

1st Half of FY2024 Financial Results

SHINSHO CORPORATION

Securities Code: 8075

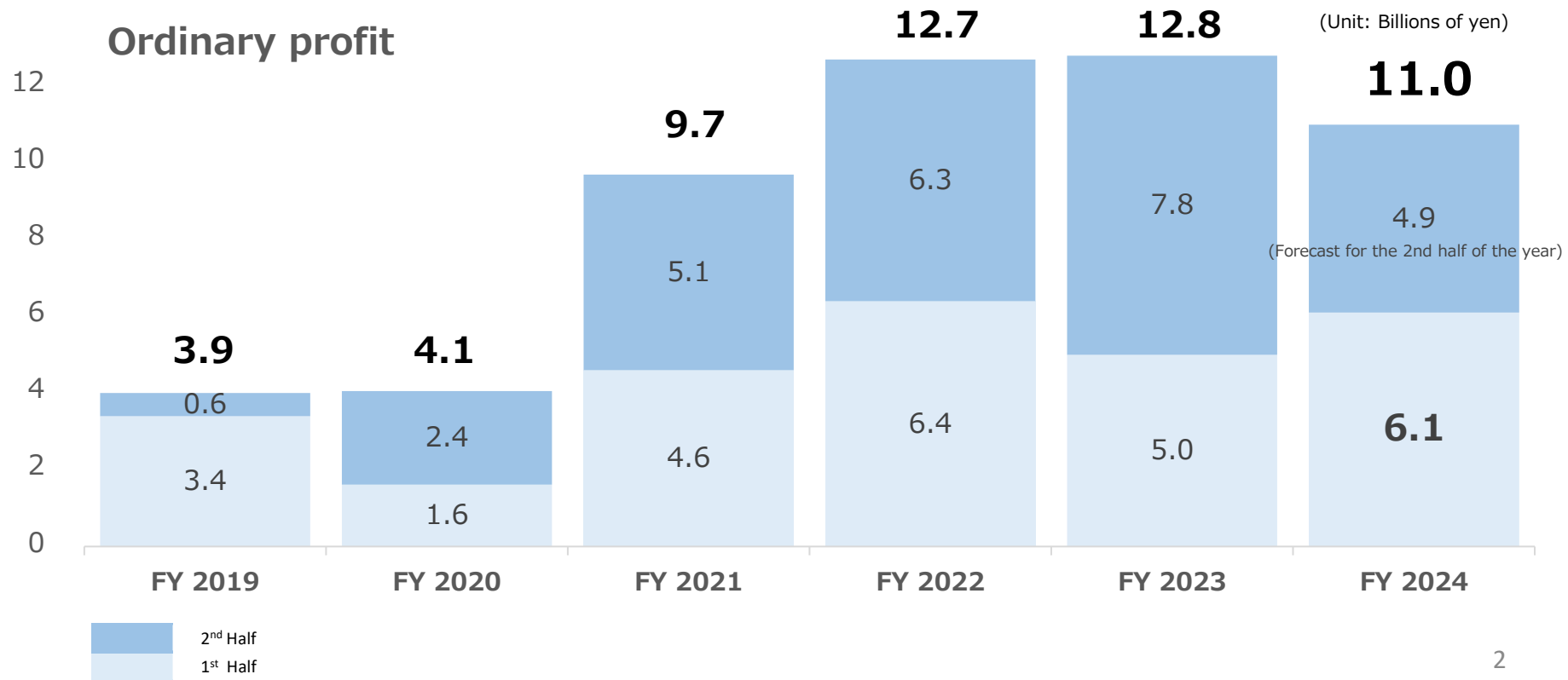
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November 7, 2024

Summary of this document

Financial Summary

- Ordinary profit for the 1st Half of FY2024 is 6.1 billion yen.
- While profit decreased in steel and machinery units, increase in sales and profit due to increase of transaction volume of copper tubes for air-conditioning and terminal connectors for automobile in non-ferrous unit.
- The full-year forecast for ordinary profit will remain unchanged, and the annual dividend forecast will also remain unchanged at 300 yen per share (interim dividend of 150 yen and year-end dividend of 150 yen).



