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August 10, 2026

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

Company name: SUNCORPORATION
Listing: Tokyo Stock Exchange
Securities code: 6736
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Representative: Ryusuke Utsumi President and Representative Director
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended June 30, 2026 (from April 1, 2026 to June 30, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2026	2,578	(0.3)	(6)	-	384	(78.6)	1,500	(15.5)
June 30, 2025	2,585	9.7	(90)	-	1,800	-	1,775	755.8

Note: Comprehensive income For the three months ended June 30, 2026: ¥ 2,172 million [192.0%]
For the three months ended June 30, 2025: ¥ 744 million [(54.7)%]

For further details on the consolidated operating results (cumulative), please refer to the Supplementary Presentation Material.

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2026	69.72	69.64
June 30, 2025	79.74	79.66

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2026	55,141	49,287	89.3
March 31, 2026	53,652	48,181	89.7

Reference: Equity
As of June 30, 2026: ¥ 49,257 million
As of March 31, 2026: ¥ 48,133 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, 2026	-	0.00	-	50.00	50.00
Fiscal year ending March 31, 2027	-				
Fiscal year ending March 31, 2027 (Forecast)		-	-	-	-

Note: The dividend forecast for the fiscal year ending March 31, 2026 is undecided at this time.

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(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	%
Full year	19,222	94.0	2,131	-	8,300	61.7	7,600	(21.4)

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

*** Notes**

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

Newly included: - companies( )

Excluded: - companies( )

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

(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: Yes

(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 June 30, 2026	24,007,728 shares
As of March 31, 2026	24,007,728 shares

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

As of June 30, 2026	2,479,700 shares
As of March 31, 2026	2,489,816 shares

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

Three months ended June 30, 2026	21,519,041 shares
Three months ended June 30, 2025	22,269,478 shares

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

* 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 certain assumptions that the Company deems reasonable, and are not intended to be a promise by the Company that they will be achieved. Actual results may differ significantly due to various factors.

1. Qualitative Information on Financial Results for the Three Months Ended June 30, 2025

(1) Explanation of Operating Results

During the three months ended June 30, 2026, the Japanese economy recovered moderately supported by various government policies amid improving employment and income environments. On the other hand, the outlook remains uncertain due to downside risks to the economy caused by the situation in the Middle East and fluctuations in financial and capital markets.

Under these circumstances, the Group has upheld its management policies of "Focusing on the information technology and entertainment fields," "Striving to enhance corporate value," and "Taking proactive actions with entrepreneurial spirit". As its mid- to long-term management strategy, the Group has implemented various measures to: (i) create new customer value in information technology (security and M2M/IoT) fields; (ii) create new IP in entertainment (game machines and games) fields; and (iii) promote business development and expansion in global markets.

As a result, key operating results during the three months ended June 30, 2026 were as follows.

	Three months ended June 30, 2025 (Millions of yen)	Three months ended June 30, 2026 (Millions of yen)	Year-on-year change in amount (Millions of yen)	Year-on-year change in percent (%)
Net sales	2,585	2,578	(6)	(0.3)
Gross profit	629	761	132	21.0
Operating loss	(90)	(6)	83	—
Ordinary profit (loss)	1,800	384	(1,415)	(78.6)
Profit attributable to owners of parent	1,775	1,500	(275)	(15.5)

Main factors of increase/decrease

Net sales: Net sales for the three months ended June 30, 2026 decreased by 6 million yen compared to the same period of the previous fiscal year to 2,578 million yen. The main factor for the decrease compared to the same period of the previous fiscal year was a decline in the shipment volume of components for gaming machines in the Entertainment-related business, despite increases in the Global Data Intelligence business and the IT-related business.

Operating loss: Gross profit increased by 132 million yen compared to the same period of the previous fiscal year to 761 million yen. Although selling, general and administrative expenses increased by 48 million yen compared to the same period of the previous fiscal year, operating loss decreased by 83 million yen compared to the same period of the previous fiscal year to 6 million yen.

Ordinary profit: Ordinary profit decreased by 1,415 million yen compared to the same period of the previous fiscal year to 384 million yen. The main factor for the decrease compared to the same period of the previous fiscal year was a decrease of 1,463 million yen in share of profit of entities accounted for using equity method from Cellebrite DI Ltd., an equity-method associate, to 364 million yen.

Profit attributable to owners of parent: Profit attributable to owners of parent decreased by 275 million yen compared to the same period of the previous fiscal year to 1,500 million yen, despite recording a gain on change in equity related to Cellebrite of 1,121 million yen.

