



Integrated
Report
2022

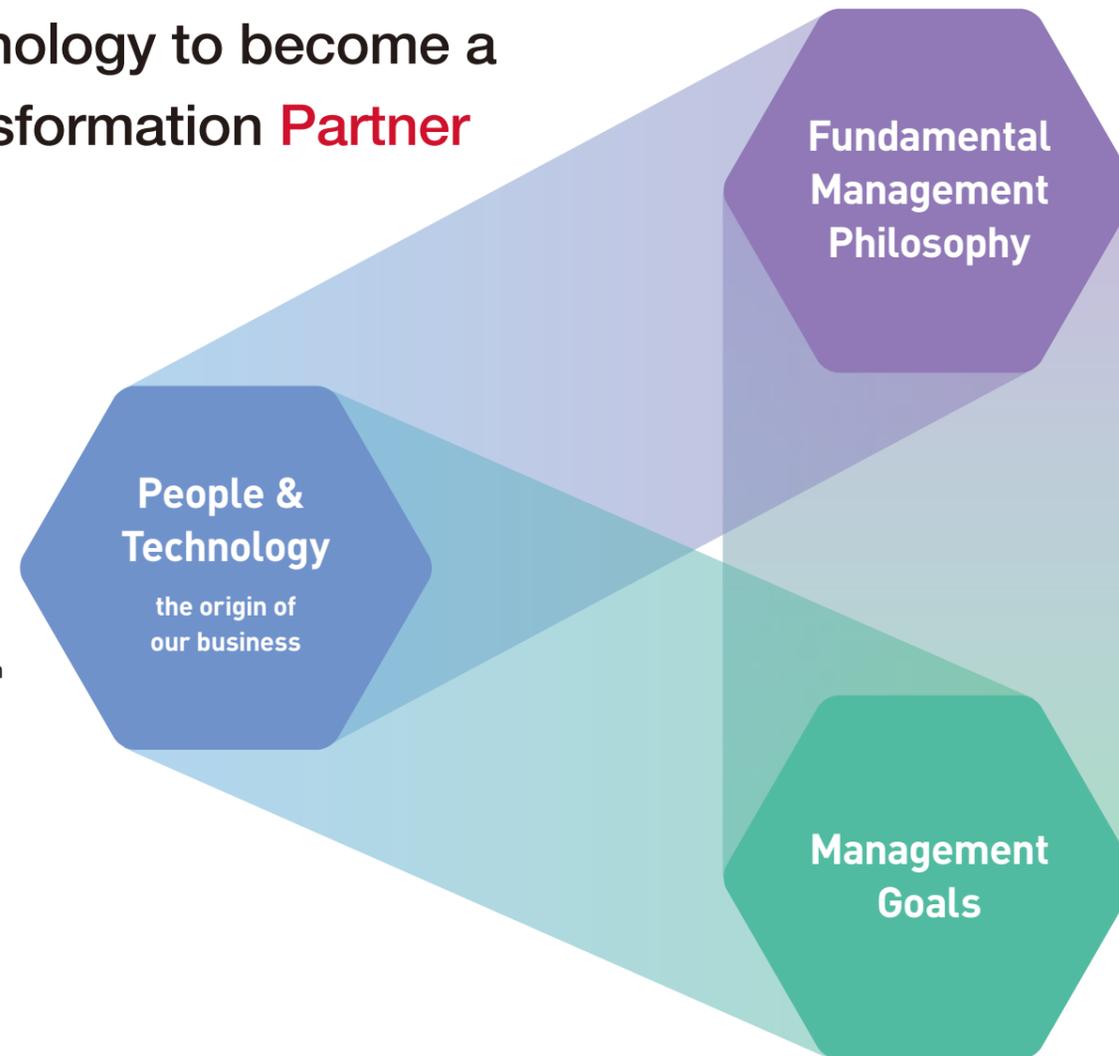
transcosmos inc.

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Refining people & technology to become a true **Global Digital Transformation Partner**

People & technology sits at the heart of our business. We combine people and technology in a systemized way to deliver high-value services.

“People” refers to highly skilled professionals who can provide tailored services that meet and exceed the expectations of clients, and “technology” means cutting-edge global technologies that enable us to deliver value to clients. transcosmos continues to refine its approach of combining people & technology to create business processes that best match the needs of each client.



Client satisfaction is the true value of our company, and the growth of each of our employees creates the value that shapes our future.

Commitment to Our Clients

- ▶ We will continue to stay on top of the latest technology trends and continue to deliver quality and valuable services by uniting people and technology.
- ▶ We will build solid partnerships with our clients based on trust.

Commitment to Our Employees

- ▶ The limitless potential of our employees is our greatest resource and we will support the education and training needed for each employee’s growth.
- ▶ We will provide opportunities fairly, and will match compensation and new growth opportunities to demonstrated results and ability.

Commitment to Society and Our Shareholders

- ▶ We strive to raise shareholder value and contribute to the progress of society by growing our business.

■ Editorial Policy

transcosmos inc. publishes this Integrated Report to communicate with investors, shareholders and all other stakeholders in an easy-to-understand manner about its business activities and efforts aimed at enhancing corporate value, and to serve as a starting point for constructive dialogue. In editing this report, the Company referred to various guidelines, including the International Integrated Reporting Framework developed by the Value Reporting Foundation (VRF)* and Guidance for Integrated Corporate Disclosure and Company-Investor Dialogues for Collaborative Value Creation published by Japan’s Ministry of Economy, Trade and Industry. We hope this report will deepen stakeholder understanding about the transcosmos Group.

■ Period and companies covered by this report

Period: April 1, 2021 to March 31, 2022
 Companies: transcosmos inc. and 104 Group companies

*VRF was merged into the International Sustainability Standards Board (ISSB) on August 1, 2022.

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We will continue to create value for the world through relentless innovation



Masataka Okuda

Representative Director,
Chairman

Moving into the future while staying true to the ideas of our founder

transcosmos founder and director Koki Okuda passed away peacefully on April 2, 2022. Building the transcosmos Group from scratch, he created and endowed us with many of the business assets that will take transcosmos into the future.

His core philosophy is now codified in our corporate vision.

“People & technology” is the origin of our business. We provide high value-added services by combining talented “people” with the world’s most advanced “technology” to tackle and solve challenges faced by clients. Our value as a company is our professionalism, allowing us to provide vastly superior services to those of our competitors, while our greatest strength is our steadfast commitment to the pursuit of this goal for more than half a century.

Our approach to service delivery is expressed in our philosophy of “Operational Excellence.” Before his passing, Koki Okuda told directors and employees, “We can only build trust when our daily efforts exceed the expectations of customers.” Our commitment to providing professional,

superior business operations to help clients optimize their business processes has remained constant, even as the Group has expanded into a growing number of fields.

Underpinned by this philosophy, we formulated a new corporate message in 2017 – Global Digital Transformation Partner – our vision for the transcosmos Group. transcosmos is now a global company. As of October 2022, we had a total of 172 business sites in 28 countries and regions, supported by nearly 70,000 people worldwide. “Global” is part of our vision, which is why we will continue to work closely with clients around the world as their partner in driving digital transformation (DX).

Steady progress as a global company in both earnings and corporate structure

Consolidated net sales totaled ¥354.1 billion in FY2022/3, a new record and the twelfth consecutive year of growth. Operating income rose 45.6% year on year to ¥25.8 billion, also a record high.

The Group provides diverse services in the areas of

Digital Marketing · E-Commerce · Contact Centers (DEC) and Business Process Outsourcing (BPO). In the DEC Services domain, we provide end-to-end support for marketing, sales and customer communication, which are points of contact between our clients and their customers. In the year under review, we also provided powerful support for clients in various industries to help them implement DX. We also focused on expanding and establishing home-based contact centers, which rapidly gained ground during the COVID-19 pandemic.

In the BPO Services domain, we help clients optimize operations by rapidly and precisely carrying out back-office operations on their behalf. In the year under review, we continued to create and deploy competitive service models by leveraging digital technology and business alliances.

We also secured large public-sector projects for administrative processing work related to measures to control the pandemic, offering DEC and BPO integrated services. This success in winning the orders reflects the Group’s ability to rapidly start up projects, even on a large scale, and ensure end-to-end quality services – strengths not typically found at specialized IT service vendors. Another key factor was our competitive one-stop service platform, which can handle all aspects of the government’s COVID-19 support system, such as processing applications from businesses and individuals and issuing payments.

Overseas, we reported record-high sales and operating income driven by sustained business growth and higher profitability, particularly in Asia. We also upgraded our systems in each local market to support continued growth. In addition to opening centers and offices in South Korea, China, Singapore and other countries, and reinforcing our development framework, we teamed up with an Israeli company that provides a global cross-border e-commerce platform to create a system for our Japanese clients that allows them to process cross-border e-commerce transactions in more than 200 countries and regions worldwide.

New management structure to support the next leap forward

The term DX is now widely and commonly used in Japan. Digitalization is also entering a new phase, moving from partial to total optimization. Many companies have tried partial digitalization with standalone solutions, but they are starting to realize that a piecemeal approach using digital tools does not deliver the expected results and that the entire process needs to be optimized. Meanwhile, consumers are more quickly becoming adept at using different channels to solve problems. Today’s consumers now head to the internet

first to find answers to issues they face in everyday life. The first contact they have with companies is typically through websites or online chat channels, with phone calls seen as the last resort. This means companies increasingly need to take into account communication through social media while also optimizing all their proprietary contact channels. Interfaces between consumers and businesses are steadily being replaced by software, and the metaverse is likely to become another new method of communication.

Corporate IT strategies are also changing. By drawing on advanced solutions from the global market, we are starting to create superior customer experiences (CX) and build cutting-edge business processes. Traditional fully customized on-premises* IT infrastructure requires significant initial investment and cannot keep up with the pace of change in the operating environment. In response, many companies will aim to build higher-level business processes and enhance CX by achieving vertical start-up using software as a service (SaaS) models. With these new IT systems, businesses will need to compensate for the lack of flexibility in SaaS with operations and also adapt to the fast-paced evolution of SaaS.

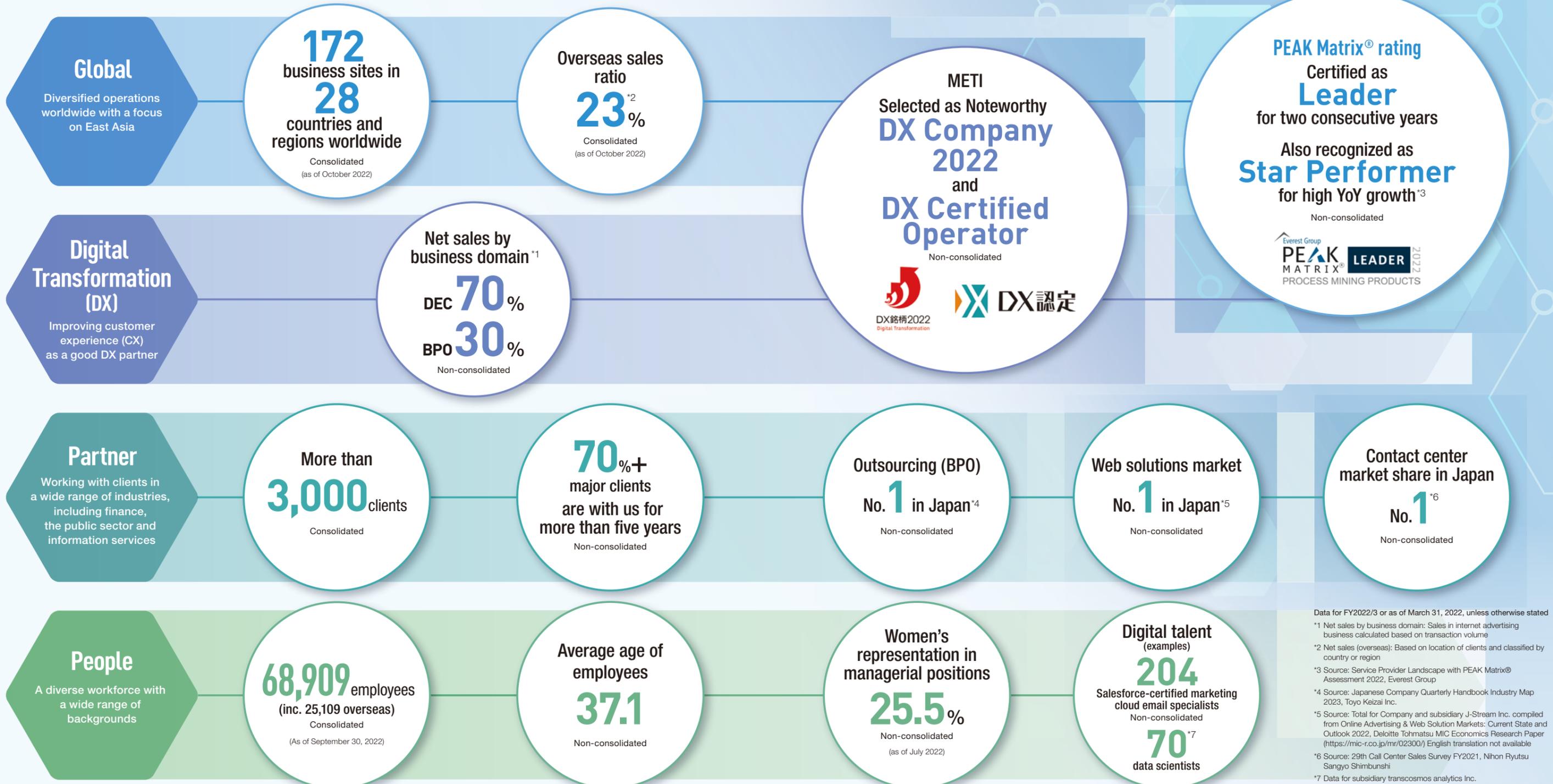
One of transcosmos’s strengths is its ability to help companies respond to changes in the operating environment by providing a wide range of services for different business operations and communication channels using innovative processes anchored by the latest IT. To build on this strength, we need to offer even better services to our customers based on “people & technology” – the origin of our business. In terms of “people,” we are working to improve employee satisfaction and engagement to build and enhance the capabilities of our people. In terms of “technology,” we are focusing on further enhancing our new proprietary platforms, which bring together the world’s most advanced technologies and our operational know-how.

On June 22, 2022, we appointed Koichi Iwami and Masaaki Muta as two co-presidents to reinforce the Group’s management structure. Both of them have a deep understanding of the transcosmos “people & technology” mindset. They are also well-versed in how our business works after roughly 20 years in management roles. As Chairman, I will continue to pursue innovation, which is part of transcosmos’s DNA, and devote myself to creating new businesses that sustain the Group’s growth for the next decade.

I look forward to your continued support as we work to increase value for all our stakeholders.

*On-premises: Information systems such as servers and software installed and operated by users at their own sites.

We have built a strong track record and are recognized with awards and global recognition for high-quality services that leverage diverse people



Data for FY2022/3 or as of March 31, 2022, unless otherwise stated
 *1 Net sales by business domain: Sales in internet advertising business calculated based on transaction volume
 *2 Net sales (overseas): Based on location of clients and classified by country or region
 *3 Source: Service Provider Landscape with PEAK Matrix® Assessment 2022, Everest Group
 *4 Source: Japanese Company Quarterly Handbook Industry Map 2023, Toyo Keizai Inc.
 *5 Source: Total for Company and subsidiary J-Stream Inc. compiled from Online Advertising & Web Solution Markets: Current State and Outlook 2022, Deloitte Tohmatsu MIC Economics Research Paper (<https://mic-r.co.jp/mr/02300/>) English translation not available
 *6 Source: 29th Call Center Sales Survey FY2021, Nihon Ryutsu Sangyo Shimbunshi
 *7 Data for subsidiary transcosmos analytics Inc.

A proud history of professionalism and putting customer satisfaction first

1966

Founded as a BPO pioneer in Japan

Established in 1966, Maruei Keisan Center – the forerunner of transcosmos – attracted attention for its new onsite approach, sending employees to perform data entry work at client offices.

At a time when data entry work was generally conducted offsite, this method of processing confidential information onsite became known as the “Maruei style” and was widely adopted by Japan’s business community.

“Maruei style” is exactly the idea of business process outsourcing (BPO). Today, transcosmos provides services to more than 3,000 clients as the leading BPO player, particularly in Japan and Asia.

1985-

Improving convenience and efficiency for Japanese businesses with cutting-edge global technologies

transcosmos was established in 1985, just as use of PCs was taking off in the business world. Our late founder Koki Okuda opened offices in the US to gain early insights into the latest IT trends and we actively started sending young employees to these offices. This helped us win a contract to provide customer support outsourcing services to the leading PC manufacturer in the US at the time, leading to major outsourcing contracts with top PC makers in Japan. The customer support services created in this period are the basis of our contact centers and IT outsourcing businesses today.

2010-

Going global with full force as a Japanese DX company

As the internet became part of people’s lives, contact points between businesses and consumers diversified. This prompted transcosmos to focus on developing and deploying services that utilize digital technology to help clients keep up with these changes.

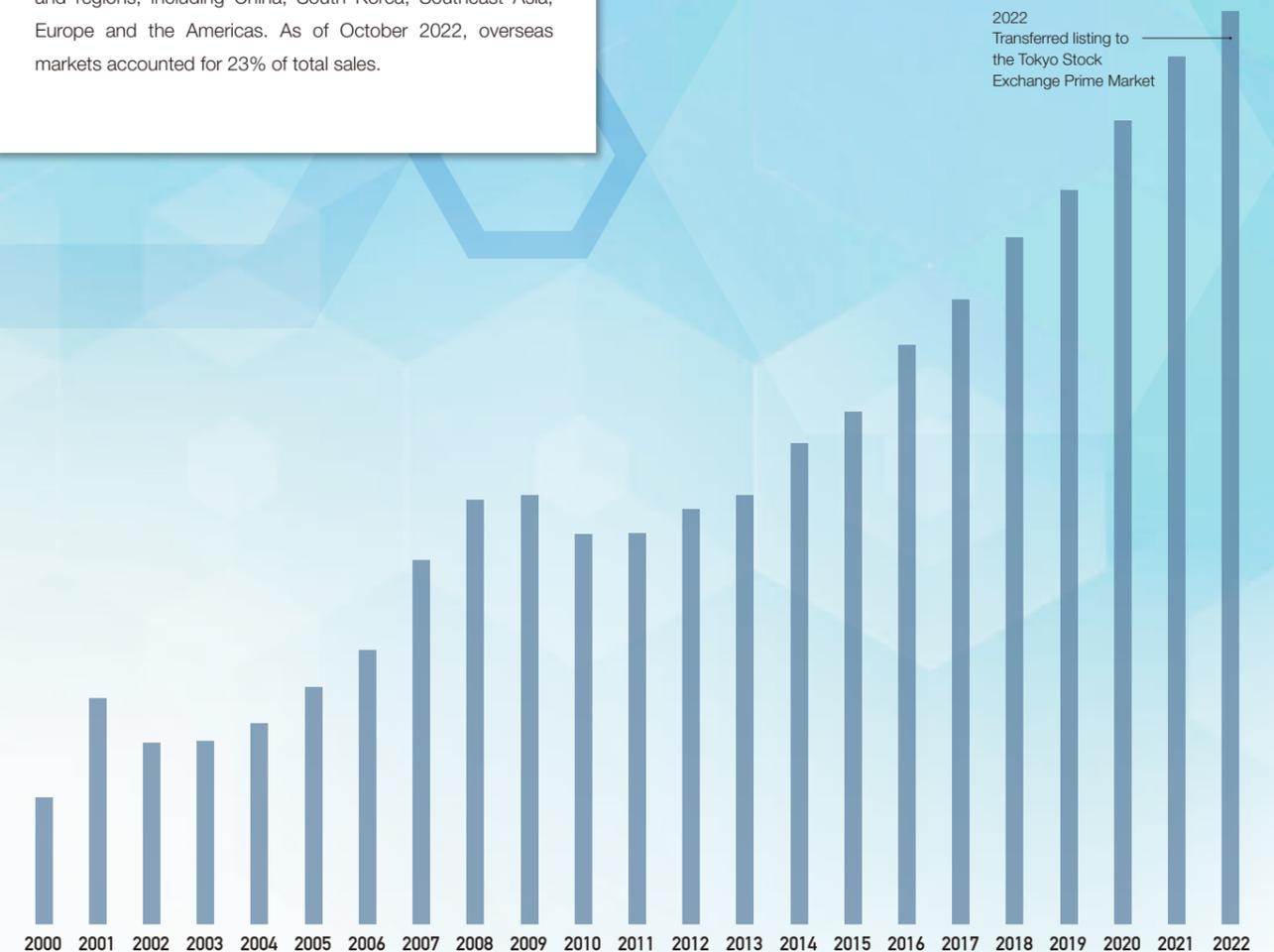
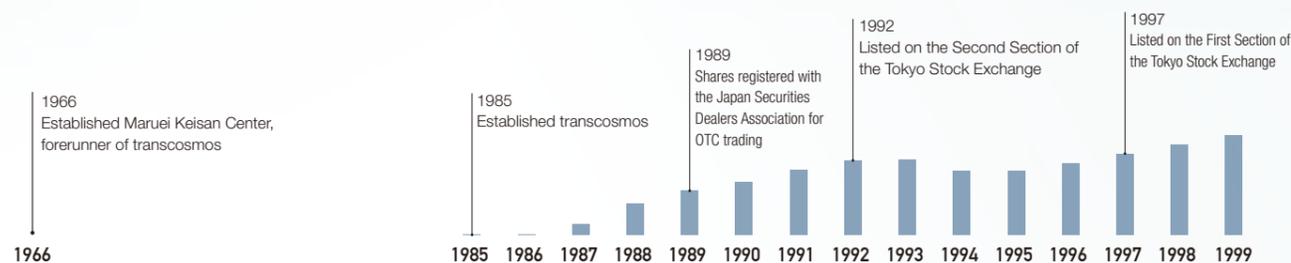
With globalization also gaining ground, we stepped up the global deployment of high value-added services based on digital technology, expanding our business into 27 countries and regions, including China, South Korea, Southeast Asia, Europe and the Americas. As of October 2022, overseas markets accounted for 23% of total sales.

2022-

Aiming to be a true DX partner supporting social infrastructure

Since its establishment, transcosmos has actively taken on projects with high social utility, based on the belief that “a company cannot survive unless it serves the public.” In BPO Services in particular, we have a wealth of experience in large-scale projects for central government agencies and local governments, including a recent project that gave central and local governments the tools to respond rapidly and reliably to the COVID-19 pandemic.

Systems for public institutions have to be much more robust than systems for companies, as any technical issue could prevent the public from accessing services. Our experience and operational know-how ensures the continuity of public systems, and are highly valued by society.



1960- Large computing machine era	1980- Downsizing era	1990- PC era	2000- Internet era	2010- Smartphone and e-commerce era	Present AI and IoT era
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*Bar graph shows net sales

Offering diversified services at one-stop, and helping clients grow sales and optimize costs

BPO

Business process outsourcing services

BPO Services

By blending operational excellence with various technologies, we transform business processes and provide end-to-end support to help clients reinforce their business foundation and boost competitiveness.

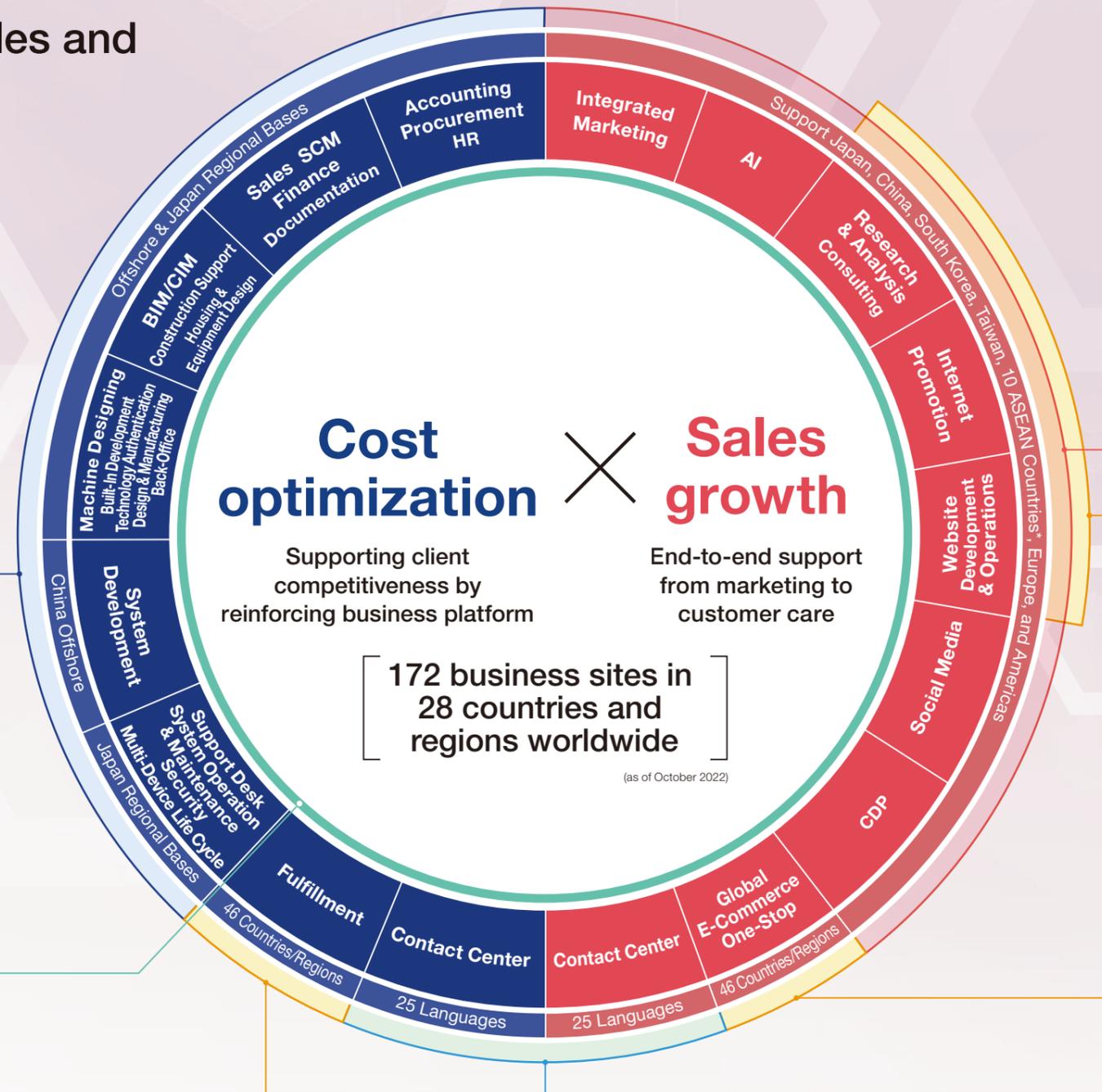
- Highly competitive service framework with one of Japan's largest offshore service networks (18 sites in Asia) and domestic nearshore centers
- Superior quality backed by operational excellence and a strong track record built up over 56 years since founding
- Highly specialized services in a wide range of areas – planning & development, manufacturing, logistics, corporate services such as accounting and HR, as well as sales and aftersales services

Global Services

Localized services for clients operating in Asia, Europe, and the Americas

Learn more about our diverse client DX success stories across a wide range of business fields.

See more [P26 Our Competitive Strengths](#)



DEC

Digital marketing services, e-commerce one-stop services, contact center services

Digital marketing services

Total support, from online promotion to website development, to operations and analytics, backed by 3,000 members – Asia's largest network

- Blended delivery model using onsite, offshore bases across Asia, and nearshore bases
- Optimum services tailored to each industry and business model built on extensive experience and know-how from working with over 600 companies each year
- Cutting-edge services, such as ad-tech marketing automation, services for LINE/other social media, and integrated marketing using CDP

*Indonesia, Cambodia, Singapore, Thailand, the Philippines, Brunei, Vietnam, Malaysia, Myanmar, and Laos

E-commerce one-stop services

One-stop services for all areas of e-commerce businesses tailored to clients' e-commerce and brand strategies

- A presence in 46 countries and regions, with a focus on e-commerce growth markets
- Support for e-commerce business deployment tailored to the characteristics/culture of target markets through partnerships with leading firms in Europe, US, China and ASEAN
- Full-package support for e-commerce operations, from system development to operation

Contact center services

Optimizing communication between businesses and customers and digitizing customer touchpoints backed by the largest service network in Asia

- 34 bases in Japan and 51 bases overseas (40,260 workstations in total; including partner and associate sites)
- Superior quality underpinned by our people development programs and many years of center management operations as the leading player in the Japanese contact center market*
- Diverse CX solutions, including digital technologies such as chatbots and speech recognition, support for 25 languages and over 10,000 home-based contact center workstations

*Source: 29th Call Center Sales Survey FY2021, Nihon Ryutsu Sangyo Shimbunshi

From Asia's BPO leader to a global DX partner

Supporting clients' DX via **172** business sites in **28** countries and regions *As of October 2022



Headquarters: Sunshine 60 Bldg.



