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## Message from our Co-presidents

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We would like to express our sincere gratitude to our shareholders for their continued support. In addition, we express our heartfelt sympathy to everyone affected by the 2024 Noto Peninsula Earthquake and pray for the earliest possible recovery of the disaster-stricken areas.

One year has passed since the two of us started under the new structure as Representative Directors and Co-presidents in April 2023. Inheriting the philosophy that has guided us since our founding, we have continued to develop our business in line with changing markets and new demands, and strengthened our efforts as an unrivaled Global Digital Transformation Partner for our clients.

### **Contributing to our clients' DX by grasping market changes and connecting people and technology**

Assisting clients' business transformation is at the core of the transcocosmos Group. We operate in 35 countries and regions worldwide, including Japan, China, South Korea, ASEAN, the United States, and Europe, providing CX (Customer Experience) services that bring the ultimate customer experience and BPO (Business Process Outsourcing) services that contribute to improved productivity, and have business relationships with approximately 3,500 clients in Japan and overseas.

In the environment surrounding the Company's services, there are many issues for the realization of essential DX (Digital Transformation) utilizing digital technologies and the optimization of customer touchpoints, despite progress made by companies in digital transformation and the shift to remote work due to changes in social conditions. We believe that full-fledged promotion still lies ahead. In addition, given the need to respond to labor shortages and working style reforms, there is a strong trend toward aggressively outsourcing specialized business areas that our clients had previously handled inhouse.

While our strength lies in our unique expertise in supporting both the front and back-office functions of our clients, we intend to continue to provide high value-added services anticipating the needs of our clients by further refining the way we unite "people & technology" that our Group has developed over many years, while grasping market changes, anticipating trends in each industry amid major changes in future political, economic, social, and technological developments.

### **Transforming our business model to accelerate growth and reinforcing sustainability management**

We aim to increase corporate value by transforming our business model to accelerate growth and by reinforcing sustainability management through initiatives in the Medium-Term Business Plan for the period from the fiscal year ended March 2024 to the fiscal year ending March 2026. We will continue to promote initiatives to strengthen and evolve the business from the medium to long-term perspective, while pursuing the achievement of short-term earnings targets for the 3-year period, which have been set for major transformation of the business model and long-term growth.

We are working on three specific visions under the plan "Evolve into a Technology Solutions Company from a company with operational excellence," "Become the unparalleled leader in Asia and a top-five global CX/BPO services player," and "Meet expectations of all stakeholders including clients, employees and shareholders, and serve society," while aiming for our long-term vision to be the "Global Digital Transformation Partner."

An initiative under our first vision "Evolve into a Technology Solutions Company from a company with operational excellence" is, first in our CX services, to build our unique CX platform "TCI-DX for Support," which covers the front-end of digital customer touchpoints for clients. In August 2023, we secured a patent (7319478) for the voice of the customer (VoC) - based problem-solving process in our TCI-DX for Support platform. "TCI-DX for Support," which achieves both a reduction in cost for customer touchpoints and enhanced usability, is a unique scheme without competition, and we will continue to

further evolve and provide the service to our clients. In addition, in BPO services, we are building a platform that utilizes our operational excellence to date as well as the cloud and SaaS. We are developing industry standard services for IT and back-office operations, etc. and industry specialized services for manufacturing and construction that demand more specialization, with the aim of meeting the needs of our clients for optimization of business processes and DX promotion.

Furthermore, as a shared initiative for each service, we are also making progress in the development of services utilizing generative AI. The Company is actively working to utilize generative AI in our own operations and at our clients to drive dramatic improvements in business efficiency. We have started providing our independently-developed generative AI chat bot for consumers “T-GPT,” which is already being utilized in services and operations in Japan and South Korea, so we will continue to accelerate the growth strategy by aggressively utilizing generative AI.

The second vision is “Become the unparalleled leader in Asia and a top-five global CX/BPO services player.” The Group’s global business has grown to become one of the Group’s key sources of earnings, with the overseas net sales ratio now accounting for 25% of consolidated sales, as a result of taking on the challenge to expand new overseas markets as a company-wide strategy.

We have expanded the provision of the Trust & Safety Service delivered by agents, a service that monitors content (posts, images, videos) posted online by an unspecified number of users, as transactions with global companies, and maintain our clients’ content in a healthier and better state.

In addition, we commenced a new business in India from March 2024. India’s economic growth rate was the only one in the world in the 6% range from 2022 to 2024, and there is a growth trend. We aim to be a CX company able to deliver new customer experiences by bringing to the Indian market the expertise cultivated in markets both in Japan and abroad.

Then, an initiative under our third vision “Meet expectations of all stakeholders including clients, employees and shareholders, and serve society” is to promote sustainability management. The transcosmos SDGs Committee takes the lead on sustainability initiatives, and promotes initiatives group wide, including at domestic and overseas Group companies. We will accelerate various initiatives as specific measures to address climate change in 2024, including the transition to “RE100,” which is aimed at using 100% renewable energy for energy use, respond to TNFD to preserve biodiversity, implement human rights due diligence and survey, formulate a sustainable procurement policy, and install a person responsible for SDGs in each subsidiary and affiliate and related company and department.

Through these efforts, we will strive to enhance our corporate value and meet the expectations of our stakeholders.

Thank you for your continued support and encouragement.

May 2024  
Masaaki Muta, Representative Director, Co-president  
Takeshi Kamiya, Representative Director, Co-president

**To Our Shareholders**

Masaaki Muta  
Representative Director, Co-president  
**transcosmos inc.**  
2-20, Higashi 1-chome, Shibuya-ku, Tokyo, Japan

**NOTICE OF THE 39<sup>th</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We are pleased to announce the 39<sup>th</sup> Annual General Meeting of Shareholders, which will be held as indicated below.

When convening this General Meeting of Shareholders, the Company has taken measures for electronic provision and kindly requests that you access and confirm the information in the Reference Documents for the Annual General Meeting of Shareholders (matters subject to electronic provision) posted on the websites shown under “4. Websites Providing the Matters Subject to Measures for Electronic Provision,” excluding the Voting Rights Exercise Form sent along with this Notice of Convocation.

A physical copy of this Notice shall be sent to all shareholders who have requested a physical copy based on the law and regulations as well as the Articles of Incorporation.

Those who will not be attending on the day of the meeting are asked to exercise voting rights either online or in writing by 5:50 p.m. on Monday, June 24, 2024. For more information on exercising voting rights, please refer to page 5.

- 1. Date and Time:** 10:00 a.m., Tuesday, June 25, 2024  
(Venue opens at 9:00 a.m.)
- 2. Place:** SHIBUYA STREAM Hall  
21-3, Shibuya 3-chome, Shibuya-ku, Tokyo
- 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 39<sup>th</sup> Fiscal Term (from April 1, 2023 to March 31, 2024)
  2. Non-Consolidated Financial Statements for the 39<sup>th</sup> Fiscal Term (from April 1, 2023 to March 31, 2024)
- Proposals to be resolved:**
- (Company Proposals) (Proposals No. 1 to 6)
- Proposal No. 1:** Appropriation of Surplus for the 39<sup>th</sup> Fiscal Term
- Proposal No. 2:** Partial Amendment to the Articles of Incorporation
- Proposal No. 3:** Renewal of Countermeasures to Large-Scale Acquisitions of the Company (Takeover Response Policy)
- Proposal No. 4:** Election of Fourteen (14) Directors (excluding Directors who are Audit and Supervisory Committee Members)
- Proposal No. 5:** Election of Three (3) Directors who are Audit and Supervisory Committee Members
- Proposal No. 6:** Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member
- (Shareholder Proposals) (Proposals No. 7 to 8)
- Proposal No. 7:** Partial Amendment to Articles of Incorporation (Cancellation of Treasury Stock)
- Proposal No. 8:** Cancellation of Treasury Stock

#### 4. Websites Providing the Matters Subject to Measures for Electronic Provision

Website Name and URL	
1	The Company website <a href="https://www.trans-cosmos.co.jp/ir/information/stock-holder/">https://www.trans-cosmos.co.jp/ir/information/stock-holder/</a> (in Japanese)
2	Listed Company Search (Tokyo Stock Exchange) <a href="https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show">https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show</a> (in Japanese) Enter “transcosmos” for “Issue name (company name)” or “9715” for “Code” to search, select “Basic information,” then “Documents for public inspection/PR information,” then, under “Filed information available for public inspection,” check “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”
3	General Meeting of Shareholders Portal® (Sumitomo Mitsui Trust Bank, Limited) <a href="https://www.soukai-portal.net">https://www.soukai-portal.net</a> (in Japanese) Scan the QR code on the enclosed Voting Rights Exercise Form to verify. The QR code is listed on the Voting Rights Exercise Form.

- Notes:
1. For those attending, please submit the Voting Rights Exercise Form at the reception desk on arrival at the meeting.
  2. At the General Meeting of Shareholders, a document listing the matters subject to measures for electronic provision will be sent to all, regardless of whether a request for a physical copy was made. However, of the matters subject to measures for electronic provision, Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements are not listed in the physical copy sent under applicable laws and regulations and the Company’s Articles of Incorporation. The Audit and Supervisory Committee and Accounting Auditor audit documents that include matters not listed above.
  3. If it becomes necessary to amend this Notice of Convocation or any matters subject to electronic provision, a notice of the revisions and its details before and after the revisions will be posted on the websites in “4. Websites Providing the Matters Subject to Measures for Electronic Provision” above.
  4. The websites listed in “4. Websites Providing the Matters Subject to Measures for Electronic Provision” may be temporarily inaccessible due to regular maintenance or other reasons. If you are unable to access a website, please try checking another website or wait a while before trying again.

#### Video Streaming of the 39th 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, so we ask that you view it at your own discretion. Your understanding of the filming of the proceedings during the Meeting will be greatly appreciated.

transcosmos website:

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

## Procedures for the Exercise of Voting Rights

Voting rights can be exercised in the following three ways.

### Exercising Voting Rights in Advance

#### Exercise Voting Rights via the Internet

Exercising Voting Rights Using Smart Vote

Deadline for exercising voting rights: Entry must be completed no later than 5:50 p.m., Monday, June 24, 2024.

Scan the QR code on the enclosed Voting Rights Exercise Form using a smartphone or tablet.

See the following page for details.

Exercising Voting Rights by Entering Voting Code/Password

Deadline for exercising voting rights: Entry must be completed no later than 5:50 p.m., Monday, June 24, 2024.

Access the following voting rights exercise website from a computer, smartphone, or mobile phone, and follow the on-screen instructions to vote for or against each proposal.

Voting website (<https://www.web54.net>) (in Japanese).

See the following page for details.

#### Exercising Voting Rights by Mail (Written)

Deadline for exercising voting rights: Must be received no later than 5:50 p.m. on Monday, June 24, 2024.

Please indicate whether you approve or disapprove of each proposal on the 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 approval for Company proposals and disapproval for shareholder proposals.

#### Attending in Person

Date and time of the Annual General Meeting of Shareholders

Date and Time: 10:00 a.m., Tuesday, June 25, 2024 (Venue opens at 9:00 a.m.)

Place: SHIBUYA STREAM Hall21-3, Shibuya 3-chome, Shibuya-ku, Tokyo

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

- Proxy voting may only be performed by one other shareholder who holds Company voting rights as the proxy. A document proving proxy rights must be submitted during registration at the venue.

#### ● Exercise of voting rights via the Internet, etc.

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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 or smartphone, 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.

#### To institutional investors

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Institutional investors may use the Electronic Voting Platform for Institutional Investors operated by ICJ, Inc. as a method for exercising voting rights.

\* QR Code is a registered trademark of DENSO WAVE INCORPORATED.

## **Exercise of Voting Rights via the Internet, etc.**

### **Scanning the QR Code “Smart Vote”**

Scan the General Meeting of Shareholders Portal Site Login QR Code listed on the enclosed Voting Rights Exercise Form to access the General Meeting of Shareholders Portal site without having to enter the General Meeting of Shareholders Portal login ID and password. Use the Exercise Voting Rights button at the top of the General Meeting of Shareholders Portal site to exercise your voting rights.

1. Please scan QR Code provided at the bottom right of the voting form. See the enclosed instruction sheet for details.

\* “QR Code” is a registered trademark of DENSO WAVE INCORPORATED.

2. Please follow the directions that appear on the screen to input approval or disapproval to each proposal.

Please note that exercising voting rights by using Smart Vote® method is available only once.

If you need to make a correction to the content of your vote after you have exercised your voting rights, please access the website for personal computer and log in by entering your voting code and password printed on the voting form, and exercise your voting rights again.

\* You can access the website for personal computer by scanning the QR Code again.

### **Entering the voting code and password**

The website for the exercise of voting rights: <https://www.web54.net> (in Japanese)

1. Access the website for exercise of voting rights.
2. Enter the voting code given on the voting form.
3. Enter the password given on the voting form.
4. Follow the directions that appear on the screen to input approval or disapproval to each proposal.

In case you need instructions for how to operate your personal computer, smartphone or mobile phone in order to exercise your voting rights via the Internet, please contact:

Sumitomo Mitsui Trust Bank, Limited, Stock Transfer Agency Web Support  
0120-652-031 (Toll Free) (Hours: 9:00 a.m. to 9:00 p.m.)

Institutional investors may use the Electronic Voting Platform for institutional investors operated by ICJ, Inc.

## Reference Documents for the Annual General Meeting of Shareholders

### Proposals and references

#### Company Proposals (Proposals 1 to 6)

##### **Proposal No. 1:** Appropriation of Surplus for the 39<sup>th</sup> Fiscal Term

Matters related to year-end dividend

Returning profits to our shareholders is one of the Company's top management priorities. We have therefore adopted a dividend policy that focuses on the dividend payout ratio, which is closely related to the Company's business performance. Our fundamental policy is to increase the market value of shares by returning profits to shareholders.

Taking into 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

81 yen per share of common stock of the Company

Total amount 3,035,315,754 yen

Effective date of dividend of surplus

Wednesday, June 26, 2024

**Proposal No. 2: Partial Amendment to the Articles of Incorporation**

1. Reasons for Amendment

- (1) To add a business purpose to Article 2 (Purpose) of the current Articles of Incorporation to reflect the expansion of the Company’s business.
- (2) To change Paragraphs 2 to 4 of Article 24 and Paragraph 3 of Article 27 in order to build an appropriate business structure in response to changes in the business environment surrounding the Company.

2. Details of Amendment

The details of the amendments are as follows.

(Underlines indicate amendments.)

Current Wording	Proposed Wording
<p>(Purpose)</p> <p>Article 2 The Corporation is organized for the purposes of conducting business operations related to the following:</p> <p>1.-5. (Omitted) (New, shift down by one proposal below)</p> <p><del>6.-28.</del> (Omitted)</p> <p><u>29.</u> Financial instruments business <u>and</u> financial instruments intermediary service provider</p> <p><del>30.-31.</del> (Omitted)</p> <p>Representative Director and Executive Directors</p> <p>Article 24 The director representing the Corporation shall be appointed from the directors (excluding directors who are audit and supervisory committee members) in accordance with the resolution at the board of directors meeting.</p> <p>2. The Corporation may elect in accordance with a board of directors meeting resolution, appoint from the directors (excluding directors who are audit and supervisory committee members) <u>one president and, as necessary, one chairperson of the board and a few vice-chairpersons of the board, executive vice-presidents, and senior managing directors.</u></p> <p><u>3. The Corporation may, in accordance with a board of directors meeting resolution, appoint from the representative directors a few group chief executive officers (group CEOs), chief executive officers (CEOs), and chief operating officers (COOs) from the representative directors in order to clarify management and execution responsibilities.</u></p> <p><u>4. The Corporation may, in accordance with a board of directors meeting resolution, appoint from the directors (excluding directors who are audit and supervisory committee members) an operating officer depending on operations to be executed.</u></p> <p>(Corporate Officers)</p> <p>Article 27 In addition to directors, the Corporation may have corporate officers in accordance with a board of directors meeting resolution.</p> <p>2. The corporate officers of the Corporation are selected by the board of directors, make business decisions under delegation from the board of directors, and</p>	<p>(Purpose)</p> <p>Article 2 (Same as present)</p> <p>1.-5. (Same as present)</p> <p><u>6. Planning, production, selling, distribution, operations, and management of services using AI, machine learning, deep learning, annotation and other technologies</u></p> <p><del>7.-29.</del> (Same as present)</p> <p><u>30.</u> Financial instruments business, financial instruments intermediary service provider, <u>and financial service brokerage</u></p> <p><del>31.-32.</del> (Same as present)</p> <p>Representative Director and Executive Directors</p> <p>Article 24 (Same as present)</p> <p>2. The Corporation may elect in accordance with a board of directors meeting resolution, appoint from the directors (excluding directors who are audit and supervisory committee members) <u>one (1) or more Representative Director, Chairman (Representative Director &amp; Chairman), Representative Director, President (Representative Director &amp; President), and Directors with other specific titles.</u></p> <p>(Deleted)</p> <p>(Deleted)</p> <p>(Corporate Officers)</p> <p>Article 27 (Same as present)</p> <p>2. (Same as present)</p>



Current Wording	Proposed Wording
<p>have the rights and responsibilities for executing the decisions.</p> <p>3. The corporate officers may include <u>corporate executive officers and corporate senior officers</u> in accordance with a board of directors meeting resolution.</p> <p>4.-6. (Omitted)</p>	<p>3. The corporate officers may include <u>one (1) or more corporate officers with other specific titles</u> in accordance with a board of directors meeting resolution.</p> <p>4.-6. (Same as present)</p>

**Proposal No. 3:** Renewal of Countermeasures to Large-Scale Acquisitions of the Company (Takeover Response Policy)

The Board of Directors of transcosmos inc. (the “Company”) resolved to renew the plan for countermeasures to large-scale acquisitions of the shares in the Company (the “Former Plan”) subject to shareholder approval at the Board of Directors meeting of the Company held on May 14, 2021, and obtained shareholder approval at the 36th ordinary general meeting of shareholders of the Company held on June 23, 2021. The effective period of the Former Plan is until the conclusion of this Annual General Meeting of Shareholders.

