



Financial Results for Third Quarter of the Year Ending December 2025 [Japan GAAP] (Consolidated)

November 12, 2025

Name of Company: LTS, Inc. Stock Exchange Listing: Tokyo
 Stock Code: 6560 URL <https://lt-s.jp/en>
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 Date of commencement of dividend payment: —
 Preparation of supplementary materials: Yes
 Convening of a results meeting: No

(Amounts less than one million are rounded down)

1. Financial results for third quarter of fiscal year ending December 2025 (January 1, 2025 - September 30, 2025)

(1) Operating results (consolidated)

(Percentage figures represent year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Q3 of the year ending December 2025	12,881	5.2	884	15.4	917	15.3	473	-32.4
Q3 of the year ended December 2024	12,246	48.8	766	40.6	795	37.1	700	89.6

(Note) Comprehensive income Q3 of the year ending December 2025: 454 million yen (-32.3%)
 Q3 of the year ended December 2024: 709 million yen (92.0%)

	Profit per share	Profit per share fully diluted
	yen	yen
Q3 of the year ending December 2025	103.54	103.12
Q3 of the year ended December 2024	156.06	153.12

(2) Financial position (consolidated)

	Total assets	Net assets	Capital adequacy ratio
	million yen	million yen	%
Q3 of the year ending December 2025	10,178	4,646	44.5
Year ended December 2024	11,402	4,566	39.1

(Reference) Shareholders' equity Q3 of the year ending December 2025: 4,533 million yen
 Year ended December 2024: 4,452 million yen

2. Dividends

	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of FY	Total
	yen	yen	yen	yen	yen
Year ended December 2024	—	0.00	—	30.0	30.0
Year ending December 2025	—	0.00	—		
Year ending December 2025 (forecast)				35.00	35.00

(Note) Revision to the most recently announced dividend forecast: No

3. Forecast for the fiscal year ending December 2024 (January 1, 2025 - December 31, 2025)

(Percentage figures represent year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	18,280	10.2	1,180	6.5	1,230	15.0	650	-33.2	140.30

(Note) Revisions to the most recently announced earnings forecast: No

* Notice

(1) Material changes in the scope of consolidation during year to quarter end: Yes

New consolidations: – company (ies) (Company name(s)); Exclusions: 1 company (Company name) ISIS Co., Ltd.

(2) Application of accounting treatment specific to the preparation of the quarterly consolidated financial statements : No

(3) Changes in accounting policies, accounting estimates, and restatements

(a) Changes in accounting policies due to revision of accounting standards: Yes

(b) Changes in accounting policies other than those in (a): No

(c) Changes in accounting estimates: No

(d) Restatements: No

(4) Number of shares outstanding (common shares)

(a) Shares outstanding (including treasury shares) at end of period

Q3 of year ending December 2025	4,723,775 shares	Year ended December 2024	4,657,375 shares
Q3 of year ending December 2025	272,841 shares	Year ended December 2024	90,621 shares
Q3 of year ending December 2025	4,569,694 shares	Q3 of year ended December 2024	4,487,370 shares

(b) Treasury shares at end of period

(c) Average number of shares during period

* Review of accompanying quarterly consolidated financial statements by certified public accountant or auditing firm: No

* Cautionary statement regarding business results forecasts and special notes

The financial forecasts and other forward-looking statements herein are based on currently available information and assumptions considered by the Company to be reasonable and do not represent a commitment from the Company that they will be achieved.

Actual results may differ substantially due to various factors.

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1. Analysis of Operating Performance and Financial Position

(1) Overview of Quarterly Operating Performance

During the first nine months of the current fiscal year (January 1 to September 30, 2025), the Japanese economy showed a gradual recovery trend as the employment and income environment continued to improve. On the other hand, risks of a downturn in the economy are increasing due to the impact on personal consumption from factors such as U.S. trade policy and weakening consumer sentiment caused by continued price increases. Attention is also required with regard to the effects of fluctuations in the financial and capital markets, and the situation remains uncertain.

