

Flour Milling Division

Wheat flour is the key product of our flour milling division. In addition, we also manufacture processed products made from flour, including various premixes and frozen dough products. These products are made at our Kashima, Kobe and Funabashi plants, as well as at three subsidiaries, namely, Naigai Flour Milling Co., Kida Flour Milling Co. and Showa Frozen Foods Co. that specializes in making frozen dough. The products are sold to food-processing companies, supermarkets and restaurants.

Wheat flour

Wheat flour is one of the most widely used foodstuffs throughout the world. It is an ingredient in a variety of foods such as bread, cake, Chinese noodles, udon noodles, buckwheat noodles, Japanese sweet buns and tempura. It is an important food that is integral to our diet. The Showa Sangyo Group conducts thorough research and development activities to create a variety of wheat flour products that offer improved quality, functions and reliability to meet the increasingly varied needs of our users.

Premixes

Premixes are convenient processed flour products that combine starch, sugar, salt, oils and flavorings in just the right blend for different purposes. They allow for easy, reliable and speedy preparation of foods such as high-quality tempura, fried dishes, bread and doughnuts. Users simply add water. Showa Sangyo pioneered the premix industry in Japan with its blend for tempura, a classic Japanese dish. Our company has many years of experience and many accomplishments in premix research and development.

Frozen dough

We sell our frozen dough products primarily to bakeries. By freezing bread dough, we make bread-making easy and fast with just the leavening and baking processes, enabling bakeries to cut down on labor and streamline operations. The frozen dough also contributes to enhance the bakers' product lineup.



T O P I C S

- We aggressively developed new products and marketed 52 types of premixes and 50 types of frozen dough, dramatically increasing our sales volume.
- Since the distribution of domestic wheat has switched to non-governmental, private transactions, we can now obtain a variety of wheat with which we are developing flour products to meet market needs.
- In addition to our flour products, we now provide bakeries with premixed oils for donuts and other products, as well as secondary raw materials such as processed rye products for mixing into bread. By making such a wide range of ingredients available, we plan to expand our business in ways no competitor can.

Vegetable Oils Division

Showa Sangyo's vegetable oils division manufactures a variety of vegetable oils, defatted soybeans and soybean proteins made from raw ingredients such as soybeans, rapeseed and corn.

These products are made - from raw material to finished goods - at our Kashima and Kobe plants where there are docking facilities for the world's largest grain ships. Our products are sold as raw ingredients for margarine and mayonnaise, as well as sold to the restaurant and take-out food industries. All are the result of Showa Sangyo's own research and technology. The products are widely recognized for their high quality and for their convenience.

This division also sells its customers industrial-use premixes made from top-quality flour and blended with seasoning to bring out the best of each food material. It also sells pasta that acquired a reputation for its reliable quality.



Vegetable oils

Showa Sangyo uses carefully selected soybeans, rapeseed and corn to produce a varied lineup of vegetable oils ranging from the common white soybean oil and salad oil to frying oils that are exceptionally stable. We also help facilitate our customers' operations by replacing conventional oil cans with environmentally friendly, can-free, bag-in-a-box products, and employing the mini-tank system in which small oil-storage tanks are set at the customer's site for periodical oil delivery.

Defatted soybeans

Defatted soybeans are made from the substance that remains after oil extraction. Highly reputable, they are used for a wide variety of goods, including fermented products such as miso and soy sauce, as well as in livestock feed.

Soybean protein

Our soybean protein is prized for qualities including its ability to absorb and retain water, emulsification properties and elasticity. It is used in a variety of processed foods such as meat products and marine products to improve quality, taste and nutritional value. Showa Sangyo holds a top share in the industry for these proteins.

TOPICS

- Sales of premium high-value-added oils such as Fumi Sawayaka Oil and Premixed Oil C&L are strong. In addition, we are also introducing these products in environmentally friendly bag-in-a-box packaging.
- We are installing mini-tank relay stations from Hokkaido to Kyushu in an effort to further improve our distribution network. We introduced a remote monitoring system to measure the volume remaining in vegetable oil storage mini-tanks at the sites of our customers. The number of customer plants equipped with our remotely monitored mini-tanks is steadily increasing.



