

**Internet Disclosure Information Related to the Notice of the 34th Annual General
Meeting of Shareholders**

Notes to Consolidated Financial Statements

Notes to Non-Consolidated Financial Statements

(from April 1, 2018 to March 31, 2019)

transcosmos inc.

Pursuant to applicable laws and regulations and Article 14 of the Articles of Incorporation, the Company makes the items listed above available to shareholders by posting them on the Company's website.

Notes to Consolidated Financial Statements

Basis of preparation of consolidated financial statements

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 72

The names of principal consolidated subsidiaries

J-Stream Inc., APPLIED TECHNOLOGY CO., LTD., transcosmos Korea Inc.,
transcosmos CC China

Changes in our consolidated subsidiaries during the fiscal year under review are as follows:

(Newly included)

- transcosmos OmniConnect, LLC (Because of greater materiality)
- transcosmos research and development, Inc. (Because of greater materiality)
- me&stars inc. (Because of greater materiality)
- SOCIAL GEAR TAIWAN INC (Because of greater materiality)

(Excluded)

- transcosmos Information System (Shanghai) Co., Ltd. (Dissolved due to a merger with transcosmos business service outsourcing Suzhou Co., Ltd., a subsidiary of the Company)
- eVentures Inc. (Liquidated March 2019)

(2) Names of principal non-consolidated subsidiaries

PT. transcosmos Commerce and others

(Reason for exclusion from the scope of consolidation)

All non-consolidated subsidiaries are small in size, and each item of their total assets, net sales, profit (calculated according to our equity interest) and retained earnings (calculated according to our equity interest) is not substantial, and do not have a material impact on the consolidated financial statements.

2. Application of equity method

(1) Number of affiliates accounted for by the equity method: 15

Names of principal non-consolidated subsidiaries and affiliates accounted for by the equity method
UNQ (Shanghai) Supply Chain Management Co., Ltd., PFSweb Inc.

Changes to our non-consolidated subsidiaries and affiliates accounted for by the equity method during the fiscal year under review are as follows:

(Newly included)

- BIGM2Y, Inc. (Newly acquired)
- RUN.EDGE Limited (Established June 2018)
- Infracommerce Ltd. (Because of greater materiality)

(Excluded)

- Access Markets International Partners, Inc. (Sold off all holdings)
- Beijing Tensyn Digital Marketing Technology Joint Stock Company (Sold off part of holdings)

- (2) Unconsolidated subsidiaries to which the equity method is not applied (PT. transcosmos Commerce and others) are excluded from the scope of application of the equity method as their impact on profit or loss (amount proportional to the ownership) and retained earnings (amount proportional to the ownership) is infinitesimal, and has low importance as a whole.

(3) For those subsidiaries accounted for by the equity method that have different account closing dates from the Company, financial statements are stated according to fiscal year of the respective companies.

3. Fiscal year, etc. of the consolidated subsidiaries

Following are the consolidated subsidiaries with different account closing dates from the Company.

(Account closing date: December 31)

