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transcosmos inc.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [J-GAAP]

April 30, 2024

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024

(April 1, 2023 through March 31, 2024)

(1) Consolidated operating results (cumulative total)

(% of change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to shareholders of transcosmos inc.	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended Mar. 31, 2024	362,201	(3.1)	11,474	(50.7)	13,782	(40.3)	10,097	(36.0)
Year ended Mar. 31, 2023	373,830	5.6	23,290	(9.9)	23,072	(20.2)	15,767	(26.6)

(Note) Comprehensive income: Year ended March 31, 2024: 10,363 million yen (1.7%). Year ended March 31, 2023: 10,545 million yen (67.1%)

	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, 2024	269.46	252.44	9.5	7.0	3.2
Year ended Mar. 31, 2023	389.22	366.60	14.6	11.2	6.2

(Reference) Share of loss (profit) of entities accounted for using equity method (for the years ended March 31.): 2024 ¥558 million 2023 ¥(1,325) million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2024	199,446	118,065	54.3	2,892.32
As of Mar. 31, 2023	193,842	112,381	53.4	2,761.61

(Reference) Equity: As of March 31, 2024: 108,383 million yen. As of March 31, 2023: 103,486 million yen

(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, 2024	18,255	(600)	(3,754)	64,421
Year ended Mar. 31, 2023	24,253	(7,814)	(31,895)	49,366

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, 2023	Yen -	Yen 0.00	Yen -	Yen 117.00	Yen 117.00	Million yen 4,384	% 30.1	% 4.3
Year ended Mar. 31, 2024	Yen -	Yen 0.00	Yen -	Yen 81.00	Yen 81.00	Million yen 3,035	% 30.1	% 2.9
Year ending Mar. 31, 2025 (Forecast)	Yen -	Yen -	Yen -	Yen -	Yen -		% -	% -

(Note) The year-end dividend for the fiscal year ended March 31, 2024 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 15, 2024.

The dividend forecast for the fiscal year ending March 31, 2025 is yet to be determined.

3. Forecasts for Consolidated Financial Results for the Fiscal Year Ending March 31, 2025

(April 1, 2024 through March 31, 2025)

Please note that this document does not include the forecasts for consolidated financial results for the fiscal year ending March 31, 2025, 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, 2024, 2023 and 2022

ASSETS	Millions of yen			Thousands of U.S.
	As of March 31,	As of March 31,	As of March 31,	dollars (Note 1)
	2024	2023	2022	As of March 31, 2024
Current assets:				
Cash and deposits	¥ 64,844	¥ 51,176	¥ 64,834	\$ 428,301
Notes and accounts receivable – trade, and contract assets	67,758	70,985	73,708	447,544
Merchandise and finished goods	3,938	4,825	5,425	26,014
Work in process	193	196	227	1,275
Supplies	73	92	84	484
Others	8,408	8,444	6,984	55,536
Less - allowance for doubtful accounts	(426)	(297)	(274)	(2,815)
Total current assets	144,790	135,423	150,990	956,341
Non-current assets:				
Property, plant and equipment:				
Buildings and structures, net	6,864	6,652	6,274	45,343
Vehicles, net	46	41	38	304
Tools, furniture and fixtures, net	7,463	7,779	6,477	49,295
Land	853	839	829	5,634
Leased assets, net	949	1,182	1,558	6,272
Construction in progress	98	56	295	648
Total property, plant and equipment, net	16,275	16,550	15,474	107,498
Intangible assets:				
Goodwill	842	604	792	5,561
Software	3,607	3,135	3,271	23,824
Leased assets	21	27	5	139
Software in progress	693	429	244	4,578
Others	305	326	333	2,017
Total intangible assets	5,468	4,523	4,646	36,121
Investments and other assets:				
Investment securities	4,355	8,111	16,579	28,770
Shares of unconsolidated subsidiaries and affiliates	11,669	10,718	14,108	77,077
Investments of capital subsidiaries and affiliates	1,666	1,442	1,324	11,006
Long-term loans receivable	381	532	488	2,517
Deferred tax assets	3,526	5,305	4,030	23,290
Guarantee deposits	10,624	10,456	10,021	70,173
Others	1,024	1,112	1,072	6,768
Less - allowance for doubtful accounts	(335)	(333)	(282)	(2,216)
Total investments and other assets	32,912	37,345	47,344	217,387
Total non-current assets	54,656	58,419	67,465	361,007
Total assets	¥ 199,446	¥ 193,842	¥ 218,455	\$ 1,317,349

See accompanying notes to unaudited consolidated financial statements.

