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December 28, 2021

To Whom It May Concern,

Name of Company: transcocosmos inc.

Representative: Masataka Okuda, President & COO

(Code No.9715, Tokyo Stock Exchange, First Section)

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Announcement Regarding Introduction of Medium-to Long-Term Performance-Based Remuneration System

transcocosmos (the Company) hereby notifies that the Company revisited its director remuneration system, and resolved at the Company's board of directors meeting held on December 28, 2021, to introduce a "Medium-to Long-Term Performance-Based Remuneration System (System)" as described below.

Details

1. Purpose of introducing the System

The remuneration for Directors (excluding those of Directors who are a member of the Audit and Supervisory Committee) has consisted of a monthly monetary remuneration, the amount of which is determined by reference to the evaluation of his/her performance achievement for the previous fiscal year, and bonuses that are to be paid only if the Company determines that it is particularly appropriate to do so by taking into account the Company's short-term business performance and business environment, etc. The new System that the Company is implementing is designed to enhance the Company's value over a medium to long term by providing the Directors with incentives that more closely link their remunerations to the achievement of medium-to long-term business plans in order to encourage their efforts towards delivering those business plans.

Please note that the System will become effective as of April, 2022.

2. Overview of the director remuneration system after the introduction of the System

At the 31st Annual General Meeting of Shareholders held on June 22, 2016, it was resolved that the annual remuneration for the Directors (excluding those of the Directors who are a member of the Audit and Supervisory Committee) was to be an amount of no more than 800 million yen in total (including the annual monetary remuneration for the Outside Directors, which was set at an amount of no more than 100 million yen in total, but excluding any salaries to be paid to the Director Employees), and that the annual remuneration for the Directors who are a member of the Audit and Supervisory Committee was to be an amount of no more than 60 million yen in total, respectively.

Despite the introduction of the new System, the remuneration structure for the Directors (excluding those of the Directors who are a member of the Audit and Supervisory Committee) will remain the same as before, and unless otherwise determined, will consist only of the monthly monetary remuneration during their term of office.

The remuneration levels for the Inside Directors (excluding those of the Directors who are a member of the Audit and Supervisory Committee) have been determined by reference to the evaluation of performance of each Director for the relevant fiscal year in order to hold the Directors accountable for his/her performance for such year. However, under this new System, the remuneration to be paid to the Inside Directors will consist of new components: one of which is the monthly fixed remuneration component, which is identical to what was provided under the previous system and is determined by reference to the evaluation of each Director's performance for the relevant fiscal year, and the other of which is the medium-to long-term performance linked component (Medium-to Long-Term Performance Linked Remuneration) the amount of which is determined by reference to the quantitative assessment on the level of achievement made by the Directors towards the sales and profit targets set by the relevant medium-to long-term business plan. The Medium-to Long-Term Performance Linked Remuneration, unless otherwise determined, is to be 20 percent of the total monthly remuneration.

As with the previous system, in addition to the monthly remuneration component described above, if the Company determines that it is particularly appropriate to provide the Directors with bonuses, it will do so by taking into account the Company's short-term business performance and the business environment, etc.

The remuneration for the Outside Directors (excluding those of the Directors who are a member of the Audit and Supervisory Committee) is to be a fixed monthly monetary remuneration during their term of office in order to retain their independence.

The remuneration with respect to the Inside Directors (excluding those of the Directors who are a member of the Audit and Supervisory Committee) will be calculated by reference to the performance review carefully and fairly conducted by the Management Meeting, and submitted

to the Remuneration Committee, the majority of whom are Independent Directors, for its review. With respect to the remuneration for the Outside Directors, the Remuneration Committee considers a remuneration proposal made by the Management Meeting with reference to the responsibilities held by the Outside Directors. After its review, the Remuneration Committee will submit such proposals to the board of directors (Board) for its review. After the review, the Management Meeting entrusted by the Board with the decision-making authority on the remuneration will ultimately decide on the amount to be paid to each of the Inside and Outside Directors. The Audit and Supervisory Committee is to supervise and monitor the remuneration decision-making process.

The Management Meeting consists of the three representative Directors: Founder, Chairman & CEO, and President & COO.

The remuneration that will be paid to the Directors who are a member of the Audit and Supervisory Committee is to be determined by way of discussion among themselves.