)

Non-Consolidated Statement of Income

(from April 1, 2008, to March 31, 2009)

(Thousands of yen)

Account item	Amount	
Net sales		137,060,238
Cost of sales		114,445,836
Gross Profit		22,614,402
Selling, general and administrative expenses		18,813,670
Operating income		3,800,731
Non-operating income:		
Interest income	169,139	
Dividend income	54,213	
Employment development subsidy	108,320	
Other	96,240	427,914
Non-operating expenses:		
Interest expenses	388,529	
Interest on bonds	50,853	
Commitment fee	191,612	
Loss on investment in voluntary partnership	380,373	
Loss on investment in movie business fund	365,102	
Other	116,531	1,493,003
Ordinary income		2,735,642
Extraordinary gains:		
Gain on sale/disposal of fixed assets	7,338	
Gain on sale/disposal of investment in securities	10,790	
Gain on dissolution of subsidiaries and affiliates	31,993	
Company establishment subsidies	50,232	100,354
Extraordinary losses:		
Loss on sale/disposal of fixed assets	58,624	
Loss on disposal of fixed assets	116,115	
Impairment loss of fixed assets	140,351	
Loss on sale/disposal of investment in securities	51,748	
Loss on write-down of investment in securities	31,193	
Loss on dissolution of subsidiaries and affiliates	15,530,935	
Loss on write-down of investment in unconsolidated subsidiaries and affiliates	1,492,582	
Bad debt expense	716,072	
Provision for loss on guarantees	1,068,932	
Other	179,399	19,385,956
Loss before income taxes		16,549,959
Income taxes—current		44,295
Income taxes—deferred		(5,468,281)
Net loss		11,125,973

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, 2008, to March 31, 2009)

(Thousands of yen)

	Shareholders' equity		
	Common stock	Capital surplus	
		Other capital surplus	Total capital surplus
Balance as of March 31, 2008	29,065,968	23,057,566	23,057,566
Change during the fiscal year			
Dividends of surplus			–
Net income (loss)			–
Acquisition of treasury stock			–
Disposal of treasury stock		(47,907)	(47,907)
Net change in items other than shareholders' equity during the fiscal year			–
Total change during the fiscal year	–	(47,907)	(47,907)
Balance as of March 31, 2009	29,065,968	23,009,658	23,009,658

(Thousands of yen)

	Shareholders' equity				
	Retained earnings			Treasury stock	Total shareholders' equity
	Legal retained earnings	Other retained earnings	Total retained earnings		
Unappropriated retained earnings					
Balance as of March 31, 2008	170,546	16,949,035	17,119,582	(17,834,374)	51,408,742
Change during the fiscal year					
Dividends of surplus	163,967	(1,803,644)	(1,639,676)		(1,639,676)
Net income (loss)		(11,125,973)	(11,125,973)		(11,125,973)
Acquisition of treasury stock			–	(1,993,840)	(1,993,840)
Disposal of treasury stock			–	79,003	31,095
Net change in items other than shareholders' equity during the fiscal year			–		–
Total change during the fiscal year	163,967	(12,929,617)	(12,765,649)	(1,914,837)	(14,728,394)
Balance as of March 31, 2009	334,513	4,019,418	4,353,932	(19,749,211)	36,680,348

(Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Unrealized gain on securities	Total valuation and translation adjustments	
Balance as of March 31, 2008	348,597	348,597	51,757,340
Change during the fiscal year			
Dividends of surplus		–	(1,639,676)
Net income (loss)		–	(11,125,973)
Acquisition of treasury stock		–	(1,993,840)
Disposal of treasury stock		–	31,095
Net change in items other than shareholders' equity during the fiscal year	135,891	135,891	135,891
Total change during the fiscal year	135,891	135,891	(14,592,503)
Balance as of March 31, 2009	484,489	484,489	37,164,837

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 net assets and costs of securities sold are calculated using the moving-average method.)
- Securities without market value Stated at cost using the moving-average method.
Investments to limited liability partnership for investment, etc.
The evaluation is based on the Company's holding ratio of the net asset of the limited liability partnership for investment, etc., in which the Company invests, in the most recent fiscal year.

2. Derivative transactions..... Market value method

3. Standards and methods of valuation of inventories

- Merchandise Stated at cost using the gross average method
- Work and software in progress Stated at specific cost method
- Supplies..... Stated at cost using the last-purchase-price method

(Change in accounting policies)

The "Accounting Standard for Measurement of Inventories" (Accounting Standards Board of Japan Statement No. 9, released on July 5, 2006) has been applied from the current fiscal year, and standards of valuation have been changed from valuation at cost to valuation at cost (cost devaluation method based on decline in profitability). The change has no impact on profits and losses.

4. Depreciation methods for fixed assets

- Tangible fixed assets
(excluding lease assets)..... Declining-balance method
- Buildings (excluding building fixtures)
- a. Buildings acquired on or before March 31, 1998
Depreciated using the old declining-balance method.
- b. Buildings acquired on or before March 31, 2007 after April 1, 1998
Depreciated using the old straight-line method.
- c. Buildings acquired after April 1, 2007
Depreciated using the straight-line method.
- Other property and equipment
- a. Other property and equipment acquired on or before March 31, 2007
Depreciated using the old declining-balance method.
- b. Other property and equipment acquired after April 1, 2007

Depreciated using the declining-balance method.
 For a part of the Company's call center facilities (furniture and fixtures), straight-line method according to economic useful life (approximately 50% shorter than the statutory useful life) is used.

Intangible assets (excluding lease assets).....	Straight-line method As for software for in-house use, the straight-line method is used with a useful life of 5 years.
Lease assets.....	Finance leases other than those for which the ownership of the leased property is deemed to transfer to the lessee. These lease transactions are accounted for over the lease terms without residual value.

5. Policies of accounting for allowances, accruals and reserves

Allowance for doubtful accounts.....	Allowance for estimated uncollectible amounts for claims as of the fiscal year-end are calculated using historical data for general receivables and individually considering the probability of collection for doubtful receivables.
Accrued bonuses for employees.....	Accrued bonuses for employees are calculated based on the estimates of bonus obligations for the current fiscal term.
Reserve for retirement benefits	Reserve for retirement benefits for employees is 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 by the straight-line method over the specific period (5 years) which is not more than the average remaining service period of employees at the time such prior year service cost was incurred. Unrecognized actuarial differences are amortized starting from the year following the year in which the gain or loss is recognized by the straight-line method over the specific period of time (5 years) which is not more than the average remaining service period of employees at the time such prior year service cost was incurred.
Reserve for loss on liabilities for guarantees.....	To provide for loss on fulfillment of guarantee obligations for subsidiaries and affiliates, an estimated amount of loss is posted concerning liabilities for guarantees, for which the possibility of fulfillment of guarantee is great, after reviewing the recoverability through the exercise of the right to reimbursement.

6. Hedge accounting

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

(2) Means for hedging and hedged items: Means for hedging: Interest rate swaps
Hedged items: Bank loans

(3) Hedging policy: Interest rate swaps are entered into to hedge the risks of fluctuations in interest rates in accordance with the Company's internal rules.

(4) Assessment method of effectiveness of hedges:
Effectiveness of hedges is assessed based on a correlation of value fluctuations obtained by comparing accumulated value fluctuations of hedged items and means for hedging.

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

8. Changes in important accounting policies

(Accounting Standard for Lease Transactions, etc.)

The "Accounting Standard for Lease Transactions" (Accounting Standards Board of Japan Statement No. 13 [Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007]) and the "Implementation Guidance on Accounting Standard for Lease Transactions" (Accounting Standards Board of Japan Guidance No. 16 [The Japanese Institute of Certified Public Accountants (JICPA) Accounting Standard Committee, January 18, 1994; revised March 30, 2007]) have been applied from the current fiscal year.

Transactions of finance leases other than those for which the ownership of the leased property is deemed to transfer to the lessee, which commenced before the application of the revisions of the standard for lease transactions, are accounted for primarily as ordinary rental transactions.

As a result, lease assets of 66,170,000 yen are posted in tangible fixed assets and lease assets of 1,017,000 yen are posted in intangible fixed assets in the current fiscal year. The impact of the change on profits and losses is insignificant.

9. Change in presentation in non-consolidated balance sheet

"Accounts receivable - other" under current assets (295,896,000 yen in the previous consolidated fiscal year), which was included in "Other" under current assets in the previous fiscal year, is separately presented, since its significance in terms of amount increased in the current consolidated fiscal year.

10. Change in presentation in non-consolidated statement of income

"Commitment fee" under non-operating expenses (14,276,000 yen in the previous consolidated fiscal year), which was included in "Other" under non-operating expenses in the previous fiscal year, is separately presented, since its significance in terms of amount increased in the current consolidated fiscal year.

Notes to the Non-Consolidated Balance Sheet

1.	Short-term monetary receivables from subsidiaries and affiliates	¥619,307 thousand
	Short-term monetary payables to subsidiaries and affiliates	¥1,608,442 thousand
	Long-term monetary receivables from subsidiaries and affiliates	¥3,097,971 thousand
2.	Accumulated depreciation of tangible fixed assets	¥5,960,351 thousand
3.	Liabilities for guarantees:	
	Guarantee for debt obligations to financial institutions transcosmos (Thailand) Co., Ltd.	¥24,840 thousand
	Guarantee on deposit obligations from subsidiaries and affiliates Tci-Business-Service Co., Ltd.	¥4,839,000 thousand
	Guarantee on leasehold contracts CROSSCO Co., Ltd.	¥40,829 thousand
	Guarantee on lease agreement obligations Qingdao Zuki Industrial Design Co., Ltd.	¥96,959 thousand
	transcosmos design development (Dalian) Co., Ltd.	¥6,912 thousand
	<u>Total</u>	<u>¥103,871 thousand</u>

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

5. Contingent liabilities

The Company was sued on August 3, 2007, by GE Capital Leasing Corporation for the reimbursement of sales proceeds of approximately 1.9 billion yen from transactions of ASP type CAD software, and 5 other companies involved in said transactions were sued a total of approximately 5.8 billion yen in damages. Although these two lawsuits are separate, the fact is that they are overlapping maximum amounts of 1.9 billion yen. These transactions are stemmed from the fraud committed on the part of former employees of end users because agreements between them and GE Capital Leasing Corporation were denied thus leading to lawsuits filed against the Company, as the seller to GE Capital Leading Corporation, 2 other companies along with the end users.

Notes to the Non-Consolidated Statement of Income

Transactions with subsidiaries and affiliates	
Net sales	¥734,256 thousand
Net purchase	¥13,267,908 thousand
Transactions other than operating transactions	¥207,325 thousand

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

Treasury stock

Class of shares	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)	7,802,130	1,719,837	37,254	9,484,713

(Outline of causes for changes)

Details of the number of shares increased are as follows.

