

May 13, 2016

To all concerned,

Company Name: transcosmos, Inc.
Representative: President and COO, Masataka Okuda
(Code No.9715, Tokyo Stock Exchange, 1st Section)
Inquires: Hiroyuki Kohara, Administration
Division General Manager
Contact: +81-3-4363-1111 (Representative)

Notice related to Transitioning into a Company retaining an Audit Committee and Executive Personnel Matters

From the standpoint of further strengthening corporate governance, at a meeting of the Board of Directors held today, the company has decided to transition from a company with a Board of Auditors to a company having an Audit and Supervisory Committee, subject to the approval of the 31st Annual Meeting of Shareholders scheduled to be held this year on June 22. In addition, together with this, please be informed as follows that on the same date, after discussion of the transition to becoming a company retaining an Audit and Supervisory Committee, it has also been decided to take up the matter of candidates for Directors at the same Annual Meeting of Shareholders.

Furthermore, regarding a partial modification of the Articles of Incorporation related to this matter, a "Notice regarding Partial Amendments to the Articles of Incorporation" has been separately disclosed as of the present date.

1. Transition into a Company retaining an Audit and Supervisory Committee
 - (1) Purposes of the transition
 - To promote further enhancement of corporate governance by increasing the supervisory function of the Board of Directors and retaining an Audit and Supervisory Committee, of which the majority of members are Outside Directors.
 - To separate the execution and supervision of operations, while accelerating management decision-making, in order to further improve corporate value by allowing the Board of Directors to broadly delegate executive decisions to the Directors.
 - (2) Period of transition

It is planned to transition into a Company retaining an Audit and Supervisory Committee upon receiving approval for necessary amendments to the Articles of Incorporation at the 31st Annual Meeting of Shareholders scheduled to be held this year on June 22.

2. Candidates for Directors (except those who are Audit and Supervisory Committee Members)

Job Title	Name
Founder & Group CEO	Koki Okuda
Chairman & CEO	Koji Funatsu
President & COO	Masataka Okuda
Executive Vice President	Koichi Iwami
Executive Vice President	Hiroyuki Mukai
Senior Executive Managing Director	Masakatsu Moriyama
Senior Executive Managing Director	Shinichi Nagakura
Senior Executive Managing Director	Masaaki Muta

Executive Managing Director	Masatoshi Kouno
Executive Managing Director CFO	Hitoshi Honda
Executive Managing Director CTO	Kiyoshi Shiraishi
Director	Ralph Wunsch
Director CMO	Shunsuke Sato (New appointment)
Member, Board of Director	Owen Mahoney
Member, Board of Director	Rehito Hatoyama (New appointment)
Member, Board of Director	Toru Shimada (New appointment)

Note: Mr. Owen Mahoney, Mr. Rehito Hatoyama and Mr. Toru Shimada meet all of the criteria for independence stipulated by the Tokyo Stock Exchange, Inc. and the "Decision Criteria for Independence of Outside Directors" of the Company as indicated below. Mr. Owen Mahoney is registered as an independent director with the Tokyo Stock Exchange, Inc. Furthermore, if their appointments are approved at the 31st Annual Meeting of Shareholders scheduled to be held this year on June 22, it is planned that Mr. Owen Mahoney, Mr. Rehito Hatoyama and Mr. Toru Shimada will be registered as independent directors.

3. Director Candidates who are Audit and Supervisory Committee Members

Job Title	Name
Member, Board of Director (Audit and Supervisory Committee Members)	Takeshi Natsuno
Member, Board of Director (Audit and Supervisory Committee Members)	Nozomu Yoshida
Member, Board of Director (Audit and Supervisory Committee Members)	Eiji Uda

Note: Mr. Takeshi Natsuno, Mr. Nozomu Yoshida and Mr. Eiji Uda meet all of the criteria for independence stipulated by the Tokyo Stock Exchange, Inc. and the "Decision Criteria for Independence of Outside Directors" of the company as indicated below. Mr. Takeshi Natsuno and Mr. Eiji Uda are registered as independent directors with the Tokyo Stock Exchange, Inc. Furthermore, if their appointments are approved at the 31st Annual Meeting of Shareholders scheduled to be held this year on June 22, it is planned that Mr. Takeshi Natsuno, Mr. Nozomu Yoshida and Mr. Eiji Uda will be registered as independent directors.

4. Officers scheduled to retire

(Retiring at the conclusion of the 31st Annual Meeting of Shareholders scheduled to be held this year on June 22)

Current Job Title	Name
Standing Auditor	Hideaki Ishioka
Standing Auditor	Kunio Shimofusa
Outside Corporate Auditor	Toshiaki Nakamura
Outside Corporate Auditor	Setsuo Yamane

Reference: "Decision Criteria for Independence of Outside Directors" of the Company

The Board of Directors of the Company considers Outside Directors to be independent if none of the following items are applicable to them.

- 1) A case in which a company, where the Outside Director currently holds a position as an executive director, employee or important employee, receives payments from or makes payments to our Company as consideration for the provision of products or services, and if the amount of those transactions exceeds 2% of the sales of either company for any one of the past three fiscal years
- (2) A case in which the Outside Director serves as an officer who executes the operations of a non-profit organization that receives contributions from our Company exceeding 10 million yen for any one of the past three fiscal years, and which exceeds 2% of the total revenue or ordinary income of the organization
- (3) A case in which either (1) or (2) above have been applicable to the Outside Director in the recent past
- (4) A case in which a close relative of the Outside Director, within two degrees of relationship, currently holds a position as an executive director, employee or important employee of the Company or a subsidiary of the Company, or if any of (1) to (3) above are applicable

The End