

## Summary of Financial Results for the First Quarter of Fiscal Year 2026 (Three Months Ended March 31, 2026)

[Japanese GAAP]

May 1, 2026

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Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: None

Holding of financial results meeting: None

(All amounts are rounded down to the nearest millions of yen)

### 1. Consolidated Financial Results for the 1st Quarter of 2026 (January 1, 2026 – March 31, 2026)

#### (1) Consolidated operating results (cumulative)

(Percentages represent changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1Q 2026	9,166	(7.1)	(988)	-	(984)	-	(988)	-
1Q 2025	9,868	-	(1,158)	-	(1,161)	-	(1,305)	-

Note: Comprehensive income (millions of yen) 1Q 2026: (961) (-%) 1Q 2025: (1,475) (-%)

	Net income per share	Diluted net income per share
	Yen	Yen
1Q 2026	(21.13)	-
1Q 2025	(27.90)	-

Note: All figures for 1Q 2025 incorporate changes in accounting policies and year-on-year changes are omitted.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
1Q 2026	23,669	16,075	67.9	343.66
Fiscal Year 2025	26,149	17,037	65.2	364.22

Reference: Shareholders' equity (millions of yen) 1Q 2026: 16,075 Fiscal Year 2025: 17,037

### 2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year 2025	-	0.00	-	0.00	0.00
Fiscal Year 2026	-	-	-	-	-
Fiscal Year 2026 (forecasts)	-	0.00	-	-	-

Notes: 1. Revision to the most recently announced dividend forecast: None

2. Year-end dividend for fiscal year 2026 (forecasts) has yet to be determined.

### 3. Consolidated Outlook for Fiscal Year 2026 (January 1, 2026 – December 31, 2026)

(Percentages represent changes from the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year 2026	45,000	7.0	200	-	200	-	1,350	(65.7)	28.86

Note: Revision to the most recently announced consolidated outlook: None

**\* Notes**

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

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: Yes

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements)” on page 8 for further information.

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: Yes

3) Changes in accounting-based estimates: None

4) Restatements: None

Note: Please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 8 for further information.

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding at the end of the period (including treasury shares)

1Q 2026:	52,056,993 shares	Fiscal Year 2025:	52,056,993 shares
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2) Number of treasury shares at the end of the period

1Q 2026:	5,281,223 shares	Fiscal Year 2025:	5,280,829 shares
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3) Average number of shares outstanding during the period

1Q 2026:	46,775,979 shares	1Q 2025:	46,776,223 shares
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\* Review of the attached quarterly consolidated financial statements by certified public accountants or auditing firms: None

\* Cautionary statement with respect to forward-looking statements

Cautionary statement with respect to forecasts

The above projections are based on information available at the time of release of this report. Actual results could differ significantly from these projections due to a variety of factors. For further details regarding the projections, please refer to page 3, “1. Overview of Results of Operations, (3) Explanation of Consolidated Forecasts and Other Forward-looking Statements.”

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## 1. Overview of Results of Operations

### (1) Results of Operations

In the first quarter (January 1 to March 31) of 2026, although some positive signs were seen, including rising wages and a recovery in capital investment, the outlook for the Japanese economy remains uncertain, as persistent inflation suppresses real wage growth and geopolitical risks continue to weigh on personal consumption.

In this business environment, the Senshukai Group has been steadily advancing measures for reforming business structure and restoring business performance, based on the Revitalization Plan (2025–2027) announced on February 13, 2025. As a result, net sales decreased 7.1% YoY to 9,166 million yen and the operating loss was 988 million yen (compared with a loss of 1,158 million yen in the first quarter of 2025), indicating a narrowing of the loss. Ordinary loss was 984 million yen (compared with a loss of 1,161 million yen in the first quarter of 2025) and loss attributable to owners of parent was 988 million yen (compared with a loss of 1,305 million yen in the first quarter of 2025). We will continue to advance structural reforms based on the Revitalization Plan and work toward returning to profitability in 2026. We will also continue our efforts to enhance corporate value over the medium- to long-term.

As described in Notes (Changes in Accounting Policies) and (Segment Information), the quarterly consolidated financial statements for the first quarter of 2025 have been reclassified. Accordingly, prior-year segment information is presented based on the new segment information.

