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Designs for Business



FY2025 1st Quarter Financial Results

SHINSHO CORPORATION

Code: 8075

August 7, 2025

Business environment for the 1Q of FY 2025

- ☐ Japanese automobile production declined more than expected due to the impact of automobile US tariffs.
- ☐ Increased costs due to US tariffs on steel products, delays in improving profitability.
- ☐ Although some signs of recovery are visible in semiconductor manufacturing equipment, the industry as a whole is not expected to recover until the second half of the fiscal year.
- ☐ Decrease in handling volume due to delays in the resumption of operations at overseas investment coal mines and biomass power plants.

Results for the 1Q of FY 2025

- ☐ Net sales **147.7 billion yen** (down 3.1% from the same quarter of the previous year)
- ☐ Operating profit **2.9 billion yen** (down 17.9% from the same quarter of the previous year)
 - ➔ Decline in non-recurring gains from the previous fiscal year
- ☐ Net income attributable to the parent company was 2 billion yen (down 32.6%).
 - ➔ In the previous fiscal year, extraordinary income of approximately 0.8 billion yen was recorded, including gains on the sale of investment securities.

Forecast for FY 2025 (no change from previous forecast)

- ☐ For the full year, the company forecasts recurring profit of 12billion yen (+2% YoY) and net income of 9.2billion yen (+7%YoY). Shareholder return is forecast to be 106 yen, based on the policy of "dividend payout ratio of 30% or more or 100 yen per share, whichever is higher."
 - ➔ Although there were increases and decreases in each unit, the operating profit progress rate was 24.5%, and the initial performance forecast and dividend forecast remain unchanged.

FY 2025 1Q Income Statement

SHINSHO CORPORATION

(Unit: billion yen)

	First Quarter of Fiscal Year 2024 ①	2025 Fiscal Year 1Q ②	Change ③=②-①	Change ④=③/①	Full-year forecast ⑤	Progress rate ⑥=②/⑤
Sales	152.3	147.7	(4.7)	(3.1%)	637.0	23.2%
Gross profit	10.4	9.0	(1.4)	(13.9%)	-	-
Sales and administrative expenses	(6.7)	(6.8)	+0	-	-	-
Operating profit	3.7	2.2	(1.5)	(39.7%)	11.9	18.7%
Operating profit	3.6	2.9	(0.6)	(17.9%)	12.0	24.5%
Operating profit margin %	2.35%	1.99%	0.36%	-	1.88%	-
Net income attributable to Net income	2.9	2.0	(1.0)	(32.6%)	92	21.6%
※ Per share Net income (yen)	111.35 yen	75.01yen	(36.34 yen)	(32.6%)	348.00yen	21.6%

※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.

