



Financial Results Briefing for FY2023 (Ended March 31, 2023)

Showa Sangyo Co., Ltd.
President and CEO
Hideyuki Tsukagoshi
May 19, 2023

- 1** Overview of financial results for FY2023
- 2 Earnings forecast for FY2024
- 3 Medium-Term Management Plan 2023-2025

Overview of Consolidated Financial Results for FY2023

(0.1 billions of yen)	FY2022	FY2023	Change (Year-on- Year)	Percentage of change (Year-on- Year)
Net sales	2,876	3,350	474	16.5%
Operating profit	55	41	▲13	▲24.8%
Ordinary profit	65	65	▲0.5	▲0.8%
Profit	40	77	37	94.1%

Key points of FY2023

■ Net sales

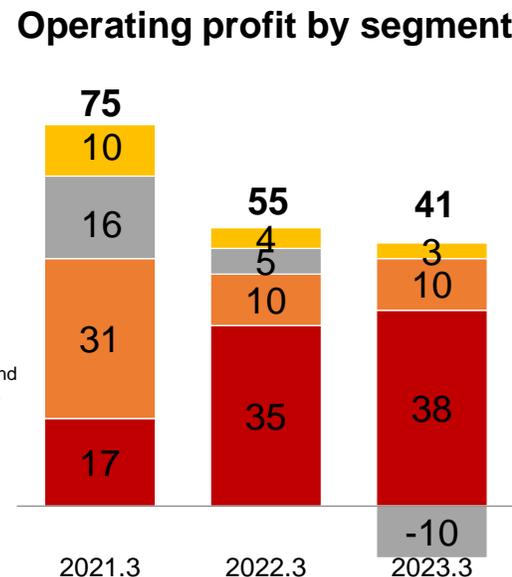
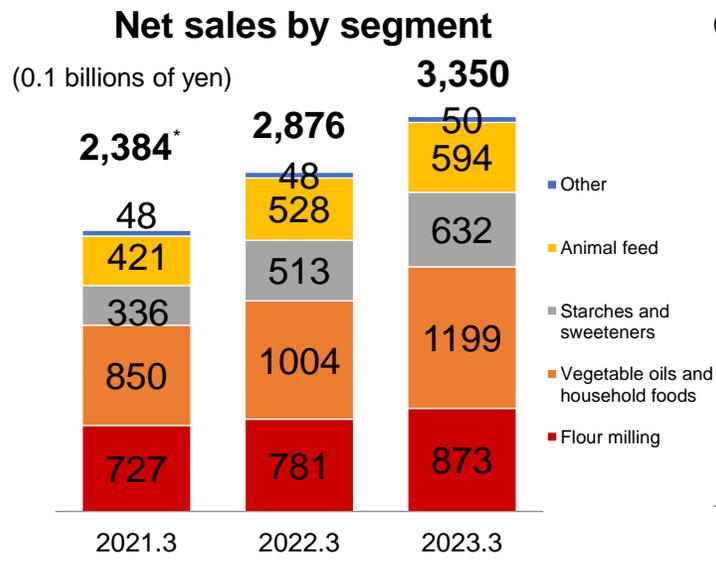
- (+) Implementation of price revision in all segments due to continuous historically high market price of grain raw material, and rising import costs and energy costs from the yen's increasing depreciation against the U.S. dollar
- (-) Decrease in sales volume due to giving priority to sales at fair prices

■ Operating profit

- (-) Decrease in profit from not being able to fully offset the decreased portion of sales volume and the increased portion of selling, general and administrative expenses with price revision; yet being able to fully offset manufacturing costs
- (-) Significant decrease in profit for the starches and sweeteners business from not being able to offset rapid increase in energy costs in particular

■ Profit

- (+) Gain on sale of non-current assets, approx. 5.2 billion yen, recorded to extraordinary income

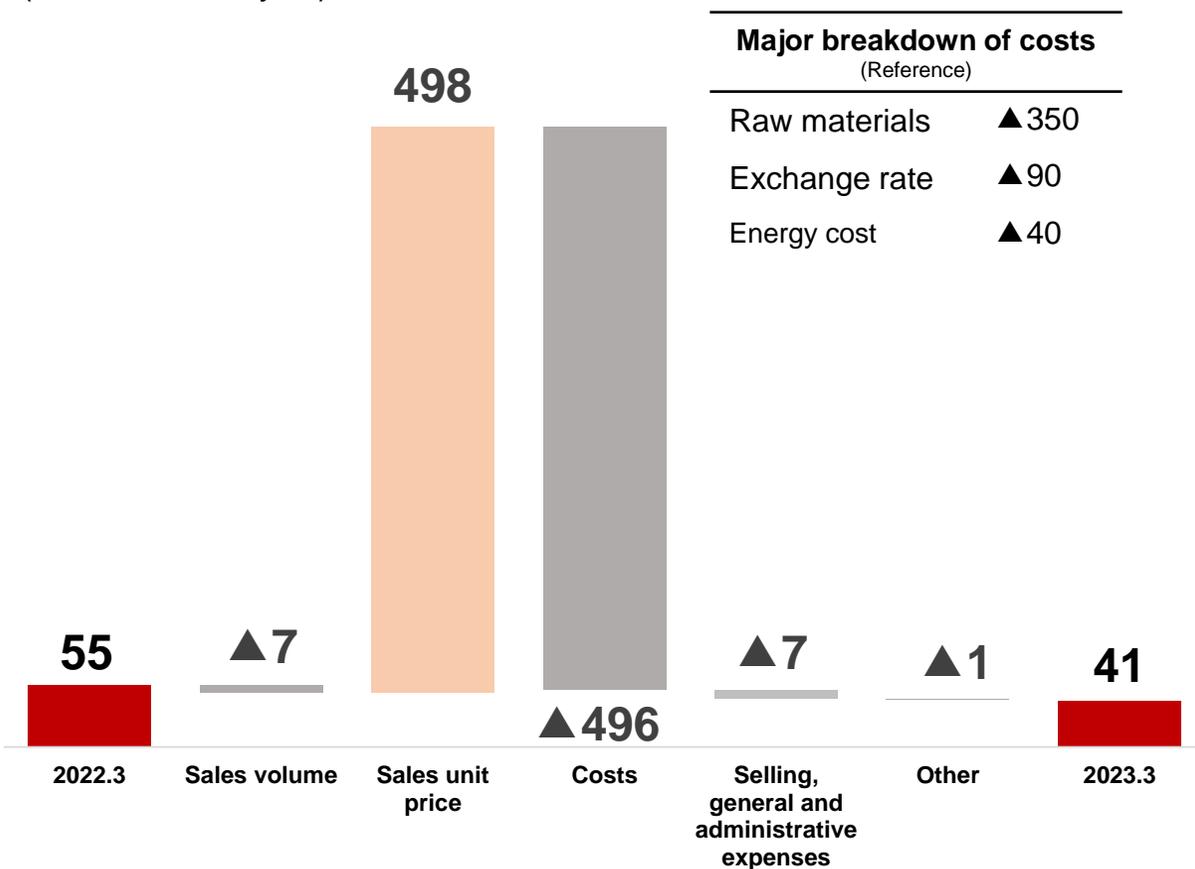


* An approximation after applying the accounting standard for revenue recognition

Factors for changes in operating profit for FY2023

By factor

(0.1 billions of yen)

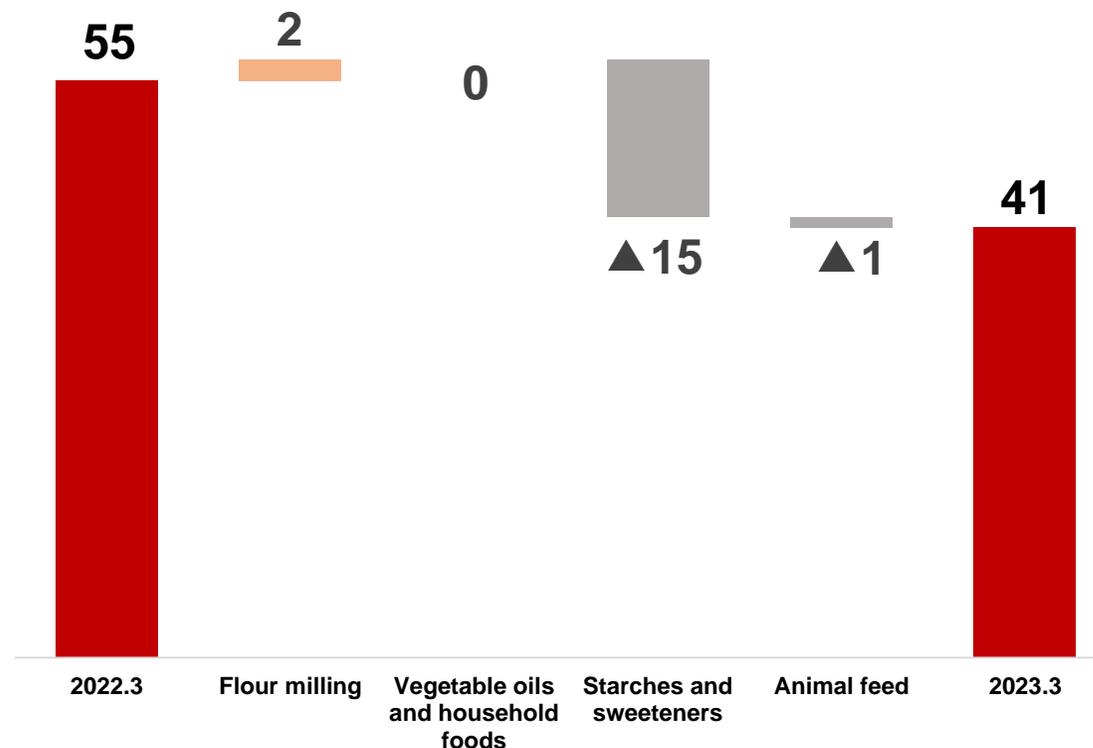


Major breakdown of costs (Reference)

Raw materials	▲350
Exchange rate	▲90
Energy cost	▲40

By segment

(0.1 billions of yen)