Before the expiration of the effective period of the Former Plan, subject to the approval of our shareholders at this Annual General Meeting of Shareholders, the Board of Directors determined at its meeting held on May 15, 2024 to partially revise the contents of the Former Plan and introduce a renewed plan (the “Renewal”; and the plan after the Renewal is referred to as the “Plan”) as a measure to prevent decisions on the Company’s financial and business policies from being controlled by persons deemed inappropriate (Article 118, Item 3(b) (ii) of the Enforcement Regulations of the Companies Act) under a basic policy regarding the persons who control decisions on the Company’s financial and business policies (as provided in Article 118, Item 3 of the Enforcement Regulations of the Companies Act; the “Basic Policy”)

The Company, therefore, proposes that the shareholders approve the assignment to the Board of Directors of the authority to decide matters regarding gratis allotment of share acquisition rights in the manner described in 2. ‘Details of Proposal’ below in order to use it for the Plan, in accordance with Article 35, Paragraph 2 of the Company’s Articles of Incorporation.

1. Reasons for Proposal

(1) Basic Policy Regarding the Persons Who Control Decisions on the Company’s Financial and Business Policies

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) the “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 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) Purpose of the Plan

The Plan is renewed in line with the Basic Policy for the purpose of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders.

As set out in the Basic Policy, the Company's Board of Directors believes that persons who would propose a large-scale acquisition in a manner that does not contribute to the corporate value of the Company or the common interests of its shareholders would be inappropriate to become persons who control decisions on the Company's financial and business policies. The purpose of the Plan is to prevent decisions on the Company's financial and business policies from being controlled by persons deemed inappropriate, to deter large-scale acquisitions of the shares in the Company that are detrimental to the corporate value of the Company and, in turn, the common interests of its shareholders, and on the occasion that a large-scale acquisition of the shares in the Company were to be effected, to enable the Company's Board of Directors to present an alternative proposal to the shareholders or to ensure the necessary time and information for the shareholders to decide whether or not to accept the large-scale acquisition, and to negotiate for the benefit of the shareholders.

## 2. Details of Proposal

### (1) Plan Outline

The Plan sets out procedures necessary to achieve the purpose stated above, including requirements for acquirers to provide information in advance in the case that the acquirer intends to make an acquisition of 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 in the Company until and unless the Company's Board of Directors determines not to trigger the Plan in accordance with the procedures for the Plan.

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

In order to eliminate arbitrary decisions by directors regarding decisions on matters such as the implementation or non-implementation of the gratis allotment of share acquisition rights or the acquisition of share acquisition rights, the Company has established an Independent Committee, which is solely composed of outside directors and other members who are independent from the management of the Company, and such decisions will be subject to the objective determination of the Independent Committee. 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.

## (2) Procedures for Triggering the Plan

### (a) Targeted Acquisitions

The Plan will be applied in cases where any purchase or other acquisition of share certificates, etc. of the Company that falls under any of (i) through (iii) below or any similar action (including proposals (Note 1) for such action) (except for such action as the Company's Board of Directors separately determines not to be subject to the Plan; the "Acquisition") takes place.

- (i) A purchase or other acquisition that would result in the holding ratio of share certificates, etc. (kabuken tou hoyuu wariai) (Note 4) of a holder (hoyuusha) (Note 3) totaling at least 20% of the share certificates, etc. (kabuken tou) (Note 2) issued by the Company; or
- (ii) A tender offer (koukai kaitsuke) (Note 6) that would result in the party conducting the tender offer's ownership ratio of share certificates, etc. (kabuken tou shoyuu wariai) (Note 7) and the ownership ratio of share certificates, etc. of a person having a special relationship (tokubetsu kankei-sha) (Note 8) totaling at least 20% of the share certificates, etc. (kabuken tou) (Note 5) issued by the Company.
- (iii) Regardless of whether or not any one of the acts provided for in items (a-i) and (a-ii) above is conducted, an act (i) conducted between (a) a person who intends to acquire share certificates, etc. of the Company, or a joint holder (kyoudou hoyuusha) (Note 9) or a person having a special relationship with respect to that person (each, an "Acquirer of Share Certificates, Etc." in this item (iii)) and (b) another shareholder of the Company (including multiple shareholders; the same applies in (iii) below) and that constitutes an agreement or other act as a result of which the other shareholder(s) become(s) a joint holder of the Acquirer of Share Certificates, Etc. or any act that establishes a relationship (Note 10) whereby the Acquirer of Share Certificates, Etc. or the other shareholder(s) substantially control(s) the other(s) or they act jointly or in concert with each other (Note 11), and (ii) that would result in the total holding ratio of share certificates, etc. issued by the Company of that Acquirer of Share Certificates, Etc. and the other shareholder(s) accounting for 20% or more.

The party intending to make the Acquisition alone or jointly or in concert with other parties (the "Acquirer") shall follow the procedures set out in the Plan, and the Acquirer must not effect the Acquisition until and unless the Company's Board of Directors resolves not to implement the gratis allotment of share acquisition rights (the principal terms of which are set out in 4 'Outline of the Gratis Allotment of Share Acquisition Rights'; such share acquisition rights are hereinafter referred to as the "Share Acquisition Rights") or other measures in accordance with the Plan.

### (b) Submission of Acquirer's Statement

The Company will request the Acquirer to submit to the Company in the form separately prescribed by the Company a legally binding document that includes an undertaking that the Acquirer will comply with the procedures set out in the Plan (signed by or affixed with the name and seal of the representative of the Acquirer and to which no conditions or reservations are attached) and a qualification certificate of the person who signed or affixed its name and seal to that document (collectively, "Acquirer's Statement") before commencing or effecting the Acquisition. The Acquirer's Statement must include the name, address or location of headquarters, location of offices, governing law for establishment, name of the representative, contact information in Japan for the Acquirer and the outline of the intended Acquisition. The Acquirer's Statement and the Acquisition Document set out in (c) below and any other materials submitted by the Acquirer to the Company or the Independent Committee must be written in Japanese.

(c) Request to the Acquirer for the Provision of Information

The Company will provide the Acquirer the format for the Acquisition Document (defined below), including a list of information that the Acquirer should provide to the Company, no later than 10 business days after receiving the Acquirer's Statement. The Acquirer must provide the Company's Board of Directors with the document in the form provided by the Company (the "Acquisition Document"), which includes the information described in each item of the list below ("Essential Information").

If the Board of Directors receives the Acquisition Document, it will promptly send it to the Independent Committee (standards for appointing members, requirements for resolutions, resolution matters, and other matters concerning the Independent Committee are as described in Note 12 and business backgrounds and other matters of members of the Independent Committee at the time of the Renewal are as described in Attachment 'Profiles of the Members of the Independent Committee'). If the Independent Committee determines that the Acquisition Document does not contain sufficient Essential Information, it may set a reply period and request that the Acquirer additionally provide information. In such case, the Acquirer should additionally provide such information within the relevant time limit.

- (i) Details (including name, capital relationship, financial position, operation results, details of violation of laws or ordinances in the past (if any), terms of previous transactions by the Acquirer similar to the Acquisition) of the Acquirer and its group (including joint holders, persons having a special relationship and persons having a special relationship with a person in relation to whom the Acquirer is the controlled corporation (Note 13)). (Note 14)
- (ii) The purpose, method and specific terms of the Acquisition (including the amount and type of consideration, the timeframe, the scheme of any related transactions, the legality of the Acquisition method, and the feasibility of the Acquisition).
- (iii) The amount and basis for the calculation of the purchase price of the Acquisition.
- (iv) Details of agreements regarding share certificates, etc. of the Company between the Acquirer and a third party and information relating to any previous acquisition or disposal of the share certificates, etc. of the Company by the Acquirer.
- (v) Financial support for the Acquisition (specifically including the names of providers of funds for the Acquisition (including all indirect providers of funds), financing methods, and the terms of any related transactions).
- (vi) Details of communications regarding the Acquisition with a third party (if any).
- (vii) Post-Acquisition management policy, administrative organization, business plan, capital and dividend policies for the Company group.
- (viii) Post-Acquisition policies for the Company's shareholders (other than the Acquirer) and the employees, business partners, customers, and any other stakeholders in the Company group.
- (ix) Specific measures to avoid any conflict of interest with other shareholders of the Company.
- (x) Information on any relationships with an anti-social force.
- (xi) Any other information that the Company's Board of Directors or the Independent Committee reasonably considers necessary.

(d) Consideration of Acquisition Terms, Negotiation with the Acquirer, and Consideration of an Alternative Proposal

- (i) Request to the Company's Board of Directors for the Provision of Information

If the Independent Committee reasonably determines that the Acquirer has submitted the Acquisition Document and any other information (including additional information that is

required to be submitted; hereinafter the same), it may set a reply period (the “Board of Directors Consideration Period”) as appropriate and request that the Company’s Board of Directors present an opinion (including an opinion to refrain from giving such opinion; hereinafter the same) on the Acquirer’s Acquisition terms, materials supporting such opinion, an alternative proposal (if any), and any other information, etc. that the Independent Committee considers necessary.

(ii) Independent Committee Consideration

If the Independent Committee determines that the Acquirer has sufficiently submitted the Acquisition Document and any other information, etc., it will conduct its consideration of the Acquisition terms, collection of information, etc. on the materials such as the management plans and business plans of the Acquirer and the Company’s Board of Directors and comparisons thereof, and consideration of any alternative plan presented by the Company’s Board of Directors, and the like for a period of 90 days after the receipt of the information, etc. (including the Board of Directors Consideration Period, the “Independent Committee Consideration Period”).

In order to ensure that the determination of the Independent Committee is made in a way that it will contribute to the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee may, at the cost of the Company, obtain advice from financial advisers, certified public accountants, attorneys, certified public tax accountants, consultants, or any other experts.

In addition, if it is necessary to improve the terms of the Acquisition from the standpoint of ensuring and enhancing the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee shall directly or indirectly discuss and negotiate with the Acquirer. If the Independent Committee directly or indirectly requests the Acquirer to provide materials for consideration or any other information, or to discuss and negotiate with the Independent Committee, the Acquirer must promptly respond to such request.

The Independent Committee may, to the reasonable extent that it is considered necessary for actions such as consideration of the terms of the Acquirer’s Acquisition, consideration of an alternative proposal and negotiation with the Acquirer, extend the Independent Committee Consideration Period (up to 30 days in total).

(e) Recommendation by the Independent Committee

In cases such as where the Independent Committee determines that the Acquisition falls under one of the trigger events set out below in (3), ‘Requirements for the Gratis Allotment of Share Acquisition Rights, Etc.’ (including Quasi Trigger Events set out in (3), collectively, “Trigger Events”), the Independent Committee will recommend the implementation of the gratis allotment of the Share Acquisition Rights or other reasonable measures (Note 15) that can be taken under laws and regulations and the Company’s Articles of Incorporation (collectively, the “Gratis Allotment of Share Acquisition Rights, Etc.”) to the Company’s Board of Directors except in any specific cases such as where further disclosure of information by the Acquirer or negotiation or discussion with the Acquirer is necessary. The Independent Committee may recommend implementation of the Gratis Allotment of Share Acquisition Rights, Etc. subject to confirming the shareholders’ intent in advance or subsequently.

Notwithstanding the foregoing paragraph, even after the Independent Committee has already made a recommendation for the implementation of the gratis allotment of Share Acquisition Rights, if the Independent Committee determines that either of the events in (A) or (B) below applies, it may make a new recommendation that (i) on or before the second business day prior to the ex-rights date with respect to the gratis allotment of Share Acquisition Rights, the Company should suspend the gratis allotment of Share Acquisition Rights, or (ii) from the effective date of the gratis allotment of Share Acquisition Rights and until the day immediately prior to the commencement date of the

exercise period of the Share Acquisition Rights, the Company should acquire the Share Acquisition Rights for no consideration.

- (A) The Acquirer withdraws the Acquisition or the Acquisition otherwise ceases to exist after the recommendation. (Note 16)
- (B) There is no longer any Trigger Event due to a change or the like in the facts or other matters on which the recommendation decision was made.

On the other hand, if the Independent Committee does not reach a determination that the Acquisition falls under either Trigger Event, the Independent Committee will not recommend the implementation of the Gratis Allotment of Share Acquisition Rights, Etc. to the Company's Board of Directors.

Notwithstanding the forgoing, even after such decision, if there is a change in the facts or other matters on which the decision was made and the Acquisition comes to fall under a Trigger Event, the Independent Committee may make a new recommendation that the Company should implement the Gratis Allotment of Share Acquisition Rights, Etc.

In addition, if the Independent Committee determines that there is a possibility that the Acquisition could harm the corporate value of the Company and, in turn, the common interests of its shareholders, the Independent Committee may, by submitting the reasons therefor, make a recommendation such as holding a meeting of shareholders and confirming the shareholders' intent regarding the Acquisition by the Acquirer.

(f) Resolutions by the Board of Directors

If the Shareholders Meeting is held in accordance with (g) below, the Company's Board of Directors will pass a resolution in accordance with the resolution at the Shareholders Meeting. In addition, if the Shareholders Meeting is not held, the Company's Board of Directors, in exercising its role under the Companies Act, will pass a resolution relating to the implementation or non-implementation of the Gratis Allotment of Share Acquisition Rights, Etc. respecting the recommendation of the Independent Committee in accordance with (e) above to the maximum extent.

(g) Holding of the Shareholders Meeting

The Company's Board of Directors may convene a meeting of shareholders (the "Shareholders Meeting" (Note 17)) and confirm the intent of the Company's shareholders if (i) the Independent Committee recommends implementation of the Gratis Allotment of Share Acquisition Rights, Etc. subject to confirming the shareholders' intent in advance or recommends confirmation of the shareholders' intent regarding the Acquisition by the Acquirer in accordance with (e) above, or (ii) the Company's Board of Directors believes that it should implement the Gratis Allotment of Share Acquisition Rights, Etc. and determines it appropriate to confirm the shareholders' intent taking into consideration the time required to hold the Shareholders Meeting or other matters pursuant to the duty of care of a director (Note 18).

(h) Information Disclosure

When operating the Plan, the Company will disclose, in a timely manner, information on matters that the Independent Committee or the Company's Board of Directors considers appropriate including the progress of each procedure set out in the Plan (including the fact that the Acquirer's Statement and Acquisition Document have been submitted, the Independent Committee Consideration Period has commenced, and the Independent Committee Consideration Period has been extended), or an outline of recommendations made by the Independent Committee and an outline of resolutions by the Board of Directors, in accordance with the applicable laws and ordinances or the regulations of the financial instruments exchange.

(3) Requirements for the Gratis Allotment of Share Acquisition Rights, Etc.

The requirements to trigger the Plan to implement a gratis allotment of Share Acquisition Rights are as follows. As described above in (e) in (2), 'Procedures for Triggering the Plan,' the Company's Board of Directors will make a determination as to whether any of the following requirements applies to an Acquisition for which the recommendation by the Independent Committee has been obtained.

Trigger Event (1)

The Acquisition is not in compliance with the procedures prescribed in the Plan (including cases that time and information necessary to consider the details of the Acquisition is not offered) and it is reasonable to implement the gratis allotment of Share Acquisition Rights.

Trigger Event (2)

The Acquisition falls under any of the following and it is reasonable to implement the gratis allotment of Share Acquisition Rights.

