

FY2026/9 First Quarter Supplementary Material on Financial Results

T&S Group Inc.

TSE Growth: 4055

February 12, 2026



T & S
Technology & Service

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Highlights(FY2026/1Q)

(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 | : | 1,067 million yen | (YoY Up by | 15.8%↑ | : | +145 million yen) |
| Operating profit | : | 173 million yen | (YoY Up by | 11.7%↑ | : | +18 million yen) |
| Ordinary profit | : | 173 million yen | (YoY Up by | 11.3%↑ | : | +17 million yen) |
| Quarterly profit | : | 116 million yen | (YoY Up by | 13.8%↑ | : | +14 million yen) |

2 **Good performance of Semiconductor 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 376 million yen with 36.7% 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 592 million yen with 13.1% increase compared with same quarter of previous year. Transactions with new and existing customers have increased and contributed to the increase of revenue.
- Net sales of AI Solution category became 98 million yen, decrease of 19.8% compared with the same quarter of previous year. Decrease from the same quarter of previous year but as planned.

3 **Stock prices recovered. Increase of 51% from the end of previous fiscal year.**

As a result of developing a long-term vision, business partnership with Yokohama Capital Co.,Ltd. and other initiatives such as acquisition of own shares, the market capitalization increased to 13 billion yen with 51% increase from the end of previous fiscal year and PER recovered by 24 times (as of January 30, 2026).

Financial Results Overview

FY2026/9 **First Quarter**

Financial Results Overview(FY2026/1Q)

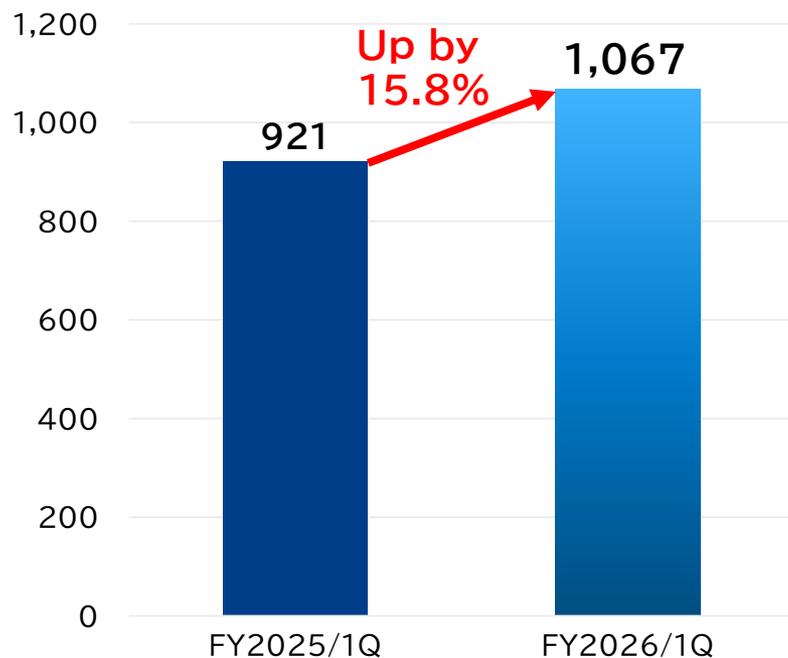
Record performance of 1st quarter achieved.

(compared with same quarters in the past)

| | | | | | | |
|------------------|---|-------------------|------------|---------------|---|-------------------|
| Net sales | : | 1,067 million yen | (YoY Up by | 15.8%↑ | : | +145 million yen) |
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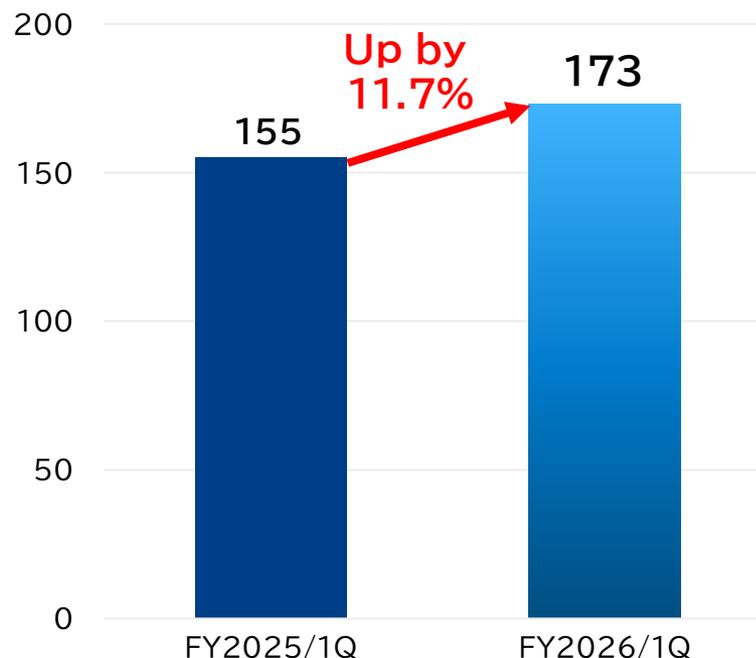
(Million yen)