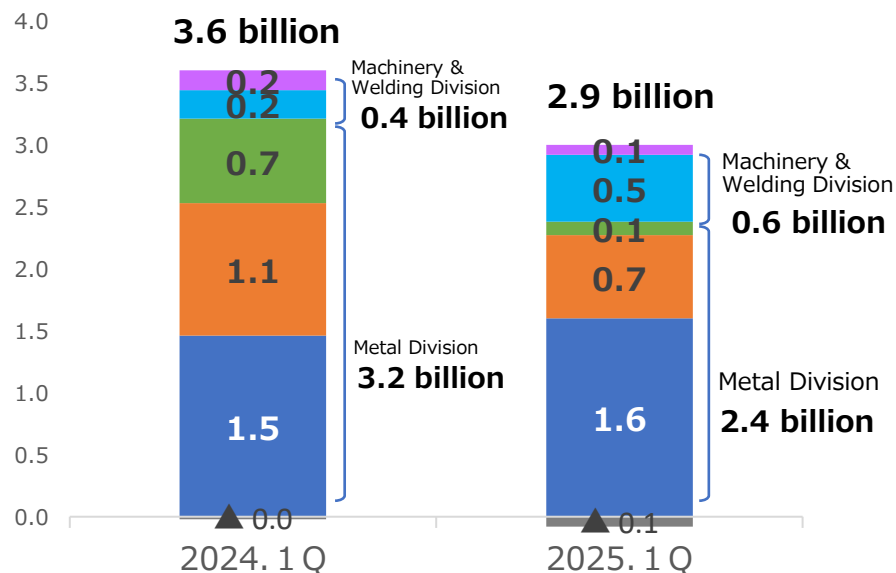
FY 2025 1Q Unit Performance Summary

YoY Comparison/Increase or Decrease

- Iron & Steel Unit: Despite a decrease in automobile production volumes and construction-related demand, sales remained flat, and operating profit increased due to the impact of non-operating income.
- Non-Ferrous Unit: Profits decreased mainly due to a decrease in the volume of aluminum raw materials handled and the impact of copper metal prices.
- Ferrous & Recycling Materials Unit: Although iron scrap remained firm, the segment's operating income decreased due to the absence of the one-time gains recorded in the previous fiscal year, the suspension of operations at overseas investees, and a decrease in the volume of biomass fuel handled.
- Machinery Unit: Increased handling volumes of battery materials and increased handling of electric arc furnaces at domestic subsidiaries contributed to profit growth.
- Welding Unit: The volume handled by affiliated companies decreased.

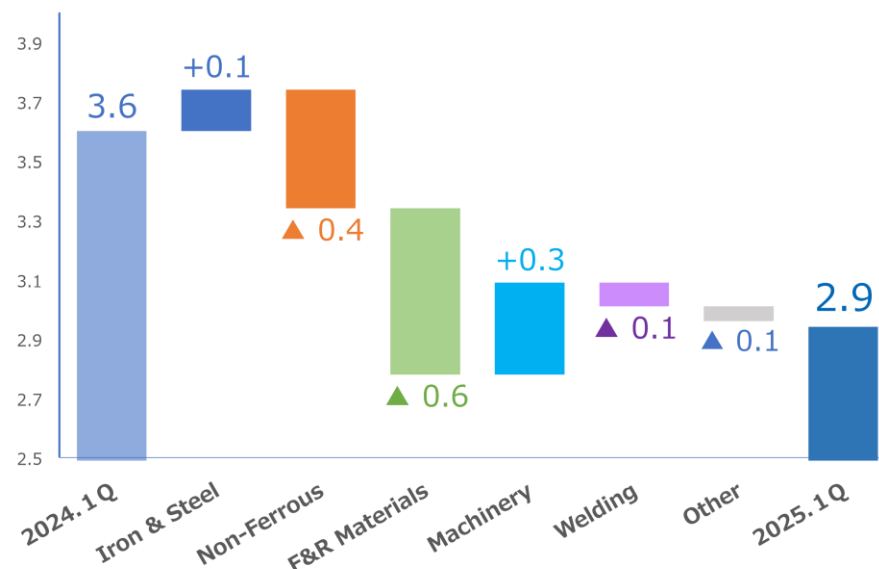
Ordinary Profit Comparison

(Unit: billion yen)



Unit-based operating profit change

(Unit: billion yen)



【Repeat】 Forecast for FY2025 Priority Initiatives

SHINSHO CORPORATION

(Red figures indicate progress this term.)

