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Message from our Co-presidents

We would like to express our sincere gratitude to our shareholders for their continued support.

From April 2023, we have assumed our roles under a new structure as Representative Directors and Co-presidents. Inheriting the philosophy that has guided us since our founding, we will continue to develop our business in line with changing markets and new demands, combine our mutual strengths, and strengthen our efforts as unrivaled Global Digital Transformation Partner for our clients through global and diversified growth.

Assisting clients' business transformation is at the core of the transcosmos Group, and we operate in 28 countries and regions worldwide, including Japan, China, South Korea, ASEAN, the United States, and Europe, and has business relationships with approximately 5,000 clients in Japan and overseas. In addition, we rank 16th*¹ among top global BPO services players in the world. In the APAC region, we have established our position as the top CX services player*².

While our strength lies in our unique expertise in supporting both the front and back-office functions of our clients, we intend to continue to provide high value-added services anticipating the needs of our clients by further refining the way we combine "people & technology" that our Group has developed over many years, anticipating trends in each industry amid major changes in future political, economic, social, and technological developments.

For this reason, the new Medium-Term Business Plan aims to "Evolve to a technology solutions company from a company with operational excellence," "Become an unparalleled leader in Asia and a Top 5 global CX/BPO services player," and "Meet all stakeholder expectations including clients, employees and shareholders, and serve society," and we will implement the following five strategic measures.

1 Pivot to a platform business model

In the CX services domain, which supports front-office transformation of clients, we are actively developing our unique CX platform "TCI-DX for Support," which covers all digital customer touchpoints throughout the customer journey, based on a digital integration services network (web development, etc.) and a contact center services network, both the largest in Asia, organically linking social networking services, online advertising, and e-commerce using data such as VoC (voice of the Customer) and activity logs. In the BPO services domain, which supports back-office transformation of clients, we offer unique Digital BPO services that combine operations and digital technologies to provide solutions that strategically utilize digital platforms in a variety of areas, including help desk, corporate accounting, procurement, human resources, SCM, BIM (building information modeling) services, mechanical design and technical certification, and system development, etc. In addition, we will further promote alliances (JVs and M&As) with external partners to acquire expertise in large-scale projects and highly specialized operations.

2 Structural reform for greater quality/profits by service standardization

Standardization of services is positioned as the most important initiative to control quality and generate profits. By developing services in line with defined operational quality and processes, we are able to speed up the development of our people and quickly turn them into an effective workforce, and by expanding areas of automation with standardized processes, we are able to stabilize and enhance the quality of business operations. Expanding the scope of automation will also lead to higher profitability by reducing factors that increase costs specific to the people-driven business, such as the time spent on tasks other than their primary job duties, and idle time caused by unpredictable fluctuations in workloads. To further accelerate these efforts, we will establish an infrastructure using digital

technologies to integrate and monitor quality at service sites centrally and establish a system to manage quality and profit.

3 Reinforce systems and develop people to win in a growing global market

In order to grow our business in local markets in 28 countries around the world, with a focus on Asia, we are working to strengthen our business foundation to globally support companies operating on a global scale by standardizing our sales and services across countries and regions. In particular, we are expanding our company-wide training programs to produce people who can play an active role globally, and through these efforts, we will further enhance our presence as a CX/BPO services player in the growing global market.

4 Develop new business and drive R&D by maximizing our global network

In order to continue to provide new value, we are developing next-generation services that utilize more advanced digital technologies, such as generative AI as represented by the metaverse and ChatGPT. We will continue to work toward the development of high value-added service models and new businesses, taking advantage of the high technical capabilities and expertise our Group companies own, as well as our global network centered on our Silicon Valley Branch Office.

5 Develop a group management base

We will further promote ESG management that takes into account environmental, social, and governance issues, and we will also work to establish a Group management foundation that encompasses these issues. We will work even harder to realize our Group's continuous growth and a sustainable society, by enhancing human capital, including increasing employee engagement across the Group, pursuing business synergy among both domestic and overseas Group companies, building group governance, and promoting business management that focuses on cash flow.

Through these efforts, we will strive to enhance our corporate value and meet the expectations of our stakeholders.

Thank you for your continued support and encouragement.

May 2023

Masaaki Muta, Representative Director, Co-president
Takeshi Kamiya, Representative Director, Co-president

1 Ranked 16th globally (in 2022) in the BPO market in Gartner®, Inc.'s "Market Share: IT Services, Worldwide 2022" by Neha Sethi et al., April 14, 2023.

*BPO market=Business Process Services

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*2 Recognized as a Leader in the Everest Group's "Service Provider Landscape with PEAK Matrix® Assessment 2022" for the second consecutive year, while also being recognized as a Star Performer for demonstrating a high year-over-year growth rate among leaders.

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Issued May 30, 2023
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To Our Shareholders

Masaaki Muta
Representative Director, Co-president
transcosmos inc.
2-20, Higashi 1-chome, Shibuya-ku, Tokyo, Japan

NOTICE OF THE 38th ANNUAL GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 38th Annual General Meeting of Shareholders, which will be held as indicated below.

When convening this General Meeting of Shareholders, the Company has taken measures for electronic provision and kindly requests that you access and confirm the information in the Reference Documents for the Annual General Meeting of Shareholders (matters subject to electronic provision) posted on the websites shown under “4. Websites Providing the Matters Subject to Measures for Electronic Provision,” excluding the Voting Rights Exercise Form sent along with this Notice of Convocation.

Those who will not be attending on the day of the meeting are asked to exercise voting rights either online or in writing by 5:50 p.m. on Tuesday, June 20, 2023. For more information on exercising voting rights, please refer to page 5.

1. Date and Time: 10:00 a.m., Wednesday, June 21, 2023
(Venue opens at 9:00 a.m.)

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

3. Agenda of the Meeting:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements for the 38th Fiscal Term (from April 1, 2022 to March 31, 2023)
 2. Non-Consolidated Financial Statements for the 38th Fiscal Term (from April 1, 2022 to March 31, 2023)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus for the 38th Fiscal Term
- Proposal No. 2:** Election of Thirteen Directors (excluding Directors who are Audit and Supervisory Committee Members)

4. Websites Providing the Matters Subject to Measures for Electronic Provision

Website Name and URL	
1	The Company website https://www.trans-cosmos.co.jp/ir/information/stock-holder/ (in Japanese)
2	Listed Company Search (Tokyo Stock Exchange) https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese) Enter “transcosmos” for “Issue name (company name)” or “9715” for “Code” to search, select “Basic information,” then “Documents for public inspection/PR information,” then, under “Filed information available for public inspection,” check “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”
3	General Meeting of Shareholders Portal® (Sumitomo Mitsui Trust Bank, Limited) https://www.soukai-portal.net (in Japanese) Enter the ID and initial password provided on the Voting Rights Exercise Form. You may also access the site using the QR code on the Voting Rights Exercise Form.

- Notes:
1. For those attending, please submit the Voting Rights Exercise Form at the reception desk on arrival at the meeting.
 2. Of the matters subject to measures for electronic provision, Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements are not listed in the physical copy issued to shareholders who have requested one under applicable laws and regulations and Article 14, Paragraph 2 of the Company’s Articles of Incorporation. The matters not listed are part of the Non-Consolidated Financial Statements and Consolidated Financial Statements audited by the Accounting Auditor in preparing the financial audit report and the Audit and Supervisory Committee in preparing its audit report. The Company will send a physical copy of the Reference Documents for the Annual General Meeting of Shareholders, one of the matters subject to measures for electronic provision, to those shareholders who have not exercised their right to request a physical copy for the sake of expedience.
 3. If it becomes necessary to amend this Notice of Convocation or any matters subject to electronic provision, a notice of the revisions and its details before and after the revisions will be posted on the websites in “4. Websites Providing the Matters Subject to Measures for Electronic Provision” above.
 4. The websites listed in “4. Websites Providing the Matters Subject to Measures for Electronic Provision” may be temporarily inaccessible due to regular maintenance or other reasons. If you are unable to access a website, please try checking another website or wait a while before trying again.

Measures for Preventing the Spread of COVID-19

Please be aware that restrictions and requests related to infection prevention measures at the venue may be in effect in accordance with official guidelines.

Any changes to the way the General Meeting of Shareholders is hosted will be announced on the Company’s website from now on, so we ask that you check the information there.

Video Streaming of the 38th 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, so we ask that you view it at your own discretion. Your understanding of the filming of the proceedings during the Meeting will be greatly appreciated.

The Company’s 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. Via the Internet, etc.

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 on the bottom right of the Voting Rights Exercise Form. In doing so, click the “Exercise Voting Rights” button and follow the on-screen instructions to enter your approval or disapproval of the proposal.

You may also access the website for exercising your voting rights (<https://www.web54.net>) (in Japanese) from a computer or other device, then enter the code and password provided on the Voting Rights Exercise Form to exercise your voting rights.

