Translation

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

August 14,2026

Company name: SHANON Inc.
Listing: Tokyo Stock Exchange
Stock code: 3976 URL https://shanon.co.jp/
Representative: Hirofumi Yamazaki Representative Directors CEO & COO
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（for institutional investors and analysts ）

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended June 30,2026 (from January 1, 2026 to June 30,2026)
(1) Consolidated operating results

	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	%
June 30,2026	1,441	—	311	-	310	-	396	-
April 30,2025	1,436	(3.1)	(21)	-	(70)	-	(157)	-

	Earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30,2026	66.88	—
April 30,2025	(34.62)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30,2026	2,400	1,384	57.6
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	-	0.00	-	0.00	0.00
Fiscal year ended December 31,2026	-	0.00			
Fiscal year ended December 31,2026 (Forecast)			-	0.00	0.00

3. 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 June 30,2026	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 June 30,2026	254 shares	As of December 31,2025	254 shares

Average number of shares during the period

Six months As of June 30,2026	5,925,946 shares	Six months As of April 30,2025	4,545,612 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 December 31, 2025	As of June 30, 2026
Assets [abstract]		
Current assets [abstract]		
Cash and deposits	1,009,496	1,286,448
Notes and accounts receivable - trade, and contract assets	223,105	229,963
Work in process	21,093	52,689
Other-CA	146,892	117,860
Allowance for doubtful accounts-CA-by group	△93	△254
Current assets	1,400,495	1,686,707
Non-current assets [abstract]		
Property, plant and equipment	90,965	77,468
Intangible assets [abstract]		
Software	256,737	296,549
Software in progress	67,075	52,115
Goodwill	80,745	72,647
Other-IA	5,521	5,804
Intangible assets	410,080	427,116
Investments and other assets	96,410	209,236
Non-current assets	597,456	713,820
Deferred assets	430	9
Assets	1,998,382	2,400,537
Liabilities [abstract]		
Current liabilities [abstract]		
Notes and accounts payable-trade	24,106	41,171
Current portion of long-term borrowings	22,476	22,503
Current portion of bonds payable	40,000	20,000
Advances received	448,632	667,837
Income taxes payable	32,690	15,065
Provision for bonuses	135,158	74,669
Other-CL	274,368	151,981
Current liabilities	977,431	993,229
Non-current liabilities [abstract]		
Long-term borrowings	34,656	22,544
Non-current liabilities	34,656	22,544
Liabilities	1,012,087	1,015,773
Net assets [abstract]		
Shareholders' equity [abstract]		
Share capital	1,084,365	100,000
Capital surplus	729,439	886,439
Retained earnings	△840,644	381,574
Treasury shares	△485	△485
Shareholders' equity	972,674	1,367,528
Valuation and translation adjustments [abstract]		
Foreign currency translation adjustment	10,696	14,313
Valuation and translation adjustments	10,696	14,313
Share acquisition rights	2,922	2,922
Non-controlling interests	—	—
Net assets	986,294	1,384,764
Liabilities and net assets	1,998,382	2,400,537

(Thousands of yen)

	Six months ended April 30, 2025	Six months ended June 30, 2026
Net sales	1,436,098	1,441,664
Cost of sales	524,452	442,167
Gross profit (loss)	911,646	999,497
Selling, general and administrative expenses	932,838	687,835
Operating profit (loss)	△21,191	311,661
Non-operating income [abstract]		
Interest income-NOI	360	1,088
Dividend income-NOI	0	258
Subsidy income-2-NOI	4,312	2,200
Commission income - NOI	65	66
Other-NOI	170	483
Non-operating income	4,908	4,097
Non-operating expenses [abstract]		
Interest expenses-NOE	748	306
Interest expenses on bonds - NOE	121	38
Foreign exchange losses-NOE	301	3,663
Amortization of bond issuance costs - NOE	8,606	420
Loss on cancellation of insurance policies - NOE	33,223	709
Other-NOE	10,970	0
Non-operating expenses	53,971	5,138
Ordinary profit (loss)	△70,255	310,619
Extraordinary losses [abstract]		
Loss on redemption of bonds - NOE	61,446	—
Extraordinary losses	61,446	—
Profit (loss) before income taxes	△131,701	310,619
Income taxes-current	658	33,605
Income taxes-deferred	25,000	△119,338
Income taxes	25,658	△85,733
Profit (loss) (after amendment dated 2014-03-28)	△157,359	396,353
Profit (loss) attributable to non-controlling interests	—	—
Profit (loss) attributable to owners of parent	△157,359	396,353