Business segment performance was as follows.

#### (Mail-order and Online Shopping Business)

In the mail-order and online shopping business, which focuses on online and catalog sales, we are focusing on improving profitability by strengthening target-specific and optimized and channel strategies along with promotional initiatives, while fully rolling out agile product launches.

Consolidated sales in the mail-order and online shopping business decreased 8.4% YoY to 7,688 million yen in the first quarter of 2026. Although sales fell compared with the first quarter of 2025, mainly due to a decline in customer numbers following the refinement of target customer segments under the Revitalization Plan, we will work toward a recovery in sales by accelerating the delivery of results from our new business model, now fully operational, and various other initiatives.

Meanwhile, as a result of efforts to improve profitability, the operating loss narrowed to 1,078 million yen, compared with a loss of 1,352 million yen in the first quarter of 2025.

#### (Corporates Business)

In the corporates business, which provides products and services to corporations, outsourced logistics services continued to perform well. Consolidated sales in the corporates business decreased 2.1% YoY to 863 million yen in the first quarter of 2026. Operating profit decreased 49.1% YoY to 24 million yen due to changes in the composition of consignment projects.

#### (Insurance Business)

This business provides customers with support for choosing the most suitable insurance policies. The number of new contracts from conventional channels has decreased, and although we are working to develop new sales channels, building these channels take time, and we have yet to fully offset the decline. Consolidated sales decreased 19.0% YoY to 100 million yen in the first quarter of 2026 and operating profit decreased 72.9% YoY to 17 million yen.

#### (Others)

In the other businesses, which include the childcare support business, nursery schools operations are performing well. As a result, consolidated sales increased 9.4% YoY to 514 million yen in the first quarter of 2026. Operating profit decreased 39.2% YoY to 48 million yen due to factors such as upfront costs associated with opening of new nursery schools.

**(2) Financial Position**

(Balance sheet position)

Assets totaled 23,669 million yen at the end of the first quarter of 2026, a decrease of 2,479 million yen from the end of 2025.

Current assets decreased by 2,377 million yen to 15,179 million yen. The factors included a decrease of 2,752 million yen in cash and deposits. Non-current assets decreased by 101 million yen to 8,490 million yen. The factors included decreases of 59 million yen in property, plant and equipment, 36 million yen in intangible assets and 5 million yen in investments and other assets.

Current liabilities decreased 1,826 million yen to 6,979 million yen. The factors included a decrease of 1,304 million yen in electronically recorded obligations-operating. Non-current liabilities increased by 309 million yen to 615 million yen. The main factors included an increase of 308 million yen in long-term borrowings.

Net assets decreased by 962 million yen to 16,075 million yen. The factors included booking of loss attributable to owners of parent of 988 million yen. As a result, the equity ratio was 67.9%.

**(3) Explanation of Consolidated Forecasts and Other Forward-looking Statements**

There have been no changes at this time to our consolidated forecasts from the revised figures announced on March 30, 2026. Now in the second year of our Revitalization Plan (2025–2027), we will continue striving to steadily deliver results and achieve operating profitability.

For more information, please refer to “Notice of Sale of Non-current Assets and Recording of Extraordinary Income and Revisions to Full-Year Consolidated Forecasts” (Japanese version only) that was announced on March 30, 2026.

**(4) Important Matters Regarding Going Concern Assumption, Etc.**

The Senshukai Group recorded a significant operating loss for four consecutive years in 2025. In the first quarter of 2026, the Group continued to record a significant operating loss. These circumstances raise significant doubts about the Group’s ability to continue as a going concern.

For further details regarding measures to resolve this situation and the going-concern assumption, please refer to “2. Quarterly Consolidated Financial Statements and Notes, (3) Notes to Quarterly Consolidated Financial Statements (Going Concern Assumption).”