Learn more about our global business today and future growth prospects.

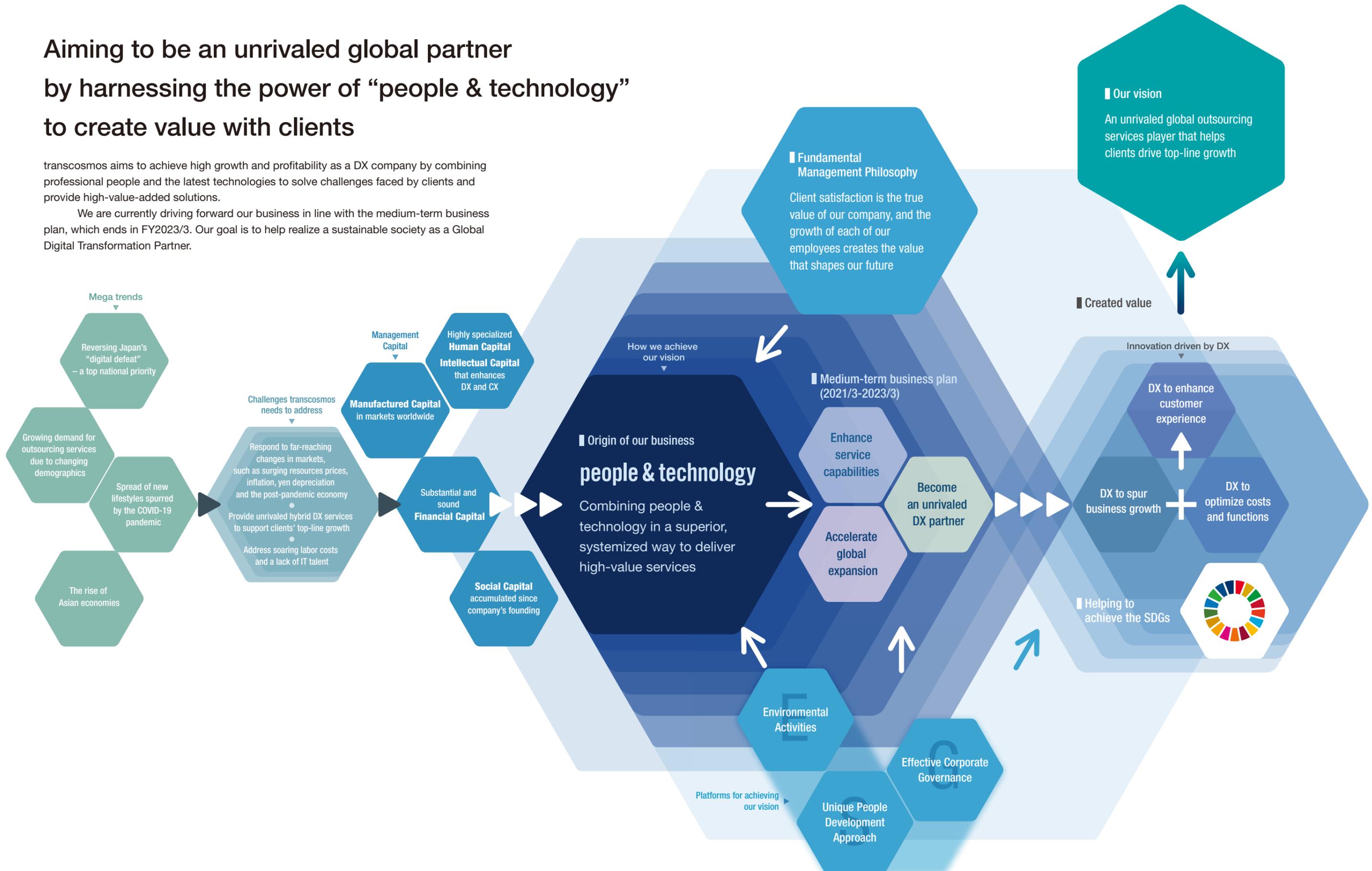
See more [P27](#) **transcosmos** as a Global DX Company



Aiming to be an unrivaled global partner by harnessing the power of “people & technology” to create value with clients

transcosmos aims to achieve high growth and profitability as a DX company by combining professional people and the latest technologies to solve challenges faced by clients and provide high-value-added solutions.

We are currently driving forward our business in line with the medium-term business plan, which ends in FY2023/3. Our goal is to help realize a sustainable society as a Global Digital Transformation Partner.



“People & technology” is the origin of our business

We are combining people and technology in a superior, systemized way to deliver high-value services.

This has been the starting point for our business since transcosmos was founded and sits at the heart of our business model today.



Our key values since transcosmos was founded

An unwavering commitment to “customer satisfaction first” anchored by “people & technology”

As times changed and the needs of clients evolved, we adapted our service offering, introduced new technologies and solutions and extended the reach of our services from Japan to the rest of the world. Even as transcosmos moved into more service areas and countries, we remained true to the company’s DNA since it was founded – “customer satisfaction first.”

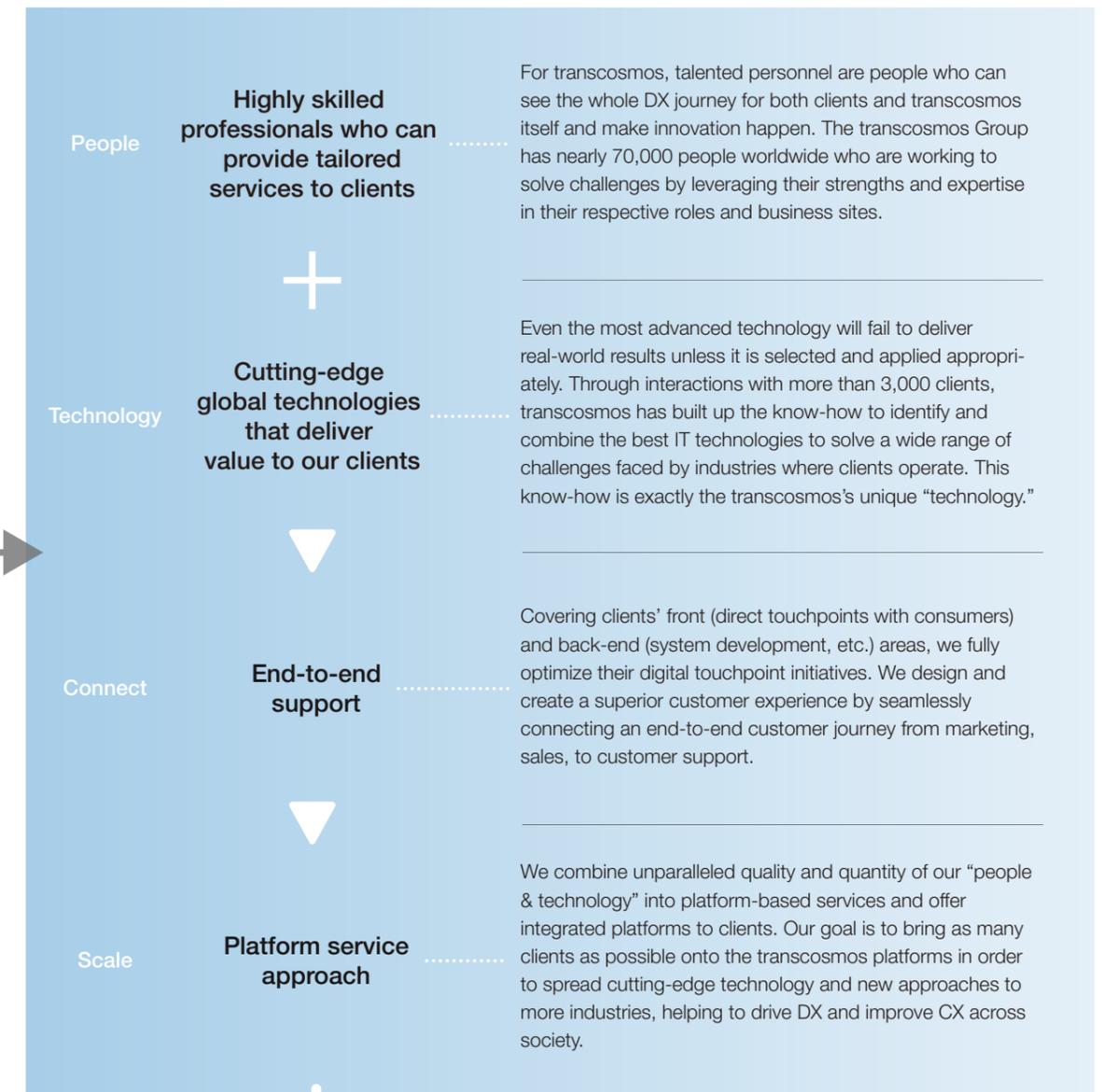
As our late founder Koki Okuda told directors and employees, “We can only build trust when our daily efforts exceed the expectations of customers.” To realize our “customer satisfaction first” principle, every employee working onsite at client offices over the years has devoted themselves to providing an even better level of service through continuous improvement. That has led to an accumulation of trust that supports transcosmos to this day.

To provide the services that our clients need and want, we have to introduce innovative technologies, create systems that adapt to their changing needs, and explore unique and creative approaches as a group of professionals in highly specialized business fields.

The value we provide as a company is not just the latest IT technology or people, but the ability to combine both – as expressed in the origin of our business, “people & technology.”

“People & technology” is something we have learned and refined through relationships with clients and business partners over the years, and will remain at the heart of transcosmos’s value creation now and well into the future. Going forward, we will continue to help clients boost competitiveness while also driving innovation to implement DX and improve CX by always incorporating and proposing the latest IT technologies and systems based on a far-sighted approach.

Five keywords to understand “people & technology”



For transcosmos, talented personnel are people who can see the whole DX journey for both clients and transcosmos itself and make innovation happen. The transcosmos Group has nearly 70,000 people worldwide who are working to solve challenges by leveraging their strengths and expertise in their respective roles and business sites.

Even the most advanced technology will fail to deliver real-world results unless it is selected and applied appropriately. Through interactions with more than 3,000 clients, transcosmos has built up the know-how to identify and combine the best IT technologies to solve a wide range of challenges faced by industries where clients operate. This know-how is exactly the transcosmos’s unique “technology.”

Covering clients’ front (direct touchpoints with consumers) and back-end (system development, etc.) areas, we fully optimize their digital touchpoint initiatives. We design and create a superior customer experience by seamlessly connecting an end-to-end customer journey from marketing, sales, to customer support.

We combine unparalleled quality and quantity of our “people & technology” into platform-based services and offer integrated platforms to clients. Our goal is to bring as many clients as possible onto the transcosmos platforms in order to spread cutting-edge technology and new approaches to more industries, helping to drive DX and improve CX across society.

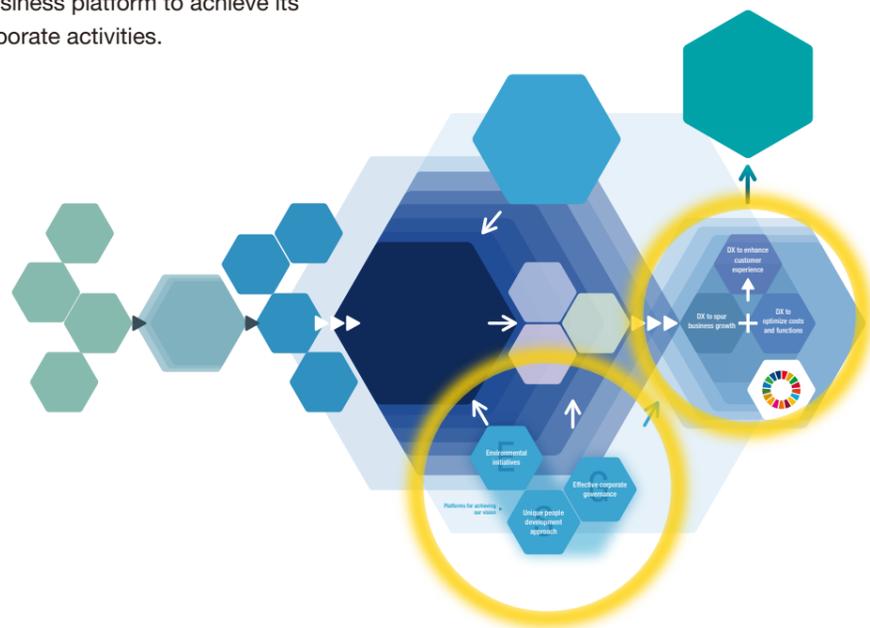
When a client’s business processes are highly competitive due to fast, cost-efficient and accurate operational capabilities – to the extent that they become a competitive advantage – we call this “operational excellence.” We aim to help clients deliver greater CX by continuing to refine our “people & technology.”

A greater customer experience (CX)
Creates competitive advantages and wellbeing



Sustainability as a global company

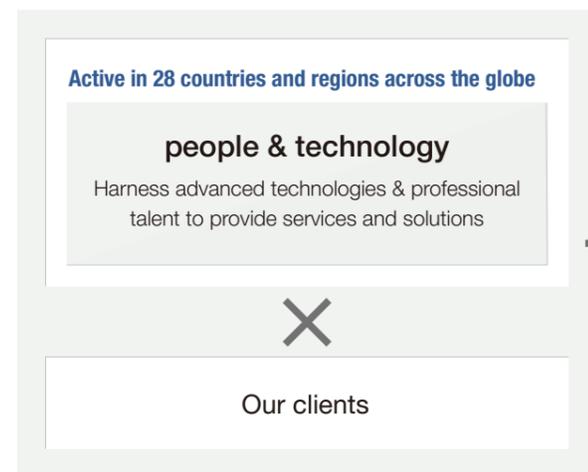
As a global company supporting social infrastructure, transcosmos is reinforcing its business platform to achieve its vision through business and corporate activities.



Fundamental Sustainability Policy

Guided by the basic tenet of our Fundamental Management Philosophy, “Client satisfaction is the true value of our company, and the growth of each of our employees creates the value that shapes our future,” we aim to grow the Group’s earnings and improve the lives and happiness of all our stakeholders – increase wellbeing – to drive growth, and in turn, realize a sustainable society.

Solving social issues through our business



Solving social issues through corporate activities

Unique People Development Approach	Promote diversity Attract, retain and develop professional talent Promote a healthy work-life balance
Effective Corporate Governance	Reinforce corporate governance Enforce compliance Ensure strict information security Respond to disasters and other risks
Environment & Community	Protect the global environment Support local community development Support next-generation talent development

See more ▶ P54 Initiatives supporting our competitiveness

Aiming to create wellbeing by harnessing people – human capital – and technology – DX – to solve challenges in achieving the SDGs

Solving social issues through our business



Service delivery

transcosmos offers high-quality, reliable, sustainable and resilient services, including regional and cross-border service infrastructure, to support clients’ economic growth.

Operating bases

transcosmos has set up operating bases in Japan and overseas that protect the rights of all workers, including women and people in precarious employment, and that offer safe and secure working environments.



Solving social issues through corporate activities



People

By respecting human rights, promoting diversity and a healthy work-life balance, and by implementing various people development programs, transcosmos is working to create workplaces where employees can fully express their instincts and creativity.

Governance

We are strengthening the foundations essential for business continuity, such as corporate governance, risk management, compliance and information security.



Environment

transcosmos has established an environmental management system based on the ISO 14001 international standard. transcosmos has also endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). As we prepare and make climate-related disclosures, we will continue to do our part to solve climate change-related issues through our business.

Community

We are carrying out diverse corporate social responsibility (CSR) activities by leveraging the technologies, services, and experience of the transcosmos Group. Our actions are centered on supporting local community revitalization, development of next-generation of talent who will lead the sustainable development of society, and the promotion of learning and education.



transcosmos SDGs Committee

transcosmos recognizes the importance of analyzing and understanding risks and opportunities inherent in the sustainable development goals (SDGs) and the management strategies related to each of these goals from the perspective of the Group’s sustainable growth. To this end, we have established the transcosmos SDGs Committee, which is specifically tasked with aligning the Group’s business and management resources with its SDGs initiatives, setting priority SDGs by prioritizing social issues of particular significance to transcosmos, and confirming progress against these goals on a regular basis.

The committee is also leading SDG-focused innovation internally and externally and working to promote and embed SDG activities in the Group, such as through SDG education for employees (e-learning) and internal workshops attended by the selected members of each department.



Information on our SDGs initiatives is available to all stakeholders through corporate newsletters published on note, an open media platform.

Management capital

“People & technology” – the origin of our business and the heart of the Group’s business model – continues to evolve, backed by the abundant management capital we have cultivated over the years.



<p>Human and intellectual capital</p>	<p>We are enhancing people development programs and strengthening the capabilities of our people, recognizing that developing “professional talent” – highly skilled professionals who can provide tailored services to clients – is important for both employees and the Company as a whole.</p> <p>In addition, the platforms and systems developed by transcosmos and our expertise in using them to skillfully integrate “people & technology” is helping a diverse range of clients achieve DX and create a greater CX.</p>	<ul style="list-style-type: none"> • Number of employees: 68,909 (Japan 43,800, overseas 25,109) (as of September 30, 2022) • Diversity & Inclusion: Women’s representation in managerial positions: 25.5% (as of July 2022), proportion of employees with disabilities: 2.35% (FY2023/3) • Salesforce-certified marketing cloud email specialists: 204 • Data scientists: 70 (transcosmos analytics Inc.) • Number of employees certified under the transcosmos chat operations certification system based on international standards: approx. 1,000 • Digitization ambassadors: 1,422 (appointed by Digital Agency) • In-house training: More than 400 courses • Average age of employees: 37 years and 1 month (non-consolidated) • Proprietary platforms and systems: Contact-Link, ContacTrack, DEC Connect, FlowScope, QOSIS, Gotcha!mall, MOALA, etc.
<p>Manufactured capital</p>	<p>We operate business sites of all sizes in Japan and overseas. In particular, we have built a network of large contact centers in Japan and East Asia. These many locations allow us to deliver tailored, comprehensive services and help clients smoothly resolve their business challenges.</p>	<ul style="list-style-type: none"> • Business sites: 172 locations in 28 countries and regions worldwide (Japan: 69, overseas: 103) *As of October 2022 • Global e-commerce: Operating in 46 countries and regions worldwide *As of October 2022 • Contact centers (CC): Supporting 25 languages. Roughly 10,000 home-based CC workstations active worldwide • Total capital investment: ¥5.9 billion
<p>Financial capital</p>	<p>We are investing heavily in business strategies to achieve our vision, and to attract, retain and develop diverse people. We have built a stable financial base that can support sustained growth and withstand rapid changes in the business climate.</p>	<ul style="list-style-type: none"> • Equity capital: ¥112.9 billion • Equity ratio: 51.7% • Net cash: ¥36.6 billion • Net D/E ratio: -32.4% • Rating assigned by Rating and Investment Information, Inc.: A- [rating outlook: Stable], CP: a-1
<p>Social capital</p>	<p>We have won the support and trust of many clients thanks to our “customer satisfaction first” principle, which expresses our commitment to always doing the best for clients, and our “professionalism,” reflected in our use of new technologies to solve issues that help clients lift profits and labor productivity.</p>	<ul style="list-style-type: none"> • Number of clients: Over 3,000 companies • Years since founding: 56 • Certifications and awards: DX Certified Operator, Noteworthy DX Company 2022, HDI Membership Award - Platinum, Five Star Tmall Service Partner, PEAK Matrix® rating*1 Leader and Star Performer • Management philosophy unchanged since Company’s establishment

*1: Everest Group “Service Provider Landscape with PEAK Matrix®Assessment 2022”

Taking forward our founder's legacy, we aim to be an unrivaled company that harnesses technology to transform the businesses of clients worldwide

In June 2022, transcosmos adopted a new management structure led by Koichi Iwami and Masaaki Muta as Representative Directors & Co-presidents. The two co-presidents, who have helped lead transcosmos's growth for many years, will combine their strengths to drive the expansion of the Group's globally diversified business.

Koichi Iwami

Representative Director,
Co-president

Masaaki Muta

Representative Director,
Co-president

Clear objectives are vital when adopting a new management structure

What we learned from founder Koki Okuda

Iwami: On April 2 this year, our founder Koki Okuda, who led the transcosmos Group's growth for the 56 years since it was established, passed away, leaving us with the important role of co-president. I am acutely aware of the weight of this responsibility. As one of the executive vice presidents since 2006, I have been involved in the management of the Company for 16 years, sometimes consulting with and receiving advice from the founder. Sadly, that is no longer possible. However, my attention now has to be focused on running the Company with Mr. Muta while holding on to what has made transcosmos so successful to date. Guided by our corporate message – Global Digital Transformation Partner – I understand that my mission as one of the new co-presidents is to ensure that transcosmos is an unrivaled partner for clients, working to help transform their businesses by harnessing the power of digital technology to improve cost efficiency and increase sales and profits.

Muta: I have been involved in the management of transcosmos as a director since 2003, and my fundamental philosophy is the same as Mr. Iwami's. Another part of our mission as co-presidents is to lead the Company to

lasting prosperity by building an optimal business portfolio and establishing strong competitive advantages and new revenue streams in tune with market trends, in order to maximize synergies for the entire Group, while also retaining transcosmos's corporate DNA.

Iwami: While he was alive, it was clear that our founder Koki Okuda valued the people who worked in customer-facing roles and that he was committed first and foremost to consistently providing the best possible service to customers as a professional. Going forward, we will strictly adhere to his principles of "customer satisfaction first, hands-on management." The Group's global business has grown to account for 23% of consolidated net sales, but to attain our long-term goal of ¥1 trillion in net sales, that share needs to rise to over 50%. We therefore have to accelerate growth in Asia, particularly in East Asia and the ASEAN region – key markets for our overseas business. We also need to extend our business reach, especially in the Americas and Europe, which are large markets with advanced IT.

transcosmos stands out in the market as the only IT services company with 10 business domains. For a company with such a diverse business portfolio and wide

operating presence, we believe, as co-presidents, that we can accelerate the pace of business transformation and growth by leveraging our shared knowledge and experience.

How will customer satisfaction change in the future?

Muta: Instead of drawing a line between the roles of co-presidents, we believe that building a complementary relationship that leverages our respective strengths will lead to sustainable growth and reinforce the governance structure that supports this growth. Some people may question whether this co-president structure will allow for consistency of direction and rapid decision-making, but I have worked with Mr. Iwami as a director for around 20 years. Although we have been in different roles, we have tackled various challenges together and learned a lot from our successes and our failures. This long relationship means I have no concerns at all about working with Mr. Iwami under the co-president structure.

Iwami: My sentiments exactly. It is vital to have clear management objectives. Our ultimate goal is to contribute to society through transcosmos's sustainable growth. Using this as our starting point, we will work out the priorities for

measures that need to be implemented.

My focus for ensuring sustainable growth is on people development and employee engagement. The Group has around 70,000 people in more than 170 locations in 28 countries and regions worldwide. Given this diversity, we have to stay true to the values that have been important to us since the Company's founding, which is to provide the best possible service and customer satisfaction at each business site. But we also have to envisage how customer satisfaction will change, as it is likely to be very different in the future. If we do not transform ourselves, our customers will not follow. By creating an environment where diverse people can accumulate expertise and work together closely and purposefully, I believe transcosmos can become an unrivaled Global Digital Transformation Partner that offers the best services in the international market.

The art of survival in the “new normal” – era of discontinuous change

Strong tailwinds in our operating environment

Iwami: The Group’s operating environment has been undergoing rapid and far-reaching change in recent years. What is your take Mr. Muta?

Muta: Major political, economic, social, and technological (PEST) developments and trends lie ahead. We need to be tuned in to these changes, anticipate how each industry will look like in the near future and take preemptive actions. Barriers between different industries are also likely to dissolve. Recognizing this, we have to drive forward the Group’s business by targeting new clients in new service areas and markets that emerge through DX. Working back from our overall objective of becoming a Global Digital Transformation Partner, we need to set clear milestones and KPIs and implement PDCA cycles with short time-frames.

Iwami: After rapid changes in social structures caused by the COVID-19 pandemic, many companies are under pressure to fundamentally change their business models through DX. This is feeding into very strong tailwinds in our operating environment. At the same time, we are seeing a major shift in our sector. Advances in IT are spurring a move away from the traditional cash-cow business of system development to SaaS, cloud and platform-type services needed by society. As a result, the competitiveness of IT companies is increasingly determined by the design and quality of services created by personnel with operational know-how. In this business environment, trans-



cosmos is well-placed to support DX in a wide range of sectors by leveraging its diverse industry knowledge and operational expertise. We face an urgent need to cultivate managerial talent who share our values and can compete on the global stage. Security measures are also becoming increasingly important amid the shift to cloud-based services. Failure to implement adequate security measures could threaten the very existence of transcocosmos.

Muta: Automation, standardization and globalization, including AI and IoT, are rapidly becoming the main battlegrounds in the global IT market. Pre-singularity is predicted to arrive in 2025 and singularity in 2045. We stand on the verge of a fourth industrial revolution – a period when discontinuous change will become the norm. This means transcocosmos must transform itself too. We will need a strong determination to continue adapting and growing, without becoming comfortable with the status quo. We will also have to develop businesses that drive future growth by pivoting management resources to areas with good growth prospects and where we can leverage our strengths. That means not just responding to changes in the environment, but also dynamically driving clients’ DX and strongly developing our business based on “multiplier management theory” – an approach that seeks to multiply the ability to create business models (innovation) with the ability to create new markets (marketing).

Our greatest risk is losing the desire to take on new challenges

Iwami: As the need for DX increases worldwide, the true value of “people & technology,” the very basis of our business model, is being tested. To continue providing services that surpass client expectations, every one of our people needs to constantly innovate and challenge themselves without becoming accustomed to the status quo. Losing our desire to take on new challenges is transcocosmos’s greatest risk. With a renewed sense of urgency, we are now visiting business sites in Japan and overseas to ensure that the values our founder repeatedly communicated to employees are embedded in the organization. Our founder emphasized the importance of customer-facing employees and of understanding customer needs on a daily basis to ensure that transcocosmos provides the best service and business know-how as IT professionals. We need to retain this transcocosmos DNA while flexibly adapt-

ing to changing times. We also have to understand that our business is about sharing value with clients by helping them optimize costs and grow sales and profits.

People with an enterprising spirit backed by successes in various business settings will drive the Group’s growth

Our diverse business portfolio nurtures people

Muta: You are in charge of our project to support women’s career advancement and promote disability inclusion. Mr. Iwami, what are your thoughts on workplace diversity?

Iwami: We have been running this project since 2007. Over that time, it has expanded to include different nationalities, LGBTQ groups and other people from diverse backgrounds. To support the Group’s sustainable growth, it is vital we create a system that harnesses the full potential of a more diverse workforce.

Muta: The transcocosmos Group has nurtured many self-motivated, independent individuals who set high personal goals and lead efforts to transform our operations at frontline business sites. These talented people have helped us build a powerful client base of roughly 3,000 companies. Our diverse portfolio of DEC, BPO and Global Services also gives us an edge in terms of people development.

Iwami: I agree. Our portfolio allows many different types of people to demonstrate their capabilities. The Group’s diverse range of businesses solves problems for clients around the world, but it also creates synergies in people development. Specifically, our business portfolio allows us to provide an environment where employees can enhance their skills through a wide range of practical experience. From a young age, our people are given responsibility for business sites, where they can build up successful track records that ultimately help them grow into enterprising people. These people also create workplaces where all employees, including contractors and part-timers, are motivated and engaged, energizing the whole Group and leading to an even higher level of service delivery. Ideally, these enterprising people, nurtured through this virtuous cycle, will become transcocosmos’s future leaders.

With this in mind, we need to establish a strategic personnel system and career paths that support the growth and development of our people. In fact, we have already taken some steps in this area.

Muta: As a global company, we need to implement similar



measures at our overseas bases.