(Thousands of yen)

	Six months ended April 30, 2025	Six months ended June 30, 2026
Profit (loss) (after amendment dated 2014-03-28)	△157,359	396,353
Other comprehensive income [abstract]		
Foreign currency translation adjustment, net of tax-OCI	△1,455	3,616
Other comprehensive income	△1,455	3,616
Comprehensive income	△158,814	399,969
Comprehensive income attributable to [abstract]		
Comprehensive income attributable to owners of parent	△158,814	399,969
Comprehensive income attributable to non-controlling interests	—	—

(Thousands of yen)

	Six months ended April 30, 2025	Six months ended June 30, 2026
Cash flows from operating activities [abstract]		
Profit (loss) before income taxes	△131,701	310,619
Depreciation-OpeCF	69,606	75,593
Amortization of goodwill-OpeCF	5,584	8,098
Increase (decrease) in provision for bonuses-OpeCF	21,593	△61,183
Increase (decrease) in allowance for doubtful accounts-OpeCF	—	160
Interest and dividend income-OpeCF	△360	△1,347
Subsidy income-2-OpeCF	△4,312	△2,200
Interest expenses-OpeCF	748	306
Interest expenses on bonds - OpeCF	121	38
Foreign exchange losses (gains)-OpeCF	144	3,803
Loss (gain) on cancellation of insurance policies - OpeCF	33,223	709
Loss on redemption of bonds-OpeCF	61,446	—
Decrease (increase) in trade receivables - 2 - OpeCF	196,242	△4,297
Decrease (increase) in inventories-OpeCF	10,711	△31,596
Increase (decrease) in trade payables - 2 - OpeCF	△31,139	17,065
Increase (decrease) in advances received-OpeCF	△142,999	219,205
Other, net-OpeCF	52,849	△108,243
Subtotal-OpeCF	141,758	426,732
Interest and dividends received - OpeCF/InvCF	307	1,181
Interest paid - OpeCF/FinCF	△883	△390
Income taxes paid-OpeCF	△2,206	△30,358
Subsidies received - 2 - OpeCF	4,312	2,200
Net cash provided by (used in) operating activities	143,287	399,365
Cash flows from investing activities [abstract]		
Purchase of property, plant and equipment-InvCF	△79,604	△942
Proceeds from sale of property, plant and equipment - InvCF	14	—
Purchase of intangible assets-InvCF	△66,854	△90,849
Purchase of insurance funds-InvCF	△16,606	—
Payments of leasehold deposits - InvCF	△57	△143
Loan advances - InvCF	△150	△140
Proceeds from collection of loans receivable - InvCF	64	52
Proceeds from refund of leasehold deposits - InvCF	65,081	—
Proceeds from cancellation of insurance funds-InvCF	146,748	2,192
Net cash provided by (used in) investing activities	48,635	△89,830
Cash flows from financing activities [abstract]		
Repayments of long-term borrowings - FinCF	△63,932	△12,085
Proceeds from issuance of shares - FinCF	545,536	—
Redemption of bonds-FinCF	△20,000	△20,000
Redemption of convertible bond-type bonds with subscription rights to shares- FinCF	△677,695	—

Purchase of shares of subsidiaries not resulting in change in scope of consolidation - FinCF	－	△1,500
Net cash provided by (used in) financing activities	△216,091	△33,585
Effect of exchange rate change on cash and cash equivalents	△1,300	1,002
Net increase (decrease) in cash and cash equivalents	△25,467	276,951
Cash and cash equivalents	763,133	1,009,496
Cash and cash equivalents	737,665	1,286,448