

# FY2026/9 **Second Quarter** Supplementary Material on Financial Results

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**T&S Group Inc.**

TSE Growth: 4055

May 13, 2026



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## (Theme of current term) Embarking on a journey of growth

### 1 **Record** revenue and profit achieved. (Compared with same quarters in the past)

|                  |   |   |
|------------------|---|---|
| Net sales        | : | 2,254 million yen (YoY <b>Up by 11.8%</b> : +237 million) |
| Operating profit | : | 425 million yen (YoY <b>Up by 14.9%</b> : +55 million)    |
| Ordinary profit  | : | 427 million yen (YoY <b>Up by 15.2%</b> : +56 million)    |
| Quarterly profit | : | 282 million yen (YoY <b>Up by 16.5%</b> : +40 million)    |

### 2 **Good performance of Semiconductor Solution category, DX Solution category has been steady and AI Solution category is proceeding according to plan.**

- Net sales of Semiconductor Solution category have significantly increased to 779 million yen with 28.6% increase from same quarter of previous year. Orders for system development project increased along with the market recovery and strong investment demand of semiconductor manufacturers.
- Net sales of DX Solution category has been steady and increased to 1,268 million yen with 8.0% increase compared with same quarter of previous year. Transactions with new and existing customers have increased and contributed to the increase of net sales.
- Net sales of AI Solution category became 206 million yen, decrease of 12.7% compared with the same quarter of previous year. Decrease from the same quarter of previous year but as planned.

### 3 **Steady progress. Progress rate of net sales and each profit exceed 50%.**

Overcoming seasonal variation of tendency to modulate in the 4Q, the progress rate of current half year was 50.1 % for net sales and 53.4 % for ordinary profit.

# Financial Results Overview

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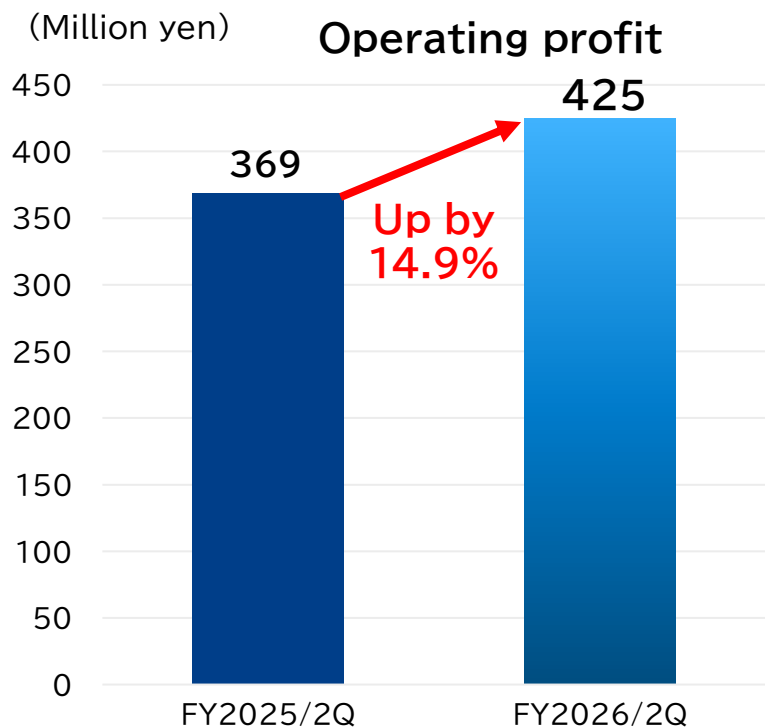
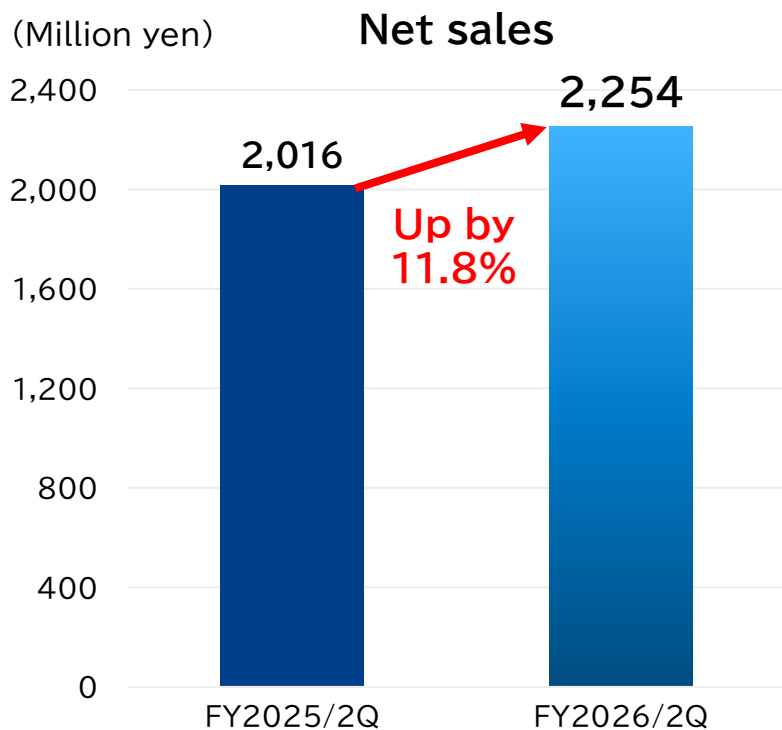
FY2026/9 **Second Quarter**

