Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

KOBELCO
KOBE STEEL GROUP

ミライ カダイ 挑戦商社

SHINSHO CORPORATION

FY2026, 2nd Quarter Financial Results

November 6, 2026

80th SHINSHO TOWARD100

Code: 8075

Financial Results for the Second Quarter of FY2026 and Full-Year Earnings Forecast

SHINSHO CORPORATION

Summary

[2nd Quarter Financial Highlights]

- First-half net sales, operating income, ordinary income, and net income all reached **record highs**
- Strong performance in the semiconductor sector, driven by demand for AI and data centers, as well as robust demand for machinery related to decarbonization and energy
- Earnings power at domestic and overseas group companies was strengthened, contributing to consolidated results

[Full-Year Earnings Forecast]

- Based on strong first-half performance, the full-year ordinary income forecast **has been revised upward** from 12.5 billion yen to **a record high of 14.0 billion yen**
- The annual dividend forecast has been **increased** from the previous 138 yen to 140 yen

(Unit: billion yen)

	FY2025 Q2 Results①	FY2026 Q2 Result ②	Change ③ = ② − ①	Change (%) ④ = ③ / ①	Upward Revision FY 2026 Earnings Forecast Announced August 6, 2026	Upward revision FY 2026 Earnings Forecast Published November 6, 2026	Change	Revised compared to full-year forecast progress rate
Net Sales	292.8	**352.6**	+59.9	+21%	706.0	**706.0**	-	50%
Gross Profit	18.8	**22.4**	+3.7	+20%	-	-	-	-
SG & A Expenses	13.5	**14.1**	+0.6	+5%	-	-	-	-
Operating Income	5.3	**8.3**	+3.0	+57%	13.5	**14.8**	+1.3	56%
Ordinary Income	5.8	**7.9**	+2.1	+36%	12.5	**14.0**	+1.5	56%
(Ordinary Profit Margin, %)	(1.98%)	**(2.23%)**	(+0.27%)	-		-		-
Attribute to: Shareholders of the parent company Net income	4.1	**6.9**	+2.8	+70%	9.5	**10.0**	+0.5	69%
Full-Year Dividend Forecast(yen)	53 (interim)	**70** (interim)	+17 (interim)	-	138 (Annual)	**140 (Annual)**	+2	-

©2026 Shinsho Corporation

CONTENTS

FY2026 2nd Quarter Financial Results Summary

©2026 Shinsho Corporation

FY2026, 2nd Quarter: Ordinary Income by Business Unit (Year-over-Year)

SHINSHO CORPORATION

- Core revenue improved across all units
- Non-Ferrous Unit in particular, posted a significant profit increase, driven by capturing demand in semiconductors, air conditioning, EVs, and other areas

(Unit: billion yen)	FY2025 Q2			FY2026 Q2			Year-over-year			Comments
	Core revenue	Non-recurring (*)	Consolidated ordinary	Core revenue	Non-recurring	Consolidated ordinary	Core revenue	Non-recurring	Consolidated ordinary	
Iron & Steel	2.1	0.9	3.0	2.5	(0)	2.5	+0.4	(0.9)	(0.5)	Basic: Improved earnings at investee companies, primarily in the automotive sector Non-recurring: Exclusion of the special dividend from the previous period
Non-Ferrous	1.2	(0.1)	1.1	2.0	0.5	2.5	+0.8	+0.6	+1.4	Basic: Copper tubing for air conditioning, thick aluminum sheets for semiconductors and EVs, increased handling of scrap, etc. Non-recurring: Profit increase due to rising metal prices
Ferrous & Recycling Materials	0.2	(0.1)	0.1	0.3	0.1	0.4	+0.1	+0.2	+0.3	Basic: Increased Use of PKS in Malaysia
Subtotal	**3.5**	**0.7**	**4.2**	**4.9**	**0.5**	**5.4**	**+1.4**	**(0.2)**	**+1.2**	
Machinery	1.4	0	1.4	1.8	(0)	1.8	+0.4	0	+0.4	Basic: Large compressor services increased handling of semiconductor inspection equipment
Welding	0.3	0	0.3	0.6	0.2	0.8	+0.3	+0.2	+0.5	Basic: Increased use of welding machines and robots, profitability of affiliated companies Non-recurring : Profit increase due to rising metal prices
Subtotal	**1.7**	**0**	**1.7**	**2.4**	**0.2**	**2.6**	**+0.7**	**+0.2**	**+0.9**	
Others	(0.1)	0	(0.1)	(0.1)	0	(0.1)	0	0	(0)	
Total	**5.0**	**0.7**	**5.8**	**7.2**	**0.7**	**7.9**	**+2.1**	**+0**	**+2.1**	

