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Securities Code: 9715

June 1, 2016

To Our Shareholders

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

NOTICE OF THE 31st ANNUAL GENERAL MEETING OF SHAREHOLDERS

We would like to express our sincere condolence for shareholders who are victims of the 2016 Kumamoto Earthquake.

You are cordially invited to attend the 31st 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 21, 2016 (Tuesday).

- 1. Date and Time:** 10:00 a.m., Wednesday, June 22, 2016
2. Place: Aoyama Diamond Hall 1st floor (Diamond Room)
6-8, Kitaaoyama 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 31st Fiscal Term (from April 1, 2015 to March 31, 2016)
 2. Financial Statements for the 31st Fiscal Term (from April 1, 2015 to March 31, 2016)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of surplus for the 31st fiscal term
Proposal No. 2: Partial Amendment to Articles of Incorporation
Proposal No. 3: Election of Sixteen Directors (excluding Directors who are Audit and Supervisory Committee Members)
Proposal No. 4: Election of Three Directors who are Audit and Supervisory Committee Members
Proposal No. 5: Election of One Director who is a Substitute Audit and Supervisory Committee Member
Proposal No. 6: Decision on the Amount of Remuneration for Directors (excluding Those who are Audit and Supervisory Committee Members)
Proposal No. 7: Decision on the Amount of Remuneration for Directors who are Audit and Supervisory Committee Members
Proposal No. 8: Election of Accounting Auditors

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1. For those attending, please submit the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.
 2. Please 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 21, 2016 (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, 2015 to March 31, 2016)

1. Business Overview of the Group

(1) Progress and Results of Operations

During the fiscal year ended March 31, 2016, the Japanese economy was on a moderate recovery trend, with employment conditions and corporate earnings improving partly due to the economic stimulus package of the Japanese government. However, the economic outlook was clouded by factors such as concerns about a downturn of overseas economies caused by the slowing of economic growth in China and other emerging nations and natural-resource-exporting nations, and unstable developments in financial and capital markets including the increasing higher yen and lower stock prices from the start of this year.

In the environment surrounding business process outsourcing (BPO) services in which the Group is engaged, demand has been generally expanding, due to the further increased corporate needs for strengthening cost competitiveness and flexible response to changes in business conditions, in the midst of the on-going decrease in working population, globalization of companies, and so forth. Moreover, as progress and diffusion of smart devices and tablet-type devices, and spread of SNS, demand for services has also been expanded along with such developments as corporate interest in digital marketing and accelerated Electronic Commerce (EC) businesses. Furthermore, demand for BPO services is expected to increase, due to legislative changes for the My Number system (social security and tax number system) and deregulation of retailing electric power, as well as response to the increasing number of visiting foreigners (inbound).

Given such a situation, the Group achieved an order increase by actively providing BPO services centered on contact center services, back office services, design development, digital marketing, and EC. Moreover, we endeavored to promote partnerships with major companies overseas aimed at strengthening global EC one-stop services and the framework for services to deal with increasing demand for BPO services in Japan and abroad.

Specifically, in Japan, we concluded the basic agreement to establish a new company “transcosmos online communication inc.” through a joint venture with LINE Corporation in order to respond to new communication styles of companies and customers, including such measures as utilization of LINE chat for contact center services. Moreover, to create new contact center service solutions, we concluded the contract to participate in the IBM Watson Ecosystem program to promote the spread and dissemination of value-added services utilizing the cognitive computing system IBM Watson. Overseas, with the expansion of businesses in South Korea, we opened five new marketing offices and one operational base there. In China, moreover, we established the Shanghai Center No. 3 as a contact center to provide technical support through telephone and chat for users of mobile terminals, wearables, and household products of Huawei Technologies Co. Ltd., which is an industry leader in the fields of telecommunications and smartphones. In addition, in an effort to strengthen global EC one-stop services, we entered into a capital and business alliance with Emporio Compras Inc., an EC one-stop service company that supports the opening of stores in the No. 1 EC market place in Latin America, aimed at strengthening the framework for services in Latin America.

As a result, consolidated operating results for the fiscal year ended March 31, 2016 were as follows. Net sales were 224,605 million yen, up 12.8% from the previous year. As for income, operating income increased 6.1% from the previous year to 9,725 million yen, due to the effects of increased sales caused by the expanding demand for BPO services and promotion of proper adjustment of costs, and ordinary income decreased 7.6% from the previous year to 8,870 million yen, due to the effects of foreign exchange losses. Profit attributable to owners of parent increased 3.2% from the previous year to 7,587 million yen, due to the recording of a gain on sales of investment securities.

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 179,107 million yen, up 13.9% from the previous year, and segment profit was 8,602 million yen, up 16.7% from the previous year. This is due to expanding demand for BPO services and higher profitability as a result of proper

adjustment of costs.

Domestic subsidiaries and affiliates

In domestic subsidiaries and affiliates, sales were 19,443 million yen, down 32.7% from the previous year, and segment profit was 848 million yen, down 31.3% from the previous year. This is because some subsidiaries were excluded from the scope of consolidation through the absorption-type merger in the first and second quarters of the current fiscal year.

Overseas subsidiaries and affiliates

In overseas subsidiaries and affiliates, sales were 31,265 million yen, up 28.5% from the previous year, because orders received for BPO services in China and South Korea were favorable. Segment profit was 227 million yen, down 52.0% from the previous year, due to up-front investment for expansion of new businesses in China and ASEAN countries.

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

(2) Issues to Be Addressed

The environment surrounding the BPO 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, as BPO 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 BPO 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 contact center service, business process outsourcing service and digital marketing 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 social media, smartphones, big data and omni-channel. In addition, we will promote the Global E-Commerce One-Stop Services for providing support to customers' E-commerce businesses as part of the next growth engines of BPO services, in order to meet business demand in the rapidly expanding E-commerce market.

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 into North America, we are now focusing on business development in China, South Korea, as well as Southeast Asia, Europe and Latin America. In addition to the offshore services that help companies improve their cost competitiveness, the Group will carry out wide-ranging BPO services, including one-stop EC services for overseas markets, utilizing our partner companies and personnel, who are very familiar with each market, and our business expertise and know-how which we have acquired through our long experience in the Japanese market, in order to establish our 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

During the current fiscal year, the Company acquired long-term loans payable of 5,000 million yen from financial institutions for the necessary funds for the Group. Moreover, on December 22, 2015, the Company issued Euro-yen-denominated convertible bond-type bonds with subscription rights to shares that will mature in 2020 totaling 10,000 million yen.

(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

Based on the resolution of the Board of Directors held on October 31, 2014, the Company conducted an absorption-type merger of its consolidated subsidiary transcocos CRM Okinawa, Inc., effective April 1, 2015.

In addition, based on the resolution of the Board of Directors held on March 18, 2015 and April 20, 2015, the Company conducted an absorption-type merger of its consolidated subsidiary NIHONCHOKUHAN Co., Ltd. effective July 1, 2015.

(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 2013 (28 th Fiscal Term)	FY 2014 (29 th Fiscal Term)	FY 2015 (30 th Fiscal Term)	FY 2016 (31 st Fiscal Term)
Net sales (millions of yen)	166,335	186,503	199,178	224,605
Ordinary income (millions of yen)	8,507	10,082	9,603	8,870
Profit attributable to owners of parent (millions of yen)	4,919	6,289	7,349	7,587
Profit per share (yen)	119.57	152.87	178.65	184.45
Total assets (millions of yen)	88,420	92,173	101,551	140,674
Net assets (millions of yen)	53,301	60,809	67,396	83,981
Net assets per share (yen)	1,212.44	1,394.09	1,580.91	1,967.29

Note: Profit 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 is 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	53.78%	Data distribution service business using the Internet
APPLIED TECHNOLOGY CO., LTD.	600 million yen	60.21%	System integration business for GIS/manufacturers
transcosmos Korea Inc.	KRW5,302 million	99.99%	BPO business in South Korea

(11) Principal Business of the Group (As of March 31, 2016)

The Company Group mainly engages in contact center services, business process outsourcing services, digital marketing services, and EC one stop services.

(12) Principal Business Offices of the Group (As of March 31, 2016)

<u>Offices</u>	<u>Locations</u>
Main Office of the Company:	25-18, Shibuya 3-chome, Shibuya-ku, Tokyo
Head Office, Branch Offices and Business Offices:	Osaka, Nagoya, Kyoto, Wakayama, Fukuoka, Silicon Valley
Domestic Offices:	Sapporo, Sendai, Utsunomiya, Kitakashiwa, Kawaguchi, Tokyo, Yokohama, Nagoya, Osaka, Wakayama, Fukuoka, Nagasaki, Kumamoto, Miyazaki, Okinawa
Overseas Offices:	U.S.A. (Sacramento, New York, Los Angeles), U.K. (London), China (Beijing, Shanghai, Hefei, Tianjin, Dalian, Guangzhou, Shenzhen, Suzhou, Daqing, Shenyang, Benxi), South Korea (Seoul, Seongnam, Busan), Indonesia (Jakarta), Thailand (Bangkok), Vietnam (Hanoi, Ho Chi Minh), Philippines (Manila), Malaysia (Kuala Lumpur), Singapore (Singapore)

(13) Employees (As of March 31, 2016)

1) Employees of the Group

Segment	Number of employees	Number of temporary employees
Company's services	9,069	20,310
Domestic subsidiaries and affiliates	1,016	1,016
Overseas subsidiaries and affiliates	6,316	2,873
Total	16,401	24,199

2) Employees of the Company

Number of employees	Year-on-year change	Average age	Average length of service
9,069 (20,310)	+ 637 (+3,923)	35 years, 11 months	8 years, 10 months

Notes:

- "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.
- The following segments saw a significant increase or decrease from the end of the previous year:
 - The Company's services Number of employees up by 637, Number of temporary employees up by 3,923
 - Domestic subsidiaries and affiliates Number of employees down by 245, Number of temporary employees down by 2,447
 - Overseas subsidiaries and affiliates Number of employees up by 14, Number of temporary employees up by 1,033

This is mainly because due to hiring of new graduates by "The Company's services" and the merger of the Company and transcosmos CRM Okinawa Inc., resulting in movements between segments from "Domestic subsidiaries and affiliates" to "The Company's services." In addition, in "overseas subsidiaries and affiliates," temporary employees increased due to the increase in orders received.
- Classification of reporting segments was changed from the current fiscal year.

