

Note: This English translation is for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



**transcosmos inc.**

**Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 [J-GAAP]**

April 28, 2022

(Amounts are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2022

(April 1, 2021 through March 31, 2022)

(1) Consolidated operating results (cumulative total)

(% of change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of transcosmos inc.	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Mar. 31, 2022	354,085	-	25,846	-	28,902	-	21,488	-
Year ended Mar. 31, 2021	336,405	7.9	17,752	66.1	18,012	101.2	10,022	59.6

(Note) Comprehensive income: Year ended March 31, 2022: 32,003 million yen -%. Year ended March 31, 2021: 12,785 million yen 191.5%

	Earnings per share - Basic	Earnings per share - Diluted	Return on equity	Ordinary income to net assets	Operating income to net sales
	Yen	Yen	%	%	%
Year ended Mar. 31, 2022	518.12	-	21.6	14.7	7.3
Year ended Mar. 31, 2021	241.65	-	12.5	11.3	5.3

(Reference) Equity in net income of affiliated companies (for the years ended March 31): 2022 ¥3,188 million 2021 ¥(380) million

(Note) transcosmos has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and the related guidance since the beginning of the current fiscal year. All figures for the fiscal year ended March 31, 2022 are based on the standard and the guidance. In the table above, as such, we have not presented the percentage changes compared with the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2022	218,455	120,880	51.7	2,723.29
As of Mar. 31, 2021	175,883	92,516	48.8	2,069.01

(Reference) Equity ratio: As of March 31, 2022: 112,944 million yen. As of March 31, 2021: 85,811 million yen

(Note) transcosmos has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and the related guidance since the beginning of the current fiscal year. All figures for the fiscal year ended March 31, 2022 are based on the standard and the guidance.

(3) Consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	%	Yen
Year ended Mar. 31, 2022	15,770	(6,223)	4,218	63,858
Year ended Mar. 31, 2021	15,715	(8,402)	6,735	49,074

2. Cash dividends

	Annual dividends					Total Amount of Annual Dividends	Dividends Payout Ratio (Consolidated)	Ratio of Dividends to Equity (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Total			
Year ended Mar. 31, 2021	Yen -	Yen 0.00	Yen -	Yen 93.00	Yen 93.00	Million yen 3,857	% 38.5	% 4.8
Year ended Mar. 31, 2022	Yen -	Yen 0.00	Yen -	Yen 156.00	Yen 156.00	Million yen 6,469	% 30.1	% 6.5
Year ending Mar. 31, 2023 (Forecast)	-	-	-	-	-		-	

(Note) The year-end dividend for the fiscal year ended March 31, 2021 includes special dividend of 20 yen.  
The year-end dividend for the fiscal year ended March 31, 2022 shown on the table above is a forecast as of today. The board of directors intends to issue a declaration of dividend at the Board of Directors' meeting scheduled to be held on May 13, 2022.  
The dividend forecast for the fiscal year ending March 31, 2023 is yet to be determined.

### 3. Forecasts for Consolidated Financial Results for the Fiscal Year Ending March 31, 2023

(April 1, 2022 through March 31, 2023)

Please note that this document does not include the forecasts for consolidated financial results for the fiscal year ending March 31, 2023, due to the difficulty in making reasonably accurate projections for such period.

**Unaudited Consolidated Balance Sheet**  
transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES  
As of March 31, 2022, 2021 and 2020

ASSETS	Millions of yen			Thousands of U.S.
	As of March 31,	As of March 31,	As of March 31,	dollars (Note 2)
	2022	2021	2020	As of March 31, 2022
<b>Current assets:</b>				
Cash and deposits	¥ 64,834	¥ 49,903	¥ 35,012	\$ 529,650
Notes and accounts receivable – trade	—	56,436	49,793	—
Notes and accounts receivable – trade, and contract assets	73,708	—	—	602,145
Merchandise and finished goods	5,425	5,723	4,420	44,326
Work in process	227	1,481	1,088	1,859
Supplies	84	150	56	690
Others	6,984	7,128	6,954	57,054
Less - allowance for doubtful accounts	(274)	(293)	(403)	(2,246)
Total current assets	150,990	120,530	96,922	1,233,480
<b>Non-current assets:</b>				
Property, plant and equipment:				
Buildings and structures, net	6,274	6,669	5,486	51,258
Vehicles, net	38	34	40	313
Tools, furniture and fixtures, net	6,477	5,337	4,390	52,919
Land	829	826	825	6,774
Leased assets, net	1,558	1,121	850	12,733
Construction in progress	295	168	86	2,417
Total property, plant and equipment, net	15,474	14,157	11,679	126,417
Intangible assets:				
Goodwill	792	984	778	6,470
Software	3,271	3,036	2,806	26,722
Leased assets	5	56	9	44
Software in progress	244	253	382	1,995
Others	333	340	336	2,725
Total intangible assets	4,646	4,671	4,314	37,959
Investments and other assets:				
Investment securities	16,579	9,628	7,196	135,438
Shares of unconsolidated subsidiaries and affiliates	14,108	9,293	5,506	115,258
Investments of capital in unconsolidated subsidiaries and affiliates	1,324	1,147	6,092	10,823
Long-term loans receivable	488	1,117	330	3,990
Deferred tax assets	4,030	5,009	2,183	32,930
Guarantee deposits	10,021	10,433	9,289	81,872
Others	1,072	843	758	8,758
Less - allowance for doubtful accounts	(282)	(950)	(288)	(2,303)
Total investments and other assets	47,344	36,522	31,068	386,767
Total non-current assets	67,465	55,352	47,062	551,144
<b>Total assets</b>	<b>¥ 218,455</b>	<b>¥ 175,883</b>	<b>¥ 143,985</b>	<b>\$ 1,784,624</b>