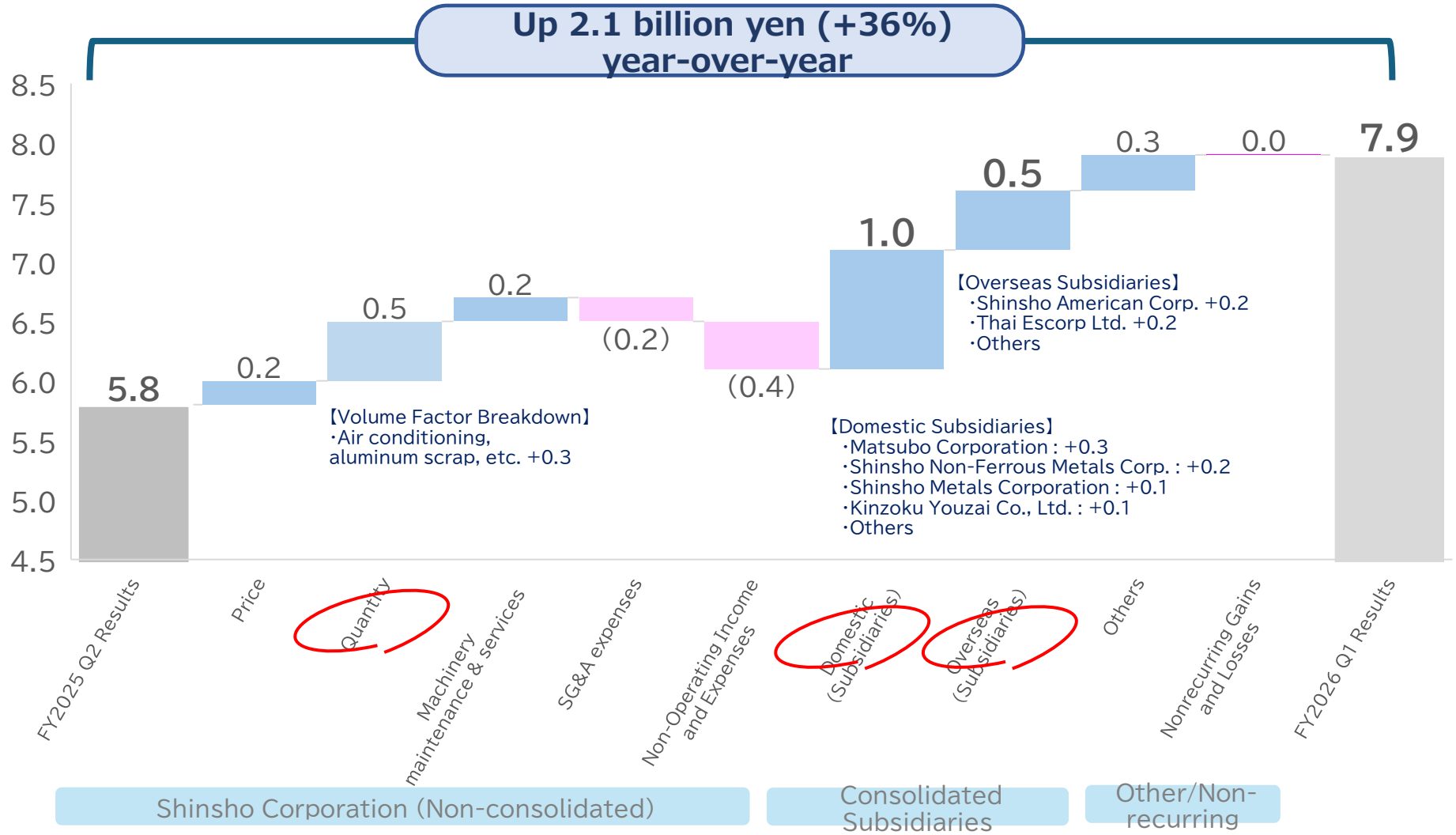
*Non-recurring : inventory valuation, precious metals impact, foreign exchange valuation, derivative valuation, goodwill, special dividends, and others

©2026 Shinsho Corporation

FY2026 2nd Quarter: Factors behind Changes in Company-wide Ordinary profit(Year-over-Year)

SHINSHO CORPORATION

Profit growth driven by higher non-consolidated volume and stronger earnings at domestic and overseas subsidiaries



*Non-recurring: inventory valuation, precious metals impact, foreign exchange valuation, derivative valuation, goodwill, special dividends, and others

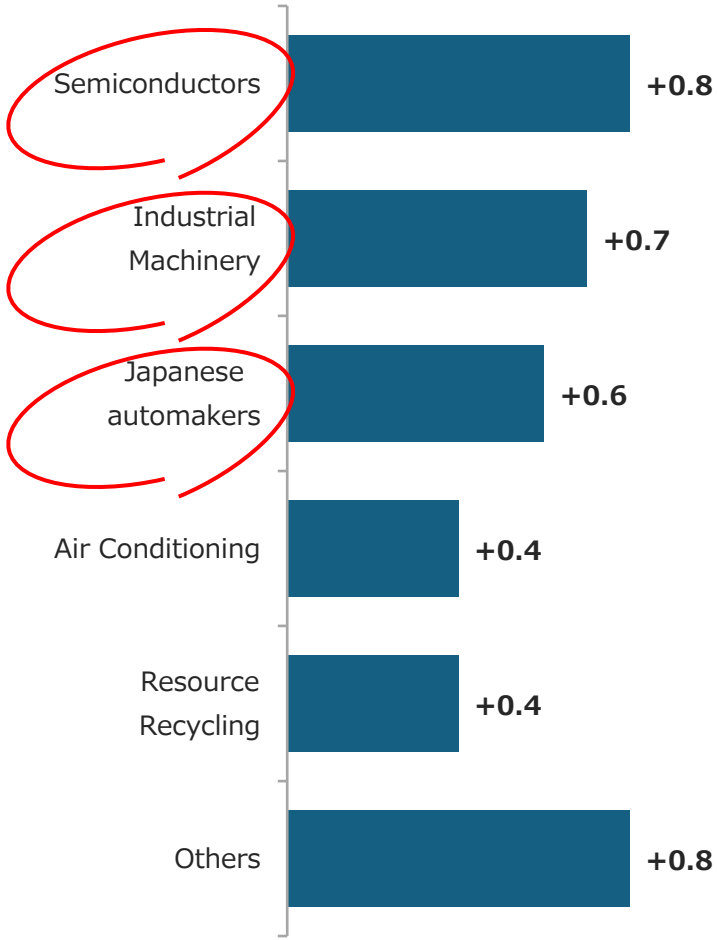
©2026 Shinsho Corporation

FY2026 2nd Quarter Gross Profit by Demand Segment (Year-over-Year)

SHINSHO CORPORATION

Gross profit up 3.7 billion year on year, driven by strong performance in three areas: semiconductors, industrial machinery, and automobiles (Japanese automakers)

■ Change by Demand Sector (Company-wide)



