

「はこぶ」を創造する
Transport Creating



FY2021

Financial Results

Briefing Materials

April 28th, 2022

TRANCOM CO., LTD.

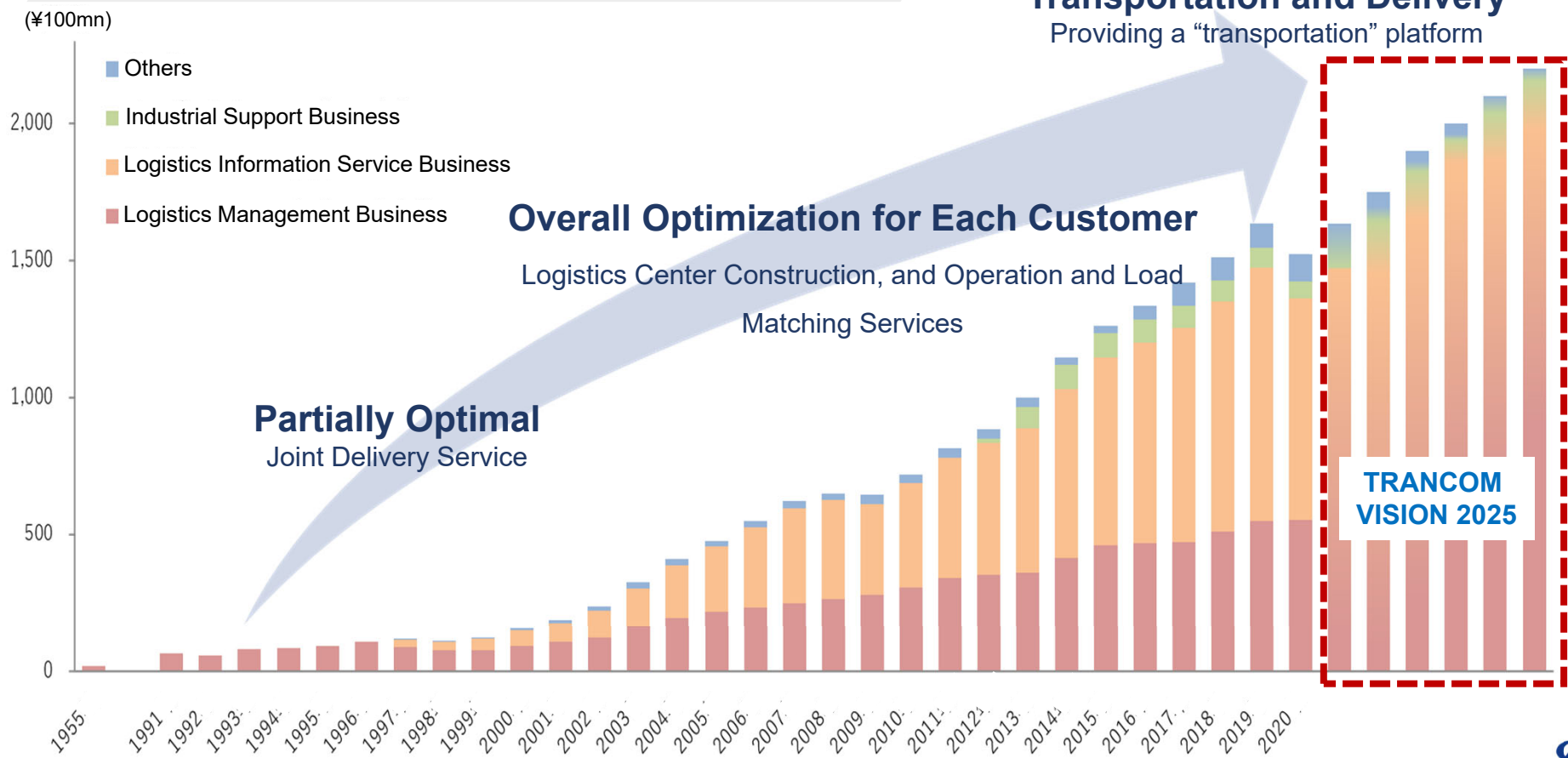
(Securities Code: 9058)



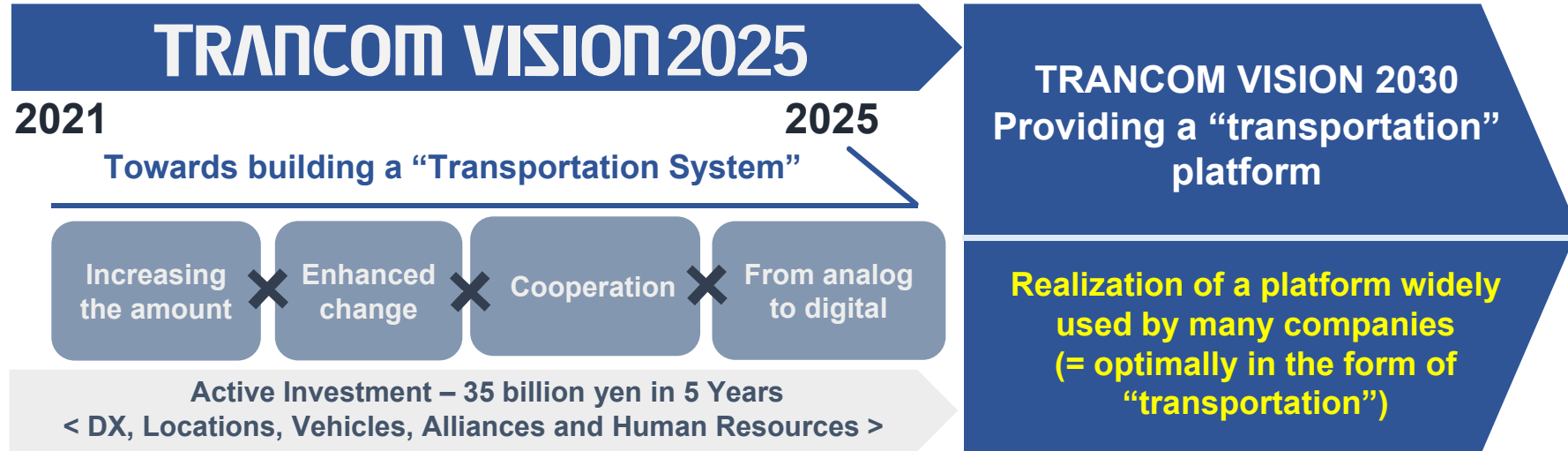
TRANCOM Business Reform



Change in Sales Since the Company was Founded



TRANCOM VISION 2025 Image of Growth



▼ Pillars for Growth: Human Resources, Business and DX/ICT

Human Resources	<ul style="list-style-type: none"> • Creating human resources and an organization that can face challenges on their own and act independently
Business	<ul style="list-style-type: none"> • Further strengthening business advantages and building various functions • Initiatives that focus on “quality”: The quality of logistics and shipping, and the quality of support and communication • Initiatives that focus on “quantity”: Amount of activity, amount of shipping, and amount of contact with customers
DX/ICT	<ul style="list-style-type: none"> • Focusing on DX and ICT to transform the company and business





TRANCOM VISION2025 Start Year

Focusing Management Resources on Transportation System, Investing in Business and Functions, and Restructuring the Organization

- **Improving and increasing transportation and delivery capacity and expanding a wide variety of transportation and delivery modes**

Building various shipping modes such as junction transportation, mass shipping and joint shipping.

Opening a strategic location in the Kanto area, and acquiring new customer logistics operations that will lead to the next fiscal year.

- **Capital and business alliance with CBcloud Co., Ltd.**  **CBcloud**

Providing the largest full lineup of load matching services in Japan by combining our medium- and long-distance load matching services with CBcloud's nationwide dispatching network of 50,000 motorcycles and light truck in the last mile area.

- **Promoting and strengthening logistics DX**  **accenture**

Transferring the external sales business of TRANCOM ITS to Accenture

Transferring to Accenture the external sales business of TRANCOM ITS, which designs, develops and maintains systems. Promoting joint solution development for the construction of new manufacturing and the realization of logistics DX that supports it, and promoting collaboration through the building of new DX solutions for our group.



TRANCOM VISION2025 Start Year

● Overseas Expansion: Strengthening growth in the ASEAN region



Making Starlink Resources Pte. Ltd., a logistics company in Singapore, part of our group
Making a company that is engaged in the logistics operations of global apparel and healthcare companies, etc., a part of our group. In Singapore, handling inventory management and ordering at the stores and warehouses of clients with the latest IT systems, and maintaining high profitability. Currently considering expanding into Malaysia, Thailand and Indonesia, etc.