(14) Major Creditors (As of March 31, 2016)

Creditor	Outstanding loans
Sumitomo Mitsui Banking Corporation	2,100 million yen
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000 million yen
Mizuho Bank Ltd.	900 million yen

2. Matters Concerning Shares of the Company (As of March 31, 2016)

(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: 14,366
(of which 11,484 shareholders hold unit shares)

(4) Top ten major shareholders

Name	Number of shares held (thousands of shares)	Shareholding ratio (%)
Koki Okuda	7,498	18.2
Masataka Okuda	5,910	14.4
GOLDMAN, SACHS & CO. REG	1,832	4.5
Okuda Ikueikai, Public Interest Incorporated Foundation	1,753	4.3
Japan Trustee Services Bank, Ltd. (Account in Trust)	1,679	4.1
Mihoko Hirai	1,463	3.6
Master Trust Bank of Japan, Ltd. (Account in Trust)	1,069	2.6
HM Kosan, Ltd.	722	1.8
Employee Shareholding Association of transcocosmos inc.	618	1.5
STATE STREET BANK AND TRUST COMPANY	617	1.5

Notes:

1. Although the Company holds 7,656 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, 2016)**

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, 2016)

(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, Member of the Board of KADOKAWA DWANGO CORPORATION
President, Representative Director & COO	Masataka Okuda	Chief Operating Officer
Executive Vice President	Koichi Iwami	Chief of Global Business Sector, General Manager of Services Promotion Division, and in charge of Contact Center Services Headquarters Chairman of transcosmos MCM Shanghai Co., Ltd. Chairman of transcosmos Korea Inc. Director of transcosmos analytics inc. Director of transcosmos philippines inc. Director of TRANSCOSMOS (UK) LIMITED
Executive Vice President	Hiroyuki Mukai	In charge of Sales Headquarters
Senior Executive Managing Director	Masakatsu Moriyama	General Manager of Business Development Division, and in charge of Digital Marketing Services Sector Representative Director of TEAMLAB Business Development Inc. President and Representative Director of Co-Core Inc. Director of transcosmos philippines, inc.
Senior Executive Managing Director	Shinichi Nagakura	Deputy Chief of Global Business Sector, Manager of Global Business Sector, Silicon Valley Branch and President and CEO of transcosmos America, Inc. Director of PFSweb, Inc. Director of TRANSCOSMOS (UK) LIMITED
Senior Executive Managing Director	Masaaki Muta	Chief of Sales Headquarters and Deputy General Manager of Services Promotion Division
Executive Managing Director	Masatoshi Kouno	Chief of Business Process Outsourcing Services Headquarters and General Manager of Services Management Division
Executive Managing Director	Hitoshi Honda	CFO and in charge of Accounting & Finance Division, Administration Division, Affiliated Companies Corporate Management Division, Global Affiliated Companies Corporate Management Division, Portfolio Management Division and Corporate Management Division Director of transcosmos philippines, inc. Director of transcosmos America, Inc. Director of TRANSCOSMOS (UK) LIMITED
Executive Managing Director	Kiyoshi Shiraishi	CTO and Deputy General Manager of Services Promotion Division Chairman and Representative Director of J-Stream Inc.
Director	Ralph Wunsch	In charge of global EC strategy Authorised Director of Transcosmos Artus Company Limited

Position	Name	Assignment or principal responsibilities and significant concurrent positions
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 DLE Inc. Outside Director of GREE, Inc. Outside Director of U-NEXT Co., Ltd. Director, Member of the Board of KADOKAWA DWANGO CORPORATION
Outside Director	Nozomu Yoshida	Representative Director of nozomu.net Part-time Director of Concent, Inc. Representative Director of Odayaka Living Co., Ltd. Outside Statutory Auditor of ASAHI Net, Inc.
Outside Director	Eiji Uda	Chairman and Representative Director of Unified Service Corporation
Outside Director	Owen Mahoney	President and Representative Director of NEXON Co., Ltd.
Standing Statutory Auditor	Hideaki Ishioka	
Standing Statutory Auditor	Kunio Shimofusa	
Outside Statutory Auditor	Toshiaki Nakamura	Outside Statutory Auditor of Tokyo Bay Hotels Corporation
Outside Statutory Auditor	Setsuo Yamane	

Notes:

1. Changes in Directors during the fiscal year are as follows:

- | | |
|------------------------------------|--|
| Outside Director, Jutarō Takinami: | Retired due to the expiration of his term of office at the conclusion of the 30 th Annual General Meeting of Shareholders held on June 24, 2015 |
| Director, Ralph Wunsch: | Elected at the 30 th Annual General Meeting of Shareholders held on June 24, 2015, and took office |
| Outside Director, Owen Mahoney: | Elected at the 30 th Annual General Meeting of Shareholders held on June 24, 2015, and took office |

2. Directors Takeshi Natsuno, Nozomu Yoshida, Eiji Uda and Owen Mahoney are Outside Directors.

3. Statutory Auditors Toshiaki Nakamura and Setsuo Yamane are Outside Statutory Auditors.

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

5. The Company has designated Outside Directors Takeshi Natsuno, Eiji Uda, Owen Mahoney and Outside Statutory Auditor Toshiaki Nakamura and Setsuo Yamane as independent executives stipulated by the Tokyo Stock Exchange, and registered them with the exchange as such.

6. Liability Limitation Agreement with Outside Directors, Statutory Auditors and Outside Statutory Auditors
The Company has entered into, with Outside Directors Takeshi Natsuno, Nozomu Yoshida, Eiji Uda and Owen Mahoney; Statutory Auditors Hideaki Ishioka and Kunio Shimofusa; and Outside Statutory Auditors Toshiaki Nakamura and Setsuo Yamane, the liability limitation agreement, which limits liability for damage under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.

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 Companies Act, whichever is higher.

(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, Director of Dwango Co., Ltd. and Director, Member of the Board of KADOKAWA DWANGO CORPORATION. The Company has business relationships with Dwango Co., Ltd. There is no special relationship between the other two companies and the Company.

Outside Director Nozomu Yoshida concurrently holds the positions of Representative Director of nozomu.net and Representative Director of Odayaka Living Co., Ltd. There is no special relationship between these companies and the Company.

Outside Director Eiji Uda concurrently holds the position of Representative Director of Unified Service Corporation. There is no special relationship between this company and the Company.

Outside Director Owen Mahoney concurrently holds the position of Representative Director of NEXON Co., Ltd. The Company has business relationships with this company.

- 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., DLE Inc., GREE, Inc., and U-NEXT Co., Ltd. The Company has business relationships with NTT Resonant Inc., DLE Inc., GREE, Inc., and U-NEXT Co., Ltd.

Outside Director Nozomu Yoshida concurrently holds the position of Part-time Director of Concent, Inc. and the position of Outside Statutory Auditor of ASAHI Net, Inc. The Company has a business relationship with ASAHI Net, Inc.

Outside Statutory Auditor Toshiaki Nakamura concurrently holds the position of Outside Statutory Auditor of Tokyo Bay Hotels Corporation. There is no special relationship between the Company and Tokyo Bay Hotels Corporation.

(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	13/13 —	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.
Nozomu Yoshida	Outside Director	13/13 —	He has generally given advice and made proposals on matters to be resolved and reported, as necessary, based on his wide knowledge and experience in Internet business.
Eiji Uda	Outside Director	13/13 —	He has generally given advice and made proposals on matters to be resolved and reported, as necessary, based on his wide knowledge and experience in management of other companies for long term.
Owen Mahoney	Outside Director	9/10 —	He has generally given advice and made proposals on matters to be resolved and reported, as necessary, from the standpoint of a Representative Director of a listed company, and based on his wide knowledge in Internet business.
Toshiaki Nakamura	Outside Statutory Auditor	13/13 15/15	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.
Setsuo Yamane	Outside Statutory Auditor	13/13 15/15	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.

Notes:

1. Changes to Director during the fiscal year are as follows:

Outside Director Owen Mahoney Elected at the 30th Annual General Meeting of Shareholders held on June 24, 2015, and assumed office

2. In addition to the above number of meetings of the Board of Directors, there were seven written resolutions that were deemed to be made by the Board of Directors in accordance to provisions of Article 370 of the Companies Act and Article 22 of the Articles of Incorporation of the Company.

(4) Remuneration paid to Directors and Statutory Auditors

Category	Number of Directors and Statutory Auditors paid	Amount paid
Directors (Outside Directors among the above)	17 (5)	467 million yen (62 million yen)
Statutory Auditors (Outside Statutory Auditors among the above)	4 (2)	36 million yen (12 million yen)
Total	21	503 million yen

Notes:

1. Amount paid includes Directors' bonuses of 48 million yen resolved at Board of Directors' Meeting held on April 28, 2016.

2. A resolution of the General Meeting of Shareholders limits the remuneration to Directors to 800 million yen per year. (Annual General Meeting of Shareholders held on June 25, 2014)

3. A resolution of the General Meeting of Shareholders limits the remuneration to Statutory Auditors to 60 million yen per year. (Annual General Meeting of Shareholders held on June 25, 2014)

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)	104 million yen
Total amount of money and other profits from properties to be paid by the Company and its subsidiaries to the Accounting Auditor	166 million yen

Note:

1. 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 Companies Act and audit remunerations for audits under the Financial Instruments and Exchange Act. Accordingly, the amount described above does not separate these two types of payment.
2. As a result of checking and examining the Accounting Auditor's audit plan, execution of auditing duties (including the execution of duties in the previous fiscal years), and grounds for calculating the estimate of remuneration, the Board of Statutory Auditors gave its consent to the remuneration, etc., for the Accounting Auditor in accordance to Article 399, Paragraph 1 of the Companies Act.

(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) Non-auditing service

The Company pays accounting auditor's compensation for the service relating to agreed procedures, etc., other than the service as provided in Article 2, Paragraph 1 of the Certified Public Accountants Act.

(5) Disposition of Accounting Auditor

1) Subject of disposition

Ernst & Young ShinNihon LLC

2) Content of disposition

- Suspension of business concerning conclusion of new contracts 3 months
(From January 1, 2016 to March 31, 2018)
- Order to improve business operations (improvement of business administration system)

3) Reason for the disposition

- In the audit of financial documents of Toshiba Corporation for fiscal years ended March 2010, March 2012, and March 2013, the certified public accountants of the above accounting auditor, in negligence of due care, attested financial documents containing material misstatements as if they contained no misstatements.
- Operations of services provided by the said accounting auditor were found to be grossly inappropriate.

(6) Summary of the Liability Limitation Agreement

Not applicable.

(7) 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 Companies Act, the Certified Public Accountants Act, or any other laws or regulations of Japan, or if there is any considerable doubt therefor, the Board of Statutory Auditors will decide a proposal for the dismissal or non-reappointment of the Accounting Auditor; and the Board of Directors will, based on the said decision, submit the said proposal to the General Meeting of Shareholders. If any of the provisions of Article 340, Paragraph 1 of the Companies Act 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.

Note: Following the enforcement of the “Act for Partial Revision of the Companies Act” effective May 1, 2015, the Board of Statutory Auditors has the authority to decide a proposal for dismissal or non-reappointment of the Accounting Auditor. Accordingly, the Board of Statutory Auditors made a resolution on the policy of dismissal or non-reappointment of the Accounting Auditor at its meeting held on May 12, 2015.

6. Corporate Structure and Policies

(1) Basic Policy for Internal Control System

The basic policy concerning the system to ensure the appropriateness of business (the so-called internal control system) approved by the Board of Directors of the Company is as follows:

- 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 Promotion 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 Promotion Department in case a risk of loss is discovered. To facilitate the collection of risk information, the Company will familiarize the employees with the importance of the existence of the Compliance Promotion Department and instruct them to promptly report any risk of loss they discover through the organization.

The Company will implement appropriate reporting and consultation concerning organized or individual frauds and illegal activities, etc., by establishing rules for an internal reporting system in which Directors and employees can report directly to Statutory Auditors or take other actions. Through this measure, the Company will strive to discover and correct all irregularities promptly, while ensuring confidence of customers and stakeholders, etc., by preventing irregularities such as frauds and illegal activities related to business of the Company and maintaining a favorable working environment.

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 managers 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 for reporting to the Company matters concerning execution of duties by Directors and employees of subsidiaries

The Company will establish an internal system for regularly reporting to the Company about subsidiaries' performance, financial situation, and other important information in accordance with the management rules of the affiliated companies stipulated by the Company.

7) Rules for managing subsidiaries' crisis of loss and other systems

In order to confirm if there is risk information on the Company group, made up of the Company and its subsidiaries (hereinafter referred to as the "Group"), the departments of the Company in charge of subsidiaries will conduct necessary risk management in accordance with the management rules of the affiliated companies, as called for by the situations of the subsidiaries.

If the departments of the Company, in charge of the subsidiaries discover any risk of loss at the subsidiaries, it will promptly notify the representative directors of the Company of the details of the risk of loss discovered, the level of possible loss, and the influence on the Company.

8) System to ensure the efficient execution of duties by Directors and employees of subsidiaries

The Company will oblige its subsidiaries to prepare an annual plan for the said annual plan, and decide budget allocation, etc. It will oblige subsidiaries to clarify earnings targets, while developing an internal system to ensure operational efficiency.