*Figures are based on internal management data

■ Changes by Unit and Major Demand Sectors

Unit	Change	Major Sectors of Change (billion yen)
Iron & Steel	+0.1	Increase: Automobiles (Japanese automakers) +0.2, Civil Engineering and Construction +0.1 Decrease: Automobiles (non-Japanese) (0.2), Construction Machinery (0.1)
Non-Ferrous	+1.5	Increases: Semiconductors & Domestic Distribution +0.6, Air Conditioning +0.3, Resource Recycling +0.2 *Impact of precious metals: +4.9 Decrease: Others (0.1)
Ferrous & Recycling Materials	+0.6	Increase: Resource Recycling +0.1, Biomass +0.1, Others +0.4 Decrease: Others (0.1)
Machinery	+0.5	Increase: Industrial Machinery +0.6, Semiconductors +0.1 Decrease: Electrical Equipment & IT, Others (0.1); Construction Machinery (0.1)
Welding	+0.6	Increase: Automobiles (Japanese) +0.2, Air Conditioning +0.2, Others +0.2 *Impact of precious metals +0.2 Decrease: Transportation Equipment (0.1)
Adjustment Amount	+0.4	
Total	+3.7	

©2026 Shinsho Corporation

Balance Sheet Status

SHINSHO CORPORATION

(Unit: billion yen)	FY2025, End of March	FY2026: End of September	Change
Current assets	330.2	352.8	+22.5
Fixed assets	53.4	56.0	+2.6
Breakdown: Tangible and intangible fixed assets	11.2	11.8	+0.6
Investments and Other Assets	42.2	44.2	+2.0
Total assets	383.6	408.8	+25.2
Current liabilities	257.4	277.6	+20.2
Fixed liabilities	25.3	22.8	(2.5)
Total liabilities	282.6	300.4	+17.8
Equity	99.0	106.2	+7.2
Non-controlling interest	2.0	2.2	+0.2
Net assets	101.0	108.4	+7.4

External Interest-Bearing Debt	53.4	54.3	+0.9
Equity Ratio	25.8%	26.0%	+0.2%
D/E Ratio	0.5times	0.5times	+0.0times
Net Assets per Share	3,746 yen	3,870 yen	
Closing Stock Price	2,292 yen	3,150 yen	
PBR	0.61times	0.77times	

©2026 Shinsho Corporation

CONTENTS

FY 2026 Earnings Forecast

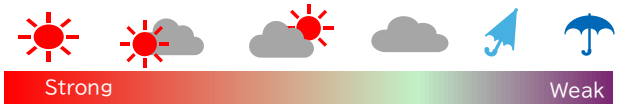
©2026 Shinsho Corporation

FY2026 Business Environment Forecast

SHINSHO CORPORATION

While demand for semiconductors, energy, and industrial machinery is expected to remain robust, some markets will continue to show signs of weakness or uncertainty

[Assumptions (Second Half)] Exchange rate: 1 USD = 145 yen
*Sensitivity: Approx. ±40 million yen per year for every 1yen change



Industry	As of the previous report (August 6)	Current	Rating
Automotive	・Japanese automakers' production volumes are expected to remain flat ・Steel prices are expected to rise	・Regarding Japanese automakers' production volumes, output in Japan and North America is expected to **remain flat or slight increase**, while production in China and Thailand is expected to remain sluggish	
Semiconductors	・Demand for AI, data centers, and semiconductor manufacturing equipment remains strong, ・while copper products for power semiconductors are on a recovery trend.	・Demand related to AI and data centers remains **robust** ・Demand for power semiconductors are showing signs of a gradual **recovery**	
Resource recycling	・Domestic aluminum scrap: metal prices remain high, ・supplies of cold-rolled steel are sluggish both domestically and overseas.	・Aluminum and copper scrap remained **firm** ・While demand for cold-rolled steel remains **sluggish**	
Energy (biomass)	・Handling of biomass fuel has increased due to the resumption of operations at client facilities	・Demand for biomass fuel continues to **trend upward**, remaining robust	
Industrial Machinery	—	・Demand for AI, data centers, and semiconductors remains **strong** ・While demand from the chemical industry is facing intensifying competition due to the influx of overseas products	

＊The assumed business environment refers to the environment surrounding the Shinsho Group and does not necessarily correspond to the general business environment.

©2026 Shinsho Corporation

FY2026 Full-Year Earnings Forecast: Ordinary Income by Business Unit

SHINSHO CORPORATION

Ordinary profit forecast revised upward to 14.0 billion yen(+1.5 billion yen), supported by higher demand for aluminum components for semiconductors and rising steel and metal prices

	FY25	FY26				
	Actual Results	Initial Forecast (May 13)	Previous Forecast (August 6)	Current Forecast	Change from Previous	Full-Year Forecast (Changes from Previous Forecast)
Iron & Steel	4.7	3.9	4.0	**4.6**	+0.6	Earnings from investees in the automotive sector increased Steel prices continued to trend upward
Non-Ferrous	2.8	2.7	3.2	**4.1**	+0.9	Demand remained strong for aluminum components for semiconductors and copper tubes for air conditioning
Ferrous & Recycling Materials	(0.1)	0.9	0.9	**0.8**	(0.1)	Demand for iron scrap remained weak
Subtotal	7.5	7.5	8.1	**9.5**	+1.4	
Machinery	3.1	3.1	3.5	**3.5**	-	Large compressor services remained solid, mainly in semiconductor-related areas
Welding	0.6	0.9	1.2	**1.3**	+0.1	Domestic welding material prices were on an upward trend
Subtotal	3.7	4.0	4.7	**4.8**	+0.1	
Others	(0.2)	0	(0.3)	**(0.3)**	-	
Total	11.0	11.5	12.5	**14.0**	+1.5	

