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Summary

Consolidated Financial Results for the Three Months Ended June 30, 2025 <JGAAP>

August 6 2025

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 2026

(From April 1, 2025 to June 30, 2025)

(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)	%
FY2025 (Apr.1,2025-Jun.30,2025)	5,383	7.2	473	48.7	458	53.6	316	61.1
FY2024 (Apr.1,2024-Jun.30,2024)	5,023	-3.5	318	158.0	298	180.6	196	136.2

(Notes) Comprehensive income : FY 2025 (2025/6) 306 million yen (51.2%) FY 2024 (2024/6) 202 million yen (117.4%)

	Profit per share	Fully diluted profit per share
	(Yen)	(Yen)
FY2025 (Apr.1,2025-Jun.30,2025)	17.47	—
FY2024 (Apr.1,2024-Jun.30,2024)	10.85	—

(2) Consolidated financial position

	Total assets	Net assets	Equity Ratio
	(Yen in millions)	(Yen in millions)	%
FY2025 (As of Jun. 30, 2025)	19,611	6,500	33.1
FY2024 (As of Mar. 31, 2025)	20,942	6,231	29.7

(Notes) Equity FY2025 (2025/6) 6,490 million yen FY2024 (2025/3) 6,220 million yen

2. Dividends

	Annual dividends Per Share				
	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter	Total
FY2024 (Apr.1,2024-Mar.31,2025)	(Yen) —	(Yen) 2.00	(Yen) —	(Yen) 2.00	(Yen) 4.00
FY2025 (Apr.1,2025-Mar.31,2026)	—				
FY2025 (Forecast)		0.00	—	0.00	0.00

(Note) Revision of dividend forecasts in the current quarter: Yes

3. Consolidated forecasts for March 2026 term (From April 1, 2025 to March 31, 2026)

(% 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	10,240	1.0	830	0.8	810	-4.0	535	-7.4	29.50
Full year	19,260	0.3	740	1.9	700	-5.0	470	0.5	25.92

(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: Yes

(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)

FY2025 1 st quarter	18,504,000	shares	FY2024	18,504,000	shares
FY2025 1 st quarter	370,168	shares	FY2024	370,168	shares
FY2025 1 st quarter	18,133,832	shares	FY2024 1 st quarter	18,133,832	shares

(4)-2 Number of treasury shares at the end of the period

(4)-3 Average number of shares during the period

* 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)	
	FY2024 (as of March 31, 2025)	FY2025 (as of June 30, 2025)
Assets		
Current assets		
Cash and deposits	6,470,565	5,575,504
Notes and accounts receivable – trade	3,903,582	3,693,644
Merchandise and finished goods	685,459	566,565
Work in process	22,600	4,029
Raw materials and supplies	306,692	306,634
Accounts receivable – other	8,758	86,936
Prepaid expenses	284,239	270,130
Other	329,489	318,806
Allowance for doubtful accounts	-2,327	-2,334
Total current assets	12,009,058	10,819,916
Non-current assets		
Property, plant and equipment		
Land	2,744,159	2,744,159
Other, net	1,968,374	1,963,904
Total property, plant and equipment	4,712,533	4,708,063
Intangible assets	325,556	437,394
Investments and other assets		
Investment securities	502,678	385,557
Deferred tax assets	589,166	491,765
Long-term time deposits	100,000	100,000
Guarantee deposits	1,975,710	1,901,111
Insurance funds	644,404	698,513
Other	109,214	69,285
Allowance for doubtful accounts	-25,779	—
Total Investments and other assets	3,895,393	3,646,233
Total non-current assets	8,933,483	8,791,691
Total assets	20,942,542	19,611,607

	(Yen in thousands)	
	FY2024 (as of March 31, 2025)	FY2025 (as of June 30, 2025)
Liabilities		
Current Liabilities		
Notes and accounts payable - trade	459,689	474,106
Short-term loans payable	2,200,000	2,100,000
Current portion of long-term loans payable	1,023,004	1,016,704
Accounts payable - other	529,395	438,513
Accrued expenses	520,750	437,677
Income taxes payable	200,212	65,636
Provision for loss on abandonment of sales return	301,286	294,026
Provision for bonuses	188,592	67,538
Advances received	5,512,759	4,642,025
Asset retirement obligations	110,769	105,129
Other	924,016	897,564
Total current liabilities	11,970,478	10,538,922
Non-current liabilities		
Long-term loans payable	2,109,284	1,858,058
Long-term accounts payable - directors' retirement benefits	25,077	25,077
Asset retirement obligations	517,751	526,555
Provision for repairs	37,300	37,300
Other	51,297	124,892
Total non-current liabilities	2,740,710	2,571,884
Total liabilities	14,711,188	13,110,807
Net assets		
Shareholders' equity		
Capital stock	940,200	940,200
Capital surplus	790,547	790,547
Retained earnings	4,563,376	4,843,882
Treasury shares	-75,155	-75,155
Total shareholders' equity	6,218,968	6,499,474
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-49,887	-57,474
Foreign currency translation adjustment	51,702	48,565
Total accumulated other comprehensive income	1,814	-8,908
Non-controlling interests	10,569	10,234
Total net assets	6,231,353	6,500,800
Total liabilities and net assets	20,942,542	19,611,607

