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FY2025 2nd Quarter Financial Results

SHINSHO CORPORATION

Code: 8075

November 6, 2025

FY2025 Second Quarter Financial Results Overview (YoY Comparison)

- ❑ While handling volumes decreased due to reduced demand from Japanese automakers and the construction sector, as well as a deteriorating export environment, investment in the energy sector and manufacturing remained robust.
- ❑ Regarding prices, steel product prices, coking coal, and copper/aluminum ingots declined compared to the same period last year.
- ❑ While the Materials segment saw a decline in profits, strong performance in the delivery and maintenance services of machinery and equipment such as rotating machinery and heat pumps supported earnings.
- ❑ Although overseas invested coal mines and biomass power plants were impacted by delays in resuming operations, there are signs of restarting at coal mines and some biomass power plants at present.

FY2025 Second Quarter Results

- ❑ Sales: 292.8 billion yen (Down 4.5% YoY)
- ❑ Ordinary Income: 5.8 billion yen (Down 5.3% YoY)
- ❑ Net Income Attributable to Parent Company: 4.1 billion yen (Down 10.8% YoY)

FY2025 Full-Year Forecasts and Dividend Forecast

- ❑ Full-year earnings forecast and annual dividend forecast remain unchanged from the previous announcement.
- ❑ Performance: Net sales 637.0 billion yen, Ordinary income 12.0 billion yen, Net income attributable to owners of parent 9.2 billion yen
- ❑ Dividend: Interim 53 yen, Year-end 53yen (Forecast), Annual Dividend Forecast 106yen

1. Summary of Consolidated Financial Results for the Second Quarter of Fiscal Year 2025
2. Full-Year Consolidated Performance Forecast for Fiscal Year 2025
3. Progress on the Mid-Term Management Plan
4. Reference Materials

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Fiscal Year 2025 Second Quarter Income Statement

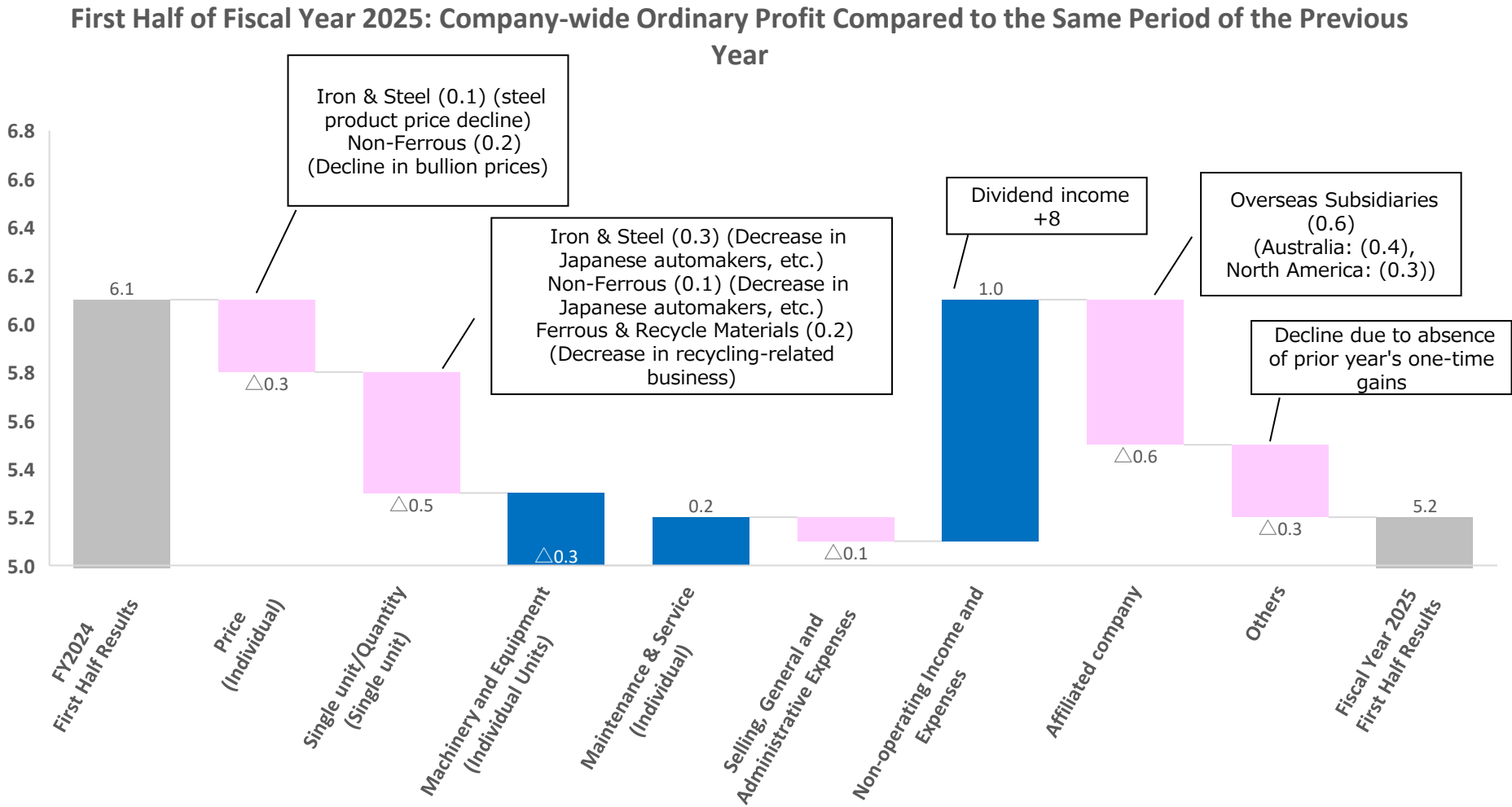
- Sales decreased by 4.5% year-on-year, primarily due to lower revenues in the Non-Ferrous Unit and the Ferrous & Recycling Materials Unit.
- Operating profit decreased by 24.9% to 5.3 billion yen due to a decline in gross profit at the Metals Division.
- Operating profit improved due to increased dividend income and other non-operating income, resulting in a 5.3% decrease to 5.8 billion yen.

(Unit: billion)	2024 Fiscal Year 2Q ①	FY2025 Q2 ②	Change ③=②-①	Change Rate ④=③/①
Sales	306.7	292.8	(13.9)	-4.5%
Gross Profit	20.6	18.8	(1.8)	-8.9%
Selling, General and Administrative Expenses	13.6	13.5	(0.1)	-0.6%
Operating profit	7.0	5.3	(1.8)	-24.9%
Ordinary profit	6.1	5.8	(0.3)	-5.3%
(Ordinary Profit Margin %)	(1.99%)	(1.98%)	(-0.01%)	-
Net income attributable to Net Income	4.6	4.1	(0.5)	-10.8%
Per Share Quarterly Net Income (yen)	173.00yen	154.20yen	-18.8yen	-10.8%

