

FY **2025/3**

Interim Business Report

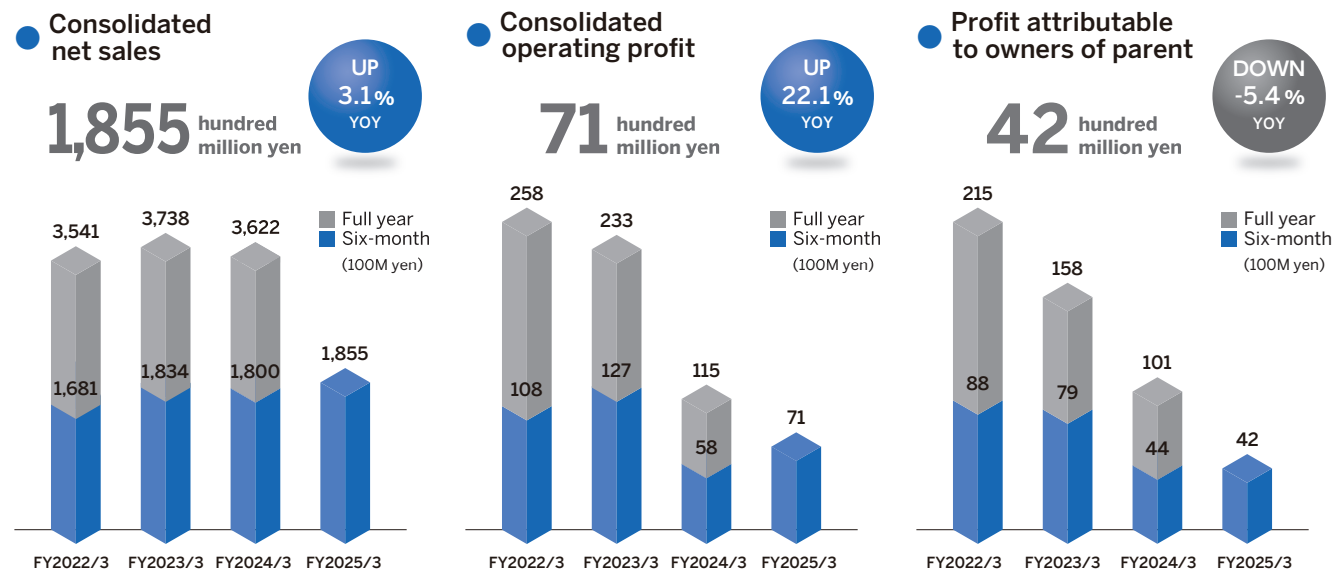
April 1, 2024 ▶▶▶ September 30, 2024

Global Digital Transformation **Partner**

Dear Stakeholders,

We would like to express our sincere appreciation to shareholders and investors for your continued exceptional support.

Along with greetings to our shareholders and investors, we hereby present a report on our performance for the first six months of the fiscal year ending March 31, 2025 (April 1, 2024 to September 30, 2024).



Summary of Business Results

In the first six months of the fiscal year ending March 31, 2025, the Japanese economy recovered at a moderate pace with the improving employment conditions and income situation. Despite this, the economic outlook remains uncertain due to the rising cost of resources caused by Russia's prolonged invasion of Ukraine, the impact of global monetary tightening on foreign exchange markets, China's economic concerns, etc.

In the business environment where our Group operates, demands for services that use digital technology to increase productivity, cost competitiveness, and sales continued to grow as digital technologies evolve while labor shortages persist.

Against this backdrop, our Group proactively delivered both

CX and Business Process Outsourcing (BPO) services that help clients transform their businesses, and successfully grew bookings. We also pushed forward initiatives toward achieving our Medium-term Business Plan 2024/3-2026/3.

