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May 15, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)



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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8141
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 Scheduled date of ordinary general meeting of shareholders: June 25, 2026
 Scheduled date of commencing dividend payments: June 17, 2026
 Scheduled date of filing annual securities report: June 29, 2026
 Availability of supplementary briefing material on financial results: Available
 Schedule of financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	99,113	(14.6)	1,201	88.5	1,555	169.0	1,127	123.1
March 31, 2025	116,008	(34.0)	637	(86.9)	578	(87.9)	505	(84.2)

Note: Comprehensive income For the fiscal year ended March 31, 2026: 2,656 million yen [950.7%]

For the fiscal year ended March 31, 2025: 252 million yen [(95.6)%]

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	38.72	—	2.2	1.9	1.2
March 31, 2025	15.75	—	0.9	0.6	0.5

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: (215) million yen

For the fiscal year ended March 31, 2025: (2) million yen

Note: The average number of shares during the period used for calculating basic earnings per share is calculated by excluding the number of shares held in own name as well as treasury shares held by the board benefit trust of 471,500 shares for the fiscal year ended March 31, 2025 and 471,500 shares for the fiscal year ended March 31, 2026 and treasury shares held by the employee benefit trust of 620,146 shares for the fiscal year ended March 31, 2025 and 601,862 shares for the fiscal year ended March 31, 2026.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	80,796	53,541	65.2	1,844.07
As of March 31, 2025	80,051	52,539	64.6	1,737.80

Reference: Equity

As of March 31, 2026: 52,647 million yen

As of March 31, 2025: 51,701 million yen

(3) Consolidated Cash Flows

	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
Fiscal year ended				
March 31, 2026	5,821	(389)	(6,769)	30,065
March 31, 2025	31,718	(3,087)	(11,565)	30,359

2. Cash Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	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	-	7.50	-	8.00	15.50	504	98.4	0.9
Fiscal year ended March 31, 2026	-	6.00	-	12.50	18.50	551	47.8	1.0
Fiscal year ending March 31, 2027 (Forecast)	-	12.00	-	12.50	24.50		50.0	

* Revisions to the forecast of cash dividends most recently announced: No

3. Consolidated Financial Result Forecasts for the Fiscal Year Ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	126,000	27.1	1,800	49.8	2,100	35.0	1,400	24.2	49.04

Note: In the consolidated financial results forecast for the fiscal year ending March 31, 2027, only the full year forecast is disclosed as reasonable estimates of the financial results forecast for the first six months is difficult at this time. For details, please refer to “1. Overview of Operating Results, etc., (4) Future Outlook” on page 4 of the attached document.

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 2 companies (SHIMIZUSYNTEC Corporation, SHIMIZU SYNTEC SINGAPORE PTE.LTD.)
Excluded: -

Note: For details, please refer to “3. Consolidated Financial Statements and Primary Notes, (5) Notes to Consolidated Financial Statements” on page 13 of the attached document.

- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- (i) Changes in accounting policies due to the revision of accounting standards: No
 - (ii) Changes in accounting policies other than 1) above: No
 - (iii) Changes in accounting estimates: No
 - (iv) Retrospective restatement: No

Note: For details, please refer to “3. Consolidated Financial Statements and Primary Notes, (5) Notes to Consolidated Financial Statements” on page 13 of the attached document.

- (3) Total 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	31,010,566 shares
As of March 31, 2025	38,010,566 shares

- (ii) Total number of treasury shares at the end of the period

As of March 31, 2026	2,460,667 shares
As of March 31, 2025	8,259,548 shares

- (iii) Average number of shares during the period

Fiscal year ended March 31, 2026	29,110,659 shares
Fiscal year ended March 31, 2025	32,081,041 shares

- The total number of treasury shares at the end of the period includes the Company’s shares held by the board benefit trust of 471,500 shares for the fiscal year ended March 31, 2025 and 471,500 shares for the fiscal year ended March 31, 2026 and the Company’s shares held by the employee benefit trust of 637,000 shares for the fiscal year ended March 31, 2025 and 591,200 shares for the fiscal year ended March 31, 2026.
- Treasury shares excluded for calculation of the average number of shares during the period includes the Company’s shares held by the board benefit trust of 471,500 shares for the fiscal year ended March 31, 2025 and 471,500 shares for the fiscal year ended March 31, 2026 and the Company’s shares held by the employee benefit trust of 620,146 shares for the fiscal year ended March 31, 2025 and 601,862 shares for the fiscal year ended March 31, 2026.

