

Note on translation

This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the 1st Quarter of the Fiscal Year Ending September 2026 [Under Japanese GAAP]

(February 13, 2026)

Listed company name	TKC Corporation	Listing: Tokyo Stock Exchange
Securities code	9746 URL: https://www.tkc.jp/	
Representative	(Position and title) Representative Director, President and Executive Officer	(Name) Masanori Iizuka
Inquiries	(Position and title) Director, Executive Officer, Chief of Business Administration Headquarters	(Name) Yoshinori Nakajima Telephone: +81-3-3235-5511
Scheduled date to commence dividend payments	-	
Preparation of supplementary material on financial results:	Yes	
Holding of financial results briefing:	None	

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

1. Consolidated business results for the 1st quarter of the fiscal year ending September 2026 (October 1, 2025, to December 31, 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	
1st quarter of FY ending September 2026	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
1st quarter of FY ended September 2025	24,190	38.0	8,288	111.2	8,536	107.1	5,916	110.5

(Note)
Comprehensive income 1st quarter of FY ending September 2026 6,128 million yen (54.9%) 1st quarter of FY ended September 2025 3,955 million yen (59.6%)

	Quarterly net profit per share	Quarterly diluted net profit per share
1st quarter of FY ending September 2026	yen 115.34	yen -
1st quarter of FY ended September 2025	53.88	-

(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
1st quarter of FY ending September 2026	millions of yen 129,525	millions of yen 111,544	% 86.1
FY ended September 2025	129,817	108,497	83.6

(Reference) Equity 1st quarter of FY ending September 2026 111,544 million yen FY ended September 2025 108,497 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
FY ended September 2025	yen -	yen 50.00	yen -	yen 60.00	yen 110.00
FY ending September 2026	-				
FY ending September 2026 (forecast)		55.00	-	55.00	110.00

(Notes) 1. Revisions to the forecast of dividends announced most recently: None

2. Breakdown of fiscal year-end dividends for the FY ended September 2025: common dividends 50.00 yen, special dividends 10.00 yen

3. Consolidated business results forecast for the fiscal year ending September 2026 (October 1, 2025, to September 30, 2026)

(Percentages indicate year-on-year changes for the full year and changes from the same quarter of the previous year for the quarter.)

	Turnover		Operating profit		Ordinary profit		Net profit attributable to owners of parent company		Net profit per share
2nd quarter (cumulative)	millions of yen 45,000	% 14.7	millions of yen 10,600	% 22.2	millions of yen 10,900	% 22.9	millions of yen 7,500	% 18.8	yen 145.29
Full year	85,500	2.4	16,600	2.8	17,100	3.1	12,150	0.5	235.37

(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 quarterly consolidated cumulative 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)

1Q of FY ending September 2026	51,741,466 shares	FY ended September 2025	52,301,466 shares
--------------------------------	-------------------	-------------------------	-------------------

(ii) Number of treasury shares at the end of the period

1Q of FY ending September 2026	448,511 shares	FY ended September 2025	1,012,547 shares
--------------------------------	----------------	-------------------------	------------------

(iii) Average number of shares outstanding during the period (quarter-to-date)

1Q of FY ending September 2026	51,290,937 shares	1Q of FY ended September 2025	52,147,540 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" on page 9 of the Consolidated Financial Results for the 1st 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 1st quarter of the fiscal year ending September 2026 (October 1, 2025, to December 31, 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	%
1st quarter of FY ending September 2026	23,218	40.8	8,370	117.9	8,846	109.2	6,225	109.3
1st quarter of FY ended September 2025	16,487	1.7	3,841	0.6	4,228	(1.7)	2,974	(2.6)

	Quarterly net profit per share	Quarterly diluted net profit per share
	yen	yen
1st quarter of FY ending September 2026	121.37	-
1st quarter of FY ended September 2025	57.04	-

(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		%	
1st quarter of FY ending September 2026	120,887		107,036		88.5	
FY ended September 2025	120,748		103,735		85.9	
(Reference) Equity	1st quarter of FY ending September 2026	107,036 million yen	FY ended September 2025	103,735 million yen		

(2) Non-consolidated business results forecast for the fiscal year ending September 2026 (October 1, 2025, to September 30, 2026)

(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	
2nd quarter (cumulative)	42,500	15.2	11,000	26.1	7,690	23.0	148.97	
Full year	81,000	2.7	16,900	4.5	12,000	1.2	232.47	

