Supplementary Presentation

Financial Results for the Six Months Ended September 30, 2026



SUNCORPORATION

November 13, 2026

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Financial Highlights

H1 FY3/27（Year on Year）

（Million yen）	H1 FY3/26(a) （Apr. – Sep. 2025）	H1 FY3/27(a) （Apr. – Sep. 2026）	Change	Change (%)
Net sales	4,701	5,112	411	8.8%
Operating profit (loss)	(144)	6	150	—
Ordinary profit	2,186	477	(1,709)	(78.2)%
Profit (loss) attributable to owners of parent	4,442	(8,933)	(13,375)	—

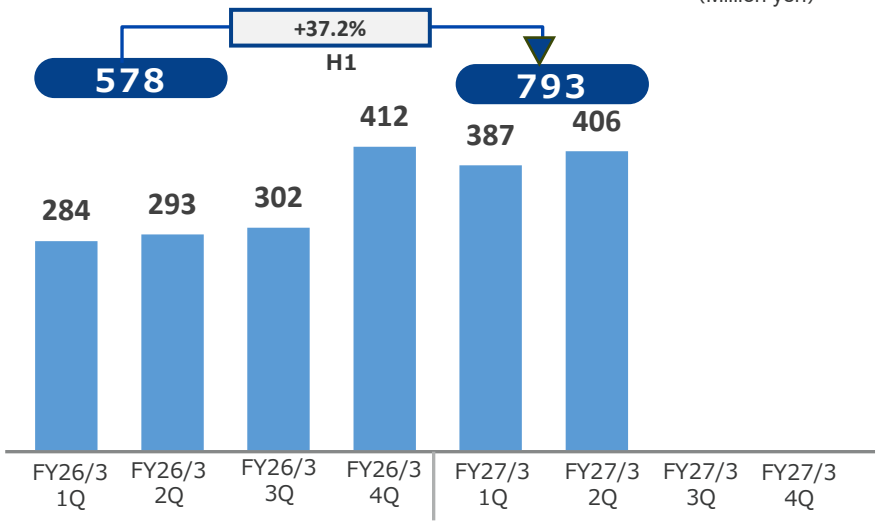
- **Net sales** increased by 411 million yen year-on-year, driven by steady performances in the Global Data Intelligence Business, Entertainment-Related Business, and IT-Related Business.
- **Operating profit (loss)** improved by 150 million yen year-on-year, turning profitable at 6 million yen compared to an operating loss of (144) million yen in the same period of the previous fiscal year.
- **Ordinary profit** decreased by 1,709 million yen year-on-year, primarily due to a decline in share of profit of entities accounted for using equity method from Cellebrite.
- **Profit (loss) attributable to owners of parent** decreased by 13,375 million yen year-on-year to a net loss of (8,933) million yen. Although a gain on change in equity in Cellebrite of 2,534 million yen was recognized, the Company recorded approximately 11,996 million yen in income taxes—current (including penalties such as additional tax for underpayment) following the receipt of a Notice of Reassessment based on the tax audit conducted by the Nagoya Regional Taxation Bureau regarding the fiscal year ended March 31, 2025 (*).

*Note: This Notice of Reassessment concerns the tax treatment of Cellebrite shares received by the Company through a distribution without contribution (free grant). The Company objects to the tax authority's reassessment and has filed a Request for Review (appeal) with the Nagoya National Tax Tribunal in accordance with relevant laws and regulations.

