

Global Digital Transformation **Partner**

Supplementary Materials for Q3 FY March 2019 Financial Results



January 31, 2018

transcosmos inc.

Forward-looking statements included in this document are based on information available on the date of the announcement and estimates based on reasonable assumptions. Actual future results may differ materially from these forecasts depending on Japanese economic conditions, trends in the stock market and information services industry, evolution of new services or technologies, and other diverse other factors. The company assumes no obligation to update or revise any forward-looking statements. In this document, yen is rounded to the nearest hundred million and the percentage is rounded to the first decimal place.

Table of Contents

1. Executive Summary
 2. Consolidated Income Statement Summary
 3. Segment Based Results Summary
 4. Consolidated Sales Analysis
 5. Consolidated Operating Income Analysis
 6. Parent Company Operating Income Analysis
 7. Consolidated Income Statement Summary (Oct-Dec, 2018)
 8. Segment Based Results Summary (Oct-Dec, 2018)
 9. Consolidated Quarterly Performance Trend Analysis (Oct-Dec, 2018)
 10. Parent Company Quarterly Net Income Analysis
 11. Consolidated Balance Sheet Summary
 12. Parent Company Sales per Category
 13. CAPEX, Amortization/Depreciation, Employees, Service Bases
 14. FY2019/3 Topics (Apr-Dec, 2018)
- Appendix
- Mid-Term Key Initiatives
(excerpts from Financial Results Briefing for Fiscal Year Ended March 2018)

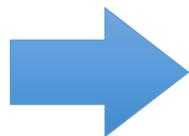
1. Executive Summary

Achievements

- Consolidated sales increased by 7.1%, retaining high growth rate.
- Overseas affiliates continue to achieve high growth.
- Controlling SG&A expenses based on sales and profit.
- Positive impact from portfolio review and reduction in equity losses.
- Quarterly Net Income attributable to owners of parent company increased drastically due to posting of gain on sale of affiliate's shares.

Challenge

- Lower profitability in Parent Company.



Aim to generate profits from new initiatives executed in previous fiscal year as soon as possible.

2. Consolidated Income Statement Summary

- Sales: Increased mainly due to order increase for Parent Company and overseas affiliates.
- Operating Income: Decreased mainly due to decreased profitability in Parent Company.
- Ordinary Income: Although non-operating losses declined due to increase in capital gains from funds and decrease in equity in losses, ordinary income decreased due to declined operating income.
- Quarterly Net Income: Increased due to improved extraordinary profits due to posting of gain on sale of affiliate's shares.

In ¥Million	Q1-Q3 FY2018/3		Q1-Q3 FY2019/3		Difference	
		Mix		Mix	Amount	Ratio
Sales	194,848	100.0%	208,646	100.0%	13,798	7.1%
Cost of Sales	160,566	82.4%	174,477	83.6%	13,911	8.7%
Gross Profit	34,282	17.6%	34,169	16.4%	-113	-0.3%
SG&A	30,025	15.4%	31,277	15.0%	1,251	4.2%
Operating Income	4,256	2.2%	2,892	1.4%	-1,364	-32.1%
Non-operating Profit and Loss	-562	-0.3%	284	0.1%	846	-
Ordinary Income	3,694	1.9%	3,176	1.5%	-517	-14.0%
Extraordinary Profit and Loss	80	0.0%	6,977	3.3%	6,897	-
Quarterly Net Income attributable to owners of parent company	1,422	0.7%	5,994	2.9%	4,571	321.3%

3. Segment Based Results Summary

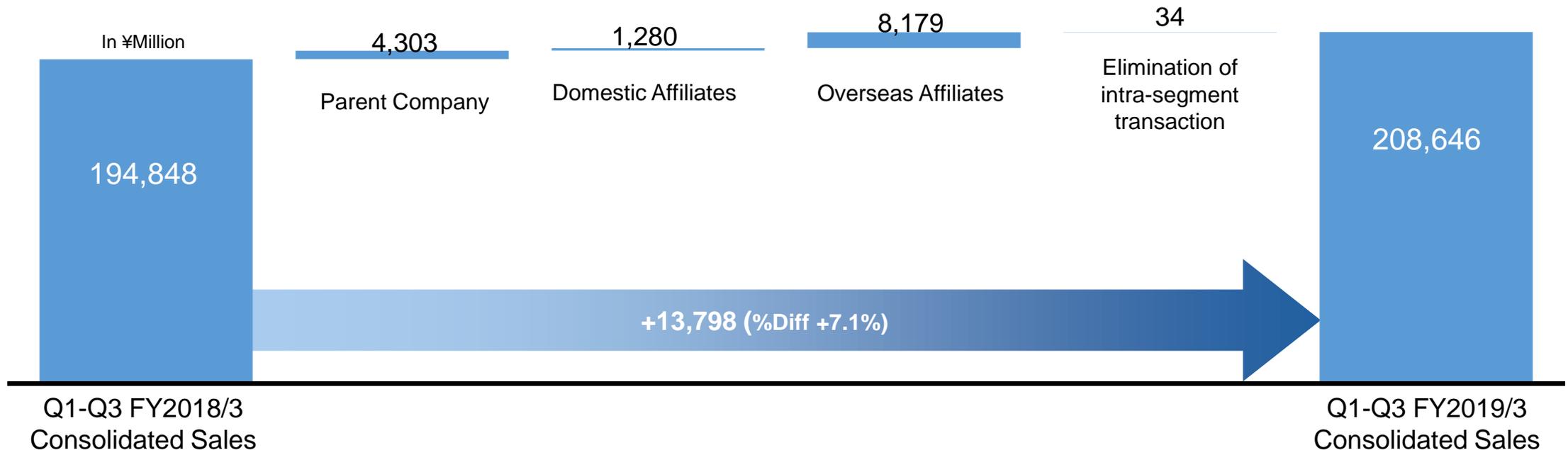
- Parent Company: Sales increased but profit declined. Lower profitability is due to downturn in large spot deals and SG&A increase.
- Domestic Affiliates: Both sales and profits increased. Profitability improved as listed subsidiary achieved solid performance and some subsidiaries successfully restructured their businesses.
- Overseas Affiliates: Both sales and profits increased. South Korean subsidiary achieved solid performance and some European subsidiaries improved their profitability.

In ¥Million	Q1-Q3 FY2018/3		Q1-Q3 FY2019/3		Difference		
		Mix		Mix	Amount	Ratio	
Sales	Parent company	151,348	77.7%	155,652	74.6%	4,303	2.8%
	Domestic Affiliates	13,766	7.1%	15,047	7.2%	1,280	9.3%
	Overseas Affiliates	35,749	18.3%	43,928	21.1%	8,179	22.9%
	Elimination of intra segment transaction	-6,016	-3.1%	-5,982	-2.9%	34	0.6%
	(Total)	194,848	100.0%	208,646	100.0%	13,798	7.1%
Segment Income (Loss)	Parent company	4,146	97.4%	2,489	86.1%	-1,657	-40.0%
	(%profit)	2.7%		1.6%			
	Domestic Affiliates	160	3.8%	388	13.4%	228	142.3%
	(%profit)	1.2%		2.6%			
	Overseas Affiliates	-61	-1.4%	13	0.5%	74	-
	(%profit)	-0.2%		0.0%			
Elimination of intra segment transaction	10	0.2%	1	0.0%	-9	-85.4%	
(Total)	4,256	100.0%	2,892	100.0%	-1,364	-32.1%	

4. Consolidated Sales Analysis

- Sales increased by ¥13,798mn (+7.1%)

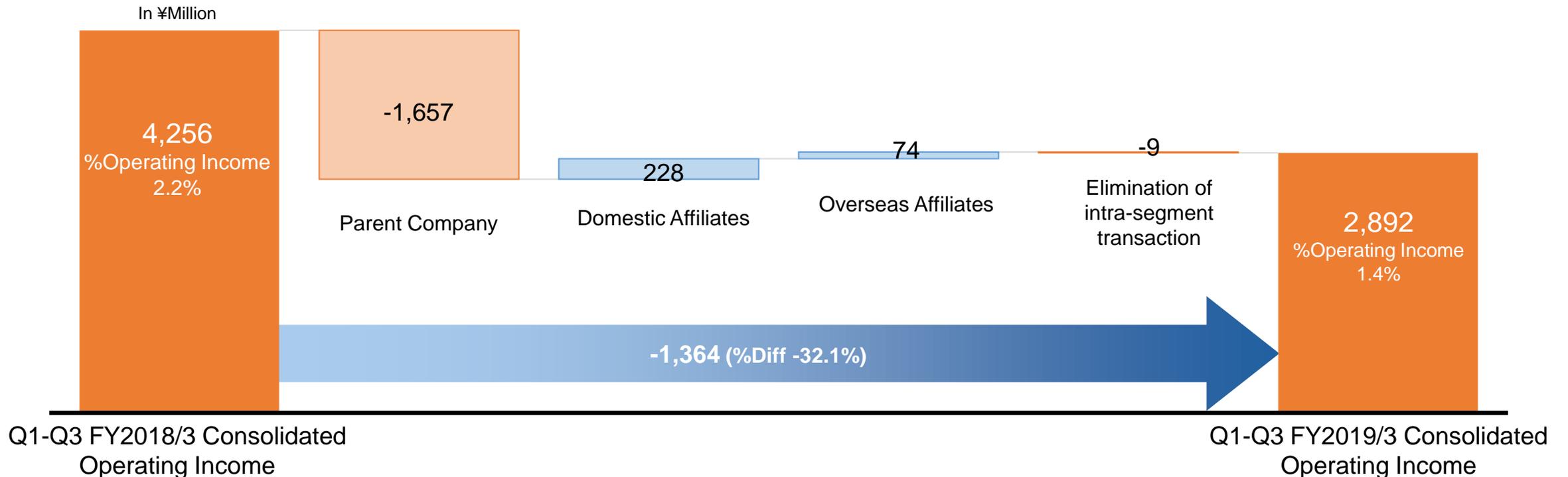
Parent Company	Sales increased due to order increase in BPO services.
Domestic Affiliates	Sales increased due to solid orders mainly for listed subsidiary and positive impact from newly consolidated subsidiaries.
Overseas Affiliates	Sales increased due to increased sales in Chinese/South Korean subsidiaries.