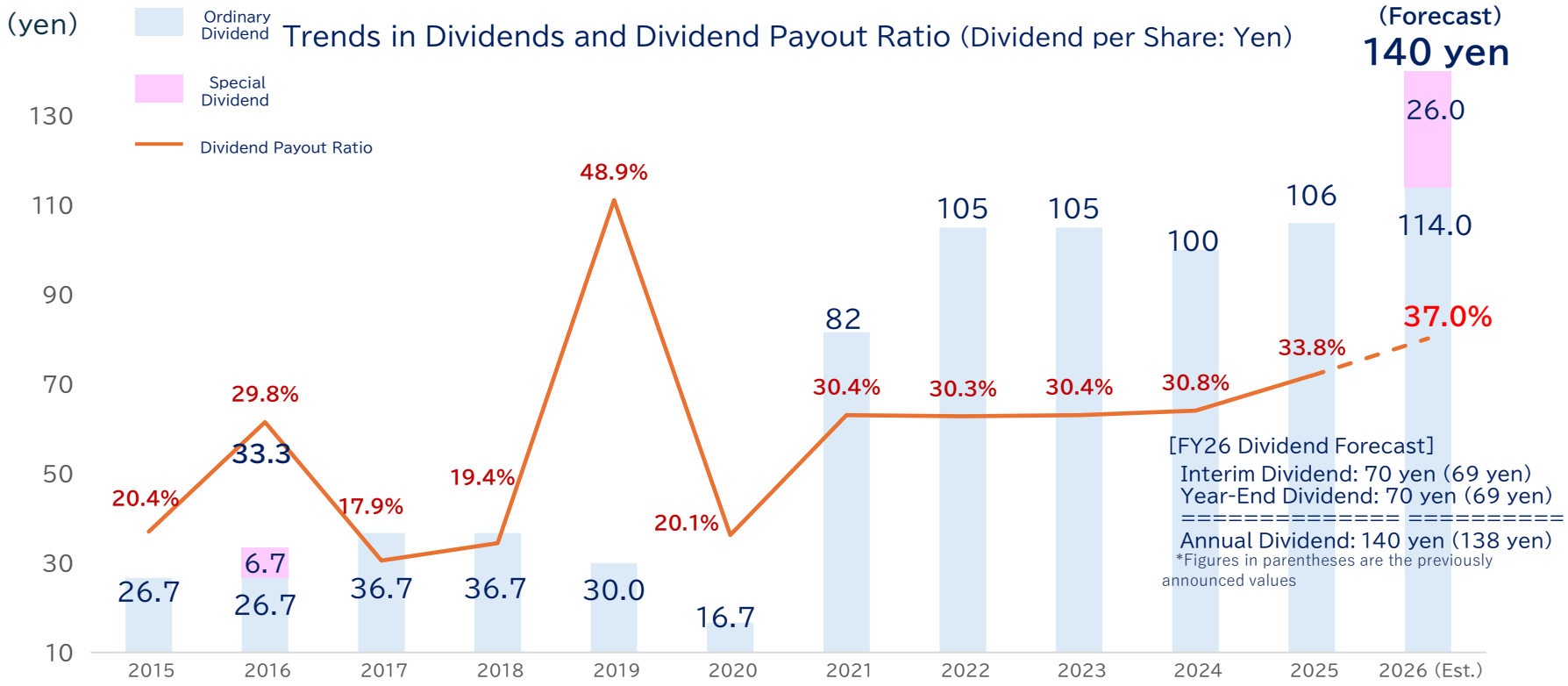
©2026 Shinsho Corporation

Shareholder Return Policy and Dividend Forecast

SHINSHO CORPORATION

- Dividend Policy: “The higher of a consolidated dividend payout ratio of 30% or more, or a dividend of 100 yen per share”
- For the FY2026, the annual dividend will be 114 yen per share, an increase of 2 yen from the previously announced figure for the ordinary dividend, plus a 26-yen commemorative dividend marking the company’s 80th anniversary, resulting in an annual dividend of 140 yen (70 yen interim, 70 yen year-end).

FY2026 Annual Dividend Forecast	Interim Dividend	Dividend Payout Ratio
140 yen Dividend Increase Ordinary Dividend: +2 yen compared to previous forecast (112 yen → 114 yen)	70 yen	37.0%



*Effective April 1, 2025, a 1-for-3 stock split was implemented; the graphs for 2015–2024 have been adjusted to reflect this split.

©2026 Shinsho Corporation

CONTENTS

Progress on the Medium Term Management Plan

©2026 Shinsho Corporation

Progress on the Medium Term Management Plan2026 (KGI)

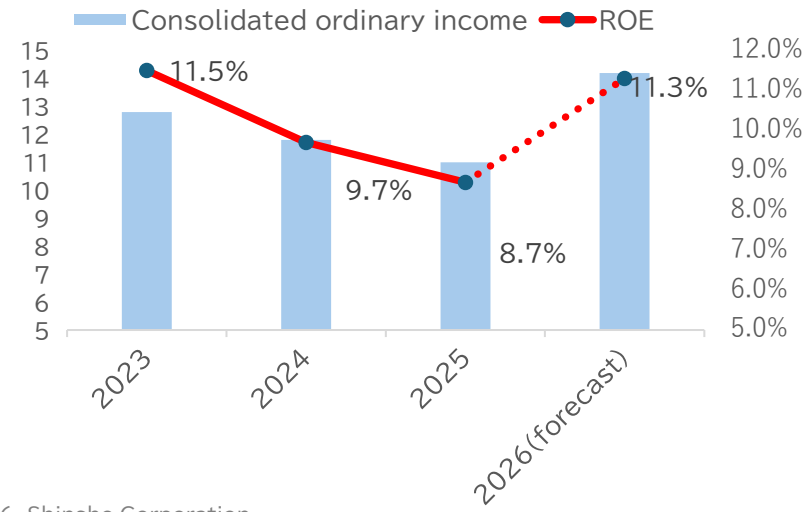
SHINSHO CORPORATION

・Profitability and capital efficiency have improved through the introduction of ROIC-based management and other measures. The financial foundation has also been strengthened through the steady accumulation of equity.
・The Mid-Term Plan's KGIs—ROE, ROIC, and equity ratio—are projected to exceed targets