Reference: Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	44,819	(34.7)	(712)	–	(487)	–	(235)	–
March 31, 2025	68,628	(41.0)	(2)	–	(99)	–	346	(81.2)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	(8.09)	–
March 31, 2025	10.79	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2026	42,469	28,136	66.3	985.52
As of March 31, 2025	49,628	29,866	60.2	1,003.88

Reference: Equity

As of March 31, 2026: 28,136 million yen

As of March 31, 2025: 29,866 million yen

<Reason for the variance from the previous fiscal year's non-consolidated operating results>

Due to the termination of the distribution agreement with Renesas Electronics Corporation on September 30, 2024, etc., there were variances in performance during this fiscal year compared to the previous fiscal year.

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

* Explanation of the proper use of financial results forecast and other notes

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company has deemed reasonable. These statements are not intended as the Company's commitment to achieve them, and actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Overview of Business Results

(1) Overview of Operating Results

During the fiscal year ended March 31, 2026, despite an ongoing gradual recovery trend, the outlook for the Japanese economy remained still uncertain mainly due to the impact of rising crude oil prices from escalating tensions in the Middle East and U.S. trade policies.

In the electronics industry, while demand for generative AI-related products and data center applications expanded further, inventory adjustments in other segments have been largely resolved, leading to a recovery in demand driven primarily by capital expenditure.

The Company ended its distribution agreement with Renesas Electronics Corporation, its major supplier, on September 30, 2024. The Company acquired SHIMIZUSYNTEC Corporation, which had been a subsidiary of NEC Corporation with a strong sales base in the Hokuriku area, making it a wholly-owned subsidiary of the Company on June 30, 2025.

As a result, the business performances during the fiscal year ended March 31, 2026 were: net sales 99,113 million yen (14.6% decrease compared with the same period of the previous year); operating profit 1,201 million yen (88.5% increase); ordinary profit 1,555 million yen (169.0% increase); and profit attributable to owners of parent 1,127 million yen (123.1% increase). Business performances per segment are as follows.

The Company has revised certain reportable segments to better reflect the nature of its operations from the beginning of the fiscal year ended March 31, 2026. For comparative purposes, prior-year figures for the corresponding period have been reclassified to conform to the current segment presentation.

Electronic Device Business

All businesses, including the businesses related to automotive electronic products, remained sluggish.

As a result of the above, net sales were: semiconductors 13,204 million yen (71.0% decrease compared with the same period of the previous year), electronic devices 51,319 million yen (17.8% increase), and overall 64,523 million yen (27.6% decrease).

Assembly Business

The businesses related to amusement products remained sluggish.

As a result of the above, net sales of assembly products were 14,055 million yen (15.3% decrease compared with the same period of the previous year).

Other Businesses

The performance of SHIMIZUSYNTEC Corporation has been reflected in consolidation results from the second quarter of the fiscal year ended March 31, 2026.

In addition, the machinery and equipment business remained strong.

As a result of the above, net sales were 20,533 million yen (99.6% increase compared with the same period of the previous year).

(2) Overview of Financial Position

(Assets)

Total assets as of March 31, 2026 increased by 745 million yen from the end of the previous period to 80,796 million yen. This is mainly attributable to increases in cash and deposit, notes and accounts receivable - trade, and contract assets, current assets-other, land, intangible assets and investments and other assets of 1,717 million yen, 2,739 million yen, 1,069 million yen, 448 million yen, 1,510 million yen, 422 million yen, respectively, despite decreases in securities, merchandise and finished goods, and accounts receivable - other of 2,995 million yen, 2,635 million yen, 1,627 million yen, respectively.

(Liabilities)

Total liabilities as of March 31, 2026 decreased by 256 million yen from the end of the previous period to 27,254 million yen. This is mainly attributable to decreases in electronically recorded obligations - operating, short-term borrowings, and long-term borrowings of 1,871 million yen, 1,270 million yen, 28 million yen, respectively, despite increases in notes and accounts payable – trade, contract liabilities, and deferred tax liabilities of 2,641 million yen, 1,350 million yen, 1,520million yen, respectively.

