



New Long-term Vision and Medium-term Management Plan 26–29

Showa Sangyo Co., Ltd.

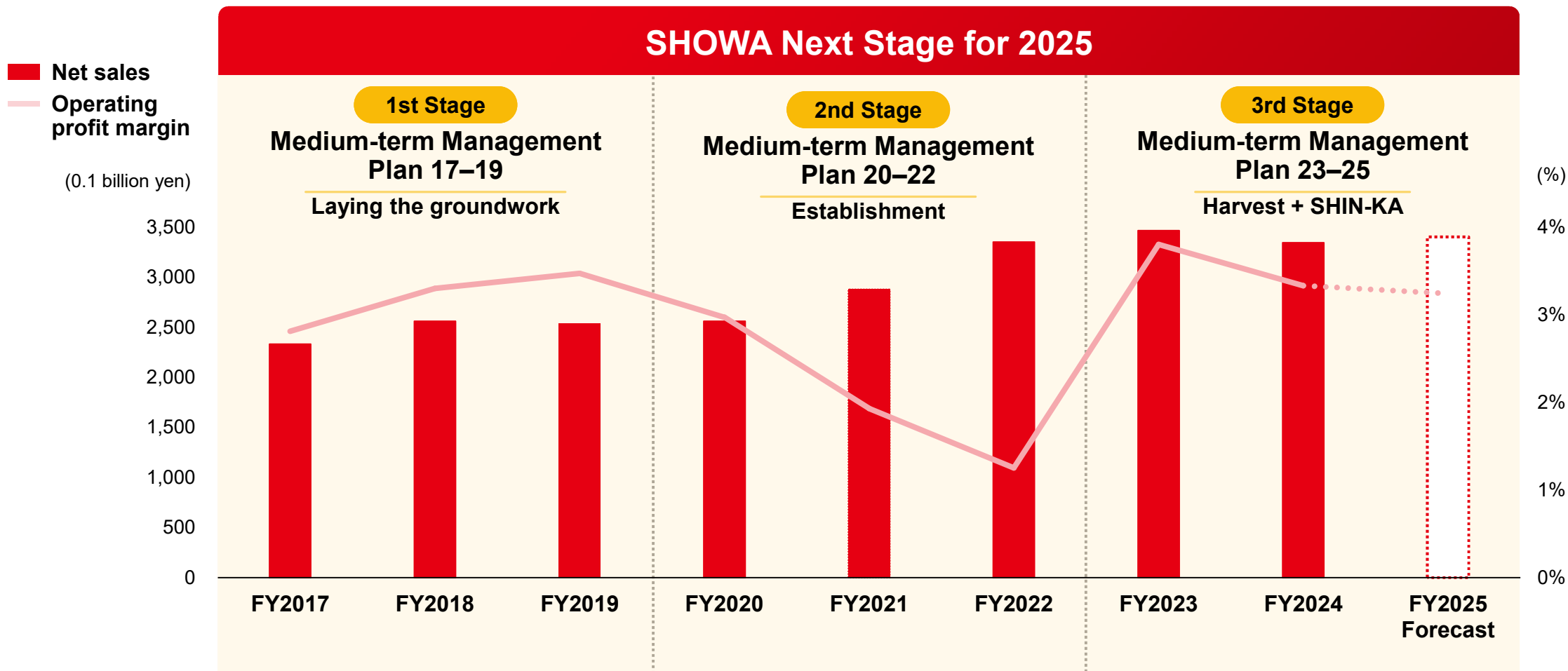
Securities Code 2004

February 20, 2026

01 Long-term Vision “SHOWA VISION 2035”

Review of “Showa Next Stage for 2025”

- Over the past decade, we have steadily expanded our net sales through the basic strategy, “Strengthening Our Core Businesses,” and proactive growth investments
- Since fiscal 2020, we have faced a challenging business environment, including sharp rises in raw grain prices. However, by pursuing reforms to build a profit structure less susceptible to external conditions, we have maintained high levels of both sales and profitability



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 profitability through the acquisition of Boso Oil and Fat Co., Ltd. and San-ei Sucrochemical Co., Ltd. as subsidiaries Achieved a top-tier industry position in both volume and quality by establishing a strong market presence through integrated group operations in starches and sweeteners 	<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 production systems
	Strengthening organizational capabilities <ul style="list-style-type: none"> Acquired new customers by reorganizing the sales organization to enhance proposal capabilities Achieved stable procurement by diversifying procurement regions for raw 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 the frozen food business 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 making Kouchan Mill Co., Ltd. and Z.Y. Food Company Limited equity-method affiliates Established Showa Sangyo International Vietnam Co., Ltd. in Vietnam as a manufacturing base for premixes for the ASEAN market 	
Strengthening Sustainability Management	Strengthening the governance structure <ul style="list-style-type: none"> Established a the Remuneration Advisory Committee and the 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 an ROIC-based management system
	Environmental initiatives <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. FY2019), and water consumption reduction (9% reduction vs. FY2019) Participated in a decarbonization promotion project in Sosa City, Chiba Prefecture 	
	Strengthening the business foundation <ul style="list-style-type: none"> Promoted D&I 	

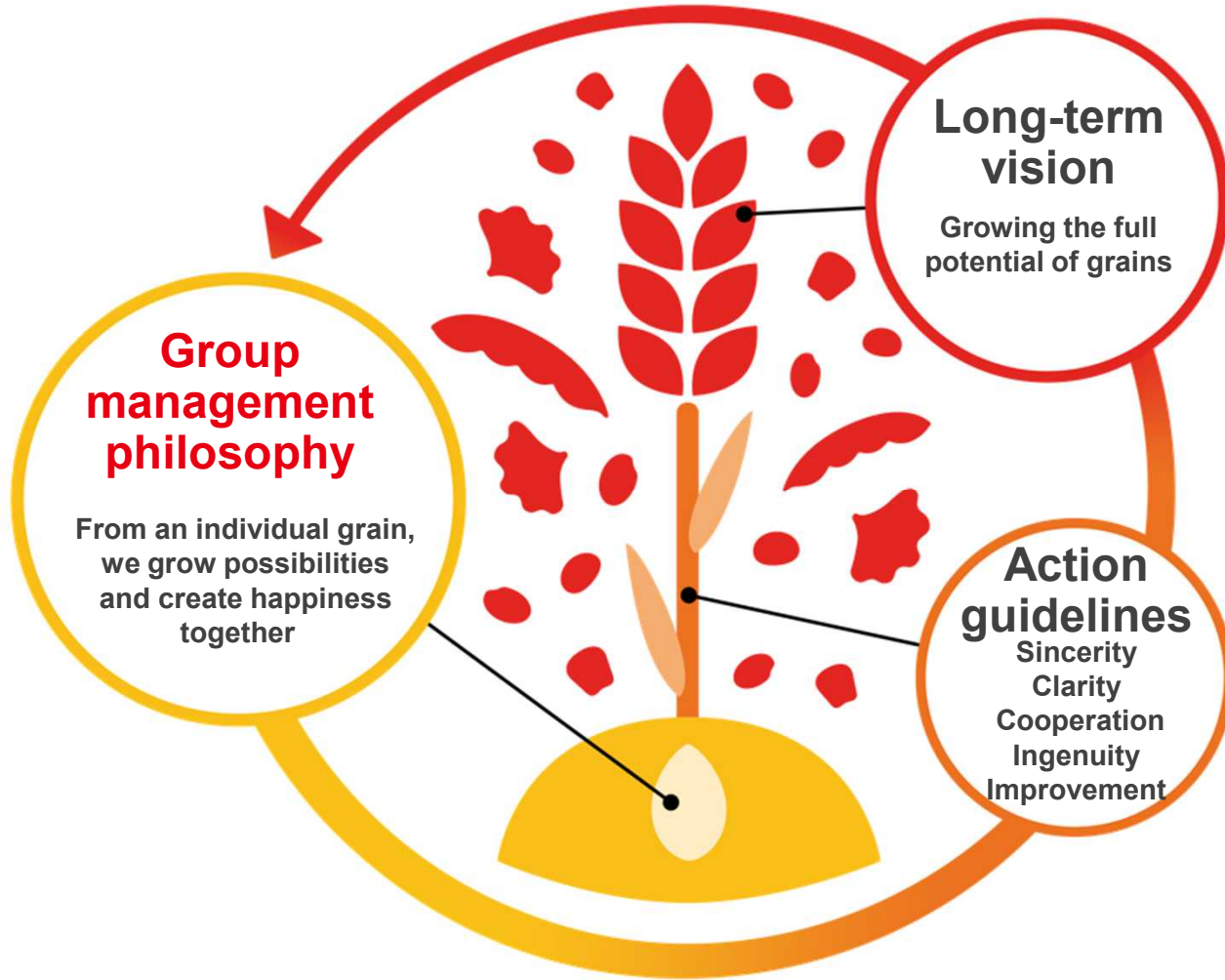
From an individual grain, we grow possibilities and create happiness together