Unaudited Consolidated Balance Sheet
transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES
As of March 31, 2024, 2023 and 2022

LIABILITIES	Millions of yen			Thousands of U.S.
	As of March 31,	As of March 31,	As of March 31,	dollars (Note 1)
	2024	2023	2022	As of March 31, 2024
Current liabilities:				
Accounts payable - trade	¥ 13,743	¥ 16,230	¥ 16,529	\$ 90,779
Short-term borrowings	114	1,629	1,563	756
Current portion of bonds payable	75	79	62	495
Current portion of long-term debt	2,066	2,060	12,060	13,647
Accounts payable - other	7,219	7,785	8,970	47,685
Accrued expenses	20,784	18,918	17,962	137,283
Income taxes payable	2,622	4,849	6,243	17,324
Accrued consumption taxes	5,607	4,601	5,455	37,037
Advances received	2,090	1,955	2,394	13,805
Accrued compensation	6,039	6,233	6,395	39,889
Others	2,650	2,091	2,539	17,508
Total current liabilities	<u>63,014</u>	<u>66,433</u>	<u>80,178</u>	<u>416,212</u>
Non-current liabilities:				
Bonds payable	119	194	174	789
Convertible bond-type bonds with subscription rights to shares	10,054	10,074	10,094	66,407
Long-term debt	6,210	2,222	4,233	41,020
Deferred tax liabilities	—	374	1,025	—
Liability for retirement benefits	413	402	373	2,728
Long-term guarantee deposited	24	23	5	159
Others	1,545	1,734	1,490	10,209
Total non-current liabilities	<u>18,367</u>	<u>15,027</u>	<u>17,396</u>	<u>121,314</u>
Total liabilities	<u>81,381</u>	<u>81,461</u>	<u>97,575</u>	<u>537,526</u>
NET ASSETS				
Shareholders' equity:				
Capital stock	29,065	29,065	29,065	191,981
Capital surplus	19,332	19,330	19,331	127,690
Retained earnings	83,452	77,739	67,408	551,207
Treasury stock, at cost	(28,567)	(28,567)	(15,240)	(188,689)
Total shareholders' equity	<u>103,283</u>	<u>97,568</u>	<u>100,564</u>	<u>682,189</u>
Accumulated other comprehensive income :				
Unrealized holding gain on securities	495	2,452	11,324	3,269
Foreign currency translation gains adjustments	4,605	3,464	1,055	30,417
Total accumulated other comprehensive income	<u>5,100</u>	<u>5,917</u>	<u>12,379</u>	<u>33,687</u>
Stock acquisition rights	0	3	3	4
Non-controlling interests	9,680	8,892	7,932	63,940
Total net assets	<u>118,065</u>	<u>112,381</u>	<u>120,880</u>	<u>779,822</u>
Total liabilities and net assets	<u>¥ 199,446</u>	<u>¥ 193,842</u>	<u>¥ 218,455</u>	<u>\$ 1,317,349</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, 2024, 2023 and 2022

