# Consolidated Financial Report for the First Quarter of Fiscal 2026 Ending March 31, 2027 [Japanese GAAP]

August 5, 2026

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|---|---|
| Company name: | TDC SOFT Inc. |
| Listing: | Tokyo Stock Exchange |
| Securities code: | 4687 |
| URL: | https://www.tdc.co.jp/ |
| Representative: | Hiroyoshi Kobayashi, President and Representative Director |
| Inquiries: | Minoru Kumada, Director and Executive Officer |
| Phone: | +81-3-6730-8117 |

Scheduled date of dividend payment: ——
Preparation of explanatory materials for quarterly financial results: Yes
Holding of a briefing on quarterly financial results: None

(Amounts are rounded down to the nearest million yen)

## 1. Consolidated Financial Results for the First Quarter of Fiscal 2026 Ending March 31, 2027 (April 1, 2026 to June 30, 2026)

(1) Consolidated operating results (cumulative) (Percentages represent year-on-year changes)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|---|---|---|---|---|---|---|---|---|
| | (Millions of yen) | % | (Millions of yen) | % | (Millions of yen) | % | (Millions of yen) | % |
| First quarter of fiscal 2026 ending March 31, 2027 | 11,808 | 4.0 | 1,203 | (4.3) | 1,306 | (1.3) | 894 | (12.0) |
| First quarter of fiscal 2025 ended March 31, 2026 | 11,355 | 11.1 | 1,257 | 15.9 | 1,323 | 17.7 | 1,016 | 33.6 |

Note: Comprehensive income
First quarter of fiscal 2026 ending March 31, 2027: ¥1,430 million (31.2%)
First quarter of fiscal 2025 ended March 31, 2026: ¥1,090 million (42.2%)

| | Earnings per share | Diluted earnings per share |
|---|---|---|
| | Yen Sen | Yen Sen |
| First quarter of fiscal 2026 ending March 31, 2027 | 19.06 | —— |
| First quarter of fiscal 2025 ended March 31, 2026 | 21.55 | —— |

(2) Consolidated financial position

| | Total assets | Net assets | Owners' equity ratio |
|---|---|---|---|
| | (Millions of yen) | (Millions of yen) | % |
| First quarter of fiscal 2026 ending March 31, 2027 | 29,435 | 22,615 | 76.8 |
| Fiscal year ended March 31, 2026 | 31,500 | 23,436 | 74.4 |

Reference: Owners' equity As of June 30, 2026: ¥22,615 million
As of March 31, 2026: ¥23,436 million

## 2. Dividends

| | Dividends per share | | | | |
|---|---|---|---|---|---|
| | End of first quarter | End of second quarter | End of third quarter | Year-end | Total |
| | Yen Sen | Yen Sen | Yen Sen | Yen Sen | Yen Sen |
| Fiscal year ended March 31, 2026 | —— | 0.00 | —— | 33.00 | 33.00 |
| Fiscal year ending March 31, 2027 | —— | | | | |
| Fiscal year ending March 31, 2027 (forecast) | | 0.00 | —— | 34.00 | 34.00 |

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Financial Results Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(Full year and quarterly percentages represent changes from the previous fiscal year and the same quarter of the previous fiscal year, respectively)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|---|---|---|---|---|---|---|---|---|---|
| | (Millions of yen) | % | (Millions of yen) | % | (Millions of yen) | % | (Millions of yen) | % | Yen Sen |
| Second quarter (cumulative) | 25,100 | 7.5 | 2,860 | 8.0 | 2,960 | 7.4 | 1,990 | 0.3 | 42.06 |
| Full year | 53,000 | 9.6 | 5,600 | 8.5 | 5,800 | 8.2 | 3,915 | 0.9 | 82.75 |

Note: Revisions to the most recently announced financial results forecast: None

* Notes

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

New: — (company name(s)) Excluded: — (company name(s))

(2) Application of special accounting methods for presenting quarterly consolidated financial statements : Yes

Note: For details, please refer to "(3) Notes on the Quarterly Consolidated Financial Statements (Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements)" under "2. Quarterly Consolidated Financial Statements and Primary Notes" on Page 9 of the appendix.

