

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 Six Months Ended September 30, 2024 (Based on Japanese GAAP)

October 28, 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
 Inquiries: Executive Officer /Corporate Planning Naoki Mitamura TEL (052)939-2011
 Scheduled date to file Semi-annual Securities Report: November 7, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	88,518	5.5	3,224	(11.2)	3,339	(9.3)	2,160	(8.0)
Six months ended September 30, 2023	83,868	(0.0)	3,632	(1.1)	3,683	(3.5)	2,347	(29.3)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	233.68	233.07
Six months ended September 30, 2023	248.63	248.00

(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, 2024	77,258	52,297	67.0	5,595.25
As of March 31, 2024	74,097	50,241	67.1	5,381.06

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, 2024	–	66.00	–	70.00	136.00
Year ending March 31, 2025	–	0.00			
Year ending March 31, 2025 (Forecast)			–	0.00	0.00

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
Full year	177,810	5.0	7,070	0.7	7,040	(1.6)	4,550	0.1	492.13

4. Notes

- (1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No
- (2) Application of special accounting methods for preparing semi-annual 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 September 30, 2024	10,324,150 shares	As of March 31, 2024	10,324,150 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2024	1,078,728 shares	As of March 31, 2024	1,082,253 shares
--------------------------	------------------	----------------------	------------------

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

Six months ended September 30, 2024	9,243,706 shares	Six months ended September 30, 2023	9,440,415 shares
-------------------------------------	------------------	-------------------------------------	------------------

Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	21,594	22,351
Notes and accounts receivable - trade, and contract assets	26,497	26,922
Merchandise	60	130
Work in process	2	3
Supplies	26	25
Prepaid expenses	949	1,078
Other	355	157
Allowance for doubtful accounts	(1)	(1)
Total current assets	49,484	50,668
Non-current assets		
Property, plant and equipment		
Buildings and structures	10,621	10,605
Accumulated depreciation	(5,822)	(5,894)
Buildings and structures, net	4,798	4,710
Machinery, equipment and vehicles	9,673	10,155
Accumulated depreciation	(7,343)	(7,786)
Machinery, equipment and vehicles, net	2,330	2,368
Land	3,005	3,005
Leased assets	2,338	2,137
Accumulated depreciation	(2,129)	(1,915)
Leased assets, net	208	222
Right-of-use assets	4,132	5,652
Accumulated depreciation	(1,207)	(1,660)
Right-of-use assets, net	2,924	3,992
Construction in progress	436	1,297
Other	2,018	1,922
Accumulated depreciation	(1,375)	(1,280)
Other, net	643	642
Total property, plant and equipment	14,348	16,239
Intangible assets		
Goodwill	269	239
Software	1,247	1,765
Software in progress	794	46
Customer Relationship	175	150
Other	146	144
Total intangible assets	2,633	2,344
Investments and other assets		
Investment securities	3,959	3,952
Deferred tax assets	414	446
Guarantee deposits	3,041	3,514
Other	233	114
Allowance for doubtful accounts	(17)	(21)
Total investments and other assets	7,631	8,005
Total non-current assets	24,612	26,590
Total assets	74,097	77,258

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	12,420	12,150
Lease liabilities	723	889
Accounts payable - other	1,808	2,039
Accrued expenses	1,510	1,281
Income taxes payable	782	1,147
Accrued consumption taxes	585	615
Provision for bonuses	689	752
Provision for bonuses for directors (and other officers)	–	15
Other	569	352
Total current liabilities	19,090	19,244
Non-current liabilities		
Lease liabilities	2,627	3,566
Deferred tax liabilities	43	35
Deferred tax liabilities for land revaluation	53	53
Provision for share awards	398	424
Provision for share awards for directors (and other officers)	414	434
Retirement benefit liability	88	83
Asset retirement obligations	758	743
Other	380	375
Total non-current liabilities	4,765	5,716
Total liabilities	23,856	24,960
Net assets		
Shareholders' equity		
Share capital	1,080	1,080
Capital surplus	1,517	1,528
Retained earnings	50,889	52,395
Treasury shares	(5,098)	(5,087)
Total shareholders' equity	48,388	49,916
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	447	435
Revaluation reserve for land	(117)	(117)
Foreign currency translation adjustment	1,010	1,493
Remeasurements of defined benefit plans	2	3
Total accumulated other comprehensive income	1,342	1,814
Share acquisition rights	100	100
Non-controlling interests	410	467
Total net assets	50,241	52,297
Total liabilities and net assets	74,097	77,258