- APPLIED TECHNOLOGY CO., LTD.
- transcosmos Information Creative Japan Inc.
- caramo, Inc.
- transcosmos America, Inc.
- TRANSCOSMOS OMNICONNECT, LLC
- transcosmos Korea Inc.
- transcosmos Information Creative (China) Co., Ltd.
- transcosmos MCM Shanghai Co., Ltd.
- transcosmos Design Development (Dalian) Co., Ltd.
- transcosmos Information System (Benxi) Co., Ltd.
- Daqing transcosmos design development Co., Ltd.
- transcosmos business service outsourcing Suzhou Co., Ltd.
- Suzhou transcosmos Information Creative Co., Ltd
- Beijing transcosmos Interactive Services Co., Ltd
- Transcosmos Investment Consulting (Beijing) Co., Ltd.
- Shanghai transcosmos Interactive Services Co., Ltd.
- transcosmos CC China
- Hottech digital technology (Tianjin) Co., Ltd.
- Jinan transcosmos Information Creative Co., Ltd.
- transcosmos Taiwan Inc.
- SOCIAL GEAR TAIWAN INC
- Transcosmos Digital Marketing Cayman Co., Ltd.
- Shine Harbour Ltd.
- Transcosmos Information Creative Holdings
- transcosmos Asia Pacific Pte. Ltd.
- SOCIAL GEAR PTE LTD
- Ookbee Mall Asia Holdings Pte. Ltd.
- Ookbee Mall (Thailand) Co., Ltd.
- transcosmos (Thailand) Co., Ltd.
- TCT Holdings Co., Ltd.
- TCT Services Co., Ltd.
- transcosmos artus company limited
- Astropolis Inc.
- transcosmos Asia Philippines inc.
- transcosmos Vietnam Co., Ltd.
- transcosmos Technologic Arts Co., Ltd.
- TRANSCOSMOS (UK) LIMITED
- Transcosmos Information Systems Group Limited
- Transcosmos Information Systems Limited
- Transcosmos Information Systems Inc (Philippines)
- Transcosmos Information Systems Inc (U.S.)
- TRANSCOSMOS INFORMATION SYSTEMS SRL
- transcosmos Information Systems Kft
- transcosmos Poland sp. z.o.o.
- Merlin Services Informatiques SARL
- Helpmagic Ltd
- TRANSCOSMOS (MALAYSIA) SDN. BHD.

The consolidated financial statements are prepared based on the financial statements of each of the consolidated subsidiaries as of its account closing date. In the case of significant transactions that took place between the account closing dates of the consolidated subsidiaries and the consolidated account closing date, necessary adjustments are made for consolidation purposes.

(Account closing date: September 30)

• CAREER INCUBATION, INC.

The consolidated financial statements are prepared based on the financial statements of each of the consolidated subsidiaries prepared on the basis of the provisional closing of account as of the consolidated account closing date.

4. Significant accounting policies

(1) Standards and methods of valuation of securities

Shares of subsidiaries and affiliates

Shares of non-consolidated subsidiaries and affiliates without application of the equity method:
Stated at cost using the moving-average method

Other available-for-sale securities

Securities with market value

Market value method based on the market price as of the consolidated account closing date.
(Differences in valuation are included directly in net assets and costs of securities sold are calculated using the moving-average method.)

Securities without market value

Stated at cost using the moving-average method

Investments to limited liability partnership for investment, etc.

The evaluation is based on the Company's holding ratio of the net asset of the limited liability partnership for investment, etc., in which the Company invests, in the most recent fiscal year.

(2) Standards and method of valuation of inventories

The cost method (method to reduce book value from lower profitability) is adopted as the standard for valuation.

Merchandise and finished goods Gross average method

Work in process Specific cost method

Supplies Cost using the last-purchase-price method

(3) Depreciation methods for fixed assets

Tangible fixed assets

(excluding lease assets) Buildings

a. Buildings acquired on or before March 31, 1998

Depreciated using the old declining-balance method.

b. Buildings acquired between April 1, 1998 and March 31, 2007

Depreciated using the old straight-line method.

c. Buildings acquired on or after April 1, 2007

Depreciated using the straight-line method.

Facilities attached to buildings and structure

a. Facilities attached to buildings and structure acquired on or before March 31, 2007

Depreciated using the old declining-balance method.

- b. Facilities attached to buildings and structure acquired between April 1, 2007 and March 31, 2016
Depreciated using the declining-balance method.
 - c. Facilities attached to buildings and structure acquired on or after April 1, 2016
Depreciated using the straight-line method.
- Tangible fixed assets other than those in the above
- a. Tangible fixed assets other than those in the above acquired on or before March 31, 2007
Depreciated using the old declining-balance method.
 - b. Tangible fixed assets other than those in the above acquired on or after April 1, 2007
Depreciated using the declining-balance method.
- Overseas consolidated subsidiaries mainly use the straight-line method.
- In addition, items acquired on or before March 31, 2007, are depreciated using the straight-line method over five years starting the fiscal year following the fiscal year when the final depreciable limit is reached.

