



**Summary of Financial Results**  
**for the Fiscal Year 2021 (FY11/2021)**  
**[ Japan Standards ] (Non-Consolidated)**

January 13, 2022

Company name: T&S inc. Listing: Tokyo Stock Exchange  
 Securities code: 4055 URL: <https://www.tecsvc.co.jp/>  
 Representative: President and CEO Yoshihiro Takekawa  
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Scheduled date of the Ordinary General Meeting of Shareholders: February 25, 2022  
 Scheduled date of file of Annual Securities Report: February 28, 2022  
 Scheduled date of to commence dividend payments: February 28, 2022

Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (For institutional investors and analysts)

(Amounts less than one million yen are rounded down)

**1. Financial results of FY11/2021 (December 1, 2020 until November 30, 2021)**

## (1) Operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
FY11/2021	2,732	20.5	412	35.6	419	37.7	294	24.7
FY11/2020	2,266	△1.3	304	12.9	304	12.8	236	28.4

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Net sales operating income ratio
	Yen	Yen	%	%	%
FY11/2021	39.42	38.02	21.8	24.0	15.1
FY11/2020	35.95	32.92	28.3	26.2	13.4

(Notes)

- The Company conducted a 2-for-1 stock split on December 1, 2020, and a 1-for-2 stock split on December 1, 2021. Net income per share and diluted net income per share has been calculated on the assumption that conducted the stock split at the beginning of the FY11/2020.
- The company was listed on the Tokyo Stock Exchange Mothers Market on the 7th of August 2020. The average share price for the period from the date of an initial public offering to the end of the FY11/2020 is regarded as the average share price after the adjustment of diluted net income per share of FY11/2020.

## (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million Yen	Million Yen	%	Yen
FY11/2021	1,987	1,495	75.2%	195.87
FY11/2020	1,502	1,212	80.7%	169.06

(Reference) Shareholders' equity FY11/2021: 1,495 million yen FY11/2020: 1,212 million yen

(Notes)

The Company conducted a 2-for-1 stock split on December 1, 2020, and a 1-for-2 stock split on December 1, 2021. Net assets per share is calculated on the assumption that the stock split was conducted at the beginning of FY11/2020. Net assets per share is calculated based on the assumption that the stock split was conducted at the beginning of the fiscal year ended November 30, 2020.

## (3) Cash flow position

	Cash flow in operating activities	Cash flow in investment activities	Cash flow in financial activities	Cash and cash equivalents at end of period
	Million Yen	Million Yen	Million Yen	Million Yen
FY11/2021	272	△2	△11	1,275
FY11/2020	185	△9	517	1,016

## 2. Dividends

	Annual dividends per share					Total amount of dividends (Total)	Dividend payout ratio	Ratio of dividends to net assets
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY11/2020	—	0.00	—	13.50	13.50	24	9.4	2.8
FY11/2021	—	0.00	—	8.00	8.00	30	10.1	2.2
FY11/2022 (forecasts)	—	0.00	—	5.00	5.00		9.6	

(Notes)

The Company conducted a 2-for-1 stock split on December 1, 2020, and a 1-for-2 stock split on December 1, 2021. Dividends for the fiscal year ended November 30, 2021 and before are the actual dividends before the stock split.

## 3. Performance forecasts for FY11/2022 (December 1, 2021 until November 30, 2022)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Full year	3,100	13.4	550	33.2	557	32.9	391	32.7	51.82

(Note)

The Company conducted a 1-for-2 stock split on December 1, 2021.

Net income per share in the earnings forecast considers the effect of this stock split.

## \* Notes

## (1) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

- |   |    |
|---|----|
| 1. Changes in accounting policies due to revisions to accounting standards and other regulations: | No |
| 2. Changes in accounting policies due to other reasons (mentioned in 1.):                         | No |
| 3. Changes in accounting estimates:   | No |
| 4. Restatement of prior period financial statements:  | No |

## (2) Number of issued shares (common shares)

1. Total number of issued shares at the end of period (including treasury stock)	FY11/2021	7,633,200 Shares	FY11/2020	7,171,200 shares
2. Number of treasury stock at the end of the period	FY11/2021	— shares	FY11/2020	— shares
3. Average number of shares during the period	FY11/2021	7,472,220 shares	FY11/2020	6,571,209 shares

(Note)

The Company conducted a 2-for-1 stock split of common stock on December 1, 2020, and a 2-for-1 stock split of common stock on December 1, 2021. The number of shares issued and treasury stock at end of year, and the average number of shares outstanding during the fiscal year have been calculated on the assumption that the stock split was conducted at the beginning of the FY11/2020.