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2024	2023	2022	2024
Net sales	¥ 362,201	¥ 373,830	¥ 354,085	\$ 2,392,347
Cost of sales	293,948	297,308	276,306	1,941,535
Gross profit	68,253	76,522	77,779	450,812
Selling, general and administrative expenses	56,778	53,231	51,932	375,021
Operating income	11,474	23,290	25,846	75,791
Non-operating income (expenses):				
Interest income	282	195	126	1,864
Interest expenses	(164)	(84)	(157)	(1,086)
Dividend income	28	42	12	185
Share of profits (losses) of entities accounted for using equity method	558	(1,325)	3,188	3,688
Foreign exchange gains	1,082	272	213	7,146
Subsidy income	377	480	378	2,494
Losses on investments in investment partnerships	(45)	—	—	(300)
Provision of allowance for doubtful accounts	(53)	—	—	(356)
Head office relocation costs	—	—	(978)	—
Losses on retirement of non-current assets	(114)	(204)	(153)	(759)
Impairment losses on fixed assets	(49)	(194)	(84)	(324)
Penalty income	—	—	734	—
Gains on sales of investment securities	3,241	756	731	21,411
Gains on sale of shares of subsidiaries and associates	—	373	0	—
Losses on valuation of investment securities	(493)	(478)	(99)	(3,259)
Losses on liquidation of subsidiaries and associates	(173)	—	—	(1,144)
Gains on changes in ownership interests in affiliates	—	241	1,167	—
Losses on changes in ownership interests in affiliates	—	(131)	—	—
Other income (expenses), net	412	202	174	2,724
Total non-operating income (expenses)	4,887	145	5,254	32,283
Income before income taxes and non-controlling interests	16,362	23,436	31,100	108,074
Income taxes :				
Current	3,264	7,565	7,746	21,564
Deferred	1,954	(1,109)	589	12,911
Total income taxes	5,219	6,456	8,335	34,475
Net income	11,142	16,980	22,765	73,599
Net income attributable to non-controlling interests	1,045	1,212	1,276	6,904
Net income attributable to shareholders of transcosmos inc.	¥ 10,097	¥ 15,767	¥ 21,488	\$ 66,694

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, 2024, 2023 and 2022

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2024	2023	2022	2024
Net income	¥ 11,142	¥ 16,980	¥ 22,765	\$ 73,599
Other comprehensive income :				
Unrealized holding gains (losses) on securities	(1,958)	(8,869)	6,699	(12,936)
Foreign currency translation gains adjustments	487	1,716	1,563	3,221
Share of other comprehensive income from ownership in entities accounted for using the equity method	691	718	975	4,564
Total other comprehensive income	(779)	(6,435)	9,238	(5,150)
Comprehensive income	¥ 10,363	¥ 10,545	¥ 32,003	\$ 68,448
Total comprehensive income attributable to:				
Shareholders of transcosmos inc.	¥ 9,280	¥ 9,305	¥ 30,736	\$ 61,298
Non-controlling interests	1,082	1,239	1,267	7,150

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, 2024, 2023 and 2022

2024					
Millions of yen					
Shareholders' equity					
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2023	¥ 29,065	¥ 19,330	¥ 77,739	¥ (28,567)	¥ 97,568
Changes during the year:					
Cash dividends paid	—	—	(4,384)	—	(4,384)
Net gain for the period	—	—	10,097	—	10,097
Purchase of treasury shares	—	—	—	(0)	(0)
Purchase of shares of consolidated subsidiaries	—	1	—	—	1
Net changes in items other than those in shareholders' equity	—	—	—	—	—
Total changes during the year	—	1	5,713	(0)	5,714
Balance as of March 31, 2024	¥ 29,065	¥ 19,332	¥ 83,452	¥ (28,567)	¥ 103,283

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
Balance at April 1, 2023	¥ 2,452	¥ 3,464	¥ 5,917	¥ 3	¥ 8,892	¥ 112,381
Changes during the year:						
Cash dividends paid	—	—	—	—	—	(4,384)
Net gain for the period	—	—	—	—	—	10,097
Purchase of treasury shares	—	—	—	—	—	(0)
Purchase of shares of consolidated subsidiaries	—	—	—	—	—	1
Net changes in items other than those in shareholders' equity	(1,957)	1,140	(816)	(2)	788	(31)
Total changes during the year	(1,957)	1,140	(816)	(2)	788	5,683
Balance as of March 31, 2024	¥ 495	¥ 4,605	¥ 5,100	¥ 0	¥ 9,680	¥ 118,065