9) System to ensure that execution of duties by Directors and employees of subsidiaries complies with laws and regulations, and the Articles of Incorporation

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. The departments of the Company in charge of affiliated companies will conduct on-site audit in cooperation with the Internal Audit Office, based on the management rules of the affiliated companies, and give guidance to subsidiaries.

10) Matters related to employees appointed for the support of Statutory Auditors, and matters related to ensuring the independence of said employees from Directors, and the effectiveness of instructions to the said employees

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. 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.

11) 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 Promotion 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.

12) System for the officers and employees of the Group to report to Statutory Auditors

The officers and employees of the Group will promptly make an appropriate report when requested by Statutory Auditors of the Company to report on matters related to the execution of duties. Moreover, the Company will develop an internal system in which matters that may cause material loss to the Group, such as material breach of laws and regulations, etc., will be immediately reported to Statutory Auditors or the Board of Statutory Auditors as soon as they are found.

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 the efficiency and effectiveness of audits; and at the same time, information is shared concerning compliance and risk management, etc., in the Group.

The section in charge of the internal reporting system of the Group shall regularly report to the Statutory Auditors of the Company on the status of internal reporting by the officers and employees of the Group.

- 13) System to ensure that those who made reporting in the preceding paragraph shall not be given disadvantageous treatment

The Company prohibits giving disadvantageous treatment to those who have made the reporting in the preceding paragraph to Statutory Auditors due to the said reporting.

- 14) Matters related to the policy for processing of expenses and liabilities arising from the execution of duties by Statutory Auditors

If Statutory Auditors request the Company for advance payment, etc., of expenses in accordance to Article 388 of the Companies Act concerning the execution of their duties, the Company shall promptly process the said expenses and liabilities, except for the cases where the expenses and liabilities by the said request are deemed not necessary for the execution of duties by the said Statutory Auditors.

- 15) 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.

- 16) 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 Group. The propriety of the details will be secured, and timely and appropriate disclosures will be achieved at the management meetings.

(2) Operational Status of the System to Ensure the Appropriateness of Business

- 1) Compliance

The Company is making continuous efforts to spread the awareness of compliance and develop the willingness to ensure compliance by implementing training on compliance, as well as preparing and distributing manuals to Directors and employees. Moreover, the Company has developed a conducive environment for internal whistleblowers to provide information by establishing the internal reporting desk.

- 2) Risk management

Reports on business from the Company and its subsidiaries are not only regularly reported to the Board of Directors but also to important meetings in the Company so that we can give instructions to relevant sections and implement measures for issues and problems in need of improvement on each occasion.

Moreover, the Company is promoting the reinforcement of the risk management system by establishing the basic rules on risk management.

- 3) Internal control system for financial reporting

The Company implements the assessment of the effectiveness of internal control on financial reporting in accordance with the Financial Instruments and Exchange Act. The internal control system is appropriately administered, without any material breach found during the fiscal year under review.

4) Internal audit

The Company strives to conduct its business properly, by implementing operational audits in accordance with the internal audit plan.

(3) 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 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.

In addition, The Company will strive to become "Your Global BPO Partner" for our customers by embracing Operational Excellence as the service philosophy and practicing it continuously.

(i) Provision of services aimed to expand sales of our client companies

The Company will provide various services, ranging from digital marketing to communication design/operation, analysis and EC, in certain business fields aiming to expand sales of our client companies.

Specifically, as measures to expand new business/technology field in digital marketing business, we will respond to diversification and sophistication of the point of contact between companies and customers and assist in formulation of measures to create fans and improve earnings and operational efficiency based on research and analysis conducted by consultants and data scientists who have the know-how of utilizing big data. As measures for accelerating the development of service-specific contact center services, the Company will have its personnel with specialized knowledge conduct face-to-face sales promotion activities, visit customers individually and provide sales support to client companies, with the aim of raising the profile of their products and services and contributing to the expansion of their sales. As measures for focusing efforts on services for E-commerce and mail-order companies, we will form capital and business alliances with major business operators with extensive experience in various countries, and provide one-stop services to support the global E-commerce business development of client companies. In the Sales & Marketing services field, we will provide one-stop services to support various functions necessary for EC businesses, ranging from building and operation of E-commerce websites to fulfillment

(receipt, picking, packing and shipping of goods), customer care, Web promotion and analysis, based on client customers' E-commerce strategies and brand strategies.

(ii) Provision of services aimed to reduce the costs for client companies

The Company will provide services in business consulting, design and operation of the administrative operations of client companies.

Specifically, as services for improving the efficiency of the administrative tasks of companies, we will provide services to optimize the processes and cost of various administrative tasks, such as the mission-critical tasks of companies, to support the shift of in-house resources to the core businesses. We will also provide industry-specific product design process services by utilizing our know-how in design, which we have accumulated over the years, to provide wide-ranging services to support the design and development processes of client companies in the manufacturing industry to help them enhance their product development capabilities. The Company will provide services to increase the efficiency of operations of information system divisions by utilizing its know-how cultivated through the extensive experience of providing services and technologies, such as cloud services and thin client services, to realize the optimal IT environment that suits the needs of its client companies.

(iii) Utilizing business know-how in Japan to accelerate global business development

By utilizing business know-how in Japan, the Company will accelerate business development in the markets in China and South Korea, and actively tap into business opportunities in ASEAN, India, Europe and the U.S. as well as globally.

Specifically, we will reinforce the digital marketing business in our operations in South Korea to provide client companies that operate business in South Korea with contact center services, digital marketing services, one-stop EC services, direct mail services and field services for the South Korean market. The Company will aim for further growth in the EC market and financial and telecommunications market in its operations in China, while pursuing cost reductions and quality enhancement of offshore services for the Japanese market, and provide client companies that operate businesses in China with one-stop E-commerce services, contact center services, digital marketing services and IT outsourcing services for the Chinese market. As for services for the markets in Europe and the U.S., ASEAN and India, we aim to develop a global-standard service delivery system and provide contact center services, digital marketing services and one-stop EC services for local markets.

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 four out of sixteen 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 in EC business and global business, which the Company is currently promoting, the Company is achieving good results 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 has renewed a plan as a countermeasure to large-scale acquisition of shares in the Company (takeover defense measures) (the "Plan"). This was based on the resolution of the Board of Directors Meeting held on May 15, 2015 and the resolution of the 30th Annual General Meeting of Shareholders held on June 24, 2015. 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 yoyakuken 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., 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 with 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.

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 June 24, 2015 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 30th Annual Shareholders Meeting.

(4) 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 year-end dividend of 56.00 yen per share based on the aforementioned policy.

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

Consolidated Balance Sheet
(As of March 31, 2016)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	75,787	Current liabilities	33,431
Cash and deposits	33,776	Accounts payable—trade	9,975
Notes and accounts receivable—trade	35,908	Current portion of long-term bank loans	80
Merchandise and finished goods	981	Accounts payable	4,710
Work and software in progress	574	Accrued expenses	8,059
Supplies	42	Income taxes payable	2,711
Deferred tax assets	1,607	Accrued consumption tax	2,827
Other	3,202	Advances received	654
Allowance for doubtful accounts	(307)	Accrued bonuses for employees	3,511
Fixed assets	64,887	Other	900
Tangible fixed assets	8,507	Fixed liabilities	23,261
Buildings and structures	3,973	Convertible bond-type bonds with subscription rights to shares	10,047
Vehicles and transportation equipment	5	Long-term bank loans	5,085
Tools, furniture and fixtures	3,149	Deferred tax liabilities	4,415
Land	836	Net defined benefit liability	13
Lease assets	476	Long-term security deposits received	28
Construction in progress	65	Derivatives liabilities	3,201
Intangible fixed assets	5,326	Other	470
Goodwill	2,996	Total liabilities	56,693
Software	1,952	Net Assets	
Lease assets	14	Shareholders' equity	66,481
Software in progress	62	Common stock	29,065
Other	301	Capital surplus	20,510
Investments and other assets	51,053	Retained earnings	32,842
Investment in securities	26,044	Treasury stock	(15,937)
Investment in stocks of unconsolidated subsidiaries and affiliates	15,878	Accumulated other comprehensive income	14,447
Investment in unconsolidated subsidiaries and affiliates	2,074	Valuation difference on available-for-sale securities	15,479
Long-term loans receivable	1,470	Deferred gains or losses on hedges	(2,401)
Deferred tax assets	86	Foreign currency translation adjustment	1,369
Security deposits	5,660	Subscription rights to shares	0
Other	434	Non-controlling interests	3,051
Allowance for doubtful accounts	(597)	Total net assets	83,981
Total assets	140,674	Total liabilities and net assets	140,674

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

Attached document (3)

Consolidated Statement of Income

(from April 1, 2015 to March 31, 2016)

(Millions of yen)

Account item	Amount	
Net sales		224,605
Cost of sales		184,231
Gross Profit		40,373
Selling, general and administrative expenses		30,648
Operating income		9,725
Non-operating income:		
Interest income	95	
Dividend income	70	
Share of profit of entities accounted for using equity method	121	
Employment development subsidy	72	
Other	162	521
Non-operating expenses:		
Interest expenses	25	
Foreign exchange losses	419	
Provision of allowance for doubtful accounts	266	
Other	663	1,375
Ordinary income		8,870
Extraordinary gains:		
Gain on sales of investment securities	2,843	
Gain on sales of subsidiaries and affiliates' stocks	1,297	
Other	788	4,928
Extraordinary losses:		
Impairment loss	835	
Loss on valuation of stocks of subsidiaries and affiliates	745	
Other	131	1,713
Profit before income taxes		12,086
Income taxes—current	4,007	
Income taxes—deferred	342	4,349
Profit		7,736
Profit attributable to non-controlling interests		148
Profit attributable to owners of parent		7,587

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

Attached document (4)

Consolidated Statement of Changes in Equity

(from April 1, 2015 to March 31, 2016)

(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	27,476	(15,932)	61,120
Change during the fiscal year					
Dividend of surplus			(2,221)		(2,221)
Profit attributable to owners of parent			7,587		7,587
Acquisition of treasury stock				(5)	(5)
Purchase of shares of consolidated subsidiaries		0			0
Net change in items other than shareholders' equity during the fiscal year					-
Total change during the fiscal year	-	0	5,366	(5)	5,360
Balance at the end of the fiscal year	29,065	20,510	32,842	(15,937)	66,481

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

(Millions of yen)

	Accumulated other comprehensive income				Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the fiscal year	1,199	-	2,716	3,916	-	2,358	67,396
Change during the fiscal year							
Dividend of surplus				-			(2,221)
Income before income taxes and minority interests				-			7,587
Acquisition of treasury stock				-			(5)
Purchase of shares of consolidated subsidiaries				-			0
Net change in items other than shareholders' equity during the fiscal year	14,279	(2,401)	(1,347)	10,530	0	692	11,224
Total change during the fiscal year	14,279	(2,401)	(1,347)	10,530	0	692	16,585
Balance at the end of the fiscal year	15,479	(2,401)	1,369	14,447	0	3,051	83,981

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: 46

The names of principal consolidated subsidiaries

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

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

(Newly included)

- Grand Design Co., Ltd. (Changed from an affiliate accounted for by the equity method due to additional acquisition)

(Excluded)

- transcosmos CRM Okinawa Inc. (Dissolved due to an absorption-type merger with the Company as the surviving company on April 1, 2015)

- NIHONCHOKUHAN Co., Ltd. (Dissolved due to an absorption-type merger with the Company as the surviving company on July 1, 2015)

(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, profit (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: 15

Names of principal non-consolidated subsidiaries and affiliates accounted for by the equity method

Nielsen Co., Ltd., 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:

(Newly included)

- INTERBASE RESOURCES SDN. BHD. (New acquisition)

- Grand Design Co., Ltd. (New acquisition)

(Excluded)

-Grand Design Co., Ltd. (Changed to a consolidated subsidiary due to additional acquisition)

(2) Unconsolidated subsidiaries to which the equity method is not applied (transcosmos Design Development (Dalian) Co., Ltd. and others) are excluded from the scope of application of the equity method as their impact on profit 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.
- transcosmos Information Creative Japan Inc.
- transcosmos America, Inc.
- transcosmos Korea Inc.
- transcosmos Information Creative (China) Co., Ltd.
- transcosmos Information System (Shanghai) Co., Ltd.
- transcosmos MCM Shanghai Co., Ltd.
- transcosmos CC China
- Beijing transcosmos Interactive Services Co, Ltd.
- Shanghai transcosmos Interactive Services Co., Ltd.
- Suzhou transcosmos Information Creative Co., Ltd.
- Shine Harbour Ltd.
- Transcosmos Information Creative Holdings
- transcosmos business service outsourcing suzhou Co., Ltd.
- Transcosmos Investment Consulting (Beijing) Co., Ltd. Investment Consulting
- Hottech digital technology (Tianjin) Co., Ltd.
- Ningbo Yifan Cross-Border Shopping E-Commerce Co.,Ltd.
- Jinan transcosmos Information Creative Co., Ltd.
- transcosmos Asia Pacific Pte.Ltd.
- transcosmos (Thailand) Co., Ltd.
- TCT Holdings Co., Ltd.
- TCT Services Co., Ltd.
- transcosmos artus company limited (Former MetroDeal Co., Ltd.)
- Astropolis Inc.
- 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: September 30)

- CAREER INCUBATION, INC.