Intangible fixed assets
(excluding lease assets) Depreciated mainly using the straight-line method.
As for software for in-house use, the straight-line method is used with a useful life of five years. Software for commercial sale is depreciated based on the quantity expected to be sold within three years after being put on the market. If the amount of depreciation is less than the amount of even installment based on the remaining life, it is depreciated with the amount not less than the even installment.

Lease assets Finance leases other than those for which the ownership of the leased property is deemed to transfer to the lessee.
These lease transactions are accounted for by straight-line method based on lease period of useful lives with residual values of zero.

(4) Standards of accounting for significant allowances, accruals and reserves

Allowance for doubtful accounts Allowance for estimated uncollectible is calculated using historical data for general receivables and individually considering the probability of collection for doubtful receivables.

Accrued bonuses for employees Accrued bonuses for employees of the Company and consolidated subsidiaries is calculated based on the estimates of bonus obligations for the current fiscal term.

(5) Other important issues which are bases for preparing consolidated financial statements

1) Translation of significant foreign-currency-denominated assets and liabilities into yen

Monetary assets and liabilities denominated in foreign currencies are translated into yen at the spot exchange rate as of the end of the fiscal term, and the resulting exchange differences are credited or charged to income. Assets and liabilities of overseas subsidiaries are translated into yen at the spot exchange rate as of the account closing date of each company. The resulting exchange differences

have been recorded as a component of “foreign currency translation adjustment” and “minority interests” in the section of Net Assets.

2) Accounting for consumption taxes

Consumption tax and local consumption tax are accounted for by the tax exclusion method.

3) Basis for recording significant revenues and expenses

Basis for recording revenues and expenses on software produced on orders

The percentage of completion method (the cost-to-cost method, etc. for the percentage of completion estimate) is applied for the portion completed by the end of the fiscal year under review, which is deemed to be certain to complete, and the completed contract method is applied otherwise.

4) Method and period of amortization of goodwill and negative goodwill

Goodwill is amortized by straight-line method over five and ten years. If any circumstance arises which prevents the effect of amortization of goodwill, amount of amortization will be decreased accordingly.

5. Change in accounting policy

Effective from the beginning of the current fiscal year, the Company has applied the “Implementation Guidance on Tax Effect Accounting” (ASBJ Guidance No. 28, February 16, 2018). Accordingly, the treatment of retained earnings of subsidiaries, etc. at the time of investment has been changed.

There are minimal impacts on the consolidated financial statements for the fiscal year under review.

6. Change in presentation

(Consolidated balance sheet-related)

Effective from the beginning of the current fiscal year, the Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018), etc. Accordingly, deferred tax assets are presented in the “Investments and other assets” section and deferred tax liabilities in the “Non-current liabilities” section. As a result, the amount previously presented as “Deferred tax assets” in Current assets in the consolidated balance sheet for the previous fiscal year (1,744 million yen) has been reclassified and is included in “Deferred tax assets” (1,385 million yen) in Investments and other assets. Deferred tax assets and deferred tax liabilities of the same taxable entity are presented on a net basis. As a result, total assets are smaller by 439 million yen as compared with the amount that would have been presented before the change in accounting policies.

(Consolidated statement of income-related)

“Gain on change in equity” presented separately in Extraordinary gains in the previous fiscal year (179 million yen in the current fiscal year) and “Loss on change in equity” presented separately in Extraordinary losses (17 million yen in the current fiscal year) in the previous fiscal year are included in “Other” under Extraordinary gains and Extraordinary losses in the current fiscal year because they have decreased in significance in terms of amount.