\* Summary of financial results is not covered by audit by a certified public accountant or an auditing firm.

\* Explanation regarding appropriate use of performance forecasts and other special notes

(Notes on descriptions about the future)

Descriptions about the future such as performance forecasts contained in this document are based on information currently available to the Company and certain presumptions considered as reasonable, and those are not intended to indicate the Company should assure that it would realize such forecast. Meanwhile, actual performance in the future may differ substantially, influenced by a wide variety of

factors. For preconditions for performance forecasts and precaution statements in using such forecasts, please see the appendix, page 3, “1. Qualitative Information regarding the Financial Results: (4) Descriptions regarding prospects such as performance forecasts”.

(How to obtain supplementary references regarding financial results)

Supplementary material on financial results is concurrently disclosed on TDnet.

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## 1. Qualitative Information regarding the Financial Results

### (1) Descriptions regarding operating results

During the fiscal year under review, the Japanese economy continued to face a severe condition due to the nationwide spread of the new coronavirus infection, which led to the declaration of a state of emergency and the expansion of areas subject to priority measures to prevent the spread of the disease. In addition to the effects of various policies and the improvements of overseas economies, there were expectations that socioeconomic activities would normalize as vaccinations began to progress in earnest. However, due to the emergence of new mutant strains, the timing of the convergence of the new coronavirus infection is unclear and the situation remains uncertain. Under these circumstances, the importance of IT and the trend of digitalization of business are expanding in corporate activities, such as telecommuting, use of online meetings, use of cloud services, and promotion of DX (Digital Transformation). The Company's business is a single segment of system development and related services but is divided into three categories: solutions, semiconductors, and advanced technology solutions. In the economic environment described above, orders increased in all categories, and we increased sales and profits over the previous fiscal year.

Net sales by category are as follows.

#### **Solution Category**

For the current fiscal year, net sales in the Solution category were 2,101,431 thousand yen (up 16.3% year-on-year). Orders for contract development projects from our major customers continued to be strong. In particular, a large order from a semiconductor manufacturer, one of our major customers, for developing an in-plant system contributed to this growth. In addition, the effect of the Totsuka Office, which was opened in October 2020, contributed to a significant increase in sales.

#### **Semiconductor Category**

Sales in the semiconductor category were 464,229 thousand yen (up 30.5% from the same period of the previous year). In addition, the number of temporary engineers dispatched to provide maintenance and operation services at semiconductor plants remained strong, as the number of orders from major customers continued to grow against the backdrop of a strong semiconductor market, and requests for further increases in the number of workers resulted in sales growth exceeding 30%.

#### **Advanced Technology Solution Category**

Net sales in this category were 167,109 thousand yen (up 60.7% year-on-year). Orders for AI-related R&D support services, support for research papers, and other services continued to grow steadily and orders from new clients. In particular, the expansion of business with NEC Corporation, which began in the previous fiscal year, and the development of new clients resulted in a significant increase in sales, with the growth rate exceeding 60%.

As a result of the above, net sales for the current fiscal year were 2,732,771 thousand yen (up 20.5% year-on-year). Operating income was 412,952 thousand yen (up 35.6% YoY), ordinary income was 419,328 thousand yen (up 37.7% YoY), and net income was 294,567 thousand yen (up 24.7% YoY), as the hiring of engineers progressed as planned and we absorbed the performance-linked bonuses for employees.

### (2) Descriptions regarding financial position

#### (Assets)

Current assets at the end of the current fiscal year totaled 1,869,946 thousand yen, an increase of 462,449 thousand yen over the end of the previous fiscal year. Mainly due to an increase of 258,439 thousand yen in cash and deposits resulting from the posting of net income and increases of 103,578 thousand yen in accounts receivable-trade and 77,160 thousand yen in accounts receivable-other resulting from sales growth. Fixed assets totaled 117,500 thousand yen, an increase of 22,075 thousand yen from the end of the previous fiscal year. An increase in the deferred tax assets was mainly due to allowance for bonuses increase of 25,162 thousand yen.

As a result, total assets amounted to 1,987,447 thousand yen, an increase of 484,524 thousand yen compared to the end of the previous fiscal year.