Net sales



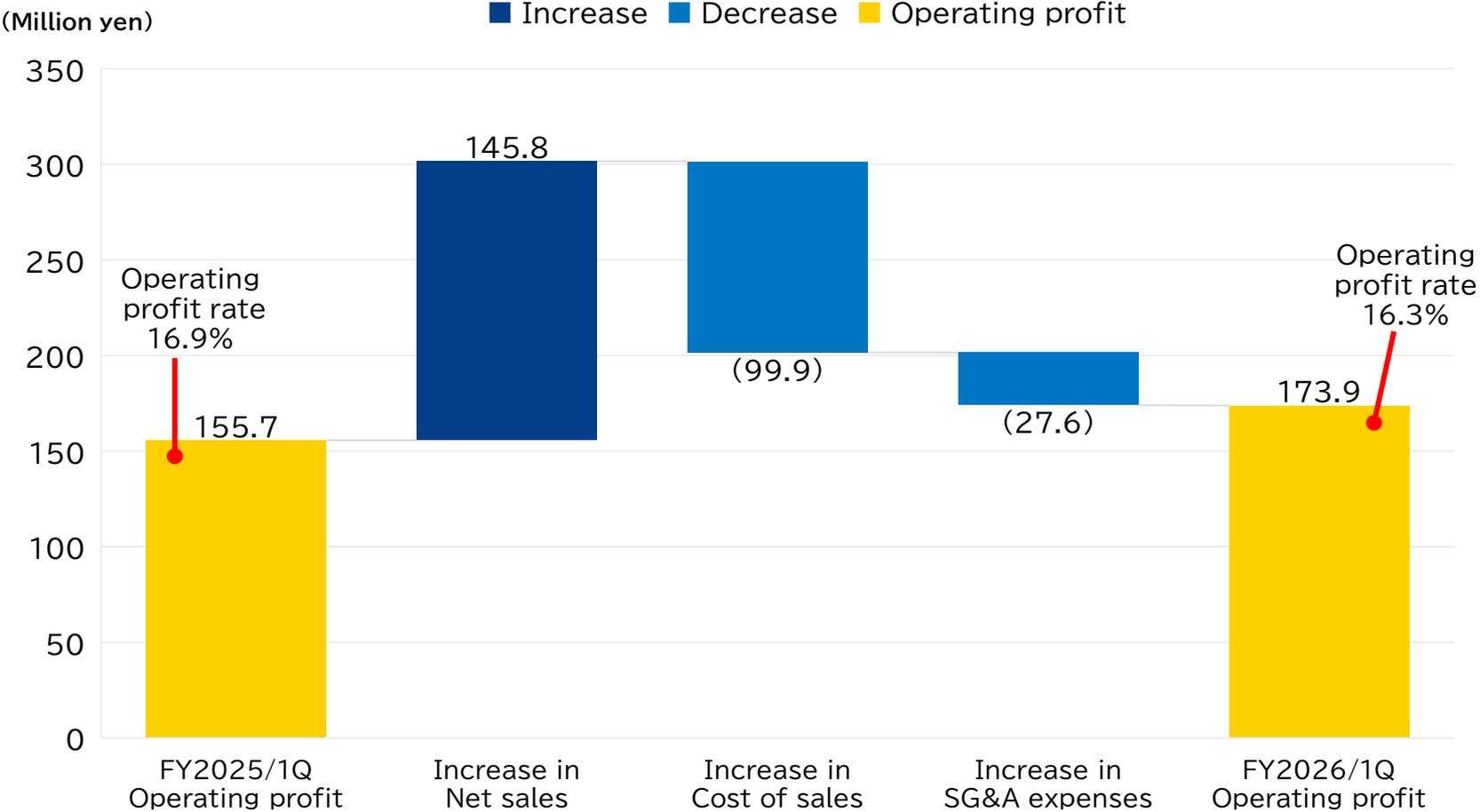
(Million yen)

