

Translation

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Summary of Consolidated Financial Results for the Three Months Ended December 31, 2015 (Based on Japanese GAAP)

February 9, 2016

Company name: TKC Corporation
 Stock exchange listing: Tokyo
 Stock code: 9746 URL <http://www.tkc.jp/>
 Representative: President and Representative Director Kazuyuki Sumi
 Vice President and Representative Director,
 Inquiries: General Manager of Management Hitoshi Iwata TEL 03-3235-5511
 Administration Division
 Scheduled date to file Quarterly Securities Report: February 12, 2016
 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, 2015 (from October 1, 2015 to December 31, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended December 31, 2015	14,065	15.5	2,493	103.3	2,547	97.9	1,720	111.5
Three months ended December 31, 2014	12,178	7.6	1,226	66.3	1,287	60.7	813	81.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended December 31, 2015	64.80	64.54
Three months ended December 31, 2014	30.67	30.57

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	74,873	63,726	83.1
As of September 30, 2015	76,836	62,630	79.6

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, 2015	–	33.00	–	38.00	71.00
Year ending September 30, 2016	–				
Year ending September 30, 2016 (Forecast)		38.00	–	38.00	76.00

3. Forecast of consolidated financial results for the year ending September 30, 2016 (from October 1, 2015 to September 30, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		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, 2016	27,700	(0.2)	3,700	(23.7)	3,750	(23.9)	2,450	(13.5)	92.27
Full year	55,800	1.6	6,200	(8.0)	6,450	(8.4)	4,100	2.2	154.41

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 2015
(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 December 31, 2015	26,731,033 shares	As of September 30, 2015	26,731,033 shares
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Number of treasury shares at the end of the period

As of December 31, 2015	179,477 shares	As of September 30, 2015	179,386 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2015	26,551,605 shares	Three months ended December 31, 2014	26,522,544 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of September 30, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	21,919	19,458
Notes and accounts receivable - trade	6,411	6,822
Inventories	637	736
Other	2,733	2,073
Allowance for doubtful accounts	(34)	(34)
Total current assets	31,666	29,057
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,561	5,583
Land	6,346	6,511
Other, net	2,587	2,544
Total property, plant and equipment	14,495	14,639
Intangible assets	3,365	3,319
Investments and other assets		
Investment securities	13,326	13,831
Long-term time deposits	9,400	9,400
Guarantee deposits	1,453	1,441
Other	3,129	3,184
Total investments and other assets	27,308	27,857
Total non-current assets	45,169	45,815
Total assets	76,836	74,873
Liabilities		
Current liabilities		
Accounts payable - trade	2,540	1,684
Short-term loans payable	131	171
Accounts payable - other	4,521	3,215
Income taxes payable	1,243	449
Provision for bonuses	2,450	1,272
Other	862	1,922
Total current liabilities	11,749	8,715
Non-current liabilities		
Long-term loans payable	366	348
Net defined benefit liability	818	852
Other	1,271	1,230
Total non-current liabilities	2,456	2,431
Total liabilities	14,206	11,147

(Millions of yen)

	As of September 30, 2015	As of December 31, 2015
Net assets		
Shareholders' equity		
Capital stock	5,700	5,700
Capital surplus	5,419	5,419
Retained earnings	49,906	50,618
Treasury shares	(349)	(349)
Total shareholders' equity	60,676	61,388
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	508	853
Total accumulated other comprehensive income	508	853
Subscription rights to shares	127	176
Non-controlling interests	1,317	1,307
Total net assets	62,630	63,726
Total liabilities and net assets	76,836	74,873

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, 2014	Three months ended December 31, 2015
Net sales	12,178	14,065
Cost of sales	4,363	4,640
Gross profit	7,814	9,425
Selling, general and administrative expenses	6,587	6,932
Operating income	1,226	2,493
Non-operating income		
Interest income	6	9
Dividend income	22	23
Dividend income of insurance	12	14
Land and house rent received	10	9
Share of profit of entities accounted for using equity method	1	—
Other	8	7
Total non-operating income	61	63
Non-operating expenses		
Interest expenses	1	1
Foreign exchange losses	0	0
Share of loss of entities accounted for using equity method	—	7
Other	0	0
Total non-operating expenses	1	9
Ordinary income	1,287	2,547
Extraordinary income		
Total extraordinary income	—	—
Extraordinary losses		
Loss on retirement of non-current assets	8	5
Total extraordinary losses	8	5
Income before income taxes and minority interests	1,279	2,542
Income taxes - current	11	426
Income taxes - deferred	486	398
Total income taxes	497	825
Profit	781	1,717
Loss attributable to non-controlling interests	(32)	(3)
Profit attributable to owners of parent	813	1,720

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended December 31, 2014	Three months ended December 31, 2015
Profit	781	1,717
Other comprehensive income		
Valuation difference on available-for-sale securities	144	347
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	144	347
Comprehensive income	925	2,064
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	956	2,066
Comprehensive income attributable to non-controlling interests	(31)	(1)