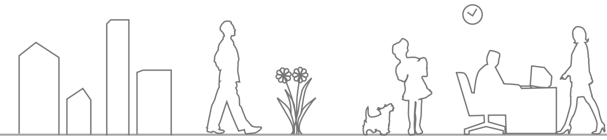
trans cosmos
people & technology

Annual Report 2004

Year ended March 31, 2004

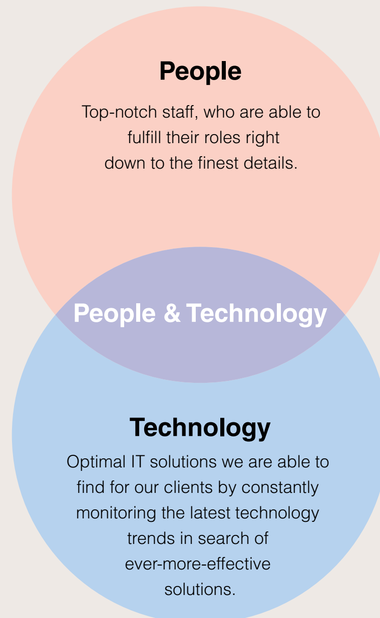


The Marketing Chain Management Company

Profile

The Marketing Chain Management Company

"Marketing Chain Management" is the name we at transcosmos have given to the outsourcing services model we developed to propel us forward as we move into the 21st century. An amalgamation of transcosmos' years of experience and accumulated expertise, Marketing Chain Management promises to revolutionize marketing. Considering the current trend that the Internet has become indispensable to our daily lives and businesses, we support customers to synchronize real-time marketing opportunities with the contact and call centers that enable companies and consumers to communicate directly with one another.



Corporate philosophy

Client satisfaction is the true value of our company, and the growth of each of our employees creates the value that shapes our future.

- Commitment to our clients
- Commitment to our employees
- Commitment to society and our shareholders

Contents

FY 2004 Highlights

- Consolidated **Net Sales** grew 9.6% to **¥77,918** million.
- Consolidated **Operating Income** grew to **¥2,946** million.
- Consolidated **Net Income** grew to **¥952** million.
- Consolidated **Total Assets** was **¥71,136** million.
- Consolidated **Total Shareholders' Equity** was **¥54,084** million.
- **Net Income per Share** grew to **¥39.3**.
- **Total Cash Dividends** grew to **¥30**.

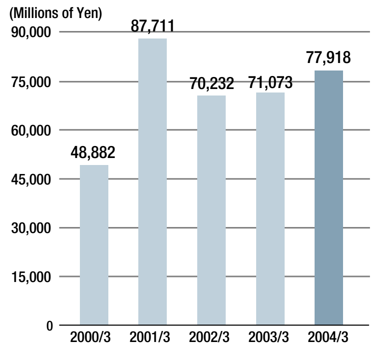
Rapid sales growth in Digital Marketing Services

Sales growth in "listing advertisements" and "animated Internet advertisements" are enabling sales (non-consolidated) of Digital Marketing Services to double year after year.

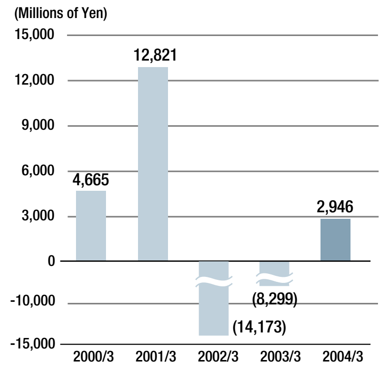
Organizational change and corporate governance reinforcement

We changed our company-wide organization to an industry-sector-based service structure to better respond to clients' increasingly sophisticated needs and introduced an operating officer system to make decisions and execute them more quickly.

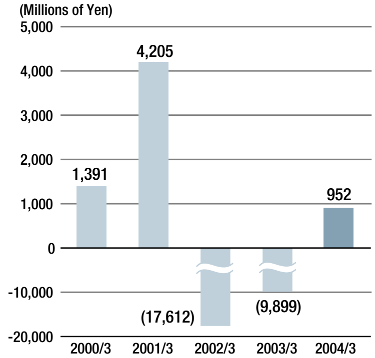
Net sales



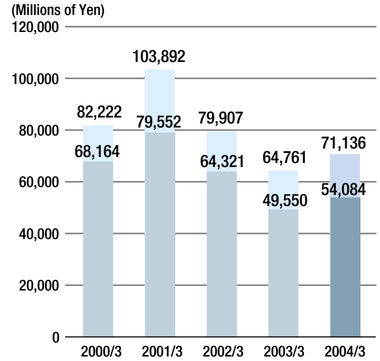
Operating income



Net income



Total assets
Total shareholders' equity



Messages from Top Management

Founder & Group CEO
transcosmos inc.

Koki Okuda

transcosmos has been a pioneer of Japan's information-processing outsourcing business since the company's inception in 1966. We have consistently worked to raise the level of satisfaction among our clients by combining outstanding people with the latest information technology to deliver high-value-added services.

Bringing people and technology together to increase the value we add is the enduring foundation of our business,

Chairman & CEO
transcosmos inc.

Koji Funatsu

The spread of broadband, VoIP, and other similar advanced technologies to ordinary consumers is making the links between businesses and their customers more direct and interactive. Such changes are spurring dramatic transformations in corporate marketing.

In recognition of such fundamental changes in the contemporary business environment, we have launched a plan to better fulfill our role as the Marketing Chain Management

President & COO
transcosmos inc.

Masataka Okuda

The telephone, the Web, email, VoIP, application services, and video are all fusing around a common Internet protocol, giving rise to a new channel of communication with functionality far superior to that of the traditional telephone—and making Internet technology and know-how an integral part of contact center services. For example, the use of the Internet and digital data processing is transforming telemarketing from conventional telephone-based operations to a highly cost effective, more-interactive and content-rich environment.

and we express this in our logo with the words “People & Technology,” which we adopted at the end of 2001. We support operational innovation with outsourcing services staffed by highly experienced personnel who use the latest technology to meet the increasingly diversified needs of our clients.

We adopted the corporate slogan, “The Marketing Chain Management Company,” on April 1, 2002, 38 years after our foundation; this is to mark a new stage in our development, one in which we focus on enhancing the competitiveness of our clients by enabling them to link directly with their customers. This corporate vision permeates every company in our group, informing and enhancing our services.

Company. We define our business activities under three major domains: 1) Marketing Chain Management Services, which directly connect our clients’ businesses with their customers’ through linking our Interactive Marketing Services and our Contact Center Services; 2) Development Services, which include the integration of our clients’ CRM and marketing systems, design support for product development, and systems management; and 3) Support Desk Services, which we provide for our clients’ sites. Over the next five years, we will be working to increase integration across these three domains.

Contact center infrastructure is also built on Internet technology: Customers can contact an agent directly through a live web page, have an online conversation, get support for products and services, request product information, and even make purchases. Environments like this are already becoming a common reality.

At transcosmos, we continually adopt the latest Internet technology while developing new services for handling and processing information. For instance, J-Stream provides support for live video communication, DoubleClick Japan delivers advertising and content to finely segmented targets, and NetRatings Japan analyzes web usage with Japan’s largest Internet audience ratings panel. Armed with technologies and expertise such as these, transcosmos’ Marketing Chain Management Services integrate these technologies with clients’ existing Web sites, organically linking customer relationship management and promotions, and optimizing and streamlining marketing work to help clients acquire new customers, expand sales, and enhance their customers’ experience and satisfaction.

Q Could you describe your management environment in fiscal 2004?

A The corporate strategy of our client companies is in the process of changing from an in-sourcing policy of "maintaining all conventional functions in-house with their full-time employees doing all the work," toward an outsourcing policy of "making progress toward concentration on corporate core competence, while increasing the ratio of contracted or temporary employees and promoting utilization of outsourcing." While these corporate environment changes expand our opportunities for acceptance of orders for outsourcing contracts, we are required to distinguish missions of full-time employees from those of contracted or temporary employees and establish a highly profitable organization that is capable of providing high value-added services.

The technology environment that surrounds our company is also changing rapidly. Examples include the widespread adoption of broadband, and the increasing use of IP telephone services both in enterprises and at home. Considering these facts, we expect new demands to arise for outsourcing services. Furthermore, we anticipate an increase in demand from client companies for outsourcing services that they currently do in-house, such as call and contact centers, marketing, system development, and application management.

In the midst of this situation, there is a necessity for continued expansion of the service menu to realize enhancement of sales increase and cost cutting, marketing efficiency, and customer satisfaction of our client companies. The challenges ahead for us will be the development and implementation of high value-added services in such areas as Call Center/Contact Center Services, Digital Marketing Services, Support Desk Services, and System Engineering Services.

Q You have changed to a sector-based organization. What specifically are the concrete effects of this change?

A In order to respond in greater depth to the demands of our client companies for enhancing operation performance such as an increase in sales, and cost effectiveness, we changed our company's organization to a sector-based structure on April 1, 2004. This change made it possible to provide our client companies with all of our services on a one-stop basis. Under this system, we will provide individual or combined services, including call center/contact center services, digital marketing, in-house enterprise support desk services, system development, and design work support, and pursue a service model specialized for each client and in each industry our clients belong to in order to provide higher value-added outsourced services.

These organizational changes have also made it possible to realize speedy market penetration and service cross-selling and to provide higher-quality services through the organization specialized in each type of service. We believe that high value-added services will lead to higher gross profits, and lower costs such as labor costs and selling, general and administrative expenses through improved efficiency in the use of human resources.

Q What are the advantages of Marketing Chain Management and the keys for differentiation from competitors?

A We believe that new demands for outsourcing services will grow as broadband communications spread and the home IT environment drastically changes. We predict that the need for reducing the costs of operating an in-house call center/contact center will become more acute, resulting in an increase in demand for outsourcing services. Under these circumstances, our company is making efforts to provide higher value-added services as a company offering the largest, highest-quality call center/contact center services in the country. The features of our company include two-way digital marketing services between our client companies and their consumers, such as website diagnosis/competition analysis, website construction, email marketing, Internet advertising, data-mining, marketing research, animation contents production, marketing system integration, and telemarketing. In order to respond to newly emerging service demands, we continue to improve new service menus that meet the needs of client companies. Furthermore, we support our client companies to attract new customers by enabling them to maintain close communications with their potential customers and prospects and raising awareness and understanding of product and services.

The fact that we, as a corporate group, provide our client companies with a “chain” of comprehensive services from customer support to customer development (marketing) is the strong point of our company and the reason that we gain an advantage over our competitors. We will continue to enhance the value of the “chain,” by developing and providing new service solutions.

Q Could you describe the trends and activities on the call center market both at home and abroad?

A The domestic call center market has already exceeded 300 billion yen and continues growing at an annual rate of about 5%. Furthermore, the oligopoly by major call centers is proceeding year by year, causing high-level service competition. The need to outsource business processes is increasing among client companies, but at the same time, demands for cutting costs have become stronger, and competition keener. In the midst of this situation, our company is promoting the basic business strategy for high value-added services through the “fusion of people and technology,” and our call center services continue to have double-digit growth. In addition, we are developing two action plans for maintaining our cost competitiveness over competitors. The first is a shift from an agent structure based on the use of full-time employees to one centered on part-time and irregular workers whenever possible. The second plan is to shift the base of call center services from urban areas to provincial areas when approved by clients outsourcing such services.

On our overseas operations, in May 2001 we established CIC Korea, Inc., a call center corporation, in Seoul, as a joint venture between transcosmos and DACOM, the top private-sector communications enterprise in South Korea. Since its foundation, we have secured superior personnel and have continued to achieve rapid growth every year following the growth of the Korean outsourcing market itself. In addition, we are also developing our contact center business in the United States. We are also promoting survey activities toward establishment of local contact centers in China as well under the same joint venture system as that in South Korea.

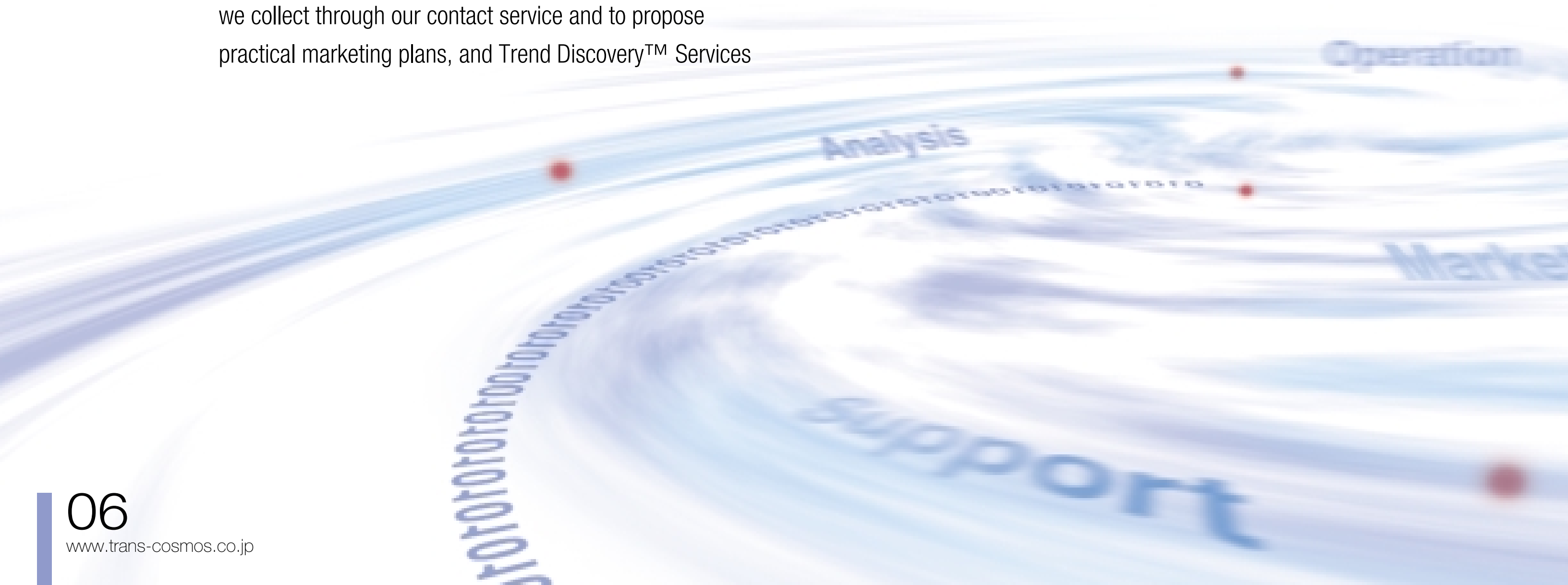
Q Could you describe the efforts being made toward the development of new technologies and services?

A We are aware of the necessity for developing and realizing service menus to increase sales, lower costs, and enhance marketing and customer satisfaction levels for our client companies. We are carrying out development toward high value-added services in the various areas of Call Center/Contact Center Services, Digital Marketing Services, Support Desk Services, and System Engineering Services. We will continue to carry out research and development of next-generation services that fuse our existing services with the advanced solutions owned by our group companies including joint ventures with US-based IT enterprises.

As concrete examples during fiscal 2003, in the field of Call Center/Contact Center Services, we developed MO^3 Delinquent-payment Reminder Optimization Services, MO^3 Customer Retention Optimization Services, MO^3 Sales Promotion Optimization Services, IP Contact Center Services, eContact Center Web Live Support Services, BPO Services (application form processing), Branch Office Electronic Receiving Services, MO^3 Email Response Improvement Program Services, and Web Dynamize Services. Also, in the field of Digital Marketing Services, we developed Text Valuator™ Services and EC-site Full-outsourcing Services to analyze the live voices of our client company's customers that we collect through our contact service and to propose practical marketing plans, and Trend Discovery™ Services and Broadband Marketing Services to collect and analyze the Internet search keywords and extract consumer trends. During the first half of fiscal 2003, we started to develop SAP R/3 Support Desk Services and others in the field of Support Desk Services.

