



FY2018

Business Report

April 1, 2017 ➤➤➤ March 31, 2018

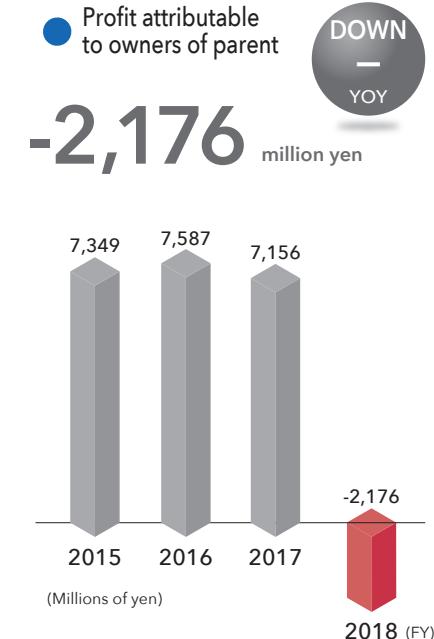
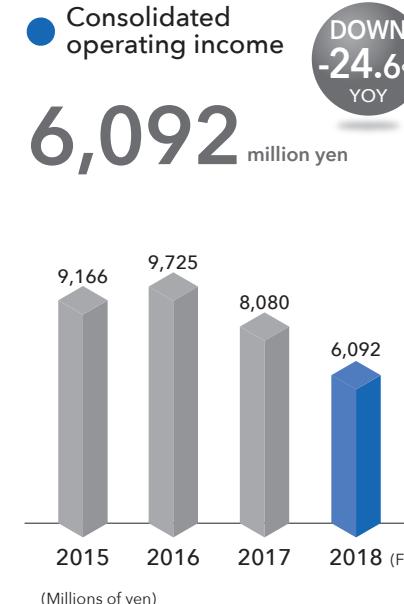
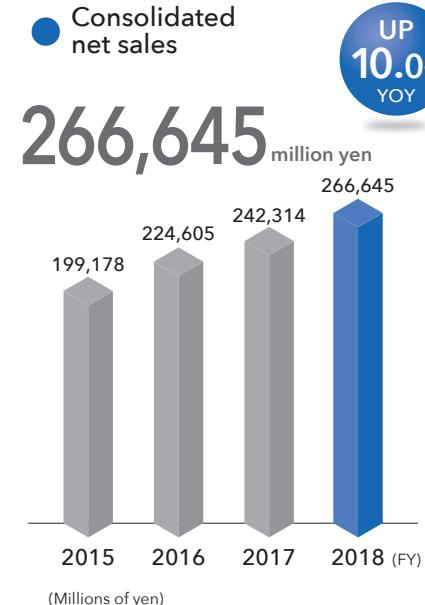
transcosmos inc.
Securities Code: 9715

Global Digital Transformation Partner

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 ended March 31, 2018 (April 1, 2017 to March 31, 2018).



Summary of Financial Results for the Fiscal Year under Review

Amid a declining workforce, corporate globalization, the expansion of digital communications centered on chat, and the advancement of digital technologies such as IoT and AI, the business environment in which the transcosmos Group operates is seeing growing demand for outsourcing services that lead to greater business efficiency, stronger cost competitiveness, and increased revenue.

Against this backdrop, the Group aggressively promoted its offerings—centered mainly in the DEC

services field, which integrates digital marketing, e-commerce, and contact center services, as well as BPO services, such as back-office and design development—and posted increased orders as a result.

With respect to earnings, although the impact of prior investments faded in the second half of the year under review and due to increased utilization capacity of our operation centers, we posted an increase in selling, general and administrative expenses associated with up-front investments, especially in personnel, aimed at achieving long-term growth.

Creating New Services

In the DEC services field, we expanded the functions and service lineup of the "DEC®" series, which we are concentrating on as one of our main offerings. Specifically, we began offering "DECAds for Emergency," a chat-based customer support service for corporate emergencies, including product recalls and data leaks. We also unified management of conversation logs with customers and marketing data, and used contact center conversation logs to strengthen our advertisement distribution services. We achieved this

by connecting "Contact-Link," a proprietary cloud-based contact center platform, with "DECode," our original DMP service. In addition, we expanded services connected to the LINE messenger app. Specifically, we started offering a call-chat hybrid customer support service using the LINE Customer Connect functions "LINE to Call" and "Call to LINE," as well as a customer communication service connecting LINE with "Salesforce Service Cloud." Other launches included a marketing support service for LINE handled jointly by Dentsu Digital Inc. and Dentsu Digital Drive Inc. In collaboration with LINE Corporation, we established the "Social Media Counseling Association" and launched a business providing measures to prevent suicide, bullying, and other issues by opening helplines based on SNS and information dissemination. In addition, we established playground Co., Ltd., a subsidiary that specializes in the entertainment industry, issuing electronic tickets and providing marketing support services. That company has launched a new communication service centered on the "Quick Ticket" electronic ticketing system. We also introduced numerous new suppliers to "Gotchamall," a platform for connecting consumers and shops/ brands. These included Seven & i Holdings Co., Ltd., JEANS MATE, Inc., and Kasumi Co., Ltd. In the BPO services field, meanwhile, we continued focusing on developing and providing our Digital BPO® service, which integrates the latest digital technologies—including robotic process automation (RPA), AI, and digital platforms—and our operational excellence, cultivated since our foundation. Through these initiatives, we will simultaneously speed up our business processes and reduce working hours, which will help improve the productivity of our client companies.

Strengthening Our Service Structure

During the year, we expanded and upgraded our service bases and organizational structure, mainly with a view toward increasing demand. Specifically, we opened the Changsha Center, our eighth contact center in China. In addition, we formed an ad management team for Amazon in our Sendai Planning Center. This team consists of specialist staff from "Amazon Marketing Services," an ad placement service offered by Amazon Japan G.K. and its affiliates, and "Amazon Advertising Platform." With respect to information security initiatives, our subsidiary in Thailand obtained certification under the ISO/IEC 27001:2013 international standard for information security management systems (ISMSs), complementing similar certification received by subsidiaries in Japan and China.

