

Global Digital Transformation Partner

**Supplemental Material for the
Consolidated Financial Results for the
Nine Months Ended December 31, 2024
(April 1, 2024 – December 31, 2024)**



January 31, 2025

transcosmos inc.

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Consolidated net sales

¥279.86bn

(YoY: +3.1%)

Consolidated operating profit

¥11.13bn

(YoY: +2.37bn)

transcosmos inc. nine-month
net profit

¥7.58bn

(YoY: -0.60bn)

- **Net sales hit record high, up 3.1% YoY as both CX and BPO services grew sales.**
 - CX Services up 2.2% YoY, led by growth in digital integration as well as growth in South Korea and ASEAN.
 - BPO Services up 7.4% YoY. Both cross-industry and industry-specific digital BPO Services achieved a strong showing.
- **Operating profit up ¥2.37bn YoY backed by higher gross profit margin due to progress in price negotiations and higher utilization rate in addition to sales growth. Overseas higher profitability led growth. Reached record-high levels, w/o fiscal years impacted by COVID-related jobs from April 1, 2020 to March 31, 2023.**
- **transcosmos inc. nine-month net profit down ¥0.60bn YoY due to the gain on sale of investment securities recorded in the same period last year.**

Reference: Consolidated sales and operating profit trends (FY2019/3 to FY2025/3)

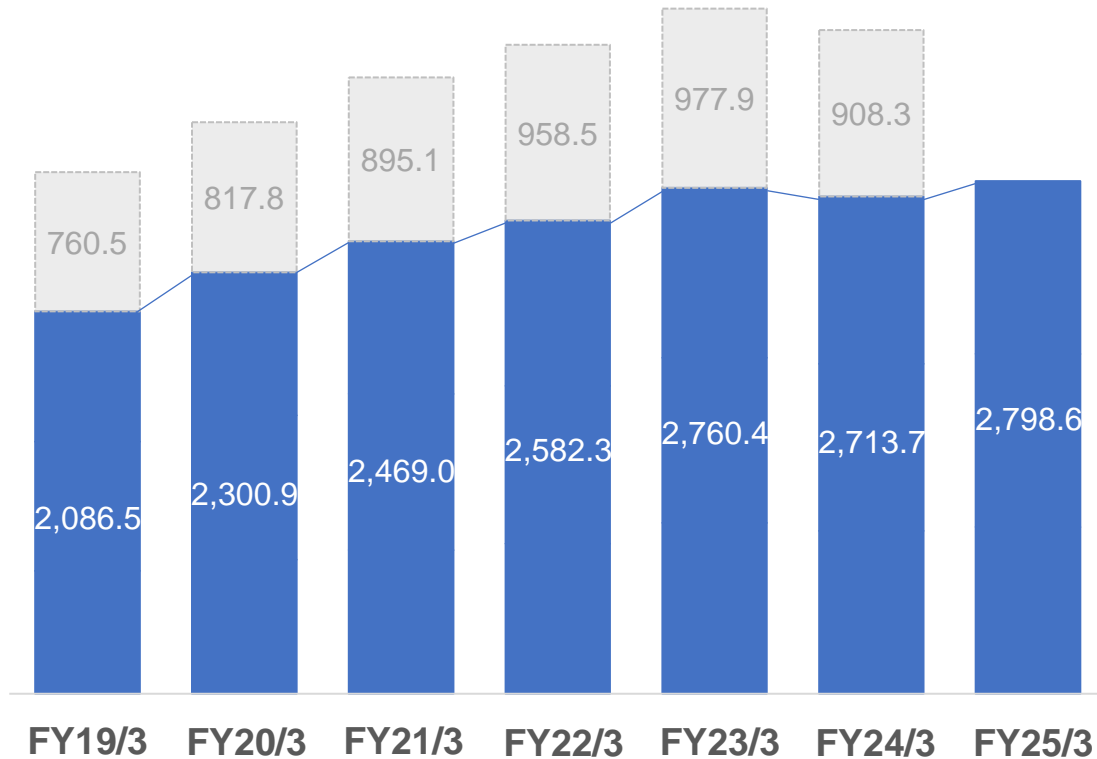


- Consolidates net sales for nine months ended Dec. 2024: Hit a record high.
- Consolidate operating profit for nine months ended Dec. 2024: Reached record-high levels w/o three fiscal years impacted by COVID-related jobs (from the year ended March 2021 to the year ended March 2023)

Consolidated Net Sales Trend

In ¥100mn (rounded to the nearest ¥10mn)

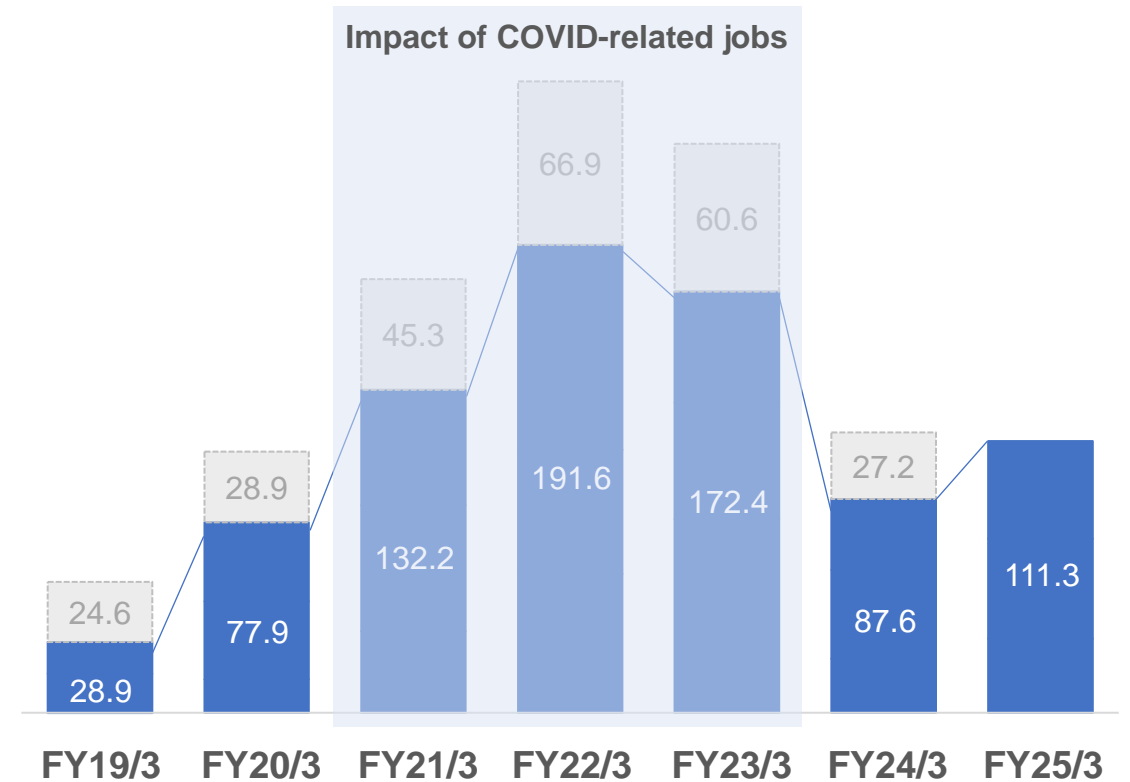
■ Nine months ■ Q4



Consolidated Operating Profit Trend

In ¥100mn (rounded to the nearest ¥10mn)

■ Nine months ■ Q4



2. Consolidated Income Statement Summary

*For each segment profit row, figures in the Mix columns are profit margins.

