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Securities Code: 9715

June 3, 2013

To Our Shareholders

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

NOTICE OF THE 28th ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 28th 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 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 3 and 4).

Please review the Reference Documents for the Annual General Meeting of Shareholders shown in the following pages and either return the Voting Rights Exercise Form with your vote by postal mail or vote via the Internet by 5:50 p.m. of June 25, 2013 (Tuesday).

1. Date and Time: 10:00 a.m., Wednesday, June 26, 2013

2. Place: Aoyama Diamond Hall 1st floor (Diamond Room)
6-8, Kitaoyama 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 28th Fiscal Term (from April 1, 2012 to March 31, 2013)
 2. Financial Statements for the 28th Fiscal Term (from April 1, 2012 to March 31, 2013)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of surplus for the 28th fiscal term
Proposal No. 2: Partial Amendment to Articles of Incorporation
Proposal No. 3: Election of Twelve Directors
Proposal No. 4: Election of Three Statutory Auditors
Proposal No. 5: 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 note 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, the amended contents will be presented on the Company's website at:
(<http://www.trans-cosmos.co.jp/e/ir/>).

Procedures for the Exercise of Voting Rights via the Internet

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

1. Shareholders exercising their voting rights via the Internet can only do so via the website designated by the Company (shown below). They can also exercise their voting rights online by mobile phone.
(Website URL for the exercise of voting rights) <http://www.web54.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.**
(QR Code is a trademark of DENSO WAVE INCORPORATED.)
2. If you are exercising your voting rights via the Internet, please enter the code and the password for the exercise of voting rights indicated on the Voting Rights Exercise Form attached herein and follow the instructions on the screen to register whether you approve or disapprove of each proposal.
3. Exercise of voting rights via the Internet is accepted until 5:50 p.m. of June 25, 2013 (Tuesday). We would however like to ask you to exercise your voting rights as soon as possible to ensure that we have sufficient time for tallying the votes.
4. If you exercise your voting rights twice, once by mail and once via the Internet, we will treat your Internet vote as the valid exercise of your voting rights, regardless of the time or date of arrival of your vote.
5. If you exercise your voting rights several times via the Internet, or if you exercise your voting rights more than once using the computer and mobile phone, we will treat the most recent vote as the valid exercise of your voting rights.
6. Connection fees payable to the providers and communication expenses payable to telecommunication carriers (including access charges) when accessing the website for the exercise of voting rights will be borne by the shareholders.

System Environment for the Exercise of Voting Rights via the Internet

If you are exercising your voting rights via the Internet, please confirm the following regarding your systems.

1. When using the website for personal computers:
 - 1) Display resolution shall be 800 dots horizontal x 600 dots vertical (SVGA) or higher.
 - 2) The following applications must have been installed:
 - (a) Microsoft® Internet Explorer Ver.5.01 SP2 or later as web browser
 - (b) Adobe® Acrobat® Reader™ Ver.4.0 or later, or Adobe® Reader® Ver.6.0 or later as PDF file reader

* Internet Explorer is the registered trademark, trademark, or name of a product of U.S. Microsoft Corporation in the U.S. and other countries, while Adobe® Acrobat® Reader™ and Adobe® Reader® are registered trademarks, trademarks, or names of products of the U.S. Adobe Systems Incorporated in the U.S. and other countries.

*Each of the software mentioned above is distributed free of charge on the website of the respective companies.
 - 3) If you have activated the “popup blocker” function in the web browser or add-in tools, etc., of your personal computer, please disable (or temporarily disable) the function and allow the use of “Cookies” with the site in the settings concerning security.
 - 4) If you cannot access the site mentioned above, there is a possibility that communications with the Internet are restricted by the settings of firewall proxy server, antivirus software, etc. Please confirm details of these settings.
2. When using the website for mobile phones:

The model of your mobile phone must be able to receive one of the following services and be equipped with 128bit Secure Socket Layer (SSL) to allow encrypted telecommunications.

 - 1) i-mode
 - 2) EZweb
 - 3) Yahoo!Keitai

* i-mode is a trademark, registered trademark, or name of service of NTT DOCOMO, INC., while EZweb, Yahoo!, and Yahoo! Keitai are a trademark, registered trade mark, or name of service of KDDI CORPORATION, Yahoo! Incorporated of the U.S. and SoftBank Mobile Corp., respectively.

* If you access the website using the full browser application of mobile phones, if you access the website from a personal computer via telephone terminals using the phone only as a telecommunications device, or if you access the website using smartphones, your voting will be handled as voting on the website for personal computers even if the handset used satisfies the conditions described above.

Inquiries about How to Operate Personal Computers, etc.

1. If you have any questions about how to operate PCs, mobile phones, etc., concerning the exercise of voting rights via the Internet on the site, please call the following number.
Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support
Direct Line: (Toll free) 0120-652-031 (9:00 – 21:00; within Japan only)
2. For other inquiries, please call one of the following numbers.
 - 1) Shareholders who have accounts with securities companies:
Shareholders who have accounts with securities companies are requested to make inquiries to the securities company where they respectively have accounts.
 - 2) Shareholders who do not have accounts with securities companies (Shareholders who have special accounts):
Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Administration Center
(Toll free) 0120-782-031 (9:00 – 17:00, excluding the weekend and holidays; within Japan only)

TSE Platform for the Electronic Exercise of Voting Rights

Management trust banks and other nominee shareholders (including standing proxies) who in advance send in applications to use the “Electronic Voting Platform for Institutional Investors” (the “TSE Platform”) managed by ICJ Inc., founded by Tokyo Stock Exchange, Inc. and others, 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, 2012 to March 31, 2013)

1. Business Overview of the Group

(1) Progress and Results of Operations

During the fiscal year ended March 31, 2013, Japan's economy showed a trend towards a slow recovery, supported by demand related to restoration and reconstruction from the Great East Japan Earthquake, and expectations of a further business recovery mounted, due to monetary easing and fiscal stimulus correcting the excessive appreciation of the yen following the change of government. However, as concerns over a prolonged European debt crisis and economic slowdown in China have not been dispelled, uncertainty over the future of the economy still remains.

The information service market, in which the Group is involved, is generally on an expansionary track due to a continued increase in demand for outsourcing of IT-related and back-office operations, which is partly attributable to implementation of system replacement projects, which had been postponed by corporations, and a growing need for measures to respond to business continuity plans (BCP) and reduce costs. In addition, with a growing need among corporations to activate global development and enhance international competitiveness, demand is also expanding overseas, including demand for business process outsourcing (BPO) that will lead to cost reductions and for digital marketing that will help increase sales.

Given such a situation, the Group reinforced its management and business bases in advance of such future strategies as enhancing added-value services and accelerating overseas development, although its earnings were affected by upfront investments to expand the hiring of new graduates, reinforce the new business development system, and launch operations for new orders received, as well as termination of some large spot projects.

More specifically, in Japan, the Group expanded call centers in Hokkaido and Fukuoka to enhance bases for near shore-based call centers in response to growing demand for cost reductions. Besides, to strengthen the system for providing services efficiently and at optimal cost in accordance with demand from corporate clients in the digital marketing business, the Group expanded the Okinawa Office of Web Works, Ltd., a subsidiary serving as a near shore base to produce and operate websites. Furthermore, the Company and Yahoo Japan Corporation agreed to partner with each other in offering support and consulting services for implementation, operation, and maintenance of tag management services, and the Company will be providing a fee-based support program as the first certified partner to major advertisers and advertising agents of Yahoo! promotion/advertisement, starting from spring 2013. In addition, to enhance BPO services in the design development area, the Company concluded a service provider partner contract with Dassault Systemes Co., Ltd., a world leader in the areas of 3D design software, 3D digital mock-up, and product lifecycle management (PLM) solutions.

Meanwhile, regarding overseas businesses, to enter call center business in Indonesia, the largest economic power in Southeast Asia, the Company reached a basic agreement with PT Cyberindo Aditama, which is an IT company of Salim Group, a major Indonesian financial combine, to establish a joint-venture company to operate a call center business in Indonesia. In addition, transcosmos Korea Inc., which offers call-center services and digital marketing services in South Korea, acquired InterPark CS Co., Ltd., which is a subsidiary of Interpark INT Corporation, a major South Korean internet shopping company operating a call center business for "Interpark" internet shopping site, from Interpark INT, and established a system to reinforce EC and direct sales support services.

As a result, consolidated operating results for the fiscal year ended March 31, 2013, were as follows. Net sales were 166,335 million yen, up 3.2% from the previous year. As for profit, due to a decrease in gross profit margin on sales following termination of large-scale spot projects, operating income decreased 16.8% from the previous year to 7,253 million yen, and ordinary income decreased 5.2% from the previous year to 8,507 million yen. Net income decreased 1.0% from the previous year to 4,919 million yen.

The operating results by segment are as follows.

The Company's services

In the outsourcing service business and other businesses of the Company, sales were 134,948 million yen, up 4.3% from the previous year. Segment profit decreased 14.7% from the previous year to 5,542 million yen due to termination of large-scale spot projects and prior investments following new order receipts.

BtoB domestic subsidiaries

In the BtoB domestic subsidiaries, sales were 21,288 million yen, up 2.7% from the previous year. Segment profit decreased 2.1% from the previous year to 730 million yen, owing to a decrease in operating rate following a decrease in orders at some business outsourcing service subsidiaries.

BtoB overseas subsidiaries

In the BtoB overseas subsidiaries, as orders for the call center service in South Korea remained high, sales increased 14.3% from the previous year to 17,864 million yen, and segment profit increased 15.7% to 524 million yen.

BtoC subsidiaries

In the B-to-C subsidiaries, sales were 3,069 million yen, down 42.9% from the previous year, mainly affected by the timing of the release of products, and segment profit was 384 million yen, down 57.7% from the previous year.

Segment profits are calculated based operating profits on the Consolidated Statement of Income.

(2) Issues to Be Addressed

The environment surrounding the outsourcing business is changing considerably along with corporate needs. The Group's business environment changes on a daily basis, with events such as the maturing of markets, intensifying competition, globalization and technological innovation. Consequently, corporate outsourcing needs are changing from traditional ones, which focused on reducing costs, to needs for a management strategy to promptly and properly respond to rapidly changing business environments. Accordingly, the Group, an outsourcing service provider, understands that it is a key management issue to create, maintain and provide flexible and high value-added services to materialize corporate strategies while precisely grasping changing corporate needs. Also, in order to improve the Group's corporate competitiveness, we will focus our efforts on further pursuing global business, which is a high growth domain, and making a more solid management base to ensure stable growth, while continuing to increase efforts to improve customer satisfaction and service quality.

1) Increasing the value added to services

The Group provides comprehensive outsourcing services which help our client companies to increase their sales and reduce their costs. The Group does this by providing clients with each service or by integrating digital marketing service, the call center service, and business process outsourcing service. In order to further evolve these services, the Group will create and provide unique services which suit changing corporate needs by promptly incorporating state-of-the-art technologies and trends such as cloud computing, social media, smartphones and tablet PCs.

