

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 13, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)



Company name: SINKO INDUSTRIES LTD.
 Listing: Tokyo Stock Exchange
 Securities code: 6458
 URL: <https://www.sinko.co.jp/>
 Representative: Satoshi Suenaga, Chief Executive Officer
 Inquiries: Tokuji Aota, Executive Vice President, Chief Financial Officer
 Telephone: +81-6-6367-1811
 Scheduled date to file semi-annual securities report: November 14, 2025
 Scheduled date to commence dividend payments: December 8, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors)

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

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2025	25,878	6.9	3,576	0.4	3,883	(0.6)	2,611	(16.8)
September 30, 2024	24,201	8.6	3,561	40.9	3,907	40.1	3,138	51.6

Note: Comprehensive income For the six months ended September 30, 2025: ¥ 4,918 million [40.9%]
 For the six months ended September 30, 2024: ¥ 3,491 million [11.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	37.67	—
September 30, 2024	42.72	—

Note: The Company conducted a split of its common shares on the basis of one share into three shares effective December 1, 2024. Accordingly, basic earnings per share is calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year ended March 31, 2025.

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2025	90,282	64,067	67.5	890.86
March 31, 2025	84,997	64,280	71.7	862.26

Reference: Equity

As of September 30, 2025: ¥ 60,951 million
 As of March 31, 2025: ¥ 60,968 million

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, 2025	—	54.00	—	32.00	—
Fiscal year ending March 31, 2026	—	20.00			
Fiscal year ending March 31, 2026 (Forecast)			—	30.00	50.00

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

Note: The Company conducted a split of its common shares on the basis of one share into three shares effective December 1, 2024.

The year-end dividend for the fiscal year ended March 31, 2025, is stated based on the post-stock-split amount. The total annual dividend is not shown, as the stock split prevents a simple aggregation. Assuming that the stock split was conducted at the beginning of the previous fiscal year, the second quarter-end dividend for the fiscal year ending March 31, 2025, would be ¥18 and the annual dividend would be ¥50.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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
Full year	58,000	1.7	10,100	1.1	10,700	0.8	7,400	(5.5)	104.66

Note: Revisions to the financial result forecast most recently announced: None

* Notes

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

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(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, 2025	77,373,705 shares
As of March 31, 2025	77,373,705 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	8,955,283 shares
As of March 31, 2025	6,665,957 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	69,328,766 shares
Six months ended September 30, 2024	73,475,984 shares

Notes: 1 The Company's shares held by the Executive Compensation BIP Trust Account and the ESOP are included in treasury shares which are deducted from the total number of issued shares at the end of the period. These shares are also included in treasury shares to be deducted in the calculation of the average number of shares during the period. The Company's shares held by the Executive Compensation BIP Trust Account and the ESOP are as follows.

Number of issued shares at the end of the period:

As of September 30, 2025: 947,344 shares

As of March 31, 2025: 722,418 shares

Average number of shares during the period:

For the six months ended September 30, 2025: 784,900 shares

For the six months ended September 30, 2024: 733,965 shares

2 The Company conducted a split of its common shares on the basis of one share into three shares effective December 1, 2024. Accordingly, average number of shares outstanding during the period are calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year ended March 31, 2025.

* 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

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and on assumptions it considers reasonable. They do not constitute a guarantee of future results. Actual results may differ significantly due to a range of factors. For the assumptions behind the earnings forecast and important notes on its use, see page 2 of the attached materials, "1. Overview of Operating Results."

The Company plans to hold a briefing for institutional investors on Monday, December 1, 2025. Materials to be used on the day will be posted on our website before the event.

○ Table of contents of the attached document

1. Overview of Operating Results	2
(1) Overview of Operating Results for the Six Months Under Review	2
(2) Overview of Financial Position for the Six Months Under Review	2
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information.....	2
2. Semi-annual Consolidated Financial Statements and Primary Notes	3
(1) Semi-annual Consolidated Balance Sheet	3
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income.....	5
(3) Notes to Semi-annual Consolidated Financial Statements.....	7
(Premise of going concern)	7
(Significant changes in shareholders' equity)	7
(Segment information)	7
(Significant subsequent events)	8

1. Overview of Operating Results

(1) Overview of Operating Results for the Six Months Under Review

During the six months ended September 30, 2025, Japan's economy remained on a moderate recovery path as the country pursued growth driven by higher wages and investment. On the other hand, the outlook remains uncertain, due to trends in international trade policies affecting domestic industries and signs of stagnation in stronger earnings for firms.

