

## Summary

## Consolidated Financial Results for the Three Months Ended June 30, 2024 <JGAAP>

August 6 2024

Company name: TAC CO., LTD.

Listing: Tokyo Stock Exchange

Company code number: 4319 URL: <https://www.tac-school.co.jp>

Representative: Toshio Tada, Representative Director

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Scheduled date to commence dividend payments: -

Supplemental information for financial statements: Yes

Results briefing session: No

(Amounts rounded down to the nearest million yen)

### 1. Consolidated 1st quarter results for the fiscal year ending March 2025

(From April 1, 2024 to June 30, 2024)

#### (1) Consolidated financial results

(% indicates changes from the previous corresponding period)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Yen in millions)	%	(Yen in millions)	%	(Yen in millions)	%	(Yen in millions)	%
FY2024 (Apr.1,2024-Jun.30,2024)	5,023	-3.5	318	158.0	298	180.6	196	136.2
FY2023 (Apr.1,2023-Jun.30,2023)	5,206	-6.6	123	-77.6	106	-80.1	83	-76.3

(Notes) Comprehensive income : FY 2024 (2024/6) 202 million yen (117.4%) FY 2023 (2023/6) 93 million yen (-73.5%)

	Profit per share	Fully diluted profit per share
	(Yen)	(Yen)
FY2024 (Apr.1,2024-Jun.30,2024)	10.85	—
FY2023 (Apr.1,2023-Jun.30,2023)	4.59	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity Ratio
	(Yen in millions)	(Yen in millions)	%
FY2024 (As of Jun. 30, 2024)	19,867	6,019	30.3
FY2023 (As of Mar. 31, 2024)	20,790	5,872	28.2

(Notes) Equity FY2024 (2024/6) 6,010 million yen FY2023 (2024/3) 5,862 million yen

### 2. Dividends

	Annual dividends Per Share				
	1 <sup>st</sup> quarter	2 <sup>nd</sup> quarter	3 <sup>rd</sup> quarter	4 <sup>th</sup> quarter	Total
FY2023 (Apr.1,2023-Mar.31,2024)	(Yen) —	(Yen) 3.00	(Yen) —	(Yen) 3.00	(Yen) 6.00
FY2024 (Apr.1,2024-Mar.31,2025)	—	—	—	—	—
FY2024 (Forecast)	—	2.00	—	2.00	4.00

(Note) Revision of dividend forecasts in the current quarter: None

### 3. Consolidated forecasts for March 2025 term (From April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen in millions	%	Yen
Half year	10,112	-0.1	495	95.7	470	107.3	313	79.9	17.26
Full year	19,220	1.1	270	—	220	—	150	—	8.27

(Note) Revision of consolidated financial results forecasts: None

**\* Notes**

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

(2) Application of the simplified accounting method and/or the special accounting method for quarterly consolidated financial statements: None

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

(3)-1 Changes in accounting policies due to the revision of accounting standards: None

(3)-2 Changes in accounting policies other than (3)-1: None

(3)-3 Changes in accounting estimates: None

(3)-4 Restatements: None

(4) Number of shares issued (common stocks)

(4)-1 Number of shares issued at the end of the period (including treasury shares)

FY2024 1 <sup>st</sup> quarter	18,504,000	shares	FY2023	18,504,000	shares	
(4)-2 Number of treasury shares at the end of the period	FY2024 1 <sup>st</sup> quarter	370,168	shares	FY2023	370,168	shares
(4)-3 Average number of shares during the period	FY2024 1 <sup>st</sup> quarter	18,133,832	shares	FY2023 1 <sup>st</sup> quarter	18,133,832	shares

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

\* Explanation of proper use of financial forecasts and other special notes:

The above forecasts are based on the information available at this time and on assumptions deemed to be reasonable. Therefore, the actual financial results may differ significantly from the forecasts due to various factors.

**Quarterly consolidated financial statements and notes****(1) Quarterly consolidated balance sheet**

	(Yen in thousands)	
	FY2023 (as of March 31, 2024)	FY2024 (as of June 30, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	5,745,728	5,069,981
Notes and accounts receivable – trade	4,259,617	4,080,274
Merchandise and finished goods	601,275	607,450
Work in process	5,723	10,970
Raw materials and supplies	329,702	343,118
Accounts receivable – other	38,711	83,140
Prepaid expenses	282,721	261,857
Other	362,120	358,295
Allowance for doubtful accounts	-2,872	-2,956
Total current assets	11,622,728	10,812,133
Non-current assets		
Property, plant and equipment		
Land	2,744,159	2,744,159
Other, net	2,111,705	2,059,200
Total property, plant and equipment	4,855,864	4,803,359
Intangible assets	303,489	311,213
Investments and other assets		
Investment securities	532,733	522,462
Deferred tax assets	620,279	573,197
Long-term time deposits	100,000	100,000
Guarantee deposits	2,012,262	2,002,271
Insurance funds	642,965	647,075
Other	126,327	121,701
Allowance for doubtful accounts	-25,779	-25,779
Total Investments and other assets	4,008,789	3,940,929
Total non-current assets	9,168,143	9,055,501
<b>Total assets</b>	20,790,872	19,867,635