Notes to the Consolidated Balance Sheet

Accumulated depreciation of tangible fixed assets 19,341 million yen

Notes to the Consolidated Statement of Changes in Equity

1. Total number of shares issued

Class of shares	Number of shares at the beginning of the current fiscal year	Number of shares increased during the current fiscal year	Number of shares decreased during the current fiscal year	Number of shares at the end of the current fiscal year
Common stock (shares)	48,794,046	-	-	48,794,046

2. Treasury stock

Class of shares	Number of shares at the beginning of the current fiscal year	Number of shares increased during the current fiscal year	Number of shares decreased during the current fiscal year	Number of shares at the end of the current fiscal year
Common stock (shares)	7,318,364	436	-	7,318,800

(Outline of causes for changes)

Details of number of shares increased are as follows.

Increase due to purchase of shares less than one unit: 436 shares

3. Dividends

(1) Dividends paid

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 21, 2018	Common stock	953	23	March 31, 2018	June 22, 2018

(2) Dividends with an effective date falling in the following fiscal year, among distributions with record dates belonging to the current fiscal year

Resolution	Class of shares	Source of dividends	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders held on June 25, 2019	Common stock	Retained earnings	1,368	33	March 31, 2019	June 26, 2019

Notes on financial instruments

1. Matters related to the status of financial instruments

(1) Policy on financial instruments

The Company Group makes investments in stocks based upon the request of business promotions including business or capital tie-up, or invests excess funds in financial instruments such as deposits whose principles are secured, as a basic policy. In order to obtain funding, the Company selects the most adequate financial instruments, including bank borrowings, bond issuance or stock issuance, depending on the situations. And derivatives are used in interest rate swap, currency swap and

currency forward transactions to hedge against market risks and the Company has a policy not to use derivatives for speculation.

(2) Details, risks and risk management of financial instruments

Notes and accounts receivable-trade, which are operating receivables, are exposed to customers' credit risks. With regard to these risks, we manage maturities and balances for each business partner and strive to find out early and mitigate concerns for collection due to deteriorating financial circumstances. Investment in securities mainly consists of stocks related to operations and capital alliances. Although these are exposed to market fluctuation risk and issuers' credit risks, we grasp the market prices and obtain issuers' financial statements on a regular basis and we grasp the market prices and obtain issuers' financial statements on a regular basis. At the same time, we properly review the values of investment and make efforts to collect the investment values.

Most of accounts payable-trade and accrued expenses, which are operating payables, have payment due dates that are less than one year away. Short-term loans out of loans payable are mainly financing for operational transactions; long-term loans (less than five years as a general rule) are financing for long-term investments such as capital investments.

As to operational debts and loans, the Company Group manages them by having each company prepare monthly cash flow plans in order not to detract the creditability of the Company Group. The Company Group also has commitment-line contracts in place in order to ensure to fulfill all obligations.

2. Matters related to fair values of financial instruments

The recorded amounts on the consolidated financial statements, fair values, and the difference of these as of March 31, 2019 are as follows. Financial instruments whose fair values are extremely difficult to determine are not listed in the following table.

(Millions of yen)			
	Recorded amount on consolidated balance sheet*	Fair value*	Difference
(1) Cash and deposits	36,032	36,032	-
(2) Notes and accounts receivable- trade	44,746	44,746	-
(3) Securities and investment securities			
Other available-for-sale securities	6,744	6,744	-
(4) Investment in stocks of unconsolidated subsidiaries and affiliates	1,581	3,666	2,085
(5) Accounts payable-trade	(11,554)	(11,554)	-
(6) Short-term loans	(1,763)	(1,770)	(7)
(7) Accrued expenses	(14,446)	(14,446)	-
(8) Bonds payable	(32)	(32)	(0)
(9) Convertible bond-type bonds with subscription rights to shares	(10,017)	(9,950)	67
(10) Long-term loans	(1,855)	(1,857)	(2)

*Items recorded in Liabilities are marked with ().

