

Note: This English translation is for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

April 16, 2020

To Whom It May Concern,

Name of Company: transcosmos inc.
Representative: Masataka Okuda, President and COO
(Code No.9715, Tokyo Stock Exchange, First Section)
Contact: Hiroyuki Kohara
Corporate Officer,
Administration Division Manager
Main Phone Number: +81-3-4363-1111

Announcement Regarding Conclusion of Equity Interest Transfer Agreement and Termination of Existing Stock Transfer Agreement

On April 16, 2020, Transcosmos Digital Marketing Cayman Co., Ltd., a consolidated subsidiary of transcosmos (the Company), entered into an agreement with 北京華一銀河科技有限公司 (華一銀河) to transfer all of its equity interests in Transcosmos Investment Consulting (Beijing) Co., Ltd. (DM Beijing), a Company's consolidated subsidiary, to 華一銀河 (Equity Interest Transfer Agreement).

In the "Announcement Regarding the Default of a Stock Transfer Agreement for an Equity Method Held Affiliated Company" dated September 14, 2017, the Company announced the fact that 北京香江信諾文化投資中心 (有限合伙) (北京香江) failed to fulfill its obligation under the stock transfer agreement (Existing Stock Transfer Agreement) that the Company had entered into with 北京香江 in connection with some of the Beijing Tensyn Digital Marketing Technology Joint Stock Company (TensynPRC) shares held by DM Beijing. On April 16, 2020, the Company reached an agreement with 北京香江 to terminate the Existing Stock Transfer Agreement on the condition that the obligations under the Equity Transfer Agreement are to be fully executed.

It should be noted that DM Beijing holds the shares in TensynPRC.

Details of Transaction

1. Overview of this Equity Interest Transfer

- Contracting party: 北京華一銀河科技有限公司
- Transfer price: 219 million yuan (CNY)
(approximately 3.3 billion yen.
Converted at the exchange rate of April 15, 2020)
- Signing date: April 16, 2020
- Transfer date: January, 2021 (estimate only)

2. Reason for Transferring the Equity Interests

As disclosed in the “Announcement regarding the transfer of shares of an affiliated company accounted for by the equity method” dated September 21, 2018, the Company transferred to 青島浩基資產管理有限公司 some of the shares in TensynPRC that had been held by DM Beijing (15% of the total number of outstanding shares). The Company had a plan to sell the remaining shares (9.54% of total number of outstanding shares), however, the Company has decided to transfer the TensynPRC shares held by DM Beijing to 華一銀河 through the sale of DM Beijing to 華一銀河.

3. Future outlook

The Company will be able to record an extraordinary income in its consolidated financial statements as a result of completing the Equity Interest Transfer. However, since the actual amount that the Company may derive from executing this transfer agreement is dependent on the timing of the execution, it has not been finalized. The Company will inform you as soon as practicable once the matters to be disclosed are confirmed.

It should be noted that DM Beijing will be excluded from the scope of consolidation upon execution of this Equity Interest Transfer.