



新光商事株式会社
Shinko Shoji Co., Ltd.

Earnings Report for FY2025
(Fiscal Year Ended March 31, 2025)

- **Financial Summary**
- **Business Status**
- **Growth Strategy**
- **Forecast for FY2026**

May. 2025

Tatsuya Ogawa, President

Disclaimer

**This English translation is for reference purposes only.
When there are any discrepancies between the original
Japanese version and the English translation, the original
Japanese version will always prevail.**

Notes on handling materials

The prospect in this presentation is based on the information that is available at the present moment.

Because it includes uncertainties and risks, there is a possibility that actual performance will differ significantly from those expressed or implied in this prospect.

Major risks and uncertainties are as follows:

- Economic conditions and consumption trends in major markets (Japan, Asia, etc.)
*Includes impact of U.S. tariff measures
- Changes in the electronics industry and technological trends
- Sharp fluctuations in supply and demand in our major product markets
- Substantial fluctuations in the exchange rates of the U.S. dollar and other foreign currencies against the yen

Financial Summary

Key Highlights of Financial Results for the FY2025

In the electronics industry, demand remained weak worldwide except for AI-related products, and the inventory adjustment continued.

Under these situations, our group (our Company and consolidated subsidiaries) posted overall results at a decreased level compared with the previous year in the businesses related to industrial products, automotive electronic products, OA products, and amusement products which are our core businesses.

Overview of Financial Results (Year-on-Year Comparison)

All consolidated net sales, operating income, ordinary income, and net income decreased from the previous year.

(Unit : Millions of yen)

	FY2024	FY2025	Growth Rate	YoY
Net sales	175,847	116,008	(34.0%)	(59,839)
Gross Profit	14,702	9,245	(37.1%)	(5,457)
Selling, general and administrative expenses	9,823	8,608	(12.4%)	(1,215)
Operating profit	4,878	637	(86.9%)	(4,241)
Ordinary profit	4,768	578	(87.9%)	(4,190)
Profit attributable to owners of parent	3,194	505	(84.2%)	(2,689)
Basic earnings per Share	96.53yen	15.75yen	-	(80.78yen)
Annual dividends per share	Interim 26.50 yen Year-end 22.00 yen	Interim 7.50 yen Year-end 8.00 yen	-	-

Consolidated income statement

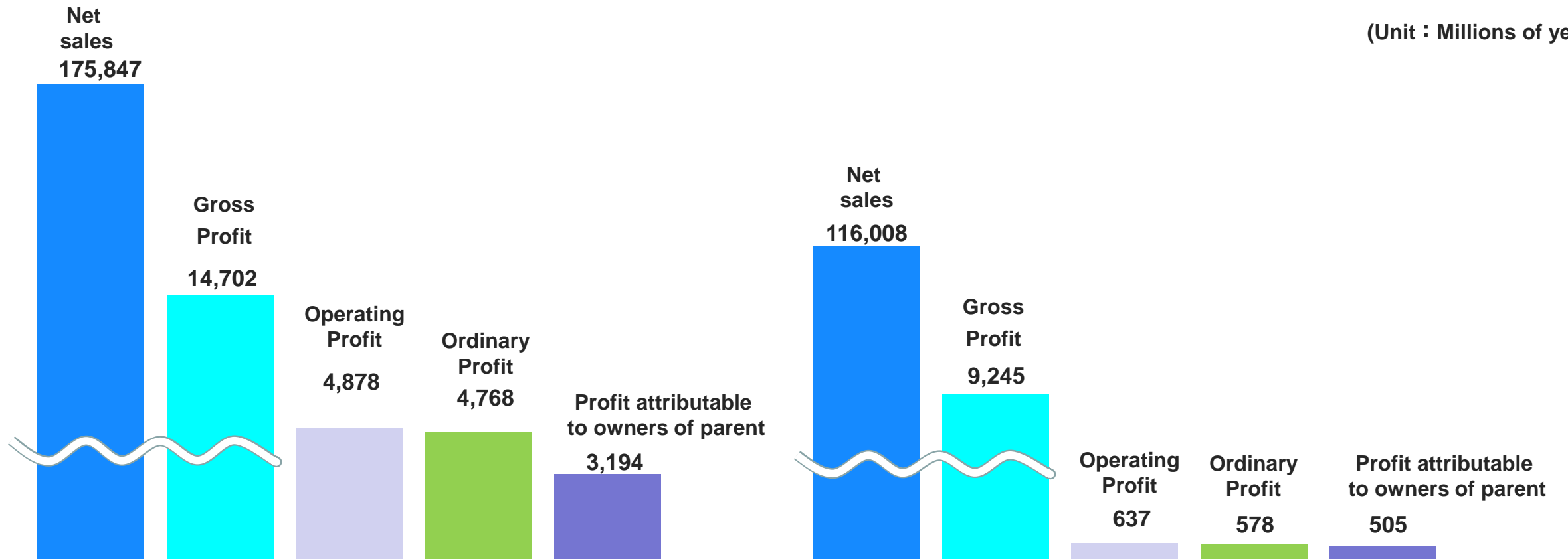
FY2024

(April 1, 2023 - March 31, 2024)

FY2025

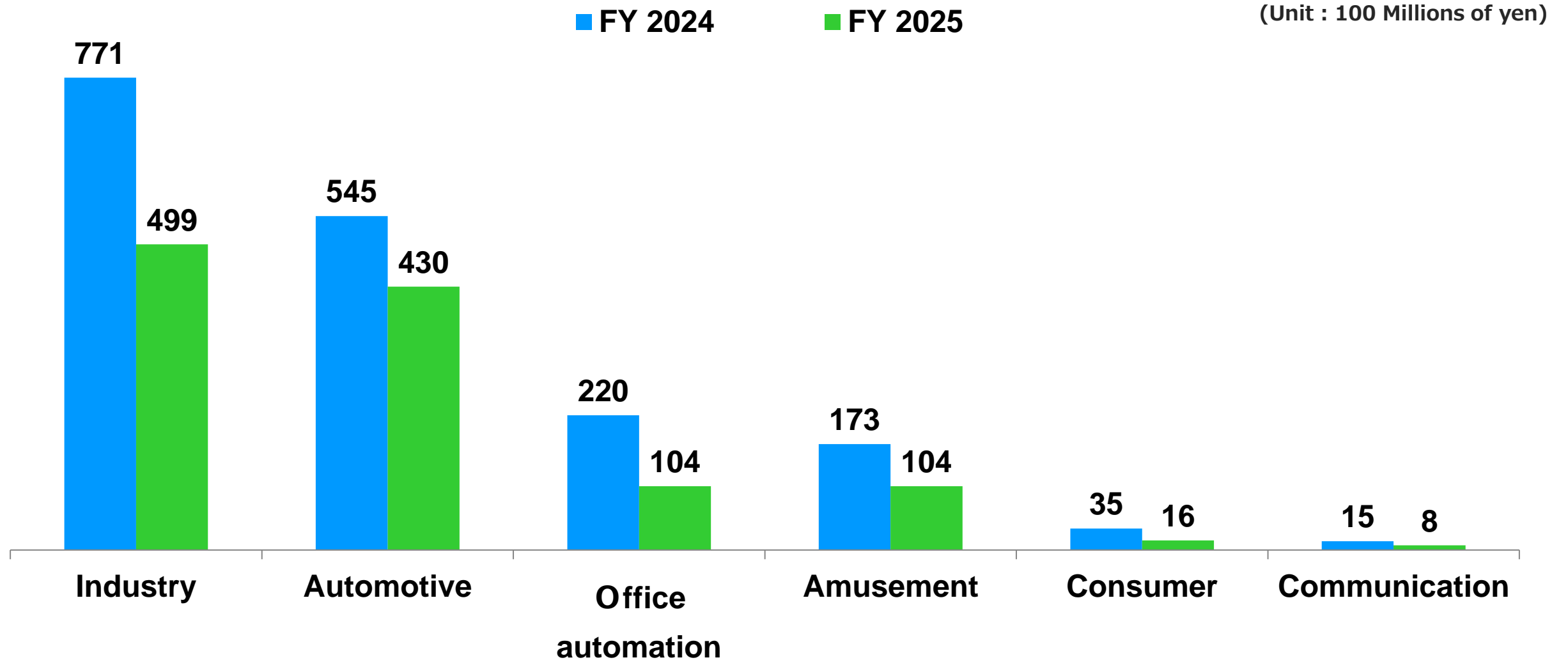
(April 1, 2024 - March 31, 2025)

(Unit : Millions of yen)