Operating profit



Operating profit(FY2026/1Q)

Operating profit increased by 18 million yen.
(Compare with same quarter in previous year)



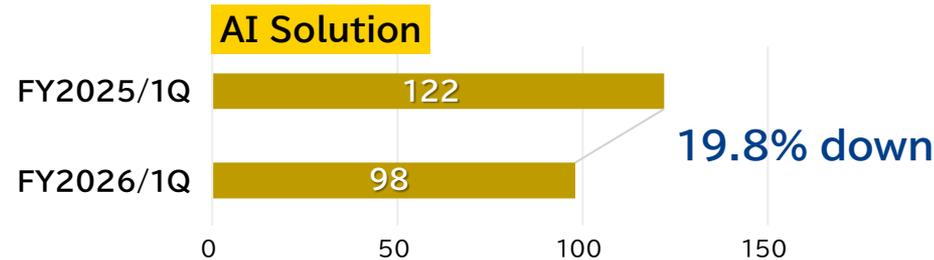
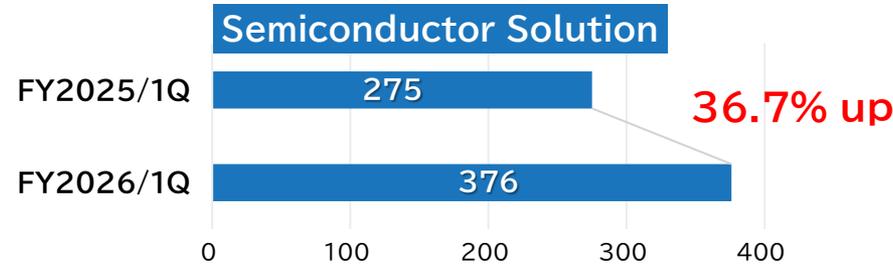
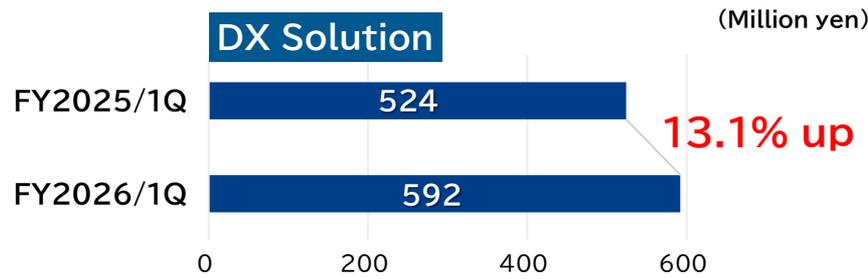
Net sales by Category(FY2026/1Q)

Net sales in Semiconductor Solution continued high growth by **36.7%**.
(Compared with same quarter in previous year)

