



新光商事株式会社
Shinko Shoji Co., Ltd.

The Semi-Annual Financial Results for the Fiscal Year Ending March 31, 2026

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

November 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 forward-looking statements in this presentation are based on information available at the time of preparation. These projections involve risks and uncertainties, and actual results may differ significantly. Key risk factors include:

- Economic conditions and consumer trends in major markets (Japan and Asia), including the impact of U.S. tariff measures
- Changes in industry conditions and technological trends in the electronics sector
- Sharp fluctuations in supply and demand in our core product markets
- Significant changes in exchange rates for foreign currencies, such as the U.S. dollar

*Note: The period referred to as 2Q/FY2025 covers April 1, 2025 through September 30, 2025.

Overview of The Semi-Annual Financial Results

Semi-Annual Financial Results Highlights for the 2Q/2025

In the electronics industry, demand for AI-related products and data center applications remained strong, while other sectors continued to experience weak demand due to prolonged inventory adjustments and subdued corporate capital investment.

The Company terminated its distribution agreement with Renesas Electronics Corporation, a key supplier, on September 30, 2024. Furthermore, on June 30, 2025, the Company acquired SHIMIZUSYNTEC Corporation - formerly a subsidiary of NEC Corporation with a solid sales base in the Hokuriku region - making it a wholly owned subsidiary.

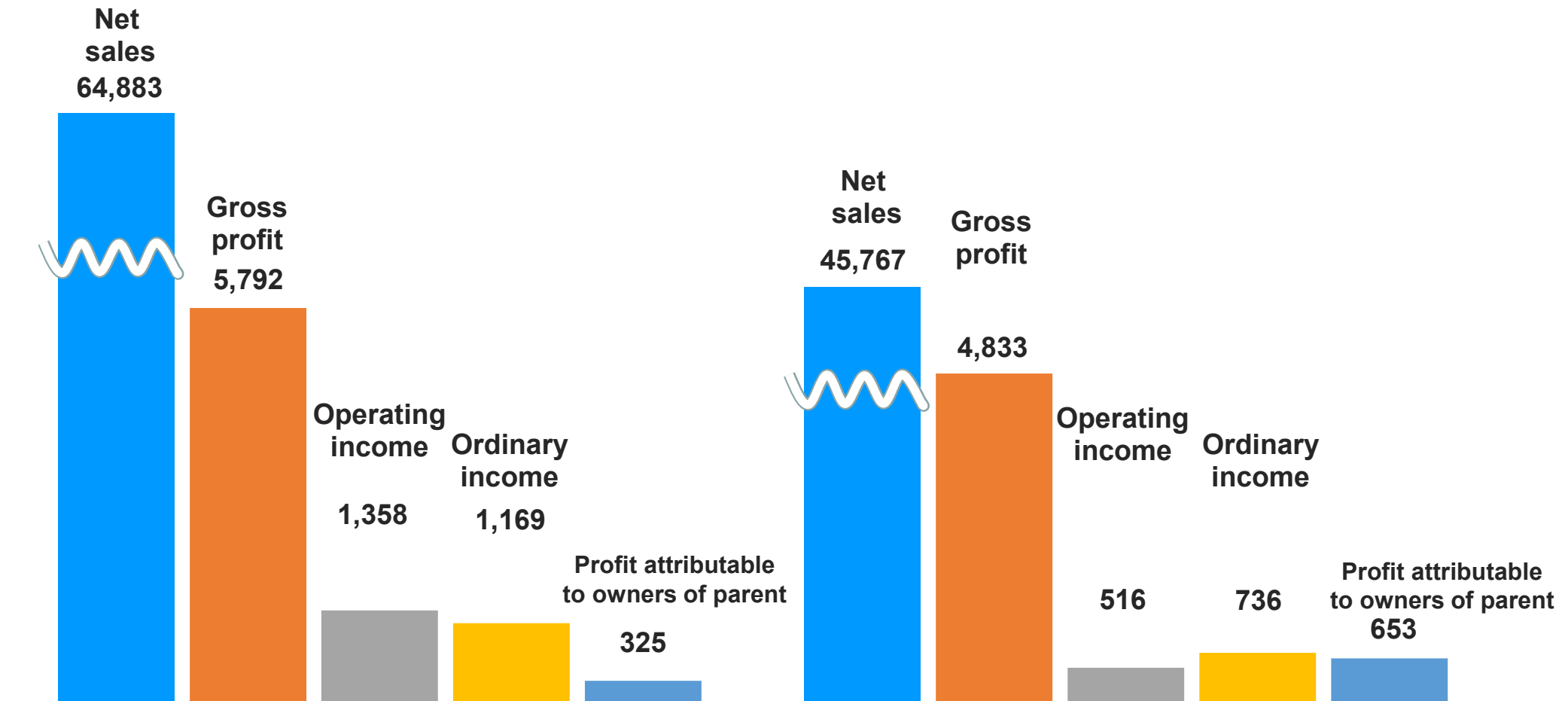
Under these circumstances, the Group (the Company and its consolidated subsidiaries) recorded lower overall results compared to the same period of the previous year in its core businesses, including industrial products, automotive electronic products, amusement products, and OA products.

Overview of the Semi-Annual Financial Results

(Unit : Millions of yen)

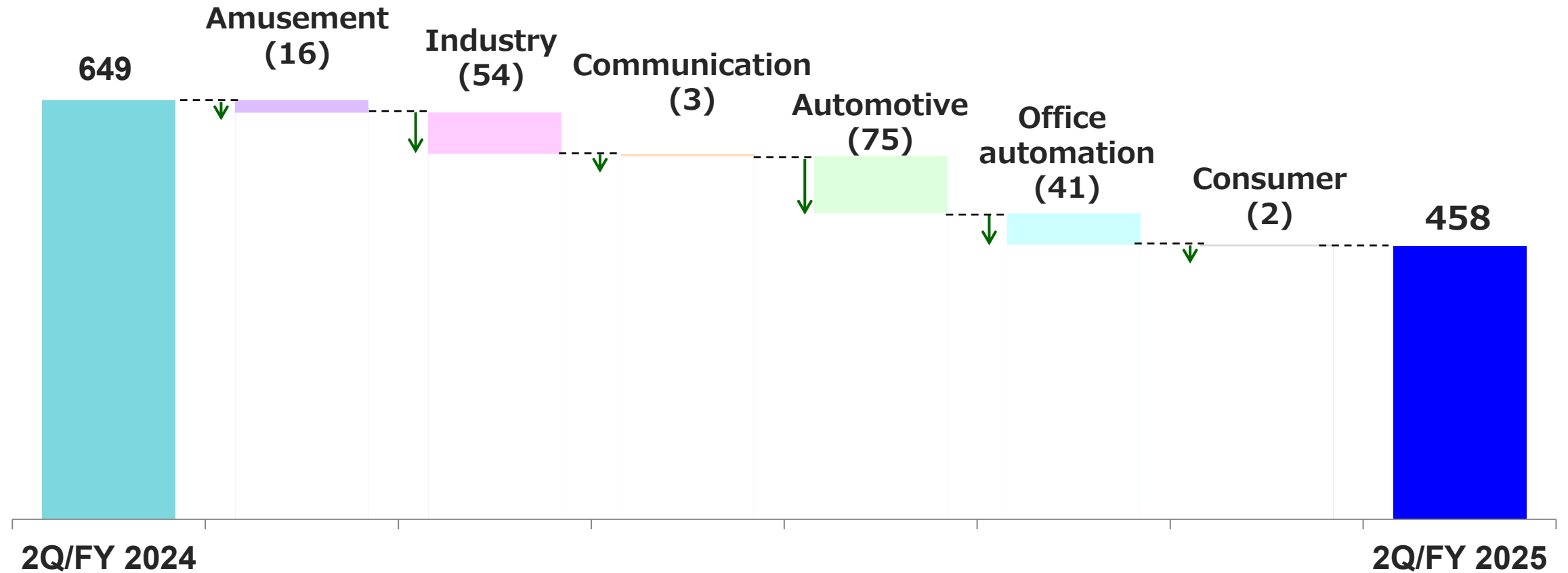
	2Q/FY2024	2Q/FY2025	Growth Rate	YoY
Net sales	64,883	45,767	(29.5%)	(19,116)
Gross Profit	5,792	4,833	(16.6%)	(959)
Selling, general and administrative Expenses	4,433	4,316	(2.6%)	(117)
Operating income	1,358	516	(62.0%)	(842)
Ordinary income	1,169	736	(37.0%)	(433)
Profit attributable to owners of parent	325	653	100.9%	328
Basic earning per share	9.83yen	22.10yen	—	12.27yen

