

May 7, 2026

**Non-consolidated Financial Results
for the Fiscal Year Ended March 31, 2026
(Under Japanese GAAP)**

Company name: SHINKO Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 7120
 URL: <https://www.kk-shinko.com/>
 Representative: Yoshihito Murakami, President & COO
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 Scheduled date of annual general meeting of shareholders: June 19, 2026
 Scheduled date to commence dividend payments: June 22, 2026
 Scheduled date to file annual securities report: June 18, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

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

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	19,383	14.7	913	32.8	926	33.9	675	31.6
March 31, 2025	16,904	4.7	687	9.7	691	8.9	512	24.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2026	143.53	-	33.6	12.2	4.7
March 31, 2025	98.58	-	28.0	10.7	4.1

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, net income per share is calculated.

2. Diluted earnings per share is not provided because there are no potential shares.

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	8,768	2,273	25.9	483.40
March 31, 2025	6,369	1,750	27.5	372.21

Reference: Equity

As of March 31, 2026: ¥2,273 million

As of March 31, 2025: ¥1,750 million

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, net assets per share are calculated.

(3) Non-consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	(435)	(64)	461	1,495
March 31, 2025	921	(186)	(709)	1,534

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	0.00	-	97.00	97.00	152	32.8	8.3
Fiscal year ended March 31, 2026	-	0.00	-	43.00	43.00	202	30.0	10.1
Fiscal year ending March 31, 2027 (Forecast)		0.00		44.00	44.00		30.3	

Note: On October 1, 2025, the Company conducted a share split at a ratio of 3 shares per share of common shares. For the fiscal year ended March 31, 2025, the actual amount of dividends before the share split is shown.

3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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, 2027	21,558	11.2	1,031	12.9	1,030	11.3	682	1.1	145.18

Note: 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. For details, please refer to Appendix P.4 "1. Please refer to "Summary of Operating Results (4) Future Outlook".

* Notes

(1) 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

(2) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2026	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 March 31, 2026	798,102 shares
As of March 31, 2025	798,102 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	4,703,898 shares
Fiscal year ended March 31, 2025	5,202,375 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.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

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

It is based on certain assumptions to be judged, and is not intended to be a promise by the Company to realize them. In addition, the actual work

Results may vary due to a variety of factors. Use of the conditions on which earnings forecasts are based and earnings forecasts

For precautions, please refer to the attached P.4 "1. Please refer to "Summary of Business Results (4) Future Outlook".

(Method of accessing supplementary material on financial results and contents of the financial results briefing)

Supplementary financial results materials will be disclosed on TDnet on the same day.

In addition, the Company plans to hold a briefing for institutional investors and analysts on Wednesday, May 20, 2026.

The video and audio recording of the proceedings will be posted on the Company's website promptly after the meeting, along with the financial results presentation material used on the day.

Balance sheet

(Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	1,534,412	1,495,527
Notes receivable - trade	25,766	29,642
Accounts receivable - trade	2,695,815	4,494,961
Contract assets	174,232	215,359
Inventories	266,629	445,239
Prepaid expenses	244,481	259,275
Accounts receivable-other	121,826	88,620
Investments in leases	-	365,201
Other	1,093	1,368
Allowance for doubtful accounts	(2,582)	(3,117)
Total current assets	5,061,674	7,392,076
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	275,377	277,041
Accumulated depreciation	(93,852)	(109,030)
Facilities attached to buildings, net	181,525	168,010
Tools, furniture and fixtures	124,906	135,434
Accumulated depreciation	(79,558)	(89,884)
Tools, furniture and fixtures, net	45,348	45,549
Leased assets	135,513	138,723
Accumulated depreciation	(57,758)	(54,285)
Leased assets, net	77,754	84,438
Total property, plant and equipment	304,627	297,997
Intangible assets		
Software	97,769	81,729
Other	7,113	2,590
Total intangible assets	104,882	84,319
Investments and other assets		
Long-term prepaid expenses	64,343	117,912
Deferred tax assets	496,410	508,593
Other	337,690	367,803
Total investments and other assets	898,444	994,309
Total non-current assets	1,307,955	1,376,626
Total assets	6,369,629	8,768,702

