

**Global Digital Transformation Partner**

# **Supplemental Material for FY2021/3 Financial Results**

**(April 1, 2020 – March 31, 2021)**



**April 30, 2021**

**(Date of Revision: May 10, 2021)**

**transcosmos inc.**

(Note) transcosmos has revised this material along with the announcement “Partial Revision of Consolidated Financial Results for the Year Ended March 31, 2021 [J-GAAP]” disclosed on May 10, 2021. The revised pages are page 2, 5, 15, 16\*, 18, and 21. Revised texts are underlined.

\* We have added page 16 for your reference about our overseas investee.

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## **Key Initiatives**

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- Key Initiatives
- Enhance Service Capabilities: DEC Services
- Enhance Service Capabilities: BPO Services
- Accelerate Global Expansion
- Reinforce Business Foundation

## Achievements

- Sales increased by **7.9%** year over year, **hit a new all-time high.**
- Gross profit margin increased by **+2.1** points due to a healthier profitability in existing projects.
- Despite extraordinary factors including additional expenses incurred to take measures against COVID-19, **continued to keep SG&A expenses under control** in line with sales and profits.
- Operating income increased by **¥7 billion** year over year, and **broke the record.**

## Challenge /Initiatives

Grow sales and retain/increase profitability.



- Enhance service capabilities to beat competition.
- Accelerate global expansion.
- Reinforce business foundation that underpin growth/profitability.

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Income Statement for the Year Ended March 2021

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Balance Sheet, Cash Flow Statement, Dividend Policy for the Year Ended March 2021

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Key Initiatives



# Consolidated Income Statement Summary

- Sales increased due to an order increase in all segments.
- Operating income increased due to a healthier profitability in all segments.
- Ordinary income increased due to growth in operating income.
- Net income for the year attributable to owners of transcosmos inc. increased due to growth in both operating income and ordinary income despite an increase in tax expenses

In ¥ Million	FY2020/3		FY2021/3		Difference	
	Amount	Mix	Amount	Mix	Amount	Ratio
Sales	311,871	100.0%	<b>336,405</b>	<b>100.0%</b>	24,534	7.9%
Cost of Sales	257,262	82.5%	<b>270,518</b>	<b>80.4%</b>	13,255	5.2%
Gross Profit	54,608	17.5%	<b>65,887</b>	<b>19.6%</b>	11,279	20.7%
SG&A	43,918	14.1%	<b>48,135</b>	<b>14.3%</b>	4,216	9.6%
Operating Income	10,689	3.4%	<b>17,752</b>	<b>5.3%</b>	7,062	66.1%
Non-operating Profit and Loss	-1,735	-0.6%	<b>260</b>	<b>0.1%</b>	1,995	-
Ordinary Income	8,954	2.9%	<b>18,012</b>	<b>5.4%</b>	9,058	101.2%
Extraordinary Profit and Loss	1,144	0.4%	<b>-186</b>	<b>-0.1%</b>	-1,330	-
Net Income for the Year attributable to owners of transcosmos inc.	6,279	2.0%	<b><u>10,022</u></b>	<b><u>3.0%</u></b>	<u>3,743</u>	<u>59.6%</u>

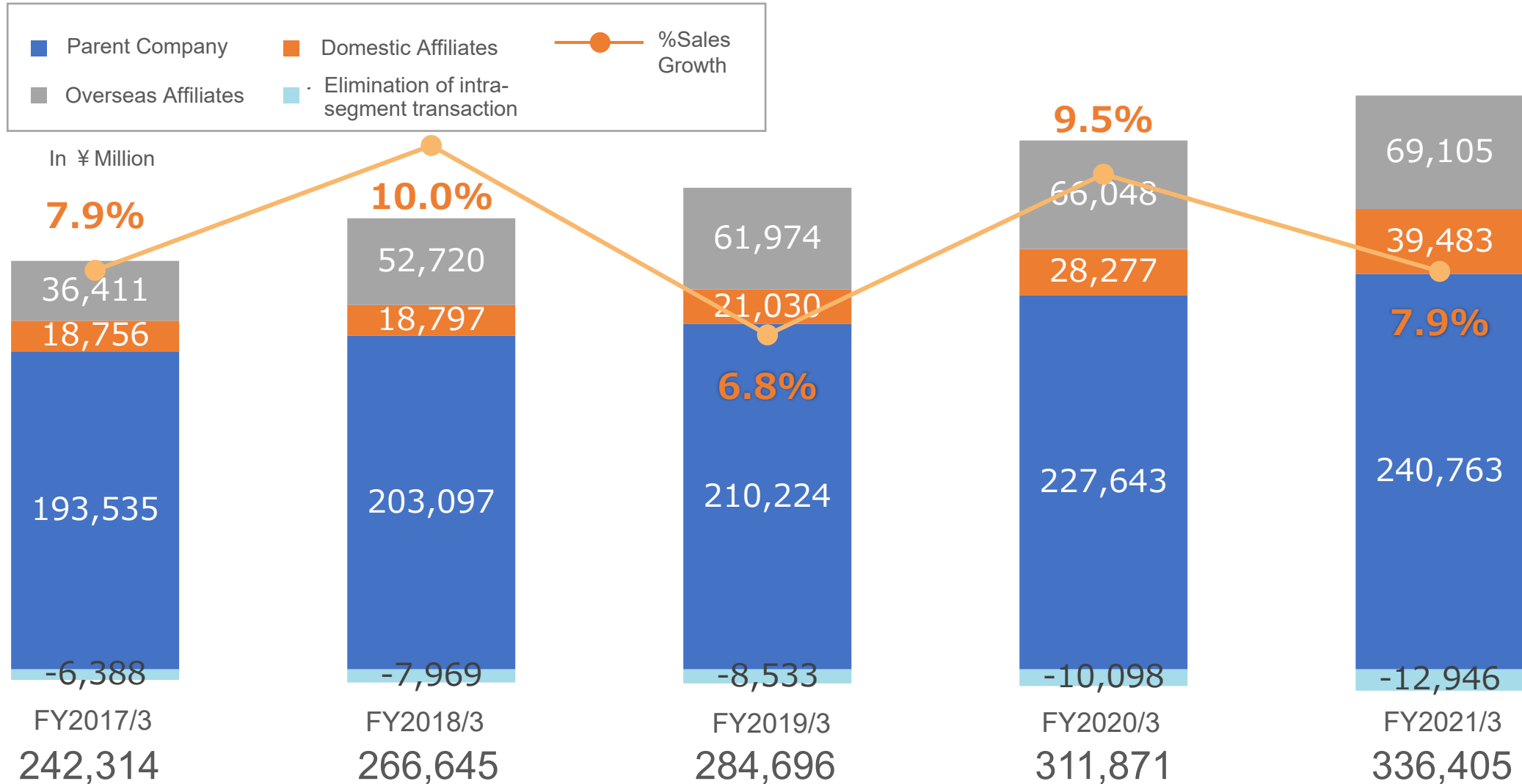
# Performance per Segment

- Parent Company: Both sales and profit increased. Profitability increased as a result of order growth due primarily to the expansion of existing large-scale projects, and new large-scale public projects.
- Domestic Affiliates: Both sales and profit increased, due primarily to ongoing favorable results of listed subsidiaries, and a positive impact of subsidiaries consolidated last year.
- Overseas Affiliates: Both sales and profit increased. Subsidiaries in China, South Korea and South East Asia achieved a solid performance.

In ¥ Million		FY2020/3		FY2021/3		Difference	
		Amount	Mix	Amount	Mix	Amount	Ratio
Sales	Parent Company	227,643	73.0%	<b>240,763</b>	<b>71.6%</b>	13,119	5.8%
	Domestic Affiliates	28,277	9.1%	<b>39,483</b>	<b>11.7%</b>	11,206	39.6%
	Overseas Affiliates	66,048	21.2%	<b>69,105</b>	<b>20.5%</b>	3,056	4.6%
	Elimination of intra segment transaction	-10,098	-3.3%	<b>-12,946</b>	<b>-3.8%</b>	-2,847	-28.2%
	<b>(Total)</b>	<b>311,871</b>	<b>100.0%</b>	<b>336,405</b>	<b>100.0%</b>	<b>24,534</b>	<b>7.9%</b>
Segment Income (Loss)	Parent Company	7,912	74.0%	<b>11,237</b>	<b>63.3%</b>	3,324	42.0%
	(%profit)	3.5%		<b>4.7%</b>			
	Domestic Affiliates	1,362	12.7%	<b>3,603</b>	<b>20.3%</b>	2,241	164.5%
	(%profit)	4.8%		<b>9.1%</b>			
	Overseas Affiliates	1,413	13.2%	<b>2,914</b>	<b>16.4%</b>	1,500	106.2%
(%profit)	2.1%		<b>4.2%</b>				
Elimination of intra segment transaction	1	0.1%	<b>-3</b>	<b>-0.0%</b>	-4	-	
<b>(Total)</b>	<b>10,689</b>	<b>100.0%</b>	<b>17,752</b>	<b>100.0%</b>	<b>7,062</b>	<b>66.1%</b>	

# Consolidated Sales Trend

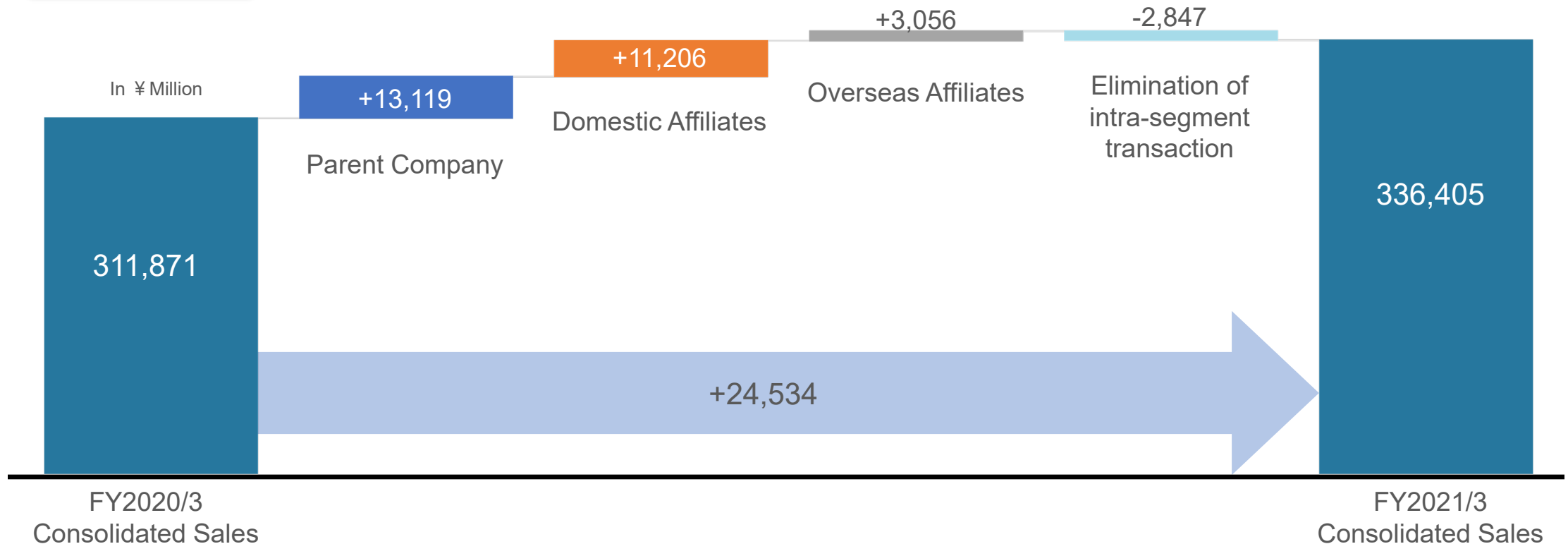
- Achieved sales growth for the 11<sup>th</sup> straight year, hit all-time high sales.



# Consolidated Sales Analysis

- Sales increased by ¥ 24,534 million (+7.9%).

<b>Parent Company</b>	Sales increased as a result of an increase in orders due primarily due to the expansion of existing large-scale projects, and new large-scale public projects.
<b>Domestic Affiliates</b>	Sales increased due primarily to sales growth in listed subsidiaries, and the positive impact of some subsidiaries consolidated in the third quarter of last year.
<b>Overseas Affiliates</b>	Sales increased primarily due to sales growth in South East Asian, Chinese, and South Korean subsidiaries.





# Parent Company Sales Analysis

- Sales increased by ¥ 13,119 million (+5.8%).