By Segment: Flour Milling Business

Main Business

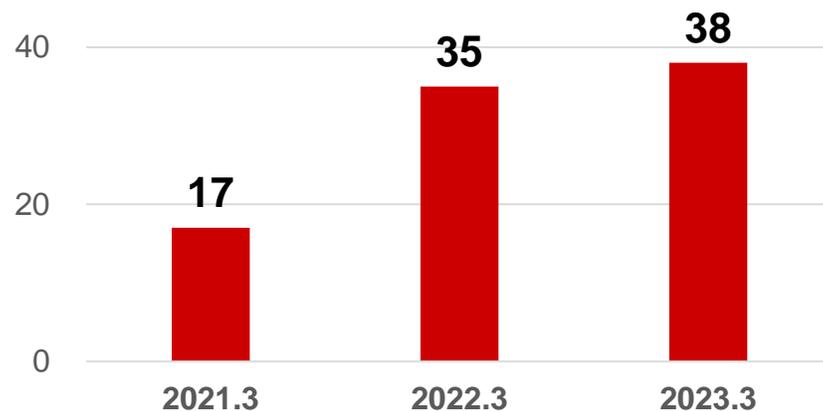
Wheat flour, premixes, bread, bran



(0.1 billions of yen)	2022.3	2023.3	Percentage of change (Year-on-Year)
Net sales	781	873	11.8%
Operating profit	35	38	8.0%

(0.1 billions of yen)

Operating profit



Key points

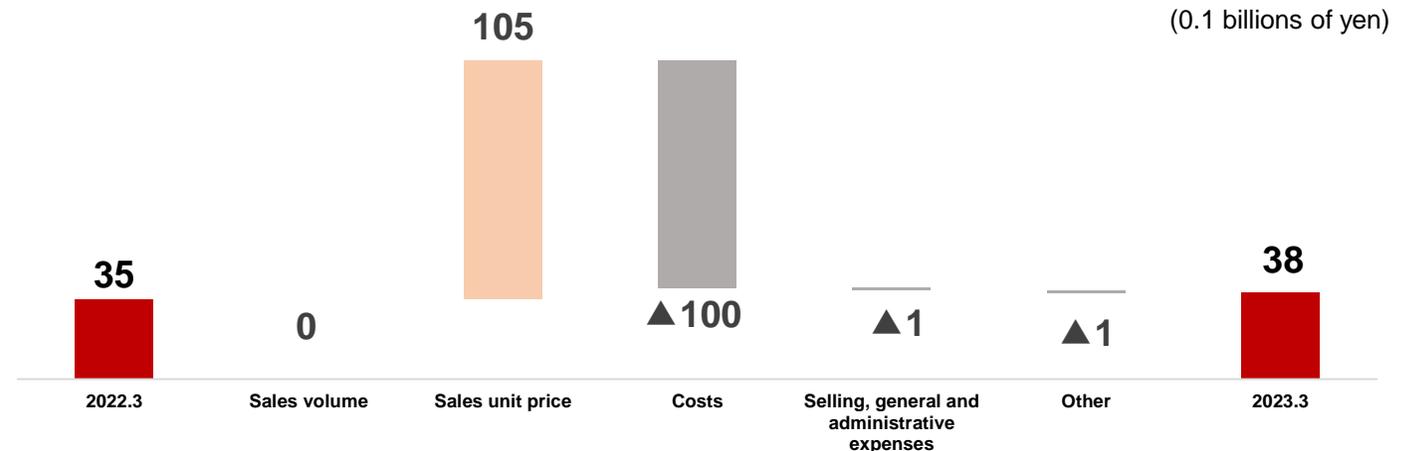
■ Performance

- (1) Increase in net sales due to implementation of revision in wheat flour price in line with the revision of wheat price
- (2) Increase in sales volume of commercial wheat flour through securing of new customers via enhancement of proposal-based sales by target business type

■ Initiatives

- (1) Securing of multiple new customers through proposals utilizing market analysis capabilities
- (2) Concentration of production and improvement in processes through operation system integrated among Group's five companies and seven plants, improvement in profitability mainly through cost reduction by reviewing of logistic system and streamlining of brands
- (3) Continuous implementation of structural reform of earnings in baked bread business

Factors for changes in operating profit



By Segment: Vegetable Oils and Household Foods Business

Main Business

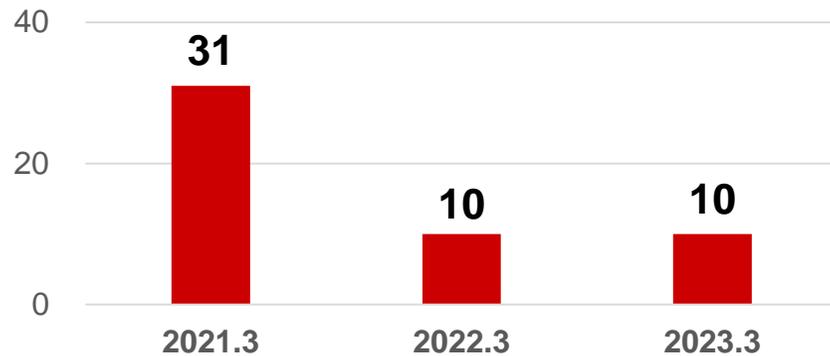
Edible oil, soybean protein, premixes, pasta, household foods, frozen foods



(0.1 billions of yen)	2022.3	2023.3	Percentage of change (Year-on-Year)
Net sales	1,004	1,199	19.4%
Operating profit	10	10	4.4%

(0.1 billions of yen)

Operating profit



Key points

■ Performance

- (1) Increase in net sales due to implementation of price revision with rising raw material costs and energy costs
- (2) Increase in sales volume of commercial food materials for food services (premixes and pasta); yet decrease in sales volume of commercial vegetable oils and household products due to impact of price revision

■ Initiatives

- (1) Strengthening of efforts to improve profitability through implementation of price revision seven times since 2021
- (2) Strengthening of providing small-package products through operation of Funabashi Premix No. 2 Plant
- (3) Cost reduction through synergy with Boso Oil and Fat Group (cross selling and joint procurement of products and sales channels, etc.)
- (4) Strengthening of adaptability to needs for plant-based foods

Factors for changes in operating profit

(0.1 billions of yen)



By Segment: Starches and Sweeteners Business

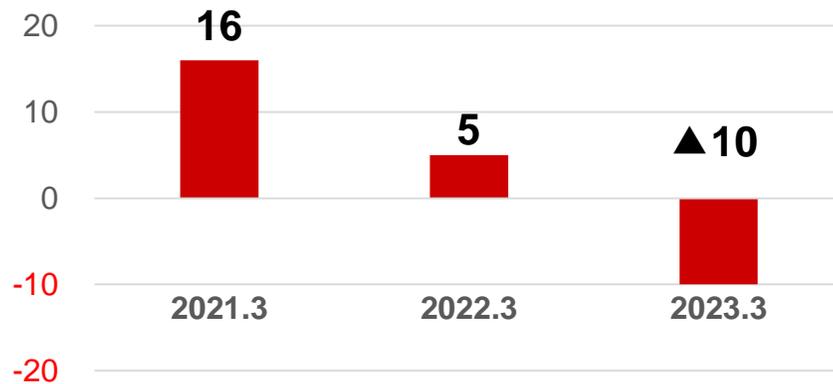
Main Business

Saccharified products,
cornstarch, processed starch



(0.1 billions of yen)	2022.3	2023.3	Percentage of change (Year-on-Year)
Net sales	513	632	23.2%
Operating profit	5	▲10	-

(0.1 billions of yen) Operating profit



Key points

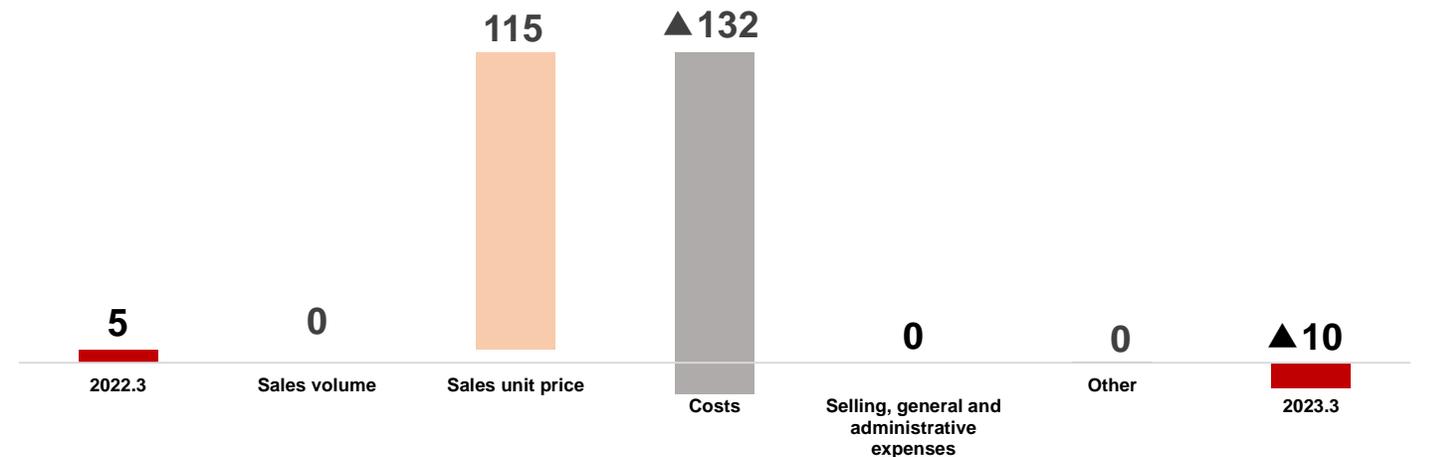
■ Performance

- (1) Increase in net sales due to implementation of price revision with rising grain raw material price and manufacturing costs
- (2) Decrease in profit from not being able to fully offset the increased portion of costs with price revision, besides the rising energy costs
- (3) Increase in sales volume of saccharified products for beverages due to easing of behavioral restrictions and impact of heat wave; yet decrease in sales volume of cornstarch and processed starch due to decrease in demand for products for industrial use

■ Initiatives

- (1) Promotion of project demonstrating synergy with San-ei Suicrochemical (cost reduction of raw material procurement, integration of sales and R&D)
- (2) Securing of profit through increased sales of high-value-added products such as Kona Ame (powdered corn syrup), the Company's original product lineup
- (3) Improvement in productivity under Group's three-plant system (Showa Sangyo, San-ei Suicrochemical, Shikishima Starch MFG)