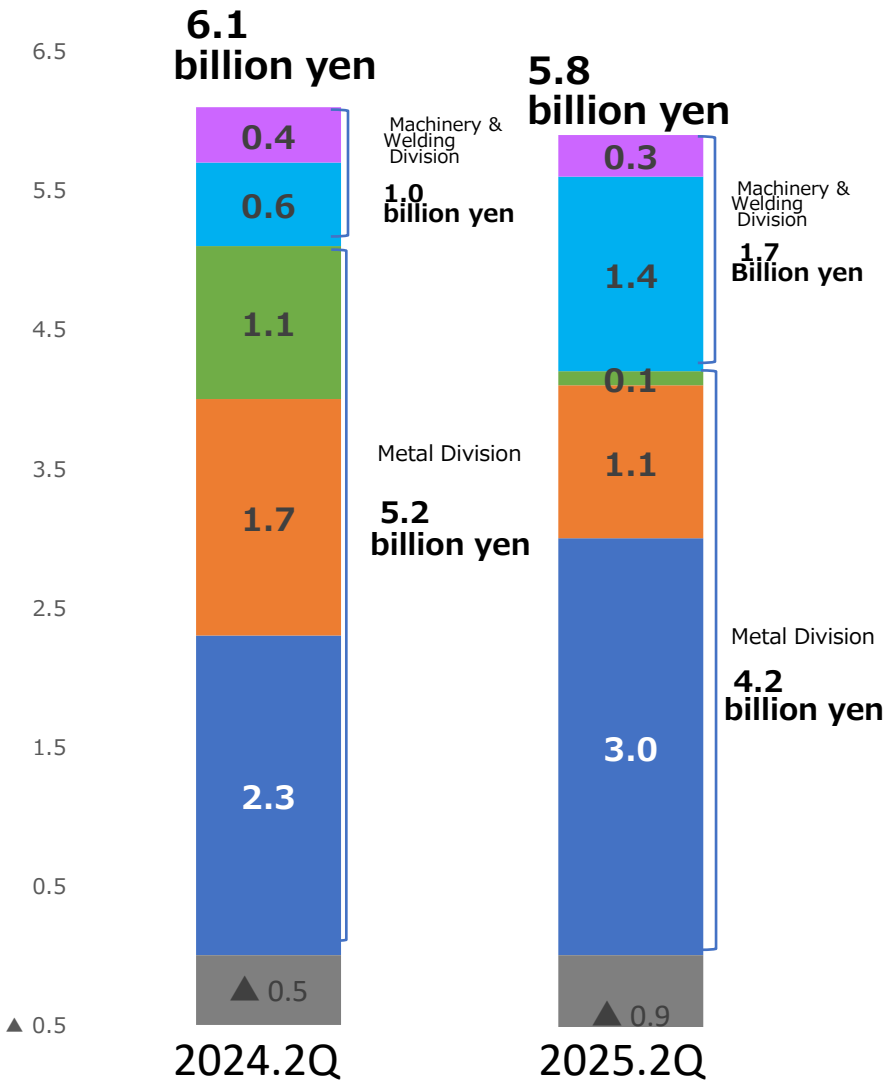
※As of April 1, 2025, one share has been split into three shares, and the net income per share for the fiscal year ended March 31, 2024, is stated after adjusting for the three-for-one stock split.

FY2025 Second Quarter Performance: Company-wide Ordinary Income Year-on-Year Change

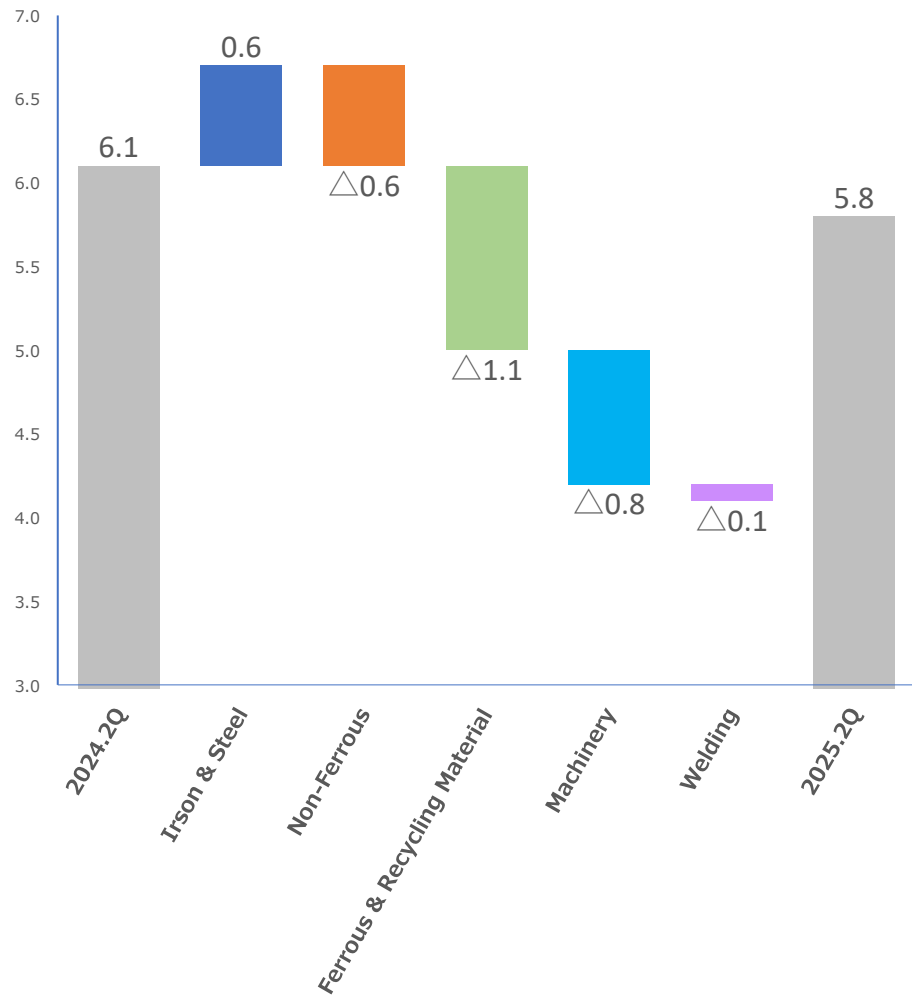
(Unit: billion yen)



Unit-by-Unit Ordinary Profit Comparison (Unit: billion yen)



Unit-by-Unit Ordinary Profit Change (Unit: billion yen)



Fiscal Year 2025 Unit-by-Unit Factors Affecting Ordinary Profit (Metal Division, Iron & Steel Unit)