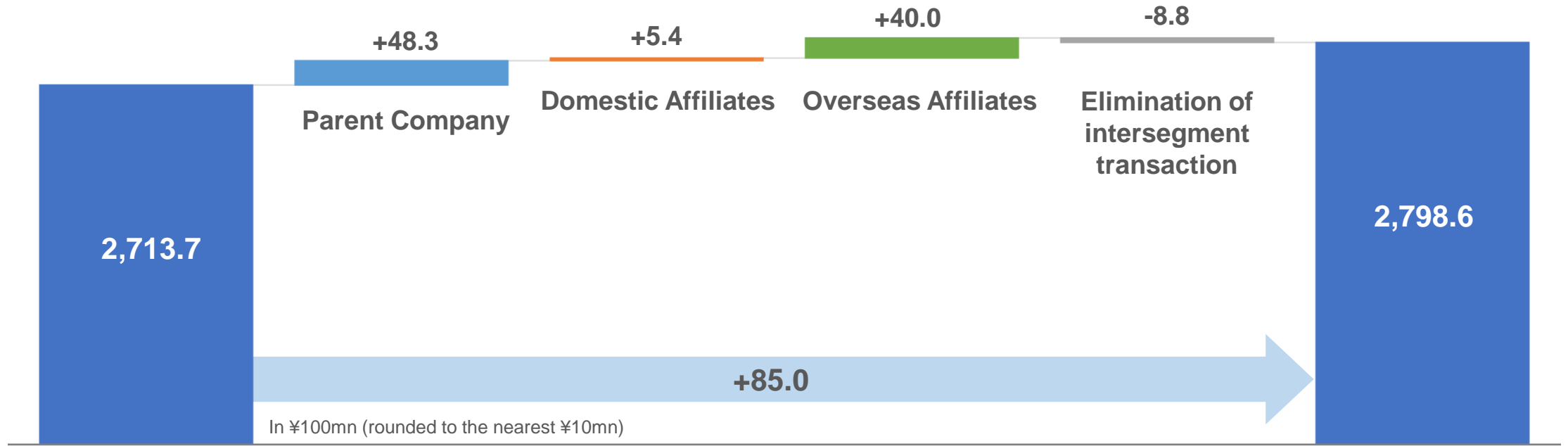


In ¥100mn (rounded to the nearest ¥10mn)	Nine months ended Dec 31, 2023		Nine months ended Dec 31, 2024		Change	
	Amount	Mix	Amount	Mix	Amount	%Change
Net sales	2,713.7	100.0%	2,798.6	100.0%	+85.0	3.1%
Net sales	1,776.3	65.4%	1,824.6	65.2%	+48.3	2.7%
Domestic Affiliates	317.4	11.7%	322.9	11.5%	+5.4	1.7%
Overseas Affiliates	712.6	26.3%	752.7	26.9%	+40.0	5.6%
Elimination of intersegment transaction	-92.7	-3.4%	-101.5	-3.6%	-8.8	-9.5%
Gross profit	504.5	18.6%	537.2	19.2%	+32.7	6.5%
SG&A expenses	417.0	15.4%	425.9	15.2%	+9.0	2.1%
Operating profit	87.6	3.2%	111.3	4.0%	+23.7	27.1%
Net sales	56.3	3.2%	54.3	3.0%	-2.0	-3.5%
Domestic Affiliates	16.5	5.2%	22.8	7.1%	+6.3	38.5%
Overseas Affiliates	14.7	2.1%	35.1	4.7%	+20.4	138.3%
Elimination of intersegment transaction	0.1	-	-1.0	-	-1.1	-
Non-operating income (loss)	13.7	0.5%	13.9	0.5%	+0.2	1.6%
Ordinary profit	101.3	3.7%	125.2	4.5%	+23.9	23.6%
Extraordinary income (loss)	29.7	1.1%	-8.7	-0.3%	-38.4	-
Profit attributable to owners of parent	81.8	3.0%	75.8	2.7%	-6.0	-7.3%

3. Consolidated Net Sales Analysis

- Net sales up ¥8,500mn (+3.1%)

Parent Company	Up due to growth led by overall BPO services and digital integration under CX services.
Domestic Affiliates	Up due to growth in listed subsidiaries and their group companies.
Overseas Affiliates	Up mainly due to growth in subsidiaries in South Korea and ASEAN and impact of currency fluctuations.



Nine months ended Dec 31, 2023
Consolidated net sales

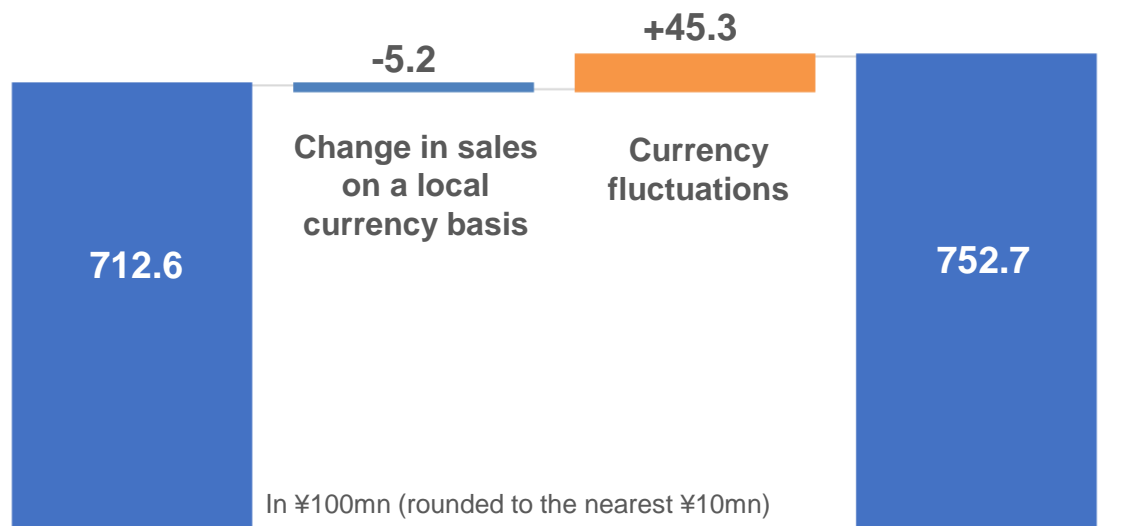
Nine months ended Dec 31, 2024
Consolidated net sales

Reference: Effects of currency fluctuations on Overseas Affiliate Sales



- Nine months: Net sales down ¥520mn on a local currency basis. South Korea and ASEAN grew sales. China sales down due to softer e-commerce business. The yen remained weak from the beginning of the year and pushed up net sales by ¥4,530mn.
- Q3: Net sales up across Asia on a local currency basis, regained positive growth of ¥250mn. Currency fluctuations pushed up sales by ¥540mn.

