

Note: This document has been translated from 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.

October 14, 2025

Consolidated Financial Results for the Fiscal Year Ended August 31, 2025 (Under Japanese GAAP)



Company name: Shinwa Co., Ltd.

Listing: Tokyo Stock Exchange, Nagoya Stock Exchange

Securities code: 7607

URL: <https://www.shinwa-jpn.co.jp/>

Representative: Yoshiro Takitani

President & CEO

Inquiries: Seiji Miwa

General manager

Telephone: +81-52-796-2533

Scheduled date of annual general meeting of shareholders: November 20, 2025

Scheduled date to commence dividend payments: November 21, 2025

Scheduled date to file annual securities report: November 19, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results briefing: Yes (for institutional investors and securities analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended August 31, 2025 (from September 1, 2024 to August 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended August 31, 2025	86,146	10.7	4,536	27.5	4,809	23.3	3,312	21.3
August 31, 2024	77,845	2.3	3,559	(28.8)	3,901	(24.2)	2,729	(23.9)

Note: Comprehensive income For the fiscal year ended August 31, 2025: ¥ 3,050 million [(17.0)%]
For the fiscal year ended August 31, 2024: ¥ 3,676 million [(10.3)%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended August 31, 2025	Yen 247.22	Yen -	% 7.8	% 6.9	% 5.3
August 31, 2024	203.93	-	6.8	6.3	4.6

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended August 31, 2025: ¥ - million

For the fiscal year ended August 31, 2024: ¥ - million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2025	74,409	43,609	58.4	3,243.38
August 31, 2024	65,600	41,628	63.2	3,097.50

Reference: Equity

As of August 31, 2025: ¥ 43,466 million

As of August 31, 2024: ¥ 41,474 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended August 31, 2025	11,336	(810)	(1,493)	28,786
August 31, 2024	3,966	(702)	(1,366)	19,623

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended August 31, 2024	Yen -	Yen 50.00	Yen -	Yen 52.00	Yen 102.00	Millions of yen 1,365	% 50.0	% 3.4
Fiscal year ended August 31, 2025	Yen -	Yen 56.00	Yen -	Yen 68.00	Yen 124.00	Millions of yen 1,661	% 50.2	% 3.9
Fiscal year ending August 31, 2026 (Forecast)	Yen -	Yen 62.00	Yen -	Yen 62.00	Yen 124.00		% 53.6	

3. Consolidated financial result forecasts for the fiscal year ending August 31, 2026 (from September 1, 2025 to August 31, 2026)

(Percentages indicate year-on-year changes.)

	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
Six months ending February 28, 2026	43,000	1.9	2,100	(8.3)	2,200	(10.8)	1,500	(9.6)	111.93
Full year	87,000	1.0	4,300	(5.2)	4,500	(6.4)	3,100	(6.4)	231.32

*** Notes**

(1) Significant changes in the scope of consolidation during the period:

Yes

Newly included: 1 (Company name: SHINWA (INDIA) ENGINEERING & TRADING PRIVATE LIMITED)
 Excluded: - (Company name:)

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2025	13,815,319 shares
As of August 31, 2024	14,415,319 shares

(ii) Number of treasury shares at the end of the period

As of August 31, 2025	413,755 shares
As of August 31, 2024	1,025,694 shares

(iii) Average number of shares outstanding during the period

Fiscal Year ended August 31, 2025	13,398,208 shares
Fiscal Year ended August 31, 2024	13,385,968 shares

[Reference] Overview of non-consolidated financial results**1. Non-consolidated financial results for the fiscal year ended August 31, 2025 (from September 1, 2024 to August 31, 2025)****(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended August 31, 2025	71,333	17.7	2,825	101.6	4,059	63.6	3,082	59.4
August 31, 2024	60,628	9.7	1,401	(26.7)	2,481	(15.1)	1,934	(10.6)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended August 31, 2025	230.11	-
August 31, 2024	144.53	-

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2025	56,438	32,195	57.0	2,402.37
August 31, 2024	50,869	30,446	59.9	2,273.86

