



CREATING
TRANSPORT

2nd Quarter of the Fiscal Year Ending March 2023 Financial Results Briefing

October 25th, 2022

 **TRANCOM**
トランコム株式会社

(Securities Code: 9058)



Results

FY2022 1st Half Results

- Cargo movements are on a recovery trend, and we are responding flexibly to changes in the flow of goods around the world
- Sales increased due to an increase in the number of contracts concluded in the logistics information service business and the expansion of business areas in our business overseas (China)
- Operating profit decreased due to an increase in general administrative expenses associated with digital transformation (DX), strengthening of human resources and overseas expansion for the future
- Net profit increased due to posting a gain on the transfer of the system external sales business

Forecast

FY2022 Full-Year Forecast

- Cargo movement is expected to recover just like the first half, and sales are expected to increase in all segments in the second half
- A large increase in operating profit is expected in the LM business in the second half, but the decrease in profit in the first half cannot be overcome, and the full-year profit is expected to decrease
- Incorporating upfront investment costs for future growth into the plan, we are revising downward the initial operating profit plan

Return to Shareholders

Return to Shareholders

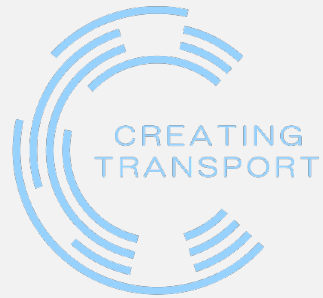
- The annual dividend forecast is 136 yen, as originally announced, and it will increase for the 22nd consecutive year
- The buying of our own shares, which was started from May 2022, is going as planned

Transportation Strategy

Creating a "Transportation" Mechanism and Speeding Up Business Development

- In the second year of the medium-term management plan, TRANCOM's goal for "transportation" is becoming more clear
- It has been an important year for speeding things up in creating a "transportation" mechanism
- It is essential to strengthen the core logistics information service business





FY2022 1st Half Results



FY2022 1st Half Consolidated Results

(Millions of Yen)

	FY2021			FY2022						Plan	
	1Q	2Q	1st Half Total	1Q	YoY	2Q	YoY	1st Half Total	YoY	1st Half Plan	Plan ratio
Sales	39,605	40,110	79,716	41,556	4.9%	42,333	5.5%	83,889	5.2%	83,280	0.7%
Operating profit	2,164	1,795	3,959	1,882	-13.0%	1,778	-0.9%	3,660	-7.5%	3,820	-4.2%
(% of Sales)	(5.5%)	(4.5%)	(5.0%)	(4.5%)	(-1.0P)	(4.2%)	(-0.3P)	(4.4%)	(-0.6P)	(4.6%)	(-0.2P)
Recurring Profit	2,201	1,808	4,010	1,993	-9.5%	1,812	0.2%	3,805	-5.1%	3,890	-2.2%
(% of Sales)	(5.6%)	(4.5%)	(5.0%)	(4.8%)	(-0.8P)	(4.3%)	(-0.2P)	(4.5%)	(-0.5P)	(4.7%)	(-0.2P)
Net Profit Attributable to Parent Company	1,453	1,146	2,600	1,310	-9.8%	2,009	75.2%	3,320	27.7%	3,380	-1.8%
(% of Sales)	(3.7%)	(2.9%)	(3.3%)	(3.2%)	(-0.5P)	(4.7%)	(+1.8P)	(4.0%)	(+0.7P)	(4.1%)	(-0.1P)

Sales

Consolidated sales increased by 5.2% due to an increase in the number of contracts concluded in the logistics information service business and the expansion of business areas in our business overseas

Operating profit

Overseas business contributed to operating profit, but consolidated profit decreased by 7.5% due to higher payment costs in the logistics information service business and an increase in general administrative expenses.

Net profit

Consolidated net profit increased 27.7% due to posting a gain on the transfer of the system external sales business



FY2022 1st Half Consolidated Results (By Segment)

(Millions of Yen)

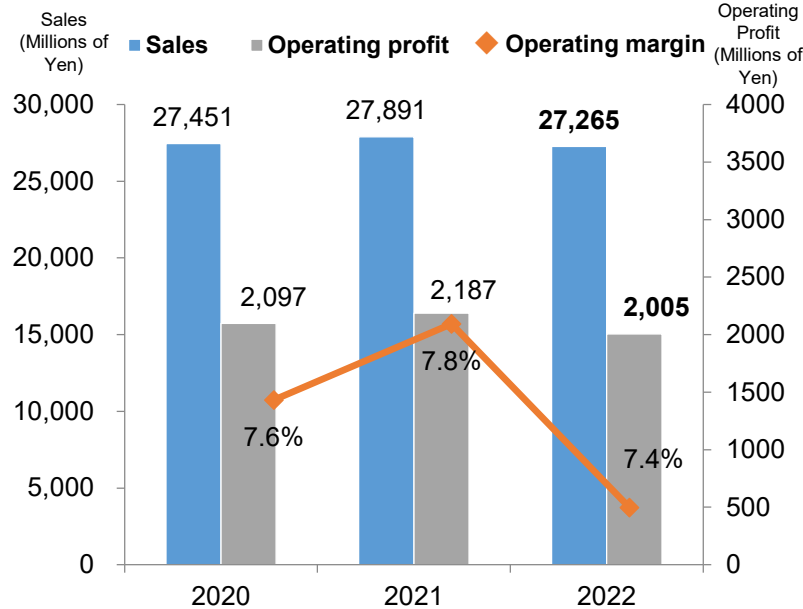
		FY2021			FY2022						Plan	
		1Q	2Q	1st Half Total	1Q	YoY	2Q	YoY	1st Half Total	YoY	First Half Plan	Plan ratio
Logistics Management Business	Sales	14,037	13,853	27,891	13,580	-3.3%	13,685	-1.2%	27,265	-2.2%	27,400	-0.5%
	Operating profit (% of Sales)	1,214 (8.7%)	972 (7.0%)	2,187 (7.8%)	1,059 (7.8%)	-12.7% (-0.9P)	946 (6.9%)	-2.7% (-0.1P)	2,005 (7.4%)	-8.3% (-0.4P)	2,040 (7.4%)	-1.7% (+0.0P)
Logistics Information Service Business	Sales	21,344	22,036	43,381	22,937	7.5%	23,270	5.6%	46,207	6.5%	46,460	-0.5%
	Operating profit (% of Sales)	796 (3.7%)	734 (3.3%)	1,531 (3.5%)	665 (2.9%)	-16.5% (-0.8P)	649 (2.8%)	-11.5% (-0.5P)	1,315 (2.8%)	-14.1% (-0.7P)	1,535 (3.3%)	-14.3% (-0.5P)
Industrial Support business	Sales	1,557	1,605	3,162	1,467	-5.7%	1,427	-11.1%	2,894	-8.5%	3,050	-5.1%
	Operating profit (% of Sales)	76 (4.9%)	86 (5.4%)	162 (5.1%)	81 (5.6%)	7.0% (+0.7P)	71 (5.0%)	-16.6% (-0.4P)	153 (5.3%)	-5.5% (+0.2P)	150 (4.9%)	2.3% (+0.4P)
Others	Sales	3,017	3,026	6,043	3,954	31.1%	4,334	43.2%	8,289	37.2%	7,060	17.4%
	Operating profit (% of Sales)	109 (3.6%)	40 (1.3%)	149 (2.5%)	156 (3.9%)	42.3% (+0.3P)	204 (4.7%)	409.3% (+3.4P)	360 (4.3%)	140.5% (+1.8P)	235 (3.3%)	53.2% (+1.0P)
Intercompany Eliminations	Sales	(351)	(411)	(763)	(382)	-	(384)	-	(767)	-	(690)	-
	Operating profit (% of Sales)	(33) -	(37) -	(71) -	(80) -	- -	(93) -	- -	(174) -	- -	(140) -	- -
Consolidated Total	Sales	39,605	40,110	79,716	41,556	4.9%	42,333	5.5%	83,889	5.2%	83,280	0.7%
	Operating profit (% of Sales)	2,164 (5.5%)	1,795 (4.5%)	3,959 (5.0%)	1,882 (4.5%)	-13.0% (-1.0P)	1,778 (4.2%)	-0.9% (-0.3P)	3,660 (4.4%)	-7.5% (-0.6P)	3,820 (4.6%)	-4.2% (-0.2P)



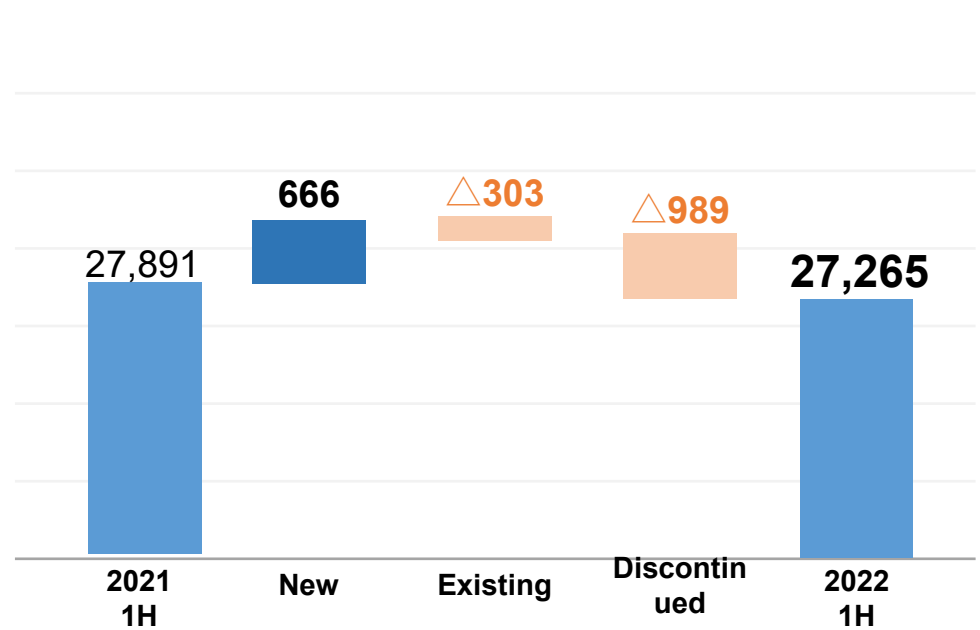


FY2022 1st Half Consolidated Results (LM Business)

