

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

January 30, 2017

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: February 10, 2017
 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, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	99,461	4.6	4,269	(8.0)	4,156	(10.1)	3,318	17.6
Nine months ended December 31, 2015	95,125	11.6	4,640	13.1	4,623	14.6	2,821	15.9

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2016	341.78	340.83
Nine months ended December 31, 2015	290.74	289.91

(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, 2016	42,495	26,922	62.8	2,747.08
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	–	39.00	–		
Year ending March 31, 2017 (Forecast)				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
Full year	131,680	4.3	5,930	(1.4)	5,780	(3.4)	4,260	17.1	438.78

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2016	10,324,150 shares	As of March 31, 2016	10,324,150 shares
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Number of treasury shares at the end of the period

As of December 31, 2016	615,564 shares	As of March 31, 2016	616,719 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, 2016	9,708,281 shares	Nine months ended December 31, 2015	9,704,432 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	7,708	4,738
Notes and accounts receivable - trade	19,337	21,225
Merchandise	17	10
Work in process	1	2
Supplies	17	15
Prepaid expenses	423	557
Deferred tax assets	242	48
Other	161	739
Allowance for doubtful accounts	(16)	(17)
Total current assets	27,893	27,319
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,225	7,464
Accumulated depreciation	(3,711)	(3,918)
Buildings and structures, net	3,513	3,546
Machinery, equipment and vehicles	3,323	4,153
Accumulated depreciation	(2,535)	(3,029)
Machinery, equipment and vehicles, net	788	1,123
Land	2,701	2,701
Leased assets	2,428	2,387
Accumulated depreciation	(1,065)	(1,176)
Leased assets, net	1,363	1,211
Construction in progress	63	—
Other	880	983
Accumulated depreciation	(564)	(657)
Other, net	315	325
Total property, plant and equipment	8,746	8,908
Intangible assets		
Goodwill	261	1,158
Leased assets	17	12
Software	1,554	1,486
Software in progress	109	40
Customer Relationship	—	561
Other	176	173
Total intangible assets	2,119	3,432
Investments and other assets		
Investment securities	1,403	938
Deferred tax assets	444	449
Guarantee deposits	1,370	1,296
Other	154	171
Allowance for doubtful accounts	(19)	(21)
Total investments and other assets	3,353	2,834
Total non-current assets	14,220	15,175
Total assets	42,113	42,495

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	8,960	9,041
Short-term loans payable	1,500	—
Lease obligations	232	229
Accounts payable - other	285	213
Accrued expenses	1,211	1,531
Income taxes payable	1,014	303
Accrued consumption taxes	598	518
Provision for bonuses	493	157
Provision for directors' bonuses	35	24
Other	381	647
Total current liabilities	14,712	12,666
Non-current liabilities		
Lease obligations	1,473	1,322
Deferred tax liabilities for land revaluation	11	11
Provision for stocks payment	100	134
Provision for Management Board Incentive Plan Trust	—	67
Reserve for loss on dissolution of employee's pension fund	309	309
Net defined benefit liability	118	112
Asset retirement obligations	410	440
Other	348	508
Total non-current liabilities	2,772	2,906
Total liabilities	17,485	15,573
Net assets		
Shareholders' equity		
Capital stock	1,080	1,080
Capital surplus	1,234	1,288
Retained earnings	22,974	25,523
Treasury shares	(966)	(1,016)
Total shareholders' equity	24,322	26,874
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	59	77
Revaluation reserve for land	26	26
Foreign currency translation adjustment	77	(326)
Remeasurements of defined benefit plans	21	18
Total accumulated other comprehensive income	184	(204)
Subscription rights to shares	115	111
Non-controlling interests	5	140
Total net assets	24,628	26,922
Total liabilities and net assets	42,113	42,495

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

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Net sales	95,125	99,461
Cost of sales	88,688	93,228
Gross profit	6,437	6,232
Selling, general and administrative expenses	1,796	1,963
Operating income	4,640	4,269
Non-operating income		
Interest and dividend income	11	15
Share of profit of entities accounted for using equity method	30	—
Subsidy income	2	8
Other	44	14
Total non-operating income	88	38
Non-operating expenses		
Interest expenses	95	86
Share of loss of entities accounted for using equity method	—	16
Other	11	47
Total non-operating expenses	106	151
Ordinary income	4,623	4,156
Extraordinary income		
Gain on sales of non-current assets	12	18
Gain on step acquisitions	—	595
Other	0	6
Total extraordinary income	13	620
Extraordinary losses		
Loss on abandonment of non-current assets	23	38
Loss on valuation of membership	—	11
Provision of reserve for loss on dissolution of employee's pension fund	309	—
Other	0	0
Total extraordinary losses	332	50
Profit before income taxes	4,304	4,725
Income taxes - current	1,410	1,223
Income taxes - deferred	82	175
Total income taxes	1,492	1,398
Profit	2,811	3,326
Profit attributable to		
Profit attributable to owners of parent	2,821	3,318
Profit (loss) attributable to non-controlling interests	(9)	8
Other comprehensive income		
Valuation difference on available-for-sale securities	(5)	17
Foreign currency translation adjustment	(29)	(433)
Remeasurements of defined benefit plans, net of tax	(4)	(3)
Total other comprehensive income	(39)	(418)
Comprehensive income	2,772	2,907
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,783	2,928
Comprehensive income attributable to non-controlling interests	(11)	(20)