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

○Table of Contents – Attachments

I. Qualitative Information on Quarterly Financial Results.....	2
1. Explanation of operating results	2
2. Qualitative information on consolidated financial conditions	9
3. Qualitative information on consolidated business results forecast	9
II. Quarterly Consolidated Financial Statements and Principal Notes	10
1. Quarterly consolidated balance sheets	10
2. Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income.....	12
(Quarterly consolidated statements of income)	12
(Quarterly consolidated statements of comprehensive income).....	13
3. Notes to quarterly consolidated financial statements.....	14
(Notes on going concern assumption)	14
(Notes in case of significant changes in shareholders' equity).....	14
(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements).....	14
(Notes to quarterly consolidated statements of cash flows).....	14
(Notes on segment information, etc.).....	15
III. Supplementary Information (Reference)	16
Quarterly non-consolidated financial statements	
1. Quarterly balance sheets.....	16
2. Quarterly statements of income	18

I. Qualitative Information on Quarterly Financial Results

1. Explanation of operating results

During the current 1st quarter consolidated cumulative period (hereinafter the “current 1st quarter”), the Japanese economy has continued to recover gradually given that domestic economic activity has picked up in spite of factors such as surging raw material prices, fluctuating interest rates, and the rising geopolitical risks. Amid these economic conditions, TKC Group is conducting business that contributes to both its customers and local communities.

The Accounting Firm Business Division 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 financial accounting system FX Cloud Series as a business performance management tool for client SMEs. As a result, 57.0% of corporate enterprises using TKC systems achieved profitable settlement. This figure is significantly higher than the percentage of corporations reporting a profit (36.5%) among all corporations in Japan announced by the National Tax Agency. Furthermore, the number of enterprises utilizing TKC systems to file electronic income tax returns has exceeded 650,000. Going forward, we will continue to promote greater expansion of features and implementation support for TKC’s integrated digital solutions which enable seamless processing, from the issuance and storage of vouchers, as well as the preparation of daily journal entries, monthly trial balance sheets, financial statements, and tax returns, to electronic tax filing and payments.

The Local Governments Business Division has been providing the necessary support to ensure completion of the migration to standard-compliant systems for all client municipalities by the deadline for compliance with the standard specifications (March 31, 2026) stipulated in the government’s “Local Government Information System Standardization Basic Policy.” We completed the migration to standard-compliant systems and Gov-Cloud for 92 municipalities during the current 1st quarter. As a result, we have completed the migration for 160 municipalities as of December 31, 2025, in line with initial plans. Four municipalities remain, and it is expected that the migration for all client municipalities (164 municipalities) will be completed by March 31, 2026, the deadline stipulated by the national government.

As a result of these activities, the operating results for the current 1st quarter of the consolidated Group comprising TKC Corporation and its six consolidated subsidiaries, etc., recorded a turnover of 24,190 million yen (increased 38.0% year on year), operating profit of 8,288 million yen (increased 111.2% year on year), ordinary profit of 8,536 million yen (increased 107.1% year on year), and quarterly net profit attributable to owners of parent company of 5,916 million yen (increased 110.5% year on year).

Turnover for the current 1st quarter by business division is as shown below.

(1) Business results for the 1st quarter

Current consolidated fiscal year				
Segment	Turnover	Year-on-year change	Operating profit (loss)	Year-on-year change
Accounting Firm Business Division	millions of yen 12,666	% 5.5	millions of yen 3,269	% (0.5)
Local Governments Business Division	10,871	124.9	5,158	599.9
Printing Business Division Adjustments (Note)	652 -	(5.7) -	(140) 1	(38.3) -
Total	24,190	38.0	8,288	111.2

(Note) Please refer to segment information for details of adjustments.

