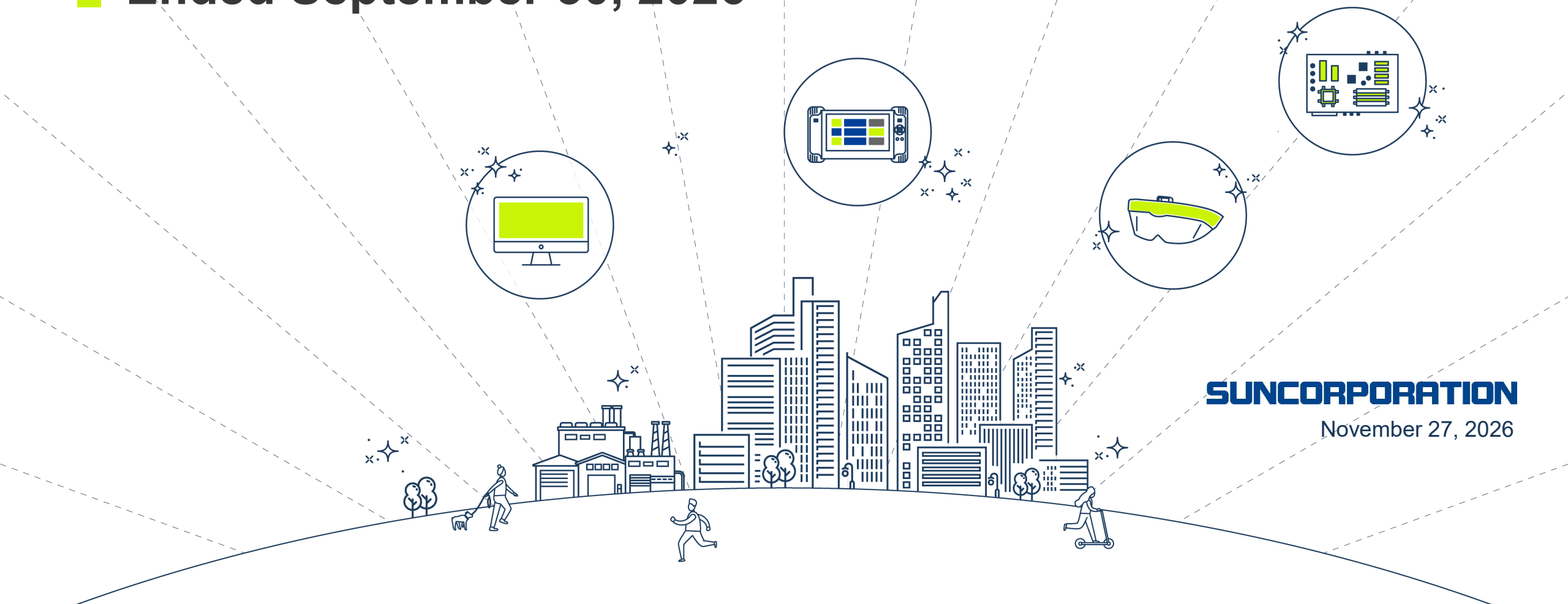
Presentation

Financial Results for the Six Months Ended September 30, 2026



SUNCORPORATION

November 27, 2026

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Financial Summary

Financial Summary for First Half FY3/27

Net sales

5,112million yen
(YoY 411 million yen / 8.8%)

Operating profit

6million yen
(YoY 150 million yen / —%)

Ordinary profit

477million yen
(YoY (1,709) million yen / (78.2)%)

Loss attributable to owners of parent

(8,933)million yen
(YoY (13,375) million yen / —%)

- **Net sales** increased due to steady performances across the Global Data Intelligence Business, Entertainment-Related Business, and IT-Related Business.
- **Operating profit** turned positive from an operating loss in the same period of the previous fiscal year.
- **Ordinary profit** decreased due to a decline in share of profit of entities accounted for using equity method from Cellebrite.
- **Profit (loss) attributable to owners of parent** resulted in a net loss; although a gain on change in equity in Cellebrite was recognized, the Company recorded 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.

