

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.

July 31, 2023

To Whom It May Concern,

Name of Company: transcocosmos inc.

Representatives: Masaaki Muta, Representative Director, Co-President
Takeshi Kamiya, Representative Director, Co-President
(Code No.9715, Tokyo Stock Exchange, Prime Market)

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Corporate Executive Officer,

Legal & Compliance Division Manager

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Announcement Regarding the Resolution on Partial Revision of the Fundamental Policy for Internal Control System

transcocosmos (the Company) hereby notifies that the Company resolved at the Company's board of directors meeting held on July 31, 2023, to partially revise its "Fundamental Policy for Internal Control System" as shown below. The revised policy takes effect today, on July 31, 2023. Please note that the revised text is underlined.

Details of Revision

1. Systems for ensuring that directors discharge their duties in compliance with the applicable laws and regulations and the Articles of Incorporation

To ensure that a director discharges his/her duties and responsibilities in compliance with the applicable laws and regulations and fulfils his/her social responsibility, a director is to discharge his/her duties and responsibilities in accordance with the provisions of the Compliance Charter, the Compliance Code of Conduct, and the Compliance Rules. The Company is to also seek to ensure through the use of training and education programs that all directors will improve their level of awareness towards the compliance requirements and discharge their duties and responsibilities in accordance with such requirements.

The Board is to be operated in accordance with the provisions of the Board Rules and is to hold a meeting of board of directors at least once a month unless otherwise determined, where the directors are encouraged to foster effective and constructive communication and to mutually monitor their performance of duties and responsibilities. The directors who are on the Audit and Supervisory Committee are to audit the performance of directors' duties and responsibilities. The Company is to redevelop the basic plans for the internal control system in order to comply with the enforced laws and regulations related to internal control, and is to further enhance the

internal control system by receiving third party advice from professionals that include attorneys and certified public accountants.

2. Systems for securing and managing information related to directors' discharge of their duties and responsibilities

The Company is to decide and report on the matters that are likely to have a material impact on the Company in accordance with the provisions of the Board Rules.

The Company is to apply the Approval Request Rules, Document Management Rules, Contract Handling Rules, Information Management Rules, and Information Security Control Rules to control and manage information related to directors' performance of their duties and responsibilities, assess the effectiveness of the implementation of these rules, and revise the rules from time to time, if necessary to do so.

With respect to the administration of these rules, Legal & Compliance Division Manager is to be in charge of the Approval Request Rules, Document Management Rules, Contract Handling Rules, Information Management Rules and Information Security Control Rules, and is also to be responsible for reporting, in a timely manner, to the Board on how the rules are applied and revised.

The Company is to further pursue streamlining and digitalization of its business systems in order to achieve and increase its business productivity.

3. Rules and procedures and other systems for managing the risk of losses to the Company

The Internal Audit Office, under the leaderships of the Representative Directors and the Audit and Supervisory Committee, is to decide the scope and method of the audit, develop an audit plan, perform the audit in accordance with the plan, and report the results of the audit to the Representative Directors and the Audit and Supervisory Committee in accordance with the provisions of the Internal Audit Rules.

If any applicable laws and regulations or any of the provisions of the Articles of Incorporation are found to have been breached, or if any misconduct that is likely to cause business losses of a financial and non-financial nature is found to have been committed, the Internal Audit Office must promptly report such breach or misconduct to the Representative Directors and the Audit and Supervisory Committee.

The Compliance Promotion Department under the Legal & Compliance Division is to be in charge of the risk management in accordance with the provisions of the Fundamental Rules of Risk Management.

Each department is to manage potential risks that may exist in their respective businesses. It must also establish and implement a system that allows prompt reporting of identified risk of loss, whether financial or non-financial, to the Compliance Promotion Department. The Company must make all employees fully aware of the importance attached to the role of the Compliance Promotion Department and ensure that an employee promptly reports any potential risks of loss when they are identified so as to enable the Company to collect and gather risk-related information concerning its business practice in a timely manner.

