



To Our Shareholders and Investors

April 1, 2014

March 31, 2015

Business Report

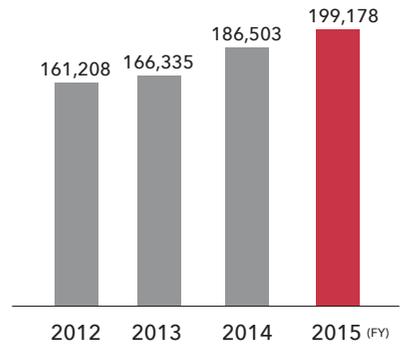
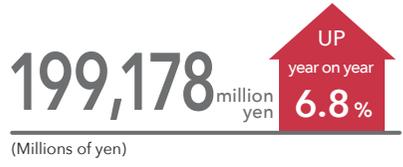
transcosmos launched operations in 1966. Since then we have combined superior "human resources" with up-to-date "technological" capabilities to enhance the competitive strength of our clients by providing them with superior and valuable services. transcosmos currently offers Cost Reduction Services (Contact Center, HR/Financial/Sales Back Office, Order Management/SCM, System Development/Management, etc.) and Sales Expansion Services (Big Data Analysis, Internet Advertising, Website Construction/Management, Smartphone/SNS Utilization, Telemarketing, etc.). transcosmos continues to pursue operational excellence by providing these services through our 133 locations in 18 countries with a focus in Asia. Furthermore, following the expansion of e-commerce worldwide, transcosmos provides a comprehensive, global, e-commerce one-stop service to deliver our clients' excellent products and services to consumers in 34 countries. transcosmos aims to be the "Global business process outsourcing (BPO) Partner" of our clients to provide them with high-quality BPO services on a global scale.

To Our Stakeholders

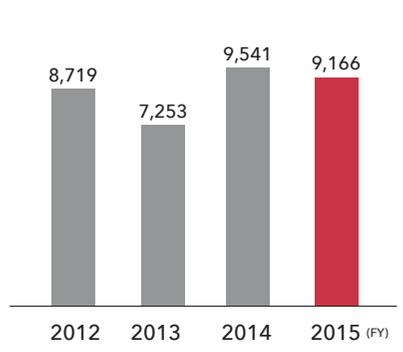
We would like to express our sincere appreciation to shareholders and investors for their continued exceptional support.

Along with greetings to our shareholders and investors, we hereby present a report on our performance in the fiscal year ending March 31, 2015 (April 1, 2014 to March 31, 2015).

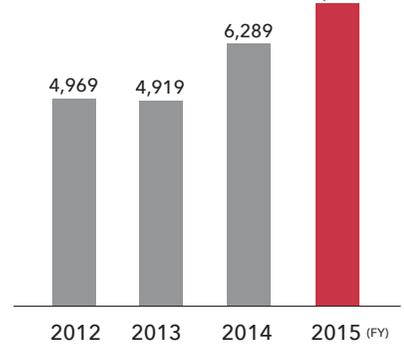
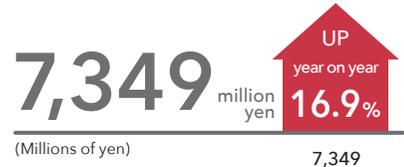
• Consolidated net sales



• Consolidated operating income



• Consolidated net income



Summary of Financial Results for the Fiscal Year under Review

The information services industry, in which the transcocosmos group operates, is experiencing increasing demand for BPO services that address the needs of client companies to continuously enhance cost-competitiveness and improve business efficiency. Moreover, the proliferation and advancement of smartphones and tablet devices have expedited the growth and development of corporate e-commerce businesses, uncovering demand for services that

address these trends.

Against this backdrop, the Group posted an increase in orders thanks to the provision of BPO services to clients in a wide range of business fields and industries. These services centered on contact center services, back office services, design development services, and Internet promotions.

In other initiatives for spurring growth, we pursued the advancement of our business worldwide to address global demand for BPO services, while strengthening our system for providing e-commerce one-stop services.

