



# Financial Results Briefing Materials

2nd Quarter of the Fiscal Year Ending March 2022

Securities Code: 9058

トランコム株式会社

October 26th, 2021

## Financial Results Topics

- **The main-line transportation, contract manufacturing & temporary staffing markets, which have been depressed due to the coronavirus pandemic, are on a recovery trend**
  - ✓ Sales and operating profit up 15% YoY for the logistics information service business
  - ✓ The industrial support business is building a solid business bases
- **The logistics management business is continuously steady from the previous year**
  - ✓ Pursuing overall logistics optimization for each customer during the coronavirus pandemic
- **Toward the creation of “transportation” in TRANCOM VISION 2025, promoting initiatives with a sense of speed**



## Results

(Millions of Yen)

	FY2020			FY2021						Plan	
	1Q	2Q	1st Half Total	1Q	YoY	2Q	YoY	1st Half Total	YoY	1st Half Plan	Plan ratio
<b>Sales</b>	35,932	36,712	<b>72,645</b>	39,605	10.2%	40,110	9.3%	<b>79,716</b>	<b>9.7%</b>	78,830	1.1%
<b>Operating profit</b> (% of Sales)	1,572 (4.4%)	2,020 (5.5%)	<b>3,592</b> <b>(4.9%)</b>	2,164 (5.5%)	37.7% (+1.1P)	1,795 (4.5%)	-11.1% <b>(-1.0P)</b>	<b>3,959</b> <b>(5.0%)</b>	<b>10.2%</b> <b>(+0.1P)</b>	3,670 (4.7%)	7.9% (+0.3P)
<b>Recurring profit</b> (% of Sales)	1,538 (4.3%)	2,127 (5.8%)	<b>3,666</b> <b>(5.0%)</b>	2,201 (5.6%)	43.1% (+1.3P)	1,808 (4.5%)	-15.0% <b>(-1.3P)</b>	<b>4,010</b> <b>(5.0%)</b>	<b>9.4%</b> <b>(+0.0P)</b>	3,720 (4.7%)	7.8% (+0.3P)
<b>Net profit attributable to parent company shareholders</b> (% of Sales)	904 (2.5%)	1,657 (4.5%)	<b>2,562</b> <b>(3.5%)</b>	1,453 (3.7%)	60.6% (+1.2P)	1,146 (2.9%)	-30.8% <b>(-1.6P)</b>	<b>2,600</b> <b>(3.3%)</b>	<b>1.5%</b> <b>(-0.2P)</b>	2,460 (3.1%)	5.7% (+0.2P)

**Sales:** Revenue increased in the logistics information service business, which was greatly impacted by the coronavirus pandemic in the previous year, with a consolidated sales increase of 9.7%

**Operating Profit:** Increased profits in all business segments, with consolidated profit growth of 10.2%

**Net Profit:** Consolidated profit increase of 1.5%



## Results by Segment

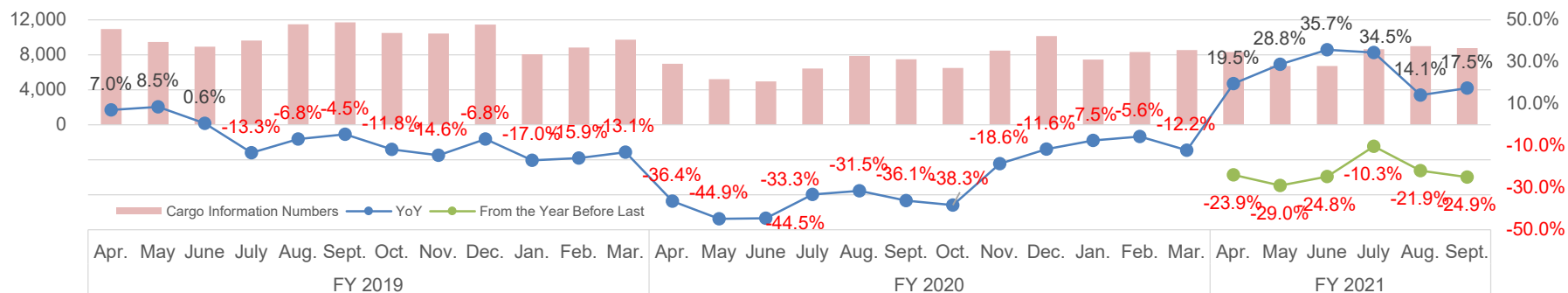
(Millions of Yen)

		FY2020			FY2021						Plan	
		1Q	2Q	1st Half Total	1Q	YoY	2Q	YoY	1st Half Total	YoY	1st Half Plan	Plan ratio
Logistics Management Business	Sales	13,751	13,700	27,451	14,037	2.1%	13,853	1.1%	27,891	1.6%	26,900	3.7%
	Operating profit (% of Sales)	1,016 (7.4%)	1,080 (7.9%)	2,097 (7.6%)	1,214 (8.7%)	19.4% (+1.3P)	972 (7.0%)	-10.0% (-0.9P)	2,187 (7.8%)	4.3% (+0.2P)	2,010 (7.5%)	8.8% (+0.3P)
Logistics information Service Business	Sales	18,492	19,158	37,651	21,344	15.4%	22,036	15.0%	43,381	15.2%	43,790	-0.9%
	Operating profit (% of Sales)	539 (2.9%)	782 (4.1%)	1,322 (3.5%)	796 (3.7%)	47.7% (+0.8P)	734 (3.3%)	-6.2% (-0.8P)	1,531 (3.5%)	15.8% (+0.0P)	1,520 (3.5%)	0.7% (+0.0P)
Industrial Support business	Sales	1,494	1,367	2,862	1,557	4.2%	1,605	17.4%	3,162	10.5%	2,850	11.0%
	Operating profit (% of Sales)	24 (1.6%)	22 (1.6%)	47 (1.6%)	76 (4.9%)	210.9% (+3.3P)	86 (5.4%)	282.1% (+3.8P)	162 (5.1%)	244.9% (+3.5P)	80 (2.8%)	103.1% (+2.3P)
Others	Sales	2,656	2,866	5,523	3,017	13.6%	3,026	5.6%	6,043	9.4%	5,990	0.9%
	Operating profit (% of Sales)	23 (0.9%)	168 (5.9%)	192 (3.5%)	109 (3.6%)	367.0% (+2.7P)	40 (1.3%)	-76.3% (-4.6P)	149 (2.5%)	-22.1% (-1.0P)	130 (2.2%)	15.2% (+0.3P)
Intercompany Eliminations	Sales	(462)	(379)	(842)	(351)	-	(411)	-	(763)	-	(700)	-
	Operating profit (% of Sales)	(32) -	(34) -	(66) -	(33) -	- -	(37) -	- -	(71) -	- -	(70) -	- -
Consolidated Total	Sales	35,932	36,712	72,645	39,605	10.2%	40,110	9.3%	79,716	9.7%	78,830	1.1%
	Operating profit (% of Sales)	1,572 (4.4%)	2,020 (5.5%)	3,592 (4.9%)	2,164 (5.5%)	37.7% (+1.1P)	1,795 (4.5%)	-11.1% (-1.0P)	3,959 (5.0%)	10.2% (+0.1P)	3,670 (4.7%)	7.9% (+0.3P)