In the information services industry, which is the main business domain of our Group, digital transformation (DX) initiatives are in full swing to respond to changes in the social environment. Demand for diversified project support remained steady due to the continued high-priority need for services to support internal reform activities, including introducing task performing robots such as AI and RPA (robotic process automation) and promoting telecommuting and other work style reform.

Under these business circumstances, the Group sought to become the “Best Partner for the Digital Era” by not only supporting individual reform projects but also providing services beyond the framework of consulting to help our customers implement change as a partner in creating people, businesses, and organizations that can respond to change and pave the way for the future. We have been developing a Professional Services Business that offers one-stop support catered to the customer’s unique challenges and reform objectives and a Platform Business that supports reform by connecting the IT industry through a platform. In our Professional Services Business, we established the Strategic Consulting Business Headquarters and focused on providing support services that address a wide range of challenges faced by customers, particularly at the CXO level, and contribute to enhancing corporate value, leveraging expertise in strategy, data, AI, and macroeconomic analysis. We also continued proactive hiring and human resource development activities, promoting initiatives to further expand our stable service delivery capabilities. However, project management issues arose in certain cases, leading to the recording of related losses. In our Platform Business, we strengthened our organizational structure to adapt to environmental changes and focused on expanding existing services, with a particular emphasis on the "Professional Hub" service.

As a result of the above, during the first nine months of the current fiscal year, we achieved net sales of ¥12,881 million (up 5.2% year on year), operating profit of ¥884 million (up 15.4% year on year), ordinary profit of ¥917 million (up 15.3% year on year), and profit attributable to owners of parent of ¥473 million (down 32.4% year on year) due to factors such as the recording of a provision for loss on contracts.

A summary of operating results by segment (net sales includes internal sales) is provided below.

(Professional Services Business)

In our Professional Services Business, as the environment surrounding the IT division continues to evolve, although earnings were pressured by costs incurred to address management issues in certain system development projects, favorable conditions created by robust demand for DX provided a boost for us to steadily acquire traditional consulting projects (operational analysis/design, IT introduction support, onsite deployment) based on our strength of visualizing and improving operations utilizing business process management. We also strengthened collaboration with external companies by providing consulting services and DX support for local governments and companies, mainly in Shizuoka Prefecture, through a business partnership with Suzuyo System Technology Co., Ltd., and by fully launching consulting services for the implementation of SAP S/4HANA Cloud as an SAP Service Partner. In addition, we actively pursued initiatives to expand our service offerings in cutting-edge fields, including the launch of Product Climb, a consulting service that provides advanced IT finance support and collaborative support for product planning and development, the receipt of the Grand Prize at the Satellite Data Utilization Awards 2024 by ME-Lab Japan, Inc. for its Wide-Area Blue Carbon Potential Estimation Service Using Satellite Data and Transfer Learning, and the adoption of its Forest Carbon Credit Creation Promotion Project by Shizuoka City.

As a result, net sales in the Professional Services Business came to ¥11,753 million (up 6.9% year on year) and segment profit (operating profit) came to ¥897 million (up 26.2% year on year).

(Platform Business)

In the Platform Business, the number of members in the Assign Navi platform, which provides business matching and a

learning forum specialized for the IT industry, grew to 14,784 including both corporate and individual members as of September 30, 2025. This represents a 561-member increase over the end of the previous year, and the platform continues to grow. Although platform services based on connecting IT business operators with professional human resources, such as continued support for the introduction and operation of subscription platforms in the cloud business, remained steady, the number of active personnel through Professional Hub stagnated, leading to a decline in overall profitability. As a result, we implemented structural reforms aimed at improving profitability, including strengthening the organizational structure such as reviewing the sales structure and streamlining existing operations.