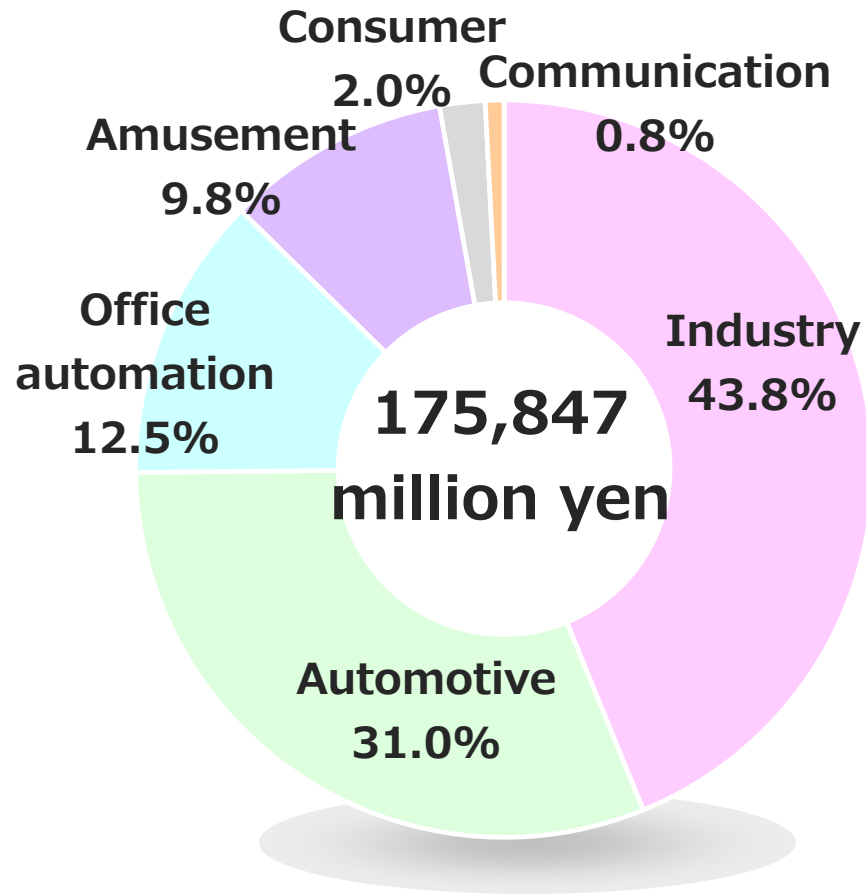
Sales composition ratio by market (amount)

Net sales: FY 2025 116.0 billion yen [YoY : - 59.8 billion yen]
FY 2024 175.8 billion yen

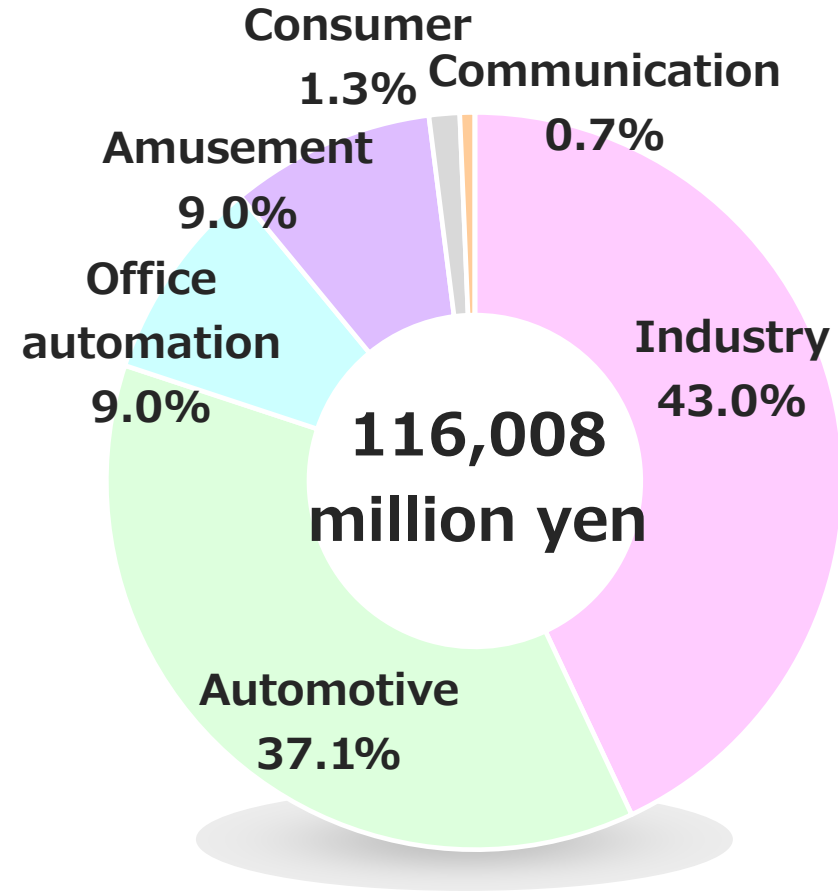


Sales composition ratio by market

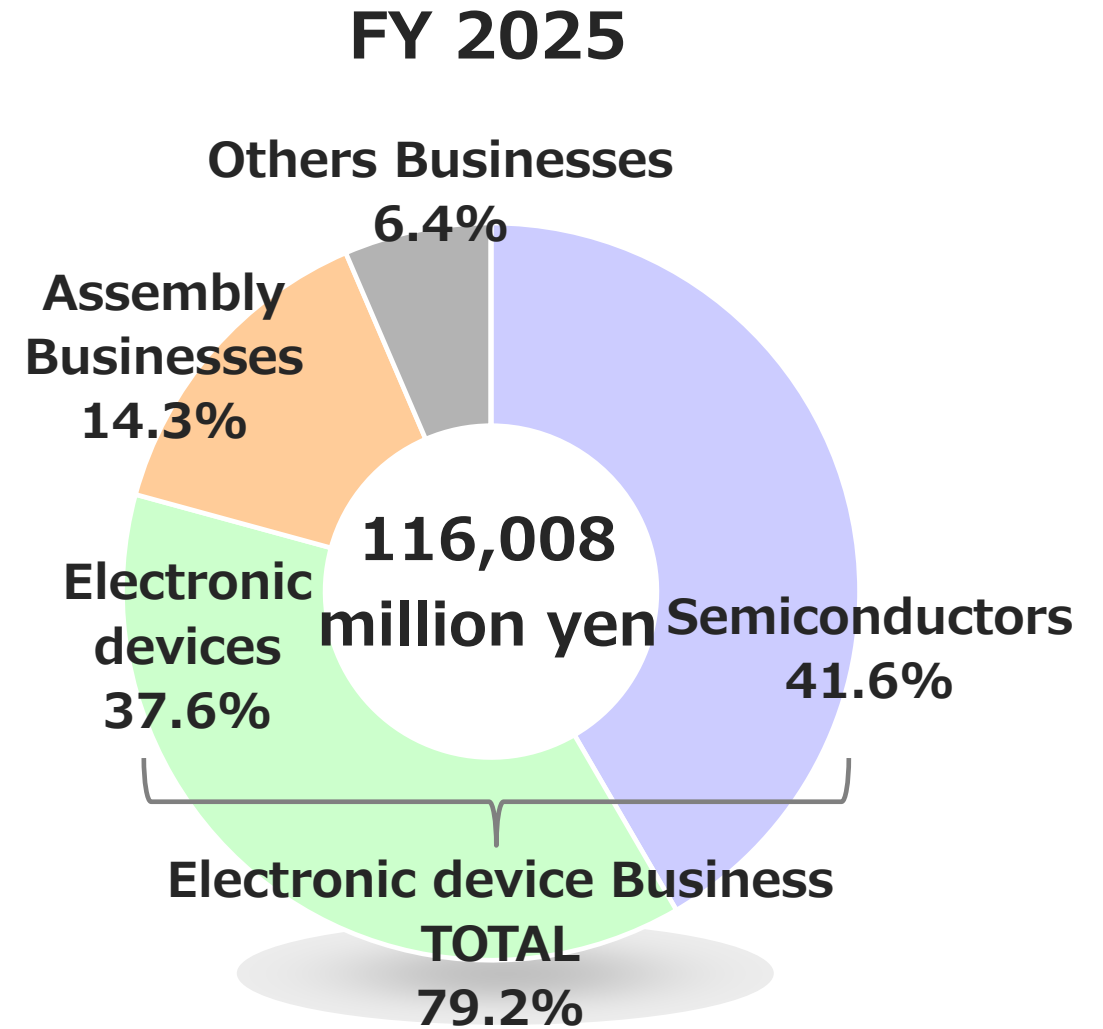
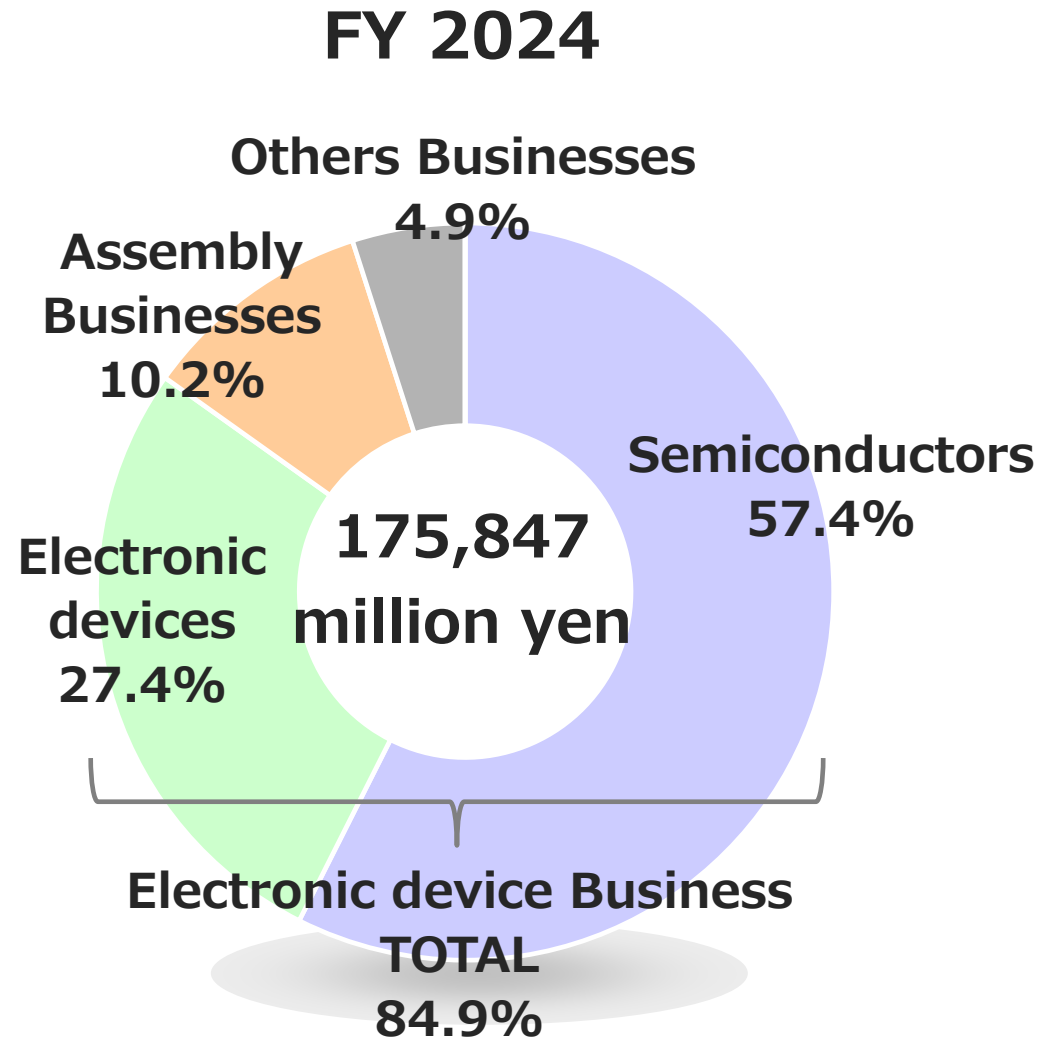
FY 2024



