

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

July 29, 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
 Board Director and Managing Executive Officer
 Inquiries: Corporate Planning Group / Administration keisuke Nakazawa TEL (052)939-2011
 Group
 Scheduled date to file Quarterly Securities Report: August 9, 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 three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(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	%
Three months ended June 30, 2019	39,240	6.4	1,678	12.0	1,671	11.9	1,041	7.5
Three months ended June 30, 2018	36,881	7.2	1,498	22.0	1,494	23.7	968	59.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	106.40	106.13
Three months ended June 30, 2018	99.66	99.40

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2019	53,354	34,880	65.0	3,542.98
As of March 31, 2019	52,957	34,180	64.2	3,474.40

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, 2019	–	44.00	–	48.00	92.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	49.00	–	49.00	98.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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
Six months ending September 30, 2019	76,690	4.6	3,080	3.2	3,050	2.4	2,010	0.4	205.45
Full year	158,850	5.1	7,270	8.0	7,200	8.2	4,750	9.7	485.52

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
(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: Yes
- 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 June 30, 2019	10,324,150 shares	As of March 31, 2019	10,324,150 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	539,825 shares	As of March 31, 2019	540,725 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	9,784,055 shares	Three months ended June 30, 2018	9,714,121 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	13,675	13,184
Notes and accounts receivable - trade	23,275	23,555
Merchandise	19	17
Work in process	1	2
Supplies	23	21
Prepaid expenses	565	680
Other	108	105
Allowance for doubtful accounts	(0)	(0)
Total current assets	37,669	37,566
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,867	7,940
Accumulated depreciation	(4,446)	(4,511)
Buildings and structures, net	3,420	3,428
Machinery, equipment and vehicles	5,227	5,774
Accumulated depreciation	(3,973)	(4,112)
Machinery, equipment and vehicles, net	1,254	1,661
Land	2,701	2,991
Leased assets	2,284	2,324
Accumulated depreciation	(1,371)	(1,408)
Leased assets, net	912	916
Construction in progress	232	52
Other	1,147	1,245
Accumulated depreciation	(731)	(764)
Other, net	416	480
Total property, plant and equipment	8,937	9,531
Intangible assets		
Goodwill	367	361
Software	1,348	1,409
Software in progress	251	132
Customer Relationship	457	450
Other	165	165
Total intangible assets	2,590	2,519
Investments and other assets		
Investment securities	1,632	1,737
Deferred tax assets	654	420
Guarantee deposits	1,332	1,386
Other	162	213
Allowance for doubtful accounts	(21)	(21)
Total investments and other assets	3,759	3,736
Total non-current assets	15,287	15,787
Total assets	52,957	53,354

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	10,893	10,845
Lease obligations	246	257
Accounts payable - other	407	289
Accrued expenses	1,582	2,551
Income taxes payable	1,390	306
Accrued consumption taxes	588	652
Provision for bonuses	598	204
Provision for bonuses for directors (and other officers)	—	9
Other	537	764
Total current liabilities	16,245	15,880
Non-current liabilities		
Lease obligations	1,002	993
Deferred tax liabilities	114	112
Deferred tax liabilities for land revaluation	11	11
Provision for stocks payment	209	218
Provision for share-based remuneration for directors (and other officers)	200	212
Retirement benefit liability	100	111
Asset retirement obligations	526	542
Other	366	390
Total non-current liabilities	2,531	2,593
Total liabilities	18,776	18,474
Net assets		
Shareholders' equity		
Share capital	1,080	1,080
Capital surplus	1,652	1,655
Retained earnings	32,251	32,819
Treasury shares	(961)	(960)
Total shareholders' equity	34,022	34,595
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	113	180
Revaluation reserve for land	26	26
Foreign currency translation adjustment	(169)	(123)
Remeasurements of defined benefit plans	(1)	(11)
Total accumulated other comprehensive income	(30)	70
Share acquisition rights	104	104
Non-controlling interests	84	109
Total net assets	34,180	34,880
Total liabilities and net assets	52,957	53,354

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	36,881	39,240
Cost of sales	34,751	36,880
Gross profit	2,130	2,359
Selling, general and administrative expenses	632	681
Operating profit	1,498	1,678
Non-operating income		
Interest and dividend income	6	8
Share of profit of entities accounted for using equity method	2	8
Other	16	11
Total non-operating income	25	28
Non-operating expenses		
Interest expenses	26	23
Other	2	10
Total non-operating expenses	28	34
Ordinary profit	1,494	1,671
Extraordinary losses		
Compensation expenses	—	24
Total extraordinary losses	—	24
Profit before income taxes	1,494	1,647
Income taxes - current	343	378
Income taxes - deferred	162	205
Total income taxes	506	583
Profit	987	1,063
Profit attributable to		
Profit attributable to owners of parent	968	1,041
Profit attributable to non-controlling interests	19	22
Other comprehensive income		
Valuation difference on available-for-sale securities	(62)	66
Foreign currency translation adjustment	(38)	46
Remeasurements of defined benefit plans, net of tax	(1)	(10)
Total other comprehensive income	(102)	102
Comprehensive income	885	1,165
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	863	1,142
Comprehensive income attributable to non-controlling interests	21	23