(Net assets)

Total net assets as of March 31, 2026 increased by 1,002 million yen from the end of the previous period to 53,541 million yen. This is mainly attributable to a decrease in treasury shares of 5,182 million yen and increases in foreign currency translation adjustment and valuation difference on available-for-sale securities of 1,266 million yen and 201 million yen, respectively, despite a decrease in retained earnings of 5,691 million yen.

This resulted in an equity ratio of 65.2% (64.6% at the end of the previous year).

(3) Overview of Cash Flows

Cash and cash equivalents (hereinafter referred to as “Net cash”) as of March 31, 2026 decreased by 293 million yen from the end of the previous year to 30,065 million yen, mainly due to a decrease in inventories, sale of investment securities, and a decrease in short-term and long-term borrowings, as profit before income taxes was 2,933 million yen (146.3% increase compared with the same period of the previous year).

Status of cash flows and factors behind them for the fiscal year ended March 31, 2026 are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 5,821 million yen (31,718 million yen provided in the previous fiscal year). This is mainly attributable to profit before income taxes of 2,933 million yen, a decrease in accounts receivable - other of 1,480 million yen, and a decrease in inventories of 3,691 million yen, despite a decrease in trade payables of 373 million yen and a decrease in other assets and liabilities of 442 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 389 million yen (3,087 million yen used in the previous fiscal year). This is mainly attributable to purchase of subsidiaries and associates shares of 2,824 million yen, despite proceeds from sale of investment securities of 1,717 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 6,769 million yen (11,565 million yen used in the previous fiscal year). This is mainly attributable to net decrease in short-term borrowings of 1,262 million yen, repayments of long-term borrowings of 3,500 million yen, and purchase of treasury shares of 1,501million yen,

Reference: Trends in cash flow-related indicators

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Equity ratio (%)	57.8	52.5	55.4	64.6	65.1
Equity ratio on a market value basis (%)	37.3	41.0	39.7	33.5	44.3
Cash flow to interest-bearing debt ratio (%)	–	–	377.5	32.5	92.4
Interest coverage ratio (times)	–	–	25.5	270.7	78.4

Equity ratio: equity / total assets

Equity ratio on market value basis: market capitalization / total assets

Cash flow to interest-bearing debt ratio: interest-bearing debt / cash flow

Interest coverage ratio: operating cash flow / interest expense

Note 1: All of the above indicators are calculated from financial figures on a consolidated basis.

Note 2: Market capitalization is calculated based on the number of outstanding shares after deducting treasury shares.

Note 3: Operating cash flow is used for cash flows.

Note 4: Interest-bearing debt includes all liabilities on which interest is paid, out of liabilities recorded in consolidated balance sheets.

(4) Future Outlook

The Company projects consolidated financial results for the fiscal year ending March 31, 2027 of consolidated net sales of 126,000 million yen, operating profit of 1,800 million yen, ordinary profit of 2,100 million yen, and profit attributable to owners of parent of 1,400 million yen. Regarding dividends, we plan to pay an annual dividend of 24.5 yen per share based on a target consolidated payout ratio of 50%.

2. Basic Policy on Selection of Accounting Standards

The Group's policy is to prepare its consolidated financial statements in accordance with Japanese GAAP, for the time being, taking into consideration the comparability of the consolidated financial statements from period to period and the comparability among companies.

The Group intends to consider the application of international accounting standards (IFRS) in the future, based on trends in the ratio of foreign shareholders and the application of IFRS by other domestic companies in the same industry.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	28,616	30,333
Notes and accounts receivable - trade, and contract assets	16,595	19,335
Securities	2,995	-
Merchandise and finished goods	15,079	12,444
Work in process	80	70
Accounts receivable - other	7,865	6,238
Other	323	1,393
Allowance for doubtful accounts	(39)	(42)
Total current assets	71,517	69,772
Non-current assets		
Property, plant and equipment		
Buildings and structures	889	1,372
Accumulated depreciation	(694)	(1,041)
Buildings and structures, net	195	331
Land	200	648
Other	1,165	1,214
Accumulated depreciation	(909)	(987)
Other, net	256	227
Total property, plant and equipment	651	1,207
Intangible assets	103	1,613
Investments and other assets		
Investment securities	6,103	6,246
Retirement benefit asset	-	148
Deferred tax assets	360	230
Other	1,315	1,577
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	7,779	8,202
Total non-current assets	8,534	11,023
Total assets	80,051	80,796