Global Data Intelligence Business

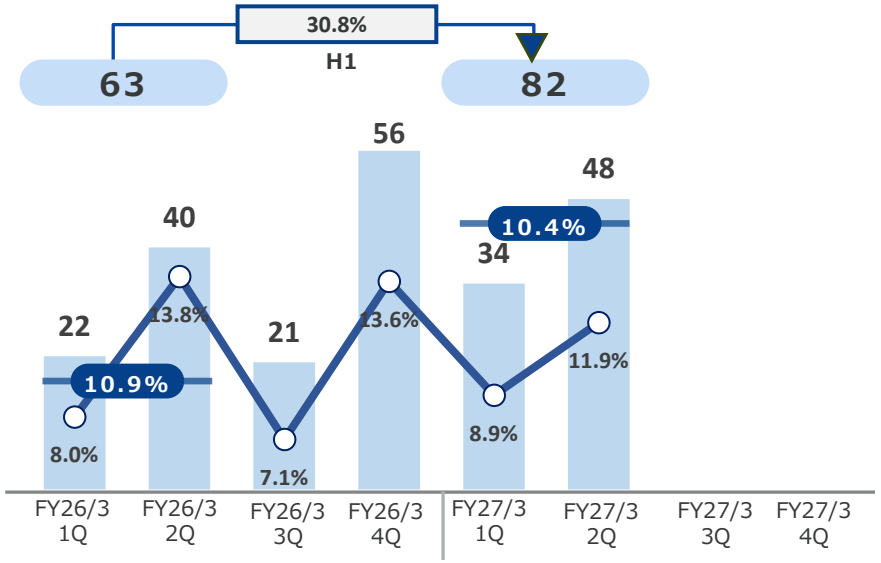
■ Net sales

(Million yen)



■ Operating profit/OP margin

(Million yen)



Main reasons for change

■ **Cumulative Q2 (First Half) results: Increase in net sales and profit (YoY)**

- ✓ Net sales: Increased due to higher sales centered on Cellebrite products and an increase in the number of subscription contracts.
- ✓ Operating profit: Increased in line with the growth in net sales.

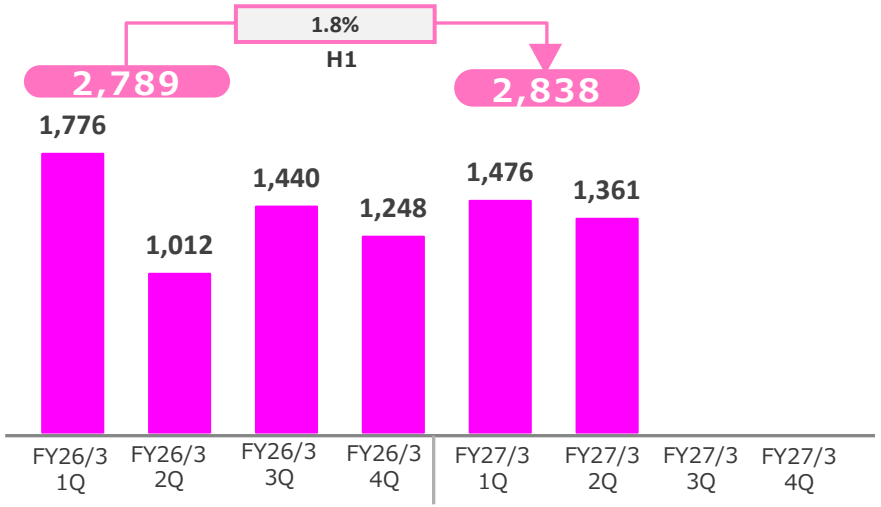
■ **Q2 (Three-month period) results: Increase in net sales and profit (YoY)**

- ✓ Net sales: Increased due to higher sales centered on Cellebrite products and an increase in the number of subscription contracts.
- ✓ Operating profit: Increased in line with the growth in net sales.

Entertainment-Related Business

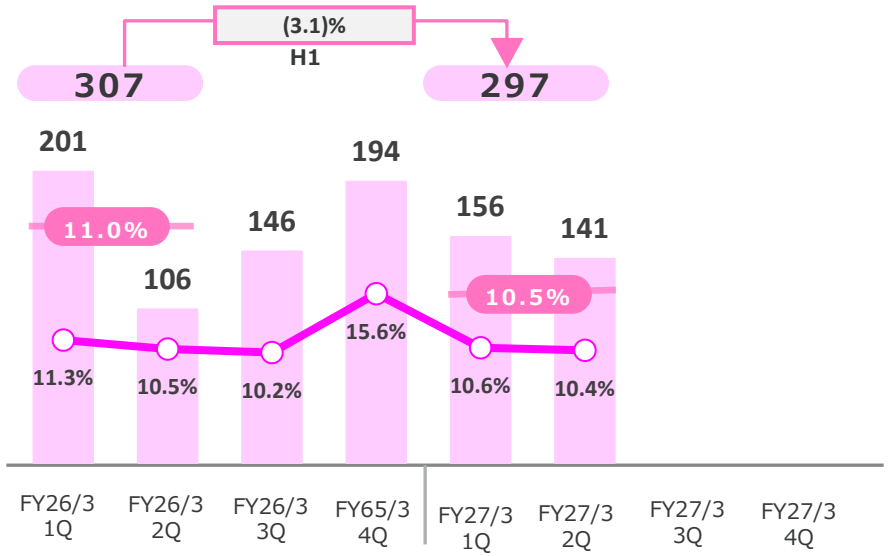
■ Net sales

(Million yen)



