

Summary of Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2027
(Three Months Ended June 30, 2026)

[Japanese GAAP]

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Stock code: 3910

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Scheduled date of payment of dividend: –

Preparation of supplementary materials for financial results: None

Holding of financial results meeting: None

Listing: Tokyo Stock Exchange

URL: <https://www.mks.jp>

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2026

(April 1, 2026–June 30, 2026)

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2026	722	(1.8)	58	–	57	–	33	–
Three months ended Jun. 30, 2025	735	8.3	(35)	–	(32)	–	(35)	–

Note: Comprehensive income (million yen)

Three months ended Jun. 30, 2026: 32 (–%)

Three months ended Jun. 30, 2025: (37) (–%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2026	6.12	–
Three months ended Jun. 30, 2025	(6.56)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2026	2,104	899	42.4
As of Mar. 31, 2026	2,276	910	39.6

Reference: Shareholders' equity (million yen)

As of Jun. 30, 2026:

892

As of Mar. 31, 2026:

902

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2026	–	0.00	–	8.00	8.00
Fiscal year ending Mar. 31, 2027	–				
Fiscal year ending Mar. 31, 2027 (forecast)		0.00	–	8.00	8.00

Note: Revisions to the most recently announced dividend forecasts: None

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027 (April 1, 2026–March 31, 2027)

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	3,300	1.3	270	8.9	260	5.1	192	(25.2)	35.37

Note: Revisions to the most recently announced earnings forecasts: None

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of issued shares (common stock)

1) Number of shares issued at the end of period (including treasury shares)

As of Jun. 30, 2026:	5,428,000 shares	As of Mar. 31, 2026:	5,428,000 shares
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2) Number of treasury shares at the end of period

As of Jun. 30, 2026:	506 shares	As of Mar. 31, 2026:	506 shares
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3) Average number of shares outstanding during the period

Three months ended Jun. 30, 2026:	5,427,494 shares	Three months ended Jun. 30, 2025:	5,427,494 shares
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* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an auditing firm: None

* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in this report are based on assumptions judged to be valid and information available to the MKSystem's management at the time the materials were prepared but are not promises by MKSystem regarding future performance. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements" on page 4 for forecast assumptions and notes of caution for usage.

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first three months of the fiscal year ending March 31, 2027 (hereinafter the “period under review”), the Japanese economy showed a gradual recovery, however, it remained necessary to closely monitor the impact of the situation in the Middle East. Personal consumption showed signs of recovery, and there were also improvements observed in corporate profits and the employment situation. Looking ahead, while a gradual recovery is expected to continue due to improvements in employment and income conditions and the effects of various policies, it remains necessary to pay attention to the impact of the situation in the Middle East and fluctuations in financial and capital markets.

In the business environment surrounding MKSystem Corporation and its group companies (the “Group”), there is a growing need for the streamlining and sophistication of personnel and labor tasks due to labor shortages, diversification of work style, and digitalization of administrative procedures. Additionally, as generative AI and other AI technologies are rapidly advancing, interest in AI utilization is growing in the personnel and labor fields, while service providers are required to ensure accuracy, personal information protection, and compliance with laws and regulations.

In the social security attorney industry, which is the Group’s major customer base, revisions to the Act on Public Consultants on Social and Labour Insurance have clarified that labor audits are included in the tasks of social security attorneys, further defining the scope of their specialized tasks. Additionally, in that industry, interest in using digital technology such as AI for the sophistication and streamlining of tasks is growing.

Under such circumstances, the Group has focused on development for the release of AI Shalom and promotional activities primarily through seminars. At the same time, we have continued to review our cost structure and made efforts to strengthen our earnings base.

Net sales fell below the level of the same period of the previous fiscal year because the launch and sales recording period for some projects in the CuBe Business were delayed compared to the same period of the previous fiscal year, despite higher revenue in our Shalom Business. Profits improved significantly, primarily due to decreases in cost of sales and selling, general and administrative expenses in the Shalom Business, as well as the elimination of the impact of unprofitable projects in the CuBe Business that occurred in the same period of the previous fiscal year.