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) Derivatives 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
 Depreciated using the declining-balance method.
 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.

(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) Accounting for consumption taxes

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

3) 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 under review, which is deemed to be certain to complete, and the completed contract method is applied otherwise.

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

Goodwill is amortized by straight-line method over five and ten years. If any circumstance arises which prevents the effect of amortization of goodwill, amount of amortization will be decreased accordingly.

5) Standards of accounting for liabilities for retirement benefits

To calculate liabilities for retirement benefits and retirement benefit expenses, some consolidated subsidiaries use a simplified method that assumes that the retirement benefit obligation is equal to the amount of benefits that would be required to be paid if all eligible employees voluntarily retire at the fiscal year-end.

5. Change in accounting policy

Accounting Standard for Business Combinations (ASBJ Statement No. 21 of September 13, 2013; hereinafter referred to as “Business Combinations Accounting Standard”), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 of September 13, 2013; hereinafter referred to as the “Consolidated Accounting Standard”), and Accounting Standard for Business Divestitures (ASBJ Statement No. 7 of September 13, 2013; hereinafter referred to as “Business Divestitures Standard”) were applied from the fiscal year under review to change the method of recording as capital surplus the difference due to change in the Company’s equity of subsidiaries that continued to be controlled, as well as recording acquisition-related expenses in the consolidated fiscal year when they were incurred. Moreover, regarding business combinations implemented from the beginning of the consolidated fiscal year under review and after, the method is changed to reflect, in the consolidated financial statements of the consolidated fiscal year to which the date of business combination belongs, the review of the allocated amount of the acquisition cost due to the finalization of provisional accounting. Furthermore, presentation of profit, etc., is changed, while minority interest is changed to non-controlling interests.

For application of the Business Combinations Accounting Standard, etc., transitional treatments stipulated in Item 58-2 (4) of the Business Combinations Accounting Standard, Item 44-5 (4) of the Consolidated Accounting Standard, and Item 57-4 (4) of the Business Divestitures Standard are followed, being applied from the beginning of the consolidated fiscal year under review onward.

There are minimal impacts on consolidated financial statements and per-share information in the fiscal year under review.

6. Change in presentation

(Consolidated balance sheet-related)

“Deferred tax liabilities” (382 million yen in the previous fiscal year), which was included in “Other” in Fixed liabilities in the previous fiscal year, is presented separately in Fixed liabilities in the current fiscal year because it has increased in significance in terms of amount.

(Consolidated statement of income-related)

“Gain on change in equity” (241 million yen in the current fiscal year), which was presented separately in Extraordinary gains in the previous fiscal year, is included in “Other” in Extraordinary gains in the current fiscal year because it has decreased in significance in terms of amount.

“Gain on sales of investment securities” (330 million yen in the previous fiscal year), which was included in “Other” in Extraordinary gains in the previous fiscal year, is presented separately in Extraordinary gains in the current fiscal year because it has increased in significance in terms of amount.

“Loss on valuation of investment securities” (87 million yen in the current fiscal year), which was presented separately in Extraordinary losses in the previous fiscal year, is included in “Other” in Extraordinary losses in the current fiscal year because it has decreased in significance in terms of amount.

Notes to the Consolidated Balance Sheet

1. Guarantees

The Company has provided a joint guarantee on the store-opening contract of caramo, Inc., its affiliate.

2. Accumulated depreciation of tangible fixed assets ¥15,569 million

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)	7,654,751	1,902	—	7,656,653

(Outline of causes for changes)

Details of number of shares increased are as follows.

Increase due to purchase of shares less than one unit: 1,902 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 24, 2015	Common stock	2,221	54	March 31, 2015	June 25, 2015

(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 22, 2016	Common stock	Retained earnings	2,303	56	March 31, 2016	June 23, 2016

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) are financing for long-term investments such as capital investments.

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, 2016 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	33,776	33,776	–
(2) Notes and accounts receivable- trade	35,908	35,908	–
(3) Securities and investment in securities			
Other available-for-sale securities	23,384	23,384	–
(4) Investment in stocks of unconsolidated subsidiaries and affiliates	4,919	38,726	33,807
(5) Accounts payable-trade	(9,975)	(9,975)	–
(6) Accrued expenses	(8,059)	(8,059)	–
(7) Convertible bond-type bonds with subscription rights to shares	(10,047)	(10,225)	(177)
(8) Long-term bank loans	(5,165)	(5,205)	(39)
(9) Derivative transactions			
Those under hedge accounting	(3,201)	(3,201)	–

*Items recorded in Liabilities are marked with ().

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

(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, and (4) Investment in stocks of unconsolidated subsidiaries and affiliates

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.

(5) 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.

(7) Convertible bond-type bonds with subscription rights to shares

With regard to the fair values of bonds issued by the Company, prices provided by banks are used.

(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.

(9) Derivative transactions

Those under hedge accounting

The fair values are calculated based on market prices at stock exchanges.

Note 2: Unlisted equity securities (Consolidated balance sheet amount: 2,659 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	1,967.29 yen
2. Profit income per share	184.45 yen

Notes regarding significant subsequent events

Not applicable.

Attached document (5)

Non-Consolidated Balance Sheet

(As of March 31, 2016)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	56,232	Current liabilities	26,726
Cash and deposits	23,589	Accounts payable—trade	9,118
Notes receivable	34	Accounts payable—other	2,552
Accounts receivable—trade	28,940	Accrued expenses	6,319
Merchandise	157	Income taxes payable	2,522
Work and software in progress	116	Accrued consumption tax	2,148
Supplies	8	Advances received	394
Advances	242	Deposits received	333
Prepaid expenses	808	Accrued bonuses for employees	3,163
Accounts receivable—other	439	Accrued bonuses for directors	48
Deferred tax assets	1,365	Other	125
Other	549	Fixed liabilities	16,796
Allowance for doubtful accounts	(19)	Convertible bond-type bonds with subscription rights to shares	10,047
Fixed assets	45,468	Long-term loans payable	5,000
Tangible fixed assets	4,805	Provision for loss on guarantees	1,243
Buildings	2,397	Deferred tax liabilities	276
Structures	10	Other	229
Tools, furniture and fixtures	1,489		
Land	707	Total liabilities	43,522
Lease assets	202		
Intangible fixed assets	1,009	Net Assets	
Good will	9		
Software	881	Shareholders' equity	57,102
Lease assets	6	Common stock	29,065
Telephone rights	95	Capital surplus	20,510
Software in progress	17	Other capital surplus	20,510
Other	0	Retained earnings	23,463
Investments and other assets	39,652	Legal retained earnings	1,223
Investment in securities	5,410	Other retained earnings	22,240
Investment in stocks of subsidiaries and affiliates	25,715	Unappropriated retained earnings	22,240
Investment in subsidiaries and affiliates	2,329	Treasury stock	(15,937)
Long-term loans receivable from subsidiaries and affiliates	3,470	Valuation and translation adjustments	1,076
Security deposits	3,323	Net unrealized gain (loss) on securities	1,076
Other	487		
Allowance for doubtful accounts	(1,083)		
		Total net assets	58,178
Total assets	101,701	Total liabilities and net assets	101,701

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

Attached document (6)

Non-Consolidated Statement of Income

(from April 1, 2015 to March 31, 2016)

(Millions of yen)

Account item	Amount	
Net sales		179,107
Cost of sales		148,328
Gross Profit		30,778
Selling, general and administrative expenses		22,175
Operating income		8,602
Non-operating income:		
Interest income	93	
Dividend income	93	
Reversal of allowance for doubtful accounts	420	
Other	93	700
Non-operating expenses:		
Interest expenses	5	
Foreign exchange losses	514	
Provision for loss on guarantees	506	
Other	611	1,638
Ordinary income		7,664
Extraordinary gains:		
Gain on sales of investment securities	2,826	
Gain on sales of subsidiaries and affiliates' stocks	1,297	
Gain on extinguishment of tie-in shares	1,586	
Other	190	5,901
Extraordinary losses:		
Loss on valuation of stocks of subsidiaries and affiliates	1,269	
Other	136	1,406
Profit before income taxes		12,160
Income taxes—current	3,612	
Income taxes—deferred	110	3,722
Profit		8,437

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

Attached document (7)

Non-Consolidated Statement of Changes in Equity

(from April 1, 2015 to March 31, 2016)

(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			–
Profit			–
Acquisition of treasury stock			–
Net change in items other than shareholders' equity during the fiscal year			–
Total change during the fiscal year	–	–	–
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	1,001	16,246	17,247	(15,932)	50,892
Change during the fiscal year					
Dividend of surplus	222	(2,443)	(2,221)		(2,221)
Profit		8,437	8,437		8,437
Acquisition of treasury stock			–	(5)	(5)
Net change in items other than shareholders' equity during the fiscal year			–		–
Total change during the fiscal year	222	5,993	6,215	(5)	6,210
Balance at the end of the fiscal year	1,223	22,240	23,463	(15,937)	57,102

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	1,118	1,118	52,010
Change during the fiscal year			
Dividend of surplus		–	(2,221)
Profit		–	8,437
Acquisition of treasury stock		–	(5)
Net change in items other than shareholders' equity during the fiscal year	(41)	(41)	(41)
Total change during the fiscal year	(41)	(41)	6,168
Balance at the end of the fiscal year	1,076	1,076	58,178

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. 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

3. 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 Depreciated using the declining-balance 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)	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.

4. Standards of accounting for allowances, accruals and provisions

Allowance for doubtful accounts	Allowance for estimated uncollectible is 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.
Provisions 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.

5. Basis for recording revenues and expenses

Basis for recording revenues and expenses on software produced on orders The 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 under review, which is deemed to be certain to complete, and the completed contract method is applied otherwise.

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

- (1) 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.
- (2) Accounting for consumption taxes Consumption tax and local consumption tax are accounted for by the tax exclusion method.

7. Change in presentation

(Non-consolidated statement of income-related)

“Reversal of allowance for doubtful accounts” (82 million yen in the previous fiscal year), which was included in “Other” in Non-operating income in the previous fiscal year, is presented separately in Non-operating income in the current fiscal year because it has increased in significance in terms of amount.

“Gain on sales of investment securities” (53 million yen in the previous fiscal year), which was included in “Other” in Extraordinary gains in the previous fiscal year, is presented separately in Extraordinary gains in the current fiscal year because it has increased in significance in terms of amount.

“Impairment loss” (30 million yen in the current fiscal year) and “Loss on valuation of investment securities” (87 million yen in the current fiscal year), which were presented separately in Extraordinary losses in the previous fiscal year, are included in “Other” in Extraordinary losses in the current fiscal year because they have decreased in significance in terms of amount.

