

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

April 30, 2024

Company name: TRANCOM CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 9058 URL <https://www.trancom.co.jp/ir/>
 Representative: President Yasuhiro Jinno
 Executive Officer / Management
 Inquiries: Daisuke Nitta TEL (052)939-2011
 Headquarters
 Scheduled date of ordinary general meeting of shareholders: June 18, 2024
 Scheduled date to file Securities Report: June 19, 2024
 Scheduled date to commence dividend payments: June 19, 2024
 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, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	169,410	1.0	7,020	(5.6)	7,152	(5.5)	4,546	18.6
Year ended March 31, 2023	167,760	2.9	7,438	(6.9)	7,573	(7.5)	3,835	(27.5)

	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, 2024	485.25	484.01	9.3	9.8	4.1
Year ended March 31, 2023	397.95	396.96	8.0	10.7	4.4

(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, 2024	74,097	50,241	67.1	5,381.06
As of March 31, 2023	72,045	48,953	67.3	5,090.63

(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, 2024	6,803	(3,597)	(4,295)	21,500
Year ended March 31, 2023	8,351	(1,639)	(4,467)	22,363

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, 2023	–	68.00	–	60.00	128.00	1,240	32.2	2.6
Year ended March 31, 2024	–	66.00	–	70.00	136.00	1,282	28.0	2.6
Year ending March 31, 2025 (Forecast)	–	74.00	–	74.00	148.00		30.1	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	83,860	(0.0)	3,080	(15.2)	3,070	(16.7)	2,010	(14.4)	217.49
Full year	173,670	2.5	7,070	0.7	7,040	(1.6)	4,550	0.1	492.32

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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: No

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, 2024	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 March 31, 2024	1,082,253 shares	As of March 31, 2023	800,929 shares
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Average number of shares during the period

Year ended March 31, 2024	9,370,356 shares	Year ended March 31, 2023	9,637,148 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	22,450	21,594
Notes and accounts receivable - trade, and contract assets	21,379	22,362
Electronically recorded monetary claims - operating	3,812	4,134
Merchandise	27	60
Work in process	2	2
Supplies	24	26
Prepaid expenses	842	949
Other	453	355
Allowance for doubtful accounts	(1)	(1)
Total current assets	48,991	49,484
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,455	10,621
Accumulated depreciation	(5,520)	(5,822)
Buildings and structures, net	4,935	4,798
Machinery, equipment and vehicles	8,612	9,673
Accumulated depreciation	(6,537)	(7,343)
Machinery, equipment and vehicles, net	2,074	2,330
Land	3,005	3,005
Leased assets	2,336	2,338
Accumulated depreciation	(1,964)	(2,129)
Leased assets, net	372	208
Right-of-use assets	3,212	4,132
Accumulated depreciation	(1,147)	(1,207)
Right-of-use assets, net	2,065	2,924
Construction in progress	422	436
Other	1,875	2,018
Accumulated depreciation	(1,231)	(1,375)
Other, net	643	643
Total property, plant and equipment	13,520	14,348
Intangible assets		
Goodwill	351	269
Software	1,160	1,247
Software in progress	299	794
Customer Relationship	241	175
Other	150	146
Total intangible assets	2,203	2,633
Investments and other assets		
Investment securities	4,201	3,959
Deferred tax assets	356	414
Guarantee deposits	2,552	3,041
Other	236	233
Allowance for doubtful accounts	(18)	(17)
Total investments and other assets	7,329	7,631
Total non-current assets	23,053	24,612
Total assets	72,045	74,097

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	12,582	12,420
Lease liabilities	648	723
Accounts payable - other	1,723	1,808
Accrued expenses	1,302	1,510
Income taxes payable	1,247	782
Accrued consumption taxes	563	585
Provision for bonuses	614	689
Other	399	569
Total current liabilities	19,081	19,090
Non-current liabilities		
Lease liabilities	2,024	2,627
Deferred tax liabilities	60	43
Deferred tax liabilities for land revaluation	53	53
Provision for stocks payment	356	398
Provision for share awards for directors (and other officers)	374	414
Retirement benefit liability	97	88
Asset retirement obligations	681	758
Other	359	380
Total non-current liabilities	4,010	4,765
Total liabilities	23,091	23,856
Net assets		
Shareholders' equity		
Share capital	1,080	1,080
Capital surplus	1,642	1,517
Retained earnings	47,548	50,889
Treasury shares	(3,111)	(5,098)
Total shareholders' equity	47,159	48,388
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	659	447
Revaluation reserve for land	(44)	(117)
Foreign currency translation adjustment	707	1,010
Remeasurements of defined benefit plans	(3)	2
Total accumulated other comprehensive income	1,319	1,342
Share acquisition rights	100	100
Non-controlling interests	374	410
Total net assets	48,953	50,241
Total liabilities and net assets	72,045	74,097