Cornstarch and Corn Sweeteners Division

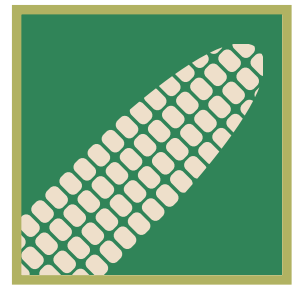
This division produces cornstarch as well as starch sweeteners such as corn syrup, dextrose, high-fructose corn syrup and oligosaccharides. The products are made at our Kashima Plant and our subsidiary, Shikishima Starch Co. under strict quality control standards. The goods are used in a variety of products such as soft drinks, beer, low-malt beer and bread.

Cornstarch

Cornstarch is made by drying out starch derived from corn. It is used in foods such as beer and processed seafood. It is also used in industrial products such as paper, corrugated cardboard and fibers to add viscosity and adhesive properties.

Corn sweeteners (corn syrup, dextrose, high-fructose corn syrup, oligosaccharides)

- Corn syrup is fermentable and viscous, absorbs and retains water, has adhesive properties and browns well. The syrup is used in the recently popular low-malt beer, as well as confectioneries, bread, milk products, bean paste and jams.
- Dextrose is used in beverages, confectioneries and bakery products. The substance also has medical applications. Further, it is used in seasonings such as mirin sake.
- High-fructose corn syrup is used mainly by the beverage industry for use in products such as soft drinks and lactic drinks.
- Oligosaccharides are receiving attention for their ability to promote bifidus bacteria growth and their ability to prevent tooth decay. Through its own research, Showa Sangyo developed isomalto-oligosaccharides, which are superior in health-promoting qualities and are valued for ease of processing. Isomalto-oligosaccharides are designated by Japan's Ministry of Health and Welfare as a food for specified health use.



T O P I C S

- With the rise in demand for low-malt beer, the demand for its ingredient, corn syrup, is also rising. To meet with the demand, we began construction to enhance corn-syrup production ability at our corn sweeteners production facilities at the Kashima Plant. Operation at the enhanced facilities began in May 2001.
- Currently, we are working with a focus on enhancing the sales of functional sweeteners such as isomalto-oligosaccharides, maltotetraose and maltotriose that add value to processed foods.

Household Foods Division

Showa Sangyo's household foods division makes and sells a broad range of processed foods for household use to suit diverse food styles and individual tastes. These include wheat flour, premixes, macaroni, spaghetti, vegetable oils, gift sets as well as health food products. The products are made chiefly at our Kashima, Kobe and Funabashi plants.

Wheat flour

A variety of wheat flours made from high-quality wheat.

Premixes

A selection of premixes including Tempura Daisakussen!, Tempura Flour Ogon and Karaage Meat Tenderizing Flour.

Pasta

Products such as 100% durum semolina spaghetti.

Vegetable oils

A lineup of vegetable oils including healthful oils rich in oleic acid.

Gift sets

An array of gift packages containing various food products of the Showa Sangyo Group, from flours to oils.

Taiyo no Ristorante

A brand of Italian foods that makes it easy to enjoy Italian cuisine at home. Products include pasta and pasta sauces.

Health foods

A lineup including Okama ni Pon, a capsule containing wheat germ oil, that fortifies rice with 10 times the vitamin E as brown rice; Sonomama Ajiwau Wheat Germ; and Oligo Time, an isomalto-oligosaccharide, designated a food for specified health use by Japan's Ministry of Health and Welfare in recognition of its beneficial effects on the digestive system.



TOPICS

- In September 2001, we began selling Tempura Daisakussen!, a new product to mark our 40th anniversary of selling tempura flour. Using a new, innovative production technology, we developed this product so that consumers can easily make delicious tempura in their homes. Since its introduction, the premix has been winning acclaim surpassing that of our classic products.
- Our Olein Rich, which we began selling in March 2000, is healthful oil rich in oleic acid. The product is winning over customers because it is strongly resistant to oxidation and heat and suitable for all types of cooking. In addition to promoting this as a regular household product, we are also marketing it as a key gift set product. It is enjoying strong sales.



Frozen Foods Division

Frozen foods are becoming an integral part of our everyday life because of the simplicity and convenience they offer.

Our frozen foods operations involve the production and sale of goods including snack foods, everyday dishes, Italian foods, and tempura. Our subsidiary Showa Frozen Foods Co. develop, manufacture and sell the foods, making use of Showa Sangyo Group's own selection of ingredients, such as flour, premixes and vegetable oils, as well as processing technologies. These high-quality products are widely used as commercial frozen foods for their taste, nutritional value and safety, contributing to the varied menus available at supermarkets, pubs and karaoke lounges.

