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.

October 31, 2025

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

Company name: Shinko Shoji Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Code number: 8141
URL: http://www.shinko-sj.co.jp/
Representative: Tatsuya Ogawa, President and Representative Director
Contact: Shuji Isshiki, Director
Phone: +81-3-6361-8111
Scheduled date of filling semi-annual securities report: November 14, 2025
Scheduled date of commencing dividend payments: December 5, 2025
Availability of supplementary briefing material on quarterly financial results: Available
Schedule of quarterly financial results briefing session: Scheduled (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

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

(1) Consolidated operating results (% indicates changes from the previous corresponding period.)

	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	%
September 30, 2025	45,767	(29.5)	516	(62.0)	736	(37.0)	653	100.9
September 30, 2024	64,883	(30.7)	1,358	(59.9)	1,169	(65.5)	325	(85.7)

Note: Comprehensive income For the six months ended September 30, 2025: 566 million yen [9.2%]
For the six months ended September 30, 2024: 518 million yen [(87.9)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	22.10	–
September 30, 2024	9.83	–

The average number of shares during the period used for calculating basic earnings per share is calculated by excluding the number of shares held in own name as well as treasury shares held by the board benefit trust of 471,500 shares for the six months ended September 30, 2024 and 471,500 shares for the six months ended September 30, 2025 and treasury shares held by the employee benefit trust of 597,000 shares for the six months ended September 30, 2024 and 609,886 shares for the six months ended September 30, 2025.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	82,011	52,288	62.7
As of March 31, 2025	80,051	52,539	64.6

Reference: Equity

As of September 30, 2025: 51,429 million yen
As of March 31, 2025: 51,701 million yen

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	-	7.50	-	8.00	15.50
Fiscal year ending March 31, 2026	-	6.00			
Fiscal year ending March 31, 2026 (Forecast)			-	6.50	12.50

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

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

(% indicates changes from the previous corresponding period.)

	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	107,500	(7.3)	1,000	56.8	1,000	72.9	730	44.5	24.54

* Revision to the financial results forecast announced most recently: No

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 2 companies (SHIMIZUSYNTEC Corporation, SHIMIZU SYNTEC SINGAPORE PTE.LTD.)
Excluded: -

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
(Note) For details, please refer to "2. Semi-annual Consolidated Financial Statements and Primary Notes, (4) Notes to Semi-annual Consolidated Financial Statements" on page 10 of the attached document.

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
(i) Changes in accounting policies due to the revision of accounting standards: No
(ii) Changes in accounting policies other than 1) above: No
(iii) Changes in accounting estimates: No
(iv) Retrospective restatement: No
(Note) For details, please refer to "2. Semi-annual Consolidated Financial Statements and Primary Notes, (4) Notes to Semi-annual Consolidated Financial Statements" on page 10 of the attached document.

(4) Total 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	31,010,566 shares
As of March 31, 2025	38,010,566 shares

(ii) Total number of treasury shares at the end of the period

As of September 30, 2025	1,824,518 shares
As of March 31, 2025	8,259,548 shares

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

Six months ended September 30, 2025	29,576,394 shares
Six months ended September 30, 2024	33,106,883 shares

- The total number of treasury shares at the end of the period includes the Company's shares held by the board benefit trust of 471,500 shares for the fiscal year ended March 31, 2025 and 471,500 shares for the six months ended September 30, 2025 and the Company's shares held by the employee benefit trust of 637,000 shares for the fiscal year ended March 31, 2025 and 604,000 shares for the six months ended September 30, 2025.
- Treasury shares excluded for calculation of the average number of shares during the period includes the Company's shares held by the board benefit trust of 471,500 shares for the six months ended September 30, 2024 and 471,500 shares for the six months ended September 30, 2025 and the Company's shares held by the employee benefit trust of 597,000 shares for the six months ended September 30, 2024 and 609,886 shares for the six months ended September 30, 2025.