FY 2025

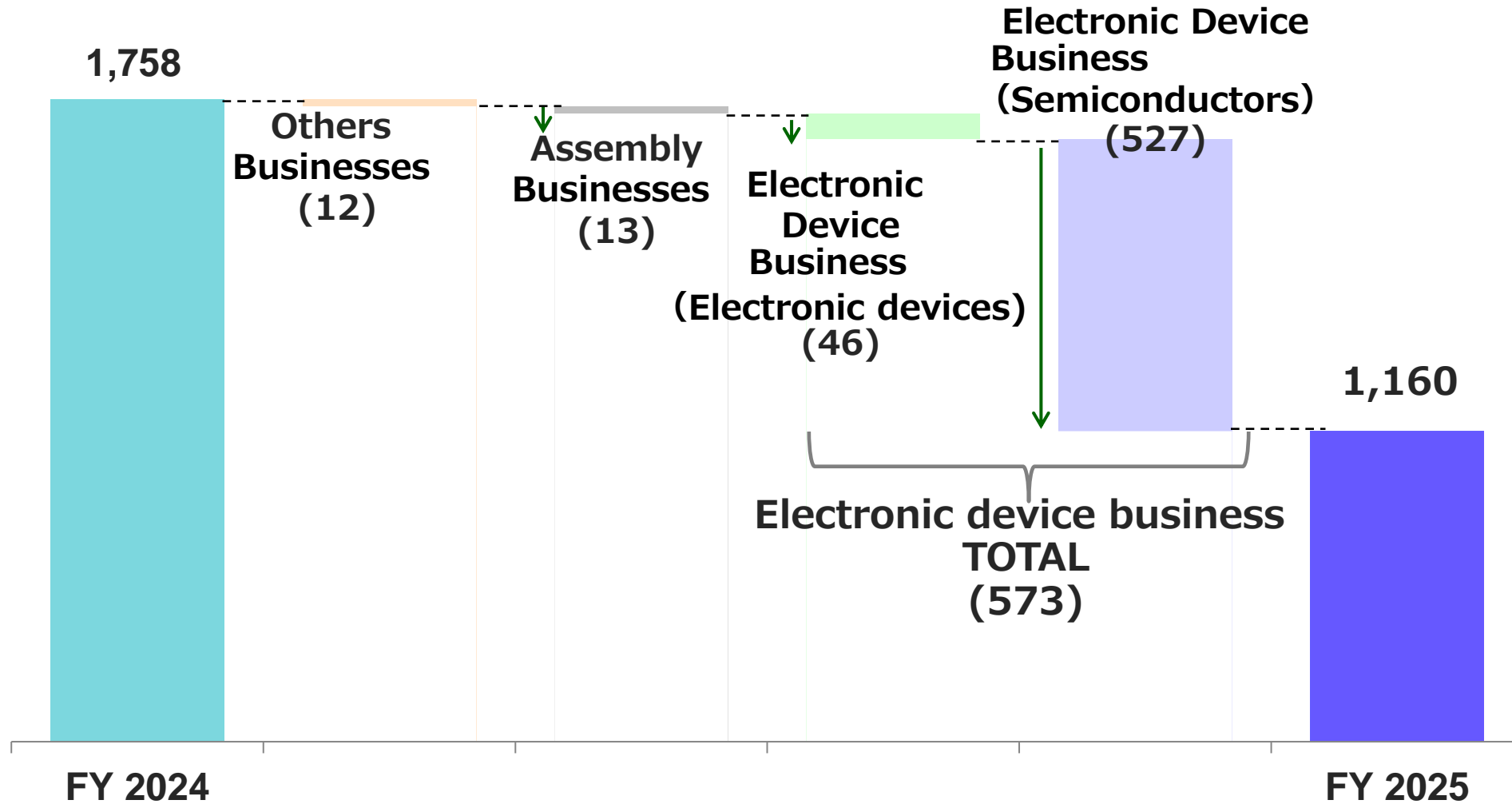


Sales composition ratio by product



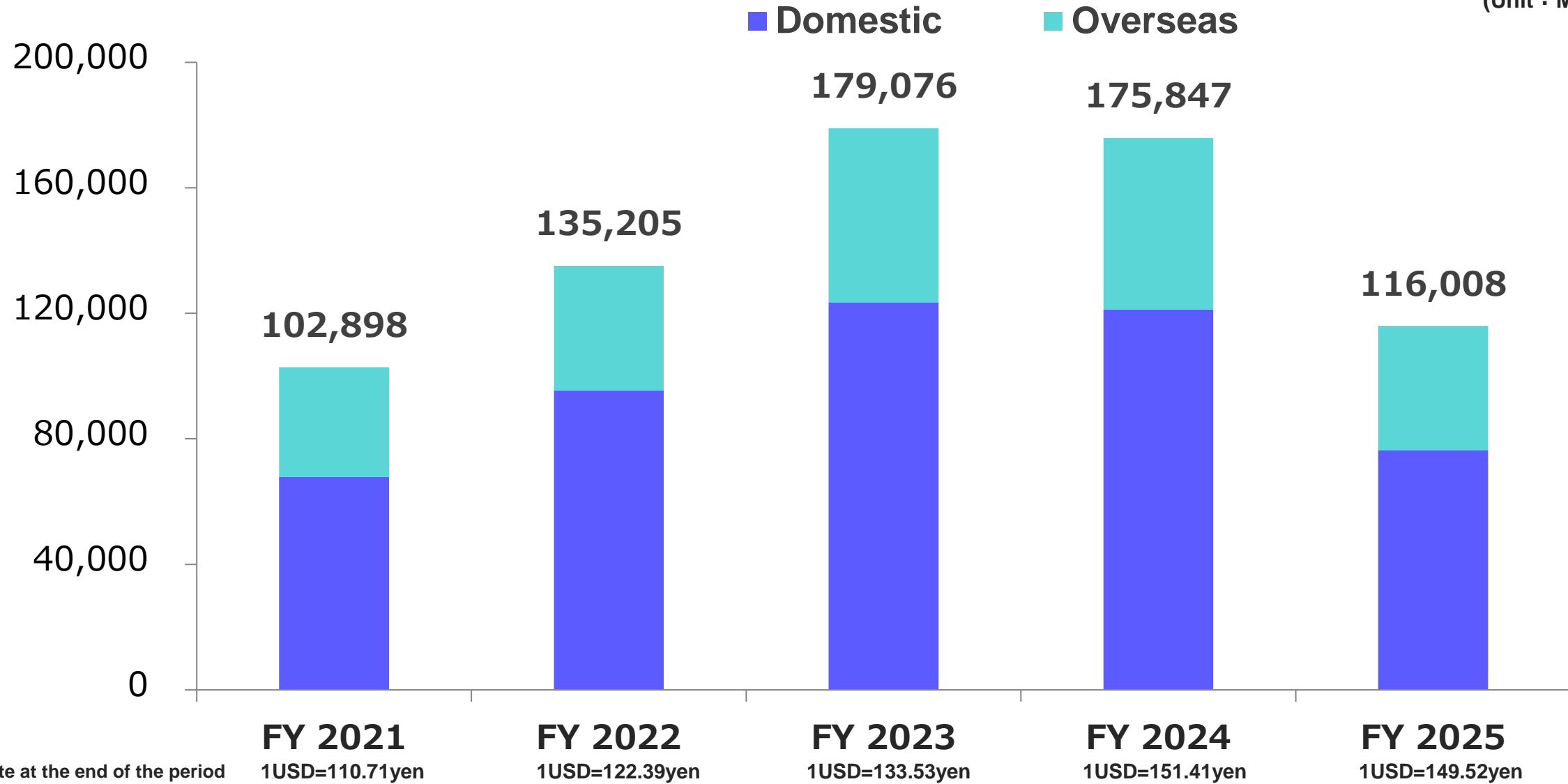
Changing factors for net sales

(Unit : 100 Millions of yen)