**We believe in the limitless potential of a single grain provided by our precious Earth
and that it holds even greater value than yet realized.**

**We also believe that every individual has the strength
and ability to create new value that will expand and grow.**

**So we continue to nurture the environment and support communities in Japan and throughout the world,
bringing joy to society and facilitating a future full of happiness for people everywhere.**

[Showa Sangyo Group] Rebuilding Philosophy Framework | Overview



Showa Sangyo has marked its 90th anniversary

Guided by our new compass, we will transform our organizational culture and aim to become the Showa Sangyo Group that continues to be the partner of choice at its 100th anniversary and beyond

By pursuing the infinite potential of “grains” and “people,” we will create happiness that will continue into the future

[Showa Sangyo Group] Rebuilding Philosophy Framework | Action Guidelines



Clarity

Know what is necessary and important, as well as what isn't, then determine the best way to create new value.
Envision the future from an elevated perspective.



Cooperation

Listen to your colleagues and support them as they take on new challenges. Rather than focus on why something can't be done, find creative solutions by working together.



Ingenuity

Act decisively as you face challenges. Don't be held back by precedent: develop new solutions that aren't limited to previous examples.
If necessary, go beyond boundaries.



Improvement

Reflect on both your successes and your failures, learn from them, and then use this knowledge to guide future actions.
Continue to improve yourself and the value you offer.

Basic attitudes



Sincerity

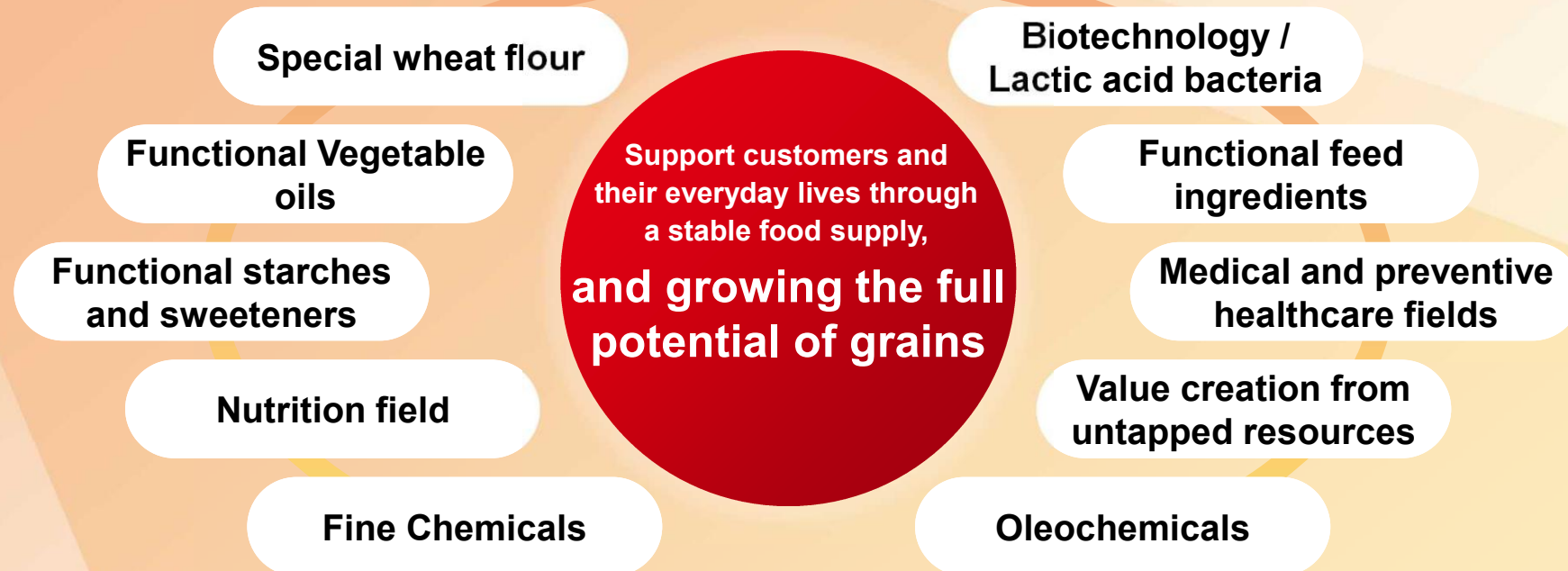
Be genuine and treat everyone with respect. Ensure that your actions will always be a source of pride.

Our Vision for FY2035

... Food Solution ...

Expanding possibilities in the food domain

Anticipate evolving dietary trends and further explore the potential of grains



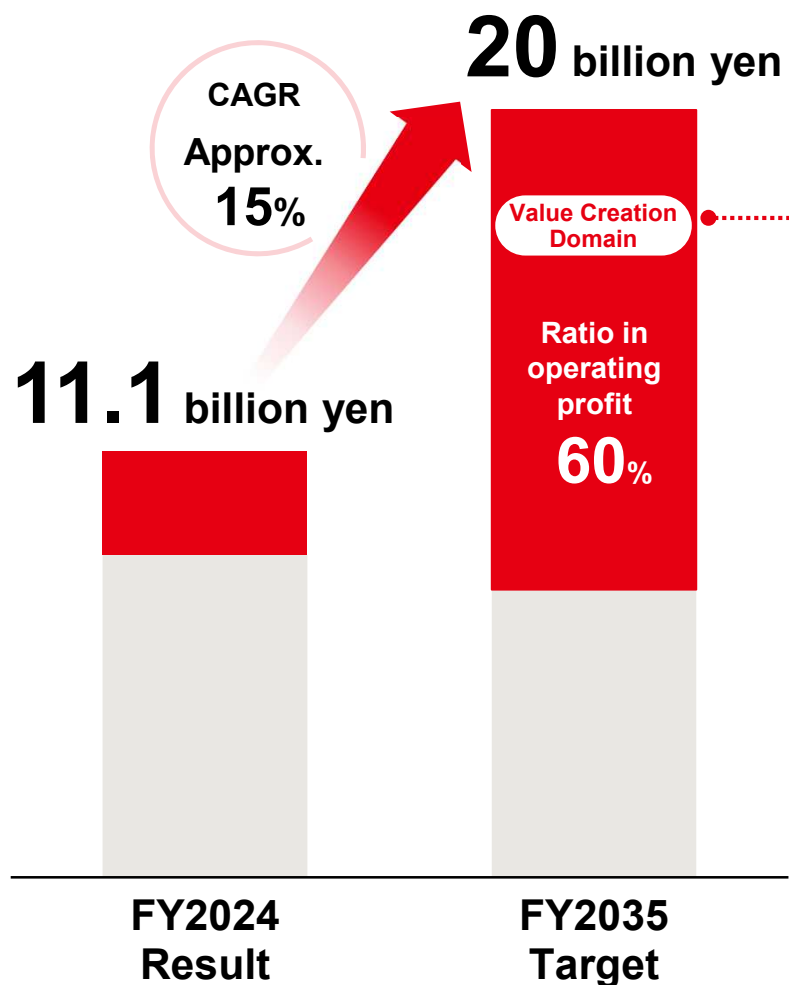
... Life Solution ...

