

# SHINSHO CORPORATION

# Designs for Business



#### 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.**

#### Core Values

- 1** Contribution to tomorrow's manufacturing
- 2** Corporate activities with compliance
- 3** Activities in global environment
- 4** Corporate culture respecting diversity
- 5** Realization of personal growth

# Our goals as "A Trading Company that Supports Manufacturing for Tomorrow and Contributes to Society"

At Shinsho, we have formulated a business strategy and management indices for the three years leading up to 2023, setting our sights on becoming “a trading company that supports manufacturing for tomorrow and contributes to society,” which is the vision for ourselves we aspire to achieve in 10 years.

As our overall strategy, we aim to bolster our management base with a focus on the three pillars of "enhancing profitability," "promoting investments," and "strengthening trading company functions."

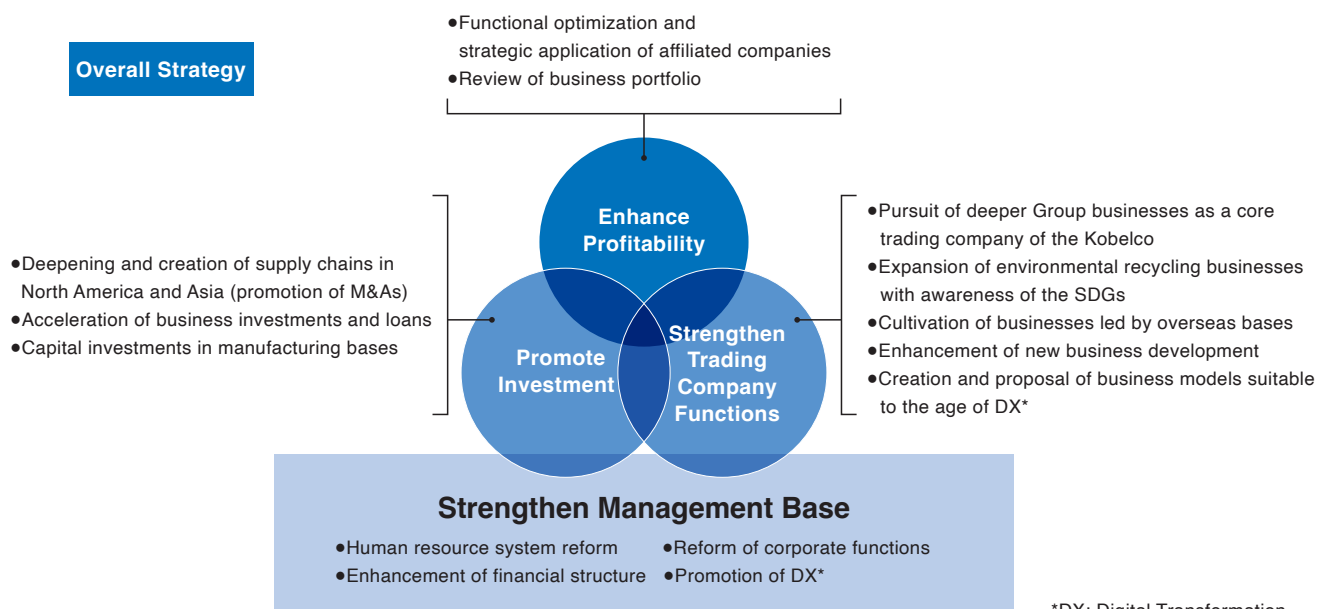
We welcome all changes as business opportunities, and while enhancing stable revenue streams, we will accelerate our efforts to achieve the SDGs in consideration of the natural environment, and spare no effort in our endeavors to create a “new world, a new era, and new values” to achieve further growth.

President and CEO

Takafumi Morichi

## Long-term management vision

A Trading Company that Supports Manufacturing for Tomorrow and Contributes to Society



# Today's rapidly changing world comes with new demands Never forgetting the aspirations of our founders, Shinsho that contributes to the wellbeing of society.

1946

The first manufacturer-affiliated trading company after WWII



TAIHEI CORPORATION

"The time is coming when trading companies will lead manufacturers. Manufacturers will need direct connections with their own specialized trading companies if they want to follow their own course." This idea, conceived by Chohei Asada, the sixth president of Kobe Steel, came to fruition in 1946 with the birth of the Taihei Corporation (precursor to Shinsho Corporation), the first manufacturer-affiliated trading company in postwar Japan.

**November 1946** Taihei Corporation founded in Kitahama, Osaka, capitalized at 2.5 million yen.

Tokyo Branch (now Tokyo Head Office) also opened.

**May 1948** Nagoya Office (now Nagoya Branch Office) opened.

**March 1954** Toyama Office (now Hokuriku Branch) opened.

**May 1954** Fukuoka Office (now Kyushu Branch office) opened.

**May 1955** Kure Office (now Chugoku Branch) opened.

**April 1957** Operational rights to Senwa Sangyo Co., Ltd. acquired.

**July 1957** Sapporo Office (now Sapporo Branch) opened.

**October 1959** Yuasa Corporation acquired.

1960

Changed company name, listed in the Tokyo Stock Exchange, established the first overseas office (USA)

SHINSHO CORPORATION  
(At the time of establishment)

THE SHINSHO AMERICAN CORPORATION

In 1960, the 14th year after the company was founded, the name was changed from Taihei Corporation to Shinsho Corporation. The Chinese character "shin" is the first character for the name of Kobe, and thus symbolizes Kobe Steel. The character "sho" means "trade." The new name reflected the company's ambition to become the core trading company of the Kobe Steel Group. In 1961, Shinsho Corporation listed in the Second Section of the Tokyo Stock Exchange. Seven years later in 1968, it listed in the First Section of the Tokyo Stock Exchange.

Concurrently, Shinsho Corporation began its overseas expansion in earnest. The Shinsho American Corporation was established in 1966. Sales for the first fiscal year of operation reached \$1.19 million.

**June 1960** Company name changed to Shinsho Corporation.

**August 1961** Shinsho Corporation listed in the Second Section of the Tokyo Stock Exchange.

**April 1964** Shizuoka Office (now Shizuoka Branch) opened.

**August 1966** The Shinsho American Corporation (now Shinsho American Corporation) established.

**August 1968** Shinsho Corporation is listed in the First Section of the Tokyo Stock Exchange.

**October 1969** Gunma Office opened.

**March 1970** Acquired a 50% stake in Asia Chemical Engineering Co., Ltd.

**September 1970** Shinsho Corporation shares selected as a margin trading issue.

**April 1973** Kakogawa Office (now Kakogawa Branch) opened.

**October 1975** Capitalization increased to 3,930 million yen.

**June 1977** System of two head offices adopted, one in Osaka and one in Tokyo.

**April 1979** Gifu Office opened.

1980

Expansion of overseas bases  
(Southeast Asia and Oceania)



THAI ESCORP LTD.

From the late 1980s into the 1990s, we vastly expanded our global network. Thai Escorp Ltd. was established in 1988 at a time when Thailand was experiencing rapid development. The company has continued to achieve notable results in such fields as welding material supply, as well as copper tube and aluminum material supply to Japanese-owned air conditioner manufacturers.

**April 1980** Tokuyama Office opened.

**July 1982** Shinsho Metal Processing Corp. (now Shinsho Non-Ferrous Metals Corp.) established.

**January 1986** Shinsho Metal Products Corporation (now Shinsho Steel Products Corporation) established.

**February 1987** Kobe Branch Office opened.

**September 1987** Shinsho (Malaysia) Sdn. Bhd. established.

**May 1988** Thai Escorp Ltd. established.

**February 1990** Shinko Shoji Singapore Pte. Ltd. established.

**November 1992** Taiwan Shinsho Corporation established.

**November 1996** Shinsho Australia Pty. Ltd. (now Kobelco Trading Australia Pty Ltd) established.

**April 1998** Shanghai Shinsho Trading Co., Ltd. established.

**September 1998** Shinsho Business Support Co., Ltd. established.



and requires new business functions.  
will continue to develop as a

2000

2010

Continued expanding with overseas bases (China and Europe) and strengthened operating income



Established in 2006, Kobelco Trading (Shanghai) Co., Ltd. is a wholly owned subsidiary of Shinsho Corporation that has trading, exporting, and importing rights in Shanghai. It was established to accommodate the market expansion that has accompanied China's rapid economic growth.