- (a) An Acquisition that threatens to cause obvious harm to the corporate value of the Company and, in turn, the common interests of its shareholders through any of the following actions.
  - (i) A buyout of share certificates, etc. to require such share certificates, etc. to be compulsorily purchased by the Company or the Company's affiliates, etc. at a high price.
  - (ii) Management that achieves an advantage for the Acquirer to the detriment of the Company, such as temporary control of the Company's management for the low-cost acquisition of the Company group's material assets.
  - (iii) Diversion of the Company group's assets to secure or repay debts of the Acquirer or its group company.
  - (iv) Temporary control of the Company's management to bring about the disposal of high-value assets that have no current relevance to the Company group's business and declaring temporarily high dividends from the profits of the disposal, or selling the shares at a high price taking advantage of the opportunity afforded by the sudden rise in share prices created by the temporarily high dividends.
- (b) Certain Acquisitions that threaten to have the effect of coercing shareholders into selling shares, such as coercive two-tiered tender offers (meaning acquisitions of shares including tender offers, in which no offer is made to acquire all shares in the initial acquisition, and acquisition terms for the second stage are set that are unfavorable or unclear).
- (c) Acquisitions to which the terms (including the amount and type of consideration, timeframe, legality of the Acquisition method, feasibility of the Acquisition being effected, and post-Acquisition policies for the Company's other shareholders, and the employees, customers, business partners and any other stakeholders in the Company group) are inadequate or inappropriate in light of the Company's intrinsic value.
- (d) Acquisitions that materially threaten to oppose the corporate value of the Company and, in turn, the common interests of shareholders, by destroying the relationships with the Company group's employees, customers, business partners and the like, which are indispensable to the generation of the Company's corporate value.

In addition to the above, the Company may take the reasonable measures that can be taken under laws and ordinances and the Company's Articles of Incorporation as an invocation of the Plan if any requirement similar to a Trigger Event stated above is satisfied and it is reasonable to trigger the Plan (such event is hereinafter referred to as a "Quasi Trigger Event" in the Plan). Even in this case, the



decision is always made through the recommendation of the Independent Committee as set out above in (e) in (2), ‘Procedures for Triggering the Plan.’

#### (4) Outline of the Gratis Allotment of Share Acquisition Rights

The following is an outline of the gratis allotment of Share Acquisition Rights that may be implemented under the Plan.

##### (a) Number of Share Acquisition Rights

The Company will implement a gratis allotment of Share Acquisition Rights in the same number as the most recent total number of issued and outstanding shares in the Company (excluding the number of shares in the Company held by the Company at that time) on a certain date (the “Allotment Date”) that is separately determined in a resolution by the Company’s Board of Directors or a resolution at a meeting of shareholders relating to the gratis allotment of Share Acquisition Rights (the “Gratis Allotment Resolution”).

##### (b) Shareholders Eligible for Allotment

The Company will allot the Share Acquisition Rights to shareholders, other than the Company, who are recorded in the Company’s final register of shareholders on the Allotment Date (the “Entitled Shareholders”), at a ratio of one Share Acquisition Right for each share in the Company held.

##### (c) Effective Date of Gratis Allotment of Share Acquisition Rights

The effective date of the gratis allotment of Share Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

##### (d) Number of Shares to be Acquired upon Exercise of the Share Acquisition Rights

The number of shares in the Company to be acquired upon exercise of each Share Acquisition Right (the “Applicable Number of Shares”) will, in principle, be one share.

##### (e) Amount to be Contributed upon Exercise of Share Acquisition Rights

Contributions upon exercise of the Share Acquisition Rights are to be in cash, and the amount per share in the Company to be contributed upon exercise of the Share Acquisition Rights will be an amount separately determined in the Gratis Allotment Resolution within the range of a minimum of one yen and a maximum of the amount equivalent to one-half of the fair market value of one share in the Company. “Fair market value” means an amount equivalent to the average closing price (including quotations) for regular transactions of the common stock of the Company on the Tokyo Stock Exchange on each day during the ninety day period prior to the Gratis Allotment Resolution (excluding the days on which trades are not made), with any fraction of a yen after such calculation to be rounded up to the nearest whole yen.

##### (f) Exercise Period of the Share Acquisition Rights

The commencement date will be a date separately determined in the Gratis Allotment Resolution (this commencement date of the exercise period is referred to as the “Exercise Period Commencement Date”), and the period will, in principle, be a period from one month to six months long as separately determined in the Gratis Allotment Resolution.

##### (g) Conditions for Exercise of Share Acquisition Rights

As a general rule, the following parties may not exercise the Share Acquisition Rights (the parties falling under (I) through (V) below are collectively referred to as “Non-Qualified Parties”): (I) Acquirers; (II) Joint holders of Acquirers; (III) Persons having a special relationship with Acquirers;

(IV) Any transferee of, or successor to, the Share Acquisition Rights of any party falling under (I) through (III) without the approval of the Company's Board of Directors (including joint holders of or persons having a special relationship with the transferee or successor); or (V) Any Affiliated Party of any party falling under (I) through (IV) (Note 19).

Please note that the Company's Board of Directors will hear the opinion of the Independent Committee and respect the determination of the Independent Committee to the maximum extent when making a determination regarding whether a person is a Non-Qualified Party (Note 20).

Further, nonresidents of Japan who are required to follow certain procedures under applicable foreign laws and ordinances to exercise the Share Acquisition Rights may not as a general rule exercise the Share Acquisition Rights (provided, however, that the Share Acquisition Rights held by nonresidents will be subject to acquisition by the Company in exchange for shares in the Company as set out in (ii) of paragraph (i) below, 'Acquisition of the Share Acquisition Rights by the Company,' subject to confirmation that such acquisition does not conflict with applicable laws and ordinances). In addition, anyone who fails to submit a written undertaking, in the form prescribed by the Company and containing representations and warranties regarding matters such as the fact that he or she satisfies the exercise conditions of the Share Acquisition Rights, indemnity clauses and other covenants, may not exercise the Share Acquisition Rights.

(h) Assignment of Share Acquisition Rights

Any acquisition of the Share Acquisition Rights by assignment requires the approval of the Company's Board of Directors.

(i) Acquisition of Share Acquisition Rights by the Company

(A) At any time on or before the date immediately prior to the Exercise Period Commencement Date, if the Company's Board of Directors deems that it is appropriate for the Company to acquire the Share Acquisition Rights, the Company may, on a day that falls on a date separately determined by the Company's Board of Directors, acquire all of the Share Acquisition Rights for no consideration.

(B) On a day that falls on a date separately determined by the Company's Board of Directors, the Company may acquire all of the Share Acquisition Rights that have not been exercised before or on the day immediately prior to such date determined by the Company's Board of Directors, that are held by parties other than Non-Qualified Parties and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for each Share Acquisition Right.

Further, if, on or after the date upon which the acquisition takes place, the Company's Board of Directors recognizes the existence of any party holding Share Acquisition Rights other than Non-Qualified Parties, the Company may, on a day falling on a date determined by the Company's Board of Directors after the date upon which the acquisition described above takes place, acquire all of the Share Acquisition Rights held by that party that have not been exercised by or on the day immediately prior to such date determined by the Company's Board of Directors (if any) and, in exchange, deliver shares in the Company in the number equivalent to the number of the Applicable Number of Shares for every one Share Acquisition Right. The same will apply thereafter.

(C) On a date that is on or after the effective date of the gratis allotment of Share Acquisition Rights and separately determined by the Board of Directors, the Company may acquire all of the Share Acquisition Rights held by Non-Qualified Parties and, in exchange, deliver share acquisition rights that may not, as a general rule, be exercised by Non-Qualified Parties as consideration in the number equal to the Share Acquisition Rights to be acquired (Note 21). In addition, with respect to such share acquisition rights, acquisition provisions such as a provision stipulating that in certain cases the Company may acquire such share acquisition rights after a certain period has passed by delivering reasonable consideration may be provided. The details of such share acquisition rights will be determined in the Gratis Allotment Resolution.

(D) Other matters regarding acquisitions will be separately determined in the Gratis Allotment Resolution.

(j) Delivery of Share Acquisition Rights in Case of Merger, Absorption-type Demerger (kyushu bunkatsu), Incorporation-type Demerger (shinsetsu bunkatsu), Share Exchange (kabushiki koukan), and Share Transfer (kabushiki iten)

These matters will be separately determined in the Gratis Allotment Resolution.

(k) Issuance of Certificates Representing the Share Acquisition Rights

Certificates representing the Share Acquisition Rights will not be issued.

(l) Other

In addition to the above, the details of the Share Acquisition Rights will be separately determined in the Gratis Allotment Resolution.

#### (5) Effective Period, Abolition, and Amendment of the Plan

The effective period of the Plan (the “Effective Period”) will be the period until the conclusion of the General Meeting of Shareholders relating to the last fiscal year ending within three years after the conclusion of this Annual General Meeting of Shareholders.

However, if, before the expiration of the Effective Period, the Company’s Board of Directors resolves to abolish the Plan, the Plan will be abolished in accordance with that resolution.

Further, the Company’s Board of Directors may revise or amend the Plan even during the Effective Period of the Plan, if such revision or amendment is not against the purpose of a resolution of the General Meeting of Shareholders such as cases where any law, ordinance, or regulations of a financial instruments exchange or the like concerning the Plan is established, amended or abolished and it is appropriate to reflect such establishment, amendment or abolition, cases where it is appropriate to revise the wording for reasons such as typographical errors and omissions, cases where the revision or amendment does not cause any disadvantage to the Company’s shareholders, and the like, and subject to the approval of the Independent Committee.

If the Plan is abolished, revised or amended, the Company will promptly disclose facts including the fact that such abolition, revision or amendment has taken place, and (in the event of a revision or amendment) the details of the revision, amendment and any other matters.

#### (6) Revision Due to Amendment to Laws and Ordinances

The provisions of laws and ordinances referred to under the Plan are subject to the prevailing provisions as of May 15, 2024. If it becomes necessary after such date to revise the terms and conditions or definitions of terms set out in the paragraphs above due to the establishment, amendment or abolishment of laws and ordinances, the terms and conditions or definitions of terms set out in the paragraphs above will be read accordingly as required to a reasonable extent, taking into consideration the purposes of such establishment, amendment or abolishment.

#### (7) Other Matters

Matters regarding the content of the Plan but that are not specified in this Proposal or are not in conflict with this Proposal may be decided by the Board of Directors.

(Note 1) A “proposal” includes any act that solicits a third party for conducting an Acquisition.

- (Note 2) Defined in Article 27-23.1 of the Financial Instruments and Exchange Act. This definition is applied throughout this Proposal.
- (Note 3) Including persons described as a holder under Article 27-23.3 of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors of the Company). The same is applied throughout this Proposal.
- (Note 4) Defined in Article 27-23.4 of the Financial Instruments and Exchange Act. The same is applied throughout this Proposal.
- (Note 5) Defined in Article 27-2.1 of the Financial Instruments and Exchange Act.
- (Note 6) Defined in Article 27-2.6 of the Financial Instruments and Exchange Act. The same is applied throughout this Proposal.
- (Note 7) Defined in Article 27-2.8 of the Financial Instruments and Exchange Act. The same is applied throughout this Proposal.
- (Note 8) Defined in Article 27-2.7 of the Financial Instruments and Exchange Act (including persons who are deemed to fall under the above by the Board of Directors of the Company); provided, however, that persons provided for in Article 3.2 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Share Certificates, Etc. by Person other than Issuer are excluded from the persons described in Article 27-2.7(i) of the Financial Instruments and Exchange Act. The same is applied throughout this Proposal.
- (Note 9) Defined in Article 27-23.5 of the Financial Instruments and Exchange Act, including persons regarded as a joint holder under Article 27-23.6 of the Financial Instruments and Exchange Act (including persons who are deemed a joint holder by the Company's Board of Directors). The same is applied throughout this Proposal.
- (Note 10) Judgment regarding whether a "relationship whereby an Acquirer of Share Certificates, Etc. or the other shareholder(s) substantially control(s) the other(s) or they act jointly or in concert with each other" has been established between them will be made based on certain factors such as the current or past capital relationship (including a relationship of joint control), business alliance relationship, business or contractual relationship, relationship of interlocking directorate, financing relationship, and credit granting relationship, and currently or in the past having a beneficial interest in the Company's share certificates, etc. through derivatives, stock lending, and other transactions, and direct or indirect effects on the Company caused by that Acquirer of Share Certificates, Etc. and the other shareholder(s).
- (Note 11) Judgment regarding whether an act specified in item (iii) of the main text has been conducted will be reasonably made by the Company's Board of Directors respecting the determination of the Independent Committee. Please note that the Company's Board of Directors may request the Company's shareholders to provide necessary information to the extent that is required for making a judgment regarding whether the relevant act satisfies the requirements prescribed in (iii) of the main text.
- (Note 12) The outline of the rules of the Independent Committee is as follows.
- There will be no less than three members in the Independent Committee, and the Company's Board of Directors shall appoint the members from (i) outside directors of the Company or (ii) experts who are independent from the management that executes the business of the Company. However, such experts must be experienced corporate managers, former government employees, parties with knowledge of the investment banking industry or the Company's business domain, lawyers, certified public accountants, researchers whose research focuses on the Companies Act or the like, or parties of similar qualifications, and must have executed with the Company an agreement separately specified by the Company's Board of Directors that contains a provision obligating them to exercise their duty of care or a similar provision.
  - The term of office for members of the Independent Committee shall be the period until the conclusion of this General Meeting of Shareholders relating to the last fiscal year ending within three years after the conclusion of this Annual General Meeting of Shareholders. However, this shall not apply when a resolution by the Board of Directors of the Company stipulates otherwise. However, the term of office of any member of the Independent

Committee who is an outside director of the Company will end at the same time when they lose their status as such (except in the case of their re-election).

- The Independent Committee will make decisions on the implementation or non-implementation of the gratis allotment of Share Acquisition Rights or any other reasonable measures that could be taken under the laws and ordinances and the Company's Articles of Incorporation (collectively, "Gratis Allotment of Share Acquisition Rights, Etc."), the cancellation of the Gratis Allotment of Share Acquisition Rights, Etc., or the gratis acquisition of Share Acquisition Rights, any other matters which the Board of Directors has consulted the Independent Committee, or which the Independent Committee has decided that they can be performed, or other prescribed matters.
- As a general rule, resolutions of meetings of the Independent Committee shall pass with a majority of voting rights when all of the members of the Independent Committee are in attendance (including attendance via video conference or telephone conference; the same applies hereinafter). However, in unavoidable circumstances a resolution may pass with a majority of voting rights when a majority of the members of the Independent Committee are in attendance.

(Note 13) Defined in Article 9.5 of the Order for Enforcement of the Financial Instruments and Exchange Act.

(Note 14) If an Acquirer is a fund, information relating to the matters described in (i) about each partner and other constituent members is required.

(Note 15) Specifically, measures such as passing a resolution at a general meeting of shareholders to require the Acquirer to cancel the Acquisition are expected to be taken.

(Note 16) This would apply, for example, when the Acquirer cancels or withdraws an Acquisition that has already commenced (if the Acquisition is conducted by means of a tender offer, a public notice of the withdrawal of a tender offer (the main text of Article 27-11.2 of the Financial Instruments and Exchange Act) is required) and then a document to the effect that the Acquirer covenants such matters as that (i) the Acquisition will not be effected for a certain period, (ii) the Acquirer will reduce its holding ratio of share certificates, etc. to a certain percentage within a specific period, and (iii) the Acquirer will not exercise its right to demand convocation of an extraordinary general meeting of shareholders for a certain period is submitted and the Acquirer acts in compliance with the written covenant.

(Note 17) The "Shareholders Meeting" includes not only a shareholders meeting under the Companies Act where shareholders resolve statutory matters for resolution set out in Article 295 of the Companies Act, but also a meeting where advisory resolutions regarding matters other than the statutory matters for resolution set out in Article 295 of the Companies Act are made. In addition, the Shareholders Meeting includes a meeting of shareholders that is held after a resolution of the Board of Directors to implement the gratis allotment of Share Acquisition Rights and before the effective date of the gratis allotment of Share Acquisition Rights.

(Note 18) Although as a general rule the intent of shareholders will be confirmed by an ordinary resolution at the Shareholders Meeting, in some cases a person who is deemed by the Acquirer and the Independent Committee to have a special interest in the Acquirer in relation to the proposal in question by comprehensively taking into account various circumstances, including the purpose, method, and terms of the Acquisition as well as the potential conflicts of interest between the Acquirer and general shareholders (such a person, a "Specially Related Party of the Acquirer"), will be excluded from the calculation of a requirement for passing a resolution to approve the proposal.

(Note 19) An "Affiliated Party" of a given party means a person who substantially controls, is controlled by, or is under common control with such given party (including any party who is deemed to fall under the above by the Company's Board of Directors), or a party deemed by the Company's Board of Directors to act jointly or in concert with such given party. "Control" means to "control the determination of the financial and business policies" (as defined in Article 3.3 of the Enforcement Regulations of the Companies Act) of other corporations or entities.

(Note 20) However, a party that the Company's Board of Directors recognizes as a party whose acquisition or holding of share certificates, etc., of the Company is not contrary to the Company's corporate value or the common interests of shareholders or a certain other party that the Company's Board of Directors separately determines in the Gratis Allotment Resolution does not constitute a Non-Qualified Party.

