



Financial Results Briefing for FY2025 (Ended March 31, 2026)

Showa Sangyo Co., Ltd.

Securities Code 2004

May 20, 2026

Agenda

- 01 Overview of Financial Results for FY2025**
- 02 Medium-Term Management Plan 26–29**
- 03 Earnings Forecast for FY2026**

Reference Material

01 Overview of Financial Results for FY2025

Financial Highlights for FY2025

Net sales

335.4 billion yen

Revenue growth
0.9 billion yen
Percentage change
0.3%

Operating profit

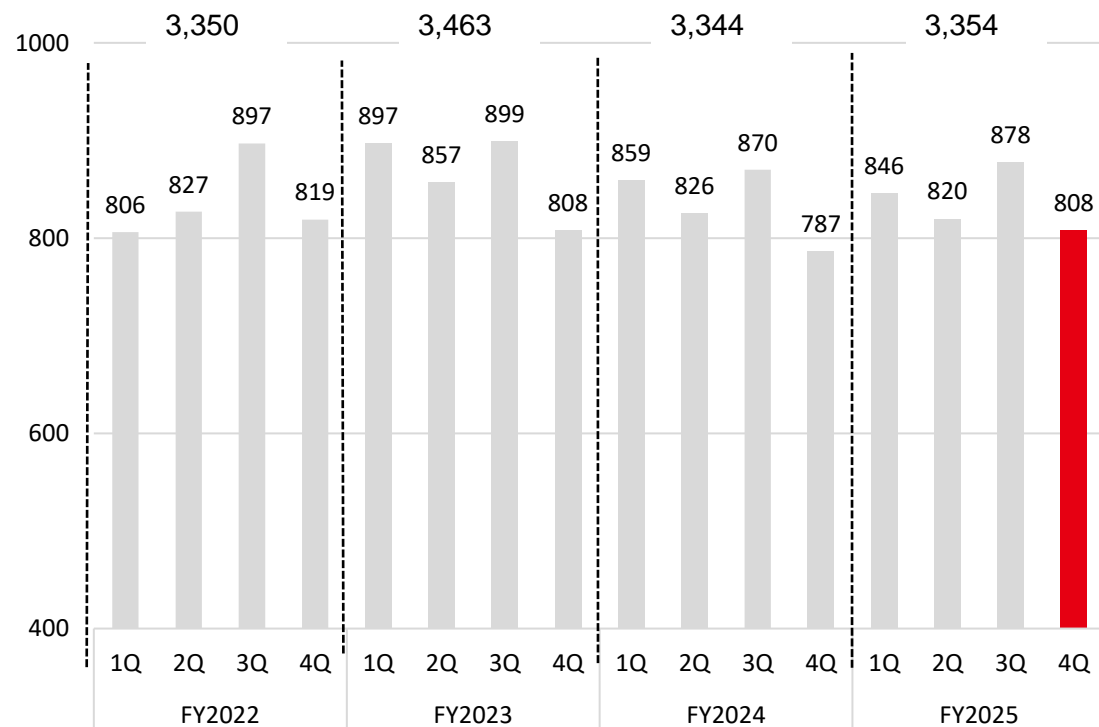
11.9 billion yen

Profit growth
0.8 billion yen
Percentage change
7.3%

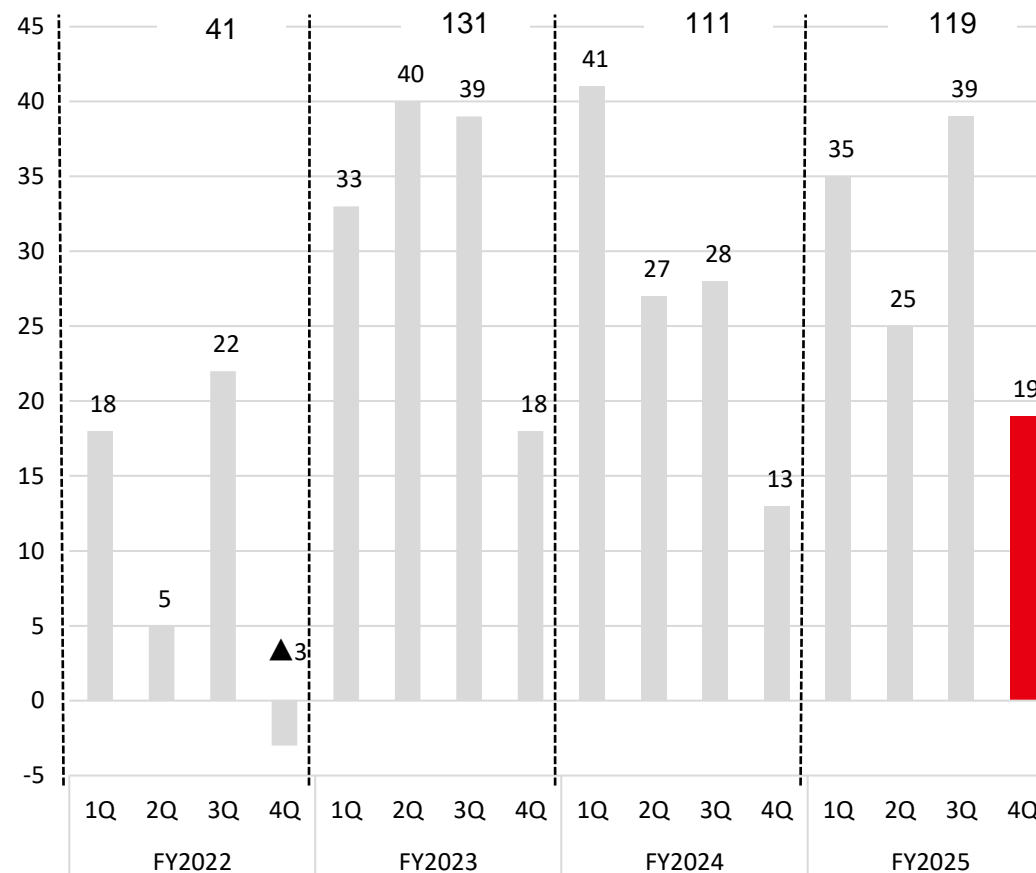
- While the food business remained flat year on year, the animal feed business posted higher net sales

- Egg selling prices remained firm

(0.1 billion yen)

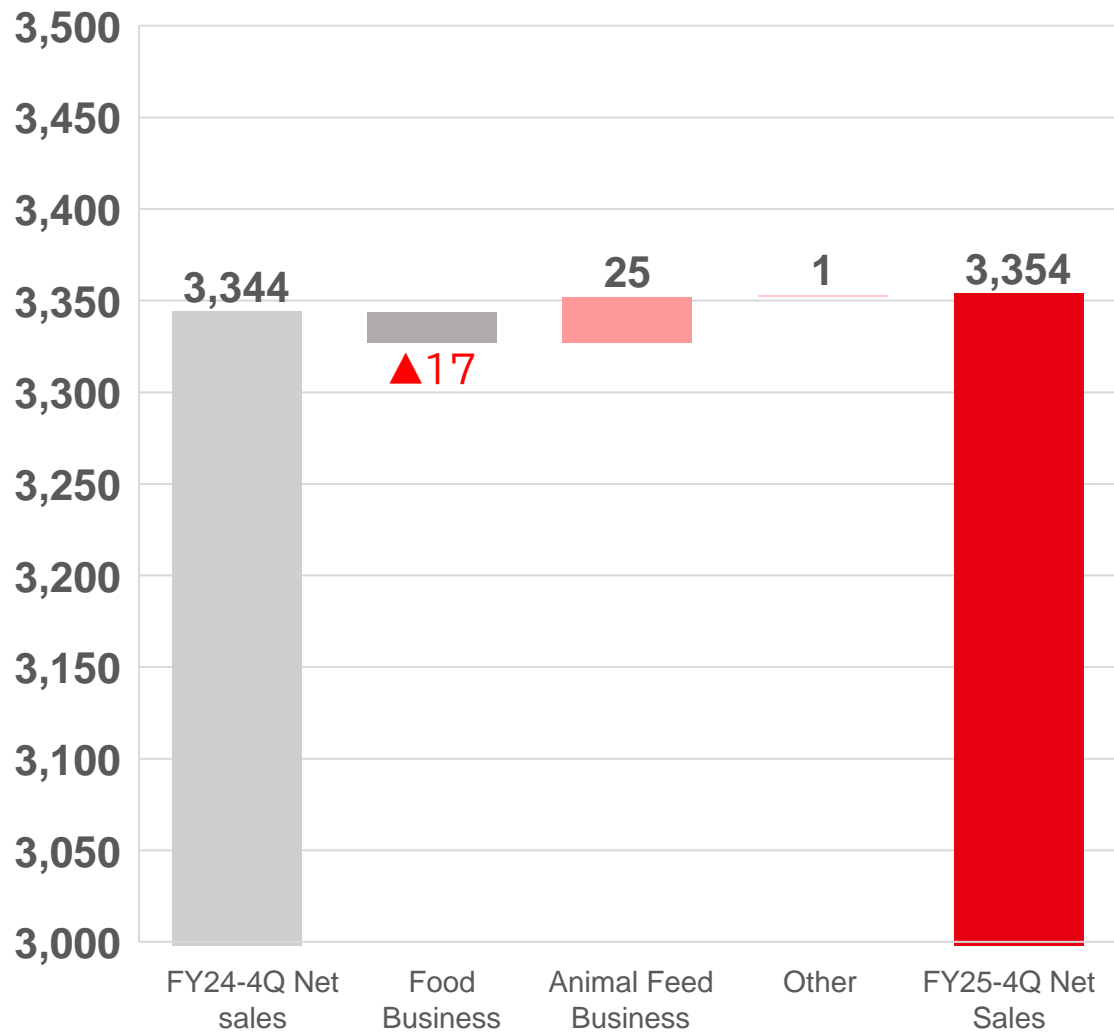


(0.1 billion yen)