<Overview of individual segments>

[Global Data Intelligence business]

	Three months ended June 30, 2025 (Millions of yen)	Three months ended June 30, 2026 (Millions of yen)	Year-on-year change in amount (Millions of yen)	Year-on-year change in percent (%)
Net sales	284	387	102	35.8
Gross profit	63	76	12	19.9
Segment profit	22	34	11	51.1

Main factors for increase/decrease: In the Global Data Intelligence business, both net sales and segment profit increased year-on-year due to an increase in sales and the number of subscription contracts centered on Cellebrite products.

[Entertainment-related business]

	Three months ended June 30, 2025 (Millions of yen)	Three months ended June 30, 2026 (Millions of yen)	Year-on-year change in amount (Millions of yen)	Year-on-year change in percent (%)
Net sales	1,776	1,476	(300)	(16.9)
Gross profit	380	383	2	0.8
Segment profit	201	156	(44)	(22.2)

Main factors for increase/decrease:

- **Gaming machine-related business:** Although net sales decreased year-on-year primarily due to a decline in the shipment volume of gaming machine components, segment profit increased due to cost reduction initiatives.
- **Game content business:** Both net sales and segment profit decreased year-on-year, mainly due to the absence of new title announcements and an increase in development costs.

[IT-related business]

	Three months ended June 30, 2025 (Millions of yen)	Three months ended June 30, 2026 (Millions of yen)	Year-on-year change in amount (Millions of yen)	Year-on-year change in percent (%)
Net sales	528	717	188	35.7
Gross profit	179	301	121	67.9
Segment profit	(13)	67	81	—

Main factors for increase/decrease: In the IT-related business, domestic demand in the same period of the previous fiscal year saw a temporary decline as the demand for migration to LTE (4G) following the 3G shutdown by telecommunications carriers ran its course. However, during the three months ended June 30, 2026, this impact resolved. Coupled with sales price revisions in response to rising costs, and steady sales growth in Malaysia by EKTech Group (a consolidated subsidiary), net sales increased year-on-year and segment profit turned positive from a segment loss.

[Wellness business]

	Three months ended June 30, 2025 (Millions of yen)	Three months ended June 30, 2026 (Millions of yen)	Year-on-year change in amount (Millions of yen)	Year-on-year change in percent (%)
Net sales	—	—	—	—
Gross profit	—	—	—	—
Segment profit	(1)	(7)	(6)	—

Main factors for increase/decrease: In the Wellness business, segment loss expanded year-on-year as the Group is currently in the preparation stage for the domestic launch of products from MyWaves Technologies Limited, a leader in the field of improving sleep quality through sleep-tech, through Sun Digital Health Co., Ltd. (a consolidated subsidiary). The wellness business is still in its early stages, and profits declined year-on-year.

(2) Explanation of Financial Position

< State of assets, liabilities, and net assets>

	As of March 31, 2026 (Millions of yen)	As of June 30, 2026 (Millions of yen)	Year-on-year change in amount (Millions of yen)	Year-on-year change in percent (%)
Current assets	8,610	7,970	(639)	(7.4)
Non-current assets	45,041	47,170	2,128	4.7
Total assets	53,652	55,141	1,488	2.8
Current liabilities	5,276	5,659	383	7.3
Non-current liabilities	195	194	(0)	(0.2)
Total liabilities	5,471	5,854	382	7.0
Total net assets	48,181	49,287	1,105	2.3

Main factors for increase/decrease:

(Assets) Current assets decreased primarily due to decreases of 600 million yen in money held in trust, 228 million yen in notes and accounts receivable - trade, and 171 million yen in work in process. On the other hand, the primary factor for increase was an increase of 309 million yen in cash and deposits. Non-current assets increased mainly due to increases of 1,927 million yen in shares of subsidiaries and associates and 252 million yen in investment securities.

(Liabilities) Current liabilities increased primarily due to increases of 216 million yen in short-term borrowings and 293 million yen in contract liabilities. On the other hand, the primary factor for decrease was a decrease of 184 million yen in notes and accounts payable - trade.

(Net assets) Total net assets increased mainly due to increases of 479 million yen in foreign currency translation adjustment, 450 million yen in retained earnings, and 254 million yen in valuation difference on available-for-sale securities.

