

Note on translation

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In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the 3rd Quarter of the Fiscal Year Ending September 2025 [Under Japanese GAAP]

August 8, 2025

Listed company name TKC Corporation Listing Tokyo Stock Exchange

Securities code 9746 URL <https://www.tkc.jp/>

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Scheduled date to commence dividend payments -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated business results for the 3rd quarter of the fiscal year ending September 2025 (October 1, 2024, to June 30, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate changes from the same quarter of the previous year.)

	Turnover		Operating profit		Ordinary profit		Quarterly net profit attributable to owners of parent company	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
3rd quarter of FY ending September 2025	59,756	8.3	13,041	(4.2)	13,427	(4.7)	9,440	(2.5)
3rd quarter of FY ended September 2024	55,166	2.4	13,612	1.9	14,085	3.4	9,684	(0.7)

(Note) Comprehensive income 3rd quarter of FY ending September 2025 11,169 million yen (1.2%) 3rd quarter of FY ended September 2024 11,038 million yen (-4.2%)

	Quarterly net profit per share	Quarterly diluted net profit per share
	yen	yen
3rd quarter of FY ending September 2025	182.48	-
3rd quarter of FY ended September 2024	185.71	-

(Note) The quarterly diluted net profit per share is not stated as there were no dilutive shares.

(2) Consolidated financial conditions

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
3rd quarter of FY ending September 2025	123,766	107,180	86.6
FY ended September 2024	124,882	102,176	81.8

(Reference) Equity 3rd quarter of FY ending September 2025 107,180 million yen FY ended September 2024 102,176 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
FY ended September 2024	yen -	yen 45.00	yen -	yen 55.00	yen 100.00
FY ending September 2025	-	50.00	-		
FY ending September 2025 (forecast)				60.00	110.00

(Notes) 1. Revisions to the forecast of dividends announced most recently: Yes

- Breakdown of fiscal year-end dividends for the FY ended September 2025: common dividends 50.00 yen, special dividends 10.00 yen
- For details on the revision of the dividend forecast, please refer to the “Notice Regarding Revision of Dividend Forecast (Dividend Increase) for the Fiscal Year Ending September 2025” announced today (August 8, 2025).

2. Breakdown of fiscal year-end dividends for the FY ended September 2024: common dividends 45.00 yen, special dividends 10.00 yen

3. Consolidated business results forecast for the fiscal year ending September 2025 (October 1, 2024, to September 30, 2025)

(Percentages indicate year-on-year changes.)

	Turnover		Operating profit		Ordinary profit		Net profit attributable to owners of parent company		Net profit per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	yen
Full year	80,000	6.4	15,700	1.3	16,200	1.0	11,400	1.1	218.61

(Note) Revisions to the business results forecast announced most recently: None

*Notes to financial statements

(1) Significant changes in the scope of consolidation during the period under review: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)
- (ii) Number of treasury shares at the end of the period
- (iii) Average number of shares outstanding during the period (quarter-to-date)

3Q of FY ending September 2025	52,301,466 shares	FY ended September 2024	53,166,466 shares
3Q of FY ending September 2025	1,012,467 shares	FY ended September 2024	1,019,246 shares
3Q of FY ending September 2025	51,733,264 shares	3Q of FY ended September 2024	52,146,943 shares

(Note) The Company maintains a Board Incentive Plan (BIP) Trust, and shares of the Company held by said Trust are included as treasury shares to be deducted from the calculations of the number of treasury shares at the end of the period and the average number of shares outstanding during the period (quarter-to-date).

*Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

*Explanation of the proper use of business results forecasts and other special notes

Future business results and other forward-looking statements contained in this document are based on information available to the Company as of the date on which this document was published and certain assumptions judged to be reasonable by the Company, and as such, various factors could cause actual business results to differ materially from those contained in the document. Please see “Qualitative information on consolidated business results forecast, etc.” on page 9 of the Consolidated Financial Results for the 3rd Quarter (Attachments) for the assumptions used for business results forecasts and precautions, etc., regarding their use.

4. Supplementary information

(1) Non-consolidated business results for the 3rd quarter of the fiscal year ending September 2025 (October 1, 2024, to June 30, 2025)

(i) Non-consolidated operating results (cumulative) (Percentages indicate changes from the same quarter of the previous year.)

	Turnover		Operating profit		Ordinary profit		Quarterly net profit	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
3rd quarter of FY ending September 2025	56,346	8.1	12,319	(6.2)	12,944	(6.8)	9,165	(5.1)
3rd quarter of FY ended September 2024	52,118	2.7	13,140	3.3	13,889	6.3	9,661	2.9

	Quarterly net profit per share	Quarterly diluted net profit per share
	yen	yen
3rd quarter of FY ending September 2025	177.17	-
3rd quarter of FY ended September 2024	185.27	-

(Note) The quarterly diluted net profit per share is not stated as there were no dilutive shares.

(ii) Non-consolidated financial conditions

	Total assets	Net assets	Equity ratio
	millions of yen	millions of yen	%
3rd quarter of FY ending September 2025	115,025	102,466	89.1
FY ended September 2024	116,040	97,910	84.4

(Reference) Equity	3rd quarter of FY ending September 2025	102,466 million yen	FY ended September 2024	97,910 million yen
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(2) Non-consolidated business results forecast for the fiscal year ending September 2025 (October 1, 2024, to September 30, 2025)

(Percentages indicate year-on-year changes.)