(Note 21) However, the Company may set a condition that Non-Qualified Parties may exercise such share acquisition rights in certain cases. Specifically, the Company may, for example, stipulate such matters as that the Acquirer or other Non-Qualified Parties may exercise share acquisition rights held by them within a certain percentage if the Acquirer cancels or withdraws an Acquisition that has already commenced (if the Acquisition is conducted by means of a tender offer, a public notice of the withdrawal of a tender offer (the main text of Article 27-11.2 of the Financial Instruments and Exchange Act) is required) and then a document to the effect that the Acquirer covenants such matters as that (i) the Acquisition will not be effected for a certain period, (ii) the Acquirer will reduce its holding ratio of share certificates, etc. to a certain percentage within a specific period, and (iii) the Acquirer will not exercise its right to demand convocation of an extraordinary general meeting of shareholders for a certain period is submitted and the Acquirer acts in compliance with the written covenant.

### **Profiles of the Members of the Independent Committee**

The following three persons are scheduled to be the members of the Independent Committee upon the Renewal.

Name: Rehito Hatoyama

Date of birth: January 12, 1974

Career summary:	April 1997	Joined Mitsubishi Corporation
	May 2008	Joined Sanrio Co., Ltd.
	April 2013	Managing Director of Sanrio Co., Ltd.
	June 2013	Outside Director of DeNA Co., Ltd.
	June 2015	CEO of Sanrio Media & Pictures Entertainment, Inc.
	April 2016	Outside Director of Pigeon Corporation (present post)
	June 2016	Outside Director of the Company (present post)
	July 2016	Representative Director of Hatoyama Soken Corporation (present post)
	March 2021	Outside Director of Z Holdings Corporation
		To present

Rehito Hatoyama is an Outside Director of the Company. He is scheduled to be reappointed as an Outside Director of the Company upon approval of the proposal regarding appointment of Directors at this Annual General Meeting of Shareholders.

He does not have any special interest in the Company. In addition, the Company has notified the Tokyo Stock Exchange that he is an independent officer of the Company.

Name: Genichi Tamatsuka

Date of birth: May 23, 1962

Career summary:	April 1985	Joined Asahi Glass Co., Ltd. (present AGC Inc.)
	November 2002	President and COO of FAST RETAILING CO., LTD
	September 2005	Established Revamp Corporation, Representative Director and President of the company
	May 2014	Representative Director and President of Lawson, Inc.
	June 2017	President and CEO of Hearts United Group Co., Ltd. (present DIGITAL HEARTS HOLDINGS Co., Ltd.)
	October 2017	President of DIGITAL HEARTS Co., Ltd.
	June 2019	Outside Director of the Company (present post)
	June 2021	Representative Director, President, and CEO of Lotte Holdings Co., Ltd. (present post)
	October 2021	Chairman of JAPAN RUGBY LEAGUE ONE (present post)
	April 2022	Vice Chairman of the Japan Association of Corporate Executives (present post)
	November 2022	Director and Acting Owner of Chiba Lotte Marines (present post)
		To present

Genichi Tamatsuka is an Outside Director of the Company. He is scheduled to be reelected as an Outside Director of the Company upon approval of the proposal regarding election of Directors at this Annual General Meeting of Shareholders.

He concurrently holds the position of Representative Director, President, and CEO of Lotte Holdings Co., Ltd., with which the Company has business relationship.

In fiscal 2023, Lotte Holdings Co., Ltd. and Chiba Lotte Marines, at which Genichi Tamatsuka 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%). The Company does not outsource business to Lotte Holdings Co., Ltd. and Chiba Lotte Marines. Accordingly, the Company has determined that his independence is ensured adequately. In addition, the Company has notified the Tokyo Stock Exchange that he is an independent officer of the Company.



Name: Noriyoshi Suzuki

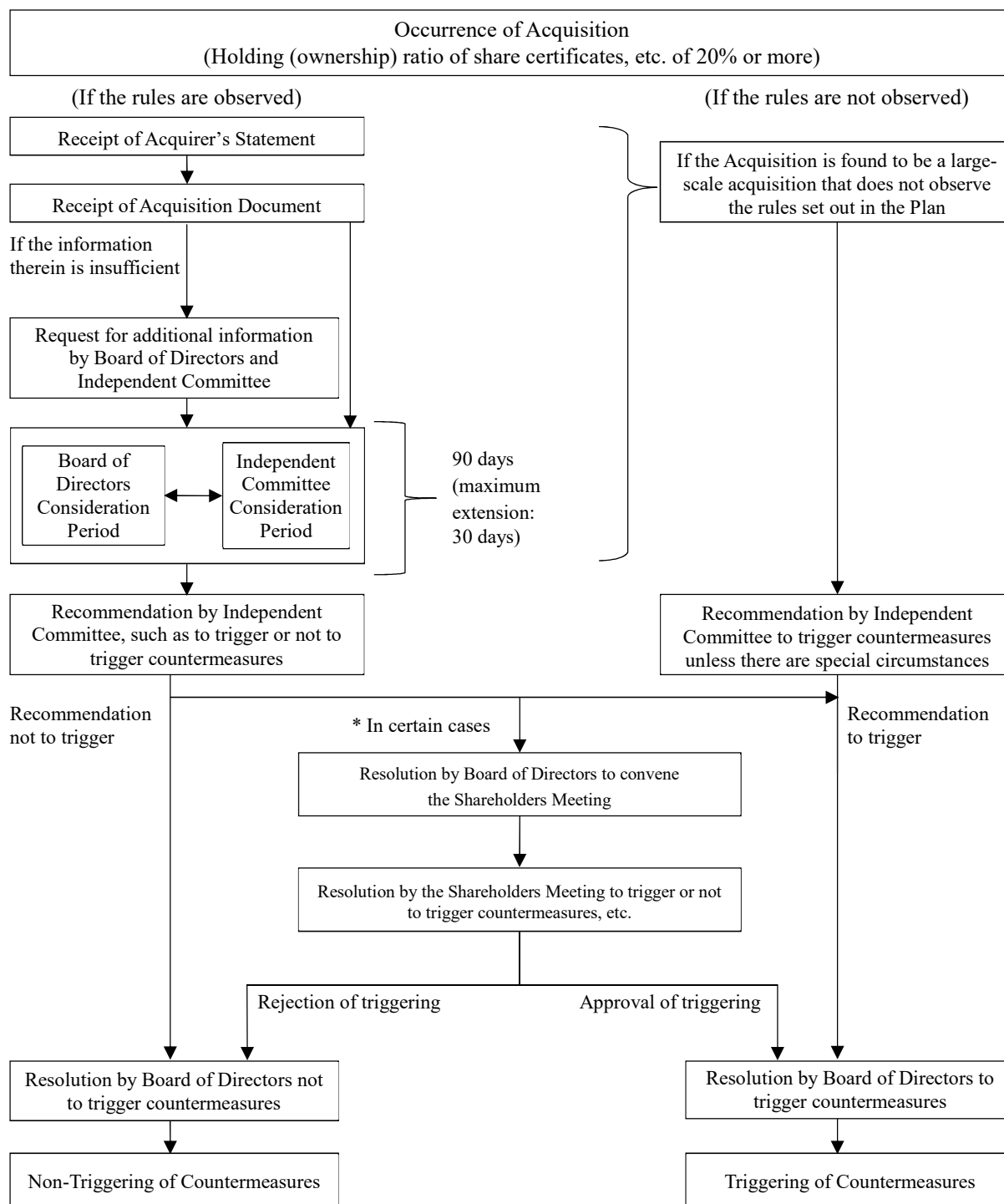
Date of birth: April 20, 1956

Career summary:	April 1982	Joined The Nikko Securities Co., Ltd.
	October 2001	Manager of Private Banking Division of Nikko Cordial Securities Inc. (present SMBC Nikko Securities Inc.)
	February 2005	Managing Director of Nikko Cordial Securities Inc.
	December 2008	Senior Managing Director of Nikko Cordial Securities Inc.
	July 2009	President and Representative Director of LCF Edmond de Rothschild Nikko Cordial Co., Ltd. (present Edmond de Rothschild Nikko Co., Ltd.)
	March 2017	Deputy President Executive Officer of SMBC Nikko Securities Inc.
	July 2019	Representative Director of Suzuki Noriyoshi Office (present post)
	June 2020	Outside Director of the Company (present post)
	January 2021	Representative Director & President of LES ROIS MAGES JAPON (present post)
		To present

Noriyoshi Suzuki is an Outside Director of the Company. He is scheduled to be reelected as an Outside Director of the Company upon approval of the proposal regarding election of Directors at this Annual General Meeting of Shareholders.

He does not have any special interest in the Company. In addition, the Company has notified the Tokyo Stock Exchange that he is an independent officer of the Company.

## Flow Chart of Procedures for the Plan



\* (i) If the Independent Committee recommends to implement the Gratis Allotment of Share Acquisition Rights with the reservation that the approval of a shareholders meeting is obtained in advance or recommends to confirm the shareholders' intent regarding the Acquisition by the Acquirer, or (ii) if the Company's Board of Directors believes that it should implement the Gratis Allotment of Share Acquisition Rights, Etc. and the Board of Directors determines that it is appropriate to confirm the shareholders' intent taking into consideration the time, etc. required to hold a shareholders meeting and in light of the duty of care of a director.

Note: This flowchart is prepared by omitting details to explain the outline of the procedural flow of the Plan in an easy-to-understand manner. For the details of the Plan, please refer to the main text of this proposal.

**Proposal No. 4:** Election of Fourteen (14) Directors (excluding Directors who are Audit and Supervisory Committee Members)

The term of office of all thirteen (13) 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 increasing the number of Directors by one (1) and electing fourteen (14) 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	Masataka Okuda	Representative Director, Chairman	Reelection		
2	Masaaki Muta	Representative Director, Co-president	Reelection		
3	Takeshi Kamiya	Representative Director, Co-president	Reelection		
4	Masatoshi Kouno	Representative Director, Executive Vice President	Reelection		
5	Kenshi Matsubara	Director, Executive Vice President	Reelection		
6	Hiroshi Kaizuka	Director, Executive Vice President	Reelection		
7	Eijiro Yamashita	Director, Senior Corporate Executive Officer	Reelection		
8	Yoshie Kadomatsu	Corporate Senior Officer	New election		
9	Koji Funatsu	Director, Corporate Advisor	Reelection		
10	Rehito Hatoyama	Outside Director	Reelection	Outside	Independent executive
11	Genichi Tamatsuka	Outside Director	Reelection	Outside	Independent executive
12	Noriyoshi Suzuki	Outside Director	Reelection	Outside	Independent executive
13	Miwa Tsurumori	Outside Director	Reelection	Outside	Independent executive
14	Norihiro Kuretani	-	New election	Outside	Independent executive

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
1	Masataka Okuda (March 29, 1967)  Reelection	<p>April 1988      Joined the Company</p> <p>June 1996      Director, Deputy Division Manager of Marketing Division</p> <p>September 2002      Vice President, Representative Director &amp; COO</p> <p>June 2003      President &amp; COO</p> <p>April 2020      President &amp; COO and Sector Manager of Business Development Sector</p> <p>June 2022      Representative Director, Chairman, Sector Manager of Business Development Sector</p> <p>April 2023      Representative Director, Chairman (present post)</p> <p>Reason for selection as a candidate for Director  Since assuming the position of President &amp; 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>	6,404,932 shares (10 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
2	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 as Director</p> <p>June 2004      Corporate Senior Officer</p> <p>June 2005      Corporate Executive Officer</p> <p>June 2012      Executive Managing Director, Headquarters Manager of Sales Headquarters, Administration Department Manager of Global Sales Department of Sales Headquarters</p> <p>April 2015      Senior Managing Director, Headquarters Manager of Sales Headquarters, Deputy Division Manager of Services Promotion Division</p> <p>June 2017      Director, Senior Corporate Executive Officer, Headquarters Manager of Sales Headquarters, Responsible for Services Promotion Division, Responsible for Account Executive of DEC Headquarters</p> <p>April 2018      Director, Senior Corporate Executive Officer, Co- Headquarters Manager of DEC Headquarters, Co- Headquarters Manager of Sales Headquarters, Deputy Headquarters Manager of Global Business Headquarters</p> <p>June 2020      Director, Executive Vice President, Co-Headquarters Manager of DEC Headquarters, Co-Headquarters Manager of Sales Headquarters, Deputy Manager of Global Business Headquarters, Responsible for AE Sector of DEC Headquarters</p> <p>June 2022      Representative Director, Co-president, Responsible for the Marketing Division (present post)</p> <p>Reason for selection as a candidate for Director Given his abundant experience and knowledge in the fields of management strategy and marketing, 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 (6,639 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
3	Takeshi Kamiya (August 30, 1973)  Reelection	<p>April 1998      Joined NIPPON TELEGRAPH AND TELEPHONE CORPORATION</p> <p>July 2005      Joined Bain &amp; Company Japan, Inc.</p> <p>October 2015    Joined the Company, Corporate Senior Officer, Division Manager of Corporate Strategy Division</p> <p>June 2016      Corporate Executive Officer, Division Manager of Corporate Strategy Division</p> <p>June 2017      Director, Corporate Executive Officer, Division Manager of Corporate Strategy Division, Deputy Manager of DEC Headquarters, Division Manager of Global E-Commerce • Direct Sales Promotion Division of DEC Headquarters, Division Manager of Global E-Commerce • Direct Sales Division of DEC Headquarters</p> <p>June 2019      Director, Senior Corporate Executive Officer, Division Manager of Corporate Strategy Division, Division Manager of Global E-Commerce • Direct Sales Promotion Division, Responsible for E-Commerce • Direct Sales Division of DEC Headquarters</p> <p>June 2020      Director, Executive Vice President, Division Manager of Corporate Strategy Division, Deputy Manager of Business Development Sector, Division Manager of Global E-Commerce • Direct Sales Promotion Division of Business Development Sector</p> <p>June 2022      Representative Director, Executive Vice President, Division Manager of Corporate Strategy Division, Sector Manager of Corporate Management Sector, Deputy Manager of Business Development Sector, Responsible for Global E-Commerce • Direct Sales Promotion Division of Business Development Sector, Responsible for Compliance Promotion Department</p> <p>April 2023      Representative Director, Co-president, Division Manager of Corporate Strategy Division, Sector Manager of Corporate Management Sector, Co-Sector Manager of Business Development Sector, Responsible for Global E-Commerce • Direct Sales Promotion Division of Business Development Sector, Responsible for Diversity, Equity &amp; Inclusion Promotion Department</p> <p>November 2023    Representative Director and Co-President, Co-Sector Manager of Business Development Sector (present post)</p>	– shares (2,599 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
		<p>Reason for selection as a candidate for Director</p> <p>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.</p> <p>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	No. of Company shares held
4	Masatoshi Kouno (August 22, 1965)  Reelection	<p>March 1986      Joined the Company</p> <p>June 2011      Corporate Senior Officer, Division Manager of Services Promotion Division of Services Headquarters</p> <p>June 2013      Executive Managing Director, Sector Manager of Business Process Outsourcing Services Sector, Deputy Division Manager of Services Promotion Division</p> <p>June 2017      Director, Corporate Executive Officer, Headquarters Manager of BPO Services Headquarters, Division Manager of Services Promotion Division</p> <p>April 2019      Director, Senior Corporate Executive Officer, Headquarters Manager of BPO Services Headquarters, Sector Manager of Services Promotion Sector</p> <p>June 2021      Director, Executive Vice President, Headquarters Manager of BPO Services Headquarters, Sector Manager of Services Promotion Sector, Office Director of Business Development Office of BPO Services Headquarters</p> <p>June 2022      Representative Director, Executive Vice President, Headquarters Manager of BPO Services Headquarters, Sector Manager of Services Promotion Sector, Office Director of Business Development Office of BPO Services Headquarters, Division Manager of Services Promotion Division of BPO Services Headquarters</p> <p>April 2024      Representative Director, Executive Vice President, Headquarters Manager of BPO Services Headquarters, Responsible for Quality Control Department (present post)</p>	4,800 shares (2,644 shares)
		<p>Reason for selection as a candidate for Director 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	No. of Company shares held
5	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, Division Manager of Metropolitan Region Division I Service of Call Center Service Sector</p> <p>April 2015      Corporate Senior Officer, Headquarters Manager of Contact Center Service Headquarters</p> <p>June 2016      Corporate Executive Officer, Headquarters Manager of DEC Headquarters, Deputy Division Manager of Services Management Division</p> <p>April 2017      Senior Corporate Executive Officer, Headquarters Manager of DEC Headquarters, Deputy Division Manager of Services Promotion Division</p> <p>June 2019      Director, Senior Corporate Executive Officer, Co-Headquarters Manager of DEC Headquarters, Sector Manager of Digital Communication Center Sector of DEC Headquarters</p> <p>June 2022      Director, Executive Vice President, Headquarters Manager of DEC Headquarters</p> <p>April 2023      Director, Executive Vice President, Headquarters Manager of CX Business Headquarters (present post)</p>	800 shares (1,802 shares)
		<p>Reason for selection as a candidate for Director</p> <p>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>	

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company		No. of Company shares held
6	Hiroshi Kaizuka (February 26, 1965)  Reelection	April 1988	Joined the Company	6,800 shares (1,014 shares)
		June 1996	Director, Deputy Division Manager of Marketing Division	
		August 2001	Managing Director, Assistant of Business Development Division, Division Manager of Global Business Division	
		April 2004	Corporate Senior Officer, Division Manager of Public Telecommunications Services Sales Division	
		June 2016	Corporate Executive Officer, Deputy Manager of Sales Headquarters	
		January 2019	Senior Corporate Executive Officer, Co-Headquarters Manager of Sales Headquarters	
		June 2021	Director, Senior Corporate Executive Officer, Co-Headquarters Manager of Sales Headquarters	
		June 2022	Director, Executive Vice President, Headquarters Manager of Sales Headquarters, Responsible for AE Sector of DEC Headquarters	
		April 2024	Director, Executive Vice President, Headquarters Manager of Group Sales Headquarters, Headquarters Manager of Sales Headquarters, Group Sales Headquarters (present post)	
		Reason for selection as a candidate for Director 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.		