Activities During the Fiscal Year under Review

The Group established an office in London, its first base in Europe. Through this office, we will provide e-commerce one-stop services for the European market, support European businesses moving into the Asian market, and promote capital and business alliances with local companies supplying e-commerce and BPO services. In addition, the Group has been accelerating business development in Southeast Asian markets. In Thailand, we formed a capital and business

Glossary

① SSP (supply-side platform): An advertising management tool for maximizing the earnings of media companies that provide online advertising slots. In contrast, DSP (demand-side platform) is a system that helps advertisers.



alliance with the SAHA GROUP, a major Thai conglomerate. We also opened a second call center in Bangkok, with 200 workstations, with the aim of expanding BPO services in the Thai market. In Singapore, we established a joint venture with Takashimaya Company Limited, called TAKASHIMAYA TRANSCOSMOS INTERNATIONAL COMMERCE PTE. LTD. The new company will engage in wholesale and retail sales operations supplying high-end Japanese products to overseas markets. In the year under review, we launched a cross-border e-commerce site, called SPACE 879, which offers Western products to consumers in Japan. Through these and other activities, transcosmos will continue strengthening its e-commerce one-stop service framework.

Future Outlook

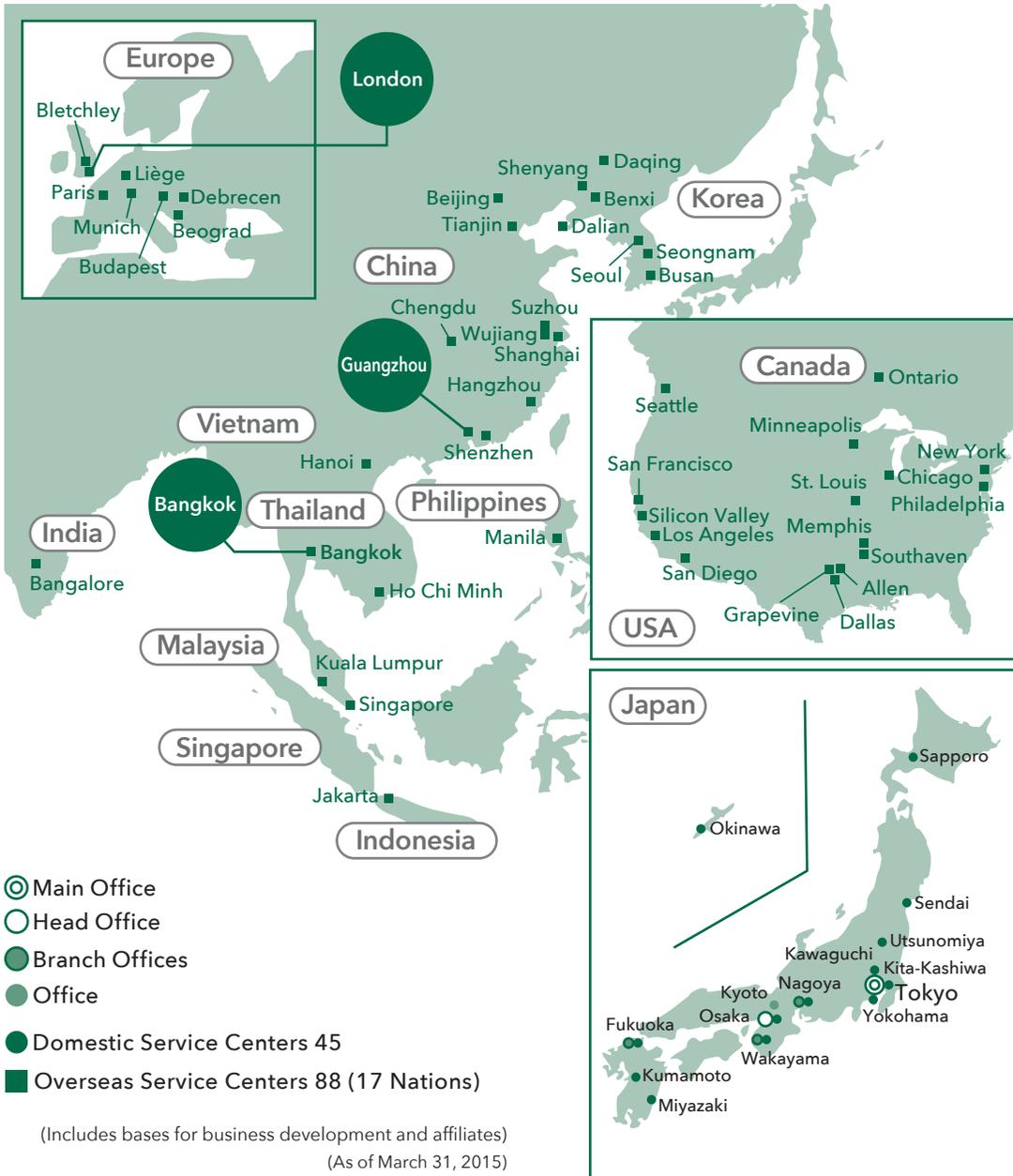
We will continue to focus on creating tailored services to meet our client companies' needs for sales growth and cost reductions, while at the same time accelerating our business development in China, Korea and other Asian markets, and in Europe and North America, with the aim of maintaining annual earnings growth. We will strengthen our development of global e-commerce one-stop services to support our clients' e-commerce businesses in the ASEAN market, where high future growth is forecast.