As a result, net sales in the Platform Business came to ¥1,582 million (down 3.3% year on year), and the segment loss (operating loss) was ¥13 million (compared to a profit of ¥55 million in the same period of the previous year).

(2) Overview of Financial Position

Total assets at the end of the first nine months of the current fiscal year were ¥10,178 million, down ¥1,224 million from the end of the previous fiscal year. This was primarily due to a ¥158 million increase in accounts receivable and contract assets and a ¥63 million increase in deferred tax assets, offset by a ¥1,805 million decrease in cash and deposits, a ¥89 million decrease in investment securities, and a ¥54 million decrease in goodwill.

Liabilities came to ¥5,531 million, down ¥1,304 million from the end of the previous fiscal year. This was primarily due to a ¥183 million increase in the provision for loss on contracts, offset by decreases of ¥697 million in long-term borrowings, ¥529 million in income taxes payable, ¥44 million in accounts payable – other, and ¥30 million in short-term borrowings.

Net assets amounted to ¥4,646 million, an increase of ¥80 million from the end of the previous fiscal year. This was primarily due to increases of ¥336 million in retained earnings, ¥381 million in treasury shares, ¥72 million in share capital, and ¥72 million in capital surplus. The equity ratio was 44.5%.

(3) Explanation of Consolidated Earnings Forecasts and Other Future Projections

In regard to the consolidated earnings forecast for the fiscal year ending December 2025, no changes have been made to the figures announced on August 14, 2025.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Previous consolidated fiscal year (ended December 31, 2024)	First nine months of the current fiscal year (ended September 30, 2025)
Assets		
Current assets		
Cash and deposits	5,447	3,641
Accounts receivable and contract assets	2,462	2,620
Electronically recorded monetary claims - operating	129	163
Work in process	30	48
Other	213	570
Allowance for doubtful accounts	(1)	(1)
Total current assets	8,281	7,042
Non-current assets		
Property, plant and equipment		
Land	645	645
Other	592	598
Total property, plant and equipment	1,237	1,243
Intangible fixed assets		
Goodwill	561	506
Customer-related assets	194	173
Software	78	102
Software in progress	39	20
Other	2	1
Total intangible fixed assets	876	804
Investments and other assets		
Leasehold and guarantee deposits	291	275
Deferred tax assets	85	149
Investment securities	560	470
Other	70	192
Total investments and other assets	1,006	1,087
Total non-current assets	3,120	3,135
Total assets	11,402	10,178

(Millions of yen)

	Previous consolidated fiscal year (ended December 31, 2024)	First nine months of the current fiscal year (ended September 30, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	921	929
Short-term borrowings	40	10
Current portion of long-term borrowings	860	959
Accounts payable - other	502	457
Income taxes payable	573	44
Provision for bonuses	187	211
Provision for bonuses for directors (and other officers)	4	2
Contract liabilities	27	30
Provision for loss on order received	3	8
Provision for loss on contracts	-	183
Other	531	316
Total current liabilities	3,653	3,154
Non-current liabilities		
Long-term borrowings	2,981	2,184
Retirement benefit liabilities	141	152
Deferred tax liabilities	45	34
Other	13	5
Total non-current liabilities	3,182	2,377
Total liabilities	6,835	5,531
Net assets		
Shareholders' equity		
Share capital	767	839
Capital surplus	1,019	1,091
Retained earnings	2,944	3,280
Treasury shares	(293)	(674)
Total shareholders' equity	4,438	4,537
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12	(4)
Foreign currency translation adjustment	1	1
Total accumulated other comprehensive income	14	(3)
Subscription rights to shares	112	112
Non-controlling interests	1	0
Total net assets	4,566	4,646
Liabilities and net assets	11,402	10,178

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Quarterly consolidated statement of income

First nine months of the fiscal year

(Millions of yen)

