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Securities Code: 9715

June 1, 2021

To Our Shareholders

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

NOTICE OF THE 36th ANNUAL GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 36th Annual General Meeting of Shareholders, which will be held as indicated below.

Shareholders are requested to exercise voting rights in advance in writing or by electromagnetic means (the Internet, etc.) and refrain from attending the General Meeting of Shareholders as much as possible regardless of your health condition for the purpose of preventing novel coronavirus infection.

Please review the Reference Documents for the Annual General Meeting of Shareholders shown in the following pages and exercise your voting rights by the deadline indicated in “Procedures for the Exercise of Voting Rights” on page 4.

1. Date and Time: 10:00 a.m., Wednesday, June 23, 2021
(Venue opens at 9:00 a.m.)

2. Place: SHIBUYA STREAM Hall
21-3, Shibuya 3-chome, Shibuya-ku, Tokyo
* We may be forced to change the venue and/or the start time depending on the status of novel coronavirus infection. In this case, the change will be notified on the Company’s website.

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 Audit and Supervisory Committee of the Consolidated Financial Statements for the 36th Fiscal Term (from April 1, 2020 to March 31, 2021)
 2. Financial Statements for the 36th Fiscal Term (from April 1, 2020 to March 31, 2021)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus for the 36th Fiscal Term
- Proposal No. 2:** Renewal of Countermeasures to Large-Scale Acquisitions of Shares in the Company (Takeover Defense Measures)
- Proposal No. 3:** Election of Fourteen Directors (excluding Directors who are Audit and Supervisory Committee Members)

1. For those attending, please submit the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.
2. Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements are posted on the Company’s website and thus not included in the documents attached to this notice, pursuant to applicable laws and regulations and Article 14 of the Company’s Articles of Incorporation. Accordingly, the Consolidated Financial Statements and Non-Consolidated Financial Statements attached to this notice are part of Consolidated Financial Statements and Non-Consolidated Financial Statements that

were audited by the Accounting Auditor and the Audit and Supervisory Committee in preparing their audit reports.

3. 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, Consolidated Financial Statements, or Financial Statements before the day preceding the Annual General Meeting of Shareholders, the amended contents will be presented on the Company's website.
4. The information in this Notice was posted on the Company's website before it was mailed to promptly provide the information.

Video Streaming of the 36th Annual General Meeting of Shareholders

A video streaming of the Annual General Meeting of Shareholders (through the end of explanation of Business Report) will be available later for a certain period on the website of the Company.

Your understanding of the filming of the proceedings during the Meeting will be greatly appreciated. If you refrain from attending the Meeting to prevent infection, you are encouraged to view the streaming instead.

Our website

<https://www.trans-cosmos.co.jp/english/ir/information/stock-holder/>

Notice Concerning Measures to Prevent the Spread of Novel Coronavirus Infection

The General Meeting of Shareholders will be held in accordance with the following protocol to prioritize the safety of shareholders and prevent the spread of novel coronavirus infection.

We appreciate your understanding and cooperation.

<Request to Shareholders>

1. Shareholders are requested to refrain from attending the General Meeting of Shareholders regardless of your health condition for the purpose of avoiding “closed spaces, crowded places, and close-contact settings).” We ask our shareholders to consider exercising your voting rights by using the enclosed Voting Rights Exercise Form, via the Internet, or by other means.
A video streaming of the General Meeting of Shareholders (through the end of explanation of Business Report) will be available later on the website of the Company.
2. The number of seats available inside the venue is limited to allow sufficient space between them. As a result, we may limit the number of shareholders who can enter the venue.
3. Attending shareholders are requested to wear masks. If you forget to bring a mask, please use one that is available at the entrance of the venue.
A shareholder not wearing a mask will be prevented from entering the venue.
4. If you have developed symptoms of illness such as fever, flu-like symptoms, shortness of breath (difficulty breathing) or extreme tiredness (fatigue) on the date of the General Meeting of Shareholders, you are strongly requested to refrain from attending the meeting.
5. When you arrive at the venue, we will measure your body temperature at the entrance. If you have a fever of 37.5℃ or higher, you will not be allowed to enter.
You will not be allowed to enter also if you have a severe cough or other symptoms indicating that you may have been infected with the virus. You may be asked to leave if you are found to have the same symptom after entering the venue.
6. When you are waiting in a queue at the entrance for the measurement of body temperature or at the reception desk, please secure an appropriate space between each other in the queue all the way through.
7. To shorten the duration of the General Meeting of Shareholders for the purpose of preventing novel coronavirus infection, we will omit the reporting of the matters to be reported (including audit report) and the detailed explanation of proposals. Therefore, shareholders are requested to read through this notice in advance.

<Our Responses>

- No souvenir will be given to shareholders also for the purpose of preventing novel coronavirus infection.
- Masks and alcohol disinfectant for shareholders will be available at the venue.
- Our officers and administrative staff attending the General Meeting of Shareholders will make sure that they will be in good health condition by, for example, measuring their body temperature.
- Our officers and administrative staff attending the General Meeting of Shareholders will wear a mask throughout the meeting. Other infection control measures will also be taken as appropriate.
- We may be forced to change the venue and/or the start time depending on the status of novel coronavirus infection. In this case, the change will be notified on the Company’s website.

While we will design and implement measures to prevent the spread of infection in the venue as thoroughly as possible, shareholders who are planning or considering to attend the General Meeting of Shareholders are requested to make a prudent judgment from the perspective of health and safety.

Depending on the status of the spread of infection or government announcements through the date of the meeting, we may change our responses set forth above. Please keep posted for updates announced on the Company’s website shown below.

Our website

<https://www.trans-cosmos.co.jp/english/ir/information/stock-holder/>

Procedures for the Exercise of Voting Rights

Voting rights can be exercised in the following three ways.

1. In writing (Recommended)

Please indicate whether you approve or disapprove of each proposal on the enclosed Voting Rights Exercise Form and then mail the Form without attaching a postage stamp.

If a Voting Rights Exercise Form is submitted without an indication of whether you approve or disapprove of the proposal, it will be treated as if you approve of the proposal.

Deadline to exercise rights: Must arrive by 5:50 p.m., Tuesday, June 22, 2021

2. Via the Internet, etc. (Recommended)

Please access the website for the exercise of voting rights (<https://www.web54.net>) from either a personal computer, a smartphone or mobile phone, enter the code and password provided on the enclosed Voting Rights Exercise Form, and follow the instructions on the screen to register whether you approve or disapprove each proposal.

Shareholders who use a smartphone can access the website for the exercise of voting rights easily by having the smartphone read the QR code* shown in the Voting Rights Exercise Form.

Note: For the details of the procedure for voting via the Internet, etc., please refer to the next page.

* QR Code is registered trademarks of DENSO WAVE INCORPORATED.

Deadline to exercise rights: By 5:50 p.m., Tuesday, June 22, 2021

3. By attending the general meeting of shareholders

Submit the Voting Rights Exercise Form at the reception desk. (It is not necessary to attach your seal.)

Date and Time: 10:00 a.m., Wednesday, June 23, 2021 (Venue opens at 9:00 a.m.)

Place: SHIBUYA STREAM Hall
21-3, Shibuya 3-chome, Shibuya-ku, Tokyo

■ Exercise of voting rights via the Internet, etc.

1. If you exercise your voting rights redundantly both by mail and 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.
2. 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.
3. 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.

■ 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

Institutional investors may use the “Electronic Voting Platform for Institutional Investors” (the “TSE Platform”) managed by ICJ Inc. to exercise their voting rights by electronic manner.

Reference Documents for the Annual General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of Surplus for the 36th Fiscal Term

Matters related to year-end dividend

Having positioned redistribution of profits to shareholders as one of its most important management policies, the Company has adopted a policy to emphasize dividend propensity linked to business performance, and its policy is to improve the market value of the Company stock as a result of redistributing profits to shareholders.

In the current fiscal year, we were able to achieve good results even during the novel coronavirus crisis, while tax expense was incurred in relation to the strategic reorganization as a result of a significant increase in the corporate valuation of our foreign investees. Taking into consideration these facts and the above policy, the Company proposes to pay the following dividends for the current fiscal year.

Type of dividend asset

Cash

Allotment of dividend assets to shareholders and total amount

93 yen per share of common stock of the Company

(Ordinary dividend: 73 yen)

(Special dividend: 20 yen)

Total amount 3,857,123,571 yen

Effective date of dividend of surplus

Thursday, June 24, 2021

Proposal No. 2: Renewal of Countermeasures to Large-Scale Acquisitions of Shares in the Company (Takeover Defense Measures)

The Company renewed a plan for countermeasures to large-scale acquisitions of the shares in the Company (the “Former Plan”) in accordance with the resolution at the Board of Directors meeting held on May 15, 2018 subject to the approval of our shareholders, which was subsequently given at the 33rd Annual General Meeting of Shareholders of the Company held on June 21, 2018. The effective period of the Former Plan is until the conclusion of this Annual General Meeting of Shareholders.

Before the expiration of the effective period of the Former Plan, subject to the approval of our shareholders at this Annual General Meeting of Shareholders, the Board of Directors determined at its meeting held on May 14, 2021 to partially revise the contents of the Former Plan and introduce a renewed plan (the “Renewal”; and the plan after the Renewal is referred to as the “Plan”) as a measure to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(b) (ii) of the Enforcement Regulations of the Companies Act) under a basic policy regarding the persons who control decisions on the Company’s financial and business policies (as provided in Article 118, Item 3 of the Enforcement Regulations of the Companies Act; the “Basic Policy”)

The Company, therefore, proposes that the shareholders approve the assignment to the Board of Directors of the authority to decide matters regarding gratis allotment of stock acquisition rights in the manner described in 2. ‘Details of Proposal’ below in order to use it for the Plan, in accordance with Article 35, Paragraph 2 of the Company’s Articles of Incorporation.

1. Reasons for Proposal

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

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

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

The Company places value on client satisfaction and strives to ensure and enhance its corporate value. We believe the source of corporate value of the Company is found in (i) the comprehensive IT utilization capabilities that the Company has accumulated since its establishment as a pioneer in the outsourcing business of information processing, (ii) personnel who can promptly respond to changes in the environment and combine the latest technology, making use of originality and ingenuity, and (iii) “the stable and long-term relationships of trust with clients” established based on its strength as an independent corporation. Unless the acquirer of a proposed acquisition of the shares in the Company understands the source of the corporate value of the Company and would ensure and enhance these elements over the medium-to-long term, the corporate value of the Company and, in turn, the common

interests of its shareholders would be harmed. The Company believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against an inappropriate large-scale acquisition by such persons.

(2) Purpose of the Plan

The Plan is renewed in line with the Basic Policy for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders.

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.

2. Details of Proposal

(1) Plan Outline

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.

(2) Procedures for Triggering the Plan

(a) Targeted Acquisitions

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

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

The party intending to make the Acquisition (the “Acquirer”) shall follow the procedures set out in the Plan, and the Acquirer must not effect an Acquisition until and unless the Board of Directors passes a resolution not to implement the gratis allotment of stock acquisition rights (the “Stock Acquisition Rights;” see (4) below, ‘Outline of the Gratis Allotment of Stock Acquisition Rights,’ for an outline thereof) or other measures in accordance with the Plan.

(b) Submission of Acquirer’s Statement

The Company will request an Acquirer to submit to the Company in the form separately prescribed by the Company a legally binding document which includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (signed by, or affixed with the name and seal of, the representative of the Acquirer and to which no or conditions or reservations are attached) and a qualification certificate of the person who signed or affixed its name and seal to that document (collectively, “Acquirer’s Statement”) before commencing or effecting the Acquisition. The Acquirer’s Statement must include the name, address or location of headquarters, location of offices, the governing law for establishment, name of the representative, contact information in Japan for the Acquirer and an outline of the intended Acquisition. The Acquirer’s Statement, Acquisition Document set out in (c) below and other reference materials that the Acquirer submits to the Company or the Independent Committee must be written in Japanese.

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

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

If the Board of Directors receives the Acquisition Document, it will promptly send it to the Independent Committee (standards for appointing members, requirements for resolutions, resolution matters, and other matters concerning the Independent Committee are as described in Note 9 and business backgrounds and other matters of members of the Independent Committee at the time of the Renewal are as described in Attachment ‘Profiles of the Members of the Independent Committee’). If the Independent Committee determines that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period and request that the Acquirer provide additional information. In such case, the Acquirer should provide the additional information within the set time limit.

- (i) Details (including name, capital relationship, financial position, operation results, details of violation of laws or ordinances in the past (if any), and terms of previous transactions by the Acquirer similar to the Acquisition) of the Acquirer and its group (including joint holders (Note 10), persons having a special relationship and persons having a special relationship with a person in relation to whom the Acquirer is the controlled corporation (Note 11)). (Note 12)
 - (ii) The purpose, method and specific terms of the Acquisition (including the amount and type of consideration, the timeframe, the scheme of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).
 - (iii) The amount and basis for the calculation of the purchase price of the Acquisition.
 - (iv) Information relating to the details of any agreement between the Acquirer and a third party regarding the shares and other equity securities of the Company and any previous acquisition of shares and other equity securities of the Company by the Acquirer.
 - (v) Financial support for the Acquisition (specifically including the names of providers of funds for the Acquisition (including all indirect providers of funds), financing methods and the terms of any related transactions).
 - (vi) Post-Acquisition management policy, business plan, capital and dividend policies for the Company group.
 - (vii) Post-Acquisition policies for the Company's shareholders (other than the Acquirer), and any other stakeholders such as employees, business partners and customers of the Company group.
 - (viii) Specific measures to avoid any conflict of interest with other shareholders in the Company.
 - (ix) Information regarding any relationship with an anti-social force.
 - (x) Any other information that the Board of Directors or the Independent Committee reasonably considers necessary.
- (d) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal
- (i) Request to the Board of Directors for the Provision of Information

If the Independent Committee reasonably determines that the Acquirer has submitted the Acquisition Document and any additional information that the Independent Committee requested (including information that the Independent Committee requested additionally; hereinafter the same), the Independent Committee may set a reply period (hereinafter referred to as the "Board of Directors Consideration Period") as it deems appropriate and request that the Board of Directors presents an opinion (including an opinion to refrain from giving such opinion; hereinafter the same) on the Acquirer's Acquisition terms, materials supporting such opinion, an alternative proposal (if any), and any other information, etc., that the Independent Committee considers necessary.
 - (ii) Independent Committee Consideration

The Independent Committee should conduct its consideration of the Acquisition terms, collection of information such as the management plans and business plans of the Acquirer and the Board of Directors and comparison thereof, and consideration of any alternative plan presented by the Board of Directors, and the like for 90 days from the receipt of such information (the period including "Board of Directors Consideration Period" is hereinafter referred to as the "Independent Committee Consideration Period") if the Independent Committee reasonably determines that the Acquirer has sufficiently submitted the Acquisition Document and any additional information.