5. Consolidated Operating Income Analysis

- Operating Income decreased by ¥1,364mn (-32.1%)

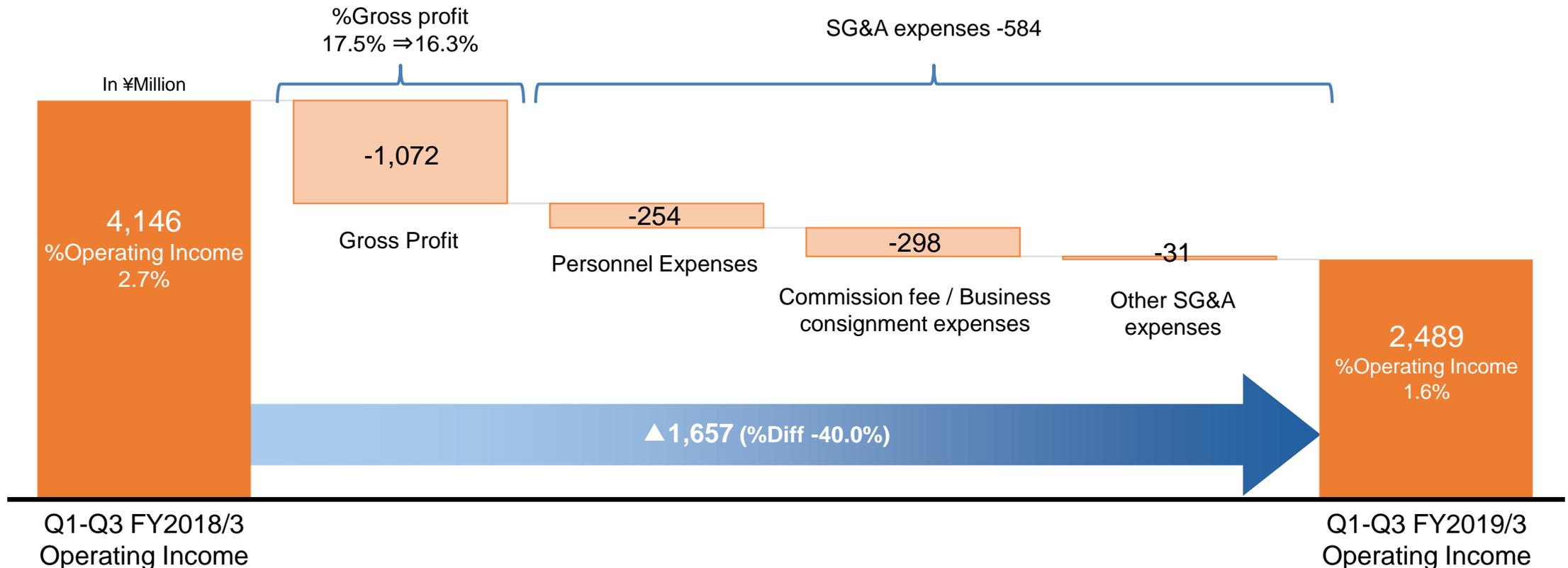
Parent Company	Operating income decreased due to downturn in large spot deals, sluggish growth in large deals, and SG&A expenses that increased due to impact from upfront investments made in previous fiscal year.
Domestic Affiliates	Operating income increased mainly due to improved profitability in listed subsidiary and successful business restructuring made in some subsidiaries.
Overseas Affiliates	Operating income increased as South Korean subsidiary improved its profitability whilst some European subsidiaries successfully restructured their business.



6. Parent Company Operating Income Analysis

- Operating Income decreased by ¥1,657mn (-40.0%)

Gross Profit	Decreased mainly due to downturn in large spot deals and sluggish growth in large deals. Gross profit ratio decreased by 1.2 points.
SG&A expenses	Increased by ¥584mn due to impact from upfront investments made in previous fiscal year.



7. Consolidated Income Statement Summary (Oct-Dec, 2018)



- Sales: Increased due to solid orders for all segments including Parent Company.
- Operating Income: Although SG&A expenses decreased (expenses temporarily increased in previous year by 277mn due to merger of subsidiary), operating income decreased due to deteriorated profitability in Parent Company and overseas affiliates.
- Ordinary Income: Decreased due to drop in operating income.
- Quarterly Net Income attributable to owners of parent company: Decreased due to decline in operating income and ordinary income.

In ¥Million	Q1-Q3 FY2018/3		Q1-Q3 FY2019/3		Difference	
		Mix		Mix	Amount	Ratio
Sales	68,207	100.0%	70,957	100.0%	2,749	4.0%
Cost of Sales	55,351	81.2%	59,583	84.0%	4,231	7.6%
Gross Profit	12,856	18.8%	11,373	16.0%	-1,482	-11.5%
SG&A	10,440	15.3%	10,081	14.2%	-359	-3.4%
Operating Income	2,415	3.5%	1,291	1.8%	-1,123	-46.5%
Non-operating Profit and Loss	-161	-0.2%	-220	-0.3%	-58	-36.5%
Ordinary Income	2,253	3.3%	1,071	1.5%	-1,182	-52.5%
Extraordinary Profit and Loss	-45	-0.1%	84	0.1%	129	-
Quarterly Net Income attributable to owners of parent company	1,184	1.7%	761	1.1%	-423	-35.8%

8. Segment Based Results Summary (Oct-Dec, 2018)

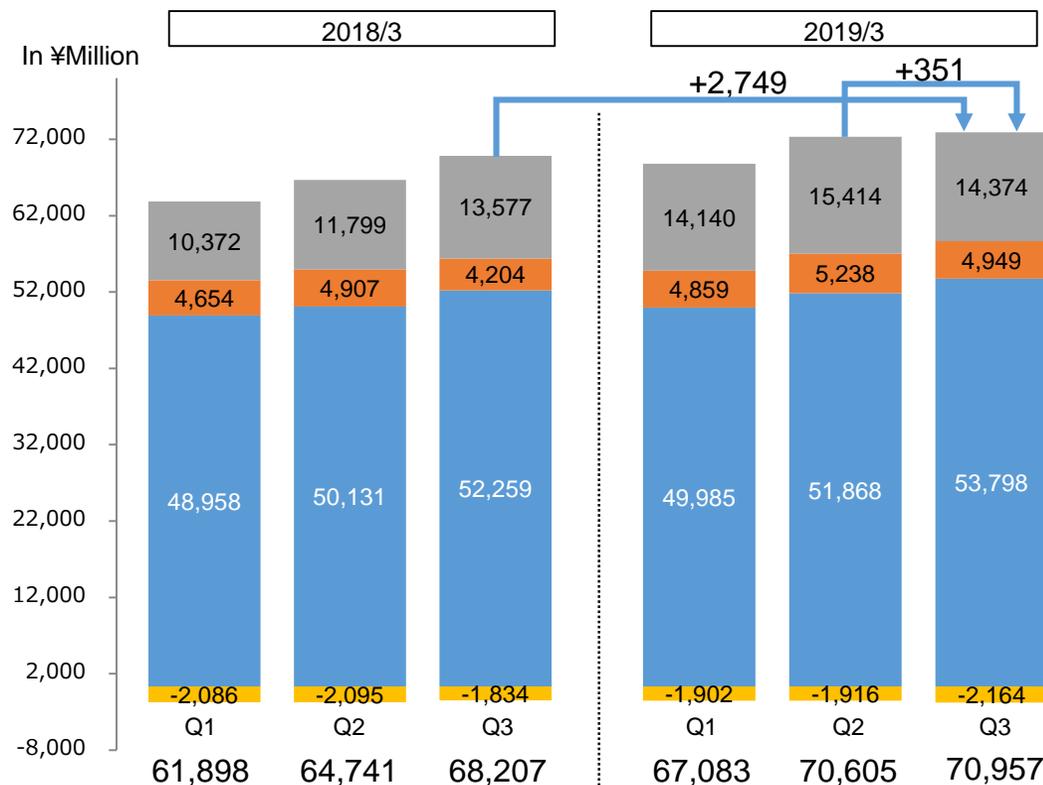
- Parent Company: Sales increased whilst profits declined. Lower profitability is due to downturn in large spot deals and sluggish growth in large deals.
- Domestic Affiliates: Both sales and profits increased. Profitability improved as listed subsidiary achieved solid performance, and some subsidiaries successfully restructured their businesses.
- Overseas Affiliates: Sales increased whilst profits declined. Although South Korean subsidiary achieved solid performance, profit decreased due to slowdown in e-commerce sales in Chinese subsidiary.