Contents

1. Summary of Business Results for the 1st Half of FY2024
2. FY2024 Full-Year Earnings Forecast

1. Summary of Business Results for the 1st Half of FY2024
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Consolidated Statements of profit for the 1st Half of FY2024

- Net sales increased by 27.3 billion yen year-on-year due to increased transaction volume of terminal connectors and copper tubes for air conditioning in the Non-Ferrous unit.
- Ordinary profit was 6.1 billion yen, an increase of 1.1 billion yen YoY

(Unit: Billions of yen)

	FY2023 1 st Half	FY2024 1 st Half	Increase/decrease	Percentage change (%)
Net sales	279.4	306.7	+27.3	+9.8%
Gross profit	18.8	20.6	+1.8	+9.7%
SG&A expenses	12.8	13.6	+0.8	-
Operating profit	6.0	7.0	+1.0	+17.0%
Ordinary profit	5.0	6.1	+1.1	+21.9%
Net profit	3.7	4.6	+0.9	+23.0%
Dividends (yen)	125 yen	150 yen	+25 yen	-

Change in ordinary profit by unit for the 1st Half of FY2024

(Unit: Billions of yen)

		Net sales			
		2023 1H	2024 1H	Increase/decrease	Percentage change (%)
Metals	Iron & Steel	123.5	126.9	+3.4	+2.8%
	Non-Ferrous	82.3	97.9	+15.6	+19.0%
	Ferrous & Recycling Materials	32.3	41.2	+9.0	+27.7%
	subtotal	238.1	266.1	+28.0	+11.8%
Machinery & Welding	Machinery	27.3	26.4	(0.8)	(3.0%)
	Welding	13.9	14.0	+0.0	+1.0%
	subtotal	41.2	40.5	(0.7)	(1.7%)
O t h e r		0.2	0.1	(0.1)	-
Total amount		279.4	306.7	+27.3	+9.8%

Ordinary profit			
2023 1H	2024 1H	Increase/decrease	Percentage change (%)
2.7	2.3	(0.4)	(14.2%)
0.5	1.7	+1.2	+234.6%
0.6	1.1	+0.5	+78.0%
3.9	5.2	+1.3	+33.9%
0.8	0.6	(0.2)	(27.2%)
0.3	0.4	0.0	+14.4%
1.1	1.0	(0.2)	(16.0%)
(0.0)	(0.1)	(0.0)	-
5.0	6.1	1.1	+21.9%

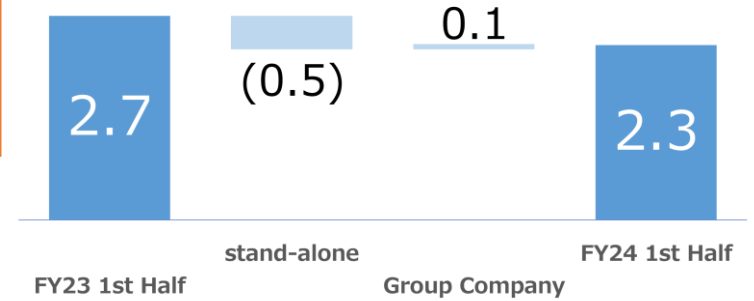
Net Sales/Ordinary profit by Unit Change (Metals Division)

Iron & Steel

(Unit: Billions of yen)

	FY2023 1 st Half	FY2024 1 st Half	fluctuation
Net sales	123.5	126.9	+3.4
Ordinary profit	2.7	2.3	(0.4)

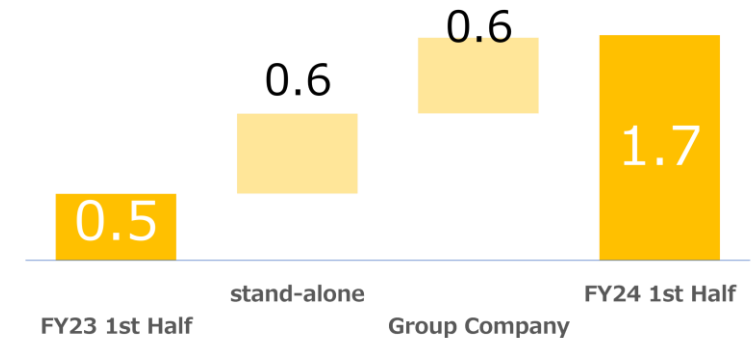
Sales of stand-alone products increased due to the change in product mix despite an increase in transaction volume, decreased gross profit and profit decreased.



