

September 21, 2018

To all concerned,

Company Name: transcocosmos, Inc.
Representative: President and COO, Masataka Okuda
(Code No.9715, Tokyo Stock Exchange, 1st Section)
Inquires: Hitoshi Honda, Corporate Officer,
Accounting and Finance Division Chief
Contact: +81-3-4363-1111 (Representative)

Announcement regarding the transfer of shares of an affiliated company accounted for by the equity method

At the Board of Directors meeting held on June 25, 2018, our company passed a resolution to transfer (hereafter referred to as "this share transfer") to 青島浩基資產管理有限公司 (hereafter, "青島浩基") a portion of the shares of Beijing Tensyn Digital Marketing Technology Joint Stock Company (hereafter, "Tensyn PRC"), an affiliate of our company accounted for using the equity method, which are held by our consolidated subsidiary Transcosmos Investment Consulting (Beijing) Co., Ltd. (hereafter, "DM Beijing"). At that time we announced that we had concluded a contract with 青島浩基, but as of today we are pleased to inform you that payment of the transfer price from 青島浩基 has been received and that all procedures concerning this stock transfer have been completed.

Record

1. Overview of the Stock Transfer Agreement

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|---------------------------------------|---|
| • Name of the party on this agreement | 青島浩基資產管理有限公司 |
| • Number of stocks to be transferred | 57,600,000shares (15% of the total outstanding shares of TensynPRC) |
| • Transfer price | 469 million Chinese yuan (CNY) |
| • Transfer completion date | September 21, 2018 |

2. Future prospects

In connection with this transfer of shares, in our consolidated financial statement for the second quarter of the fiscal year ending March 31, 2019, the gain on sales of subsidiaries and affiliates' stocks is approximately ¥6.5 billion as an extraordinary income. The impact on quarterly net income attributable to parent company shareholders, which reflects the tax costs directly applicable to this event, is expected to be about ¥4 billion.

Moreover, as a result of this share transfer, Tensyn PRC will be excluded from our affiliated companies accounted for under the equity method.

The End