Expanding possibilities for improving people's living environments

Circulate the value of grains to contribute to a sustainable society

Long-term Vision: Quantitative Targets

Operating Profit



Quantitative KPI	FY2024 Result	FY2035 Target
ROE	8.8%* ¹ (6.8%)	9.0% or higher
ROIC* ²	5.0%	8.0% or higher
Operating Profit	11.1 billion yen	20 billion yen or more

*1 In FY2025, there was a gain on sale of non-current assets (extraordinary income) of approximately 2.6 billion yen from the sale of the Motoyawata Building. The figure in parentheses in the lower row is the actual figure excluding gains on sale.

*2 Upon the full-scale implementation of the ROIC-based 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 end of the period), Business profit: Ordinary profit - financial income/expenses, Invested capital: Interest-bearing debt + shareholders' equity

Value Creation Domain

- Expand sales of high-value-added products in core fields
- Use our business rollout in Vietnam as a model for the global expansion of business areas
- Nutrition field:
Pursue downstream expansion into the "health field," leveraging expertise in core fields
- Oleochemical and Fine Chemical fields:
Enter next-generation energy, such as biofuels, and alternative technologies to petroleum-based products
Expand sales of functional materials that utilize by-products generated in the manufacturing process

Understanding External Environment

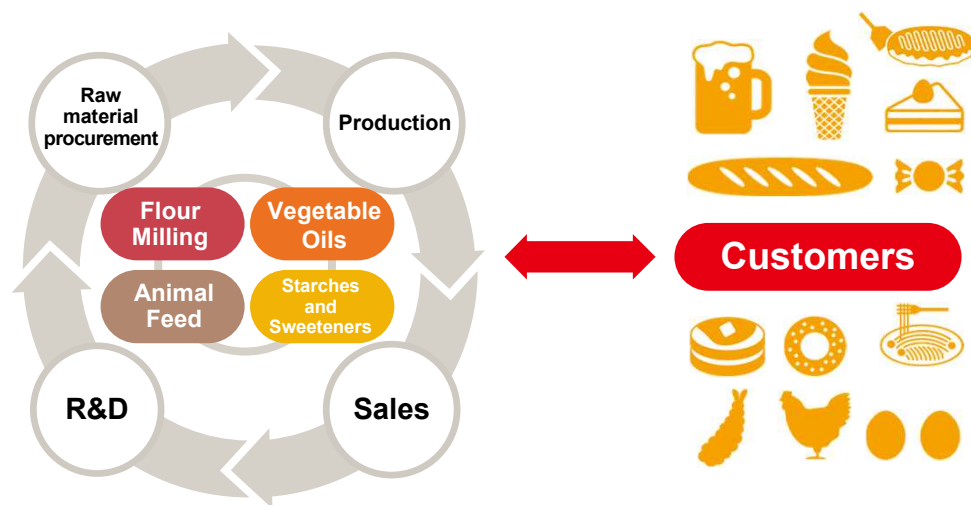


Our Group's Strengths and Uniqueness

A one-of-a-kind “grain solutions company” that solves all the challenges customers face through diverse grain expertise that specialized manufacturers do not have

Customer-driven problem-solving capabilities

- **Utilization of enhanced expertise, gained from stronger collaboration across core fields, at each stage of the value chain**
Solved challenges through a wide range of knowledge and expertise by creating synergies that drive value creation
- **Capabilities to identify needs and propose solutions through deeper customer dialogue**
Maximized one-stop solution proposal capabilities by transitioning to business- and customer-specific sales organizations, leveraging strengths in handling multiple types of grains. As a result, the number of new transactions increased to **1.6 times**^{*1} the level prior to the organizational restructuring.



Business model that supports food infrastructure

- **Grain silos with Japan's No. 1^{*2} storage capacity among food manufacturers and dedicated berths capable of accommodating Panamax-class vessels**
Maintained a stable supply even under uncertain conditions by leveraging strong grain procurement capabilities based on multifaceted collaboration with trading companies, and one of Japan's largest storage capacities.
- **Quality control equivalent to “food manufacturer standards”**
Built an integrated, high-quality, and low-impact production system from silos to factories under strict hygiene controls compliant with AIB standards
- **Maximized use of grains without waste**
Achieved a food recycling rate of **99.9%**^{*3} by utilizing by-products (including bran, soybean meal, and gluten feed) across business domains

📍 Showa Sangyo

📍 Group companies

Nagoya futo Silo Co., Ltd.



Kobe Plant

Shibushi Silo Co., Ltd.

Kashima Silo Co., Ltd.