■ Operating profit/OP margin

(Million yen)



Main reasons for change

■ Cumulative Q2 (First Half) results: Increase in net sales, decrease in profit (YoY)

- **Game Machine Business**
  - ✓ Net sales increased primarily due to higher shipment volumes of gaming machine components, etc.
  - ✓ Operating profit also increased in line with the growth in net sales.
- **Game Content Business**
  - ✓ Net sales decreased despite the release of two new game titles.
  - ✓ Operating profit decreased due to the decline in net sales and an increase in development costs.

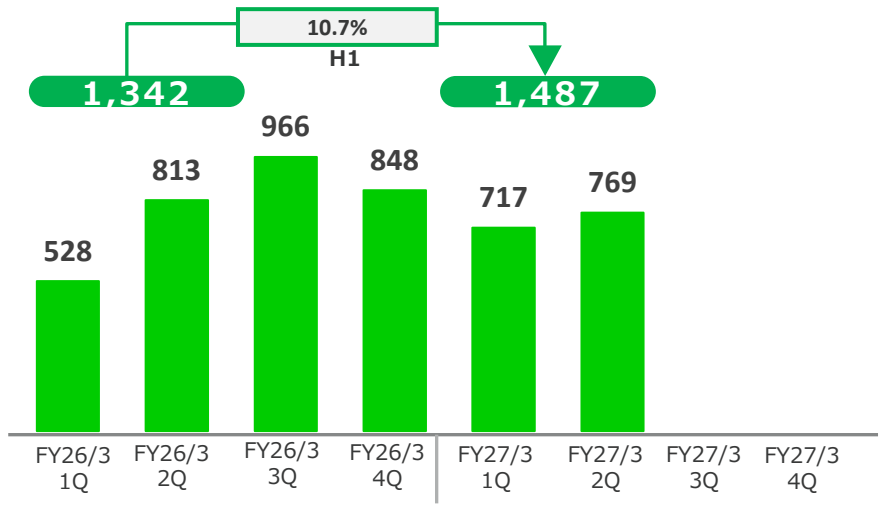
■ Q2 (Three-month period) results: Increase in net sales and profit (YoY)

- **Game Machine Business**
  - ✓ Net sales increased primarily due to higher shipment volumes of gaming machine components, etc.
  - ✓ Operating profit also increased in line with the growth in net sales.
- **Game Content Business**
  - ✓ Net sales increased with the launch of two new titles.
  - ✓ Operating profit decreased due to higher development costs, despite the increase in net sales.

IT-Related Business

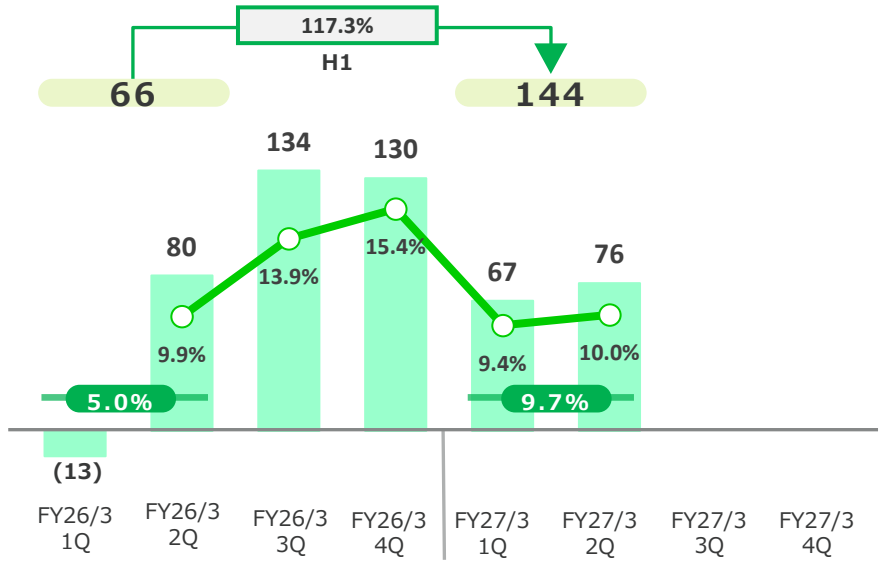
■ Net sales

(Million yen)