COVID-19  
Negative impact

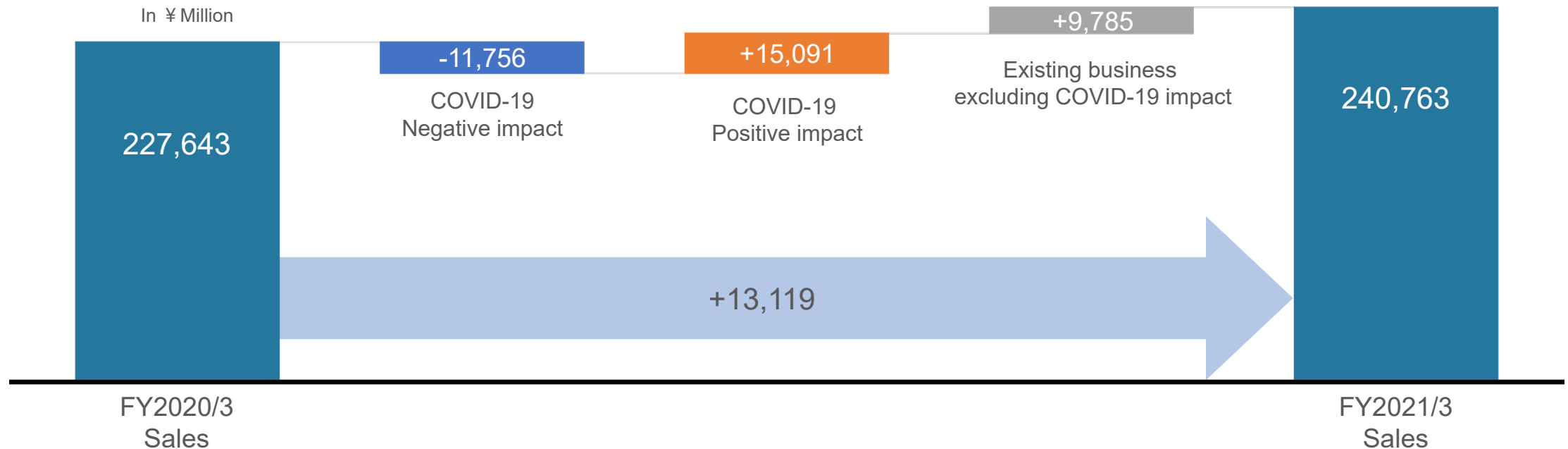
Orders decreased in online advertising and engineering, the two most hit services due to a voluntary restraint of corporate activities.

COVID-19  
Positive impact

With a proactive approach, received orders that help retain social infrastructure, primarily public projects related to COVID-19 countermeasures/emergency economic packages.

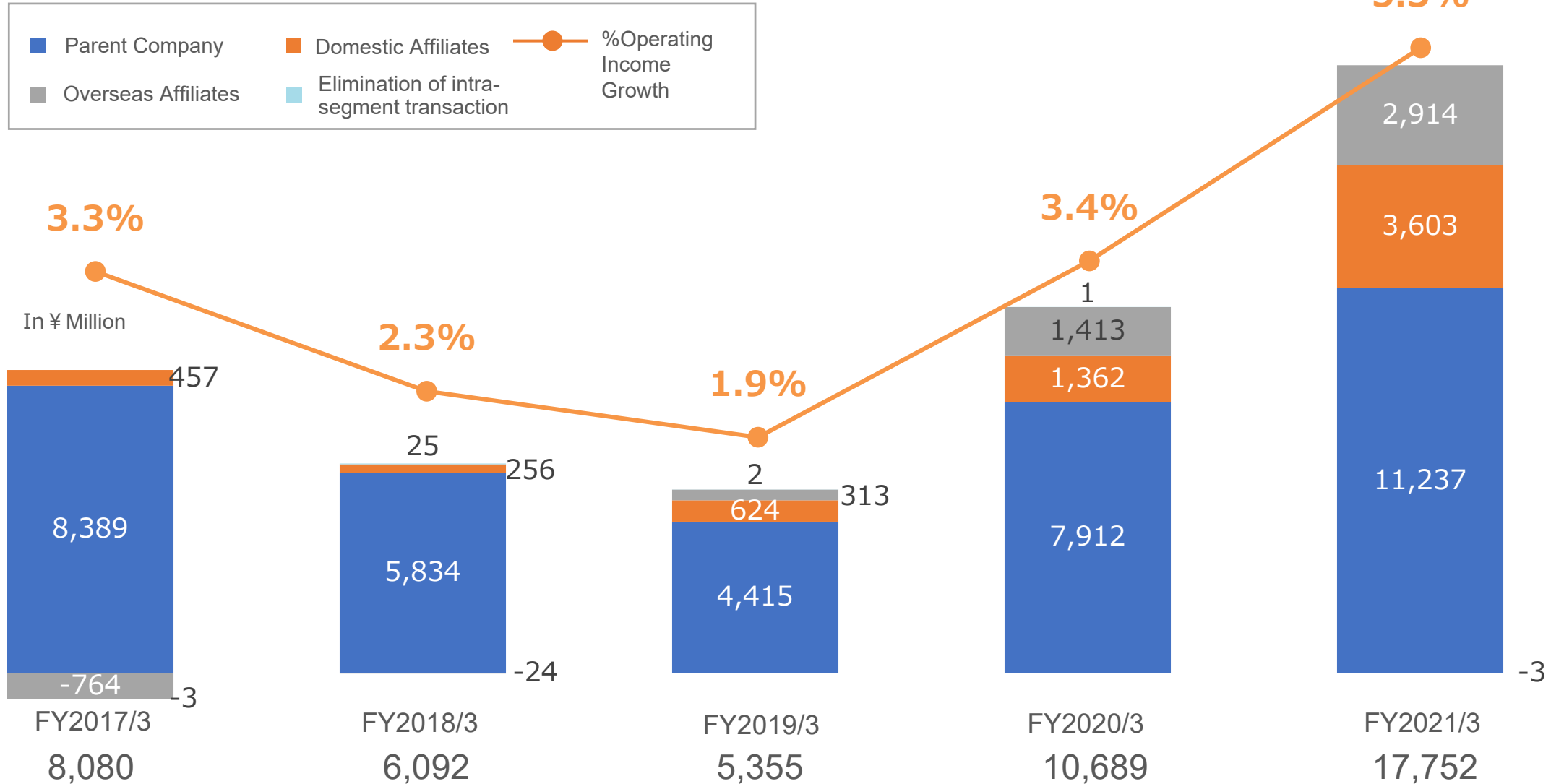
Excluding COVID-19  
Existing business

Sales increased primarily due to the expansion of some large-scale existing projects.



# Consolidated Operating Income Trend

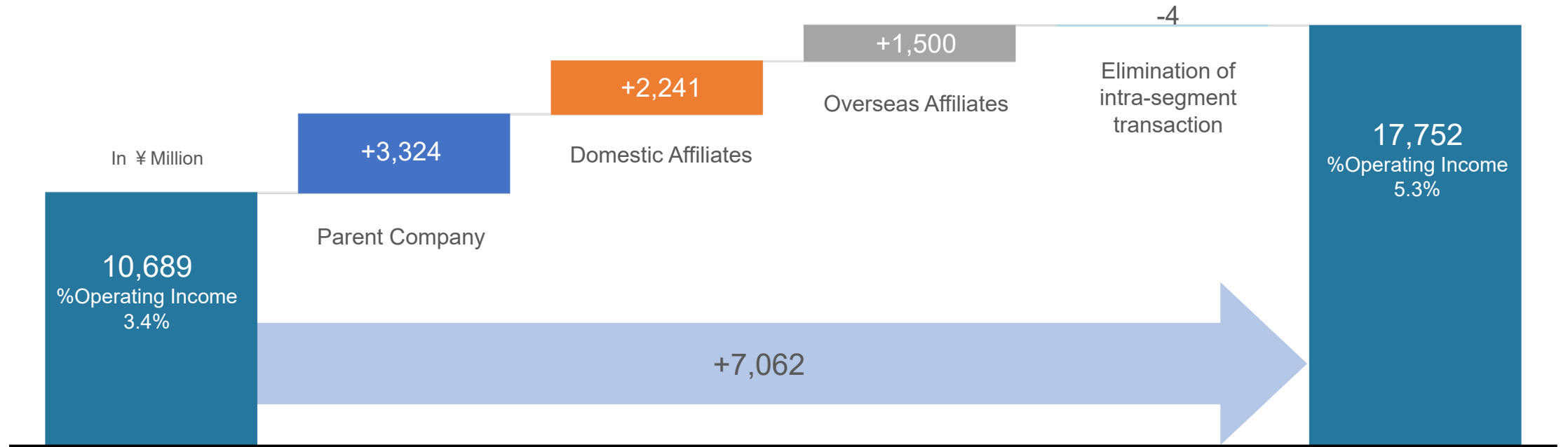
- Consolidated operating income marked a new high since the Company went public, operating income ratio bounced back to a level of 5%.



# Consolidated Operating Income Analysis

- Operating income increased by ¥ 7,062 million (+66.1%).

<b>Parent Company</b>	Operating income increased due primarily to a healthier profitability in existing large-scale projects, and new large-scale public project.
<b>Domestic Affiliates</b>	Operating income increased due primarily to a healthier profitability in some listed subsidiaries, and the positive impact of some subsidiaries consolidated in the third quarter of last year.
<b>Overseas Affiliates</b>	Operating income increased due primarily to a healthier profitability in Chinese, South Korean, and South East Asian subsidiaries.



# Parent Company Operating Income Analysis

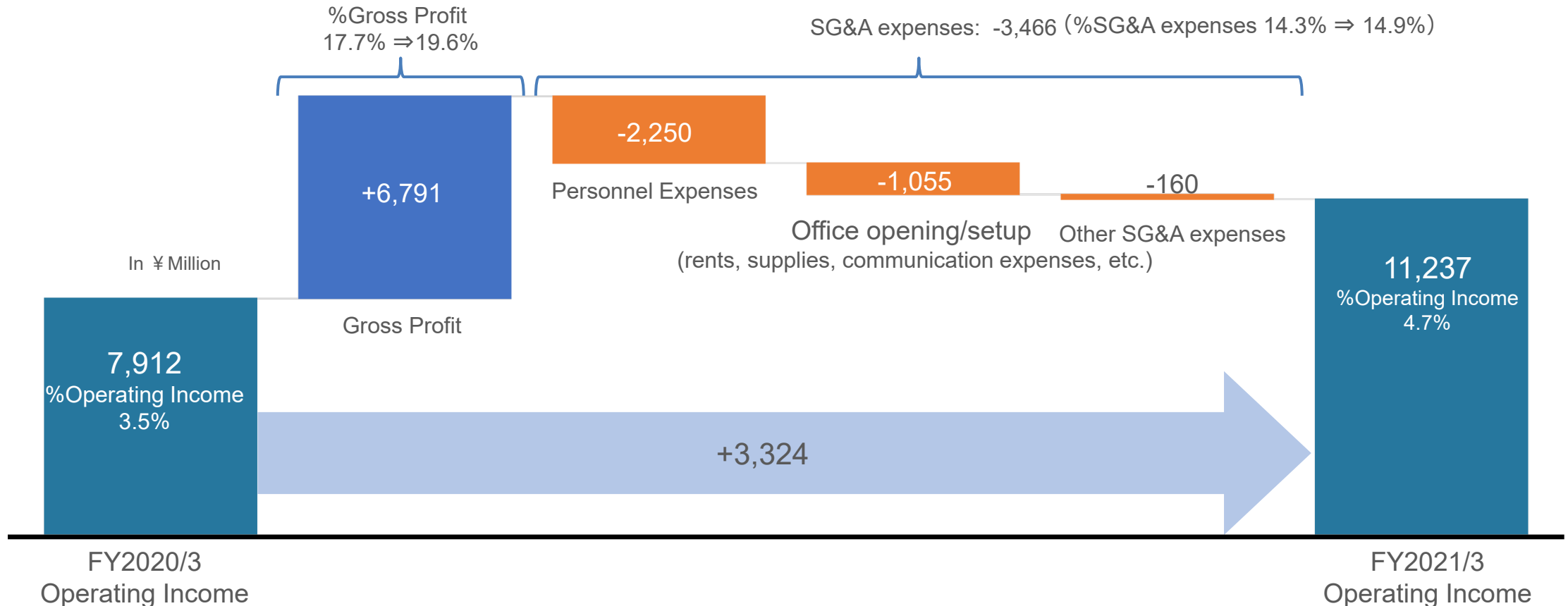
- Operating income increased by ¥ 3,324 million (+42.0%).

**Gross Profit**

Gross profit ratio increased by 1.9 points primarily due to a higher profitability achieved by enhancing profitability in existing large-scale projects, new large-scale public projects, and a lower employee turnover ratio.

**SG&A Expenses**

SG&A expensed increased by ¥ 3,466 million due primarily to additional expenses incurred for the opening of Tokyo Main Office 2 to accommodate growing business, and other extra ordinary factors that include measures against COVID-19, resulting in a 0.6 point increase in SG&A ratio. Without these extraordinary factors, the Company mostly maintained effective cost management.



# Quarterly Performance per Segment (Jan – Mar, 2021))



- Sales increased by ¥7,729 million, +9.5%, due to the sales growth in all segments.
- Operating income increased by ¥ 1,633 million, +56.4%, due to a higher operating income in all segments.