● Restructuring the organization and a new management team starts Consolidating Transportation and delivery related business functions into Transport Headquarter in order to strengthen cooperation between business divisions

⊕ Transport Headquarter: A unit that align and executes "transportation system" initiatives

⊕ Under the Transport Headquarter

Logistics information service (load matching service), automotive logistics (automobile-related logistics), supply chain logistics (3PL logistics), and last mile PJ (last mile concept project)

● Positioning human resources and SDGs and ESG as important management initiatives

⊕ Newly establishing a human resource development and planning department
(within the personnel planning group)

⊕ Newly establishing SDGs and ESG (within the corporate planning group)

FY2021 Results



(Millions of Yen)

	FY2020			FY2021				Planned values	
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	YoY	Full-year forecast	Plan ratio
Sales	72,645	79,640	152,285	79,716	83,267	162,984	7.0%	163,470	-0.3%
Operating profit	3,592	4,651	8,243	3,959	4,031	7,990	-3.1%	8,250	-3.1%
(% of Sales)	(4.9%)	(5.8%)	(5.4%)	(5.0%)	(4.8%)	(4.9%)	(-0.5P)	(5.0%)	(-0.1P)
Recurring Profit	3,666	4,734	8,401	4,010	4,180	8,190	-2.5%	8,280	-1.1%
(% of Sales)	(5.0%)	(5.9%)	(5.5%)	(5.0%)	(5.0%)	(5.0%)	(-0.5P)	(5.1%)	(-0.1P)
Net Profit Attributable to Parent Company Shareholders	2,562	3,167	5,730	2,600	2,691	5,291	-7.7%	5,470	-3.3%
(% of Sales)	(3.5%)	(4.0%)	(3.8%)	(3.3%)	(3.2%)	(3.2%)	(-0.6P)	(3.3%)	(-0.1P)

Sales: Revenue increased in the logistics information service business, which was impacted by the coronavirus pandemic in the previous year, with a consolidated sales increase of 7.0%

Operating profit: 3.1% decrease in consolidated operating profit due to upfront investments costs for transportation

Net profit: 7.7% decrease in consolidated net profit

FY2021 Results (by Segment)



		(Millions of Yen)			Planned values	
		FY2020	FY2021		Full-year forecast	Plan ratio
		Full Year	Full Year	YoY		
Logistics Management Business	Sales	55,322	55,499	0.3%	55,100	0.7%
	Operating profit (% of Sales)	4,598 (8.3%)	4,218 (7.6%)	-8.3% (-0.7P)	4,280 (7.8%)	-1.4% (-0.2P)
Logistics information Service Business	Sales	80,946	89,477	10.5%	90,750	-1.4%
	Operating profit (% of Sales)	3,172 (3.9%)	3,194 (3.6%)	0.7% (-0.3P)	3,380 (3.7%)	-5.5% (-0.1P)
Industrial Support Business	Sales	5,880	6,278	6.8%	6,500	-3.4%
	Operating profit (% of Sales)	185 (3.2%)	318 (5.1%)	71.4% (+1.9P)	360 (5.5%)	-11.6% (-0.4P)
Others	Sales	11,716	13,259	13.2%	12,600	5.2%
	Operating profit (% of Sales)	423 (3.6%)	407 (3.1%)	-3.9% (-0.5P)	370 (2.9%)	10.0% (+0.2P)
Intercompany Eliminations	Sales	-1,580	-1,530	-	-1,480	-
	Operating profit (% of Sales)	-136 -	-147 -	-	-140 -	-
Consolidated Total	Sales	152,285	162,984	7.0%	163,470	-0.3%
	Operating profit (% of Sales)	8,243 (5.4%)	7,990 (4.9%)	-3.1% (-0.5P)	8,250 (5.0%)	-3.1% (-0.1P)

Main Factors

Logistics Management Business

- Reducing costs, and stable business operation
- Recording of upfront investment costs for North Kanto strategic location

Logistics Information Service Business

- Recovered from the FY2020 coronavirus pandemic and revenue increased
- Appropriate freight unit price payment (Soaring fuel costs, etc.)

Industrial Support Business

- Improvement in the profit structure by optimizing management personnel and costs

Others

- China and Thailand: New contracting of business
- Singapore: Impact of the coronavirus continues

FY2021 Results by Fiscal Half (by Segment)



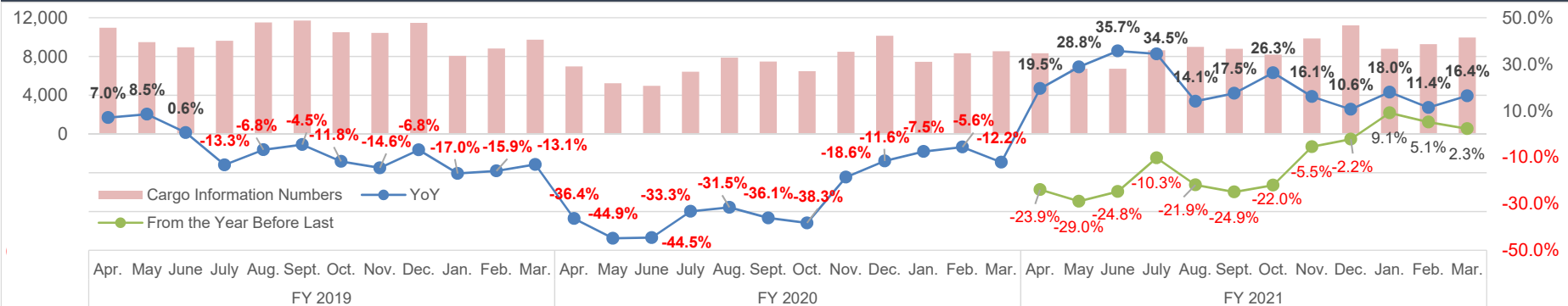
(Millions of Yen)

		FY2020			FY2021				Full Year	YoY
		1st Half	2nd Half	Full Year	1st Half	YoY	2nd Half	YoY		
Logistics Management Business	Sales	27,451	27,871	55,322	27,891	1.6%	27,607	-0.9%	55,499	0.3%
	Operating profit (% of Sales)	2,097 (7.6%)	2,500 (9.0%)	4,598 (8.3%)	2,187 (7.8%)	4.3% (+0.2P)	2,030 (7.4%)	-18.8% (-1.6P)	4,218 (7.6%)	-8.3% (-0.7P)
Logistics information Service Business	Sales	37,651	43,295	80,946	43,381	15.2%	46,095	6.5%	89,477	10.5%
	Operating profit (% of Sales)	1,322 (3.5%)	1,850 (4.3%)	3,172 (3.9%)	1,531 (3.5%)	15.8% (+0.0P)	1,663 (3.6%)	-10.1% (-0.7P)	3,194 (3.6%)	0.7% (-0.3P)
Industrial Support business	Sales	2,862	3,018	5,880	3,162	10.5%	3,115	3.2%	6,278	6.8%
	Operating profit (% of Sales)	47 (1.6%)	138 (4.6%)	185 (3.2%)	162 (5.1%)	244.9% (+3.5P)	155 (5.0%)	12.5% (+0.4P)	318 (5.1%)	71.4% (+1.9P)
Others	Sales	5,523	6,192	11,716	6,043	9.4%	7,216	16.5%	13,259	13.2%
	Operating profit (% of Sales)	192 (3.5%)	231 (3.7%)	423 (3.6%)	149 (2.5%)	-22.1% (-1.0P)	257 (3.6%)	11.3% (-0.1P)	407 (3.1%)	-3.9% (-0.5P)
Intercompany Eliminations	Sales	-842	-737	-1580	-763	-	-767	-	-1530	-
	Operating profit (% of Sales)	-66 -	-69 -	-136 -	-71 -	- -	-76 -	- -	-147 -	- -
Consolidated Total	Sales	72,645	79,640	152,285	79,716	9.7%	83,267	4.6%	162,984	7.0%
	Operating profit (% of Sales)	3,592 (4.9%)	4,651 (5.8%)	8,243 (5.4%)	3,959 (5.0%)	10.2% (+0.1P)	4,031 (4.8%)	-13.3% (-1.0P)	7,990 (4.9%)	-3.1% (-0.5P)

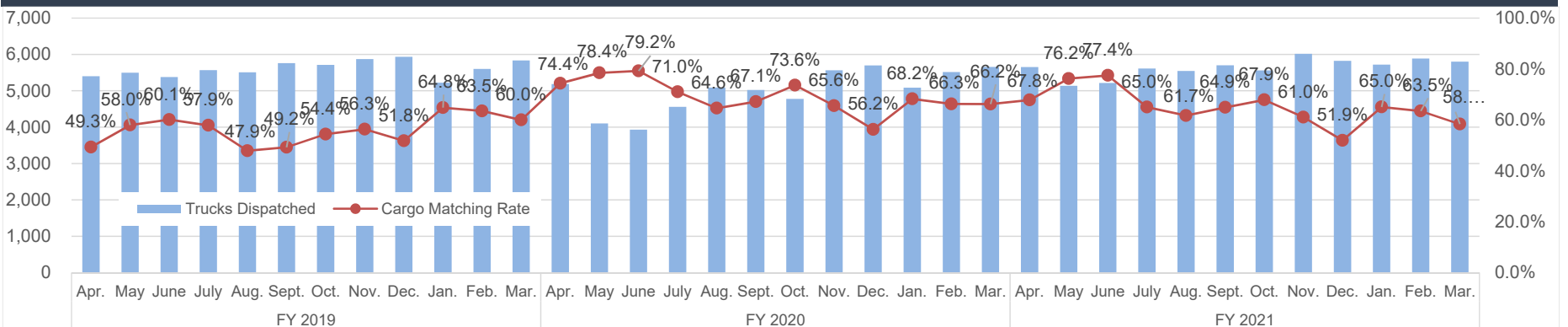
Status of the Logistics Information Service Business During the Coronavirus Pandemic



