

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

July 25, 2016

Company name: TRANCOM CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 9058 URL <http://www.trancom.co.jp/ir/index.html>
 Representative: President and COO Yutaka Tsunekawa
 Executive Officer, in charge of Administration Group Toru Iwao TEL (052)939-2011
 Scheduled date to file Quarterly Securities Report: August 10, 2016
 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, 2016 (from April 1, 2016 to June 30, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

| | Net sales | | Operating income | | Ordinary income | | Profit attributable to owners of parent | |
|----------------------------------|-----------------|------|------------------|------|-----------------|------|---|-------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ended June 30, 2016 | 31,660 | 2.9 | 1,338 | 4.1 | 1,298 | 1.9 | 1,449 | 125.1 |
| Three months ended June 30, 2015 | 30,759 | 15.5 | 1,285 | 27.9 | 1,274 | 29.3 | 644 | 15.0 |

| | Earnings per share | Diluted earnings per share |
|----------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Three months ended June 30, 2016 | 149.31 | 148.89 |
| Three months ended June 30, 2015 | 66.37 | 66.20 |

(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, 2016 | 42,421 | 25,748 | 60.1 | 2,623.94 |
| As of March 31, 2016 | 42,113 | 24,628 | 58.2 | 2,524.56 |

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, 2016 | – | 34.00 | – | 40.00 | 74.00 |
| Year ending March 31, 2017 | – | | | | |
| Year ending March 31, 2017 (Forecast) | | 39.00 | – | 39.00 | 78.00 |

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

| | Net sales | | Operating income | | Ordinary income | | 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, 2016 | 64,080 | 3.6 | 2,530 | (6.1) | 2,490 | (7.1) | 1,830 | 17.8 | 188.52 |
| Full year | 133,130 | 5.5 | 6,340 | 5.4 | 6,260 | 4.6 | 4,200 | 15.4 | 432.66 |

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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, 2016 | 10,324,150 shares | As of March 31, 2016 | 10,324,150 shares |
|---------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|---------------------|----------------|----------------------|----------------|
| As of June 30, 2016 | 615,919 shares | As of March 31, 2016 | 616,719 shares |
|---------------------|----------------|----------------------|----------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|----------------------------------|------------------|----------------------------------|------------------|
| Three months ended June 30, 2016 | 9,707,528 shares | Three months ended June 30, 2015 | 9,703,593 shares |
|----------------------------------|------------------|----------------------------------|------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2016 | As of June 30, 2016 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 7,708 | 6,231 |
| Notes and accounts receivable - trade | 19,337 | 19,405 |
| Merchandise | 17 | 12 |
| Work in process | 1 | 1 |
| Supplies | 17 | 15 |
| Prepaid expenses | 423 | 554 |
| Deferred tax assets | 242 | 76 |
| Other | 161 | 243 |
| Allowance for doubtful accounts | (16) | (15) |
| Total current assets | 27,893 | 26,524 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 7,225 | 7,607 |
| Accumulated depreciation | (3,711) | (3,894) |
| Buildings and structures, net | 3,513 | 3,713 |
| Machinery, equipment and vehicles | 3,323 | 3,820 |
| Accumulated depreciation | (2,535) | (2,784) |
| Machinery, equipment and vehicles, net | 788 | 1,036 |
| Land | 2,701 | 2,701 |
| Leased assets | 2,428 | 2,406 |
| Accumulated depreciation | (1,065) | (1,100) |
| Leased assets, net | 1,363 | 1,305 |
| Construction in progress | 63 | — |
| Other | 880 | 929 |
| Accumulated depreciation | (564) | (595) |
| Other, net | 315 | 333 |
| Total property, plant and equipment | 8,746 | 9,090 |
| Intangible assets | | |
| Goodwill | 261 | 1,431 |
| Leased assets | 17 | 16 |
| Software | 1,554 | 1,497 |
| Software in progress | 109 | 124 |
| Customer Relationship | — | 678 |
| Other | 176 | 175 |
| Total intangible assets | 2,119 | 3,924 |
| Investments and other assets | | |
| Investment securities | 1,403 | 914 |
| Deferred tax assets | 444 | 431 |
| Guarantee deposits | 1,370 | 1,394 |
| Other | 154 | 162 |
| Allowance for doubtful accounts | (19) | (21) |
| Total investments and other assets | 3,353 | 2,882 |
| Total non-current assets | 14,220 | 15,897 |
| Total assets | 42,113 | 42,421 |