(i) Turnover of the Accounting Firm Business Division

Turnover of the Accounting Firm Business Division was 12,666 million yen (increased 5.5% year on year); operating profit was 3,269 million yen (decreased 0.5% year on year). Breakdown of key turnover is as follows:

- 1) Turnover from computer services increased by 5.5% year on year. This was attributable to the increased usage of OMS Cloud, a core system for accounting firms, and OMS's optional systems that help improve the efficiency of accounting firm operations, driven by an increase in the number of new members, as well as the expansion in migration to and new adoption of the FX Cloud Series owing to an increase in enterprises undertaking digital transformation (DX) of accounting work and business owners that are leveraging cloud environments for their business performance management.
- 2) Turnover from software increased by 1.8% year on year. This was attributable to new orders for the FX Cloud Series and the steady progress of migrations from the standalone version to the cloud version.
- 3) Turnover from consulting services increased by 5.2% 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 29.9% year on year. This was attributable to the significant progress in replacement of PCs following the end of Microsoft's support for Windows 10 in October of last year.
- 5) Additionally, the increased income but decreased profit was attributable to rising costs associated with higher turnover from hardware, which has relatively lower profit margins, and an increase in selling, general, and administrative expenses.

(ii) Turnover of the Local Governments Business Division

Turnover of the Local Governments Business Division was 10,871 million yen (increased 124.9% year on year); operating profit was 5,158 million yen (increased 599.9% year on year). Breakdown of key turnover is as follows:

- 1) Turnover from computer services decreased by 6.0% year on year. This was attributable to the absence in the current 1st quarter of the printing and processing of admission tickets, etc., for the House of Representatives election held in October 2024, as well as a decrease in sales from data center usage fees and network line usage fees resulting from the migration to standard-compliant systems and Gov-Cloud.
- 2) Turnover from software increased by 1.1% year on year. This was attributable to an increase in software usage fees resulting from systems such as the TASK Cloud Public Accounting System, which had been outsourced to the Company by the previous fiscal year, going live.
- 3) Turnover from consulting services increased by 5,836 million yen from the previous year. This was attributable to the fact that the migration to standard-compliant systems and Gov-Cloud was completed as planned from October 2025 through December 31, 2025, for 92 client municipalities.
- 4) Turnover from hardware increased by 33.6% year on year. This was attributable to a concentration of customers who installed servers to be set up in government offices, client PCs, printers, and other related equipment following the migration to standard-compliant systems.
- 5) Additionally, the increase in both income and profit was attributable to the completion of migration to standard-compliant systems and Gov-Cloud for 92 client municipalities, resulting in a significant increase in turnover from consulting services.

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

Turnover of the Printing Business Division was 652 million yen (decreased 5.7% year on year); operating loss was 140 million yen (compared to an operating loss of 101 million yen in the previous fiscal year). Breakdown of key turnover is as follows:

- 1) Turnover from products related to data printing services (hereinafter “DPS”) decreased by 8.0% year on year. This was attributable to the fact that, despite having received orders from major customers for the creation of new promotional direct mail (DM) and printing of survey forms (business activity surveys, etc.), as well as new orders for the outsourcing of year-end tax adjustments, these were insufficient to offset the decline in sales from the notification operations related to the House of Representatives election held in October 2024 outsourced to the Company.
- 2) Business form-related turnover increased by 2.8% year on year. This was attributable to the steady progress in passing on price increases, despite the declining demand for form printing operations at customer enterprises because of advances in digitalization.
- 3) Turnover related to the printing of commercial-use creative materials (catalogs, books, etc.) increased by 21.2% year on year. This was attributable to new orders received for the production of booklets, quarterly publications, etc.

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

The Accounting Firm Business Division has been working on the development of systems and services aimed at achieving profitable settlement and compliant tax returns in close collaboration with TKC National Federation (TKCNF), which is composed of 11,600 TKC members (as of December 31, 2025), in order to support the sustainable development of TKC 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) Number of enterprises utilizing TKC systems to file electronic income tax returns exceeds 650,000

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 TKC member firms implement for their client SMEs every month, and that it prohibits the processing of retroactive revisions, insertions, or deletions in respect of the transaction data after the implementation of monthly field auditing. Leveraging this advantage, the Certificate of Bookkeeping Timeliness issued free of charge by TKC Corporation proves, with TKC Corporation as a third party, that TKC members have visited client SMEs monthly to supervise accurate bookkeeping (monthly field auditing), and that all work processes from monthly financial closing to the year-end financial closing and electronic tax filing have been completed through a one-stop, full-line process in a timely manner. Additionally, when filing tax returns, the submission of the Tax Audit Report pursuant to Article 33-2 of the Tax Consultant Act, along with the Chusho Kaikei Yoryo (General Accounting Standard for SMEs) checklist developed by the Japan Federation of Certified Public Tax Consultants’ Associations and the Japan Federation of Credit Guarantee Corporations, in addition to the Certificate of Bookkeeping Timeliness, enhances the reliability of financial statements. As a result of these activities, the number of enterprises utilizing TKC systems to file electronic income tax returns has exceeded 650,000.

