

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

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 commence dividend payments: –
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended June 30, 2024 (from October 1, 2023 to June 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 | % |
| Nine months ended June 30, 2024 | 55,166 | 2.4 | 13,612 | 1.9 | 14,085 | 3.4 | 9,684 | (0.7) |
| Nine months ended June 30, 2023 | 53,862 | 7.0 | 13,360 | 14.6 | 13,622 | 14.1 | 9,755 | 20.1 |

| | Earnings per share | Diluted earnings per share |
|---------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Nine months ended June 30, 2024 | 185.71 | – |
| Nine months ended June 30, 2023 | 186.06 | – |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|--------------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2024 | 118,824 | 101,320 | 85.3 |
| As of September 30, 2023 | 116,356 | 95,308 | 81.9 |

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, 2023 | – | 39.00 | – | 51.00 | 90.00 |
| Year ending September 30, 2024 | – | 45.00 | – | | |
| Year ending September 30, 2024 (Forecast) | | | | 45.00 | 90.00 |

3. Forecast of consolidated financial results for the year ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

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 | 74,500 | 3.6 | 14,820 | 3.4 | 15,200 | 2.9 | 10,830 | 0.0 | 206.61 |

4. Notes

- (1) Significant changes in the scope of consolidation during the nine months ended June 30, 2024: 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, 2024 | 53,166,466 shares | As of September 30, 2023 | 53,166,466 shares |
|---------------------|-------------------|--------------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|---------------------|------------------|--------------------------|------------------|
| As of June 30, 2024 | 1,019,036 shares | As of September 30, 2023 | 1,019,768 shares |
|---------------------|------------------|--------------------------|------------------|

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

| | | | |
|---------------------------------|-------------------|---------------------------------|-------------------|
| Nine months ended June 30, 2024 | 52,146,943 shares | Nine months ended June 30, 2023 | 52,430,746 shares |
|---------------------------------|-------------------|---------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

| | As of September 30, 2023 | As of June 30, 2024 |
|------------------------------------------------------------|--------------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 32,093 | 33,457 |
| Notes and accounts receivable - trade, and contract assets | 8,684 | 9,123 |
| Inventories | 425 | 582 |
| Other | 1,989 | 2,071 |
| Allowance for doubtful accounts | (19) | (20) |
| Total current assets | 43,173 | 45,214 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 7,491 | 7,324 |
| Land | 6,915 | 6,915 |
| Other, net | 2,901 | 2,435 |
| Total property, plant and equipment | 17,308 | 16,675 |
| Intangible assets | 5,813 | 7,319 |
| Investments and other assets | | |
| Investment securities | 22,050 | 22,316 |
| Long-term time deposits | 18,700 | 19,700 |
| Guarantee deposits | 1,452 | 1,532 |
| Other | 7,858 | 6,065 |
| Total investments and other assets | 50,061 | 49,614 |
| Total non-current assets | 73,182 | 73,609 |
| Total assets | 116,356 | 118,824 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 2,698 | 2,210 |
| Electronically recorded obligations - operating | 780 | 870 |
| Short-term borrowings | 71 | 71 |
| Accounts payable - other | 3,441 | 3,074 |
| Income taxes payable | 2,437 | 1,023 |
| Contract liabilities | 1,210 | 1,341 |
| Provision for bonuses | 4,810 | 1,527 |
| Other | 1,346 | 3,196 |
| Total current liabilities | 16,797 | 13,316 |
| Non-current liabilities | | |
| Long-term borrowings | 71 | 35 |
| Retirement benefit liability | 2,956 | 3,021 |
| Provision for share awards | 341 | 361 |
| Other | 879 | 769 |
| Total non-current liabilities | 4,249 | 4,188 |
| Total liabilities | 21,047 | 17,504 |

(Millions of yen)

| | As of September 30, 2023 | As of June 30, 2024 |
|-------------------------------------------------------|--------------------------|---------------------|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 5,700 | 5,700 |
| Capital surplus | 6,286 | 6,286 |
| Retained earnings | 84,890 | 89,548 |
| Treasury shares | (2,604) | (2,605) |
| Total shareholders' equity | 94,271 | 98,929 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,070 | 3,293 |
| Remeasurements of defined benefit plans | (1,033) | (902) |
| Total accumulated other comprehensive income | 1,036 | 2,390 |
| Total net assets | 95,308 | 101,320 |
| Total liabilities and net assets | 116,356 | 118,824 |

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, 2023 | Nine months ended June 30, 2024 |
|---------------------------------------------------------------|------------------------------------|------------------------------------|
| Net sales | 53,862 | 55,166 |
| Cost of sales | 15,770 | 15,384 |
| Gross profit | 38,092 | 39,782 |
| Selling, general and administrative expenses | 24,731 | 26,169 |
| Operating profit | 13,360 | 13,612 |
| Non-operating income | | |
| Interest income | 50 | 60 |
| Dividend income | 195 | 231 |
| Dividend income of insurance | 22 | 23 |
| Rental income from land and buildings | 30 | 30 |
| Share of profit of entities accounted for using equity method | 31 | 20 |
| Other | 41 | 108 |
| Total non-operating income | 371 | 474 |
| Non-operating expenses | | |
| Interest expenses | 0 | 0 |
| Loss on sale of securities | 0 | - |
| Provision for compensation for damage | 107 | - |
| Other | 0 | 0 |
| Total non-operating expenses | 108 | 0 |
| Ordinary profit | 13,622 | 14,085 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 1 | 1 |
| Gain on sale of investment securities | 0 | 14 |
| Gain on extinguishment of tie-in shares | 365 | - |
| Total extraordinary income | 366 | 15 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | 17 | 4 |
| Total extraordinary losses | 17 | 4 |
| Profit before income taxes | 13,972 | 14,096 |
| Income taxes - current | 3,086 | 3,238 |
| Income taxes - deferred | 1,131 | 1,172 |
| Total income taxes | 4,217 | 4,411 |
| Profit | 9,755 | 9,684 |
| Profit attributable to owners of parent | 9,755 | 9,684 |

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

| | Nine months ended June 30, 2023 | Nine months ended June 30, 2024 |
|-------------------------------------------------------|------------------------------------|------------------------------------|
| Profit | 9,755 | 9,684 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,640 | 1,222 |
| Remeasurements of defined benefit plans, net of tax | 130 | 130 |
| Total other comprehensive income | 1,770 | 1,353 |
| Comprehensive income | 11,526 | 11,038 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 11,526 | 11,038 |