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
7	Eijiro Yamashita (August 16, 1968)  Reelection	<p>April 1993      Joined Recruit Co., Ltd.</p> <p>October 2000    Joined the Company</p> <p>March 2013      President and General Manager of transcocosmos China</p> <p>April 2014      Corporate Officer, Department Manager of China Business Department II of Global Business Sector, President and General Manager of transcocosmos China</p> <p>January 2016    Corporate Senior Officer, Division Manager of China Business Division of Global Business Sector, President and General Manager of transcocosmos China</p> <p>April 2017      Corporate Executive Officer, Division Manager of China Business Division of Global Business Sector, President and General Manager of transcocosmos China</p> <p>June 2021      Senior Corporate Executive Officer, Deputy Manager of Global Business Headquarters, Division Manager of China Business Division of Global Business Headquarters, President of transcocosmos China</p> <p>June 2022      Senior Corporate Executive Officer, Headquarters Manager of Global Business Headquarters</p> <p>December 2022   President of transcocosmos China (present post)</p> <p>March 2023      Chairman, Director &amp; CEO of transcocosmos Korea Inc. (present post)</p> <p>June 2023      Director and Senior Corporate Executive Officer, Headquarters Manager of Global Business Headquarters (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>President of transcocosmos China</p> <p>Chairman, Director &amp; CEO of transcocosmos Korea Inc.</p> <hr/> <p>Reason for selection as a candidate for Director Given his abundant experience and distinguished knowledge in the field of global business, 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>	3,800 shares (140 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
8	Yoshie Kadomatsu (December 10, 1959)  New election	<p>April 1978      Joined Maruei Keisan Center (forerunner of transcosmos)</p> <p>June 1985      Joined the Company</p> <p>June 1996      Director, Deputy Division Manager of Human Resources Division</p> <p>March 2000     Resigned as Director</p> <p>January 2006    Joined the Company</p> <p>March 2020     Director of Applied Technology Co., Ltd. (present post)</p> <p>June 2020      Corporate Officer, Division Manager of Building Infrastructure Services Division of BPO Services Headquarters</p> <p>June 2021      Corporate Senior Officer, Division Manager of Building Infrastructure Services Division of BPO Services Headquarters</p> <p>April 2022      Corporate Senior Officer, Deputy Headquarters Manager of BPO Services Headquarters, Sector Manager of Urban Engineering Services Sector of BPO Services Headquarters (present post)</p> <p>(Significant concurrent positions outside the Company) Director of Applied Technology Co., Ltd.</p> <p>Reason for selection as a candidate for Director Given her abundant experience and knowledge in the field of BPO, we have judged that she can make important business execution decisions at Board of Directors meetings and appropriately promote businesses of which she is in charge toward the realization of business growth of the Company and the Group. Accordingly, we have selected her as a candidate for Director.</p>	– shares (– shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
9	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, Division Manager of Business Planning &amp; Development Division</p> <p>June 1998      Managing Director</p> <p>June 1999      Senior Managing Director, Assistance in Global Business Control</p> <p>April 2000      Vice President, Representative Director, responsible for Marketing Division, Consulting Division and each Business Division</p> <p>September 2002      President &amp; CEO</p> <p>June 2003      Chairman &amp; CEO</p> <p>October 2014      Outside Director, Member of the Board of KADOKAWA DWANGO CORPORATION (present KADOKAWA CORPORATION)</p> <p>June 2019      Outside Director of DeNA Co., Ltd.</p> <p>July 2019      Chairman, Representative Director &amp; CEO and in charge of Compliance Promotion Department and Diversity Promotion Department of the Company</p> <p>September 2020      Chairman &amp; CEO, Responsible for Compliance Promotion Department</p> <p>June 2022      Director, Corporate Advisor (present post)</p> <p>Reason for selection as a candidate for Director Over the many years he has served as Chairman &amp; CEO, he has shown strong leadership aimed at improving the sustainable corporate value of the Company and the Group. We have determined that he is capable of providing valuable advice and supervision in his duties as Director based on his abundant experience and distinguished knowledge as a manager and have selected him as a candidate for Director.</p>	25,200 shares (12,426 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
10	<p>Rehito Hatoyama (January 12, 1974)</p> <p>Reelection Outside Independent executive</p> <p>Term of office: eight years</p>	<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      Sanrio Media &amp; Pictures Entertainment, Inc. CEO</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</p> <p>(Significant concurrent positions outside the Company)</p> <p>Outside Director of Pigeon Corporation</p> <p>Representative Director of Hatoyama Soken Corporation</p> <hr/> <p>Reason for selection as a candidate for Outside Director and outline of expected roles</p> <p>Reason for selecting 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.</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>

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
11	<p data-bbox="336 801 501 891">Genichi Tamatsuka (May 23, 1962)</p> <p data-bbox="352 920 485 1032">Reelection Outside Independent executive</p> <p data-bbox="336 1070 501 1126">Term of office: five years</p>	<p data-bbox="528 315 1267 779"> April 1985      Joined Asahi Glass Co., Ltd. (present AGC Inc.)  November 2002    President and COO of FAST RETAILING CO., LTD  September 2005   Established Revamp Corporation, Representative Director and President of the company  May 2014          Representative Director and President of Lawson, Inc.  June 2017          President and CEO of Hearts United Group Co., Ltd. (present DIGITAL HEARTS HOLDINGS Co., Ltd.)  October 2017      President of DIGITAL HEARTS Co., Ltd.  June 2019          Outside Director of the Company (present post)  June 2021          Representative Director and President of Lotte Holdings Co., Ltd. (present post)  October 2021      Chairman of JAPAN RUGBY LEAGUE ONE (present post)  April 2022          Vice Chairman of the Japan Association of Corporate Executives (present post)  November 2022    Director and Acting Owner of Chiba Lotte Marines (present post) </p> <p data-bbox="528 1039 1091 1066">(Significant concurrent positions outside the Company)</p> <p data-bbox="528 1084 1198 1249"> Representative Director and President of Lotte Holdings Co., Ltd.  Chairman of JAPAN RUGBY LEAGUE ONE  Vice Chairman of the Japan Association of Corporate Executives  Director and Acting Owner of Chiba Lotte Marines </p> <hr/> <p data-bbox="528 1267 1267 1615"> Reason for selection as a candidate for Outside Director 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>	<p data-bbox="1315 920 1401 1010">– shares (3,448 shares)</p>

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
12	<p>Noriyoshi Suzuki (April 20, 1956)</p> <p>Reelection Outside Independent executive</p> <p>Term of office: four 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 &amp; 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>July 2019        Representative Director of Suzuki Noriyoshi Office (present post)</p> <p>June 2020        Outside Director of the Company (present post)</p> <p>January 2021    Representative Director &amp; President of LES ROIS MAGES JAPON (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative Director of Suzuki Noriyoshi Office</p> <p>Representative Director &amp; President of LES ROIS MAGES JAPON</p> <hr/> <p>Reason for selection as a candidate for Outside Director and outline of expected roles</p> <p>Reason for selecting him as a candidate: He has many years of experience in the securities industry, and 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: She is expected to advise on 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 (– shares)</p>



Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
13	<p>Miwa Tsurumori (February 10, 1977)</p> <p>Reelection Outside Independent executive</p> <p>Term of office: one year</p>	<p>October 2006 Registered as a lawyer Lawyer of Fairness Law Office</p> <p>October 2013 Lawyer of Uchisaiwaicho Law Office</p> <p>April 2017 Partner of Toranomom 1-Chome Law Office (present post)</p> <p>February 2021 Outside Corporate Auditor of Twenty-four seven, Inc (present post)</p> <p>June 2023 Outside Director of the Company (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Partner of Toranomom 1-Chome Law Office</p> <p>Outside Corporate Auditor of Twenty-Four Seven, Inc</p> <p>Note: Miwa Tsurumori provides legal services under her maiden name (Matsutani).</p> <hr/> <p>Reason for selection as a candidate for Outside Director and outline of expected roles</p> <p>Reason for selecting her as a candidate: Her many years of experience as a lawyer have given her abundant experience and broad knowledge in corporate legal affairs, and thus 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 Outside Director. While Miwa Tsurumori has no previous experience of involvement in the management of a company other than as an Outside Corporate Auditor, for these reasons, the Company believes that she will be able to perform her duties as an Outside Director adequately.</p> <p>Expected roles: She is expected to advise on 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 (– shares)</p>

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
14	Norihiro Kuretani (December 3, 1965)  New election Outside Independent executive	<p>April 1988      Joined Dentsu Inc.</p> <p>July 2016      Director of the Digital Platform Center, Director of Dentsu Digital Inc., and Director of Cyber Communications Inc.</p> <p>January 2017    Executive Officer (in charge of the Digital Department) and Representative Director and CEO of Dentsu Digital Inc.</p> <p>March 2017      Executive Officer (in charge of the Digital Department), Representative Director and CEO of Dentsu Digital Inc., and Director of Information Services International Dentsu, Ltd. (currently Dentsu Soken Inc.)</p> <p>July 2019        Chair of the Dentsu Global Data Technology Committee</p> <p>January 2020    Director, Vice President, and Executive Officer (in charge of the BP Division of the Domestic Business Headquarters)</p> <p>January 2022    Representative Director, President, and Executive Officer, Executive Officer of Dentsu Group Inc., CEO of Dentsu Japan</p> <p>Reason for selection as a candidate for Outside Director 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 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)

- Notes: 1. Figures in parentheses in the column of “No. of Company shares held” by candidates for Directors are equities in the 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. Genichi Tamatsuka concurrently holds the position of Representative Director, President, and CEO of Lotte Holdings Co., Ltd., with which the Company has business relationship. No special interests between any other candidates for Director and the Company.
3. Rehito Hatoyama, Genichi Tamatsuka, Noriyoshi Suzuki, Miwa Tsurumori, and Norihiro Kuretani are candidates for Outside Directors.
4. The terms of office of the candidates for Outside Director, Rehito Hatoyama, Genichi Tamatsuka, Noriyoshi Suzuki, and Miwa Tsurumori 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, Genichi Tamatsuka, Noriyoshi Suzuki, and Miwa Tsurumori, 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. In addition, if the election of Norihiro Kuretani is approved, the Company will enter into the liability limitation agreement.
6. The Company has registered Rehito Hatoyama, Genichi Tamatsuka, Noriyoshi Suzuki, and Miwa Tsurumori 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. In addition, if the election of Norihiro Kuretani is approved, the Company intends to register him as an independent executive.
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 or elected, they will become the insured persons under this insurance contract. See Business Report 4. (4) Outline of the Directors and Officers Liability Insurance Contract for an overview of the insurance contract.
8. In fiscal 2023, Lotte Holdings Co., Ltd. and Chiba Lotte Marines, at which Genichi Tamatsuka holds a concurrent position, outsourced certain businesses to the Company, but the amount of each business accounts for an insignificant part of consolidated net sales of the Company (less than 2%). The Company does not outsource business to Lotte Holdings Co., Ltd. and Chiba Lotte Marines. Accordingly, the Company has determined that his independence is ensured adequately.
9. A case of violation of laws and regulations at a company of which a candidate for Outside Director served as a director  
At Dentsu Inc., where candidate for outside director Norihiro Kuretani served as representative director, an individual (employed by Dentsu Inc. in 2018, the time the incident occurred) who was an employee of a domestic subsidiary of Dentsu Group Inc., the parent of Dentsu Inc., was charged by the Japan Fair Trade Commission for suspected violation of the Antimonopoly Act on February 28, 2023, when Kuretani was serving as representative Director (in 2018, the time when the incident occurred, Kuretani was an executive officer in charge of the digital domain (which was an area of responsibility unrelated to the incident)) regarding bidding for test events at the Tokyo 2020 Olympics and Paralympics, and that person was subsequently indicted by the Tokyo District Public Prosecutors Office. Additionally, under the dual penalty provision of the Act, Dentsu Group Inc., which 2018 was Dentsu Inc., was prosecuted as a corporation.
10. For the criteria for judging independence of Outside Directors of the Company, please refer to the page 51.
11. “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. 5:** Election of Three (3) Directors who are Audit and Supervisory Committee Members

The term of office of all three (3) 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 (3) 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		
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	No. of Company shares held
1	Takeshi Natsuno (March 17, 1965)  Reelection Outside Independent executive  Term of office: sixteen 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>April 2020      Special Guest Professor and Head of Cyber Informatics Research Institute of Kindai University (present post)</p> <p>June 2021      President, Member of the Board of KADOKAWA CORPORATION</p> <p>June 2023      Chief Executive Officer (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>Chief Executive Officer of KADOKAWA CORPORATION</p> <p>Special Guest Professor and Head of Cyber Informatics Research Institute of Kindai University</p>	60,000 shares (14,831 shares)

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
		<p>Reason for selection as a candidate for Outside Director and outline of expected roles</p> <p>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.</p> <p>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>	

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
2	<p>Nozomu Yoshida (December 1, 1956)</p> <p>Reelection Outside Independent executive</p> <p>Term of office: fourteen years</p>	<p>April 1980      Joined Dentsu Inc.</p> <p>October 2000    Representative Director of nozomu.net (present post)</p> <p>January 2002    Part-time Director of Concent, Inc.</p> <p>June 2004       Representative Director of takibi, Inc.</p> <p>May 2008       Representative Director of Odayaka Living Co., Ltd. (present post)</p> <p>June 2010       Outside Director of the Company</p> <p>June 2011       Outside Corporate Auditor of Asahi Net, Inc. (present post, scheduled to resign on June 26, 2024)</p> <p>June 2016       Outside Director (Audit and Supervisory Committee Member) of the Company (present post)</p> <p>June 2019       Representative Director of playful.inc (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Representative Director of nozomu.net</p> <p>Representative Director of Odayaka Living Co., Ltd.</p> <p>Outside Corporate Auditor of Asahi Net, Inc.</p> <p>Representative Director of playful.inc</p> <hr/> <p>Reason for selection as a candidate for Outside Director and outline of expected roles</p> <p>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.</p> <p>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>	<p>– shares (12,596 shares)</p>

Candidate No.	Name (Date of Birth)	Career summary, position and areas of responsibility at the Company	No. of Company shares held
3	<p>Eiji Uda (August 3, 1956)</p> <p>Reelection Outside</p> <p>Term of office: ten years</p>	<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 &amp; 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.</p> <p>June 2018      Chairman and Representative Director of Unified Service Co., Ltd.</p> <p>November 2020 Chairman of Yext KK</p> <p>June 2021      Outside Director of pluszero, Inc. (present post)</p> <p>February 2022 President and Representative Director of Unified Service Co., Ltd. (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>President and Representative Director of Unified Service Co., Ltd.</p> <p>Outside Director of pluszero, Inc.</p> <hr/> <p>Reason for selection as a candidate for Outside Director and outline of expected roles</p> <p>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.</p> <p>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>	<p>– shares</p> <p>– shares</p>



- 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 Chief Executive Officer KADOKAWA CORPORATION, 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 “4. (4) Outline of the Directors and Officers Liability Insurance Contract” of the Business Report for the outline of this insurance contract.
7. In fiscal 2023, 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  
At Kadokawa Corporation, where candidate for outside director Takeshi Natsuno served as director, representative director, and president, between August and October 2022, during Natsuno’s tenure, officers and employees at Kadokawa Corporation were investigated by the Tokyo District Public Prosecutors Office regarding sponsor selection for the Tokyo 2020 Olympics and Paralympics, and were arrested and charged with bribery by the Tokyo District Public Prosecutors Office.
9. For the criteria for judging independence of Outside Directors of the Company, please refer to the page 51.