Note: For the details of the procedure for voting via the Internet, please refer to the section below.

*QR Code is a registered trademark of DENSO WAVE INCORPORATED.

Deadline to exercise rights: By 5:50 p.m., Tuesday, June 20, 2023

2. In writing

Please indicate whether you approve or disapprove of each proposal on the 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 20, 2023

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 21, 2023 (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 by mail and via the Internet, or if you exercise your voting rights more than once using the computer or smartphone, 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 Vote Via the Internet

1. If you have any questions about how to operate PCs, smartphones, 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:
Please inquire with the securities company.
 - 2) Shareholders who do not have accounts with securities companies (Shareholders who have special accounts):
Please inquire with the 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 online.

Reference Documents for the Annual General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of Surplus for the 38th Fiscal Term

Matters related to year-end dividend

Returning profits to our shareholders is one of the Company's top management priorities. We have therefore adopted a dividend policy that focuses on the dividend payout ratio, which is closely related to the Company's business performance. Our fundamental policy is to increase the market value of shares by returning profits to shareholders.

Taking into the consideration 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

117 yen per share of common stock of the Company

Total amount 4,384,356,795 yen

Effective date of dividend of surplus

Thursday, June 22, 2023

Proposal No. 2: Election of Thirteen Directors (excluding Directors who are Audit and Supervisory Committee Members)

The term of office of all twelve Directors (excluding Directors who are Audit and Supervisory Committee Members; the same is applied throughout this Proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, the Company proposes increasing the number of Directors by one and electing thirteen Directors.

Further, this Proposal has been deliberated by the Nomination Committee, the majority of which is composed of independent Outside Directors and the Audit and Supervisory Committee has determined that all the Director candidates are well qualified for the position, following deliberation.

The Director candidates are as follows:

Candidate No.	Name	Position	Candidate Attribute		
1	Masataka Okuda	Representative Director, Chairman	Reelection		
2	Masaaki Muta	Representative Director, Co-president	Reelection		
3	Takeshi Kamiya	Representative Director, Co-president	Reelection		
4	Masatoshi Kouno	Representative Director, Executive Vice President	Reelection		
5	Kenshi Matsubara	Director, Executive Vice President	Reelection		
6	Hiroshi Kaizuka	Director, Executive Vice President	Reelection		
7	Kiyoshi Shiraishi	Director, Senior Corporate Executive Officer & CTO	Reelection		
8	Eijiro Yamashita	Senior Corporate Executive Officer	New election		
9	Koji Funatsu	Director, Corporate Advisor	Reelection		
10	Rehito Hatoyama	Outside Director	Reelection	Outside	Independent executive
11	Genichi Tamatsuka	Outside Director	Reelection	Outside	Independent executive
12	Noriyoshi Suzuki	Outside Director	Reelection	Outside	Independent executive
13	Miwa Tsurumori	–	New election	Outside	Independent executive

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
1	Masataka Okuda (March 29, 1967) Reelection	April 1988 Joined the Company	6,404,932 shares (10 shares)
		June 1996 Director, Deputy Division Manager of Marketing Division	
		September 2002 Vice President, Representative Director & COO	
		June 2003 President & COO	
		April 2020 President & COO and Sector Manager of Business Development Sector	
		June 2022 Representative Director, Chairman, Sector Manager of Business Development Sector	
		April 2023 Representative Director, Chairman (present post)	
Reason for selection as a candidate for Director Since assuming the position of President & 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.			

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
2	Masaaki Muta (February 9, 1965) Reelection	April 1989 Joined Recruit Co., Ltd.	108 shares (5,561 shares)
		June 1999 Managing Director, Doubleclick Japan Inc.	
		November 2001 Director, Vice President of K.K. AskJeeves Japan	
		June 2003 Joined the Company as Director	
		June 2004 Corporate Senior Officer	
		June 2005 Corporate Executive Officer	
		June 2012 Executive Managing Director, Headquarters Manager of Sales Headquarters, Administration Department Manager of Global Sales Department of Sales Headquarters	
		April 2015 Senior Executive Managing Director, Headquarters Manager of Sales Headquarters, Deputy Division Manager of Services Promotion Division	
		June 2017 Director, Senior Corporate Executive Officer, Headquarters Manager of Sales Headquarters, Responsible for Services Promotion Division, Responsible for Account Executive of DEC Headquarters	
		April 2018 Director, Senior Corporate Executive Officer, Co- Headquarters Manager of DEC Headquarters, Co- Headquarters Manager of Sales Headquarters, Deputy Headquarters Manager of Global Business Headquarters	
June 2020 Director, Executive Vice President, Co-Headquarters Manager of DEC Headquarters, Co-Headquarters Manager of Sales Headquarters, Deputy Manager of Global Business Headquarters, Responsible for AE Sector of DEC Headquarters			
June 2022 Representative Director, Co-president, Responsible for the Marketing Division (present post)			
Reason for selection as a candidate for Director Given his abundant experience and knowledge in the fields of management strategy and marketing, 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.			

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
3	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, Division Manager of Corporate Strategy Division</p> <p>June 2016 Corporate Executive Officer, Division Manager of Corporate Strategy Division</p> <p>June 2017 Director, Corporate Executive Officer, Division Manager of Corporate Strategy Division, Deputy Manager of DEC Headquarters, Division Manager of Global E-Commerce • Direct Sales Promotion Division of DEC Headquarters, Division Manager of Global E-Commerce • Direct Sales Division of DEC Headquarters</p> <p>June 2019 Director, Senior Corporate Executive Officer, Division Manager of Corporate Strategy Division, Division Manager of Global E-Commerce • Direct Sales Promotion Division, Responsible for E-Commerce • Direct Sales Division of DEC Headquarters</p> <p>June 2020 Director, Executive Vice President, Division Manager of Corporate Strategy Division, Deputy Manager of Business Development Sector, Division Manager of Global E-Commerce • Direct Sales Promotion Division of Business Development Sector</p> <p>June 2022 Representative Director, Executive Vice President, Division Manager of Corporate Strategy Division, Sector Manager of Corporate Management Sector, Deputy Manager of Business Development Sector, Responsible for Global E-Commerce • Direct Sales Promotion Division of Business Development Sector, Responsible for Compliance Promotion Department</p> <p>April 2023 Representative Director, Co-president, Division Manager of Corporate Strategy Division, Sector Manager of Corporate Management Sector, Co-Sector Manager of Business Development Sector, Responsible for Global E-Commerce • Direct Sales Promotion Division of Business Development Sector, Responsible for Diversity, Equity & Inclusion Promotion Department (present post)</p>	– shares (2,169 shares)
		<p>Reason for selection as a candidate for Director 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	No. of Company shares held
4	Masatoshi Kouno (August 22, 1965) Reelection	March 1986 Joined the Company	4,800 shares (2,395 shares)
		June 2011 Corporate Senior Officer, Division Manager of Services Promotion Division of Services Headquarters	
		June 2013 Executive Managing Director, Sector Manager of Business Process Outsourcing Services Sector Deputy Division Manager of Services Promotion Division	
		June 2017 Director, Corporate Executive Officer, Headquarters Manager of BPO Services Headquarters, Division Manager of Services Promotion Division	
		April 2019 Director, Senior Corporate Executive Officer, Headquarters Manager of BPO Services Headquarters, Sector Manager of Services Promotion Sector	
		June 2021 Director, Executive Vice President, Headquarters Manager of BPO Services Headquarters, Sector Manager of Services Promotion Sector, Office Director of Business Development Office of BPO Services Headquarters	
		June 2022 Representative Director, Executive Vice President, Headquarters Manager of BPO Services Headquarters, Sector Manager of Services Promotion Sector, Office Director of Business Development Office of BPO Services Headquarters, Division Manager of Services Promotion Division of BPO Services Headquarters	
		April 2023 Representative Director, Executive Vice President, Headquarters Manager of BPO Services Headquarters, Sector Manager of Services Promotion Sector (present post)	
Reason for selection as a candidate for Director 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.			