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	1,195,151	1,845,412
Short-term borrowings	-	700,000
Lease liabilities	25,235	120,048
Accounts payable - other	4,884	4,289
Accrued expenses	730,189	853,688
Income taxes payable	143,420	182,777
Advances received	603,551	583,410
Deposits received	155	401
Provision for bonuses	320,854	354,453
Provision for bonuses for directors (and other officers)	-	28,705
Asset retirement obligations	11,623	5,433
Other	28,795	28,306
Total current liabilities	3,063,861	4,706,927
Non-current liabilities		
Lease liabilities	60,721	376,068
Provision for retirement benefits	1,230,207	1,163,775
Asset retirement obligations	117,907	113,040
Long-term accounts payable - other	146,105	135,005
Total non-current liabilities	1,554,942	1,787,890
Total liabilities	4,618,804	6,494,818
Net assets		
Shareholders' equity		
Share capital	183,120	183,120
Capital surplus		
Legal capital surplus	83,120	83,120
Total capital surplus	83,120	83,120
Retained earnings		
Legal retained earnings	25,000	25,000
Other retained earnings		
Retained earnings brought forward	1,989,542	2,512,601
Total retained earnings	2,014,542	2,537,601
Treasury shares	(529,957)	(529,957)
Total shareholders' equity	1,750,825	2,273,884
Total net assets	1,750,825	2,273,884
Total liabilities and net assets	6,369,629	8,768,702

Statement of income

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	16,904,476	19,383,783
Cost of sales	12,881,143	14,881,362
Gross profit	4,023,332	4,502,420
Selling, general and administrative expenses	3,335,642	3,589,019
Operating profit	687,690	913,401
Non-operating income		
Interest income	937	3,098
Gain on cancellation of Maintenance service contracts	5,517	6,218
Other	4,175	7,613
Total non-operating income	10,630	16,930
Non-operating expenses		
Interest expenses	453	881
Compensation for damage	386	1,367
Other	5,908	1,741
Total non-operating expenses	6,748	3,990
Ordinary profit	691,573	926,342
Extraordinary losses		
Loss on retirement of non-current assets	15	116
Impairment losses	15,991	2,127
Total extraordinary losses	16,006	2,243
Profit before income taxes	675,566	924,098
Income taxes - current	218,126	261,129
Income taxes - deferred	(55,433)	(12,183)
Total income taxes	162,693	248,946
Profit	512,872	675,152

Statement of changes in equity

Fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity								Total net assets
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings			
Balance at beginning of period	183,120	83,120	83,120	25,000	1,623,386	1,648,386	(85)	1,914,541	1,914,541
Changes during period									
Dividends of surplus					(146,717)	(146,717)		(146,717)	(146,717)
Issuance of new shares								-	-
Profit					512,872	512,872		512,872	512,872
Purchase of treasury shares							(529,872)	(529,872)	(529,872)
Total changes during period	-	-	-	-	366,155	366,155	(529,872)	(163,716)	(163,716)
Balance at end of period	183,120	83,120	83,120	25,000	1,989,542	2,014,542	(529,957)	1,750,825	1,750,825

Statement of changes in equity

Fiscal year ended March 31, 2026

(Thousands of yen)

	Shareholders' equity								Total net assets
	Share capital	Capital surplus		Retained earnings			Treasury shares	Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings			
Balance at beginning of period	183,120	83,120	83,120	25,000	1,989,542	2,014,542	(529,957)	1,750,825	1,750,825
Changes during period									
Dividends of surplus					(152,092)	(152,092)		(152,092)	(152,092)
Issuance of new shares									
Profit					675,152	675,152		675,152	675,152
Purchase of treasury shares									
Total changes during period	-	-	-	-	523,059	523,059		523,059	523,059
Balance at end of period	183,120	83,120	83,120	25,000	2,512,601	2,537,601	(529,957)	2,273,884	2,273,884