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, 2024, 2023 and 2022

	2024				
	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2023	\$ 191,981	\$ 127,678	\$ 513,471	\$ (188,686)	\$ 644,444
Changes during the year:					
Cash dividends paid	—	—	(28,958)	—	(28,958)
Net gain for the period	—	—	66,694	—	66,694
Purchase of treasury shares	—	—	—	(2)	(2)
Purchase of shares of consolidated subsidiaries	—	11	—	—	11
Net changes in items other than those in shareholders' equity	—	—	—	—	—
Total changes during the year	—	11	37,735	(2)	37,745
Balance as of March 31, 2024	\$ 191,981	\$ 127,690	\$ 551,207	\$ (188,689)	\$ 682,189

	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
Balance at April 1, 2023	\$ 16,199	\$ 22,883	\$ 39,083	\$ 21	\$ 58,732	\$ 742,282
Changes during the year:						
Cash dividends paid	—	—	—	—	—	(28,958)
Net gain for the period	—	—	—	—	—	66,694
Purchase of treasury shares	—	—	—	—	—	(2)
Purchase of shares of consolidated subsidiaries	—	—	—	—	—	11
Net changes in items other than those in shareholders' equity	(12,929)	7,533	(5,395)	(17)	5,207	(205)
Total changes during the year	(12,929)	7,533	(5,395)	(17)	5,207	37,540
Balance as of March 31, 2024	\$ 3,269	\$ 30,417	\$ 33,687	\$ 4	\$ 63,940	\$ 779,822

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, 2024, 2023 and 2022

	2023				
	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance at April 1, 2022	¥ 29,065	¥ 19,331	¥ 67,408	¥ (15,240)	¥ 100,564
Changes during the year:					
Cash dividends paid	—	—	(6,469)	—	(6,469)
Net gain for the period	—	—	15,767	—	15,767
Purchase of treasury shares	—	—	—	(13,326)	(13,326)
Disposal of treasury shares	—	0	—	0	0
Purchase of shares of consolidated subsidiaries	—	(0)	—	—	(0)
Change of scope of equity method	—	—	1,033	—	1,033
Net changes in items other than those in shareholders' equity	—	—	—	—	—
Total changes during the year	—	(0)	10,331	(13,326)	(2,995)
Balance as of March 31, 2023	¥ 29,065	¥ 19,330	¥ 77,739	¥ (28,567)	¥ 97,568

	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
	¥	¥	¥	¥	¥	¥
Balance at April 1, 2022	11,324	1,055	12,379	3	7,932	120,880
Changes during the year:						
Cash dividends paid	—	—	—	—	—	(6,469)
Net gain for the period	—	—	—	—	—	15,767
Purchase of treasury shares	—	—	—	—	—	(13,326)
Disposal of treasury shares	—	—	—	—	—	0
Purchase of shares of consolidated subsidiaries	—	—	—	—	—	(0)
Change of scope of equity method	—	—	—	—	—	1,033
Net changes in items other than those in shareholders' equity	(8,871)	2,408	(6,462)	—	959	(5,503)
Total changes during the year	(8,871)	2,408	(6,462)	—	959	(8,498)
Balance as of March 31, 2023	¥ 2,452	¥ 3,464	¥ 5,917	¥ 3	¥ 8,892	¥ 112,381

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, 2024, 2023 and 2022

2022

	Millions of yen				
	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
	¥	¥	¥	¥	¥
Balance at April 1, 2021	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
Purchase of treasury shares	—	—	—	(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
Balance as of March 31, 2022	29,065	19,331	67,408	(15,240)	100,564

Millions of yen

	Accumulated other comprehensive income					
	Total			Subscription rights to shares	Non-controlling interests	Total net assets
	Unrealized holding gain on securities	Foreign currency translation adjustments	other comprehensive income			
	¥	¥	¥	¥	¥	¥
Balance at April 1, 2021	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
Purchase of treasury shares	—	—	—	—	—	(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
Balance as of March 31, 2022	11,324	1,055	12,379	3	7,932	120,880