#### (Liabilities)

Current liabilities at the end of the current fiscal year totaled 440,851 thousand yen, an increase of 197,246 thousand yen compared to the end of the previous fiscal year.

Mainly due to increases of 87,807 thousand yen in income taxes payable, 60,686 thousand yen in provision for bonuses, and 41,000 thousand yen in accounts payable. Noncurrent liabilities totaled 51,513 thousand yen, an increase of 4,547 thousand yen compared to the end of the previous fiscal year. This was due to an increase of 4,547 thousand yen in reserve for retirement benefits.

As a result, total liabilities amounted to 492,364 thousand yen, an increase of 201,793 thousand yen compared to the end of the previous fiscal year.

#### (Net Assets)

Total net assets at the end of the current fiscal year were 1,495,082 thousand yen, an increase of 282,731 thousand yen compared to the end of the previous fiscal year. This was mainly due to an increase of 270,364 thousand yen in retained

earnings resulting from the recorded net income.

### (3) Summary of cash flow for the current fiscal year

Cash and cash equivalents (hereinafter referred to as "cash") by 258,439 thousand yen from the previous fiscal year to 1,275,367 thousand yen at the end of the current fiscal year, due to an increase of 419,328 thousand yen in income before income taxes and minority interests, an increase of 60,686 thousand yen in the provision for bonuses, and an increase of 41,000 thousand yen in accounts payable, partially offset by an increase in notes and accounts receivable-trade and income taxes paid.

The status of each cash flow and its factors in the current fiscal year are as follows.

#### (Cash flows from operating activities)

Net cash provided by operating activities amounted to 272,498 thousand yen (up 46.7% year-on-year).

This was mainly due to income before income taxes of 419,328 thousand yen, an increase of 60,686 thousand yen in the provision for bonuses, and an increase of 41,000 thousand yen in notes and accounts payable-trade, despite an increase of 103,578 thousand yen in notes and accounts receivable-trade, an increase of 82,813 thousand yen in other current assets, and income taxes paid of 57,758 thousand yen.

#### (Cash flows from investing activities)

Cash used in investing activities amounted to 2,098 thousand yen (down 78.5% year-on-year). This was due to expenditures of 1,062 thousand yen for the acquisition of intangible fixed assets and 1,036 thousand yen for the acquisition of tangible fixed assets.

#### (Cash flows from financing activities)

Cash used in financing activities was 11,961 thousand yen (compared to 517,749 thousand yen provided in the previous year). This was due to dividend payments of 24,147 thousand yen, despite proceeds from stock issuance of 12,186 thousand yen.

### (4) Descriptions regarding prospects such as performance forecasts

In FY11/2022, we expect stable business expansion in all categories of Solution, Semiconductor, and Advanced Technology Solution, and we forecast an increase in revenue.

In the Solution category, system development projects from the three major corporate groups (Toshiba Group, Hitachi Group, and Kioxia Group), the Company's primary customers, are expected to remain strong. In the Semiconductor category, the supply of engineering personnel is expected to expand as customers continue to make plans to expand their plants against the backdrop of a strong semiconductor market. In the Advanced Technology Solution category, we expect to see continued expansion in AI-related business, including work with NEC Corporation on deep learning technology and treatise survey and the start of business with new clients.

In FY11/2022, we forecast net sales of 3,100 million yen (up 13.4% year-on-year), operating income of 550 million yen (up 33.2% year-on-year), ordinary income of 557 million yen (up 32.9% year-on-year), and net income of 391 million yen (up 32.7% year-on-year).

Although the severe situation caused by the pandemic (Covid-19), it is gradually easing. However, the re-emergence of the infection may lead to restrictions on face-to-face sales activities, delays in the start of projects, and loss of opportunities to acquire new projects, which may impact the economy and our business performance. We will continue to monitor the situation closely as we conduct our business. The above forecasts are based on information available as of the date of announcement of this document, and actual results may differ from the estimates due to various factors in the future.

## 2. Basic policy on the selection of Accounting Standards

As the Company does not prepare consolidated financial statements, financial statements are prepared in accordance with Japanese GAAP, taking into consideration the burden of establishing a system to prepare financial statements in accordance with International Financial Reporting Standards.