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
5	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, Division Manager of Metropolitan Region Division I Service of Call Center Service Sector</p> <p>April 2015 Corporate Senior Officer, Headquarters Manager of Contact Center Service Headquarters</p> <p>June 2016 Corporate Executive Officer, Headquarters Manager of DEC Headquarters, Deputy Division Manager of Services Management Division</p> <p>April 2017 Senior Corporate Executive Officer, Headquarters Manager of DEC Headquarters, Deputy Division Manager of Services Promotion Division</p> <p>June 2019 Director, Senior Corporate Executive Officer, Co-Headquarters Manager of DEC Headquarters, Sector Manager of Digital Communication Center Sector of DEC Headquarters</p> <p>June 2022 Director, Executive Vice President, Headquarters Manager of DEC Headquarters</p> <p>April 2023 Director, Executive Vice President, Headquarters Manager of CX Business Headquarters (present post)</p>	800 shares (1,073 shares)
		<p>Reason for selection as a candidate for Director</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	No. of Company shares held
6	Hiroshi Kaizuka (February 26, 1965) Reelection	<p>April 1988 Joined the Company</p> <p>June 1996 Director, Deputy Division Manager of Marketing Division</p> <p>August 2001 Managing Director, Assistant of Business Development Division, Division Manager of Global Business Division</p> <p>April 2004 Corporate Senior Officer, Division Manager of Public Telecommunications Services Sales Division</p> <p>June 2016 Corporate Executive Officer, Deputy Manager of Sales Headquarters</p> <p>January 2019 Senior Corporate Executive Officer, Co-Headquarters Manager of Sales Headquarters</p> <p>June 2021 Director, Senior Corporate Executive Officer, Co-Headquarters Manager of Sales Headquarters</p> <p>June 2022 Director, Executive Vice President, Headquarters Manager of Sales Headquarters, Responsible for AE Sector of DEC Headquarters</p> <p>April 2023 Director, Executive Vice President, Headquarters Manager of Sales Headquarters, Responsible for AE Sector of CX Business Headquarters (present post)</p>	6,800 shares (625 shares)
		<p>Reason for selection as a candidate for Director</p> <p>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>	

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
7	Kiyoshi Shiraishi (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 Division Manager of Business Planning & Development Division President and Representative Director of J-Stream Inc.</p> <p>June 2014 Executive Managing Director, CTO and Directly reporting to Services Promotion Division 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 Division Manager of Services Promotion Division of the Company</p> <p>June 2022 Director, Senior Corporate Executive Officer & CTO, Deputy Manager of Services Promotion Sector, Responsible for 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> <hr/> <p>Reason for selection as a candidate for Director 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 (2,673 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
8	Eijiro Yamashita (August 16, 1968) New election	<p>April 1993 Joined Recruit Co., Ltd.</p> <p>October 2000 Joined the Company</p> <p>June 2012 Director of transcosmos Information Creative (China) Co., Ltd. (present post)</p> <p>April 2014 Corporate Officer, Department Manager of China Business Department II of Global Business Sector, President and General Manager of transcosmos China</p> <p>January 2016 Corporate Senior Officer, Division Manager of China Business Division of Global Business Sector, President and General Manager of transcosmos China</p> <p>April 2017 Corporate Executive Officer, Division Manager of China Business Division of Global Business Sector, President and General Manager of transcosmos China</p> <p>June 2021 Senior Corporate Executive Officer, Deputy Manager of the Global Business Headquarters, Division Manager of China Business Division of Global Business Headquarters, President of transcosmos China</p> <p>June 2022 Senior Corporate Executive Officer, Headquarters Manager of Global Business Headquarters (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Director of transcosmos Information Creative (China) Co., Ltd.</p> <p>President of transcosmos China</p> <p>Chairman, Director & CEO of transcosmos Korea Inc.</p> <hr/> <p>Reason for selection as a candidate for Director Given his abundant experience and distinguished knowledge in the field of global business, 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>	200 shares (3,621 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
9	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, Division Manager of Business Planning & Development Division</p> <p>June 1998 Managing Director</p> <p>June 1999 Senior Managing Director, Assistance in Global Business Control</p> <p>April 2000 Vice President, Representative Director Responsible for Marketing Division, Consulting Division and each Business Division</p> <p>September 2002 President & CEO</p> <p>June 2003 Chairman & 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 & CEO, Responsible for Compliance Promotion Department and Diversity Promotion Department of the Company</p> <p>September 2020 Chairman & CEO, Responsible for Compliance Promotion Department</p> <p>June 2022 Director, Corporate Advisor (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> <hr/> <p>Reason for selection as a candidate for Director Over the many years he has served as Chairman & CEO, he has shown strong leadership aimed at improving the sustainable corporate value of the Company and the Group. We have determined that he is capable of providing valuable advice and supervision in his duties as Director based on his abundant experience and distinguished knowledge as a manager and have selected him as a candidate for Director.</p>	25,200 shares (11,382 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
10	Rehito Hatoyama (January 12, 1974) Reelection Outside Independent executive Term of office: seven 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 Sanrio Media & Pictures Entertainment, Inc. CEO</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 selection as a candidate for Outside Director and outline of expected roles</p> <p>Reason for selecting 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.</p> <p>Expected roles: He is expected to advise on and supervise the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above.</p>	<p>– shares (– shares)</p>

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
11	Genichi Tamatsuka (May 23, 1962) Reelection Outside Independent executive Term of office: four 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.)</p> <p>October 2017 President of DIGITAL HEARTS Co., Ltd.</p> <p>June 2019 Outside Director of the Company (present post)</p> <p>June 2021 Representative Director and President of Lotte Holdings Co., Ltd. (present post)</p> <p>October 2021 Chairman of JAPAN RUGBY LEAGUE ONE (present post)</p> <p>April 2022 Vice Chairmen of the Japan Association of Corporate Executives (present post)</p> <p>November 2022 Director and Acting Owner of Chiba Lotte Marines (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative Director and President of Lotte Holdings Co., Ltd.</p> <p>Chairman of JAPAN RUGBY LEAGUE ONE</p> <p>Vice Chairmen of the Japan Association of Corporate Executives</p> <p>Director and Acting Owner of Chiba Lotte Marines</p>	– shares (2,633 shares)
		<p>Reason for selection as a candidate for Outside Director and outline of expected roles</p> <p>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.</p> <p>Expected roles: He is expected to advise on and supervise the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above.</p>	

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
12	<p>Noriyoshi Suzuki (April 20, 1956)</p> <p>Reelection Outside Independent executive</p> <p>Term of office: three years</p>	<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 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>Representative Director & President of LES ROIS MAGES JAPON</p> <hr/> <p>Reason for selection as a candidate for Outside Director and outline of expected roles</p> <p>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.</p> <p>Expected roles: He is expected to advise on and supervise the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above.</p>	<p>– shares (– shares)</p>

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
13	Miwa Tsurumori (February 10, 1977) New election Outside Independent executive	<p>October 2006 Registered as a lawyer Lawyer of Fairness Law Office</p> <p>October 2013 Lawyer of Uchisaiwaicho Law Office</p> <p>April 2017 Partner of Toranomom 1-Chome Law Office (present post)</p> <p>February 2021 Outside Corporate Auditor of Twenty-four seven, Inc (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Partner of Toranomom 1-Chome Law Office</p> <p>Outside Corporate Auditor of Twenty-Four Seven, Inc</p> <p>Note: Miwa Tsurumori provides legal services under her maiden name (Matsutani).</p> <hr/> <p>Reason for selection as a candidate for Outside Director and outline of expected roles</p> <p>Reason for selecting her as a candidate: Her many years of experience as a lawyer have given her abundant experience and broad knowledge in corporate legal affairs, and thus we have judged that she is an appropriate person to serve as a member of the Board of Directors of the Company and have selected her as a candidate for Outside Director. While Miwa Tsurumori has no previous experience of involvement in the management of a company other than as an Outside Corporate Auditor, for these reasons, the Company believes that she will be able to perform her duties as an Outside Director adequately.</p> <p>Expected roles: She is expected to advise on and supervise the execution of duties by Directors from an objective and impartial standpoint based on her 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 shareholding society (Fractions smaller than one share are omitted).
2. Hiroshi Kaizuka concurrently holds the position of Representative Director & President of transcosmos online communications inc., with which the Company has a business relationship.
No special interests between any other candidates for Director and the Company. Miwa Tsurumori was appointed a Director who is a Substitute Audit and Supervisory Committee Member at the Company’s 37th Annual General Meeting of Shareholders held on June 22, 2022.
3. Rehito Hatoyama, Genichi Tamatsuka, Noriyoshi Suzuki, and Miwa Tsurumori are candidates for Outside Directors.
4. The terms of office of the candidates for Outside Director, Rehito Hatoyama, 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, 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 one 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. In addition, if the election of Miwa Tsurumori is approved, the Company will enter into the liability limitation agreement.
6. The Company has registered Rehito Hatoyama, 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. In addition, if the election of Miwa Tsurumori is approved, the Company intends to register her as an independent executive.
7. 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. See Business Report 4. (4) Outline of the Directors and Officers Liability Insurance Contract for an overview of the insurance contract.
8. For the criteria for judging independence of Outside Directors of the Company, please refer to the next page.
9. “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/E-Commerce/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 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 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 21, 2023)

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

	Name	Corporate Management	Business Strategy	Sales/ Marketing	Finance/ Accounting/ M&A	Legal/ Compliance /Risk Management	IT/Digital	Global	Service Quality Control
Directors	Masataka Okuda	•		•	•		•	•	
	Masaaki Muta	•		•			•	•	
	Takeshi Kamiya	•			•	•		•	
	Masatoshi Kouno		•		•		•		•
	Kenshi Matsubara		•	•			•		•
	Hiroshi Kaizuka		•	•			•	•	
	Kiyoshi Shiraiishi	•				•	•		•
	Eijiro Yamashita		•	•				•	•
	Koji Funatsu	•			•	•		•	
Outside Directors	Takeshi Natsuno (Audit and Supervisory Committee Member)	•		•		•	•		
	Nozomu Yoshida (Audit and Supervisory Committee Member)		•	•		•	•		
	Eiji Uda (Audit and Supervisory Committee Members)	•		•		•	•	•	
	Rehito Hatoyama		•		•		•	•	
	Genichi Tamatsuka	•		•			•	•	
	Noriyoshi Suzuki	•		•	•			•	
	Miwa Tsurumori					•			

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

BUSINESS REPORT

(from April 1, 2022 to March 31, 2023)

1. Business Overview of the Group

(1) Progress and Results of Operations

During the fiscal year ended March 31, 2023, the Japanese economy has made a gradual recovery due to the normalization of economic and social activities amid widespread measures to prevent the spread of COVID-19. However, with rising resource prices due to the protracted situation in Ukraine, price hikes due to the depreciation of the yen, and more, the future remains uncertain.