Future Outlook

We will continue striving to create services that are better matched to the revenue expansion and cost reduction needs of our client companies. At the same time, we will accelerate business development globally, especially in Asia, to secure double-digit growth in net sales and achieve an improved year-on-year business performance, compared with the year under review.

A Message to Our Shareholders

We consider the return of profits to our shareholders one of our most important management policies. With respect to our dividend policy, we have adopted a dividend ratio-oriented system directly linked to business results. Our basic policy is to return profits to shareholders and consequently increase the market value of our shares.

In the year under review, the Group posted a loss attributable to owners of parent. Because this included one-time losses, such as loss on valuation of shares and other assets, we have excluded such valuation losses from dividend considerations and, reflecting our basic dividend policy, declared an annual dividend of ¥23.00 per share.

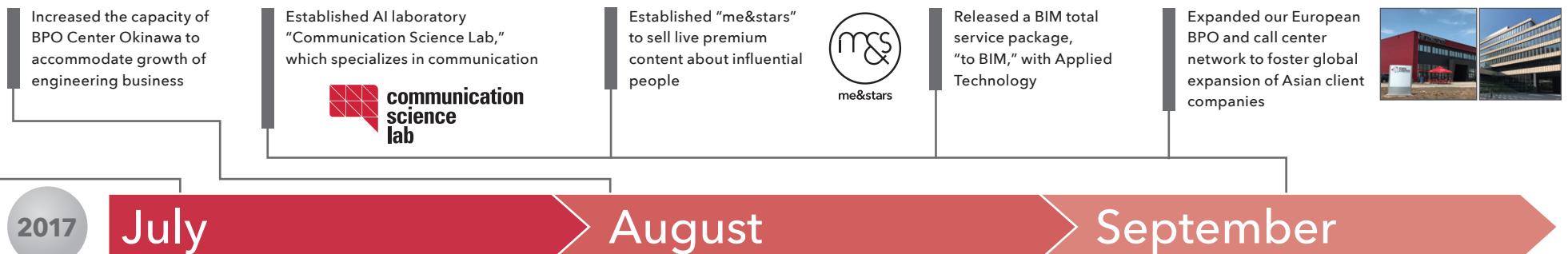
We ask for the continued support and encouragement of our shareholders and investors.

June 2018
President and COO
Masataka Okuda

Topics of the First Half of Fiscal 2018



Topics of the First Half of Fiscal 2018



By using smartphone applications, "DEC Support" makes it possible to provide support to customers without telephone lines or facilities. The operator registers the names of manufacturers and products that he/she personally can deal with into the Company's system in advance, then downloads the application to his/her smartphone or tablet. When an inquiry about such manufacturers or products is received in the chat box, notification is sent to the operator's smartphone app, and the operator provides support via the chat box. Applying a smartphone app to the customer support process enables operators to work without regard to time or place, providing a new way of working in the age of cloud services.

The operating environment for customer support services has changed dramatically in recent years. Progressive digitization of consumer lifestyles through the spread of smartphones has led to an increase in demand for chat-based support using LINE and Messenger. Call center operators have been working hard to attract human resources and reduce facility costs by opening regional call centers, hiring home-based operators, and the like. Although these will remain major issues, we will promote "DEC Support" as an effective mechanism for addressing the various changes and challenges facing the customer support sector.

DEC Support
For Cloud Working



"DEC Support"
customer support service without phone lines—
a new workstyle in the age of cloud services



me&stars

Released a BIM total service package,
"to BIM," with Applied Technology

Expanded our European BPO and call center network to foster global expansion of Asian client companies



2017

July

August

September



"DEC Support"
customer support service without phone lines—
a new workstyle in the age of cloud services



Using AI to expedite service creation
and delivery

May: Started offering "DataRobot" automation/AI platform, world's most advanced machine learning tool
We introduced the "DataRobot" platform at our company and starting training over 100 data scientists to master the platform. At the same time, we began offering services built on the platform to our client companies.



August: Launched "AI Total Solution Services" to support interactive AI deployment and operation
Through business alliances with companies that possess top-class, domestic-made AI tools and engines and DECAI, our original interactive AI tool, developed in-house, we will support the introduction of optimal AI technologies that meet the needs, challenges, and circumstances of our client companies.

DECAI

IBM Watson

COTOHA
Communication Engine

QA ENGINE

September: Established new company, Dentsu Digital Drive Inc., in alliance with Dentsu Digital Inc.

In the corporate digital marketing business, we will reinforce our integrated structure, covering everything from strategy to implementation, to support the further growth of our clients' businesses. At the same time, we will utilize advanced digital marketing tools to build models and develop patterns for operational standardization and the like. We will also use AI and cognitive technologies to develop new services in the robotic process automation (RPA) field.

DENTSU DIGITAL
transcosmos
people & technology

September: Established Communication Science Lab (AI research facility specializing in communications), which, with transcosmos, developed "AI Copywriter KOTOBATAKUMI" (beta version)

Using machine learning, natural language processing, and other data sciences, we plan to launch a support system for copywriting text advertising, centered on in-feed advertising.

Topics of the Second Half of Fiscal 2018

Our Chinese subsidiary won the "Golden Voice Award—China Best Outsourcing Customer Contact Center of the Year Awards, 2017"



Partnered with the U.S. fast fashion brand FOREVER 21

FOREVER 21

Established an annotation center to specialize in developing large-volume teacher data indispensable for AI and machine learning

Supported TMALL store opening for the Okaidi-Obaibi brand of children's clothing affiliated with France IDKIDS

okaidi-OBAIBI

Offered "LINE to Call" and "Call to LINE," features of "LINE Customer Connect"