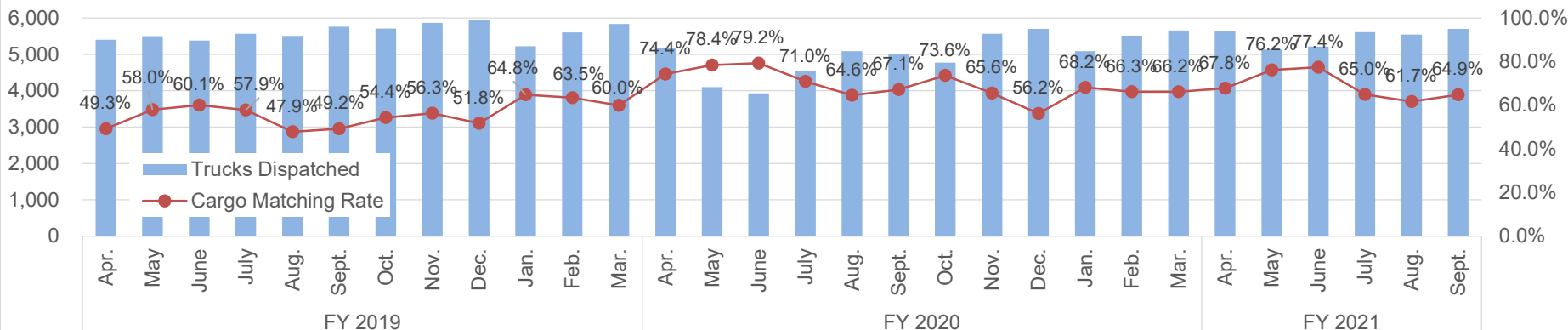


## Business situation during the coronavirus pandemic

Daily cargo information numbers since April 2019, and the rate of increase or decrease YoY and from the year before last



Number of trucks arranged since April 2019 and the cargo matching rate



**Cargo Movement Status:** A recovery trend compared to the coronavirus pandemic of FY2020, but has not returned to the FY2019 level before the coronavirus

# FY2021 Full-Year Forecast

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Transport



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(Millions of Yen)

	FY2020			FY2021 (Forecast)					
	1st Half	2nd Half	Full Year	1st Half (Actual)	YoY	2nd Half (Forecast)	YoY	Full Year	YoY
<b>Sales</b>	72,645	79,640	<b>152,285</b>	79,716	9.7%	83,760	5.2%	<b>163,470</b>	<b>7.3%</b>
<b>Operating profit</b>	3,592	4,651	<b>8,243</b>	3,959	10.2%	4,290	-7.8%	<b>8,250</b>	<b>0.1%</b>
(% of Sales)	(4.9%)	(5.8%)	<b>(5.4%)</b>	(5.0%)	(+0.1P)	(5.1%)	<b>(-0.7P)</b>	<b>(5.0%)</b>	<b>(-0.4P)</b>
<b>Recurring profit</b>	3,666	4,734	<b>8,401</b>	4,010	9.4%	4,270	-9.8%	<b>8,280</b>	<b>-1.4%</b>
(% of Sales)	(5.0%)	(5.9%)	<b>(5.5%)</b>	(5.0%)	(+0.0P)	(5.1%)	<b>(-0.8P)</b>	<b>(5.1%)</b>	<b>(-0.4P)</b>
<b>Net profit attributable to parent company shareholders</b>	2,562	3,167	<b>5,730</b>	2,600	1.5%	2,870	-9.4%	<b>5,470</b>	<b>-4.5%</b>
(% of Sales)	(3.5%)	(4.0%)	<b>(3.8%)</b>	(3.3%)	<b>(-0.2P)</b>	(3.4%)	<b>(-0.6P)</b>	<b>(3.3%)</b>	<b>(-0.5P)</b>

\*Full-year results forecast announced in April 2021 remains unchanged

**Sales:** The logistics information service business and the industrial support business, which were greatly impacted by the coronavirus pandemic in the previous year, are expected to increase sales by more than 10%, with a consolidated revenue increase of 7.3%

**Operating Profit:** Expecting upfront costs for the future, planning the same amount as the previous year

# FY2021 Full-Year Forecast

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## By Segment

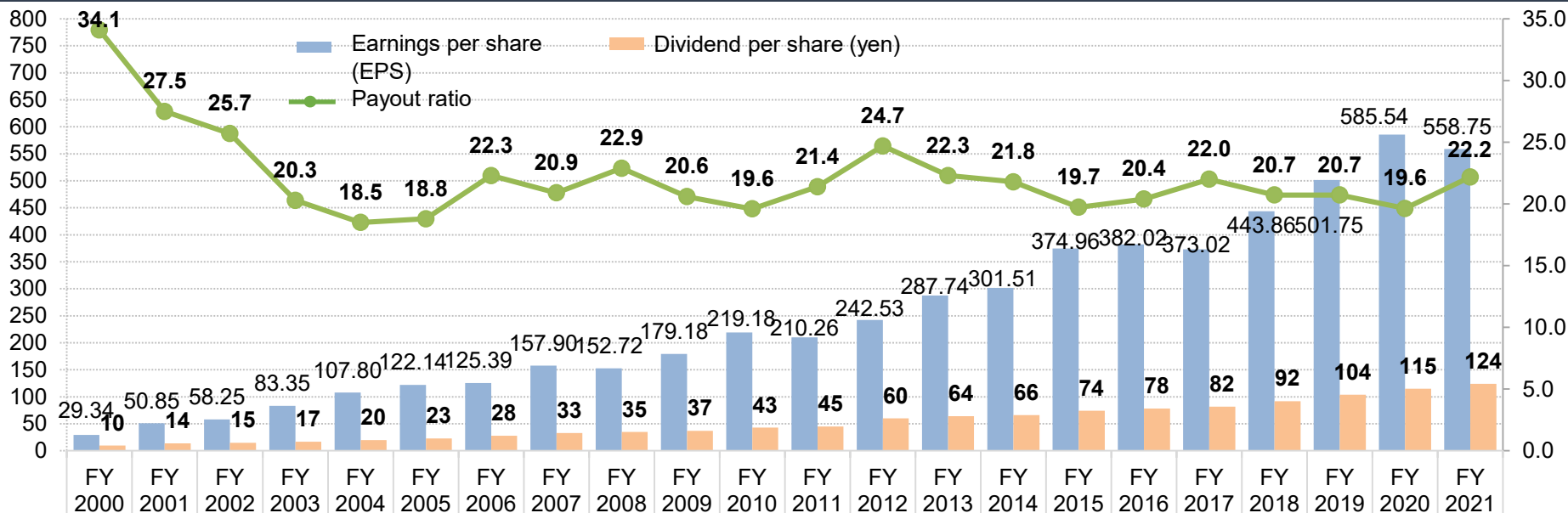
(Millions of Yen)

