Consolidated Financial Results for the Three Months Ended June 30, 2026 [Japanese GAAP]

July 31, 2026

Company name: Shinko Shoji Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Code number: 8141
URL: http://www.shinko-sj.co.jp/
Representative: Tatsuya Ogawa, President and Representative Director
Contact: Shuji Isshiki, Managing Director
Phone: +81-3-6361-8111
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: Not available
Schedule of quarterly financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2026 (April 1, 2026 to June 30, 2026)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	27,141	25.1	283	33.1	647	67.9	365	(7.3)
June 30, 2025	21,691	(33.4)	213	(71.5)	385	(59.6)	394	22.6

(Note) Comprehensive income: Three months ended June 30, 2026: 1,259 million yen [–%]
Three months ended June 30, 2025: 35 million yen [(98.0)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	12.81	–
June 30, 2025	13.27	–

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 three months ended June 30, 2025 and 471,500 shares for the three months ended June 30, 2026 and treasury shares held by the employee benefit trust of 614,300 shares for the three months ended June 30, 2025 and 589,325 shares for the three months ended June 30, 2026.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2026	82,594	54,431	64.8
As of March 31, 2026	80,796	53,541	65.2

(Reference) Equity: As of June 30, 2026: 53,519 million yen
As of March 31, 2026: 52,647 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2026	-	6.00	-	12.50	18.50
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		0.00	-	0.00	0.00

* Revisions to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (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

* Revisions to the financial results forecast announced most recently: No

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: -
Excluded: 1 company (NOVALUX JAPAN CO.,LTD.)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Primary Notes, (3) Notes to Quarterly Consolidated Financial Statements" on page 8 of the attached document.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: No
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No
(Note) For details, please refer to "2. Quarterly Consolidated Financial Statements and Primary Notes, (3) Notes to Quarterly Consolidated Financial Statements" on page 8 of the attached document.

(4) Total number of issued shares (common shares)
1) Total number of issued shares at the end of the period (including treasury shares):
June 30, 2026: 31,010,566 shares
March 31, 2026: 31,010,566 shares

2) Total number of treasury shares at the end of the period:
June 30, 2026: 2,460,575 shares
March 31, 2026: 2,460,667 shares

3) Average number of shares during the period:
Three months ended June 30, 2026: 28,550,233 shares
Three months ended June 30, 2025: 29,749,843 shares

1. 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, 2026 and 471,500 shares for the three months ended June 30, 2026 and the Company's shares held by the employee benefit trust of 591,200 shares for the fiscal year ended March 31, 2026 and 588,700 shares for the three months ended June 30, 2026.
2. 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 three months ended June 30, 2025 and 471,500 shares for the three months ended June 30, 2026 and the Company's shares held by the employee benefit trust of 614,300 shares for the three months ended June 30, 2025 and 589,325 shares for the three months ended June 30, 2026.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

* 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. For the assumptions for financial results forecast and precautions for using financial results forecast, please refer to "1. Overview of Business Results, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 3 of the attached document.

Table of Contents - Attachments

1. Overview of Business Results

(1) Overview of Operating Results

During the three months ended June 30, 2026, despite an ongoing gradual recovery trend, the outlook for the Japanese economy remained still uncertain mainly due to the impact of escalating tensions in the Middle East and rising prices.

In the electronics industry, as demand for AI-related products and data center applications remained strong, capital expenditure related to semiconductor manufacturing equipment also showed a strong recovery trend.

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.

Under these circumstances, our group (the Company and its consolidated subsidiaries) posted overall results at an increased level compared with the same period of the previous year in the businesses related to industrial products and automotive electronic products, which are our core businesses.

As a result, the business performances during the first quarter of the consolidated accounting period were: net sales 27,141 million yen (25.1% increase compared with the same period of the previous year); operating profit 283 million yen (33.1% increase); ordinary profit 647 million yen (67.9% increase); and profit attributable to owners of parent 365 million yen (7.3% decrease). Business performances per segment are as follows.

Electronic Device Business

The businesses related to automotive electronic products and OA products remained strong.

As a result of the above, net sales were: semiconductors 2,930 million yen (30.1% decrease compared with the same period of the previous year), electronic devices 14,499 million yen (34.7% increase), and overall 17,430 million yen (16.5% increase).

Assembly Business

The businesses related to amusement products remained sluggish.

As a result of the above, net sales of assembly products were 3,568 million yen (7.1% 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 6,142 million yen (112.5% increase compared with the same period of the previous year).

(2) Overview of Financial Position

(Assets)

Total assets at the end of the first quarter of the fiscal year under review increased by 1,797 million yen from the end of the previous period to 82,594 million yen. This is mainly attributable to increases in merchandise and finished goods, and accounts receivable – other of 4,029 million yen and 833 million yen, respectively, despite decreases in notes and accounts receivable - trade, and contract assets, cash and deposit and investment securities of 1,476 million yen, 854 million yen and 719 million yen, respectively.

