

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 Nine Months Ended June 30, 2021 (Based on Japanese GAAP)

August 11, 2021

Company name: TKC Corporation
 Stock exchange listing: Tokyo
 Stock code: 9746 URL <https://www.tkc.jp/>
 Representative: President and Representative Director Masanori Iizuka
 Inquiries: Director Corporate Officer Kiyotsugu Nakanishi TEL 03-3235-5511
 Scheduled date to file Quarterly Securities Report: August 12, 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 June 30, 2021 (from October 1, 2020 to June 30, 2021)

(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 June 30, 2021	49,587	(3.4)	11,502	15.3	11,808	15.3	7,961	17.2
Nine months ended June 30, 2020	51,310	7.5	9,977	37.1	10,245	35.4	6,792	31.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended June 30, 2021	151.19		–	
Nine months ended June 30, 2020	129.23		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	100,106	82,458	82.4
As of September 30, 2020	97,671	77,075	78.9

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2020	–	55.00	–	65.00	120.00
Year ending September 30, 2021	–	65.00	–		
Year ending September 30, 2021 (Forecast)				39.50	–

3. Forecast of consolidated financial results for the year ending September 30, 2021 (from October 1, 2020 to September 30, 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	66,000	(2.7)	11,400	0.2	11,700	0.1	7,850	0.4	149.36

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 2021
(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: 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 June 30, 2021	53,462,066 shares	As of September 30, 2020	53,462,066 shares
---------------------	-------------------	--------------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2021	748,844 shares	As of September 30, 2020	906,630 shares
---------------------	----------------	--------------------------	----------------

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

Nine months ended June 30, 2021	52,654,310 shares	Nine months ended June 30, 2020	52,559,840 shares
---------------------------------	-------------------	---------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2020	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	26,769	26,178
Notes and accounts receivable - trade	7,014	7,581
Inventories	723	468
Other	1,357	2,359
Allowance for doubtful accounts	(19)	(15)
Total current assets	35,844	36,571
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,182	7,831
Land	6,911	6,911
Other, net	2,699	2,742
Total property, plant and equipment	17,794	17,486
Intangible assets	3,120	3,358
Investments and other assets		
Investment securities	16,282	19,323
Long-term time deposits	14,600	14,600
Guarantee deposits	1,438	1,434
Other	8,591	7,330
Total investments and other assets	40,911	42,689
Total non-current assets	61,826	63,534
Total assets	97,671	100,106
Liabilities		
Current liabilities		
Accounts payable - trade	2,181	1,993
Electronically recorded obligations - operating	802	1,122
Short-term borrowings	142	98
Accounts payable - other	4,227	3,440
Income taxes payable	2,549	644
Provision for bonuses	3,673	1,471
Other	1,124	3,546
Total current liabilities	14,701	12,318
Non-current liabilities		
Long-term borrowings	295	250
Retirement benefit liability	3,400	3,473
Provision for share-based remuneration	599	308
Other	1,598	1,297
Total non-current liabilities	5,893	5,330
Total liabilities	20,595	17,648

(Millions of yen)

	As of September 30, 2020	As of June 30, 2021
Net assets		
Shareholders' equity		
Share capital	5,700	5,700
Capital surplus	6,588	6,588
Retained earnings	68,533	72,685
Treasury shares	(1,660)	(1,351)
Total shareholders' equity	79,161	83,623
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(553)	238
Remeasurements of defined benefit plans	(1,532)	(1,403)
Total accumulated other comprehensive income	(2,085)	(1,164)
Total net assets	77,075	82,458
Total liabilities and net assets	97,671	100,106

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2020	Nine months ended June 30, 2021
Net sales	51,310	49,587
Cost of sales	17,222	14,288
Gross profit	34,088	35,298
Selling, general and administrative expenses	24,110	23,796
Operating profit	9,977	11,502
Non-operating income		
Interest income	26	39
Dividend income	146	150
Dividend income of insurance	3	12
Rental income from land and buildings	37	38
Other	55	65
Total non-operating income	269	306
Non-operating expenses		
Interest expenses	1	0
Loss on sales of securities	–	0
Foreign exchange losses	0	0
Other	0	–
Total non-operating expenses	1	0
Ordinary profit	10,245	11,808
Extraordinary income		
Gain on sales of non-current assets	1	1
Gain on sales of investment securities	–	8
Other	–	0
Total extraordinary income	1	10
Extraordinary losses		
Loss on sales of non-current assets	–	22
Loss on retirement of non-current assets	21	15
Loss on valuation of investment securities	–	89
Total extraordinary losses	21	126
Profit before income taxes	10,225	11,692
Income taxes - current	2,729	2,700
Income taxes - deferred	723	1,030
Total income taxes	3,453	3,730
Profit	6,771	7,961
Loss attributable to non-controlling interests	(20)	–
Profit attributable to owners of parent	6,792	7,961

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2020	Nine months ended June 30, 2021
Profit	6,771	7,961
Other comprehensive income		
Valuation difference on available-for-sale securities	(602)	791
Remeasurements of defined benefit plans, net of tax	128	128
Total other comprehensive income	(473)	920
Comprehensive income	6,298	8,881
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,320	8,881
Comprehensive income attributable to non-controlling interests	(22)	–