Iwami: Yes, I agree. transcocosmos currently employs roughly 25,000 people overseas, mainly in East Asia and the ASEAN region. In Asia, we now have one of the largest teams in our sector. The remarkable thing about our growth in Asia is that a large part of it has been achieved organically, not through M&A. We have dispatched domestic personnel who understand transcocosmos’s corporate DNA to overseas locations to share our values with locally hired people and launch businesses, helping to spread the transcocosmos DNA overseas as well. Going forward, we aim to establish transcocosmos as the leading DX company in Asia by capturing BPO needs emerging from further growth in CX, DDMS* and e-commerce in East Asia and the fast-growing ASEAN region. Using this position in Asia as foothold, we then plan to expand our business further in the advanced IT markets of the Americas and Europe.

*Data-Driven Marketing and Sales: Operations that use data to support marketing and promotion, sales management and customer relationship management.

Harnessing digital technology to help clients achieve business transformation

Integrating DEC and BPO

Muta: One of our next objectives is to refine our “people & technology” cultivated over many years to integrate them even more closely. transcosmos’s greatest competitive advantage is its expertise in transforming both the front- and back-office operations of clients, but we now need to take our high value-added services to the next level.

Iwami: Yes, and we have already achieved success in serving public-sector clients with the launch of a large-scale administrative processing center. The rapid spread of COVID-19 in 2020 forced each local government to urgently deploy systems to rapidly pay financial assistance and subsidies for cooperation. transcosmos helped build these systems for many local governments, demonstrating the Group’s strengths in services that combine Digital Marketing · E-Commerce · Contact Center (DEC) and Business Process Outsourcing (BPO) services. With no precedent of how to deal with this situation, many companies in our industry were left struggling to respond, but in just a few short months, the transcosmos project team developed a system that can issue assistance payments only two days after applications are received. This early success allowed us to launch similar systems in 18 local government areas at once, including one for the Tokyo Metropolitan area. Our extensive know-how in building and operating contact centers and our ability to build platforms suited to BPO operations allowed us to take on and deliver these challenging projects. By stepping up this integration of DEC and BPO, I think we can create more unique services.

Muta: DEC and BPO target markets are different. DEC is a business-to-business-to-consumer (B-to-B-to-C) business serving ordinary consumers beyond the client, while BPO has a stronger business-to-employee (B-to-E) focus, because it targets clients’ employees. The end-users of local government financial assistance and subsidy payment systems are municipal employees and the many residents in each local government area. Our expertise in the differing DEC and BPO fields meant we were able to develop systems that can be used by both employees and residents.

Iwami: Working out how best to integrate DEC and BPO is key to providing valuable services for clients. As Mr. Muta noted, clients deploy our services for different reasons, but we can link systems, people and facilities of DEC and

BPO. For example, we already have a link between facilities of the contact center services department and the data entry services department, creating shared services for various operations in each area. As demand for business-specific platforms expands in the future, transcosmos will be well-placed to provide a wide range of high-volume business services by combining its strengths in BPO – expertise in building and operating business-specific platforms – with its strengths in DEC – expertise in leveraging facilities and people. This approach will create new business value. Going forward, we plan to step up efforts to increase business value through Group-wide management that also takes into account collaboration between DEC and BPO and closer cooperation with affiliates.

The changing role of contact centers

Muta: Integrating contact centers with websites is a good example of how we are supporting DX. Wider uptake of smartphones means that consumers who used to call contact centers directly now tend to go to official corporate websites first to check information. If they cannot find a solution to their problems, their next option is the company’s chatbot channel. Calling the company is usually the final option. With people making fewer phone calls in their daily lives, many consumers now consider a call the last resort. Other issues with phone calls include finding the right time to call and long wait-times at contact centers due to high volumes. In contrast, consumers can access chatbots from anywhere, anytime. Another advantage of chat channels is that unlike phone calls, they can send photos and links, enabling them to share more information. Together, these factors are rapidly pushing consumers away from phone calls to chat channels. Chatbots also have benefits for businesses. Contact center service providers need to keep a record of their interaction with the consumer. With a phone call, contact center agents have to manually enter the information into the system after the call. With chatbots, however, the exchange itself is stored automatically as text data, so there is no need for agents to re-enter the details of the interaction. The fact that a single agent can respond to multiple consumers at the same time also significantly boosts operational efficiency.

Iwami: This is precisely where our strengths lie – the ability to use digital technology to help clients transform their businesses and grow sales and profits.

Our strengths as a Group allow us to pursue a unique business model

Covering all digital touchpoints throughout the customer journey

Muta: Consumers are shifting from PC to mobile versions of official corporate websites when contacting companies. Yet, official corporate websites – the first customer touchpoint – are not necessarily helping consumers resolve their problems. The information might be there, but in many cases, consumers cannot find the right page, or even if they do, they cannot understand all of the technical terms used on the page. All this can prevent consumers from finding a self-service solution at the first touchpoint in customer service. These problems can be identified by analyzing not only website logs, but also voice of the customer (VoC) data collected at contact centers.

transcosmos is one of the biggest players in Asia in website development and contact center services. Leveraging our strengths in both areas, we have built a unique CX platform that encompasses all digital touchpoints throughout the customer journey. We are actively promoting this solution to our clients as “transcosmos DX.” By connecting all customer touchpoints via the platform, businesses can make their services more convenient

for customers while reducing costs. Our competitors specializing in call center business are reluctant to take this approach, as it would lead to a drop in business. transcosmos DX is built on a very unique model, which only our Group can develop and execute because of our engagement in both website and contact center business domains. We have been proposing the solution for about two years now, and we already have over 100 clients.

Iwami: Finally, I would like to touch on our new management structure. We now have a senior management team comprising of seven members with diverse business backgrounds – Chairman Masataka Okuda, Co-presidents Masaaki Muta and myself, and Executive Vice Presidents Takeshi Kamiya, Masatoshi Kouno, Hiroshi Kaizuka and Kenshi Matsubara. I am looking forward to working with this team to mobilize our combined expertise and strengths to take transcosmos into the next stage of growth as a Global Digital Transformation Partner.

Muta: Yes! Let’s make it happen together!



Koichi Iwami

Koichi Iwami has been leading the transcosmos global business since 2012. As the Global Business Headquarters Manager, Koichi has successfully launched businesses in six markets including China, countries in the ASEAN region, Europe and the U.S. He has greatly contributed to expanding transcosmos’ global business, making its South Korean subsidiary profitable while carrying out various initiatives to further grow the business. Since 2006, Koichi has been involved in the Company’s management as Executive Vice President for 16 years, while holding top management positions at both domestic and overseas Group companies, gaining outstanding insight into top management and a wealth of experience. Koichi joined transcosmos in 2001, and as Services Department Manager, he was committed to enhancing the Company’s service capabilities in terms of quality, productivity and the range of offerings while leading new market entry and service development. Prior to joining transcosmos, Koichi was with Ajinomoto Co., Inc. from 1993. Koichi completed graduate studies at the University of Illinois in 1992.



Masaaki Muta

Masaaki Muta has been leading both the Sales and the Digital Marketing · E-Commerce · Contact Center Services Headquarters since 2020. As Manager of the two headquarters, Masaaki has been driving service development initiatives and promoting integrated services. Masaaki joined transcosmos as Sales Headquarters Manager in 2003, reinforced sales organization and strategies in Japan and overseas, and led business growth by developing new markets and expanding earnings in existing businesses. Masaaki first joined Doubleclick Japan Inc., a Group company of transcosmos in 1999, and as Managing Director, led Doubleclick Japan Inc. to become the first Group company listed on NASDAQ in 2001. Prior to joining transcosmos, Masaaki also served as a Director and Vice President of a Group company. Before joining the transcosmos Group, Masaaki was with Recruit Co., Ltd. since 1989. Masaaki graduated from Kyushu University in 1989.

Our competitive strengths

By driving DX, transcocos ultimately aims to help clients improve CX. With nearly 70,000 employees working at business sites worldwide, we have built a solid track record in Japan and overseas by providing high-quality services that combine “people & technology.” In this section, the officers in charge highlight initiatives in three business domains that underpin the Group’s competitive strengths.

global

P.27

In our global business, we are building a robust business platform across Asia, centered on China and South Korea. We explain how transcocos aims to become the leading DX company worldwide.



people

P.32



We are committed to talent development in various ways so that our diverse workforce is motivated to grow and develop. We explain how our talent management approach at frontline sites motivates and gets the best out of our people.



technology

P.38



We showcase projects where transcocos is working with clients to drive DX. By providing platforms that combine the best technologies, we are helping clients optimize costs, drive top-line growth and deliver a greater CX.



global

transcocos as a Global DX Company

The Global Business provides DEC Services and BPO Services for the global market via 103 locations in 27 countries and regions, focusing on offering services tailored to local markets in each area. Overseas sales ratio to net sales continues to grow. We aim to increase this from the current 23% to 50% in the future and achieve continuous growth to become a truly global company that helps create an accessible digital society.



Eijiro Yamashita

Senior Corporate Executive Officer
Headquarters Manager, Global Business Headquarters

Making the leap from Asia’s top player to the world’s leading DX company

Global partner with intimate knowledge of the Asian market

transcocos started its global expansion in 1995 with the opening of an offshore development base in China, followed by the launch of businesses serving local clients in South Korea in 2000 and in China in 2006. In 2008 we expanded our footprint across Asia including Thailand. Today, we have 70 locations in Asia, 19 in Europe and other regions, and 14 in the Americas, serving roughly 800 clients, mainly in South Korea and China, with a global service network of more than 25,000 people.

Originally, we launched our global business focusing on contact center services to support the overseas expansion of Japanese companies. Thanks to our strong reputation for high quality and responsive services, we have since grown into a service partner for leading local e-commerce retailers and IT companies, providing everything from online store management to

advertising operations, and customer data analysis to customer support at one-stop.

Today, we are extending our service portfolio to include services for “new social infrastructure” such as food delivery services, ride-hailing firms, and social media platforms, which have seen strong growth during the pandemic and are attracting funds from investors worldwide. To support these emerging companies, we need to be resilient and accumulate the expertise needed to design services that flexibly adapt to changing consumer needs, government regulations on social media, and differences in social media used in each country and region. In fact, many of our overseas clients tell us they like transcocos’s corporate culture of resilience – our commitment to always seeing projects through to the end, no matter how challenging they become.

Next Competitive strengths and recent initiatives in the Global Business

Competitive strengths and recent initiatives in the Global Business

Establishing our position as a global DX company in the fast-growing Asia region

As expressed in our corporate vision, "people & technology," the transcocosmos Group's strengths lie in its ability to combine the latest technologies with highly skilled professionals who can provide tailored services to clients, helping to evolve and grow their businesses and spurring innovation that takes them to the next level. Even contact centers, which are typically seen as labor-intensive, are undergoing a major transformation in business activities. In our Chinese contact centers, for example, we have reduced voice-based customer support by about half, leading to an increase in the proportion of non-voice services through chatbots, apps and social media. We are also actively adopting AI tools and automation in order to create comfortable working environments for employees and enhance productivity.

Our European and US competitors are expanding into Asia to establish English-speaking offshore centers, but we are developing services tailored to the local markets and languages of each country in the region. Our people and systems are compatible with multiple languages and cultures, which will be a key strength in future business expansion. This approach is also giving us a competitive advantage over rivals from Europe, the US and other

countries.

These approaches and initiatives have helped transcocosmos build a stable business presence in Japan and other parts of Asia. Our goal is to rapidly establish ourselves as the number one DX company in Asia and eventually become the leading global DX company.

Providing optimal CX to clients and their consumers

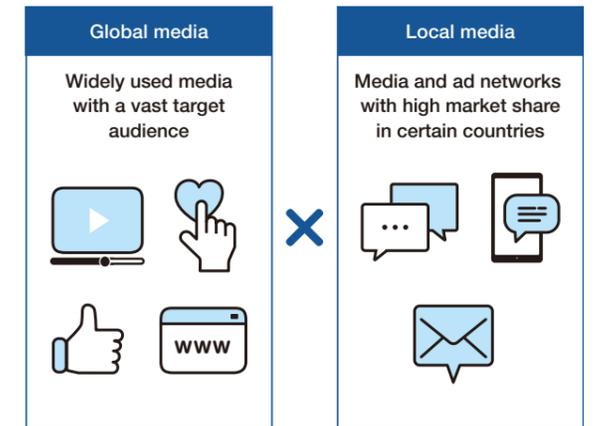
The vast expertise accumulated from DEC Services and BPO Services in Japan is helping us develop our global business. By collecting, analyzing and utilizing consumer feedback and behavioral data, transcocosmos contact centers can develop proposals that improve clients' marketing and overall workflow to help them enhance CX. This expertise acquired in Japan is also proving extremely useful in overseas business development.

Another strength we are leveraging overseas is our ability to provide a full range of end-to-end services, from DEC to BPO. In many cases, local competitors are focused on specific service areas – contact center services, or data entry and processing, or e-commerce support services, for example. Our ability to provide a wide range of one-stop services allows us to drive the overall optimization of clients' operations, which is one of the main

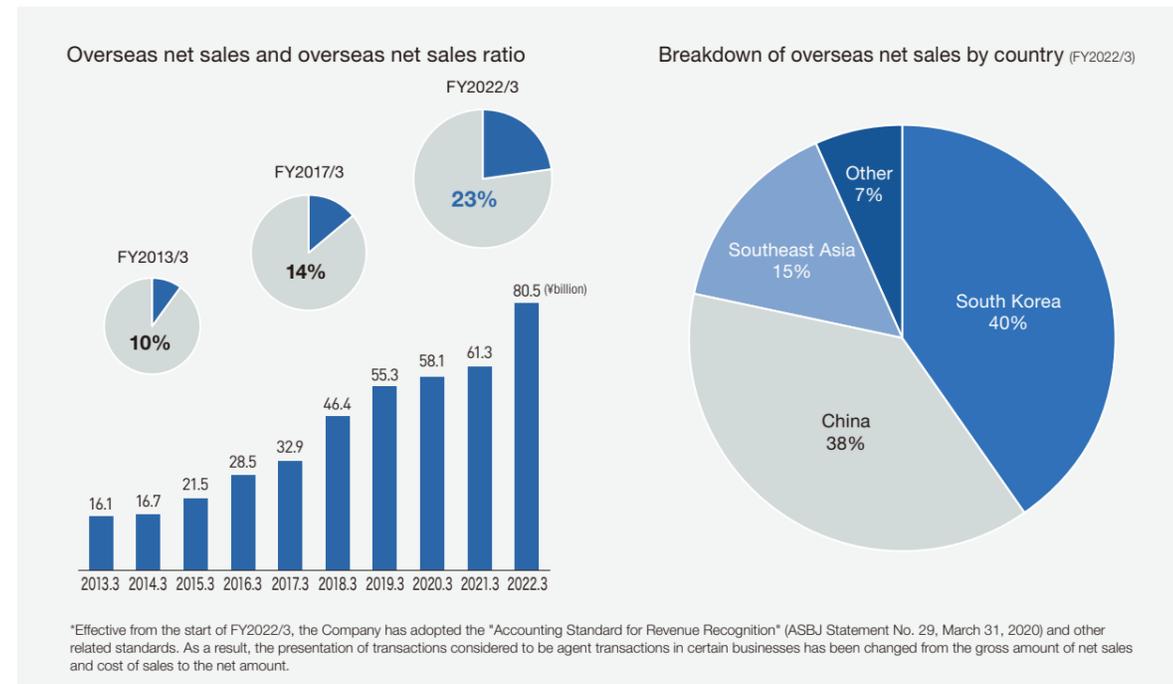
reasons they choose transcocosmos as their partner.

At transcocosmos, we believe a true DX company is one that can deliver optimal CX to clients. By providing the right CX to consumers, in line with clients' products and services, we can help build a better digital society and ultimately narrow the digital divide – a gap regarding access to and usage of information –, which is becoming an increasingly serious social issue worldwide.

Next Our vision for the Global Business



transcocosmos's services built on its experience and expertise in Asia
In digital marketing, we provide services that blend global media used widely around the world with local media with high market shares in certain countries and regions. Our multi-cultural, multi-lingual support is our powerful competitive advantage.



Recognition from partners

Five-star rating from Tmall – China's largest online shopping mall – for seven straight years

Using more than 30 e-commerce service centers worldwide, transcocosmos supports the e-commerce businesses of leading online retailers in China and the ASEAN region, such as Alibaba, JD (Jingdong) and Lazada. The transcocosmos Group's strength lies in its ability to provide one-stop support for all aspects of e-commerce operations in collaboration with its digital marketing and contact center businesses in each region. The end-to-end services include online promotion, product delivery, payment collection, customer support to product returns. Alibaba's Tmall, China's largest online shopping mall, has given transcocosmos a five-star service partner rating for seven consecutive years since 2016, recognizing the Group's high-quality operational services and consumer operation practices.



Our vision for the Global Business

Delivering transcocosmos quality worldwide leveraging our strengths in multi-lingual, multi-cultural support

The transcocosmos Group has successfully established an earnings base in Asia and the ASEAN region. We have won strong support from leading local clients and from clients operating in the global market, and we are now receiving inquiries about expanding our services into the US and European markets.

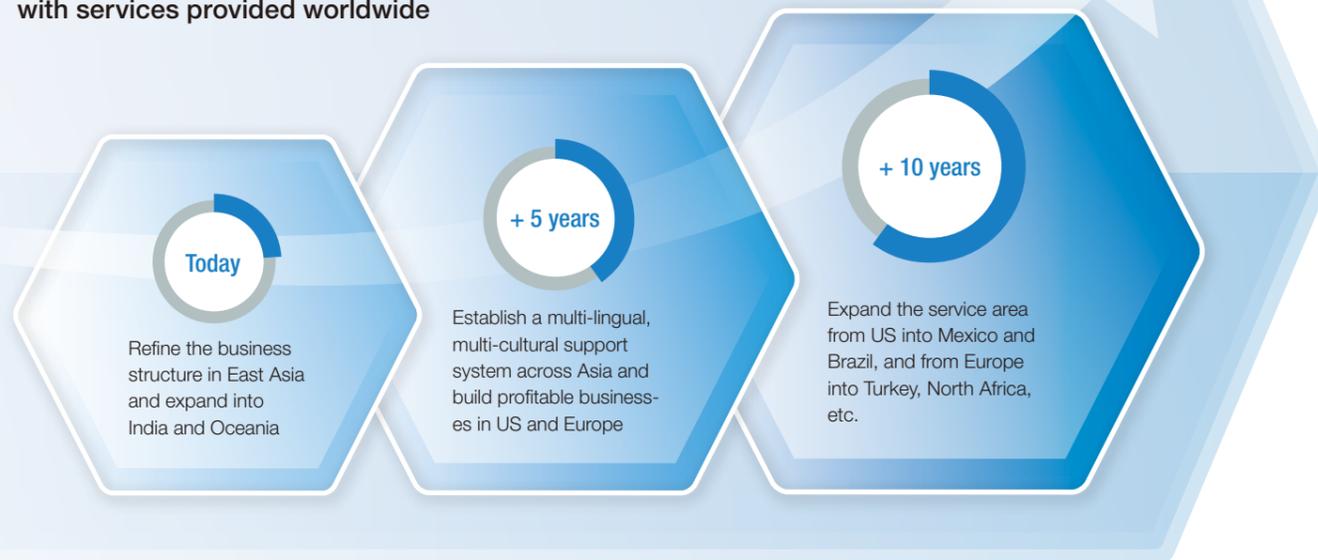
In recent years, we have seen a notable increase in requests from multinationals asking us to support their business across Asia or in multiple countries and regions. We can provide services in almost all countries and regions in Asia, as well as develop proposals for optimal and hybrid use of common regional platforms or region-specific tools, backed by our intimate knowledge of their characteristics and restrictions. All these factors underpin transcocosmos's competitiveness.

To expand further, we are now working on establishing

business bases in India, Australia and New Zealand. Three to five years after that, we plan to build US and European businesses that will become major sources of earnings. Ultimately, we are looking to expand from the US into Mexico and Central and South America, and from Europe into North Africa, Turkey and the Middle East. If we can achieve that, we expect overseas operations to grow to account for more than 50% of consolidated net sales, transforming transcocosmos into a truly global company. The challenge here will be to create systems that enable us to consistently deliver high-level services worthy of "transcocosmos quality." This will be very hard, but we will leverage our strengths in multi-lingual, multi-cultural service capability to maintain transcocosmos quality levels while also being locally focused in order to deliver high-quality, responsive services.

Our vision

Overseas sales surpass domestic sales, with services provided worldwide



Case Study 1

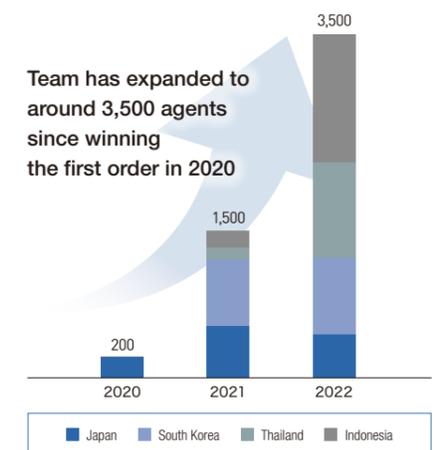
Delivering services in multiple countries and across Asia with unified operations

transcocosmos ensures the integrity and safety of online content for a global social networking service player. Using our centers in six countries, including Japan, South Korea, Thailand and Indonesia, we provide online monitoring services for content uploaded by a large number of unspecified users such as posts, images and videos.

We interact with the client in the language used by its head office, while our service centers employ a unified operational approach that realizes smooth project startup without any extra effort needed by the client. With this approach, we ensure flexible staffing and consistent service quality.

A team of transcocosmos experts also carries out monitoring to improve the quality of the client's content, protecting both the company and its users. This is part of our Trust & Safety service offerings, which ensure a safer and more reliable customer experience.

Company A Number of agents



Team has expanded to around 3,500 agents since winning the first order in 2020

Case Study 2

User-friendly CX based on one-stop multi-lingual, multi-cultural support

In a project for a leading Chinese smart devices manufacturer focused on the Chinese and ASEAN markets, we consolidated the contact center and the social media content creation center in Malaysia, and successfully improved service quality and reduced costs.

We interact with the client in Chinese while providing services in 15 languages, including English, Mandarin and Thai to consumers in 16 countries and regions such as Malaysia, Singapore, Hong Kong and Australia, which all have differing languages and business practices. This integrated approach has enhanced the quality of customer support, online chat and outbound consumer survey services, translating into a higher level of CX.

Centralized contact center in Malaysia and countries it serves



people

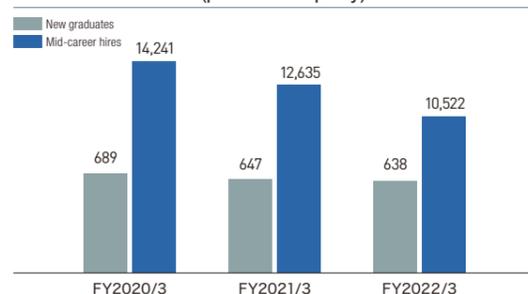
Developing professional talent with a high level of expertise

Attracting and retaining diverse talent

To secure talented people, we are focusing on hiring new graduates, mid-career and experienced employees. To improve understanding about transcocosmos, we are adding more content to easy-to-understand videos about what we do and what makes us attractive business; something print media cannot possibly convey. For new graduates, we provide onboarding programs for prospective employees, including training sessions aimed at improving their workplace readiness and basic business skills before they are assigned to a division, in order to increase employee retention.

For mid-career and experienced employee recruitment, we mainly use Work it!, our website specifically designed to hire the large number of outsourcing service agents that our Group needs.

Recruitment trends (parent company)



Talent development programs

transcocosmos seeks to employ people who can grow with our clients as their strategic partner. We are putting in place various schemes to help employees realize their full potential and drive their personal development across different roles in the Group. Also, amid an increase in teleworking and changes in learning approaches, particularly among young people, we are moving training courses online and expanding the range of video content for microlearning and other learning styles.

More than 400 training programs

We offer over 400 training programs that consist of mandatory, selective, and optional courses based on employee job levels.

Qualification scholarship scheme

This scheme is designed to support employee self-development by providing a lump-sum payment according to the qualifications

gained. A total of 435 qualifications are eligible for payments (as of 2022). The scheme covers a wide range of categories, including IT skills such as the IT Passport test and certifications in AI and other cutting-edge technologies, specialist skills such as web design and architecture, and business skills such as TOEIC and book-keeping. In FY2022/3, 1,232 grants were paid, up sharply from 770 in FY2021/3.

IT and DX talent development

We are enhancing training programs designed for developing IT and DX talent – experts in providing IT solutions that meet the needs of clients.

Technical training

We have established training courses in each division to develop subject matter experts. The courses help our employees acquire expertise in areas such as IT engineering, CAD engineering, web engineering, planning and marketing, which are needed to provide different types of services.

Workshops

We run regular workshops in sales and service divisions for our employees to learn specialist skills. Study is focused on the latest technologies and success stories. Participants also have opportunities to learn from the experience and know-how of senior colleagues, giving them insights into ways of using not only their technical skills but also technologies to create a value proposition.

Future manager development

We are enhancing talent development programs for future leader candidates to build capabilities that underpin sustainable management and business.

Selective next-generation leadership development program

This program was established to create the next generation of leaders who will lead the Group's management structure and global expansion. The program comprises companywide courses and division-specific courses and is used to select the next-generation of leaders from our diverse talent pool, regardless of whether they are new graduate recruits or mid-career hires. With the aim of developing the next generation of leadership talent, we offer selected candidates various opportunities, including strategic job rotation, internal and external management training opportunities, support for career development, and face-to-face sessions with senior executives to discuss the future of the organization.

less of who is in the role.

Career consulting

transcocosmos has set up a Career Consulting Center to support employee career development and energize our organization. Consultants provide support for independent career development and help employees address concerns about their careers, such as lack of future direction and uncertainty about the best career path for their personality.

Communicating and instilling our Fundamental Management Philosophy

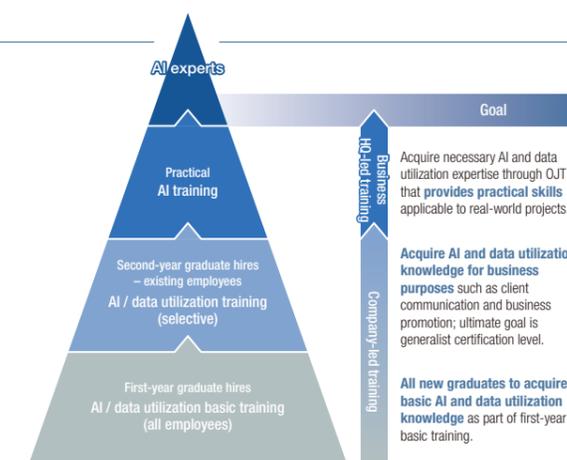
Many of our training programs include modules aimed at communicating and instilling in employees our philosophy and values, passed down for more than 50 years since the first days of the Company. By sharing the same understanding of our Fundamental Management Philosophy – common principles for all employees – we aim to help every employee achieve both career and personal growth and the Group's sustainable growth based on three core principles: "customer satisfaction first," "people & technology" and "hands-on management."

Managerial training

We have defined the necessary skills for managerial roles (section manager and higher) and created a training course covering standard knowledge needed to manage an organization and appropriate organizational management methods based on proper understanding of our Management Philosophy, regulations and systems. The training is designed to ensure the same level of management quality, regard-

Developing AI and data specialists

In 2018 we created and introduced a training program designed to develop AI and data specialists. The program is divided into two streams – new graduate recruits and existing employees. New graduates receive training on AI and data analytics as part of their new graduate training program, while existing employees are given training on fundamental AI knowledge and technologies. The goal of the training is to nurture specialists who can make successful business proposals for utilizing AI and data, develop new services, and ultimately pave the way for the Group's business growth. As corporate DX accelerates, we aim to step up efforts to train and develop specialists in the increasingly important field of AI.



Initiatives to increase employee engagement

Since 2020, we have conducted an engagement survey (eNPS) of all full-time employees and officers. We ask respondents to rate questions on a scale of one to ten, including "How likely are you to recommend transcocosmos as a place to work to friends or acquaintances?" and "How likely are you to recommend transcocosmos services to clients or acquaintances?" We will continue to conduct the survey at regular intervals, and use the findings to decide actions for improving employee engagement.