**Proposal No. 6:** Election of One (1) Substitute Director who is an Audit and Supervisory Committee Member

The Company proposes the election of one (1) substitute Director who is an 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 substitute Director who is an Audit and Supervisory Committee Member is as follows:

Name (Date of Birth)	Career summary and position at 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 Lawyer of Fairness Law Office</p> <p>October 2013 Lawyer of Uchisaiwaicho Law Office</p> <p>April 2017 Partner of Toranomom 1-Chome Law Office (present post)</p> <p>February 2021 Outside Corporate Auditor of Twenty-four seven, Inc (present post)</p> <p>June 2023 Outside Director of the Company (present post)</p> <p>(Significant concurrent positions outside the Company)</p> <p>Partner of Toranomom 1-Chome Law Office</p> <p>Outside Corporate Auditor of Twenty-Four Seven, Inc</p>	<p>– shares</p>
	<p>Reason for selection as a candidate for substitute Outside Director who is an Audit and Supervisory Committee Member and outline of expected roles</p> <p>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.</p> <p>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.</p> <p>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>	

- Notes:
1. Miwa Tsurumori is a candidate for a substitute Outside Director who is also an Audit and Supervisory Committee Member.
  2. Miwa Tsurumori provides legal services under her maiden name (Matsutani).
  3. She does not have any special interest in the Company.
  4. If she is approved as proposed in Proposal No. 4: “Election of Fourteen Directors (excluding Directors who are Audit and Supervisory Committee Members),” she will serve as director (excluding directors who are audit and supervisory committee members) (the term of office for director (excluding directors who are audit and supervisory committee members): one year); however, in the event that the number of directors who are audit and supervisory committee members is fewer than that stipulated under the law, she will resign as director (excluding directors who are audit and supervisory committee members) and serve as a director who is an audit and supervisory committee member.
  5. 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 or 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 25, 2024)**

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

	Name	Corporate Management	Business Strategy	Sales/ Marketing	Finance/ Accounting/ M&A	Legal/ Compliance /Risk Management	IT/Digital	Global	Service Quality Control
Directors	Masataka Okuda	●		●	●		●	●	
	Masaaki Muta	●		●			●	●	
	Takeshi Kamiya	●			●	●		●	
	Masatoshi Kouno		●		●		●		●
	Kenshi Matsubara		●	●			●		●
	Hiroshi Kaizuka		●	●			●	●	
	Eijiro Yamashita		●	●				●	●
	Yoshie Kadomatsu		●				●		●
	Koji Funatsu	●			●	●		●	
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		●		●		●	●	
	Genichi Tamatsuka	●		●			●	●	
	Noriyoshi Suzuki	●		●	●			●	
	Miwa Tsurumori				●	●			
Norihiro Kuretani	●	●	●			●			

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

## **Shareholder Proposals (Proposals 7 to 8)**

Proposals 7 to 8 are based on proposals from a single shareholder.

The details and reasons for the proposal from the shareholder who proposed them are listed by proposal as is.

**The Board of Directors at the Company opposes all of these proposals, as described below.**

### **Proposal No. 7 Partial Amendment to Articles of Incorporation (Cancellation of Treasury Stock)**

#### (1) Details of Proposal

Add Section 3. “Shareholders’ Meeting” of the Articles of Incorporation to Article 15, establish the new article below, and move subsequent articles in the Articles of Incorporation down one.

#### (Cancellation of Treasury Stock)

Article 15. The General Meeting of Shareholders shall be able to make resolutions on the retirement of treasury stock (including the types of treasury stock to be retired and the number of each type) by an ordinary resolution as stipulated in Article 309, Paragraph 1 of the Companies Act, excluding matters stipulated by the Companies Act.

#### (2) Reasons for the Proposal

- As of the end of December 2023, the Company holds approximately 11.32 million shares of treasury stock (23.2% of the total shares issued).
- Uses of treasury stock may include use as compensation during mergers and acquisitions. However, as of the end of the month, the Company holds approximately ¥41.8 billion in net cash, which represents 41% of its net worth (after bonds payable and borrowings are deducted), and it is considered advisable to allocate this cash to such uses as mergers and acquisitions to mitigate significant dilution of the current ROE.
- Additionally, given the composition of Company shareholders, in which the top three shareholders (totaling 50.1%), including the treasury stock, are deemed internal stakeholders, maintaining defense measures against takeovers while holding the net cash above would increase the risk of potential MBOs at prices below fair corporate value for shareholders.
- It is our hope that by cancelling some treasury stock, the Company’s efforts to enhance corporate value will become more evident.

#### **• Opinion of the Board of Directors**

**The Board of Directors opposes this proposal from the shareholder.**

#### **• Reason for Opposition**

The Company believes it necessary to discuss the cancellation of treasury stock as part of our mid- to long-term capital policy and explore its use in flexible capital policies including future fundraising and mergers and acquisitions that take into account future management strategy.

For this, the Company has decided to cancel 4,930,930 shares of the treasury stock it holds, which represents 10.11% of the total issued shares, as resolved in the Board of Directors meeting held on April 30, 2024, in order to mitigate concerns over future dilution of shares.

Other treasury stock held will be utilized during the conversion of Euro-yen denominated convertible-bond-type bonds with share acquisition rights, which are due in 2026, and decisions on usage will be made in accordance with the policy above.

Going forward, the Company will consider cancelling treasury stock when the Board of Directors determines that doing so contributes to improving corporate value and benefits to shareholders based on current circumstances.

Based on this, we believe that making decisions on capital policies, including treasury stock, not at the General Meeting of Shareholders but through the Board of Directors under the Companies Act will enable more flexible capital policies that ultimately contribute to improving corporate value in consideration of the Company's mid- to long-term management strategy.

As such, the Board of Directors opposes this proposal.

Shareholder Proposals

**Proposal No. 8** Cancellation of Treasury Stock

(1) Details of Proposal

Subject to the approval of the proposal mentioned above, all treasury stock exceeding 10% of the total issued shares held shall be cancelled.

(2) Reasons for the Proposal

The same as Proposal No. 7.

• **Opinion of the Board of Directors**

**The Board of Directors opposes this proposal from the shareholder.**

• **Reason for Opposition**

At the Board of Directors meeting held on April 30, 2024, the Company resolved to cancel 4,930,930 shares of treasury stock, representing 10.11% of the total issued shares. Based on the circumstances, we currently believe that no further cancellation of treasury stock is necessary.

As such, the Board of Directors opposes this proposal.

## **BUSINESS REPORT**

(from April 1, 2023 to March 31, 2024)

### **1. Business Overview of the Group**

#### **(1) Progress and Results of Operations**

In this consolidated fiscal year, the Japanese economy gradually recovered along with the normalization of economic and social activity. However, with commodity prices still high due to the prolonged conflict in Ukraine, the impact on foreign exchange markets due to a global credit crunch, and concerns over the future of the Chinese economy, the future remains unclear.

The environment surrounding the services offered in which the Group is engaged remains robust due to enduring demand for outsourcing services that increase the efficiency of business performance, strengthen cost competitiveness, and lead to greater sales, amid the context of progress in such digital technologies as generative AI and the metaverse as well as prolonged labor shortages. The need for services that help solve the challenges of digital transformation (DX) and improving customer experience (CX) continue to grow.

Under these circumstances, the Group, despite the impact on business performance due to a reduction in business concerning measures against COVID-19 promoted by national and governments as well as private businesses that we have been delivering aggressively as a company that underpins social infrastructure, we continued to aggressively deploy CX and BPO services that support management and business transformation of clients in order to meet growing demand for services. We also promoted measures set under the Medium-term Business Plan for the period from the fiscal year ended March 2024 to the fiscal year ending March 2026.

In initiatives for creating business models, in our unique CX platform TCI-DX for Support, which provides services that collect, analyze, and use data from different customer touchpoints, we have developed technology that comprehensively analyzes data from customer experience at different customer touchpoints, starting with VoC (Voice of the Customer) accumulated from customer centers, social media, and chats, for which we have acquired a patent (Patent No. 7319478). In using this data utilization technology, we aim to significantly reduce the time required for analysis compared to conventional methods and provide an environment that makes it easier for users to resolve issues themselves across communication channels, with a 30% reduction in total time to resolution as our goal. Promoting self-service contributes to lower business support costs, and the issues identified can be leveraged in marketing activities to help expand sales as well. With the mandatory disclosure of human capital information in securities reports for publicly listed companies, we have launched the HCM Analytics Platform service to visualize human capital information. We help clients enhance corporate value associated with the disclosure of human capital information through the visualization of current status and continuous data collection and analysis. Furthermore, we have begun offering the GHG Emission Calculation Solution service, which automates the collection and calculation of greenhouse gas (GHG) emissions data. Automating the integration of data for GHG emission calculation from existing systems will help significantly reduce workload involved in data collection and calculation.

For new business development and R&D promotion initiatives, we primarily focused on developing and promoting services utilizing generative AI. Specifically, we have launched the service Quick Support Cloud with GAI, which utilizes generative AI in our support desk assistance tool Quick Support Cloud. This lets us swiftly provide high-quality responses of uniform quality sought by support desk users. It also reduces the human labor for generating training data, stabilizes content quality, and shortens processing times, achieving optimization of clients' operations. We have also developed an automatic translation tool Translingo SMART that utilizes generative AI, and started offering a multilingual chat service. This service automatically translates the languages of both customers and agents, enabling customer support in up to 15 languages (as of January 2024) without the need for bilingual agents. Furthermore, we have consolidated the expertise of Asia's largest call center and independently developed the generative AI-powered chatbot T-GPT, which we have begun implementing in TCI-DX for Support. With T-GPT equipped for hybrid chat support, end users can always receive answers to their inquiries in natural language and experience high-quality customer service through the seamless integration of chatbot and human chat support. Following the launch of T-GPT in South Korea, Japan became the second country to offer this service. We plan to



continue expanding service areas globally.

In initiatives aimed at global business growth, we focused on creating more competitive services and strengthening our operations in local and global markets with a focus on Asia. In China, to further expand the scope of our business in the Chinese and Taiwanese market, we established the Zhengzhou Center as an operational base for contact center services to the Chinese market and the Chihlee Center as an operational center for the Taiwanese market. In Thailand, to enhance “Trust & Safety Services” for monitor online content such as posts, images, and videos uploaded by users, we expanded our base of operation, the Bangkok Center No. 2. In North America, we established the Mexico City Center in Mexico as a nearshore site for the US market. We also established transcocosmos India Private Limited in India to provide services in a new market. As the first initiative of operations in India, we opened the Bangalore Center in Bangalore with 300 seats in March 2024, commencing contact center services tailored to the Indian local market. We will continue to provide CX services that deliver new customer experiences by bringing to the Indian market the expertise cultivated in markets both in Japan and abroad. Internationally, a network that can provide services at 111 operational bases in 34 countries and areas overseas (as of March 2024) has currently been established to provide a broad range of services that support not only local companies but also clients expanding locally in growing sales and optimizing costs.

As a result of all this, the consolidated performance for the fiscal year showed an increase in new orders for services other than COVID-related work in the Company’s services but a decrease in demand for Chinese e-commerce business due to backlash from reduced COVID-related work, with net sales down 3.1% from the previous year to 362,201 million yen. As for profit, due to the impact of proactive investments aimed at mid-term growth such as the evolution of Company services, use of digital technology, and global expansion, operating profit down 50.7% from the previous year to 11,474 million yen, ordinary profit down 40.3% from the previous year to 13,782 million yen, and profit attributable to owners of parent down 36.0% from the previous year to 10,097 million yen.

The operating results by segment are as follows.

#### **Parent Company**

In our outsourcing services business, while new orders expanded in services other than COVID-related work, the backlash from reduced COVID-related work and impact of proactive investments aimed at mid-term growth led to net sales down 3.2% from the previous year to 236,716 million yen, and segment profit down 56.0% from the previous year to 7,003 million yen.

#### **Domestic Affiliates**

In domestic subsidiaries and affiliates, some listed subsidiaries and their group companies saw a decrease in demand in areas that grew during the pandemic, resulting in net sales down 2.1% from the previous year to 42,308 million yen, and segment profit down 48.7% from the previous year to 1,920 million yen.

#### **Overseas Affiliates**

For overseas subsidiaries and affiliates, while ASEAN subsidiaries maintained double-digit growth, the decrease in demand for the Chinese e-commerce business, the reduction in volume of some projects at Korean subsidiaries, and the impact of rising labor costs led to net sales down 2.7% decrease from the previous year to 95,670 million yen, and segment profit down 29.8% from the previous year to 2,546 million yen.

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

## **(2) Issues to Be Addressed**

### **Fundamental Policy for Business Portfolio**

The Group intends to optimize its business portfolio by primarily engaging globally in CX (customer experience) 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 Business Plan

Solid demand for outsourcing services offered by the Group have continued amid the advancement of digital technology and prolonged labor shortages. In particular, there is growing need for services that help solve the challenges of digital transformation (DX) and improving customer experience (CX), the importance of which was reaffirmed during the COVID-19 pandemic.

Within this context, the Company is developing its business with a unique service portfolio centered on the two axes of CX services and BPO services. Specifically, in CX services, we help grow client sales by providing seamless services for everything from marketing to customer care, while in BPO services, we help strengthen business foundations and optimize costs for clients through digital BPO that integrates expertise and digital technology.

Rooted in the integration of “people & technology,” the Company aims to be the Global Digital Transformation Partner, or the provider of new services that tap into digital technology to support clients’ transformation, and has striven toward high growth and profitability. Amid the global pandemic of COVID-19 that started in 2020, the Company has leveraged its large-scale business execution capacity to proactively deliver business support related to policies for anti-infection measures promoted by national and local governments as well as private companies, achieving significant business results. As a result of these efforts, we achieved record-high net sales and operating profits for the fiscal year ended March 2022, and made substantial improvements in the overall profitability of our business.

The Group has set a long-term goal of achieving 1 trillion yen in sales, which requires the further evolution of our services and business. By further bolstering our business knowledge and ability to respond to multiple communication channels, increasing our ability to serve global clients, and expanding our regional service coverage, the Company aims to meet the expectations of clients working to reform both front and back-office operations as well as accelerate expansion into the international market, our greatest growth opportunity.

Based on this, we have formulated the Medium-term Business Plan for the period from the fiscal year ended March 2024 to the fiscal year ending March 2026 to pursue the following key initiatives.

### ■ Vision

#### 1. Evolve into a Technology Solutions Company from a company with operational excellence

Leverage the CX platform (fully optimized user touchpoints) and digital BPO (fully optimized business processes) using the latest cloud technology and data, accelerate customer success by utilizing digital tools to maximize the customer experience and productivity.

#### 2. Become the unparalleled leader in Asia and a top-five global CX/BPO services player

Promote and strengthen organic collaboration among our 180 global offices in Japan, China, South Korea, the ASEAN region, the US, and Europe as the continuous growth engine of the Group, capitalizing on the growth potential of global companies to maximize earnings. Use the Group’s network to tap into new market opportunities.

#### 3. Meet expectations of all stakeholders including clients, employees and shareholders, and serve society

Commit to fairness, trust, quality, continuity, innovation, customer success and growth, remain a partner for solving social problems with a diverse business and service portfolio.

### ■ 5 Strategies

1. Pivot to a platform business model (as-a-service)
2. Structural reform for greater quality and profits by service standardization
3. Reinforce systems and develop people to win in a growing global market
4. Develop new businesses and drive R&D by maximizing our global network
5. Develop a group management base (finance, human resources, marketing, ESG)

Moreover, the Medium-term Business Plan aims to achieve net sales of at least 450 billion yen and an

operating profit margin of 6.0% to 8.0% by the fiscal year ending March 2026.

Through these initiatives, we aspire to bring our clients the ultimate customer experience and revolutionary productivity through the latest digital technologies, making steady progress toward becoming the Global Digital Transformation Partner that will help achieve a sustainable society.

### **The Fundamental Sustainability Policy of the Transcosmos Group**

Staying true to our Fundamental Management Philosophy that client satisfaction is the true value of our company, we, transcosmos, will co-create a well-being society with you all. Together, transcosmos will drive progress on SDGs/ESG.

#### **■ Efforts for Addressing Important Management Issues Concerning Sustainability**

The Company is actively working on social issues and expectations in the three elements of ESG (Environmental, Social, and Governance) and has established a system to promote sustainability based on the SDGs Committee Operating Rules.

- Environmental (E)

The Company discloses information on climate change based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and in FY 2023, we disclosed the GHG emissions (Scope 1-3) of the transcosmos Group. In the CDP Climate Change Report 2023, we achieved a score of B score, and are working to promote our response to climate change.

While an approach to environmental conservation is also essential as a global digital transformation partner of clients, 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 clients and a reduction in environmental load of society through the development 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.

As part of our activities to help achieve carbon neutrality, we have joined the Corporate Forest initiative in Wakayama Prefecture to start forest conservation efforts and have begun tree planting in the town of Yaese, Okinawa, kickstarting the Transcosmos Forest initiative. We have declared support for Oita Prefecture's Forest Credit Creation Support Project through the corporate version of the hometown tax, promoting local problem-solving and decarbonization efforts.

- 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 capital, which are the key driver to accelerate business growth and global expansion and to enable the continuous creation of additional value, the Group is working to realize an environment where employees with various backgrounds in terms of gender, nationality, and disability can be motivated.

Our efforts have been recognized, and in 2023 we received the Excellent Company Award for Employment of Persons with Disabilities (Governor of Tokyo Award) and the Silver Award in the PRIDE Index 2023 for LGBTQ initiatives in the workplace.

In FY 2023, we established the Transcosmos Group Human Rights Policy and, under the Human Rights Promotion Committee, are promoting human rights initiatives.