field	Three Pillars			Priority approach
	Kobelco Group business	original supply chain	SX	
Automobile	● Supply Chain enhancement			Strengthening the supply chain centered on secondary processing company "GBP" in North America. Building a supply chain in the Indian market.
Semiconductor	● Semiconductor Production Equipment Components Business			By commercializing aluminum processing for semiconductor manufacturing equipment centered on Shinsho Precision Equipment Co., Ltd., established in fiscal 2024, we will expand our product lineup.
Resource recycling	● Resource recycling business			Expanding horizontal recycling through the strengthening of automotive panels and the commercialization of aluminum chassis scrap upgrading, while also considering expansion into PCR* business areas to strengthen domestic resource recycling business. ⇒Basic agreement reached with Taguchi Metal Co., Ltd. to establish a joint venture for upgrading PCR scrap through advanced sorting (TOPICS①)
Energy	● Development of new biomass fuel products	● Biomass fuel Expansion of fee handling	● Development of new biomass fuel products	Diversify the supply chain by expanding biomass fuel sources and enhancing functionality, and participate in the semi-carbonized pellet business to expand global biomass fuel handling. ⇒Participating in the wood-based black bark pellet (BBP) manufacturing and sales business promoted by Kumagai Gumi Co., Ltd. and Kiyomoto Co., Ltd. (TOPICS②)
Manufacturing Site	● ● Provide value-added products and services			Expand customer value and strengthen profitability by expanding the range of products offered through a wider network of procurement partners, while strengthening maintenance and engineering capabilities.
Other	● TRACK Design India (TDI) Expansion of handling			Starting in fiscal 2025, we will begin full localization (local procurement, production, and sales) in India and expand our handling of construction machinery parts in the Indian market.
DX	● ● ● ● Supply Chain DX			Promote productivity improvements and database creation through DX both domestically and internationally, enhance customer satisfaction, and strengthen competitiveness. Also, begin initiatives to upgrade core systems.

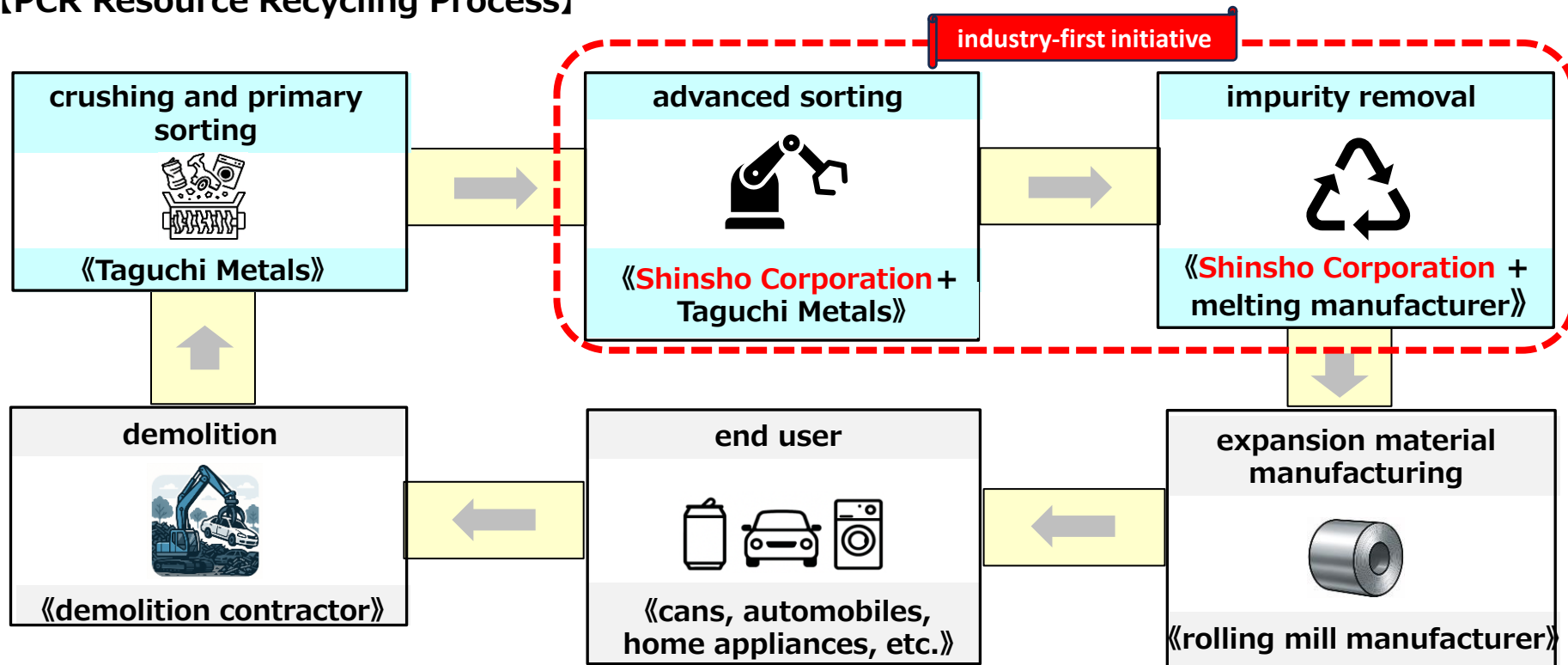
● Iron & Steel, ● Non-Ferrous, ● Ferrous & Recycling Materials, ● Machinery, ● Welding, ● New Business Promotion Office