Increase due to the acquisition of treasury stock	1,719,700 shares
Increase due to purchase of shares less than one unit:	137 shares

Details on the number of shares decreased are as follows.

Decrease due to the exercise of stock options	37,200 shares
Decrease due to sales of shares less than one unit:	54 shares

Notes concerning tax effect accounting

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

Deferred tax assets:

Accrued bonuses for employees	¥1,161,313 thousand
Accrued enterprise tax	¥40,974 thousand
Loss on write-down of investment in securities for operating purposes	¥1,113,300 thousand
Loss on write-down of investment in securities	¥58,561 thousand
Loss on write-down of investment in unconsolidated subsidiaries and affiliates	¥2,296,016 thousand
Loss on write-down of golf membership	¥146,144 thousand
Equity in loss of video industry association	¥593,497 thousand
Allowance for doubtful accounts	¥1,208,067 thousand
Provision for loss on guarantees	¥434,948 thousand
Impairment loss of fixed assets	¥228,716 thousand
Prepaid pension costs	(¥858,302 thousand)
Amount of loss carried forward	¥4,521,838 thousand
Other	¥536,678 thousand
Sub-total	¥11,481,758 thousand
Provision for devaluation	¥4,318,794 thousand
Total of deferred tax assets	¥7,162,963 thousand

Deferred tax liabilities:

Unrealized gain on securities	¥331,565 thousand
Total of deferred tax liabilities	¥331,565 thousand

Net of deferred tax assets ¥6,831,398 thousand

Notes concerning leased fixed assets

In addition to the fixed assets stated in the Non-Consolidated 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)
Tools, furniture and fixtures	604,893	320,853	284,040
Software	186,622	122,812	63,810
Total	791,516	443,665	347,851

2. Year-end balance of prepaid lease equivalents

Within one year	¥151,345 thousand
Over one year	¥207,940 thousand
Total	¥359,286 thousand

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

Lease expenses	¥190,838 thousand
Depreciation equivalents	¥181,981 thousand
Interest expense equivalents	¥4,820 thousand

4. Calculation method for depreciation equivalents

Depreciation equivalents of leased assets are calculated by straight-line method based on lease period of useful lives 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 costs equivalents of leased assets. The interest expense equivalents are allocated to each fiscal year by the interest method.

Notes to transactions with related parties

(1) Parent company and major corporate shareholders, etc.

Not applicable.

(2) Subsidiaries, affiliates, etc.

Attribution	Name of company, etc.	Capital stock or investments in capital	Description of business or occupation	Percentage of owning (owned) voting rights, etc. (%)	Relationship with related parties	Type of transaction	Transaction amount (Thousands of yen)	Account	Balance as of the end of the fiscal year (Thousands of yen)
Subsidiary	BPS Inc.	¥100,000 thousand	Information services business	Owning Direct 100.0%	Acquisition of business	Acquisition of business (Note 1) Total of acquired assets Total of acquired liabilities Compensation for acquisition	7,450,136 7,441,918 333,996	-	-
Subsidiary	Tci-Business-Service Co., Ltd.	¥100,000 thousand	Information services business	Owning Direct 100.0%	Loan of funds	Loan of funds (Note 2) Collection of loan Guarantee of obligations (Note 3)	1,846,000 9,174,404 4,839,000	Long-term loans receivable	2,889,181
Subsidiary	Transcosmos Investments & Business Development, Inc.	US\$429,531 thousand	Corporate venture capital business	Owning Direct 100.0%	Investment in venture business	Capital increase (Note 4) Distribution in line with the dissolution (Note 5)	1,459,920 12,563,561	-	-
Subsidiary	Primus Knowledge Solutions, Inc.	¥35,000 thousand	Information services business	Owning Direct 100.0%	Consignment of operations, etc.	Renunciation of claims (Note 6)	1,108,938	-	-

Notes:

- The Company acquired the entire businesses and noncurrent assets of BPS based on the business transfer contract on February 1, 2009.
- The interest rate of the loan was determined reasonably based on the market interest rate.
- This guarantees obligations in custody from the subsidiaries and affiliates.
- This was due to the issuance of shares through a shareholder allocation.
- Transcosmos Investments & Business Development Inc. completed of its dissolution on March 28, 2009. With regard to the assets distributed in line with the dissolution, the Company received an allotment of the assets in accordance with the agreement dated December 5, 2008.
- The Company renounced the claim in line with the completion of dissolution of Primus Knowledge Solutions, Inc., dated December 26, 2008.
- Transactional amounts and balances as of the end of the fiscal year are recorded exclusive of consumption taxes.
- Percentages of owning (owned) voting rights, etc. are expressed down to the nearest first decimal place.

(3) Companies with the same parent company, etc. and subsidiaries, etc. of other affiliates
Not applicable.

(4) Directors and primary individual shareholders

Attribution	Name of company, etc. or personal name	Capital stock or investments in capital	Description of business or occupation	Percentage of owning (owned) voting rights, etc. (%)	Relationship with related parties	Type of transaction	Transaction amount (Thousands of yen)	Account	Balance as of the end of the fiscal year
Director and individual major shareholders	Koki Okuda	–	–	Owned Direct (19.1)	Founder, Representative Director & Group CEO	Exercise of stock option	16,660	–	–

Note: Transactional amounts are recorded exclusive of consumption taxes.

Notes concerning per share data

- | | |
|-------------------------|------------|
| 1. Net assets per share | 945.45 yen |
| 2. Net loss per share | 281.69 yen |

Notes concerning significant subsequent events

Not applicable.

Attached document (8)

Certified Copy of the Accounting Auditors' Report

REPORT OF INDEPENDENT AUDITORS

May 15, 2009

To the Board of Directors of transcocosmos inc.

Ernst & Young ShinNihon LLC

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 Corporation 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 fiscal year from April 1, 2008 to March 31, 2009. 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 corporate group comprising the Company and its consolidated subsidiaries in accordance with accounting standards generally accepted in Japan.

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 15, 2009

To the Board of Directors of transcocosmos inc.

Ernst & Young ShinNihon LLC

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 Corporation 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 24th business year from April 1, 2008 to March 31, 2009. 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 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 24th business term from April 1, 2008 to March 31, 2009, 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 Directors, internal audit staff and other employees, and attended the Board of Directors' meeting and other important meetings to receive reports regarding execution of duties from Directors, employees, etc. 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 regarding the establishment of the system for ensuring that the Directors' duties are executed in conformity of laws and 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 the Ordinance for Enforcement of the Corporation 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 3-a, Article 118 of the Ordinance for Enforcement of the Corporation Law and the activities stipulated in Item 3-b of the same Ordinance 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, 2009.

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 executed appropriately" (matters stipulated in the items of Article 131 of the Corporate Accounting Rules 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 income, 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 income, 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, 2009.

2. Results of Audit

(1) Results of audit of business report etc.

- 1) The business reports and supplementary schedules present fairly the financial condition of the Company in conformity with related laws and 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 and 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 3-b, Article 118 of the Ordinance for Enforcement of the Corporation Law, which are described in the business reports, are in line with such basic principles, unarmful 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 LLC, 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 LLC, are fair and reasonable.

May 15, 2009

Board of Statutory Auditors of transcosmos inc.	
Standing Statutory Auditor	Hideaki Ishioka
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: Partial Amendment to Articles of Incorporation (No. 1)

1. Reasons for Amendments

- (1) To cope with the diversification of the content of business in line with the current status of business of the Company, it is proposed that a business purpose be added to Article 2 of the existing Articles of Incorporation of the Company.
- (2) Following the enforcement of the “Act for Partial Revision of the Act on Book-Entry Transfer of Company Bonds, etc. for Streamlining Settlement Concerning Share Trading, etc.” (Act No. 88 of 2004; hereinafter referred to as the “Act for Streamlining Settlement”), it is proposed that the following changes be made to the existing Articles of Incorporation of the Company:
 - (I) Pursuant to the provisions in Article 6, Paragraph 1 of the Supplementary Provisions of the Act for Streamlining Settlement, it is deemed that the Company made a resolution on changing the Articles of Incorporation to abolish the provision that stipulates the issuance of the stock certificates of the Company, as of the enforcement date of the stock certificate dematerialization (January 5, 2009). Therefore, management proposes to eliminate Article 7 (Issuance of Stock Certificates) of the existing Articles of Incorporation of the Company and eliminate and revise words and phrases concerning stock certificates.
 - (II) Following the abolition of the “Act on Custody and Transfer of Share Certificate, etc.” (Act No. 30 of 1984), management proposes to eliminate and revise words and phrases concerning beneficial shareholders and the register of beneficial shareholders in the provisions of the existing Articles of Incorporation of the Company.
 - (III) Since it is stipulated that the register of lost stock certificates should be prepared and kept until one year passes from the following day of the enforcement of the Act for Streamlining Settlement, management proposes to establish necessary provisions in the supplementary provisions.
- (3) Management proposes to make other necessary changes, including addition, elimination, or revision of provisions and words.

2. Contents of the Amendments

(Underlined sections are amendments. 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.)

Current Version	Proposed Amendments
(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses. 1 to 30 (Omitted) (New) <u>31.</u> Any business necessary or useful in connection with each of the above. <u>(Issuance of Share Certificates)</u> <u>Article 7. The Company shall issue share certificates.</u>	(Purpose) Article 2. The purpose of the Company shall be to engage in the following businesses. 1 to 30 (Unchanged) <u>31. Freight forwarding business</u> <u>32.</u> Any business necessary or useful in connection with each of the above. (To be deleted)