Sales, Operating Profit, Operating Profit Margin



Sales Change, Unit: Millions of Yen



Sales

While sales increased due to the opening of new locations in this fiscal year and the previous fiscal year, sales decreased due to the impact of the closure of locations for policy reasons

Operating profit

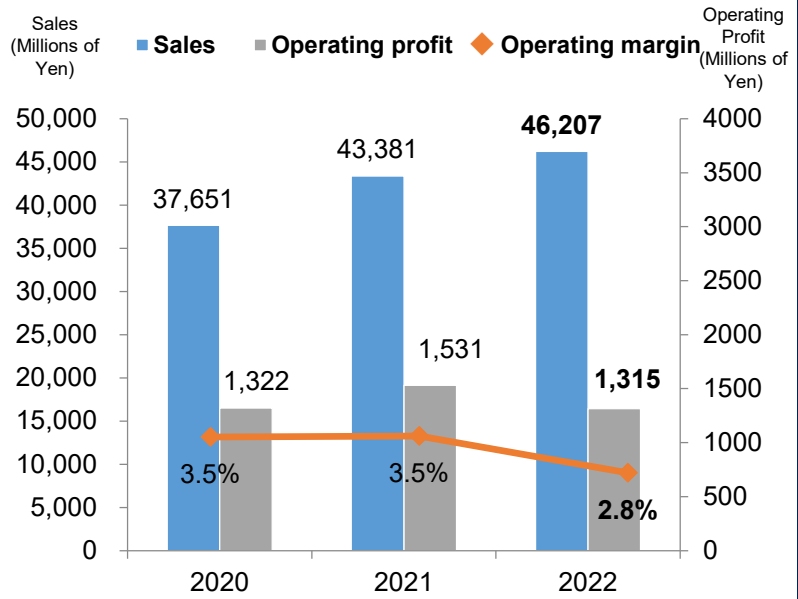
Operating profit decreased due to initial costs for opening new locations this fiscal year and upfront investment costs for “transportation”





FY2022 1st Half Consolidated Results (Logistics Information Service Business)

Sales, Operating Profit, Operating Profit Margin



Main Indicators

YoY	1Q	2Q
Cargo Information Numbers	Up 14.2%	Up 13.2%
Empty Truck Information Numbers	Dn 11.2%	Dn 5.3%
Trucks Dispatched	Up 4.8%	Up 4.7%

	End Mar. 2021	End Mar. 2022	End Sept. 2022
Productivity personnel	578 people	566 people	614 people
Dedicated Truck Numbers	1,570	1,658	1,660
Location no.	41 locations	45 locations	46 locations

April 2021	Kansai Last Mile Center Osaka International Information Center	Increasing areas for last mile matching Expanding business areas to international logistics matching
Aug.	Shizuoka Information Center No. 2	Center for operations with CTI
	Takamatsu Information Center	Center for operations with CTI
April 2022	Kansai Special Vehicle Center	Center that specializes in handling special vehicles

*CTI is an abbreviation for "Computer Telephony Integration"

Sales

Sales increased due to an increase in the number of contracts concluded (up 4.7% YoY) with business operations focused on each matching

Operating profit

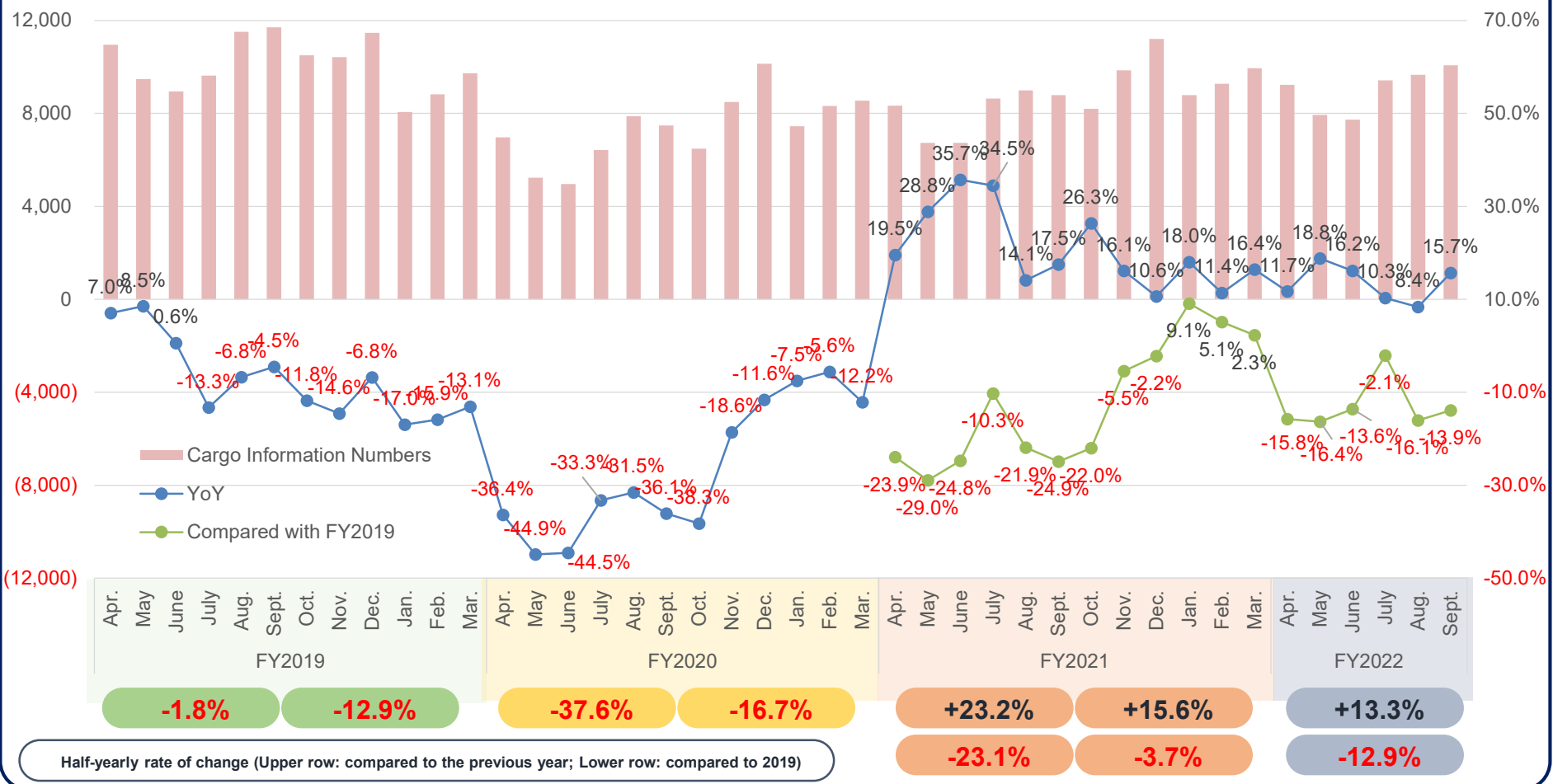
Operating profit decreased due to higher unit pricing from soaring fuel costs, etc.





Status of the Logistics Information Service Business During the Coronavirus Pandemic