(Liabilities)

Total liabilities at the end of the first quarter of the fiscal year under review increased by 908 million yen from the end of the previous period to 28,162 million yen. This is mainly attributable to increases in notes and accounts payable - trade and short-term borrowings of 2,208 million yen and 730 million yen, respectively, despite decreases in current portion of long-term borrowings and provision for bonuses of 1,500 million yen and 389 million yen, respectively.

(Net assets)

Total net assets at the end of the first quarter of the fiscal year under review increased by 889 million yen from the end of the previous period to 54,431 million yen. This is mainly attributable to increases in valuation difference on available-for-sale securities and foreign currency translation adjustment of 499 million yen and 378 million yen, respectively.

This resulted in an equity ratio of 64.8% (65.2% at the end of the previous year).

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

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, as stated in the "Notice Concerning Revision of Dividend Forecast (No Dividend) for the Fiscal Year Ending March 2027" announced on July 14, 2026, the Company has decided to revise the dividend forecast for the fiscal year ending March 2027 announced on May 15, 2026 and not to pay an interim dividend or a year-end dividend for the fiscal year ending March 2027, subject to the completion of the tender offer for the common shares of the Company by Kaga Electronics Co., Ltd.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	30,333	29,479
Notes and accounts receivable - trade, and contract assets	19,335	17,858
Merchandise and finished goods	12,444	16,473
Work in process	70	103
Accounts receivable - other	6,238	7,071
Other	1,393	1,326
Allowance for doubtful accounts	(42)	(43)
Total current assets	69,772	72,270
Non-current assets		
Property, plant and equipment	1,207	1,185
Intangible assets	1,613	1,607
Investments and other assets		
Investment securities	6,246	5,527
Retirement benefit asset	148	155
Deferred tax assets	230	290
Other	1,577	1,557
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	8,202	7,531
Total non-current assets	11,023	10,324
Total assets	80,796	82,594
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,011	15,219
Electronically recorded obligations - operating	1,342	1,192
Short-term borrowings	1,000	1,730
Current portion of long-term borrowings	2,800	1,300
Income taxes payable	490	267
Accounts payable - other	533	337
Contract liabilities	1,359	1,267
Provision for bonuses	680	291
Provision for bonuses for directors	50	15
Other	832	1,017
Total current liabilities	22,098	22,639
Non-current liabilities		
Long-term borrowings	1,500	1,500
Deferred tax liabilities	1,871	2,208
Provision for share awards for directors	136	140
Provision for share awards for employees	412	423
Retirement benefit liability	708	716
Other	526	535
Total non-current liabilities	5,155	5,523
Total liabilities	27,254	28,162

(Millions of yen)

	As of March 31, 2026	As of June 30, 2026
Net assets		
Shareholders’ equity		
Share capital	9,501	9,501
Capital surplus	9,599	9,599
Retained earnings	28,328	28,324
Treasury shares	(2,249)	(2,249)
Total shareholders’ equity	45,180	45,176
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,155	1,654
Deferred gains or losses on hedges	0	0
Revaluation reserve for land	(61)	(61)
Foreign currency translation adjustment	6,341	6,719
Remeasurements of defined benefit plans	31	28
Total accumulated other comprehensive income	7,467	8,343
Non-controlling interests	894	912
Total net assets	53,541	54,431
Total liabilities and net assets	80,796	82,594

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Three months ended June 30)

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	21,691	27,141
Cost of sales	19,451	24,474
Gross profit	2,239	2,666
Selling, general and administrative expenses	2,026	2,383
Operating profit	213	283
Non-operating income		
Interest income	76	78
Dividend income	164	204
Purchase discounts	0	0
Share of profit of entities accounted for using equity method	–	4
Foreign exchange gains	–	73
Miscellaneous income	38	28
Total non-operating income	279	389
Non-operating expenses		
Interest expenses	21	14
Foreign exchange losses	64	–
Share of loss of entities accounted for using equity method	17	–
Miscellaneous expenses	2	10
Total non-operating expenses	106	25
Ordinary profit	385	647
Extraordinary income		
Gain on sale of golf club membership	31	–
Gain on sale of investment securities	141	62
Total extraordinary income	173	62
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	0
Tender offer related expenses	–	168
Total extraordinary losses	0	168
Profit before income taxes	558	540
Income taxes	156	161
Profit	401	378
Profit attributable to non-controlling interests	7	13
Profit attributable to owners of parent	394	365

(Quarterly Consolidated Statements of Comprehensive Income)

(Three months ended June 30)

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	401	378
Other comprehensive income		
Valuation difference on available-for-sale securities	224	503
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(589)	379
Remeasurements of defined benefit plans, net of tax	(1)	(2)
Total other comprehensive income	(366)	880
Comprehensive income	35	1,259
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	26	1,241
Comprehensive income attributable to non-controlling interests	8	18

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)

Tax expenses were calculated by rationally estimating the effective tax rate after applying tax effect accounting for profit before income taxes for the fiscal year including the first quarter of the fiscal year under review and multiplying the profit before income taxes for the quarter by said estimated effective tax rate.

