

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 31, 2022

Company name: TRANCOM CO.,LTD.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 9058 URL <https://www.trancom.co.jp/ir/>  
 Representative: President Yutaka Tsunekawa  
 Executive Officer / Human Resources and  
 General Affairs Group Wakaya Shiraki TEL (052)939-2011  
 Inquiries:  
 Scheduled date to file Quarterly Securities Report: February 4, 2022  
 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, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	122,409	8.0	6,184	(1.7)	6,274	(2.1)	4,050	(8.4)
Nine months ended December 31, 2020	113,348	(8.5)	6,290	3.2	6,409	6.1	4,421	10.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	413.56	412.54
Nine months ended December 31, 2020	451.80	450.65

(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, 2021	67,022	46,349	68.6	4,690.38
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	–	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 nine months ended December 31, 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 December 31, 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 December 31, 2021	527,485 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)

Nine months ended December 31, 2021	9,793,631 shares	Nine months ended December 31, 2020	9,785,667 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	19,973	18,457
Notes and accounts receivable - trade	24,895	–
Notes and accounts receivable - trade, and contract assets	–	26,538
Merchandise	14	7
Work in process	2	9
Supplies	14	16
Prepaid expenses	655	839
Other	307	507
Allowance for doubtful accounts	(0)	(1)
Total current assets	45,864	46,374
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,443	9,542
Accumulated depreciation	(4,917)	(5,111)
Buildings and structures, net	4,526	4,431
Machinery, equipment and vehicles	6,617	7,574
Accumulated depreciation	(5,195)	(5,526)
Machinery, equipment and vehicles, net	1,422	2,047
Land	2,871	3,005
Leased assets	2,439	2,404
Accumulated depreciation	(1,688)	(1,818)
Leased assets, net	751	585
RightOfUseAssets	1,496	1,515
Accumulated depreciation	(314)	(499)
RightOfUseAssets, net	1,182	1,016
Construction in progress	489	418
Other	1,565	1,512
Accumulated depreciation	(1,061)	(1,061)
Other, net	504	451
Total property, plant and equipment	11,747	11,958
Intangible assets		
Goodwill	756	700
Software	1,339	1,428
Software in progress	297	59
Customer Relationship	373	335
Other	158	156
Total intangible assets	2,926	2,679
Investments and other assets		
Investment securities	2,598	3,182
Deferred tax assets	586	432
Deferred tax assets for land revaluation	19	19
Guarantee deposits	1,685	2,228
Other	198	160
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	5,075	6,009
Total non-current assets	19,749	20,647
Total assets	65,613	67,022

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	12,135	11,794
Lease obligations	629	574
Accounts payable - other	736	1,368
Accrued expenses	1,365	1,655
Income taxes payable	1,545	481
Accrued consumption taxes	1,624	676
Provision for bonuses	635	230
Provision for bonuses for directors (and other officers)	–	25
Other	322	750
Total current liabilities	18,995	17,558
Non-current liabilities		
Lease obligations	1,589	1,304
Deferred tax liabilities	96	86
Provision for stocks payment	284	308
Provision for share awards for directors (and other officers)	301	331
Retirement benefit liability	104	97
Asset retirement obligations	593	632
Other	372	353
Total non-current liabilities	3,342	3,113
Total liabilities	22,337	20,672
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,080	1,080
Capital surplus	1,796	1,814
Retained earnings	40,921	43,765
Treasury shares	(1,072)	(1,049)
Total shareholders' equity	42,725	45,610
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	485	408
Revaluation reserve for land	(44)	(44)
Foreign currency translation adjustment	(248)	(18)
Remeasurements of defined benefit plans	(8)	(5)
Total accumulated other comprehensive income	184	339
Share acquisition rights	104	100
Non-controlling interests	261	299
Total net assets	43,276	46,349
<b>Total liabilities and net assets</b>	<b>65,613</b>	<b>67,022</b>

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

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	113,348	122,409
Cost of sales	105,053	114,092
Gross profit	8,295	8,316
Selling, general and administrative expenses	2,005	2,131
Operating profit	6,290	6,184
Non-operating income		
Interest and dividend income	21	28
Share of profit of entities accounted for using equity method	47	51
Subsidy income	228	108
Other	52	79
Total non-operating income	349	268
Non-operating expenses		
Interest expenses	78	94
Loss on retirement of non-current assets	11	32
Compensation expenses	–	25
Other	140	27
Total non-operating expenses	230	178
Ordinary profit	6,409	6,274
Extraordinary losses		
Impairment losses	–	46
Total extraordinary losses	–	46
Profit before income taxes	6,409	6,228
Income taxes - current	1,780	1,967
Income taxes - deferred	142	169
Total income taxes	1,923	2,136
Profit	4,485	4,091
Profit attributable to		
Profit attributable to owners of parent	4,421	4,050
Profit attributable to non-controlling interests	64	41
Other comprehensive income		
Valuation difference on available-for-sale securities	390	(77)
Revaluation reserve for land	(70)	–
Foreign currency translation adjustment	(148)	227
Remeasurements of defined benefit plans, net of tax	1	3
Total other comprehensive income	173	152
Comprehensive income	4,659	4,244
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,612	4,204
Comprehensive income attributable to non-controlling interests	46	39