Reference: Equity

As of August 31, 2025:	¥ 32,195 million
As of August 31, 2024:	¥ 30,446 million

2. Non-consolidated financial result forecasts for the fiscal year ending August 31, 2026 (from September 1, 2025 to August 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending February 28, 2026	35,000	1.3	1,950	(6.8)	1,450	(9.1)	108.20
Full year	69,500	(2.6)	3,450	(15.0)	2,600	(15.7)	194.01

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The forward-looking statements, including financial results forecast, contained in this document are based on information currently available to the company and certain assumptions that are deemed reasonable. Actual performance may differ significantly due to various factors. For the assumptions underlying the earnings forecasts and important considerations when using these forecasts, please refer to page 4 of "Attachments", "Overview of Operating Results, etc. (4) Future Outlook"

The Company plans to hold a financial results briefing for institutional investors and securities analysts on October 17, 2025. The presentation materials distributed at the briefing will be made available on the Company's website.

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	3
(3) Overview of Cash Flows for the Fiscal Year under Review	3
(4) Future Outlook	4
2. Basic Policy on Selection of Accounting Standards	5
3. Consolidated Financial Statements and Principal Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
Consolidated Statement of Income.....	8
Consolidated Statement of Comprehensive Income.....	10
(3) Consolidated Statements of Changes in Equity	11
(4) Consolidated Statements of Cash Flows	13
(5) Notes to Consolidated Financial Statements	15
(Notes on going concern assumption)	15
(Changes in accounting policies)	15
(Segment information, etc.)	16
(Per share information)	18
(Significant subsequent events)	18

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended August 31, 2025, the Japanese economy continued to experience gradual recovery due to improvement in corporate earnings and the employment and income environment. However, the outlook for the economy continued to face uncertainty mainly due to concerns about a downward trend in individual consumption caused by continued price hikes, the impact of U.S. external economic policies on future corporate earnings, and a slowdown in the Chinese economy.

In the automotive industry, where the primary users of the Group's products operate, the automobile production volume had continued to fall below that in the previous year due partly to the impact of an authentication fraud issue in Japan, but has been on a recovery trend as of 2025. Capital investment remained solid, centering on investments in factory automation and labor-saving measures.

In this business environment, the Group steadily implemented the key strategies of the 4th Medium-term Management Plan "Change! Shinwa Moving Forward 2026." Furthermore, in terms of improving profitability, we were able to improve profits through initiatives such as realizing fair prices through pass-through pricing, providing high-value-added goods and products that utilize our engineering capabilities, and reducing costs by improving production efficiency.

As a result, for the fiscal year ended August 31, 2025, the Group posted net sales of ¥86,146 million (up 10.7% from the previous fiscal year), ordinary profit of ¥4,809 million (up 23.3% from the previous fiscal year), and profit attributable to owners of parent of ¥3,312 million (up 21.3% from the previous fiscal year).

Operating results by reportable segment were as follows.

1) Japan

Sales of production equipment and materials for automobile manufacturers and automotive components manufacturers remained solid. In particular, sales of production equipment for electric vehicles and vehicle-mounted batteries and autonomous mobile robots (AMR), which automate in-plant logistics, remained solid. As a result of the foregoing and other factors, net sales amounted to ¥73,850 million (up 17.0% from the previous fiscal year), and segment profit amounted to ¥3,079 million (up 91.2% from the previous fiscal year).

2) Americas

While sales of materials and consumable supplies for Japanese automobile manufacturers remained solid, we saw a reactionary decline after projects for Japanese air-conditioning equipment manufacturers in the U.S. and Mexico in the corresponding period of the previous fiscal year. As a result, net sales amounted to ¥9,465 million (down 19.9% from the previous fiscal year), and segment profit amounted to ¥665 million (down 49.1% from the previous fiscal year).

3) Asia Pacific

Sales remained solid for equipment and materials for Japanese automobile manufacturers and automotive components manufacturers. SHINWA (INDIA) ENGINEERING & TRADING PRIVATE LIMITED (India), which had been a non-consolidated subsidiary, has been included in this reportable segment from the first quarter of the fiscal year ended August 31, 2025. Thanks to its contribution to the operating results and the contribution of the aforementioned solid sales, net sales amounted to ¥5,807 million (up 24.4% from the previous fiscal year), and segment profit amounted to ¥668 million (up 29.5% from the previous fiscal year).

