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Financial Results for Third Quarter of the Year Ending December 2026 [Japan GAAP] (Consolidated)

November 13, 2026

Name of Company: LTS, Inc. Stock Exchange Listing: Tokyo
Stock Code: 6560 URL https://lt-s.jp/
Representative: Title: Representative Director, President Executive Officer Name: Hiroaki Kabashima
Contact Person: Title: Director, Vice President Executive Officer Name: Sungil Lee (Tel:) +81-3-6897-6140
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 2026 (January 1 - September 30, 2026)

(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 2026	12,868	-0.1	972	10.0	1,023	11.6	717	51.7
Q3 of the year ended December 2025	12,881	5.2	884	15.4	917	15.3	473	-32.4

(Note) Comprehensive income Q3 of the year ending December 2026: 714 million yen 57.1%
Q3 of the year ended December 2025: 454 million yen -32.3%

	Profit per share	Profit per share fully diluted
	yen	yen
Q3 of the year ending December 2026	163.34	162.76
Q3 of the year ended December 2025	103.54	103.12

(2) Financial position (consolidated)

	Total assets	Net assets	Equity-to-asset ratio
	million yen	million yen	%
Q3 of the year ending December 2026	10,183	5,218	50.1
Year ended December 2025	10,031	4,763	46.3

(Reference) Shareholders' equity Q3 of the year ending December 2026: 5,098 million yen
Year ended December 2025: 4,648 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 2025	—	0.00	—	35.00	35.00
Year ended December 2026	—	0.00	—		
Year ending December 2026 (forecast)				40.00	40.00

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

3. Forecast for the fiscal year ending December 2026 (January 1, 2026 - December 31, 2026)

(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	17,000 ～17,500	-0.6 ～2.3	1,350 ～1,450	13.9 ～22.3	1,400 ～1,500	8.2 ～15.9	935 ～1,000	34.3 ～43.6	212.77 ～227.56

(Note) Revisions to the most recently announced earnings forecast: Yes

* Notice

(1) Material changes in the scope of consolidation during the period: Yes
New consolidations: 1 company (Company name) LTS Strategy Pte. Ltd.
Exclusions: – company (ies) (Company name(s)) –
(Note) For details, please refer to "Additional Information" on page 8 of the accompanying materials.

(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: No
(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 2026	4,729,285 shares	Year ended December 2025	4,725,085 shares
(b) Treasury shares at end of period	Q3 of year ending December 2026	387,362 shares	Year ended December 2025	321,962 shares
(c) Average number of shares during period	Q3 of year ending December 2026	4,394,518 shares	Q3 of year ended December 2025	4,569,694 shares

* 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 - September 30, 2026), the Japanese economy showed a gradual recovery trend as the employment and income environment continued to improve. On the other hand, there are risks of a downturn in the economy due to the impact on personal consumption from factors such as weakening consumer sentiment caused by continued price increases, and rising resource prices due to the escalation of the situation in the Middle East. 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, demand for digital transformation (DX) to respond to changes in the social environment remains robust, and system-related investments, including AI transformation (AX), remained steady.

Under these business circumstances, the Group sought to become the "Best Partner for the Digital Era" by not only supporting individual projects but also acting as a partner in co-creating the transformations, businesses, and organizations that respond to change and pave the way for the future. We have been providing one-stop support and solutions based on an understanding of corporate structures by working closely with customers at their operational sites to support management, business, and organizational operations. Specifically, we launched the "Business Architecture Talent Development Service" as consulting support for building a foundation for DX and transformation promotion, providing practical, hands-on training support to cultivate the foundational and execution capabilities of personnel responsible for promoting DX and business transformation in companies. We also focused on providing operational labor-saving support for ITOCHU Corporation to build a sales platform with a view toward AI utilization, and 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. In addition, we view physical AI as a technology that creates services that could not be realized due to human or physical constraints. With an eye toward "labor cost zero," where the labor cost of physical work approaches zero, we aim to create new customer value by maintaining operations and services that are difficult to secure personnel for in fields where robots have not been utilized, and by increasing the granularity of service frequency. To this end, we have promoted initiatives to further expand our stable service delivery capabilities, such as opening the "Physical AI Co-creation Lab."

As a result, the performance for the first nine months of the current fiscal year was as follows: net sales of 12,868 million yen (down 0.1% year on year), operating profit of 972 million yen (up 10.0% year on year), ordinary profit of 1,023 million yen (up 11.6% year on year), and profit attributable to owners of parent of 717 million yen (up 51.7% year on year).

The Group previously had two reporting segments, the "Professional Services Business" and the "Platform Business," but from the first quarter of the current fiscal year, this has been changed to a single segment, the "Transformation Services Business." Details are as described in "2. Quarterly Consolidated Financial Statements and Main Notes (3) Notes to the Quarterly Consolidated Financial Statements (Segment Information)."