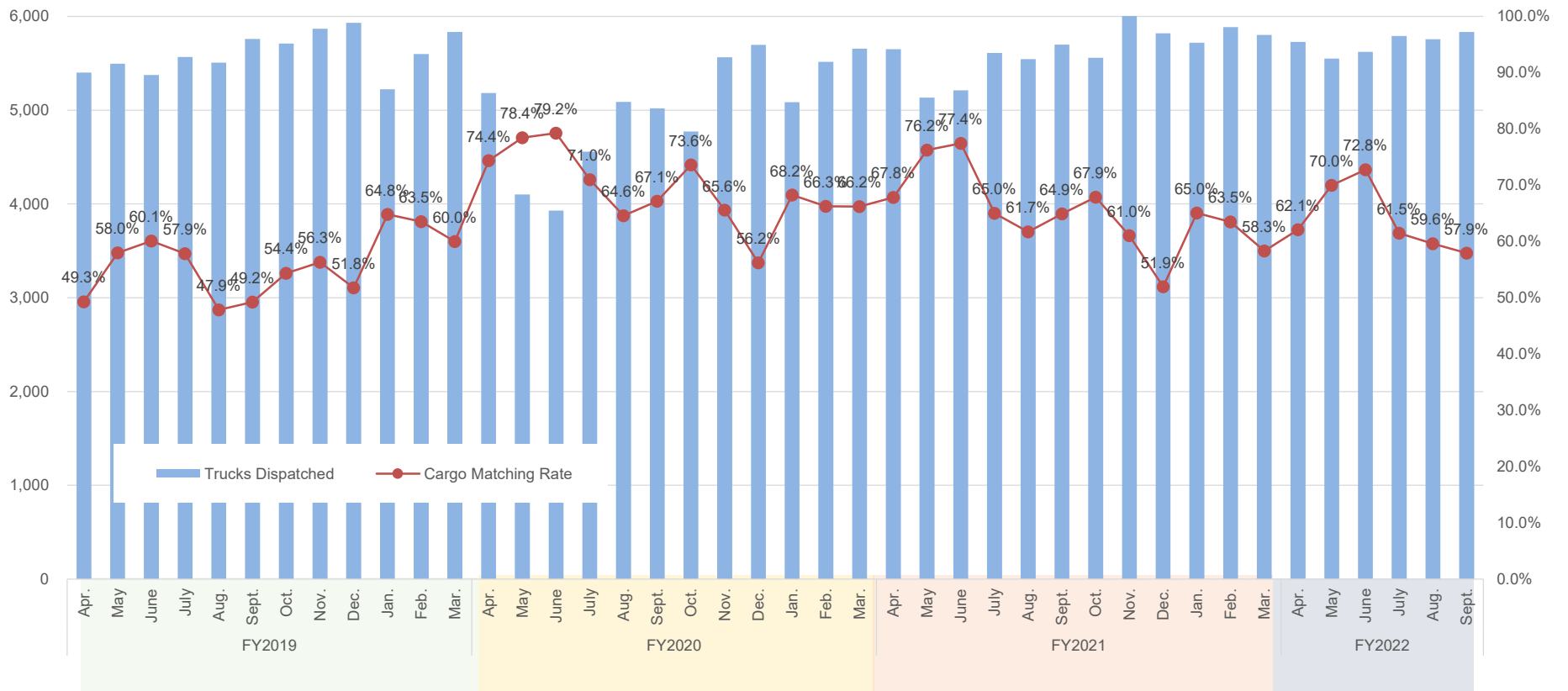
Daily cargo information numbers since April 2019, and the rate of increase or decrease YoY and from the year before last





Status of the Logistics Information Service Business During the Coronavirus Pandemic

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



53.4%
57.8%
71.9%
61.0%
68.9%
61.1%
63.5%

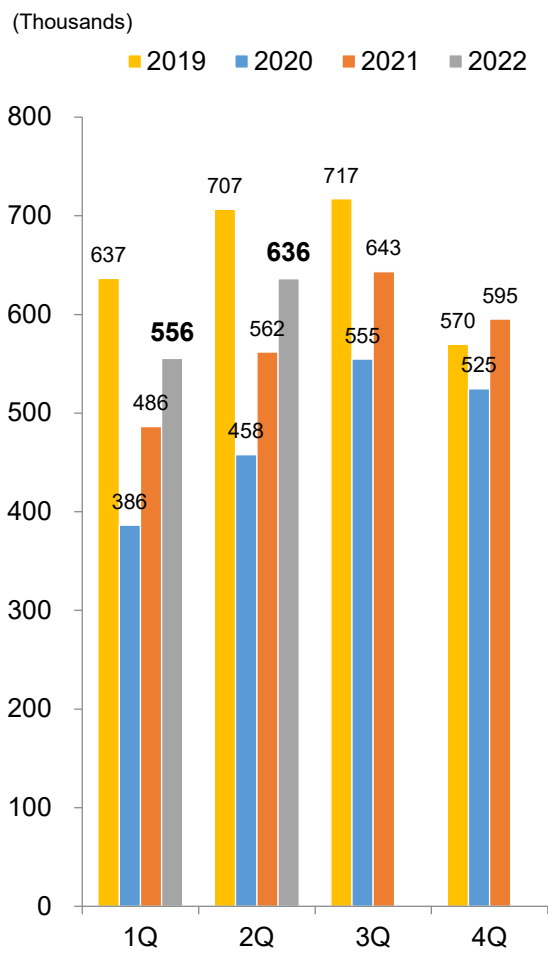
Half-yearly cargo matching rate



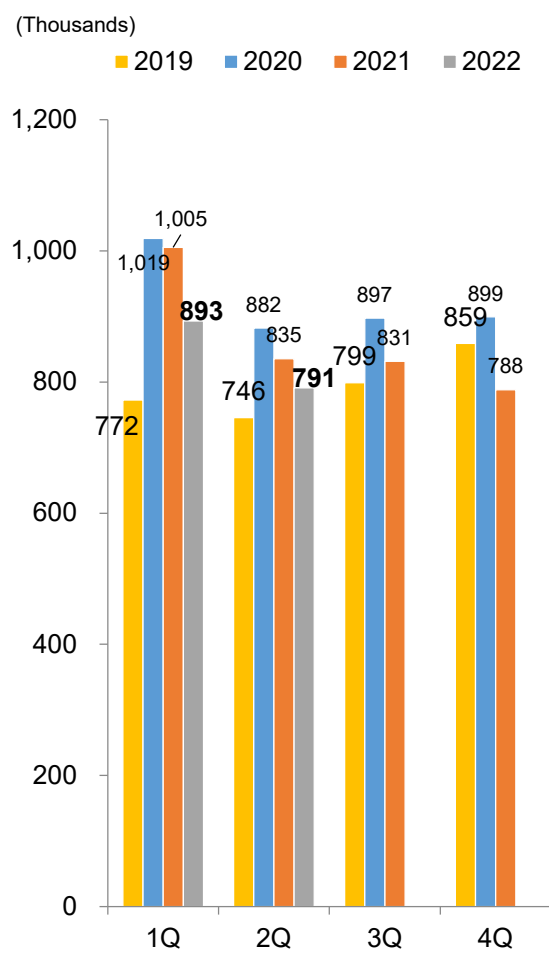
Logistics Information Service Business - Information Numbers