# Financial Results Overview( FY2026/2Q )

## Record performance of 2nd quarter achieved.

(compared with same quarters in the past)

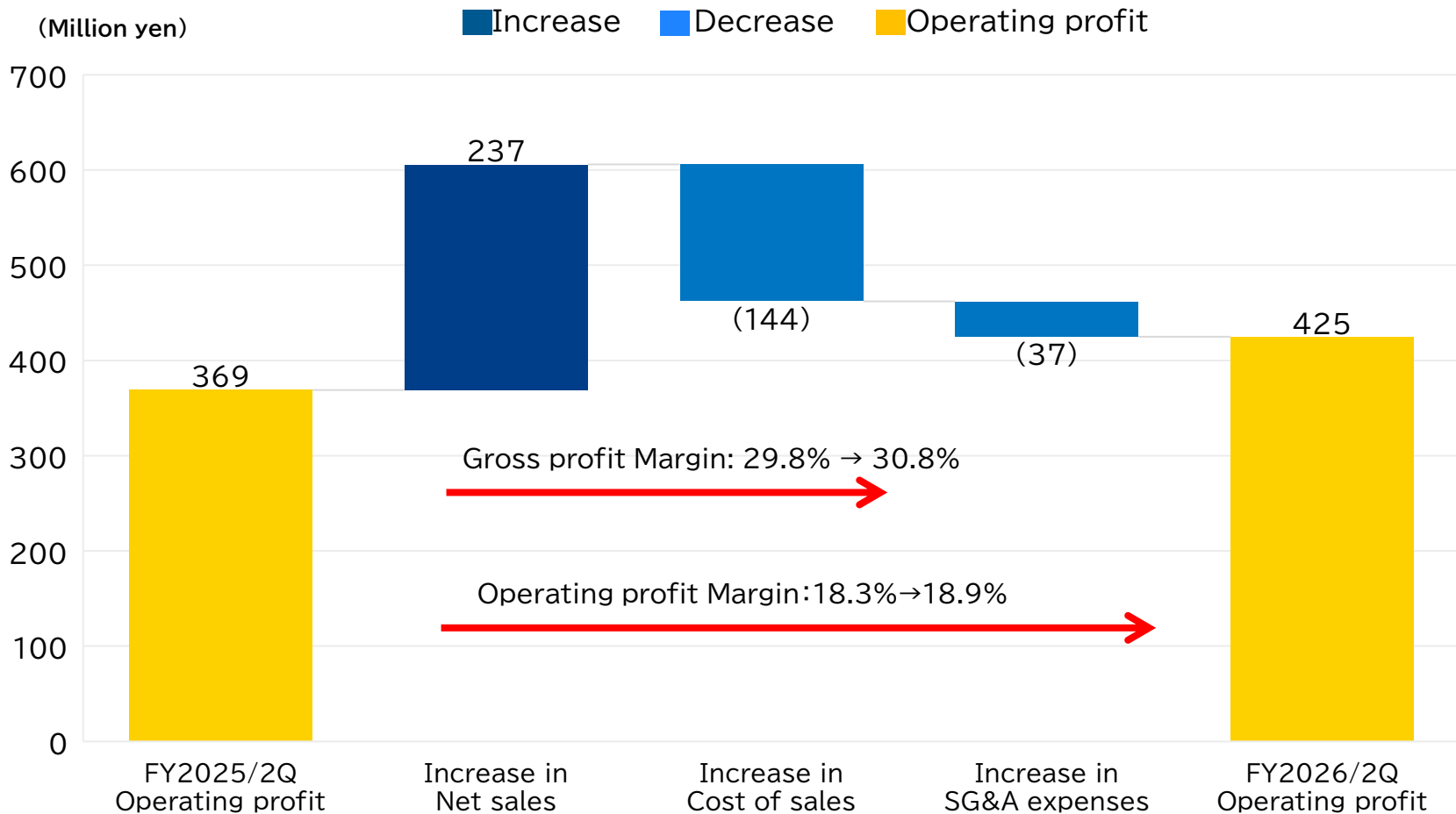
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# Operating profit ( FY2026/2Q )

An improvement in the gross profit margin led to a **55 million yen increase in operating profit.**

(compared with same quarters in the past)