In addition, from the first quarter of the fiscal year ended August 31, 2025, SHINWA (INDIA) ENGINEERING & TRADING PRIVATE LIMITED (India), which had been a non-consolidated subsidiary, is included in the scope of consolidation due to its increased materiality. As a result of the inclusion of SHINWA (INDIA) ENGINEERING & TRADING PRIVATE LIMITED (India) in the scope of consolidation, we changed the reportable segment classification. The segment that had covered SHINWA INTEC Co., Ltd. (Thailand), PT. SANTAKU SHINWA INDONESIA (Indonesia) and SHINWA INTEC MALAYSIA SDN. BHD. (Malaysia) was changed from "Southeast Asia" to "Asia Pacific," and the performance of SHINWA (INDIA) ENGINEERING

& TRADING PRIVATE LIMITED (India) is included in this “Asia Pacific” segment from the fiscal year ended August 31, 2025.

4) China

The segment was affected by a reactionary decline in sales of new factory welding lines to Japanese automobile manufacturers and a reduction in capital investment associated with the slowdown in the Chinese economy. As a result of the foregoing and other factors, net sales amounted to ¥4,599 million (down 17.9% from the previous fiscal year), and segment profit amounted to ¥106 million (down 1.0% from the previous fiscal year).

5) Other

The segment was significantly affected by a reactionary decline in sales of production equipment and materials for Japanese air-conditioning equipment manufacturers located in the U.K. As a result, net sales amounted to ¥790 million (down 31.3% from the previous fiscal year), and segment loss amounted to ¥5 million (up/down - % from the previous fiscal year).

Net sales by reportable segment are presented inclusive of intersegment net sales.

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of fiscal year under review amounted to ¥74,409 million, an increase of ¥8,809 million compared to the end of the previous fiscal year.

Current assets increased by ¥9,281 million from the end of the previous fiscal year to ¥62,290 million. This was mainly due to an increase of ¥9,773 million in cash and deposits, an increase of ¥3,116 million in merchandise and finished goods, and an increase of ¥417 million in work in process, despite a decrease of ¥77 million in notes receivable - trade, a decrease of ¥2,805 million in electronically recorded monetary claims - operating, a decrease of ¥1,054 million in accounts receivable - trade, and a decrease of ¥107 million in other under current assets, mainly due to a decrease in advance payments to suppliers.

Non-current assets decreased by ¥472 million from the end of the previous fiscal year to ¥12,118 million. This was mainly due to a decrease of ¥106 million in buildings and building accessories under property, plant and equipment and a decrease of ¥177 million in investment securities under investments and other assets.

Current liabilities increased by ¥6,882 million from the end of the previous fiscal year to ¥28,897 million. This was mainly due to an increase of ¥2,352 million notes and accounts payable - trade, an increase of ¥519 million in income taxes payable, an increase of ¥3,844 million in contract liabilities, and an increase of ¥312 million in other under current liabilities, mainly due to an increase in accounts payable - other, despite a decrease of ¥208 million in electronically recorded obligations - operating.

Non-current liabilities decreased by ¥54 million from the end of the previous fiscal year to ¥1,902 million.

Total net assets increased by ¥1,980 million from the end of the previous fiscal year to ¥43,609 million.

As a result, the capital adequacy ratio decreased by 4.8 points from 63.2% at the end of the previous fiscal year to 58.4%.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of fiscal year under review increased by ¥9,162 million from the end of the previous fiscal year to ¥28,786 million.

(Cash flows from operating activities)

Net cash provided by operating activities was ¥11,336 million (net cash provided by operating activities was ¥3,966 million in the previous fiscal year). This was mainly due to an increase in net cash due to profit before income taxes of ¥4,807 million, depreciation of ¥1,119 million, an increase in trade payables of ¥2,123 million, and an increase in contract liabilities of ¥3,934 million, despite a decrease in net cash due to an increase in inventories of ¥3,733 million and income taxes paid of ¥1,056 million.