- October 2000 Certified as compliant with ISO 14001 environmental management criteria.
- November 2001 Shinsho Meihoku Wire, Inc. established.
- January 2002 Grand Blanc Processing, L.L.C. acquired.
- January 2005 Shinsho Korea Co., Ltd. established.
- August 2005 Shinsho (Philippines) Corporation established.
- January 2006 Capitalization increased to 5,650 million yen.
- June 2006 Suzhou Shinko-Shoji Material Co., Ltd. established.
- September 2006 Kobelco Trading (Shanghai) Co., Ltd. established.
- March 2007 TES E&M Service Co., Ltd. established.
- January 2009 Shinsho Europe GmbH established.



SHINSHO CORPORATION  
(OSAKA HEAD OFFICE)



SHINSHO CORPORATION  
(TOKYO HEAD OFFICE)

In the 2010s, we began proactive M&A and business investment activities with our subsidiaries Shinsho Metals Corporation and SC Welding Corporation. We continue to strengthen our operating income to support global expansion while seeking out ways to fortify our global businesses as a core company within the Kobe Steel Group.

- July 2010 Middle East Representative Office opened.
- October 2010 Kobelco Precision Parts (Suzhou) Co., Ltd. established.
- March 2011 Kobelco Trading India Private Limited established.
- May 2011 PT. Kobelco Trading Indonesia established.
- June 2011 Kobelco Trading Vietnam Co., Ltd. established.
- December 2011 Matsubo Corporation acquired.
- January 2012 Kobelco Plate Processing India Private Limited established.
- January 2013 Shinsho Osaka Seiko (Nantong) Corporation established.
- April 2013 Shinsho Mexico S.A. de C.V. established.
- July 2014 Kobelco Tsutsunaka Trading Co., Ltd. acquired as subsidiary. (now Shinsho Metals Corporation)
- July 2015 KTN Co., Ltd. acquired as subsidiary
- July 2015 Aiken Wire Processing, L.L.C. established.
- January 2016 Nakayama Corporation acquired as subsidiary. (now Shinsho Metals Corporation)
- April 2016 SC Welding Corporation acquired as subsidiary.
- May 2016 Sydney Office and Brisbane Office opened.
- April 2017 MORIMOTO KOSAN Co., Ltd. acquired as subsidiary.
- July 2019 Merged Nakayama Corporation and Kobelco Tsutsunaka Trading Co., Ltd. and changed company name to Shinsho Metals Corporation
- September 2019 Tokyo head office relocated.
- March 2021 Track Design India Private Limited is established.
- September 2021 Acquires 100% ownership of Kobelco Precision Parts (Yangzhou) Co., Ltd.
- April 2022 Moves to the prime market.
- February 2023 KTN METAL VIETNAM CO., LTD. is established.

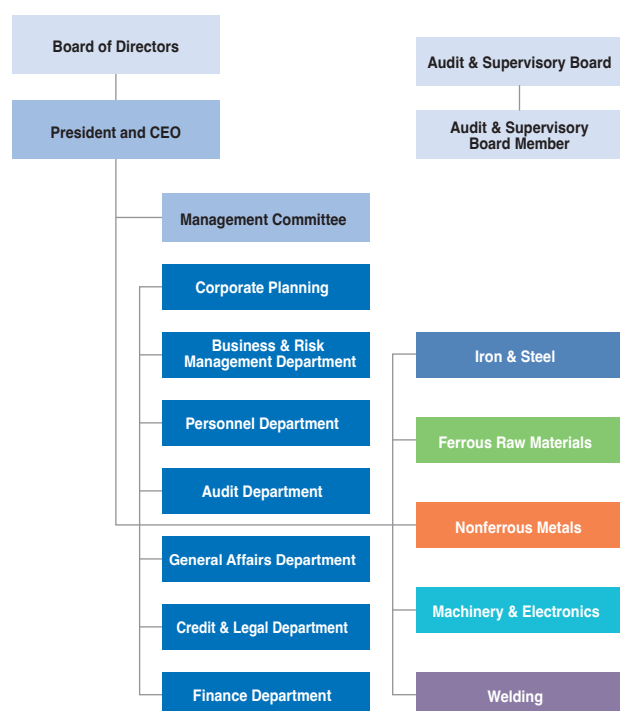
## Corporate Profile

(As of March 31, 2023)

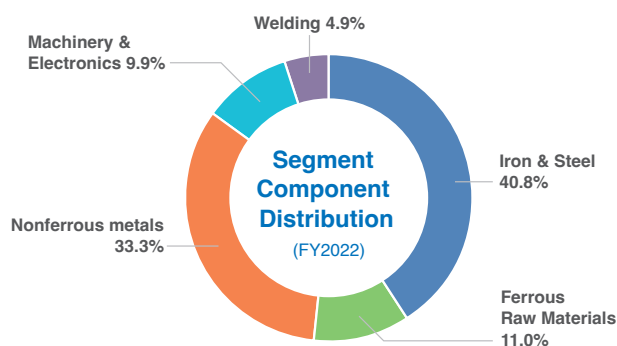
<b>Name</b>	Shinsho Corporation
<b>Established</b>	November 12, 1946
<b>Paid-in Capital</b>	¥5,650.28 million
<b>President and CEO</b>	Takafumi Morichi
<b>Head Offices</b>	[Osaka] Yodoyabashi Square, 6-18, Kitahama 2-Chome, Chuo-ku, Osaka 541-8557, Japan   [Tokyo] Museum Tower Kyobashi, 7-2, Kyobashi 1-chome, Chuo-ku, Tokyo 104-8389, Japan
<b>Employees</b>	[Consolidated] 1,404 [Non-consolidated] 561
<b>Average Age of Employees</b>	39 years and 7 months old
<b>Offices</b>	Head Offices 2, Branch Offices 3, Branches 5, Offices 1, Overseas Representative Offices 3
<b>Consolidated Subsidiaries</b>	39 (7 in Japan and 32 overseas)
<b>Equity Method Affiliated Companies</b>	16 (6 in Japan and 10 overseas)
<b>Net Sales</b>	584,856 million yen (fiscal year ended March 2023)
<b>Fiscal Year</b>	From April 1 to March 31 of the following year
<b>Main Business Lines</b>	Import/export and trading of products such as iron and steel, raw materials,   nonferrous metals, machinery, information industry and welding
<b>Major Financial Institutions of the Borrowed Money</b>	Mizuho Bank, Ltd., MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation.
<b>Certified Public Accountants</b>	KPMG AZSA LLC
<b>Listing of Shares</b>	Tokyo Stock Exchange (Prime Market)

\* Since FY2022, the number of employees has included employees who are on loan and employees taking childcare leave while it has excluded seconded employees on loan, temporary employees and national staff at overseas offices.

## Organization



## Segment Sales (Consolidated)



\* The segment component distribution does not include reports and other cancelled-out sales and internal transactions that do not belong to any one segment.

Segment	Sales (unit: millions of yen)	Segment profit (unit: millions of yen)
Iron & Steel	238,585	5,140
Ferrous Raw Materials	64,535	1,498
Nonferrous Metals	194,480	2,675
Machinery & Electronics	58,143	2,170
Welding	28,870	804
Other	538	378
Adjusted amount	△297	—
<b>Total</b>	<b>584,856</b>	<b>12,668</b>

## A trading company that supports manufacturing for future, and contributes to society

To achieve our long-term corporate vision to "Be a trading company that supports manufacturing for future, and contributes to society." Shinsho Corporation views every change happening throughout the world as an opportunity. We will continue our strategy of creating a "New World, New Era, and New Value" to grow hand-in-hand with customers while refining the manufacturing support systems and value adds we've nurtured to date.

### Shinsho quality throughout the world

We at Shinsho Corporation have honed our technical prowess and capabilities to make proposals as manufacturer with the international expansion of bases for our five divisions: Iron & Steel, Ferrous Raw Materials, Nonferrous Metals, Machinery & Electronics, and Welding. We will continue to improve functionality at our overseas bases, have our global bases work cooperatively, and provide value-added solutions for the future while providing the same quality products and services found in Japan.