Notes to the Non-Consolidated Balance Sheet

1. Liabilities for guarantees:
 - Guarantee for debt obligations to subsidiaries and affiliates
Co-Core Inc. ¥110 million
 - Guarantee on deposit obligations from subsidiaries and affiliates
Tci-Business-Service Co., Ltd. ¥1,989 million
 - In addition to the above, the Company has provided a joint guarantee on the store-opening contract of caramo, Inc., its affiliate.
2. Accumulated depreciation of tangible fixed assets ¥10,579 million
3. Monetary receivables from and monetary payables to subsidiaries and affiliates (excluding separate line item)
 - Short-term monetary receivables from subsidiaries and affiliates ¥262 million
 - Short-term monetary payables to subsidiaries and affiliates ¥1,135 million

Notes to the Non-Consolidated Statement of Income

Transactions with subsidiaries and affiliates	
Net sales	¥281 million
Net purchase	¥7,721 million
Transactions other than operating transactions	¥147 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)	7,654,751	1,902	–	7,656,653

(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: 1,902 shares

Notes concerning tax effect accounting

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

Deferred tax assets:

Accrued bonuses for employees	¥976 million
Accrued enterprise tax	¥231 million
Loss on valuation of investment in unconsolidated subsidiaries and affiliates	¥2,025 million
Loss on valuation of investment securities	¥935 million
Allowance for doubtful accounts	¥337 million
Impairment loss	¥117 million
Loss on investments in partnership	¥32 million
Inventory based on the percent of completion method	¥297 million
Other	¥855 million
Sub-total	¥ 5,808 million
Provision for devaluation	¥3,877 million
Total of deferred tax assets	¥ 1,931 million
Deferred tax liabilities:	
Sales under the percent of completion method	¥ 329 million
Valuation difference on available-for-sale securities	¥ 511 million
Other	¥0 million
Total of deferred tax liabilities	¥ 841 million
Net of deferred tax assets	¥ 1,089 million

2. Adjustment in the amount of deferred tax assets and deferred tax liabilities due to changes in corporate tax rates

Due to the promulgation of the Act to Amend the Income Tax Act, etc., and the Act to Amend the Local Taxation Act, etc., on March 29, 2016, the statutory effective tax rate used in the calculation of deferred tax assets and deferred tax liabilities for the fiscal year under review (limited to those to be eliminated on and after April 1, 2016) has been changed from 32.30% in the previous fiscal year to 30.86% with respect to those for which the estimated collection or payment period is from April 1, 2016 to March 31, 2018 and 30.62% with respect to those for which the estimated collection or payment period is on or after April 1, 2018.

As a result, the amount of deferred tax assets (after deduction of deferred tax liabilities) has decreased by 74 million yen, and the amount of income taxes—deferred and valuation difference on available-for-sale securities recorded for the current fiscal year have increased by 115 million yen and 40 million yen, respectively.

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	Domestic subsidiaries and affiliates	Owning Direct 100.0%	Loan of funds	Loan of funds (Note 1)	338	Long-term loans receivable from subsidiaries and affiliates	490
						Collection of loan	1,033		
						Guarantee of obligations (Note 2)	1,989		
Subsidiary	TCT Services Co., Ltd.	1 million Thai baht	Overseas subsidiaries and affiliates	Owning Indirect 100.0%	Loan of funds	Loan of funds (Note 1)	69	Long-term loans receivable from subsidiaries and affiliates	1,649
Subsidiary	Shine Harbour Ltd.	211 million Hong Kong dollars	Overseas subsidiaries and affiliates	Owning Direct 100.0%	Interlocking directors	Subscription to capital increase (Note 3)	1,860	-	-
Subsidiary	TRANSCOSMOS (UK) LIMITED	6 million pound	Overseas subsidiaries and affiliates	Owning Direct 100.0%	Interlocking directors	Subscription to capital increase (Note 3)	1,049	-	-

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 is guarantee obligations from the subsidiaries and affiliates.
3. The Company subscribed to a capital increase undertaken by its affiliated company.
4. Transactional amounts and balances as of the end of the fiscal year are recorded exclusive of consumption taxes.
5. 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 1,414.25 yen
2. Profit per share 205.09 yen

Notes regarding significant subsequent events

Not applicable.

Attached document (8)

Certified Copy of the Accounting Auditor's Report on Consolidated Financial Statements

REPORT OF INDEPENDENT AUDITORS

May 10, 2016

To the Board of Directors of transcosmos inc.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner
Certified Public Accountant
Yasunori Arao

Designated and Engagement Partner
Certified Public Accountant
Toru Oshitani

Designated and Engagement Partner
Certified Public Accountant
Aio Honma

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, that is, the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to consolidated financial statements of the Company applicable to the fiscal year from April 1, 2015 to March 31, 2016.

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 Act.

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 Auditor's Report

REPORT OF INDEPENDENT AUDITORS

May 10, 2016

To the Board of Directors of transcosmos inc.

Ernst & Young ShinNihon LLC

Designated and Engagement Partner
Certified Public Accountant
Yasunori Arao

Designated and Engagement Partner
Certified Public Accountant
Toru Oshitanai

Designated and Engagement Partner
Certified Public Accountant
Aio Honma

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the financial statements, that is, the balance sheet, the statement of income, the statement of changes in equity, the notes to financial statements, and the supplementary schedules of the Company applicable to the 31st business year from April 1, 2015 to March 31, 2016.

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 Act.

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

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 31st business term from April 1, 2015 to March 31, 2016, 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:
 - (1) 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.
 - (2) 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 conducted audits in the following ways:
 - 1) Each Statutory Auditor 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, inspected important approved documents etc., and examined the status of operations and assets at the Main Office and other major offices. 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.
 - 2) 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 Companies Act as being necessary to ensure appropriateness of operations of the company group made up of a joint stock company and its subsidiaries, 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.
 - 3) The contents of the basic policies set forth in Article 118, Item 3-a of the Ordinance for Enforcement of the Companies Act 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.
 - 4) 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 business report and the supplementary schedules, and 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), for the fiscal year under review.

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 Companies Act, 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 13, 2016

Board of Statutory Auditors of transcocosmos inc.

Standing Statutory Auditor	Hideaki Ishioka
Standing Statutory Auditor	Kunio Shimofusa
Outside Statutory Auditor	Toshiaki Nakamura
Outside Statutory Auditor	Setsuo Yamane

Reference Documents for the Annual General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of surplus for the 31st 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.
(Please refer to (4) Policies on the Decision on Dividend of Surplus, on page 23.)

(1) Type of dividend asset

Cash dividend

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

56 yen per share of common stock of the Company

Total amount 2,303,694,008 yen

(3) Effective date of dividend of surplus

Thursday, June 23, 2016

Proposal No. 2: Partial Amendment to Articles of Incorporation

1. Reasons for Amendments

(1) In order to prepare for diversification of business activities and future business expansion, additions shall be made to the business purpose expressed in Article 2 (Purpose) of the current Articles of Incorporation.

(2) New provisions shall be established concerning Audit and Supervisory Committee Members and the Audit and Supervisory Committee, and there shall be changes, such as deletions, to provisions concerning Statutory Auditors and the Board of Statutory Auditor for the transition to a “Company with an Audit and Supervisory Committee” as established by the “Act for Partial Revision of the Companies Act” (Act No. 90 of 2014), in order to strengthen corporate governance through the enhancement of the supervisory function of the Board of Directors, with the aim of increasing corporate value.

(3) Due to the above changes, adjustment of article numbers and other amendments shall be made as required.

2. Details of Amendments

The details of the amendments are as follows.

Amendments to Articles of Incorporation by this Proposal shall take effect at the conclusion of this Annual General Meeting of Shareholders.

(Underlined sections are amendments.)

Current Version	Proposed Amendments
<p>Chapter 1. General Provisions</p> <p>Article 1. (Omitted)</p> <p>(Purpose)</p> <p>Article 2 The purpose of the Company shall be to engage in the following businesses:</p> <p>1. - 25. (Omitted)</p> <p>26. Consigned freight forwarding business;</p> <p>27. - 28. (Omitted)</p> <p>(Newly established)</p> <p><u>29.</u> Any business incidental to any of the preceding paragraphs.</p> <p>Article 3. (Omitted)</p> <p>(Organs)</p> <p>Article 4. In addition to a general meeting of shareholders and Directors, the Company shall have the following institutions:</p> <p>(1) Board of Directors;</p> <p>(2) <u>Statutory Auditors;</u></p> <p>(3) <u>Board of Statutory Auditor; and</u></p> <p>(4) Accounting Auditors.</p> <p>Article 5. (Omitted)</p> <p>Chapter 2. Shares of Stock</p>	<p>Chapter 1. General Provisions</p> <p>Article 1. (Same as present)</p> <p>(Purpose)</p> <p>Article 2 The purpose of the Company shall be to engage in the following businesses:</p> <p>1. - 25. (Same as present)</p> <p>26. Consigned freight forwarding business <u>and motor truck transportation business;</u></p> <p>27. - 28. (Same as present)</p> <p><u>29. Funds transfer service and business of issuing prepaid payment instruments; and</u></p> <p><u>30.</u> Any business incidental to any of the preceding paragraphs.</p> <p>Article 3. (Same as present)</p> <p>(Organs)</p> <p>Article 4. In addition to a general meeting of shareholders and Directors, the Company shall have the following institutions:</p> <p>(1) Board of Directors;</p> <p>(2) <u>Audit and Supervisory Committee; and</u></p> <p>(Deleted)</p> <p>(3) Accounting Auditors.</p> <p>Article 5. (Same as present)</p> <p>Chapter 2. Shares of Stock</p>

Current Version	Proposed Amendments
<p>Article 6. - Article 10. (Omitted)</p> <p>Chapter 3. General Meeting of Shareholders</p> <p>Article 11. - Article 16. (Omitted)</p> <p>Chapter 4. Directors, Board of Directors and Executive Officers</p> <p>(Number)</p> <p>Article 17. The Company shall have up to seventeen (17) Directors.</p> <p>(Method of Election)</p> <p>Article 18. (Newly established)</p> <p>(Omitted)</p> <p><u>2.</u> (Omitted)</p> <p>(Newly established)</p> <p>(Term of Office of Directors)</p> <p>Article 19. The term of office of Directors shall be until the close of the annual general meeting of shareholders concerning the last business year ending within one (1) year after election to office.</p> <p>(Newly established)</p> <p>(Newly established)</p>	<p>Article 6. - Article 10. (Same as present)</p> <p>Chapter 3. General Meeting of Shareholders</p> <p>Article 11. - Article 16. (Same as present)</p> <p>Chapter 4. Directors, Board of Directors and Executive Officers</p> <p>(Number)</p> <p>Article 17. The Company shall have up to seventeen (17) Directors <u>(excluding those who are Audit and Supervisory Committee Members), and up to three (3) Directors who are Audit and Supervisory Committee Members.</u></p> <p>(Method of Election)</p> <p>Article 18. <u>Directors (excluding those who are Audit and Supervisory Committee Members) and Directors who are Audit and Supervisory Committee Members shall be elected at the general meeting of shareholders, differentiating between Directors who are Audit and Supervisory Committee Members and other Directors.</u></p> <p><u>2.</u> (Same as present)</p> <p><u>3.</u> (Same as present)</p> <p><u>4. The period of validity of the primary election of substitute Directors who are Audit and Supervisory Committee Members shall expire as of the commencement of the annual general meeting of shareholders concerning the last business year ending within two (2) years after election to office.</u></p> <p>(Term of Office of Directors)</p> <p>Article 19. The term of office of Directors <u>(excluding those who are Audit and Supervisory Committee Members)</u> shall be until the close of the annual general meeting of shareholders concerning the last business year ending one (1) year after election to office.</p> <p><u>2. The term of office of Directors who are Audit and Supervisory Committee Members shall be until the close of the annual general meeting of shareholders concerning the last business year ending within two (2) years after election to office.</u></p> <p><u>3. The term of office of Directors who are Audit and Supervisory Committee Members who have been elected to fill a vacancy of a Director who is an Audit and Supervisory Committee Member and who steps down before the completion of his or her term, is the same as the remaining term of office of the Director who is an Audit and Supervisory Committee Member who has been replaced.</u></p>