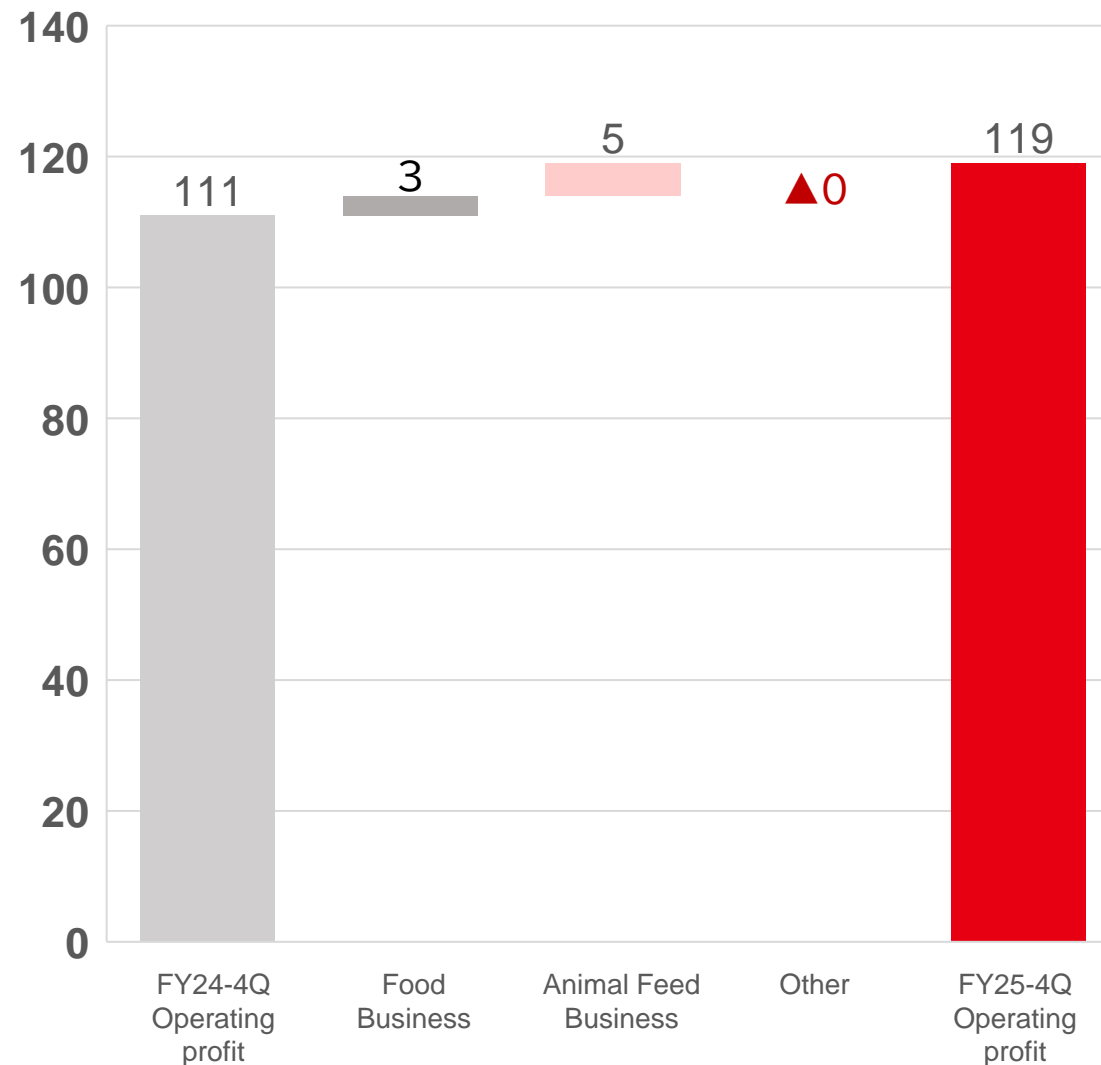


Financial Highlights for FY2025

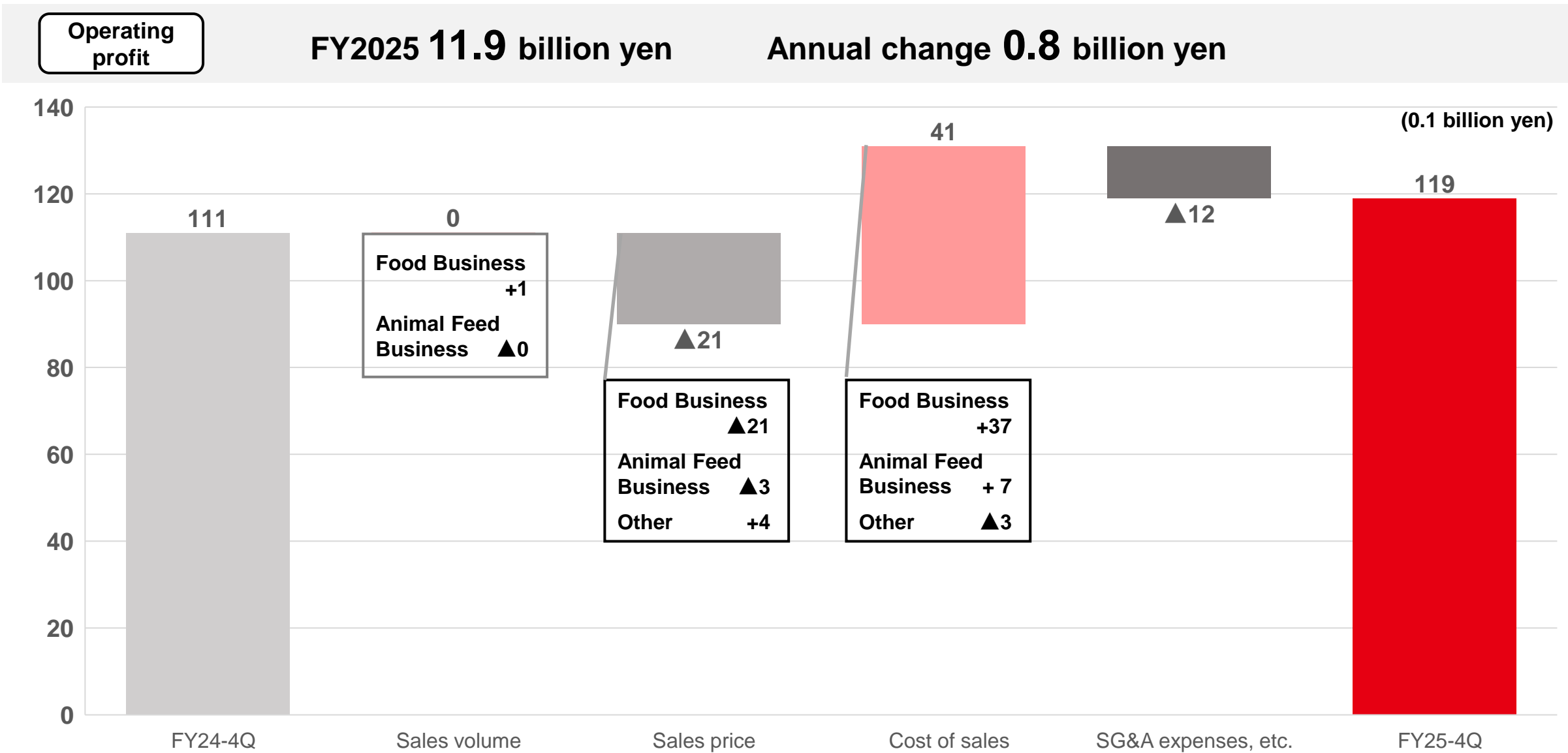
Net sales **335.4** billion yen (0.1 billion yen)



Operating profit **11.9** billion yen (0.1 billion yen)



Factors for Changes in Operating Profit for FY2025



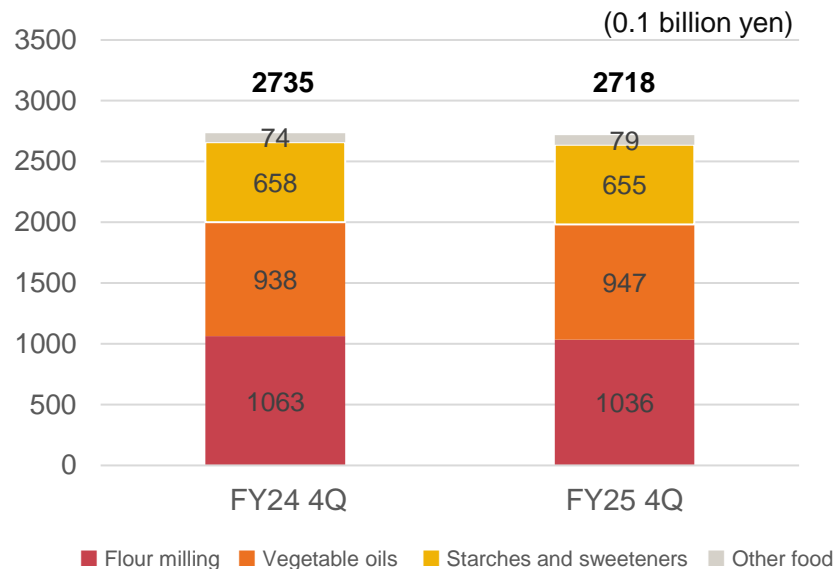
Net Sales and Operating Profit by Segment for FY2025

Food Business Net sales

FY25-4Q **271.8** billion yen

Annual change ▲**1.7** billion yen

Percentage change ▲**0.6%**



- Net sales decreased mainly due to lower selling prices compared with the previous fiscal year, reflecting fluctuations in raw material grain prices
- In the vegetable oils business, sales at appropriate prices and value-added products contributed to earnings

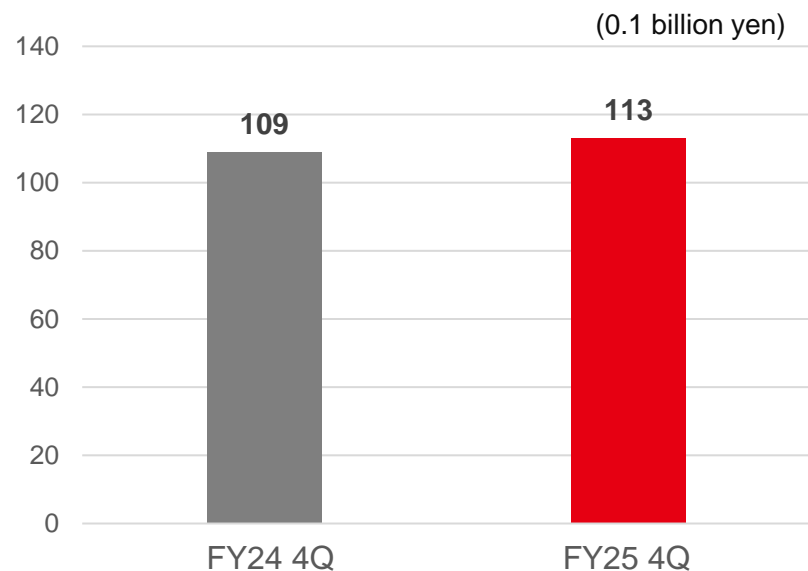
Net sales	FY24 4Q	FY25 4Q	Annual change	Percentage change
Flour milling	1,063	1,036	▲27	▲2.6%
Vegetable oils	938	947	8	0.9%
Starches and sweeteners	658	655	▲2	▲0.4%
Other food	74	79	5	6.7%
Food Business Total	2,735	2,718	▲17	▲0.6%

Food Business Operating profit

FY25-4Q **11.3** billion yen

Annual change **0.3** billion yen

Percentage change **3.2%**



- Operating profit increased due to efforts to maintain appropriate selling prices reflecting higher SG&A expenses