As a result, for the period under review, the Group reported net sales of 722 million yen (down 1.8% year on year), gross profit of 381 million yen (up 31.5%), operating profit of 58 million yen (compared with operating loss of 35 million yen for the same period of the previous fiscal year), ordinary profit of 57 million yen (compared with ordinary loss of 32 million yen for the same period of the previous fiscal year), and profit attributable to owners of parent of 33 million yen (compared with loss attributable to owners of parent of 35 million yen for the same period of the previous fiscal year). In addition, the return on equity (ROE), one of the KPIs for the Group, was at 3.7% (compared with minus 5.6% for the same period of the previous fiscal year) on a consolidated basis, and 4.7% (compared with 3.7% for the same period of the previous fiscal year) on a non-consolidated basis.

Results by business segment were as follows.

The Shalom Business

We provide business software to support labor and social security attorney offices, labor insurance administration associations, and general corporations by facilitating their operations and processes for the social security insurance, labor insurance, and payroll calculation in our Shalom business. Our mainstay products include the following cloud services: Shalom series as our flagship product, MYNABOX series as a My Number management system, and eNEN as a web-based year-end adjustment filing system.

In this business, net sales of ASP services remained strong due to its existing customer base, resulting in increased revenue. Profits increased significantly compared to the same period of the previous fiscal year due to a decline in cost of sales resulting from decreases in IDC expenses and software amortization, in addition to a decrease in selling, general and administrative expenses such as outsourcing expenses. Additionally, as an initiative for future growth, we pursued development for the release of AI Shalom, which adds AI features to Shalom, and promotional

activities primarily through seminars.

As a result, net sales of the segment amounted to 604 million yen (up 1.4% year on year), of which the ASP services under the subscription model amounted to 571 million yen (up 1.3%), and the system construction services amounted to 15 million yen (down 9.1%). The segment recorded gross profit of 339 million yen (up 15.9%) and operating profit of 73 million yen (up 140.8%).

The Group will continue working to strengthen its earnings base and aim for stable growth in performance.

The CuBe Business

We have been engaged in the contracted development of individually customized front-end systems for the personnel and general affairs divisions of large companies to improve their business processes. The CuBe Business also provides cloud services, GooooN, which focuses on the convenience to small- and medium- sized companies by leveraging our know-how gained through the contracted development of systems for large companies.

In the contracted development of front-end systems, net sales fell below the level of the same period of the previous fiscal year because the launch and sales recording period for some projects were delayed compared to the same period of the previous fiscal year. Meanwhile, in terms of profits, the impact of unprofitable projects that occurred in the same period of the previous fiscal year was eliminated, and cost of sales, including outsourcing expenses, decreased. As a result, gross profit turned to a surplus, and operating loss significantly decreased compared to the same period of the previous fiscal year.

As a result, the segment recorded net sales of 119 million yen (down 15.3% year on year), gross profit of 41 million yen (compared with gross loss of 2 million yen for the same period of the previous fiscal year), and operating loss of 18 million yen (compared with operating loss of 68 million yen for the same period of the previous fiscal year). Operating loss of the CuBe Business reflects amortization of goodwill of 9 million yen.

(2) Explanation of Financial Position

Assets

The balance of current assets at the end of the period under review decreased by 120 million yen from the end of the previous fiscal year to 1,375 million yen. This was mainly due to an increase of 87 million yen in cash and deposits and a decrease of 228 million yen in accounts receivable-trade.

The balance of non-current assets decreased by 51 million yen from the end of the previous fiscal year to 728 million yen. This was mainly due to decreases of 36 million yen in software and 17 million yen in deferred tax assets.

As a result, the balance of total assets decreased by 172 million yen from the end of the previous fiscal year to 2,104 million yen.

Liabilities

The balance of current liabilities at the end of the period under review decreased by 181 million yen from the end of the previous fiscal year to 937 million yen. This was mainly due to decreases of 58 million yen in accounts payable-trade, 50 million yen in short-term borrowings, 40 million yen in income taxes payable, and 38 million yen in provision for bonuses.