# Net sales by Category( FY2026/2Q )

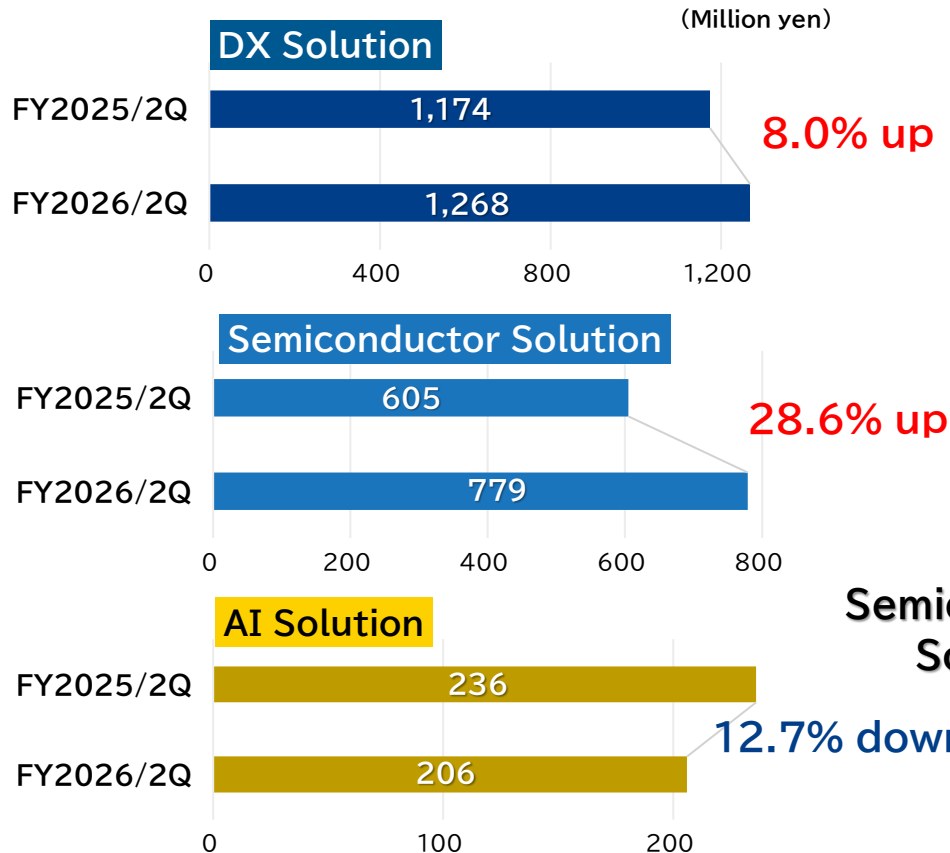
Net sales in Semiconductor Solution continued high growth of **28.6%**.

Net sales in DX Solution remain steady at **8.0%** growth.

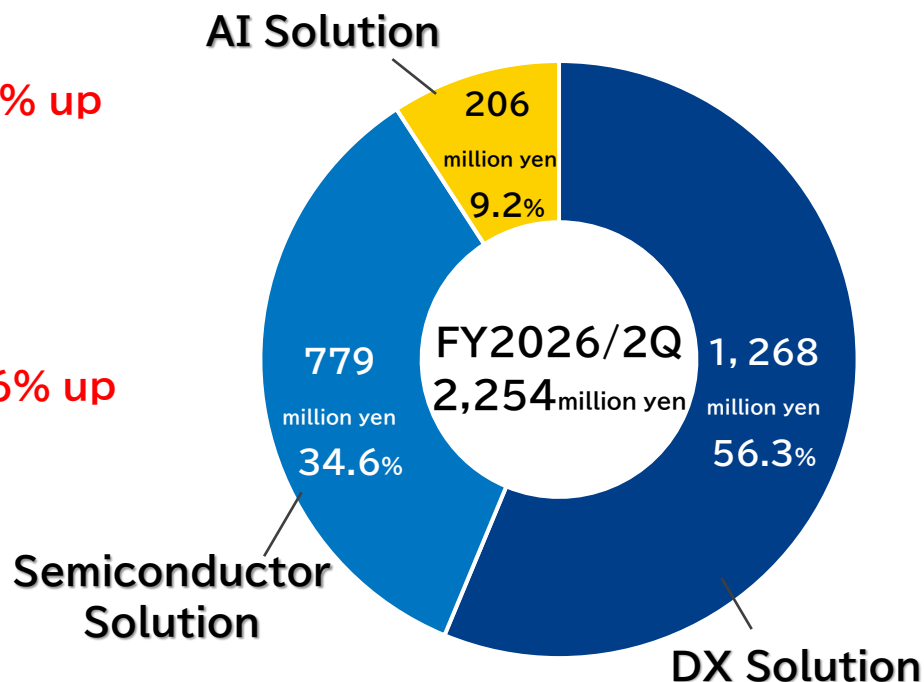
Net sales in AI Solution resulted in a **12.7%** decrease due to upfront investment in R&D, in line with the plan.