	Turnover		Ordinary profit		Net profit		Net profit per share
	millions of yen	%	millions of yen	%	millions of yen	%	yen
Full year	75,000	5.6	15,800	0.3	11,200	0.3	214.77

(Note) Revisions to the business results forecast announced most recently: None

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I. Qualitative Information on Quarterly Financial Results

1. Explanation of operating results

During the current 3rd quarter consolidated cumulative period (hereinafter, “current 3rd quarter”), the Japanese economy faced growing uncertainty due to factors such as surging raw material prices, fluctuating interest rates, instability in the Middle East, and U.S. trade policy. Amid these economic conditions, TKC Group is conducting business that contributes to both its customers and local communities.

As a result of collaborating with the TKC National Federation (TKCNF), the Accounting Firm Business Division has helped client SMEs to achieve “Profitable Settlement” and “Compliant Tax Returns.” As a result, 57.0% of corporate enterprises using TKC systems reported a profit. This figure is significantly higher than the percentage of corporations reporting a profit (36.0%) among all corporations in Japan announced by the National Tax Agency. Furthermore, it has been confirmed that over 60% of enterprises utilizing the business performance management functions of TKC Corporation’s financial accounting system FX Cloud Series (365 Days Marginal Income Statement, monthly reports of customer and vendor rankings, etc.) have achieved profitable settlement. Based on this evidence, TKC Corporation has established a basic policy for TKC member firms to provide guidance to their clients with the aim of further improving the percentage of enterprises achieving profitable settlement and ensuring compliant tax returns. As a means of achieving this, TKC Corporation encourages the implementation of monthly field auditing and monthly financial closing, and promotes the utilization of the FX Cloud Series as a business performance management tool for client SMEs.

As a result of the introduction of the consumption tax invoicing system, accounting departments at both large companies and small and medium-sized enterprises (SMEs) have seen a significant increase in workload. The full-scale digitalization of accounting operations is necessary to address this. Therefore, we are promoting greater expansion of features and implementation support for TKC’s integrated digital solutions which enable seamless processing—starting with the exchange of Peppol invoices, which have been recommended as the de facto standard for digital invoices by the Digital Agency, and from the issuance and storage of vouchers, as well as the preparation of journal entries, monthly trial balance sheets, financial statements, and tax returns, to electronic tax filing and payments.

The Local Governments Business Division has been working on system development and transition support for standard-compliant systems to ensure system migration for all client municipalities by the deadline for compliance with the standard specifications (March 31, 2026), in accordance with the “Local Government Information System Standardization Basic Policy” resolved by the Cabinet on September 8, 2023.

As a result of these activities, the operating results for the current 3rd quarter of the consolidated Group comprising TKC Corporation and its six consolidated subsidiaries, etc., recorded a turnover of 59,756 million yen (increased 8.3% year on year), operating profit of 13,041 million yen (decreased 4.2% year on year), ordinary profit of 13,427 million yen (decreased 4.7% year on year), and quarterly net profit attributable to owners of parent company of 9,440 million yen (decreased 2.5% year on year). While income increased in the current 3rd quarter due to business developments outlined above, profit decreased due to an increase in depreciation related to capitalized software for the Local Governments Business Division. In the 4th quarter, support for migration to standard-compliant systems will begin at scale in the Local Governments Business Division, and we forecast an increase in both income and profit for the full year in line with initial plans.

Turnover for the current 3rd quarter by business division is as shown below.

(1) Business results for the 3rd quarter

(i) Turnover of the Accounting Firm Business Division

Turnover of the Accounting Firm Business Division was 38,822 million yen (increased 4.1% year on year); operating profit was 11,008 million yen (increased 6.3% year on year). Breakdown of key turnover is as follows:

- 1) Turnover from computer services increased by 5.0% year on year. This was attributable to an increase in client SMEs that started using the FX Cloud Series (Cloud Accounting System) and are working to achieve the digital transformation (DX) of accounting work. There was also an increase in the use of cloud services as more accounting firms use TKC systems remotely from home or outside the office with the TKC-Phone, a smartphone with enhanced security to comply with the Tax Consultant Act, among other factors.
- 2) Turnover from software increased by 2.2% year on year. This was attributable to an increase in client SMEs that started using the FX Cloud Series, which is capable of not only sending and receiving Peppol invoices but also the electronic preservation of vouchers and automatic generation of journal entries, as well as the

preparation of superior electronic books, in an integrated and seamless digital process.

- 3) Turnover from consulting services increased by 1.7% year on year. This was due to an increase in the number of implementations of launch and operation support services accompanying new orders for FX4 Cloud, a financial accounting system that caters to medium-sized enterprises.
- 4) Turnover from hardware increased by 8.9% year on year. This was attributable to the progress in replacement of corporate PCs ahead of the end of support for Windows 10. In addition, Fujitsu announced that some models of Fujitsu desktop PCs, etc., sold between 2015 and 2017 were no longer able to boot after the Windows Update released on June 11. In light of this situation, we are providing free support for extracting data from the hard drives of PCs that cannot boot and restoring the data on replacement PCs in the case of eligible PCs handled by TKC Corporation that utilize TKC systems.
- 5) The high growth in operating profit compared to the growth in turnover year on year was a result of turnover from computer services and software with higher profit margins growing steadily, as well as a reduction in fixed costs due to the transfer of processing of printing operations at Data Processing and Printing Centers.