Operating profit	FY24 4Q	FY25 4Q	Annual change	Percentage change
Food Business	109	113	3	3.2%

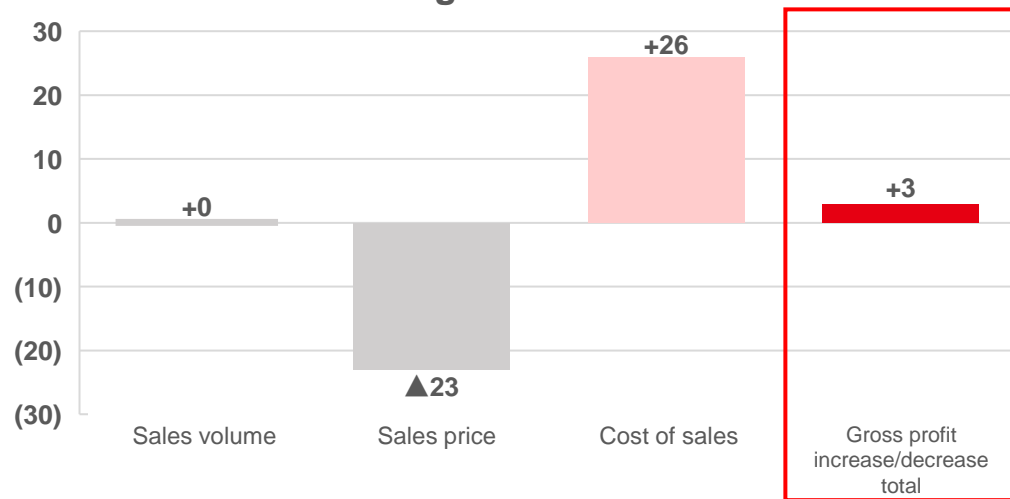
Factors for Changes in Operating Profit for FY2025 (by Food Business Category)

**Food Business
Operating profit**

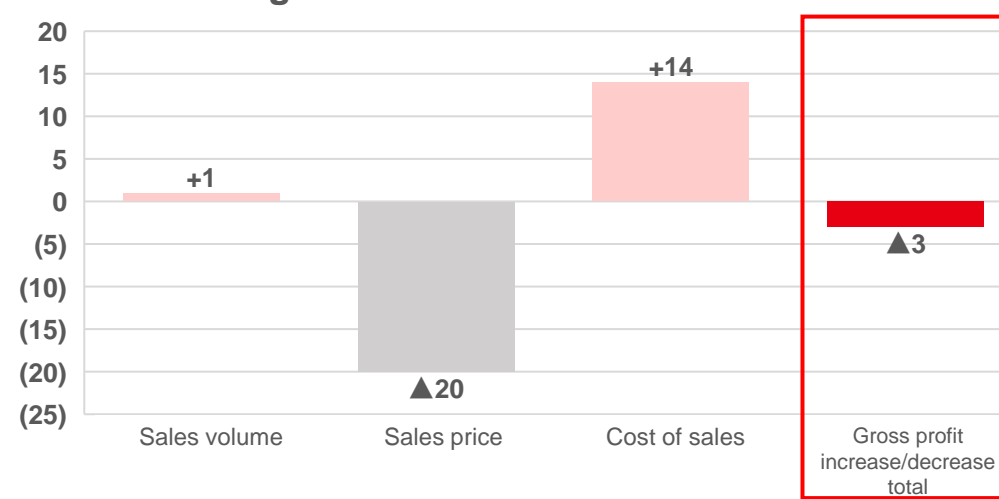
FY2025 11.3 billion yen

Annual change 0.3 billion yen

Flour Milling Sales Gross Profit

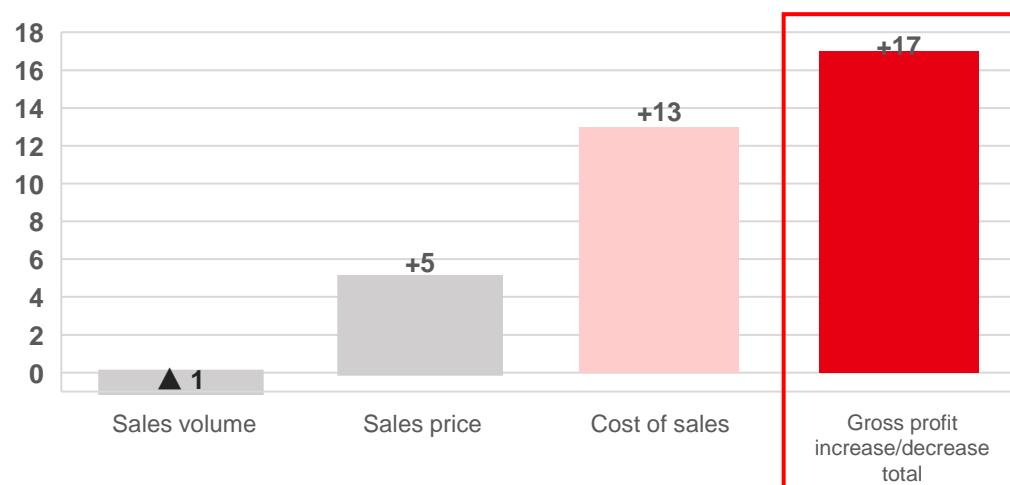


Vegetable Oils Sales Gross Profit



(0.1 billion yen)

Starches and Sweeteners Sales Gross Profit



Difference in sales gross profit (3 categories + Other food)

+1.6 billion yen

Difference in SG&A expenses, etc.

▲1.3 billion yen

Difference in operating profit of Food Business

0.3 billion yen

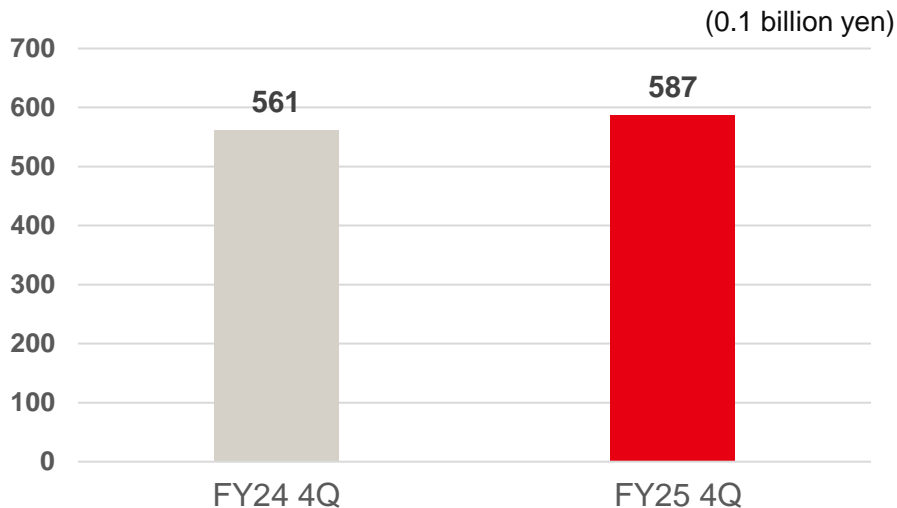
Net Sales and Operating Profit by Segment for FY2025

Animal Feed Business Net sales

FY25-4Q **58.7** billion yen

Annual change **2.5** billion yen

Percentage change **4.6%**



- Net sales increased as the egg market remained firm, despite sales volume of compound animal feed and eggs being slightly lower year-on-year

(0.1 billion yen)

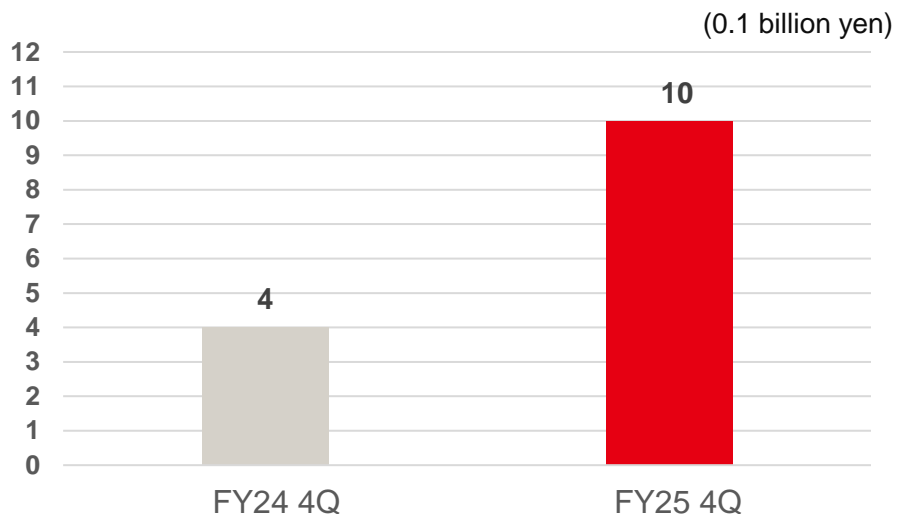
Net sales	FY24 4Q	FY25 4Q	Annual change	Percentage change
Animal Feed Business	561	587	25	4.6%

Animal Feed Business Operating profit

FY25-4Q **1.0** billion yen

Annual change **0.5** billion yen

Percentage change **107.2%**



- Profit increased driven by a steady performance of the egg market, despite lower sales volume year-on-year

(0.1 billion yen)

Operating profit	FY24 4Q	FY25 4Q	Annual change	Percentage change
Animal Feed Business	4	10	5	107.2%

Consolidated Balance Sheet

(0.1 billion yen)

Item	End of March 2025	End of March 2026	Change
Total assets	2,555	2,749	194
Current assets	1,127	1,150	23
Non-current assets	1,427	1,599	171
Total liabilities	1,168	1,223	54
Interest-bearing debt (including lease obligations)	505	510	4
Other liabilities	662	713	50
Total net assets	1,386	1,526	139

<Major Factors>

- Assets
 - (+) Increase in investment securities
 - (+) Increase in property, plant and equipment
- Liabilities
 - (+) Increase in deferred tax liabilities
 - (+) Increase in liabilities related to facilities and equipment
- Net assets
 - (+) Profit
 - (+) Increase in valuation difference on available-for-sale securities
 - (-) Dividend payments

Cost Factors Affecting Cost

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

- Raw material grain markets are significantly affected by factors, such as developments in the Middle East and U.S. biofuel policies, and therefore require continued close monitoring
- Despite pressure from ample global supply, grain markets were driven by rising geopolitical risks and higher oil prices, including crude oil price increases caused by the worsening situation in Iran