Kashima Plant

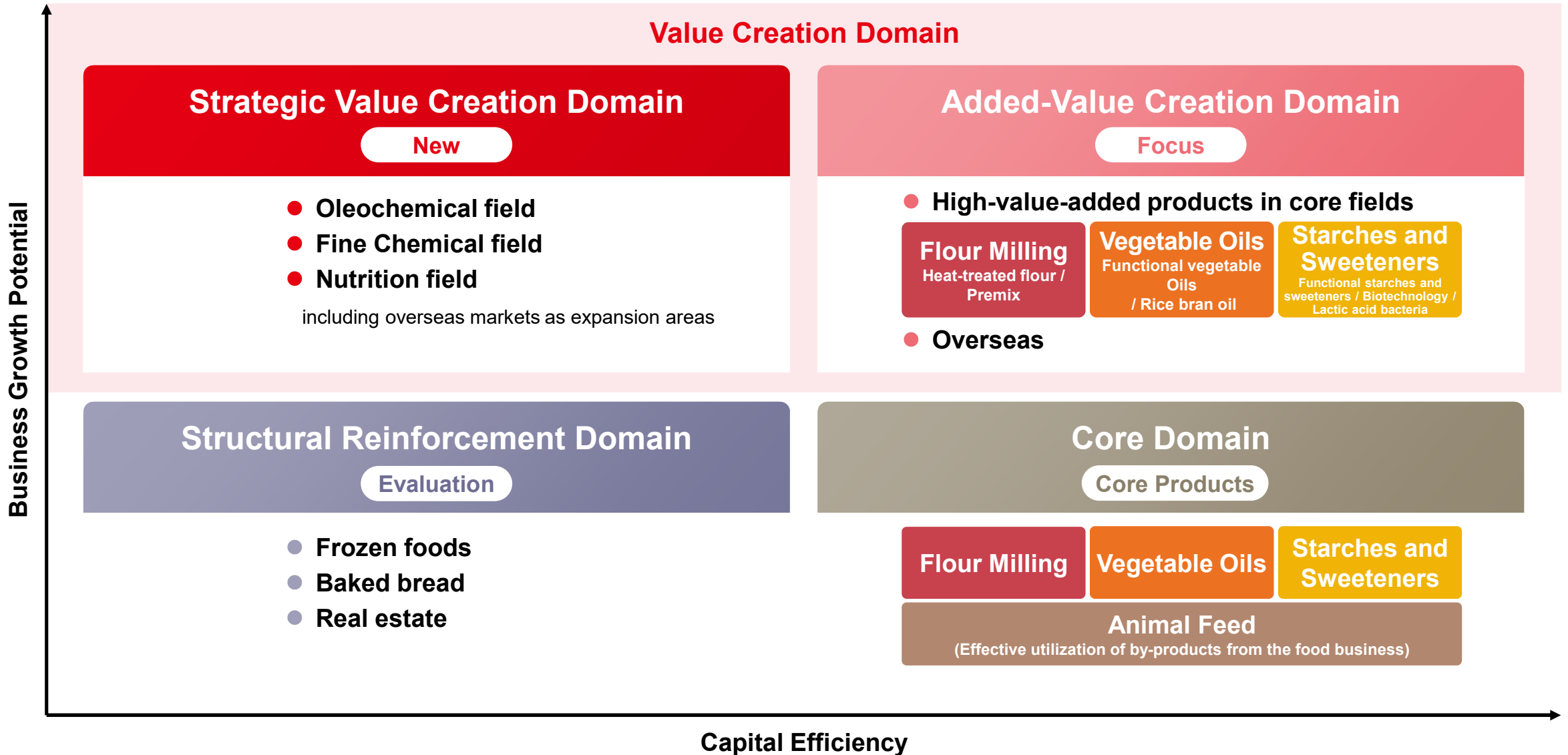


Funabashi Plant

*1 Including new transactions with existing customers (monthly average) *2Researched by the Company *3Showa Sangyo (non-consolidated basis; past five-year average)

Business Portfolio Management

Value Creation Domain



Investment Allocation to Achieve Long-term Vision

(10-year cumulative total)

Investment
204 billion yen
 or more

Value creation
82 billion yen
 or more

Core
122 billion yen
 or more

Shareholder return
56 billion yen
 or more

Actively executing value-creation investments through M&A and strategic alliances

Food Solution	High value-added	• Expand sales of differentiated and high-performance materials in core fields
	Global growth	• Use our business rollout in Vietnam as a model for the global expansion of business areas
	Nutrition	• Pursue downstream expansion into the “health field,” leveraging expertise in core fields
Life Solution	Oleochemicals	• Enter next-generation energy, such as biofuels, and alternative technologies to petroleum-based products
	Fine Chemicals	• Expand sales of functional materials that utilize by-products generated in the manufacturing process

Executing growth investments focused on capital efficiency that support the sustainable growth of core fields

Business Structure Reorganization	• Stabilize profit by strengthening integration and collaboration among group companies • Optimize production sites in line with replacement investments
Operational Streamlining	• Invest in DX to drive business transformation
Sustainability	• Execute environmental investments toward achieving carbon neutrality by 2050

Strengthening shareholder returns

Return Policy	• Return profits with a target dividend payout ratio of 40% or higher • Provide additional shareholder returns in response to investment progress and financial conditions
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02 Medium-term Management Plan 26–29

Agenda

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| 02 | Quantitative Targets of Medium-term Management Plan 26–29 | P. 17 |
| 03 | Strategies for Medium-term Management Plan 26–29 | |
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Positioning of Medium-term Management Plan 26–29

Strengthening Profitability

- Strengthen integration and collaboration among group companies
- Implement investments to rebuild the production system
- Strengthen value-creation initiatives in focus domains (Food Solution)
- Expand initiatives into new domains (Life Solution)
- Establish a stable profit structure in core domains

Present

Step 1
**Medium-term
Management
Plan 26–29**

Step 2
**Expand business
domains and
transform the
business
portfolio**

Step 3
**Maximize profit in
Food Solution
and Life Solution**

SHOWA VISION 2035
**Growing the full
potential of
grains**

Medium-term Management Plan 26–29: Quantitative Targets

Quantitative KPI	FY2024 Result	FY2025 Forecast	FY2029 Target	Difference (Compared with FY2025)
ROE	8.8% ^{*1} (6.8%)	6.8%	8.0%	1.2%
ROIC ^{*2}	5.0%	4.7%	6.0%	1.3%
Operating Profit	11.1 billion yen	11 billion yen	14 billion yen	3 billion yen
Operating profit margin	3.3%	3.2%	4.0%	0.8%

Dividend Policy

Adopt the higher of a 40% dividend payout ratio or a 3.0% DOE as the standard^{*3}

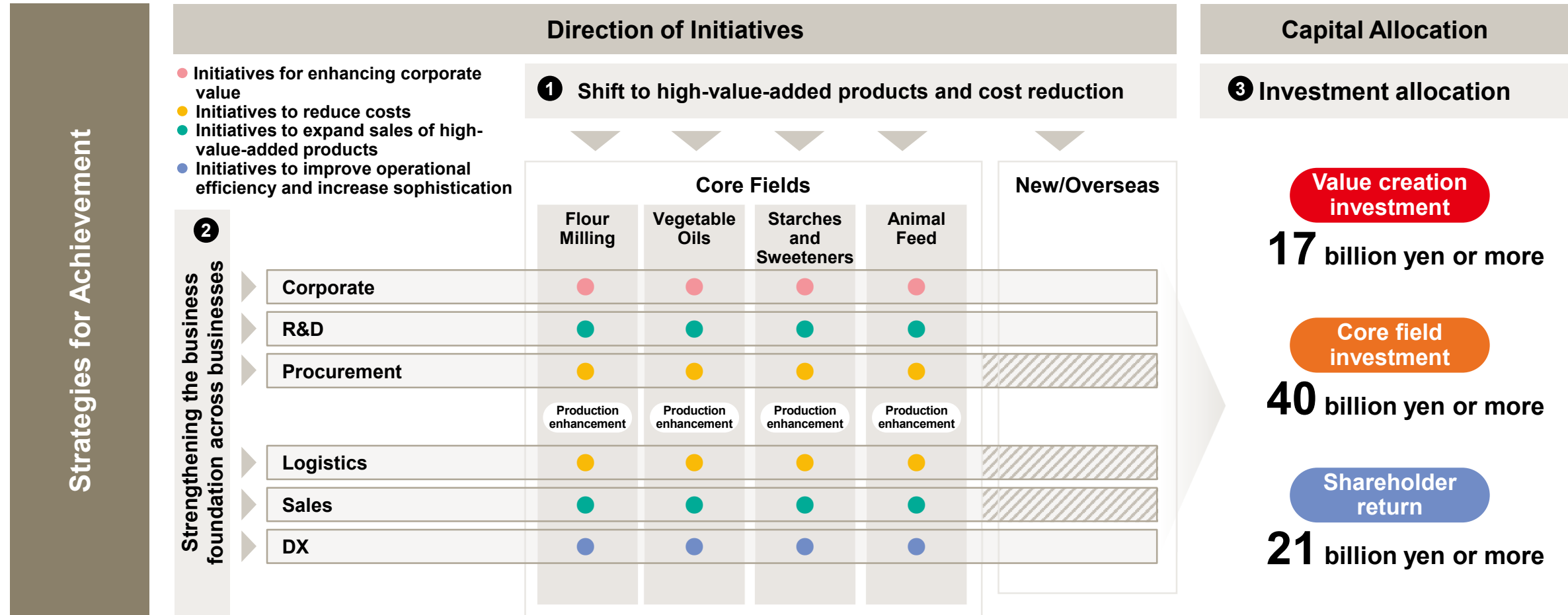
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*3 Excluding temporary and extraordinary factors such as business portfolio restructuring and asset sales

Overall Policy for Achieving the Medium-term Management Plan

Overall Policy **Strengthening Profitability** Initiatives to strengthen profitability in core fields × Initiatives to strengthen the business foundation across businesses