Despite a strong correlation with eNPS, the survey revealed a number of areas where employee satisfaction is low and that need to be addressed as a matter of priority: "charting a career path," "enhancing skills and abilities," and "being engaged in business strategy." Based on these results, we will continue to promote effective communication with employees to share our corporate vision more widely and to set out clearer career paths for each employee. We will also start work on overhauling personnel systems. We believe higher employee engagement will help increase client loyalty, ultimately translating into business growth.

Talent management that motivates and brings out the best of employees (1)

transcosmos employees are helping solve social issues through collaboration with clients. People development is one of the key priorities for the Group's human capital management and is an essential element for the Group's sustainable growth and business continuity plan (BCP). In this section, our officers in charge of talent development and creating a comfortable working environment explain how transcosmos encourages its employees to grow independently in line with their respective business, as well as the initiatives towards driving corporate value.



Leadership mission is to lead and demonstrate how you can find genuine joy and meaning in your work

Katsushige Saito

Corporate Officer,
Deputy Manager of Digital Interactive Division, DEC Headquarters

DEC Services

transcosmos's DEC Services cover digital marketing, one-stop e-commerce support and contact center operations. The business has around 5,500 full-time employees, supported by tens of thousands of other members, including contract employees and personnel at partner companies and associate offices. Although contact centers are the largest part of the business, digital marketing is expanding as an increasing number of clients move into the digital space. With approximately 3,000 people, our Digital Interactive Division (DI Division) is one of the largest of its kind in Japan and undertakes website development, system development and social media-related work. Recently, we have more upstream projects in which we develop clients' digital strategies together, supporting their overall digital marketing activities, including social media services management.

Ideal competencies for DEC talent

The DEC Services business needs talent with skills to present a business proposal to clients that has the optimal combination of digital technology and human operations, and make it work in the client's business. Major advances in technology mean that various issues can now be solved with digital tools. However, to optimize a business process, it is more cost-effective and flexible if you digitize 80-90% of the work and handle the remaining 10-20% with humans. We need people who can find this optimal balance, design systems and deliver services.

The ability to delve into and analyze vast amounts of data accumulated by clients in a multidisciplinary way and utilize it to solve problems is also a vital skill. We have set up an in-house training program to enhance employee skills in data analytics and AI utilization, providing step-by-step learning opportunities from basic education through to practical skills.

Creating an environment where everyone can learn and grow independently

Developing websites or setting up online advertising systems according to the client's specifications is not the main work goal for DEC members. The true goal goes beyond that – to become a person who can work with clients to solve their challenges. To get there, our people need to acquire the ability to develop plans independently, bring others onside and put forward the plan to clients. They also need the skills to raise any issues if needed. In the DI Division, we are actively creating an environment where members can acquire knowledge in their own areas of interest on their own initiative, not waiting for directions.

DX Seminar Funding, a proprietary program developed by the DI Division, allows employees to submit ideas and invite others to their plans via the corporate intranet, such as holding a seminar with a guest expert speaker, and requesting a training course. When a plan reaches the target number of participants, we immediately hold the seminar or run the training.

Employees can also serve as instructors at the seminars. This is not only beneficial for participants, but also for the instructor, who can enhance their own insights by teaching others and grow as individuals. We have also set up a performance-based compensation system that uses feedback from seminar participants. The goal is to help employees recognize that the skills they have acquired through work are not only valuable but also useful for other people. Since its launch in 2019, we have held nearly 100 seminars through this DX Seminar Funding program.

New initiatives

A key challenge for the management team including myself is to create a workplace where employees can find genuine joy and feel

rewarded in their work. In addition to taking basic steps such as listening to employees, offering more flexible work styles and overhauling internal systems and performance evaluation systems, we are also taking the lead to show that you can create systems that serve others and that you can broaden your horizons by creating jobs that never existed before, and how these new challenges are enjoyable and worthwhile.

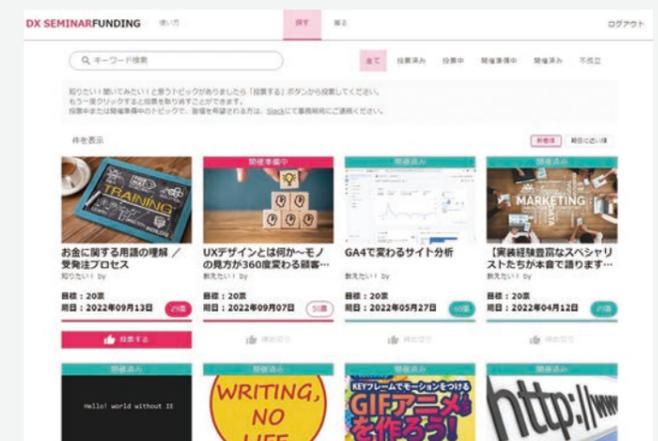
Some of our young members tell us they have trouble envisioning their career path or are not seeing improvement in their skills, but in the digital field, there is no guarantee that a carefully laid out career path turns out as planned. This is because emerging technologies create new horizontal connections and add depth, suddenly raising the bar.

For example, if the three-dimensional virtual world like the metaverse becomes a new battleground, it could create emerging business opportunities where members currently working on CAD and design in the BPO field switch to creating 3D building models for the metaverse. Like this, we may also see new touchpoints emerge between currently unconnected business domains. We want our employees to recognize that their career path is not linear, but instead, numerous potentials and directions lie ahead of them.

When management shows their commitment to changing the working environment, the mindset of employees will also change, which in turn fosters a corporate culture that gives birth to new ideas and innovation. Our ultimate goal is to become a company that attracts talented people and achieves sustainable growth together.

DX Seminar Funding

Inspired by the crowdfunding system, DX Seminar Funding allows employees to plan their own seminars and workshops and invite participants. Topics range from finance and website design to analytics and marketing. Employees can also take part as a lecturer.



Talent management that motivates and brings out the best of employees (2)



Developing people who can deliver reliable operation and innovation to clients and grow together

Satoshi Kurihara

Corporate Officer, Deputy Manager of Business Process Innovation Sector
Manager of Business Smart Sourcing Service Division, BPO Services Headquarters



Business Smart Sourcing Service

The Business Smart Sourcing Service Division mainly provides services to clients in the financial, insurance and public sectors, undertaking everything from application processing to screening to digitizing paper documents. The division has roughly 4,000 members working at 13 bases in Japan and two overseas (as of October 2022). Backed by our strong track record in numerous large-scale projects, including some that involve processing more than three million documents per month, transcosmos has been one of the biggest players in document digitization services in Japan since it was founded.

Achieving end-to-end back-office optimization

Today, the BPO business is at a turning point. In document digitization, for example, many processes are being automated and streamlined with technologies such as AI-based optical character recognition (AI-OCR). Even amid these changes, clients continue to choose transcosmos as their partner because we have the know-how to assemble efficient operational systems by choosing the best technology from the many options available worldwide. We also have platforms tailored to each industry. End-to-end optimization is not simply about introducing the latest technologies. Companies in our field need the design expertise to determine which parts of the client's specifications should be digitized and

which parts should be handled by humans. "People & technology" is our corporate vision. In the BPO domain, that means providing services that combine operations handled by professional talent with the right technology. In recent years, more companies are recognizing our ability to rapidly deliver total optimization.

Ideal competencies for BPO talent

Core talent in the BPO domain need communication skills to gain a deep understanding of client's operations, as well as management skills to oversee multiple internal teams. For example, in a recent platform development project for a public sector client, we provided a packaged service covering the entire operations from front-, middle- to back-office (see page 45: Client case study: Rapidly launched an application system for financial assistance and subsidies). This project required a deeper understanding of the relevant business processes than the client in order to develop a proposal for greater efficiency. The project showcased transcosmos's comprehensive capabilities, as it also required a cross-divisional approach to manage teams in the completely different domains of BPO and DEC.

Our approach to people development

People development in the BPO domain mostly starts with assigning members onsite at clients, giving them an opportunity

to build up experience in providing transcosmos's unique services while working alongside with clients' employees. Based on this experience, our employees gain insights into providing services from different standpoints, such as making process improvement proposals to clients, managing a project, and promoting innovation and managing vendors to further evolve staff function services. Our BPO centers consist of a diverse team of professionals, and offer an environment where employees can learn the expertise they need in their respective areas. We have many talents who have acquired a wide range of experience working onsite and as a professional team member through this rotational assignment program. Professionals with extensive real-world experience in various work sites and who can solve clients' challenges underpin our corporate vision, "people & technology."

My highest priority in people development is to make each employee realize at their early career stage the value they are bringing to transcosmos and our clients. When I look back on my own career, the moments when clients showed their appreciation for my work and when I realized that I contributed to the success of large-scale social infrastructure projects motivated me the most towards my personal growth. In fact, when I talk with our people, many of them say that they want to make a positive impact on client businesses and be involved in projects that help solve social issues. That sense of serving society and clients is the greatest force for growth. One of my goals is to create various opportunities for as many employees as possible to experience it.

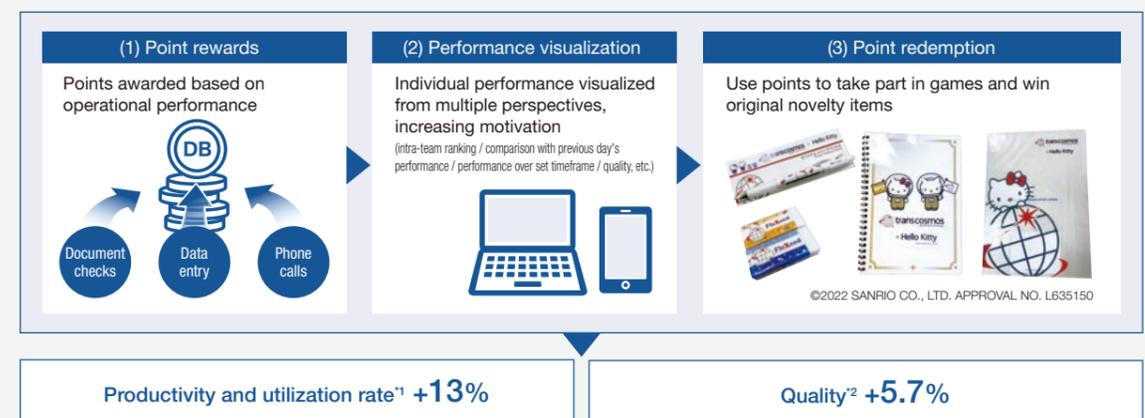
New initiatives

Increasing operational productivity is vital to enhance the value of our services. As part of the initiative to reach the goal, we deployed a gamification* technique on a trial basis to some of our performance evaluation systems in FY2022/3. More specifically, we have introduced a system primarily targeting contract employees working in the operational area, which allows them to earn novelty items for attaining sales targets and raising performance. Although the reward system is still based on a flat hourly wage, we are aiming to implement a variable compensation system based on the results achieved with the gamification. The gamification model has already delivered productivity gains in some areas, and we believe it will maximize sales and profits per employee. A successful shift to this variable cost model in the operations service area – which has several thousand agents – would be a major innovation.

Over the last few years, the pandemic has changed the way we interact, and raised numerous communication challenges even within our own organization, including misunderstandings. To address this, we launched a project to encourage frank one-on-one dialogue between people in all positions, including department managers and section managers as well as new hires. transcosmos has company-wide people development programs and systems in place, but this project goes beyond that, making it easier for us to identify and address any problems and challenges based on honest feedback from employees at various business sites. We want to create an environment where individual achievements are wedded to their career planning. We have a large workforce, so this will take time to see the outcome, but we will proceed from a medium- to long-term perspective. Developing people is not easy, yet, we will strive to ensure that our people and our business grow together.

*Gamification: Incorporating game elements such as points, levels, and intra-team competition into a business or service to increase motivation and loyalty.

Productivity, utilization rate and quality enhanced two months after introducing gamification into the BPO domain



¹1: Enhancement in productivity and utilization rate: Number of documents checked, data entries, phone calls, etc. per hour.

²2: Enhancement in quality: Reduction in processing error rate

technology

transcosmos technology

– Creating value with superior integration skills

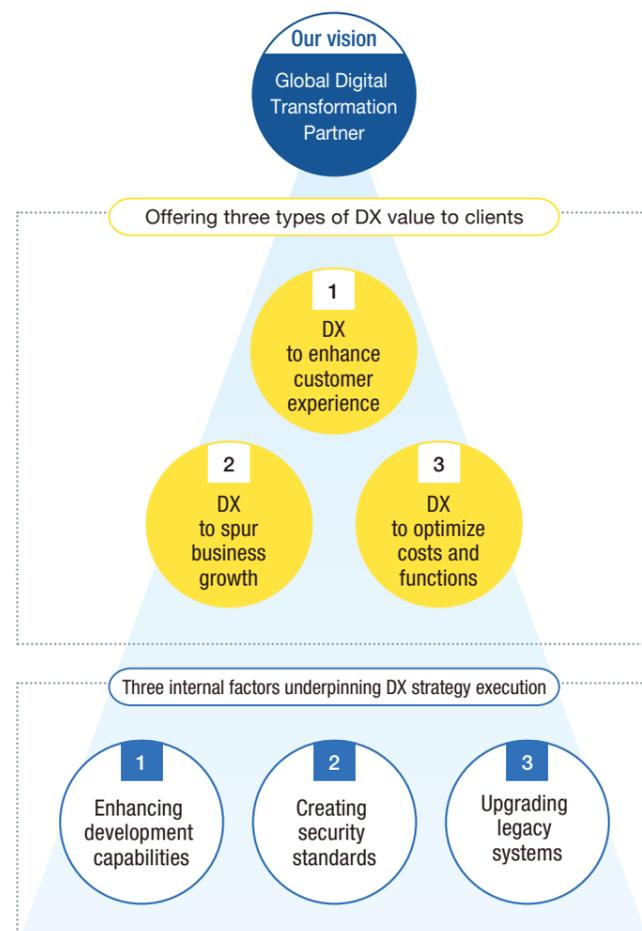
transcosmos “technology” refers to cutting-edge global technologies, rather than proprietary software and systems. We create unrivaled value by selecting and integrating optimal technologies for client DX and then combining them with tailored support by “people.”

Our approach to DX

At transcosmos, we believe our DX solutions have the power to revolutionize client businesses. By driving DX, we aim to be a good partner for our clients – a Global Digital Transformation Partner.

There are signs of change at clients, with many now rolling out DX across all parts of their business. To address these needs, transcosmos provides DX support that intersects all business functions, focusing on three areas – DX to enhance customer experience, DX to spur business growth, and DX to optimize costs and functions.

We are also implementing our own DX initiatives that will underpin clients’ innovation. Specifically, we are working to enhance development capabilities, create security standards and upgrade legacy systems on an ongoing basis.

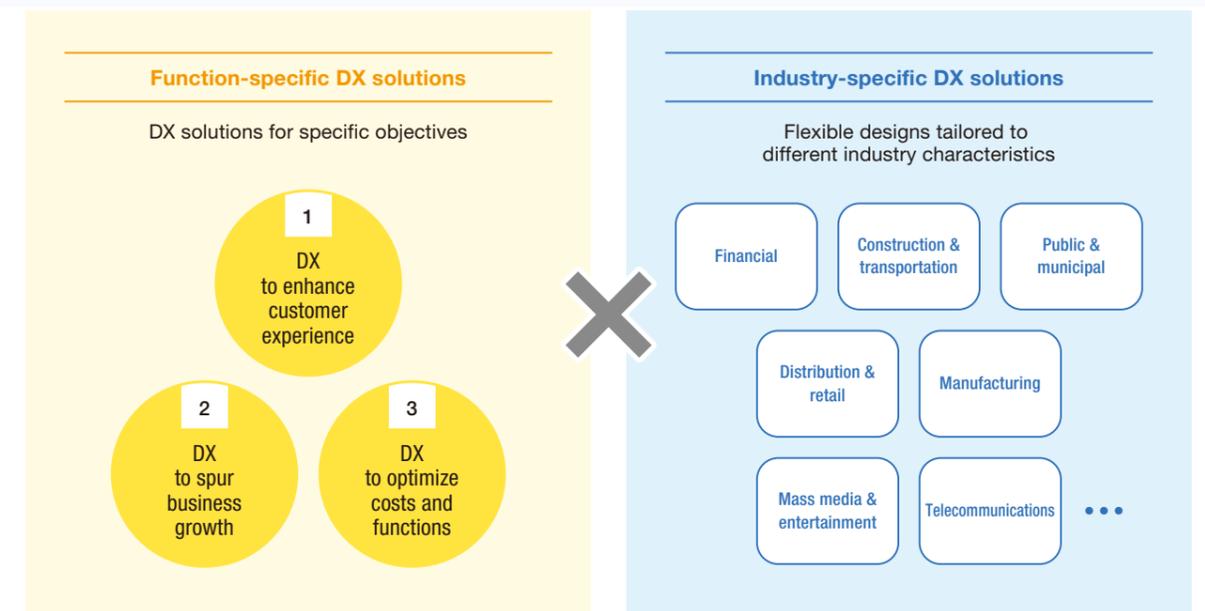


transcosmos's fundamental DX strategy framework

transcosmos's DX solutions

At transcosmos, providing services to clients involves classifying and analyzing each process then consolidating and integrating multiple operations to build an optimized end-to-end business process. Our value is our ability to select the best digital tools and combine them into platforms. We also possess industry-specific expertise gleaned from interactions with more than 3,000 clients.

Leveraging these characteristics and strengths, we are able to provide a wide range of different services by combining function-specific and industry-specific DX solutions.



Supporting social infrastructure as a DX company

The COVID-19 pandemic has given a significant boost to digitalization. The pandemic is both a threat to our Group and an opportunity to burnish our competitive edge. Backed by our extensive track record with numerous clients, we are seeing a steep rise in orders for large-scale projects related to job retention and business continuity planning (BCP) measures, underscoring our role as a company that supports public health and safety and economic activity.

In these times of far-reaching change, we aim to steadily increase our value as a DX company that supports social infrastructure.



Next Client DX success stories

- transcosmos DX Platform → P.40
- Client success story 1 DX Consulting → P.42
- Client success story 2 Customer communication → P.43
- Client success story 3 Financial & public sector → P.44
- Client success story 4 Construction industry → P.46
- Client success story 5 Diverse industries → P.48

Client DX success stories – Our objectives

Extending digitalization to achieve true DX with technology that connects all consumer touchpoints

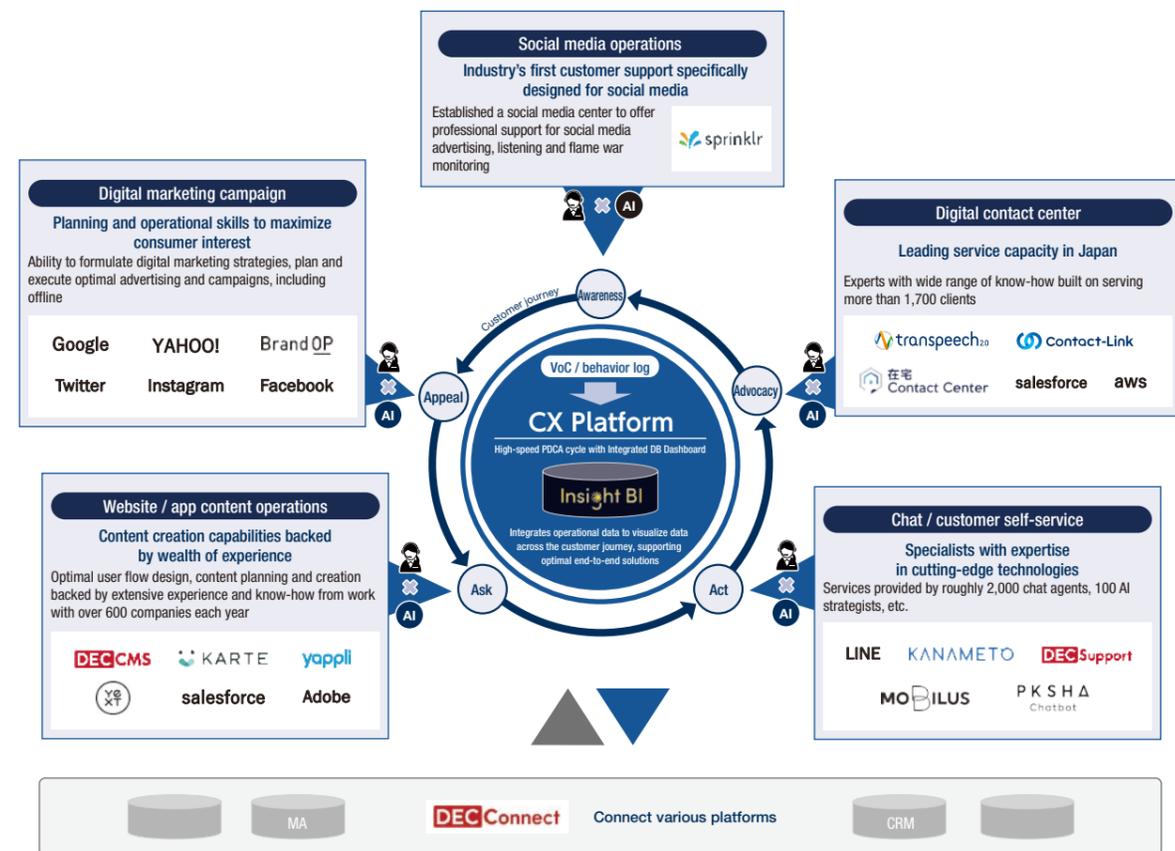
transcosmos technology realizes truly valuable DX that goes beyond the digitization of individual workplaces

Driving DX and improving CX is becoming increasingly important. Against this backdrop, companies are adopting various digital technologies to increase competitiveness. However, when they start implementing initiatives in real-world work environments, they come up against a whole host of issues: lack of awareness about how proprietary systems are set up; problems integrating data scattered across websites, support departments and social media; and even if they do reach the implementation stage, they end up with a piecemeal result.

With our DEC Services, we deliver effective outputs by integrating data accumulated by each business site while providing support across all the client's divisions. We have the knowledge and experience in cutting-edge technologies and solutions to cover all aspects of the client's digital consumer touchpoints throughout the customer journey. This allows us to offer end-to-end proposals rather than piecemeal solutions and is one of transcosmos's major strengths. Our aim is to go beyond the digitalization of individual workplaces to realize truly valuable DX with clients.

transcosmos DX Platform – delivering full optimization across all digital consumer touchpoints throughout the customer journey

The transcosmos DX Platform utilizes various technologies to cover all digital consumer touchpoints throughout the customer journey. The platform is anchored by Insight BI, an integrated database dashboard that allows us to develop optimal solutions by integrating and analyzing data accumulated at each client business site (for more details on Insight BI, see the opposite page, Toward true DX – step 2: Using integrated database dashboards).



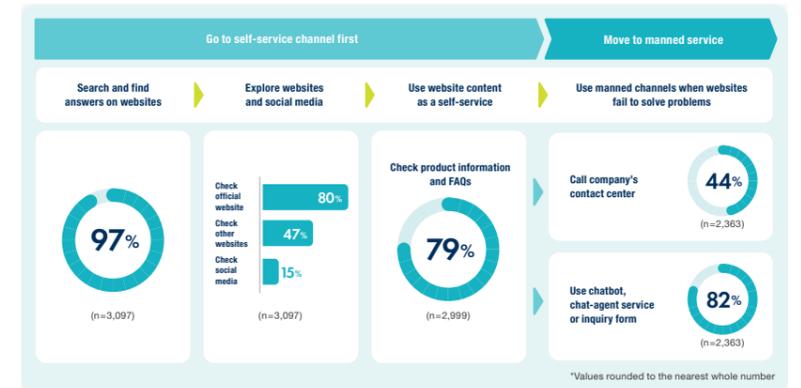
Toward true DX – step 1: Analyzing consumer communication

transcosmos launched Japan's first Consumer to Business Communications Trend Survey in 2015 and has been running it annually since then. In the latest 2022-2023 edition, we surveyed over 3,000 internet monitors and yielded some thought-provoking responses to questions such as, "What customer journeys do consumers take to find the solution to their problems?" and "What kind of experience do consumers expect?"

As consumer touchpoints and channels diversify, not all consumers follow the same customer journey. We are using the surveys to understand the fast-changing reality of consumer communication to continually evolve our services.

Results of Consumer to Business Communications Trend Survey 2022-2023 (sample)

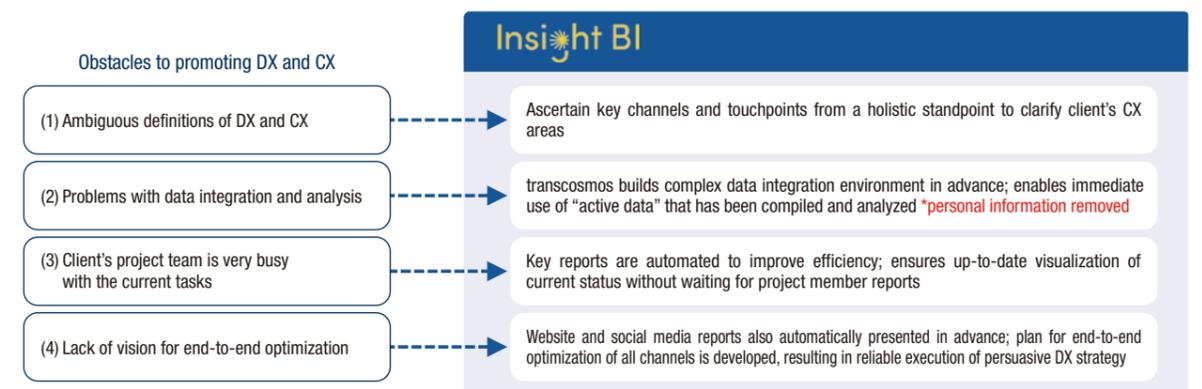
The survey revealed that most consumers (97%) search websites first when looking for an answer to a problem, indicating that consumers of all ages, from those in their 20s to the over-60s, have shifted to the web channel. Many consumers use websites and social media to solve problems themselves, but when they cannot self-resolve due to inadequate site navigation or content, they switch to manned channels with growing frustration. Even then, consumers prefer to use chatbots or inquiry forms rather than contact centers. The key to improving CX is how to smoothly connect the web channel, chat-agent / chatbots services and manned channels.



Proprietary transcosmos survey conducted annually since 2015, covering men and women in 20s to over-60s; 3,097 valid responses to 2022-2023 survey

Toward true DX – step 2: Using integrated database dashboards

Insight BI, the core element in the transcosmos DX Platform (see the opposite page), is a digital tool for facilitating smooth implementation of DX and improvements to CX at clients by identifying obstacles that stand in the way. Insight BI gives us deep insights into clients' current conditions, supporting the development and execution of persuasive DX strategies. This allows us to share challenges and goals with clients, resulting in rapid problem solving and also the creation of new value and experiences.



Pick Up!
Deepening internal collaboration

The DX Promotion Division is working closely with the Engineering Division, newly established in April 2022, to step up the use of technology. Specifically, the DX Promotion Division is passing on issues and requests identified through direct communication with clients to the Engineering Division, which then develops a tailored solution delivered over a proprietary platform. To drive innovation, the two divisions will build a powerful DX promotion framework that goes beyond simple collaboration in service offerings.