Revision of Full-Year Financial Forecasts

FY3/27 Consolidated Financial Forecasts (Revised on November 13, 2026)

Net sales

12,400million yen

(vs. Previous Forecasts (6,822) million yen / (35.5)%)

Operating profit

350million yen

(vs. Previous Forecasts (1,781) million yen / (83.6)%)

Ordinary profit

2,000million yen

(vs. Previous Forecasts (6,300) million yen / (75.9)%)

Loss attributable to owners of parent

(7,600)million yen

(vs. Previous Forecasts (15,200) million yen / —%)

- **Net sales** were revised downward across the Global Data Intelligence Business, Entertainment-Related Business, IT-Related Business, and M&A.
- **Operating profit** is expected to decrease due to the downward revision of net sales forecasts.
- **Ordinary profit** is expected to decrease following a reassessment of share of profit of entities accounted for using equity method from Cellebrite.
- **Loss attributable to owners of parent** is projected as a net loss due to the recording of income taxes—current (including penalties such as additional tax for underpayment) in H1 FY3/27 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.

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)	—

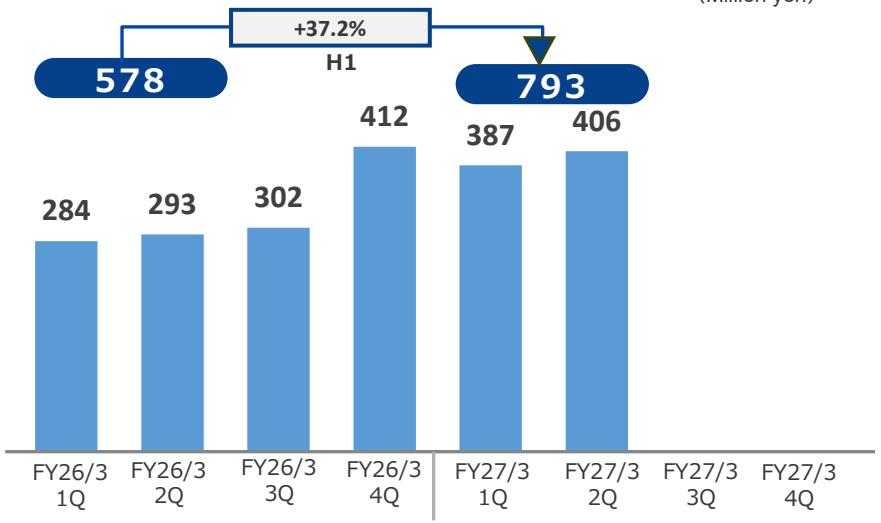
- **Net sales** increased by 411 million yen year-on-year, driven by steady performances in the Global Data Intelligence Business, Entertainment-Related Business, and IT-Related Business.
- **Operating profit (loss)** improved by 150 million yen year-on-year, turning profitable at 6 million yen compared 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

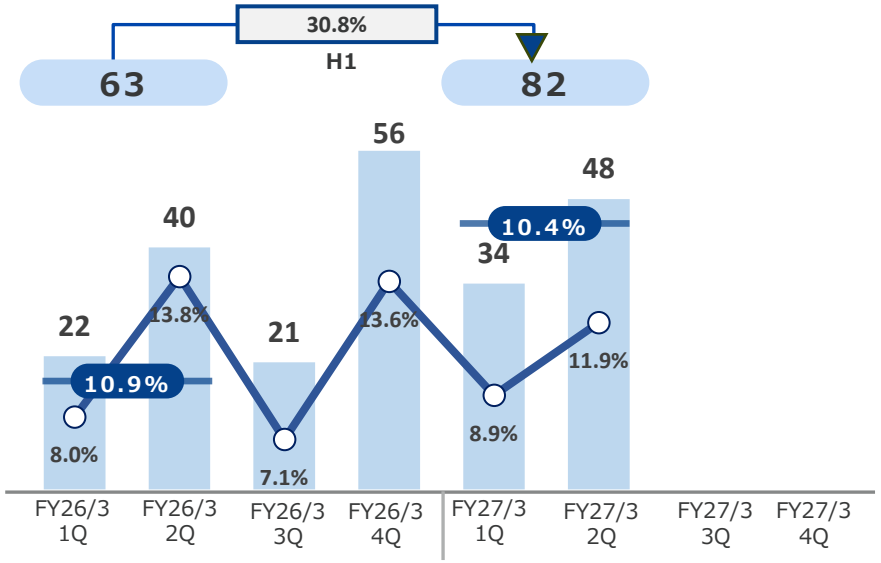
■ Net sales

(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.

