

3. Consolidated financial forecast for the fiscal year ending August 31, 2025 (from September 1, 2024 to August 31, 2025)

(Percentages indicate year-on-year changes.)

Fiscal year ending	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
August 31, 2025	5,000	13.1	150	—	150	—	120	—	7.28

Note: Revisions to the earnings forecasts most recently announced : Yes

* Notes

(1) Significant changes in the scope of consolidation during the period : Yes

Newly included: 1 company (Company name) WorkLifeLog Inc., Excluded: 1 company (Company name) WorkLifeLog Inc.

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements : None

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

(i) Changes in accounting policies due to revisions to accounting standards and other regulations : Yes

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(iv) Restatement : None

(4) Number of issued shares (common shares)

(i) Number of issued and outstanding shares at the period end (including treasury stock)

As of February 28, 2025	16,509,500 shares	As of August 31, 2024	16,451,600 shares
As of February 28, 2025	14,915 shares	As of August 31, 2024	8,915 shares
Six months ended February 28, 2025	16,456,318 shares	Six months ended February 29, 2024	16,408,752 shares

(ii) Number of treasury stock at the period end

(iii) Average number of shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* 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.

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1. Semi-annual consolidated financial statements and primary notes

(1) Semi-annual consolidated balance sheet

(Thousands of yen)

	As of August 31, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	2,543,387	2,722,364
Accounts receivable - trade and contact assets	46,698	61,698
Advance payments to suppliers	359,734	402,032
Other	174,666	143,440
Allowance for doubtful accounts	(972)	(101)
Total current assets	3,123,514	3,329,434
Non-current assets		
Property, plant and equipment	11,364	10,049
Intangible assets		
Goodwill	—	44,267
Other	—	8,488
Total Intangible assets	—	52,755
Investments and other assets		
Deferred tax assets	502,627	515,683
Other	55,465	54,976
Total investments and other assets	558,093	570,659
Total non-current assets	569,458	633,464
Total assets	3,692,973	3,962,899
Liabilities		
Current liabilities		
Accounts payable - trade	9,075	8,721
Short-term borrowings	—	32,150
Income taxes payable	18,803	58,301
Deferred revenue	1,764,085	2,060,683
Provision for bonuses	64,170	29,915
Provision for business restructuring	111,525	—
Other	496,273	409,417
Total current liabilities	2,463,933	2,599,190
Total liabilities	2,463,933	2,599,190
Net assets		
Shareholders' equity		
Share capital	840,824	850,812
Capital surplus	830,824	840,812
Retained earnings	(461,214)	(351,139)
Treasury shares	(509)	(509)
Total shareholders' equity	1,209,925	1,339,975
Accumulated other comprehensive income		
Foreign currency translation adjustment	19,113	21,220
Total accumulated other comprehensive income	19,113	21,220
Share acquisition rights	—	2,512
Total net assets	1,229,039	1,363,708
Total liabilities and net assets	3,692,973	3,962,899

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(2) Semi-annual consolidated statements of income and comprehensive income
Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended February 29, 2024	Six months ended February 28, 2025
Net sales	2,126,381	2,319,153
Cost of sales	1,340,756	1,397,074
Gross profit	785,625	922,079
Selling, general and administrative expenses	866,417	787,940
Operating profit (loss)	(80,791)	134,138
Non-operating income		
Interest income	11	1,157
Subsidy income	143	—
Gain on reversal of restructuring expenses	—	3,813
Other	72	2,133
Total non-operating income	227	7,104
Non-operating expenses		
Foreign exchange losses	1,906	813
Share issuance costs	628	1,582
Other	2	156
Total non-operating expenses	2,537	2,552
Ordinary profit (loss)	(83,101)	138,690
Profit (loss) before income taxes	(83,101)	138,690
Income taxes - current	764	41,671
Income taxes - deferred	(20,711)	(13,055)
Total income taxes	(19,946)	28,616
Profit (loss)	(63,155)	110,074
Profit (loss) attributable to owners of parent	(63,155)	110,074

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended February 29, 2024	Six months ended February 28, 2025
Profit (loss)	(63,155)	110,074
Other comprehensive income		
Foreign currency translation adjustment	2,956	2,106
Total other comprehensive income	2,956	2,106
Comprehensive income	(60,198)	112,181
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(60,198)	112,181

(3) Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended February 29, 2024	Six months ended February 28, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	(83,101)	138,690
Depreciation and amortization	1,274	1,998
Share-based payment expenses	—	2,512
Increase (decrease) in allowance for doubtful accounts	(380)	(870)
Increase (decrease) in provision for bonuses	(23,865)	(34,254)
Increase (decrease) in provision for business restructuring	—	(114,023)
Interest and dividend income	(11)	(1,157)
Subsidy income	(143)	—
Share issuance costs	628	1,582
Decrease (increase) in accounts receivable - trade, and contract assets	(10,439)	(11,848)
Decrease (increase) in advance payments to suppliers	(21,885)	(42,298)
Decrease (increase) in prepaid expenses	(40,576)	51,918
Increase (decrease) in trade payables	1,072	(353)
Increase (decrease) in deferred revenue	272,936	296,598
Other, net	(70,925)	(87,194)
Subtotal	24,582	201,299
Interest and dividends received	11	1,157
Subsidies received	143	—
Income taxes refund (paid)	(11,805)	(5,430)
Net cash provided by (used in) operating activities	12,932	197,026
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,302)	—
Payments for restoration	(25,123)	—
Proceeds from refund of leasehold and guarantee deposits	138,559	—
Payments of leasehold and guarantee deposits	(1,680)	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(21,660)
Net cash provided by (used in) investing activities	107,453	(21,660)
Cash flows from financing activities		
Other, net	(628)	(1,582)
Net cash provided by (used in) financing activities	(628)	(1,582)
Effect of exchange rate change on cash and cash equivalents	4,220	5,194
Net increase (decrease) in cash and cash equivalents	123,977	178,977
Cash and cash equivalents at beginning of period	2,364,904	2,543,387
Cash and cash equivalents at end of period	2,488,882	2,722,364

(4) Notes to the semi-annual consolidated financial statements

(Notes regarding going concern assumption)

Not applicable.

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

For the first six months of the current fiscal year, share capital and capital surplus increased by ¥9,987 thousand respectively due to the issuance of new stocks as restricted stock compensation. As a result, share capital and capital surplus amounted to ¥850,812 thousand and ¥840,812 thousand, respectively as of the end of the consolidated six months.

(Notes on changes in accounting policies)

(Application of "Accounting Standard for Current Income Taxes" and other relevant ASBJ regulations)

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the first half of the current fiscal year. Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Application Guidance of 2022"). This change of accounting policy has no impact on the semi-annual consolidated financial statements.

In addition, regarding revisions related to the treatment of gains and losses on sales of shares of subsidiaries arising from the sales of shares of subsidiaries between consolidated companies for tax purposes, the 2022 revision application guideline have been applied since the beginning of the first half of this fiscal year. This change in accounting policies has no impact on the semi-annual consolidated financial statements and the consolidated financial statements for the previous consolidated fiscal year.

(Segment information)

I For the six months ended February 29, 2024

Segment information is not presented as the Company engages in a single segment of SaaS business.

II For the six months ended February 28, 2025

Segment information is not presented as the Company engages in a single segment of SaaS business.

(Significant events after reporting period)

Not applicable.