(ii) Turnover of the Local Governments Business Division

Turnover of the Local Governments Business Division was 18,608 million yen (increased 18.4% year on year); operating profit was 1,711 million yen (decreased 45.0% year on year). Breakdown of key turnover is as follows:

- 1) Turnover from computer services increased by 4.0% year on year. This was primarily attributable to the launch of the TASK Cloud Easy Service-Counter System for new customers contracted during the previous period, in addition to the printing and processing of admission tickets, etc., for the House of Councillors election held on July 20, 2025, which was outsourced to TKC Group.
- 2) Turnover from software increased by 5.7% year on year. This was attributable to the steady increase in subscription-type software usage fees resulting from the contracting of new customers using the TASK Cloud Public Accounting System, in addition to undertaking system upgrading operations accompanying revisions to the standard data layout for the child allowance system and health management system.
- 3) Turnover from consulting services increased by 3.3% year on year. This was attributable to an increase in system implementation support services newly outsourced to TKC Group.
- 4) Turnover from hardware increased by 107.3% year on year. This was attributable to an increase in the number of customers installing servers to be set up in government offices following the standardization of systems and a concentration of customers who renewed their hardware devices related to Juki-Net.
- 5) The decrease in operating profit compared to the previous fiscal year was attributable to an increase in depreciation related to capitalized software following the start of provision of standard-compliant systems, in addition to an increase in turnover from hardware with lower profit margins.

(iii) Turnover of the Printing Business Division (Subsidiary: TLP Corporation)

Turnover of the Printing Business Division was 2,325 million yen (increased 7.0% year on year); operating profit was 315 million yen (increased 177 million yen from the previous fiscal year). Breakdown of key turnover is as follows:

- 1) Turnover from products related to data printing services (hereinafter, “DPS”) increased by 16.7% year on year. This was due to orders received for new operations such as those from municipalities for notification operations related to the House of Representatives election held in October 2024, as well as orders received from mutual aid association for the printing of notification letters.
- 2) Business form-related turnover decreased by 13.6% year on year. This was due to declining demand for form printing operations at customer enterprises because of advances in digitalization, as well as a reactionary decline from the rush of orders for business and other forms in September 2024 in response to a price revision implemented in October 2024.
- 3) Turnover related to the printing of commercial-use creative materials (catalogs, books, etc.) decreased by 3.8% year on year. This was due to the absence in the period under review of printing operations related to manuals explaining the consumption tax invoicing system, etc., for which we had received orders in the previous period.
- 4) The high growth in operating profit compared to the growth in turnover year on year was a result of steady turnover from DPS-related products and the price revision (price increase) implemented in October 2024.

(2) Business activities and operating results of the Accounting Firm Business Division

The Accounting Firm Business Division is working on the development and enhancement of products and services in close collaboration with TKCNF, which is composed of 11,500 TKCNF Members (as of June 30,

2025), to support the sustainable development of TKCNF member firms and their client SMEs.

In relation to this, it is also providing a full range of cloud services to large companies such as listed companies, law firms, universities, law schools, etc.

(i) Activities to achieve “Profitable Settlement” and “Compliant Tax Returns”

1) Support for establishment of monthly financial closing system by TKCNF member firms at client SMEs

SMEs are facing a challenging business environment due to inflation and depreciation of the yen, as well as the resulting soaring raw material costs and pressure to increase wages. Under these circumstances, we are pursuing the following activities to allow TKCNF member firms to support their client SMEs in achieving “Profitable Settlement” and “Compliant Tax Returns.”

a) At our 56 sales locations nationwide, System Consulting Group (SCG) employees provide support for the adoption and operation of the FX Cloud Series, a financial accounting system for enterprises, in order to support the establishment of a monthly financial closing system at client SMEs.

b) To support business owners in their strategic decision making, the FX Cloud Series includes “Strategy-level” features such as the 365 Days Marginal Income Statement, forecast and actual results management, management by division, financing results spreadsheets, monthly reports of customer and vendor rankings, annual forecast management, and more. For business owners to utilize these features effectively, it is necessary for them to input accounting transaction data in a timely and accurate manner and establish a monthly financial closing system. Therefore, for example, by offering an app for smart devices called “Expense Management on Smartphones,” we are helping to reduce the hassle of expense settlement for sales personnel and streamline recording of journal entries based on digitized vouchers by accounting personnel at client SMEs. In addition, TKC has also provided support for the utilization of a feature for preserving vouchers, which automatically generates journal entries from electronic transaction data and Peppol invoices, as well as a feature for receiving bank credit data, through which bank deposit transaction data can be received via online banking and converted into journal entries. As a result of these activities, 327,000 enterprises were using the FX Series financial accounting system as of June 30, 2025.

Currently, the cloud version of the FX Series accounts for approximately 44% of total usage. For this reason, we will continue to support the standalone version of this service until the end of 2030, and we will work to encourage switching over to the cloud version over the next five years. This will allow us to concentrate our development resources on the cloud version of the system and further expedite system development.

c) From November 2024, we began providing the Quick Monthly Report Service, through which business results bulletins on monthly financial closing are delivered to the email addresses of business owners of client SMEs when monthly field audits are completed by accounting firms. This enables business owners to quickly confirm monthly financial closing results on their smartphones. In addition, accounting firms can use this service as a tool for enhancing managerial advice and communication with business owners. The Quick Monthly Report Service has been very well received, with the number of enterprises using it exceeding 10,000 in the six months since it was launched last November.

d) Due to revisions to the 1.03 million yen tax threshold accompanying the tax reforms of FY2025, year-end tax adjustments are expected to be significantly more complicated than usual this year. Therefore, on May 20, we launched a special page on the TKC Corporation website that provides easy-to-understand explanations of the individual income tax system and its practical implications. In addition, we have provided a special edition of our office newsletter entitled “The Tax Threshold” to support member firms and their client SMEs in taking appropriate measures.