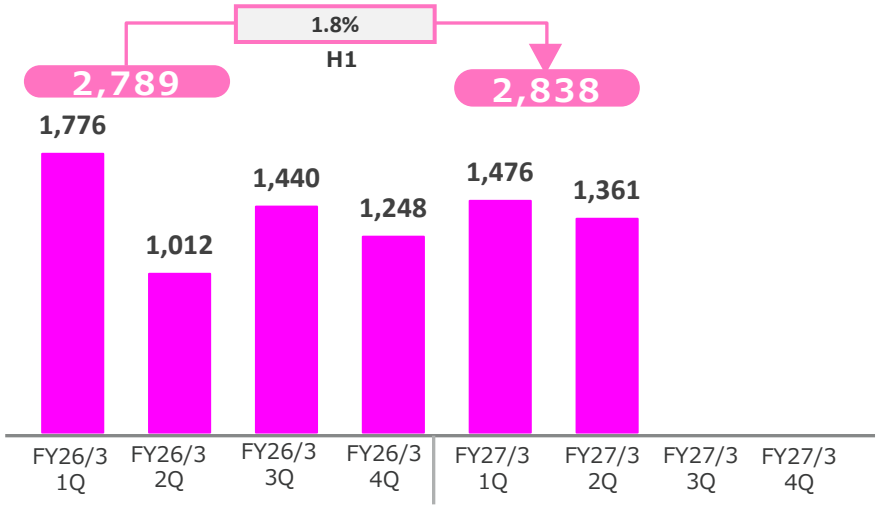
■ **Q2 (Three-month period) results: Increase in net sales and profit (YoY)**

- ✓ 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

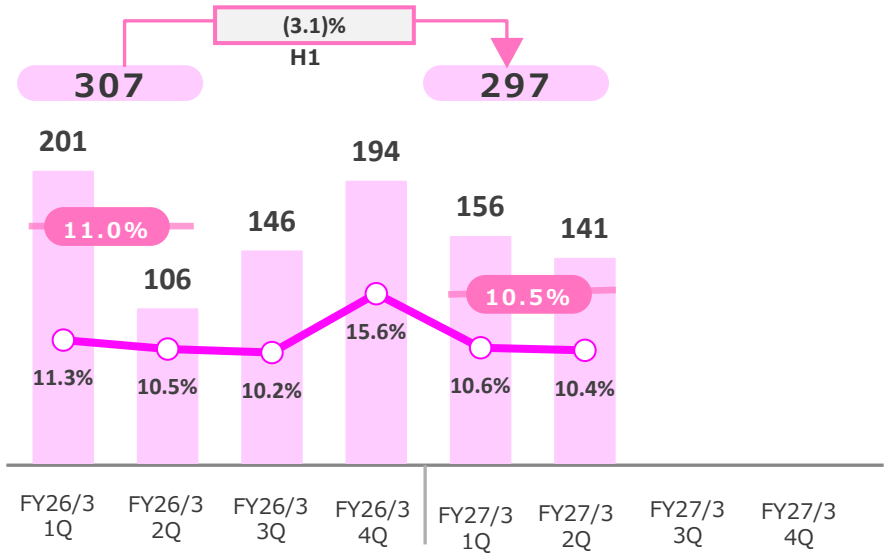
■ Net sales

(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.

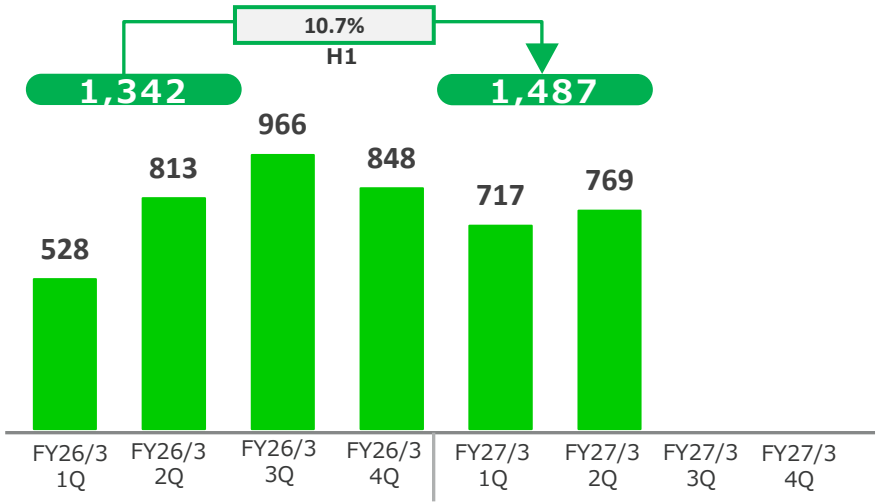
■ **Q2 (Three-month period) results: Increase in net sales and profit (YoY)**

