

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

October 25, 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  
 Director, Senior Executive Officer / Atsunori Takabe  
 Corporate Planning Group TEL (052)939-2011  
 Scheduled date to file Quarterly Securities Report: November 5, 2021  
 Scheduled date to commence dividend payments: December 7, 2021  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 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	%
Six months ended September 30, 2021	79,716	9.7	3,959	10.2	4,010	9.4	2,600	1.5
Six months ended September 30, 2020	72,645	(9.4)	3,592	(2.2)	3,666	1.0	2,562	8.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	265.54		264.88	
Six months ended September 30, 2020	261.89		261.22	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	65,541	45,611	69.0	4,615.30
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				
Year ended March 31, 2021	–	55.00	–	60.00	115.00
Year ending March 31, 2022	–	62.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	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
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 six months ended September 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 September 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 September 30, 2021	528,755 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)

Six months ended September 30, 2021	9,792,434 shares	Six months ended September 30, 2020	9,784,999 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	19,973	20,509
Notes and accounts receivable - trade	24,895	-
Notes and accounts receivable - trade, and contract assets	-	23,920
Merchandise	14	8
Work in process	2	2
Supplies	14	14
Prepaid expenses	655	760
Other	307	150
Allowance for doubtful accounts	(0)	(1)
Total current assets	45,864	45,364
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,443	9,489
Accumulated depreciation	(4,917)	(5,027)
Buildings and structures, net	4,526	4,461
Machinery, equipment and vehicles	6,617	7,264
Accumulated depreciation	(5,195)	(5,368)
Machinery, equipment and vehicles, net	1,422	1,895
Land	2,871	3,005
Leased assets	2,439	2,408
Accumulated depreciation	(1,688)	(1,767)
Leased assets, net	751	640
RightOfUseAssets	1,496	1,496
Accumulated depreciation	(314)	(431)
RightOfUseAssets, net	1,182	1,065
Construction in progress	489	305
Other	1,565	1,495
Accumulated depreciation	(1,061)	(1,025)
Other, net	504	470
Total property, plant and equipment	11,747	11,844
Intangible assets		
Goodwill	756	733
Software	1,339	1,061
Software in progress	297	467
Customer Relationship	373	355
Other	158	157
Total intangible assets	2,926	2,774

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Investments and other assets		
Investment securities	2,598	2,755
Deferred tax assets	586	614
Deferred tax assets for land revaluation	19	19
Guarantee deposits	1,685	2,020
Other	198	160
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	5,075	5,556
Total non-current assets	19,749	20,176
Total assets	65,613	65,541

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	12,135	11,059
Lease obligations	629	545
Accounts payable - other	736	1,050
Accrued expenses	1,365	1,427
Income taxes payable	1,545	874
Accrued consumption taxes	1,624	655
Provision for bonuses	635	700
Provision for bonuses for directors (and other officers)	–	18
Other	322	365
Total current liabilities	18,995	16,697
Non-current liabilities		
Lease obligations	1,589	1,448
Deferred tax liabilities	96	90
Provision for share awards	284	302
Provision for share awards for directors (and other officers)	301	316
Retirement benefit liability	104	99
Asset retirement obligations	593	629
Other	372	346
Total non-current liabilities	3,342	3,232
Total liabilities	22,337	19,930
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,080	1,080
Capital surplus	1,796	1,809
Retained earnings	40,921	42,928
Treasury shares	(1,072)	(1,051)
Total shareholders' equity	42,725	44,766
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	485	513
Revaluation reserve for land	(44)	(44)
Foreign currency translation adjustment	(248)	(20)
Remeasurements of defined benefit plans	(8)	(6)
Total accumulated other comprehensive income	184	442
Share acquisition rights	104	100
Non-controlling interests	261	301
Total net assets	43,276	45,611
<b>Total liabilities and net assets</b>	<b>65,613</b>	<b>65,541</b>

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

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	72,645	79,716
Cost of sales	67,696	74,357
Gross profit	4,948	5,358
Selling, general and administrative expenses	1,356	1,398
Operating profit	3,592	3,959
Non-operating income		
Interest and dividend income	14	19
Share of profit of entities accounted for using equity method	29	36
Subsidy income	183	86
Other	37	50
Total non-operating income	265	192
Non-operating expenses		
Interest expenses	54	66
Loss on retirement of non-current assets	8	31
Compensation expenses	–	25
Other	127	19
Total non-operating expenses	191	142
Ordinary profit	3,666	4,010
Extraordinary losses		
Impairment losses	–	46
Total extraordinary losses	–	46
Profit before income taxes	3,666	3,964
Income taxes - current	1,112	1,381
Income taxes - deferred	(48)	(53)
Total income taxes	1,063	1,327
Profit	2,603	2,636
Profit attributable to		
Profit attributable to owners of parent	2,562	2,600
Profit attributable to non-controlling interests	40	35
Other comprehensive income		
Valuation difference on available-for-sale securities	350	27
Revaluation reserve for land	(70)	–
Foreign currency translation adjustment	(158)	233
Remeasurements of defined benefit plans, net of tax	1	2
Total other comprehensive income	122	264
Comprehensive income	2,725	2,900
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,696	2,858
Comprehensive income attributable to non-controlling interests	28	42

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	3,666	3,964
Impairment losses	–	46
Depreciation	1,160	1,285
Amortization of goodwill	64	70
Increase (decrease) in allowance for doubtful accounts	(0)	1
Increase (decrease) in provision for bonuses	40	64
Increase (decrease) in provision for bonuses for directors (and other officers)	16	18
Increase (decrease) in provision for share awards	23	18
Increase (decrease) in provision for share awards for directors (and other officers)	29	14
Increase (decrease) in retirement benefit liability	(0)	(1)
Interest and dividend income	(14)	(19)
Share of loss (profit) of entities accounted for using equity method	(29)	(36)
Subsidy income	(183)	(86)
Interest expenses	54	66
Loss on retirement of non-current assets	8	31
Compensation expenses	–	25
Decrease (increase) in trade receivables	2,818	–
Decrease (increase) in receivables and contract assets	–	1,060
Increase (decrease) in trade payables	(2,152)	(1,123)
Increase (decrease) in accrued consumption taxes	426	(969)
Other, net	(249)	429
Subtotal	5,679	4,858
Interest and dividends received	14	19
Dividends received from entities accounted for using equity method	–	31
Subsidies received	183	86
Interest paid	(54)	(66)
Compensation expenses paid	–	(25)
Income taxes paid	(1,206)	(1,990)
Net cash provided by (used in) operating activities	4,615	2,914
Cash flows from investing activities		
Payments into time deposits	–	(72)
Purchase of property, plant and equipment	(429)	(911)
Proceeds from sale of property, plant and equipment	124	28
Purchase of intangible assets	(308)	(238)
Purchase of investment securities	(121)	(111)
Other, net	21	(295)
Net cash provided by (used in) investing activities	(714)	(1,602)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Purchase of treasury shares	(0)	(0)
Proceeds from disposal of treasury shares	7	–
Dividends paid	(513)	(592)
Repayments of lease obligations	(222)	(339)
Net cash provided by (used in) financing activities	(728)	(933)
Effect of exchange rate change on cash and cash equivalents	(84)	84
Net increase (decrease) in cash and cash equivalents	3,088	463
Cash and cash equivalents at beginning of period	14,575	19,973
Cash and cash equivalents at end of period	17,663	20,436