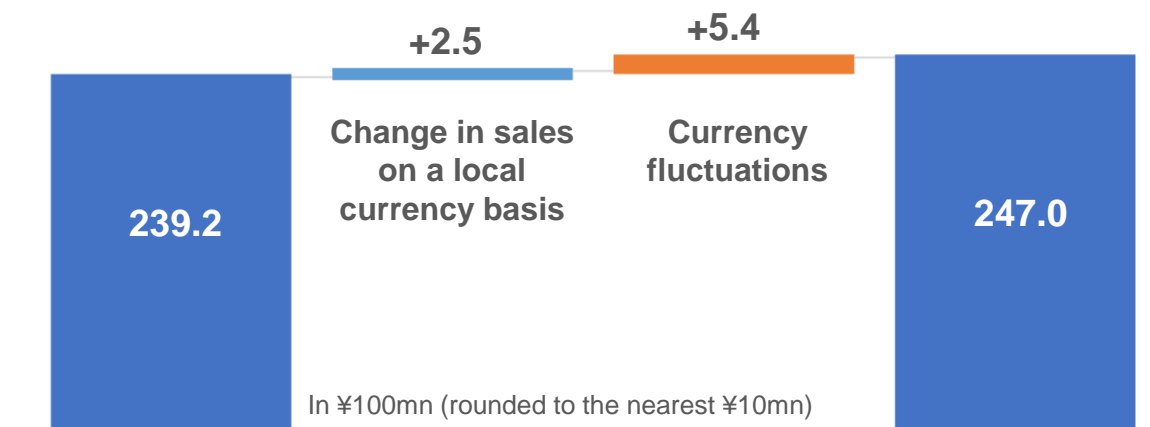
Overseas Affiliates segment sales (Nine month)



Nine months ended
Dec 31, 2023

Nine months ended
Dec 31, 2024

Overseas Affiliates segment sales (Q3)



Q3 24/3

Q3 25/3

*The bar chart above only shows the effects of currency fluctuations on overseas subsidiaries that have a major impact on the Company's consolidated financial results when translating their financial statements into the reporting currency to produce consolidated financial statements. The effects of currency fluctuations have little impact on the consolidated operating profit.

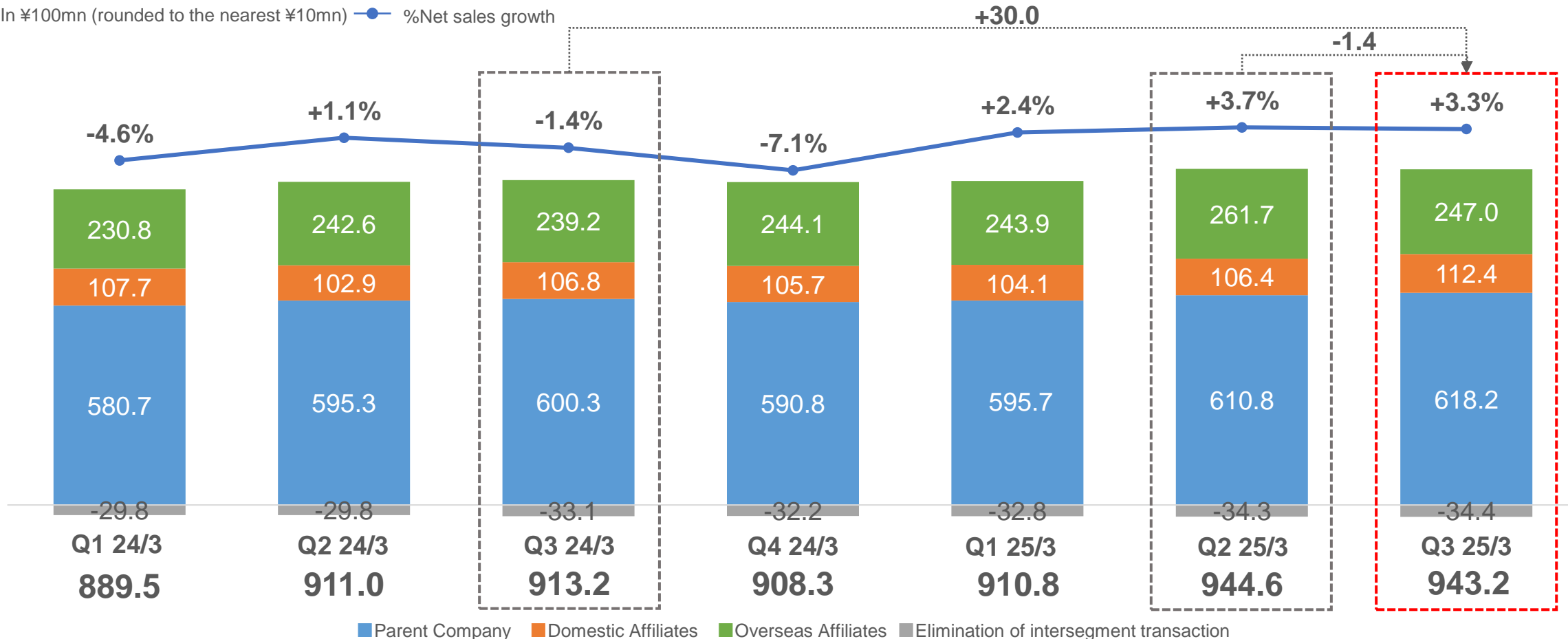
4. Consolidated Net Sales Analysis (Quarterly)



- YoY: All segments achieved growth, up ¥3,000mn.
- QoQ: Down ¥140mn due to a drop in Overseas Affiliates as seasonality factors hit China e-commerce business.

