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April 14, 2021

## Summary of Financial Results for the First Quarter of the Fiscal Year 2021 (FY11/2021) [Japanese standards] (Non-Consolidated)

Company name: T&S inc.  
 Stock exchange listing: Tokyo  
 Stock code: 4055 URL: <https://www.tecsvc.co.jp/>  
 Representative: President and CEO Yoshihiro Takekawa  
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Scheduled date to file Quarterly Securities Report: April 14, 2021  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Financial results of the first quarter of FY11/2021 (December 1, 2020 – February 28, 2021)

#### (1) Operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
1Q of FY11/2021	586	—	71	—	71	—	50	—
1Q of FY11/2020	—	—	—	—	—	—	—	—

	Net income per share	Diluted net income per share
	yen	yen
1Q of FY11/2021	14.16	13.14
1Q of FY11/2020	—	—

(Note) Quarterly financial statements were not prepared for the 1Q of FY11/2020, and therefore figures for the 1Q of FY11/2020 and increase/decrease ratios of the 1Q of FY11/2021 as compared to the 1Q of FY11/2020 are omitted.

#### (2) Financial position

	Total assets	Net assets	Equity ratio
	million yen	million yen	%
1Q of FY11/2021	1,512	1,244	82.3
FY11/2020	1,502	1,212	80.7

(Reference) Shareholders equity 1Q of FY11/2021: 1,244 million yen  
 FY11/2020: 1,212 million yen

### 2. Cash dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	yen	yen	yen	yen	yen
FY11/2020	—	0.00	—	13.50	13.50
FY11/2021	—	—	—	—	—
FY11/2021 (forecasts)	—	0.00	—	6.75	6.75

(Notes) 1. Revisions to dividend forecasts published most recently: No  
 2. The Company carried out share splitting to split one share into two shares, on December 1, 2020. Dividends for FY11/2020 are actual amounts of dividends before such share splitting.

### 3. Performance forecasts for FY11/2021 (December 1, 2020 – November 30, 2021)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	2,464	8.7	322	5.7	328	7.9	229	(2.9)	61.37

(Note) Revisions to performance forecasts published most recently: No

**\*Notes**

- (1) Application of special accounting methods to the preparation of quarterly financial statement: No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- ① Changes in accounting policies due to revisions to accounting standards and other regulations: No
  - ② Changes in accounting policies due to other reasons: No
  - ③ Changes in accounting estimates: No
  - ④ Restatement of prior period financial statements: No

## (3) Number of issued shares (common shares)

## ① Total number of issued shares at the end of the period (including treasury stock)

1Q of FY11/2021:	3,713,200 shares	FY11/2020:	3,585,600 shares
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## ② Number of treasury stock at the end of the period

1Q of FY11/2021:	— shares	FY11/2020:	— shares
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## ③ Average number of shares during the period

1Q of FY11/2021:	3,595,158 shares	1Q of FY11/2020:	— shares
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(Note) The Company carried out share splitting to split one share into 1,100 shares, on April 14, 2020, and further carried out share splitting to split one share into two shares, on December 1, 2020. Total number of issued shares at the end of the period, number of treasury stock at the end of the period, and average number of shares during the period are calculated assuming that such share splitting was carried out at the beginning of FY11/2020.

\* Summary of financial results is not covered by audit by a certified public accountant or an auditing firm.

\* Explanation regarding appropriate use of the performance forecasts and other special notes

(Notes on descriptions about the future)

Descriptions about the future such as performance forecasts contained in this document are based on information currently available to the Company and certain presumptions considered as reasonable, and those are not intended to indicate the Company should assure that it would realize such forecasts. Meanwhile, actual performance in the future may differ substantially, influenced by a wide variety of factors. For preconditions for performance forecasts and precaution statements in using such forecasts, please see the appendix, page 2, "1. Qualitative Information regarding the Financial Results for the Current Quarter: (3) Descriptions regarding future prospects such as performance forecasts".