In the environment surrounding services in which the Group is engaged, in addition to firm demand for outsourcing services that increase efficiency of business performance, strengthen cost competitiveness, and lead to greater sales, there is rising demand for services to respond to the promotion of digital transformation (DX) and improvements in customer experience (CX), the expansion of contactless sales channels such as e-commerce, remote work, and business continuity measures during the COVID-19 pandemic. There is also a growing need for content moderation services to monitor posts, images, videos, and other content posted online by unspecified numbers of users.

Under such circumstances, the Group has leveraged its extensive business capabilities and played a role as a social infrastructure, providing the national and local governments as well as private companies with services that assist them in carrying out various policies during the COVID-19 pandemic. While a portion of the highly urgent services has been scaled back as part of the impact of subsiding social needs, the Company has capitalized on the steady demand for outsourcing services to actively expand CX and BPO services that support corporate management and business transformation as a digital transformation partner, resulting in an increase in orders. We have also striven to reinforce organizational systems and create and expand services catered to evolving corporate needs and accelerating demand for DX.

In the CX services business, which serves as a point of contact between our client companies and their customers to provide one-stop support for marketing, sales, and customer communication, we have focused on expanding our unique service models, among the largest in their respective industries that integrate digital marketing and contact centers, as well as efforts toward DX in the public sector. In our efforts to expand our unique service model, we have built a new Sales Chat Center to bolster online customer service. We have also begun providing a VoC (Voice of the Customer) Marketing service, which provides a system for integrated cross-channel management of various VoC feedback, allowing our CX analysts to offer and implement strategic solutions for digital marketing challenges faced by our client companies. We have also developed and started rolling out Insight BI, which easily integrates, visualizes, and manages the progress of communication logs and behavioral data from multiple channels and websites. Furthermore, we have also commenced proof-of-concept experiments to explore new means of communication using the metaverse, such as using Virtual Contact Centers within the metaverse and offering customer service in the metaverse.

Meanwhile, in our efforts toward support for DX in the public sector, we have entered into a partnership agreement on DX in the town of Oyama in Sunto District, Shizuoka Prefecture. We have also been working to provide KANAMETO, a DX tool using LINE, to local governments throughout Japan. Furthermore, in an effort to solve social issues in the field of healthcare, we were selected by the Ministry of Internal Affairs and Communications for the “2022 Development Demonstrations for Realizing Local 5G Services to Solve Issues” and have commenced proof-of-concept experiments in conjunction with St. Marianna University Hospital, Kawasaki Municipal Tama Hospital, and the Kawasaki City Fire Department to create use cases for next-generation healthcare using local 5G and other advanced technologies.

In the BPO services business, which optimizes client company business processes to make them simple, speedy, and accurate using digital technology, we have focused primarily on strengthening our organization to provide more advanced, specialized services and promoting joint ventures and alliances with partner companies. As part of our efforts to bolster our service structure, we have opened the BPO Center Osaka Yodoyabashi, our third domestic center specifically designed for providing services specialized to the construction industry to support DX in construction. We have also opened the BPO Center Sapporo Tanukikoji East to provide optimal IT support services amid evolving DX primarily through a help desk using non-voice channels and DX solutions. Meanwhile, in our efforts toward promoting joint ventures and alliances, we have been working to strengthen partnerships toward establishing systems to support design and operation of outsourcing and to install COMPANY®, an integrated HR system provided by Works

Human Intelligence Co., Ltd. We have also agreed to establish a joint venture company with Tohoku Electric Power Co., Inc. called Tohoku Electric Power Transcosmos Management Partner Company, Incorporated aimed at streamlining the company's back-office operations.

The Group will continue to strengthen efforts to become a good digital transformation partner for our client companies that can connect CX services with BPO services seamlessly to support digital transformation by putting customer first.

Internationally, we focused on creating more competitive services and strengthening our operations in local and global markets with a focus on Asia.

Specifically, we began offering our global Trust & Safety Service, a service that monitors content (posts, images, videos) posted online by an unspecified number of users, and have opened centers specializing in providing this service in Indonesia, Thailand, and elsewhere.

In the South Korean market, our subsidiary transcosmos Korea Inc. has officially partnered with Genesys, a global leader in the field of cloud contact centers. We have also signed an investment agreement with the city of Gwangju in South Korea to build an AI Contact Center, and have opened a new operations center, the Gwangju Center, in the city. Furthermore, we have begun rolling out transpeech, a contact center speech recognition solution already deployed in Japan, in South Korea.

In the ASEAN market, we have started providing live shopping in cross-border e-commerce services for Malaysia and Singapore aimed at preliminary research and customer acquisition. In Indonesia, we have also started offering CX services using voice bots.

Internationally, a network that can provide services at 100 operational bases in 27 countries and areas overseas has currently been established to provide a broad range of services that support not only local companies but also client companies in Japan expanding overseas in growing sales and optimizing costs. As a result, consolidated operating results for the fiscal year ended March 31, 2023 were as follows. Net sales were 373,830 million yen, up 5.6% from the previous year. As for profit, while sales grew steadily despite an uncertain economic environment, declines in profitability and other factors led to an operating profit down 9.9% from the previous year to 23,290 million yen, ordinary profit down 20.2% from the previous year to 23,072 million yen, and profit attributable to owners of parent down 26.6% from the previous year to 15,767 million yen.

The operating results by segment are as follows.

Parent Company

An increase in orders for existing services excluding COVID-19-related services led to net sales up 2.4% from the previous year at 244,513 million yen. For segment profit, while sales grew steadily despite an uncertain economic environment, declines in profitability and other factors led to profit down 10.7% from the previous year at 15,929 million yen.

Domestic subsidiaries and affiliates

In domestic subsidiaries and affiliates, net sales increased 7.7% from the previous year to 43,208 million yen due to an increase in orders from some listed subsidiaries and BPO service subsidiaries, while segment profit increased 1.5% from the previous year to 3,741 million yen.

Overseas subsidiaries and affiliates

In overseas subsidiaries and affiliates, net sales were 98,309 million yen, up 13.7% from the previous fiscal year, because of an increase in orders received for services provided by our subsidiaries in South Korea, ASEAN, and China. Meanwhile, segment profitability declined temporarily due primarily to the impact of foreign exchange rates at our Chinese subsidiaries, resulting in profits of 3,629 million yen, down 16.4% from the previous year.

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

(2) Issues to Be Addressed

Fundamental Policy for Business Portfolio

The Group intends to optimize its business portfolio by primarily engaging globally in CX (customer experience) services and BPO (business process outsourcing) services businesses, investing management resources into new businesses expected to be profitable and grow, and maximizing the Group's potential.

Medium-term management plan

The Company has stated in its corporate message its desire to become the Global Digital Transformation Partner, or the provider of new services that tap into digital technology to support client companies' transformation, and has formulated and promoted a medium-term management plan for the three fiscal years ended March 2023.

Primarily, we have focused on "people & technology," the origin of the business of the Company, or in other words, solving customers' problems by providing high value-added solutions that combine professional talents and advanced technology to achieve high growth and profitability. By steadily executing this initiative, we have been able to produce new services utilizing digital applications to various businesses. Amid unprecedented circumstances, including the worldwide COVID-19 pandemic since 2020 and the subsequent suspension of economic activity, the Company has leveraged its large-scale business execution capacity to proactively deliver business support related to policies promoted by the national and local governments and private companies as part of social infrastructure, achieving significant business results. As a result of these efforts, we achieved record-high net sales and operating profits for the fiscal year ended March 2022, and made substantial improvements in the overall profitability of our business.

Based on these results, we believe that further evolution of our services and businesses and enhancement of our management foundation to support this evolution are necessary to achieve the Group's long-term goal of 1 trillion yen in net sales. In response to consumer and IT trends, we will continue to strengthen our business expertise and ability to handle multiple communication channels for our corporate clients seeking to innovate IT usage and business processes. In overseas markets, which offer the greatest opportunity for growth, we will increase our ability to serve global clients, expand our area and service coverage, and develop and reinforce human capital across the company.