#### 【Priority Initiatives】

We have set "Reducing weight in EVs and automobiles" and "A Resource Circulation Business" as our areas of focus and are putting initiatives in place to respond to actions towards carbon neutrality.

### Enhancing Functions and Connections in Three Major Regions

#### EAST ASIA

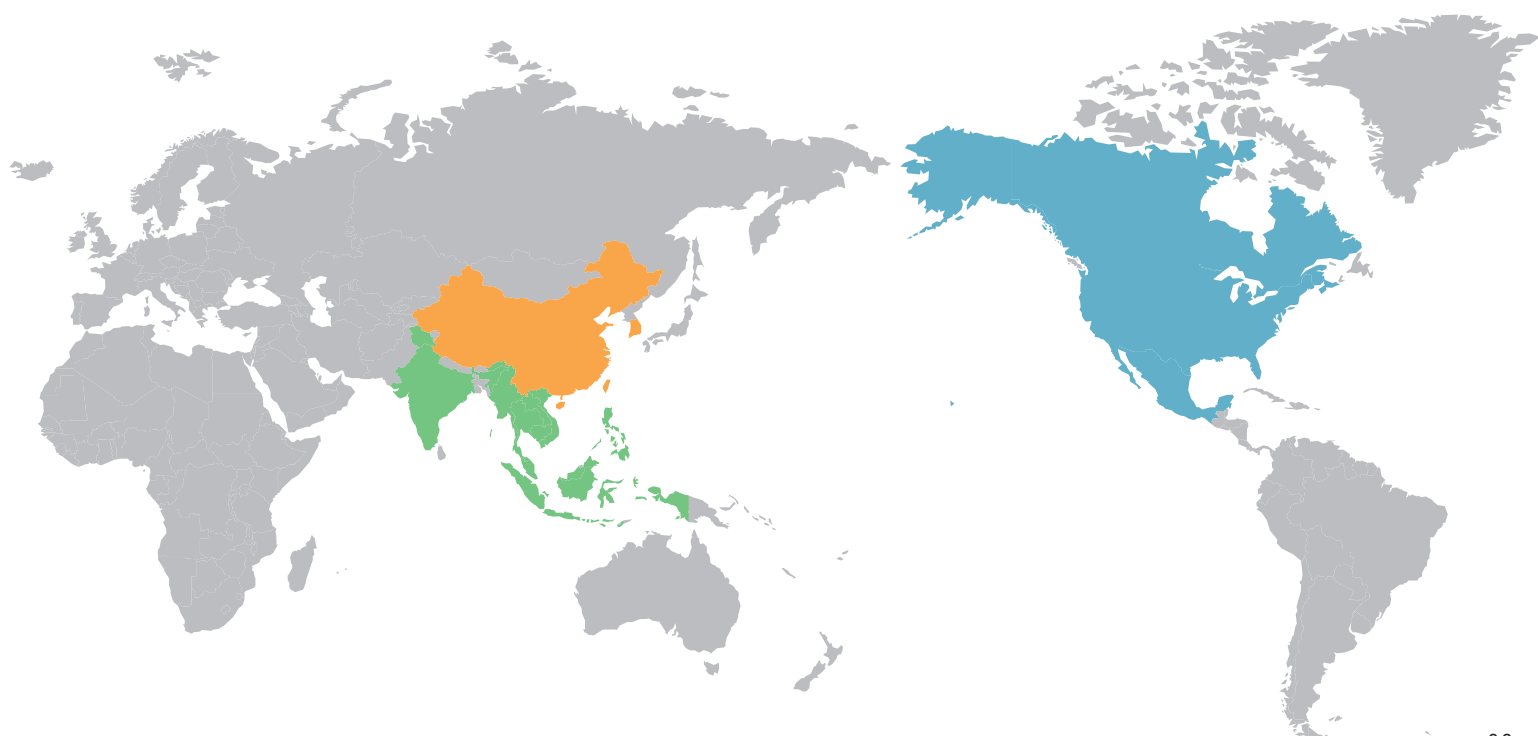
- Expanding transactions with Kobe Steel Group companies, automotive manufacturers, LCD panel manufacturers and others, primarily through Kobelco Trading (Shanghai).
- Expansion of aluminum processing (Suzhou Coil Center and Kobelco Precision Parts (Suzhou) and (Yangzhou))

#### ASEAN and India

- Expanding transactions in automotive/ bicycle industry and in the field of ferrous and nonferrous raw materials through 16 companies' network.
- Collecting information and promoting regional connections to capture infrastructure demand in Vietnam, Myanmar, Cambodia, etc.

#### North and Central America

- Strengthening the wire material business in North and Central America through sales locations (North America, Mexico), secondary wire processing locations (North America) and closer connections with our operational center (Japan).



# IRON & STEEL



## Evolving a high-quality and stable supply chain.

We procure and supply steel products from around the world for our customers, with a focus on Kobe Steel Group products. We strive to create new added value by utilizing our history of building supply chains, such as establishing local secondary processing manufacturers, refining logistical capabilities, and more.

### Features

#### Using information and added value to support our customers' global manufacturing activities

The ability to exchange and gather information and manufacturing expertise are essential in the creation of stable procurement lines, securing product supply and ensuring product quality around the world. Based on the close partnership and trust relationships with Kobe Steel, Ltd. and other companies of the Kobe Steel Group, the Shinsho Corporation utilizes its unique global network spanning the Americas, China, Thailand and many other countries and regions to establish a procurement and supply system in accordance with customers' requests regarding product quality and price. We also dispatch Shinsho Corporation employees to local secondary processing manufacturers and partner companies so that they can understand local manufacturing and increase product knowledge in order to improve their information gathering capabilities and added value. Furthermore, we develop human resources whose skills are sufficient for becoming involved in the management of our business. The Iron & Steel Division's mission is to look at things from the customer's perspective, pursue customer satisfaction, think about and implement the methods that will maximize our pursuit of customer satisfaction and continue to be committed to the proposal of solutions.

#### Becoming an irreplaceable manufacturing presence

The Iron & Steel Division plans to achieve the following milestones. Become experts in logistical coordination and material supply with a variety of supply chains that can respond to the changing demands of FY2023. Be a business unit (sustainable business unit) that continues to support manufacturing through proposals and material supply chains (procurement + logistics) that can respond to the needs of consumers in FY2030. Go beyond being a steel product trading firm for Kobe Steel, Ltd. and become an irreplaceable presence by independently thinking and acting, with strong relationships of trust with customers, handling different types of products including wire materials, steel plates, automotive parts, construction materials and titanium and stainless materials. To achieve the above goals, endeavor to develop new businesses like investment, M&A, working with offshore wind power generation businesses, supplying special alloys for photovoltaic power generation, reducing weight in EV (electric vehicle) components, and more.





## Main Products



### Wire Rods and Bars

KOBELCO wire rods and bars are used in the automotive industry and other fields. Working with secondary processors, Shinsho provides customers with a reliable supply of high value-added wire rod and bar products.



### Steel Plates

Known for its superb processability and weldability, KOBELCO steel plates provide the foundation for a wide range of industries.



### Steel Sheets

Kobe Steel produces high-strength steel sheet, another product that Shinsho supplies.



### Titanium

We are also able to procure titanium from overseas manufacturers, including highly reliable titanium products from Kobe Steel, Ltd. We will address a wide variety of needs.



### Steel Powders

We provide a steady supply of various KOBELCO steel alloy powders, which are highly regarded overseas as material for making automotive and other sintered parts.