(Cash flows from investing activities)

Net cash used in investing activities was ¥810 million (net cash used in investing activities was ¥702 million in the previous fiscal year). This was mainly due to a decrease in net cash due to payments into time deposits of ¥681 million, purchase of property, plant and equipment of ¥760 million, and purchase of intangible assets of ¥49 million, despite an increase in net cash due to proceeds from withdrawal of time deposits of ¥351 million and proceeds from sale and redemption of investment securities of ¥300 million.

(Cash flows from financing activities)

Net cash used in financing activities was ¥1,493 million (net cash used in financing activities was ¥1,366 million in the previous fiscal year). This was mainly due to a decrease in net cash due to dividends paid of ¥1,445 million.

(4) Future Outlook

Regarding the future outlook, gradual economic recovery is expected to continue as the employment and income environment improves. However, the outlook is a tough business environment is expected about prolonged turmoil in Ukraine and the Middle East, rising prices, and other factors that could lead to a downturn in domestic and international economies.

In the automotive industry, where the primary users of the Group's products operate, investment trends are expected to remain uncertain. This is due to a slowdown in the electric vehicle and vehicle-mounted battery markets, reduced investment, and a decline in the competitiveness of Japanese automobile manufacturers in China.

In light of these circumstances, the consolidated financial results forecast for the fiscal year ended August 31, 2026 is as follows, within the currently foreseeable scope.

The direct impact of the US tariff increase on our business performance is currently limited and has not been incorporated into our business forecasts.

Consolidated Financial Results Forecast					(Millions of yen)
	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	
Plan for the fiscal year ending August 31, 2026	87,000	4,300	4,500	3,100	
Actual results for the fiscal year ended August 31, 2025 (current fiscal year)	86,146	4,536	4,809	3,312	
Rate of change from the current fiscal year	1.0%	(5.2)%	(6.4)%	(6.4)%	

2. Basic Policy on Selection of Accounting Standards

Taking into consideration the comparability of consolidated financial statements across periods and between companies, the Group's policy for the time being is to prepare consolidated financial statements in accordance with Japanese GAAP.

Regarding the application of international accounting standards, the Group intends to respond appropriately while taking various domestic and international circumstances into consideration.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of August 31, 2024	As of August 31, 2025
Assets		
Current assets		
Cash and deposits	19,862,641	29,636,513
Notes receivable - trade	109,877	31,974
Accounts receivable - trade	12,355,581	11,300,962
Electronically recorded monetary claims - operating	7,400,431	4,594,786
Merchandise and finished goods	7,581,588	10,698,585
Work in process	1,666,476	2,083,750
Raw materials and supplies	647,484	665,029
Other	3,388,471	3,281,122
Allowance for doubtful accounts	(3,892)	(2,329)
Total current assets	53,008,661	62,290,395
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,677,111	7,803,918
Accumulated depreciation	(4,530,798)	(4,764,161)
Buildings and structures, net	3,146,313	3,039,757
Machinery, equipment and vehicles	5,142,965	5,310,423
Accumulated depreciation	(3,775,787)	(3,912,150)
Machinery, equipment and vehicles, net	1,367,178	1,398,273
Land	2,747,987	2,748,179
Construction in progress	187,132	233,400
Other	2,251,225	2,708,626
Accumulated depreciation	(1,651,385)	(1,874,722)
Other, net	599,840	833,904
Total property, plant and equipment	8,048,453	8,253,514
Intangible assets	888,462	696,277
Investments and other assets		
Investment securities	2,857,237	2,680,182
Deferred tax assets	106,960	100,847
Other	692,337	388,923
Allowance for doubtful accounts	(2,100)	(900)
Total investments and other assets	3,654,435	3,169,053
Total non-current assets	12,591,351	12,118,845
Total assets	65,600,012	74,409,241

(Thousands of yen)