The Company must develop and maintain the Whistleblowing Rules under which communication

hotlines and similar mechanisms are set up to provide an environment designed to make whistleblowing less difficult. Under the whistleblowing system, directors and employees must be able to report directly to the Audit and Supervisory Committee any individual or organizational misconduct or unlawful behavior, which must be dealt with appropriately. Through the early detection of misconduct or unlawful behavior in connection with the Company's business practice and maintenance of a sound and orderly working environment, the Company is to retain the trust of its customers and stakeholders and to engage in early identification and rectification of all kinds of misconduct.

The Company is to enhance its information management system in accordance with the accredited privacy marks and other applicable personal information protection regulations.

4. Systems for ensuring that directors discharge their duties effectively

The Company is to develop its annual plan and medium-term business plan to clarify the Company's goals. The Company is also to identify each director's areas of responsibility and their performance goals, review the level of goal achievement, and provide feedback to the directors at the Board meetings. The Company is to ensure its business productivity, evaluate the directors' performance, and determine and pay remuneration to each director based primarily on their single-year performance results and the Company's medium to long-term performance.

The Company is to clarify the decision-making authority and responsibilities of the directors in accordance with the provisions of the Board Rules, the Administrative Authority Operation Guide, and the Approval Request Rules.

The Board is to manage and oversee the corporate officers' performance of their duties and responsibilities.

The Management Meeting is to make decisions, with due care and in a timely manner, on material business matters that have been delegated to the Management Meeting by the Board in accordance with the provisions of the Board Rules.

5. Systems for ensuring that employees discharge their duties in compliance with the applicable laws and regulations and the Articles of Incorporation

To ensure that all Company employees discharge their duties and responsibilities in compliance with the applicable laws and regulations and fulfill their social responsibility, the Company is to develop and maintain a system that facilitates their observation of the provisions of the Compliance Charter, the Compliance Code of Conduct, and the Compliance Rules.

The Company is also to develop and maintain an internal system that enables the whole organization to resist anti-social forces that pose a threat to social order and security, and to have no business relationship or relationship of any kind with such forces to comply with the provisions of the Compliance Code of Conduct.

Legal & Compliance Division Manager is to be in charge of assisting employees in strengthening their knowledge about the importance of compliance and raising their awareness towards compliance requirements through such activities as developing and implementing various compliance programs, conducting compliance training sessions for the employees, and developing and distributing compliance manuals on a regular basis.

6. Systems for directors and employees of the subsidiaries to report to the Company on the matters related to the discharge of their duties and responsibilities

The Company is to develop and maintain an internal system to allow its subsidiaries to report to the Company on a regular basis on their business performance, financial standing, and other information that is material to the business in accordance with the provisions of the Affiliated Companies' Management Rules that are to be set by the Company.

7. Rules and procedures and other systems for managing the risk of losses to subsidiaries

To ascertain information that is likely to pose a risk to the Company and its subsidiaries (the Group), the Company's departments in charge of the subsidiaries are to take risk management measures appropriate for the subsidiaries' business conditions in accordance with the provisions of the Affiliated Companies' Management Rules.

If any of the department in the Company in charge of the subsidiaries identifies any risk of loss, whether financial or non-financial, to any of the subsidiaries, the department must promptly report to the Representative Directors about the risks including the details of such risks, and the degree of the potential losses and adverse impact on the Company.

8. Systems for ensuring that subsidiaries' directors and employees discharge their duties effectively

The Company must make it an obligation for each of the subsidiaries to develop their own annual plan, and decide on the budget allocation for each of them taking into consideration the plans submitted to the Company. The Company is also to make it an obligation for each of the subsidiaries to clarify their performance goals and develop and maintain an internal system to ensure their business productivity.

9. Systems for ensuring that subsidiaries' directors and employees discharge their duties in compliance with the applicable laws and regulations and the Articles of Incorporation

The Company is to second its directors and auditors to the subsidiaries whose roles are to attend the Board meetings of the subsidiary and to oversee the businesses of the subsidiaries. The department overseeing the operation of the affiliated companies is to conduct audit in cooperation with the Internal Audit Office and provide guidance on their business practices in accordance with the provisions of the Affiliated Companies' Rules.