In order to ensure that the Independent Committee's decision contributes to the Company's corporate value and, in turn, the common interests of its shareholders, the Independent

Committee may at the cost of the Company obtain advice from financial advisers, certified public accountants, attorneys, tax accountants, consultants or any other experts.

Further, if it is necessary in order to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and the common interests of its shareholders, the Independent Committee will directly or indirectly discuss and negotiate with the Acquirer. If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request.

The Independent Committee may, to the reasonable extent that it is considered necessary for actions such as consideration of the terms of the Acquirer's Acquisition, consideration of an alternative proposal and negotiation with the Acquirer, extend the Independent Committee Consideration Period, in principle up to 30 days.

(e) Recommendation by the Independent Committee

In such cases as the Independent Committee determines that the Acquisition falls under one of the trigger events set out below in (3), 'Requirements for the Gratis Allotment of Stock Acquisition Rights, Etc.' (including Quasi Trigger Event set out in (3), collectively "Trigger Event"), the Independent Committee will recommend the implementation of the gratis allotment of Stock Acquisition Rights or any other reasonable measures that could be taken under the laws and ordinances and the Company's Articles of Incorporation (Note 13) (collectively, the "Gratis Allotment of Stock Acquisition Rights, Etc.") to the Board of Directors except in any specific case where further disclosure of information by the Acquirer or negotiation or discussion and the like with the Acquirer is necessary. In cases such as where it is concerned that an Acquisition may fall under the second Trigger Event ("Trigger Event (2)"), the Independent Committee may recommend implementation of the gratis allotment of Stock Acquisition Rights subject to obtaining approval at the shareholders meeting in advance.

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

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

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

On the other hand, if the Independent Committee determines there is no Trigger Event regarding the Acquisition, the Independent Committee will not recommend the implementation of the Gratis Allotment of Stock Acquisition Rights, etc., to the Board of Directors.

Notwithstanding the foregoing paragraph, subsequently, if there is a change in the facts or other matters on which the recommendation decision was made and a Trigger Event arises, the Independent Committee may make a new recommendation that the Company should implement the Gratis Allotment of Stock Acquisition Rights, Etc.

In addition to the foregoing paragraph, if the Acquisition may harm the corporate value of the Company and thus common interests of shareholders, the Independent Committee may hold the Annual Shareholders' Meeting on such grounds and confirm the intention of shareholders regarding the Acquisition by the Acquirer.

(f) Resolutions of the Board of Directors

If the Shareholders Meeting for Confirmation of the Intention of Shareholders is convened in accordance with (g) below, the Board of Directors will make a resolution subject to any resolution at the Shareholders Meeting. If the Shareholders Meeting for Confirmation of the Intention of Shareholders is not convened, the Board of Directors, in exercising its role under the Companies Act, will make a resolution relating to the implementation or non-implementation of the Gratis Allotment of Stock Acquisition Rights, Etc. respecting to the maximum extent any recommendation of the Independent Committee described in (e) above.

(g) Convocation of the Shareholders Meeting for Confirmation of the Intention of Shareholders

The Board of Directors may convene a meeting of shareholders (the “Shareholders Meeting for Confirmation of the Intention of Shareholders”) and confirm the intent of the Company’s shareholders regarding the implementation of the Gratis Allotment of the Stock Acquisition Rights, Etc., if (i) the Independent Committee recommends implementation of the Gratis Allotment of Stock Acquisition Rights, Etc. subject to confirming the intent of shareholders in advance in accordance with (e)(i) above, or if the Independent Committee recommends that the intention of shareholders regarding the Acquisition by the Acquirer be confirmed. or (ii) the applicability of Trigger Event (2) or any other matter becomes an issue and the Board of Directors determines it appropriate to confirm the intention of shareholders taking into consideration the time required to convene a meeting of shareholders or other matters pursuant to the duty of care of a good manager.

(h) Information Disclosure

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

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

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

Trigger Event (1)

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

Trigger Event (2)

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

- (a) An Acquisition that threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through any of the following actions:

- (i) A buyout of share certificates to require such share certificates to be compulsorily purchased by the Company or the Company's affiliates at a high price.
 - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company group's material assets.
 - (iii) Diversion of the Company group's assets to secure or repay debts of the Acquirer or its group company.
 - (iv) Temporary control of the Company's management to bring about the disposal of high-value assets that have no current relevance to the Company group's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (b) Certain Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable or unclear).
- (c) Acquisitions whose terms (including amount and type of consideration, the timeframe, the legality of the Acquisition method, the feasibility of the Acquisition being effected, and post-Acquisition policies dealing with the Company's other shareholders, the Company group's employees, customers, business partners and any other stakeholders in the Company) are inadequate or inappropriate in light of the Company's intrinsic value.
- (d) Acquisitions that materially threaten to oppose the corporate value of the Company and, in turn, the common interests of shareholders, by destroying relationships with the Company group's employees, customers, business partners and the like, which are indispensable to the generation of the Company's corporate value.

In addition to the above, the Company may take reasonable measures that could be taken under the laws and ordinances and the Company's Articles of Incorporation as the triggering of the Plan if any requirement similar to any of the Trigger Events above is met and it is reasonable to trigger the Plan ("Quasi Trigger Event"). In this case, such decision is always made through the recommendation of the Independent Committee as set out in (e) of (2), 'Procedures for Triggering the Plan' above.

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

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

(a) Number of Stock Acquisition Rights

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

(b) Shareholders Eligible for Allotment

The Company will allot the Stock Acquisition Rights to those shareholders, other than the Company, who are recorded in the Company's final register of shareholders on the Allotment Date

(hereinafter referred to as the “Entitled Shareholders”), at a ratio of one Stock Acquisition Right for each share in the Company held.

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

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

(d) Number of Shares to be Acquired upon Exercise of the Stock Acquisition Rights

The number of shares in the Company to be acquired upon exercise of each Stock Acquisition Right (the “Applicable Number of Shares”) shall, in principle, be one share.

(e) Amount to be Contributed upon Exercise of Stock Acquisition Rights

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

(f) Exercise Period of the Stock Acquisition Rights

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

(g) Conditions for Exercise of Stock Acquisition Rights

In principle, the following parties may not exercise the Stock Acquisition Rights (the parties falling under (I) through (VI) below shall collectively be referred to as “Non-Qualified Parties”):

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

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

(h) Assignment of Stock Acquisition Rights

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

(i) Acquisition of Stock Acquisition Rights by the Company

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

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

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

(C) Other matters regarding the acquisition of Stock Acquisition Rights will be separately determined in the Gratis Allotment Resolution. (Note 17)

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

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

(k) Issuance of Certificates Representing the Stock Acquisition Rights

Certificates representing the Stock Acquisition Rights will not be issued.

(l) Other

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

(5) Effective Period and Abolition of the Plan

The effective period of the Plan (the “Effective Period”) will be the period until the conclusion of the General Meeting of Shareholders relating to the last fiscal year ending within three years after the conclusion of this Annual General Meeting of Shareholders.

However, if, before the expiration of the Effective Period, (i) a resolution is passed at the Company’s shareholders meeting to revoke its resolution to assign to the Board of Directors the authority set out in 3.4 above to decide matters relating to the gratis allotment of Stock Acquisition Rights, or (ii) the Board of Directors passes a resolution to abolish the Plan, the Plan will be abolished in accordance with the resolution.

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

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

(6) Revision Due to Amendment to Laws and Ordinances

The provisions of laws and ordinances referred to under the Plan are subject to the prevailing provisions as of May 14, 2021. If it becomes necessary after such date to revise the terms and conditions or definitions of terms set out in the paragraphs above due to the formulation, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such formulation, amendment or abolishment.

(7) Other Matters

Matters regarding the content of the Plan, but that are not specified in this Proposal No. 2 or are not in conflict with this Proposal No. 2, may be decided by the Board of Directors.

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

(Note 2) Defined in Article 27-23(4) of the Financial Instruments and Exchange Act. This definition is applied throughout this Proposal No. 2.

(Note 3) Including persons described as a holder under Article 27-23(3) of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors). The same is applied throughout this Proposal No. 2.

(Note 4) Defined in Article 27-23(1) of the Financial Instruments and Exchange Act. This definition is applied throughout this Proposal No. 2, unless otherwise provided for.

(Note 5) Defined in Article 27-2(1) of the Financial Instruments and Exchange Act.

(Note 6) Defined in Article 27-2(6) of the Financial Instruments and Exchange Act. The same is applied throughout this Proposal No. 2.

(Note 7) Defined in Article 27-2(8) of the Financial Instruments and Exchange Act. The same is applied throughout this Proposal No. 2.

(Note 8) Defined in Article 27-2(7) of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors); provided, however, that persons provided for in Article 3(2) of the Cabinet Office Regulations concerning Disclosure of a Tender Offer by an Acquirer other than the Issuing Company are excluded from the persons described in Article 27-2(7)(i) of the Financial Instruments and Exchange Act. The same is applied throughout this Proposal No. 2.

(Note 9) The outline of the rules of the Independent Committee is as follows.

- There will be no less than three members of the Independent Committee, and the Board of Directors shall elect the members from (i) outside directors of the Company and (ii) other experts, who are independent from the management that executes the business of the Company. However, such experts must be experienced corporate managers, former employees of government agencies, parties with knowledge of the investment banking

industry or business areas of the Company, lawyers, certified public accountants, researchers whose research focuses on the Companies Act or the like, or parties of similar qualifications, and must have executed with the Company an agreement separately specified by the Board of Directors that contains a provision obligating them to exercise the duty of care of a good manager or similar provision.

- Unless otherwise determined in a resolution by the Board of Directors, the term of office of members of the Independent Committee will be until the conclusion of the General Meeting of Shareholders relating to the last fiscal year ending within three years of this Annual General Meeting of Shareholders. However, the term of office of any member of the Independent Committee who is an outside director of the Company will end at the same time they lose the status as an outside director (except in the case of their re-appointment).
- The Independent Committee will make decisions on the implementation or non-implementation of the gratis allotment of Stock Acquisition Rights or any other reasonable measures that could be taken under the laws and ordinances and the Company's Articles of Incorporation (collectively, "Gratis Allotment of Stock Acquisition Rights, etc."), the cancellation of the Gratis Allotment of Stock Acquisition Rights, etc., or the gratis acquisition of Stock Acquisition Rights, any other matters which the Board of Directors has consulted the Independent Committee, or which the Independent Committee has decided that they can be performed, or other prescribed matters.
- As a general rule, resolutions of meetings of the Independent Committee will pass with a majority when all the members of the Independent Committee are in attendance (including attendance via video conference or telephone conference; hereinafter the same). However, in unavoidable circumstances a resolution may be passed with a majority of voting rights when a majority of the members of the Independent Committee are in attendance.

(Note 10) Defined in Article 27-23(5) of the Financial Instruments and Exchange Act, including persons regarded as a joint holder under Article 27-23(6) of the Financial Instruments and Exchange Act (including persons who are deemed a joint holder by the Board of Directors). The same is applied throughout this Proposal No. 2.

(Note 11) Defined in Article 9(5) of Order for Enforcement of the Financial Instruments and Exchange Act.

(Note 12) If an Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members is required.

(Note 13) Specifically, the Company intends to require the Acquirer to cancel an Acquisition subject to the approval at the shareholders meeting, or to take other measures.

(Note 14) "Specified Large Holder" means, in principle, a party who is a holder of share certificates, etc., issued by the Company and whose holding ratio of share certificates, etc. in respect of such share certificates, etc. is at least 20% (including any party who is deemed applicable to the above by the Board of Directors); provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or a certain other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Holder. The same is applied throughout this Proposal No. 2.

(Note 15) "Specified Large Purchaser" means, in principle, a person who makes a public announcement of purchase, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act; the same is applied throughout this Note 15) of share certificates, etc., (as defined in Article 27-2(1) of the Financial Instruments and Exchange Act; the same is applied throughout this Note 15) issued by the Company through a tender offer and whose ratio of ownership of share certificates, etc., in respect of such share certificates, etc., owned by such person after such purchase, etc., (including similar ownership as prescribed in Article 7(1) of the Order for Enforcement of the Financial Instruments and Exchange Act) is at least 20% when combined with the ratio of ownership of share certificates, etc., of a person having a special relationship (including any party who is deemed to fall under the above by the Board of Directors); provided, however, that a party that the Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the

Company's corporate value or the common interests of shareholders or certain other party that the Board of Directors determines in the Gratis Allotment Resolution is not a Specified Large Purchaser. The same is applied throughout this Proposal No. 2.

- (Note 16) An "Affiliated Party" of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Board of Directors), or a party deemed by the Board of Directors to act in concert with such given party. "Control" means to "control the determination of the financial and business policies" (as defined in Article 3(3) of the Enforcement Regulations of the Companies Act) of other corporations or entities.
- (Note 17) The Company may impose certain acquisition provision on Non-Qualified Parties to the effect that the Company will deliver as consideration stock acquisition rights that are different from the Stock Acquisition Rights, the details of which will be determined in the Gratis Allotment Resolution.

Profiles of the Members of the Independent Committee

The following three persons are scheduled to be the members of the Independent Committee upon the Renewal.

Name:	Eiji Uda	
Date of birth:	August 3, 1956	
Career summary:	April 1981	Joined IBM Japan, Ltd.
	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. (present SoftBank Corp.)
	March 2004	Senior Vice President of salesforce.com, Inc.
	April 2004	Representative Director and President of salesforce.com Co., Ltd.
	April 2012	Executive Vice President of salesforce.com, Inc.
	June 2014	Outside Director of the Company
	March 2016	Chairman and Representative Director of Unified Service Co., Ltd.
	April 2016	President and Representative Director of 4U Lifecare Inc.
	June 2016	Outside Director (Audit and Supervisory Committee Member) of the Company (present post)
	September 2017	Chairman and CEO of Yext KK
	December 2017	President, Chairman and Representative Director of Unified Service Co., Ltd.
	April 2018	Chairman and Director of 4U Lifecare Inc. (present post)
	June 2018	Chairman and Representative Director of Unified Service Co., Ltd. (present post)
	November 2020	Chairman of Yext KK (present post)
		To present

Eiji Uda is currently an Outside Director (Audit and Supervisory Committee Member) of the Company.

He does not have any special interest in the Company. The Company has designated him as an independent executive stipulated by the Tokyo Stock Exchange, and registered him with the exchange as such.

Name: Rehito Hatoyama

Date of birth: January 12, 1974

Career summary:	April 1997	Joined Mitsubishi Corporation
	May 2008	Joined Sanrio Co., Ltd.
	April 2013	Managing Director of Sanrio Co., Ltd.
	June 2013	Outside Director of DeNA Co., Ltd.
	June 2015	CEO of Sanrio Media & Pictures Entertainment, Inc.
	April 2016	Outside Director of Pigeon Corporation (present post)
	June 2016	Outside Director of the Company (present post)
	July 2016	Representative Director of Hatoyama Soken Corporation (present post)
	March 2021	Outside Director of Z Holdings Corporation (present post)
		To present

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

He does not have any special interest in the Company. The Company has designated him as an independent executive stipulated by the Tokyo Stock Exchange, and registered him with the exchange as such.