Current Version	Proposed Amendments
<p><u>(Number of Shares Constituting One Unit of Stock and Non-Issuance of Share Certificates representing Shares Less Than One Unit of Stock)</u></p> <p>Article <u>8</u>. (Omitted)</p> <p><u>2. Notwithstanding the preceding article, the Company shall not issue share certificates representing shares constituting less than one unit of stock; provided, however, that this provision shall not apply to the matters otherwise provided for in the Share Handling Regulations.</u></p> <p>(Request for Sale of Shares Constituting Less Than One Unit)</p> <p>Article <u>9</u>. A shareholder <u>(including a beneficial shareholder; hereinafter the same interpretation shall apply)</u> holding shares constituting less than one unit, in accordance with the provisions of the Share Handling Regulations, may request the Company to sell to him/her such amount of shares which will, when added together with the shares constituting less than one unit, constitute one unit of stock.</p> <p>(Share Handling Regulations)</p> <p>Article <u>10</u>. (Omitted)</p> <p>(Transfer Agent)</p> <p>Article <u>11</u>. (Omitted)</p> <p>2. (Omitted)</p> <p>3. Preparation and retention of the register of shareholders <u>(including the register of beneficial shareholders; hereinafter the same interpretation shall apply)</u>, the ledger of stock acquisition rights <u>and the register of lost share certificates of the Company</u>, as well as any other business with respect to the register of shareholders, <u>the register of lost share certificates</u> and ledger of stock acquisition rights of the Company, shall be entrusted to the transfer agent and shall not be handled by the Company.</p> <p>Article <u>12</u> to Article <u>23</u> (Omitted)</p> <p>(Representative Directors and Administrative Directors)</p> <p>Article <u>24</u>. (Omitted)</p> <p>2. By a resolution of the Board of Directors, the Company may appoint a President and a Chairperson and some Vice Chairpersons of the Board of Directors, some Executive Vice Presidents, Senior Managing</p>	<p>(Number of Shares Constituting One Unit of Stock)</p> <p>Article <u>7</u>. (Unchanged)</p> <p>(To be deleted)</p> <p>(Request for Sale of Shares Constituting Less Than One Unit)</p> <p>Article <u>8</u>. A shareholder holding shares constituting less than one unit, in accordance with the provisions of the Share Handling Regulations, may request the Company to sell to him/her such amount of shares which will, when added together with the shares constituting less than one unit, constitute one unit of stock.</p> <p>(Share Handling Regulations)</p> <p>Article <u>9</u>. (Unchanged)</p> <p>(Transfer Agent)</p> <p>Article <u>10</u>. (Unchanged)</p> <p>2. (Unchanged)</p> <p>3. Preparation and retention of the register of shareholders <u>and</u> the ledger of stock acquisition rights of the Company, as well as any other business with respect to the register of shareholders and ledger of stock acquisition rights of the Company, shall be entrusted to the transfer agent and shall not be handled by the Company.</p> <p>Article <u>11</u> to Article <u>22</u> (Unchanged)</p> <p>(Representative Directors and Administrative Directors)</p> <p>Article <u>23</u>. (Unchanged)</p> <p>2. By a resolution of the Board of Directors, the Company may appoint a President and a Chairperson and some Vice Chairpersons of the Board of Directors, some Executive Vice Presidents, Senior Managing</p>

Current Version	Proposed Amendments
<p>Directors, as necessary.</p> <p>3. (Omitted)</p> <p>4. (Omitted)</p> <p>Article <u>25</u> to Article <u>41</u> (Omitted)</p> <p>(New)</p> <p>(New)</p> <p>(New)</p>	<p>Directors and other officers, as necessary.</p> <p>3. (Unchanged)</p> <p>4. (Unchanged)</p> <p>Article <u>24</u> to Article <u>40</u> (Unchanged)</p> <p><u>Supplementary Provisions</u></p> <p><u>Article 1. The register of lost share certificates of the Company shall be retained at the place of business of the transfer agent, and business relating to entry or record in the register of lost share certificates shall be entrusted to the transfer agent and shall not be handled by the Company.</u></p> <p><u>Article 2. The preceding article and this article shall be valid until January 5, 2010, and the preceding article and this article shall be deleted as of January 6, 2010.</u></p>

Proposal No. 2: Partial Amendment to Articles of Incorporation (No. 2)

1. Reasons for Amendments

The Board of Directors believes it essential for the Company to introduce the takeover defense measures that employ gratis allotment of stock acquisition rights in order to prevent inappropriate large-scale acquisitions that are detrimental to the corporate value of the Company and the common interests of its shareholders, and to ensure and enhance the corporate value of the Company and the common interests of its shareholders.

With respect to the gratis allotment of stock acquisition rights, the Corporation Law sets out that a company with a board of directors may effect a gratis allotment of stock acquisition rights by resolution of the board of directors (main text of Article 278, Paragraph 3 of the Corporation Law). The Company believes, however, that if a gratis allotment of stock acquisition rights is to be effected as part of the takeover defense measures, it is preferable to resolve matters relating to the gratis allotment of stock acquisition rights by (i) a resolution of the general meeting of shareholders, or (ii) a resolution of the board of directors made under the authority of the general meeting of shareholders, rather than merely by a resolution of the board of directors.

In accordance with the proviso of Article 278, Paragraph 3 of the Corporation Law, the Company will establish the provisions that are to be the basis on which the matters regarding gratis allotment of stock acquisition rights will be resolved by a resolution as set out in (i) or (ii) above (Article 41 of the proposed Articles of Incorporation).

The Company will establish Article 41.3 of the proposed Articles of Incorporation in order to clarify that the Company may set out the condition that certain persons prescribed in the takeover defense measures may not exercise the stock acquisition rights and any other relevant terms and conditions if a gratis allotment of stock acquisition rights takes place as part of the takeover defense measures.

2. Details of Amendments

The details of the amendments are as follows.

(Underlined sections are amendments.)

Current Version	Proposed Amendments
<p>(New)</p> <p>(New)</p>	<p><u>Chapter VII Takeover Defense Measures</u></p> <p><u>Article 41 Takeover Defense Measures</u></p> <p><u>41.1 The Company may introduce takeover defense measures upon resolution at the general meeting of shareholders. “Takeover defense measures” means measures to make it difficult for acquirers to acquire the shares of the Company by means of issuing or allotting new stocks or stock acquisition rights, etc., the main purpose of which is not to finance the Company business, with the purposes of ensuring and enhancing the corporate value and, in turn, the common interests of the Company’s shareholders.</u></p>

Current Version	Proposed Amendments
	<p><u>41.2 The Company may, as part of its takeover defense measures, resolve matters relating to gratis allotment of stock acquisition rights by a resolution of the board of directors, by a resolution of the general meeting of shareholders, or by a resolution of the board of directors made under the authority of the general meeting of shareholders.</u></p> <p><u>41.3 The Company may, if making decisions relating to gratis allotment of stock acquisition rights in accordance with Article 41.2 above, set out the terms and conditions of the stock acquisition rights as follows:</u></p> <p><u>(i) Certain persons set out in the takeover defense measures (“non-qualified persons”) may not exercise stock acquisition rights; and</u></p> <p><u>(ii) The Company may determine whether or not to offer consideration in exchange for acquiring stock acquisition rights and if so the details thereof separately for qualified persons and non-qualified persons.</u></p>

Note: The article number in the proposed amendments is the article number assuming the item of business regarding partial amendment to Articles of Incorporation (No. 1) is approved and adopted as proposed. If Proposal No.1 is not approved and adopted as proposed, the Company will amend the article number accordingly.

Proposal No. 3: Gratis Allotment of Stock Acquisition Rights for Takeover Defense Measures

The rights plan using stock acquisition rights and a trust mechanism introduced by resolution at the Board of Directors meetings held on May 22, 2006 and May 29, 2006 and the ordinary general meeting of shareholders held on June 29, 2006, the effective terms of which expires on June 30, 2009 (the “Trust Type Rights Plan”) will become invalid upon expiration on June 30, 2009, whereby all first series of stock acquisition rights that were issued as part of the stock acquisition rights issued under the Trust Type Rights Plan (75,000,000 units) will be extinguished upon expiration of exercise period and the trust agreement will also be terminated upon expiration.

The Board of Directors determined at its meeting held on May 20, 2009 to introduce a plan for countermeasures to large-scale acquisitions of the shares in the Company (takeover defense measures) (the “Plan”) on the occasion of the invalidation of the First Trust Type Rights Plan due to the expiration of the exercise period, as a measure to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(ii)(b) of the Enforcement Regulations of the Corporation Law), in light of the basic policy regarding the persons who control decisions on the Company’s financial and business policies described in 1.(1) below (as provided in Item 3 of Article 118 of the Enforcement Regulations of the Corporation Law; the “Basic Policy”). The Plan will be introduced on July 1, 2009 subject to shareholders’ approval at this Ordinary General Meeting of Shareholders.

Accordingly the Company proposes to obtain the approval of shareholders to assign to the Board of Directors the authority to decide matters relating to the gratis allotment of stock acquisition rights pursuant to the terms and conditions set out in 2., ‘Plan Details’ below to be employed in the Plan under the provision of the proposed Article 41[.2] to be added subject to approval and adoption at this Ordinary General Meeting of Shareholders of the partial amendment to Articles of Incorporation proposed in this proposal.

1. Reason for Proposal

(1) Basic Policy Regarding Persons Who Control Decisions on the Company’s Financial and Business Policies

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, in turn, the common interests of its shareholders.

The Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of the Company. Also, the Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders. Nonetheless, there are some types of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders including (i) those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders, (ii) those with the potential to substantially coerce shareholders into selling their shares, (iii) those that do not provide sufficient time or information for the target company’s board of directors and shareholders to consider the details of the large-scale acquisition or for the target company’s board of directors to make an alternative proposal, and (iv) those that require the target company to negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

The Company values client satisfaction and strives to ensure and enhance its corporate value. We believe the source of the corporate value of the Company is found in (i) the comprehensive technology that the Company has accumulated since its establishment as a pioneer in the outsourcing business of information processing, (ii) personnel who can promptly respond to changes in the environment and combine the latest technology, making use of originality and ingenuity, and (iii) “the stable and long-term relationships of trust with clients” established based on its strength as an independent corporation. Unless the acquirer of a proposed acquisition of the shares in the Company understands the source of the corporate value of the Company and would ensure and enhance these elements over the medium-to-long term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed. The Company believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against an inappropriate large-scale acquisition by such persons.

(2) Purpose of the Plan

The Company will adopt the Plan for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders in accordance with the Basic Policy set out in 1.(1) above.

As set out in the Basic Policy, the Board of Directors believes that persons who would propose a large-scale acquisition in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company’s financial and business policies. As it is undeniable that shares issued by the Company will have greater liquidity, the Company determined to introduce the Plan in order to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate and to deter large-scale acquisitions that are detrimental to the corporate value of the Company and the common interests of its shareholders, with the aim of, on the occasion that the Company receives a large-scale acquisition proposal from an acquirer for shares in the Company, enabling the Board of Directors to present an alternative proposal to the shareholders or ensuring necessary time and information for the shareholders to decide whether or not to accept the large-scale acquisition proposal, and enabling the Company to negotiate for the benefit of the shareholders.

The Company has not received any notice or proposal of a large-scale acquisition of shares in the Company to date from a specific third party.

2. Proposal Details

(1) Plan Outline

The Plan sets out procedures necessary to achieve the purpose stated above, including requirements for acquirers to provide information in advance in the case that the acquirer intends to make an acquisition of 20% or more of the Company’s share certificates or other equity securities.

The acquirer must not effect a large-scale acquisition of the shares and other equity securities in the Company until and unless the Board of Directors or a general meeting of shareholders determines not to trigger the Plan in accordance with the procedures for the Plan.