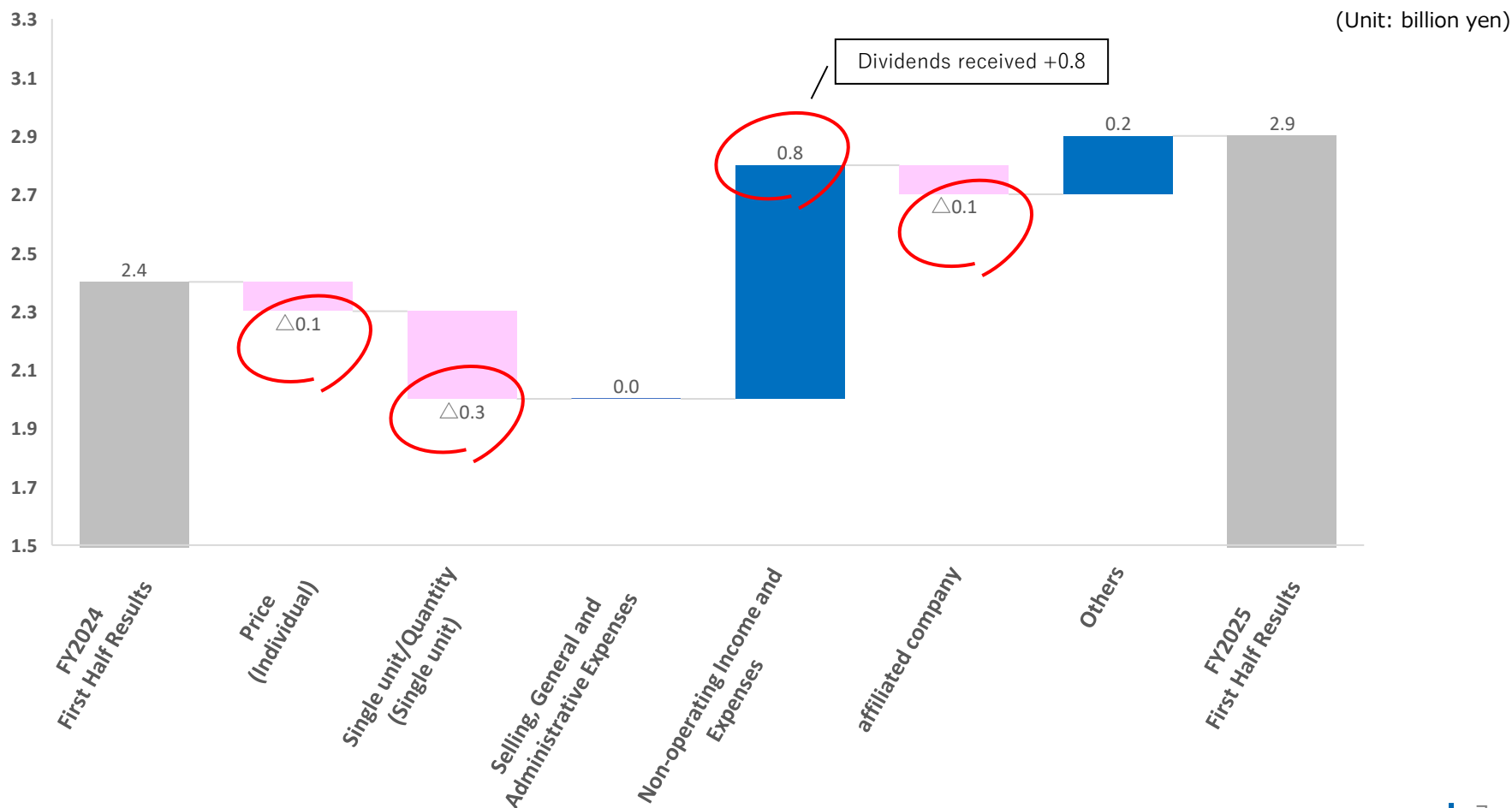
Iron & Steel

Factors

【Non-consolidated】 Gross profit decreased due to reduced steel product volumes stemming from Japanese automakers' production cuts and sluggish demand in the construction materials sector, compounded by falling steel prices.

Increased dividend income from investees

【Affiliates & Others】 Profit decreased due to increased procurement and logistics costs in the U.S.



Fiscal Year 2025 Unit-by-Unit Factors Affecting Ordinary Profit

Division: Aluminum & Copper Unit, Raw Materials Unit)

Non-Ferrous

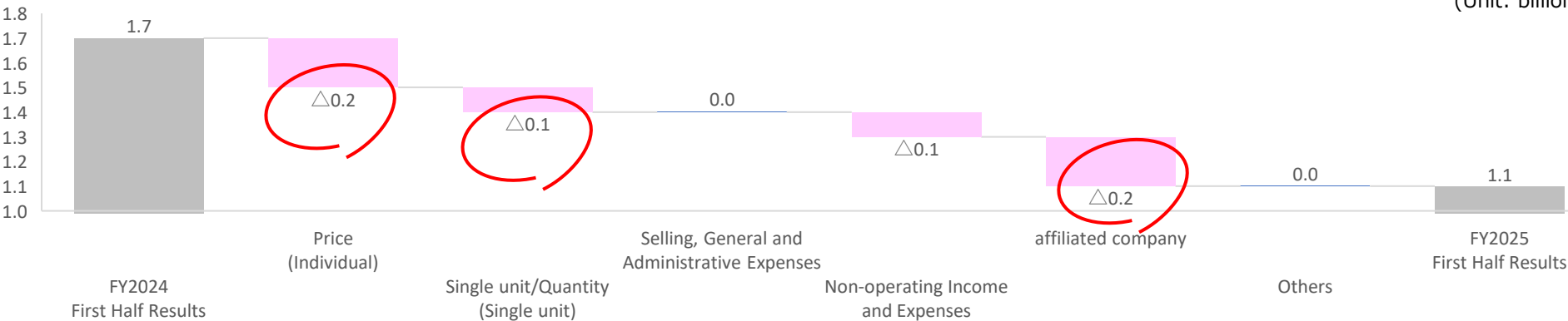
Factors Affecting Change

【Non-consolidated】 Gross profit for aluminum products decreased due to lower sales volume for automotive applications and falling metal prices.

Copper products: Gross profit decreased due to lower sales volumes for automotive terminal connectors and air conditioning copper tubes, coupled with a decline in metal prices

【Affiliated Companies】 Gross profit decreased due to reduced demand in the semiconductor sector.

(Unit: billion)

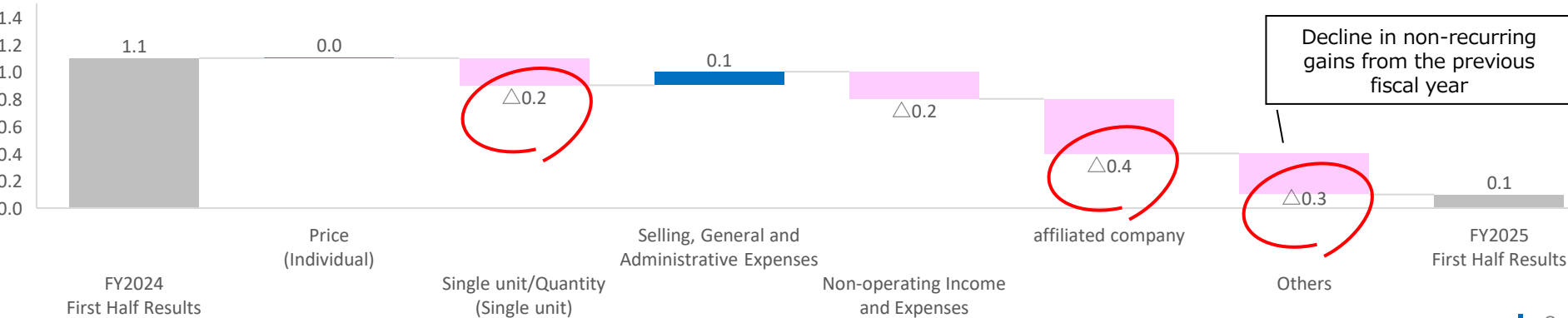


Ferrous & Recycling Materials

Factors Affecting Change

【Non-consolidated】 Decreased handling of biomass fuel due to reduced operations at customer sites

【Affiliated Companies】 Profit decline due to poor performance at overseas invested coal mines and the absence of one-time gains recorded in the previous fiscal year



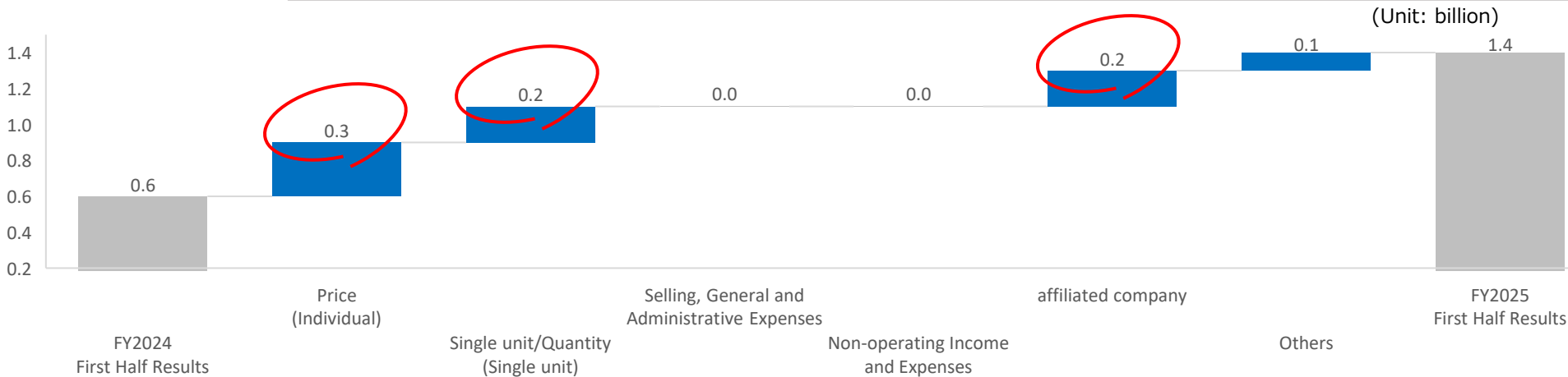
Fiscal Year 2025 Unit-by-Unit Reasons for Change in Ordinary & Welding Division: Machinery Unit, Welding Unit)

Machinery

Factors for Change

【Non-consolidated】 Sales of machinery equipment such as heat pumps and rotating machinery, along with maintenance and service, performed well.