Quarterly net sales trend by segment

In ¥100mn (rounded to the nearest ¥10mn) —●— %Net sales growth



CX Services (Approx. 70% of consolidated net sales)	
Front-office services: Integrated services covering all digital customer touchpoints across the customer journey from marketing to customer care	
Japan	Digital contact center Customer support
	Digital integration Website & app development, improvement and operations services Social platform operations including LINE apps
	Digital promotion Internet ads services
	E-commerce one-stop E-commerce site development & operations, and fulfillment services
Overseas (mainly contact center and e-commerce) South Korea, China, ASEAN and Europe and the U.S.	

BPO Services (Approx. 30% of consolidated net sales)	
Back-office services: Cross-industry BPO (e.g. Accounting, HR, IT) and industry-specific BPO	
Japan	Cross-industry digital BPO Accounting, HR, procurement & purchasing, order management, sales admin and IT system operations & maintenance
	Industry specific digital BPO Services to support systems and operations for the manufacturing and construction industries
Overseas South Korea, China, ASEAN and Europe and the U.S.	

5. Consolidated Net Sales Analysis (CX Services)

*Net sales for each service are calculated based on the sales mix used for management accounting, and are not adjusted for intersegment transactions.

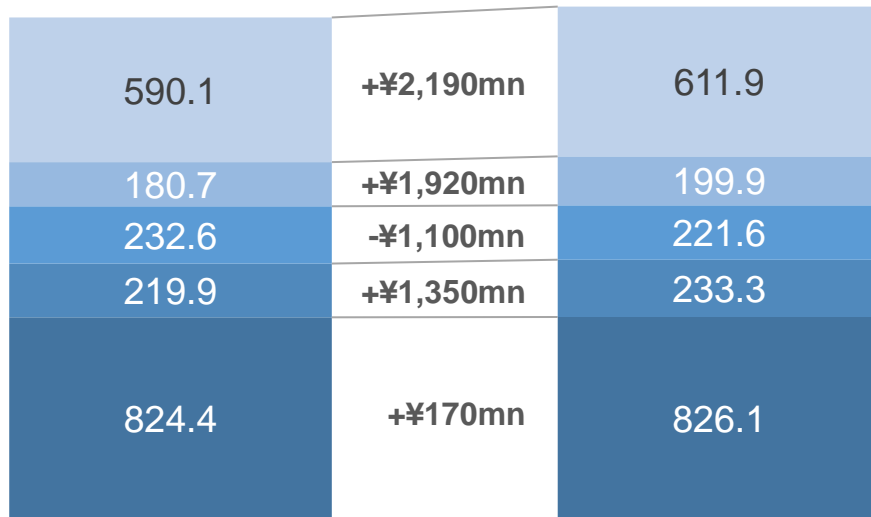


- Nine month: Up ¥4,530mn YoY. Digital integration service, listed subsidiaries and their group companies as well as overseas (South Korea and ASEAN) grew sales.
- Q3: Up ¥1,100mn. Digital contact centers, listed subsidiaries and their group companies as well as overseas (South Korea, China and ASEAN) grew sales. Down ¥1,410mn QoQ due to a drop in overseas business (China e-commerce).

YoY net sales by service (nine month)

In ¥100mn (rounded to the nearest ¥10mn)

Nine month: +¥4,530mn YoY



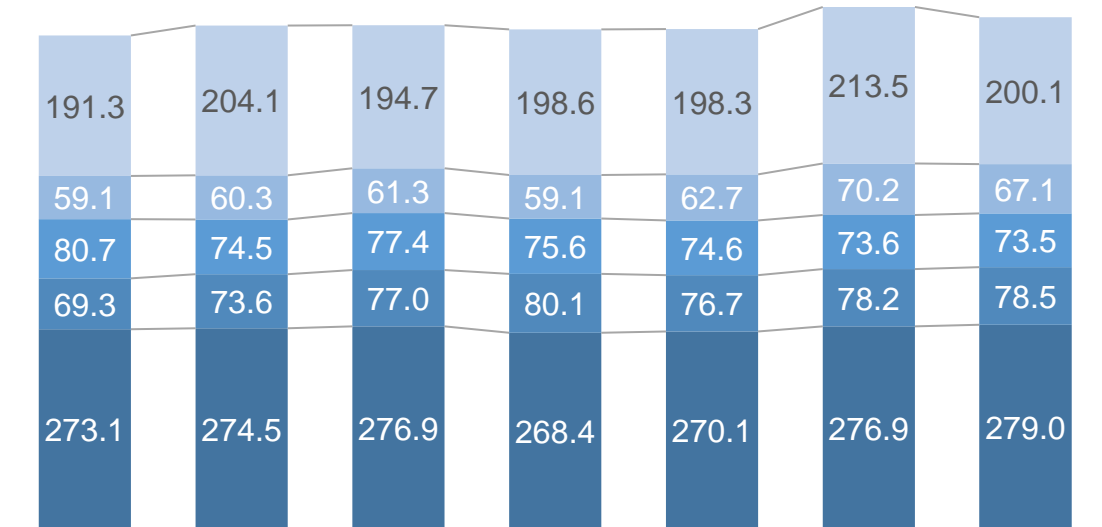
Nine months ended
Dec 31, 2023
2,047.6

Nine months ended
Dec 31, 2024
2,092.9

Quarterly net sales by service

In ¥100mn (rounded to the nearest ¥10mn)

Q3: +¥1,100mn YoY -¥1,410mn QoQ



Q1 24/3 Q2 24/3 Q3 24/3 Q4 24/3 Q1 25/3 Q2 25/3 Q3 25/3
673.4 686.9 687.3 681.9 682.3 712.4 698.3

■ Digital contact center ■ Digital integration ■ Digital promotion ■ E-commerce One-stop/Domestic Subsidiaries ■ Overseas

6. Consolidated Net Sales Analysis (BPO Services)

*Net sales for each service are calculated based on the sales mix used for management accounting, and are not adjusted for intersegment transactions.