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, 2024, 2023 and 2022

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2024	2023	2022	2024
Operating activities:				
Income before income taxes and non-controlling interests	¥ 16,362	¥ 23,436	¥ 31,100	\$ 108,074
Depreciation of property, plant and equipment	4,151	3,812	4,072	27,420
Impairment loss on fixed assets	49	194	84	324
Amortization of goodwill	221	187	192	1,460
Amortization of intangible assets	1,523	1,510	1,372	10,065
Increase (decrease) in allowance for doubtful accounts	107	41	(708)	708
Increase (decrease) in accrued compensation	(226)	(158)	878	(1,496)
Changes in liability for retirement benefits, net	8	112	28	55
Interest and dividend income	(310)	(238)	(138)	(2,049)
Interest expenses	164	84	157	1,086
Foreign exchange losses (gains)	(1,082)	(272)	(213)	(7,146)
Share of losses (profits) of entities accounted for using equity method	(558)	1,325	(3,188)	(3,688)
Losses (gains) on investments in investment partnerships	45	(123)	(168)	300
Penalty income	—	—	(734)	—
Losses on disposal of fixed assets	114	204	153	759
Losses (gains) on sales of investment securities	(3,241)	(756)	(731)	(21,411)
Losses on valuation of investment securities	493	478	99	3,259
Losses (gains) on sales of shares of subsidiaries and affiliates	—	(373)	52	—
Losses on valuation of shares of subsidiaries and affiliates	18	84	113	121
Losses (gains) on changes in ownership interests in subsidiaries and affiliates	(82)	(109)	(1,167)	(546)
Decrease (increase) in notes and accounts receivable - trade	4,015	3,701	(15,345)	26,523
Decrease (increase) in inventories	1,142	813	1,509	7,547
Increase (decrease) in notes and accounts payable - trade	(2,373)	(217)	3,068	(15,680)
Increase (decrease) in accrued consumption taxes	964	(927)	(776)	6,369
Others, net	1,443	(2,532)	4,582	9,535
Subtotal	22,951	30,277	24,294	151,593
Interest and dividends received	450	2,815	283	2,976
Interest paid	(176)	(150)	(116)	(1,168)
Penalty income received	—	—	734	—
Income taxes paid	(5,555)	(8,688)	(9,425)	(36,694)
Income taxes refund	586	—	—	3,873
Net cash provided by operating activities	¥ 18,255	¥ 24,253	¥ 15,770	\$ 120,580

Unaudited Consolidated Statement of Cash Flows
transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES
For the years ended March 31, 2024, 2023 and 2022