2) Pursuit of global business

The Group will reinforce its overseas business development, regarding the global market as a growth area. Starting with an expansion to North America, it is now focusing on business development in the Asian markets such as rapidly growing China and South Korea. In addition to the offshore service which helps companies improve their cost competitiveness, the Group will develop the call center service, digital marketing service and e-commerce support service for overseas markets, utilizing its personnel, well familiar with the Asian market, and its business expertise and know-how which it acquired through its long experience in the Japanese market, in order to establish its uniqueness and predominance in the global market.

3) Developing and consolidating crisis management system

It is essential for the Group, which undertakes the operations of its client companies, to continue to develop and consolidate a system which enables it to continue and promptly resume operations in a situation where it is difficult to continue business activities when a disaster happens. Therefore, the Group will improve the precision of its BCP, bracing for diversifying risks such as disasters, acts of terrorism and accidents, and will reinforce its measures against the expected electricity shortage so that it can continue business through the use of batteries and cooperation with each office all over Japan.

Based on these principles, 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 Raising Funds

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

(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

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

(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) Trends of Business Results and Assets of the Group

	FY 2010 (25 th Fiscal Term)	FY 2011 (26 th Fiscal Term)	FY 2012 (27 th Fiscal Term)	FY 2013 (28 th Fiscal Term)
Net sales (millions of yen)	151,589	151,687	161,208	166,335
Ordinary income (millions of yen)	4,539	6,512	8,970	8,507
Net income (millions of yen)	2,135	4,469	4,969	4,919
Net income per share (yen)	54.30	108.63	120.77	119.57
Total assets (millions of yen)	91,637	90,134	93,137	88,420
Net assets (millions of yen)	41,425	44,410	48,819	53,301
Net assets per share (yen)	922.62	997.46	1,101.41	1,212.44

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

(10) Status of Parent Company and Major Subsidiaries

1) Relationship with the parent company

Not applicable.

2) Major subsidiaries

Name	Capital	Ratio of voting	Principal business
J-Stream Inc.	2,182 million yen	53.8%	Data distribution service business using the Internet
APPLIED TECHNOLOGY CO., LTD.	600 million yen	60.2%	System integration business for GIS/manufacturers
transcosmos Korea Inc.	KRW5,302 million	87.0%	Call center business in South Korea
transcosmos CRM Okinawa Inc.	100 million yen	100.0%	Call center business in Japan

(11) Principal Business of the Group (As of March 31, 2013)

The Company Group mainly engages in call center services, business process outsourcing services, digital marketing services, global services, and BtoC services.

(12) Principal Business Offices of the Group (As of March 31, 2013)

Offices	Locations
Head Office of the Company:	25-18, Shibuya 3-chome, Shibuya-ku, Tokyo
Headquarters and Branch Offices:	Osaka, Nagoya, Wakayama, Fukuoka, Silicon Valley
Domestic Offices:	Sapporo, Sendai, Utsunomiya, Kawaguchi, Tokyo, Yokohama, Nagoya, Osaka, Wakayama, Fukuoka, Kumamoto, Miyazaki, Okinawa
Overseas Offices:	U.S.A. (New York, Los Angeles), South Korea (Seoul, Daegu, Busan), China (Beijing, Shanghai, Tianjin, Dalian, Qingdao, Guangzhou, Suzhou, Shenyang, Wuxi, Benxi), Thailand (Bangkok)

(13) Employees (As of March 31, 2013)

1) Employees of the Group

Business segment	Number of employees	Number of temporary employees
Company's services	7,879	14,404
BtoB domestic subsidiaries	1,154	3,573
BtoB overseas subsidiaries	5,214	1,941
BtoC subsidiaries	200	23
Total	14,447	19,941

2) Employees of the Company

Number of employees	Year-on-year change	Average age	Average length of service
7,879 (14,404)	-167 (+472)	34 years, 8 months	8 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, 2013)

Creditor	Loan outstanding (millions of yen)
Sumitomo Mitsui Banking Corporation	1,608
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,564
Mizuho Corporate Bank, Ltd.	1,496

2. Matters Concerning Shares of the Company (As of March 31, 2013)

(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 at end of the fiscal year: 21,338
(of which 17,691 shareholders hold unit shares)

(4) Top ten major shareholders

Name	Number of shares held (thousands of shares)	Shareholding ratio (%)
Koki Okuda	7,498	18.3
Masataka Okuda	5,910	14.4
Okuda Ikueikai, Public Interest Incorporated Foundation	1,753	4.3
Mihoko Hirai	1,463	3.6
THE BANK OF NEW YORK – JASDECTREATY ACCOUNT	901	2.2
HM Kosan, Ltd.	722	1.8
Japan Trustee Services Bank, Ltd. (Account in Trust)	715	1.7
Employee Shareholding Association of transcocosmos inc.	618	1.5
Master Trust Bank of Japan, Ltd. (Account in Trust)	565	1.4
STATE STREET BANK AND TRUST COMPANY 505103	524	1.3

Notes:

1. Although the Company holds 7,650 thousand shares of treasury stock, it is excluded from the top ten major shareholders above. Shareholding ratio is calculated by excluding treasury stock.
2. Number of shares held less than one thousand is rounded down to the nearest thousand.
3. Shareholding ratio is rounded off to the nearest first decimal.

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

(1) Stock Acquisition Rights, etc. Held by the Company's Officers (As of March 31, 2013)

Not applicable.

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

Not applicable.

4. Corporate Officers (As of March 31, 2013)

(1) Directors and Statutory Auditors

Position	Name	Assignment or principal responsibilities and significant concurrent positions
Founder, Representative Director & Group CEO	Koki Okuda	Group Chief Executive Officer
Chairman, Representative Director & CEO	Koji Funatsu	Chief Executive Officer Outside Director of Kadokawa Group Holdings, Inc.
President, Representative Director & COO	Masataka Okuda	Chief Operating Officer
Executive Vice President	Koichi Iwami	Chief of Call Center Services Headquarters, Chief of Global Business Sector, and General Manager of Services Promotion Division Chairman of transcosmos MCM Shanghai Co., Ltd. Chairman of transcosmos Korea Inc. Director of transcosmos analytics Inc. Director of transcosmos philippines, inc.
Senior Executive Managing Director	Hiroyuki Mukai	In charge of Sales Headquarters
Executive Managing Director	Masakatsu Moriyama	General Manager of BtoC Business Development Division, in charge of Digital Marketing Services Sector and Deputy General Manager of Services Promotion Division President and Representative Director of Co-Core Inc. Representative Director of NIHONCHOKUHAN Co., Ltd.
Executive Managing Director	Shinichi Nagakura	In charge of Business Development Division, and President and CEO of transcosmos America, Inc. Director of Merlin Information Systems Group Limited
Executive Managing Director	Masaaki Muta	Chief of Sales Headquarters
Outside Director	Takeshi Natsuno	Guest Professor of Keio University, Graduate School of Media and Governance Outside Director of Sega Sammy Holdings Inc. Director of Pia Corporation Part-time Director of NTT Resonant Inc. Director of Dwango Co., Ltd. Outside Director of GREE, Inc.
Outside Director	Jutaro Takinami	Part-time Director of APPLIED TECHNOLOGY CO., LTD. Outside Director of transcosmos Technologies Inc.
Outside Director	Nozomu Yoshida	Representative Director of nozomu.net Director of Concent, Inc. Representative Director of Odayaka Living Co., Ltd. Outside Director of takibi, Inc.
Standing Statutory Auditor	Hideaki Ishioka	
Statutory Auditor	Kichiro Takao	Outside Statutory Auditor of Nippon Dentsu CO., LTD.
Outside Statutory Auditor	Toshiaki Nakamura	Outside Statutory Auditor of Riso Kyoiku Co., Ltd.
Outside Statutory Auditor	Teruyuki Hiiro	

Notes:

- Changes in responsibilities of Directors during the fiscal year are as follows:
August 6, 2012
Masaaki Muta: Executive Managing Director, Chief of Sales Headquarters

October 1, 2012

Koichi Iwami: Senior Managing Director, Chief of Call Center Services Headquarters, Chief of Global Business Sector and General Manager of Services Promotion Division

Masakatsu Moriyama: Executive Managing Director, General Manager of BtoC Business Development Division, in charge of Digital Marketing Services Sector, and Deputy General Manager of Services Promotion Division

Shinichi Nagakura: Executive Managing Director, General Manager of Business Development Division, and Deputy Chief of Global Business Sector

President and CEO of transcosmos America, Inc.

2. Changes in Statutory Auditors during the fiscal year are as follows:

December 22, 2012

Outside Statutory Auditor Kazushi Watanabe: Retired from his office due to death.

Outside Statutory Auditor Teruyuki Hiiro: Took office following the retirement of Outside Statutory Auditor Kazushi Watanabe because he had been elected as a substitute Statutory Auditor at the 27th Annual General Meeting of Shareholders held on June 27, 2012.

3. Directors Takeshi Natsuno, Jutaro Takinami and Nozomu Yoshida are Outside Directors.

4. Statutory Auditors Toshiaki Nakamura and Teruyuki Hiiro are Outside Statutory Auditors.

5. Outside Statutory Auditor Toshiaki Nakamura is a certified public tax accountant and possesses considerable expertise and experience in finance and accounting.

6. The Company has designated Outside Directors Takeshi Natsuno and Jutaro Takinami, and Outside Statutory Auditor Toshiaki Nakamura and Teruyuki Hiiro as independent executives stipulated by the Tokyo Stock Exchange, and registered them with the exchange as such.

(2) Outside Corporate Officers

- 1) Status of significant concurrent positions as executive officer held outside the Company and relation of said other organizations with the Company

Outside Director Takeshi Natsuno concurrently holds the positions of Director of Pia Corporation and Director of Dwango Co., Ltd. The Company has business relationship with Dwango Co., Ltd.

Outside Director Nozomu Yoshida concurrently holds the positions of Representative Director of nozomu.net and Odayaka Living Co., Ltd., and Director of takibi, Inc. The Company has business relationship with takibi, Inc.

- 2) Status of significant concurrent positions as Outside Directors, etc. held outside the Company and relation of said other organizations with the Company

Outside Director Takeshi Natsuno concurrently holds the positions of Part-time Director of NTT Resonant Inc., Outside Director of Sega Sammy Holdings Inc. and GREE, Inc. The Company has business relationships with NTT Resonant Inc. and GREE, Inc.

Outside Director Jutaro Takinami concurrently holds the positions of Part-time Director of APPLIED TECHNOLOGY CO., LTD. and Outside Director of transcocosmos Technologies Inc. Both companies are subsidiaries of the Company.