Name: Toru Shimada
Date of birth: March 3, 1965

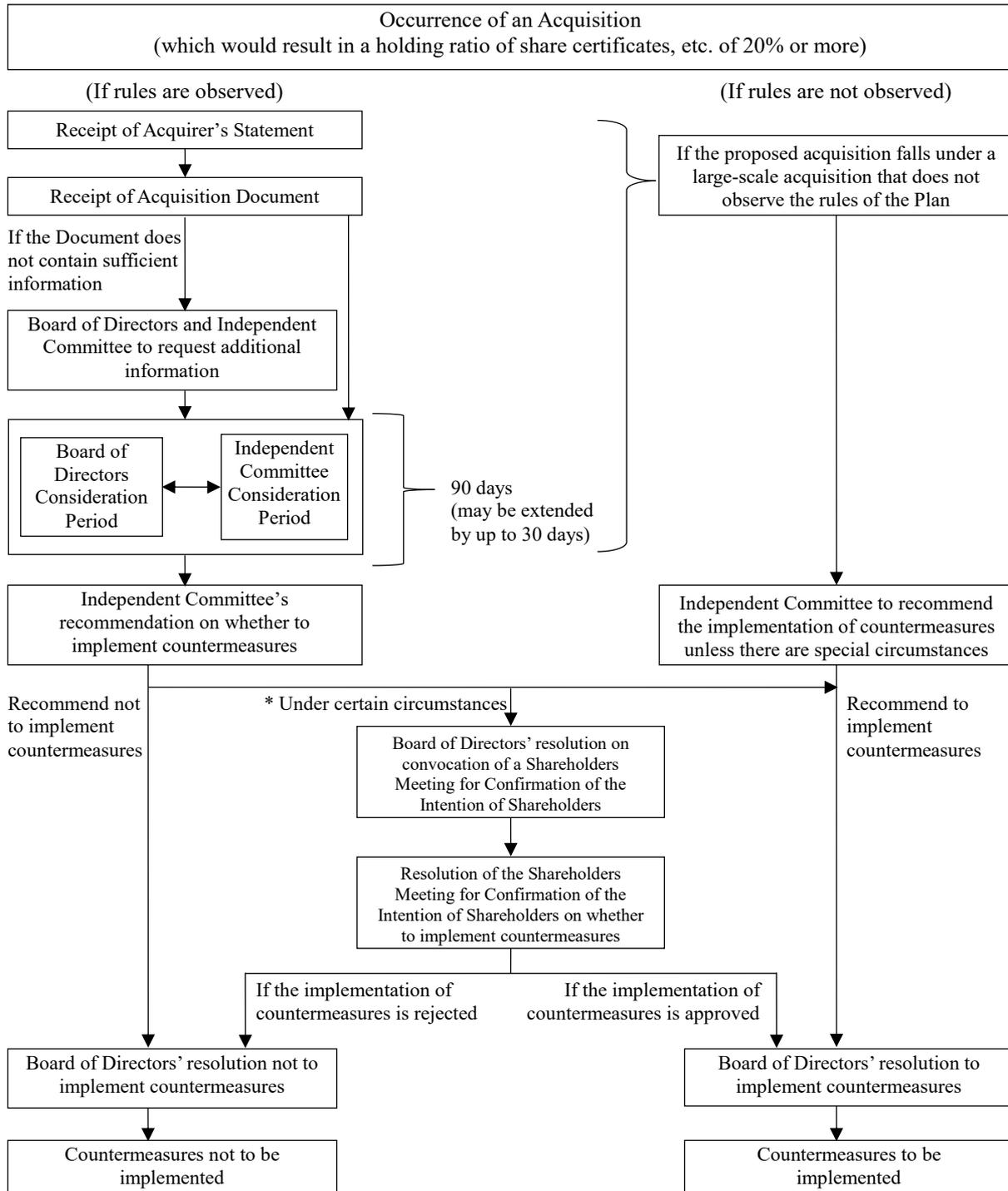
Career summary:

April 1987	Joined Recruit Co., Ltd.
June 1989	Founded Intelligence, Ltd. (present PERSOL CAREER CO., LTD.)
September 1989	Director of Intelligence, Ltd.
January 2008	Representative Director & President & Owner of Rakuten Baseball, Inc.
November 2014	Representative Director of Rakuten, Inc.
June 2016	Outside Director of the Company (present post)
March 2017	Vice President, Director & COO of U-NEXT Co., Ltd.
December 2017	Vice President, Director & COO of USEN-NEXT HOLDINGS Co., Ltd. (present post)
June 2019	Outside Director of MITANI SANGYO Co., Ltd. (present post)
February 2020	Outside Director of Visional Inc. (present post)
	To present

Toru Shimada is an Outside Director of the Company. He is scheduled to be reelected as an Outside Director of the Company upon approval of the proposal regarding election of Directors at this Annual General Meeting of Shareholders.

He does not have any special interest in the Company. The Company has designated him as an independent executive stipulated by the Tokyo Stock Exchange, and registered him with the exchange as such.

Flowchart of the Procedures of the Plan



* (i) If the Independent Committee makes a reservation to the effect that the approval of the general meeting of shareholders should be obtained in advance upon implementation of the gratis allotment of Stock Acquisition Rights or recommends confirmation of the intention of shareholders regarding the Acquisition by the Acquirer, or (ii) the applicability of Trigger Event (2) becomes an issue and the Board of Directors determines it appropriate to confirm the intention of shareholders taking into consideration the time required to convene a meeting of shareholders or other matters pursuant to the duty of care of a good manager.

Note: This flowchart is prepared by omitting details to explain the outline of the procedural flow of the Plan in an easy-to-understand manner. For the details of the Plan, please refer to the main text of this proposal.

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

The term of office of all fourteen Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, the Company proposes the election of fourteen Directors.

With regard to this Proposal, the Audit and Supervisory Committee of the Company has determined that all of the Director candidates are well qualified for the position.

The Director candidates are as follows:

Candidate No.	Name	Position	Candidate Attribute		
1	Koki Okuda	Founder, Representative Director & Group CEO	Reelection		
2	Koji Funatsu	Chairman, Representative Director & CEO	Reelection		
3	Masataka Okuda	President, Representative Director & COO	Reelection		
4	Koichi Iwami	Representative Director, Executive Vice President	Reelection		
5	Masaaki Muta	Director, Executive Vice President	Reelection		
6	Takeshi Kamiya	Director, Executive Vice President	Reelection		
7	Masatoshi Kouno	Director, Senior Corporate Executive Officer	Reelection		
8	Kenshi Matsubara	Director, Senior Corporate Executive Officer	Reelection		
9	Hiroshi Kaizuka	Senior Corporate Executive Officer	New election		
10	Kiyoshi Shiraishi	Director, Corporate Executive Officer & CTO	Reelection		
11	Rehito Hatoyama	Outside Director	Reelection	Outside	Independent executive
12	Toru Shimada	Outside Director	Reelection	Outside	Independent executive
13	Genichi Tamatsuka	Outside Director	Reelection	Outside	Independent executive
14	Noriyoshi Suzuki	Outside Director	Reelection	Outside	Independent executive