**3. Financial Statements and Principal Notes.****(1) Balance sheet**

(unit: thousand yen)

	Previous fiscal year (November 30, 2020)	Current fiscal year (November 30, 2021)
Assets		
Current assets		
Cash and deposits	1,016,928	1,275,367
Notes and accounts receivable - trade	250,442	354,021
Work in progress	6,147	24,264
Prepaid expenses	12,596	19,010
Accounts receivable - other	121,206	198,366
Other	1,076	315
Allowance for doubtful accounts	△900	△1,400
Total current assets	1,407,497	1,869,946
Fixed assets		
Tangible fixed assets		
Buildings	30,399	30,399
Accumulated depreciation	△10,841	△12,878
Buildings (net)	19,558	17,521
Tools, furniture and fixtures	7,332	8,368
Accumulated depreciation	△ 3,348	△4,703
Tools, furniture and fixtures (net)	3,983	3,664
Total tangible fixed assets	23,542	21,186
Intangible fixed assets		
Software	1,178	1,692
Total intangible fixed assets	1,178	1,692
Investments and other assets		
Investment securities	400	400
Investments in capital	20	20
Deferred tax assets	33,898	59,061
Guarantee deposits	36,386	35,140
Total investments and other assets	70,704	94,621
Total fixed assets	95,425	117,500
Total assets	1,502,923	1,987,447

(unit: thousand yen)

	Previous fiscal year (November 30, 2020)	Current fiscal year (November 30, 2021)
Liabilities		
Current liabilities		
Accounts payable	64,473	105,474
Accrued payable	8,572	12,082
Accrued expenses	56,581	63,787
Accrued income taxes, etc.	42,326	130,134
Accrued consumption tax, etc.	57,589	54,629
Deposits received	8,237	8,177
Accrued bonuses	5,822	66,509
Other	-	55
Total current liabilities	243,604	440,851
Fixed liabilities		
Allowance for retirement benefits	38,895	43,422
Long-term guarantee deposits received	8,071	8,071
Total fixed liabilities	46,966	51,513
Total liabilities	290,571	492,364
Total net assets		
Shareholders' equity		
Capital stock	334,600	340,783
Capital surplus		
Capital reserve	260,479	266,662
Other capital surplus	25,450	25,450
Total capital surplus	285,929	292,112
Retained earnings		
Legal reserve	150	150
Other retained earnings		
Retained earnings brought forward	591,671	862,036
Total retained earnings	591,821	862,186
Total shareholders' equity	1,212,351	1,495,082
Total net assets	1,212,351	1,459,082
Total liabilities and net assets	1,502,923	1,987,447

## (2) Statements of income

(unit: thousand yen)

	Previous fiscal Year (From December 1, 2019 to November 30, 2020)	Current fiscal year (From December 1, 2020 to November 30, 2021)
Net sales	2,266,994	2,732,771
Cost of sales	1,590,086	1,947,231
Gross profit	676,907	785,539
Selling, general and administrative expenses	372,289	372,587
Operating income	304,618	412,952
Non-operating income		
Grant income	-	1,000
Subsidy income	3,000	5,550
Other	24	5
Total non-operating income	3,024	6,555
Non-operating expenses		
Stock issuance costs	3,210	180
Other	0	0
Total non-operating expenses	3,210	180
Ordinary income	304,432	419,328
Net income before taxes	304,432	419,328
Corporate, inhabitant and enterprise taxes	68,647	149,923
Income taxes-deferred	△473	△25,162
Total income taxes	68,174	124,760
Net income	236,257	294,567

## (3) Statement of changes in net assets

Previous fiscal year (from December 1, 2019 to November 30, 2020)

(unit: thousand yen)

	Shareholders' equity							Total shareholders' equity
	Capital stock	Capital surplus			Legal reserve	Retained earnings		
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings	Total retained earnings	
					Retained earnings brought forward			
Balance at beginning of current period	74,120	-	25,450	25,540	150	355,413	355,563	455,133
Changes of items during period								
Issuance of new shares	260,425	260,425		260,425				520,850
Issuance of share acquisition rights								
Exercise of share acquisition rights	54	54		54				108
Net income						236,257	236,257	236,257
Total changes of items during period	260,479	260,479	-	260,479	-	236,257	236,257	757,217
Balance at end of current period	334,600	260,479	25,450	285,929	150	591,671	591,821	1,212,351

(unit: thousand yen)

	Share acquisition rights	Total net assets
Balance at beginning of current period	-	455,133
Changes of items during period		
Issuance of new shares		520,850
Issuance of share acquisition rights	108	108
Exercise of share acquisition rights	△108	-
Net income		236,257
Total changes of items during period	-	757,217
Balance at end of current period	-	1,212,351

