

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2026 (Under Japanese GAAP)

May 15, 2026

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: None

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three Months Ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

(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 March 31, 2026	744	-	174	-	174	-	159	-
January 31, 2025	670	6.3	(50)	-	(97)	-	(159)	-

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2026	26.95	-
January 31, 2025	(50.13)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2026	1,876	1,146	60.9
As of December 31, 2025	1,998	986	49.2

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 ending December 31, 2025	-	0.00	-	0.00	0.00
Fiscal year ended December 31, 2026	-	-	-	-	-
Fiscal year ended December 31, 2026 (Forecast)	-	0.00	-	0.00	0.00

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

3. Forecast of consolidated financial results for the year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

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	3,000	-	350	-	349	-	289	-	48.77

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

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: None

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 March 31, 2026	5,926,200 shares	As of December 31, 2025	5,926,200 shares
Number of treasury shares at the end of the period			
As of March 31, 2026	254 shares	As of December 31, 2025	254 shares
Average number of shares during the period			
Three months As of March 31, 2026	5,925,946 shares	Three months As of January 31, 2025	3,180,446 shares

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

	As of December 31, 2025	As of March 31, 2026
Assets [abstract]		
Current assets [abstract]		
Cash and deposits	1,009,496	847,792
Notes and accounts receivable - trade, and contract assets	223,105	264,978
Work in process	21,093	27,872
Other-CA	146,892	128,788
Allowance for doubtful accounts-CA-by group	△93	△246
Current assets	<u>1,400,495</u>	<u>1,269,184</u>
Non-current assets [abstract]		
Property, plant and equipment	90,965	86,616
Intangible assets [abstract]		
Software	256,737	313,934
Software in progress	67,075	27,372
Goodwill	80,745	76,696
Other-IA	5,521	5,916
Intangible assets	<u>410,080</u>	<u>423,920</u>
Investments and other assets	<u>96,410</u>	<u>96,648</u>
Non-current assets	<u>597,456</u>	<u>607,184</u>
Deferred assets	<u>430</u>	<u>219</u>
Assets	<u>1,998,382</u>	<u>1,876,588</u>
Liabilities [abstract]		
Current liabilities [abstract]		
Notes and accounts payable-trade	24,106	39,231
Current portion of long-term borrowings	22,476	18,268
Current portion of bonds payable	40,000	20,000
Advances received	448,632	357,780
Income taxes payable	32,690	22,663
Provision for bonuses	135,158	40,556
Other-CL	274,368	199,138
Current liabilities	<u>977,431</u>	<u>697,637</u>
Non-current liabilities [abstract]		
Long-term borrowings	<u>34,656</u>	<u>32,398</u>
Non-current liabilities	<u>34,656</u>	<u>32,398</u>
Liabilities	<u>1,012,087</u>	<u>730,035</u>
Net assets [abstract]		
Shareholders' equity [abstract]		
Share capital	1,084,365	100,000
Capital surplus	729,439	886,439
Retained earnings	△840,644	144,942
Treasury shares	△485	△485
Shareholders' equity	<u>972,674</u>	<u>1,130,896</u>
Valuation and translation adjustments [abstract]		
Foreign currency translation adjustment	<u>10,696</u>	<u>12,733</u>
Valuation and translation adjustments	<u>10,696</u>	<u>12,733</u>
Share acquisition rights	<u>2,922</u>	<u>2,922</u>
Non-controlling interests	<u>—</u>	<u>—</u>
Net assets	<u>986,294</u>	<u>1,146,553</u>
Liabilities and net assets	<u>1,998,382</u>	<u>1,876,588</u>

	Three months ended 31-Jan-25	Three months ended 31-Mar-26
Net sales	670,046	744,642
Cost of sales	257,041	215,875
Gross profit (loss)	413,005	528,766
Selling, general and administrative expenses	463,553	354,464
Operating profit (loss)	△50,548	174,302
Non-operating income [abstract]		
Interest income-NOI	13	1,086
Subsidy income-2-NOI	2,512	2,200
Commission income - NOI	33	33
Other-NOI	162	357
Non-operating income	2,722	3,677
Non-operating expenses [abstract]		
Interest expenses-NOE	418	148
Interest expenses on bonds - NOE	81	25
Foreign exchange losses-NOE	1,010	1,991
Amortization of bond issuance costs - NOE	8,395	210
Loss on cancellation of insurance policies - NOE	33,223	709
Other-NOE	6,700	0
Non-operating expenses	49,829	3,084
Ordinary profit (loss)	△97,655	174,894
Extraordinary losses [abstract]		
Loss on redemption of bonds - LE	61,446	—
Extraordinary losses	61,446	—
Profit (loss) before income taxes	△159,101	174,894
Income taxes-current	329	18,869
Income taxes-deferred	—	△3,696
Income taxes	329	15,172
Profit (loss) (after amendment dated 2014-03-28)	△159,430	159,722
Profit (loss) attributable to non-controlling interests	—	—
Profit (loss) attributable to owners of parent	△159,430	159,722

	Three months ended	Three months ended
	31-Jan-25	31-Mar-26
Profit (loss) (after amendment dated 2014-03-28)	△159,430	159,722
Other comprehensive income [abstract]		
Foreign currency translation adjustment, net of tax-OCI	311	2,037
Other comprehensive income	311	2,037
Comprehensive income	△159,119	161,759
Comprehensive income attributable to [abstract]		
Comprehensive income attributable to owners of parent	△159,119	161,759
Comprehensive income attributable to non-controlling interests	—	—