Based on this, we have formulated a new medium-term management plan for the period from the fiscal year ending March 2024 to the year ending March 2026 to pursue the following key initiatives.

■ What We Aim to Be

1. Evolving from Operational Excellence to a Technology Solution Company

Cutting-edge cloud technology, data platforms for CX (fully optimized user touchpoints), and digital BPO (fully optimized business processes) will be fully leveraged to maximize customer experience and productivity using digital technology to increase customer success.

2. Aspiring to be No.1 in Asia by Far and Among the Top 5 Global CX/BPO Players

We will promote and strengthen organic collaboration among our 170 global offices in Japan, China, South Korea, the ASEAN region, the US, and Europe as the continuous growth engine of the Group, capitalizing on the growth potential of global companies to maximize earnings. We will also explore new market opportunities through our Group network.

3. Social Contribution to Meet the Expectations of Our Business Partners, Employees, Shareholders, and Other Stakeholders

Committed to fairness, trust, sustainability, quality, innovation, customer success, and growth, we will continue being a partner in solving social issues through a diverse portfolio of businesses and services.

■ 5 Strategic Measures

1. Pivot to a platform business model (as-a-service)
2. Structural reform for greater quality and profits by service standardization
3. Reinforce systems and develop people to win in a growing global market
4. Develop new businesses and drive R&D by maximizing our global network
5. Develop a group management base (finance, human resources, marketing, ESG)

Moreover, the new medium-term management plan aims to achieve net sales of at least 450 billion yen and an operating profit margin of 6.0% to 8.0% by the fiscal year ending March 2026.

Through these initiatives, we aspire to bring our client companies the ultimate customer experience and improved productivity through the latest digital technologies, making steady progress toward becoming a Global Digital Transformation Partner that will help achieve a sustainable society.

Fundamental Sustainability Policy

Under the fundamental management philosophy, “Client satisfaction is the true value of our company,” the Company wishes to realize a well-being society through co-creation with clients. The Company conceives it as the significance of its existence to promote SDGs and ESG as your sustainable transformation partner.

■ Efforts for Addressing Important Management Issues Concerning Sustainability

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

• Environmental (E)

While an approach to global environmental conservation becomes essential as a sustainable transformation partner of client companies, it is intended to minimize business risks brought about by progression of climate changes by working to contribute to the satisfaction of green procurement requirements of client companies and a reduction in environmental load of society through the development and operation of environment management systems compliant with ISO 14001 international standard and the provision of services leading to streamlined and labor-saving operations and environmentally friendly services.

In March 2023, we disclosed climate change-related information in line with the recommendations of the TCFD (Task Force on Climate-Related Financial Disclosures).

• 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 capital, which are the key driver to accelerate business growth and global expansion and to enable the continuous creation of additional value, the Group is working to realize an environment where employees with various backgrounds in terms of gender, nationality, and disability can be motivated.

We have been certified as an “Excellent Corporation for Health Management 2023 (Major Corporation Category)” as part of a system that recognizes both major corporations and small- and medium-sized companies that practice particularly excellent health management based on efforts to address local health issues and promote health as advocated by the Japan Health Council.

• 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 47.

(3) Status of Raising Funds

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

(4) Status of Capital Investment

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

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

At the Board of Directors meeting held May 19, 2022, the Company resolved to transfer the Company's Nihon Chokuhan business, which primarily consists of general mail-order and online shopping business, to a new company (NewCo) which is to be established through incorporation-type company split (Company Split), and NewCo's shares will be subsequently transferred to UU SEIKATSU Inc. (Share Transfer), a company that is planned to become a subsidiary of GiG Works Inc. The Corporate Split and Stock Transfer were implemented as of July 1, 2022.

(6) Acquisition of Businesses of Other Companies

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

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

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

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

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

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

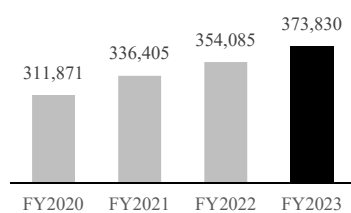
Category	FY 2020 (35 th Fiscal Term)	FY 2021 (36 th Fiscal Term)	FY 2022 (37 th Fiscal Term)	FY 2023 (current fiscal year) (38 th Fiscal Term)
Net sales (millions of yen)	311,871	336,405	354,085	373,830
Ordinary income (millions of yen)	8,954	18,012	28,902	23,072
Profit attributable to owners of parent (millions of yen)	6,279	10,022	21,488	15,767
Profit per share (yen)	151.40	241.65	518.12	389.22
Total assets (millions of yen)	143,985	175,883	218,455	193,842
Net assets (millions of yen)	77,969	92,516	120,880	112,381
Net assets per share (yen)	1,788.95	2,069.01	2,723.29	2,761.61

Notes:

- 1 Profit per share is calculated by deducting the average number of treasury stock in each fiscal term from the average total number of shares issued in each fiscal term. Net assets per share is calculated by deducting the number of treasury stock as of end of the term from the total number of issued shares as of end of the term.
- 2 Effective from the beginning of the 37th Fiscal Term, the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations.

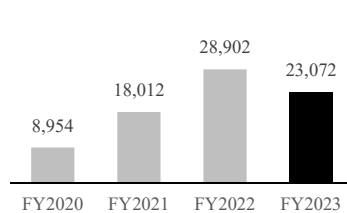
Net sales

(millions of yen)



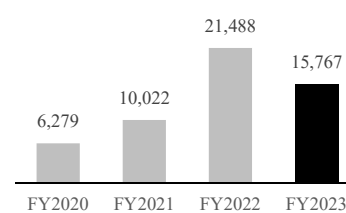
Ordinary income

(millions of yen)



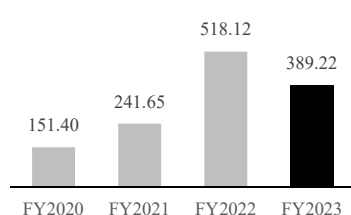
Profit attributable to owners of parent

(millions of yen)



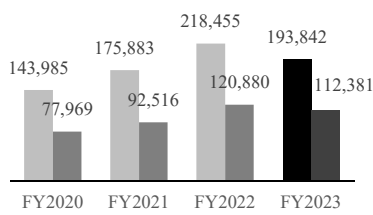
Profit per share

(yen)



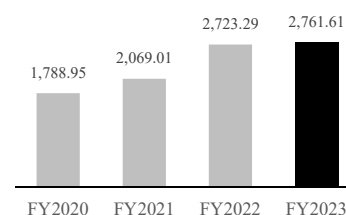
Total assets/Net assets

(millions of yen)



Net assets per share

(yen)



(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	100.00%	CX Services in South Korea, BPO Services
transcosmos China	RMB153 million	100.00%	CX Services in China

(11) Principal Business of the Group (As of March 31, 2023)

CX (Customer Experience) Services Business *Formerly DEC Services
The Group provides services that integrate digital marketing services, e-commerce one-stop services and contact center services and support improvement of customer experience through the elimination of boundaries among marketing, sales and support at diversifying touchpoints between companies and consumers. 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 Business
The Group provides services supporting back-office operations including accounting, finance and human resources management, order reception and placement 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, 2023)

Office	Location
Headquarters	Sunshine 60 Bldg., 3-1-1, Higashiikebukuro, Toshima-ku, Tokyo
Main Office	Shibuya First Tower 1-2-20, Higashi, Shibuya-ku, Tokyo
Head Office, Branch Offices and Business Offices	Osaka, Chubu, Wakayama, Kyushu, Kyoto, 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, UAE, Norway, Finland, Sweden, U.K., Estonia, Denmark, Poland, Ukraine, Belgium, Hungary, 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, 2023)

1) Employees of the Group

Segment	Number of employees	Number of temporary employees
Parent Company	16,791	22,179
Domestic subsidiaries and affiliates	2,323	2,486
Overseas subsidiaries and affiliates	21,468	5,044
Total	40,582	29,709

2) Employees of the Company

Number of employees	Year-on-year change	Average age	Average length of service
16,791 (22,179)	+ 329 (- 665)	37 years, 2 months	9 years, 4 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:
 - Parent Company Number of employees up by 329, Number of temporary employees down by 665
 - Domestic subsidiaries and affiliates Number of employees up by 198, Number of temporary employees up by 274
 - Overseas subsidiaries and affiliates Number of employees up by 185, Number of temporary employees up by 458

Among the segments listed above, the “Domestic affiliates” segment increased by 10.9% compared to the end of the previous fiscal year. This is mainly due to an increase in employees and temporary workers by some of our listed subsidiaries and BPO service subsidiaries in response to an increase in orders received.