In the event that an acquirer does not follow the procedures set out in the Plan, or a large-scale acquisition of shares and other equity securities in the Company could harm the corporate value of the Company and the common interests of its shareholders and if the acquisition satisfies the triggering requirements set out in the Plan, the Company will allot stock acquisition rights with (a) an exercise condition that does not allow the acquirer to exercise the rights as a general rule and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for shares in the Company from holders of the stock acquisition rights other than the acquirer, by means of a gratis

allotment of stock acquisition rights (*shinkabu yoyakuken mushou wariate*) to all shareholders, except the Company, at that time. If a gratis allotment of stock acquisition rights were to take place in accordance with the Plan and all shareholders other than the acquirer received shares in the Company as a result of those shareholders exercising or the Company acquiring those stock acquisition rights, the ratio of voting rights in the Company held by the acquirer may be diluted by up to a maximum of 50%.

In order to eliminate arbitrary decisions by Directors, the Company will establish the Independent Committee solely composed of members who are independent from the management of the Company such as Outside Directors to make objective decisions with respect to matters such as the implementation or non-implementation of the gratis allotment of stock acquisition rights or the acquisition of stock acquisition rights under the Plan. In addition, the Board of Directors may, if prescribed in the Plan, hold a meeting of shareholders and confirm the intent of the Company's shareholders regarding the implementation of the gratis allotment of the stock acquisition rights.

Transparency with respect to the course of those procedures will be ensured by timely disclosure to all of the Company's shareholders.

(2) Procedures for Triggering the Plan

(a) Targeted Acquisitions

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under (i) or (ii) below or any similar action, or a proposal (Note 1) for such action (except for such action as the Board of Directors separately determines not to be subject to the Plan; the "Acquisition") takes place.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (*kabuken tou hoyuu wariai*) (Note 2) of a holder (*hoyuusha*) (Note 3) totaling at least 20% of the share certificates, etc. (*kabuken tou*) (Note 4) issued by the Company; or
- (ii) A tender offer (*koukai kaitsume*) (Note 5) that would result in the party conducting the tender offer's ownership ratio of share certificates, etc. (*kabuken tou shoyuu wariai*) (Note 6) and the ownership ratio of share certificates, etc. of a person having a special relationship (*tokubetsu kankei-sha*) (Note 7) totaling at least 20% of the share certificates, etc. (*kabuken tou*) (Note 8) issued by the Company.

The party intending to effect the Acquisition (the "Acquirer") shall follow the procedures set out in the Plan, and the Acquirer must not effect the Acquisition until and unless the Board of Directors passes a resolution not to implement the gratis allotment of Stock Acquisition Rights (defined in 2.(2)(e)(i)) in accordance with the Plan.

(b) Submission of Acquirer's Statement

The Company will request an Acquirer to submit to the Company, in the form separately prescribed by the Company, a document which includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (signed by or affixed with the name and seal of the representative of the Acquirer) and a qualification certificate of the person who signed or affixed its name and seal to that document (collectively, "Acquirer's Statement") before commencing or effecting the Acquisition. The Acquirer's Statement must include the name, address or location of headquarters, location of offices, the governing law for establishment, name of the representative, contact information in Japan for the Acquirer and an outline of the intended

Acquisition. The Acquirer's Statement and the Acquisition Document set out in (c) below must be written in Japanese.

(c) Request to the Acquirer for the Provision of Information

The Company will provide an Acquirer the format for the Acquisition Document (defined below), including a list of information that the Acquirer should provide to the Company, no later than 10 business days after receiving the Acquirer's Statement. The Acquirer must provide the Board of Directors with the document in the form provided by the Company (collectively, "Acquisition Document"), which includes the information described in each item of the list below ("Essential Information").

If the Board of Directors receives the Acquisition Document, it will promptly send it to the Independent Committee, which is established by resolution of the Board of Directors. (Standards for appointing members, requirements for resolutions, resolution matters, and other matters concerning the Independent Committee are as described in Note 9 and the career backgrounds and other matters of members of the Independent Committee at the time of introduction of the Plan are as described in the attachment 'Profiles of the Members of the Independent Committee.')

If the Independent Committee determines that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period and request that the Acquirer provide additional information. In such case, the Acquirer should provide the additional information within the set time limit.

- (i) Details (including name, capital relationship, financial position, operation results, details of violation of laws and ordinances in the past (if any), and terms of previous transactions by the Acquirer similar to the Acquisition) of the Acquirer and its group (including joint holders (Note 10), persons having a special relationship and persons having a special relationship with a person in relation to whom the Acquirer is the controlled corporation (Note 11)). (Note 12)
- (ii) The purpose, method and specific terms of the Acquisition (including the amount and type of consideration, the timeframe, the structure of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).
- (iii) The amount and basis for the calculation of the purchase price of the Acquisition.
- (iv) Information relating to any previous acquisition of shares in the Company by the Acquirer.
- (v) Financial support for the Acquisition (specifically including the names of providers of funds for the Acquisition (including all indirect providers of funds), financing methods and the terms of any related transactions).
- (vi) Post-Acquisition management policy, business plan, capital and dividend policies for the Company group.
- (vii) Policies for the Company's shareholders (other than the Acquirer), employees, business partners, customers, and any other stakeholders in the Company.
- (viii) Any other information that the Independent Committee reasonably considers necessary.

(d) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal

(i) Request to the Company’s Board of Directors for the Provision of Information

If the Acquirer submits the Acquisition Document and any other information additionally requested by the Independent Committee, the Independent Committee may set a reply period (up to 60 days as a general rule) and request that the Board of Directors present an opinion (including an opinion to refrain from giving such opinion; hereinafter the same) on the Acquirer’s Acquisition terms, the materials supporting such opinion, an alternative proposal (if any), and any other information that the Independent Committee considers necessary.

(ii) Independent Committee Consideration

If the Independent Committee receives the information (including the information additionally requested) from the Acquirer and (in case the Independent Committee requested the Board of Directors submit information as detailed in (i) above) the Board of Directors, the Independent Committee will consider the Acquisition terms, collect information on materials such as the management plans and business plans of the Acquirer and the Board of Directors and make a comparison thereof, and consider any alternative plan presented by the Board of Directors for a period that will not, as a general rule, exceed 60 days after the date upon which the Independent Committee receives the information. (The period for information collection and consideration by the Independent Committee is hereinafter referred to as the “Independent Committee Consideration Period”.) Further, if it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee will directly or indirectly discuss and negotiate with the Acquirer.

In order to ensure that the Independent Committee’s decision contributes to the Company’s corporate value and, in turn, the common interests of its shareholders, the Independent Committee may at the cost of the Company obtain advice from independent third parties (including financial advisers, certified public accountants, attorneys, tax accountants, consultants or any other experts). If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request.

(e) Recommendation by the Independent Committee

The Independent Committee will make recommendations to the Board of Directors as follows based on the abovementioned procedures.

(i) Recommendations for the Triggering of the Plan

If the Independent Committee determines that the Acquisition falls under any of the trigger events set out below at 2.(3), ‘Requirements for the Gratis Allotment of Stock Acquisition Rights’ (collectively “Trigger Event”), the Independent Committee will recommend the implementation of the gratis allotment of stock acquisition rights (as detailed in 2.(4) ‘Outline of the Gratis Allotment of Stock Acquisition Rights;’ the relevant stock acquisition rights hereinafter referred to as “Stock Acquisition Rights”) to the Board of Directors except in any specific case where further information disclosure by the Acquirer or negotiation or discussion with the Acquirer is necessary. If it is concerned that an Acquisition may fall under the second Trigger Event (“Trigger Event (2)”) set out in 2.(3), ‘Requirements for the

Gratis Allotment of Stock Acquisition Rights,' the Independent Committee may recommend implementation of the gratis allotment of Stock Acquisition Rights subject to obtaining approval at the shareholders meeting in advance.

Notwithstanding the foregoing paragraph, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Stock Acquisition Rights, if the Independent Committee determines that either of the events (A) or (B) below applies, it may make a new recommendation that (i) (on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Stock Acquisition Rights) the Company should cancel the gratis allotment of Stock Acquisition Rights, or (ii) (from the effective date of the gratis allotment of Stock Acquisition Rights and until the day immediately prior to the commencement date of the exercise period of the Stock Acquisition Rights) the Company should acquire the Stock Acquisition Rights for no consideration.

(A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation.

(B) There is no longer any Trigger Event due to a change or the like in the facts or other matters on which the recommendation decision was made.

(ii) Recommendations for the Non-Triggering of the Plan

If the Independent Committee determines there is no Trigger Event with respect to the Acquisition, the Independent Committee will recommend the non-implementation of the gratis allotment of Stock Acquisition Rights to the Board of Directors, regardless of whether the Independent Committee Consideration Period has ended.

Notwithstanding the foregoing paragraph, even after the Independent Committee has already made one recommendation for the non-implementation of the gratis allotment of Stock Acquisition Rights, if there is a change in the facts or other matters on which the recommendation decision was made and a Trigger Event arises, the Independent Committee may make a new recommendation that the Company should implement the gratis allotment of Stock Acquisition Rights.

(iii) Extension of the Independent Committee Consideration Period

If the Independent Committee does not reach a recommendation for either the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights during the initial Independent Committee Consideration Period, the Independent Committee may, to the reasonable extent that it is considered necessary for actions such as consideration of the terms of the Acquirer's Acquisition, consideration of an alternative proposal and negotiation with the Acquirer, extend the Independent Committee Consideration Period once or multiple times, in principle up to a total of 30 days. If the Independent Committee Consideration Period is extended, the Independent Committee will continue to collect information, deliberate and perform similar activities, and use its best efforts to make a recommendation for the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights within the extended period.

(f) Resolutions of the Board of Directors

The Board of Directors, in exercising their role under the Corporation Law, will pass a resolution relating to the implementation or non-implementation of a gratis allotment of Stock Acquisition

Rights respecting to the maximum extent any recommendation made by the Independent Committee as described above. If a meeting of shareholders is convened in accordance with (g) below, the Board of Directors will be subject to any resolution at the meeting of shareholders.

If the Independent Committee recommends not to implement the gratis allotment of the Stock Acquisition Rights or if the Shareholders Meeting resolves to reject the implementation of the gratis allotment of the Stock Acquisition Rights, the Board of Directors will not implement the gratis allotment of the Stock Acquisition Rights.

(g) Convocation of the Shareholders Meeting

Upon the implementation of the gratis allotment of the Stock Acquisition Rights pursuant to the Plan, the Board of Directors may convene a meeting of shareholders to confirm the intent of the Company's shareholders regarding the implementation of the gratis allotment of the Stock Acquisition Rights (the "Shareholders Meeting"), if (i) the Independent Committee recommends implementation of the gratis allotment of Stock Acquisition Rights subject to obtaining approval at the a meeting of shareholders in advance in accordance with (e)(i) above, or (ii) the applicability of Trigger Event (2) becomes an issue and the Board of Directors determines it appropriate to confirm the shareholders' intent for the Acquisition taking into consideration the time required to convene a shareholders' meeting or other matters pursuant to the duty of care of a good manager.