(Compared with same quarter in previous year)

Net sales(By category) ※1



Net sales ratio(By category) ※1

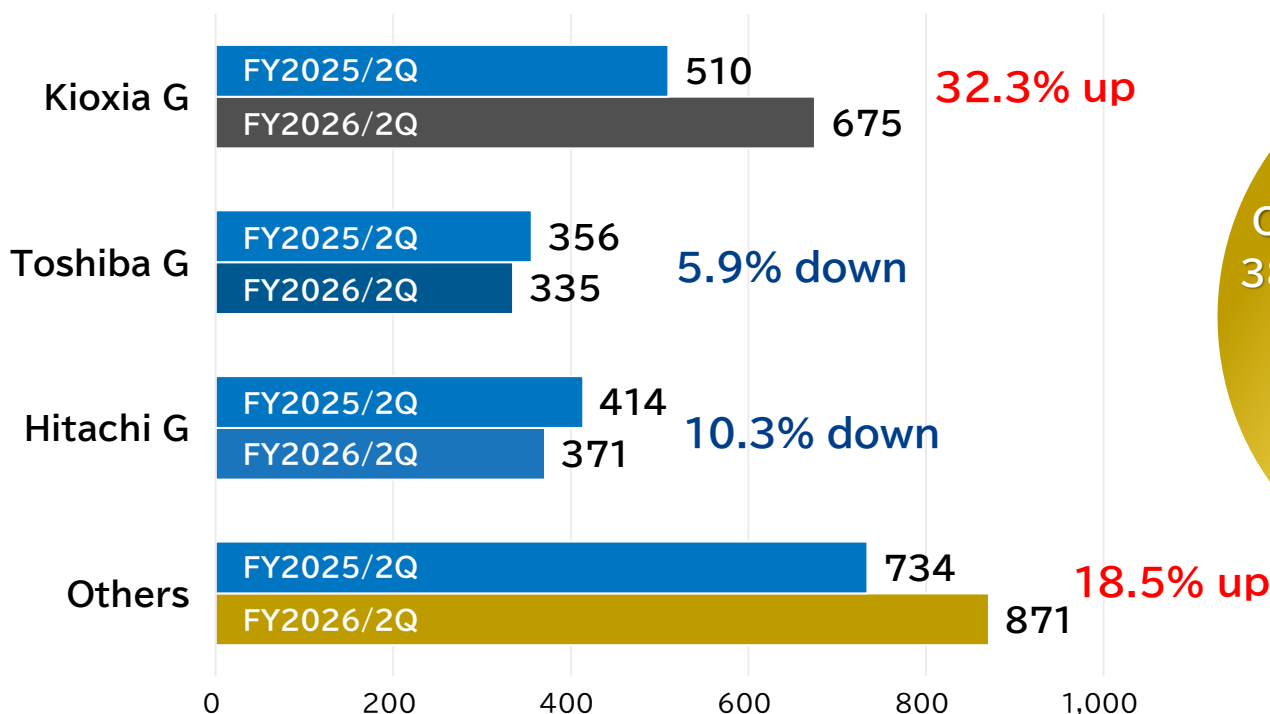


※1 Our business segment is a single segment. Only net sales are calculated by category.

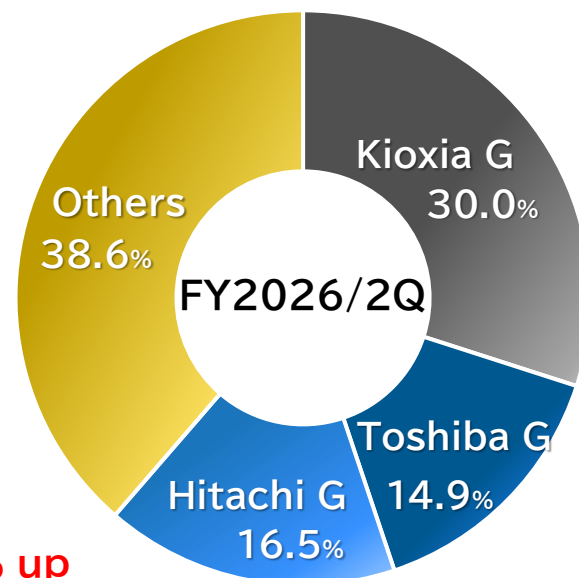
# Net sales by Customer( FY2026/2Q )

**Kioxia G** is expanding significantly thanks to development projects.  
Shifting resources from **Toshiba G and Hitachi G**.  
**Other customers** increased smoothly in both existing and new areas.