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

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	83,868	88,518
Cost of sales	78,605	83,579
Gross profit	5,263	4,938
Selling, general and administrative expenses	1,630	1,714
Operating profit	3,632	3,224
Non-operating income		
Interest and dividend income	32	35
Share of profit of entities accounted for using equity method	30	52
Subsidy income	33	76
Other	57	71
Total non-operating income	153	236
Non-operating expenses		
Interest expenses	83	106
Loss on retirement of non-current assets	8	3
Other	9	11
Total non-operating expenses	102	121
Ordinary profit	3,683	3,339
Extraordinary losses		
Impairment losses	51	44
Loss on disaster	6	-
Total extraordinary losses	57	44
Profit before income taxes	3,625	3,295
Income taxes - current	1,239	1,143
Income taxes - deferred	2	(38)
Total income taxes	1,241	1,104
Profit	2,384	2,190
Profit attributable to		
Profit attributable to owners of parent	2,347	2,160
Profit attributable to non-controlling interests	36	30
Other comprehensive income		
Valuation difference on available-for-sale securities	89	(12)
Foreign currency translation adjustment	314	509
Remeasurements of defined benefit plans, net of tax	0	0
Total other comprehensive income	404	498
Comprehensive income	2,788	2,688
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,722	2,631
Comprehensive income attributable to non-controlling interests	66	57

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	3,625	3,295
Impairment losses	51	44
Loss on disaster	6	–
Depreciation	1,432	1,611
Amortization of goodwill	52	58
Increase (decrease) in allowance for doubtful accounts	(0)	4
Increase (decrease) in provision for bonuses	98	58
Increase (decrease) in provision for bonuses for directors (and other officers)	15	15
Increase (decrease) in provision for share awards	13	26
Increase (decrease) in provision for share awards for directors (and other officers)	23	19
Increase (decrease) in retirement benefit liability	(5)	(5)
Interest and dividend income	(32)	(35)
Share of loss (profit) of entities accounted for using equity method	(30)	(52)
Subsidy income	(33)	(76)
Interest expenses	83	106
Loss on retirement of non-current assets	8	3
Loss (gain) on sale of non-current assets	(1)	(4)
Decrease (increase) in accounts receivable - trade, and contract assets	(692)	(226)
Decrease (increase) in deposits paid	(949)	–
Increase (decrease) in trade payables	(480)	(446)
Increase (decrease) in accounts payable - other	(87)	204
Increase (decrease) in accrued consumption taxes	65	26
Other, net	360	(671)
Subtotal	3,524	3,954
Interest and dividends received	32	35
Dividends received from entities accounted for using equity method	57	37
Subsidies received	33	76
Interest paid	(83)	(106)
Income taxes paid	(1,881)	(591)
Net cash provided by (used in) operating activities	1,682	3,406
Cash flows from investing activities		
Purchase of property, plant and equipment	(716)	(1,502)
Proceeds from sale of property, plant and equipment	18	12
Purchase of intangible assets	(490)	(85)
Purchase of investment securities	(77)	(0)
Other, net	(532)	(329)
Net cash provided by (used in) investing activities	(1,798)	(1,906)
Cash flows from financing activities		
Purchase of treasury shares	(1,056)	(0)
Proceeds from disposal of treasury shares	28	22
Dividends paid	(579)	(655)
Repayments of lease liabilities	(438)	(485)
Net cash provided by (used in) financing activities	(2,045)	(1,119)
Effect of exchange rate change on cash and cash equivalents	209	367
Net increase (decrease) in cash and cash equivalents	(1,951)	747
Cash and cash equivalents at beginning of period	22,363	21,500
Cash and cash equivalents at end of period	20,412	22,247