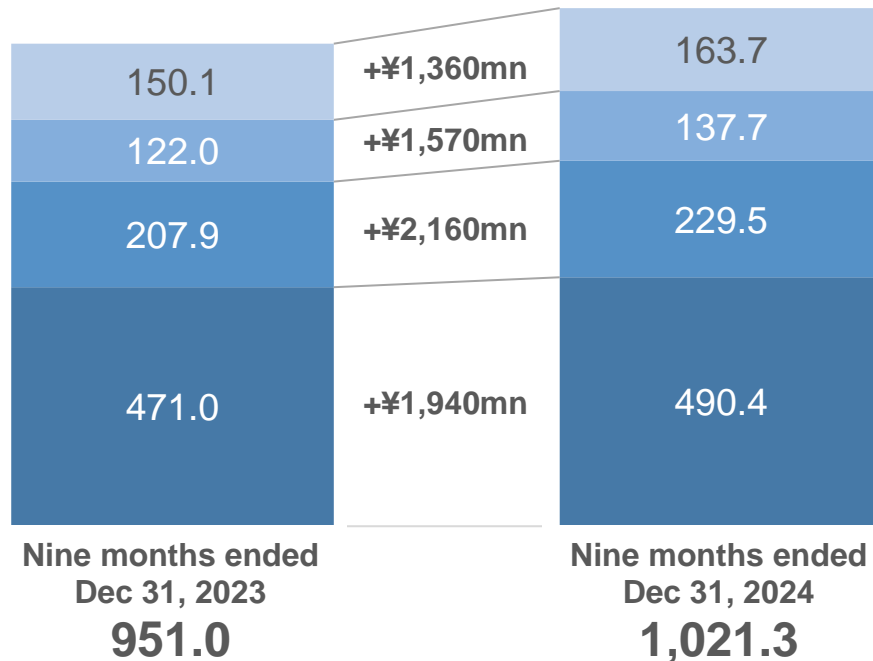


- **Nine month: Up ¥7,030mn YoY.** Net sales grew across cross-industry and industry-specific digital BPO, subsidiaries to overseas (China, South Korea and ASEAN).
- **Q3: Up ¥3,030mn YoY.** Same as the nine months period, all sectors grew sales. Up ¥1,050mn QoQ, primarily led by growth in cross-industry and industry-specific digital BPO and listed subsidiaries.

YoY net sales by service (nine month)

In ¥100mn (rounded to the nearest ¥10mn)

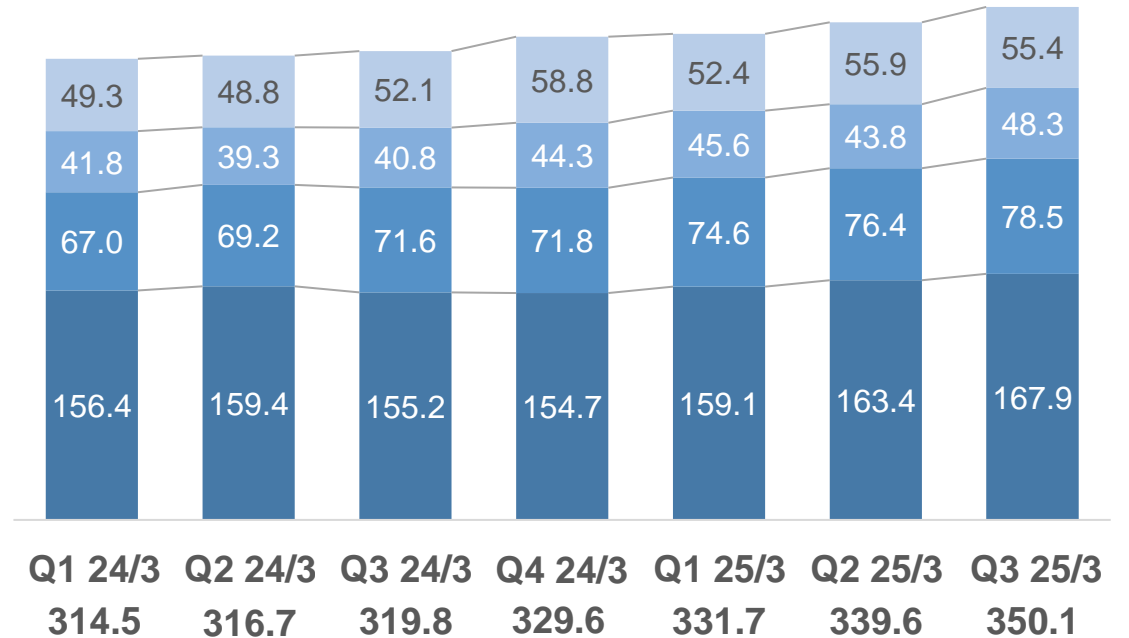
Nine month: +¥7,030mn YoY



Quarterly net sales by service

In ¥100mn (rounded to the nearest ¥10mn)

Q3: +¥3,030mn YoY +¥1,050mn QoQ



■ Cross-industry digital BPO ■ Industry specific digital BPO ■ Subsidiaries ■ Overseas

*Overseas sales are categorized by country or region based on clients' location, therefore, figures are different from the Overseas Affiliates segment.

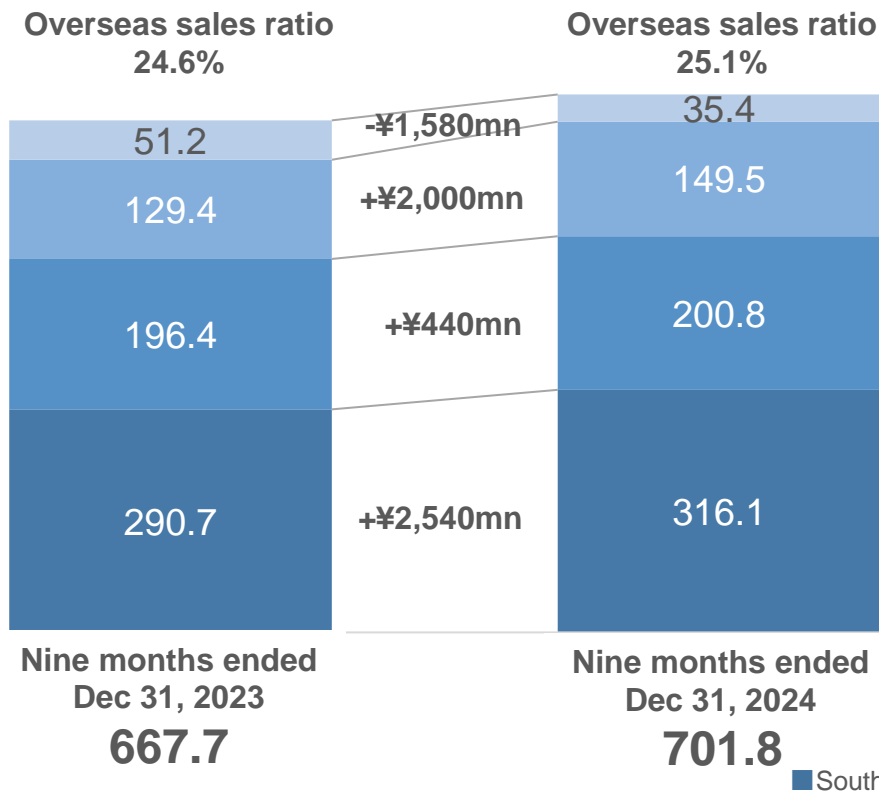


7. Consolidated Net Sales Analysis (Overseas Geographic Market)

- **South Korea:** For the nine months, up ¥2,540mn YoY due to higher sales in both CX and BPO services. On a quarterly basis, up ¥700mn YoY and ¥30mn QoQ.
- **China:** For the nine months, up ¥440mn YoY due to higher sales in digital contact centers as well as positive currency fluctuations. On a quarterly basis, up ¥340mn YoY, and down ¥1,410mn QoQ.
- **ASEAN:** For the nine months, up ¥2,000mn due to higher CX services sales. On a quarterly basis, up ¥320mn YoY, and down ¥110mn QoQ.