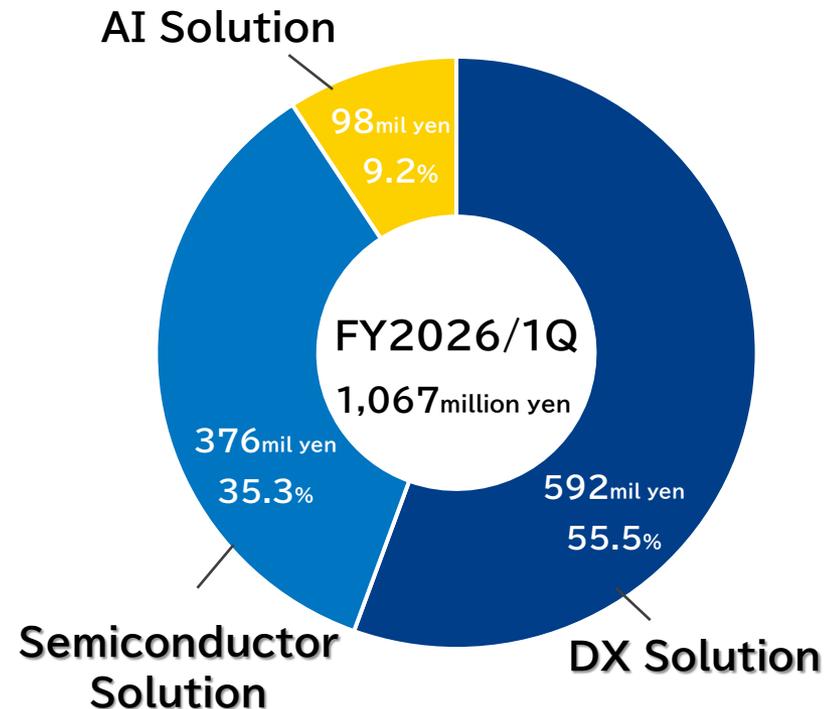
Net sales in DX Solution remain steady with **13.1% increase**.
(Compared with same quarter in previous year)

Net sales in AI Solution resulted in **19.8% decrease** due to advance investment in R&D, but as planned.
(Compared with same quarter in previous year)

Net sales(by category) ※1



Net sales ratio(by category) ※1

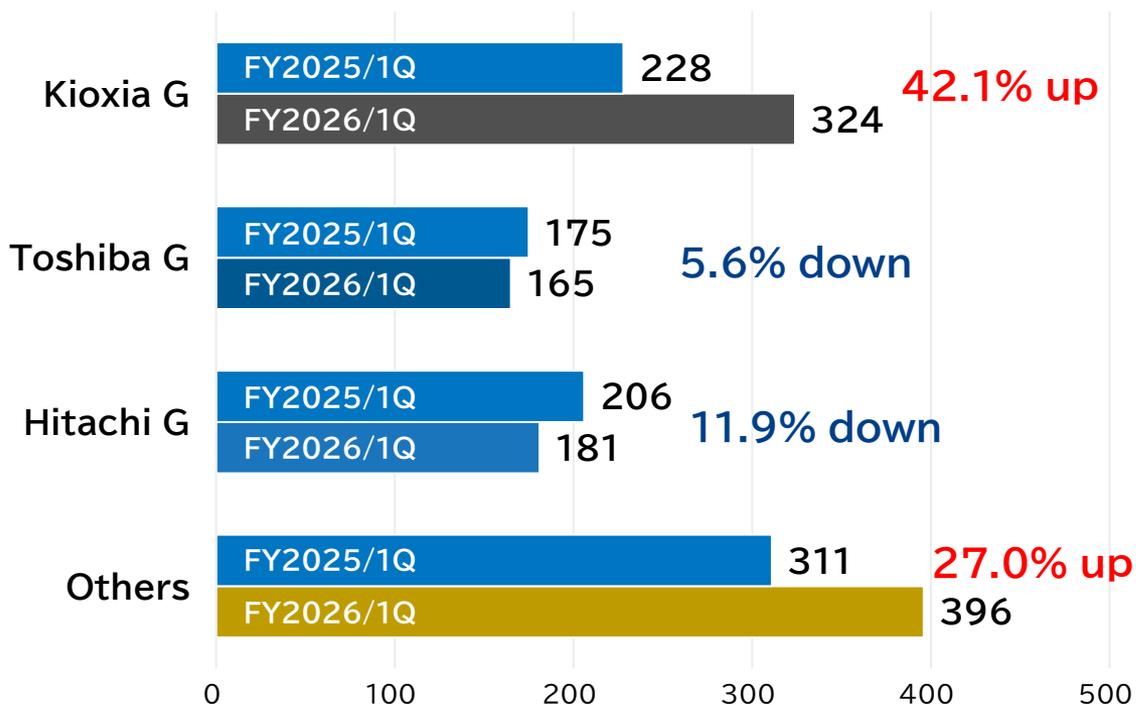


※1 Our business segment is a single segment. Only net sales are calculated by category.