2) Support for the preparation of highly reliable financial statements based on timely and accurate bookkeeping

The biggest advantage of the financial accounting system provided by TKC Corporation is that it is predicated on monthly field auditing and monthly financial closing that TKCNF member firms implement for their client SMEs every month, and it prohibits the processing of retroactive revisions, insertions, or deletions in respect of the transaction data after the implementation of monthly field auditing. It utilizes this advantage to issue free of charge the Certificate of Bookkeeping Timeliness, which serves as a document used by financial institutions and others to objectively evaluate the reliability of accounting records.

This service was developed with the aim of improving the reliability of financial statements prepared by TKCNF Members and facilitating smooth financing for their client SMEs. TKC Corporation proves, as a third party, that TKCNF Members have visited client SMEs monthly to supervise accurate bookkeeping (monthly field auditing), and that all work processes from monthly financial closing to the final financial closing and electronic tax filing have been completed through a one-stop, full-line process in a timely manner. With the recent increase

in the number of bankruptcies due to non-compliance (fraud), we believe that the importance of the Certificate of Bookkeeping Timeliness will continue to grow going forward.

3) Promotion of TKC Monitoring Information Service (MIS)

The TKC Monitoring Information Service (MIS) is a free cloud service that allows TKCNF member firms, upon the request of the business owners of client SMEs, to disclose to financial institutions information such as the financial statements and tax returns of said clients at the same time as filing electronic tax returns for national tax, .

The Company communicates to financial institutions that the reliability of financial statements prepared by SMEs can be verified using the following three sets of documents sent by the TKC Monitoring Information Service (MIS):

- a) Tax Audit Report under Article 33-2 of the Tax Consultant Act
- b) Certificate of Bookkeeping Timeliness, with which TKC Corporation certifies the timeliness in the preparation of accounting books as required under Article 432 of the Companies Act, and the correlation (consistency) between financial statements and tax returns for the past three years; and
- c) The Chusho Kaikei Yoryo (General Accounting Standard for SMEs) checklist developed by the Japan Federation of Tax Consultants' Associations and the Japan Federation of Credit Guarantee Corporations.

As a result of these activities, the TKC Monitoring Information Service (MIS) has been adopted by 497 financial institutions as of June 30, 2025, surpassing 350,000 instances of client use.

As a tool that can verify the three requirements presented in “Guidelines for Personal Guarantee Provided by Business Owners” (i.e., (i) properly separating the accounting of transactions between corporations and individuals, (ii) maintaining a certain standard of financial foundation, and (iii) ensuring the transparency of management through the accurate determination of financial position as well as timely and appropriate information disclosures), the TKC Monitoring Information Service (MIS) is highly rated by financial institutions and credit guarantee corporations that offer management support to SMEs.

4) Fostering of good-standing enterprises through collaboration with TKCNF

The Accounting Firm Business Division is carrying out business operations aimed at achieving “Profitable Settlement” and “Compliant Tax Returns” through close collaboration with TKCNF. TKCNF has set its activity policy for the six-year period from 2025 and begun working on efforts as follows.

“Complete the Four Major Business Areas of Tax Consultants and Energize Small and Medium-Sized Enterprises! Establishing a Monthly Financial Closing System Is the Fundamental Basis for Everything”

- a) Increase the number of SMEs which monthly field audits are implemented
- b) Promote self-accounting by the TKC method with the FX Cloud Series
- c) Utilize the Quick Monthly Report Service to support the improvement of equity ratio

5) Soliciting new members (promoting membership of TKCNF)

TKCNF has set a goal of soliciting 360 new members by September 30, 2025. To achieve this goal, we are working closely with TKCNF's New Members Service Committee to step up the solicitation of new members and follow-up activities for new member firms.

(ii) Expansion into the listed enterprise market

With the development of its consolidated accounting system (1999) and consolidated tax payment system (2003) as turning points, TKC Corporation began to expand its sales activities targeting large companies, with a focus on listed companies. However, this project is being conducted entirely as a joint venture with TKCNF, and its objective is to contribute to improving compliance and rationalizing administrative procedures in the tax and accounting operations of large companies, with the ultimate goal of soliciting these large companies and their affiliates to become client companies of TKCNF Members.

1) Initiative on digital invoices

In August 2023, TKC Corporation was installed as the representative managing corporation of the E-Invoice Promotion Association (EIPA), and together with approximately 170 association member companies, primarily system vendors, we have worked on activities to promote digital invoices. In June 2025, as the representative managing corporation of EIPA, we gave presentations on digital invoices at a seminar on using digital invoices to streamline indirect operations organized by the Regional Economy Division of the Hokkaido Economic Affairs Bureau, the Hokkaido Bureau of Economy, Trade and Industry, and the Sapporo Regional Taxation Bureau, as well as at a training session organized by the Tokyo Regional Taxation Bureau.

TKC Corporation will continue to promote the use of digital invoices going forward.

2) Communication of initiatives related to the adoption of the revised lease accounting standards

On September 13, 2024, the Accounting Standards Board of Japan (ASBJ) issued ASBJ Statement No. 34, “Accounting Standard for Leases,” which will be mandatorily applied to listed companies from April 2027. To ensure enterprises can grasp the amount of financial impact this will have on financial statements while preparing to apply the standard, TKC Corporation has developed a tool for estimating the amount of financial impact of the revised lease accounting standard and began providing it to listed companies that utilize TKC systems starting from January 2025. As the tool can also be used as the basis for preparing reports for business owners, etc., it has been highly rated by many user enterprises, with the number of downloads exceeding 500 by June 2025. In addition, at the Accounting & Financial EXPO organized by RX Japan and held at Tokyo Big Sight in June 2025, we exhibited a booth on the theme of compliance with the revised lease accounting standard. We also gave a presentation on the latest information on the revised lease accounting standard at the trend seminar of “The College for the Future of Companies 2025 Tokyo -Spring-” held on the same day, attracting more participants than the capacity allowed.