Current Version	Proposed Amendments
<p>Article 20. (Omitted) (Notice)</p> <p>Article 21. The notice to convene a meeting of the Board of Directors of the Company shall be dispatched to each Director and <u>each Statutory Auditor</u> no later than three (3) days prior to the day of the meeting; provided, however, that when necessary due to urgency, such period may be shortened.</p> <p>(Newly established)</p> <p>Article <u>22</u>. (Omitted) (Representative and Titled Directors)</p> <p>Article <u>23</u>. Directors <u>whose representative will be</u> the Company shall be <u>elected</u> by resolution of the Board of Directors.</p> <p>2. The Company may <u>elect</u>, if necessary, one (1) Chairman-Director, and several Vice-Chairman-Directors, Executive Vice Presidents and Senior Executive Managing Directors, etc., including one (1) President-Director by resolution of the Board of Directors.</p> <p>3. The Company may <u>elect</u> several Group Chief Executive Officers (Group CEOs), Chief Executive Officers (CEOs), Chief Operating Officers (COOs) from Representative Directors by resolution of the Board of Directors in order to clarify the management responsibility and executing responsibility.</p> <p>4. The Company may <u>elect</u> Operating Officers from Directors according to the business to be executed by resolution of the Board of Directors.</p> <p>Article <u>24</u>. - Article <u>26</u>. (Omitted) (Remuneration, etc.)</p>	<p>Article 20. (Same as present) (<u>Notice to Convene Meeting of the Board of Directors</u>)</p> <p>Article 21. The notice to convene a meeting of the Board of Directors of the Company shall be dispatched to each Director no later than three (3) days prior to the day of the meeting; provided, however, that when necessary due to urgency, such period may be shortened.</p> <p>(<u>Delegation of Execution of Important Operations</u>) <u>Article 22. The Company may delegate all or some of its decisions regarding execution of important operations other than those matters listed under Article 399-13, Paragraph 5 of the Companies Act to a Director by resolution of the Board of Directors pursuant to the provision of Article 399-13, Paragraph 6 of said Act.</u></p> <p>Article <u>23</u>. (Same as present) (Representative and Titled Directors)</p> <p>Article <u>24</u>. Directors <u>who shall represent the</u> Company will be <u>selected from Directors (excluding those who are Audit and Supervisory Committee Members)</u> by resolution of the Board of Directors.</p> <p>2. The Company may <u>appoint</u>, if necessary, one (1) Chairman-Director, and several Vice-Chairman-Directors, Executive Vice Presidents and Senior Executive Managing Directors, etc., including one (1) President-Director <u>from Directors (excluding those who are Audit and Supervisory Committee Members) by resolution of the Board of Directors.</u></p> <p>3. The Company may <u>appoint</u> several Group Chief Executive Officers (Group CEOs), Chief Executive Officers (CEOs), Chief Operating Officers (COOs) from Representative Directors by resolution of the Board of Directors in order to clarify the management responsibility and executing responsibility.</p> <p>4. The Company may <u>appoint</u> Operating Officers according to the business to be executed by resolution of the Board of Directors <u>from Directors (excluding those who are Audit and Supervisory Committee Members).</u></p> <p>Article <u>25</u>. - Article <u>27</u>. (Same as present) (Remuneration, etc.)</p>

Current Version	Proposed Amendments
<p>Article 27. Property benefits received from the Company by Directors of the Company as remuneration, bonuses and other compensation for performance of duties (the "Remuneration, etc.") shall be determined by resolution of the general meeting of shareholders.</p> <p><u>Chapter 5. Statutory Auditors and Board of Statutory Auditor</u> (Number)</p> <p><u>Article 28. The Company shall have up to five (5) Statutory Auditors.</u> (Method of Election)</p> <p><u>Article 29. Resolution for election of Statutory Auditors of the Company shall be adopted by a majority of votes of shareholders in attendance at a general meeting of shareholders at which the shareholders present hold not less than one-third (1/3) of the voting rights of all shareholders with the voting rights.</u> (Term of office of Statutory Auditors)</p> <p><u>Article 30. The term of office of Statutory Auditors shall be until the close of the annual general meeting of shareholders concerning the last business year ending four (4) years after election to office.</u></p> <p><u>2. The term of office of Statutory Auditors who have been elected to fill a vacancy of a Statutory Auditor who steps down before the completion of his or her term, is the same as the remaining term of office of the immediate predecessor.</u> (Full-time Statutory Auditors)</p> <p><u>Article 31. The Board of Statutory Auditor shall select full-time Statutory Auditors by its resolution.</u> (Notice)</p> <p><u>Article 32. The notice to convene a meeting of the Board of Statutory Auditor of the Company shall be dispatched to each Statutory Auditor no later than three (3) days prior to the day of the meeting; provided, however, that when necessary due to urgency, such period may be shortened.</u></p> <p><u>2. When all Statutory Auditors agree, a meeting of the Board of Statutory Auditor may be convened without following the convening procedures.</u> (Resolutions)</p>	<p>Article 28. Property benefits received from the Company by Directors (<u>excluding those who are Audit and Supervisory Committee Members</u>) and <u>Directors who are Audit and Supervisory Committee Members</u> as remuneration, bonuses and other compensation for performance of duties shall be <u>separately determined respectively</u> by resolution of the general meeting of shareholders.</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Deleted)</p>

Current Version	Proposed Amendments
<p><u>Article 33. Unless otherwise provided by laws and regulations, resolutions of a meeting of the Board of Statutory Auditors of the Company shall be adopted by a majority of Statutory Auditors.</u></p> <p><u>(Board of Statutory Auditor Rules)</u></p>	(Deleted)
<p><u>Article 34. Matters related to the Board of Statutory Auditors of the Company shall be in accordance with the Board of Statutory Auditor Rules laid down by the Board of Statutory Auditor unless otherwise provided by applicable laws and regulations or these Articles of Incorporation.</u></p> <p><u>(Relief of Liability of Statutory Auditors, etc.)</u></p>	(Deleted)
<p><u>Article 35. The Company may, by resolution of the Board of Directors, exempt Statutory Auditors (including former Statutory Auditors) from liability for damages due to negligence in performing their duties to the extent permitted by laws and regulations under Article 426, Paragraph 1 of the Companies Act.</u></p>	(Deleted)
<p><u>2. The Company may enter into an agreement with an Statutory Auditor to limit the liability for damages due to negligence in performing their duties under Article 427, Paragraph 1 of the Companies Act; provided, however, that the maximum amount of the liability under such agreement shall be the higher of the prescribed amount of one million yen or more and the amount stipulated by laws and regulations.</u></p> <p><u>(Remuneration, etc.)</u></p>	(Deleted)
<p><u>Article 36. The remuneration, etc., of Statutory Auditors of the Company shall be determined by resolution of the general meeting of shareholders.</u></p>	(Deleted)
(Newly established)	<p><u>Chapter 5. Audit and Supervisory Committee</u></p> <p><u>(Notice to Convene Meeting of the Audit and Supervisory Committee)</u></p>
(Newly established)	<p><u>Article 29. The notice to convene a meeting of the Audit and Supervisory Committee of the Company shall be dispatched to each Audit and Supervisory Committee Member no later than three (3) days prior to the day of the meeting; provided, however, that when necessary due to urgency, such period may be shortened.</u></p>
(Newly established)	<p><u>(Audit and Supervisory Committee Rules)</u></p> <p><u>Article 30. Matters related to the Audit and Supervisory Committee shall be in accordance with the Audit and Supervisory Committee Rules laid down by the Audit and Supervisory Committee unless otherwise provided by applicable laws and regulations or these Articles of Incorporation.</u></p>

Current Version	Proposed Amendments
<p>Chapter 6. Accounts Article <u>37</u>. - Article <u>40</u>. (Omitted)</p> <p>Chapter 7. Takeover Defense Measures Article <u>41</u>. (Omitted) (Newly established)</p> <p>(Newly established)</p>	<p>Chapter 6. Accounts Article <u>31</u>. - Article <u>34</u>. (Same as present)</p> <p>Chapter 7. Takeover Defense Measures Article <u>35</u>. (Same as present)</p> <p><u>Supplementary Provisions</u> <u>(Transitional Measures regarding the Exemption of Liability of Statutory Auditors)</u></p> <p><u>Article 1. The Company may, by resolution of the Board of Directors, exempt the liability of Statutory Auditors (including former Statutory Auditors) for damages due to negligence in performing their duties prior to the close of the 31st Annual General Meeting of Shareholders to the extent permitted by laws and regulations under Article 426, Paragraph 1 of the Companies Act.</u></p>

Proposal No. 3: Election of Sixteen Directors (excluding those who are Audit and Supervisory Committee Members)

If Proposal No. 2 “Partial Amendment to Articles of Incorporation” is approved as proposed, the Company shall become a Company with an Audit and Supervisory Committee and all Directors (16) shall retire due to the expiry of the term of office upon the taking-effect of amendments to the Articles of Incorporation. Accordingly, the Company requests the election of sixteen Directors (Excluding those who are Audit and Supervisory Committee Members. The same shall apply in this Proposal.) to serve after the transition to a Company with an Audit and Supervisory Committee.

This proposal shall take effect on the condition of the taking-effect of amendments to the Articles of Incorporation under Proposal No. 2 “Partial Amendments to Articles of Incorporation.”

