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January 13, 2023

Non-consolidated Financial Results for the Fiscal Year Ended November 30, 2022 (Under Japanese GAAP)

Company name: T&S inc.
 Listing: Tokyo Stock Exchange
 Securities code: 4055
 URL: <https://www.tecsvc.co.jp/>
 Representative: Yoshihiro Takekawa, President and CEO
 Inquiries: Hiroshi Kinoshita, Director, Executive Officer and General Manager of Corporate Division
 Telephone: +81-45-263-8286
 Scheduled date of annual general meeting of shareholders: February 24, 2023
 Scheduled date to commence dividend payments: February 27, 2023
 Scheduled date to file securities report: February 27, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investor and analysts)

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

1. Non-consolidated financial results for the Fiscal Year Ended November 30, 2022 (from December 1, 2021 to November 30, 2022)

(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	%
November 30, 2022	3,256	19.2	617	49.6	626	49.3	440	49.5
November 30, 2021	2,732	20.5	412	35.6	419	37.7	294	24.7

Fiscal year ended	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
	Yen	Yen	%	%	%
November 30, 2022	58.14	57.41	27.3	29.3	19.0
November 30, 2021	39.42	38.02	21.8	24.0	15.1

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended November 30, 2022: - million
 For the fiscal year ended November 30, 2021: - million

(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
November 30, 2022	2,281	1,733	76.0	229.69
November 30, 2021	1,987	1,495	75.2	195.87

Reference: Equity
 As of November 30, 2022: ¥1,733 million
 As of November 30, 2021: ¥1,495 million

(3) Non-consolidated cash flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow 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
November 30, 2022	387	△55	△201	1,405
November 30, 2021	272	△2	△11	1,275

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
November 30, 2021	-	0.00	-	8.00	8.00	30	10.1	2.2
November 30, 2022	-	0.00	-	6.00	6.00	45	10.3	2.8
Fiscal year ending November 30, 2023 (forecast)	-	0.00	-	6.55	6.55		10.0	

3. Forecast for Fiscal Year Ending November 30, 2023 (December 1, 2022 - November 30, 2023)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	3,700	13.6	700	13.3	703	12.3	495	12.5	65.46

*** Notes**

(1) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Number of issued shares (common shares)

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

As of November 30, 2022	7,633,200 shares
As of November 30, 2021	7,633,200 shares

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

As of November 30, 2022	86,000 shares
As of November 30, 2021	- shares

(iii) Average number of shares outstanding during the period

Fiscal year ended November 30, 2022	7,572,328 shares
Fiscal year ended November 30, 2021	7,472,220 shares

Financial statements

Balance sheet

(Thousands of yen)

	As of November 30, 2021	As of November 30, 2022
Assets		
Current assets		
Cash and deposits	1,275,367	1,405,466
Accounts receivable - trade	354,021	322,204
Work in process	24,264	22,558
Prepaid expenses	19,010	12,113
Accounts receivable - other	198,366	349,345
Other	315	779
Allowance for doubtful accounts	△1,400	△1,700
Total current assets	1,869,946	2,110,767
Non-current assets		
Property, plant and equipment		
Buildings	30,399	30,399
Accumulated depreciation	△12,878	△14,914
Buildings, net	17,521	15,485
Tools, furniture and fixtures	8,368	11,483
Accumulated depreciation	△4,703	△6,365
Tools, furniture and fixtures, net	3,664	5,118
Total property, plant and equipment	21,186	20,603
Intangible assets		
Software	1,692	2,159
Total intangible assets	1,692	2,159
Investments and other assets		
Investment securities	400	50,800
Investments in capital	20	20
Deferred tax assets	59,061	63,256
Guarantee deposits	35,140	33,894
Total investments and other assets	94,621	147,970
Total non-current assets	117,500	170,732
Total assets	1,987,447	2,281,500

(Thousands of yen)

As of November 30, 2021 As of November 30, 2022

Liabilities			
Current liabilities			
Accounts payable - trade	105,474		136,096
Accounts payable - other	12,082		10,811
Accrued expenses	63,787		71,936
Income taxes payable	130,134		130,388
Accrued consumption taxes	54,629		65,842
Deposits received	8,177		8,499
Provision for bonuses	66,509		67,868
Other	55		6,788
Total current liabilities	440,851		498,233
Non-current liabilities			
Provision for retiree benefits	43,442		49,763
Long-term guarantee deposits	8,071		—
Total non-current liabilities	51,513		49,763
Total liabilities	492,364		547,996
Net assets			
Shareholders' equity			
Share capital	340,783		340,783
Capital surplus			
Legal capital surplus	266,662		266,662
Other capital surplus	25,450		—
Total capital surplus	292,112		266,662
Retained earnings			
Legal retained earnings	150		150
Other retained earnings			
Retained earnings brought forward	862,036		1,241,624
Total retained earnings	862,186		1,241,774
Treasury shares	—		△115,717
Total shareholders' equity	1,495,082		1,733,503
Total net assets	1,495,082		1,733,503
Total liabilities and net assets	1,987,447		2,281,500