* Review of the Japanese-language originals of the attached quarterly (semi-annual) consolidated financial statements by certified public accountants or an audit firm: No

* Explanation of the proper use of financial results forecast and other notes
The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company has deemed reasonable. These statements are not intended as the Company's commitment to achieve them, and actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions for financial results forecast and precautions for using financial results forecast, please refer to "1. Overview of Business Results, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 3 of the attached document.

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1. Overview of Business Results

(1) Overview of Operating Results

During the six months ended September 30, 2025, despite an ongoing gradual recovery trend, the outlook for the Japanese economy remained still uncertain mainly due to rising prices and impact of the US trade policies.

In the electronics industry, while demand for AI-related products and data center applications remained firm, demand remained weak in other businesses due to prolonged inventory adjustments and low levels of corporate capital investment.

The Company ended its distribution agreement with Renesas Electronics Corporation, its major supplier, on September 30, 2024. The Company acquired SHIMIZUSYNTEC Corporation, which had been a subsidiary of NEC Corporation with a strong sales base in the Hokuriku area, making it a wholly-owned subsidiary of the Company on June 30, 2025.

Under these circumstances, our group (the Company and its consolidated subsidiaries) posted overall results at a decreased level compared with the same period of the previous year in the businesses related to industrial products, automotive electronic products, amusement products, and OA products, which are our core businesses

As a result, the business performances during the six months ended September 30, 2025 were: net sales 45,767 million yen (29.5% decrease compared with the same period of the previous year); operating profit 516 million yen (62.0% decrease); ordinary profit 736 million yen (37.0% decrease); and profit attributable to owners of parent 653 million yen (100.9% increase). Business performances per segment are as follows.

The Company has revised certain reportable segments to better reflect the nature of its operations from the beginning of the six months ended September 30, 2025. For comparative purposes, prior-year figures for the corresponding period have been reclassified to conform to the current segment presentation.

Electronic Device Business

All businesses, including the businesses related to industrial products, remained sluggish.

As a result of the above, net sales were: semiconductors 6,844 million yen (77.1% decrease compared with the same period of the previous year), electronic devices 23,231 million yen (6.0% increase), and overall 30,075 million yen (42.0% decrease).

Assembly Business

The businesses related to amusement products remained sluggish.

As a result of the above, net sales of assembly products were 7,041 million yen (11.6% decrease compared with the same period of the previous year).

Other Businesses

The performance of SIMIZUSYNTEC Corporation has been reflected in consolidation results from the second quarter of the fiscal year ending March 31, 2026.

In addition, the machinery and equipment business remained strong.

As a result of the above, net sales were 8,650 million yen (71.3% increase compared with the same period of the previous year).

(2) Overview of Financial Position

(i) Status of assets, liabilities and net assets

(Assets)

Total assets as of September 30, 2025 increased by 1,959 million yen from the end of the previous period to 82,011 million yen. This is mainly attributable to increases in intangible assets, current assets-other, notes and accounts receivable - trade, and contract assets, property, plant and equipment, and cash and deposit of 1,462 million yen, 896 million yen, 888 million yen, 527 million yen and 497 million yen, respectively, despite a decrease in merchandise and finished goods 2,804 million yen.

(Liabilities)

Total liabilities as of September 30, 2025 increased by 2,210 million yen from the end of the previous period to 29,722 million yen. This is mainly attributable to increases in deferred tax liabilities, contract liabilities of 1,419 million yen and 1,256 million yen, respectively, despite a decrease in short-term borrowings 770 million yen.

(Net assets)

Total net assets as of September 30, 2025 decreased by 251 million yen from the end of the previous period to 52,288 million yen. This is mainly attributable to decreases in retained earnings, treasury shares, foreign currency translation adjustment of 5,983 million yen, 5,836 million yen and 251 million yen, respectively.

This resulted in an equity ratio of 62.7% (64.6% at the end of the previous year).