		FY2020			FY2021 (Forecast)						Plan	
		1st Half	2nd Half	Full Year	1st Half (Actual)	YoY	2nd Half (Revised forecast)	YoY	Full Year	YoY	2nd Half (Original plan)	Plan ratio
Logistics Management Business	Sales	27,451	27,871	55,322	27,891	1.6%	27,210	-2.4%	55,100	-0.4%	28,170	-3.4%
	Operating profit (% of Sales)	2,097 (7.6%)	2,500 (9.0%)	4,598 (8.3%)	2,187 (7.8%)	4.3% (+0.2P)	2,090 (7.7%)	-16.4% (-1.3P)	4,280 (7.8%)	-6.9% (-0.5P)	2,340 (8.3%)	-10.7% (-0.6P)
Logistics information Service Business	Sales	37,651	43,295	80,946	43,381	15.2%	47,370	9.4%	90,750	12.1%	47,680	-0.7%
	Operating profit (% of Sales)	1,322 (3.5%)	1,850 (4.3%)	3,172 (3.9%)	1,531 (3.5%)	15.8% (+0.0P)	1,850 (3.9%)	0.0% (-0.4P)	3,380 (3.7%)	6.5% (-0.2P)	1,860 (3.9%)	-0.5% (+0.0P)
Industrial Support business	Sales	2,862	3,018	5,880	3,162	10.5%	3,340	10.7%	6,500	10.5%	3,170	5.4%
	Operating profit (% of Sales)	47 (1.6%)	138 (4.6%)	185 (3.2%)	162 (5.1%)	244.9% (+3.5P)	200 (6.0%)	44.2% (+1.4P)	360 (5.5%)	93.8% (+2.3P)	170 (5.4%)	17.6% (+0.6P)
Others	Sales	5,523	6,192	11,716	6,043	9.4%	6,560	5.9%	12,600	7.5%	6,290	4.3%
	Operating profit (% of Sales)	192 (3.5%)	231 (3.7%)	423 (3.6%)	149 (2.5%)	-22.1% (-1.0P)	220 (3.4%)	-4.9% (-0.3P)	370 (2.9%)	-12.6% (-0.7P)	280 (4.5%)	-21.4% (-1.1P)
Intercompany Eliminations	Sales	(842)	(737)	(1,580)	(763)	-	(720)	-	(1,480)	-	(670)	-
	Operating profit (% of Sales)	(66) -	(69) -	(136) -	(71) -	- -	(70) -	- -	(140) -	- -	(70) -	- -
Consolidated Total	Sales	72,645	79,640	152,285	79,716	9.7%	83,760	5.2%	163,470	7.3%	84,640	-1.0%
	Operating profit (% of Sales)	3,592 (4.9%)	4,651 (5.8%)	8,243 (5.4%)	3,959 (5.0%)	10.2% (+0.1P)	4,290 (5.1%)	-7.8% (-0.7P)	8,250 (5.0%)	0.1% (-0.4P)	4,580 (5.4%)	-6.3% (-0.3P)



# Return to Shareholders

Dividend per share, earnings per share & dividend payout ratio since 2000



## Shareholder Return Policy

While actively investing for the purpose of business growth, continuing to return to shareholders & continuously increasing dividends

## About This FY Interim Dividend & FY End Dividend Forecast

Increase the dividend by 9 yen from the previous fiscal year to an annual dividend of 124 yen (21st consecutive dividend increase), with an interim dividend of 62 yen and an FY end dividend of 62 yen



# TRANCOM VISION 2025

## Progress Status



## Growth Image and Main Strategies

### TRANCOM VISION 2025

2021

2025

Towards building a “Transportation System”

Increasing the amount



Enhanced change



Alliance



From analog to digital

Active Investment - 35 Bln Yen in 5 Years  
< DX, Locations, Vehicles, Alliances & Human Resources >

TRANCOM VISION 2030  
Providing a  
“transportation” platform

Realizing a platform (optimally in the form of “transportation”) that is used by many companies

### Key Strategies

1. Improving and increasing transportation and delivery capacity & expanding a wide variety of transportation and delivery modes
2. Increasing the shipping volume handled in Japan
3. Business innovation for the load matching service
4. Strengthening innovation by collaborating with other companies
5. System development for the advancement of digitalization & building data connections with other companies



## Market Size

**Logistics industry  
as a whole**

About **24 tln yen**

**Truck transportation  
business**

About **14.4 tln yen**

Number of registered trucks

About **1,292,000 trucks**

**Home delivery  
business**

About **2.4 tln yen**

Number of registered trucks

About **288,000 trucks**

Source: “Logistics 2019 by the Numbers” from the Japan Association for Logistics and Transport;  
“By Vehicle Type (Details), Number of Registered Vehicles Table” from the Automobile  
Inspection & Registration Information Association

## What is TRANCOM'S "Transportation"?

### Providing an efficient "transportation" platform

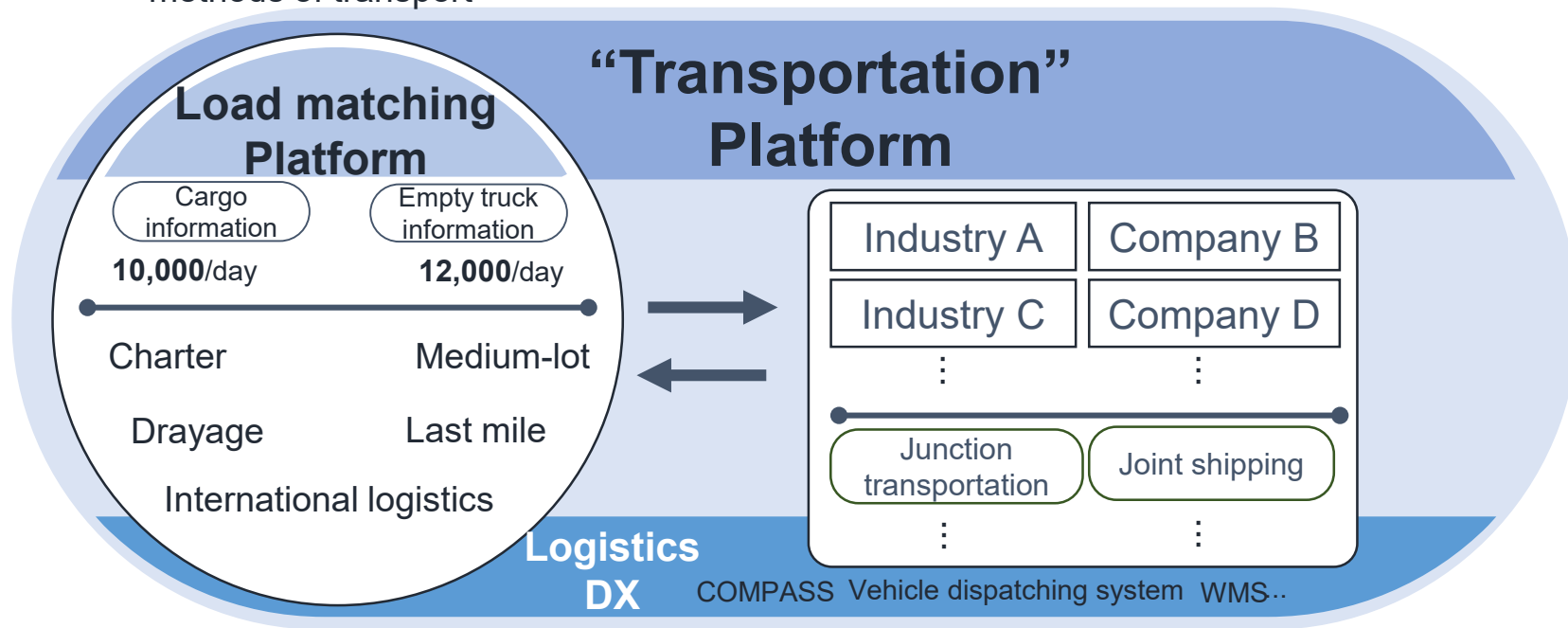
#### Load matching platform

Maintaining a platform that can flexibly respond to spot freight transportation needs in Japan

#### Increasing the amount of "transportation" arranged +

With a focus on manufacturers, increasing regular and fixed quantity cargo arrangements for high traffic customers.

Increasing & improving transportation and delivery capacity by making creative "methods of transport"





## What is TRANCOM'S "Transportation"?

# "Transportation" Platform

Customers



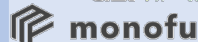
TRANCOM

Connected Companies  
& Structures

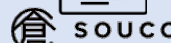
Companies



GLP



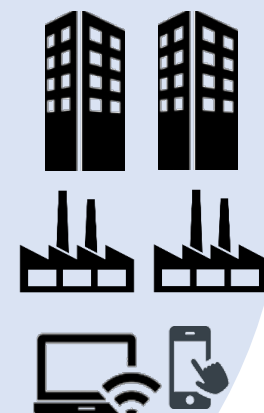
Pallet collection



Company A,  
etc.