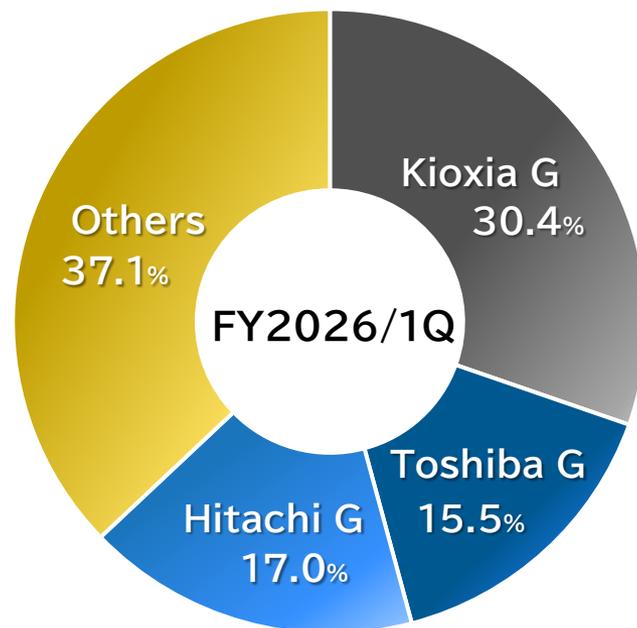
Net sales by Customer(FY2026/1Q)

Kioxia G is expanding significantly.
Shifting resources from **Toshiba G** and **Hitachi G**.
Other customers increased smoothly.