#### Half-finished Steel Products

Ingot, blooms, billets, slabs

#### Special Steel Products

Carbon and alloyed steel for structural use in machinery, stainless steel, heat-resistant steel, tool steel, spring steel, bearing steel, free-cutting steel, high tensile-strength steel, high manganese steel, special alloys

#### Construction Materials

Columns, tie rods, steel pipe piles, guard cables, guard rails, gratings, anti-sway bars, high-tension bolts, stud dowels, steel fibers, high-strength shear reinforcement, geogrids, other general construction and civil engineering materials, safety fences for walkways, mesh to prevent falling rocks, tide barriers

#### Castings and Forgings

Engine crankshafts, stern frames, propellers, turbine shafts and blades, various rolls, die steel

#### Carbon Steel Products

Wire rods, hard steel wire rods, bars in coil, steel plates, hot-rolled steel strip, cold-rolled steel strip, surface treated steel sheets, colored steel sheets, steel pipes, round reinforcement bars, deformed bars, section steel

#### Wire Rod Products

Steel wires for cold forging, hard steel wires, PC steel wires, wire ropes, spring wires, stainless steel wires, annealed steel wires, nails, thin wires, wire mesh, barbed wires, polished steel bars, screws, bolts, nuts, binding wire, cold-forged products

#### Titanium/ stainless steel

Titanium material (powder), pure titanium, titanium alloys, secondary titanium products, titanium plates, titanium pipes, stainless steel plates, stainless steel pipes

#### Casting Materials and Cast Products

Pig irons for casting, auxiliary materials for casting, iron scrap, cast and forged products, steel powders

## Topics

### Reconsolidating GBP, a secondary processing facility for wire materials in the USA

GRAND BLANC PROCESSING, L.L.C. (hereinafter "GBP"), a company engaged in the secondary processing of wire materials and wire material products mainly funded by Shinsho American Corporation, expanded its pickling equipment line (for the removal of oxide films, etc.), improved its STC (short time cycle) and renovated its wire drawing machine. This not only vastly improved manufacturing capabilities but also increased product quality. GBP is highly regarded in the industry for quality. We will constantly look to improve product quality and stabilize product supplies, aiming to become an indispensable presence in our customers' manufacturing activities.





# FERROUS RAW MATERIALS



**Beyond providing a stable supply of materials indispensable for the production of steel, the Ferrous Raw Materials Division contributes to decarbonization and the creation of a circular society by processing renewable products and fuels.**

The resources and fuels required by customers in this high-flux social environment are undergoing dramatic changes. By utilizing the international network we have cultivated over time, the Ferrous Raw Materials Division maintains a stable supply of the resources necessary for steel manufacturing while both accelerating the incorporation of future renewable products and fuels and contributing to the creation of a circular society.

## Features

**Results and experience cultivated from a rich history in the steel resource business. But there's more to it than that.**

Shinsho Corporation retains a long history of working with steel recycling products and steel materials like iron ore, coking coal, alloy steel, iron scrap, slag, and more. We do more than just import steel production materials and have successfully created a stable steel materials supply network through an Asia-centric trilateral trade agreement and investments that include coal mines in Australia and coking coal plants in Malaysia. Beyond steel production materials, we are also developing new markets that will stimulate demand for the RPF we have pioneered as a fuel alternative to coal. The change to advocating for renewable fuels like biomass fuels has been a radical pivot for our company. However, we will continue to make full use of our long business history to maintain our presence as a company that can respond to a variety of needs by listening to customers and suppliers.

## Accelerating the transition to a zero-waste business

To date, Shinsho Corporation has worked with renewable materials and fuels like steel scrap, slag products, RPF, wood shavings, and more to help create a circular society. We work daily to expand our handling of biomass fuels like PKS (palm kernel shells) and wood pellets in order to contribute to Japan's renewable energy policies. In addition to growing sales of these biomass fuels, we are expanding our sales of cold iron materials and conducting educational training to achieve our 2030 Vision of "Expanding and growing our zero-waste business based on the Shinsho Materials business and becoming the world leader in professional human resources". We simultaneously support Kobe Steel's "Carbon Neutral Strategy" and work to achieve that goal.





## Main Products



### Ferrous Raw Materials

We procure iron ore, coking coal and other main raw materials for ironmaking as well as auxiliary materials such as limestone and steadily supply them mainly to Kobe Steel, Ltd.



### Alloy Steel

Iron alloys add all kinds of properties to iron. We procure them from within and outside the country and sell it to domestic and overseas customers.



### Titanium Materials

We supply titanium sponge and titanium scrap which are the raw materials for titanium, mainly to Kobe Steel, Ltd.



### Steel scrap

Shinsho Corporation sells scrap to Japanese electric furnace manufacturers and also exports scrap from Japan to international electric furnace manufacturers via a trilateral trade agreement.



### Biomass fuel (PKS and wood pellets)

We steadily supply products such as PKS and wood pellets to power generation companies in Japan.



### Renewable Fuels (RPF)

We sell RPF, wood shavings and other recyclable fuels to paper manufacturers in Japan.

### Materials for Making Iron and Steel

Iron ore, coking coal, coke, iron alloys, limestone, dolomite, iron scrap, pig iron for steel making, stainless steel scrap, electrodes, refractory materials, petroleum products, recarburizers and other auxiliary materials

### Others

Slag products, slag powder (Kment), cement, secondary cement products, refuse paper and plastic fuel (RPF), wood shavings, PKS, woody pellets, titanium sponge, titanium scrap, chemical products, new materials and other auxiliary materials

## Topics

### Biomass fuels to help realize a carbon-neutral society

The Ferrous Raw Materials Division imports and sells PKS, wood pellets and other biomass fuels from overseas to domestic companies that generate biomass power, a type of renewable energy that is drawing attention. Biomass fuels absorb carbon dioxide during the process of the growth of the plants from which the fuels are obtained. For this reason, biomass fuels can reduce GHG emissions more than the conventional practice of using fossil fuels to generate power. The Ferrous Raw Materials Division is committed to realizing a sustainable carbon-neutral society through the encouragement of the use of biomass fuels.





# NON FERROUS METALS



## Keep creating high added value as a total production group.

We are constantly looking to satisfy customers through added-value proposals that go beyond the materials like aluminum and copper materials to include processing, assembly, recycling, and more. In this way, we look to grow along with our customers as we proactively promote resource circulation and explore new fields and technologies.

### Features

#### Total production, from materials to assembly

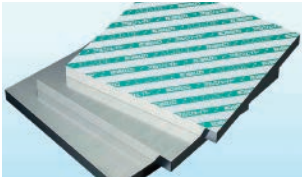
Beginning with the Kobe Steel, Ltd., we utilize our domestic and global networks to provide a vast array of nonferrous metal products. The Nonferrous Metals Division applies their skills to provide a total production process, from materials to processing and assembly. For example, we can provide assembled modules with resin products in addition to copper lead frames. We operate aluminum coil centers for Chinese automobile sectors and aluminum processing and assembly centers for IT. We're also moving forward with aluminum plank cutting plants for ASEAN countries. We will continue to offer total production packages with an eye on the business environment and society in which we operate.

#### SDGs cognizant recycling

SDGs and environmental considerations like reducing CO2 continue to increase in importance as time goes on. The Nonferrous Metals Division pursues ways to add significant value by recycling nonferrous metal scrap. For example, we separate out aluminum scrap for use in automobiles for horizontal recycling. We've upgraded recycled copper materials and recycled resin materials produced from recycled electric wire waste. These kinds of additional solutions like reusing materials that contribute to the creation of a circular society is one strength of Shinsho Corporation.

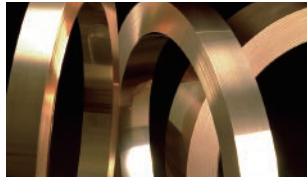


## Main Products



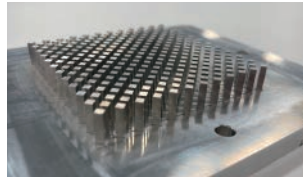
### High-precision Aluminum Plates

High-precision aluminum plates from Kobe Steel, Ltd. Used as the base material in the cutting process primarily for semiconductor and LCD manufacturing equipment, these plates are shipped anywhere in the world to customers in a variety of fields.



### Copper Strips for Electronics

We supply unique copper strips made using Kobe Steel Ltd.'s technical expertise for use in connectors and terminals in vehicles that assist in miniaturization and multipolarization as well as for use in power devices that provide both strength and high conductivity in order to contribute to the creation of a carbon neutral society.



### IGBT Heat Sinks for Automobiles

Heat sinks are indispensable for managing heat in EVs. We supply semiconductor manufacturers with high quality products by coordinating the sub supply chain from materials to processing and sub assembly.