(How to obtain supplementary references regarding quarterly results)

Quarterly supplementary material on financial results is concurrently disclosed on TDnet.

○ Table of Contents: Appendix

1. Qualitative Information regarding the Financial Results for the Current Quarter.....2

    (1) Descriptions regarding operating results .....2

    (2) Descriptions regarding financial position .....2

    (3) Descriptions regarding future prospects such as performance forecasts.....2

2. Quarterly Financial Statements and Principal Notes.....3

    (1) Quarterly Balance Sheets.....3

    (2) Quarterly Statements of Income .....4

        (The first quarter cumulative period).....4

    (3) Notes on Quarterly Financial Statements .....5

        (Going concern assumption).....5

        (Notes in case of significant changes in the amount of shareholders’ equity).....5

        (Segment information) .....5

**1. Qualitative Information regarding the Financial Results for the Current Quarter****(1) Descriptions regarding operating results**

During the current first quarter cumulative period, Japanese economy has still been affected by COVID-19, such as repeated restrictions on social/economic activities due to reissuance of the state of emergency, and there remain extremely unpredictable situations for the future. While taking measures against further spread of infections and raising levels of social/economic activities, some new styles of business activities are becoming more prevalent in view of so-called After Corona / With Corona, such as making use of working from home and online meeting, which boosts up importance of IT and accelerates operational conversion to IT-enabled business. During the current first quarter cumulative period, there was no direct impact of COVID-19 on the Company's business. However, we still need to pay attention to economic downturn, impacts on employment environment and other situations caused by re-expansion of infections both domestic and overseas.

Business of the Company comprises of a single segment of system development and other related services, but develops as a structure with three categories of Solution, Semiconductor, and Advanced Technology. In such an economic environment as described above, "Solution Category" has, not focusing on specific industrial domains, continued to provide IT human resources and put its efforts to business expansion to support IT development. "Semiconductor Category" has put its efforts to business expansion for supporting IT infrastructure operation in general at semiconductor factories, such as maintenance & operation services for intra-factory systems and IT helpdesks. "Advanced Technology Category" has put its efforts to expanding provision of solutions for customers being in the process of development of AI-related products.

As a result, operating results of the current first quarter cumulative period was as follows: net sales of 586,564 thousand yen; operating income of 71,508 thousand yen; ordinary income of 71,781 thousand yen; and quarterly net income of 50,896 thousand yen.

Operating results of the current first quarter cumulative period in each category are as follows.

**① Solution Category**

Net sales in the current first quarter cumulative period was 454,682 thousand yen.

Orders from major customers were fairly well, notably development of management systems for factories/plants. and increased orders for commissioned development projects contributed to sales.

**② Semiconductor Category**

Net sales in the current first quarter cumulative period was 111,007 thousand yen.

Orders from major customers were fairly well, and dispatching more engineers for maintenance/operation services at semiconductor factories contributed to sales.

**③ Advanced Technology Category**

Net sales in the current first quarter cumulative period was 20,874 thousand yen.

Besides continuous orders received fairly well from existing customers mainly for supportive services for research and development of AI algorithms, orders from new customers also contributed to sales.

**(2) Descriptions regarding financial position****(Assets)**

Total current assets was 1,425,951 thousand yen at the end of the current first quarter fiscal period, i.e. increase by 18,454 thousand yen as compared to the end of the previous fiscal year. This is mainly due to increase in work in progress by 16,197 thousand yen in the context of timing of acceptance inspection. Total non-current assets was 86,603 thousand yen, i.e. decrease by 8,821 thousand yen as compared to the end of the previous fiscal year. This is mainly due to decrease in deferred tax assets by 8,242 thousand yen because of paying winter bonus.

As a result, total assets was 1,512,555 thousand yen, i.e. increase by 9,632 thousand yen as compared to the end of the previous fiscal year.

