

August 8, 2025

Non-consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: SHINKO Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 7120
 URL: <https://www.kk-shinko.com/>
 Representative: Taizo Fukudome, President & CEO
 Inquiries: Yoshihito Murakami, Managing Director & Executive Officer
 Telephone: +81-3-5822-7600
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	3,480	(5.1)	(78)	-	(73)	-	(79)	-
June 30, 2024	3,667	1.5	23	(66.1)	25	(63.7)	13	(70.7)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	(50.86)	-
June 30, 2024	7.11	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	5,651	1,518	26.9
March 31, 2025	6,369	1,750	27.5

Reference: Equity
 As of June 30, 2025: ¥1,518 million
 As of March 31, 2025: ¥1,750 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	0.00	-	97.00	97.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		0.00		35.00	35.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

Since the Company plans to conduct a stock split at the ratio of three shares per common stock with an effective date of October 1, 2025, the year-end dividend per share for the fiscal year ending March 31, 2026 (forecast) is stated in consideration of the impact of the stock split. If the stock split is not taken into account, the year-end dividend per share for the fiscal year ending March 31, 2026 (forecast) will be ¥105.00. For details, please refer to the "Notice of Stock Split, Partial Amendment to the Articles of Incorporation and Revision of Dividend Forecasts Accompanying the Stock Split".

3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	18,316	8.4	804	17.0	814	17.7	536	4.6	114.02

Note: Revisions to the earnings forecasts most recently announced: None

Since the Company manages its operations on an annual basis, the forecasts of financial results for the first half of the fiscal year have been omitted.

Since the Company plans to conduct a stock split at the ratio of three shares to one common stock with an effective date of October 1, 2025, the amount of net income per share in the earnings forecast (full year) for the fiscal year ending March 31, 2026 is stated taking into account the impact of the stock split. Net income per share for the full fiscal year for the fiscal year ending March 31, 2026, excluding the stock split, will be ¥342.07.

* Notes

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: Yes

(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 June 30, 2025	1,834,000 shares
As of March 31, 2025	1,834,000 shares

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

As of June 30, 2025	266,034 shares
As of March 31, 2025	266,034 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	1,834,000 shares
Three months ended June 30, 2024	1,834,000 shares

* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm: nothing

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

Forward-looking statements, such as earnings forecasts, contained in this material are based on information available to the Company and are found to be reasonable.

It is based on a certain premise that we refuse, and it is not intended to be a promise by the Company to realize it. In addition, actual business performance, etc.

may vary due to a variety of factors.

Quarterly balance sheet

(Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	1,534,412	1,484,365
Notes and accounts receivable - trade, and contract assets	2,895,814	2,034,145
Inventories	266,629	402,650
Other	367,400	399,018
Allowance for doubtful accounts	(2,582)	(2,248)
Total current assets	5,061,674	4,317,931
Non-current assets		
Property, plant and equipment	304,627	323,703
Intangible assets	104,882	99,456
Investments and other assets		
Deferred tax assets	496,410	496,410
Other	402,033	414,355
Total investments and other assets	898,444	910,766
Total non-current assets	1,307,955	1,333,926
Total assets	6,369,629	5,651,857
Liabilities		
Current liabilities		
Accounts payable - trade	1,195,151	836,258
Income taxes payable	143,420	21,300
Provision for bonuses	320,854	82,664
Provision for bonuses for directors (and other officers)	-	6,383
Asset retirement obligations	11,623	5,327
Accrued expenses	730,189	809,798
Advances received	603,551	669,444
Other	59,071	171,667
Total current liabilities	3,063,861	2,602,843
Non-current liabilities		
Provision for retirement benefits	1,230,207	1,202,372
Asset retirement obligations	117,907	118,056
Other	206,827	209,593
Total non-current liabilities	1,554,942	1,530,021
Total liabilities	4,618,804	4,132,865
Net assets		
Shareholders' equity		
Share capital	183,120	183,120
Capital surplus	83,120	83,120
Retained earnings	2,014,542	1,782,709
Treasury shares	(529,957)	(529,957)
Total shareholders' equity	1,750,825	1,518,992
Total net assets	1,750,825	1,518,992
Total liabilities and net assets	6,369,629	5,651,857

Quarterly statement of income

(Thousands of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	3,667,156	3,480,851
Cost of sales	2,767,048	2,608,961
Gross profit	900,107	871,890
Selling, general and administrative expenses	876,570	950,068
Operating profit (loss)	23,537	(78,178)
Non-operating income		
Gain on cancellation of Maintenance service contracts	964	1,686
Subsidy income	893	1,218
Other	449	2,082
Total non-operating income	2,307	4,987
Non-operating expenses		
Interest expenses	104	172
Other	92	272
Total non-operating expenses	197	444
Ordinary profit (loss)	25,647	(73,635)
Extraordinary losses		
Loss on retirement of non-current assets	15	-
Total extraordinary losses	15	-
Profit (loss) before income taxes	25,631	(73,635)
Total income taxes	12,598	6,104
Profit (loss)	13,033	(79,740)

(Notes on segment information, etc.)
Segment Information
I. the three months of the previous fiscal year (April 1, 2024 to June 30, 2024)
1. Information on sales and the amount of profit or loss for each reported segment

(Unit: 1 thousand yen)

	Reporting Segments				Adjustment amount (Note) 1	Quarterly Income Statement
	Maintenance service business	Solution business	Staffing service business	Total		
Sales						
Revenues from external customers	1,189,289	1,937,579	540,287	3,667,156	-	3,667,156
Transactions with other segments	-	-	-	-	-	-
Total	1,189,289	1,937,579	540,287	3,667,156	-	3,667,156
Segment profit (Note)2	215,493	96,936	94,718	407,147	(383,610)	23,537

Note: 1. Adjustments to segment profit are head office expenses that are not allocated to reporting segments, and are sales expenses and general and administrative expenses such as personnel expenses and real estate lease fees related to the head office management department.
2. Segment profit is adjusted to operating income in the quarterly income statement.

2. Information on impairment losses or goodwill on fixed assets by reporting segment
Not applicable.

II. the three months of the current fiscal year (April 1, 2025 to June 30, 2025)
1. Information on sales and the amount of profit or loss for each reported segment

(Unit: 1 thousand yen)

	Reporting Segments				Adjustment amount (Note) 1	Quarterly Income Statement
	Maintenance service business	Solution business	Staffing service business	Total		
Sales						
Revenues from external customers	1,274,746	1,656,413	549,691	3,480,851	-	3,480,851
Transactions with other segments	-	-	-	-	-	-
Total	1,274,746	1,656,413	549,691	3,480,851	-	3,480,851
Segment profit (Note)2	234,511	5,945	87,284	327,741	(405,919)	(78,178)

Note: 1. Adjustments to segment profit are head office expenses that are not allocated to reporting segments, and are sales expenses and general and administrative expenses such as personnel expenses and real estate lease fees related to the head office management department.
2. Segment profit is adjusted to operating income in the quarterly income statement.

2. Information on impairment losses or goodwill on fixed assets by reporting segment
Not applicable.