(3) Changes in accounting policies and accounting-based estimates, and restatements

a. Changes in accounting policies due to revisions in accounting standards, etc. : None

b. Changes in accounting policies other than a. above : None

c. Changes in accounting-based estimates : None

d. Restatements : None

(4) Number of issued shares (common stock)

| | | | | |
|---|---|---|---|---|
| a. Number of issued shares at the end of period (including treasury stock) | As of June 30, 2026 | 49,527,200 shares | As of March 31, 2026 | 50,227,200 shares |
| b. Number of treasury shares at the end of period | As of June 30, 2026 | 2,916,125 shares | As of March 31, 2026 | 2,916,125 shares |
| c. Average number of shares during the quarter (cumulative) | As of June 30, 2026 | 46,941,844 shares | As of June 30, 2025 | 47,140,046 shares |

Note: The number of treasury shares at the end of period includes the Company's shares (527,900 shares as of June 30, 2026; 527,900 shares as of March 31, 2026) held by Custody Bank of Japan, Ltd. (Trust Account E) as trust assets in a Board Benefit Trust (BBT) and an Employee Stock Ownership Plan (J-ESOP). In addition, the Company's shares held by Custody Bank of Japan, Ltd. (Trust Account E) are included in the treasury shares deducted from the calculation of the average number of shares during the period (as of June 30, 2026: 527,900 shares; as of June 30, 2025: 698,949 shares).

* Review of attached Quarterly Consolidated Financial Statements by certified public accountant or auditing firm: None

* Explanation about the proper use of financial results forecasts and other noteworthy items

The report contains statements about the future such as forecasts for financial results that are based on information available to the Company at the time of disclosure and certain assumptions the Company believes to be reasonable. The Company gives no assurance that these statements will prove to be accurate. Actual results may differ significantly from these forecasts due to various factors. Refer to page 4 of the appendix for information about the above forecasts. Please see the "(3) Explanation about Information on Projections Including Consolidated Forecasts."

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## 1. Qualitative Information about the Quarterly Financial Results

### (1) Explanation of Operating Results

During the first quarter of the current consolidated fiscal year, Japan's economy maintained a moderate recovery trend, with capital investment and investment in human resources remaining firm on the back of steady corporate earnings. However, against a backdrop of continued inflationary pressure, heightened geopolitical risks worldwide, and changes in the economic policies of various countries, the outlook remains uncertain.

In the information services industry, IT investment aimed at improving corporate productivity and strengthening competitiveness has remained solid. In addition to cloud migration and system modernization, interest is growing in business reform utilizing AI and in the sophistication of development processes, and demand for business transformation leveraging digital technologies continues to expand.

Amid this environment, our Group has formulated the medium-term management plan "Be a Visionary System Integrator" covering the period from April 2025 to March 2028. As customer issues grow increasingly complex and diverse due to further changes in social conditions and technological trends, with demands for essential and high-value contributions intensifying, this medium-term management plan establishes a vision to be an unparalleled partner for our customers by enhancing TDC's foresight for the future and delivering exceptional development technologies and services while pursuing long-term growth.

To make this vision a reality, we have two Group-wide core strategies.

The first strategy, "Diversification and advancement of expertise and knowledge," aims to enhance our capacity to address increasingly complex customer issues by possessing a broader range of highly specialized fields.
The second strategy, "enhancement of our ability to create proposals that deliver value for customers," aims to enhance our capability to create proposals that maximize customer value through effective IT utilization, based on a deep understanding of both the characteristics of elemental technologies and our customers' situations and strategies.

During the first quarter of the current consolidated fiscal year, performance was solid, and we achieved an increase in net sales. In terms of profit, although higher net sales had a positive effect on earnings, this was outweighed by the increase in costs that accompanied our aggressive pursuit of various investments for future business expansion, resulting in a decline in profit.

As key investment measures, in terms of business investment, in addition to strengthening cutting-edge technology fields including AI and research and development, we are investing in marketing initiatives to expand sales of new solutions such as our proprietary private AI service for high-security environments (Nenoa) and legacy system modernization support service (Movina). In terms of investment in human capital, in addition to strengthening the recruitment of experienced professionals, we are promoting education and development in cutting-edge technology fields such as AI, thereby working to strengthen our competitiveness over the medium to long term. In addition, whereas a gain on sales of shares was recorded as extraordinary profit in the first quarter of the previous consolidated fiscal year, no extraordinary profit was recorded in the first quarter of the current consolidated fiscal year.