(ii) Analysis of cash flows

Cash and cash equivalents (hereinafter referred to as “Net cash”) as of September 30, 2025 increased by 487 million yen from the end of the previous year to 30,847 million yen, mainly due to a decrease in inventories, sale of investment securities, and a decrease in trade receivables, despite purchase of a subsidiary’s shares, a decrease in trade payables, purchase of treasury shares, repayments of short-term borrowings, and other factors, as profit before income taxes was 1,933 million yen (138.1% increase compared with the same period of the previous year).

Status of cash flows and factors behind them for the six months ended September 30, 2025 are as follows.

(Cash flows from operating activities)

Net cash provided by operating activities was 3,717 million yen (11,544 million yen provided in the previous fiscal year). This is mainly attributable to a decrease in inventories of 3,213 million yen and a decrease in trade receivables of 1,086 million yen despite a decrease in trade payables of 932 million yen.

(Cash flows from investing activities)

Net cash used in investing activities was 1,467 million yen (50 million yen used in the previous fiscal year). This is mainly attributable to purchase of a subsidiary’s shares of 2,824 million yen despite proceeds from sale of investment securities of 1,470 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 1,831 million yen (7,764 million yen used in the previous fiscal year). This is mainly attributable to purchase of treasury shares of 837 million yen, net decrease in short-term borrowings of 705 million yen and dividends paid of 252 million yen.

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

The Company projects consolidated financial results for the fiscal year ending March 31, 2026 of consolidated net sales of 107,500 million yen, operating profit of 1,000 million yen, ordinary profit of 1,000 million yen, and profit attributable to owners of parent of 730 million yen.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	28,616	29,113
Notes and accounts receivable - trade, and contract assets	16,595	17,484
Securities	2,995	2,995
Merchandise and finished goods	15,079	12,275
Work in process	80	135
Accounts receivable - other	7,865	7,820
Other	323	1,220
Allowance for doubtful accounts	(39)	(39)
Total current assets	71,517	71,005
Non-current assets		
Property, plant and equipment	651	1,178
Intangible assets	103	1,565
Investments and other assets		
Investment securities	6,103	6,366
Deferred tax assets	360	191
Other	1,315	1,705
Allowance for doubtful accounts	(0)	(1)
Total investments and other assets	7,779	8,261
Total non-current assets	8,534	11,005
Total assets	80,051	82,011
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,369	10,859
Electronically recorded obligations - operating	3,213	2,513
Short-term borrowings	2,270	1,500
Current portion of long-term borrowings	3,500	6,000
Income taxes payable	273	260
Accounts payable - other	187	607
Contract liabilities	8	1,264
Provision for bonuses	466	559
Provision for bonuses for directors	33	31
Other	933	843
Total current liabilities	21,255	24,440
Non-current liabilities		
Long-term borrowings	4,300	1,800
Deferred tax liabilities	350	1,770
Provision for share awards for directors	124	129
Provision for share awards for employees	412	399
Retirement benefit liability	600	729
Other	467	453
Total non-current liabilities	6,255	5,281
Total liabilities	27,511	29,722

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Net assets		
Shareholders' equity		
Share capital	9,501	9,501
Capital surplus	9,616	9,599
Retained earnings	34,020	28,037
Treasury shares	(7,431)	(1,595)
Total shareholders' equity	45,707	45,543
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	953	1,100
Deferred gains or losses on hedges	(0)	–
Revaluation reserve for land	(61)	(61)
Foreign currency translation adjustment	5,074	4,823
Remeasurements of defined benefit plans	26	23
Total accumulated other comprehensive income	5,993	5,885
Non-controlling interests	838	859
Total net assets	52,539	52,288
Total liabilities and net assets	80,051	82,011

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

(Semi-annual Consolidated Statements of Income)

(Six months ended September 30)