Semi-Annual Consolidated income statement

2Q/FY2024**2Q/FY2025****(Unit : Millions of yen)**

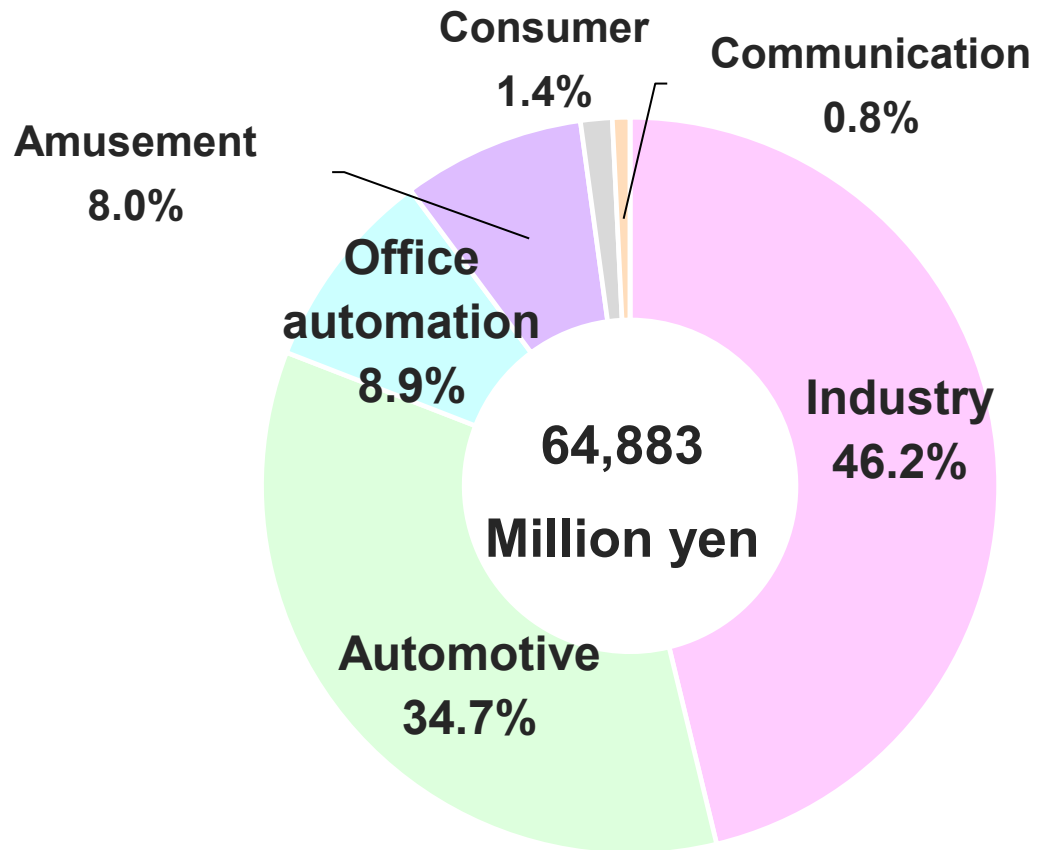
Changing Factors for Net Sales

(Units of 100 Million yen)