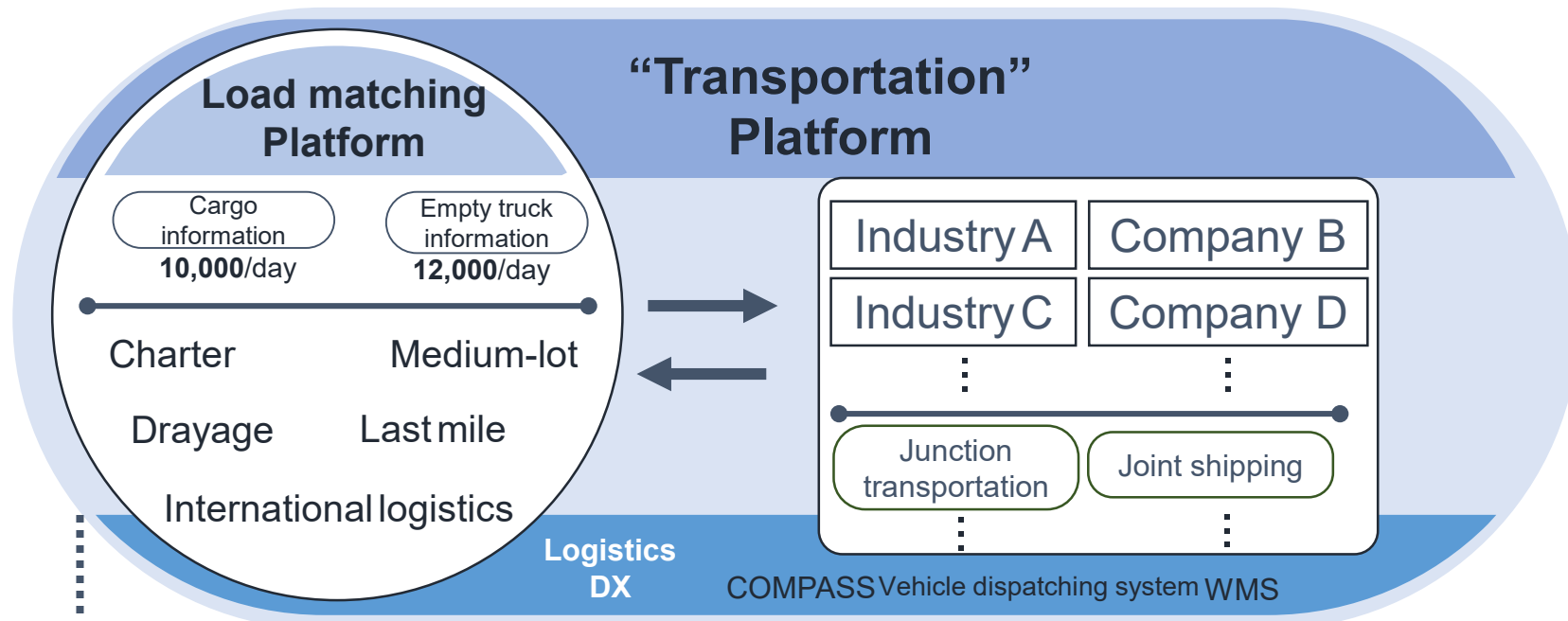


Company B, etc.



## "Connecting" Connect

## Specific Initiatives

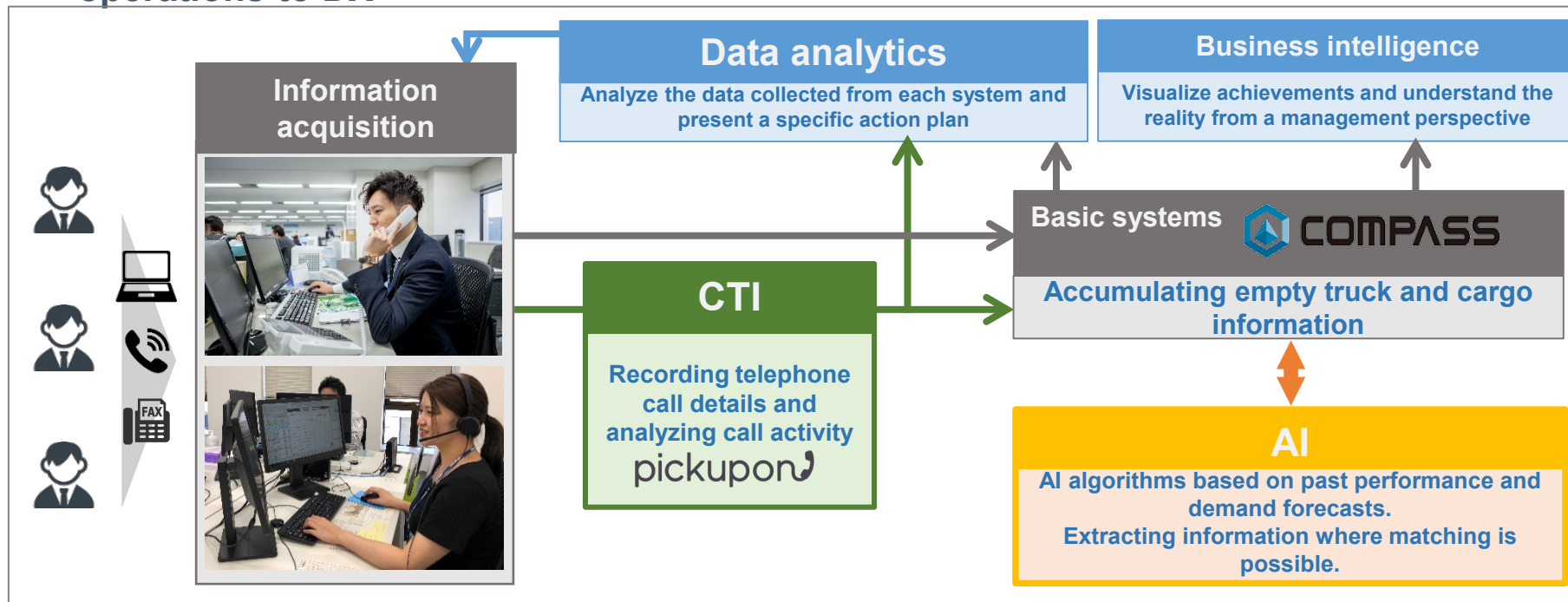


- 1 Improving service levels & boosting operational efficiency
- 2 Enhancing the load matching service
- 3 Further strengthening sales company wide
- 4 Perfecting "methods of transport"
- 5 Utilizing large locations

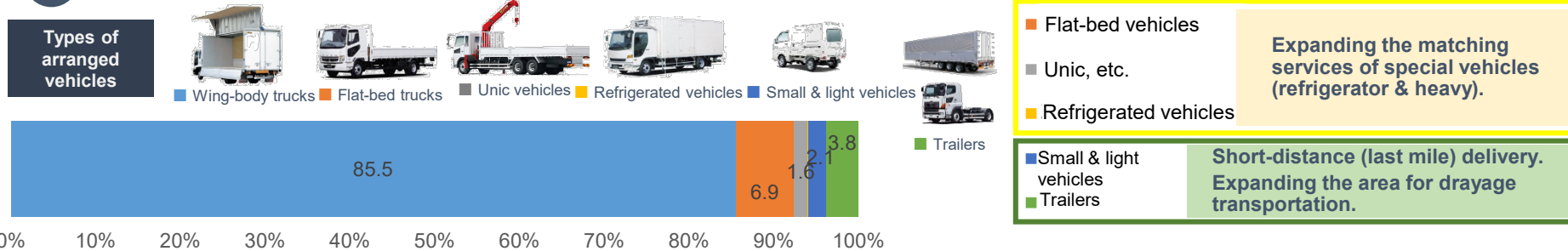
- 6 Systematization of information related to "transportation" in the company
- 7 Considering the next-generation COMPASS
- 8 Further developing next-generation logistics centers