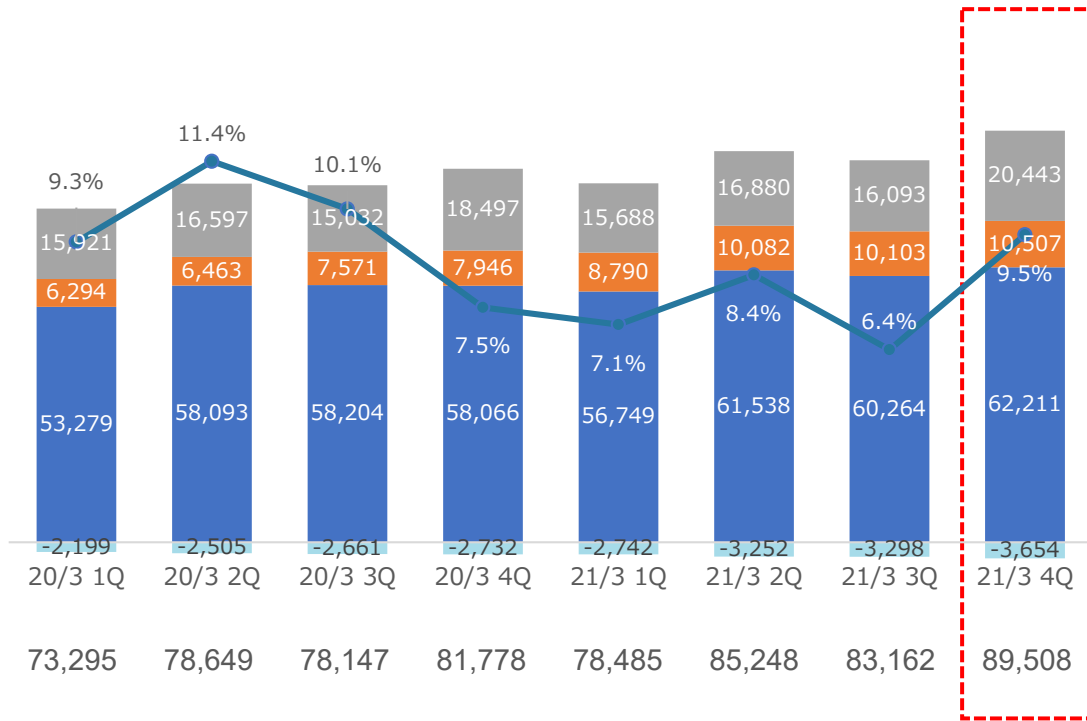
In ¥ Million		Q4 FY2020/3		Q4 FY2021/3		Difference	
		Amount	Mix	Amount	Mix	Amount	Ratio
Sales	Parent Company	58,066	71.0%	<b>62,211</b>	<b>69.5%</b>	4,145	7.1%
	Domestic Affiliates	7,946	9.7%	<b>10,507</b>	<b>11.7%</b>	2,560	32.2%
	Overseas Affiliates	18,497	22.6%	<b>20,443</b>	<b>22.8%</b>	1,945	10.5%
	Elimination of intra segment transaction	-2,732	-3.3%	<b>-3,654</b>	<b>-4.0%</b>	-921	-33.7%
	<b>(Total)</b>	<b>81,778</b>	<b>100.0%</b>	<b>89,508</b>	<b>100.0%</b>	<b>7,729</b>	<b>9.5%</b>
Segment Income (Loss)	Parent Company	1,996	69.0%	<b>2,470</b>	<b>54.6%</b>	474	23.8%
	(%profit)	3.4%		<b>4.0%</b>			
	Domestic Affiliates	227	7.9%	<b>897</b>	<b>19.8%</b>	669	294.1%
	(%profit)	2.9%		<b>8.5%</b>			
	Overseas Affiliates	656	22.7%	<b>1,139</b>	<b>25.2%</b>	483	73.6%
(%profit)	3.5%		<b>5.6%</b>				
Elimination of intra segment transaction	14	0.4%	<b>20</b>	<b>0.4%</b>	5	40.6%	
<b>(Total)</b>	<b>2,894</b>	<b>100.0%</b>	<b>4,528</b>	<b>100.0%</b>	<b>1,633</b>	<b>56.4%</b>	

# Consolidated Quarterly Performance Trend

- Sales: Sales continued to maintain an upward trend due primarily to the accelerated growth rate of parent company/overseas affiliates compared to the third quarter of this year.
- Operating Income: Operating Income: Despite an increase in SG&A expenses compared to the third quarter of this year primarily due to the enhancement of office and operational environment for future growth, profitability retained a positive trajectory.

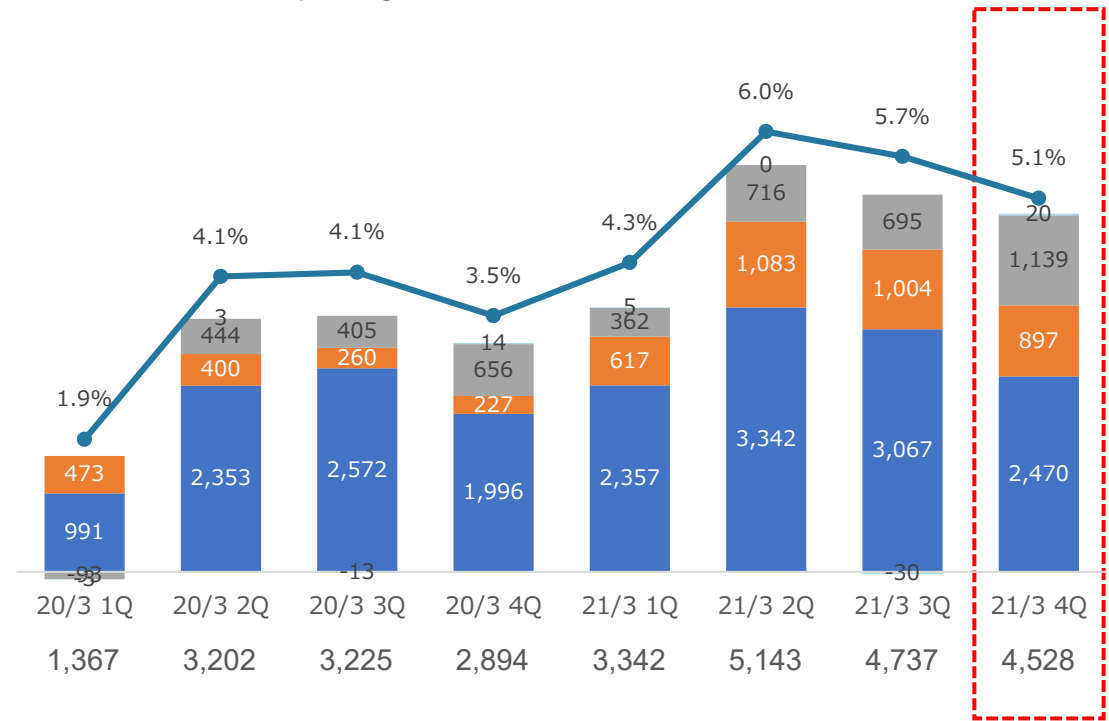
## Sales

In ¥ Million — %Sales Growth



## Operating Income

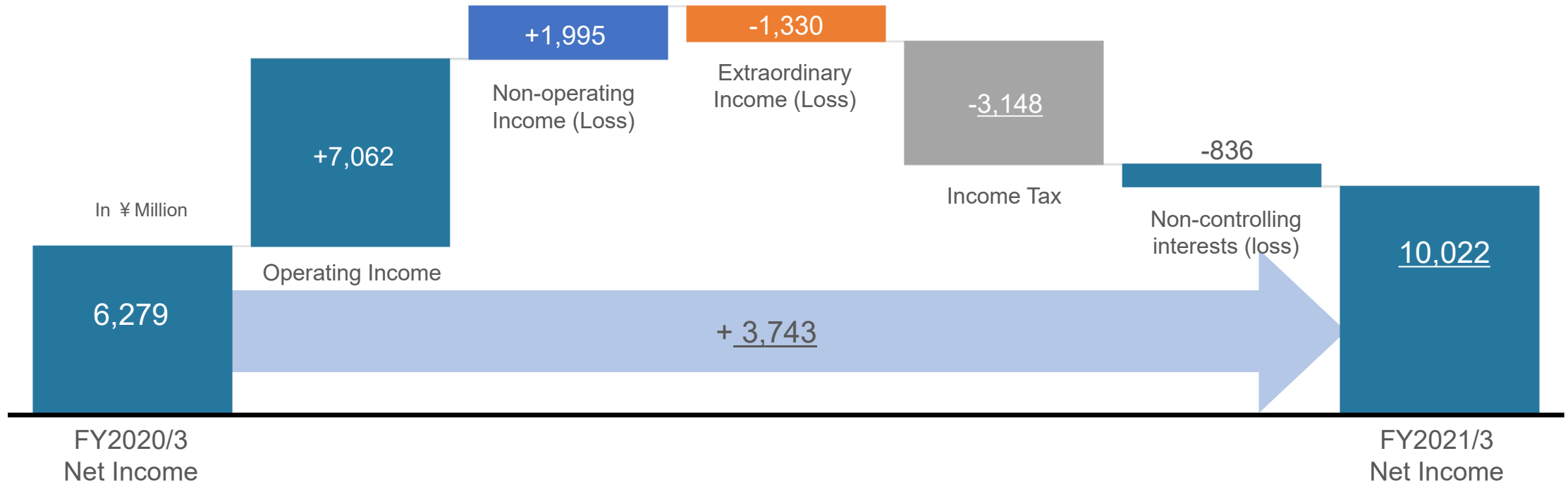
In ¥ Million — %Operating Income



# transcosmos inc. Net Income Analysis

- transcosmos inc. net income for the year increased by ¥3,743 million (+59.6%).

Non-operating income (loss)	Non-operating income increased by ¥ 1,995 million due primarily to a decrease in losses from equity method affiliates, an increase in a subsidy income, and recording of foreign exchange gains (recorded exchange losses in the previous fiscal year).
Extraordinary income (loss)	Extraordinary income decreased by 1,330 million primarily due to a lack of gain on sale of investment securities as opposed to the same quarter last year when the gain was recorded.
Corporate income tax, etc.	Corporate income tax and other expenses increased by ¥ <u>3,148</u> million, due to tax expenses incurred associated with a strategic reorganization of an overseas investee as a result of a significant increase in its corporate value.



# (Reference) About the Overseas Investee

- In 2016, the Company invested in Infracommerce, the leading e-commerce one-stop shop service provider in Brazil and Central and South America, with the purpose of providing e-commerce one-stop shop services in the region. Since then, Infracommerce has made steady growth along with the expansion of e-commerce market in Brazil and Central and South America.
- In February 2021, the Company agreed with Infracommerce to reorganize the company in preparation for making its IPO on a stock exchange in Brazil. After that, its performance surged partly due to growing demand under the COVID-19 lockdown Backed by potential investors' favorable view on its rapid business growth, and its valuation (market capitalization) surged significantly.

## infra.commerce

Company name	Infracommerce
Date of foundation	December, 2012
Employees	Over 1,500
Headquarters/Coverage	São Paulo, Brazil/ Brazil, Mexico, Colombia, Argentina, Chile
Business overview	E-commerce one-stop shop provider operating in Brazil and the Latin American region. The services include all e-commerce related services, omni-channel platform, fulfillment, and fintech solutions.
Investment ratio	10%

Listing Date: May 5, 2021 (JST)

Listed Market: BM&F Bovespa

Public Offering Price: 16BRL

Market Capitalization of the Company's

Equity: **7,454 million yen**

(based on the closing price of May 8, 2021 (JST))



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Key Initiatives



# Consolidated Balance Sheet Summary

- Assets: “Cash and deposits” increased due to an increase the parent company’s loans payable. “Notes and accounts receivable-trade” increased.
- Liabilities: “Current portion of convertible bonds” decreased due to the redemption of bonds. “Long-term loans payable” increased due to the parent company’s new loans. “Accrued income taxes” increased.
- Net Assets: “Retained earnings” increased.

In ¥Million	End of Mar. 2020	End of Mar. 2021	Difference
Current Assets	96,922	<b>120,530</b>	23,608
Fixed Assets	47,062	<b>55,352</b>	8,289
Total Assets	143,985	<b>175,883</b>	31,898
Current Liabilities	63,432	<b>63,886</b>	453
Fixed Liabilities	2,583	<b>19,480</b>	16,897
Total Liabilities	66,015	<b>83,366</b>	17,351
Net Assets	77,969	<b>92,516</b>	14,547
Liabilities/Net Assets Total	143,985	<b>175,883</b>	31,898
Cash and deposits	35,012	<b>49,903</b>	14,891
Interest-bearing debt	13,432	<b>19,097</b>	5,665
Net Cash*	21,579	<b>30,806</b>	9,226

- Cash and deposits +14,891
- Notes and accounts receivable – trade+6,642

- Tangible fixed assets +2,477
- Investment securities +2,431
- Shares of affiliates +3,786
- Investments in capital of affiliates - 4,944
- Differed tax assets +2,826

- Current portion of convertible bonds - 10,007
- Accrued income taxes +4,959

- Long-term loans payable +16,104

- Retained earnings +8,427
- Non-controlling interests +2,932

\*Net Cash = Cash and deposits – interest-bearing debt

# (Reference) Listed Holdings Held by the Company

- List of listed holdings held by transcosmos inc.