As a result, the Group's business performance for the first quarter of the current consolidated fiscal year was as follows: Net sales amounted to ¥11,808 million, up 4.0% year on year; operating profit amounted to ¥1,203 million, down 4.3% year on year; ordinary profit amounted to ¥1,306 million, down 1.3% year on year; and profit attributable to owners of parent amounted to ¥894 million, down 12.0% year on year.

Status of activities by field

<IT consulting and services>

In the IT consulting and services field, we offer services that include developing IT strategies and systemization planning to facilitate customers' DX and providing technical consulting and educational services about the latest technologies and development methodologies. We also provide our internally developed cloud application services, along with solution services, such as BI (Note 1)/DWH (Note 2) and ERP (Note 3)/CRM (Note 4). During this quarter, although consulting-related sales expanded, this was partly offset by a decline in some enterprise solution projects. As a result, net sales in this field decreased 8.6% year on year to ¥2,007 million.

<IT solutions for financial services>

In the field of IT solutions for financial services, we offer integrated IT solutions for the financial sector, including systemization planning, design, development, and maintenance. During this quarter, the Group made solid progress on development projects for bank- and credit-related systems. As a result, net sales in this field increased 12.6% year on year to ¥5,362 million.

<IT solutions for public corporations>

In the field of IT solutions for public corporations, we offer integrated IT solutions for the logistics, manufacturing, and service industries as well as the public sector, including systemization planning, design, development, and maintenance. During this quarter, the Group made solid progress on development projects for public agencies, information services, and food products. As a result, net sales in this field increased 6.6% year on year to ¥3,074 million.

<Platform solutions>

In the field of platform solutions, we offer services such as the environmental design and construction of IT infrastructure, along with operational support, network product development, and network integration. During this quarter, the Group was affected by a contraction in infrastructure development projects for public agencies and financial institutions compared with the previous period. As a result, net sales in this field decreased 9.9% year on year to ¥1,363 million.

(Unit: Millions of yen)

| Field | First quarter of the previous consolidated fiscal year | | First quarter of the current consolidated fiscal year | | Year-on-year percentage change |
|---|---|---|---|---|---|
| | Amount | Share | Amount | Share | |
| IT consulting and services | 2,196 | 19.3% | 2,007 | 17.0% | (8.6%) |
| IT solutions for financial services | 4,762 | 42.0% | 5,362 | 45.4% | +12.6% |
| IT solutions for public corporations | 2,883 | 25.4% | 3,074 | 26.0% | +6.6% |
| Platform solutions | 1,512 | 13.3% | 1,363 | 11.6% | (9.9%) |
| Total | 11,355 | 100.0% | 11,808 | 100.0% | +4.0% |

Notes: 1. BI: Business intelligence. A process for analyzing a company's internal information to harness it in business management.
2. DWH: Data warehouse. An integrated database that collects necessary data from multiple systems, including core systems, to sort the data by objective and accumulate it chronologically for data analysis and decision-making.
3. ERP: Enterprise resource planning. A core information system.
4. CRM: Customer relationship management. A customer management system.

(2) Explanation about Financial Status

State of assets, liabilities, and net assets

Total assets at the end of this consolidated accounting first quarter decreased by ¥2,064 million from the end of the previous consolidated fiscal year to ¥29,435 million.

Current assets decreased by ¥2,968 million from the end of the previous consolidated fiscal year to ¥21,927 million. This is mainly due to decreases of ¥487 million in cash and deposits, ¥2,273 million in notes and accounts receivable – trade, and contract assets, and ¥605 million in securities, despite an increase of ¥318 million in work in process.

Non-current assets increased by ¥903 million from the end of the previous consolidated fiscal year to ¥7,507 million. This is mainly due to an increase of ¥1,017 million in investment securities, despite a decrease of ¥173 million in deferred tax assets.

Current liabilities decreased by ¥1,226 million from the end of the previous consolidated fiscal year to ¥6,417 million. This is mainly due to decreases of ¥1,107 million in accrued expenses and ¥796 million in income taxes payable, despite increases of ¥252 million in short-term borrowings and ¥422 million in deposits received included in Other.

Non-current liabilities decreased by ¥17 million from the end of the previous consolidated fiscal year to ¥401 million. This is mainly due to a decrease of ¥15 million in long-term accrued expenses included in Other.

Net assets decreased by ¥820 million from the end of the previous consolidated fiscal year to ¥22,615 million. This is mainly due to decreases of ¥392 million in capital surplus, ¥681 million in retained earnings, and ¥282 million in treasury shares, despite an increase of ¥535 million in valuation difference on available-for-sale securities.

