

Global Digital Transformation Partner

Supplemental Material for FY2022/3 Financial Results

(April 1, 2021 – March 31, 2022)



April 28, 2022

transcosmos inc.

- transcosmos (the Company) has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and the related guidance since the beginning of the current first quarterly consolidated accounting period.
- Accordingly, all sales generated from the transactions in which the Company has acted as an agent (i.e. agency transactions), such as in the Company’s internet advertising business, are presented on a net basis whereas, previously these were presented on a gross basis (total sales minus cost of sales).
- In this report, the Company has restated the sales generated from the agency transactions in each quarter of the previous fiscal year on a net basis from the gross basis (total sales minus cost of sales). For this reason, the cumulative total sales for the previous fiscal year have decreased by 24,100 million yen.
Please note that there is no change in gross profit line and below as a result of the above restatement.

Executive Summary

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Achievements

- Sales increased by **+13.4%*** year over year, **hit a new all-time high.**
- Gross profit margin increased by **+0.9 points** primarily due to higher profitability achieved by the Parent Company segment.
- Despite higher SG&A expenses mainly in the Parent Company segment, SG&A ratio as a percentage of sales fell by **-0.7 points.**
- Operating income increased by **¥ 8,100 million** year over year, and **broke the record.**

* Previous year sales from agency transactions are restated on a net basis.

Challenges

- Maintain high sales and profits achieved due to the impact of Covid-19.
- Continue to adapt to a post-Covid-19 business environment.

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Income Statement for the Year Ended March 2022

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Balance Sheet, Cash Flow Statement, Dividend Policy for the Year Ended March 2022

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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 higher profitability in all segments.
- Ordinary income increased due to growth in operating income and non-operating income.
- Net income attributable to owners of transcosmos inc. increased due to growth in ordinary and extraordinary income.

* Previous year sales from agency transactions are restated on a net basis.

In ¥100M (rounded to the nearest 100M)	FY2021/3		FY2022/3		Difference	
	Amount	Mix	Amount	Mix	Amount	% Difference
Sales	3,123 [※]	100.0%	3,541	100.0%	418	13.4%
Cost of Sales	2,464 [※]	78.9%	2,763	78.0%	299	12.1%
Gross Profit	659	21.1%	778	22.0%	119	18.0%
SG&A	481	15.4%	519	14.7%	38	7.9%
Operating Income	178	5.7%	258	7.3%	81	45.6%
Non-operating Profit and Loss	3	0.1%	31	0.9%	28	-
Ordinary Income	180	5.8%	289	8.2%	109	60.5%
Extraordinary Profit and Loss	-2	-0.1%	22	0.6%	24	-
Net Income attributable to owners of transcosmos inc.	100	3.2%	215	6.1%	115	114.4%

Performance Summary per Segment

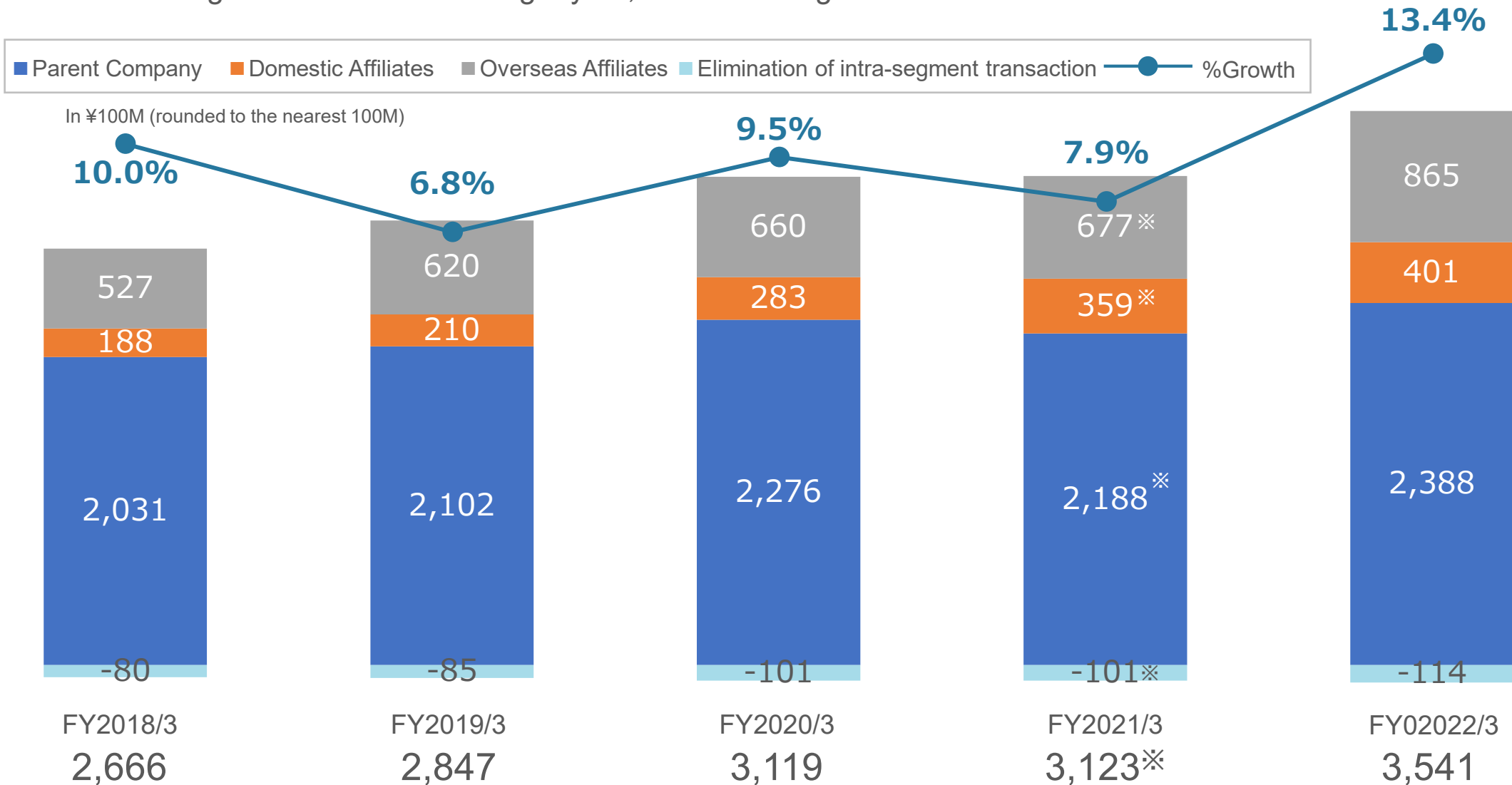
- Parent Company: Both sales and profit increased. Growing demand for our services from the public and private sectors under the Covid-19 crisis pushed up orders, and profitability increased.
- Domestic Affiliates: Both sales and profit increased. Some listed subsidiaries and subsidiaries in the BPO industry fared well.
- Overseas Affiliates: Both sales and profit increased. Subsidiaries, primarily ones in South Korea and Southeast Asia showed solid results.

* Previous year sales from agency transactions are restated on a net basis.

In ¥100M (rounded to the nearest 100M)		FY2021/3		FY2022/3		Difference	
		Amount	Mix	Amount	Mix	Amount	% Difference
Sales	Parent Company	2,188*	70.1%	2,388	67.5%	200	9.1%
	Domestic Affiliates	359*	11.5%	401	11.3%	42	11.8%
	Overseas Affiliates	677*	21.7%	865	24.4%	188	27.8%
	Elimination of intra segment transaction	-101*	-3.3%	-114	-3.2%	-12	-12.3%
	(Total)	3,123*	100.0%	3,541	100.0%	418	13.4%
Segment Income (Loss)	Parent Company	112	63.3%	178	69.0%	66	58.7%
	(%profit)	5.1%		7.5%			
	Domestic Affiliates	36	20.3%	37	14.3%	1	2.3%
	(%profit)	10.0%		9.2%			
	Overseas Affiliates	29	16.4%	43	16.8%	14	49.0%
	(%profit)	4.3%		5.0%			
Elimination of intra segment transaction	-0	-0.0%	-0	-0.1%	-0	-	
(Total)	178	100.0%	258	100.0%	81	45.6%	

Consolidated Sales Trend

- Achieved sales growth for the 12th straight year, hit all-time high sales.

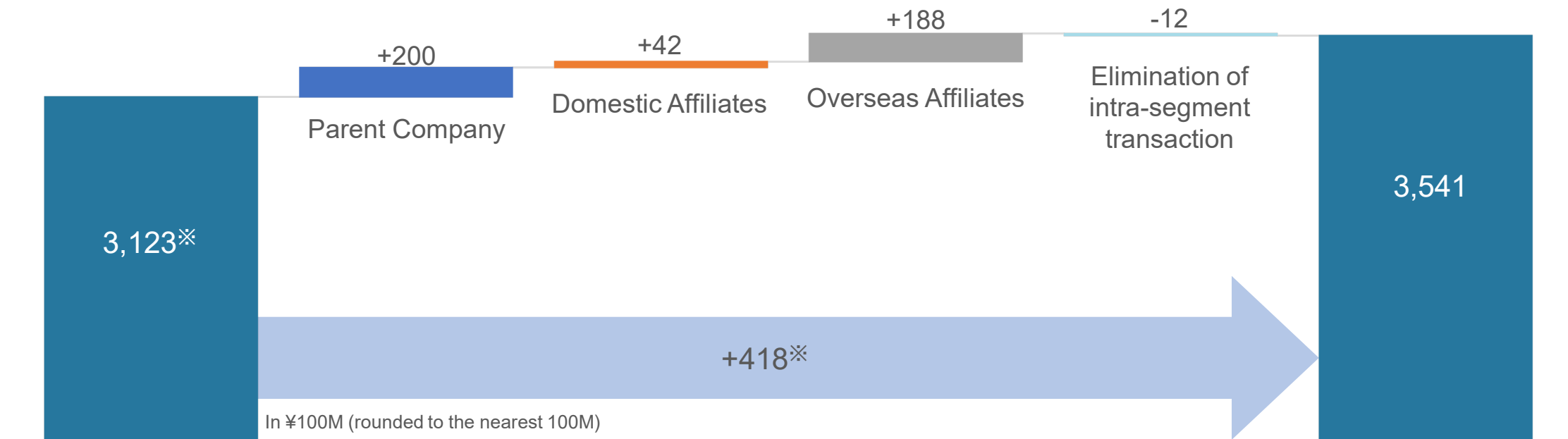


* Previous year sales from agency transactions are restated on a net basis.

Consolidated Sales Analysis

- Sales increased by ¥ 41,800 million (+13.4%).

Parent Company	Sales grew primarily due to an order increase from the public sector mainly for Covid-19 related projects that help retain social infrastructure.
Domestic Affiliates	Sales grew primarily due to order growth in listed subsidiaries and subsidiaries in the BPO industry.
Overseas Affiliates	Sales grew primarily due to sales growth in subsidiaries in South Korea, China and Southeast Asia.



FY2021/3
Consolidated Sales

* Previous year sales from agency transactions are restated on a net basis.

FY2022/3
Consolidated Sales

Parent Company Sales Analysis

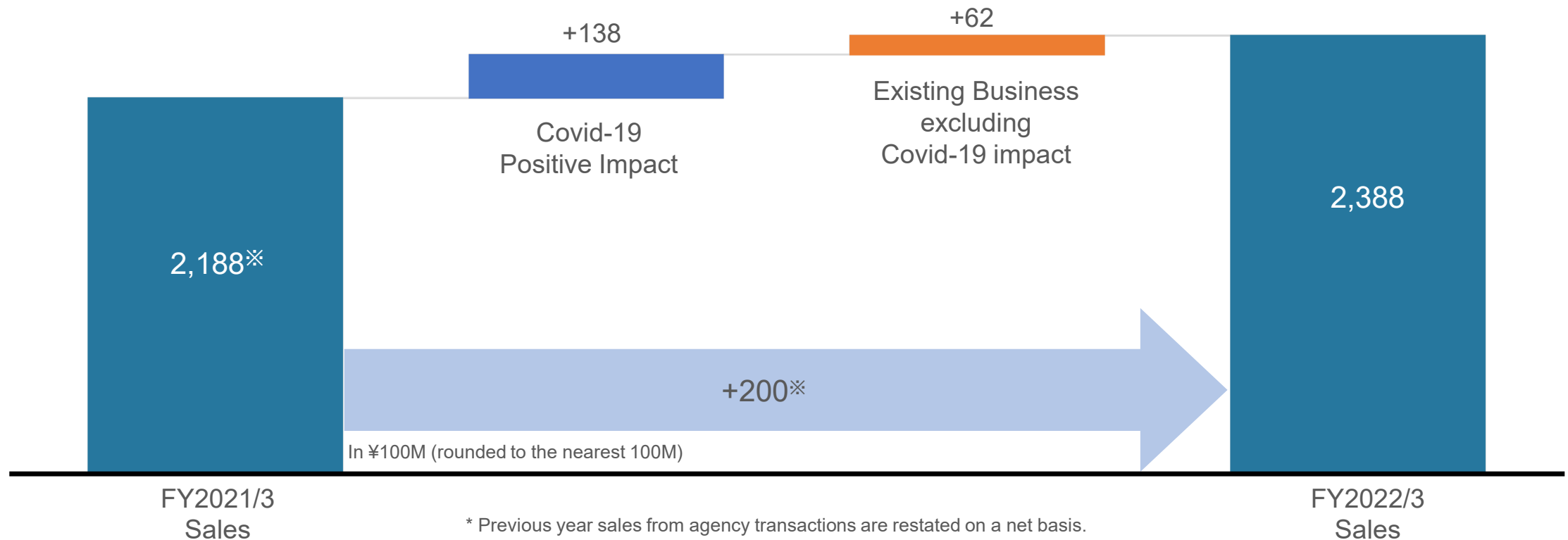
- Sales increased by ¥ 20,000 million yen (+9.1%).

Covid-19
Positive Impact

Orders for Covid-19 related projects carried out by local governments and others increased primarily in BPO and Contact Center services.