(h) Information Disclosure

When operating the Plan, the Company will disclose information in a timely manner on matters that the Independent Committee or the Board of Directors considers appropriate including the progress of each procedure set out in the Plan (including the fact that the Acquirer's Statement and Acquisition Document have been submitted, that the Independent Committee Consideration Period has commenced, and that the Independent Committee Consideration Period has been extended), an outline of recommendations made by the Independent Committee, and an outline of resolutions by the Board of Directors, in accordance with the applicable laws and ordinances or the rules of the financial instruments exchange.

(3) Requirements for the Gratis Allotment of Stock Acquisition Rights

The requirements to trigger the Plan to implement gratis allotment of Stock Acquisition Rights are as follows. As described above at (e) of 2.(2), 'Procedures for Triggering the Plan,' the Board of Directors will make a determination as to whether any of the following requirements applies to an Acquisition for which the recommendation by the Independent Committee has been obtained.

Trigger Event (1)

The Acquisition is not in compliance with the procedures set out in the Plan (including cases where reasonable time and information necessary to consider the details of the Acquisition is not provided) and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

Trigger Event (2)

The Acquisition falls under any of the items below and it is reasonable to implement the gratis allotment of Stock Acquisition Rights.

- (a) An Acquisition that threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through any of the following actions:
 - (i) A buyout of share certificates to require such share certificates to be purchased by the Company's side at a high price.
 - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company's material assets.
 - (iii) Diversion of the Company's assets to secure or repay debts of the Acquirer or its group company.
 - (iv) Temporary control of the Company's management to bring about a disposal of high-value assets that have no current relevance to the Company's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.

- (b) Certain Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable or unclear).

- (c) Acquisitions whose terms (including amount and type of consideration, the timeframe, the legality of the Acquisition method, the feasibility of the Acquisition being effected, and post-Acquisition policies dealing with the Company's other shareholders, employees, customers, business partners and any other stakeholders in the Company) are inadequate or inappropriate in light of the Company's intrinsic value.

- (d) Acquisitions that materially threaten to oppose the corporate value of the Company or the common interests of shareholders, by harming the Company's structure (combination of technology and personnel) or relationships with the Company's employees, customers, business partners and the like, which are indispensable to the generation of the Company's corporate value.

(4) Outline of the Gratis Allotment of Stock Acquisition Rights

An outline of the gratis allotment of Stock Acquisition Rights to be implemented under the Plan is described below.

(a) Number of Stock Acquisition Rights

The Company will implement a gratis allotment of Stock Acquisition Rights in the same number as the most recent total number of issued shares in the Company (excluding the number of shares in the Company held by the Company at that time) on a certain date (the "Allotment Date") that is separately determined in a resolution by the Board of Directors or the general meeting of shareholders relating to the gratis allotment of Stock Acquisition Rights ("Gratis Allotment Resolution").

(b) Shareholders Eligible for Allotment

The Company will allot the Stock Acquisition Rights to those shareholders, other than the Company, who are recorded in the Company's latest register of shareholders on the Allotment Date, at a ratio of one Stock Acquisition Right for each share in the Company held.

(c) Effective Date of Gratis Allotment of Stock Acquisition Rights

The effective date of the gratis allotment of Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

(d) 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 each Stock Acquisition Right (the "Applicable Number of Shares") shall, in principle, be one share.

(e) Amount of Contributions upon Exercise of Stock Acquisition Rights

Contributions upon exercise of the Stock Acquisition Rights are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Stock Acquisition Rights will be an amount separately determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of the amount equivalent to one-half of the fair market value of one share in the Company. "Fair market value" means an amount equivalent to the average closing price (including quotations) for regular transactions of the common stock of the Company on the Tokyo Stock Exchange on each day during the 90 day period prior to the Gratis Allotment Resolution (excluding the days on which trades are not made), with any fraction less than one yen after such calculation to be rounded up to the nearest whole yen.

(f) Exercise Period of the Stock Acquisition Rights

The commencement date will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period shall be referred to as the "Exercise Period Commencement Date"), and the period will, in principle, be a period from one month to six months long as separately determined in the Gratis Allotment Resolution.

(g) Conditions for Exercise of Stock Acquisition Rights

Except where any exceptional event (Note 13) occurs, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below shall collectively be referred to as "Non-Qualified Parties"):

- (I) Specified Large Holders (Note 14);
- (II) Joint Holders of Specified Large Holders;
- (III) Specified Large Purchasers (Note 15);
- (IV) Persons having a Special Relationship with Specified Large Purchasers;
- (V) Any transferee of, or successor to, the Stock Acquisition Rights of any party falling under (I) through (IV) without the approval of the Board of Directors; or
- (VI) Any Affiliated Party (Note 16) of any party falling under (I) through (V).

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Stock Acquisition Rights may not as a general rule exercise the Stock Acquisition Rights (provided, however, that the Stock Acquisition Rights held by nonresidents will be subject to acquisition by the Company in exchange for shares in the Company as set out in (ii) of paragraph (i) below, 'Acquisition of the Stock Acquisition Rights by the Company,' subject to confirmation of compliance with applicable laws and ordinances). In addition, anyone who fails to submit a written undertaking, in the form prescribed by the Company and containing representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Stock Acquisition Rights, indemnity clauses and other covenants, may not exercise the Stock Acquisition Rights.

(h) Assignment of Stock Acquisition Rights

Any acquisition of the Stock Acquisition Rights by assignment requires the approval of the Board of Directors.

(i) Acquisition of Stock Acquisition Rights by the Company

(i) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Board of Directors deems that it is appropriate for the Company to acquire the Stock Acquisition Rights, the Company may, on a day that falls on a date separately determined by the Board of Directors, acquire all of the Stock Acquisition Rights for no consideration.

(ii) On a date separately determined by the Board of Directors, the Company may acquire all of the Stock Acquisition Rights that have not been exercised before or on the day immediately prior to such date determined by the Board of Directors, that are held by parties other than Non-Qualified Parties (if any) and, in exchange, deliver shares in the Company in the number equivalent to the Applicable Number of Shares for each Stock Acquisition Right.

Further, if, on or after the date upon which the acquisition takes place, the Board of Directors recognizes the existence of any party holding Stock Acquisition Rights other than Non-Qualified Parties, the Company may, on a date determined by the Board of Directors that falls after the date upon which the acquisition described above takes place, acquire all of the Stock Acquisition Rights held by that party that have not been exercised by or on the day immediately prior to such date determined by the Board of Directors (if any) and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for each Stock Acquisition Right. The same will apply thereafter.

(j) Delivery of Stock Acquisition Rights in Case of Merger, Absorption-type Demerger (*kyushu bunkatsu*), Incorporation-type Demerger (*shinsetsu bunkatsu*), Share Exchange (*kabushiki koukan*), and Share Transfer (*kabushiki iten*)

These matters will be separately determined in the Gratis Allotment Resolution.

(k) Issuance of Certificates Representing the Stock Acquisition Rights

Certificates representing the Stock Acquisition Rights will not be issued.

(l) Other

In addition, the details of the Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

(5) Effective Period, Abolition and Amendment of the Plan

The initial effective period of the Plan (the “Effective Period”) will be the period from July 1, 2009 and until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years of the conclusion of this Ordinary General Meeting of Shareholders.

However, if, before the expiration of the Effective Period, a resolution is passed at the Company’s Shareholders Meeting to revoke its resolution to assign to the Board of Directors the authority relating to gratis allotment of Stock Acquisition Rights or the Board of Directors passes a resolution to abolish the Plan, the Plan will be abolished in accordance with the resolution.

Further, the Board of Directors may revise or amend the Plan even during the Effective Period of the Plan, if such revision or amendment is not against the purpose of a resolution at this Ordinary General Meeting of Shareholders such as cases where any law, ordinance, or rules of the financial instruments exchange or the like concerning the Plan is established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, or cases where such revision or amendment is not detrimental to the Company’s shareholders, and subject to the approval of the Independent Committee.

If the Plan is abolished, modified or amended, the Company will promptly disclose the fact that such abolition, modification or amendment has taken place, and (in the event of a modification or amendment) the details of the modification, amendment and any other matters.

(6) Revision Due to Amendment to Laws and Ordinances

The provisions of laws and ordinances referred to under the Plan are subject to the prevailing provisions as of May 20, 2009. If it becomes necessary after such date to amend the terms and conditions or definitions of terms set out in the paragraphs above due to the formulation, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such formulation, amendment or abolishment.

(7) Other Matters

The Board of Directors may determine the details of the Plan as long as they are not described in or inconsistent with this proposal.

(Note 1) “Proposal” includes solicitation of a third party.

(Note 2) Defined in Article 27-23(4) of the Financial Instruments and Exchange Law. The same is applied throughout this proposal.

(Note 3) Including persons described as a holder under Article 27-23(3) of the Financial Instruments and Exchange Law (including persons who are deemed to fall under the above by the Board of Directors). The same is applied throughout this proposal.

(Note 4) Defined in Article 27-23(1) of the Financial Instruments and Exchange Law. The same is applied throughout this proposal unless otherwise provided for.

- (Note 5) Defined in Article 27-2(6) of the Financial Instruments and Exchange Law. The same is applied throughout this proposal.
- (Note 6) Defined in Article 27-2(8) of the Financial Instruments and Exchange Law. The same is applied throughout this proposal.
- (Note 7) Defined in Article 27-2(7) of the Financial Instruments and Exchange Law (including persons who are deemed to fall under the above by the Board of Directors); provided, however, that persons provided for in Article 3(2) of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2(7)(i) of the Financial Instruments and Exchange Law. The same is applied throughout this proposal.
- (Note 8) Defined in Article 27-2(1) of the Financial Instruments and Exchange Law.
- (Note 9) Following is an outline of the rules of the Independent Committee.
- There will be no less than three members of the Independent Committee, and the Board of Directors shall elect the members from (i) Outside Directors, (ii) Statutory Auditors and (iii) other experts, who are independent from the management that executes the business of the Company. However, such experts must be experienced corporate managers, parties with knowledge of the investment banking industry, lawyers, certified public accountants, researchers whose research focuses on the Corporation Law or the like, or parties of similar qualifications, and must have executed with the Company an agreement separately specified by the Board of Directors that contains a provision obligating them to exercise the duty of care of a good manager or similar provision.
 - Unless otherwise determined in a resolution by the Board of Directors, the term of office of members of the Independent Committee will be until the conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within three years of this Ordinary General Meeting of Shareholders. However, the term of office of any member of the Independent Committee who is an Outside Director or a Statutory Auditor will end at the same time they lose the status as an Outside Director or a Statutory Auditor (except in the case of their re-appointment).
 - The Independent Committee will make decisions on the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights, the cancellation of the gratis allotment of Stock Acquisition Rights or the gratis acquisition of Stock Acquisition Rights, matters that are for determination by the Board of Directors in respect to which it has consulted the Independent Committee and any other prescribed matters.
 - As a general rule, resolutions at meetings of the Independent Committee will pass with a majority vote when all the members of the Independent Committee are in attendance.
- (Note 10) Defined in Article 27-23(5) of the Financial Instruments and Exchange Law, including persons regarded as a joint holder under Article 27-23(6) of the Financial Instruments and Exchange Law (including persons who are deemed to fall under the above by the Board of Directors). The same is applied throughout this proposal.
- (Note 11) Defined in Article 9(5) of Enforcement Regulation for the Financial Instruments and Exchange Law.
- (Note 12) If an Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members is required.