3) Expansion of market share among listed enterprises

The Group Relief Corporate Tax System (e-TAX Group Relief) provided by TKC Corporation has been highly praised by the market, and it is being used in many enterprises that adopt the Group Relief Corporate Tax System. Approximately 45% of the 20,000-odd enterprises with a share capital of more than 100 million yen now use our ASP1000R electronic tax filing system for corporations or the Group Relief Corporate Tax System (e-TAX Group Relief) as of June 30, 2025.

As a result of these activities, the number of corporate groups using the TKC Consolidated Group Solution totaled approximately 5,980 corporate groups as of June 30, 2025. Currently, our market share of the listed companies in Japan has reached 44%, with 91 companies out of the top 100 companies with the highest turnover among the listed companies in Japan (91%) using TKC systems to file their (electronic) tax returns.

(iii) Expansion of market for legal information database services

The business launched by TKC Corporation to support tax accounting firms through building a tax-related judicial precedent database attracted attention from various quarters, and today, TKC Corporation provides a wide range of legal information services to legal professions, the law school and legal education market such as universities, corporate legal departments, government offices and local governments, and even overseas institutions and universities, etc. The current business conditions are as follows.

1) Expansion of the number of records and content in the TKC Law Library

TKC Corporation provides the TKC Law Library, a legal information database which boasts the industry’s largest archive (more than 354,000 judicial precedents). Centered on judicial precedent information (LEX/DB), it comprehensively covers laws, documents, law journals, specialized books on law, and related additional information, and we are constantly enhancing the content of the TKC Law Library.

In this reporting period, usage of the TKC Law Library gained traction at TKCNF member firms, universities, law schools, government offices, law firms, patent offices, corporate legal departments, and overseas research institutions, with as many as 70,000 IDs from around 27,000 institutions having registered as of June 30, 2025.

2) Expansion into the law school and legal education market

Our TKC Law School Educational and Research Support System can be used online anytime, anywhere, and contains a diverse variety of content that surpasses that of other companies. It also boasts the advantage of being equipped with various features such as report submission, online exercises, tests, and other components that support classes and self-study. More than 160 universities have signed a contract in FY2025 to adopt our TKC Law School Educational and Research Support System, which has been rated highly by faculty members and students.

Furthermore, for law school students, graduates, and individuals who have passed the preliminary exam, who aim to sit for the bar exam, we also support their preparation for the bar exam by conducting the TKC All-Japan Unified Mock Examination. More than 2,600 individuals have already taken the 2025 TKC All-Japan Unified Mock Examination, which is 65% of the 4,000 students who are expected to take the bar exam in 2025. The Ministry of Justice plans to transition to Computer-Based Testing (CBT) examinations in 2026. Therefore, TKC Corporation has been working on setting up the environment by introducing the TKC Digital Test since April 2025 to provide CBT examination services to universities and further increase the number of individuals taking the exam. We will continue to enhance our services by offering the industry-leading standard mock exam with the highest number of examinees.

(3) Business activities and operating results of the Local Governments Business Division

The Local Governments Business Division offers specialized information services for municipalities to promote social welfare by improving local governments' administrative efficiency. The TKC Government Cloud Service has been adopted by more than 1,140 municipalities (prefectures, cities, wards, towns, villages, etc.) as of June 30, 2025.

(i) Meeting the specification of the standardization of local government information systems

Local governments are now obligated to use standard-compliant systems stipulated by the Digital Agency and the relevant ministries and agencies, and they have a duty to strive to use such systems on the Gov-Cloud environment. We completed the migration to standard-compliant systems on the Gov-Cloud environment in Moka-shi, Tochigi Prefecture, on December 23, 2024, followed by Misato-cho, Saitama Prefecture, as the second organization on January 14, 2025, with both systems already in stable operation. As of June 30, 2025, approximately 170 agencies have adopted our mission-critical business systems, and we plan to complete the migration to standard-compliant systems for all these customer organizations by the migration deadline of March 31, 2026. During the current 3rd quarter, we built rehearsal environments for customer organizations that will begin full-scale operations in July 2025 and provided support for their final verification.

(ii) Support for digitalization of administrative services

TKC Corporation develops and provides support solutions for the digitalization of administrative services to achieve digital counter services with the "3 No's for citizens (no visiting, no waiting, and no writing)." During the current 3rd quarter, we enhanced features to ensure compliance with the standard specifications for the TASK Cloud Convenience Store Certificate Issuing System. As a result, as of June 30, 2025, the TASK Cloud Smart Application System has been adopted by at least 60 agencies, including government ordinance-designated cities such as Osaka and Yokohama. Moreover, the TASK Cloud Easy Service-Counter System has been adopted by at least 120 agencies, the TASK Cloud My Number Card Issuance Reservation and Management System has been adopted by at least 190 agencies, and the TASK Cloud Convenience Store Certificate Issuing System has been adopted by at least 270 agencies.

(iii) Support for digitalization of local tax administrative procedures

As an authorized contractor of the Local Tax Agency, TKC Corporation provides cloud-based services for the inspection system eLTAX (local tax portal system) offered by the Agency. We also develop and provide the Data Integration Service as our proprietary service to integrate the inspection system with the individual tax systems of various municipalities.