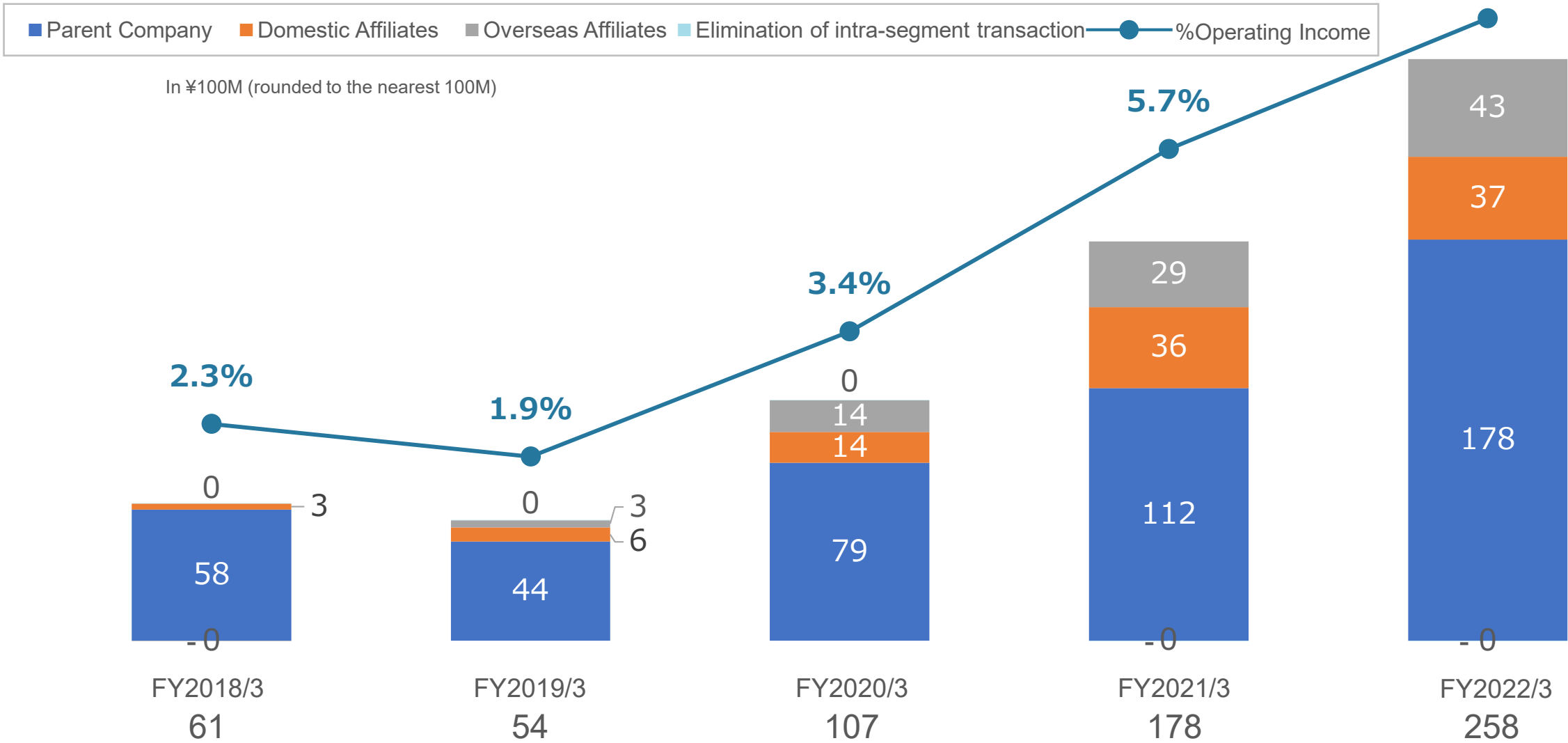
Excluding Covid-19 impact
Existing Business

Order increased due to increasing demands for DX and a shift to contactless channels under the Covid-19 crisis, in addition to solid demands for outsourcing services that lead to higher sales and cost competitiveness.



Consolidated Operating Income Trend

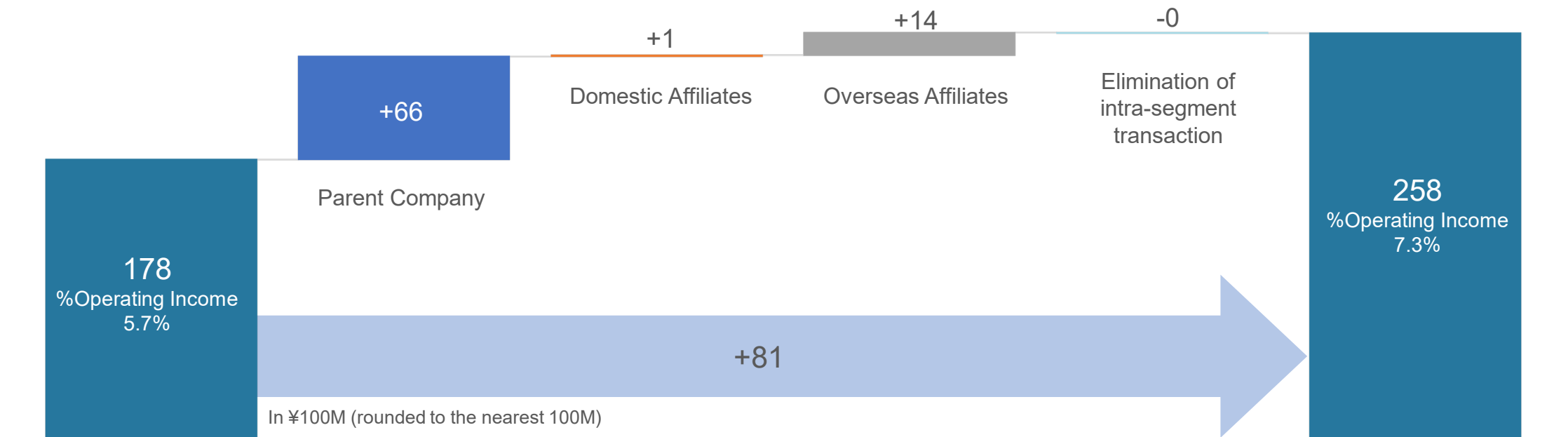
- Consolidated operating income marked a new high since the Company went public with a rising operating margin.



Consolidated Operating Income Analysis

- Operating income increased by ¥ 8,100 million (+45.6%).

Parent Company	Operating income rose mainly due to higher project profitability in addition to order growth.
Domestic Affiliates	Operating income rose mainly due to higher profit in some listed subsidiaries and BPO subsidiaries.
Overseas Affiliates	Operating income rose mainly due to higher profitability in subsidiaries in South Korea and Southeast Asia.



Parent Company Operating Income Analysis

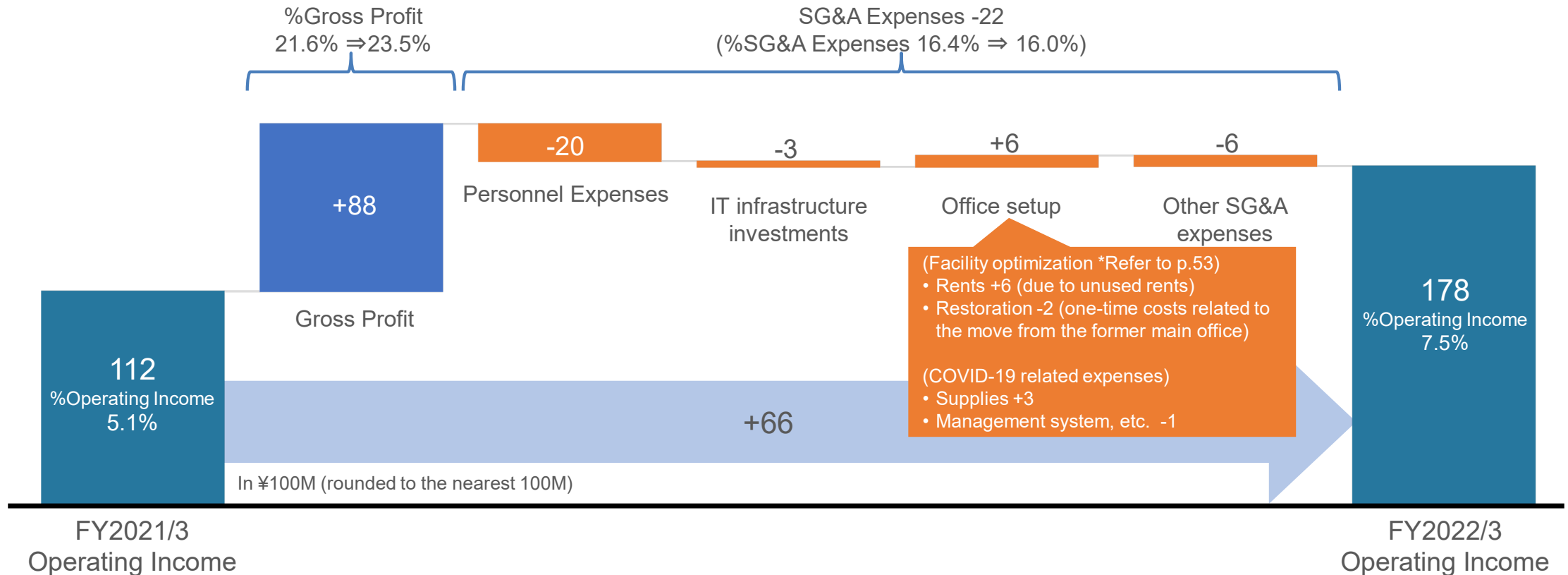
- Operating income increased by ¥ 6,600 million (+58.7%).

Gross Profit

Despite a temporary rise in personnel expenses in Q2 for standby employees mainly due to workplace vaccination programs, gross profit rose with a 1.9 point increase in gross margin due to order growth and higher profitability from large-scale projects, which was achieved by promptly stabilizing operations using the experience and expertise obtained over the previous fiscal year.

SG&A Expenses

Personnel expenses and IT infrastructure investments rose due to business growth and workplace arrangements for new workstyles. Office setup expenses fell due to a reclassification of unused rents to non-operating expenses following the move from the former Tokyo Main Office and lower Covid-19 related expenses. As a result, SG&A expenses rose by ¥2,200 million, yet SG&A ratio fell by 0.4 points.



Quarterly Performance per Segment (Jan – Mar, 22)



- Sales increased by ¥14,000 million, +17.1%, due to the sales growth in all segments.
- Operating income increased by ¥2,200 million, +47.7%, due to higher operating income in the Parent Company and Overseas Affiliates segments.

* Previous year sales from agency transactions are restated on a net basis.

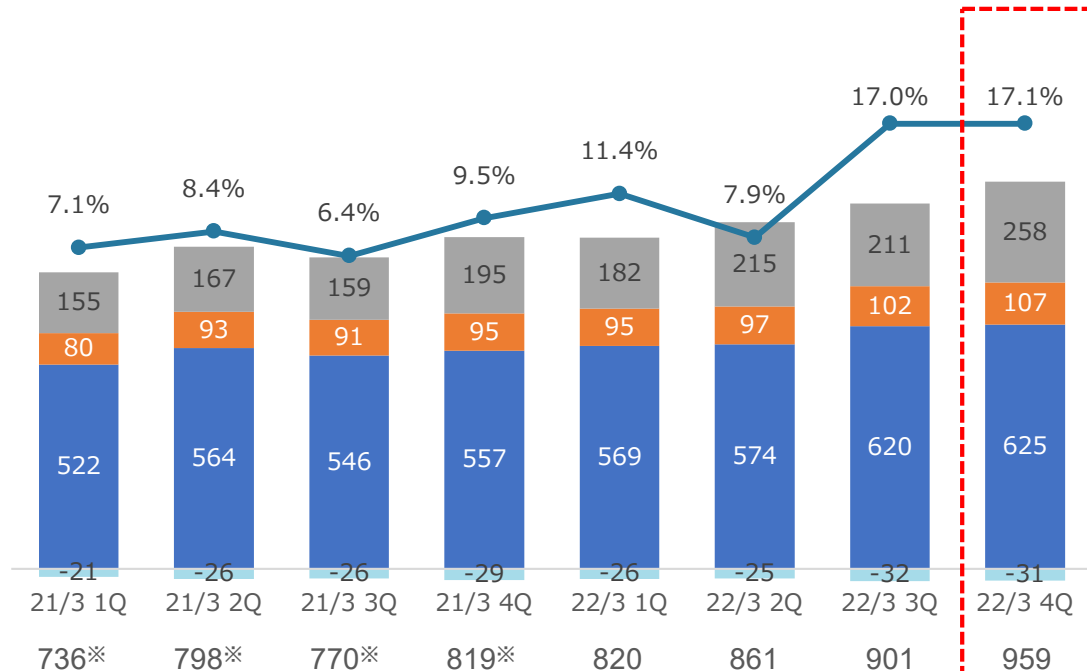
In ¥100M (rounded to the nearest 100M)		Q4 FY2021/3		Q4 FY2022/3		Difference	
Sales	Parent Company	557 [※]	68.0%	Amount 625	Mix 65.2%	68	12.2%
	Domestic Affiliates	95 [※]	11.6%	107	11.2%	12	12.6%
	Overseas Affiliates	195 [※]	23.8%	258	26.9%	62	31.9%
	Elimination of intra segment transaction	-29 [※]	-3.4%	-31	-3.3%	-3	-8.9%
	(Total)	819[※]	100.0%	959	100.0%	140	17.1%
Segment Income (Loss)	Parent Company	25	54.6%	42	62.7%	17	69.8%
	(%profit)	4.4%		6.7%			
	Domestic Affiliates	9	19.8%	9	13.1%	-0	-2.5%
	(%profit)	9.4%		8.2%			
	Overseas Affiliates	11	25.2%	17	24.9%	5	46.1%
(%profit)	5.8%		6.5%				
Elimination of intra segment transaction	0	0.4%	-0	-0.7%	-1	-	
(Total)	45	100.0%	67	100.0%	22	47.7%	

Consolidated Quarterly Performance Trend

- Q4 sales grew from Q3 of the current year in all segments, and maintained a high growth rate.
- Q4 operating income decreased from Q3 of the current year primarily due to short-term fluctuations in public sector Covid-19 related projects, and lower profits in some listed subsidiaries in the Domestic Affiliates segment. The Overseas Affiliates segment drastically increased profits primarily driven by higher profits achieved in subsidiaries in China.