2017

October

November

December

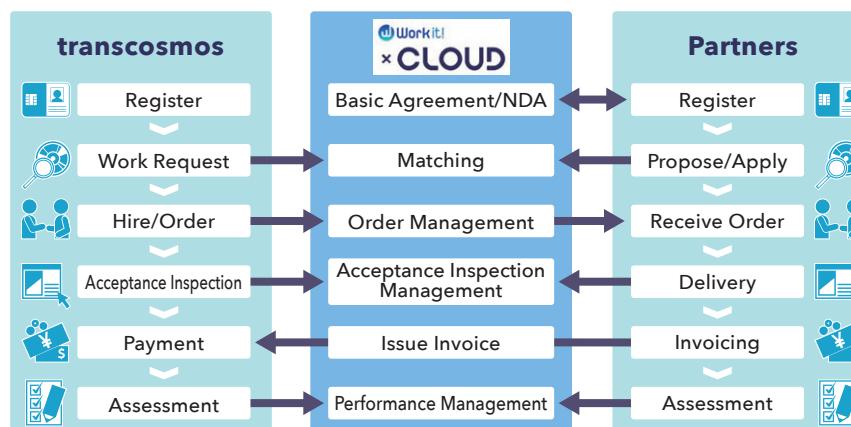
System reinforcement



Developed "Work it!xCLOUD," an outsourcing platform that provides flexibility to accommodate diverse workstyles

"Work it!xCLOUD" is a platform that connects the outsourcer (transcosmos) with outsourcees (partners), completing all outsourcing-related processes online. By conducting thorough predetermined screening of partner applicant identity and work environment during registration, transcosmos ensures the security and skills of partners and offers high-quality services.

As a first step, transcosmos encourages former employees who have left the Company due to personal reasons, plus sole proprietors and small-sized companies that have business transactions with the Company, to register as partners while proposing this new service delivery scheme to clients.



System reinforcement



Established the "Social Media Counseling Association" jointly with LINE

As part of its CSR activities, LINE has entered into a "Partnership Agreement for Youth Bullying Prevention Using LINE" with the government of Otsu city (Shiga prefecture) and a "Partnership Agreement for Youth Suicide and Bullying Prevention Using LINE" with Nagano prefecture, where it created LINE-based helplines, and is considering other future counseling opportunities. transcosmos is involved in the planning of these opportunities and provides the systems and performs data analysis.

The companies established the association to carry out measures for preventing suicide, bullying, and other issues by making use of their knowledge from previous endeavors to create social media-accessible helplines and provide information.

■ Objective

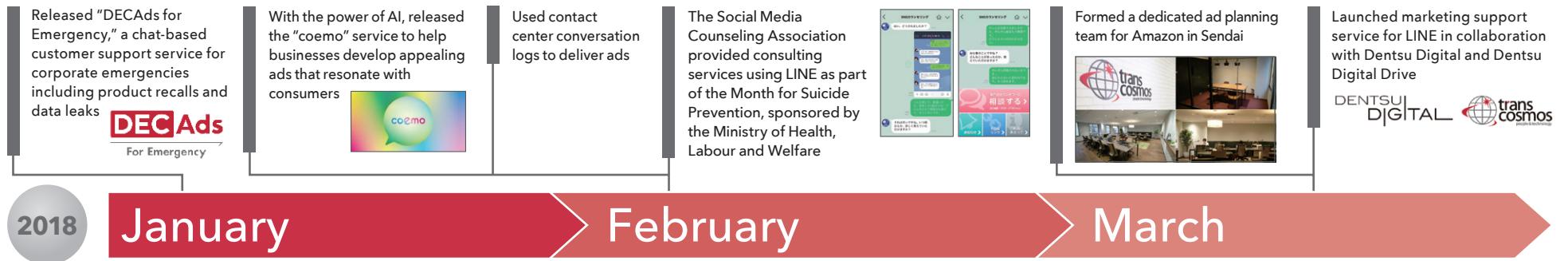
Promoted activities listed on the right in wide-ranging cooperation with social media operators, telephone helpline operators, counselors, research institutes, and professors

- ① Training to improve the skills of social media counselors
- ② Research into social media counseling techniques
- ③ Spreading high-quality social media counseling, and more

Social Media Counseling Association

| | |
|------------------------------|---|
| Name | Social Media Counseling Association |
| Established | December 6, 2017 |
| Representative Board Members | Kiyotaka Eguchi (LINE Corporation) and Takeshi Sankawa (transcosmos inc.) |
| Business | Develop, research, and spread social media counseling methods |

Topics of the Second Half of Fiscal 2018



Pick UP Service

Internationally patented "Quick Ticket," provided by the subsidiary playground Co., Ltd., is an electronic stamp technology that allows stamping to be done directly on smartphones. It has been widely adopted in sports arenas, theme parks, concert halls, and the like.



In February 2018, the transcosmos subsidiary playground Co., Ltd., together with the Saitama Seibu Lions (baseball team), fully adopted the world's first "chat-based smart stadium," centered on electronic tickets that can be issued through LINE, and launched the service via Web fan-club advance pre-lottery sales.

Developed and operated by the subsidiary Grand Design, "Gotcha!mall," a service allowing people to access coupons via an interface of well-known capsule toys called Gacha, celebrated its second anniversary.

Gotcha! mall.

We provide integrated marketing that incorporates the DEC service, which uses real behavioral customer data from eight million official LINE account friends, 40 million plays, and 20,000 stores.



Certifications/acknowledgments

Won the "Customer Case Study Contribution" award from Works Mobile



transcosmos won the "Customer Case Study Contribution" award in recognition of its tremendous record in implementation of LINE WORKS, a business version of LINE provided by Works Mobile Japan Co., Ltd., offering numerous case studies to client companies.

