

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities Code: 9715

May 31, 2022

To Our Shareholders

Masataka Okuda
President & COO
transcosmos inc.
2-20, Higashi 1-chome, Shibuya-ku,
Tokyo, Japan

NOTICE OF THE 37th ANNUAL GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 37th Annual General Meeting of Shareholders, which will be held as indicated below.

Shareholders are requested to exercise voting rights in advance in writing or by electromagnetic means (the Internet, etc.) and refrain from attending the General Meeting of Shareholders as much as possible regardless of your health condition for the purpose of preventing novel coronavirus infection.

Please review the Reference Documents for the Annual General Meeting of Shareholders shown in the following pages and exercise your voting rights by the deadline indicated in “Procedures for the Exercise of Voting Rights” on page 4.

1. Date and Time: 10:00 a.m., Wednesday, June 22, 2022
(Venue opens at 9:00 a.m.)

2. Place: SHIBUYA STREAM Hall
21-3, Shibuya 3-chome, Shibuya-ku, Tokyo

* We may be forced to change the venue and/or the start time depending on the status of novel coronavirus infection. In this case, the change will be notified on the Company’s website.

3. Agenda of the Meeting:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements and results of audits by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements for the 37th Fiscal Term (from April 1, 2021 to March 31, 2022)
 2. Non-Consolidated Financial Statements for the 37th Fiscal Term (from April 1, 2021 to March 31, 2022)

Proposals to be resolved:

- Proposal No. 1:** Appropriation of Surplus for the 37th Fiscal Term
Proposal No. 2: Partial Amendment to Articles of Incorporation
Proposal No. 3: Election of Thirteen Directors (excluding Directors who are Audit and Supervisory Committee Members)
Proposal No. 4: Election of Three Directors who are Audit and Supervisory Committee Members
Proposal No. 5: Election of One Director who is a Substitute Audit and Supervisory Committee Member

1. For those attending, please submit the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.
2. Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements are posted on the Company’s website and thus not included in the documents attached to this notice, pursuant to

applicable laws and regulations and Article 14 of the Company's Articles of Incorporation.

Accordingly, the Consolidated Financial Statements and Non-Consolidated Financial Statements attached to this notice are part of Consolidated Financial Statements and Non-Consolidated Financial Statements that were audited by the Accounting Auditor and the Audit and Supervisory Committee in preparing their audit reports.

3. Please note that, if it becomes necessary to amend any matters related to the contents described in the attached Reference Documents for the Annual General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-Consolidated Financial Statements before the day preceding the Annual General Meeting of Shareholders, the amended contents will be presented on the Company's website.
4. The information in this Notice was posted on the Company's website before it was mailed to promptly provide the information.

Video Streaming of the 37th Annual General Meeting of Shareholders

A video streaming of the Annual General Meeting of Shareholders (through the end of explanation of Business Report) will be available later for a certain period on the website of the Company.

Your understanding of the filming of the proceedings during the Meeting will be greatly appreciated. If you refrain from attending the Meeting to prevent infection, you are encouraged to view the streaming instead.

Our website

<https://www.trans-cosmos.co.jp/english/ir/information/stock-holder/>

Notice Concerning Measures to Prevent the Spread of Novel Coronavirus Infection

The General Meeting of Shareholders will be held in accordance with the following protocol to prevent COVID-19 (novel coronavirus) infection and its spread. We appreciate your understanding and cooperation.

<Request to Shareholders>

1. Shareholders are requested to refrain from attending the General Meeting of Shareholders regardless of their health condition for the purpose of preventing COVID-19 infection and its spread. We ask our shareholders to consider exercising your voting rights by using the enclosed Voting Rights Exercise Form, via the Internet, or by other means.
If you have developed symptoms of illness such as fever on the date of the General Meeting of Shareholders, you are strongly requested to refrain from attending the meeting.
A video streaming of the General Meeting of Shareholders (through the end of explanation of Business Report) will be available later on the website of the Company.
2. The number of seats available inside the venue is limited to allow sufficient space between them. As a result, we may limit the number of shareholders who can enter the venue.
3. Attending shareholders are requested to wear masks, disinfect their hands and fingers, and allow us to measure their body temperature. A shareholder not wearing a mask, one whose body temperature measured upon arrival at the venue is 37.5°C or higher, or one who is suspected to develop symptoms of illness such as coughing will be prevented from entering the venue.
4. To shorten the duration of the General Meeting of Shareholders for the purpose of preventing novel coronavirus infection, we will omit the reporting of the matters to be reported (including audit report) and the detailed explanation of proposals. Therefore, shareholders are requested to read through this notice in advance.

<Our Responses>

- No souvenir will be given to shareholders also for the purpose of preventing novel coronavirus infection.
- Masks and alcohol disinfectant for shareholders will be available at the venue as a part of measures to be implemented to prevent the spread of infection.
- Our officers and administrative staff attending the General Meeting of Shareholders will make sure that they will be in good health condition by, for example, by measuring their body temperature, and wear a mask throughout the meeting.
- We may be forced to change the venue and/or the start time depending on the status of novel coronavirus infection. In this case, the change will be notified on the Company's website.

Our website

<https://www.trans-cosmos.co.jp/english/ir/information/stock-holder/>

Procedures for the Exercise of Voting Rights

Voting rights can be exercised in the following three ways.

1. In writing (Recommended)

Please indicate whether you approve or disapprove of each proposal on the enclosed Voting Rights Exercise Form and then mail the Form without attaching a postage stamp.

If a Voting Rights Exercise Form is submitted without an indication of whether you approve or disapprove of the proposal, it will be treated as if you approve of the proposal.

Deadline to exercise rights: Must arrive by 5:50 p.m., Tuesday, June 21, 2022

2. Via the Internet, etc. (Recommended)

Please access the website for the exercise of voting rights (<https://www.web54.net>) from either a personal computer, a smartphone or mobile phone, enter the code and password provided on the enclosed Voting Rights Exercise Form, and follow the instructions on the screen to register whether you approve or disapprove each proposal.

Shareholders who use a smartphone can access the website for the exercise of voting rights easily by having the smartphone read the QR code* shown in the Voting Rights Exercise Form.

Note: For the details of the procedure for voting via the Internet, etc., please refer to the next page.

*QR Code is registered trademarks of DENSO WAVE INCORPORATED.

Deadline to exercise rights: By 5:50 p.m., Tuesday, June 21, 2022

3. By attending the general meeting of shareholders

Submit the Voting Rights Exercise Form at the reception desk. (It is not necessary to attach your seal.)

Date and Time: 10:00 a.m., Wednesday, June 22, 2022 (Venue opens at 9:00 a.m.)

Place: SHIBUYA STREAM Hall
21-3, Shibuya 3-chome, Shibuya-ku, Tokyo

■Exercise of voting rights via the Internet, etc.

1. If you exercise your voting rights redundantly both by mail and via the Internet, we will treat your Internet vote as the valid exercise of your voting rights, regardless of the time or date of arrival of your vote.
2. If you exercise your voting rights several times by mail and via the Internet, or if you exercise your voting rights more than once using the computer and mobile phone, we will treat the most recent vote as the valid exercise of your voting rights.
3. Connection fees payable to the providers and communication expenses payable to telecommunication carriers (including access charges) when accessing the website for the exercise of voting rights will be borne by the shareholders.

■Inquiries about How to Operate Personal Computers, etc.

1. If you have any questions about how to operate PCs, mobile phones, etc., concerning the exercise of voting rights via the Internet on the site, please call the following number.

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support

Direct Line: (Toll free) 0120-652-031 (9:00 – 21:00; within Japan only)

2. For other inquiries, please call one of the following numbers.

- 1) Shareholders who have accounts with securities companies:

Shareholders who have accounts with securities companies are requested to make inquiries to the securities company where they respectively have accounts.

- 2) Shareholders who do not have accounts with securities companies (Shareholders who have special accounts):

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Administration Center

(Toll free) 0120-782-031 (9:00 – 17:00, excluding the weekend and holidays; within Japan only)

■TSE Platform for the Electronic Exercise of Voting Rights

Institutional investors may use the “Electronic Voting Platform for Institutional Investors” (the “TSE Platform”) managed by ICJ Inc. to exercise their voting rights by electronic manner.

Reference Documents for the Annual General Meeting of Shareholders

Proposals and references

Proposal No. 1: Appropriation of Surplus for the 37th Fiscal Term

Matters related to year-end dividend

The Company views the sharing of its profits with shareholders as one of the most important management policies and therefore adopts a dividend policy that focuses on a dividend payout ratio that is highly connected to the Company's business performance. The Company's basic policy is to increase the market value of its shares by returning profits to shareholders.

Taking into the consideration the above policy, the Company proposes to pay the following dividends for the current fiscal year.

Type of dividend asset

Cash

Allotment of dividend assets to shareholders and total amount

156 yen per share of common stock of the Company

Total amount 6,469,879,260 yen

Effective date of dividend of surplus

Thursday, June 23, 2022

Proposal No. 2: Partial Amendment to Articles of Incorporation

1. Reasons for Amendment

(1) Amendment for holding a general meeting of shareholders without a designated location

Accompanying the enforcement of the “Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts” (Act No. 70 of 2021), it became possible for a listed company to hold a general meeting of shareholders without a designated location (what is called a “virtual-only shareholders meeting”) under certain conditions subject to provision to the effect in its articles of incorporation.

Consequently, the Company believes that it is conducive to the benefit of shareholders to expand alternative methods for holding general meetings of shareholders in light also of the possible occurrence of large-scale disasters including the spread of infectious diseases and natural disasters, and the progress of digitalization in society. Therefore, the Company proposes to add Article 11, paragraph 2 to its Articles of Incorporation to enable holding a general meeting of shareholders without a designated location.

In thus amending its Articles of Incorporation, the Company obtained confirmation by both the Minister of Economy, Trade and Industry and the Minister of Justice that it satisfied the above requirements specified in the ordinances of the Ministry of Economy, Trade and Industry and the Ministry of Justice.

(2) Amendments pertaining to measures for electronically providing reference materials for a general meeting of shareholders

As a system for electronically providing reference materials for the general meeting of shareholders is to be introduced in the wake of the enforcement of the revised provisions provided for in the proviso to Article 1 of the “Supplementary Provisions of the Act Partially Amending the Companies Act” (Act No. 70 of 2019) on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation.

- 1) Article 14 (Measures, etc. for Providing Information in Electronic Format), paragraph 1 shall be established because every stock company will be obligated to specify, in the articles of incorporation, to the effect that it will take measures for electronically providing information constituting the content of reference documents for the general meeting of shareholders.
- 2) Article 14 (Measures, etc. for Providing Information in Electronic Format), paragraph 2 shall be established in order to enable omitting the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents within the extent designated by the Ministry of Justice Order, among items for which the measures for providing information constituting the content of reference documents for the general meeting of shareholders in electronic format will be taken.
- 3) Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders) of the current Articles of Incorporation shall be deleted as its provisions will no longer be required if a system for electronically providing reference documents for the general meeting of shareholders is introduced.
- 4) Supplementary provisions shall be established which pertain to the effect of the above provisions to be established or deleted. These supplementary provisions shall be deleted after the specified date.

2. Details of Amendment

The details of the amendments are as follows.

(Underlines indicate amendments.)

Current Wording	Proposed Wording
<p>(Convocation)</p> <p>Article 11 The annual general meeting of shareholders of the Company shall be convened within three months from the day each accounting period ends, and an extraordinary general meeting of shareholders shall be convened as necessary.</p> <p>(Newly established)</p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders)</u></p> <p><u>Article 14 When a general meeting of shareholders is convened, the Company shall disclose the information to be included or indicated in the reference documents for the general meeting of shareholders, business reports, financial statements, and consolidated financial statements using the internet in accordance with the ordinance of the Ministry of Justice, and such disclosure shall be deemed to provide the subject information to the shareholders.</u></p> <p>(Newly established)</p>	<p>(Convocation)</p> <p>Article 11 (Same as present)</p> <p><u>2. The Company may hold a general meeting of shareholders as one without a designated location.</u></p> <p>(Deleted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>Article 14</u></p> <p><u>1. When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p><u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Proposal No. 3: Election of Thirteen Directors (excluding Directors who are Audit and Supervisory Committee Members)

The term of office of all thirteen Directors (excluding Directors who are Audit and Supervisory Committee Members; the same is applied throughout this Proposal) will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, the Company proposes the election of thirteen Directors.

Further, this Proposal has been deliberated by the Nomination Committee, the majority of which is composed of independent Outside Directors and the Audit and Supervisory Committee has determined that all the Director candidates are well qualified for the position, following deliberation.

The Director candidates are as follows:

Candidate No.	Name	Position	Candidate Attribute		
1	Koji Funatsu	Chairman, Representative Director & CEO	Reelection		
2	Masataka Okuda	President, Representative Director & COO	Reelection		
3	Koichi Iwami	Representative Director, Executive Vice President	Reelection		
4	Masaaki Muta	Director, Executive Vice President	Reelection		
5	Takeshi Kamiya	Director, Executive Vice President	Reelection		
6	Masatoshi Kouno	Director, Executive Vice President	Reelection		
7	Kenshi Matsubara	Director, Senior Corporate Executive Officer	Reelection		
8	Hiroshi Kaizuka	Director, Senior Corporate Executive Officer	Reelection		
9	Kiyoshi Shiraishi	Director, Corporate Executive Officer & CTO	Reelection		
10	Rehito Hatoyama	Outside Director	Reelection	Outside	Independent executive
11	Toru Shimada	Outside Director	Reelection	Outside	Independent executive
12	Genichi Tamatsuka	Outside Director	Reelection	Outside	Independent executive
13	Noriyoshi Suzuki	Outside Director	Reelection	Outside	Independent executive