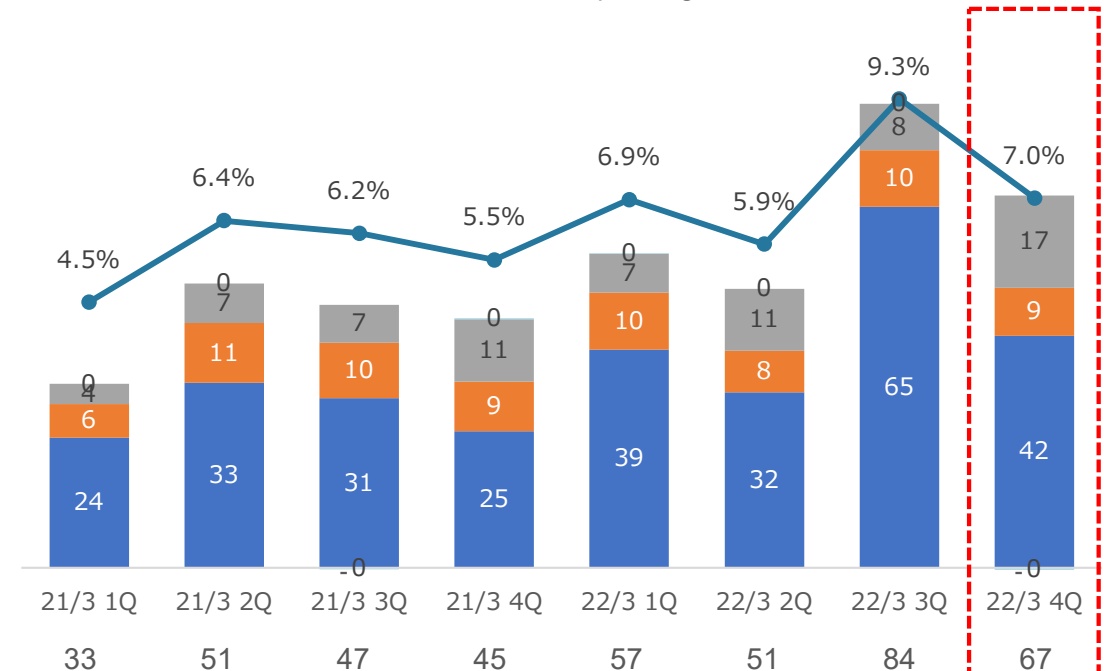
Sales

In ¥100M (rounded to the nearest 100M) —●— %Sales Growth



Operating Income

In ¥100M (rounded to the nearest 100M) —●— %Operating Income



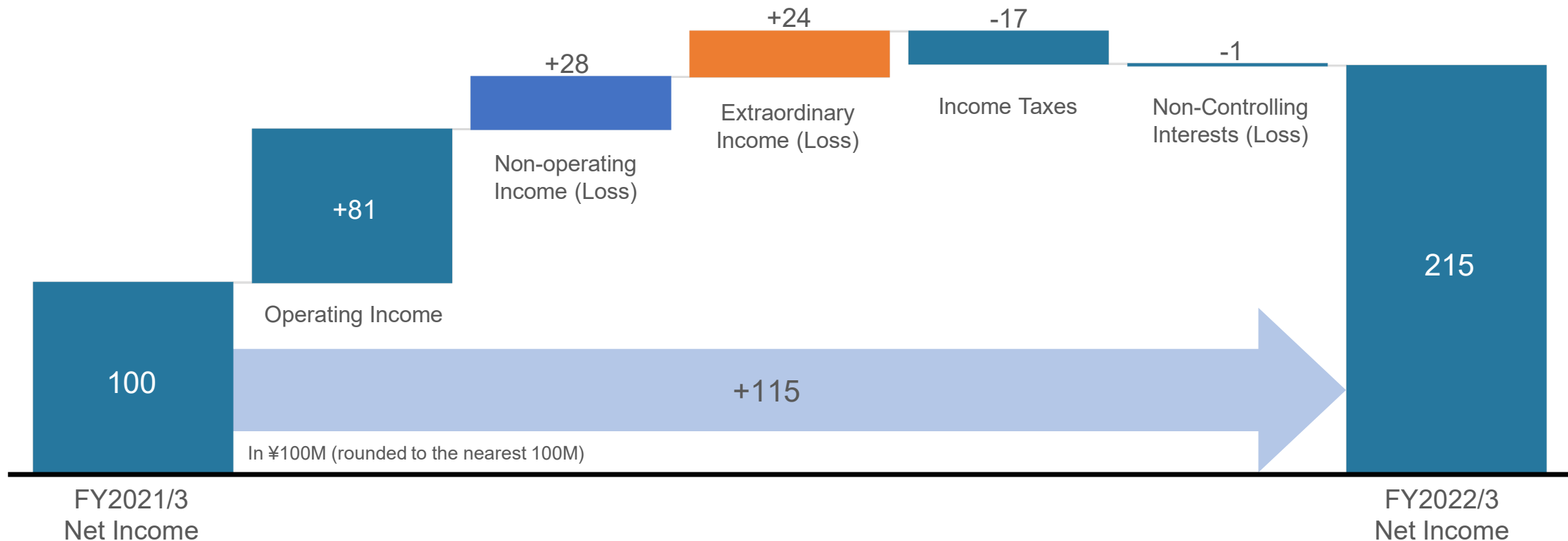
* Previous year sales from agency transactions are restated on a net basis.

■ Parent Company ■ Domestic Affiliates ■ Overseas Affiliates ■ Elimination of intra-segment transaction

transcosmos inc. Net Income Analysis

- transcosmos inc. net income increased by ¥ 11,500 million (+114.4%).

- Non-Operating Income (Loss)** Despite the recording of the Company's headquarters relocation expenses (-1,000 million), non-operating income increased by ¥2,800 million due to a reduction in losses from equity method affiliates (+3,600 million).
- Extraordinary Income (Loss)** Extraordinary income grew by ¥2,400 million due to the recording of gains from changes in equity interests in UNQ as a result of its initial public offering (+800 million), penalty income from the breach of an equity transfer agreement (+700 million), and gains on sales of investment securities (600 million).



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Balance Sheet, Cash Flow Statement, Dividend Policy for the Year Ended March 2022

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Key Initiatives



Consolidated Balance Sheet Summary

- Current Assets: “Notes, accounts receivable-trade and contract assets”, and “cash and deposits” increased.
- Fixed Assets: “Investment securities” increased reflecting higher fair market valuation of listed shares that the Company owns. “Shares of affiliates” increased due to a surge in investment gain on equity method.
- Liabilities: “Convertible bonds” and “accounts payables-trade” increased.
- Net Assets: “Retained earnings” increased.

In ¥100M (rounded to the nearest 100M)	End of Mar. 2021	End of Mar. 2022	Difference	
Current Assets	1,205	1,510	305	<ul style="list-style-type: none"> • Cash and deposits +149 • Notes and accounts receivables – trade +173
Fixed Assets	554	675	121	<ul style="list-style-type: none"> • Investment securities +70 • Shares of affiliates +48
Total Assets	1,759	2,185	426	
Current Liabilities	639	802	163	<ul style="list-style-type: none"> • Accounts payables – trade +34 • Current portion of long-term loans payable +120
Fixed Liabilities	195	174	-21	
Total Liabilities	834	976	142	<ul style="list-style-type: none"> • Convertible bonds +101 • Long-term loans payable -120
Net Assets	925	1,209	284	
Liabilities/Net Assets Total	1,759	2,185	426	<ul style="list-style-type: none"> • Retained earnings +179 • Net unrealized gains on other securities +67
Cash and deposits	499	648	149	
Interest-bearing debt	191	282	91	
Net Cash*	308	366	58	

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

(Reference) Listed Shares Held by the Company

- List of listed shares held by transcosmos inc.

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

Type	Stock name	Market	Securities code	Fair value *
Shares of affiliates	J-Stream Inc.	TSE Growth	4308	90
	APPLIED TECHNOLOGY CO.,LTD.	TSE Standard	4356	86
	PFSweb Inc.	NASDAQ	PFSW	52
	eMnet Inc.	KOSDAQ	123570	35
	UNQ HOLDINGS LIMITED	HKEX	2177	22
Investment securities	Infracommerce CXAAS S.A	Bovespa	IFCM3	44
	Other			15
Total				344

- List of listed shares 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	31

* Fair values are calculated based on the closing price of April 27, 2022. Note that fair values of PFSweb and Infracommerce are calculated based on the closing price of April 26, 2022.

Consolidated Cash Flow Statement

- Operating cash flows: 【Factor for increase】 Net income before taxes surged.
【Factor for decrease】 Accounts receivable-trade and income taxes paid increased.
- Investing cash flows: Proceeds from sale of investment securities increased. Payments for acquisition of property, plant and equipment decreased.
- Financing cash flows: 【Factor for increase】 Proceeds from issuance of convertible bonds increased. Redemption of convertible bonds decreased.
【Factor for decrease】 Proceeds from long-term loans payable and proceeds from disposal of treasury shares of subsidiaries decreased. Cash dividends paid increased.

In ¥100M (rounded to the nearest 100M)	FY2021/3	FY2022/3	Difference
Cash flows from operating activities	157	158	1
Cash flows from investing activities	-84	-62	22
Cash flows from financing activities	67	42	-25
Balance of cash and cash equivalents	491	639	148
Free cash flow *	73	95	22

*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%.

	FY2018/3	FY2019/3	FY2020/3	FY2021/3	FY2022/3 (Plan)
Dividends per share (yen)	23	33	46	93 Ordinary dividend 73 Special dividend 20	156
Consolidated dividends payout ratio (%)	-	30.9	30.4	38.5	30.1

(Reference)

CAPEX, Amortization/Depreciation, Employees, Service Bases



● Capital expenditures/Depreciation expenses

In ¥100M (rounded to the nearest 100M)	FY2021/3	FY2022/3	% Difference
Capital expenditures	64	59	-8.5%
Depreciation expenses	46	54	17.9%

- CAPEX
Decreased mainly due to the Parent Company's new office openings (current Headquarters/Main Office) in the previous fiscal year.
- Depreciation and Amortization
Increased mainly due to restoration costs incurred for the move from the former Tokyo Main Office.

● Number of Employees

	End of Mar. 2021	End of Mar. 2022	Difference
Consolidated basis	35,760	39,870	4,110
(Temporary employees)	27,915	29,642	1,727
Parent Company	15,949	16,462	513
(Temporary employees)	22,915	22,844	-71

- Consolidated basis
Increased primarily due to order increase in South Korea, Southeast Asia and Europe.
- Parent Company
Increased primarily due to new graduate hires and order growth.

● Service Bases

	End of Mar. 2021	End of Mar. 2022	Difference
Service bases	167	173	+6
(Japan)	64	67	+3
(Overseas)	103	106	+3

- Japan
Opened new BPO and digital marketing service centers.
- Overseas
Opened new contact centers and other operations centers in South Korea, China and Vietnam.

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

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Key Initiatives



- Identify and address both risks and opportunities emerged in a cost-Covid-19 environment, and drive business.

Risks

- **Talent retention**

Post-pandemic economic recovery tightens labor markets to the pre-pandemic level.

- **Fiercer competition**

The Covid-19 crisis shed spotlight on the BPO segment, more players entering the market.

- **Cyber security**

Surging cyberattacks in the changing work environment including telework.

- **Sustainability**

Sustainability awareness heightened under the Covid-19 crisis.

Opportunities

- **DX demand**

Businesses recognized the need for DX to meet the changing customer expectations in the post-Covid-19 world.

- **Public sector services**

Assist the public sector in carrying out Covid-19 measures, economic stimulus packages, digital government projects, etc.

- **Shift to contactless world**

Accelerated shift to digital and contactless channels.

Leverage Digital Technologies

Combine cutting-edge digital technologies with our operational expertise.

Establish Competitive Services

Building on our diverse service portfolio, execute our proprietary service model.

Reinforce Business Foundation

Reinforce our people base, promote SDGs initiatives, beef up cybersecurity, carry out facility optimization strategy, etc.

Service Portfolio

- Unrivaled service portfolio centered on two business pillars; DEC services that help our clients expand sales, and BPO services that help them optimize costs.
- Long-standing relationship with over 3,000 clients across diverse industries and sectors as their business partner.

BPO Services

DEC Services

Business Process Outsourcing Services

Integrating operational excellence and various technologies, we transform our clients' business processes, enhance end-to-end business foundation, and help our clients bolster their competitive edge.

- 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 55 years since our foundation.
- Highly specialized services in a wide range of areas – planning & development, manufacturing, logistics, corporate services including accounting and HR, as well as sales and aftersales services.

Main Group companies: transcosmos, transcosmos, transcosmos, transcosmos Information Creative (China) Co., Ltd., APPLIED TECHNOLOGY CO., LTD., SKYLIGHT

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: transcosmos, transcosmos, Vstream

170 sites in 30 countries/regions across the globe
As of March 31, 2022

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.

- 33 bases in Japan and 47 bases overseas (37,430 workstations in total). *including bases of partner/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 25 languages, with over 10,000 home-based contact center workstations.

Main Group companies: transcosmos, transcosmos, transcosmos

*1 Source: 28th Call Center Sales Survey FY2020, Nihon Ryutsu Sangyo Shimbuin

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.

- 48 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 Europe, US, China and ASEAN.
- Full-packaged services for e-commerce, from developing business framework to operations.