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

Quarterly consolidated statement of income

(Yen in thousands)

	FY2024 (Apr. 1, 2024-Jun. 30, 2024)	FY2025 (Apr. 1, 2025-Jun. 30, 2025)
Net sales	5,023,117	5,383,537
Cost of sales	2,958,460	3,139,808
Gross profit	2,064,656	2,243,729
Selling, general and administrative expenses	1,746,290	1,770,334
Operating profit	318,366	473,394
Non-operating income		
Interest income	2,024	1,880
Foreign exchange gains	—	3,133
Commission income	1,286	1,086
Other	1,423	1,739
Total non-operating income	4,733	7,840
Non-operating expenses		
Interest expenses	9,282	11,557
Commission expenses	2,289	5,801
Share of loss of entities accounted for using equity method	3,567	5,605
Foreign exchange losses	9,533	—
Other	42	17
Total non-operating expenses	24,715	22,981
Ordinary profit	298,384	458,252
Extraordinary losses		
Loss on sales and retirement of non-current assets	0	44
Total extraordinary losses	0	44
Profit before income taxes	298,384	458,208
Income taxes – current	52,376	40,208
Income taxes - deferred	49,000	100,892
Total income taxes	101,376	141,101
Profit	197,008	317,106
Profit attributable to non-controlling interests	328	333
Profit attributable to owners of parent	196,679	316,773

Quarterly consolidated statement of comprehensive income

	(Yen in thousands)	
	FY2024 (Apr. 1, 2024-Jun. 30, 2024)	FY2025 (Apr. 1, 2025-Jun. 30, 2025)
Profit	197,008	317,106
Other comprehensive income		
Valuation difference on available-for-sale securities	-4,347	-7,586
Foreign currency translation adjustment	9,974	-3,137
Total other comprehensive income	5,626	-10,723
Comprehensive income	202,634	306,383
(Breakdown)		
Comprehensive income attributable to owners of parent	202,306	306,049
Comprehensive income attributable to non-controlling interests	328	333

(3) Note for quarterly consolidated financial statements

(Going-Concern Assumption)

None

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

None

(Changes in accounting estimates)

(Change in estimates of asset retirement obligation)

Based on the new information of recent restorations, we changed the estimates of our asset retirement obligation that was recorded as restoration obligations based on the real estate lease contracts of our school buildings for the current consolidated cumulative first quarter. The increase of ¥9,491 thousand due to the change in the estimate is added to the asset retirement obligation balance before the change.

There is no impact on operating profit, ordinary profit, and profit before income taxes due to the change in the estimates for the current consolidated cumulative first quarter.

(Segment information)

I, First quarter of the previous 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 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, 2025 - June 30, 2025)

(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	6,380	213,226	1,141,097	40,192	1,400,897
Goods or services transferred over time	2,025,824	975,541	—	108,735	3,110,101
Revenue from contracts with customers	2,032,205	1,188,768	1,141,097	148,927	4,510,998
External customers	2,032,205	1,188,768	1,141,097	148,927	4,510,998
Intersegment and transfer	447	—	17	1,481	1,946
Total	2,032,652	1,188,768	1,141,114	150,408	4,512,945
Segment profit(loss)	-453,202	319,645	16,541	45,509	-71,505

(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	-71,505
Corporate expenses	-327,639
Adjustment of tuition advances	872,539
Operating profit of the consolidated financial statements	473,394

(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, 2025, have not been prepared. Depreciation (including amortization related to intangible assets) pertaining to the first three months is as follows:

(Yen in thousands)

	FY2024 (Apr. 1, 2024-Jun. 30, 2024)	FY2025 (Apr. 1, 2025-Jun. 30, 2025)
Depreciation	85,634	110,174

(Revenue recognition)

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

(Significant Subsequent Events)

TAC resolved at a meeting of its Board of Directors held today (August 6, 2025) to be acquired shares of common stock of TAC by JPEC Co., Ltd. which is so called MBO (Note). Board of Directors of TAC approved the offer. TAC's shares are scheduled to be delisted.

(Note): "Management buyout (MBO)" generally refers to a transaction in which the management of a company to be acquired acquires shares of the target company by investing all or part of the acquisition funds on the assumption that the target company's business will continue.