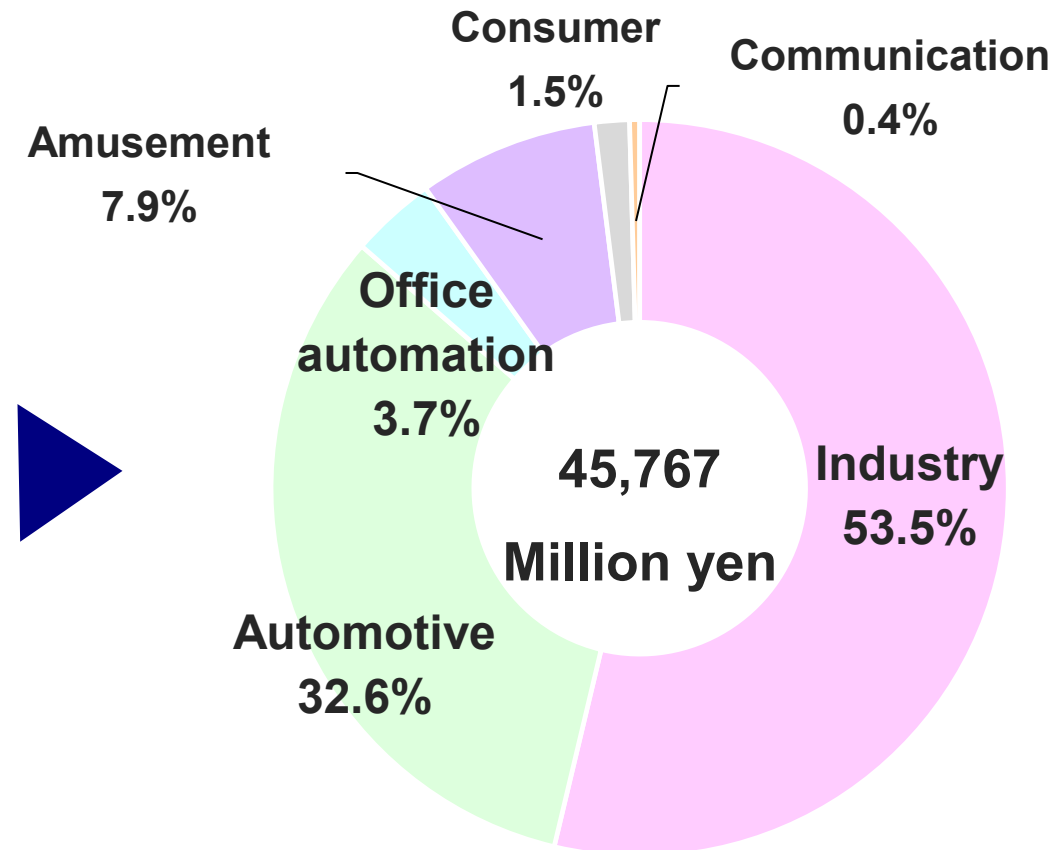


Net Sales Composition Ratio by Market

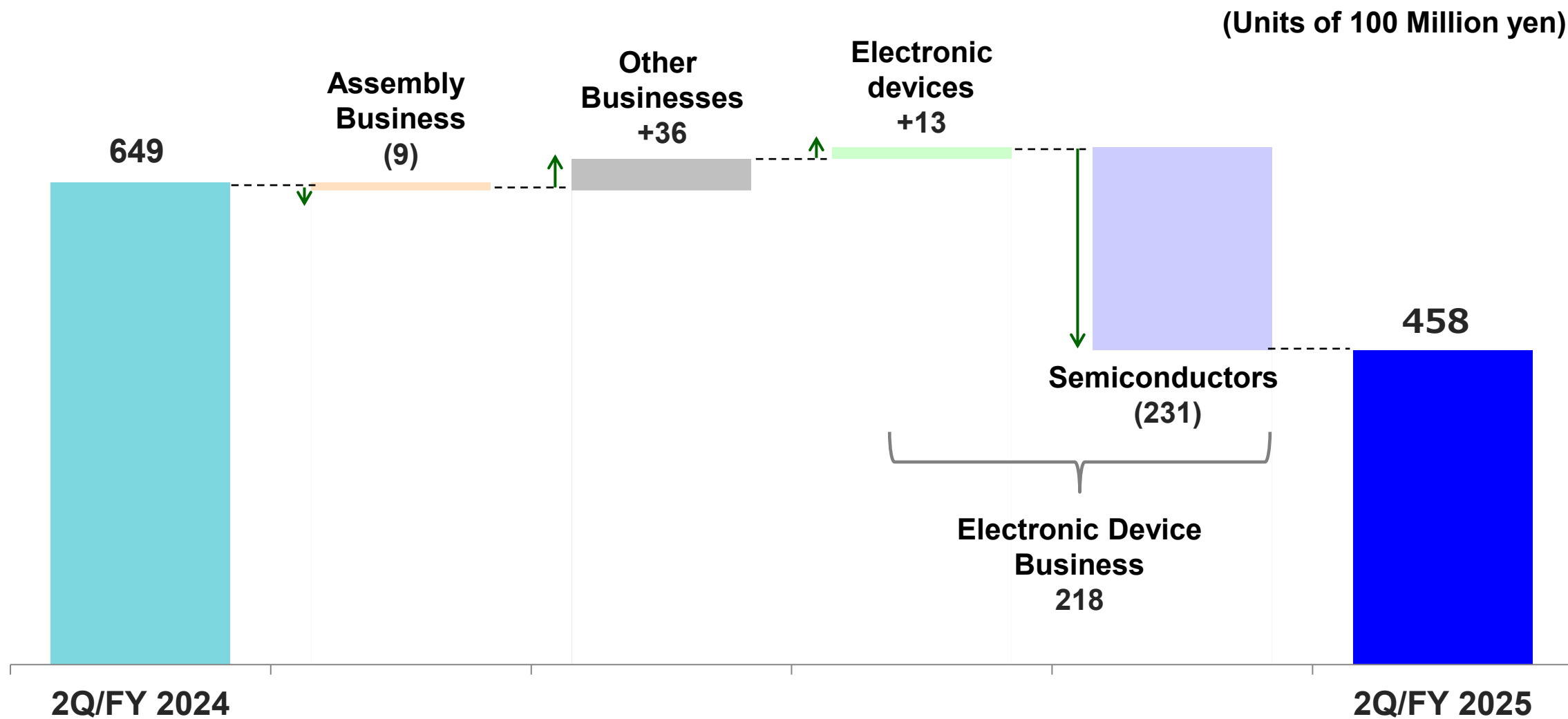
2Q/FY2024



2Q/FY2025

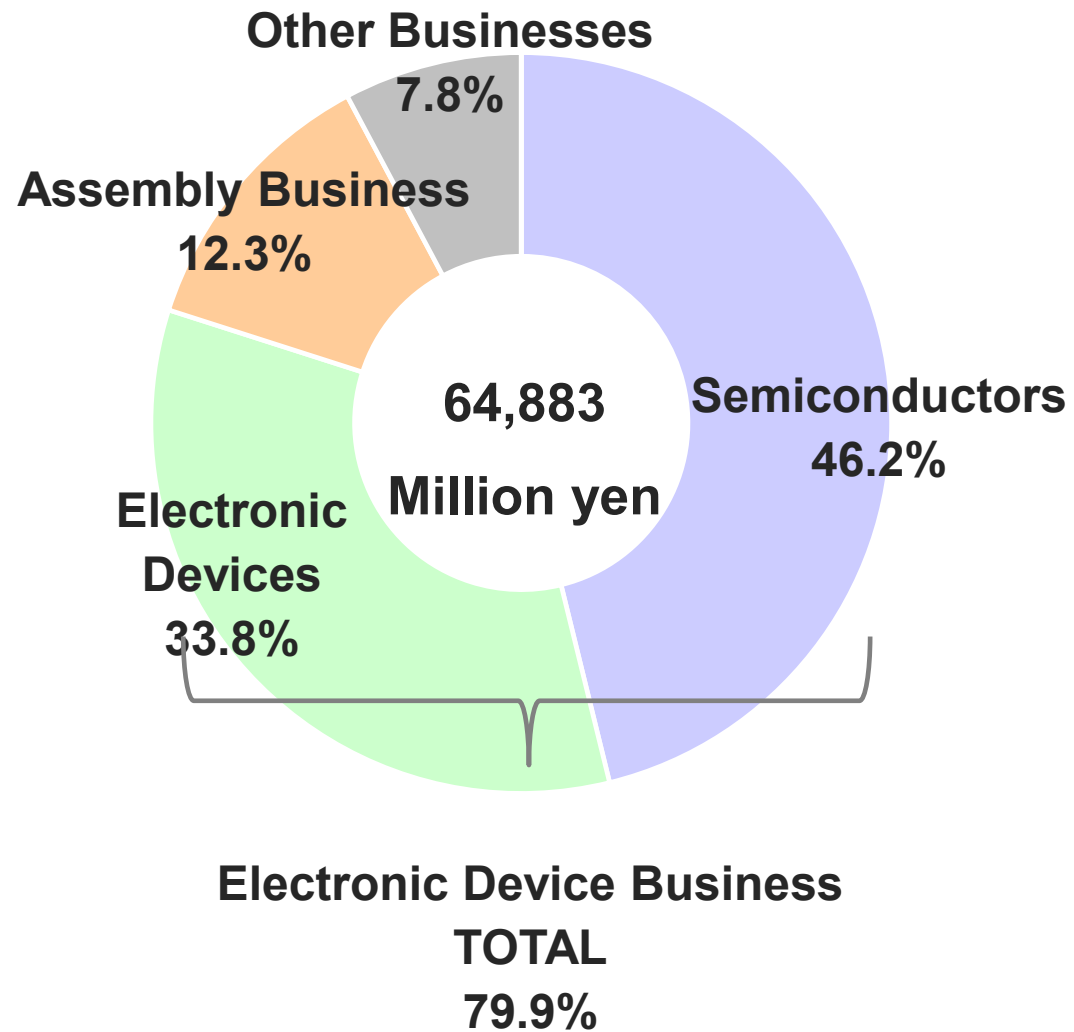


Changing Factors for Net Sales

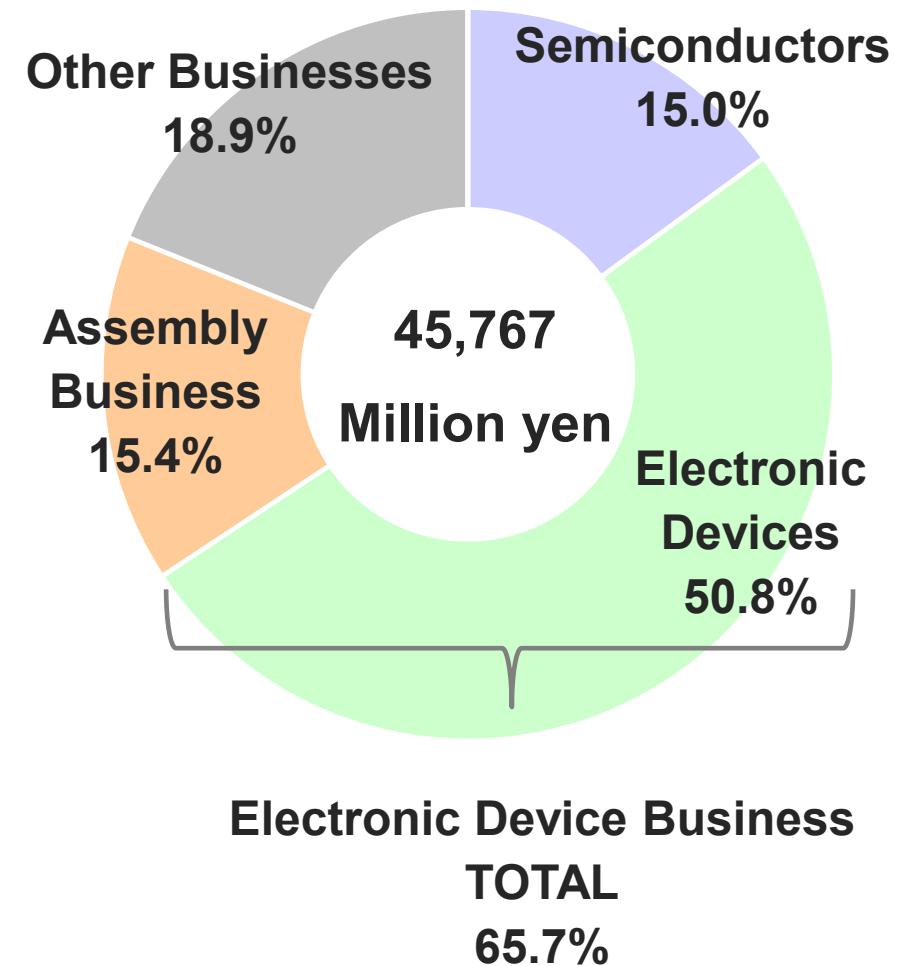


Net Sales Composition Ratio by Products

2Q/FY2024

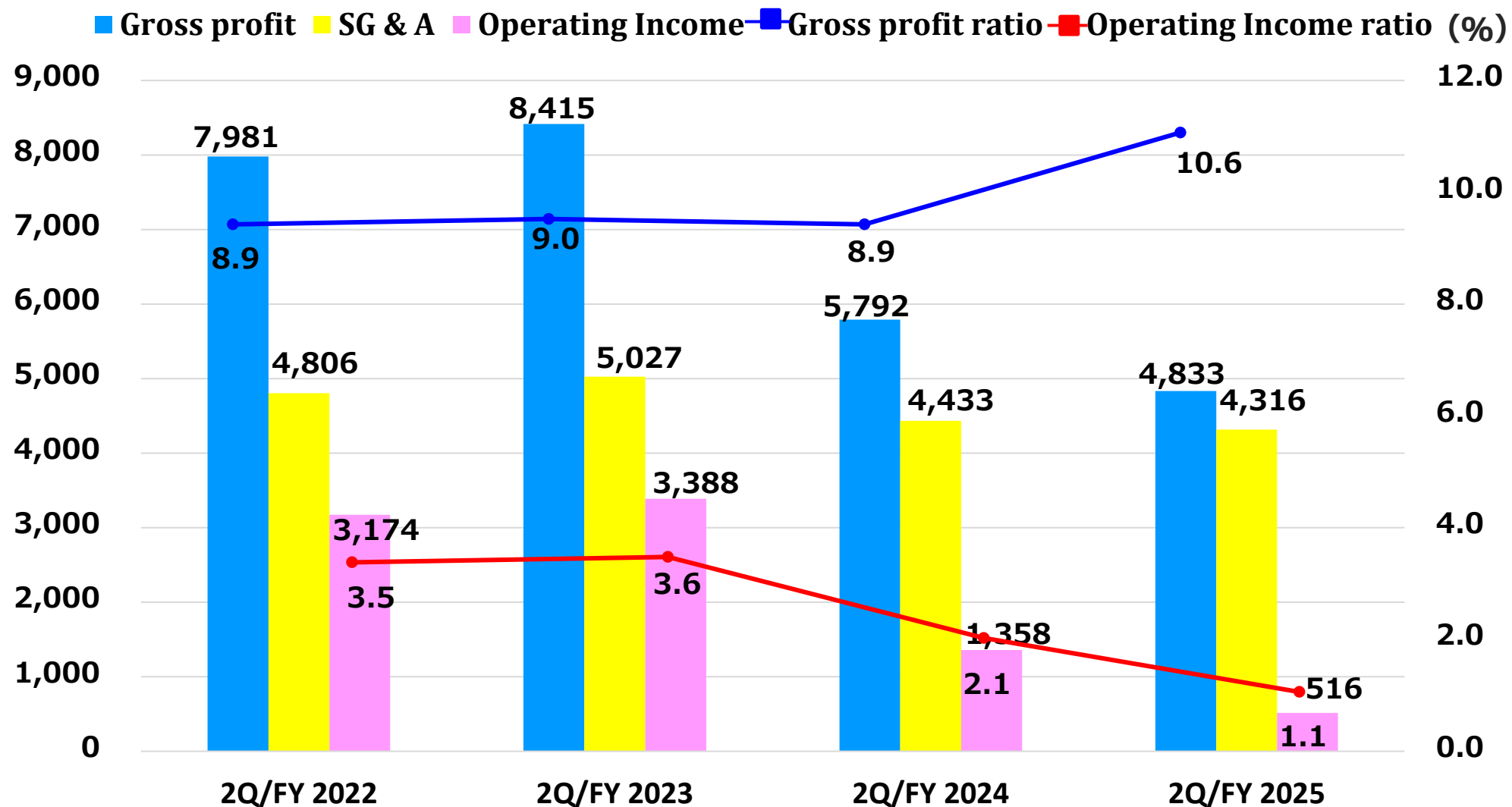


2Q/FY2025



Gross profit / Gross profit ratio / SG & A Transition

(Unit : Millions of yen)



Summary Balance Sheet 1 (Assets)

(Unit : Millions of yen)

	4Q/FY2024	2Q/FY2025	YoY
Total assets	80,051	82,011	1,960
Current assets	71,517	71,005	(512)
Cash and deposits	28,616	29,113	497
Notes and accounts receivable –trade, and contract assets	16,595	17,484	889
Securities	2,995	2,995	0
Merchandise and finished goods	15,159	12,410	(2,749)
Accounts receivable – other	7,865	7,820	(45)
Other	284	1,181	897
Non-current assets	8,534	11,005	2,471
Property, plant and equipment	651	1,178	527
Intangible assets	103	1,565	1,462
Investments and other assets	7,779	8,261	482

Summary Balance Sheet 2 (Liabilities and Net Assets)

(Unit : Million yen)