1 Cost Reduction

Summary of Core Fields Strategy



Profitability Enhancement

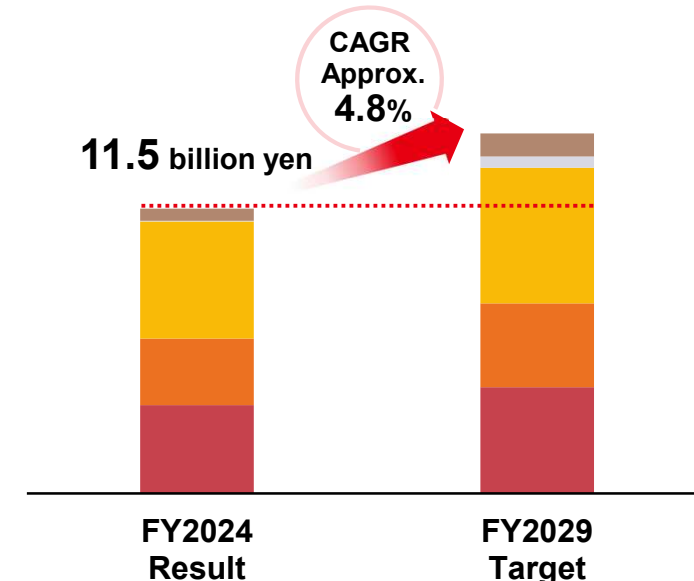
FY2029 sales of high-value-added products*:
120% (vs. FY2024)

* Calculated based on an internally defined standard value

Operating Profit (Operating profit margin)	FY2024 Result	Medium-term Management Plan 26–29 Average Target	Difference (Compared with FY2024)
Food Business	11 billion yen (4.0%)	12.7 billion yen (4.5%)	1.7 billion yen (0.5%)
Animal Feed Business	0.5 billion yen (0.9%)	0.8 billion yen (1.0%)	0.3 billion yen (0.1%)

Operating Profit

Food Business: Flour Milling, Vegetable Oils, Starches and Sweeteners
 Food Business (excl. those listed above)
 Animal Feed Business:



1 Cost Reduction

Flour Milling

Business Environment

- Domestic demand is declining due to lower per-capita consumption driven by Japan's aging and shrinking population
- Industry consolidation is progressing, with four major players forming an oligopolistic structure, alongside factory reorganizations and strategic alliances

Status of the Group

- Although the Group maintains a certain scale, dispersed operations among group companies prevent it from fully capturing economies of scale to improve profitability
- Capable of proposing solutions to diverse clients by combining vegetable oil and sugar products

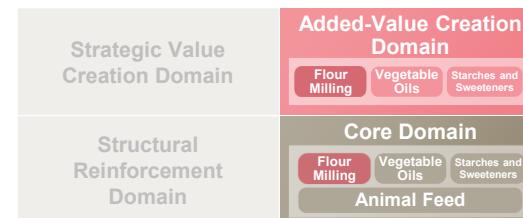
Key Initiatives to Achieve Medium-term Management Plan Targets

1. Product portfolio optimization Added-Value Creation Domain

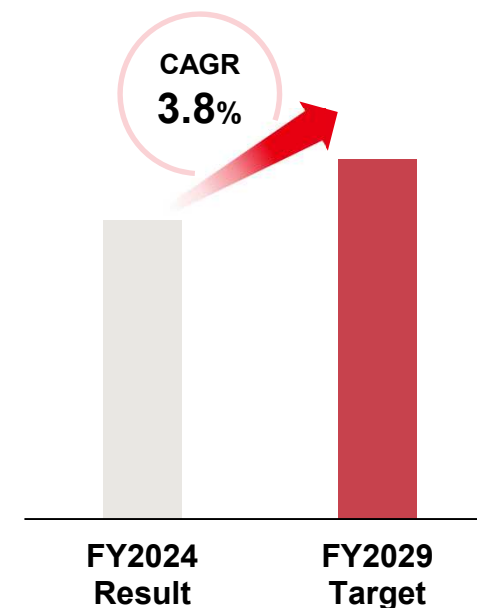
- Expand sales of high-value-added wheat flour (such as heat-treated flour and whole wheat flour) and pasta by leveraging proprietary technologies
- Develop differentiated products and establish top-share categories through advanced premix blending and processing technologies
- Expand exports

2. Profitability improvement through optimization of group company functions Core Domain

- Establish integrated operations across seven flour milling plants and optimize production sites
- Deepen collaboration with Okumoto Flour Milling Co., Ltd. and Central Flour Milling Co., Ltd.
- Strengthen supply chain management (SCM) with Naigai Flour Milling Co., Ltd. and Kida Flour Mills Co., Ltd.



Profit Level



* Profit levels are calculated as the simple aggregate of individual flour group companies

1 Cost Reduction

Vegetable Oils

Business Environment

- Domestic demand is declining at an accelerating pace due to reduced per-capita consumption caused by aging and shrinking population and consumers' increasing cost-consciousness
- While the oil extraction processes for soybeans and rapeseed are difficult to differentiate and tend to have low profitability, there is strong demand for functional oils and fats

Status of the Group

- High volatility due to fluctuations in raw material procurement costs and meal value
- Built an optimal oil portfolio by having a variety of oils, including rice bran and corn oils

Key Initiatives to Achieve Medium-term Management Plan Targets

1. Expansion of sales of high-value-added products such as functional vegetable oils and rice bran oil

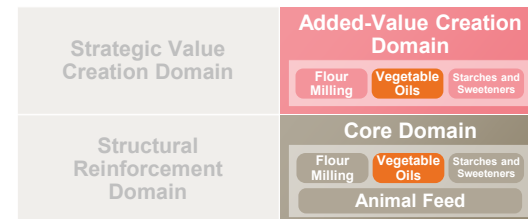
Added-Value Creation Domain

- Expand sales of functional vegetable oils and enhance their added value
- Expansion of rice bran oil market share through strengthened raw material procurement and production systems
- Improve profitability by strengthening SCM of corn oil in coordination with starches and sweeteners

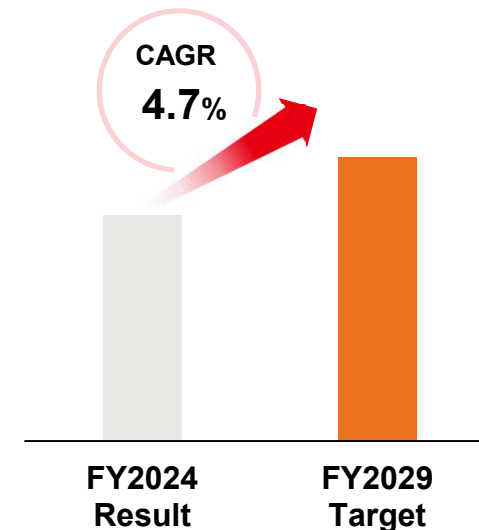
2. Cost reduction through strengthened supply chain management

Core Domain

- Optimize production control of soybean and rapeseed oils based on the utilization rate of in-house plants and the supply-demand trends in oil and meal sales



Profit Level



* Profit levels are calculated as the simple aggregate of individual vegetable oil group companies

1 Cost Reduction

Starches and Sweeteners

Business Environment

- Changes in domestic supply-demand balance of commodity products due to increased imports and the impact of revisions to the Liquor Tax Act
- Environmental compliance demands on the starches and sweeteners industry, which has high environmental impact of its manufacturing processes

Status of the Group

- Productivity is declining due to aging equipment and geographically dispersed plant locations
- Possesses industry-leading business scale and the largest production site in eastern Japan, located in the Kashima area

Key Initiatives to Achieve Medium-term Management Plan Targets

1. Further strengthening focus products, including functional starches and sweeteners and crystalline glucose

Added-Value Creation Domain

- Expand profit through the development of new markets for functional starches and sweeteners
- Strengthen the earnings base through enhanced production systems