As a result, research and development expenses for our entire group for the fiscal 2003 were 3,304 million yen. Our research and development activities are solely in the field of IT Services Businesses, so our research and development expenses are not made in the field of venture capital businesses.

During fiscal 2004, we will continue developing and promoting new services to meet the needs of our clients.



Q Could you describe your policies on alliances and M&A?

A Our outsourcing services utilize rapidly advancing Internet technologies to carry out highly complicated work on behalf of our customers. In order to meet the changing needs of our client companies, we must continuously develop new service menus and renovate the contents of our services. For this purpose, we establish active strategic alliances to share advanced technologies and solutions to respond to any rapid changes. Based on the conviction that "the Internet will promise to revolutionalize marketing" our company has actively developed new businesses and promoted alliances in North America and Japan since 1994. Among our joint ventures, we have already listed DoubleClick and J-Stream on national stock exchanges in Japan. We have integrated the technologies and services possessed by these companies into our marketing chain management loop to construct numerous service sets including operations by our personnel, and provide our client companies with these service sets. We will actively continue forming alliances that should contribute to value-added services to our core business.

We are promoting alliance strategies for the purpose of enhancing our value-added services in various fields, such as Call Center/Contact Center Services, Digital Marketing Services, Support Desk Services, and System Engineering Services, but oligopoly is advancing in the field where we are carrying out activities. A certain scale of business is needed for providing high-quality, low-cost services, and we consider that we have to expand our business scale through M&A.

Q Could you describe your risk management philosophy?

A Our company is exposed to a wide range of management risks due to macro-economic factors including the financial situations, operational achievements, the cash flow situation, and economic fluctuations, as well as specific factors such as the unique business environment surrounding us, the contract period with our client companies, competition, venture capital business, M&A, attraction and retention of excellent personnel, and serious lawsuit incidents. In addition, we are required to carry out a flexible risk management through provision of high value-added services, review of our personnel portfolio to shift from dependence on full-time employees to utilization of contracted or irregular employees, and enhancement of call centers in provincial areas.

In this context, we consider that one of the most important challenges for us is the issue of personal information protection, in other words, the promotion of information security. Specifically, we have obtained the privacy mark certificate from the Japan Information Processing Development Corporation in February 2003, and are careful for handling our clients' personal data (name, address, age, annual income, etc.). We are fully aware of the importance and the dangers concerning the handling of personal information, and we have posted our privacy policies on our website, while we have established sufficient action policies and in-house regulations as well as given education and training concerning those policies and regulations in order to achieve thorough management of personal information.

Q Could you describe your philosophy concerning shareholders' value and corporate value?

A Our company places the redistribution of profits to our shareholders in the position of our most important policy. To keep up with the rapid advance of information systems and changes in the environment, we are developing new services and technologies and enhancing service systems from a global viewpoint in order to maintain and strengthen our competitiveness, while holding the basic policy on distribution of the results of our performance in a fair and just manner for our past, present, and future shareholders. Because our non-consolidated retained earnings fell below zero at the end of the previous period, we did not pay dividends either at the end of the previous period or the last half-year. Following our basic policy, we have decided to pay a dividend of 30 yen per share at the end of the present period.

To adeptly meet new business needs as they emerge from the rapidly evolving and diversifying IT systems milieu, we must continually define new strategies and promptly implement new ways of running our business. To allow us to make decisions more quickly and efficiently, and to help us create an internal system of checks and balances, we have established a three-part structure of top-level responsibility: the Group CEO, who makes important decisions and oversees operations for the group; the parent-company CEO, who does the same for the parent; and the COO, who is in charge of coordinating and carrying out overall operations. Also, to dynamically make decisions and clarify responsibilities toward building higher shareholders' value, social-friendliness and trustworthiness, we reinforced the corporate governance and the supervision functions of the board of directors under the auditor system. We have also adopted the operating officer system in accordance with a resolution at the general meeting of shareholders held in June 2004, aimed at enhancing our ability to respond to changes in the business environment with quicker decision-making and business execution. Under this new system, the "managerial decision-making and supervising functions" and the "operational execution functions" that had been the responsibility of the board of directors were separated, giving responsibilities for the former to the board of directors and those for the latter to the operating officers, concerning responsibilities for the various comprehensive headquarters of our corporate group. We also introduced stock options designed to enhance enterprise value by aligning the interests of directors and top-level employees more closely with those of our shareholders.

Further, to ensure that all shareholders are informed about our business policies and activities, we proactively and voluntarily disclose information that goes well beyond legal reporting requirements and we are working steadily to expand the content of such disclosures.

transcosmos at a Glance

transcosmos Group

Consolidated Business Segments

IT Services Businesses

Outsourcing Services

Marketing Chain Management Services

Directly linking companies and consumers

- Digital Marketing Services
- Call Center/Contact Center Services

(For work done for Microsoft at the MCM Service Division's Komagome Outsourcing Center)

Support Desk Services

Support desk for business system and information technology

- Business System Support Desk Services
- IT Support Desk Services

transcosmos inc.

System Engineering Services

Product development, design support, and system development and operation

- Engineering Services
- Systems Integration Services
- System Services

(For engineering management work done in eastern Japan as part of the CAD Machine Design Support Service within the System Engineering Service Headquarters Engineering Solutions Service Division, East)

Venture Capital Business

Global IT Support Services

Installation support for cutting-edge technology and service

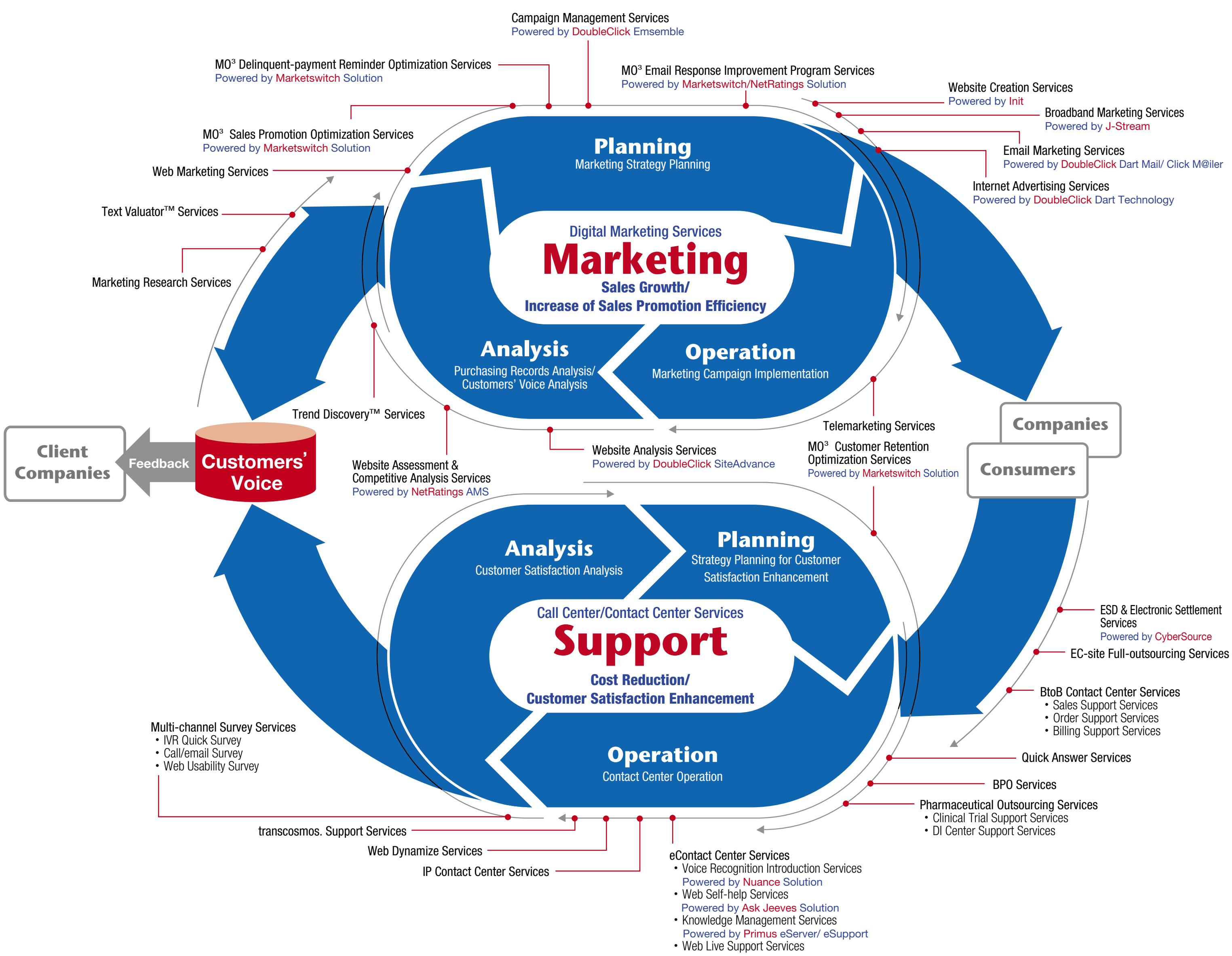
Service Developments

Always working to achieve the next level of service

Marketing Chain Management Services

The mission of transcosmos is "to become the leading outsourcing-contract company 'marketing and support' for client companies to build a 'direct relationship' with consumers by riding on the spread of broadband access." Our Marketing Chain Management Services should play the central role in fulfilling this mission.

● Marketing Chain Management Services Model



transcosmos is supporting client companies in constructing the framework of the optimal Internet-based customer relationships through fusions between Call Center/Contact Center Services (Support) and Digital Marketing Services (Marketing), and between personnel and technologies (People & Technology), while continuously enriching new service menus in line with the needs of our client companies.

Digital Marketing Services

The main product of Digital Marketing Services is Internet advertising that makes up 60% of all sales. The scale of Japan's domestic Internet advertising market during fiscal 2003 was 118.3 billion yen (according to a Dentsu survey), which shows a 40% increase over the previous year. In the midst of this rapid market growth, transcosmos accurately grasps the market trends of sharply expanding areas such as "listing advertisements" that displays PR contents related to results of an Internet search, and "animated Internet advertisement" that utilizes streaming Internet. As a result, sales (non-consolidated) of the digital marketing business are doubling year after year. They were about 2 billion yen for fiscal 2003 (doubled from the previous year) and will be 4 billion yen for fiscal 2004 (planned).

Web Marketing Services

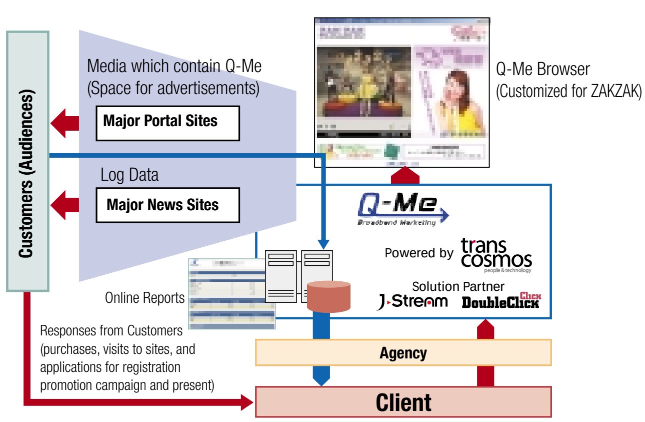
transcosmos makes the most of leading-edge Internet technologies to propose a digital marketing framework in accordance with the needs of our client companies, through website diagnosis/competition analysis, building of interactive websites based on survey data and the live voices of consumers, planning of online promotion and digital campaign/promotion utilizing customer databases, and email marketing.

● Listing Advertising

Broadband Marketing Solutions

"Q-Me" is a one-to-one distribution solution with animated advertising content, symbolizing the broadband age. This solution is based on a combination of AdServer, a DoubleClick advertisement distribution technology, and a J-Stream streaming distribution technology. With "Q-Me," pressing the link button to animation will open another browser page where the animated space, character data, charts and diagrams, and banners are displayed in an orderly fashion. Since the viewers are allowed to see a variety of information, in addition to animations, provided by an enterprise, awareness of and interest in the sponsor enterprise are expected to rise among the viewers. For Artnature Inc.'s animated advertisements, we prepared several types of animated content created with "Q-Me" and employ them individually depending on the distribution media. All of this content has recorded several tens of thousands of distribution opportunities a month, and most of the viewers are men in their late twenties to their forties as targeted. In addition, the click rate was 5% or more higher than the existing banner ads. We are also able to effectively use the measuring tools of the DoubleClick company to collect information on the attributes of viewers of animated advertisements, and apply the results to subsequent marketing activities.

● Broadband Animation Advertising with "Q-Me"



- ●Browsers are customized for each medium.
- ●Commercials are inserted when streaming content is broadcasted and before main contents begin. Moreover, commercials are completely connected with surrounding advertising files.
- ●"Advertising network broadcastings" which cover multiple media and multiple contents are available.
- ●Efficient report function enables you to appraise advertisement performance quickly and correctly.

Content Providers (Examples of Contents)

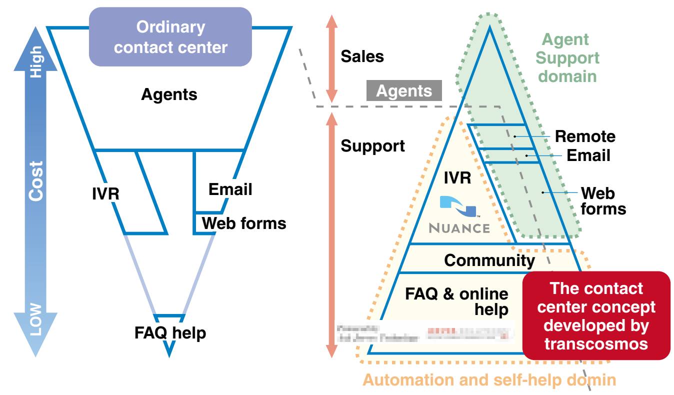
- New car (passenger car) trial
- Car maintenance
- Securities information
- Sports (Series A)
- Travel
- Short films
- Web dramas
- Documentary films (archives)
- Game of Go
- Shogi courses
- Surfing
- Diet proceedings (highlight)

※Content development is also available in response to clients' needs.

Call Center/Contact Center Services

In the Call Center/Contact Center Services, we reduce costs by automating the service processes as much as possible with IP Contact Centers, eContact Center Voice Recognition Introduction and eContact Center Web Self-help. As a result, we can shift agents to respond to more troublesome inquiries and cross-selling based on customer databases, which contributes to an improvement in the quality of customer support activities and an increase in sales for client companies. (Reflecting our differentiation from competitors through the "fusion between people and technology.")
In addition, the collection and analysis of consumers' voices via a number of contact channels, including telephone, fax, email, and VoIP, will also contribute to the creation of marketing strategies and tactics for our client companies.