A Message to Our Shareholders

Based on our basic policy on profit distribution, we proposed the payment of a year-end dividend of ¥54 per share to the 30th Annual General Meeting of Shareholders, and the proposal was approved. We have yet to determine next year's dividend amount at this time, but will make an announcement as soon as a decision has been made. We ask for the continued support and encouragement of our shareholders and investors.

June 2015
President and COO
Masataka Okuda

Global Network 133 Bases in 18 Nations



New Overseas Operations

Overseas Service Bases

Guangzhou  **China**

BPO Center Guangzhou
(transcosmos business service outsourcing Suzhou Co., Ltd., Guangzhou Division)
Established December 2014
Provision of design and development support services



London  **United Kingdom**

TRANSCOSMOS (UK) LIMITED
Established November 2014
Provision of e-commerce one-stop services and promotion of capital and business alliances with local e-commerce and BPO-related corporations



Bangkok  **Thailand**

Bangkok Center 2
200 workstations



Provision of comprehensive CRM outsourcing services, domestic call center services for Thailand, offshore call center services, multilingual call center services, digital marketing services, and e-commerce services

Business Process Outsourcing Services

Outsourcing services to support the non-core operations of companies include the following: back-office operations, including accounting/finance and human resources; order placement services; operation and maintenance of IT systems; mechanical, architectural, and other design operations.

Features of our company

- Established the largest off-shore service system for Japan (China, Thailand, Vietnam, Indonesia and Philippines, 18 bases)
- Offering services in a wide range of areas: systems development/operation, order processing, architectural design, mechanical design, embedded systems development, data input, human resources/general affairs/accounting/back-office
- Established off-shore development system in China in 1995 before the rest of the industry
- Time-tested wealth of experience (49 years in business, one of the longest in the ²help-desk industry)

Contact Center Services

Offering outsourcing services for customer support operations such as dealing with inquiries and complaints from customers, informing on products and services, and supporting marketing and sales.

Features of our company

- Largest contact center service provider in Asia, focusing on Japan, China and South Korea
- Offering the largest contact center services in Japan with 21 bases and 14,000 seats in Japan as well as 26 bases and 7,000 seats overseas
- Business experience in many industries, including financial, telecommunication, high-tech, medical, cosmetics, distribution, automobile and airline, as well as in the public sector
- Established Shibuya Social Media Center, one of the first in the industry, which specializes in customer support for social media

Glossary

- ²Help desk: In-company operations to deal with inquiries about operating PCs and software as well as troubleshooting. Many companies outsource these tasks.
- ³Ad technology: Advertising activities that make full use of IT, taking advantage of Internet technology.