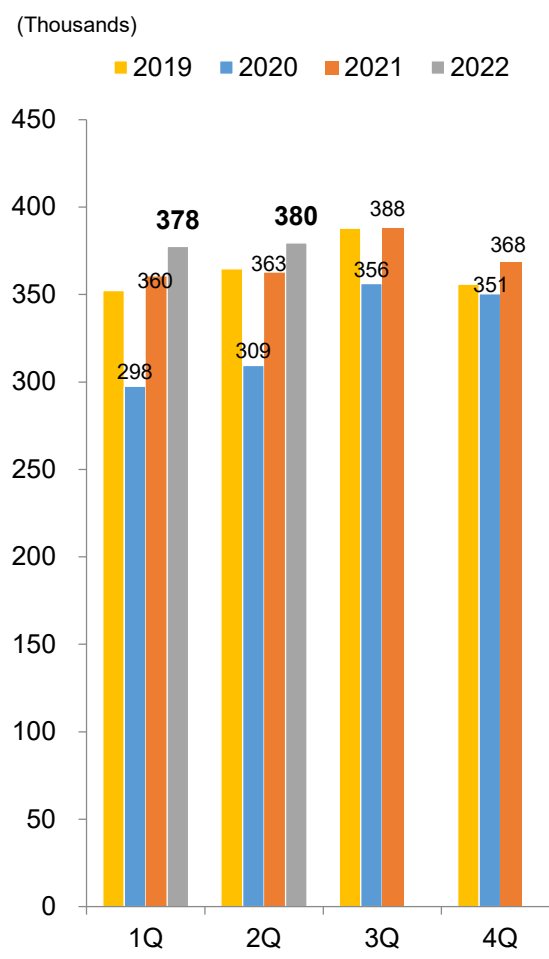
Cargo Information Numbers



Empty Truck Information Numbers



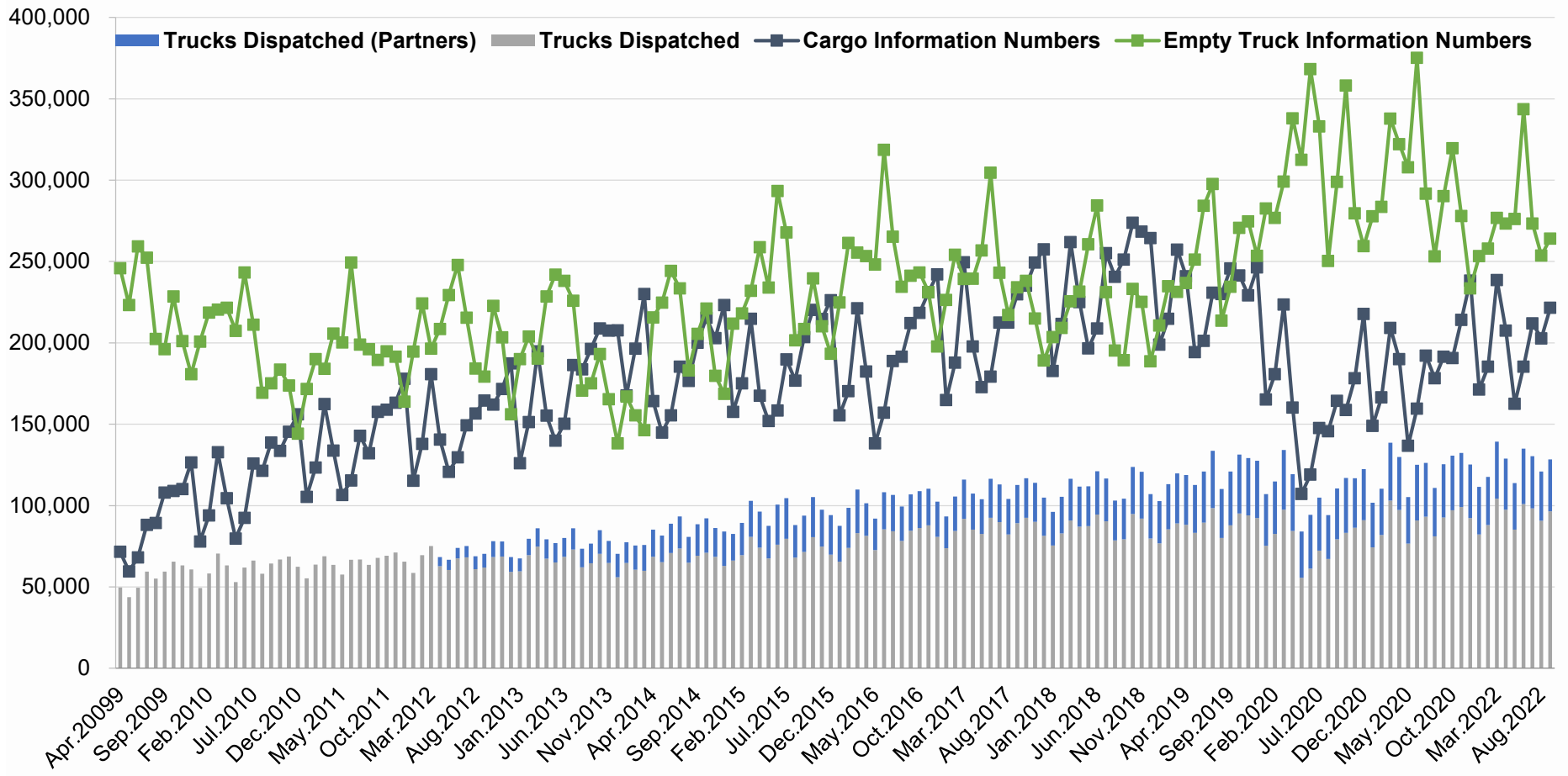
Trucks Dispatched





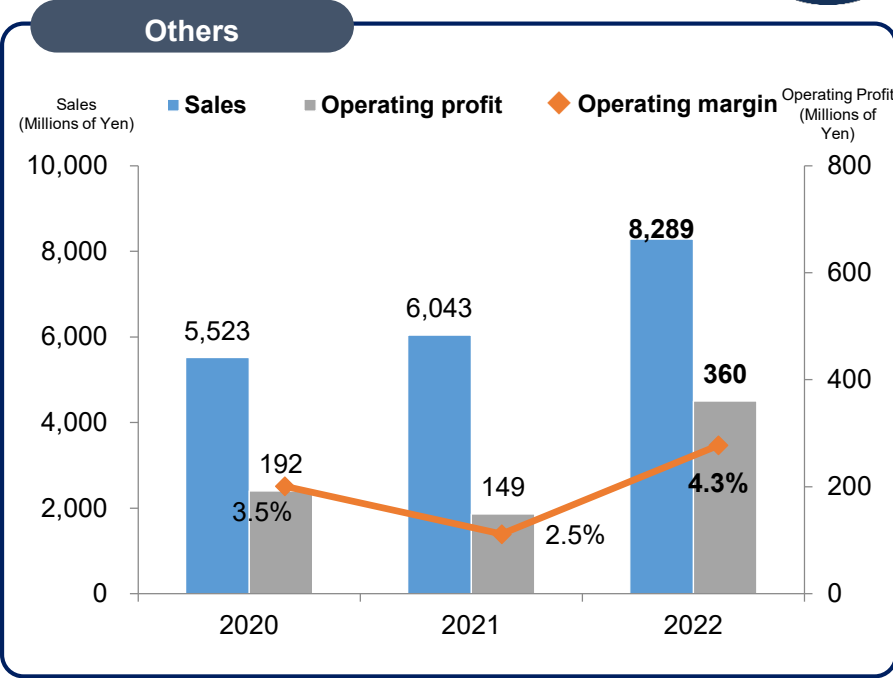
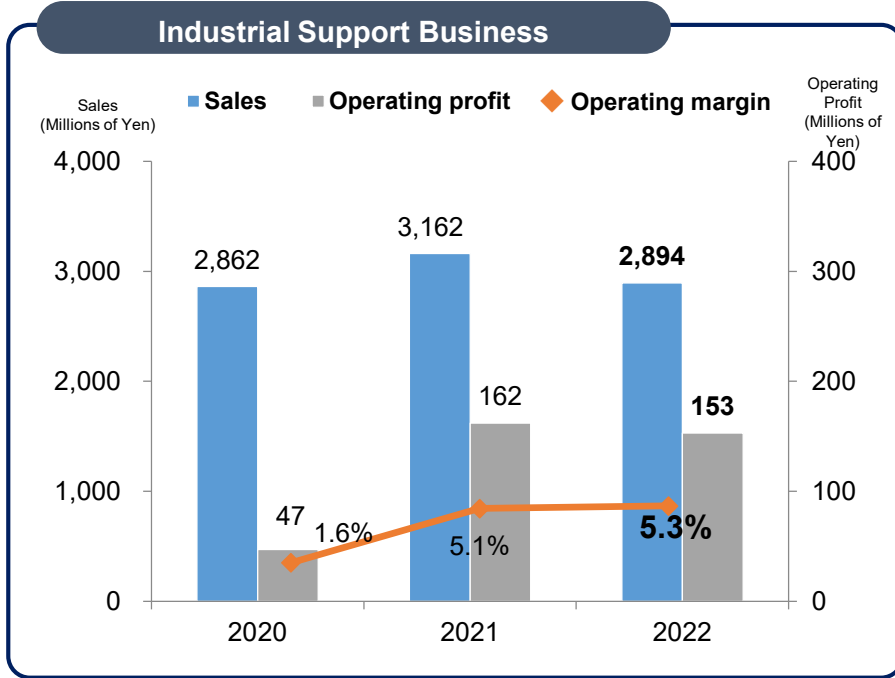
(Reference) Logistics Information Service Business - Change in Information Numbers

Change in the number of information cases since 2009





FY2022 1st Half Consolidated Results (IS Business & Others)



Results Sales and profit decreased due to the impact of closed locations

Results Sales and profit increased due to business expansion in China and Thailand and exchange rates

■ Exchange rates		End Sept. 2021	End Sept. 2022
Chugoku	Yen / Yuan	17.30	20.37
Thailand	Yen / THB	3.30	3.81
Singapore	Yen / SGD	82.2	101.07



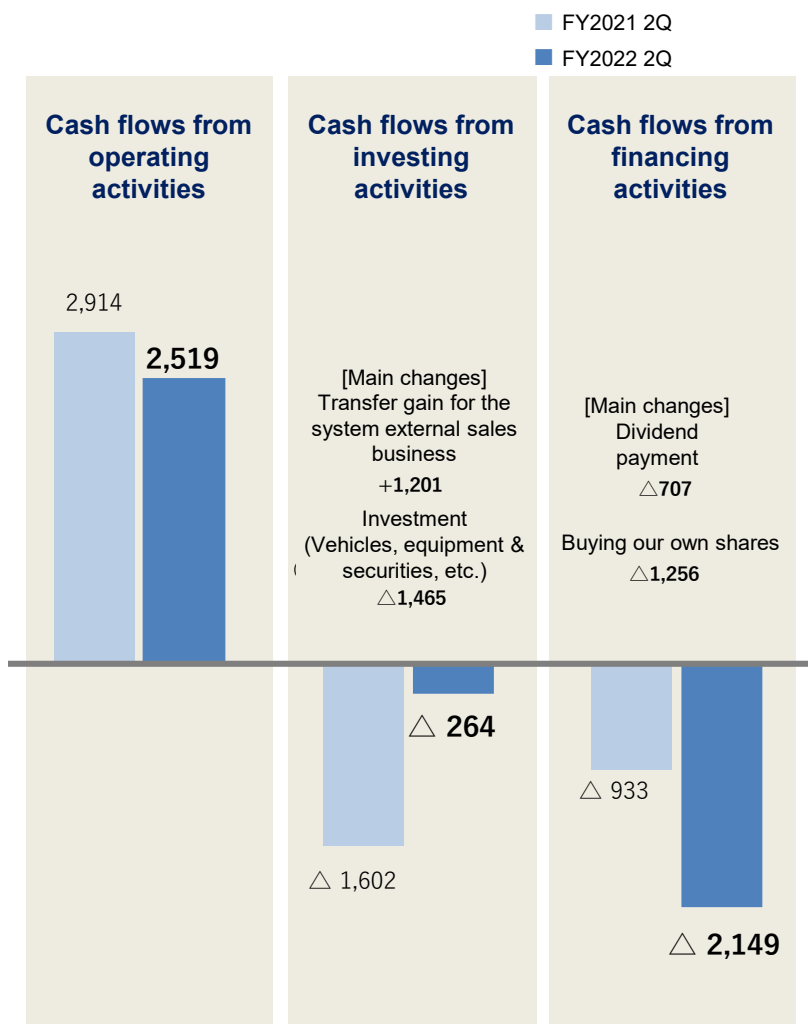


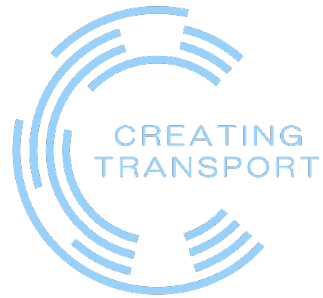
Consolidated Balance Sheet for the 2nd Quarter of FY2022 (Compared to the End of the Previous Fiscal Year)

Consolidated Balance Sheet Unit: Millions of Yen

Current Assets 47,987 (+1,186)	Current Liabilities 18,986 (+100)
	Fixed Liabilities 2,901 (△213)
	Net Assets 50,076 (+ 2,439)
Fixed Assets 23,976 (+ 1,140)	