	As of August 31, 2024	As of August 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	11,957,980	14,310,600
Electronically recorded obligations - operating	4,774,243	4,566,144
Lease liabilities	91,629	104,654
Income taxes payable	398,568	917,952
Contract liabilities	3,361,942	7,206,437
Provision for bonuses	366,956	405,463
Provision for bonuses for directors (and other officers)	35,000	44,756
Other	1,028,587	1,341,520
Total current liabilities	22,014,908	28,897,530
Non-current liabilities		
Lease liabilities	609,383	558,531
Deferred tax liabilities	872,369	838,671
Deferred tax liabilities for land revaluation	196,166	201,936
Retirement benefit liability	47,872	67,881
Other	230,967	235,372
Total non-current liabilities	1,956,759	1,902,394
Total liabilities	23,971,667	30,799,924
Net assets		
Shareholders' equity		
Share capital	951,106	951,106
Capital surplus	1,735,112	1,310,712
Retained earnings	36,554,566	38,761,751
Treasury shares	(771,685)	(311,706)
Total shareholders' equity	38,469,098	40,711,863
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	991,618	1,093,627
Deferred gains or losses on hedges	7,021	-
Revaluation reserve for land	(641,184)	(646,954)
Foreign currency translation adjustment	2,647,833	2,307,825
Total accumulated other comprehensive income	3,005,289	2,754,499
Non-controlling interests	153,956	142,953
Total net assets	41,628,345	43,609,317
Total liabilities and net assets	65,600,012	74,409,241

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	For the fiscal year ended August 31, 2024	For the fiscal year ended August 31, 2025
Net sales	77,845,803	86,146,486
Cost of sales	65,749,583	72,281,158
Gross profit	12,096,220	13,865,327
Selling, general and administrative expenses		
Freight and packing costs	430,423	557,975
Salaries and bonuses	3,410,723	3,706,704
Provision for bonuses	270,308	304,047
Retirement benefit expenses	102,780	114,980
Provision for bonuses for directors (and other officers)	35,000	44,829
Depreciation	568,165	588,878
Rent expenses	443,783	484,096
Provision of allowance for doubtful accounts	(102)	(1,563)
Other	3,276,076	3,529,327
Total selling, general and administrative expenses	8,537,158	9,329,276
Operating profit	3,559,062	4,536,051
Non-operating income		
Interest income	62,196	100,799
Dividend income	75,203	63,570
Rental income	35,040	36,945
Refund income	154,719	52,315
Subsidy income	64,048	4,395
Purchase discounts	2,884	5,871
Other	43,233	37,887
Total non-operating income	437,325	301,786
Non-operating expenses		
Interest expenses	1,576	1,480
Foreign exchange losses	88,670	12,833
Compensation expenses	-	5,709
Other	4,901	7,842
Total non-operating expenses	95,148	27,865
Ordinary profit	3,901,239	4,809,972

(Thousands of yen)

	For the fiscal year ended August 31, 2024	For the fiscal year ended August 31, 2025
Extraordinary income		
Gain on sale of non-current assets	11,343	3,734
Total extraordinary income	11,343	3,734
Extraordinary losses		
Loss on retirement of non-current assets	7,893	6,276
Loss on sale of non-current assets	285	299
Loss on sale of businesses	36,947	-
Other	325	-
Total extraordinary losses	45,451	6,575
Profit before income taxes	3,867,131	4,807,131
Income taxes - current	1,176,479	1,581,049
Income taxes - deferred	(37,033)	(88,064)
Total income taxes	1,139,446	1,492,985
Profit	2,727,685	3,314,145
Profit (loss) attributable to non-controlling interests	(2,112)	1,800
Profit attributable to owners of parent	2,729,798	3,312,345

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended August 31, 2024	For the fiscal year ended August 31, 2025
Profit	2,727,685	3,314,145
Other comprehensive income		
Valuation difference on available-for-sale securities	268,529	102,009
Deferred gains or losses on hedges	7,021	(7,021)
Revaluation reserve for land	-	(5,769)
Foreign currency translation adjustment	673,142	(352,947)
Total other comprehensive income	948,694	(263,729)
Comprehensive income	3,676,379	3,050,416
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,663,717	3,061,555
Comprehensive income attributable to non-controlling interests	12,662	(11,139)