Note 1: Measurement of fair value of financial instruments and matters related to securities

- (1) Cash and deposits and (2) Notes and accounts receivable-trade
As these are settled in the short term, their fair values are almost equivalent to book values, and therefore their book values are used.
- (3) Securities and investment in securities, and (4) Investment in stocks of unconsolidated subsidiaries and affiliates
With regard to the fair values of securities and investment in securities, market prices at stock exchanges are used for stocks and prices provided by banks are used for bonds.
- (5) Accounts payable-trade, and (7) Accrued expenses
As these are settled in the short term, their fair values are almost equivalent to book values, and therefore their book values are used.
- (6) Short-term loans
The fair values of short-term loans are measured based upon the present values obtained by discounting future cash flows at a rate with the length of the repayment period and credit risk taken into account, for liabilities that fall in a certain period.
- (8) Bonds payable
The fair values of bonds payable are measured based upon the present values obtained by discounting the total amount of principals and interests at a rate with term to maturity and credit risk taken into account.
- (9) Convertible bond-type bonds with subscription rights to shares
With regard to the fair values of bonds issued by the Company, prices provided by banks are used.
- (10) Long-term loans
The fair values of long-term loans are measured based upon the present values obtained by discounting the total amount of principals and interests at a rate with term to maturity and credit risk taken into account.

Note 2: Unlisted equity securities (Consolidated balance sheet amount: 13,142 million yen) are not included in the above “(3) Securities and investment securities, Other available-for-sale securities” and “(4) Investment in stocks of unconsolidated subsidiaries and affiliates” since their market price is not available, it is not possible to estimate future cash flows, and the assessment of their fair values is deemed extremely difficult.

Notes concerning per share data

- | | |
|-------------------------|--------------|
| 1. Net assets per share | 1,725.27 yen |
| 2. Profit per share | 106.90 yen |

Notes concerning significant subsequent events

Not applicable.

Notes to Non-Consolidated Financial Statements

Significant accounting policies

1. Standards and methods of valuation of securities

Shares of subsidiaries and affiliates

Stated at cost using the moving-average method

Other available-for-sale securities

Securities with market value

Market value method based on the market price as of the account closing date. (Differences in valuation are included directly in net assets and costs of securities sold are calculated using the moving-average method.)

Securities without market value

Stated at cost using the moving-average method

Investments to limited liability partnership for investment, etc.

The evaluation is based on the Company's holding ratio of the net asset of the limited liability partnership for investment, etc., in which the Company invests, in the most recent fiscal year.

2. Standards and methods of valuation of inventories

The cost method (method to reduce book value from lower profitability) is adopted as the standard for valuation.

Merchandise Gross average method

Work in process Specific cost method

Supplies Cost using the last-purchase-price method

3. Depreciation methods for fixed assets

Tangible fixed assets

(excluding lease assets) Buildings

a. Buildings acquired on or before March 31, 1998

Depreciated using the old declining-balance method.

b. Buildings acquired between April 1, 1998 and March 31, 2007

Depreciated using the old straight-line method.

c. Buildings acquired on or after April 1, 2007

Depreciated using the straight-line method.

Facilities attached to buildings and structure

a. Facilities attached to buildings and structure acquired on or before March 31, 2007

Depreciated using the old declining-balance method.

b. Facilities attached to buildings and structure acquired between April 1, 2007 and March 31, 2016

Depreciated using the declining-balance method.

c. Facilities attached to buildings and structure acquired on or after April 1, 2016

Depreciated using the straight-line method.

Tangible fixed assets other than those in the above

- a. Tangible fixed assets other than those in the above acquired on or before March 31, 2007
Depreciated using the old declining-balance method.
 - b. Tangible fixed assets other than those in the above acquired on or after April 1, 2007
Depreciated using the declining-balance method.
- In addition, items acquired on or before March 31, 2007 are depreciated using the straight line method over five years starting the fiscal year following the fiscal year when the final depreciable limit is reached.