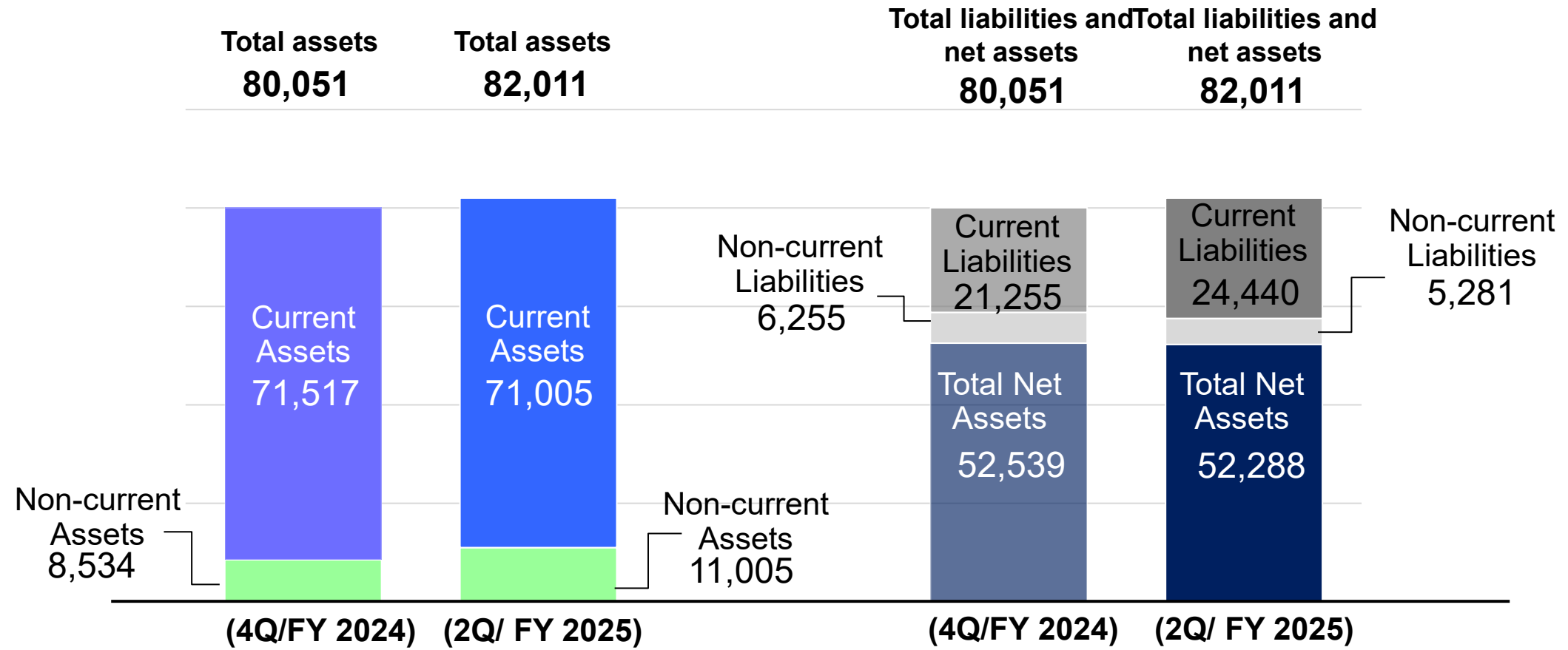
	4Q/FY2024	2Q/FY2025	YoY
Total liabilities	27,511	29,722	2,211
Current liabilities	21,255	24,440	3,185
Notes and accounts payable – trade	13,582	13,372	(210)
Short-term borrowings	2,270	1,500	(770)
Current portion of long-term borrowings	3,500	6,000	2,500
Contract liabilities	8	1,264	1,256
Non-current liabilities	6,255	5,281	(974)
Long-term borrowings	4,300	1,800	(2,500)
Total net assets	52,539	52,288	(251)
Capital and capital surplus	19,117	19,100	(17)
Retained earnings	34,020	28,037	(5,983)
Treasury shares	(7,431)	(1,595)	5,836
Total liabilities and net assets	80,051	82,011	1,960
Equity ratio	64.6%	62.7%	(1.9%)

Semi-Annual Consolidated Balance Sheet

(Unit : Millions of yen)