**2. Quarterly Consolidated Financial Statements and Notes****(1) Quarterly Consolidated Balance Sheet**

(Millions of yen)

	Fiscal Year 2025 (As of Dec. 31, 2025)	1Q 2026 (As of Mar. 31, 2026)
Assets		
Current assets		
Cash and deposits	6,937	4,185
Notes and accounts receivable-trade, and contract assets	1,034	1,003
Merchandise and finished goods	5,553	6,657
Accounts receivable-other	3,357	2,729
Other	720	648
Allowance for doubtful accounts	(46)	(43)
Total current assets	17,557	15,179
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,751	2,692
Land	4,118	4,118
Other, net	181	180
Total property, plant and equipment	7,051	6,991
Intangible assets		
Other	350	313
Total intangible assets	350	313
Investments and other assets		
Investment securities	342	345
Other	848	839
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,190	1,185
Total non-current assets	8,591	8,490
Total assets	26,149	23,669

	(Millions of yen)	
	Fiscal Year 2025 (As of Dec. 31, 2025)	1Q 2026 (As of Mar. 31, 2026)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Electronically recorded obligations-operating	2,309	1,004
Accounts payable-trade	1,951	1,986
Short-term borrowings	200	366
Income taxes payable	20	8
Contract liabilities	455	306
Provision for sales promotion expenses	15	23
Provision for bonuses	68	282
Other	3,784	3,000
<b>Total current liabilities</b>	<b>8,805</b>	<b>6,979</b>
<b>Non-current liabilities</b>		
Long-term borrowings	100	408
Retirement benefit liability	6	6
Other	200	200
<b>Total non-current liabilities</b>	<b>306</b>	<b>615</b>
<b>Total liabilities</b>	<b>9,111</b>	<b>7,594</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	100	100
Capital surplus	30,084	30,084
Retained earnings	(9,298)	(10,286)
Treasury shares	(2,954)	(2,954)
<b>Total shareholders' equity</b>	<b>17,931</b>	<b>16,943</b>
<b>Accumulated other comprehensive income</b>		
Deferred gains or losses on hedges	95	105
Revaluation reserve for land	(1,124)	(1,124)
Foreign currency translation adjustment	133	150
<b>Total accumulated other comprehensive income</b>	<b>(894)</b>	<b>(868)</b>
<b>Total net assets</b>	<b>17,037</b>	<b>16,075</b>
<b>Total liabilities and net assets</b>	<b>26,149</b>	<b>23,669</b>

**(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income**  
**(Quarterly Consolidated Statement of Income)**

	(Millions of yen)	
	1Q 2025 (Jan. 1, 2025 – Mar. 31, 2025)	1Q 2026 (Jan. 1, 2026 – Mar. 31, 2026)
Net sales	9,868	9,166
Cost of sales	4,769	4,603
Gross profit	5,098	4,562
Selling, general and administrative expenses	6,256	5,550
Operating loss	(1,158)	(988)
Non-operating income		
Interest and dividend income	0	1
Share of profit of entities accounted for using equity method	14	0
Refunded tax	23	-
Compensation received	2	17
Other	23	5
Total non-operating income	65	25
Non-operating expenses		
Interest expenses	32	2
Foreign exchange losses	26	12
Commission expenses	2	-
Other	7	6
Total non-operating expenses	68	21
Ordinary loss	(1,161)	(984)
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	0
Impairment losses	46	-
Total extraordinary losses	46	0
Loss before income taxes	(1,208)	(984)
Income taxes	97	3
Loss	(1,306)	(988)
Loss attributable to non-controlling interests	(1)	-
Loss attributable to owners of parent	(1,305)	(988)

**(Quarterly Consolidated Statement of Comprehensive Income)**

(Millions of yen)

	1Q 2025 (Jan. 1, 2025 – Mar. 31, 2025)	1Q 2026 (Jan. 1, 2026 – Mar. 31, 2026)
Loss	(1,306)	(988)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2)	-
Deferred gains or losses on hedges	(140)	9
Foreign currency translation adjustment	(17)	13
Share of other comprehensive income of entities accounted for using equity method	(8)	3
Total other comprehensive income	(169)	26
Comprehensive income	(1,475)	(961)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,474)	(961)
Comprehensive income attributable to non-controlling interests	(1)	-

### **(3) Notes to Quarterly Consolidated Financial Statements**

#### **(Changes in Accounting Policies)**

##### **(Change in Accounting Method for Unused Catalog Gift Certificates)**

Regarding catalog gift certificates issued by Senshukai, we incur a performance obligation to deliver products to customers in the future at the time of sale of catalog gifts, and recognize revenue when the catalog gift certificates are redeemed by customers.