In promoting this service, we have jointly developed proposals with approximately 50 partner enterprises with which we have ongoing alliance partner agreements. As a result of these activities, our TASK Cloud Local Taxes Electronic Filing Support Service is currently adopted by approximately 790 local governments, which account for more than 40% of all prefectures and local municipalities, as of June 30, 2025. In addition, we conducted a questionnaire survey on the status of discussions regarding the digitalization of public fund payments which will begin in FY2026, and published the results of the survey.

(iv) Support for digitalization of internal administration

TKC Corporation develops and provides the TASK Cloud Public Accounting System, an integrated financial accounting system for local government accounting, as well as related systems.

In this reporting period, we worked on enhancing features of related systems such as the electronic approval system, and on renewing related services such as the document management system as well as the HR and payroll system. In addition, we conducted a demonstration experiment jointly with Taka-cho, Hyogo Prefecture, on the use of Peppol invoices (digital invoices) in municipalities to improve the effectiveness and efficiency of operations. This allowed us to confirm that the use of Peppol invoices is also effective in terms of streamlining internal administrative work in municipalities.

As a result of these activities, the TASK Cloud Public Accounting System has been adopted by more than 380 agencies as of June 30, 2025.

(v) Donation of relief money for the fire at Shiraoka City Hall in Saitama Prefecture

On May 30, we donated 5 million yen as relief money to support the recovery efforts of Shiraoka City in Saitama Prefecture, whose city hall became unusable due to a fire that broke out on May 6, 2025.

(4) Business activities and operating results of the Printing Business Division

TLP Corporation, which is responsible for TKC Group's Printing Business, prints and types on continuous business forms used at the TKC Data Processing and Printing Centers of our Accounting Firm Business Division as well as tax-related forms and other forms for the outsourcing services of the Local Governments Business

Division, in addition to preparing printed materials and similar for our customers. TLP Corporation operates with a primary focus on data printing services (DPS), business form printing, and the printing of commercial-use materials for general enterprises, government offices, and local governments.

In the DPS field, it provides business process outsourcing (BPO) services aimed at rationalizing the creation of direct mail (DM) and notification-related operations of general administration, accounting, and HR departments. In particular, we are working to increase the value offered to customers who use our services, including the measurement of the effects of DM through the utilization of QR codes. In respect of local governments, we assist in resident notification, including creating various tax-related forms, polling station admission tickets, etc.

In the business form printing field, the use of business forms and slips is decreasing due to the increasing adoption of paperless methods, but there is healthy demand for handwritten forms and specific forms, so we engage in sales activities utilizing our strength in form printing.

In the commercial-use creative materials field (catalogs, books, etc.), we are supporting the provision in a timely manner of the publications required by customer enterprises, including printed materials for the anniversary events of customer enterprises, revised editions of specialized books due to legal revisions, etc.

TLP Corporation was involved in a dispute with the Japan Pension Service over a lawsuit concerning bid rigging, which was the subject of a cease-and-desist order issued by the Japan Fair Trade Commission under the Antimonopoly Act. The lawsuit was filed by the Japan Pension Service on October 3, 2023, claiming damages not covered by the penalties already collected. A settlement was reached on January 29, 2025.

2. Qualitative information on consolidated financial conditions

(1) Assets, liabilities, and net assets

(i) Assets

Total assets as of the end of the current 3rd quarter consolidated accounting period amounted to 123,766 million yen, a 1,115 million yen decrease compared to 124,882 million yen as of the end of the previous consolidated fiscal year.

1) Current assets

Current assets as of the end of the current 3rd quarter consolidated accounting period amounted to 50,935 million yen, a 4,262 million yen increase compared to 46,672 million yen as of the end of the previous consolidated fiscal year.

This was mainly attributable to a 2,310 million yen increase in cash and deposits and a 1,261 million yen increase in notes receivable-trade, accounts receivable, and contract assets.

2) Non-current assets

Non-current assets as of the end of the current 3rd quarter consolidated accounting period amounted to 72,830 million yen, a 5,378 million yen decrease compared to 78,209 million yen as of the end of the previous consolidated fiscal year.

This was mainly attributable to a 2,688 million yen decrease in investment securities and a 2,129 million yen decrease in long-term deferred tax assets included in "Other," despite a 500 million yen increase in long-term deposits.

(ii) Liabilities

Total liabilities as of the end of the current 3rd quarter consolidated accounting period amounted to 16,586 million yen, a 6,119 million yen decrease compared to 22,705 million yen as of the end of the previous consolidated fiscal year.

1) Current liabilities

Current liabilities as of the end of the current 3rd quarter consolidated accounting period amounted to 13,310 million yen, a 6,037 million yen decrease compared to 19,347 million yen as of the end of the previous consolidated fiscal year.

This was mainly attributable to a 4,769 million yen decrease in provisions for bonuses and a 3,085 million yen decrease in income taxes payable, despite a 790 million yen increase in deposits received included in "Other."

2) Non-current liabilities

Non-current liabilities as of the end of the current 3rd quarter consolidated accounting period amounted to 3,275 million yen, an 81 million yen decrease compared to 3,357 million yen as of the end of the previous consolidated fiscal year.

This was mainly attributable to a 72 million yen decrease in long-term lease obligations included in "Other."

(iii) Net assets

Total net assets as of the end of the current 3rd quarter consolidated accounting period amounted to 107,180 million yen, a 5,003 million yen increase compared to 102,176 million yen as of the end of the previous consolidated fiscal year.

This was mainly attributable to a 1,588 million yen increase in valuation difference on available-for-sale securities and a 3,728 million yen increase in retained earnings, despite a decrease in net assets due to a 454 million yen increase in treasury stock.

The equity ratio as of the end of the current 3rd quarter consolidated accounting period was 86.6%, a 4.8 percentage point increase compared to 81.8% as of the end of the previous consolidated fiscal year.