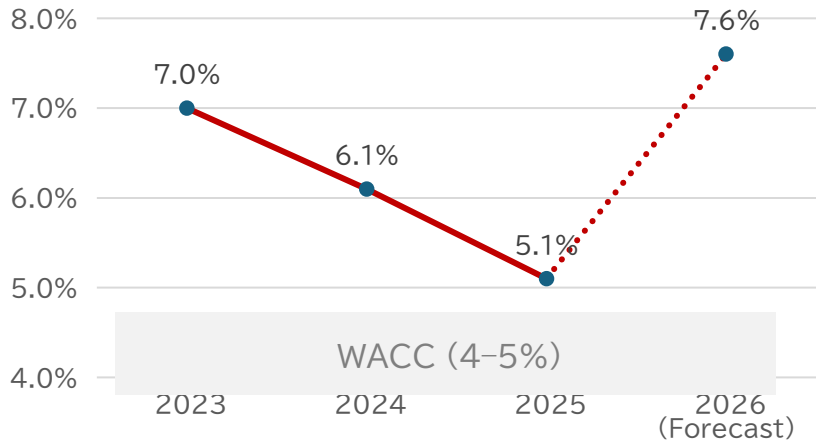
Key Metrics	FY2024 results	FY2025 results	FY 2026 current earnings forecast	FY 2026 mid-term plan targets
Consolidated Ordinary Income	11.8 billion yen	11.0 billion yen	**14.0 billion yen**	14.5 billion yen
ROE	9.7%	8.7%	**11.3%**	10.0% or higher
ROIC	6.1%	5.1%	**7.6%**	6.5%
Equity Ratio	23.6%	25.8%	**26.4%**	21% or higher
(Reference) D/E Ratio	0.7times	0.5times	**0.5times**	Target: 0.7times or below

(Unit: billion yen)

Trends in Consolidated Ordinary Income and ROE



Trends in ROIC



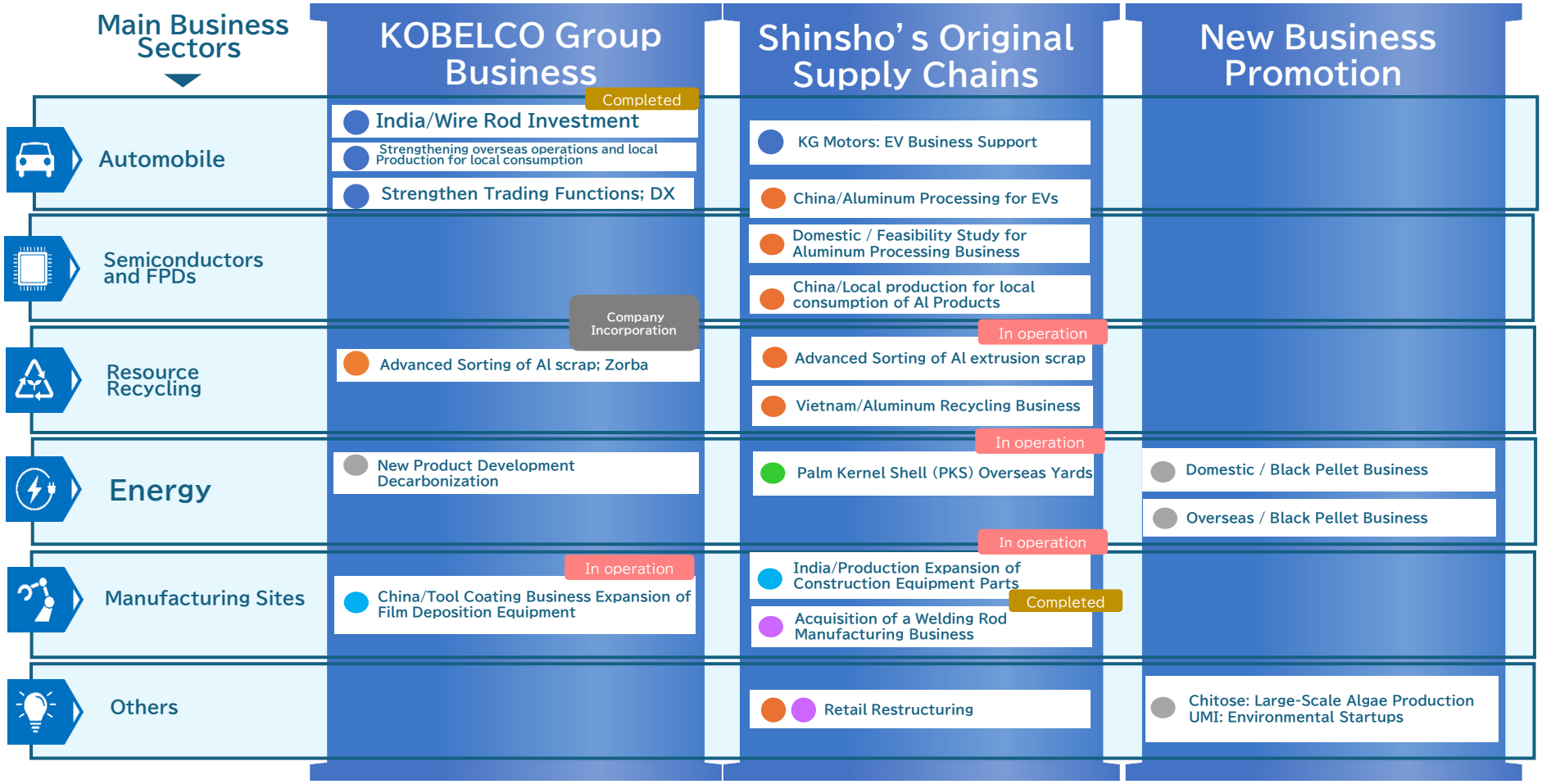
©2026 Shinsho Corporation

Status of Investment and Financing Initiatives in the Three Pillars and Growth Areas (Medium Term Management Plan Period)