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



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



Cargo Movement Status

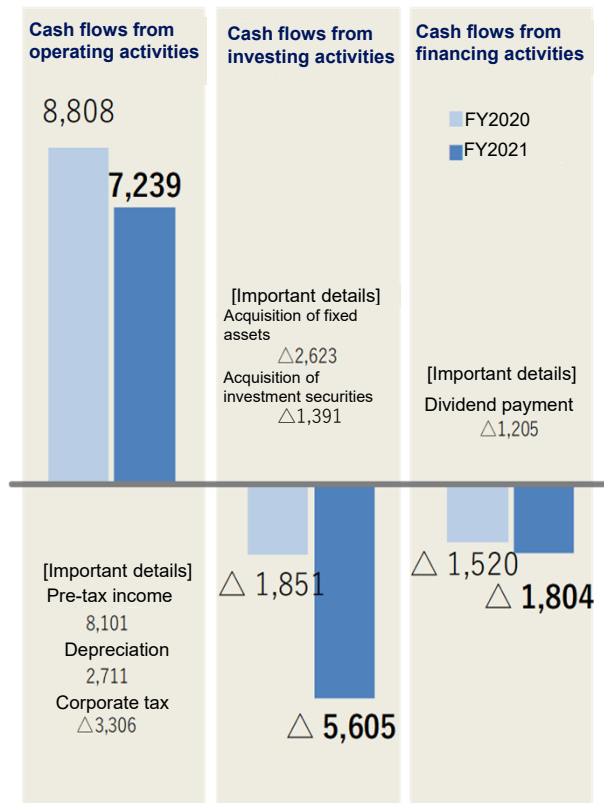
A recovery trend compared to the coronavirus pandemic in FY2020. From the 4Q onward, acquired more cargo information than in FY2019, which was before the coronavirus.

FY2021 Cash Flow and Financial Status



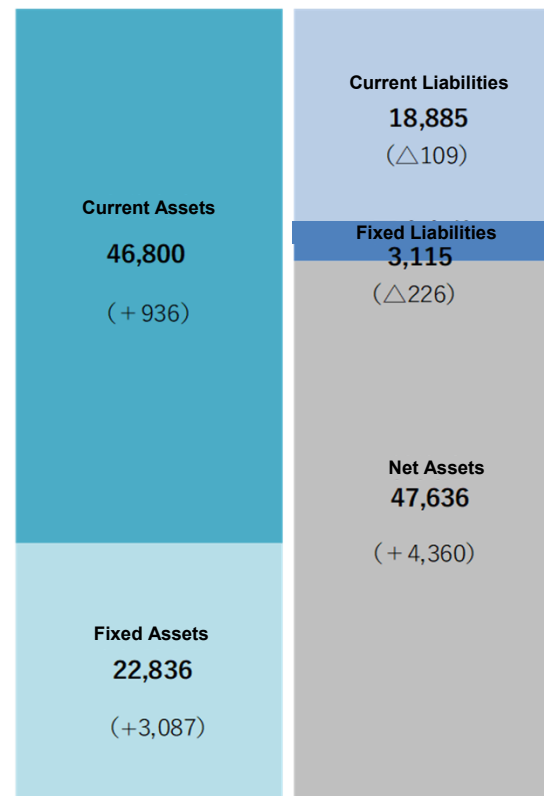
Consolidated Cash Flow Statement

(Millions of Yen)

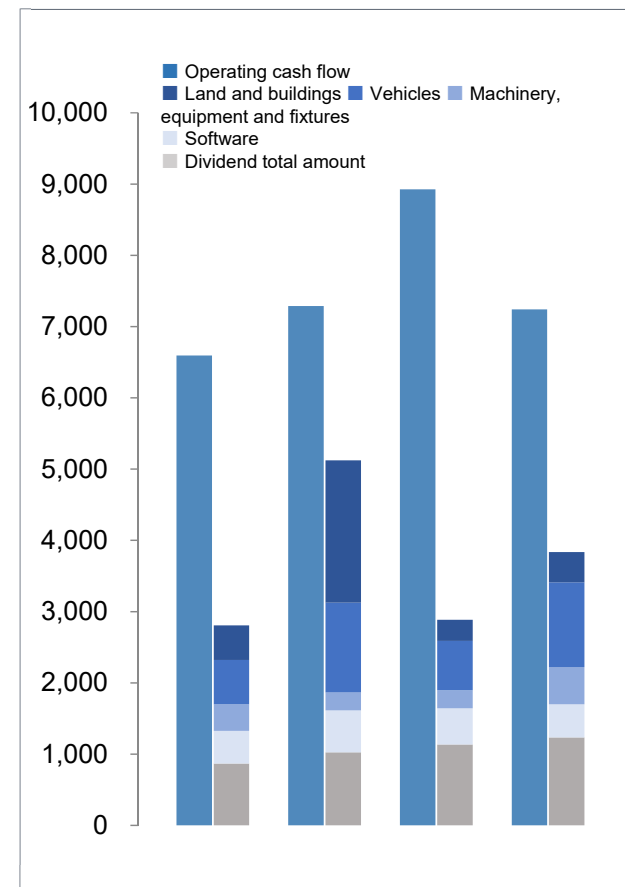


Consolidated Balance Sheet

(Millions of Yen)



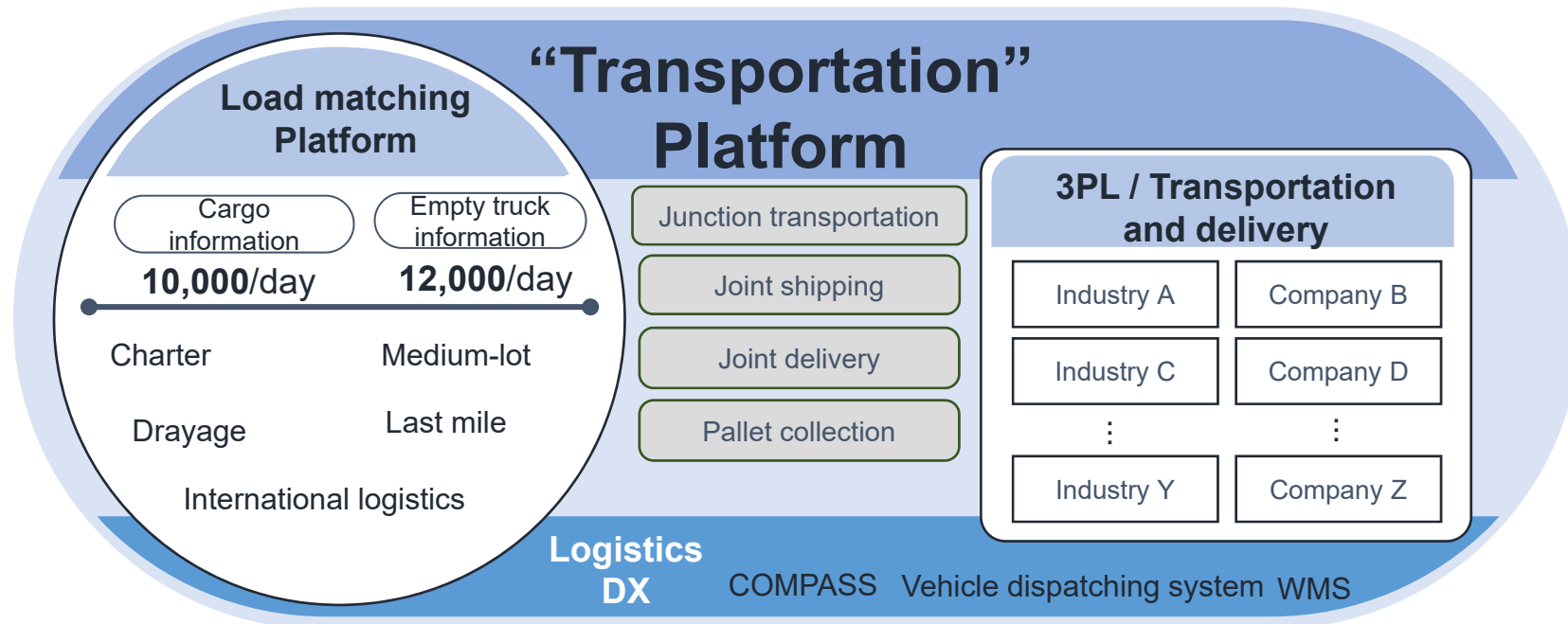
Operating Cash Flow Total Investments and Dividends



「はこぶ」を創造する
Transport Creating



TRANCOM VISION 2025 Progress Status



TRANCOM’S “Transportation” Platform concept with a load matching service that has a competitive advantage



Concentrating All Management Resources on Transport

Focusing on transport

1. Improving and increasing transportation and delivery capacity and 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 and building data connections with other companies

Building the foundation of the existing business

6. Building a strong business foundation for the logistics management business
7. Strengthening growth in the ASEAN region

Rebuilding the foundation for growth

8. Further strengthening and diversifying human resources and the organization
9. Progressing to ESG and SDGs management



FY2022: By changing the management system,

creating a "Transportation" mechanism and speeding up business development

- **Realization of a network system(location) concept and new methods of transport**

Opening strategic transportation and junction transportation locations.