2. Creation of next-generation profit sources

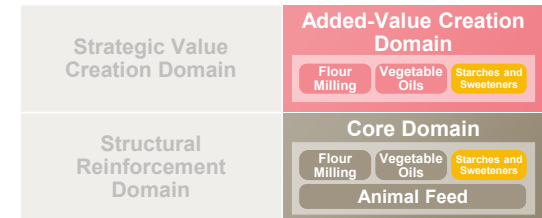
Added-Value Creation Domain

- Expand the biotechnology and lactic acid bacteria fields centered on San-ei Suicrochemical Co., Ltd.
- Establish next-generation profit sources through the early market launch of new products, including functional starch syrups

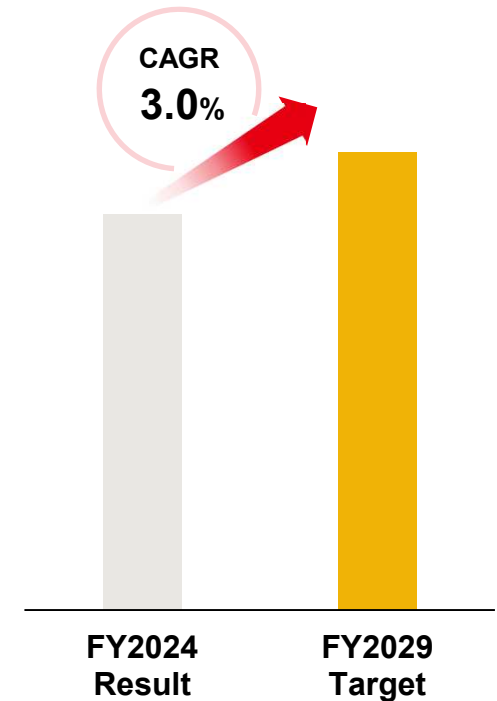
3. Establishment of a sustainable growth foundation

Core Domain

- Execute appropriate capital investment to establish the Kashima Plant as the largest starches and sweeteners production site in the Kanto region
- Develop specialized personnel



Profit Level



* Profit levels are calculated as the simple aggregate of individual starches and sweeteners group companies

1 Cost Reduction

Animal Feed

Business Environment

- Growing demand for feed ingredients driven by rising consumption of livestock products in Southeast Asia
- Diversification of demand for livestock products
- Rising demand for value-added eggs

Status of the Group

- High volatility due to egg market fluctuations and livestock disease outbreaks
- Conducting integrated operations from grain procurement and in-house production of by-products as feed ingredients to compound feed sales and livestock production management

Key Initiatives to Achieve Medium-term Management Plan Targets

1. Driving profit growth, including the livestock sector centered on eggs

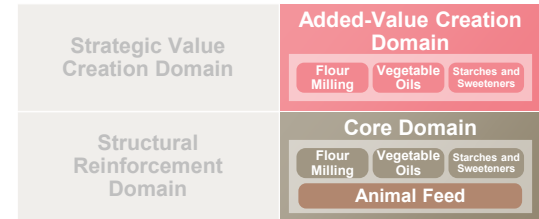
Core Domain

- Expand the egg business through integrated management from production of compound feed using in-house feed ingredients to egg production and sales
- Develop value-added livestock products aligned with market needs

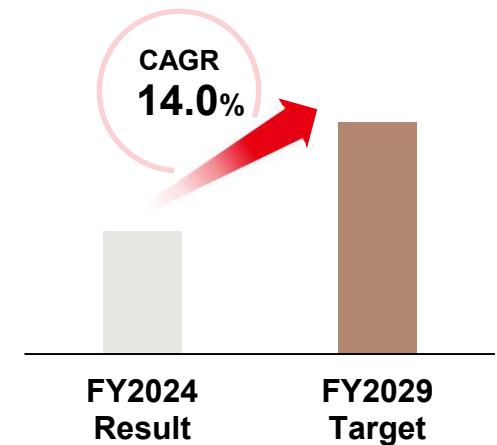
2. Contributing to profit maximization in the food business

Core Domain

- Upcycle untapped resources from food manufacturing processes by utilizing them in animal feed and fertilizer fields
- Contribute to stable business operations by utilizing by-products (bran, soybean meal, gluten feed, etc.) as feed ingredients



Profit Level



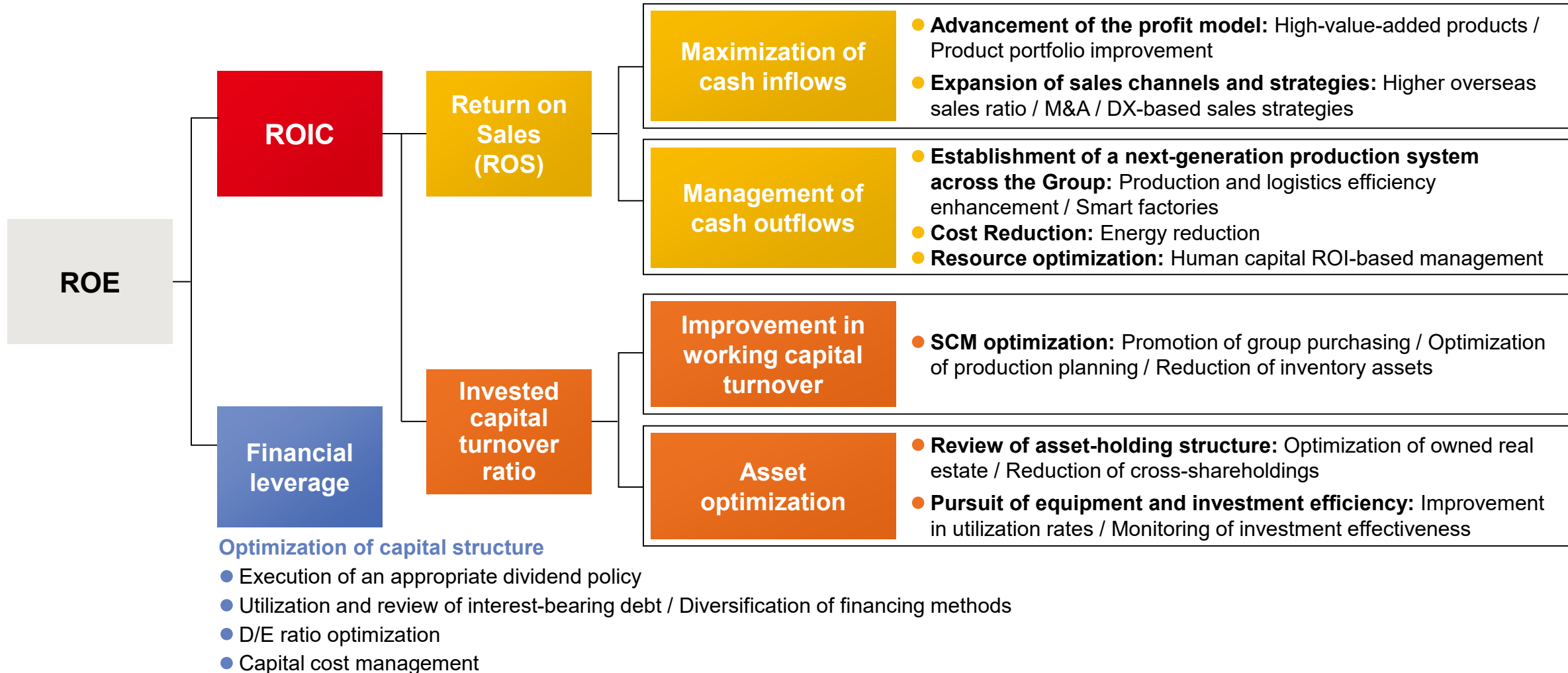
* Profit levels are calculated as the simple aggregate of individual animal feed group companies

② Initiatives by Department

	Initiatives	Goals
Corporate	<ul style="list-style-type: none"> ● Fully implement 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 	Strengthen 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-oriented sales through business- and customer-specific sales organizations 	Maximize customer loyalty
DX	<ul style="list-style-type: none"> ● Implement data management and leverage generative AI 	Enhance operational efficiency and sophistication