Quarterly Consolidated Financial Statements and Primary Notes

Quarterly Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Assets		
Current assets		
Cash and deposits	2,242,194	2,551,517
Money held in trust	700,000	100,000
NotesReceivableAccountsReceivableTradeAndElectronicallyRecordedMonetaryClaims	1,359,185	1,130,488
Accounts receivable	38,767	51,932
Finished goods	475,221	487,918
Work in process	331,019	159,856
Raw materials	2,390,039	2,304,621
Other	1,074,536	1,184,746
Allowance for doubtful accounts	(99)	(99)
Total current assets	8,610,866	7,970,982
Non-current assets		
Property, plant and equipment		
Land	949,043	949,043
Other, net	424,590	440,582
Total property, plant and equipment	1,373,634	1,389,625
Intangible assets		
Goodwill	459,278	454,458
Other	168,227	164,146
Total intangible assets	627,506	618,605
Investments and other assets		
Investment securities	11,031,651	11,284,260
Deferred tax assets	324,871	301,232
Shares of subsidiaries and associates	31,037,897	32,965,368
Other	646,211	611,233
Total investments and other assets	43,040,632	45,162,095
Total non-current assets	45,041,773	47,170,326
Total assets	53,652,639	55,141,308

(Thousands of yen)

	As of March 31, 2026	As of June 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,018,310	834,032
Short-term borrowings	2,416,500	2,632,932
Current portion of long-term borrowings	36,504	36,504
Accrued expenses	264,263	259,507
Income taxes payable	66,411	15,166
Advances received	55,598	41,770
Contract liabilities	1,185,870	1,479,393
Provision for bonuses	94,499	101,632
Other	138,335	258,629
Total current liabilities	5,276,294	5,659,568
Non-current liabilities		
Long-term borrowings	138,658	143,813
Deferred tax liabilities	8,430	6,572
Deferred tax liabilities for land revaluation	10,212	10,212
Retirement benefit liability	6,714	7,212
Other	31,116	26,842
Total non-current liabilities	195,131	194,653
Total liabilities	5,471,425	5,854,221
Net assets		
Shareholders' equity		
Share capital	2,097,606	2,097,606
Capital surplus	3,570,504	3,558,186
Retained earnings	50,317,706	50,739,104
Treasury shares	(10,766,291)	(10,723,960)
Total shareholders' equity	45,219,526	45,670,937
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(124,957)	129,730
Deferred gains or losses on hedges	54,550	(7,344)
Revaluation reserve for land	(434,495)	(434,495)
Foreign currency translation adjustment	3,419,102	3,898,849
Total accumulated other comprehensive income	2,914,200	3,586,739
Share award rights	15,142	-
Share acquisition rights	32,344	29,410
Total net assets	48,181,214	49,287,086
Total liabilities and net assets	53,652,639	55,141,308

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the Three-Month Period

(Thousands of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Net sales	2,585,094	2,578,381
Cost of sales	1,955,878	1,816,732
Gross profit	629,216	761,649
Selling, general and administrative expenses	719,834	768,330
Operating loss	(90,617)	(6,681)
Non-operating income		
Interest and dividend income	73,692	30,244
Foreign exchange gains	1,153	4,673
Share of profit of entities accounted for using equity method	1,828,140	364,791
Other	435	5,062
Total non-operating income	1,903,422	404,772
Non-operating expenses		
Interest expenses	6,409	9,490
Commission expenses	5,680	4,054
Other	259	0
Total non-operating expenses	12,350	13,544
Ordinary profit	1,800,454	384,546
Extraordinary income		
Gain on change in equity	-	1,121,692
Total extraordinary income	-	1,121,692
Profit before income taxes	1,800,454	1,506,238
Income taxes	24,709	5,945
Profit	1,775,745	1,500,293
Profit attributable to owners of parent	1,775,745	1,500,293

Quarterly Consolidated Statement of Comprehensive Income

For the Three-Month Period

(Thousands of yen)

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Profit	1,775,745	1,500,293
Other comprehensive income		
Valuation difference on available-for-sale securities	54,851	228,562
Foreign currency translation adjustment	(25,217)	2,989
Share of other comprehensive income of entities accounted for using equity method	(1,061,347)	440,986
Total other comprehensive income	(1,031,713)	672,539
Comprehensive income	744,032	2,172,832
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	744,032	2,172,832

(3) Notes on Quarterly Consolidated Financial Statements

(Notes regarding assumption of going concern)

Not applicable

(Notes if there are significant changes in the amount of shareholders' equity)

Not applicable

(Notes on Changes in Accounting Policies)

(Application of the Practical Guidelines on Accounting for Financial Instruments)

Effective from the beginning of the first quarter of the current consolidated fiscal year, the Company has applied the "Practical Guidelines on Accounting for Financial Instruments" (Implementation Guidance No. 9, March 11, 2025; hereinafter referred to as the "Revised Practical Guidelines on Accounting for Financial Instruments"). Accordingly, the Company has applied Paragraph 132-2 of the Revised Practical Guidelines on Accounting for Financial Instruments to measure stocks without market prices (excluding shares of subsidiaries and associates of the Company) included in the underlying assets of partnerships, etc., that meet the requirements set forth in the said paragraph at fair value, and has used these valuations as the basis for accounting for investments in partnerships, etc. In addition, the application of the Revised Practical Guidelines on Accounting for Financial Instruments follows the transitional treatment set forth in Paragraph 205-2, and its impact on the quarterly consolidated financial statements is immaterial.