Factors for changes in operating profit



By Segment: Animal Feed Business

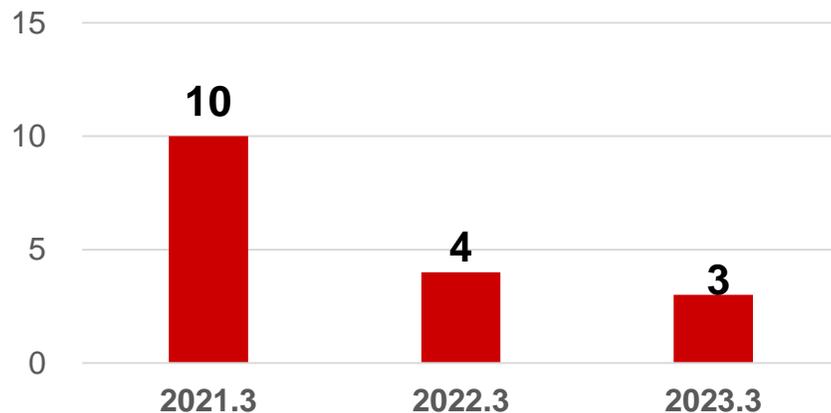
Main Business

Mixed animal feed, eggs and processed egg products



(0.1 billions of yen)	2022.3	2023.3	Percentage of change (Year-on-Year)
Net sales	528	594	12.5%
Operating profit	4	3	▲21.1%

(0.1 billions of yen) Operating profit



Key points

■ Performance

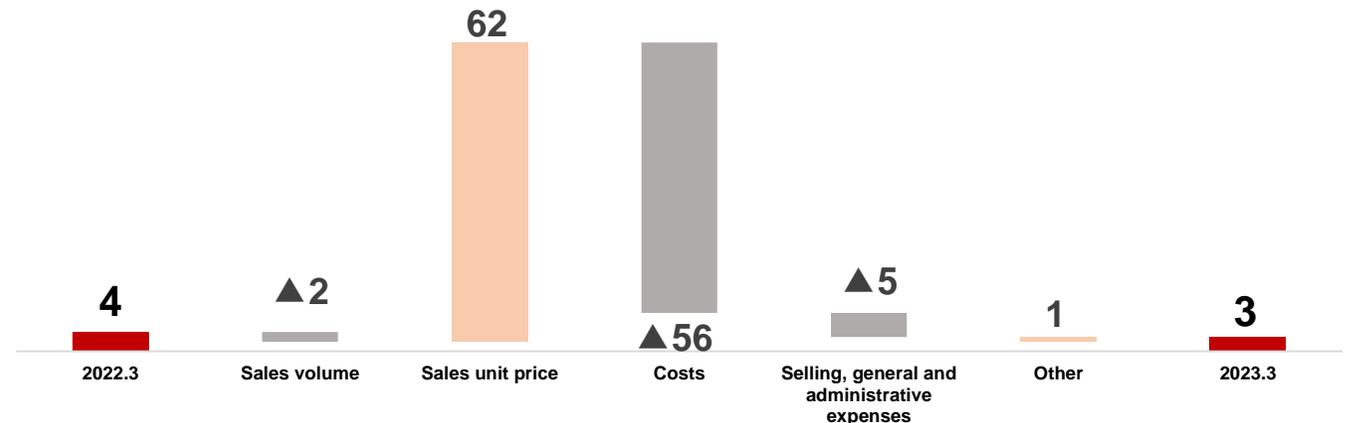
- (1) Increase in net sales due to implementation of price revision with rising grain raw material price and manufacturing costs
- (2) Decrease in profit from increase in burden of compound feed price stabilization fund
- (3) Decrease in sales volume of mixed animal feed partly due to impact of bird flu
- (4) Increase in sales volume of eggs through cooperation with Showa Keiran

■ Initiatives

- (1) Strengthening of adaptability to needs for heated animal feed (Kyushu Showa Sangyo)
- (2) Expansion of sales of high-value-added products, namely synthetic milk and oligosaccharide mixed animal feed

Factors for changes in operating profit

(0.1 billions of yen)



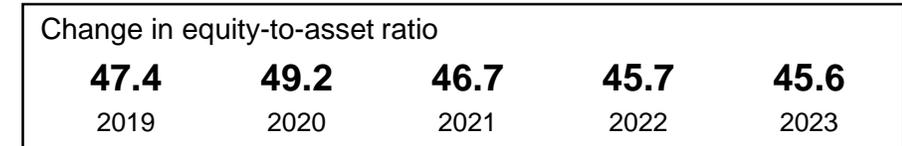
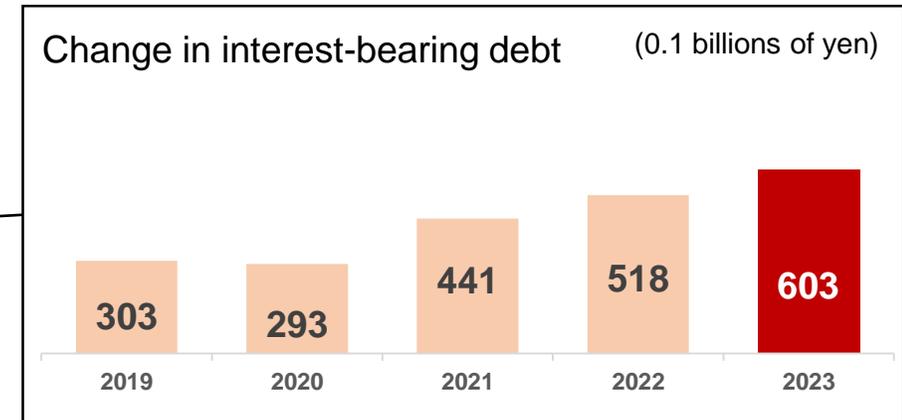
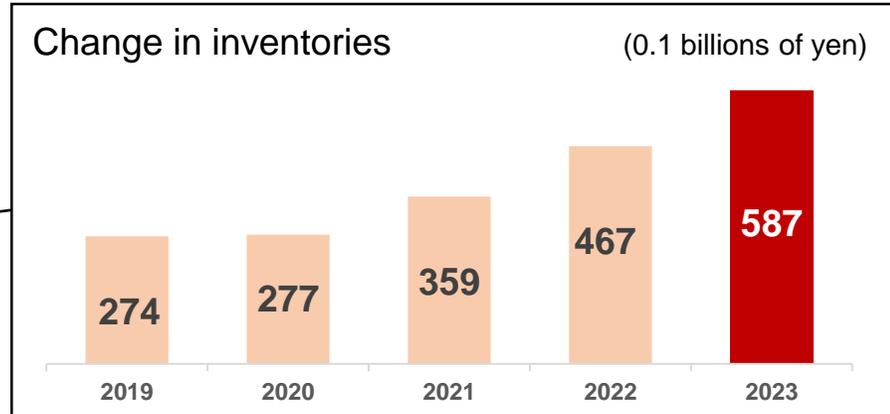
Overview of Consolidated Balance Sheet

Consolidated Balance Sheet

(0.1 billions of yen)

	FY2022	FY2023	Change
Current assets	1,092	1,234	142
Cash and deposits	91	62	▲ 29
Trade receivables	495	553	58
Inventories	467	587	120
Other	38	32	▲ 6
Non-current assets/Deferred assets	1,220	1,242	22
Property, plant and equipment/intangible assets	895	874	▲ 20
Investments and other assets	325	367	42
Total assets	2,313	2,477	164

	FY2022	FY2023	Change
Liabilities	1,222	1,314	91
Trade payables	335	324	▲ 11
Interest-bearing debt	518	603	85
Provision	18	18	0
Other	350	367	17
Net assets	1,090	1,163	72
Shareholders' equity	978	1,037	59
Comprehensive income and other	78	92	13
Non-controlling interests	33	33	0
Total liabilities and net assets	2,313	2,477	164



Cash Flows

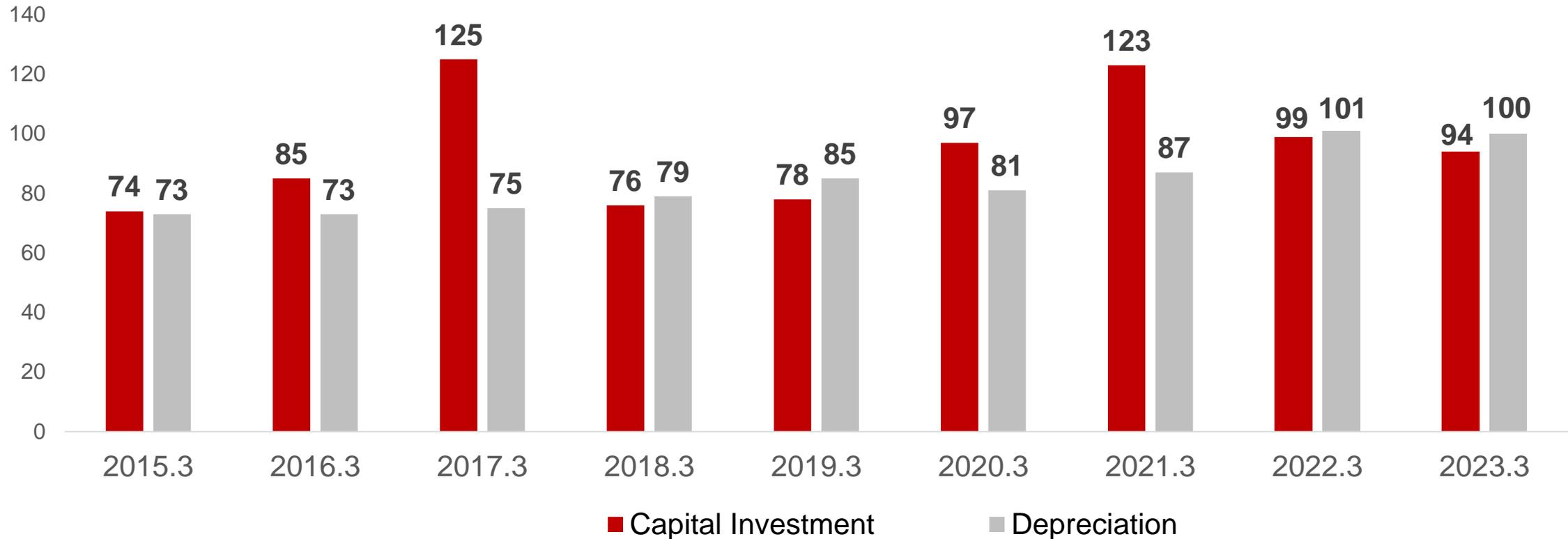
(0.1 billions of yen)

