

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

May 19, 2022

To Whom It May Concern,

Name of Company: transcosmos inc.  
Representative: Masataka Okuda, President & COO  
(Code No.9715, Tokyo Stock Exchange, Prime Market)  
Contact: Takeshi Kamiya  
Director, Executive Vice President  
Main Phone Number: +81-50-1751-7700

**Announcement Regarding Company Split (Simplified Incorporation-type Company Split) and Share Transfer of the Newly Established Company**

transcosmos (the Company) hereby notifies that the Company resolved at its board of directors meeting held today, on May 19, 2022, to transfer the Company's Nihon Chokuhan business (Business), which primarily consists of general mail-order and an online shopping business, to a new company (NewCo) which is to be established through an incorporation-type company split (Company Split), and NewCo's shares will subsequently transferred to 株式会社悠遊生活/UU SEIKATSU Inc. (Share Transfer), a company that is planned to become a subsidiary of GiG Works Inc. (the Share Transfer and the Company Split will be collectively referred to as Transaction), the details of which are described below:

This incorporation-type company split will be implemented through a simplified process that only involves the Company, and therefore, some of the matters and details related to the Company Split are omitted from this announcement.

Details

I. Purpose of the Transaction

The Company primarily provides services that assist its clients in achieving digital transformation, and business process outsourcing.

Building on the Company's capabilities in product development, marketing, data analysis, call center operations, and logistics, the Business has achieved a certain level of results in streamlining the processes to deliver products to customers. Through the Transaction, the Company aims to offer a wider range of product lineups with a higher level of services for all customers, and at the same time, to focus the Company's management resources to its core businesses.

II. Company Split

1. Outline of the Company Split

(1) Schedule

(1) Board of Directors' resolution date on the Company Split	May 19, 2022
(2) Effective date of the Company Split	July 1, 2022 (planned)

The Company Split meets the requirements for a simplified incorporation-type company split under the Article 805 of the Companies Act of Japan, therefore, the Company will implement the Company Split without obtaining approval at its shareholders meeting.

(2) Method of the Company Split

The Company Split will take place in the form of a simplified incorporation-type company split, with the Company being the splitting company and NewCo the succeeding company.

(3) Allotment of shares in relation to the Company Split

Through the Company Split, all common shares issued by NewCo will be allotted to the splitting company, transcosmos. However, following the Company Split, the Company will transfer NewCo's shares that it holds to 株式会社悠遊生活/UU SEIKATSU Inc.

(4) Treatment of share options and bonds with share options

Not applicable.

(5) Changes in capital as a result of the Company Split

There will be no changes in the Company's capital as a result of the Company Split.

(6) Rights and obligations to be assumed by the succeeding company

NewCo will assume assets, liabilities, contractual status and other rights and obligations with respect to the Business as prescribed in the Company Split plan. The assumption of liabilities will be made by way of a dischargeable debt assumption.

(7) Prospects for fulfilling financial obligations

The Company has judged that there will be no issue in fulfilling the financial obligations born by the Company and NewCo following the Company Split.

2. Outline of the parties involved in the Company Split

	Splitting Company (as of March 31, 2022)	NewCo (July 1, 2022: Planned)
(1) Company name	transcosmos inc.	Nihon Chokuhan Inc.
(2) Headquarters	1-2-20, Higashi, Shibuya-ku, Tokyo	1-2-2, Umeda, Kita-ku, Osaka-city, Osaka
(3) Name and title of representative	Masataka Okuda President & COO	Masaru Endo President
(4) Business	DEC services and BPO services	General mail-order and online shopping
(5) Capital	29,065 million yen	0 million yen
(6) Date of foundation	June 18, 1985	July 1, 2022 (planned)
(7) Total number of outstanding shares	48,794,046 shares	100 shares
(8) Fiscal year end	March 31	December 31
(9) Major shareholders and shareholding ratios	Masataka Okuda 14.32% Koki Okuda 13.26% The Master Trust Bank of Japan, Ltd. (Account in Trust) 9.32% transcosmos foundation 9.05% Custody Bank of Japan, Ltd. (Account in Trust) 5.81%	transcosmos inc 100%  (株式会社悠遊生活/UU SEIKATSU Inc. is planned to become the major shareholder with a 100% shareholding ratio on July 1, 2022)

3. Consolidated operating results and consolidated financial status of the splitting company for the previous three years

Fiscal year end	March 31, 2020	March 31, 2021	March 31, 2022
Consolidated net assets	77,969 million yen	92,516 million yen	120,880 million yen
Consolidated total assets	143,985 million yen	175,883 million yen	218,455 million yen
Consolidated net assets per share	1,788.95 yen	2,069.01 yen	2,723.29 yen
Consolidated net sales	311,871 million yen	336,405 million yen	354,085 million yen
Consolidated operating income	10,689 million yen	17,752 million yen	25,846 million yen
Consolidated ordinary income	8,954 million yen	18,012 million yen	28,902 million yen
Net income attributable to owners of transcosmos inc.	6,279 million yen	10,022 million yen	21,488 million yen
Consolidated net income per share	151.40 yen	241.65 yen	518.12 yen
Dividend per share	46 yen	93 yen	156 yen

4. Outline of the business department subject to the Company Split

(1) Business description of the department to be split

General mail-order and online shopping

(2) Operating results of the department to be split

Fiscal year	Fiscal year ended March 31, 2022
Net sales	4,990 million yen

(3) Items and book values of assets and liabilities to be split

Item	Book value	Item	Book value
Assets	368 million yen	Liabilities	484 million yen

(Note) Assets and liabilities on the table above are forecasts as of July 1, 2022.

5. Status of the Company after the Company Split

There will be no change in the Company's name, headquarters, title and name of the representative, line of business, capital, and financial year-end as a result of the Company Split.

III. Share Transfer

1. Schedule

(1) The Board of Directors' resolution date	May 19, 2022
(2) Execution date of share transfer agreement	May 20, 2022
(3) Share transfer date	July 1, 2022 (planned)

2. Outline of the counterparty to the Share Transfer

(1) Company name	株式会社悠遊生活/UU SEIKATSU Inc.	
(2) Headquarters	2-20-2, Tsuruya-machi, Kanagawa-ku, Yokohama-city, Kanagawa prefecture	
(3) Name and title of representative	President Akitaka Mizutani	
(4) Business	Mail-order and online shopping business of apparel and general goods	
(5) Capital	10 million yen	
(6) Date of foundation	January 4, 2022	
(7) Major shareholders and shareholding ratios	GiG Works Inc. 100.0% (Immense Inc. and SCP Inc. are planned to be the major shareholders with a 87.5% and 12.5% shareholding ratio respectively as of July 1, 2022)	
(8) Relationship with the listed company (the Company) and the company concerned	Capital relationship	Not applicable.
	Personal relationship	Not applicable.
	Business relationship	Not applicable.
	Related party relationship	Not applicable.

(Note) The company has been established just recently, therefore, net assets and net liabilities are omitted.

### 3. Number of shares to be transferred and the changes in the shares held by the Company

(1) Number of shares held before the transfer	100 shares (100%)
(2) Number of shares to be transferred	100 shares (100%)
(3) Number of shares held after the transfer	0 shares (Ratio of voting rights: 0%)

The Company does not disclose the transfer price in compliance with the non-disclosure agreement signed between the counterparty to the share transfer agreement. The price has been decided upon mutual agreement after discussion and negotiations, therefore, the Company believes that the price is considered to be a fair and reasonable value.

### IV. Future outlook

The Transaction is expected to have a negligible impact on the Company's consolidated financial results.