Digital Marketing Services

Supporting marketing activities, which make use of Internet infrastructures and offering Internet promotions, website design and operation, Omni-channel marketing, analysis and research services, among others.

Features of our company

- Digital marketing service provider focusing on Japan, China and South Korea
- Established a one-stop support system which includes all services, from Internet promotion to website design and operation
- Created one of the largest websites and operating systems in Japan with more than 2,300 employees
- Actively introducing the latest ad technology³ through our business development base in San Francisco



E-Commerce One-Stop Services

transcosmos bases its one-stop services on the business and brand strategies of client companies. We supply the various functions required for e-commerce, ranging from e-commerce site construction and operation to fulfillment, customer care, Internet promotions, and analytics.

Features of our company

- Providing services in 34 countries worldwide, including Japan, Europe, the United States, China, South Korea, and Southeast Asia
- Blending the Company's extensive services and performance, including more than 35,000 specialist staff, the in-house integrated e-commerce platform known as the transcosmos eCommerce HUB, contact centers, BPO, and digital marketing
- Leveraging our partnerships with leading corporations in Europe, the United States, China, and South Korea, we are able to develop e-commerce businesses tailored to the culture and characteristics of each target market
- We support the development of e-commerce in Southeast Asia through alliances with top players in the apparel, e-book and other markets in Southeast Asia

Note: Figures for number of countries, bases, seats and people are as of March 31, 2015.

Initiatives Targeting Further Growth ~ Global E-Commerce One-Stop Services

transcosmos provides global e-commerce one-stop services to client companies so that they may deliver superior products and services to consumers in 34 countries.

In fiscal 2015, the global e-commerce market was said to be worth around ¥150 trillion. By developing unique services for the e-commerce market, we aim to seize new business opportunities that will support future growth.

Global E-Commerce One-Stop Services Flow Chart



Glossary ④ Fulfillment formulation: Construction of a logistics center, order management system and warehouse management system to receive and store merchandise.

In the year ended March 2015, transcosmos helped clients expand their e-commerce sales. To this end, we launched our own e-commerce sites and formed alliances with leading players possessing know-how in e-commerce sites, selling products and services, mainly in Asian markets, as well as distribution and sales.

Joint Venture Established with Takashimaya



Together with Takashimaya Company Limited, we established a joint venture company called TAKASHIMAYA TRANSCOSMOS INTERNATIONAL COMMERCE PTE. LTD. The new company will engage in wholesale and retail sales operations by supplying high-end Japanese products to overseas markets. As a first step, the new company plans to supply products to Southeast Asia and China.



World-Leading E-Commerce Sites

In December 2009, the Company signed a strategic partnership agreement with TMALL, China's largest e-commerce mall. transcosmos received Gold certification for two product categories as an outstanding TMALL Partner in the latter half of 2014, for the second consecutive term. We provide a support framework for launching online retail websites on Japan's Rakuten Ichiba and other leading e-commerce platforms around the world, thus helping clients increase their sales.

transcosmos Group's E-Commerce Sites



Through its e-commerce sites, the transcosmos Group supports the sales of its client companies' products and services.

Recently, we decided to merge with our consolidated subsidiary, NIHONCHOKUHAN Co., Ltd., a mail-order business (scheduled to take place in July 2015). Through this merger, we will make the most of the business foundation of NIHONCHOKUHAN Co., Ltd., which includes brand strength, marketing channels and knowledge, as well as mail-order operations. In March 2015, we also opened SPACE 879, a cross-border e-commerce site selling European and North American products to consumers in Japan.



