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November 13, 2026

Consolidated Financial Results for the Six Months Ended September 30, 2026 (Under Japanese GAAP)

Company name: SHINKO Inc.
Listing: Tokyo Stock Exchange
Securities code: 7120
URL: https://www.kk-shinko.com/
Representative: Taizo Fukudome, Chairman, President & CEO
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Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (For Securities Analysts and Institutional Investors)

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

1. Consolidated financial results for the six months ended September 30, 2026 (from April 1, 2026 to September 30, 2026)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2026	9,822	-	(78)	-	(74)	-	(89)	-
September 30, 2025	-	-	-	-	-	-	-	-

Note: Comprehensive income For the six months ended September 30, 2026: ¥(59) million [-%]
For the six months ended September 30, 2025: ¥- million [-%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2026	(19.06)	-
September 30, 2025	-	-

Note: 1. Since the interim consolidated financial statements are prepared from the interim period of the fiscal year ending March 31, 2027, the figures for the interim period of the fiscal year ending March 31, 2026, the interim rate of change from the previous fiscal year, and the interim rate of change for the period of the fiscal year ending March 31, 2027 are not included.
2. Interim net income per share after adjusted for potential shares is not shown because there are no potential shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2026	9,073	2,232	24.6
March 31, 2026	-	-	-

Reference: Equity
As of September 30, 2026: ¥2,232 million
As of March 31, 2026: ¥- million

Note: Figures for the interim fiscal year ending March 2026 are not included because the interim consolidated financial statements are prepared from the interim consolidated accounting period for the fiscal year ending March 2027.

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	-	0.00			
Fiscal year ending March 31, 2027 (Forecast)				44.00	44.00

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

3. Forecast of 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 attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2027	21,807	-	882	-	896	-	548	-	116.50

Note: Revisions to the earnings forecasts most recently announced: Yes
Since the quarterly consolidated financial statements have been prepared since the second quarter of the fiscal year ending March 31, 2027 (interim period), the percentage change from the previous fiscal year is not shown.
For details of the consolidated earnings forecast, please refer to the "Announcement of Consolidated Earnings Forecast in Conjunction with the Transition to Consolidated Financial Results" announced today (November 13, 2026).

Notes

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (TAC Inc.)

Note: For details, please refer to Appendix P.9 "2. Interim Consolidated Financial Statements and Main Notes (4) Notes on Interim Consolidated Financial Statements (Notes on Changes to the Scope of Consolidation or Scope of Application by the Equity Method)"

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: Yes

Note: For details, please refer to Appendix P.9 "2. Interim Consolidated Financial Statements and Key Notes (4) Notes on Interim Consolidated Financial Statements (Notes on Accounting Procedures Specific to the Preparation of Interim Consolidated Financial Statements)" in this article.

(3) 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

(4) Number of issued shares (common shares)

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

As of September 30, 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 September 30, 2026	791,605 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)

Six months ended September 30, 2026	4,705,815 shares
Six months ended September 30, 2025	4,703,898 shares

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

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

Forward-looking statements, such as earnings forecasts, contained in this material are based on information available to the Company and are found to be reasonable. It is based on a certain premise that we refuse, and it is not intended to be a promise by the Company to realize it. In addition, actual business performance, etc. may vary due to a variety of factors.
Matters related to earnings forecasts are described in "1. Summary of Operating Results, etc. (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

Semi-annual consolidated balance sheet

(Thousands of yen)

	As of September 30, 2026
Assets	
Current assets	
Cash and deposits	1,753,176
Notes and accounts receivable - trade, and contract assets, net	2,744,742
Inventories	1,572,885
Other	1,111,441
Allowance for doubtful accounts	(2,643)
Total current assets	7,179,601
Non-current assets	
Property, plant and equipment	272,450
Intangible assets	
Goodwill	553,041
Other	73,503
Total intangible assets	626,544
Investments and other assets	
Deferred tax assets	481,888
Other	512,973
Total investments and other assets	994,861
Total non-current assets	1,893,857
Total assets	9,073,459

(Thousands of yen)

	As of September 30, 2026
Liabilities	
Current liabilities	
Accounts payable - trade	1,913,979
Short-term borrowings	200,000
Current portion of long-term borrowings	120,000
Income taxes payable	61,313
Provision for bonuses	352,510
Provision for bonuses for directors (and other officers)	7,884
Asset retirement obligations	5,439
Accrued expenses	664,267
Advances received	889,810
Other	546,796
Total current liabilities	4,762,000
Non-current liabilities	
Long-term borrowings	494,956
Retirement benefit liability	821,435
Asset retirement obligations	117,533
Other	644,652
Total non-current liabilities	2,078,577
Total liabilities	6,840,578
Net assets	
Shareholders' equity	
Share capital	183,120
Capital surplus	83,120
Retained earnings	2,244,816
Treasury shares	(525,625)
Total shareholders' equity	1,985,430
Accumulated other comprehensive income	
Remeasurements of defined benefit plans	247,450
Total accumulated other comprehensive income	247,450
Total net assets	2,232,881
Total liabilities and net assets	9,073,459