Introducing vehicles necessary for new methods of transport.

- **Accelerating the creation of a system through collaboration with other companies**

Enhancing functions in the transportation and delivery area by strengthening cooperation with



- **Overwhelming quality improvement for logistics DX**

Promoting DX that transforms the business through cooperation with **accenture**

Actively making investment: 35 billion yen by FY2025

Location and Network Concept



Location
16
billion yen



[Functions]

- Changing vehicles
(Large, swap body and trailers)
- Cargo transshipment

- 3PL location
- Information Center
- Pallet depot

From 160 locations nationwide to 200

Development of a new location (planned)



Miyagi Development of a new location (planned)



2024 Operation planned



Development of a new location (planned)



Development of a new location (planned)



2025 Operation planned

Aichi



Fukuroi Operation



Saitama Operation

Operation



Specific Strategic Location Concept - Daily Necessities Platform



[Function] 3 stories above ground, total floor area about 23,787 tsubo

- Operating general-purpose centers for several manufacturers of daily necessities
- Cooperative transportation and delivery in the daily necessities category
- Logistics DX: Automation of case picking work

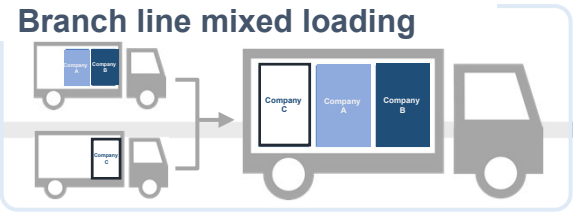


Hasuda LC

>> North Kanto area location map



Joint delivery

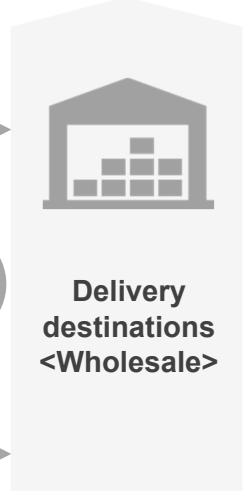


Reverse logistics



Multi-rotation operation

Cooperating with wholesalers and making delivery more efficient



Delivery destinations <Wholesale>

Shiraoka LC
Company C dedicated center

Small lot delivery BtoB / BtoC



Hospital and home delivery

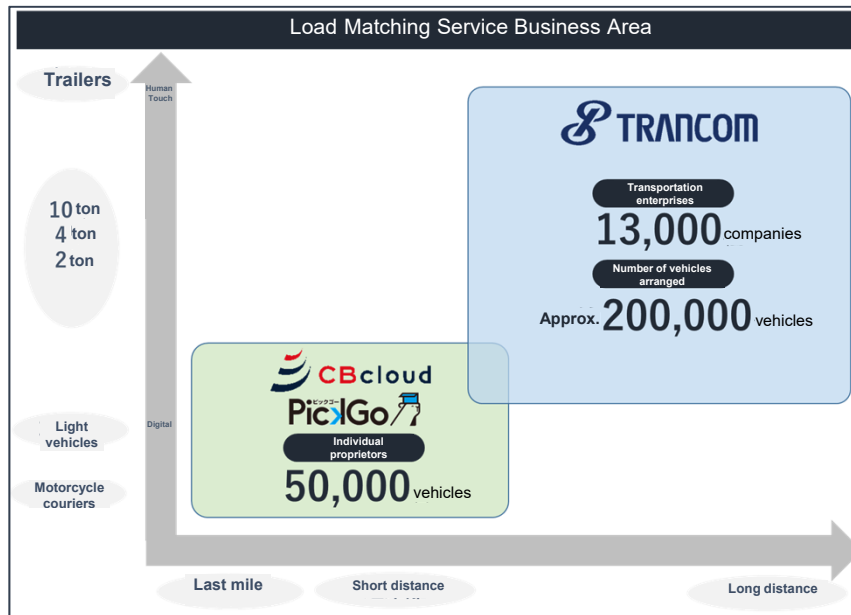


Alliances with Other Companies - Cooperation with CBcloud -



(1) Building Japan's largest load matching platform

Providing a full lineup of load matching services



From large trucks to light cargo and motorcycles

A wide range of shipping modes



From long distance to short distance

A wide range

(2) Providing high value-added logistics solutions

Providing consistent logistics solutions from main lines to the last mile

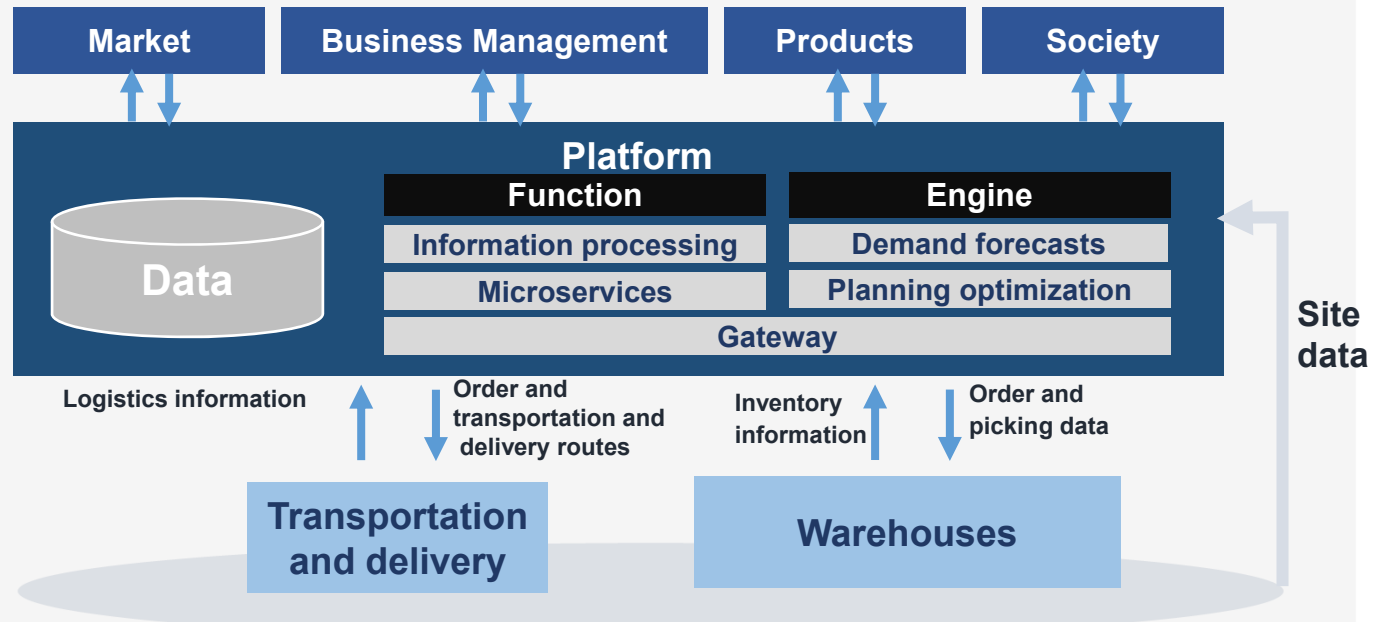
(3) Realizing the building of sustainable logistics

Improving vehicle loading efficiency and productivity at logistics sites



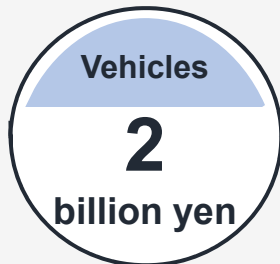


Building new DX solutions

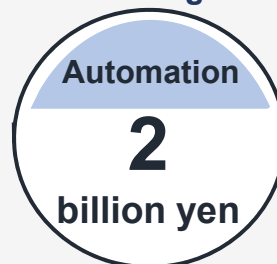


▼ Creating new methods of transport

- Full trailers and articulated trucks
- Swap body
- Switching to environmental vehicles





