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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Japanese GAAP]



July 31, 2025

Company name: Shinko Shoji Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 8141
 URL: <http://www.shinko-sj.co.jp/>
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 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Not available
 Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2025 (April 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	21,691	(33.4)	213	(71.5)	385	(59.6)	394	22.6
June 30, 2024	32,574	(28.3)	747	(56.8)	953	(44.0)	321	(70.3)

(Note) Comprehensive income: Three months ended June 30, 2025: 35 million yen [(98.0)%]

Three months ended June 30, 2024: 1,786 million yen [(27.3)%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	13.27	—
June 30, 2024	9.73	—

The average number of shares during the period used for calculating basic earnings per share is calculated by excluding the number of shares held in own name as well as treasury shares held by the board benefit trust of 471,500 shares for the three months ended June 30, 2024 and 471,500 shares for the three months ended June 30, 2025 and treasury shares held by the employee benefit trust of 512,300 shares for the three months ended June 30, 2024 and 614,300 shares for the three months ended June 30, 2025.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	80,264	52,267	64.1
As of March 31, 2025	80,051	52,539	64.6

(Reference) Equity: As of June 30, 2025: 51,420 million yen

As of March 31, 2025: 51,701 million yen

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year- end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	7.50	-	8.00	15.50
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		6.00	-	6.50	12.50

* Revisions to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	
Full year	107,500	(7.3)	1,000	56.8	1,000	72.9	730	44.5	24.54	

* Revisions to the financial results forecast announced most recently: No

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 2 companies (SHIMIZUSYNTEC Corporation, SHIMIZU SYNTEC SINGAPORE PTE.LTD.)
Excluded: -
 - (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Primary Notes, (3) Notes to Quarterly Consolidated Financial Statements” on page 8 of the attached document.
 - (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements and Primary Notes, (3) Notes to Quarterly Consolidated Financial Statements” on page 8 of the attached document.
 - (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
June 30, 2025: 38,010,566 shares
March 31, 2025: 38,010,566 shares
 - 2) Total number of treasury shares at the end of the period:
June 30, 2025: 8,322,048 shares
March 31, 2025: 8,259,548 shares
 - 3) Average number of shares during the period:
Three months ended June 30, 2025: 29,749,843 shares
Three months ended June 30, 2024: 33,105,588 shares
 1. The total number of treasury shares at the end of the period includes the Company’s shares held by the board benefit trust of 471,500 shares for the fiscal year ended March 31, 2025 and 471,500 shares for the three months ended June 30, 2025 and the Company’s shares held by the employee benefit trust of 637,000 shares for the fiscal year ended March 31, 2025 and 604,000 shares for the three months ended June 30, 2025.
 2. Treasury shares excluded for calculation of the average number of shares during the period includes the Company’s shares held by the board benefit trust of 471,500 shares for the three months ended June 30, 2024 and 471,500 shares for the three months ended June 30, 2025 and the Company’s shares held by the employee benefit trust of 512,300 shares for the three months ended June 30, 2024 and 614,300 shares for the three months ended June 30, 2025.
- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No
- * Explanation of the proper use of financial results forecast and other notes
The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company has deemed reasonable. These statements are not intended as the Company’s commitment to achieve them, and actual results may differ significantly from these forecasts due to a wide range of factors. For the assumptions for financial results forecast and precautions for using financial results forecast, please refer to “1. Overview of Business Results, (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 3 of the attached document.

Table of Contents - Attachments

1. Overview of Business Results	2
(1) Overview of Operating Results	2
(2) Overview of Financial Position	2
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	3
2. Quarterly Consolidated Financial Statements and Primary Notes	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Quarterly Consolidated Statements of Income	
Three months ended June 30	6
Quarterly Consolidated Statements of Comprehensive Income	
Three months ended June 30	7
(3) Notes to Quarterly Consolidated Financial Statements	8
(Notes on going concern assumption)	8
(Notes in the case of significant changes in shareholders' equity)	8
(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)	8
(Changes in accounting policies)	8
(Changes in accounting estimates)	8
(Additional information)	8
(Segment information)	9
(Notes to Statements of Cash Flows)	10
(Business combination, etc.)	11
(Significant subsequent events)	12

1. Overview of Business Results

(1) Overview of Operating Results

During the three months ended June 30, 2025, despite an ongoing gradual recovery trend, the outlook for the Japanese economy remained uncertain mainly due to rising prices and US tariff increases.

