

March 18, 2015

To all concerned,

Company Name: transcocosmos inc.
Representative: President and COO, Masataka Okuda
(Code No.9715, Tokyo Stock Exchange, 1st Section)
Inquiries: Hitoshi Honda, Executive Managing
Director, CFO
Contact: +81-3-4363-1111 (Representative)

Announcement Regarding Merger of Consolidated Subsidiary (Simple Merger/Short Form Merger)

This is to inform you as follows that a meeting of the board of directors was held on March 18, 2015, where it was resolved that our company will merge with its consolidated subsidiary NIHONCHOKUHAN Co., Ltd. (hereinafter referred to as "NIHONCHOKUHAN").

It should be noted that since this merger is a short form merger targeting a 100% subsidiary, this disclosure is made with the omission of some disclosure subjects and details.

Record

1. Purpose of the merger

It was decided to merge with our consolidated subsidiary NIHONCHOKUHAN in order to enhance the flexibility of our response and operational efficiency for the diversification and aggregation of services as we promote further expansion and development of our group's business. Our group provides global E-Commerce One-Stop Services to deliver the high quality products and services of client companies to consumers in 39 countries around the world. Through this merger, we will continue to accelerate business development in Japan's E-Commerce and mail order markets, which will continue to experience even greater change and expansion in the future.

2. Summary of the merger

(1) Schedule of the merger

Merger resolution of the Board of Directors	March 18, 2015
Conclusion of merger agreement	March 18, 2015
Effective date of merger	May 1, 2015 (schedule)

Note: For our company this merger is a simple merger based on the provisions of Article 796, Paragraph 3 of the Companies Act, and for NIHONCHOKUHAN it is a short form merger based on Article 784, Paragraph 1 of the Companies Act; therefore neither company will hold a shareholders meeting to approve the merger agreement.

(2) Method of merger

This is an absorption-type merger wherein our company will be the surviving company and NIHONCHOKUHAN will be dissolved.

(3) Details of allocation relating to merger

There is no allocation of shares or other financial considerations based on this merger.

(4) There are no applicable items relating to stock acquisition rights and convertible bonds for the absorbed company.

3. Overview of the Merging Companies (as of March 31, 2014)

	Surviving Company	Absorbed Company
(1) Name	transcocosmos inc.	NIHONCHOKUHAN Co., Ltd.
(2) Address	3-25-18, Shibuya, Shibuya-ku, Tokyo	2-9-3, Tanimachi, Chuo-ku, Osaka City

(3)	Name & title of representative	President & COO: Masataka Okuda	CEO: Masakatsu Moriyama
(4)	Business Service	Business Process Outsourcing	Online shopping business
(5)	Capital	29,065 million yen	10 million yen
(6)	Date of incorporation	June 18, 1985	December 5, 2012
(7)	Shares issued	48,794,046	1,000
(8)	Accounting period	The end of March	The end of December
(9)	Principal stockholders and Ratio of shares	Koki Okuda 15.37% Masataka Okuda 12.11% Okuda Ikueikai, Foundation 3.59% Japan Trustee Services Bank, Ltd. (Account in Trust) 3.34% Mihoko Hirai 3.00%	transcosmos inc. 100%
(10)	Operating results and financial condition for the previous fiscal year		
	Accounting period	Consolidated Performance for the Period Ending March 2015	Non-consolidated Performance for the Period Ending December 2014
	Net assets	60,809 million yen	128 million yen
	Total assets	92,173 million yen	1,378 million yen
	Net assets per share	1,394 yen 09 sen	128,899 yen 80 sen
	Net sales	186,503 million yen	5,996 million yen
	Operating income	9,541 million yen	257 million yen
	Ordinary income	10,082 million yen	259 million yen
	Net income	6,289 million yen	119 million yen
	Current earnings per share	152 yen 87 sen	119,321 yen 45 sen

4. Situation after the merger

There is no change to our company name, location, name and title of representative, business content, stock capitalization or accounting period due to this merger.

5. Future prospects

Since this merger is a merger with a 100% owned consolidated subsidiary, there will be no impact on the consolidated financial results.

The End