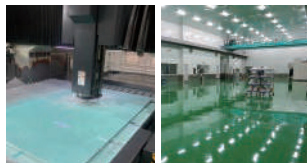
### Automobile Panels

An EV's battery weighs more than its engine and aluminum panels contribute to reducing vehicle body weight, which is crucial for extending the range of EVs. Collecting and reusing waste material produced in panel manufacturing to reduce the environmental load.



### Chinese Coil Center: Suzhou Shinko-Shoji

This coil center is dedicated to producing aluminum coils. It meets customer needs using reams of data and an extensive product line ranging from Kobe Steel, Ltd.'s famously high-quality and high-functionality products to products from mills both within China and overseas.



### Chinese Processing Center: Kobelco (Suzhou)

### Chinese Assembly Center: Kobelco (Yangzhou)

We have an aluminum processing center in the Chinese city of Suzhou and a clean room assembly center in the city of Yangzhou. By joining the two production bases, we are developing an integrated OEM production process of procurement → processing → assembly → on-site installation focused on the vacuum manufacturing equipment sector.

#### Aluminum Products

Aluminum and aluminum alloys in the forms of plate, bar, shapes, pipe, rod, wire and foil

#### Cast Products

Precision aluminum and magnesium cast products

#### Copper Products

Copper and copper alloy in the forms of sheet, bar, pipe, rod and wire; copper and copper alloy tube for heat exchange applications

#### Processed Aluminum and Copper Products

Parts, products and half-finished products that primarily consist of aluminum or copper

#### Aluminum and Copper Material

Copper, aluminum, zinc, magnesium, ingots, recycled ingots, general scrap

## Topics

### Resource recycling and cost savings

Horizontal recycling is a form of recycling where products at the end of their lifecycle are used as material in the creation of similar products. The Nonferrous Metals Division horizontally recycles aluminum for use in automobiles. Specifically, they collect aluminum scrap from Japanese automobile manufacturers and sort it by grade. A car hood, for example, would be classified as recyclable materials for hoods and sold to rolling mills. This horizontal aluminum recycling process results in both increase in resource recycling and cost reduction.





# MACHINERY & ELECTRONICS



## Supporting our customers' manufacturing by providing reliable service.

We consider our mission to be growing and expanding alongside our customers. Bolstering our logistics capabilities and expanding local maintenance bases helps us fulfill our goal of contributing to our customers' manufacturing work by providing maintenance and supplying materials via a supply chain comprised of robust domestic and international networks.

### Features

#### Customer support utilizing a global supply chain

Starting with Kobe Steel Group products, we select and supply our customers with the best industrial machinery and electronic information equipment from around the world. Our ability to provide global procurement and proposals comes from our local companies and offices throughout Eastern Asia, each Southeast Asian country, Dubai, Europe, North America, and beyond. Each base works closely with other bases and we create results by using our growing network of import/export businesses and trilateral businesses. For example, to support our customers' overseas manufacturing, we are in the process of establishing local manufacturing bases through joint ventures with suppliers and creating a highly competitive parts supply system. That level of commitment and execution is the Shinsho Corporation way. We plan to increase future overseas business by 60%.

#### Moving towards a digital society that accelerates implementation of IT-connected equipment

The rapid evolution of digital technology is drastically changing our living environment. Amongst this massive environmental change, we provide a variety of products and services in the industries and sectors of semiconductors, hard disks, and more. We work with a vast range of products, including semiconductor inspection equipment with a range of functions for memory, calculation, and power saving, a variety of electric components like the camera modules used in computers and portable devices, hard disk equipment for data centers in accordance with the growing investment in cloud services, and more. Moving forward, we will continue to respond to customer needs as we prepare for advancements in DX technology and the inevitable progress of time.





## Main Products



### Large-size and standard compressors

A line-up of turbo-type, screw-type and reciprocating-type large compressors for a wide range of gas, air and steam applications. Standard compressors are largely screw-type, for air compressors and freezers.



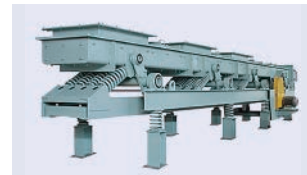
### Tire and rubber machinery

Our product lineup includes tire and rubber machinery, such as rubber kneading and tire vulcanizing machinery, for use with vehicles, construction machinery and other equipment.



### Arc ion plating (AIP) plant

Equipment acclaimed both in Japan and overseas that includes AIP plant and roll coaters (roll-to-roll coating) for newly developed and high-function materials and other advanced applications.



### Vibratory equipment

Vibratory equipment for a broad spectrum of applications for conveyance, screening, cut-out, feeding, drying, cooling, etc. in many different industrial areas including foodstuffs, chemicals, steel, dock-work, rubber and sugar.



### Semiconductor inspection equipment

We offer a range of semiconductor inspection equipment powered by our original optical image processing technologies (edge profile monitors, flatness and shape measurement devices, etc.) to contribute to the constantly growing demand for semiconductors.

#### Chemicals, food processing equipment

Processing, kneading and molding; reacting, mixing and drying

#### Iron and steel, non-ferrous metal related equipment

Steelmaking, rolling plant, forming and processing, transportation, installation and maintenance

#### Electronic and IT equipment

Sputtering target materials, hard disk-related, semiconductor-related, camera modules

#### Environment and energy-related equipment

Air gas- and water treatment-related products, electricity generators, labor-saving devices

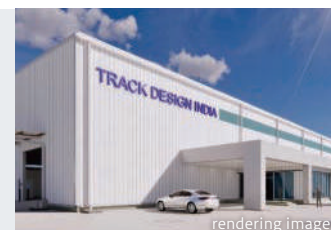
#### General industrial equipment

High-function products, brakes and clutches, vacuum and sintering furnaces, industrial furnaces, weighing equipment, filling and packaging equipment, crushing balls, motors, reduction gears, bearings, can making products, press machines

## Topics

### Establishing a joint venture for construction equipment parts in India

India, which has continued to grow throughout the COVID-19 pandemic, is expected to continue its long-term construction investments like mines, building infrastructure, and more. The Machinery & Electronics Division sees the construction equipment needs of this growing industry as a business opportunity. The market tends to be dominated by local manufacturers, however, so we formed a joint venture with the Korean forged parts manufacturer DAECHANG FORGING Co., Ltd. to establish a construction equipment parts manufacturing and sales company at the Mahindra Industrial Park in India. Operations are scheduled to begin in July 2023.



# WELDING



## Offering new solutions that integrate IT with a wealth of knowledge on materials

Shinsho Corporation can offer a total solutions package starting with Japan's leading welding materials from Kobe Steel all the way up to solvent materials, welding equipment, and welding robots. In 2020, the organization was restructured - including Group businesses under the Welding Division - to strengthen our sales capabilities. We can now offer our customers new technologies and added value.

### Features

#### Abundant product knowhow and technical capabilities for total solution packages

Kobe Steel's welding product lineup includes approximately 800 brands. Shinsho Corporation is proud to be the largest handler by volume within the Kobe Steel Group. We use our abundant product knowledge and technical expertise to offer total solutions to customers in China, Japan, and ASEAN countries, with focus on Japan and Thailand. Shinsho Corporation also offers automated welding systems that combine welding materials and welding robot systems. We have also improved our overseas maintenance systems and built a dedicated Maintenance Department in Thailand that offers periodic inspections and maintenance for our customers' equipment. Shinsho Corporation has the technical expertise to work with lines composed of robots from multiple manufacturers. We can help any customer looking to streamline their factory operations.

#### Take on the challenge of supporting manufacturing in general with environmentally friendly proposals

The Welding Division is expanding the scope of the business to support the whole manufacturing process, starting with conventional arc welding. For example, we have begun offering new total solutions that contribute to enhancing quality and improving productivity, like dissimilar welding of aluminum and steel to correspond with weight reductions in automobiles and the integration of high value-added wire using state-of-the-art technologies and specialized equipment. The Division also proposes the achievement of the compatibility of environmental impact reduction and manufacturing support through the promotion of eco-friendly businesses. For example, the Division establishes a process for collecting used detergent and reusing it for other purposes to reduce environmental waste and procurement costs.





