

## Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Nine Months Ended July 31,2025 (Based on Japanese GAAP)

September 12,2025

Company name: SHANON Inc.  
 Listing: Tokyo Stock Exchange  
 Stock code: 3976 URL <https://shanon.co.jp/>  
 Representative: Hirofumi Yamazaki Representative Directors  
 Inquiries: Gaku Tomokiyo Chief Financial Officer  
 Telephone: +81-3-6743-1551  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the nine months ended July 31,2025 (from November 1, 2024 to July 31,2025)

## (1) Consolidated operating results

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended July 31,2025	2,097	(7.8)	0	-	(58)	-	(148)	-
July 31,2024	2,275	11.7	(134)	-	(134)	-	(136)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended July 31,2025	(29.55)	-
July 31,2024	(42.83)	-

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31,2025	1,929	861	44.6
As of October 31,2024	2,169	(52)	(2.7)

## 2. Cash dividends

	Annual dividends per share					
	1st quarter-end	2nd quarter-end	3rd quarter-end	4rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen	Yen
Fiscal year ending October 31,2025	-	0.00	-	-	0.00	0.00
Fiscal year ended December 31,2025	-	0.00	-	-	-	-
Fiscal year ended December 31,2025 (Forecast)	-	-	-	-	0.00	0.00

## 3. Forecast of consolidated financial results for the year ending December 31, 2025(from November 1, 2025 to December 31, 2025)

	Percentages indicate year-on-year changes							
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Full year	3,230	-	20	-	(18)	-	(135)	(25.28)

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

## 4. Notes

## (1)Changes in significant subsidiaries during the period

(changes in specified subsidiaries resulting in the change in scope of consolidation): None

## (2)Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements:

None

## (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations:

Yes

Changes in accounting policies due to other reasons:

None

Changes in accounting estimates:

None

Restatement of prior period financial statements:

None

## (4) Number of issued shares (common shares)

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

As of July 31,2025	5,926,200 shares	As of October 31,2024	3,180,700 shares
Number of treasury shares at the end of the period			
As of July 31,2025	254 shares	As of October 31,2024	254 shares
Average number of shares during the period			
Nine months As of July 31,2025	5,010,779 shares	Nine months As of July 31,2024	3,178,188 shares

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

(Thousands of yen)

	As of October 31, 2024	As of July 31, 2025
Assets [abstract]		
Current assets [abstract]		
Cash and deposits	763,133	992,436
Notes and accounts receivable - trade, and contract assets	443,823	218,729
Work in process	26,876	21,277
Allowance for doubtful accounts-CA-by group	—	△49
Other-CA	142,322	113,984
Current assets	1,376,156	1,346,377
Non-current assets [abstract]		
Property, plant and equipment	27,494	102,961
Intangible assets [abstract]		
Software	266,937	283,001
Software in progress	50,175	20,137
Goodwill	79,114	70,737
Other-IA	4,668	4,956
Intangible assets	400,896	378,833
Investments and other assets	355,337	100,684
Non-current assets	783,727	582,479
Deferred assets	9,597	780
Assets	2,169,482	1,929,637
Liabilities [abstract]		
Current liabilities [abstract]		
Notes and accounts payable-trade	60,749	35,232
Current portion of long-term borrowings	113,260	41,886
Current portion of bonds payable	40,000	40,000
Advances received	511,271	626,992
Income taxes payable	10,982	19,445
Provision for bonuses	59,804	53,734
Other-CL	190,760	208,063
Current liabilities	986,827	1,025,354
Non-current liabilities [abstract]		
Bonds payable	1,174,046	—
Long-term borrowings	61,151	43,174
Non-current liabilities	1,235,197	43,174
Liabilities	2,222,025	1,068,528
Net assets [abstract]		
Shareholders' equity [abstract]		
Share capital	550,010	1,084,365
Capital surplus	195,083	729,439
Retained earnings	△812,970	△961,058
Treasury shares	△485	△485
Shareholders' equity	△68,361	852,260
Valuation and translation adjustments [abstract]		
Foreign currency translation adjustment	10,141	8,548
Valuation and translation adjustments	10,141	8,548
Share acquisition rights	5,677	300
Non-controlling interests	—	—
Net assets	△52,542	861,109
Liabilities and net assets	2,169,482	1,929,637

	Nine months ended	Nine months ended
	31-Jul-24	31-Jul-25
Net sales	2,275,610	2,097,405
Cost of sales	920,387	737,316
Gross profit (loss)	1,355,223	1,360,088
Selling, general and administrative expenses	1,489,283	1,359,990
Operating profit (loss)	△134,060	98
Non-operating income [abstract]		
Interest income-NOI	588	866
Subsidy income-2-NOI	7,353	4,312
Commission income - NOI	99	99
Other-NOI	1,333	161
Non-operating income	9,375	5,440
Non-operating expenses [abstract]		
Interest expenses-NOE	2,903	1,036
Interest expenses on bonds - NOE	300	179
Foreign exchange losses-NOE	2,969	60
Amortization of bond issuance costs - NOE	4,057	8,816
Loss on cancellation of insurance policies - NOE	—	33,223
Other-NOE	—	20,244
Non-operating expenses	10,230	63,559
Ordinary profit (loss)	△134,915	△58,021
Extraordinary losses [abstract]		
Loss on redemption of bonds - LE	—	61,446
Extraordinary losses	—	61,446
Profit (loss) before income taxes	△134,915	△119,467
Income taxes-current	1,217	3,620
Income taxes-deferred	—	25,000
Income taxes	1,217	28,620
Profit (loss) (after amendment dated 2014-03-28)	△136,132	△148,087
Profit (loss) attributable to non-controlling interests	—	—
Profit (loss) attributable to owners of parent	△136,132	△148,087

	Nine months ended	Nine months ended
	31-Jul-24	31-Jul-25
Profit (loss) (after amendment dated 2014-03-28)	△136,132	△148,087
Other comprehensive income [abstract]		
Valuation difference on available-for-sale securities, net of tax-OCI	△390	—
Foreign currency translation adjustment, net of tax-OCI	2,414	△1,592
Other comprehensive income	2,024	△1,592
Comprehensive income	△134,108	△149,680
Comprehensive income attributable to [abstract]		
Comprehensive income attributable to owners of parent	△134,108	△149,680
Comprehensive income attributable to non-controlling interests	—	—