■ Operating profit/OP margin

(Million yen)



Main reasons for change

■ Cumulative Q2 (First Half) results: Increase in net sales and profit (YoY)

- ✓ In the same period of the previous fiscal year, a slowdown occurred as demand related to the migration from 3G to LTE (4G) following telecommunications carriers' 3G shutdowns ran its course; this impact has now been resolved.
- ✓ Revision of sales prices in response to rising costs.
- ✓ The EKTech Group achieved steady sales growth in Malaysia.
- ✓ Net sales: Increased due to the above factors.
- ✓ Operating profit: Increased in line with higher net sales.

■ Q2 (Three-month period) results: Decrease in net sales and profit (YoY)

- ✓ Although the slowdown from the post-3G migration cycle was resolved, some new demand remained sluggish.
- ✓ Sales prices were revised in response to rising costs.
- ✓ The launch and rollout speed of "OptimaGrid," our strategic IoT cloud brand, fell behind initial expectations.
- ✓ The EKTech Group maintained steady sales growth in Malaysia.
- ✓ Net sales: Decreased due to the factors above.
- ✓ Operating profit: Decreased primarily due to lower net sales.

Wellness Business

- In the Wellness Business, through Sun Digital Health, Inc., the Group commenced domestic sales of products from MyWaves Technologies Ltd., a company leading the field of sleep quality improvement using sleep-tech.
- As the business is in its initial launch phase, sales volumes remained minimal and upfront costs were incurred, resulting in an operating loss of (17) million yen for H1 FY3/27.