Snack foods

We offer an assortment of Japanese snack products such as taiyaki, takoyaki and imagawayaki. Our great-tasting snack foods reflect the technology and experience of the Showa Sangyo Group, which carries a varied line of foodstuffs.

Everyday dishes

We boast a varied selection of products including delicatessen meats, such as both Japanese-style and American-style fried chickens and wontons.

Italian foods

Our ravioli and other dishes make it possible to easily serve authentic Italian cuisine.

Tempura

For our tempura, we carefully select the freshest ingredients and then add our own renowned tempura flour and salad oil. Our tempura maintains its crispy texture and appealing flavor even after restaurant preparation and has a strong reputation for consistent high quality.



TOPICS

- On August 1, 2002, we transferred Showa Sangyo's frozen food operations to our subsidiary, Niigata Elite Foods Co., and renamed it as the new Showa Frozen Foods Co. By integrating the product development, manufacturing and sales processes under the new company, we will speed up our decision-making and product development, and streamline our production system. Our aim is to revamp the Showa Sangyo Group's frozen food operations.

Animal Feed and Allied Products Division

Mixed feeds

Showa Sangyo Group's mixed feeds use our own ingredients, which are strictly quality-controlled. These ingredients include wheat bran, defatted soybeans and corn gluten meal. We also use imported ingredients such as corn, milo and fish meal that meet the same exacting safety standards as our own. The feeds are produced mainly at our Kobe Plant, Kashima Shiryo Co. and Kyushu Showa Sangyo Co.

We manufacture a wide variety of mixed feeds, including mixes for chickens (both egg-laying hens and broilers), pigs, dairy cattle, beef cattle and fish. In addition, we produce mixture materials that contain isomalto-oligosaccharides, which have beneficial effects on the intestinal tracts of animals.



Chicken eggs

Showa Sangyo Group contributes to the stable supply of chicken eggs.

We have passed every company's quality management standards test, including one that is reputed to be one of the strictest in the industry. We have built a quality-control system that covers everything from chicken feed, production farms, grade-packing centers and distribution to how the eggs reach the consumers. Through Group companies including Showa Keiran Co., we provide a reliable source of eggs based on the concepts of safety, freshness and stable supply.

TOPICS

- We built new heat-treated feed manufacturing facilities, which we use to produce feed for our egg-laying hens. The heat treatment eliminates harmful bacteria, such as salmonella, which is a cause of food poisoning. This heat-treated feed helps to ensure the quality of livestock and poultry food products, such as eggs, milk and meats.



Warehousing Division

Showa Sangyo's plants in Kashima, Kobe and Funabashi are ideally located in large-scale, oceanfront industrial regions. Each of the sites carries out efficient unloading and storing of imported grains. Each factory is outfitted with a large silo, offering a combined storage capacity of 340,000 tons of grain. In addition, the Kashima and Kobe plants have berths that allow large grain ships to dock. The grain is taken from the ships via unloading equipment, fumigated and stored in the silos. Companies in our Group, Kashima Silo Co., and Shibushi Silo Co., also have large silos that, combined, can store more than 270,000 tons of grain. The grain stored in these silos is sent to Showa Sangyo Groups' plants as needed, as well as being supplied to other manufacturers of flour, vegetable oils and animal feed.

Further, as part of our effort to diversify our warehousing operations, Showa Sangyo is also entering the refrigerated storage field. Making use of a prime location near to Tokyo, we constructed a warehouse complex and linked refrigerated warehouse within our Funabashi plant compound. The warehouse complex is an ordinary warehouse for both business and private use. It is also, however, a multi-function and multi-purpose operation that includes a food processing plant. The refrigerated warehouse can be used for the storage of products processed at the warehouse complex. The site is thus being used as a distribution point for the expanding frozen foods market. Shourei Co., a subsidiary, manages the refrigerated warehouse.



Business Development Division



Showa Sangyo has been taking bold steps to make effective use of unused real estate assets such as former plant sites. Together with our subsidiary, Shosan Kaihatsu Co., we are working to diversify our operations by developing commercial facilities and initiating leasing operations in tenant buildings. Our projects include the development of the Shosan Plaza shopping center in Ageo, Saitama and the construction of tenant buildings in Ichikawa, Chiba, and Ota, Gunma, as part of leasing operations.

In addition, Showa Sangyo is also entering the restaurant business, making use of its know-how as a comprehensive food company. We have opened Romana, a restaurant specializing in spaghetti, and Tamagoya San, a restaurant specializing in omelets. With our innovative menus, we are expanding on the joy of eating.