Statement of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	675,566	924,098
Depreciation	111,968	105,794
Increase (decrease) in allowance for doubtful accounts	1,714	535
Increase (decrease) in provision for bonuses	94,103	33,598
Increase (decrease) in provision for bonuses for directors (and other officers)	-	28,705
Increase (decrease) in provision for retirement benefits	11,566	(66,431)
Interest and dividend income	(937)	(3,098)
Commission expenses	5,000	-
Interest expenses	453	881
Loss on compensation for damage	-	1,367
Impairment losses	15,991	2,127
Loss on retirement of non-current assets	15	116
Decrease (increase) in trade receivables	106,931	(1,844,148)
Decrease (increase) in inventories	138,886	(178,609)
Decrease (increase) in other assets	12,252	(42,515)
Increase (decrease) in trade payables	(100,203)	650,261
Increase (decrease) in accounts payable - other	(51,747)	101,919
Increase (decrease) in accrued consumption taxes	30,376	6,273
Increase (decrease) in other liabilities	35,718	58,690
Subtotal	1,087,655	(220,434)
Interest and dividends received	937	3,098
Interest paid	(453)	(881)
Compensation paid for damage	-	(1,367)
Income taxes paid	(166,393)	(216,349)
Net cash provided by (used in) operating activities	921,745	(435,933)
Cash flows from investing activities		
Purchase of property, plant and equipment	(110,455)	(27,496)
Purchase of intangible assets	(60,069)	(18,463)
Payments of leasehold deposits	(23,205)	(15,901)
Proceeds from refund of leasehold deposits	6,979	14,033
Other, net	-	(17,037)
Net cash provided by (used in) investing activities	(186,750)	(64,865)
Cash flows from financing activities		
Proceeds from short-term borrowings	-	1,400,000
Repayments of short-term borrowings	-	(700,000)
Purchase of treasury shares	(534,872)	-
Repayments of lease liabilities	(28,982)	(86,324)
Dividends paid	(146,108)	(151,760)
Net cash provided by (used in) financing activities	(709,963)	461,914
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	25,031	(38,885)
Cash and cash equivalents at beginning of period	1,509,381	1,534,412
Cash and cash equivalents at end of period	1,534,412	1,495,527

(Notes on segment information, etc.)

Segment Information

1. Overview of Reporting Segments

The Company's reporting segments are those of the Company's constituent units for which segregated financial information is available and is subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate performance.

The Company is comprised of business units by product, product, and service, and has three reporting segments: Maintenance Services, Solutions, and Staffing Services. The Maintenance Service segment provides system support, equipment maintenance, call centers, and help desk services.

The Solutions segment provides ICT services such as system design, construction, installation work, and deployment management for medical institutions, welfare facilities, general companies, and government offices, as well as proposing and selling equipment that meets customer needs.

In the Staffing Service segment, we dispatch customer engineers who perform maintenance, inspection, and repair of IT equipment, system engineers who design systems, design and build networks, and support front-end sales of companies to which we are dispatched, as well as work contracting.

2. Method of calculating the amount of sales, profits or losses, assets, liabilities and other items for each reporting segment

The reported method of business segment accounting is in accordance with the accounting policy employed to prepare financial statements.

Profit in the Reporting Segment shows the operating profit and loss before the allocation of selling, general and administrative expenses for the Administration Division at the Head Office, and is a profit indicator that clarifies the contribution of each reporting segment to the entire company.

3. Information on the amount of sales, profits or losses, assets, liabilities, and other items for each reporting segment.