Net sales(by customer) (Million yen)



Sales ratio(by customer)



Quarterly Net sales and Operating profit(FY2026/1Q)

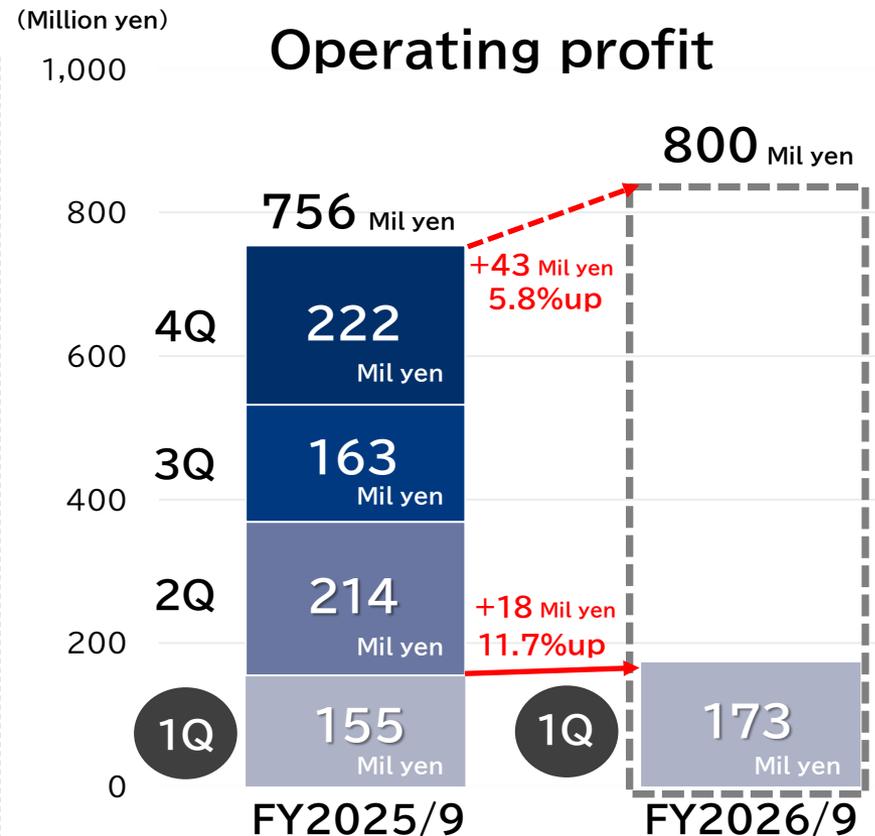
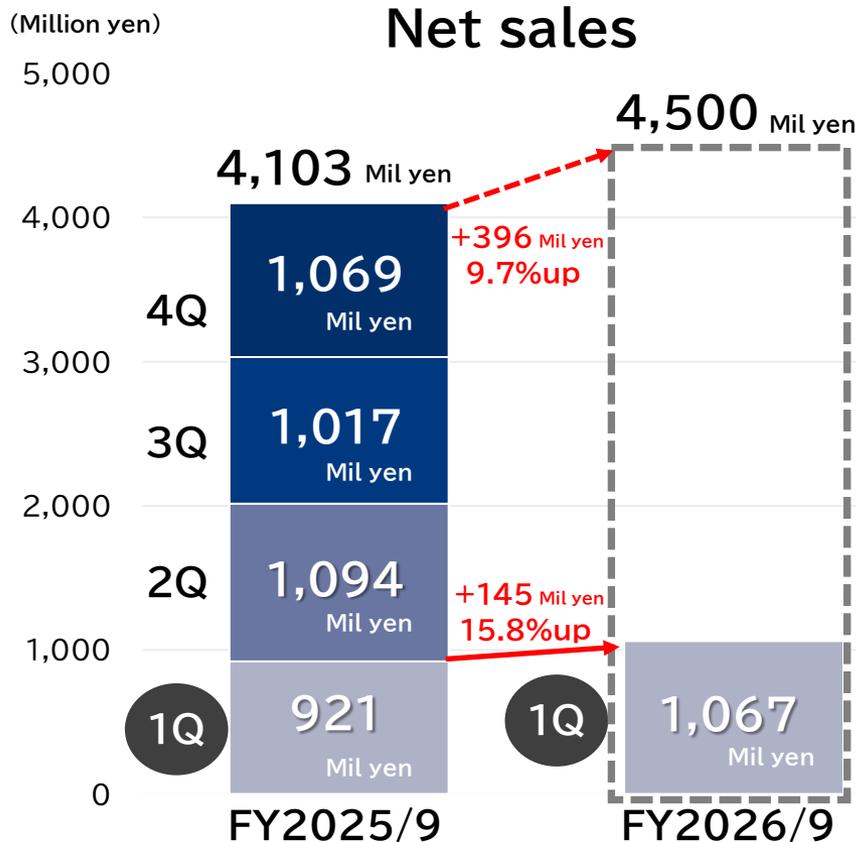
1Q cumulative Net sales