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended August 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	951,106	1,711,740	35,166,941	(781,470)	37,048,318
Changes during period					
Dividends of surplus			(1,391,842)		(1,391,842)
Profit attributable to owners of parent			2,729,798		2,729,798
Purchase of treasury shares				(1,030)	(1,030)
Disposal of treasury shares		23,371		10,814	34,185
Cancellation of treasury shares					
Change in scope of consolidation			49,668		49,668
Net changes in items other than shareholders' equity					
Total changes during period	-	23,371	1,387,624	9,784	1,420,780
Balance at end of period	951,106	1,735,112	36,554,566	(771,685)	38,469,098

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	723,088	-	(641,184)	1,974,691	2,056,595	141,334	39,246,249
Changes during period							
Dividends of surplus							(1,391,842)
Profit attributable to owners of parent							2,729,798
Purchase of treasury shares							(1,030)
Disposal of treasury shares							34,185
Cancellation of treasury shares							
Change in scope of consolidation							49,668
Net changes in items other than shareholders' equity	268,529	7,021		673,142	948,694	12,621	961,315
Total changes during period	268,529	7,021	-	673,142	948,694	12,621	2,382,095
Balance at end of period	991,618	7,021	(641,184)	2,647,833	3,005,289	153,956	41,628,345

For the fiscal year ended August 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	951,106	1,735,112	36,554,566	(771,685)	38,469,098
Changes during period					
Dividends of surplus			(1,446,755)		(1,446,755)
Profit attributable to owners of parent			3,312,345		3,312,345
Purchase of treasury shares				(786)	(786)
Disposal of treasury shares		26,800		9,565	36,366
Cancellation of treasury shares		(451,200)		451,200	-
Change in scope of consolidation			341,594		341,594
Net changes in items other than shareholders' equity					
Total changes during period	-	(424,399)	2,207,185	459,978	2,242,764
Balance at end of period	951,106	1,310,712	38,761,751	(311,706)	40,711,863

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	991,618	7,021	(641,184)	2,647,833	3,005,289	153,956	41,628,345
Changes during period							
Dividends of surplus							(1,446,755)
Profit attributable to owners of parent							3,312,345
Purchase of treasury shares							(786)
Disposal of treasury shares							36,366
Cancellation of treasury shares							-
Change in scope of consolidation							341,594
Net changes in items other than shareholders' equity	102,009	(7,021)	(5,769)	(340,008)	(250,790)	(11,002)	(261,792)
Total changes during period	102,009	(7,021)	(5,769)	(340,008)	(250,790)	(11,002)	1,980,972
Balance at end of period	1,093,627	-	(646,954)	2,307,825	2,754,499	142,953	43,609,317

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended August 31, 2024	For the fiscal year ended August 31, 2025
Cash flows from operating activities		
Profit before income taxes	3,867,131	4,807,131
Depreciation	1,100,530	1,119,583
Amortization of goodwill	11,664	4,200
Increase (decrease) in allowance for doubtful accounts	222	(2,763)
Increase (decrease) in provision for bonuses	21,644	30,823
Increase (decrease) in provision for bonuses for directors (and other officers)	(4,900)	9,829
Increase (decrease) in retirement benefit liability	4,667	9,392
Loss (gain) on sale of businesses	36,947	-
Interest and dividend income	(137,399)	(164,370)
Foreign exchange losses (gains)	54,482	(65,318)
Interest expenses	1,576	1,480
Loss (gain) on sale of golf club membership	-	1,106
Loss (gain) on sale of property, plant and equipment	(11,058)	(3,435)
Loss on retirement of property, plant and equipment	7,893	6,276
Decrease (increase) in trade receivables	(1,991,609)	3,978,002
Decrease (increase) in inventories	(1,207,011)	(3,733,244)
Increase (decrease) in trade payables	2,985,825	2,123,612
Increase (decrease) in accrued consumption taxes	(170,508)	22,903
Decrease (increase) in advance payments to suppliers	3,719	61,137
Increase (decrease) in contract liabilities	653,501	3,934,316
Other, net	(241,068)	88,085
Subtotal	4,986,252	12,228,748
Interest and dividends received	102,807	146,857
Interest paid	(1,578)	(1,480)
Income taxes paid	(1,121,429)	(1,056,315)
Income taxes refund	-	19,122
Net cash provided by (used in) operating activities	3,966,051	11,336,933