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
1	Koji Funatsu (March 18, 1952) Reelection	<p>April 1981 Joined Recruit Co., Ltd.</p> <p>December 1995 Director of Recruit Hokkaido Jalan Co., Ltd.</p> <p>April 1998 Joined the Company, General Manager of Business Planning & Development Division</p> <p>June 1998 Managing Director</p> <p>June 1999 Senior Managing Director, Assistance in Overseas Business Control</p> <p>April 2000 Vice President, Representative Director In charge of Marketing and Consulting Divisions, in charge of each Business Divisions</p> <p>September 2002 President, Representative Director & CEO</p> <p>June 2003 Chairman, Representative Director & CEO</p> <p>October 2014 Outside Director, Member of the Board of KADOKAWA DWANGO CORPORATION (present KADOKAWA CORPORATION) (present post)</p> <p>June 2019 Outside Director of DeNA Co., Ltd. (present post)</p> <p>July 2019 Chairman, Representative Director & CEO and in charge of Compliance Promotion Department and Diversity Promotion Department of the Company</p> <p>September 2020 Chairman, Representative Director & CEO, and in charge of Compliance Promotion Department (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Outside Director, Member of the Board of KADOKAWA CORPORATION</p> <p>Outside Director of DeNA Co., Ltd.</p> <p>Reason for selecting him as a Director candidate Since assuming the position of Chairman, Representative Director & CEO in 2003, he has shown strong leadership aimed at improving the sustainable corporate value of the Company and the Group. We have judged that we can expect him to make important business execution decisions at Board of Directors meetings and strengthen the functions to supervise executive departments, making the best use of his abundant experience and excellent knowledge as a manager. Accordingly, we have selected him as a candidate for Director.</p>	25,200 shares (10,352 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
2	Masataka Okuda (March 29, 1967) Reelection	<p>April 1988 Joined the Company</p> <p>June 1996 Director, Deputy General Manager of Marketing Division</p> <p>September 2002 Vice President, Representative Director & COO</p> <p>June 2003 President, Representative Director & COO</p> <p>April 2020 President Representative Director & COO, Chief of Business Development Sector (present post)</p> <p>Reason for selecting him as a Director candidate Since assuming the position of President, Representative Director & COO in 2003, he has shown strong leadership aimed at improving the sustainable corporate value of the Company and the Group. We have judged that we can expect him to make important business execution decisions at Board of Directors meetings and strengthen the functions to supervise executive departments, making the best use of his abundant experience and excellent knowledge as a manager. Accordingly, we have selected him as a candidate for Director.</p>	5,937,268 shares (10 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
3	Koichi Iwami (January 10, 1967) Reelection	<p>April 1993 Joined Ajinomoto Co., Inc.</p> <p>March 2001 Joined the Company</p> <p>June 2002 Director, Deputy General Manager of Business Development Division</p> <p>June 2003 Managing Director, General Manager of Marketing Chain Management Services Business Division, Services Division</p> <p>June 2005 Senior Managing Director</p> <p>June 2006 Executive Vice President, Director</p> <p>March 2012 Chairman of transcosmos Korea Inc.</p> <p>June 2017 Director, Executive Vice President, Chief of Global Business Headquarters, in charge of DEC Headquarters and Services Promotion Division of the Company</p> <p>March 2018 Chairman, Director & CEO of transcosmos Korea Inc. (present post)</p> <p>June 2020 Representative Director, Executive Vice President, Chief of Global Business Headquarters, in charge of DEC Headquarters and Services Promotion Sector of the Company</p> <p>January 2021 Representative Director, Executive Vice President, Chief of Global Business Headquarters, in charge of DEC Headquarters, Services Promotion Sector, and Diversity Promotion Department (present post)</p> <p>(Significant concurrent positions outside the Company) Chairman, Director & CEO of transcosmos Korea Inc.</p> <hr/> <p>Reason for selecting him as a Director candidate Given his abundant experience and excellent knowledge as a manager of the Company and Group companies in Japan and abroad, we have judged that he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth of the Company and the Group. Accordingly, we have selected him as a candidate for Director.</p>	1,200 shares (85 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
4	Masaaki Muta (February 9, 1965) Reelection	<p>April 1989 Joined Recruit Co., Ltd.</p> <p>June 1999 Managing Director, Doubleclick Japan Inc.</p> <p>November 2001 Director, Vice President of K.K. AskJeeves Japan</p> <p>June 2003 Joined the Company, Deputy Manager of Marketing Chain Management Services Business Division, Sales Division No. 1</p> <p>June 2012 Executive Managing Director, Chief of Sales Division and General Manager of Sales Headquarters, Global Business Sales Administration Department</p> <p>April 2015 Senior Executive Managing Director, Chief of Sales Headquarters and Deputy General Manager of Services Promotion Division</p> <p>June 2017 Director, Senior Corporate Executive Officer, Chief of Sales Headquarters, in charge of Services Promotion Division, and DEC Headquarters, Account Executive</p> <p>June 2020 Director, Executive Vice President, Co-Chief of DEC Headquarters, Co-Chief of Sales Headquarters, Deputy Chief of Global Business Headquarters, and in charge of DEC Headquarters, AE Sector</p> <p>April 2022 Director, Executive Vice President, Co-Chief of DEC Headquarters, Co-Chief of Sales Headquarters, Deputy Chief of Global Business Headquarters, and in charge of DEC Headquarters, AE Sector and Marketing Division (present post)</p> <p>Reason for selecting him as a Director candidate Given his abundant experience and knowledge in the fields of sales strategy and business promotion, we have judged that he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth of the Company and the Group. Accordingly, we have selected him as a candidate for Director.</p>	108 shares (4,633 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
5	Takeshi Kamiya (August 30, 1973) Reelection	<p>April 1998 Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION</p> <p>July 2005 Joined Bain & Company Japan, Inc.</p> <p>October 2015 Joined the Company, Corporate Senior Officer, General Manager of Corporate Strategy Division</p> <p>June 2016 Corporate Executive Officer, General Manager of Corporate Strategy Division</p> <p>June 2017 Director, Corporate Executive Officer, General Manager of Corporate Strategy Division, Deputy Chief of DEC Headquarters, General Manager of Global E-Commerce/DS Promotion Division of DEC Headquarters, and General Manager of Global End-to-End e-commerce/DS Division of DEC Headquarters</p> <p>June 2019 Director, Senior Corporate Executive Officer, General Manager of Corporate Strategy Division, General Manager of Global E-Commerce/DS Promotion Division, and in charge of End-to-End e-commerce/DS Division of DEC Headquarters</p> <p>June 2020 Director, Executive Vice President, General Manager of Corporate Strategy Division, Deputy Chief of Business Development Sector, and General Manager of Global E-Commerce/Direct Sales Promotion Division of Business Development Sector</p> <p>April 2022 Director, Executive Vice President, General Manager of Corporate Strategy Division, Chief of Corporate Management Sector, Deputy Chief of Business Development Sector, and in charge of Global E-Commerce/Direct Sales Promotion Division of Business Development Sector (present post)</p>	– shares (1,765 shares)
Reason for selecting him as a Director candidate Given his abundant experience and knowledge in the fields of management strategy and consulting, we have judged that he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth of the Company and the Group. Accordingly, we have selected him as a candidate for Director.			

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
6	Masatoshi Kouno (August 22, 1965) Reelection	<p>March 1986 Joined the Company</p> <p>June 2011 Corporate Senior Officer, General Manager of Services Promotion Division</p> <p>June 2013 Executive Managing Director, Chief of Business Process Outsourcing Services Headquarters and Deputy General Manager of Services Promotion Division</p> <p>June 2017 Director, Corporate Executive Officer, Chief of Business Process Outsourcing Services Headquarters and General Manager of Services Promotion Division</p> <p>April 2019 Director, Senior Corporate Executive Officer, Chief of Business Process Outsourcing Services Headquarters and Chief of Services Promotion Sector</p> <p>June 2021 Director, Executive Vice President, Chief of Business Process Outsourcing Services Headquarters, Chief of Services Promotion Sector, and Head of Business Development Office of BPO Services Headquarters (present post)</p>	4,800 shares (2,152 shares)
		<p>Reason for selecting him as a Director candidate Given his abundant experience and knowledge in the field of BPO, we have judged that he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth of the Company and the Group. Accordingly, we have selected him as a candidate for Director.</p>	

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
7	Kenshi Matsubara (April 3, 1964) Reelection	<p>April 1987 Joined Recruit Co., Ltd.</p> <p>July 2000 Joined Net Perceptions Japan Inc.</p> <p>May 2002 Joined the Company</p> <p>July 2007 Corporate Officer, General Manager of Metropolitan Region Division I Service of Call Center Service Sector</p> <p>April 2015 Corporate Senior Officer, Chief of Contact Center Service Headquarters</p> <p>June 2016 Corporate Executive Officer, Chief of DEC Headquarters and Deputy General Manager of Services Management Division</p> <p>April 2017 Senior Corporate Executive Officer, Chief of DEC Headquarters and Deputy General Manager of Services Promotion Division</p> <p>June 2019 Director, Senior Corporate Executive Officer, Co-Chief of DEC Headquarters and Chief of Digital Communication Center Sector of DEC Headquarters</p> <p>April 2022 Director, Senior Corporate Executive Officer and Co-Chief of DEC Headquarters (present post)</p> <p>Reason for selecting him as a Director candidate Given his abundant experience and knowledge in the field of contact center services, we have judged that he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth of the Company and the Group. Accordingly, we have selected him as a candidate for Director.</p>	800 shares (578 shares)
8	Hiroshi Kaizuka (February 26, 1965) Reelection	<p>April 1988 Joined the Company</p> <p>June 1996 Director, Deputy General Manager of Marketing Division</p> <p>August 2001 Managing Director, Assistant of Business Development Division and General Manager of Overseas Business Division</p> <p>April 2004 Corporate Senior Officer, General Manager of Public Telecommunications Services Sales Division</p> <p>June 2016 Corporate Executive Officer, Deputy Chief of Sales Headquarters</p> <p>January 2019 Senior Corporate Executive Officer, Co-Chief of Sales Headquarters</p> <p>June 2021 Director, Senior Corporate Executive Officer and Co-Chief of Sales Headquarters (present post)</p> <p>Reason for selecting him as a Director candidate Given his abundant experience and knowledge in the field of sales, we have judged that he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth of the Company and the Group. Accordingly, we have selected him as a candidate for Director.</p>	6,800 shares (268 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
9	Kiyoshi Shiraishi (September 26, 1956) Reelection	<p>April 1981 Joined FUJITSU LIMITED</p> <p>July 1988 Joined Recruit Co., Ltd.</p> <p>November 1998 Joined the Company, Deputy General Manager of Business Planning & Development Division President and Representative Director of J-Stream Inc.</p> <p>June 2014 Executive Managing Director, CTO and Services Promotion Division Deputy of the Company</p> <p>April 2016 Chairman and Representative Director of J-Stream Inc. (present post)</p> <p>June 2017 Director, Corporate Executive Officer & CTO, Deputy General Manager of Services Promotion Division of the Company</p> <p>April 2020 Director, Corporate Executive Officer & CTO, Deputy Chief of Services Promotion Sector, and in charge of Digital Technology Promotion Division of Services Promotion Sector (present post)</p> <p>(Significant concurrent positions outside the Company) Chairman and Representative Director of J-Stream Inc.</p> <hr/> <p>Reason for selecting him as a Director candidate With his abundant experience and knowledge in the IT field, he has promoted the enhancement of technological development and information security of the Company and the Group. We have judged that, continuing to serve as the CTO, he can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which he is in charge toward the realization of business growth. Accordingly, we have selected him as a candidate for Director.</p>	– shares (1,915 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
10	Rehito Hatoyama (January 12, 1974) Reelection Outside Independent executive Term of office: six years	<p>April 1997 Joined Mitsubishi Corporation</p> <p>May 2008 Joined Sanrio Co., Ltd.</p> <p>April 2013 Managing Director of Sanrio Co., Ltd.</p> <p>June 2013 Outside Director of DeNA Co., Ltd.</p> <p>June 2015 CEO of Sanrio Media & Pictures Entertainment, Inc.</p> <p>April 2016 Outside Director of Pigeon Corporation (present post)</p> <p>June 2016 Outside Director of the Company (present post)</p> <p>July 2016 Representative Director of Hatoyama Soken Corporation (present post)</p> <p>March 2021 Outside Director of Z Holdings Corporation (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Outside Director of Pigeon Corporation</p> <p>Representative Director of Hatoyama Soken Corporation</p> <p>Outside Director of Z Holdings Corporation</p> <hr/> <p>● Reason for selecting him as an Outside Director candidate and outline of expected roles Reason for selecting him as a candidate: Given his abundant experience and broad knowledge in the fields of Internet services and global business promotion, we have judged that he is an appropriate person to serve as a member of the Board of Directors of the Company and have selected him as a candidate for Outside Director. Expected roles: He is expected to advise on and supervise the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above.</p>	– shares (– shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
11	<p data-bbox="336 712 501 772">Toru Shimada (March 3, 1965)</p> <p data-bbox="352 801 485 920">Reelection Outside Independent executive</p> <p data-bbox="336 949 501 1010">Term of office: six years</p>	<p data-bbox="528 300 970 329">April 1987 Joined Recruit Co., Ltd.</p> <p data-bbox="528 344 1187 405">June 1989 Founded Intelligence, Ltd. (present PERSOL CAREER CO., LTD.)</p> <p data-bbox="528 421 1018 450">September 1989 Director of Intelligence, Ltd.</p> <p data-bbox="528 465 1230 526">January 2008 Representative Director & President & Owner of Rakuten Baseball, Inc.</p> <p data-bbox="528 542 1139 571">November 2014 Representative Director of Rakuten, Inc.</p> <p data-bbox="528 586 1214 616">June 2016 Outside Director of the Company (present post)</p> <p data-bbox="528 631 1235 692">March 2017 Vice President, Director & COO of U-NEXT Co., Ltd.</p> <p data-bbox="528 707 1235 768">December 2017 Vice President, Director & COO of USEN-NEXT HOLDINGS Co., Ltd.</p> <p data-bbox="528 784 1230 844">June 2019 Outside Director of MITANI SANGYO Co., Ltd. (present post)</p> <p data-bbox="528 860 1206 889">February 2020 Outside Director of Visional Inc. (present post)</p> <p data-bbox="528 904 1091 934">(Significant concurrent positions outside the Company)</p> <p data-bbox="528 949 1032 978">Outside Director of MITANI SANGYO Co., Ltd.</p> <p data-bbox="528 994 863 1023">Outside Director of Visional Inc.</p> <p data-bbox="528 1039 1273 1099">● Reason for selecting him as an Outside Director candidate and outline of expected roles</p> <p data-bbox="528 1115 1273 1323">Reason for selecting him as a candidate: He has successively held important positions including Representative Director in several companies. Given his abundant experience and broad knowledge in the fields of corporate management in general and Internet services, we have judged that he is an appropriate person to serve as a member of the Board of Directors of the Company and have selected him as a candidate for Outside Director.</p> <p data-bbox="528 1339 1273 1422">Expected roles: He is expected to advise on and supervise the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above.</p>	<p data-bbox="1305 837 1410 891">– shares (– shares)</p>

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
12	Genichi Tamatsuka (May 23, 1962) Reelection Outside Independent executive Term of office: three years	<p>April 1985 Joined Asahi Glass Co., Ltd. (present AGC Inc.)</p> <p>November 2002 President and COO of FAST RETAILING CO., LTD</p> <p>September 2005 Established Revamp Corporation, Representative Director and President of the company</p> <p>May 2014 Representative Director and President of Lawson, Inc.</p> <p>June 2017 President and CEO of Hearts United Group Co., Ltd. (present DIGITAL HEARTS HOLDINGS Co., Ltd.)</p> <p>October 2017 President of DIGITAL HEARTS Co., Ltd.</p> <p>June 2019 Outside Director of the Company (present post)</p> <p>June 2021 Representative Director and President of Lotte Holdings Co., Ltd. (present post)</p> <p>October 2021 Chairman of JAPAN RUGBY LEAGUE ONE (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative Director and President of Lotte Holdings Co., Ltd.</p> <p>Chairman of JAPAN RUGBY LEAGUE ONE</p> <p>● Reason for selecting him as an Outside Director candidate and outline of expected roles Reason for selecting him as a candidate: He has successively held important positions including Representative Director in several companies. Given his abundant experience and broad knowledge in the field of corporate management in general, we have judged that he is an appropriate person to serve as a member of the Board of Directors of the Company and have selected him as a candidate for Outside Director. Expected roles: He is expected to advise on and supervise the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above.</p>	– shares (1,876 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
13	<p>Noriyoshi Suzuki (April 20, 1956)</p> <p>Reelection Outside Independent executive</p> <p>Term of office: two years</p>	<p>April 1982 Joined The Nikko Securities Co., Ltd.</p> <p>October 2001 Manager of Private Banking Division of Nikko Cordial Securities Inc. (present SMBC Nikko Securities Inc.)</p> <p>February 2005 Managing Director of Nikko Cordial Securities Inc.</p> <p>December 2008 Senior Managing Director of Nikko Cordial Securities Inc.</p> <p>July 2009 President & Representative Director of LCF Edmond de Rothschild Nikko Cordial Co., Ltd. (present Edmond de Rothschild Nikko Co., Ltd.)</p> <p>March 2017 Deputy President Executive Officer of SMBC Nikko Securities Inc.</p> <p>June 2020 Outside Director of the Company (present post)</p> <p>January 2021 Representative Director & President of LES ROIS MAGES JAPON (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative Director & President of LES ROIS MAGES JAPON</p> <hr/> <p>● Reason for selecting him as an Outside Director candidate and outline of expected roles</p> <p>Reason for selecting him as a candidate: He has many years of experience in the securities industry. Given his abundant experience and broad knowledge in the field of corporate management in general, we have judged that he is an appropriate person to serve as a member of the Board of Directors of the Company and have selected him as a candidate for Outside Director.</p> <p>Expected roles: He is expected to advise on and supervise the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above.</p>	<p>– shares (– shares)</p>

- Notes: 1. Figures in parentheses in the column of “No. of Company shares held” by candidates for Directors are equities in the Director’s shareholding society (Fractions smaller than one share are omitted).
2. Hiroshi Kaizuka concurrently holds the position of Representative Director & President of transcosmos online communications inc., with which the Company has a business relationship.
No special interests between any other candidates for Director and the Company.
3. Rehito Hatoyama, Toru Shimada, Genichi Tamatsuka and Noriyoshi Suzuki are candidates for Outside Directors.
4. The terms of office of the candidates for Outside Director, Rehito Hatoyama, Toru Shimada, Genichi Tamatsuka, and Noriyoshi Suzuki as Outside Director are the term of office at the conclusion of this Annual General Meeting of Shareholders.
5. Liability Limitation Agreement with candidates for Outside Director
The Company has entered into, with Rehito Hatoyama, Toru Shimada, Genichi Tamatsuka, and Noriyoshi Suzuki, the liability limitation agreements that limit liability for damages under Article 423, Paragraph 1 of the Companies Act pursuant to the provision of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under such agreements is one million yen or the amount provided for in Article 425, Paragraph 1 of the Companies Act, whichever is higher. If the reelection of each candidate is approved, the Company intends to continue the liability limitation agreement.
6. The Company has registered Rehito Hatoyama, Toru Shimada, Genichi Tamatsuka, and Noriyoshi Suzuki as independent executives stipulated by the Tokyo Stock Exchange. If this proposal is approved and the candidates take the posts of Outside Director, they will continue to be independent executives.
7. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, under which Directors of the Company are insured persons, and plans to continue and renew the contract. When each candidate is reelected, they will become the insured persons under this insurance contract. Please refer to page 46 of the Business Report for the outline of this insurance contract.
8. For the criteria for judging independence of Outside Directors of the Company, please refer to page 29.
9. “DEC,” “AE” and “DS” used in “Career summary, position and areas of responsibility at the Company” of each candidate for Director are abbreviations for “Digital Marketing/E-Commerce/Contact Center,” “Account Executive” and “Direct Sales,” respectively.