Main Group companies: GRAND DESIGN, unq, SOFTSPACE, VAIMO

Sales Mix (Parent Company)

DEC 70%

BPO 30%

Clients (Group)

More than 3,000

5+ year clients (Parent Company)

70% and more

DX Certified

Digital Transformation Certification

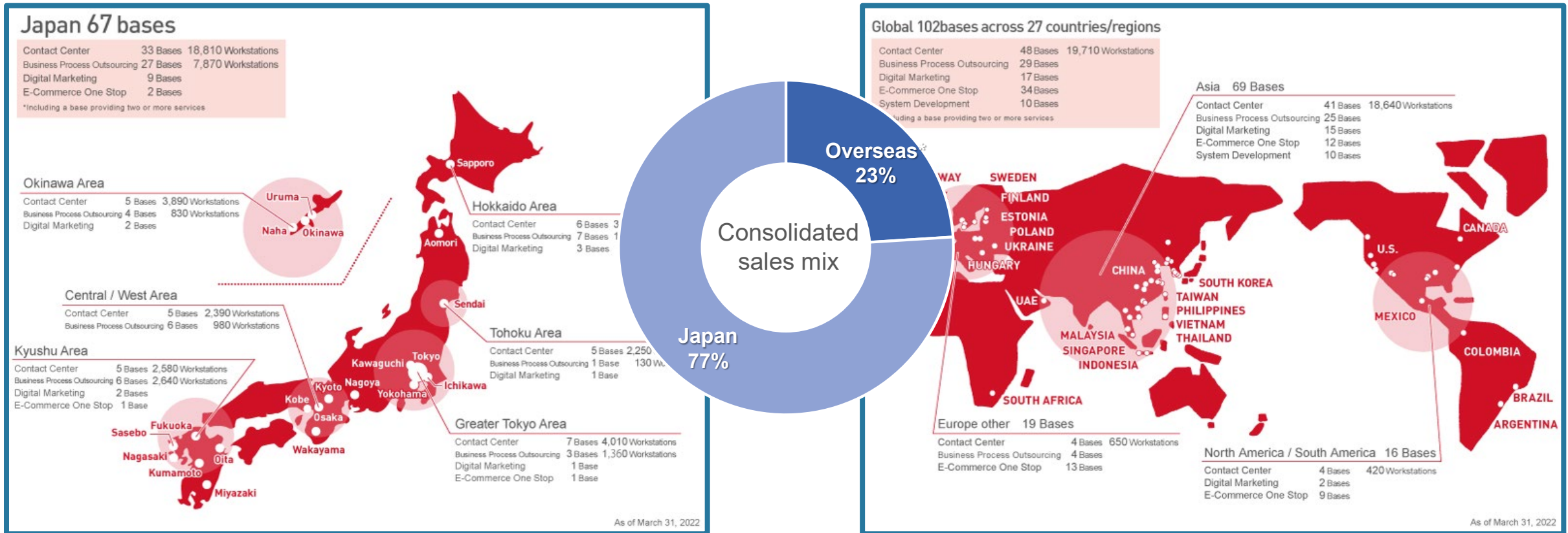
- Recognized as a DX Certified Business Operator by the Ministry of Economy, Trade and Industry in April 2022.
- We will help our society drive and achieve DX with our high value-added services that combine our professional people and cutting-edge technologies.



Digital Transformation Certification

Global Expansion

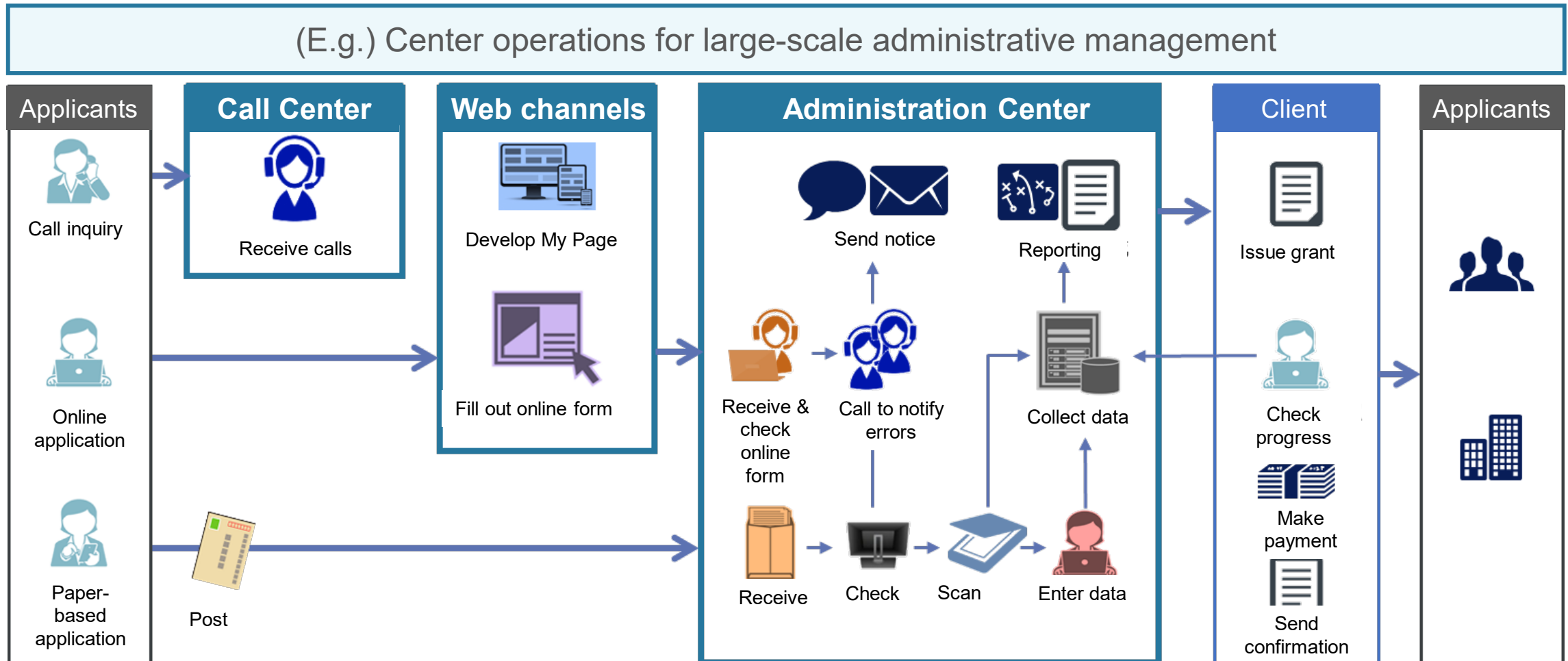
- Established service delivery network of 169 bases (67 in Japan/102 overseas) across 29 countries and regions around the globe.
- By combining more than 60,000 professional employees/agents and the world's cutting-edge technologies, we continue to provide the right services to each of our client.



*Overseas sales shown here are categorized by country or region based on client location, and is different from the Overseas Affiliates segment.

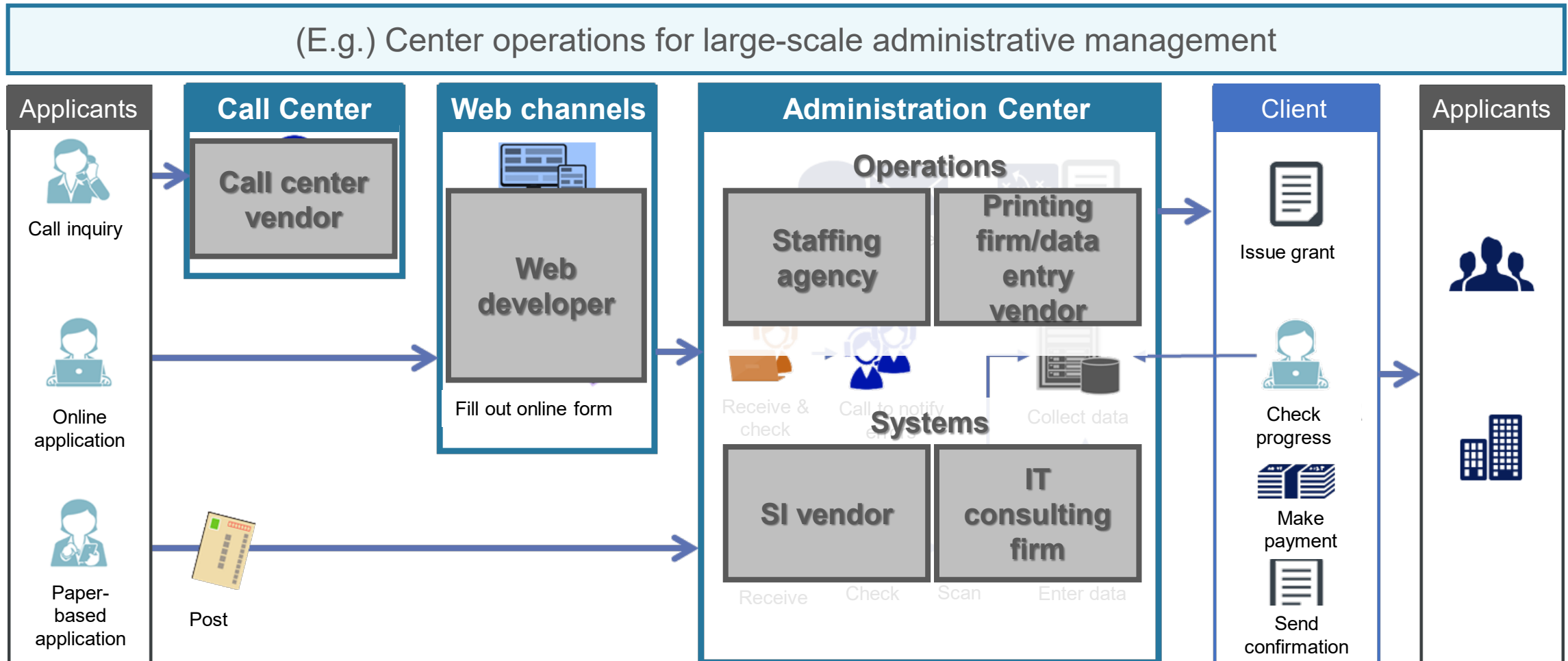
Competitive Edge built on One-Stop Services

- Large-scale administrative tasks require a variety of functions.



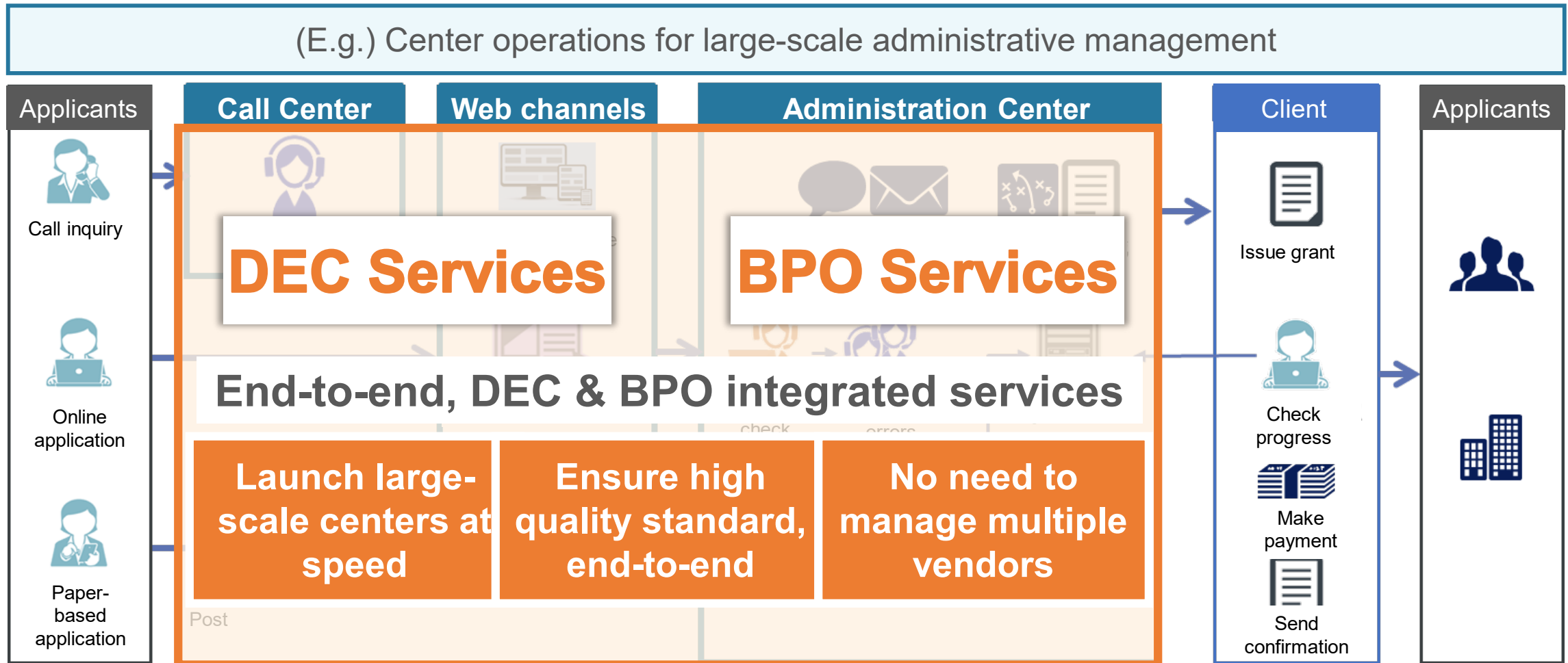
Competitive Edge built on One-Stop Services

- Without our one-stop services, businesses need multiple vendors to have all required functions.



Competitive Edge built on One-Stop Services

- We have proven records in managing large-scale, administrative tasks for the public sector all by ourselves. Established one-stop, value-added services that ensure a swift opening of large-scale centers, and a high level of security from end-to-end operational processes that specialized vendors cannot offer.
- Providing the services to leading private companies in addition to public sector clients.



- We offer an end-to-end service from marketing, sales, to customer communication.

DEC Services

DM

Digital Marketing

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.

X

EC

E-Commerce One-Stop

Our one-stop services provide all required features for e-commerce, in line with our clients' e-commerce and brand strategies.

X

CC

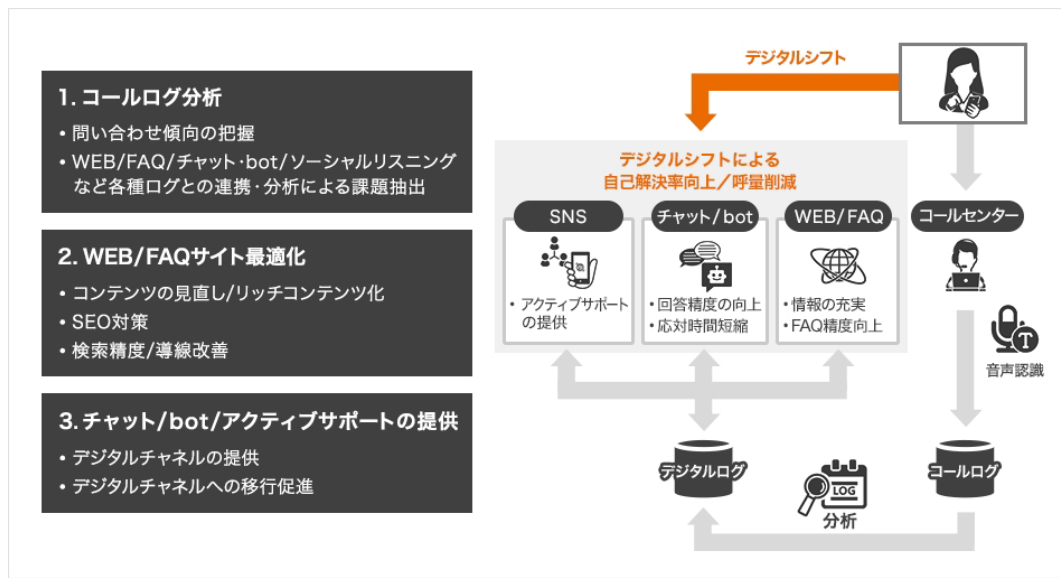
Contact Centers

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

- Competitive services based on DX service models built on our proprietary digital marketing and contact center services.
- Reinforced organizational structure with a new DX Promotion Division set specifically for developing & promoting DX service models.