## Specific Initiatives

### 1 Improving service levels & operational efficiency by converting vehicle dispatch operations to DX



### 2 Enhancing the load matching service & expanding the coverage area



## Specific Initiatives

### 3 Further strengthening sales company wide

- Strengthening sales activities focusing on **customers with a large amount of shipping**
- Strengthening the approach to **logistics information service customers**

### 4 Perfecting “methods of transport”

- Based on existing customers, making creative “methods of transport” such as **junction transportation** and **articulated trucks & swap body trucks**

### 5 Utilizing large locations

- Acquiring a new logistics operation in the **Kanto area**



- ▲ Positioned as a next-generation large-scale logistics center and tentatively named Hasuda LC

#### Highly efficient and convenient logistics facility

- ✓ 3 stories above ground, total floor area about 23,787 tsubo
- ✓ Located in a suitable location for logistics where the Metropolitan Inter - City Expressway and the Tohoku Expressway just cross each other
- ✓ Possible for large vehicles to drive into it
- ✓ Shortening the logistics lead time by double-sided berth design on the 1st floor
- ✓ Truck berths for 91 vehicles and a truck waiting area for 30 vehicles
- ✓ Smooth transportation and delivery is possible

- A junction location of the company (Fukuroi, Shizuoka Prefecture)



- ▲ A big parking space where large trucks can enter



- ▲ Double articulated trucks



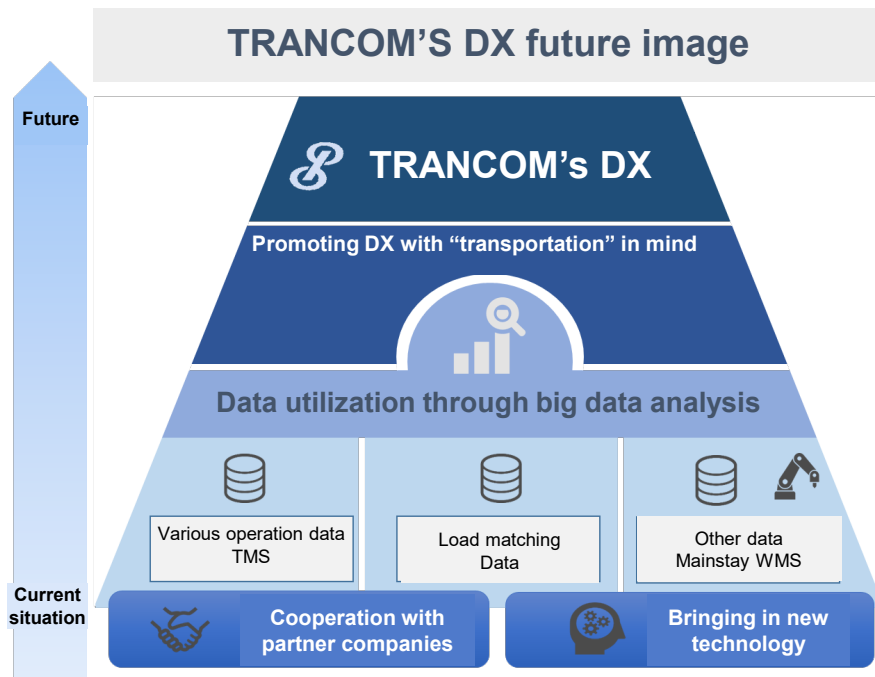
## Specific Initiatives

### 6 Digitization of information related to "transportation" in the company

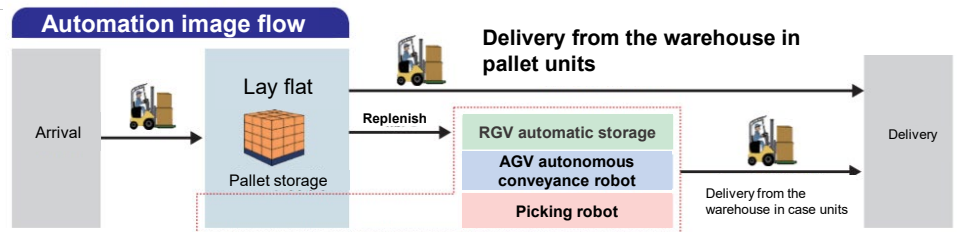
- Developing each operation data system, such as vehicle dispatch operations

### 7 Considering the next-generation COMPASS 8 Further developing next-generation logistics centers

- Promoting the automation of case picking work



### Innovative DX approach unique for 3PL operators



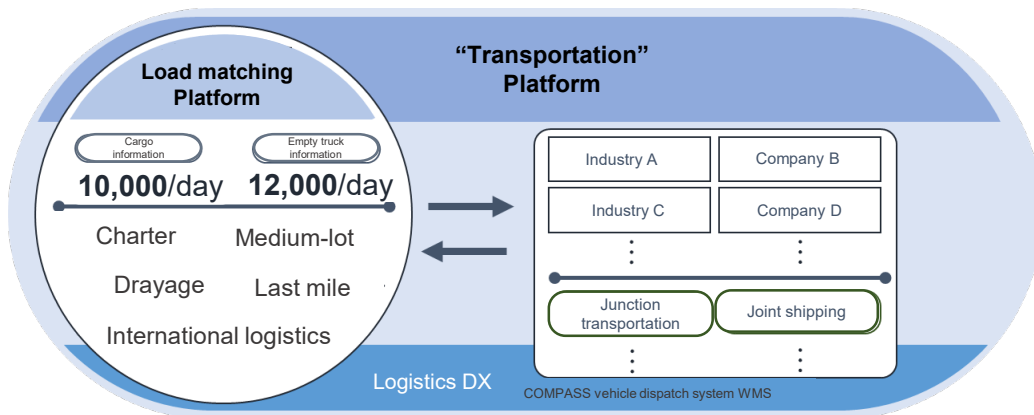
Automation of warehouse delivery work with forklifts

Obtained Patent No. 6783407



Achieves significant labor savings at 1/3 the cost.  
Obtaining a patent for the combination of AGV + RGV.