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,369	13,011
Electronically recorded obligations - operating	3,213	1,342
Short-term borrowings	2,270	1,000
Current portion of long-term borrowings	3,500	2,800
Accounts payable - other	187	533
Income taxes payable	273	490
Contract liabilities	8	1,359
Provision for bonuses	466	680
Provision for bonuses for directors	33	50
Other	933	832
Total current liabilities	21,255	22,098
Non-current liabilities		
Long-term borrowings	4,300	1,500
Deferred tax liabilities	350	1,871
Provision for share awards for directors	124	136
Provision for share awards for employees	412	412
Retirement benefit liability	600	708
Other	467	526
Total non-current liabilities	6,255	5,155
Total liabilities	27,511	27,254
Net assets		
Shareholders' equity		
Share capital	9,501	9,501
Capital surplus	9,616	9,599
Retained earnings	34,020	28,328
Treasury shares	(7,431)	(2,249)
Total shareholders' equity	45,707	45,180
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	953	1,155
Deferred gains or losses on hedges	(0)	0
Revaluation reserve for land	(61)	(61)
Foreign currency translation adjustment	5,074	6,341
Remeasurements of defined benefit plans	26	31
Total accumulated other comprehensive income	5,993	7,467
Non-controlling interests	838	894
Total net assets	52,539	53,541
Total liabilities and net assets	80,051	80,796

(2) Consolidated Statements of Income and Comprehensive Income

(Consolidated Statements of Income)

(The fiscal year ended March 31)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	116,008	99,113
Cost of sales	106,762	88,647
Gross profit	9,245	10,465
Selling, general and administrative expenses	8,608	9,263
Operating profit	637	1,201
Non-operating income		
Interest income	223	348
Dividend income	120	274
Purchase discounts	16	0
Miscellaneous income	46	85
Total non-operating income	407	709
Non-operating expenses		
Interest expenses	119	77
Foreign exchange losses	263	12
Share of loss of entities accounted for using equity method	2	215
Arrangement fee	28	28
Miscellaneous expenses	53	21
Total non-operating expenses	466	355
Ordinary profit	578	1,555
Extraordinary income		
Gain on sale of non-current assets	1	0
Gain on sale of investment securities	979	1,338
Gain on sale of golf club membership	22	57
Total extraordinary income	1,003	1,396
Extraordinary losses		
Impairment losses	20	-
Loss on sale and retirement of non-current assets	7	0
Settlement payments	-	1
Extra retirement payments	362	-
Information security expenses	-	17
Total extraordinary losses	390	19
Profit before income taxes	1,190	2,933
Income taxes - current	639	584
Income taxes - deferred	(0)	1,176
Income taxes	639	1,760
Profit	551	1,172
Profit attributable to non-controlling interests	45	45
Profit attributable to owners of parent	505	1,127

(Consolidated Statements of Comprehensive Income)

(The fiscal year ended March 31)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	551	1,172
Other comprehensive income		
Valuation difference on available-for-sale securities	(894)	207
Deferred gains or losses on hedges	(1)	0
Foreign currency translation adjustment	589	1,271
Remeasurements of defined benefit plans, net of tax	7	4
Total other comprehensive income	(298)	1,483
Comprehensive income	252	2,656
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	205	2,600
Comprehensive income attributable to non-controlling interests	47	55

(3) Consolidated Statements of Changes in Equity
Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained Earnings	Treasury shares	Total shareholder's equity
Balance at beginning of period	9,501	9,599	34,518	(4,585)	49,034
Changes during period					
Dividends of surplus			(1,002)		(1,002)
Profit attributable to owners of parent			505		505
Purchase of treasury shares				(3,307)	(3,307)
Disposal of treasury shares		16		460	477
Cancellation of treasury shares					—
Net changes in items other than shareholders' equity					—
Total changes during period	—	16	(497)	(2,846)	(3,327)
Balance at end of period	9,501	9,616	34,020	(7,431)	45,707

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,850	0	(61)	4,484	18	6,293	791	56,119
Changes during period								
Dividends of surplus								(1,002)
Profit attributable to owners of parent								505
Purchase of treasury shares								(3,307)
Disposal of treasury shares								477
Cancellation of treasury shares								—
Net changes in items other than shareholders' equity	(896)	(1)	—	590	7	(299)	47	(252)
Total changes during period	(896)	(1)	—	590	7	(299)	47	(3,579)
Balance at end of period	953	(0)	(61)	5,074	26	5,993	838	52,539