- **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

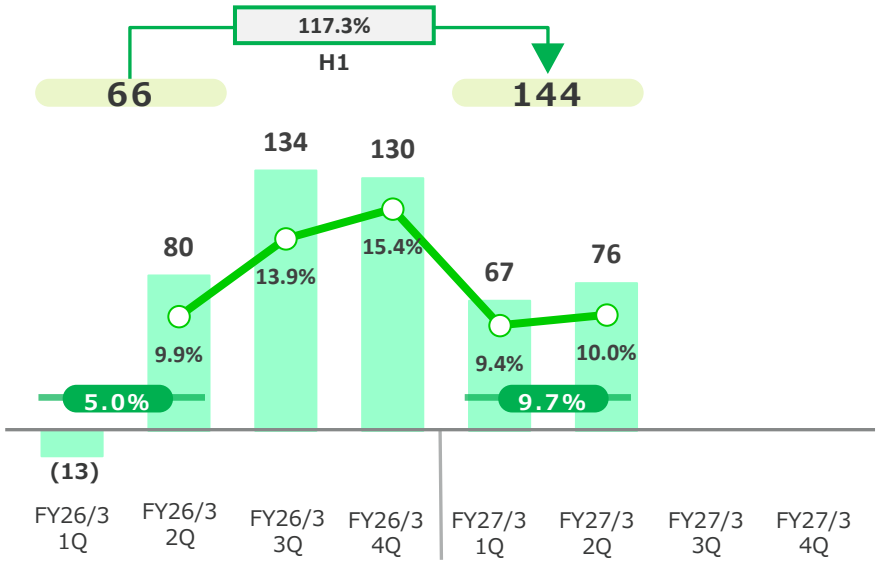
■ Net sales

(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.