(14) Major Creditors (As of March 31, 2023)

Creditor	Outstanding loans
Sumitomo Mitsui Banking Corporation	2,116 million yen
SUMITOMO MITSUI BANKING CORPORATION EUROPE LIMITED	1,524 million yen
MUFG Bank, Ltd.	1,334 million yen
Mizuho Bank Ltd.	666 million yen

2. Matters Concerning Shares of the Company (As of March 31, 2023)

- (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: 10,566
(of which 8,263 shareholders hold unit shares)
- (4) Top ten major shareholders

Name	Number of shares held (thousands of shares)	Shareholding ratio (%)
transcosmos foundation, Public Interest Incorporated Foundation	6,753	18.0
Masataka Okuda	6,404	17.1
Master Trust Bank of Japan, Ltd. (Account in Trust)	3,493	9.3
Custody Bank of Japan, Ltd. (Account in Trust)	1,815	4.8
Mihoko Hirai	1,463	3.9
The Bank of New York Mellon 140042	1,027	2.7
Government of Norway	735	2.0
HM Kosan, Ltd.	722	1.9
Employee Shareholding Association of transcosmos inc.	697	1.9
CEPLUX - The Independent UCITS Platform 2	541	1.4

Notes:

1. Although the Company holds 11,320 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, 2023)

(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.

(3) Stock Acquisition Rights Delivered to the Company's Employees during the Fiscal Year

What follows is the outline of the stock acquisition rights attached to euro-yen denominated convertible bonds with stock acquisition rights due 2026 issued in accordance with the resolution of the Board of Directors at its meeting held on November 25, 2021.

Date of issuance	December 14, 2021 ^(Note 1.)
Number of stock acquisition rights	1,000 units
Type and number of shares subject to stock acquisition rights	Common stock of the Company Number obtained by dividing the par value of the bond portion of these convertible bonds with stock acquisition rights (10,000,000 yen with the total par value of 10,000,000,000 yen) by the conversion price
Amount to be paid in for stock acquisition rights	None
Conversion price	4,062.8 yen ^(Note 2)
Exercise period	From December 28, 2021 (inclusive) to November 30, 2026 (inclusive, until the end of bank business hours) ^(Note 3)

Note 1: London time

Note 2: The conversion price was adjusted from 4,154.0 yen to 4,062.8 yen after April 1, 2022 in accordance with the conversion price adjustment clause of stock acquisition rights attached to euro-yen denominated convertible bonds with stock acquisition rights due 2026, following the approval of the year-end dividend proposal of 156 yen per share at the 37th Annual General Meeting of Shareholders held on June 22, 2022.

Note 3: Local time of the place where exercise request is accepted

4. Corporate Officers (As of March 31, 2023)

(1) Directors and Audit and Supervisory Committee Members

Position	Name	Assignment or principal responsibilities and significant concurrent positions
Representative Director, Chairman	Masataka Okuda	Sector Manager of Business Development Sector
Representative Director, Co-president	Koichi Iwami	Responsible for Diversity Promotion Department Chairman, Director & CEO of transcocosmos Korea Inc.
Representative Director, Co-president	Masaaki Muta	Responsible for the Marketing Division
Representative Director, Executive Vice President	Masatoshi Kouno	Headquarters Manager of BPO Services Headquarters, Sector Manager of Services Promotion Sector. Office Director of Business Development Office of BPO Services Headquarters, Division Manager of Services Promotion Division of BPO Services Headquarters
Representative Director, Executive Vice President	Takeshi Kamiya	Division Manager of Corporate Strategy Division, Sector Manager of Corporate Management Sector, Deputy Manager of Business Development Sector, Responsible for Global E-Commerce • Direct Sales Promotion Division of Business Development Sector, Division Manager of Business Innovation Division of Business Development Sector, and Responsible for Compliance Promotion Department
Director, Executive Vice President	Kenshi Matsubara	Headquarters Manager of DEC Headquarters
Director, Executive Vice President	Hiroshi Kaizuka	Headquarters Manager of Sales Headquarters, Responsible for AE Sector of DEC Business Headquarters
Director, Senior Corporate Executive Officer & CTO	Kiyoshi Shiraishi	Deputy Manager of Services Promotion Sector, Responsible for Digital Technology Promotion Division of Services Promotion Sector Chairman and Representative Director of J-Stream Inc.
Director, Corporate Advisor	Koji Funatsu	Outside Director, Member of the Board of KADOKAWA CORPORATION Outside Director of DeNA Co., Ltd.
Outside Director (Audit and Supervisory Committee Member)	Takeshi Natsuno	President of Dwango Co., Ltd. Outside Director of GREE, Inc. Outside Director of USEN-NEXT HOLDINGS Co., Ltd. Outside Director of Oracle Corporation Japan President, Member of the Board of KADOKAWA CORPORATION Special Guest Professor and Head of Cyber Informatics Research Institute of Kindai University
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. Representative Director of playful.inc
Outside Director (Audit and Supervisory Committee Member)	Eiji Uda	President and Representative Director of Unified Service Co., Ltd. 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	Outside Director of MITANI SANGYO Co., Ltd. Outside Director of Visional Inc.

Position	Name	Assignment or principal responsibilities and significant concurrent positions
Outside Director	Genichi Tamatsuka	Representative Director and President of Lotte Holdings Co., Ltd. Chairman of JAPAN RUGBY LEAGUE ONE Vice Chairmen of the Japan Association of Corporate Executives Director and Acting Owner of Chiba Lotte Marines
Outside Director	Noriyoshi Suzuki	Representative Director & President of LES ROIS MAGES JAPON

Notes:

1. Changes to Director during the fiscal year are as follows:
Representative Director Koichi Iwami has retired as of March 31, 2023.
2. 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.
3. 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.
4. The Company has designated Outside Directors Takeshi Natsuno, Nozomu Yoshida, 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.
5. 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.
6. “DEC,” “AE” and “DS” used in “Assignment or principal responsibilities and significant concurrent positions” of each Director are abbreviations for “Digital Marketing/E-Commerce/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, 2023) on the next page.

(Reference) Directors and Audit and Supervisory Committee Members (As of April 1, 2023)

Position	Name	Assignment or principal responsibilities and significant concurrent positions
Representative Director, Chairman	Masataka Okuda	
Representative Director, Co-president	Masaaki Muta	Responsible for Marketing Division
Representative Director, Co-president	Takeshi Kamiya	Division Manager of Corporate Strategy Division, Sector Manager of Corporate Management Sector, CO-Sector Manager of Business Development Sector, Responsible for Global E-Commerce • Direct Sales Promotion Division of Business Development Sector, Responsible for the Compliance Promotion Department, Responsible for Diversity, Equity & Inclusion Promotion Department
Representative Director, Executive Vice President	Masatoshi Kouno	Headquarters Manager of BPO Services Headquarters, Sector Manager of Services Promotion Sector
Director, Executive Vice President	Kenshi Matsubara	Headquarters Manager of CX Business Headquarters
Director, Executive Vice President	Hiroshi Kaizuka	Headquarters Manager of Sales Headquarters, Responsible for AE Sector of CX Business Headquarters
Director, Senior Corporate Executive Officer & CTO	Kiyoshi Shiraishi	Deputy Manager of the Services Promotion Sector, Responsible for Digital Technology Promotion Division of the Services Promotion Sector Chairman and Representative Director of J-Stream Inc.
Director, Corporate Advisor	Koji Funatsu	Outside Director, Member of the Board of KADOKAWA CORPORATION Outside Director of DeNA Co., Ltd.
Outside Director (Audit and Supervisory Committee Member)	Takeshi Natsuno	President of Dwango Co., Ltd. Outside Director of GREE, Inc. Outside Director of USEN-NEXT HOLDINGS Co., Ltd. Outside Director of Oracle Corporation Japan President, Member of the Board of KADOKAWA CORPORATION Special Guest Professor and Head of Cyber Informatics Research Institute of Kindai University
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. Representative Director of playful.inc
Outside Director (Audit and Supervisory Committee Member)	Eiji Uda	President and Representative Director of Unified Service Co., Ltd. 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	Outside Director of MITANI SANGYO Co., Ltd. Outside Director of Visional Inc.
Outside Director	Genichi Tamatsuka	Representative Director and President of Lotte Holdings Co., Ltd. Chairman of JAPAN RUGBY LEAGUE ONE Vice Chairmen of the Japan Association of Corporate Executives Director and Acting Owner of Chiba Lotte Marines
Outside Director	Noriyoshi Suzuki	Representative Director & President of LES ROIS MAGES JAPON

(2) Outside Directors

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 Natsumo	DWANGO Co., Ltd. GREE, Inc. USEN-NEXT HOLDINGS Co., Ltd. Oracle Corporation Japan KADOKAWA CORPORATION Kindai University	Representative Director Outside Director Outside Director Outside Director President, Member of the Board Special Guest Professor	The Company has a business relationship with USEN-NEXT HOLDINGS Co., Ltd and companies other than Kindai University
	Nozomu Yoshida	nozomu.net Odayaka Living Co., Ltd. Asahi Net, Inc. playful.inc	Representative Director & President Representative Director Outside Corporate Auditor Representative Director	The Company has a business relationship with playful.inc. There is no special relationship between the other companies and the Company.
	Eiji Uda	Unified Service Co., Ltd. Yext KK	Representative 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	MITANI SANGYO Co., Ltd. Visional Inc.	Outside Director Outside Director	There is no special relationship between each company and the Company.
	Genichi Tamatsuka	Lotte Holdings Co., Ltd. JAPAN RUGBY LEAGUE ONE The Japan Association of Corporate Executives Chiba Lotte Marines	Representative Director & President Chairman Vice Chairmen Director	There is no special relationship between each company and the Company.
	Noriyoshi Suzuki	LES ROIS MAGES JAPON	Representative Director & President	There is no special relationship between LES ROIS MAGES JAPON and the Company.