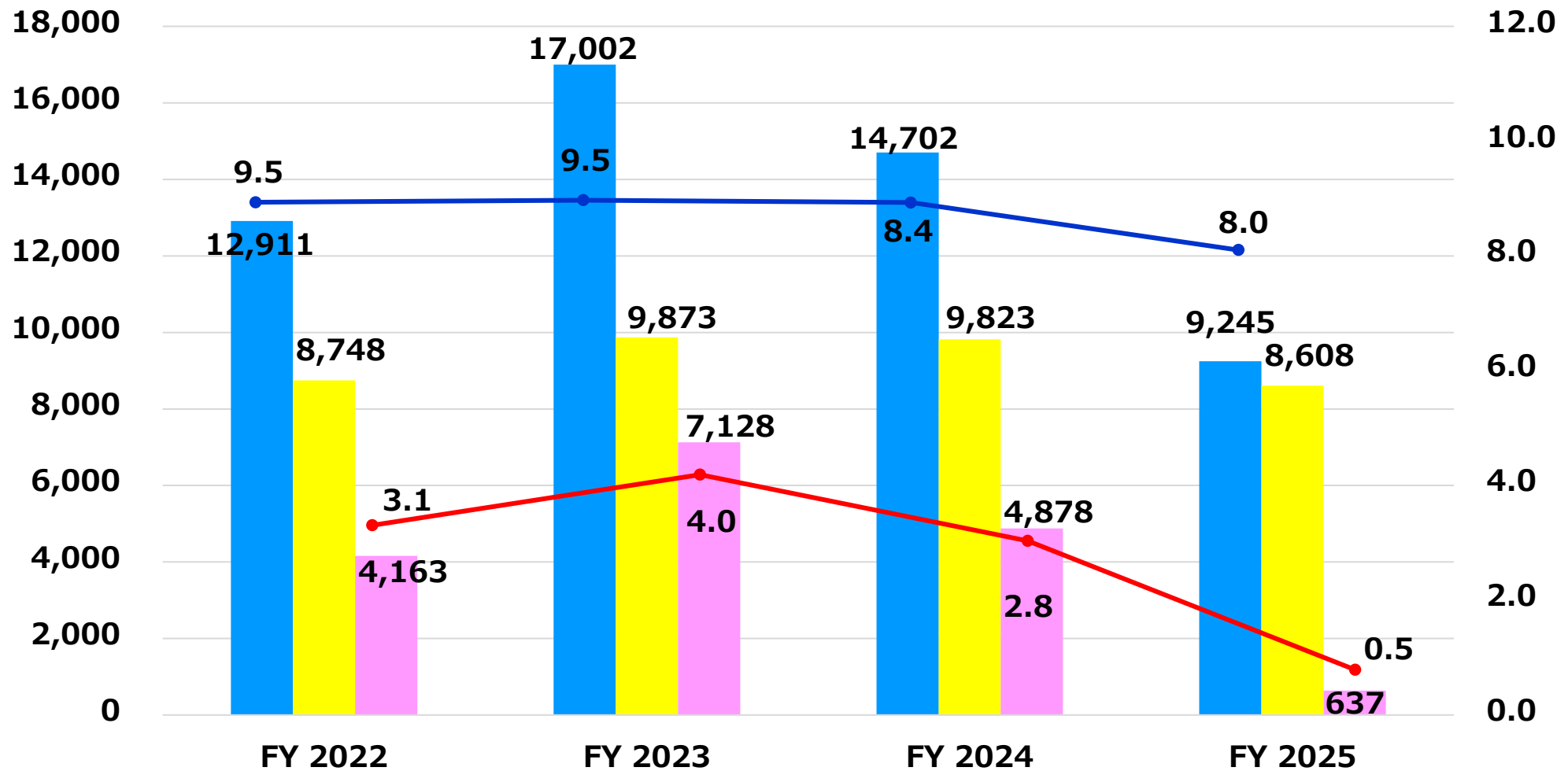
Trend of Net sales

(Unit : Millions of yen)



Gross profit / Gross profit ratio / SG & A Transition

(Unit : Millions of yen) ■ Gross profit ■ SG & A ■ Operating income — Gross profit ratio — Operating income ratio (%)



Summary Balance Sheet 1 (Assets)

(Unit : Millions of yen)

	FY 2024	FY 2025	YoY
Total assets	99,813	80,051	(19,762)
Current assets	92,829	71,517	(21,312)
Cash and deposits	13,389	28,616	15,227
Notes and accounts receivable –trade, and contract assets	36,410	16,595	(19,815)
Merchandise and finished goods	31,683	15,079	(16,604)
Accounts receivable – other	11,128	7,865	(3,263)
Non-current assets	6,983	8,534	1,551
Property, plant and equipment	693	651	(42)
Investment securities	4,465	6,103	1,638

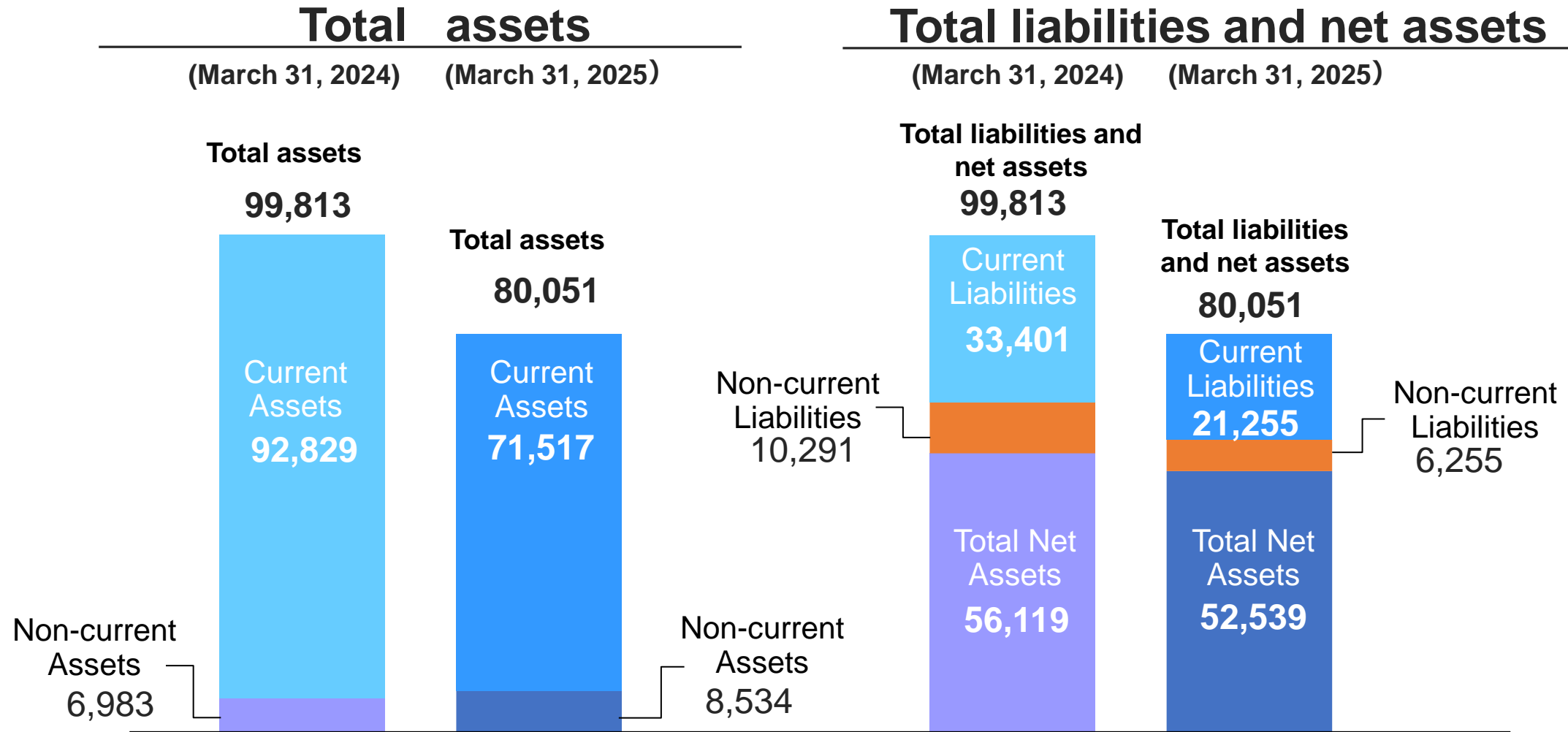
Summary Balance Sheet 2 (Liabilities and Net assets)