Net sales(By customer) (Million yen)



Net sales ratio(By customer)



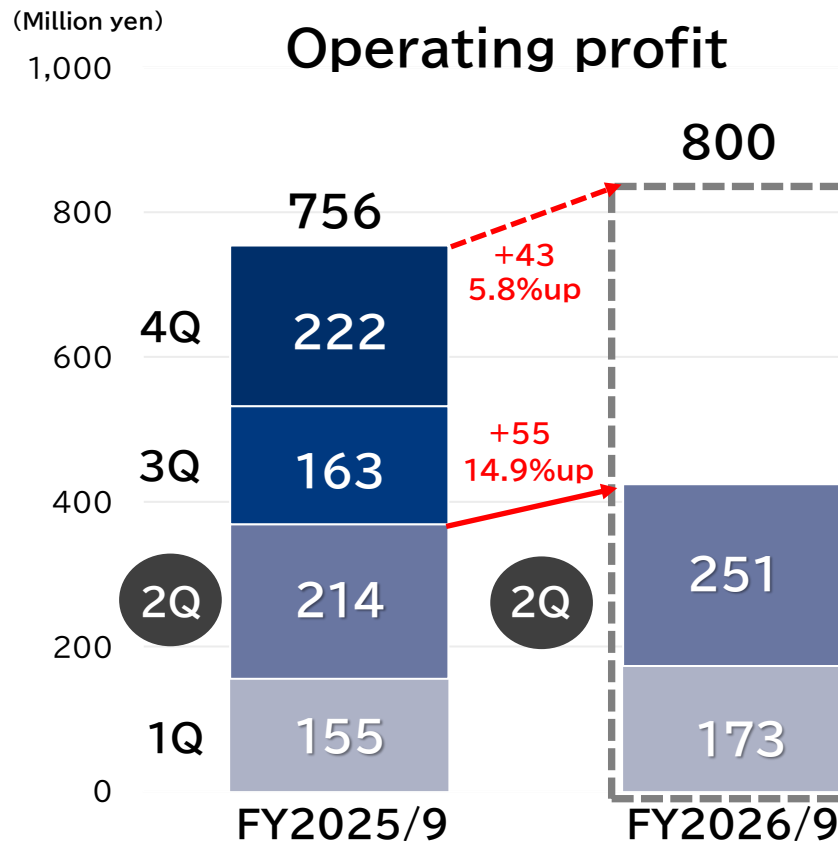
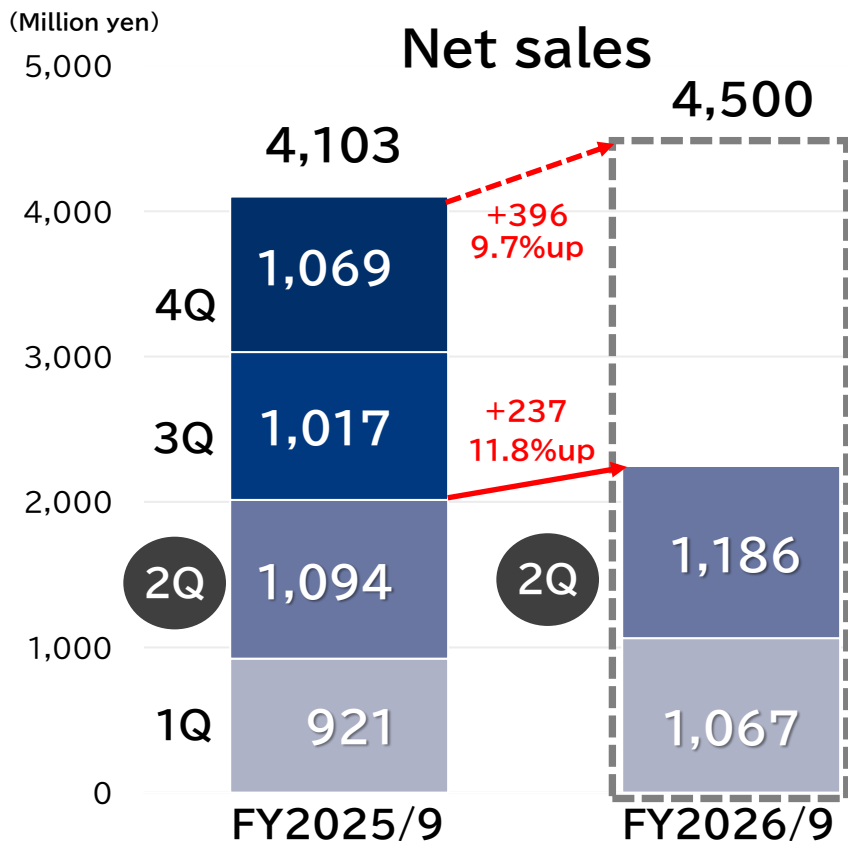
# Quarterly Net sales and Operating profit ( FY2026/2Q )

**2Q Cumulative Net sales : 2,254 million yen**

Amount of increase: **+237 million yen, up by 11.8%** (Compared with same quarter in previous year)

**2Q Cumulative Operating profit : 425 million yen**

Amount of increase: **+55 million yen, up by 14.9%** (Compared with same quarter in previous year)



Following the 1Q, net sales and operating profit for the three-month period exceeded those of the same period last year.