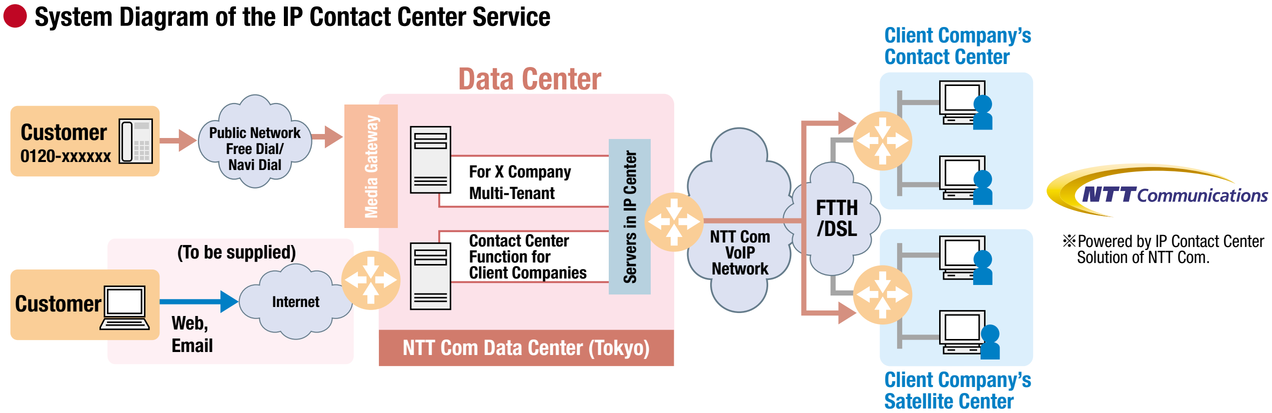
● From a cost center to a profit center



IP Contact Center Services

transcosmos provides comprehensive services at low cost, from design to construction, post-construction support, education and dispatch of agents necessary for the contact center business. Combining emails, websites, IP telephones and TV telephones may lead to further enhancement of sales power, higher customer satisfaction and cost reduction. This construction can be completed in a short period of time. We spent only a month on the construction of WebCrew's IP contact center which has the largest share in Japan's insurance comparison portal sites. This construction remarkably contributed to an improvement of business efficiency and customer satisfaction.

● System Diagram of the IP Contact Center Service



eContact Center Voice Recognition Introduction Services

Are you familiar with the software called "Nuance?" This is a voice recognition technology widely used in North America for referencing stock prices, and considered as the de facto global standard due to its high recognition ratio and broad multi-lingual applicability. This technology broadly attracts attention for its proven efficiency to bring down costs per call to one-tenth or less. transcosmos quickly introduced this technology into its call center and contact center services, and succeeded in automating incoming call processing, decreasing the number of missed calls at peak times, and achieving both lower costs and higher customer satisfaction without expanding the scale of the center services.

Powerd by Nuance Technology NUANCE

eContact Center Web Self-help Services

transcosmos has effectively applied the self-support technology "Ask Jeeves" to client companies' websites as a "reception counter" to allow visitors to pose questions in natural language format, like, "What should I be careful of when expanding the memory on my PC?" and speedily access the answer he/she needs. This technology also feeds back stored questions (live voices of visitors), which can be used for the planning of new products/services, and optimization of the website contents.

Powered by Ask Jeeves Technology

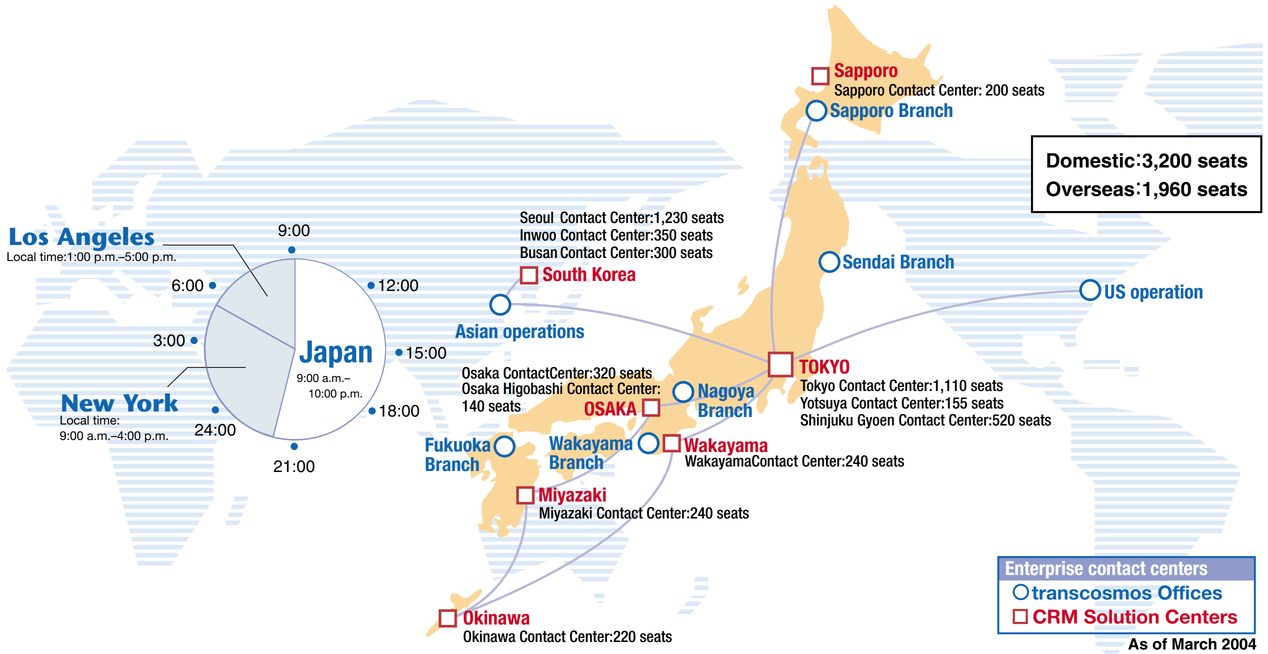
eContact Center Knowledge Management Services

This technology allows a client to automatically organize pieces of effective knowledge among daily interactions with customers and share the knowledge, which enables responses of an equal level without considering differences in channels and agents' skills, and improves the response ratio to first contacts. Knowledge management technologies such as "Primus" improve the efficiency of responses to inquiries and email replies, which can cut costs of the call centers/contact centers.

Powerd by Nuance Technology

Chart of Deployment of Call Centers/ Contact Centers

transcosmos responds flexibly to a wide range of demands for outsourcing and requests concerning the cost and the time block from client companies via call centers/contact centers deployed both at home and abroad.



Support Desk Services

transcosmos takes responsibility for everything from consultation, implementation (startup of live operation), testing and operations of internal and external systems of client companies. The three main pillars of the operation services provided by transcosmos are support desks, construction of knowledge databases, and education of people in charge of operation. transcosmos provides services that meet the needs of our client companies, including Business System Support Desk Services, IT Support Desk Services, as well as ERP Support Desk Services, and Microsoft Windows XP IT Support Desk Services.

System Engineering Services

To support construction and operation services for systems from those maintaining customer relations to those employed for backyard jobs, transcosmos provides client companies with Engineering Services for assistance in the development and design of products, System Services for onsite development, operation and maintenance of systems, and System Integration Services for construction of systems that should be operated over a long period with leading-edge IT technologies.

Global IT Support Services

Following the explosion of overseas extension of Japanese manufacturing industries, focused in the Asian region, transcosmos provides these industries with System Integration/Network Integration Services to implement system development for Japanese users with higher quality at lower costs, Quality Assurance/Localization Services to realize software localization in multiple languages, Distribution Services to sell hardware and software products created in the Japanese language, Support Desk Services to dispatch Japanese- or local-language-speaking support desk staff to Japanese-affiliated companies, and Call Center/Contact Center Services for 24-hour/7-day operations in multiple languages.

Service Developments

transcosmos opened its San Francisco office in 1989. We watch technology trends in the U.S., a leader of outsourcing services, and make efforts to import excellent technologies such as “Nuance,” the world standard voice recognition system, and “DoubleClick,” an Internet advertising distribution system. At present, transcosmos has established a Service Development Department with 50 specialists to continue pursuing the next-generation high value-added services through the startup of new business areas and management of affiliate company groups.

Network

transcosmos Group

JAPAN

Marketing-chain management
- DoubleClick Japan Inc.
- J-Stream Inc.
- NetRatings Japan Inc.
- Macromill, Inc.
- init co., Ltd.
- Marketswitch Japan KK
- Primus Knowledge Solutions, K.K.
- CyberSource KK
- NetMile, Inc.
- CODE Inc.
- AD2 Inc.
- WebCrew Inc.

Call Center/Contact Center Operation Services
- transcosmos CRM Okinawa Inc.
- transcosmos CRM Sapporo Inc.
- transcosmos CRM Miyazaki Inc.
- transcosmos CRM Wakayama Inc.
- Wakayama Planet KK

E-business sites
- Forecast Communications Inc.
- Listen Japan, Inc.
- AtomShockwave K.K
- Fujisan Magazine Service Co., Ltd.
- Ask Jeeves Japan Co., Ltd.

IT Training/IT Personnel
- Accelcareer Co., Ltd

Consulting/System Integration/System Engineering Services
- Skylight Consulting, Inc.
- Mac Interface Co., Ltd.
- Trans Welnet Inc.
- Applied Technology Co., Ltd.

USA

Service Development Company
- Transcosmos Investment & Business Development, Inc.

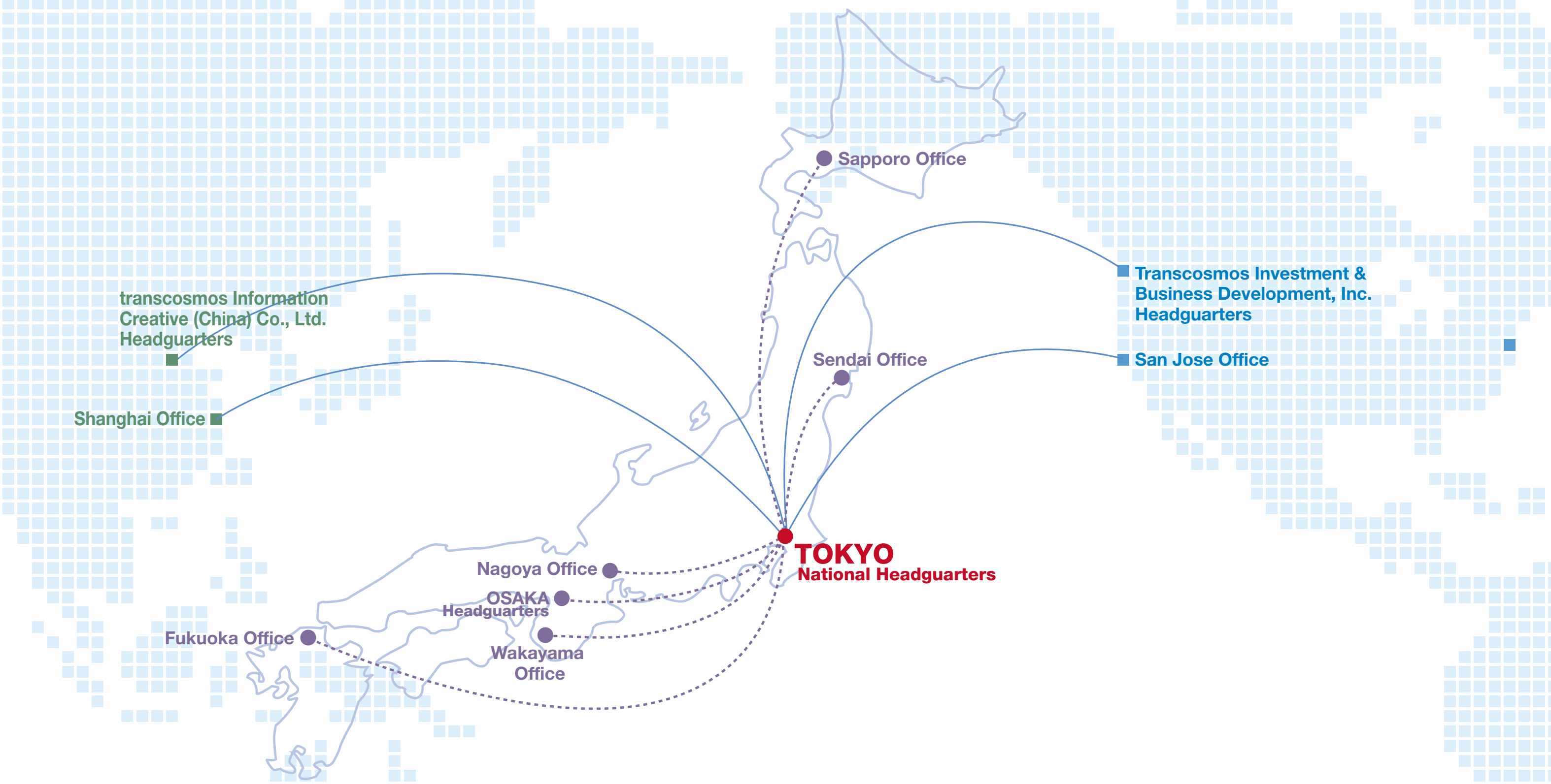
Service Company
- transcosmos America Inc.

Strategically Associated Companies
- DoubleClick Inc.
- NetRatings, Inc.
- Primus Knowledge Solutions Inc.
- Loudeye Corp.
- RealNetworks, Inc.
- Nuance Communications, Inc.
- Select Metrics, Inc. (MeasureCast, Inc.)
- Sendmail, Inc.
- Blue Pumpkin Software, Inc.
- BeVocal, Inc.
- Exava Inc.

ASIA

China/Taiwan
- transcosmos Information Creative (China) Co., Ltd., Tianjin Headquarters
- transcosmos Information Creative (China) Co., Ltd., Shanghai Office
- transcosmos Engineering Taipei Inc.

