

November 13, 2025

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

Company name: SHINKO Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 7120
 URL: <https://www.kk-shinko.com/>
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 Scheduled date to file semi-annual securities report: November 13, 2025
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For Securities Analysts and Institutional Investors)

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

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

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	7,974	4.9	155	(10.3)	164	(8.0)	101	(11.3)
September 30, 2024	7,605	0.9	173	(14.0)	178	(13.6)	114	(13.8)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	21.62	-
September 30, 2024	20.84	-

Note: 1. The Company has conducted a stock split at the rate of 3 shares for every 1 common stock effective October 1, 2025. Assuming that the stock split occurred at the beginning of the previous fiscal year, interim net income per share is calculated.

2. Interim net income per share after adjusted for potential shares is not shown because there are no potential shares.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	6,544	1,700	26.0
March 31, 2025	6,369	1,750	27.5

Reference: Equity
 As of September 30, 2025: ¥1,700 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	-	0.00			
Fiscal year ending March 31, 2026 (Forecast)				35.00	35.00

Note: Revisions to the forecast of cash dividends most recently announced: None

The Company has conducted a stock split at the ratio of 3 shares to 1 common stock effective October 1, 2025. Dividends at the end of the fiscal year ending March 31, 2025 are the actual amounts before the stock split, and the year-end dividends per share for the fiscal year ending March 31, 2026 (forecast) are the amounts that take into account 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.

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

The Company has conducted a stock split at the ratio of 3 shares to 1 common stock effective October 1, 2025. Net income per share in the earnings forecast for the fiscal year ending March 31, 2026 (full year) 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.

	Net sales	Operating profit	Ordinary profit	Profit	Basic earnings per share
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	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

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of semi-annual 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 September 30, 2025	5,502,000 shares
As of March 31, 2025	5,502,000 shares

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

As of September 30, 2025	798,102 shares
As of March 31, 2025	798,102 shares

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

Six months ended September 30, 2025	4,703,898 shares
Six months ended September 30, 2024	5,501,898 shares

Note: On October 1, 2025, the Company conducted a share split at a ratio of 3 shares per share of common shares. Assuming that the stock split occurred at the beginning of the previous fiscal year, the number of shares outstanding at the end of the period, the number of treasury shares at the end of the period, and the average number of shares during the period are calculated.

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

* 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.

Semi-annual balance sheet

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	1,534,412	1,162,030
Notes and accounts receivable - trade, and contract assets	2,895,814	2,715,570
Inventories	266,629	594,037
Other	367,400	370,810
Allowance for doubtful accounts	(2,582)	(2,578)
Total current assets	5,061,674	4,839,869
Non-current assets		
Property, plant and equipment	304,627	702,370
Intangible assets	104,882	98,278
Investments and other assets		
Deferred tax assets	496,410	496,410
Other	402,033	407,287
Total investments and other assets	898,444	903,698
Total non-current assets	1,307,955	1,704,346
Total assets	6,369,629	6,544,216
Liabilities		
Current liabilities		
Accounts payable - trade	1,195,151	1,143,692
Income taxes payable	143,420	93,973
Provision for bonuses	320,854	330,903
Provision for bonuses for directors (and other officers)	-	12,766
Asset retirement obligations	11,623	259
Accrued expenses	730,189	644,702
Advances received	603,551	608,060
Other	59,071	152,432
Total current liabilities	3,063,861	2,986,789
Non-current liabilities		
Provision for retirement benefits	1,230,207	1,188,792
Asset retirement obligations	117,907	118,197
Other	206,827	549,992
Total non-current liabilities	1,554,942	1,856,983
Total liabilities	4,618,804	4,843,773
Net assets		
Shareholders' equity		
Share capital	183,120	183,120
Capital surplus	83,120	83,120
Retained earnings	2,014,542	1,964,160
Treasury shares	(529,957)	(529,957)
Total shareholders' equity	1,750,825	1,700,443
Total net assets	1,750,825	1,700,443
Total liabilities and net assets	6,369,629	6,544,216