## Initiatives Toward Building a “Transportation System”



### 2019

#### Towards building a “Transportation System”

- ✓ Business alliance with GLP Japan & Monoful
- ✓ Mutual capital and business alliance with Hino Motors & NLJ
- ✓ Received the Minister of Economy, Trade and Industry Award at the 18th Green Logistics Partnership Conference

### 2020

- ✓ Promotion of palletization with the adoption of the Ministry of Land, Infrastructure, Transport and Tourism demonstration project
- ✓ Capital and business alliance with ChinoH.AI for automation of next-generation logistics centers
- ✓ Business alliance with Azoop, which operates the online vehicle trading platform "Truckers" for the transportation industry
- ✓ Capital and business alliance with Air Trunk, which provides the home delivery-type trunk room service "AIR TRUNK"
- ✓ Received the Minister of Land, Infrastructure, Transport and Tourism Award at the 19th Green Logistics Partnership Conference
- ✓ Established "TRANCOM Logistics Data LAB" to improve operational efficiency and strengthen utilization of big data

### 2021

#### Towards building a “Transportation System”

- ✓ Expansion of the Fukuroi sales office as a junction location (Fukuroi, Shizuoka Prefecture)
- ✓ Opened a large logistics center in Hasuda, Saitama Prefecture, as a core location for a wide variety of transportation and delivery functions in the Kanto area
- ✓ Capital and business alliance with Souco, which operates the warehouse and shipper matching platform "Souco"
- ✓ Introduced CTI (Pickupon) as a load matching service, and realized visualization of telephone call details



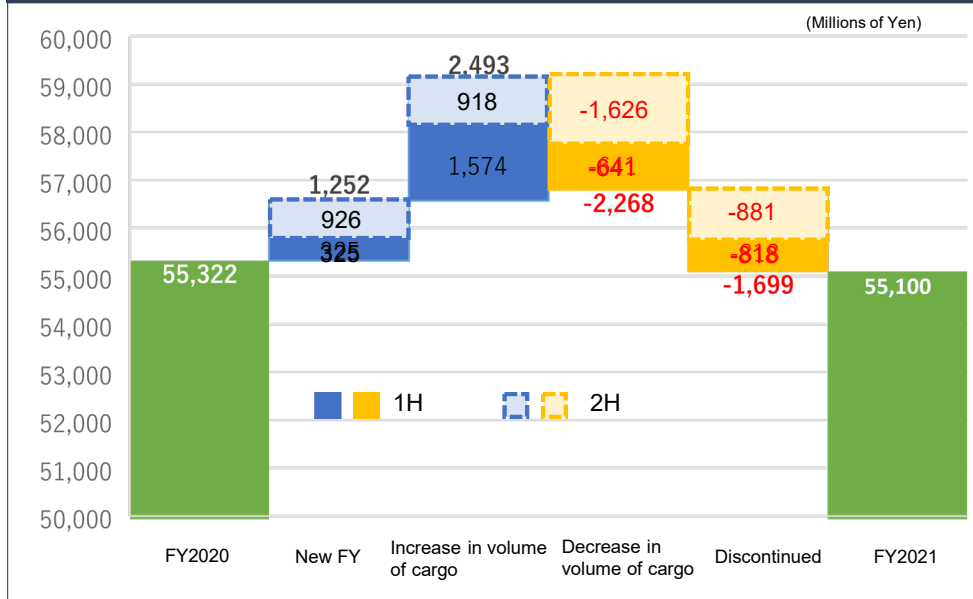
# Reference Materials

# FY2021 by Segment

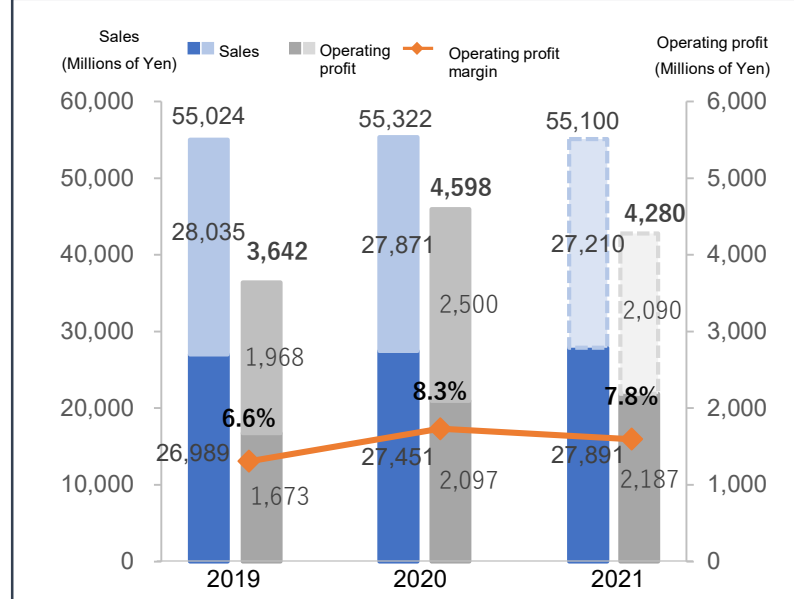


## Logistics Management Business

### Change in Sales



### Sales, Operating Profit, Operating Profit Margin



[Main factors for the change]

### Sales



Contribution of operating locations last FY and this FY



Business reduction & withdrawal from some existing locations.

### Operating Profit



Further improvement of productivity at existing locations



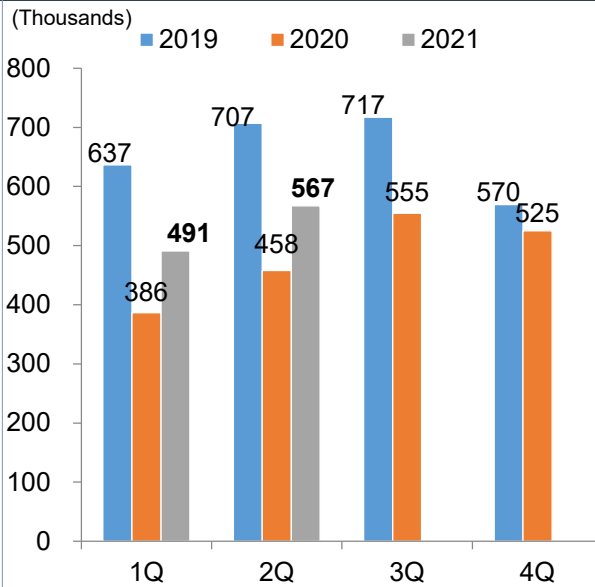
Recording upfront investment costs associated with leasing a strategic location (large Kanto location)