Client success story 1 - DX consulting

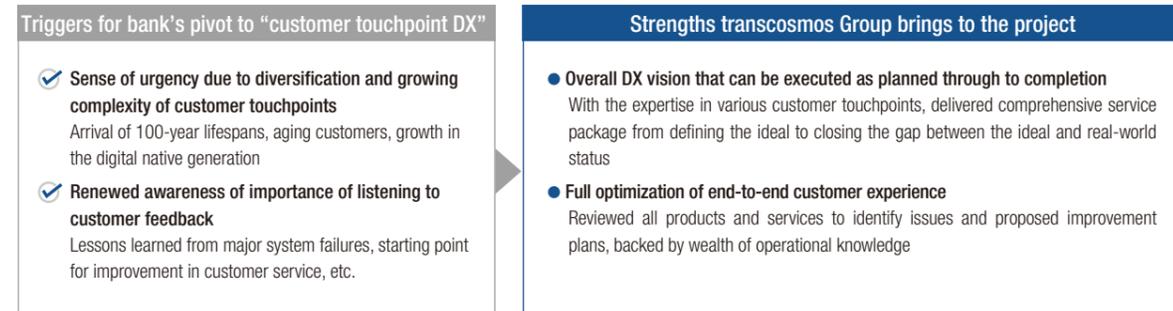
Closing the gap between the ideal and reality with a comprehensive service package

Major bank A Designing an overall DX vision starting with the transformation of the contact center – the bank’s primary customer touchpoint

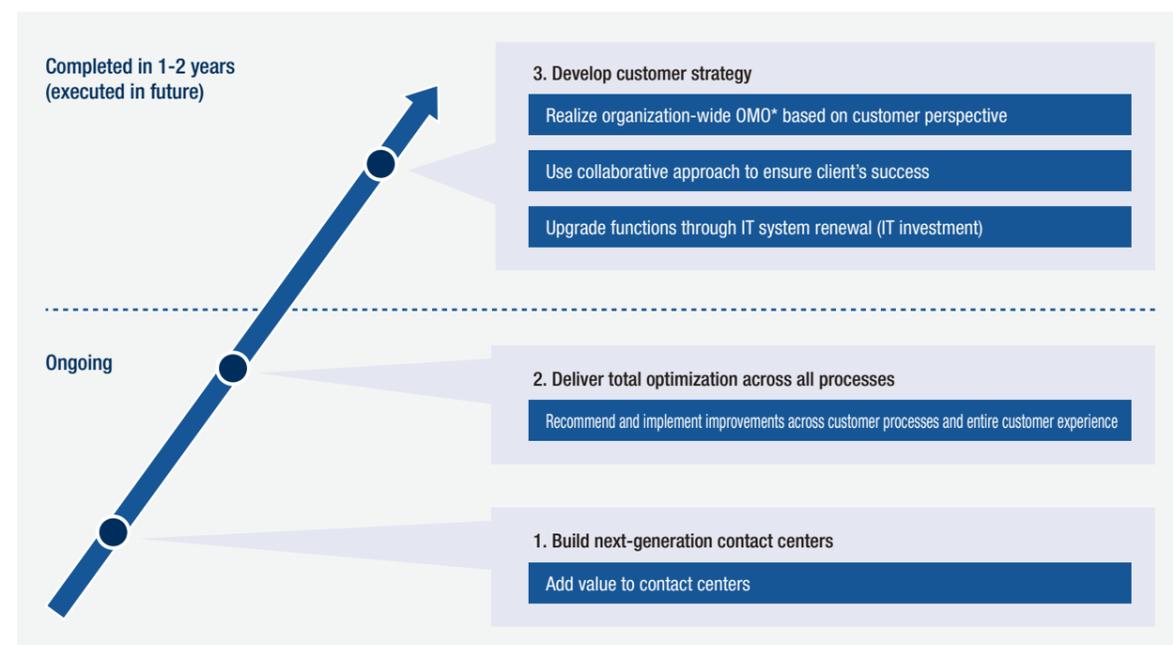
Bank A is implementing “customer touchpoint DX” to put greater emphasis on customer needs. This approach was triggered by a strong sense of urgency about the diversification and growing complexity of customer touchpoints and renewed awareness of the importance of listening to customer feedback. Skylight Consulting Inc., a transcocosmos Group company, is responsible for the overall design of the project and for providing implementation support.

Successful implementation of the overall DX design depends on executing the project as planned through to completion. Working with Skylight Consulting, transcocosmos is leveraging its operational expertise to provide comprehensive support – from defining the ideal, proposing plans that close the gap between the ideal and client’s real-world status, to creating specific measures and modeling.

Starting with the transformation of the contact center, the bank’s primary customer touchpoint, we are currently working to optimize the entire business process, including creating products and services in line with the right customer experience. Going forward, we plan to work with the client to develop even more advanced customer strategies.



Customer touchpoint DX: Digital transformation that optimizes the entire process with a focus on the customer, encompassing future strategy development



*OMO (Online Merge Offline): Concept of developing marketing strategies that integrate the online and offline space so that customers see no discernible difference in service channels.

Client success story 2 - Customer communication DX

Supporting the digital shift to move customer communications online

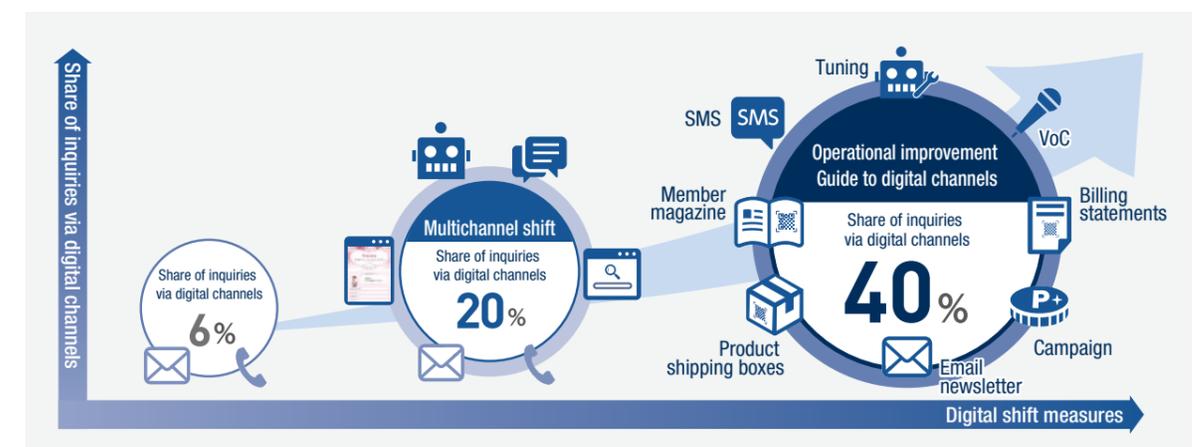
Kyowa Co., Ltd. Improving convenience with a multichannel approach tailored to customer needs

Kyowa Co., Ltd. is at the forefront of beauty treatments with brands such as its anti-aging beauty essence fracora. The company has launched a project to shift customer communication from offline channels, primarily TV commercials, to online channels such as its website and online advertising, to win its main target customers in their 40s to 60s. The challenge was to create a foundation to help Kyowa’s customers accept the new digital channels and tools. Specifically, we supported the company’s digital shift to migrate customers from the offline to the online space, upgraded communication channels and put in place support flows requested by Kyowa’s target customer segment.

We implemented three digital shift measures for customer communication: (1) inquiry flow development and channel expansion, (2) customer flow development for digital channels, and (3) VoC utilization and chatbot tuning. In two years, the percentage of inquiries through digital channels has increased to 40%, providing greater convenience to customers.



Share of inquiries via digital channels increased to 40% in two years



Client success story 3 - Financial and public sector DX

Merging digital and analog tools, rapidly launched efficient operations centers equipped with easy-to-use, high-volume data processing systems

One of the main reasons clients choose transcosmos services is our wealth of experience in large-scale operational services.

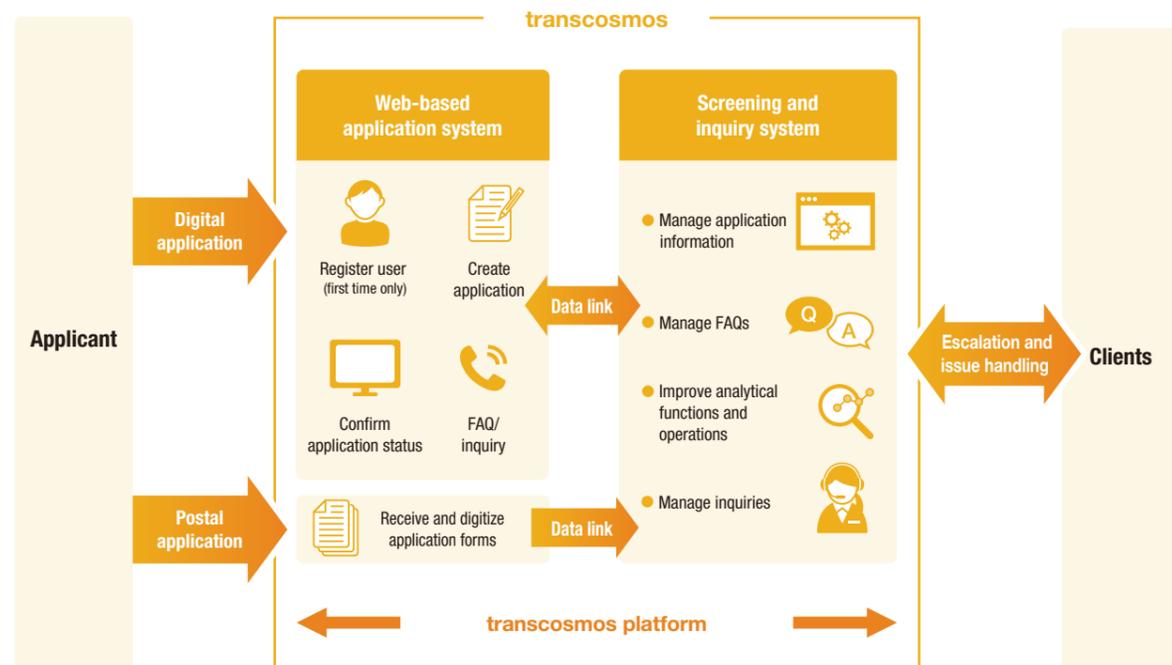
We have gained significant trust from clients through our extensive track record in large projects for clients in the financial sector, government agencies and local governments. Financial and public sector clients need systems that are robust, safe and secure.

Our services are directly contributing to higher levels of end-user satisfaction in financial and public sector projects.

Providing high-quality services by utilizing web-based application, screening and inquiry systems combined with nationwide BPO centers

Our specialized services for financial and public sector clients are based on a transcosmos proprietary platform, which covers everything from receiving application in both paper and digital forms to screening documents and managing inquiries. We provide a one-stop solution by integrating a dedicated web-based application processing system, a screening and inquiry system designed for efficient BPO operation, and our nationwide network of BPO centers. transcosmos is also highly regarded for its ability to open centers rapidly by leveraging its knowledge, careful screening, and its ability to deal with a wide range of inquiries from applicants, irregular applications and incomplete documents. Compared with systems developed in-house or with partially outsourced processes, our platform delivers much higher quality services with excellent cost performance, which is why numerous companies, government agencies and local governments choose transcosmos.

transcosmos platform: one-stop solution connecting applicants and clients

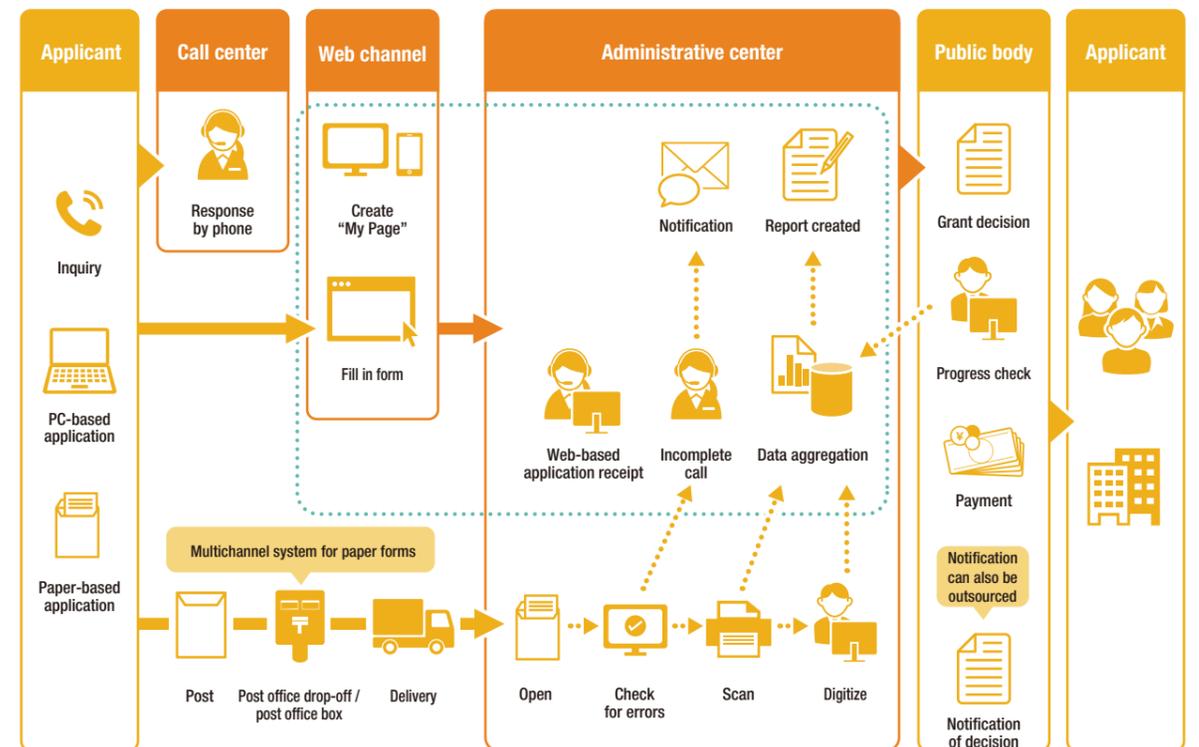


Client case study Rapidly launched an application system for financial assistance and subsidies

Designing and building an application processing system for public services needs to take into account the various environments of end-users. In addition to handling both paper- and web-based applications, the system has to rapidly process a large volume of inquiries and applications submitted through multiple channels, including PCs, mobiles and landlines. Also, in the case of application systems for emergency financial aid, the project needs to proceed even though details are still being finalized.

transcosmos leveraged its track record and expertise from previous public sector projects to rapidly launch an end-to-end financial assistance and subsidy payment application system covering application receipt through to payment. By building a highly secure environment and utilizing a platform that smoothly and quickly processes large numbers of applications, we have created a system that can provide financial assistance and subsidy payments in as little as two days, reducing the workload on local governments. The system has also been praised by end-users for its rapid processing times.

From application to payment in as little as 2 days



Key benefits

- Previous experience in public sector projects allowed transcosmos to rapidly set up a project office, delivering a system that can process payments in as little as two days
- System handles both web-based and paper-based applications and is designed to take into account the different environments of end-users
- Reduces the burden on end-users by simplifying the application process and utilizing historical application data and pre-registered master data
- Collects data on application progress / status and issues reports in real time

Client success story 4 – Construction industry DX

Driving and embedding DX in building construction, urban development and ultimately social infrastructure

The construction industry faces a severe labor shortage, making digitalization a pressing issue. One way the industry is responding is by making wider use of BIM/CIM* data. transcosmos is working with Group company APPLIED TECHNOLOGY CO., LTD. to develop services that promote and embed BIM/CIM. As digitalization gathers pace, efforts to transform the construction industry are spreading from building construction to urban development.

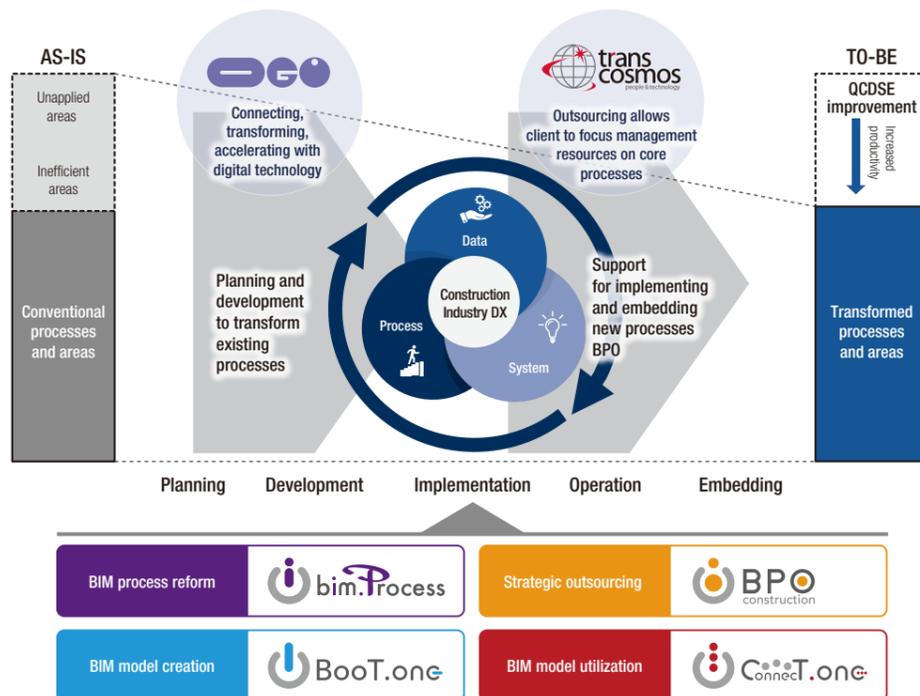
*BIM/CIM: Building information modeling / construction information modeling is the use of digital 3D data to improve the productivity of construction processes.

Our “toBIM” package is designed to accelerate and establish DX in the construction industry

Digital technologies are being used more widely by the construction industry, but BIM uptake has been slow due to the vast number of construction processes and a wide variation in IT literacy at construction sites. The “toBIM” service provided by transcosmos and APPLIED TECHNOLOGY has evolved into a one-stop package covering all construction phases. In addition to existing BIM solutions that support planning, development and implementation, the package includes solutions that help users operate and embed BIM in their construction projects.

A key feature of “toBIM” is that it clearly divides clients’ business operations into competitive areas and non-competitive areas. In the competitive area, we provide solutions customized to individual client needs, while in the non-competitive area we provide services common to the construction industry. By combining services in these competitive and non-competitive areas, we can provide tailored support from consulting through to the creation of BIM process infrastructure that the client needs. Our goal is to help drive and embed DX at clients and across the industry as a whole by providing a circular one-stop service that aggregates onsite issues and areas of improvement that emerge during construction work, and uses them to drive further DX.

Process transformation in the construction industry – providing tailored support for driving DX from planning to embedding

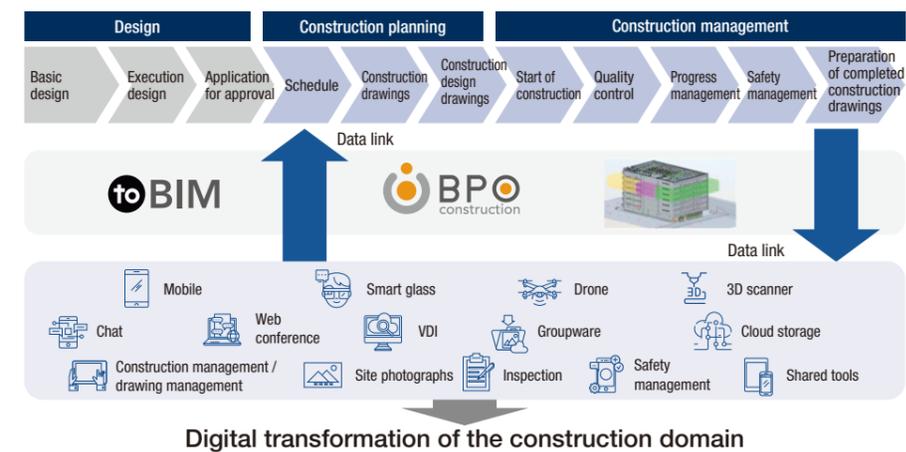


Construction Digital BPO – Driving and embedding DX by focusing on issues faced by construction sites

To drive DX across the whole construction industry, transcosmos and APPLIED TECHNOLOGY are focusing on the entire value chain itself – planning, design, procurement, construction and maintenance – in the construction process.

Achieving construction DX is dependent on the degree of digital transformation at the construction site, which is also the most important factor for the client’s return on DX investment. transcosmos and APPLIED TECHNOLOGY offer a Construction Digital BPO service that supports the digitization of construction sites – the key process for evaluating that return on investment in construction DX. Construction Digital BPO optimizes business processes by combining digital tools and operations to improve and transform QCDSE* in the construction management process. In addition to direct support at the construction site, we provide online support via transcosmos BPO centers, which have agents with construction experience and know-how. In this way, we are promoting and embedding DX in the construction industry, which is helping to solve issues faced by construction sites such as the industry-wide labor shortage and aging workforce.

*QCDSE: Acronym for the five key elements of construction management: Q (Quality), C (Cost), D (Delivery), S (Safety) and E (Environment).



Construction Digital BPO client case study (construction company B)

- Challenge**
Use of BIM data and other digital tools not progressing beyond the design process; not seeing investment returns.
- Project details**
Introduced Construction Digital BPO – a circular service to accelerate the use of BIM
The objective of the project was to build a data environment that supports the creation and use of BIM data in the design process and subsequent processes, allowing the implementation of BIM-supported process planning and quantity surveying in the construction planning and production preparation phases. In the construction process, the client used quality construction control utilizing photos and videos and digitized the construction data. The service helped the client embed and utilize digital tools in each process through direct and online support for onsite users.
- Benefits**
The service helped the client standardize roughly 35% of work requested by the construction site, lifting productivity.

Integrating BIM/CIM with urban development and social infrastructure projects based on digital twins

The use of BIM/CIM data in the construction industry is leading to the creation of digital twins of urban environments. Urban digital twins are virtual copies of urban environments reproduced using data collected from the real world. In the future, digital twins are expected to become the foundation for virtual copies of not only construction sites but also entire urban development projects, and support advances in the smart city concept. Together with its “toBIM,” “toCIM” and Construction Digital BPO services for the construction industry, transcosmos and APPLIED TECHNOLOGY plan to provide an Urban Engineering Service to users of architectural information who are involved in areas including building maintenance and management, disaster prevention environments and smart city concepts.

Going forward, the transcosmos Group aims to drive DX to create new value, positioning its business as solutions for disaster prevention and mitigation, and energy and environmental issues.

Client success story 5 – DX in diverse industries

Leveraging the expertise of Group companies to provide DX solutions that solve issues in diverse industries

Pharmaceutical / Finance / All other industries

Supporting DX in all industries – from pharmaceuticals to media – using video as the starting point



J-Stream Inc.

TSE Growth Market: 4308
Investment stake: 44.6%

J-Stream has a high share of Japan's market for online video streaming and peripheral services, including enterprise video streaming platforms, live streaming, content delivery networks (CDN), video production and website development. J-Stream's platform is also used for large-scale events with stringent quality requirements, such as shareholder meetings, sports events streamed by broadcasters, online streaming of TV programs and paid video streaming services.

- J-Stream Equipmedia video streaming platform is one of the largest in Japan with over 3,000 enterprise video communication (EVC) subscriber accounts across all industries; the platform primarily addresses DX demand related to video streaming of online shareholder meetings, webinars, and other corporate events.
- In the pharmaceutical sector, which is actively pushing DX, J-Stream offers WebinarAnalytics, a tool for live streaming and analysis of online conferences, and Veeva CRM, a cloud-based customer relationship management service (transcosmos has also signed a content partner contract with Veeva Japan, the provider of Veeva CRM).
- Supporting OTT operators such as broadcasters and content holders with stable CDN platforms and monetization know-how for video distribution.



Manufacturing / Retail sectors

Providing an AI-powered platform that connects consumers with products and stores



Grand Design Co., Ltd.

Investment stake: 86.4%

Grand Design develops and operates Gotcha!mall, a platform that connects consumers with products and stores (business method patented). Centered on an incentive system design based on behavioral economics and neuroscience, the company aims to "harness the power of technology to solve various social problems, create new markets and spur innovation." It also uses Gotcha!mall to support the creation of a sustainable society with no food losses by connecting consumers and food producers.

- Using an AI-powered platform and proprietary algorithms, Grand Design supports shoppers in Japan and overseas by providing product information, coupons and other incentives tailored to the needs of each consumer.
- With roughly 40,000 stores on the platform – primarily brick-and-mortar convenience stores, supermarkets, drugstores, restaurants and specialty stores that play a key role in everyday lives – Grand Design helps retailers attract new customers and cultivate loyal customers. It also provides a system that uses AI to analyze consumer needs and purchase histories, matching them with products from major manufacturers. The platform is accelerating DX initiatives at manufacturers and retailers, backed by a long track record of collaboration between retailers and manufacturers. Gotcha!mall has 28 million unique visitors per year and annual gross merchandise value (GMV) of more than ¥60 billion.
- Newly launched Gotcha!shelf is a service for manufacturers that supports the entire retailing process, from product recognition to repeat purchasing. Leveraging the strengths of one of Japan's largest retail networks, Grand Design is stepping up research and development into technologies that match manufacturers' products with consumers.

Gotcha!mall.



Construction / Manufacturing sectors

An innovation company leveraging unique technological capabilities to drive DX that converts issues into value in the construction and manufacturing sectors



APPLIED TECHNOLOGY CO., LTD.

TSE Standard Market: 4356
Investment stake: 60.2%

APPLIED TECHNOLOGY operates a solution services business, which supports the manufacturing sector and utilizes BIM/GIS solutions, and an engineering services business targeting the disaster prevention and environmental fields. The company's strong technical skills in BIM – one of its core business areas – are widely recognized and it is attracting attention as a construction DX integrator.

- Released Navismaster, a 3D model creation support tool compliant with MLIT guidelines, to help users apply new BIM/CIM principles for public works projects that take effect from FY2023.
- Contributing to advances in DX in construction, with Daiwa House Industry Co., Ltd. fully adopting BooT.one across all its operations.
- Helping Takenaka Corporation develop a virtual construction planning tool to create a connected BIM environment based on IFC data.
- Working with Takasago Thermal Engineering Co., Ltd. to transform facility BIM standardization into a BIM-driven supply chain.
- Created BIM scaffolding model for SUGIKO Co., Ltd. to improve efficiency and safety.
- Teamed up with Eukarya Inc. to launch consulting business for utilization of open source urban digital twins.
- Launched "toDMG" service utilizing generative design and laminated molding technology to support manufacturing innovation.



Sports / Entertainment sectors

Providing vertical SaaS to drive sports and entertainment DX and the transition to Web3



playground Co., Ltd.

Investment stake: 75.9%

Guided by its mission – Creating dreams for people is our dream job – playground is an integrated entertainment tech company that works to increase profitability in the sports and entertainment sectors by providing support for DX and the transition to Web3. Through its entertainment DX platform, MOALA entertainment DX cloud (SaaS), the company provides comprehensive DX support such as e-ticketing and live event streaming to companies in the sports and entertainment sectors. The platform is steadily being adopted by leading entertainment companies such as Ticket Pia, rockin'on group, and the Japan Ladies Professional Golfers' Association. playground is also working to revitalize the event sector after the pandemic, including running a trial project backed by METI and the Cabinet Secretariat.

- More than 30 domestic ticketing companies, including Ticket Pia, use the company's MOALA Ticket cloud-based ticketing system, making it one of the top e-ticketing systems in Japan.
- playground operates more than 30 websites, including FANY Online Ticket for YOSHIMOTO KOGYO HOLDINGS CO., LTD., using its cloud-based entertainment e-commerce website development service, MOALA Live Store.
- playground was chosen by METI and the Cabinet Secretariat to lead a trial project on DX services essential for revitalizing the event sector after the pandemic.
- playground's proprietary universal biometric authentication technology BioQR (patented) was awarded a good digital award 2022 (run by the Digital Agency), recognizing its usability and safety for all types of users and locations.



エンタメDXクラウド MOALA

BioQR has been described as a revolution in event ticketing.

Governance underpins our rise as a Global Digital Transformation Partner

Appointing outside directors with corporate experience is a major part of our efforts to reinforce corporate governance. We sat down with three of our outside directors, Takeshi Natsuno, Nozomu Yoshida and Eiji Uda, to get their views on the Group's governance and Board of Directors and the challenges transcosmos faces on the path to becoming a Digital Transformation (DX) company.

*Roundtable discussion held online in September 2022.



Outside Director
Takeshi Natsuno



Outside Director Nozomu Yoshida



Outside Director Eiji Uda

“All the outside directors are leveraging their experience in corporate management” (Yoshida)

Yoshida: Mr. Natsuno, who heads a listed company, myself and Mr. Uda all have experience in corporate management. That means we can make valuable contributions to discussions about business frameworks, human resources and other business matters, helping to directly enhance corporate value.

Natsuno: We also have diverse backgrounds, and I think there are only a handful of companies in Japan with all their outside directors still actively involved in business themselves.

Uda: transcosmos's Board of Directors encourages free and open discussion and is clearly committed to increasing corporate value, which is quite the opposite of typical boards at owner-operated companies, where the founding family often controls decision-making and everyone else follows suit.

“transcosmos's high ratio of outside directors has reinforced governance” (Natsuno)

Natsuno: When transcosmos founder Koki Okuda was alive, he sat on the supervisory side of the board with the outside directors, not on the executive side. There was a healthy sense of tension on the board, with Mr. Okuda and the outside directors raising tough questions, and the Chairman and other directors on the executive side responding with explanations.