South Korea
- transcosmos Engineering Korea Inc.
- CIC Korea, Inc.
- Inwoo Tech, Inc.
- Korea Internet Data Center



Offices

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Offices

Osaka Headquarters

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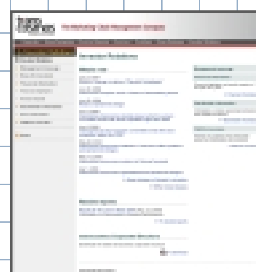
Fukuoka Office

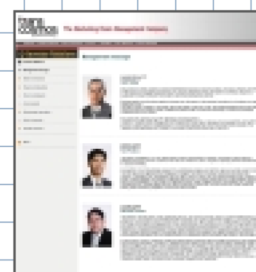
Sumitomo Seimei Hakata-eki Higashi Bldg., 1-13-9 Hakata-eki, Higashi, Hakata-ku, Fukuoka, 812-0013 Japan
Tel: +81-92-473-1267 Fax: +81-92-475-1625

transcosmos Website

Our website features various information about transcosmos, including our corporate profile, services, group companies, news releases, and investor relations.
You can also learn more about our group companies by visiting their websites.

transcosmos



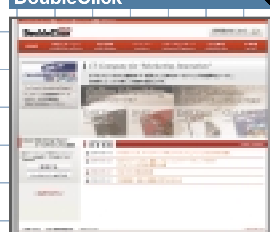


http://www.trans-cosmos.co.jp/

J-Stream

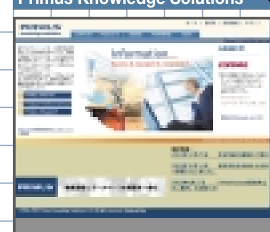
http://www.stream.co.jp

DoubleClick



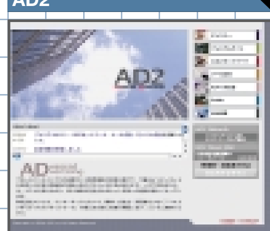
http://www.doubleclick.ne.jp/

Primus Knowledge Solutions



http://www.primus.co.jp

AD2



http://www.ad2.co.jp/

AtomShockwave

http://www.shockwave.co.jp/

CODE

http://www.co-de.co.jp/

Financial Summary

CONSOLIDATED STATEMENTS OF INCOME

For the years ended 31 March	Millions of Yen (except per share data) 2004	2003	2002	2001	2000	Thousands of U.S. Dollars (except per share data) 2004
Net sales	**¥ 77,918**	¥ 71,073	¥ 70,232	¥ 87,711	¥ 48,882	**$ 737,231**
Gross profit	**18,866**	7,943	(894)	26,228	13,638	**178,503**
Operating income	**2,946**	(8,299)	(14,173)	12,821	4,665	**27,874**
Net income	**952**	(9,899)	(17,612)	4,205	1,391	**9,008**
Net income per share	**39.3**	(405.7)	(721.9)	172.6	59.9	**0.37**

CONSOLIDATED BALANCE SHEETS

At 31 March	Millions of Yen 2004	2003	2002	2001	2000	Thousands of U.S. Dollars 2004
Total current assets	**¥ 36,433**	¥ 37,907	¥ 51,421	¥ 69,005	¥ 58,194	**$ 344,716**
Total current liabilities	**11,698**	10,531	10,945	19,068	11,459	**110,682**
Total long-term liabilities	**2,083**	1,123	3,139	3,875	1,641	**19,709**
Total shareholders' equity	**54,084**	49,550	64,321	79,552	68,164	**511,723**

NON-CONSOLIDATED STATEMENTS OF INCOME

For the years ended 31 March	Millions of Yen (except per share data) 2004	2003	2002	2001	2000	Thousands of U.S. Dollars (except per share data) 2004
Net sales	**¥ 65,360**	¥ 57,389	¥ 54,514	¥ 49,626	¥ 39,386	**$ 618,416**
Gross profit	**14,662**	11,045	10,821	10,494	8,794	**138,729**
Operating income	**4,268**	2,514	4,036	4,016	3,566	**40,379**
Net income	**3,360**	(23,281)	316	2,562	2,319	**31,791**
Net income per share	**140.6**	(954.3)	13.0	105.2	99.9	**1.33**
Cash dividends per share	**30.0**	10.0	20.0	20.0	20.0	**0.28**
Weighted average number of shares (thousand)	**23,805**	24,396	24,362	24,362	23,210	—

NON-CONSOLIDATED BALANCE SHEETS

At 31 March	Millions of Yen 2004	2003	2002	2001	2000	Thousands of U.S. Dollars 2004
Total current assets	**¥ 19,955**	¥ 16,553	¥ 20,968	¥ 29,028	¥ 32,542	**$ 188,804**
Total current liabilities	**9,637**	7,711	7,230	11,977	5,861	**91,190**
Total long-term liabilities	**2,156**	1,190	3,250	3,636	292	**20,404**
Total shareholders' equity	**57,552**	51,784	75,531	76,241	72,876	**544,524**

Note: U.S. dollar amounts are translated from yen, solely for convenience, at the rate of ¥105.69 =U.S.$1.

Operating Results

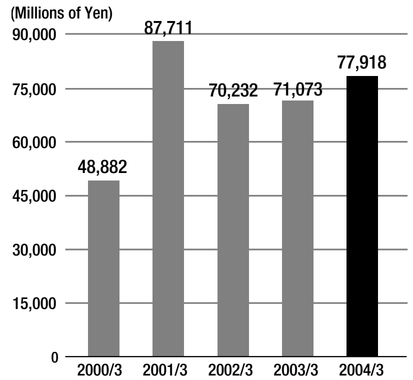
Net Sales, Operating Income and Net Income

There have been some bright signs in the Japanese economy in fiscal 2003, including recovery of the Nikkei Stock Average and a revived trend of capital investment. On the other hand, it seems that it might take a while to see a full-fledged recovery, as several unstable factors are still found in consumer spending, exchange fluctuations, an increase in long-term interest rates and others.

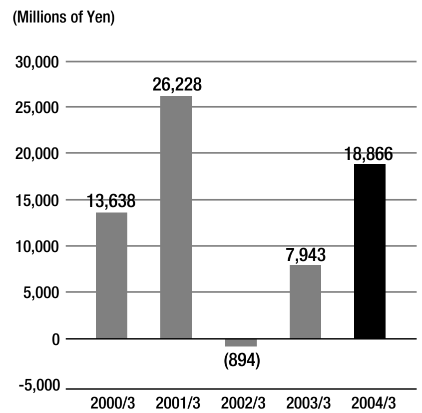
In this environment, our consolidated net sales grew 9.6% year-on-year to 77,918 million yen, and the consolidated operating income was 2,946 million yen, compared with an operating loss of 8,298 million yen for fiscal 2002. The consolidated net income was 952 million yen, compared with a net loss of 9,899 million yen for 2002, mainly due to the relocation cost of the head office and a loss from revaluation of investment securities.

By region, Japan grew 10.6% to 76,135 million yen in net sales, and 64.6% to 8,744 million yen in operating income. The United States fell 28.0% to 1,437 million yen in net sales, while it decreased operating loss to 459 million yen from 7,350 million yen. Asia grew 29.5% to 344 million yen in net sales and also increased in operating income to 130 million yen from a loss of 1,820 million yen.

Net sales



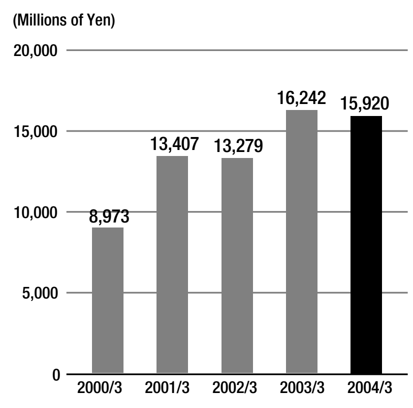
Gross profit



Cost of Sales and SG&A Expenses

Cost of sales fell 6.5% year-on-year to 59,052 million yen, while the cost of sales ratio improved 13 percentage points to 75.8% from 88.8%. Gross profit grew 137.5% to 18,866 million yen at a gross margin of 24.2%. SG&A expenses remained at almost the same level as the previous year, at 15,920 million yen.

SG & A Expenses



Segment Information

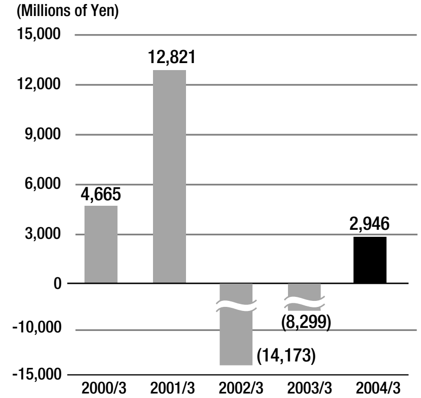
IT Services Businesses

Our business environment is continuously improving, as the ratio of contract/temporary employees is rising, reflecting the customers' strong cost-consciousness, and the corporate structural change boosts the needs for outsourcing. On the other hand, competition for orders is intensifying. Under these circumstances, Digital Marketing Services of transcosmos (non-consolidated) has doubled its sales to 2 billion yen on a year-on-year basis, as the market for listing advertisements (showing ads related to search results) and motion-image net advertisements (using streaming technology) has rapidly expanded. Net sales continued to grow in Marketing Chain Management Services by offering new value-added services and winning new orders for both Call Center/Contract Center and Digital Marketing services. Net sales grew in Development Services, as design support orders from automakers and others, as well as system development orders, were brisk. Net sales also grew in Support Desk Services, as new application management services for ERP administration service were offered for the first time, in addition to the current two types of services: administration support desk services for internal IT systems and business systems, and solution services for business support, staff training and IT asset management. In IT Services Businesses, net sales grew 10.3% year-on-year to 76,666 million yen, while operating income grew 79.9% to 8,594 million yen.

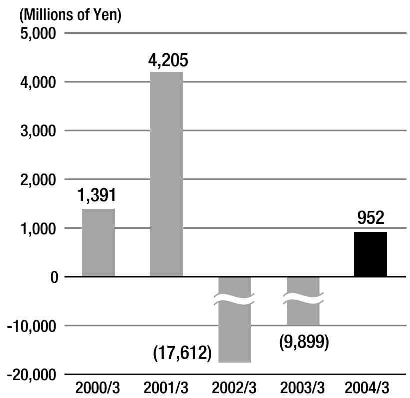
Venture Capital Business

In our venture capital business, net sales fell 19.7% year-on-year to 1,251 million yen, while the operating loss significantly decreased to 178 million yen from 8,680 million yen, since part of the securities invested for operating purposes was sold off, but could not compensate for SG&A expenses.

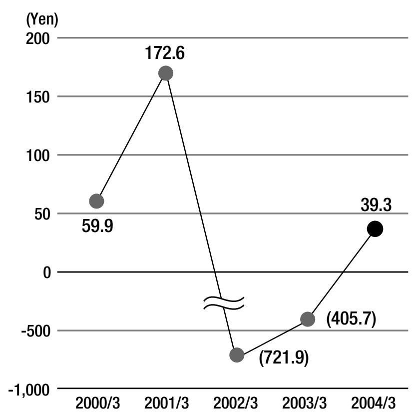
Operating income



Net income



Net income per share

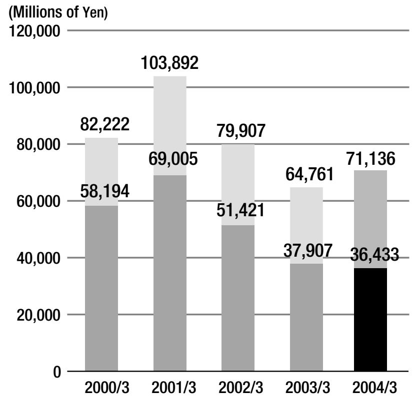


Financial Position

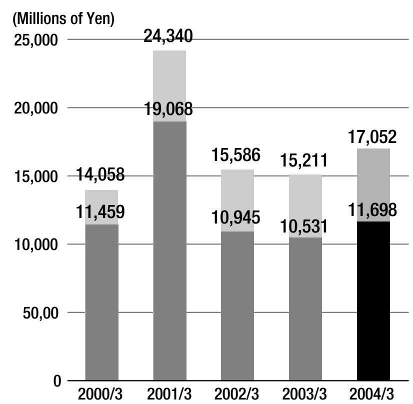
Assets, Liabilities and Shareholders' Equity

Consolidated total assets in fiscal 2003 grew 6,375 million yen, compared with the previous year, to 71,136 million yen. Total current assets fell 1,474 million yen to 36,433 million yen, mainly on collection of deferred refunded corporation tax for a US subsidiary. Total investments and advances grew 11,886 million yen to 18,990 million yen, as net unrealized holding gains on securities were included. Total current liabilities grew 1,167 million yen to 11,698 million yen, as accrued expenses and other current liabilities increased. Total long-term liabilities grew 960 million yen to 2,083 million yen, as long-term bank loans and others increased. Total shareholders' equity grew 4,534 million yen to 54,084 million yen, as unrealized gains on marketable securities and investments in securities grew 7,120 million yen, while treasury stock declined 3,134 million yen due to the buyback. The term-end interest-bearing debt balance was 3,100 million yen, but this presents little concern, as the balance of cash and cash equivalents was 15,183 million yen.

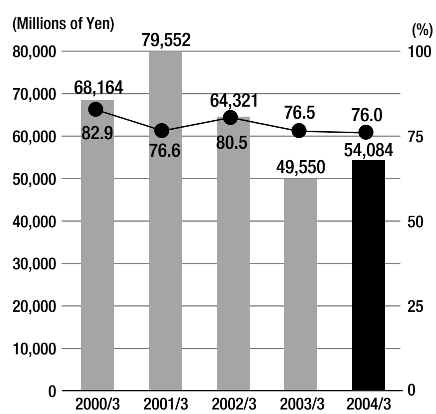
Total assets
Total current assets



Total liabilities
Total current liabilities



Total shareholders' equity
Equity ratio



Cash Flows

Net cash provided by operating activities grew 8,168 million yen to 9,108 million yen. We attribute this to 3,970 million yen in income tax refund for a US subsidiary, in addition to posting nonfund items, including the net income before income tax of 313 million yen, depreciation cost of 823 million yen and foreign exchange loss of 1,199 million yen.

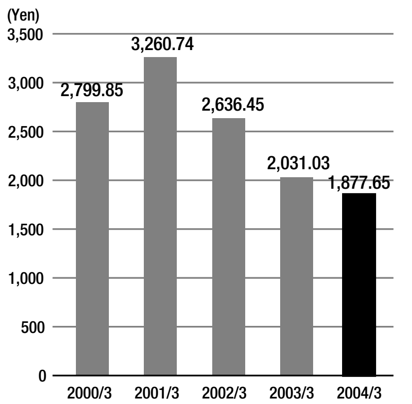
Net cash used in investing activities fell 4,644 million yen to 5,142 million yen. That is mainly attributed to expenditures of 3,563 million yen for purchasing affiliated company shares, 1,396 million yen for purchasing tangible fixed assets, and 820 million yen for purchasing intangible fixed assets.

Net cash used in financing activities fell 4,395 million yen to 3,232 million yen. The chief source of expenditure was the payments for purchase of treasury stock of 3,134 million yen. Cash and cash equivalents grew 347 million yen to 15,183 million yen.

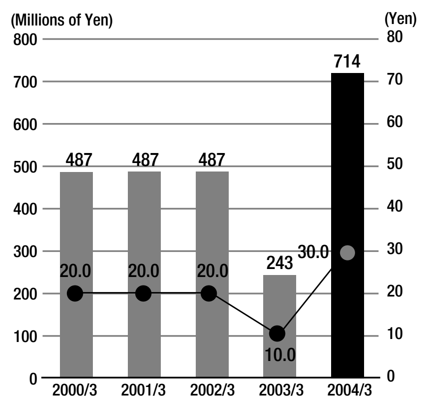
Forward-looking Statements

This annual report contains statements regarding future performance including business plans, performance projections, and strategic forecasts. Those statements are based on management's assessment of currently available information to transcosmos. Therefore changes in the operating environment may cause actual results and progress in management strategies differing from the forecasts made in this report.