Current fiscal year (from December 1, 2020 to November 30, 2021)

(unit: thousand yen)

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

(unit: thousand yen)

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

## (4) Statements on cash flow

(unit: thousand yen)

	Previous fiscal year (From December 1, 2019 to November 30, 2020)	Current fiscal year (From December 1, 2020 to November 30, 2021)
Cash flow for operating activities		
Net income before taxes	304,432	419,328
Depreciation	3,104	3,939
Amortization of guarantee deposits	1,052	1,246
Increase (△ decrease) in provision for bonuses	△39,287	60,686
Increase (△ decrease) in provision for retirement benefits	3,472	4,547
Increase (△ decrease) in allowance for doubtful accounts	△100	500
Interest and dividend income	△1	△5
Grant income	-	△1,000
Subsidy income	△3,000	△5,550
Stock issuance expenses	3,210	180
Decrease (△ increase) in notes and accounts receivable-trade	△14,998	△103,578
Decrease (△ increase) in inventories	1,698	△18,117
Decrease (△ increase) in other current assets	27,211	△82,813
Increase (△ decrease) in notes and accounts payable-trade	2,649	41,000
Increase (△ decrease) in accrued expenses	3,410	7,206
Increase (△ decrease) in other current liabilities	△8	△3,867
Other	95	-
Subtotal	292,940	323,701
Interest and dividends received	1	5
Grants received	-	1,000
Subsidies received	3,000	5,550
Income taxes paid	△110,186	△57,758
Cash flow for operating activities	185,756	272,498
Cash flow for investing activities		
Payment for purchase of tangible fixed assets	△6,243	△1,036
Payments for purchase of intangible fixed assets	△470	△1,062
Payments for lease and guarantee deposits	△3,040	-
Cash flow for investing activities	△9,754	△2,098
Cash flow for financing activities		
Proceeds from issuance of stock	517,640	12,186
Cash dividends paid	-	△24,147
Proceeds from issuance of stock acquisition rights	108	-
Cash flow for financing activities	517,749	△11,961
Increase (△ decrease) in cash and cash equivalents	693,751	258,439
Cash and cash equivalents at beginning of period	323,177	1,016,928
Cash and cash equivalents at end of year	1,016,928	1,275,367

## (5) Notes to Financial Statements

(Notes regarding the assumption for going concern)

Not applicable.

(Equity method profit / loss, etc.)

Not applicable as the Company does not have any affiliated companies.

(Segment information, etc.)

**【Segment Information】**

As the Company's business is a single segment of system development and related services, this information has been omitted.

**【Relevant Information】**

Previous fiscal year (from December 1, 2019 to November 30, 2020)

## 1. Information on product and service

(unit: thousand yen)

	Solution	Semiconductor	Advanced Technology Solution	Total
Sales to external customers	1,807,166	355,858	103,969	2,266,994

## 2. Information by Region

## (1) Net Sales

This information is omitted because sales to external customers in Japan account for more than 90% of net sales in the statement of income.

## (2) Tangible fixed assets

Information about property, plant and equipment has been omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount on the balance sheet.

## 3. Information by major customers

(unit: thousand yen)

Company name	Net Sales
Kioxia co., ltd	328,418

(Note) The Company operates in a single segment of system development and related services, the names of related segments are omitted.

Current fiscal year (from December 1, 2020 to November 30, 2021)

## 1. Information on product and service

(unit: thousand yen)

	Solution	Semiconductor	Advanced Technology Solution	Total
Sales to external customers	2,101,431	464,229	167,109	2,732,771

## 2. Information by Region

## (1) Net Sales

This information is omitted because sales to external customers in Japan account for more than 90% of net sales in the statement of income.

## (2) Tangible fixed assets

Information about property, plant and equipment has been omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount on the balance sheet.

## (3) Information by major customers

(unit: thousand yen)

Company name	Net Sales
Kioxia co., ltd	496,252

(Note) The Company operates in a single segment of system development and related services, the names of related segments are omitted.

## 【 Information on Impairment Losses on Fixed Assets by Reporting Segment 】

Not applicable.

## 【 Information on amortization and unamortized balance of goodwill by reportable segment 】

Not applicable.

## 【 Information on gain on negative goodwill by reportable segment 】

Not applicable.