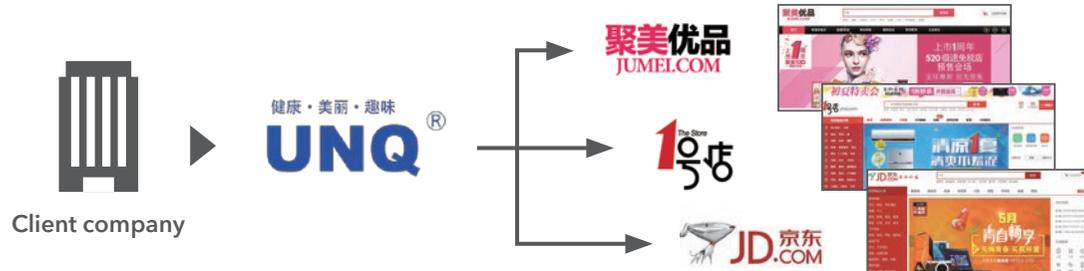
NIHONCHOKUHAN
<http://www.666-666.jp/>

SPACE 879
<https://www.space879.com/>

Distributor for Leading Chinese Online Retailers



transcosmos formed an alliance with UNQ, a distributor for e-commerce sites. As a result of the partnership, UNQ is able to conduct wholesale and retail sale promotions for China's leading online retailers, such as JUMEI, Yihaodian, and JD.com.

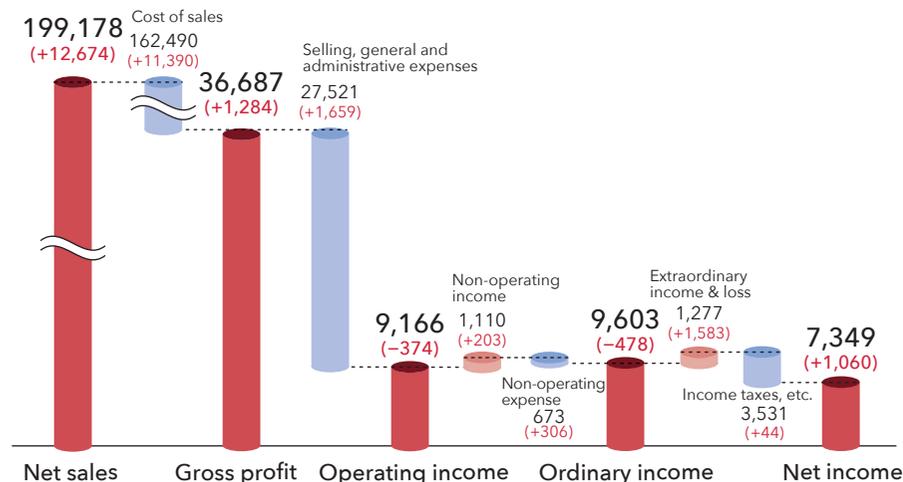


Consolidated Financial Results

Consolidated Statement of Income

(Millions of yen)

FY2015 (Apr. 1, 2014 – Mar. 31, 2015)



Notes: 1. Bar graphs are not proportionate to corresponding values for ease of understanding.
2. Figures in parentheses are year-on-year changes.

Net sales

Net sales increased 6.8% year on year thanks to solid performances of core stand-alone business offerings, such as contact center services, BPO services, digital marketing services and e-commerce one-stop services. Other factors included healthy orders generated by our domestic and overseas BtoB subsidiaries.

Operating income

Despite improved profitability of mainstay standalone services amid growing demand, operating income declined 3.9% year on year. This was due mainly to the impact of the weak yen on overseas BtoB subsidiaries and the exclusion of some BtoC subsidiaries from the scope of consolidation.

