

May 15, 2015

To all concerned,

Company Name: transcosmos, 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 of partial revisions of the internal control system structure basic policy

transcosmos would like to announce that, at the Board of Directors meeting held on May 15, 2015, our company passed a resolution to make the following partial revisions on the “fundamental policy for the internal control system structure”.

(Objective of the Revisions)

In accordance with “Revision of Ordinance for Companies Act” (Act No. 90, 2014) and “Revision of Ordinance for Enforcement of the Companies Act” (Ministry of Justice Ordinance No. 6, 2015), both enforced effective May 1, 2015, revisions shall be made as the following. The revised parts are underlined.

Record

(1) Structure to ascertain that the execution of duties of the Board of Directors is in accordance with the regulations and articles of corporation

In order to ascertain that the execution of the Board of Directors' business duties are in accordance with the regulations and articles of corporation and that the societal obligations are fulfilled, the duties are to be carried out in accordance with the articles of compliance, policy for compliance, and compliance regulations. Through training efforts on the subject matter of compliance, we would strive for higher awareness of all the Board of Directors on compliance and the duties are strictly to be executed accordingly.

The Board of Directors meetings are to be operated in accordance with the Board of Directors code of procedures and are in principle to be held once a month. They are to promote smooth communication among the Board of Directors and at the same time for them to monitor each other's business operations, with the auditors also requested to be present to monitor the appropriateness of the Board of Directors' execution of their business duties. External presidents/CEO's attend the meetings in order to reinforce the monitoring process of the company's management capabilities.

Following the implementation of the laws and regulations related to the internal control, the fundamental plans for the internal control system design are to be re-evaluated; under the advice of lawyers, certified public accountants, and other external advisors, the internal control system is to be further improved.

(2) Structure pertaining to maintenance and management of execution of the President/CEO's duties

Important decision-making and reporting will be made based upon the board of directors regulations.

As for documents and other information pertaining to the execution of duties, document management rules, information management rules, and internal transaction management rules are to be applied, and inspections for operation conditions and re-evaluation of those rules are to be

held as necessary.

These tasks are to be managed by the division manager, and inspections of the operation conditions and process of the re-evaluation are to be reported to the Board of Directors meetings as deemed appropriate.

In addition, in order to help promote business operations efficiently, we shall further promote rationalization of the business systems and introduction of Information Technology.

(3) Structure pertaining to regulations on loss risk management

The internal auditing department, as an organization directly under the President/CEO, shall discuss the items for auditing and methods and draw up the auditing plans, based on the internal auditing rules, and conduct auditing based on the plans.

In case a violation of the regulations or articles of corporation are found, and/or in case of an obstruction of the business duties which might lead to losses, must immediately be reported to the President/CEO through the internal auditing department.

Risk management is handled by the compliance promotion division, based on the risk management basic rules.

Each division is responsible for its own risk management, and in case any risks for possible losses are discovered, it is responsible for establishing a system to report any such risks to the compliance promotion division immediately. In order to lessen the workload for collecting information pertaining to risks, the importance of the compliance promotion division shall be fully understood by the company employees; and the employees are to be instructed to report any such risks to the compliance promotion division immediately when any risks for possible losses are discovered.

The information management system should be fully established in accordance with privacy mark and other rules and regulations of the protection of personal information.

(4) Structure to ascertain that the Board of Directors' duties are being executed in an efficient manager

With the annual plans and mid-term management plans, our company's objectives should be clarified; and for each Board of Director, the organization for which he or she is responsible and its performance goals should be clarified. The progress toward the goal is reviewed at the Board of Directors meetings, with the feedback of the results, in order to secure business efficiency and also to evaluate and compensate for the performances

The president/CEO's payment authorities and responsibilities are to be clarified in accordance with the Board of Directors code of procedures, rules and regulations on the job authorities and Ringi (decision-making) process regulations.

The president/CEO shall manage and monitor the way Board of Directors' duties should be fulfilled.

The decision-making process should be simplified, so that the decisions could be made in an efficient manner in accordance with the management meeting rules, and as for important matters, they shall be discussed carefully and efficiently at the management meeting comprising of the Board of Directors.

(5) Structure to ascertain that the assistants' duties are being executed in accordance with the laws/regulations and the articles of corporation

In order to ascertain that the assistants' execution of their duties is in accordance with the laws/regulations and the articles of corporation, code of honors for compliance, compliance policy, and compliance rules should be fully known and understood among all the assistants.

Moreover, in accordance with the compliance policy, in order for our company to take a firm stand against anti-social powers which pose threat to the citizens' and society's order and safety, our company shall establish a company structure which allows no relationship, business dealings and otherwise, with such organizations.

The compliance promotion division shall draw up and conduct compliance programs on a regular basis, with the division manager as the supervisor, and through such programs, it shall educate the assistants on the subject of compliance through training sessions, preparing and distributing manuals, in order to increase the knowledge level and awareness on compliance.

Also, an environment should be established where an internal informant would feel at ease providing information by setting up a helpline, etc.