# Trend of Major Customers

## Semiconductor industry is at the center of the ongoing growth.

Semiconductor industry is entering the new growth stage with increase of capital investments, strengthening policy support and capital reorganization with a background of increasing demand for AI and major technical trends. Motivation is strong and increasing trend is continuing for investments in digitalization relating to DX and AI and for software for the purpose of labor saving and rationalization. Thus, business environment surrounding our group is expected to progress steadily. On the other hand, inflation is a risk of economic downturn while employment situation is favorable, and therefore the close attention should be paid to ongoing conflicts abroad, impact of US trade policy and geopolitical risks.

### Kioxia G

Demand for NAND is expanding thanks to the demand expansion for data center due to the growing demand for AI and normalization of the inventory level for PC and smartphone. Expansion trend of revenue is expected to continue as the trend of demand exceeding supply is forecast to continue. We expect increase of inquiries to our group as a result of continuous capital investment and strategic resource allocation.

### Toshiba G

Business performance for the 1st half of FY2025 is progressing favorably thanks to the management reform and self efforts. Increase of inquiries to our group is expected while accelerating attempt to strengthen and expand the revenue base further.

### Hitachi G

Situation remains strong with a focus on power grid and domestic IT business. We expect increase of inquiries to our group as increased revenue and profits are forecast with a background of strong performance despite expected increase of strategic investments.

### Others

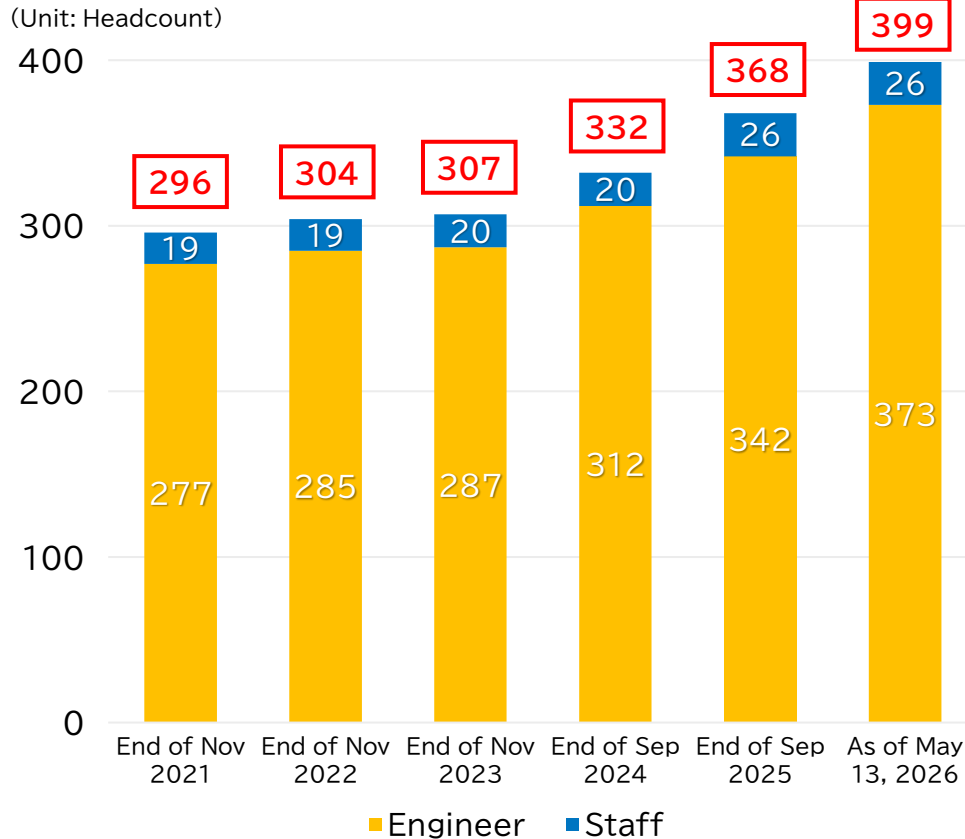
Business environment surrounding our group is expected to progress steadily going forward with a background of AI investment expansion and demand for DX. We are expecting continuous expansion of business with customers other than 3 main customers above and its contribution to our business performance accordingly.