(3) Explanation about Information on Projections Including Consolidated Forecasts

There is no change to the financial results forecast announced in the “Consolidated Financial Report for Fiscal 2025 Ended March 31, 2026” dated May 12, 2026.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheet

(Thousands of yen)

| | Fiscal 2025 (as of March 31, 2026) | First Quarter of Fiscal 2026 (as of June 30, 2026) |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 10,871,435 | 10,383,850 |
| Notes and accounts receivable – trade, and contract assets | 8,928,931 | 6,655,064 |
| Securities | 4,405,838 | 3,799,877 |
| Work in process | 157,587 | 476,560 |
| Other | 532,042 | 612,365 |
| Total current assets | 24,895,835 | 21,927,717 |
| Non-current assets | | |
| Property, plant and equipment | 800,943 | 780,334 |
| Intangible fixed assets | 246,991 | 294,392 |
| Investments and other assets | | |
| Investment securities | 4,214,362 | 5,231,517 |
| Shares of subsidiaries and associates | 30,692 | 63,999 |
| Deferred tax assets | 467,202 | 293,872 |
| Guarantee deposits | 804,949 | 804,949 |
| Other | 39,164 | 38,501 |
| Total investments and other assets | 5,556,371 | 6,432,840 |
| Total non-current assets | 6,604,306 | 7,507,568 |
| Total assets | 31,500,142 | 29,435,285 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable – trade | 2,091,444 | 2,025,857 |
| Short-term borrowings | 298,000 | 550,000 |
| Accounts payable – other | 504,238 | 563,047 |
| Accrued expenses | 2,604,078 | 1,496,718 |
| Income taxes payable | 1,254,128 | 457,686 |
| Accrued consumption taxes | 530,058 | 594,064 |
| Provision for bonuses for directors (and other officers) | 155,941 | 23,185 |
| Provision for loss on orders received | – | 2,124 |
| Other | 206,613 | 705,029 |
| Total current liabilities | 7,644,502 | 6,417,714 |
| Non-current liabilities | | |
| Provision for share-based remuneration for employees | 35,325 | 34,566 |
| Provision for share-based remuneration for directors (and other officers) | 54,774 | 55,786 |
| Retirement benefit liabilities | 46,247 | 46,247 |
| Asset retirement obligations | 235,674 | 236,268 |
| Other | 47,021 | 28,813 |
| Total non-current liabilities | 419,041 | 401,681 |
| Total liabilities | 8,063,544 | 6,819,395 |

(Thousands of yen)

| | Fiscal 2025<br>(as of March 31, 2026) | First Quarter of Fiscal 2026<br>(as of June 30, 2026) |
|---|---|---|
| Net assets | | |
| Shareholders’ equity | | |
| Share capital | 970,400 | 970,400 |
| Capital surplus | 986,256 | 593,444 |
| Retained earnings | 21,177,752 | 20,496,657 |
| Treasury shares | (1,224,434) | (1,507,122) |
| Total shareholders’ equity | 21,909,974 | 20,553,379 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,526,624 | 2,062,510 |
| Total accumulated other comprehensive income | 1,526,624 | 2,062,510 |
| Total net assets | 23,436,598 | 22,615,889 |
| Total liabilities and net assets | 31,500,142 | 29,435,285 |

## (2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

### Quarterly Consolidated Statement of Income

#### Consolidated Cumulative First Quarter

(Thousands of yen)

| | First Quarter of the Previous Consolidated Fiscal Year (From April 1, 2025 to June 30, 2025) | First Quarter of the Current Consolidated Fiscal Year (From April 1, 2026 to June 30, 2026) |
|---|---|---|
| Net sales | 11,355,573 | 11,808,319 |
| Cost of sales | 8,765,124 | 9,183,789 |
| Gross profit | 2,590,448 | 2,624,530 |
| Selling, general and administrative expenses | 1,333,017 | 1,420,977 |
| Operating profit | 1,257,431 | 1,203,552 |
| Non-operating income | | |
| Interest income | 4,098 | 6,276 |
| Interest on securities | 3,103 | 11,061 |
| Dividend income | 57,661 | 63,575 |
| Gain on sales of investment securities | — | 20,104 |
| Other | 2,416 | 3,080 |
| Total non-operating income | 67,278 | 104,098 |
| Non-operating expenses | | |
| Interest expenses | 1,552 | 1,313 |
| Other | — | 242 |
| Total non-operating expenses | 1,552 | 1,555 |
| Ordinary profit | 1,323,157 | 1,306,095 |
| Extraordinary profit | | |
| Gain on sales of investment securities | 166,275 | — |
| Total extraordinary profit | 166,275 | — |
| Profit before income taxes | 1,489,432 | 1,306,095 |
| Income taxes | 473,335 | 411,464 |
| Profit | 1,016,096 | 894,630 |
| Profit attributable to non-controlling interests | — | — |
| Profit attributable to owners of parent | 1,016,096 | 894,630 |

