KOBELCO
KOBE STEEL GROUP

Designs for Business

FY2024 3rd Quarter Financial Results

SHINSHO CORPORATION

Securities Code: 8075

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

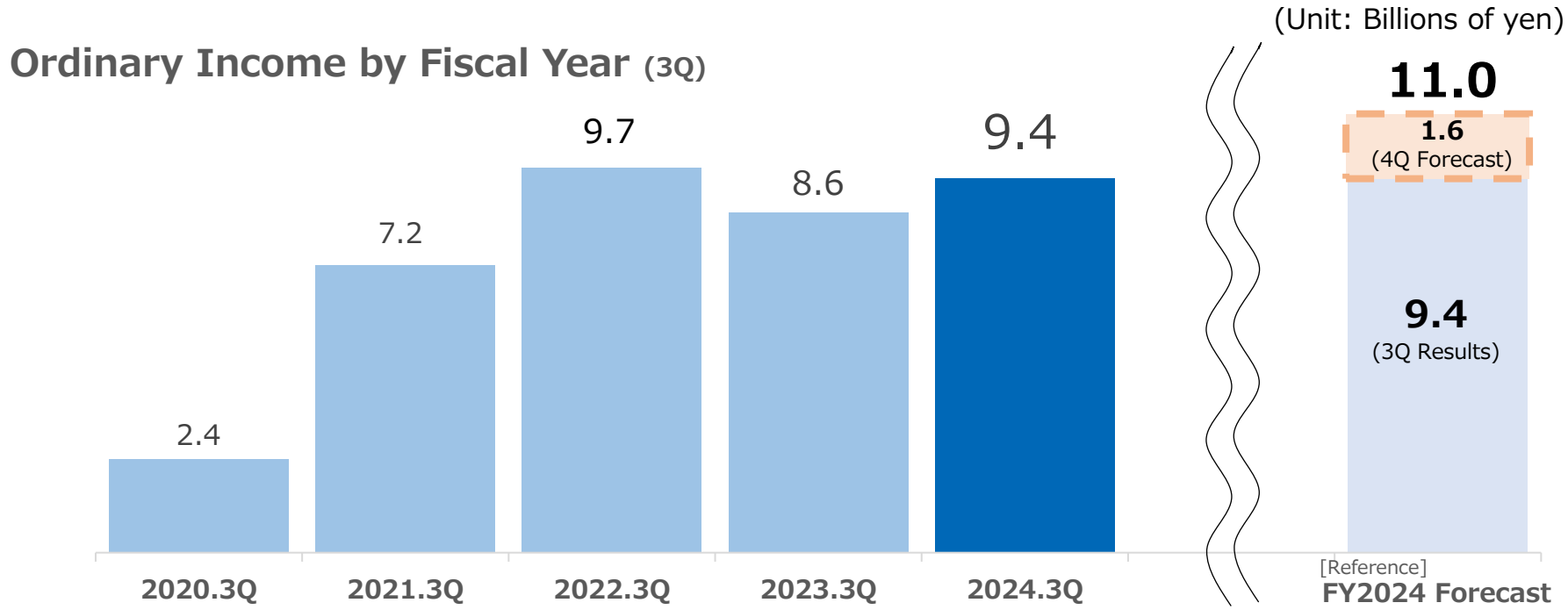
February 5, 2025

Summary of this document

Financial Summary

- **Ordinary income for the** third quarter of FY2024 **is 9.4 billion yen.**
- In terms of year-on-year changes, earnings declined in Iron ＆Steel and Machine units, while Non-Ferrous unit Increase due to higher transaction volume of automotive terminal connectors in the unit, etc.
- The forecast for FY2024 is **11.0 billion yen in ordinary income** as previously announced (November 7, 2024), The year-end dividend forecast per share remains unchanged from the previous announcement at 150 yen per share, and the **annual dividend forecast is 300 yen per share.**

Ordinary Income by Fiscal Year (3Q)



Consolidated Statements of Income for the Third Quarter of FY2024

(Unit: Billions of yen)

	FY2023 3Q	**FY2024 3Q**	Increase/ Decrease	Percentage change (%)
Net sales	433.5	**465.0**	+31.5	+7%
Gross profit	28.5	**30.6**	+2.1	+7%
SG&A expenses	19.3	**20.2**	+0.9	-
Operating income	9.3	**10.4**	+1.2	+12.6%
Ordinary income	8.6	**9.4**	+0.9	+9.9%
Attributable to: Shareholders of the parent company Net income	6.5	**6.8**	+0.2	+3.8%

