

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 1, 2021

Company name: TRANCOM CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 9058 URL <https://www.trancom.co.jp/ir/>
 Representative: President Yutaka Tsunekawa
 Executive Officer / Finance & Accounting
 Inquiries: Group Shinichi Kawamura TEL (052)939-2011
 Scheduled date to file Quarterly Securities Report: February 5, 2021
 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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

(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 | % |
| Nine months ended December 31, 2020 | 113,348 | (8.5) | 6,290 | 3.2 | 6,409 | 6.1 | 4,421 | 10.5 |
| Nine months ended December 31, 2019 | 123,870 | 8.8 | 6,096 | 17.1 | 6,041 | 16.7 | 3,999 | 13.6 |

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended December 31, 2020 | 451.80 | | 450.65 | |
| Nine months ended December 31, 2019 | 408.77 | | 407.73 | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of December 31, 2020 | 62,535 | 41,948 | 66.5 | 4,249.46 |
| As of March 31, 2020 | 59,545 | 38,250 | 63.7 | 3,878.18 |

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, 2020 | – | 52.00 | – | 52.00 | 104.00 |
| Year ending March 31, 2021 | – | 55.00 | – | | |
| Year ending March 31, 2021 (Forecast) | | | | 55.00 | 110.00 |

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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 | 149,000 | (8.8) | 7,640 | 1.0 | 7,770 | 4.7 | 5,270 | 7.3 | 538.54 |

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020
(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 December 31, 2020 | 10,324,150 shares | As of March 31, 2020 | 10,324,150 shares |
|-------------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|-------------------------|----------------|----------------------|----------------|
| As of December 31, 2020 | 534,950 shares | As of March 31, 2020 | 539,687 shares |
|-------------------------|----------------|----------------------|----------------|

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

| | | | |
|-------------------------------------|------------------|-------------------------------------|------------------|
| Nine months ended December 31, 2020 | 9,785,667 shares | Nine months ended December 31, 2019 | 9,784,222 shares |
|-------------------------------------|------------------|-------------------------------------|------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of March 31, 2020 | As of December 31, 2020 |
|--|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 14,575 | 17,104 |
| Notes and accounts receivable - trade | 25,189 | 25,365 |
| Merchandise | 39 | 12 |
| Work in process | 1 | 2 |
| Supplies | 18 | 15 |
| Prepaid expenses | 615 | 736 |
| Other | 129 | 381 |
| Allowance for doubtful accounts | (0) | (0) |
| Total current assets | 40,568 | 43,618 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 8,112 | 9,441 |
| Accumulated depreciation | (4,694) | (4,836) |
| Buildings and structures, net | 3,418 | 4,605 |
| Machinery, equipment and vehicles | 6,193 | 6,475 |
| Accumulated depreciation | (4,687) | (5,038) |
| Machinery, equipment and vehicles, net | 1,506 | 1,436 |
| Land | 2,991 | 2,871 |
| Leased assets | 2,396 | 2,451 |
| Accumulated depreciation | (1,540) | (1,649) |
| Leased assets, net | 855 | 802 |
| Construction in progress | 1,671 | 418 |
| Other | 2,033 | 2,235 |
| Accumulated depreciation | (999) | (1,247) |
| Other, net | 1,033 | 987 |
| Total property, plant and equipment | 11,477 | 11,122 |
| Intangible assets | | |
| Goodwill | 892 | 779 |
| Software | 1,330 | 1,323 |
| Software in progress | 356 | 324 |
| Customer Relationship | 457 | 387 |
| Other | 162 | 160 |
| Total intangible assets | 3,198 | 2,974 |
| Investments and other assets | | |
| Investment securities | 1,841 | 2,676 |
| Deferred tax assets | 699 | 335 |
| Deferred tax assets for land revaluation | – | 19 |
| Guarantee deposits | 1,566 | 1,588 |
| Other | 209 | 213 |
| Allowance for doubtful accounts | (16) | (13) |
| Total investments and other assets | 4,300 | 4,819 |
| Total non-current assets | 18,976 | 18,916 |
| Total assets | 59,545 | 62,535 |