In the electronics industry, demand remained weak except for AI-related products and data center applications, and moves for inventory adjustment continued.

The Company ended its distribution agreement with Renesas Electronics Corporation, its major supplier, on September 30, 2024. Under these circumstances, our group (the Company and its consolidated subsidiaries) posted overall results at a decreased level compared with the same period of the previous year in the businesses related to industrial products, automotive electronic products, amusement products, and OA products, which are our core businesses.

As a result, the business performances during the first quarter of the consolidated accounting period were: net sales 21,691 million yen (33.4% decrease compared with the same period of the previous year); operating profit 213 million yen (71.5% decrease); ordinary profit 385 million yen (59.6% decrease); and profit attributable to owners of parent 394 million yen (22.6% increase). Business performances per segment are as follows.

The Company has revised certain reportable segments to better reflect the nature of its operations from this first quarter of the consolidated accounting period. For comparative purposes, prior-year figures for the corresponding period have been reclassified to conform to the current segment presentation.

Electronic Device Business

All businesses, including the businesses related to industrial products, remained sluggish.

As a result of the above, net sales were: semiconductors 4,193 million yen (72.4% decrease compared with the same period of the previous year), electronic devices 10,764 million yen (6.4% increase), and overall 14,957 million yen (40.9% decrease).

Assembly Business

The businesses related to industrial products and amusement products remained sluggish.

As a result of the above, net sales of assembly products were 3,843 million yen (11.3% decrease compared with the same period of the previous year).

Other Businesses

Other businesses as a whole remained almost flat.

As a result of the above, net sales were 2,890 million yen (1.6% decrease compared with the same period of the previous year).

(2) Overview of Financial Position

(Assets)

Total assets at the end of the first quarter of the fiscal year under review increased by 213 million yen from the end of the previous period to 80,264 million yen. This is mainly attributable to increases in Goodwill, Notes and accounts receivable - trade, and contract assets, Investment securities, Current assets-other and Land of 1,292 million yen, 1,060 million yen, 548 million yen, 507 million yen and 362 million yen, respectively, despite decreases in Merchandise and finished goods, Cash and deposit of 2,086 million yen and 1,928 million yen, respectively.

(Liabilities)

Total liabilities at the end of the first quarter of the fiscal year under review increased by 485 million yen from the end of the previous period to 27,996 million yen. This is mainly attributable to increases in Contract liabilities and Notes and accounts payable - trade of 1,105 million yen, 348 million yen, respectively, despite a decrease in Electronically recorded obligations - operating 803 million yen.

(Net assets)

Total net assets at the end of the first quarter of the fiscal year under review decreased by 272 million yen from the end of the previous period to 52,267 million yen. This is mainly attributable to a decrease in Foreign currency translation adjustment of 588 million yen, despite an increase in valuation difference on available-for-sale securities of 220 million yen.

This resulted in an equity ratio of 64.1% (64.6% at the end of the previous year).

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The Company projects consolidated financial results for the fiscal year ending March 31, 2026 of consolidated net sales of 107,500 million yen, operating profit of 1,000 million yen, ordinary profit of 1,000 million yen, and profit attributable to owners of parent of 730 million yen.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	28,616	26,687
Notes and accounts receivable - trade, and contract assets	16,595	17,656
Securities	2,995	2,996
Merchandise and finished goods	15,079	12,992
Work in process	80	162
Accounts receivable - other	7,865	8,100
Other	323	830
Allowance for doubtful accounts	(39)	(38)
Total current assets	71,517	69,388
Non-current assets		
Property, plant and equipment	651	1,047
Intangible assets		
Goodwill	–	1,292
Other	103	120
Total intangible assets	103	1,412
Investments and other assets		
Investment securities	6,103	6,652
Deferred tax assets	360	415
Other	1,315	1,347
Allowance for doubtful accounts	(0)	(1)
Total investments and other assets	7,779	8,415
Total non-current assets	8,534	10,876
Total assets	80,051	80,264
Liabilities		
Current liabilities		
Notes and accounts payable - trade	10,369	10,717
Electronically recorded obligations - operating	3,213	2,410
Short-term borrowings	2,270	1,500
Current portion of long-term borrowings	3,500	5,000
Income taxes payable	273	300
Accounts payable - other	187	684
Contract liabilities	8	1,113
Provision for bonuses	466	269
Provision for bonuses for directors	33	9
Other	933	1,018
Total current liabilities	21,255	23,023
Non-current liabilities		
Long-term borrowings	4,300	2,800
Deferred tax liabilities	350	462
Provision for share awards for directors	124	124
Provision for share awards for employees	412	383
Retirement benefit liability	600	731
Other	467	471
Total non-current liabilities	6,255	4,973
Total liabilities	27,511	27,996