② ROIC-Based Management

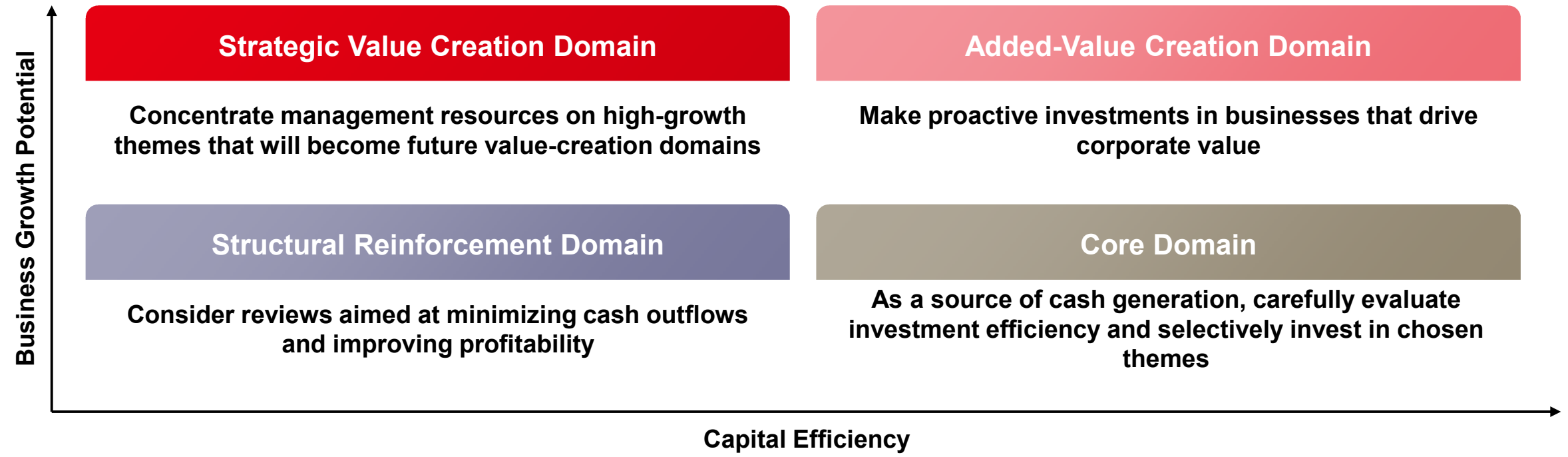
Aim to maximize corporate value and achieve a PBR of 1 × or higher by enhancing group-wide profitability and capital efficiency through ROIC-based management, thereby optimizing resource allocation



Strengthening the Business Foundation across Businesses |

② Concept of ROIC-Based Business Strategy

- **Maximize the spread between ROIC and the company-wide WACC (4.0%)**
Promote capital efficiency management by thoroughly managing the spread between ROIC and company-wide WACC
- **Optimize portfolios based on business-specific WACC**
Clarify risks and returns through business-specific WACC-based management / Optimize portfolios through strategic investment and restructuring
- **Ensure that each investment achieves profitability exceeding the hurdle rate**
Set the hurdle rate at 5.0% as a baseline, and add country risk premiums and other factors depending on the project



2 Procurement Strategy

External Environment

- Strengthened export competitiveness of Southern Hemisphere producers, such as South America and Australia, due to the shift in major grain production areas from the Northern to the Southern Hemisphere
- Growing volatility risk in raw grain prices due to the increasing frequency of extreme weather events
- Diversification of procurement sources and BCP measures in response to rising geopolitical risks

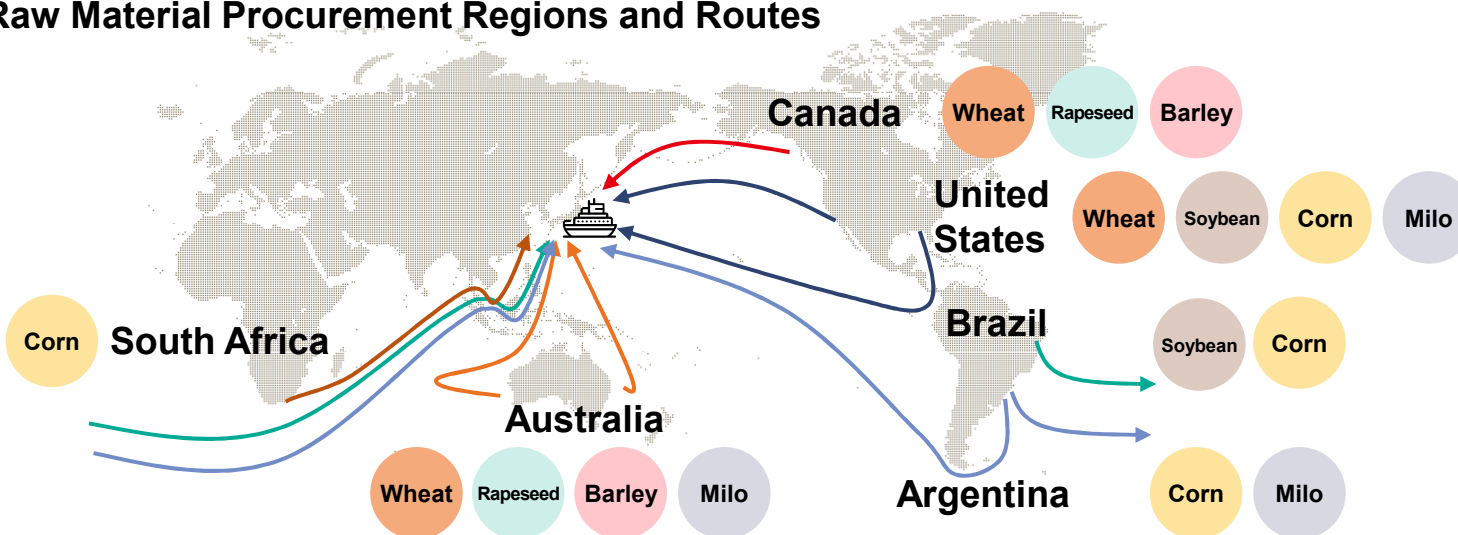
Internal Environment

- Established logistics networks through strong partnerships with multiple trading companies
- Competitive advantage in grain procurement by leveraging synergies across multiple businesses
- Optimized raw material inventories to maximize capital efficiency

Initiatives to Strengthen Stable Procurement

Mitigate geopolitical and climate risks through diversification of procurement sources, and establish a flexible and resilient supply system that is less vulnerable to external conditions

Raw Material Procurement Regions and Routes



- Diversify risks through diversification of raw material procurement regions
- Establish a procurement system enabling flexible raw material supply
- Utilization of domestically produced grains, including rice and wheat
- Pursue sustainable raw material procurement with consideration for the environment and human rights

② Strategy

External Environment

- The emergence of challenges in technology succession and productivity improvement due to the decline in the domestic labor force
- Intensifying competition in the utilization of data driven by the widespread adoption of state-of-the-art technologies such as generative AI
- The need for a flexible system infrastructure capable of responding rapidly to drastic changes in the business environment

Internal Environment

- Utilization of expertise in diverse materials and customer data accumulated over 90 years since the Company's founding
- Production automation through the promotion of smart factories and SCM efficiency improvement through demand forecasting
- Improvement in development and proposal accuracy while strengthening sales capabilities through the use of AI

Business Transformation Initiatives Utilizing Data and Digital Technologies

Achieve differentiation through data and generative AI, thereby improving operational efficiency and creating new value