Change in Net Sales and Ordinary Income by Unit for 3Q FY2024

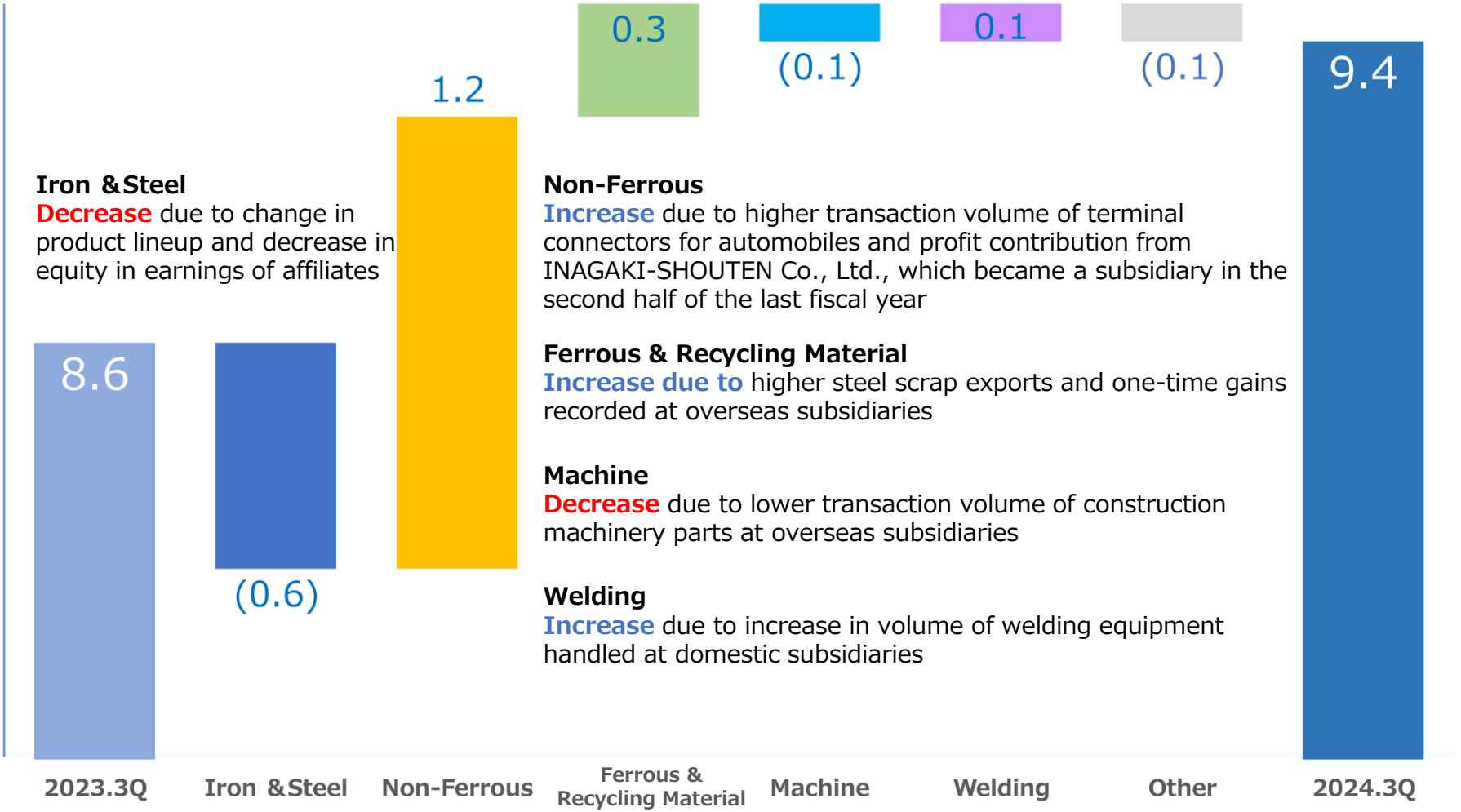
(Unit: Billions of yen)