# FY2021 by Segment

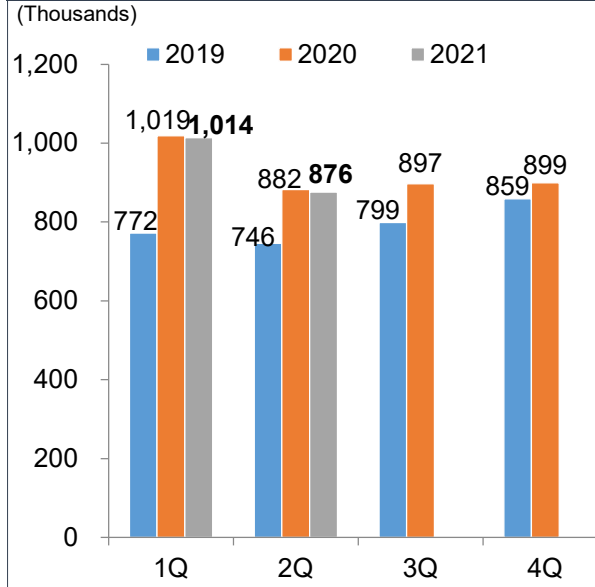


## Logistics Information Service Business

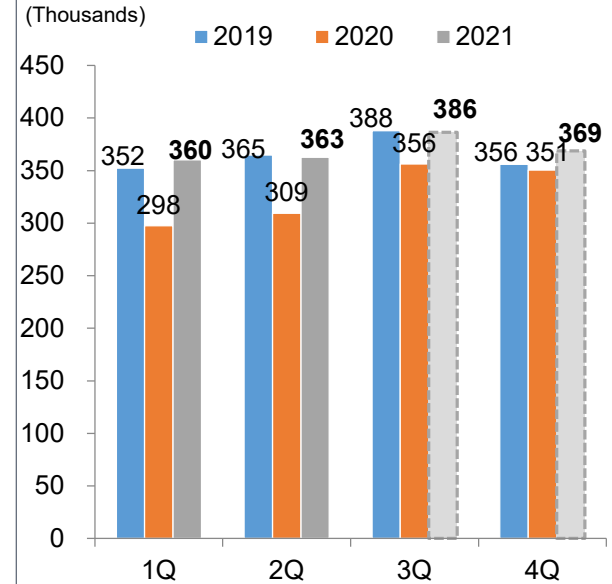
### Cargo Information Numbers



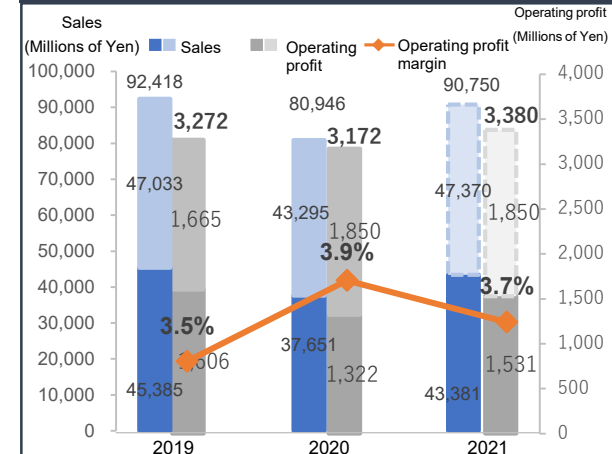
### Empty Truck Information Numbers



### Trucks Arranged



### Sales, Operating Profit, Operating Profit Margin



### <Main Indicators>

Information Numbers (YoY)

Cargo Information Numbers

	1Q	2Q	3Q	4Q
Cargo Information Numbers	Up 27.1%	Up 23.9%	-	-
Empty Truck Information Numbers	Dn 0.5%	Dn 0.7%	-	-
Trucks Arranged	Up 21.1%	Up 17.2%	Up 8.4%	Up 5.2%

Empty Truck Information Numbers

Trucks Arranged

Personnel Numbers (productivity personnel)

End Sept. 2020 End Mar. 2021 End Sept. 2021  
604 → 578 → 579

Dedicated Truck Numbers (day)

1,650 → 1,570 → 1,625

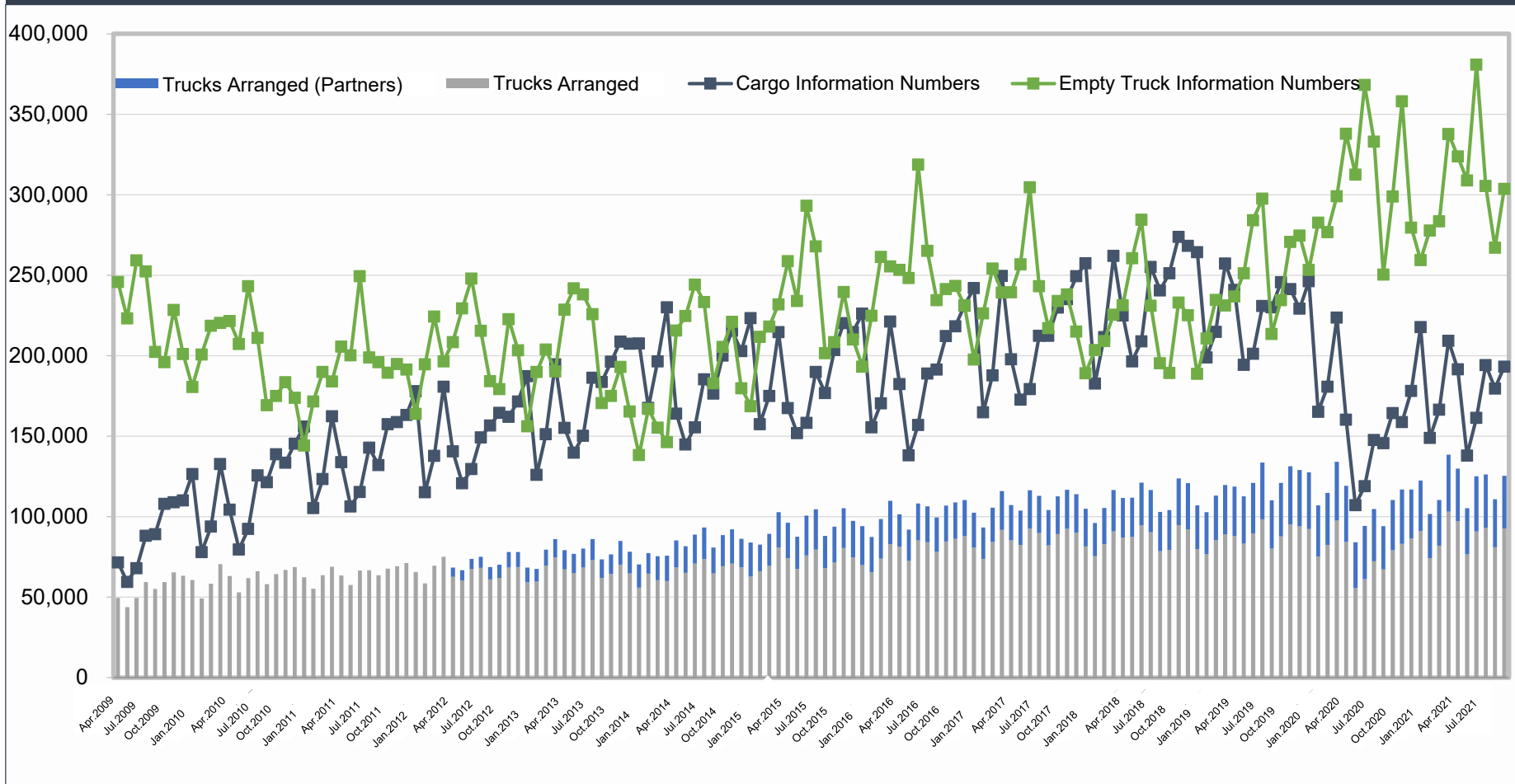
\*The number of trucks arranged in 3Q & 4Q is the planned value