Consolidated Cash Flow Statement Unit: Millions of Yen





FY2022 Full-year Forecast



FY2022 Consolidated Results Forecast

(Millions of Yen) (Reference)

	FY2021			FY2022 (Forecast)						FY2022
	1st Half	2nd Half	Full Year	1st Half (Actual)	YoY	2nd Half (Forecast)	YoY	Full Year	YoY	Beginning Full-year forecast
Sales	79,716	83,267	162,984	83,889	5.2%	87,610	5.2%	171,500	5.2%	170,000
Operating Profit (% of Sales)	3,959 (5.0%)	4,031 (4.8%)	7,990 (4.9%)	3,660 (4.4%)	-7.5% (-0.6P)	4,130 (4.7%)	2.5% (-0.1P)	7,800 (4.5%)	-2.4% (-0.4P)	8,530 (5.0%)
Recurring Profit (% of Sales)	4,010 (5.0%)	4,180 (5.0%)	8,190 (5.0%)	3,805 (4.5%)	-5.1% (-0.5P)	4,190 (4.8%)	0.2% (-0.2P)	8,000 (4.7%)	-2.3% (-0.3P)	8,640 (5.1%)
Net Profit Attributable to Parent Company Shareholders (% of Sales)	2,600 (3.3%)	2,691 (3.2%)	5,291 (3.2%)	3,320 (4.0%)	27.7% (+0.7P)	2,680 (3.1%)	-0.4% (-0.1P)	6,000 (3.5%)	13.4% (+0.3P)	6,510 (3.8%)

Sales

Just like the first half, sales in the logistics information service business and overseas business will decline due to the transfer of external sales for traction systems, but full-year consolidated sales are expected to increase by 5.2%

Operating profit

While the strategic locations of the LM business are in full operation, and overseas business is a driving force, consolidated operating profit is expected to decrease by 2.4% due to an increase in general and administrative expenses

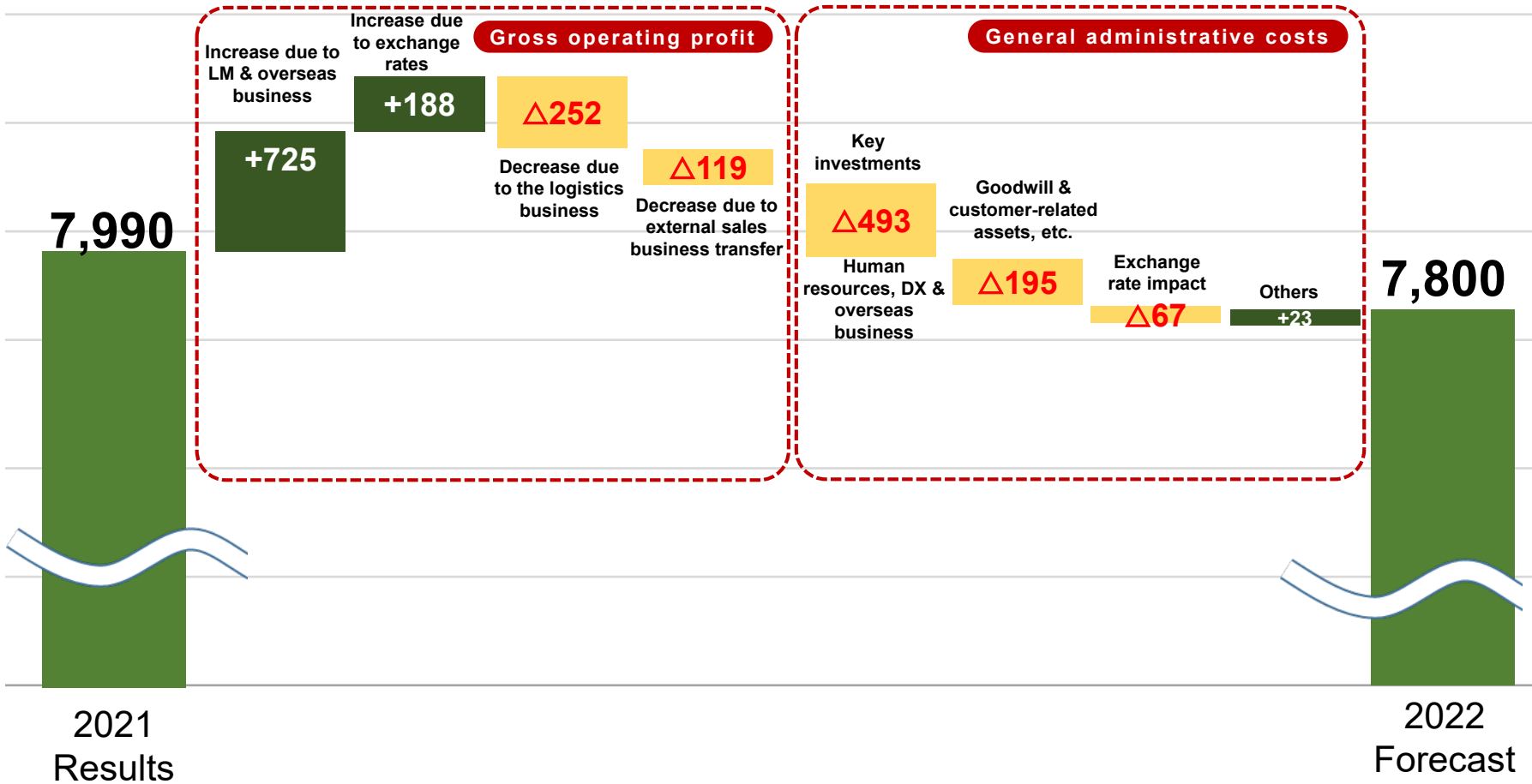
Net profit

Consolidated net profit is expected to increase 13.4% due to posting a gain on the transfer of the system external sales business



FY2022 Full-Year Forecast [Change in Operating Profit]

Expect to invest heavily in human resources, DX and overseas expansion for the future. A decrease in operating profit is planned.





FY2022 Full-Year Forecast by Segment

		(Millions of Yen) (Reference)										
		FY2021			FY2022 (Forecast)						Beginning of FY2022	
		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	27,891	27,607	55,499	27,265	-2.2%	27,880	1.0%	55,150	-0.6%	28,300	-1.5%
	Operating profit (% of Sales)	2,187 (7.8%)	2,030 (7.4%)	4,218 (7.6%)	2,005 (7.4%)	-8.3% (-0.4P)	2,360 (8.5%)	16.2% (+1.1P)	4,370 (7.9%)	3.6% (+0.3P)	2,550 (9.0%)	-7.5% (-0.5P)
Logistics Information Service Business	Sales	43,381	46,095	89,477	46,207	6.5%	48,890	6.1%	95,100	6.3%	49,240	-0.7%
	Operating profit (% of Sales)	1,531 (3.5%)	1,663 (3.6%)	3,194 (3.6%)	1,315 (2.8%)	-14.1% (-0.7P)	1,560 (3.2%)	-6.2% (-0.4P)	2,880 (3.0%)	-9.9% (-0.6P)	1,850 (3.8%)	-15.7% (-0.6P)
Industrial Support business	Sales	3,162	3,115	6,278	2,894	-8.5%	3,220	3.4%	6,110	-2.7%	3,350	-3.9%
	Operating profit (% of Sales)	162 (5.1%)	155 (5.0%)	318 (5.1%)	153 (5.3%)	-5.5% (+0.2P)	200 (6.2%)	28.2% (+1.2P)	350 (5.7%)	9.9% (+0.6P)	230 (6.9%)	-13.0% (-0.7P)
Others	Sales	6,043	7,216	13,259	8,289	37.2%	8,380	16.1%	16,670	25.7%	6,540	28.1%
	Operating profit (% of Sales)	149 (2.5%)	257 (3.6%)	407 (3.1%)	360 (4.3%)	140.5% (+1.8P)	110 (1.3%)	-57.2% (-2.3P)	470 (2.8%)	15.5% (-0.3P)	220 (3.4%)	-50.0% (-2.1P)
Intercompany Eliminations	Sales	(763)	(767)	(1,530)	(767)	-	(760)	-	(1,530)	-	(710)	-
	Operating profit (% of Sales)	(71) -	(76) -	(147) -	(174) -	- -	(100) -	- -	(270) -	- -	(140) -	- -
Consolidated Total	Sales	79,716	83,267	162,984	83,889	5.2%	87,610	5.2%	171,500	5.2%	86,720	1.0%
	Operating profit (% of Sales)	3,959 (5.0%)	4,031 (4.8%)	7,990 (4.9%)	3,660 (4.4%)	-7.5% (-0.6P)	4,130 (4.7%)	2.5% (-0.1P)	7,800 (4.5%)	-2.4% (-0.4P)	4,710 (5.4%)	-12.3% (-0.7P)