The balance of non-current liabilities increased by 19 million yen from the end of the previous fiscal year to 266 million yen. This was mainly due to an increase of 15 million yen in long-term borrowings.

As a result, the balance of liabilities decreased by 161 million yen from the end of the previous fiscal year to 1,204 million yen.

Net assets

The shareholders' equity at the end of the period under review decreased by 10 million yen from the end of the previous fiscal year to 892 million yen. This was mainly due to a decrease of 10 million yen in retained earnings.

As a result, the balance of net assets decreased by 10 million yen from the end of the previous fiscal year to 899 million yen.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-looking Statements

The consolidated earnings forecast for the fiscal year ending March 31, 2027 is based on the information stated in the “Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Japanese GAAP),” released on May 8, 2026.

During the period under review, while the CuBe Business recorded an operating loss as its net sales fell below the level of the same period of the previous fiscal year due to delays in the launch and sales recording period for some projects compared to the same period of the previous fiscal year, we recorded an operating profit on a consolidated basis. The CuBe business is expected to return to profitability for the full year, and therefore our earnings forecasts remain unchanged.

If the future development of business performance causes us to decide to revise the consolidated earnings forecasts for the fiscal year ending March 31, 2027, we will disclose them promptly.

2. Quarterly Consolidated Financial Statements and Notes**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/26 (As of Mar. 31, 2026)	First quarter of FY3/27 (As of Jun. 30, 2026)
Assets		
Current assets		
Cash and deposits	751,186	838,512
Accounts receivable-trade	675,502	446,559
Merchandise	9,766	13,807
Work in process	12,087	31,987
Supplies	506	519
Prepaid expenses	46,021	43,870
Other	1,643	784
Allowance for doubtful accounts	(441)	(497)
Total current assets	1,496,273	1,375,544
Non-current assets		
Property, plant and equipment		
Buildings, net	87,722	84,587
Vehicles, net	0	0
Tools, furniture and fixtures, net	15,117	13,296
Total property, plant and equipment	102,840	97,883
Intangible assets		
Software	418,252	382,245
Software in progress	—	13,699
Trademark right	181	147
Telephone subscription right	1,218	1,218
Goodwill	19,411	9,705
Total intangible assets	439,063	407,016
Investments and other assets		
Investments in capital	70	70
Guarantee deposits	168,221	170,241
Deferred tax assets	67,406	49,789
Distressed receivables	—	102
Other	2,713	3,592
Allowance for doubtful accounts	—	(102)
Total investments and other assets	238,411	223,692
Total non-current assets	780,315	728,593
Total assets	2,276,588	2,104,137

	(Thousands of yen)	
	FY3/26 (As of Mar. 31, 2026)	First quarter of FY3/27 (As of Jun. 30, 2026)
Liabilities		
Current liabilities		
Accounts payable-trade	90,442	31,564
Short-term borrowings	300,000	250,000
Current portion of long-term borrowings	313,669	301,987
Accounts payable-other	113,572	112,649
Accrued expenses	16,054	17,965
Income taxes payable	50,723	10,448
Accrued consumption taxes	60,417	34,124
Advances received	92,039	110,249
Provision for bonuses	74,363	36,360
Other	7,667	32,215
Total current liabilities	1,118,949	937,564
Non-current liabilities		
Long-term borrowings	226,001	241,365
Retirement benefit liability	21,324	25,416
Total non-current liabilities	247,325	266,781
Total liabilities	1,366,274	1,204,345
Net assets		
Shareholders' equity		
Share capital	219,110	219,110
Capital surplus	202,122	202,122
Retained earnings	481,591	471,411
Treasury shares	(499)	(499)
Total shareholders' equity	902,325	892,144
Non-controlling interests	7,988	7,647
Total net assets	910,313	899,791
Total liabilities and net assets	2,276,588	2,104,137

(2) Quarterly Consolidated Statements of Income and Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Three-month Period)**