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained Earnings	Treasury shares	Total shareholder's equity
Balance at beginning of period	9,501	9,616	34,020	(7,431)	45,707
Changes during period					
Dividends of surplus			(428)		(428)
Profit attributable to owners of parent			1,127		1,127
Purchase of treasury shares				(1,504)	(1,504)
Disposal of treasury shares		0		278	278
Cancellation of treasury shares		(17)	(6,390)	6,407	—
Net changes in items other than shareholders' equity					—
Total changes during period	—	(16)	(5,691)	5,182	(526)
Balance at end of period	9,501	9,599	28,328	(2,249)	45,180

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	953	(0)	(61)	5,074	26	5,993	838	52,539
Changes during period								
Dividends of surplus								(428)
Profit attributable to owners of parent								1,127
Purchase of treasury shares								(1,504)
Disposal of treasury shares								278
Cancellation of treasury shares								—
Net changes in items other than shareholders' equity	201	0	—	1,266	4	1,473	55	1,529
Total changes during period	201	0	—	1,266	4	1,473	55	1,002
Balance at end of period	1,155	0	(61)	6,341	31	7,467	894	53,541

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	1,190	2,933
Depreciation	350	275
Impairment losses	20	-
Amortization of goodwill	9	47
Increase (decrease) in allowance for doubtful accounts	(1)	0
Share of loss (profit) of entities accounted for using equity method	2	215
Increase (decrease) in provision for bonuses for directors	(64)	16
Increase (decrease) in provision for share awards for directors	-	11
Increase (decrease) in provision for share awards for employees	(23)	(0)
Increase (decrease) in provision for bonuses	(123)	183
Increase (decrease) in retirement benefit liability	(202)	(16)
Interest and dividend income	(343)	(623)
Interest expenses	119	77
Loss (gain) on sale and retirement of property, plant and equipment	6	0
Loss (gain) on sale of investment securities	(979)	(1,338)
Decrease (increase) in trade receivables	20,284	(272)
Decrease (increase) in accounts receivable - other	3,494	1,480
Decrease (increase) in inventories	17,048	3,691
Increase (decrease) in trade payables	(5,543)	(373)
Increase (decrease) in accrued consumption taxes	(189)	(228)
Increase/decrease in other assets/liabilities	(2,361)	(442)
Non cash flow transaction	20	(66)
Subtotal	32,713	5,571
Interest and dividends received	340	625
Interest paid	(117)	(74)
Income taxes refund (paid)	(1,219)	(301)
Net cash provided by (used in) operating activities	31,718	5,821
Cash flows from investing activities		
Purchase of investment securities	(3,122)	(118)
Proceeds from sale of investment securities	1,508	1,717
Purchase of securities	(997)	(997)
Proceeds from sale of securities	-	1,994
Purchase of property, plant and equipment	(77)	(93)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(17)	(79)
Purchase of shares of subsidiaries and associates	(314)	(2,824)
Purchase of other investments	(88)	(103)
Proceeds from sales and cancelation of other investments	20	114
Net cash provided by (used in) investing activities	(3,087)	(389)

(Millions of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6,872)	(1,262)
Repayments of long-term borrowings	(700)	(3,500)
Repayments of lease liabilities	(84)	(67)
Purchase of treasury shares	(3,307)	(1,501)
Dividends paid	(1,006)	(437)
Proceeds from sale of treasury shares	405	-
Net cash provided by (used in) financing activities	(11,565)	(6,769)
Effect of exchange rate change on cash and cash equivalents	136	1,045
Net increase (decrease) in cash and cash equivalents	17,201	(293)
Cash and cash equivalents at beginning of period	13,157	30,359
Cash and cash equivalents at end of period	30,359	30,065

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in scope of consolidation or scope of equity method to be applied)

SHIMIZUSYNTEC Corporation and SHIMIZU SYNTEC SINGAPORE PTE.LTD. are included in scope of consolidation from this fiscal year.

(Changes in accounting policies)

Not applicable.