In ¥ Million

Type	Stock name	Market	Securities code	Fair value *
Stock of affiliated companies	J-Stream Inc.	TSE Mothers	4308	30,686
	APPLIED TECHNOLOGY CO.,LTD.	TSE JQS	4356	4,277
	eMnet Inc.	KOSDAQ	123570	3,097
	PFSweb Inc.	NASDAQ	PFSW	2,955
Investment securities	Menicon Co., Ltd.	First Section of TSE	7780	671
	Twilio Inc.	NYSE	TWLO	595
	Geniee, Inc.	TSE Mothers	6562	499
	Japan Airlines Co., Ltd.	First Section of TSE	9201	104
	MTG Co., Ltd.	TSE Mothers	7806	28
	MIZUNO Corporation	First Section of TSE	8022	22
	JACCS CO., LTD.	First Section of TSE	8584	12
	The RealReal, Inc.	NASDAQ	REAL	6
Total				42,958

- List of listed holdings held by Group companies

Type	Stock name	Market	Securities code	Fair value *
Investment securities	北京騰信創新網絡營銷技術股份有限公司 (TensynPRC)	ChiNext	300392	5,245

\* Fair values are calculated based on the closing price of April 28, 2021. Note that fair values of PFSweb, Twilio and RealReal are calculated based on the closing price of April 27, 2021.

# Consolidated Cash Flow Statement

- Cash flows from operating activities: “Net income before income taxes” increased.
- Cash flows from investing activities: “Proceeds from sale of investment securities” decreased.
- Cash flows from financing activities: “Proceeds from short-term loans payable” increased.

In ¥Million	FY2020/3	FY2021/3	Difference
Cash flows from operating activities	8,093	<b>15,715</b>	7,621
Cash flows from investing activities	-6,885	<b>-8,402</b>	-1,516
Cash flows from financing activities	-2,093	<b>6,735</b>	8,829
Balance of cash and cash equivalents	34,920	<b>49,074</b>	14,153
Free cash flow *	1,207	<b>7,312</b>	6,105

\*Free cash flow = Cash flows from operating activities + Cash flows from investing activities.

# Dividend Policy

- The Company's dividend policy focuses on dividend payout ratio in order to pay dividends that are linked to the Company's business performance.
- The Company pays year-end dividends based on a consolidated dividend payout ratio of around 30%.
- For the fiscal year ended March 2021, considering the fact that the Company achieved a solid performance under the COVID-19 crisis, and that the Company incurred tax expenses associated with a strategic reorganization of an overseas investee as a result of a significant increase in its corporate valuation, the Company plans to make a year-end dividend of 93 yen per share, making a special dividend payment of 20 yen per share in addition to an ordinary dividend of 73 yen per share.

	FY2017/3	FY2018/3	FY2019/3	FY2020/3	FY2021/3 (Plan)
Dividends per share (yen)	52	23	33	46	<u>93</u> ( Ordinary dividend <u>73</u> Special dividend 20 )
Consolidated dividends payout ratio (%)	30.1	-	30.9	30.4	<u>38.5</u>

# (Reference) CAPEX, Depreciation/Amortization, Employees and Service bases



## ● CAPEX, Depreciation and Amortization

In ¥Million	FY2020/3	FY2021/3	%Difference
Capital expenditures	5,544	<b>6,412</b>	15.6%
Depreciation and amortization	3,567	<b>4,619</b>	29.5%

### ● CAPEX

Increased mainly due to the opening/expansion of centers and business offices in parent company.

### ● Depreciation and Amortization

Increased mainly due to the opening/expansion of centers and business offices in parent company in the previous fiscal year.

## ● Number of Employees

	End of Mar. 2020	End of Mar. 2021	Difference
Consolidated basis	32,666	<b>35,760</b>	3,094
(Temporary employees)	25,850	<b>27,915</b>	2,065
Parent Company	15,173	<b>15,949</b>	776
(Temporary employees)	21,430	<b>22,915</b>	1,485

### ● Employees

Number of employees, including temporary employees increased mainly due to new graduate hires and business growth in the parent company, and an increase in overseas projects.

## ● Service Bases

	End of Mar. 2020	End of Mar. 2021	Difference
Service bases	171	<b>167</b>	-4
(Japan)	66	<b>64</b>	-2
(Overseas)	105	<b>103</b>	-2

### ● Service bases

Japan: Opened MCM Center Ikebukuro EAST, EXC Tenjin office, etc. At the same time, the number of BPO centers decreased.

Overseas: Opened Kuala Lumpur Center No.2 in Malaysia. On the contrary, the number of bases in North America and Europe decreased.

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

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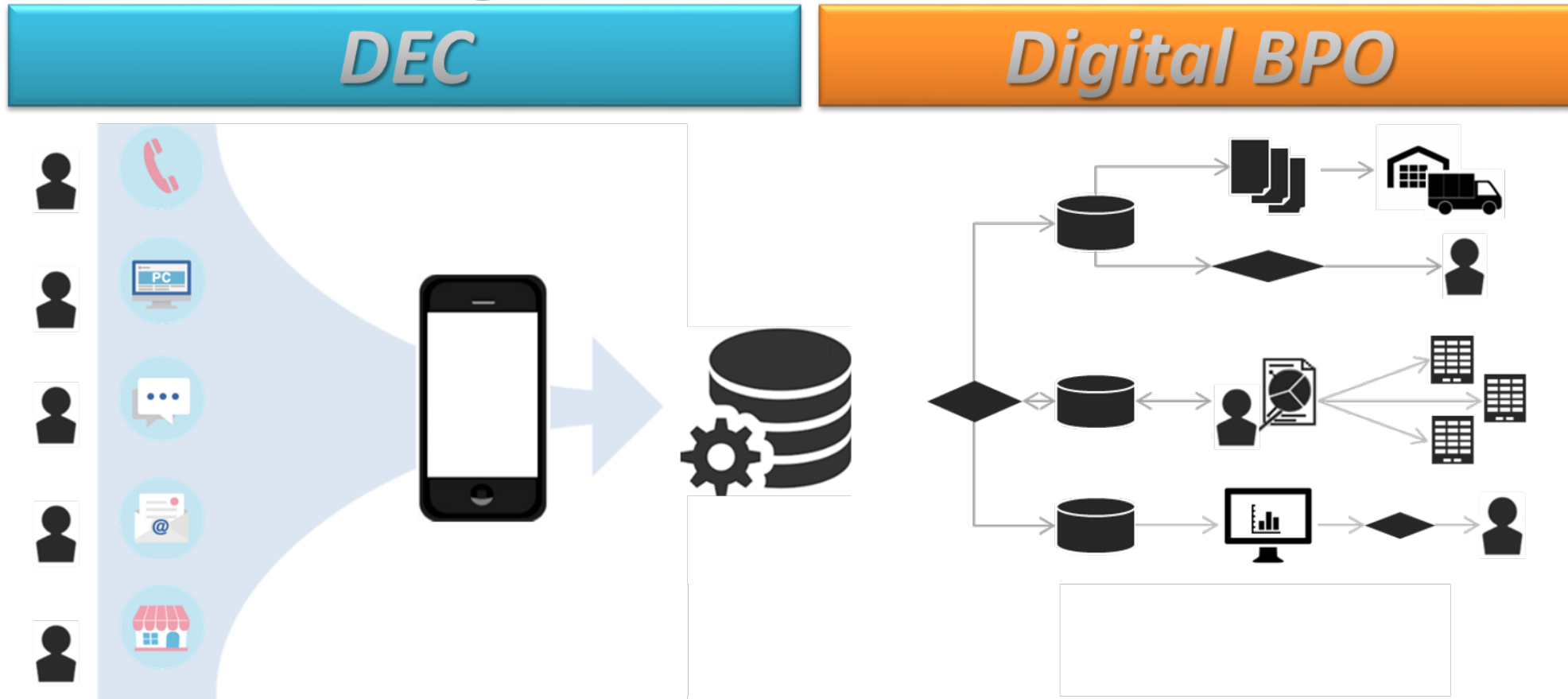
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Key Initiatives



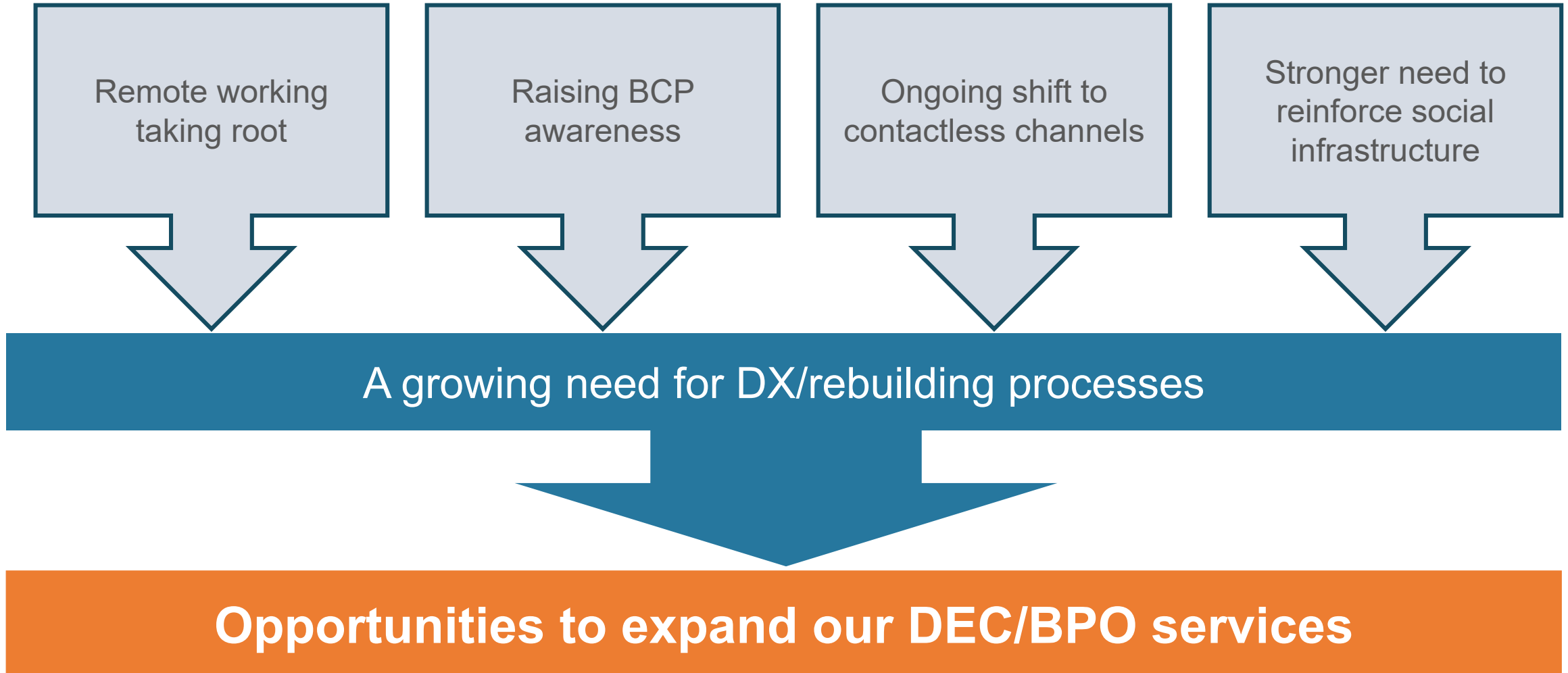
We aspire to be the one and only global outsourcing services player  
that serves for clients' topline growth

## Global Digital Transformation Partner



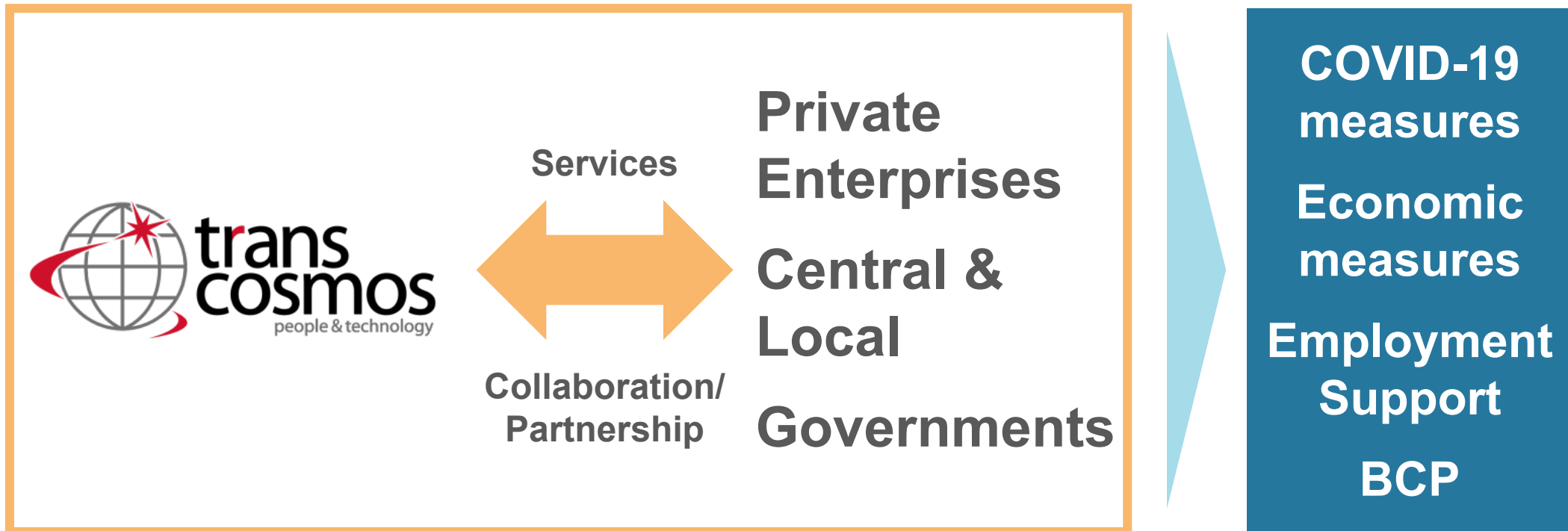


- The COVID-19 crisis has changed our business landscape. We perceive the changed environment as our growth opportunity.