Quarterly Consolidated Statement of Comprehensive Income
Consolidated Cumulative First Quarter

(Thousands of yen)

| | First Quarter of the Previous Consolidated Fiscal Year (From April 1, 2025 to June 30, 2025) | First Quarter of the Current Consolidated Fiscal Year (From April 1, 2026 to June 30, 2026) |
|---|---|---|
| Profit | 1,016,096 | 894,630 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 74,168 | 535,886 |
| Total other comprehensive income | 74,168 | 535,886 |
| Comprehensive income | 1,090,265 | 1,430,517 |
| Breakdown: | | |
| Comprehensive income attributable to owners of parent | 1,090,265 | 1,430,517 |
| Comprehensive income attributable to non-controlling interests | — | — |

(3) Notes on the Quarterly Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes on Substantial Changes in the Amount of Shareholders' Equity)

(Acquisition of treasury shares)

At the Board of Directors meeting held on May 13, 2026, the Company resolved to acquire treasury shares under the provisions of Article 156 of the Companies Act, as applied pursuant to Article 165, paragraph 3 of the same Act, and acquired 700,000 treasury shares on May 14, 2026. As a result, treasury shares increased by ¥675,500 thousand.

(Cancellation of treasury shares)

At the Board of Directors meeting held on May 13, 2026, the Company resolved to cancel treasury shares under the provisions of Article 178 of the Companies Act and canceled 700,000 treasury shares on June 26, 2026. As a result, capital surplus and treasury shares each decreased by ¥392,812 thousand.

As a result of the above, capital surplus stood at ¥593,444 thousand and treasury shares at ¥1,507,122 thousand at the end of the first quarter of the current consolidated fiscal year.

(Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements)

Calculation of tax expenses

To calculate tax expenses, we reasonably estimate the effective tax rate after tax effect accounting is applied to profit for the period before taxes for the consolidated fiscal year that includes this consolidated accounting first quarter, and multiply profit for the quarter before taxes by the estimated effective tax rate.

(Changes in Presentation Method)

(Quarterly Consolidated Statement of Income)

"Interest on securities," which was included in "Other" under "Non-operating income" in the first quarter of the previous consolidated fiscal year, has become more material in amount and is therefore presented as a separate line item from the first quarter of the current consolidated fiscal year. To reflect this change in presentation method, the consolidated financial statements for the first quarter of the previous consolidated fiscal year have been reclassified.

As a result, in the quarterly consolidated statement of income for the first quarter of the previous consolidated fiscal year, the amount of ¥5,518 thousand presented under "Other" of "Non-operating income" has been reclassified into "Interest on securities" of ¥3,103 thousand and "Other" of ¥2,416 thousand.

(Segment Information and Related Matters)

First Quarter of the Previous Consolidated Fiscal Year (From April 1, 2025 to June 30, 2025) and First Quarter of the Current Consolidated Fiscal Year (From April 1, 2026 to June 30, 2026)

The TDC SOFT Group runs an information system development business that integrates the sale of information system products with system development services spanning the whole process from development to operation and maintenance. The Group is thus classified into the single segment of information system development, and thus we have provided no statement in this section.

(Notes on Consolidated Statement of Cash Flows)

We have not prepared a quarterly consolidated statement of cash flows for the first quarter of the current consolidated fiscal year. Depreciation and amortization (including amortization of intangible fixed assets excluding goodwill) and amortization of goodwill for the consolidated cumulative first quarter are as follows.

| | First Quarter of the Previous Consolidated Fiscal Year (from April 1, 2025 to June 30, 2025) | First Quarter of the Current Consolidated Fiscal Year (from April 1, 2026 to June 30, 2026) |
|---|---|---|
| Depreciation and amortization | ¥34,389 thousand | ¥30,906 thousand |
| Amortization of goodwill | ¥5,815 thousand | —— |