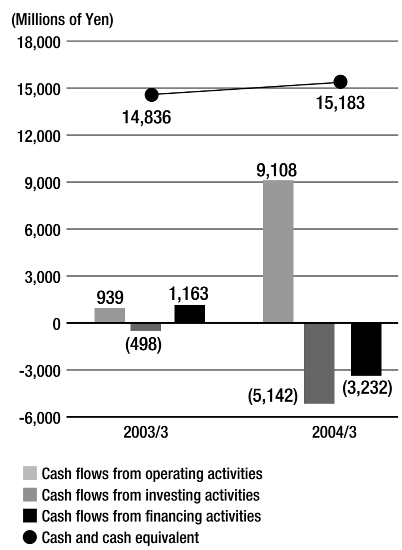
Total shareholders' equity per share



Total cash dividends
Cash devidends per share



Cash flows



Consolidated Balance Sheets

At 31 March 2004 and 2003

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2004	2003	**2004**
ASSETS			
Current Assets:			
Cash and time deposits	**¥ 13,218**	¥ 12,630	**$ 125,064**
Marketable securities (Note 4)	**2,165**	2,226	**20,484**
Investments in securities for operating purposes	**4,678**	3,070	**44,262**
Notes and accounts receivable:			
Customers	**12,341**	11,020	**116,766**
Unconsolidated subsidiaries and affiliates	**46**	6	**435**
	12,387	11,026	**117,201**
Less: allowance for bad debt	**(170)**	(389)	**(1,608)**
	12,217	10,637	**115,593**
Job and software in progress and merchandise (Note 5)	**310**	417	**2,933**
Income taxes refundable	**548**	4,084	**5,185**
Deferred tax assets (Note 15)	**2,131**	3,486	**20,163**
Other current assets	**1,166**	1,357	**11,032**
Total current assets	**36,433**	37,907	**344,716**
Investments and Advances:			
Investments in securities (Note 4)	**10,727**	2,258	**101,495**
Investments in and advances to unconsolidated subsidiaries and affiliates	**6,262**	3,117	**59,249**
Other investments	**2,356**	1,837	**22,291**
Less: allowance for bad debt	**(355)**	(108)	**(3,359)**
Total investments and advances	**18,990**	7,104	**179,676**
Property Equipment, at cost, less Accumulated Depreciation (Note 6)	**4,897**	4,884	**46,334**
Fixed Leasehold Deposits (Note 7)	**2,153**	2,897	**20,371**
Deferred Charges, Intangibles and Other	**1,775**	1,468	**16,795**
Deferred tax assets (Note 15)	**6,155**	9,459	**58,236**
Prepaid pension costs (Note 9)	**733**	1,042	**6,935**
	¥ 71,136	¥ 64,761	**$ 673,063**

The accompanying notes are an integral part of these statements

At 31 March 2004 and 2003

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2004	2003	**2004**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Short-term bank loans (Note 8)	**¥ 5**	¥ 105	**$ 47**
Current portion of long-term bank loans	**1,031**	2,068	**9,755**
Accounts payable:			
Suppliers	**4,644**	3,968	**43,940**
Unconsolidated subsidiaries and affiliates	**15**	14	**142**
	4,659	3,982	**44,082**
Income taxes payable	**53**	115	**501**
Accrued bonuses to employees	**2,098**	1,652	**19,851**
Advance received	**331**	574	**3,132**
Reserve for loss on guarantees	**—**	—	**—**
Other current liabilities	**3,521**	2,035	**33,314**
Total current liabilities	**11,698**	10,531	**110,682**
Long-term Liabilities:			
Long-term bank loans (Note 8)	**2,035**	1,066	**19,255**
Deferred tax liabilities (Note 15)	**16**	6	**151**
Securities deposits received	**17**	11	**161**
Reserve for retirement benefits (Note 9)	**15**	40	**142**
Total long-term liabilities	**2,083**	1,123	**19,709**
Minority Interests in Subsidiaries	**3,271**	3,557	**30,949**
Contingent Liabilities (Note 10)			
Shareholders' Equity:			
Common stock:			
Authorized 90,088,176 shares at 31 March 2004 and 2003, respectively			
Issued 24,397,023 shares at 31 March 2004 and 2003, respectively	**29,066**	29,066	**275,012**
Capital surplus	**22,622**	30,623	**214,041**
Retained earnings	**(6,902)**	(15,854)	**(65,304)**
Unrealized gains on marketable securities and investments in securities	**7,542**	422	**71,360**
Foreign currency translation adjustments	**4,892**	5,295	**46,286**
	57,220	49,552	**541,395**
Treasury stock	**(3,136)**	(2)	**(29,672)**
Total shareholders' equity	**54,084**	49,550	**511,723**
	¥ 71,136	¥ 64,761	**$ 673,063**

The accompanying notes are an integral part of the statements.

transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES

Consolidated Statements of Operations

For the years ended 31 March 2004, 2003 and 2002

	Millions of Yen			Thousands of U.S.Dollars (Note 3)
	2004	2003	2002	**2004**
Net Sales (Note 16)	¥ **77,918**	¥ 71,073	¥ 70,232	$ **737,231**
Cost of Sales	**59,052**	63,130	71,126	**558,728**
Gross profit	**18,866**	7,943	(894)	**178,503**
Selling, General and Administrative Expenses	**15,920**	16,242	13,279	**150,629**
Operating income	**2,946**	(8,299)	(14,173)	**27,874**
Non-Operating Income (Expenses):				
Interest income	**148**	119	338	**1,400**
Interest expenses	**(29)**	(37)	(82)	**(274)**
New share issue expenses	**(3)**	(23)	(8)	**(28)**
Dividend income	**15**	7	13	**142**
Gain on sale/disposal of investments in securities	**641**	558	779	**6,065**
Loss on sale/disposal of investments in securities	**(25)**	(67)	(131)	**(237)**
Loss on sale/disposal of property	**(302)**	(276)	(156)	**(2,857)**
Loss on liquidation of business segment (Note 14)	**—**	(2,104)	(992)	**—**
Gains on disposal of investments in affiliates	**32**	—	13	**303**
Loss on write-down of investments in affiliates (Note 13)	**(179)**	(3,230)	(2,280)	**(1,694)**
Equity in earnings of unconsolidated subsidiaries and affiliates	**(175)**	(580)	(2,824)	**(1,656)**
Foreign exchange gains/(losses)	**(1,202)**	(1,120)	696	**(11,373)**
Loss on investments in partnership	**(294)**	(511)	(1,363)	**(2,782)**
Loss on write-down of marketable securities and investments in securities	**(296)**	(1,868)	(2,239)	**(2,801)**
Gain on return of substitutional portion of employee pension fund (Note 9)	**—**	755	—	**—**
Gains on sale of stock by investees	**32**	845	1,392	**303**
Loss on write-down of golf membership	**(21)**	(75)	(92)	**(199)**
New SFA development costs	**—**	(2,651)	(666)	**—**
Reserve for loss on guarantees	**—**	—	(300)	**—**
Head office relocation expenses	**(828)**	—	—	**(7,834)**
Other, net	**(147)**	(222)	(88)	**(1,391)**
Total non-operating Income (Expenses)	**(2,633)**	(10,480)	(7,990)	**(24,913)**
Income/(loss) before income taxes	**313**	(18,779)	(22,163)	**2,961**
Income Taxes (Note 15)				
- Current	**140**	180	2,524	**1,324**
- Refund	**(853)**	(3,660)	(4,007)	**(8,071)**
- Deferred	**270**	(5,047)	(2,902)	**2,554**
	756	(10,252)	(17,778)	**7,154**
Minority Interests in Net Income of Subsidiaries	**196**	353	166	**1,854**
Net income/(loss)	¥ **952**	¥ (9,899)	¥ (17,612)	$ **9,008**

	Yen			U.S. Dollars (Note3)
Per Share:				
Net income/(loss)	¥ **39.3**	¥ (405.7)	¥ (721.9)	$ **0.37**
Cash dividends	¥ **30.0**	¥ 10.0	¥ 20.0	$ **0.28**
Weighted average number of shares (in thousands)	**28,804**	24,396	24,362	**—**

The accompanying notes are an integral part of these statements.

transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES

Consolidated Statements of Shareholders' Equity

For the years ended 31 March 2004, 2003 and 2002

	Number of shares of common stock	Common Stock (Millions of Yen)	Capital surplus (Millions of Yen)	Retained earnings (Millions of Yen)
Balance at 31 March 2001	24,397,023	¥ 29,066	¥ 30,623	¥ 12,747
Cash dividends	—	—	—	(488)
Directors' bonuses	—	—	—	(70)
Decrease due to additional consolidation of subsidiaries	—	—	—	(59)
Increase due to merger of consolidation of subsidiaries	—	—	—	19
Decrease due to additional unconsolidated subsidiaries and affiliates	—	—	—	(5)
Net income for the year ended 31 March 2002	—	—	—	(17,612)
Balance at 31 March 2002	24,397,023	29,066	30,623	(5,468)
Cash dividends	—	—	—	(488)
Increase due to additional unconsolidated subsidiaries and affiliates	—	—	—	1
Net income for the year ended 31 March 2003	—	—	—	(9,899)
Balance at 31 March 2003	24,397,023	29,066	30,623	(15,854)
Directors' bonuses	—	—	—	(1)
Decrease due to additional consolidation of subsidiaries	—	—	—	(0)
Transfer from capital surplus to retained earnings	—	—	(8,001)	8,001
Net income for the year ended 31 March 2004	—	—	—	952
Balance at 31 March 2004	24,397,023	¥ 29,066	¥ 22,622	¥ (6,902)

	Common Stock (Thousands of U.S. Dollars (Note 3))	Capital surplus (Thousands of U.S. Dollars (Note 3))	Retained earnings (Thousands of U.S. Dollars (Note 3))
Balance at 31 March 2003	$ 275,011	$ 289,744	$ (150,005)
Directors' bonuses	—	—	(9)
Decrease due to additional consolidation of subsidiaries	—	—	(1)
Transfer from capital surplus to retained earnings	—	(75,703)	75,703
Net income for the year ended 31 March 2004	—	—	9,008
Balance at 31 March 2004	$ 275,011	$ 214,041	$ (65,304)

The accompanying notes are an integral part of the statements.

Consolidated Statements of Cash Flows

For the years ended 31 March 2004, 2003 and 2002

	Millions of Yen			Thousands of U.S. Dollars (Note 3)
	2004	2003	2002	**2004**
Cash Flows from Operating Activities:				
Net income before income tax	**¥ 313**	¥ (18,779)	¥ (22,163)	**$ 2,961**
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	**823**	1,031	928	**7,787**
Amortization of excess costs of investments over equity in net assets	**39**	383	517	**369**
Amortization of intangible assets	**318**	270	167	**3,009**
Accrued interest and dividend income	**(163)**	(126)	(351)	**(1,542)**
Accrued interest expenses	**29**	37	82	**274**
Foreign exchange (gains)/losses	**1,199**	1,074	(692)	**11,344**
New share issue expenses	**3**	23	8	**28**
Loss on liquidation of business segment (Note 14)	**—**	2,104	992	**—**
Reserve for loss on guarantees	**—**	—	300	**—**
Loss on write-down of investments of affiliates	**179**	3,230	2,280	**1,694**
Equity in earnings of unconsolidated subsidiaries and affiliates (Note 13)	**175**	580	2,824	**1,656**
Dilution gain from change in equity interest	**(32)**	(832)	(1,392)	**(303)**
(Gain)/loss on sale of investments in unconsolidated subsidiaries and affiliates	**(32)**	6	(13)	**(303)**
Gain on sale/disposal of investments in securities, net	**(616)**	(491)	(648)	**(5,828)**
Gain on return of substitutional portion of employee pension fund	**—**	(755)	—	**—**
Reversal of allowance for bad debt	**140**	393	146	**1,325**
Increase/(decrease) in reserve for retirement benefits	**290**	(351)	36	**2,744**
Loss on write-down of investments in securities	**296**	1,868	2,239	**2,801**
Loss on investments in partnership	**294**	511	1,363	**2,782**
Loss on write-down of golf club membership	**21**	75	92	**199**
Loss on disposal of property	**302**	276	156	**2,857**
Loss on write-down of investments in securities for operating purposes	**148**	7,236	18,744	**1,400**
Increase in accrued bonuses to employees	**445**	155	153	**4,210**
Increase in notes and accounts receivable	**(1,534)**	(539)	(65)	**(14,514)**
(Increase)/decrease in investment in securities for operating purposes	**210**	1,377	(1,705)	**1,987**
(Increase)/decrease in jobs and software in progress and merchandise	**45**	52	244	**426**
Increase/(decrease) in accounts payable	**159**	315	(481)	**1,504**
Other, net	**2,065**	(142)	(3,103)	**19,539**
Sub total	**5,116**	(1,019)	658	**48,406**
Interest and dividends received	**234**	191	356	**2,214**
Interest paid	**(33)**	(41)	(2)	**(312)**
Income tax refunded	**3,970**	3,218	—	**37,553**
Income tax paid	**(178)**	(1,410)	(2,622)	**(1,684)**
Net cash provided by/(used for) operating activities	**¥ 9,108**	¥ 939	¥ (1,610)	**$ 86,177**

The accompanying notes are an integral part of these statements.

	Millions of Yen			Thousands of U.S. Dollars (Note 3)
	2004	2003	2002	**2004**
Cash Flows from Investing Activities:				
Place of long-term time deposits	¥ **—**	¥ (1,717)	¥ (20)	$ **—**
Withdraw of long-term time deposits	**17**	1,718	2,000	**161**
Payments for purchase of property and equipment	**(1,396)**	(989)	(818)	**(13,208)**
Payments for purchase of investments in securities	**(521)**	(524)	(1,009)	**(4,930)**
Proceeds from sale of investments in securities	**983**	1,109	1,508	**9,301**
Payments for purchase of investments in affiliates	**(3,563)**	(765)	(3,093)	**(33,712)**
Payments for sale of investments in subsidiaries due to change in scope of consolidation	**—**	—	(20)	**—**
Payments for purchase of investments in subsidiaries due to change in scope of consolidation	**—**	(119)	(121)	**—**
Proceeds from purchase of investments in subsidiaries due to change in scope of consolidation	**—**	868	86	**—**
Payments for purchase of intangibles	**(820)**	(412)	(356)	**(7,759)**
Payments for purchase of other investments	**(1,752)**	(828)	(1,083)	**(16,577)**
Proceeds from sale of other investments	**1,910**	1,161	3,709	**18,072**
Net cash provided by/(used for) investing activities	**(5,142)**	(498)	783	**(48,652)**
Cash Flows from Financing Activities:				
Proceeds from short-term bank loans	**—**	2,100	22,000	**—**
Repayment of short-term bank loans	**(100)**	(2,293)	(24,947)	**(946)**
Proceeds from issuance of commercial paper	**—**	—	15,000	**—**
Payments for redemption of commercial paper	**—**	—	(20,000)	**—**
Proceeds from long-term bank loans	**2,000**	—	—	**18,923**
Repayment of long-term bank loans	**(2,068)**	(16)	(570)	**(19,566)**
Payments for purchase of treasury stock	**(3,134)**	(1)	(1)	**(29,653)**
Proceeds from sale of treasury stocks	**—**	—	1	**—**
Proceeds from stock issue to minority interests	**91**	1,865	435	**861**
Payments for capital reduction to minority interests	**(13)**	—	(132)	**(123)**
Cash dividends paid	**—**	(488)	(488)	**—**
Dividends paid to minority interests	**(8)**	(4)	(10)	**(76)**
Net cash provided by/(used for) financing activities	**(3,232)**	1,163	(8,712)	**(30,580)**
Effect of exchange rate changes on cash and cash equivalents	**(421)**	(592)	2,423	**(3,983)**
Net increase in cash and cash equivalent	**313**	1,011	(7,116)	**2,961**
Increase due to increase in consolidated subsidiaries	**34**	41	119	**322**
Cash and cash equivalents at beginning of year	**14,836**	13,784	20,871	**140,373**
Cash and cash equivalents at end of year	¥ **15,183**	¥ 14,836	¥ 13,784	$ **143,656**

Relation between cash and cash equivalent at year-end and the account booked in the balance sheet.

	Millions of Yen			Thousands of U.S. Dollars (Note 3)
	2004	2003	2002	**2004**
Cash and time deposits	¥ **13,218**	¥ 12,630	¥ 11,746	$ **125,064**
Marketable securities	**2,165**	2,226	2,058	**20,484**
	15,383	14,856	13,804	**145,548**
Time deposits and government bonds with maturityperiods exceeding three months	**(200)**	(20)	(20)	**(1,892)**
Cash and cash equivalents	¥ **15,183**	¥ 14,836	¥ 13,784	$ **143,656**

The accompanying notes are an integral part of these statements.

Notes to the Consolidated Financial Statements

1. Basis of Presenting the Consolidated Financial Statements

(1) Accounting principles

The accompanying consolidated financial statements have been prepared from accounts maintained by transcosmos inc., (the "Company") and its consolidated subsidiaries. The Company and its domestic consolidated subsidiaries have maintained their accounts in accordance with the provisions set forth in the Commercial Code of Japan and the Securities and Exchange Law and in conformity with accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from those of International Financial Reporting Standards.