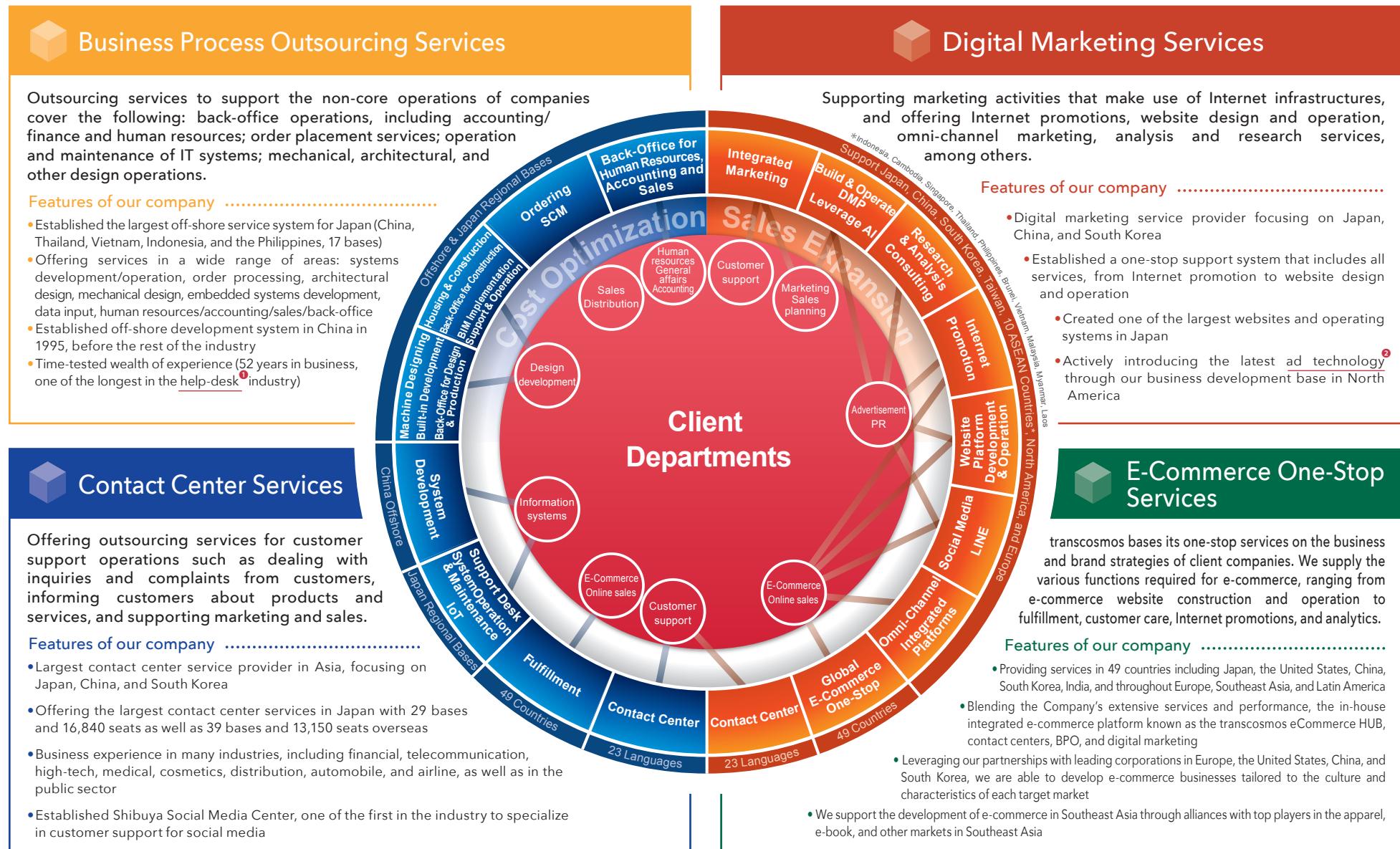
transcosmos was awarded the top "Diamond" status among Sales Partners in the "LINE Biz Account" section of the "LINE Biz-Solutions Partner Program," which recognizes partners who sell and develop LINE services for companies.

We were recognized as a particularly excellent partner among partners selling LINE advertising products and API-related services.



Our Business

Seeking to further strengthen our support for the business expansion efforts of client companies in the areas of marketing, sales, and customer care, in April 2016 we launched our "DEC services," which integrates digital marketing, e-commerce, and contact center functions.