SHINSHO CORPORATION

Cumulative investment during the Medium-Term Management Plan period is expected to be achieved on a decision basis against the 23billion yen plan, although it will fall short on a cash-out basis due to timing differences in investment

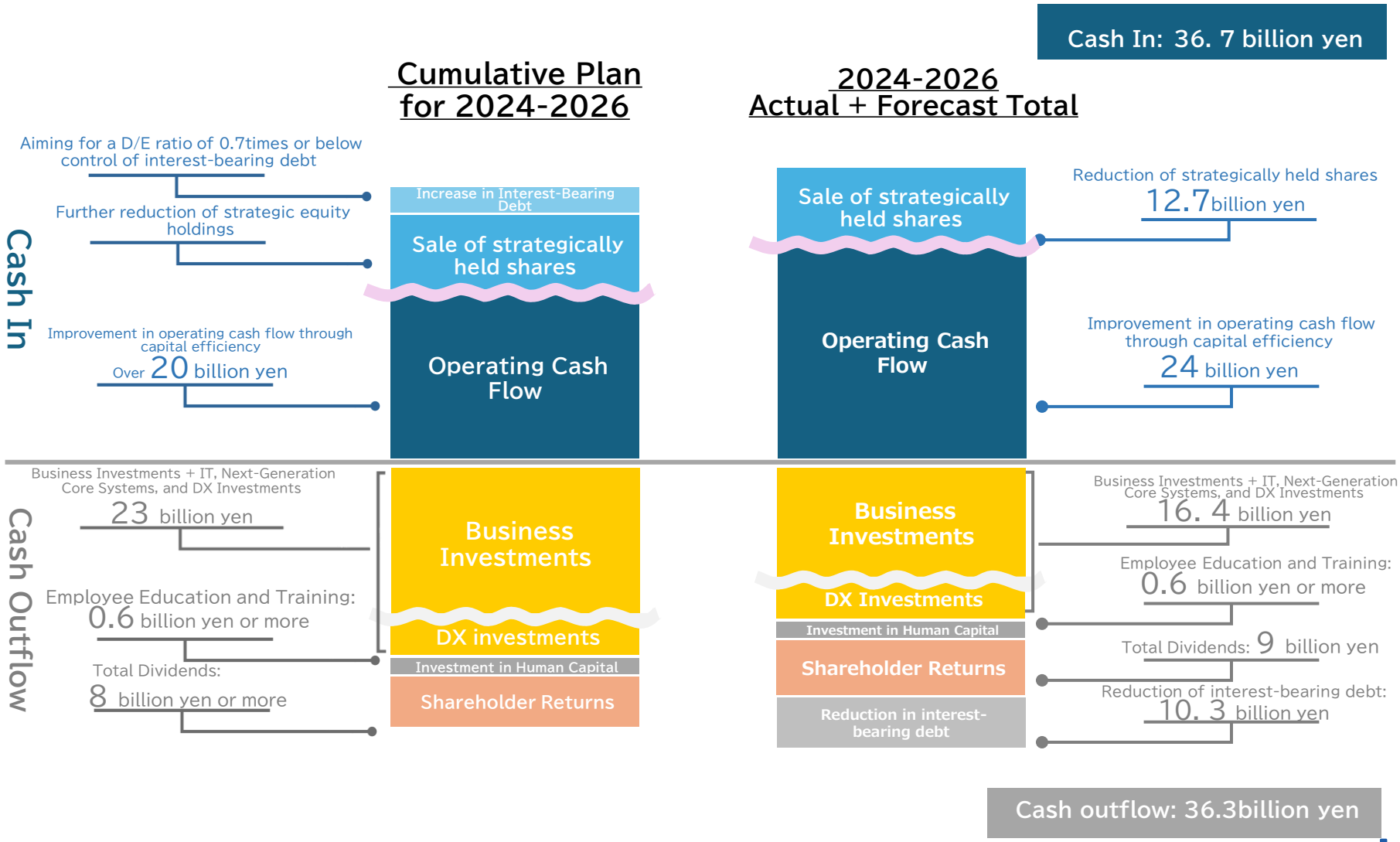
Cumulative Investment Over Three Years (Based on Decision-Making)	Cumulative Investment Over Three Years (Cash Outflow)
28.9 billion yen	16.4 billion yen



Cash Allocation (Medium Term Management Plan Period)

SHINSHO CORPORATION

Strengthen cash generation through strict financial discipline.
Policy is to enhance earnings power by expanding growth investment while maintaining financial soundness, and to further enrich future shareholder returns and reinvestment.



©2026 Shinsho Corporation

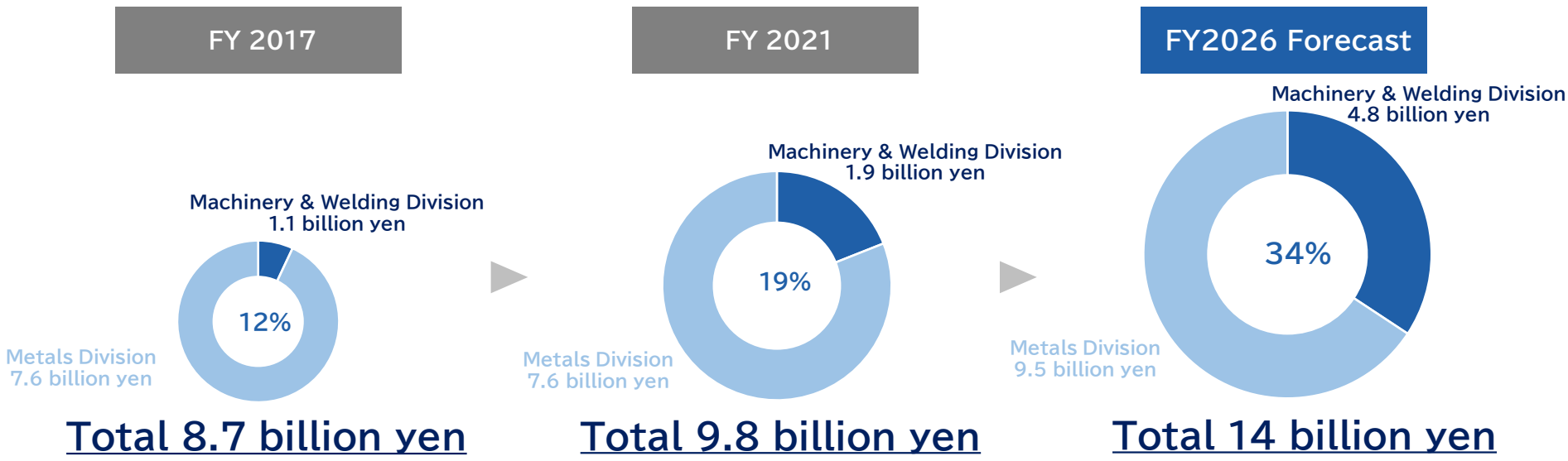
Evolution of the Business Portfolio: Profit Growth in Machinery and Welding