(6) System pertaining to reporting of the matters to our company regarding directors and employees of the subsidiaries carrying out their duties

In accordance with the management regulations for subsidiaries set forth by our company, regarding achievements, financial conditions, and other matters of importance, an internal system shall be prepared so that reporting is made to our company on a regular basis.

(7) System for regulations pertaining to the management of risk of losses of subsidiaries

In order to verify whether or not there is information on risks, our corporate group which consists of our company and subsidiaries (hereinafter, "our corporate group,") each division of our company supporting subsidiaries shall conduct necessary risk management in accordance with the related company management regulations based on the subsidiaries' conditions.

In case each division of our company discovers a risk of losses of the subsidiaries, prompt reporting shall be made to our company's representative director of the nature of the risks of losses, the degree of the losses which can be incurred, and their effects on our company.

(8) System to secure efficient fulfillment of the business duties by the directors and employees of the subsidiaries

Our company shall mandate the subsidiaries to prepare the annual plans for the said fiscal year and determine the budget allocation and such. The subsidiaries' business goals shall be clarified, in order to establish an internal structure to secure efficiency of business duties.

(9) System to secure adherence to the regulations and articles of association by the directors and employees of the subsidiaries through their fulfillment of the business duties

Our company shall dispatch directors or auditors to the subsidiaries to have them attend the subsidiaries' Board of Directors meetings and oversee the management of the subsidiaries. Our company's headquarter of our affiliates' management shall, based upon the affiliates' management regulations, cooperate with the internal auditing department and conduct the field auditing of the subsidiaries and supervise the subsidiaries.

For those subsidiaries deemed important by our company, compliance training of equal standards as those of our company shall be conducted for their directors and employees every year.

(10) Matters pertaining to the employees assisting duties of the auditors, matters pertaining to the independent nature of the said employees from the directors and securing the effectiveness of the instructions given to the said employees

In case the auditors decides to employ employees to assist them in their business duties, the representative director shall promptly appoint appropriate candidates, based on the number of such employees, cases on hand, time periods, and reasons. The employees to assist the auditors shall provide support to the auditors' auditing duties, under supervision and instructions of the auditors. Regarding the said employees' transfers, evaluation, and termination, approval in advance by the auditing board shall be necessary.

(11) Structure for the President/CEO and assistants to report to the auditors and structure for reporting matter to other auditors

The President/CEO and assistants shall report the following matters to the auditors on a regular basis, and the auditors to attend the Board of Directors meetings and other important meetings to receive the reports.

- Decisions made by the Board of Directors meetings, reported matters
- Monthly, quarterly, and annual performance and estimated performance and management conditions
- Contents of important disclosed material
- Important organizational and personnel changes
- Matters which may cause great losses to our company
- Our company's important accounting policies, accounting standards, and their changes
- Activities of the internal auditing department and compliance division
- Other important decisions and payment matters

In addition to the above, in case matters which the auditors consider important take place, they are to be reported immediately.

(12) System for the officers of our company group to report to the auditors of our company

The officers of our company group shall, when requested for reports on matters pertaining to the business duties from the auditors, promptly submit appropriate reports. In addition, in case there are such facts as serious violation of the regulations and others with a possibility of causing significant damage to our company group, an internal system shall be prepared that, as soon as such facts are revealed, they shall be immediately reported to our company's auditors or the board of auditors.

Meeting of the group's auditors, comprising of our company's and our key subsidiaries', shall be held on a regular basis in order to ensure efficiency and effectiveness of the auditing duties and at the same time share information on our company's compliance and risk management conditions.

The division responsible for internal notification system of our company group shall report to our company's auditors regarding internal communications from board of directors of our company group, on a regular basis.

(13) System to ascertain that the employees who submit the aforementioned reports shall not receive unfavorable treatment for the reason of making the said reports

Our company shall prohibit unfavorable treatment of the employees who submit the aforementioned reports to the auditor, for the reason of submitting such reports.

(14) Matters pertaining to the policies on expenses or debts incurred in fulfillment of the auditors' duties

Our company shall, when the auditors request prepayment for the expenses to be incurred in accordance with Corporate Law, Article 388, pay for the said expense or debt, as deemed necessary, in an expedient manner, except in case the said expense or debt is recognized as unnecessary to fulfill the duties of the auditor.

(15) Structure to ascertain that the other auditing by the auditors are conducted effectively

The President/CEO and assistants shall gain deep understanding of the auditing conducted by the auditors and strive to establish the work environment for the auditors' tasks.

The president/CEO shall exchange opinions with the auditors on a regular basis and establish a system for the auditors to communicate with the internal auditing department appropriately and conduct the auditing duties effectively.

(16) Structure for disclosure at appropriate times

In accordance with the appropriate disclosure rules, disclosure should be fully exercised by the

assistants and directors alike, and at the same time, the reporting line for the disclosed information among the corporate group. The appropriateness of the contents is to be determined at the managers' meeting, and appropriate disclosure should be made at an appropriate frequency.

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