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October 11, 2024

## Consolidated Financial Results for the Fiscal Year Ended August 31, 2024 (Under Japanese GAAP)

Company name: TeamSpirit Inc.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4397  
 URL: <https://corp.teamspirit.com/ja-jp/>  
 Representative: Kazuyoshi Michishita, CEO  
 Inquiries: Hidetoshi Torami, COO  
 Telephone: +81-3-4577-7510  
 Scheduled date of annual general meeting of shareholders: November 29, 2024  
 Scheduled date to commence dividend payments: -  
 Scheduled date to file annual securities report: December 2, 2024  
 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, 2024 (from September 1, 2023 to August 31, 2024)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

|                   | Net sales       |      | Operating profit |   | Ordinary profit |   | Profit attributable to owners of parent |   |
|-------------------|-----------------|------|------------------|---|-----------------|---|-----------------------------------------|---|
| Fiscal year ended | Millions of yen | %    | Millions of yen  | % | Millions of yen | % | Millions of yen                         | % |
| August 31, 2024   | 4,421           | 16.1 | -87              | - | -89             | - | -180                                    | - |
| August 31, 2023   | 3,809           | 16.8 | -219             | - | -226            | - | -189                                    | - |

Note: Comprehensive income For the fiscal year ended August 31, 2024: ¥-178 million [-%]  
 For the fiscal year ended August 31, 2023: ¥-182 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, 2024   | -10.96                   | -                          | -13.7            | -2.5                                     | -2.0                                   |
| August 31, 2023   | -11.57                   | -                          | -12.9            | -6.6                                     | -5.8                                   |

Reference: Share of profit (loss) of entities accounted for using equity method  
 For the fiscal year ended August 31, 2024: ¥- million  
 For the fiscal year ended August 31, 2023: ¥- million

#### (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, 2024 | 3,692           | 1,229           | 33.3                  | 74.74                |
| August 31, 2023 | 3,516           | 1,392           | 39.6                  | 84.86                |

Reference: Equity  
 As of August 31, 2024: ¥1,229 million  
 As of August 31, 2023: ¥1,392 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, 2024   | 68                                   | 107                                  | -0                                   | 2,543                                      |
| August 31, 2023   | -6                                   | -49                                  | -0                                   | 2,364                                      |

**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, 2023             | -                          | 0.00               | -                 | 0.00            | 0.00  | -                            | -                           | -                                               |
| Fiscal year ended August 31, 2024             | -                          | 0.00               | -                 | 0.00            | 0.00  | -                            | -                           | -                                               |
| Fiscal year ending August 31, 2025 (Forecast) | -                          | 0.00               | -                 | 0.00            | 0.00  |                              | -                           |                                                 |

**3. Consolidated earnings forecasts for the fiscal year ending August 31, 2025 (from September 1, 2024 to August 31, 2025)**

(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, 2025 | 5,000           | 13.1 | 150              | - | 150             | - | 105                                     | - | 6.39                     |

**\* Notes**

(1) Significant changes in scope of consolidation during the fiscal year: 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, 2024 | 16,451,600 shares |
| As of August 31, 2023 | 16,408,100 shares |

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

|                       |              |
|-----------------------|--------------|
| As of August 31, 2024 | 8,915 shares |
| As of August 31, 2023 | 4,615 shares |

(iii) Average number of shares outstanding during the period

|                                   |                   |
|-----------------------------------|-------------------|
| Fiscal year ended August 31, 2024 | 16,426,135 shares |
| Fiscal year ended August 31, 2023 | 16,352,293 shares |

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

|                   | Net sales       |      | Operating profit |   | Ordinary profit |   | Profit          |   |
|-------------------|-----------------|------|------------------|---|-----------------|---|-----------------|---|
| Fiscal year ended | Millions of yen | %    | Millions of yen  | % | Millions of yen | % | Millions of yen | % |
| August 31, 2024   | 4,421           | 16.1 | -118             | - | -141            | - | -126            | - |
| August 31, 2023   | 3,809           | 16.8 | -250             | - | -245            | - | -203            | - |

|                   | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| Fiscal year ended | Yen                      | Yen                        |
| August 31, 2024   | -7.69                    | -                          |
| August 31, 2023   | -12.45                   | -                          |