: 1,067 million yen

Increase: +145 million yen, 15.8% up(YoY)

1Q cumulative Operating profit : 173 million yen

Increase: +18 million yen, 11.7% up(YoY)



Business Environment - Trend of Major Customers

(Overall)Trend of Major Customers

Semiconductor industry is entering the 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 domestic political trends, 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.

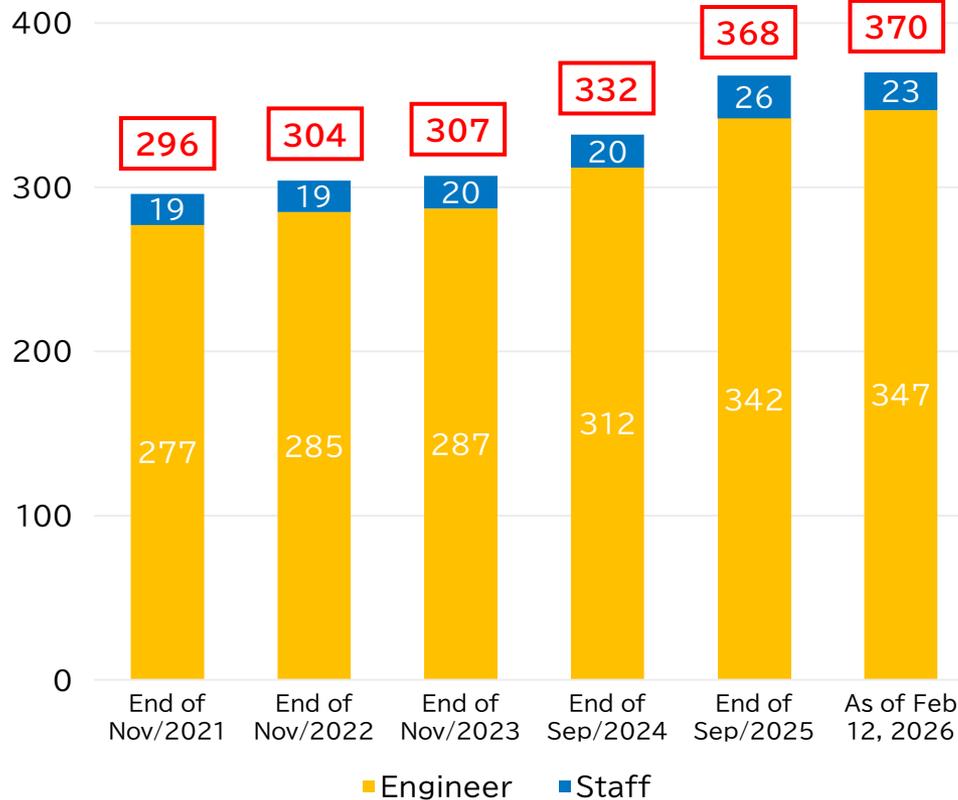
Status of Engineers

Promoting to achieve the FY2031 goal (700 engineers)

More than 20 engineers are expected to join us on April 1

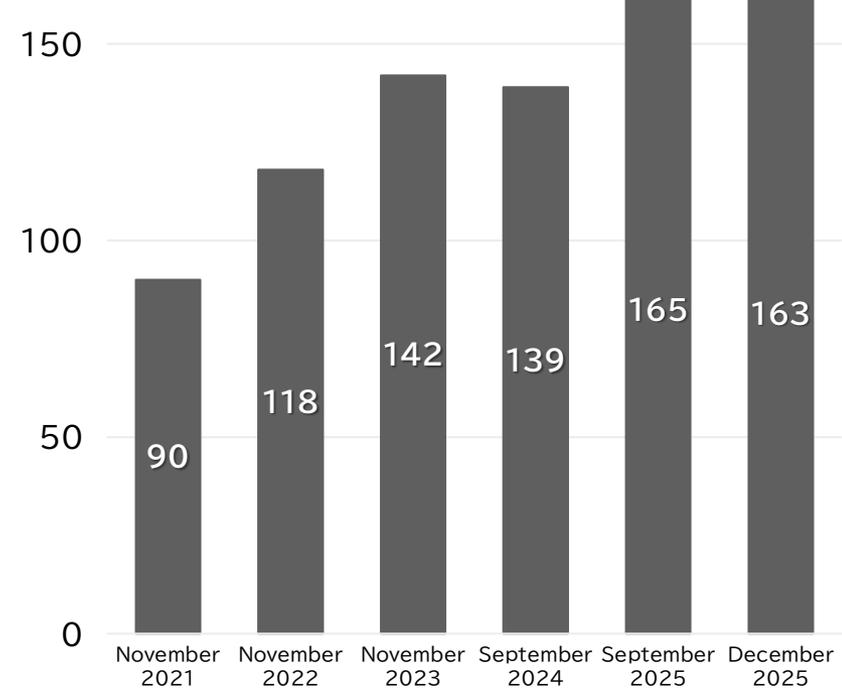
Change in number of employees(※1)

(Unit: Headcount)



Change in the number of BP(※2)orders

(Unit: Number of orders)



※1 Total of T&S group.

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

Consolidated Statement of Income (FY2026/1Q)

Consolidated Statement of Income(FY2026/1Q)

| Unit: Thousand yen | FY2025/1Q | FY2026/1Q | +/- amount | +/- % |
|------------------------------|--------------|--|------------|-------|
| Net sales | 921,640 |  1,067,521 | 145,880 | 15.8% |
| Cost of sales | 656,021 | 755,986 | 99,964 | 15.2% |
| Gross profit | 265,618 |  311,534 | 45,916 | 17.3% |
| SG&A expenses | 109,909 | 137,589 | 27,679 | 25.2% |
| Operating profit | 155,708 |  173,945 | 18,236 | 11.7% |
| <i>Operating Profit rate</i> | <i>16.9%</i> | <i>16.3%</i> | | |
| Ordinary profit | 155,959 |  173,643 | 17,683 | 11.3% |
| <i>Ordinary profit rate</i> | <i>16.9%</i> | <i>16.3%</i> | | |
| Quarterly profit | 102,195 |  116,322 | 14,127 | 13.8% |
| <i>Quarterly profit rate</i> | <i>11.1%</i> | <i>10.9%</i> | | |

Consolidated Balance Sheets(FY2026/1Q)

