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February 8, 2021

To Whom It May Concern,

Name of Company: transcosmos inc.
Representative: Masataka Okuda, President and COO
(Code No.9715, Tokyo Stock Exchange, First Section)
Contact: Makoto Noguchi,
Corporate Officer, Accounting & Finance Division Manager
Contact Number: +81-50-1748-0265

Announcement Regarding Income Tax Expenses To Be Incurred as a Result of Reorganization of Overseas Investee

transcosmos (the Company) hereby notifies that the Company resolved at the Company's board of directors meeting held on February 8, 2021, to approve the reorganization of an overseas company in which the Company holds shares. The Company also notifies that it expects to incur income tax expenses as a result of such an arrangement.

Details of Resolution

1. Reason for Incurrence of Income Tax Expenses

An overseas company in which the Company holds marketable securities for investment purposes has reorganized its structure with the aim of achieving its strategic growth. As a result of this, income tax expenses are expected to be incurred by the Company.

2. Details

- (1) Timing of Reorganization: February, 2021
- (2) Shares in Question: Unlisted foreign shares of a stock
- (3) Tax income expenses (estimate): 1.6 billion yen to 2.3 billion yen

3. Future outlook

The Company expects that the Company will record approximately 1.6 billion yen to 2.3 billion yen as income tax expenses as a result of this arrangement both on consolidated and unconsolidated financial statements for the fiscal year ending March, 2021. Therefore, the Company expects that the net income attributable to owners of transcosmos inc. and the Company's net income will be reduced by the amount mentioned above. The Company will disclose as soon as practicable matters that need to be disclosed as they arise.