Initiatives towards future business growth

Toward evolving into a Technology Solutions Company, we have focused on delivering services powered by digital technologies as well as enhancing our service delivery framework. More specifically, we have developed our proprietary chatbot powered by generative AI called "trans-AI Chat" by consolidating our know-how of call center services accumulated through operating one of the largest scale center networks in Asia, and deployed the chatbot to "trans-DX For Support." Our bot-agent hybrid chat services with "trans-AI Chat"

enables end users to always ask and receive responses in human-like text. In addition, a seamless chatbot to chat agent handoff ensures a greater customer experience. We also developed a solution deploying generative AI to our call center operations platform. The solution assists both contact center supervisors and agents in operating their tasks and enhancing service quality with remarkable efficiency. The solution helps raise efficiency with an AI for analytics and supervisors while automating processes with an AI for customer support, supporting contact center operations extensively. Moreover, we have signed a strategic business alliance with NTT Communications Corporation (NTT Com) in the Digital BPO Solutions domain in this AI age. Under the agreement, the two companies will combine NTT Com's AI and other technologies and infrastructures with our advanced business know-how and digital transformation (DX) talent. We will deepen our partnership in developing new solutions as well as implementing and operating solutions for clients to drive their DX initiatives, and ultimately contribute to the creation of a prosperous society.

In terms of our initiatives towards growing our global business, we have focused on increasing highly competitive service lineups and strengthening the service delivery framework. For example, in South Korea, we have formed a partnership with a Nasdaq listed company, Global-e, the world's leading platform enabling and accelerating global, direct-to-consumer cross-border e-commerce to enable South Korean retailers and brands to optimize and expand their cross-border e-commerce operations and drive global online growth. Also, we have released our unique generative AI-powered chatbot "trans-AI Chat" in China, following South Korea and Japan. Making the most of the latest artificial intelligence technology, we will help clients optimize costs, enhance customer experience, and grow sales. In addition, we have launched new services powered by AI talkbot in Indonesia to help clients enhance customer support productivity and optimize operational costs.

Our initiatives towards creating service models utilizing digital technologies were highly recognized and in May 2024, we were named as a Noteworthy DX Company 2024 under the Digital Transformation Stock Selection (DX Stock) program by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE).

A Message to our Shareholders

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

At this point, we have yet to make a decision on the dividend for the fiscal year ending March 31, 2025. We will promptly disclose the specific amount once it is decided.

To meet client needs to grow sales and optimize costs, our Group will continue to proactively deliver both CX and BPO services that assist our clients in managing and transforming

their businesses as their digital transformation partner in the fiscal year ending March 31, 2025. At the same time, we will accelerate our initiatives for expanding our global business focusing on the Asian markets, and ultimately achieve sustainable business growth.

We appreciate your continued support and cooperation as we work toward improving our business and increasing value for our stakeholders.

Sincerely,

Masaaki Muta

Representative Director, Co-president

Takeshi Kamiya

Representative Director, Co-president

December 2024

The late Koki Okuda awarded honorary bachelor's degree

transcosmos is honored to announce that on August 28, 2024, the late Founder and a former director Koki Okuda was awarded an honorary bachelor's degree by Wakayama University, the only national university in Wakayama Prefecture. Koki Okuda has been supporting the university and has been dedicated to a range of social contribution activities most notably developing people through the company and the transcosmos foundation. In recognition of his lifelong commitment to these works, as well as his invaluable experience in the university, Wakayama University decided to award an honorary degree to Koki Okuda, making him the first recipient of its honorary bachelor's degree.



Koki Okuda

Date of Birth January 9, 1937

August 28, 2024	Awarded an honorary bachelor's degree from Wakayama University
April 27, 2022	Awarded Shogoi (Senior Fifth Rank) and the Order of the Rising Sun Gold Rays with Neck Ribbon
April 2, 2022	Died at the age of 85
Apr 2022	Director, Founder
Jun 2003	Founder, Group CEO
Sep 2002	Chairman & Group CEO
Jun 1998	Chairman & CEO
Jun 1985	Representative Director & President of transcosmos inc.
Jun 1966	Representative Director & President of Maruei Keisan Center



Our Business

Global Digital CX Services

Digital Marketing Services

We offer total support services from digital marketing campaigns to website development, management and analytics with our 3,000 people, one of the largest service networks in Asia.

- Blended delivery model using onsite, offshore bases across Asia, and nearshore.
- Optimum services tailored to each industry and business model built on our extensive experience and know-how gained from working with over 600 clients each year.
- Cutting-edge services, including ad tech and MA, services for LINE/other social media, and integrated marketing powered by CDP.