2) Cloud version of the FX Series exceeds 50%

TKC Corporation’s financial accounting system FX Cloud Series is the ultimate business performance management tool for business owners that helps them to achieve profitable settlement and compliant tax returns. It has been confirmed that over 60% of enterprises that review on a monthly basis the business performance management functions of this system (365 Days Marginal Income Statement, monthly reports of customer and vendor rankings, etc.) have reported profits. Based on this evidence, TKC Corporation encourages the implementation of monthly field auditing and monthly financial closing by TKC member firms, and promotes the utilization of the FX Cloud Series as a business performance management tool for client SMEs. Currently, the cloud version accounts for over 50% of total usage of the FX Series as a whole. We will continue to support the standalone version of this service until the end of 2030, and over the next five years, we will continue to work to encourage migration to the cloud version as part of efforts to concentrate our development resources and expedite the pace of development.

3) TKC Monitoring Information Service (MIS) adopted by 500 financial institutions

The TKC Monitoring Information Service (hereinafter “MIS”) is a free cloud service that allows TKC 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. As of December 31, 2025, MIS is utilized by 500 financial institutions, with over 90% of mega-banks, regional banks, second-tier regional banks, and Shinkin banks employing it in their financing decisions and for monitoring borrowers. It is also utilized by 45 of the 51 credit guarantee corporations nationwide. As a tool that can verify the three requirements for the exemption of business owners from personal guarantees 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), MIS is highly rated by financial institutions and credit guarantee corporations that offer management support to SMEs, surpassing 370,000 instances of client use.

4) Number of enterprises using the Quick Monthly Report Service exceeds 20,000

The Quick Monthly Report Service provided to enterprises utilizing the FX Cloud Series is a service that delivers business results bulletins to the business owners of SMEs through their smartphone upon the completion of monthly field auditing by accounting firms, thereby allowing them to make swift business decisions. Within just one year of its launch in 2024, the number of enterprises utilizing this service has exceeded 20,000. There has been a surge in the number of business owners prioritizing monthly financial closing as various costs such as prices and labor costs continue to rise, and we will continue to work toward improving the convenience of our services and their popularization.

5) Number of financing decisions exceeds 500 within four months of the launch of the service TKC Fast Link

In September 2025, TKC Corporation launched TKC Fast Link, a financing scheme developed through collaboration between TKCNF and Japan Finance Corporation (JFC). This scheme was realized based on results demonstrating that default rates for loans were significantly suppressed and credit risk was markedly lower when financial statements that had undergone accounting processing through TKC’s financial accounting system and whose reliability had been confirmed by TKC member firms during monthly field audits were submitted to JFC via MIS.

Through this scheme, a system has been established whereby financing decisions are made within approximately five business days (and within seven business days for the founding of a new enterprise) from the point of loan application, with the cumulative number of financing decisions exceeding 500 by December 15, 2025, the fourth month since the launch of the service. TKC Fast Link contributes significantly to the procurement of funds by SMEs through expeditious financing.

(ii) Expansion into the listed enterprise market

With the development of its Consolidated Accounting System (1999) and Consolidated Tax Return 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 TKC members.

1) Promotion of 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 160 association member companies, we have been working on activities to popularize digital invoices. The online seminar “Latest trends in e-invoices in the EU” that we held from July through December 2025 attracted over 500 registered participants.

In December 2025, we successfully sent and received e-invoices using Peppol (Peppol e-Invoices) to and from DATEV, our business partner in Germany. This initiative also supports efforts to prepare for the mandatory adoption of digital invoices within the EU in 2030. Going forward, we will continue to promote the utilization and expansion of functionality of Peppol invoices, and play a part in supporting international digitalization

efforts.

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

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. TKC Corporation has been strengthening its information dissemination campaign on compliance with the new lease accounting standard, with a primary focus on listed companies. From September to November 2025, we streamed the online seminar "TKC seminar on compliance with the revised lease accounting standard," attracting over 3,200 registered participants. Going forward, we will continue to disseminate information on compliance with the new lease accounting standard while strengthening sales promotion for the Fixed Assets Management System (FAManager), thereby supporting listed companies in their compliance efforts.