		Net sales				Ordinary income			
		23.3Q	**24.3Q**	Increase/ Decrease	Percentage change (%)	23.3Q	**24.3Q**	Increase/ Decrease	Percentage change (%)
Metals	Iron & Steel	190.9	**194.9**	+4.0	+2.1%	4.5	**4.0**	(0.6)	(12.5%)
	Non-Ferrous	128.5	**143.0**	+14.5	+11.2%	1.2	**2.4**	+1.2	+104.0%
	Ferrous & Recycling Material	50.3	**61.7**	+11.4	+22.7%	1.1	**1.4**	+0.3	+28.0%
	subtotal	369.8	**399.6**	+29.8	+8.1%	6.7	**7.7**	+0.9	+13.8%
Machinery & Welding	Machine	42.3	**43.9**	+1.5	+3.6%	1.4	**1.3**	(0.1)	(6.1%)
	Welding	21.2	**21.4**	+0.2	+0.8%	0.5	**0.5**	+0.1	+12.1%
	subtotal	63.5	**65.2**	+1.7	+2.7%	1.8	**1.8**	(0.0)	(1.2%)
Other		0.2	**0.2**	(0.1)	-	(0.0)	**(0.1)**	(0.1)	-
total amount		433.5	**465.0**	+31.5	+7.3%	8.6	**9.4**	+0.9	+9.9%

Change in ordinary income by unit for the third quarter of FY2024

Graph of Ordinary Income Increase/Decrease by Unit

(Unit: Billions of yen)



Iron &Steel
Decrease due to change in product lineup and decrease in equity in earnings of affiliates

Non-Ferrous
Increase due to higher transaction volume of terminal connectors for automobiles and profit contribution from INAGAKI-SHOUTEN Co., Ltd., which became a subsidiary in the second half of the last fiscal year

Ferrous & Recycling Material
Increase due to higher steel scrap exports and one-time gains recorded at overseas subsidiaries

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

Welding
Increase due to increase in volume of welding equipment handled at domestic subsidiaries

Balance Sheet Situation

(Unit: Billions of yen)

	March 31, 2023 (March 2024)	FY2024 End of Dec. (Dec. 2024)	Increase Decrease
Current assets	337.6	353.2	+15.6
fixed assets	58.8	56.7	(2.1)
Breakdown Tangible and intangible fixed assets	11.0	11.0	+0
Investments and other assets	47.8	45.7	(2.1)
total assets	396.4	409.9	+13.5
current liabilities	281.0	290.4	+9.4
fixed liabilities	28.0	28.7	+0.7
total liabilities	308.9	319.0	+10.1
net worth	86.0	89.3	+3.3
Noncontrolling interest	1.5	1.6	+0
net assets	87.5	90.9	+3.4

External interest-bearing debt	60.8	65.3	+4.6
Capital adequacy ratio	21.7%	21.8%	+0.1
D/E Ratio	0.7 times	0.7 times	-
Net assets per share	9,770 yen	10,138 yen	
Share price at end of term	7,220 yen	6,200 yen	
PBR	0.73 times	0.61 times	

Forecast for FY2024

No change since the announcement on November 7, 2024

(Unit: Billions of yen)

	Fiscal Year 2023	Fiscal Year 2024 (Previously announced value)	**Fiscal Year 2024 (Value announced this time)**	Increase/ Decrease	[Reference] Compared to the previous fiscal year Increase/ Decrease	[Reference] Compared to the previous fiscal year Percentage change
Net sales	**591.4**	**623.0**	**623.0**	—	+31.6	5.3%
Operating income	**13.3**	**12.3**	**12.3**	—	(1.0)	(7.5%)
Ordinary income	**12.8**	**11.0**	**11.0**	—	(1.8)	(14.1%)
Net income	**9.1**	**8.1**	**8.1**	—	(1.0)	(11.0%)
per share Net income	**1035.4 yen**	**920.0 yen**	**920.0 yen**	—	(115.4yen)	(11.1%)
Dividends	**315 yen**	**300 yen**	**300 yen**	—	(15 yen)	—

Dividend Trends and Forecasts

No change since the announcement on November 7, 2024

- The dividend policy **under the Midterm Corporate Strategy 2026** is to maintain a consolidated dividend payout ratio of 30% or more, or a dividend per share of common stock. The dividend shall be 300 yen, whichever is higher".
- The year-end dividend forecast for FY2024 is 150 yen, and the **annual dividend forecast is 300** yen.
  (Interim dividend of 150 yen was already distributed on December 6, 2024)