3. Qualitative information on consolidated business results forecast, etc.

(1) Consolidated business results forecast, etc.

The Group forecasts a turnover of 80,000 million yen (6.4% increase year on year), operating profit of 15,700 million yen (1.3% increase year on year), ordinary profit of 16,200 million yen (1.0% increase year on year), and net profit attributable to owners of parent company of 11,400 million yen (1.1% increase year on year).

(2) Dividends forecast

Today (August 8, 2025), the Company announced a revision to our dividend forecast. Please refer to the same document for details on the dividend forecast.

II. Quarterly Consolidated Financial Statements and Principal Notes

1. Quarterly consolidated balance sheets

(Unit: millions of yen)

	Previous consolidated fiscal year (September 30, 2024)	Current 3rd quarter consolidated accounting period (June 30, 2025)
Assets		
Current assets		
Cash and deposits	33,697	36,008
Notes receivable—trade, accounts receivable, and contract assets	10,039	11,301
Inventories	543	781
Other	2,412	2,865
Allowance for doubtful accounts	(20)	(21)
Total current assets	46,672	50,935
Non-current assets		
Property, plant, and equipment		
Buildings and structures (net amount)	7,280	7,216
Land	6,915	6,863
Other (net amount)	2,898	2,773
Total property, plant, and equipment	17,094	16,853
Intangible assets	8,064	7,518
Investments and other assets		
Investment securities	21,700	19,012
Long-term deposits	20,200	20,700
Guarantee deposits	1,539	1,532
Other	9,609	7,214
Total investments and other assets	53,049	48,459
Total non-current assets	78,209	72,830
Total assets	124,882	123,766
Liabilities		
Current liabilities		
Accounts payable—trade	3,072	2,943
Electronically recorded obligations—operating	791	1,048
Short-term loans payable	71	35
Accounts payable—other	3,671	3,206
Income taxes payable	3,193	107
Contract liabilities	1,189	1,511
Provisions for bonuses	6,238	1,469
Other	1,119	2,987
Total current liabilities	19,347	13,310
Non-current liabilities		
Retirement benefit liabilities	2,251	2,203
Provisions for stocks payment	356	374
Other	749	697
Total non-current liabilities	3,357	3,275
Total liabilities	22,705	16,586

(Unit: millions of yen)

	Previous consolidated fiscal year (September 30, 2024)	Current 3rd quarter consolidated accounting period (June 30, 2025)
Net assets		
Shareholders' equity		
Share capital	5,700	5,700
Capital surplus	6,286	6,286
Retained earnings	91,138	94,867
Treasury stock	(2,606)	(3,060)
Total shareholders' equity	100,519	103,793
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,543	4,131
Accumulated remeasurements of defined benefit plans	(885)	(744)
Total accumulated other comprehensive income	1,657	3,386
Total net assets	102,176	107,180
Total liabilities and net assets	124,882	123,766

2. Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
(Quarterly consolidated statements of income)
(3rd quarter consolidated cumulative period)

(Unit: millions of yen)

	Previous 3rd quarter consolidated cumulative period (Started October 1, 2023; ended June 30, 2024)	Current 3rd quarter consolidated cumulative period (Started October 1, 2024; ended June 30, 2025)
Turnover	55,166	59,756
Cost of sales	15,384	18,810
Gross profit	39,782	40,945
Selling, general, and administrative expenses	26,169	27,904
Operating profit	13,612	13,041
Non-operating income		
Interest income	60	52
Dividend income	231	311
Insurance dividend income	23	15
Land and house rent received	30	28
Equity in earnings of affiliates	20	8
Other	108	42
Total non-operating income	474	458
Non-operating expenses		
Interest expenses	0	0
Settlement payments	-	71
Other	0	0
Total non-operating expenses	0	73
Ordinary profit	14,085	13,427
Extraordinary income		
Gain on sale of investment securities	14	42
Gain on sale of non-current assets	1	2
Total extraordinary income	15	45
Extraordinary loss		
Loss on sale of non-current assets	-	14
Loss on retirement of non-current assets	4	14
Loss on redemption of investment securities	-	12
Total extraordinary loss	4	41
Quarterly net profit before taxes and adjustments	14,096	13,430
Income taxes—current	3,238	2,688
Income taxes—deferred	1,172	1,301
Total income taxes	4,411	3,989
Quarterly net profit	9,684	9,440
Quarterly net profit attributable to owners of parent company	9,684	9,440

(Quarterly consolidated statements of comprehensive income)
(3rd quarter consolidated cumulative period)

(Unit: millions of yen)

	Previous 3rd quarter consolidated cumulative period (Started October 1, 2023; ended June 30, 2024)	Current 3rd quarter consolidated cumulative period (Started October 1, 2024; ended June 30, 2025)
Quarterly net profit	9,684	9,440
Other comprehensive income		
Valuation difference on available-for-sale securities	1,222	1,588
Remeasurements of defined benefit plans	130	140
Total other comprehensive income	1,353	1,729
Quarterly comprehensive income	11,038	11,169
(Breakdown)		
Quarterly comprehensive income attributable to owners of parent company	11,038	11,169

3. Notes to quarterly consolidated financial statements

(Notes on going concern assumption)

None to be disclosed.

(Notes in case of significant changes in shareholders' equity)

None to be disclosed.