*PCR: Post Consumer Recycle, which refers to recycling products and materials that have been discarded by consumers after use and then collected and reused.

👉 Here's the key point!

- By combining an industry-first advanced sorting process with impurity removal technology, we upgrade low-grade aluminum scrap for rolling mill manufacturers, enabling the supply of low-carbon raw materials (Japanese green aluminum) and resource recycling.
- We have concluded a basic agreement with Taguchi Metal, a major metal recycling company in the Kanto region, to establish a joint venture company, with the aim of launching recycling operations by 2027.

【PCR Resource Recycling Process】



👉 Here's the key point!

- Kumagai Gumi and Kiyomoto Iron Works are investing in and participating in a wood-based black bark pellet (BBP) manufacturing and sales business.
- BBP is a high-value-added biomass fuel that burns with high calorific value as a substitute for coal through heat treatment (semi-carbonization). This project is a local production for local consumption business that utilizes unused bark as fuel.
- This is a pioneering example of a black pellet manufacturing business for external sales in Japan, and the company is exploring business opportunities in other regions.

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 Factory
Location	Saijo-city, Ehime prefecture
Scheduled Completion	July 2026
Site area	12,000 m ²
Product	Black Bark Pellet
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



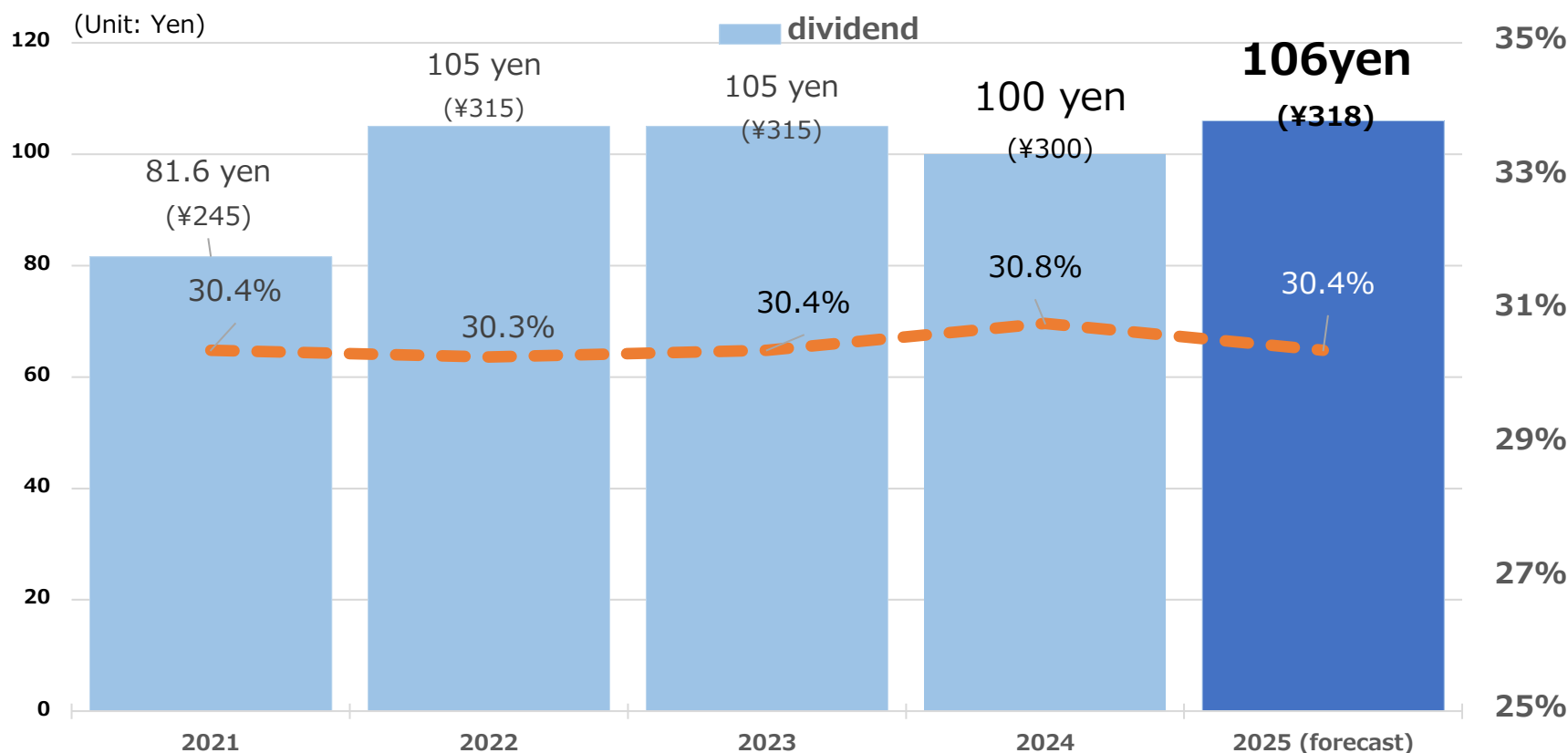