(Changes in accounting policies)

Not applicable.

(Changes in accounting estimates)

Not applicable.

(Additional information)

Not applicable.

(Segment information)

I. For the three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Adjustment amount (Note 1)	Consolidated income statement amount (Note 2)
	Electronic device business	Assembly business	Other businesses	Total		
Net sales:						
Sales to external customers	14,957	3,843	2,890	21,691	–	21,691
Inter-segment sales and transfers	–	–	–	–	–	–
Total	14,957	3,843	2,890	21,691	–	21,691
Segment profit	427	201	33	662	(449)	213

(Notes) 1. The adjustment amount for segment profit of (449) million yen includes corporate expenses of (449) million yen not allocated to the reportable segments. The corporate expenses are mainly administrative expenses and common expenses not attributed to the reportable segments.

2. Segment profit is reconciled to operating profit in the quarterly consolidated statements of income.

2. Information about loss on impairment of non-current assets and goodwill by reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

II. For the three months ended June 30, 2026 (April 1, 2026 to June 30, 2026)

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Adjustment amount (Note 1)	Consolidated income statement amount (Note 2)
	Electronic device business	Assembly business	Other businesses	Total		
Net sales:						
Sales to external customers	17,430	3,568	6,142	27,141	–	27,141
Inter-segment sales and transfers	–	–	–	–	–	–
Total	17,430	3,568	6,142	27,141	–	27,141
Segment profit	464	210	119	794	(510)	283

(Notes) 1. The adjustment amount for segment profit of (510) million yen includes corporate expenses of (510) million yen not allocated to the reportable segments. The corporate expenses are mainly administrative expenses and common expenses not attributed to the reportable segments.

2. Segment profit is reconciled to operating profit in the quarterly consolidated statements of income.

2. Information about loss on impairment of non-current assets and goodwill by reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

3. Changes in reportable segments

The Company has revised certain reportable segments to better reflect the nature of its operations from this first quarter of the consolidated accounting period. The segment information for the same period of the previous year was prepared in accordance with the changed classification method.

(Notes to Statements of Cash Flows)

Quarterly Consolidated Statements of Cash Flows for the three months ended June 30, 2026 was not prepared. Depreciation (including amortization of intangible assets but excluding goodwill) and amortization of goodwill are as follows.

(Millions of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Depreciation	44	70
Amortization of goodwill	–	15

(Business combination, etc.)

(Transactions under common control, etc.)

Merger Acquisition of consolidated 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, and completed the merger on that date.

1. Overview of business combination

(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.

(5) Other matters related to overview of transactions

NOVALUX JAPAN has advantages in planning and consulting of a computer system, and deploys its businesses relating to entrusted development, sale and maintenance services for software and hardware and peripheral devices.

In recent years, needs for product planning for which AI and IoT are utilized have increased. In addition to our main merchandise of semiconductors and electronic devices, it is required to build a system by which computer system and software, etc. are provided integrally. In order to adapt to these environment changes, we have decided to implement this M&A with aiming further business expansion and enhancement of our corporate values through optimization of managerial resources and integration of the group functions.

2. Overview of Accounting Treatment Applied

The transaction was 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).

(Significant subsequent events)

(Partial Amendments to the “Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd.”)

At the Board of Directors’ meeting held on May 15, 2026, the Company resolved to express its opinion in support of a tender offer (the “Tender Offer”) for the common shares of the Company (the “Company Shares”) by Kaga Electronics Co., Ltd. (the “Offeror”), and to leave the decision on whether to tender shares in the Tender Offer to the discretion of the shareholders of the Company.

The above resolution of the Board of Directors’ was adopted on the premise that the Offeror intends to take the Company Shares private and that the Company Shares will be delisted as a result of the Tender Offer and a series of subsequent procedures.

Regarding this matter, on June 26, 2026, the Company received a report from the Offeror stating that the tender offer period had been changed to July 14, 2026. Accordingly, the Company disclosed the “(Amendment) Notice concerning the partial amendment to ‘Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd.’” on the same date.

Furthermore, on July 14, 2026, the Company received a report from the Offeror stating that the tender offer period had been changed to July 29, 2026. Accordingly, the Company disclosed the “(Amendment) Notice concerning the partial amendment to ‘Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd.’” on the same date.

In addition, on July 17, 2026, the Company received a report stating that the minimum number of shares to be purchased in the Tender Offer for the common shares of the Company had been changed from 19,226,700 shares (ownership ratio: 64.93%) to 15,988,500 shares (ownership ratio: 53.99%), and that the tender offer period had been changed to August 3, 2026. Accordingly, the Company disclosed the “(Amendment) Notice concerning the partial amendment to ‘Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd.’” on the same date.

* For other details regarding this matter, please refer to the “Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd.” disclosed on May 15, 2026, as well as the “(Amendment) Notice concerning the partial amendment to ‘Notice Concerning Opinion on Tender Offer for the Company Shares by Kaga Electronics Co., Ltd.’” disclosed on June 26, 2026, July 14, 2026, and July 17, 2026.