Proposal No. 4: Election of Three Directors who are Audit and Supervisory Committee Members

The term of office of all three Directors who are Audit and Supervisory Committee Members will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, the Company proposes the election of three Directors who are Audit and Supervisory Committee Members.

Further, this Proposal has been deliberated by the Nomination Committee, the majority of which is composed of independent Outside Directors, and has the consent of the Audit and Supervisory Committee.

Candidates for Directors who are Audit and Supervisory Committee Members are as follows.

Candidate No.	Name	Position	Candidate Attribute		
			Reelection	Outside	Independent executive
1	Takeshi Natsuno	Outside Director (Audit and Supervisory Committee Member)	Reelection	Outside	Independent executive
2	Nozomu Yoshida	Outside Director (Audit and Supervisory Committee Member)	Reelection	Outside	Independent executive
3	Eiji Uda	Outside Director (Audit and Supervisory Committee Member)	Reelection	Outside	

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
1	Takeshi Natsuno (March 17, 1965) Reelection Outside Independent executive Term of office: 14 years	<p>April 1988 Joined Tokyo Gas Co., Ltd.</p> <p>September 1997 Joined NTT Mobile Communications Network Inc. (present NTT DOCOMO, INC.)</p> <p>June 2005 Executive Officer and Manager in charge of Multimedia Services of NTT DOCOMO, INC.</p> <p>May 2008 Guest Professor of Keio University, Graduate School of Media and Governance</p> <p>June 2008 Outside Director of the Company Outside Director of Sega Sammy Holdings Inc. Part-time Director of NTT Resonant Inc.</p> <p>December 2008 Director of DWANGO Co., Ltd.</p> <p>June 2009 Outside Director of DLE Inc.</p> <p>September 2009 Outside Director of GREE, Inc. (present post)</p> <p>December 2010 Outside Director of U-NEXT Co., Ltd. (present USEN-NEXT HOLDINGS Co., Ltd.) (present post)</p> <p>June 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present post)</p> <p>August 2016 Outside Director of Oracle Corporation Japan (present post)</p> <p>November 2018 Member of the Board of KADOKAWA CORPORATION</p> <p>February 2019 President of Dwango Co., Ltd. (present post)</p> <p>June 2021 President, Member of the Board of KADOKAWA CORPORATION (present post)</p> <p>April 2022 Special Guest Professor and Head of Cyber Informatics Research Institute of Kindai University (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>President of Dwango Co., Ltd.</p> <p>Outside Director of GREE, Inc.</p> <p>Outside Director of USEN-NEXT HOLDINGS Co., Ltd.</p> <p>Outside Director of Oracle Corporation Japan</p> <p>President, Member of the Board of KADOKAWA CORPORATION</p> <p>Special Guest Professor and Head of Cyber Informatics Research Institute of Kindai University</p>	60,000 shares (13,312 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
		<ul style="list-style-type: none"> Reason for selecting him as an Outside Director candidate and outline of expected roles Reason for selecting him as a candidate: Given his abundant experience as a corporate manager and broad knowledge in the fields of communication business, Internet services, etc., we have judged that he is an appropriate person to serve as a member of the Board of Directors of the Company and have selected him as a candidate for Outside Director. Expected roles: He is expected to advise, audit and supervise the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above. 	
2	Nozomu Yoshida (December 1, 1956) Reelection Outside Independent executive Term of office: 12 years	April 1980 Joined Dentsu Inc. October 2000 Representative Director of nozomu.net (present post) January 2002 Part-time Director of Concent, Inc. June 2004 Representative Director of takibi, Inc. May 2008 Representative Director of Odayaka Living Co., Ltd. (present post) June 2010 Outside Director of the Company June 2011 Outside Corporate Auditor of Asahi Net, Inc. (present post) June 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present post) (Significant concurrent positions outside the Company) Representative Director of nozomu.net Representative Director of Odayaka Living Co., Ltd. Outside Corporate Auditor of Asahi Net, Inc. <ul style="list-style-type: none"> Reason for selecting him as an Outside Director candidate and outline of expected roles Reason for selecting him as a candidate: Given his abundant experience as a corporate manager and broad knowledge in the fields of advertisement, Internet services, etc., we have judged that he is an appropriate person to serve as a member of the Board of Directors of the Company and have selected him as a candidate for Outside Director. Expected roles: He is expected to advise, audit and supervise the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above. 	– shares (9,867 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company (Significant concurrent positions outside the Company)	No. of Company shares held
3	Eiji Uda (August 3, 1956) Reelection Outside Term of office: eight years	<p>April 1981 Joined IBM Japan, Ltd.</p> <p>January 1999 Senior General Manager and Manager of Information Service Industry Business Division of IBM Japan, Ltd.</p> <p>January 2001 Representative Director & President of SOFTBANK COMMERCE CORP. (present SoftBank Corp.)</p> <p>March 2004 Senior Vice President of salesforce.com, Inc.</p> <p>April 2004 Representative Director and President of salesforce.com, Co., Ltd.</p> <p>April 2012 Executive Vice President of salesforce.com, Inc.</p> <p>June 2014 Outside Director of the Company</p> <p>March 2016 Chairman and Representative Director of Unified Service Co., Ltd.</p> <p>April 2016 President and Representative Director of 4U Lifecare Inc.</p> <p>June 2016 Outside Director (Audit and Supervisory Committee Member) of the Company (present post)</p> <p>September 2017 Chairman and CEO of Yext KK</p> <p>December 2017 President, Chairman and Representative Director of Unified Service Co., Ltd.</p> <p>April 2018 Chairman and Director of 4U Lifecare Inc. (present post)</p> <p>June 2018 Chairman and Representative Director of Unified Service Co., Ltd. (present post)</p> <p>November 2020 Chairman of Yext KK (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Chairman and Representative Director of Unified Service Co., Ltd.</p> <p>Chairman and Director of 4U Lifecare Inc.</p> <p>Chairman of Yext KK</p> <p>● Reason for selecting him as an Outside Director candidate and outline of expected roles Reason for selecting him as a candidate: Given his abundant experience as a corporate manager and broad knowledge in the fields of IT business, Internet services, etc., we have judged that he is an appropriate person to serve as a member of the Board of Directors of the Company and have selected him as a candidate for Outside Director. Expected roles: He is expected to advise, audit and supervise the execution of duties by Directors from an objective and impartial standpoint based on his experience and knowledge mentioned above.</p>	– shares (– shares)

- Notes: 1. Takeshi Natsuno, Nozomu Yoshida and Eiji Uda are candidates for Outside Directors. Figures in parentheses in the column of “No. of Company shares held” by each candidate are equities in the Director’s shareholding society (Fractions smaller than one share are omitted).
2. Takeshi Natsuno concurrently holds the position of President of DWANGO Co., Ltd. and KADOKAWA CORPORATION, with which the Company has business relationship.
Eiji Uda concurrently holds the position of Chairman of Yext KK, with which the Company has business relationship.
No special interests between any other candidates for Outside Director and the Company.
3. The term of office of each candidate for Outside Director as Outside Director is the term of office at the conclusion of this Annual General Meeting of Shareholders.
4. Liability Limitation Agreement with Outside Directors
The Company has entered into, with Takeshi Natsuno, Nozomu Yoshida and Eiji Uda, the liability limitation agreement, which limits liability for damage under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act. The maximum amount of liability for damages under such agreements is one million yen or the amount provided for in Article 425, Paragraph 1 of the Companies Act, whichever is higher. If the reelection of Takeshi Natsuno, Nozomu Yoshida and Eiji Uda is approved, the Company intends to continue the liability limitation agreement.
5. The Company has registered Takeshi Natsuno and Nozomu Yoshida as independent executives stipulated by the Tokyo Stock Exchange. If the reelection of Takeshi Natsuno and Nozomu Yoshida is approved, the Company plans that both will continue to be independent executives.
6. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, under which Directors of the Company are insured persons, and plans to continue and renew the contract. When each candidate is reelected, they will become the insured persons under this insurance contract. Please refer to page 46 of the Business Report for the outline of this insurance contract.
7. In fiscal 2021, DWANGO Co., Ltd. and KADOKAWA CORPORATION, at which Takeshi Natsuno holds a concurrent position, outsourced certain businesses to the Company, but the amount of each business accounts for an insignificant part of consolidated sales of the Company (less than 2%). Conversely, the Company outsourced certain businesses to DWANGO Co., Ltd., but the amount of the businesses accounts for an insignificant part of consolidated sales of that company (less than 2%). There is no business outsourced by the Company to KADOKAWA CORPORATION. Accordingly, the Company has determined that his independence is ensured adequately.
8. A case of violation of laws and regulations at a company of which a candidate for Outside Director served as a director
DLE Inc. was found to have prepared past financial statements based on fraudulent accounting and restated its annual securities report and other financial documents on December 3, 2018, when Takeshi Natsuno, a candidate for Outside Director of the Company, was serving as an Outside Director of that company. As a result, stock of DLE Inc. was designated as Security on Alert by Tokyo Stock Exchange, Inc. on December 28, 2018, and the Financial Services Agency issued an order for payment of penalties to the company on April 18, 2019. The designation of Security on Alert was subsequently canceled on February 22, 2020. Takeshi Natsuno had not recognized the fraudulent accounting of DLE Inc. until it was discovered. However, he had regularly offered recommendations from the perspective of legal compliance as appropriate before the discovery and expressed opinions on measures to prevent recurrence and otherwise performed his duties appropriately after the discovery.
9. For the criteria for judging independence of Outside Directors of the Company, please refer to page 29.

Proposal No. 5: Election of One Director who is a Substitute Audit and Supervisory Committee Member

The Company proposes the election of one Director who is a substitute Audit and Supervisory Committee Member in case the number of serving Directors who are Audit and Supervisory Committee Members falls below the number required by law.

Further, this Proposal has been deliberated by the Nomination Committee, the majority of which is composed of independent Outside Directors, and has the consent of the Audit and Supervisory Committee.

Candidate for Director who is a substitute Audit and Supervisory Committee Member is as follows:

Name (Date of Birth)	Career summary and significant concurrent positions outside the Company	No. of Company shares held
<p>Miwa Tsurumori (February 10, 1977)</p> <p>Outside Independent executive</p>	<p>October 2006 Registered as a lawyer Joined Fairness Law Office</p> <p>October 2013 Joined Uchisaiwaicho Law Office</p> <p>April 2017 Lawyer of Toranomom 1-Chome Law Office (present post)</p> <p>February 2021 Outside Corporate Auditor of Twenty-four seven Inc. (present post)</p> <hr/> <p>● Reason for selecting her as an Outside Director candidate and outline of expected roles Reason for selecting her as an Outside Director candidate: Given her expertise and abundant experience in corporate legal affairs as a lawyer, we have judged that she is an appropriate person to serve as a member of the Board of Directors of the Company and have selected her as a candidate for substitute Outside Director. Although she does not have experience of involvement in corporate management, based on the above reason, she is deemed to be capable of appropriately performing the duties of Outside Director of the Company. Expected roles: She is expected to advise, audit and supervise the execution of duties by Directors from an objective and impartial standpoint based on her experience and knowledge mentioned above.</p>	<p>– shares</p>

- Notes: 1. Miwa Tsurumori is a candidate for a substitute Outside Director.
2. Miwa Tsurumori provides legal services under her maiden name (Matsutani).
3. No special interests exist between the Company and Miwa Tsurumori.
4. If Miwa Tsurumori assumes the office of Outside Director, the Company will enter into an agreement that limits the liability for damages provided for in Article 423, Paragraph 1 of the Companies Act with her pursuant to the provisions of Article 427, Paragraph 1 of the said Act. The maximum amount of liability for damages under such agreement is one million yen or the amount provided for in Article 425, Paragraph 1 of the Companies Act, whichever is higher.
5. The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company, under which Directors of the Company are insured persons, and plans to continue and renew the contract. If this candidate assumes the office of Outside Director, she will be the insured person under this insurance contract. Please refer to page 46 of the Business Report for the outline of this insurance contract.
6. If Miwa Tsurumori assumes the office of Outside Director, the Company will register her as an independent executive stipulated by the Tokyo Stock Exchange.
7. For the criteria for judging independence of Outside Directors of the Company, please refer to the next page.

(Reference) The criteria for judging independence of Outside Directors of the Company are as follows.

1. Outside Directors do not fall under any of the following items currently or during the past three years.
 - 1) An executive officer of a major customer of the Company*1 or a business operator of which the Company is a major customer*2
 - *1. A customer whose total purchases from the Company account for more than 2% of consolidated sales of the Company for any of the past three fiscal years
 - *2. A business operator whose total sales to the Company account for more than 2% of consolidated sales of said business operator for any of the past three fiscal years
 - 2) A consultant, accounting expert, tax expert, or legal expert who receives a large amount of money or other properties in addition to the remuneration for an officer from the Company*3
 - *3. Parties whose total remuneration from the Company exceeds 10 million yen for any of the past three fiscal years
 - 3) An executive officer of a nonprofit organization that receives large donations from the Company*4
 - *4. Organizations whose total donations from the Company exceed 10 million yen and 2% of the gross revenue for the said organization for any of the past three fiscal years
 - 4) Major shareholders of the Company*5 or their executive officers
 - *5. Party who holds 10% or more of total voting rights of the Company
2. A close relative within second degree of kinship of the Outside Director does not fall under any of the following items currently (excluding immaterial parties).
 - 1) Executive officer of the Company or its subsidiary
 - 2) A party who falls under 1) - 4) in 1. above.

(Reference) Composition of the Board of Directors (from June 22, 2022)

The expertise and experience possessed by each Director is indicated as below.