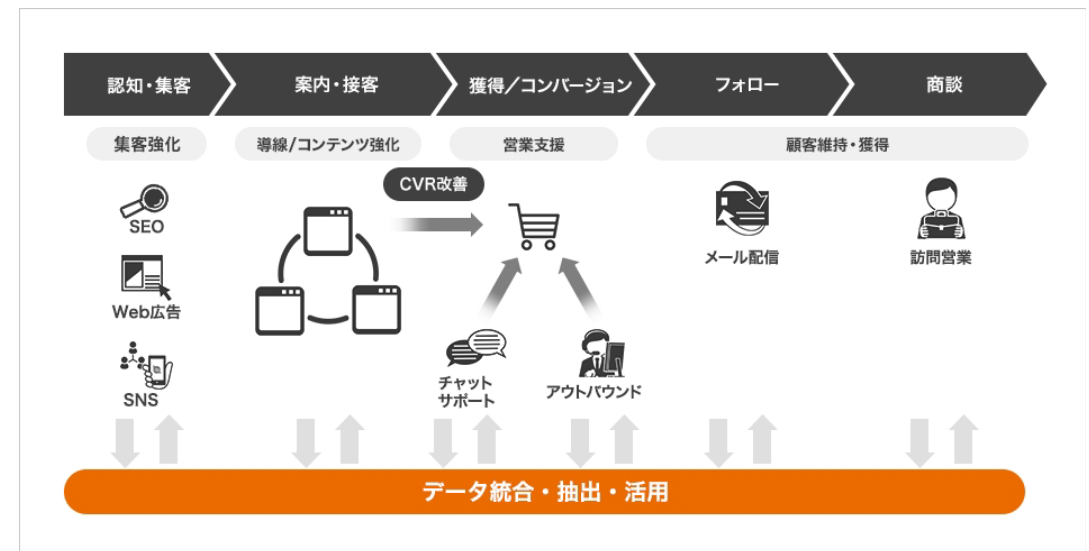
Call DX, a solution for our clients to achieve digital transformation in the customer services area

Connect & analyze VOC (Voice of the Customer) and digital channel log data, and run the PDCA cycle to enhance digital initiatives.



CRO (Conversion Rate Optimization) Service helps our clients boost conversion with the power of data

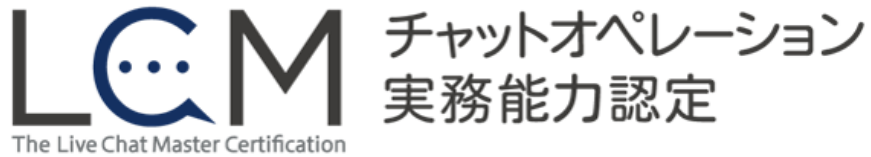
Collect, connect & analyze all kinds of log data generated throughout the customer journey from awareness to purchase (CV), and boost CRO.



- Enhance services & organizations designed for digital channels, and create more client case studies.

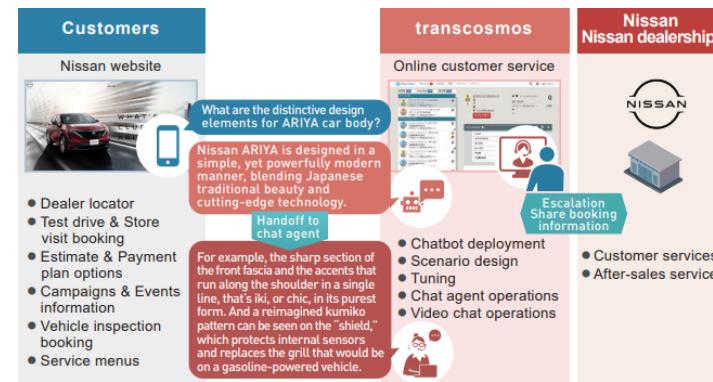
Beef up foundation for chat operations services

Increase certified members to 1,500 by the end of FY23, and implement chat to more clients



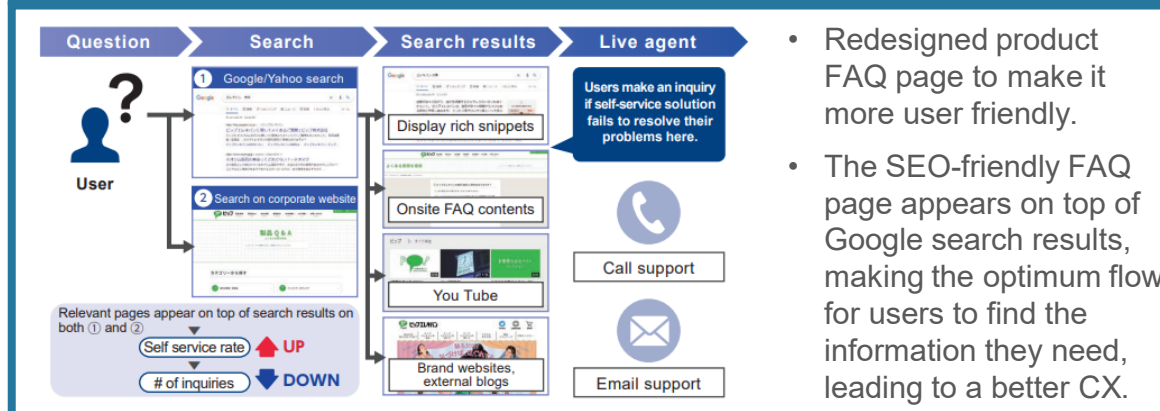
The Live Chat Master Certification program evaluates and certifies employees who have certain levels of expertise and skills based on the criteria for body of knowledge and skills required for chat services and management in each role.

Online customer services (Case Study: Nissan Motor)



- Launched online customer services to increase customer traffic.
- Drove hundreds of customers to stores within 12 months.
- Increased purchase conversion led to the next project on ARIYA member site.

CX optimization services (Case Study: PIP)



- Redesigned product FAQ page to make it more user friendly.
- The SEO-friendly FAQ page appears on top of Google search results, making the optimum flow for users to find the information they need, leading to a better CX.

- Promote home-based contact center services to discover talent regardless of their physical location, achieve a healthy work-life balance for our employees, and ultimately ensure service quality (attract & retain talent).
- Boost the value of customer experience (CX) with the power of customer data including VOC.

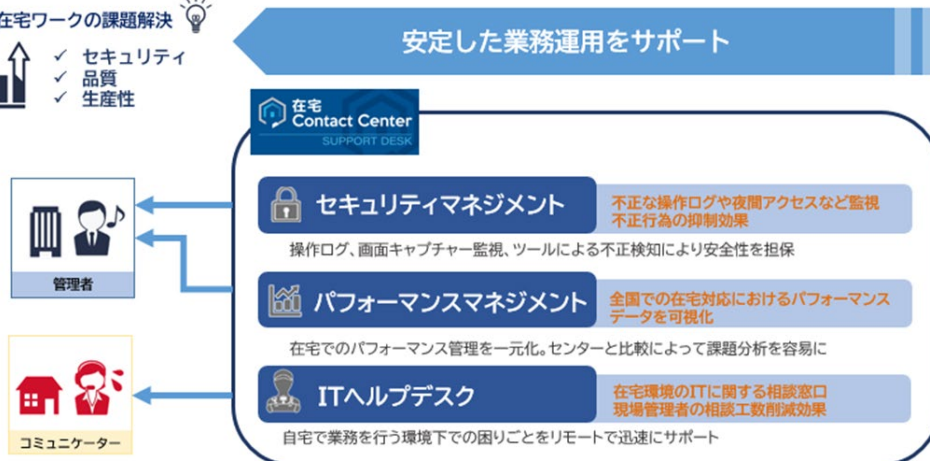
Home-Based Contact Center Services with 3,000 agents in Japan and 10,000 agents overseas

Promoting home-based services by providing support desk services to solve security, quality and productivity challenges.

在宅 Contact Center

在宅ワークの課題解決

- ✓ セキュリティ
- ✓ 品質
- ✓ 生産性



Boost CX with the power of VOC (Case Study: Seven & i Holdings)

Carried out initiatives focusing on Mission, Vision and Value (MVV*), and helped Seven & i holdings boost CX.



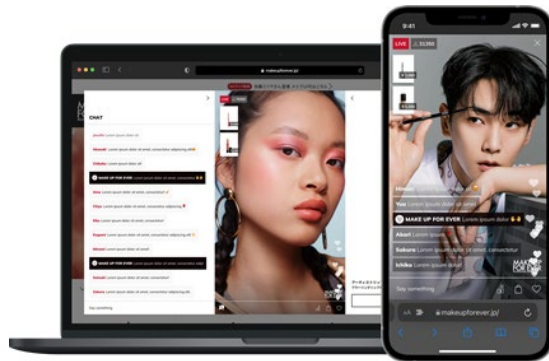
- Developed an operational development cycle by gathering inputs from agents, who communicate with the customers, in addition to collecting & analyzing VOC.
- Helped Seven & i transform negative customer sentiment into a winning customer experience by implementing interactive communication in operational flows when necessary.

* Our unique initiatives to manage our contact center business strategically. We set Mission, Vision and Value to each individual client's operations, and carry out the services with a shared vision with our clients.

DEC Services Domain: Alliances

- In collaboration with our partners, strengthen & expand our service capabilities in digital marketing and e-commerce.

Strategic partnership with Bambuser,
a live video shopping technology company



Business alliance with DIGITAL HEARTS,
a leading game debugging business in Japan



Partnership with Global-e, the NASDAQ-listed,
global cross-border e-commerce platform player



Solution partner agreement with
Dynamic Yield Inc.



DEC Services Domain: Group Synergy

- Work closer together and pursue synergies with our domestic affiliates with respective expertise, and deliver more high-value added services than ever before.