# Status of Engineers

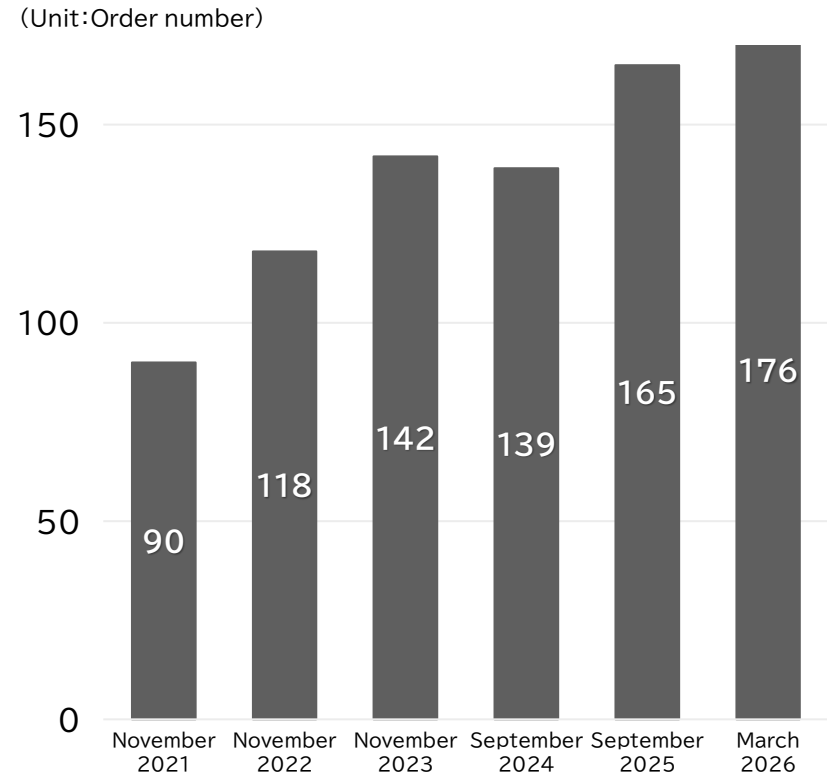
## Promoting to achieve the FY2031 goal (700 engineers)

31 additional engineers have joined us in current FY (9.1% increase).

Trend of Employee Number(※1)



Trend of order number to BP(※2)








※1 Total of T&S group

※2 BP...Business Partner, Engineers working for us on outsourcing contract.

# Consolidated Statement of Income ( FY2026/2Q )

## Consolidated Statement of Income ( FY2026/2Q )

| Unit: Thousand yen           | FY2025/2Q    | FY2026/2Q  | +/- amount | +/- % |
|------------------------------|--------------|--|------------|-------|
| Net sales                    | 2,016,636    |  2,254,269 | 237,633    | 11.8% |
| Cost of sales                | 1,414,875    | 1,559,297  | 144,422    | 10.2% |
| Gross profit                 | 601,760      |  694,971   | 93,211     | 15.5% |
| SG&A expenses                | 231,893      | 269,864  | 37,970     | 16.4% |
| Operating profit             | 369,866      |  425,107   | 55,240     | 14.9% |
| <i>Operating profit rate</i> | <i>18.3%</i> | <i>18.9%</i>   |            |       |
| Ordinary profit              | 371,357      |  427,768  | 56,411     | 15.2% |
| <i>Ordinary profit rate</i>  | <i>18.4%</i> | <i>19.0%</i>   |            |       |
| Quarterly profit             | 242,820      |  282,946 | 40,126     | 16.5% |
| <i>Quarterly profit rate</i> | <i>12.0%</i> | <i>12.6%</i>   |            |       |

# Consolidated Balance Sheets ( FY2026/2Q )

## Consolidated Balance Sheets ( FY2026/2Q )

| Unit: Thousand yen                      | FY2025/9         | FY2026/2Q        | +/- amount      |
|---|------------------|------------------|-----------------|
| Current assets                          | 3,369,815        | 3,343,114        | (26,701)        |
| Non-current assets                      | 293,142          | 476,112          | 182,969         |
| <b>Total assets</b>                     | <b>3,662,958</b> | <b>3,819,226</b> | <b>156,268</b>  |
| Current liabilities                     | 683,592          | 558,153          | (125,438)       |
| Non-current liabilities                 | 66,305           | 96,579           | 30,274          |
| <b>Total liabilities</b>                | <b>749,898</b>   | <b>654,733</b>   | <b>(95,164)</b> |
| Total net assets                        | 2,913,059        | 3,164,492        | 251,432         |
| <b>Total liabilities and net assets</b> | <b>3,662,958</b> | <b>3,819,226</b> | <b>156,268</b>  |

# Topics

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## 1. Geopolitical Situation, including the Middle East

### ■ Current and Anticipated Events

- Rising prices for resources such as crude oil and difficulties in procurement.
- Spillover effects on the prices of various commodities.

### ■ Impact on Group Business Activities

- There is no direct impact, as the group does not engage in direct resource procurement or overseas transactions.
- Potential for indirect impact if our customers (in sectors like semiconductors, heavy electrical equipment, and electronics) reduce their investment in system development due to these conditions.

## 2. Debate Surrounding the "Death of SaaS"

### ■ Current and Anticipated Events

- Discussions suggesting that the SaaS model may lose its value due to the rise of autonomous AI.

### ■ Impact on Group Business Activities

- There is no direct impact, as the group does not operate a SaaS-based business.
- In the long term, measures to address the replacement of tasks by AI are necessary. Our group aims to improve productivity through the proactive utilization of AI.

