

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

October 13, 2021

## Consolidated Financial Results for the Fiscal Year Ended August 31, 2021 (Under Japanese GAAP)

Company name: TeamSpirit Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4397  
 URL: <https://corp.teamspirit.com/ja-jp/>  
 Representative: Koji Ogishima, CEO  
 Inquiries: Yasufumi Yamashita, Director, Strategic Planning & Corporate  
 Telephone: +81-3-4577-7510  
 Scheduled date of annual general meeting of shareholders: November 30, 2021  
 Scheduled date to commence dividend payments: -  
 Scheduled date to file annual securities report: November 30, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

### 1. Consolidated financial results for the fiscal year ended August 31, 2021 (from September 1, 2020 to August 31, 2021)

#### (1) Consolidated operating results

(Percentages indicate 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	%
Fiscal year ended August 31, 2021	2,896	18.5	169	-40.9	174	-40.4	122	-51.9
August 31, 2020	2,445	-	285	-	292	-	255	-

Note: Comprehensive income For the fiscal year ended August 31, 2021: ¥124 million [-51.3%]  
 For the fiscal year ended August 31, 2020: ¥255 million [-%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
August 31, 2021	7.57	7.56	8.1	5.8	5.8
August 31, 2020	15.81	15.71	19.9	11.3	11.7

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended August 31, 2021: ¥- million  
 For the fiscal year ended August 31, 2020: ¥- million

Note: Year-on-year change percentages of fiscal year ended August 31, 2020 are not stated, because the Company had prepared the consolidated financial statements since FY2020.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
August 31, 2021	3,171	1,577	49.7	97.20
August 31, 2020	2,810	1,445	51.4	89.26

Reference: Equity  
 As of August 31, 2021: ¥1,577 million  
 As of August 31, 2020: ¥1,445 million

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
August 31, 2021	265	-0	7	2,447
August 31, 2020	395	-86	-41	2,173

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended August 31, 2020	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended August 31, 2021	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending August 31, 2022 (Forecast)	-	0.00	-	0.00	0.00		-	

### 3. Consolidated earnings forecasts for the fiscal year ending August 31, 2022 (from September 1, 2021 to August 31, 2022)

(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, 2022	3,300	-	-200	-	-200	-	-140	-	-8.63
	to 3,350	-	to -150	-	to -150	-	to -105	-	to -6.47

Note: 1. Consolidated earnings forecasts for the fiscal year ending August 31, 2022 are stated in range format considering impacts of changes in business environment.

2. As the Company will apply the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29), etc. from the beginning of the fiscal year ending August 31, 2022, the amounts of the above consolidated earnings forecasts reflect the application of the said accounting standard, etc., and the percentages indicating year-on-year changes are not stated.

\* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

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

- (iii) Average number of shares outstanding during the period

Fiscal year ended August 31, 2021	16,224,431 shares
Fiscal year ended August 31, 2020	16,157,329 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended August 31, 2021 (from September 1, 2020 to August 31, 2021)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2021	2,896	18.5	152	-44.0	160	-42.4	109	-54.9
August 31, 2020	2,445	34.3	272	12.0	279	14.5	242	8.4

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
August 31, 2021	6.75	6.74
August 31, 2020	15.03	14.94

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
August 31, 2021	3,125	1,550	49.6	95.53
August 31, 2020	2,774	1,433	51.6	88.49

Reference: Equity

As of August 31, 2021: ¥1,550 million  
As of August 31, 2020: ¥1,433 million

\* Financial results reports are exempt from audit 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.

**Attached Material**

1. Consolidated financial statements and primary notes .....	2
(1) Consolidated balance sheet.....	2
(2) Consolidated statements of income and comprehensive income .....	3
Consolidated statement of income .....	3
Consolidated statement of comprehensive income .....	4
(3) Consolidated statement of changes in equity .....	5
(4) Consolidated statement of cash flows .....	6
(5) Notes to the consolidated financial statements .....	7
(Notes regarding going concern assumption) .....	7
(Changes in accounting policies) .....	7
(Changes in accounting estimates) .....	7
(Segment information) .....	7
(Per share information) .....	7
(Significant events after reporting period).....	7

1. Consolidated financial statements and primary notes

(1) Consolidated balance sheet

(Thousands of yen)

	As of August 31, 2020	As of August 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	2,173,924	2,447,990
Accounts receivable - trade	20,971	22,804
Advance payments to suppliers	202,671	225,444
Other	50,105	57,720
Allowance for doubtful accounts	-578	-17
Total current assets	2,447,094	2,753,943
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	66,649	67,835
Accumulated depreciation	-8,504	-22,398
Facilities attached to buildings, net	58,144	45,437
Other	29,854	29,760
Accumulated depreciation	-11,644	-16,146
Other, net	18,209	13,614
Total property, plant and equipment	76,354	59,051
Intangible assets		
Other	205	145
Total intangible assets	205	145
Investments and other assets		
Deferred tax assets	161,454	236,745
Other	125,836	122,088
Total investments and other assets	287,290	358,833
Total non-current assets	363,849	418,029
Total assets	2,810,944	3,171,972
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	10,667	14,622
Income taxes payable	59,005	103,570
Deferred revenue	1,057,031	1,193,715
Provision for bonuses	5,605	9,180
Other	233,124	273,515
Total current liabilities	1,365,435	1,594,603
Total liabilities	1,365,435	1,594,603
<b>Net assets</b>		
Shareholders' equity		
Share capital	798,530	802,288
Capital surplus	788,530	792,288
Retained earnings	-140,208	-17,365
Treasury shares	-425	-509
Total shareholders' equity	1,446,425	1,576,701
Accumulated other comprehensive income		
Foreign currency translation adjustment	-916	667
Total accumulated other comprehensive income	-916	667
Total net assets	1,445,509	1,577,369
Total liabilities and net assets	2,810,944	3,171,972