	Name	Corporate management	Management strategy Business strategy	Sales Marketing	Finance and accounting	Governance Compliance Risk management	Quality control IT/Digital	Global
Directors	Koji Funatsu	•	•	•		•		•
	Masataka Okuda	•	•	•			•	•
	Koichi Iwami	•	•				•	•
	Masaaki Muta		•	•			•	•
	Takeshi Kamiya		•		•	•		•
	Masatoshi Kouno		•	•			•	
	Kenshi Matsubara		•	•			•	
	Hiroshi Kaizuka		•	•			•	•
	Kiyoshi Shiraishi	•				•	•	
Outside Directors	Takeshi Natsuno (Audit and Supervisory Committee Member)	•	•	•			•	•
	Nozomu Yoshida (Audit and Supervisory Committee Member)	•	•	•	•	•		
	Eiji Uda (Audit and Supervisory Committee Member)	•		•		•		•
	Rehito Hatoyama		•		•	•		•
	Toru Shimada	•	•	•		•		
	Genichi Tamatsuka	•	•	•			•	
	Noriyoshi Suzuki	•	•	•				•

The table is not indicative of all the expertise and experience possessed by each individual.

BUSINESS REPORT
(from April 1, 2021 to March 31, 2022)

1. Business Overview of the Group

(1) Progress and Results of Operations

During the fiscal year ended March 31, 2022, while the Japanese economy remained in a severe situation due to the impact of the spread of COVID-19 (novel coronavirus), the number of new cases gradually declined owing to a progress in vaccination and the effects of measures taken by the Japanese and local governments. After the removal of the state of emergency declaration, some recovery was observed as a result of the gradual resumption of economic activities. Future uncertainty still persists, however, due to rising inflationary pressure, impacts of the tense situation in Ukraine, etc. in addition to the trend of COVID-19.

In the environment surrounding services in which the Group is engaged, in addition to firm demand for outsourcing services that increase efficiency of business performance, strengthen cost competitiveness, and lead to greater sales, there is a rising demand for services to respond to the promotion of digital transformation (DX), the expansion of contactless sales channels such as e-commerce, remote work, and business continuity measures under COVID-19 calamity.

In such a situation, the Group positively provided support for tasks and functions related to measures under COVID-19 calamity promoted by the Japanese and local governments as well as private enterprises as social infrastructure by taking advantage of the Group's large-scale operational capacity, in addition to positively promoting DEC and BPO services that support corporate management and business transformation as a digital transformation partner, all of which led to an increase in orders received. In the overseas market, the Group positively provided its services by developing new services and focusing on industries expanding under COVID-19 calamity such as e-commerce and food delivery. In terms of revenues, profitability improved as a result of improvement in the profitability of order reception services and the acquisition of highly profitable deals. On the other hand, as an effort for the future growth of the Group's business, the Group worked on strengthening the competitiveness of its services in Japan and abroad, creating and providing services for dealing with accelerating demand for DX in both private and public sectors, and strengthening the Group's organizational structure.

In the area of DEC service business, which provides one-stop support for marketing, sales, and customer communication, serving as a point of contact for client companies with their customers, the Group tried to expand and enhance services for supporting digital transformation in private and public sectors and to strengthen the Group's organizational structure.

In its efforts to expand and enhance its DEC services, the Group started providing services utilizing digital technology including LINE Official Account 100% Utilization Diagnostics service and the first contact center service equipped with LINE AiCall in Japan. In addition, with a view to diffusing home-based contact center services further, the Company started the full-scale operations of support desk services for home-based contact centers (CC). Furthermore, the Company devoted its effort to the provision of services for the public sector by promoting the provision to local governments of DEC Bot for Government, a chat bot service for creating an application for the issue of a proof of COVID-19 vaccination in advance online, and KANAMETO, a digital transformation tool utilizing LINE.

In its efforts for strengthening its organizational structure, the Company established a DX Promotion Division under Digital Marketing-E-Commerce-Contact Center Headquarters as an organization for further reinforcing collaboration in digital marketing, e-commerce and contact center (DEC) services and promoting the provision of integrated service using multiple channels.

In the area of BPO services, which optimize client companies' operations through the simple, speedy, and precise execution of their operational processes using digital technologies, the Group tried to enhance service quality for the expansion and enhancement of services that lead to cost optimization and for competitiveness reinforcement.

In its efforts for expanding and enhancing BPO services, the Group entered into a sales and service partner agreement with ServiceNow, Inc., which provides digital work flow solutions on a single integrated cloud platform. By deploying a platform provided by ServiceNow, Inc. on the operational infrastructure constituted by a broad range of BPO services offered by the Company, it is intended to support the maximization of IT related ROI (return on investment) by providing IT related tasks and functions ranging from service strategies to operations in an optimized manner. The Company also started to offer Business

Support AI Services, dedicated AI chat bot operations services for B2B businesses. By having chat bots paired with dedicated annotation trainers who perform real-time tuning reduce inquiry handling man-hours, it is intended to support response to inquiries about internal procedures and systems that have increased due to remote working.

In its efforts for reinforcing service quality, the Group was certified to the BSI Kitemark for Design and Construction based on ISO 19650-1 and ISO 19650-2 by BSI Group Japan. It is the first certification to the BSI Kitemark in the outsourcing industry, including business process outsourcing, in Japan. The ISO 19650 standard is an international standard indicating business processes for managing information over the whole life cycle of a built asset, from design, construction and maintenance to disposal, on the basis of building information modeling (BIM).

The Group will continue to strengthen efforts to become a good digital transformation partner for our client companies that can connect DEC services with BPO services seamlessly to support digital transformation by putting customer first.

The Group also expanded its service lineup and structure overseas, particularly in local markets in Asia. First of all, in South Korea, the Group started offering Global E-Commerce Service, which supports South Korean companies in opening and operating shops on Rakuten Ichiba. In addition, three new operational bases were established to expand and enhance the Group's operational framework in South Korea to enable providing outsourcing services at 14 operational bases with about 5,500 workstations as the leading independent BPO company in South Korea. In China, transcosmos CC China, a 100% subsidiary of the Company, started providing e-commerce store establishment and operation support and private domain marketing services on Douyin, the Chinese TikTok. In addition, the first operational base in the southwest area of China was established. In Southeast Asia, first of all, the Group reinforced the sales network targeting the ASEAN market and its global development framework in Singapore. In addition, new operational bases were established in Vietnam, the Philippines, Thailand, Malaysia, and Indonesia. Particularly, in Thailand and Malaysia, structures have been established for providing services supporting multiple languages. Besides, a framework for supporting cross-border e-commerce was reinforced through the partnership with Global-e (NASDAQ: GLBE) of Israel, which offers a global cross-border e-commerce platform. This will enable the Group to support Japanese brands and retailers in cross-border e-commerce business in over 200 countries and areas.

As a result of these efforts, a network that can provide services at 102 operational bases in 27 countries and areas overseas (as of the end of March 2022) has now been established, to provide a broad range of services supporting not only local companies but also many companies that are the Group's clients starting to operate overseas in their sales expansion and cost optimization.

As a result, consolidated operating results for the fiscal year ended March 31, 2022 were as follows. Net sales were 354,085 million yen (336,405 million yen for the previous year). As for profit, mainly owing to an increase in net sales and profitability, operating profit was 25,846 million yen (17,752 million yen for the previous fiscal year), ordinary profit was 28,902 million yen (18,012 million yen for the previous fiscal year), and profit attributable to owners of parent was 21,488 million yen (10,022 million yen for the previous fiscal year).

The operating results by segment are as follows.

The Company's services

As a result of factors such as increased demand for outsourcing services of the Company, net sales were 238,812 million yen (240,763 million yen for the previous fiscal year). Segment profit was 17,839 million yen (11,237 million yen for the previous fiscal year) mainly owing to profitability improvements in addition to an increase in orders received.

Domestic subsidiaries and affiliates

In domestic subsidiaries and affiliates, sales were 40,129 million yen (39,483 million yen for the previous fiscal year) because of strong orders received mainly at listed subsidiaries and BPO services subsidiaries. Segment profit was 3,687 million yen (3,603 million yen for the previous fiscal year) mainly owing to an increase in profit at some listed subsidiaries and BPO services subsidiaries.

Overseas subsidiaries and affiliates

In overseas subsidiaries and affiliates, sales were 86,498 million yen (69,105 million yen for the previous fiscal year) mainly because of an increase in orders received for services provided by our subsidiaries in

South Korea, China, and Southeast Asia. Segment profit was 4,342 million yen (2,914 million yen for the previous fiscal year) mainly owing to profitability improvements at subsidiaries in South Korea and Southeast Asia.

Segment profits are calculated based on operating profit on the Consolidated Statement of Income.

Since the Accounting Standard for Revenue Recognition and relevant ASBJ regulations have been applied from the beginning of the current fiscal year, as its major consequence, net sales and cost of sales of transactions in which the Company acts as an agent, which were previously presented as the total amount, have come to be presented as the net amount. For your information, the net sales for the previous fiscal year are restated by presenting transactions in which the Company acts as an agent in terms of the net amount instead of the total amount.

	(millions of yen)			
	(36 th Fiscal Term)	(37 th Fiscal Term)	Increase/decrease	Rate of Increase/decrease
Consolidated net sales	312,306	354,085	41,779	13.4%
The Company's services	218,825	238,812	19,987	9.1%
Domestic subsidiaries and affiliates	35,906	40,129	4,222	11.8%
Overseas subsidiaries and affiliates	67,690	86,498	18,808	27.8%
Intersegment elimination, etc.	(10,115)	(11,354)	(1,239)	(12.3)%

(2) Issues to Be Addressed

Basic Policy for Business Portfolio

The Group intends to optimize its business portfolio by primarily engaging globally in DEC (digital marketing, e-commerce, and contact center) services and BPO (business process outsourcing) services businesses, investing management resources into new businesses expected to be profitable and grow, and maximizing the Group's potential.

Medium-term management plan

The Company has stated in its corporate message that it wants to become the Global Digital Transformation Partner, i.e., the provider of new services that tap into digital technology to support client companies' transformation, formulated a medium-term management plan for the three years ended fiscal 2019, and has been implementing various measures from the three perspectives of "service innovation," "global expansion of services," and "becoming a strategic partner for client companies." By steadily executing this plan, we have been able to create new services utilizing digital applications to various businesses. On the other hand, aggressive business investments have caused a temporarily increase in sales and administrative costs, leaving room for improvement in terms of overall business profitability. It is also necessary to implement measures to accelerate the evolution of innovative services and businesses that we have explored so that we can respond to labor shortage and increases in personnel expenses, which are expected to continue going forward.

Therefore, the Company has formulated and promoted a new medium-term management plan for the three-year period from FY2020 to FY2022 to deploy new models that have been created by FY2019 on a large scale and accelerate the momentum toward becoming a "Global Digital Transformation Partner." Under the new medium-term management plan, we will focus on "people & technology," the origin of the business of the Company. In other words, we will solve customers' problems by providing high value-added solutions that combine professional talents and advanced technology to achieve high growth and profitability. To this end, in the existing business fields, we will work to lengthen the duration and increase the scale of customer relations based on the trust of customers. In addition, we will focus utmost efforts on the development of related fields in which demand is expected to increase in the future where the strength and customer relations of each business can be effectively applied. At the same time, to create new domains that can be our new pillars for the future, we will work to realize innovation by leveraging to a maximum

degree the group strengths of our subsidiaries and affiliates and joint ventures in which we have invested so far. By establishing a sustainable business model through these initiatives, we will make a steady progress toward becoming a “Global Digital Transformation Partner.”

Amid the spread of novel coronavirus infection, there is a possibility that the execution of the new medium-term management plan may be impacted due to the extent that the Company’s business and the business environment are impacted, and measures that prioritize “social responsibility to prevent the spread of infection” and “ensuring the safety of employees in accordance with obligations to look after the safety of workers,” which are the Company’s basic policies.

Basic Sustainability Policy

Under the fundamental management philosophy, “Client satisfaction is the true value of our company,” the Company wishes to realize a well-being society through co-creation with clients. The Company conceives it as the significance of its existence to promote SDGs and ESG as your sustainable transformation partner.

■ Efforts for Addressing Important Management Issues Concerning Sustainability

The Company is actively grappling with social issues and expectations in the three elements of ESG (Environment, Social, and Governance).

- Environment (E)

While an approach to global environmental conservation becomes essential as a sustainable transformation partner of client companies, it is intended to minimize business risks brought about by progression of climate changes by working to contribute to the satisfaction of green procurement requirements of client companies and a reduction in environmental load of society through the construction and operation of environment management systems compliant with ISO 14001 international standard and the provision of services leading to streamlined and labor-saving operations and environmentally friendly services.

- Social (S)

We are grappling with various social issues through the fulfillment of our responsibilities for the services that we provide, the promotion of diversity, and close attention to human rights and working conditions. In particular, to strengthen our human resources, which are the key driver to accelerate business growth and global expansion and to enable the continuous creation of value added, the Group is working to realize an environment in which employees with various backgrounds in terms of gender, nationality, and disability can be motivated).

- Governance (G)

We are strengthening the business foundation that is indispensable for business continuity, including corporate governance, risk management, compliance, and information security. Our specific initiatives for corporate governance are described in “To strengthen its corporate governance” on page 55.

(3) Status of Raising Funds

During the current fiscal year, the Company issued euro-yen denominated convertible bonds with stock acquisition rights due 2026 with the total amount of 10,000 million yen on December 14, 2021 (London time) as part of required funds of the Group.

(4) Status of Capital Investment

There is nothing significant to be noted during the current fiscal year.

(5) Transfers, Absorption-type Splits, or Incorporation-type Splits of Business

There is nothing significant to be noted during the current fiscal year.

(6) Acquisition of Businesses of Other Companies

There is nothing significant to be noted during the current fiscal year.

(7) Succession of Rights and Duties of Other Institutions in Relation to Mergers or Absorption-type Splits

There is nothing significant to be noted during the current fiscal year.

(8) Acquisition or Disposal of the Shares, Other Equities, or Stock Acquisition Rights of Other Companies

There is nothing significant to be noted during the current fiscal year.

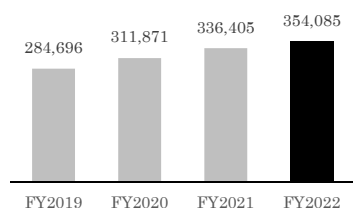
(9) Trends of Business Results and Assets of the Group

Category	FY 2019 (34 th Fiscal Term)	FY 2020 (35 th Fiscal Term)	FY 2021 (36 th Fiscal Term)	FY 2022 (current fiscal year) (37 th Fiscal Term)
Net sales (millions of yen)	284,696	311,871	336,405	354,085
Ordinary income (millions of yen)	5,394	8,954	18,012	28,902
Profit attributable to owners of parent (millions of yen)	4,433	6,279	10,022	21,488
Profit per share (yen)	106.90	151.40	241.65	518.12
Total assets (millions of yen)	135,268	143,985	175,883	218,455
Net assets (millions of yen)	74,915	77,969	92,516	120,880
Net assets per share (yen)	1,725.27	1,788.95	2,069.01	2,723.29

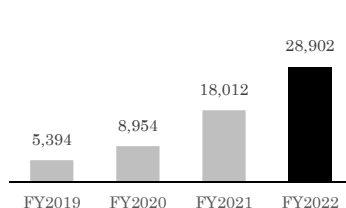
Notes:

- Profit per share is calculated by deducting the average number of treasury stock in each fiscal term from the average total number of shares issued in each fiscal term. Net assets per share is calculated by deducting the number of treasury stock as of end of the term from the total number of issued shares as of end of the term.
- Effective from the beginning of the 34th Fiscal Term, the Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018), etc. Accordingly, deferred tax assets are presented in the “investments and other assets” section and deferred tax liabilities in the “fixed liabilities” section.
- Effective from the beginning of the 37th Fiscal Term, the Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations.