See accompanying notes to unaudited consolidated financial statements.

**Unaudited Consolidated Balance Sheet**  
transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES  
As of March 31, 2022, 2021 and 2020

	Millions of yen			Thousands of U.S. dollars (Note 2)
	As of March 31, 2022	As of March 31, 2021	As of March 31, 2020	As of March 31, 2022
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable - trade	¥ 16,529	¥ 13,104	¥ 12,808	\$ 135,034
Short-term borrowings	1,563	2,548	3,057	12,774
Current portion of bonds payable	62	48	28	506
Current portion of convertible bonds	—	—	10,007	—
Current portion of long-term debt	12,060	87	83	98,528
Accounts payable - other	8,970	7,120	6,809	73,286
Accrued expenses	17,962	16,047	14,512	146,736
Income taxes payable	6,243	8,111	3,151	51,006
Accrued consumption taxes	5,455	6,270	4,830	44,571
Advances received	2,394	2,059	1,320	19,559
Accrued compensation	6,395	5,462	4,766	52,249
Others	2,539	3,024	2,057	20,747
Total current liabilities	<u>80,178</u>	<u>63,886</u>	<u>63,432</u>	<u>655,001</u>
<b>Non-current liabilities:</b>				
Bonds payable	174	166	114	1,421
Convertible bond-type bonds with subscription rights to shares	10,094	—	—	82,461
Long-term debt	4,233	16,246	142	34,584
Deferred tax liabilities	1,025	1,191	895	8,374
Liability for retirement benefits	373	334	295	3,054
Long-term guarantee deposited	5	19	19	45
Others	1,490	1,521	1,116	12,177
Total non-current liabilities	<u>17,396</u>	<u>19,480</u>	<u>2,583</u>	<u>142,120</u>
Total liabilities	<u>97,575</u>	<u>83,366</u>	<u>66,015</u>	<u>797,122</u>
<b>NET ASSETS</b>				
Shareholders' equity:				
Capital stock	29,065	29,065	29,065	237,447
Capital surplus	19,331	19,361	17,778	157,920
Retained earnings	67,408	49,488	41,061	550,674
Treasury stock, at cost	(15,240)	(15,237)	(15,236)	(124,504)
Total shareholders' equity	<u>100,564</u>	<u>82,678</u>	<u>72,669</u>	<u>821,538</u>
Accumulated other comprehensive income :				
Unrealized holding gain on securities	11,324	4,624	3,204	92,510
Foreign currency translation gains (losses) adjustments	1,055	(1,492)	(1,677)	8,624
Total accumulated other comprehensive income	<u>12,379</u>	<u>3,132</u>	<u>1,527</u>	<u>101,134</u>
Stock acquisition rights	3	3	3	26
Non-controlling interests	7,932	6,702	3,769	64,802
Total net assets	<u>120,880</u>	<u>92,516</u>	<u>77,969</u>	<u>987,502</u>
<b>Total liabilities and net assets</b>	<u>¥ 218,455</u>	<u>¥ 175,883</u>	<u>¥ 143,985</u>	<u>\$ 1,784,624</u>

See accompanying notes to unaudited consolidated financial statements.

**Unaudited Consolidated Statement of Income**  
transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES  
For the years ended March 31, 2022, 2021 and 2020