The previous fiscal year (April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Reportable segments				Adjustment amount (Note) 1	Per financial statements
	Maintenance service business	Solution business	Staffing service business	Total		
Sales						
Revenues from external customers	4,923,593	9,815,785	2,165,097	16,904,476	-	16,904,476
Transactions with other segments	-	-	-	-	-	-
Total	4,923,593	9,815,785	2,165,097	16,904,476	-	16,904,476
Segment profit (Note)2	873,014	789,532	304,061	1,966,607	(1,278,916)	687,690

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 income statement.

3. Segment assets and liabilities are omitted because the highest decision-making body does not allocate such information to each segment for management decision-making.

Current fiscal year (April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Reportable segments				Adjustment amount (Note) 1	Per financial statements
	Maintenance service business	Solution business	Staffing service business	Total		
Sales						
Revenues from external customers	5,140,314	11,973,870	2,269,598	19,383,783	-	19,383,783
Transactions with other segments	-	-	-	-	-	-
Total	5,140,314	11,973,870	2,269,598	19,383,783	-	19,383,783
Segment profit (Note)2	1,017,902	938,125	315,622	2,271,650	(1,358,248)	913,401

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 income statement.

3. Segment assets and liabilities are omitted because the highest decision-making body does not allocate such information to each segment for management decision-making.

Related Information

The previous fiscal year (April 1, 2024 to March 31, 2025)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales

Since sales to external customers in Japan exceed 90% of the sales in the income statement, the description is omitted.

(2) Property, plant and equipment

Since there is no amount of property, plant and equipment located outside of Japan, the description is omitted.

3. Information per main customer

(Thousands of yen)

Name or surname of the customer	Sales	Relevant Segment Names
Wemex Corporation	2,547,366	Maintenance Service Business, Solution Business, Human Resources Service Business
KDDI CORPORATION	1,270,444	Maintenance Service Business, Solution Business, Human Resources Service Business

Current fiscal year (April 1, 2025 to March 31, 2026)

1. Product and Service Information

Since the same information is disclosed in the segment information, it is omitted.

2. Regional Information

(1) Net sales

Since sales to external customers in Japan exceed 90% of the sales in the income statement, the description is omitted.

(2) Property, plant and equipment

Since there is no amount of property, plant and equipment located outside of Japan, the description is omitted.

3. Information per main customer

(Thousands of yen)

Name or surname of the customer	Sales	Relevant Segment Names
Wemex Corporation	2,854,632	Maintenance Service Business, Solution Business, Human Resources Service Business
KDDI CORPORATION	3,285,318	Maintenance Service Business, Solution Business, Human Resources Service Business

Information on impairment losses on fixed assets by reporting segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Maintenance service business	Solution business	Staffing service business	Unallocated amounts and elimination	Total
Impairment losses	4,878	-	-	11,112	15,991

Note: The amount of company-wide and eliminations is an impairment loss on company-wide assets that are not attributable to segments.

Current fiscal year (April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Maintenance service business	Solution business	Staffing service business	Unallocated amounts and elimination	Total
Impairment losses	-	-	-	2,127	2,127

Note: The amount of company-wide and eliminations is an impairment loss on company-wide assets that are not attributable to segments.

Information on amortization and unamortized balances of goodwill by reporting segment

The previous fiscal year (April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Maintenance service business	Solution business	Staffing service business	Unallocated amounts and elimination	Total
Depreciation for the period	-	-	-	4,451	4,451
Balance at the end of the current fiscal year	-	-	-	4,451	4,451

Note: The amount of company-wide and elimination is the amount of amortization and unamortized balance related to company-wide goodwill that is not attributable to segments.

Current fiscal year (April 1, 2025 to March 31, 2026)

(Thousands of yen)

	Maintenance service business	Solution business	Staffing service business	Unallocated amounts and elimination	Total
Depreciation for the period	-	-	-	4,451	4,451
Balance at the end of the current fiscal year	-	-	-	4,451	4,451

Note: The amount of company-wide and elimination is the amount of amortization and unamortized balance related to company-wide goodwill that is not attributable to segments.

Information on Negative Goodwill Accrual Gains by Reporting Segment

Not applicable.