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August 14, 2026

Non-consolidated Financial Results for the Three Months Ended June 30, 2026 (Under Japanese GAAP)

Company name: SHINKO Inc.
Listing: Tokyo Stock Exchange
Securities code: 7120
URL: https://www.kk-shinko.com/
Representative: TaizoFukudome, Chairman, President & CEO
Inquiries: Keiko Ishiwata, Executive Officer＆General Manager Corporate Planning Office＆Investor Relations
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, 2026 (from April 1, 2026 to June 30, 2026)

(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, 2026	4,153	19.3	(119)	-	(117)	-	(121)	-
June 30, 2025	3,480	(5.1)	(78)	-	(73)	-	(79)	-

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	(25.80)	-
June 30, 2025	(16.95)	-

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, quarterly net income per share is calculated.
2. Quarterly net income per share 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	%
June 30, 2026	7,968	1,950	24.5
March 31, 2026	8,768	2,273	25.9

Reference: Equity
As of June 30, 2026: ¥1,950 million
As of March 31, 2026: ¥2,273 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, 2026	-	0.00	-	43.00	43.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		0.00		44.00	44.00

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

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: 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.

* **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, 2026	5,502,000 shares
As of March 31, 2026	5,502,000 shares

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

As of June 30, 2026	798,102 shares
As of March 31, 2026	798,102 shares

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

Three months ended June 30, 2026	4,703,898 shares
Three months ended June 30, 2025	4,703,898 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 average number of shares during the period is calculated.

* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

As stated in the "Notice Concerning the Acquisition of Shares of TAC Co., Ltd. (Acquisition of Subsidiary)" disclosed on May 28, 2026, the Company plans to shift to consolidated financial results from the second quarter of the fiscal year ending March 31, 2027 in connection with the Share Acquisition. The impact of this transaction on the Company's consolidated financial results for the fiscal year ending March 2027 is currently under scrutiny, and the consolidated earnings forecast for the fiscal year ending March 2027 will be announced in conjunction with the disclosure of the financial results for the second quarter (interim) of the fiscal year ending March 2027.

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual financial results, etc. may differ substantially due to various factors.

Quarterly balance sheet

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	1,495,527	1,903,044
Notes and accounts receivable - trade, and contract assets	4,739,962	2,461,262
Inventories	445,239	1,477,971
Other	714,465	764,758
Allowance for doubtful accounts	(3,117)	(3,080)
Total current assets	7,392,076	6,603,956
Non-current assets		
Property, plant and equipment	297,997	286,279
Intangible assets	84,319	76,814
Investments and other assets		
Deferred tax assets	508,593	508,593
Other	485,715	492,650
Total investments and other assets	994,309	1,001,244
Total non-current assets	1,376,626	1,364,338
Total assets	8,768,702	7,968,294
Liabilities		
Current liabilities		
Accounts payable - trade	1,845,412	1,274,235
Short-term borrowings	700,000	-
Current portion of long-term borrowings	-	120,000
Income taxes payable	182,777	22,800
Provision for bonuses	354,453	91,386
Provision for bonuses for directors (and other officers)	28,705	6,362
Asset retirement obligations	5,433	5,433
Accrued expenses	853,688	820,803
Advances received	583,410	1,180,642
Other	153,045	285,900
Total current liabilities	4,706,927	3,807,564
Non-current liabilities		
Long-term borrowings	-	480,000
Provision for retirement benefits	1,163,775	1,148,157
Asset retirement obligations	113,040	113,180
Other	511,074	469,122
Total non-current liabilities	1,787,890	2,210,459
Total liabilities	6,494,818	6,018,024
Net assets		
Shareholders' equity		
Share capital	183,120	183,120
Capital surplus	83,120	83,120
Retained earnings	2,537,601	2,213,987
Treasury shares	(529,957)	(529,957)
Total shareholders' equity	2,273,884	1,950,270
Total net assets	2,273,884	1,950,270
Total liabilities and net assets	8,768,702	7,968,294

Quarterly statement of income

(Thousands of yen)

	Three months ended June 30, 2025	Three months ended June 30, 2026
Net sales	3,480,851	4,153,550
Cost of sales	2,608,961	3,280,935
Gross profit	871,890	872,615
Selling, general and administrative expenses	950,068	991,853
Operating loss	(78,178)	(119,238)
Non-operating income		
Interest income	-	2
Gain on cancellation of Maintenance service contracts	1,686	1,513
Other	3,301	2,113
Total non-operating income	4,987	3,629
Non-operating expenses		
Interest expenses	172	1,440
Other	272	184
Total non-operating expenses	444	1,625
Ordinary loss	(73,635)	(117,234)
Loss before income taxes	(73,635)	(117,234)
Total income taxes	6,104	4,112
Loss	(79,740)	(121,346)

(Notes on segment information, etc.)

Segment Information

I. The three months of the previous fiscal year (April 1, 2025 to June 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	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 or loss (loss) (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.

II. The three months of the current fiscal year (April 1, 2026 to June 30, 2026)

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

(Thousands of yen)

	Reporting Segments				Adjustment amount (Note) 1	Quarterly Income Statement
	Maintenance service business	Solution business	Staffing service business	Total		
Sales						
Revenues from external customers	1,307,724	2,278,802	567,023	4,153,550	-	4,153,550
Transactions with other segments	-	-	-	-	-	-
Total	1,307,724	2,278,802	567,023	4,153,550	-	4,153,550
Segment profit or loss (loss) (Note)2	276,245	(59,371)	84,599	301,473	(420,712)	(119,238)

Note: 1. Adjustments for segment profits or losses are head office expenses that are not allocated to the reporting segments, and are selling, general and administrative expenses such as personnel expenses and real estate lease fees related to the head office management department.

2. Segment profit or loss is adjusted for operating loss in the quarterly income statement.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.