	FY2022	FY2023	Change
Profit before income taxes	58	109	50
Depreciation <Non-cash item>	100	99	▲0
Impairment losses <Non-cash item>	2	4	1
Change in working capital (trade receivables, inventories, trade payables)	▲118	▲189	▲71
Income taxes paid/refund	▲32	▲11	21
Other	3	▲41	▲43
Cash flows from operating activities	13	▲29	▲42
Purchase of property, plant and equipment	▲111	▲98	12
Sale of property, plant and equipment	0	61	61
Purchase of investment securities	▲0	▲12	▲12
Other	▲5	▲11	▲7
Cash flows from investing activities	▲117	▲61	55
Free cash flow	▲103	▲90	13
Short-term borrowings, commercial papers, long-term borrowings	120	85	▲35
Redemption of convertible-bond-type bonds with share acquisition rights	▲11	-	11
Dividends paid	▲21	▲20	1
Other	▲3	▲3	▲0
Cash flows from financing activities	84	61	▲22
Cash and cash equivalents at end of period	91	62	▲29

Change in Capital Investment and Depreciation

Consolidated basis

(0.1 billions of yen)



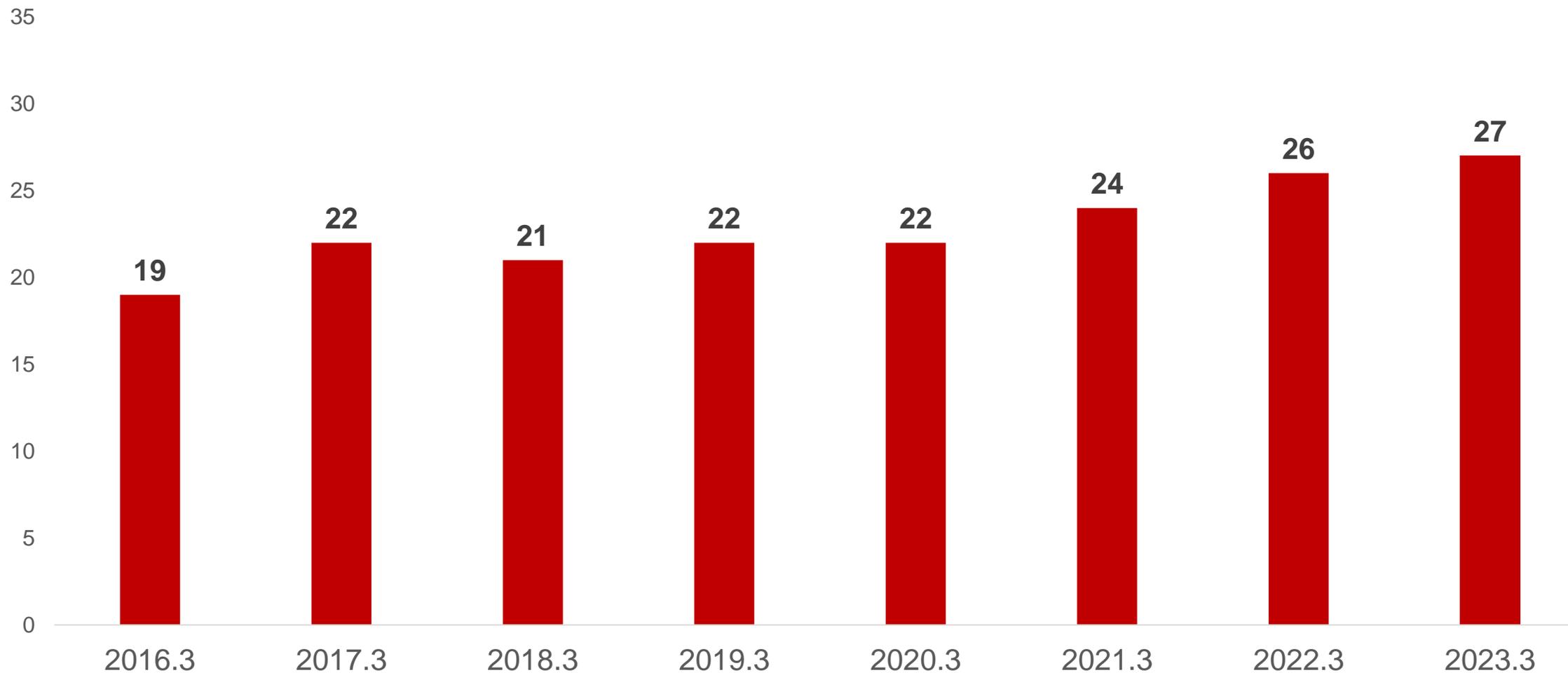
[Capital Investment]

Construction of Funabashi Premix No. 2 Plant, renewal of Kashima Plant facilities, renewal of Headquarters core system, etc.

Change in R&D Expenditures

Consolidated basis

(0.1 billions of yen)



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- 3 Medium-Term Management Plan 2023-2025

Assumptions Underlying Earnings Forecasts for FY2024

■ Cost environment [Raw materials, exchange rates, energy]

	FY2023				FY2024 Assumption
	April–June results	July–September results	October–December results	January–March results	
Wheat yen/t*1	61,820	72,530	72,530	72,530	76,453
Soybean ¢/Bu*2	1,653	1,641	1,474	1,475	1,502
Rapeseed C\$/MT*3	1,108	1,022	842	856	842
Corn ¢/Bu*4	730	738	665	663	660
Sea freight US\$/t*5	74.5	77.5	62	54.6	65
Exchange rate*6	120.02	133.27	141.63	136.04	133.00
LNG yen/kg*7	94.0	110.6	152.7	132.5	111.8

*1: Average price of five brands three months prior to the relevant period

*2: Average Chicago market price two months prior to the relevant period

*3: Average ICE market price two months prior to the relevant period

*4: Average Chicago market price two months prior to the relevant period

*5: Panamax vessel of U.S. Gulf-Japan (Based on corn)

*6: Average TTM two months prior to the relevant period

*7: Average unit price calculated from value and quantity of imported goods in the country of origin based on the actual monthly preliminary figures of Trade Statistics of Japan disclosed two months prior to the relevant period

Earnings Forecast for FY2024

Change of segments

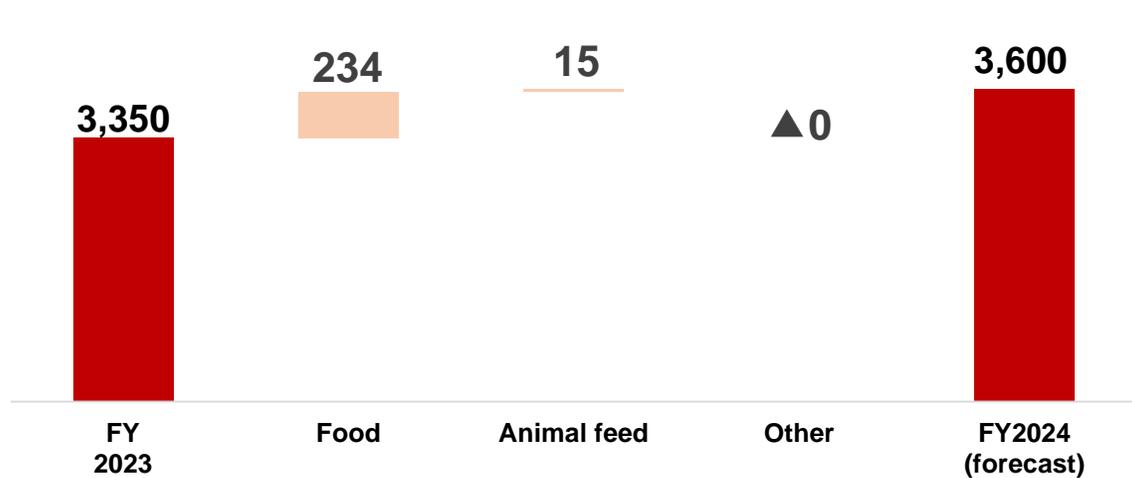
- With the launch of the Medium-Term Management Plan 2023–2025, we will transform our sales departments from “product-out” models of business management and sales activities to “one-stop” models by business type and customer, and shift to “market-in” models of organizations and business management
- In line with this change in business management, the Flour Milling Business, the Vegetable Oils and Household Foods Business and the Starches and Sweeteners Business, which have previously been reportable segments, will be integrated into the “Food Business”

(0.1 billions of yen)	FY2023	FY2024 forecast	Change (Year-on-Year)	Percentage of change (Year-on-Year)
Net sales	3,350	3,600	249	7.4%
Food	2,705	2,940	234	
Animal feed	594	610	15	
Other	50	50	▲0.7	
Operating profit	41	75	33	79.2%
Food	38	75	36	
Animal feed	3	5	2	
Other	15	10	▲4	
Company-wide expenses, etc.	▲15	▲16	▲0.6	
Ordinary profit	65	86	21	31.8%
Profit	77	55	▲22	▲29.3%

Earnings Forecast for FY2024 (by Segment)

Change in net sales

(0.1 billions of yen)

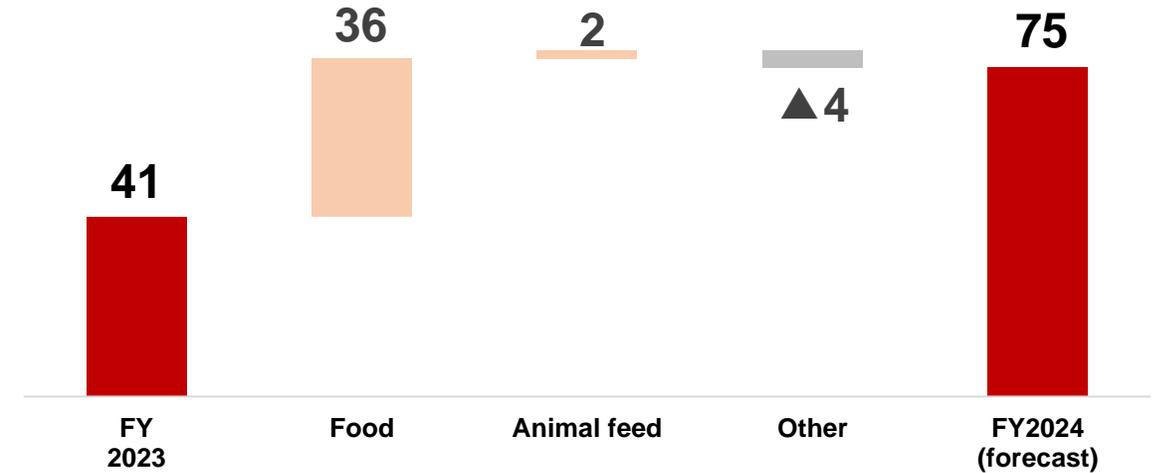


Food and Animal feed

- (+) Building of efficient sales divisions through reorganization
- (+) Recovery of sales volume and implementation of sales at fair prices
- (+) Focus on developing new products and entering new markets
- (+) Strengthening sales of functional products