Main Group companies



E-Commerce One-Stop Services

Our one-stop services provide all the required features for e-commerce, in line with e-commerce and brand strategies of each business.

- 46 countries/regions, with a focus on e-commerce growth markets.
- Support services for e-commerce businesses tailored to characteristics & culture of each target market in partnership with leading firms in Asia and Europe and America
- Full-packaged services for e-commerce, from developing business framework to operations.

Main Group companies



Global Digital BPO Services

Business Process Outsourcing Services

We provide a range of services that underpin clients' end-to-end business foundation. With a high level of expertise at the core, we fully optimize business processes with a data-driven approach, combining cross-industry and industry-specific BPO services while utilizing the latest digital technologies.

- Highly competitive service framework with one of Japan's largest offshore service networks (18 bases in Asia) and domestic nearshore centers.
- Superior quality backed by operational excellence and a strong track record built over 58 years since our foundation.
- Highly specialized services from IT and back-office that are common across a range of industries to industry-specific services including design, construction, and production works.

Main Group companies



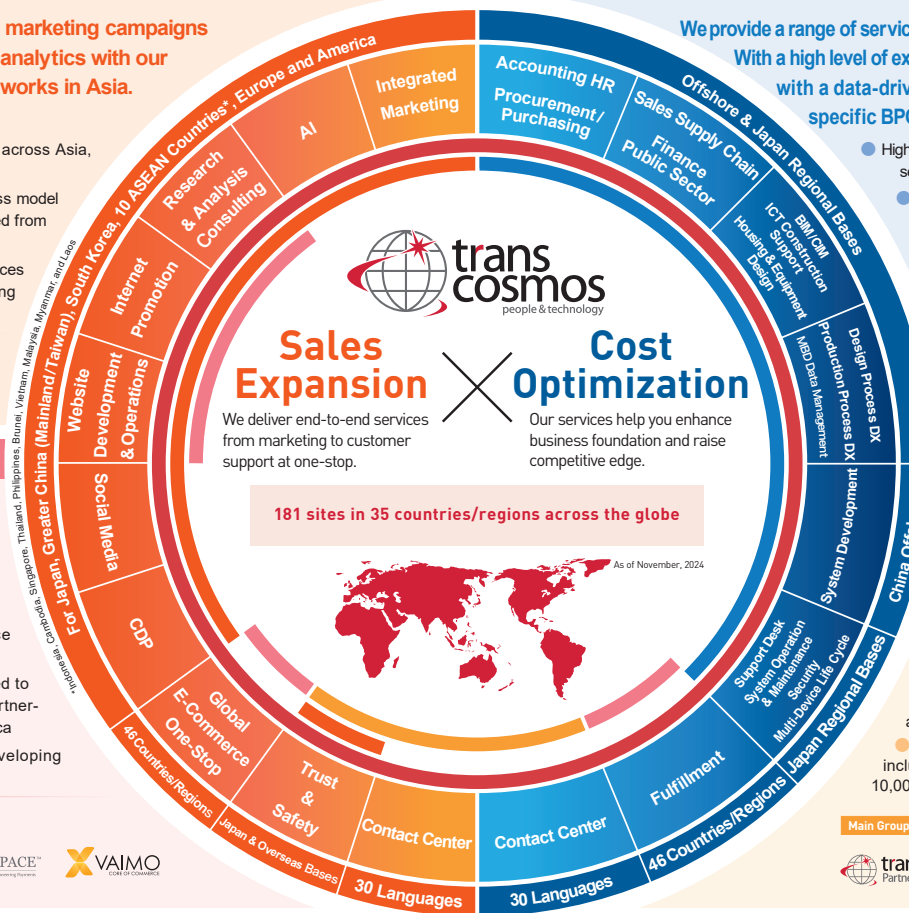
Contact Center Services

We optimize communication between businesses and their customers, and digitize customer touchpoints with our operational network, one of the largest in Asia.