(Change in Method for Calculating Tax Expenses)

Tax expenses were previously calculated using the standard method. However, in order to further improve efficiency in quarterly accounting operations, effective from the first quarter of the consolidated fiscal year under review, the Company and certain consolidated subsidiaries have changed to a method of calculating tax expenses by reasonably estimating the effective tax rate after the application of tax-effect accounting to profit before income taxes for the consolidated fiscal year, and multiplying profit before income taxes for the quarter by the estimated effective tax rate. However, for entities where calculating tax expenses using the estimated effective tax rate would yield a significantly unreasonable result, calculations are made using the statutory effective tax rate, taking into account significant adjustment items.

Note that this change had a minor impact, and therefore retrospective application was not performed.

(Notes on Accounting Treatment Specific to Preparation of Quarterly Consolidated Financial Statements)

(Calculation of Tax Expenses)

Tax expenses for the Company and certain consolidated subsidiaries are calculated by reasonably estimating the effective tax rate after the application of tax-effect accounting to profit before income taxes for the consolidated fiscal year including the first quarter under review, and multiplying profit before income taxes for the quarter by the estimated effective tax rate.

Income taxes - deferred are included in income taxes.

(Segment information, etc.)

[Segment information]

I. Three months ended June 30, 2025 (April 1 to June 30, 2025)

1. Information on net sales and profit (loss) for each reportable segment and information on the disaggregation of revenue

(Thousands of yen)

	Global Data Intelligence business	Entertainment-related business	IT-related business	Wellness business	Total	Adjusted amount (Note 1)	Amount reported on consolidated financial statements (Note 2)
Sales							
Goods transferred at a point in time	17,117	1,771,158	364,930	—	2,153,206	—	2,153,206
Goods transferred over time	267,847	—	164,040	—	431,888	—	431,888
Revenue from contracts with customers	284,965	1,771,158	528,970	—	2,585,094	—	2,585,094
Revenue from external customers	284,965	1,771,158	528,970	—	2,585,094	—	—
Transactions with other segments	—	5,786	—	—	5,786	(5,786)	2,585,094
Total	284,965	1,776,945	528,970	—	2,590,881	(5,786)	2,585,094
Segment profit	22,786	201,024	(13,814)	(1,309)	208,686	(299,304)	(90,617)

(Notes) 1. Adjusted amount for segment profit (loss) of ¥(299,304) thousand mainly consists of general and administrative expenses not attributable to reportable segments and elimination of intersegment transactions.

2. Segment profit (loss) has been adjusted with operating profit (loss) on the quarterly consolidated statements of income.

II. Three months ended June 30, 2026 (April 1 to June 30, 2026)

1. Information on net sales and profit (loss) for each reportable segment and information on the disaggregation of revenue

(Thousands of yen)

	Global Data Intelligence business	Entertainment-related business	IT-related business	Wellness business	Total	Adjusted amount (Note 1)	Amount reported on consolidated financial statements (Note 2)
Sales							
Goods transferred at a point in time	45,208	1,475,493	554,082	—	2,074,785	—	2,074,785
Goods transferred over time	341,871	—	161,724	—	503,595	—	503,595
Revenue from contracts with customers	387,080	1,475,493	715,807	—	2,578,381	—	2,578,381
Revenue from external customers	387,080	1,475,493	715,807	—	2,578,381	—	2,578,381
Transactions with other segments	—	907	1,852	—	2,759	(2,759)	—
Total	387,080	1,476,400	717,660	—	2,581,141	(2,759)	2,578,381
Segment profit	34,427	156,378	67,774	(7,415)	251,165	(257,846)	(6,681)

(Notes) 1. Adjusted amount for segment profit (loss) of ¥(257,846) thousand mainly consists of general and administrative expenses not attributable to reportable segments and elimination of intersegment

transactions.

2. Segment profit (loss) has been adjusted with operating (loss) on the quarterly consolidated statements of income.

(Notes on quarterly consolidated statement of cash flows)

No quarterly consolidated statement of cash flows has been prepared for the three months ended June 30, 2024. Depreciation (including amortization of intangible assets excluding goodwill and customer-related assets) and amortization of goodwill and customer-related assets for the three months ended June 30 are as follows:

	For the three months ended June 30, 2025	For the three months ended June 30, 2026
Depreciation	¥57,742 million	¥52,990 million
Amortization of goodwill	¥14,500 million	¥16,831 million
Amortization of customer-related assets	¥2,496 million	¥2,897 million

(Important Subsequent Events)

Not applicable