



December 23, 2025

To whom it may concern

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Representative : Hironobu Takashita
President and Representative Director
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Notice Regarding Execution of Joint Venture Agreement with Taguchi Metals Co., Ltd.

We hereby announce that, pursuant to the basic agreement disclosed on June 13, 2025, regarding the consideration of establishing a joint venture with Taguchi Metals Co., Ltd. (“Taguchi Metals”), the Company has resolved to establish said joint venture and entered into the joint venture agreement on December 23, 2025, as outlined below.

1. Purpose of the Joint Venture

As stated in our *Medium-Term Management Plan 2026*, the Company is committed to building a proprietary supply chain and driving new businesses on Sustainability Transformation (SX). The proposed joint venture represents a strategic initiative aligned with this vision.

In light of global efforts toward carbon neutrality by 2050, companies are increasingly required to reduce CO₂ emissions, including Scope 3. For aluminum rolling manufacturers, sourcing low-carbon aluminum raw material has become an urgent challenge.

The Company has established strong sales channels with leading aluminum rolling manufacturers and is expanding into horizontal recycling of automotive panels and aluminum sash scrap from construction materials, thereby enabling the supply of low-carbon aluminum. By integrating the expertise of both companies—combining dynamic and static industry knowledge—and introducing state-of-the-art sorting technologies the joint venture aims to utilize low-grade scrap effectively, foster local resource circulation, and contribute to a decarbonized society. Taguchi Metals brings proven experience and shredding facilities for processing scrap from end-of-life vehicles and appliances, along with advanced non-ferrous metal sorting technologies. Leveraging these capabilities with our supply chain and market access, the venture will create a robust recycling platform that maximizes resource efficiency and sustainability.

2. Future Outlook

The joint venture is expected to commence commercial operations during fiscal year 2027, primarily in the Northern Kanto region. Beyond aluminum, the venture will also focus on upgrading various metals and supplying furnace-ready materials, thereby playing a pivotal role in achieving a sustainable society.

2. Overview of the Joint Venture (planned)

(1) Name	To Be determined
(2) Location	To Be determined (under consideration in the Kanto area)
(3) Representative	To Be determined (to be dispatched from our company)
(4) Business Activities	Advanced sorting of non-ferrous metal scrap, sales of sorted materials
(5) Capital	100 million yen
(6) Equity Ratio	Shinsho Corporation:70%, Taguchi Metals: 30%
(7) Establishment Date	Scheduled for April 1st, 2026
(8) Date of Establishment Decision	December 23rd, 2025

3. Overview of Taguchi Metal Industries

(1) Name	Taguchi Metals Corporation., Ltd		
(2) Location	Taguchi Building, 1-20-4 Naka-Ochiai, Shinjuku-ku, Tokyo		
(3) Representative	President: Noriaki TAGUCHI		
(4) Business Activities	Recycling of steelmaking raw materials, non-ferrous metal materials and waste home appliances		
(5) Capital	20 million yen		
(6) Establishment Date	November 21, 1974 (originally founded as “Taguchi Shoten” in September 1970)		
(7) Fiscal Year-End	August 31		
(8) Major Shareholder	DEN Co., Ltd. – 100%		
(9) Shinsho Corporation’s Relationship with Taguchi Metals	Capital ties	Not applicable	
	Personal relations	Not applicable	
	Business relations	Not applicable	
	Related Party Status	Not applicable	
(1 0) Taguchi Metals’ financial results for the past three years			
Accounting period	Year ended August 31,2023	Year ended August 31,2024	Year ended August 31,2025
Net sales	10,587 million yen	10,861 million yen	9,983 million yen
Operating income	59 million yen	27 million yen	△240 million yen
Ordinary income	139 million yen	21 million yen	△193 million yen
Net income	85 million yen	13 million yen	△197 million yen

4 . Future outlook

The impact of this matter on the Company's financial results for the fiscal year ending March 2026 is not expected to have any impact.