- 32 bases in Japan and 44 bases overseas (43,100 workstations in total). *Including bases of partners/associates.
- Superior quality underpinned by our people development programs and many years of center management operations as the No.1 contact center services player in Japan (*1).
- Diverse CX solutions powered by various digital technologies including chat and speech recognition in 30 languages, with over 10,000 home-based contact center workstations.

*1 Source: FY2023 Call Center Sales Ranking, TSUHAN SHIMBUNSYA

Main Group companies



Named a Leader for the 4th year in a row in CXM service providers in the Asia Pacific region by Everest Group.

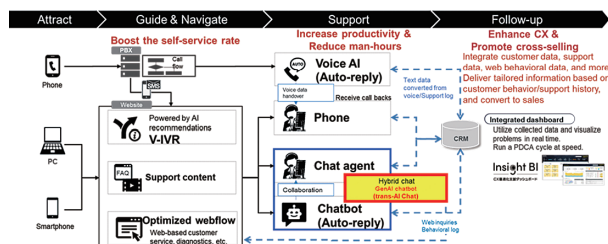


Won TMALL 5 Star rating for the 8th straight year.

H1 FY2025/3 Highlights

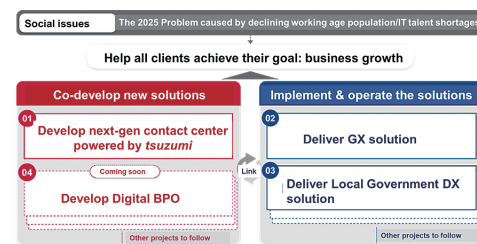
Developed trans-AI Chat, proprietary chatbot powered by GenAI. Now available in Japan, South Korea, and China

Consolidating our expertise in customer services gained by operating Asia's leading call center network, we have developed trans-AI Chat, a chatbot powered by generative AI (GenAI). trans-AI Chat drastically enhances chatbot performance with GenAI. Moreover, even when chatbot fails to resolve consumer issues, a seamless bot to agent handoff ensures continuous customer services without disrupting customer experience.



Entered into strategic partnership agreement with NTT Com in Digital BPO Solution services domain in AI-driven age

Under the agreement, we will combine NTT Com's AI and other technologies and infrastructures with our advanced business expertise and DX talent to provide Digital BPO solutions that support businesses more than ever before. We will deepen the partnership in developing new solutions as well as in implementing and operating solutions for clients to drive their DX initiatives, and ultimately contribute to creating a prosperous society.



Opened BPO Center Sapporo Kita-Hachijyo to help the construction industry drive DX from planning to utilizing digital on-site

Utilizing our experience in construction management and BIM-related services, we, together with our affiliate APPLIED TECHNOLOGY* provide circular services designed for the construction industry such as project planning, deployment of digital tools, and embedding these to operations to help the industry use digital. As a center that offers circular services for the industry, the new center will provide services that help clients solve their challenges.



* APPLIED TECHNOLOGY: APPLIED TECHNOLOGY CO., LTD.

Enhances GenAI-powered contact center operations features at CX Squares

We have developed a solution that helps contact center supervisors and agents and drastically enhances service quality by deploying generative AI to our contact center management platform. We will start delivering this solution to clients for which we manage all customer touchpoints across customer service channels at our centers — CX Square—throughout Japan.

Enhance productivity and quality with the power of AI



H1 FY2025/3 Highlights

Selected as JPX-Nikkei Index 400 constituent 3 years in a row

We have been selected as a JPX-Nikkei Index 400 (JPX-Nikkei 400) constituent for the fiscal year 2024 (from August 30, 2024 to August 28, 2025), the third consecutive year following 2022 and 2023.

The JPX-Nikkei 400 is composed of companies with high appeal for investors, which meet requirements of global investment standards, such as efficient use of capital and investor-focused management perspectives. The JPX-Nikkei 400 is provided by JPX Market Innovation & Research, Inc., and Nikkei Inc.