【Affiliated Companies】 Domestic subsidiaries also saw increased profits due to factors like increased handling of electric melting furnaces. In China, increased handling of construction machinery parts.

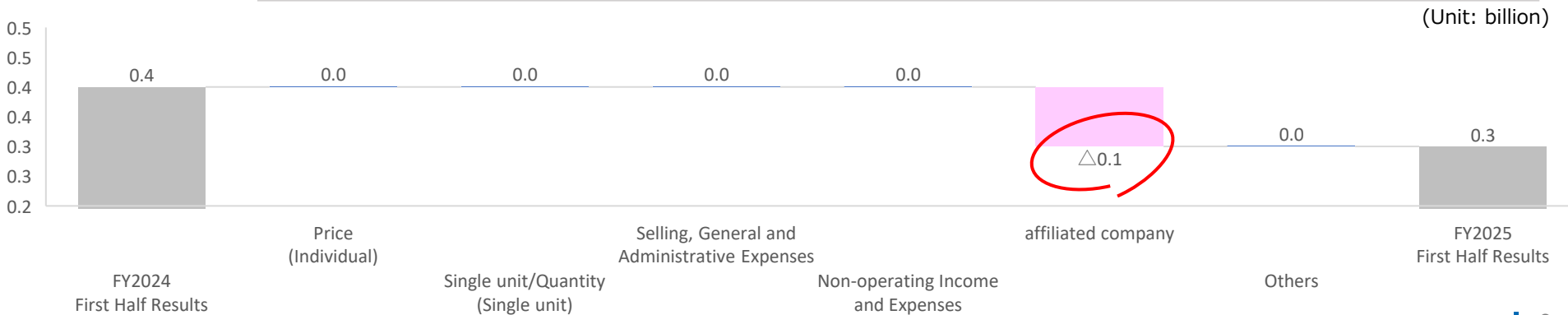


Welding

Factors for Change

【Parent Company】 Welding materials saw price increases, but handling volume decreased.

【Affiliated Companies】 Welding materials saw price declines. Domestic subsidiaries experienced reduced profits due to a reactionary effect following temporary demand generated by price increases in the previous fiscal year.



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[Assumptions]

Exchange Rate: Assumes 1 USD = 140 JPY.

(No change from previous announcement)



[External Environment Assumptions]

Industry	Initial Assumptions for FY2025 (Previously Published)		FY2025 Revised External Environment Assumptions	
Automotive		Japanese Automobile Production Volumes Continue to Remain Sluggish Demand trends remain uncertain due to U.S. tariff policies		Domestic automobile production remains at a low level but shows signs of improvement There was a rush of demand before U.S. tariffs, but the situation has now stabilized
Semiconductors		Demand for AI and data centers is expected to improve Recovery in demand for power semiconductors for PCs and automobiles is expected to take time		AI and data center applications remain strong PC and automotive power semiconductors remain sluggish
Resources Recycling		Iron scrap remains weak both domestically and internationally Domestic aluminum scrap remains firm due to increased proportion of melted scrap		Iron scrap: Domestic generation and demand remain sluggish, but overseas demand provides support Domestic aluminum scrap prices remain firm.
Energy (Biomass)		Handling of biomass fuel increased due to the recovery of customer operations		Handling of biomass fuel decreased due to delays in customer operations resuming Movement toward restart at some power plants

*The business environment assumptions reflect the conditions surrounding the Shinsho Group and may not necessarily correspond to the general business environment.

FY2025 Full-Year Earnings and Dividend Forecast

SHINSHO CORPORATION

No change from the previous published value

- The full-year earnings forecast for FY2025 **remains unchanged from the previous announcement.**
- At the Metals Division, handling volume bottomed out in the first half of fiscal 2025. Japanese automaker production volumes are on a recovery trend.
- In the Machinery Unit, maintenance and service remain strong, with full-year profit growth expected.
- Efforts to reduce selling, general, and administrative expenses will continue, **with ordinary profit projected at 12.0 billion yen.**
- **Dividends remain unchanged from the previously announced figures.** An annual dividend of 106yen is planned, consisting of an interim dividend of 53yen and a year-end dividend of 53yen (dividend payout ratio: 30.4%).

(Unit: billion)	FY2025 2Q Forecast ①	FY2025 2Q Actual ②	FY2025 Full-Year Forecast (Previously Announced Figures) ③	Progress Rate ④=②/③	Progress Status and Second-Half Outlook
Sales	304.0	292.8	637.0	46%	Although there is downside risk due to softening prices, transaction volume has bottomed out and is expected to improve in the second half.
Operating profit	4.7	5.3	11.9	49%	
Ordinary profit	5.3	5.8	12.0	48%	Domestic automobile production is expected to improve in the second half. Ordinary profit is projected to reach ¥12 billion through reductions in selling, general, and administrative expenses.
(Ordinary Profit Margin %)	(1.7%)	(1.9%)	(1.9%)		
Net income attributable to parent company Net Income	4.3	4.1	9.2	45%	
Per Share Net Income (¥)	162.00yen	154.20yen	348.00yen	-	
Dividend (JPY)	53 yen	53 yen	106 yen	-	