Net income

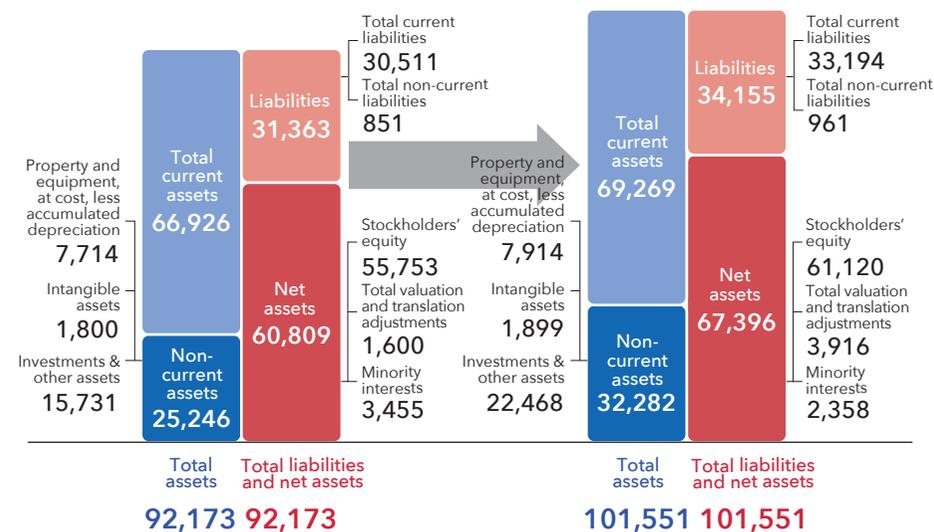
Despite decreases in operating income and ordinary income due to forward-looking investments, net income rose 16.9% year on year owing to the posting of extraordinary income, including a gain on the partial sale of a BtoC subsidiary, as well as a gain on changes in equity associated with the public listing of a Chinese affiliated company.

Consolidated Balance Sheet

(Millions of yen)

As of March 31, 2014

As of March 31, 2015



Total assets

Total assets increased ¥9,378 million from the end of the previous fiscal year. Total current assets increased ¥2,343 million, mainly due to a decrease in notes and accounts receivable-trade. Non-current assets increased ¥7,035 million due to new purchases of shares in affiliates and increased market valuation of listed shares among the Company's investment securities.

Liabilities

Liabilities increased ¥2,791 million from the end of the previous fiscal year, primarily from an increase in accrued consumption tax.

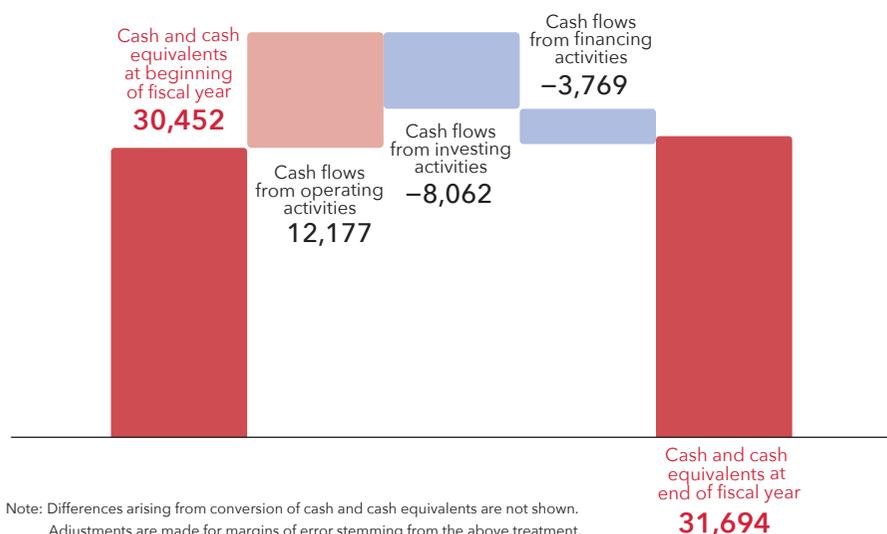
Net assets

Net assets increased ¥6,586 million from the end of the previous fiscal year, mainly reflecting an increase in retained earnings from the recording of net income for the period. As a result, the shareholders' equity ratio stood at 64.0%.

Consolidated Statement of Cash Flows

(Millions of yen)

FY2015 (Apr. 1, 2014 – Mar. 31, 2015)