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 over 80% of enterprises that adopt the Group Relief Corporate Tax System. Furthermore, against the backdrop of the implementation of mandatory filing of electronic income tax returns for enterprises with a share capital of more than 100 million yen, we have proposed electronic filing to the 20,000-odd such enterprises (as of December 31, 2025), and approximately 46% of these enterprises now use our ASP1000R electronic tax filing system for corporations or the Group Relief Corporate Tax System (e-TAX Group Relief).

As a result of these activities, the number of corporate groups using the TKC Consolidated Group Solution totaled approximately 6,000 corporate groups as of December 31, 2025. Currently, our market share of the listed companies in Japan has reached 44%, with 94 companies out of the top 100 companies with the highest turnover among the listed companies in Japan (94%) using TKC systems to perform electronic filing of their consumption tax, corporate income tax, local tax, etc.

(iii) Expansion of market for legal information database services

The business launched by TKC Corporation to support tax consultant 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 in Japan, 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 360,000 judicial precedents). Centered on judicial precedent information (LEX/DB), it comprehensively covers laws and regulations, bibliographic references, law journals and specialized books, and related additional information, and we are constantly enhancing the content of the TKC Law Library.

During the period under review, usage of the TKC Law Library gained traction at TKC 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 27,500 institutions having registered as of December 31, 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, we offer the TKC All-Japan Unified Mock Examination, a mock exam service for law school students, graduates, and individuals who have passed the preliminary exam, who aim to sit for the bar exam, in order to support their preparation for the bar exam. The Ministry of Justice is preparing to transition to computer-based testing (CBT) for the bar exam starting in July 2026, and TKC Corporation has been working on setting

up the environment by developing and introducing the TKC Digital Test since July 2025 in anticipation of this. In December 2025, the CBT version of the short-answer mock exam (three subjects) was administered for 900 examinees, while the essay exam conducted at law schools for over 150 examinees was also smoothly administered in a CBT environment. We are currently preparing to administer the TKC All-Japan Unified Mock Examination, which will be conducted from March 2026, under conditions that are identical to the actual 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 1,150 municipalities (prefectures, cities, wards, towns, villages, etc.) as of December 31, 2025.

(i) Completing the standardization of local government information systems for 160 municipalities

Local governments are now obligated to use standard-compliant systems stipulated by the Digital Agency and the relevant ministries and agencies, and they also have a duty to strive to use them on the Gov-Cloud environment. Starting with the completion of the migration to standard-compliant systems on the Gov-Cloud environment in Moka-shi, Tochigi Prefecture, on December 23, 2024, the systems of 68 municipalities were in stable operation on the Gov-Cloud environment by the end of the previous fiscal year. Furthermore, as of December 31, 2025, 160 of the 164 municipalities utilizing our mission-critical operational systems have completed the process of going live on the Gov-Cloud environment. The remaining client municipalities are also scheduled to complete the migration by the deadline of the end of FY2025.

(ii) Steadily expanding support services for the digitalization of administrative services

TKC Corporation develops and provides support solutions for the digitalization of administrative services to help achieve digital counter services with the “3 No’s for citizens (no visiting, no waiting, and no writing).” During the current 1st quarter, the TASK Cloud Easy Service-Counter System was certified by the Digital Agency as a FY2026 Gov-Cloud DX SaaS digital counter service provider for local governments. TKC Corporation was also commissioned by Kobe-shi, Hyogo Prefecture, to launch a demonstration experiment for online applications utilizing personal data in October 2025. As a result, as of December 31, 2025, the TASK Cloud Smart Application System has been adopted by at least 65 municipalities, including government ordinance-designated cities such as Osaka-shi and Yokohama-shi, while the TASK Cloud Easy Service-Counter System has been adopted by at least 120 municipalities, the TASK Cloud My Number Card Issuance Reservation and Management System by at least 190 municipalities, and the TASK Cloud Convenience Store Certificate Issuance System by at least 280 municipalities.

(iii) Supporting the digitalization of local tax administrative procedures with partner enterprises nationwide

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 our proprietary Data Integration Service to integrate the inspection system with the individual tax systems of various municipalities.

