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January 13, 2026

**Consolidated Financial Results
for the Three Months Ended November 30, 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/>

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Scheduled date to commence dividend payments: -

Preparation of supplementary material on financial results: None

Holding of financial results briefing: None

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

1. Consolidated financial results for the three months ended November 30, 2025 (from September 1, 2025 to November 30, 2025)

(1) Consolidated operating results (cumulative)

(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	%
Three months ended November 30, 2025	19,720	2.3	1,082	27.5	1,175	19.0	811	27.4
November 30, 2024	19,269	13.4	848	58.9	988	33.7	636	30.6

Note: Comprehensive income For the three months ended November 30, 2025: ¥ 1,553 million [453.4%]
For the three months ended November 30, 2024: ¥ 280 million [(62.1)%]

	Basic earnings per share	Diluted earnings per share
Three months ended November 30, 2025	Yen 60.52	Yen -
November 30, 2024	47.56	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of November 30, 2025	Millions of yen 73,467	Millions of yen 44,251	% 60.0
August 31, 2025	74,409	43,609	58.4

Reference: Equity

As of November 30, 2025: ¥ 44,102 million

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

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended August 31, 2025	Yen -	Yen 56.00	Yen -	Yen 68.00	Yen 124.00
Fiscal year ending August 31, 2026	-				
Fiscal year ending August 31, 2026 (Forecast)		62.00	-	62.00	124.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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

Note: Revisions to the financial result forecast most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

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

(4) Number of issued shares (common shares)

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

As of November 30, 2025	13,815,319 shares
As of August 31, 2025	13,815,319 shares

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

As of November 30, 2025	413,741 shares
As of August 31, 2025	413,755 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended November 30, 2025	13,401,528 shares
Three months ended November 30, 2024	13,389,491 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 3 of "Attachments", "Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information"

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended November 30, 2025, the Japanese economy showed a gradual recovery trend mainly due to improvements in personal income and the employment environment driven by a recovery in corporate earnings performance. However, the outlook remains uncertain due to concerns over developments in the U.S. trade policies, rising instability in the international situation led by the prolonged geopolitical risks, sluggish individual consumption due to price hikes.

Under these circumstances, among the automotive-related companies, which are the primary users of the Group's products, the automobile production volume has been on the recovery track worldwide; however, uncertainty persists mainly due to concerns over an economic slowdown caused by the impact of the U.S. trade policies.

In this environment, the Group steadily has implemented the key strategies of the 4th Medium-term Management Plan "Change! Shinwa Moving Forward 2026," without slowing the momentum of the vision of "Challenge Toward Reform and Sustainable Growth."

As a result, for the three months ended November 30, 2025, the Group posted net sales of ¥19,720 million (up 2.3% year on year), ordinary profit of ¥1,175 million (up 19.0% year on year), and profit attributable to owners of parent of ¥811 million (up 27.4% year on 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 strong. In addition, sales in the factory automation-related business, including autonomous mobile robots (AMR), remained solid. As a result of the foregoing and other factors, net sales amounted to ¥17,036 million (up 3.7% year on year), and segment profit amounted to ¥694 million (up 42.9% year on year).

2) Americas

While sales of materials and consumable supplies for Japanese automobile manufacturers remained solid, due to a decline in and postponement of projects, as well as the impact of the U.S. tariff policies, performance was affected. As a result, net sales amounted to ¥2,167 million (down 16.5% year on year), and segment profit amounted to ¥36 million (down 81.2% year on year).

3) Asia Pacific

Sales of production equipment and materials for Japanese automobile manufacturers and automotive components manufacturers, and Japanese air-conditioning equipment manufacturers in Thailand and India remained solid. As a result, net sales amounted to ¥1,326 million (up 12.3% year on year), and segment profit amounted to ¥212 million (up 19.9% year on year).

4) China

The segment was affected by the sluggish Chinese economy and a reduction in capital investment by Japanese automobile manufacturers amid intensifying competition with local competitors. As a result of the foregoing and other factors, net sales amounted to ¥602 million (down 18.8% year on year), and segment loss amounted to ¥12 million (segment loss of ¥34 million in the corresponding period of the previous fiscal year).

5) Other

The segment recorded sales of production equipment and materials for Japanese air-conditioning equipment manufacturers. As a result, net sales amounted to ¥325 million (up 58.9% year on year), and segment profit amounted to ¥32 million (up 474.6% year on year).