# As a company serving our society

- We have reaffirmed our social mission under the COVID-19 crisis.
- Putting the first priority on taking effective COVID-19 measures throughout our Group, we will continue to operate our businesses as a company serving society.



# Key Initiatives

- We will achieve both topline growth and higher profitability by enhancing our service capabilities, accelerating global expansion, and reinforcing our business foundation.

## Enhance Service Capabilities

DX / Group Synergy / M&A / Alliance

## Accelerate Global Expansion

A strong focus on China, South Korea and South East Asia

## Reinforce Business Foundation

Human Capital / Facility

# Enhance Service Capabilities: DEC Services

- Our DEC services offer end-to-end services ranging from marketing, to sales, to customer communication.
- We will promote our highly competitive services with integrated models, work-from-home services, digital tools, and the power of our Group collaboration.

## DEC

### DM

#### Digital Marketing

- Our one-stop shop service framework helps businesses run internet marketing & promotion, build/operate websites, and more.
- We have one of the largest website development/operations service frameworks in Japan.

X

### EC

#### E-Commerce One-Stop

- Our one-stop shop e-commerce operations services stretch from building/operating e-commerce websites, to fulfilment, and more.
- We are empowering customers across 48 countries and regions.

X

### CC

#### Contact Center

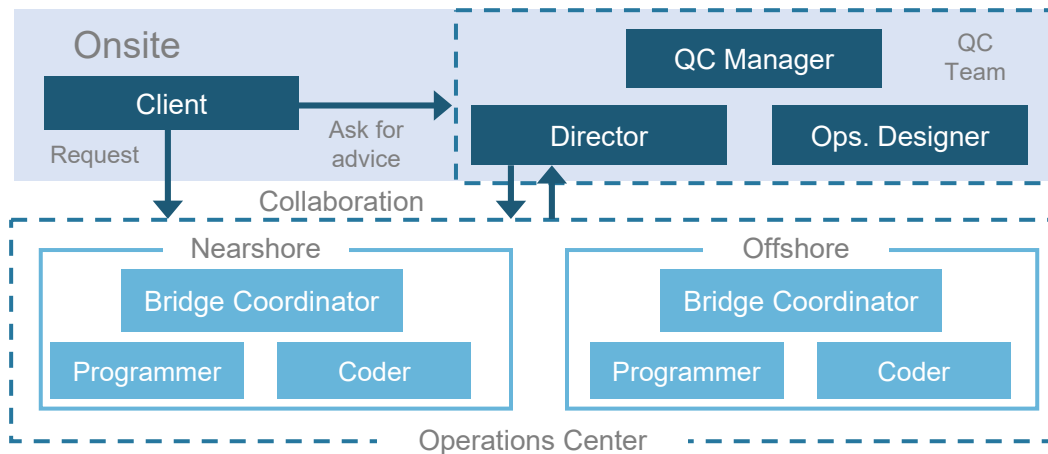
- We are one of the largest contact center services players in Asia.
- We deliver contact center services through one of the largest networks in Japan with about 30 centers/17,320 workstations in Japan, and around 40 centers/13,490 workstations overseas.

# Enhance Service Capabilities: DEC Services

- Building on our abundant record and expertise in serving over 600 companies a year, we design the user flows, and plan/develop content.

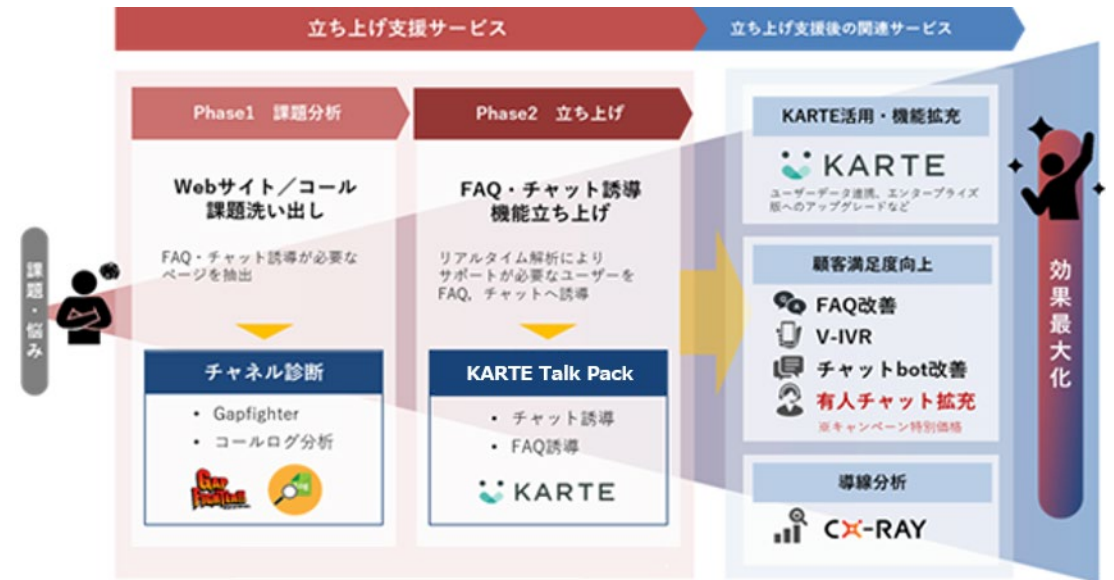
## Website development/operations services

Develop/operate websites combining onsite, near-shore, off-shore and outsourcing services, and achieve higher productivity whilst reducing costs.



## Marketing solutions implementation services

Choose the best solution for each client's specific challenge from an extensive range of services including MA, CXM, CRM, and more.



# Enhance Service Capabilities: DEC Services

- We have a diverse range of chatbot services (AI-powered automated chat, rule-based simple chatbot, etc.)
- We will create effective customer communication, and build customer engagement.

With a chat-based conversation engine,  
we will build 24/7 customer service framework

We will build a framework that enables clients to analyze their users' real inquiries, and respond in a timely fashion.

## ■問い合わせイメージ



**STEP 1**  
お問い合わせページ右下のアイコンよりご利用ください。

**STEP 2**  
最下部の入力フォームよりご質問ください。

**STEP 3**  
ANA自動チャットがお客様のご質問にお答えします。

Central management for customer inquiries coming from every possible channel

Our auto-response chat support tool optimized for contact center operations.

## DEC Support

- 1 Web/LINE/Facebook等、自由な顧客インターフェース
- 2 人工知能(AI)やFAQ/CRMシステム連携による拡張性
- 3 充実したモニタリング/レポート機能
- 4 チャットボットと有人対応のハイブリッド運用
- 5 キャリアグレード基準を満たす、高いシステム安定性



# Enhance Service Capabilities: DEC Services

- We are the proven No.1 service provider in the Asian region as a digital contact center player.

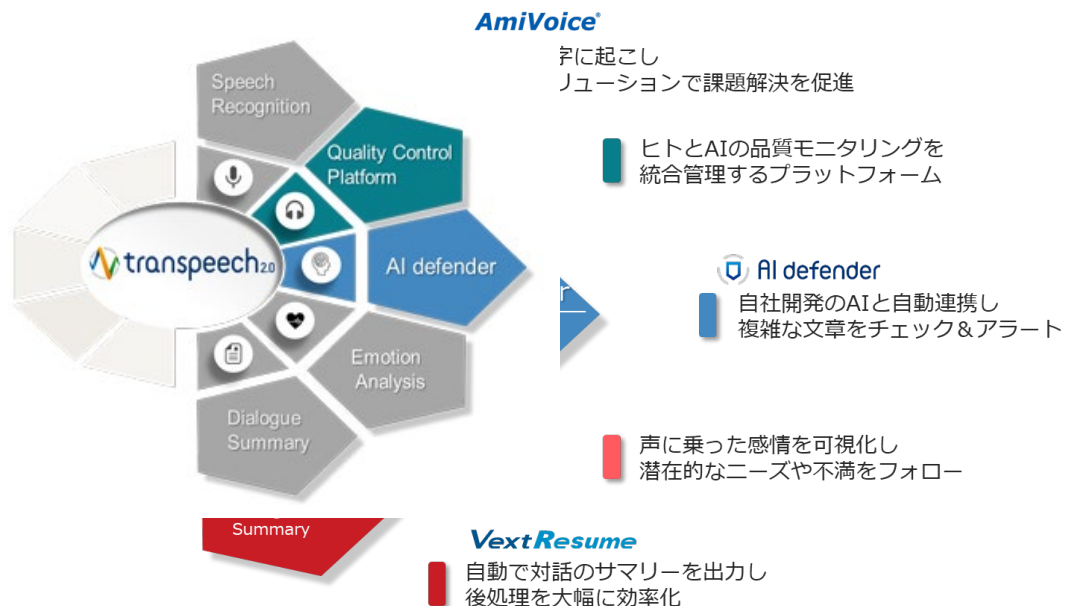
Number of our work-from-home contact center agents\*

Japan: c.2,000

Overseas: c.6,300

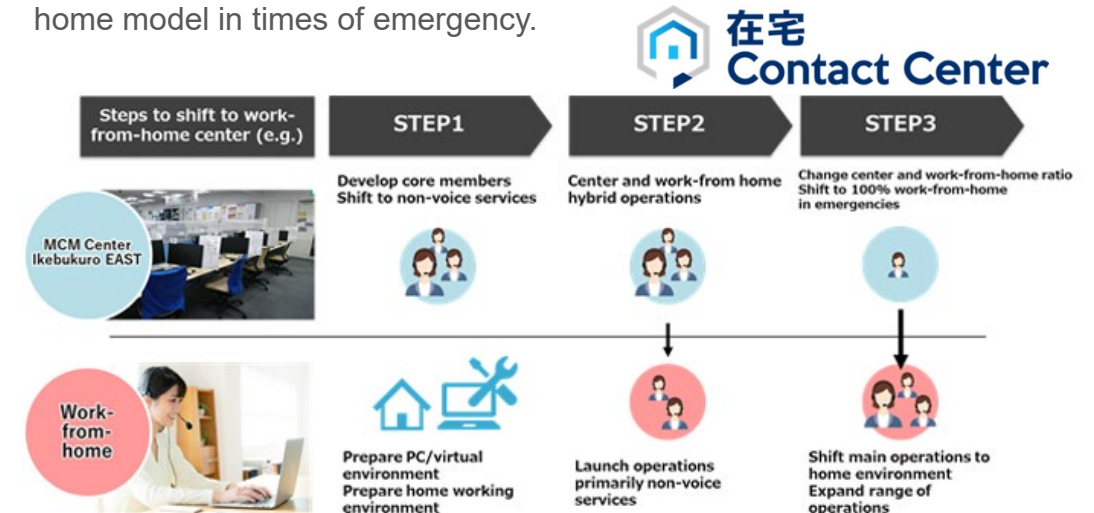
## transpeech 2.0, our speech recognition solution

With its five features, it helps resolve contact center challenges. Now in use at about 1,300 workstations.



## Marketing Chain Management Center Ikebukuro EAST, - the state-of-the-art contact center with work-from-home arrangements for backup - now under operation

The center has facilities for recruiting, training and OJT, enabling agents to perform contact center operations from home. It also has backup features for work-from-home operations. We can offer center and work-from-home hybrid operations, and convert the center to 100% work-from-home model in times of emergency.



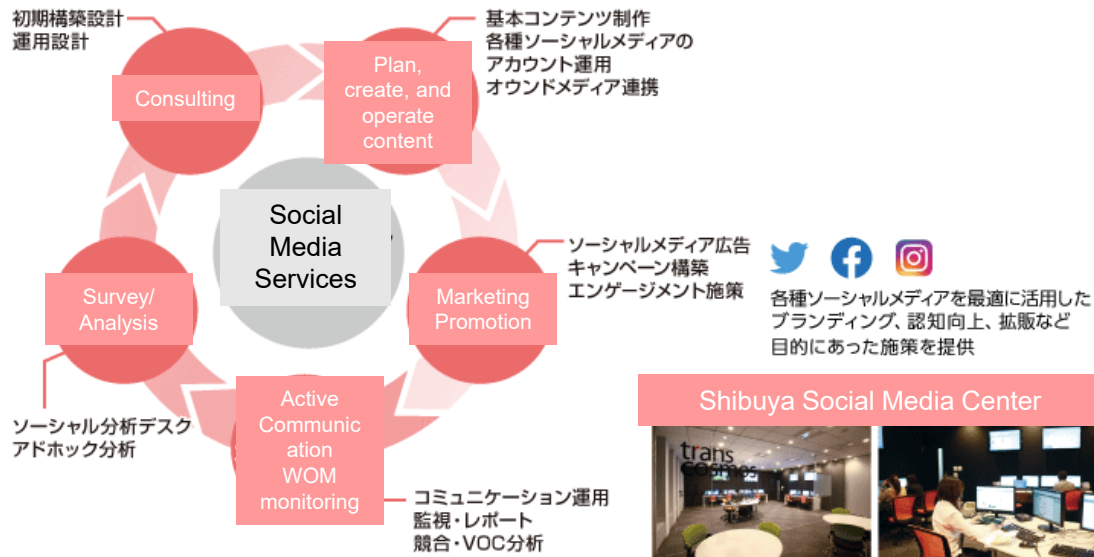
\* Japan: as of Mar. 2021. Overseas: as of Apr. 2021. 31

# Enhance Service Capabilities: DEC Services

- We have opened the industry's first social media center specifically designed for social media customer services.