	Millions of yen			Thousands of U.S. dollars (Note 2)
	2022	2021	2020	2022
<b>Net sales</b>	¥ 354,085	¥ 336,405	¥ 311,871	\$ 2,892,623
<b>Cost of sales</b>	276,306	270,518	257,262	2,257,223
Gross profit	77,779	65,887	54,608	635,399
<b>Selling, general and administrative expenses</b>	51,932	48,135	43,918	424,251
Operating income	25,846	17,752	10,689	211,148
<b>Non-operating income (expenses):</b>				
Interest income	126	118	130	1,034
Interest expenses	(157)	(108)	(64)	(1,285)
Dividend income	12	8	18	98
Share of profits (losses) of entities accounted for using equity method	3,188	(380)	(1,231)	26,047
Foreign exchange gains (losses)	213	214	(221)	1,743
Subsidy income	378	923	215	3,095
Provision of allowance for doubtful accounts	—	(660)	(204)	—
Head office relocation costs	(978)	—	(302)	(7,991)
Losses on retirement of non-current assets	(153)	(112)	(92)	(1,255)
Impairment losses on fixed assets	(84)	(155)	(741)	(693)
Penalty income	734	—	—	5,997
Gains on sales of investment securities	731	107	2,194	5,979
Losses on valuation of investment securities	(99)	(537)	(107)	(930)
Losses on valuation of shares of subsidiaries and affiliates	(113)	(100)	—	(810)
Gains on changes in ownership interests in affiliates	1,167	318	69	9,540
Losses on change in equity	—	(162)	(2)	—
Subsidies for companies located	113	193	72	927
Other expenses, net	174	407	(322)	1,425
Total non-operating income (expenses)	5,254	74	(590)	42,923
Income before income taxes and non-controlling interests	31,100	17,826	10,099	254,071
<b>Income taxes :</b>				
Current	7,746	9,635	3,689	63,280
Deferred	589	(3,003)	(205)	4,816
Total income taxes	8,335	6,631	3,483	68,097
<b>Net income</b>	22,765	11,194	6,615	185,974
<b>Net income attributable to non-controlling interests</b>	1,276	1,172	336	10,428
<b>Net income attributable to shareholders of transcosmos inc.</b>	¥ 21,488	¥ 10,022	¥ 6,279	\$ 175,545

See accompanying notes to unaudited consolidated financial statements.

## Unaudited Consolidated Statement of Comprehensive Income

transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES

For the years ended March 31, 2022, 2021 and 2020

	Millions of yen			Thousands of U.S. dollars (Note 2)
	2022	2021	2020	2022
<b>Net income</b>	¥ 22,765	¥ 11,194	¥ 6,615	\$ 185,974
<b>Other comprehensive income :</b>				
Unrealized holding gains (losses) on securities	6,699	1,408	(1,314)	54,727
Foreign currency translation gains (losses) adjustments	1,563	104	(634)	12,773
Share of other comprehensive income (losses) from ownership in entities accounted for using the equity method	975	78	(280)	7,971
<b>Total other comprehensive income</b>	<b>9,238</b>	<b>1,590</b>	<b>(2,229)</b>	<b>75,472</b>
<b>Comprehensive income</b>	<b>¥ 32,003</b>	<b>¥ 12,785</b>	<b>¥ 4,386</b>	<b>\$ 261,446</b>
<b>Total comprehensive income attributable to:</b>				
Shareholders of transcosmos inc.	¥ 30,736	¥ 11,627	¥ 4,098	\$ 251,092
Non-controlling interests	1,267	1,157	288	10,354

See accompanying notes to unaudited consolidated financial statements.

## Unaudited Consolidated Statement of Changes in Net Assets

transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES

For the years ended March 31, 2022, 2021 and 2020

	2022				
	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance at April 1, 2021</b>	¥ 29,065	¥ 19,361	¥ 49,488	¥ (15,237)	¥ 82,678
Cumulative effects of changes in accounting policies	—	—	212	—	212
Restated balance	29,065	19,361	49,701	(15,237)	82,891
Changes during the year:					
Cash dividends paid	—	—	(3,857)	—	(3,857)
Net gain for the period	—	—	21,488	—	21,488
Purchases of treasury stock	—	—	—	(2)	(2)
Purchase of shares of consolidated subsidiaries	—	(30)	—	—	(30)
Change of scope of equity method	—	—	75	—	75
Net changes in items other than those in shareholders' equity	—	—	—	—	—
Total changes during the year	—	(30)	17,706	(2)	17,672
<b>Balance as of March 31, 2022</b>	¥ 29,065	¥ 19,331	¥ 67,408	¥ (15,240)	¥ 100,564

	Millions of yen					
	Accumulated other comprehensive income					
	Unrealized holding gain (loss) on securities	Foreign currency translation adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
	Unrealized holding gain (loss) on securities	Foreign currency translation adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
<b>Balance at April 1, 2021</b>	¥ 4,624	¥ (1,492)	¥ 3,132	¥ 3	¥ 6,702	¥ 92,516
Cumulative effects of changes in accounting policies	—	—	—	—	—	212
Restated balance	4,624	(1,492)	3,132	3	6,702	92,729
Changes during the year:						
Cash dividends paid	—	—	—	—	—	(3,857)
Net gain for the period	—	—	—	—	—	21,488
Purchases of treasury stock	—	—	—	—	—	(2)
Purchase of shares of consolidated subsidiaries	—	—	—	—	—	(30)
Change of scope of equity method	—	—	—	—	—	75
Net changes in items other than those in shareholders' equity	6,699	2,547	9,247	—	1,230	10,477
Total changes during the year	6,699	2,547	9,247	—	1,230	28,150
<b>Balance as of March 31, 2022</b>	¥ 11,324	¥ 1,055	¥ 12,379	¥ 3	¥ 7,932	¥ 120,880

See accompanying notes to unaudited consolidated financial statements.