In promoting this service, we have entered into alliance partner agreements with approximately 50 partner enterprises to jointly develop proposals. As a result, our TASK Cloud Local Taxes Electronic Filing Support Service is currently adopted by approximately 790 municipalities, which account for more than 40% of all prefectures and local municipalities, as of December 31, 2025. In addition, we are organizing a project to engage in system development in preparation for the digitalization of public fund payments which will begin in September 2026, while also conducting information sessions for client municipalities and making other necessary preparations.

(iv) Adoption of TASK Cloud Public Accounting System by more than 400 municipalities through support activities for the digitalization of internal administrative work

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.

During the current 1st quarter, 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, as part of efforts to acquire new clients. As a result, the TASK Cloud Public Accounting System has been adopted by more than 400 municipalities as of December 31, 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 for TKC computers 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 creative materials for general enterprises, government offices, and local municipalities.

In the DPS field, it provides direct mail (DM) printing services for general enterprises and survey form printing services for research companies, as well as business process outsourcing (BPO) services aimed at rationalizing 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 municipalities, we assist in resident notification, including creating various tax-related forms, polling station admission tickets, etc. In addition, by adopting the Uni-Voice audio code (provided by the Japan Association for the Visually-impaired Information Support (JAVIS)), users can scan a two-dimensional code with their smartphone to hear printed textual information in the form of audio. In the DPS field, we are committed to providing such high value-added services.

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.

2. Qualitative information on consolidated financial conditions

(1) Assets

Total assets as of the end of the current 1st quarter consolidated accounting period amounted to 129,525 million yen, a 292 million yen decrease compared to 129,817 million yen as of the end of the previous consolidated fiscal year.

(i) Current assets

Current assets as of the end of the current 1st quarter consolidated accounting period amounted to 52,963 million yen, a 449 million yen increase compared to 52,513 million yen as of the end of the previous consolidated fiscal year.

This was mainly attributable to a 1,574 million yen increase in notes receivable—trade, accounts receivable, and contract assets, despite a 1,156 million yen decrease in cash and deposits.

(ii) Non-current assets

Non-current assets as of the end of the current 1st quarter consolidated accounting period amounted to 76,561 million yen, a 742 million yen decrease compared to 77,303 million yen as of the end of the previous consolidated fiscal year.

This was mainly attributable to a 1,372 million yen decrease in long-term deferred tax assets included in “Other.”

(2) Liabilities

Total liabilities as of the end of the current 1st quarter consolidated accounting period amounted to 17,980 million yen, a 3,339 million yen decrease compared to 21,320 million yen as of the end of the previous consolidated fiscal year.

(i) Current liabilities

Current liabilities as of the end of the current 1st quarter consolidated accounting period amounted to 14,803 million yen, a 3,545 million yen decrease compared to 18,349 million yen as of the end of the previous consolidated fiscal year.

This was mainly attributable to a 3,917 million yen decrease in provisions for bonuses and a 1,165 million yen decrease in income taxes payable, despite a 1,494 million yen increase in deposits received included in “Other.”

(ii) Non-current liabilities

Non-current liabilities as of the end of the current 1st quarter consolidated accounting period amounted to 3,177 million yen, a 206 million yen increase compared to 2,971 million yen as of the end of the previous consolidated fiscal year.

This was mainly attributable to a 270 million yen increase in long-term lease obligations included in “Other.”

(3) Net assets

Total net assets as of the end of the current 1st quarter consolidated accounting period amounted to 111,544 million yen, a 3,047 million yen increase compared to 108,497 million yen as of the end of the previous consolidated fiscal year.

This was mainly attributable to an increase in net assets and a 993 million yen increase in retained earnings due to a 1,841 million yen decrease in treasury stock.

The equity ratio as of the end of the current 1st quarter consolidated accounting period was 86.1%, a 2.5 percentage point increase compared to 83.6% as of the end of the previous consolidated fiscal year.

3. Qualitative information on consolidated business results forecast

With regard to the Group’s business results outlook, we forecast a turnover of 85,500 million yen, operating profit of 16,600 million yen, ordinary profit of 17,100 million yen, and net profit attributable to owners of parent company of 12,150 million yen.