(Notes to quarterly consolidated statements of cash flows)

The Company has not prepared quarterly consolidated statements of cash flows for the current 3rd quarter consolidated cumulative period. Depreciation (including amortization of intangible assets) for the current 3rd quarter consolidated cumulative period is as follows:

	Previous 3rd quarter consolidated cumulative period (Started October 1, 2023; ended June 30, 2024)	Current 3rd quarter consolidated cumulative period (Started October 1, 2024; ended June 30, 2025)
Depreciation	2,568 million yen	3,391 million yen

(Notes on segment information, etc.)

[Segment information]

I. Previous 3rd quarter consolidated cumulative period (Started October 1, 2023; ended June 30, 2024)

Information on turnover and profit or loss for each reportable segment

(Unit: millions of yen)

	Reportable segment				Adjustments (Note 1)	Amounts in quarterly consolidated statements of income (Note 2)
	Accounting Firm Business	Local Governments Business	Printing Business	Total		
Turnover						
(1) Sales to outside customers	37,279	15,714	2,173	55,166	-	55,166
(2) Inter-segment sales or transfers	26	-	1,723	1,750	(1,750)	-
Total	37,305	15,714	3,897	56,917	(1,750)	55,166
Segment profit	10,354	3,110	138	13,602	9	13,612

(Notes) 1. Adjustments of segment profit of 9 million yen include amounts for elimination of inter-segment transactions and adjustment of inventory assets.

2. Segment profit is adjusted with the operating profit presented in the quarterly consolidated statements of income.

II. Current 3rd quarter consolidated cumulative period (Started October 1, 2024; ended June 30, 2025)

Information on turnover and profit or loss for each reportable segment

(Unit: millions of yen)

	Reportable segment				Adjustments (Note 1)	Amounts in quarterly consolidated statements of income (Note 2)
	Accounting Firm Business	Local Governments Business	Printing Business	Total		
Turnover						
(1) Sales to outside customers	38,822	18,608	2,325	59,756	-	59,756
(2) Inter-segment sales or transfers	41	-	1,836	1,878	(1,878)	-
Total	38,864	18,608	4,162	61,634	(1,878)	59,756
Segment profit	11,008	1,711	315	13,035	6	13,041

(Notes) 1. Adjustments of segment profit of 6 million yen include amounts for elimination of inter-segment transactions and adjustment of inventory assets.

2. Segment profit is adjusted with the operating profit presented in the quarterly consolidated statements of income.

III. Supplementary Information (Reference)

Quarterly non-consolidated financial statements

1. Quarterly balance sheets

(Unit: millions of yen)

	Previous fiscal year (September 30, 2024)	Current 3rd quarter accounting period (June 30, 2025)
Assets		
Current assets		
Cash and deposits	28,547	30,880
Accounts receivable and contract assets	9,333	10,674
Inventories	266	377
Other	2,363	2,820
Allowance for doubtful accounts	(20)	(21)
Total current assets	40,491	44,732
Non-current assets		
Property, plant, and equipment		
Buildings and structures (net amount)	6,372	6,320
Land	6,637	6,585
Other (net amount)	2,007	1,854
Total property, plant, and equipment	15,017	14,760
Intangible assets	7,885	7,310
Investments and other assets		
Investment securities	22,616	19,906
Long-term deposits	20,000	20,500
Guarantee deposits	1,447	1,417
Other	8,582	6,397
Total investments and other assets	52,645	48,222
Total non-current assets	75,549	70,293
Total assets	116,040	115,025
Liabilities		
Current liabilities		
Accounts payable–trade	2,934	3,122
Accounts payable–other	3,300	2,954
Income taxes payable	3,127	-
Contract liabilities	1,189	1,511
Provisions for bonuses	5,680	1,284
Other	664	2,261
Total current liabilities	16,895	11,134
Non-current liabilities		
Provisions for retirement benefits	434	577
Provisions for stocks payment	356	374
Other	443	472
Total non-current liabilities	1,234	1,424
Total liabilities	18,130	12,559

	(Unit: millions of yen)	
	Previous fiscal year (September 30, 2024)	Current 3rd quarter accounting period (June 30, 2025)
Net assets		
Shareholders' equity		
Share capital	5,700	5,700
Capital surplus	5,409	5,409
Retained earnings	86,901	90,355
Treasury stock	(2,606)	(3,060)
Total shareholders' equity	95,404	98,403
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,505	4,062
Total valuation and translation adjustments	2,505	4,062
Total net assets	97,910	102,466
Total liabilities and net assets	116,040	115,025

2. Quarterly statements of income (3rd quarter cumulative period)

(Unit: millions of yen)

	Previous 3rd quarter cumulative period (Started October 1, 2023; ended June 30, 2024)	Current 3rd quarter cumulative period (Started October 1, 2024; ended June 30, 2025)
Turnover	52,118	56,346
Cost of sales	13,928	17,388
Gross profit	38,190	38,957
Selling, general, and administrative expenses	25,050	26,637
Operating profit	13,140	12,319
Non-operating income		
Interest income	59	48
Dividend income	523	491
Insurance dividend income	22	14
Land and house rent received	117	116
Other	103	30
Total non-operating income	826	701
Non-operating expenses		
Cost of lease revenue	76	74
Other	0	0
Total non-operating expenses	76	75
Ordinary profit	13,889	12,944
Extraordinary income		
Gain on sale of non-current assets	1	2
Total extraordinary income	1	2
Extraordinary loss		
Loss on sale of non-current assets	-	14
Loss on retirement of non-current assets	3	14
Loss on redemption of investment securities	-	12
Total extraordinary loss	3	41
Quarterly net profit before taxes	13,887	12,905
Income taxes—current	3,195	2,581
Income taxes—deferred	1,030	1,158
Total income taxes	4,226	3,740
Quarterly net profit	9,661	9,165