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) Reelection	<p>June 1966 Established Maruei Keisan Center Kabushiki Kaisha and became President, Representative Director</p> <p>June 1985 President, Representative Director of the Company</p> <p>June 1998 Chairman, Representative Director & President</p> <p>September 2002 Chairman, Representative Director & Group CEO</p> <p>June 2003 Founder, Representative Director & Group CEO (present post)</p> <hr/> <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 the sustainable corporate value of the Company and the Group. We have judged that we can expect him to make important business execution decisions at Board of Directors meetings and strengthen the functions to supervise executive departments, making the best use of his abundant experience and excellent knowledge as a manager. Accordingly, we have selected him as a candidate for Director.</p>	5,498,800 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) Reelection	<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</p> <p>October 2014 Outside Director, Member of the Board of KADOKAWA DWANGO CORPORATION (present KADOKAWA CORPORATION) (present post)</p> <p>June 2019 Outside Director of DeNA Co., Ltd. (present post)</p> <p>July 2019 Chairman, Representative Director & CEO and in charge of Compliance Promotion Department and Diversity Promotion Department of the Company</p> <p>September 2020 Chairman, Representative Director & CEO, and in charge of Compliance Promotion Department (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Outside Director, Member of the Board of KADOKAWA CORPORATION</p> <p>Outside Director of DeNA Co., Ltd.</p> <p>Reason for selecting him as a Director candidate Since assuming the position of Chairman, Representative Director & CEO in 2003, he has shown strong leadership aimed at improving the sustainable corporate value of the Company and the Group. We have judged that we can expect him to make important business execution decisions at Board of Directors meetings and strengthen the functions to supervise executive departments, making the best use of his abundant experience and excellent knowledge as a manager. Accordingly, we have selected him as a candidate for Director.</p>	25,200 shares (9,398 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
3	Masataka Okuda (March 29, 1967)	<p>April 1988 Joined the Company</p> <p>June 1996 Director, Deputy General Manager of Marketing Division</p> <p>September 2002 Vice President, Representative Director & COO</p> <p>June 2003 President, Representative Director & COO</p> <p>April 2020 President Representative Director & COO, Chief of Business Development Sector (present post)</p>	5,910,368 shares (26,301 shares)
	Reelection	<p>Reason for selecting him as a Director candidate</p> <p>Since assuming the position of President, Representative Director & COO in 2003, he has shown strong leadership aimed at improving the sustainable corporate value of the Company and the Group. We have judged that we can expect him to make important business execution decisions at Board of Directors meetings and strengthen the functions to supervise executive departments, making the best use of his abundant experience and excellent knowledge as a manager. 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
4	Koichi Iwami (January 10, 1967) Reelection	<p>April 1993 Joined Ajinomoto Co., Inc.</p> <p>March 2001 Joined the Company</p> <p>June 2002 Director, Deputy General Manager of Business Development Division</p> <p>June 2003 Managing Director, General Manager of Marketing Chain Management Services Business Division, Services Division</p> <p>June 2005 Senior Managing Director</p> <p>June 2006 Executive Vice President, Director</p> <p>March 2012 Chairman of transcosmos Korea Inc.</p> <p>June 2017 Director, Executive Vice President, Chief of Global Business Headquarters, in charge of DEC Headquarters and Services Promotion Division of the Company</p> <p>March 2018 Chairman, Director & CEO of transcosmos Korea Inc. (present post)</p> <p>June 2020 Representative Director, Executive Vice President, Chief of Global Business Headquarters, in charge of DEC Headquarters and Services Promotion Sector of the Company</p> <p>January 2021 Representative Director, Executive Vice President, Chief of Global Business Headquarters, in charge of DEC Headquarters, Services Promotion Sector, and Diversity Promotion Department (present post)</p> <p>(Significant concurrent positions outside the Company) Chairman, Director & CEO of transcosmos Korea Inc.</p> <hr/> <p>Reason for selecting him as a Director candidate Given his abundant experience and excellent knowledge as a manager of the Company and Group companies in Japan and abroad, we have judged that he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth of the Company and the Group. Accordingly, we have selected him as a candidate for Director.</p>	800 shares (115 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
5	Masaaki Muta (February 9, 1965) Reelection	<p>April 1989 Joined Recruit Co., Ltd.</p> <p>June 1999 Managing Director, 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</p> <p>June 2017 Director, Senior Corporate Executive Officer, Chief of Sales Headquarters, in charge of Services Promotion Division, and DEC Headquarters, Account Executive</p> <p>June 2020 Director, Executive Vice President, Co-Chief of DEC Headquarters, Co-Chief of Sales Headquarters, Deputy Chief of Global Business Headquarters, and in charge of DEC Headquarters, AE Sector</p> <p>January 2021 Director, Executive Vice President, Co-Chief of DEC Headquarters, Co-Chief of Sales Headquarters, Deputy Chief of Global Business Headquarters, and in charge of DEC Headquarters, AE Sector (present post)</p> <p>Reason for selecting him as a Director candidate Given his abundant experience and knowledge in the fields of sales strategy and business promotion, we have judged that he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth of the Company and the Group. Accordingly, we have selected him as a candidate for Director.</p>	108 shares (3,989 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	Takeshi Kamiya (August 30, 1973) Reelection	<p>April 1998 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION</p> <p>July 2005 Joined Bain & Company Japan, Inc.</p> <p>October 2015 Joined the Company, Corporate Senior Officer, General Manager of Corporate Strategy Division</p> <p>June 2016 Corporate Executive Officer, General Manager of Corporate Strategy Division</p> <p>June 2017 Director, Corporate Executive Officer, General Manager of Corporate Strategy Division, Deputy Chief of DEC Headquarters, General Manager of Global E-Commerce/DS Promotion Division of DEC Headquarters, and General Manager of Global End-to-End e-commerce/DS Division of DEC Headquarters</p> <p>June 2019 Director, Senior Corporate Executive Officer, General Manager of Corporate Strategy Division, General Manager of Global E-Commerce/DS Promotion Division, and in charge of End-to-End e-commerce/DS Division of DEC Headquarters</p> <p>June 2020 Director, Executive Vice President, General Manager of Corporate Strategy Division, Deputy Chief of Business Development Sector, and General Manager of Global E-Commerce/Direct Sales Promotion Division of Business Development Sector</p> <p>August 2020 Director, Executive Vice President, General Manager of Corporate Strategy Division, Chief of Corporate Management Sector, Deputy Chief of Business Development Sector, and General Manager of Global E-Commerce/Direct Sales Promotion Division of Business Development Sector (present post)</p>	– shares (1,452 shares)
		<p>Reason for selecting him as a Director candidate Given his abundant experience and knowledge in the fields of management strategy and consulting, we have judged that he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth of the Company and the Group. 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
7	Masatoshi Kouno (August 22, 1965) Reelection	<p>March 1986 Joined the Company</p> <p>June 2011 Corporate Senior Officer, General Manager of Services Promotion Division</p> <p>June 2013 Executive Managing Director, Chief of Business Process Outsourcing Services Headquarters and Deputy General Manager of Services Promotion Division</p> <p>June 2017 Director, Corporate Executive Officer, Chief of Business Process Outsourcing Services Headquarters and General Manager of Services Promotion Division</p> <p>April 2019 Director, Senior Corporate Executive Officer, Chief of Business Process Outsourcing Services Headquarters and Chief of Services Promotion Sector</p> <p>October 2019 Director, Senior Corporate Executive Officer, Chief of Business Process Outsourcing Services Headquarters, Chief of Services Promotion Sector, and Head of Business Development Office of BPO Services Headquarters (present post)</p> <p>Reason for selecting him as a Director candidate Given his abundant experience and knowledge in the field of BPO, we have judged that he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth of the Company and the Group. Accordingly, we have selected him as a candidate for Director.</p>	4,800 shares (1,923 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	Kenshi Matsubara (April 3, 1964) Reelection	<p>April 1987 Joined Recruit Co., Ltd.</p> <p>July 2000 Joined Net Perceptions Japan Inc.</p> <p>May 2002 Joined the Company</p> <p>July 2007 Corporate Officer, General Manager of Metropolitan Region Division I Service of Call Center Service Sector</p> <p>April 2015 Corporate Senior Officer, Chief of Contact Center Service Headquarters</p> <p>June 2016 Corporate Executive Officer, Chief of DEC Headquarters and Deputy General Manager of Services Management Division</p> <p>April 2017 Senior Corporate Executive Officer, Chief of DEC Headquarters and Deputy General Manager of Services Promotion Division</p> <p>June 2019 Director, Senior Corporate Executive Officer, Co-Chief of DEC Headquarters and Chief of Digital Communication Center Sector of DEC Headquarters</p> <p>April 2020 Director, Senior Corporate Executive Officer, Co-Chief of DEC Headquarters, and Chief of Digital Customer Communication Sector of DEC Headquarters (present post)</p>	800 shares (254 shares)
		<p>Reason for selecting him as a Director candidate</p> <p>Given his abundant experience and knowledge in the field of contact center services, we have judged that he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth of the Company and the Group. 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
9	Hiroshi Kaizuka (February 26, 1965) New election	<p>April 1988 Joined the Company</p> <p>June 1996 Director, Deputy General Manager of Marketing Division</p> <p>August 2001 Managing Director, Assistant of Business Development Division and General Manager of Overseas Business Division</p> <p>April 2004 Corporate Senior Officer, General Manager of Public Telecommunications Services Sales Division</p> <p>June 2016 Corporate Executive Officer, Deputy Chief of Sales Headquarters</p> <p>January 2019 Senior Corporate Executive Officer, Co-Chief of Sales Headquarters</p> <p>Reason for selecting him as a Director candidate Given his abundant experience and knowledge in the field of sales, we have judged that he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth of the Company and the Group. Accordingly, we have selected him as a candidate for Director.</p>	6,800 shares (– shares)
10	Kiyoshi Shiraiishi (September 26, 1956) Reelection	<p>April 1981 Joined FUJITSU LIMITED</p> <p>July 1988 Joined Recruit Co., Ltd.</p> <p>November 1998 Joined the Company, Deputy General Manager of Business Planning & Development Division President and Representative Director of J-Stream Inc.</p> <p>June 2014 Executive Managing Director, CTO and Services Promotion Division Deputy of the Company</p> <p>April 2016 Chairman and Representative Director of J-Stream Inc. (present post)</p> <p>June 2017 Director, Corporate Executive Officer & CTO, Deputy General Manager of Services Promotion Division of the Company</p> <p>April 2020 Director, Corporate Executive Officer & CTO, Deputy Chief of Services Promotion Sector, and in charge of Digital Technology Promotion Division of Services Promotion Sector (present post)</p> <p>(Significant concurrent positions outside the Company) Chairman and Representative Director of J-Stream Inc.</p> <p>Reason for selecting him as a Director candidate With his abundant experience and knowledge in the IT field, he has promoted the enhancement of technological development and information security of the Company and the Group. We have judged that, continuing to serve as the CTO, he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth. Accordingly, we have selected him as a candidate for Director.</p>	– shares (1,298 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
11	Rehito Hatoyama (January 12, 1974) Reelection Outside Independent executive Term of office: five years	<p>April 1997 Joined Mitsubishi Corporation</p> <p>May 2008 Joined Sanrio Co., Ltd.</p> <p>April 2013 Managing Director of Sanrio Co., Ltd.</p> <p>June 2013 Outside Director of DeNA Co., Ltd.</p> <p>June 2015 CEO of Sanrio Media & Pictures Entertainment, Inc.</p> <p>April 2016 Outside Director of Pigeon Corporation (present post)</p> <p>June 2016 Outside Director of the Company (present post)</p> <p>July 2016 Representative Director of Hatoyama Soken Corporation (present post)</p> <p>March 2021 Outside Director of Z Holdings Corporation (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Outside Director of Pigeon Corporation</p> <p>Representative Director of Hatoyama Soken Corporation</p> <p>Outside Director of Z Holdings Corporation</p> <hr/> <p>● Reason for selecting him as an Outside Director candidate and outline of expected roles Reason for selecting him as a candidate: Given his abundant experience and broad knowledge in the fields of Internet services and global business promotion, we have judged that he is an appropriate person to serve as a member of the Board of Directors of the Company and have selected him as a candidate for Outside Director. Expected roles: He is expected to advise, supervise, etc., the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above.</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
12	Toru Shimada (March 3, 1965) Reelection Outside Independent executive Term of office: five years	<p>April 1987 Joined Recruit Co., Ltd.</p> <p>June 1989 Founded Intelligence, Ltd. (present PERSOL CAREER CO., LTD.)</p> <p>September 1989 Director of Intelligence, Ltd.</p> <p>January 2008 Representative Director & President & Owner of Rakuten Baseball, Inc.</p> <p>November 2014 Representative Director of Rakuten, Inc.</p> <p>June 2016 Outside Director of the Company (present post)</p> <p>March 2017 Vice President, Director & COO of U-NEXT Co., Ltd.</p> <p>December 2017 Vice President, Director & COO of USEN-NEXT HOLDINGS Co., Ltd. (present post)</p> <p>June 2019 Outside Director of MITANI SANGYO Co., Ltd. (present post)</p> <p>February 2020 Outside Director of Visional Inc. (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Vice President, Director & COO of USEN-NEXT HOLDINGS Co., Ltd.</p> <p>Outside Director of MITANI SANGYO Co., Ltd.</p> <p>Outside Director of Visional Inc.</p> <p>● Reason for selecting him as an Outside Director candidate and outline of expected roles Reason for selecting him as a candidate: He has successively held important positions including Representative Director in several companies. Given his abundant experience and broad knowledge in the fields of corporate management in general and Internet services, we have judged that he is an appropriate person to serve as a member of the Board of Directors of the Company and have selected him as a candidate for Outside Director. Expected roles: He is expected to advise, supervise, etc., the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above.</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
13	Genichi Tamatsuka (May 23, 1962) Reelection Outside Independent executive Term of office: two years	<p>April 1985 Joined Asahi Glass Co., Ltd. (present AGC Inc.)</p> <p>November 2002 President and COO of FAST RETAILING CO., LTD</p> <p>September 2005 Established Revamp Corporation, Representative Director and President of the company</p> <p>May 2014 Representative Director and President of Lawson, Inc.</p> <p>June 2017 President and CEO of Hearts United Group Co., Ltd. (present DIGITAL HEARTS HOLDINGS Co., Ltd.) (present post)</p> <p>September 2017 Outside Director of adot co., ltd. (present Birdman Inc.) (present post)</p> <p>October 2017 President of DIGITAL HEARTS Co., Ltd. (present post)</p> <p>October 2017 Outside Director of RAKSUL INC. (present post)</p> <p>June 2019 Outside Director of the Company (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>President and CEO of DIGITAL HEARTS HOLDINGS Co., Ltd.</p> <p>President of DIGITAL HEARTS Co., Ltd.</p> <p>Outside Director of Birdman Inc.</p> <p>Outside Director of RAKSUL INC.</p> <hr/> <p>● Reason for selecting him as an Outside Director candidate and outline of expected roles Reason for selecting him as a candidate: He has successively held important positions including Representative Director in several companies. Given his abundant experience and broad knowledge in the field of corporate management in general, we have judged that he is an appropriate person to serve as a member of the Board of Directors of the Company and have selected him as a candidate for Outside Director. Expected roles: He is expected to advise, supervise, etc., the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above.</p>	– shares (1,114 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	Noriyoshi Suzuki (April 20, 1956) Reelection Outside Independent executive Term of office: one year	<p>April 1982 Joined The Nikko Securities Co., Ltd.</p> <p>October 2001 Manager of Private Banking Division of Nikko Cordial Securities Inc. (present SMBC Nikko Securities Inc.)</p> <p>February 2005 Managing Director of Nikko Cordial Securities Inc.</p> <p>December 2008 Senior Managing Director of Nikko Cordial Securities Inc.</p> <p>July 2009 President & Representative Director of LCF Edmond de Rothschild Nikko Cordial Co., Ltd. (present Edmond de Rothschild Nikko Co., Ltd.)</p> <p>March 2017 Deputy President Executive Officer of SMBC Nikko Securities Inc.</p> <p>June 2019 Outside Director of Denki Kogyo Company, Limited (present post)</p> <p>June 2020 Outside Director of the Company (present post)</p> <p>January 2021 Representative Director & President of LES ROIS MAGES JAPON (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Outside Director of Denki Kogyo Company, Limited</p> <p>Representative Director & President of LES ROIS MAGES JAPON</p> <hr/> <p>● Reason for selecting him as an Outside Director candidate and outline of expected roles Reason for selecting him as a candidate: He has many years of experience in the securities industry. Given his abundant experience and broad knowledge in the field of corporate management in general, we have judged that he is an appropriate person to serve as a member of the Board of Directors of the Company and have selected him as a candidate for Outside Director. Expected roles: He is expected to advise, supervise, etc., the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above.</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 Director’s shareholding society (Fractions smaller than one share are omitted).
2. Hiroshi Kaizuka concurrently holds the position of Representative Director & President of transcocosmos online communications inc., with which the Company has a business relationship.
Genichi Tamatsuka concurrently holds the position of President of DIGITAL HEARTS Co., Ltd., with which the Company has business relationship.
No special interests between any other candidates for Director and the Company.
Genichi Tamatsuka is scheduled to retire from DIGITAL HEARTS HOLDINGS Co., Ltd. and DIGITAL HEARTS Co., Ltd. on June 24, 2021 due to the expiration of his term of office.
3. Rehito Hatoyama, Toru Shimada, Genichi Tamatsuka and Noriyoshi Suzuki are candidates for Outside Directors.
4. The terms of office of the candidates for Outside Director, Rehito Hatoyama, Toru Shimada, Genichi Tamatsuka, and Noriyoshi Suzuki as Outside Director are the term of office at the conclusion of this Annual General Meeting of Shareholders.
5. Liability Limitation Agreement with candidates for Outside Director
The Company has entered into, with Rehito Hatoyama, Toru Shimada, Genichi Tamatsuka, and Noriyoshi Suzuki, the liability limitation agreements that limit liability for damages 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 damages under such agreements is 1 million yen or the amount provided for in Article 425, Paragraph 1 of the Companies Act, whichever is higher. If the reelection of each candidate is approved, the Company intends to continue the liability limitation agreement.
6. The Company has registered Rehito Hatoyama, Toru Shimada, Genichi Tamatsuka, and Noriyoshi Suzuki as independent executives stipulated by the Tokyo Stock Exchange. If this proposal is approved and the candidates take the posts of Outside Director, they will continue to be independent executives.
7. In fiscal 2020, DIGITAL HEARTS Co., Ltd., at which Genichi Tamatsuka holds a concurrent position, outsourced certain businesses from the Company, but the amount of the businesses accounts for an insignificant part of consolidated sales of the company (less than 2%). Also, there is no business outsourced by this company to the Company. Accordingly, the Company has determined that his independence is ensured adequately.
8. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, under which Directors of the Company are insured persons, and plans to continue and renew the contract. When each candidate is reelected or elected, they will become the insured persons under this insurance contract. This insurance contract is to compensate for any damage to Directors who are the insured persons that may arise from any liability owed by them in relation to their execution of duties or any claims made against them in relation to the pursuit of such a liability. The contract is subject to certain exemptions from liability to prevent the appropriateness of the execution of duties by the officers of the Company who are the insured persons from being impaired. For example, any such damage as described above will not be reimbursed if it has arisen from an act contrary to public order and morality. The insurance premiums of this contract are fully borne by the Company.
9. For the criteria for judging independence of Outside Directors of the Company, please refer to the next page.
10. “DEC,” “AE” and “DS” used in “Career summary, position and areas of responsibility at the Company” of each candidate for Director are abbreviations for “Digital Marketing/EC/Contact Center,” “Account Executive” and “Direct Sales,” respectively.

(Reference) The criteria for judging independence of Outside Directors of the Company are as follows.

1. Outside Directors do not fall under any of the following items currently or during the past three years.
 - 1) An executive officer of a major customer of the Company*1 or a business operator of which the Company is a major customer*2
 - *1. A customer whose total purchases from the Company account for more than 2% of consolidated sales of the Company for any of the past three fiscal years
 - *2. A business operator whose total sales to the Company account for more than 2% of consolidated sales of said business operator for any of the past three fiscal years
 - 2) A consultant, accounting expert, tax expert, or legal expert who receives a large amount of money or other properties in addition to the remuneration for an officer from the Company*3
 - *3. Parties whose total remuneration from the Company exceeds 10.0 million yen for any of the past three fiscal years
 - 3) An executive officer of a nonprofit organization that receives large donations from the Company*4
 - *4. Organizations whose total donations from the Company exceed 10.0 million yen or 2% of the gross revenue for the said organization for any of the past three fiscal years
 - 4) Major shareholders of the Company*5 or their executive officers
 - *5. Party who holds 10% or more of total voting rights of the Company
2. A close relative within second degree of kinship of the Outside Director does not fall under any of the following items currently (excluding immaterial parties).
 - 1) Executive officer of the Company or its subsidiary
 - 2) A party who falls under 1) - 4) in 1. above.

(Reference) Composition of the Board of Directors (from June 23, 2021)

The expertise and experience possessed by each Director is indicated as below.

	Name	Corporate management	Management strategy Business strategy	Sales Marketing	Finance and accounting	Governance Compliance Risk management	Quality control IT/Digital	Global
Directors	Koki Okuda	•	•		•	•	•	
	Koji Funatsu	•	•	•		•		•
	Masataka Okuda	•	•	•			•	•
	Koichi Iwami	•	•				•	•
	Masaaki Muta		•	•			•	•
	Takeshi Kamiya		•		•	•		•
	Masatoshi Kouno		•	•			•	
	Kenshi Matsubara		•	•			•	
	Hiroshi Kaizuka		•	•			•	•
	Kiyoshi Shiraishi	•				•	•	
Outside Directors	Takeshi Natsuno (Audit and Supervisory Committee Member)	•	•	•			•	•
	Nozomu Yoshida (Audit and Supervisory Committee Member)	•	•	•	•	•		
	Eiji Uda (Audit and Supervisory Committee Member)	•		•		•		•
	Rehito Hatoyama		•		•	•		•
	Toru Shimada	•	•	•		•		
	Genichi Tamatsuka	•	•	•			•	
	Noriyoshi Suzuki	•	•	•				•

The table is not indicative of all the expertise and experience possessed by each individual.