Outside Statutory Auditor Toshiaki Nakamura concurrently holds the position of Outside Statutory Auditor of Riso Kyoiku Co., Ltd. There is no special relationship between the Company and Riso Kyoiku Co. Ltd.

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

The Company has entered into, with each of Outside Directors and with each of Outside Statutory Auditors, the liability limitation agreement, which limits liability for damage under Article 423, Paragraph 1 of the Corporation Law pursuant to the provisions of Article 427, Paragraph 1 of the Corporation Law.

The maximum amount of liability for damage under such agreement is 1 million yen or the amount provided for in Article 425, Paragraph 1 of the Corporation Law, whichever is higher, for Outside Directors Takeshi Natsuno, Jutaro Takinami and Nozomu Yoshida; and 1 million yen or the amount provided for in Article 425, Paragraph 1 of the Corporation Law, whichever is higher, for Outside Statutory Auditors Toshiaki Nakamura and Teruyuki Hiiro.

(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
Takeshi Natsuno	Outside Director	12/12 —	He has generally given advice and made proposals on matters to be resolved and reported, as necessary, based on the viewpoint of former director of listed companies and his wide knowledge and experience in Internet business.
Jutaro Takinami	Outside Director	12/12 —	He has generally given advice and made proposals on matters to be resolved and reported, as necessary, based on his wide knowledge and experience in management of other companies for long term.
Nozomu Yoshida	Outside Director	12/12 —	He has generally given advice and made proposals on matters to be resolved and reported, as necessary, based on his wide knowledge and experience in Internet business.
Kazushi Watanabe	Outside Statutory Auditor	5/8 7/10	He has generally given opinions on matters to be resolved and reported, as necessary, based on his wide knowledge and experience on police duty for long term.
Toshiaki Nakamura	Outside Statutory Auditor	12/12 14/14	He has generally given opinions on matters to be resolved and reported, as necessary, based on his wide knowledge and experience as a public tax accountant.
Teruyuki Hiiro	Outside Statutory Auditor	4/4 4/4	He has generally given opinions on matters to be resolved and reported, as necessary, based on his wide knowledge and experience in the management of other companies over a long period.

Note: Changes to Statutory Auditors during the fiscal year are as follows:

December 22, 2012

Outside Statutory Auditor Kazushi Watanabe: Retired from the office due to death.

Outside Statutory Auditor Teruyuki Hiiro: Took office following the retirement of Outside Statutory Auditor Kazushi Watanabe because he had been elected as a substitute Statutory Auditor at the 27th Annual General Meeting of Shareholders held on June 27, 2012.

(4) Remuneration paid to Directors and Statutory Auditors

Category	Number of Directors and Statutory Auditors paid	Amount paid
Directors (Outside Directors among the above)	11 (3)	298 million yen (42 million yen)
Statutory Auditors (Outside Statutory Auditors among the above)	5 (3)	30 million yen (12 million yen)
Total	16	328 million yen

Notes:

1. Amount paid includes Directors' bonuses of 12 million yen resolved at Board of Directors' Meeting held on April 30, 2013.
2. A resolution of the General Meeting of Shareholders limits the remuneration to Directors to 50 million yen per month. (Annual General Meeting of Shareholders held on June 27, 1997)
3. A resolution of the General Meeting of Shareholders limits the remuneration to Statutory Auditors to 5 million yen per month. (Annual General Meeting of Shareholders held on June 25, 1988)

5. Status of the Accounting Auditor

(1) Name of the Accounting Auditor

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)	100 million yen
Total amount of money and other profits from properties to be paid by the Company and its subsidiaries to the Accounting Auditor	153 million 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) Matters concerning audits of subsidiaries

Among the major subsidiaries of the Company, transcosmos Korea Inc. underwent legal audits by certified public accountants or accounting auditor other than the Company's Accounting Auditor (including overseas accountants with qualifications similar to those of these accountants).

(4) Summary of the Liability Limitation Agreement

Not applicable.

(5) Policy on determining the dismissal or non-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 therefor, the Board of Directors will, after obtaining the consent of the Board of Statutory Auditors, submit a proposal for the dismissal or non-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 non-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 sessions on compliance 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 General Manager of the Business Administration Division and reported to the Board of Directors in a timely manner.

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 laws, regulations, or the Articles of Incorporation is found 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 build 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 enhanced based on privacy marks and other personal information protection regulations.

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 feedback 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 departments 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 departments in charge of the subsidiaries discover any risk of loss of the subsidiaries, it will promptly notify the representative directors 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 representative directors 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, 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 representative directors 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 on 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.

If the 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) Summary of specific 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

Medium-term Management Plan, etc.

The Company, with the understanding of the sources of its corporate value, will endeavor to improve the corporate value of the Company and common interest of shareholders by continuing to implement the following measures under the principle of "customer first" which it has upheld since its foundation.

(i) Measures for Marketing & Sales and BPO business fields

In order to provide comprehensive and global support to help companies boost sales and reduce costs, which are critical issues common to all enterprises, the Company will designate Marketing & Sales and BPO (Business Process Outsourcing) as its new business fields and provide a variety of outsourcing services in these fields. In the Marketing & Sales business field, as the points of contact between companies and customers, including call centers, mobile telecommunications, and websites, are becoming more interactive, the Company will help corporate customers ensure sales growth by creating services that lead to enhancements of points of customer contact and providing solutions that maximize customer value. Various functions the Company provides, including call centers, serve as front points of contact with customers for our client companies. The Company will deliver maximum customer value by revealing latent needs and tasks of client companies through the use of the customer analysis and consulting capabilities specific to the Company, which can identify various issues related to customers while undertaking such functions. The Company will also quickly focus on need to respond to such new channels as e-commerce (EC), smartphones, and social networking services (SNS) by creating and providing more suitable services.

In the BPO business, which leads to cost reductions and improved business efficiency of companies, the Company has achieved cost optimizations to meet the need for cost reductions within client companies, by making the most of the strengths of the Company—standardizing the most suitable processes created by people using IT. The Company has also developed low-cost and high-quality solutions by shifting the service delivery model from an onsite-based model to a near shore and offshore-based model, in addition to applying its track record and expertise accumulated since it was established. Furthermore, the Company has expanded its service fields from such conventional fields as operations for customer support divisions, operations for information system divisions, and sales administrative operations, to fields of corporate operations such as personnel affairs, accounting, general affairs, and purchasing. The Company will provide one-stop services to satisfy more extensive needs for cost reductions.

(ii) Provision of services to globalizing market

Since the Company launched its business in China in 1995 and entered the system development market (offshore development) by providing high-quality services at a low cost, it has accelerated the structuring and development of its service system in the Asian market, centering on China and South Korea, such as local call center services, digital marketing services, and business process outsourcing services. In South Korea, the Company provides a real MCM service by enhancing the digital marketing business in addition to existing businesses (call center, direct mail, and field services), with a view to becoming a leading company as the No. 1 outsourcer. In China, the Company has established a firm foundation for the MCM business in the Chinese market by linking and integrating businesses and reinforcing its brand recognition, sales capabilities, and services in China. In addition, the Company will pursue low-cost and high-quality offshore services for the Japanese market, while aiming for further growth in the EC market, which is a promising market, and the financial and telecommunications markets. With regard to its entry into the European and U.S. markets, the Company aims to ensure earnings opportunities in order to establish its business model.

The Company believes that appropriate management is necessary to achieve the global development described above. The Company will accelerate its global development by linking business and management methods through not only promoting the hiring and development of overseas local personnel, but also the standardization and consistent application of best practices on a global basis by establishing the “TCI way,” its original management method, which is recognized globally.

(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

In order to realize transparent and fair management, the Company’s policy is to limit the tenure of directors to one year. In addition, it has strengthened the monitoring function on management by making three out of eleven directors be independent outside directors. In terms of operations, the independence of each Director, who is a member of the Board of Directors, is ensured to enable him/her give opinions at his/her discretion, and there are active discussions. For instance, in business development, including the provision of digital marketing functions using SNS, which the Company is currently promoting, the Company is achieving great effects from promoting its business by obtaining the expertise of Outside Directors. Also, it has introduced an executive officer system in an attempt to enhance its responsiveness to changes in the business environment by expediting the decision-making process. The Board of Statutory Auditors consists of four Statutory Auditors including two Outside Statutory Auditors, and they attend important meetings such as the Board of Directors meetings and conduct audits on the Company and subsidiaries in and outside Japan, auditing the execution of duties by Directors.

(b) Measures to prevent inappropriate persons from controlling the financial and business policy decisions of the Company in light of the basic policy

(i) The Company decided to renew a plan as a countermeasure to any act of substantial acquisition of the Company shares (countermeasure to acquisition) (the “Plan”). This was based on the resolution of the Board of Directors Meeting held on May 15, 2012 and the resolution of the 27th Annual General Meeting of Shareholders held on June 27, 2012. A summary of the Plan is shown in (ii) below.

(ii) Summary of the Plan

The Board of Directors of the Company, as stipulated by the basic policy, thinks that persons who conduct a substantial acquisition of the Company shares which does not contribute to the corporate value of the Company or the common interest of shareholders are inappropriate as persons who control decisions relating to the Company’s finance and businesses. The Plan is intended to make it possible to propose alternative plans to shareholders when a substantial acquisition of the Company shares is conducted, secure information and time necessary for shareholders to determine whether to respond to such substantial acquisition or negotiate for shareholders, and prevent any substantial acquisition that would impair the corporate value of the Company and the common interest of shareholders.

The Plan sets out procedures necessary to achieve the purposes stated above, including requirements for acquirers to provide information in advance in case the acquirer intends to acquire 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 of the Company until and unless the Board of Directors 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 of the Company could harm the corporate value of the Company and, in turn, the common interests of its shareholders, etc., and in cases such as where the acquisition satisfies the triggering requirements set out in the Plan, the Company will implement a gratis allotment of stock acquisition rights (*shinkabu yoyakuden mushou wariate*) for stock acquisition rights with (a) an exercise condition that does not allow the acquirer, etc., 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 persons other than the acquirer, etc., to all shareholders, except the Company, at that time, or implement any other reasonable measures that may be taken under laws and ordinances and the Company’s Articles of Incorporation. If the gratis allotment of Stock Acquisition Rights were to take place in accordance the Plan and all shareholders other than the acquirer receive 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 about a maximum of approximately 50%.

To eliminate arbitrary decisions by directors, the Company will establish the Independent Committee, which is solely composed of members who are independent of the management of the Company such as outside directors to make objective decisions with respect to matters such as implementation or non-implementation of the gratis allotment of stock acquisition rights or 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 implementation of the gratis allotment of the stock acquisition rights or other measures.

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

The effective period of the Plan is from July 27, 2012 to the conclusion of the Annual Shareholders Meeting associated with the last of the fiscal years that end within three years after the conclusion of the 27th Annual Shareholders Meeting.

