

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

April 27, 2022

Company name: TRANCOM CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 9058 URL <https://www.trancom.co.jp/ir/>
 Representative: Representative Director ,President Atsunori Takabe
 Inquiries: Executive Officer / Finance and Accounting Naoki Mitamura TEL (052)939-2011
 Scheduled date of ordinary general meeting of shareholders: June 16, 2022
 Scheduled date to file Securities Report: June 17, 2022
 Scheduled date to commence dividend payments: June 17, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	162,984	7.0	7,990	(3.1)	8,190	(2.5)	5,291	(7.7)
Year ended March 31, 2021	152,285	(6.8)	8,243	9.0	8,401	13.3	5,730	16.7

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	540.24	538.91	11.7	12.1	4.9
Year ended March 31, 2021	585.54	584.04	14.2	13.4	5.4

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	69,636	47,636	67.8	4,816.37
As of March 31, 2021	65,613	43,276	65.4	4,383.19

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	7,239	(5,605)	(1,804)	19,949
Year ended March 31, 2021	8,808	(1,851)	(1,520)	19,973

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	—	55.00	—	60.00	115.00	1,135	19.6	2.8
Year ended March 31, 2022	—	62.00	—	64.00	126.00	1,245	23.3	2.7
Year ending March 31, 2023 (Forecast)	—	68.00	—	68.00	136.00		20.5	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	83,280	4.5	3,820	(3.5)	3,890	(3.0)	3,380	30.0	345.01
Full year	170,000	4.3	8,530	6.7	8,640	5.5	6,510	23.0	664.50

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	10,324,150 shares	As of March 31, 2021	10,324,150 shares
----------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2022	527,285 shares	As of March 31, 2021	534,530 shares
----------------------	----------------	----------------------	----------------

Average number of shares during the period

Year ended March 31, 2022	9,794,415 shares	Year ended March 31, 2021	9,786,575 shares
---------------------------	------------------	---------------------------	------------------

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	19,973	20,024
Notes and accounts receivable - trade	21,223	–
Notes and accounts receivable - trade, and contract assets	–	21,670
Electronically recorded monetary claims - operating	3,672	4,058
Merchandise	14	8
Work in process	2	5
Supplies	14	18
Prepaid expenses	655	794
Other	307	222
Allowance for doubtful accounts	(0)	(1)
Total current assets	45,864	46,800
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,443	9,874
Accumulated depreciation	(4,917)	(5,197)
Buildings and structures, net	4,526	4,676
Machinery, equipment and vehicles	6,617	7,960
Accumulated depreciation	(5,195)	(5,764)
Machinery, equipment and vehicles, net	1,422	2,195
Land	2,871	3,005
Leased assets	2,439	2,376
Accumulated depreciation	(1,688)	(1,830)
Leased assets, net	751	545
Right-of-use assets	1,496	1,797
Accumulated depreciation Right-of-use assets	(314)	(605)
Right-of-use assets, net	1,182	1,192
Construction in progress	489	251
Other	1,565	1,596
Accumulated depreciation	(1,061)	(1,107)
Other, net	504	489
Total property, plant and equipment	11,747	12,356
Intangible assets		
Goodwill	756	1,761
Software	1,339	1,432
Software in progress	297	36
Customer Relationship	373	325
Other	158	154
Total intangible assets	2,926	3,711
Investments and other assets		
Investment securities	2,598	3,622
Deferred tax assets	586	755
Deferred tax assets for land revaluation	19	19
Guarantee deposits	1,685	2,240
Other	198	142
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	5,075	6,768
Total non-current assets	19,749	22,836
Total assets	65,613	69,636

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	12,135	12,402
Lease liabilities	629	708
Accounts payable - other	736	1,727
Accrued expenses	1,365	1,355
Income taxes payable	1,545	1,024
Accrued consumption taxes	1,624	673
Provision for bonuses	635	635
Other	322	357
Total current liabilities	18,995	18,885
Non-current liabilities		
Lease liabilities	1,589	1,295
Deferred tax liabilities	96	82
Provision for stocks payment	284	306
Provision for share awards for directors (and other officers)	301	343
Retirement benefit liability	104	94
Asset retirement obligations	593	636
Other	372	356
Total non-current liabilities	3,342	3,115
Total liabilities	22,337	22,000
Net assets		
Shareholders' equity		
Share capital	1,080	1,080
Capital surplus	1,796	1,815
Retained earnings	40,921	45,007
Treasury shares	(1,072)	(1,049)
Total shareholders' equity	42,725	46,853
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	485	241
Revaluation reserve for land	(44)	(44)
Foreign currency translation adjustment	(248)	141
Remeasurements of defined benefit plans	(8)	(5)
Total accumulated other comprehensive income	184	332
Share acquisition rights	104	100
Non-controlling interests	261	350
Total net assets	43,276	47,636
Total liabilities and net assets	65,613	69,636

Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	152,285	162,984
Cost of sales	141,306	152,076
Gross profit	10,979	10,907
Selling, general and administrative expenses	2,735	2,917
Operating profit	8,243	7,990
Non-operating income		
Interest and dividend income	27	37
Share of profit of entities accounted for using equity method	61	75
Subsidy income	271	207
Other	75	94
Total non-operating income	436	415
Non-operating expenses		
Interest expenses	116	122
Loss on retirement of non-current assets	15	34
Loss on sale of non-current assets	29	0
Compensation expenses	–	25
Other	117	33
Total non-operating expenses	278	215
Ordinary profit	8,401	8,190
Extraordinary losses		
Impairment losses	–	48
Loss on valuation of investment securities	–	40
Total extraordinary losses	–	88
Profit before income taxes	8,401	8,101
Income taxes - current	2,682	2,837
Income taxes - deferred	(85)	(87)
Total income taxes	2,596	2,749
Profit	5,804	5,351
Profit attributable to		
Profit attributable to owners of parent	5,730	5,291
Profit attributable to non-controlling interests	74	60
Other comprehensive income		
Valuation difference on available-for-sale securities	320	(244)
Revaluation reserve for land	(70)	–
Foreign currency translation adjustment	(73)	396
Remeasurements of defined benefit plans, net of tax	2	3
Total other comprehensive income	179	154
Comprehensive income	5,984	5,506
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,920	5,439
Comprehensive income attributable to non-controlling interests	63	67

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,080	1,740	36,175	(1,044)	37,951
Changes during period					
Dividends of surplus			(1,056)		(1,056)
Profit attributable to owners of parent			5,730		5,730
Purchase of treasury shares				(46)	(46)
Disposal of treasury shares		55		19	74
Reversal of revaluation reserve for land			70		70
Net changes in items other than shareholders' equity					
Total changes during period	–	55	4,745	(27)	4,773
Balance at end of period	1,080	1,796	40,921	(1,072)	42,725

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	165	26	(186)	(11)	(5)	104	199	38,250
Changes during period								
Dividends of surplus								(1,056)
Profit attributable to owners of parent								5,730
Purchase of treasury shares								(46)
Disposal of treasury shares								74
Reversal of revaluation reserve for land								70
Net changes in items other than shareholders' equity	320	(70)	(61)	2	190	–	62	252
Total changes during period	320	(70)	(61)	2	190	–	62	5,025
Balance at end of period	485	(44)	(248)	(8)	184	104	261	43,276

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,080	1,796	40,921	(1,072)	42,725
Changes during period					
Dividends of surplus			(1,205)		(1,205)
Profit attributable to owners of parent			5,291		5,291
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		19		22	42
Reversal of revaluation reserve for land					–
Net changes in items other than shareholders' equity					
Total changes during period	–	19	4,085	22	4,127
Balance at end of period	1,080	1,815	45,007	(1,049)	46,853

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	485	(44)	(248)	(8)	184	104	261	43,276
Changes during period								
Dividends of surplus								(1,205)
Profit attributable to owners of parent								5,291
Purchase of treasury shares								(0)
Disposal of treasury shares								42
Reversal of revaluation reserve for land								–
Net changes in items other than shareholders' equity	(244)	–	389	3	147	(4)	88	232
Total changes during period	(244)	–	389	3	147	(4)	88	4,360
Balance at end of period	241	(44)	141	(5)	332	100	350	47,636

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	8,401	8,101
Depreciation	2,433	2,711
Amortization of goodwill	132	146
Impairment losses	–	48
Increase (decrease) in allowance for doubtful accounts	(3)	1
Increase (decrease) in provision for bonuses	(6)	0
Increase (decrease) in Provision for stocks payment	26	22
Increase (decrease) in provision for share awards for directors (and other officers)	51	42
Increase (decrease) in retirement benefit liability	2	(5)
Interest and dividend income	(27)	(37)
Share of loss (profit) of entities accounted for using equity method	(61)	(75)
Subsidy income	(271)	(207)
Interest expenses	116	122
Loss on retirement of non-current assets	15	34
Loss (gain) on sale of non-current assets	20	(14)
Loss (gain) on valuation of investment securities	–	40
Compensation expenses	–	25
Decrease (increase) in trade receivables	278	–
Decrease (increase) in receivables and contract assets	–	(549)
Increase (decrease) in trade payables	(361)	146
Increase (decrease) in accounts payable - other	74	921
Increase (decrease) in accrued consumption taxes	626	(954)
Other, net	(384)	(37)
Subtotal	11,062	10,483
Interest and dividends received	27	37
Dividends received from entities accounted for using equity method	–	31
Subsidies received	271	207
Interest paid	(116)	(122)
Compensation expenses paid	–	(25)
Income taxes paid	(2,437)	(3,371)
Net cash provided by (used in) operating activities	8,808	7,239
Cash flows from investing activities		
Payments into time deposits	–	(74)
Purchase of property, plant and equipment	(1,099)	(2,150)
Proceeds from sale of property, plant and equipment	124	44
Purchase of intangible assets	(526)	(472)
Purchase of investment securities	(234)	(1,391)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(1,083)
Other, net	(116)	(475)
Net cash provided by (used in) investing activities	(1,851)	(5,605)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Purchase of treasury shares	(46)	(0)
Proceeds from disposal of treasury shares	74	38
Dividends paid	(1,056)	(1,205)
Repayments of lease liabilities	(492)	(636)
Net cash provided by (used in) financing activities	(1,520)	(1,804)
Effect of exchange rate change on cash and cash equivalents	(37)	146
Net increase (decrease) in cash and cash equivalents	5,397	(23)
Cash and cash equivalents at beginning of period	14,575	19,973
Cash and cash equivalents at end of period	19,973	19,949