

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

July 26, 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 to file Quarterly Securities Report: August 6, 2021
 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, 2021 (from April 1, 2021 to June 30, 2021)

(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, 2021	39,605	10.2	2,164	37.7	2,201	43.1	1,453	60.6
Three months ended June 30, 2020	35,932	(8.4)	1,572	(6.3)	1,538	(8.0)	904	(13.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	148.44	148.07
Three months ended June 30, 2020	92.47	92.23

(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, 2021	63,901	44,415	68.9	4,493.13
As of March 31, 2021	65,613	43,276	65.4	4,383.19

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, 2021	–	55.00	–	60.00	115.00
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	62.00	–	62.00	124.00

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 three months ended June 30, 2021
(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, 2021	10,324,150 shares	As of March 31, 2021	10,324,150 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	531,378 shares	As of March 31, 2021	534,530 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, 2021	9,791,152 shares	Three months ended June 30, 2020	9,784,632 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	19,973	18,876
Notes and accounts receivable - trade	24,895	–
Notes and accounts receivable - trade, and contract assets	–	23,762
Merchandise	14	11
Work in process	2	3
Supplies	14	17
Prepaid expenses	655	863
Other	307	526
Allowance for doubtful accounts	(0)	(1)
Total current assets	45,864	44,060
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,443	9,585
Accumulated depreciation	(4,917)	(5,002)
Buildings and structures, net	4,526	4,582
Machinery, equipment and vehicles	6,617	7,139
Accumulated depreciation	(5,195)	(5,334)
Machinery, equipment and vehicles, net	1,422	1,804
Land	2,871	3,005
Leased assets	2,439	2,429
Accumulated depreciation	(1,688)	(1,731)
Leased assets, net	751	698
Right-of-use assets	1,496	1,515
Accumulated depreciation Right-of-use assets	(314)	(419)
Right-of-use assets, net	1,182	1,096
Construction in progress	489	171
Other	1,565	1,565
Accumulated depreciation	(1,061)	(1,083)
Other, net	504	482
Total property, plant and equipment	11,747	11,842
Intangible assets		
Goodwill	756	764
Software	1,339	1,204
Software in progress	297	374
Customer Relationship	373	373
Other	158	158
Total intangible assets	2,926	2,875
Investments and other assets		
Investment securities	2,598	2,527
Deferred tax assets	586	399
Deferred tax assets for land revaluation	19	19
Guarantee deposits	1,685	2,024
Other	198	165
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	5,075	5,123
Total non-current assets	19,749	19,841
Total assets	65,613	63,901

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	12,135	10,798
Lease obligations	629	561
Accounts payable - other	736	802
Accrued expenses	1,365	2,420
Income taxes payable	1,545	291
Accrued consumption taxes	1,624	727
Provision for bonuses	635	216
Provision for bonuses for directors (and other officers)	–	8
Other	322	355
Total current liabilities	18,995	16,183
Non-current liabilities		
Lease obligations	1,589	1,531
Deferred tax liabilities	96	92
Provision for stocks payment	284	296
Provision for share awards for directors (and other officers)	301	305
Retirement benefit liability	104	96
Asset retirement obligations	593	625
Other	372	355
Total non-current liabilities	3,342	3,301
Total liabilities	22,337	19,485
Net assets		
Shareholders' equity		
Share capital	1,080	1,080
Capital surplus	1,796	1,801
Retained earnings	40,921	41,781
Treasury shares	(1,072)	(1,058)
Total shareholders' equity	42,725	43,603
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	485	436
Revaluation reserve for land	(44)	(44)
Foreign currency translation adjustment	(248)	11
Remeasurements of defined benefit plans	(8)	(6)
Total accumulated other comprehensive income	184	396
Share acquisition rights	104	101
Non-controlling interests	261	314
Total net assets	43,276	44,415
Total liabilities and net assets	65,613	63,901

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

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	35,932	39,605
Cost of sales	33,634	36,734
Gross profit	2,297	2,870
Selling, general and administrative expenses	725	706
Operating profit	1,572	2,164
Non-operating income		
Interest and dividend income	8	11
Share of profit of entities accounted for using equity method	10	22
Subsidy income	31	62
Other	13	33
Total non-operating income	64	129
Non-operating expenses		
Interest expenses	28	36
Loss on retirement of non-current assets	5	22
Compensation expenses	–	25
Other	63	9
Total non-operating expenses	97	92
Ordinary profit	1,538	2,201
Profit before income taxes	1,538	2,201
Income taxes - current	423	520
Income taxes - deferred	199	202
Total income taxes	623	722
Profit	915	1,479
Profit attributable to		
Profit attributable to owners of parent	904	1,453
Profit attributable to non-controlling interests	10	25
Other comprehensive income		
Valuation difference on available-for-sale securities	86	(49)
Foreign currency translation adjustment	(199)	287
Remeasurements of defined benefit plans, net of tax	0	2
Total other comprehensive income	(112)	239
Comprehensive income	802	1,718
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	810	1,665
Comprehensive income attributable to non-controlling interests	(8)	53