(3) Policies on the Decision on Dividend of Surplus

The Company positions redistribution of profits to shareholders as one of its most important management policies. With regard to dividend policy, the Company adopts a policy to emphasize dividend propensity linked to business performance, and its basic policy is to improve the market value of the Company stock as a result of redistributing profits to shareholders.

We plan to pay a dividend of 36.00 yen per share for the fiscal year based on the aforementioned policy.

Note: Amounts shown in this Business Report are rounded down to the unit.

Attached document (2)

Consolidated Balance Sheet

(As of March 31, 2013)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	63,394	Current liabilities	29,986
Cash and deposits	34,025	Accounts payable—trade	5,177
Notes and accounts receivable—trade	25,760	Short-term bank loans	575
Securities	41	Current portion of bonds	570
Merchandise and finished goods	8	Current portion of long-term bank loans	5,879
Work and software in progress	463	Accounts payable	3,135
Supplies	24	Accrued expenses	7,179
Deferred tax assets	1,505	Income taxes payable	1,245
Other	1,856	Accrued consumption tax	1,829
Allowance for doubtful accounts	(291)	Advances received	658
Fixed assets	25,026	Accrued bonuses for employees	3,082
Tangible fixed assets	7,061	Other	654
Buildings and structures	3,283	Fixed liabilities	5,132
Vehicles and transportation equipment	13	Bonds	20
Tools, furniture and fixtures	2,273	Long-term bank loans	2,000
Land	1,157	Reserve for retirement benefits	158
Lease assets	284	Reserve for loss on litigation	2,555
Construction in progress	49	Long-term security deposits received	33
Intangible fixed assets	1,647	Other	363
Goodwill	178	Total liabilities	35,118
Software	1,050	Net Assets	
Lease assets	40	Shareholders' equity	50,949
Software in progress	115	Common stock	29,065
Other	263	Capital surplus	20,510
Investments and other assets	16,317	Retained earnings	17,297
Investment in securities	3,581	Treasury stock	(15,924)
Investment in stocks of unconsolidated subsidiaries and affiliates	2,801	Accumulated other comprehensive income	(1,065)
Investment in other securities of unconsolidated subsidiaries and affiliates	88	Unrealized gain on securities	248
Investment in unconsolidated subsidiaries and affiliates	1,349	Foreign currency translation adjustment	(1,314)
Long-term loans receivable	147	Minority interests	3,417
Deferred tax assets	708	Total net assets	53,301
Security deposits	4,769	Total liabilities and net assets	88,420
Other	3,091		
Allowance for doubtful accounts	(221)		
Total assets	88,420		

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

Attached document (3)

Consolidated Statement of Income

(from April 1, 2012 to March 31, 2013)

(Millions of yen)

Account item	Amount	
Net sales		166,335
Cost of sales		137,667
Gross Profit		28,668
Selling, general and administrative expenses		21,415
Operating income		7,253
Non-operating income:		
Interest income	82	
Dividend income	26	
Equity in earnings of affiliated companies	539	
Foreign exchange gains	368	
Employment development subsidy	175	
Other	394	1,586
Non-operating expenses:		
Interest expenses	226	
Other	106	332
Ordinary income		8,507
Extraordinary gains:		
Gain on sale/disposal of investment in securities	196	
Gain on sales of subsidiaries and affiliates' stocks	1,078	
Other	77	1,353
Extraordinary losses:		
Impairment loss	141	
Loss on write-down of investment in securities	757	
Loss on sales of stocks of subsidiaries and affiliates	182	
Loss on transition of retirement benefit plan	162	
Other	66	1,311
Income before income taxes and minority interests		8,549
Income taxes—current	1,525	
Income taxes—deferred	1,806	3,332
Income before minority interests		5,217
Minority interests in net income of subsidiaries		297
Net income		4,919

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

Attached document (4)

Consolidated Statement of Changes in Net Assets

(from April 1, 2012 to March 31, 2013)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	29,065	20,510	13,900	(15,923)	47,553
Change during the fiscal year					
Dividend of surplus			(1,522)		(1,522)
Net income			4,919		4,919
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock		(0)		0	0
Net change in items other than shareholders' equity during the fiscal year					–
Total change during the fiscal year	–	(0)	3,397	(0)	3,396
Balance at the end of the fiscal year	29,065	20,510	17,297	(15,924)	50,949

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

(Millions of yen)

	Accumulated other comprehensive income			Minority interests	Total net assets
	Unrealized gain on securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at the beginning of the fiscal year	688	(2,924)	(2,236)	3,502	48,819
Change during the fiscal year					
Dividend of surplus					(1,522)
Net income					4,919
Acquisition of treasury stock					(0)
Disposal of treasury stock					0
Net change in items other than shareholders' equity during the fiscal year	(439)	1,610	1,171	(84)	1,086
Total change during the fiscal year	(439)	1,610	1,171	(84)	4,482
Balance at the end of the fiscal year	248	(1,314)	(1,065)	3,417	53,301

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

Notes to Consolidated Financial Statements

Basis of preparation of consolidated financial statements

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 44

The names of principal consolidated subsidiaries

J-Stream Inc., APPLIED TECHNOLOGY CO., LTD., transcosmos Korea Inc., transcosmos CRM Okinawa Inc.

Changes in our consolidated subsidiaries during the fiscal year under review are as follows:

(Newly included)

- NIHONCHOKUHAN Co., Ltd. (due to increased materiality)

(Excluded)

- BASIS PLANET (ceased to exist as a result of a merger with CREATIVE WORKS, Ltd., a subsidiary of the Company, on June 1, 2012)

- Ales & Mercury (dissolution completed on December 26, 2012)

- CCP-Biotech 3 toudshijigyokumiai (dissolution completed on March 25, 2013)

- CCP-GLOBAL FUND I (dissolution completed on March 25, 2013)

(2) Names of principal non-consolidated subsidiaries

transcosmos design development (Dalian) Co., Ltd. and others

(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 accounted for by the equity method: 14

Names of principal non-consolidated subsidiaries and affiliates accounted for by the equity method
Nielsen Co., Ltd. (former NetRatings Japan Inc.), Forecast Communications Inc.

Changes to our non-consolidated subsidiaries and affiliates accounted for by the equity method during the fiscal year under review are as follows:

(Exclude)

- CyberSource KK (all shares held in the company sold)

- Tong Yang Online Co., Ltd. (all shares held in the company sold)

(2) Unconsolidated subsidiaries to which the equity method is not applied (transcosmos Design and Development (Dalian) Limited and others) are excluded from the scope of application of the equity method as their impact on net income or loss (amount proportional to the ownership) and retained earnings (amount proportional to the ownership) is infinitesimal, and has low importance as a whole.

(3) 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)

- APPLIED TECHNOLOGY CO., LTD.
- CCP Mezzanine 2006 Tōshijigiyokumiai
- transcosmos Information Creative Japan
- NIHONCHOKUHAN Co. Ltd.
- transcosmos America, Inc.
- transcosmos Information Creative (China) Co., Ltd.
- transcosmos Information System (Shanghai) Co., Ltd.
- transcosmos MCM Shanghai Co., Ltd.
- transcosmos Korea Inc.
- transcosmos Information Creative Holdings.
- Shine Harbour Ltd.
- transcosmos CC China
- transcosmos (Thailand) Co., Ltd.
- Shanghai transcosmos Interactive Services Co., Ltd.
- Beijing transcosmos Interactive Services Co., Ltd.
- Suzhou transcosmos Information Creative Co., Ltd.
- Wuxi transcosmos Interactive Services Co., Ltd.
- transcosmos business service outsourcing suzhou Co., Ltd.
- Transcosmos Investment Consulting (Beijing) Co., Ltd. Investment Consulting
- Transcosmos Digital Marketing Cayman 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: Others)

Names of company	Account closing dates
• CCP-Global Fund II	May 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

Securities with market value Market value method based on the market price as of the consolidated 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 method of valuation of inventories

The cost method (method to reduce book value from lower profitability) is adopted as the standard for valuation.

Merchandise and finished goods Gross average method

Work and software in progress..... Specific cost method

Supplies Cost using the last-purchase-price method

(4) Depreciation methods for fixed assets

Tangible fixed assets

(excluding lease assets) Buildings (excluding building fixtures)
 a) Buildings acquired on or before March 31, 1998
 Depreciated using the old declining-balance method.
 b) Buildings acquired between April 1, 1998 and March 31, 2007
 Depreciated using the old straight-line method.
 c) Buildings acquired on or 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 on or after April 1, 2007
 Overseas consolidated subsidiaries mainly use the straight-line method.
 In addition, items acquired on or before March 31, 2007 are depreciated using the straight line method over five years starting the fiscal year following the fiscal year when the final depreciable limit is reached.

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 five years. Software for commercial sale is depreciated based on the quantity expected to be sold within three 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 by straight-line method based on lease period of useful lives with residual values of zero.

(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.

Accrued bonuses for directors Accrued bonuses for directors are provided based on the estimates of bonus obligations attributable to the current fiscal term.

Reserve for retirement benefits The amount of the reserve for retirement benefits for employees of certain consolidated subsidiaries, which is deemed to be incurred at the end of the fiscal term (simplified method), is calculated based on the retirement benefit obligations as of the end of the fiscal term.

(Additional information)

The Company was granted a permission to dissolve its defined-benefit corporate pension fund by the Ministry of Health, Labor and Welfare as of March 31, 2013, and changed to a defined-contribution pension plan and a retirement benefit advance payment plan (selective system). It applied the Guidance on Accounting for Transfers between Retirement Benefit Plans” (ASBJ Guidance No. 1, January 31, 2002) for accounting treatment of the shift. As a result of the change, the Company posted 162 million yen as “Loss on transition of retirement benefit plan” in Extraordinary loss for the fiscal year ended March 31, 2013.

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.

(6) Other important issues which are bases for preparing consolidated financial statements

1) Translation of significant foreign-currency-denominated assets and liabilities into yen

Monetary assets and liabilities denominated in foreign currencies are translated into yen at the spot exchange rate as of the end of the fiscal term, and the resulting exchange differences are credited or charged to income. Assets and liabilities of overseas subsidiaries are translated into yen at the spot exchange rate 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.

2) Significant hedge accounting

(i) 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.

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

(iii) Hedging policy Interest rate swap transactions are conducted to avoid interest rate fluctuation risks in accordance with the internal rules.

(iv) Assessment method of effectiveness of hedges
The assessment of effectiveness is omitted because the requirements for exceptional accounting are met.

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

4) Basis for recording significant revenues and expenses

Basis for recording revenues and expenses on software produced on orders

The percentage of completion method (the cost-to-cost method, etc. for the percentage of completion estimate) is applied for the portion completed by the end of the fiscal year ended March 31, 2013, which is deemed to be certain to complete, and the completed contract method is applied otherwise.