**(2) Non-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, 2024 | 3,510           | 1,206           | 34.4                  | 73.35                |
| August 31, 2023 | 3,400           | 1,317           | 38.7                  | 80.31                |

Reference: Equity

As of August 31, 2024: ¥1,206 million  
As of August 31, 2023: ¥1,317 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

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1. Consolidated financial statements and primary notes

(1) Consolidated balance sheet

(Thousands of yen)

|                                                  | As of August 31, 2023 | As of August 31, 2024 |
|--------------------------------------------------|-----------------------|-----------------------|
| <b>Assets</b>                                    |                       |                       |
| Current assets                                   |                       |                       |
| Cash and deposits                                | 2,364,904             | 2,543,387             |
| Accounts receivable - trade, and contract assets | 42,656                | 46,698                |
| Advance payments to suppliers                    | 325,985               | 359,734               |
| Other                                            | 142,526               | 174,666               |
| Allowance for doubtful accounts                  | -801                  | -972                  |
| Total current assets                             | 2,875,270             | 3,123,514             |
| Non-current assets                               |                       |                       |
| Property, plant and equipment                    |                       |                       |
| Facilities attached to buildings                 | 67,835                | 2,638                 |
| Accumulated depreciation                         | -67,835               | -274                  |
| Facilities attached to buildings, net            | —                     | 2,363                 |
| Other                                            | 33,232                | 16,973                |
| Accumulated depreciation                         | -29,937               | -7,972                |
| Other, net                                       | 3,295                 | 9,001                 |
| Construction in progress                         | 9,344                 | —                     |
| Total property, plant and equipment              | 12,639                | 11,364                |
| Investments and other assets                     |                       |                       |
| Deferred tax assets                              | 462,092               | 502,627               |
| Other                                            | 166,735               | 55,465                |
| Total investments and other assets               | 628,827               | 558,093               |
| Total non-current assets                         | 641,467               | 569,458               |
| Total assets                                     | 3,516,737             | 3,692,973             |
| <b>Liabilities</b>                               |                       |                       |
| Current liabilities                              |                       |                       |
| Accounts payable - trade                         | 5,890                 | 9,075                 |
| Income taxes payable                             | 25,949                | 18,803                |
| Deferred revenue                                 | 1,568,939             | 1,764,085             |
| Provision for bonuses                            | 57,066                | 64,170                |
| Provision for business restructuring             | —                     | 111,525               |
| Other                                            | 466,849               | 496,273               |
| Total current liabilities                        | 2,124,695             | 2,463,933             |
| Total liabilities                                | 2,124,695             | 2,463,933             |
| <b>Net assets</b>                                |                       |                       |
| Shareholders' equity                             |                       |                       |
| Share capital                                    | 833,320               | 840,824               |
| Capital surplus                                  | 823,320               | 830,824               |
| Retained earnings                                | -281,113              | -461,214              |
| Treasury shares                                  | -509                  | -509                  |
| Total shareholders' equity                       | 1,375,018             | 1,209,925             |
| Accumulated other comprehensive income           |                       |                       |
| Foreign currency translation adjustment          | 17,022                | 19,113                |
| Total accumulated other comprehensive income     | 17,022                | 19,113                |
| Total net assets                                 | 1,392,041             | 1,229,039             |
| Total liabilities and net assets                 | 3,516,737             | 3,692,973             |

(2) Consolidated statements of income and comprehensive income

Consolidated statement of income

(Thousands of yen)