While the board has a different structure now, the way it operates hasn't changed, with the outside directors closely supervising, encouraging and advising the executive side. My impression is that our discussions have become more dynamic and governance has improved as the ratio of outside directors on the board has increased.

Yoshida: In addition to agenda items, the board actively discusses earnings reports and the medium-term business plan. transcosmos is involved in a large number of projects across many different business domains, so these discussions can be very time-consuming, but they are constructive in helping us understand the Group's current position and exploring future options while allowing us to share our opinions as experienced business people.

Uda: Directors also have a responsibility to shareholders, so all outside directors, including myself, do not hold back when expressing our opinions. transcosmos reported its twelfth straight year of net sales growth, despite the challenging business climate, showing that checks and balances are working well.

“Global corporate governance is vital to transcosmos's international expansion” (Uda)

Natsuno: A key issue for us now is to further educate and engage in dialogue with investors to give them a deeper understanding of transcosmos. Governance is solid and earnings continue to rise. We need to communicate this better to the market by reinforcing investor relations.

Yoshida: I agree. transcosmos has not been particularly proactive about disclosing its earnings outlooks, mainly because the broad scope of our business means it is difficult to fairly evaluate business performance. But to deepen understanding, we have to release forecasts and medium- to long-term strategies, including setting out our vision and how we plan to increase corporate value. The Board of Directors has already started talking about taking a more proactive approach to information disclosure.

Uda: transcosmos wants to step up international expansion, so we have to think about corporate governance from a global perspective. In many cases, when Japanese companies move into overseas markets, they set up local subsidiaries to mitigate risks to the parent company back in Japan, but of course there are laws that mean the parent is still accountable if misconduct occurs at the overseas subsidiary. This presents significant reputational

risks to the parent company, so risk management at the global level becomes increasingly important.

“I want to see transcosmos further reinforce governance in both Japan and overseas” (Yoshida)

Natsuno: Koichi Iwami and Masaaki Muta, who were appointed co-presidents in June this year, have helped lead the business in pivotal management roles, supporting the former chairman and former president, respectively. I'm looking to these co-presidents to continue implementing the Group's key strategies and initiatives, while also showing new leadership.

Uda: Yes, I hope the Company can harness their different personalities and strengths to create a new, more flexible management structure.

Yoshida: Both men have seen success at transcosmos, with Mr. Iwami playing a key role in expanding the Group's global presence and Mr. Muta helping to drive sales growth in the domestic business. They also like a good debate, work hard and play hard. The shift to this co-president structure can also be seen as a way of simultaneously strengthening governance in Japan and overseas.

“Showcasing pioneering practices also helps transform our corporate image” (Uda)

Natsuno: transcosmos’s approach is all about “people & technology” – combining talented people and IT to increase clients’ productivity. It’s therefore our mission to test how advanced technology can be implemented before anyone else, and also widely adopt it before anyone else. As a business leader in the IT field, I want to contribute to the Group’s further growth by giving my advice about how to make the best use of the latest technology and turn it into viable businesses.

Yoshida: I’m drawing on my extensive experience as a specialist in corporate branding to advise transcosmos on how to protect its brands. A corporate brand isn’t just what people see from the outside – the professional mindset and values that employees demonstrate in the workplace are crucial too.

Uda: Yes, brand image has a major impact on how external stakeholders value and understand the company, including the share price. For example, the Group’s contact center business has already shed the labor-intensive approach of the past by harnessing IT, but that outdated image still persists among many investors. Many of the platforms and applications provided by transcosmos actively incorporate AI and other technologies in human interface* designs, helping to enhance operational efficiency and customer experience (CX) for clients. I think we need to work harder to transform transcosmos’s corporate image by highlighting these pioneering approaches.

“transcosmos should pursue business models that competitors would struggle to emulate” (Yoshida)

Yoshida: transcosmos has a strong commitment to customers, and this “customer satisfaction first” philosophy has helped us win the trust of many clients. On top of this, we need to focus on how best to directly increase the Group’s competitiveness going forward. That means creating truly competitive business models other companies will struggle to emulate.

Uda: Our strengths are in people and technology, split roughly 70-30. I appreciate that the Group manages nearly 70,000 people worldwide, but at the same time, I want transcosmos to further refine its technologies to boost productivity.

Natsuno: transcosmos’s greatest strength is still the trust it has won from clients. Trust has been cultivated through our long track record of support for clients and our broad range of services, from IT solutions to contact centers. By accelerating the rollout of new technologies, I think we can be an even better partner to clients.

“We need to convert our cyber-attack defensive capabilities into a competitive advantage” (Yoshida)

Yoshida: Cyber-attacks have become more sophisticated and advanced in recent years. To be recognized as the preeminent DX company, we need to improve our awareness of cyber-attacks and the technologies needed to deal with them, from the management level down to frontline business sites. Improving our ability to respond to cyber-attacks can also become a competitive advantage.

Uda: In addition to external cyber-attacks, many companies face unforeseen computer-related misconduct within their organization. To prevent this, we have to install appropriate IT systems and carry out employee education and training. If we create an internal surveillance platform based on proprietary technology, we can also use it to win the confidence of clients and the public as a whole.

Natsuno: Staff at many IT vendors are now returning to the office, but transcosmos is lifting earnings performance based on its remote work system, while also maintaining compliance and governance. When Japan’s first state of emergency was declared in 2020, we were among the

first to put in place and successfully adopt telecommuting and home-based contact center systems. I think transcosmos can be a very good example of how to make compliance and governance function properly in a remote environment while making full use of technology. However, management’s leadership in this area will become increasingly important, as these initiatives have no end-goal and need to continually evolve.

“transcosmos needs to be better at communicating its strengths and strategies to investors” (Natsuno)

Uda: For many years, founder Koki Okuda was the cornerstone of the Company, leading from the front with a firm hand on management. As an outside director, I want to play a part in making transcosmos an even better company at this major turning point in its history. How about you, Mr. Yoshida and Mr. Natsuno?

Yoshida: Sometimes when senior management changes, outside directors are also replaced, but this hasn’t happened at transcosmos. The auditing firm told us they were relieved about this because continuity of management is important. Continuity is good, but when I visit the Group’s various divisions, I can also see that transcosmos is driving innovation as a DX company. I want to highlight these exciting possibilities to investors to help them more fairly evaluate the Group.

Natsuno: I’m proud to be involved with this Company as one of its directors. I too want to appropriately communicate to investors the strengths and strategies of transcosmos – a company that is continuously striving to expand its business internationally against a backdrop of negativity about Japan’s prospects.

*Human interface: Point of contact where information is exchanged between a computer and a person; also known as the user interface (UI), which describes processes and screens that people use to operate devices and software.



Takeshi Natsuno

June 2016: Appointed Outside Director of transcosmos (Audit and Supervisory Committee member); June 2008: Appointed Outside Director of transcosmos; 1997: Joined NTT Mobile Communications Network, Inc. (now NTT DOCOMO, INC.), where he gained considerable experience and expertise in the telecommunications and internet services fields, including involvement in the 1999 launch of NTT DOCOMO’s i-mode service; 1988: Joined Tokyo Gas Co., Ltd.
< Significant concurrent roles > President CEO of DWANGO Co., Ltd., President, Member of the Board of KADOKAWA CORPORATION, Outside Director of Oracle Corporation Japan.



Nozomu Yoshida

June 2016: Appointed Outside Director of transcosmos (Audit and Supervisory Committee member); June 2010: Appointed Outside Director of transcosmos; 2000: Founded nozomu.net. and became Representative Director; considerable experience and expertise in business management, primarily corporate branding, and in the advertising and internet services fields; 1980: Joined Dentsu Inc.
< Significant concurrent roles > Member of Audit & Supervisory Board, Asahi Net, Inc.



Eiji Uda

June 2016: Appointed Outside Director of transcosmos (Audit and Supervisory Committee member); June 2014: Appointed Outside Director of transcosmos; 2004: Appointed Senior Vice President of salesforce.com, Inc. and Representative Director and President of salesforce.com, Co., Ltd., where he gained considerable experience and expertise in the IT industry and internet services field, including helping to spur market uptake of cloud services; 1981: Joined IBM Japan, Ltd.
< Significant concurrent roles > Chairman and Representative Director of Unified Services, Co., Ltd., Chairman of Yext KK.

Initiatives supporting our competitiveness

transcosmos's competitiveness is supported by a range of ESG-focused initiatives. We are stepping up these efforts to realize our vision for the Group – an unrivaled global outsourcing services player that helps its clients expand their top line.

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Promoting employee wellbeing and work-life balance

1 Employee wellbeing

In line with our Fundamental Sustainability Policy, we published an Employee Wellbeing Statement in September 2022, reflecting the importance we put on employee health in business management.

Employee Wellbeing Statement

Our Fundamental Sustainability Policy states that “Staying true to our fundamental management philosophy that client satisfaction is the true value of our Company, transcosmos is committed to co-creating a wellbeing* society together with clients.” In light of this, we believe that both the physical and mental health of our employees - the foundation of our employees’ wellbeing - is critical for transcosmos to achieve sustainable growth and to co-create a wellbeing society.

To this end, transcosmos hereby states that we will commit to maintaining and promoting not only the wellbeing of our employees but also of their families so that our employees will be able to perform to their full potential in top physical and mental condition.

Koichi Iwami
Representative Director, Co-president transcosmos inc.

*Wellbeing: A state in which a person is not only healthy, but also maintains good physical, mental, and social health and lives with a sense of wellbeing.

Employee wellbeing

At transcosmos, we believe “employees are our most valuable asset and have boundless potential.” The Human Resources Division, occupational health professionals such as our lead occupational health physician, health supervisors at centers and offices, and the Company’s labor union and health insurance society are therefore all working together to promote employee wellbeing activities. From FY2023/3, we have taken a step further, implementing initiatives to promote the wellbeing of employees through a company-wide framework led by our SDGs Committee.

Employee wellbeing challenges

As many as 40,000 employees work at the transcosmos parent company alone (as of end-FY2022/3), and our centers and offices have differing workplace environments, each with its own working

hours arrangements. We therefore face two key challenges in promoting employee wellbeing – first, ensuring our employees understand the importance of maintaining and promoting their own wellbeing and disseminating this thinking across the Group, and second, implementing the right initiatives that work best to solve health-related challenges at our various workplaces.

Employee wellbeing promotion framework

In FY2023/3, Representative Director & Co-president Koichi Iwami is leading the creation of a framework to ensure we fulfill the commitments in our Employee Wellbeing Statement, in line with our Fundamental Sustainability Policy. Backed by this framework, the transcosmos SDGs Committee, which is responsible for SDG-related matters across the Group, will implement employee wellbeing initiatives as a priority theme with input from employees.



2 Promoting work-life balance

We are carrying out initiatives to enable our employees to strike a healthy work-life balance from the perspective of improving employee welfare and productivity. Our goal is to create a working environment that allows individuals from various backgrounds to perform to the best of their abilities by flexibly accommodating diverse workstyles.

Reducing overtime to increase productivity

In addition to complying with laws that require companies to rectify long working hours, eliminate unpaid overtime and encourage employees to use paid leave allocations, we are working to increase efficiency by minimizing overtime at our centers and offices, in line with the nature of work carried out at each site. Specifically, we are making staff deployment and shift assignment more efficient, carrying out digital transformation initiatives and taking other steps to increase productivity by enhancing operational processes.

Carrying out flexible workstyle initiatives

To accommodate the need for different workstyles, get the most out of our diverse talent pool and realize efficient and productive ways of working, we offer various workstyle options such as teleworking, area-limited employment, shift systems and flexible working arrangements. We are actively introducing these systems where feasible, based on the different operational requirements and nature of work at our centers and offices.

Diversity & Inclusion

1 Supporting women's career advancement

Fundamental approach

transcosmos carries out various initiatives that support skills and career development for female employees, encouraging them to stay highly motivated and help them build career paths. We are also conducting diversity awareness activities with the aim of fostering a corporate culture that allows individuals from diverse backgrounds, including women, to work together and play an active role.

Slogan

Create an attractive corporate culture to encourage female employee involvement!

Three pillars

- Support female employees in their career and skills development
- Change perceptions and increase PR activities
- Create a healthy workplace for our employees

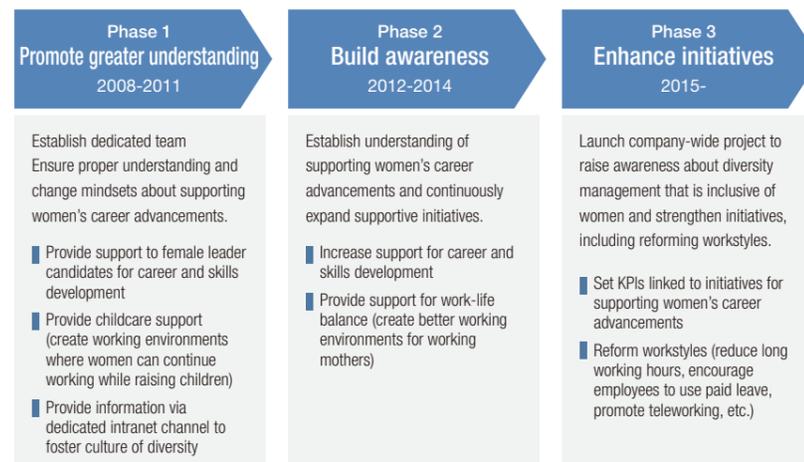
Promotion framework

Initiatives and achievements

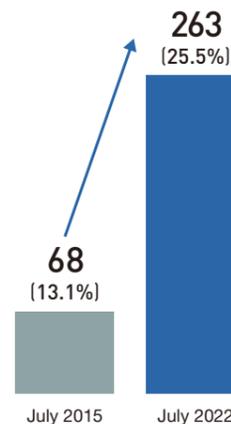
We set up a dedicated organization in 2007 to support female employees and began implementing concrete initiatives from 2008 to support their career progression.

In FY2016/3, we kicked off a new company-wide project, Promote Higher Female Participation & Renovate Workstyle, and made a concerted effort to enhance initiatives throughout the Company. In FY2020/3, we converted the project into the Diversity Promotion Department, which reports directly to the President & COO, to step up the implementation of diversity & inclusion activities. Under a five-year action plan (FY2017/3-FY2021/3), based on the Act on Promotion of Women's Participation and Advancement in the Workplace, we achieved our target for the ratio of female managers and started working toward a new target for FY2024/3.

Continuous steps to reinforce diversity since 2008



Women in managerial roles



New targets

transcosmos inc. action plan

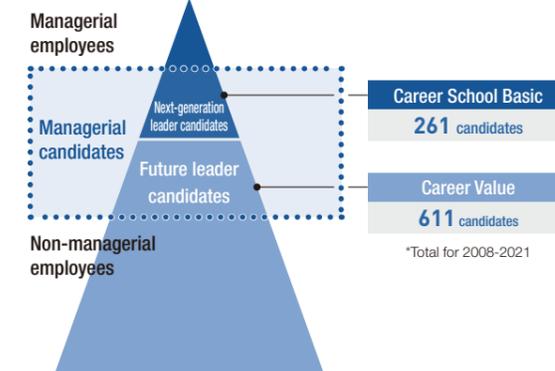
- Plan implementation period: Three years from April 1, 2021 to March 31, 2024
- Challenges
 - Challenge 1: Number of female managers is steadily increasing, but few women participate in business decision-making
 - Challenge 2: Low ratio of male employees taking childcare leave
- Targets
 - (1) Increase the ratio of female managers to at least 25% (21.9% as of July 2020)
 - (2) Increase the male employee combined take-up rate of childcare leave and shared parental leave to at least 40% (compared with male employee take-up rate of 12.5% for childcare leave in FY2020/3)
- Plan details
 - [Initiative 1] Provide ongoing and expanded career development support for female employees
*Renewed every year
 - [Initiative 2] Implement measures to support greater participation in parenting by male employees

Three pillars

Support for skills and career development

To build up a group of candidates for managerial roles, we launched a selective training course in 2008 for two cohorts - next-generation leaders and future leaders. Next-generation leader candidates join the Career School Basic program and future leaders join the Career Value program. Many graduates of these programs have since been promoted to higher positions, creating a pipeline for managerial candidates.

Other ongoing activities include a joint talent development program in partnership with other companies, career events at regional centers and offices, and the publication of a career magazine for female employees.



Change perceptions and increase PR activities

transcosmos uses a dedicated intranet called cosmos★net to provide various diversity-related information, including messages from senior management and the Manager of the Human Resources Division.

< Examples of content >

- Messages from senior management and Manager of Human Resources Division
- Background, objectives and action plans for diversity activities
- Information on career development measures for female employees
- News about career role models
- Support tools for work-life balance (handbooks, tips, etc.)
- E-learning for work-life balance (before maternity leave, before returning to work, for managers)
- IkuBoss Declaration by executives, IkuBoss training materials
- Information and reports on events related to career development and support for work-life balance
- News on activities at regional offices to promote women's advancement, etc.

Message from senior management



Creating better work environments

Supporting work-life balance

We are providing support for work-life balance to encourage female employees to stay active and involved in the workplace, regardless of life events such as marriage and childbirth. Together with reforms to work practices, these initiatives are aimed at creating an environment where all employees, not just female employees, can maximize their abilities while balancing work and commitments in their private lives.

Encouraging male employees to take childcare leave

We are stepping up efforts to promote wider use of childcare leave to encourage male employees to play a greater role in parenting.

- Added more content to work-life balance support handbook
- Expanded role models and upgraded e-learning for management grades
- Held seminars for married couples (including those with partners working for other companies)



Ratio of male employees using childcare leave

Over half of eligible employees used childcare leave in FY2022/3

55.4%

External evaluation



In FY2015/3, transcosmos received this award as a role-model company that proactively promotes initiatives to help female employees fulfill their potential and that helps employees balance work with childcare and family care commitments.

BPO Center Kumamoto received this award in FY2018/3 for its efforts to create a comfortable working environment for women.

In 2016, transcosmos was recognized by the Minister of Health, Labour and Welfare for our superior contribution to the empowerment of female employees, and received 3-star Eruboshi (Labour Star) certification, the highest grade, under the Act on Promotion of Women's Participation and Advancement in the Workplace.

transcosmos has received the KURUMIN mark, a certification logo granted to companies that support working families with children, in line with the Act on Advancement of Measures to Support Raising the Next Generation of Children.



2 Promoting disability inclusion

Fundamental approach

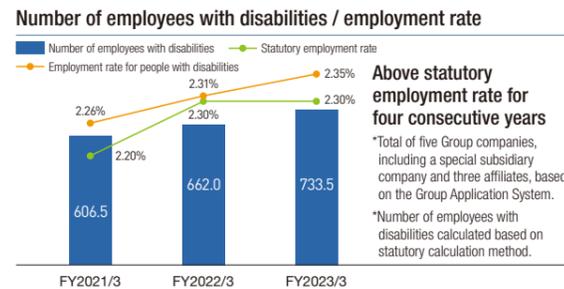
"All employees, both with and without disabilities, work together and unleash their individual uniqueness and abilities."

transcosmos believes that this is the philosophy that a company should uphold. It also is our belief that a company should be a place where people with differing individuality and personalities come together, and that this diversity fosters a superior corporate culture.

Employees with disabilities who have joined us include those who have hearing and visual impairment, upper and lower limb disorders, visceral disorders, psychological disorders, developmental problems, and they continue to demonstrate their abilities at work. As their employer, we have been proactive in establishing and implementing various schemes to assist employees with disabilities throughout the Company.

Increasing recruitment of people with disabilities

In 2008, we established a dedicated department to support employment of people with disabilities (Normalization Promotion Department). The department is responsible for supporting people with disabilities in the Group's workplaces through recruitment, job assignments and workplace arrangements. There are three distinctive features to our inclusion initiatives: assign employees with disabilities to profit centers, make reasonable arrangements and create comfortable working environments, and get involved in activities that help solve social issues.

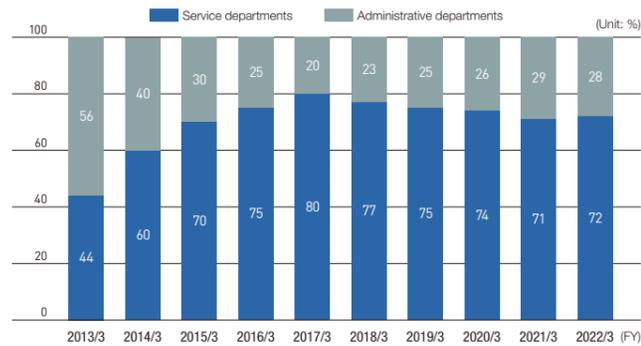


Assigning to profit centers

In the past, roughly 80% of our employees with disabilities were assigned to administrative departments and around 20% to service departments. This ratio has been reversed in recent years, with more than 70% now working in service departments. Many of our employees with disabilities design, develop and operate websites, contributing directly to our sales. The Normalization Promotion Department, the dedicated department for supporting our employees with disabilities, serves more than 70 clients.

As more of our employees with disabilities now belong to service departments, more of them are unleashing their talent in specialist roles such as designers, coders, image creators and translators. In administrative roles as well, more employees with disabilities are being assigned to back-office positions at our clients, not just in-house positions.

Job role ratio (service departments: administrative departments)



Main roles

NO	Job type	No. of people	Ratio
1	Designer	69	20.8%
2	Back-office (services-related)	43	13.0%
3	Web coder	37	11.2%
4	Order data entry	24	7.3%
5	Back-office (scanning / stamping)	22	6.6%
6	Image creator	16	4.8%
7	Back-office (recruitment)	15	4.5%
8	Translation staff	12	3.6%
9	System engineer	10	3.0%
10	Data verification operator	10	3.0%



Initiatives to support work in various workplaces

General office work roles

As members of transcosmos, employees with disabilities work in almost all departments of the Company, including Human Resources, Finance & Accounting, Public Relations and Advertising, and other business management units, using various business tools. For example, they handle jobs involving payroll and social insurance administration, and back-office work related to hiring activities. They also cover other functions, from being the contact point for the organization and Group companies to promoting compliance activities.



Service-related roles (website design)

As key members of transcosmos web design teams, our employees with disabilities handle a broad range of jobs, including designing, developing and operating the Group's websites and intranet sites. We also provide training programs for inexperienced staff.

As a new business model, we are deploying employees with disabilities to areas that we consider to be core operations by organizing them into specialized teams with a high level of expertise.



Support framework

We are working on creating an inclusive working environment where employees with disabilities can perform their tasks safely and comfortably.

Our professional staff, including sign language interpreters, psychiatric social workers, and certified social workers are always there to provide support.



Initiatives by special subsidiary transcosmos assist inc.

transcosmos assist, a special purpose company that has been approved by the Ministry of Health, Labour and Welfare and established as a subsidiary specifically for employing disabled persons, receives and deals with a diverse range of requests and jobs from various departments. In addition to general clerical support work, the company also carries out IT-related support tasks generally performed by IT services companies, such as issuing employee ID cards, editing survey data, performing data-entry and collecting data using PCs, and transcribing notes from meeting and lecture audio recordings.

It also operates and manages PaperLab, a papermaking system developed by Epson that turns waste paper into new paper. The company is broadening its support services to include operations that reduce environmental impact, such as creating business cards and brochures from recycled paper.



Creating comfortable working environments based on reasonable work arrangements

People with various disabilities work at transcosmos, so we are working to create environments where they can work more comfortably and with peace of mind thanks to well-developed infrastructure and systems tailored to their individual disability levels. We respect and back up each individual's "personality" so that they can demonstrate their abilities and work to their full potential.

Examples of reasonable work arrangements

- Sign language, voice recognition tools, transcriptions (support for people with hearing impairments)
- Regular consultations with mental health social workers (support for people with mental disorders)
- Coordination with institutions that support people with disabilities (support for people with mental disorders / intellectual disabilities)
- Rest areas
- Priority toilets
- Shift work, reduced working hours, work-from-home
- Workplace safety measures
- Special leave system / athlete support system

Certified as a Social Firm by Tokyo Metropolitan Government

The Tokyo Metropolitan Government aims to make Tokyo a diverse and socially inclusive society where everyone can work actively and demonstrate their full potential while supporting each other. To achieve this goal, the Tokyo government encourages businesses and business people to set up or take part in so-called social firms - social enterprises that embrace people who face problems finding jobs. Many employees with disabilities are showcasing their respective skills in diverse job categories at transcosmos. Now, as a Social Firm certified by the Tokyo Metropolitan Government, transcosmos aims to help create a society where everyone, regardless of disability, can demonstrate their originality and skills.



Community engagement & development

Fundamental approach

transcosmos engages with communities and contributes to their development through various initiatives that support local communities where we have a business presence, inside and outside Japan. We also provide ongoing support for the education of future generations, make donations and carry out welfare activities.

Community initiatives

With Japan facing a declining and aging population, we believe it is vital to create an environment where each and every individual can unleash their full potential to sustain our society and keep our economy vibrant. To achieve this goal, transcosmos leverages our services and experience to help individuals and organizations develop their talent.

By harnessing our technologies to help develop and motivate people – the source of innovation - we are committed to spur the creation of new value and drive innovation in our society and Japan as a whole.

Business partnership agreement to support education of young people

transcosmos Korea, Inc., a subsidiary providing business process outsourcing (BPO) services to companies in the South Korea market, has entered into a business partnership agreement with Junior Achievement (JA) Korea, a nonprofit organization that helps young people gain financial and digital literacy, work readiness, and entrepreneurship free of charge. transcosmos Korea will provide career and vocational education and training for students attending technical high schools, as well as internship programs with an opportunity to join the company.



Digital Transformation collaboration agreement with Oyama town

Japan's government is actively promoting digital transformation (DX) in local governments as a way of realizing its Digital Garden City Nation vision, which aims to harness the power of digital technology to combine urban convenience with regional affluence. In March 2022, transcosmos signed a collaboration agreement on DX promotion with Oyama town in Shizuoka Prefecture. Under the agreement, transcosmos will work with Oyama to harness the power of digital technology to accelerate and deepen efforts to solve regional issues and enhance the appeal of the Oyama area, while also helping other local governments realize the Digital Garden City Nation concept.



Participating in employment support project for single-parent families

transcosmos has joined the Tokyo Metropolitan Government's Suteki Mirai Juku (Bright Future Academy) project to promote employment for single-parent families. The project offers end-to-end support from goal setting through to follow-up advice after recruitment, aiming to help single-parent households secure more stable employment. transcosmos provides training sessions and advice workshops, as well as job opportunities for those who wish to work in the Group.



transcosmos foundation

The transcosmos foundation was established by a private donation from the Company's late-founder Koki Okuda with the aim of contributing to society. The foundation supports the education of people who show potential to give back to society in the future, and also provides subsidies and support in the fields of academic and scientific technology, the humanities and sports to drive the further development of society.



Corporate governance

Please visit our website for the latest updates on corporate governance.

▶ <https://www.trans-cosmos.co.jp/english/ir/management/governance.html>



1 Corporate governance as the basis of sustained growth

Fundamental approach to corporate governance

In order to realize our Fundamental Management Philosophy – Client satisfaction is the true value of our company, and the growth of each of our employees creates the value that shapes our future – we view continuous enhancement of our corporate governance as one of our most important managerial priorities. With that in mind, we constantly aim to maximize our corporate value by building positive relationships with all of our stakeholders, including

shareholders, clients, business partners, local communities and our employees, providing our clients with services that meet and exceed their expectations, clarifying managerial responsibilities and accountabilities, creating a highly transparent management framework, and enhancing our oversight and supervision functions.

Overview of corporate governance system and rationales for adopting the system

transcosmos has adopted a corporate governance system with an audit and supervisory committee in order to create a management structure that enables appropriate audit and oversight while ensuring accurate decision-making and rapid business execution.

In addition, in order to ensure both speedy and rational decision-making and mutual checks and balances, the Company has introduced a co-president system and established a Management Meeting comprising the Representative Director & Chairman and the two Representative Directors & Co-presidents as a body to discuss important matters related to management, operational

management and business execution policies, in line with the fundamental management policy determined by the Board of Directors.

In addition, through the establishment of an Audit and Supervisory Committee, which is comprised of outside directors, the Company has separated supervisory and business execution functions by transferring authority for business execution from the Board of Directors to individual directors, thereby strengthening the supervisory functions of the Board of Directors and accelerating decision-making.

