

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

October 30, 2023

Company name: TRANCOM CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 9058 URL <https://www.trancom.co.jp/ir/>
 Representative: President Yasuhiro Jinno
 Inquiries: Executive Officer / Finance and Accounting Naoki Mitamura TEL (052)939-2011
 Scheduled date to file Quarterly Securities Report: November 2, 2023
 Scheduled date to commence dividend payments: December 5, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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	%
Six months ended September 30, 2023	83,868	(0.0)	3,632	(1.1)	3,683	(3.5)	2,347	(29.3)
Six months ended September 30, 2022	83,889	5.2	3,673	(7.2)	3,818	(4.8)	3,320	27.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	248.63		248.00	
Six months ended September 30, 2022	341.91		341.06	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	73,694	50,137	67.3	5,291.35
As of March 31, 2023	72,045	48,953	67.3	5,090.63

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	68.00	–	60.00	128.00
Year ending March 31, 2024	–	66.00			
Year ending March 31, 2024 (Forecast)			–	66.00	132.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	171,770	2.4	7,100	(4.5)	7,170	(5.3)	4,650	21.2	496.11

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023
(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: No
- 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 September 30, 2023	10,324,150 shares	As of March 31, 2023	10,324,150 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	951,153 shares	As of March 31, 2023	800,929 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	9,440,415 shares	Six months ended September 30, 2022	9,710,302 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	22,450	20,506
Notes and accounts receivable - trade, and contract assets	25,192	26,013
Merchandise	27	35
Work in process	2	6
Supplies	24	22
Prepaid expenses	842	950
Deposits paid	–	949
Other	453	474
Allowance for doubtful accounts	(1)	(1)
Total current assets	48,991	48,956
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,455	10,488
Accumulated depreciation	(5,520)	(5,655)
Buildings and structures, net	4,935	4,832
Machinery, equipment and vehicles	8,612	9,203
Accumulated depreciation	(6,537)	(6,946)
Machinery, equipment and vehicles, net	2,074	2,257
Land	3,005	3,005
Leased assets	2,336	2,336
Accumulated depreciation	(1,964)	(2,068)
Leased assets, net	372	268
Right-of-use assets	3,212	4,267
Accumulated depreciation	(1,147)	(1,226)
Right-of-use assets, net	2,065	3,040
Construction in progress	422	297
Other	1,875	1,921
Accumulated depreciation	(1,231)	(1,316)
Other, net	643	605
Total property, plant and equipment	13,520	14,307
Intangible assets		
Goodwill	351	321
Software	1,160	1,077
Software in progress	299	653
Customer Relationship	241	214
Other	150	148
Total intangible assets	2,203	2,415
Investments and other assets		
Investment securities	4,201	4,543
Deferred tax assets	356	304
Guarantee deposits	2,552	2,936
Other	236	247
Allowance for doubtful accounts	(18)	(18)
Total investments and other assets	7,329	8,014
Total non-current assets	23,053	24,737
Total assets	72,045	73,694

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	12,582	12,191
Lease liabilities	648	753
Accounts payable - other	1,723	1,599
Accrued expenses	1,302	1,586
Income taxes payable	1,247	707
Accrued consumption taxes	563	629
Provision for bonuses	614	712
Provision for bonuses for directors (and other officers)	–	15
Other	399	541
Total current liabilities	19,081	18,736
Non-current liabilities		
Lease liabilities	2,024	2,781
Deferred tax liabilities	60	53
Deferred tax liabilities for land revaluation	53	53
Provision for share awards	356	370
Provision for share awards for directors (and other officers)	374	398
Retirement benefit liability	97	92
Asset retirement obligations	681	703
Other	359	366
Total non-current liabilities	4,010	4,820
Total liabilities	23,091	23,556
Net assets		
Shareholders' equity		
Share capital	1,080	1,080
Capital surplus	1,642	1,660
Retained earnings	47,548	49,317
Treasury shares	(3,111)	(4,156)
Total shareholders' equity	47,159	47,901
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	659	749
Revaluation reserve for land	(44)	(44)
Foreign currency translation adjustment	707	992
Remeasurements of defined benefit plans	(3)	(2)
Total accumulated other comprehensive income	1,319	1,694
Share acquisition rights	100	100
Non-controlling interests	374	441
Total net assets	48,953	50,137
Total liabilities and net assets	72,045	73,694