(3) Principal Activities of Outside Directors

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 13/13
Nozomu Yoshida	Number of meetings attended 13/13	Toru Shimada	Number of meetings attended 13/13
Eiji Uda	Number of meetings attended 12/13	Genichi Tamatsuka	Number of meetings attended 11/13
		Noriyoshi Suzuki	Number of meetings attended 12/13

Note: In addition to the above number of meetings of the Board of Directors, there were three 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.

Attendance at Audit and Supervisory Committee meetings

Outside Directors (who are Audit and Supervisory Committee Members)	
Takeshi Natsuno	Number of meetings attended 14/14
Nozomu Yoshida	Number of meetings attended 14/14
Eiji Uda	Number of meetings attended 13/14

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) Outline of the Directors and Officers Liability Insurance Contract

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. The scope of the insured persons under this insurance contract includes Directors and Executive Officers of the Company and Directors, Statutory Auditors and Executive Officers of (certain) subsidiaries. This insurance contract is to compensate for any damage to Directors or others 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.

(5) Remuneration paid to Directors

Regarding individual remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) for the current fiscal year, the Board of Directors delegates the decision to the Management Meeting based on a report by the Remuneration Committee, the majority of which consists of Independent Outside Directors, and the Audit and Supervisory Committee, which consists of outside directors, appropriately supervises to ensure that such decision-making authority is properly exercised by the Management Meeting. As the remuneration paid to the directors is determined in accordance with this series of procedures, we have determined that the details of 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 Internal Directors (excluding Directors who are Audit and Supervisory Committee Members) shall, in principle, consist of monetary remuneration, which is paid regularly on a monthly basis during the term of office.

Remuneration for Internal Directors consists of the portion paid according to individual performance assessments for the fiscal year and the portion determined by quantitatively assessing the progress of the medium-term management plan based on the net sales and profit goals set forth in the plan and actual results. The latter portion of remuneration linked to medium to long term performance is, in general, set to 20% of total monthly remuneration. In addition to the monthly remuneration above, 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.

The remuneration for Outside Directors (excluding Directors who are Audit and Supervisory Committee Members) shall consist of fixed monetary remuneration paid regularly on a monthly basis during the term of office to ensure independence.

The remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by the Management Committee based on a fair evaluation of performance for Internal Directors, while for Outside Directors, a draft determined in consideration of their duties shall be deliberated during a Remuneration Committee composed of a majority of Independent Outside Directors, then submitted to the Board of Directors, and the Management Meeting delegated to this task shall, based on this report from the Board of Directors, make a final decision. This determination process shall be properly supervised by the Audit and Supervisory Committee.

The Management Meeting is composed of three members, Representative Director and Chairman Masataka Okuda, Representative Director and Co-president Koichi Iwami ^(Note), and Representative Director and Co-president Masaaki Muta, and 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.

Note: Representative Director Koichi Iwami resigned from the position of Director as of March 31, 2023 and ceased to be a member of the Management Meeting on the same day. Representative Director Takeshi Kamiya was added as a member of the Management Meeting as of April 1, 2023.

Category	Number of Persons paid	Amount paid
Directors (excluding Directors who are Audit and Supervisory Committee Members) (Outside Directors who are among the above)	13 (4)	¥443 million (¥72 million)
Directors (who are Audit and Supervisory Committee Members) (Outside Directors who are among the above)	3 (3)	¥54 million (¥54 million)
Total (Outside Directors who are among the above)	16 (7)	¥497 million (¥126 million)

Notes:

1. 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.
2. 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 1.)	¥100 million
Total amount of money and other profits from properties to be paid by the Company and its subsidiaries to the Accounting Auditor	¥182 million

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 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) Fundamental Policy for Internal Control System

The fundamental 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 Division Manager of the Legal Division for Document Approval Rules, Document Management Rules and Contract Handling Rules, as well as the Department 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 Representative Director and the 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 Representative Director and the 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 as well as evaluate Directors on the basis of their performance for each year and their medium- to long-term performance and issue remuneration 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) Policies concerning the determination of dividend of surplus

Returning profits to shareholders is one of the Company's top management priorities. We have therefore adopted a dividend policy that focuses on the dividend payout ratio, which is closely related to the Company's business performance. Our fundamental policy is to increase the market value of shares by returning profits to shareholders.

(4) Fundamental Policy Regarding the Control of the Company

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

1) Details of the Fundamental 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 (a) the comprehensive IT utilization capabilities that the Company has accumulated since its establishment as a pioneer in the outsourcing business of information processing, (b) personnel who can promptly respond to changes in the environment and combine the latest technology, making use of originality and ingenuity, and (c) "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 Fundamental Policy

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

Medium-term management plan

We aspire to bring our client companies the ultimate customer experience and enhanced productivity through the latest digital technologies and achieve a sustainable society as a Global Digital Transformation Partner, and to achieve this, we have formulated a new medium-term management plan for the fiscal year ending March 2024 to the year ending March 2026.

Concrete efforts are given in “(2) Issues to Be Addressed” in “1. Business Overview of the Group” on page 26.

To strengthen its corporate governance

While performing precise decision-making and prompt business execution, the Company adopts a system of “Company with an Audit and Supervisory Committee” for the purpose of developing a management system that enables appropriate audit and supervision, and strives to increase its effectiveness to enhance corporate governance in accordance with its current business.

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.

Regarding the nomination of candidates for directors and the remuneration of directors (excluding Directors who are Audit and Supervisory Committee Members), the Nomination Committee (held twice in the fiscal year ended March 2023) and the Remuneration Committee (held once in the fiscal year ended March 2023), chaired by an Independent Outside Director, are established with a majority of Independent Outside Directors. These committees deliberate and report to the Board of 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 fundamental 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 14, 2021 and the resolution of the 36th Annual General Meeting of Shareholders held on June 23, 2021. A summary of the Plan is shown below.

Summary of the Plan

The Board of Directors of the Company, as stipulated by the fundamental 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 until 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 36th Annual Shareholders Meeting held on June 23, 2021.

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

Consolidated Balance Sheet

(As of March 31, 2023)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	135,423	Current liabilities	66,433
Cash and deposits	51,176	Accounts payable—trade	16,230
Notes and accounts receivable—trade, and contract assets	70,985	Short-term loans payable	1,629
Merchandise and finished goods	4,825	Current portion of bonds	79
Work and software in progress	196	Current portion of long-term loans payable	2,060
Supplies	92	Accounts payable—other	7,785
Other	8,444	Accrued expenses	18,918
Allowance for doubtful accounts	(297)	Income taxes payable	4,849
Fixed assets	58,419	Accrued consumption tax	4,601
Tangible fixed assets	16,550	Advances received	1,955
Buildings and structures	6,652	Accrued bonuses for employees	6,233
Vehicles and transportation equipment	41	Other	2,091
Tools, furniture and fixtures	7,779	Fixed liabilities	15,027
Land	839	Bonds payable	194
Lease assets	1,182	Convertible-bond-type bonds with share acquisition rights	10,074
Construction in progress	56	Long-term loans payable	2,222
Intangible fixed assets	4,523	Deferred tax liabilities	374
Goodwill	604	Net defined benefit liability	402
Software	3,135	Long-term security deposits received	23
Lease assets	27	Other	1,734
Software in progress	429	Total liabilities	81,461
Other	326	Net Assets	
Investments and other assets	37,345	Shareholders' equity	97,568
Investment in securities	8,111	Common stock	29,065
Investment in stocks of unconsolidated subsidiaries and affiliates	10,718	Capital surplus	19,330
Investment in unconsolidated subsidiaries and affiliates	1,442	Retained earnings	77,739
Long-term loans receivable	532	Treasury stock	(28,567)
Deferred tax assets	5,305	Accumulated other comprehensive income	5,917
Security deposits	10,456	Valuation difference on available-for-sale securities	2,452
Other	1,112	Foreign currency translation adjustment	3,464
Allowance for doubtful accounts	(333)	Subscription rights to shares	3
		Non-controlling interests	8,892
		Total net assets	112,381
Total assets	193,842	Total liabilities and net assets	193,842