Non-Ferrous

	FY2023 1 st Half	FY2024 1 st Half	fluctuation
Net sales	82.3	97.9	+15.6
Ordinary profit	0.5	1.7	+1.2

- In stand-alone, increase ordinary profit due to impact of volume of terminal connectors and copper tubes for air-conditioning increased.
- In Group companies increase ordinary profit due to contribution of profit from Inagaki Shoten, which became a subsidiary in FY2023.



Ferrous & Recycling Materials

	FY2023 1 st Half	FY2024 1 st Half	fluctuation
Net sales	32.3	41.2	+9.0
Ordinary profit	0.6	1.1	+0.5

Increase ordinary profit due to increase in steel scrap exports and biomass fuel-related transactions higher volume and One-time profit recorded at overseas subsidiaries.

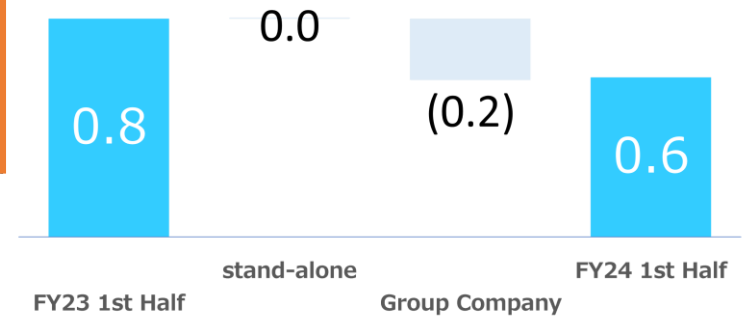


Machinery

(Unit: Billions of yen)

	FY2023 1 st Half	FY2024 1 st Half	fluctuation
Net sales	27.3	26.4	(0.8)
Ordinary profit	0.8	0.6	(0.2)

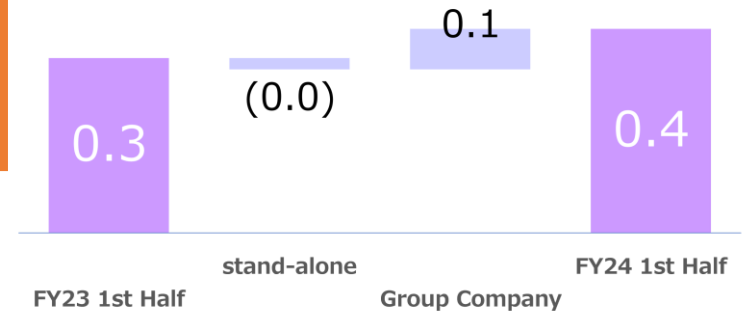
Decrease due to lower transaction volume of construction machinery parts at overseas subsidiaries.



Welding

	FY2023 1 st Half	FY2024 1 st Half	fluctuation
Net sales	13.9	14.0	+0.1
Ordinary profit	0.3	0.4	+0.0

Slight increase in ordinary profit due to volume of welding equipment handled by domestic subsidiaries.



Balance Sheet Situation

(Unit: Billions of yen)