Previously, unused portions of catalog gift certificates were recorded under non-operating income as a gain on adjustment of accounts payable. Starting with the second quarter of the previous fiscal year, they are now recorded as revenue. This change was made after a reexamination of the actual nature of transactions related to catalog gifts, which concluded that even unused portions should be recognized as revenue arising from contracts with customers. The revision was implemented to more appropriately reflect the substance of these transactions.

This change has been applied retrospectively and the first quarter consolidated financial statements for the previous fiscal year are shown after this restatement.

As a result, net sales for the first quarter of the previous fiscal year increased 41 million yen and operating loss decreased 37 million yen compared to those before the retrospective application.

##### **(Change in Accounting Policy for Sales Promotion Expenses)**

In the Senshukai Group's mail-order and online shopping business, catalog-related expenses, classified within sales promotion expenses and associated with sales in subsequent periods, were previously recorded as prepaid expenses under "Other" in current assets. Starting with the second quarter of the previous fiscal year, these expenses are now recognized at the time of catalog distribution.

This change was made because the Group has been facing management challenges in responding to trends under its catalog-based seasonal merchandising cycle. In its Revitalization Plan (2025–2027), the Group has set a policy to introduce new products outside the catalog's seasonal cycle. The Group has determined that this change will more appropriately reflect its operating results.

This change has been applied retrospectively and the first quarter consolidated financial statements for the previous fiscal year are shown after this restatement.

As a result, operating loss, ordinary loss and loss before income taxes for the first quarter of the previous fiscal year increased 166 million yen each compared to those before the retrospective application.

#### **(Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements)**

##### **(Calculation of Tax Expense)**

Tax expenses are calculated by first determining a reasonable estimate of the effective tax rate after the application of tax effect accounting with respect to profit before income taxes for the fiscal year that includes the applicable quarter and multiplying the profit before income taxes for that quarter by that rate. However, Senshukai uses legally stipulated effective tax rates to calculate tax expenses when the use of estimated tax rates produces a clearly irrational result.

**(Segment Information)**

I 1Q 2025 (Jan. 1, 2025 – Mar. 31, 2025)

1. Information related to sales and profit or loss for each reportable segment (Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment	Amounts shown on quarterly consolidated statement of income (Note 2)
	Mail-order and online shopping business	Corporates business	Insurance business	Sub-total				
Net sales								
Sales to customers	8,392	881	124	9,397	470	9,868	-	9,868
Inter-segment sales or transfers	48	44	-	93	0	93	(93)	-
Total	8,441	926	124	9,491	470	9,961	(93)	9,868
Segment profit (loss)	(1,352)	48	66	(1,238)	79	(1,158)	-	(1,158)

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and consist of the childcare support business.

2. Segment profit (loss) is adjusted to be consistent with the operating loss on the quarterly consolidated statement of income.

2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

No major events or changes occurred.

II 1Q 2026 (Jan. 1, 2026 – Mar. 31, 2026)

1. Information related to sales and profit or loss for each reportable segment (Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment	Amounts shown on quarterly consolidated statement of income (Note 2)
	Mail-order and online shopping business	Corporates business	Insurance business	Sub-total				
Net sales								
Sales to customers	7,688	863	100	8,652	514	9,166	-	9,166
Inter-segment sales or transfers	37	0	-	38	0	38	(38)	-
Total	7,726	863	100	8,690	514	9,204	(38)	9,166
Segment profit (loss)	(1,078)	24	17	(1,036)	48	(988)	-	(988)

Notes: 1. Others represent the businesses which are not included in any of the reportable segments and consist of the childcare support business.

2. Segment profit (loss) is adjusted to be consistent with the operating loss on the quarterly consolidated statement of income.

2. Information related to impairment of non-current assets, goodwill, etc. for each reportable segment

No major events or changes occurred.

3. Information related to revisions for reportable segments

As described in Notes (Changes in Accounting Policies), Senshukai has revised the accounting method for unused catalog gift certificates and the accounting policy for sales promotion expenses from the beginning of the second quarter of 2025. Accordingly, the segment information for the first quarter of 2025 has also been reclassified. The effect of these revisions was to increase net sales by 41 million yen and segment loss by 129 million yen in the mail-order and online shopping business.