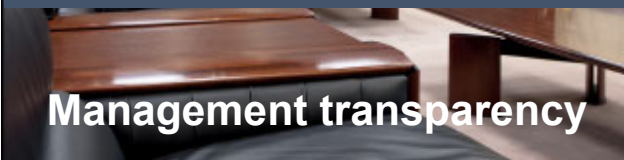
▼ Automation of logistics center operations for the purpose of saving on labor





Improving corporate value and social value through ESG management

Aiming to improve corporate value by promoting sustainability

<p>Environment</p>  <p>CO₂ reduction with "Transportation system"</p>	<p>Strengthening efforts to reduce environmental impact from business activities</p> <ul style="list-style-type: none">● Promoting efficient shipping● Enhancing the load matching service● Switching to and introducing environmental vehicles● Expanding pallet collection
<p>Social</p>  <p>Creating a workplace where people can work healthily, securely and safely</p>	<p>Human resource development and diversity that supports sustainable growth</p> <ul style="list-style-type: none">● Investing in human resource development● Promoting health management● Promoting diversity through boccia
<p>Governance</p>  <p>Management transparency</p>	<p>Improving management transparency by strengthening governance</p> <ul style="list-style-type: none">● Revitalizing the Board of Directors Composition of the Board of Directors: 4 internal directors and 5 independent outside directors Composition of the non-statutory Nominating Committee and Compensation Committee: 1 internal director and 2 independent outside directors



Transportation KPI and Numerical Targets

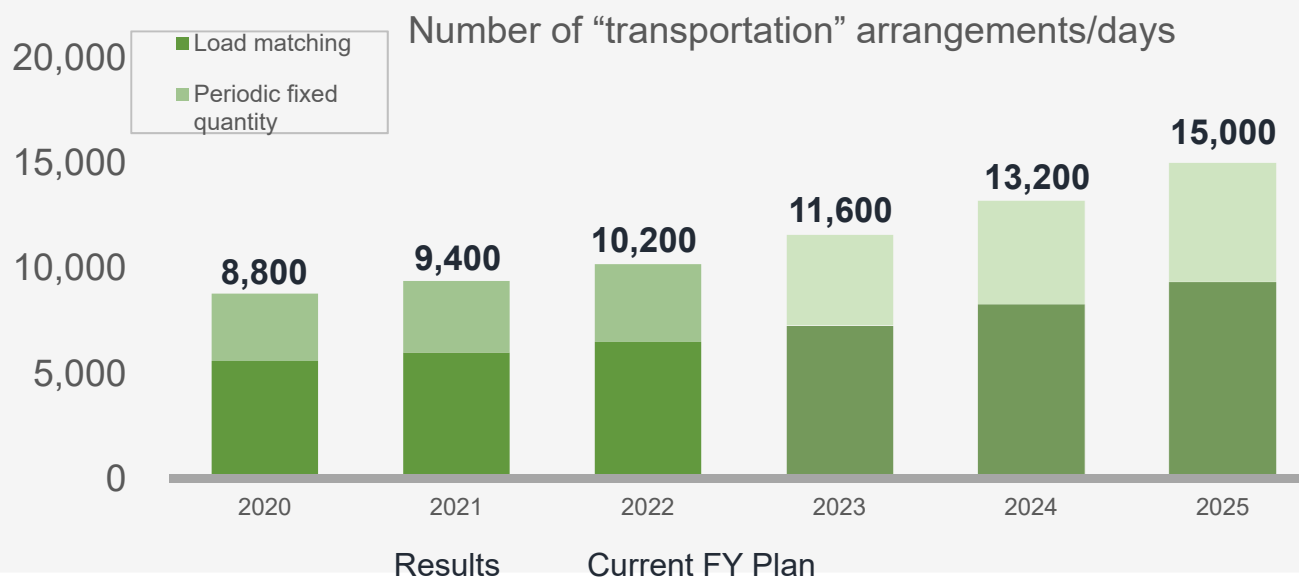


▼ TRANCOM VISION2025

Numerical targets

	FY2021 (FY2020)	FY2026 (FY2025)
Number of "transportation" arrangements/day	8,800	15,000
Main-line shipping share rate	5.7%	10.0%
CO ₂ reduction/year	132,964 t-CO ₂	243,249 t-CO ₂
Sales	152.2 billion yen	220 billion yen
Operating profit margin	5.4%	5.0%~6.0%
ROE	14.2%	12.0%~15.0%
ROA	9.2%	8.0%~10.0%
Payout ratio	19.6%	20.0%~25.0%

* CO₂ reduction amount: Amount of CO₂ emissions reduced by providing efficient transportation and delivery services



「はこぶ」を創造する
Transport Creating



FY2022 Plan

FY2022 Full-Year Forecast



(Millions of Yen)

	FY2021			FY2022 (Forecast)			
	1st Half	2nd Half	Full Year	1st Half	2nd Half	Full Year	YoY
Sales	79,716	83,267	162,984	83,280	86,720	170,000	4.3%
Operating profit (% of Sales)	3,959 (5.0%)	4,031 (4.8%)	7,990 (4.9%)	3,820 (4.6%)	4,710 (5.4%)	8,530 (5.0%)	6.7% (+0.1P)
Recurring Profit (% of Sales)	4,010 (5.0%)	4,180 (5.0%)	8,190 (5.0%)	3,890 (4.7%)	4,750 (5.5%)	8,640 (5.1%)	5.5% (+0.1P)
Net Profit Attributable to Parent Company Shareholders (% of Sales)	2,600 (3.3%)	2,691 (3.2%)	5,291 (3.2%)	3,380 (4.1%)	3,130 (3.6%)	6,510 (3.8%)	23.0% (+0.6P)

Sales

- Growing the logistics information service business.
As for locations overseas, increasing consolidated sales by 4.3% due to such things as new business operations in China.

Operating profit

- Increasing consolidated operating profit by 6.7% due to the operation of a large-scale location for the logistics management business.

Net profit

- In addition to increasing operating profit, increasing net profit by 23.0% due to the recording of an extraordinary profit from transferring the external sales business of TRANCOM ITS to Accenture.

FY2022 Full-Year Forecast by Segment



(Millions of Yen)

		FY2021			FY2022 (Forecast)					
		1st Half	2nd Half	Full Year	1st Half	YoY	2nd Half	YoY	Full Year	YoY
Logistics Management Business	Sales	27,891	27,607	55,499	27,400	-1.8%	28,300	2.5%	55,700	0.4%
	Operating profit (% of Sales)	2,187 (7.8%)	2,030 (7.4%)	4,218 (7.6%)	2,040 (7.4%)	-6.7% (-0.4P)	2,550 (9.0%)	25.6% (+1.6P)	4,590 (8.2%)	8.8% (+0.6P)
Logistics information Service Business	Sales	43,381	46,095	89,477	46,460	7.1%	49,240	6.8%	95,700	7.0%
	Operating profit (% of Sales)	1,531 (3.5%)	1,663 (3.6%)	3,194 (3.6%)	1,535 (3.3%)	0.3% (-0.2P)	1,850 (3.8%)	11.2% (+0.2P)	3,385 (3.5%)	6.0% (-0.1P)
Industrial Support business	Sales	3,162	3,115	6,278	3,050	-3.6%	3,350	7.5%	6,400	1.9%
	Operating profit (% of Sales)	162 (5.1%)	155 (5.0%)	318 (5.1%)	150 (4.9%)	-7.7% (-0.2P)	230 (6.9%)	47.5% (+1.9P)	380 (5.9%)	19.3% (+0.8P)
Others	Sales	6,043	7,216	13,259	7,060	16.8%	6,540	-9.4%	13,600	2.6%
	Operating profit (% of Sales)	149 (2.5%)	257 (3.6%)	407 (3.1%)	235 (3.3%)	56.9% (+0.8P)	220 (3.4%)	-14.5% (-0.2P)	455 (3.3%)	11.8% (+0.2P)
Intercompany Eliminations	Sales	-763	-767	-1530	-690	-	-710	-	-1400	-
	Operating profit (% of Sales)	-71 -	-76 -	-147 -	-140 -	- -	-140 -	- -	-280 -	- -
Consolidated Total	Sales	79,716	83,267	162,984	83,280	4.5%	86,720	4.1%	170,000	4.3%
	Operating profit (% of Sales)	3,959 (5.0%)	4,031 (4.8%)	7,990 (4.9%)	3,820 (4.6%)	-3.5% (-0.4P)	4,710 (5.4%)	16.8% (+0.6P)	8,530 (5.0%)	6.7% (+0.1P)

「はこぶ」を創造する
Transport Creating



Return to Shareholders

Return to Shareholders



Implementing a flexible capital policy with more awareness of shareholder returns

Dividend policy

While actively investing for the purpose of business growth, we will continue to increase dividends to shareholders.