	March 31, 2023 (March 2024)	FY2024 End of Sept. (September 2024)	Increase Decrease
C u r r e n t a s s e t s	337.6	341.6	+4.0
F i x e d a s s e t s	58.8	56.8	(2.0)
Breakdown Tangible and intangible fixed assets	(11.0)	(11.6)	(+0.6)
Investments and other assets	(47.8)	(45.2)	(2.7)
T o t a l a s s e t s	396.4	398.3	+1.9
C u r r e n t l i a b i l i t i e s	281.0	279.0	(1.9)
F i x e d l i a b i l i t i e s	28.0	27.9	(0.1)
T o t a l l i a b i l i t i e s	308.9	306.9	(2.0)
N e t w o r t h	86.0	89.7	+3.7
Noncontrolling interest	1.5	1.8	+0.3
N e t a s s e t s	87.5	91.4	+3.9
External interest-bearing debt	60.8	64.6	+38
Capital adequacy ratio	21.7%	22.5%	+0.8%
D / E R a t i o	0.7 times	0.7 times	-
Net assets per share	9,770.1 yen	10,182.6 yen	
Stock price at end of term	7,220 yen	6,450 yen	
P B R	0.73 times	0.63 times	

Cash Flows

(Unit: Billions of yen)

	Fiscal Year 2023 1 st Half	Fiscal Year 2024 1 st Half	Increase/ Decrease
CF from operating activities	(2.4)	+4.6	+7.0
CF from investing activities	+0.1	+0.6	+0.5
Free cash flow (CF from operations + CF from investments)	(2.3)	+5.1	+7.4
CF from financing activities	+4.2	(1.0)	(5.2)
Comprehensive Cash Flow (Free cash flow + Financial CF)	+1.9	+4.2	+2.3

1. Summary of Business Results for the 1st Half of FY2024
2. FY2024 Full-Year Earnings Forecast

FY2024 Full-Year Earnings Forecast

- Due to the positive impact of the 1st half results, operating profit will be higher than the previous forecast, but due to the uncertain business conditions of our overseas business investees, the forecasts for ordinary profit, net profit attributable to owners of the parent company, and dividends will remain unchanged.
- The annual dividend forecast will remain at 300 yen, with an interim dividend of 150 yen and a year-end dividend forecast of 150 yen, as per the previous forecast.

(Unit: Billions of yen)

Reference: FY2023 full-year results vs FY2024 full-year forecast

	Fiscal Year 2024 1 st Half Results	Fiscal Year 2024 Previous forecast (A)	Fiscal Year 2024 Revised forecast (B)	Fluctuation (B-A)
Net sales	306.7	623.0	623.0	-
Operating profit	7.0	10.7	12.3	+1.6
Ordinary profit	6.1	11.0	11.0	-
Net profit	4.6	8.1	8.1	-
per share Net profit	519.01 yen	920.0 yen	920.0 yen	-
Dividends (yen)	150 yen	300 yen	300 yen	-

Fiscal Year 2023 Full Year Actual	Year-on-Year Increase/dec rease	Compared to the previous fiscal year Percentage change
591.4	+31.6	+5.3%
13.3	(1.0)	(7.5%)
12.8	(1.8)	(14.2%)
9.1	(1.0)	(11.1%)
1,035.4 yen	(115.4yen)	(11.8%)
315 yen	(15 yen)	-

FY2024 Forecast Ordinary profit by Unit

(Unit: Billions of yen)