Analytics & Development



me&stars



Digital Technologies



GRAND
DESIGN

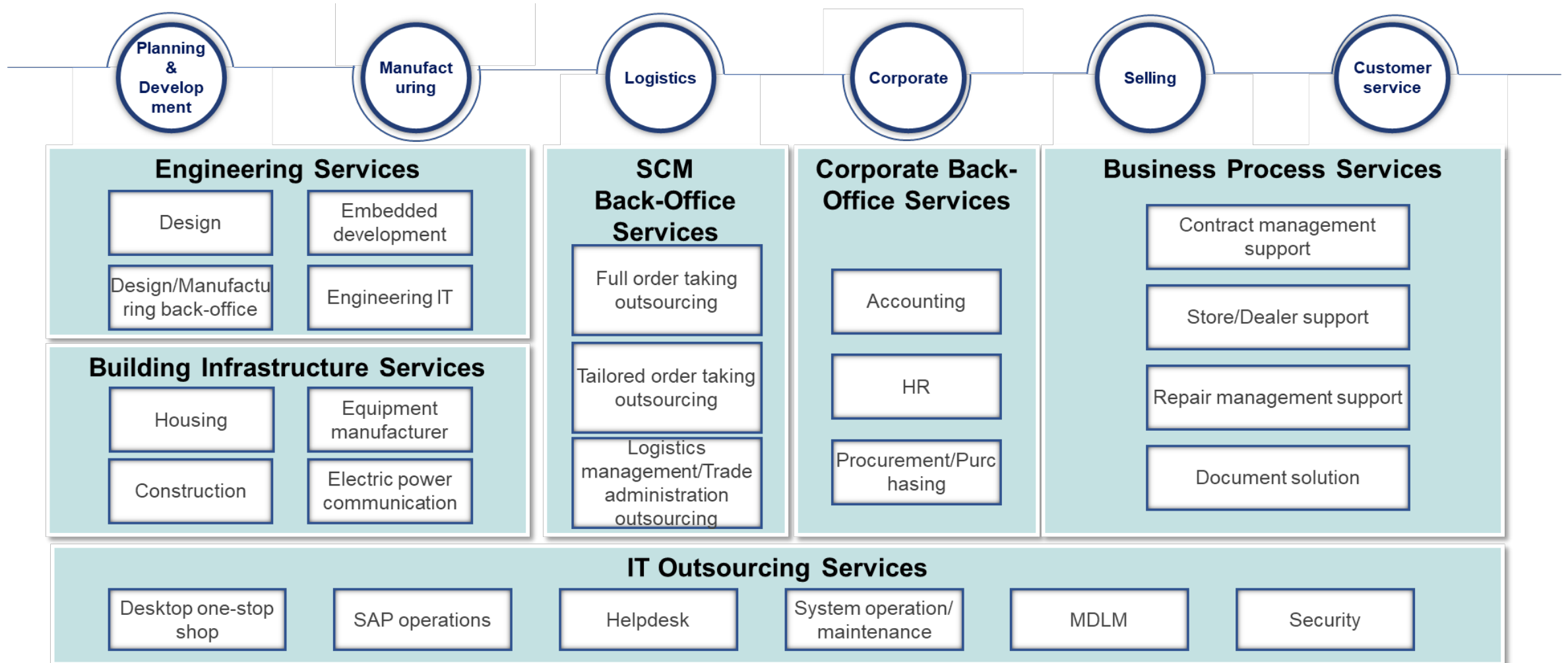
Playground



People

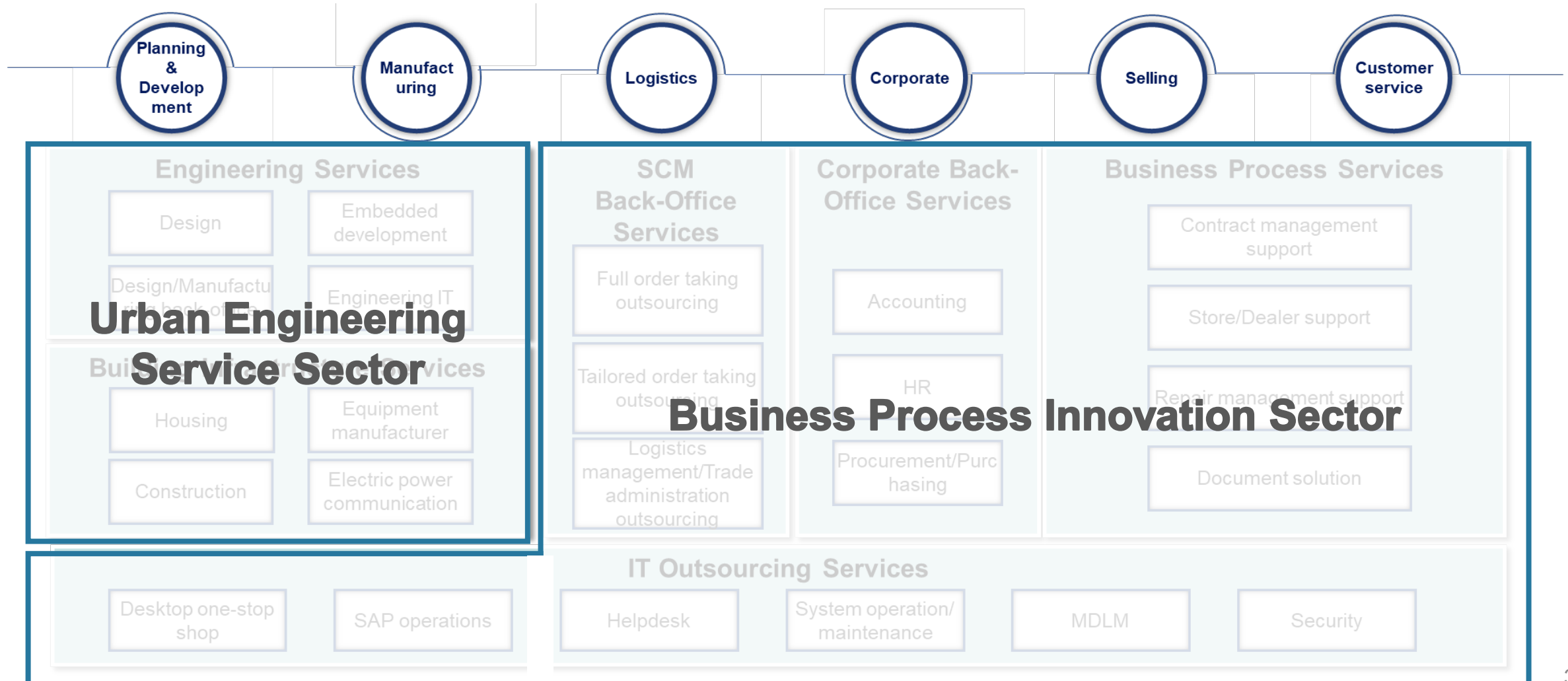


- Our extensive BPO services include planning, manufacturing, logistics, corporate back-office, sales, and customer care.
- With a broad range of services designed for each area, our BPO services meet a growing demand for BPO services.



BPO Services Domain: Reorganization

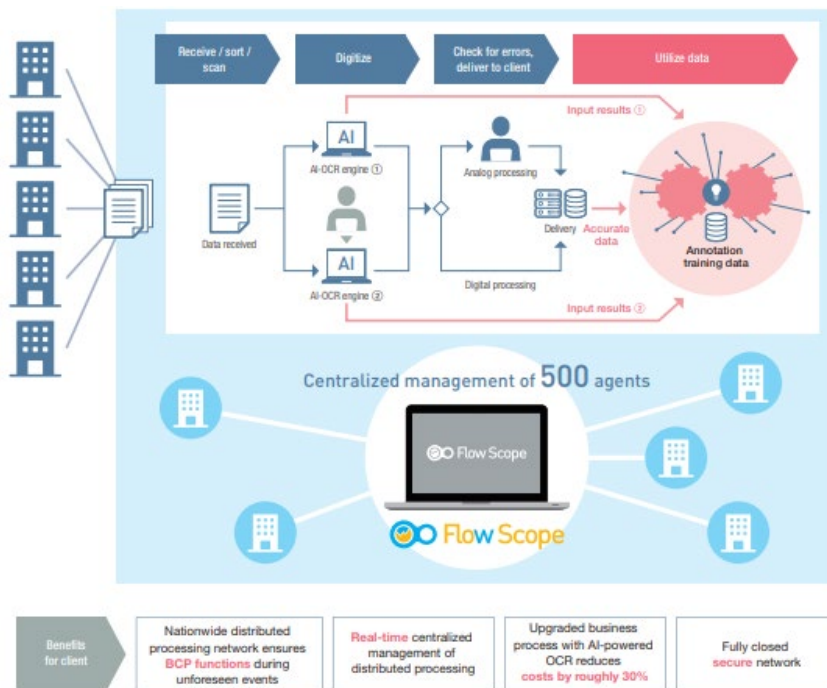
- Under the new organizational structure with enhanced collaboration between each function, deliver competitive services with deep expertise in respective areas.



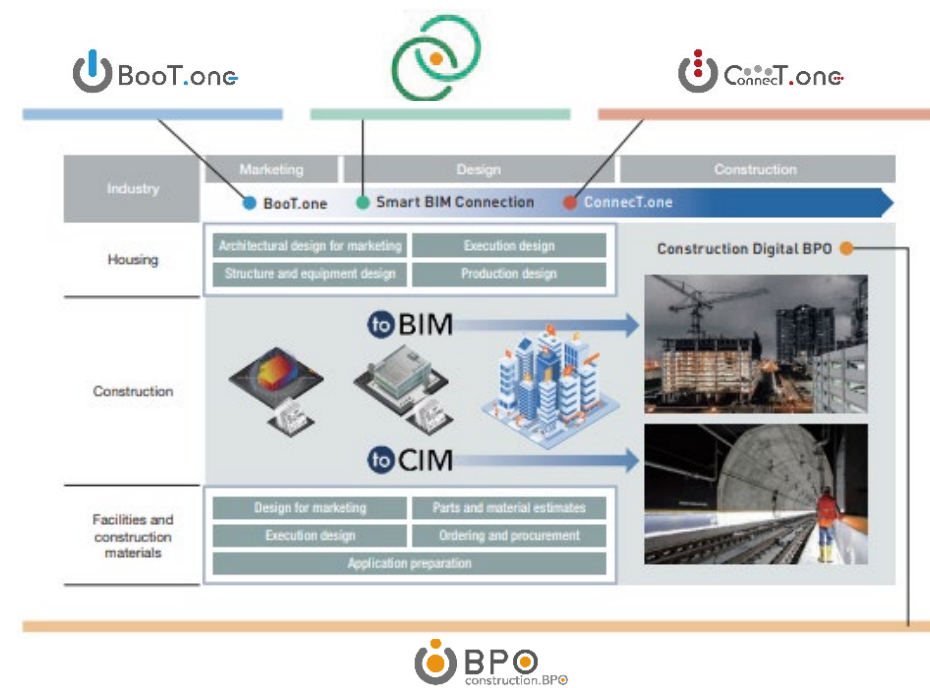
BPO Services Domain: Business Smart Sourcing

- Drive services built on a large-scale admin task processing platform powered by AI-powered OCR.
- Promote services for assisting & driving DX in target industries.

Offered highly secure services with FlowScope.
Processed claims requests coming from across Japan



Aiming to make the “toBIM” solutions the construction industry standard



BPO Services Domain: Alliance & JV

- Formed business alliances with leading digital platformers to create competitive BPO service models.
- With the aim of growing market share, built JVs with leading Japanese corporate groups.

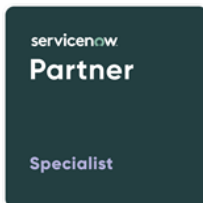
Offering services with a service model combining advance, highly specialized platforms and operations

SAP Concur, a travel & expense management solution

SAP® Concur® Partner

COMPANY, an integrated HR system

 **COMPANY**



ServiceNow, digital workflow solutions

Built JVs to enhance expertise in each business area and grow market share



Shared services company handling HR operations for Fujitsu and its group companies



Shared services company handling HR/Labor management operations for Toshiba and its group companies






BPO services company serving various industries/sectors by leveraging technology and know-how acquired as a former Toshiba group company

BPO Services Domain: Services for the manufacturing industry (Group synergy)



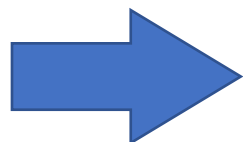
- Promote highly specialized services in the construction industry, and drive “to BIM/CIM,” our DX model designed for the industry in closer collaboration with our consolidated subsidiary Applied Technology. Focus on initiatives to advance into new areas under the renewed organization.

 Urban Engineering Service Sector	
Building infrastructure services	Engineering services
Industry: Housing, construction, housing equipment, power line communications	Industry: Manufacturing
<ul style="list-style-type: none"> With our operational expertise and experts in the industry/operations, we offer one-stop services from planning, design, construction/completion to maintenance. to BIM/CIM services 	<ul style="list-style-type: none"> Total support services for product design, development and all other related operations including design, embedded development, back-office for design/manufacturing, engineering IT. 

X

 APPLIED TECHNOLOGY (consolidated subsidiary)
System solutions
Industry: Building and general construction
<ul style="list-style-type: none"> Manufacturing support and solution services business using BIM/GIS. Engineering services business for disaster prevention/environment protection.  

Enter new market



Urban Engineering Market (market size: about ¥60 to ¥70 trillion*)

Infrastructure/O&M

Disaster prevention

Energy management

Mobility

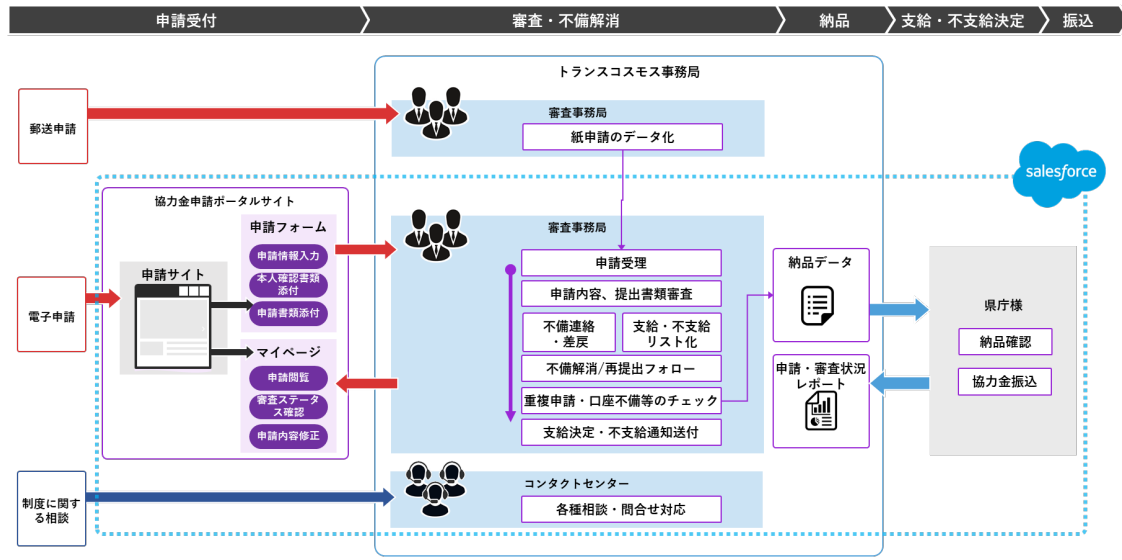
*Estimated based on the size of the construction investment and MaaS markets.

Shared Domain: The Public Sector

- Carry forward services related to Covid-19 measures and economic stimulus packages building on our proven record achieved in FY2021/3 and FY2022/3.
- Deliver services that help achieve Government DX including Digital Government, My Number, GIGA School Vision, etc.

Support center for Covid-19 subsidy programs carried out by local governments

Offered combined services leveraging SaaS system. One-stop, one-time services combining application processing, call centers and administrative operations.

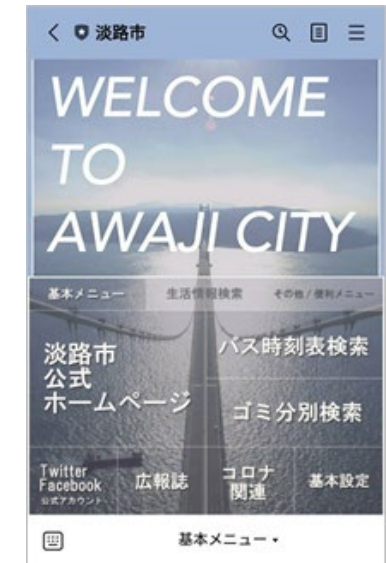


DX services for local governments powered by LINE

Helped Myoko city send municipal information and receive road problem reports via LINE



Helped Awaji city send information to citizens and related parties via LINE



Shared Domain: Service Quality

- As part of our initiative for further elevating our service quality, the source of our competitive strengths, pushed forward with obtaining third-party certifications.

Certified as a Quality Certified Business Operator by JICDAQ, a certification body promoting initiatives for ensuring the quality of digital advertising

Granted certifications under the Brand Safety and Certified Against Ad Fraud



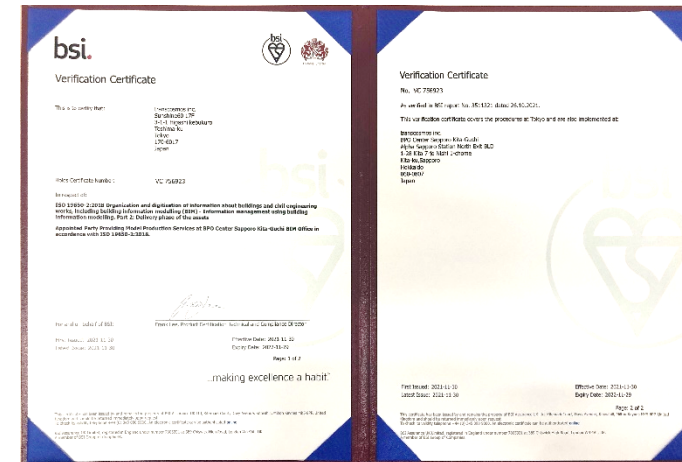
Certification: BRAND SAFETY CERTIFIED
Certified for: Ensuring the safety of brands by securing the quality of ad destinations.



Certification: CERTIFIED AGAINST AD FRAUD
Certified for: Taking measures to remove invalid ad traffic.

Obtained BIM Design & Construction Capital/Delivery ISO 19650-1* and 2* from The British Standards Institution

The first certified company in the Japanese outsourcing industry including BPO



*The ISO19650 standard is the international standard for managing information over the whole life cycle of a built asset using building information modelling (BIM), from design, construction, maintenance to end-of-life.