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	64,883	45,767
Cost of sales	59,091	40,934
Gross profit	5,792	4,833
Selling, general and administrative expenses	4,433	4,316
Operating profit	1,358	516
Non-operating income		
Interest income	101	164
Dividend income	70	174
Purchase discounts	6	0
Miscellaneous income	18	41
Total non-operating income	196	380
Non-operating expenses		
Interest expenses	65	39
Foreign exchange losses	305	77
Share of loss of entities accounted for using equity method	–	33
Miscellaneous expenses	15	10
Total non-operating expenses	385	160
Ordinary profit	1,169	736
Extraordinary income		
Gain on sale of golf club membership	–	53
Gain on sale of investment securities	–	1,144
Total extraordinary income	–	1,198
Extraordinary losses		
Loss on sale and retirement of non-current assets	3	0
Extra retirement payments	353	–
Settlement payments	–	1
Total extraordinary losses	357	2
Profit before income taxes	811	1,933
Income taxes	459	1,262
Profit	352	670
Profit attributable to non-controlling interests	26	16
Profit attributable to owners of parent	325	653

(Semi-annual Consolidated Statements of Comprehensive Income)

(Six months ended September 30)

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	352	670
Other comprehensive income		
Valuation difference on available-for-sale securities	(49)	150
Deferred gains or losses on hedges	(1)	0
Foreign currency translation adjustment	220	(251)
Remeasurements of defined benefit plans, net of tax	(3)	(3)
Total other comprehensive income	166	(104)
Comprehensive income	518	566
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	494	545
Comprehensive income attributable to non-controlling interests	24	20

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	811	1,933
Depreciation	173	117
Amortization of goodwill	9	12
Increase (decrease) in allowance for doubtful accounts	0	0
Increase (decrease) in provision for bonuses for directors	(68)	(2)
Increase (decrease) in provision for share awards for directors	4	4
Increase (decrease) in provision for share awards for employees	25	(13)
Increase (decrease) in provision for bonuses	(67)	62
Increase (decrease) in retirement benefit liability	(65)	4
Interest and dividend income	(171)	(338)
Interest expenses	65	39
Loss (gain) on sale and retirement of property, plant and equipment	3	0
Loss (gain) on sale of investment securities	–	(1,144)
Share of loss (profit) of entities accounted for using equity method	–	33
Decrease (increase) in trade receivables	9,666	1,086
Decrease (increase) in accounts receivable - other	1,217	(179)
Decrease (increase) in inventories	8,065	3,213
Increase (decrease) in trade payables	(7,091)	(932)
Increase (decrease) in accrued consumption taxes	43	(133)
Increase/decrease in other assets/liabilities	(530)	(303)
Non cash flow transaction	(4)	(36)
Subtotal	12,084	3,424
Interest and dividends received	170	340
Interest paid	(68)	(41)
Income taxes refund (paid)	(641)	(5)
Net cash provided by (used in) operating activities	11,544	3,717
Cash flows from investing activities		
Purchase of investment securities	(4)	(107)
Proceeds from sale of investment securities	–	1,470
Purchase of property, plant and equipment	(36)	(39)
Purchase of intangible assets	(13)	(41)
Purchase of shares of subsidiaries	–	(2,824)
Purchase of other investments	(6)	(26)
Proceeds from sales and cancelation of other investments	9	101
Net cash provided by (used in) investing activities	(50)	(1,467)

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6,979)	(705)
Repayments of lease liabilities	(39)	(37)
Purchase of treasury shares	(405)	(837)
Proceeds from sale of treasury shares	405	–
Dividends paid	(745)	(252)
Net cash provided by (used in) financing activities	(7,764)	(1,831)
Effect of exchange rate change on cash and cash equivalents	23	69
Net increase (decrease) in cash and cash equivalents	3,753	487
Cash and cash equivalents at beginning of period	13,157	30,359
Cash and cash equivalents at end of period	16,910	30,847

(4) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Based on a resolution at the Board of Directors' meeting held on August 19, 2025, the Company retired 7,000,000 shares of treasury shares as of August 29, 2025. This resulted in a decrease of 16 million yen in capital surplus, a decrease of 6,390 million yen in retained earnings and a decrease of 6,407 million yen in treasury shares.

