

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

January 28, 2019

Company name: TRANCOM CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 9058 URL <https://www.trancom.co.jp/ir/>
 Representative: President and COO Yutaka Tsunekawa
 Inquiries: Senior Executive Officer Corporate planning Keisuke Nakazawa TEL (052)939-2011
 Group / Management Group
 Scheduled date to file Quarterly Securities Report: February 8, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2018 (from April 1, 2018 to December 31, 2018)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2018	113,850	6.6	5,205	15.2	5,176	15.1	3,520	29.4
Nine months ended December 31, 2017	106,809	7.4	4,519	5.9	4,495	8.2	2,720	(18.0)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	361.34	360.41
Nine months ended December 31, 2017	280.11	279.34

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2018	50,797	33,299	65.2	3,384.88
As of March 31, 2018	48,077	30,349	62.8	3,110.99

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2018	–	40.00	–	42.00	82.00
Year ending March 31, 2019	–	44.00	–		
Year ending March 31, 2019 (Forecast)				44.00	88.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	149,350	5.4	6,500	9.3	6,450	9.2	4,340	19.8	443.62

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
 - Changes in accounting policies due to other reasons: No
 - Changes in accounting estimates: No
 - Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2018	10,324,150 shares	As of March 31, 2018	10,324,150 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	540,725 shares	As of March 31, 2018	612,982 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2018	9,742,104 shares	Nine months ended December 31, 2017	9,710,568 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	10,258	10,949
Notes and accounts receivable - trade	22,235	23,852
Merchandise	13	21
Work in process	17	3
Supplies	18	20
Prepaid expenses	544	565
Other	275	296
Allowance for doubtful accounts	(0)	(0)
Total current assets	33,363	35,708
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,676	7,846
Accumulated depreciation	(4,193)	(4,385)
Buildings and structures, net	3,483	3,460
Machinery, equipment and vehicles	4,654	5,065
Accumulated depreciation	(3,517)	(3,856)
Machinery, equipment and vehicles, net	1,136	1,209
Land	2,701	2,701
Leased assets	2,280	2,313
Accumulated depreciation	(1,241)	(1,367)
Leased assets, net	1,039	945
Construction in progress	12	167
Other	1,014	1,086
Accumulated depreciation	(698)	(760)
Other, net	316	326
Total property, plant and equipment	8,688	8,811
Intangible assets		
Goodwill	482	418
Software	1,658	1,505
Software in progress	17	204
Customer Relationship	556	483
Other	169	167
Total intangible assets	2,885	2,779
Investments and other assets		
Investment securities	1,301	1,530
Deferred tax assets	522	503
Guarantee deposits	1,184	1,324
Other	153	162
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	3,139	3,498
Total non-current assets	14,713	15,089
Total assets	48,077	50,797

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	10,326	10,656
Lease obligations	232	240
Accounts payable - other	528	270
Accrued expenses	1,587	1,785
Income taxes payable	932	648
Accrued consumption taxes	469	528
Provision for bonuses	560	206
Provision for directors' bonuses	26	21
Other	506	591
Total current liabilities	15,170	14,948
Non-current liabilities		
Lease obligations	1,153	1,045
Deferred tax liabilities	139	120
Deferred tax liabilities for land revaluation	11	11
Provision for stocks payment	169	199
Provision for Management Board Incentive Plan Trust	148	190
Net defined benefit liability	106	91
Asset retirement obligations	452	518
Other	376	370
Total non-current liabilities	2,557	2,549
Total liabilities	17,727	17,497
Net assets		
Shareholders' equity		
Capital stock	1,080	1,080
Capital surplus	1,220	1,624
Retained earnings	28,765	31,443
Treasury shares	(1,053)	(933)
Total shareholders' equity	30,012	33,213
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	188	(7)
Revaluation reserve for land	26	26
Foreign currency translation adjustment	(24)	(120)
Remeasurements of defined benefit plans	8	4
Total accumulated other comprehensive income	198	(97)
Share acquisition rights	111	104
Non-controlling interests	26	79
Total net assets	30,349	33,299
Total liabilities and net assets	48,077	50,797

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Net sales	106,809	113,850
Cost of sales	100,388	106,700
Gross profit	6,420	7,149
Selling, general and administrative expenses	1,901	1,943
Operating profit	4,519	5,205
Non-operating income		
Interest and dividend income	11	15
Share of profit of entities accounted for using equity method	–	10
Gain on reversal of loss on dissolution of employees pension fund	15	–
Other	47	52
Total non-operating income	74	79
Non-operating expenses		
Interest expenses	85	78
Share of loss of entities accounted for using equity method	3	–
Loss on retirement of non-current assets	–	19
Other	9	11
Total non-operating expenses	98	108
Ordinary profit	4,495	5,176
Extraordinary income		
Gain on sales of non-current assets	8	–
Total extraordinary income	8	–
Extraordinary losses		
Loss on abandonment of non-current assets	48	–
Compensation expenses	181	–
Other	14	–
Total extraordinary losses	244	–
Profit before income taxes	4,259	5,176
Income taxes - current	1,394	1,508
Income taxes - deferred	154	94
Total income taxes	1,549	1,603
Profit	2,710	3,572
Profit attributable to		
Profit attributable to owners of parent	2,720	3,520
Profit (loss) attributable to non-controlling interests	(9)	52
Other comprehensive income		
Valuation difference on available-for-sale securities	143	(196)
Foreign currency translation adjustment	25	(96)
Remeasurements of defined benefit plans, net of tax	(3)	(4)
Total other comprehensive income	165	(297)
Comprehensive income	2,875	3,275
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,883	3,223
Comprehensive income attributable to non-controlling interests	(8)	52