FY2025 Full-Year Earnings Forecast: Projected Ordinary Income by Unit

SHINSHO CORPORATION

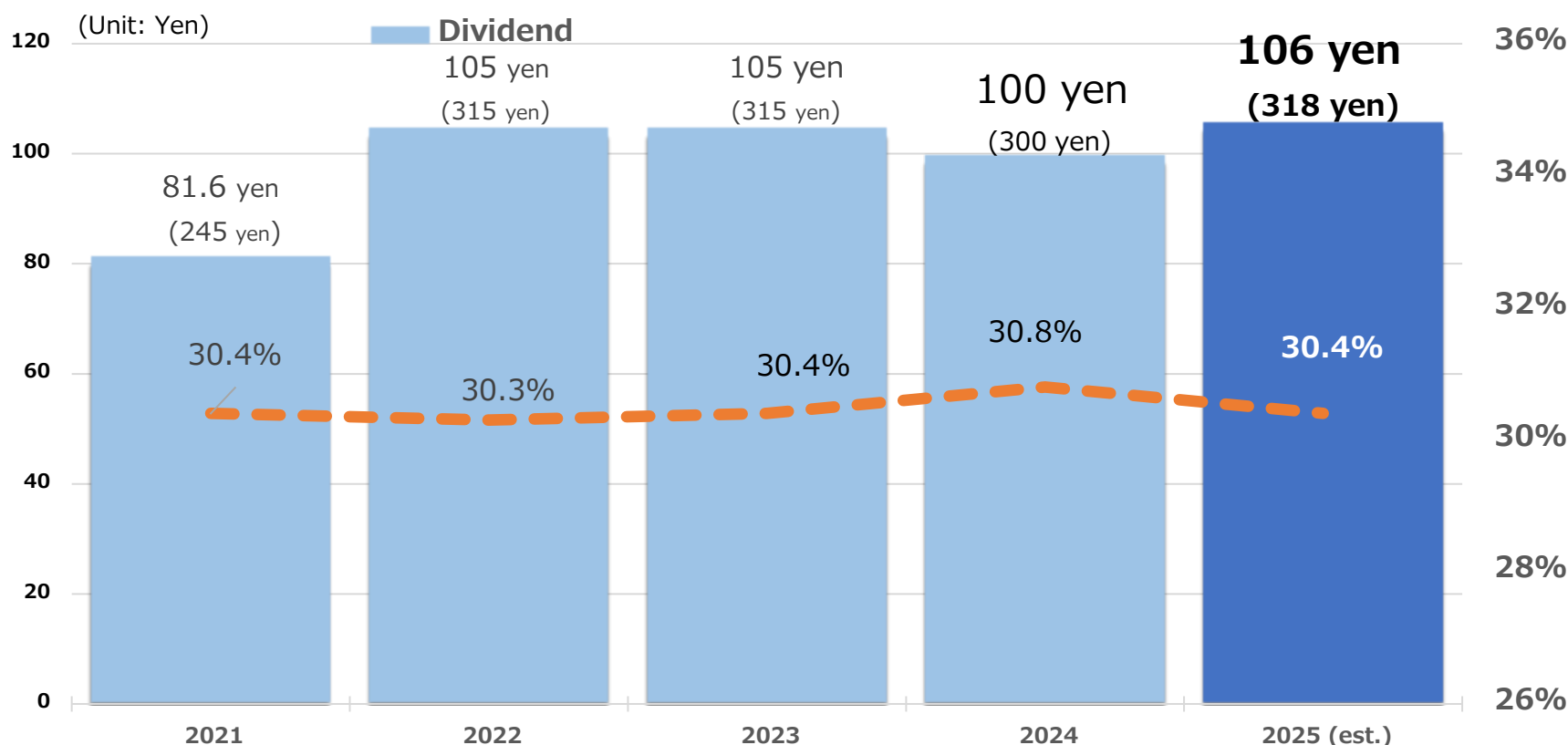
No change from the previously announced figure.

(Unit: billion yen)		2025 2Q Actual	FY2025 Forecast (Previously Announced Value)	Progress Rate	FY2025 Full-Year Outlook	Reason
Metals	Steel	3.0	5.1	59%	→	Although there is downside risk due to softening prices, handling volumes have bottomed out, and domestic automobile production is expected to improve in the second half. No significant deviation from the previous published figures is expected.
	Aluminum/ Copper	1.1	2.6	42%	↘	Automotive aluminum products have bottomed out, with signs of recovery in the second half. However, due to weak semiconductor demand, a significant recovery is not expected, and the unit as a whole remains weak.
	Raw Materials	1.0	1.3	8%	↓	Some power plants are showing signs of restarting, indicating a recovery trend in the second half, but this will not be sufficient to offset the decline in the first half.
	Subtotal	4.2	9.0	47%	-	
Welding • Machinery	Machinery	1.4	2.3	61%	↗	Maintenance and service are expected to maintain strong performance in the second half and increase profits.
	Welding	0.3	0.7	43%	→	
	Subtotal	1.7	3.0	57%	-	
Other		0	0	-	-	
Total		5.8	12.0	48%	→	Prices show signs of softening, but domestic automobile production has bottomed out and shows signs of improvement. Overall, no revision from the previous published value due to company-wide reductions in selling, general, and administrative expenses and increased handling of machine units.

FY2025 Performance Outlook: Dividend Forecast

No change from the previously announced figure.

- The dividend policy under the "[Medium Term Management Plan 2026](#)" is to maintain either a consolidated dividend payout ratio of 30% or higher, or a dividend per share of 100 yen, whichever is higher.
- **The annual dividend of 106 yen per share, previously announced, remains unchanged** (53 yen interim dividend, 53 yen year-end dividend).



*The three-for-one stock split took effect on April 1, 2025. The graphs for 2021–2024 reflect figures adjusted for this three-for-one split. The figures in parentheses for 2021–2024 represent the values before the stock split adjustment. The figures in parentheses for fiscal 2025 represent the values assuming the stock split had not occurred.

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Medium Term Management Plan Progress Status: Target Figures **SHINSHO CORPORATION**

	First Year	Plan Year 2	Final Year
	FY2024	FY2025	Fiscal Year 2026
	Actual	Initial Forecast (Previous)	Plan
Consolidated Ordinary Income	11.8 billion yen	12.0 billion yen	14.5 billion yen
ROE	9.7%	10.0%	10.0% or higher
ROIC	6.1%	6.3%	6.5%
Equity Ratio	23.6%	24.6%	21% or more
External Interest-Bearing Debt	61.3 billion yen	(Aiming for a D/E ratio of 0.7x or lower to optimize funding)	
D/E Ratio	0.7 times	0.6 times	Target of 0.7x or below

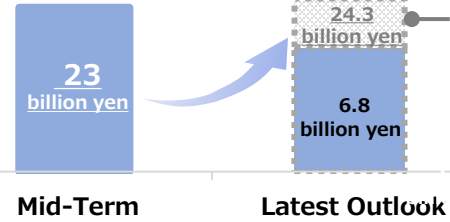
(Progress for this period in red)

● Iron & Steel Unit ● Non-Ferrous Unit ● Ferrous & Recycling Materials Unit ● Machinery Unit ● Welding Unit ● New Business Development Office

Field	Three Pillars			Key Initiatives
	KOBELCO Group Business	Original Supply Chain	SX	
	● Supply Chain Enhancement			Strengthening the supply chain centered on GBP, a secondary processing company in North America Establishing a supply chain in the Indian market
Semiconductors	● Semiconductor Manufacturing Equipment Components Business			Expanding the product lineup through the commercialization of aluminum processing for semiconductor manufacturing equipment, centered on Shinsho Precision Co., Ltd., established in fiscal year 2024 ⇒Agreement concluded for reservation and transfer of factory construction land by Shinsho Precision Co., Ltd.
Resources Recycling	● Resource Recycling Business			Expand horizontal recycling through increased automotive panel processing and upgrading aluminum chassis scrap into higher-grade materials; additionally, explore expanding into PCR※ business areas to strengthen domestic resource recycling operations ⇒Reached basic agreement with Taguchi Metals Corporation to explore establishing a joint venture for upgrading PCR scrap through advanced sorting (TOPICS①)
Energy	● New Biomass Fuel Product Development	● Expanding Biomass Fuel Handling	● New biomass fuel product development	Diversify the supply chain by expanding biomass fuel procurement sources, enhancing functionality, and participating in the semi-carbonized pellet business, thereby expanding global biomass fuel handling (TOPICS②) ⇒Participation in the wood-based black bark pellet (BBP) manufacturing and sales business promoted by Kumagai Gumi Co., Ltd. and Kiyomoto Co., Ltd.⇒Signed a Letter of Intent (LOI) with partner Palmitco Sdn Bhd in Malaysia
Manufacturing Sites	● Providing Added Value Beyond Products			Expand the range of products by broadening supplier partnerships while enhancing maintenance and engineering capabilities to increase customer value and strengthen profitability ⇒ To expand business domains, consider new business development through M&A.
Other	● TRACK Design India (TDI) Expanding Handling			Beginning FY2025, we will initiate full localization in India (local procurement, production, sales) to expand our construction machinery parts offerings in the Indian market. ⇒Partial full localization commenced in the second half of FY2025
DX	● Supply Chain DX			Promote productivity improvements and database implementation through DX domestically and internationally to enhance customer satisfaction and strengthen competitiveness (TOPICS③) Initiate efforts to advance core systems ⇒Initiated core system construction phase

※PCR: Abbreviation for Post-Consumer Recycle, referring to recycling where products and materials discarded after consumer use are collected and reused.