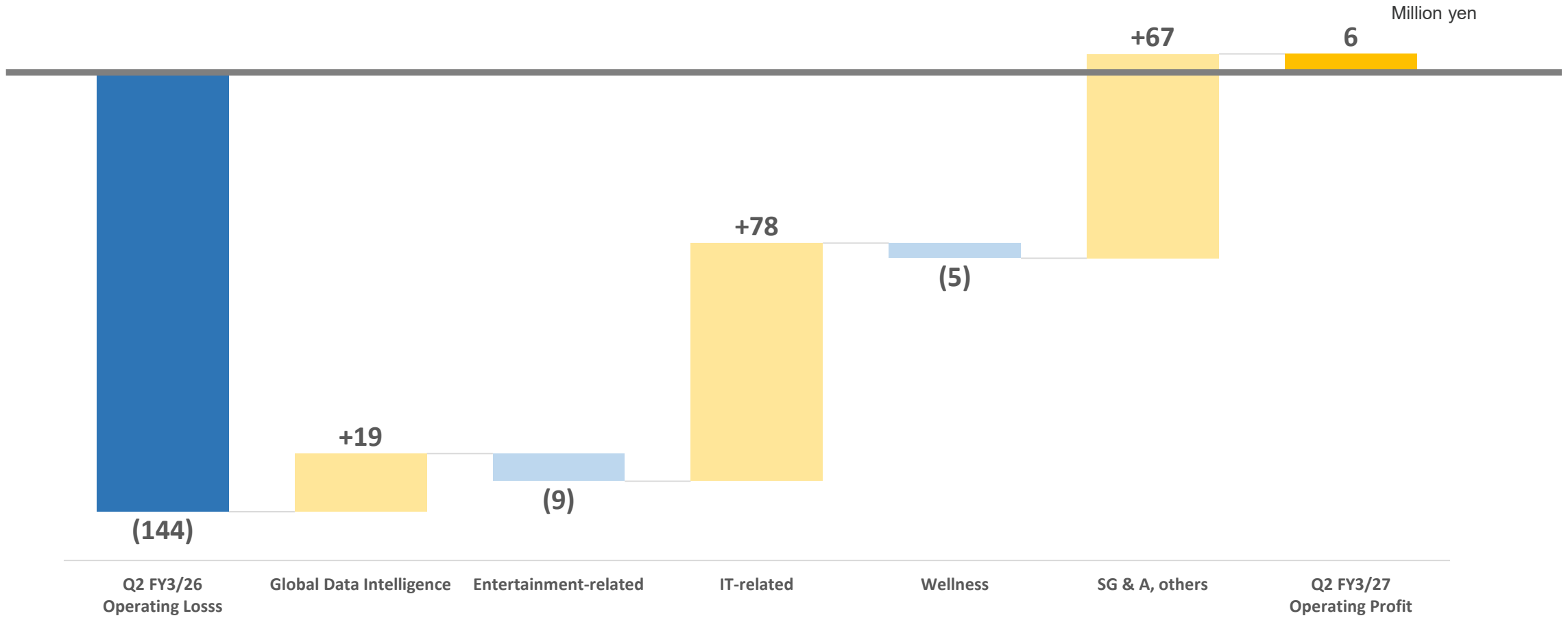


myWaves Sleep Solution Kit

【 Sun Digital Health Overview 】

Company name	Sun Digital Health, Inc.
Headquarters	2-2-12 Hamamatsu-cho, Minato-ku, Tokyo 105-0013, Japan
President	Yakov Zlicha（Director of the Company）
Paid-in capital	50 million yen
Shareholders	SUNCORPORATION(wholly owned subsidiary）
Main business	Solution business in the digital health field
URL	https://www.sdh.co.jp/

Analysis of change in Operating Profit (Loss)



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Balance Sheet

Million yen	As of March 31, 2026	As of September 30, 2026	Change
Current assets	8,610	7,103	(1,506)
Non-current assets	45,041	41,606	(3,434)
Property, plant and equipment	1,373	1,384	10
Intangible assets	627	628	0
Investments and other assets	43,040	39,594	(3,446)
Total assets	53,652	48,710	(4,941)
Current liabilities	5,276	9,394	4,118
Non-current liabilities	195	179	(15)
Net assets	48,181	39,139	(9,044)
Total liabilities and net assets	53,652	48,710	(4,941)

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Statement of Cash Flows

Million yen	H1 FY3/26 (Apr. – Sep. 2025)	H1 FY3/27 (Apr. – Sep. 2026)	Change
Cash flows from operating activities	872	(10,650)	(11,522)
Cash flows from investing activities	3,835	8,132	4,297
Cash flows from financing activities	(2,865)	2,614	5,479
Cash and cash equivalents at end of period	3,829	2,171	(1,657)

Free cash flows	4,708	(2,517)	(7,225)

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FY3/27 Consolidated Financial Forecasts

(Million yen)	Previously forecast (May 15, 2026)	Revised forecast (Nov. 13, 2026)	Change	Change (%)
Net sales	19,222	12,400	(6,822)	(35.5)%
Operating profit	2,131	350	(1,781)	(83.6)%
Ordinary profit	8,300	2,000	(6,300)	(75.9)%
Profit attributable to owners of parent	7,600	(7,600)	(15,200)	—

Reason for the revision

(1) Net sales and Operating profit:

<Global Data Intelligence Business>: Although subscription contracts for digital forensics and intelligence solutions are growing steadily, full-year results are expected to fall short of the initial plan due to delays in project deployment schedules and slower-than-expected growth in commercial contracts.

<Entertainment-Related Business>: Projected to fall below initial targets due to slower growth in shipment volumes of gaming machine components.

<IT-Related Business>: While the slowdown from the previous year's 3G shutdown has resolved and price revisions alongside EKTech Group's performance remain solid, the launch and rollout pace of "OptimaGrid," our strategic IoT cloud brand, is delayed compared to initial assumptions.

<M&A and Business Alliances>: Several M&A transactions that were expected to contribute to earnings are requiring more time than anticipated for due diligence and negotiations, meaning their profit contribution during the current fiscal year will be limited.

(2)Ordinary profit:

In addition to lower operating profit, equity-method investment gain was revised downward following a reassessment of Cellebrite DI Ltd.'s latest business performance trends.