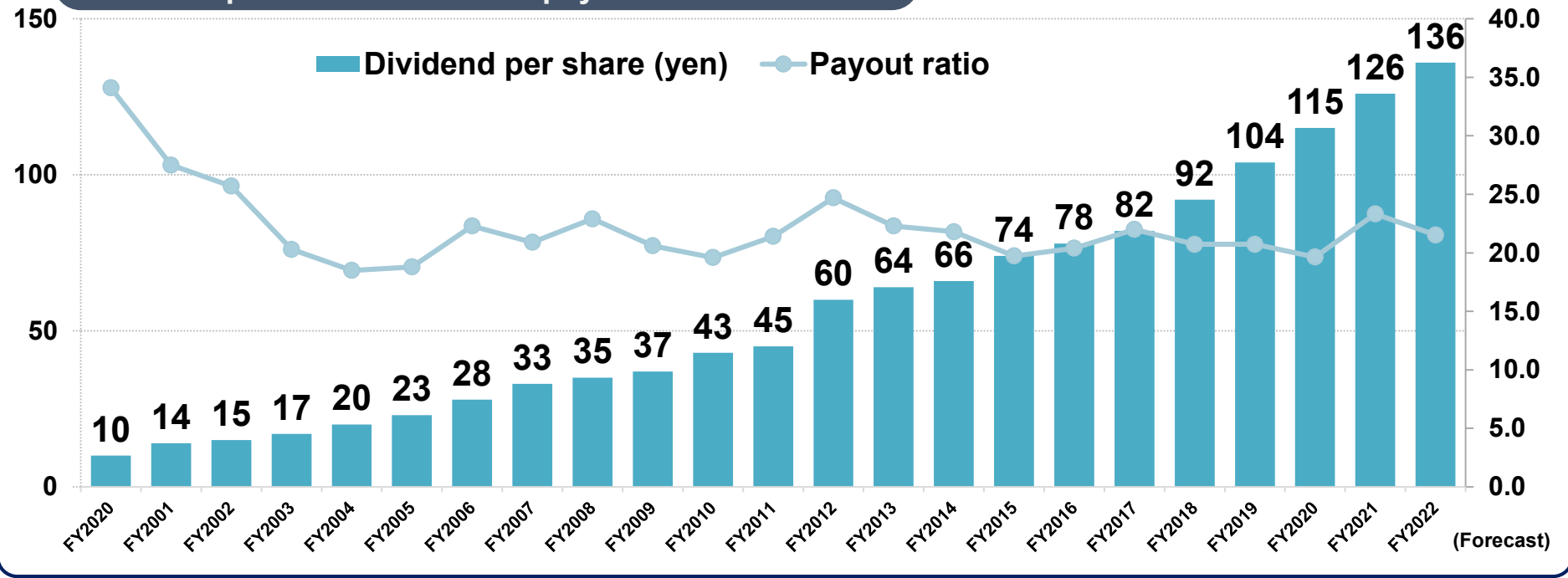




Return to Shareholders

The interim dividend is 68 yen per share as announced at the beginning of the FY. The year-end dividend is also planned to be 68 yen, with the annual dividend seen increasing to 136 yen from 126 yen, which would be the 22nd consecutive year of a dividend increase.

Dividend per share & dividend payout ratio since 2000



Status for buying our own shares

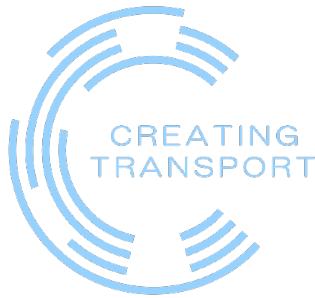
Announced on Apr. 27, 2022

Total number of shares that can be acquired: 290,000 shares
 Acquisition cost total amount: 2,000 million yen
 Acquisition period: May 2, 2022 - Feb. 28, 2023

As of Sept. 30, 2022

Total number of shares acquired: 174,200 shares
 Acquisition cost total amount: 1,205 million yen
 (Reference) Total return ratio after acquisition: 55.2%





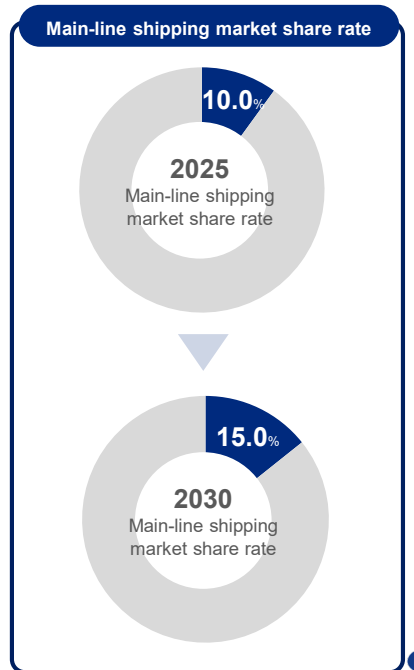
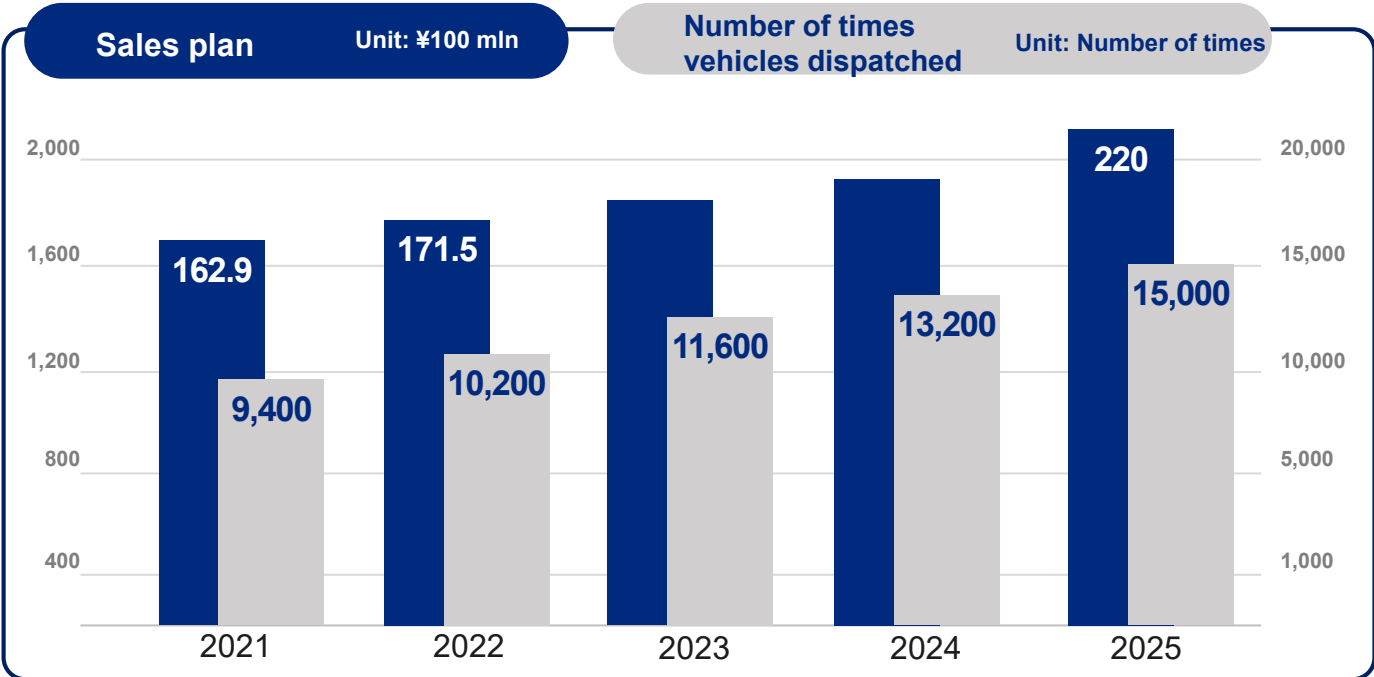
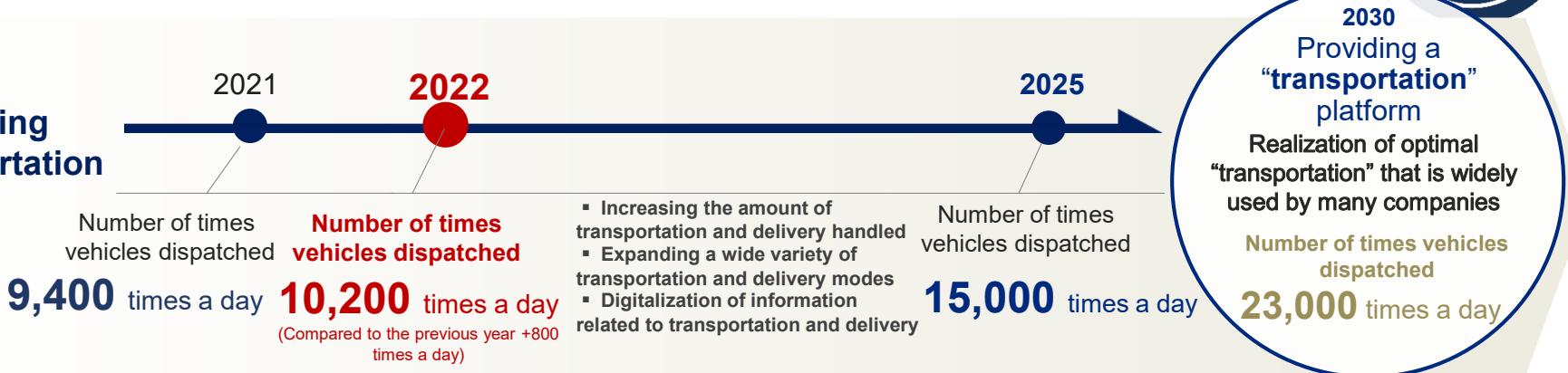
TRANCOM VISION 2025

Progress Status

TRANCOM VISION2025



Creating Transportation





Concentrating all management resources on Transport

<p>Focusing on transport</p>	<ol style="list-style-type: none">1. Improving and increasing transportation and delivery capacity & expanding a wide variety of transportation and delivery modes2. Increasing the shipping volume handled in Japan3. Business innovation for the load matching service4. Strengthening innovation by collaborating with other companies5. System development for the advancement of digitalization & building data connections with other companies
<p>Building the foundation of the existing business</p>	<ol style="list-style-type: none">6. Building a strong business foundation for the logistics management business7. Strengthening growth in the ASEAN region
<p>Rebuilding the foundation for growth</p>	<ol style="list-style-type: none">8. Further strengthening & diversifying human resources and the organization9. Progressing to ESG & SDGs management



Focusing on transport

Increasing the volume of transportation and delivery

Sales

Deeply cultivating existing customers

Strengthening and expanding the transportation function

New industries such as industrial products and chemical products

Expanding transportation and delivery modes
Location development for platform building

Partners

Increasing the number of dedicated trucks and strengthening relationships with cooperative partners

Increasing transportation abilities

Strengthening functions and the ability to handle things

Locations

C-AREA (strategic locations), C-LINK (junction locations)

Base development for platform construction

Depot locations for consumption areas nationwide

Home delivery depot locations

Services

Shipping: Load matching, medium-lots, junction transportation, special vehicles & refrigerator freezer

Handling various transportation and delivery

Delivery: Joint delivery

Last mile





Creating a "Transportation" Mechanism and Speeding Up Business Development



Building transportation platform by industry

Building a platform for daily necessities in Kanto and expanding to other areas & the food industry.