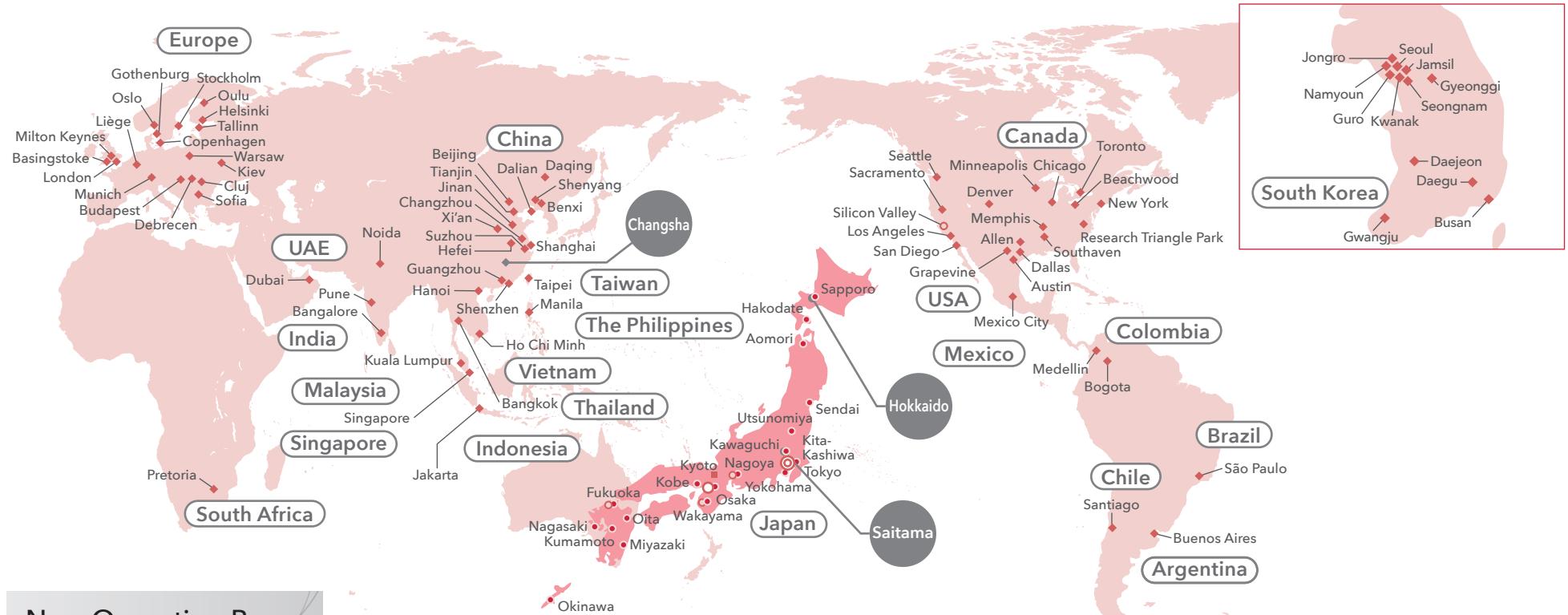
Glossary

- ① Help desk:** In-company operations to deal with inquiries about operating PCs and software as well as troubleshooting. Many companies outsource these tasks.
- ② Ad technology:** Advertising activities that make full use of IT, taking advantage of Internet technology.



Global Network 172 Operating Bases across 33 Countries

● Main office ○ Head office ● Branch offices ■ Office ● Service centers ● Domestic service centers: 59 ◆ Overseas service centers: 113 (32 countries)
 (Number of bases includes head office, branch offices, and business development and alliance partners.) (As of June 30, 2018)



New Operating Bases

Hokkaido

Marketing Chain Management Center Sapporo Sosei

285 workstations

Provides call center and contact center services



Changsha

Center



650
workstations

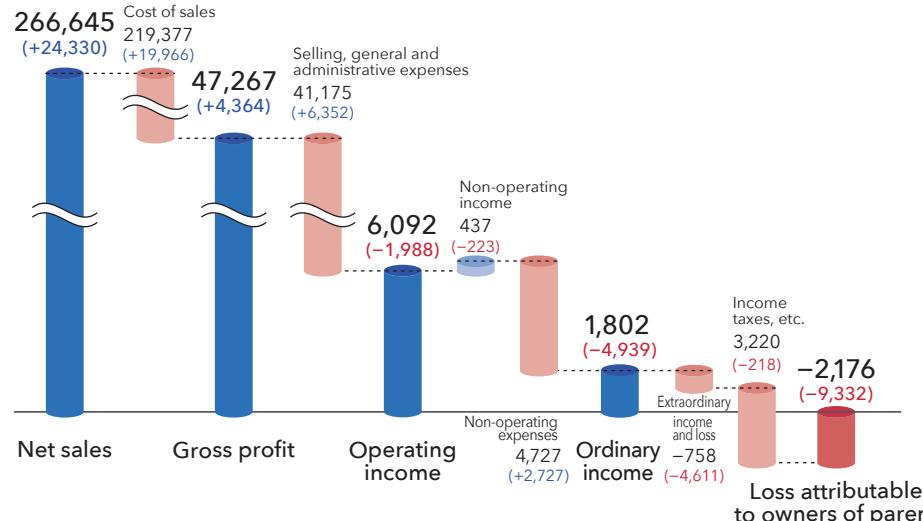
Handles chat support, inbound calls,
and outbound calls for Chinese
domestic customers

Consolidated Financial Results

Consolidated Statement of Income

(Millions of yen)

FY2018 (Apr. 1, 2017 – Mar. 31, 2018)



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 rose 10.0% year on year, reflecting increased orders for our DEC services (digital marketing, e-commerce one-stop, and contact center services), BPO services, and other core businesses of the parent company, as well as higher orders received by subsidiaries in China and South Korea. This is the eighth consecutive period of year-on-year net sales increases and the highest figure since our public listing.

Operating income

Operating income declined 24.6% year on year, due mainly to forward-looking investments in parent company services, as well as the higher costs of domestic affiliates establishing new businesses. This was despite a major improvement in the earnings (decrease in operating losses) of overseas affiliates, especially subsidiaries in China and South Korea. Accordingly, profitability of our overseas business is now on the horizon.

Loss attributable to owners of parent

Loss attributable to owners of parent was ¥2,176 million. In addition to the decrease in operating income, this was due mainly to the impact of a lump amortization of goodwill in some affiliates (non-operating expenses), a decline in gain on sales of shares (extraordinary income), and an increase in loss on valuation of shares (extraordinary loss).

Consolidated Balance Sheet

(Millions of yen)

As of March 31, 2017

| | |
|---|----------------|
| Property and equipment at cost, less accumulated depreciation | 9,069 |
| Total current assets | 82,283 |
| Intangible assets | 6,294 |
| Investments and other assets | 46,154 |
| Non-current assets | 61,518 |
| Total assets | 143,802 |
| Liabilities | 58,613 |
| Total current liabilities | 40,812 |
| Total non-current liabilities | 17,800 |
| Stockholders' equity | 70,478 |
| Total valuation and translation adjustments | 11,217 |
| Non-controlling interests, etc. | 3,492 |
| Total liabilities and net assets | 143,802 |

As of March 31, 2018

| | |
|---|----------------|
| Property and equipment at cost, less accumulated depreciation | 10,276 |
| Total current assets | 84,733 |
| Intangible assets | 6,238 |
| Investments and other assets | 28,257 |
| Non-current assets | 44,772 |
| Total assets | 129,506 |
| Liabilities | 58,307 |
| Total current liabilities | 45,203 |
| Total non-current liabilities | 13,103 |
| Stockholders' equity | 65,477 |
| Total valuation and translation adjustments | 2,144 |
| Non-controlling interests, etc. | 3,577 |
| Total liabilities and net assets | 129,506 |

Assets, Liabilities and Net assets

As of March 31, 2018, total assets were ¥129,506 million, down ¥14,295 million from March 31, 2017. Total liabilities declined ¥306 million, to ¥58,307 million, and net assets were down ¥13,989 million, to ¥71,199 million. The Company had applied accounting treatment related to a stock transfer agreement covering some shares in an equity-method affiliate, scheduled for September 2017. Due to breach of the agreement during the second quarter of fiscal 2018, the Company reversed the accounting treatment. This reversal is the main factor for these decreases. Details of each are below.