As a result of these, as of September 30, 2025, capital surplus stood at 9,599 million yen, retained earnings stood at 28,037 million yen, and treasury shares stood at 1,595 million yen.

(Accounting policies adopted specially for the preparation of semi-annual consolidated financial statements)

Tax expenses were calculated by rationally estimating the effective tax rate after applying tax effect accounting for profit before income taxes for the fiscal year including the six months ended September 30, 2025, and multiplying the profit before income taxes by the estimated effective tax rate.

(Changes in accounting policies)

Not applicable.

(Changes in accounting estimates)

Not applicable.

(Changes in presentation)

In the consolidated balance sheet for the previous fiscal year, contract liabilities were included under "Other" within current liabilities. However, due to an increase in materiality, the Company has presented contract liabilities as a separate line item starting with the consolidated accounting period for the six months ended September 30, 2025. To reflect this change in presentation, the consolidated balance sheet for the previous fiscal year has been reclassified accordingly.

As a result, the 8 million yen previously presented under "Other" in current liabilities in the consolidated balance sheet for the previous fiscal year has been reclassified as "Contract liabilities."

(Additional information)

(Disposal of Treasury Stock as Restricted Stock)

Based on a resolution at the Board of Directors' meeting held on June 12, 2025, the Company disposed of treasury shares as restricted stock and completed the payment procedure on September 29 ,2025.

1.Overview of Disposal of Treasury Shares

(1) Payment date	September 29, 2025
(2) Class and number of shares to be disposed of	246,860 shares of common stock of the Company
(3) Disposal price	951 yen per share
(4) Total value of share disposal	234,763,860 yen
(5) Planned allottees	Employees of the Company: 326 employees, 246,860 shares
(6) Other	The Company has submitted an extraordinary report in accordance with the Financial Instruments and Exchange Act regarding the Disposal of Treasury Stock.

2. Purpose and Reasons for Disposal

At the Board of Directors' meeting held on June 12, 2025, the Company resolved to introduce a restricted stock grant plan in order to provide an incentive for employees of the Company to sustainably improve the Company's corporate value and to promote further shared values with shareholders.

(Segment information)

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

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Adjustment amount (Note 1)	Consolidated income statement amount (Note 2)
	Electronic device business	Assembly business	Other businesses	Total		
Net sales:						
Sales to external customers	51,865	7,967	5,051	64,883	–	64,883
Inter-segment sales and transfers	–	–	–	–	–	–
Total	51,865	7,967	5,051	64,883	–	64,883
Segment profit	1,909	316	136	2,362	(1,004)	1,358

(Notes) 1. The adjustment amount for segment profit of (1,004) million yen includes corporate expenses of (1,004) million yen not allocated to the reportable segments. The corporate expenses are mainly administrative expenses and common expenses not attributed to the reportable segments.

2. Segment profit is reconciled to operating profit in the quarterly consolidated statements of income.

2. Information about loss on impairment of non-current assets and goodwill by reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

3. Changes in reportable segments

As a result of the review of the performance segment classification, some transactions related to industrial products, which were classified in the Electronic Device Business in the six months ended September 30, 2023, have been included in the Other Businesses starting in the six months ended September 30, 2024.

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

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Adjustment amount (Note 1)	Consolidated income statement amount (Note 2)
	Electronic device business	Assembly business	Other businesses	Total		
Net sales:						
Sales to external customers	30,075	7,041	8,650	45,767	–	45,767
Inter-segment sales and transfers	–	–	–	–	–	–
Total	30,075	7,041	8,650	45,767	–	45,767
Segment profit	1,230	241	109	1,581	(1,065)	516

(Notes) 1. The adjustment amount for segment profit of (1,065) million yen includes corporate expenses of (1,065) million yen not allocated to the reportable segments. The corporate expenses are mainly administrative expenses and common expenses not attributed to the reportable segments.