(Unit : Millions of yen)

	FY 2024	FY 2025	YoY
Total liabilities	43,693	27,511	(16,182)
Current liabilities	33,401	21,255	(12,146)
Notes and accounts payable – trade	16,354	10,369	(5,985)
Electronically recorded obligations – operating	2,400	3,213	813
Short-term borrowings	8,982	2,270	(6,712)
Current portion of long-term borrowings	700	3,500	2,800
Accounts payable - other	1,359	187	(1,172)
Non-current liabilities	10,291	6,255	(4,036)
Long-term borrowings	7,800	4,300	(3,500)
Total net assets	56,119	52,539	(3,580)
Capital and capital surplus	19,100	19,117	17
Retained earnings	34,518	34,020	(498)
Treasury shares	(4,585)	(7,431)	(2,846)
Total liabilities and net assets	99,813	80,051	(19,762)
Equity ratio	55.4%	64.6%	9.2%

Consolidated Balance Sheet

(Unit : Millions of yen)



Consolidated Cash Flows

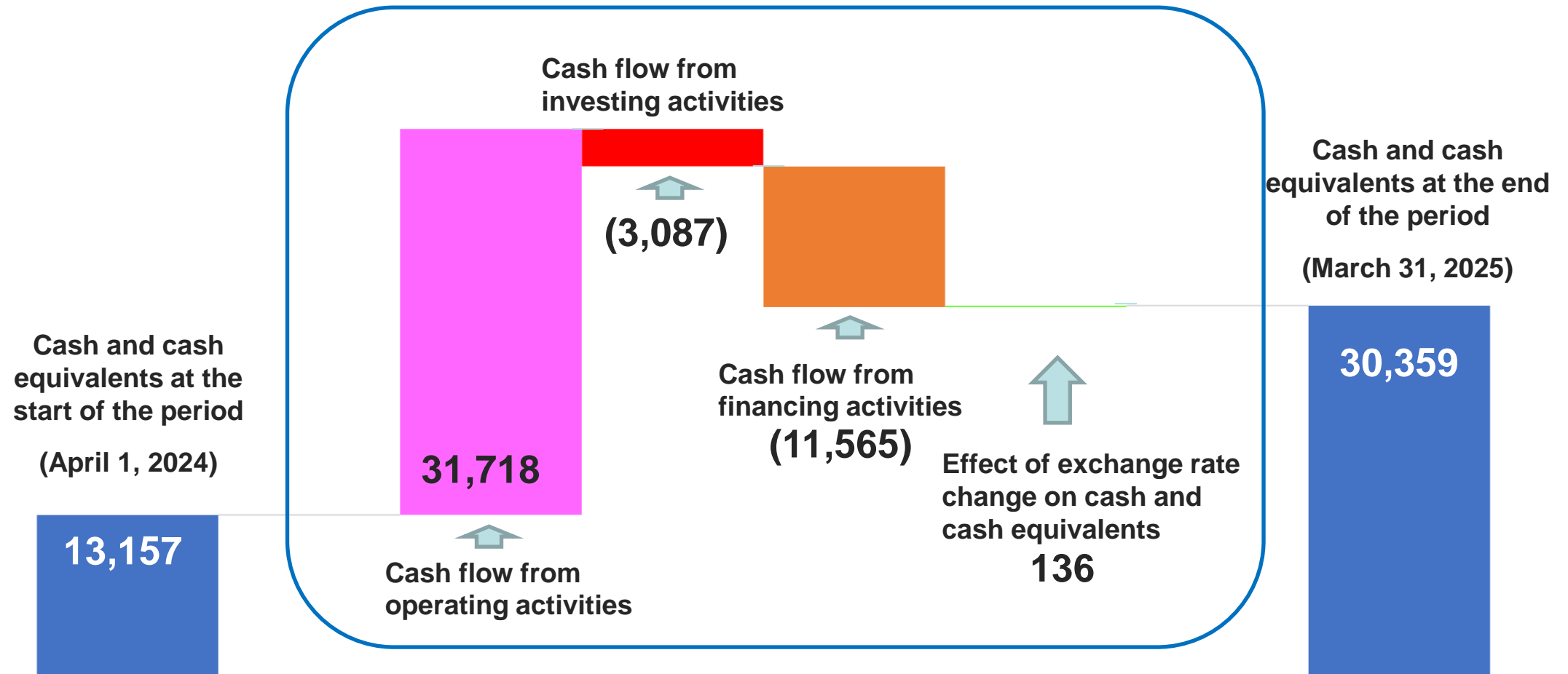
(Unit : Millions of yen)

	FY 2024	FY 2025	YoY
Cash flow from operating activities	4,697	31,718	27,021
Cash flow from investing activities	105	(3,087)	(3,192)
Cash flow from financing activities	(2,757)	(11,565)	(8,808)
Cash and cash equivalents at end of period	13,157	30,359	17,202

Changing factors for Cash Flows

(Unit : Millions of yen)

FY 2025 (April 1, 2024 - March 31, 2025)



Returning to shareholders

Although our basic policy is to maintain a consolidated dividend payout ratio of 50%, we have decided to keep the year-end dividend at 8 yen per share for the fiscal year ended March 2025, in line with our commitment to stable and continuous shareholder returns.

Fiscal year ended	Annual dividends per share			Payout ratio (Consolidated)
	2nd quarter-end	Fiscal year-end	Total	
March 31, 2025	7.5 yen	8.0 yen	15.5 yen	98.4%

Fiscal year ended	Annual dividends per share			Payout ratio (Consolidated)
	2nd quarter-end	Fiscal year-end	Total	
March 31, 2024	26.5 yen	22 yen	48.5 yen	50.2%

Our business status

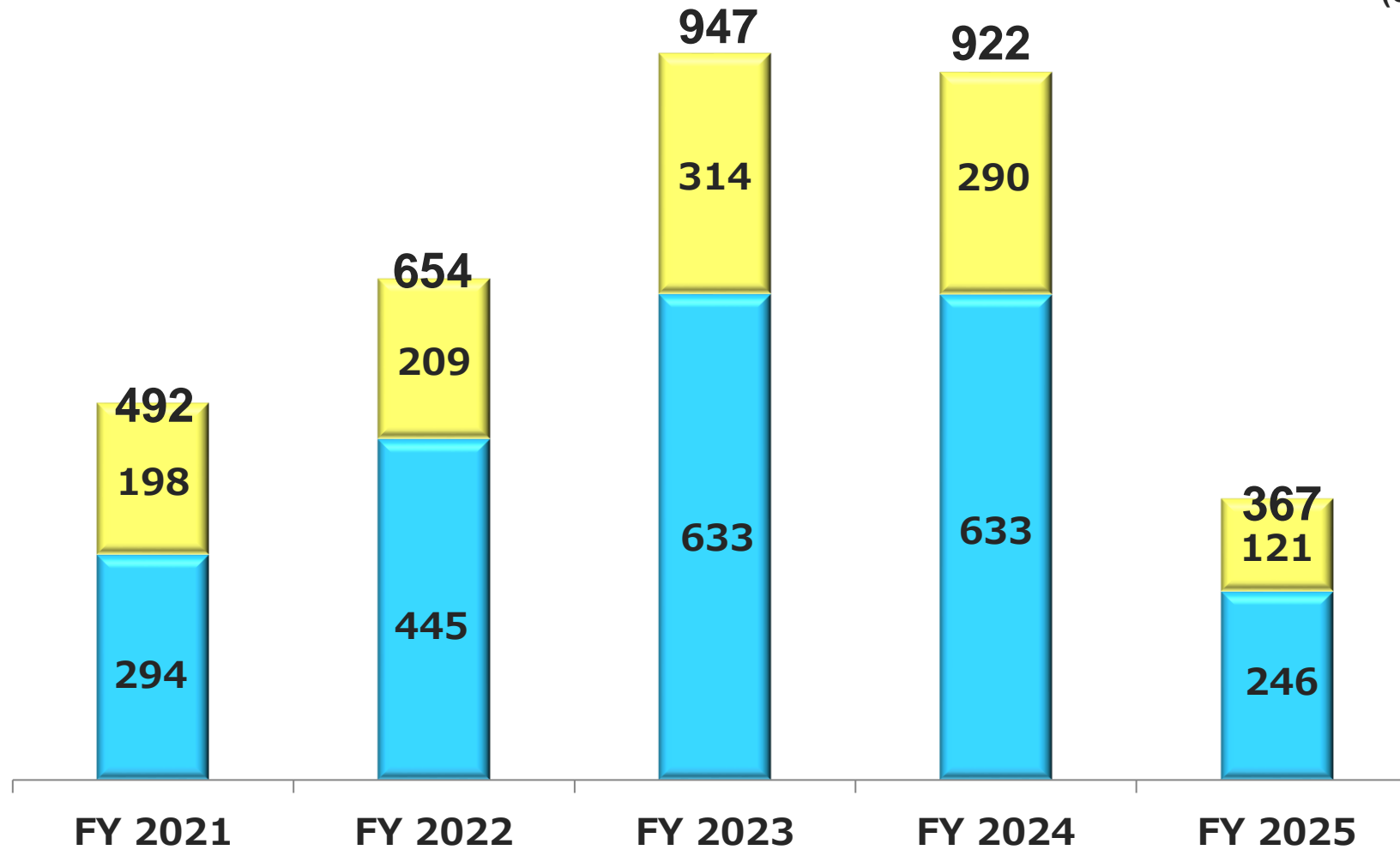
Renesas Electronics Business

【 Sales Trends 】

■ Domestic

■ Oversea

(Unit : 100 Millions of yen)