We have also been certified as an "Health & Productivity Management Outstanding Organizations 2024 (Large Enterprise Category)" for the second year in a row as part of a system that recognizes both major corporations and small- and medium-sized companies that practice particularly excellent health management based on efforts to address local health issues and promote health as advocated by the Japan Health Council.

- 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 79.

**(3) Status of Raising Funds**

During the current fiscal year, the Company raised 6,050 million yen in the form of a long-term loan from a financial institution 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 Share Acquisition Rights of Other Companies**

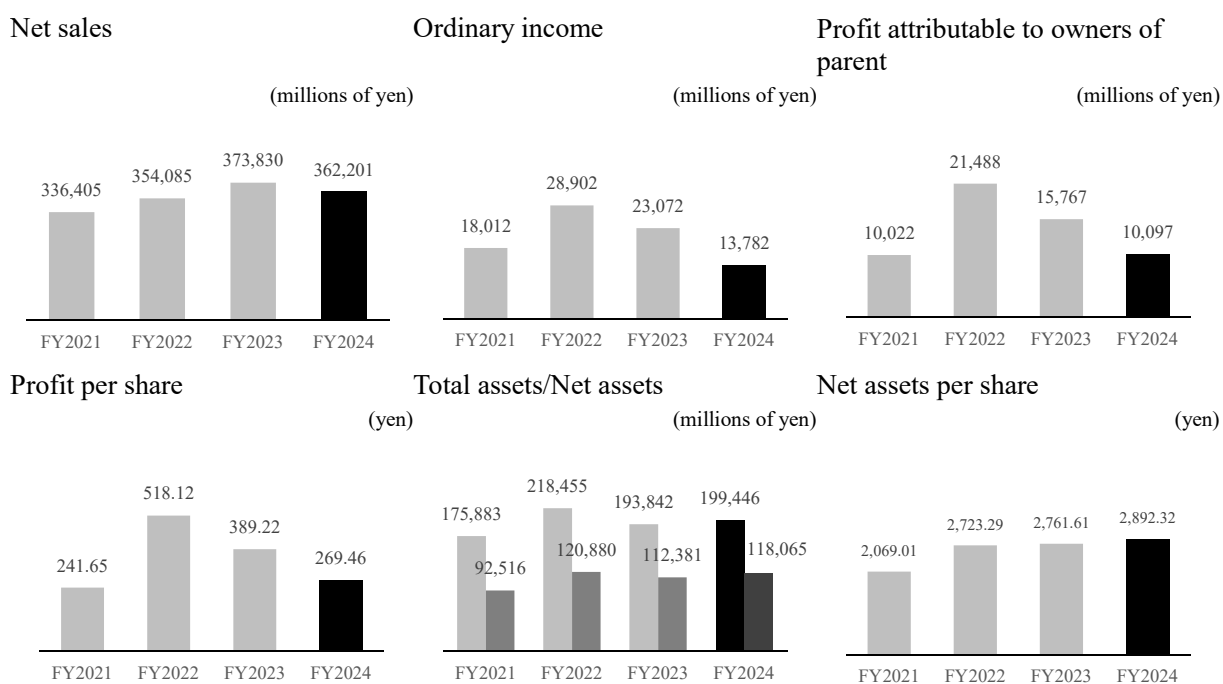
The Company entered a public tender offer conducted under US law by GXO Logistics, Inc. for all shares of PFSweb, Inc. (investment in securities, a company listed on the NASDAQ; hereinafter referred to as “PFSW”) held by the Company (16.2% of total shares issued). The tender offer was successful on October 20, 2023 (US time), and all shares of PFSW offered were sold.

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

Category	FY 2021 (36 <sup>th</sup> Fiscal Term)	FY 2022 (37 <sup>th</sup> Fiscal Term)	FY 2023 (38 <sup>th</sup> Fiscal Term)	FY 2024 (current fiscal year) (39 <sup>th</sup> Fiscal Term)
Net sales (millions of yen)	336,405	354,085	373,830	362,201
Ordinary income (millions of yen)	18,012	28,902	23,072	13,782
Profit attributable to owners of parent (millions of yen)	10,022	21,488	15,767	10,097
Profit per share (yen)	241.65	518.12	389.22	269.46
Total assets (millions of yen)	175,883	218,455	193,842	199,446
Net assets (millions of yen)	92,516	120,880	112,381	118,065
Net assets per share (yen)	2,069.01	2,723.29	2,761.61	2,892.32

Note 1: 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.

- 2 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.



## (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	100.00%	CX Services in South Korea, BPO Services
transcosmos China	RMB153 million	100.00%	CX Services in China

### (11) Principal Business of the Group (As of March 31, 2024)

CX (Customer Experience) Services Business	
<p>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 touchpoints 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.</p>	
BPO (Business Process Outsourcing) Services Business	
<p>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.</p>	

### (12) Principal Business Offices of the Group (As of March 31, 2024)

Office	Location
Headquarters	Sunshine 60 Bldg., 3-1-1, Higashiikebukuro, Toshima-ku, Tokyo
Main Office	2-20, Higashi 1-chome, Shibuya-ku, Tokyo, Japan Shibuya First Tower
Head Office, Branch Offices and Business Offices	Osaka, Chubu, Wakayama, Kyushu, Kyoto, 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, India, UAE, Norway, Finland, Sweden, U.K., Denmark, the Netherlands, Belgium, Estonia, Latvia, Poland, Ukraine, Hungary, South Africa, U.S.A., Mexico, Panama, Colombia, Brazil, Ecuador, Peru, Chile, Argentina, Uruguay

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

**(13) Employees (As of March 31, 2024)**

## 1) Employees of the Group

Segment	Number of employees	Number of temporary employees
Parent Company	17,325	21,626
Domestic Affiliates	2,450	2,149
Overseas Affiliates	21,018	5,196
Total	40,793	28,971

## 2) Employees of the Company

Number of employees	Year-on-year change	Average age	Average length of service
17,325 (21,626)	+ 534 (- 553)	37 years, 5 months	9 years, 5 months

(Note) “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.

**(14) Major Creditors (As of March 31, 2024)**

(Millions of yen)

Creditor	Outstanding loans
Sumitomo Mitsui Banking Corporation	3,109
MUFG Bank, Ltd.	2,668
Mizuho Bank Ltd.	2,333

## 2. Matters Concerning Shares of the Company (As of March 31, 2024)

- (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: 9,788  
(of which 7,603 shareholders hold unit shares)
- (4) Top ten major shareholders

Name	Number of shares held (thousands of shares)	Shareholding ratio (%)
transcosmos foundation, Public Interest Incorporated Foundation	6,753	18.0
Masataka Okuda	6,404	17.1
Master Trust Bank of Japan, Ltd. (Account in Trust)	3,103	8.3
Custody Bank of Japan, Ltd. (Account in Trust)	1,492	4.0
Mihoko Hirai	1,463	3.9
The Bank of New York Mellon 140042	926	2.5
CEPLUX - The Independent UCITS Platform 2	746	2.0
HM Kosan, Ltd.	722	1.9
Employee Shareholding Association of transcosmos inc.	709	1.9
Northern Trust Global Services SE, Luxembourg Re Ludu Re: Ucits Clients 15.315 Pct Non Treaty Account	500	1.3

### Notes:

1. Although the Company holds 11,321 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 Share Acquisition Rights, etc. of the Company (As of March 31, 2024)

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

Not applicable.

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

Not applicable.

#### (3) Share Acquisition Rights Delivered to the Company's Employees during the Fiscal Year

What follows is the outline of the share acquisition rights attached to euro-yen denominated convertible bonds with share 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 <sup>(Note 1.)</sup>
Number of share acquisition rights	1,000 units
Type and number of shares subject to share acquisition rights	Common stock of the Company Number obtained by dividing the par value of the bond portion of these convertible bonds with share 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 share acquisition rights	None
Conversion price	4,045.6 yen <sup>(Note 2)</sup>
Exercise period	From December 28, 2021 (inclusive) to November 30, 2026 (inclusive, until the end of bank business hours) <sup>(Note 3)</sup>

Note 1: London time

Note 2: The conversion price was adjusted from 4,062.8 yen to 4,045.6 yen after April 1, 2023 in accordance with the conversion price adjustment clause of share acquisition rights attached to euro-yen denominated convertible bonds with share acquisition rights due 2026, following the approval of the year-end dividend proposal of 117 yen per share at the 38th Annual General Meeting of Shareholders held on June 22, 2023.

Note 3: Local time of the place where exercise request is accepted

#### 4. Corporate Officers (As of March 31, 2024)

##### (1) Directors and Audit and Supervisory Committee Members

Position	Name	Assignment or principal responsibilities and significant concurrent positions
Representative Director, Chairman	Masataka Okuda	—
Representative Director, Co-president	Masaaki Muta	Responsible for Marketing Division
Representative Director, Co-president	Takeshi Kamiya	Co-Sector Manager of Business Development Sector
Representative Director, Executive Vice President	Masatoshi Kouno	Headquarters Manager of BPO Services Headquarters, Responsible for Information Systems Division, Corporate Management Headquarters, Responsible for Quality Control Department
Director, Executive Vice President	Kenshi Matsubara	Headquarters Manager of CX Business Headquarters
Director, Executive Vice President	Hiroshi Kaizuka	Headquarters Manager of Sales Headquarters, Responsible for AE Sector of CX Business Headquarters
Director, Senior Corporate Executive Officer & CTO	Kiyoshi Shiraishi	Responsible for Information Systems Division, Corporate Management Headquarters, Responsible for Systems Department Chairman and Representative Director of J-Stream Inc.
Director, Senior Corporate Executive Officer	Eijiro Yamashita	Headquarters Manager of Global Business Headquarters President of transcosmos China Chairman, Director & CEO of transcosmos Korea Inc.
Director, Corporate Advisor	Koji Funatsu	—
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 Special Guest Professor and Head of Cyber Informatics Research Institute of Kindai University Chief Executive Officer of KADOKAWA CORPORATION
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. Representative Director of playful.inc
Outside Director (Audit and Supervisory Committee Member)	Eiji Uda	President and Representative Director of Unified Service Co., Ltd. Outside Director of pluszero, Inc.
Outside Director	Rehito Hatoyama	Outside Director of Pigeon Corporation Representative Director of Hatoyama Soken Corporation
Outside Director	Genichi Tamatsuka	Representative Director, President, and CEO of Lotte Holdings Co., Ltd. Chairman of JAPAN RUGBY LEAGUE ONE Vice Chairman of the Japan Association of Corporate Executives Director and Acting Owner of Chiba Lotte Marines

Position	Name	Assignment or principal responsibilities and significant concurrent positions
Outside Director	Noriyoshi Suzuki	Representative Director of Suzuki Noriyoshi Office Representative Director & President of LES ROIS MAGES JAPON
Outside Director	Miwa Tsurumori	Partner of Toranomom 1-Chome Law Office Outside Corporate Auditor of Twenty-Four Seven, Inc

Notes:

- Changes to Director during the fiscal year are as follows:  
 Outside Director Toru Shimada retired due to the expiration of his term of office at the conclusion of the 38<sup>th</sup> Annual General Meeting of Shareholders held on June 21, 2023.  
 Director Eijiro Yamashita and Outside Director Miwa Tsurumori were elected and assumed their office at the 38<sup>th</sup> Annual General Meeting of Shareholders held on June 21, 2023.
- 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.
- 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.
- The Company has designated Outside Directors Takeshi Natsuno, Nozomu Yoshida, Rehito Hatoyama, Genichi Tamatsuka, Noriyoshi Suzuki and Miwa Tsurumori as independent executives stipulated by the Tokyo Stock Exchange, and registered them with the exchange as such.
- Liability Limitation Agreement  
 The Company has entered into, with Outside Directors Takeshi Natsuno, Nozomu Yoshida, Eiji Uda, Rehito Hatoyama, Genichi Tamatsuka, Noriyoshi Suzuki, and Miwa Tsurumori, 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.
- AE under “Assignment or principal responsibilities and significant concurrent positions” for Directors stands for Account Executive.

**(Reference) Directors and Audit and Supervisory Committee Members (As of April 1, 2024)**

Position	Name	Assignment or principal responsibilities and significant concurrent positions
Representative Director, Chairman	Masataka Okuda	—
Representative Director, Co-president	Masaaki Muta	Responsible for Marketing Division
Representative Director, Co-president	Takeshi Kamiya	Co-Sector Manager of Business Development Sector
Representative Director, Executive Vice President	Masatoshi Kouno	Headquarters Manager of BPO Services Headquarters, Responsible for Quality Control Department
Director, Executive Vice President	Kenshi Matsubara	Headquarters Manager of CX Business Headquarters
Director, Executive Vice President	Hiroshi Kaizuka	Headquarters Manager of Group Sales Headquarters, Headquarters Manager of Sales Headquarters, Group Sales Headquarters
Director, Senior Corporate Executive Officer & CTO	Kiyoshi Shiraishi	Responsible for Engineering Division, Responsible for Group Systems Division, Corporate Headquarters, Responsible for Patent Management Office, Corporate Headquarters Chairman and Representative Director of J-Stream Inc.
Director, Senior Corporate Executive Officer	Eijiro Yamashita	Manager of Global Business Headquarters President of transcosmos China Chairman, Director & CEO of transcosmos Korea Inc.
Director, Corporate Advisor	Koji Funatsu	—
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 Special Guest Professor and Head of Cyber Informatics Research Institute of Kindai University Chief Executive Officer of KADOKAWA CORPORATION
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. Representative Director of playful.inc
Outside Director (Audit and Supervisory Committee Member)	Eiji Uda	President and Representative Director of Unified Service Co., Ltd. Outside Director of pluszero, Inc.
Outside Director	Rehito Hatoyama	Outside Director of Pigeon Corporation Representative Director of Hatoyama Soken Corporation
Outside Director	Genichi Tamatsuka	Representative Director, President, and CEO of Lotte Holdings Co., Ltd. Chairman of JAPAN RUGBY LEAGUE ONE Vice Chairman of the Japan Association of Corporate Executives Director and Acting Owner of Chiba Lotte Marines
Outside Director	Noriyoshi Suzuki	Representative Director of Suzuki Noriyoshi Office Representative Director & President of LES ROIS MAGES JAPON
Outside Director	Miwa Tsurumori	Partner of Toranomom 1-Chome Law Office Outside Corporate Auditor of Twenty-Four Seven, Inc

## (2) Outside Directors

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. GREE, Inc. USEN-NEXT HOLDINGS Co., Ltd. Oracle Corporation Japan KADOKAWA CORPORATION Kindai University	Representative Director Outside Director Outside Director Outside Director Representative Executive Officer Special Guest Professor	The Company has a business relationship with USEN-NEXT HOLDINGS Co., Ltd and companies other than Kindai University
	Nozomu Yoshida	nozomu.net Odayaka Living Co., Ltd. Asahi Net, Inc. playful.inc	Representative Director & President Representative Director Outside Corporate Auditor Representative Director	There is no special relationship between each company and the Company.
	Eiji Uda	Unified Service Co., Ltd. pluszero, Inc.	Representative Director Outside Director	There is no special relationship between each company and the Company.
Outside Director	Rehito Hatoyama	Pigeon Corporation Hatoyama Soken Corporation	Outside Director Representative Director	There is no special relationship between each company and the Company.
	Genichi Tamatsuka	Lotte Holdings Co., Ltd. JAPAN RUGBY LEAGUE ONE The Japan Association of Corporate Executives Chiba Lotte Marines	Representative Director Chairman Vice Chairman Director	The Company has a business relationship with Lotte Holdings Co., Ltd. and Chiba Lotte Marines. There is no special relationship between the other corporations and the Company.
	Noriyoshi Suzuki	Suzuki Noriyoshi Office LES ROIS MAGES JAPON	Representative Director Representative Director & President	There is no special relationship between each company and the Company.
	Miwa Tsurumori	Toranomon 1-Chome Law Office Twenty-Four Seven, Inc	Partner Outside Corporate Auditor	There is no special relationship between each company and the Company.

### (3) Principal Activities of Outside Directors

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 12/13
Nozomu Yoshida	Number of meetings attended 12/13	Genichi Tamatsuka	Number of meetings attended 11/13
Eiji Uda	Number of meetings attended 13/13	Noriyoshi Suzuki	Number of meetings attended 13/13
		Miwa Tsurumori	Number of meetings attended 10/10

#### Attendance at Audit and Supervisory Committee meetings

Outside Directors (who are Audit and Supervisory Committee Members)	
Takeshi Natsuno	Number of meetings attended 16/16
Nozomu Yoshida	Number of meetings attended 15/16
Eiji Uda	Number of meetings attended 16/16

#### 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 or others 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 individual remuneration of Directors (excluding Directors who are Audit and Supervisory Committee Members) for the current fiscal year, the Board of Directors delegates the decision to the Management Meeting based on a report by the Remuneration Committee, the majority of which consists of Independent Outside Directors, and the Audit and Supervisory Committee, which consists of outside directors, appropriately supervises to ensure that such decision-making authority is properly exercised by the Management Meeting. As the remuneration paid to the directors is determined in accordance with this series of procedures, we have determined that the details of remuneration are in line with the determination policy.