In ¥Million	Q1-Q3 FY2018/3		Q1-Q3 FY2019/3		Difference		
		Mix		Mix	Amount	Ratio	
Sales	Parent company	52,259	76.6%	53,798	75.8%	1,538	2.9%
	Domestic Affiliates	4,204	6.2%	4,949	7.0%	744	17.7%
	Overseas Affiliates	13,577	19.9%	14,374	20.3%	796	5.9%
	Elimination of intra segment transaction	-1,834	-2.7%	-2,164	-3.1%	-330	-18.0%
	(Total)	68,207	100.0%	70,957	100.0%	2,749	4.0%
Segment Income (Loss)	Parent company	2,194	90.9%	1,240	96.0%	-954	-43.5%
	(%profit)	4.2%		2.3%			
	Domestic Affiliates	-60	-2.5%	43	3.4%	103	-
	(%profit)	-1.4%		0.9%			
	Overseas Affiliates	270	11.2%	3	0.3%	-267	-98.7%
	(%profit)	2.0%		0.0%			
	Elimination of intra segment transaction	9	0.4%	3	0.3%	-6	-61.1%
(Total)	2,415	100.0%	1,291	100.0%	-1,123	-46.5%	

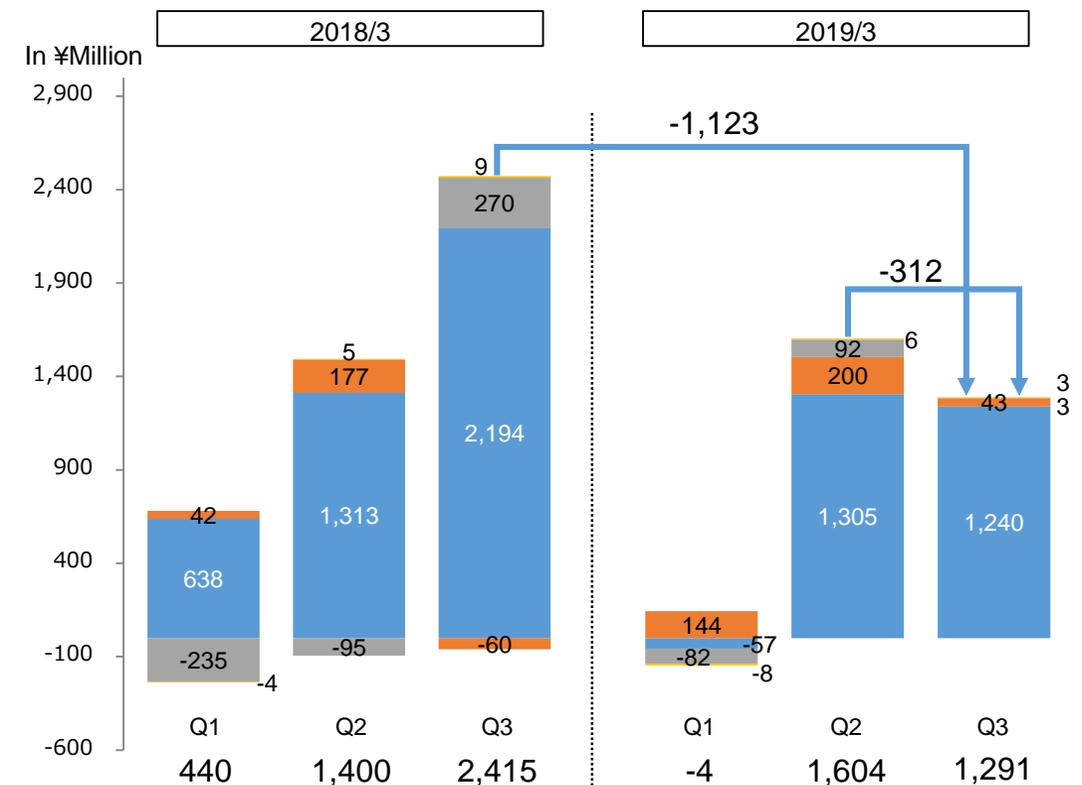
9. Consolidated Quarterly Performance Trend Analysis (Oct-Dec, 2018)

- Increased by ¥351, up 0.5% compared to Q2 of this fiscal year mainly due to solid orders for Parent Company, primarily for DM business.
- Operating Income: Decreased by ¥312mn, -19.5%, compared to Q2 of this fiscal year mainly due to weaker profitability of listed subsidiary due to seasonality.

Sales



Operating Income



■ Parent Company ■ Domestic affiliates ■ Overseas affiliates ■ Elimination of intra-segment transaction

10. Parent Company Quarterly Net Income Analysis

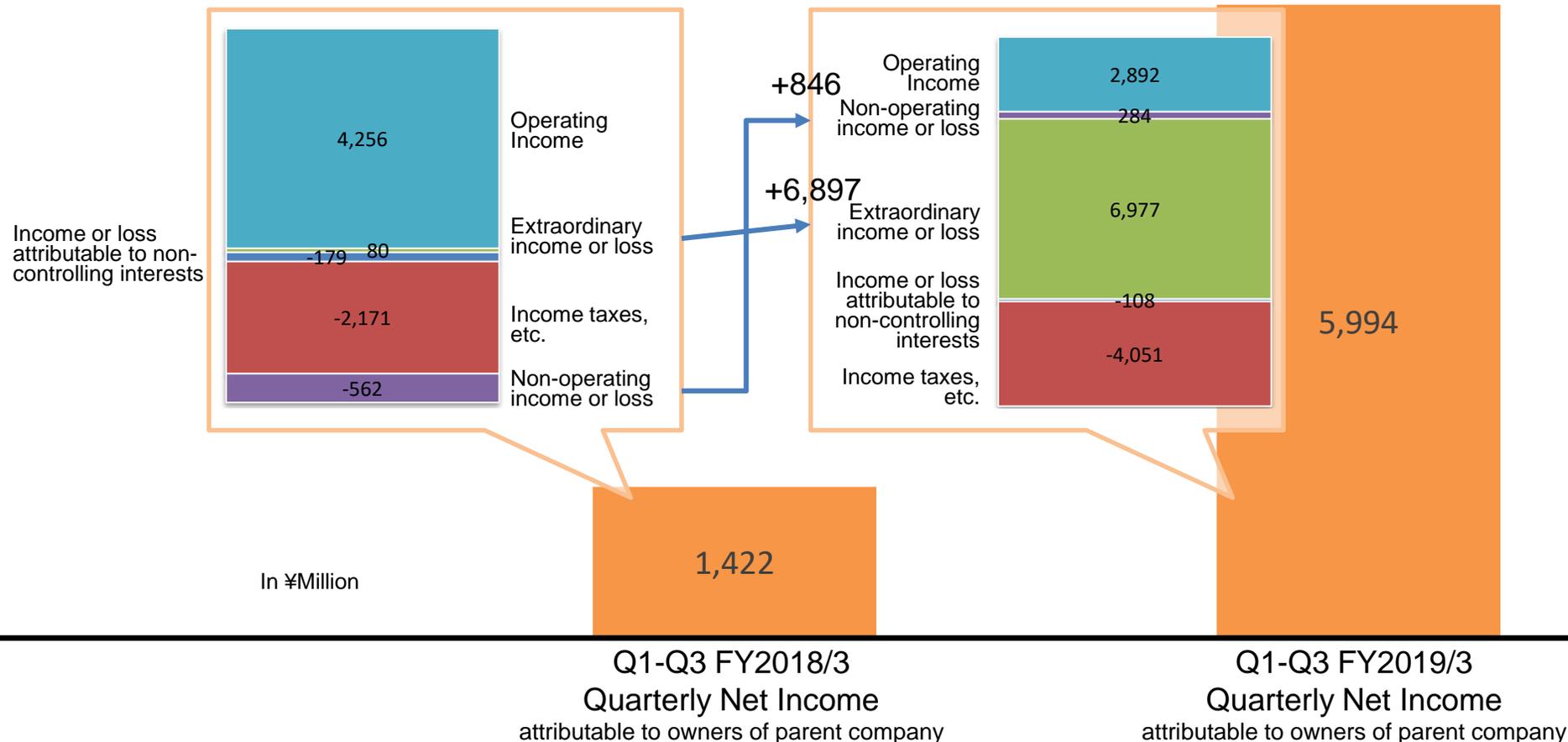
- Quarterly Net Income attributable to owners of parent company increased by ¥4,571mn (+321.3%)

Non-operating income

Extraordinary income

Increased by ¥846mn mainly due to increase in capital gains from funds and decrease in equity in losses.