- ◆ FY2021 annual dividend ¥126 (+ ¥11 YoY).
 - ◆ FY2022 annual dividend ¥136 (+ ¥10 YoY) - planned.
- With FY2022, scheduled to increase dividends for 22 consecutive years.**

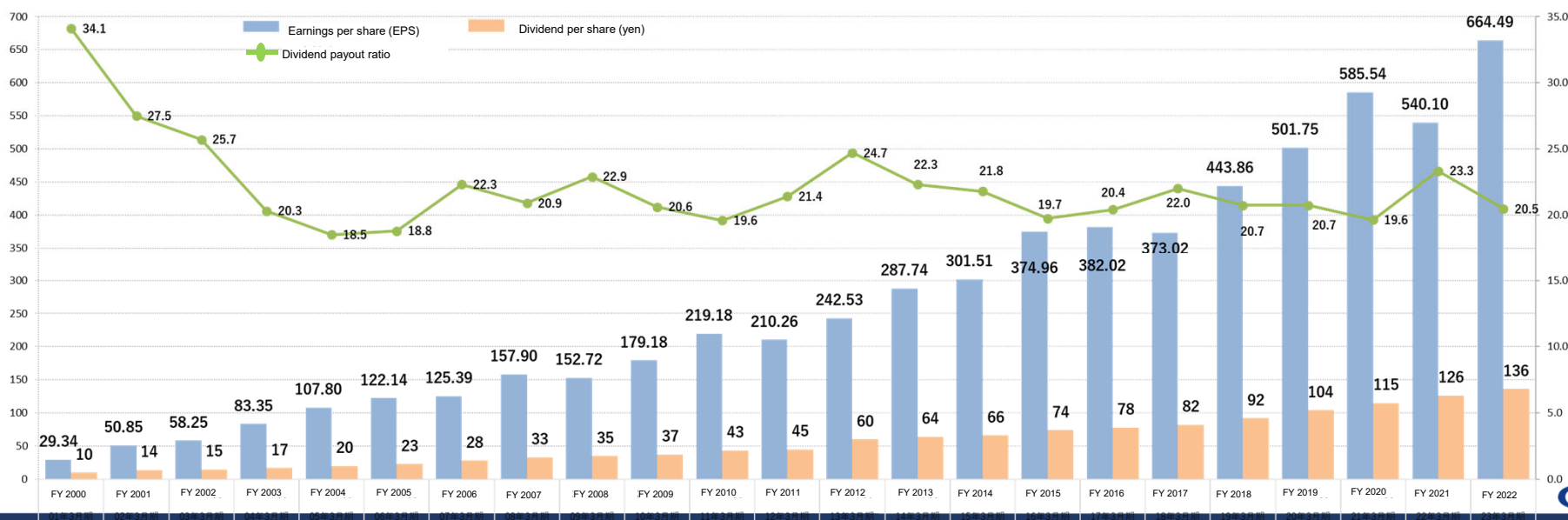
Buying our own shares

Reason: To be able to return profits to shareholders and implement a flexible capital policy in response to changes in the business environment.

Buying up to 2 billion yen and 290,000 of our own shares
2.9% of the total of issued shares (excluding treasury stock)

(Period: May 2nd, 2022 to Feb. 28th, 2023)

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

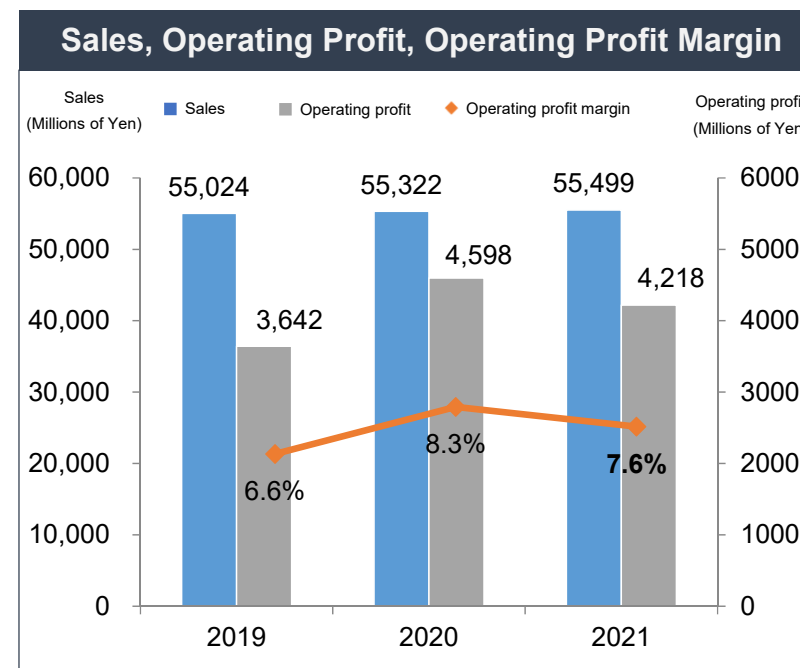
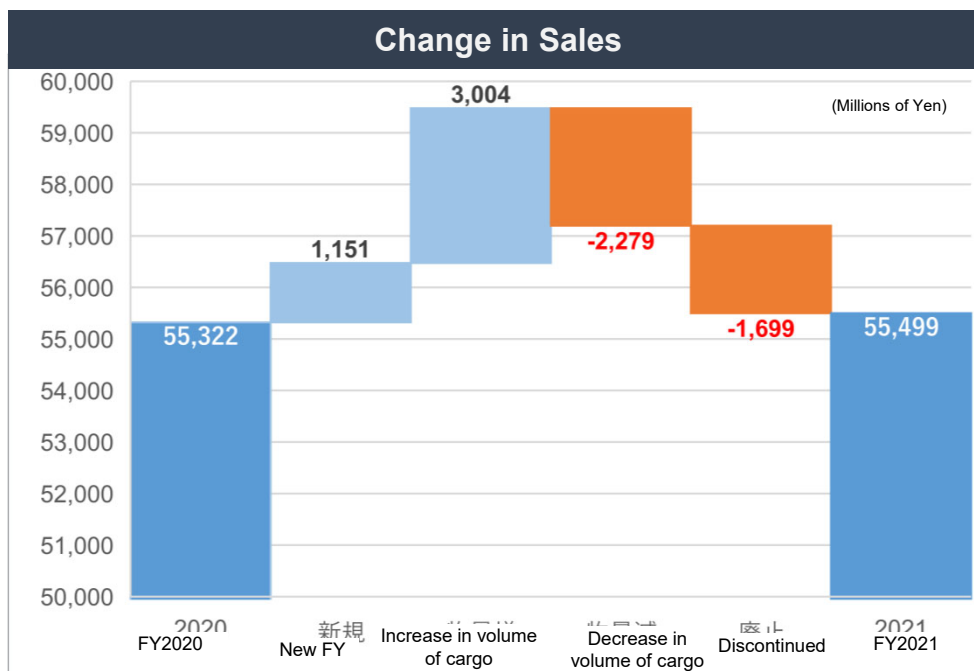


「はこぶ」を創造する
Transport Creating



Reference Materials

FY2021 Logistics Management Business



[Main factors for the change]

Sales



Contribution of operating locations last FY and this FY



Business reduction and withdrawal from some existing locations.

Operating profit

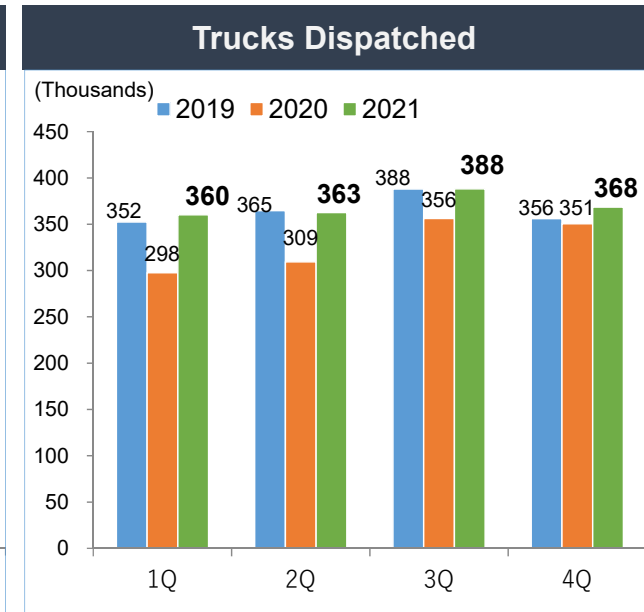
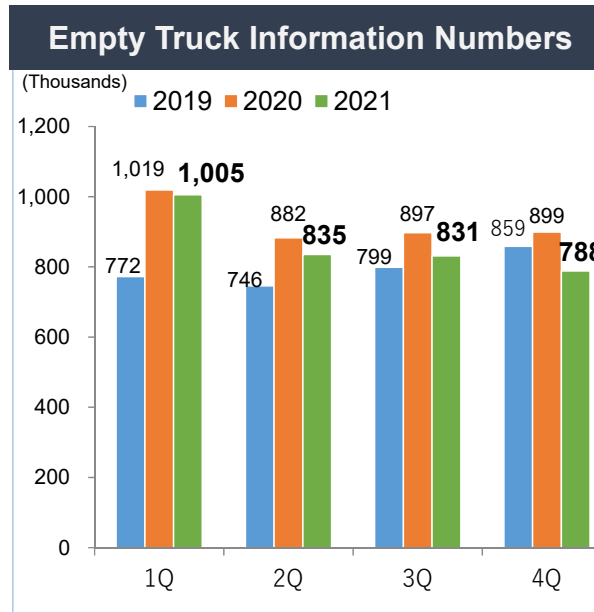
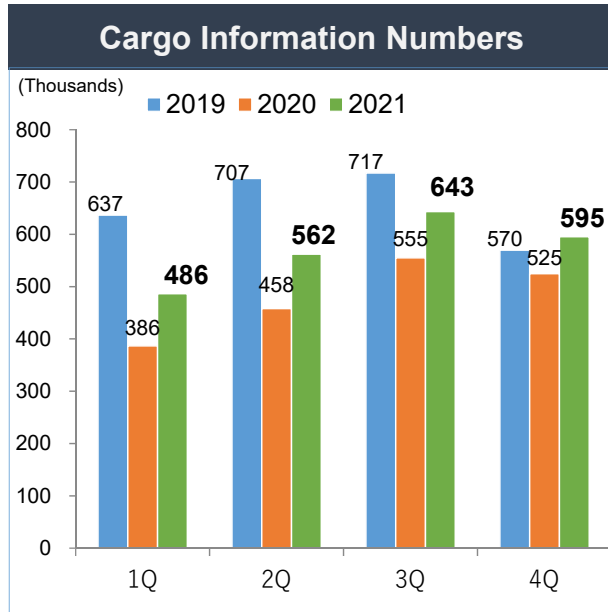