5) Method and period of amortization of goodwill and negative goodwill

Goodwill and negative goodwill incurred on or before March 31, 2010 are amortized by equal installments over five years. If any circumstance arises which prevents the effect of amortization of goodwill, amount of amortization will be decreased accordingly.

5. Notes to changes in accounting policies

(Change in depreciation methods)

With the revision of the Corporation Tax Act, the Company and its consolidated domestic subsidiaries changed the depreciation methods for property, plant and equipment acquired on or after April 1, 2012 to those pursuant to the revised Corporation Tax Act, effective from the fiscal year ended March 31, 2013.

The impact of the change on profit and loss of the fiscal year ended March 31, 2013 is not material.

6. Change in presentation

Consolidated statement of income

“Gain on valuation of derivatives” (139 million yen in the current fiscal year), which was presented separately in Non-operating income in the previous fiscal year, is included in “Other” in Non-operating income in the current fiscal year because the amount has become insignificant.

“Company establishment subsidies” (69 million yen in the current fiscal year) and “Gain on change in equity” (1 million yen in the current fiscal year), which were presented separately in Extraordinary gains in the previous fiscal year, and “Loss on retirement of noncurrent assets” (54 million yen in the current fiscal year), which was presented separately in Extraordinary losses in the previous fiscal year, are included in “Other” in Extraordinary gains and “Other” in Extraordinary losses, respectively, in the current fiscal year because they have become insignificant in terms of amount.

“Loss on sales of stocks of subsidiaries and affiliates” (14 million yen in the previous fiscal year), which was included in “Other” in Extraordinary losses in the previous fiscal year, was separately presented in the current fiscal year because the amount has become insignificant.

Notes to the Consolidated Balance Sheet

1. Accumulated depreciation of tangible fixed assets ¥12,641 million
2. Contingent liabilities
 Alfresa Pharma Corporation and Mitsubishi Tanabe Pharma Corporation filed a suit against the Company in the Tokyo District Court for damages in the amount of 1,474 million yen concerning the investigational new drug assignment work ordered by the said companies on February 18, 2011. With regard to this lawsuit, on January 23, 2012, the plaintiff filed for an expansion of the scope of the claim and accordingly, the claimed amount of damages was changed to 2,501 million yen. The Company intends to clearly state its claims in the court.

Notes to the Consolidated Statement of Changes in Net Assets

1. Total number of shares issued

Class of shares	Number of shares at the beginning of the current 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)	48,794,046	—	—	48,794,046

2. Treasury stock

Class of shares	Number of shares at the beginning of the current 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)	7,649,709	888	46	7,650,551

(Outline of causes for changes)

Details of number of shares increased are as follows.

Increase due to purchase of shares less than one unit: 888 shares

Details of number of shares decreased are as follows.

Decrease due to sale of shares less than one unit: 46 shares

3. Dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 27, 2012	Common stock	1,522	37	March 31, 2012	June 28, 2012

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

Resolution	Class of shares	Source of dividends	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 26, 2013	Common stock	Retained earnings	1,481	36	March 31, 2013	June 27, 2013

Notes on financial instruments

1. Matters related to the status of financial instruments

(1) Policy on financial instruments

The Company Group makes investments in stocks based upon the request of business promotions including business or capital tie-up, or invests excess funds in financial instruments such as deposits whose principles are secured, as a basic policy. In order to obtain funding, the Company selects the most adequate financial instruments, including bank borrowings, bond issuance or stock issuance, depending on the situations. And derivatives are used in interest rate swap, currency swap and currency forward transactions to hedge against market risks and the Company has a policy not to use derivatives for speculation.

(2) Details, risks and risk management of financial instruments

Notes and accounts receivable-trade, which are operating receivables, are exposed to customers' credit risks. With regard to these risks, we manage maturities and balances for each business partner and strive to find out early and mitigate concerns for collection due to deteriorating financial circumstances. Investment in securities mainly consists of stocks related to operations and capital alliances. Although these are exposed to market fluctuation risk and issuers' credit risks, we grasp the market prices and obtain issuers' financial statements on a regular basis and we grasp the market prices and obtain issuers' financial statements on a regular basis. At the same time, we properly review the values of investment and make efforts to collect the investment values.

Most of accounts payable-trade and accrued expenses, which are operating payables, have payment due dates that are less than one year away. Short-term bank loans out of loans payable are mainly financing for operational transactions; long-term bank loans (less than five years as a general rule) and bonds are financing for long-term investments such as capital investments. Among them, part of long-term bank loans have floating interest rates and are exposed to interest rate fluctuation risk,

therefore they are hedged using derivatives (interest rate swap transactions). Those hedged items that meet the requirements for exceptional accounting of interest rate swap are assessed for effectiveness by judging them, and those which do not meet the requirements for exceptional accounting are assessed by comparing the accumulated market changes of the hedged assets and hedging instruments and based on the changes of both.

The planning, execution and management of derivatives are conducted by the specialized department based upon the proper procedures in accordance with the approval policy. Also, in using derivatives, we conduct transactions only with financial institutions with a high credit rating to mitigate credit risks.

As to operational debts and bank loans, the Company Group manages them by having each company prepare monthly cash flow plans in order not to detract the creditability of the Company Group. The Company Group also has commitment-line contracts in place in order to ensure to fulfill all obligations.

2. Matters related to fair values of financial instruments

The recorded amounts on the consolidated financial statements, fair values and the differences of these as of March 31, 2013 are as follows. Financial instruments whose fair values are extremely difficult to determine are not listed in the following table.

(Millions of yen)			
	Recorded amount on consolidated balance sheet*	Fair value*	Difference
(1) Cash and deposits	34,025	34,025	–
(2) Notes and accounts receivable- trade	25,760	25,760	–
(3) Securities and investment in securities			
Other available-for-sale securities	1,065	1,065	–
(4) Accounts payable-trade	(5,177)	(5,177)	–
(5) Short-term bank loans	(575)	(573)	1
(6) Accrued expenses	(7,179)	(7,179)	–
(7) Bonds	(590)	(592)	(2)
(8) Long-term bank loans	(7,880)	(7,946)	(66)
(9) Derivatives	–	–	–

*Items recorded in Liabilities are marked with ().

Note 1: Measurement of fair value of financial instrument and matters related to securities and derivatives

(1) Cash and deposits and (2) Notes and accounts receivable-trade

As these are settled in the short term, their fair values are almost equivalent to book values, and therefore their book values are used.

(3) Securities and investment in securities

With regard to the fair values of securities and investment in securities, market prices at stock exchanges are used for stocks and prices provided by banks are used for bonds.

(4) Accounts payable-trade, and (6) Accrued expenses

As these are settled in the short term, their fair values are almost equivalent to book values, and therefore their book values are used.

(5) Short-term bank loans

The fair values of short-term bank loans are measured by the present value of future cash flows of each debt categorized according to a certain range of term, and discounted by rates which incorporate terms to repayment dates and credit risks.

(7) Bonds

The fair values of bonds are measured by the present value of the sums of principal and interest discounted by rates which incorporate terms to repayment dates and credit risk.

(8) Long-term bank loans

The fair values of long-term bank loans are measured based upon the present values obtained by discounting the total amount of principals and interests at a rate with term to maturity and credit risk taken into account. Long-term bank loans with floating rates are the hedged item of interest rate swaps under special accounting treatment. The fair values of these loans are measured based upon the present values obtained by discounting the total amount of principals and interests, which are accounted for together with associated interest rate swaps, at a rate with term to maturity and credit risk taken into account.

(9) Derivatives

Interest rate swaps which qualify for special accounting treatment are accounted for as an integral part of long-term bank loans, a hedged item. Thus, their fair values are included in the fair value of long-term bank loans.

Note 2: Unlisted equity securities (Consolidated balance sheet amount: 2,558 million yen) are not included in the above “(3) Securities and investment securities, Other available-for-sale securities” since their market price is not available, it is not possible to estimate the future cash flows, and the assessment of their fair values is deemed extremely difficult.

Notes regarding per share data

1. Net assets per share	1,212.44 yen
2. Net income per share	119.57 yen

Notes regarding significant subsequent events

Not applicable.

Attached document (6)

Non-Consolidated Statement of Income

(from April 1, 2012 to March 31, 2013)

(Millions of yen)

Account item	Amount	
Net sales		134,948
Cost of sales		114,137
Gross Profit		20,811
Selling, general and administrative expenses		15,268
Operating income		5,542
Non-operating income:		
Interest income	41	
Dividend income	51	
Foreign exchange gains	548	
Gain on investments in partnership	123	
Reversal of allowance for doubtful accounts	261	
Other	133	1,159
Non-operating expenses:		
Interest expenses	184	
Interest on bonds	18	
Provision for loss on guarantees	311	
Other	70	584
Ordinary income		6,117
Extraordinary gains:		
Gain on sales of subsidiaries and affiliates' stocks	1,566	
Company establishment subsidies	64	
Other	23	1,655
Extraordinary losses:		
Impairment loss	49	
Loss on sale/disposal of investment in securities	2,551	
Loss on valuation of stocks of subsidiaries and affiliates	579	
Loss on transition of retirement benefit plan	162	
Other	120	3,464
Income before income taxes		4,308
Income taxes—current	926	
Income taxes—deferred	1,930	2,856
Net income		1,452

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

Attached document (7)

Non-Consolidated Statement of Changes in Net Assets

(from April 1, 2012 to March 31, 2013)

(Millions of yen)

	Shareholders' equity		
	Common stock	Capital surplus	
		Other capital surplus	Total capital surplus
Balance at the beginning of the fiscal year	29,065	20,510	20,510
Change during the fiscal year			
Dividend of surplus			
Net income			
Acquisition of treasury stock			
Disposal of treasury stock		(0)	(0)
Net change in items other than shareholders' equity during the fiscal year			
Total change during the fiscal year	-	(0)	(0)
Balance at the end of the fiscal year	29,065	20,510	20,510

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

(Millions of yen)

	Shareholders' equity				
	Retained earnings			Treasury stock	Total shareholders' equity
	Legal retained earnings	Other retained earnings	Total retained earnings		
		Unappropriated retained earnings			
Balance at the beginning of the fiscal year	511	10,130	10,641	(15,923)	44,294
Change during the fiscal year					
Dividend of surplus	152	(1,674)	(1,522)		(1,522)
Net income		1,452	1,452		1,452
Acquisition of treasury stock				(0)	(0)
Disposal of treasury stock				0	0
Net change in items other than shareholders' equity during the fiscal year					-
Total change during the fiscal year	152	(222)	(70)	(0)	(71)
Balance at the end of the fiscal year	663	9,907	10,571	(15,924)	44,223

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

(Millions of yen)

	Valuation and translation adjustments		Total net assets
	Net unrealized gain (loss) on securities	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	430	430	44,725
Change during the fiscal year			
Dividend of surplus			(1,522)
Net income			1,452
Acquisition of treasury stock			(0)
Disposal of treasury stock			0
Net change in items other than shareholders' equity during the fiscal year	(255)	(255)	(255)
Total change during the fiscal year	(255)	(255)	(327)
Balance at the end of the fiscal year	174	174	44,398

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

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

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

The cost method (method to reduce book value from lower profitability) is adopted as the standard for valuation.

