

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 Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 25, 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 to file Quarterly Securities Report: August 5, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	41,556	4.9	1,882	(13.0)	1,993	(9.5)	1,310	(9.8)
Three months ended June 30, 2021	39,605	10.2	2,164	37.7	2,201	43.1	1,453	60.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	134.20		133.87	
Three months ended June 30, 2021	148.44		148.07	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	69,608	48,128	68.4	4,910.96
As of March 31, 2022	69,636	47,636	67.8	4,816.37

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, 2022	–	62.00	–	64.00	126.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	68.00	–	68.00	136.00

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 three months ended June 30, 2022
 (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 June 30, 2022	10,324,150 shares	As of March 31, 2022	10,324,150 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2022	628,885 shares	As of March 31, 2022	527,285 shares
---------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	9,765,296 shares	Three months ended June 30, 2021	9,791,152 shares
----------------------------------	------------------	----------------------------------	------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	20,024	18,215
Notes and accounts receivable - trade, and contract assets	25,728	25,137
Merchandise	8	11
Work in process	5	4
Supplies	18	22
Prepaid expenses	794	1,061
Deposits paid	–	1,333
Other	222	646
Allowance for doubtful accounts	(1)	(1)
Total current assets	46,800	46,432
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,874	9,918
Accumulated depreciation	(5,197)	(5,287)
Buildings and structures, net	4,676	4,630
Machinery, equipment and vehicles	7,960	8,161
Accumulated depreciation	(5,764)	(5,960)
Machinery, equipment and vehicles, net	2,195	2,201
Land	3,005	3,005
Leased assets	2,376	2,339
Accumulated depreciation	(1,830)	(1,810)
Leased assets, net	545	528
Right-of-use assets	1,797	1,929
Accumulated depreciation Right-of-use assets	(605)	(801)
Right-of-use assets, net	1,192	1,128
Construction in progress	251	489
Other	1,596	1,661
Accumulated depreciation	(1,107)	(1,152)
Other, net	489	509
Total property, plant and equipment	12,356	12,492
Intangible assets		
Goodwill	1,761	1,791
Software	1,432	1,326
Software in progress	36	80
Customer Relationship	325	321
Other	154	153
Total intangible assets	3,711	3,674
Investments and other assets		
Investment securities	3,622	3,818
Deferred tax assets	755	479
Deferred tax assets for land revaluation	19	19
Guarantee deposits	2,240	2,523
Other	142	181
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	6,768	7,009
Total non-current assets	22,836	23,176
Total assets	69,636	69,608

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	12,402	11,778
Short-term borrowings	–	144
Lease liabilities	708	731
Accounts payable - other	1,727	1,715
Accrued expenses	1,355	2,337
Income taxes payable	1,024	249
Accrued consumption taxes	673	891
Provision for bonuses	635	226
Provision for bonuses for directors (and other officers)	–	7
Other	357	363
Total current liabilities	18,885	18,445
Non-current liabilities		
Lease liabilities	1,295	1,180
Deferred tax liabilities	82	81
Provision for stocks payment	306	327
Provision for share awards for directors (and other officers)	343	356
Retirement benefit liability	94	90
Asset retirement obligations	636	641
Other	356	357
Total non-current liabilities	3,115	3,034
Total liabilities	22,000	21,480
Net assets		
Shareholders' equity		
Share capital	1,080	1,080
Capital surplus	1,815	1,862
Retained earnings	45,007	45,610
Treasury shares	(1,049)	(1,757)
Total shareholders' equity	46,853	46,794
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	241	248
Revaluation reserve for land	(44)	(44)
Foreign currency translation adjustment	141	619
Remeasurements of defined benefit plans	(5)	(5)
Total accumulated other comprehensive income	332	818
Share acquisition rights	100	100
Non-controlling interests	350	414
Total net assets	47,636	48,128
Total liabilities and net assets	69,636	69,608

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

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	39,605	41,556
Cost of sales	36,734	38,749
Gross profit	2,870	2,807
Selling, general and administrative expenses	706	924
Operating profit	2,164	1,882
Non-operating income		
Interest and dividend income	11	16
Share of profit of entities accounted for using equity method	22	27
Subsidy income	62	72
Other	33	35
Total non-operating income	129	152
Non-operating expenses		
Interest expenses	36	27
Loss on retirement of non-current assets	22	0
Compensation expenses	25	–
Other	9	13
Total non-operating expenses	92	41
Ordinary profit	2,201	1,993
Profit before income taxes	2,201	1,993
Income taxes - current	520	432
Income taxes - deferred	202	229
Total income taxes	722	662
Profit	1,479	1,330
Profit attributable to		
Profit attributable to owners of parent	1,453	1,310
Profit attributable to non-controlling interests	25	20
Other comprehensive income		
Valuation difference on available-for-sale securities	(49)	7
Foreign currency translation adjustment	287	527
Remeasurements of defined benefit plans, net of tax	2	0
Total other comprehensive income	239	535
Comprehensive income	1,718	1,866
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,665	1,796
Comprehensive income attributable to non-controlling interests	53	70