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July 14, 2021

## Consolidated Financial Results for FY2021 Q3 (Under Japanese GAAP)

Company name: TeamSpirit Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4397  
 URL: <https://corp.teamspirit.com/ja-jp/>  
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 Scheduled date to file quarterly securities report: July 15, 2021  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of financial results briefing: None

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

### 1. Consolidated financial results for the nine months ended May 31, 2021 (from September 1, 2020 to May 31, 2021)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2021	2,152	20.2	197	-16.3	202	-15.2	144	27.6
May 31, 2020	1,790	-	235	-	239	-	112	-

Note: Comprehensive income For the nine months ended May 31, 2021: ¥146 million [30.2%]  
 For the nine months ended May 31, 2020: ¥112 million [-%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
May 31, 2021	8.88	8.87
May 31, 2020	6.99	6.95

Note: Year-on-year change percentages of nine months ended May 31, 2020 are not stated, because the Company had prepared the quarterly consolidated financial statements since FY2020 Q1.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
May 31, 2021	3,149	1,599	50.8
August 31, 2020	2,810	1,445	51.4

Reference: Equity  
 As of May 31, 2021: ¥1,599 million  
 As of August 31, 2020: ¥1,445 million

## 2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2020	-	0.00	-	0.00	0.00
Fiscal year ending August 31, 2021	-	0.00	-		
Fiscal year ending August 31, 2021 (Forecast)				0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Consolidated earnings forecasts for the fiscal year ending August 31, 2021 (from September 1, 2020 to August 31, 2021)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending August 31, 2021	2,880	17.8	110	-61.5	110	-62.4	55	-78.5	3.39
	to 2,930	to 19.8	to 140	to -51.0	to 140	to -52.2	to 70	to -72.6	to 4.31

Note: 1. Revisions to the earnings forecasts most recently announced: None

2. Consolidated earnings forecasts for the fiscal year ending August 31, 2021 are stated in range format considering impacts of changes in business environment.

**\* Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): 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)

As of May 31, 2021	16,227,600 shares
As of August 31, 2020	16,195,200 shares

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

As of May 31, 2021	315 shares
As of August 31, 2020	276 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended May 31, 2021	16,223,480 shares
Nine months ended May 31, 2020	16,144,797 shares

- \* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.
- \* Statement regarding appropriate use of forward-looking statements and other notes
- Forward-looking statements, including the consolidated earnings forecasts stated in these materials, are based on information currently available to the Company and certain assumptions deemed reasonable. Thus, the Company does not intend to commit future accomplishment. Accordingly, actual business results may differ substantially from the Company's current assessment.

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1. Quarterly consolidated financial statements and primary notes

(1) Quarterly consolidated balance sheet

(Thousands of yen)

	As of August 31, 2020	As of May 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	2,173,924	2,443,903
Accounts receivable - trade	20,971	17,972
Advance payments - trade	202,671	212,776
Other	50,105	72,560
Allowance for doubtful accounts	-578	-13
Total current assets	2,447,094	2,747,198
Non-current assets		
Property, plant and equipment	76,354	58,961
Intangible assets	205	160
Investments and other assets	287,290	343,181
Total non-current assets	363,849	402,302
Total assets	2,810,944	3,149,501
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	10,667	13,557
Income taxes payable	59,005	88,981
Deferred revenue	1,057,031	1,213,531
Other	238,729	233,983
Total current liabilities	1,365,435	1,550,054
Total liabilities	1,365,435	1,550,054
<b>Net assets</b>		
Shareholders' equity		
Share capital	798,530	802,288
Capital surplus	788,530	792,288
Retained earnings	-140,208	3,932
Treasury shares	-425	-509
Total shareholders' equity	1,446,425	1,597,998
Accumulated other comprehensive income		
Foreign currency translation adjustment	-916	1,447
Total accumulated other comprehensive income	-916	1,447
Total net assets	1,445,509	1,599,446
Total liabilities and net assets	2,810,944	3,149,501

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statement of income

(Thousands of yen)

	Nine months ended May 31, 2020	Nine months ended May 31, 2021
Net sales	1,790,885	2,152,883
Cost of sales	687,889	925,490
Gross profit	1,102,996	1,227,393
Selling, general and administrative expenses	867,400	1,030,293
Operating profit	235,596	197,099
Non-operating income		
Subsidy income	5,402	8,112
Other	305	358
Total non-operating income	5,707	8,471
Non-operating expenses		
Interest expenses	121	-
Foreign exchange losses	1,785	2,874
Share issuance costs	341	92
Other	-	4
Total non-operating expenses	2,248	2,970
Ordinary profit	239,055	202,600
Extraordinary losses		
Loss on retirement of non-current assets	11,220	-
Total extraordinary losses	11,220	-
Profit before income taxes	227,835	202,600
Income taxes - current	66,971	117,642
Income taxes - deferred	47,940	-59,182
Total income taxes	114,912	58,459
Profit	112,923	144,140
Profit attributable to owners of parent	112,923	144,140

Quarterly consolidated statement of comprehensive income

	(Thousands of yen)	
	Nine months ended May 31, 2020	Nine months ended May 31, 2021
Profit	112,923	144,140
Other comprehensive income		
Foreign currency translation adjustment	-377	2,364
Total other comprehensive income	-377	2,364
Comprehensive income	112,545	146,504
Total Comprehensive income attributable to		
Owners of parent	112,545	146,504

(3) Notes to the quarterly consolidated financial statements

(Notes regarding going concern assumption)

Not applicable.

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

Not applicable.