Semi-annual consolidated statement of income

(Thousands of yen)

	Six months ended September 30, 2026
Net sales	9,822,297
Cost of sales	7,910,968
Gross profit	1,911,329
Selling, general and administrative expenses	1,990,250
Operating loss	(78,920)
Non-operating income	
Interest income	2,531
Gain on cancellation of Maintenance service contracts	3,112
Other	4,264
Total non-operating income	9,909
Non-operating expenses	
Interest expenses	4,916
Other	184
Total non-operating expenses	5,101
Ordinary loss	(74,113)
Extraordinary losses	
Loss on retirement of non-current assets	0
Total extraordinary losses	0
Loss before income taxes	(74,113)
Income taxes - current	24,985
Income taxes - deferred	(9,387)
Total income taxes	15,597
Loss	(89,711)
Profit attributable to non-controlling interests	-
Loss attributable to owners of parent	(89,711)

Semi-annual consolidated statement of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2026
Loss	(89,711)
Other comprehensive income	
Remeasurements of defined benefit plans, net of tax	29,783
Total other comprehensive income	29,783
Comprehensive income	(59,927)
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(59,927)
Comprehensive income attributable to non-controlling interests	-

Semi-annual consolidated statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2026
Cash flows from operating activities	
Loss before income taxes	(74,113)
Depreciation	45,346
Increase (decrease) in allowance for doubtful accounts	(474)
Share-based payment expenses	3,524
Increase (decrease) in provision for bonuses	(1,943)
Increase (decrease) in provision for bonuses for directors (and other officers)	(20,820)
Increase (decrease) in retirement benefit liability	5,297
Interest and dividend income	(2,531)
Interest expenses	4,916
Loss (gain) on sale of property, plant and equipment	0
Decrease (increase) in trade receivables	2,005,829
Decrease (increase) in inventories	(1,127,645)
Increase (decrease) in trade payables	65,467
Increase (decrease) in accounts payable - other	(70,232)
Increase (decrease) in accrued consumption taxes	(163,195)
Other, net	67,246
Subtotal	736,671
Interest and dividends received	2,531
Interest paid	(4,916)
Income taxes paid	(150,211)
Net cash provided by (used in) operating activities	584,074
Cash flows from investing activities	
Purchase of property, plant and equipment	(5,318)
Purchase of intangible assets	(2,609)
Payments of leasehold deposits	(15,044)
Proceeds from refund of leasehold deposits	896
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(154,915)
Other, net	47,397
Net cash provided by (used in) investing activities	(129,593)
Cash flows from financing activities	
Proceeds from short-term borrowings	700,000
Repayments of short-term borrowings	(1,200,000)
Proceeds from long-term borrowings	600,000
Repayments of long-term borrowings	(30,000)
Repayments of lease liabilities	(71,275)
Dividends paid	(201,594)
Net cash provided by (used in) financing activities	(202,870)
Net increase (decrease) in cash and cash equivalents	251,610
Cash and cash equivalents at beginning of period	1,495,527
Cash and cash equivalents at end of period	1,747,137

(Notes on segment information, etc.)

Segment Information

Interim Consolidated Accounting Period (April 1, 2026 to September 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	Interim Consolidated Statements of Income
	Maintenance service business	Solution business	Staffing service business	Total		
Sales						
Revenues from external customers	2,637,852	6,055,668	1,128,777	9,822,297	-	9,822,297
Transactions with other segments	-	-	-	-	-	-
Total	2,637,852	6,055,668	1,128,777	9,822,297	-	9,822,297
Segment profit (Note)2	546,637	75,004	163,140	784,782	(863,702)	(78,920)

Note: 1. Adjustments to segment profit are for personnel expenses related to the head office administrative department, selling, general and administrative expenses such as real estate rent, and expenses related to the acquisition of subsidiaries, which are head office expenses that are not allocated to the reporting segments.

2. Segment profit is adjusted for operating loss in the interim consolidated statements of income.

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

(Significant fluctuations in the amount of goodwill)

During the interim consolidated accounting period, we acquired all shares of TAC Corporation and included them in the scope of consolidation. As a result, goodwill has been recorded in the Solutions Business. The increase in goodwill due to this event was 553,041 thousand yen. The amount of goodwill is provisionally calculated because the allocation of acquisition costs has not been completed at the end of the interim consolidated accounting period.