(2) Overview of Quarterly Financial Position

Total assets at the end of the third quarter of the current fiscal year were 10,183 million yen, an increase of 151 million yen from the end of the previous fiscal year. This was primarily due to a decrease of 148 million yen in income taxes receivable, 66 million yen in accounts receivable and contract assets, and 37 million yen in goodwill, which was offset by an increase of 123 million yen in cash and deposits, 76 million yen in electronically recorded monetary claims, and 65 million yen in deferred tax assets.

Liabilities amounted to 4,964 million yen, a decrease of 303 million yen from the end of the previous fiscal year. This was primarily due to a decrease of 642 million yen in long-term borrowings, 248 million yen in accounts payable - other, and 31 million yen in provision for bonuses, despite an increase of 249 million yen in income taxes payable, 64 million yen in accounts payable - trade, and 49 million yen in provision for loss on order received.

Net assets amounted to 5,218 million yen, an increase of 455 million yen from the end of the previous fiscal year. This was primarily due to an increase of 563 million yen in retained earnings, despite a 111 million yen increase in treasury shares, which are presented as a deduction from shareholders' equity. The equity ratio was 50.1%.

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

Regarding the consolidated earnings forecast for the fiscal year ending December 31, 2026, we have revised the full-year consolidated earnings forecast announced in the financial results summary on February 13, 2026.

For details, please refer to the "Notice Regarding Revision of Full-Year Consolidated Earnings Forecast" separately announced today (November 13, 2026).

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Previous consolidated fiscal year (ended December 31, 2025)	Third quarter of the current fiscal year (ended September 30, 2026)
Assets		
Current assets		
Cash and deposits	3,376	3,499
Accounts receivable and contract assets	2,845	2,779
Electronically recorded monetary claims - operating	160	236
Work in process	23	39
Income taxes receivable	156	7
Other	317	442
Allowance for doubtful accounts	(1)	(1)
Total current assets	6,877	7,003
Non-current assets		
Property, plant and equipment		
Land	645	645
Other	644	694
Total property, plant and equipment	1,289	1,339
Intangible fixed assets		
Goodwill	488	450
Customer-related assets	166	144
Software	90	67
Software in progress	2	14
Other	0	0
Total intangible fixed assets	747	677
Investments and other assets		
Leasehold and guarantee deposits	323	315
Deferred tax assets	53	119
Investment securities	551	551
Other	188	176
Total investments and other assets	1,117	1,163
Total non-current assets	3,154	3,180
Total assets	10,031	10,183

(Millions of yen)

	Previous consolidated fiscal year (ended December 31, 2025)	Third quarter of the current fiscal year (ended September 30, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	777	841
Current portion of long-term borrowings	958	961
Accounts payable - other	734	486
Income taxes payable	51	301
Provision for bonuses	288	256
Provision for bonuses for directors (and other officers)	4	1
Contract liabilities	24	29
Provision for loss on order received	0	49
Other	263	527
Total current liabilities	3,102	3,456
Non-current liabilities		
Long-term borrowings	1,959	1,313
Retirement benefit liabilities	151	165
Deferred tax liabilities	40	23
Other	14	6
Total non-current liabilities	2,166	1,508
Total liabilities	5,268	4,964
Net assets		
Shareholders' equity		
Share capital	839	841
Capital surplus	1,092	1,093
Retained earnings	3,504	4,067
Treasury shares	(793)	(905)
Total shareholders' equity	4,642	5,097
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	0
Foreign currency translation adjustment	1	1
Total accumulated other comprehensive income	5	1
Subscription rights to shares	115	119
Total net assets	4,763	5,218
Total liabilities and net assets	10,031	10,183

(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, 2025)	First nine months of the current fiscal year (January 1 - September 30, 2026)
Net sales	12,881	12,868
Cost of sales	9,125	8,912
Gross profit	3,756	3,955
Selling, general and administrative expenses	2,871	2,983
Operating profit	884	972
Non-operating income		
Subsidy income	18	8
Share of profit of entities accounted for using equity method	26	58
Rent on real estate	48	47
Other	14	12
Total non-operating income	107	128
Non-operating expenses		
Interest expenses	31	31
Real estate rental expense	35	34
Other	7	11
Total non-operating expenses	74	77
Ordinary profit	917	1,023
Extraordinary income		
Gain on sale of investment securities	—	62
Gain on change in equity	10	—
Gain on reversal of subscription rights to shares	3	1
Total extraordinary income	14	63
Extraordinary losses		
Loss on sale of investment securities	9	—
Loss on valuation of investment securities	—	22
Loss on retirement of non-current assets	22	—
Provision for loss on contracts	183	—
Loss on cancellation of contracts	7	—
Total extraordinary losses	224	22
Profit before income taxes	706	1,064
Income taxes - current	335	427
Income taxes - deferred	(100)	(80)
Total income taxes	234	347
Profit	472	717
Loss attributable to non-controlling interests	(0)	—
Profit attributable to owners of parent	473	717

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, 2025)	First nine months of the current fiscal year (January 1 - September 30, 2026)
Profit	472	717
Other comprehensive income		
Valuation difference on available-for-sale securities	(17)	(4)
Foreign currency translation adjustment	(0)	0
Total other comprehensive income	(17)	(3)
Comprehensive income	454	714
(Breakdown)		
Comprehensive income attributable to owners of parent	455	714
Comprehensive income attributable to non-controlling interests	(0)	—

(3) Notes to the Quarterly Consolidated Financial Statements

(Notes Related to Going Concern Assumptions)

Not applicable.