The accounts of 10 overseas consolidated subsidiaries, transcosmos USA Inc., EGI Fund Management Company L.L.C., EGI Fund Management Company 2 L.L.C., Access Ventures Partners L.L.C., transcosmos America Inc., Career Incubation USA Inc. (incorporated in USA), transcosmos Information Creative (China) Co., Ltd. (incorporated in China), Network Asia Inc., transcosmos Hong Kong Ltd. (incorporated in Hong Kong), and IBR Inc. (incorporated in Korea) are based on their accounting records maintained in conformity with accounting principles and practices generally accepted in their respective countries. Although certain differences exist in the accounting principles employed by the overseas subsidiaries, essentially, no adjustments have been made to their accounts in order to conform to Japanese accounting principles in the accompanying consolidated financial statements.

Certain items presented in the consolidated financial statements submitted to the Director of Kanto Finance Bureau in Japan have been reclassified in these accounts for the convenience of readers outside Japan.

2. Summary of Significant Accounting Policies

(1) Scope of Consolidation

The Company had 44 subsidiaries (majority-owned companies) as of 31 March 2004 (44 as of 31 March 2003 and 43 as of 31 March 2002). The consolidated financial statements include the accounts of the Company and 39 of its subsidiaries for the year ended 31 March 2004 (39 for the year ended 31 March 2003 and 38 for the year ended 31 March 2002).

The remaining 5 (5 for 2003 and 5 for 2002) subsidiaries, whose combined asset, net sales and net income in the aggregate are not significant in relation to those of the consolidated financial statements of the Company have been excluded from consolidation.

The Company and all of its consolidated subsidiaries use a year ending 31 March, except for transcosmos USA Inc., EGI Fund Management Company L.L.C., EGI Fund Management Company 2 L.L.C., Access Ventures Partners L.L.C., transcosmos America Inc., PointCast Japan L.L.C., PointCast K.K., EnCompass Group K.K., transcosmos Information Creative (China) Co., Ltd., Network Asia Inc., Listen Japan K.K., transcosmos Hong Kong Ltd., Career Incubation USA Inc., AtomShockWave K.K., IBR Inc. and CO-DE K.K. Those subsidiaries use a year ending on 31 December. The accounts of those subsidiaries have been consolidated by using the result of operations and account balances for such fiscal year and necessary adjustments have been made for material translation that occurred between the different fiscal year-ends.

(2) Consolidation and Elimination

For the purposes of preparing the consolidated financial statements, any gains/losses in relation to inter-company transactions have been eliminated, and the portion thereof attributable to minority interests is charged to minority interests.

Applicable inter-company accounts have been eliminated. The cost of investments in the common stock of consolidated subsidiaries is offset by the underlying equity in net assets of such subsidiaries. The difference between the cost of an investment and the amount of underlying equity in net assets of such subsidiaries is deferred and amortized over 5 or 10-year period on a straight-line basis. When the situation that the effect of the difference between the cost of an investment and the amount of underlying equity in net assets of such subsidiaries is not expected occurs, the consolidation adjustments account according to this is reduced.

Adjustment is made to computation of depreciation to eliminate unrealized profits on depreciable assets sold among the Companies.

(3) Accounting for Investments in Unconsolidated Subsidiaries and Affiliates

The equity method is applied to investments in three unconsolidated subsidiaries and 16 affiliates for the year ended 31 March 2004 (two unconsolidated subsidiaries and 14 affiliates for the year ended 31 March 2003 and one unconsolidated subsidiaries and 18 affiliates for the year ended 31 March 2002). The investments in the remaining unconsolidated subsidiaries and affiliates are carried at cost.

(4) Securities

Securities held by the Company and its subsidiaries are, under the accounting standard for financial instruments, classified into three categories:

Held-to-maturity debt securities, that the Company and its subsidiaries have intent to hold to maturity, are stated at cost after accounting for premium or discount on acquisition, which are amortized over the period to maturity.

Other securities for which market quotations are available are stated at fair value. Net unrealized gains or losses on these securities are reported as a separate item in the shareholders' equity at a net-of-tax amount. Cost of sales is determined by the moving-average method.

Other securities for which market quotations are unavailable are stated at cost, determined by the moving-average method.

(5) Inventories

Job and software in progress are stated at cost, which is determined on an individual project basis. Merchandise is mostly stated at cost, cost being determined by average cost method.

(6) Property and Equipment

Depreciation of the Company and domestic subsidiaries is principally computed on the declining-balance method, at rates based on the estimated useful lives. Depreciation for buildings (excluding leasehold improvements and auxiliary facilities attached to buildings), which were acquired on or after 1 April 1998, is computed on the straight-line method.

Depreciation for foreign subsidiaries is principally computed on the straight-line method.

Also depreciation of certain equipment of the call center in the Company is computed on the straight-line method, based on the estimated useful lives of assets.

(7) Accounting for Leases
Leases that transfer substantially all the risks and rewards of ownership of the assets are accounted for as capital leases, except that leases do not transfer ownership of the assets at the end of the lease term are accounted for as operating leases, in accordance with accounting principles and practices generally accepted in Japan.

(8) Amortization of Intangible Assets
Intangible assets are amortized on the straight-line method. Software for internal use is amortized on the straight-line method over 5 years and software for sales purposes is amortized based on estimated sales quantities over 3 years with minimum amortization of one-third of the total amortization.

(9) Amortization of deferred charges
Stock issue expenses are charged to income as incurred.

(10) Allowance for bad debts
The balance of allowance for bad debts represents the amount of the limit established by the incidence of doubtful account losses plus an amount deemed necessary to cover possible losses estimated on an individual account basis.

(11) Accrued bonuses to employees
Accrued bonuses to employees is determined by certain consolidated subsidiaries based on estimated bonuses to be paid to employees.

(12) Reserve for Retirement Benefits
The reserve for retirement benefits as of 31 March, represents the estimated present value of projected benefit obligations in excess of the fair value of the plan assets except that, as permitted under the new standard, unrecognized actuarial differences are amortized on a straight-line basis over the period of 5 years from the next year in which they arise.

Following the enactment of the Welfare Pension Insurance Law in Japan, on 31 March 2003, the Company and certain consolidated subsidiaries, obtained approval from Japan’s Ministry of Health, Labour and Welfare for exemption from the future benefit obligation with respect to the portion of the Employee Pension Fund that the Company and certain consolidated subsidiaries operate on behalf of the Government (the so-called substitutional portion). The Company and certain consolidated subsidiaries applied transitional provisions as prescribed in paragraph 47-2 of the “Practical Guidelines of Accounting for Retirement Benefits (Interim Report)” (Accounting Committee Report No.13 issued by the Japanese Institute of Certified Public Accountants) and a gain in the amount of ¥755 million for the settlement of the substitutional portion was recognized at the date of approval from Japan’s Ministry of Health, Labour and Welfare. The amount of plan assets to be returned is ¥2,959 million at 31 March 2003.

(13) Hedge Accounting
All derivatives are stated at fair value. Gains and losses arising from changes in fair value of the derivatives designated as “hedging instruments” are deferred as an asset or liability.
The derivative designated as hedging instruments by the Company are principally spot exchange forward agreement to reduce the exposure to the risk of foreign currency exchange rate fluctuation in respect of future transactions denominated in foreign currencies, and interest rate swap agreement to reduce the exposure to the risk of interest rate fluctuation in respect of the bank loans.

The Company has a policy to utilize the above hedging instruments in order to reduce the exposure to the risks of fluctuations of foreign currency exchange rate and interest rate, based on the private regulation.
The Company evaluates effectiveness of its hedging activities by reference to the accumulated gains and losses on the hedging instruments and the related items from the commencement of the hedges.

(14) Accounting for Consumption Tax
In Japan, the consumption tax is imposed at the flat rate of 5 per cent. on all purchases of goods and services for domestic consumption (with certain exemptions). The consumption tax imposed on the Group’s domestic sales to customers is withheld by the Group at the time of sale and is paid to the national government subsequently. The consumption tax withheld upon sale and the consumption tax paid by the Group on the purchases of goods and services are not included in the related amounts in the accompanying consolidated financial statements of income.

(15) Translation of Foreign Currency Financial Statements
Translation of foreign currency financial statements of overseas subsidiaries into Japanese yen for consolidation purposes is made by using the current exchange rates prevailing at their balance sheet dates, with the exception that the translation of stockholders’ equity is made by using historical rates. Revenue and expense accounts are translated by the current exchange rate prevailing at their balance sheet dates.

The difference in yen amounts arising from the use of different rates is represented as “foreign currency translation adjustments” in stockholders’ equity, except for the portion belonging to minority stockholders, which is included in “minority interests in subsidiaries”.

(16) Appropriation of Retained Earnings
Under the Commercial Code of Japan and the Articles of Incorporation of the Company, the plan for appropriation of retained earnings (primarily for cash dividend payments) proposed by the board of directors is required to be approved at the shareholders’ meeting which must be held within three months after the end of each financial year. The appropriations charged to retained earnings in each financial year as reflected in the accompanying financial statements represents those which were approved at the shareholders’ meeting during that year and were applicable to the immediately preceding financial year.

(17) Income Taxes
Income taxes of the Company and its domestic subsidiaries consist of corporate income taxes, local inhabitants taxes and enterprise taxes.

Income taxes were determined using the assets and liabilities approach, whereby deferred tax assets and liabilities were recognized in respect of temporary differences between the tax basis of assets and liabilities and those as reported in the financial statements.

(18) Net Income /(loss) per share

The computation of net income/(loss) per share is based on the weighted average number of shares of common stock outstanding. Cash dividends per share shown in the consolidated statement of operations are the amounts applicable to the respective years.

Effective from the year ended 31 March 2003, the Company and its subsidiaries applied the Financial Accounting Standards No.2 "Financial Accounting Standards for Earning per Share" and the Financial Accounting Standards Implementation Guidance No.4 "Implementation Guidance for Accounting Standards for Earnings per share" issued by Accounting Standard Board of Japan on 25 September 2002. The effect of the adoption is set forth in Note18.

(19) Accounting standard for impairment of fixed assets

On 9 August 2002, the Business Accounting Council in Japan issued "Accounting Standard for Impairment of Fixed Assets". The standard requires that fixed assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss shall be recognized in the income statement by reducing the carrying amount of impaired assets or a group of assets to the recoverable amount to be measured as the higher of net selling price and value in use.

The standard shall be effective for fiscal years beginning 1 April 2005. However, an earlier adoption is permitted for fiscal years beginning 1 April 2004 and for fiscal years ending between 31 March 2004 and 30 March 2005.

The Company has not yet applied this new standard nor has determined the effect of applying it on the Company's consolidated financial statements.

(20) Reclassifications

Certain amounts for the prior years have been reclassified in conformity with the presentation in 2004. These changes had no impact on net income/(loss) or net cash flows previously reported.

3. United States Dollar Amounts

The Company maintains accounting records in yen in consolidation. The dollar amounts included in the unaudited consolidated financial statements for the year ended 31 March 2004 and notes thereto represent the arithmetical results of translating yen to dollars on a basis of ¥105.69=US$1, the approximate effective rate of exchange prevailing at 31 March 2004. The inclusion of such dollar amounts is solely for convenience and is not intended to imply that yen amounts have been or could be readily converted, realized or settled in dollars at ¥105.69=US$1 or any other rate.

4. Marketable Securities and Investment in Securities

(1) The cost, book value and unrealized gain or loss for other securities with fair value as of 31 March 2004 and 2003 were as follows:

	Millions of Yen		
	31 March 2004		
Description	Acquisition cost	Book value (Fair market value)	Unrealized gain (loss)
Fair market value exceeds acquisition cost			
Equity securities	¥ 2,320	¥ 14,173	¥ 11,853
Fair market value does not exceed acquisition cost			
Equity securities	—	—	—
Total	¥ 2,320	¥ 14,173	¥ 11,853

	Millions of Yen		
	31 March 2003		
Description	Acquisition cost	Book value (Fair market value)	Unrealized gain (loss)
Fair market value exceeds acquisition cost			
Equity securities	¥ 2,054	¥ 2,928	¥ 874
Fair market value does not exceed acquisition cost			
Equity securities	639	584	(55)
Total	¥ 2,693	¥ 3,512	¥ 819

	Thousands of U.S. Dollars (Note 3)		
	31 March 2004		
Description	Acquisition cost	Book value (Fair market value)	Unrealized gain (loss)
Fair market value exceeds acquisition cost			
Equity securities	$ 21,951	$ 134,100	$ 112,149
Fair market value does not exceed acquisition cost			
Equity securities	—	—	—
Total	$ 21,951	$ 134,100	$ 112,149

(Note 1) Besides the above, the equity amount equivalent to the evaluation difference of the financial assets, which there is an investment-to-investment partnership and is contained in union composition property, is ¥455 million ($4,305 thousand) for the years ended 31 March 2004.

(Note 2) Acquisition cost of other securities with fair value as of 31 March 2004 is presented at the amount after write-down of ¥2 million ($19 thousand).
Under the circumstances that diminution in value of the other securities is 30% or more and it is permanent, the acquisition cost is written down to the fair value.

(2) Other securities sold

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	31 March		31 March
	2004	2003	2004
Proceeds from sales of available-for-sale securities	¥ 2,202	¥ 9,974	$ 20,835
Realized gain	1,257	1,125	11,893
Realized loss	(25)	(1,037)	(237)

(3) Book value of major securities without fair value as of 31 March 2004 and 2003 are as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	31 March		31 March
	2004	2003	2004
Unlisted stocks	¥ 1,222	¥ 1,955	$ 11,562
MMA	1,465	1,726	13,861
FFF	500	500	4,731
Others	200	—	1,893
	¥ 3,387	¥ 4,181	$ 32,047

5. Jobs and Software in Progress

"Jobs and Software in Progress" represents the accumulated costs of uncompleted work for software development, data processing and other jobs under contract with customers.

6. Properties and Equipment

Property and equipment as of 31 March 2004 and 2003 are summarized as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	31 March		31 March
	2004	2003	2004
Buildings and structures	¥ 3,011	¥ 3,027	$ 28,489
Cars and vehicles	14	23	133
Equipment, furniture and fixtures	4,482	4,224	42,407
	7,507	7,274	71,029
Less: accumulated depreciation	(3,834)	(3,609)	(36,276)
	3,673	3,665	34,753
Land	1,219	1,219	11,534
Construction in progress	5	—	47
	¥ 4,897	¥ 4,884	$ 46,334

7. Fixed Leasehold Deposits

Fixed leasehold deposits as of 31 March 2004 and 2003 are deposits paid to the lessors in connection with leases of buildings and facilities for office space, computers and related equipment. Lessors in Japan require large amounts of leasehold deposits equivalent to several months' lease rental payments. Such leasehold deposits do not bear interest and are generally returnable only after the lease is terminated.

8. Short-term and Long-term Bank Loans

The annual average interest rate applicable to short-term bank loans is 0.0 per cent. at 31 March 2004.

Aggregate annual maturity of long-term bank loans subsequent to 31 March 2004 is as follows:

	Millions of Yen	Thousands of U.S. Dollars (Note 3)
	31 March	31 March
	2004	2004
Year ending 31 March		
2005	¥ 19	$ 180
2006	2,011	19,027
2007	5	48
Total	¥ 2,035	$ 19,255

9. Retirement Benefit Plan

The reserve for retirement benefits as of 31 March 2004 and 2003 is analyzed as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	31 March		31 March
	2004	2003	2004
Projected benefit obligations	¥ (3,134)	¥ (2,904)	$ (29,653)
Plan assets	3,895	2,711	36,853
	761	(193)	7,200
Unrecognized actuarial differences	(43)	1,195	(407)
	718	1,002	6,793
Prepaid pension costs	733	1,042	6,935
The reserve for retirement benefits	¥ (15)	¥ (40)	$ (142)

Net pension expense related to the retirement benefits for the years ended 31 March 2004 and 2003 was as follows:

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	31 March		31 March
	2004	2003	2004
Service cost	¥ 391	¥ 437	$ 3,699
Interest cost	28	82	265
Expected return on plan assets	(27)	(115)	(255)
Amortization of actuarial differences	245	218	2,318
Amortization of unrecognized prior service costs	—	216	—
Net pension expenses	637	406	6,027
Gain on return of substitutional portion of employee pension fund	—	(755)	—
	¥ 637	¥ (349)	$ 6,027

(Note): The above amounts is deducted the amount of employee donation to the business annuity fund or employee's pension fund.