Consolidated Balance Sheets(FY2026/1Q)

| Unit: Thousand yen | FY2025/9 | FY2026/1Q | +/- amount |
|---|------------------|------------------|------------------|
| Current assets | 3,369,815 | 3,087,724 | (282,091) |
| Non-current assets | 293,142 | 330,996 | 37,854 |
| Total assets | 3,662,958 | 3,418,720 | (244,237) |
| Current liabilities | 683,592 | 452,338 | (231,253) |
| Non-current liabilities | 66,305 | 69,968 | 3,663 |
| Total liabilities | 749,898 | 522,307 | (227,590) |
| Total net assets | 2,913,059 | 2,896,413 | (16,646) |
| Total liabilities and net assets | 3,662,958 | 3,418,720 | (244,237) |

Topics

INT IV, Inc., our subsidiary, concluded Agreement on Academic Advice and Internship Agreement with Institute of Science Tokyo

○ Agreement on Academic Advice

Counterparty: National University Corporation Institute of Science Tokyo,
Kotaro Funakoshi (Associate Professor)

Purpose:

- Further level up of Generative AI and natural language processing technologies
- Accelerating research and development on applying Generative AI technologies to software development, and aiming for early realization of new business

○ Internship Agreement

Counterparty: National University Corporation Institute of Science Tokyo,
School of Engineering

Purpose:

- Strengthening the partnership with the Science Tokyo by collaborating on practical education in advanced technology fields such as Generative AI, natural language processing, and image recognition.

Earnings Forecast and Progress

FY2026/9 First Quarter

Earnings Forecast and Progress

(theme) Embarking on a journey of growth

| Unit: Million yen | FY2025/9 Full-year(Actual) | FY2026/9 Full-year(Forecast) | FY2026/9 1Q (Actual) | Progress rate (%) |
|-------------------|-------------------------------|---------------------------------|-------------------------|----------------------|
| Net sales | 4,103 | 4,500 | 1,067 | 23.7% |
| Operating profit | 756 | 800 | 173 | 21.7% |
| EBITDA | 770 | 816 | 178 | 21.8% |
| Ordinary profit | 753 | 801 | 173 | 21.7% |
| Net profit | 509 | 539 | 116 | 21.6% |

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 started respective measures and projects to realize long-term vision, and we will systematically advance the strengthening of our management structure and its contribution to business performance.

T&S System Development Business HQ

Business performance is progressing favorably thanks to the constant inquiries from main 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. We will strengthen structure by expanding engineer resources.

T&S IT Services Business HQ

Business performance proceeded as planned in the 1Q. We will enlarge contract capacity, and both achieve full year goal and improve profitability by promoting to secure work-ready engineers and concentrating the reinforced engineer resources on strategic large cases with large manufacturers. We are accelerating discontinuous growth in the second half of the year and maximizing corporate value.

INT IV

Generative and edge AI projects continuing from the previous period are progressing smoothly and new projects are expected to increase in 2Q onwards. We are securing engineering resources planned to hire and moving proactively to enlarge receiving orders and promote research and development.

TS System Solutions

Business is off to a good start in 1Q thanks to constant new orders and by deepening existing projects. We are expecting to achieve over 120% growth compared with the same period in the previous year, proceed with infrastructure construction by optimizing commercial flows and strengthening team structure, and promote business towards continuous growth in 2Q onwards with a policy of aligning company growth with employees.

ex-stage

While 1Q results were impacted by contract revisions with certain customers, additional orders from existing clients and the commencement of two new contracts are expected in 2Q. The addition of six engineers—which has already been confirmed—is expected to contribute to overall group revenue for the current fiscal year as we aim for growth in both sales and profits.

Shareholder Returns

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 (Consolidated) | Dividend on equity ratio(DOE) |
|------------------------|--------------------|---|----------------------------------|
| FY2025/9 | 10.00yen | 14.9% | 2.8% |
| FY2026/9 (Forecast) | 11.00yen | 15.2% | 2.7% |

Status of Treasury Stock Acquisition(As of Jan31, 2026)

| | |
|----------------------------------|---|
| Type of shares acquired | : Our ordinary shares |
| Acquisition period | : Nov13, 2025~Jan31, 2026 (On contract basis) |
| Method of stock acquisition | : Market purchases on Tokyo Stock Exchange |
| Total number of shares acquired | : 90,200 shares |
| Total acquisition cost of shares | : 125,303,800yen |

(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 may be acquired | 230,000shares (Upper limit) (Ratio to total shares outstanding (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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