Consolidated statements of income and consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	167,760	169,410
Cost of sales	156,779	159,190
Gross profit	10,981	10,220
Selling, general and administrative expenses	3,543	3,199
Operating profit	7,438	7,020
Non-operating income		
Interest and dividend income	54	60
Share of profit of entities accounted for using equity method	113	73
Subsidy income	113	51
Insurance claim income	–	53
Other	107	125
Total non-operating income	388	365
Non-operating expenses		
Interest expenses	124	171
Loss on retirement of non-current assets	5	14
Commission for purchase of treasury shares	35	4
Other	89	42
Total non-operating expenses	254	233
Ordinary profit	7,573	7,152
Extraordinary income		
Gain on sale of shares of subsidiaries and associates	1,343	–
Total extraordinary income	1,343	–
Extraordinary losses		
Impairment losses	1,477	51
Loss on valuation of investment securities	278	242
Loss on disaster	–	6
Total extraordinary losses	1,755	300
Profit before income taxes	7,160	6,852
Income taxes - current	2,993	2,293
Income taxes - deferred	242	(61)
Total income taxes	3,235	2,231
Profit	3,924	4,620
Profit attributable to		
Profit attributable to owners of parent	3,835	4,546
Profit attributable to non-controlling interests	89	73
Other comprehensive income		
Valuation difference on available-for-sale securities	418	(212)
Revaluation reserve for land	–	(73)
Foreign currency translation adjustment	603	337
Remeasurements of defined benefit plans, net of tax	2	6
Total other comprehensive income	1,024	58
Comprehensive income	4,949	4,678
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,822	4,570
Comprehensive income attributable to non-controlling interests	126	108

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,080	1,815	45,007	(1,049)	46,853
Changes during period					
Dividends of surplus			(1,293)		(1,293)
Profit attributable to owners of parent			3,835		3,835
Purchase of shares of consolidated subsidiaries		(268)			(268)
Purchase of treasury shares				(2,124)	(2,124)
Disposal of treasury shares		95		62	158
Net changes in items other than shareholders' equity					
Total changes during period	–	(173)	2,541	(2,061)	306
Balance at end of period	1,080	1,642	47,548	(3,111)	47,159

	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	241	(44)	141	(5)	332	100	428	47,714
Changes during period								
Dividends of surplus								(1,293)
Profit attributable to owners of parent								3,835
Purchase of shares of consolidated subsidiaries								(268)
Purchase of treasury shares								(2,124)
Disposal of treasury shares								158
Net changes in items other than shareholders' equity	418	–	566	2	987	–	(54)	932
Total changes during period	418	–	566	2	987	–	(54)	1,239
Balance at end of period	659	(44)	707	(3)	1,319	100	374	48,953

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,080	1,642	47,548	(3,111)	47,159
Changes during period					
Dividends of surplus			(1,205)		(1,205)
Profit attributable to owners of parent			4,546		4,546
Purchase of shares of consolidated subsidiaries		(146)			(146)
Purchase of treasury shares				(2,000)	(2,000)
Disposal of treasury shares		21		13	34
Net changes in items other than shareholders' equity					
Total changes during period	–	(125)	3,341	(1,987)	1,228
Balance at end of period	1,080	1,517	50,889	(5,098)	48,388

	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	659	(44)	707	(3)	1,319	100	374	48,953
Changes during period								
Dividends of surplus								(1,205)
Profit attributable to owners of parent								4,546
Purchase of shares of consolidated subsidiaries								(146)
Purchase of treasury shares								(2,000)
Disposal of treasury shares								34
Net changes in items other than shareholders' equity	(212)	(73)	302	6	23	–	36	59
Total changes during period	(212)	(73)	302	6	23	–	36	1,288
Balance at end of period	447	(117)	1,010	2	1,342	100	410	50,241

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	7,160	6,852
Depreciation	2,896	2,972
Amortization of goodwill	296	105
Impairment losses	1,477	51
Loss on disaster	–	6
Increase (decrease) in allowance for doubtful accounts	4	(0)
Increase (decrease) in provision for bonuses	(11)	74
Increase (decrease) in Provision for stocks payment	50	41
Increase (decrease) in provision for share awards for directors (and other officers)	31	40
Increase (decrease) in retirement benefit liability	4	(2)
Interest and dividend income	(54)	(60)
Share of loss (profit) of entities accounted for using equity method	(113)	(73)
Subsidy income	(113)	(51)
Insurance claim income	–	(53)
Interest expenses	124	171
Loss on retirement of non-current assets	5	14
Loss (gain) on sale of non-current assets	(14)	(3)
Loss (gain) on sale of shares of subsidiaries and associates	(1,343)	–
Loss (gain) on valuation of investment securities	278	242
Decrease (increase) in accounts receivable - trade, and contract assets	398	(1,169)
Increase (decrease) in trade payables	139	(252)
Increase (decrease) in accounts payable - other	(171)	169
Increase (decrease) in accrued consumption taxes	(115)	22
Other, net	141	673
Subtotal	11,072	9,769
Interest and dividends received	54	60
Dividends received from entities accounted for using equity method	38	57
Subsidies received	113	51
Proceeds from insurance income	–	19
Payments associated with disaster loss	–	(6)
Interest paid	(124)	(171)
Income taxes paid	(2,803)	(2,976)
Net cash provided by (used in) operating activities	8,351	6,803
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,935)	(1,774)
Proceeds from sale of property, plant and equipment	53	24
Purchase of intangible assets	(463)	(1,072)
Purchase of investment securities	(209)	(176)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	1,368	–
Other, net	(453)	(597)
Net cash provided by (used in) investing activities	(1,639)	(3,597)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Purchase of treasury shares	(2,124)	(2,000)
Proceeds from disposal of treasury shares	158	34
Dividends paid	(1,293)	(1,205)
Repayments of lease liabilities	(754)	(903)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(378)	(220)
Other, net	(75)	–
Net cash provided by (used in) financing activities	(4,467)	(4,295)
Effect of exchange rate change on cash and cash equivalents	170	226
Net increase (decrease) in cash and cash equivalents	2,414	(863)
Cash and cash equivalents at beginning of period	19,949	22,363
Cash and cash equivalents at end of period	22,363	21,500