	First nine months of the previous fiscal year (January 1 - September 30, 2024)	First nine months of the current fiscal year (January 1 - September 30, 2025)
Net sales	12,246	12,881
Cost of sales	7,894	8,378
Gross profit	4,352	4,503
Selling, general and administrative expenses	3,585	3,618
Operating profit	766	884
Non-operating income		
Subsidy income	17	18
Share of profit of entities accounted for using equity method	10	26
Rent on real estate	77	48
Other	12	14
Total non-operating income	117	107
Non-operating expenses		
Interest expenses	38	31
Real estate rental expense	34	35
Other	15	7
Total non-operating expenses	88	74
Ordinary profit	795	917
Extraordinary income		
Gain on sale of non-current assets	106	—
Gain on sale of investment securities	32	—
Gain on change in equity	—	10
Share acquisition rights	—	3
Total extraordinary income	138	14
Extraordinary losses		
Loss on sale of investment securities	—	9
Loss on retirement of non-current assets	—	22
Provision for loss on contracts	—	183
Loss on cancellation of contracts	—	7
Total extraordinary losses	—	224
Profit before income taxes	934	706
Income taxes-current	325	335
Income taxes-deferred	(88)	(100)
Total income taxes	236	234
Profit	697	472
Loss attributable to non-controlling interests	(2)	(0)
Profit attributable to owners of parent	700	473

Quarterly consolidated statement of comprehensive income

First nine months of the fiscal year

(Millions of yen)

	First nine months of the previous fiscal year (January 1 - September 30, 2024)	First nine months of the current fiscal year (January 1 - September 30, 2025)
Profit	697	472
Other comprehensive income		
Valuation difference on available-for-sale securities	11	(17)
Foreign currency translation adjustment	0	(0)
Total other comprehensive income	11	(17)
Comprehensive income	709	454
(Breakdown)		
Comprehensive income attributable to owners of parent	712	455
Comprehensive income attributable to non-controlling interests	(2)	(0)

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes Related to Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

LTS, Inc. acquired 182,200 shares of its treasury shares based on a resolution of the Board of Directors held on August 14, 2025, resulting in an increase of ¥381 million in treasury shares during the first nine months of the current fiscal year.

As a result, treasury shares amounted to ¥674 million at the end of the first nine months of the current fiscal year.

(Changes in Accounting Policies)

(Application of Accounting Standards for Corporate Income Taxes, Inhabitant Taxes, and Enterprise Taxes)

The Accounting Standard for Corporate Income Taxes, Inhabitant Taxes, and Enterprise Taxes (ASBJ Statement No. 27, issued on October 28, 2022; hereinafter the "2022 Revised Accounting Standard") and related standards have been applied from the beginning of the first quarter of the current fiscal year.

With respect to the revisions concerning the classification of income taxes (taxation on other comprehensive income), we have followed the transitional treatment prescribed in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard, as well as the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, issued on October 28, 2022; hereinafter the "2022 Revised Implementation Guidance"). as well as the transitional treatment prescribed in the proviso to Paragraph 65-2 (2) of the same guidance. This change in accounting policy has no impact on the quarterly consolidated financial statements.

In addition, with respect to the revisions related to the review of accounting treatment in the consolidated financial statements when deferring, for tax purposes, gains or losses arising from the sale of subsidiary shares and similar transactions between consolidated companies, the 2022 Revised Implementation Guidance has been applied from the beginning of the first quarter of the fiscal year. This change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements and the consolidated financial statements for the previous fiscal year and the same quarter of the previous fiscal year have been prepared reflecting the retrospective application. This has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year or the consolidated financial statements for the previous fiscal year.

(Additional Information)

First nine months of the current fiscal year (January 1 - September 30, 2025)

(Important Changes in Scope of Consolidation)

During the first quarter of the fiscal year, Hibiya Computer System Co., Ltd., a consolidated subsidiary of the Company, resolved to transfer all shares of its consolidated subsidiary, Isis CO., LTD., and executed the share transfer on April 1, 2025. Isis CO., LTD., which had been a consolidated subsidiary, was excluded from the scope of consolidation with March 31, 2025, as the deemed date of sale.