## Making the most of social media, we offer branding, awareness building, and sales promotion services

Our center offers a variety of social media operations services such as Twitter campaigns. 24/7 operations/monitoring services for diverse social media channels.



## One-stop shop LINE services

We help customers achieve their KPIs with our expertise built on over 100 LINE account implementation records.

Design Capabilities	Operational Capabilities	Development Capabilities
<p>アカウントの目的に合わせた集客コンサルティングを行い、最適な方法での認知獲得を支援します。</p>	<p>アカウント導入数100社以上の知見をもとに、設計～運用～PDCAの実施まで、LINEマーケティングの成功をトータルサポートします。</p>	<p>トランスコスモスが独自開発したAPI連携プラットフォーム「DEC Connect (デックコネクト)」をハブとし、LINE効果の最大化を目指す各種開発業務にも対応しています。</p>
<p>DL数No. 1</p> <p>平均DL数 A社DL数</p>	<p>使用回数 No. 1</p> <p>平均使用回数 A社使用回数</p>	
<p>歴代No.1スポンサードスタンプ実績</p> <p>ソーシャルメディアセンター</p>		



# Enhance Service Capabilities: DEC Services

- With the aim of capturing the fast-growing e-commerce market, we will promote our highly competitive services in partnership with the world's leading e-commerce platforms and solutions.

## Multichannel commerce platform empowering 175 countries in the world

We offer Shopify-based e-commerce one-stop shop services. We are one of the only five official "Shopify Plus" partners in Japan (as of Mar. 2021)



**Fulfillment**  
Optimize logistics  
Execute initiatives to improve packing and delivery operations.  
Streamline bundling, inventory count and arrangement with delivery companies.

**Admin office & Order management**  
Drive efficiency by automation  
Reduce costs and streamline operations by addressing cumbersome analog management and shifting to a centralized management process using RPA.

**Customer services**  
Operate multi-channel contact centers  
Offer customer services that work in tandem with back-office operations across multiple channels.


**Survey analysis & Strategy setting**  
Loyalty program & CX management  
Create and re-design customer touchpoints by integrating & analyzing user data, VOC, behavioral log, etc.

**E-commerce marketing campaigns**  
Advertise products via various channels  
Create ad accounts and social accounts.  
Create campaigns and creative content.

**E-commerce website development & operations**  
Build e-commerce system w/ Shopify  
Develop functions required for shops.  
Partnership from content strategy planning phase.


## Powerful solutions that realize DX in stores and expand online sales

The No.1 virtual online shopping solution in Europe and U.S.




(接客画面・顧客側) × (管理画面・ショップスタッフ側)

Leading AI-powered visual marketing software for Instagram, and more.



## A certified partner of leading e-commerce platform in ASEAN

As a Lazada partner, we will further push our e-commerce and retail businesses in the ASEAN market.



# Enhance Service Capabilities: DEC Services

- We will drive the business of our strategic subsidiaries, develop new services with our consolidated subsidiary J-Stream Inc., and bring the services into new territories.

## The platform that assists shopping

# Gotcha! mall®



## DX platform for sports & entertainment

# MOALA

これはもう、ライブ以上。

<p>入場管理DX</p> <p><b>MOALA Ticket</b></p> <p>30以上のチケットサイトの電子チケットを担当</p> <p>チケット CN BOARDWALK STORES®</p>	<p>販売DX</p> <p><b>MOALA Live Store</b></p> <p>30以上のライブ配信・グッズ販売用興行公式サイトを運営</p>
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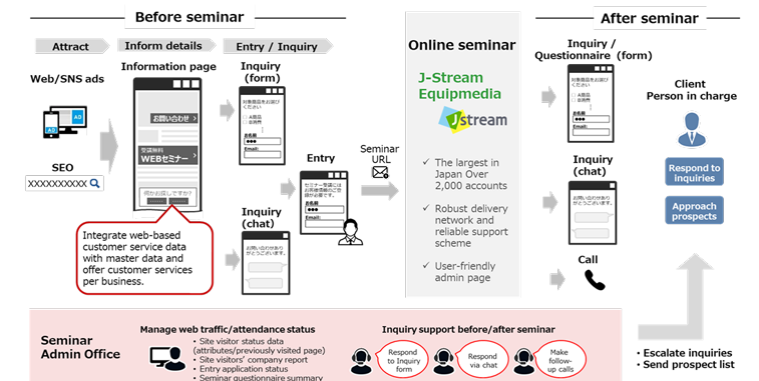
【事例】  
全国の吉本興業の劇場からお笑いライブ配信をお届けする「FANY Online Ticket」を構築

by playground

## Collaborative services with J-Stream

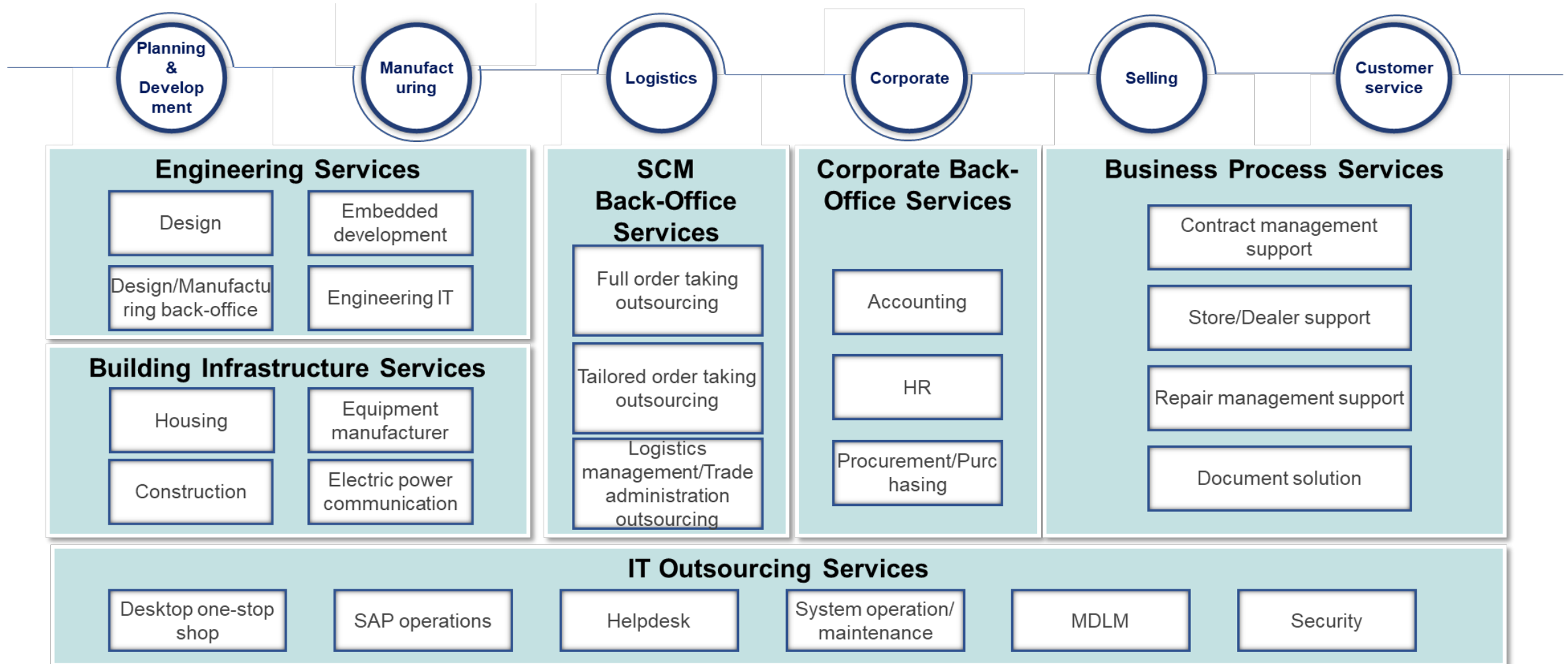


### Online sales support services



# Enhance Service Capabilities: BPO Services

- Our BPO services cover a range of operational processes including planning, manufacturing, logistics, corporate back-office, sales, and customer care.



# Enhance Service Capabilities: BPO Services

- We will push our BPO services under the concept of “Digital BPO,” blending digital tools like RPA, AI and digital platform with traditional, manual BPO services.

## Key Point

### Standardization – develop process

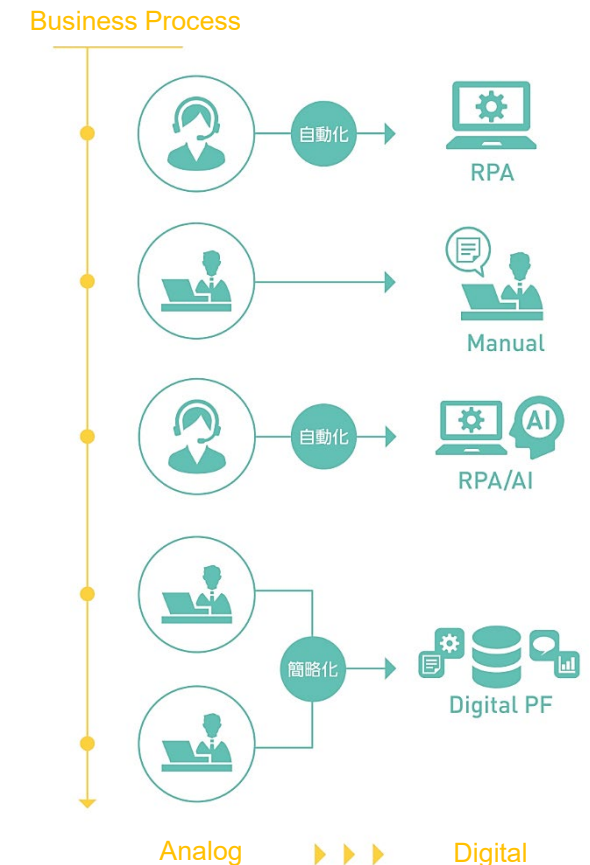
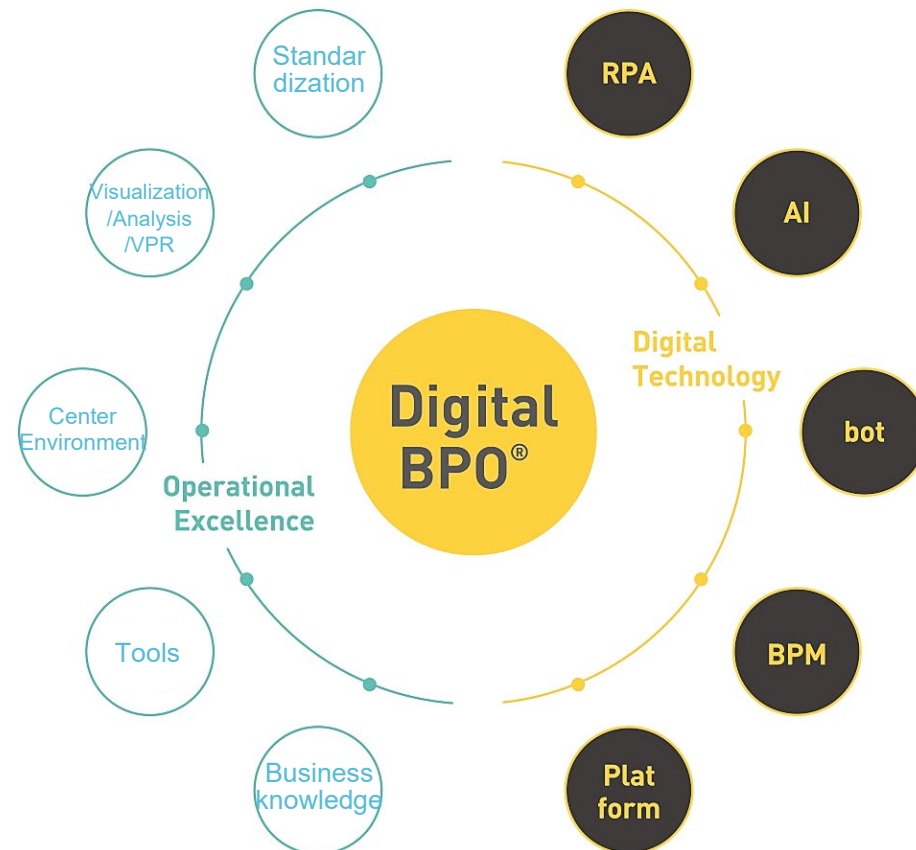
We analyze and sort current business processes, and then maximize the common areas thereby building new operational processes.