Exchange rate at the end of the period

1USD=110.71yen

1USD=122.39yen

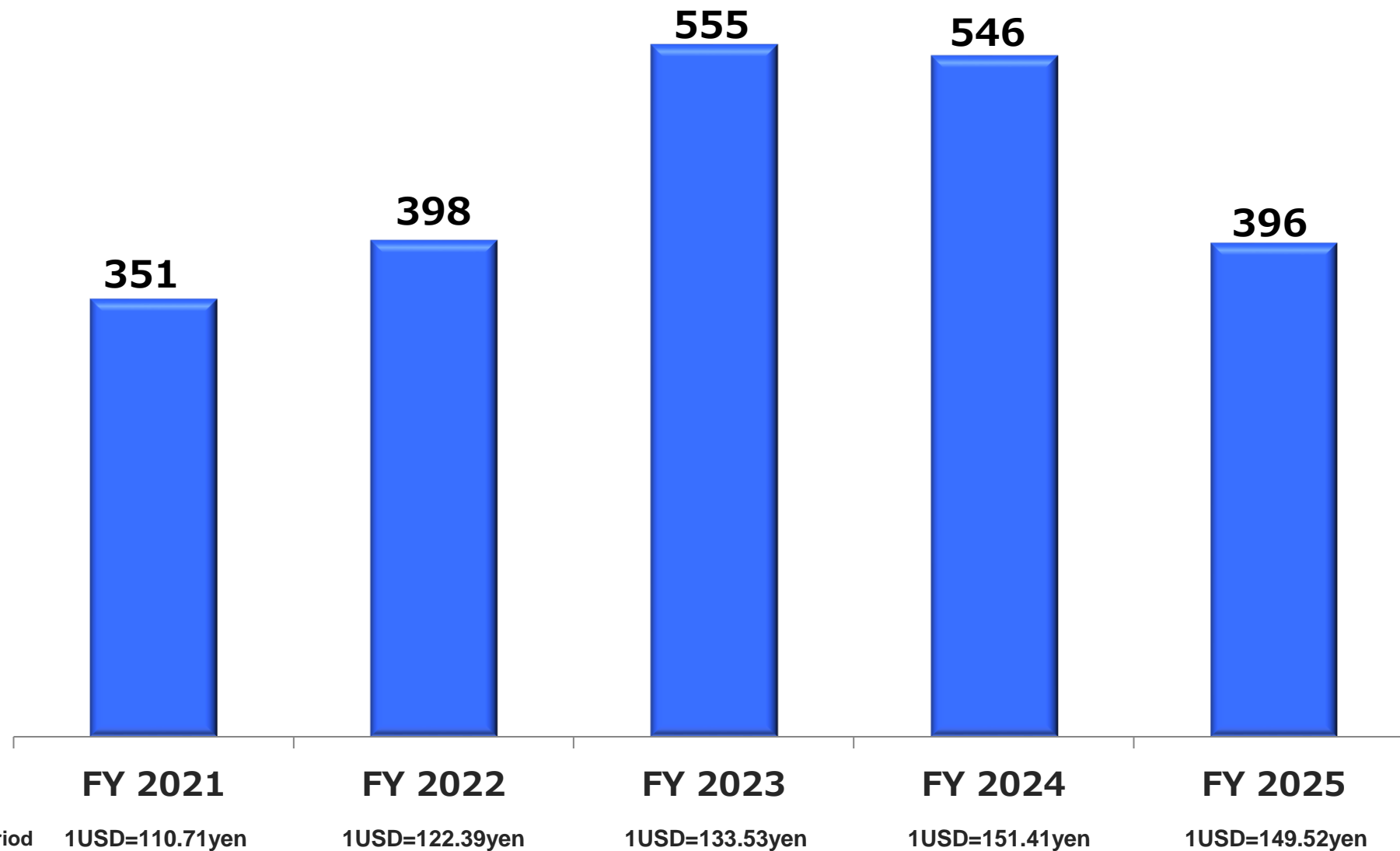
1USD=133.53yen

1USD=151.41yen

1USD=149.52yen

Overseas Business Sales Trends

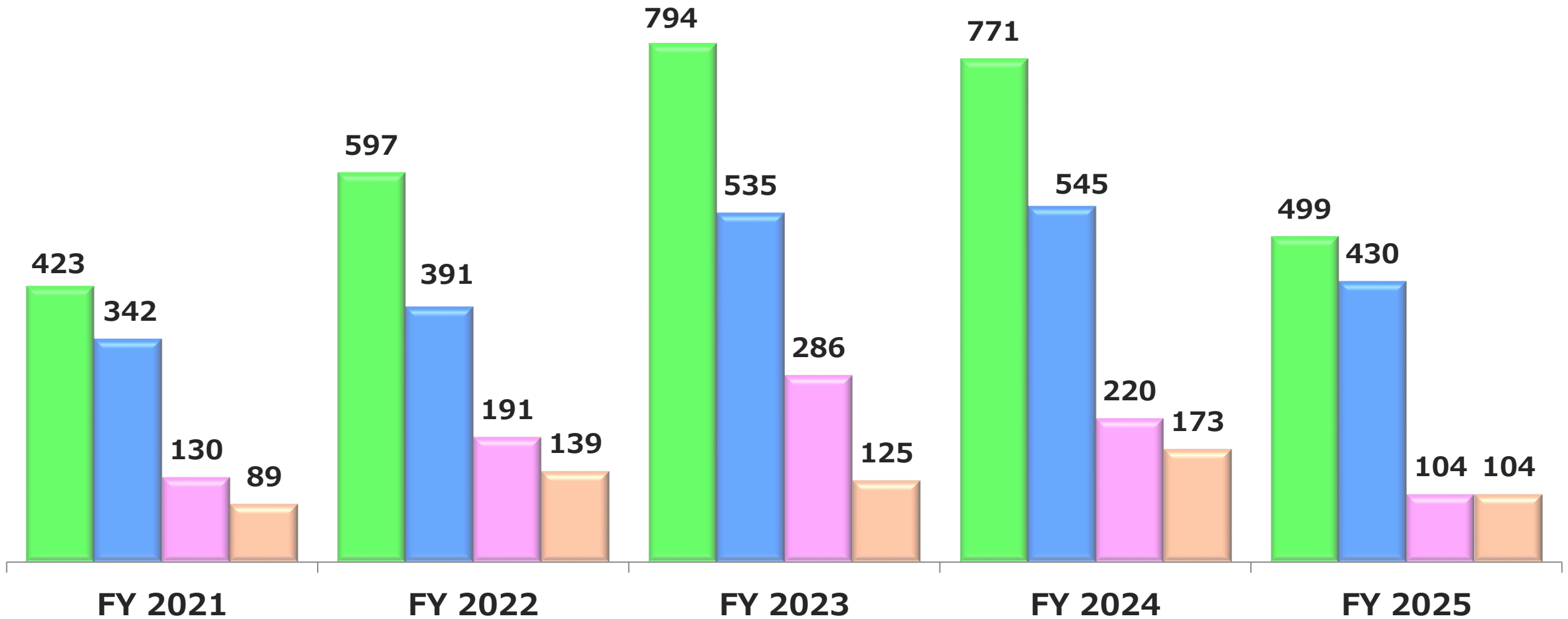
(Unit : 100 Millions of yen)



Core Market Sales Trends

Industry Automotive Office Automation Amusement

(Unit : 100 Millions of yen)