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> <p>Reason for selecting him as a Director candidate As the founder of the Company, he has been Representative Director for a long time, and has shown strong leadership aimed at improving sustainable corporate value through his abundant experience and excellent knowledge as a manager. Accordingly, we have selected him as a candidate for Director.</p>	7,498,800 shares (- 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
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 2011 Chairman of Japan Telemarketing Association (At present, Contact Center Association of Japan) (present post)</p> <p>October 2014 Outside Director, Member of the Board of KADOKAWA・DWANGO (At present, KADOKAWA DWANGO CORPORATION) (present post)</p> <p>Reason for selecting him as a Director candidate Since assuming the position of Chairman, Representative Director & CEO in 2003, he shown strong leadership aimed at improving sustainable corporate value through his abundant experience and excellent knowledge as a manager. Accordingly, we have selected him as a candidate for Director.</p>	25,200 shares (5,918 shares)
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, in charge of Office of President</p> <p>April 2000 Vice President, Representative Director, in charge 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> <p>Reason for selecting him as a Director candidate Since assuming the position of President, Representative Director & COO in 2003, he shown strong leadership aimed at improving sustainable corporate value through his abundant experience and excellent knowledge as a manager. Accordingly, we have selected him as a candidate for Director.</p>	5,910,368 shares (15,242 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
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>March 2012 Chairman and Director of transcosmos Korea Inc. (present post)</p> <p>May 2012 Director of transcosmos analytics inc. (present post)</p> <p>July 2012 Director of transcosmos philippines, inc. (present post)</p> <p>January 2015 Director of TRANSCOSMOS (UK) LIMITED (present post)</p> <p>April 2016 Executive Vice President, Director, Chief of Global Business Sector, General Manager of Services Promotion Division, and in charge of Digital Marketing/EC/Contact Center Headquarters of the Company (present post) Chairman of transcosmos Taiwan Co., Ltd. (present post)</p> <p>Reason for selecting him as a Director candidate Based on his abundant experience and excellent knowledge as a manager of the Company and Group companies in Japan and abroad, he is deemed to realize business strategies and global business promotion, etc., aimed at developing business and improving the performance of the Company, and to appropriately supervise the overall group and businesses of which he is in charge. Accordingly, we have selected him as a candidate for Director.</p>	11,300shares (56 shares)
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>June 2012 Senior Managing Director, in charge of Sales Headquarters</p> <p>April 2015 Executive Vice President, Director, in charge of Sales Headquarters (present post)</p> <p>Reason for selecting him as a Director candidate Based on his experience as President of Lenovo Japan Co., Ltd. and his abundant experience and excellent knowledge as a manager of the Company, he is deemed to realize marketing strategies, etc., aimed at developing business and improving the performance of the Company, and to appropriately supervise the overall group and businesses of which he is in charge. Accordingly, we have selected him as a candidate for Director.</p>	– shares (13,644 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
6	Masakatsu Moriyama (May 21, 1970)	<p>April 1993 Joined Pricewaterhouse Consultant Co., Ltd. (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>June 2005 Representative Director of transcosmos & Team Lab Inc. (at present, TEAMLAB Business Development Inc.) (present post)</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>July 2012 Director of transcosmos philippines, inc. (present post)</p> <p>April 2015 Senior Executive Managing Director, General Manager of Business Development Division (present post)</p> <p>Reason for selecting him as a Director candidate Based on his abundant experience and knowledge as a manager of the Company and Group companies in Japan and abroad, he is deemed to realize business development, etc., aimed at growing business and improving the performance of the Company, and to appropriately supervise the business of which he is in charge. Accordingly, we have selected him as a candidate for Director.</p>	2,000 shares (5,743 shares)
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>May 2013 Director of PFSweb, Inc. (present post)</p> <p>April 2014 Senior Executive Managing Director and 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> <p>January 2015 Director of TRANSCOSMOS (UK) LIMITED (present post)</p> <p>Reason for selecting him as a Director candidate Based on his abundant experience and knowledge as a manager of the Company and Group companies abroad, he is deemed to realize global business promotion, etc., aimed at developing business and improving the performance of the Company, and to appropriately supervise the business of which he is in charge. Accordingly, we have selected him as a candidate for Director.</p>	1,000 shares (2,928 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 2012 Executive Managing Director, Chief of Sales Division and General Manager of Sales Headquarters, Global Business Sales Administration Department</p> <p>April 2015 Senior Executive Managing Director, Chief of Sales Headquarters and Deputy General Manager of Services Promotion Division (present post)</p> <p>Reason for selecting him as a Director candidate Based on his abundant experience and knowledge as a manager of the Company and Group companies in Japan, he is deemed to realize marketing strategies, etc., aimed at developing business and improving the performance of the Company, and to appropriately supervise the business of which he is in charge. Accordingly, we have selected him as a candidate for Director.</p>	108 shares (1,431 shares)
9	Masatoshi Kouno (August 22, 1965)	<p>March 1986 Joined the Company</p> <p>July 2004 Corporate Officer, General Manager of Support Desk Service Division</p> <p>June 2005 Corporate Senior Officer, General Manager of Support Desk Service Division</p> <p>June 2011 Corporate Senior Officer, General Manager of Services Promotion Division of the Company</p> <p>June 2013 Executive Managing Director, Chief of Business Process Outsourcing Services Headquarters and Deputy General Manager of Services Promotion Division</p> <p>April 2016 Executive Managing Director, Chief of Business Process Outsourcing Services Headquarters and General Manager of Service Management Division (present post)</p> <p>Reason for selecting him as a Director candidate Based on his abundant experience as a manager of the Company and wide knowledge in BPO and business management fields, etc., he is deemed to realize further growth of BPO services and global business promotion, etc., aimed at developing business and improving the performance of the Company, and to appropriately supervise the business of which he is in charge. Accordingly, we have selected him as a candidate for Director.</p>	4,800 shares (724 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	Hitoshi Honda (April 1, 1967)	<p>April 1990 Joined TOSHIBA CORPORATION</p> <p>April 2005 Joined Urban Corporation, Inc.</p> <p>October 2005 Joined FAST RETAILING CO., LTD.</p> <p>August 2008 Joined the Company, Corporate Officer and Manager of Corporate Planning Division</p> <p>June 2011 Corporate Senior Officer, CFO, in charge of Accounting & Finance Division and General Manager of Corporate Management Division</p> <p>July 2012 Director of transcosmos philippines, inc. (present post)</p> <p>April 2014 Director of transcosmos America, Inc. (present post)</p> <p>June 2014 Executive Managing Director, CFO, and in charge of Accounting & Finance Division, Administration Division, Affiliated Companies Corporate Management Division, Portfolio Management Administration Department and Corporate Management Division of the Company (present post)</p> <p>January 2015 Director of TRANCOSMOS (UK) LIMITED (present post)</p> <p>April 2016 Executive Managing Director, CFO and in charge of Accounting & Finance Division, Administration Division, Affiliated Companies Corporate Management Division, Global Affiliated Companies Corporate Management Division, Portfolio Management Division and Corporate Management Division of the Company (present post)</p>	– shares (405 shares)
		<p>Reason for selecting him as a Director candidate</p> <p>He has a track record of promoting the initiatives for financial and capital policies, etc. as CFO. Based on his abundant experience as a manager of the Company and Group companies in Japan and abroad, he is deemed to appropriately supervise the whole Group and business of which he is in charge from the position of CFO, aimed at developing business and improving the performance of the Company. Accordingly, we have selected him as a candidate for Director.</p>	

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
11	Kiyoshi Shiraishi (September 26, 1956)	<p>April 1981 Joined FUJITSU LIMITED</p> <p>July 1988 Joined Recruit Holdings Co., Ltd.</p> <p>November 1998 Joined the Company, Deputy General Manager of Business Planning & Development Division</p> <p>November 1998 President and Representative Director of J-Stream Inc.</p> <p>June 2006 Chairman, Representative Director & President and President & Corporate Officer of J-Stream Inc.</p> <p>June 2014 Executive Managing Director, CTO and Services Promotion Division Deputy of the Company</p> <p>April 2016 Executive Managing Director, CTO, Deputy General Manager of Services Promotion Division, and Director of CTO Office of Services Promotion Division (present post) Director and Chairman of J-Stream Inc. (present post)</p> <p>Reason for selecting him as a Director candidate He has a track record of showing strong leadership as a Representative Director of a core Group company, J-Stream Inc., and after assuming the position of a Director of the Company, promoting research and development on new businesses, etc. He is deemed to appropriately supervise the whole Group and business of which he is in charge from the position of Chief Technology Officer, aimed at developing business and improving the performance of the Company. Accordingly, we have selected him as a candidate for Director.</p>	– shares (243 shares)
12	Ralph Wunsch (March 6, 1986)	<p>March 2015 Authorized Director of MetroDealCo., Ltd. (At present, Transcosmos Artus Company Limited) (present post)</p> <p>June 2015 Director of the Company in charge of global EC strategies (present post)</p> <p>Reason for selecting him as a Director candidate Based on his experience and knowledge as a manager of the Company and Group companies abroad, he is deemed to realize the promotion of global businesses and EC businesses, etc., aimed at developing business and improving the performance of the Company, and to appropriately supervise the business of which he is in charge. Accordingly, we have selected him as a candidate for Director.</p>	– shares (– shares)
*13	Shunsuke Sato (June 3, 1978)	<p>April 2001 Joined Value Click Japan, Inc.</p> <p>June 2010 Managing Director of SATISFACTION GURANTEED PTE LTE</p> <p>September 2011 Representative Director & CEO of Satisfaction Guaranteed Japan Co., Ltd.</p> <p>November 2011 Director & Chairman of s1o interactive.inc</p> <p>May 2014 Managing Director of S1O PARTNERS PTE LTE (present post)</p> <p>March 2015 Managing Director of XST PARTNERS PTE LTE (present post) Director of Beagle Inc. (present post)</p> <p>April 2015 Managing Director of SOCIAL GEAR PTE LTD (present post)</p> <p>October 2015 Representative Director & CEO of Brand's Right Hand Inc. (present post)</p> <p>Reason for selecting him as a Director candidate Based on his experience in managing companies in Japan and abroad as well as wide knowledge about social media, etc., he is deemed to realize the promotion of global businesses and EC businesses, etc., aimed at developing business and improving the performance of the Company, and to appropriately supervise the business of which he is in charge. Accordingly, we have selected him as a candidate for Director.</p>	– shares (– 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
14	Owen Mahoney (December 28, 1966)	<p>September 2009 Representative Director, Outspark Inc. August 2010 CFO of Nexon Co., Ltd. September 2010 Director of Nexon Co., Ltd. March 2014 President & CEO of Nexon Co., Ltd. (present post) June 2015 Outside Director of the Company</p> <p>Reason for selecting him as an Outside Director candidate Based on his abundant experience and wide knowledge in the digital media industry in Japan and abroad, he is deemed to be an appropriate person to supervise the execution of business when the Company promotes global business management aimed at improving sustainable corporate value. Accordingly, we have selected him as a candidate for Outside Director.</p>	– shares (– shares)
*15	Rehito Hatoyama (January 12, 1974)	<p>April 1997 Joined Mitsubishi Corporation May 2008 Joined Sanrio Co., Ltd. June 2010 Director of Sanrio Co., Ltd. April 2013 Managing Director of Sanrio Co., Ltd. June 2013 Outside Director at DeNA Co., Ltd. (present post) June 2015 CEO, Sanrio Media & Pictures Entertainment, Inc. (present post) March 2016 Outside Director of LINE Corporation (present post) April 2016 Director, Sanrio Co., Ltd. (present post) Outside Director of Pigeon Corporation (current post)</p> <p>Reason for selecting him as an Outside Director candidate Based on his experience as Director of Sanrio Co., Ltd., as well as experience and wide knowledge as Outside Director of IT companies such as DeNA Co., Ltd., he is deemed to be an appropriate person to supervise the execution of business when the Company promotes global business management aimed at improving sustainable corporate value. Accordingly, we have selected him as a candidate for Outside Director.</p>	– shares (– shares)
*16	Toru Shimada (March 3, 1965)	<p>April 1987 Joined Recruit Co. Ltd. June 1989 Founded Intelligence, Ltd. September 1989 Director of Intelligence, Ltd. December 2004 Representative Director & President of Rakuten Baseball, Inc. March 2005 Director of Rakuten, Inc. Executive Officer of Rakuten, Inc. March 2006 Managing Executive Officer of Rakuten, Inc. January 2008 Representative Director & President & Owner of Rakuten Baseball, Inc. August 2014 Vice President & Executive Officer of Rakuten, Inc. November 2014 Representative Director of Rakuten, Inc. April 2016 Outside Director of RERAKU Co., Ltd. (present post)</p> <p>Reason for selecting him as an Outside Director candidate Based on his abundant experience and knowledge in corporate management from having served as Representative Director of Rakuten Baseball, Inc. and Rakuten, Inc., etc., he is deemed to be an appropriate person to supervise the execution of business when the Company promotes global business management, aimed at improving sustainable corporate value. Accordingly, we have selected him as a candidate for Outside Director.</p>	– shares (– 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 candidate number represents a candidate newly standing for directorship.
3. The Director candidate, Masakatsu Moriyama, concurrently holds the position of Representative Director of TEAMLAB Business Development Inc. and President and Representative Director of Co-Core Inc., with which the Company has business relationship.
The Outside Director candidate, Owen Mahoney, concurrently holds the position of CEO of Nexon Co., Ltd., with which the Company has a business relationship.
No special interests exist between the Company and other candidates for Directors.
4. Owen Mahoney, Rehito Hatoyama and Toru Shimada are candidates for Outside Directors.
5. Liability Limitation Agreement with Outside Directors
The Company has entered into, with Owen Mahoney, the liability limitation agreement, which limits liability for damage under Article 423, Paragraph 1 of the Companies Act pursuant to the provision of Article 427, Paragraph 1 of the Companies Act. 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 Companies Act, whichever is higher. If the re-election of Owen Mahoney is approved, the Company intends to continue the liability limitation agreement. Moreover, if the election of Rehito Hatoyama and Toru Shimada are approved, the Company intends to enter into a liability limitation agreement with them.
6. Years for which the candidates for Outside Directors are to take office as Outside Directors:
The term of office of Owen Mahoney, an Outside Director, shall be one year at the conclusion of this Annual General Meeting of Shareholders.
7. The Company has registered Owen Mahoney as an independent executive stipulated by the Tokyo Stock Exchange. If this proposal is approved and the candidate takes the post of Outside Director, he will continue to be independent executive. Moreover, if the election of Rehito Hatoyama and Toru Shimada are approved, the Company intends to register them as independent executives.
8. The criteria for judging independence of Outside Directors of the Company are as follows.
The Board of Directors of the Company shall judge that an Outside Director of the Company is independent if he/she does not fall under any of the following items:
- 1) If the company, for which the said Outside Director is currently serving as an executive director, employee, or important employee, receives payment from the Company, or makes payment to the Company, as the consideration for providing products or services, the amount of transaction exceeded 2% of sales of either company in one of the past three fiscal years;
 - 2) The said Outside Director of the Company is a consultant, accounting expert, or legal expert who receives a large amount of money or other properties in addition to the remuneration for an officer.
 - 3) The donation from the Company to the nonprofit organization, for which the said Outside Director is serving as an executive officer, exceeded 10 million yen and 2% of the gross revenue or ordinary income of the said organization in one of the past three fiscal years;
 - 4) The said Outside Director falls under any of 1) - 3) above in recent years; or
 - 5) A close relative within the second degree of kinship of the said Outside Director is currently serving as an Executive Director, employee, or important employee of the Company or its subsidiary, or falls under any of 1) - 4) above.