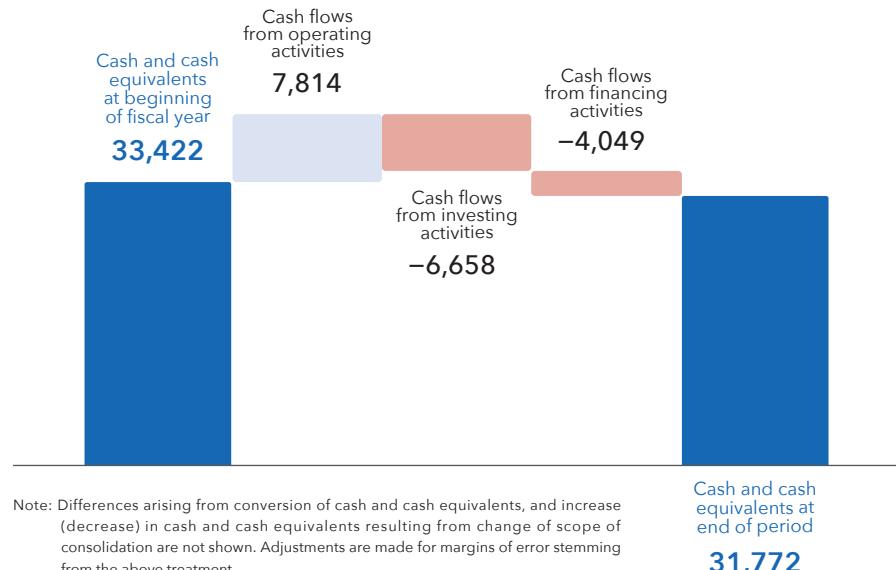
- **Non-current assets:** Decline due to reversal of market valuation of investment securities (changed to shares of subsidiaries and affiliates after reversal) and reversal of derivative receivables pertaining to the agreement
- **Non-current liabilities:** Decline in deferred tax liabilities
- **Net assets:** Decline in unrealized holding gain on securities and reversal of unrealized loss on hedging instruments

In addition to items related to the aforementioned stock transfer agreement, major changes in assets were an increase in notes and accounts receivable and a decrease in cash and deposits under current assets, as well as decreases in investment securities and shares of subsidiaries and affiliates under non-current assets. As for liabilities, there was an increase in accrued expenses under current liabilities and a decrease in long-term debt under non-current liabilities. The shareholders' equity ratio as of March 31, 2018 was 52.2%.

Consolidated Statement of Cash Flows

(Millions of yen)

FY2018 (Apr. 1, 2017 – Mar. 31, 2018)



Note: Differences arising from conversion of cash and cash equivalents, and increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation are not shown. Adjustments are made for margins of error stemming from the above treatment.

Cash flows

Net cash provided by operating activities amounted to ¥7,814 million, down ¥672 million from the previous fiscal year. This was due mainly to a decrease in income before income taxes and non-controlling interests.

Net cash used in investing activities totaled ¥6,658 million, up ¥459 million from the previous fiscal year. The main factors were decreases in proceeds from sales of shares of subsidiaries and affiliates and proceeds from sales of investment securities.

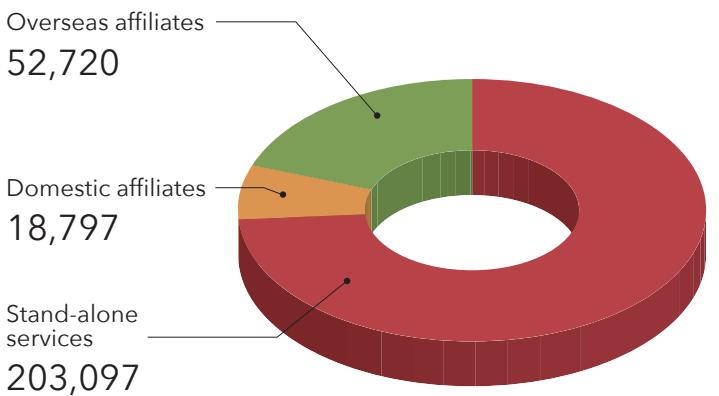
Net cash used in financing activities was ¥4,049 million, up ¥748 million from the previous fiscal year. The main factor was an increase in repayment of long-term borrowings.

As a result, cash and cash equivalents as of March 31, 2018, amounted to ¥31,772 million, down ¥1,650 million from the end of the previous fiscal year.

Net Sales by Segment

(Millions of yen)

FY2018 (Apr. 1, 2017 – Mar. 31, 2018)



Note: Figures are not adjusted for -¥7,969 million of transactions between segments.

Stand-alone services

Outsourcing operations offered by the Company

Domestic affiliates

Outsourcing operations offered by domestic Group companies

Overseas affiliates

Outsourcing operations offered by overseas Group companies

Corporate Governance

Basic Approach

Our management philosophy states that "Client satisfaction is the true value of our Company, and the growth of each of our employees creates the value that shapes our future." To realize this vision, we at transcosmos recognize that improving corporate governance is a top-priority management issue. We therefore strive to maximize our corporate value while building excellent relationships with all of our stakeholders, including shareholders and customers, as well as business partners, local communities, and our employees. We are dedicated to providing services that satisfy our customers, maintaining clear management responsibilities and accountability, establishing a highly transparent administrative structure, and improving our supervisory and oversight functions.

Initiatives to Strengthen Corporate Governance

June 2015

Corporate Governance Code (TSE) adopted

December 2015

Decision made on action policy related to Corporate Governance Code (own Corporate Governance Code formulated)

June 2016

Transition to "Company Retaining an Audit and Supervisory Committee" at Annual General Meeting of Shareholders



Company with Board of Auditors

Company Retaining an Audit and Supervisory Committee

- Made efforts to further strengthen corporate governance structure, driven by adoption of the Corporate Governance Code in June 2015
- Adopted "Company Retaining an Audit and Supervisory Committee" structure that separates the oversight and business execution functions and makes full use of the functions of outside directors
- Upgraded efforts to "reinforce the oversight function" in response to business expansion and diversification

Features of the Company's Audit and Supervisory Committee

● All Audit and Supervisory Committee members are outside (independent) directors. Audits and oversight are conducted from the standpoint of third parties with no vested interests (personal or economic) in the Company.