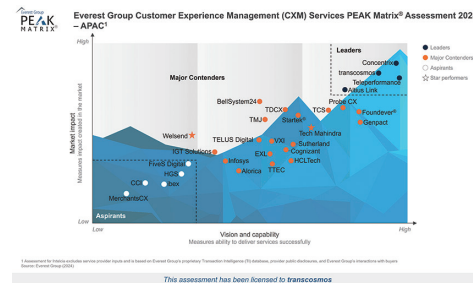
Selected as Noteworthy DX Company 2024 under Digital Transformation Stock Selection (DX Stock) program by METI & TSE

As part of their effort to encourage Japanese companies to strategically utilize IT in order to improve corporate value and fortify competitiveness on a mid-to long-term basis, METI and TSE jointly select DX Stocks each year, i.e. outstanding companies that execute advanced digital transformation (DX) initiatives. In addition, among the selected DX Stocks, companies that have received high overall scores, and ones that carried out noteworthy initiatives are named Noteworthy DX Companies. The Noteworthy DX Company 2024 marked the second time we won the award after receiving the award in 2022 for the first time.



Named Leader in Everest Group's CXM Services in APAC PEAK Matrix® Assessment 2024

We were named a Leader for the fourth year in a row in Customer Experience Management (CXM) service providers in the Asia Pacific region by Everest Group in its research paper "Customer Experience Management (CXM) Services PEAK Matrix® Assessment 2024," published in September 2024.



Achieved carbon uptake of 31 tons in transcosmos Forest, supporting Wakayama prefecture's Corporate Forest Project

We have joined Wakayama prefecture's Corporate Forest project, as part of our forest conservation initiative towards a carbon neutral world. Under the project, we thinned cedar and HINOKI cypress trees in a forest of 2.27ha from February 10 to March 18, 2024. Now, we have received a report saying that the activity has resulted in an estimated carbon dioxide absorption of 30.7 tons per year.

*The above carbon uptake is calculated based on the Calculation Method for Carbon Dioxide Absorption by Forest published by the Ministry of Agriculture, Forestry and Fisheries.

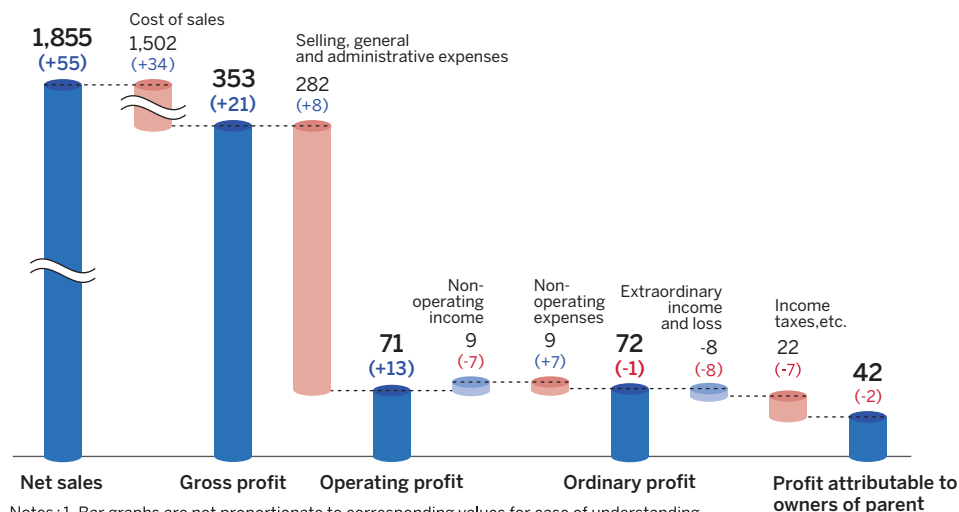


Consolidated Financial Results

Consolidated Statement of Income

100M yen (rounded to the nearest 100M yen)

Six months ended Sep. 30, 2024 (April 1, 2024 – September 30, 2024)



Notes: 1. Bar graphs are not proportionate to corresponding values for ease of understanding.

2. Figures in parentheses are year-over-year changes.

Net sales

Net sales increased 3.1% year-over-year. Looking into results by segment, the Parent Company segment grew sales led by digital integration services under CX services as well as overall BPO services. In the Domestic Affiliate segment, sales slightly decreased. However, listed subsidiaries and their group companies are on a recovery trend. In the Overseas Affiliates segment, sales increased mainly due to growth in subsidiaries in South Korea and ASEAN, and impact of currency fluctuations despite a drop in China's e-commerce business.