## Main Products



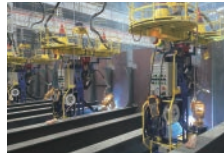
### Welding materials

Kobe Steel welding materials we supply cover some 800 different branded items, from shielded metal arc welding rods to wire and flux for automated or semi-automated welding, and are widely acclaimed as technically sophisticated products suited to all welding needs.



### Welding equipment

Welding equipment generates the arc necessary for welding. We handle many different types including shielded metal arc welding and CO<sub>2</sub> arc welding kits.



### Shipyard Line Welding Systems

These systems provide the strength, quality, and optimization required when building ship hulls. They help shipyards automate.



### Robotic Welding Systems for Large Pillar Assembly

We provide automated welding systems for the steel pillars and beams used in skyscrapers. Conventional welding requires a weld operator to work for long hours, but automating the process results in increased weld quality and work efficiency.



### Welding raw materials

Raw materials such as minerals, various metals, alloys etc. needed to manufacture welding materials are procured worldwide.

#### Welding materials

Shielded metal arc welding rods, solid wires, flux-cored wires, submerged arc welding wires and fluxes, inert gas wires, and ancillary materials for welding use

#### Materials for production

Alloys, metal powders, mining products, ilmenite, hoop materials (mild, stainless steel), plastics and plastic products, special steel wires, spools for welding wire, polypropylene, paper and cardboard products, packing materials

#### Welding-related equipment

Welding robots & FA systems, arc welders, low frequency resistance welders, laser welding equipment, laser cutting equipment, plasma cutting machines, gas cutters, stud welders, high pressure gas containers, low-energy automated welding equipment and peripheral devices, dryers, transporters, equipment and materials for brazing, dust collectors

## Topics

### Providing new products and services using AI and IoT

We have launched machinery able to digitalize test data by making it possible to monitor and check equipment conditions remotely using AI, IoT cameras and equipment that can detect where air leaks occur at a glance using camera images, instead of relying on conventional visual checks. We have also started services for the machinery. By providing the new products and services, we seek to help streamline the inspection and maintenance work at manufacturing sites.





# Networks



OSAKA HEAD OFFICE

TOKYO HEAD OFFICE

# Network in Japan

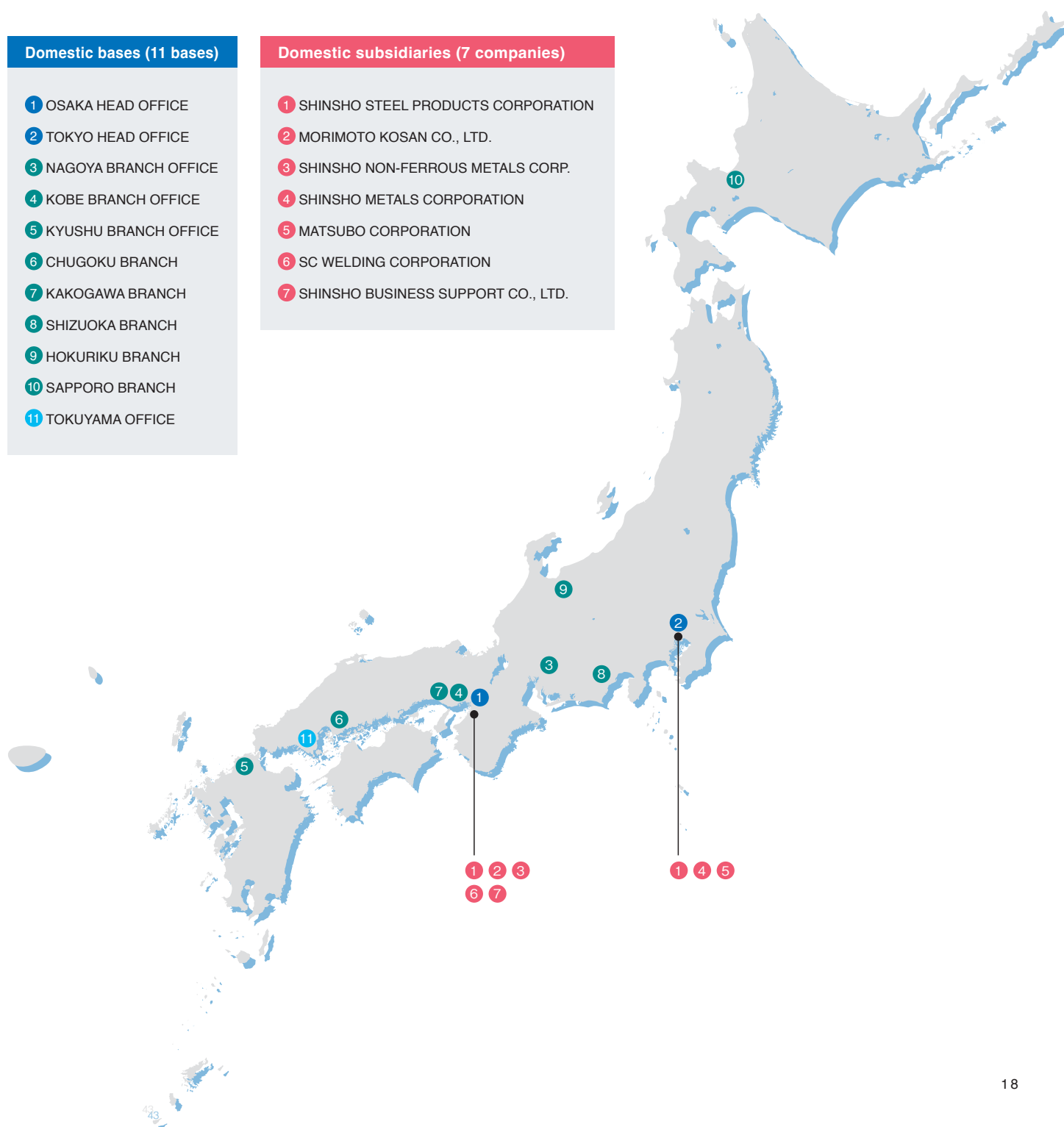
(As of March 31, 2023)

## Domestic bases (11 bases)

- 1 OSAKA HEAD OFFICE
- 2 TOKYO HEAD OFFICE
- 3 NAGOYA BRANCH OFFICE
- 4 KOBE BRANCH OFFICE
- 5 KYUSHU BRANCH OFFICE
- 6 CHUGOKU BRANCH
- 7 KAKOGAWA BRANCH
- 8 SHIZUOKA BRANCH
- 9 HOKURIKU BRANCH
- 10 SAPPORO BRANCH
- 11 TOKUYAMA OFFICE

## Domestic subsidiaries (7 companies)

- 1 SHINSHO STEEL PRODUCTS CORPORATION
- 2 MORIMOTO KOSAN CO., LTD.
- 3 SHINSHO NON-FERROUS METALS CORP.
- 4 SHINSHO METALS CORPORATION
- 5 MATSUBO CORPORATION
- 6 SC WELDING CORPORATION
- 7 SHINSHO BUSINESS SUPPORT CO., LTD.