II. Quarterly Consolidated Financial Statements and Principal Notes

1. Quarterly consolidated balance sheets

(Unit: millions of yen)

	Previous consolidated fiscal year (September 30, 2025)	Current 1st quarter consolidated accounting period (December 31, 2025)
Assets		
Current assets		
Cash and deposits	36,880	35,724
Notes receivable—trade, accounts receivable, and contract assets	12,241	13,816
Inventories	684	829
Other	2,735	2,623
Allowance for doubtful accounts	(28)	(30)
Total current assets	52,513	52,963
Non-current assets		
Property, plant, and equipment		
Buildings and structures (net amount)	7,204	7,135
Land	6,873	6,873
Other (net amount)	2,895	3,579
Total property, plant, and equipment	16,973	17,587
Intangible assets	7,384	7,204
Investments and other assets		
Investment securities	21,195	21,457
Long-term deposits	21,700	21,700
Guarantee deposits	1,593	1,591
Other	8,456	7,020
Total investments and other assets	52,945	51,770
Total non-current assets	77,303	76,561
Total assets	129,817	129,525
Liabilities		
Current liabilities		
Accounts payable—trade	3,326	2,539
Electronically recorded obligations—operating	926	1,032
Accounts payable—other	3,665	3,254
Income taxes payable	2,584	1,419
Contract liabilities	1,390	1,160
Provisions for bonuses	5,310	1,392
Other	1,146	4,005
Total current liabilities	18,349	14,803
Non-current liabilities		
Provisions for stocks payment	381	378
Retirement benefit liabilities	1,876	1,821
Other	713	978
Total non-current liabilities	2,971	3,177
Total liabilities	21,320	17,980

(Unit: millions of yen)

	Previous consolidated fiscal year (September 30, 2025)	Current 1st quarter consolidated accounting period (December 31, 2025)
Net assets		
Shareholders' equity		
Share capital	5,700	5,700
Capital surplus	6,286	6,286
Retained earnings	94,947	95,940
Treasury stock	(3,060)	(1,219)
Total shareholders' equity	103,872	106,707
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,288	5,458
Accumulated remeasurements of defined benefit plans	(664)	(621)
Total accumulated other comprehensive income	4,624	4,836
Total net assets	108,497	111,544
Total liabilities and net assets	129,817	129,525

2. Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
 (Quarterly consolidated statements of income)

(Unit: millions of yen)

	Previous 1st quarter consolidated cumulative period (Started October 1, 2024; ended December 31, 2024)	Current 1st quarter consolidated cumulative period (Started October 1, 2025; ended December 31, 2025)
Turnover	17,535	24,190
Cost of sales	4,824	6,521
Gross profit	12,711	17,669
Selling, general, and administrative expenses	8,786	9,380
Operating profit	3,924	8,288
Non-operating income		
Interest income	18	13
Dividend income	134	201
Insurance dividend income	14	21
Land and house rent received	9	9
Other	22	13
Total non-operating income	198	259
Non-operating expenses		
Share of loss of entities accounted for using equity method	2	10
Foreign exchange losses	0	-
Other	-	1
Total non-operating expenses	2	11
Ordinary profit	4,121	8,536
Extraordinary income		
Gain on sale of non-current assets	2	0
Gain on sale of investment securities	0	-
Total extraordinary income	2	0
Extraordinary loss		
Loss on sale of non-current assets	-	9
Loss on retirement of non-current assets	10	18
Total extraordinary loss	10	27
Quarterly net profit before taxes and adjustments	4,113	8,509
Income taxes—current	19	1,320
Income taxes—deferred	1,283	1,273
Total income taxes	1,302	2,593
Quarterly net profit	2,810	5,916
Quarterly net profit attributable to owners of parent company	2,810	5,916

(Quarterly consolidated statements of comprehensive income)

(Unit: millions of yen)

	Previous 1st quarter consolidated cumulative period (Started October 1, 2024; ended December 31, 2024)	Current 1st quarter consolidated cumulative period (Started October 1, 2025; ended December 31, 2025)
Quarterly net profit	2,810	5,916
Other comprehensive income		
Valuation difference on available-for-sale securities	1,101	169
Remeasurements of defined benefit plans	44	42
Total other comprehensive income	1,145	212
Quarterly comprehensive income	3,955	6,128
(Breakdown)		
Quarterly comprehensive income attributable to owners of parent company	3,955	6,128

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.

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

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 1st quarter consolidated cumulative period. Depreciation (including amortization of intangible assets) for the current 1st quarter consolidated cumulative period is as follows:

	Previous 1st quarter consolidated cumulative period (Started October 1, 2024; ended December 31, 2024)	Current 1st quarter consolidated cumulative period (Started October 1, 2025; ended December 31, 2025)
Depreciation	876 million yen	1,067 million yen

(Notes on segment information, etc.)

