

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2022 (Based on Japanese GAAP)

August 10, 2022

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 12, 2022
 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, 2022 (from October 1, 2021 to June 30, 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	%
Nine months ended June 30, 2022	50,340	1.5	11,656	1.3	11,941	1.1	8,125	2.1
Nine months ended June 30, 2021	49,587	(3.4)	11,502	15.3	11,808	15.3	7,961	17.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended June 30, 2022	154.88	–
Nine months ended June 30, 2021	151.19	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	104,284	86,573	83.0
As of September 30, 2021	103,406	83,416	80.7

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, 2021	–	65.00	–	39.50	–
Year ending September 30, 2022	–	36.00	–		
Year ending September 30, 2022 (Forecast)				40.00	76.00

3. Forecast of consolidated financial results for the year ending September 30, 2022 (from October 1, 2021 to September 30, 2022)

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	67,550	2.0	12,560	2.0	12,930	2.0	8,860	2.0	168.21

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 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: 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, 2022	53,462,066 shares	As of September 30, 2021	53,462,066 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	1,035,382 shares	As of September 30, 2021	748,935 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, 2022	52,461,541 shares	Nine months ended June 30, 2021	52,654,310 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2021	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	26,426	26,666
Notes and accounts receivable - trade	6,973	–
Notes and accounts receivable - trade, and contract assets	–	8,276
Inventories	412	501
Other	2,309	1,935
Allowance for doubtful accounts	(14)	(11)
Total current assets	36,107	37,369
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,855	7,513
Land	6,802	6,802
Other, net	2,882	2,567
Total property, plant and equipment	17,540	16,884
Intangible assets	3,605	4,186
Investments and other assets		
Investment securities	19,705	19,441
Long-term time deposits	16,600	17,700
Guarantee deposits	1,440	1,479
Other	8,406	7,223
Total investments and other assets	46,152	45,844
Total non-current assets	67,298	66,915
Total assets	103,406	104,284
Liabilities		
Current liabilities		
Accounts payable - trade	2,402	2,085
Electronically recorded obligations - operating	834	1,039
Short-term borrowings	80	71
Accounts payable - other	3,034	2,689
Income taxes payable	2,211	1,011
Contract liabilities	–	834
Provision for bonuses	4,073	1,546
Other	2,083	3,209
Total current liabilities	14,721	12,487
Non-current liabilities		
Long-term borrowings	214	178
Retirement benefit liability	3,554	3,669
Provision for share awards	307	306
Other	1,192	1,068
Total non-current liabilities	5,268	5,223
Total liabilities	19,990	17,710

(Millions of yen)

	As of September 30, 2021	As of June 30, 2022
Net assets		
Shareholders' equity		
Share capital	5,700	5,700
Capital surplus	6,589	6,589
Retained earnings	73,411	77,551
Treasury shares	(1,352)	(2,359)
Total shareholders' equity	84,348	87,481
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	449	343
Remeasurements of defined benefit plans	(1,382)	(1,251)
Total accumulated other comprehensive income	(932)	(907)
Total net assets	83,416	86,573
Total liabilities and net assets	103,406	104,284

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, 2021	Nine months ended June 30, 2022
Net sales	49,587	50,340
Cost of sales	14,288	14,539
Gross profit	35,298	35,801
Selling, general and administrative expenses	23,796	24,144
Operating profit	11,502	11,656
Non-operating income		
Interest income	39	51
Dividend income	150	176
Dividend income of insurance	12	18
Rental income from land and buildings	38	37
Other	65	70
Total non-operating income	306	354
Non-operating expenses		
Interest expenses	0	0
Loss on sale of securities	0	-
Foreign exchange losses	0	-
Surcharge	-	20
Penalty fee	-	46
Other	-	1
Total non-operating expenses	0	68
Ordinary profit	11,808	11,941
Extraordinary income		
Gain on sale of non-current assets	1	2
Gain on sale of investment securities	8	-
Other	0	-
Total extraordinary income	10	2
Extraordinary losses		
Loss on sale of non-current assets	22	-
Loss on retirement of non-current assets	15	24
Loss on valuation of investment securities	89	-
Total extraordinary losses	126	24
Profit before income taxes	11,692	11,919
Income taxes - current	2,700	2,940
Income taxes - deferred	1,030	853
Total income taxes	3,730	3,794
Profit	7,961	8,125
Profit attributable to owners of parent	7,961	8,125

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2021	Nine months ended June 30, 2022
Profit	7,961	8,125
Other comprehensive income		
Valuation difference on available-for-sale securities	791	(106)
Remeasurements of defined benefit plans, net of tax	128	130
Total other comprehensive income	920	24
Comprehensive income	8,881	8,149
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,881	8,149