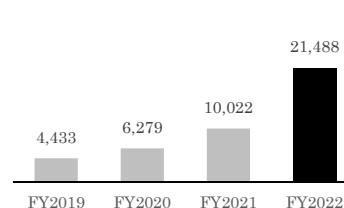
Net sales
(millions of yen)



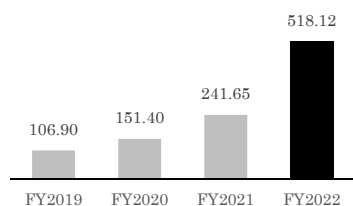
Ordinary income



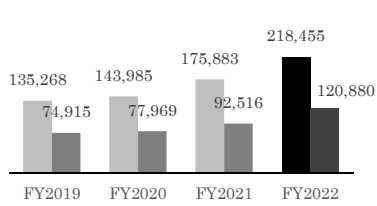
Profit (loss) attributable to owners of parent
(millions of yen)



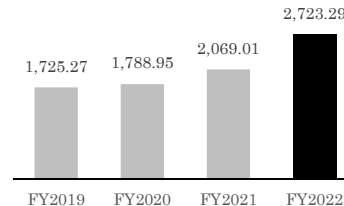
Profit (loss) per share



(yen) Total assets/Net assets



Net assets per share



(10) Status of Parent Company and Major Subsidiaries

1) Relationship with the parent company

Not applicable.

2) Major subsidiaries

Name	Capital	Ratio of voting	Principal business
J-Stream Inc.	2,182 million yen	50.35%	Data distribution service business using the Internet
APPLIED TECHNOLOGY CO., LTD.	600 million yen	60.24%	System integration business for GIS/manufacturers
transcosmos Korea Inc.	KRW5,302 million	99.99%	DEC Services in Korea, BPO Services
transcosmos CC China	RMB153 million	100.00%	DEC Services in China

(11) Principal Business of the Group (As of March 31, 2022)

DEC (Digital Marketing/E-Commerce/Contact Center) Services
The Group provides services that integrate digital marketing services, e-commerce one-stop services and contact center services and support improvement of customer experience through the elimination of boundaries among marketing, sales and support at diversifying points of contact between companies and consumers. Integrating our long-standing, proven know-how on consumer communication and digital technology with our global service network, we support improvement of customer loyalty for clients as well as to expand their sales and profits.
BPO (Business Process Outsourcing) Services
The Group provides services supporting back office operations including accounting, finance and human resources management, order reception and placement operations, information system operation and maintenance, machine and architectural design, etc. Leveraging the digital technology-based automation and the digital platform, the Group simplifies clients' business process and supports its operation.

(12) Principal Business Offices of the Group (As of March 31, 2022)

Office	Location
Headquarters	Sunshine 60 Bldg., 3-1-1, Higashiikebukuro, Toshima-ku, Tokyo
Main Office	Shibuya First Tower 1-2-20, Higashi, Shibuya-ku, Tokyo
Head Office, Branch Offices and Business Offices	Osaka, Nagoya, Kyoto, Wakayama, Fukuoka, Silicon Valley
Domestic Offices	Sapporo, Aomori, Sendai, Kawaguchi, Ichikawa, Tokyo, Yokohama, Nagoya, Osaka, Kobe, Wakayama, Fukuoka, Nagasaki, Sasebo, Kumamoto, Oita, Miyazaki, Naha, Okinawa, Uruma
Overseas Offices	China, South Korea, Taiwan, Vietnam, Philippines, Thailand, Malaysia, Indonesia, Singapore, UAE, Norway, Finland, Sweden, U.K., Estonia, Denmark, Poland, Ukraine, Belgium, Hungary, South Africa, Canada, U.S.A., Mexico, Colombia, Brazil, Argentine

Note: Offices of the Group companies are included in the above.

(13) Employees (As of March 31, 2022)

1) Employees of the Group

Segment	Number of employees	Number of temporary employees
The Company's services	16,462	22,844
Domestic subsidiaries and affiliates	2,125	2,212
Overseas subsidiaries and affiliates	21,283	4,586
Total	39,870	29,642

2) Employees of the Company

Number of employees	Year-on-year change	Average age	Average length of service
16,462 (22,844)	+ 513(- 71)	37 years, 1 month	9 years, 1 month

Notes:

1. "Number of employees" refers to the number of employees actually working at the Company. Number of temporary employees is separately indicated in parentheses, which shows the average number in the current fiscal year.
2. A comparison with the end of the previous fiscal year by segment is as follows:
 - The Company's services Number of employees up by 513, Number of temporary employees down by 71
 - Domestic subsidiaries and affiliates Number of employees up by 243, Number of temporary employees up by 243
 - Overseas subsidiaries and affiliates Number of employees up by 3,354, Number of temporary employees up by 1,555

Among segments indicated above, the number of employees and temporary workers of "Domestic subsidiaries and affiliates" segment increased by 12.6% compared with that at the end of the previous fiscal year, and that of "Overseas subsidiaries and affiliates," by 23.4%. This is mainly due to an increase in employees and temporary workers by some of our subsidiaries in response to an increase in orders received.

(14) Major Creditors (As of March 31, 2022)

Creditor	Outstanding loans
Sumitomo Mitsui Banking Corporation	13,126 million yen
MUFG Bank, Ltd.	2,000 million yen
Sumitomo Mitsui Banking Corporation Europe Limited	1,562 million yen
Mizuho Bank Ltd.	1,000 million yen

2. Matters Concerning Shares of the Company (As of March 31, 2022)

- (1) Total number of shares authorized to be issued: 150,000,000 shares
- (2) Total number of shares issued: 48,794,046 shares
(number of shares constituting one unit: 100 shares)
- (3) Number of shareholders at end of the fiscal year: 10,328
(of which 8,137 shareholders hold unit shares)
- (4) Top ten major shareholders

Name	Number of shares held (thousands of shares)	Shareholding ratio (%)
Masataka Okuda	5,937	14.3
Koki Okuda	5,498	13.3
Master Trust Bank of Japan, Ltd. (Account in Trust)	3,865	9.3
transcosmos foundation, Public Interest Incorporated Foundation	3,753	9.0
Custody Bank of Japan, Ltd. (Account in Trust)	2,410	5.8
Mihoko Hirai	1,463	3.5
THE BANK OF NEW YORK MELLON 140042	1,015	2.4
HM Kosan, Ltd.	722	1.7
Employee Shareholding Association of transcosmos inc.	665	1.6
STATE STREET BANK AND TRUST COMPANY 505103	552	1.3

Notes:

1. Although the Company holds 7,320 thousand shares of treasury stock, it is excluded from the top ten major shareholders above. Shareholding ratio is calculated by excluding treasury stock.
2. Number of shares held less than one thousand is rounded down to the nearest thousand.
3. Shareholding ratio is rounded off to the nearest first decimal.

3. Matters Concerning the Stock Acquisition Rights, etc. of the Company (As of March 31, 2022)

(1) Stock Acquisition Rights, etc. Held by the Company's Officers

Not applicable.

(2) Stock Acquisition Rights Delivered to the Company's Employees during the Fiscal Year

Not applicable.

(3) Other Significant Matters Concerning the Stock Acquisition Rights, etc.

What follows is the outline of the stock acquisition rights attached to euro-yen denominated convertible bonds with stock acquisition rights due 2026 issued in accordance with the resolution of the Board of Director at its meeting held on November 25, 2021.

Date of issuance	December 14, 2021 ^(Note 1.)
Number of stock acquisition rights	1,000 units
Type and number of shares subject to stock acquisition rights	Common stock of the Company Number obtained by dividing the par value of the bond portion of these convertible bonds with stock acquisition rights (10,000,000 yen with the total par value of 10,000,000,000 yen) by the conversion price
Amount to be paid in for stock acquisition rights	None
Conversion price	4,154 yen
Exercise period	From December 28, 2021 (inclusive) to November 30, 2026 (inclusive, until the end of bank business hours) ^(Note 2)

Notes: 1. London time

2. Local time of the place where exercise request is accepted

4. Corporate Officers (As of March 31, 2022)

(1) Directors and Audit and Supervisory Committee Members

Position	Name	Assignment or principal responsibilities and significant concurrent positions
Founder, Representative Director & Group CEO	Koki Okuda	Group Chief Executive Officer
Chairman, Representative Director & CEO	Koji Funatsu	Chief Executive Officer in charge of Compliance Promotion Department Outside Director, Member of the Board of KADOKAWA CORPORATION Outside Director of DeNA Co., Ltd.
President, Representative Director & COO	Masataka Okuda	Chief Operating Officer and Chief of Business Development Sector
Representative Director, Executive Vice President	Koichi Iwami	Chief of Global Business Headquarters, in charge of DEC Headquarters, Services Promotion Sector, and Diversity Promotion Department Chairman, Director & CEO of transcocosmos Korea Inc.
Director, Executive Vice President	Masaaki Muta	Co-Chief of DEC Headquarters, Co-Chief of Sales Headquarters, Deputy Chief of Global Business Headquarters, and in charge of DEC Headquarters and AE Sector
Director, Executive Vice President	Takeshi Kamiya	General Manager of Corporate Strategy Division, Chief of Corporate Management Sector, Deputy Chief of Business Development Sector, and General Manager of Global E-Commerce/Direct Sales Promotion Division of Business Development Sector
Director, Executive Vice President	Masatoshi Kouno	Chief of Business Process Outsourcing Services Headquarters, Chief of Services Promotion Sector, and Head of Business Development Office of BPO Services Headquarters
Director, Senior Corporate Executive Officer	Kenshi Matsubara	Co-Chief of DEC Headquarters and Chief of Digital Customer Communication Sector of DEC Headquarters
Director, Senior Corporate Executive Officer	Hiroshi Kaizuka	Co-Chief of Sales Headquarters
Director, Corporate Executive Officer & CTO	Kiyoshi Shiraiishi	Deputy Chief of Services Promotion Sector and in charge of Digital Technology Promotion Division of Services Promotion Sector Chairman and Representative Director of J-Stream Inc.
Outside Director (Audit and Supervisory Committee Member)	Takeshi Natsuno	Guest Professor of Keio University, Graduate School of Media and Governance President of Dwango Co., Ltd. Outside Director of GREE, Inc. Outside Director of USEN-NEXT HOLDINGS Co., Ltd. Outside Director of Oracle Corporation Japan President, Member of the Board of KADOKAWA CORPORATION Special Guest Professor and Head of Cyber Informatics Research Institute of Kindai University
Outside Director (Audit and Supervisory Committee Member)	Nozomu Yoshida	Representative Director of nozomu.net Representative Director of Odayaka Living Co., Ltd. Outside Corporate Auditor of Asahi Net, Inc.
Outside Director (Audit and Supervisory Committee Member)	Eiji Uda	Chairman and Representative Director of Unified Service Co., Ltd. Chairman and Director of 4U Lifecare Inc.

Position	Name	Assignment or principal responsibilities and significant concurrent positions
		Chairman of Yext KK
Outside Director	Rehito Hatoyama	Outside Director of Pigeon Corporation Representative Director of Hatoyama Soken Corporation Outside Director of Z Holdings Corporation
Outside Director	Toru Shimada	Outside Director of MITANI SANGYO Co., Ltd. Outside Director of Visional Inc.
Outside Director	Genichi Tamatsuka	Representative Director and President of Lotte Holdings Co., Ltd. Chairman of JAPAN RUGBY LEAGUE ONE
Outside Director	Noriyoshi Suzuki	Representative Director & President of LES ROIS MAGES JAPON

Notes:

1. Changes to Director during the fiscal year are as follows:

Director Hiroshi Kaizuka was elected at the 36th Annual General Meeting of Shareholders held on June 23, 2021, and took office.

Director Shunsuke Sato retired due to the expiration of his term of office at the conclusion of the 36th Annual General Meeting of Shareholders held on June 23, 2021.

Representative Director Koki Okuda resigned from Representative Director on March 31, 2022.

2. Outside Directors (Audit and Supervisory Committee Members) Takeshi Natsuno, Nozomu Yoshida and Eiji Uda possess considerable expertise and experience in finance and accounting on account of their experience as managers.

3. The Company establishes the Internal Audit Office that assists the duties of the Audit and Supervisory Committee. Since the Company considers that the Internal Audit Office exclusively engages in internal control operations and sufficiently supports the functions of the Audit and Supervisory Committee, it does not appoint any full-time Audit and Supervisory Committee Member.

4. The Company has designated Outside Directors Takeshi Natsuno, Nozomu Yoshida, Eiji Uda, Rehito Hatoyama, Toru Shimada, Genichi Tamatsuka, and Noriyoshi Suzuki as independent executives stipulated by the Tokyo Stock Exchange, and registered them with the exchange as such.

5. Liability Limitation Agreement

The Company has entered into, with Outside Directors Takeshi Natsuno, Nozomu Yoshida, Eiji Uda, Rehito Hatoyama, Toru Shimada, Genichi Tamatsuka, and Noriyoshi Suzuki, the liability limitation agreement, which limits liability for damage under Article 423, Paragraph 1 of the Companies Act pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act.

The maximum amount of liability for damages under such agreement is 1 million yen or the amount provided for in Article 425, Paragraph 1 of the Companies Act, whichever is higher.

6. “DEC,” “AE” and “DS” used in “Assignment or principal responsibilities and significant concurrent positions” of each Director are abbreviations for “Digital Marketing/E-Commerce/Contact Center,” “Account Executive” and “Direct Sales,” respectively. The same abbreviations apply also to (Reference) Directors and Audit and Supervisory Committee Members (As of April 1, 2022) on the next page.

(Reference) Directors and Audit and Supervisory Committee Members (As of April 1, 2022)

Position	Name	Assignment or principal responsibilities and significant concurrent positions
Chairman, Representative Director & CEO	Koji Funatsu	Chief Executive Officer in charge of Compliance Promotion Department Outside Director, Member of the Board of KADOKAWA CORPORATION Outside Director of DeNA Co., Ltd.
President, Representative Director & COO	Masataka Okuda	Chief Operating Officer and Chief of Business Development Sector
Representative Director, Executive Vice President	Koichi Iwami	Chief of Global Business Headquarters, in charge of DEC Headquarters, Services Promotion Sector, and Diversity Promotion Department Chairman, Director & CEO of transcocosmos Korea Inc.
Director, Executive Vice President	Masaaki Muta	Co-Chief of DEC Headquarters, Co-Chief of Sales Headquarters, Deputy Chief of Global Business Headquarters, and in charge of DEC Headquarters, AE Sector and Marketing Division
Director, Executive Vice President	Takeshi Kamiya	General Manager of Corporate Strategy Division, Chief of Corporate Management Sector, Deputy Chief of Business Development Sector, and in charge of Global E-Commerce/Direct Sales Promotion Division of Business Development Sector
Director, Executive Vice President	Masatoshi Kouno	Chief of Business Process Outsourcing Services Headquarters, Chief of Services Promotion Sector, and Head of Business Development Office of BPO Services Headquarters
Director, Senior Corporate Executive Officer	Kenshi Matsubara	Co-Chief of DEC Headquarters
Director, Senior Corporate Executive Officer	Hiroshi Kaizuka	Co-Chief of Sales Headquarters
Director, Corporate Executive Officer & CTO	Kiyoshi Shiraiishi	Deputy Chief of Services Promotion Sector and in charge of Digital Technology Promotion Division of Services Promotion Sector Chairman and Representative Director of J-Stream Inc.
Founder, Director	Koki Okuda	-
Outside Director (Audit and Supervisory Committee Member)	Takeshi Natsuno	President of Dwango Co., Ltd. Outside Director of GREE, Inc. Outside Director of USEN-NEXT HOLDINGS Co., Ltd. Outside Director of Oracle Corporation Japan President, Member of the Board of KADOKAWA CORPORATION Special Guest Professor and Head of Cyber Informatics Research Institute of Kindai University
Outside Director (Audit and Supervisory Committee Member)	Nozomu Yoshida	Representative Director of nozomu.net Representative Director of Odayaka Living Co., Ltd. Outside Corporate Auditor of Asahi Net, Inc.
Outside Director (Audit and Supervisory Committee Member)	Eiji Uda	Chairman and Representative Director of Unified Service Co., Ltd. Chairman and Director of 4U Lifecare Inc. Chairman of Yext KK
Outside Director	Rehito Hatoyama	Outside Director of Pigeon Corporation Representative Director of Hatoyama Soken Corporation Outside Director of Z Holdings Corporation
Outside Director	Toru Shimada	Outside Director of MITANI SANGYO Co., Ltd.