Total assets

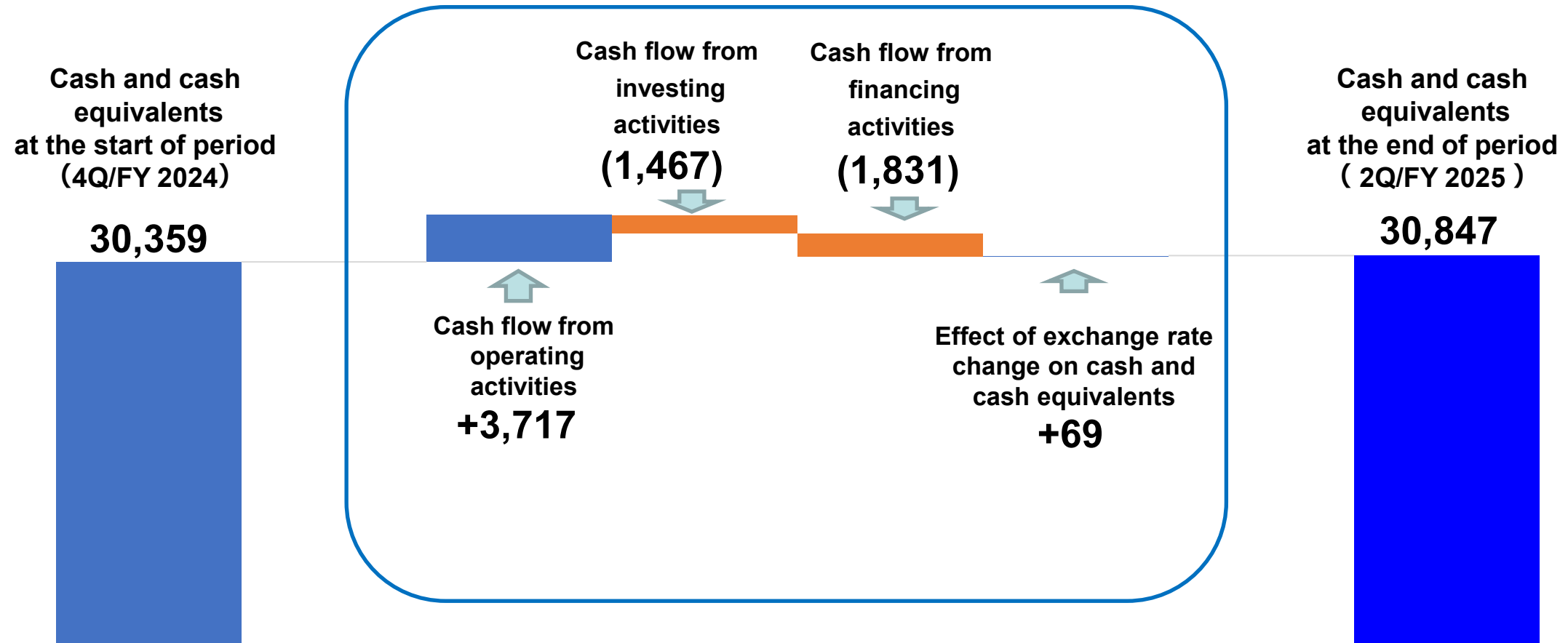
Total liabilities and net assets



Changing factors for Cash Flows

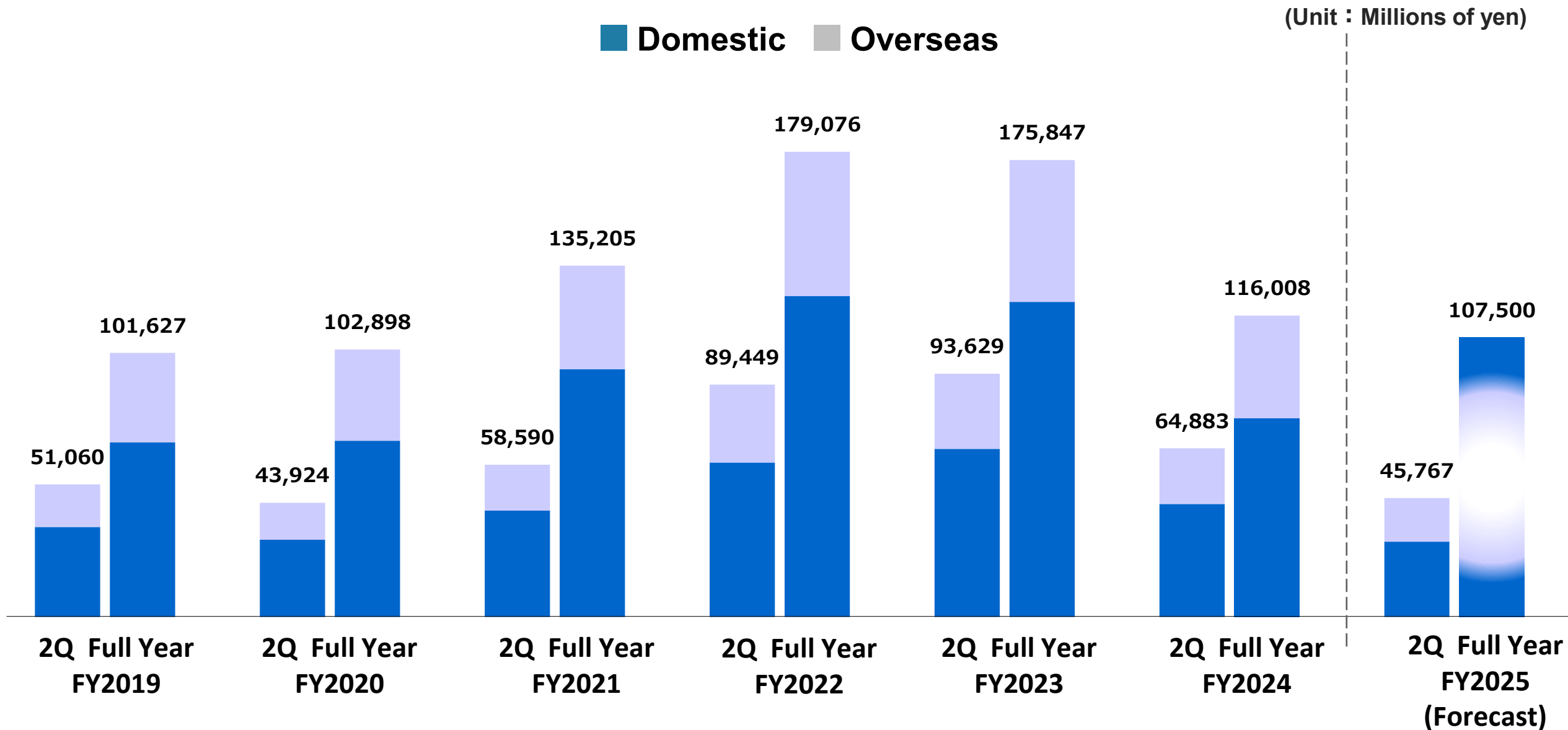
2Q/FY 2025 (April 1st, 2025~September 30, 2025)

(Unit : Millions of yen)



Our Business Status

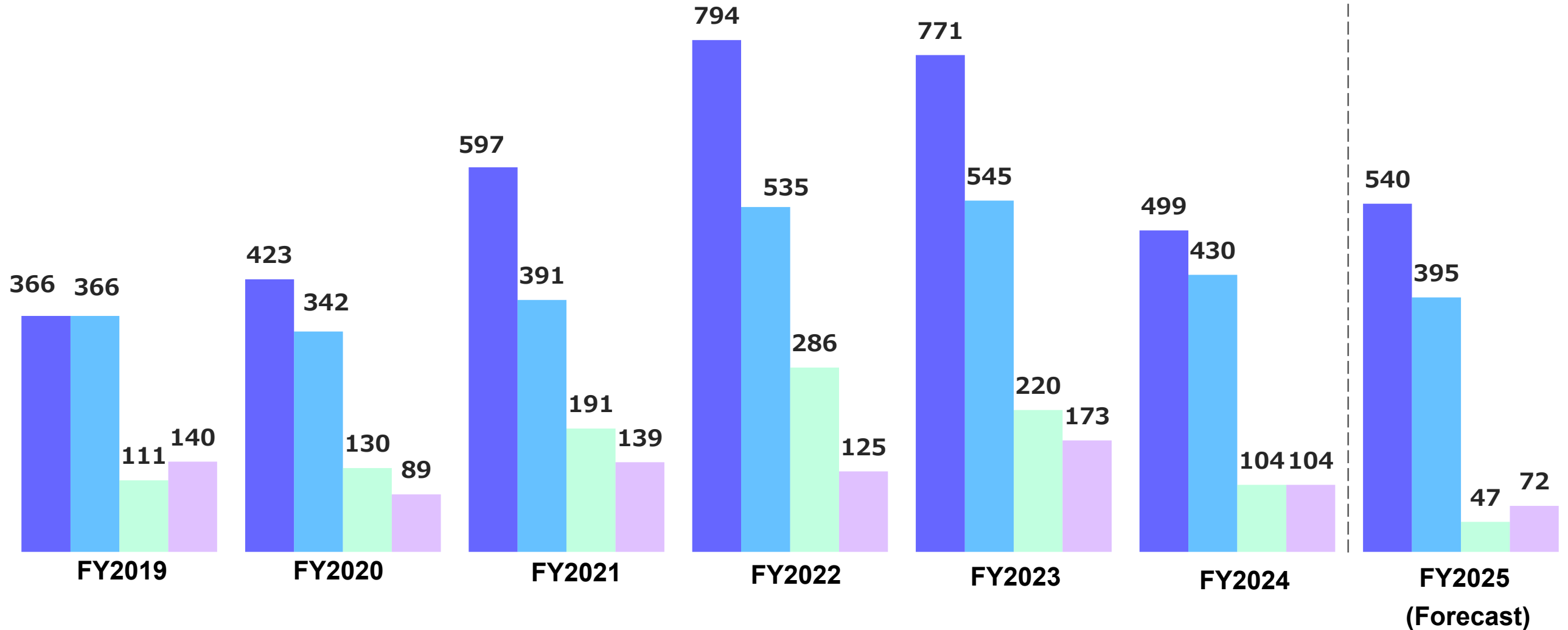
Regional Sales Trends



Core Market Sales Trends

(Units of 100 Million yen)