(Thousands of yen)

	First three months of FY3/26 (Apr. 1, 2025–Jun. 30, 2025)	First three months of FY3/27 (Apr. 1, 2026–Jun. 30, 2026)
Net sales	735,582	722,355
Cost of sales	445,727	341,204
Gross profit	289,854	381,150
Selling, general and administrative expenses	325,042	322,656
Operating profit (loss)	(35,188)	58,494
Non-operating income		
Dividend income	1	1
Insurance claim income	3,000	–
Rental income	10,956	10,956
Outsourcing service income	900	900
Other	766	570
Total non-operating income	15,624	12,428
Non-operating expenses		
Interest expenses	3,336	3,398
Rental costs	9,993	9,993
Other	83	111
Total non-operating expenses	13,413	13,503
Ordinary profit (loss)	(32,977)	57,419
Profit (loss) before income taxes	(32,977)	57,419
Income taxes-current	751	6,903
Income taxes-deferred	3,433	17,617
Total income taxes	4,185	24,521
Profit (loss)	(37,163)	32,898
Loss attributable to non-controlling interests	(1,585)	(341)
Profit (loss) attributable to owners of parent	(35,577)	33,239

Quarterly Consolidated Statement of Comprehensive Income
(For the Three-month Period)

	(Thousands of yen)	
	First three months of FY3/26 (Apr. 1, 2025–Jun. 30, 2025)	First three months of FY3/27 (Apr. 1, 2026–Jun. 30, 2026)
Profit (loss)	(37,163)	32,898
Comprehensive income	(37,163)	32,898
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(35,577)	33,239
Comprehensive income attributable to non-controlling interests	(1,585)	(341)

(3) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Significant Changes in Shareholders' Equity

Not applicable.

Segment and Other Information

First three months of FY3/26 (Apr. 1, 2025–Jun. 30, 2025)

Information related to net sales and profit/loss for each reportable segment

(Thousands of yen)

	Shalom Business	CuBe Business	Total	Adjustment (Note)	Amounts recorded in quarterly consolidated statement of income
Net sales					
External sales	596,369	139,213	735,582	–	735,582
Inter-segment sales and transfers	12	2,157	2,169	(2,169)	–
Total	596,381	141,370	737,751	(2,169)	735,582
Segment profit (loss)	30,507	(68,227)	(37,720)	2,532	(35,188)

Notes: 1. The adjustment to segment profit (loss) is the elimination of inter-segment transactions.

2. Segment profit (loss) is adjusted to be consistent with operating loss presented on the quarterly consolidated statement of income.

First three months of FY3/27 (Apr. 1, 2026–Jun. 30, 2026)

Information related to net sales and profit/loss for each reportable segment

(Thousands of yen)

	Shalom Business	CuBe Business	Total	Adjustment (Note)	Amounts recorded in quarterly consolidated statement of income
Net sales					
External sales	604,675	117,679	722,355	–	722,355
Inter-segment sales and transfers	3	1,995	1,998	(1,998)	–
Total	604,679	119,674	724,354	(1,998)	722,355
Segment profit (loss)	73,472	(18,441)	55,031	3,462	58,494

Notes: 1. The adjustment to segment profit (loss) is the elimination of inter-segment transactions.

2. Segment profit (loss) is adjusted to be consistent with operating profit presented on the quarterly consolidated statement of income.

Consolidated Statement of Cash Flows

A quarterly consolidated statement of cash flows for the first three months of FY3/27 has not been prepared. Depreciation (includes amortization expenses related to intangible assets minus goodwill) and amortization of goodwill for the first three months of each fiscal year are as follows.

(Thousands of yen)

	First three months of FY3/26 (Apr. 1, 2025–Jun. 30, 2025)	First three months of FY3/27 (Apr. 1, 2026–Jun. 30, 2026)
Depreciation	92,435	82,899
Amortization of goodwill	9,705	9,705

This financial report is solely a translation of MKSystem's Kessan Tanshin (including attachments) in Japanese, which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.