	(Yen in thousands)	
	FY2023 (as of March 31, 2024)	FY2024 (as of June 30, 2024)
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Notes and accounts payable - trade	580,431	479,301
Short-term loans payable	1,500,000	1,500,000
Current portion of long-term loans payable	2,417,684	2,350,184
Accounts payable - other	382,688	453,293
Accrued expenses	439,695	474,923
Income taxes payable	37,440	77,134
Provision for loss on abandonment of sales return	377,550	344,604
Provision for bonuses	183,826	68,431
Advances received	5,462,715	4,723,074
Asset retirement obligations	56,498	52,415
Other	1,014,586	1,043,550
<b>Total current liabilities</b>	<b>12,453,117</b>	<b>11,566,912</b>
<b>Non-current liabilities</b>		
Long-term loans payable	1,732,258	1,549,712
Long-term accounts payable - directors' retirement benefits	25,077	25,077
Asset retirement obligations	599,748	599,827
Provision for repairs	37,300	37,300
Other	71,328	69,073
<b>Total non-current liabilities</b>	<b>2,465,712</b>	<b>2,280,990</b>
<b>Total liabilities</b>	<b>14,918,830</b>	<b>13,847,903</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	940,200	940,200
Capital surplus	790,547	790,547
Retained earnings	4,186,563	4,328,841
Treasury shares	-75,155	-75,155
<b>Total shareholders' equity</b>	<b>5,842,155</b>	<b>5,984,433</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	-33,460	-37,808
Foreign currency translation adjustment	53,576	63,550
<b>Total accumulated other comprehensive income</b>	<b>20,115</b>	<b>25,741</b>
<b>Non-controlling interests</b>	<b>9,771</b>	<b>9,556</b>
<b>Total net assets</b>	<b>5,872,042</b>	<b>6,019,731</b>
<b>Total liabilities and net assets</b>	<b>20,790,872</b>	<b>19,867,635</b>

**(2) Quartely consolidated statement of income and quartely consolidated statement of comprehensive income**

## Quarterly consolidated statement of income

(Yen in thousands)

	FY2023 (Apr. 1, 2023-Jun. 30, 2023)	FY2024 (Apr. 1, 2024-Jun. 30, 2024)
Net sales	5,206,671	5,023,117
Cost of sales	3,155,749	2,958,460
Gross profit	2,050,922	2,064,656
Selling, general and administrative expenses	1,927,513	1,746,290
Operating profit	123,409	318,366
Non-operating income		
Interest income	1,989	2,024
Gain on sale of investment securities	3,499	-
Commission income	1,528	1,286
Other	1,134	1,423
Total non-operating income	8,152	4,733
Non-operating expenses		
Interest expenses	8,249	9,282
Commission expenses	2,301	2,289
Share of loss of entities accounted for using equity method	5,161	3,567
Foreign exchange losses	3,372	9,533
Other	6,128	42
Total non-operating expenses	25,212	24,715
Ordinary profit	106,348	298,384
Extraordinary losses		
Loss on sales and retirement of non-current assets	-	0
Total extraordinary losses	-	0
Profit before income taxes	106,348	298,384
Income taxes – current	31,079	52,376
Income taxes - deferred	-8,329	49,000
Total income taxes	22,750	101,376
Profit	83,597	197,008
Profit attributable to non-controlling interests	332	328
Profit attributable to owners of parent	83,265	196,679

## Quarterly consolidated statement of comprehensive income

(Yen in thousands)

	FY2023 (Apr. 1, 2023-Jun. 30, 2023)	FY2024 (Apr. 1, 2024-Jun. 30, 2024)
Profit	83,597	197,008
Other comprehensive income		
Valuation difference on available-for-sale securities	4,936	-4,347
Foreign currency translation adjustment	4,671	9,974
Total other comprehensive income	9,607	5,626
Comprehensive income	93,205	202,634
(Breakdown)		
Comprehensive income attributable to owners of parent	92,872	202,306
Comprehensive income attributable to non-controlling interests	332	328