Merchandise Gross average method

Work and software in progress Specific cost method

Supplies Cost using the last-purchase-price method

4. Depreciation methods for fixed assets

Tangible fixed assets

(excluding lease assets) Buildings (excluding building fixtures)

a. Buildings acquired on or before March 31, 1998

Depreciated using the old declining-balance method.

b. Buildings acquired between April 1, 1998 and March 31, 2007

Depreciated using the old straight-line method.

c. Buildings acquired on or 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 on or after April 1, 2007

In addition, items acquired on or before March 31, 2007 are depreciated using the straight line method over five years starting the fiscal year following the fiscal year when the final depreciable limit is reached.

Intangible fixed 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 five 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 by straight-line method based on lease period of useful lives with residual values of zero.

5. Standards 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.
Accrued bonuses for directors	Accrued bonuses for directors are provided based on the estimates of bonus obligations attributable to 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.
Provision for loss on guarantees	To prepare for losses arising from fulfilling guarantee obligations of affiliated companies, the Company appropriates a provision for the estimated cost of losses for guarantee obligation which are highly likely to be required for fulfilling such obligations, taking into consideration the recoverability by exercising right of indemnity.

(Additional information)

The Company was granted a permission to dissolve its defined-benefit corporate pension fund by the Ministry of Health, Labor and Welfare as of March 31, 2013, and changed to a defined-contribution pension plan and a retirement benefit advance payment plan (selective system). It applied the Guidance on Accounting for Transfers between Retirement Benefit Plans” (ASBJ Guidance No. 1, January 31, 2002) for accounting treatment of the change. As a result of the shift, the Company posted 162 million yen as “Loss on transition of retirement benefit plan” in Extraordinary Loss for the fiscal year ended March 31, 2013.

6. Basis for recording revenues and expenses

Basis for recording revenues and expenses on software produced on ordersThe percentage of completion method (the cost-to-cost method for the percentage of completion estimate) is applied for the portion completed by the end of the fiscal year ended March 31, 2013, which is deemed to be certain to complete, and the completed contract method is applied otherwise.

7. Other important issues which are bases for preparing non-consolidated financial statements

(1) Hedge accounting

- (i) 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.
(ii) Means for hedging and hedged items Means for hedging: Interest rate swaps Hedged items: Bank loans
(iii) Hedging policy Interest rate swaps are conducted to avoid interest rate fluctuation risks in accordance with the internal rules.
(iv) Assessment method of effectiveness of hedges The assessment of effectiveness is omitted because the requirements for exceptional accounting are met.

(2) Standard for translation of assets and liabilities denominated in foreign currencies into yen Monetary assets and liabilities denominated in foreign currencies are translated into yen at the spot exchange rate as of the end of the fiscal term, and the resulting exchange differences are credited or charged to income.

(3) Accounting for consumption taxes Consumption tax and local consumption tax are accounted for by the tax exclusion method.

8. Notes to changes in accounting policies (Change in depreciation methods)

With the revision of the Corporation Tax Act, the Company changed depreciation methods for property, plant and equipment acquired on or after April 1, 2012 to those pursuant to the revised Corporation Tax Act, effective from the fiscal year ended March 31, 2013.

The impact of the change on profit and loss of the fiscal year ended March 31, 2013 is not material.

9. Change in presentation

Non-consolidated Balance Sheet

“Provision for loss on guarantees” (475 million yen in the previous fiscal year), which was included in “Other” in Noncurrent assets in the previous fiscal year, is presented separately in the current fiscal year because the amount has become insignificant.

Non-consolidated Statement of Income

“Employment development subsidy” (40 million yen in the current fiscal year), which was presented separately in Non-operating income in the previous fiscal year, is included in “Other” in Non-operating income in the current fiscal year because the amount has become insignificant.

“Gain on sales of investment securities” (9 million yen in the current fiscal year), which was presented separately in Non-operating income in the previous fiscal year, and “Loss on retirement of noncurrent assets” (34 million yen in the current fiscal year), which was presented separately in Non-operating loss in the previous fiscal year, are included in “Other” in Non-operating income and “Other” in Non-operating loss, respectively, in the current fiscal year, because the amount has become insignificant.

Notes to the Non-Consolidated Balance Sheet

- Liabilities for guarantees:

Guarantee for debt obligations to affiliates	
Co-Core Inc.	¥270 million
Guarantee on deposit obligations from subsidiaries and affiliates	
Tci-Business-Service Co., Ltd.	¥2,719 million
<u>Total</u>	<u>¥2,989 million</u>
- Accumulated depreciation of tangible fixed assets ¥7,752 million
- Monetary receivables from and monetary payables to subsidiaries and affiliates (excluding separate line item)

Short-term monetary receivables from subsidiaries and affiliates	¥532 million
Short-term monetary payables to subsidiaries and affiliates	¥1,327 million
- Contingent liabilities
Alfresa Pharma Corporation and Mitsubishi Tanabe Pharma Corporation filed a suit against the Company in the Tokyo District Court for damages in the amount of 1,474 million yen concerning the investigational new drug assignment work ordered by the said companies on February 18, 2011. With regard to this lawsuit, on January 23, 2012, the plaintiff filed for an expansion of the scope of the claim and accordingly, the claimed amount of damages was changed to 2,501 million yen. The Company intends to clearly state its claims in the court.

Notes to the Non-Consolidated Statement of Income

Transactions with subsidiaries and affiliates

Net sales	¥390 million
Net purchase	¥11,853 million
Transactions other than operating transactions	¥122 million

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

Treasury stock

Class of shares	Number of shares at the beginning of the current 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)	7,649,709	888	46	7,650,551

(Outline of causes for changes)

Details of the number of shares increased are as follows.

Increase due to purchase of shares less than one unit: 888 shares

Details of the number of shares decreased are as follows.

Decrease due to sale of shares less than one unit: 46 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	¥1,025 million
Accrued enterprise tax	¥109 million
Loss on write-down of investment in unconsolidated subsidiaries and affiliates	¥1,817 million
Loss on write-down of investment in securities	¥1,477 million
Reserve for loss on litigation	¥910 million
Impairment loss	¥261 million
Loss on investments in movie business fund	¥251 million
Allowance for doubtful accounts	¥234 million
Tax Goodwill	¥113 million
Inventory based on the percent of completion method	¥41 million
Other	¥731 million
Sub-total	¥6,975 million
Provision for devaluation	¥5,018 million
Total of deferred tax assets	¥1,957 million
Deferred tax liabilities:	
Sales under the percent of completion method	¥67 million
Unrealized gain on securities	¥48 million
Other	¥1 million
Total of deferred tax liabilities	¥118 million
Net of deferred tax assets	¥1,838 million

Notes concerning leased fixed assets

In addition to fixed assets recorded on the Balance Sheet, computers and some of their peripherals are used under finance lease transactions that do not transfer ownership.

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

	Acquisition costs equivalents (Millions of yen)	Accumulated depreciation equivalents (Millions of yen)	Year-end balance equivalents (Millions of yen)
Tools, furniture and fixtures	11	10	1

2. Year-end balance of prepaid lease equivalents

Within one year	¥1 million
Over one year	¥ – million
<u>Total</u>	<u>¥1 million</u>

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

Lease expenses	¥50 million
Depreciation equivalents	¥45 million
Interest expense equivalents	¥0 million

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.

6. Operating lease transactions

Prepaid lease payment in connection with non-cancelable lease transactions of operating lease transactions

Prepaid lease payments

Within one year	¥26 million
Over one year	¥35 million
<u>Total</u>	<u>¥62 million</u>

Notes concerning 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 (millions of yen)	Account	Balance as of the end of the fiscal year (millions of yen)
Subsidiary	Tci-Business-Service Co., Ltd.	¥100 million	BtoB domestic subsidiaries	Owning Direct 100.0%	Loan of funds	Loan of funds (Note 1)	2,575	Long-term loans receivable from subsidiaries and affiliates	1,048
						Collection of loan	2,861		
						Guarantee of obligations (Note 2)	2,719		

Note: Terms and conditions of transactions and the policies on determination thereof:

1. The interest rate of the loan was determined reasonably based on the market interest rate and fund raising rate.
2. This guarantees obligations in custody from the subsidiaries and affiliates.
3. Transactional amounts and balances as of the end of the fiscal year are recorded exclusive of consumption taxes.
4. Percentages of owning (owned) voting rights, etc. are rounded off to the nearest first decimal place.

(3) Brother companies

Not applicable.

(4) Directors and primary individual shareholders

Not applicable.

Notes concerning per share data

1. Net assets per share 1,079.11 yen
2. Net income per share 35.29 yen

Notes concerning significant subsequent events

Not applicable.

Attached document (8)

Certified Copy of the Accounting Auditors' Report on Consolidated Financial Statements

REPORT OF INDEPENDENT AUDITORS

May 13, 2013

To the Board of Directors of transcocosmos inc.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner
Certified Public Accountant
Yasunori Arakawa

Designated and Engagement Partner
Certified Public Accountant
Go Nakagawa

Designated and Engagement Partner
Certified Public Accountant
Nobuaki Chonan

Pursuant to Article 444, Paragraph 4 of the Corporation Law, we have audited the consolidated 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, 2012 to March 31, 2013.

Management's responsibility for the consolidated financial statements

The management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with generally accepted accounting principles in Japan. This includes the development, implementation, and maintenance of internal control deemed necessary by the management for the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits as independent auditors. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected and applied depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity's internal control. However, in making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used, the method of their application, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit opinion

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.

Interest

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

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

Attached document (9)

Certified Copy of the Accounting Auditors' Report

REPORT OF INDEPENDENT AUDITORS

May 13, 2013

To the Board of Directors of transcocosmos inc.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner
Certified Public Accountant
Yasunori Arakawa

Designated and Engagement Partner
Certified Public Accountant
Go Nakagawa

Designated and Engagement Partner
Certified Public Accountant
Nobuaki Chonan

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 28th business year from April 1, 2012 to March 31, 2013.

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of these financial statements and the supplementary schedules in accordance with generally accepted accounting principles in Japan. This includes the development, implementation, and maintenance of internal control deemed necessary by the management for the preparation and fair presentation of financial statements and the supplementary schedules that are free from material misstatement, whether due to fraud or error.