(Millions of yen)

| | As of March 31, 2020 | As of December 31, 2020 |
|---|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 12,500 | 11,599 |
| Lease obligations | 447 | 474 |
| Accounts payable - other | 714 | 756 |
| Accrued expenses | 1,342 | 1,694 |
| Income taxes payable | 1,324 | 791 |
| Accrued consumption taxes | 998 | 1,507 |
| Provision for bonuses | 643 | 222 |
| Provision for bonuses for directors (and other officers) | – | 24 |
| Other | 373 | 695 |
| Total current liabilities | 18,344 | 17,765 |
| Non-current liabilities | | |
| Lease obligations | 1,275 | 1,108 |
| Deferred tax liabilities | 96 | 101 |
| Deferred tax liabilities for land revaluation | 11 | – |
| Provision for stocks payment | 257 | 277 |
| Provision for share-based remuneration for directors (and other officers) | 249 | 291 |
| Retirement benefit liability | 106 | 100 |
| Asset retirement obligations | 576 | 585 |
| Other | 377 | 358 |
| Total non-current liabilities | 2,950 | 2,821 |
| Total liabilities | 21,294 | 20,586 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,080 | 1,080 |
| Capital surplus | 1,740 | 1,758 |
| Retained earnings | 36,175 | 39,611 |
| Treasury shares | (1,044) | (1,037) |
| Total shareholders' equity | 37,951 | 41,413 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 165 | 556 |
| Revaluation reserve for land | 26 | (44) |
| Foreign currency translation adjustment | (186) | (316) |
| Remeasurements of defined benefit plans | (11) | (9) |
| Total accumulated other comprehensive income | (5) | 185 |
| Share acquisition rights | 104 | 104 |
| Non-controlling interests | 199 | 244 |
| Total net assets | 38,250 | 41,948 |
| Total liabilities and net assets | 59,545 | 62,535 |

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

(Millions of yen)

| | Nine months ended December 31, 2019 | Nine months ended December 31, 2020 |
|--|--|--|
| Net sales | 123,870 | 113,348 |
| Cost of sales | 115,763 | 105,053 |
| Gross profit | 8,106 | 8,295 |
| Selling, general and administrative expenses | 2,010 | 2,005 |
| Operating profit | 6,096 | 6,290 |
| Non-operating income | | |
| Interest and dividend income | 17 | 21 |
| Share of profit of entities accounted for using equity method | 31 | 47 |
| Subsidy income | 3 | 228 |
| Other | 26 | 52 |
| Total non-operating income | 78 | 349 |
| Non-operating expenses | | |
| Interest expenses | 75 | 78 |
| Other | 57 | 152 |
| Total non-operating expenses | 133 | 230 |
| Ordinary profit | 6,041 | 6,409 |
| Extraordinary losses | | |
| Compensation expenses | 25 | – |
| Total extraordinary losses | 25 | – |
| Profit before income taxes | 6,015 | 6,409 |
| Income taxes - current | 1,820 | 1,780 |
| Income taxes - deferred | 142 | 142 |
| Total income taxes | 1,962 | 1,923 |
| Profit | 4,052 | 4,485 |
| Profit attributable to | | |
| Profit attributable to owners of parent | 3,999 | 4,421 |
| Profit attributable to non-controlling interests | 53 | 64 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 101 | 390 |
| Revaluation reserve for land | – | (70) |
| Foreign currency translation adjustment | (106) | (148) |
| Remeasurements of defined benefit plans, net of tax | (8) | 1 |
| Total other comprehensive income | (13) | 173 |
| Comprehensive income | 4,039 | 4,659 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 3,984 | 4,612 |
| Comprehensive income attributable to non-controlling interests | 55 | 46 |