		FY2025				FY2026 Assumptions
		1Q results	2Q results	3Q results	4Q results	
Wheat	yen/t ^{*1}	66,610	63,570	63,570	61,010	61,840
Soybean	¢/Bu ^{*2}	1,024	1,036	1,020	1,083	1,062
Rapeseed	C\$/MT ^{*3}	634	703	632	625	682
Corn	¢/Bu ^{*4}	471	428	406	434	450
Sea freight	US\$/t ^{*5}	45.8	51.6	57.3	52.4	50.0
Exchange rate	Yen/US\$ ^{*6}	148.40	145.38	149.07	155.99	157.00
LNG	yen/kg ^{*7}	91.5	85.7	82.9	85.9	80.2

*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: Average Panamax vessel of U.S. Gulf-Japan (based on corn)

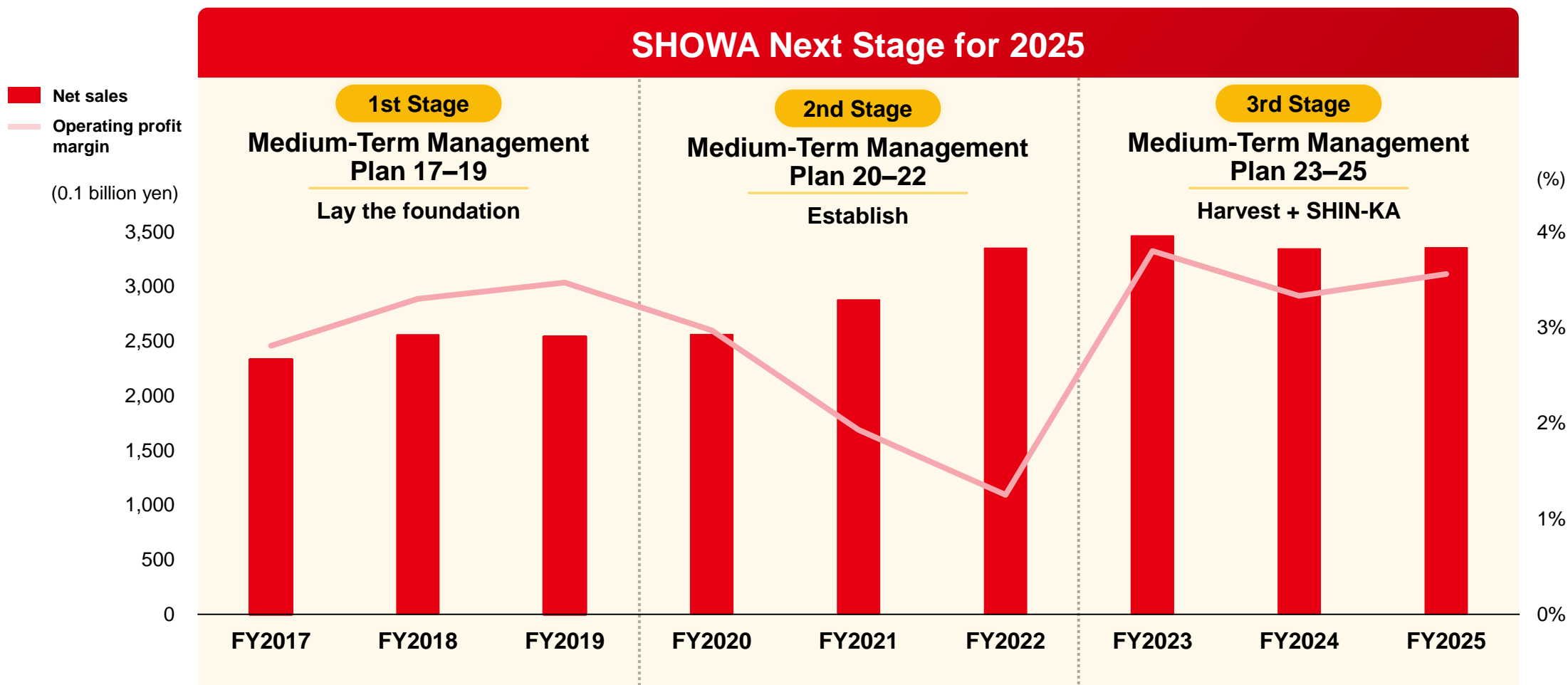
*6: TTM average two months prior to the relevant period

*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

02 Medium-Term Management Plan 26–29

Review of “SHOWA Next Stage for 2025”

- Achieved steady sales expansion over the past 10 years through the basic strategy of “Strengthening Our Core Businesses” and aggressive growth investments
- Although we faced a difficult business environment from FY2020 onward, including a sharp rise in the market price of raw material grains, we worked to reform our profit structure to make it less susceptible to changes in the external environment, and maintained high levels of both sales and profit



Review of “SHOWA Next Stage for 2025”

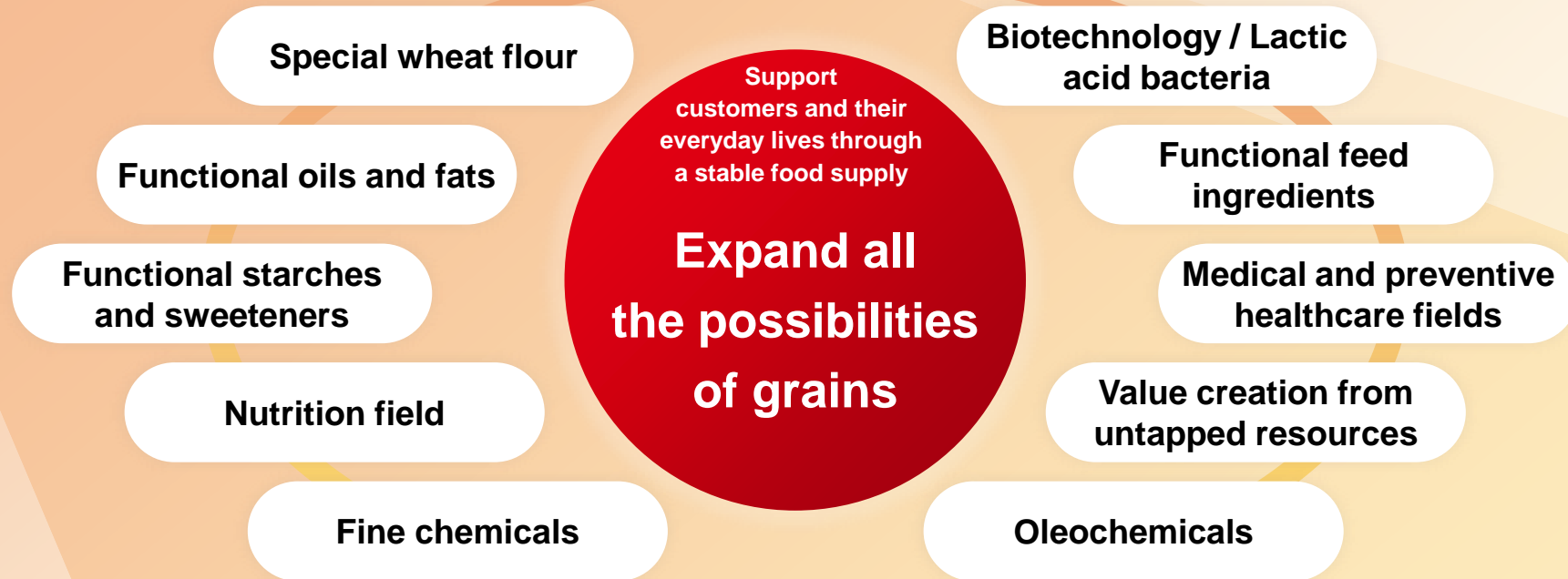
	Major Achievements	Key Points of the Next Medium- and Long-Term Strategy
Strengthening Our Core Businesses	Profit growth <ul style="list-style-type: none"> Increased profit through the acquisition of Boso oil and fat Co., Ltd. and San-ei Sucrochemical Co., Ltd. as subsidiaries Integrated group management in starches and sweeteners helped establish a strong industry position, achieving top-class levels in both volume and quality 	<ul style="list-style-type: none"> ● Further focus on high value-added products ● Enhance profitability by strengthening integration and collaboration among group companies and restructuring the production system
	Strengthening organizational capabilities <ul style="list-style-type: none"> Acquired new customers by strengthening proposal capabilities through sales organization restructuring Achieved stable procurement by promoting the diversification of procurement regions for raw material grains 	
Expansion of Our Business Fields	In Japan <ul style="list-style-type: none"> Expanded the oleochemical and fine chemical businesses through a capital and business alliance with Phytochemical Products Inc. Expanded frozen food businesses by making Toukatsu Foods Co., Ltd. a wholly owned subsidiary 	<ul style="list-style-type: none"> ● Further expand the oleochemical and fine chemical fields ● Enter the nutrition field ● Accelerate the expansion of business domains through M&A and alliances
	Overseas <ul style="list-style-type: none"> Entered the flour milling and egg businesses in Taiwan by applying the equity method to Kouchan Mill Co., Ltd. and Z.Y. Food Company Limited Established Showa Sangyo International Vietnam Co., Ltd. in Vietnam as a manufacturing base for premixes for the ASEAN market 	
Strengthening Sustainability Management	Strengthening governance structure <ul style="list-style-type: none"> Established a Compensation Advisory Committee and a Management Advisory Committee Transitioned to a company with an Audit and Supervisory Committee 	<ul style="list-style-type: none"> ● Strengthen the functions of the Board of Directors ● Improve capital efficiency through the full-scale introduction of ROIC-based management system
	Environmental considerations <ul style="list-style-type: none"> Expected to achieve FY2025 targets for CO₂ emissions reduction (30% reduction vs. FY2013), food loss reduction (30% reduction vs. FY2018), and water consumption reduction (9% reduction vs. FY2019) Participating in decarbonization promotion project in Sosa City, Chiba Prefecture 	
	Strengthening business foundation <ul style="list-style-type: none"> Promoted D&I 	

Vision for FY2035 (New Long-Term Vision)

... Food Solution ...

Expansion of possibilities in the food domain

Imagine people's dietary lifestyles and further explore the potential of grains



... Life Solution ...