(Notes on Significant Changes in Shareholders' Equity)

Pursuant to a resolution of the Board of Directors adopted on August 13, 2026, the Company acquired 65,400 shares of its own stock during the first nine months of the fiscal year ending December 31, 2026. As a result, treasury shares increased by 111 million yen.

Consequently, treasury shares, presented as a deduction from shareholders' equity, amounted to 905 million yen as of September 30, 2026.

(Additional Information)

First nine months of the current fiscal year (January 1 - September 30, 2026)
(Important Changes in Scope of Consolidation) LTS Strategy Pte. Ltd., which was a non-consolidated subsidiary in the previous fiscal year, has been included in the scope of consolidation from the first quarter of the current fiscal year due to its increased importance. (Changes in Presentation) Certain personnel expenses of the Company, which were previously recorded as selling, general and administrative expenses, are included in cost of sales from the first quarter of the current fiscal year. This change was implemented to more appropriately reflect the actual state of the business by reviewing the classification of personnel expenses, triggered by the review of service domains and performance management units described in (Notes to Segment Information). To reflect this change in presentation, the quarterly consolidated statement of income for the first nine months of the previous fiscal year has been reclassified. As a result, 747 million yen of personnel expenses previously recorded in "selling, general and administrative expenses" in the quarterly consolidated statement of income for the first nine months of the previous fiscal year has been reclassified to "cost of sales." Consequently, "cost of sales" increased from 8,378 million yen to 9,125 million yen, and "selling, general and administrative expenses" decreased from 3,618 million yen to 2,871 million yen.

(Segment Information)

[Segment Information]

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

This information is as described in "II First nine months of the current fiscal year (Matters related to changes in reporting segments, etc.)."

II First nine months of the current fiscal year (January 1 - September 30, 2026)

The Group has a single segment, the "Transformation Services Business," and therefore this information is omitted.

(Matters related to changes in reporting segments, etc.)

The Group previously classified its operations into two reporting segments: the "Professional Services Business" and the "Platform Business." However, in light of the growth of multiple service areas with different revenue and growth models within the "Professional Services Business," and the decline in the "Platform Business" as a proportion of overall performance due to the high growth of the "Professional Services Business," we have reviewed our service domains and performance management units to achieve further business growth. Accordingly, from the perspective of the actual decision-making process for business development and management resource allocation, the Group has changed its reporting segment to a single segment, the "Transformation Services Business," effective from the first quarter of the current fiscal year.

Due to this change, segment information for the first nine months of the previous fiscal year and the first nine months of the current fiscal year has been omitted.

(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, 2025)	First nine months of the current fiscal year (January 1 - September 30, 2026)
Depreciation and amortization	131 million yen	112 million yen
Amortization of goodwill	54 million yen	37 million yen
Amortization of customer-related assets	21 million yen	21 million yen

(Revenue Recognition)

Breakdown of revenue from contracts with customers

(Millions of yen)

	First nine months of the previous fiscal year (January 1 - September 30, 2025)	First nine months of the current fiscal year (January 1 - September 30, 2026)
Strategy Consulting	763	728
DX Consulting	5,909	6,423
DX Engineering	3,794	3,485
Platform & Agent	2,414	2,231
Revenue from contracts with customers	12,881	12,868
Net sales to unaffiliated customers	12,881	12,868

(Note) As described in "(Matters related to changes in reporting segments, etc.)" under "(Segment Information)" in "(3) Notes to the Quarterly Consolidated Financial Statements" of the "Quarterly Consolidated Financial Statements and Main Notes," in line with the redefinition of service domains for further business growth, the method of presenting information on the breakdown of revenue from contracts with customers has been changed from the first quarter of the current fiscal year. Accordingly, the information on the breakdown of revenue from contracts with customers for the first nine months of the previous fiscal year is presented based on the revised categories. The revised categories are as follows.

New Classification	Details of New Classification (Main Services)	Old Classification
Strategy Consulting	Decision-making support under uncertainty	Strategy & Innovation
DX Consulting	Structural design for companies where transformation is becoming routine	Business Process & Technology Social & Public
DX Engineering	Support for building evolving digital foundations	Business Process & Technology Social & Public
Platform & Agent	Supply of transformation-promoting human resources	Business Process & Technology Assign Navi Professional Hub Growth Company Club