Position	Name	Assignment or principal responsibilities and significant concurrent positions
		Outside Director of Visional Inc.
Outside Director	Genichi Tamatsuka	Representative Director and President of Lotte Holdings Co., Ltd. Chairman of JAPAN RUGBY LEAGUE ONE
Outside Director	Noriyoshi Suzuki	Representative Director & President of LES ROIS MAGES JAPON

(Note) Koki Okuda ceases to be a Director since he passed away on April 2, 2022.

(2) Outside Corporate Officers

Significant concurrent positions outside the Company and relationship with these companies

Category	Name	Companies with which concurrent positions are held	Concurrent position	Relationship between the Company and these companies
Outside Director (Audit and Supervisory Committee Member)	Takeshi Natsumo	DWANGO Co., Ltd.	Representative Director	The Company has a business relationship with USEN-NEXT HOLDINGS Co., Ltd and companies other than Kindai University
		GREE, Inc.	Outside Director	
		USEN-NEXT HOLDINGS Co., Ltd.	Outside Director	
	Nozomu Yoshida	Oracle Corporation Japan	Outside Director	There is no special relationship between each company and the Company.
		KADOKAWA CORPORATION	President, Member of the Board	
		Kindai University	Special Guest Professor	
	Eiji Uda	nozomu.net	Representative Director	The Company has a business relationship with Yext KK. There is no special relationship between the other companies and the Company.
		Odayaka Living Co., Ltd.	Representative Director	
		Asahi Net, Inc.	Outside Corporate Auditor	
Outside Director	Rehito Hatoyama	Unified Service Co., Ltd.	Representative Director	The Company has a business relationship with Pigeon Corporation. There is no special relationship between the other companies and the Company.
		4U Lifecare Inc.	Director	
		Yext KK	Representative Director	
	Toru Shimada	MITANI SANGYO Co., Ltd.	Outside Director	
Genichi Tamatsuka	Visional Inc.	Outside Director		
	Noriyoshi Suzuki	Lotte Holdings Co., Ltd.	Representative Director & President	There is no special relationship between each company and the Company.
		JAPAN RUGBY LEAGUE ONE	Chairman	
		LES ROIS MAGES JAPON	Representative Director & President	There is no special relationship between LES ROIS MAGES JAPON and the Company.

(3) Principal Activities of Outside Corporate Officers

Principal Activities at Board of Directors' and Audit and Supervisory Committee Meetings during the current fiscal year

Attendance at Board of Directors' Meetings

Outside Directors (who are Audit and Supervisory Committee Members)		Outside Director	
Takeshi Natsuno	Number of meetings attended 13/13	Rehito Hatoyama	Number of meetings attended 13/13
Nozomu Yoshida	Number of meetings attended 13/13	Toru Shimada	Number of meetings attended 12/13
Eiji Uda	Number of meetings attended 13/13	Genichi Tamatsuka	Number of meetings attended 13/13
		Noriyoshi Suzuki	Number of meetings attended 12/13

Note: In addition to the above number of meetings of the Board of Directors, there were five written resolutions that were deemed to be made by the Board of Directors in accordance to provisions of Article 370 of the Companies Act and Article 23 of the Articles of Incorporation of the Company.

Attendance at Audit and Supervisory Committee meetings

Outside Directors (who are Audit and Supervisory Committee Members)	
Takeshi Natsuno	Number of meetings attended 13/13
Nozomu Yoshida	Number of meetings attended 13/13
Eiji Uda	Number of meetings attended 13/13

Comments at Board of Directors' Meetings and Outline of Duties Executed in Relation to Roles Expected of Outside Directors

At Board of Directors' meetings, each Outside Director actively stated his or her opinion including the provision of supervision, advice, etc., from an expert and impartial standpoint and played appropriate roles in ensuring the validity and appropriateness of decision making and business execution.

Comments at Audit and Supervisory Committee Meetings

At Audit and Supervisory Committee Meetings, each Outside Director (Audit and Supervisory Committee Member) asked questions and made statements on business operation and management status of the Company and Group companies, as necessary, to audit the execution of duties by Directors and employees.

(4) Outline of the Directors and Officers Liability Insurance Contract

The Company has entered into a directors and officers liability insurance contract stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company. The scope of the insured persons under this insurance contract includes Directors and Executive Officers of the Company and Directors, Statutory Auditors and Executive Officers of (certain) subsidiaries. This insurance contract is to compensate for any damage to Directors who are the insured persons that may arise from any liability owed by them in relation to their execution of duties or any claims made against them in relation to the pursuit of such a liability. The contract is subject to certain exemptions from liability to prevent the appropriateness of the execution of duties by the officers of the Company who are the insured persons from being impaired. For example, any such damage as described above will not be reimbursed if it has arisen from an act contrary to public order and morality. The insurance premiums of this contract are fully borne by the Company.

(5) Remuneration paid to Directors

Regarding the remuneration for each Director during the current fiscal year, the Board of Directors has taken measures to ensure that appropriate supervision is provided by the Audit and Supervisory Committee, which is composed of Outside Directors, so that the authority to determine the remuneration for each Director is properly exercised by the Management Meeting. As the remuneration paid to each Director has been determined in accordance with this procedure, the Board of Directors has determined that the details of the remuneration are in line with the determination policy.

With regard to bonuses, the amount of bonuses for each Director is determined upon deliberation by the Remuneration Committee established in December 2021.

The policy on determination of the details of remuneration for each Director is as follows.

<FY 2021>

The remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall, in principle, consist only of monetary remuneration, which is paid regularly on a monthly basis during the term of office.

The remuneration paid to Inside Directors among the Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined based on the evaluation of performance of each Director for each fiscal year for the purpose of making each Director responsible for his/her own performance for each year to achieve the targets of the medium-term management plan.

In addition to the monthly remuneration, bonuses for Directors may be provided during their term of office, if it is judged to be particularly reasonable to provide such bonuses in consideration of the short-term business results of the Company and the business environment, etc.

The remuneration paid to Outside Directors among the Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be a fixed amount in consideration of their job responsibilities, such as the provision of advice and supervision at the Board of Directors.

The remuneration paid to Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by the Management Meeting exercising its authority entrusted by the Board of Directors. The Management Meeting shall determine the amount paid for Inside Directors after fairly evaluating their performance and other relevant factors and the amount paid for Outside Directors in consideration of their job responsibilities, such as the provision of advice and supervision at the Board of Directors. The determination process shall be properly supervised by the Audit and Supervisory Committee.

The Management Meeting is composed of three members: Founder, Representative Director & Group CEO Koki Okuda; Chairman, Representative Director & CEO Koji Funatsu; and President, Representative Director & COO Masataka Okuda ^(Note). It has the authority to determine the remuneration paid to each Director. The reason for the entrustment was that the Management Meeting was considered to be suitable for evaluating the department of which each Director is in charge while taking into consideration the business performance of the Company as a whole.

The remuneration paid to Directors who are Audit and Supervisory Committee Members is determined through discussion among Directors who are Audit and Supervisory Committee Members.

Note: He resigned as Representative Director on March 31, 2022 and ceased to be a member of the Management Meeting on the same day.

The policy on determination for FY2022 was changed in the following respects.

<FY 2022>

Under the new remuneration system to be put into operation in FY2022, medium- to long-term performance-based remuneration, linked to medium- to long-term performance (net sales and profit), was introduced. In addition, the Company has established a Remuneration Committee, the majority of which is composed of independent Outside Directors. After deliberation by the Remuneration Committee, the Management Meeting, which has been delegated by the Board of Directors, determines the remuneration, etc. for individual Directors (excluding Directors who are Audit and Supervisory Committee Members).

Category	Number of Persons paid	Amount paid
Directors (excluding Directors who are Audit and Supervisory Committee Members) (Outside Directors who are among the above)	15 (4)	¥498 million (¥72 million)
Directors (who are Audit and Supervisory Committee Members) (Outside Directors who are among the above)	3 (3)	¥52 million (¥52 million)
Total (Outside Directors who are among the above)	18 (7)	¥551 million (¥124 million)

Notes:

1. The amount of remuneration paid to Directors (excluding Directors who are Audit and Supervisory Committee Members) includes the amount of their bonuses of 50 million yen approved by the Board of Directors at its meeting held on February 28, 2022.
2. The amount of monetary remuneration paid to Directors was resolved not to exceed 800 million yen per year (including monetary remuneration paid to Outside Directors, which shall not exceed 100 million yen per year) at the 31st Annual General Meeting of Shareholders held on June 22, 2016. (These amounts do not include any salaries that Directors who double as employees receive as an employee.) The number of Directors (excluding Directors who were Audit and Supervisory Committee Members) was 16 (including three Outside Directors) at the conclusion of the General Meeting of Shareholders.
3. The amount of monetary remuneration paid to Directors who are Audit and Supervisory Committee Members was resolved not to exceed 60 million yen per year at the 31st Annual General Meeting of Shareholders held on June 22, 2016. The number of Directors who were Audit and Supervisory Committee Members was three as at the conclusion of the General Meeting of Shareholders.

5. Status of the Accounting Auditor

(1) Name of the Accounting Auditor

PricewaterhouseCoopers Aarata LLC

(2) Remuneration paid to the Accounting Auditor during the current fiscal year

Total remuneration to be paid during the current fiscal year of the Company (Note1)	¥104 million
Total amount of money and other profits from properties to be paid by the Company and its subsidiaries to the Accounting Auditor	¥76 million

Notes:

1. The Audit agreement between the Company and the Accounting Auditor does not separate or is unable to effectively separate audit remunerations for audits under the Companies Act and audit remunerations for audits under the Financial Instruments and Exchange Act. Accordingly, the amount described above does not separate these two types of payment.
2. As a result of checking and examining, among others, the Accounting Auditor’s audit plan, execution of auditing duties, and grounds for calculating the estimate of remuneration, the Audit and Supervisory Committee gave its consent to the remuneration, etc., for the Accounting Auditor.

(3) Matters concerning audits of subsidiaries

Among the major subsidiaries of the Company, transcosmos Korea Inc. and transcosmos CC China underwent legal audits by certified public accountants or accounting auditor other than the Company’s Accounting Auditor (including overseas accountants with qualifications similar to those of these accountants).

(4) Non-auditing service

The Company pays accounting auditor’s compensation for services, etc. relating to agreed procedures, other than the service as provided in Article 2, Paragraph 1 of the Certified Public Accountants Act.

(5) Summary of the Liability Limitation Agreement

Not applicable.

(6) Policy on determining the dismissal or non-reappointment of the Accounting Auditor

If any of the provisions of Article 340, Paragraph 1 of the Companies Act applies to the Accounting Auditor, the Audit and Supervisory Committee will dismiss the Accounting Auditor upon the unanimous approval of Audit and Supervisory Committee Members. If it is judged necessary to do so, such as if there are obstacles to the Accounting Auditor executing its duties, the Audit and Supervisory Committee will decide a proposal for dismissal or non-reappointment of the Accounting Auditor; and the Board of Directors will submit the said proposal to the General Meeting of Shareholders.

6. Corporate Structure and Policies

(1) Basic Policy for Internal Control System

The basic policy concerning the system to ensure the appropriateness of business (the so-called internal control system) approved by the Board of Directors of the Company is as follows:

- 1) Corporate structure to ensure legal compliance and compliance with the Articles of Incorporation in the execution of duties by Directors

In order to satisfy corporate social responsibility, compliance with laws and regulations, and compliance with the Articles of Incorporation, the Company ensures that Directors adhere to the Compliance Charter, the Code of Conduct, and the Compliance Rules in the execution of duties. The Company will further raise the awareness of all of the Directors on matters of compliance through training sessions on compliance and ensure the execution of duties based on these principles.

The Board of Directors' Meeting, which is to be held once a month in principle, will be operated in accordance to the Board of Directors Regulations. Communication among the Directors is encouraged, and the Directors will oversee the execution of one another's duties. The Directors who are Audit and Supervisory Committee Members will monitor the execution of the duties of the Directors.

Through the implementation of the laws and regulations related to internal control, the Company has once again drawn up a set of basic plans for the establishment of a stronger system for internal control, with the cooperation and support of attorneys, certified public accountants, and other external consultants.

- 2) System for the storage and management of information in relation to the execution of duties by the Directors

Important decision-making and reports are made in accordance with the Board of Directors Regulations.

Documents related to the execution of duties and other information shall be handled in compliance with the Document Approval Rules, Document Management Rules, Contract Handling Rules, Information Management Rules, and Information Security Management Rules. Inspections will be carried out to confirm whether these rules are applied properly, and each rule will be reviewed as necessary.

The administrative work related to these matters, including the inspections to confirm whether the rules are applied and the reviews of the procedures, will be managed under the control of the General Manager of the Legal Division for Document Approval Rules, Document Management Rules and Contract Handling Rules, as well as the General Manager of the Compliance Promotion Department for Information Management Rules and Information Security Management Rules, and reported to the Board of Directors in a timely manner.

To ensure efficient execution of business, the Company shall endeavor to further promote a system for the rationalization of business and implementation of the IT system.

- 3) Rules related to the management of the risk of loss and other systems

As stipulated under the Internal Audit Regulations, the Internal Audit Office will prepare an audit plan based on careful consideration of the items to be audited and the audit methods, conduct the audit in accordance with the plan, and report on the results of those audits in line with the instructions and orders of the President and Audit and Supervisory Committee.

If any breach of laws, regulations, or the Articles of Incorporation is found through an audit by the Internal Audit Office, or if any business act which may lead to a risk of loss due to other causes is found, the matter shall be reported immediately to the President and Audit and Supervisory Committee.

The Compliance Promotion Department will be in charge of risk management in accordance with the basic rules on risk management.

Each department will conduct risk management in relation to its respective sector and build a system to report matters promptly to the Compliance Promotion Department in case a risk of loss is discovered. To facilitate the collection of risk information, the Company will familiarize the employees with the importance of the existence of the Compliance Promotion Department and instruct them to promptly report any risk of loss they discover through the organization.

The Company will formulate rules for an internal reporting system by creating hotlines in order to establish an environment in which internal whistleblowers may easily provide information. The Company will implement appropriate reporting and consultation concerning organized or individual frauds and illegal activities, etc. through an internal reporting system in which Directors and employees can report directly to Audit and Supervisory Committee or take other actions. Through this measure, the Company will strive to discover and correct all irregularities promptly, while ensuring confidence of customers and stakeholders, etc., by preventing irregularities such as frauds and illegal activities related to business of the Company and maintaining a favorable working environment.

The information management system will be enhanced based on privacy marks and other personal information protection regulations.

4) System to ensure the efficient execution of duties by the Directors

The Company will ensure the efficient performance of business as well as evaluate Directors on the basis of their performance for each year and their medium- to long-term performance and issue remuneration by drawing up an annual plan and medium-term management plan, etc., clarifying the objectives to be achieved by the Company, clarifying the organization and business targets with which each Director will be charged, and then by having the Board of Directors review the level of target achievements and feedback the results.

In accordance with the Board of Directors Regulations, the Rules on the Division of Authorities, and the Document Approval Rules, the Company will clarify the authoritative powers and the responsibilities of the Directors.

The Board of Directors will manage and oversee the execution of business by the Executive Officers.

Decisions on significant matters entrusted by the Board of Directors in accordance with the rules of Management Meeting shall be made promptly and with care at the Management Meeting.

5) System to ensure that the execution of duties by the employees complies with laws and regulations, and the Articles of Incorporation

The Company will see to it that all of employees follow the Compliance Charter, Code of Conduct, and Compliance Rules, to ensure that the employees fulfill their social responsibilities and comply with all relevant laws and regulations, and the Articles of Incorporation in the execution of their duties.

Anti-social elements threatening the order and safety of civil society will be approached with a resolute attitude by the organization as a whole and an internal system excluding business and all other relationships with these elements shall be developed based on the Code of Conduct.