## Unaudited Consolidated Statement of Changes in Net Assets

transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES

For the years ended March 31, 2022, 2021 and 2020

	2022				
	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance at April 1, 2021</b>	\$ 237,447	\$ 158,173	\$ 404,286	\$ (124,481)	\$ 675,426
Cumulative effects of changes in accounting policies	—	—	1,738	—	1,738
Restated balance	237,447	158,173	406,025	(124,481)	677,165
Changes during the year:					
Cash dividends paid	—	—	(31,509)	—	(31,509)
Net gain for the period	—	—	175,545	—	175,545
Purchases of treasury stock	—	—	—	(23)	(23)
Purchase of shares of consolidated subsidiaries	—	(252)	—	—	(252)
Change of scope of equity method	—	—	613	—	613
Net changes in items other than those in shareholders' equity	—	—	—	—	—
Total changes during the year	—	(252)	144,649	(23)	144,373
<b>Balance as of March 31, 2022</b>	\$ 237,447	\$ 157,920	\$ 550,674	\$ (124,504)	\$ 821,538

	Millions of yen					
	Accumulated other comprehensive income					
	Unrealized holding gain (on securities)	Foreign currency translation adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
	Unrealized holding gain (on securities)	Foreign currency translation adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
<b>Balance at April 1, 2021</b>	\$ 37,777	\$ (12,189)	\$ 25,588	\$ 26	\$ 54,754	\$ 755,795
Cumulative effects of changes in accounting policies	—	—	—	—	—	1,738
Restated balance	37,777	(12,189)	25,588	26	54,754	757,533
Changes during the year:						
Cash dividends paid	—	—	—	—	—	(31,509)
Net gain for the period	—	—	—	—	—	175,545
Purchases of treasury stock	—	—	—	—	—	(23)
Purchase of shares of consolidated subsidiaries	—	—	—	—	—	(252)
Change of scope of equity method	—	—	—	—	—	613
Net changes in items other than those in shareholders' equity	54,733	20,813	75,546	—	10,048	85,594
Total changes during the year	54,733	20,813	75,546	—	10,048	229,968
<b>Balance as of March 31, 2022</b>	\$ 92,510	\$ 8,624	\$ 101,134	\$ 26	\$ 64,802	\$ 987,502

See accompanying notes to unaudited consolidated financial statements.



## Unaudited Consolidated Statement of Changes in Net Assets

transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES

For the years ended March 31, 2022, 2021 and 2020

2021

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
	¥	¥	¥	¥	¥
<b>Balance at April 1, 2020</b>	<b>29,065</b>	<b>17,778</b>	<b>41,061</b>	<b>(15,236)</b>	<b>72,669</b>
Changes during the year:					
Cash dividends paid	—	—	(1,907)	—	(1,907)
Net gain for the period	—	—	10,022	—	10,022
Purchases of treasury stock	—	—	—	(1)	(1)
Change in ownership interest of parent due to transactions with non-controlling interests	—	1,582	—	—	1,582
Changes in the scope of consolidation	—	—	12	—	12
Change from merger of consolidated and unconsolidated subsidiaries	—	—	(14)	—	(14)
Purchase of shares of consolidated subsidiaries	—	1	—	—	1
Change of scope of equity method	—	—	315	—	315
Net changes in items other than those in shareholders' equity	—	—	—	—	—
<b>Total changes during the year</b>	<b>—</b>	<b>1,583</b>	<b>8,427</b>	<b>(1)</b>	<b>10,009</b>
<b>Balance as of March 31, 2021</b>	<b>29,065</b>	<b>19,361</b>	<b>49,488</b>	<b>(15,237)</b>	<b>82,678</b>

Millions of yen

	Accumulated other comprehensive income											
	Unrealized holding gain (loss) on securities	Foreign currency translation adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets						
							Unrealized holding gain (loss) on securities	Foreign currency translation adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
							¥	¥	¥	¥	¥	¥
<b>Balance at April 1, 2020</b>	<b>3,204</b>	<b>(1,677)</b>	<b>1,527</b>	<b>3</b>	<b>3,769</b>	<b>77,969</b>						
Changes during the year:												
Cash dividends paid	—	—	—	—	—	(1,907)						
Net gain for the period	—	—	—	—	—	10,022						
Purchases of treasury stock	—	—	—	—	—	(1)						
Change in ownership interest of parent due to transactions with non-controlling interests	—	—	—	—	—	1,582						
Changes in the scope of consolidation	—	—	—	—	—	12						
Change from merger of consolidated and unconsolidated subsidiaries	—	—	—	—	—	(14)						
Purchase of shares of consolidated subsidiaries	—	—	—	—	—	1						
Change of scope of equity method	—	—	—	—	—	315						
Net changes in items other than those in shareholders' equity	1,419	185	1,604	—	2,932	4,537						
<b>Total changes during the year</b>	<b>1,419</b>	<b>185</b>	<b>1,604</b>	<b>—</b>	<b>2,932</b>	<b>14,547</b>						
<b>Balance as of March 31, 2021</b>	<b>4,624</b>	<b>(1,492)</b>	<b>3,132</b>	<b>3</b>	<b>6,702</b>	<b>92,516</b>						