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

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

Remuneration for Internal Directors consists of the portion paid according to individual performance assessments for the fiscal year and the portion determined by quantitatively assessing the progress of the medium-term business plan based on the net sales and profit goals set forth in the plan and actual results. The latter portion of remuneration linked to medium to long term performance is, in general, set to 20% of total monthly remuneration. In addition to the monthly remuneration above, 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.

The remuneration for Outside Directors (excluding Directors who are Audit and Supervisory Committee Members) shall consist of fixed monetary remuneration paid regularly on a monthly basis during the term of office to ensure independence.

The remuneration for Directors (excluding Directors who are Audit and Supervisory Committee Members) shall be determined by the Management Committee based on a fair evaluation of performance for Internal Directors, while for Outside Directors, a draft determined in consideration of their duties shall be deliberated during a Remuneration Committee composed of a majority of Independent Outside Directors, then submitted to the Board of Directors, and the Management Meeting delegated to this task shall, based on this report from the Board of Directors, make a final decision. This determination process shall be properly supervised by the Audit and Supervisory Committee.

The Management Meeting is composed of three members, Representative Director and Chairman Masataka Okuda, Representative Director and Co-president Masaaki Muta, and Representative Director and Co-president Takeshi Kamiya, and 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.

Category	Number of Persons paid	Amount paid (Millions of yen)
Directors (excluding Directors who are Audit and Supervisory Committee Members) (Outside Directors who are among the above)	14 (5)	428 (72)
Directors (who are Audit and Supervisory Committee Members) (Outside Directors who are among the above)	3 (3)	54 (54)
Total (Outside Directors who are among the above)	17 (8)	482 (126)

Notes:

1. 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.

2. 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 31<sup>st</sup> 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 Japan LLC

Note: Effective from December 1, 2023, PricewaterhouseCoopers Aarata LLC changed its name to this name.

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

(Millions of yen)	
(i) Total remuneration to be paid during the current fiscal year of the Company	111
(ii) Total amount of money and other profits from properties to be paid by the Company and its subsidiaries to the Accounting Auditor	177

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 in (1) 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 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

Not applicable.

### (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) Fundamental Policy for Internal Control System**

The fundamental 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.

As for administrative work related to these matters, the General Manager of the Legal Division and Compliance Division will manage the Document Management Rules, Contract Handling Rules, Information Management Rules, and Information Security Management Rules, as well as inspect whether these rules are applied and review procedures, and report 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 Representative Director and the 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 Representative Director and the Audit and Supervisory Committee.

The Compliance Promotion Department of the Legal and Compliance Division 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 business 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 General Manager of the Legal Division and Compliance Division serve as the officer in charge and plan for and implement compliance programs regularly to 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 every year 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 Group 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**

Returning profits to shareholders is one of the Company's top management priorities. We have therefore adopted a dividend policy that focuses on the dividend payout ratio, which is closely related to the Company's business performance. Our fundamental policy is to increase the market value of shares by returning profits to shareholders.

## **(4) Fundamental Policy Regarding the Control of the Company**

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

### 1) Details of the Fundamental 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 (a) the comprehensive IT utilization capabilities that the Company has accumulated since its establishment as a pioneer in the outsourcing business of information processing, (b) personnel who can promptly respond to changes in the environment and combine the latest technology, making use of originality and ingenuity, and (c) "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 Fundamental Policy

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

#### Medium-term Business Plan

We aspire to bring our clients the ultimate customer experience and revolutionary productivity through the latest digital technologies and achieve a sustainable society as a Global Digital Transformation Partner, and to achieve this, we have formulated the Medium-term Business Plan for the period from the fiscal year ended March 2024 to the fiscal year ending March 2026.

Concrete efforts are given in “(2) Issues to Be Addressed” in “1. Business Overview of the Group” on page 57.

#### 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 developing 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.

Regarding the nomination of candidates for directors and the remuneration of directors (excluding Directors who are Audit and Supervisory Committee Members), the Nomination Committee (held once in the fiscal year ended March 2024) and the Remuneration Committee (held twice in the fiscal year ended March 2024), chaired by an Independent Outside Director, are established with a majority of Independent Outside Directors. These committees deliberate and report to the Board of 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 fundamental 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 36<sup>th</sup> 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 fundamental 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 share acquisition rights (*shinkabu yoyakuken mushou wariate*) for share 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 share 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 Share 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 share 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 share acquisition rights or acquisition of share 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 36<sup>th</sup> Annual Shareholders Meeting held on June 23, 2021.

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



**Consolidated Balance Sheet**  
(As of March 31, 2024)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
<b>Current assets</b>	<b>144,790</b>	<b>Current liabilities</b>	<b>63,014</b>
Cash and deposits	64,844	Accounts payable—trade	13,743
Notes and accounts receivable—trade, and contract assets	67,758	Short-term loans payable	114
Merchandise and finished goods	3,938	Current portion of bonds	75
Work and software in progress	193	Current portion of long-term loans payable	2,066
Supplies	73	Accounts payable—other	7,219
Other	8,408	Accrued expenses	20,784
Allowance for doubtful accounts	(426)	Income taxes payable	2,622
<b>Fixed assets</b>	<b>54,656</b>	Accrued consumption tax	5,607
<b>Tangible fixed assets</b>	<b>16,275</b>	Advances received	2,090
Buildings and structures	6,864	Accrued bonuses for employees	6,039
Vehicles and transportation equipment	46	Other	2,650
Tools, furniture and fixtures	7,463	<b>Fixed liabilities</b>	<b>18,367</b>
Land	853	Bonds payable	119
Lease assets	949	Convertible-bond-type bonds with share acquisition rights	10,054
Construction in progress	98	Long-term loans payable	6,210
<b>Intangible fixed assets</b>	<b>5,468</b>	Net defined benefit liability	413
Goodwill	842	Long-term security deposits received	24
Software	3,607	Other	1,545
Lease assets	21		
Software in progress	693	<b>Total liabilities</b>	<b>81,381</b>
Other	305		
<b>Investments and other assets</b>	<b>32,912</b>	<b>Net Assets</b>	
Investment in securities	4,355	<b>Shareholders' equity</b>	<b>103,283</b>
Investment in stocks of unconsolidated subsidiaries and affiliates	11,669	<b>Common stock</b>	<b>29,065</b>
Investment in unconsolidated subsidiaries and affiliates	1,666	<b>Capital surplus</b>	<b>19,332</b>
Long-term loans receivable	381	<b>Retained earnings</b>	<b>83,452</b>
Deferred tax assets	3,526	<b>Treasury stock</b>	<b>(28,567)</b>
Security deposits	10,624	<b>Accumulated other comprehensive income</b>	<b>5,100</b>
Other	1,024	<b>Valuation difference on available-for-sale securities</b>	<b>495</b>
Allowance for doubtful accounts	(335)	<b>Foreign currency translation adjustment</b>	<b>4,605</b>
		<b>Share acquisition rights</b>	<b>0</b>
		<b>Non-controlling interests</b>	<b>9,680</b>
		<b>Total net assets</b>	<b>118,065</b>
<b>Total assets</b>	<b>199,446</b>	<b>Total liabilities and net assets</b>	<b>199,446</b>

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

**Consolidated Statement of Income**  
(from April 1, 2023 to March 31, 2024)

(Millions of yen)

Account item	Amount	
<b>Net sales</b>		<b>362,201</b>
<b>Cost of sales</b>		<b>293,948</b>
<b>Gross Profit</b>		<b>68,253</b>
<b>Selling, general and administrative expenses</b>		<b>56,778</b>
<b>Operating profit</b>		<b>11,474</b>
<b>Non-operating income:</b>		
Interest income	282	
Dividend income	28	
Share of profits of entities accounted for using equity method	558	
Foreign exchange gains	1,082	
Employment development subsidy	377	
Other	407	2,736
<b>Non-operating expenses:</b>		
Interest expenses	164	
Loss on investments in investment partnerships	45	
Provision of allowance for doubtful accounts	53	
Other	164	428
<b>Ordinary profit</b>		<b>13,782</b>
<b>Extraordinary gains:</b>		
Gain on sales of investment securities	3,241	
Other	190	3,432
<b>Extraordinary losses:</b>		
Loss on retirement of non-current assets	114	
Impairment loss	49	
Loss on valuation of investment securities	493	
Loss on liquidation of subsidiaries and associates	173	
Other	21	852
<b>Profit before income taxes</b>		<b>16,362</b>
Income taxes—current	3,264	
Income taxes—deferred	1,954	5,219
Profit		11,142
Profit attributable to non-controlling interests		1,045
<b>Profit attributable to owners of parent</b>		<b>10,097</b>

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

**Consolidated Statement of Changes in Equity**  
(from April 1, 2023 to March 31, 2024)

(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	19,330	77,739	(28,567)	97,568
Change during the fiscal year					
Dividend of surplus			(4,384)		(4,384)
Profit attributable to owners of parent			10,097		10,097
Acquisition of treasury stock				(0)	(0)
Purchase of shares of consolidated subsidiaries		1			1
Net change in items other than shareholders' equity during the fiscal year					-
Total change during the fiscal year	-	1	5,713	(0)	5,714
Balance at the end of the fiscal year	29,065	19,332	83,452	(28,567)	103,283

(Millions of yen)

	Accumulated other comprehensive income			Share acquisition rights	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	2,452	3,464	5,917	3	8,892	112,381
Change during the fiscal year						
Dividend of surplus			-			(4,384)
Profit attributable to owners of parent			-			10,097
Acquisition of treasury stock			-			(0)
Purchase of shares of consolidated subsidiaries			-			1
Net change in items other than shareholders' equity during the fiscal year	(1,957)	1,140	(816)	(2)	788	(31)
Total change during the fiscal year	(1,957)	1,140	(816)	(2)	788	5,683
Balance at the end of the fiscal year	495	4,605	5,100	0	9,680	118,065

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

**Non-Consolidated Balance Sheet**  
(As of March 31, 2024)

(Millions of yen)

Assets		Liabilities	
Account item	Amount	Account item	Amount
<b>Current assets</b>	<b>86,460</b>	<b>Current liabilities</b>	<b>46,649</b>
Cash and deposits	35,969	Accounts payable—trade	11,232
Notes receivable	47	Short-term loans payable to subsidiaries and affiliates	4,700
Accounts receivable—trade	42,324	Current portion of long-term loans payable	2,003
Contract assets	478	Accounts payable—other	4,746
Merchandise	1,526	Accrued expenses	11,226
Supplies	30	Income taxes payable	1,932
Advances	877	Accrued consumption tax	3,879
Prepaid expenses	2,839	Advances received	1,216
Accounts receivable—other	565	Deposits received	581
Other	1,802	Accrued bonuses for employees	4,705
Allowance for doubtful accounts	(0)	Other	424
<b>Fixed assets</b>	<b>45,580</b>	<b>Fixed liabilities</b>	<b>18,584</b>
<b>Tangible fixed assets</b>	<b>9,104</b>	Convertible-bond-type bonds with share acquisition rights	10,054
Buildings	4,822	Long-term loans payable	6,000
Tools, furniture and fixtures	3,154	Provision for loss on guarantees	1,175
Land	707	Provision for loss on support to subsidiaries and affiliates	696
Other	420	Other	658
<b>Intangible fixed assets</b>	<b>2,500</b>	<b>Total liabilities</b>	<b>65,233</b>
Software	1,936	<b>Net Assets</b>	
Telephone rights	93	<b>Shareholders' equity</b>	<b>66,310</b>
Other	470	<b>Common stock</b>	<b>29,065</b>
<b>Investments and other assets</b>	<b>33,976</b>	<b>Capital surplus</b>	<b>20,803</b>
Investment in securities	2,875	Other capital surplus	20,803
Investment in stocks of subsidiaries and affiliates	20,893	<b>Retained earnings</b>	<b>45,008</b>
Investment in subsidiaries and affiliates	648	Legal retained earnings	3,563
Long-term loans receivable from subsidiaries and affiliates	11,174	Other retained earnings	41,444
Deferred tax assets	2,218	Unappropriated retained earnings	41,444
Security deposits	6,601	<b>Treasury stock</b>	<b>(28,567)</b>
Other	611	<b>Valuation and translation adjustments</b>	<b>497</b>
Allowance for doubtful accounts	(11,047)	<b>Net unrealized gain (loss) on securities</b>	<b>497</b>
		<b>Total net assets</b>	<b>66,807</b>
<b>Total assets</b>	<b>132,041</b>	<b>Total liabilities and net assets</b>	<b>132,041</b>

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

**Non-Consolidated Statement of Income**  
(from April 1, 2023 to March 31, 2024)

(Millions of yen)

Account item	Amount	
<b>Net sales</b>		<b>236,716</b>
<b>Cost of sales</b>		<b>189,665</b>
<b>Gross Profit</b>		<b>47,051</b>
<b>Selling, general and administrative expenses</b>		<b>40,047</b>
<b>Operating profit</b>		<b>7,003</b>
<b>Non-operating income:</b>		
Interest income	189	
Dividend income	3,592	
Foreign exchange gains	1,100	
Gain on reversal of provision for loss on guarantees	1,734	
Other	312	6,930
<b>Non-operating expenses:</b>		
Interest expenses	60	
Provision of allowance for doubtful accounts	3,774	
Provision for loss on support to subsidiaries and affiliates	95	
Other	93	4,024
<b>Ordinary profit</b>		<b>9,909</b>
<b>Extraordinary gains:</b>		
Gain on sales of investment securities	2,936	
Other	200	3,137
<b>Extraordinary losses:</b>		
Loss on retirement of non-current assets	59	
Loss on valuation of investment securities	328	
Loss on valuation of stocks of subsidiaries and affiliates	50	
Other	17	456
<b>Profit before income taxes</b>		<b>12,590</b>
Income taxes—current	1,320	
Income taxes—deferred	1,812	3,133
<b>Profit</b>		<b>9,457</b>

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

**Non-Consolidated Statement of Changes in Equity**  
(from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity					
	Common stock	Capital surplus		Retained earnings		
		Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Unappropriated retained earnings	Total retained earnings
Balance at the beginning of the fiscal year	29,065	20,803	20,803	3,124	36,810	39,935
Change during the fiscal year						
Dividend of surplus			–	438	(4,822)	(4,384)
Profit			–		9,457	9,457
Acquisition of treasury stock			–			–
Net change in items other than shareholders' equity during the fiscal year			–			–
Total change during the fiscal year	–	–	–	438	4,634	5,072
Balance at the end of the fiscal year	29,065	20,803	20,803	3,563	41,444	45,008

(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	(28,567)	61,237	1,328	1,328	62,566
Change during the fiscal year					
Dividend of surplus		(4,384)		–	(4,384)
Profit		9,457		–	9,457
Acquisition of treasury stock	(0)	(0)		–	(0)
Net change in items other than shareholders' equity during the fiscal year		–	(831)	(831)	(831)
Total change during the fiscal year	(0)	5,072	(831)	(831)	4,241
Balance at the end of the fiscal year	(28,567)	66,310	497	497	66,807

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

**REPORT OF INDEPENDENT AUDITORS**

May 14, 2024

To the Board of Directors of transcosmos inc.

**PricewaterhouseCoopers Japan LLC**  
**Tokyo Office**

Designated and Engagement Partner  
Certified Public Accountant  
Nobuhiro Nasu

Designated and Engagement Partner  
Certified Public Accountant  
Takeshi Shioya

Designated and Engagement Partner  
Certified Public Accountant  
Masanori Yagi

**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, 2023 to March 31, 2024.

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, 2024 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 report all relationships and other matters that may reasonably be deemed to bear on our independence as well as any measures implemented to eliminate obstruction factors or safeguards enacted to reduce obstruction factors to an acceptable level.

#### 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 14, 2024

To the Board of Directors of transcocosmos inc.

**PricewaterhouseCoopers Japan LLC**  
**Tokyo Office**

Designated and Engagement Partner  
Certified Public Accountant  
Nobuhiro Nasu

Designated and Engagement Partner  
Certified Public Accountant  
Takeshi Shioya

Designated and Engagement Partner  
Certified Public Accountant  
Masanori Yagi

**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 39<sup>th</sup> business year from April 1, 2023 to March 31, 2024.

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, 2024 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 report all relationships and other

matters that may reasonably be deemed to bear on our independence as well as any measures implemented to eliminate obstruction factors or safeguards enacted to reduce obstruction factors to an acceptable level.

**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 39<sup>th</sup> fiscal year between April 1, 2023 and March 31, 2024. 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.

- (a) 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.
- (b) 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.
- (c) 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.
  - (a) 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;
  - (b) 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;
- (c) 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
  - (d) 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 Japan LLC, are fair and reasonable.
  - (3) Results of audit of consolidated financial statements  
The auditing methods and results of the Accounting Auditor, PricewaterhouseCoopers Japan LLC, are fair and reasonable.

May 15, 2024

Audit and Supervisory Committee of transcocosmos 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.