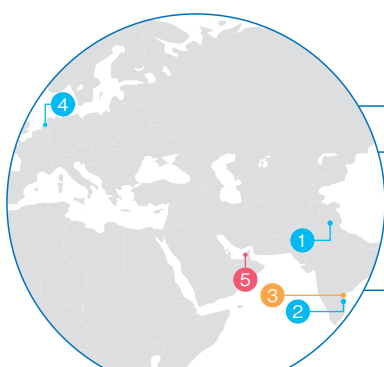




# Networks

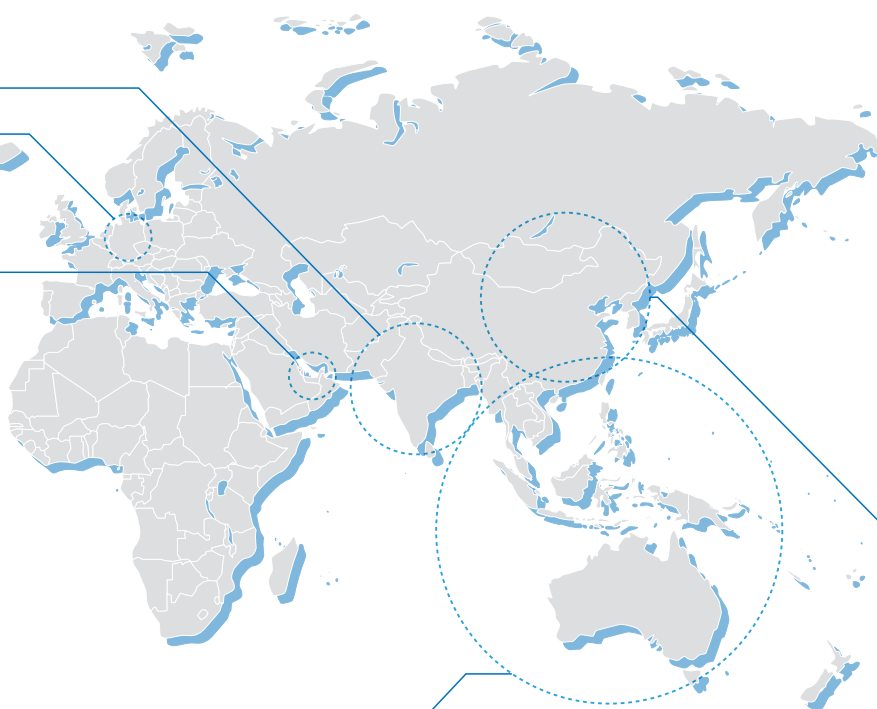
## Global Network

● Subsidiary ● Affiliated company ● Overseas representative office



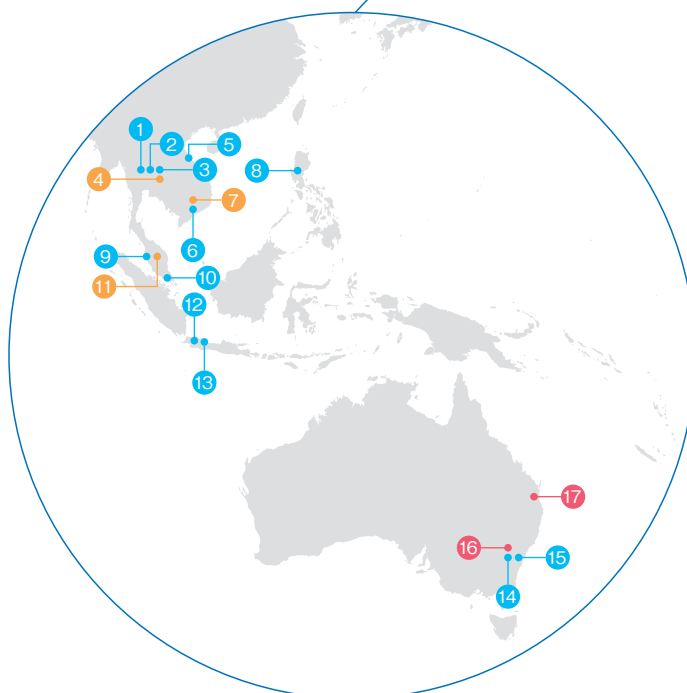
### INDIA · UNITED ARAB EMIRATES · GERMANY

- 1 KOBELCO TRADING INDIA PRIVATE LIMITED
- 2 KOBELCO PLATE PROCESSING INDIA PRIVATE LIMITED
- 3 TRACK DESIGN INDIA PRIVATE LIMITED
- 4 SHINSHO EUROPE GMBH
- 5 DUBAI OFFICE



### SOUTH EAST ASIA · AUSTRALIA

- 1 THAI ESCORP LTD.
- 2 TES E&M SERVICE CO., LTD.
- 3 SHINSHO METALS (THAILAND) LTD.
- 4 ONDO SHINSHO (THAILAND) CO., LTD.
- 5 KTN METAL VIETNAM CO., LTD.
- 6 KOBELCO TRADING VIETNAM CO., LTD.
- 7 VINA WASHIN ALUMINUM CO., LTD.
- 8 SHINSHO (PHILIPPINES) CORPORATION
- 9 SHINSHO (MALAYSIA) SDN. BHD.
- 10 SHINKO SHOJI SINGAPORE PTE. LTD.
- 11 NAITO ASIA SDN. BHD.
- 12 PT. KOBELCO TRADING INDONESIA
- 13 PT. SHINSHO METALS INDONESIA
- 14 SHINSHO MORANBAH COAL PTY. LTD.
- 15 KOBELCO TRADING AUSTRALIA PTY. LTD.
- 16 SYDNEY OFFICE
- 17 BRISBANE OFFICE





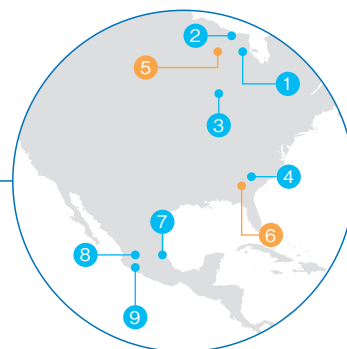
SHINSHO AMERICAN CORP.



THAI ESCORP LTD.



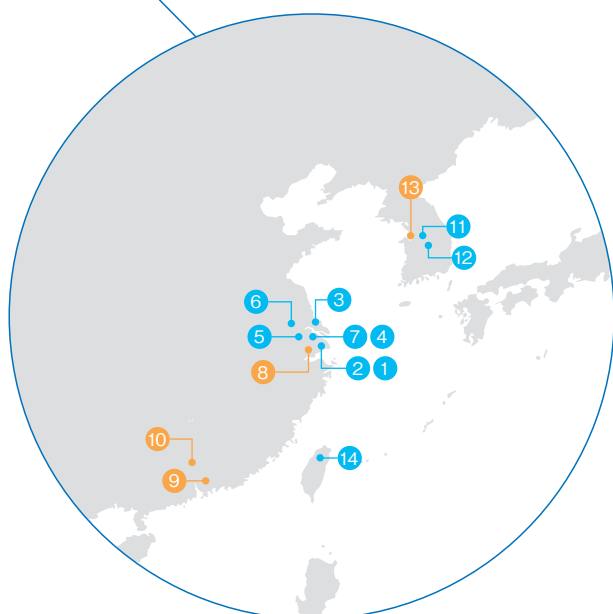
KOBELCO TRADING (SHANGHAI) CO., LTD.



(As of March 31, 2023)

#### NORTH & CENTRAL AMERICA

- 1 SHINSHO AMERICAN CORP.
- 2 GRAND BLANC PROCESSING, L.L.C.
- 3 SHINSHO-MEIHOKU WIRE, INC.
- 4 AIKEN WIRE PROCESSING, L.L.C.
- 5 DEXTER FASTENER TECHNOLOGIES, INC.
- 6 AIKEN PRECISION TECHNOLOGIES, L.L.C.
- 7 SHINSHO MEXICO S.A. DE C.V.
- 8 KOBELCO CH WIRE MEXICANA S.A. DE C.V.
- 9 SC TECH DE MEXCO S.A. DE C.V.