● All Audit and Supervisory Committee members have deep insight as managers. Every member has extensive managerial experience and considerable knowledge of finance and accounting and, through the Board of Directors, deliberates business with internal directors on an equal footing and, accordingly, the checks-and-balances function is working properly.

● System in which the Internal Audit Office supports the auditing work of the Audit and Supervisory Committee

The Internal Audit Office supports the auditing work of the Audit and Supervisory Committee, under the guidance and supervision of that committee.

Evaluating the effectiveness of the Board of Directors and the Audit and Supervisory Committee

From March through May 2018, the Company conducted a questionnaire survey of all directors about the effectiveness of the Board of Directors and the Audit and Supervisory Committee in fiscal 2018, then analyzed and evaluated the results.

Effectiveness evaluation: Board of Directors

This evaluation concluded that the composition of the Board of Directors, the content of the agenda and deliberations, the status of discussions, and the operational situation are appropriate, and that the Board of Directors is effective in terms of both decision-making and business execution oversight. By conducting these analyses/evaluations annually, we will strive to further improve the effectiveness of the Board of Directors, while maintaining the excellence of the governance system we have built to date.

Effectiveness evaluation: Audit and Supervisory Committee

This evaluation concluded that Audit and Supervisory Committee members are fulfilling their roles and responsibilities properly with respect to supervising the business execution of the Board of Directors, including making appropriate judgments from independent, impartial perspectives, and that the effectiveness of the committee is being maintained with respect to composition, functioning, and audit status, with no apparent issues.



Diversity Promotion Activities

The key to expanding our operations, expediting global business development, and continuously creating added value lies in our "human resources." The Company aims to realize workplace environments where individual employees—with diverse backgrounds in such areas as gender, age, nationality, and disability—are motivated and have the potential to fully demonstrate their capabilities.

Job Development for People with Special Needs

The Company promotes the employment of people with disabilities using the following "Basic Policy."

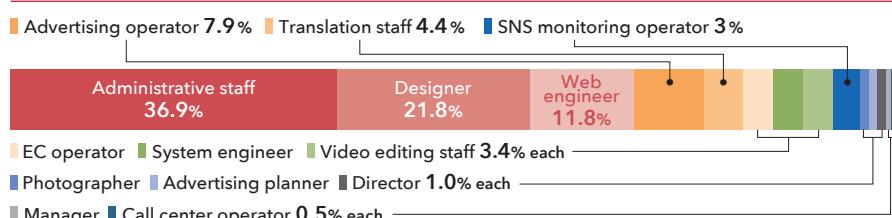
We aim to establish a reputation as a "worker-friendly" company for people with disabilities!

- We shall hire people based on frontline business needs.
- We shall actively appoint human resources to profit centers.
- We shall foster human resources who can contribute as members of the Company regardless of the presence or absence of disability.
- We shall employ a wide range of human resources regardless of the type of disability.
- We shall build win-win relationships between the Company and people with disabilities.

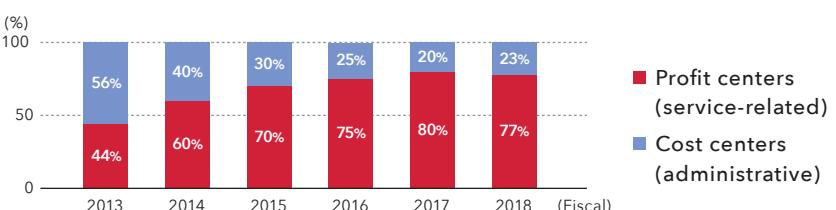
Breakdown by disability type Employment regardless of disability type



Breakdown by job type Excelling in various positions



Breakdown by operation (profit centers versus cost centers) Around 80% work in profit centers



Promoting the Advancement of Women

We established a dedicated organization (the Women's Advancement Promotion Project) in October 2007, and since April 2008, we have pursued various initiatives centered on our slogan and three cornerstones for initiatives.

Slogan

Imagine an attractive business culture in which women can actively participate!

Three cornerstones for initiatives

- Ability development and career development support for female employees
- Awareness raising and public relations activities
- Support for ease of working

In fiscal 2016, we launched the new cross-Company "Women's Advancement and Work-Style Improvement Project" and stepped up Companywide efforts to this end.



Launch of a specialized organization

Stimulation of proper understanding and improved awareness to promote women's advancement

Career and ability development support for female leader candidates

Support for childcare (maintenance of a working environment that allows continuing work during childcare)

Cultivation of business culture through dissemination of information via a dedicated intranet

Instill a proper understanding of promoting women's advancement and continuously expand supportive measures

Expansion of support measures for career and ability development

Support for work-life balance (maintenance of a working environment that allows playing an active role even during childcare)

Cross-Company project launch
Expand awareness of diversity management that includes women and strengthen initiatives including a review of working methods

Set KPI for measures related to women's advancement

Review of working methods (reduction of long working hours, promotion of paid time off, telecommuting, etc.)

Diversity Promotion Activities and Notice Related to Shareholder Benefit Program

Promoting Work-Life Balance

We are taking steps aimed at realizing a good work-life balance for employees. Our intention is to create workplace environments where diverse human resources can work with ease and fully demonstrate their capabilities.

Promotion themes

- ① Review business processes and eliminate long working hours
- ② Aim to create workplaces where paid leave is easy to access
- ③ Standardize processes/tools that lead to improved productivity
- ④ Establish environments that incorporate diverse work styles and allow individuals to excel
- ⑤ Support career advancement and autonomous growth

Encourage use of paid vacation aimed at promoting work-life balance

In addition to improving productivity through work-style reforms, we are promoting "relax-style reforms." We encourage employees to take five consecutive days of paid leave in the summer. In addition, we have placed posters for this at our bases, centers, and offices around Japan, and we distribute leaflets to our employees. These are part of educational activities aimed at facilitating access to paid leave.