Change in operating profit

(0.1 billions of yen)



Food and Animal feed

- (+) Building of efficient sales divisions through reorganization
- (+) Recovery of sales volume and implementation of sales at fair prices
- (+) Focus on developing new products and entering new markets
- (+) Strengthening sales of functional products

Other

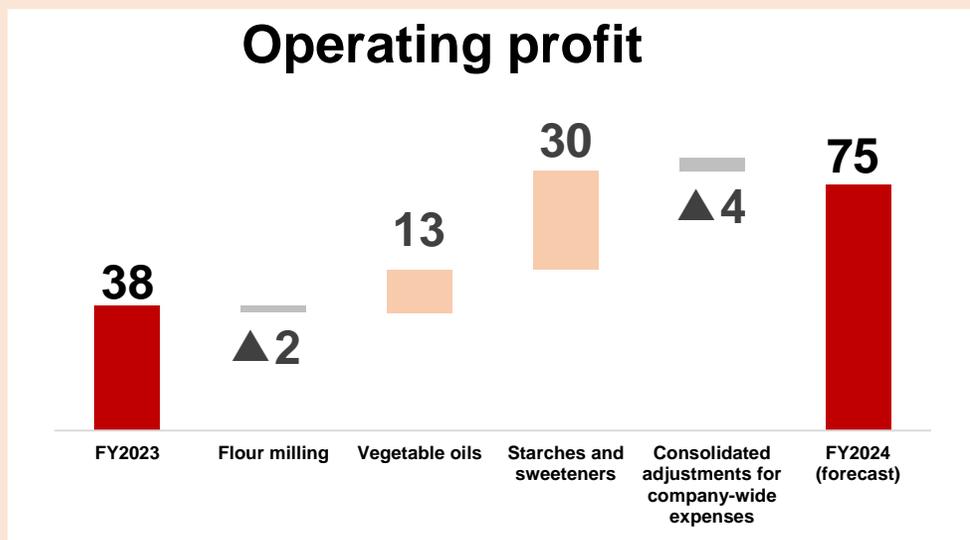
- (-) Decrease in profit from decrease in rental income from real estate

By Segment: Food Business (Flour Milling/Vegetable Oils/Starches and Sweeteners)

Earnings forecast

(0.1 billions of yen)	2023.3	2024.3 (Forecast)	Change
Net sales	2,705	2,940	234
Operating profit	38	75	36

Change by main business



* FY2023 results are aligned with the new segments

Change of main business

Old segment	
Flour Milling Business	<ul style="list-style-type: none"> • Wheat flour • Premixes • Baked bread • Bran
Vegetable Oils and Household Foods Business	<ul style="list-style-type: none"> • Edible oil • Soybean protein • Premixes • Pasta • Household foods* • Frozen foods
Starches and Sweeteners Business	<ul style="list-style-type: none"> • Saccharified products • Cornstarch • Processed starch



New segment

New segment		
Food business	Flour milling	<ul style="list-style-type: none"> • Wheat flour • Premixes • Pasta • Baked bread • Bran
	Vegetable oils	<ul style="list-style-type: none"> • Edible oil • Soybean protein • Frozen foods
	Starches and sweeteners	<ul style="list-style-type: none"> • Saccharified products • Cornstarch • Processed starch

* Household foods are divided into "Flour milling" and "Vegetable oils" depending on categories

FY2024 Key Measures (Flour Milling)

Wheat flour

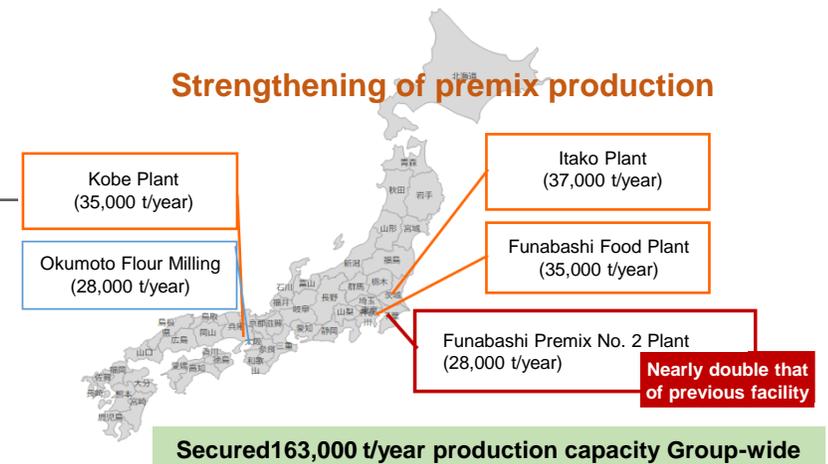
- ▶ Revision of commercial wheat flour price (from the delivery on June 20, 2023)
- ▶ Development of new products and cultivation of new customers and markets
- ▶ Strengthening of cooperation among five companies and seven plants including group companies ⇒ Optimization from raw material procurement to production of products at bases

Premixes and pasta

- ▶ Strengthening of premix production through cooperation among Funabashi Premix No. 2 Plant and group companies
- ▶ Expansion of sales to food services and ready-made meal business types

Baked bread

- ▶ Improvement of earnings through operation integrated among Group's four companies*
 - * Grandsolu Bakery, Tower Bakery, Swing Bakery, Garden Bakery
 - (1) Improvement of productivity ⇒ Improvement of loss rate
 - (2) Reduction in labor costs and overheads ⇒ Initiatives to save energy and manpower Optimization of operation in management back-office divisions



Household products

- ▶ Expansion of sales of bound spaghetti imported from Turkey, whose sales began in December 2022
- ▶ Expansion of sales through export channels ⇒ Expansion of sales of household products, mainly Tempura Batter Mixes EX, which is an export-only product
- ▶ Expansion of sales through EC channels



FY2024 Key Measures (Vegetable Oils)

Edible oil

- ▶ Recovery of sales volume and profitability of soybean oil and rapeseed oil
- ▶ Improvement of competitiveness and expansion of sales of rice bran oil and corn oil ⇒ Strengthening of cooperation with Boso Oil and Fat and Tsuji Oil Mills
- ▶ Development and expansion of sales of functional vegetable oils ⇒ Promotion of site-based and proposal-based sales

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辻製油株式会社

Soybean protein

- ▶ Strengthening of proposals to new customers in ready-made meal and food service businesses against the backdrop of surging meat prices
- ▶ Establishment of production system to further increase production in preparation for sales expansion
- ▶ Expansion of fields through development and sales of new soybean processed products and new soybean protein materials
 - ⇒ Efforts for Mamefuru Bran, which is soybean skin powder as a functional soybean processed product, Daizu Hi! Ga, which is a soybean germ product, and development of new products



[New product] **“Mamefuru Bran”**
 Launched in February 2023

Frozen foods

- ▶ Improvement of market competitiveness ⇒ Enhancement of takoyaki lines at Showa Frozen Foods, and strengthening of sales of commercial and household products using Group’s sales channels
- ▶ Expansion of business scale

Household products

- ▶ Acquisition of new customers through strengthening of brand communication
- ▶ Ensuring proposals for expansion of sales to customers

FY2024 Key Measures (Starches and Sweeteners)

Overall

- ▶ Expansion of sales to target users, stabilization of earnings through revision of customer portfolios, and recovery of sales to pre-COVID-19 levels
- ▶ Appropriate price revisions through appropriate dissemination of information to customers
- ▶ Promotion of further diversification of raw material procurement channels
- ▶ Optimization of production sites integrated among three group companies (Showa Sangyo, Shikishima Starch MFG and San-ei Sucrochemical)
 - ⇒ Improvement of earnings by working to improve productivity and reduce distribution costs

Saccharified products

- ▶ Strengthening of efforts on recovering industries such as products for alcoholic drinks, beverages, and sweets

Cornstarch

- ▶ Expansion of sales through securing new users

Other

- ▶ Implementation of differentiation strategies for powdered starch syrup and crystalline glucose, which are the Group's strengths, and San-ei Sucrochemical's unique acidic oligosaccharide
 - ⇒ Promotion of expansion of sales through proposal-based sales using BtoB marketing functions



By Segment: Animal Feed Business

Main Business

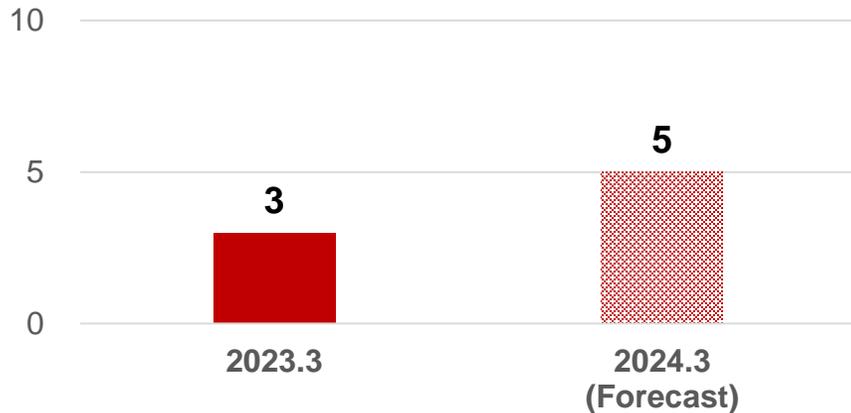
Mixed animal feed, eggs and processed egg products



(0.1 billions of yen)	2023.3	2024.3 (Forecast)	Change
Net sales	594	610	15
Operating profit	3	5	2

(0.1 billions of yen)