BUSINESS REPORT
(from April 1, 2020 to March 31, 2021)

1. Business Overview of the Group

(1) Progress and Results of Operations

During the fiscal year ended March 31, 2021, Japan's economy deteriorated rapidly as personal consumption and corporate activities were severely restricted due to the effect of refraining from going out, business suspension requests, and the issuance of the state of emergency declaration under the global pandemic of the novel coronavirus disease. Although there were some signs of recovery, the economic outlook remained uncertain as the state of emergency declaration was issued again and the end of the pandemic is yet to be seen.

In the environment surrounding services in which the Group is engaged, there is firm demand for outsourcing services that increase efficiency of business performance, strengthen cost competitiveness, and lead to greater sales, as well as increasing needs for services to respond to the promotion of digitalization, the expansion of contactless sales channels such as e-commerce, and new life styles including the rapidly expanding telework under the COVID-19 crisis.

In such a situation, the Group experienced a certain impact as instructions and requests from administrative agencies to refrain from going out and voluntarily cancel events and campaigns and measures to prevent the spread of novel coronavirus and protect the safety of employees are causing a decrease in new projects, scaling down of some of the existing services, and a temporary decrease in the capacity utilization rate of operation centers. However, in addition to services that can potentially support operations related to novel coronavirus countermeasures taken by administrative agencies and others, the Group continued to actively promote DEC and BPO services where it supports corporate management and business transformation as a digital transformation partner, which underpinned increased orders. Although administrative expenses increased as the Group actively promoted novel coronavirus countermeasures, the bottom line improved, buoyed mainly by a rally in the profitability of order receiving services and the capture of high-revenue projects. Meanwhile, as part of efforts to achieve future business growth, seeking to reinforce the competitiveness of services at home and abroad and to respond to new needs, transcosmos continued to emphasize efforts to further strengthen the overall service structure and organization to promote digital transformation.

In the DEC services field, which provides our client companies with one-stop services to support their marketing, sales, and customer communication functions, where they interact with their customers, the Group focused on helping them to promote digital transformation and to increase sales. More specifically, we enhanced the functions of "transpeech" voice recognition solution and also worked to strengthen following other services that leverage digital technologies: "AI-powered voice assistant service" that connects cloud contact center services by Amazon Web Services Japan with AI-powered conversation services, thereby enabling our clients to launch the service quicker, at a lower cost; and "Chatbot AI-IQ Diagnostics," a service that surveys the quality of AI-chatbot. In terms of contact center services, we have released and actively marketed "Home-based Contact Center Services" that help contact center operators strengthen their business continuity plans, and optimize costs by reducing facilities. In addition, as part of our initiative for bolstering our service competitiveness and strengthening our service framework, we have enhanced our e-commerce services framework based on "Shopify," the world's top share e-commerce platform. Moreover, we have opened a new office at Shibuya First Tower assembling the entire digital marketing teams including the website development/operations services team, the development and operations team for LINE, Instagram, Twitter and other social media platforms, and the internet advertising team. By doing so, we have bolstered the service framework so that the combined team can actively create new digital marketing services, make proposals for integrated services that leverage the strength of each team, thereby contributing to our customers in expanding their sales more than ever before.

In the BPO services field, which simplifies our client companies' business processes to improve their speed and accuracy and optimizes their operations by utilizing digital technologies, the Group focused on strengthening the overall service structure mainly through alliances. More specifically, we have signed an outsourcing partnership agreement with Concur Japan Ltd. for its "SAP Concur," the leading business travel/expense management solution. Under the partnership, we will help drive our client companies' efforts in digitalizing their expense management processes to achieve the greater operational efficiency. We also have formed a partnership with Works Human Intelligence Co., Ltd. for BPO services designed for the

human resources department. Leveraging the partnership, we will help businesses transform their HR operations with our BPO services powered by “COMPANY,” the integrated HR system. We have been offering our BPO services to FUJITSU LIMITED, Toshiba Corporation, and TOSHIBA DIGITAL SOLUTIONS CORPORATION by investing in their respective shared services companies or making them into our subsidiaries. Going forward, we will bolster our initiatives for investments, and merger and acquisitions in addition to forming alliances. The Group will continue to strengthen efforts to become a good digital transformation partner for our client companies that can connect DEC services with BPO services seamlessly to support digital transformation by putting customer first.

The Group also expanded its service lineup and structure overseas, particularly in local markets in Asia. More specifically, we have released “home-based contact center services” in China and Taiwan. In other countries where we operate, we have developed operational structures that enable our agents to work from home in order to secure our employees’ safety, and ensure business continuity under the COVID-19 crisis. Currently, we are making necessary preparations to launch our home-based services in other markets. At the same time, we have enhanced our operational bases to accommodate growing business. In South Korea, we have expanded “Busan Center 1” and “Namyong Center,” and opened a new “Euljiro Center.” As the leading independent BPO company in South Korea, we now have a service network with 14 bases and about 5,000 workstations (8,100 workstations including onsite locations) in the country. In South East Asia, we have reorganized and enhanced our service framework for the Malaysian local market by opening the second location in Kuala Lumpur, which is equipped with an operations center. In Malaysia, we are making the most of the multiethnic nature of the country and offering various services including contact centers, and digital marketing not only for the Malaysian local market but also to the global market as a multilingual operations base. As a result of these efforts, we have established a network that can provide services at 103 bases in 29 countries and regions overseas, and we will continue to strengthen efforts to accelerate overseas expansion.

As a result, consolidated operating results for the fiscal year ended March 31, 2021 were as follows. Net sales were 336,405 million yen, up 7.9% from the previous year. As for profit, mainly owing to an increase in net sales and profitability, operating profit increased 66.1% from the previous fiscal year to 17,752 million yen, ordinary profit increased 101.2% to 18,012 million yen, and profit attributable to owners of parent also increased 59.6% to 10,022 million yen.

“Income taxes-current” increased significantly mainly because a significant tax expense was incurred in relation to the strategic reorganization undertaken during the current fiscal year as a result of a significant increase in the corporate value of our foreign investees.

Net sales ¥336,405 million	Up 7.9% from the previous fiscal year	Ordinary income ¥18,012 million	Up 101.2% from the previous fiscal year
Operating profit ¥17,752 million	Up 66.1% from the previous fiscal year	Profit attributable to owners of parent ¥10,022 million	Up 59.6% from the previous fiscal year

The operating results by segment are as follows.

The Company’s services

As a result of factors such as increased demand for outsourcing services of the Company, net sales were 240,763 million yen, up 5.8% from previous year. Segment profit was 11,237 million yen, up 42.0% from the previous fiscal year as profitability improved mainly due to the expansion of existing large businesses, as well as the winning of a major public project.

Domestic subsidiaries and affiliates

In domestic subsidiaries and affiliates, sales were 39,483 million yen, up 39.6% from the previous fiscal year because of strong orders received particularly at listed subsidiaries, as well as the effect of the inclusion of sales of some newly consolidated subsidiaries mainly starting from the third quarter of the previous fiscal year. Segment profit was 3,603 million yen, up 164.5% from the previous fiscal year mainly due to profitability improvements at some of our listed subsidiaries.

Overseas subsidiaries and affiliates

In overseas subsidiaries and affiliates, sales were 69,105 million yen, up 4.6% from the previous fiscal year, because of an increase in orders received for services provided by our subsidiaries in Southeast Asia, China, and South Korea. Segment profit was 2,914 million yen, up 106.2% from the previous year due to improved profitability, particularly at subsidiaries in China and South Korea.

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

(2) Issues to Be Addressed

Medium-term management plan

The Company has stated in its corporate message that it wants to become the Global Digital Transformation Partner, i.e., the provider of new services that tap into digital technology to support client companies' transformation, formulated a medium-term management plan for the three years ended fiscal 2019, and has been implementing various measures from the three perspectives of "service innovation," "global expansion of services," and "becoming a strategic partner for client companies." By steadily executing this plan, we have been able to create new services utilizing digital applications to various businesses. On the other hand, aggressive business investments have caused a temporarily increase in sales and administrative costs, leaving room for improvement in terms of overall business profitability. It is also necessary to implement measures to accelerate the evolution of innovative services and businesses that we have explored so that we can respond to labor shortage and increases in personnel expenses, which are expected to continue going forward.

Therefore, the Company has formulated and promoted a new medium-term management plan for the three-year period from FY2020 to FY2022 to deploy new models that have been created by FY2019 on a large scale and accelerate the momentum toward becoming a "Global Digital Transformation Partner." Under the new medium-term management plan, we will focus on "people & technology," the origin of the business of the Company. In other words, we will solve customers' problems by providing high value-added solutions that combine professional talents and advanced technology to achieve high growth and profitability. To this end, in the existing business fields, we will work to lengthen the duration and increase the scale of customer relations based on the trust of customers. In addition, we will focus utmost efforts on the development of related fields in which demand is expected to increase in the future where the strength and customer relations of each business can be effectively applied. At the same time, to create new domains that can be our new pillars for the future, we will work to realize innovation by leveraging to a maximum degree the group strengths of our subsidiaries and affiliates and joint ventures in which we have invested so far. By establishing a sustainable business model with these initiatives, we will push forward with steps toward becoming "the one and only global outsourcing services player that serves for client companies' topline growth."

Amid the spread of novel coronavirus infection, there is a possibility that the execution of the new medium-term management plan may be impacted due to the extent that the Company's business and the business environment are impacted, and measures that prioritize "social responsibility to prevent the spread of infection" and "ensuring the safety of employees in accordance with obligations to look after the safety of workers," which are the Company's basic policies.

Efforts to realize a sustainable society

The Group promotes efforts to solve social issues and environmental concerns through its business activities, aiming to realize a sustainable society and continual improvement of corporate value.

■ Initiatives to achieve SDGs

We will work to contribute to the achievement of SDGs through responsible corporate activities and businesses centered around "people & technology." We will also establish the transcosmos SDGs Promotion Committee, a dedicated team to support these initiatives, and conduct SDGs-driven innovation activities within and outside the Company to enlighten and embed SDGs activities. Specific initiatives include SDGs education for employees (e-learning) and internal workshops participated in by representatives from each department.

■ ESG initiatives

The Company is actively grappling with social issues and expectations in the three elements of ESG (Environment, Social, and Governance).

- Environment (E)
The Company has created and is operating an environmental management system that is compliant with “ISO14001” international standards. Through the provision of services with streamlining and labor-saving effects as well as environment-friendly services, the Group helps reduce environmental burden of client companies and the society as a whole. Within the Group it also promotes energy saving and resource saving, and conducts various activities for environmental protection and conservation.
- Social (S)
We are grappling with various social issues through the fulfillment of our responsibilities for the services that we provide, the promotion of diversity, and close attention to human rights and working conditions. In particular, to strengthen our human resources, which are the key driver to accelerate business growth and global expansion and to enable the continuous creation of value added, the Group is working to realize an environment in which employees with various backgrounds in terms of gender, nationality, and disability can be motivated).
- Governance (G)
We are strengthening the business foundation that is indispensable for business continuity, including corporate governance, risk management, compliance, and information security. Our specific initiatives for corporate governance are described in “To strengthen its corporate governance” on page 60.

(3) Status of Raising Funds

During the current fiscal year, the Company raised 16,211 million yen in the form of a long-term loan from a financial institution as part of required funds of the Group.

(4) Status of Capital Investment

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

(5) Transfers, Absorption-type Splits, or Incorporation-type Splits of Business

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

(6) Acquisition of Businesses of Other Companies

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

(7) Succession of Rights and Duties of Other Institutions in Relation to Mergers or Absorption-type Splits

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

(8) Acquisition or Disposal of the Shares, Other Equities, or Stock Acquisition Rights of Other Companies

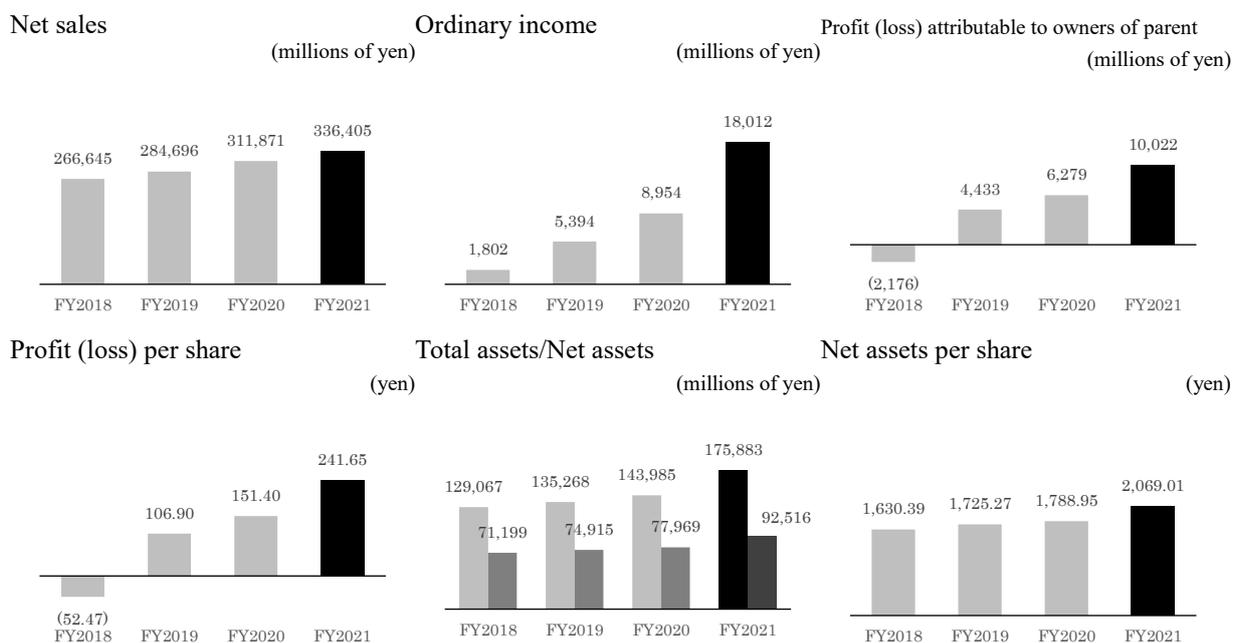
On June 5, 2020, the Company transferred to UNQ Holding (HK) Limited all of the equity held by the Company in UNQ (Shanghai) Supply Chain Management Co., Ltd., an affiliate of the Company accounted for using the equity method, and entered into an agreement of our investing in UNQ HOLDINGS LIMITED, the holding company of UNQ Holding (HK) Limited. As a result, UNQ (Shanghai) Supply Chain Management Co., Ltd. was excluded from the scope of application of the equity method, while UNQ HOLDINGS LIMITED continues to be an affiliate of the Company accounted for by the equity method.