Directors and the Board of Directors

The Board of Directors, which consists of 16 members including seven outside directors, meets once a month in principle to make decisions on important management matters and to supervise the execution of duties by the executive directors. To reinforce checks and balances on the management functions of the Board of Directors and to ensure transparency in the decision-making process, six of the outside directors with extensive knowledge and experience have been appointed as independent directors.

reports to the Board of Directors on advisory matters concerning compensation for directors (excluding directors who are members of the Audit and Supervisory Committee), ensuring transparency and objectivity in the board's decision-making process regarding appointment and removal of directors and director remuneration.

Management Meeting

The Management Meeting, comprising Representative Director & Chairman Masataka Okuda, Representative Director & Co-president Koichi Iwami, and Representative Director & Co-president Masaaki Muta, discusses important matters related to management, operational management and business execution policies, in line with the fundamental management policy determined by the Board of Directors.

Audit and Supervisory Committee

The Audit and Supervisory Committee consists of three outside directors to ensure objectivity and neutrality in management oversight. All three outside directors have considerable finance and accounting expertise through their experience in corporate management, and two of them are nominated as independent directors. Under the audit policy and audit plan determined by the Audit and Supervisory Committee, members of the committee exercise their legal authority, including attendance at important management meetings, and supervise business execution by directors.

The Company held 13 meetings of the Audit and Supervisory Committee in FY2022/3.

Corporate Officer

Corporate officers of the Company are appointed by resolution of the Board of Directors and carry out business execution functions within the scope authorized by the Board of Directors and the executive directors, under the direction of the representative directors and in accordance with laws and regulations, the Articles of Incorporation, internal regulations, and resolutions of the Board of Directors.

Nomination Committee and Remuneration Committee

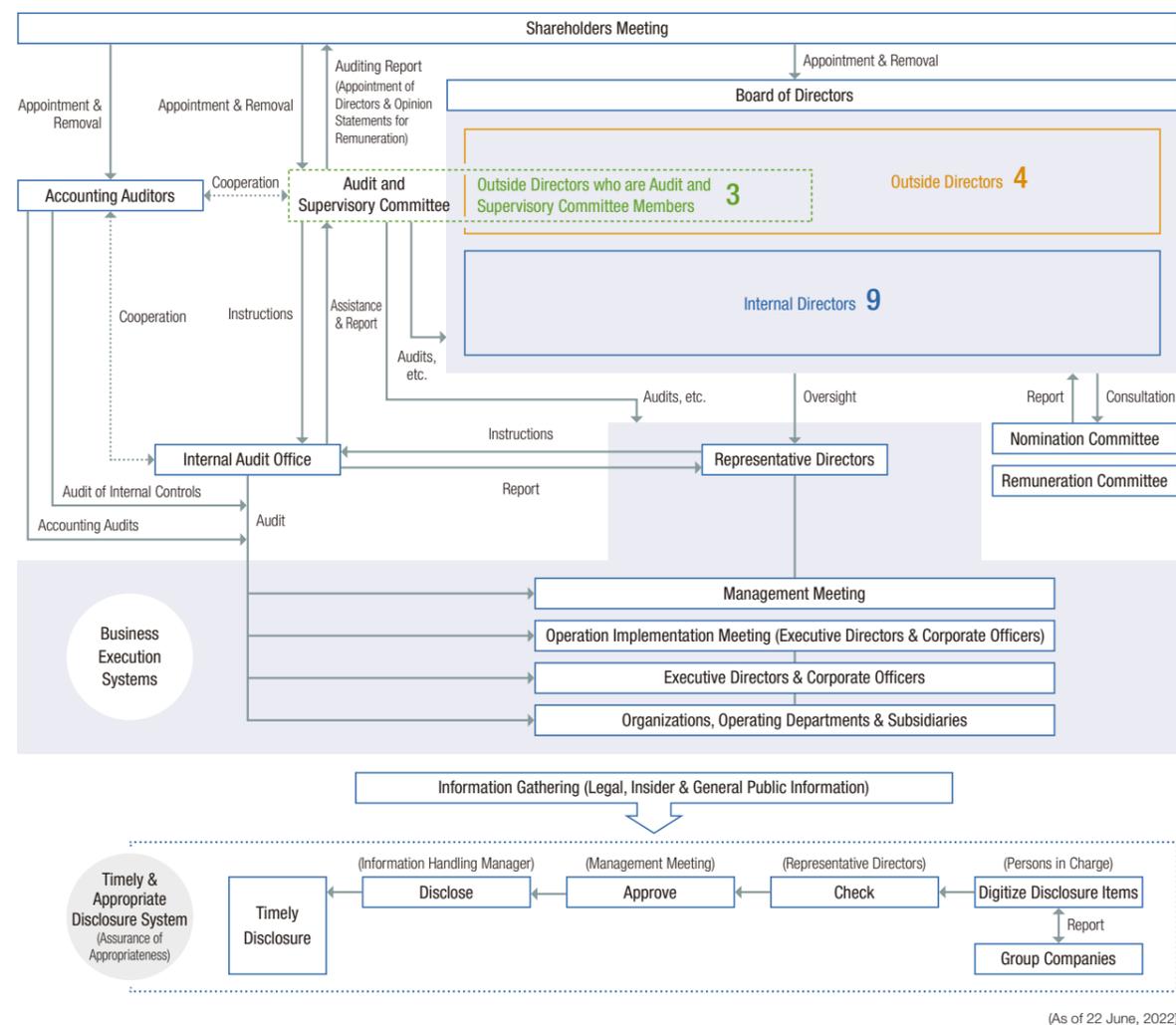
The Nomination Committee and the Remuneration Committee each consist of at least five members who are directors, the majority of whom are independent outside directors. The chairperson of each committee is also selected from among the committee members who are independent outside directors. The Nomination Committee deliberates and reports to the Board of Directors on advisory matters concerning the appointment and dismissal of directors, and the Remuneration Committee deliberates and

Operation Implementation Meeting

The Operation Implementation Meeting consists of representative directors, executive directors, and corporate officers. The purpose of the meeting is to promote, manage, control and share information on the business activities of the transcosmos Group, and to make comprehensive adjustments across all business divisions to ensure the Group operates appropriately.



Corporate governance framework



Reinforcing corporate governance

The Company is working to increase the effectiveness of its corporate governance system to bring it in line with the current state of its business.

In board meetings, each director freely expresses their opinions as part of dynamic discussions, while outside directors provide advice from an objective and neutral perspective, independent of management, to ensure sound, rational decision-making by the board. The Company has also introduced a corporate officer system, under which executive functions are separated from the decision-making and oversight functions of the board. As such, the board is responsible for decision-making and oversight functions while corporate officers are responsible for executive functions. This structure allows the Company to rapidly and appropriately execute business strategies, enabling a flexible response to any changes in the business environment where it operates. The Audit and Supervisory Committee consists of three outside directors, who attend board meetings and other important meetings

and monitor the appropriateness of the design and operation of the internal control system in collaboration with the Internal Audit Office. This allows them to conduct audits of the Company and its subsidiaries in Japan and overseas and the execution of duties by directors. The Audit and Supervisory Committee also supervises the nomination process for directors who are not members of the Audit and Supervisory Committee, as well as the process for determining their remuneration.

In addition, on December 28, 2021, the Company established a Nomination Committee and a Remuneration Committee as non-statutory bodies to advise the Board of Directors. Drawing on appropriate advice and input from independent outside directors, these bodies are set up to reinforce independence, objectivity and accountability in board decisions on director nominations and remuneration to further strengthen the Company's corporate governance.

2 Board diversity

To ensure the board performs its duties and fulfills its responsibilities effectively, the Company's board composition represents a good balance in terms of knowledge, experience, and skills of board members, as well as being an appropriate size, with a good level of diversity. The number of board members is set at no more than 20, taking into account the need for diverse views and efficient operation. In selecting suitable outsider directors, candidates must meet the Company's criteria for independent directors, as well as demonstrate a high standard of personality traits and knowledge, have experience in areas such as corporate management, financial accounting and policy planning, and understand the Company's business areas.

Board composition and board meeting attendance record

Position	Name	Corporate management	Management strategy / Business strategy	Sales / marketing	Finance / accounting	Governance / compliance / risk management	Quality control / IT / digital	Global business	Board meeting attendance record (FY2022/3)
Inside director	Masataka Okuda	●	●	●			●	●	Attended 13 of 13 meetings
	Koichi Iwami	●	●				●	●	Attended 13 of 13 meetings
	Masaaki Muta		●	●			●	●	Attended 13 of 13 meetings
	Masatoshi Kouno		●	●			●		Attended 13 of 13 meetings
	Takeshi Kamiya		●	●	●	●		●	Attended 13 of 13 meetings
	Kenshi Matsubara		●	●			●		Attended 13 of 13 meetings
	Hiroshi Kaizuka		●	●			●	●	Attended 13 of 13 meetings
	Kiyoshi Shiraiishi	●				●	●		Attended 13 of 13 meetings
Outside director (Audit and Supervisory Committee member)	Koji Funatsu	●	●	●		●		●	Attended 13 of 13 meetings
	Takeshi Natsuno	Independent director	●	●	●		●	●	Board of Directors: Attended 13 of 13 meetings Audit and Supervisory Committee: Attended 13 of 13 meetings
	Nozomu Yoshida	Independent director	●	●	●	●			Board of Directors: Attended 13 of 13 meetings Audit and Supervisory Committee: Attended 13 of 13 meetings
Outside director	Eiji Uda	●		●		●		●	Board of Directors: Attended 13 of 13 meetings Audit and Supervisory Committee: Attended 13 of 13 meetings
	Rehito Hatoyama	Independent director		●		●		●	Attended 13 of 13 meetings
	Toru Shimada	Independent director	●	●	●		●		Attended 12 of 13 meetings
	Genichi Tamatsuka	Independent director	●	●	●			●	Attended 13 of 13 meetings
	Noriyoshi Suzuki	Independent director	●	●	●			●	Attended 12 of 13 meetings

The above list does not show all the specialist skills or experience of each director.

(As of 22 June, 2022)

Effectiveness of the board

The Company conducted a self-evaluation survey of the effectiveness of the board in FY2022/3. The survey, which was provided to all directors, asked each director to analyze and evaluate the board's performance. The results were reported to and discussed by the board.

The results of the survey showed that the board continues to operate effectively, with high marks given for each category, as in FY2021/3. In addition, the survey confirmed that the chairman appropriately facilitated proceedings and maintained an atmosphere in which inside and outside directors with varied experience and insights could speak freely and openly, resulting in constructive and in-depth discussions. The survey also confirmed that measures taken in response to opinions and views in the FY2021/3 survey have contributed to a steady improvement in the board's effectiveness.

Based on the results of the FY2022/3 survey, we will further enhance the effectiveness of the board and reinforce corporate governance.

Director training policy

The Company runs induction training for outside directors to enhance their understanding about the Company's Management Philosophy, business strategy, financial position, organization structure and other topics. The Company also holds compliance and legal training, and when needed, holds Board of Directors study groups with invited external experts.

**Director remuneration**

The Board of Directors has put in place measures to ensure the Management Meeting appropriately exercises its decision-making authority with respect to each individual director's total remuneration for FY2022/3 through appropriate oversight by the Audit and Supervisory Committee, which is comprised of outside directors. As individual director remuneration is determined by this process, the board has determined that the details of remuneration comply with its policy. Bonus amounts are determined on an individual basis after deliberations by the Remuneration Committee, which was established in December 2021. Details of the Company's policy for determining total remuneration for individual directors are as follows.

FY2022/3

In principle, remuneration for directors (excluding directors who are Audit and Supervisory Committee members) is comprised entirely of regular monthly cash remuneration during their term of office.

To encourage inside directors to take responsibility for earnings performance in each fiscal year in order to achieve the targets of the medium-term business plan, the amount of remuneration for inside directors is determined based on evaluation of earnings performance in each fiscal year, among other factors. In addition to amounts for monthly remuneration, directors may in some cases receive director bonuses during their term of office when payments are deemed appropriate based on the Company's short-term earnings performance, operating environment and other factors.

Remuneration for outside directors is a fixed amount, in light of their responsibilities for providing the board with guidance and supervision. The Management Meeting, entrusted with the decision-making authority on total remuneration for each director by the board, determines remuneration for directors (excluding directors who are Audit and Supervisory Committee members). For inside directors, remuneration is determined based on fair evaluation of performance and other factors, and for outside directors, remuneration is determined based on their responsibilities, such as providing the board with guidance and supervision. The Audit and Supervisory Committee is responsible for overseeing the processes. Since June 2022, the Management Meeting is comprised of the Representative Director & Chairman and the two Representative Directors & Co-presidents. They have the authority to determine the total amount of remuneration for each director. The decision-making process is entrusted to the Management Meeting, as the board has deemed it to be the most suitable body for evaluating the departments that are under the responsibility of each director, while also taking into account the overall earnings performance of the Group and other factors. Total remuneration for directors who are members of the Audit and Supervisory Committee

is determined through discussions among the members of the committee.

After FY2022/3, the following changes were made to the policy for determining total remuneration for individual directors.

FY2023/3

Under the new remuneration system, which has been implemented from FY2023/3, we have introduced remuneration linked to medium- to long-term business performance (sales and profits). We have also established a Remuneration Committee, the majority of which is composed of independent outside directors. As authorized by the Board of Directors, the Management Meeting determines remuneration for directors (excluding directors who are Audit and Supervisory Committee members) following deliberation by the Remuneration Committee.

Position	Recipients	Total remuneration (¥ million)
Directors (excluding directors who are Audit and Supervisory Committee members) (Of which, outside directors)	15 (4)	498 (72)
Directors (directors who are Audit and Supervisory Committee members) (Of which, outside directors)	3 (3)	52 (52)
Total (Of which, outside directors)	18 (7)	551 (124)

(FY2022/3 data)

(Note 1) The amount of remuneration for directors (excluding directors who are Audit and Supervisory Committee members) includes bonuses of ¥50 million approved by the Board of Directors on February 28, 2022.

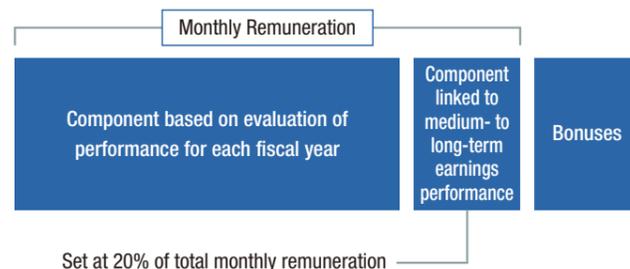
(Note 2) A resolution approved at the 31st General Meeting of Shareholders on June 22, 2016 limits cash remuneration for directors (excluding directors who are Audit and Supervisory Committee members) to no more than ¥800 million per year (of which, the amount for outside directors is limited to no more than ¥100 million) (any salaries to be paid to directors who are also employees are not included in the amounts). At the conclusion of the 31st General Meeting of Shareholders, the Company had 16 directors (excluding directors who are Audit and Supervisory Committee members), of which three were outside directors.

(Note 3) A resolution approved at the 31st General Meeting of Shareholders on June 22, 2016 limits cash remuneration for Audit and Supervisory Committee members to no more than ¥60 million per year. At the conclusion of the 31st General Meeting of Shareholders, the Company had three directors who were Audit and Supervisory Committee members.

Overview of remuneration system for inside directors (excluding directors who are Audit and Supervisory Committee members) (System since FY2023/3)

Total remuneration for inside directors consists of a component based on evaluation of individual performance for each fiscal year and a component based on quantitative evaluation of progress with the medium-term business plan, taking into account performance against sales and profit targets. The second component, which is aimed at achieving the goals of the medium-term business plan and is linked to medium- to long-term performance, is set at 20% of the total amount of monthly remuneration.

In addition to amounts for monthly remuneration, directors may in some cases receive director bonuses during their term of office when payments are deemed appropriate, based on the Company's short-term earnings performance, operating environment and other factors.

**Selection and dismissal of senior managers, nomination of director and Audit and Supervisory Committee member candidates**

The Board of Directors selects and nominates candidates for inside director, outside director and Audit and Supervisory Committee member roles, based on a comprehensive evaluation of individual performance and suitability, including depth of understanding and knowledge about the Company's business domains, leadership qualities, management expertise and moral standards.

Decisions on the selection and nomination of candidates for inside director, outside director and Audit and Supervisory Committee member roles are made by the board, based on the findings of the Nomination Committee (candidates for the Audit and Supervisory

Committee are approved by existing members of the committee). The Audit and Supervisory Committee, which is comprised entirely of outside directors, appropriately oversees the candidate selection process. In the event of misconduct or illegal behavior by inside directors, outside directors or members of the Audit and Supervisory Committee, or issues arising in the course of discharging their duties deemed to be material, the individual will be dismissed by a resolution of the board, or by a resolution approved by shareholders at the General Meeting of Shareholders.

3 Response to the Corporate Governance Code

Japan's Corporate Governance Code, revised on June 11, 2021, requires companies to disclose reasons for non-compliance with any of the code's 83 principles and supplementary principles (comply or explain). As of June 2022, we provide a clear explanation on the following area in which the Company's governance structures and practices differ from the expectations set by the code. We continue to explore the optimum approach to corporate governance for the Company.

Supplementary Principle 3-1-3: Disclosures based on TCFD and other frameworks

We recognize that addressing sustainability, including social and environmental issues, is an important issue for the Company. As such, as a sustainable transformation partner, we are implementing measures related to the SDGs and ESG. transcosmos agrees with the TCFD's recommendations, as we believe that analyzing medium- and long-term risks and profit-opportunity scenarios related to climate change, and promoting management strategies and risk management based on this analysis, have an important role to play in the Company's sustainable development. We plan to explore the possibility of disclosing information based on the TCFD framework in the future.

4 Policy on cross-shareholdings

transcosmos holds shares for strategic purposes (cross-shareholdings) from a business perspective, such as to reinforce relationships with suppliers or to maintain or expand business relationships, and if holding shares is judged to be expedient for increasing corporate value over the medium- to long-term.

transcosmos monitors cross-shareholdings on a monthly basis to check trading conditions and to determine whether holdings in the portfolio should be reduced, and reports the results of the analysis to the Management Meeting. In addition, the board conducts annual reviews to assess whether holding the shares is appropriate from the perspective of increasing corporate value over the medium- to long-term and if risk-reward is proportionate to the cost of capital, among other criteria. With this review process, the Company confirms that objectives for holding the shares in its portfolio align with its policy on cross-shareholdings.

The Company carefully examines the possibility of disposing its holdings when it judges that there is no rationale for holding the shares.

5 Revision of countermeasures for large-scale acquisitions of the Company's shares**Fundamental policy**

The Company believes that individuals with the authority to make decisions on the Group's finances and business strategy should understand the sources of the Group's corporate value, as well as be able to increase and ensure the continuity and sustainability of our corporate value and therefore the Group's shared interests with shareholders.

The Company believes that any decision on a takeover proposal that would result in a change of control over the Group should ultimately be made by all shareholders. In addition, the Company has no intentions to decline an offer for the large-scale acquisition of the Company's shares if the acquisition is deemed beneficial for the Group's corporate value and therefore its shared interests with shareholders.

However, in many cases, the objectives of large-scale acquisitions of shares are not beneficial for corporate value or the shared interests of shareholders, such as proposals that are clearly negative for corporate value and the shared interests of shareholders; that could in effect put shareholders under pressure to sell their shares; that do not give the board or shareholders of the target company sufficient time or information to examine the proposal or to make alternative proposals; and that require further negotiation by the target company to improve the terms of the acquisition initially presented by the prospective buyer.

The Group's corporate value and therefore its shared interests with shareholders are likely to be damaged if the prospective buyer does not understand the sources of the Group's corporate value and does not protect or enhance corporate value over the medium- to long-term. In the event of this type of misaligned proposal, the Company will take all necessary and appropriate measures to protect the Group's corporate value and the shared interests of shareholders.

Criteria and reasons for concrete measures by the Board of Directors

The Company's medium-term business plan and other measures, notably steps to reinforce corporate governance, are consistent with this fundamental policy, as they have been designed as concrete measures to continuously and sustainably increase the Group's corporate value and the shared interests of shareholders.

In addition, countermeasures for large-scale acquisitions of the Company's shares (takeover defense measures; "the plan") are also in line with the fundamental policy, as they are aimed at securing the Group's corporate value and the shared interests of shareholders in the event of a large-scale acquisition of our shares.

The plan also emphasizes the interests of shareholders in a number of ways: it satisfies the three principles stipulated in Guidelines Regarding Takeover Defense for the Purposes of Protection and Enhancement of Corporate Value and Shareholders' Common Interests; takes into consideration practices and points raised in Takeover Defense Measures in Light of Recent Environmental Changes and other papers regarding takeover defense measures; complies with the provisions of Principle 1.5 Anti-Takeover Measures in the Corporate Governance Code; requires the approval of shareholders for renewal; requires the approval of shareholders at a Shareholder Intention Confirmation Meeting before being activated in certain cases; includes a so-called "sunset clause" effective for three years; and allows shareholders to terminate the plan even before the end of the effective period, with approval of the General Meeting of Shareholders. The fairness and objectivity of the plan is also ensured in the following ways: reasonable objective requirements for triggering the plan have been established; substantive decisions on triggering the plan are made by the Independent Committee, which is composed of outside directors and others who are independent from the management team; the Independent Committee may receive advice from independent third-party experts, with costs borne by the Company; and the term of office of the Company's directors is one year.

As such, the plan is designed to be beneficial for the corporate value of the Company and the shared interests of shareholders, and is not intended to protect the positions of the Company's corporate officers.

To learn more about the plan, please visit our website using the link below.

▶ https://www.trans-cosmos.co.jp/english/ir/news/pdf/ir210514_1e.pdf



6 Internal control system

The Company has established and operates an internal control system in accordance with the fundamental policy below to ensure appropriate business operations.

- | | |
|--|--|
| <p>1 Systems for ensuring directors discharge their duties in compliance with applicable laws and regulations and the Articles of Incorporation
To ensure directors discharge their duties in compliance with applicable laws and regulations and the Articles of Incorporation and fulfill their social responsibility, duties should be discharged in accordance with the provisions of the Compliance Charter, the Compliance Code of Conduct and the Compliance Rules. Through the use of training and education programs, the Company also seeks to ensure all directors raise their level of awareness with respect to compliance requirements and discharge their duties in accordance with such requirements. The board operates in accordance with the Board Rules and holds a meeting at least once a month, in principle. The directors are encouraged to foster effective and constructive communication and to mutually monitor execution of duties. Directors on the Audit and Supervisory Committee audit the performance of directors' duties and responsibilities. To comply with the enforced laws and regulations governing the internal control system, the Company reformulates basic plans related to the development of the internal control system and further strengthens the system with the cooperation of external advisors, such as attorneys and certified public accountants.</p> <p>2 Systems for securing and managing information related to the discharge of duties by directors
Decisions and reports on material matters are made in accordance with the Board Rules. The Company applies the Approval Request Rules, Document Management Rules, Contract Handling Rules, Information Management Rules and Information Security Control Rules to documents and other information related to the discharge of director duties. The Company reviews the effectiveness of the rules and regulations and makes revisions as necessary. With respect to the administration of these rules, the Legal Division Manager is in charge of the Approval Request Rules, Document Management Rules and Contract Handling Rules, and the Compliance Department Manager is in charge of the Information Management Rules and Information Security Control Rules. These managers are also responsible for reporting related matters to the board in a timely manner, such as the effectiveness of the rules and the revision process. The Company will further streamline and digitize business systems in order to increase efficiency in administrative processes. Please visit our website for more details about the remaining items in the Fundamental Policy for Internal Control System, listed below.</p> <p>▶ https://www.trans-cosmos.co.jp/english/ir/management/governance.html</p> | <p>3 Rules and procedures and other systems for managing the risk of losses to the Company</p> <p>4 Systems for ensuring directors discharge their duties effectively</p> <p>5 Systems for ensuring employees discharge their duties in compliance with applicable laws and regulations and the Articles of Incorporation</p> <p>6 Systems for directors and employees of subsidiaries to report to the Company on matters related to the discharge of their duties and responsibilities</p> <p>7 Rules and procedures and other systems for managing the risk of losses to subsidiaries</p> <p>8 Systems for ensuring that subsidiaries' directors and employees discharge their duties effectively</p> <p>9 Systems for ensuring that subsidiaries' directors and employees discharge their duties in compliance with the applicable laws and regulations and the Articles of Incorporation</p> <p>10 Matters relating to the directors and employees assisting the Audit and Supervisory Committee; the independence of the directors and employees from directors; and validity of instructions to the directors and employees</p> <p>11 Systems for directors and employees to report the matters to be reported to the Audit and Supervisory Committee or the matters to be reported at the request of the Committee</p> <p>12 Systems for the Group's management and employees to report to the Audit and Supervisory Committee</p> <p>13 Systems for prohibiting unfair treatment of a person based on the reporting to the Audit and Supervisory Committee</p> <p>14 Policies relating to the Audit and Supervisory Committee's expenses and costs incurred for carrying out its responsibilities</p> <p>15 Systems for ensuring an effective audit by the Audit and Supervisory Committee</p> <p>16 Systems for ensuring timely and appropriate disclosure</p> |
|--|--|

7 Timely disclosure

The Company conducts appropriate disclosure activities in accordance with the Timely Disclosure Rules, which govern the disclosure of matters decided by the Board of Directors, Management Meeting and other key management bodies, the authorization of timely disclosure of material facts, the departments in charge of information, and disclosure of information.

The Accounting & Finance Division and the Public Relations & Advertisement Department (and other related departments as necessary) discuss and decide whether material decisions and events and information related to financial results require timely disclosure.

If timely disclosure is deemed necessary, the department in charge of the information consults with the Board of Directors or the Management Meeting, and as soon as a decision is made, the person responsible for handling the information, with the support of the Accounting & Finance Division, discloses the information in accordance with rules stipulated by stock exchanges and posts the information on the corporate website.

8 Exclusion of antisocial forces

Fundamental policy

The fundamental policy of the Company and its Group companies is to take a firm stance against antisocial forces that threaten the order and safety of civil society as a whole and to ensure that there are no business or other relationships with such groups.

Specific measures

The Company's Compliance Code of Conduct stipulates a firm stance against antisocial forces, based on the view that it is extremely important to take action in accordance with laws and regulations and corporate ethics with respect to eliminating all contact with antisocial forces. The Company has posted the code on its intranet and requires all officers and employees to study it each year. If any approach is made by antisocial forces, officers and employees are required to promptly report the matter to the department in charge and follow the instructions of that department. In addition, the Company's business contracts contain clauses that exclude antisocial forces. In the event that a business partner is found to be affiliated with such groups, the contract will be terminated immediately.

9 Compliance

Compliance Behavior Policy

transcosmos will contribute to society as a respectable corporate citizen by providing information and communication technologies specific to the IT sector and by proactively and fairly disclosing corporate information to the wider public, in compliance with relevant domestic and international rules and based on its Charter of Corporate Behavior, which is underpinned by ethical business practices.

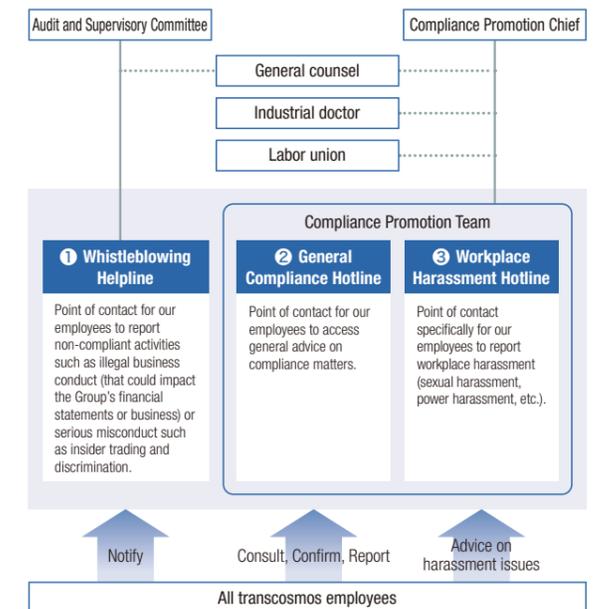
Compliance code of conduct

- As a respectable corporate citizen, we are committed to contribute to the development of our society. To that end, we will continue to carry out a variety of activities that include the promotion of culture and arts, cooperation with local communities, participation in volunteering, and making a contribution to the international society.
- In compliance with the relevant laws and regulations, we will disclose to our shareholders, investors and all other stakeholders our management information, including financial standings and the status of our business activities in an appropriate and timely manner.
- We will endeavor to maintain a safe and healthy workplace, respect everyone's human rights, and never engage in discriminatory conduct of any kind.