- (Note 13) Specifically, the Company intends to set out that an “exceptional event” means when (x) an Acquirer cancels or revokes an Acquisition, or promises that it will not conduct any subsequent Acquisition, after the Gratis Allotment Resolution and the Acquirer or other Non-Qualified Parties dispose of their shares in the Company through a securities firm appointed and authorized by the Company to do so and (y) the Acquirer’s shareholding ratio determined by the Board of Directors (when calculating the shareholding ratio, Non-Qualified Parties other than the Acquirer and its Joint Holders are deemed to be Acquirer’s Joint Holders, and Stock Acquisition Rights held by Non-Qualified Parties, the conditions of which have not been satisfied, are excluded) (the “Non-Qualified Parties’ Shareholding Ratio”) falls below the lower of (i) the Non-Qualified Parties’ Shareholding Ratio before the Acquisition or (ii) 20%, the Acquirer or other Non-Qualified Parties making the disposal may exercise Stock Acquisition Rights to the extent that the number of shares to be issued or delivered upon exercise of the Stock Acquisition Rights is up to the number of shares disposed of and to the extent of the ratio under either (i) or (ii) above. Detailed conditions and procedures for exercise of Stock Acquisition Rights by Non-Qualified Parties will be determined separately by the Board of Directors.
- (Note 14) “Specified Large Holder” means, in principle, a party who is a holder of share certificates, etc., issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20% (including any party who is deemed to fall under the above by the Board of Directors); provided, however, that a party that the Board of Directors recognizes as a party that unintentionally falls under the foregoing definition such as in case of the acquisition of own shares by the Company (this does not apply if the party subsequently intentionally acquires shares in the Company), a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or any specific other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Holder. The same is applied throughout this proposal.
- (Note 15) “Specified Large Purchaser” means, in principle, a person who makes a public announcement of purchase, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Law; the same is applied throughout this Note 15) of share certificates, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Law; the same is applied throughout this Note 15) issued by the Company through a tender offer and whose ratio of ownership of share certificates, etc., in respect of such share certificates, etc., owned by such person after such purchase, etc., (including similar ownership as prescribed in Article 7(1) of the Order of the Enforcement of the Financial Instruments and Exchange Law) is at least 20% when combined with the ratio of ownership of share certificates, etc., of a person having a special relationship (including any party who is deemed to fall under the above by the Board of Directors); provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company’s corporate value or the common interests of shareholders or certain other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. The same is applied throughout this proposal.

(Note 16) An “Affiliated Party” of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Board of Directors), or a party deemed by the Board of Directors to act in concert with such given party. “Control” means to “control the determination of the financial and business policies” (as defined in Article 3(3) of the Enforcement Regulations of the Corporation Law) of other corporations or entities.

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Profiles of the Members of the Independent Committee

The following four persons are scheduled to be the initial members of the Independent Committee upon introduction of the Plan.

Taiki Yoshioka

Born on September 16, 1940

- | | |
|-----------|--|
| Apr. 1963 | Joined Sumitomo Life Insurance Company |
| July 1995 | Appointed director of Sumitomo Life Insurance Company, manager of Business Development in Saitama Region |
| Apr. 1997 | Appointed managing director of Sumitomo Life Insurance Company, general manager of Second General Corporate Sales Dept. in Tokyo Headquarter |
| Apr. 1999 | Appointed senior managing director of Sumitomo Life Insurance Company |
| July 2001 | Appointed vice president of Sumitomo Life Insurance Company |
| Apr. 2002 | Appointed vice president and Executive Officer of Sumitomo Life Insurance Company |
| Jan. 2003 | Appointed chairman of Sumisei Computer Service Co., Ltd. |
| June 2005 | Appointed outside director of the Company (current)
Appointed chairman of Haihui Sci-Tech Japan Co., Ltd. |
| Sep. 2005 | Retired as chairman of Haihui Sci-Tech Japan Co., Ltd. |
| Jan. 2006 | Appointed chairman of CIJ Solutions, Ltd. |
| Aug. 2006 | Retired as chairman of CIJ Solutions, Ltd. |

Taiki Yoshikawa is an Outside Director of the Company. He is scheduled to be reappointed as an Outside Director upon approval of the proposal regarding appointment of Directors at this Ordinary General Meeting of Shareholders.

He does not have any special interest in the Company.

Takeshi Natsuno

Born on March 17, 1965

- | | |
|-----------|---|
| Apr. 1988 | Joined Tokyo Gas Co., Ltd. |
| June 1996 | Appointed vice president of K.K. Hypernet |

Sept. 1997 Appointed media director of Gateway Business Dept. at NTT Mobile Communications Network Inc. (now NTT Docomo Inc.)

June 2005 Appointed executive officer and manager in charge of multimedia services at NTT Docomo Inc.

Sept. 2007 Appointed member of Chongqing Mayor International Economic Advisory Panel Conference (current)

May 2008 Appointed guest professor at Graduate School of Media and Governance, Keio University (current)

Appointed advisor of e-solutions, inc. (current)

June 2008 Appointed outside director of the Company (current)

Appointed director of Sega Sammy Holdings Inc. (current)

Appointed director of Pia Corporation (current)

Appointed director of Liveware Inc. (current)

Appointed director of NTT Resonant Inc. (current)

Appointed director of SBI Holdings, Inc. (current)

July 2008 Appointed advisor of NTT Docomo Inc. (current)

Appointed advisor of Aplix Corporation (current)

Appointed advisor of D2 Communications Inc. (current)

Appointed advisor of Techfirm Inc. (current)

Aug. 2008 Appointed fellow of Rakuten Institute of Technology Rakuten, Inc. (current)

Oct. 2008 Appointed advisor of Management Planning Dept. at Dentsu Inc. (current)

Dec. 2008 Appointed director of Dwango Co., Ltd. (current)

Apr. 2009 Appointed chairman of Research Institute for IT International Competition (current)

Takeshi Natsuno is an Outside Director of the Company. He is scheduled to be reappointed as an Outside Director upon approval of the proposal regarding appointment of Directors at this Ordinary General Meeting of Shareholders.

He does not have any special interest in the Company.

Jutaro Takinami

Born on September 28, 1941

Apr. 1968 Joined Nippon Jimuki Co., Ltd.

Feb. 1972 Joined Dentsu Inc.

Dec. 1975 Seconded to Information Services International-Dentsu, Ltd.

June 1985 Appointed director of Information Services International-Dentsu, Ltd.

June 1990	Appointed managing director of Information Services International-Dentsu, Ltd.
July 1991	Transferred to Information Services International-Dentsu, Ltd.
June 1994	Appointed senior managing director of Information Services International-Dentsu, Ltd.
June 1998	Appointed president of Information Services International-Dentsu, Ltd.
June 2004	Appointed president and COO of Information Services International-Dentsu, Ltd.
June 2006	Appointed full-time advisor of Information Services International-Dentsu, Ltd.
Oct. 2008	Appointed advisor of the Company (current)

Jutaro Takinami is scheduled to be appointed as an Outside Director of the Company upon approval of the proposal regarding appointment of Directors at this Ordinary General Meeting of Shareholders.

He does not have any special interest in the Company.

Kichiro Takao

Born on December 23, 1934

Apr. 1958	Joined Nikko Securities Inc. (now Nikko Cordial Securities Inc.)
Mar. 1975	Appointed manager of Wakayama Branch at Nikko Securities Inc.
Dec. 1982	Appointed director, and manager of First Corporate Business Dept. at Osaka Branch at Nikko Securities Inc.
Nov. 1985	Appointed managing director in charge of Osaka Area, and manager of Osaka Branch at Nikko Securities Inc.
Aug. 1988	Appointed senior managing director in charge of sales planning at Nikko Securities Inc.
May 1990	Appointed vice president of Nikko Securities Inc.
June 1991	Appointed president & CEO of Nikko Securities Inc.
Oct. 1997	Appointed advisor of Nikko Securities Inc.
June 2000	Appointed statutory auditor of Nippon Dentsu Co., Ltd. (current)
Oct. 2001	Appointed advisor of Nikko Cordial Corporation
June 2005	Retired as advisor of Nikko Cordial Corporation
June 2006	Appointed outside director of the Company (current)

Kichiro Takao is an Outside Director of the Company. He is scheduled to be appointed as a Statutory Auditor upon approval of the proposal regarding appointment of Statutory Auditors at this Ordinary General Meeting of Shareholders.

He does not have any special interest in the Company.

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Proposal No. 4: Election of Ten Directors

The term of office of all the eleven Directors will expire at the conclusion of this Meeting. Accordingly, it is proposed that ten Directors be elected.