(9) Trends of Business Results and Assets of the Group

Category	FY 2018 (33 rd Fiscal Term)	FY 2019 (34 th Fiscal Term)	FY 2020 (35 th Fiscal Term)	FY 2021 (current fiscal year) (36 th Fiscal Term)
Net sales (millions of yen)	266,645	284,696	311,871	336,405
Ordinary income (millions of yen)	1,802	5,394	8,954	18,012
Profit (loss) attributable to owners of parent (millions of yen)	(2,176)	4,433	6,279	10,022
Profit (loss) per share (yen)	(52.47)	106.90	151.40	241.65
Total assets (millions of yen)	129,067	135,268	143,985	175,883
Net assets (millions of yen)	71,199	74,915	77,969	92,516
Net assets per share (yen)	1,630.39	1,725.27	1,788.95	2,069.01

Notes:

- Profit (loss) 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.
- Effective from the beginning of the 34th Fiscal Term, the Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018), etc. Accordingly, deferred tax assets are presented in the “investments and other assets” section and deferred tax liabilities in the “fixed liabilities” section. The corresponding figures for the 33rd Fiscal Term presented are also reclassified accordingly.



(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	50.35%	Data distribution service business using the Internet
APPLIED TECHNOLOGY CO., LTD.	600 million yen	60.23%	System integration business for GIS/manufacturers
transcosmos Korea Inc.	KRW5,302 million	99.99%	DEC Services in Korea
transcosmos CC China	RMB153 million	100.00%	DEC Services in China

(11) Principal Business of the Group (As of March 31, 2021)

DEC (Digital Marketing/EC/Contact Center) Services
Comprehensive service comprising of digital marketing services, e-commerce one-stop services and contact center services that supports improving customer experience by removing the barrier between marketing, sales and support to centralize diversified consumer touchpoints. Integrating our long-standing, proven know-how on consumer communication and digital technology with our global service network, we support improvement of customer loyalty for clients as well as to expand their sales and profits.
BPO (Business Process Outsourcing) Services
This is a service that supports accounting/finance and human resources back office operations, order and purchase operations, information system operation and maintenance, machine and architectural design, etc. Leveraging the digital technology-based automation and the digital platform, the Group simplifies clients' business process and supports its operation.

(12) Principal Business Offices of the Group (As of March 31, 2021)

Office	Location
Main Office	25-18, Shibuya 3-chome, Shibuya-ku, Tokyo
Main Office 2	Sunshine 60 Bldg., 3-1-1, Higashiikebukuro, Toshima-ku, Tokyo
Head Office, Branch Offices and Business Offices	Osaka, Nagoya, Kyoto, Wakayama, Fukuoka, Silicon Valley
Domestic Offices	Sapporo, Aomori, Sendai, Kawaguchi, Ichikawa, Tokyo, Yokohama, Nagoya, Osaka, Kobe, Wakayama, Fukuoka, Nagasaki, Sasebo, Kumamoto, Oita, Miyazaki, Naha, Okinawa, Uruma
Overseas Offices	China, South Korea, Taiwan, Vietnam, Philippines, Thailand, Malaysia, Indonesia, Singapore, India, UAE, Norway, Finland, Sweden, U.K., Estonia, Denmark, Poland, Ukraine, Belgium, Hungary, Bulgaria, South Africa, Canada, U.S.A., Mexico, Colombia, Brazil, Argentine

Note: Offices of the Group companies are included in the above.

(13) Employees (As of March 31, 2021)

1) Employees of the Group

Segment	Number of employees	Number of temporary employees
The Company's services	15,949	22,915
Domestic subsidiaries and affiliates	1,882	1,969
Overseas subsidiaries and affiliates	17,929	3,031
Total	35,760	27,915

2) Employees of the Company

Number of employees	Year-on-year change	Average age	Average length of service
15,949 (22,915)	+ 776 (+ 1,485)	36 years, 8 months	8 years, 10 months

Notes:

1. "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.
2. A comparison with the end of the previous fiscal year by segment is as follows:
 - The Company's services..... Number of employees up by 776, Number of temporary employees up by 1,485
 - Domestic subsidiaries and affiliates..... Number of employees up by 195, Number of temporary employees up by 431
 - Overseas subsidiaries and affiliates Number of employees up by 2,123, Number of temporary employees up by 149

This is mainly due to an increase in employees and temporary workers by some of our subsidiaries in response to an increase in orders received in "Domestic subsidiaries and affiliates" and "Overseas subsidiaries and affiliates."

(14) Major Creditors (As of March 31, 2021)

Creditor	Outstanding loans
Sumitomo Mitsui Banking Corporation	13,155 million yen
MUFG Bank, Ltd.	2,000 million yen
Sumitomo Mitsui Banking Corporation Europe Limited	1,477 million yen
Mizuho Bank Ltd.	1,000 million yen

2. Matters Concerning Shares of the Company (As of March 31, 2021)

- (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: 10,863
(of which 8,631 shareholders hold unit shares)
- (4) Top ten major shareholders

Name	Number of shares held (thousands of shares)	Shareholding ratio (%)
Masataka Okuda	5,910	14.3
Koki Okuda	5,498	13.3
transcosmos foundation, Public Interest Incorporated Foundation	3,753	9.0
Custody Bank of Japan, Ltd.	3,240	7.8
Master Trust Bank of Japan, Ltd. (Account in Trust)	1,603	3.9
Mihoko Hirai	1,463	3.5
Government of Norway	947	2.3
HM Kosan, Ltd.	722	1.7
Employee Shareholding Association of transcosmos inc.	655	1.6
THE BANK OF NEW YORK MELLON 140044	532	1.3

Notes:

1. Although the Company holds 7,319 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 (As of March 31, 2021)

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

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, 2021)

(1) Directors and Audit and Supervisory Committee Members

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 in charge of Compliance Promotion Department Outside Director, Member of the Board of KADOKAWA CORPORATION Outside Director of DeNA Co., Ltd.
President, Representative Director & COO	Masataka Okuda	Chief Operating Officer and Chief of Business Development Sector
Representative Director, Executive Vice President	Koichi Iwami	Chief of Global Business Headquarters, in charge of DEC Headquarters, Services Promotion Sector, and Diversity Promotion Department Chairman, Director & CEO of transcosmos Korea Inc.
Director, Executive Vice President	Masaaki Muta	Co-Chief of DEC Headquarters, Co-Chief of Sales Headquarters, Deputy Chief of Global Business Headquarters, and in charge of DEC Headquarters and AE Sector
Director, Executive Vice President	Takeshi Kamiya	General Manager of Corporate Strategy Division, Chief of Corporate Management Sector, Deputy Chief of Business Development Sector, and General Manager of Global E-Commerce/Direct Sales Promotion Division of Business Development Sector
Director, Senior Corporate Executive Officer	Masatoshi Kouno	Chief of Business Process Outsourcing Services Headquarters, Chief of Services Promotion Sector, and Head of Business Development Office of BPO Services Headquarters
Director, Senior Corporate Executive Officer	Kenshi Matsubara	Co-Chief of DEC Headquarters and Chief of Digital Customer Communication Sector of DEC Headquarters
Director, Senior Corporate Executive Officer	Ken Inazumi	Co-Chief of DEC Headquarters and Chief of Digital Transformation Sector of DEC Headquarters Outside Director of Wacom Co., Ltd.
Director, Corporate Executive Officer & CTO	Kiyoshi Shiraiishi	Deputy Chief of Services Promotion Sector and in charge of Digital Technology Promotion Division of Services Promotion Sector Chairman and Representative Director of J-Stream Inc.
Director, Corporate Executive Officer & CMO	Shunsuke Sato	Deputy Chief of Business Development Sector and General Manager of Business Innovation Division of Business Development Sector Outside Director of Beagle Inc.
Outside Director (Audit and Supervisory Committee Member)	Takeshi Natsuno	Guest Professor of Keio University, Graduate School of Media and Governance Special Guest Professor and Head of Cyber Informatics Research Institute of Kindai University President of Dwango Co., Ltd. Outside Director of Sega Sammy Holdings Inc. Outside Director of GREE, Inc. Outside Director of USEN-NEXT HOLDINGS Co., Ltd. Outside Director of Oracle Corporation Japan Director, Member of the Board of KADOKAWA CORPORATION

Position	Name	Assignment or principal responsibilities and significant concurrent positions
Outside Director (Audit and Supervisory Committee Member)	Nozomu Yoshida	Representative Director of nozomu.net Representative Director of Odayaka Living Co., Ltd. Outside Corporate Auditor of Asahi Net, Inc.
Outside Director (Audit and Supervisory Committee Member)	Eiji Uda	Chairman and Representative Director of Unified Service Co., Ltd. Chairman and Director of 4U Lifecare Inc. Chairman of Yext KK
Outside Director	Rehito Hatoyama	Outside Director of Pigeon Corporation Representative Director of Hatoyama Soken Corporation Outside Director of Z Holdings Corporation
Outside Director	Toru Shimada	Vice President, Director & COO of USEN-NEXT HOLDINGS Co., Ltd. Outside Director of MITANI SANGYO Co., Ltd. Outside Director of Visional Inc.
Outside Director	Genichi Tamatsuka	President and CEO of DIGITAL HEARTS HOLDINGS Co., Ltd. President of DIGITAL HEARTS Co., Ltd. Outside Director of Birdman Inc. Outside Director of RAKSUL INC.
Outside Director	Noriyoshi Suzuki	Outside Director of Denki Kogyo Company, Limited Representative Director & President of LES ROIS MAGES JAPON

Notes:

- Changes to Director during the fiscal year are as follows:
Outside Director Noriyoshi Suzuki was elected at the 35th Annual General Meeting of Shareholders held on June 25, 2020, and took office.
Director Ken Inazumi Retired upon resignation on March 31, 2021.
- Outside Directors (Audit and Supervisory Committee Members) Takeshi Natsuno, Nozomu Yoshida and Eiji Uda possess considerable expertise and experience in finance and accounting on account of their experience as managers.
- The Company establishes the Internal Audit Office that assists the duties of the Audit and Supervisory Committee. Since the Company considers that the Internal Audit Office exclusively engages in internal control operations and sufficiently supports the functions of the Audit and Supervisory Committee, it does not appoint any full-time Audit and Supervisory Committee Member.
- The Company has designated Outside Directors Takeshi Natsuno, Nozomu Yoshida, Eiji Uda, Rehito Hatoyama, Toru Shimada, Genichi Tamatsuka, and Noriyoshi Suzuki as independent executives stipulated by the Tokyo Stock Exchange, and registered them with the exchange as such.
- Liability Limitation Agreement
The Company has entered into, with Outside Directors Takeshi Natsuno, Nozomu Yoshida, Eiji Uda, Rehito Hatoyama, Toru Shimada, Genichi Tamatsuka, and Noriyoshi Suzuki, 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 damages under such agreement is 1 million yen or the amount provided for in Article 425, Paragraph 1 of the Companies Act, whichever is higher.
- “DEC,” “AE” and “DS” used in “Assignment or principal responsibilities and significant concurrent positions” of each Director are abbreviations for “Digital Marketing/EC/Contact Center,” “Account Executive” and “Direct Sales,” respectively. The same abbreviations apply also to (Reference) Directors and Audit and Supervisory Committee Members (As of April 1, 2021) on the next page.

(Reference) Directors and Audit and Supervisory Committee Members (As of April 1, 2021)

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 in charge of Compliance Promotion Department Outside Director, Member of the Board of KADOKAWA CORPORATION Outside Director of DeNA Co., Ltd.
President, Representative Director & COO	Masataka Okuda	Chief Operating Officer and Chief of Business Development Sector
Representative Director, Executive Vice President	Koichi Iwami	Chief of Global Business Headquarters, in charge of DEC Headquarters, Services Promotion Sector and Diversity Promotion Department Chairman, Director & CEO of transcosmos Korea Inc.
Director, Executive Vice President	Masaaki Muta	Co-Chief of DEC Headquarters, Co-Chief of Sales Headquarters, Deputy Chief of Global Business Headquarters, and in charge of DEC Headquarters and AE Sector
Director, Executive Vice President	Takeshi Kamiya	General Manager of Corporate Strategy Division, Chief of Corporate Management Sector, Deputy Chief of Business Development Sector, and General Manager of Global E-Commerce/Direct Sales Promotion Division of Business Development Sector
Director, Senior Corporate Executive Officer	Masatoshi Kouno	Chief of Business Process Outsourcing Services Headquarters, Chief of Services Promotion Sector, and Head of Business Development Office of BPO Services Headquarters
Director, Senior Corporate Executive Officer	Kenshi Matsubara	Co-Chief of DEC Headquarters and Chief of Digital Customer Communication Sector of DEC Headquarters
Director, Corporate Executive Officer & CTO	Kiyoshi Shiraishi	Deputy Chief of Services Promotion Sector and in charge of Digital Technology Promotion Division of Services Promotion Sector Chairman and Representative Director of J-Stream Inc.
Director, Corporate Executive Officer & CMO	Shunsuke Sato	Deputy Chief of Business Development Sector and General Manager of Business Innovation Division of Business Development Sector Outside Director of Beagle Inc.
Outside Director (Audit and Supervisory Committee Member)	Takeshi Natsuno	Guest Professor of Keio University, Graduate School of Media and Governance Special Guest Professor and Head of Cyber Informatics Research Institute of Kindai University President of Dwango Co., Ltd. Outside Director of Sega Sammy Holdings Inc. Outside Director of GREE, Inc. Outside Director of USEN-NEXT HOLDINGS Co., Ltd. Outside Director of Oracle Corporation Japan Director, Member of the Board of KADOKAWA CORPORATION
Outside Director (Audit and Supervisory Committee Member)	Nozomu Yoshida	Representative Director of nozomu.net Representative Director of Odayaka Living Co., Ltd. Outside Corporate Auditor of Asahi Net, Inc.