Compliance point of contact for reporting and consultation

transcosmos has established a whistleblowing helpline, a workplace harassment hotline and a general compliance hotline for our employees to report and consult on their compliance-related concerns.

System overview



Fair business conduct

transcosmos business ethics

Not only do we make sure that our business conduct is compliant with the laws and regulations of Japan and foreign countries, but we also remind ourselves that we must conduct ourselves with respect for the social code of ethics. For example, as a respectable corporate citizen, we participate in CSR activities to support the development of society and proactively engage in various environmental conservation initiatives; we carefully consider the necessity and relevance of providing political funding and donations or participating in election campaigns or political activities before taking part in an official capacity in compliance with all related laws and regulations; we strive to ensure sensible conduct at all times, based on accepted social norms and a sense of justice, backed by a fundamental understanding of laws and regulations to prevent misconduct and anti-social behavior; and we robustly oppose anti-social forces and groups and prohibit connections with them in any form.

To put these policies into practice and ensure compliance, we use training programs for all of our employees and periodically publish materials to raise awareness in order to foster high moral standards and uphold business ethics. Our top management constantly reviews and ensures that effective systems are in place to permeate our business ethics across the organization.

Fair competition & trading

- Compliance with the Anti-monopoly Act and the Subcontract Act**
We compete in a fair and open manner, avoiding any conduct that might suggest violation of the Anti-monopoly Act, such as bid-rigging, cartel activities and abuse of superior bargaining power. In addition, we always deal with our suppliers with a degree of decency and integrity and treat all of our suppliers and business partners equally and fairly. When selecting potential suppliers and business partners, we take an unbiased stance and deal with them fairly in accordance with relevant laws and regulations and contracts.
- Protection against unfair competition and gifts & entertainment policy**
We strictly prohibit misappropriation or use of trade secrets of other companies obtained through theft or other unlawful means, for whatever reason, or use of such information knowing that it has been, or has likely to have been, obtained by unlawful means. We also prohibit entertainment for, and gifts to civil servants or individuals with a similar status. Any entertainment or exchanges of gifts with business partners must not deviate from accepted social standards.

Protecting personal information

Remarkable advances in information technology in recent years allow businesses to easily process and use vast amounts of personal information in many ways, making it increasingly important to protect personal information in today's highly information-oriented society. Against the backdrop where a growing number of companies have suffered from personal information data breaches, transcosmos has obtained Privacy Mark certification to maintain a thorough management system to protect our

client and employee data. Under the certification, we take appropriate measures to protect data through a continuous personal information protection management cycle.

Going forward, we will continue to maintain and upgrade these systems to deliver even more secure and reliable services to our clients.



10 Risk management

Risk management policy

To ensure business continuity and stable growth through the implementation of risk management procedures, we properly manage and address various risks in our operations based on the Risk Management Basic Rules, which lay out our fundamental principles of risk management.

Responding to cybersecurity risks

Fundamental policy

transcosmos handles sensitive information for many of our clients through our business activities, as well as the personal information of a large number of our employees. Therefore, cybersecurity is a top priority for our business.

To take strategic security measures, we have established proprietary cybersecurity standards (security standards), referencing the cybersecurity framework (CSF) developed by the US National Institute of Standards and Technology (NIST). These 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.

Education and training

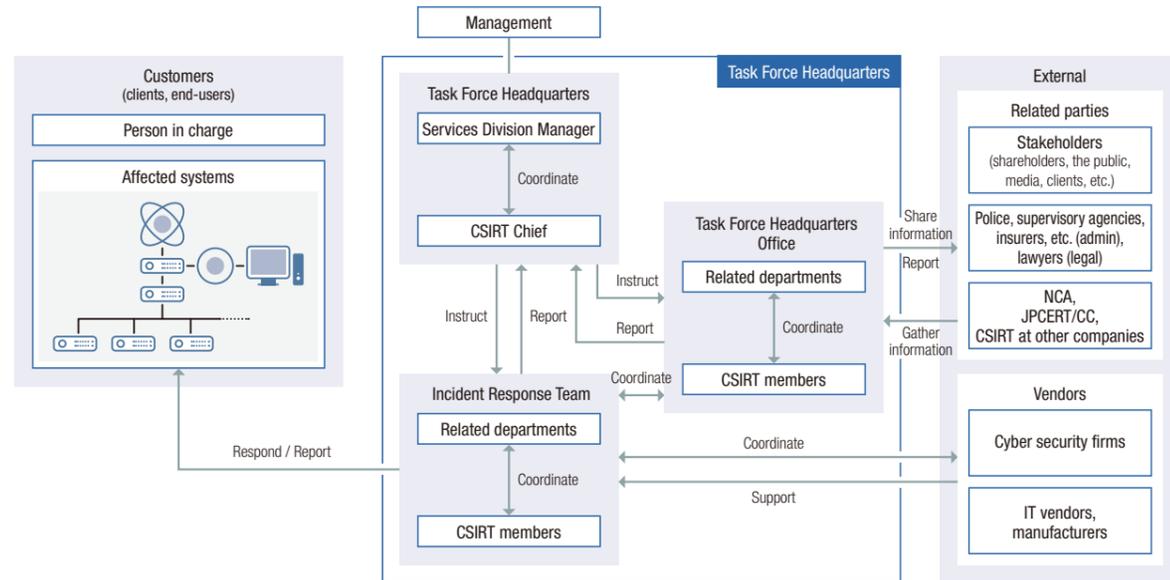
Raising security awareness among our employees is important to prevent damage from cybersecurity incidents. We therefore

regularly run education and training programs and carry out awareness-raising initiatives. In terms of education, our employees are given cybersecurity e-learning courses, and training includes targeted email attack simulation. To raise awareness, we provide our employees with information about the latest vulnerabilities and security incidents.

Preparing for emergencies

To prepare for potential incidents, we have set up an emergency contact center, implemented procedures to follow in the event of a cyber incident, and set up a Computer Security Incident Response Team (CSIRT). When an incident occurs, CSIRT cooperates with related departments across the Company as well as with external security experts such as the Nippon CSIRT Association (NCA) and the Japan Computer Emergency Response Team Coordination Center (JPCERT/CC) to rapidly respond and resolve the incident and minimize damage.

transcosmos incident response framework



Business continuity initiatives

As a company that supports our clients' business processes focusing on both cost optimization and sales expansion, we put the highest priority on preparing for unpredictable events such as natural disasters and accidents in order to maintain business operations during any emergency. To prepare for large-scale disasters, accidents and other events, each transcosmos center has developed its own business continuity plan (BCP) as part of our efforts to enhance BCP initiatives.

Response measures against disasters, pandemics and other events

As a company with a global business footprint, we are strengthening response measures to prepare for unpredictable events such as earthquakes, typhoons, pandemics, regional conflicts and terrorist incidents based on the basic policies described below.

• For more information on our Risk Management Policy, please visit our website. <https://www.trans-cosmos.co.jp/english/company/sustainability/management/riskmanagement.html>

Environmental initiatives

Environmental policy

To fulfill our corporate social responsibility (CSR) and comply with clients' green supply chain requirements, our headquarters and Osaka head office have both obtained ISO 14001 certification, the international standard for environmental management systems. This certification underpins our environmental initiatives across our Group and business operations.

Fundamental philosophy

As a Global Digital Transformation Partner who helps our clients increase customer loyalty, expand sales and profits and digitize business processes, transcosmos engages in environmental protection and conservation initiatives to contribute to the continued development of a sustainable society. Guided by this fundamental philosophy, transcosmos engages in environmental management initiatives by applying the following environmental guiding principles to our business activities.



Environmental policy	Six activities for achieving environmental management
1. Comply with regulations	Comply with all laws, regulations and other requirements related to environmental protection.
2. Promote green businesses	Promote services that help design and digitalize green business processes.
3. Make continuous environmental improvements	Set environmental goals and drive continuous improvements through our environmental management system.
4. Prevent environmental pollution	To avoid having a negative impact on the environment, we will proactively deploy products and services that utilize recycled resources in an effort to reduce waste.
5. Conserve energy and resources	Seek to create a closed-loop society by reducing, reusing and recycling energy and resources.
6. Promote and disclose the environmental policy	Raise awareness of these policies among our employees and disclose and communicate them inside and outside our Group.

Endorsement of TCFD recommendations

To address climate change, one of the most important issues faced by the world today, we will analyze related risks and opportunities and actively disclose information based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We will also work to help clients solve climate change-related issues through services provided by the transcosmos Group.



Planned disclosure areas

1. Governance...Disclose the organization's governance of climate-related risks and opportunities.
2. Strategy...Disclose actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy and financial plans, where material.
3. Risk Management...Disclose how the organization screens, manages, and assesses climate-related risks.
4. Metrics and targets...Disclose metrics and targets, where material, for use in assessing and managing climate-related risks and opportunities.

1 FY2022/3 earnings summary

Operating results

- Net sales increased 13.4% year on year, reaching a new all-time high.
- Gross profit margin increased 0.9 percentage points, mainly due to improved profitability at the parent company.
- Selling, general and administrative expenses increased, centered on the parent company, but cost control was maintained, with the ratio of selling, general and administrative expenses to net sales contracting 0.7 percentage points.
- Operating income increased ¥8.1 billion year on year, reaching a new record-high.

Financial position

Total assets as of March 31, 2022 were ¥218,455 million, up ¥42,572 million from the end of the previous fiscal year. Of this amount, current assets increased ¥30,459 million to ¥150,990 million, mainly due to increases in notes and accounts receivable - trade, and contract assets, and cash and deposits. Non-current assets increased ¥12,112 million to ¥67,465 million. The main factors were increase in investment securities due to a rise in the market value of listed shares held, and an increase in shares of unconsolidated subsidiaries and affiliates due to a large rise in share of profits of entities accounted for using equity method. Liabilities rose ¥14,208 million from the end of the previous fiscal year to ¥97,575 million, mainly due to increases in

2 Earnings summary by segment

The Company's reportable segments are constituent units of the transcocosmos Group for which separate financial information is available. The Board of Directors periodically examines these segments for the purpose of deciding the allocation of management resources and evaluating operating performance. The Company organizes its operations into three reportable segments – parent

convertible bond-type bonds with subscription rights to shares, and accounts payable - trade, Net assets increased ¥28,363 million year on year to ¥120,880 million, with the equity ratio reaching 51.7%.

Performance indicators

transcocosmos strives to boost return on equity (ROE) by increasing the gross profit margin, mainly by expanding sales while reducing costs, adding more value to the service lineup and developing new services.

Dividend policy

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

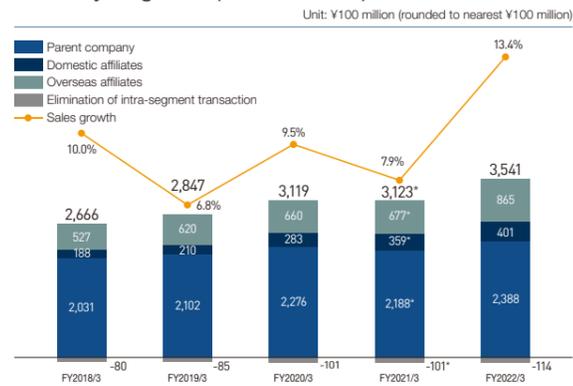
In addition, the Company uses retained earnings to reinforce its financial position, while also investing in new contact centers, information systems and other equipment and facilities to support service expansion and enhance service quality. Our goal is to satisfy shareholder expectations through the pursuit of profits by expanding our business and adding more value to services.

In line with this policy, the Company will pay a year-end dividend of ¥156 per share for FY2022/3.

company, which includes outsourcing businesses operated by the Company, domestic affiliates, which includes outsourcing businesses operated by domestic Group companies, and overseas affiliates, which includes outsourcing businesses operated by overseas Group companies.

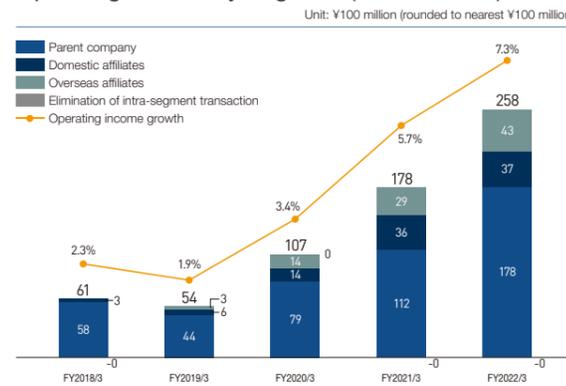
Parent company	Domestic affiliates	Overseas affiliates
Outsourcing businesses operated by the Company Net sales totaled ¥238,812 million (compared with ¥240,763 million in the previous fiscal year), mainly reflecting increased demand for outsourcing services. Segment income totaled ¥17,839 million (compared with ¥11,237 million in the previous fiscal year), largely driven by higher orders and an improvement in project profitability.	Outsourcing businesses operated by domestic Group companies Net sales totaled ¥40,129 million (compared with ¥39,483 million in the previous fiscal year), mainly due to strong orders at listed subsidiaries and BPO service business subsidiaries. Segment income totaled ¥3,687 million (compared with ¥3,603 million in the previous fiscal year), mainly due to higher profits at certain listed subsidiaries and BPO service business subsidiaries.	Outsourcing businesses operated by overseas Group companies Net sales totaled ¥86,498 million (compared with ¥69,105 million in the previous fiscal year), mainly on higher orders at subsidiaries in South Korea, China and Southeast Asia. Segment income totaled ¥4,342 million (compared with ¥2,914 million in the previous fiscal year), largely due to improved profitability at subsidiaries in South Korea and Southeast Asia.

Sales by Segment (Consolidated)



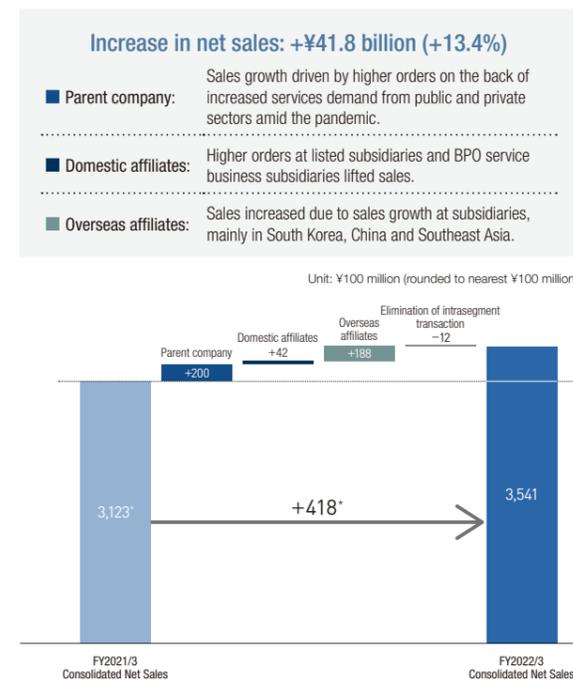
*In FY2021/3 net sales, revenue from agent transactions has been restated using the net amount recognition method.

Operating Income by Segment (Consolidated)

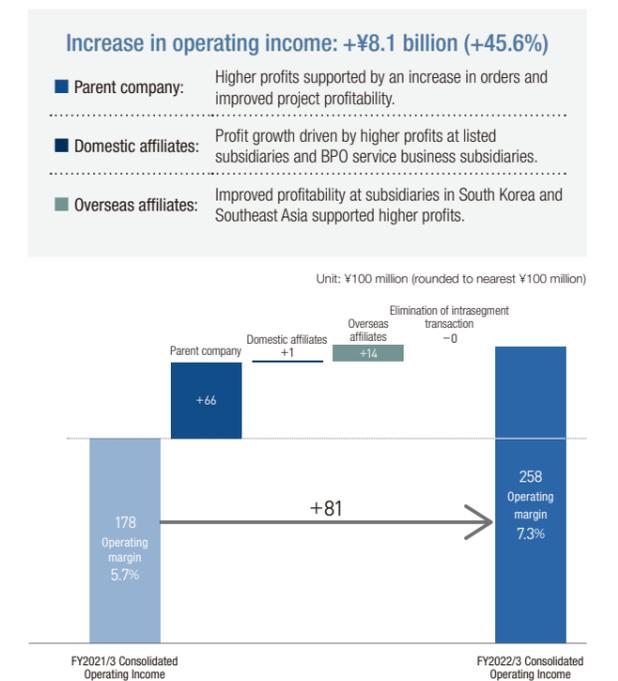


3 Financial analysis

Analysis of Changes in Net Sales (Consolidated)



Analysis of Changes in Operating Income (Consolidated)



4 Cash flow

	FY2021/3	FY2022/3	Change
Operating cash flow	157	158	1
Investing cash flow	-84	-62	22
Financing cash flow	67	42	-25
Cash & cash equivalents at end of year	491	639	148
Free cash flow	73	95	22

*Free cash flow = Operating cash flow + Investing cash flow

Financing cash flow

Net cash provided by financing activities was ¥4,218 million, a decrease of ¥2,516 million compared with the previous fiscal year. The main cash inflows were increase in proceeds from issuance of convertible bond-type bonds with subscription rights to shares and decrease in payments for redemption of convertible bond-type bonds with subscription rights to shares. The main cash outflows were decreases in proceeds from long-term borrowings and proceeds from disposal of treasury shares of subsidiaries, and increase in cash dividends paid.

As a result of the above, cash and cash equivalents at the end of the fiscal year stood at ¥63,858 million, an increase of ¥14,784 million from the end of the previous fiscal year.

Cash flows

Operating cash flow

Net cash provided by operating activities was ¥15,770 million, an increase of ¥55 million compared with the previous fiscal year. The main cash inflow was a significant increase in income before income taxes, while the main cash outflows were increase in notes and accounts receivable - trade and income taxes paid.

Investing cash flow

Net cash used by investing activities was ¥6,223 million, a decrease of ¥2,178 million compared with the previous fiscal year. The main cash inflow was proceeds from sales of investment securities, while the main cash outflow was purchases of property, plant and equipment.

*Effective from the start of FY2022/3, the Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other related standards. As a result, the presentation of transactions considered to be agent transactions in certain businesses has been changed from the gross amount of net sales and cost of sales to the net amount.

*In this Financial Review section, for FY2021/3, sales and cost of sales considered to be agent transactions have been restated from the gross amount of net sales and cost of sales to the net amount, resulting in a decrease of ¥24.1 billion in consolidated net sales for the previous fiscal year. The restatement has no effect on gross profit and each subsequent profit item.

Key financial data

Consolidated Fiscal Year	(¥ million)	2012/3	2013/3	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3
Sales		161,208	166,335	186,503	199,178	224,605	242,314	266,645	284,696	311,871	336,405	354,085
Gross profit		29,609	28,668	35,403	36,687	40,373	42,902	47,267	47,202	54,608	65,887	77,779
SG&A		20,890	21,415	25,861	27,521	30,648	34,822	41,175	41,846	43,918	48,135	51,932
Operating income		8,719	7,253	9,541	9,166	9,725	8,080	6,092	5,355	10,689	17,752	25,846
Net income attributable to shareholders of transcosmos inc.		4,969	4,919	6,289	7,349	7,587	7,156	-2,176	4,433	6,279	10,022	21,488
Capital expenditures		1,510	1,637	2,310	2,379	3,288	3,829	4,211	4,514	5,544	6,412	5,866
Depreciation and amortization		2,069	1,896	1,951	1,947	2,310	2,603	3,078	3,287	3,567	4,619	5,445
Cash flow from operating activities		13,282	8,737	8,921	12,177	3,197	8,487	7,814	3,889	8,093	15,715	15,770
Cash flow from investing activities		-2,002	-252	-4,282	-8,062	-13,935	-6,199	-6,658	4,344	-6,885	-8,402	-6,223
Cash flow from financing activities		-6,473	-11,977	-8,284	-3,769	12,832	-3,300	-4,049	-3,165	-2,093	6,735	4,218
Cash & cash equivalents at end of year		35,969	33,444	30,452	31,694	33,339	33,422	31,772	35,979	34,920	49,074	63,858
Free cash flow		11,280	8,484	4,639	4,115	-10,737	2,287	1,155	8,233	1,207	7,312	9,547
End of Consolidated Fiscal Year	(¥ million)											
Net assets		48,819	53,301	60,809	67,396	83,981	85,188	71,199	74,915	77,969	92,516	120,880
Total equity		45,316	49,884	57,353	65,037	80,929	81,695	67,621	71,555	74,196	85,811	112,944
Total assets		93,137	88,420	92,173	101,551	140,674	143,802	129,067	135,268	143,985	175,883	218,455
Per Share Indicators	(¥)											
Current earnings per share		120.77	119.57	152.87	178.65	184.45	172.92	-52.47	106.90	151.40	241.65	518.12
Dividend per share (period end dividend)		37.00	36.00	46.00	54.00	56.00	52.00	23.00	33.00	46.00	93.00	156.00
Net assets per share		1,101.41	1,212.44	1,394.09	1,580.91	1,967.29	1,969.70	1,630.39	1,725.27	1,788.95	2,069.01	2,723.29
Financial Indicators	(%)											
Return on equity (ROE)		11.5	10.3	11.7	12.0	10.4	8.8	—	6.4	8.6	12.5	21.6
Return on assets (ROA)		5.9	5.7	7.1	7.6	6.3	5.1	—	3.4	4.6	6.3	10.9
Equity ratio		48.7	56.4	62.2	64.0	57.5	56.8	52.4	52.9	51.5	48.8	51.7
Price-earnings ratio	(times)	10.5	11.2	13.9	14.2	15.9	15.1	—	20.2	12.6	12.4	6.2
Dividend ratio		30.6	30.1	30.1	30.2	30.4	30.1	—	30.9	30.4	38.5	30.1

*Partial Amendments to Accounting Standard for Tax Effect Accounting (ASBJ Statement No. 28, February 16, 2018) were applied from the start of FY2019/3. The amendments, etc. were retroactively applied to the financial statements for FY2018/3.

*Effective from the start of FY2022/3, the Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and other related standards. As a result, the presentation of transactions considered to be agent transactions in certain businesses has been changed from the gross amount of net sales and cost of sales to the net amount.

Non-financial data

	2018/3	2019/3	2020/3	2021/3	2022/3
Total number of employees (consolidated)	50,295	54,917	58,516	63,675	69,512
Of which, employees (consolidated)	24,875	30,051	32,666	35,760	39,870
Of which, average number of temporary employees (consolidated)	25,420	24,866	25,850	27,915	29,642
(Parent data below)					
Number of employees	10,609	14,106	15,173	15,949	16,462
Of which, full-time employees (ex. employees on assignment from other companies)	10,595	10,952	11,605	12,128	12,426
Of which, employees on unlimited term contracts	14	3,154	3,568	3,821	4,036
Ratio of female employees	(%) 43.1	44.0	45.1	45.9	46.5
Ratio of female managers	(%) 19.4	19.3	19.3	21.9	23.0

(Parent data below)

	2018/3	2019/3	2020/3	2021/3	2022/3
Average length of service	(years) 8ys. 10mos.	8ys. 7mos.	8ys. 7mos.	8ys. 10mos.	9ys. 1mo.
Average monthly overtime per employee	(hours) 20.7	19.7	19.9	18.0	18.5
Number of employees using childcare leave	157	169	183	260	303
Ratio of female employees (expectant and new mothers) using childcare leave	(%) 100.0	100.0	100.0	100.0	100.0
Ratio of male employees (expectant and new fathers) using childcare leave	(%)* 4.3	5.2	12.5	46.6	55.4
Number of employees converted to full-time status	223	238	324	267	145
Number of employees with a disability	318	402	437	472	514
Ratio of outside directors	(%) 31.6	33.3	35.3	38.9	41.2

*From FY2021/3, calculated based on combined take-up rate of childcare leave and shared parental leave.

Corporate overview

Registered Name	transcosmos inc.
Representative	Representative Director, Co-president Koichi Iwami Masaaki Muta
Date of Foundation	June 18, 1985 (Registered in November 30, 1978)
Paid-in Capital*	¥29,065 million
Employees*	Group: 68,909 (Japan: 43,800 Global: 25,109)
Headquarters	Sunshine 60 Bldg. 3-1-1, Higashi-Ikebukuro, Toshima-ku, Tokyo 170-6016 Japan +81-50-1751-7700 (Main phone number)
Main Office	Shibuya First Tower 1-2-20, Higashi, Shibuya-ku, Tokyo 150-0011 Japan

*As of 30 September, 2022

Stock information (As of September 30, 2022)

Shares authorized for issue	150,000,000
Shares issued	48,794,046
Stockholders	9,936

Officers (As of June 22, 2022)

Representative Director, Chairman	Masataka Okuda
Representative Director, Co-president	Koichi Iwami Masaaki Muta
Representative Director, Executive Vice President	Masatoshi Kouno Takeshi Kamiya
Director, Executive Vice President	Kenshi Matsubara Hiroshi Kaizuka
Director, Senior Corporate Executive Officer & CTO	Kiyoshi Shiraishi
Director, Corporate Advisor	Koji Funatsu
Outside Director (Audit and Supervisory Committee Member)	Takeshi Natsuno Nozomu Yoshida Eiji Uda
Outside Director	Rehito Hatoyama Toru Shimada Genichi Tamatsuka Noriyoshi Suzuki

Principal stockholders (As of September 30, 2022)

Name	Number of shares (thousand of shares)	Ratio of shares (%)
Masataka Okuda	7,183	14.72
transcosmos foundation	6,753	13.84
The Master Trust Bank of Japan, Ltd. (Account in Trust)	3,968	8.13
Custody Bank of Japan, Ltd. (Account in Trust)	1,850	3.79
Mihoko Hirai	1,463	3.00
Kimiko Okuda	1,282	2.63
THE BANK OF NEW YORK MELLON 140042	979	2.01
GOVERNMENT OF NORWAY	927	1.90
Limited company HM Kosan	722	1.48
Employee Shareholding Association of transcosmos inc.	689	1.41

Notes: 1. Other than the above, the Company retains 7,320 thousand shares of its own stock.
2. Number of shares less than one thousand is rounded down to the nearest thousand.
3. Shareholding ratio is rounded off to two decimal places.

Our website

Please visit our website for more information about our company.

<https://www.trans-cosmos.co.jp/english/>



Group Companies

◆ : Equity-method affiliate

Domestic

DEC Services

J-Stream Inc.
transcosmos Partners inc.
CROSSCO Co., Ltd
caramo, Inc.
Grand Design Co.,Ltd.
transcosmos analytics Inc.
transcosmos online communications inc.
playground Co., Ltd.

BPO Services

APPLIED TECHNOLOGY CO., LTD.
Skylight Consulting Inc.
transcosmos digital technology inc.
FJ transcosmos Human Resource Professionals Limited
TT Process Management Inc.
TT Human Asset Service Corporation

Other affiliates

TCI Business Services inc.
transcosmos assist inc.

Others 24 companies

Total 40 companies

Overseas

Asia

transcosmos Korea Inc.
Shanghai transcosmos Marketing Services Co., Ltd. (transcosmos China)
transcosmos (Thailand) Co., Ltd.
TRANSCOSMOS ZERO PTE.LTD.
transcosmos Vietnam Co., Ltd.
transcosmos artus company limited
transcosmos Asia Philippines inc.
transcosmos Taiwan Inc.
TRANSCOSMOS (MALAYSIA) SDN. BHD.
◆ EMNET INC.
◆ UNQ HOLDINGS LIMITED
◆ PT. transcosmos Indonesia

North America & Europe

Transcosmos Information Systems Group Limited
transcosmos America, Inc.
TRANSCOSMOS (UK) LIMITED
◆ PFSweb, Inc.

Offshore services (for Japan)

transcosmos Information Creative (China) Co., Ltd.
transcosmos Design Development (Dalian) Co., Ltd.
transcosmos business service outsourcing Suzhou Co., Ltd.
transcosmos technology Vietnam Co., Ltd.

Others 45 companies

*As of the end of September 2022

Total 64 companies

Please visit our website for the latest list of Group companies.
<https://www.trans-cosmos.co.jp/english/company/information/group.html>




The late Koki Okuda awarded the Shogoi (Senior Fifth Rank) and The Order of the Rising Sun, Gold Rays with Neck Ribbon by the Government of Japan

Our late Founder and a director, Koki Okuda, has been awarded the Shogoi (Senior Fifth Rank) and the Order of the Rising Sun Gold Rays with Neck Ribbon by the Government of Japan, for his significant contributions to the advancement of the Japanese information service industry through his business activities.