**(3) Note for quarterly consolidated financial statements**

(Going-Concern Assumption)

None

(Notes on significant changes in the amount of shareholders' equity)

None

(Segment information)

I, First quarter of the previous fiscal year (April 1, 2023 - June 30, 2024)

(A) Information about net sales, profit or loss by the reporting segments and the breakdown of revenue

(Yen in thousands)

	Reporting segments				Total
	Personal Education	Corporate Training	Publishing	Manpower Business	
Net sales					
Goods or services transferred at a point in time	11,926	232,711	922,513	39,355	1,206,506
Goods or services transferred over time	2,132,306	992,936	—	111,264	3,236,506
Revenue from contracts with customers	2,144,232	1,225,647	922,513	150,619	4,443,013
External customers	2,144,232	1,225,647	922,513	150,619	4,443,013
Intersegment and transfer	538	—	—	4,198	4,736
Total	2,144,771	1,225,647	922,513	154,817	4,447,750
Segment profit(loss)	-740,786	317,877	71,333	45,545	-306,030

(Note) We attach great importance to sales before adjustment of tuition advances (sales on a cash basis) for business management purposes in a part of the Personal Education segment and the Corporate Training segment. For this reason, sales and operating profit/loss before adjustment of tuition advances (cash basis) are used for reporting segments.

(B) Difference between the total amounts of the reporting segments and the amounts of the quarterly consolidated financial statements, and the main components of the difference (matters related to adjustment of difference)

(Yen in thousands)

Profit	Amount
Total operating profit of reporting segments	-306,030
Corporate expenses	-334,218
Adjustment of tuition advances	763,657
Operating profit of the consolidated financial statements	123,409

(Notes)1. Adjustment of tuition advances is applied to sales before adjustment of tuition advances (sales on a cash basis) to obtain sales on an accrual basis (sales recorded on the consolidated income statement).

2. Corporate expenses are mainly general administration expenses that do not belong to any reporting segments.

(C) Information about impairment of fixed assets or goodwill by each reporting segment

None

## II, First quarter of the current fiscal year (April 1, 2024 - June 30, 2024)

## (A) Information about net sales, profit or loss by the reporting segments and the breakdown of revenue

(Yen in thousands)

	Reporting segments				Total
	Personal Education	Corporate Training	Publishing	Manpower Business	
Net sales					
Goods or services transferred at a point in time	8,265	228,150	799,272	48,973	1,084,661
Goods or services transferred over time	2,094,185	984,357	—	108,299	3,186,842
Revenue from contracts with customers	2,102,450	1,212,508	799,272	157,272	4,271,503
External customers	2,102,450	1,212,508	799,272	157,272	4,271,503
Intersegment and transfer	414	—	19	2,612	3,046
Total	2,102,864	1,212,508	799,291	159,885	4,274,550
Segment profit(loss)	-468,904	327,693	-22,820	54,094	-109,937

(Note) We attach great importance to sales before adjustment of tuition advances (sales on a cash basis) for business management purposes in a part of the Personal Education segment and the Corporate Training segment. For this reason, sales and operating profit/loss before adjustment of tuition advances (cash basis) are used for reporting segments.

## (B) Difference between the total amounts of the reporting segments and the amounts of the quarterly consolidated financial statements, and the main components of the difference (matters related to adjustment of difference)

(Yen in thousands)

Profit	Amount
Total operating profit of reporting segments	-109,937
Corporate expenses	-323,309
Adjustment of tuition advances	751,613
Operating profit of the consolidated financial statements	318,366

(Notes)1. Adjustment of tuition advances is applied to sales before adjustment of tuition advances (sales on a cash basis) to obtain sales on an accrual basis (sales recorded on the consolidated income statement).

2. Corporate expenses are mainly general administration expenses that do not belong to any reporting segment.

## (C) Information about impairment of fixed assets or goodwill by each reporting segment

None

(Notes on consolidated statement of cash flows)

Quarterly consolidated statement of cash flows pertaining to the three months ended June 30, 2024, have not been prepared. Depreciation (including amortization related to intangible assets) pertaining to the first three months is as follows:

(Yen in thousands)

	FY2023 (Apr. 1, 2023-Jun. 30, 2023)	FY2024 (Apr. 1, 2024-Jun. 30, 2024)
Depreciation	99,276	85,634

(Revenue recognition)

Information that breaks down revenue from contracts with customers is as presented in "Notes (Segment Information)".