(New accounting standards not yet applied)

- "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13, 2024)
 - "Implementation Guidance on Accounting Standard for Leases" (ASBJ Guidance No. 33, September 13, 2024)
- and other amendments to related accounting standards, implementation guidance, practical solutions, and transferred guidance

(1) Overview

Similar to international accounting standards, the standard and guidance stipulate the treatment of all leases by a lessee, including recording of assets and liabilities.

(2) Scheduled date of application

To be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Impact of application of this accounting standard

The impact due to the application of the "Accounting Standard for Leases," etc. on the consolidated financial statements is currently being evaluated.

(Changes in presentation)

In the consolidated balance sheet for the previous fiscal year, contract liabilities were included under "Other" within current liabilities. However, due to an increase in materiality, the Company has presented contract liabilities as a separate line item starting with the consolidated accounting period for the fiscal year ended March 31, 2026. To reflect this change in presentation, the consolidated balance sheet for the previous fiscal year has been reclassified accordingly.

As a result, the 8 million yen previously presented under "Other" in current liabilities in the consolidated balance sheet for the previous fiscal year has been reclassified as "Contract liabilities."

(Additional information)

(Disposal of Treasury Stock as Restricted Stock)

Based on a resolution at the Board of Directors' meeting held on June 12, 2025, the Company disposed of treasury shares as restricted stock and completed the payment procedure on September 29, 2025.

1. Overview of Disposal of Treasury Shares

(1) Payment date	September 29, 2025
(2) Class and number of shares to be disposed of	246,860 shares of common stock of the Company
(3) Disposal price	951 yen per share
(4) Total value of share disposal	234,763,860 yen
(5) Planned allottees	Employees of the Company: 326 employees, 246,860 shares
(6) Other	The Company has submitted an extraordinary report in accordance with the Financial Instruments and Exchange Act regarding the Disposal of Treasury Stock.

2. Purpose and Reasons for Disposal

At the Board of Directors' meeting held on June 12, 2025, the Company resolved to introduce a restricted stock grant plan in order to provide an incentive for employees of the Company to sustainably improve the Company's corporate value and to promote further shared values with shareholders.

(Merger and Acquisition of wholly owned subsidiary)

At the Board of Directors' meeting held on December 11, 2025, the Company resolved on merger and acquisition of our wholly owned subsidiary NOVALUX JAPAN CO.,LTD. effective as of April 1, 2026.

1. Overview of Merger and Acquisition

(1) Names of the Combining Companies and Description of Their Businesses

Surviving company

Name of the company: Shinko Shoji Co., Ltd.

Description of business: Sales of electronic components such as integrated circuits and semiconductor elements, assembly products and electronic equipment, as well as import and export associated thereto and businesses incidental thereto

Merged company

Name of the company: NOVALUX JAPAN CO., LTD.

Description of business:

- Entrusted development, sale and maintenance services of computer software and hardware and peripheral devices
- Planning, consulting, management, operation, kitting, and various services of computer system
- Design, manufacture, management and maintenance services of FPGA, control and communications boards, and units

(2) Date of the Business Combination

April 1, 2026

(3) Legal Form of the Business Combination

An absorption-type merger with Shinko Shoji Co., Ltd. as the surviving company and NOVALUX JAPAN CO., LTD. as the disappearing company.

(4) Name of the Company after the Business Combination

Shinko Shoji Co., Ltd.

2. Overview of Accounting Treatment to Be Applied

The transaction will be accounted for as a transaction under common control in accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, issued January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Implementation Guidance No. 10, issued January 16, 2019).

(Segment information, etc.)

[Segment information]

1. Summary of reportable segments

The Group’s reportable segments are components of the Group for which separate financial information is available and which are subject to management review by the Board of Directors.

The Group is engaged in sales of electronic devices, assembly products, and electronic products, as well as contract development of microcomputer software at its headquarters and domestic and overseas locations.

Consequently, the Group has three reportable segments: “Electronic Device Business,” “Assembly Business,” and “Other Businesses,” with categories based on the type of products handled.

The main products in the Electronic Device Business segment are semiconductors and electronic devices. The main products of the Assembly Business are assembly products. The Other Businesses segment mainly sells electronic products and performs contract development of microcomputer software.

2. Calculation of net sales, profit (loss), assets, liabilities and other items by reportable segment

The accounting method for reported business segments is in accordance with the accounting policies used in the preparation of the consolidated financial statements.

Profit by reportable segment is based on operating profit.