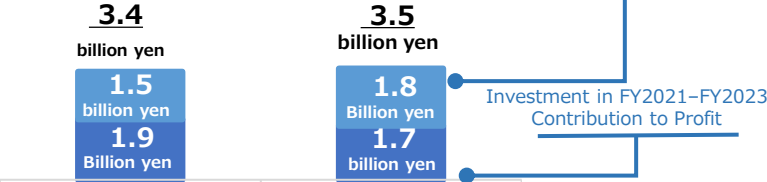
Investment Plan: 3-Year Total (FY2024–FY2026)



Breakdown of Major Decision Bases

Semiconductor	Timing Shift in Equipment Investment at Shinsho Precision Co., Ltd.
Manufacturing	Construction and Engineering Company M&A
Construction	

Profit Contribution Amount* 3-Year Total (FY2024–FY2026)



Profit Contribution Amount from Investments During Current Mid-Term Plan Period Contribution to Profit

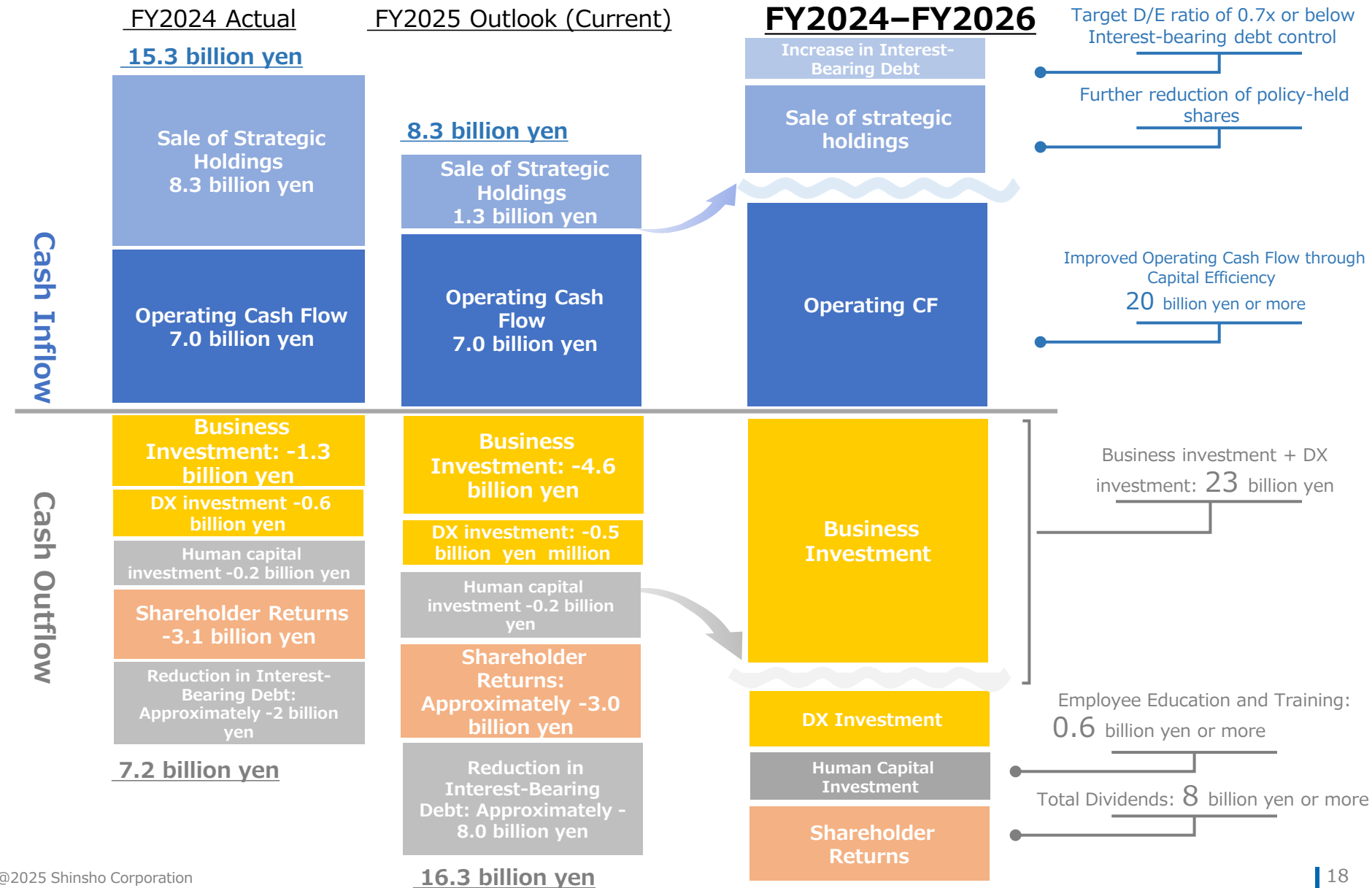
Investment in FY2021–FY2023 Contribution to Profit

Published figures as of the fiscal year ending March 2025

(※)Contribution to Profit: Ordinary profit of consolidated subsidiaries, equity method investment gains/losses of equity method affiliates, revenue increases from capital expenditures, etc.

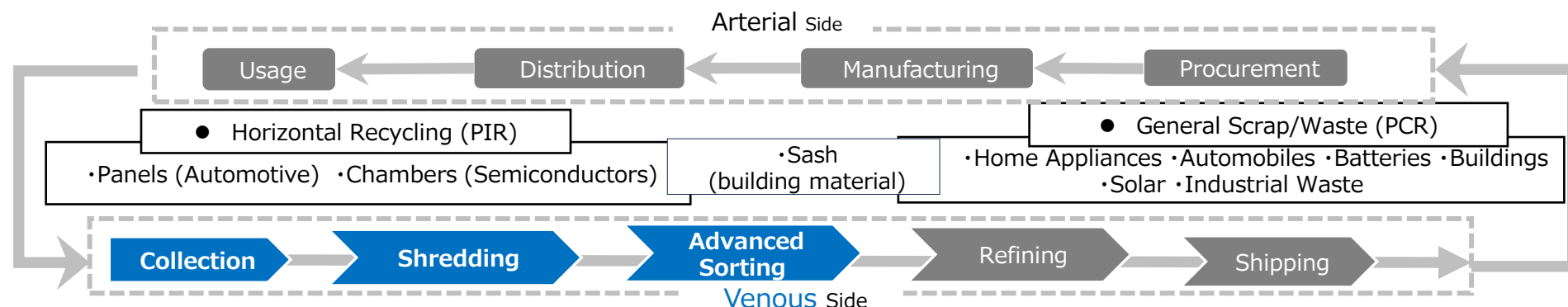
*Decision-making basis: Investment decisions will be made by FY2026, but cash outflow will occur in FY2015 or later

Cash Allocation (Conceptual Diagram)



Key Point!