Operating profit



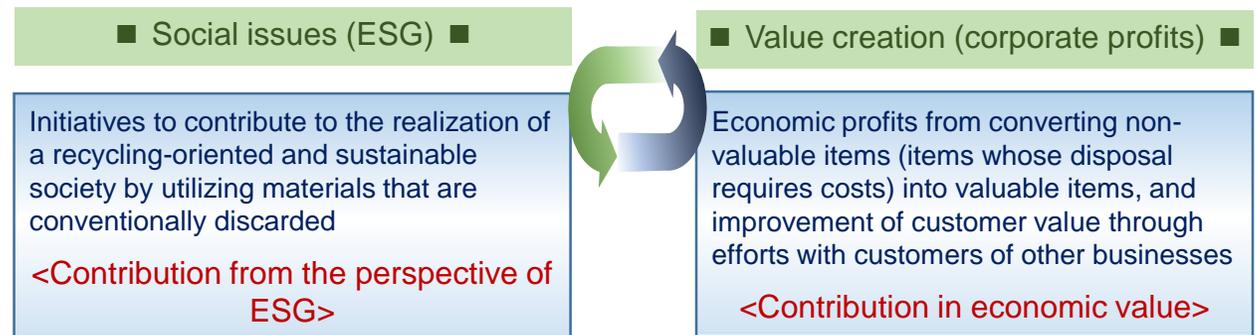
Mixed animal feed

- ▶ Sales at fair prices (price pass-through) commensurate with costs
- ▶ Expansion of sales through proposals of solutions for various issues of farms (customers)

Eggs and others

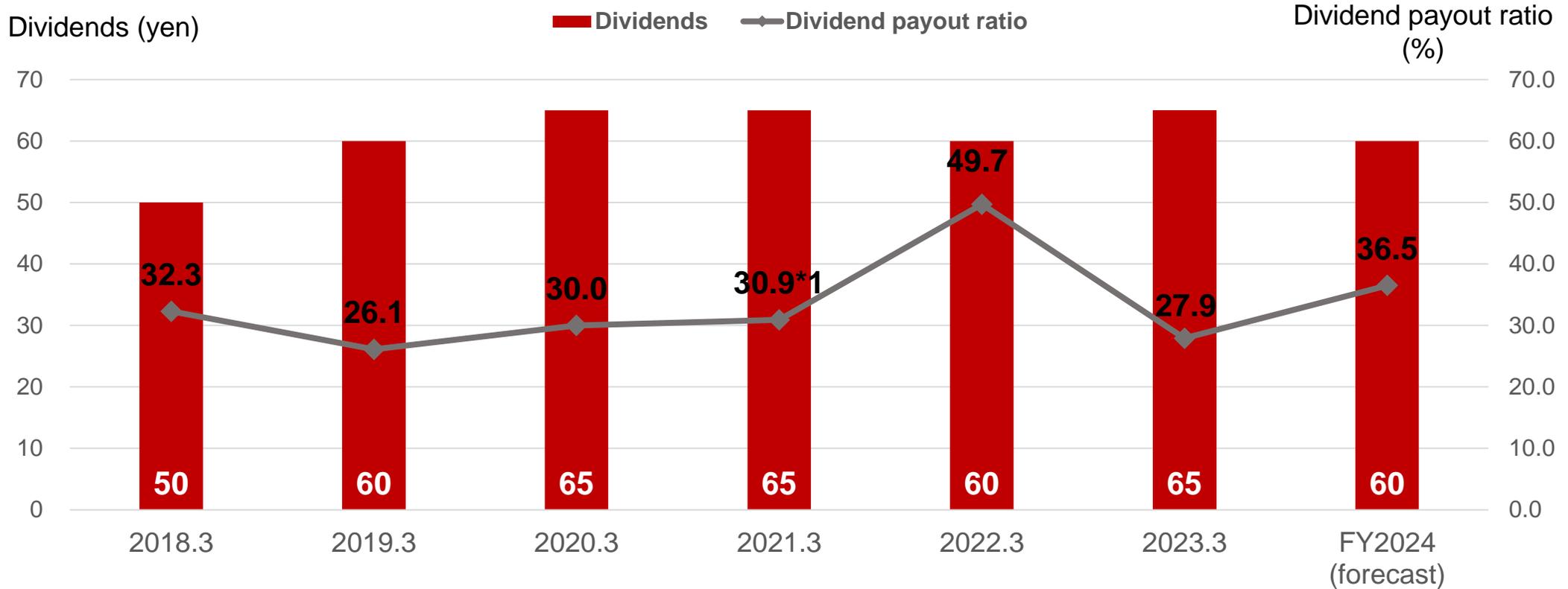
- ▶ Expansion of profit scale and pursuit of stabilization through development of layered business strategy integrated between Showa Sangyo and Showa Keiran
- ▶ Expansion of sales of high-value-added products, namely synthetic milk and oligosaccharide mixed animal feed
- ▶ Creation of new value through pursuit of technology to make feed from **unused raw materials**

Initiatives for unused raw materials



Return to Shareholders (Dividends)

Change of dividends per share and dividend payout ratio



Dividend
payout ratio

Approx. 30%

*1: Dividend payout ratio for FY2021 does not include effect of gain on bargain purchase. If included, the ratio will be 20.3%

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Global Trends

- Soaring prices of raw material grains
- Increasing energy prices
- Increasing geopolitical risks
- Mounting environmental problems (climate change, water resources, food loss)
- Acceleration of initiative for SDGs/ Recycling-oriented society
- Advancement of digital technology

Domestic Trends

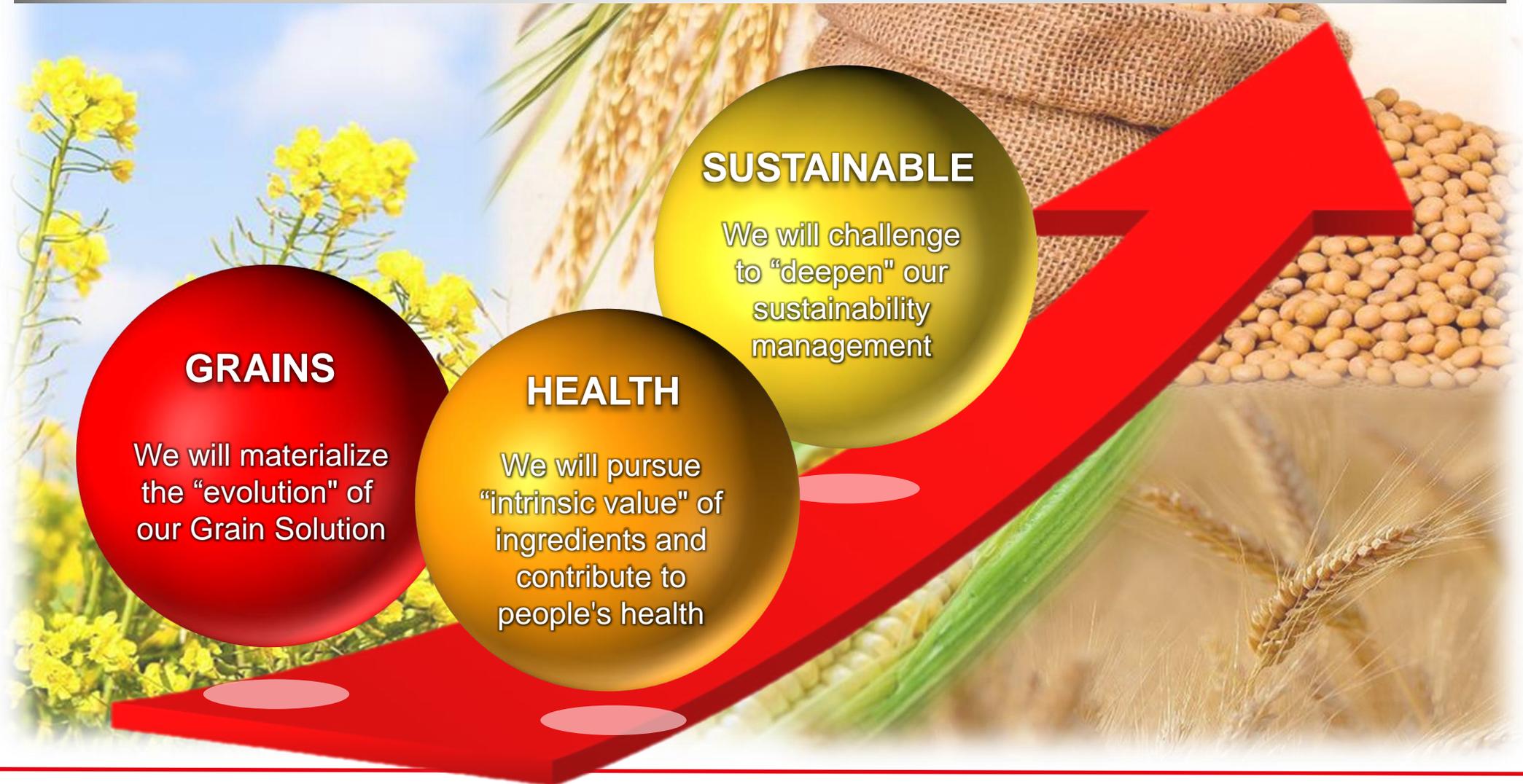
- Declining population and acceleration of aging
- Growing interest in environmental conservation/ sustainability
- Growing consciousness of health, safety and security
- Diversification of food preferences/eating styles
- Increasing entries in food business from other industries
- Improving operational efficiency through automation/labor saving

Lifestyle and consumption behaviors changed dramatically due to COVID-19 pandemic in addition to the changes in the global environment and social structures.

Facing a changing business environment, we will “**SHIN-KA**” to grow.

Our Group will continue to grow as a “**Grain Solution Company**” to support food infrastructure toward fiscal 2025, the 90th anniversary of our founding, and beyond. We will further pursue our strength of “**expertise in grains**”, develop “**high-functional products**”, expand “**business fields**”, and reduce “**burden on the environment**”.

SHOWA's declaration: **"SHIN-KA"** Toward the 90th Anniversary, and beyond



Financial KPIs

We will introduce (1) ROIC and (2) CCC as new business management indicators, and manage the progress as financial KPIs.

(1) ROIC	Improve business portfolio management by establishing business evaluation methods and rules for allocating management resources.
(2) CCC	Promote cash flow management by identifying factors to be improved and manage them on a monthly basis.