Expansion of possibilities for improving people's living environments

Circulate the value of grains to contribute to a sustainable society

Business Portfolio Management

Value Creation Domain

Strategic Value Creation Domain

New

- Oleochemicals
- Fine chemicals
- Nutrition
including overseas markets as expansion areas

Added-Value Creation Domain

Focus

- High-value-added products in core business areas

Flour milling
Heat-treated flours and
premises

Vegetable oils
Functional oils and fats /
Rice bran oil

**Starches and
sweeteners**
Functional starches and
sweeteners / Biotechnology /
Lactic acid bacteria

- Overseas

Business Strengthening Domain

Assessment

- Frozen foods
- Baked bread
- Real estate

Core Domain

Core products

Flour milling

Vegetable oils

**Starches and
sweeteners**

Animal feed

(Effective utilization of by-products from the food business)

Business growth potential

Capital efficiency

Positioning of Medium-Term Management Plan 26–29

Strengthening Profit Structure

- Strengthen integration and collaboration among group companies
- Invest in restructuring of the production system
- Strengthen efforts to create value in focus areas (Food Solution)
- Expand efforts in new areas (Life Solution)
- Establish a stable profit structure in the core domain

Present

Step 1
Medium-Term Management Plan 26–29

Step 2
Expand business domains and transform the business portfolio

Step 3
Maximize profit from Food Solution / Life Solution

SHOWA VISION 2035
Expand all the possibilities of grains

Medium-Term Management Plan 26–29: Quantitative Targets

Quantitative KPIs	FY2025 results	FY2026 plan	FY2029 targets	Difference (Compared with FY2025)
ROE	7.5%	6.3%	8.0%	0.5%
ROIC ^{*1}	5.1%	4.6%	6.0%	0.9%
Operating profit	11.9 billion yen	12.0 billion yen	14.0 billion yen	2.0 billion yen
Operating profit margin	3.6%	3.4%	4.0%	0.4%

Dividend Policy

Adopt the higher of a 40% dividend payout ratio or a 3.0% DOE as the standard^{*2}

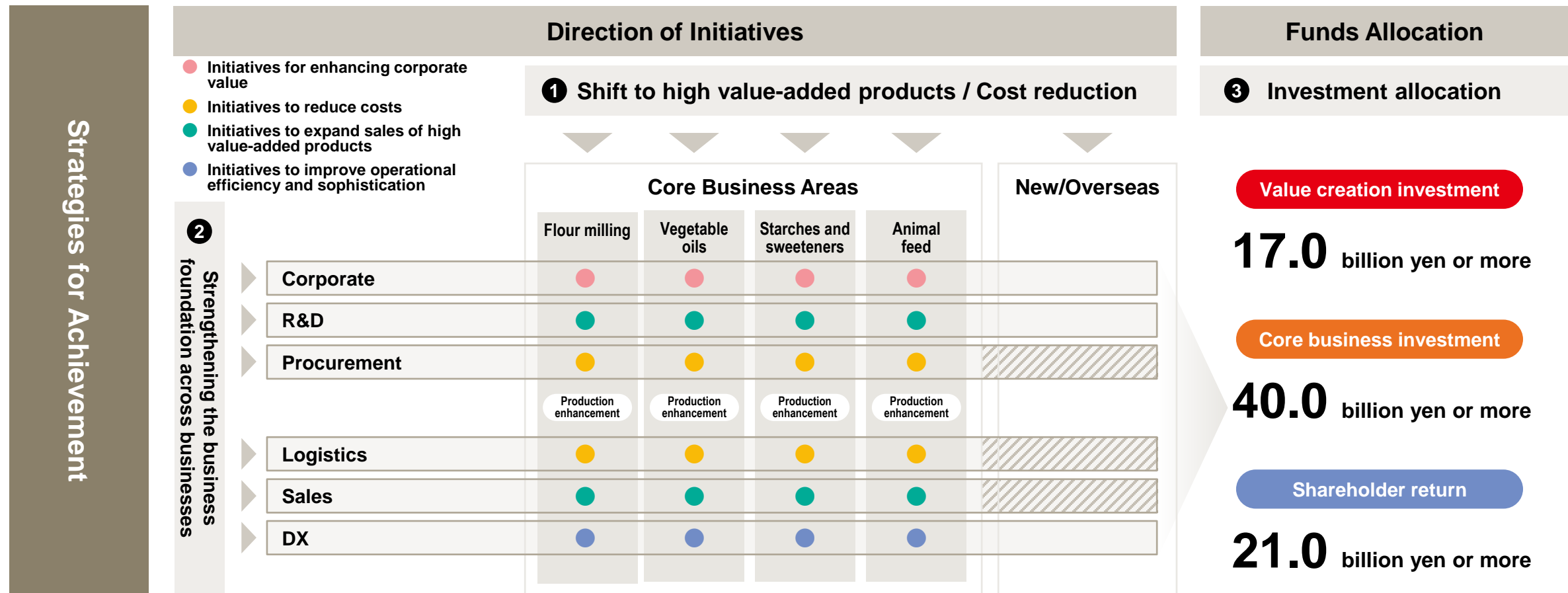
*1 Upon the full-scale implementation of the ROIC management system, we thoroughly reviewed our approach to ROIC and consequently revised the calculation method.

ROIC = After-tax business profit ÷ Invested capital (average of beginning and ending of the period); Business profit: Ordinary profit – financial income/expenses; Invested capital: Interest-bearing debt + shareholders' equity

*2 Excluding temporary and extraordinary factors such as business portfolio restructuring and asset sales

Overall Policy for Achieving the Medium-Term Management Plan

Overall Policy **Strengthening Profit Structure** Initiatives to strengthen profitability in core business areas × Initiatives to strengthen the business foundation across businesses



Specific Initiatives in “Added-Value Creation Domain”

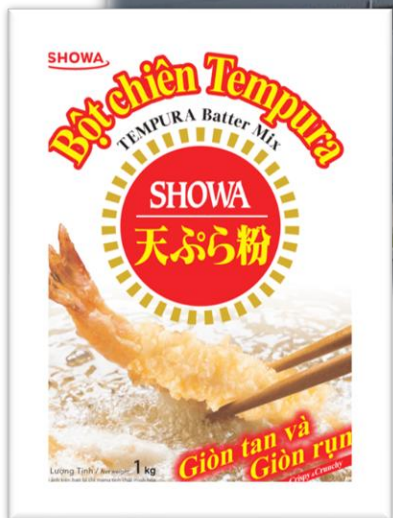
Overseas business acceleration: Operation of the Vietnam base and promotion of global expansion
 Capture the growth of the ASEAN market with Showa Sangyo International Vietnam as a starting point

Held an opening ceremony

- April 22, 2026: Held an opening ceremony and media session
- Approximately 150 guests attended, including the Consulate General of Japan in Vietnam, major media, and influencers
- With Showa Sangyo President and others in attendance, they emphasized strong Japan-Vietnam cooperation

Launched the first manufactured product in Vietnam

- Officially announced “SHOWA TEMPURA Batter Mix”
- Japanese-quality premixes designed to meet local needs (vibrant yellow color and crispy texture)
- Conducted chef demonstrations



Positioning in Achieving the Medium-Term Management Plan Objectives

- Key initiatives in “Added-Value Creation Domain” (overseas)
- Defined Vietnam, where the growth of population and the food service industry continues, as a key base for ASEAN expansion
- Promoting the integration of a Vietnam-based global supply structure with local development capabilities

[Future Plans]

- Provide high value-added products by combining local development capabilities with technologies and quality control expertise cultivated in Japan, thereby building a competitive overseas supply system
- Expand brand recognition rapidly by capturing demand for Japanese-quality premixes

Specific Initiatives in “Strategic Value Creation Domain”

Phytochemical Products Inc. began verification testing using a demonstration facility toward the social implementation of upcycling technology for unused oil resources

Technical Features and Advantages

- Simultaneous production of functional materials and biofuels from vegetable oil by-products by utilizing reaction-separation technology developed by Tohoku University
- Unique upcycling process with low environmental impact and high efficiency
- Aim to establish mass production technology through automation and optimization

Background and Alliance Progress

- October 2024: Entered into a capital and business alliance with Phytochemical Products Inc., a startup originating from Tohoku University
- March 2026: Completion of the demonstration facility (Sendai City, Miyagi Prefecture)



Positioning in Achieving the Medium-Term Management Plan Objectives

- Key initiatives in “Strategic Value Creation Domain” (Oleochemicals and fine chemicals)
- Contribute to the circular economy, thereby realizing sustainability management
- Develop new earnings pillars to achieve the new long-term vision

[Future Plans]

Aim to establish mass production technology and achieve early monetization through verification testing at the demonstration facility

Shift to High Value-Added Products / Cost Reduction Initiatives

Summary of Strategies for Core Business Areas



Profitability Improvement

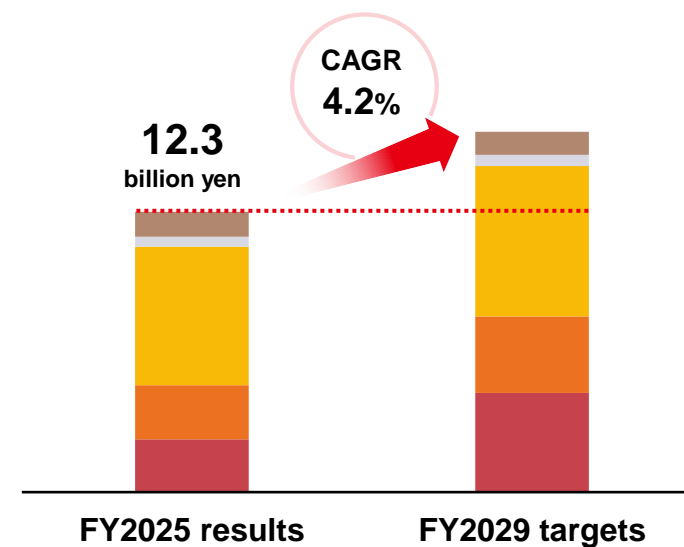
**FY2029 net sales of high value-added products*
116% (compared with FY2025)**

* Calculated based on an internally established standard value

Operating profit (profit margin)	FY2025 results	Medium-Term Plan 26–29 average targets	Policies
Food Business	11.3 billion yen (4.2%)	12.7 billion yen (4.5%)	Strengthen profitability by expanding the Added-Value Creation Domain and improving efficiency in the Core Domain
Animal Feed Business	1.0 billion yen (1.7%)	0.8 billion yen (1.0%)	Contribute to maintaining profit levels in the animal feed business and maximizing profit in the food business

Operating profit

Food Business: Flour milling^{*1}, Vegetable oils, Starches and sweeteners, Food Business (other than above)^{*2}
Animal Feed Business:



*1 Including flour milling, premixes, and pasta
*2 Including baked bread and frozen foods

Shift to High Value-Added Products / Cost Reduction Initiatives

Key Initiatives for Medium-Term Management Plan Objectives

Flour milling

- Optimize the product portfolio through expanded sales of high value-added products and other initiatives **Added-Value Creation Domain**
- Improve profitability by optimizing the functions of group companies **Core Domain**

Vegetable oils

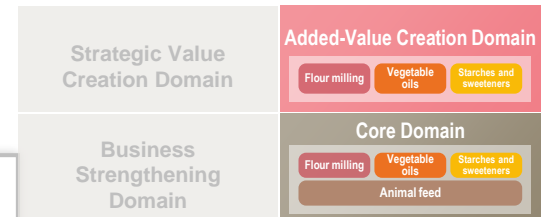
- Expand sales of high value-added products, including functional oils and fats and rice bran oil **Added-Value Creation Domain**
- Reduce costs by strengthening supply chain management **Core Domain**

Starches and sweeteners

- Further enhance key products, including functional starches and sweeteners and crystalline glucose **Added-Value Creation Domain**
- Create next-generation earnings sources **Added-Value Creation Domain**
- Establish a foundation for sustainable growth **Core Domain**

Animal feed

- Expand earnings in the livestock field centered on eggs **Core Domain**
- Contribute to maximizing earnings in the food business **Core Domain**



Specific Initiatives in “Shift to High Value-Added Products”

Boso oil and fat Co., Ltd. promoted earnings stabilization for vegetable oils by establishing a stable and safe long-term rice bran oil production system through capital investment in the Funabashi Plant.