# FY2021 by Segment



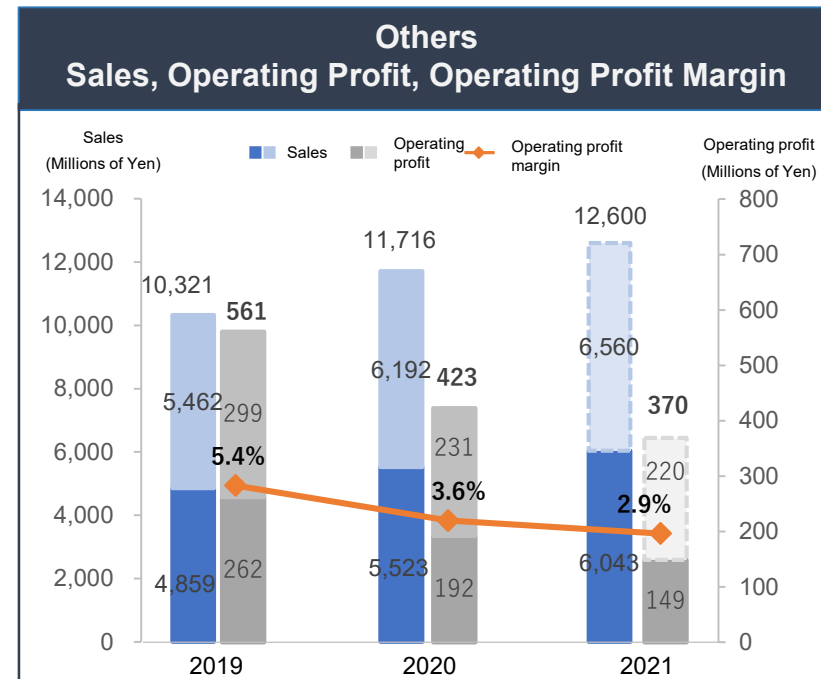
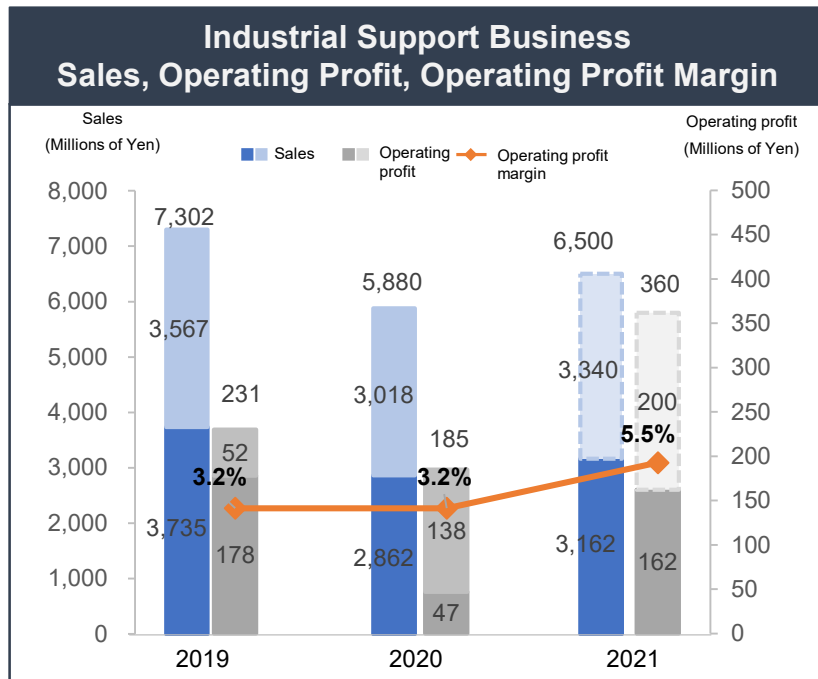
## Logistics Information Service Business - Change in Information Numbers

Change in Information Numbers (Apr. 2009 - Sept. 2021)





## Industrial Support Business & Others



### [Main factors for the change]



Revenue increase due to the coronavirus pandemic production recovery.

Optimization of indirect personnel.

Plan for a full-year operating profit margin of 5.5%.

### [Main factors for the change]



Expanding new business in China.



Increased costs to boost personnel and strengthen human resource development in anticipation of future overseas expansion.

■ 1H Exchange Rates: \*End of Sept. 2020 rate → End of Sept. 2021 rate.

China (15.54 yen → 17.30 yen / CNY); Thailand (3.34 yen → 3.30 yen / THB);

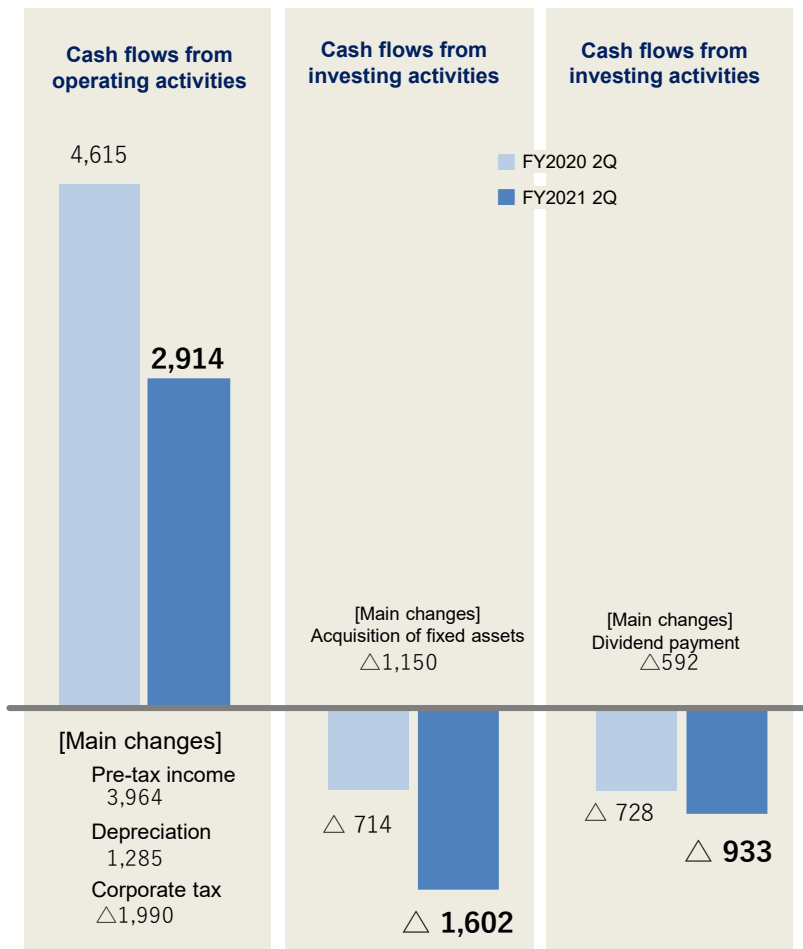
Singapore (77.30 yen → 82.20 yen / SGD)



## Cash Flow and Financial Status

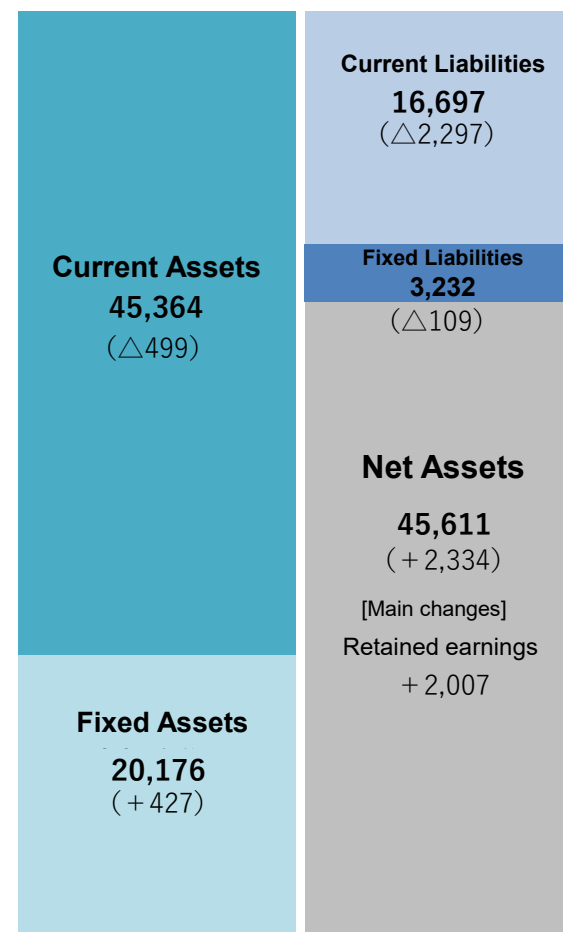
### Consolidated Cash Flow Statement

(Millions of Yen)



### Consolidated Balance Sheet

(Millions of Yen)





**For inquiries related to investor relations and this document, please contact the following.**

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\* This document contains forward-looking statements such as forecasts based on information at the time of preparation.  
Please be aware that the actual results may differ due to changing elements and risk factors in the future.