|                                              | Fiscal year ended<br>August 31, 2023 | Fiscal year ended<br>August 31, 2024 |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Net sales                                    | 3,809,551                            | 4,421,949                            |
| Cost of sales                                | 2,442,710                            | 2,768,673                            |
| Gross profit                                 | 1,366,841                            | 1,653,275                            |
| Selling, general and administrative expenses | 1,586,654                            | 1,740,608                            |
| Operating loss                               | -219,813                             | -87,332                              |
| Non-operating income                         |                                      |                                      |
| Subsidy income                               | 547                                  | 694                                  |
| Other                                        | 133                                  | 1,855                                |
| Total non-operating income                   | 680                                  | 2,550                                |
| Non-operating expenses                       |                                      |                                      |
| Foreign exchange losses                      | 6,714                                | 3,652                                |
| Share issuance costs                         | 790                                  | 628                                  |
| Other                                        | 61                                   | 65                                   |
| Total non-operating expenses                 | 7,566                                | 4,346                                |
| Ordinary loss                                | -226,699                             | -89,128                              |
| Extraordinary losses                         |                                      |                                      |
| Loss on valuation of investment securities   | 49,999                               | —                                    |
| Head office relocation expenses              | 19,252                               | —                                    |
| Restructuring expenses                       | —                                    | 112,597                              |
| Total extraordinary losses                   | 69,252                               | 112,597                              |
| Loss before income taxes                     | -295,951                             | -201,726                             |
| Income taxes - current                       | 37,064                               | 18,909                               |
| Income taxes - deferred                      | -143,825                             | -40,535                              |
| Total income taxes                           | -106,760                             | -21,626                              |
| Loss                                         | -189,190                             | -180,100                             |
| Loss attributable to owners of parent        | -189,190                             | -180,100                             |

Consolidated statement of comprehensive income

(Thousands of yen)

|                                                          | Fiscal year ended<br>August 31, 2023 | Fiscal year ended<br>August 31, 2024 |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
| Loss                                                     | -189,190                             | -180,100                             |
| Other comprehensive income                               |                                      |                                      |
| Foreign currency translation adjustment                  | 6,635                                | 2,090                                |
| Total other comprehensive income                         | 6,635                                | 2,090                                |
| Comprehensive income                                     | -182,555                             | -178,009                             |
| Comprehensive income attributable to                     |                                      |                                      |
| Comprehensive income attributable to owners<br>of parent | -182,555                             | -178,009                             |

(3) Consolidated statement of changes in equity  
Fiscal year ended August 31, 2023

(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                       | 813,375              | 803,375         | -91,922           | -509            | 1,524,319                  | 10,387                                  | 10,387                                       | 1,534,706        |
| Changes during period                                |                      |                 |                   |                 |                            |                                         |                                              |                  |
| Issuance of new shares                               | 19,945               | 19,945          |                   |                 | 39,890                     |                                         |                                              | 39,890           |
| Profit (loss) attributable to owners of parent       |                      |                 | -189,190          |                 | -189,190                   |                                         |                                              | -189,190         |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            | 6,635                                   | 6,635                                        | 6,635            |
| Total changes during period                          | 19,945               | 19,945          | -189,190          | —               | -149,300                   | 6,635                                   | 6,635                                        | -142,664         |
| Balance at end of period                             | 833,320              | 823,320         | -281,113          | -509            | 1,375,018                  | 17,022                                  | 17,022                                       | 1,392,041        |

Fiscal year ended August 31, 2024

(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                       | 833,320              | 823,320         | -281,113          | -509            | 1,375,018                  | 17,022                                  | 17,022                                       | 1,392,041        |
| Changes during period                                |                      |                 |                   |                 |                            |                                         |                                              |                  |
| Issuance of new shares                               | 7,503                | 7,503           |                   |                 | 15,007                     |                                         |                                              | 15,007           |
| Profit (loss) attributable to owners of parent       |                      |                 | -180,100          |                 | -180,100                   |                                         |                                              | -180,100         |
| Net changes in items other than shareholders' equity |                      |                 |                   |                 |                            | 2,090                                   | 2,090                                        | 2,090            |
| Total changes during period                          | 7,503                | 7,503           | -180,100          | —               | -165,093                   | 2,090                                   | 2,090                                        | -163,002         |
| Balance at end of period                             | 840,824              | 830,824         | -461,214          | -509            | 1,209,925                  | 19,113                                  | 19,113                                       | 1,229,039        |