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

(2) Explanation of Financial Position

Total assets at the end of the first quarter under review amounted to ¥73,467 million, a decrease of ¥941 million compared to the end of the previous fiscal year.

Current assets decreased by ¥1,117 million from the end of the previous fiscal year to ¥61,172 million. This was mainly due to a decrease of ¥3,074 million in cash and deposits, a decrease of ¥190 million in accounts receivable - trade, and a decrease of ¥97 million in work in process, despite an increase of ¥865 million in electronically recorded monetary claims - operating, an increase of ¥1,218 million in merchandise and finished goods, and an increase of ¥157 million in other under current assets, mainly due to an increase in advance payments to suppliers.

Non-current assets increased by ¥176 million from the end of the previous fiscal year to ¥12,294 million. This was mainly due to an increase of ¥168 million in investment securities under investments and other assets, despite a decrease of ¥33 million in buildings and structures under property, plant and equipment and a decrease of ¥35 million in other under intangible assets.

Current liabilities decreased by ¥1,599 million from the end of the previous fiscal year to ¥27,297 million. This was mainly due to a decrease of ¥2,017 million in notes and accounts payable - trade, a decrease of ¥80 million in electronically recorded obligations - operating, and a decrease of ¥453 million in income taxes payable, despite an increase of ¥848 million in contract liabilities, and an increase of ¥353 million in other under current liabilities, mainly due to an increase in accrued expenses, etc.

Non-current liabilities increased by ¥15 million from the end of the previous fiscal year to ¥1,918 million.

Total net assets increased by ¥642 million from the end of the previous fiscal year to ¥44,251 million.

As a result, the capital adequacy ratio increased by 1.6 points from 58.4% at the end of the previous fiscal year to 60.0%.

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

The consolidated financial results forecast for the fiscal year ending August 31, 2026 remains unchanged from the financial results forecast announced on October 14, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes**(1) Quarterly Consolidated Balance Sheets**

(Thousands of yen)

	As of August 31, 2025	As of November 30, 2025
Assets		
Current assets		
Cash and deposits	29,636,513	26,562,505
Notes receivable - trade	31,974	34,078
Accounts receivable - trade	11,300,962	11,110,075
Electronically recorded monetary claims - operating	4,594,786	5,459,920
Merchandise and finished goods	10,698,585	11,917,184
Work in process	2,083,750	1,985,983
Raw materials and supplies	665,029	667,282
Other	3,281,122	3,438,383
Allowance for doubtful accounts	(2,329)	(2,564)
Total current assets	62,290,395	61,172,850
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,039,757	3,006,082
Other, net	5,213,757	5,275,020
Total property, plant and equipment	8,253,514	8,281,103
Intangible assets		
Goodwill	14,700	13,650
Other	681,577	646,203
Total intangible assets	696,277	659,853
Investments and other assets		
Investment securities	2,680,182	2,848,215
Other	489,771	506,583
Allowance for doubtful accounts	(900)	(900)
Total investments and other assets	3,169,053	3,353,898
Total non-current assets	12,118,845	12,294,855
Total assets	74,409,241	73,467,706
Liabilities		
Current liabilities		
Notes and accounts payable - trade	14,310,600	12,293,277
Electronically recorded obligations - operating	4,566,144	4,485,959
Income taxes payable	917,952	464,853
Contract liabilities	7,206,437	8,054,609
Provisions	450,219	199,837
Other	1,446,175	1,799,283
Total current liabilities	28,897,530	27,297,822
Non-current liabilities		
Retirement benefit liability	67,881	71,210
Other	1,834,512	1,847,019
Total non-current liabilities	1,902,394	1,918,230
Total liabilities	30,799,924	29,216,052

(Thousands of yen)

	As of August 31, 2025	As of November 30, 2025
Net assets		
Shareholders' equity		
Share capital	951,106	951,106
Capital surplus	1,310,712	1,310,926
Retained earnings	38,761,751	38,661,546
Treasury shares	(311,706)	(311,893)
Total shareholders' equity	40,711,863	40,611,685
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,093,627	1,207,577
Revaluation reserve for land	(646,954)	(646,954)
Foreign currency translation adjustment	2,307,825	2,930,121
Total accumulated other comprehensive income	2,754,499	3,490,744
Non-controlling interests	142,953	149,224
Total net assets	43,609,317	44,251,653
Total liabilities and net assets	74,409,241	73,467,706

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

For the three months ended November 30, 2024 and 2025

(Thousands of yen)