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2024	2023	2022	2024
Investing activities:				
Payments into time deposits	¥ (596)	¥ (1,651)	¥ (851)	\$ (3,942)
Proceeds from withdrawal of time deposits	2,076	875	805	13,716
Purchases of property, plant and equipment	(3,239)	(4,822)	(4,003)	(21,398)
Purchases of intangible assets	(1,814)	(1,211)	(1,220)	(11,984)
Purchases of investment securities	(600)	(625)	(68)	(3,969)
Proceeds from sales of investment securities	4,498	1,007	1,081	29,710
Purchases of shares of subsidiaries and affiliates	(139)	(84)	(769)	(922)
Proceeds from sale of shares of subsidiaries and associates	—	236	420	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(453)	—	—	(2,993)
Payments for guarantee deposits	(531)	(1,437)	(1,566)	(3,510)
Proceeds from collection of guarantee deposits	509	1,230	1,033	3,363
Payments of loans receivable	(157)	(230)	(205)	(1,042)
Collection of loans receivable	207	119	129	1,372
Others, net	(358)	(1,219)	(1,009)	(2,367)
Net cash used in investing activities	(600)	(7,814)	(6,223)	(3,967)
Financing activities:				
Increase in short-term borrowings	108	92	679	719
Repayment of short-term borrowings	(1,837)	(72)	(1,842)	(12,133)
Increase in long-term borrowings	6,050	50	50	39,960
Repayment of long-term borrowings	(2,064)	(12,061)	(90)	(13,633)
Proceeds from issuance of bonds	—	100	66	—
Proceeds from issuance of convertible-bond-type bonds with share acquisition rights	—	—	10,040	—
Purchase of treasury stock	(0)	(13,327)	(2)	(2)
Cash dividends paid	(5,063)	(5,778)	(3,853)	(33,446)
Cash dividends paid to non-controlling interests	(290)	(275)	(144)	(1,917)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	—	(31)	—
Others, net	(657)	(621)	(651)	(4,343)
Net cash provided by(used in) financing activities	(3,754)	(31,895)	4,218	(24,797)
Effect of exchange rate changes on cash and cash equivalents	1,153	963	1,018	7,618
Increase (decrease) in cash and cash equivalents	15,054	(14,492)	14,784	99,434
Cash and cash equivalents at the beginning of the year	49,366	63,858	49,074	326,068
Cash and cash equivalents at the end of the year	¥ 64,421	¥ 49,366	¥ 63,858	\$ 425,503

See accompanying notes to unaudited consolidated financial statements.

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

1. 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 ¥151.40 = \$1, the approximate exchange rate of the Tokyo Foreign Exchange Market as of March 31, 2024. This translation should not be construed as a representation that the amounts shown could be converted to U.S. dollars at such rate.

2. Segment Information

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

		Millions of yen										
		2024										
		Reportable segments										
		Domestic	Overseas									
		subsidaries and	subsidiaries									
		affiliates	and affiliates	Total	Eliminations	Consolidated						
		Parent										
		Company										
Net sales												
Sales to third parties	¥	235,612	¥	35,502	¥	91,085	¥	362,201	¥	—	¥	362,201
Inter-segment sales and transfers		1,103		6,805		4,585		12,494		(12,494)		—
Total	¥	236,716	¥	42,308	¥	95,670	¥	374,695	¥	(12,494)	¥	362,201
Segment profit	¥	7,003	¥	1,920	¥	2,546	¥	11,469	¥	5	¥	11,474
Segment assets		119,763		30,987		67,047		217,797		(18,350)		199,446

		Thousands of U.S. dollars (Note 1)										
		2024										
		Reportable segments										
		Domestic	Overseas									
		subsidaries and	subsidiaries									
		affiliates	and affiliates	Total	Eliminations	Consolidated						
		Parent										
		company										
Net sales												
Sales to third parties	\$	1,556,228	\$	234,497	\$	601,622	\$	2,392,347	\$	—	\$	2,392,347
Inter-segment sales and transfers		7,286		44,952		30,285		82,524		(82,524)		—
Total	\$	1,563,514	\$	279,450	\$	631,907	\$	2,474,872	\$	(82,524)	\$	2,392,347
Segment profit	\$	46,257	\$	12,682	\$	16,816	\$	75,756	\$	34	\$	75,791
Segment assets		791,038		204,670		442,847		1,438,556		(121,207)		1,317,349

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

- (a) Segment profit of ¥ 5 million (\$34 thousand) in “Eliminations” consists of inter-segment elimination.
- (b) Segment assets of ¥ (18,350) million (\$121,207 thousand) in “Eliminations” consist of inter-segment eliminations.