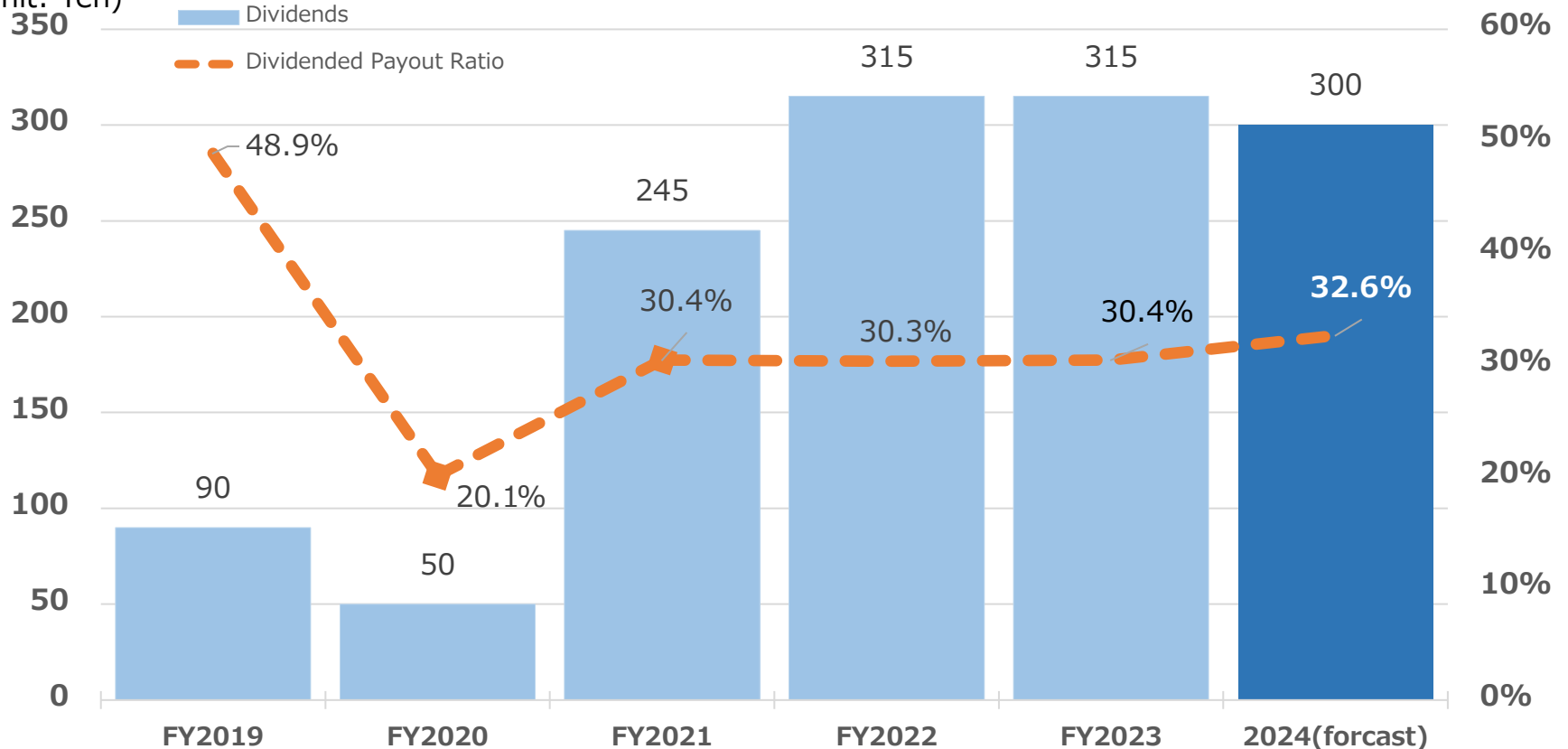
Reference: FY2023 full-year results vs FY2024 full-year forecast

		Fiscal Year 2024 2Q Results	Fiscal Year 2024 Initial Full Year Forecast	rate of progress (%)	Full Year Forecast (vs. original forecast)	Fiscal Year 2023 track record	Compared to the previous fiscal year Increase/Decrease	Compared to the previous fiscal year Percentage change
Metals	Iron & Steel	2.3	5.9	39%	→	6.6	(0.7)	(11.1%)
	Non-Ferrous	1.7	1.5	113%	↗	1.6	(0.1)	(8.3%)
	Ferrous & Recycling Materials	1.1	1.5	73%	↘	1.5	(0.0)	(0.9%)
Machinery & Welding	Machinery	0.6	1.5	40%	→	2.3	(0.8)	(35.1%)
	Welding	0.4	0.6	67%	→	0.7	(0.1)	(19.4%)
Other		0	0	-	-	(0.0)	0.0	-
Total amount		6.1	11.0	55%	→	12.8	(1.8)	(14.2%)

Dividend Trends and Forecasts

- The dividend policy **under the [Midterm Management Plan 2026](#)** is to “Maintain a consolidated dividend payout ratio of 30% or more, or a dividend per share of common stock of 300 yen, whichever is higher”.
- The interim dividend for the 2024 fiscal year has been set at 150 yen, and the year-end dividend forecast remains unchanged at 150 yen, bringing the annual dividend forecast to 300 yen.

(Unit: Yen)



No change since the announcement on May 9, 2024