See accompanying notes to unaudited consolidated financial statements

## Unaudited Consolidated Statement of Changes in Net Assets

transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES

For the years ended March 31, 2022, 2021 and 2020

2020

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
<b>Balance at April 1, 2019</b>	¥ 29,065	¥ 17,755	¥ 36,261	¥ (15,235)	¥ 67,847
Cumulative effects of changes in accounting policies	—	—	—	—	—
<b>Restated balance</b>	<b>29,065</b>	<b>17,755</b>	<b>36,261</b>	<b>(15,235)</b>	<b>65,484</b>
Changes during the year:					
Cash dividends paid	—	—	(1,368)	—	(1,368)
Net gain for the period	—	—	6,279	—	6,279
Purchases of treasury stock	—	—	—	(0)	(0)
Changes in the scope of consolidation	—	—	(14)	—	(14)
Purchase of shares of consolidated subsidiaries	—	22	—	—	22
Change of scope equity method	—	—	(96)	—	(96)
Net changes in items other than those in shareholders' equity	—	—	—	—	—
<b>Total changes during the year</b>	<b>—</b>	<b>22</b>	<b>4,800</b>	<b>(0)</b>	<b>4,822</b>
<b>Balance as of March 31, 2020</b>	<b>¥ 29,065</b>	<b>¥ 17,778</b>	<b>¥ 41,061</b>	<b>¥ (15,236)</b>	<b>¥ 72,669</b>

Millions of yen

	Accumulated other comprehensive income					
	Unrealized holding gain (loss) on securities	Foreign currency translation adjustments	Total accumulated other comprehensive income	Subscription rights to shares	Non-controlling interests	Total net assets
<b>Balance at April 1, 2019</b>	¥ 4,470	¥ (761)	¥ 3,708	¥ 3	¥ 3,355	¥ 74,915
Cumulative effects of changes in accounting policies	—	—	—	—	—	—
<b>Restated balance</b>	<b>4,470</b>	<b>(761)</b>	<b>3,708</b>	<b>3</b>	<b>3,355</b>	<b>74,915</b>
Changes during the year:						
Cash dividends paid	—	—	—	—	—	(1,368)
Net gain for the period	—	—	—	—	—	6,279
Purchases of treasury stock	—	—	—	—	—	(0)
Changes in the scope of consolidation	—	—	—	—	—	(14)
Purchase of shares of consolidated subsidiaries	—	—	—	—	—	22
Change of scope of equity method	—	—	—	—	—	(96)
Net changes in items other than those in shareholders' equity	(1,266)	(915)	(2,181)	—	413	(1,767)
<b>Total changes during the year</b>	<b>(1,266)</b>	<b>(915)</b>	<b>(2,181)</b>	<b>—</b>	<b>413</b>	<b>3,054</b>
<b>Balance as of March 31, 2020</b>	<b>¥ 3,204</b>	<b>¥ (1,677)</b>	<b>¥ 1,527</b>	<b>¥ 3</b>	<b>¥ 3,769</b>	<b>¥ 77,969</b>

See accompanying notes to unaudited consolidated financial statements.

**Unaudited Consolidated Statement of Cash Flows**  
transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES  
For the years ended March 31, 2022, 2021 and 2020

	Millions of yen			Thousands of U.S.
				dollars (Note 2)
	2022	2021	2020	2022
<b>Operating activities:</b>				
Income before income taxes and non-controlling interests	¥ 31,100	¥ 17,826	¥ 10,099	\$ 254,071
Depreciation of property, plant and equipment	4,072	3,423	2,571	33,271
Impairment loss on fixed assets	84	155	741	693
Amortization of goodwill	192	189	161	1,575
Amortization of intangible assets	1,372	1,196	995	11,211
Increase (decrease) in allowance for doubtful accounts	(708)	555	463	(5,787)
Increase (decrease) in accrued compensation	878	674	816	7,177
Changes in liability for retirement benefits, net	28	27	130	234
Interest and dividend income	(138)	(127)	(149)	(1,132)
Interest expenses	157	108	64	1,285
Foreign exchange losses (gains)	(213)	(214)	221	(1,743)
Share of losses (profits) of entities accounted for using equity method	(3,188)	380	1,231	(26,047)
Losses (gains) on sales of investment securities	(168)	(61)	(16)	(1,375)
Penalty income	(734)	—	—	(5,997)
Losses on disposal of fixed assets	153	112	92	1,255
Losses (gains) on sales of investment securities	(731)	(107)	(2,194)	(5,979)
Losses on valuation of investment securities	99	537	107	810
Losses (gains) on sales of shares of subsidiaries and affiliates	52	(285)	1	431
Losses on valuation of shares of subsidiaries and affiliates	113	100	227	930
Losses (gains) on changes in ownership interests in subsidiaries and affiliates	(1,167)	(155)	(67)	(9,540)
Gains on step acquisitions	—	—	20	—
Decrease (increase) in notes and accounts receivable - trade	(15,345)	(6,465)	(4,290)	(125,363)
Decrease (increase) in inventories	1,509	(1,635)	(1,579)	12,329
Increase (decrease) in notes and accounts payable - trade	3,068	305	1,068	25,063
Increase (decrease) in accrued consumption taxes	(776)	1,416	754	(6,341)
Others, net	4,582	2,638	(645)	37,435
Subtotal	24,294	20,596	10,828	198,468
Interest and dividends received	283	233	306	2,319
Interest paid	(116)	(99)	(88)	(954)
Penalty received	734	—	—	5,997
Income taxes paid	(9,425)	(5,014)	(2,952)	(76,996)
Net cash provided by operating activities	¥ 15,770	¥ 15,715	¥ 8,093	\$ 128,834