(2) Consolidated statements of income and comprehensive income  
Consolidated statement of income

(Thousands of yen)

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Net sales	2,445,661	2,896,926
Cost of sales	960,278	1,388,054
Gross profit	1,485,382	1,508,871
Selling, general and administrative expenses	1,199,536	1,339,846
Operating profit	285,846	169,025
Non-operating income		
Subsidy income	8,905	8,422
Other	701	744
Total non-operating income	9,607	9,167
Non-operating expenses		
Interest expenses	121	-
Foreign exchange losses	2,151	3,468
Share issuance costs	341	92
Other	-	4
Total non-operating expenses	2,613	3,564
Ordinary profit	292,839	174,627
Extraordinary losses		
Loss on retirement of non-current assets	11,220	-
Total extraordinary losses	11,220	-
Profit before income taxes	281,619	174,627
Income taxes - current	78,682	127,075
Income taxes - deferred	-52,441	-75,290
Total income taxes	26,241	51,785
Profit	255,378	122,842
Profit attributable to owners of parent	255,378	122,842

Consolidated statement of comprehensive income

(Thousands of yen)

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
Profit	255,378	122,842
Other comprehensive income		
Foreign currency translation adjustment	30	1,584
Total other comprehensive income	30	1,584
Comprehensive income	255,408	124,427
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	255,408	124,427



(3) Consolidated statement of changes in equity

Fiscal year ended August 31, 2020

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	764,094	754,094	-395,587	-365	1,122,235	-946	-946	1,121,289
Changes during period								
Issuance of new shares - exercise of share acquisition rights	34,436	34,436			68,872			68,872
Profit attributable to owners of parent			255,378		255,378			255,378
Purchase of treasury shares				-60	-60			-60
Net changes in items other than shareholders' equity						30	30	30
Total changes during period	34,436	34,436	255,378	-60	324,190	30	30	324,220
Balance at end of period	798,530	788,530	-140,208	-425	1,446,425	-916	-916	1,445,509

Fiscal year ended August 31, 2021

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	798,530	788,530	-140,208	-425	1,446,425	-916	-916	1,445,509
Changes during period								
Issuance of new shares - exercise of share acquisition rights	3,758	3,758			7,516			7,516
Profit attributable to owners of parent			122,842		122,842			122,842
Purchase of treasury shares				-83	-83			-83
Net changes in items other than shareholders' equity						1,584	1,584	1,584
Total changes during period	3,758	3,758	122,842	-83	130,275	1,584	1,584	131,859
Balance at end of period	802,288	792,288	-17,365	-509	1,576,701	667	667	1,577,369

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended August 31, 2020	Fiscal year ended August 31, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	281,619	174,627
Depreciation and amortization	19,564	22,833
Increase (decrease) in allowance for doubtful accounts	442	△560
Increase (decrease) in provision for bonuses	△8,943	3,574
Interest income	△18	△22
Subsidy income	△8,905	△8,422
Interest expenses	121	-
Share issuance costs	341	92
Loss on retirement of non-current assets	11,220	-
Decrease (increase) in trade receivables	△10,028	△1,502
Decrease (increase) in advance payments to suppliers	△57,676	△22,772
Increase (decrease) in trade payables	3,772	3,954
Increase (decrease) in deferred revenue	190,468	136,683
Other, net	49,123	31,344
Subtotal	471,100	339,829
Interest received	18	22
Subsidies received	10,251	7,122
Interest paid	△121	-
Income taxes paid	△85,760	△81,961
Net cash provided by (used in) operating activities	395,489	265,013
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△82,403	△805
Other, net	△3,976	255
Net cash provided by (used in) investing activities	△86,380	△549
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	△110,000	-
Proceeds from issuance of shares resulting from exercise of share acquisition rights	68,530	7,423
Other, net	△60	△83
Net cash provided by (used in) financing activities	△41,529	7,339
Effect of exchange rate change on cash and cash equivalents	87	2,262
Net increase (decrease) in cash and cash equivalents	267,667	274,066
Cash and cash equivalents at beginning of period	1,906,257	2,173,924
Cash and cash equivalents at end of period	2,173,924	2,447,990

(5) Notes to the consolidated financial statements  
(Notes regarding going concern assumption)  
Not applicable.

(Changes in accounting policies)  
Not applicable.

(Changes in accounting estimates)  
Not applicable.

(Segment information)  
Segment information is omitted as the Company group has single segment of SaaS business.

(Per share information)

(Yen)

	Fiscal year ended August31, 2020	Fiscal year ended August31, 2021
Net assets per share	89.26	97.20
Basic earnings per share	15.81	7.57
Diluted earnings per share	15.71	7.56

Note: Basis for calculation of basic earnings per share and diluted earnings per share is as follows:

	Fiscal year ended August31, 2020	Fiscal year ended August31, 2021
Basis earnings per share		
Profit attributable to owners of parent (Thousands of yen)	255,378	122,842
Amounts not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent related to common shares (Thousands of yen)	255,378	122,842
Average number of common shares outstanding during the period (Shares)	16,157,329	16,224,431
Diluted earnings per share		
Adjusted profit attributable to owners of parent (Thousands of yen)	—	—
Increase in number of common shares (Shares)	98,317	32,391
Overview of dilutive shares that are not included in the calculation of diluted earnings per share as they have no dilutive effects	—	—

(Significant events after reporting period)  
Not applicable.