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

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	83,889	83,868
Cost of sales	78,398	78,605
Gross profit	5,490	5,263
Selling, general and administrative expenses	1,817	1,630
Operating profit	3,673	3,632
Non-operating income		
Interest and dividend income	26	32
Share of profit of entities accounted for using equity method	57	30
Subsidy income	80	33
Other	63	57
Total non-operating income	228	153
Non-operating expenses		
Interest expenses	53	83
Loss on retirement of non-current assets	0	8
Other	29	9
Total non-operating expenses	83	102
Ordinary profit	3,818	3,683
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	1,343	–
Total extraordinary income	1,343	–
Extraordinary losses		
Impairment losses	19	51
Loss on valuation of investment securities	75	–
Loss on disaster	–	6
Total extraordinary losses	95	57
Profit before income taxes	5,066	3,625
Income taxes - current	1,773	1,239
Income taxes - deferred	(76)	2
Total income taxes	1,696	1,241
Profit	3,369	2,384
Profit attributable to		
Profit attributable to owners of parent	3,320	2,347
Profit attributable to non-controlling interests	49	36
Other comprehensive income		
Valuation difference on available-for-sale securities	199	89
Foreign currency translation adjustment	760	314
Remeasurements of defined benefit plans, net of tax	1	0
Total other comprehensive income	961	404
Comprehensive income	4,331	2,788
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,239	2,722
Comprehensive income attributable to non-controlling interests	91	66

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	5,066	3,625
Impairment losses	19	51
Loss on disaster	–	6
Depreciation	1,352	1,432
Amortization of goodwill	194	52
Increase (decrease) in allowance for doubtful accounts	4	(0)
Increase (decrease) in provision for bonuses	52	98
Increase (decrease) in provision for bonuses for directors (and other officers)	15	15
Increase (decrease) in provision for share awards	27	13
Increase (decrease) in provision for share awards for directors (and other officers)	26	23
Increase (decrease) in retirement benefit liability	(1)	(5)
Interest and dividend income	(26)	(32)
Share of loss (profit) of entities accounted for using equity method	(57)	(30)
Subsidy income	(80)	(33)
Interest expenses	53	83
Loss on retirement of non-current assets	0	8
Loss (gain) on sale of non-current assets	(7)	(1)
Loss (gain) on sale of shares of subsidiaries and associates	(1,343)	–
Loss (gain) on valuation of investment securities	75	–
Decrease (increase) in receivables and contract assets	268	(692)
Decrease (increase) in deposits paid	(798)	(949)
Increase (decrease) in trade payables	(333)	(480)
Increase (decrease) in accounts payable - other	(56)	(87)
Increase (decrease) in accrued consumption taxes	(98)	65
Other, net	(271)	360
Subtotal	4,081	3,524
Interest and dividends received	26	32
Dividends received from entities accounted for using equity method	38	57
Subsidies received	80	33
Interest paid	(53)	(83)
Income taxes paid	(1,652)	(1,881)
Net cash provided by (used in) operating activities	2,519	1,682
Cash flows from investing activities		
Purchase of property, plant and equipment	(910)	(716)
Proceeds from sale of property, plant and equipment	14	18
Purchase of intangible assets	(204)	(490)
Purchase of investment securities	(134)	(77)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,201	–
Other, net	(231)	(532)
Net cash provided by (used in) investing activities	(264)	(1,798)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Purchase of treasury shares	(1,256)	(1,056)
Proceeds from disposal of treasury shares	74	28
Dividends paid	(707)	(579)
Repayments of lease liabilities	(416)	(438)
Other, net	156	–
Net cash provided by (used in) financing activities	(2,149)	(2,045)
Effect of exchange rate change on cash and cash equivalents	297	209
Net increase (decrease) in cash and cash equivalents	404	(1,951)
Cash and cash equivalents at beginning of period	19,949	22,363
Cash and cash equivalents at end of period	20,353	20,412