Further improvement of productivity at existing locations



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

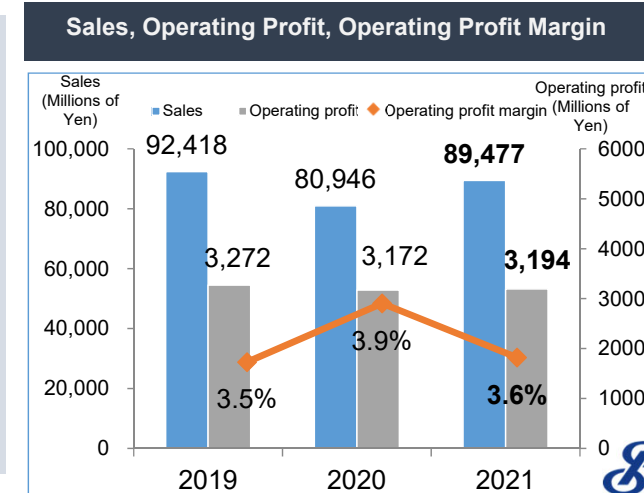
FY2021 Logistics Information Service Business



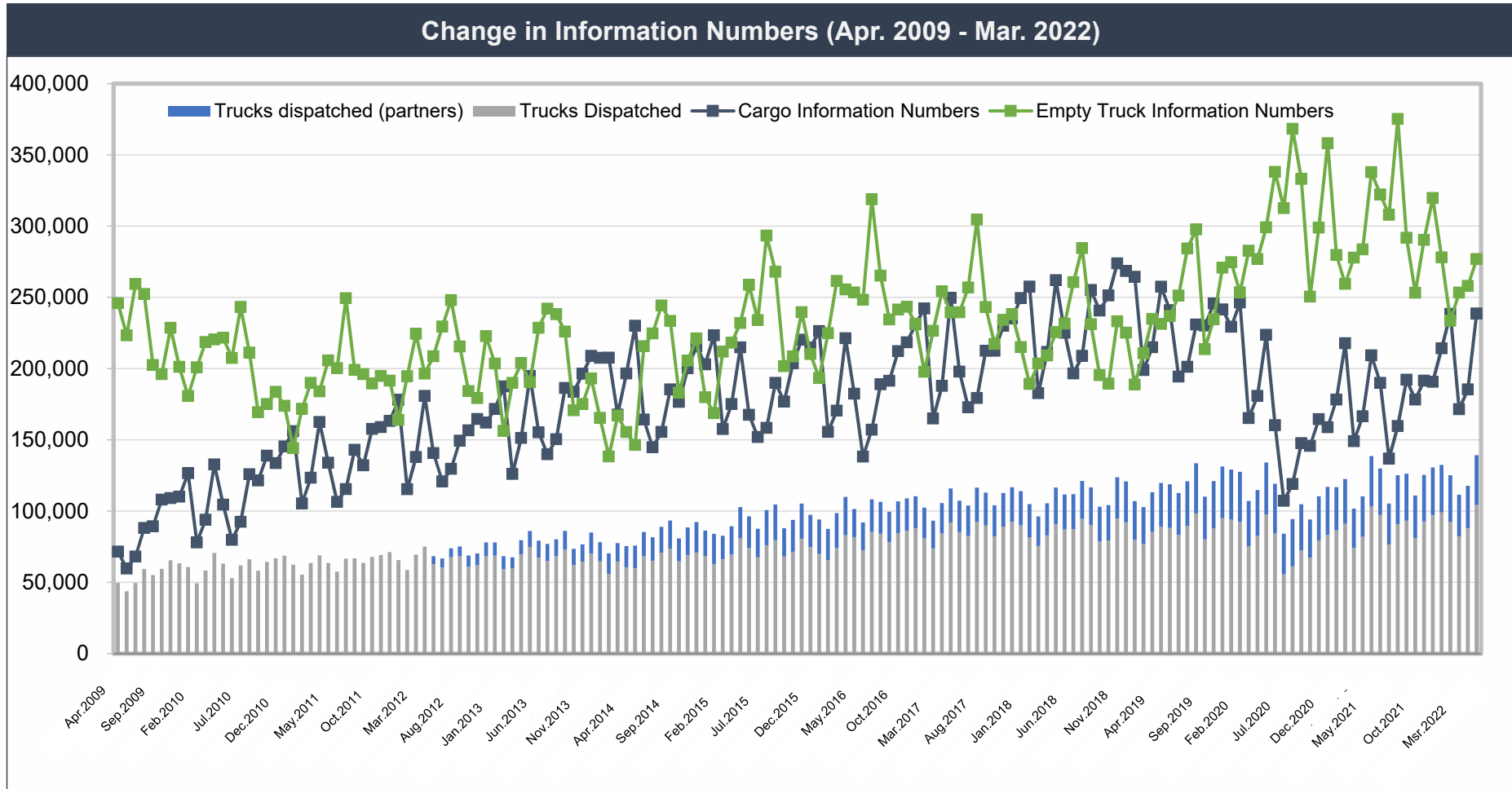
<Main Indicators>

	1Q	2Q	3Q	4Q
Cargo Information Numbers	Up 25.9%	Up 22.7%	Up 15.9%	Up 13.5%
Empty Truck Information Numbers	Dn 1.3%	Dn 5.3%	Dn 7.4%	Dn 12.4%
Trucks Dispatched	Up 21.1%	Up 17.2%	Up 8.9%	Up 5.1%

