

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2023 (Based on Japanese GAAP)

August 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: August 14, 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 nine months ended June 30, 2023 (from October 1, 2022 to June 30, 2023)

(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, 2023	53,862	7.0	13,360	14.6	13,622	14.1	9,755	20.1
Nine months ended June 30, 2022	50,340	1.5	11,656	1.3	11,941	1.1	8,125	2.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended June 30, 2023	186.06	–
Nine months ended June 30, 2022	154.88	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	111,227	94,699	85.1
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	Yen	Yen	Yen	Yen
Year ended September 30, 2022	–	36.00	–	42.00	78.00
Year ending September 30, 2023	–	39.00	–		
Year ending September 30, 2023 (Forecast)				45.00	84.00

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
Full year	71,000	4.7	13,600	1.9	13,900	1.6	9,650	3.6	184.05

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 2023  
 (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 June 30, 2023	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 June 30, 2023	1,019,658 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)

Nine months ended June 30, 2023	52,430,746 shares	Nine months ended June 30, 2022	52,461,541 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of September 30, 2022	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	29,920	29,745
Notes and accounts receivable - trade, and contract assets	8,320	9,143
Inventories	494	542
Other	1,993	1,971
Allowance for doubtful accounts	(12)	(14)
Total current assets	40,715	41,389
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,651	7,337
Land	6,802	6,852
Other, net	2,699	2,372
Total property, plant and equipment	17,153	16,562
Intangible assets	4,666	5,343
Investments and other assets		
Investment securities	18,748	21,218
Long-term time deposits	17,700	18,700
Guarantee deposits	1,486	1,452
Other	8,754	6,560
Total investments and other assets	46,689	47,932
Total non-current assets	68,510	69,838
Total assets	109,225	111,227
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	2,973	2,203
Electronically recorded obligations - operating	799	1,069
Short-term borrowings	71	71
Accounts payable - other	3,499	2,680
Income taxes payable	3,167	706
Contract liabilities	811	1,357
Provision for bonuses	4,953	1,479
Other	1,403	2,774
Total current liabilities	17,679	12,344
Non-current liabilities		
Long-term borrowings	142	107
Retirement benefit liability	2,806	2,832
Provision for share awards	306	333
Other	964	909
Total non-current liabilities	4,219	4,183
Total liabilities	21,899	16,527

(Millions of yen)

	As of September 30, 2022	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	5,700	5,700
Capital surplus	6,589	6,667
Retained earnings	78,743	84,235
Treasury shares	(2,359)	(2,327)
Total shareholders' equity	88,672	94,275
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(138)	1,501
Remeasurements of defined benefit plans	(1,207)	(1,077)
Total accumulated other comprehensive income	(1,346)	424
Total net assets	87,325	94,699
Total liabilities and net assets	109,225	111,227

**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, 2022	Nine months ended June 30, 2023
Net sales	50,340	53,862
Cost of sales	14,539	15,770
Gross profit	35,801	38,092
Selling, general and administrative expenses	24,144	24,731
Operating profit	11,656	13,360
Non-operating income		
Interest income	51	50
Dividend income	176	195
Dividend income of insurance	18	22
Rental income from land and buildings	37	30
Share of profit of entities accounted for using equity method	–	31
Other	70	41
Total non-operating income	354	371
Non-operating expenses		
Interest expenses	0	0
Loss on sale of securities	–	0
Surcharge	20	–
Penalty fee	46	–
Provision for compensation for damage	–	107
Other	1	0
Total non-operating expenses	68	108
Ordinary profit	11,941	13,622
Extraordinary income		
Gain on sale of non-current assets	2	1
Gain on sale of investment securities	–	0
Gain on extinguishment of tie-in shares	–	365
Total extraordinary income	2	366
Extraordinary losses		
Loss on retirement of non-current assets	24	17
Total extraordinary losses	24	17
Profit before income taxes	11,919	13,972
Income taxes - current	2,940	3,086
Income taxes - deferred	853	1,131
Total income taxes	3,794	4,217
Profit	8,125	9,755
Profit attributable to owners of parent	8,125	9,755

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended June 30, 2022	Nine months ended June 30, 2023
Profit	8,125	9,755
Other comprehensive income		
Valuation difference on available-for-sale securities	(106)	1,640
Remeasurements of defined benefit plans, net of tax	130	130
Total other comprehensive income	24	1,770
Comprehensive income	8,149	11,526
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,149	11,526