The candidates for Directors are as follows:

Candidate No.	Name (Date of Birth)	Career summary, position and representation of other companies	No. of Company shares held
1	Koki Okuda (January 9, 1937)	<p>June 1966 Established Maruei Keisan Center Kabushiki Kaisha and became President, Representative Director</p> <p>December 1974 President, Representative Director of Kabushiki Kaisha Kansai Maruei Keisan Center</p> <p>June 1975 President, Representative Director of Wakayama Maruei Keisan Center Kabushiki Kaisha</p> <p>November 1978 President, Representative Director of Kabushiki Kaisha Input Research Institute</p> <p>January 1982 President, Representative Director of Gunma Maruei Keisan Center Kabushiki Kaisha</p> <p>April 1982 President, Representative Director of Kabushiki Kaisha Maritec</p> <p>June 1984 Board member of Japan Information Technology Services Industry Association</p> <p>June 1985 President, Representative Director of the Company</p> <p>May 1997 President, Representative Director of J-Stream Inc.</p> <p>June 1998 Chairman, Representative Director & President of the Company</p> <p>December 1999 President, Representative Director of eVentures Inc.</p> <p>September 2002 Chairman, Representative Director of the Company & Group CEO</p> <p>June 2003 Founder, Representative Director & Group CEO (present post)</p>	7,498,800 shares (0 shares)
2	Koji Funatsu (March 18, 1952)	<p>April 1981 Joined RECRUIT CO., LTD.</p> <p>December 1995 Director of Recruit Hokkaido Jalan Co., Ltd.</p> <p>April 1998 Joined the Company, General Manager of Business Planning & Development Division</p> <p>June 1998 Managing Director</p> <p>June 1999 Senior Managing Director, Assistance in Overseas Business Control</p> <p>April 2000 Vice President, Representative Director, in charge of Marketing and Consulting Divisions, in charge of each Business Divisions</p> <p>November 2000 In charge of Business Control Division</p> <p>April 2001 In charge of Business Strategy Division & Human Resources Division</p> <p>April 2002 Vice President, Representative Director, Chief of Business Administration Division, for Human Resources</p> <p>September 2002 President, Representative Director & CEO</p> <p>June 2003 Chairman, Representative Director & CEO (present post)</p>	25,200 shares (91 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and representation of other companies	No. of Company shares held
3	Masataka Okuda (March 29, 1967)	<p>April 1988 Joined the Company</p> <p>June 1996 Director, Deputy General Manager of Marketing Division</p> <p>June 1998 Managing Director, Chief of Office of President</p> <p>April 2000 Vice President, Representative Director, Chief of Business Planning & Development, Deputy Chief of Overseas Business Division</p> <p>December 2000 Representative Director of Ask Jeeves Japan Co., Ltd. (present Ask. jp Co., Ltd.)</p> <p>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</p> <p>April 2002 Vice President, Representative Director & co-COO and CEO of Business Development Division of the Company</p> <p>June 2002 Representative Director of eVentures Inc. (present post)</p> <p>September 2002 Vice President, Representative Director & COO of the Company</p> <p>June 2003 President, Representative Director & COO of the Company (present post)</p>	5,910,368 shares (182 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and representation of other companies	No. of Company shares held
4	Koichi Iwami (January 10, 1967)	<p>April 1993 Joined Ajinomoto Co., Inc.</p> <p>March 2001 Joined the Company</p> <p>June 2002 Director, Deputy General Manager of Business Development Division</p> <p>June 2003 Managing Director, General Manager of Services Business Division, Marketing Chain Management Services</p> <p>June 2004 Corporate Executive Officer</p> <p>March 2005 Chairman of transcocosmos Information system (Shanghai) Co., Ltd. (present post)</p> <p>April 2005 Chief of Marketing Chain Management Services of the Company</p> <p>June 2005 Senior Managing Director</p> <p>August 2005 Chairman of transcocosmos MCM Shanghai Co., Ltd. (present post)</p> <p>February 2006 President, Representative Director of transcocosmos MCM Korea Co., Ltd. (present post)</p> <p>June 2006 Executive Vice President, Director of the Company</p> <p>April 2009 Senior Managing Director, in charge of Call Center Services Sector, Business Process Outsourcing Services Sector, Business Process Solution Services Division, Digital Marketing Service Division, Overseas Business Division, and MCM Analysis Service Department, China Offshore Developing Services Department, Service Planning Department, and General Manager of Asia Digital Marketing Service Sector (present post)</p>	0 shares (200 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and representation of other companies	No. of Company shares held
5	Hiroyuki Mukai (July 23, 1952)	<p>April 1977 Joined IBM Japan, Ltd.</p> <p>January 1987 Assistant General Manager of Kansai Sales Division</p> <p>October 1991 Chief of the Sixth Business Office of Logistics Sales Division</p> <p>January 1995 General Manager of Retail System Division of Logistic System Division</p> <p>January 1997 External assignment to the Asian Head Office (Tokyo)</p> <p>January 1998 External assignment to the European Head Office (France)</p> <p>April 2000 Administration Officer and General Manager of Logistics System Division</p> <p>April 2004 Administration Officer and General Manager of PC & Printing Division</p> <p>March 2005 President of Lenovo Japan Co., Ltd.</p> <p>October 2007 Joined the Company, Corporate Executive Officer in charge of Sales Planning Division General Manager of Business Development & Investments of the Company</p> <p>April 2008 Corporate Executive Officer, Chief of Sales Division</p> <p>June 2008 Senior Managing Director, Chief of Sales Division</p> <p>April 2009 Executive Managing Director, Chief of Sales Division (present post)</p>	0 shares (0 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and representation of other companies	No. of Company shares held	
6	Masakatsu Moriyama (May 21, 1970)	April 1993	Joined Pricewaterhouse Consultant (present IBM Japan, Ltd.)	2,000 shares (0 shares)
		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	
		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 post)	
		September 2005	Senior Managing Director, General Manager of BtoC Business Development Division of the Company	
		March 2007	Representative Director of Co-Core Inc. (present post)	
April 2007	Senior Managing Director & CIO, General Manager of BtoC Business Development Division & the General Manager of the Human Resources Division			
June 2007	Senior Managing Director, General Manager of BtoC Business Development Division			
April 2009	Executive Managing Director, General Manager of BtoC Business Development Division and "meet-me" Sales Promotion Department (present post)			

Candidate No.	Name (Date of Birth)	Career summary, position and representation of other companies	No. of Company shares held
7	Shinichi Nagakura (January 7, 1964)	<p>March 1986 Joined RECRUIT CO., LTD.</p> <p>June 1998 Joined the Company, assumed post at Trans Cosmos USA, Inc.</p> <p>August 2002 Director of Trans Cosmos USA, Inc.</p> <p>June 2004 Corporate officer, General Manager of Service Development Division of the Company</p> <p>June 2005 Corporate Senior Officer, in charge of group strategy</p> <p>September 2005 Corporate Executive Officer, General Manager of Business Development & Investments</p> <p>June 2006 Senior Managing Director</p> <p>April 2009 Executive Managing Director, in charge of Administration Department Affiliated Companies Management, Chief of North America Business Department (present post)</p>	1,000 shares (0 shares)
8	Taiki Yoshioka (September 16, 1940)	<p>April 1963 Joined Sumitomo Life Insurance Company</p> <p>July 1995 Director of Sumitomo Life Insurance Company, Manager of Business Development in Saitama Region</p> <p>April 1997 Managing Director of Sumitomo Life Insurance Company, General Manager of Second General Corporate Sales Dept. in Tokyo Headquarter</p> <p>April 1999 Senior Managing Director of Sumitomo Life Insurance Company</p> <p>July 2001 Vice President of Sumitomo Life Insurance Company</p> <p>April 2002 Vice President and Executive Officer of Sumitomo Life Insurance Company</p> <p>January 2003 Chairman of Sumisei Computer Service Co., Ltd.</p> <p>June 2005 Outside Director of the Company (present post), Chairman of Haihui Sci-Tech Japan Co., Ltd.</p> <p>September 2005 Retired as Chairman of Haihui Sci-Tech Japan Co., Ltd.</p> <p>January 2006 Chairman of CIJ Solutions, Ltd.</p> <p>August 2006 Retired as Chairman of CIJ Solutions, Ltd.</p>	0 shares (0 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and representation of other companies	No. of Company shares held
9	Takeshi Natsuno (March 17, 1965)	<p>April 1988 Joined Tokyo Gas Co., Ltd.</p> <p>June 1996 Vice President of K.K. Hypernet</p> <p>September 1997 Media Director of Gateway Business Dept. at NTT Mobile Communications Network Inc. (present NTT Docomo Inc.)</p> <p>June 2005 Executive Officer and Manager in charge of Multimedia Services at NTT Docomo Inc.</p> <p>September 2007 Member of Chongqing Mayor International Economic Advisory Panel Conference (present post)</p> <p>May 2008 Guest Professor at Graduate School of Media and Governance, Keio University (present post) Advisor of e-solutions, inc. (present post)</p> <p>June 2008 Outside Director of the Company (present post) Director of Sega Sammy Holdings Inc. (present post) Director of Pia Corporation (present post) Director of Liveware Inc. (present post) Director of NTT Resonant Inc. (present post) Director of SBI Holdings, Inc. (present post)</p> <p>July 2008 Advisor of NTT Docomo Inc. (present post) Advisor of Aplix Corporation (present post) Advisor of D2 Communications Inc. (present post) Advisor of Techfirm Inc. (present post)</p> <p>August 2008 Fellow of Rakuten Institute of Technology Rakuten, Inc. (present post)</p> <p>October 2008 Advisor of Management Planning Dept. at Dentsu Inc. (present post)</p> <p>December 2008 Director of Dwango Co., Ltd. (present post)</p> <p>April 2009 Chairman of Research Institute for IT International Competition (present post)</p>	0 shares (1,642 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and representation of other companies	No. of Company shares held
10	Jutaro Takinami (September 28, 1941)	<p>April 1968 Joined Nippon Jimuki Co., Ltd.</p> <p>February 1972 Joined Dentsu Inc.</p> <p>December 1975 Seconded to Information Services International-Dentsu, Ltd.</p> <p>June 1985 Director of Information Services International-Dentsu, Ltd.</p> <p>June 1990 Managing Director of Information Services International-Dentsu, Ltd.</p> <p>July 1991 Transferred to Information Services International-Dentsu, Ltd.</p> <p>June 1994 Senior Managing Director of Information Services International-Dentsu, Ltd.</p> <p>June 1998 President of Information Services International-Dentsu, Ltd.</p> <p>June 2004 President and COO of Information Services International-Dentsu, Ltd.</p> <p>June 2006 Full-Time Advisor of Information Services International-Dentsu, Ltd.</p> <p>October 2008 Advisor of the Company (present post)</p>	0 shares (0 shares)

- Notes: 1. Figures in parentheses in the column of “No. of Company shares held” by candidates for Directors are equities in the Directors’ shareholding society. (Fractions smaller than one share are omitted.)
2. Director candidate Masakatsu Moriyama concurrently holds the positions of Representative Director of TEAM LAB BUSINESS DEVELOPMENT Inc. and Representative Director of Kabushiki Kaisha Co-Core Inc., with which the Company has business relationship.
No special interests exist between the Company and other candidates for Directors.
3. Taiki Yoshioka, Takeshi Natsuno and Jutaro Takinami are candidates for Outside Directors.
4. 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, Takeshi Natsuno and Jutaro Takinami 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.
5. While Mr. Takeshi Natsuno was Director of FeliCa Networks, Inc., an incident involving the leak of customer data by a temporary employee of that company occurred on November 21, 2006. Mr. Natsuno was not involved in the incident. He fulfilled his responsibilities subsequent to the incident by aggressively effectuating efforts to raise awareness of risk management and instructed others in the compliance to legal statutes and regulations, the formulation of rules and the implementation of measures to prevent reoccurrences. In addition, while Mr. Natsuno served as Director at Sumitomo Mitsui Card Co., Ltd., as a result of an incident involving the unauthorized access from an external party to the server of the Internet service “Vpass” developed by that company occurring on January 30, 2007, a portion of customers’ credit card information was leaked. That company filed a damage report with the police, explained the circumstances to customers and apologized to them and effectuated other countermeasures. Mr. Natsuno was not involved in this incident. He fulfilled his responsibilities subsequent to the incident by aggressively working towards the building of a framework to prevent reoccurrences such as by instructing to inspect the weaknesses of the system, strengthen the monitoring framework as well as effectuate other measures.
6. 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. The Company has already executed such agreements with Taiki Yoshioka and Takeshi Natsuno and should their election be approved, same shall be continued. Also, should the election of Jutaro Takinami be approved, the Company shall enter into such an agreement with same.

