

# Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

April 27, 2021

Company name: TRANCOM CO.,LTD.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 9058 URL <https://www.trancom.co.jp/ir/>  
 Representative: President Yutaka Tsunekawa  
 Inquiries: Manager / Finance & Accounting Group Toshiki Ikeda TEL (052)939-2011  
 Scheduled date of ordinary general meeting of shareholders: June 17, 2021  
 Scheduled date to file Securities Report: June 18, 2021  
 Scheduled date to commence dividend payments: June 18, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2021	152,285	(6.8)	8,243	9.0	8,401	13.3	5,730	16.7
Year ended March 31, 2020	163,463	8.2	7,566	12.4	7,417	11.5	4,909	13.4

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	585.54	584.04	14.2	13.4	5.4
Year ended March 31, 2020	501.75	500.47	13.6	13.2	4.6

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	65,613	43,276	65.4	4,383.19
As of March 31, 2020	59,545	38,250	63.7	3,878.18

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	8,808	(1,851)	(1,520)	19,973
Year ended March 31, 2020	7,287	(5,141)	(1,243)	14,575

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	—	52.00	—	52.00	104.00	1,025	20.7	2.8
Year ended March 31, 2021	—	55.00	—	60.00	115.00	1,135	19.6	2.8
Year ending March 31, 2022 (Forecast)	—	62.00	—	62.00	124.00		22.2	

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	78,830	8.5	3,670	2.2	3,720	1.5	2,460	(4.0)	251.28
Full year	163,470	7.3	8,250	0.1	8,280	(1.4)	5,470	(4.5)	558.75

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2021	10,324,150 shares	As of March 31, 2020	10,324,150 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	534,530 shares	As of March 31, 2020	539,687 shares
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Average number of shares during the period

Year ended March 31, 2021	9,786,575 shares	Year ended March 31, 2020	9,784,269 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	14,575	19,973
Notes and accounts receivable - trade	21,421	21,223
Electronically recorded monetary claims - operating	3,767	3,672
Merchandise	39	14
Work in process	1	2
Supplies	18	14
Prepaid expenses	615	655
Other	129	307
Allowance for doubtful accounts	(0)	(0)
Total current assets	40,568	45,864
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,112	9,443
Accumulated depreciation	(4,694)	(4,917)
Buildings and structures, net	3,418	4,526
Machinery, equipment and vehicles	6,193	6,617
Accumulated depreciation	(4,687)	(5,195)
Machinery, equipment and vehicles, net	1,506	1,422
Land	2,991	2,871
Leased assets	2,396	2,439
Accumulated depreciation	(1,540)	(1,688)
Leased assets, net	855	751
Right-of-use assets	656	1,496
Accumulated depreciation Right-of-use assets	(105)	(314)
Right-of-use assets, net	550	1,182
Construction in progress	1,671	489
Other	1,377	1,565
Accumulated depreciation	(893)	(1,061)
Other, net	483	504
Total property, plant and equipment	11,477	11,747
Intangible assets		
Goodwill	892	756
Software	1,330	1,339
Software in progress	356	297
Customer Relationship	457	373
Other	162	158
Total intangible assets	3,198	2,926
Investments and other assets		
Investment securities	1,841	2,598
Deferred tax assets	699	586
Deferred tax assets for land revaluation	—	19
Guarantee deposits	1,566	1,685
Other	209	198
Allowance for doubtful accounts	(16)	(13)
Total investments and other assets	4,300	5,075
Total non-current assets	18,976	19,749
Total assets	59,545	65,613

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	12,500	12,135
Lease obligations	447	629
Accounts payable - other	714	736
Accrued expenses	1,342	1,365
Income taxes payable	1,324	1,545
Accrued consumption taxes	998	1,624
Provision for bonuses	643	635
Other	373	322
Total current liabilities	18,344	18,995
Non-current liabilities		
Lease obligations	1,275	1,589
Deferred tax liabilities	96	96
Deferred tax liabilities for land revaluation	11	—
Provision for stocks payment	257	284
Provision for share awards for directors (and other officers)	249	301
Retirement benefit liability	106	104
Asset retirement obligations	576	593
Other	377	372
Total non-current liabilities	2,950	3,342
Total liabilities	21,294	22,337
Net assets		
Shareholders' equity		
Share capital	1,080	1,080
Capital surplus	1,740	1,796
Retained earnings	36,175	40,921
Treasury shares	(1,044)	(1,072)
Total shareholders' equity	37,951	42,725
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	165	485
Revaluation reserve for land	26	(44)
Foreign currency translation adjustment	(186)	(248)
Remeasurements of defined benefit plans	(11)	(8)
Total accumulated other comprehensive income	(5)	184
Share acquisition rights	104	104
Non-controlling interests	199	261
Total net assets	38,250	43,276
Total liabilities and net assets	59,545	65,613

# Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	163,463	152,285
Cost of sales	153,172	141,306
Gross profit	10,290	10,979
Selling, general and administrative expenses	2,724	2,735
Operating profit	7,566	8,243
Non-operating income		
Interest and dividend income	22	27
Share of profit of entities accounted for using equity method	42	61
Subsidy income	4	271
Other	29	75
Total non-operating income	98	436
Non-operating expenses		
Interest expenses	104	116
Loss on retirement of non-current assets	32	15
Loss on sale of non-current assets	2	29
Bad debt expenses	42	5
Other	64	112
Total non-operating expenses	247	278
Ordinary profit	7,417	8,401
Extraordinary losses		
Compensation expenses	25	—
Total extraordinary losses	25	—
Profit before income taxes	7,391	8,401
Income taxes - current	2,503	2,682
Income taxes - deferred	(77)	(85)
Total income taxes	2,426	2,596
Profit	4,965	5,804
Profit attributable to		
Profit attributable to owners of parent	4,909	5,730
Profit attributable to non-controlling interests	56	74
Other comprehensive income		
Valuation difference on available-for-sale securities	51	320
Revaluation reserve for land	—	(70)
Foreign currency translation adjustment	(12)	(73)
Remeasurements of defined benefit plans, net of tax	(9)	2
Total other comprehensive income	29	179
Comprehensive income	4,995	5,984
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,933	5,920
Comprehensive income attributable to non-controlling interests	61	63

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,080	1,652	32,251	(961)	34,022
Changes during period					
Dividends of surplus			(984)		(984)
Profit attributable to owners of parent			4,909		4,909
Purchase of treasury shares				(110)	(110)
Disposal of treasury shares		88		27	115
Reversal of revaluation reserve for land					–
Net changes in items other than shareholders' equity					
Total changes during period	–	88	3,924	(83)	3,929
Balance at end of period	1,080	1,740	36,175	(1,044)	37,951

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	113	26	(169)	(1)	(30)	104	84	34,180
Changes during period								
Dividends of surplus								(984)
Profit attributable to owners of parent								4,909
Purchase of treasury shares								(110)
Disposal of treasury shares								115
Reversal of revaluation reserve for land								–
Net changes in items other than shareholders' equity	51	–	(17)	(9)	24	–	115	139
Total changes during period	51	–	(17)	(9)	24	–	115	4,069
Balance at end of period	165	26	(186)	(11)	(5)	104	199	38,250

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,080	1,740	36,175	(1,044)	37,951
Changes during period					
Dividends of surplus			(1,056)		(1,056)
Profit attributable to owners of parent			5,730		5,730
Purchase of treasury shares				(46)	(46)
Disposal of treasury shares		55		19	74
Reversal of revaluation reserve for land			70		70
Net changes in items other than shareholders' equity					
Total changes during period	–	55	4,745	(27)	4,773
Balance at end of period	1,080	1,796	40,921	(1,072)	42,725

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	165	26	(186)	(11)	(5)	104	199	38,250
Changes during period								
Dividends of surplus								(1,056)
Profit attributable to owners of parent								5,730
Purchase of treasury shares								(46)
Disposal of treasury shares								74
Reversal of revaluation reserve for land								70
Net changes in items other than shareholders' equity	320	(70)	(61)	2	190	–	62	252
Total changes during period	320	(70)	(61)	2	190	–	62	5,025
Balance at end of period	485	(44)	(248)	(8)	184	104	261	43,276

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	7,391	8,401
Depreciation	2,242	2,433
Amortization of goodwill	49	132
Increase (decrease) in allowance for doubtful accounts	(5)	(3)
Increase (decrease) in provision for bonuses	44	(6)
Increase (decrease) in Provision for stocks payment	48	26
Increase (decrease) in provision for share awards for directors (and other officers)	49	51
Increase (decrease) in retirement benefit liability	(8)	2
Interest and dividend income	(22)	(27)
Share of loss (profit) of entities accounted for using equity method	(42)	(61)
Subsidy income	(4)	(271)
Interest expenses	104	116
Loss on retirement of non-current assets	32	15
Loss (gain) on sale of non-current assets	(2)	20
Compensation expenses	25	—
Decrease (increase) in trade receivables	(1,583)	278
Increase (decrease) in trade payables	1,558	(361)
Increase (decrease) in accrued consumption taxes	383	626
Other, net	(336)	(310)
Subtotal	9,925	11,062
Interest and dividends received	22	27
Subsidies received	4	271
Interest paid	(104)	(116)
Compensation expenses paid	(25)	—
Income taxes paid	(2,533)	(2,437)
Net cash provided by (used in) operating activities	7,287	8,808
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,296)	(1,099)
Proceeds from sale of property, plant and equipment	23	124
Purchase of intangible assets	(595)	(526)
Purchase of investment securities	(105)	(234)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(896)	—
Other, net	(270)	(116)
Net cash provided by (used in) investing activities	(5,141)	(1,851)
Cash flows from financing activities		
Purchase of treasury shares	(110)	(46)
Proceeds from disposal of treasury shares	115	74
Dividends paid	(984)	(1,056)
Repayments of lease obligations	(263)	(492)
Net cash provided by (used in) financing activities	(1,243)	(1,520)
Effect of exchange rate change on cash and cash equivalents	(3)	(37)
Net increase (decrease) in cash and cash equivalents	899	5,397
Cash and cash equivalents at beginning of period	13,675	14,575
Cash and cash equivalents at end of period	14,575	19,973