(4) Consolidated statement of cash flows

(Thousands of yen)

|                                                                         | Fiscal year ended<br>August 31, 2023 | Fiscal year ended<br>August 31, 2024 |
|-------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Cash flows from operating activities                                    |                                      |                                      |
| Loss before income taxes                                                | -295,951                             | -201,726                             |
| Depreciation and amortization                                           | 56,463                               | 4,367                                |
| Increase (decrease) in allowance for doubtful accounts                  | 609                                  | 170                                  |
| Increase (decrease) in provision for bonuses                            | 34,818                               | 7,103                                |
| Increase (decrease) in provision for business restructuring             | —                                    | 112,597                              |
| Interest income                                                         | -22                                  | -251                                 |
| Subsidy income                                                          | -305                                 | -672                                 |
| Share issuance costs                                                    | 790                                  | 628                                  |
| Loss (gain) on valuation of investment securities                       | 49,999                               | —                                    |
| Head office relocation expenses                                         | 19,252                               | —                                    |
| Decrease (increase) in accounts receivable - trade, and contract assets | -25,495                              | -4,042                               |
| Decrease (increase) in advance payments to suppliers                    | -40,477                              | -33,748                              |
| Increase (decrease) in trade payables                                   | -607                                 | 3,185                                |
| Increase (decrease) in deferred revenue                                 | 150,607                              | 195,145                              |
| Other, net                                                              | 49,716                               | 24,894                               |
| Subtotal                                                                | -601                                 | 107,651                              |
| Interest received                                                       | 22                                   | 251                                  |
| Subsidies received                                                      | 306                                  | 672                                  |
| Income taxes paid                                                       | -6,418                               | -40,326                              |
| Net cash provided by (used in) operating activities                     | -6,691                               | 68,248                               |
| Cash flows from investing activities                                    |                                      |                                      |
| Purchase of property, plant and equipment                               | -710                                 | -4,314                               |
| Payments for restoration                                                | —                                    | -25,123                              |
| Proceeds from refund of leasehold and guarantee deposits                | —                                    | 138,559                              |
| Payments of leasehold and guarantee deposits                            | -49,006                              | -1,680                               |
| Net cash provided by (used in) investing activities                     | -49,716                              | 107,441                              |
| Cash flows from financing activities                                    |                                      |                                      |
| Other, net                                                              | -790                                 | -628                                 |
| Net cash provided by (used in) financing activities                     | -790                                 | -628                                 |
| Effect of exchange rate change on cash and cash equivalents             | 12,890                               | 3,420                                |
| Net increase (decrease) in cash and cash equivalents                    | -44,306                              | 178,482                              |
| Cash and cash equivalents at beginning of period                        | 2,409,211                            | 2,364,904                            |
| Cash and cash equivalents at end of period                              | 2,364,904                            | 2,543,387                            |

(5) Notes to the consolidated financial statements

(Notes regarding going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

For the current consolidated fiscal year, share capital and capital surplus increased by ¥7,503 thousand respectively due to the issuance of new stocks as restricted stock compensation. As a result, share capital and capital surplus amounted to ¥840,824 thousand and ¥830,824 thousand, respectively as of the end of the current consolidated fiscal year.

(Segment information)

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

(Per share information)

(Yen)

|                            | Fiscal year ended<br>August31, 2023 | Fiscal year ended<br>August31, 2024 |
|----------------------------|-------------------------------------|-------------------------------------|
| Net assets per share       | 84.86                               | 74.74                               |
| Basic loss per share       | -11.57                              | -10.96                              |
| Diluted earnings per share | -                                   | -                                   |

Note: Basis for calculation of basic loss per share is as follows:

|                                                                                                                                           | Fiscal year ended<br>August31, 2023 | Fiscal year ended<br>August31, 2024 |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Basic loss per share                                                                                                                      |                                     |                                     |
| Loss attributable to owners of parent<br>(Thousands of yen)                                                                               | -189,190                            | -180,100                            |
| Amounts not attributable to common shareholders<br>(Thousands of yen)                                                                     | -                                   | -                                   |
| Loss attributable to owners of parent related to<br>common shares<br>(Thousands of yen)                                                   | -189,190                            | -180,100                            |
| Average number of common shares outstanding<br>during the period (Shares)                                                                 | 16,352,293                          | 16,426,135                          |
| Overview of dilutive shares that are not included in the<br>calculation of diluted earnings per share as they have<br>no dilutive effects | -                                   | -                                   |

Note: Diluted earnings per share are not stated due to basic loss per share although there are dilutive shares.

(Significant events after reporting period)

Not applicable.