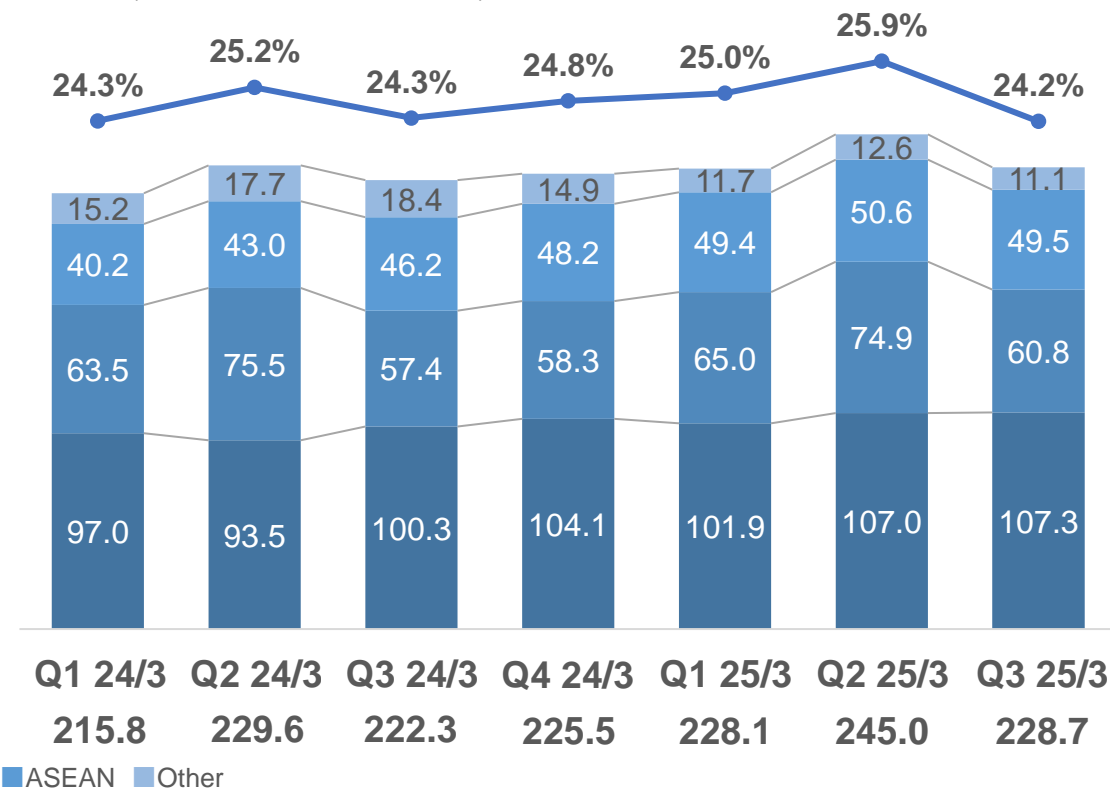
YoY net sales by overseas geographic market (nine month)

In ¥100M (rounded to the nearest ¥10M)



Quarterly net sales by overseas geographic market

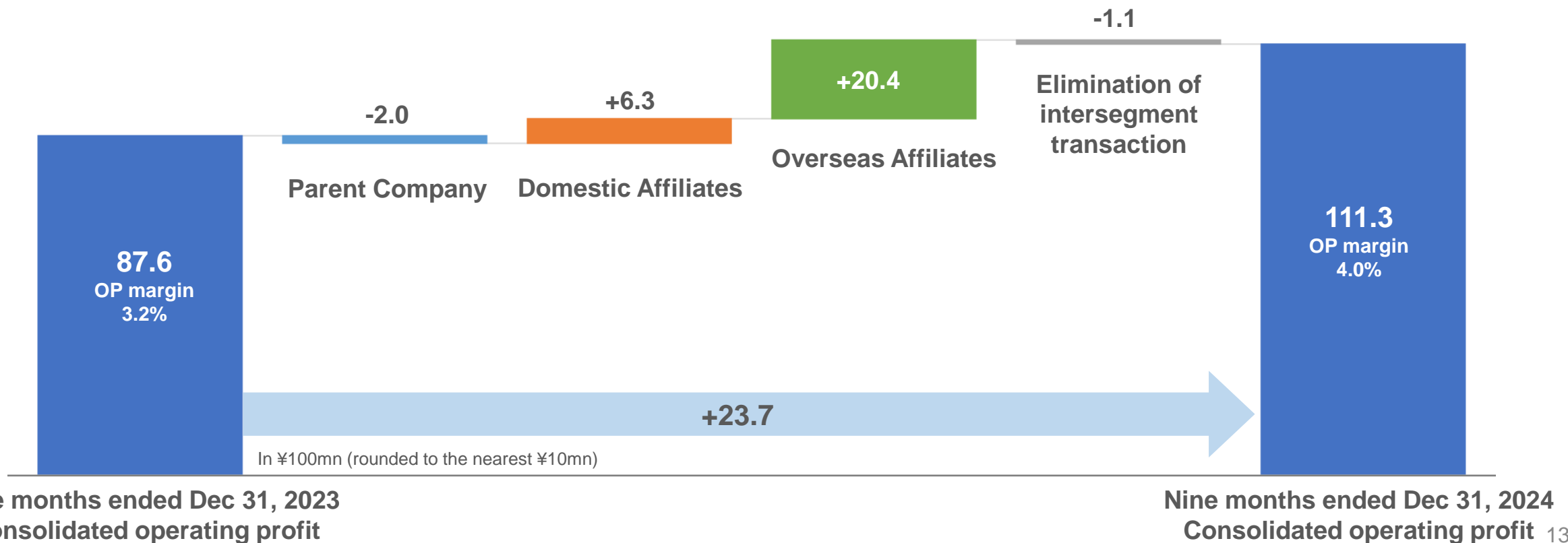
In ¥100M (rounded to the nearest ¥10M) — %Overseas sales



8. Consolidated Operating Profit Analysis

- Operating profit up ¥2,370mn (+27.1%)

Parent Company	Gross profit margin increased. Despite a drop in operating profit due to higher personnel expenses and other expenses for reinforcing management base and global expansion, the downward trend slowed.
Domestic Affiliates	Up as group companies of a listed subsidiary returned to profitability.
Overseas Affiliates	Up 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.