		FY2021 Result	FY2022 Result	FY2025 Target	Difference (vs. FY2022)
Ordinary profit	(¥billion)	6.5	6.5	13	200%
ROE	(%)	3.9	7.1*1	7.0 or more	-
ROIC	(%)	2.6	1.8	4.0 or more	2.2 point increase
CCC	(day)	78	91	75	16 days shorter
NET D/E ratio		0.4	0.5	0.6 or less	

* 1 : Gain on sale of non-current assets, approx. 5.2 billion yen, recorded to extraordinary income

Five Key Strategies

1 Strengthening Our Core Businesses

1. Evolution of the “Grain Solution”.
 -Enforce product sales by transforming into “one-stop” sales models-
1. Strengthening cooperation among group companies
3. Optimization of product composition
4. Expansion of value-added products sales by differentiation strategy
5. Strengthening stable procurement

2 Expansion of Our Business Fields

1. Expanding overseas businesses by strengthening existing businesses in the ASEAN region and developing new businesses
2. Strengthening export businesses
3. Expansion of frozen food businesses
4. Challenge to new businesses
 - Plant-based food
 - Fine chemicals, oleochemical

3 Reducing Burden on the Environment

1. Continuous efforts to achieve our environmental goals
2. Reduction of packaging plastic
3. Advanced utilization of biomass
4. Develop a roadmap to achieve carbon-neutrality

4 Rebuilding Our Platform

1. Establishment of organizational foundation by reorganization
2. Advancing business portfolio management by introducing ROIC
3. Strive for operational sophistication by digitalization and build a promotional organization for DX

5 Enforcing Stakeholder Engagement

1. Drastic promotion of D&I
2. Strategic investment in human capital
3. Strengthen external posting and raise awareness of the Group via SNS

Deepen sustainability management to support sustainable growth of our Group

Effects of Priority Measures on Ordinary Profit

We will generate ordinary profit of **+6.5 billion yen** by steadily executing the following measures.

① Strengthen Our Core Businesses	
1. Evolution of the "Grain Solution"	+0.4
2. Strengthening cooperation among group companies	+0.9
3. Optimization of product composition	+0.4
4. Expansion of value-added products sales by differentiation strategy	+1

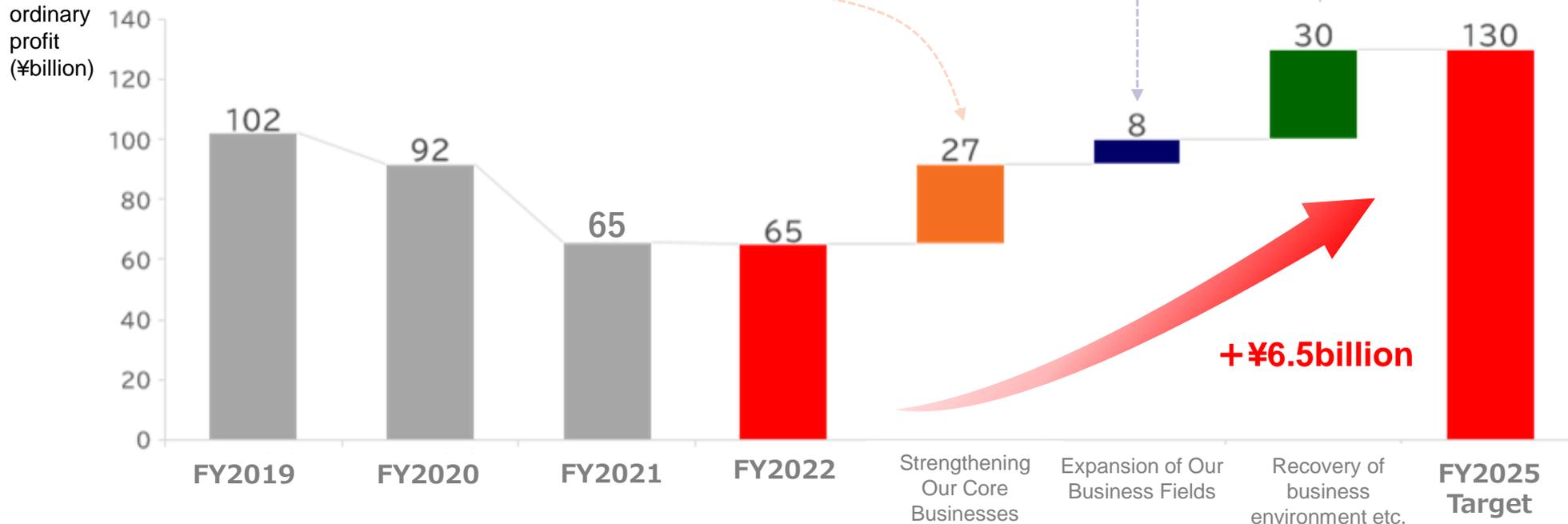
+¥2.7billion

② Expansion of Our Business Fields	
1. Expansion of overseas businesses	+0.5
2. Expansion of frozen food businesses	+0.3

+¥0.8billion

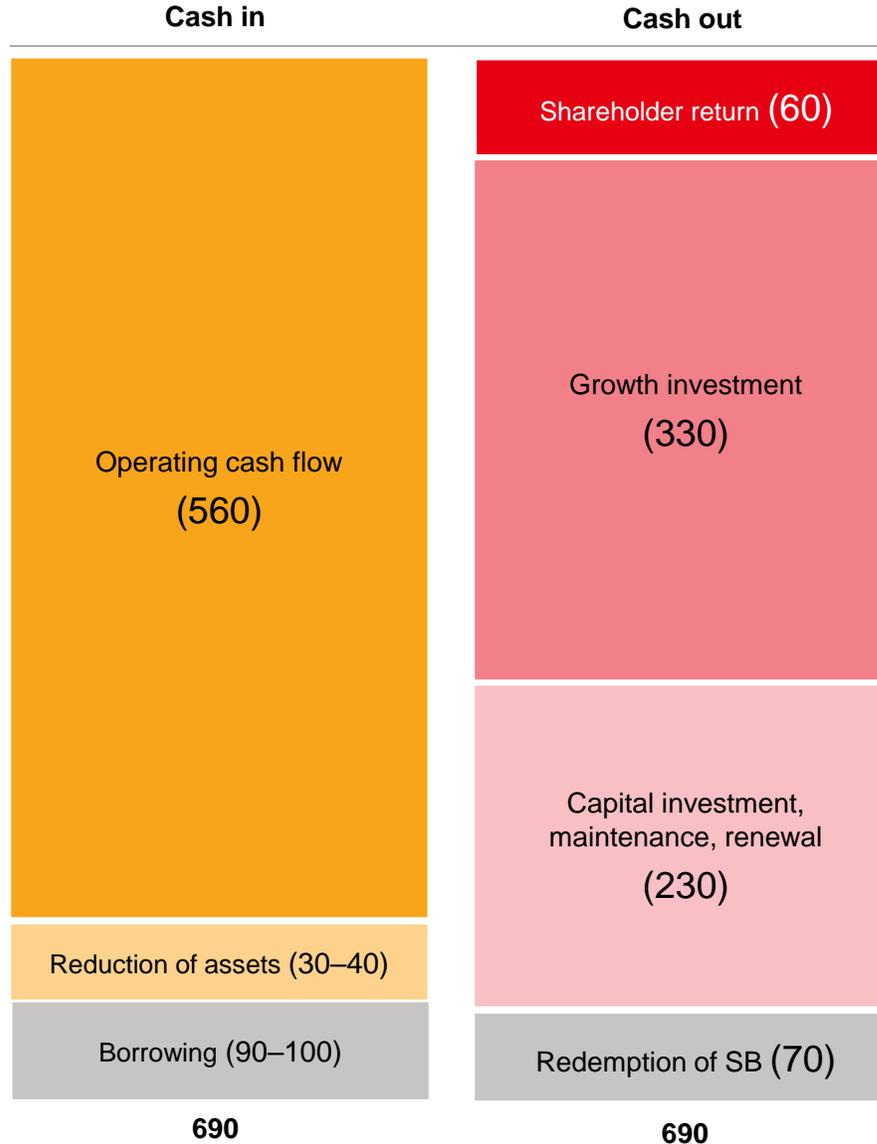
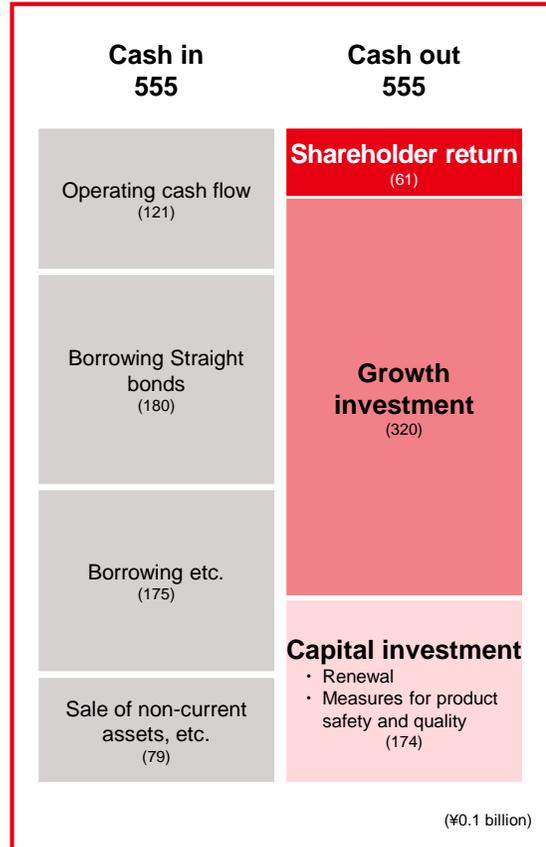
Recovery of business environment Responding to business environmental changes	
1. Recovery of sales volume	+0.6
2. Revision to optimal prices	+2.4