Income statements

(Thousands of yen)

	Fiscal year ended November 30, 2021	Fiscal year ended November 30, 2022
Net sales	2,732,771	3,256,855
Cost of sales	1,947,231	2,243,118
Gross profit	785,539	1,013,736
Selling, general and administrative expenses	372,587	395,823
Operating profit	412,952	617,913
Non-operating income		
Grant income	1,000	225
Subsidy income	5,550	7,643
refund of leasehold deposits	—	1,286
Other	5	2
Total non-operating income	6,555	9,157
Non-operating expenses		
Interest expenses	—	146
Share issuance costs	180	90
Commission expenses	—	579
Other	0	10
Total non-operating expenses	180	826
Ordinary profit	419,328	626,244
Extraordinary losses		
Loss on retirement of non-current assets	—	321
Total extraordinary losses	—	321
Profit before income taxes	419,328	625,923
Income taxes - current	149,923	189,879
Income taxes - deferred	△25,162	△4,194
Total income taxes	124,760	185,685
Profit	294,567	440,238

Statement of Changes in Net Assets
Fiscal year ended November 30, 2021

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings	
Balance at beginning of period	334,600	260,479	25,450	285,929	150	591,671	591,821	1,212,351
Changes during period								
Issuance of new shares	6,183	6,183		6,183				12,366
Dividends of surplus						△24,202	△24,202	△24,202
Profit						294,567	294,567	294,567
Total changes during period	6,183	6,183	—	6,183	—	270,364	270,364	282,731
Balance at end of period	340,783	266,662	25,450	292,112	150	862,036	862,186	1,495,082

(Thousands of yen)

	Total net assets
Balance at beginning of period	1,212,351
Changes during period	
Issuance of new shares	12,366
Dividends of surplus	△24,202
Profit	294,567
Total changes during period	282,731
Balance at end of period	1,495,082

Fiscal year ended November 30, 2022

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings			Treasury shares
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings	
					Retained earnings brought forward			
Balance at beginning of period	340,783	266,662	25,450	292,112	150	862,036	862,186	—
Changes during period								
Dividends of surplus						△30,532	△30,532	
Profit						440,238	440,238	
Purchase of treasury shares								△174,873
Disposal of treasury shares			△25,450	△25,450		△30,117	△30,117	59,156
Total changes during period	—	—	△25,450	△25,450	—	379,588	379,588	△115,717
Balance at end of period	340,783	266,662	—	266,662	150	1,241,624	1,241,774	△115,717

(Thousands of yen)

	Shareholders' equity	Total net assets
	Total shareholders' equity	
Balance at beginning of period	1,495,082	1,495,082
Changes during period		
Dividends of surplus	△30,532	△30,532
Profit	440,238	440,238
Purchase of treasury shares	△174,873	△174,873
Disposal of treasury shares	3,588	3,588
Total changes during period	238,420	238,420
Balance at end of period	1,733,503	1,733,503

Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended November 30, 2021	Fiscal year ended November 30, 2022
Cash flows from operating activities		
Profit before income taxes	419,328	625,923
Depreciation	3,939	4,550
Amortization of guarantee deposits	1,246	1,246
Increase (decrease) in provision for bonuses	60,686	1,359
Increase (decrease) in provision for retirement benefits	4,547	6,321
Increase (decrease) in allowance for doubtful accounts	500	300
Interest and dividend income	△5	△2
Interest expenses	—	146
Grant income	△1,000	△225
Subsidy income	△5,550	△7,643
Share issuance costs	180	90
Loss on retirement of non-current assets	—	321
Decrease (increase) in trade receivables	△103,578	31,817
Decrease (increase) in inventories	△18,117	1,705
Decrease (increase) in other current assets	△82,813	△144,386
Increase (decrease) in trade payables	41,000	30,622
Increase (decrease) in accrued expenses	7,206	8,148
Increase (decrease) in other current liabilities	△3,867	11,126
Other, net	—	△1,414
Subtotal	323,701	570,006
Interest and dividends received	5	2
Interest paid	—	△146
Grants received	1,000	225
Subsidies received	5,550	7,643
Income taxes paid	△57,758	△190,488
Net cash provided by (used in) operating activities	272,498	387,243
Cash flows from investing activities		
Purchase of property, plant and equipment	△1,036	△3,115
Purchase of investment securities	—	△50,400
Purchase of intangible assets	△1,062	△1,640
Other, net	—	△158
Net cash provided by (used in) investing activities	△2,098	△55,313
Cash flows from financing activities		
Proceeds from issuance of shares	12,186	—
Purchase of treasury shares	—	△174,873
Dividends paid	△24,147	△30,456
Other, net	—	3,498
Net cash provided by (used in) financing activities	△11,961	△201,830
Net increase (decrease) in cash and cash equivalents	258,439	130,099
Cash and cash equivalents at beginning of period	1,016,928	1,275,367
Cash and cash equivalents at end of period	1,275,367	1,405,466