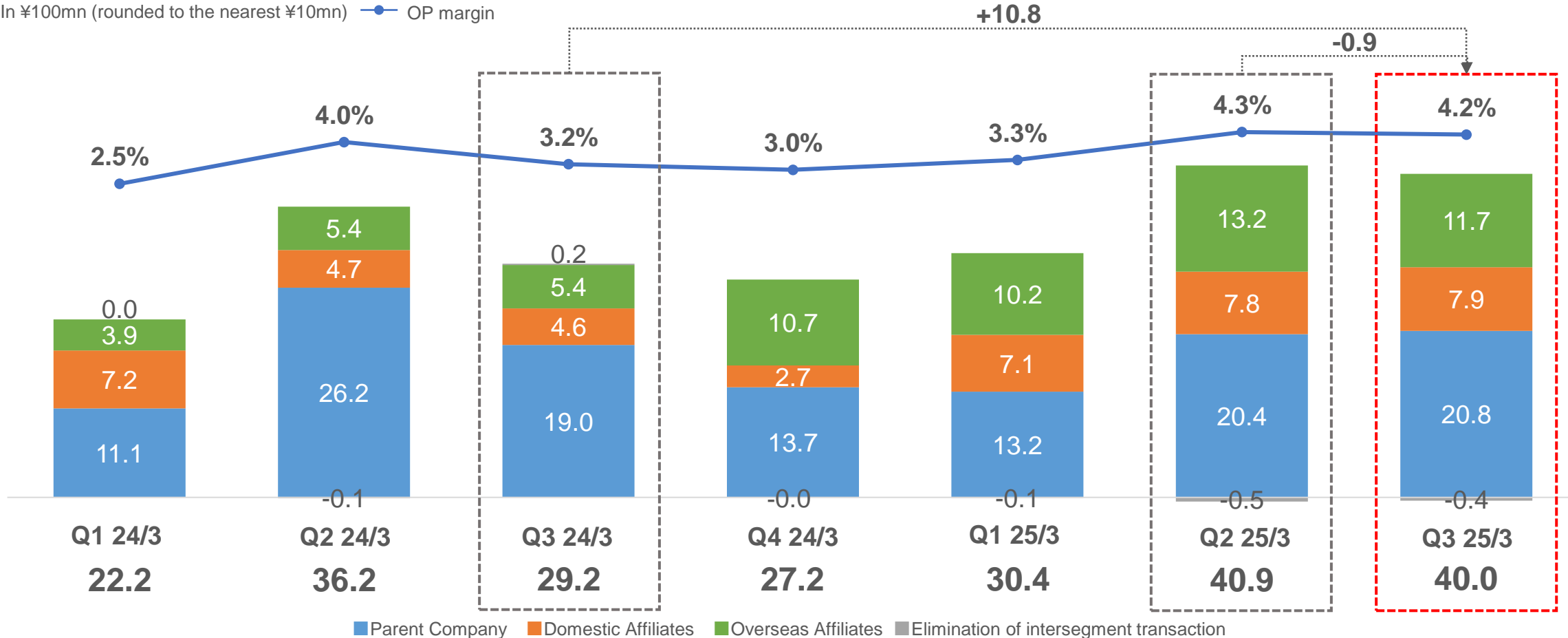
9. Consolidated Operating Profit Analysis (Quarterly)



- YoY: Up ¥1,080mn due to higher operating profit across all segments. OP margin up 1.0 points.
- QoQ: Down ¥90mn due to reduced operating profit resulting from lower sales in Overseas Affiliates. OP margin down 0.1 points.

Quarterly operating profit trend by segment

In ¥100mn (rounded to the nearest ¥10mn) — OP margin



10. Parent Company Operating Profit Analysis

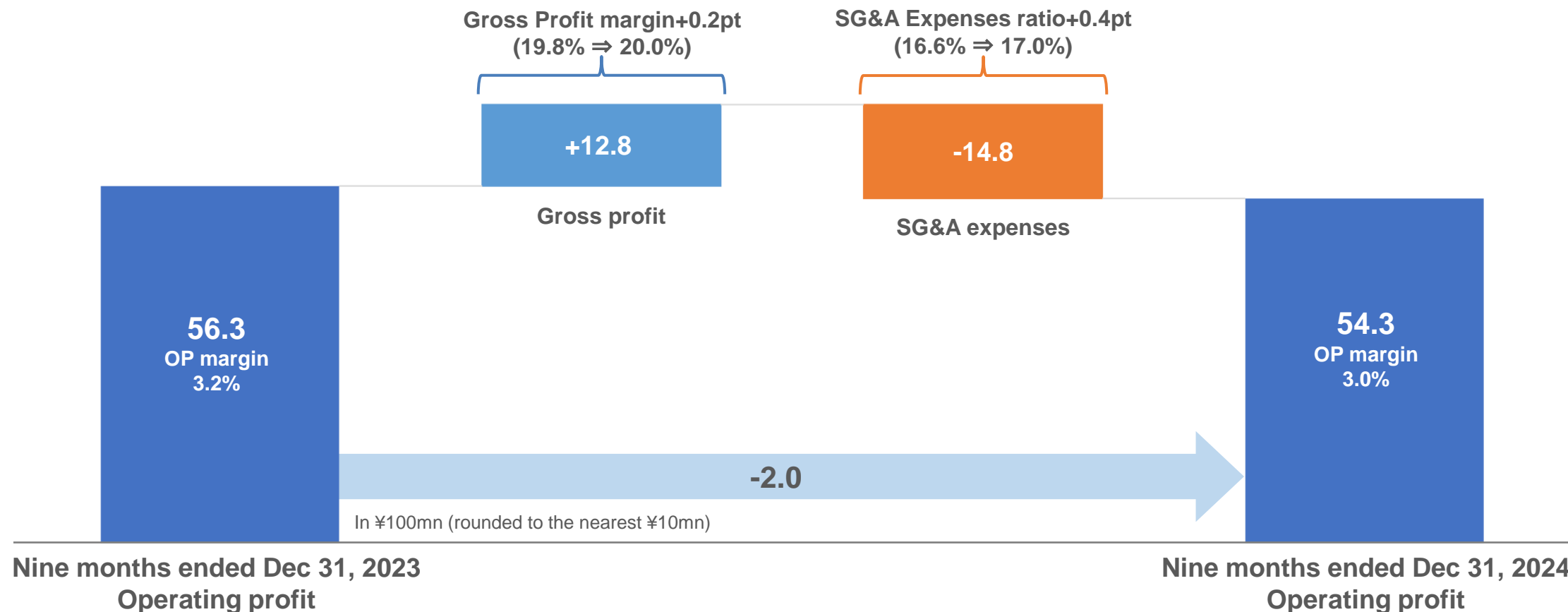
- Operating profit down ¥200mn (-3.5%)

Gross profit

Up ¥1,280mn due to a 0.2 point increase in gross profit margin led by progress in price negotiations and higher utilization rate, in addition to sales growth.