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Net assets		
Shareholders' equity		
Share capital	9,501	9,501
Capital surplus	9,616	9,616
Retained earnings	34,020	34,168
Treasury shares	(7,431)	(7,492)
Total shareholders' equity	45,707	45,794
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	953	1,174
Deferred gains or losses on hedges	(0)	0
Revaluation reserve for land	(61)	(61)
Foreign currency translation adjustment	5,074	4,486
Remeasurements of defined benefit plans	26	24
Total accumulated other comprehensive income	5,993	5,625
Non-controlling interests	838	847
Total net assets	52,539	52,267
Total liabilities and net assets	80,051	80,264

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(Quarterly Consolidated Statements of Income)

(Three months ended June 30)

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	32,574	21,691
Cost of sales	29,527	19,451
Gross profit	3,046	2,239
Selling, general and administrative expenses	2,299	2,026
Operating profit	747	213
Non-operating income		
Interest income	51	76
Dividend income	66	164
Purchase discounts	7	0
Foreign exchange gains	113	–
Miscellaneous income	12	38
Total non-operating income	251	279
Non-operating expenses		
Interest expenses	35	21
Foreign exchange losses	–	64
Share of loss of entities accounted for using equity method	–	17
Miscellaneous expenses	8	2
Total non-operating expenses	44	106
Ordinary profit	953	385
Extraordinary income		
Gain on sale of golf club membership	–	31
Gain on sale of investment securities	–	141
Total extraordinary income	–	173
Extraordinary losses		
Loss on sale and retirement of non-current assets	–	0
Extra retirement payments	352	–
Total extraordinary losses	352	0
Profit before income taxes	600	558
Income taxes	270	156
Profit	330	401
Profit attributable to non-controlling interests	8	7
Profit attributable to owners of parent	321	394

(Quarterly Consolidated Statements of Comprehensive Income)

(Three months ended June 30)

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Profit	330	401
Other comprehensive income		
Valuation difference on available-for-sale securities	267	224
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	1,189	(589)
Remeasurements of defined benefit plans, net of tax	(1)	(1)
Total other comprehensive income	1,455	(366)
Comprehensive income	1,786	35
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,773	26
Comprehensive income attributable to non-controlling interests	12	8

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)

Tax expenses were calculated by rationally estimating the effective tax rate after applying tax effect accounting for profit before income taxes for the fiscal year including the first quarter of the fiscal year under review and multiplying the profit before income taxes for the quarter by said estimated effective tax rate.

(Changes in accounting policies)

Not applicable.

(Changes in accounting estimates)

Not applicable.

(Additional information)

(Changes in presentation)

In the consolidated balance sheet for the previous fiscal year, contract liabilities were included under "Other" within current liabilities. However, due to an increase in materiality, the Company has presented contract liabilities as a separate line item starting from this first quarter of the consolidated accounting period. To reflect this change in presentation, the consolidated balance sheet for the previous fiscal year has been reclassified accordingly.

As a result, the 8 million yen previously presented under "Other" in current liabilities in the consolidated balance sheet for the previous fiscal year has been reclassified as "Contract liabilities."

(Segment information)

I. For the three months ended June 30, 2024 (April 1, 2024 to June 30, 2024)

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Adjustment amount (Note 1)	Consolidated income statement amount (Note 2)
	Electronic device business	Assembly business	Other businesses	Total		
Net sales:						
Sales to external customers	25,304	4,330	2,938	32,574	—	32,574
Inter-segment sales and transfers	—	—	—	—	—	—
Total	25,304	4,330	2,938	32,574	—	32,574
Segment profit	1,005	158	100	1,264	(517)	747

(Notes) 1. The adjustment amount for segment profit of (517) million yen includes corporate expenses of (517) million yen not allocated to the reportable segments. The corporate expenses are mainly administrative expenses and common expenses not attributed to the reportable segments.