In our industry, the business environment continued to be favorable, with order volumes for plumbing and equipment construction firms remaining at a high level due to strong demand for building air conditioning (including large redevelopment projects), industrial air conditioning for domestic manufacturing sites, and data center investments. Meanwhile, due to work-style reforms in construction and logistics industries, rising building costs, and trends in international trade policies, Japan's construction market has begun to be affected by prolonged installation project timelines and reviews of investment plans. Close attention to future market trends is needed.

Against this backdrop, the Group launched its new Medium-term Management Plan, "move.2027," in the previous fiscal year, covering the period through the fiscal year ending March 31, 2027. Under this Medium-term Management Plan, we are pursuing management that is conscious of cost of capital and stock price. This Medium-term Management Plan sets new target management indicators such as ROE and PBR, in addition to the existing indicators of consolidated net sales and consolidated operating profit, clearly positioning capital cost management at the core of business operations. With this in mind, we have strengthened initiatives to boost production capacity through digital transformation and streamlining of production processes, while also enhancing sales strategies to capture the target markets defined in the Medium-term Management Plan.

Segment performance is as follows.

<Japan>

Sales of air conditioning equipment remained strong, and we made efforts to capture strong demand for air conditioning installation projects and maintenance. As a result, net sales rose to ¥22,490 million, up 4.6% year on year. On the profit side, labor costs and logistics costs increased, despite our efforts to establish price revisions and increase the added value of products and services. As a result, segment profit (operating profit) came to ¥3,530 million, down 3.3% year on year.

<Asia>

In China, worsening business sentiment and a stagnant real estate market have made conditions tougher and added to uncertainty. Amid these conditions, net sales for the six months under review rose to ¥3,423 million, up 26.2% year on year, reflecting increased sales of air conditioning equipment. On the profit side, increased equipment sales led to an increase in profit, and progress was made in recording profit from installation projects. The segment posted a segment profit (operating profit) of ¥32 million, compared with a segment loss of ¥112 million in the same period in the previous fiscal year.

As a result, the Group's net sales reached ¥25,878 million, up 6.9% year on year. On the profit front, operating profit totaled ¥3,576 million, up 0.4% year on year, and ordinary profit decreased to ¥3,883 million, down 0.6% year on year. Profit attributable to owners of parent fell to ¥2,611 million, down 16.8% year on year.

(2) Overview of Financial Position for the Six Months Under Review

Total assets as of September 30, 2025 stood at ¥90,282 million, up ¥5,284 million from the end of the previous fiscal year. This was mainly due to a ¥7,488 million increase in cash and deposits, a ¥3,037 million decrease in notes and accounts receivable - trade, and contract assets, a ¥2,999 million decrease in securities, and a ¥3,961 million increase in investment securities.

Liabilities stood at ¥26,214 million, up ¥5,498 million from the end of the previous fiscal year. This was mainly due to a ¥1,368 million decrease in notes and accounts payable - trade and a ¥6,000 million increase in convertible-bond-type bonds with share acquisition rights.

Net assets were ¥64,067 million, down ¥213 million from the end of the previous fiscal year. This was mainly due to the recording of profit attributable to owners of parent of ¥2,611 million, dividends of surplus of ¥2,285 million, purchase of treasury shares of ¥3,128 million, and a ¥2,721 million increase in valuation difference on available-for-sale securities.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

At the present, there are no changes to the consolidated financial results forecast for the full-year of the fiscal year ending March 31, 2026, from the one announced on May 15, 2025.

Going forward, the Company will promptly announce any revisions to its financial results forecast that it determines necessary.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	15,669	23,157
Notes and accounts receivable - trade, and contract assets	19,249	16,212
Electronically recorded monetary claims - operating	6,810	4,351
Securities	2,999	—
Merchandise and finished goods	1,100	1,539
Work in process	972	985
Raw materials	2,070	1,901
Other	563	979
Allowance for doubtful accounts	(1,283)	(1,136)
Total current assets	48,153	47,991
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,986	10,139
Land	9,204	9,216
Other, net	2,586	2,704
Total property, plant and equipment	20,777	22,060
Intangible assets	1,163	1,251
Investments and other assets		
Investment securities	13,212	17,174
Other	1,712	1,721
Allowance for doubtful accounts	(22)	(21)
Total investments and other assets	14,903	18,875
Total non-current assets	36,844	42,187
Deferred assets	—	103
Total assets	84,997	90,282