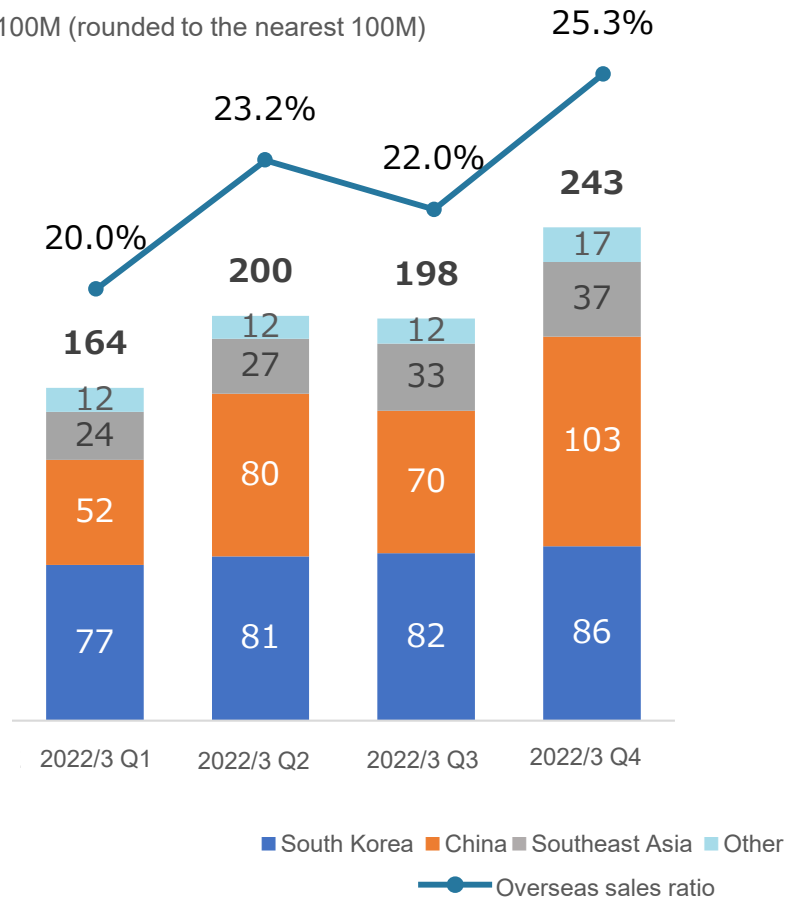
Global Business: Sales Trend per Country

● Overseas sales: ¥ 80,500 million

*Overseas sales shown here are categorized by country or region based on client location, and is different from the Overseas Affiliates segment.

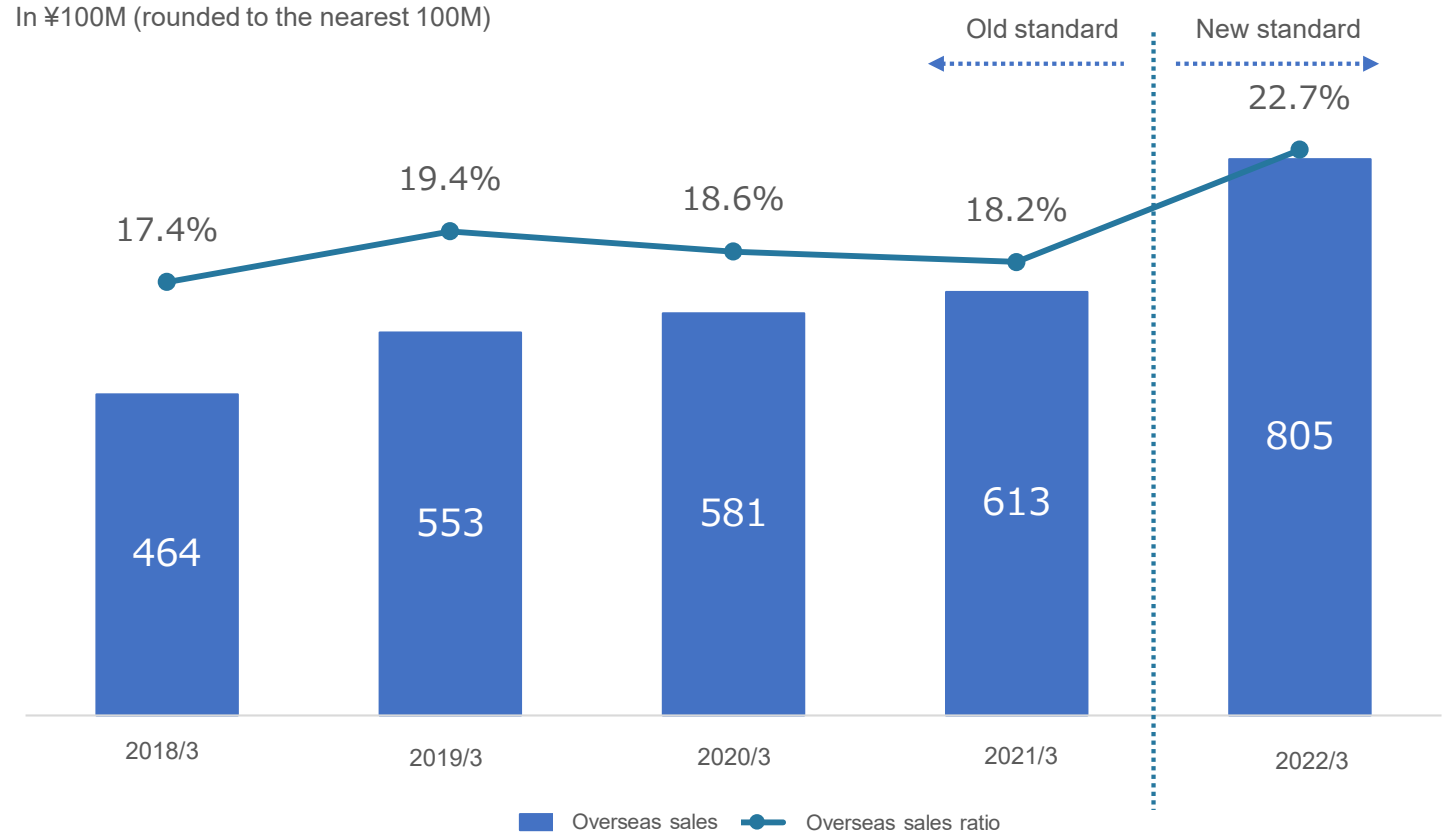
Quarterly Trend per Region

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



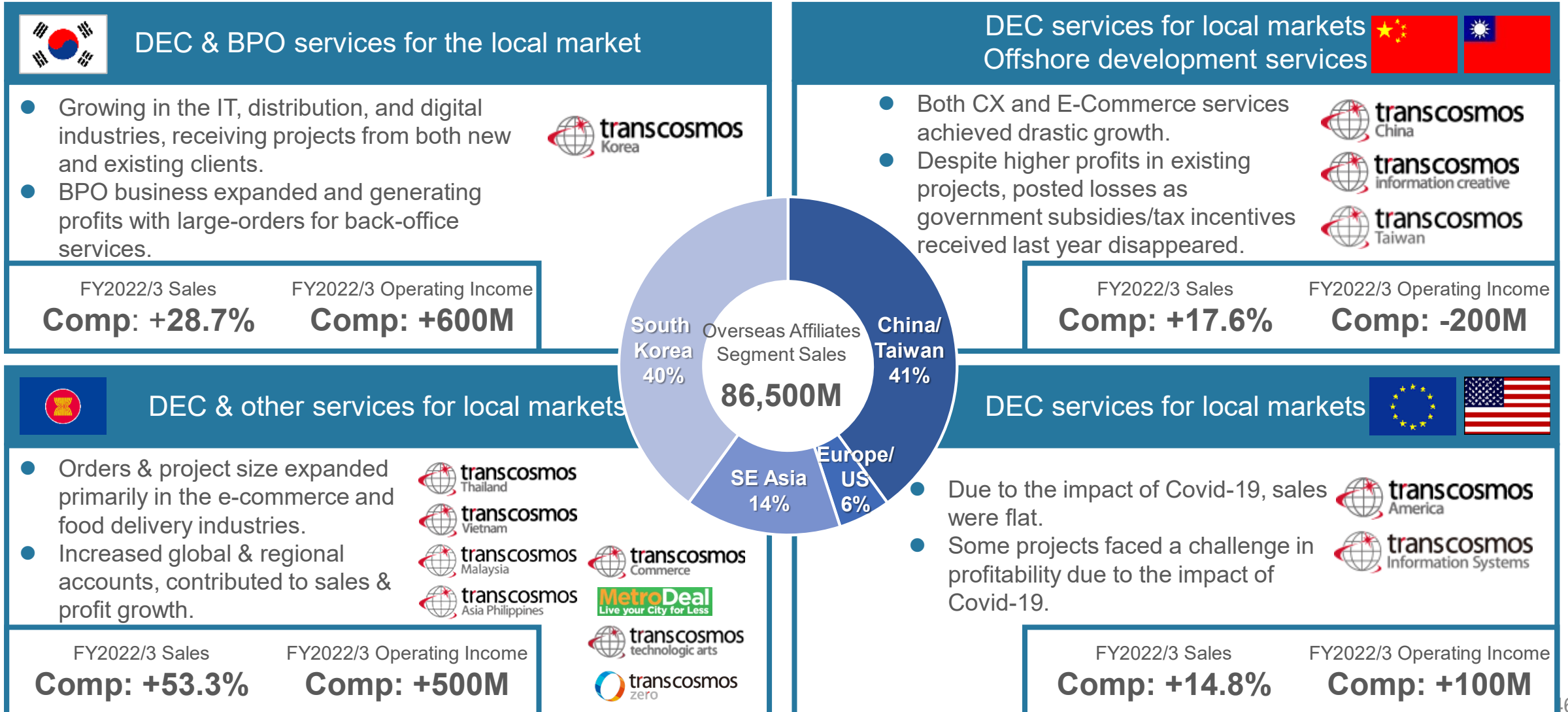
Annual Trend

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



Global Business: The Overseas Affiliates Segment

- We operate in China, South Korea, Southeast Asia, Europe and North America.



- Each country/region carried forward initiatives towards sustainable growth and higher profitability.



Key Initiatives in South Korea

- Grow business as our clients' business partner by evolving operational foundation, established as the leading independent contact center player.
- Leverage case studies on large-scale BPO services to expand across various industries, and enlarge business scope.

Key Initiatives in China/Taiwan



- In order to maximize total project volume, further enhance collaboration between Sales and Service organizations.
- Continue to deliver competitive CX services. Drive initiatives to achieve higher profitability.
- Expand offshore development business in China local market.



Key Initiatives in Southeast Asia

- Create competitive CX service models. Carry forward initiatives to enter the BPO market.
- Beef up organizational structure to acquire local clients.
- Reinforce IT infrastructure and security management features to ensure cyber security.

Key Initiatives in Europe/North America



- Push forward initiatives to establish a foundation for sustainable growth and stabilize base revenue.
- Review Sales and Services organizational structure for future business growth.
- Drive alliance and M&A strategies to capture technologies and partners essential for the CX business domain.

Global Business: Overseas Affiliates Initiatives

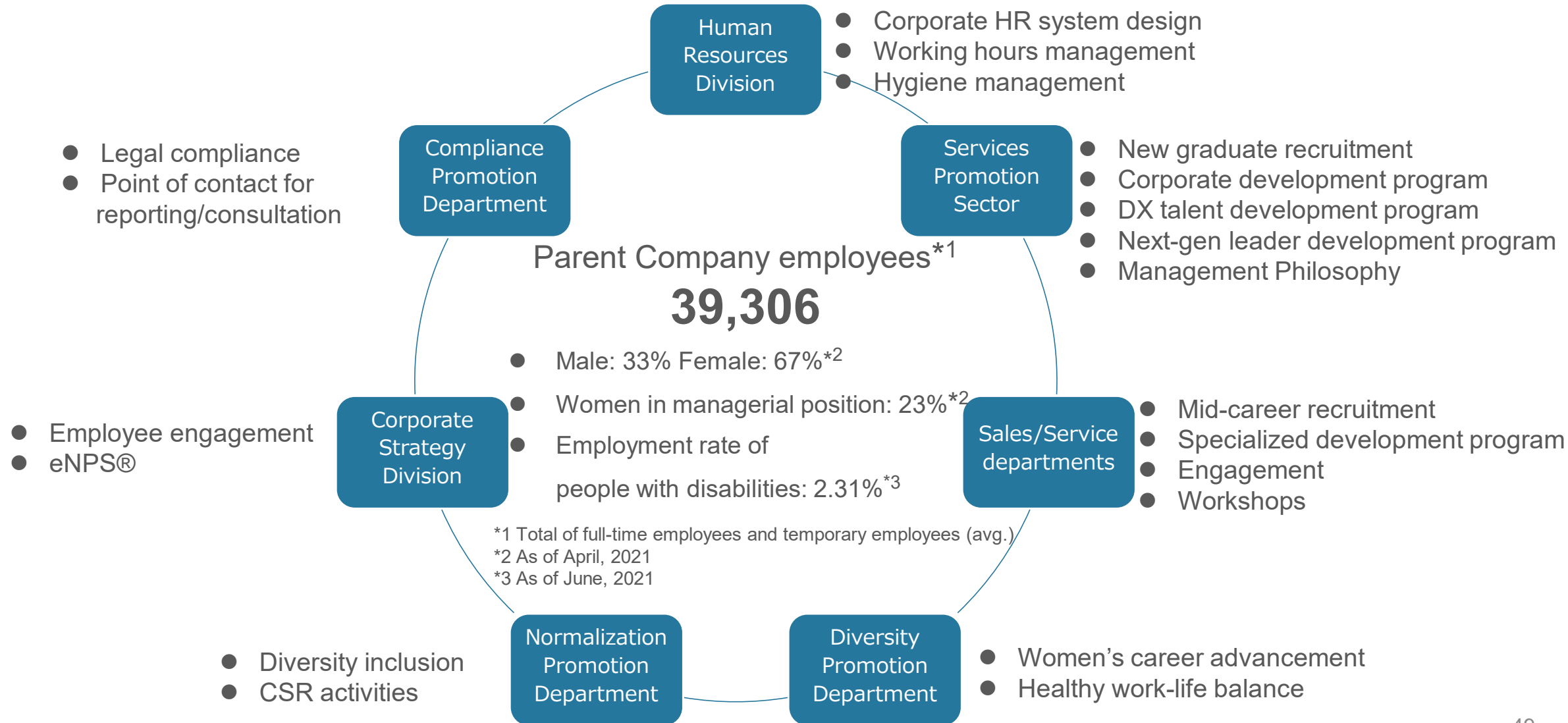
- With a closer collaboration among subsidiaries in various countries and regions, actively develop & increase global clients and offer our global support services.
- Create opportunities to offer our global support services building on our proven records in each local market.