Increased by ¥6,897mn mainly due to posting of gain on sale of affiliate's shares.



11. Consolidated Balance Sheet Summary

- Assets: “Cash equivalent” and “Investment securities**” increased as result of sale of affiliate’s shares.
- Liabilities: “Long-term loans payable” and “Provision for bonuses” decreased.
- Net Assets: “Retained earnings” increased due to increase in quarterly net income. “Valuation difference on available-for-sale securities**” increased as result of sale of affiliate’s shares.

* The Company has sold some of its shares in TensynPRC, its equity-method affiliate, in September 2018. The remaining shares are recorded at fair value after reclassified to investment securities account.

In ¥Million	End of Mar. 2018	End of Dec. 2018	Difference	
Current Assets	82,989	84,524	1,534	<ul style="list-style-type: none"> • Cash equivalent +1,306 • Notes and accounts receivable -1,393 • Prepaid expenses / Accounts receivable-other +1,373
Fixed Assets	46,077	48,770	2,692	
Total Assets	129,067	133,294	4,227	
Current Liabilities	45,201	43,457	-1,743	<ul style="list-style-type: none"> • Investment securities +4,637 • Affiliates’ stocks -1,864
Fixed Liabilities	12,666	12,523	-143	
Total Liabilities	57,867	55,981	-1,886	
Net Assets	71,199	77,313	6,114	<ul style="list-style-type: none"> • Accounts payable-other -859 • Accrued expenses +797 • Provision for bonuses -1,491
Liabilities/Net Assets Total	129,067	133,294	4,227	
				<ul style="list-style-type: none"> • Long-term loans payable -1,689 • Deferred tax liabilities +1,407
Cash Equivalent	31,937	33,244	1,306	
Interest-bearing debt	14,887	13,032	-1,855	
Net Cash*	17,050	20,211	3,161	<ul style="list-style-type: none"> • Retained earnings +4,506 • Valuation difference on available-for-sale securities +3,262 • Foreign currency translation adjustment -896

*Net Cash = Cash and Cash Equivalent – Interest-bearing debt

(Reference) Listed Holdings Held by the Company (as of December 31, 2018)



- The Company continues to enhance investment portfolio review through regular monitoring.

List of listed holdings held by transcosmos inc.

In ¥Million

Type	Stock name	Market	Security code	Fair Value
Stock of affiliated company	J-Stream Inc.	TSE Mothers	4308	2,915
	PFSweb Inc.	NASDAQ	PFSW	2,402
	APPLIED TECHNOLOGY CO.,LTD.	TSE JQS	4356	1,994
	eMnet Inc.	KOSDAQ	123570	1,307
Investment securities	MTG Co., Ltd.	TSE Mothers	7806	887
	Menicon Co., Ltd.	First Section of TSE	7780	532
	Geniee, Inc.	TSE Mothers	6562	236
	Japan Airlines Co., Ltd.	First Section of TSE	9201	179
	Daito Trust Construction Co., Ltd.	First Section of TSE	1878	176
	Twilio	NYSE	TWLO	116
	SendGrid	NYSE	SEND	34
	MIZUNO Corporation	First Section of TSE	8022	25
	JACCS CO., LTD.	First Section of TSE	8584	9
Total				10,815

Major listed holdings held by Group companies.

Type	Stock name	Market	Security code	Fair Value
Investment securities	TensynPRC	ChiNext	300392	3,934

* Fair values are calculated closing price of January 30, 2019. Note that fair values of PFSWeb, Twilio and SendGrid are calculated closing price of January 29, 2019.

12. Parent Company Sales per Category

● Sales per Industry

In ¥Million	Q1-Q3 FY2018/3		Q1-Q3 FY2019/3		%Diff
		Mix		Mix	
Telecommunications	37,449	24.7%	38,494	24.7%	2.8%
Finance / Insurance	24,877	16.4%	26,753	17.2%	7.5%
Manufacturing	23,945	15.8%	26,049	16.7%	8.8%
Services	25,634	16.9%	24,297	15.6%	-5.2%
Wholesale / Retail	19,775	13.1%	20,999	13.5%	6.2%
Other	19,665	13.0%	19,056	12.2%	-3.1%

Telecommunications: Mainly telecom carrier-related businesses increased.
 Finance/Insurance: Mainly business with insurance companies increased.
 Manufacturing: Mainly business with auto-manufacturers and general machines manufacturers increased.
 Services: Mainly advertisement related business declined.
 Wholesale/Retail: Mainly business with energy related wholesales, chain stores and speciality retailers increased.
 Other: Mainly business with electricity/gas-related companies increased.

● Sales per Client (top 5 clients in terms of sales)

単位：百万円	Q1-Q3 FY2018/3		Q1-Q3 FY2019/3		%Diff
		Mix		Mix	
A (PC/AV)	6,667	4.4%	6,321	4.1%	-5.2%
B (Travel)	2,403	1.6%	2,537	1.6%	5.5%
C (Job advertisement)	2,166	1.4%	2,158	1.4%	-0.4%
D (Building material/equipment manufacturer)	1,912	1.3%	2,102	1.4%	9.9%
E (Auto manufacturer)	1,651	1.1%	1,970	1.3%	19.3%

A: Orders for DEC services, mainly CC, decreased.
 B: Orders for DEC services, mainly DM, increased.
 C: Orders for DEC services, mainly DM, decreased.
 D: Orders for BPO services including order processing increased.
 E: Orders for DEC services, mainly CC, and BPO services including design development increased.

13. CAPEX, Depreciation & amortization, Employees, Service Bases

● CAPEX / Depreciation and Amortization

In ¥Million	Q1-Q3 FY2018/3	Q1-Q3 FY2019/3	%Diff
Capital expenditures	3,251	3,275	0.7%
Depreciation and amortization	2,209	2,402	8.7%

● Number of Employees

	End of Mar. 2018	End of Dec. 2018	Difference
Consolidated bases	24,875	29,725	4,850
(Temporary employees)	25,420	25,268	-152
Parent company	10,609	13,918	3,309
(Temporary employees)	22,573	21,629	-944

● Service bases

	End of Mar. 2018	End of Dec. 2018	Difference
Service bases	170	169	-1
Japan	58	61	3
Overseas	112	108	-4

● CAPEX

Investment amounts increased in domestic subsidiaries and South Korean subsidiary.

● Depreciation and amortization

Depreciation and amortization increased due to the opening/expansion of centers and business offices in China and Parent company in the previous fiscal year.

● Employees

Increased mainly in parent company after converting fixed-term contracts to indefinite-term contracts.

● Service bases

Japan: BPO Center Kameido started full-scale operations and opened MCM Center Chiba Ichikawa / Hakata. Overseas: Opened 2 contact center bases in China. Other: Affiliates' and partners' bases decreased by 2.

* Service bases include the Company's own service bases, head office, branches, sales offices, subsidiaries, associates and partners' bases.

14. Q1-Q3 FY2019/3 Topics

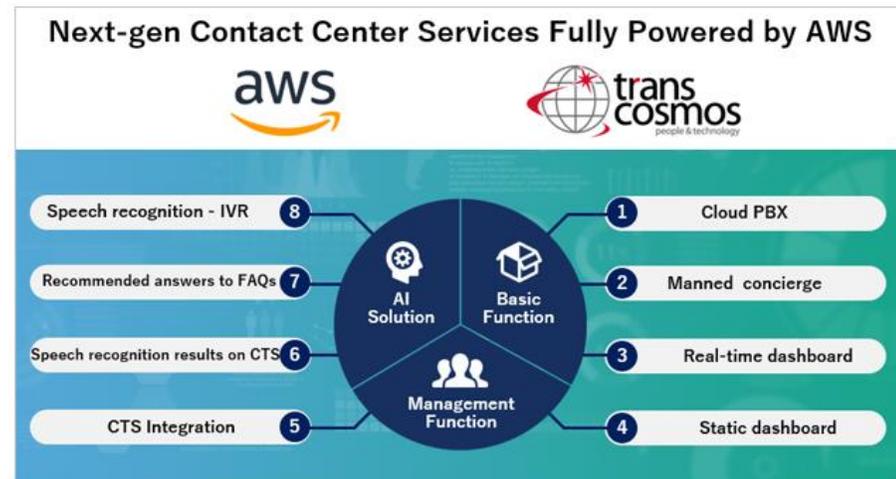
transcosmos opens a new operations center, “Marketing Chain Management Center Hakata”

- Delivers call center services, chat support services and digital marketing services with 245 workstations
- Proactively implemented digital technologies including softphones that replace landlines, touch panel PCs, “transpeech, and a biometric authentication system
- Aims to make the new center a next-gen contact services center whilst creating an employee-friendly workplace



transcosmos launches cloud contact center services powered by Amazon Connect

- Delivers the services that are integrated with speech recognition system IVR, intelligent conversational bots, and other AWS AI-powered services
- Provides solutions leveraging cloud PBX and workforce management in call center
- aims to implement the services to 100 companies by the end of FY2020



14. Q1-Q3 FY2019/3 Topics

transcosmos forms a Strategic Business Alliance with the World's Number 1 Platform for Influencer Marketing "indaHash"

- indaHash is an influencer marketing platform that connects clients that want to conduct campaigns with influencers that create and provide creative content.
- Supports clients' social media promotions focusing mainly on Instagram using indaHash which has the biggest number of influencers in Japan at around 20,000 people



transcosmos opens its first contact center in Taiwan

- Delivers services tailored to the Taiwan market building on its know-how of the Japanese quality management and security measures
- With 190 workstations, the new center will deliver primarily contact center services for the Taiwan market
- Delivers diverse services to clients in industries including manufacturing, media, e-commerce, retail, finance, and more with the aim to scale the center to the size of 1,000 workstations by 2023.