(Information per share)

	Previous fiscal year (December 1, 2019 to November 30, 2020)	Current fiscal year (December 1, 2020 to November 30, 2021)
Net assets per share	169.06 yen	195.87 yen
Net income per share	35.95 yen	39.42 yen
Diluted net income per share	32.92 yen	38.02 yen

(Note)

- The Company conducted a 2-for-1 stock split of common stock on December 1, 2020, and a 2-for-1 stock split of common stock on December 1, 2021. Net assets per share, net income per share, and diluted net income per share are calculated on the assumption that the said stock split was conducted at the beginning of the previous fiscal year.
- Diluted net income per share for the previous fiscal year is calculated based on the average share price during the period from the initial listing date to the end of the previous fiscal year, as the Company was listed on the Tokyo Stock Exchange Mothers market on August 7, 2020.
- The calculation of net income per share and diluted net income per share is as follows.

	Previous fiscal year (December 1, 2019 to November 30, 2020)	Current fiscal year (December 1, 2020 to November 30, 2021)
Net income per share		
Net income (thousand yen)	236,257	294,567
Amount not attributable to common shareholders (thousand yen)	-	-
Net income related to common stock (thousand yen)	236,257	294,567
Average number of shares of common stock during the period (shares)	6,571,209	7,472,220
Net income per share (diluted)		
Adjustment of net income (thousand yen)	-	-
Number of shares of common stock increased (shares)	605,115	276,019
(of which stock acquisition rights (shares))	605,115	276,019
Diluted net income per share is not shown in the calculation of diluted net income per share because there is no dilutive effect.	-	-

(Significant subsequent events)

(Stock split)

Based on a resolution by the Board of Directors on October 25, 2021, the Company conducted a stock split on December 1, 2021.

## 1. Purpose of the stock split

The purpose of the stock split is to improve the liquidity of the Company's shares and further expand the investor base by lowering the amount per investment unit of the Company's shares and creating an environment in which investors can invest more efficiently.

## 2. Overview of the stock split

## (1) Method of the split

As of November 30th, 2021, as the reference date, the common stock held by shareholders registered or recorded in the latest shareholder registry will be split at a ratio of 1:2.

## (2) Number of shares to be increased by the split

① Total number of shares issued before the stock split	3,816,600 shares
② Number of shares to be increased by this stock split	3,816,600 shares
③ Number of shares issued after the stock split	7,633,200 shares
④ Total number of shares authorized to be issued after the stock split	12,000,000 shares

## (3) Dates

Public notice date	November 15, 2021
Record date	November 30, 2021
Effective date	December 1, 2021

## (4) Effect on per share information

The effect on per share information is stated in the relevant sections.

## (5) Adjustment of the exercise price of stock acquisition rights

In accordance with this stock split, the exercise price per share for stock acquisition rights exercised on or after December 1, 2021 will be adjusted as follows.

	Date of resolution by the Board of Directors	Exercise price before adjustment	Adjusted exercise price
First stock acquisition rights	April 16, 2018	41yen	21yen
Second stock acquisition rights	May 17, 2019	88yen	44yen
Third stock acquisition rights	May 17, 2019	88yen	44yen
Fifth stock acquisition rights	April 23, 2020	234yen	117yen
Sixth stock acquisition rights	April 23, 2020	234yen	117yen

## (6) Change in the amount of capital

There will be no increase in the amount of capital upon this stock split.

## 3. Others

The date of effectiveness of this stock split is December 1, 2021. The Dividend record date is November 30, 2021, the Year-end dividend for the FY11/2021 will be based on the shares before the stock split.

## (Acquisition of treasury stock)

At a meeting of the Board of Directors held on December 14, 2021, the Company passed a resolution to acquire treasury stock in accordance with the provisions of Article 156 of the Companies Act as applied pursuant to Article 165, Paragraph 3 of the same act, as described below.

## 1. Reason for acquisition of treasury stock

The Company intends to repurchase its shares to implement a flexible capital policy that flexibly responds to changes in the business environment and improves shareholder returns and capital efficiency.

## 2. Details of matters pertaining to the acquisition

(1) Type of shares to be acquired	Common shares
(2) Total number of shares to be repurchased	170,000 shares (maximum) (Ratio to the total number of shares issued (Excluding treasury stock): 2.23%)
(3) Total amount of shares to be acquired	250 million yen (upper limit)
(4) Acquisition period	January 14, 2022 - July 13, 2022