

Notification: This English translation is for reference purposes only; in the case of a discrepancy between the English and Japanese versions, the Japanese original shall prevail.

December 27, 2018

To all concerned,

Company Name: transcosmos, Inc.
Representative: Masataka Okuda, President & COO
(Code No.9715, Tokyo Stock Exchange, 1st Section)
Inquiries: Hitoshi Honda, Director, Corporate
Executive Officer & CFO
Contact: +81-3-4363-1111 (Representative)

Announcement Regarding Merger of Consolidated Subsidiary (Simple Merger/Short Form Merger)

This is to inform you as follows that a meeting of the board of directors was held on December 27, 2018, where it was resolved that our company will merge with its consolidated subsidiary transcosmos CRM Wakayama Inc. (hereinafter referred to as "CRM Wakayama").

It should be noted that since this merger is a short form merger targeting a 100% subsidiary, this disclosure is made with the omission of some disclosure subjects and details.

Record

1. Purpose of the merger

The merger will take place in order to flexibly respond to the diversification and complexity of its services and improve operational efficiency with the aim of business expansion and development of transcosmos group in Wakayama region.

2. Summary of the merger

(1) Schedule of the merger

Merger resolution of the Board of Directors	December 27, 2018
Conclusion of merger agreement	December 27, 2018
Effective date of merger	April 1, 2019 (schedule)

Note: For our company this merger is a simple merger based on the provisions of Article 796, Paragraph 2 of the Companies Act, and for CRM Wakayama it is a short form merger based on Article 784, Paragraph 1 of the Companies Act; therefore neither company will hold a shareholders meeting to approve the merger agreement.

(2) Method of merger

This is an absorption-type merger wherein our company will be the surviving company and CRM Wakayama will be dissolved.

(3) Details of allocation relating to merger

There is no allocation of shares or other financial considerations based on this merger.

(4) There are no applicable items relating to stock acquisition rights and convertible bonds for the absorbed company.

3. Overview of the Merging Companies (as of March 31, 2018)

	Surviving Company	Absorbed Company
(1) Name	transcosmos inc.	transcosmos CRM Wakayama Inc.
(2) Address	3-25-18, Shibuya, Shibuya-ku, Tokyo	1520, Kemi, Wakayama-shi, Wakayama
(3) Name & title of representative	President & COO: Masataka Okuda	President: Kazuhiko Tabuchi

(4) Business Service	Business Process Outsourcing	Contact Center Operations
(5) Capital	29,065 million yen	30 million yen
(6) Date of incorporation	June 18, 1985	December 12, 2002
(7) Shares issued	48,794,046	600
(8) Accounting period	The end of March	The end of March
(9) Principal stockholders and Ratio of shares	Masataka Okuda 12.11% Koki Okuda 11.27% GOLDMAN, SACHS & CO. REG 8.03% transcosmos foundation 7.69% Japan Trustee Services Bank, Ltd. (Account in Trust) 5.54%	transcosmos inc. 100.00%
(10) Operating results and financial condition for the previous fiscal year		
Accounting period	Consolidated Performance for the Period Ending March 2018	Non-consolidated Performance for the Period Ending March 2018
Net assets	71,199 million yen	81 million yen
Total assets	129,506 million yen	253 million yen
Net assets per share	1,630 yen 39 sen	135,406 yen 31 sen
Net sales	266,645 million yen	851 million yen
Operating income	6,092 million yen	30 million yen
Ordinary income	1,802 million yen	30 million yen
Net income	-2,176 million yen	19 million yen
Current earnings per share	-52 yen 47 sen	32,802 yen 94 sen

* "Net income" of surviving company is indicated to "Net income attributable to shareholders of parent company".

4. Situation after the merger

There is no change to our company name, location, name and title of representative, business content, stock capitalization or accounting period due to this merger.

5. Future prospects

Since this merger is a merger with a 100% owned consolidated subsidiary, there will be no impact on the consolidated financial results.

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