- Based on the Mid-Term Management Plan 2026, we are promoting proactive investment. **In the Aluminum & Copper Unit, we are developing resource-recycling businesses.**
- While serving the "arterial industries" that handle products, **we also focus on the "venous industries."** We collect scrap, general waste, and industrial waste generated during manufacturing and processing. **Using advanced sorting technology, we establish a system to recycle these materials back into product raw materials.**
- We create sustainable supply chains, contributing to reduced environmental impact and the realization of a circular society.**



Aluminum chamber processing company for semiconductor manufacturing equipment

Shinsho Corporation and Shinwa Aluminum Industry have signed a reservation agreement for factory land in Moka City's industrial park to establish **Shinsho Precision Co., Ltd.**, a company specializing in machining aluminum chambers for semiconductor manufacturing equipment. Aiming to reduce CO₂ emissions through high-precision machining and horizontal recycling, operations are scheduled to commence in July 2028. The company will establish an integrated circular economy model spanning material procurement, processing, and resource recovery to advance environmentally conscious business practices.



※Chamber-processed products

"Sash to Sash" Horizontal Recycling Business

We are entering the aluminum scrap upgrading business for aluminum sashes used in building materials. Following our automotive scrap recycling business, **we are promoting "Sash to Sash" horizontal recycling through advanced sorting using the latest technology.** We will collaborate with partner companies to contribute to the realization of a circular economy and local communities.

Based on the Mid-Term Management Plan 2026, we aim to build a unique supply chain and strengthen environmentally conscious businesses.



※Scheduled sorting machine to be introduced

PCR (Post-Consumer Recycle)

Shinsho Corporation plans to establish a joint venture with Taguchi Metal for non-ferrous metal scrap recycling. Based on the Medium Term Management Plan 2026, we will enter **the advanced sorting business to separate and recover rolled alloy materials from low-grade scrap (general scrap, industrial waste scrap)**, aiming to realize resource circulation and a decarbonized society. By enabling high-precision sorting, previously considered difficult, we will contribute to the stable supply of low-carbon aluminum raw materials. We will combine Taguchi Metal's collection capabilities and sorting expertise with our knowledge in resource circulation to rapidly respond to new markets and expand our business.

※PCR: Abbreviation for Post-Consumer Recycle, referring to recycling where products and materials discarded after consumer use are collected and reused.

👉 Key Points!

- Investing in and participating in the wood-based black bark pellet (BBP) manufacturing and sales business promoted by Kumagai Gumi and Kiyomoto Iron Works.
- BBP is a high-value-added biomass fuel that burns with high calorific value as a coal substitute through heat treatment (partial carbonization). This project is a locally sourced and consumed business model utilizing unused bark as fuel.
- It is a pioneering example in Japan of a black pellet manufacturing business aimed at external sales, **with future plans to explore commercialization including overseas markets.**

Black Bark Pellet (BBP) Manufacturing Business Overview

Company Name	Local Energy Corporation
Head Office Location	Osaka City
Shareholder	Kumagai Gumi Co., Ltd. Shinsho Corporation KIYOMOTO CO.LTD.
Factory Name	Saijo Pellet Plant
Location	Saijo City, Ehime Prefecture
Scheduled Completion	July 2026
Site Area	12,000 m ²
Product	Black Bark Pellets
Annual Production	30,000 mt
Raw Material	Bark

【Establishment of a local supply chain】

Raw material procurement : Local lumber company

BBP Manufacturing : Local Energy

*Employees are mainly hired locally.

*We also dispatch employees on secondment.

Potential customer : Mainly self-generation in the Chugoku region, coal-fired power plant



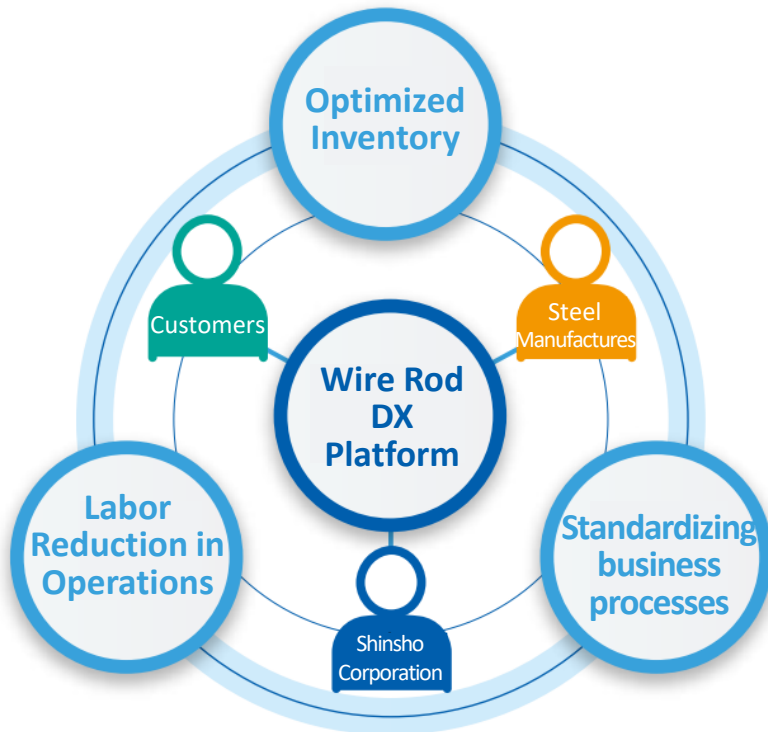
地域の森林資源を 地域のエネルギーに
Local Energy System



(Completion sketch of
Saijo Pellet Factory)

👉 Key Points!

- KOBELCO Group is building a DX platform specifically for its special steel wire rod supply chain. Aiming for operational launch within FY2026.
- By connecting steel manufacturers with customers—secondary processors of special steel wire rods and parts manufacturers—via the DX platform, **we aim to integrate and visualize** currently fragmented **business processes, thereby enhancing efficiency across the entire supply chain.**