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,664	5,295
Electronically recorded obligations - operating	1,163	902
Short-term borrowings	745	920
Current portion of long-term borrowings	376	328
Income taxes payable	2,207	1,343
Provision for bonuses	795	1,114
Provision for shareholder benefit program	18	—
Other	3,408	3,585
Total current liabilities	15,379	13,490
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	—	6,000
Long-term borrowings	1,291	1,332
Provision for retirement benefits for directors (and other officers)	8	9
Provision for share awards	273	292
Retirement benefit liability	878	914
Other	2,885	4,176
Total non-current liabilities	5,336	12,724
Total liabilities	20,716	26,214
Net assets		
Shareholders' equity		
Share capital	5,822	5,822
Capital surplus	3,215	3,330
Retained earnings	51,716	52,042
Treasury shares	(5,572)	(8,467)
Total shareholders' equity	55,181	52,727
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,419	8,141
Revaluation reserve for land	(748)	(748)
Foreign currency translation adjustment	1,115	830
Total accumulated other comprehensive income	5,786	8,223
Non-controlling interests	3,312	3,116
Total net assets	64,280	64,067
Total liabilities and net assets	84,997	90,282

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	24,201	25,878
Cost of sales	15,290	16,273
Gross profit	8,910	9,604
Selling, general and administrative expenses	5,349	6,028
Operating profit	3,561	3,576
Non-operating income		
Interest income	9	18
Dividend income	193	234
Share of profit of entities accounted for using equity method	93	49
Miscellaneous income	157	144
Total non-operating income	454	446
Non-operating expenses		
Interest expenses	13	19
Loss on retirement of non-current assets	30	58
Miscellaneous expenses	64	62
Total non-operating expenses	108	139
Ordinary profit	3,907	3,883
Extraordinary income		
Gain on sale of investment securities	531	—
Gain on sale of non-current assets	160	—
Total extraordinary income	691	—
Profit before income taxes	4,599	3,883
Income taxes - current	1,361	1,240
Income taxes - deferred	17	(37)
Total income taxes	1,378	1,202
Profit	3,220	2,680
Profit attributable to non-controlling interests	82	68
Profit attributable to owners of parent	3,138	2,611

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	3,220	2,680
Other comprehensive income		
Valuation difference on available-for-sale securities	(368)	2,722
Foreign currency translation adjustment	537	(397)
Share of other comprehensive income of entities accounted for using equity method	101	(86)
Total other comprehensive income	271	2,238
Comprehensive income	3,491	4,918
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,140	5,048
Comprehensive income attributable to non-controlling interests	351	(129)

(3) Notes to Semi-annual Consolidated Financial Statements

(Premise of going concern)

Not applicable.

(Significant changes in shareholders' equity)

Based on a resolution of the Board of Directors meeting dated March 13, 2025, the Company purchased 2,324,800 treasury shares for ¥2,820 million. As a result of this, treasury shares increased by ¥2,895 million during the six months ended September 30, 2025, and the balance of treasury shares as of September 30, 2025 stood at ¥8,467 million.

(Segment information)

For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

Amounts of net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded on semi-annual consolidated statement of income (Note 2)
	Japan	Asia	Total		
Net sales					
Net sales to external customers	21,500	2,700	24,201	—	24,201
Intersegment net sales and transfers	—	12	12	(12)	—
Total	21,500	2,713	24,213	(12)	24,201
Segment profit (loss)	3,652	(112)	3,540	20	3,561

Notes:1. The adjustment of ¥ 20 million for segment profit (loss) is the elimination for intersegment transactions.

2. Segment profit (loss) is adjusted with operating profit in the semi-annual consolidated statement of income.

For the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

Amounts of net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded on semi-annual consolidated statement of income (Note 2)
	Japan	Asia	Total		
Net sales					
Net sales to external customers	22,490	3,387	25,878	—	25,878
Intersegment net sales and transfers	—	35	35	(35)	—
Total	22,490	3,423	25,914	(35)	25,878
Segment profit	3,530	32	3,563	12	3,576

Notes:1. The adjustment of ¥ 12 million for segment profit is the elimination for intersegment transactions.

2. Segment profit is adjusted with operating profit in the semi-annual consolidated statement of income.

(Significant subsequent events)

(Cancellation of treasury shares)

At the Board of Directors meeting held on October 23, 2025, the Company resolved the cancellation of a portion of the Company's treasury shares pursuant to Article 178 of the Companies Act of Japan and it cancelled its treasury shares as described below.

1. Class of shares to be cancelled	Common shares of the Company
2. Number of shares to be cancelled	4,830,705 shares (6.24% of total number of issued shares before cancellation)
3. Cancellation date	November 6, 2025
4. Total number of issued shares of the Company after cancellation	72,543,000 shares