2. Segment profit is reconciled to operating profit in the quarterly consolidated statements of income.

2. Information about loss on impairment of non-current assets and goodwill by reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

II. For the three months ended June 30, 2025 (April 1, 2025 to June 30, 2025)

1. Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable segment				Adjustment amount (Note 1)	Consolidated income statement amount (Note 2)
	Electronic device business	Assembly business	Other businesses	Total		
Net sales:						
Sales to external customers	14,957	3,843	2,890	21,691	—	21,691
Inter-segment sales and transfers	—	—	—	—	—	—
Total	14,957	3,843	2,890	21,691	—	21,691
Segment profit	623	124	(11)	736	(523)	213

(Notes) 1. The adjustment amount for segment profit of (523) million yen includes corporate expenses of (523) million yen not allocated to the reportable segments. The corporate expenses are mainly administrative expenses and common expenses not attributed to the reportable segments.

2. Segment profit is reconciled to operating profit in the quarterly consolidated statements of income.

2. Information about loss on impairment of non-current assets and goodwill by reportable segment

(Significant loss on impairment of non-current assets)

Not applicable.

(Significant changes in goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

3. Changes in reportable segments

The Company has revised certain reportable segments to better reflect the nature of its operations from this first quarter of the consolidated accounting period.

(Notes to Statements of Cash Flows)

Quarterly Consolidated Statements of Cash Flows for the three months ended June 30, 2025 was not prepared. Depreciation (including amortization of intangible assets but excluding goodwill) and amortization of goodwill are as follows.

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	88	44
Amortization of goodwill	4	—

(Business combination, etc.)

Business combination through acquisition

At a meeting of the Board of Directors held on May 30, 2025, the Company resolved to acquire all outstanding shares of SHIMIZUSYNTEC Corporation (head office: Kanazawa City, Ishikawa Prefecture; President: Tatsuhiro Matsuo), a subsidiary of NEC Corporation (head office: Minato-ku, Tokyo; President & CEO: Takayuki Morita), and make it a wholly-owned subsidiary of the Company (“the transaction”). The Company entered into a share transfer agreement on the same day and acquired all the shares on June 30, 2025.

1. Overview of business combination

(1) Name of the acquired company and its business

Name of the acquired company: SHIMIZUSYNTEC Corporation (“SHIMIZUSYNTEC”)

Business description: Wholesale of electronic devices and electrical work service

(2) Primary reasons for the business combination

The Company has focused on “area strategy, growth investments aimed at the exploration and creation of new business domains, and M&As” as one of its management strategies in line with its 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.”

SHIMIZUSYNTEC, as a distributor of NEC, has a strong sales base in the Hokuriku area, as well as expertise not only in sales of electronic devices, but also in systems solution development, which includes providing support for manufacturers using IT/DX technologies from the stage of manufacturing processes.

Based on these, the Company believes SHIMIZUSYNTEC can be a strong partner in realizing its management strategies. SHIMIZUSYNTEC also hopes to further expand its sales channels and expects synergetic effects from the transaction.

(3) Date of business combination

June 30, 2025

(4) Legal form of business combination

Share acquisition with cash consideration

(5) Name of the combined company

The company name has not changed.

(6) Percentage of voting rights acquired

100%

(7) Main basis for choice of the acquiring company

The Company acquired the shares of SHIMIZUSYNTEC in exchange of cash.

2. Period of the acquired company’s business results included in the quarterly consolidated statements of income

For the three months ended June 30, 2025, the balance sheet of the acquired company has been consolidated, but the consolidated statement of income does not include the acquired company’s results.

3. Acquisition cost and breakdown of consideration by type

Consideration for acquisition Cash and deposits 5,182 million yen

4. Description of major expenses related to acquisition and amount thereof

Advisory fees and other costs 72 million yen

5. Amount of goodwill, reason for its recognition, and the method and period of amortization

(1) Amount of goodwill

1,292 million yen

The amount of goodwill is provisionally calculated since the allocation of the acquisition cost was uncompleted as of June 30, 2025.

(2) Reason for recognition of the goodwill amount

Potential excess earnings expected from future business development of the acquired company were recognized as the goodwill amount.

(3) Method and period of amortization

The goodwill will be amortized by the straight-line method over its useful life. The amortization period will be determined based on the result of allocation of the acquisition cost.

(Significant subsequent events)

Not applicable.