14. Q1-Q3 FY2019/3 Topics

transcosmos enhances digital marketing business for the ASEAN market

- Formed a capital alliance with Heroleads, Thailand's leading data-driven and technology enabled performance marketing provider
- With this partnership with Heroleads, transcosmos will enhance its digital marketing services and drive the implementation of these services to clients together with CRM-related services that include contact centers, Chabot's, LINE and e-commerce
- In addition, transcosmos aims to generate business synergies with Heroleads by offering Heroleads' services in Indonesia, Philippines, Vietnam and Malaysia



Heroleads

transcosmos establishes “transcosmos Commerce,” its e-commerce subsidiary in Indonesia

- In the ever-growing Indonesian e-commerce market, transcosmos Commerce will help facilitate its expansion as a sales partner that connects Indonesian consumers to their clients in Japan and around the world
- Offers extensive e-commerce operations and store opening support services including consulting, sales strategy and marketing plan development, e-commerce website development, customer support, inventory management, and delivery
- Opens its own e-commerce stores (BlanceCare, GentleFresh, and PrismaCart) on four local leading marketplaces (Lazada, Tokopedia, Bukalapak, and Shopee) and sell clients' quality products



transcosmos Commerce

14. Q1-Q3 FY2019/3 Topics

▶ New service releases

- transcosmos and Revolver released “TCM Pack”, a total content marketing service package for large enterprises
- Released “GapFighter,” a brief UX research package for free
- Released “Non-voice Contact Center Package,” a dedicated customer inquiry service targeting the smartphone generation
- Released “transcosmosARmadillo,” a one-stop service for implementing and utilizing practical AR
- Delivered ads by integrating “Adobe Advertising Cloud DSP” with “Adobe Analytics” for the first time in Japan
- Released “transpeech”, a voice recognition solution for contact centers
- Opened “trans +”, a website which offers information on digital transformation
- Helps deliver indirect expenses reform by offering corporate back office services
- Launched “KOTOBA Switch”, a tablet-based multilingual video interpreting service
- Launched sampling services for seniors by leveraging Nihon Chokuhan network
- Developed an AI which auto-judges service quality at contact centers
- Launched ICT-based facility management one-stop service for building owners and building management companies
- Launched support services for “Flex Message”, a new feature of LINE ahead of others
- DMM, STVV, Candee and transcosmos launch Connected Stadium business in Belgium
- Rolled out “Addressable Advertising” using an ad link tool offered by Synergy Marketing
- Released “Nihon Chokuhan AR app” that enables customers to view AR videos by holding their smartphones over Nihon Chokuhan catalogue

14. Q1-Q3 FY2019/3 Topics

▶ Subsidiary & Center openings/expansions

- Held a signing ceremony to open “BPO Center Sasebo”
- Opened a new contact center in Wuhan, Hubei province in China
- “Gotcha!mall” made inroads into South East Asia. Launched its services in Thailand
- Opened a new service center, “BPO Center Sasebo” in Sasebo City, Nagasaki Prefecture
- Opened an annotation center which creates teacher data for AI and machine learning in Vietnam
- Held an opening ceremony for “BPO Center Okinawa Uruma”, its engineering services base
- Machine Learning Solutions Inc., a transcosmos subsidiary, established a subsidiary “Langsmith Inc.” which develops AI-powered writing support system with the use of natural language processing and deep learning
- Opened a new operations center “Marketing Chain Management Center Chiba Ichikawa”
- “transcosmos research and development” began operations
- Expanded its contact center “MCM Center Tama”
- Opened a new contact center in Xi’an, Shaanxi province, China
- Machine Learning Solutions established its subsidiary “Edge Intelligence Systems Inc.”
- Opened its new operations center “BPO Center Kameido” in Tokyo

14. Q1-Q3 FY2019/3 Topics

▶ Service records

- Assisted Saishinkan in implementing “Skin Care Counselling Services by LINE”
- Helped LAVA, a hot yoga studio, through delivering “Checking Lesson Schedule & Canceling Appointments via LINE” services
- Offered “LINE WORKS” to Taisei Corporation
- “Omni 7”, an online shopping website by Seven & i launched AI-powered customer support services
- Implemented SMS to Misato city, Saitama prefecture in partnership with Accrete
- Launched a customer support service for “JUREN – BATTERY RENTAL SERVICE”, a new service by TEPCO Energy Partner
- Offered LINE-based counselling service for the victims of Osaka Earthquake
- Offered its chat system to Tokyo Metropolitan Government to help their LINE-based counselling service which aims to solve children’s internet-related problems
- Offered “Robotics Marketing for RoBoHoN” to Odakyu Electric Railway
- Total number of friends of “Gotcha!mall” LINE official account surpassed 10 million
- Japan Council on SNS Counseling Services offered “LINE”-based free mental health counseling services for the victims of the Osaka Earthquake 2018
- Launched LINE-based customer services for Hokkaido Air Water
- Undertook “Special Fraud Prevention Call Center Business” operations commissioned by Oita Prefectural Police
- Built a system which links its chat platform, LINE to Call and a Avaya’s contact center system for the SNS counselling business
- transcosmos and SOCIAL GEAR assist Saishunkan’s digital marketing in Taiwan
- Pony Cleaning joins “Gotcha!mall” in partnership with transcosmos
- SMS Co., LTD. implements LINE WORKS to improve its Remote Specific Health Guidance service

14. Q1-Q3 FY2019/3 Topics

▶ Partners, Awards, etc.

- transcosmos China won the “Call Center Outsourcing Solutions Award” by CTI Forum for the second straight year
- Released FY2018 “Business to Consumer Communication Survey Results”
- transcosmos and Jasmy in talks to form a business partnership to create a next-gen business
- Signed a strategic partnership agreement with China Unicom Shanghai Branch in the smart retail market
- transcosmos Korea became the first Excellent Award winner of the Republic of Korea Excellent Reading Culture Business Certification Program in the BPO industry
- Joined “Let’s develop AI-powered guides together (provisional)” by JR EAST
- Became a sponsor of “Sport Innovation Summit Tokyo 2018”
- Implemented “3years Return Pass,” a new program for hiring new graduates
- Became a Platinum sponsor of “AI Experience 2018 Tokyo”
- Won “CCM Award -The Best Outsourcing Provider in China”
- Signed an agreement on cooperation with Ichikawa City, Chiba Prefecture
- Co-established “MIRAI CHALLENGE CONSORTIUM” with advanced technology alliance for the purpose of enterprise solutions
- Closed partial transfer of shares of “TensynPRC”, an equity-equity method affiliate in China
- Won “Japan Advertising Cloud Agency of the Year” award at the Adobe Symposium 2018
- Chinese subsidiary again honored FIVE STAR SERVICE PROVIDER by TMALL, China’s largest online marketplace
- Certified as a Gold Partner, the highest certification for “Sales Agent Partner Program” by Indeed

14. Q1-Q3 FY2019/3 Topics

▶ Partners, Awards, etc.

- Became a Diamond Sponsor of “ad tech Tokyo”
- Became a “Global Sponsor” of “Autodesk University Japan” with its subsidiary APPLIED TECHNOLOGY
- Received the highest certification for “LINE Biz-Solutions Partner Program” for 2 consecutive years. The program certifies and awards advertising agents and developers that sell and develop various LINE enterprise services
- 25 industry-leading employees of Korean subsidiary in Korea received “COPC” certification, a global standard in the customer services industry
- Became one of the initial partners of “LINE Point Connect”, LINE’s loyalty point service for enterprises
- Offered a new skill for “Clova”, an AI assistant by LINE
- Introduced a chatbot to “Work it!”, its job posting website
- Gartner U.S. BPO market report named transcosmos the No.1 BPO player in Japan by revenue
- Became one of the initial “Clova Extensions Kit” partners that develop and scale LINE “Clova” skills
- Signed an agreement to transfer shares of TensynPRC, transcosmos’s equity-method affiliate
- Won multiple awards in China for its design support services for the construction industry
- The chat-bot service on messenger by Sanrio Entertainment Co.Ltd. introduced at the 2018 Facebook Developer Conference (F8)
- Joined the Safer Internet Association
- me&stars, a company which offers stars’ premium experiences via live streaming videos appointed Kosuke Kitajima, a gold medalist of Athens and Beijing Olympics as its CSO

14. Q1-Q3 FY2019/3 Topics

▶ Partners, Awards, etc.