【Benefits of Implementing the Supply Chain DX Platform】

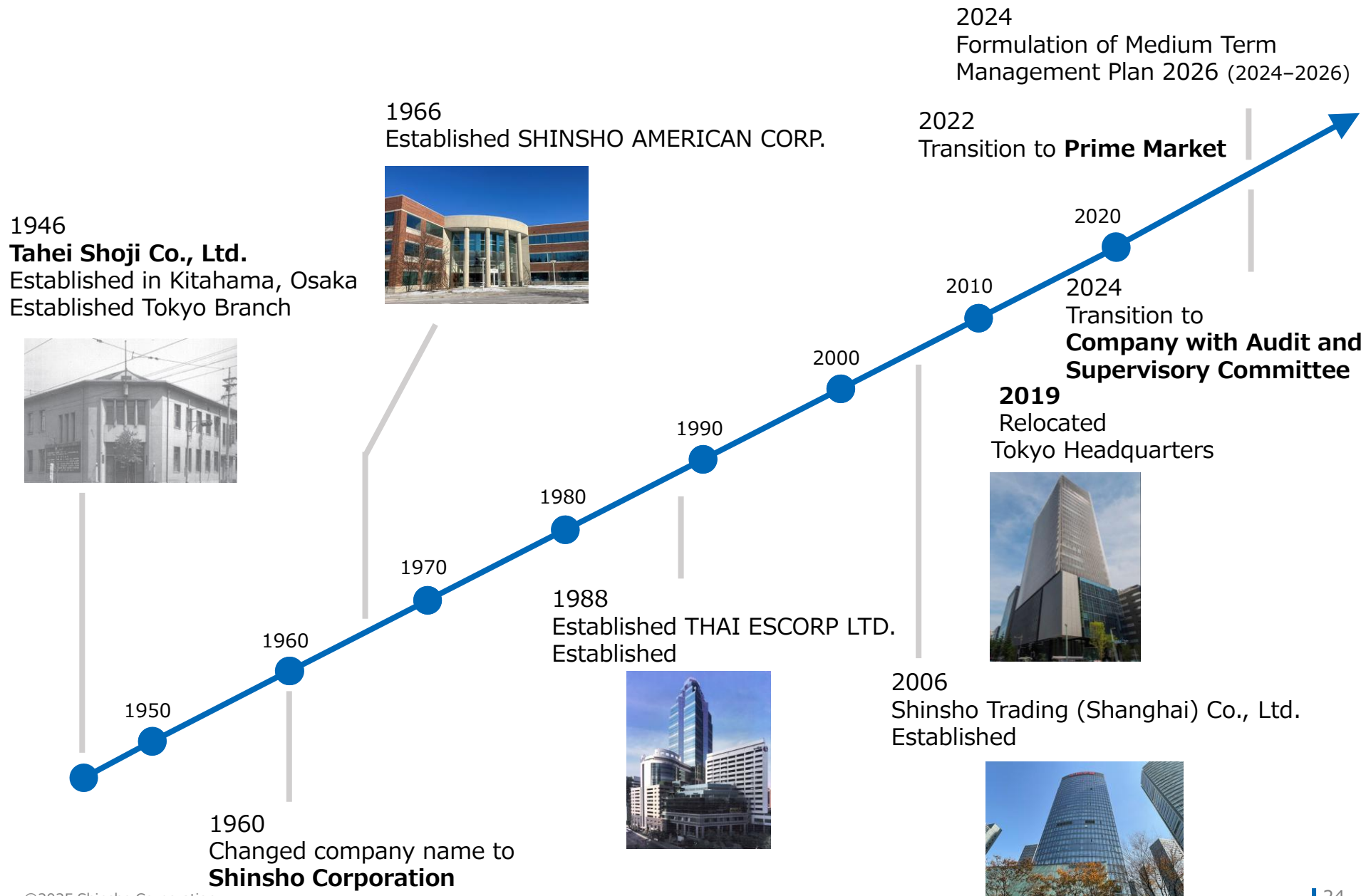
- ◆ **Optimized Inventory**
Reduce excess inventory through demand-linked inventory management while lowering the risk of stockouts
- ◆ **Labor Reduction in Operations**
Systematizing delivery operations such as order processing and delivery schedule adjustments to achieve labor savings and productivity gains
- ◆ **Standardizing business processes**
Unify, standardize, and visualize the business flow for all customers enables centralized supply chain management

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SHINSHO CORPORATION

(As of the end of September 2025)

Business Type	Company
Stock Code	Tokyo Stock Exchange Prime Market (8075)
Address	【Osaka Headquarters】 2-6-18 Kitahama, Chuo-ku, Osaka-shi, Osaka (Yodoyabashi Square) 【Tokyo Headquarters】 1-7-2 Kyobashi, Chuo-ku, Tokyo (Museum Tower Kyobashi)
Founded	November 12, 1946
Number of Consolidated Subsidiaries	41
Number of Employees	Consolidated: 1,507 (including an average of 80 temporary employees) Non-consolidated: 529 (including an average of 55 temporary employees)
Number of shares per unit	100 shares
Business Activities	Purchase, sale, and import/export of steel, steel raw materials, non-ferrous metals, machinery, information industry products, and welding consumables



Business Overview by Unit

SHINSHO CORPORATION

- The Company operates through the Metals Division (Iron & Steel Unit, Non-Ferrous Unit, Ferrous & Recycling Materials Unit) and the Machinery & Welding Division (Machinery Unit, Welding Unit) (as of the end of September 2025)

Iron & Steel

Supplies steel products primarily for the automotive industry to Japan, North America, China, and Southeast Asia

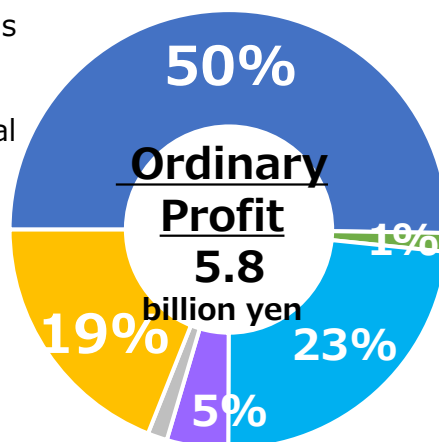
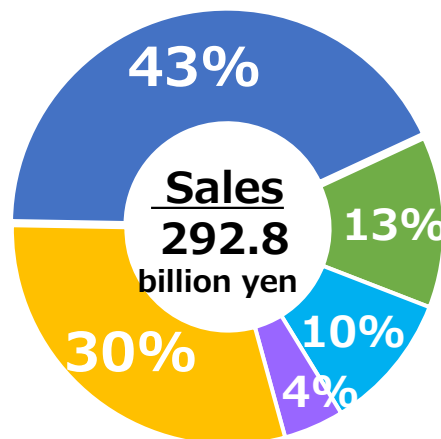
Expanding business investments and capital investments, such as strengthening North American processing bases



Non-Ferrous

Supplying aluminum and copper materials and processed goods to the automotive, semiconductor, air conditioning, etc. Recycling of scrap, miscellaneous electrical wires, etc.

Business and strengthening/new establishment of domestic and overseas processing bases

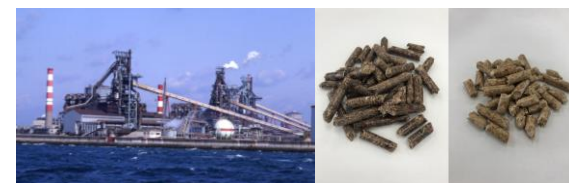


Ferrous & Recycling Materials

Stable supply of raw materials for steel mills, such as iron ore

Focus on resource-recycling businesses such as biomass fuels and iron scrap

Focus on resource-recycling businesses



Machinery

Industrial machinery, construction machinery parts, electronic and information-related products

Handling a wide range of products and also focuses on after-sales services



Welding

Providing total solutions combining high-quality, high-market-share welding materials with welding robots and other equipment



【Reference】 Balance Sheet Status

(Unit: billion yen)	March 2024 (March 2025)	September 2025 (September 2025)	Change
Current Assets	337.5	314.0	(23.6)
Fixed Assets	49.3	51.1	1.8
Breakdown: Tangible and Intangible Fixed Assets	10.7	9.9	(0.8)
Investments and Other Assets	38.7	41.2	2.6
Total Assets	386.9	365.1	(21.8)
Current Liabilities	272.2	250.2	(22.0)
Long-term liabilities	21.7	19.6	(2.1)
Total Liabilities	293.9	269.7	(14.2)
Equity	91.4	93.5	+2.1
Noncontrolling interests	1.5	1.8	0.3
Net Assets	93.0	95.4	2.4
External Interest-Bearing Debt	61.3	55.2	(6.1)
Equity Ratio	23.6%	25.6%	2.0%
D/E Ratio	0.7 times	0.6 times	-0.1 times
Net Assets per Share (※)	3,461.4yen	3,539.5yen	
Closing Stock Price (※)	1,914yen	2,226yen	
PBR	0.55 times	0.62 times	

※After the three-for-one stock split effective April 1, 2025, net assets per share and the share price at the end of the fiscal year are shown after adjusting for the three-for-one split.

Corporate Philosophy

“Integrity” is Shinsho Corporation’s company motto. We are committed toward securing prosperity for our clients and shareholders through the creation of new values.

The forecasts and forward-looking statements contained in this document are based on information available to the Company at the time of preparation and are subject to risks and uncertainties that could cause actual results to differ materially from those projected. They are not disclosure materials, but rather judgments made by the Company based on information that is currently predictable, and the Company does not guarantee their accuracy or completeness. The forward-looking statements may differ materially from the forecasts described herein due to a variety of factors, and are subject to uncertainties. Therefore, please refrain from making investment decisions based solely on this document. Please note that we are not responsible for any damage caused by the use of this document.