(3)Profit (loss) attributable to owners of parent:

In addition to the substantial decrease in ordinary profit, the Company recognized approximately 11,996 million yen in corporate income taxes, inhabitant taxes, enterprise taxes, and other penalties (including additional tax for underpayment) in H1 FY3/27 upon receipt of a Notice of Reassessment based on the tax audit by the Nagoya Regional Taxation Bureau for the fiscal year ended March 31, 2025 (*). Consequently, net profit is projected to drop significantly from previous guidance into a net loss (incorporating impacts such as gains on changes in equity).

*Note: This Notice of Reassessment concerns the tax treatment of Cellebrite shares received by the Company through a distribution without contribution (free grant). The Company objects to the tax authority's reassessment and has filed a Request for Review (appeal) with the Nagoya National Tax Tribunal in accordance with relevant laws and regulations.

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Inclusion in the TOPIX Constituents

The Company was newly selected as a constituent of TOPIX (Tokyo Stock Price Index), calculated by JPX Market Innovation & Research, Inc., and its inclusion in the index took effect on October 30, 2026.

Taking this inclusion as an opportunity, we will continue our efforts to achieve sustainable corporate value enhancement and strengthen our IR activities to meet the expectations and earn the trust of our shareholders and investors.

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Quarterly Consolidated Financial Results

(Millions of yen)	FY3/26					FY3/27				
	Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Net sales	**2,585**	**2,116**	**2,700**	**2,505**	**9,907**	**2,578**	**2,534**			
Gross profit	**629**	**583**	**760**	**789**	**2,763**	**761**	**661**			
Gross profit margin	24.3%	27.6%	28.2%	31.5%	27.9%	29.5%	26.1%			
SG & A	**719**	**636**	**753**	**668**	**2,778**	**768**	**648**			
SG & A ratio	27.8%	30.1%	27.9%	26.7%	28.0%	29.8%	25.6%			
Operating profit	**(90)**	**(53)**	**7**	**121**	**(15)**	**(6)**	**13**			
Operating profit margin	—	—	0.3%	4.8%	—	—	0.5%			
Ordinary profit	**1,800**	**385**	**1,312**	**1,633**	**5,133**	**384**	**92**			
Ordinary profit margin	69.6%	18.2%	48.6%	65.2%	51.8%	14.9%	3.7%			
Profit	**1,775**	**2,666**	**2,454**	**2,767**	**9,663**	**1,500**	**(10,420)**			
Profit margin	68.7%	126.0%	90.9%	110.5%	97.5%	58.2%	—			

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Quarterly Segment Results

(Millions of yen)		FY3/26					FY3/27				
		Q1	Q2	Q3	Q4	Full Year	Q1	Q2	Q3	Q4	Full Year
Global Data Intelligence	**Sales**	**284**	**293**	**302**	**412**	**1,293**	**387**	**406**			
	Segment profit	**22**	**40**	**21**	**56**	**140**	**34**	**48**			
	Segment profit margin	8.0%	13.8%	7.1%	13.6%	10.9%	8.9%	11.9%			
Entertainment-related	**Sales**	**1,776**	**1,012**	**1,440**	**1,248**	**5,477**	**1,476**	**1,361**			
	Segment profit	**201**	**106**	**146**	**194**	**648**	**156**	**141**			
	Segment profit margin	11.3%	10.5%	10.2%	15.6%	11.8%	10.6%	10.4%			
IT-related	**Sales**	**528**	**813**	**966**	**848**	**3,158**	**717**	**769**			
	Segment profit	**(13)**	**80**	**134**	**130**	**332**	**67**	**76**			
	Segment profit margin	—	9.9%	13.9%	15.4%	10.5%	9.4%	10.0%			
Wellness	**Sales**	—	—	—	—	—	—	0			
	Segment profit	**(1)**	**(9)**	**(10)**	**(8)**	**(30)**	**(7)**	**(9)**			
	Segment profit margin	—	—	—	—	—	—	—			
Adjustment	Sales	(5)	(3)	(8)	(4)	(22)	(2)	(4)			
	Segment profit	(299)	(270)	(283)	(252)	(1,105)	(257)	(243)			
Total	**Sales**	**2,585**	**2,116**	**2,700**	**2,505**	**9,907**	**2,578**	**2,534**			
	Segment profit	**(90)**	**(53)**	**7**	**121**	**(15)**	**(6)**	**13**			
	Segment profit margin	—	—	0.3%	4.8%	—	—	0.5%			

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