**9Unaudited Consolidated Statement of Cash Flows**  
transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES  
For the years ended March 31, 2022, 2021 and 2020

	Millions of yen			Thousands of U.S. dollars (Note 2)
	2022	2021	2020	2022
<b>Investing activities:</b>				
Payments into time deposits	¥ (851)	¥ (1,185)	¥ (198)	\$ (6,958)
Proceeds from withdrawal of time deposit accounts	805	470	163	6,579
Purchases of property, plant and equipment	(4,003)	(4,661)	(3,085)	(32,703)
Purchases of intangible assets	(1,220)	(1,155)	(1,819)	(9,969)
Purchases of investment securities	(68)	(15)	(501)	(557)
Proceeds from sales of investment securities	1,081	184	2,319	8,835
Purchases of shares of subsidiaries and affiliates	(769)	(138)	(466)	(6,287)
Payments for investments in capital of subsidiaries and associates	—	—	(1,288)	—
Proceeds from sale of shares of subsidiaries and associates	420	2	—	3,438
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(264)	(139)	—
Payments for guarantee deposits	(1,566)	(1,576)	(2,553)	(12,796)
Proceeds from collection of guarantee deposits	1,033	558	783	8,442
Payments of loans receivable	(205)	(252)	(2,882)	(1,678)
Collection of loans receivable	129	118	2,283	1,060
Others, net	(1,009)	(486)	500	(8,245)
Net cash used in investing activities	(6,223)	(8,402)	(6,885)	(50,839)
<b>Financing activities:</b>				
Increase in short-term borrowings	679	1,771	2,835	5,548
Repayment of short-term borrowings	(1,842)	(2,201)	(1,627)	(15,054)
Increase in long-term borrowings	50	16,211	168	408
Repayment of long-term borrowings	(90)	(130)	(1,834)	(739)
Proceeds from issuance of bonds	66	97	115	543
Payments for convertible-bond-type bonds with share acquisition rights	10,040	—	—	82,024
Redemption of convertible bond-type bonds with subscription rights to shares	—	(10,000)	—	—
Cash dividends paid	(3,853)	(1,908)	(1,370)	(31,479)
Proceeds from share issuance to non-controlling interests	—	—	30	—
Cash dividends paid to non-controlling interests	(144)	(67)	(73)	(1,183)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(31)	—	—	(254)
Proceeds from disposal of treasury shares of subsidiaries	—	3,419	—	—
Others, net	(654)	(455)	(337)	(5,348)
Net cash provided by(used in) financing activities	4,218	6,735	(2,093)	34,465
Effect of exchange rate changes on cash and cash equivalents	1,018	0	(231)	8,320
Increase (decrease) in cash and cash equivalents	14,784	14,048	(1,117)	120,781
Cash and cash equivalents at the beginning of the year	49,074	34,920	35,979	400,898
Increase in cash and cash equivalents resulting from change of scope of consolidation	—	0	58	—
Increase in cash and cash equivalents resulting from merger of subsidiaries and merger with unconsolidated subsidiaries	—	104	—	—
Cash and cash equivalents at the end of the year	¥ 63,858	¥ 49,074	¥ 34,920	\$ 521,680

See accompanying notes to unaudited consolidated financial statements.

## Notes to Unaudited Consolidated Financial Statements

transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES

### 1. Accounting Changes

Application of “Accounting Standard for Revenue Recognition,” and other applicable standards.

Effective from April 1, 2021, the Group has applied Accounting Standards Board of Japan (ASBJ) Statement No. 29 “Accounting Standard for Revenue Recognition, March 31, 2020” and other related accounting standards. Due to the application of these standards, revenue is recognized in the amount foreseeable to be received in exchange for goods or services at the time control of promised goods or services is transferred to the customer.