Directors and employees of those subsidiaries that the Company considers to be an important entity are to receive an annual compliance training session the content and standard of which are equivalent to those for the Company.

10. Matters relating to the directors and employees assisting the Audit and Supervisory Committee; the independence of the directors and employees from directors; and validity of instructions to the directors and employees

The Internal Audit Office is to assist the Audit and Supervisory Committee in carrying out its responsibilities. The Internal Audit Office is to provide support to the Audit and Supervisory Committee in conducting audit under the Committee's leadership and supervision. Any changes to, or transfer of key personnel of the Internal Audit Office and/or performance evaluation on or disciplinary action against such key personnel are all subject to prior consent of the Committee.

No director is to be designated with responsibility to assist the Audit and Supervisory Committee in carrying out its roles and responsibilities.

11. Systems for directors and employees to report the matters to be reported to the Audit and Supervisory Committee or the matters to be reported at the request of the Committee

Directors and employees are to report the following matters to the Audit and Supervisory Committee on a regular basis, and the directors who are on the Audit and Supervisory Committee are to attend the Board meetings as well as other important meetings to receive the reporting on such matters;

- Matters to be resolved and reported at the Board meetings;
- Monthly, quarterly, and full-year business performance, business outlook, and financial conditions;
- Details of material disclosures;
- Material organizational and personnel changes;
- Matters that are likely to cause a significant loss to the Company;
- Changes to the Company's significant accounting policies and standards;
- Updates on the activities carried out by the Internal Audit Office and the Compliance Promotion Department; and

- Any other material matters that require approval and resolution of the board of directors

If any matter arises that the Audit and Supervisory Committee deems necessary to report to the Committee, the Company must promptly establish and implement a system to have such matters reported to the Committee.

12. Systems for Group's management and employees to report to the Audit and Supervisory Committee

Management and employees of the Group are to report promptly and accurately on the matters related to its business operations if so requested by the Company's Audit and Supervisory Committee. However, the Company must develop and maintain an internal system that allows prompt reporting to the Committee on an identified matter that is likely to cause significant damage to the Group such as a material breach of the laws and regulations.

The departments in charge of the whistleblowing systems of the subsidiaries are to report to the Company's Audit and Supervisory Committee on a regular basis any whistleblowing cases heard from the subsidiaries' management and employees.

13. Systems for prohibiting unfair treatment of a person based on the reporting to the Audit and Supervisory Committee

The Company must not treat any person unfairly on the ground that he/she has reported to the Audit and Supervisory Committee the matters stipulated in the preceding two paragraphs.

14. Policies relating to the Audit and Supervisory Committee's expenses and costs incurred for carrying out its responsibilities

If the Audit and Supervisory Committee requests payment for expenses and costs, as prepayment or otherwise, in connection with carrying out its responsibilities by virtue of Article

399-2, Paragraph 4 of the Companies Act, the Company is to make the payment of such expenses and costs unless the Company disagrees with the payment.

15. Systems for ensuring an effective audit by the Audit and Supervisory Committee

Directors and employees must improve their understanding of audit activities of the Audit and Supervisory Committee and endeavor to provide an environment facilitating such audit activities. Representative Directors are to exchange opinions with the Audit and Supervisory Committee on a regular basis, and establish and implement a system under which the Internal Audit Office can increase communication with the Committee and carry out its audit work in an effective manner.

16. Systems for ensuring timely and appropriate disclosure

The Company must make its management and employees fully aware of the importance of timely disclosure of information in accordance with the provisions of the Timely Disclosure Rules, and establish and implement a reporting line within the Group to enable respective members to report on the disclosure information. The Management Meeting is to confirm and ensure that the information to be disclosed is fair and balanced, and the Company is to make timely and balanced disclosure of all matters concerning the Company accordingly.