Rebuilding a strong business foundation for the logistics information service business

Strengthening our competitive advantage by advancing operations and making them more sophisticated for the core "transportation" business.



Strengthening the company-wide sales force

With a 1,500 person sales organization, promoting sales that integrate both business and sales.



Expanding the last mile business area

Strengthening the "transportation" function by boosting corporate collaboration.

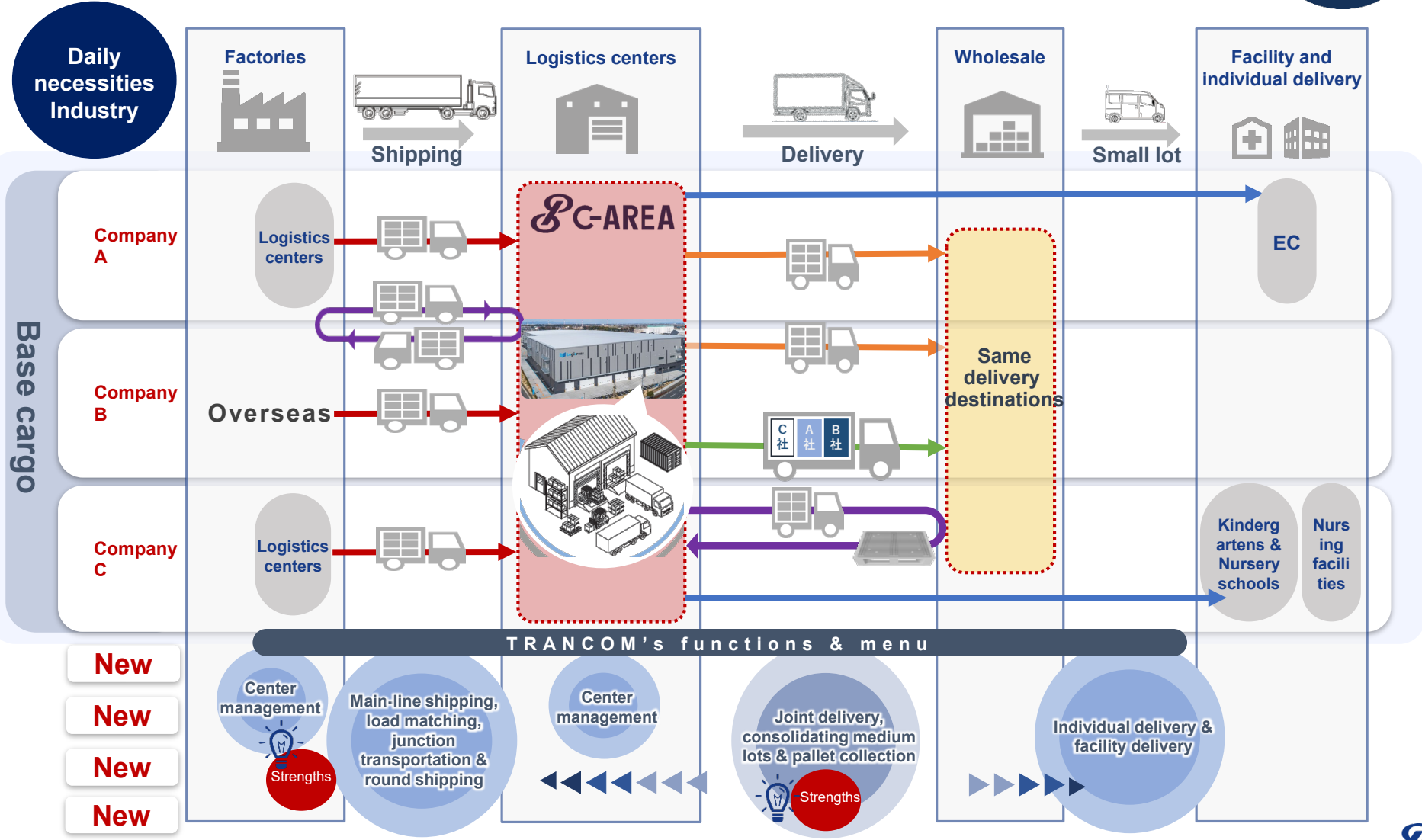


Business transformation through active promotion of logistics DX

Promoting collaboration to build new DX solutions.



What is the Platform Concept by Industry?



Realization of platform concepts by industry

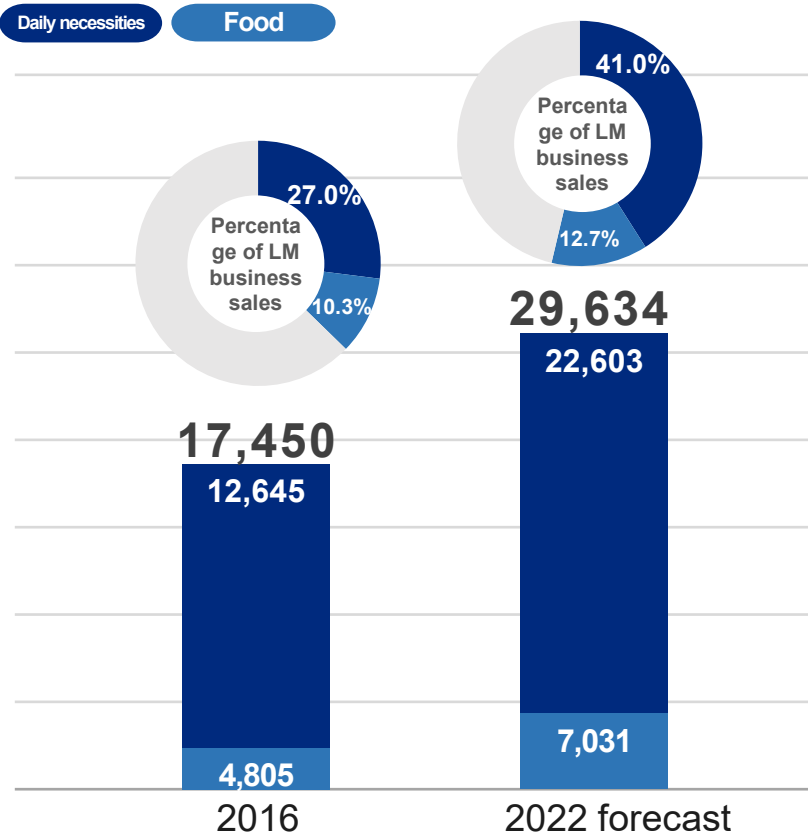


Transportation Strategy

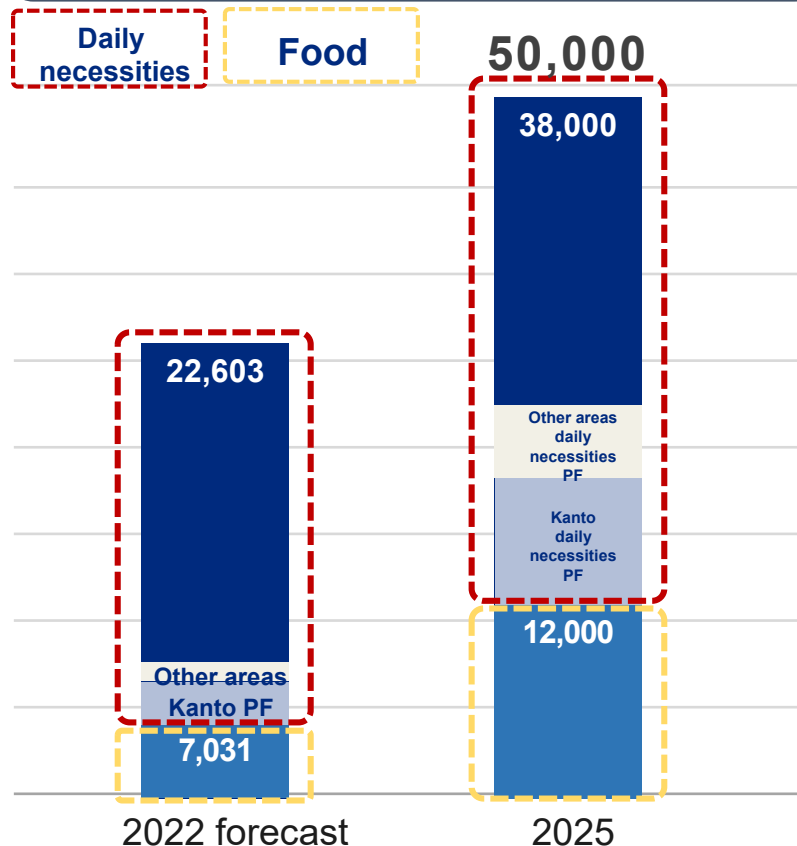
Realization of platform concepts by industry

Building a platform for daily necessities in Kanto and expanding to other areas & the food industry.