SHINSHO CORPORATION

Over the past decade or so, our business portfolio has shifted, with Machinery & Welding now accounting for approx. 34% of profit.

Changes in the Composition of Ordinary Income by Division
(Circle size = Ordinary income amount; center = Machinery and Welding's share)

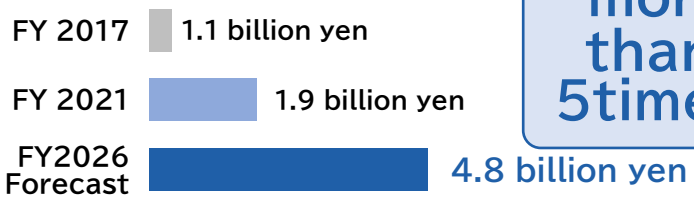
Metals Division　Machinery & Welding Division



*Total includes Others and adjustments.

Machinery & Welding Division

Recurring Profit Also Increased



In 10 years, more than 5times

Background to Growth

- Expand decarbonization-related equipment and maintenance services that meet societal needs
- Revenue growth driven by differentiated technical services (Matsubo, etc.)
- Establishment of a construction equipment parts supply system not only in Japan but also overseas

©2026 Shinsho Corporation

CONTENTS

Investment and Financing in Growth Sectors

① Coal Substitute Fuel Manufacturing Business (Black Pellet Business)

②③ Aluminum Resource Recycling Business

④ Entry into the Brazing Filler Metal Manufacturing Business (Kinzoku Youzai)

©2026 Shinsho Corporation

① Coal Substitute Fuel Manufacturing Business (Black Pellet Business)

SHINSHO CORPORATION

Japan's first black bark pellet (BBP) manufacturing plant was completed in Saijo City, Ehime Prefecture

- It manufactures coal-substitute fuel by utilizing bark, a previously discarded and underutilized biomass resource
- On July 15, 2026, a completion ceremony was held for the Local Energy System/Saijo Plant,in which our company holds an equity stake



(Scenes from the completion ceremony)

Business Overview

Company Name	Local Energy System Co., Ltd.
Headquarters Location	Osaka City, Osaka Prefecture
Shareholders	Kumagai Gumi Co., Ltd. Shinsho Corporation Kiyomoto Co., Ltd.
Plant Name	Saijo Plant
Location	Saijo City, Ehime Prefecture
Completion	July 2026
Site Area	12,000 m²
Product	Black Bark Pellets
Annual Production Volume	30,000 mt
Raw Material	Bark
Company Website	https://localenesys.co.jp/



(Advertisement)

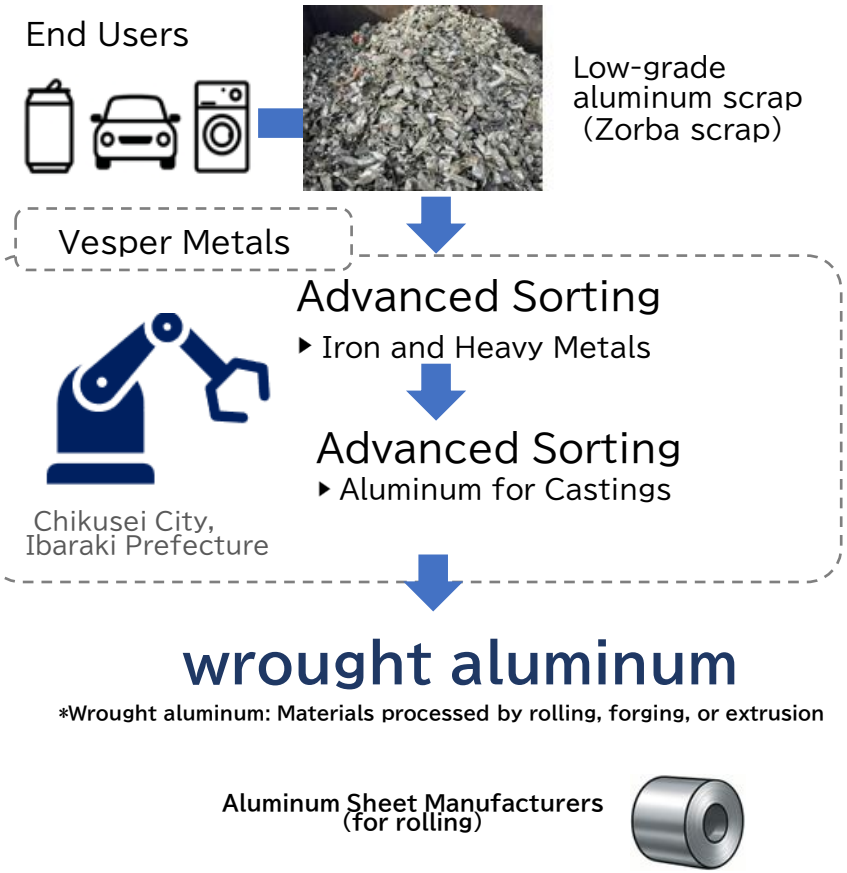
©2026 Shinsho Corporation

Upgrading low-grade aluminum scrap into raw material for rolled products through advanced sorting