- Magic Panda, a member of transcosmos group, received multiple awards from Alibaba Group that include The Customer Experience Excellence Award of 2018
- Co-sponsored the 10th Okinawa International Movie festival, “Big Festival of all the Islands”
- Announced the results of “Online Shopping Trends Survey in 10 Asian Cities 2018”



IR Contact

Public Relations & Advertising Department at transcosmos inc.

Tel: 03-4363-0123

E-mail: pressroom@trans-cosmos.co.jp

Appendix

Mid-Term Key Initiatives

(excerpts from Financial Results Briefing for Fiscal Year Ended March 2018)



Service Domain Expansion

- Launched business in 1966 as a BPO vendor specializing in data entry. Since then, we continued to expand service domains.
- Integrated Digital Marketing, E-Commerce and Contact Center businesses in order to offer end-to-end services that include marketing, sales and customer communication support.
- Expanded Digital BPO services to help clients digitalize their operations via AI/RPA-based automation and the use of digital platforms.



Global Digital Transformation Partner

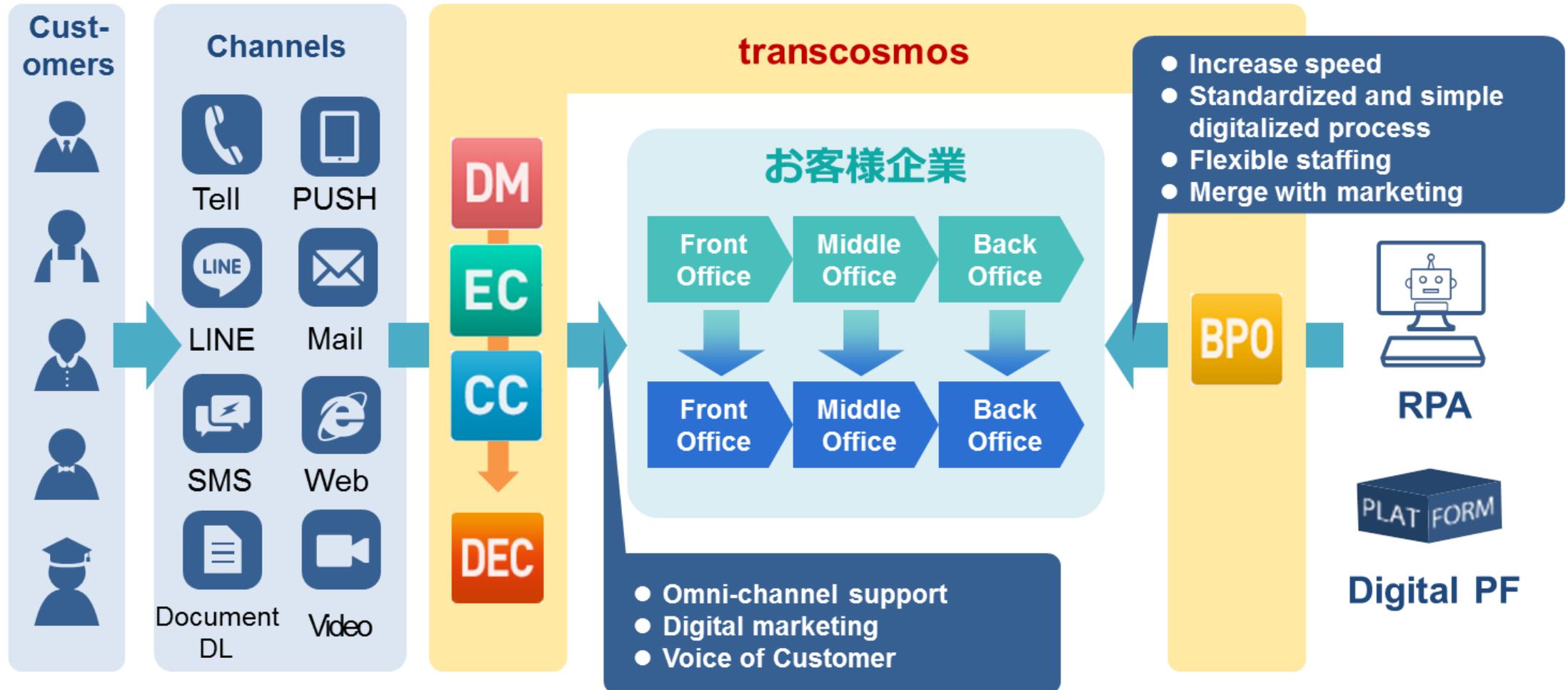
Offer innovative digital-driven services that help clients achieve transformation.



Provide services with the power of people and technology.

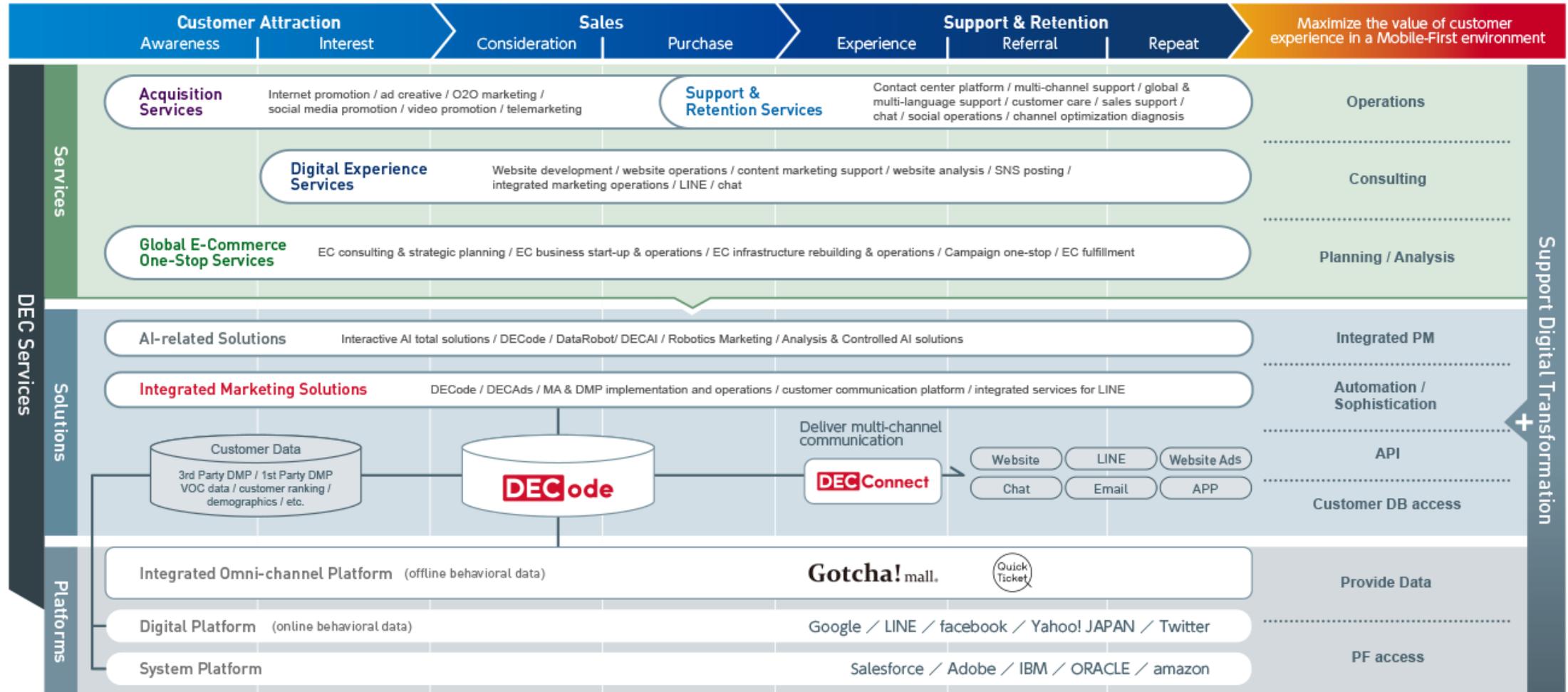
Vision

- Offer customer-driven global support in order to make clients achieve digitalization by connecting DEC and BPO services seamlessly.



DEC Services Transformation

- Offer sophisticated data services powered by its proprietary platform and AI solutions.



Platform which connects consumers with stores/brands

Gotcha! mall®



Examples of "Gotcha! mall" Clients



Received "DMA International Echo Awards", the world's top marketing award.



Interactive E-ticketing system



- The technology which owns international patent enables "E-Stamp" to be put directly on the smartphone.
- The system has been implemented in diverse industries that include sports, amusement park and concert.
- Utilize various data based on the e-ticket.
- Initiative to offer next-gen entertainment experience with the use of collected visitor data. Its services include fraud prevention and marketing campaigns.