Independent auditors' responsibility

Our responsibility is to express an opinion on the financial statements and the supplementary schedules based on our audits as independent auditors. We conducted our audits in accordance with auditing standards generally accepted in Japan. Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the supplementary schedules. The procedures selected and applied depend on our judgment, including the assessment of the risks of material misstatement of the financial statements and the supplementary schedules, whether due to fraud or error. The purpose of an audit is not to express an opinion on the effectiveness of the entity's internal control. However, in making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements and the supplementary schedules in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used, the method of their application, and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Audit opinion

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 Company in accordance with accounting standards generally accepted in Japan.

Interest

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 28th business term from April 1, 2012 to March 31, 2013, 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 regarding the status of audits and the results thereof from each Statutory Auditor, as well as reports regarding the status of the execution of duties from the Directors and Accounting Auditor, and requested explanations 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’ meetings 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 the head office and principal offices. In addition, with respect to contents of resolutions of the Board of Directors regarding the development of the system to ensure that the performance of duties by the Directors conforms to the laws and regulations and the Articles of Incorporation and other systems that are stipulated in Article 100 (1) and (3) of the Ordinance for Enforcement of the Corporation Law as being necessary to ensure appropriateness of operations of a joint stock company, and also the systems (Internal Control system) established in accordance with such resolutions, as described in the Business Report, Statutory Auditors periodically received reports from the Directors and employees, requested explanations as necessary and expressed opinions, on the establishment and management of such systems. The contents of the basic policies set forth in Article 118, Item 3-a of the Ordinance for Enforcement of the Corporation Law and undertakings set forth in Item 3-b of said article, as described in the business report, were also considered in light of the circumstances, etc. of deliberations by the board of directors and other bodies. With respect to subsidiaries, each Statutory Auditor endeavored to facilitate communication and exchange information with Directors, Statutory Auditors and other employees of subsidiaries, and received business reports from subsidiaries as necessary. In accordance with the procedures mentioned above, Statutory Auditors reviewed the business reports and the supplementary schedules for the fiscal year ended on March 31, 2013.

Further, Statutory Auditors monitored and verified that Accounting Auditor maintains independence and conduct the audits appropriately. Each Statutory Auditor also received reports on the status of the execution of duties from Accounting Auditor and requested explanation as necessary. In addition, Statutory Auditors 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, Statutory Auditors 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 fiscal year ended on March 31, 2013.

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;
- 3) Resolution of the Board of Directors regarding the internal control system is fair and reasonable. There is no matter requiring additional mention concerning the internal control system with respect to the contents of the Business Report and the execution of duties by Directors; and
- 4) There is no matter 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 Article 118, Item 3-b of the Ordinance for Enforcement of the Corporation Law, which are described in the business reports, are in line with such basic principles, unharmful to common interest of shareholders, and not intended to maintain the positions of Directors or Statutory Auditors of the Company.

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

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

(3) Results of audit of consolidated financial statements

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

May 15, 2013

Board of Statutory Auditors of transcosmos inc.

Standing Statutory Auditor	Hideaki Ishioka
Outside Statutory Auditor	Toshiaki Nakamura
Outside Statutory Auditor	Teruyuki Hiroyuki

Notes:

1. Outside Statutory Auditor Teruyuki Hiroyuki, who had been a substitute Statutory Auditor, took office as Outside Statutory Auditor on December 22, 2012 following the death of Outside Statutory Auditor Kazushi Watanabe. He performed audit on matters subject to audit before his assumption of office by receiving explanations from other Statutory Auditors and reading materials.
2. Statutory Auditor Kichiro Takao neither signed nor sealed this Audit Report of Statutory Auditors, since he was absent from the meeting of the Board of Statutory Auditors (meeting of the Board of Statutory Auditors to prepare the Audit Report of Statutory Auditors), held on May 15, due to illness. We received audit report in advance from the said Statutory Auditor. The auditing method and the results of audit were the same as those described above.

Reference Documents for the Annual General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of surplus for the 28th fiscal term

Matters related to year-end dividend

The Company proposes to pay a year-end dividend as follows in accordance with its dividend policy.

(1) Type of dividend asset

Cash dividend

(2) Allotment of dividend assets to shareholders and the total amount

36 yen per share of common stock of the Company

Total amount 1,481,165,820 yen

(3) Effective date of dividend of surplus

Thursday, June 27, 2013

Proposal No. 2: Partial Amendment to Articles of Incorporation

1. Reasons for Amendments

The Company partially makes changes in “Purposes” of Article 2 of the Articles of Incorporation of the Company to prepare for the future development of business.

2. Details of Amendments

The details of the amendments are as follows.

(Underlined sections are amendments.)

Current Version	Proposed Amendments
<p>(Purpose)</p> <p>Article 2. The purpose of the Company shall be to engage in the following businesses.</p> <p>1. to 23. (Omitted)</p> <p>(New)</p> <p>(New)</p> <p><u>24.</u> Freight forwarding business</p> <p><u>25.</u> Any business necessary or useful in connection with each of the above.</p>	<p>(Purpose)</p> <p>Article 2. The purpose of the Company shall be to engage in the following businesses.</p> <p>1. to 23. (Same as present)</p> <p><u>24. Retail and wholesale of rice, health foods, apparels, housewares and sundry, health appliances, furniture, bedclothes, books, CDs, DVDs and others</u></p> <p><u>25. Warehousing business</u></p> <p><u>26.</u> Freight forwarding business</p> <p><u>27.</u> Any business necessary or useful in connection with each of the above.</p>

Proposal No. 3: Election of Twelve Directors

The term of office of all the eleven Directors will expire at the conclusion of this Meeting. Accordingly, the Company requests to add one more Director for reinforcing the management setup and approval for the election of twelve Directors.

The candidates for Directors are as follows:

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	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 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 (– 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>September 2002 President, Representative Director & CEO</p> <p>June 2003 Chairman, Representative Director & CEO (present post)</p> <p>June 2009 Outside Director, Kadokawa Group Holdings, Inc. (present post)</p> <p>June 2011 Chairman of Japan Telemarketing Association (At present, Call Center Association of Japan) (present post)</p>	25,200 shares (4,057 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	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>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.</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 (6,051 shares)
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 2004 Corporate Executive Officer</p> <p>February 2005 Chairman of transcosmos Information system (Shanghai) Co., Ltd.</p> <p>June 2005 Senior Managing Director of the Company</p> <p>August 2005 Chairman of transcosmos MCM Shanghai Co., Ltd. (present post)</p> <p>June 2006 Executive Vice President, Director of the Company</p> <p>April 2010 Senior Managing Director, in charge of Services Headquarters</p> <p>June 2010 Chairman of transcosmos BPO China</p> <p>March 2012 Chairman and Director of transcosmos Korea Inc. (present post)</p> <p>May 2012 Director of transcosmos analytics Inc. (present post)</p> <p>June 2012 Senior Managing Director, Chief of Services Headquarters of the Company</p> <p>July 2012 Director of transcosmos philippines, inc. (present post)</p> <p>October 2012 Senior Managing Director, Chief of Call Center Services Headquarters, Chief of Global Business Sector and General Manager of Services Promotion Division of the Company (present post)</p>	4,400 shares (5,999 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
5	Hiroyuki Mukai (July 23, 1952)	<p>April 1977 Joined IBM Japan, Ltd.</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 of the Company</p> <p>June 2008 Senior Managing Director, Chief of Sales Division</p> <p>April 2009 Executive Managing Director, Chief of Sales Division</p> <p>June 2012 Senior Managing Director, in charge of Sales Headquarter (present post)</p>	– shares (8,255 shares)
6	Masakatsu Moriyama (May 21, 1970)	<p>April 1993 Joined Pricewaterhouse Consultant (present IBM Japan, Ltd.)</p> <p>June 2000 Joined the Company</p> <p>June 2002 Director</p> <p>June 2003 Managing Director</p> <p>June 2004 Corporate Executive Officer</p> <p>September 2005 Senior Managing Director, General Manager of BtoC Business Development Division</p> <p>March 2007 President and Representative Director of Co-Core Inc. (present post)</p> <p>June 2009 Executive Managing Director, General Manager of BtoC Business Development Division and "meet-me" Sales Promotion Department</p> <p>October 2012 Executive Managing Director, General Manager of BtoC Business Development Division, in charge of Digital Marketing Services Sector and Deputy General Manager of Services Promotion Division (present post)</p> <p>December 2012 Representative Director of transcosmos Direct (currently NIHONCHOKUHAN Co., Ltd.) (present post)</p>	2,000 shares (3,100 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	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</p> <p>June 2004 Corporate Officer, General Manager of Service Development Division</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 President and CEO of transcosmos America, Inc. (present post)</p> <p>April 2010 Executive Managing Director, in charge of Portfolio Management Department of the Company and President and CEO of transcosmos America, Inc.</p> <p>November 2011 Director of Merlin Information Systems Group Limited (present post)</p> <p>April 2012 Executive Managing Director, in charge of Business Development Division of transcosmos inc., and President and CEO of transcosmos America, Inc.</p> <p>April 2013 Executive Managing Director, Deputy Chief of Global Business Sector, Manager of Global Business Sector, Silicon Valley Branch, and President and CEO of transcosmos America Inc. (present post)</p>	1,000 shares (2,067 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
8	Masaaki Muta (February 9, 1965)	<p>April 1989 Joined RECRUIT CO., LTD.</p> <p>April 1999 Joined Doubleclick Japan Inc.</p> <p>June 1999 Managing Director of Doubleclick Japan Inc.</p> <p>November 2001 Director, Vice President of K.K. AskJeeves Japan</p> <p>June 2003 Joined the Company, Deputy Manager of Marketing Chain Management Services Business Division, Sales Division No. 1</p> <p>June 2004 Managing Director, General Manager of Sales Headquarters, Financial Industry Services Sales Division No. 2</p> <p>June 2005 Corporate Executive Officer, General Manager of Sales Headquarters, Financial Industry Services Sales Division</p> <p>April 2009 Managing Director, General Manager of Sales Headquarters, Financial Industry Services Sales Division</p> <p>April 2010 Corporate Senior Officer, General Manager of Services Headquarters, Business Promotion Division</p> <p>June 2012 Executive Managing Director, Chief of Sales Division and General Manager of Sales Headquarters, Global Business Sales Administration Department</p> <p>August 2012 Executive Managing Director, Chief of Sales Headquarters and in charge of Sales Management Administration Department</p> <p>April 2013 Executive Managing Director, Chief of Sales Headquarters and in charge of Sales Management Administration Department (present post)</p>	108 shared (430 shares)
*9	Masatoshi Kono (August 22, 1965)	<p>March 1986 Joined the Company</p> <p>July 2004 Corporate Officer, General Manager of Support Desk Service Division</p> <p>July 2005 Corporate Senior Officer, General Manager of Support Desk Service Division</p> <p>April 2009 Corporate Officer, Chief of Business Process Outsourcing Services Sector</p> <p>July 2010 Chairman of transcocosmos design development (Dalian) Co., Ltd.</p> <p>June 2011 Corporate Senior Officer, General Manager of Services Promotion Division of the Company</p> <p>October 2012 Corporate Senior Officer, Chief of Business Process Outsourcing Services Sector, Deputy General Manager of Services Promotion Division (present post)</p>	4,800 shared (- shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
10	Takeshi Natsuno (March 17, 1965)	<p>April 1988 Joined Tokyo Gas Co., Ltd.</p> <p>September 1997 Joined NTT Mobile Communications Network Inc. (present NTT Docomo Inc.)</p> <p>June 2005 Executive Officer and Manager in charge of Multimedia Services of NTT Docomo Inc.</p> <p>May 2008 Guest Professor at Graduate School of Media and Governance, Keio University</p> <p>June 2008 Outside Director of the Company (present post) Outside Director of Sega Sammy Holdings Inc. (present post) Director of Pia Corporation (present post) Part-time Director of NTT Resonant Inc. (present post) Outside Director of SBI Holdings, Inc.</p> <p>December 2008 Director of Dwango Co., Ltd. (present post)</p> <p>September 2009 Outside Director of GREE, Inc. (present post)</p> <p>April 2013 Visiting Professor at Graduate School of Media and Governance, Keio University (present post)</p>	– shares (54,483 shares)
11	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 1998 President of Information Services International-Dentsu, Ltd.</p> <p>March 2009 Part-time Director of APPLIED TECHNOLOGY CO., LTD. (present post)</p> <p>June 2009 Outside Director of the Company (present post) Vice-Chairman of Telecom Services Association (present post)</p> <p>March 2010 Outside Director of Transcosmos Technologies Inc. (present post)</p>	– shares (3,659 shares)
12	Nozomu Yoshida (December 1, 1956)	<p>April 1980 Joined Dentsu Inc.</p> <p>July 1989 Seconded to Dentsu Communications Institute Inc.</p> <p>October 2000 Representative Director of nozomu.net (present post)</p> <p>January 2002 Director of Concent, Inc. (present post)</p> <p>June 2004 Representative Director of takibi, Inc.</p> <p>May 2008 Representative Director of Odayaka Living Co., Ltd. (present post)</p> <p>June 2010 Outside Director of the Company (present post)</p> <p>August 2011 Director of takibi, Inc. (present post)</p>	– shares (2,066 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. An asterisk mark attached to the number of candidate represents a candidate newly standing for directorship.
3. Director candidate Masakatsu Moriyama concurrently holds the position of President and Representative Director of Co-Core Inc. and the position of Representative Director of NIHONCHOKUHAN Co. Ltd., with which the Company has business relationship.
No special interests exist between the Company and other candidates for Directors.
4. Takeshi Natsuno, Jutaro Takinami and Nozomu Yoshida are candidates for Outside Directors.
5. Reasons for the election of candidates for Outside Directors and reasons why the Company considers the offices of Outside Directors to be performed appropriately
Takeshi Natsuno, Jutaro Takinami and Nozomu Yoshida 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.
6. Liability Limitation Agreement with Outside Directors
The Company has entered into, with each of Takeshi Natsuno, Jutaro Takinami and Nozomu Yoshida, the liability limitation agreement, which limits liability for damage under Article 423, paragraph 1 of the Corporation Law pursuant to the provision of Article 427, paragraph 1 of the Corporation Law. The maximum amount of liability for damage under such agreement is 1 million yen or the amount provided for in Article 425, paragraph 1 of the Corporation Law, whichever is higher. If the re-election of Takeshi Natsuno, Jutaro Takinami and Nozomu Yoshida is approved, the Company intends to continue the liability limitation agreement.
7. Years for which the candidates for Outside Directors are to take office as Outside Directors:
- 1) The term of office of Takeshi Natsuno, an Outside Director, shall be five years at the conclusion of this Annual General Meeting of Shareholders.
 - 2) The term of office of Jutaro Takinami, an Outside Director, shall be four years at the conclusion of this Annual General Meeting of Shareholders.
 - 3) The term of office of Nozomu Yoshida, an Outside Director, shall be three years at the conclusion of this Annual General Meeting of Shareholders.
8. The Company has registered Takeshi Natsuno and Jutaro Takinami as independent executives stipulated by the Tokyo Stock Exchange. If this proposal is approved and the two candidates take the posts of Outside Directors, they will continue to be independent executives.