地域の森林資源を 地域のエネルギーに
Local Energy System



(Completion sketch of Saijo Pellet Factory)

【Repeat】 Dividend forecast for FY2025

- The dividend policy in the "[Midterm Corporate Strategy 2026](#)" is "a consolidated dividend payout ratio of 30% or more or a dividend of 100 yen per share, whichever is higher."
- We conducted a **3-for-1 stock split with** a record date of March 31, 2025 (effective April 1, 2025). Therefore, the dividend forecast for FY2025 is a dividend of **106 yen** per share based on a consolidated payout ratio of at least 30%.



*April 1, 2025 was the effective date of the 3-for-1 stock split, and the graphs for 2021 through 2024 are adjusted for the 3-for-1 split. Figures in parentheses for 2021 through 2025 are before stock split adjustment.

【Reference】 Balance Sheet

(Unit: billion yen)	March 31, 2024 (March 2025)	June 30, 2025 (June 2025)	Change
Current assets	337.5	324.5	(11.9)
Fixed assets	49.3	50.4	1.0
Breakdown: Tangible and intangible fixed assets	10.7	10.1	(0.6)
Investments and other assets	38.7	40.3	(1.6)
Total assets	386.9	374.9	(10.9)
Current liabilities	272.2	260.0	(11.1)
Fixed liabilities	21.7	21.9	(0.2)
Total liabilities	293.9	282.0	(10.9)
Equity	91.4	91.5	+0.1
Non-controlling interest	1.5	1.5	(0.1)
Net assets	93.0	92.9	(0)
External interest-bearing debt	61.3	59.9	(1.4)
Equity ratio	23.6%	24.4%	0.8%
D/E ratio	0.7times	0.7 times	- times
Net assets per share (※)	3,461.4 yen	3,463.1	
Closing share price (※)	1,914 yen	2,021 yen	
PBR	0.55 times	0.58 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.