3. Information on net sales, profit (loss), assets, liabilities, and other items by reportable segment

For the fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment				Adjustment amount	Consolidated income statement amount
	Electronic device business	Assembly business	Other businesses	Total		
Net sales:						
Sales to external customers	89,119	16,599	10,289	116,008	–	116,008
Inter-segment sales and transfers	–	–	–	–	–	–
Total	89,119	16,599	10,289	116,008	–	116,008
Segment profit	1,512	669	444	2,626	(1,988)	637
Segment assets	26,959	6,091	4,006	37,057	42,993	80,051
Segment liabilities	9,850	2,354	1,377	13,582	13,928	27,511
Other items:						
Depreciation	–	–	17	17	332	350
Share of loss (profit) of entities accounted for using equity method	–	–	(2)	(2)	–	(2)
Impairment losses	–	–	–	–	20	20
Investment in equity-method investees	–	–	312	312	–	312
Increase in property, plant and equipment and intangible assets	–	–	21	21	72	94

For the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reportable segment				Adjustment amount	Consolidated income statement amount
	Electronic device business	Assembly business	Other businesses	Total		
Net sales:						
Sales to external customers	64,523	14,055	20,533	99,113	–	99,113
Inter-segment sales and transfers	–	–	–	–	–	–
Total	64,523	14,055	20,533	99,113	–	99,113
Segment profit	2,346	327	393	3,067	(1,865)	1,201
Segment assets	19,558	5,675	12,287	37,521	43,275	80,796
Segment liabilities	6,872	2,237	5,243	14,353	12,901	27,254
Other items:						
Depreciation	–	–	19	19	255	275
Amortization of goodwill	–	–	47	47	–	47
Share of loss (profit) of entities accounted for using equity method	–	–	(215)	(215)	–	(215)
Impairment losses	–	–	–	–	–	–
Investment in equity-method investees	–	–	97	97	–	97
Increase in property, plant and equipment and intangible assets	–	–	1,572	1,572	786	2,359

Note: As a result of the review of the performance segment classification, some transactions related to industrial products, which were classified in the Electronic device business and Assembly business in the prior fiscal year, have been included in the Other Businesses starting in this fiscal year. For comparative purposes, prior-year figures have been reclassified to conform to the current segment presentation.

4. Differences between the totals of reportable segments and the amounts recorded in the consolidated financial statements, and major components of such differences (notes on adjustments)

(Millions of yen)

Profit	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable segment total	2,626	3,067
Companywide expenses (Note)	(1,988)	(1,865)
Operating profit on consolidated financial statements	637	1,201

Note: Companywide expenses consist mainly of common expenses not attributable to reportable segments and administrative division expenses.

(Millions of yen)

Assets	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable segment total	37,057	37,521
Companywide assets (Note)	42,993	43,275
Total assets on consolidated financial statements	80,051	80,796

Note: Companywide assets consist mainly of common assets, etc. not attributable to reportable segments and administrative assets, etc. in the administrative division.

(Millions of yen)

Liabilities	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Reportable segment total	13,582	14,353
Companywide liabilities (Note)	13,928	12,901
Total liabilities on consolidated financial statements	27,511	27,254

Note: Companywide liabilities consist mainly of common liabilities, etc. not attributable to reportable segments and administrative liabilities, etc. in the administrative division.

(Millions of yen)

Other	Reportable Segment Total		Adjustment amount		Amounts recorded in the consolidated financial statements	
	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year
Depreciation	17	19	332	255	350	275
Amortization of goodwill	–	47	–	–	–	47
Share of loss (profit) of entities accounted for using equity method	(2)	(215)	–	–	(2)	(215)
Impairment losses	–	–	20	–	20	–
Investment in equity-method investees	312	97	–	–	312	97
Increase in property, plant and equipment, and intangible assets	21	1,572	72	786	94	2,359

Note: Amounts in the adjustment amount column are mainly for common assets, etc. not attributable to reportable segments, and administrative assets, etc. in the administrative division.

(Per share information)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	1,737.80 yen	1,844.07 yen
Basic earnings per share	15.75 yen	38.72 yen

Notes: 1. Diluted earnings per share are not stated since there are no dilutive shares.