Overview of Investment Plan

- **Total investment: Approx. 5.3 billion yen**
- Details: Renewal of rice bran oil refining equipment and construction of a new filling warehouse
- Start of construction: February 2026 / Completion: March 2030 (scheduled)

Key Points of Equipment Renewal

- Achieve refining capacity enhancement and further improvement in product quality
- Expand the filling process production area and product warehouses
- Ensure safety and improve the working environment through plant layout changes



Positioning in Achieving the Medium-Term Management Plan Objectives

- **Shift to high value-added products in the Added-Value Creation Domain of vegetable oils**
- **Strengthening strategic earnings pillars:** Further expand the rice bran oil business and improve profitability
- **Reducing volatility:** Stabilize earnings by increasing the ratio of rice bran oil, which is less affected by raw material market fluctuations
- **ESG / Cost reduction:** Improve the cost structure through the introduction of energy-saving equipment

[Future Plans]

Reinforce the production base of Boso oil and fat Co., Ltd., which has contributed significantly to earnings since joining the group in 2020, thereby expanding the rice bran oil business

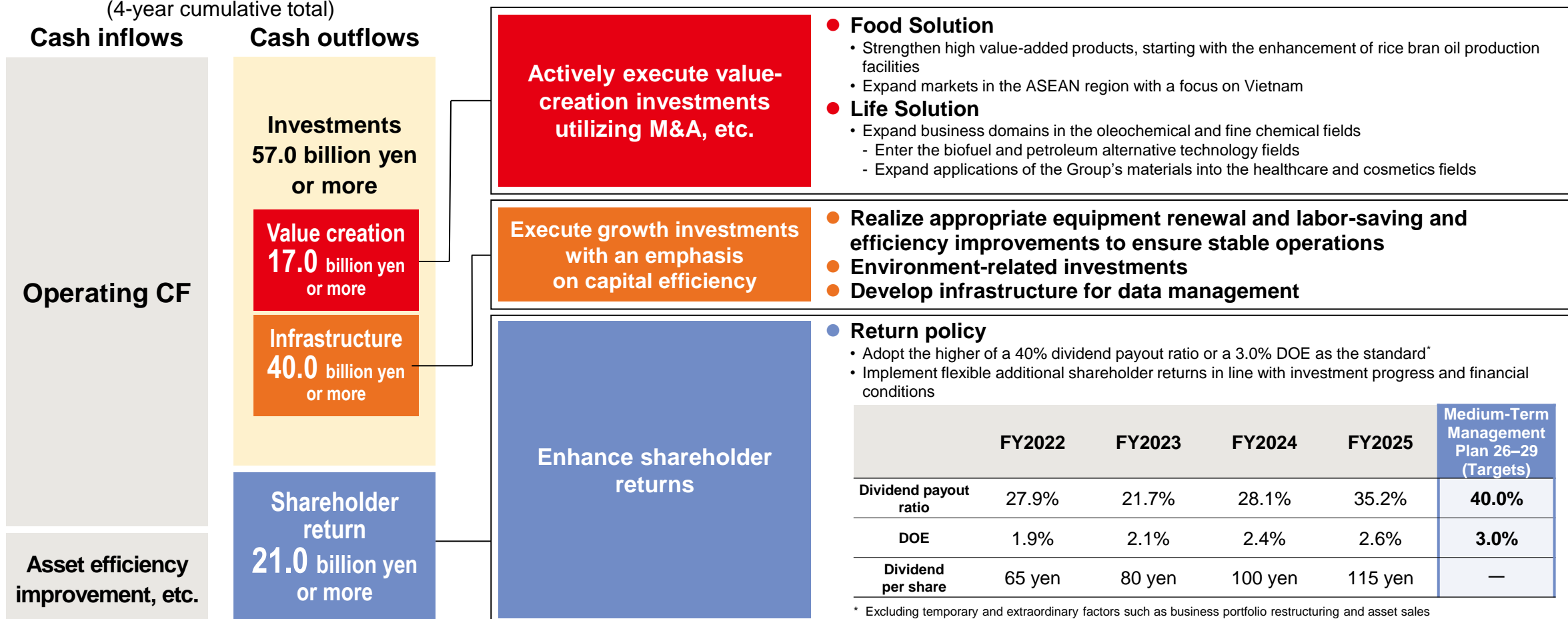
Strengthening the Business Foundation Across Businesses: Initiatives by Division

	Initiatives	Goals
Corporate	<ul style="list-style-type: none"> ● Fully implement an ROIC-based management system ● Develop a group management infrastructure 	Enhance corporate value
R&D	<ul style="list-style-type: none"> ● Advance material research and application development 	Enhance high value-added products
Procurement	<ul style="list-style-type: none"> ● Build a flexible raw material procurement system resilient to change 	Reduce procurement costs and secure stable procurement networks
Logistics	<ul style="list-style-type: none"> ● Relocate logistics hubs and implement integrated group-wide management 	Optimize logistics
Sales	<ul style="list-style-type: none"> ● Deepen solution proposal-based sales through business- and customer-specific sales organizations 	Maximize customer loyalty
DX	<ul style="list-style-type: none"> ● Leverage data management and generative AI 	Enhance operational efficiency and sophistication

Investment Allocation

- Aiming to achieve an ROE of 8%, strategically promote the strengthening of basic earning power and the sales of cross-shareholdings, etc.
- Prioritize the balance between growth investments and shareholder returns, thereby realizing corporate value improvement on a sustainable basis

(4-year cumulative total)



	FY2022	FY2023	FY2024	FY2025	Medium-Term Management Plan 26-29 (Targets)
Dividend payout ratio	27.9%	21.7%	28.1%	35.2%	40.0%
DOE	1.9%	2.1%	2.4%	2.6%	3.0%
Dividend per share	65 yen	80 yen	100 yen	115 yen	—

* Excluding temporary and extraordinary factors such as business portfolio restructuring and asset sales

Key Challenges for Sustainable Growth

Materiality	Themes to Address	Major Risks	Key Opportunities
Pursuit of the potential of grain-derived materials	<ul style="list-style-type: none"> • Exploration of the value of grains • Pursuit of new applications • Utilization of unused resources 	<ul style="list-style-type: none"> • Decline in competitiveness due to delays in commercialization • Decline in utilization rates of existing businesses 	<ul style="list-style-type: none"> • Market expansion through responses, such as addressing alternative needs • Acquisition of new markets through utilizing by-products and unused resources • Strengthening of technological capabilities and resources through external collaboration • Establishment of competitive advantage through intellectual property strategy
Contribution to dietary lifestyles	<ul style="list-style-type: none"> • Provision of food products that meet diverse needs • Access to better nutrition 	<ul style="list-style-type: none"> • Profit decline due to shrinking domestic demand and intensified competition • Reduced consumption of luxury products due to cost-conscious behavior 	<ul style="list-style-type: none"> • Competitiveness enhancement through addressing specific needs (health foods, nursing care foods, allergies, halal, etc.) • Expansion of one-stop solution proposals • Acceleration of product penetration in overseas markets • Demand capture through diversification of sales channels
Stable product provision trusted by society	<ul style="list-style-type: none"> • Sustainable and stable production • Provision of safe, reliable, and quality products • Stable and sustainable procurement • Environment- and human-friendly logistics 	<ul style="list-style-type: none"> • Occurrence of health damage caused by product incidents • Tightening of global grain supply and demand • Insufficient environmental and human rights responses across the supply chain • Dysfunction of logistics networks 	<ul style="list-style-type: none"> • Productivity innovation through smart factory implementation • Improvement in competitiveness through strategic procurement • Establishment of competitive advantage through food safety advancement • Establishment of a sustainable and stable supply system
Realization of a future-oriented global environment	<ul style="list-style-type: none"> • Response to climate change • Conservation of water resources • Response to biodiversity 	<ul style="list-style-type: none"> • Instability in raw material production due to climate change • Operational shutdowns due to water shortages and water quality deterioration • Damage to corporate value due to insufficient biodiversity response 	<ul style="list-style-type: none"> • Improvement in stakeholder evaluations • Acquisition of new markets through the creation of J-Credits • Expansion of biomass applications as renewable raw materials
Strengthening of human capital and organizational capabilities	<ul style="list-style-type: none"> • Cultivation of organizational culture • Improvement in job satisfaction • Human capital management • Promotion of D&I 	<ul style="list-style-type: none"> • Higher difficulty in talent acquisition and retention • Decline in engagement • Stagnation of innovation due to insufficient promotion of D&I 	<ul style="list-style-type: none"> • Maximization of employee potential through growth opportunity expansion and optimal talent placement • Cultivation of an organizational culture capable of responding flexibly to change
Management with integrity	<ul style="list-style-type: none"> • Business portfolio management • Risk management • Corporate ethics and compliance • Respect for human rights • Strengthening of dialogue with stakeholders 	<ul style="list-style-type: none"> • Management deterioration due to governance failures • Business suspension due to system failures, etc. 	<ul style="list-style-type: none"> • Enhancement of corporate competitiveness through strategic portfolio management • Brand image improvement through proactive IR and SR activities

Kobe Plant: Establishment of “Sustainable Logistics System” Through Flour Milling Automated High-Bay Warehouse

Drastically improved logistics functions through automation and labor-saving, thereby achieving “white logistics” and “green logistics” simultaneously

Improvement and Efficiency Enhancement of Logistics Functions

- **Investment of 3.5 billion yen:**
Construction of a new warehouse with a total floor area of 3,900 m² and a capacity of 190,000 bags
- **DX centralized control:** Automation and labor-saving by computerized control from manufacturing to storage, picking, and shipping

White Logistics (Social Responsibility)

- **Addressing the 2024 problem:**
Reduce drivers’ working hours, directly contributing to improved working conditions
- **Realization of voluntary action declaration:** Complete facility-related improvements as a shipper, thereby building a sustainable transportation system



Coordination with Medium-Term Management Plan 26–29

- **Initiatives for “Stable product provision trusted by society” of “Materiality”**
- **Establishment of a robust supply system:** Maintain resilient supply capabilities even under uncertain social conditions by utilizing DX

Green Logistics (Environmental Impact Reduction)