**(Significant Changes in Shareholders' Equity)**

Not applicable.

**(Going Concern Assumption)**

The Senshukai Group recorded a significant operating loss for four consecutive years in 2025. In the first quarter of 2026, the Group continued to record a significant operating loss. These circumstances raise significant doubts about the Group's ability to continue as a going concern. To address this situation, the Group has formulated a Revitalization Plan (2025–2027) and is implementing the following measures to improve results of operations.

## Measures to improve results of operations

Building on our strengths in idea generation, planning, and proposals; product development and procurement; customer assets; and brand trust and reliability, we are implementing improvement measures based on three key strategies.

## A. Fundamentally reforming the mail-order and online shopping business

Building on our reorganization into generation-based business domains with clearly defined targets, we are deepening target-specific strategies and advancing the full-scale operation of an e-commerce-centered business model.

We are rigorously implementing marketing strategies optimized for each target segment, which showed promising results in the previous fiscal year, while also advancing the full-scale deployment of agile product launches aligned with seasonal demands and market trends. Through these initiatives, we are steadily laying the foundation for recovery in the mail-order and online shopping business.

## B. Expanding business using mail-order and online shopping assets

The Group is using e-commerce malls and physical stores to maximize its sales potential, while diversifying its revenue base by strengthening B-to-B operations in areas including insurance and corporate commissions.

Sales through our stores on e-commerce malls and at physical stores increased, while our logistics outsourcing and shareholder benefit fulfillment services also continued to perform steadily.

In addition, we are continuing efforts to develop new customer acquisition channels in the insurance business and expand wholesale operations, while pursuing initiatives to secure stable earnings.

## C. Developing new revenue streams

With the aim of expanding our medium- to long-term revenue base, we are strengthening our IP (intellectual property) utilization business, which confirmed positive results in the previous fiscal year, as a key focus area. We are cultivating new customer segments through the development of original products leveraging popular content and multifaceted initiatives integrating events and e-commerce. Going forward, we will further expand collaborations with leading IP holders to achieve early business growth and contribute to earnings. In addition, we will continue to evaluate the business potential of childcare support initiatives, ethical initiatives, and overseas expansion from a medium- to long-term perspective.

Regarding funds, as of the end of the first quarter of 2026, the Group possessed cash and deposits totaling 4,185 million yen. Borrowings increased from 300 million yen at the end of 2025 to 775 million yen at the end of the first quarter of 2026. This is due to new financing obtained from financial institutions. Regarding future funding plans, we will carefully assess the progress of the Revitalization Plan and consider various measures to secure financing from diverse sources. We will also maintain close coordination with financial institutions to ensure that we can respond promptly should additional funding be required. In addition, as announced on March 30,

2026, in the “Notice of Sale of Non-current Assets and Recording of Extraordinary Income and Revisions to Full-Year Consolidated Forecasts” (Japanese version only), we entered into a real estate sale agreement for the disposal of idle assets (property handover date: April 17, 2026).

However, measures to improve results of operations being undertaken to address significant doubts regarding the going concern assumption are currently in progress, and it is possible that the profit and loss and financial benefits arising from the above-mentioned measures may not be fully realized. The Group recognizes that there is significant uncertainty regarding the assumption of a going concern as it has yet to determine whether it will be able to procure funds should further support from financial institutions be required.

Furthermore, the consolidated financial statements have been prepared on the assumption that the Group will continue as a going concern and do not reflect the impact of significant uncertainties regarding this assumption.

We will continue to respond flexibly to changes in the business environment and implement necessary measures in a timely manner to achieve profitability in 2026. In the medium- to long-term, we strive to become a company that is long cherished by customers and meets the expectations of all stakeholders.

#### **(Notes on Quarterly Consolidated Statement of Cash Flows)**

The Quarterly Consolidated Statement of Cash Flows for 1Q 2026 have not been prepared. Depreciation (includes amortization expenses related to intangible assets) for 1Q of each fiscal year are as follows.

	(Millions of yen)	
	1Q 2025 (Jan. 1, 2025 – Mar. 31, 2025)	1Q 2026 (Jan. 1, 2026 – Mar. 31, 2026)
Depreciation	162	107

*\* This financial report is solely a translation of summary of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*