**(Liabilities)**

Total current liabilities was 220,023 thousand yen at the end of the current first quarter fiscal period, i.e. decrease by 23,581 thousand yen as compared to the end of previous fiscal year. This is mainly due to decrease in accrued expenses by 34,975 thousand yen because of paying winter bonus, decrease in income taxes payable by 24,595 thousand yen and decrease in accrued consumption taxes by 14,614 thousand yen because of paying taxes on one hand, and increase in reserve for bonus by 17,582 thousand yen, increase in accounts payable - other by 17,057 thousand yen, and increase in deposits received by 10,121 thousand yen on the other. Total non-current liabilities was 48,254 thousand yen, i.e. increase by 1,288 thousand yen as compared to the end of the previous fiscal year. This is due to increase in provision for retirement benefits of 1,288 thousand yen.

As a result, total liabilities was 268,278 thousand yen, i.e. decrease by 22,293 thousand yen as compared to the end of the previous fiscal year.

**(Net assets)**

Total net assets was 1,244,277 thousand yen at the end of the current first quarter fiscal period, i.e. increase by 31,925 thousand yen as compared to the end of the previous fiscal year. This is mainly because retained earnings increased by 50,896 thousand yen through recording quarterly net income, whereas it decreased by 24,202 thousand yen due to payment of dividends.

**(3) Descriptions regarding future prospects such as performance forecasts**

There is no change in performance forecasts for the full year, as announced in the "Summary of Financial Results for the Fiscal Year Ended November 30, 2020 (FY11/2020)" published on January 14, 2021.

**2. Quarterly Financial Statements and Principal Notes****(1) Quarterly Balance Sheets**

	(Thousand yen)	
	Previous fiscal year (Nov. 30, 2020)	Current first quarter fiscal period (Feb. 28, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	1,016,928	1,024,808
Notes and accounts receivable - trade	250,442	246,193
Work in process	6,147	22,344
Accounts receivable - other	121,206	124,254
Other	13,672	9,249
Allowance for doubtful accounts	(900)	(900)
Total current assets	1,407,497	1,425,951
Non-current assets		
Property, plant and equipment	23,542	22,760
Intangible assets	1,178	1,063
Investments and other assets	70,704	62,779
Total non-current assets	95,425	86,603
Total assets	1,502,923	1,512,555
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	64,473	69,633
Income taxes payable	42,326	17,730
Provision for bonuses	5,822	23,405
Other	130,981	109,253
Total current liabilities	243,604	220,023
Non-current liabilities		
Provision for retirement benefits	38,895	40,183
Other	8,071	8,071
Total non-current liabilities	46,966	48,254
Total liabilities	290,571	268,278
<b>Net assets</b>		
Shareholders' equity		
Capital stock	334,600	337,215
Capital surplus	285,929	288,545
Retained earnings	591,821	618,515
Total shareholders' equity	1,212,351	1,244,277
Total net assets	1,212,351	1,244,277
Total liabilities and net assets	1,502,923	1,512,555

**(2) Quarterly Statements of Income**  
(The first quarter cumulative period)

	(Thousand yen)
	Current first quarter cumulative period (Dec. 1, 2020 – Feb. 28, 2021)
Net sales	586,564
Cost of sales	413,845
Gross profit	172,718
Selling, general and administrative expenses	101,210
Operating income	71,508
Non-operating income	
Interest income	3
Subsidy income	330
Other	0
Total non-operating income	333
Non-operating expenses	
Stock issuance cost	60
Other	0
Total non-operating expenses	60
Ordinary income	71,781
Net income before income taxes	71,781
Income taxes-current	12,642
Income taxes-deferred	8,242
Total income taxes	20,884
Net income	50,896

**(3) Notes on Quarterly Financial Statements**

(Going concern assumption)

Not applicable.

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

Not applicable.

(Segment information)

**【Segment Information】**

Current first quarter cumulative period (Dec 1, 2020 - Feb 28, 2021)

Business of the Company comprises of a single segment of system development and other related services and therefore description of segment information is omitted.