Operating profit

Operating profit grew 22.1% year-over-year. Looking closer by segment, profit declined in the Parent Company segment due to higher selling, general and administrative expenses despite gross profit remaining on an upward trend. In the Domestic Affiliates segment, profit increased due to higher profits posted by listed subsidiaries and their group companies. The Overseas Affiliates segment also increased profit due to higher profitability in subsidiaries in South Korea and China as a result of cost optimization efforts, as well as increased profits in ASEAN subsidiaries.

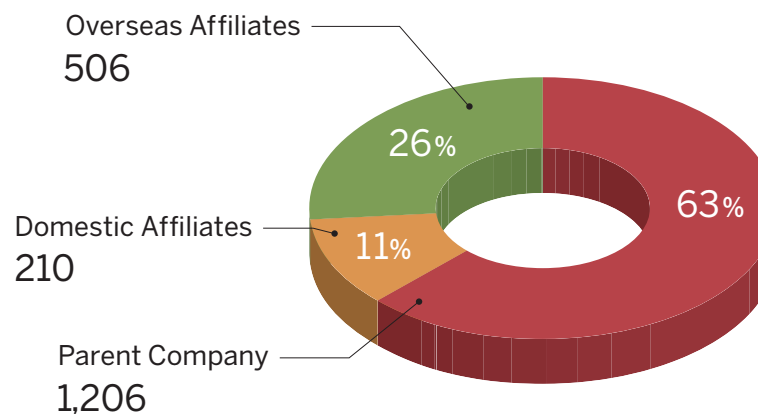
Profit attributable to owners of parent

Net profit attributable to owners of parent for the six months ended September 30, 2024 decreased 5.4% year-over-year due to an increase in non-operating expenses and extraordinary losses.

Net Sales by Segment

100M yen (rounded to the nearest 100M yen)

Six months ended Sep. 30, 2024 (April 1, 2024 – September 30, 2024)



Notes: Figures are not adjusted for -6.7 billion yen of transactions between segments.

Parent Company

Outsourcing operations offered by the Company.

Domestic Affiliates

Outsourcing operations offered by domestic Group companies.

Overseas Affiliates

Outsourcing operations offered by overseas Group companies.

Corporate & Stock Information

Corporate Information (As of September 30, 2024)

Registered Name	transcosmos inc.
Date of Foundation	June 18, 1985
Paid-in Capital	¥29,065 million
Employees	Group : 69,674 (Japan: 43,552; Overseas: 26,122)
Major Banks	Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd. Mizuho Bank, Ltd.
Headquarters	Sunshine 60 Bldg. 3-1-1, Higashi-Ikebukuro, Toshima-ku, Tokyo 170-6016 Japan Tel. +81-50-1751-7700 (Main phone number)
Main Office	Shibuya First Tower 1-2-20, Higashi, Shibuya-ku, Tokyo 150-0011 Japan

Stock Information (As of September 30, 2024)

Shares Authorized for Issue	150,000,000
Shares Issued	43,863,116
Stockholders	8,994

Principal Stockholders (As of September 30, 2024)

Name	Number of shares (thousand shares)	Ratio of shares (%)
transcosmos foundation	6,753	15.40
Masataka Okuda	6,404	14.60
The Master Trust Bank of Japan, Ltd. (Account in Trust)	3,194	7.28
Mihoko Hirai	1,463	3.34
Custody Bank of Japan, Ltd. (Account in Trust)	1,410	3.22
THE BANK OF NEW YORK MELLON 140042	1,083	2.47
GOVERNMENT OF NORWAY	924	2.11
STATE STREET BANK AND TRUST COMPANY 505001	918	2.09
CEPLUX- THE INDEPENDENT UCITS PLATFORM 2	800	1.82
Limited Company HM Kosan	722	1.65

Notes: 1. Other than the above, the Company retains 6,390 thousand shares of its own stock.
2. Number of shares less than one thousand is rounded down to the nearest thousand.
3. Shareholding ratio is rounded off to two decimal places.