Global support services (examples)

Client	Headquarters	Industry	Japan	China/ Taiwan	South Korea	Southeast Asia	Europe	North America
A	China	Electronics		○			○	
B	Singapore	E-commerce		○		○ (multiple countries)		
C	China	Internet	○		○			
D	Indonesia	Hotel Booking				○ (multiple countries)		
E	United States	Entertainment	○		○	○		

Reinforce Business Foundation: Talent

- Drive corporate initiatives to strengthen our talent base whilst enhancing collaboration among dedicated functions.

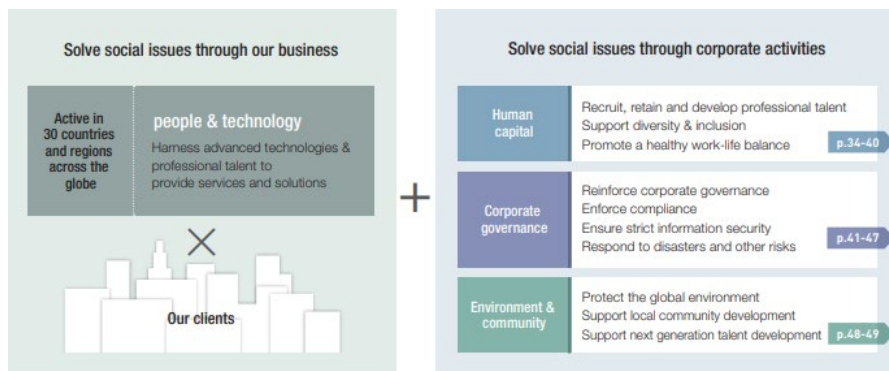


Reinforce Business Foundation: SDGs

- Established SDGs Department to carry out administrative tasks for the SDGs Committee launched in 2020.
- Set policies for our sustainability initiatives, and driving awareness campaigns to permeate SDGs across transcosmos.
- Holding training/workshops to develop SDGs-driven services and raise proposal capabilities together with Sales teams.

Developed policies for our SDGs/ESG initiatives

Basic idea



Priority SDGs



Carrying out SDGs awareness campaigns



← Open newsletter note

In May 2021, we started publishing open newsletter. 72 articles featuring interviews with key persons and our employees are posted on note as of Mar. 2022.

SDGs Open Lab → Explains latest social trends that will help achieve SDGs.



Reinforce Business Foundation: Corporate Governance

- Comply with Japan's Corporate Governance Codes.
- Drive initiatives to develop appropriate governance systems as a company listed on the Prime Market of the TSE.

Established optional committees and implemented mid-to long-term performance-based remuneration system

Established Nomination Committee and Remuneration Committee in Dec. 2021

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

December 28, 2021

To Whom It May Concern,

Name of Company: transcosmos inc.
 Representative: Masataka Okuda, President & COO
 (Code No.9715, Tokyo Stock Exchange, First Section)
 Contact: Hisao Horishi
 Corporate Executive Officer, Legal Division Manager
 Phone Number: +81-50-1751-7700 (main number)

Announcement Regarding the Establishment of Nomination Committee and Remuneration Committee

transcosmos (the Company) hereby notifies that the Company resolved at the Company's board of directors meeting held on December 28, 2021, to establish a "Nomination Committee" and a "Remuneration Committee" both as a voluntary advisory body to the board of directors (Board). The details are provided below.

Details

1. Purpose of establishing the Committees
 The Committees have been established with the purpose to enhance the Company's corporate governance system as well as to strengthen the Board's independence, objectivity and accountability with respect to its role in appointing directors and determining their remunerations.

2. Roles and responsibilities of each Committee
 The main matters that are to be discussed and reported to the Board by each of the Committees are as follows:
 [Nomination Committee]
 • Proposals on appointments and removals of directors.
 • Other matters deemed necessary in determining the appointments and removals of directors.
 [Remuneration Committee]
 • Proposals on each director's remuneration level (excluding those of the directors who are a member of the Audit and Supervisory Committee) and other associated matters.

Launched mid-to long-term performance-based remuneration system in Apr. 2022

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

December 28, 2021

To Whom It May Concern,

Name of Company: transcosmos inc.
 Representative: Masataka Okuda, President & COO
 (Code No.9715, Tokyo Stock Exchange, First Section)
 Contact: Hisaki Nagura
 Corporate Senior Officer,
 Responsible for Human Resources Division
 Phone Number: +81-50-1751-7700 (main number)

Announcement Regarding Introduction of Medium-to Long-Term Performance-Based Remuneration System

transcosmos (the Company) hereby notifies that the Company revised its director remuneration system, and resolved at the Company's board of directors meeting held on December 28, 2021, to introduce a "Medium-to Long-Term Performance-Based Remuneration System (System)" as described below.

Details

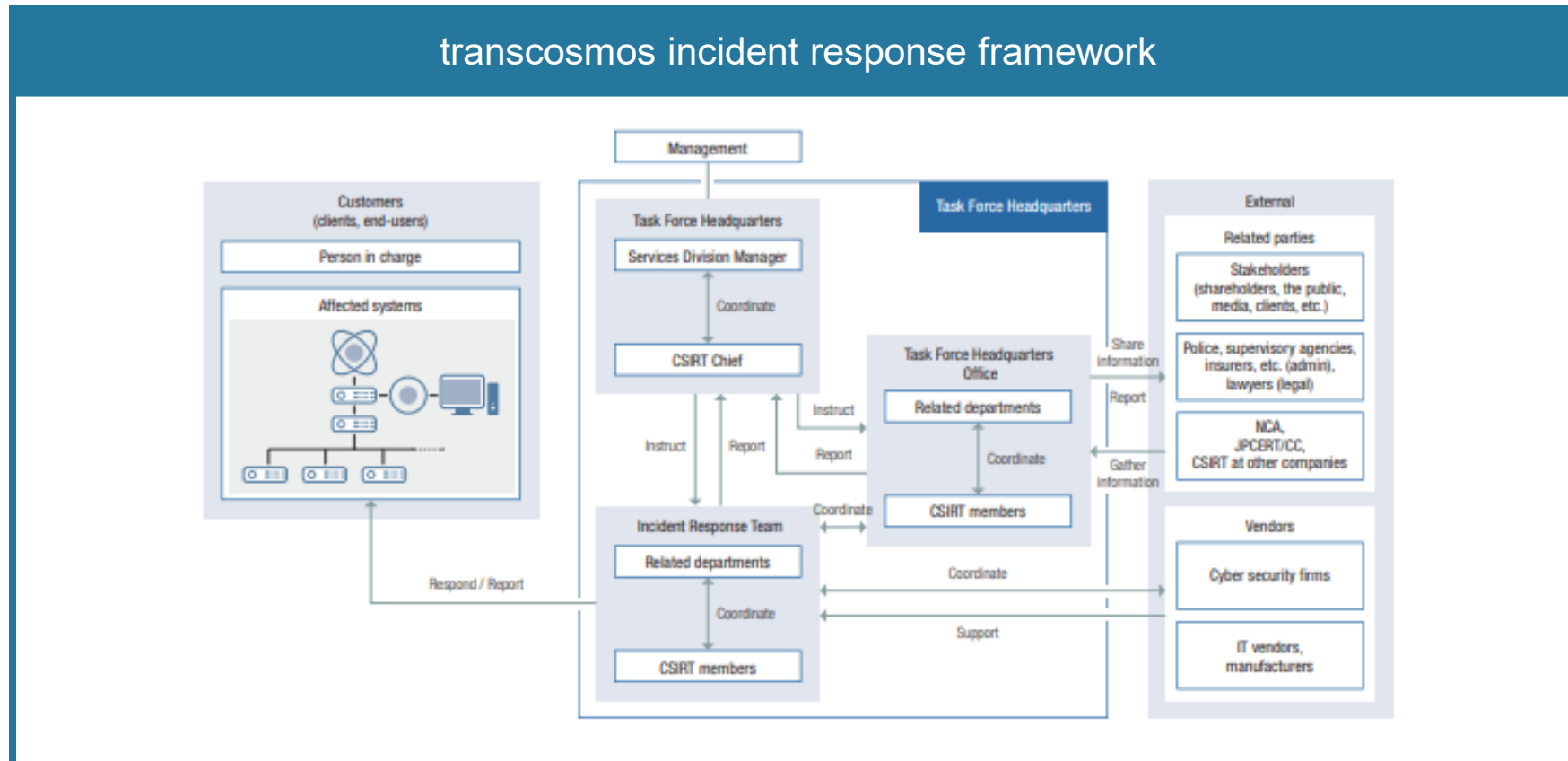
1. Purpose of introducing the System
 The remuneration for Directors (excluding those of Directors who are a member of the Audit and Supervisory Committee) has consisted of a monthly monetary remuneration, the amount of which is determined by reference to the evaluation of his/her performance achievement for the previous fiscal year, and bonuses that are to be paid only if the Company determines that it is particularly appropriate to do so by taking into account the Company's short-term business performance and business environment, etc. The new System that the Company is implementing is designed to enhance the Company's value over a medium to long term by providing the Directors with incentives that more closely link their remunerations to the achievement of medium-to long-term business plans in order to encourage their efforts towards delivering those business plans.
 Please note that the System will become effective as of April, 2022.

Disclosed directors' skill matrix

Position	Name	Corporate management	Management strategy / Business strategy	Sales / marketing	Finance / accounting	Governance / compliance / risk management	Quality control / IT / digital	Global business
Inside director	Koki Okuda	●	●		●	●	●	
	Koji Funatsu	●	●	●		●		●
	Masataka Okuda	●	●	●			●	●
	Koichi Iwami	●	●				●	●
	Masaaki Muta		●	●			●	●
	Takeshi Kamiya		●		●	●		●
	Masatoshi Kouno		●	●			●	
	Kenshi Matsubara		●	●			●	
Outside director (Audit and Supervisory Committee member)	Hiroshi Kaizuka		●	●			●	●
	Kiyoshi Shiraishi	●				●	●	
	Takeshi Natsuno (Independent director)	●	●	●			●	●
Outside director	Nozomu Yoshida (Independent director)	●	●	●	●	●		
	Eiji Uda (Independent director)	●		●		●		●
	Rehito Hatoyama (Independent director)		●		●	●		●
	Toru Shimada (Independent director)	●	●	●		●		
Outside director	Genichi Tamatsuka (Independent director)	●	●	●			●	
	Noriyoshi Suzuki (Independent director)	●	●	●				●

Reinforce Business Foundation: Cyber Security

- Established our proprietary cybersecurity standards (security standards) referencing the cybersecurity framework (CSF) developed by the US National Institute of Standards and Technology (NIST).
- The security standards are set at a level required for each customer-facing system. We verify security compliance status by testing and evaluating each system, and add or update measures as required.
- We regularly revise the security standards to address increasingly sophisticated cyber-attacks.



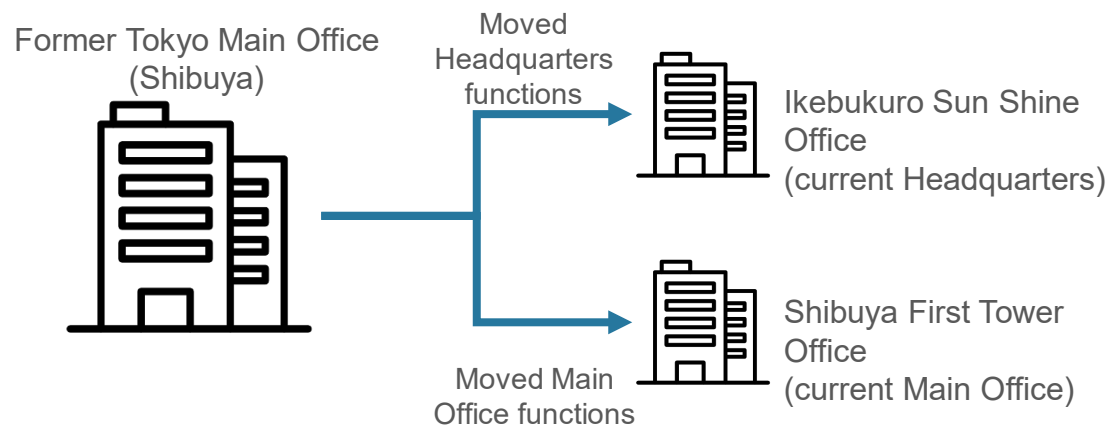
Reinforce Business Foundation: Facility

- To optimize facility usage as we shift to teleworking, we have canceled the lease agreement of the former Tokyo Main Office (Shibuya), and moved/centralized the Headquarters/Main Office functions to the existing offices (current Headquarters (Ikebukuro)/Main Office (Shibuya)), resulting in lower fixed expenses.
- Pushing forward initiatives to further optimize facility usage by maintaining the teleworking arrangements after the move.

Optimize facility usage

Reduced fixed expenses by cancelling the lease agreement of the former Tokyo Main Office in Shibuya

Annual ¥-1,400M to 1,500M*



*Calculated based on rents and utility expenses at the former Tokyo Main Office building.

Continue teleworking arrangements

Smoothly shifted to teleworking with the power of IT.
Continue to exceed the government's requirement (70% telework)

**HQ/Main Office
Working from home: 70 to 80%***

- Built a secure work-from-home environment using remote access tools.
- Prepared processes that enable smooth communication from home via chat.
- Implemented softphones to enable work-at-home employees to receive direct calls.
- Shifted all meetings, including the board meetings online using web conferencing system.
- Shifted Sales seminars to webinars.
- Implementing no seal policy for HR related applications/notifications and invoices, and driving paperless and digitization.

*Estimate only. Covers Headquarters/Main Office functions from Feb to Mar. 2022. 53

- 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 (figures shown in million yen is rounded to the nearest million) and the percentage is rounded to the first decimal place.



IR Contact

IR Department, Corporate Management Sector, transcosmos inc.

E-Mail. ir_info@trans-cosmos.co.jp