Sales trend for daily necessities & food (manufacturing Industry) Unit: Millions of Yen



Expanding from Kanto to the whole country Unit: Millions of Yen



Strengthening the Logistics Information Service Business



Transportation
Strategy

Rebuilding a strong business foundation for the logistics information service business

Strengthening our competitive advantage by advancing operations and making them more sophisticated for the core “transportation” business.

1 Strengthening the relationship
with customers

Cooperating with customers and partners

Providing stable cargo to partners, paying appropriate freight and increasing the number of dedicated trucks.
Getting new cargo: Increasing medium-lot cargo and expanding into new categories (refrigeration and freezing).
Information coordination with shippers and partners: Centralizing cargo and empty truck information.

2 Promoting logistics DX

Supporting and assisting by using big data

Pioneering markets by using big data.
Expanding system functions to support the core work of adjusters.
Early development and introduction of systems for partners & drivers that support efficient shipping.

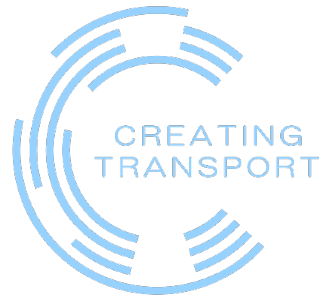
3 Collaborating with platforms in
other areas

Data linkage in the transportation and delivery field with companies in different businesses and types of industries

4 Further developing new
locations

Expanding the coverage area and developing new shipping matching





Reference Materials

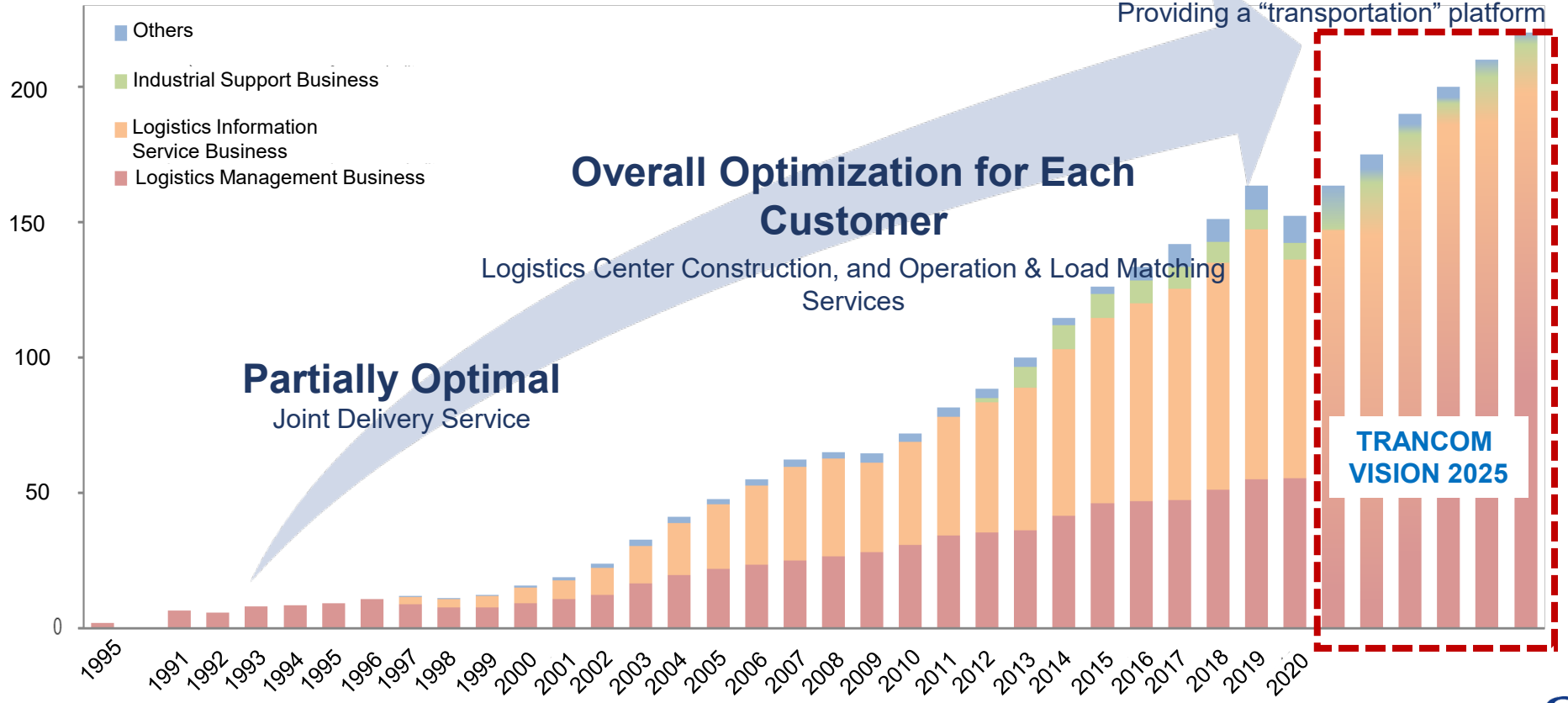
TRANCOM Business reform



Change in Sales Since the Company was Founded

Overall Optimization of Domestic Transportation and Delivery

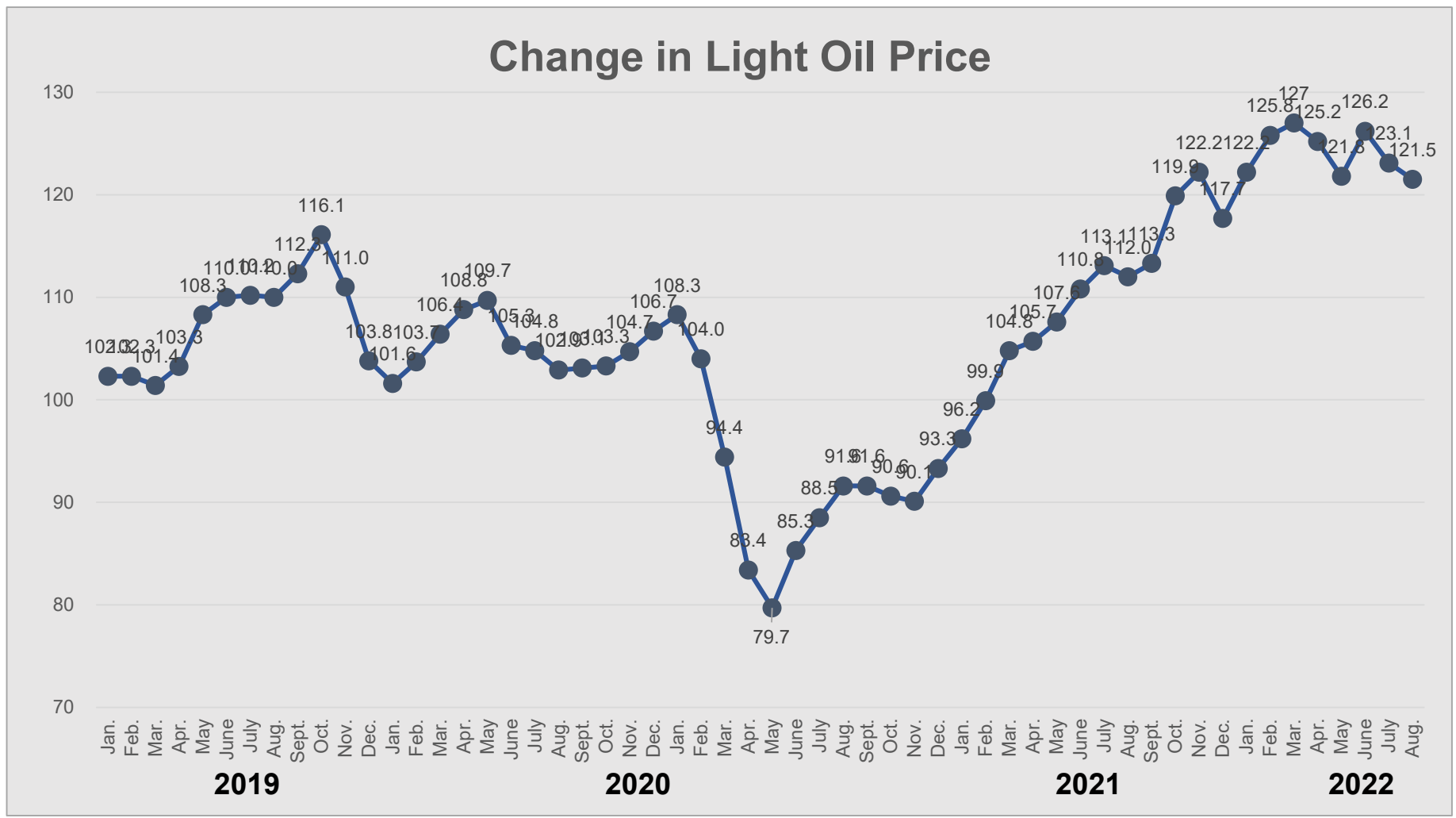
(¥100 mln)





Change in Unit Fuel Price

Change in Light Oil Price



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





Logistics industry as a whole

About **24 tln yen**

Truck transportation business

Number of registered trucks

About **14.4 tln yen** About **1,292,000 trucks**

Home delivery business

Number of registered trucks

About **2.4 tln yen** 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



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.