(Millions of yen)

| | As of March 31, 2016 | As of June 30, 2016 |
|--|----------------------|---------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 8,960 | 8,857 |
| Short-term loans payable | 1,500 | 1,007 |
| Lease obligations | 232 | 233 |
| Accounts payable - other | 285 | 235 |
| Accrued expenses | 1,211 | 2,013 |
| Income taxes payable | 1,014 | 190 |
| Accrued consumption taxes | 598 | 585 |
| Provision for bonuses | 493 | 155 |
| Provision for directors' bonuses | 35 | 7 |
| Other | 381 | 480 |
| Total current liabilities | 14,712 | 13,767 |
| Non-current liabilities | | |
| Lease obligations | 1,473 | 1,413 |
| Deferred tax liabilities for land revaluation | 11 | 11 |
| Provision for stocks payment | 100 | 112 |
| Reserve for loss on dissolution of employee's pension fund | 309 | 309 |
| Net defined benefit liability | 118 | 117 |
| Asset retirement obligations | 410 | 411 |
| Other | 348 | 529 |
| Total non-current liabilities | 2,772 | 2,905 |
| Total liabilities | 17,485 | 16,672 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 1,080 | 1,080 |
| Capital surplus | 1,234 | 1,236 |
| Retained earnings | 22,974 | 24,034 |
| Treasury shares | (966) | (965) |
| Total shareholders' equity | 24,322 | 25,385 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 59 | 41 |
| Revaluation reserve for land | 26 | 26 |
| Foreign currency translation adjustment | 77 | (0) |
| Remeasurements of defined benefit plans | 21 | 20 |
| Total accumulated other comprehensive income | 184 | 88 |
| Subscription rights to shares | 115 | 111 |
| Non-controlling interests | 5 | 162 |
| Total net assets | 24,628 | 25,748 |
| Total liabilities and net assets | 42,113 | 42,421 |

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

(Millions of yen)

| | Three months ended June 30, 2015 | Three months ended June 30, 2016 |
|---|-------------------------------------|-------------------------------------|
| Net sales | 30,759 | 31,660 |
| Cost of sales | 28,826 | 29,700 |
| Gross profit | 1,933 | 1,959 |
| Selling, general and administrative expenses | 647 | 621 |
| Operating income | 1,285 | 1,338 |
| Non-operating income | | |
| Interest and dividend income | 7 | 7 |
| Share of profit of entities accounted for using equity method | 9 | 4 |
| Other | 10 | 5 |
| Total non-operating income | 28 | 17 |
| Non-operating expenses | | |
| Interest expenses | 32 | 29 |
| Contribution | — | 20 |
| Other | 6 | 6 |
| Total non-operating expenses | 39 | 56 |
| Ordinary income | 1,274 | 1,298 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 3 | 4 |
| Gain on step acquisitions | — | 595 |
| Other | — | 6 |
| Total extraordinary income | 3 | 606 |
| Extraordinary losses | | |
| Loss on abandonment of non-current assets | 4 | 3 |
| Provision of reserve for loss on dissolution of employee's pension fund | 309 | — |
| Other | 0 | 0 |
| Total extraordinary losses | 313 | 3 |
| Profit before income taxes | 964 | 1,901 |
| Income taxes - current | 250 | 254 |
| Income taxes - deferred | 71 | 187 |
| Total income taxes | 322 | 442 |
| Profit | 641 | 1,459 |
| Profit attributable to | | |
| Profit attributable to owners of parent | 644 | 1,449 |
| Profit (loss) attributable to non-controlling interests | (2) | 9 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 23 | (17) |
| Foreign currency translation adjustment | (11) | (86) |
| Remeasurements of defined benefit plans, net of tax | (1) | (1) |
| Total other comprehensive income | 10 | (105) |
| Comprehensive income | 652 | 1,353 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 653 | 1,352 |
| Comprehensive income attributable to non-controlling interests | (1) | 1 |