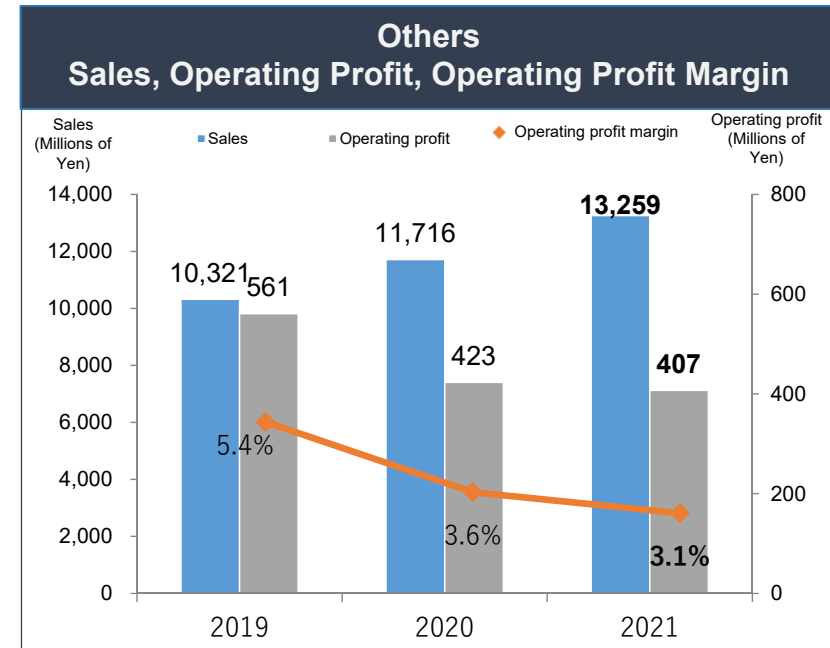
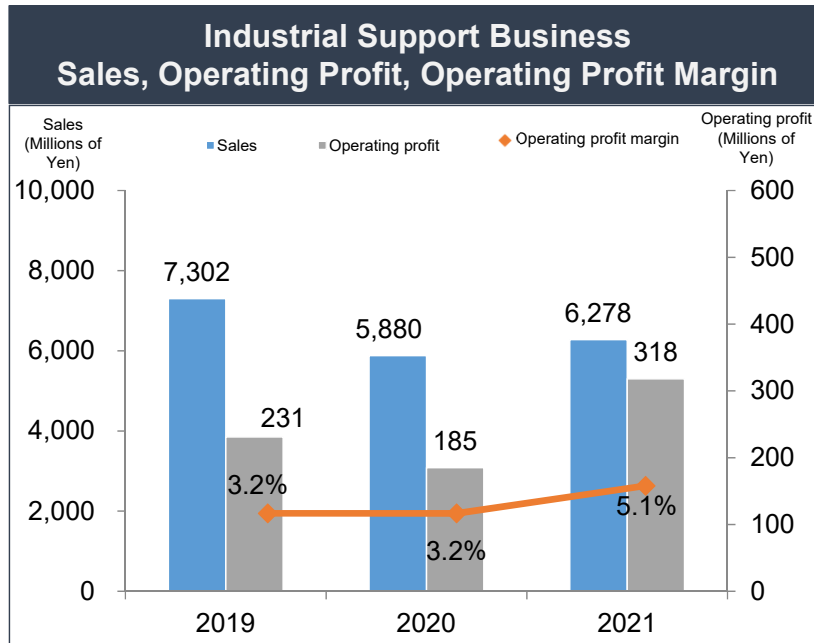
	End-March 2020	End-March 2021	End-March 2022
Personnel Numbers (productivity personnel)	627	578	566
Dedicated Truck Numbers (day)	1,716	1,570	1,658



FY2021 Logistics Information Service Business - Change in Information Numbers



FY2021 Industrial Support Business and Others



[Main factors for the change]

- Revenue increase due to the coronavirus pandemic production recovery
- Optimization of indirect personnel
- Full-year operating profit margin 5.1%

[Main factors for the change]

- Expanding new business in China.
- Increasing personnel with an eye on future overseas expansion

■ Exchange Rates: *End of Dec. 2020 rate → End of Dec. 2021 rate.

China (15.88 yen → 18.06 yen / CNY); Thailand (3.44 yen → 3.43 yen / THB)

Singapore (78.01 yen → 85.15 yen/SGD)

Cooperating with Partners and Making Allies



Home delivery-type trunk room service



Owns and operates approximately 100 logistics facilities in Japan



Logistics ecosystem promotion



Providing "souco", a platform that matches warehouse and shipper information



A specialized manufacturer of trucks and buses



Proposing and providing new logistics services



Providing integrated services from the development of logistics real estate to getting tenants, sales, operation and management



Providing a wide range of services and solutions in the four areas of strategy and consulting, interactive, technology and operations



Providing a platform to dispatch 50,000 motorcycles and light cargo vehicles nationwide
Providing a "transportation" platform



Providing advanced Chinese technologies such as AI, robotics and IoT



Initiatives with the Nation and Government



Understanding changes in the environment surrounding domestic logistics, and trends in Japan (government) and the world, and connecting in-house initiatives to corporate social contributions (supporting ESG) and cooperating with a wide range of companies

1 Consistent palletization via pallet standardization

[Purpose] Improving logistics efficiency through transportation and delivery using pallets in the confectionery industry

Standardization of the "optimal pallet standard"

Centralizing the pallet management system

Horizontal development of initiative cases within the industry

Demonstration project, General Logistics Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism

<https://www.mlit.go.jp/common/001342363.pdf>

2 Joint shipping utilizing articulated trucks



[Purpose] Further streamlining of logistics by utilizing new shipping modes

Improving the load factor by combining lightweight and heavy objects

Efficient use of cargo compartments

Demonstration project, General Logistics Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism

<https://www.mlit.go.jp/common/001342364.pdf>

3 Confectionery Standard Pallet Promotion Council

[Purpose] Building a sustainable logistics infrastructure in the confectionery industry

Creating "Standardization Guidelines" as an industry to consider and promote palletization

Logistics efficiency promotion project, General Logistics Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism

4 Creating a contactless / non-face-to-face shipping model

[Purpose] Building a foundation for junction transportation by utilizing swap body containers, and verifying data standardization for digital utilization

Swap body shipping

Simplifying business through digital utilization

Item standardization for logistics data

Demonstration project, General Logistics Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism





Logistics industry as a whole

About **24** tln yen

Truck transportation business

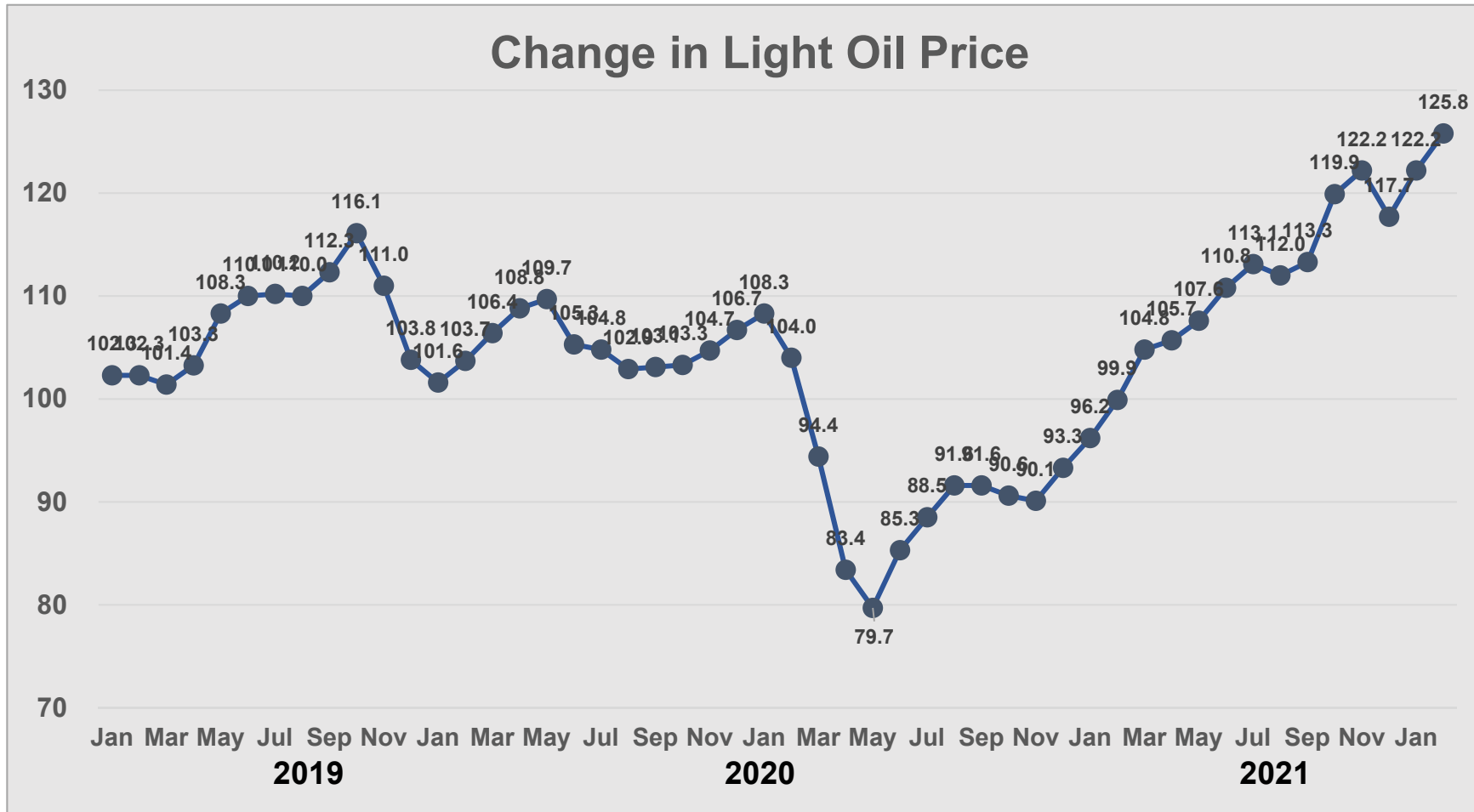
About **14.4** tln yen Number of registered trucks
About **1,292,000** trucks

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 and Registration Information Association

Change in Unit Fuel Price



Source: Light oil lorry price for large users, The Oil Information Center



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

トランコム株式会社
YOUR LOGISTICS COLLABORATOR

Email: ir_info@trancom.co.jp

TEL.052-939-2011 FAX.052-939-2015
www.trancom.co.jp



Corporate Planning Group
TEL: 052-939-2023 FAX: 052-939-2015

*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.