### Automation – RPA/AI

We clarify decision criteria, identify patterns, conduct pattern analysis, and generate algorithms. Digital BPO automates the optimized processes with the power of RPA and AI.

### Shared architecture – platform

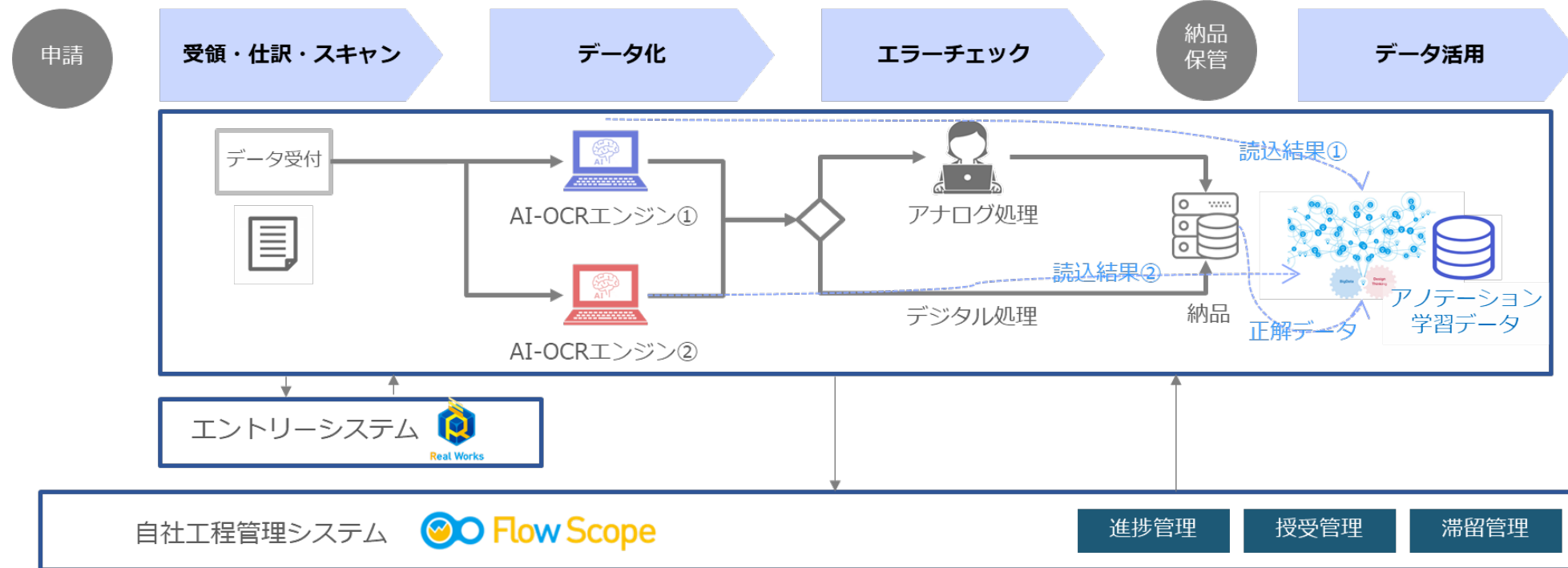
Consolidating our operational know-how built over years, we put together each company’s operation, and build a platform. We automate the optimized processes with the power of RPA/AI.



# Enhance Service Capabilities: BPO Services

- We will enhance our operational framework to make rapid project launches and efficient mass data processing, thereby serving large-scale projects.

Digitalize application processing with the power of our platforms



# Enhance Service Capabilities: BPO Services

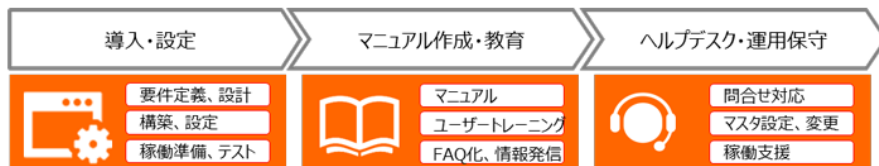
- We will push our Digital BPO that combines leading and highly specialized digital platform and operations in the back-office/IT operations areas.

Signed an outsourcing partnership agreement with Concur Japan for its “SAP Concur,” the leading business travel/expense management solution

Drive digital expense process management to achieve the greater operational efficiency.

## SAP® Concur® Partner

<導入プロセス>



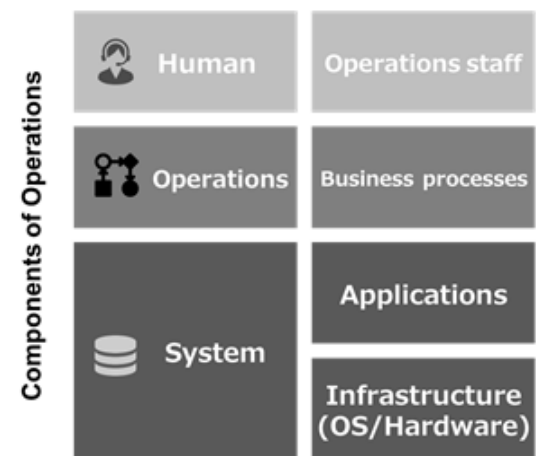
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Partnered with WHI, the provider of the integrated HR system “COMPANY”

Help businesses transform HR operations with BPO services powered by “COMPANY,” the integrated HR system.

## COMPANY

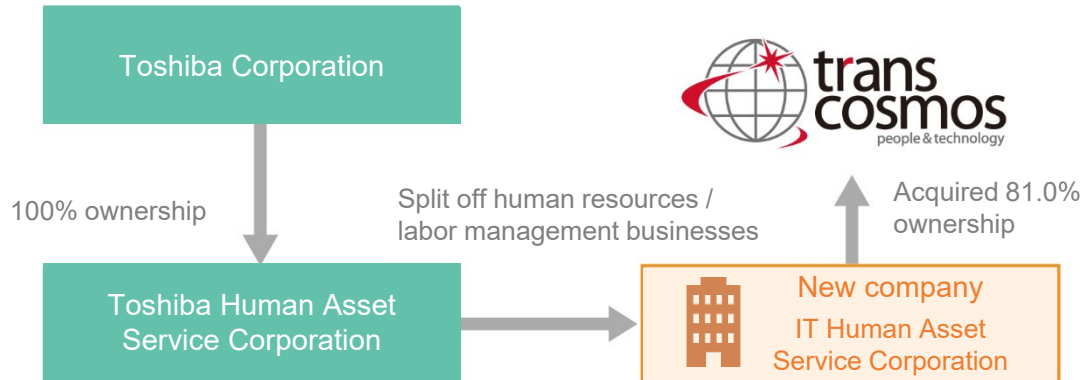


# Enhance Service Capabilities: BPO Services

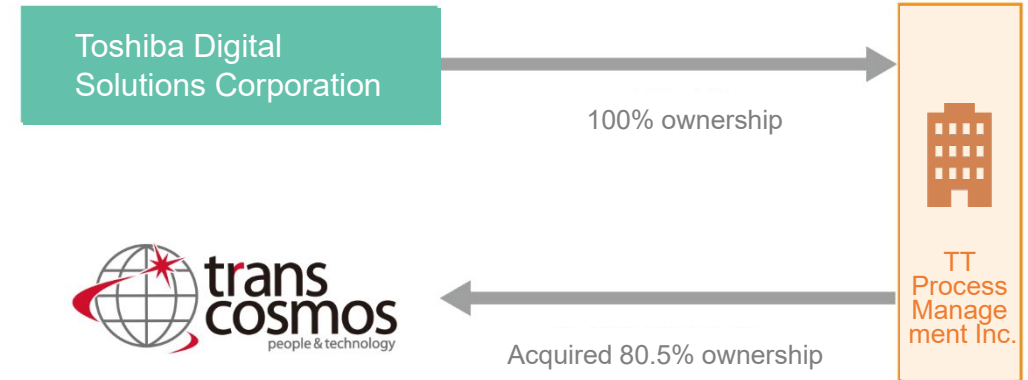
- We are driving initiatives to enhance our expertise and expand market share in the existing business areas.

## JV / M&A in the corporate back-office area

transcosmos has acquired shares in a company (IT Human Asset Service Corporation) which was established as a result of business split of Toshiba Human Asset Service Corporation, a shared-service provider that supports Toshiba Group in areas that include human resources and labor management, international staff support operations, and promotion of occupational health and safety.



transcosmos has acquired shares in Toshiba Products Marketing Incorporated, a BPO services company which undertakes business operations outsourced from Toshiba Group companies and non-group companies. Their services include conversion of documents from text to digital data, data entry, annotation services and other RPA related services.



# Enhance Service Capabilities: BPO Services

- We will further promote “to BIM/CIM” - a joint DX model with our consolidated subsidiary Applied Technology specifically designed for the construction industry - and bring the model into new areas.



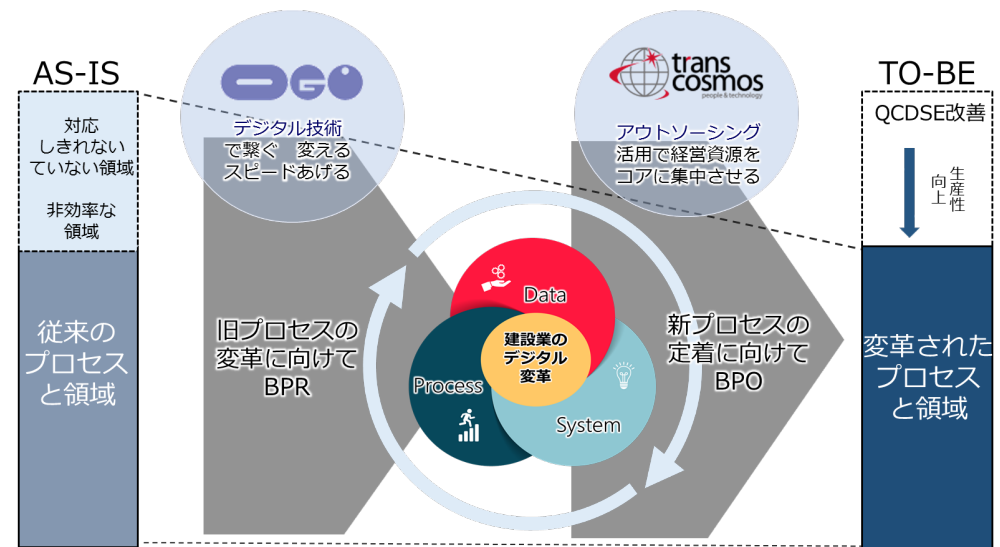
## DX model designed for the construction industry



### to BIM

BIM / CIM Service Guide  
to BIM Value - Adding Provider for Digital Transformation

技術と人財の両面からBIM & CIMをトータルでサポート



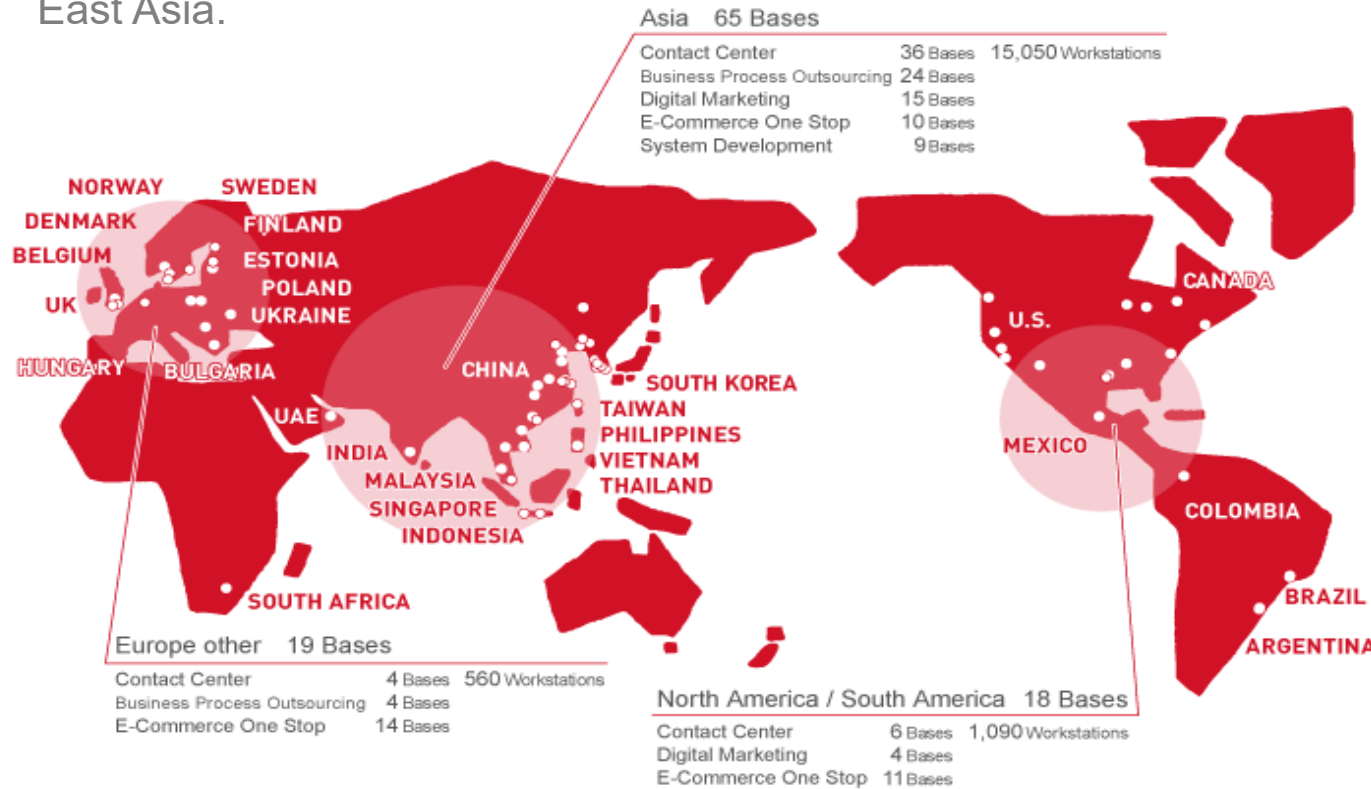
to BIM consists of five services – system development, system implementation, operations, BPO, and system delivery. With BIM360 at its core, the model connects all kinds of operations, technologies, and people, and ultimately delivers a world where everyone in the project is connected to BIM.





