

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.

April 28, 2022

To Whom It May Concern,

Name of Company: transcosmos inc.
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(Code No.9715, Tokyo Stock Exchange, Prime Market)
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Announcement Regarding Changes in Consolidated Financial Results
for the Fiscal Year Ended March 31, 2022, from the Previous Fiscal Year,
Recording of Non-Operating Income on the Consolidated Financial Statements and
Recording of Extraordinary Losses on the Non-Consolidated Financial Statements

transcosmos (the Company) hereby announces that there were changes in the actual figures on the Company's consolidated financial results for the fiscal year ended March 31, 2022 (from April 1, 2021 through March 31, 2022), from those of the previous fiscal year. The company also announces that the Company recorded non-operating income on its consolidated financial statements, and recorded extraordinary losses on its non-consolidated financial statements. The details are described below:

Details

1. Changes in the consolidated financial results for the fiscal year ended March 31, 2022, from those of the previous fiscal year.

| | Net sales | Operating income | Ordinary income | Net income attributable to shareholders of transcosmos inc. | Net earnings per share |
|--------------------------------------|------------------------|-----------------------|-----------------------|---|------------------------|
| Fiscal year ended March 31, 2021 (A) | Million yen 336,405 | Million yen 17,752 | Million yen 18,012 | Million yen 10,022 | Yen 241.65 |
| Fiscal year ended March 31, 2022 (B) | 354,085 | 25,846 | 28,902 | 21,488 | 518.12 |
| Difference (B-A) | 17,680 | 8,094 | 10,889 | 11,466 | |
| %Difference | — | — | — | — | |

(Note) transcosmos 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 fiscal year. All figures for the fiscal year ended March 31, 2022 are based on the standard and the guidance. In the table above, as such, we have not presented the percentage changes compared with the previous fiscal year.

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 fiscal year.

Accordingly, all sales generated from the transactions in which we have acted as an agent (i.e. agency transactions) are presented on a net basis whereas, previously these were presented on a gross basis (total sales minus cost of sales). For your reference, in the table shown below, sales generated from the agency transactions in the previous fiscal year are restated on a net basis from the gross basis (total sales minus cost of sales).

(In Million yen)

| | FY2021/3 | FY2022/3 | Difference | %Difference |
|--|----------|----------|------------|-------------|
| Consolidated sales | 312,306 | 354,085 | 41,779 | 13.4% |
| Parent Company | 218,825 | 238,812 | 19,987 | 9.1% |
| Domestic Affiliates | 35,906 | 40,129 | 4,222 | 11.8% |
| Overseas Affiliates | 67,690 | 86,498 | 18,808 | 27.8% |
| Elimination of intra segment transaction | (10,115) | (11,354) | (1,239) | (12.3%) |

2. Reasons for the Changes

On a consolidated basis, the Company achieved net sales of 354,085 million yen in the fiscal year ended March 31, 2022 (the previous fiscal year: 336,405 million yen), due to order growth in all segments, namely, the Parent Company, Domestic Affiliates and Overseas Affiliates. Profits also grew in all segments. The growth in the Parent Company segment was primarily due to an order increase and higher profitability in existing projects. As for the Domestic Affiliates segment, the profitability picked up primarily due to healthier profitability in some listed subsidiaries and subsidiaries in the BPO industry. The Overseas Affiliates segment achieved higher profits, primarily due to enhanced profitability primarily in subsidiaries in South Korea and Southeast Asia. As a result, operating income increased to 25,846 million yen (the previous fiscal year: 17,752 million yen) and ordinary income rose to 28,902 million yen (the previous fiscal year: 18,012 million yen). With regard to the net income attributable to owners of transcosmos inc., the Company achieved 21,488 million yen (the previous fiscal year: 10,022 million yen).

3. Recording of non-operating income on the consolidated financial statements

The Company recorded profits based on the financial results of each of its equity method affiliates in the current fourth quarterly consolidated accounting period. As a result, the Company recorded an investment gain on equity method of 2,958 million yen as non-operating income on its consolidated financial statements.

4. Recording of extraordinary losses on the non-consolidated financial statements

The Company recorded a loss on valuation of shares of affiliates and subsidiaries of 3,608 million yen, as some affiliates' shares that the Company owns have become significantly below their book value in the current fiscal year.