

Translation

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Summary of Consolidated Financial Results for the Three Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

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 and Managing Executive Officer Kiyotsugu Nakanishi TEL 03-3235-5511
 Scheduled date to file Quarterly Securities Report: February 13, 2023
 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 three months ended December 31, 2022 (from October 1, 2022 to December 31, 2022)

(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	%
Three months ended December 31, 2022	16,908	10.6	4,012	29.8	4,175	28.8	2,890	29.7
Three months ended December 31, 2021	15,292	3.1	3,091	15.7	3,242	15.1	2,228	18.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2022	55.12		–	
Three months ended December 31, 2021	42.41		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	105,006	88,941	84.7
As of September 30, 2022	109,225	87,325	80.0

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, 2022	–	36.00	–	42.00	78.00
Year ending September 30, 2023	–				
Year ending September 30, 2023 (Forecast)		39.00	–	39.00	78.00

3. Forecast of consolidated financial results for the year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

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 March 31, 2023	34,500	2.2	7,800	(5.2)	7,950	(5.7)	5,450	(6.3)	103.90
Full year	69,000	1.7	13,400	0.4	13,680	0.0	9,350	0.4	178.25

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 2022
(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, 2022	53,462,066 shares	As of September 30, 2022	53,462,066 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	1,037,099 shares	As of September 30, 2022	1,035,472 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2022	52,426,406 shares	Three months ended December 31, 2021	52,543,592 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	29,920	26,760
Notes and accounts receivable - trade, and contract assets	8,320	8,004
Inventories	494	551
Other	1,993	1,946
Allowance for doubtful accounts	(12)	(11)
Total current assets	40,715	37,252
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,651	7,525
Land	6,802	6,852
Other, net	2,699	2,573
Total property, plant and equipment	17,153	16,952
Intangible assets	4,666	4,655
Investments and other assets		
Investment securities	18,748	20,032
Long-term time deposits	17,700	17,700
Guarantee deposits	1,486	1,456
Other	8,754	6,958
Total investments and other assets	46,689	46,146
Total non-current assets	68,510	67,754
Total assets	109,225	105,006
Liabilities		
Current liabilities		
Accounts payable - trade	2,973	2,272
Electronically recorded obligations - operating	799	776
Short-term borrowings	71	71
Accounts payable - other	3,499	2,880
Income taxes payable	3,167	100
Contract liabilities	811	890
Provision for bonuses	4,953	1,452
Other	1,403	3,569
Total current liabilities	17,679	12,015
Non-current liabilities		
Long-term borrowings	142	142
Retirement benefit liability	2,806	2,750
Provision for share awards	306	316
Other	964	840
Total non-current liabilities	4,219	4,049
Total liabilities	21,899	16,064

(Millions of yen)

	As of September 30, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	5,700	5,700
Capital surplus	6,589	6,589
Retained earnings	78,743	79,422
Treasury shares	(2,359)	(2,365)
Total shareholders' equity	88,672	89,346
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(138)	759
Remeasurements of defined benefit plans	(1,207)	(1,164)
Total accumulated other comprehensive income	(1,346)	(404)
Total net assets	87,325	88,941
Total liabilities and net assets	109,225	105,006

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022
Net sales	15,292	16,908
Cost of sales	4,348	4,927
Gross profit	10,943	11,981
Selling, general and administrative expenses	7,852	7,969
Operating profit	3,091	4,012
Non-operating income		
Interest income	16	17
Dividend income	83	96
Dividend income of insurance	18	21
Rental income from land and buildings	13	10
Share of profit of entities accounted for using equity method	–	8
Other	18	9
Total non-operating income	151	163
Non-operating expenses		
Interest expenses	0	–
Commission for purchase of treasury shares	0	–
Other	–	0
Total non-operating expenses	0	0
Ordinary profit	3,242	4,175
Extraordinary income		
Gain on sale of non-current assets	0	–
Gain on sale of investment securities	–	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on retirement of non-current assets	1	6
Total extraordinary losses	1	6
Profit before income taxes	3,241	4,169
Income taxes - current	45	30
Income taxes - deferred	967	1,249
Total income taxes	1,013	1,279
Profit	2,228	2,890
Profit attributable to owners of parent	2,228	2,890

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022
Profit	2,228	2,890
Other comprehensive income		
Valuation difference on available-for-sale securities	(154)	898
Remeasurements of defined benefit plans, net of tax	43	43
Total other comprehensive income	(110)	941
Comprehensive income	2,117	3,831
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,117	3,831