7. 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 four years at the conclusion of this Annual General Meeting of Shareholders.
- 2) The term of office of Takeshi Natsuno, an Outside Director, shall be one year at the conclusion of this Annual General Meeting of Shareholders.

Proposal No. 5: Election of Four Statutory Auditors

The term of office of all the four Statutory Auditors will expire at the conclusion of this Meeting. Accordingly, it is proposed that four Statutory Auditors be elected.

The candidate for Statutory Auditor is as follows.

The Board of Statutory Auditors has previously given its consent to this proposal.

Candidate No.	Name (Date of Birth)	Career summary, position and representation of other companies	No. of Company shares held
1	Hideaki Ishioka (October 20, 1949)	<p>April 1973 Joined Tokyo Shibaura Electric Co. Ltd. (current Toshiba Corporation)</p> <p>April 1996 Advisor of the Company</p> <p>June 1996 Managing Director and General Manager of Technologies</p> <p>April 2000 Senior Managing Director & in secondary charge of Technologies</p> <p>October 2000 J-Stream Inc.</p> <p>February 2001 President of AboveNet Japan, Inc.</p> <p>April 2002 Technical Fellow of the Company</p> <p>June 2002 Vice President & Representative Director of Mac Interface Co., Ltd. (present APPLIED TECHNOLOGY CO., LTD.)</p> <p>January 2005 Director of Mac Interface Co., Ltd. Senior Managing Director, in charge of Technology Division</p> <p>January 2006 Senior Managing Director & General Manager of Management Planning Division of Mac Interface Co., Ltd.</p> <p>January 2007 Director of Mac Interface Co., Ltd. Board Chairperson and representative director of TransCosmos Technologies Inc.</p> <p>December 2007 Board Chairperson and director of TransCosmos Technologies Inc.</p> <p>June 2008 Standing Statutory Auditor of the Company (present post)</p>	1,000 shares (36 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and representation of other companies	No. of Company shares held
2	Kichiro Takao (December 23, 1934)	<p>April 1958 Joined Nikko Securities Inc. (present Nikko Cordial Securities Inc.)</p> <p>March 1975 Manager of Wakayama Branch at Nikko Securities Inc.</p> <p>December 1982 Director and Manager of First Corporate Business Dept. at Osaka Branch at Nikko Securities Inc.</p> <p>November 1985 Managing Director in charge of Osaka Area and Manager of Osaka Branch at Nikko Securities Inc.</p> <p>August 1988 Senior Managing Director in charge of Sales Planning at Nikko Securities Inc.</p> <p>May 1990 Vice President of Nikko Securities Inc.</p> <p>June 1991 President & CEO of Nikko Securities Inc.</p> <p>October 1997 Advisor of Nikko Securities Inc.</p> <p>June 2000 Statutory Auditor of Nippon Dentsu Co., Ltd. (present post)</p> <p>October 2001 Advisor of Nikko Cordial Corporation</p> <p>June 2005 Retired as Advisor of Nikko Cordial Corporation</p> <p>June 2006 Outside Director of the Company (present post)</p>	0 shares (0 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and representation of other companies	No. of Company shares held
3	Kazushi Watanabe (September 25, 1939)	<p>May 1959 Hired as police officer of the Metropolitan Police Department</p> <p>March 1973 Captain of the Metropolitan Police Department, Tsukiji Police Station, Second Investigation Division, Education and Training Division of the Metropolitan Police Department, Shibuya Police Station</p> <p>March 1981 Deputy Inspector of the Metropolitan Police Department, Shibuya Police Station, Deputy Director of First Personnel Division of the Metropolitan Police Department, Deputy Chief of Kojimachi Police Station</p> <p>September 1986 Captain of Third Mobile Investigation Unit, Director of Identification Division of the Metropolitan Police Department, Chief of Tomisaka Police Station, Director of First Investigation Division of the Metropolitan Police Department</p> <p>August 1990 Inspector, Director of First Investigation Division of the Metropolitan Police Department, Chief of Kamata Police Station, Director of Criminal Administration Division of the Metropolitan Police Department</p> <p>September 1993 Head of the Public Security Department of Tohoku Regional Police Bureau</p> <p>February 1995 Director of Community Safety Bureau, the Metropolitan Police Department</p> <p>September 1997 Retired Assistant Commissioner of Police Administration Department of the Metropolitan Police Department</p> <p>October 1997 General Manager of Marketing Strategy Division, Yamato Transport Co., Ltd.</p> <p>June 1998 Director of Yamato Transport Co., Ltd.</p> <p>June 2003 Managing Director of Yamato Transport Co., Ltd.</p> <p>March 2005 Retired Yamato Transport Co., Ltd.</p> <p>May 2005 Part-time advisor of SOMPO JAPAN INSURANCE INC. (present post)</p> <p>January 2006 Advisor of the Company</p> <p>June 2006 Statutory Auditor of the Company (present post)</p>	0 shares (54 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and representation of other companies	No. of Company shares held
4	Toshiaki Nakamura (October 9, 1941)	<p>April 1960 Co-ordination Division, Management and Co-ordination Department of Osaka Regional Taxation Bureau</p> <p>July 1993 Chief Inspector General of National Tax Agency Commissioner's Secretariat</p> <p>July 1996 Director of Shinagawa Taxation Office</p> <p>July 1997 Director of Tokyo Training Center, National Tax College Japan</p> <p>July 1999 Director of Shibuya Taxation Office</p> <p>July 2000 Retired the office of Director of Shibuya Taxation Office</p> <p>October 2000 Tax Advisor of TechnoBouquet Inc.</p> <p>September 2003 Statutory Auditor of RISO KYOIKU CO., LTD. (present post)</p> <p>April 2004 Tax Advisor of the Company</p> <p>June 2006 Outside Statutory Auditor (present post)</p>	0 shares (91 shares)

Notes: 1. Figures in parentheses in the column of "No. of Company shares held" by candidates for Statutory Auditors are equities in the Statutory Auditors' shareholding society. (Fractions smaller than one share are omitted.)

2. No special interests exist between the Company and the above candidates for Statutory Auditors.
3. Kazushi Watanabe and Toshiaki Nakamura are candidates for Outside Statutory Auditors.
4. Statutory Auditor candidate Kichiro Takao is currently an Outside Statutory Auditor of the Company, however he will retire at the expiration of his term at the conclusion of this Annual General Meeting of Shareholders.
5. Reasons for the election of candidates for Outside Statutory Auditors and reasons why the Company considers the offices of Outside Statutory Auditors shall be performed appropriately by same Kazushi Watanabe and Toshiaki Nakamura have ample experience, track histories of performance, and knowledge, 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 Statutory Auditors.
6. Agreements on the Limited Liability of Outside Statutory Auditors
The Articles of Incorporation of the Company stipulate that the Company may enter into an agreement with an Outside Statutory Auditor to limit the liability of the Outside Statutory Auditor 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. The Company has already entered into the agreements with each of Kazushi Watanabe and Toshiaki Nakamura. Subject to the approval of election of Kazushi Watanabe and Toshiaki Nakamura, the Company will renew the agreements on the limited liability of Outside Statutory Auditor with each of them.
7. Years for which the candidates for Outside Statutory Auditors are to take office as Outside Statutory Auditors:
 - 1) The term of office of Kazushi Watanabe, an Outside Statutory Auditor, shall be three years at the conclusion of this Annual General Meeting of Shareholders.
 - 2) The term of office of Toshiaki Nakamura, an Outside Statutory Auditor, shall be three year at the conclusion of this Annual General Meeting of Shareholders.

Proposal No. 6: Election of One Substitute Statutory Auditor

To provide for a case in which the number of Statutory Auditors falls short of the number stipulated by the law, it is proposed that one substitute Statutory Auditor be elected in advance pursuant to Paragraph 2, Article 329 of the Corporation Law.

The Board of Statutory Auditor has previously given its consent to this proposal.

The candidate for substitute Statutory Auditor is as follows.

Name (Date of Birth)	Career summary, position and representation of other companies	No. of Company shares held
Teruyuki Hiiro (January 15, 1933)	April 1956	Joined Tomoe Engineering Co., Ltd.
	January 1989	Director of Tomoe Engineering Co., Ltd.
	January 1993	Managing Director of Tomoe Engineering Co., Ltd.
	January 1997	Senior Managing Director of Tomoe Engineering Co., Ltd.
	January 1999	Advisor of Tomoe Engineering Co., Ltd.
	January 2000	Retired Advisor of Tomoe Engineering Co., Ltd.
	May 2001	Statutory Auditor of Mac Interface Co., Ltd. (current APPLIED TECHNOLOGY CO., LTD.)
	June 2004	Outside Statutory Auditor of the Company (present post)
June 2007	Standing Statutory Auditor of DoubleClick Japan Inc. (present post)	
		0 shares (0 shares)

- Notes: 1. Figures in parentheses in the column of “No. of Company shares held” by the candidate for substitute Statutory Auditor is equities in the substitute Statutory Auditor’s shareholding society. (Fractions smaller than one share are omitted.)
2. No special interests exist between the Company and the above candidate for substitute Statutory Auditor.
3. The candidate of the substitute Statutory Auditor Teruyuki Hiiro is a nominee for a substitute Outside Statutory Auditor.
4. Substitute Statutory Auditor candidate Teruyuki Hiiro is currently an Outside Statutory Auditor of the Company, but he will retire at the expiration of his term at the conclusion of this Annual General Meeting of Shareholders. The term of office of Teruyuki Hiiro, an Outside Statutory Auditor, shall be five years at the conclusion of this Annual General Meeting of Shareholders.
5. Reasons for the election of the candidate for substitute Outside Statutory Auditor and reasons why the Company considers the office of substitute Outside Statutory Auditor shall be performed appropriately by same
- Teruyuki Hiiro has been executing the duties of Outside Statutory Auditor of the Company for five years, and he has ample experience, a track history of performance, and knowledge, and is in an objective position amenable to the execution of operations independently of our management team. We consider that his presence will be highly conducive to the management of the Company. Therefore, we nominate his for election as substitute Outside Statutory Auditor.
6. Agreements on the Limited Liability of Outside Statutory Auditors
- The Articles of Incorporation of the Company stipulate that the Company may enter into an agreement with an Outside Statutory Auditor to limit the liability of the Outside Statutory Auditor 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. Subject to the approval of election of Teruyuki Hiiro, the Company will enter into agreements on the limited liability of Outside Statutory Auditor with hm.