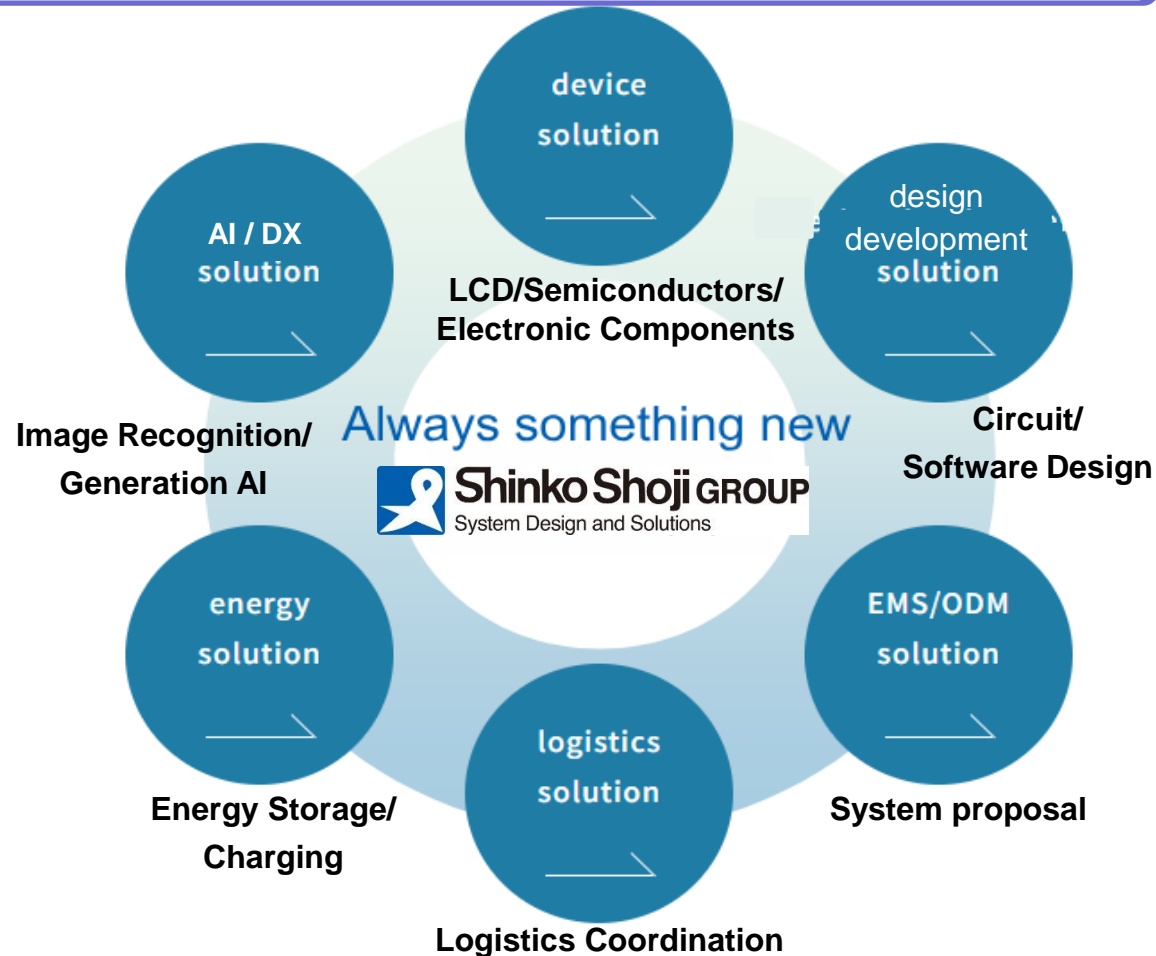
Growth strategy

- **Expansion of solution business**
- **Building a new business model by creating and expanding new core products**

Our Business Areas

Shinko Shoji supports customer success through tailored business solutions, including product supply, optimized logistics, technical support, development coordination, EMS, and global expansion. We also contribute to a sustainable society through our services.

Solutions provided by Shinko Shoji



Major Markets



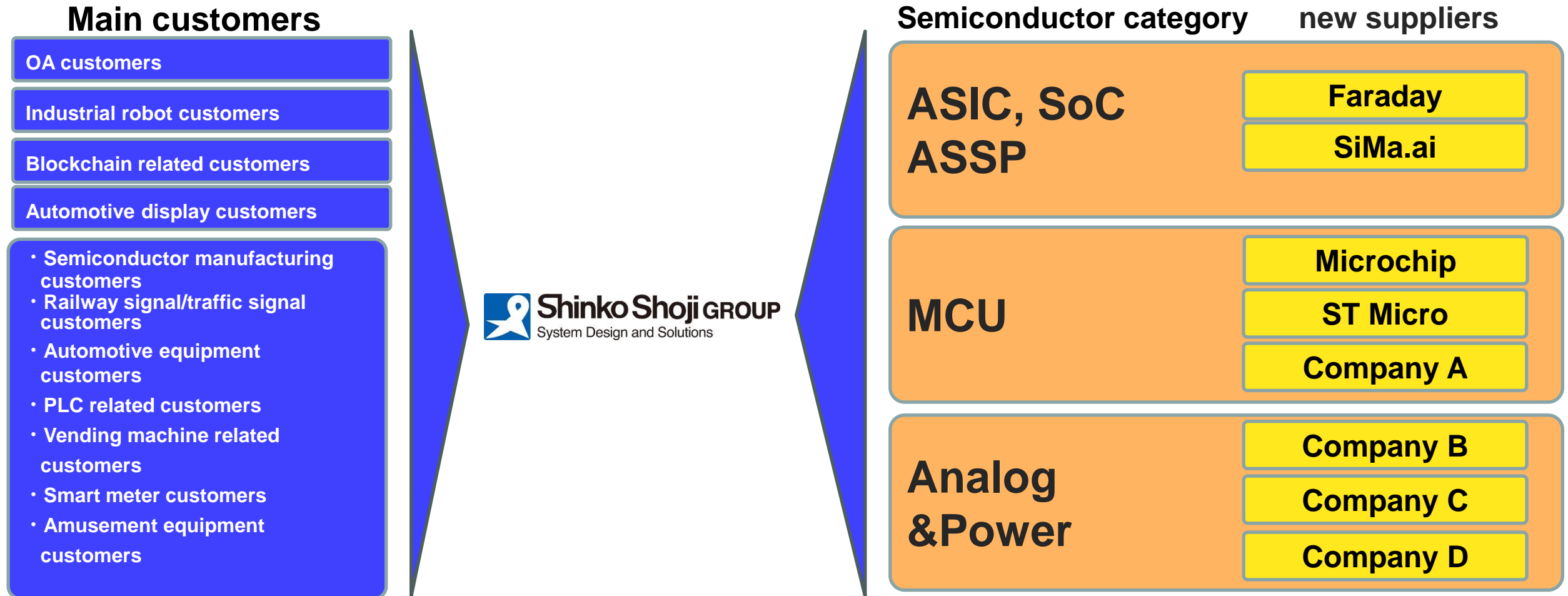
Growth strategy (Product-Market Growth Matrix)

		Product Lineup	
		existing	new
Customer Market	existing	-CS Enhancement- Enhancing customer satisfaction to drive business growth	-New Supplier Development- Proposing new products in emerging customer domains
	new	-New Customer Development- Expanding sales through existing domestic and international suppliers.	-New Market & New Supplier Development- Accelerating solution expansion through AI and digital transformation

Further details of our activities are provided in the following pages.

Growth strategy (Creation and expansion of new core products)

Actively expanding our semiconductor supplier network to quickly establish semiconductor sales as key business.



Growing our existing product reach and building our solution business

Expanding our electronic device business and launching new ventures

Main customers

OA customers

Industrial robot customers

Blockchain related customers

Automotive display customers

- Semiconductor manufacturing customers
- Railway signal/traffic signal customers
- Automotive equipment customers
- PLC related customers
- Vending machine related customers
- Smart meter customers
- Amusement equipment customers



Product Categories

Electronic circuit components (capacitors/coils/resistors, etc.)

Connectors/Harnesses/Fiber Optics

LCD/LED/Touch Panel/Monitor

FAN/Motor/Servo Controller

Build-up / Aluminum / Flexible circuit board

Memory/SSD/eSD/eMMC/CF

PC/Server/Router

Lithium-ion battery/charger/hydrogen cartridge

DX/GX, AI/Generative AI/Agentic AI, IoT

EMS business/ODM business

Software and hardware development

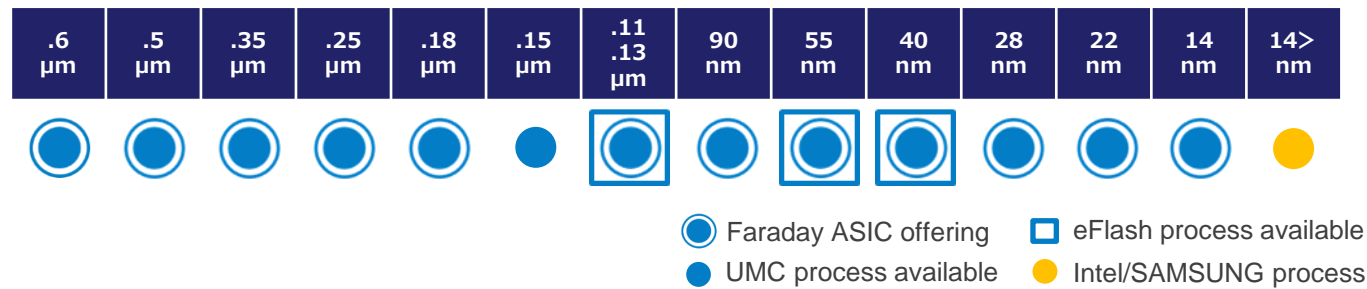
New Semiconductor Supplier [Faraday Technology Corporation]

Shinko Shoji is aggressively expanding sales of Faraday's products!
Aiming for business of 15 billion yen in 2027 and 20 billion yen in 2029!