Position	Name	Assignment or principal responsibilities and significant concurrent positions
Outside Director (Audit and Supervisory Committee Member)	Eiji Uda	Chairman and Representative Director of Unified Service Co., Ltd. Chairman and Director of 4U Lifecare Inc. Chairman of Yext KK
Outside Director	Rehito Hatoyama	Outside Director of Pigeon Corporation Representative Director of Hatoyama Soken Corporation Outside Director of Z Holdings Corporation
Outside Director	Toru Shimada	Vice President, Director & COO of USEN-NEXT HOLDINGS Co., Ltd. Outside Director of MITANI SANGYO Co., Ltd. Outside Director of Visional Inc.
Outside Director	Genichi Tamatsuka	President and CEO of DIGITAL HEARTS HOLDINGS Co., Ltd. President of DIGITAL HEARTS Co., Ltd. Outside Director of Birdman Inc. Outside Director of RAKSUL INC.
Outside Director	Noriyoshi Suzuki	Outside Director of Denki Kogyo Company, Limited Representative Director & President of LES ROIS MAGES JAPON

(2) Outside Corporate Officers

Significant concurrent positions outside the Company and relationship with these companies

Category	Name	Companies with which concurrent positions are held	Concurrent position	Relationship between the Company and these companies
Outside Director (Audit and Supervisory Committee Member)	Takeshi Natsuno	Graduate School of Keio University Kindai University DWANGO Co., Ltd. Sega Sammy Holdings Inc. GREE, Inc. USEN-NEXT HOLDINGS Co., Ltd. Oracle Corporation Japan KADOKAWA CORPORATION	Guest Professor Special Guest Professor Representative Director Outside Directors Outside Director Outside Director Outside Director Director, Member of the Board	The Company has a business relationship with all these companies except for Graduate School of Keio University, USEN-NEXT HOLDINGS Co., Ltd., and Kindai University.
	Nozomu Yoshida	nozomu.net Odayaka Living Co., Ltd. Asahi Net, Inc.	Representative Director Representative Director Outside Corporate Auditor	There is no special relationship between each company and the Company.
	Eiji Uda	Unified Service Co., Ltd. 4U Lifecare Inc. Yext KK	Representative Director Director Representative Director	The Company has a business relationship with Yext KK. There is no special relationship between the other companies and the Company.
Outside Director	Rehito Hatoyama	Pigeon Corporation Hatoyama Soken Corporation Z Holdings Corporation	Outside Director Representative Director Outside Director	The Company has a business relationship with Pigeon Corporation. There is no special relationship between the other companies and the Company.
	Toru Shimada	USEN-NEXT HOLDINGS Co., Ltd. MITANI SANGYO Co., Ltd. Visional Inc.	Director Outside Director Outside Director	There is no special relationship between each company and the Company.
	Genichi Tamatsuka	DIGITAL HEARTS HOLDINGS Co., Ltd. DIGITAL HEARTS Co., Ltd. Birdman Inc. RAKSUL INC.	Representative Director Representative Director Outside Director Outside Director	The Company has a business relationship with DIGITAL HEARTS Co., Ltd. and Birdman Inc. There is no special relationship between the other companies and the Company.
	Noriyoshi Suzuki	Denki Kogyo Company, Limited LES ROIS MAGES JAPON	Outside Director Representative Director & President	There is no special relationship between each company and the Company.

(3) Principal Activities of Outside Corporate Officers

Principal Activities at Board of Directors' and Audit and Supervisory Committee Meetings during the current fiscal year

Attendance at Board of Directors' Meetings

Outside Directors (who are Audit and Supervisory Committee Members)		Outside Director	
Takeshi Natsuno	Number of meetings attended 13/13	Rehito Hatoyama	Number of meetings attended 12/13
Nozomu Yoshida	Number of meetings attended 13/13	Toru Shimada	Number of meetings attended 13/13
Eiji Uda	Number of meetings attended 13/13	Genichi Tamatsuka	Number of meetings attended 13/13
		Noriyoshi Suzuki	Number of meetings attended 9/10

Notes:

1. In addition to the above number of meetings of the Board of Directors, there were two 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 23 of the Articles of Incorporation of the Company.
2. Changes to Director during the fiscal year are as follows:

Outside Director	Noriyoshi Suzuki Elected at the 35 th Annual General Meeting of Shareholders held on June 25, 2020, and took office
Director	Ken Inazumi Retired upon resignation on March 31, 2021.

Attendance at Audit and Supervisory Committee meetings

Outside Directors (who are Audit and Supervisory Committee Members)	
Takeshi Natsuno	Number of meetings attended 12/13
Nozomu Yoshida	Number of meetings attended 13/13
Eiji Uda	Number of meetings attended 13/13

Comments at Board of Directors' Meetings and Outline of Duties Executed in Relation to Roles Expected of Outside Directors

At Board of Directors' meetings, each Outside Director actively stated his or her opinion including the provision of supervision, advice, etc., from an expert and impartial standpoint and played appropriate roles in ensuring the validity and appropriateness of decision making and business execution.

Comments at Audit and Supervisory Committee Meetings

At Audit and Supervisory Committee Meetings, each Outside Director (Audit and Supervisory Committee Member) asked questions and made statements on business operation and management status of the Company and Group companies, as necessary, to audit the execution of duties by Directors and employees.

(4) Remuneration paid to Directors

At its meeting held on February 26, 2021, the Board of Directors passed a resolution on the policy on determination of the details of remuneration for each Director.

Regarding the remuneration for each Director during the current fiscal year, the Board of Directors has taken measures to ensure that appropriate supervision is provided by the Audit and Supervisory Committee, which is composed of Outside Directors, so that the authority to determine the remuneration for each

Director is properly exercised by the Management Meeting. As the remuneration paid to each Director has been determined in accordance with this procedure, the Board of Directors has determined that the details of the remuneration are in line with the determination policy.

The policy on determination of the details of remuneration for each Director is as follows.

The remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall, in principle, consist only of monetary remuneration, which is paid regularly on a monthly basis during the term of office.

The remuneration paid to Inside Directors among the Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined based on the evaluation of performance of each Director for each fiscal year for the purpose of making each Director responsible for his/her own performance for each year to achieve the targets of the medium-term management plan. In addition to the monthly remuneration, bonuses for Directors may be provided during their term of office, if it is judged to be particularly reasonable to provide such bonuses in consideration of the short-term business results of the Company and the business environment, etc.

The remuneration paid to Outside Directors among the Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be a fixed amount in consideration of their job responsibilities, such as the provision of advice and supervision at the Board of Directors.

The remuneration paid to Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by the Management Meeting exercising its authority entrusted by the Board of Directors. The Management Meeting shall determine the amount paid for Inside Directors after fairly evaluating their performance and other relevant factors and the amount paid for Outside Directors in consideration of their job responsibilities, such as the provision of advice and supervision at the Board of Directors. The determination process shall be properly supervised by the Audit and Supervisory Committee.

The Management Meeting is composed of three members: Founder, Representative Director & Group CEO Koki Okuda; Chairman, Representative Director & CEO Koji Funatsu; and President, Representative Director & COO Masakata Okuda. It has the authority to determine the remuneration paid to each Director. The reason for the entrustment was that the Management Meeting was considered to be suitable for evaluating the department of which each Director is in charge while taking into consideration the business performance of the Company as a whole.

The remuneration paid to Directors who are Audit and Supervisory Committee Members is determined through discussion among Directors who are Audit and Supervisory Committee Members.

Category	Number of Persons paid	Amount paid
Directors (excluding Directors who are Audit and Supervisory Committee Members) (Outside Directors who are among the above)	15 (4)	¥482 million (¥66 million)
Directors (who are Audit and Supervisory Committee Members) (Outside Directors who are among the above)	3 (3)	¥49 million (¥49 million)
Total (Outside Directors who are among the above)	18 (7)	¥531 million (¥115 million)

Notes:

1. The amount of remuneration paid to Directors (excluding Directors who are Audit and Supervisory Committee Members) includes the amount of their bonuses of 33 million yen approved by the Board of Directors at its meeting held on February 26, 2021.
2. The amount of monetary remuneration paid to Directors was resolved not to exceed 800 million yen per year (including monetary remuneration paid to Outside Directors, which shall not exceed 100 million yen per year) at the 31st Annual General Meeting of Shareholders held on June 22, 2016. (These amounts do not include any salaries that Directors who double as employees receive as an employee.) The number of Directors (excluding Directors who were Audit and Supervisory Committee Members) was 16 (including three Outside Directors) at the conclusion of the General Meeting of Shareholders.
3. The amount of monetary remuneration paid to Directors who are Audit and Supervisory Committee Members was resolved not to exceed 60 million yen per year at the 31st Annual General Meeting of Shareholders held on June 22, 2016. The number of Directors who were Audit and Supervisory Committee Members was three as at the conclusion of the General Meeting of Shareholders.

5. Status of the Accounting Auditor

(1) Name of the Accounting Auditor

PricewaterhouseCoopers Aarata 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)	98 million yen
Total amount of money and other profits from properties to be paid by the Company and its subsidiaries to the Accounting Auditor	154 million yen

Notes:

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, among others, the Accounting Auditor’s audit plan, execution of auditing duties, and grounds for calculating the estimate of remuneration, the Audit and Supervisory Committee gave its consent to the remuneration, etc., for the Accounting Auditor.

(3) Matters concerning audits of subsidiaries

Among the major subsidiaries of the Company, transcosmos Korea Inc. and transcosmos CC China 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

Not applicable.

(5) Summary of the Liability Limitation Agreement

Not applicable.

(6) Policy on determining the dismissal or non-reappointment of the Accounting Auditor

If any of the provisions of Article 340, Paragraph 1 of the Companies Act applies to the Accounting Auditor, the Audit and Supervisory Committee will dismiss the Accounting Auditor upon the unanimous approval of Audit and Supervisory Committee Members. If it is judged necessary to do so, such as if there are obstacles to the Accounting Auditor executing its duties, the Audit and Supervisory Committee will decide a proposal for dismissal or non-reappointment of the Accounting Auditor; and the Board of Directors will submit the said proposal to the General Meeting of Shareholders.

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 Board of Directors' Meeting, 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 Directors who are Audit and Supervisory Committee Members will monitor the execution of the duties of the Directors.

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 Approval Rules, Document Management Rules, Contract Handling Rules, Information Management Rules, and Information Security Management 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 Legal Division for Document Approval Rules, Document Management Rules and Contract Handling Rules, as well as the General Manager of the Compliance Promotion Department for Information Management Rules and Information Security Management Rules, 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 will prepare an audit plan based on careful consideration of the items to be audited and the audit methods, conduct the audit in accordance with the plan, and report on the results of those audits in line with the instructions and orders of the President and Audit and Supervisory Committee.

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 and Audit and Supervisory Committee.

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 formulate rules for an internal reporting system by creating hotlines in order to establish an environment in which internal whistleblowers may easily provide information. The Company will implement appropriate reporting and consultation concerning organized or individual frauds and illegal activities, etc. through an internal reporting system in which Directors and employees can report directly to Audit and Supervisory Committee 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 linked to the performance results by drawing up an annual plan and 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 Board of Directors will manage and oversee the execution of business by the Executive Officers.

Decisions on significant matters entrusted by the Board of Directors in accordance with the rules of Management Meeting shall be made promptly and with care at the Management Meeting.

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 follow 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 Promotion Department will name Corporate Officer in charge of the department as the responsible person, and plan for and implement compliance programs regularly. The Company will raise employees' knowledge of compliance and create a mindset that adheres to compliance by holding training sessions on compliance and preparing and distributing manuals.

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' risk 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 Audit and Supervisory Committee Members 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 audit in cooperation with the Internal Audit Office, based on the management rules of the affiliated companies, and give guidance to subsidiaries.

For subsidiaries that the Company considers significant, directors and employees of those subsidiaries will undergo compliance training equivalent to that of the Company.

10) Matters related to employees and Directors appointed for the support of the Audit and Supervisory Committee, and matters related to ensuring the independence of said employees and Directors from other Directors, and the effectiveness of instructions to the said Directors and employees

The Internal Audit Office assists the work of the Audit and Supervisory Committee. The Internal Audit Office supports the audit work of the Audit and Supervisory Committee in line with the instructions of and under the supervision of the Audit and Supervisory Committee. Transfers, evaluation, and disciplinary measures of the major employees of the Internal Audit Office shall be carried out with the prior consent of the Audit and Supervisory Committee.

The Company does not have Directors who are to assist the work of the Audit and Supervisory Committee.

11) System for reporting to the Audit and Supervisory Committee by Directors and employees, and other systems for reporting to the Audit and Supervisory Committee

Directors and employees shall report to the Audit and Supervisory Committee regularly on the following items, and Directors who are Audit and Supervisory Committee Members 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

There shall be established a system for promptly reporting if any other event determined by the Audit and Supervisory Committee to require reporting occurs.

12) System for the officers and employees of the Group to report to Audit and Supervisory Committee

The officers and employees of the Group will promptly make an appropriate report when requested by the Audit and Supervisory Committee 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 the Audit and Supervisory Committee as soon as they are found.

The section in charge of the internal reporting system of subsidiaries of the Company shall regularly report to the Audit and Supervisory Committee of the Company on the status of internal reporting by the officers and employees of subsidiaries of the Company.

- 13) System to ensure that those who made reporting to the Audit and Supervisory Committee shall not be given disadvantageous treatment

The Company prohibits giving disadvantageous treatment to those who have made the reporting in the preceding two paragraphs to the Audit and Supervisory Committee due to the said reporting.

- 14) Matters related to the policy for processing of expenses and liabilities arising from the execution of duties by Audit and Supervisory Committee Members

If Audit and Supervisory Committee Members request the Company for advance payment, etc. of expenses in accordance to Article 399-2, Paragraph 4 of the Companies Act concerning the execution of their duties, the Company shall promptly process the said expenses or liabilities, except for the cases where the expenses and liabilities by the said request are deemed not necessary for the execution of duties by Audit and Supervisory Committee Member.

- 15) Other system to ensure that audits by Audit and Supervisory Committee will be effectively conducted

The Directors and employees will work to deepen their understanding of the audits by Audit and Supervisory Committee and to improve the environment for the audits by Audit and Supervisory Committee.

The Representative Directors will exchange opinions regularly with the Audit and Supervisory Committee and establish a system to help Audit and Supervisory Committee 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 deficiency to be disclosed 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, in turn, the common interests of its shareholders.

The Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of the Company. Also, the Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders.

Nonetheless, there are some types of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders including (i) those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders, (ii) those with the potential to substantially coerce shareholders into selling their shares, (iii) those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the large-scale acquisition or for the target company's board of directors to make an alternative proposal, and (iv) those that require the target company to negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

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

2) 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

The Company has formulated a new medium-term management plan for the three-year period from FY2020 to FY2022 to deploy new models that have been created by FY2019 on a large scale and accelerate the momentum toward becoming a "Global Digital Transformation Partner."

Concrete efforts are given in "(2) Issues to Be Addressed" in "1. Business Overview of the Group" on page 41.

To strengthen its corporate governance

For the purpose of increasing corporate value by further strengthening corporate governance through the enhancement of the supervisory function of the Board of Directors, the Company made transition to a “Company with an Audit and Supervisory Committee” in June 2016 upon approval of our shareholders. Currently (as of March 31, 2021), seven out of 18 Directors are appointed as independent Outside Directors, further strengthening the monitoring function on management. In terms of the operations of Board of Directors’ Meetings, each Director, who is a member of the Board, gives his/her opinions at his/her discretion and there are active discussions. In addition, from an objective, neutral perspective independent of management, Outside Directors provide advice to ensure sound, rational decision-making by the Board of Directors. The Company has also introduced an executive officer system, under which the “decision-making and oversight functions” of the Board of Directors is separated from “executive functions.” As such, the Board of Directors performs “decision-making and oversight functions” while Executive Officers perform “executive functions.” This structure has enabled the Company to respond flexibly to changes in the business environment that are characteristic of the industry in which the Company operates, and to implement prompt and detailed business execution. The Audit and Supervisory Committee consists of three Outside Directors. Audit and Supervisory Committee Members attend important meetings such as the Board of Directors’ Meetings and monitor the appropriateness of the design and operation of the internal control system through the internal control departments, and thereby conduct audits on the Company and its subsidiaries in and outside Japan, auditing the execution of duties by Directors. The Audit and Supervisory Committee also supervises the process for nominating for Directors who are not Audit and Supervisory Committee Members and determining their remunerations.