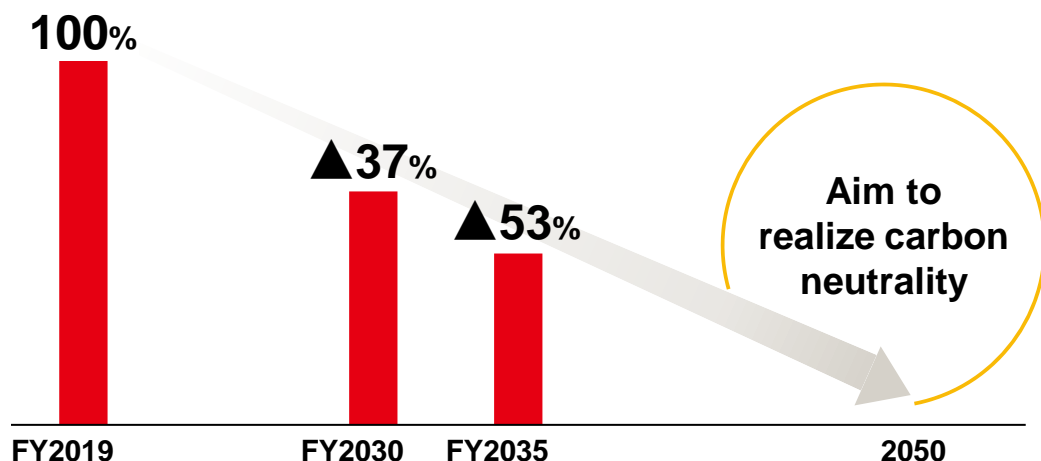
- **Reduction of CO₂ emissions:** Reduce emissions from vehicles by consolidating delivery bases and reducing loading and waiting times

New Group Environmental Goals for Decarbonization and Environmental Impact Reduction

Recognizing decarbonization as a key management challenge, simultaneously promote multifaceted reductions in environmental impact, including reduction of food loss and water consumption, while aiming to achieve the 2050 targets

Item	Base Year	Target Fiscal Year	Target
Reduction of GHG emissions (Scope 1, 2)	FY2019	FY2030	▲37% or more
		FY2035	▲53% or more
		2050	Aim for carbon neutrality
Reduction of food loss	FY2018	FY2030	Continue ▲30% or more
Reduction of water consumption	FY2019	FY2030	▲12% or more (basic unit)
Reduction of plastic*1 usage	FY2013	FY2030	Oil handy bottle*2: ▲12% or more (basic unit)
		-	Premix: Number of environmentally friendly products*3 70% or more

GHG emissions reduction targets (Scope 1, 2)



- Energy conservation and energy creation

 - Continued use of cogeneration facilities
 - Introduction of energy-efficient equipment and facilities, and process and efficiency improvements
 - Introduction of on-site and off-site solar power generation
 - Methane fermentation power generation, and fuel conversion of process waste and by-products
- Fuel conversion and renewable energy utilization

 - Fuel conversion of cogeneration facilities
 - Electrification of heat (steam) production facilities
 - Expanded use of biomass fuels and CO₂-free electricity
 - Stabilization of renewable energy utilization through the introduction of storage batteries and use of battery energy storage facilities
- Offsets and use of next-generation energy

 - Purchase of non-fossil fuel electricity certificates and clean gas certificates
 - Utilization of J-Credits and response to the emissions trading system
 - Use of next-generation energy sources (e-methane, hydrogen, ammonia)

*1 One-way plastics used in packaging materials derived from fossil fuels *2 Handy bottles (1,000 g and 1,500 g) *3 Stocks with a plastic usage reduction rate of 10% or higher (compared with FY2013 plastic usage)

Kashima Plant: Improvement in Risk Tolerance and Economic Efficiency **SHOWA** Through Operation of Biomass Power Generation Boiler

Achieve both environmental impact reduction and resilience to energy price fluctuation risks through the shift to renewable energy
Build a structure capable of generating stable earnings even under uncertain external conditions by reducing dependence on fossil fuels

Strengthening Energy Security

- Diversification of fuels: Utilize renewable energy sources such as wood chips
- Reduction of price fluctuation risks: Build a stable production system that is less affected by crude oil and LNG price hikes and supply uncertainties
- Start of operation: April 2026. Reinforce the foundation of the main plants.

Economic Rationale for Investment Recovery

- Capital investment: Approx. 4.0 billion yen
- Flexibility in investment recovery: Retain the potential to shorten the investment payback period through substitution effects amid rising fossil fuel prices



Positioning in Achieving the Environmental Objectives

- Specific initiatives to achieve the FY2030 target (37% reduction from FY2019)
- CO₂ reduction: approx. 37,000 tons/year
- Scale of reduction equivalent to **approx. 8%** of the Group's total GHG emissions (Scope 1, 2)

[Future Plans]

Contribute to enhancing medium- to long-term corporate value by fulfilling the social responsibility of reducing environmental impact and securing cost competitiveness amid rising fuel prices

Human Capital Strategy

Aim to realize the human capital vision and the “desired future state” by unlocking the strengths of both the “organization” and “individuals” through three strategies

Three Pillars of Human Capital Strategy

Human Capital Vision

Human capital that supports others, thinks independently, and embraces challenges

Cultivation of a “caring and challenge-oriented” culture

- Increased employee engagement
- Accept diverse values and work styles
- Foster a culture that encourages new initiatives

Realization of career ownership

- Proactive learning / Growth support
- Expansion of voluntary application and open recruitment systems
- Opportunities to take on overseas and new business ventures

Advancement of group human capital management

- Data-driven placement of the right talent in the right roles
- Promotion of inter-group talent exchanges
- Implementation of succession plans

KPI

“SHOWA Liveliness Index”
FY2029 **70% or more**

Engagement survey
Positive response average for “job satisfaction,” “coping mindset,” and “workplace safety”

Maximize potential

**Challenge-oriented spirit
Innovation**

Realization of management strategies

Fostering a “Sense of Organizational Unity” to Support Achievement of Medium-Term Management Plan Targets

Leveraging the 90th anniversary events as a starting point, fostered organizational unity and a culture of taking on challenges, while strengthening the organizational foundation for fully executing strategies

90th Anniversary Events

- Approximately 1,000 employees and their family members participated. Embodied the cultivation of a “caring and challenge-oriented” culture.
- **Future Exhibition:** An exhibition where attendees can experience future ideas envisioned by employees. The objective is to create a positive atmosphere that encourages free thinking.
- **Balloon release, etc.:** Provided opportunities for interaction with management executives, shared the new management philosophy, and aligned organizational direction.

Culture that Encourages Taking on Challenges

- **Ensuring psychological safety:** Establish a culture where employees can think independently and take on bold challenges without fear of failure through direct dialogue with management.
- **Autonomous talent in action:** A culture that encourages employees to take on challenges drives transformation under uncertain conditions.

Future Exhibition



Balloon Release



Positioning in Achieving the Medium-Term Management Plan Objectives

- **Driving force for strategy completion:** A strong organizational capability and a culture of taking on challenges will maximize the speed of executing the initiatives in the Medium-Term Management Plan 26–29.
- **Sustainable competitive advantage:** Defines difficult-to-imitate organizational unity as a source of profit growth and corporate value enhancement.

[Future Plans]

- **Two-way communication:** Establish regular direct dialogue through the president’s blog and plant visits.
- **Monitoring cultural establishment:** Quantitatively evaluate and improve cultural development fostering through engagement surveys and other measures.

03 Earnings Forecast for FY2026

Earnings Forecast for FY2026

- Net sales are expected to increase from the previous year to 350.0 billion yen
- Operating profit is expected to be 12.0 billion yen, almost unchanged from a year earlier
- Depreciation expenses related to the biomass power generation boiler at the Kashima Plant and the high-bay warehouse at the Kobe Plant, as well as investment expenses for AI, etc., increased.

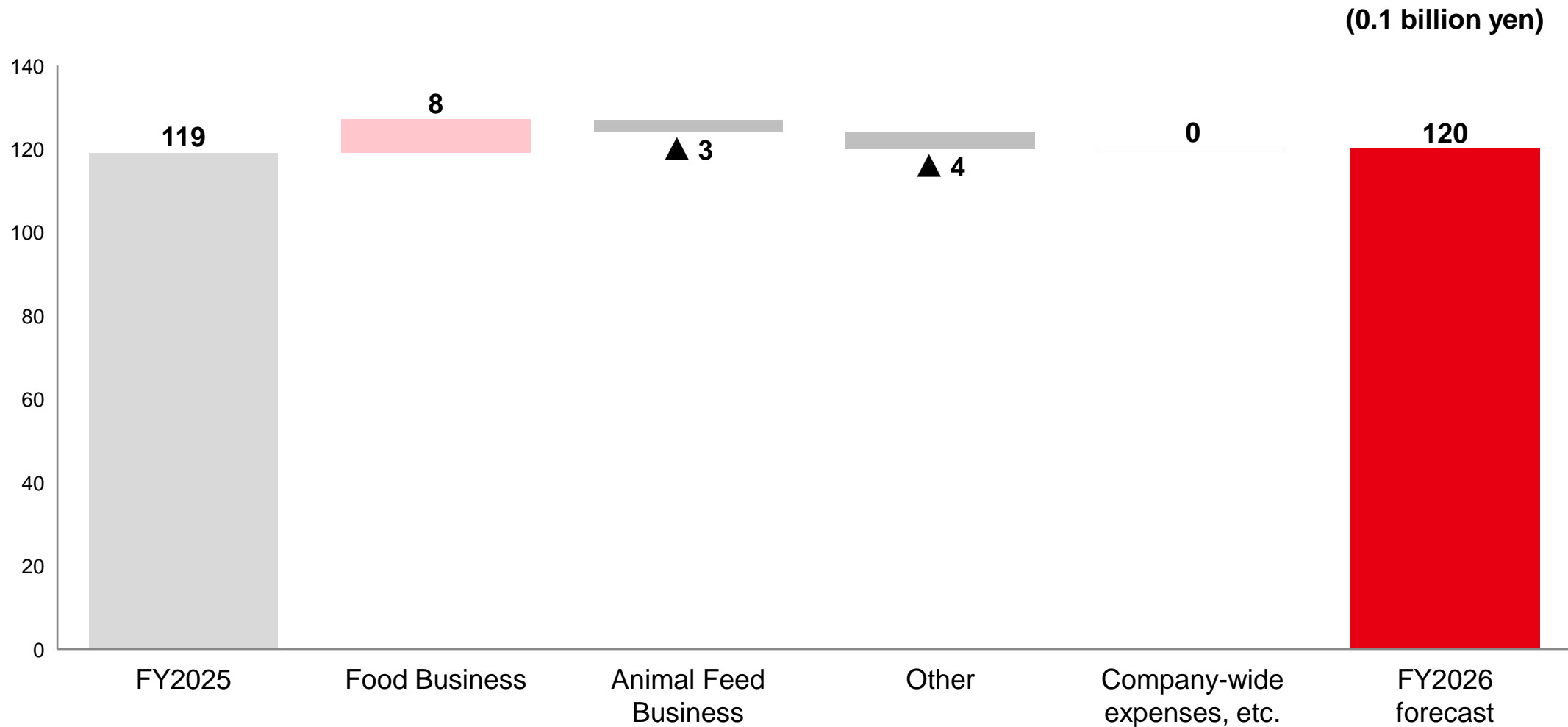
(0.1 billion yen)		FY2025	FY2026 forecast	Change (Year-on-Year)	Percentage change (Year-on-Year)
Net sales	Food	2,718	2,808	90	+3.3%
	Animal Feed	587	641	53	+9.1%
	Other	48	50	2	+4.1%
	Total	3,354	3,500	145	+4.3%
Operating profit	Food	113	121	8	+7.1%
	Animal Feed	10	7	▲3	▲27.3%
	Other	13	9	▲4	▲30.0%
	Company-wide expenses, etc.	▲17	▲17	0	+0.0%
	Total	119	120	1	+0.5%
Ordinary profit		144	140	▲4	▲3.2%
Profit		106	95	▲11	▲10.5%

