

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 Three Months Ended December 31, 2023 (Based on Japanese GAAP)

February 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 file Quarterly Securities Report: February 13, 2024
 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, 2023 (from October 1, 2023 to December 31, 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	%
Three months ended December 31, 2023	17,124	1.3	3,739	(6.8)	3,933	(5.8)	2,710	(6.2)
Three months ended December 31, 2022	16,908	10.6	4,012	29.8	4,175	28.8	2,890	29.7

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2023	51.97		–	
Three months ended December 31, 2022	55.12		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	110,949	95,115	85.7
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				
Year ended September 30, 2023	–	39.00	–	51.00	90.00
Year ending September 30, 2024	–				
Year ending September 30, 2024 (Forecast)		45.00	–	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
Six months ending March 31, 2024	36,500	1.2	8,740	0.1	8,870	0.1	6,140	0.1	117.13
Full year	74,500	3.6	14,820	3.4	15,200	2.9	10,830	0.0	206.61

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 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 December 31, 2023	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 December 31, 2023	1,020,390 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)

Three months ended December 31, 2023	52,146,610 shares	Three months ended December 31, 2022	52,426,406 shares
--------------------------------------	-------------------	--------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of September 30, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	32,093	29,081
Notes and accounts receivable - trade, and contract assets	8,684	7,594
Inventories	425	546
Other	1,989	1,741
Allowance for doubtful accounts	(19)	(18)
Total current assets	43,173	38,944
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,491	7,454
Land	6,915	6,915
Other, net	2,901	2,791
Total property, plant and equipment	17,308	17,160
Intangible assets	5,813	6,258
Investments and other assets		
Investment securities	22,050	21,652
Long-term time deposits	18,700	18,700
Guarantee deposits	1,452	1,450
Other	7,858	6,782
Total investments and other assets	50,061	48,585
Total non-current assets	73,182	72,004
Total assets	116,356	110,949
Liabilities		
Current liabilities		
Accounts payable - trade	2,698	2,016
Electronically recorded obligations - operating	780	649
Short-term borrowings	71	71
Accounts payable - other	3,441	2,879
Income taxes payable	2,437	97
Contract liabilities	1,210	960
Provision for bonuses	4,810	1,455
Other	1,346	3,491
Total current liabilities	16,797	11,621
Non-current liabilities		
Long-term borrowings	71	71
Retirement benefit liability	2,956	2,964
Provision for share awards	341	343
Other	879	834
Total non-current liabilities	4,249	4,213
Total liabilities	21,047	15,834

(Millions of yen)

	As of September 30, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	5,700	5,700
Capital surplus	6,286	6,286
Retained earnings	84,890	84,930
Treasury shares	(2,604)	(2,606)
Total shareholders' equity	94,271	94,310
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,070	1,795
Remeasurements of defined benefit plans	(1,033)	(990)
Total accumulated other comprehensive income	1,036	805
Total net assets	95,308	95,115
Total liabilities and net assets	116,356	110,949

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, 2022	Three months ended December 31, 2023
Net sales	16,908	17,124
Cost of sales	4,927	4,852
Gross profit	11,981	12,272
Selling, general and administrative expenses	7,969	8,532
Operating profit	4,012	3,739
Non-operating income		
Interest income	17	20
Dividend income	96	113
Dividend income of insurance	21	22
Rental income from land and buildings	10	10
Share of profit of entities accounted for using equity method	8	8
Other	9	17
Total non-operating income	163	193
Non-operating expenses		
Foreign exchange losses	–	0
Other	0	0
Total non-operating expenses	0	0
Ordinary profit	4,175	3,933
Extraordinary income		
Gain on sale of investment securities	0	14
Total extraordinary income	0	14
Extraordinary losses		
Loss on retirement of non-current assets	6	1
Total extraordinary losses	6	1
Profit before income taxes	4,169	3,946
Income taxes - current	30	26
Income taxes - deferred	1,249	1,208
Total income taxes	1,279	1,235
Profit	2,890	2,710
Profit attributable to owners of parent	2,890	2,710

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Profit	2,890	2,710
Other comprehensive income		
Valuation difference on available-for-sale securities	898	(275)
Remeasurements of defined benefit plans, net of tax	43	43
Total other comprehensive income	941	(231)
Comprehensive income	3,831	2,478
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,831	2,478