Proposal No. 4: Election of Three Directors who are Audit and Supervisory Committee Members

If Proposal No. 2 “Partial amendments to the Articles of Incorporation” is approved as proposed, the Company will become a Company with an Audit and Supervisory Committee. Accordingly, the Company proposes the election of three Directors who are Audit and Supervisory Committee Members.

This proposal has been agreed to by each Statutory Auditor.

The adoption of this proposal taking effect is conditional on changes to the Articles of Incorporation in Proposal No. 2 “Partial amendments to the Articles of Incorporation” taking effect.

Candidates for Directors who are Audit and Supervisory Committee Members 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	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>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)</p> <p>December 2008 Director of Dwango Co., Ltd. (present post)</p> <p>June 2009 Outside Director of DLE Inc. (present post)</p> <p>September 2009 Outside Director of GREE, Inc. (present post)</p> <p>December 2010 Outside Director of U-NEXT Co., Ltd. (present post)</p> <p>November 2013 Guest Professor at School of Media and Governance, Keio University (present post)</p> <p>October 2014 Director, Member of the Board of KADOKAWA· DWANGO CORPORATION(At present, KADOKAWA DWANGO CORPORATION)(present post)</p> <p>Reason for selecting him as an Outside Director candidate Based on his abundant experience as a manager of companies and a member of the government’s advisory boards, etc., as well as having a wide knowledge in media and Internet services, etc., he is deemed to be an appropriate person to supervise the Company’s management and execution of business when the Company promotes global business management aimed at improving sustainable corporate value. Accordingly, we have selected him as a candidate for Outside Director.</p>	60,000 shares (9,725 shares)
2	Nozomu Yoshida (December 1, 1956)	<p>April 1980 Joined Dentsu 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>June 2011 Outside Statutory Auditor of ASAHI Net, Inc. (present post)</p> <p>Reason for selecting him as an Outside Director candidate Based on his abundant experience as a manager of companies and wide knowledge in advertisement and Internet services, etc., he is deemed to be an appropriate person to supervise the Company’s management and execution of business when the Company promotes global business management, aimed at improving sustainable corporate value. Accordingly, we have selected him as a candidate for Outside Director.</p>	– shares (3,828 shares)

3	Eiji Uda (August 3, 1956)	April 1981	Joined IBM Japan, Ltd.	– shares (– shares)
		January 1999	Senior General Manager and Manager of Information Service Industry Business Division of IBM Japan, Ltd.	
		January 2001	Representative Director & President of SOFTBANK COMMERCE CORP. (at present, SoftBank BB Corp.)	
		March 2004	Senior Vice President of salesforce.com, Inc.	
		April 2004	Representative Director and President of salesforce.com, Inc.	
		April 2012	Executive Vice President of salesforce.com, Inc.	
		June 2014	Outside Director of the Company (present post)	
		March 2016	Chairman and Representative Director of Unified Service Corporation (present post)	
		Reason for selecting him as an Outside Director candidate Based on his abundant experience as a manager of companies and wide knowledge in IT and Internet services, etc., he is deemed to be an appropriate person to supervise the Company's management and execution of business when the Company promotes global business management aimed at improving sustainable corporate value. Accordingly, we have selected him as a candidate for Outside Director.		

- Notes:
1. Takeshi Natsuno, Nozomu Yoshida and Eiji Uda are candidates for Outside Directors.
 2. Liability Limitation Agreement with Outside Directors
The Company has entered into, with Takeshi Natsuno, Nozomu Yoshida and Eiji Uda, the liability limitation agreement, which limits liability for damage under Article 423, Paragraph 1 of the Companies Act pursuant to the provision of Article 427, Paragraph 1 of the Companies Act. 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 Companies Act, whichever is higher. If the re-election of Takeshi Natsuno, Nozomu Yoshida and Eiji Uda is approved, the Company intends to continue the liability limitation agreement.
 3. 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 eight years at the conclusion of this Annual General Meeting of Shareholders.
 - 2) The term of office of Nozomu Yoshida, an Outside Director, shall be six years at the conclusion of this Annual General Meeting of Shareholders.
 - 3) The term of office of Eiji Uda, an Outside Director, shall be two years at the conclusion of this Annual General Meeting of Shareholders.
 4. The Company has registered Takeshi Natsuno and Eiji Uda as an independent executives stipulated by the Tokyo Stock Exchange. If this proposal is approved and the candidates take the posts of Outside Directors, they will continue to be independent executives. Moreover, if the election of Nozomu Yoshida is approved, the Company intends to register him as an independent executive.
 5. For the criteria of judging independence of Outside Directors of the Company, please refer to Note 8 on page 67.

Proposal No. 5: Election of One Director who is a Substitute Audit and Supervisory Committee Member

If Proposal No. 2 “Partial amendments to the Articles of Incorporation” is approved as proposed, the Company will become a Company with an Audit and Supervisory Committee. Accordingly, the Company proposes the election of one Director who is a substitute Audit and Supervisory Committee Member in case the number of serving Directors who are Audit and Supervisory Committee Members falls below the number required by law.

This proposal has been agreed to by each Statutory Auditor.

The adoption of this proposal taking effect is conditional on changes to the Articles of Incorporation in Proposal No. 2 “Partial amendments to the Articles of Incorporation” taking effect.

Candidate for Director who is a substitute Audit and Supervisory Committee Member is as follows:

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	– shares
	October 2013 Joined Uchisaiwaicho Law Office (present post)	
	Reason for selecting her as an Outside Director candidate Based on her various experience and excellent knowledge as a lawyer, she is deemed to be an appropriate person to supervise the Company’s management and execution of business when the Company promotes global business management aimed at improving sustainable corporate value. Accordingly, we have selected her as a candidate for substitute Outside Director. Although she does not have experience of involvement in corporate management, based on the above reason, she is deemed to be capable of appropriately performing the duties of Outside Director of the Company.	

- Notes: 1. Miwa Tsurumori is a candidate for a substitute Outside Director.
2. Miwa Tsurumori provides in legal services under her maiden name (Matsutani).
3. No special interests exist between the Company and Miwa Tsurumori.
4. 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 Companies Act with her pursuant to the provisions of Article 427, Paragraph 1 of the said Act. 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 Companies Act, whichever is higher.
5. For the criteria of judging independence of Outside Directors of the Company, please refer to Note 8 on page 67.

Proposal No. 6: Decision on the amount of remuneration for Directors (excluding those who are Audit and Supervisory Committee Members)

Regarding remuneration, etc., for Directors, annual remuneration for Directors of no more than 800 million yen (provided, however, this shall not include the compensation to be paid as an employee for a Director who serves concurrently as an employee) was approved at the annual general meeting of shareholders held on June 25, 2014. If Proposal No. 2 “Partial amendments to the Articles of Incorporation” is approved as proposed, the Company will become a Company with an Audit and Supervisory Committee. Accordingly, taking into consideration various factors including the recent economic conditions, we request again the approval of annual remuneration of no more than 800 million yen (of which, no more than 100 million yen for Outside Directors) for Directors (excluding Directors who are Audit and Supervisory Committee Members: The same shall apply in this Proposal.) after the transition to a Company with an Audit and Supervisory Committee.

Remuneration, etc., for Directors shall not include the compensation to be paid as employees if a Director serves concurrently as an employee.

Currently, the Company has sixteen Directors. If Proposals No. 2 “Partial Amendment to Articles of Incorporation” and No. 3 “Election of Sixteen Directors (excluding Directors who are Audit and Supervisory Committee Members)” are approved as requested, the number of Directors will be sixteen (of which three are Outside Directors).

The adoption of this proposal taking effect is conditional on changes to the Articles of Incorporation in Proposal No. 2 “Partial amendments to the Articles of Incorporation” taking effect.

Proposal No. 7: Decision on the amount of remuneration for Directors who are Audit and Supervisory Committee Members)

If Proposal No. 2 “Partial amendments to the Articles of Incorporation” is approved as proposed, the Company will become a Company with an Audit and Supervisory Committee. Accordingly, taking into consideration various factors including the recent economic conditions, we request the approval of annual remuneration, etc., of no more than 60 million yen for Directors who are Audit and Supervisory Committee Members, and that the specific amount and the timing of payment for each Director who is an Audit and Supervisory Committee Member are determined by the consultation among Directors who are Audit and Supervisory Committee Members.

If Proposals No. 2 “Partial Amendment to Articles of Incorporation” and No. 4 “Election of Three Directors who are Audit and Supervisory Committee Members” are approved as requested, the number of Directors who are Audit and Supervisory Committee Members will be three.

The adoption of this proposal taking effect is conditional on changes to the Articles of Incorporation in Proposal No. 2 “Partial amendments to the Articles of Incorporation” taking effect.

Proposal No. 8: Election of Accounting Auditors

We request the election of a new Accounting Auditor, because our Accounting Auditor, Ernst & Young ShinNihon LLC, will retire due to the expiration of the term of office at the conclusion of this Annual General Meeting of Shareholders.

The submission of this Proposal is based on the decision of the Board of Statutory Auditors.

In addition, the Board of Statutory Auditors has selected PricewaterhouseCoopers Aarata as the candidate for Accounting Auditor because the company is judged to have expertise, independence, and adequacy required for the Accounting Auditor of the Company, as well as the organization to ensure that accounting audit on the Company shall be conducted properly and appropriately.

The candidate for Accounting Auditor is as follows:

The following are candidates for Accounting Auditor:

Name	PricewaterhouseCoopers Aarata		
office	Main office	8-21-1 Ginza, Chuo-ku, Tokyo Sumitomo Fudosan Shiodome Hamarikyu Bldg.	
	Other offices	Nagoya, Osaka, and Fukuoka Liaison Office	
History	June 2006	Establishment of PricewaterhouseCoopers Aarata as a member firm in Japan of PricewaterhouseCoopers (PwC)	
	July 2006	Commencement of operations	
	July 2015	Changed its corporate name in Japanese to “PwC Aarata Kansa-houjin.”	
Summary	Capital		One (1) billion yen (As of April 1, 2016)
	Staffing	Partners	122
		CPAs	796
		Assistant CPAs and CPA holders	435
		U.S. CPAs and other professionals	752
		Clerks	391
		Total	2,496 (As of April 1, 2016)