As a result, revenue from the transactions as an agent, which was previously recognized at the gross amounts received from the customers, is recognized at net of the amounts received from the customers and the amounts paid to outsourced companies. Previously, percentage-of-completion method had been applied for the contract works which certainty of the performance regarding the measurement of progress is identified and completion method had been applied for the other contract works. However, regarding the performance obligations satisfied over time, revenue recognition method is changed to recognize revenue over time based on the measured progress of the satisfaction of a performance obligation. The estimation regarding measuring a progress of the satisfaction of a performance obligation is calculated as a percentage of the total actual costs relative to the total expected costs (“Input method”), if the result of the performance obligation can be reasonably measured. In case where the result of the performance obligation cannot be reasonably measured, revenue is recognized only to the extent of that costs incurred.

In accordance with the proviso of Article 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retroactive application is adjusted to retained earnings as of the beginning of the year ending March 31, 2022. However, in accordance with Article 86 of the Accounting Standard for Revenue Recognition, the new accounting standard is not applied retroactively to contracts for which almost all revenue was recognized by the previous method prior to the beginning of the year ending March 31, 2022.

As a result, net sales decreased by ¥30,087 million (\$245,789 thousand), cost of sales decreased by ¥29,976 million (\$244,883 thousand), selling, general and administrative expenses decreased by ¥0 million (\$5 thousand), and operating income, ordinary income, and income before income taxes decreased by ¥110 million (\$900 thousand), respectively, for the fiscal year ended March 31, 2021. Retained earnings at the beginning of the period increased by ¥212 million (\$1,850 thousand).

Due to the application of the Accounting Standard for Revenue Recognition, “notes and accounts receivable–trade” which were include in current assets in the consolidated balance sheets of the year ended March 31, 2021, have been included in “notes, accounts receivable–trade, and contract assets” from the first quarter of the year ending March 31, 2022. In accordance with Article 89-2 of the Accounting Standard for Revenue Recognition regarding transitional treatment, results for the year ended March 31, 2021 are not reclassified in accordance with the new presentation method. In addition, “Information of disaggregated revenue from customer contracts” for the fiscal year ended March 31, 2020 is not disclosed in accordance with the transitional treatment prescribed in Article 28-15 of ASBJ Statement No.12 “Accounting Standard for Financial Statements, March 31, 2020”.

Application of “Accounting Standard for Fair Value Measurement,” and other applicable standards.

Effective from April 1, 2021, the Group has applied ASBJ Statement No. 30 “Accounting Standard for Fair Value Measurement, July 4, 2019” and other related accounting standards. In accordance with Article 19 of the Accounting Standard for Fair Value Measurement and transitional treatment prescribed in Article 44-2 of ASBJ Statement No. 10 “Accounting Standard for Financial Instruments, July 4, 2019”, the new accounting policy is to be applied in the future. There is no impact on the consolidated financial statements.

### 2. U.S. Dollar Amounts

The accompanying consolidated financial statements are expressed in yen, and solely for the convenience of the reader, have been translated into United States (U.S.) dollars at the rate of ¥122.41 = \$1, the approximate exchange rate of the Tokyo Foreign Exchange Market as of March 31, 2022. This translation should not be construed as a representation that the amounts shown could be converted to U.S. dollars at such rate.

**Notes to Unaudited Consolidated Financial Statements**  
transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES

**3. Segment Information**

(1) Overview of reportable segments

The reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Board of Directors to make decisions about resource allocation and assess performance.

The Group's operation consists of the following three reportable segments: "Parent company," as the outsourcing service operations provided by the Company, and "Domestic subsidiaries and affiliates," "Overseas subsidiaries and affiliates," which are business provided by the consolidated subsidiaries divided by domestic and overseas.

Parent company:	The Company's outsourcing service operations
Domestic subsidiaries and affiliates:	Outsourcing service operations provided by domestic subsidiaries
Overseas subsidiaries and affiliates:	Outsourcing service operations provided by overseas subsidiaries

(2) Basis of measurement of net sales, segment income or losses, and segment assets for each reportable segment

The accounting policies and treatments applied in preparation of segment information are identical with those applied in preparation of the consolidated financial statements

(3) Information on net sales, profit or loss and assets for each reportable segment

		Millions of yen					
		2022					
		Reportable segments					
		Parent	Domestic	Overseas			
		Company	subsidiaries and	subsidiaries	Total	Eliminations	Consolidated
			affiliates	and affiliates			
Net sales							
Sales to third parties	¥	237,750	¥ 33,975	¥ 82,360	¥ 354,085	¥ —	¥ 354,085
Inter-segment sales and transfers		1,061	6,154	4,138	11,354	(11,354)	—
Total	¥	238,812	¥ 40,129	¥ 86,498	¥ 365,440	¥ (11,354)	¥ 354,085
Segment profit (loss)	¥	17,839	¥ 3,687	¥ 4,342	¥ 25,869	¥ (22)	¥ 25,846
Segment assets		129,763	29,836	69,492	229,091	(10,635)	218,455

**Notes to Unaudited Consolidated Financial Statements**  
transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES

Thousands of U.S. dollars (Note 2)