Intangible fixed assets (excluding lease assets) Depreciated using the straight-line method. As for software for in-house use, the straight-line method is used with a useful life of five years.

Lease assets Finance leases other than those for which the ownership of the leased property is deemed to transfer to the lessee.
These lease transactions are accounted for by straight-line method based on lease period of useful lives with residual values of zero.

4. Standards of accounting for allowances, accruals and provisions

Allowance for doubtful accounts Allowance for estimated uncollectible is calculated using historical data for general receivables and individually considering the probability of collection for doubtful receivables.

Accrued bonuses for employees Accrued bonuses for employees are calculated based on the estimates of bonus obligations for the current fiscal term.

Provisions for loss on guarantees To prepare for losses arising from fulfilling guarantee obligations of affiliated companies, the Company appropriates a provision for the estimated cost of losses for guarantee obligation which are highly likely to be required for fulfilling such obligations, taking into consideration the recoverability by exercising right of indemnity.

5. Basis for recording revenues and expenses

Basis for recording revenues and expenses on software produced on orders
The percentage of completion method (the cost-to-cost method for the percentage of completion estimate) is applied for the portion completed by the end of the fiscal year under review, which is deemed to be certain to complete, and the completed contract method is applied otherwise.

6. Other important issues which are bases for preparing non-consolidated financial statements

(1) Standard for translation of assets and liabilities denominated in foreign currencies into yen
Monetary assets and liabilities denominated in foreign currencies are translated into yen at the spot exchange rate as of the end of the fiscal term, and the resulting exchange differences are credited or charged to income.

(2) Accounting for consumption taxes Consumption tax and local consumption tax are accounted for by the tax exclusion method.

7. Change in presentation

(Balance sheet-related)

Effective from the beginning of the current fiscal year, the Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018), etc. Accordingly, Deferred tax assets are presented in the “Investments and other assets” section and Deferred tax liabilities in the “Non-current liabilities” section. As a result, the amount previously presented as “Deferred tax assets” in current assets in the non-consolidated balance sheet for the previous fiscal year (1,433 million yen) has been reclassified and is included in “Deferred tax assets” (1,213 million yen) in Investments and other assets. Deferred tax assets and deferred tax liabilities are presented on a net basis. As a result, total assets are smaller by 219 million yen as compared with the amount that would have been presented before the change in accounting policies.

(Non-consolidated statement of income-related)

“Gain on investments in partnership” (49 million yen in the previous fiscal year), which was included in “Other” in Non-operating income in the previous fiscal year, is presented separately in the current fiscal year because it has increased in significance in terms of amount.

“Loss on valuation of investment securities” (25 million yen in the current fiscal year), which was presented separately in Extraordinary losses in the previous fiscal year, is included in “Other” in Extraordinary losses in the current fiscal year because it has decreased in significance in terms of amount.

Notes to the Non-Consolidated Balance Sheet

1.	Liabilities for guarantees:	
	Guarantee for debt obligations to financial institutions	
	Transcosmos Information Systems Group Limited	¥579 million
	transcosmos America, Inc.	¥499 million
	Guarantee on deposit obligations from subsidiaries and affiliates	
	Tci-Business-Service Co., Ltd.	¥1,450 million
	Guarantee for obligations under lease contract	
	Ookbee Mall (Thailand) Co., Ltd.	¥61 million
		<hr/>
	Total	¥2,590 million
	In addition to the above, the Company has provided a joint guarantee on the store-opening contract of caramo, Inc., its affiliate.	
	(Note) Guarantees of foreign currency-denominated obligations are converted into the Japanese yen using the exchange rate as of the account closing date.	
2.	Accumulated depreciation of tangible fixed assets	¥12,598 million
3.	Monetary receivables from and monetary payables to subsidiaries and affiliates (excluding separate line item)	
	Short-term monetary receivables from subsidiaries and affiliates	¥882 million
	Short-term monetary payables to subsidiaries and affiliates	¥1,298 million