■ Industry ■ Automotive ■ Office Automation ■ Amusement

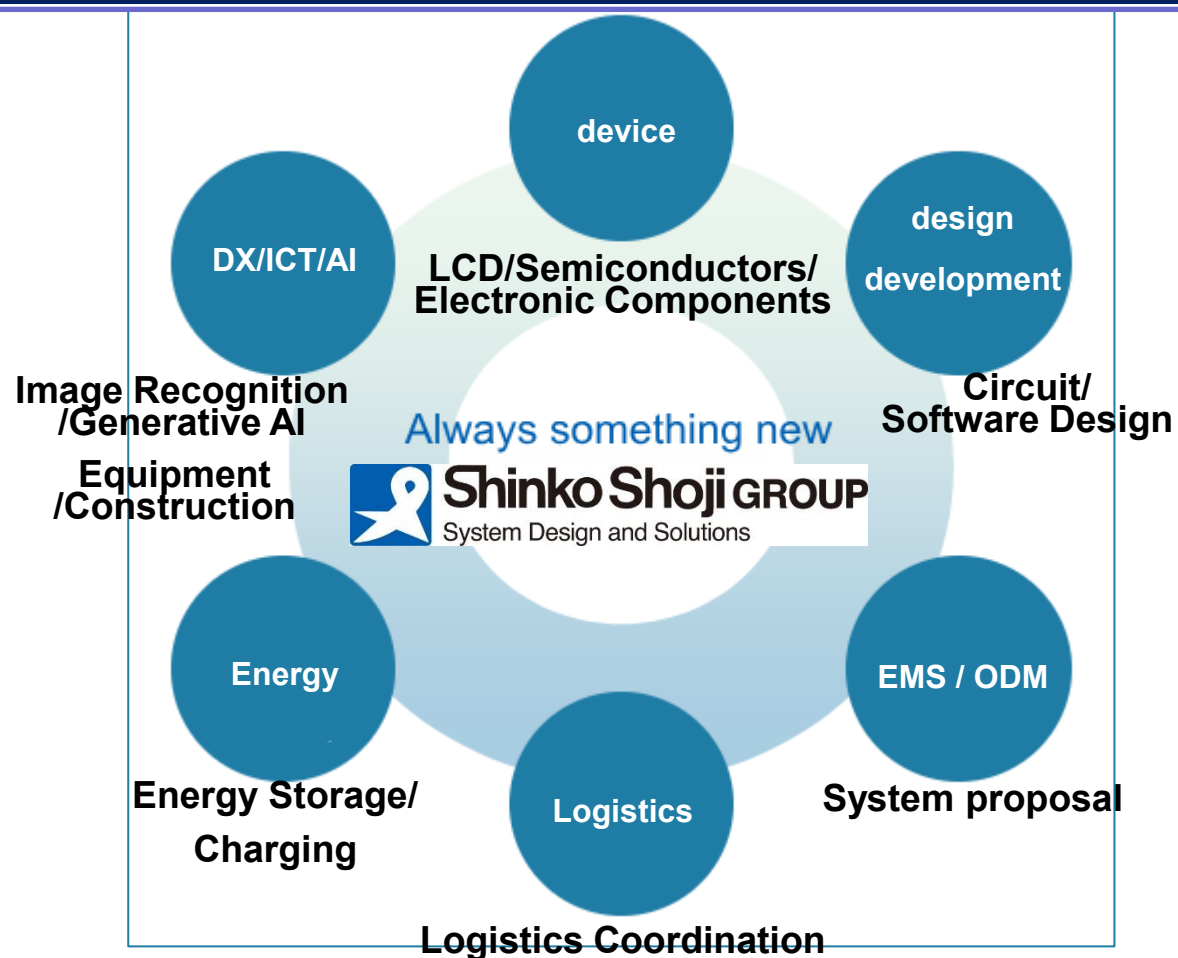


Growth strategy

Our Business Areas

Contributing to the realization of a sustainable society through the provision of optimal business solutions.

Solutions provided by Shinko Shoji



Major Markets



Overview of Growth Strategy

Providing optimal products and services to address the diverse challenges faced by our customers.

Main customers

- OA related customers
- Industrial Robot Customers
- Blockchain-related customers
- Automotive display customers
- Semiconductor manufacturing equipment customers
- Railway and traffic signal customers
- Automotive equipment customers
- PLC-related customers
- Vending machine-related customers
- Smart meter customers
- Amusement equipment customers
-
-



Shinko Shoji GROUP
System Design and Solutions

Product categories

- | | |
|------------------------|-------------------------------|
| Semiconductors | SoC, ASIC, ASSP |
| Semiconductors | MCU, MPU |
| Semiconductors | Analog & Power |
| Semiconductors | Memory, Memory Module |
| Components | Capacitors, coils, connectors |
| Display device | LCD module, LED module |
| Contract manufacturing | EMS, ODM |
| Design & Development | Hard & Software |
| Solution | DX, Agentic AI, IoT |

Acquisition of SHIMIZUSYNTEC Corporation as a Wholly Owned Subsidiary



株式会社 シミズシンテック

- ✓ Strong Sales Base in the Hokuriku Region
- ✓ Manufacturing Support and System Solutions Using Electronic Devices and IT/DX Technologies

Integrated IT, DX, and Network Solutions for Industrial Needs

- Sales of electronic devices including PCs, servers, LCD modules, and board PCs
- Equipment sales for broadcasting and renewable energy sectors
- Industrial cameras and software PLC-integrated computers
- Consulting and software development for production management and AI-based data solutions

Licensed for Construction Business

- MLIT License (Special-6) No.19510 – Telecommunication Works
- MLIT License (Special-6) No.19510 – Electrical Works
- MLIT License (General-6) No.19510 – Firefighting Facility Works

Building and Maintaining Urban Infrastructure for a Safer Society

- Power Safety Networks, Solar Power Monitoring & Dam/River Management Systems
- Network Management System (NMS) Implementation
- Wireless Networks for Autonomous Driving (Local 5G)

Key Certifications Held

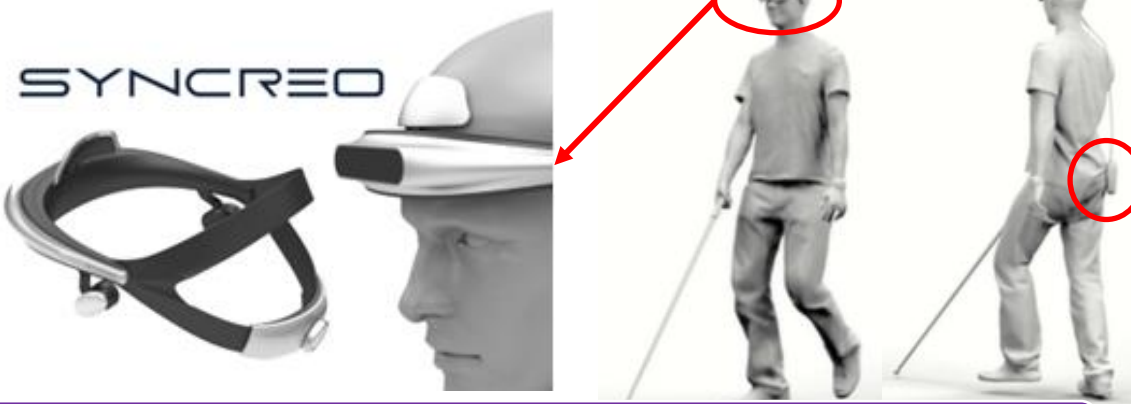
- Supervising Engineers (Telecom / Electrical)
- Chief Telecom Engineer (Transmission & Switching)
- Grade 1 Certified Managers: Telecom & Electrical Works
- Licensed Electricians (Class 1 & 2)
- Civil Works Manager (Grade 2)

Assistive Solution for People with Visual Impairments

Application



Raise the Flag Co., Ltd.



