

# Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2020 (Based on Japanese GAAP)

August 7, 2020

Company name: TKC Corporation  
 Stock exchange listing: Tokyo  
 Stock code: 9746 URL <https://www.tkc.jp/>  
 Representative: President and Representative Director Masanori Iizuka  
 Inquiries: Vice President and Representative Director Hitoshi Iwata TEL 03-3235-5511  
 Scheduled date to file Quarterly Securities Report: August 11, 2020  
 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, 2020 (from October 1, 2019 to June 30, 2020)

#### (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, 2020	51,310	7.5	9,977	37.1	10,245	35.4	6,792	31.3
Nine months ended June 30, 2019	47,721	5.4	7,280	(2.6)	7,564	(2.1)	5,171	2.0

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended June 30, 2020	258.46	–
Nine months ended June 30, 2019	196.46	195.94

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	93,622	75,873	81.0
As of September 30, 2019	96,989	73,121	73.8

### 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, 2019	–	55.00	–	55.00	110.00
Year ending September 30, 2020	–	55.00	–		
Year ending September 30, 2020 (Forecast)				55.00	110.00

### 3. Forecast of consolidated financial results for the year ending September 30, 2020 (from October 1, 2019 to September 30, 2020)

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	68,000	2.8	9,700	3.8	10,000	3.4	7,000	4.2	266.36

#### 4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 2020  
(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, 2020	26,731,033 shares	As of September 30, 2019	26,731,033 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	453,057 shares	As of September 30, 2019	447,586 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, 2020	26,279,920 shares	Nine months ended June 30, 2019	26,322,187 shares
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## Quarterly consolidated financial statements

### Consolidated balance sheets

(Millions of yen)

	As of September 30, 2019	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	29,810	24,807
Notes and accounts receivable - trade	8,755	7,233
Inventories	1,090	768
Other	1,459	1,351
Allowance for doubtful accounts	(41)	(37)
Total current assets	41,073	34,123
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,404	8,133
Land	6,892	6,892
Other, net	2,666	2,470
Total property, plant and equipment	17,963	17,496
Intangible assets	3,290	3,010
Investments and other assets		
Investment securities	15,527	16,150
Long-term time deposits	9,500	13,600
Guarantee deposits	1,339	1,418
Other	8,294	7,822
Total investments and other assets	34,661	38,991
Total non-current assets	55,915	59,498
Total assets	96,989	93,622
Liabilities		
Current liabilities		
Accounts payable - trade	3,602	1,818
Electronically recorded obligations - operating	916	1,120
Short-term borrowings	142	212
Accounts payable - other	3,924	2,546
Income taxes payable	2,450	1,087
Provision for bonuses	3,600	1,476
Other	1,640	3,072
Total current liabilities	16,278	11,335
Non-current liabilities		
Long-term borrowings	438	348
Retirement benefit liability	4,764	3,695
Provision for share-based remuneration	562	601
Other	1,825	1,768
Total non-current liabilities	7,590	6,413
Total liabilities	23,868	17,748

	(Millions of yen)	
	As of September 30, 2019	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	5,700	5,700
Capital surplus	5,711	6,588
Retained earnings	63,623	67,504
Treasury shares	(1,630)	(1,659)
Total shareholders' equity	73,404	78,133
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(83)	(684)
Remeasurements of defined benefit plans	(1,704)	(1,575)
Total accumulated other comprehensive income	(1,787)	(2,259)
Non-controlling interests	1,504	—
Total net assets	73,121	75,873
Total liabilities and net assets	96,989	93,622

**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, 2019	Nine months ended June 30, 2020
Net sales	47,721	51,310
Cost of sales	16,187	17,222
Gross profit	31,534	34,088
Selling, general and administrative expenses	24,254	24,110
Operating profit	7,280	9,977
Non-operating income		
Interest income	23	26
Dividend income	135	146
Dividend income of insurance	6	3
Rental income from land and buildings	43	37
Share of profit of entities accounted for using equity method	18	—
Other	58	55
Total non-operating income	286	269
Non-operating expenses		
Interest expenses	1	1
Foreign exchange losses	0	0
Other	0	0
Total non-operating expenses	2	1
Ordinary profit	7,564	10,245
Extraordinary income		
Gain on sales of non-current assets	1	1
Gain on reversal of share acquisition rights	274	—
Other	8	—
Total extraordinary income	283	1
Extraordinary losses		
Loss on sales of non-current assets	10	—
Loss on retirement of non-current assets	5	21
Other	0	—
Total extraordinary losses	16	21
Profit before income taxes	7,832	10,225
Income taxes - current	2,112	2,729
Income taxes - deferred	450	723
Total income taxes	2,563	3,453
Profit	5,269	6,771
Profit (loss) attributable to non-controlling interests	97	(20)
Profit attributable to owners of parent	5,171	6,792

# Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended June 30, 2019	Nine months ended June 30, 2020
Profit	5,269	6,771
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,026)	(602)
Remeasurements of defined benefit plans, net of tax	—	128
Share of other comprehensive income of entities accounted for using equity method	(0)	—
Total other comprehensive income	(1,026)	(473)
Comprehensive income	4,242	6,298
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,145	6,320
Comprehensive income attributable to non-controlling interests	96	(22)