Earnings Forecast for FY2026 (Operating Profit)

Operating profit

FY2026 forecast **12.0** billion yen

Annual change **0.1** billion yen

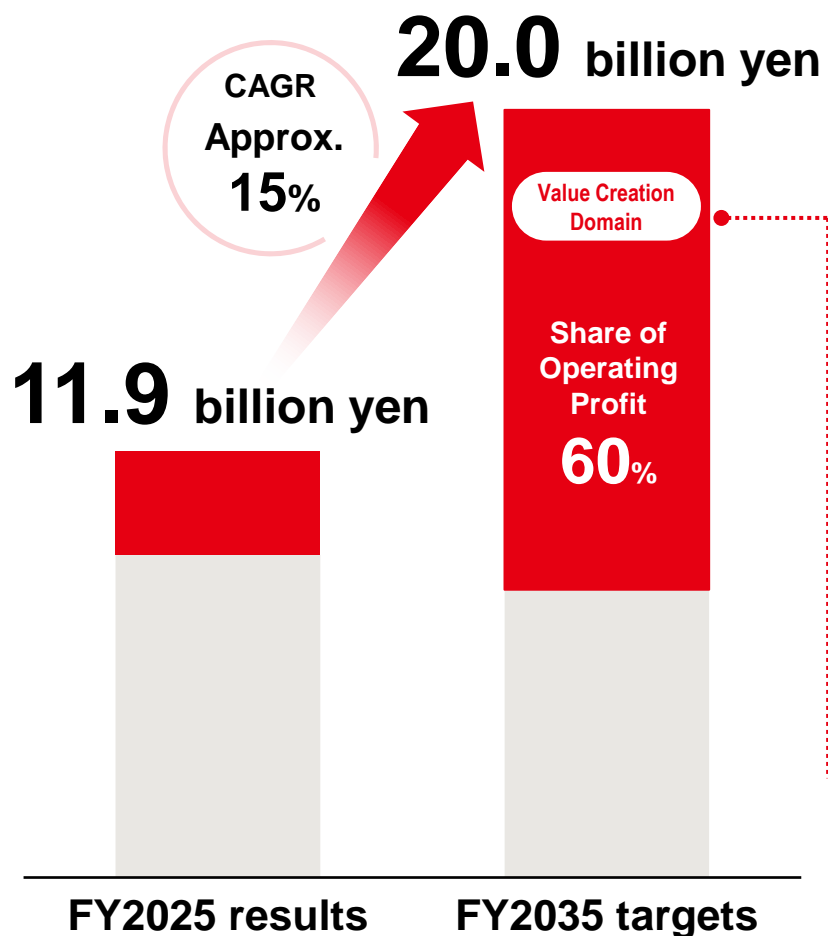


Question-and-Answer Session

Reference Material

Long-Term Vision: Quantitative Targets

Operating profit



Quantitative KPIs	FY2025 results	FY2035 targets
ROE	7.5%	9.0% or higher
ROIC*1	5.1%	8.0% or higher
Operating profit	11.9 billion yen	20.0 billion yen or more

*1 Upon the full-scale implementation of the ROIC management system, we thoroughly reviewed our approach to ROIC and consequently revised the calculation method.
 ROIC = After-tax business profit ÷ Invested capital (average of beginning and ending of the period); Business profit: Ordinary profit – financial income/expenses; Invested capital: Interest-bearing debt + shareholders' equity

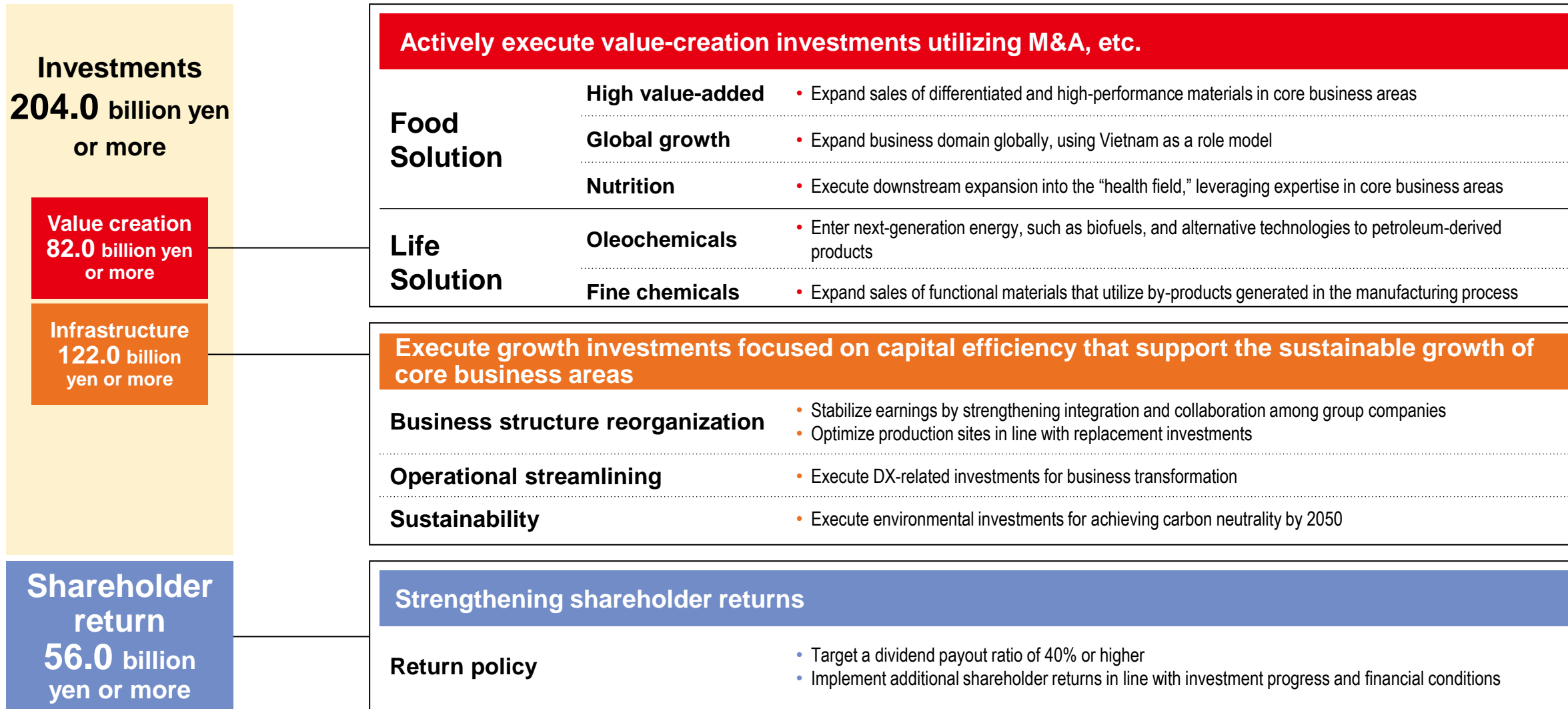
Value Creation Domain

- Food Solution**
 - Expand sales of high-value-added products in core business areas
 - Expand business domains globally, using Vietnam as a role model
 - Nutrition
 - Execute downstream expansion into the “health field,” leveraging expertise in core business areas

- Life Solution**
 - Oleochemicals and fine chemicals
 - Expand into next-generation energy, such as biofuels, and alternative technologies to petroleum-derived products
 - Expand sales of functional materials that utilize by-products generated in the manufacturing process

Investment Allocation to Achieve Long-Term Vision

(10-year cumulative total)



Change in Quarterly Net Sales and Operating Profit

(millions of yen)		1Q			2Q			3Q			4Q		
		FY24	FY25	Change	FY24	FY25	Change	FY24	FY25	Change	FY24	FY25	Change
Net sales	Food	71,315	69,413	▲1,901	67,377	66,441	▲936	71,229	71,333	104	63,610	64,639	1,028
	Animal feed	13,444	13,953	508	14,068	14,375	307	14,670	15,332	662	13,979	15,079	1,100
	Other	1,169	1,280	110	1,206	1,236	29	1,187	1,154	▲32	1,165	1,172	6
	Total	85,929	84,647	▲1,282	82,653	82,054	▲598	87,086	87,820	733	78,755	80,891	2,136
Operating profit	Food	3,971	3,374	▲596	2,592	2,360	▲231	3,068	3,814	746	1,343	1,773	430
	Animal feed	112	136	23	204	234	30	14	284	270	153	349	196
	Other	385	379	▲6	351	362	10	344	317	▲27	345	329	▲15
	Company-wide expenses, etc.	▲350	▲355	▲5	▲400	▲437	▲37	▲549	▲464	85	▲461	▲517	▲56
	Total	4,118	3,534	▲584	2,748	2,520	▲228	2,877	3,951	1,074	1,381	1,935	554

Change in Quarterly Net Sales (by Food Business Category)

(millions of yen)

		1Q			2Q			3Q			4Q		
		FY24	FY25	Change	FY24	FY25	Change	FY24	FY25	Change	FY24	FY25	Change
Net sales	Flour milling	27,325	26,943	▲382	26,322	25,403	▲918	27,823	27,081	▲741	24,895	24,170	▲724
	Vegetable oils	25,024	23,473	▲1,550	22,601	22,770	169	24,349	25,470	1,120	21,900	23,013	1,112
	Starches and sweeteners	17,343	17,228	▲115	16,908	16,774	▲133	16,380	15,954	▲425	15,179	15,562	382
	Other	1,621	1,768	147	1,545	1,492	▲53	2,675	2,827	151	1,634	1,892	258
	Total	71,315	69,413	▲1,901	67,377	66,441	▲936	71,229	71,333	104	63,610	64,639	1,028



Notes regarding forecasts and projections

- 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 their achievement or future performance.
- Furthermore, as actual results, etc., may also significantly differ from initial projections and plans mentioned in this material, you should refrain from making investment decisions based solely on this material.
- Showa Sangyo Group will not necessarily review the management plan or assume any obligation to do so, regardless of future information, events or consequences caused by them.