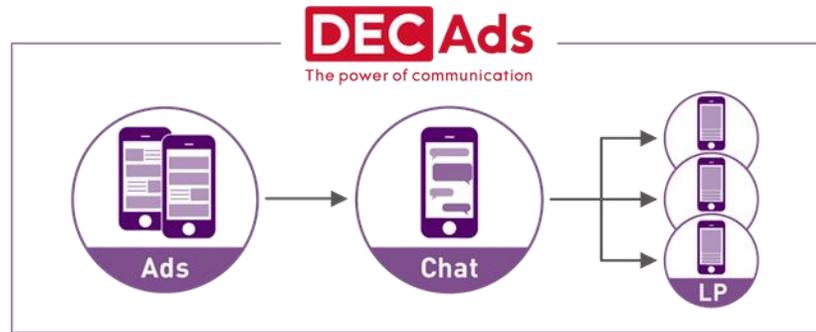
Case Studies



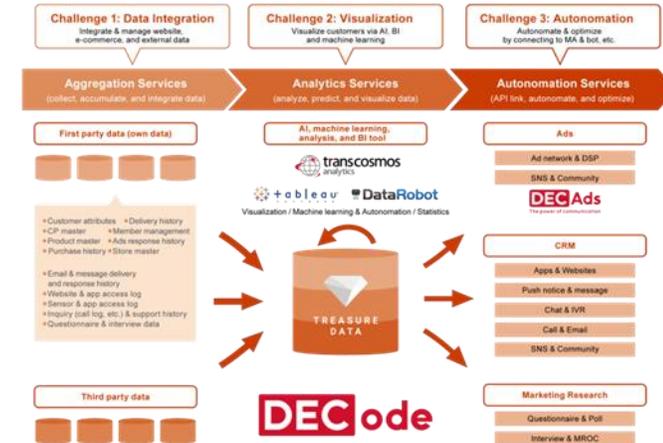
Initiatives in DEC services domain

- Rolled out “DEC” service series that are based on our proprietary integrated marketing platform.

DEC Ads Chat Ad



DECode DMP services



DEC Connect Platform which links to APIs



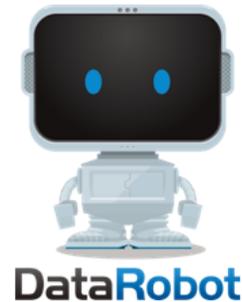
DEC Support Chat platform



Initiatives in DEC services domain

- Promoting the use of AI-related solutions in order to boost competitive edge.

Released automation/AI platform, “DataRobot”, the world’s latest machine learning tool.



Released “AI Total Solution Services” that support implementation and operations of interactive AI.



Established “Communication Science Lab”, the AI laboratory which specializes in communication.



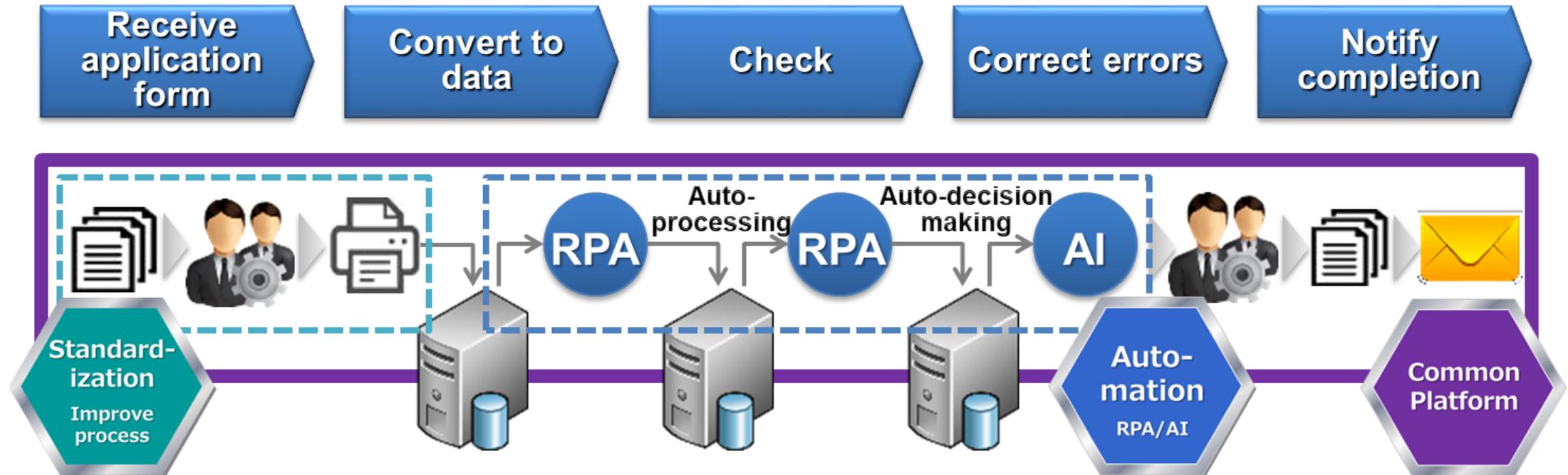
Formed capital/business partnership with Reply, Inc., a US- based company which offers a platform to build and operate bot.



Initiatives in BPO services domain

- Automate and simplify clients' business processes with the use of digital technology and digital platform, whilst offering operations support.

Digital BPO



Initiatives in BPO services domain

- Automate and simplify clients' business processes with the use of digital technology and digital platform, whilst offering operations support.

Expand Digital BPO services that blend Digital and Operations.

Digital BPO®

Released "to BIM", a comprehensive BIM service
Achieved digital transformation in the construction industry.



Formed partnership with TRADESHIFT,
a global e-commerce platform provider.
Drive digitalization of indirect operations.

TRADESHIFT

Received Customer Case Study Contribution
Award. Proven implementation record.

Formed partnership with SECOM Trust Systems.
Strengthen document storage operations along
with the deregulation of e-storage.