# Earnings Forecast and Progress rate

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FY2026/9 As of 2Q

# Earnings Forecast Progress Rate

(theme) **Embarking on a journey of growth**

| Unit:Million yen | FY2025/9<br>Full Year(Actual) | FY2026/9<br>Full Year(Forecast) | FY2026/9<br>2Q (Actual) | Progress rate<br>(%) |
|------------------|-------------------------------|---------------------------------|-------------------------|----------------------|
| Net sales        | 4,103                         | 4,500                           | 2,254                   | 50.1%                |
| Operating profit | 756                           | 800                             | 425                     | 53.1%                |
| EBITDA           | 770                           | 816                             | 435                     | 53.3%                |
| Ordinary profit  | 753                           | 801                             | 427                     | 53.4%                |
| Net profit       | 509                           | 539                             | 282                     | 52.5%                |

## Entire T&S group

Business environment surrounding our group is expected to progress favorably and the performance of entire group is proceeding as planned. We have launched various measures and projects to realize our long-term vision, while systematically strengthening our management system to contribute to business performance.

## T&S System Development Business HQ

Business performance is progressing favorably supported by constant inquiries from major customers such as semiconductor manufacturers, including large development business, for continuing and new projects. The transition rate from system development service to system maintenance service remains high, and therefore we expect constant and continuous business opportunities in the long run. In anticipation of a core system modernization project for a major customers, we will strengthen structure by expanding engineer resources.

## T&S IT Services Business HQ

In 2Q, we expanded business with existing customers and initiated transactions with new major manufacturers. Strategic recruitment at regional offices is progressing steadily, with a significant number of mid-career hires joining our team. By enhancing development efficiency through on-site AI integration, we are expanding our project capacity to ensure the achievement of our year-end targets. We will accelerate non-linear growth and maximize corporate value by merging organizational strengthening with AI innovation.

## Int IV

In 2Q, we focused on recruitment and executed our business operations largely in line with the plan. Despite the ongoing uncertainty in our customers' business environments, we anticipate an expansion in order volume from the second half onward, supported by robust inquiries for AI agents and AI models in the manufacturing sector. Furthermore, we will continue to strengthen our R&D structure in tandem with this growth.

## TS System Solution

2Q performance remained strong, driven by robust demand from existing and new customers. Projecting over 120% YoY growth, we are strengthening our foundation through channel optimization and strategic talent allocation to drive sustainable growth and corporate value from the second half.

## ex-stage

In 2Q, both net sales and operating profit significantly exceeded budget, driven by the recruitment of experienced professionals and the expansion of new business with major corporations. Since April, we have successfully hired additional talent, including 4 specialized engineers, steadily strengthening our growth foundation for the second half of the year.

# Shareholder Returns

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# Shareholder Returns ~ Progressive Dividends~

We continue stable dividend in accordance with **progressive dividends** (\*) policy.

## Basic Policy on dividends

The Company considers it an important management task to **increase corporate value through investment in the acquisition of new technologies in fields where future growth is expected**, and believes that achieving this goal shall lead to the return of profits to shareholders.

Our basic policy for profit distribution is **to continue implementing progressive dividends(\*)** based on performance, while prioritizing the securing of internal reserves necessary to realize the enhancement of corporate value.

(\*) Progressive dividends is a dividend policy to maintain or increase dividend without cutting it. The company shall aim to increase dividend every year as much as possible.

As for FY2026/9, the Company is forecasting to pay a dividend of 11.00 yen per share (1.00 yen increase) in accordance with the above policy.

The financial indicators that related to the dividend are as follows.

|                        | Dividend per share | Dividend payout ratio<br>(Consolidated) | Dividend on<br>equity ratio(DOE) |
|------------------------|--------------------|---|----------------------------------|
| FY2025/9               | 10.00yen           | 14.9%                                   | 2.8%                             |
| FY2026/9<br>(Forecast) | 11.00yen           | 15.2%                                   | 2.7%                             |

## Status of Treasury Stock Acquisition(As of Apr30, 2026)

|                                   |   |
|-----------------------------------|---|
| Type of shares acquired:          | Our ordinary shares                           |
| Acquisition period:               | Nov13, 2025 ~ Apr30, 2026 (On contract basis) |
| Method of stock acquisition:      | Market purchases on Tokyo Stock Exchange      |
| Total number of shares acquired:  | 100,500 shares                                |
| Total acquisition cost of shares: | 139,698 Thousands yen                         |

### (For your information)

- Purpose
- To enhance shareholder value and capital efficiency.
  - To utilize treasury stock for M&A etc.

### Matters related to acquisition

|   |  |
|---|--|
| Type of shares to be acquired               | Our ordinary shares  |
| Total number of shares that can be acquired | 230,000shares (Upper limit)<br>(Ratio to total shares outstanding<br>(excluding treasury stock) 3.03%) |
| Total acquisition cost of shares            | 322 million yen (Upper limit)  |
| Acquisition period                          | Nov13, 2025~May12, 2026  |

Total return ratio to shareholders if we repurchase the above treasury stock up to the limit is 74.7%.

## Contact

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