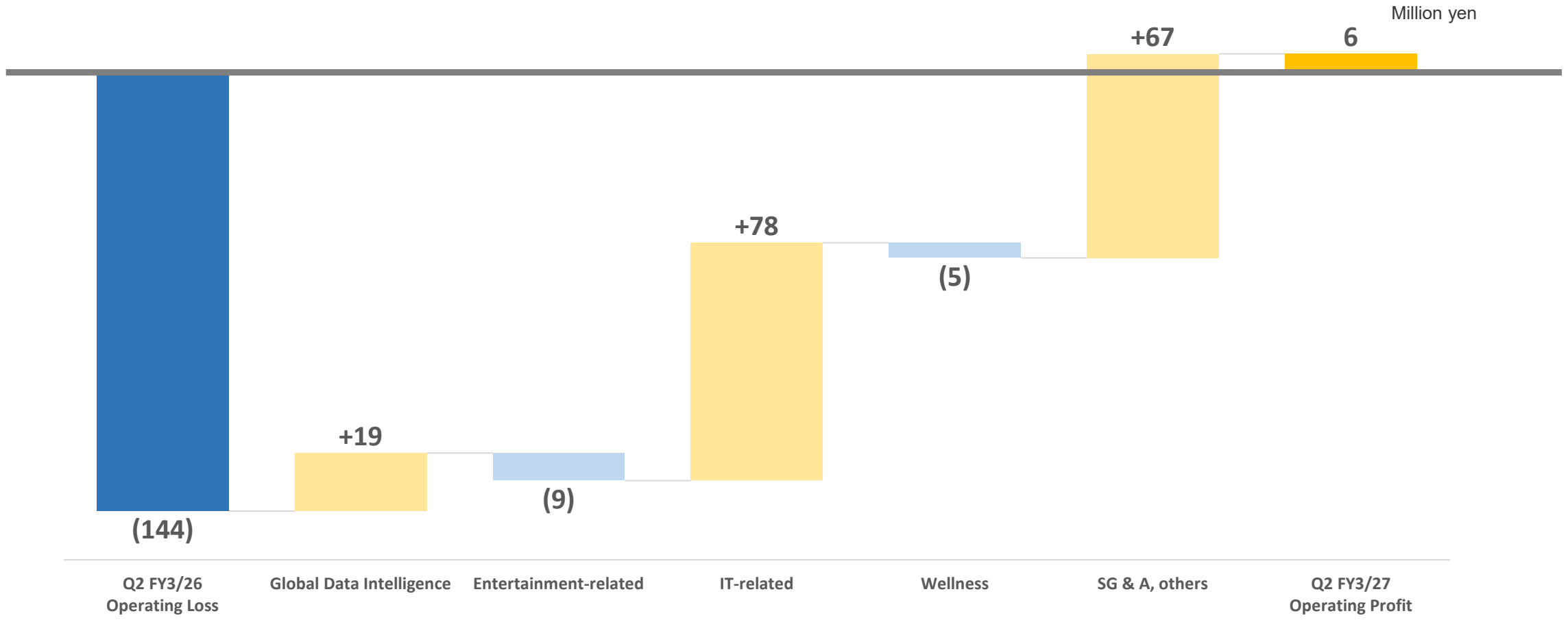


myWaves Sleep Solution Kit

【 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	39,136	(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**	**(10,433)**			
Profit margin	68.7%	126.0%	90.9%	110.5%	97.5%	58.2%	—			

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Quarterly Segments 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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Corporate Profile

Company Name	SUNCORPORATION
Date of Establishment	April 16, 1971
Corporate Headquarters	NAGOYA BUILDING SAKURA-KAN 2F, 4-2-25 Meieki, Nakamura-ku Nagoya, Aichi 450-0002, Japan
Representative	Ryusuke Utsumi, President and Representative Director
Capital	2,097 million yen
Number of Directors	11 (including 7 Outside, 2 Female) The Company is a company with audit and supervisory committee.
Number of Employees	307 (Consolidated)(as of March 31, 2026)
Consolidated Subsidiaries	eDream Co., Ltd. EKTech Holdings Sdn. Bhd. and its subsidiaries Sun Digital Health, Inc.
Affiliated Companies	Cellebrite DI Ltd. and its subsidiaries

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History

Domestic Business Growth along with Accelerated Global Expansion Since the Early 1990s



1971
Establishment of SUNCORPORATION



1985
Development of family-oriented software
Launch of SUNSOFT series



1985
Development and release of SUNCORPORATION brand modem, My Looper 300



2007
Acquisition of Cellebrite's shares



2010
Development and release of Rooster series mobile routers
Full-scale entry into M2M market

Sales diagram

Acceleration of global expansion

1971
Founded with the aim of manufacturing and selling electronics-related equipment

1980
Completed head office building in Konan City, Aichi Prefecture, established business structure, and pursued expansion

1990
Established SUNCORPORATION brand, developed and sold industry's first system, and expanded sales offices across Japan

2000
Listed on JASDAQ, acquired 100% ownership of Cellebrite, and accelerated global expansion

2020
Celebrated 50th anniversary of founding and shifted toward global company

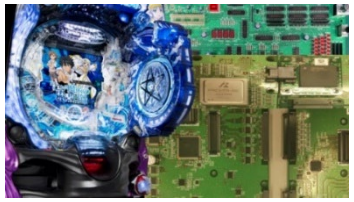
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Business Overview

Developing the Business in Four Segments Revolving around Technology

Segment	Business Description
Global Data Intelligence	● Developing and selling mobile forensic equipment ● Sales of threat intelligence solutions specialized in the deep web and dark web
Entertainment	**Amusement** ● Planning, developing, and manufacturing amusement machines and developing video content for amusement machines **Game software** ● Developing and selling game content
IT-Related	● Developing, manufacturing, and selling industrial communications equipment and IoT solutions ● Developing and selling B2B operational support solutions
Wellness	● Developing and selling wellness products and services





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『へべれけ2』Nintendo Switch™/PlayStation®5/Steam等で発売中
(C)SUNSOFT





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SUNCORPORATION

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IR inquiries: Investor Relations Office, SUNCORPORATION
E-mail: ir@sun-denshi.co.jp