# Accelerate Global Expansion

- We offer services through our 103 bases\* across 29 countries/regions with a focus on China, South Korea and South East Asia.



## Major subsidiaries in each market



CC/E-Commerce and offshore development for each local market.

transcosmos China

transcosmos Taiwan

transcosmos information creative



CC/BPO for each local market.

transcosmos Korea

CC/DM and offshore development for each local market.

transcosmos Thailand

transcosmos Malaysia

transcosmos Vietnam

transcosmos Asia Philippines

transcosmos technologic arts

transcosmos Commerce

**SOCIAL GEAR**

**MetroDeal**



CC/BPO for each local market.

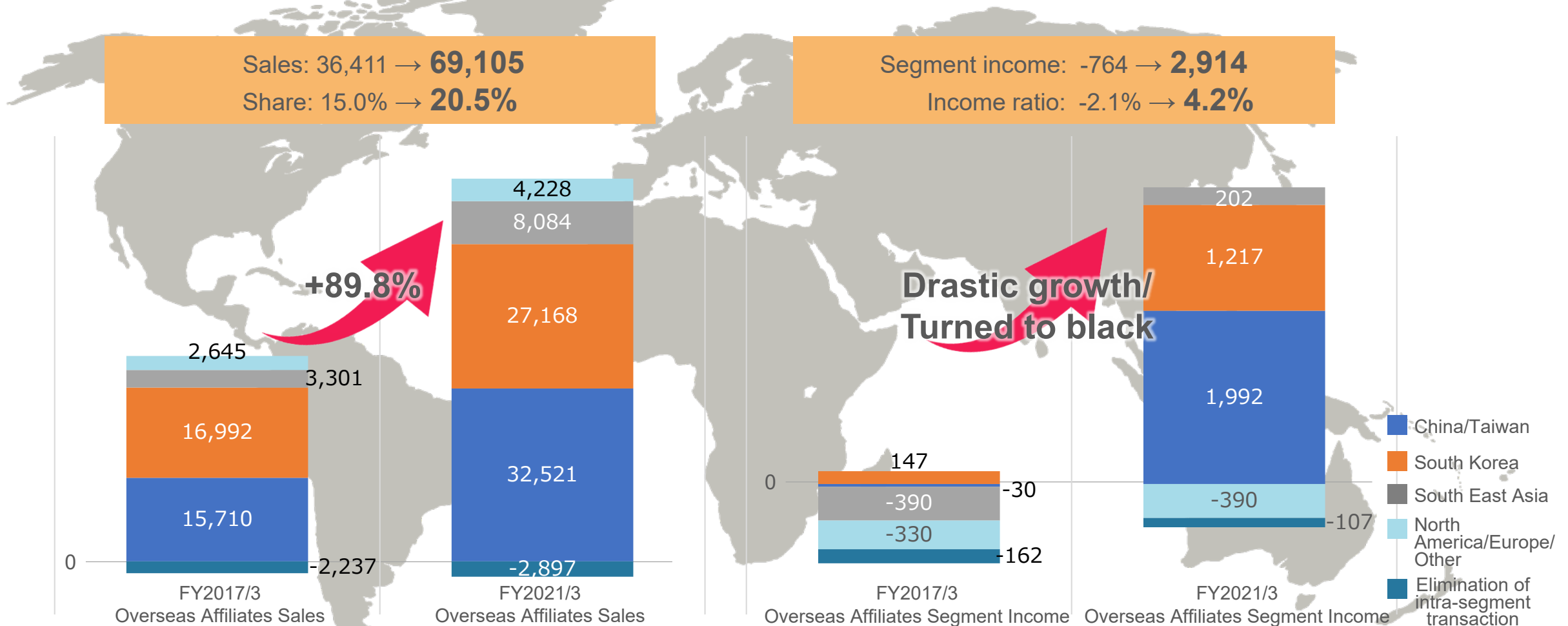
transcosmos America

transcosmos Information Systems

	End of Mar. 2017	End of Mar. 2021	Difference
Consolidated overseas subsidiaries	35	<b>43</b>	+8
# of workstations overseas	11,110	<b>16,700</b>	+5,590
Total # of employees (including contracts)	12,232	<b>20,960</b>	+8,728

# Accelerate Global Expansion

- Sales generated by our overseas subsidiaries almost doubled in the past five years, reaching a level of 20% of our total sales.
- Profits also increased significantly in the five years, due to dramatic profit growth in our Chinese subsidiary, and South East Asian subsidiaries turning to black. Profit ratio rose to a level of 4%.



※ Note that the sales shown above differ from sales per region stated in the earnings briefing, securities report, and other documents.

# Accelerate Global Expansion

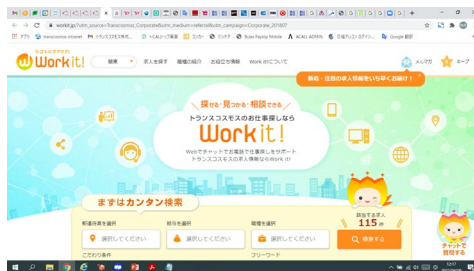
- With a focus on expanding client base and bolstering service competitiveness, we will make our local entities grow sales and boost profit more than ever.

Region	Initiatives in the past five years	Future key initiatives
China/Taiwan	<ul style="list-style-type: none"><li>● Expanded e-commerce business</li><li>● Launched business with global companies in each local market</li><li>● Made a full-fledged foray into the Taiwan market</li></ul>	<ul style="list-style-type: none"><li>● Further develop global accounts/expand transactions.</li><li>● Push for increasing transactions with local accounts in each country.</li><li>● Enhance service capabilities with a focus on CX.</li></ul>
South Korea	<ul style="list-style-type: none"><li>● Increased transactions with global companies in the local market</li><li>● Launched BPO services</li></ul>	
South East Asia	<ul style="list-style-type: none"><li>● Made a full-fledged foray into major countries</li><li>● Increased transactions primarily with Japanese companies</li><li>● Increased transactions with local companies</li></ul>	
North America/Europe/Other	<ul style="list-style-type: none"><li>● Began transactions with global companies based in North America</li><li>● Made European CC/BPO companies our subsidiaries</li></ul>	

- Reinforce our business foundation: Bolster human capital foundation that underpins our growth

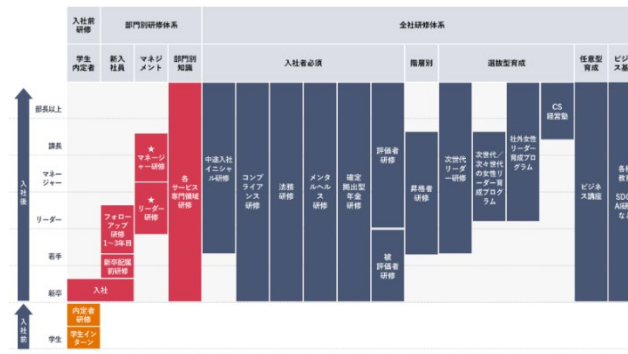
## Hiring

- Enhance our recruiting website.
- Boost diversity.
- Bolster Group collaboration.
- Permeate/establish work-from-home model



## People Development

- Broaden development programs including internal training courses.
- Enhance e-learning training programs/educational systems.
- Build up internal knowledge sharing schemes.



2020年12月時点  
★部門により体系が異なる場合があります

## Employee Engagement

- Conducted eNPS® (Employee Net Promoter Score) survey covering all employees on top of regular ES survey performed per Service division.
- Boost actions based on the results of the eNPS® analysis.

**Employee Loyalty**  
Measure/identify root causes/take measures

- Lower turnover rate
- Secure talent
- Higher hiring efficiency
- Contributes to SDGs, etc.

**Higher business results/sustainable growth**

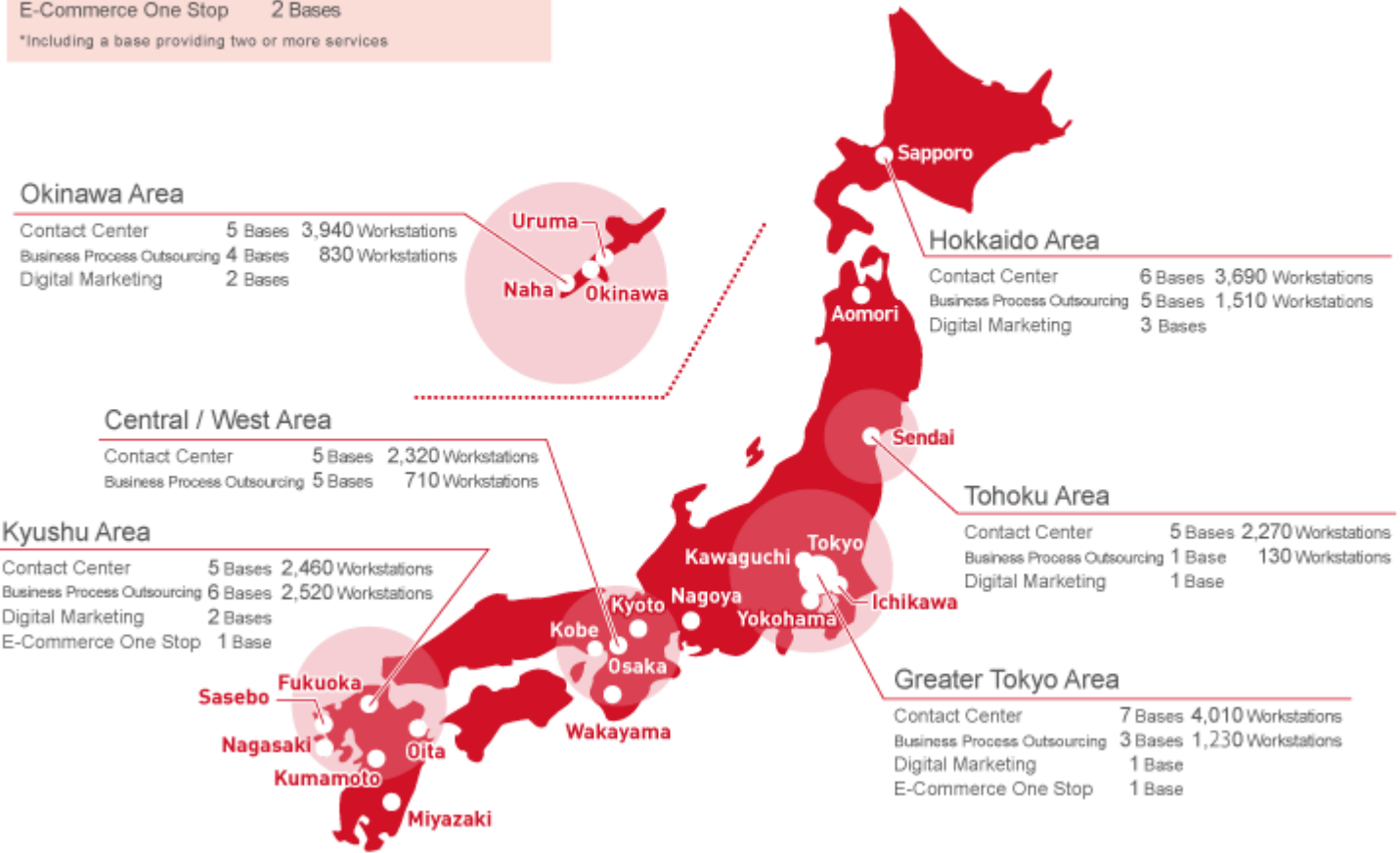
# Reinforce Business Foundation

- Bolster efforts to optimize facility utilization across Japan including offices and centers.

## Japan 64 bases

Contact Center	33 Bases	18,690 Workstations
Business Process Outsourcing	24 Bases	6,930 Workstations
Digital Marketing	9 Bases	
E-Commerce One Stop	2 Bases	

\*Including a base providing two or more services



Aim for optimizing facilities that fit new workstyles by promoting **work-from-home model/DX** across all facilities in Japan including offices/centers, with a view on potential IT investments.



## **IR Contact**

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