- April 1, 2026, establishment of “Vesper Metals” and planned construction of a plant in Chikusei City, Ibaraki Prefecture
- Curbing the outflow of scrap - a critical, low-carbon resource - to overseas markets and promoting domestic recycling
- Pioneering initiative to sort low-grade aluminum scrap into categories for casting and rolled products, as well as by alloy type
- Considering further business expansion in scrap collection regions (planned expansion to Western Japan and overseas)

Business Overview

Company Name	Vesper Metals Co., Ltd.
Established	April 1, 2026
Shareholders (Ownership Percentage)	Shinsho Corporation 70% Taguchi Metal Corporation 30%
Planned Factory Site	Chikusei City, Ibaraki Prefecture (Site area: approx. 10,000 m², Building area: approx. 6,000 m²)
Scheduled Start of Operations	October 2027
Annual Production Volume	15,000 metric tons
Sales Target	Approx. 6.1 billion yen
Business Activities	Advanced sorting of non-ferrous metal scrap and sale of sorted scrap
Raw Material	Low-grade aluminum scrap available on the open market



©2026 Shinsho Corporation

③ Aluminum Resource Recycling Business (Advanced Sorting of Aluminum Sash Scrap)

SHINSHO CORPORATION

Achieving “Sash-to-Sash” horizontal recycling through automated, advanced sorting

- In partnership with Kuruma Shoji (Toyama Prefecture), we have commercialized the horizontal recycling of aluminum sash scrap for building materials
- Meeting the growing demand for recycled raw materials from sash manufacturers

Business Overview

Business Location	Imizu City, Toyama Prefecture (on the Kuruma Shoji premises)
Start of Mass Production	May 2026
Annual Production Volume	7,200 metric tons
Sales Target	Revenue: Approximately 2.7 billion yen
Business Activities	Advanced sorting of aluminum sash scrap for building materials and sales of sorted aluminum sash scrap
Raw Materials	Used aluminum sash with screws attached



*Scenes from the “Aluminum Sash Recycling Plant Completion Ceremony” held on May 11



Aluminum sash scrap for building materials



Finely crushed using a crusher

Sorting process

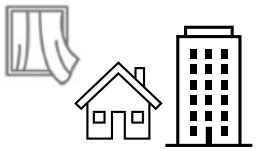




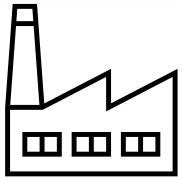
Upgraded aluminum sash scrap

Horizontal recycling

Demolition



Used as finished products



Sash manufacturers

©2026 Shinsho Corporation

④ Entry into the Flux Manufacturing Business (Kinzoku Youzai)

SHINSHO CORPORATION

In January 2026, we made Kinzoku Youzai Co.,Ltd. a wholly-owned subsidiary

・By adding the various brazing materials manufactured by Kinzoku Youzai Co.,Ltd. to our product lineup, in addition to the welding materials we currently handle, we will establish a system capable of providing customers with ”joining solutions”

・As the core company of the Shinsho Corporation Group’s joining solutions business, we will contribute to the advancement of our customers’ manufacturing and their sustainable growth

Company Overview and Strengths

Established	1962
Headquarters and Factory	Kumagaya City, Saitama Prefecture (Site area: approx. 4,450 m²)
Employees	Approximately 20
Business Partners	Over 300 companies in Japan and overseas
Main Applications	Automotive and air conditioning piping, heat exchangers, etc.

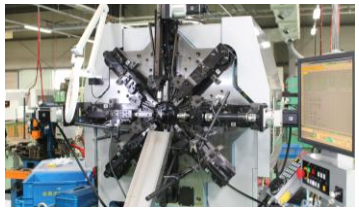
・We consistently stock approximately 20 types of brazing materials and several thousand items

・We own more than 50 processing machines, including coiling and forming machines

・Our strength lies in our comprehensive solutions that combine support for high-variety, low-volume, and short-lead-time orders with proposals for materials, processing, and technology



Brazing Materials



Coiling and Forming Machines

Future Initiatives

Leveraging Group Synergies

We offer a wide range of joining solutions by combining our welding materials with metal-based brazing materials

Exploring New Fields

We aim to expand sales of brazing materials for applications requiring dissimilar metal joining and airtight seals, such as data centers (cooling components, etc.) and the semiconductor industry

Automation and Labor-Saving Measures

We are exploring the automation of acid pickling processes and strengthening safety measures. We are working to achieve automation and labor savings by leveraging our expertise in machinery and equipment

Overseas Expansion

We plan to expand sales of brazing materials to Japanese customers in Thailand and the ASEAN region by leveraging our overseas bases

*Brazing material: A type of brazing, which is a joining method. By melting an alloy (brazing material) with a lower melting point than the components (base materials) to be joined and using it as a kind of adhesive, multiple components can be joined without melting the base materials themselves.

©2026 Shinsho Corporation

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

Purpose

To take on change, starting with ourselves.
To create, connect, and unlock the inherent value within people.
To create an exciting future.

The earnings forecasts and forward-looking statements contained in this document are not disclosure materials under the Financial Instruments and Exchange Act; they are based on the Company’s judgment using information available at the time of preparation, and we do not guarantee their accuracy or completeness. Furthermore, actual results may differ significantly from the forecasts described herein due to various factors, and they involve uncertainties. Investors are advised not to rely solely on this material in making investment decisions. The Company assumes no responsibility for any damages arising from the use of this material.

Contact information：Shinsho Corporation General Affairs Dept.
Investor and Public Relations Team

ir.shinsho@kobelco.com

©2026 Shinsho Corporation