The Compliance Promotion Department will name Corporate Officer in charge of the department as the responsible person, and plan for and implement compliance programs regularly. The Company will raise employees' knowledge of compliance and create a mindset that adheres to compliance by holding training sessions on compliance and preparing and distributing manuals.

6) System for reporting to the Company matters concerning execution of duties by Directors and employees of subsidiaries

The Company will establish an internal system for regularly reporting to the Company about subsidiaries' performance, financial situation, and other important information in accordance with the management rules of the affiliated companies stipulated by the Company.

7) Rules for managing subsidiaries' risk of loss and other systems

In order to confirm if there is risk information on the Company group, made up of the Company and its subsidiaries (hereinafter referred to as the "Group"), the departments of the Company in charge of subsidiaries will conduct necessary risk management in accordance with the management rules of the affiliated companies, as called for by the situations of the subsidiaries.

If the departments of the Company, in charge of the subsidiaries discover any risk of loss at the subsidiaries, it will promptly notify the representative directors of the Company of the details of the risk of loss discovered, the level of possible loss, and the influence on the Company.

8) System to ensure the efficient execution of duties by Directors and employees of subsidiaries

The Company will oblige its subsidiaries to prepare an annual plan for the said annual plan, and decide budget allocation, etc. It will oblige subsidiaries to clarify earnings targets, while developing an internal system to ensure operational efficiency.

9) System to ensure that execution of duties by Directors and employees of subsidiaries complies with laws and regulations, and the Articles of Incorporation

The Company will dispatch its personnel as Directors or Audit and Supervisory Committee Members to the subsidiaries, and the dispatched directors will attend the Board of Directors' Meetings of the subsidiaries and manage the operations of the subsidiaries. The departments of the Company in charge of affiliated companies will conduct audit in cooperation with the Internal Audit Office, based on the management rules of the affiliated companies, and give guidance to subsidiaries.

For subsidiaries that the Company considers significant, directors and employees of those subsidiaries will undergo compliance training equivalent to that of the Company.

10) Matters related to employees and Directors appointed for the support of the Audit and Supervisory Committee, and matters related to ensuring the independence of said employees and Directors from other Directors, and the effectiveness of instructions to the said Directors and employees

The Internal Audit Office assists the work of the Audit and Supervisory Committee. The Internal Audit Office supports the audit work of the Audit and Supervisory Committee in line with the instructions of and under the supervision of the Audit and Supervisory Committee. Transfers, evaluation, and disciplinary measures of the major employees of the Internal Audit Office shall be carried out with the prior consent of the Audit and Supervisory Committee.

The Company does not have Directors who are to assist the work of the Audit and Supervisory Committee.

11) System for reporting to the Audit and Supervisory Committee by Directors and employees, and other systems for reporting to the Audit and Supervisory Committee

Directors and employees shall report to the Audit and Supervisory Committee regularly on the following items, and Directors who are Audit and Supervisory Committee Members will attend the Board of Directors' Meetings and other important meetings for briefing.

- Matters to be resolved and matters to be reported at the Board of Directors' Meetings
- Monthly, quarterly, and annual business results, earnings forecasts, and financial conditions
- Details of significant disclosure materials
- Significant organizational and personnel changes
- Matters that may cause material loss to the Company
- The Company's significant accounting principles, accounting standards, and any changes thereto
- Activities of the Internal Audit Office and the Compliance Promotion Department
- Other significant matters for approval, or for resolution

There shall be established a system for promptly reporting if any other event determined by the Audit and Supervisory Committee to require reporting occurs.

12) System for the officers and employees of the Group to report to Audit and Supervisory Committee

The officers and employees of the Group will promptly make an appropriate report when requested by the Audit and Supervisory Committee to report on matters related to the execution of duties. Moreover, the Company will develop an internal system in which matters that may cause material loss to the Group, such as material breach of laws and regulations, etc., will be immediately reported to the Audit and Supervisory Committee as soon as they are found.

The section in charge of the internal reporting system of subsidiaries of the Company shall regularly report to the Audit and Supervisory Committee of the Company on the status of internal reporting by the officers and employees of subsidiaries of the Company.

13) System to ensure that those who made reporting to the Audit and Supervisory Committee shall not be given disadvantageous treatment

The Company prohibits giving disadvantageous treatment to those who have made the reporting in the preceding two paragraphs to the Audit and Supervisory Committee due to the said reporting.

14) Matters related to the policy for processing of expenses and liabilities arising from the execution of duties by Audit and Supervisory Committee Members

If Audit and Supervisory Committee Members request the Company for advance payment, etc. of expenses in accordance to Article 399-2, Paragraph 4 of the Companies Act concerning the execution of their duties, the Company shall promptly process the said expenses or liabilities, except for the cases where the expenses and liabilities by the said request are deemed not necessary for the execution of duties by Audit and Supervisory Committee Member.

15) Other system to ensure that audits by Audit and Supervisory Committee will be effectively conducted

The Directors and employees will work to deepen their understanding of the audits by Audit and Supervisory Committee and to improve the environment for the audits by Audit and Supervisory Committee.

The Representative Directors will exchange opinions regularly with the Audit and Supervisory Committee and establish a system to help Audit and Supervisory Committee communicate efficiently with the Internal Audit Office and perform effective auditing services.

16) System to conduct timely and appropriate disclosures

The Company will keep the officers and employees well informed in accordance with the Timely Disclosure Rules, and establish a reporting line of disclosure information within the Group. The propriety of the details will be secured, and timely and appropriate disclosures will be achieved at the Management Meetings.

(2) Operational Status of the System to Ensure the Appropriateness of Business

1) Compliance

The Company is making continuous efforts to spread the awareness of compliance and develop the willingness to ensure compliance by implementing training on compliance, as well as preparing and distributing manuals to Directors and employees. Moreover, the Company has developed a conducive environment for internal whistleblowers to provide information by establishing the internal reporting desk.

2) Risk management

Reports on business from the Company and its subsidiaries are not only regularly reported to the Board of Directors but also to important meetings in the Company so that we can give instructions to relevant sections and implement measures for issues and problems in need of improvement on each occasion.

Moreover, the Company is promoting the reinforcement of the risk management system by establishing the basic rules on risk management.

3) Internal control system for financial reporting

The Company implements the assessment of the effectiveness of internal control on financial reporting in accordance with the Financial Instruments and Exchange Act. The internal control system is appropriately administered, without any material deficiency to be disclosed found during the fiscal year under review.

4) Internal audit

The Company strives to conduct its business properly, by implementing operational audits in accordance with the internal audit plan.

(3) Policies concerning the determination of dividend of surplus

The Company views the sharing of its profits with shareholders as one of the most important management policies and therefore adopts a dividend policy that focuses on a dividend payout ratio that is highly connected to the Company's business performance. The Company's basic policy is to increase the market value of its shares by returning profits to shareholders.

In light of this policy, we have decided to pay a year-end dividend of 156 yen per share for the fiscal year ended March 31, 2022.

(4) Basic Policy Regarding the Control of the Company

Basic Policy regarding persons who control decision on the Company's financial and business policies

1) Details of the Basic Policy

The Company believes that the persons who control decisions on the Company's financial and business policies need to be persons who understand the source of the Company's corporate value and who will make it possible to continually and persistently ensure and enhance the Company's corporate value and, in turn, the common interests of its shareholders.

The Company believes that ultimately its shareholders as a whole must make the decision on any proposed acquisition that would involve a transfer of corporate control of the Company. Also, the Company would not reject a large-scale acquisition of the shares in the Company if it would contribute to ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders. Nonetheless, there are some types of corporate acquisition that benefit neither the corporate value of the target company nor the common interests of its shareholders including (i) those with a purpose that would obviously harm the corporate value of the target company and the common interests of its shareholders, (ii) those with the potential to substantially coerce shareholders into selling their shares, (iii) those that do not provide sufficient time or information for the target company's board of directors and shareholders to consider the details of the large-scale acquisition or for the target company's board of directors to make an alternative proposal, and (iv) those that require the target company to negotiate with the acquirer in order to procure more favorable terms for shareholders than those presented by the acquirer.

The Company places value on client satisfaction and strives to ensure and enhance its corporate value. We believe the source of corporate value of the Company is found in (i) the comprehensive IT utilization capabilities that the Company has accumulated since its establishment as a pioneer in the outsourcing business of information processing, (ii) personnel who can promptly respond to changes in the environment and combine the latest technology, making use of originality and ingenuity, and (iii) "the stable and long-term relationships of trust with clients" established based on its strength as an independent corporation. Unless the acquirer of a proposed acquisition of the shares in the Company understands the source of the corporate value of the Company and would ensure and enhance these elements over the medium-to-long term, the corporate value of the Company and, in turn, the common interests of its shareholders would be harmed. The Company believes that it is necessary to ensure the corporate value of the Company and, in turn, the common interests of its shareholders by taking the necessary and reasonable countermeasures against an inappropriate large-scale acquisition by such persons.

2) Summary of specific measures to realize the Basic Policy

(a) Special measures to realize the Basic Policy such as effective use of the Company's assets and proper formation of the Group

Medium-term management plan

The Company has formulated a new medium-term management plan for the three-year period from FY2020 to FY2022 to deploy new models that have been created by FY2019 on a large scale and accelerate the momentum toward becoming a "Global Digital Transformation Partner."

Concrete efforts are given in "(2) Issues to Be Addressed" in "1. Business Overview of the Group" on page 31.

To strengthen its corporate governance

While performing precise decision-making and prompt business execution, the Company adopts a system of "Company with an Audit and Supervisory Committee" for the purpose of constructing a management system that enables appropriate audit and supervision, and strives to increase its effectiveness to enhance corporate governance in accordance with its current business.

In terms of the operations of Board of Directors' Meetings, each Director, who is a member of the Board, gives his/her opinions at his/her discretion and there are active discussions. In addition, from an objective, neutral perspective independent of management, Outside Directors provide advice to ensure sound, rational decision-making by the Board of Directors. The Company has also introduced an executive officer system, under which the "decision-making and oversight functions" of the Board of Directors is separated from "executive functions." As such, the Board of Directors performs "decision-making and oversight functions" while Executive Officers perform "executive functions." This structure has enabled the Company to respond flexibly to changes in the business environment that are characteristic of the industry in which the Company operates, and to implement prompt and detailed business execution. The Audit and Supervisory Committee consists of three Outside Directors. Audit and Supervisory Committee Members attend important meetings such as the Board of Directors' Meetings and monitor the appropriateness of the design and operation of the internal control system through the internal control departments, and thereby conduct audits on the Company and its subsidiaries in and outside Japan, auditing the execution of duties by Directors. The Audit and Supervisory Committee also supervises the process for nominating for Directors who are not Audit and Supervisory Committee Members and determining their remunerations.

(b) Measures to prevent inappropriate persons from controlling the financial and business policy decisions of the Company in light of the basic policy

The Company has renewed a plan as a countermeasure to large-scale acquisition of the Company's shares (takeover defense measures) (the "Plan"). This was based on the resolution of the Board of Directors' Meeting held on May 14, 2021 and the resolution of the 36th Annual General Meeting of Shareholders held on June 23, 2021. A summary of the Plan is shown below.

Summary of the Plan

The Board of Directors of the Company, as stipulated by the basic policy, thinks that persons who conduct a substantial acquisition of the Company shares which does not contribute to the corporate value of the Company or the common interest of shareholders are inappropriate as persons who control decisions relating to the Company's finance and businesses. The Plan is intended to make it possible to propose alternative plans to shareholders when a substantial acquisition of the Company shares is conducted, secure information and time necessary for shareholders to determine whether to respond to such substantial acquisition or negotiate for shareholders, and prevent any substantial acquisition that would impair the corporate value of the Company and the common interest of shareholders.

The Plan sets out procedures necessary to achieve the purposes stated above, including requirements for acquirers to provide information in advance in case the acquirer intends to acquire 20% or more of the Company's share certificates or other equity securities.

The acquirer must not effect a large-scale acquisition of the shares and other equity securities of the Company until and unless the Board of Directors determines not to trigger the Plan in accordance with the procedures for the Plan.

In the event that an acquirer does not follow the procedures set out in the Plan, or a large-scale acquisition of shares and other equity securities of the Company could harm the corporate value of the Company and, in turn, the common interests of its shareholders, etc., and in cases such as where the acquisition satisfies the triggering requirements set out in the Plan, the Company will implement a gratis allotment of stock acquisition rights (shinkabu yoyakuken mushou wariate) for stock acquisition rights with (a) an exercise condition that does not allow the acquirer, etc., to exercise the rights as a general rule, and (b) an acquisition provision to the effect that the Company may acquire the stock acquisition rights in exchange for shares in the Company from persons other than the acquirer, etc., or implement any other reasonable measures that may be taken under laws and ordinances and the Company's Articles of Incorporation. If the gratis allotment of Stock Acquisition Rights were to take place in accordance with the Plan and all shareholders other than the acquirer receive shares in the Company as a result of those shareholders exercising or the Company acquiring those stock acquisition rights, the ratio of voting rights in the Company held by the acquirer may be diluted by up to about a maximum of approximately 50%.

To eliminate arbitrary decisions by directors, the Company will establish the Independent Committee, which is solely composed of members who are independent of the management of the Company such as outside directors to make objective decisions with respect to matters such as implementation or non-implementation of the gratis allotment of stock acquisition rights or acquisition of stock acquisition rights under the Plan. In addition, the Board of Directors may, if prescribed in the Plan, hold a meeting of shareholders and confirm the intent of the Company's shareholders.

Transparency with respect to the course of those procedures will be ensured by timely disclosure to all of the Company's shareholders.

The effective period of the Plan is until the conclusion of the Annual Shareholders Meeting associated with the last of the fiscal years that end within three years after the conclusion of the 36th Annual Shareholders Meeting held on June 23, 2021.

Note: Amounts shown in this Business Report are rounded down to the unit.

Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	150,990	Current liabilities	80,178
Cash and deposits	64,834	Accounts payable—trade	16,529
Notes and accounts receivable—trade, and contract assets	73,708	Short-term loans payable	1,563
Merchandise and finished goods	5,425	Current portion of bonds	62
Work and software in progress	227	Current portion of long-term loans payable	12,060
Supplies	84	Accounts payable—other	8,970
Other	6,984	Accrued expenses	17,962
Allowance for doubtful accounts	(274)	Income taxes payable	6,243
Fixed assets	67,465	Accrued consumption tax	5,455
Tangible fixed assets	15,474	Advances received	2,394
Buildings and structures	6,274	Accrued bonuses for employees	6,395
Vehicles and transportation equipment	38	Other	2,539
Tools, furniture and fixtures	6,477	Fixed liabilities	17,396
Land	829	Bonds payable	174
Lease assets	1,558	Convertible-bond-type bonds with share acquisition rights	10,094
Construction in progress	295	Long-term loans payable	4,233
Intangible fixed assets	4,646	Deferred tax liabilities	1,025
Goodwill	792	Net defined benefit liability	373
Software	3,271	Long-term security deposits received	5
Lease assets	5	Other	1,490
Software in progress	244	Total liabilities	97,575
Other	333	Net Assets	
Investments and other assets	47,344	Shareholders' equity	100,564
Investment in securities	16,579	Common stock	29,065
Investment in stocks of unconsolidated subsidiaries and affiliates	14,108	Capital surplus	19,331
Investment in unconsolidated subsidiaries and affiliates	1,324	Retained earnings	67,408
Long-term loans receivable	488	Treasury stock	(15,240)
Deferred tax assets	4,030	Accumulated other comprehensive income	12,379
Security deposits	10,021	Valuation difference on available-for-sale securities	11,324
Other	1,072	Foreign currency translation adjustment	1,055
Allowance for doubtful accounts	(282)	Subscription rights to shares	3
		Non-controlling interests	7,932
		Total net assets	120,880
Total assets	218,455	Total liabilities and net assets	218,455

Note: Figures less than one million yen are rounded down to the nearest million.