2. The number of shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) is included as treasury shares in calculation of treasury shares in shareholders' equity. For the purpose of calculating the amounts of net assets per share, it was included in the number of treasury shares, which was to be deducted from the number of shares issued at the end of the fiscal year. For the purpose of calculating basic earnings per share, it was included in the number of treasury shares, which was to be deducted from the calculation of the average number of shares during the period.

Number of such treasury shares at the end of the fiscal year deducted from the calculation of net assets per share

Board Benefit Trust (BBT) for officers

471,500 shares for the previous fiscal year and 471,500 shares for the current fiscal year

Employee Stock Ownership Plan (J-ESOP)

637,000 shares for the previous fiscal year and 591,200 shares for the current fiscal year

Average number of such treasury shares during the period deducted from the calculation of basic earnings per share

Board Benefit Trust (BBT) for officers

471,500 shares for the previous fiscal year and 471,500 shares for the current fiscal year

Employee Stock Ownership Plan (J-ESOP)

620,146 shares for the previous fiscal year and 601,862 shares for the current fiscal year

3. The basis for calculating basic earnings per share is as follows

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit attributable to owners of parent (millions of yen)	505	1,127
Amount not attributable to common shareholders (millions of yen)	–	–
Profit attributable to owners of parent relating to common shares (millions of yen)	505	1,127
Average number of shares during the period (thousands of shares)	32,081	29,110

(Business combination, etc.)

Business combination through acquisition

At a meeting of the Board of Directors' held on May 30, 2025, the Company resolved to acquire all outstanding shares of SHIMIZUSYNTEC Corporation (head office: Kanazawa City, Ishikawa Prefecture; President: Tatsuhiko Matsuo), a subsidiary of NEC Corporation (head office: Minato-ku, Tokyo; President & CEO: Takayuki Morita), and make it a wholly-owned subsidiary of the Company ("the transaction"). The Company entered into a share transfer agreement on the same day and acquired all the shares on June 30, 2025.

1. Overview of business combination

(1) Name of the acquired company and its business

Name of the acquired company: SHIMIZUSYNTEC Corporation ("SHIMIZUSYNTEC")

Business description: Wholesale of electronic devices and electrical work service

(2) Primary reasons for the business combination

The Company has focused on "area strategy, growth investments aimed at the exploration and creation of new business domains, and M&As" as one of its management strategies in line with its Management Policy: "In this era of change, we aim to provide a wide range of electronics products and services. Increase the value of our existence, realizing an evolving electronic parts trading company group."

SHIMIZUSYNTEC, as a distributor of NEC, has a strong sales base in the Hokuriku area, as well as expertise not only in sales of electronic devices, but also in systems solution development, which includes providing support for manufacturers using IT/DX technologies from the stage of manufacturing processes.

Based on these, the Company believes SHIMIZUSYNTEC can be a strong partner in realizing its management strategies. SHIMIZUSYNTEC also hopes to further expand its sales channels and expects synergetic effects from the transaction.

(3) Date of business combination

June 30, 2025

(4) Legal form of business combination

Share acquisition with cash consideration

(5) Name of the combined company

The company name has not changed.

(6) Percentage of voting rights acquired

100%

(7) Main basis for choice of the acquiring company

The Company acquired the shares of SHIMIZUSYNTEC in exchange of cash.

2. Period of the acquired company's business results included in the semi-annual consolidated statements of income

From July 1, 2025 to March 31, 2026

3. Acquisition cost and breakdown of consideration by type

Consideration for acquisition Cash and deposits 5,182 million yen

4. Description of major expenses related to acquisition and amount thereof

Advisory fees and other costs 72 million yen

5. Amount of goodwill, reason for its recognition, and the method and period of amortization

(1) Amount of goodwill

630 million yen

(2) Reason for recognition of the goodwill amount

Potential excess earnings expected from future business development of the acquired company were recognized as the goodwill amount.

(3) Method and period of amortization

Straight-line amortization over 10 years

6. Amount of assets accepted and liabilities assumed on the date of the business combination, and major breakdown thereof

Current assets	6,017 million yen
Non-current assets	<u>2,323</u>
Total assets	<u>8,340</u>
Current liabilities	3,097
Non-current liabilities	<u>691</u>
Total liabilities	<u>3,789</u>

7. Amount allocated to intangible assets other than goodwill and period of amortization

(1) Customer related intangible assets

910 million yen

(2) Method and period of amortization

Straight-line amortization over 9 years

(Significant subsequent events)

Not applicable.