(Thousands of yen)

	For the fiscal year ended August 31, 2024	For the fiscal year ended August 31, 2025
Cash flows from investing activities		
Payments into time deposits	(3,914,297)	(681,044)
Proceeds from withdrawal of time deposits	3,883,217	351,698
Purchase of property, plant and equipment	(643,411)	(760,960)
Proceeds from sale of property, plant and equipment	20,429	30,854
Payments for retirement of property, plant and equipment	(2,963)	(48)
Purchase of intangible assets	(108,636)	(49,236)
Proceeds from sale and redemption of investment securities	-	300,000
Payments of guarantee deposits	(13,245)	(15,229)
Proceeds from refund of guarantee deposits	11,485	8,168
Proceeds from sale of businesses	80,734	-
Expenditure for business transfer	(11,000)	-
Proceeds from sale of golf club membership	-	93
Other, net	(4,980)	5,300
Net cash provided by (used in) investing activities	(702,668)	(810,404)
Cash flows from financing activities		
Repayments of lease liabilities	(48,944)	(46,531)
Purchase of treasury shares	(1,030)	(786)
Proceeds from disposal of treasury shares	-	56
Dividends paid	(1,316,248)	(1,445,804)
Dividends paid to non-controlling interests	(41)	(82)
Net cash provided by (used in) financing activities	(1,366,264)	(1,493,147)
Effect of exchange rate change on cash and cash equivalents	292,516	(173,815)
Net increase (decrease) in cash and cash equivalents	2,189,635	8,859,565
Cash and cash equivalents at beginning of period	17,269,620	19,623,491
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	164,236	303,197
Cash and cash equivalents at end of period	19,623,491	28,786,255

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Current Income Taxes and other standards)

The Company applied the “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27 on October 28, 2022; hereinafter, the “Revised Accounting Standard 2022”) and other standards from the beginning of the fiscal year ended August 31, 2025.

Regarding the amendment to the accounting classification of income taxes (taxation of other comprehensive income), the Company follows the transitional treatment set forth in the proviso to Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso to Paragraph 65-2 (2) of “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28 on October 28, 2022; hereinafter, the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the consolidated financial statements.

Regarding the amendment related to revisions of the treatment of profits and losses on sales of shares of subsidiaries between consolidated companies in the case of tax deferral in the consolidated financial statements, the Company applied the Revised Implementation Guidance 2022 from the beginning of the fiscal year ended August 31, 2025. This change in accounting policies is applied retrospectively, including the consolidated financial statements for the previous fiscal year, which have been adjusted retrospectively. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

(Segment information, etc.)

[Segment information]

1. Information on net sales, income (loss), assets, liabilities, and other items by reportable segment

For the fiscal year ended August 31, 2024 (from September 1, 2023 to August 31, 2024)

(Thousands of yen)

	Reportable segments					Other (Note)	Total
	Japan	Americas	Asia Pacific	China	Total		
Net sales							
Net sales to external customers	56,236,402	11,079,298	4,629,151	4,913,878	76,858,731	987,071	77,845,803
Intersegment net sales or transfers	6,909,319	738,169	39,870	691,270	8,378,630	163,234	8,541,864
Total	63,145,722	11,817,468	4,669,022	5,605,148	85,237,361	1,150,306	86,387,668
Segment profit	1,610,544	1,307,326	516,589	107,766	3,542,226	66,961	3,609,187
Segment assets	52,097,538	4,134,194	4,369,464	7,289,696	67,890,893	591,108	68,482,001
Other items							
Depreciation	970,333	16,601	39,276	73,427	1,099,639	891	1,100,530
Amortization of goodwill	11,664	-	-	-	11,664	-	11,664
Increases in property, plant and equipment and intangible assets	559,325	111,142	34,477	21,097	726,043	5,414	731,457

(Note) “Other” is a business segment not included in any reportable segments and includes business activities of local subsidiaries in Europe.