Proposal No. 4: Election of Three Statutory Auditors

The terms of office of all four Statutory Auditors will expire at the conclusion of this Meeting. Accordingly, the Company requests approval of the election of three Statutory Auditors.

The candidates for Statutory Auditors are as follows:

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

Candidate No.	Name (Date of Birth)	Career summary and position at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
1	Hideaki Ishioka (October 20, 1949)	<p>April 1973 Joined Tokyo Shibaura Electric Co., Ltd. (currently Toshiba Corporation)</p> <p>April 1996 Advisor to the Company</p> <p>June 1996 Managing Director, General Manager of Technology Division</p> <p>April 2000 Senior Managing Director, deputy in charge of Technology Division</p> <p>February 2001 Representative Director of AboveNet Japan K.K.</p> <p>April 2002 Technical fellow of the Company</p> <p>June 2002 Vice President and Representative Director of Max Interface (currently APPLIED TECHNOLOGY CO., LTD.)</p> <p>January 2005 Director, Senior Managing Director in charge of Technology Division of the company</p> <p>January 2006 Senior Managing Director, in charge of Corporate Planning Office of the company</p> <p>January 2007 Director of the company Chairman and Representative Director of transcosmos Technologies Inc.</p> <p>December 2007 Chairman and Director of the company</p> <p>June 2008 Standing Statutory Auditor of the Company (present post)</p>	1,000 shares (1,207 shares)
2	Toshiaki Nakamura (October 9, 1941)	<p>April 1960 Co-ordination Division, Co-ordination Department, Osaka Regional Taxation Bureau</p> <p>July 1993 Chief in Commissioner's Secretariat of the National Tax Agency, Personnel Inspector of the National Tax Agency</p> <p>July 1996 Superintendent of Shinagawa Tax Office</p> <p>July 1997 Head of Tokyo Training Center of National Tax College</p> <p>July 1999 Superintendent of Shibuya Tax Office</p> <p>July 2000 Retired from office of superintendent of Shibuya Tax Office</p> <p>September 2003 Outside Statutory Auditor of Riso Kyoiku Co., Ltd. (present post)</p> <p>April 2004 Tax affairs advisor to the Company</p> <p>June 2006 Outside Statutory Auditor (present post)</p>	– shares (4,057 shares)

Candidate No.	Name (Date of Birth)	Career summary and position at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
*3	Setsuo Yamane (January 23, 1948)	<p>March 1966 Employed as police officer of Metropolitan Police Department</p> <p>February 1983 Police inspector of Metropolitan Police Department</p> <p>March 1984 Seconded to National Police Agency</p> <p>March 1989 Chief of Security Section of Hisamatsu Police Station</p> <p>March 1991 Superintendent of Metropolitan Police Department</p> <p>March 1996 Deputy chief of Akasaka Police Station</p> <p>February 1997 Chief of Oshima Police Station</p> <p>February 1999 Chief of Otsuka Police Station</p> <p>February 2002 Senior superintendent Head of Mobile Telecommunications Department No. 1, Police Information and Telecommunications Division, Tokyo Metropolitan Government</p> <p>February 2004 Vice President of Metropolitan Police Academy, Metropolitan Police Department</p> <p>February 2006 Councilor, Personnel and Training Bureau</p> <p>March 2007 Chief superintendent</p> <p>April 2007 Deputy General Manager of Grand Arc Hanzomon</p> <p>April 2009 Advisor to Tokyo Gas Co., Ltd.</p>	– shares (– shares)

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

2. An asterisk attached to the number of a candidate represents a candidate newly standing for the office of Statutory Auditor.

3. No special interests exist between the Company and each candidate for Statutory Auditor.

4. Toshiaki Nakamura and Setsuo Yamane are candidates for Outside Statutory Auditors.

5. Reasons for electing candidates for Outside Statutory Auditors and reasons why the Company considers the offices of Outside Statutory Auditors to be performed appropriately
Though Toshiaki Nakamura and Setsuo Yamane do not have experience of direct involvement in corporate management, they have extensive experience, track histories of performance, and knowledge at administrative agencies, 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. Liability Limitation Agreement with Outside Statutory Auditors

The Company has entered into, with Toshiaki Nakamura, a liability limitation agreement, which limits liability for damage under Article 423, paragraph 1 of the Corporation Law pursuant to the provision of Article 427, paragraph 1 of the Corporation Law. The maximum amount of liability for damage under such agreement is 1 million yen or the amount provided for in Article 425, paragraph 1 of the Corporation Law, whichever is higher. If the re-election of Toshiaki Nakamura is approved, the Company intends to continue the liability limitation agreement. If the inauguration of Setsuo Yamane is approved, the Company intends to enter into the liability limitation agreement of the same content.

7. Years for which the candidates for Outside Statutory Auditors are to take office as Outside Statutory Auditors:

The term of office of Toshiaki Nakamura shall be seven years at the conclusion of this Annual General Meeting of Shareholders.

8. The Company has registered Toshiaki Nakamura as an independent executive stipulated by the Tokyo Stock Exchange. If his re-election is approved and if the appointment of Setsuo Yamane is approved, the Company will make them independent executives.

Proposal No. 5: Election of One Substitute Statutory Auditor

Pursuant to Article 329, paragraph 2 of the Companies Act, it is proposed that one substitute Statutory Auditor be elected in advance in case the number of serving Statutory Auditors falls below the number required by law.

The candidate for substitute Statutory Auditor is as follows.

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

Name (Date of Birth)	Career summary and position at the Company (significant concurrent positions outside the Company)	No. of Company shares held
Miwa Tsurumori (February 10, 1977)	October 2006 Registered as a lawyer Joined Fairness Law Office (present post)	– shares

- Notes: 1. Miwa Tsurumori is a candidate for a substitute Outside Statutory Auditor.
2. Miwa Tsurumori provides in legal services under her maiden name (Matsutani).
3. No special interests exist between the Company and the candidate above.
4. Regarding 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
- Though Miwa Tsurumori does not have experience of direct involvement in corporate management, he has extensive experience, a track history of performance, and knowledge, as an attorney, and is in an objective position amenable to the execution of operations independently of our management team. We consider that her presence will be highly conducive to the management of the Company. Therefore, we nominate her for election as substitute Outside Statutory Auditor.
5. If Miwa Tsurumori assumes the office of Outside Statutory Auditor, the Company will enter into an agreement that limits the liability for damages provided for in Article 423, paragraph 1 of the Corporation Law with her pursuant to the provisions of Article 427, paragraph 1 of the said Law. The maximum amount for the liability for damages under the agreement is either of 1 million yen or the amount stipulated in Article 425, paragraph 1 of the Corporation Law, whichever is higher.