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

Notes to Unaudited Consolidated Financial Statements

transcosmos inc. AND ITS CONSOLIDATED SUBSIDIARIES

Millions of yen							
2023							
Reportable segments							
	Parent company	Domestic subsidiaries and affiliates	Overseas subsidiaries and affiliates	Total	Eliminations	Consolidated	
Net sales							
Sales to third parties	¥ 243,448	¥ 36,512	¥ 93,869	¥ 373,830	¥ —	¥ 373,830	
Inter-segment sales and transfers	1,065	6,695	4,439	12,200	(12,200)	—	
Total	¥ 244,513	¥ 43,208	¥ 98,309	¥ 386,030	¥ (12,200)	¥ 373,830	
Segment profit	¥ 15,929	¥ 3,741	¥ 3,629	¥ 23,300	¥ (10)	¥ 23,290	
Segment assets	108,899	30,823	70,998	210,721	(16,878)	193,842	

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

- (a) Segment profit of ¥ (10) million in “Eliminations” consists of inter-segment elimination.
- (b) Segment assets of ¥ (16,878) million in “Eliminations” consist of inter-segment eliminations.

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

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

3. Revenue recognition

Information of disaggregated revenue from contracts with customers for the fiscal year ended March 31, 2024

	Millions of yen			
	2024			
	Reportable segments			
	Parent company	Domestic subsidiaries and affiliates	Overseas subsidiaries and affiliates	Total
Japan	¥ 232,262	¥ 35,490	¥ 5,129	¥ 272,882
Korea	0	—	39,486	39,486
China	149	1	25,317	25,468
Southeast Asia	2,080	5	15,671	17,757
Other	1,120	5	5,480	6,606
Revenue from contracts with customers	235,612	35,502	91,085	362,201
Other revenue	—	—	—	—
Sales to third parties	¥ 235,612	¥ 35,502	¥ 91,085	¥ 362,201

	Thousands of U.S. dollars (Note 1)			
	2024			
	Reportable segments			
	Parent Company	Domestic subsidiaries and affiliates	Overseas subsidiaries and affiliates	Total
Japan	\$ 1,534,098	\$ 234,413	\$ 33,881	\$ 1,802,393
Korea	0	—	260,806	260,806
China	987	12	167,220	168,220
Southeast Asia	13,739	36	103,513	117,289
Other	7,402	34	36,199	43,636
Revenue from contracts with customers	1,556,228	234,497	601,622	2,392,347
Other revenue	—	—	—	—
Sales to third parties	\$ 1,556,228	\$ 234,497	\$ 601,622	\$ 2,392,347

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

	Millions of yen			
	2023			
	Reportable segments			
	Parent company	Domestic subsidiaries and affiliates	Overseas subsidiaries and affiliates	Total
Japan	¥ 240,355	¥ 36,484	¥ 4,721	¥ 281,561
Korea	9	—	38,024	38,033
China	116	1	32,542	32,660
Southeast Asia	2,227	3	12,766	14,996
Other	738	23	5,815	6,578
Revenue from contracts with customers	243,448	36,512	93,869	373,830
Other revenue	—	—	—	—
Sales to third parties	¥ 243,448	¥ 36,512	¥ 93,869	¥ 373,830

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

4. Amounts Per Share

Net assets per share, net income per share and diluted net income per share as of March 31, 2024, 2023 and 2022, and for the years then ended are as follows:

	Yen			U.S. dollars (Note 1)
	2024	2023	2022	2024
	Net assets per share:	¥ 2,892.32	¥ 2,761.61	¥ 2,723.29
Net income per share:				
Basic	¥ 269.46	¥ 389.22	¥ 518.12	\$ 1.77
Diluted	¥ 252.44	¥ 366.60	¥ 509.28	\$ 1.66

The basis for the calculation of net income per share and diluted net income per share for the years ended March 31, 2024, 2023 and 2022 is as follows:

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2024	2023	2022	2024
	Net income per share:			
Net income attributable to shareholders of transcosmos inc.	¥ 10,097	¥ 15,767	¥ 21,488	\$ 66,694
Net income not attributable to common shareholders	—	—	—	—
Net income of common stock attributable to shareholders of transcosmos inc.	10,097	15,767	21,488	66,694
Weighted-average number of shares of common stock outstanding (shares)	37,473,057	40,511,658	41,473,899	
Diluted net income per share:				
Net income adjustment attributable to shareholders of transcosmos inc.	(13)	(13)	(4)	(91)
Increase in number of common stocks (shares)	2,471,821	2,461,356	712,302	