Assumptions used in calculation of the above information were as follows:

	31 March	
	2004	2003
Discount rate	1.0%	1.0%
Expected rate of return on plan assets	1.0%	4.0%
Method of attributing the projected benefits to periods of services	Straight-line basis	Straight-line basis
Amortization of unrecognized prior service costs	5 years	5 years
Amortization of unrecognized actuarial differences	5 years	5 years

10. Contingent Liabilities

As of 31 March 2004 and 2003, the Group was contingently liable as guarantor or under comfort letters or similar instruments for the following borrowings incurred by its unconsolidated subsidiaries, affiliates and others.

	Millions of Yen		Thousands of U.S. Dollars(Note 3)
	31 March		31 March
	2004	2003	2004
Guarantees on loans and other:			
So (director of Soft Brain Inc.)	¥ —	¥ 199	$ —
Access Markets International Partners, Inc.	129	186	1,221
J-One Inc.	—	196	—
Others	4	52	37
	¥ 133	¥ 633	$ 1,258

11. Lease Transactions

The Group leases certain equipment, furniture and fixtures. Pro forma information pertinent to the lease contracts of the Group, which do not transfer the ownership of the leased assets to lessees on an "as if capitalized" basis for the years ended 31 March 2004 and 2003 is as follows:

	Millions of Yen		
	31 March 2004		
	Acquisition Costs	Accumulated Depreciation	Net Leasehold Property
Buildings	¥ 17	¥ 14	¥ 3
Cars and Vehicles	3	0	3
Furniture and Fixtures	1,586	955	631
Software	310	167	143
Total	¥ 1,916	¥ 1,136	¥ 780

	Millions of Yen		
	31 March 2003		
	Acquisition Costs	Accumulated Depreciation	Net Leasehold Property
Buildings	¥ 41	¥ 23	¥ 18
Cars and Vehicles	12	2	10
Furniture and Fixtures	1,616	783	833
Software	371	177	194
Total	¥ 2,040	¥ 985	¥ 1,055

	Thousands of U.S. Dollars (Note 3)		
	31 March 2004		
	Acquisition Costs	Accumulated Depreciation	Net Leasehold Property
Buildings	$ 161	$ 132	$ 29
Cars and Vehicles	28	0	28
Furniture and Fixtures	15,006	9,036	5,970
Software	2,933	1,580	1,353
Total	$ 18,128	$ 10,748	$ 7,380

Future minimum lease payments under finance lease, which included the imputed interest expense on such lease contracts as of 31 March 2004 and 2003 are as follows:

	Millions of Yen 31 March 2004		Millions of Yen 31 March 2003		Thousands of U.S. Dollars (Note 3) 31 March 2004	
Due within one year	¥	414	¥	445	$	3,917
Due after one year		411		614		3,889
	¥	825	¥	1,059	$	7,806

Depreciation expense, lease expense and interest expense which are not reflected in the accompanying consolidated statements of income for the years ended 31 March 2004 and 2003 would be as follows:

	Millions of Yen 31 March 2004		Millions of Yen 31 March 2003		Thousands of U.S. Dollars (Note 3) 31 March 2004
Depreciation expense	¥	474	¥	490	$ 4,485
Lease expense		455		417	4,305
Interest expense		20		32	189

12. Derivatives and Hedging Activities

The Company utilize derivative financial instruments, which comprise forward exchange contracts to reduce exposure to risks from fluctuations in foreign currency exchange rates. The Company also utilize interest rate swaps to reduce exposure to risks from fluctuations in interest rate of bank loans. The Company holds derivative financial instruments within the amount with specific purposes of the transactions. The Company does not hold or issue derivative financial instruments for trading purposes.

The Company is exposed to certain market risks arising from its forward exchange contracts and from interest swap agreements. The counter parties also expose the Company to the risk of credit loss in the event of non-performance to the currency; however, the Company does not anticipate non-performance by any of these counter parties all of whom are financial institutions with high credit ratings.

Under the Company's risk management, all the derivative financial instruments are designed, executed and controlled by the financial department at an approval of the president. Due to rare transaction involved, no specific rule has been designed.

13. Loss on Write-down of Investments of Affiliates

Loss on write-down of investments of affiliates includes the amortization of the difference between the cost of an investment and the amount of underlying equity in net assets of such subsidiaries of ¥2,970 million in the year ended 31 March 2003.

14. Loss on Liquidation of Business Segment

In connection with the bankruptcy of certain subsidiaries, the Company incurred a loss of ¥2,104 million and ¥992 million in the years ended 31 March 2003 and 2002, respectively, which consisted of the following:

	Millions of Yen 31 March 2004		Millions of Yen 31 March 2003		Millions of Yen 31 March 2002		Thousands of U.S. Dollars (Note 3) 31 March 2004	
Loss on write-down of investments in affiliates	¥	—	¥	1,602	¥	223	$	—
Loss on write-down of inventory		—		251		604		—
Others		—		251		165		—
	¥	—	¥	2,104	¥	992	$	—

15. Income Taxes

The Company and its domestic subsidiaries are subject to several taxes based on income, which in the aggregate resulted in statutory tax rates of approximately 42.0 per cent. for the years ended 31 March 2004 and 2003. Foreign subsidiaries are subject to income taxes of the countries in which they operate.

The difference between the effective tax rate and statutory tax rate for the years ended 31 March 2003 is not presented because of the net loss in the year.

According to the Act for Partial Revision of Local Tax Law proclaimed 31 March 2003, the statutory effective tax rate, which is to be used for calculation of deferred tax assets and liabilities relating to temporary differences for the year ended 31 March 2003 was changed to the amended statutory effective tax rate.

The effect of the adoption of the new standard for 2003 was immaterial.

The tax effects of temporary differences that give rise to significant portion of the deferred tax assets and liabilities as of 31 March 2004 and 2003 are summarized as follows:

	Millions of Yen 31 March 2004		Millions of Yen 31 March 2003		Thousands of U.S. Dollars (Note 3) 31 March 2004	
Deferred tax assets:						
Accrued bonus	¥	761	¥	536	$	7,200
Accrued enterprise tax		8		7		76
Write-down of investments in securities for operating purpose		—		1,506		—
Gain on disposal of investments in affiliates		2,977		2,977		28,167
Write-down of golf club membership		144		141		1,362
Tax loss carry forward		12,985		14,045		122,859
Write-down of investments affiliates		—		1,241		—
Allowance for bad debt		342		1,173		3,236
Others		1,266		953		11,979
		18,483		22,579		174,879
Valuation allowance		(5,590)		(9,099)		(52,890)
Total deferred tax assets		12,893		13,480		121,989
Deferred tax liabilities:						
Valuation difference on other securities		4,749		267		44,933
Gain on capital reduction		149		148		1,410
Prepaid pension cost		—		119		—
Others		2		7		19
Total deferred tax liabilities		4,900		541		46,362
Net deferred tax assets	¥	7,993	¥	12,939	$	75,627

Reconciliation between statutory tax rate and effective tax rate as at 31 March 2004.

	Millions of Yen 31 March 2004
Statutory tax rate	42.05%
(Reconciliation)	
Valuation allowance	(245.26)
Tax-rate difference of subsidiaries in foreign countries	102.17
Non deductible items (entertainment expense, etc.)	37.20
The divided resident tax	14.44
Equity in earnings of unconsolidated subsidiaries and affiliates	23.50
The offset dividend earned	10.59
Allowance for bad debts	(72.68)
Loss on liquidation of Business Segment	(27.13)
Non-recognized profits of deficit subsidiaries	(18.97)
Other	(7.30)
Effective tax rate	(141.39)%

16. Segment Information

(1) Industry Segment Information

The Company and its subsidiaries operate principally in the following two industry segments:

Industry segment:	Major activities:
Computer Service	Data processing, data entry, software development, sales of equipment
Venture Capital	Venture capital investment

The segment information of the Group for each of the two years in the period ended 31 March 2004 classified by industry segments is summarized as follows:

	For the year ended 31 March 2004				
	Millions of Yen				
	Computer Service	Venture Capital	Total	Elimination or Unallocatable Amounts	Consolidated
Sales:					
Sales to outside customers	¥ 76,666	¥ 1,252	¥ 77,918	¥ —	¥ 77,918
Inter-segment sales/transfers	20	—	20	(20)	—
Total	76,686	1,252	77,938	(20)	77,918
Operating expenses	68,092	1,430	69,522	5,450	74,972
Operating profit or loss	8,594	(178)	8,416	(5,470)	2,946
Assets	¥ 44,517	¥ 8,108	¥ 52,625	¥ 18,511	¥ 71,136
Depreciation	780	18	798	343	1,141
Capital expenditure	798	12	810	1,406	2,216

	For the year ended 31 March 2003				
	Millions of Yen				
	Computer Service	Venture Capital	Total	Elimination or Unallocatable Amounts	Consolidated
Sales:					
Sales to outside customers	¥ 69,513	¥ 1,560	¥ 71,073	¥ —	¥ 71,073
Inter-segment sales/transfers	100	224	324	(324)	—
Total	69,613	1,784	71,397	(324)	71,073
Operating expenses	64,836	10,465	75,301	4,071	79,372
Operating profit or loss	4,777	(8,681)	(3,904)	(4,395)	(8,299)
Assets	¥ 37,799	¥ 18,894	¥ 56,693	¥ 8,068	¥ 64,761
Depreciation	930	27	957	344	1,301
Capital expenditure	1,133	43	1,176	225	1,401

	For the year ended 31 March 2004				
	Thousands of U.S. Dollars				
	Computer Service	Venture Capital	Total	Elimination or Unallocatable Amounts	Consolidated
Sales:					
Sales to outside customers	$ 725,386	$ 11,846	$ 737,232	$ —	$ 737,232
Inter-segment sales/transfers	189	—	189	(189)	—
Total	725,575	11,846	737,421	(189)	737,232
Operating expenses	644,262	13,530	657,792	51,566	709,358
Operating profit or loss	81,313	(1,684)	79,629	(51,755)	27,874
Assets	$ 421,204	$ 76,715	$ 497,919	$ 175,144	$ 673,063
Depreciation	7,380	170	7,550	3,246	10,796
Capital expenditure	7,550	114	7,664	13,303	20,967

(Note 1) The amounts of operating loss included in the column "Elimination or Unallocatable Amount" are ¥5,508 million ($52,115 thousand) and ¥4,394 million for the years ended 31 March 2004 and 2003, respectively, which includes expenses mostly charged to the Administration Department.

(Note 2) The amounts of assets included in the column "Elimination or Unallocatable Amount" are ¥18,705 million ($176,980 thousand) and ¥8,305 million for the years ended 31 March 2004 and 2003, respectively, which includes surplus working fund (cash and securities), long term investment fund (investment in securities and long-term deposits) and other assets which are attributable to the Administrative Department.

(2) Geographic Segment Information

Segment information classified by geographic area (inside and outside Japan) for the years ended 31 March 2004 and 2003 is summarized as follows:

	For the year ended 31 March 2004					
	Millions of Yen					
	Japan	U.S.A.	Asia	Total	Elimination or Unallocatable Amounts	Consolidated
Sales:						
(1) Sales to outside customers	¥ 76,135	¥ 1,438	¥ 345	¥ 77,918	¥ —	¥ 77,918
(2) Inter-segment sales/transfer	361	91	190	642	(642)	—
Total	76,496	1,529	535	78,560	(642)	77,918
Operating expenses	67,751	1,988	405	70,144	4,828	74,972
Operating profit or losses	¥ 8,745	¥ (459)	¥ 130	¥ 8,416	¥ (5,470)	¥ 2,946
Assets	¥ 41,350	¥ 7,146	¥ 4,040	¥ 52,536	¥ 18,600	¥ 71,136

	For the year ended 31 March 2003					
	Millions of Yen					
	Japan	U.S.A.	Asia	Total	Elimination or Unallocatable Amounts	Consolidated
Sales:						
(1) Sales to outside customers	¥ 68,808	¥ 1,998	¥ 267	¥ 71,073	¥ —	¥ 71,073
(2) Inter-segment sales/transfer	256	107	124	487	(487)	—
Total	69,064	2,105	391	71,560	(487)	71,073
Operating expenses.	63,752	9,456	2,211	75,419	3,953	79,372
Operating profit or losses	¥ 5,312	¥ (7,351)	¥ (1,820)	¥ (3,859)	¥ (4,440)	¥ (8,299)
Assets	¥ 33,828	¥ 18,315	¥ 4,509	¥ 56,652	¥ 8,109	¥ 64,761

	For the year ended 31 March 2004					
	Thousands of U.S. Dollars					
	Japan	U.S.A.	Asia	Total	Elimination or Unallocatable Amounts	Consolidated
Sales:						
(1) Sales to outside customers	$ 720,361	$ 13,606	$ 3,264	$ 737,232	$ —	$ 737,232
(2) Inter-segment sales/transfer	3,416	861	1,798	6,074	(6,074)	—
Total	723,777	14,467	5,062	743,306	(6,074)	737,232
Operating expenses	641,035	18,810	3,832	663,677	45,681	709,358
Operating profit or losses	$ 82,742	$ (4,343)	$ 1,230	$ 79,629	$ (51,755)	$ 27,874
Assets	$ 391,239	$ 67,613	$ 38,225	$ 497,077	$ 175,986	$ 673,063

(Note 1) The amounts of operating loss included in the column "Elimination or Unallocatable Amount" are ¥5,508 million ($52,115 thousand) and ¥4,394 million for the years ended 31 March 2004 and 2003, respectively, which includes expenses mostly charged to the Administration Department.

(Note 2) The amounts of assets included in the column "Elimination or Unallocatable Amount" are ¥18,705 million ($176,980 thousand) and ¥8,305 million for the years ended 31 March 2004 and 2003, respectively, which includes surplus working fund (cash and securities), long term investment fund (investment in securities and long-term deposits) and other assets which are attributable to the Administrative Department.

(Note 3) The segment of "Asia" represents China, Korea and Taiwan.

(3) Sales outside Japan

No material sales outside Japan of the Group for the year ended 31 March 2004 are noted.

	For the year ended 31 March 2004 Millions of Yen		
	U.S.A.	Others	Total
Overseas sales	¥ 2,223	¥ 271	¥ 2,494
Consolidated sales	—	—	71,073
Ratio	3.1%	0.4%	3.5%

(Note 1) The segment of "Others" represents China, Singapore, Ireland, Netherlands and Korea.

(Note 2) Overseas sales represent those to countries and areas outside of Japan.

17.Related Party Transactions

No material transactions of the directors of the Group for the years ended 31 March 2004 and 2003 are noted.

18. Net Income (loss) and Dividends per Share

Net income (loss) per share shown for each year in the accompanying Consolidated Statements of Income and Retained Earnings, are based upon the weighted average number of shares of common stock outstanding during each year. No diluted effect on net income per share for the year ended 31 March 2001, and on net loss per share for the years ended 31 March 2003 and 2002 is disclosed since the Company has issued neither bond with subscription warrant nor convertible bonds.