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

The Company has renewed a plan as a countermeasure to large-scale acquisition of the Company’s shares (takeover defense measures) (the “Plan”). This was based on the resolution of the Board of Directors’ Meeting held on May 15, 2018 and the resolution of the 33rd Annual General Meeting of Shareholders held on June 21, 2018. A summary of the Plan is shown below.

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 21, 2018 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 33rd Annual Shareholders Meeting.

As a renewal of the efforts mentioned above, the Company will submit a proposal for the "Renewal of Countermeasures to Large-Scale Acquisition of Shares in the Company (Takeover Defense Measures)" to the 36th Annual General Meeting of Shareholders to be held on June 23, 2021. For the details of the proposal, please refer to the Reference Documents for the Annual General Meeting of Shareholders attached to this Notice.

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

Consolidated Balance Sheet
(As of March 31, 2021)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	120,530	Current liabilities	63,886
Cash and deposits	49,903	Accounts payable—trade	13,104
Notes and accounts receivable—trade	56,436	Short-term loans payable	2,548
Merchandise and finished goods	5,723	Current portion of bonds	48
Work and software in progress	1,481	Current portion of long-term loans payable	87
Supplies	150	Accounts payable—other	7,120
Other	7,128	Accrued expenses	16,047
Allowance for doubtful accounts	(293)	Income taxes payable	8,111
Fixed assets	55,352	Accrued consumption tax	6,270
Tangible fixed assets	14,157	Advances received	2,059
Buildings and structures	6,669	Accrued bonuses for employees	5,462
Vehicles and transportation equipment	34	Other	3,024
Tools, furniture and fixtures	5,337	Fixed liabilities	19,480
Land	826	Bonds payable	166
Lease assets	1,121	Long-term loans payable	16,246
Construction in progress	168	Deferred tax liabilities	1,191
Intangible fixed assets	4,671	Net defined benefit liability	334
Goodwill	984	Long-term security deposits received	19
Software	3,036	Other	1,521
Lease assets	56	Total liabilities	83,366
Software in progress	253	Net Assets	
Other	340	Shareholders' equity	82,678
Investments and other assets	36,522	Common stock	29,065
Investment in securities	9,628	Capital surplus	19,361
Investment in stocks of unconsolidated subsidiaries and affiliates	9,293	Retained earnings	49,488
Investment in unconsolidated subsidiaries and affiliates	1,147	Treasury stock	(15,237)
Long-term loans receivable	1,117	Accumulated other comprehensive income	3,132
Deferred tax assets	5,009	Valuation difference on available-for-sale securities	4,624
Security deposits	10,433	Foreign currency translation adjustment	(1,492)
Other	843	Subscription rights to shares	3
Allowance for doubtful accounts	(950)	Non-controlling interests	6,702
Total assets	175,883	Total net assets	92,516
		Total liabilities and net assets	175,883

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

Consolidated Statement of Income
(from April 1, 2020 to March 31, 2021)

(Millions of yen)

Account item	Amount	
Net sales		336,405
Cost of sales		270,518
Gross Profit		65,887
Selling, general and administrative expenses		48,135
Operating profit		17,752
Non-operating income:		
Interest income	118	
Dividend income	8	
Foreign exchange gains	214	
Employment development subsidy	923	
Other	385	1,650
Non-operating expenses:		
Interest expenses	108	
Share of loss of entities accounted for using equity method	380	
Provision of allowance for doubtful accounts	660	
Other	239	1,389
Ordinary profit		18,012
Extraordinary gains:		
Gain on sales of investment securities	107	
Gain on sales of subsidiaries and affiliates' stocks	285	
Gain on change in equity	318	
Company establishment subsidies, etc.	193	
Other	37	942
Extraordinary losses:		
Loss on retirement of non-current assets	112	
Impairment loss	155	
Loss on valuation of investment securities	537	
Loss on change in equity	162	
Other	161	1,128
Profit before income taxes		17,826
Income taxes—current	9,635	
Income taxes—deferred	(3,003)	6,631
Profit		11,194
Profit attributable to non-controlling interests		1,172
Profit attributable to owners of parent		10,022

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

Consolidated Statement of Changes in Equity
(from April 1, 2020 to March 31, 2021)

(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	17,778	41,061	(15,236)	72,669
Change during the fiscal year					
Dividend of surplus			(1,907)		(1,907)
Profit attributable to owners of parent			10,022		10,022
Acquisition of treasury stock				(1)	(1)
Change in ownership interest of parent due to transactions with non-controlling interests		1,582			1,582
Change of scope of consolidation			12		12
Change from merger of consolidated and unconsolidated subsidiaries			(14)		(14)
Purchase of shares of consolidated subsidiaries		1			1
Change of scope of equity method			315		315
Net change in items other than shareholders' equity during the fiscal year					-
Total change during the fiscal year	-	1,583	8,427	(1)	10,009
Balance at the end of the fiscal year	29,065	19,361	49,488	(15,237)	82,678

(Millions of yen)

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the fiscal year	3,204	(1,677)	1,527	3	3,769	77,969
Change during the fiscal year						
Dividend of surplus			–			(1,907)
Profit attributable to owners of parent			–			10,022
Acquisition of treasury stock			–			(1)
Change in ownership interest of parent due to transactions with non-controlling interests			–			1,582
Change of scope of consolidation			–			12
Change from merger of consolidated and unconsolidated subsidiaries			–			(14)
Purchase of shares of consolidated subsidiaries			–			1
Change of scope of equity method			–			315
Net change in items other than shareholders' equity during the fiscal year	1,419	185	1,604	–	2,932	4,537
Total change during the fiscal year	1,419	185	1,604	–	2,932	14,547
Balance at the end of the fiscal year	4,624	(1,492)	3,132	3	6,702	92,516

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

Non-Consolidated Balance Sheet
(As of March 31, 2021)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	70,756	Current liabilities	43,238
Cash and deposits	23,881	Accounts payable—trade	9,509
Notes receivable	31	Accounts payable—other	5,867
Accounts receivable—trade	41,309	Accrued expenses	9,386
Merchandise	465	Income taxes payable	6,736
Work and software in progress	346	Accrued consumption tax	4,663
Supplies	95	Advances received	589
Advances	473	Deposits received	472
Prepaid expenses	2,049	Accrued bonuses for employees	4,255
Accounts receivable—other	877	Other	1,757
Other	1,263	Fixed liabilities	19,852
Allowance for doubtful accounts	(38)	Long-term loans payable	16,000
Fixed assets	56,083	Provision for loss on guarantees	3,080
Tangible fixed assets	9,075	Other	772
Buildings	4,816	Total liabilities	63,091
Tools, furniture and fixtures	2,960		
Land	707	Net Assets	
Other	590	Shareholders' equity	62,695
Intangible fixed assets	2,307	Common stock	29,065
Software	1,934	Capital surplus	20,803
Telephone rights	97	Other capital surplus	20,803
Other	275	Retained earnings	28,063
Investments and other assets	44,700	Legal retained earnings	2,092
Investment in securities	4,479	Other retained earnings	25,971
Investment in stocks of subsidiaries and affiliates	27,578	Unappropriated retained earnings	25,971
Investment in subsidiaries and affiliates	648	Treasury stock	(15,237)
Long-term loans receivable from subsidiaries and affiliates	6,781	Valuation and translation adjustments	1,052
Deferred tax assets	4,359	Net unrealized gain (loss) on securities	1,052
Security deposits	6,543		
Other	487	Total net assets	63,747
Allowance for doubtful accounts	(6,178)		
Total assets	126,839	Total liabilities and net assets	126,839

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

Non-Consolidated Statement of Income

(from April 1, 2020 to March 31, 2021)

(Millions of yen)

Account item	Amount	
Net sales		240,763
Cost of sales		193,566
Gross Profit		47,197
Selling, general and administrative expenses		35,959
Operating profit		11,237
Non-operating income:		
Interest income	113	
Dividend income	197	
Foreign exchange gains	285	
Subsidies for employment promotion	624	
Other	228	1,448
Non-operating expenses:		
Interest expenses	34	
Provision of allowance for doubtful accounts	1,960	
Provision for loss on guarantees	284	
Other	174	2,454
Ordinary profit		10,232
Extraordinary gains:		
Gain on liquidation of subsidiaries and associates	84	
Gain on sales of subsidiaries and affiliates' stocks	213	
Company establishment subsidies, etc.	193	
Other	31	522
Extraordinary losses:		
Loss on retirement of non-current assets	74	
Impairment loss	46	
Loss on valuation of investment securities	537	
Loss on valuation of stocks of subsidiaries and affiliates	1,319	
Other	5	1,983
Profit before income taxes		8,771
Income taxes—current	7,652	
Income taxes—deferred	(2,626)	5,025
Profit		3,746

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

Non-Consolidated Statement of Changes in Equity
(from April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity					
	Common stock	Capital surplus		Retained earnings		
		Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Unappropriated retained earnings	Total retained earnings
Balance at the beginning of the fiscal year	29,065	20,803	20,803	1,901	24,323	26,225
Change during the fiscal year						
Dividend of surplus			-	190	(2,098)	(1,907)
Profit			-		3,746	3,746
Acquisition of treasury stock			-			-
Net change in items other than shareholders' equity during the fiscal year			-			-
Total change during the fiscal year	-	-	-	190	1,647	1,838
Balance at the end of the fiscal year	29,065	20,803	20,803	2,092	25,971	28,063

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gain (loss) on securities	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(15,236)	60,858	496	496	61,354
Change during the fiscal year					
Dividend of surplus		(1,907)		-	(1,907)
Profit		3,746		-	3,746
Acquisition of treasury stock	(1)	(1)		-	(1)
Net change in items other than shareholders' equity during the fiscal year		-	556	556	556
Total change during the fiscal year	(1)	1,836	556	556	2,393
Balance at the end of the fiscal year	(15,237)	62,695	1,052	1,052	63,747

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

REPORT OF INDEPENDENT AUDITORS

May 13, 2021

To the Board of Directors of transcosmos inc.

PricewaterhouseCoopers Aarata LLC
tokyo office

Designated and Engagement Partner
Certified Public Accountant
Nobuhiro Nasu

Designated and Engagement Partner
Certified Public Accountant
Yoshihisa Chiyoda

Designated and Engagement Partner
Certified Public Accountant
Naoyuki Suzuki

Audit Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of transcosmos inc., which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to the consolidated financial statements applicable to the fiscal year from April 1, 2020 to March 31, 2021.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Group, which consisted of transcosmos inc. and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2020 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest

We or engagement partners have no interest in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.

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

REPORT OF INDEPENDENT AUDITORS

May 13, 2021

To the Board of Directors of transcocosmos inc.

**PricewaterhouseCoopers Aarata LLC
tokyo office**

Designated and Engagement Partner
Certified Public Accountant
Nobuhiro Nasu

Designated and Engagement Partner
Certified Public Accountant
Yoshihisa Chiyoda

Designated and Engagement Partner
Certified Public Accountant
Naoyuki Suzuki

Audit Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the financial statements of transcocosmos inc., which comprise the balance sheet, the statement of income, the statement of changes in equity, and the notes to the financial statements, and the supplementary schedules of transcocosmos inc. (hereinafter, the "financial statements, etc.") applicable to the 36th business year from April 1, 2020 to March 31, 2021.

In our opinion, the financial statements, etc. referred to above present fairly, in all material respects, the financial position and the results of operations of transcocosmos inc., applicable to the fiscal year ended March 31, 2020 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements, etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the financial statements, etc. in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the financial statements, etc. that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Independent Auditors' Responsibility

Our responsibilities are to obtain reasonable assurance about whether the financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's

report that expresses our opinion on the financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the financial statements, etc. or, if the notes to the financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the financial statements, etc. and notes to the financial statements are in accordance with accounting principles generally accepted in Japan, as well as evaluate the presentation, structure, and content of the financial statements, etc., including the related notes thereto, and whether the financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest

We or engagement partners have no interest in the Company, which should be stated in compliance with 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 AUDIT AND SUPERVISORY COMMITTEE MEMBERS

The Audit and Supervisory Committee has conducted audits on the execution status of duties of Directors during the 36th fiscal year between April 1, 2020 and March 31, 2021. The auditing method and results are as follows:

1. Auditing methods and its details

The Audit and Supervisory Committee regularly received reports on the structure and operation status of the systems (internal control systems) established upon discussions and resolution by the Board of Directors meeting regarding matters prescribed in Article 399-13, Paragraph 1, Item 1 (b) and (c) from the Directors as well as from employees, etc. and requested them to provide explanations as necessary. Based on such activities, the Audit and Supervisory Committee provided its opinions and conducted audits by the following method.

- 1) Each Audit and Supervisory Committee Member attended important meetings to receive reports regarding the execution of duties from Directors, employees, etc. and requested them to provide explanations as necessary, inspected important approved documents etc., and examined the status of operations and assets at the Main Office and other major offices in accordance with the Audit and Supervisory Committee’s Audit Standards established by the Audit and Supervisory Committee as well as the audit policies and the allocation of audit operations in collaboration with the internal control departments. With respect to subsidiaries, each Audit and Supervisory Committee Member 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 the Basic Policies under Article 118, Item 3(a) of the Ordinance for Enforcement of the Companies Act and efforts under Item 3(b) of the same article that are prescribed in the business report, each Audit and Supervisory Committee Member examined the contents taking into account deliberations, etc. made in the Board of Directors meetings and other meetings.
- 3) Audit and Supervisory Committee Members monitored and verified that Accounting Auditor maintains independence and conduct the audits appropriately. Each Audit and Supervisory Committee Member also received reports on the status of the execution of duties from Accounting Auditor and requested explanation as necessary. In addition, Audit and Supervisory Committee Members 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, Audit and Supervisory Committee reviewed the business report and the supplementary schedules, and the financial statements (the balance sheet, statement of income, statement of changes in equity 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 equity 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) The Basic Policy regarding persons who control decision on the company's financial and business policies prescribed in the business report is fair and reasonable. Efforts under Article 118, Item 3(b) of the Ordinance for Enforcement of the Companies Act prescribed in the business report are in conformity with the Basic Policy, do not impair the common interests of the Company's shareholders and are not intended to protect the positions of the corporate officers of the Company.
- (2) Results of audit of financial statements and supplementary schedules
The auditing methods and results of the Accounting Auditor, PricewaterhouseCoopers Aarata LLC, are fair and reasonable.
- (3) Results of audit of consolidated financial statements
The auditing methods and results of the Accounting Auditor, PricewaterhouseCoopers Aarata LLC, are fair and reasonable.

May 14, 2021

Audit and Supervisory Committee of transcosmos inc.

Audit and Supervisory Committee Member
Eiji Uda

Audit and Supervisory Committee Member
Takeshi Natsuno

Audit and Supervisory Committee Member
Nozomu Yoshida

Note: All Audit and Supervisory Committee Members are outside directors stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.