Semi-annual statement of income

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	7,605,681	7,974,771
Cost of sales	5,759,167	6,014,022
Gross profit	1,846,513	1,960,748
Selling, general and administrative expenses	1,672,867	1,804,951
Operating profit	173,646	155,797
Non-operating income		
Interest income	200	1,845
Gain on cancellation of Maintenance service contracts	2,022	3,202
Other	3,108	4,965
Total non-operating income	5,331	10,012
Non-operating expenses		
Interest expenses	209	695
Other	188	904
Total non-operating expenses	398	1,600
Ordinary profit	178,579	164,209
Extraordinary losses		
Loss on retirement of non-current assets	15	-
Total extraordinary losses	15	-
Profit before income taxes	178,564	164,209
Income taxes	63,900	62,499
Profit	114,664	101,710

Semi-annual statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	178,564	164,209
Depreciation	53,804	63,654
Increase (decrease) in allowance for doubtful accounts	(26)	(4)
Increase (decrease) in provision for bonuses	7,535	10,048
Increase (decrease) in provision for bonuses for directors (and other officers)	-	12,766
Increase (decrease) in provision for retirement benefits	10,233	(41,414)
Interest and dividend income	(200)	(1,845)
Interest expenses	209	695
Loss on retirement of non-current assets	15	-
Decrease (increase) in trade receivables	705,038	180,243
Decrease (increase) in inventories	(38,616)	(327,407)
Increase (decrease) in trade payables	(452,889)	(51,459)
Increase (decrease) in accounts payable - other	(71,151)	33,503
Increase (decrease) in accrued consumption taxes	(38,294)	(126,427)
Other, net	22,771	18,707
Subtotal	376,993	(64,728)
Interest and dividends received	200	1,845
Interest paid	(209)	(695)
Income taxes paid	(63,022)	(116,281)
Net cash provided by (used in) operating activities	313,962	(179,860)
Cash flows from investing activities		
Purchase of property, plant and equipment	(108,272)	(18,199)
Purchase of intangible assets	(45,725)	(9,216)
Payments of leasehold deposits	(3,240)	(2,668)
Proceeds from refund of leasehold deposits	5,418	6,270
Net cash provided by (used in) investing activities	(151,820)	(23,814)
Cash flows from financing activities		
Dividends paid	(146,031)	(151,752)
Repayments of lease liabilities	(13,749)	(16,954)
Net cash provided by (used in) financing activities	(159,780)	(168,707)
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	2,361	(372,382)
Cash and cash equivalents at beginning of period	1,509,381	1,534,412
Cash and cash equivalents at end of period	1,511,742	1,162,030

(Notes on segment information, etc.)

Segment Information

I. Previous interim period (April 1, 2024 to September 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment

(Thousands of yen)

	Reporting Segments				Adjustment amount (Note) 1	Interim Income Statement
	Maintenance service business	Solution business	Staffing service business	Total		
Sales						
Revenues from external customers	2,415,451	4,117,352	1,072,877	7,605,681	-	7,605,681
Transactions with other segments	-	-	-	-	-	-
Total	2,415,451	4,117,352	1,072,877	7,605,681	-	7,605,681
Segment profit (Note)2	432,266	250,685	162,700	845,651	(672,005)	173,646

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 interim income statement.

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

II. The Interim Accounting Period (April 1, 2025 to September 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(Thousands of yen)

	Reporting Segments				Adjustment amount (Note) 1	Interim Income Statement
	Maintenance service business	Solution business	Staffing service business	Total		
Sales						
Revenues from external customers	2,542,663	4,314,571	1,117,536	7,974,771	-	7,974,771
Transactions with other segments	-	-	-	-	-	-
Total	2,542,663	4,314,571	1,117,536	7,974,771	-	7,974,771
Segment profit (Note)2	501,474	206,850	161,998	870,323	(714,526)	155,797

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 interim income statement.

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