2. Segment profit is reconciled to operating profit in the quarterly consolidated statements of income.

2. Information about loss on impairment of non-current assets and goodwill by reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in goodwill)

In the Other businesses segment, SHIMIZUSYNTEC Corporation, whose shares were newly acquired, has been included in the scope of consolidation from June 30, 2025.

This resulted in an increase in goodwill of 499 million yen.

(Significant gain on negative goodwill)

Not applicable.

3. Changes in reportable segments

The Company has revised certain reportable segments to better reflect the nature of its operations from the beginning of the six months ended September 30, 2025. For comparative purposes, prior-year figures for the corresponding period have been reclassified to conform to the current segment presentation.

(Business combination, etc.)

Business combination through acquisition

At a meeting of the Board of Directors' held on May 30, 2025, the Company resolved to acquire all outstanding shares of SHIMIZUSYNTEC Corporation (head office: Kanazawa City, Ishikawa Prefecture; President: Tatsuhiro Matsuo), a subsidiary of NEC Corporation (head office: Minato-ku, Tokyo; President & CEO: Takayuki Morita), and make it a wholly-owned subsidiary of the Company ("the transaction"). The Company entered into a share transfer agreement on the same day and acquired all the shares on June 30, 2025.

1. Overview of business combination

(1) Name of the acquired company and its business

Name of the acquired company: SHIMIZUSYNTEC Corporation ("SHIMIZUSYNTEC")

Business description: Wholesale of electronic devices and electrical work service

(2) Primary reasons for the business combination

The Company has focused on "area strategy, growth investments aimed at the exploration and creation of new business domains, and M&As" as one of its management strategies in line with its Management Policy: "In this era of change, we aim to provide a wide range of electronics products and services. Increase the value of our existence, realizing an evolving electronic parts trading company group."

SHIMIZUSYNTEC, as a distributor of NEC, has a strong sales base in the Hokuriku area, as well as expertise not only in sales of electronic devices, but also in systems solution development, which includes providing support for manufacturers using IT/DX technologies from the stage of manufacturing processes.

Based on these, the Company believes SHIMIZUSYNTEC can be a strong partner in realizing its management strategies. SHIMIZUSYNTEC also hopes to further expand its sales channels and expects synergetic effects from the transaction.

(3) Date of business combination

June 30, 2025

(4) Legal form of business combination

Share acquisition with cash consideration

(5) Name of the combined company

The company name has not changed.

(6) Percentage of voting rights acquired

100%

(7) Main basis for choice of the acquiring company

The Company acquired the shares of SHIMIZUSYNTEC in exchange of cash.

2. Period of the acquired company's business results included in the semi-annual consolidated statements of income

From July 1, 2025 to September 30, 2025

3. Acquisition cost and breakdown of consideration by type

Consideration for acquisition   Cash and deposits   5,182 million yen

4. Description of major expenses related to acquisition and amount thereof

Advisory fees and other costs   72 million yen

5. Amount of goodwill, reason for its recognition, and the method and period of amortization

(1) Amount of goodwill

499 million yen

(2) Reason for recognition of the goodwill amount

Potential excess earnings expected from future business development of the acquired company were recognized as the goodwill amount.

(3) Method and period of amortization

Straight-line amortization over 10 years

6. Amount of assets accepted and liabilities assumed on the date of the business combination, and major breakdown thereof

Current assets	5,963 million yen
Non-current assets	2,335
Total assets	8,299
Current liabilities	3,101
Non-current liabilities	514
Total liabilities	3,616

7. Amount allocated to intangible assets other than goodwill and period of amortization

(1) Customer related intangible assets

910 million yen

(2) Method and period of amortization

Straight-line amortization over 9 years

(Significant subsequent events)

Not applicable.