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

Consolidated Statement of Income
(from April 1, 2022 to March 31, 2023)

(Millions of yen)

Account item	Amount	
Net sales		373,830
Cost of sales		297,308
Gross Profit		76,522
Selling, general and administrative expenses		53,231
Operating profit		23,290
Non-operating income:		
Interest income	195	
Dividend income	42	
Foreign exchange gains	272	
Employment development subsidy	480	
Other	417	1,408
Non-operating expenses:		
Interest expenses	84	
Share of profit of entities accounted for using equity method	1,325	
Other	216	1,626
Ordinary profit		23,072
Extraordinary gains:		
Gain on sales of investment securities	756	
Gain on sales of subsidiaries and affiliates' stocks	373	
Gain on change in equity	241	
Other	162	1,534
Extraordinary losses:		
Loss on retirement of non-current assets	204	
Impairment loss	194	
Loss on valuation of investment securities	478	
Loss on change in equity	131	
Other	160	1,170
Profit before income taxes		23,436
Income taxes—current	7,565	
Income taxes—deferred	(1,109)	6,456
Profit		16,980
Profit attributable to non-controlling interests		1,212
Profit attributable to owners of parent		15,767

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

Consolidated Statement of Changes in Equity

(from April 1, 2022 to March 31, 2023)

(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	19,331	67,408	(15,240)	100,564
Change during the fiscal year					
Dividend of surplus			(6,469)		(6,469)
Profit attributable to owners of parent			15,767		15,767
Acquisition of treasury stock				(13,326)	(13,326)
Disposal of treasury stock		0		0	0
Purchase of shares of consolidated subsidiaries		(0)			(0)
Change of scope of equity method			1,033		1,033
Net change in items other than shareholders' equity during the fiscal year					-
Total change during the fiscal year	-	(0)	10,331	(13,326)	(2,995)
Balance at the end of the fiscal year	29,065	19,330	77,739	(28,567)	97,568

(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	11,324	1,055	12,379	3	7,932	120,880
Change during the fiscal year						
Dividend of surplus			-			(6,469)
Profit attributable to owners of parent			-			15,767
Acquisition of treasury stock			-			(13,326)
Disposal of treasury stock			-			0
Purchase of shares of consolidated subsidiaries			-			(0)
Change of scope of equity method			-			1,033
Net change in items other than shareholders' equity during the fiscal year	(8,871)	2,408	(6,462)	-	959	(5,503)
Total change during the fiscal year	(8,871)	2,408	(6,462)	-	959	(8,498)
Balance at the end of the fiscal year	2,452	3,464	5,917	3	8,892	112,381

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

Non-Consolidated Balance Sheet
(As of March 31, 2023)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	75,391	Current liabilities	47,660
Cash and deposits	20,546	Accounts payable—trade	12,124
Notes receivable	69	Short-term loans payable to subsidiaries and affiliates	4,400
Accounts receivable—trade	47,131	Current portion of long-term loans payable	1,998
Contract assets	526	Accounts payable—other	6,377
Merchandise	1,089	Accrued expenses	9,600
Supplies	29	Income taxes payable	3,587
Advances	622	Accrued consumption tax	3,078
Prepaid expenses	2,707	Advances received	949
Accounts receivable—other	1,030	Deposits received	454
Other	1,638	Accrued bonuses for employees	4,820
Allowance for doubtful accounts	(0)	Other	269
Fixed assets	51,191	Fixed liabilities	16,356
Tangible fixed assets	9,019	Convertible-bond-type bonds with share acquisition rights	10,074
Buildings	4,744	Long-term loans payable	2,003
Tools, furniture and fixtures	3,119	Provision for loss on guarantees	2,909
Land	707	Provision for loss on support to subsidiaries and affiliates	600
Other	448	Other	767
Intangible fixed assets	2,071	Total liabilities	64,016
Software	1,736	Net Assets	
Telephone rights	93	Shareholders' equity	61,237
Other	240	Common stock	29,065
Investments and other assets	40,100	Capital surplus	20,803
Investment in securities	5,085	Other capital surplus	20,803
Investment in stocks of subsidiaries and affiliates	22,937	Retained earnings	39,935
Investment in subsidiaries and affiliates	648	Legal retained earnings	3,124
Long-term loans receivable from subsidiaries and affiliates	8,428	Other retained earnings	36,810
Deferred tax assets	3,723	Unappropriated retained earnings	36,810
Security deposits	6,347	Treasury stock	(28,567)
Other	627	Valuation and translation adjustments	1,328
Allowance for doubtful accounts	(7,695)	Net unrealized gain (loss) on securities	1,328
		Total net assets	62,566
Total assets	126,583	Total liabilities and net assets	126,583

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

Non-Consolidated Statement of Income

(from April 1, 2022 to March 31, 2023)

(Millions of yen)

Account item	Amount	
Net sales		244,513
Cost of sales		190,256
Gross Profit		54,256
Selling, general and administrative expenses		38,326
Operating profit		15,929
Non-operating income:		
Interest income	136	
Dividend income	3,730	
Foreign exchange gains	503	
Gain on reversal of provision for loss on guarantees	578	
Other	500	5,449
Non-operating expenses:		
Interest expenses	32	
Provision of allowance for doubtful accounts	1,251	
Provision for loss on support to subsidiaries and affiliates	600	
Other	104	1,989
Ordinary profit		19,389
Extraordinary gains:		
Gain on sales of investment securities	497	
Gain on sales of stocks of subsidiaries and affiliates	373	
Company establishment subsidies, etc.	114	
Other	40	1,026
Extraordinary losses:		
Loss on retirement of non-current assets	180	
Loss on valuation of investment securities	370	
Loss on valuation of stocks of subsidiaries and affiliates	1,354	
Other	10	1,915
Profit before income taxes		18,500
Income taxes—current	5,504	
Income taxes—deferred	148	5,653
Profit		12,847

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

Non-Consolidated Statement of Changes in Equity
(from April 1, 2022 to March 31, 2023)

(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	2,477	31,079	33,557
Change during the fiscal year						
Dividend of surplus			–	646	(7,116)	(6,469)
Profit			–		12,847	12,847
Acquisition of treasury stock			–			–
Disposal of treasury stock		0	0			–
Net change in items other than shareholders' equity during the fiscal year			–			–
Total change during the fiscal year	–	0	0	646	5,730	6,377
Balance at the end of the fiscal year	29,065	20,803	20,803	3,124	36,810	39,935

(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	(15,240)	68,186	8,253	8,253	76,439
Change during the fiscal year					
Dividend of surplus		(6,469)		–	(6,469)
Profit		12,847		–	12,847
Acquisition of treasury stock	(13,326)	(13,326)		–	(13,326)
Disposal of treasury stock	0	0		–	0
Net change in items other than shareholders' equity during the fiscal year		–	(6,924)	(6,924)	(6,924)
Total change during the fiscal year	(13,326)	(6,949)	(6,924)	(6,924)	(13,873)
Balance at the end of the fiscal year	(28,567)	61,237	1,328	1,328	62,566

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

REPORT OF INDEPENDENT AUDITORS

May 12, 2023

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
Masanori Yagi

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, 2022 to March 31, 2023.

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, 2023 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.

Other statements

Other statements are the business report and supplementary schedules. The management's responsibility is to prepare and disclose other statements. Additionally, the Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for other statements.

Our audit opinion on the consolidated financial statements does not include any other statements, and we express no opinion on such other statements.

Our responsibility in auditing the consolidated financial statements is to read other statements in order to determine, in the course of our reading, whether there are material differences between other statements and the consolidated financial statements or our knowledge obtained in the course of our audit, as well as to note whether there is any indication of material errors in other statements other than such material differences.

If, at any time, based on the work we have performed, we determine that there is a material error in other statements, we are required to report that fact.

We have no other matters to report regarding other statements.

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 12, 2023

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
Masanori Yagi

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 38th business year from April 1, 2022 to March 31, 2023.

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, 2023 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.

Other statements

Other statements are the business report and supplementary schedules. The management's responsibility is to prepare and disclose other statements. Additionally, the Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for other statements.

Our audit opinion on the financial statements does not include any other statements, and we express no opinion on such other statements.

Our responsibility in auditing the financial statements is to read other statements in order to determine, in the course of our reading, whether there are material differences between other statements and the financial statements or our knowledge obtained in the course of our audit, as well as to note whether there is any indication of material errors in other statements other than such material differences.

If, at any time, based on the work we have performed, we determine that there is a material error in other statements, we are required to report that fact.

We have no other matters to report regarding other statements.

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 38th fiscal year between April 1, 2022 and March 31, 2023. 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.

- (a) 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;
- (b) 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;

- (c) 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
 - (d) 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 15, 2023

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.