#### EAST ASIA

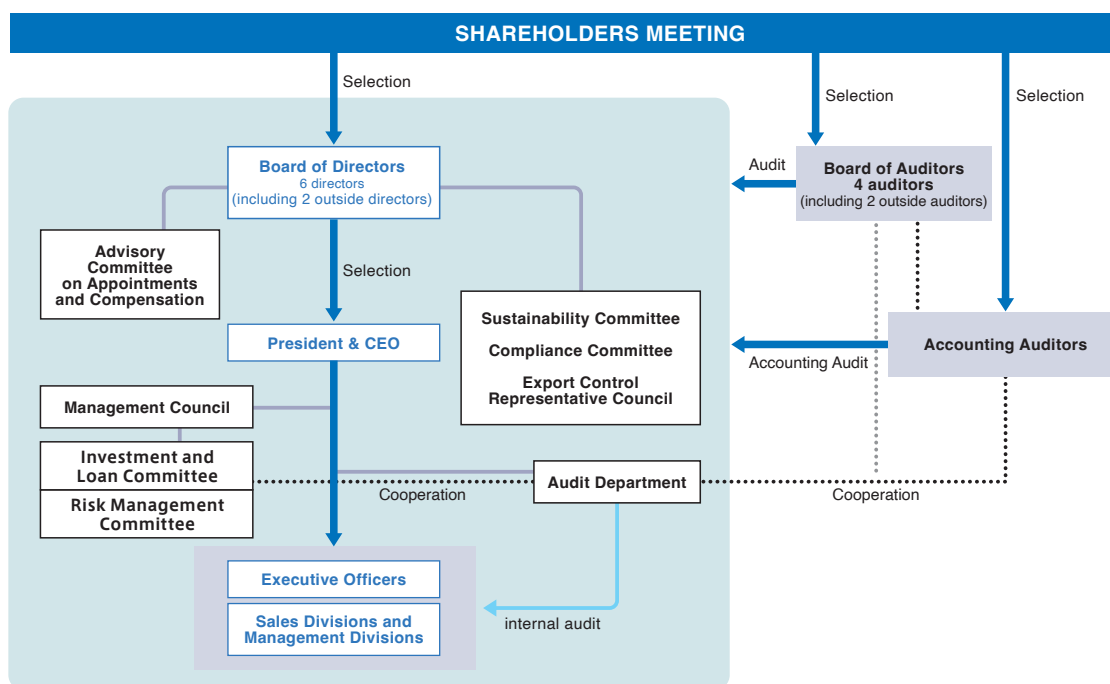
- 1 KOBELCO TRADING (SHANGHAI) CO., LTD.
- 2 SHANGHAI SHINSHO TRADING CO., LTD.
- 3 SHINSHO OSAKA SEIKO (NANTONG) CORPORATION
- 4 SUZHOU SHINKO-SHOJI MATERIAL CO., LTD.
- 5 KOBELCO PRECISION PARTS (SUZHOU) CO., LTD.
- 6 KOBELCO PRECISION PARTS (YANGZHOU) CO., LTD.
- 7 SHINSHO METALS (SHANGHAI) CO., LTD.
- 8 KOBE SPECIAL STEEL WIRE PRODUCTS (PINGHU) CO., LTD.
- 9 VSC SHINSHO CO., LTD.
- 10 GUANGZHOU SHEN-CHANG METAL PRODUCTS CO., LTD.
- 11 SHINSHO KOREA CO., LTD.
- 12 KTN CO., LTD.
- 13 ALLMET.CO., LTD.
- 14 TAIWAN SHINSHO CORPORATION

## Basic Policy of Corporate Governance

Based on our corporate philosophy, we believe that increasing our corporate value, supporting the manufacturing for tomorrow, and contributing to society through our corporate activities, are ways to meet the expectations of all our stakeholders, including our shareholders and business partners.

### Management Structure

The Company has set as its standard that Independent Outside Directors comprise over one-third of the Board of Directors' members. The Board of Directors functions to formulate Shinsho Corporation Group's basic philosophy, to conduct management supervision, and to construct systems for internal control. It also serves to strengthen management decision making and supervisory functions, while promoting swift and streamlined management execution within a framework in which Executive Directors and Executive Officers are tasked by the Board of Directors to carry out business execution functions based on the authority delegated by the Representative Director. The Company has established a Board of Auditors, in which half of the members are Outside Auditors. By conducting audits, mainly audits on the legality of business management (business execution), the Board of Auditors strengthens the supervisory function of management and business execution. In addition, as an Advisory Body to the Board of Directors, the Company established the Advisory Committee on Appointments and Compensation chaired by an Independent Outside Director. This committee serves to ensure objectivity and fairness in the process for selection and remuneration of management level staff.



## Environmental Policy

On October 18, 2000, we acquired ISO 14001 international certification and have continued to renew it. The Environment Committee was established at that time. Subsequently, it was integrated into the Sustainability Committee on June 24, 2022. A person is assigned to be in charge of the environment for the discussion of issues related to the development and maintenance of environment management systems. By periodically reviewing environment management and encouraging continuous improvement across all concerned companies, including affiliates, we will work to contribute to society.

### Basic Philosophy

Standing our Corporate Philosophy, "with our Corporate Motto of Integrity, we are committed toward securing prosperity for our clients and shareholders through the creation of new value", we deeply recognize that strong drive against environmental issues is the most indispensable for the subsistence and activities of the Company and eventually challenge to realize Sustainable Growth.



## Compliance

We established in-house rules in line with the The Code of Corporate Ethics of Shinsho Group and related codes of conduct. We distribute compliance handbooks and manuals and also organize regular compliance training sessions.

The Compliance Committee consisting of the president, other officers and outside attorneys, was established and functions as an advisory body to the Board of Directors. The Committee meets every half year to discuss our basic policy, plans, corporate structure and education regarding compliance and the observation of laws throughout the Shinsho Corporation Group.

Code of Compliance and Ethics of Shinsho Corporation and its group companies			
I Basic Policy		▪ We are committed to sustaining a high standard of corporate ethics and conduct business practices that is trusted by society. ▪ We are committed to complying with the laws, regulations and company rules, and conduct fair and equitable business.	
II Code of Conduct			
1.Fair Trading	Observe social rules, laws and regulations, and promote fair and free competition.	8.Prevention of Insider Trading	Do not engage in any unfair stock trading or other similar act that may be perceived as insider trading.
2.Compliance with International Laws and Regulations	Observe international laws and regulations, and respect the culture and customs of each nation and regions.	9.Promotion of Environmental Preservation	Take an active approach to global environmental issues, and remain committed to the task of caring for the natural environment.
3.International Cooperation	Devote ourselves to international cooperation, and act with a global perspective.	10.Respect for Intellectual Property Rights	Protect and respect intellectual property rights.
4.Security Trade Control	Ensure strict compliance of security trade control, and contribute for the maintenance of international peace and security.	11.Interaction with Local Communities	Conduct social contribution activities in the local communities as a good corporate citizen.
5.Disclosure of Corporate Information	Disclose corporate information in a timely and appropriate manner, and maintain transparency of management.	12.Respect for Human Rights	Respect the human rights of others, and do not engage in all forms of unfair discriminatory treatment.
6.Ensure the Reliability of Financial Reporting	Maintain the fitness of financial statements and the reliable financial reporting to ensure the accuracy.	13.Prevention of Political Corruption	Avoid any potential acts of bribery, and sustain decent relationships with government officials.
7.Protect Confidential Information	Strictly protect confidential information such as customer information, and honor confidentiality of information from being divulged to others without justifiable grounds.	14.Confrontation with Antisocial Forces	Stand firmly against antisocial forces and organizations.

## Joining Furugi de Vaccine as part of our CSR

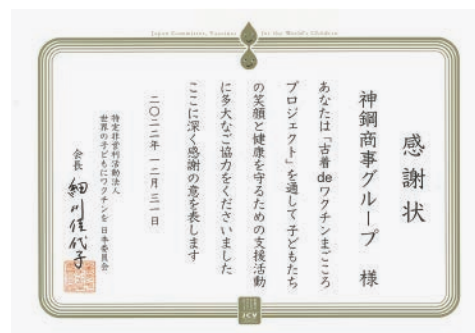
We send clothing and polio vaccines to developing countries through the Furugi de Vaccine (used clothes and vaccine) program operated by Japan Reuse System. Furugi de Vaccine participants purchase a special kit and use it to donate their used clothing, bags and other items. For every kit that is donated, the money for providing five people with polio vaccine is donated. A portion of local clothing sales is also donated to provide vaccines. The special kits are manufactured, packed and shipped at welfare workshops in Japan. The program also helps create jobs sorting and selling the clothes in developing countries.



### History of the activity (as of the end of May 2023)

- Number of polio vaccines donated: Doses to inoculate 2,255 people
- Number of special kits sent: 334

Since 2021, the Shinsho Corporation Group's employees, including officers, temporary workers and others, have participated in the activity and the Group received letters of gratitude from four related organizations. The Shinsho Corporation Group will remain involved in Furugi de Vaccine.



**SHINSHO CORPORATION**

<https://www.shinsho.co.jp>