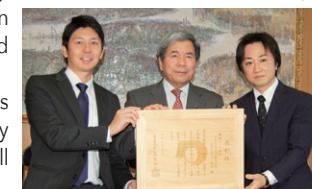


Promoting the advancement of diverse human resources **Won the Corporation Award for the Promotion of Gender Equality from Kumamoto prefecture**

Highly recognized for making BPO Center Kumamoto a comfortable workplace for women

transcosmos received the Corporation Award for the Promotion of Gender Equality from Kumamoto prefecture on February 8, 2018. Kumamoto prefecture aims to build a gender-equal society by publicly recognizing businesses that are taking a proactive approach in creating comfortable workplaces for both men and women by such measures as supporting employees in achieving a work-life balance and providing an equal opportunity for all employees to attain managerial positions regardless of gender. Since opening its operations center, "BPO Center Kumamoto," in December 2008, transcosmos has continued extensive initiatives to encourage female employees to take active roles at work. Now, Kumamoto prefecture has awarded transcosmos for its effort in developing a friendly workplace for all employees with a special focus on women. Its initiatives include offering commuting subsidies for employees with children who commute via their own private car, and holding training sessions for female candidates for managerial positions. transcosmos considers making women take active roles at work one of its management challenges and actively assists its female employees to strike a balance between work and family life while developing their capabilities. To date, transcosmos has received the "KURUMIN" mark, a certification logo granted to companies that support working families with children, from the Ministry of Health, Labour and Welfare under the "Act of Advancement of Measures to Support Raising the Next Generation of Children," and was awarded "three stars," the highest level of certification under the "Act on Promotion of Women's Participation and Advancement in the Workplace" from the ministry.

transcosmos continues to drive its effort in creating workplaces that embrace diverse workstyles while aiming to build a society where all employees who want to take part can achieve their full potential regardless of their gender.



Notice **We will upgrade our shareholder benefit program in fiscal 2020.**

In appreciation of the continued support of shareholders, and aiming to earn the ongoing support of more and more shareholders, we have been implementing a shareholder benefit program for holders of 1,000 or more of the Company's shares as of March 31 each year.

To further enhance the appeal of investing in the Company's shares and to encourage more and more investors to hold our shares for the long term, we have decided to establish a new preferential plan for long-term shareholders. We will also enhance the content of our shareholder benefit program by reducing the minimum number of shares to be held as an eligible shareholder from 1,000 to 500, with the date of record being March 31, 2019.

Please refer to the "Notice on Expansion of Shareholder Benefit Program" for more details.



Corporate Data

Corporate Information (As of March 31, 2018)

Registered Name transcosmos inc.

Date of Incorporation June 18, 1985

Capital ¥29,065 million

Employees Parent: 10,609
Group: 24,875

Major Banks Sumitomo Mitsui Banking Corporation
MUFG Bank, Ltd.
Mizuho Bank, Ltd.

Main Office 3-25-18, Shibuya, Shibuya-ku,
Tokyo 150-8530, Japan
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Principal Stockholders (As of March 31, 2018)

| Name | Number of shares (thousand shares) | Ratio of shares (%) |
|---|---------------------------------------|------------------------|
| Masataka Okuda | 5,910 | 12.11 |
| Koki Okuda | 5,498 | 11.27 |
| GOLDMAN, SACHS & CO. REG | 3,916 | 8.03 |
| transcosmos foundation | 3,753 | 7.69 |
| Japan Trustee Services Bank, Ltd. (Account in Trust) | 2,704 | 5.54 |
| Mihoko Hirai | 1,463 | 3.00 |
| Government of Norway | 985 | 2.02 |
| The Master Trust Bank of Japan, Ltd. (Account in Trust) | 732 | 1.50 |
| Limited Company HM Kosan | 722 | 1.48 |
| Employee Shareholding Association of transcosmos inc. | 628 | 1.29 |

Notes: 1. Other than the above, our company retains 7,318 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, 2018)

| | |
|-----------------------------|-------------|
| Shares Authorized for Issue | 150,000,000 |
| Shares Issued | 48,794,046 |
| Stockholders | 12,727 |

Officers (As of June 21, 2018)

| | |
|--|--|
| Founder & Group CEO Chairman & CEO President & COO | Koki Okuda Koji Funatsu Masataka Okuda |
| Director, Executive Vice President Director, Senior Corporate Executive Officer | Koichi Iwami Masakatsu Moriyama Shinichi Nagakura Masaaki Muta |
| Director, Corporate Executive Officer | Masatoshi Kouno Hitoshi Honda Kiyoshi Shiraishi Shunsuke Sato Takeshi Kamiya |
| Outside Director (Audit and Supervisory Committee Member) | Takeshi Natsuno* Nozomu Yoshida* Eiji Uda* |
| Outside Director | Owen Mahoney* Rehito Hatoyama* Toru Shimada* |
| Executive Vice President Senior Corporate Executive Officer | Hiroyuki Mukai Kenshi Matsubara Ken Inazumi |
| Corporate Executive Officer | Hiroshi Kaizuka Naohiko Kitsuta Kentaro Ogata Eijiro Yamashita Atsushi Ono Takeshi Sankawa Hiroki Tanigawa |
| Corporate Senior Officer | Norimitsu Miyazawa Hiromitsu Inoue Kazuhiro Yamaki Hiroyuki Uchimura Tsutomu Hasegawa Yoshihiro Uematsu Hiroyuki Morita Kokkei Nakayama Yoichi Kawano Mikio Yanashita Takashi Sube Tsunehiro Fukushima Tsuyoshi Washio |
| Corporate Officer | Shinji Kaneko Keisuke Yoshida Yuichiro Kubo Kei Yamane Masato Ogino Kenta Kusano Shohei Shimoda Hiroyuki Kohara Hideki Nagura Makoto Noguchi Yoshikazu Majima Satoshi Takayama Soichiro Tomiyoshi Kwon Sang-chuel |

*We have designated six outside directors as independent directors with no conflict of interest with general shareholders and have submitted written notification of these matters to the 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 special needs.