	For the three months ended November 30, 2024	For the three months ended November 30, 2025
Net sales	19,269,687	19,720,943
Cost of sales	16,175,496	16,335,074
Gross profit	3,094,190	3,385,869
Selling, general and administrative expenses	2,245,603	2,303,759
Operating profit	848,586	1,082,109
Non-operating income		
Interest income	18,162	27,224
Dividend income	6,476	7,286
Foreign exchange gains	50,354	24,112
Rental income	8,789	10,286
Other	58,749	25,610
Total non-operating income	142,531	94,520
Non-operating expenses		
Interest expenses	381	353
Other	2,451	466
Total non-operating expenses	2,833	819
Ordinary profit	988,284	1,175,810
Extraordinary income		
Gain on sale of non-current assets	1,593	-
Total extraordinary income	1,593	-
Extraordinary losses		
Loss on sale and retirement of non-current assets	3,877	2,350
Total extraordinary losses	3,877	2,350
Profit before income taxes	985,999	1,173,460
Income taxes - current	406,232	392,495
Income taxes - deferred	(57,728)	(31,480)
Total income taxes	348,503	361,014
Profit	637,496	812,445
Profit attributable to non-controlling interests	667	1,344
Profit attributable to owners of parent	636,829	811,101

Quarterly Consolidated Statement of Comprehensive Income
For the three months ended November 30, 2024 and 2025

(Thousands of yen)

	For the three months ended November 30, 2024	For the three months ended November 30, 2025
Profit	637,496	812,445
Other comprehensive income		
Valuation difference on available-for-sale securities	(18,052)	113,949
Deferred gains or losses on hedges	(11,394)	-
Foreign currency translation adjustment	(327,316)	627,221
Total other comprehensive income	(356,763)	741,171
Comprehensive income	280,732	1,553,616
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	291,098	1,547,346
Comprehensive income attributable to non-controlling interests	(10,365)	6,270

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on segment information, etc.)

[Segment information]

I For the three months ended November 30, 2024 (from September 1, 2024 to November 30, 2024)

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

(Thousands of yen)

	Reportable segments					Other (Note)	Total
	Japan	Americas	Asia Pacific	China	Total		
Net sales							
Net sales to external customers	15,088,704	2,286,117	1,164,289	583,740	19,122,851	146,835	19,269,687
Intersegment net sales or transfers	1,344,884	309,697	16,596	158,807	1,829,985	58,157	1,888,143
Total	16,433,588	2,595,815	1,180,885	742,547	20,952,837	204,993	21,157,830
Segment profit (loss)	486,093	195,977	177,128	(34,188)	825,011	5,613	830,624

(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 of income (loss) in reportable segments and the amount recorded in Quarterly Consolidated Statement of Income, and main components of the difference

(Matters related to difference adjustment)

(Thousands of yen)

Income	Amount
Reportable segments total	830,624
Elimination of intersegment transfers	143,940
Unrealized gain adjustment	(125,978)
Operating profit in Quarterly Consolidated Statement of Income	848,586

II For the three months ended November 30, 2025 (from September 1, 2025 to November 30, 2025)

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

(Thousands of yen)

	Reportable segments					Other (Note)	Total
	Japan	Americas	Asia Pacific	China	Total		
Net sales							
Net sales to external customers	15,961,129	1,893,374	1,273,937	456,198	19,584,640	136,303	19,720,943
Intersegment net sales or transfers	1,075,168	274,031	52,226	146,589	1,548,015	189,403	1,737,418
Total	17,036,298	2,167,405	1,326,163	602,787	21,132,655	325,706	21,458,361
Segment profit (loss)	694,666	36,850	212,369	(12,784)	931,101	32,255	963,357

(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 of income (loss) in reportable segments and the amount recorded in Quarterly Consolidated Statement of Income, and main components of the difference
(Matters related to difference adjustment)

(Thousands of yen)

Income	Amount
Reportable segments total	963,357
Elimination of intersegment transfers	92,283
Unrealized gain adjustment	26,469
Operating profit in Quarterly Consolidated Statement of Income	1,082,109

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

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes on statements of cash flows)

No quarterly consolidated statements of cash flows have been prepared for the three months ended November 30, 2024 and 2025.

Depreciation (including amortization of intangible assets, excluding goodwill) and amortization of goodwill for the three months ended November 30, 2024 and 2025 are as follows:

	(Thousands of yen)	
	For the three months ended November 30, 2024	For the three months ended November 30, 2025
Depreciation	259,417	286,154
Amortization of goodwill	1,050	1,050