2022						
Reportable segments						
	Parent company	Domestic subsidiaries and affiliates	Overseas subsidiaries and affiliates	Total	Eliminations	Consolidated
Net sales						
Sales to third parties	\$ 1,942,249	\$ 277,551	\$ 672,821	\$ 2,892,623	\$ —	\$ 2,892,623
Inter-segment sales and transfers	8,673	50,278	33,806	92,758	(92,758)	—
Total	\$ 1,950,922	\$ 327,830	\$ 706,627	\$ 2,985,381	\$ (92,758)	\$ 2,892,623
Segment profit (loss)	\$ 145,735	\$ 30,122	\$ 35,473	\$ 211,331	\$ (183)	\$ 211,148
Segment assets	1,060,069	243,741	567,700	1,871,511	(86,887)	1,784,624

Note A: Details of “Eliminations” are as follows:

- (a) Segment profit (loss) of ¥(22) million (\$ (183) thousand) in “Eliminations” consists of inter-segment elimination.
- (b) Segment assets of ¥(10,635) million (\$ (86,887) thousand) in “Eliminations” consist of inter-segment eliminations.

Note B: Total consolidated segment profit (gain) agrees with consolidated operating income.

Millions of yen

2021						
Reportable segments						
	Parent company	Domestic subsidiaries and affiliates	Overseas subsidiaries and affiliates	Total	Eliminations	Consolidated
Net sales						
Sales to third parties	¥ 239,436	¥ 32,804	¥ 64,165	¥ 336,405	¥ —	¥ 336,405
Inter-segment sales and transfers	1,327	6,679	4,940	12,946	(12,946)	—
Total	¥ 240,763	¥ 39,483	¥ 69,105	¥ 349,352	¥ (12,946)	¥ 336,405
Segment profit (loss)	¥ 11,237	¥ 3,603	¥ 2,914	¥ 17,755	¥ (3)	¥ 17,752
Segment assets	102,328	26,177	55,794	184,300	(8,416)	175,883

Note A: Details of “Eliminations” are as follows:

- (a) Segment profit (loss) of ¥(3) million in “Eliminations” consists of inter-segment elimination.
- (b) Segment assets of ¥(8,416) million in “Eliminations” consist of inter-segment eliminations.

Note B: Total consolidated segment profit (gain) agrees with consolidated operating income.

**Notes to Unaudited Consolidated Financial Statements**  
transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES

**4. Revenue recognition**

Information of disaggregated revenue from contracts with customers for the fiscal year ended March 31, 2022

	Millions of yen			
	2022			
	Reportable segments			
	Parent company	Domestic subsidiaries and affiliates	Overseas subsidiaries and affiliates	Total
Japan	¥ 235,535	¥ 33,969	¥ 4,127	¥ 273,632
Korea	—	—	32,564	32,564
China	106	—	30,414	30,520
Southeast Asia	1,479	2	10,581	12,063
Other	629	3	4,672	5,304
Revenue from contracts with customers	237,750	33,975	82,360	354,085
Other revenue	—	—	—	—
Sales to third parties	¥ 237,750	¥ 33,975	¥ 83,360	¥ 354,085

	Thousands of U.S. dollars (Note 2)			
	2022			
	Reportable segments			
	Parent company	Domestic subsidiaries and affiliates	Overseas subsidiaries and affiliates	Total
Japan	\$ 1,924,152	\$ 277,506	\$ 33,720	\$ 2,235,378
Korea	—	—	266,026	266,026
China	866	—	248,464	249,330
Southeast Asia	12,089	20	86,440	98,549
Other	5,141	25	38,170	43,337
Revenue from contracts with customers	1,942,249	277,551	672,821	2,892,623
Other revenue	—	—	—	—
Sales to third parties	\$ 1,942,249	\$ 277,551	\$ 672,821	\$ 2,892,623

Note: Revenue from contracts with customers above is disaggregated based on customers' locations into countries or areas.



**Notes to Unaudited Consolidated Financial Statements**  
transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES

**5. Amounts Per Share**

Net assets per share and net income (loss) per share as of March 31, 2022, 2021 and 2020, and for the years then ended are as follows:

	Yen			U.S. dollars (Note 2)
	2022	2021	2020	2022
Net assets per share:	¥ 2,723.29	¥ 2,069.01	¥ 1,788.95	\$ 22.25
Net income per share:				
Basic	¥ 518.12	¥ 241.65	¥ 151.40	\$ 4.23

Note: No diluted net income per share has been presented because there were no shares with dilutive effect.

The basis for the calculation of net income per share for the years ended March 31, 2022, 2021 and 2020 is as follows:

	Millions of yen			Thousands of U.S. dollars (Note 2)
	2022	2021	2020	2022
Net income per share:				
Net income attributable to shareholders of transcosmos inc.	¥ 21,488	¥ 10,022	¥ 6,279	\$ 175,545
Net income not attributable to common shareholders	—	—	—	—
Net income of common stock attributable to shareholders of transcosmos inc.	21,488	10,022	6,279	175,545
Weighted-average number of shares of common stock outstanding (shares)	41,473,899	41,474,756	41,475,123	