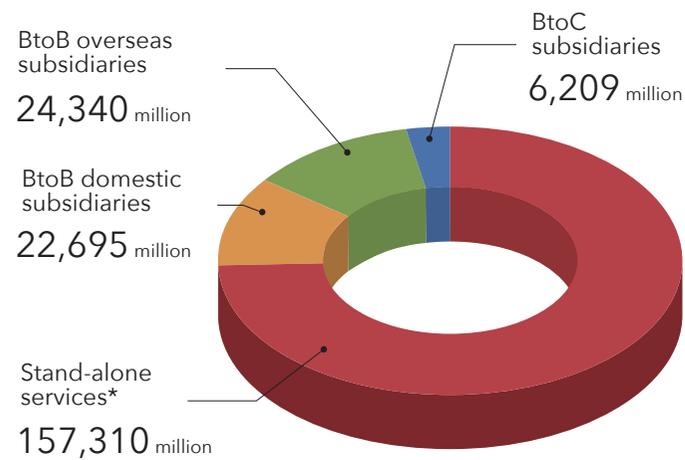
Note: Differences arising from conversion of cash and cash equivalents are not shown. Adjustments are made for margins of error stemming from the above treatment.

Cash flows

Net cash provided by operating activities increased ¥3,255 million year on year, primarily due to an increase in income before income taxes. Net cash used in investing activities increased ¥3,779 million from the previous year, due to higher outlays for acquisition of investment securities, as well as a decrease in income from sales of investment securities. Net cash used in financing activities decreased ¥4,515 million year on year, reflecting a reduction in outlays for the repayment of long-term loans payable.

Net Sales by Segment

FY2015 (Consolidated)



Note: Figures are not adjusted for ¥11,378 million of transactions between segments. *Refers to parent company services, exclusive of subsidiaries' services.

Stand-alone services

Offering one-stop outsourcing services, including contact center

BtoB domestic subsidiaries

Group operations to develop business for domestic corporations

BtoB overseas subsidiaries

Group operations to develop business for foreign corporations

BtoC subsidiaries

Group operations to develop Internet media for domestic consumers

transcosmos Receives Equal Employment and Work-Life Balance Award

transcosmos received the "Tokyo Labour Bureau Director's Award" in the Category for Enterprises Promoting Equal Employment in the Ministry of Health, Labour and Welfare Fiscal 2014 awards for Equal Employment/Work-Life Balance. The awards are given to businesses with positive action initiatives enabling women to fulfill their full potential in the workplace and initiatives helping women employees balance their work and childcare responsibilities. Accordingly, such businesses serve as a good example to other enterprises. transcosmos received the award in recognition of its initiatives to help women advance to managerial-level positions.



Reasons for the Award

1 Background to positive actions and positive action framework

- 2007: Launched the Promotion of Women Employee Project, chaired by the executive vice president
- 2008: Began activities centered on the Three Pillars for Action: (1) skill and career development of female employees, (2) changing thinking and public relations within the Company, and (3) support for a work-friendly environment. These activities are promoted under the slogan "Creating a corporate culture where women can be actively involved!"

2 Details of positive action initiatives: Dividing activities into "recognition" phase and "enhancing understanding" phase

- Provision of elective skill development training (Career Academy) to support career development with the aim of improving female employees' management skills, raising awareness of career options, and fostering human resources for management positions (since 2007)
- Expanded the scope of training and network building to include a Basic Career Tutoring course for the next generation of managerial position candidates and a Career Value Training course for the following generation of managerial position candidates (since 2008)
- Education through the dissemination of information via a dedicated website called "cosmos net" and reporting of activities in an in-house magazine as part of changing thinking and public relations within the Company
- Activities supporting a work-friendly environment, including the holding of childcare assistance information sessions, support for building family-friendly communities in-house, and helping working mothers by providing information on the types of assistance available

3 Outcomes of positive actions: Annual increases in the number of women appointed to managerial positions (particularly head of department positions)

Going forward, transcosmos will continue striving to create a work environment enabling employees to achieve a comfortable balance between their work and family responsibilities.

Diversity Class Held at Uehara Junior High School in Shibuya

Under the Company's Community-Oriented CSR Activity program, on November 6, 2014, we held a class in conjunction with the Shibuya Social Welfare Committee. A company employee who is a sign language interpreter gave a lecture on diversity and taught the 86 pupils in the class how to make a self-introduction using sign language.