Key Features of SYNCREO

- 1: Sense the surrounding environment
- 2: Recognize the shape and size of objects of interest
- 3: Read aloud text
- 4: Share field of view and communicate with a supporter
- 5: Identify the color of objects in front
- 6: Read aloud specific tags

Sales Products (Batteries & Chargers)



Battery Features

- 1: Compact, lightweight, and high capacity
- 2: Ensured safety performance
- 3: Chargers that maximize battery performance

Recent Updates on SYNCREO

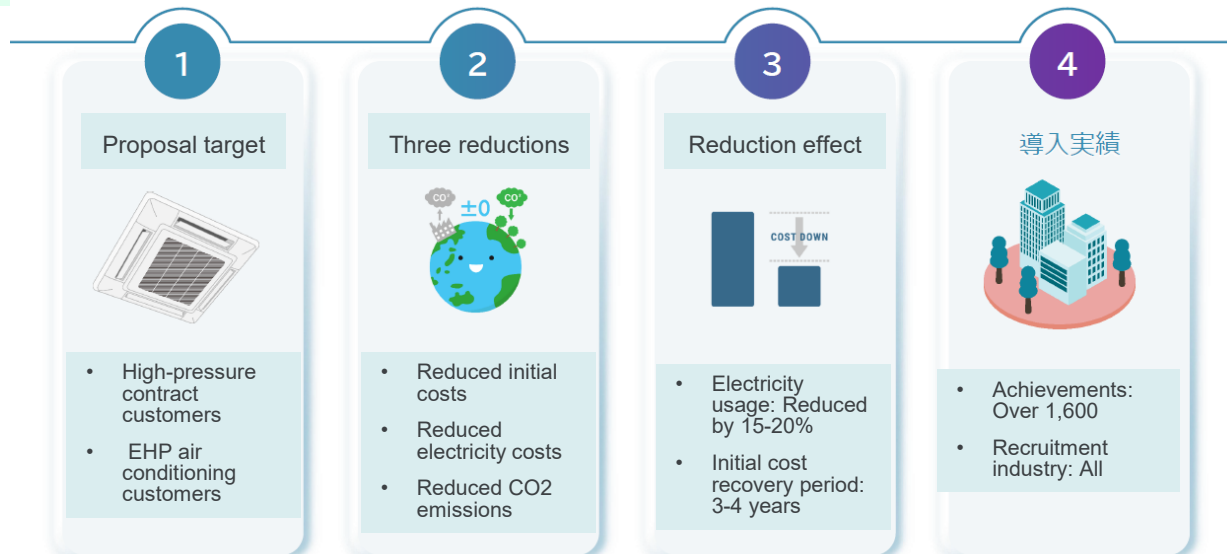
- ◆Planned Release: 2026
- ◆Interactive showcase at the Osaka-Kansai Expo 2025 under "Future Voyage – The Journey of SMEs Toward 20XX".
- ◆Public hands-on demonstration at H.C.R. 2025 (International Home Care & Rehabilitation Exhibition) at Tokyo Big Sight.

Ai-Glies : ESG (Social Contribution) x IoT Solutions

We now offer Ai-Glies, an energy-saving air conditioning system!
Contributing to reducing power consumption and CO2 emissions!

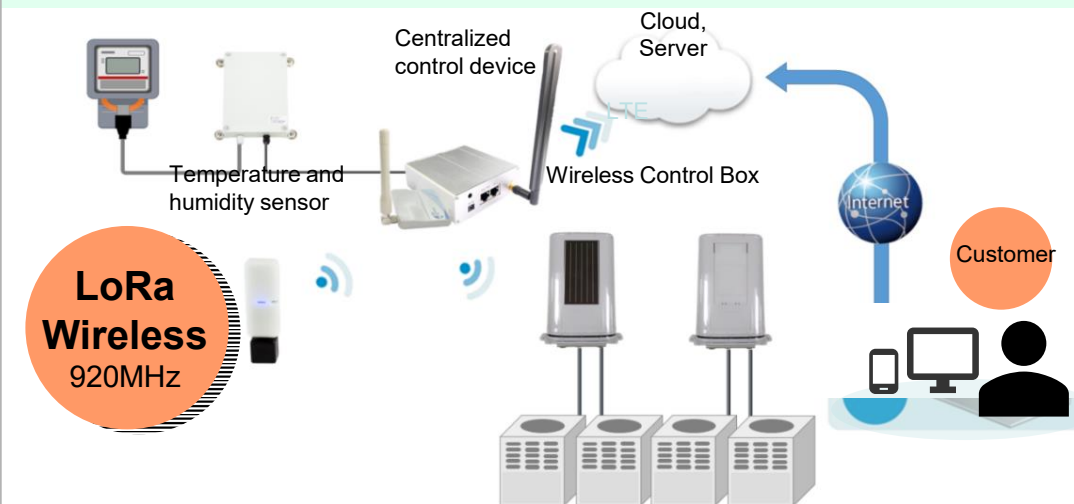
Power consumption
reduction: 15-20%

Roles and Objectives of Ai-Glies (Installation Benefits)



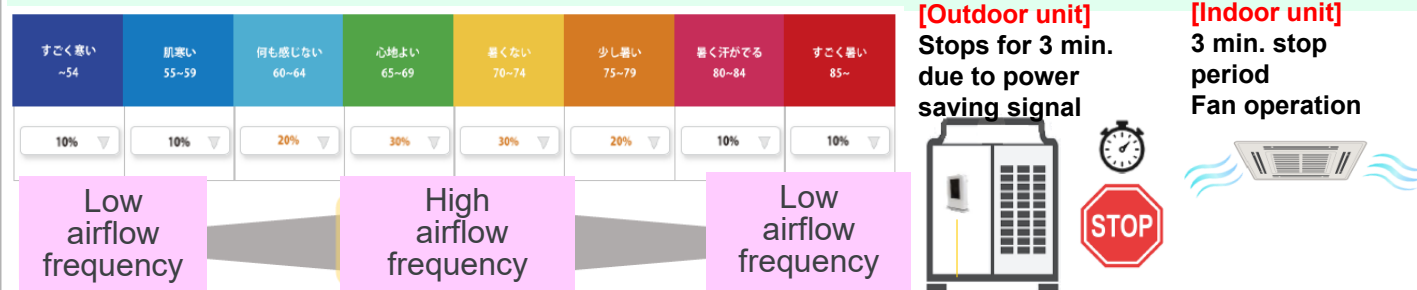
Solving problems while maintaining the indoor environment when using air conditioners

Low installation cost (wireless connection)



Our wireless and solar-powered demand system (Patent No. 7085069) helps reduce installation costs and shorten construction time!
 Initial installation costs are recovered in an average of 3-4 years!

Smart Control Based on Outdoor Comfort Index



- **1,600 Installations Nationwide in 4 Years**
- **Currently Negotiating with Major Clients**
- **Supporting Customers' SDGs Initiatives**

Forecast for FY2026

Forecast for the FY2026

(Unit : Millions of yen)

	Net sales	Operating Income	Ordinary income	Profit attributable to owners of parent	Basic earnings per share(yen)
Forecast for the FY2026 (revised Oct 2025)	107,500	1,000	1,000	730	24.54(yen)
YoY (%)	▲7.3%	56.8%	72.9%	44.5%	—

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

Our Shareholder Return Policy

We aim for a consolidated payout ratio of 50%, balancing stable, continuous dividends to shareholders with investments in growth strategies. To enhance capital efficiency and return profits to shareholders, we are conducting a tender offer for treasury shares.

For details, please refer to our website.

Type of Shares	Planned Number of Shares to Be Acquired
Common Stock	1,600,000 shares
Total Acquisition Cost	Up to JPY 1.5 billion
Acquisition Period	June 13, 2025 – December 30, 2025

Shareholder Returns for FY Ending March 2026

● Dividend per Share (No Change from May 2025 Forecast)

	Dividend per share			Consolidated dividend payout ratio
	End of 1H	Year end	Annual	
FY2026 March Forecast (Released October 31, 2025)	6.0 yen (Actual)	6.5 yen (Forecast)	12.5 yen (Forecast)	50.9%
Previous Fiscal Year Results (FY Ended March 2025)	7.5 yen	8.0 yen	15.5yen	98.4%

Contact Information

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