For the fiscal year ended August 31, 2025 (from September 1, 2024 to August 31, 2025)

(Thousands of yen)

	Reportable segments					Other (Note)	Total
	Japan	Americas	Asia Pacific	China	Total		
Net sales							
Net sales to external customers	67,160,265	8,649,927	5,674,652	4,155,797	85,640,642	505,844	86,146,486
Intersegment net sales or transfers	6,690,297	816,011	132,952	443,610	8,082,870	284,238	8,367,109
Total	73,850,562	9,465,938	5,807,604	4,599,407	93,723,513	790,083	94,513,596
Segment profit (loss)	3,079,471	665,442	668,775	106,729	4,520,418	(5,239)	4,515,179
Segment assets	58,072,871	6,548,188	5,412,005	7,320,192	77,353,257	885,164	78,238,422
Other items							
Depreciation	970,833	35,166	42,314	71,826	1,120,141	1,183	1,121,325
Amortization of goodwill	4,200	-	-	-	4,200	-	4,200
Increases in property, plant and equipment and intangible assets	1,019,083	121,406	17,300	43,683	1,201,473	294	1,201,768

(Note) "Other" is a business segment not included in any reportable segments and includes business activities of local subsidiaries in Europe.

2. Difference between the total amount in reportable segments and the amount recorded in the consolidated financial statements, and main components of the difference

(Matters related to difference adjustment)

(Thousands of yen)

Income	Fiscal year ended August 31, 2024	Fiscal year ended August 31, 2025
Reportable segments total	3,609,187	4,515,179
Elimination of intersegment transfers	(75,095)	225,683
Unrealized gain adjustment	24,969	(204,811)
Operating profit in the consolidated financial statements	3,559,062	4,536,051

(Thousands of yen)

Assets	Fiscal year ended August 31, 2024	Fiscal year ended August 31, 2025
Reportable segments total	68,482,001	78,238,422
Elimination of intersegment transfers	(2,750,189)	(3,557,176)
Unrealized gain adjustment	(131,798)	(272,004)
Total assets in the consolidated financial statements	65,600,012	74,409,241

3. Matters relating to changes in reportable segments

From the fiscal year ended August 31, 2025, SHINWA (INDIA) ENGINEERING & TRADING PRIVATE LIMITED (India), which had been a non-consolidated subsidiary, has been included in the scope of consolidation due to its increased materiality. As a result of the inclusion of SHINWA (INDIA) ENGINEERING & TRADING PRIVATE LIMITED (India) in the scope of consolidation, we changed the reportable segment classification. The segment that had covered SHINWA INTEC Co., Ltd. (Thailand), PT. SANTAKU SHINWA INDONESIA (Indonesia) and SHINWA INTEC MALAYSIA SDN. BHD. (Malaysia) was changed from "Southeast Asia" to "Asia Pacific," and the performance of SHINWA (INDIA) ENGINEERING & TRADING PRIVATE LIMITED (India) is included in this "Asia Pacific" segment from the fiscal year ended August 31, 2025.

Segment information presented for the fiscal year ended August 31, 2024 is prepared based on the presentation method after the change.

(Per share information)

	For the fiscal year ended August 31, 2024	For the fiscal year ended August 31, 2025
Net assets per share	¥3,097.50	¥3,243.38
Basic earnings per share	¥203.93	¥247.22

(Notes) 1. Diluted earnings per share is not stated as there are no dilutive shares.

2. The basis for calculating basic earnings per share is as follows:

	For the fiscal year ended August 31, 2024	For the fiscal year ended August 31, 2025
Profit attributable to owners of parent (Thousands of yen)	2,729,798	3,312,345
Amount not attributable to common shareholders (Thousands of yen)	—	—
Profit attributable to owners of parent relating to common shares (Thousands of yen)	2,729,798	3,312,345
Average number of common shares during the period (Shares)	13,385,968	13,398,208

(Significant subsequent events)

Not applicable.