SG&A expenses

Up ¥1,480mn due to increases in 1) personnel expenses as a result of wage hikes, 2) information systems and digital talent development to reinforce management base, and 3) upfront investments for business growth including global expansion and AI adoption. SG&A ratio up 0.4 points.



11. transcosmos inc. Nine-month Net Profit Analysis



- transcosmos inc. six-month net profit down ¥600mn (-7.3%)

Non-operating income (loss)

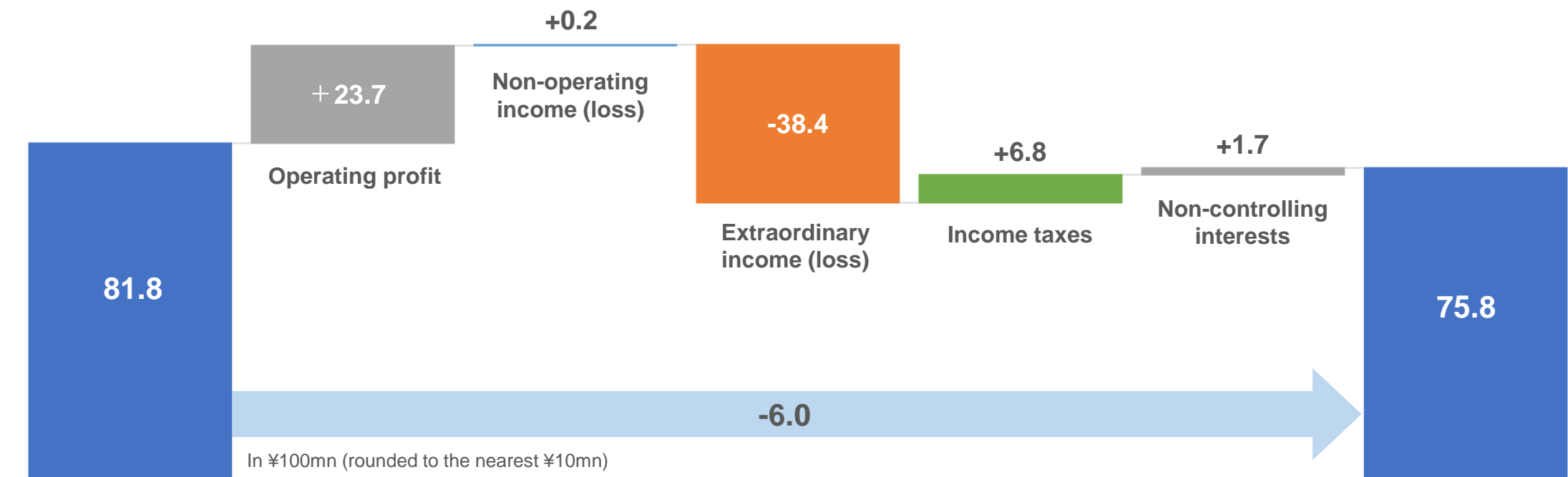
Up ¥20mn mainly due to an increase of foreign exchange gains.

Extraordinary income (loss)

Down ¥3,840mn mainly due to the impact of gain on sale of investment securities (¥3,170mn) recorded last year.

Income taxes

Down ¥680mn mainly due to a decrease in profit before income taxes.



Nine months ended Dec 31, 2023
transcosmos inc. six-month net profit

Nine months ended Dec 31, 2024
transcosmos inc. six-month net profit¹⁶

12. Consolidated Balance Sheet Summary

- **Current assets:** Cash and deposits increased mainly due to an increase in cash flows from operating activities.
- **Non-current assets:** Investment securities and deferred tax assets decreased.
- **Liabilities:** The Company's long-term borrowings decreased. Provision for bonuses decreased.
- **Net assets:** Retained earnings increased.

In ¥100mn (rounded to the nearest ¥10mn)	End of Mar. 2024	End of Dec. 2024	Change
Current assets	1,447.9	1,499.8	+51.9
Non-current assets	546.6	512.8	-33.8
Total assets	1,994.5	2,012.6	+18.1
Current liabilities	630.1	620.6	-9.5
Non-current liabilities	183.7	164.3	-19.4
Total liabilities	813.8	784.9	-28.9
Net assets	1,180.7	1,227.7	+47.0
Total liabilities & net assets	1,994.5	2,012.6	+18.1
Cash and deposits	648.4	715.7	+67.3
Interest-bearing liabilities	186.4	166.8	-19.6
Net cash*	462.1	548.9	+86.9
Net cash* to monthly sales ratio	1.5	1.8	+0.2

- Cash and deposits +67.3
- Notes and accounts receivable – trade -25.2

- Property, plant and equipment -13.8
- Investment securities -9.4
- Deferred tax assets -9.0

- Income taxes payable -11.1
- Provision for bonuses -19.9

- Long-term borrowings -20.4

- Retained earnings +45.5

*Net cash = Cash and deposits – interest-bearing liabilities

13. CAPEX, Amortization/Depreciation, Employees, Service Bases



● Capital expenditures/Depreciation expenses

In ¥100mn (rounded to the nearest ¥10mn)	Nine months ended Dec 31, 2023	Nine months ended Dec 31, 2024	%Change
Capital expenditures	33.0	27.0	-17.9%
Depreciation expenses	41.5	43.3	+4.3%

- CAPEX
Capital expenditures decreased mainly in the Parent Company and Overseas Affiliates.
- Depreciation
Depreciation expenses increased mainly due to the Parent Company's center openings in the previous fiscal year.

● Number of Employees

	End of Mar. 2024	End of Dec. 2024	Change
Consolidated basis	40,793	41,503	+710
(Temporary employees)	28,971	28,972	+1
Parent Company	17,325	17,990	+665
(Temporary employees)	21,626	20,997	-629

- Consolidated basis
Employees increased in Parent Company and Domestic Affiliates. Temporary employees decreased in Parent Company and Domestic Affiliates, and increased in ASEAN due to increase in new projects.
- Parent Company
Employees increased due to new graduate hires. Temporary employees decreased due to COVID project completions.

● Service Bases

	End of Mar. 2024	End of Dec. 2024	Change
Service bases	180	181	+1
(Japan)	71	72	+1
(Overseas)	109	109	0

- Japan
Opened BPO Center Nagasaki Stadium City.

*Service bases included the Company's own bases, head offices, branches, sales offices and bases of subsidiaries, associates, and partners.

- 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 ten million and the percentage is rounded to the first decimal place.



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