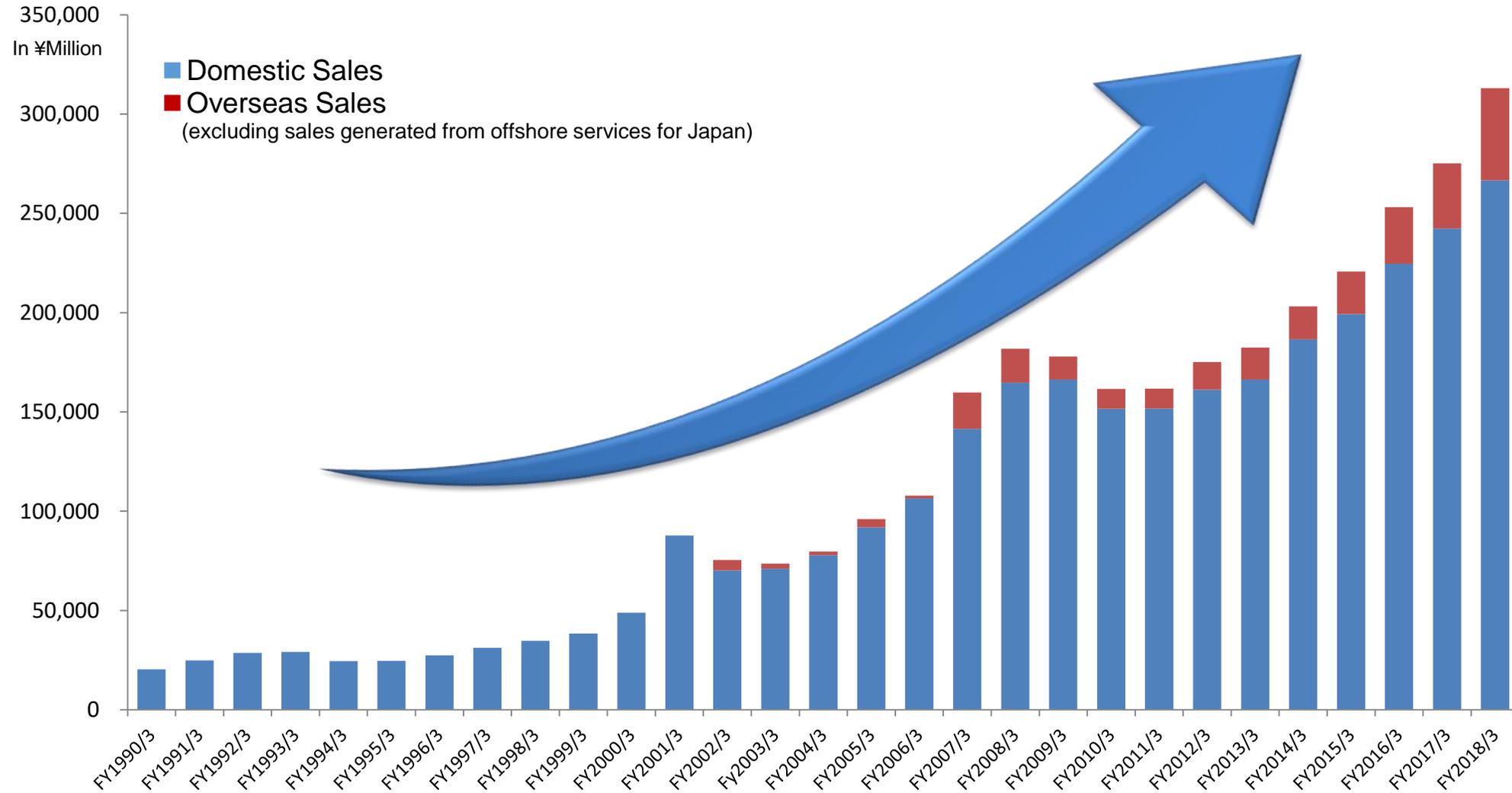
LINE WORKS × BPOサービス

信頼される安心を、社会へ。

SECOM

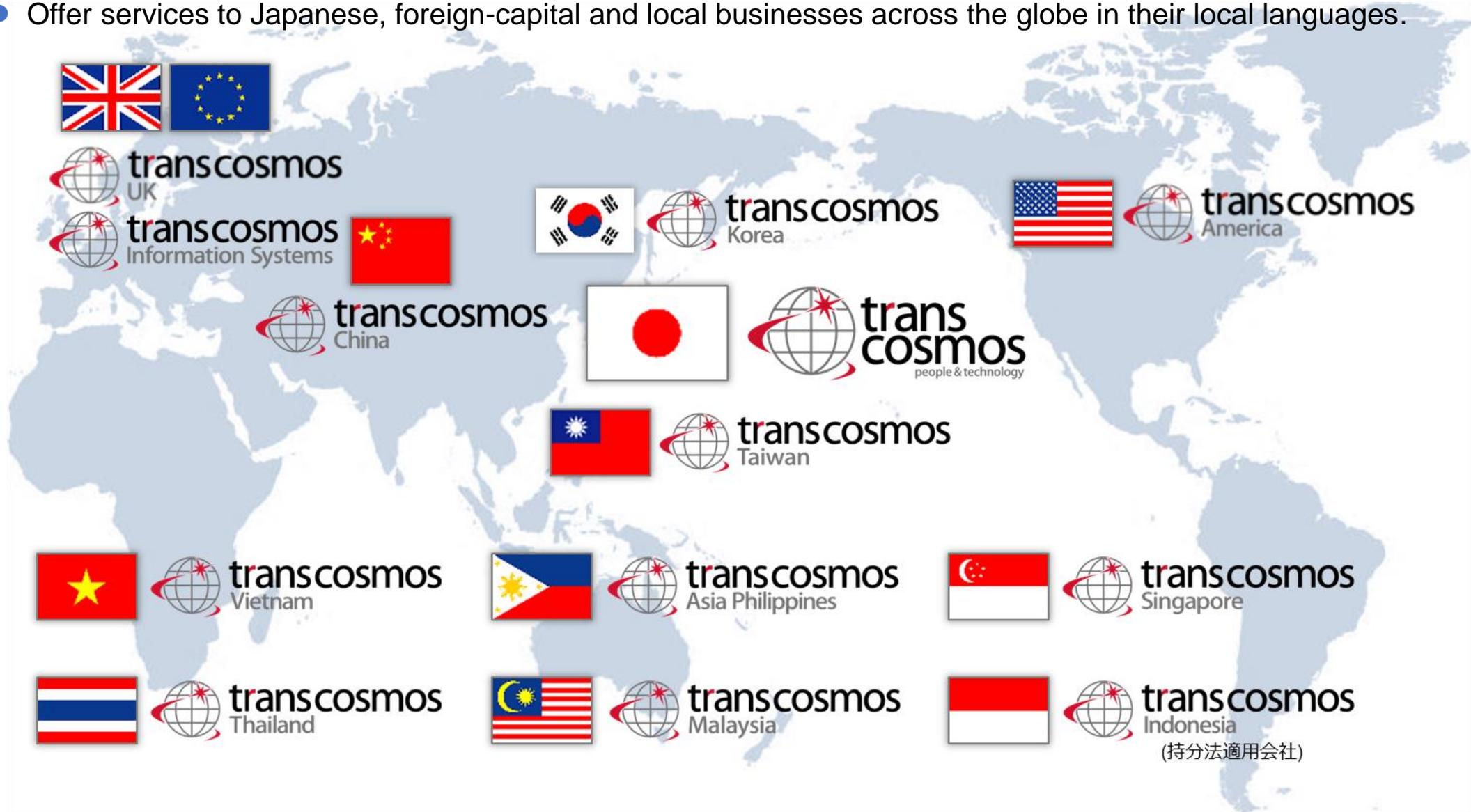
Overseas Sales Expansion

- Recorded 10% CAGR growth for the first time after going public in 1989. Achieved double digit growth in this fiscal year.
- Overseas sales continue to expand from the year ended in March, 2002. Overseas sales ratio surpassed 17%.



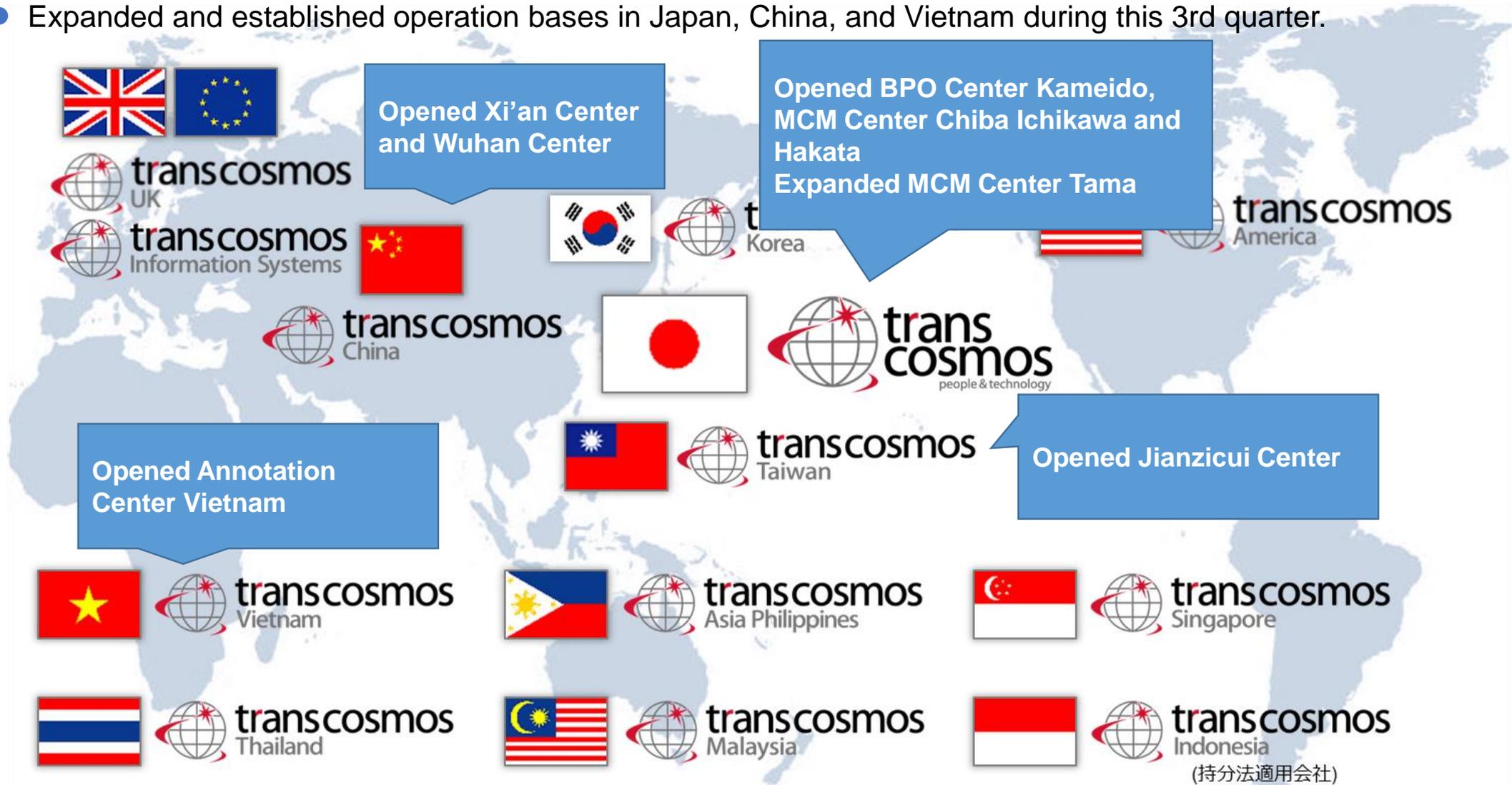
Initiatives in Global Business domain

- Offer services to Japanese, foreign-capital and local businesses across the globe in their local languages.



グローバル領域の取り組み

- Expanded and established operation bases in Japan, China, and Vietnam during this 3rd quarter.



Service Innovation

- Promote DEC services that optimize online & offline customer touchpoints based on the smartphone.
- Promote and help clients' business process digitalization and automation by using digital technology and digital platforms.

Service Globalization

- Roll out innovative services across the globe.
- Help globalization of companies including Japanese firms. Win orders from local companies in other countries.

Clients' Strategic Partner

- Offer innovative proposals. Grow together with clients and become a crucial, one and only partner for clients to achieve their growth strategy.
- Build a business foundation in order to further stabilize and grow our business based on a long-term partnership with clients. Achieve high profit, high growth and boost corporate value.

Achieve double digit sales growth and improve operating income margin.