[Segment information]

I. Previous 1st quarter consolidated cumulative period (Started October 1, 2024; ended December 31, 2024)

Information on turnover and profit or loss for each reportable segment

(Unit: millions of yen)

	Reportable segments				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	12,008	4,834	692	17,535	-	17,535
(2) Inter-segment sales or transfers	11	-	284	296	(296)	-
Total	12,020	4,834	977	17,832	(296)	17,535
Segment profit (loss)	3,287	737	(101)	3,923	1	3,924

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

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

II. Current 1st quarter consolidated cumulative period (Started October 1, 2025; ended December 31, 2025)

Information on turnover and profit or loss for each reportable segment

(Unit: millions of yen)

	Reportable segments				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	12,666	10,871	652	24,190	-	24,190
(2) Inter-segment sales or transfers	14	-	295	310	(310)	-
Total	12,681	10,871	948	24,501	(310)	24,190
Segment profit (loss)	3,269	5,158	(140)	8,287	1	8,288

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

2. Segment profit (loss) 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, 2025)	Current 1st quarter accounting period (December 31, 2025)
Assets		
Current assets		
Cash and deposits	31,643	31,175
Accounts receivable and contract assets	11,592	13,355
Inventories	350	465
Other	2,681	2,378
Allowance for doubtful accounts	(28)	(30)
Total current assets	46,239	47,344
Non-current assets		
Property, plant, and equipment		
Buildings and structures (net amount)	6,337	6,293
Land	6,595	6,595
Other (net amount)	1,766	2,084
Total property, plant, and equipment	14,700	14,972
Intangible assets	7,193	7,027
Investments and other assets		
Investment securities	22,072	22,324
Long-term deposits	21,500	21,500
Guarantee deposits	1,478	1,476
Other	7,564	6,241
Total investments and other assets	52,614	51,542
Total non-current assets	74,508	73,543
Total assets	120,748	120,887
Liabilities		
Current liabilities		
Accounts payable—trade	3,199	2,487
Accounts payable—other	3,251	2,918
Income taxes payable	2,431	1,414
Contract liabilities	1,390	1,160
Provisions for bonuses	4,850	1,250
Other	631	3,365
Total current liabilities	15,753	12,595
Non-current liabilities		
Provisions for retirement benefits	378	380
Provisions for stocks payment	381	378
Other	499	496
Total non-current liabilities	1,258	1,255
Total liabilities	17,012	13,850

	(Unit: millions of yen)	
	Previous fiscal year (September 30, 2025)	Current 1st quarter accounting period (December 31, 2025)
Net assets		
Shareholders' equity		
Share capital	5,700	5,700
Capital surplus	5,409	5,409
Retained earnings	90,469	91,771
Treasury stock	(3,060)	(1,219)
Total shareholders' equity	98,517	101,661
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	5,218	5,375
Total valuation and translation adjustments	5,218	5,375
Total net assets	103,735	107,036
Total liabilities and net assets	120,748	120,887

2. Quarterly statements of income

	(Unit: millions of yen)	
	Previous 1st quarter cumulative period (Started October 1, 2024; ended December 31, 2024)	Current 1st quarter cumulative period (Started October 1, 2025; ended December 31, 2025)
Turnover	16,487	23,218
Cost of sales	4,247	5,939
Gross profit	12,240	17,279
Selling, general, and administrative expenses	8,399	8,908
Operating profit	3,841	8,370
Non-operating income		
Interest income	17	12
Dividend income	324	414
Insurance dividend income	14	21
Land and house rent received	38	39
Other	16	13
Total non-operating income	411	500
Non-operating expenses		
Cost of lease revenue	24	24
Other	0	-
Total non-operating expenses	24	24
Ordinary profit	4,228	8,846
Extraordinary income		
Gain on sale of non-current assets	2	0
Total extraordinary income	2	0
Extraordinary loss		
Loss on retirement of non-current assets	10	2
Total extraordinary loss	10	2
Quarterly net profit before taxes	4,220	8,844
Income taxes—current	15	1,431
Income taxes—deferred	1,230	1,187
Total income taxes	1,245	2,618
Quarterly net profit	2,974	6,225