Effective from the year ended 31 March 2003, the Company and its subsidiaries applied the Financial Accounting Standards No.2 "Financial Accounting Standards for Earnings per Share" and the Financial Accounting Standards Implementation Guidance No.4 "Implementation Guidance for Accounting Standards for Earnings per share" issued by Accounting Standard Board of Japan on 25 September 2002.

Basis for the calculation of net loss per share for the years ended 31 March 2004 and 2003 is as follows:

	Millions of Yen 31 March		Thousands of U.S. Dollars (Note 3) 31 March
	2004	2003	2004
Net income (loss)	¥ 952	¥ (9,899)	$ 9,007
Less: Components not pertaining to common shareholders			
Bonuses to directors	(16)	—	(151)
Net income (loss) pertaining to common stock	936	(9,899)	8,856
Average outstanding shares of common stock (shares)	23,804,727	24,396,571	—
The diluted effect			
Net income	(1)	—	(9.46)
The number of increasing common stock (shares)	45,710	—	—

By applying the current method, the amounts of net income (loss) per share for the years ended 31 March 2004 and 2003 is calculated as follows:

	Millions of Yen 31 March		Thousands of U.S. Dollars (Note 3) 31 March
	2004	2003	2004
Net income (loss) per share	¥ 39.3	¥ (405.7)	$ 0.37
Net assets per share	2,329.8	(2,031.0)	22.04
The diluted effect on net income per share	39.2	—	0.37

Cash dividend per share shown for each year in the accompanying Consolidated Statements of Income represent dividends declared as applicable to the respective years, rather than those paid in the respective years.

19. Subsequent Events

Significant events subsequent to 31 March 2004 are noted as follows:

(1) The appropriation of retained earnings of the Company for the year ended 31 March 2004, which was approved by the board of directors held on 30 April 2004, is as follows:

	Millions of Yen
Appropriations:	
Cash dividends (¥30 per Share)	¥ 696
Bonuses to directors	14
Total	¥ 710

(2) The ¥10,000 million Zero Coupon Convertible Bonds due 2008 (tenkanshasaigata shinkabu yoyakuken-tsuki shasai) (the "Bonds", which term shall, unless the context requires otherwise, include stock acquisition rights incorporated in the Bonds) of transcosmos inc. was issued in denominations of ¥1,000,000 each with a stock acquisition right (shinkabu yoyakuken), based on the board of directors determination on 2 June 2004.

Summary

1) Offer Price: 102.5 per cent
2) Payment date: On 21 June 2004
3) Due of redemption: On 20 June 2008
4) Convertible price : At first ¥4,410 per share
5) Convertible term : After 6 July 2004, up to, and including, 6 June 2008.

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of transcosmos inc.

We have audited the accompanying consolidated balance sheets of transcosmos inc. and its subsidiaries as of 31 March 2004 and 2003, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended 31 March 2004, all expressed in Japanese Yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards, generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of transcosmos inc. and its subsidiaries as of 31 March 2004 and 2003, and the consolidated results of their operations and their cash flows for each of the three years in the period ended 31 March 2004, in conformity with accounting principles generally accepted in Japan.

As described in Note 19, transcosmos inc. issued the ¥10,000 million Zero Coupon Convertible Bonds due 2008.

The amounts expressed in U.S. dollars, which are provided solely for the convenience of the reader, have been translated on the basis set forth in Note 3 to the accompanying consolidated financial statements.

ChuoAoyama PricewaterhouseCoopers

ChuoAoyama PricewaterhouseCoopers
Tokyo, Japan
29 June 2004

Non-Consolidated Balance Sheets

At 31 March 2004 and 2003	Millions of Yen 2004	Millions of Yen 2003	Thousands of U.S. Dollars (Note 3) 2004
ASSETS			
Current Assets:			
Cash, Time deposits and commercial paper	¥ 4,488	¥ 3,491	$ 42,465
Notes and accounts receivable:			
Customers	10,175	8,405	96,266
Subsidiaries and affiliates	232	162	2,199
	10,407	8,567	98,465
Less: allowance for bad debt	(48)	(2,837)	(453)
	10,359	5,730	98,012
Short-term loans to subsidiaries	1,951	4,620	18,456
Job and software in progress and merchandise	34	13	324
Deferred tax assets	2,098	1,638	19,853
Merchandise	125	137	1,181
Prepaid expenses	306	268	2,897
Other current assets	594	656	5,616
Total current assets	19,955	16,553	188,804
Investments and Advances:			
Investments in securities	10,405	1,857	98,451
Investments in and advances to subsidiaries and affiliates	23,006	19,236	217,672
Long-term loans to subsidiaries	7,010	7,413	66,326
Other investments	1,714	1,715	16,219
Less: allowance for bad debt	(3,305)	—	(31,275)
Total investments and advances	38,830	30,221	367,393
Property Equipment, at cost, less Accumulated Depreciation	3,767	3,521	35,645
Fixed Leasehold Deposits	1,820	2,359	17,216
Deferred Charges, Intangibles and Other	995	573	9,426
Other non-current assets to subsidiaries and affiliates	110	—	1,040
Deferred tax assets	3,160	6,455	29,895
Prepaid Pension tax	708	1,003	6,699
	¥ 69,345	¥ 60,685	$ 656,118

The accompanying notes are an integral part of the statements.

At 31 March 2004 and 2003

	Millions of Yen		Thousands of U.S. Dollars (Note 3)
	2004	2003	**2004**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Current portion of long-term bank loans	**¥ 1,000**	¥ 2,000	**$ 9,462**
Accounts payable:			
Suppliers	**3,162**	1,588	**29,920**
Subsidiaries and affiliates	**872**	1,365	**8,250**
	4,034	2,953	**38,170**
Income taxes payable	**33**	17	**310**
Accrued expenses	**1,652**	810	**15,635**
Accrued bonuses to employees	**1,803**	1,365	**17,056**
Other current liabilities	**1,115**	566	**10,557**
Total current liabilities	**9,637**	7,711	**91,190**
Long-term Liabilities:			
Long-term bank loans	**2,000**	1,000	**18,923**
Other long-term liabilities	**156**	190	**1,481**
Total long-term liabilities	**2,156**	1,190	**20,404**
Total liabilities	**11,793**	8,901	**111,594**
Shareholders' Equity:			
Common stock:			
Authorized 90,088,176 shares at 31 March 2004 and 2003, respectively			
Issued 24,397,023 shares at 31 March 2004 and 2003, respectively	**29,066**	29,066	**275,012**
Additional paid-in capital	**15,000**	30,623	**141,924**
Other capital surplus	**7,623**	—	**72,120**
Legal reserve	**—**	389	**—**
General reserve	**—**	14,900	**—**
Retained earnings	**3,360**	(23,289)	**31,791**
Unrealized gains on marketable securities and investments in securities	**5,638**	97	**53,344**
Treasury stock, at cost, 1,189,739 shares at 31 March 2004 and 731 shares at 31 March 2003	**(3,135)**	(2)	**(29,667)**
Total shareholders' equity	**57,552**	51,784	**544,524**
	¥ 69,345	¥ 60,685	**$ 656,118**

The accompanying notes are an integral part of the statements.

transcosmos inc.

Non-Consolidated Statements of Operations

For the years ended 31 March 2004, 2003 and 2002	Millions of Yen			Thousands of U.S. Dollars (Note 3)
	2004	2003	2002	**2004**
Net Sales	**¥ 65,360**	¥ 57,389	¥ 54,514	**$ 618,416**
Cost of Sales	**50,698**	46,344	43,693	**479,687**
Gross profit	**14,662**	11,045	10,821	**138,729**
Selling, General and Administrative Expenses	**10,394**	8,531	6,785	**98,350**
Operating income	**4,268**	2,514	4,036	**40,379**
Non-Operating Income (Expenses):				
Interest income	**120**	146	191	**1,132**
Interest expenses	**(27)**	(29)	(42)	**(252)**
Dividend income	**79**	13	58	**751**
Loss on sale/disposal of property	**(53)**	(184)	(78)	**(497)**
Loss on disposal of inventories	**—**	—	(131)	**—**
Loss on write-down of marketable securities and investments in securities	**(274)**	(1,739)	(2,053)	**(2,588)**
Loss on write-down of investments in affiliates	**(297)**	—	—	**(2,809)**
Loss on write-down of golf club membership	**(17)**	(75)	(92)	**(161)**
Gain on sale/disposal of investments in securities	**579**	491	665	**5,482**
Gain on sale/disposal of investments in affiliates	**38**	149	4,610	**355**
Gain on return of substitutional portion of employee pension fund	**—**	719	—	**—**
Loss on liquidation of business segment	**(202)**	(25,729)	(3,946)	**(1,914)**
Headquarters relocation costs	**(520)**	—	—	**(4,920)**
Loss on investments in partnership	**(667)**	(511)	(1,363)	**(6,310)**
New SFA development costs	**—**	(2,934)	(757)	**—**
Reserve for loss on guarantees	**—**	—	(300)	**—**
Provision for allowance for bad debt	**(523)**	(2,785)	—	**(4,953)**
Other, net	**(40)**	(120)	(8)	**(379)**
Total non-operating Income (Expenses)	**(1,804)**	(32,588)	(3,246)	**(17,063)**
Income/(loss) before income taxes	**2,464**	(30,074)	790	**23,316**
Income Taxes				
- Current	**71**	14	1,513	**672**
- Deferred	**(967)**	(6,807)	(1,039)	**(9,147)**
Net income/(loss)	**¥ 3,360**	¥ (23,281)	¥ 316	**$ 31,791**

	Yen			U.S. Dollars
Per Share:				
Net income/(loss)	**¥ 140.6**	¥ (954.3)	¥ 13.0	**$ 1.33**
Cash dividends	**¥ 30.0**	¥ 10.0	¥ 20.0	**$ 0.28**
Weighted average number of shares (in thousands)	**23,805**	24,396	24,362	**23,805**

The accompanying notes are an integral part of the statements.

transcosmos inc.

Non-Consolidated Statements of Shareholders' Equity

For the years ended 31 March 2004, 2003 and 2002

	Number of shares of common stock	Common stock	Additional paid-in capital	Other capital surplus	Legal reserve	General reserve	Retained earnings
		Millions of Yen					
Balance as at 31 March 2001	24,397,023	¥ 29,066	¥ 30,623	¥ —	¥ 357	¥ 12,900	¥ 2,753
Cash dividends	—	—	—	—	—	—	(487)
Transfer to legal reserve	—	—	—	—	32	—	(32)
Directors' bonuses	—	—	—	—	—	—	(70)
Transfer to general reserve	—	—	—	—	—	2,000	(2,000)
Net income for the year ended 31 March 2001	—	—	—	—	—	—	316
Balance as at 31 March 2002	24,397,023	29,066	30,623	—	389	14,900	480
Cash dividends	—	—	—	—	—	—	(488)
Net income for the year ended 31 March 2003	—	—	—	—	—	—	(23,281)
Balance as at 31 March 2003	24,397,023	29,066	30,623	—	389	14,900	(23,289)
Transfer to retained earnings	—	—	(8,000)	—	(389)	(14,900)	23,289
Transfer to other capital surplus	—	—	(7,623)	7,623	—	—	—
Net income for the year ended 31 March 2004	—	—	—	—	—	—	3,360
Balance as at 31 March 2004	24,397,023	¥ 29,066	¥ 15,000	¥ 7,623	¥ —	¥ —	¥ 3,360

	Common stock	Additional paid-in capital	Other capital surplus	Legal reserve	General reserve	Retained earnings
	Thousands of U.S. Dollars (Note 3)					
Balance as at 31 March 2003	$ 275,012	$ 289,742	$ —	$ 3,676	$ 140,978	$ (220,352)
Transfer to retained earnings	—	(75,698)	—	(3,676)	(140,978)	(220,352)
Transfer to other capital surplus	—	(72,120)	72,120	—	—	—
Net income for the year ended 31 March 2004	—	—	—	—	—	31,791
Balance as at 31 March 2004	$ 275,012	$ 141,924	$ 72,120	$ —	$ —	$ 31,791

The accompanying notes are an integral part of the statements.

transcosmos inc.

Notes to the Non-Consolidated Financial Statements

1. Basis of Presenting the Non-Consolidated Financial Statements

Accounting principles

The accompanying non-consolidated financial statements have been prepared from accounts maintained by transcosmos inc. (the "Company"). The Company has maintained their accounts in accordance with the provisions set forth in the Commercial Code of Japan and the Securities and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements from those of International Financial Reporting Standards.

Certain items presented in the non-consolidated financial statements submitted to the Director of Kanto Finance Bureau in Japan have been reclassified in these accounts for the convenience of readers outside Japan.

The statement of cash flows has been required to be prepared in the consolidated financial statements with effect for the years ended 31 March 2004, 2003 and 2002.

2. Accounting Principles and Practices Employed by the Company

Accounting principles and practices employed by the Company in preparing the accompanying non-consolidated financial statements, which have significant effects thereon, are explained in Note 2 of the Notes to the Consolidated Financial Statements. Therefore, the accompanying non-consolidated financial statements should be read in conjunction with such notes.

3. United States Dollar Amounts

The Company maintains accounting records in yen. The dollar amounts included in the non-consolidated financial statements and notes thereto represent the arithmetical results of translating yen to dollars on a basis of ¥105.69=US$1. The inclusion of such dollar amounts is solely for convenience and is not intended to imply that yen amounts have been or could be readily converted, realized or settled in dollars at ¥105.69=US$1 or any other rate.

4. Additional paid-in capital, legal reserve and retained earnings

The Japanese Commercial Code provided that an amount equivalent to at least 10% of certain cash disbursements as appropriations of retained earnings with respect to each fiscal year be appropriated as legal reserve until an aggregated amount of additional paid-in capital and legal reserve equals 25 per cent. of stated capital.

Investor Information

CORPORATE INFORMATION

Name	transcosmos inc.
Head Office	3-25-18, Shibuya, Shibuya-ku, Tokyo 150-8530 Japan
Incorporated	June 18, 1985
Capital	¥29,065,968,631
Employees	7,434 group, 5,543 parent (as of March 31, 2004)
Major Banks	Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd. UFJ Bank Limited

STOCK INFORMATION

Accounting Year-end
March 31

Month of General Shareholders' Meeting
June

Issued Common Stocks
24,397,023
(as of March 31, 2004)

Number of Shareholders
33,946 shareholders
(as of March 31, 2004)

Stock Exchange Listing
Tokyo Stock Exchange

Auditing Corporation
ChuoAoyama PricewaterhouceCoopers

OFFICERS

Founder & Group CEO	Koki Okuda
Chairman & CEO	Koji Funatsu
Vice Chairman	Osamu Goto
President & COO	Masataka Okuda
Executive Vice Presidents	Toshikazu Tanizawa Yasuki Matsumoto
Senior Managing Directors	Shojiro Takashima
Senior Managing Directors CFO	Shinichi Misawa
Standing Auditors	Yoshiharu Uenoyama Yoichi Ochiai
Auditors	Masahiko Tanimura Teruyuki Hiiro
Corporate Executive Officer	Koichi Iwami Masaya Nishimura Masakatsu Moriyama
Corporate Senior Officer	Tsutomu Kawase Tsunetaka Miyaryo Hiroshi Kaizuka Masayuki Tada Koji Okamoto Masaaki Muta Akira Miyake Tatsushi Maekawa Kazuhiro Shimizu
Corporate Officer	Hironori Katada Kazuhiko Yamaki Nobuhiko Fujimoto Yujiro Mitera Yutaka Kojima Masatoshi Kouno Kunio Shimofusa Tadashi Makino Hirofumi Inoue Kokkei Nakayama Akihiko Kai Shinichi Nagakura Masatoshi Araki Kimihide Okino Hiroyuki Shibuya Tsugio Kanno Yoichi Kawano Hirotaka Shiokawa

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