(Segment Information)

First nine months of the previous fiscal year (January 1 - September 30, 2024)

1. Information Regarding Amounts of Net Sales, Profit, and Loss for Each Reporting Segment

(Millions of yen)

	Reporting Segment			Adjustment	Total Shown in Quarterly Consolidated Statement of Income (Note)
	Professional Services Business	Platform Business	Total		
Net sales					
Net sales to unaffiliated customers	10,987	1,259	12,246	—	12,246
Transactions with other segments	8	376	384	(384)	—
Total	10,995	1,636	12,631	(384)	12,246
Segment profit	711	55	766	—	766

(Note) Segment profit is reconciled to operating profit presented in the quarterly consolidated statement of income.

2. Impairment Loss or Goodwill on Non-current Assets for Each Reporting Segment

(Important Changes in Amount of Goodwill)

In the first quarter period of the current fiscal year, Busy Bee, Inc., which was previously a consolidated subsidiary of the Company, was removed from the scope of consolidation and became an equity-method affiliate. As a result, goodwill in the professional services business decreased by ¥105 million.

First nine months of the current fiscal year (January 1 - September 30, 2025)

1. Information Regarding Amounts of Net Sales, Profit, and Loss for Each Reporting Segment

(Millions of yen)

	Reporting Segment			Adjustment	Total Shown in Quarterly Consolidated Statement of Income (Note)
	Professional Services Business	Platform Business	Total		
Net sales					
Net sales to unaffiliated customers	11,729	1,152	12,881	—	12,881
Transactions with other segments	24	430	455	(455)	—
Total	11,753	1,582	13,336	(455)	12,881
Segment profit or loss ()	897	(13)	884	—	884

(Note) Segment profit or (loss) is reconciled to operating profit presented in the quarterly consolidated statement of income.

(Notes on Consolidated Statement of Cash Flows)

A quarterly consolidated cash flow statement has not been prepared for the first nine months of the current fiscal year. Additionally, the depreciation and amortization (including amortization of intangible fixed assets other than goodwill and customer-related assets) for the first nine months of the fiscal year, amortization of goodwill, and amortization of customer-related assets are as follows.

	First nine months of the previous fiscal year (January 1 - September 30, 2024)	First nine months of the current fiscal year (January 1 - September 30, 2025)
Depreciation and amortization	116 million yen	131 million yen
Amortization of goodwill	71 million yen	54 million yen
Amortization of customer-related assets	21 million yen	21 million yen

(Revenue Recognition)

Breakdown of revenue from contracts with customers

First nine months of the previous fiscal year (January 1 - September 30, 2024)

(Millions of yen)

	Reporting Segment		Total
	Professional Services Business	Platform Business	
Business Process & Technology	10,235	—	10,235
Strategy & Innovation	637	—	637
Social & Public	114	—	114
Assign Navi	—	36	36
Professional Hub	—	1,209	1,209
Growth Company Club	—	2	2
Other	—	12	12
Revenue from contracts with customers	10,987	1,259	12,246
Net sales to unaffiliated customers	10,987	1,259	12,246

(Note) Other includes net sales from new services.

First nine months of the current fiscal year (January 1 - September 30, 2025)

(Millions of yen)

	Reporting Segment		Total
	Professional Services Business	Platform Business	
Business Process & Technology	9,740	—	9,740
Strategy & Innovation	1,247	—	1,247
Social & Public	741	—	741
Assign Navi	—	35	35
Professional Hub	—	1,078	1,078
Growth Company Club	—	1	1
Other	—	35	35
Revenue from contracts with customers	11,729	1,152	12,881
Net sales to unaffiliated customers	11,729	1,152	12,881

(Note) Other includes net sales from new services.