Lecture



Teaching sign language



Self-introduction using sign language

13th Tokyo Abilympics: Employees Receive Gold, Silver, and Bronze Medals in DTP Competition and Gold Medal in Word Processing Competition

Three transcosmos employees and one employee from special subsidiary, transcosmos assist, took part in the 13th Tokyo Abilympics, a skills competition for people with disabilities. All four participants received medals. The three transcosmos employees participated in the DTP competition, and the transcosmos assist employee competed in the Word Processing Competition.



Medalists in the DTP Competition



Medals



Medalist in the Word Processing Competition

*transcosmos assist was established in April 2005 as a specified subsidiary of transcosmos with the objective of fostering employment of persons with disabilities. It actively employs persons with mental disabilities, including autism and developmental disabilities, and creates workplaces where disabled people can fully utilize their abilities. It also supports their active participation in society and works to build environments (bringing together nondisabled and disabled) for nurturing the potential of each employee.

Corporate Information (As of March 31, 2015)

Registered Name	transcosmos inc.
Date of Incorporation	June 18, 1985
Capital	¥29,065 million
Employees	Parent: 8,432 Group: 15,995
Major Banks	Sumitomo Mitsui Banking Corporation The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Bank, Ltd.
Main Office	3-25-18, Shibuya, Shibuya-ku, Tokyo 150-8530, Japan Tel. +81-3-4363-1111 Fax +81-3-4363-0111
Osaka Head Office	Tosabori Daibiru Bldg., 2-2-4, Tosabori, Nishi-ku, Osaka-shi, Osaka 550-0001, Japan Tel. +81-6-4803-9500 Fax +81-6-4803-9590

Principal Stockholders (As of March 31, 2015)

Name	Number of shares (thousand shares)	Ratio of shares(%)
Koki Okuda	7,498	15.37
Masataka Okuda	5,910	12.11
Okuda Ikueikai Foundation	1,753	3.59
Mihoko Hirai	1,463	3.00
The Master Trust Bank of Japan, Ltd. (Account in Trust)	1,380	2.83
Japan Trustee Services Bank, Ltd. (Account in Trust)	1,116	2.29
GOLDMAN, SACHS & CO. REG	914	1.87
Limited Company HM Kosan	722	1.48
Employee Shareholding Association of transcosmos inc.	613	1.26
STATE STREET BANK AND TRUST COMPANY	559	1.15

Notes: 1. Other than the above, our company retains 7,654 thousand shares of its own stock.
2. Number of shares less than one thousand is rounded down to the nearest thousand.
3. Shareholding ratio is rounded off to two decimal places.

Stock Information (As of March 31, 2015)

Shares Authorized for Issue	150,000,000
Shares Issued	48,794,046
Stockholders	16,167

Directors, Auditors and Corporate Officers (As of June 24, 2015)

Founder & Group CEO	Koki Okuda
Chairman & CEO	Koji Funatsu
President & COO	Masataka Okuda
Executive Vice President	Koichi Iwami Hiroyuki Mukai
Senior Executive Managing Directors	Masakatsu Moriyama Shinichi Nagakura Masaaki Muta
Executive Managing Directors	Masatoshi Kouno Hitoshi Honda Kiyoshi Shiraishi
Director	Ralph Wunsch
Members, Board of Directors	Takeshi Natsuno* Nozomu Yoshida Eiji Uda* Owen Mahoney*
Standing Auditors	Hideaki Ishioka Kunio Shimofusa
Auditors	Toshiaki Nakamura* Setsuo Yamane*
Corporate Senior Officers	Hiroshi Kaizuka Kazuhiko Yamaki Kokkei Nakayama Yoichi Kawano Kentaro Ogata Atsushi Ono Kenshi Matsubara
Corporate Officers	Hiroyuki Uchimura Tsutomu Hasegawa Hirofumi Inoue Norimitsu Miyazawa Eijiro Yamashita Hiroki Tanigawa Hiroyuki Morita

*We have designated three outside board members and two auditors as independent directors with no conflict of interest with general shareholders and have submitted written notification of these matters to Tokyo Stock Exchange, Inc.



transcosmos inc.

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This Business Report is designed and produced by the Normalization Promotion Dept.,
which employs people with disabilities.