+¥3billion



Capital Allocation - Fiscal 2023–2025

Reference) Results from April 2020 to March 2023
3-year Cumulative Cash Flows

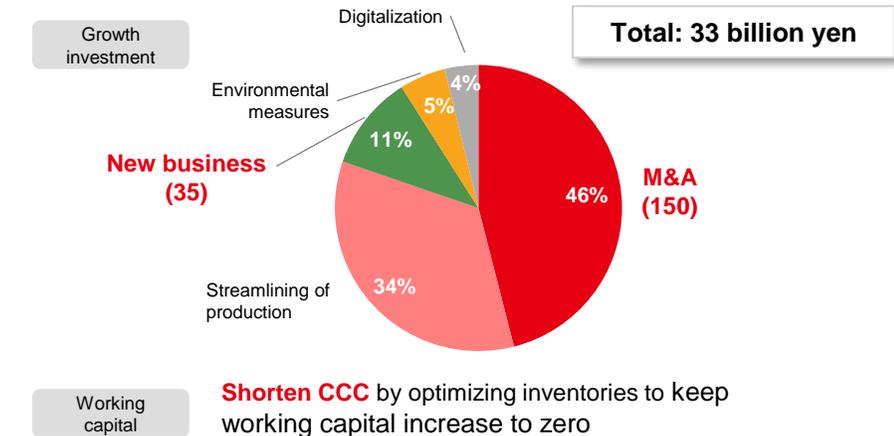


Cash in

- Operating cash flow** **Harvest** the fruits from implementation of strategies during 1st & 2nd Medium-Term Management Plan and generate operating cash flow of **56 billion yen**
- Reduction of assets** Reduction of cross-shareholdings (equities) and non-core real estate
- Borrowing** Control ALM and manage fundings properly

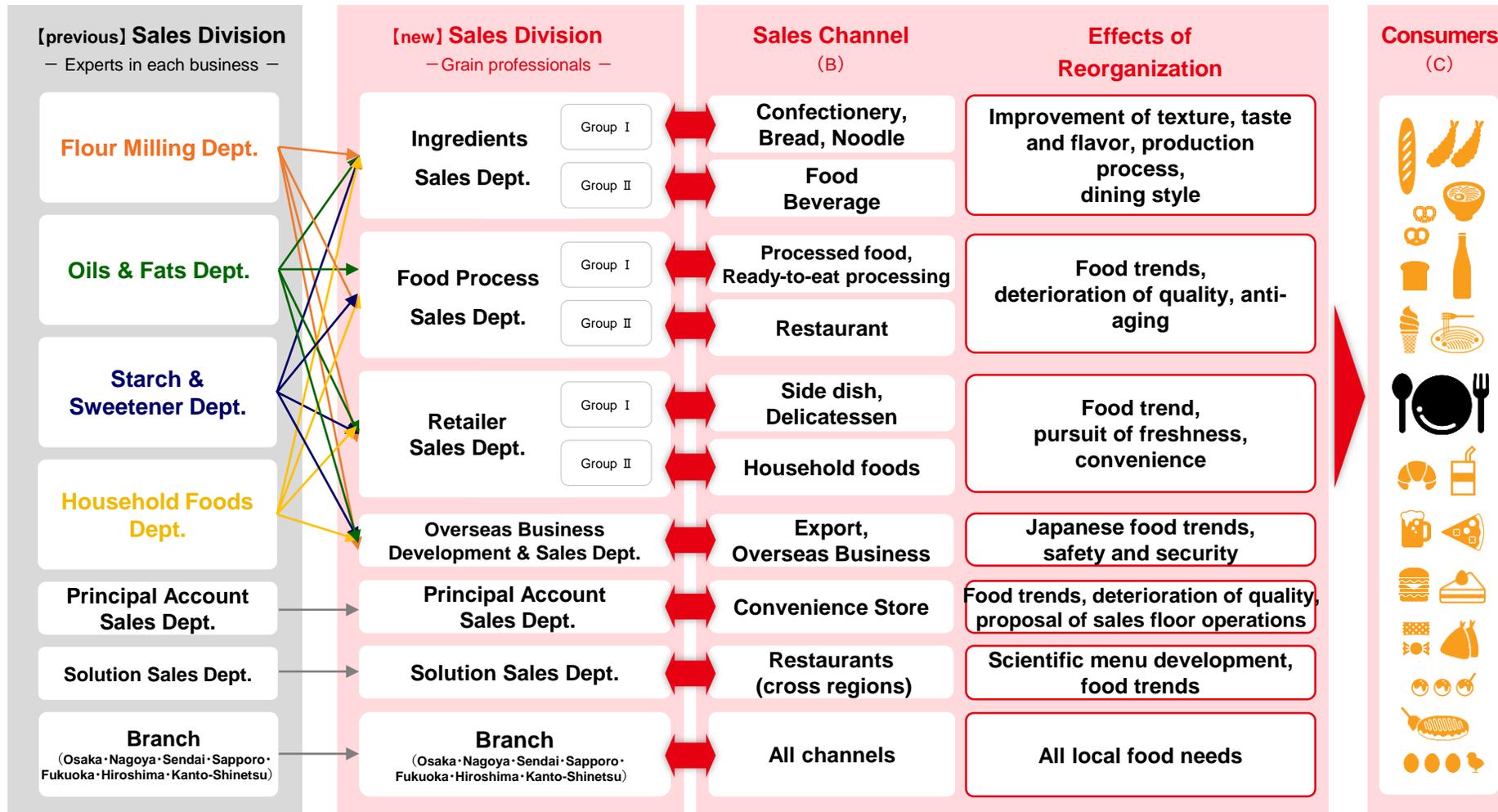
Cash out

- Shareholder return** Continue stable dividends over the long term with a target **payout ratio of around 30%**



Topics (1): Reorganization since our foundation (from April 1, 2023)

- Sales departments organized for each customer respond to a wide range of requests as grain professionals (B to B). In this way, we propose deliciousness through “Grain Solutions” to consumers as a **One-stop Contact (B to B to C)**.
- We will create ordinary profit of **+400 million yen** through company-wide reorganization.



Topics (2): Expanding Overseas Business

Promote **new business development** in addition to strengthening and expanding existing businesses

● Wheat flour
● Premixes
● Animal feed, eggs

China

- Dachan Showa Foods Tianjin Co., Ltd.
- Dachan LiangYou Foods Co., Ltd.

- Strengthen development and sales systems
- Streamlining sales activities by promoting localization

Taiwan

- Z. Y. Food Company Limited

- Improve productivity for self-employed farms by enhancing efficiency and implementing measures against epidemics
- Reduce costs by boosting egg incubation and managing operation rates
- Stabilize earnings by passing on raw material costs and expanding sales

Vietnam

- International Mix Joint-Venture Company

- Sales and technical support for sugar-free premix

- Showa Sangyo International Vietnam Co., Ltd.

- Production and sales of premix and sugar preparation (Start of operation scheduled for spring 2025)

Topics (3): Non-financial KPIs

Environmental Targets		FY2025 Target	FY2030 Target	Human Capital Management		FY2025 Target
Reduction of CO2 Emissions		▲30% or more <small>Compared to FY2013</small>	▲46% or more	Drastic promotion of D&I		Proportion of women in management positions: Above 10% in fiscal 2025
Reduction of food Loss		▲30% or more <small>Compared to FY2018</small>	▲30% or more	Strategic investment in human capital		Investment in Reskilling: More than double in fiscal 2025 (vs. 2021)
Reduction of water usage (basic unit)		▲9% or more <small>Compared to FY2019</small>	▲12% or more	Improvement of employee engagement		Engagement Score: Target score to be announced in the next couple of years
Reduction of plastic usage (basic unit)		▲7% or more <small>Compared to FY2013</small>	▲25% or more			
Digital Strategies		FY2025 Target		RD&E Strategy		FY2025 Target
Digitalization promotion		<ul style="list-style-type: none"> Digitalization promotion costs of ¥4.5 billion over 3 years (¥1.2 billion for growth investment) 		Expansion of our business fields		<ul style="list-style-type: none"> Strengthen R&D in frozen food businesses and new business fields Improve production technology of overseas production bases
Introduction of multifaceted analytical DB and Dashboard		<ul style="list-style-type: none"> Sales transformation through effective use of customer information Cost reduction: ¥60 million per year 		Utilization of IT/AI technology		<ul style="list-style-type: none"> Promotion of smart factories utilizing digital technologies
Development of HR to promote DX		<ul style="list-style-type: none"> HR to promote DX: 100 staff Cost reduction by deploying "No-code development tools": ¥70 million per year 		Cost reduction		<ul style="list-style-type: none"> Cost reduction through productivity improvement actions Total reduction: ¥1 billion over the next three years

Reference Materials

Change in Quarterly Net Sales and Operating Profit

		1Q			2Q			3Q			4Q			
		(millions of yen)	2022.3	2023.3	Amount of change									
Net sales	Flour milling		20,150	21,362	1,212	18,742	21,582	2,839	19,920	23,052	3,132	19,339	21,376	2,036
	Vegetable oils and household foods		23,841	29,176	5,334	24,397	28,476	4,078	26,848	33,404	6,556	25,338	28,869	3,530
	Starches and sweeteners		11,763	15,157	3,393	12,931	15,876	2,945	13,504	16,082	2,577	13,149	16,137	2,987
	Animal feed		11,880	13,781	1,901	13,713	15,447	1,733	13,984	15,962	1,977	13,241	14,235	994
	Other		1,239	1,210	▲29	1,252	1,339	87	1,082	1,233	150	1,311	1,289	▲21
	Total		68,875	80,688	11,812	71,038	82,722	11,684	75,340	89,735	14,394	72,380	81,907	9,527
Operating profit	Flour milling		762	1,028	265	805	1,143	337	859	1,310	451	1,127	357	▲769
	Vegetable oils and household foods		▲176	1,059	1,236	▲8	▲549	▲541	845	992	147	360	▲437	▲798
	Starches and sweeteners		224	▲136	▲361	301	▲375	▲677	299	▲242	▲542	▲275	▲257	17
	Animal feed		219	▲111	▲330	252	254	2	53	180	126	▲40	58	99
	Other		403	336	▲67	397	421	24	372	418	46	369	323	▲45
	Company-wide expenses and others		▲391	▲360	30	▲385	▲392	▲7	▲419	▲415	3	▲393	▲422	▲28
	Total		1,042	1,815	772	1,363	502	▲861	2,010	2,244	233	1,147	▲377	▲1,525



穀物ソリューション・カンパニー

SHOWA

昭和産業グループ

Cautionary notes regarding forward-looking statements

The figures included in this material are formulated based on information currently available and certain assumptions judged to be reasonable. As this material contains potential risks and uncertainties, we do not guarantee its achievement or future performance.

Furthermore, as actual results, etc. may also significantly differ from the forward-looking statements included in this material, you should refrain from making investment decisions based solely on this material.

Showa Sangyo Group will not necessarily review the Medium-Term Management Plan nor assume any obligation to do so, regardless of future information, events or consequences caused by them.