Consolidated Statement of Income
(from April 1, 2021 to March 31, 2022)

(Millions of yen)

Account item	Amount	
Net sales		354,085
Cost of sales		276,306
Gross Profit		77,779
Selling, general and administrative expenses		51,932
Operating profit		25,846
Non-operating income:		
Interest income	126	
Dividend income	12	
Share of profit of entities accounted for using equity method	3,188	
Foreign exchange gains	213	
Employment development subsidy	378	
Other	522	4,442
Non-operating expenses:		
Interest expenses	157	
Head office relocation expenses	978	
Other	250	1,386
Ordinary profit		28,902
Extraordinary gains:		
Gain on sales of investment securities	731	
Gain on change in equity	1,167	
Company establishment subsidies, etc.	113	
Penalty income	734	
Other	8	2,756
Extraordinary losses:		
Loss on retirement of non-current assets	153	
Impairment loss	84	
Loss on valuation of investment securities	99	
Loss on valuation of stocks of subsidiaries and affiliates	113	
Other	105	557
Profit before income taxes		31,100
Income taxes—current	7,746	
Income taxes—deferred	589	8,335
Profit		22,765
Profit attributable to non-controlling interests		1,276
Profit attributable to owners of parent		21,488

Note: Figures less than one million yen are rounded down to the nearest million.

Consolidated Statement of Changes in Equity
(from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of the fiscal year	29,065	19,361	49,488	(15,237)	82,678
Cumulative effects of changes in accounting policies			212		212
Restated balance	29,065	19,361	49,701	(15,237)	82,891
Change during the fiscal year					
Dividend of surplus			(3,857)		(3,857)
Profit attributable to owners of parent			21,488		21,488
Acquisition of treasury stock				(2)	(2)
Purchase of shares of consolidated subsidiaries		(30)			(30)
Change of scope of equity method			75		75
Net change in items other than shareholders' equity during the fiscal year					–
Total change during the fiscal year	–	(30)	17,706	(2)	17,672
Balance at the end of the fiscal year	29,065	19,331	67,408	(15,240)	100,564

(Millions of yen)

	Accumulated other comprehensive income			Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at the beginning of the fiscal year	4,624	(1,492)	3,132	3	6,702	92,516
Cumulative effects of changes in accounting policies			–			212
Restated balance	4,624	(1,492)	3,132	3	6,702	92,729
Change during the fiscal year						
Dividend of surplus			–			(3,857)
Profit attributable to owners of parent			–			21,488
Acquisition of treasury stock			–			(2)
Purchase of shares of consolidated subsidiaries			–			(30)
Change of scope of equity method			–			75
Net change in items other than shareholders' equity during the fiscal year	6,699	2,547	9,247	–	1,230	10,477
Total change during the fiscal year	6,699	2,547	9,247	–	1,230	28,150
Balance at the end of the fiscal year	11,324	1,055	12,379	3	7,932	120,880

Note: Figures less than one million yen are rounded down to the nearest million.

Non-Consolidated Balance Sheet
(As of March 31, 2022)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
Current assets	91,656	Current liabilities	55,848
Cash and deposits	34,630	Accounts payable—trade	12,385
Notes receivable	36	Current portion of long-term loans payable	11,998
Accounts receivable—trade	50,651	Accounts payable—other	6,707
Contract assets	396	Accrued expenses	9,640
Merchandise	1,084	Income taxes payable	4,357
Supplies	35	Accrued consumption tax	3,775
Advances	479	Advances received	892
Prepaid expenses	2,359	Deposits received	516
Accounts receivable—other	686	Accrued bonuses for employees	5,155
Other	1,316	Other	419
Allowance for doubtful accounts	(19)	Fixed liabilities	18,234
Fixed assets	58,866	Convertible-bond-type bonds with share acquisition rights	10,094
Tangible fixed assets	8,477	Long-term loans payable	4,001
Buildings	4,334	Provision for loss on guarantees	3,488
Tools, furniture and fixtures	2,986	Other	650
Land	707	Total liabilities	74,082
Other	449	Net Assets	
Intangible fixed assets	2,317	Shareholders' equity	68,186
Software	2,023	Common stock	29,065
Telephone rights	93	Capital surplus	20,803
Other	200	Other capital surplus	20,803
Investments and other assets	48,071	Retained earnings	33,557
Investment in securities	11,414	Legal retained earnings	2,477
Investment in stocks of subsidiaries and affiliates	24,757	Other retained earnings	31,079
Investment in subsidiaries and affiliates	648	Unappropriated retained earnings	31,079
Long-term loans receivable from subsidiaries and affiliates	7,593	Treasury stock	(15,240)
Deferred tax assets	3,612	Valuation and translation adjustments	8,253
Security deposits	5,909	Net unrealized gain (loss) on securities	8,253
Other	579		
Allowance for doubtful accounts	(6,444)	Total net assets	76,439
Total assets	150,522	Total liabilities and net assets	150,522

Note: Figures less than one million yen are rounded down to the nearest million.

Non-Consolidated Statement of Income

(from April 1, 2021 to March 31, 2022)

(Millions of yen)

Account item	Amount	
Net sales		238,812
Cost of sales		182,780
Gross Profit		56,031
Selling, general and administrative expenses		38,192
Operating profit		17,839
Non-operating income:		
Interest income	127	
Dividend income	1,186	
Foreign exchange gains	549	
Subsidies for employment promotion	220	
Other	247	2,331
Non-operating expenses:		
Interest expenses	38	
Head office relocation expenses	980	
Provision of allowance for doubtful accounts	932	
Provision for loss on guarantees	407	
Other	196	2,555
Ordinary profit		17,615
Extraordinary gains:		
Gain on sales of investment securities	617	
Company establishment subsidies, etc.	113	
Other	4	735
Extraordinary losses:		
Loss on retirement of non-current assets	75	
Loss on valuation of investment securities	90	
Loss on valuation of stocks of subsidiaries and affiliates	3,608	
Other	4	3,778
Profit before income taxes		14,572
Income taxes—current	4,927	
Income taxes—deferred	394	5,322
Profit		9,249

Note: Figures less than one million yen are rounded down to the nearest million.

Non-Consolidated Statement of Changes in Equity
(from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity					
	Common stock	Capital surplus		Retained earnings		
		Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings
				Unappropriated retained earnings		
Balance at the beginning of the fiscal year	29,065	20,803	20,803	2,092	25,971	28,063
Cumulative effects of changes in accounting policies			-		101	101
Restated balance	29,065	20,803	20,803	2,092	26,072	28,165
Change during the fiscal year						
Dividend of surplus			-	385	(4,242)	(3,857)
Profit			-		9,249	9,249
Acquisition of treasury stock			-			-
Net change in items other than shareholders' equity during the fiscal year			-			-
Total change during the fiscal year	-	-	-	385	5,006	5,392
Balance at the end of the fiscal year	29,065	20,803	20,803	2,477	31,079	33,557

(Millions of yen)

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Net unrealized gain (loss) on securities	Total valuation and translation adjustments	
Balance at the beginning of the fiscal year	(15,237)	62,695	1,052	1,052	63,747
Cumulative effects of changes in accounting policies		101		-	101
Restated balance	(15,237)	62,796	1,052	1,052	63,849
Change during the fiscal year					
Dividend of surplus		(3,857)		-	(3,857)
Profit		9,249		-	9,249
Acquisition of treasury stock	(2)	(2)		-	(2)
Net change in items other than shareholders' equity during the fiscal year		-	7,200	7,200	7,200
Total change during the fiscal year	(2)	5,389	7,200	7,200	12,590
Balance at the end of the fiscal year	(15,240)	68,186	8,253	8,253	76,439

Note: Figures less than one million yen are rounded down to the nearest million.

REPORT OF INDEPENDENT AUDITORS

May 12, 2022

To the Board of Directors of transcosmos inc.

PricewaterhouseCoopers Aarata LLC
tokyo office

Designated and Engagement Partner
Certified Public Accountant
Nobuhiro Nasu

Designated and Engagement Partner
Certified Public Accountant
Yoshihisa Chiyoda

Designated and Engagement Partner
Certified Public Accountant
Naoyuki Suzuki

Audit Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements of transcosmos inc., which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to the consolidated financial statements applicable to the fiscal year from April 1, 2021 to March 31, 2022.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and the results of operations of the Group, which consisted of transcosmos inc. and its consolidated subsidiaries, applicable to the fiscal year ended March 31, 2022 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other statements

Other statements are the business report and supplementary schedules. The management's responsibility is to prepare and disclose other statements. Additionally, the Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for other statements.

Our audit opinion on the consolidated financial statements does not include any other statements, and we express no opinion on such other statements.

Our responsibility in auditing the consolidated financial statements is to read other statements in order to determine, in the course of our reading, whether there are material differences between other statements and the consolidated financial statements or our knowledge obtained in the course of our audit, as well as to note whether there is any indication of material errors in other statements other than such material differences.

If, at any time, based on the work we have performed, we determine that there is a material error in other statements, we are required to report that fact.

We have no other matters to report regarding other statements.

Responsibilities of Management and the Audit and Supervisory Committee for the Consolidated

Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Independent Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the consolidated financial statements, obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with exceptions on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We report to the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest

We or engagement partners have no interest in the Company and its consolidated subsidiaries, which should be stated in compliance with the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

REPORT OF INDEPENDENT AUDITORS

May 12, 2022

To the Board of Directors of transcocosmos inc.

PricewaterhouseCoopers Aarata LLC
tokyo office

Designated and Engagement Partner
Certified Public Accountant
Nobuhiro Nasu

Designated and Engagement Partner
Certified Public Accountant
Yoshihisa Chiyoda

Designated and Engagement Partner
Certified Public Accountant
Naoyuki Suzuki

Audit Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the financial statements of transcocosmos inc., which comprise the balance sheet, the statement of income, the statement of changes in equity, and the notes to the financial statements, and the supplementary schedules of transcocosmos inc. (hereinafter, the "financial statements, etc.") applicable to the 37th business year from April 1, 2021 to March 31, 2022.

In our opinion, the financial statements, etc. referred to above present fairly, in all material respects, the financial position and the results of operations of transcocosmos inc., applicable to the fiscal year ended March 31, 2022 in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements, etc. section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other statements

Other statements are the business report and supplementary schedules. The management's responsibility is to prepare and disclose other statements. Additionally, the Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for other statements.

Our audit opinion on the financial statements does not include any other statements, and we express no opinion on such other statements.

Our responsibility in auditing the financial statements is to read other statements in order to determine, in the course of our reading, whether there are material differences between other statements and the financial statements or our knowledge obtained in the course of our audit, as well as to note whether there is any indication of material errors in other statements other than such material differences.

If, at any time, based on the work we have performed, we determine that there is a material error in other statements, we are required to report that fact.

We have no other matters to report regarding other statements.

Responsibilities of Management and the Audit and Supervisory Committee for the Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the financial statements, etc. in accordance with accounting principles generally accepted in Japan; this includes the maintenance and operation of internal control deemed necessary by management for the preparation and fair presentation of the financial statements, etc. that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the financial statements with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

Audit and Supervisory Committee is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Independent Auditors' Responsibility

Our responsibilities are to obtain reasonable assurance about whether the financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the financial statements, etc. based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- When auditing the financial statements, etc., obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessments, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and the appropriateness of related notes thereto.
- Conclude on the appropriateness of preparing the financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the financial statements, etc. or, if the notes to the financial statements, etc. on material uncertainty are inadequate, to express a qualified opinion with exceptions on the financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the financial statements, etc. and notes to the financial statements are in accordance with accounting principles generally accepted in Japan, as well as evaluate the presentation, structure, and content of the financial statements, etc., including the related notes thereto, and whether the financial statements, etc. fairly present the underlying transactions and accounting events.

We report to the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements in Japan regarding independence, and communicate with them all relationships and other matters that may reasonably be deemed to bear on our independence, and where applicable, related safeguards in order to eliminate or reduce obstruction factors.

Interest

We or engagement partners have no interest in the Company, which should be stated in compliance with

the Certified Public Accountants Act.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

AUDIT REPORT OF AUDIT AND SUPERVISORY COMMITTEE MEMBERS

The Audit and Supervisory Committee has conducted audits on the execution status of duties of Directors during the 37th fiscal year between April 1, 2021 and March 31, 2022. The auditing method and results are as follows:

1. Auditing methods and its details

The Audit and Supervisory Committee regularly received reports on the structure and operation status of the systems (internal control systems) established upon discussions and resolution by the Board of Directors meeting regarding matters prescribed in Article 399-13, Paragraph 1, Item 1 (b) and (c) from the Directors as well as from employees, etc. and requested them to provide explanations as necessary. Based on such activities, the Audit and Supervisory Committee provided its opinions and conducted audits by the following method.

- 1) Each Audit and Supervisory Committee Member attended important meetings to receive reports regarding the execution of duties from Directors, employees, etc. and requested them to provide explanations as necessary, inspected important approved documents etc., and examined the status of operations and assets at the Main Office and other major offices in accordance with the Audit and Supervisory Committee's Audit Standards established by the Audit and Supervisory Committee as well as the audit policies and the allocation of audit operations in collaboration with the internal control departments. With respect to subsidiaries, each Audit and Supervisory Committee Member endeavored to facilitate communication and exchange information with Directors, Statutory Auditors and other employees of subsidiaries, and received business reports from subsidiaries as necessary.
- 2) With respect to the Basic Policies under Article 118, Item 3(a) of the Ordinance for Enforcement of the Companies Act and efforts under Item 3(b) of the same article that are prescribed in the business report, each Audit and Supervisory Committee Member examined the contents taking into account deliberations, etc. made in the Board of Directors meetings and other meetings.
- 3) Audit and Supervisory Committee Members monitored and verified that Accounting Auditor maintains independence and conduct the audits appropriately. Each Audit and Supervisory Committee Member also received reports on the status of the execution of duties from Accounting Auditor and requested explanation as necessary. In addition, Audit and Supervisory Committee Members were informed of the arrangement of the "System for ensuring that the duties are executed appropriately" (matters stipulated in the items of Article 131 of the Corporate Accounting Rules) in accordance with "Standards for the Quality Control of Audits" (Business Accounting Council, October 28, 2005) from the Accounting Auditor and requested explanations as necessary.

In accordance with the procedures mentioned above, Audit and Supervisory Committee reviewed the business report and the supplementary schedules, and the financial statements (the balance sheet, statement of income, statement of changes in equity and notes to the financial statements) and the supplementary schedules, as well as the consolidated financial statements (the consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and notes to the consolidated financial statements), for the fiscal year under review.

2. Results of Audit

(1) Results of audit of business report etc.

- 1) The business reports and supplementary schedules present fairly the financial condition of the Company in conformity with related laws and regulations, and the Articles of Incorporation of the Company;
- 2) Regarding the performance of duties by Directors, there were no instances of misconduct or material matters in violation of laws and regulations, nor the Articles of Incorporation of the

Company;

- 3) Resolution of the Board of Directors regarding the internal control system is fair and reasonable. There is no matter requiring additional mention concerning the internal control system with respect to the contents of the Business Report and the execution of duties by Directors; and
 - 4) The Basic Policy regarding persons who control decision on the company's financial and business policies prescribed in the business report is fair and reasonable. Efforts under Article 118, Item 3(b) of the Ordinance for Enforcement of the Companies Act prescribed in the business report are in conformity with the Basic Policy, do not impair the common interests of the Company's shareholders and are not intended to protect the positions of the corporate officers of the Company.
- (2) Results of audit of financial statements and supplementary schedules
The auditing methods and results of the Accounting Auditor, PricewaterhouseCoopers Aarata LLC, are fair and reasonable.
- (3) Results of audit of consolidated financial statements
The auditing methods and results of the Accounting Auditor, PricewaterhouseCoopers Aarata LLC, are fair and reasonable.

May 13, 2022

Audit and Supervisory Committee of transcosmos inc.

Audit and Supervisory Committee Member
Eiji Uda

Audit and Supervisory Committee Member
Takeshi Natsuno

Audit and Supervisory Committee Member
Nozomu Yoshida

Note: All Audit and Supervisory Committee Members are outside directors stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.