Notes to the Non-Consolidated Statement of Income

Transactions with subsidiaries and affiliates	
Net sales	¥574 million
Net purchase	¥8,585 million
Transactions other than operating transactions	¥5,322 million

Notes to the Non-Consolidated Statement of Changes in Equity

Treasury stock

Class of shares	Number of shares at the beginning of the current fiscal year	Number of shares increased during the current fiscal year	Number of shares decreased during the current fiscal year	Number of shares at the end of the current fiscal year
Common stock (shares)	7,318,364	436	-	7,318,800

(Outline of causes for changes)

Details of number of shares increased are as follows.

Increase due to purchase of shares less than one unit: 436 shares

Notes concerning tax effect accounting

Details by primary causes of deferred tax assets and deferred tax liabilities

Deferred tax assets:

Accrued bonuses for employees	¥1,005 million
Accrued enterprise tax	¥241 million
Accrued social insurance expenses	¥150 million
Loss on valuation of investment in unconsolidated subsidiaries and affiliates	¥5,298 million
Allowance for doubtful accounts	¥1,197 million
Loss on valuation of investment securities	¥1,066 million
Provisions for loss on guarantees	¥390 million
Accounting depreciation in excess of tax depreciation	¥163 million
Impairment loss	¥80 million
Other	¥353 million
Sub-total	¥9,950 million
Provision for devaluation	¥8,078 million
Total of deferred tax assets	¥1,871 million
Deferred tax liabilities:	
Valuation difference on available-for-sale securities	¥312 million
Other	¥7 million
Total of deferred tax liabilities	¥319 million
Net of deferred tax assets	¥1,552 million

Notes concerning transactions with related parties

1. Parent company and major corporate shareholders, etc.

Not applicable.

2. Subsidiaries, affiliates, etc.

Attribution	Name of company, etc.	Capital stock or investments in capital	Description of business or occupation	Percentage of owning (owned) voting rights, etc. (%)	Relationship with related parties	Type of transaction	Transaction amount (millions of yen)	Account	Balance as of the end of the fiscal year (millions of yen)
Subsidiary	Tci-Business-Service Co., Ltd.	¥100 million	Domestic subsidiaries and affiliates	Owning Direct 100.0%	Liabilities for guarantees:	Guarantee of obligations (Note 1)	1,450	-	-
Subsidiary	TCT Services Co., Ltd.	1 million Thai baht	Overseas subsidiaries and affiliates	Owning Indirect 100.0%	Loan of funds	Loan of funds (Note 2)	256	Short-term loans receivable from subsidiaries and affiliates	255
						Collection of loan	184	Long-term loans receivable from subsidiaries and affiliates (Note 3)	1,799
Subsidiary	TRANSCOSMOS (UK) LIMITED	GBP17 million	Overseas subsidiaries and affiliates	Owning Direct 100.0%	Interlocking directors	Subscription to capital increase (Note 4)	1,091	-	-

Notes: Terms and conditions of transactions and the policies on determination thereof:

1. This is guarantee obligations from the subsidiaries and affiliates.
2. The interest rate of the loan was determined reasonably based on the market interest rate and fund raising rate.
3. During the current fiscal year, provision of allowance for doubtful accounts of 1,644 million yen was provided for long-term loans receivable from subsidiaries and affiliates. At the end of the current fiscal year, the balance of the same provision stood at the same amount.
4. The Company subscribed to a capital increase undertaken by its subsidiary and a capital increase in the form of debt-equity swap.
5. Transactional amounts and balances as of the end of the fiscal year are recorded exclusive of consumption taxes.
6. Percentages of owning (owned) voting rights, etc. are rounded off to the nearest first decimal place.

3. Brother companies

Not applicable.

4. Directors and primary individual shareholders

Not applicable.

Notes concerning per share data

1. Net assets per share 1,427.07 yen
2. Loss per share 31.18 yen

Notes concerning significant subsequent events

Not applicable.