Faraday Strategic Foundry Partnership

Faraday's wide range of processes and support of the eFlash process allows to offer a wide range of solutions to meet your requirements.

Available Processes



Foundry Partnership

14nm & beyond

intel **SAMSUNG** UMC

40nm/28nm/22nm & eFlash

UMC

55nm & below & eFlash

UMC

Advanced

- Forefront technology offerings
- Leverage 3rd party Ips with in house IP

SoC & Microcontroller

- Best cost/performance
- In-house Ips with customization and lower design risk
- Sweet spot nodes for diverse applications

Faraday Business: IP & ASIC

IP
Business

License Fee & royalty

ASIC
Business

NRE &
mass production

[Our Faraday business]

- Device business selling ASIC devices
- Licensing business to sell IP
- Contract development business to design ASIC devices

Global Semiconductor Supplier (China/Taiwan)

In order to meet the demand from Japanese customers for semiconductors and electronic components made in China and Taiwan, Shinko has established a new department "overseas product marketing team".
Target sales amount is 5 billion yen in 2027.

芯驰 SemiDrive (China Beijing) China's largest and leading manufacturer of in-vehicle cockpit ICs

More than 90 % of Chinese automotive OEM use SemiDrive IC, and also SemiDrive is expanding global business aggressively. By leveraging our expertise in the automotive field and technical solutions, Shinko Shoji aims to drive automotive business growth for smart cockpit market.

BASiC Semiconductor (China Shenzhen) Leading SiC supplier to China's next-generation power semiconductor industry

We focus on the implementation of next-generation inverters for automotive applications (EV/HEV) and factory automation (FA) through BASiC advanced SiC core technology.

 **Drive business growth with collaborating China and Taiwan suppliers. (total 31 partners as of April 2025)**

Expanding partnerships with high-quality suppliers from China and Taiwan, including those in semiconductors, electronic components, mechanical parts, and software. Currently, we have partnerships with 31 companies.



Strategic partnership signing ceremony



Smart cockpit demo with SemiDrive X9SP

AI/DX - Hardware Solutions -

- Promoting Edge AI to care facilities to meet the needs of a rapidly aging society.
- Reducing caregiver workload and enhancing nighttime monitoring through a new AI-based management system.

Current Issues in Elderly Facilities

Current AI fails to reduce staff workload due to many false positives

- Confusing cases in fall detection



Motion of picking up an object



Cleaning up beds



bed sitting

Welfare Monitoring System to solve problems

Sensor-integrated edge AI-BOX solution

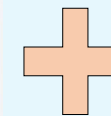


SiMa^{ai}

SiMa.ai mass production board mounted



【 SiMa M.2 AI Accelerator Board
50TOPS 】



The system is implemented using SiMa.ai's high-performance, low-power SoC.

Actively promoting the deployment of edge AI monitoring systems, with a primary focus on elderly care facilities.

AI/DX - Software Solutions -

Novalux Japan (NJ), a group company, has acquired a 35.39% stake in AIRUCA Inc. through a third-party allotment, making it an equity-method affiliate.

Strength of each company & Synergy

- NJ: Expertise in embedded computer system design
- AIRUCA: Strength in AI software & edge device development
- Synergy: Solving customer challenges across the Shinko Shoji Group and contributing to society

About AIRUCA Inc.

- Develops AI software and edge AI devices (focus: image recognition, behavior estimation)
- Opened Osaka Medical AI R&D Center in 2024
- Plans to expand into AI-based medical imaging diagnostics

[AIRUCA's main products and solutions]



Multifunctional privacy protection “AiAir Mosaic”

The AI automatically detects people in the video, and mosaicking and silhouetting privacy protection can be performed.



Fallen person detection system “AI-Behavia FD”

AI can extract people and improve the accuracy of fall detection.

Software Design × EMS Business

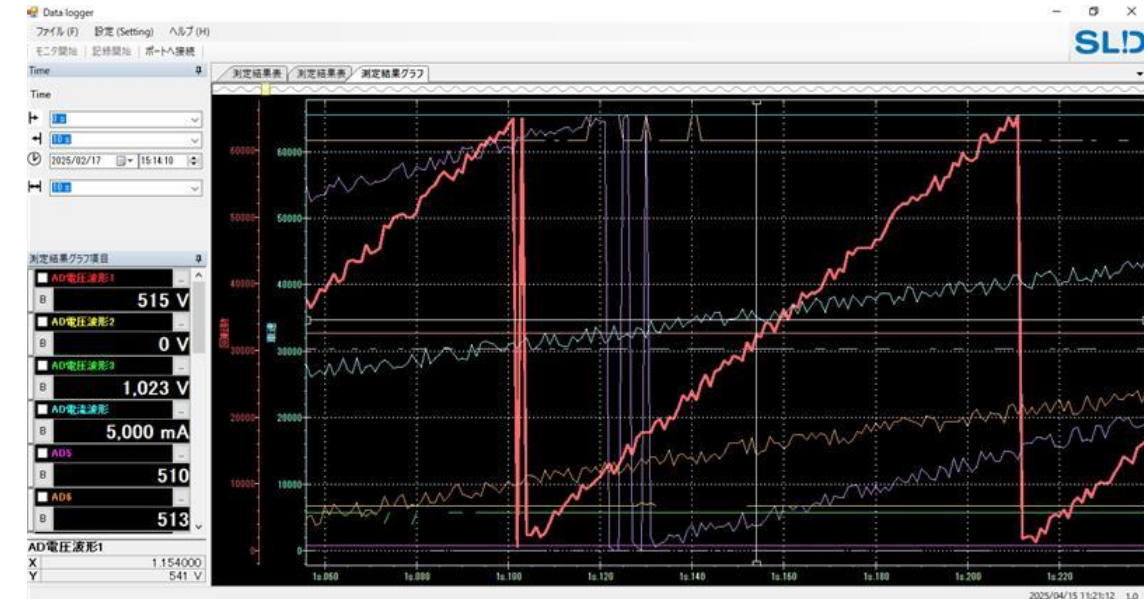
Shinko Shoji LSI Design Center (SLD), a group company,
achieves its first original product commercialization !

Trademark:
SLD



Data logger 'CANAD-0208'
May 23, 2025 Release

- CAN Analyzer and Oscilloscope in one
- Synchronized acquisition of CAN and A/D signals
- 72 hours long recording
- CAN and CAN FD support
- Analog input 250kHz high-speed sampling
- Viewer app for analysis
- Compact and lightweight



Viewer application screen

[Target Market]

- Automobile manufacturers, electrical equipment manufacturers, railroad manufacturers, elevator manufacturers, medical equipment manufacturers
- Software development companies, design houses, evaluation experiment companies and other markets that use CAN communication

Capital and Business Alliance with Restar Corporation

Oct. 2024 Announced capital and business alliance with Restar Corporation.

● Details of Capital Alliance

- Shinko Shoji 550,000 shares of common stock of Restar (total amount: approximately 1.5 billion yen)
- Restar 1,550,000 shares of common stock of Shinko (total amount: approximately 1.5 billion yen)



● Target Businesses of the Alliance

- Business related to sales and mounting of devices including semiconductors, electronic components and electronic equipment
- Business related to solution services
- Business related to contracted software development, etc.
- Business related to EMS coordination

● Expected synergies

- Expansion of sales network
- Expansion of Product Portfolio
- Technical collaboration and organizational strengthening
- Strengthen solution proposals by promoting EMS coordination



Forecast for FY2026

Forecast for the FY March 2026

(Unit : Million of yen)

	Results for the fiscal year ended March 2025	Forecast for the fiscal year ending March 2026	YoY	Increase and decrease
Net sales	116,008	100,000	(13.8%)	(16,008)
Operating income	637	700	9.8%	63
Ordinary income	578	700	21.0%	122
Profit attributable to owners of parent	505	550	8.9%	45

Shareholder return for the FY March 2026

The Company plan is to pay a dividend of approximately 50% of the consolidated dividend payout ratio, based on the full-year earnings forecast as follows.

- Dividend per share

	Fiscal Year ending March 31, 2026 forecast
2nd quarter-end	4.50 yen
Fiscal year-end	5.00 yen
Annual	9.50 yen
Consolidated dividend payout ratio	51.4%

Medium-term Management Plan

● Management policy

In this era of change, we aim to provide a wide range of electronics products and services.
Increase the value of our existence, Realizing an evolving electronic parts trading company group.

● Management strategies (priority measures for growth)

- (1) Rebuilding of business portfolio (including co-creation with strategic partners)
- (2) Creation and enlargement of new core merchandise and further expansion of merchandise procured from existing excellent suppliers
- (3) Area strategy, growth investments aimed at the exploration and creation of new business domains, and M&As
- (4) Actions for management that is conscious of capital cost and share price (toward PBR of 1 or higher)
- (5) Investment in human capital (recruitment of diverse talent, investment in education and training, improvement of employee engagement)
- (6) Environmental initiatives (toward carbon neutrality by 2050)

● Important management indicators

management indicators	Fiscal year ending March 31, 2028
Net sales	170 billion yen
Profit	4.5 billion yen
ROE	8.0% or higher

Contact Information

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