Roadmap

		FY2026 Construction Phase	FY2027 Implementation Phase	FY2028 Operation Phase	FY2029 Our Vision
Promotion of digitalization	Data management	Strengthening and expansion of data platform		On-site adoption and implementation	Expansion / Innovation Full-scale group-wide deployment
	Generative AI	Company-wide deployment	Advancement of digital utilization		
System	Organization	Establishment of company-wide cross-functional DX projects		Launch of a dedicated DX organization	
	Human capital development	Development of digital transformation leaders and experts			
Development of IT infrastructure		Infrastructure development / Future vision planning	Infrastructure construction and optimization		

- Transition to data-driven management
- Strengthen the data platform and upgrade governance frameworks
- Transform business processes through proprietary AI models
- Accelerate DX promotion through company-wide cross-functional organizations
- Develop digital talent to lead transformation
- Optimize IT infrastructure in line with business strategy

② Sales Strategy

External Environment

- Declining food demand, caused by Japan’s population decrease, and the diversification of consumer needs
- Worsening labor shortages in Japan’s food-related industries
- Advancement of food culture in rapidly developing Southeast Asia

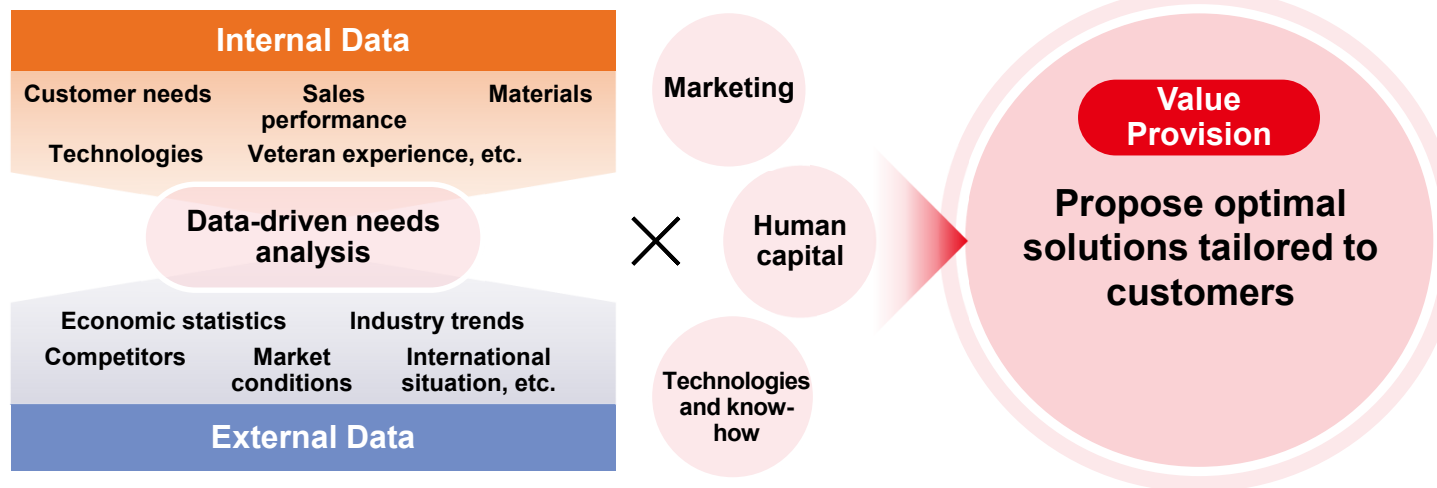
Internal Environment

- One-stop solution proposals that leverage strengths in handling multiple grains
- Deepening of market-driven proposals through organizational integration
- Advanced problem-solving capabilities leveraging diverse materials, technologies, and expertise

Initiatives to Strengthen Sales

Promote the establishment of a “trusted and preferred” Showa Sangyo brand by maximizing customer loyalty through one-stop solution proposals

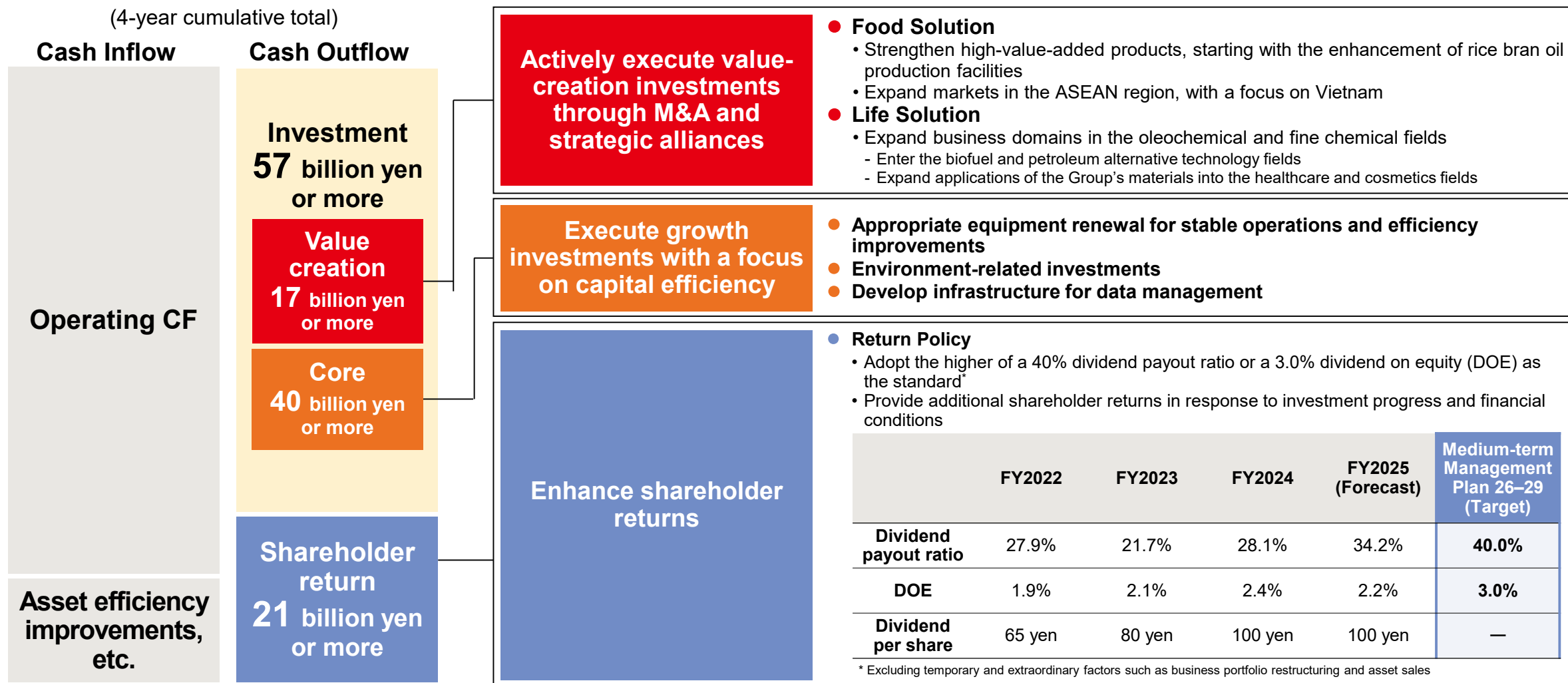
Value Creation Cycle Driven by Integration of Data and Know-How



- Leverage data-driven needs analysis and provide highly accurate solutions
- Further strengthen sales-support-oriented marketing functions
- Develop user-oriented, one-stop sales professionals
- Integrate materials and technologies to solve challenges while delivering deliciousness
- Deploy the solution proposal-oriented sales model proven successful in Japan to overseas markets

3 Investment Allocation

- Strategically strengthening fundamental profitability and divesting cross-shareholdings to achieve an 8% ROE
- Balancing growth investments and shareholder returns to sustainably enhance corporate value



Key Challenges for Sustainable Growth

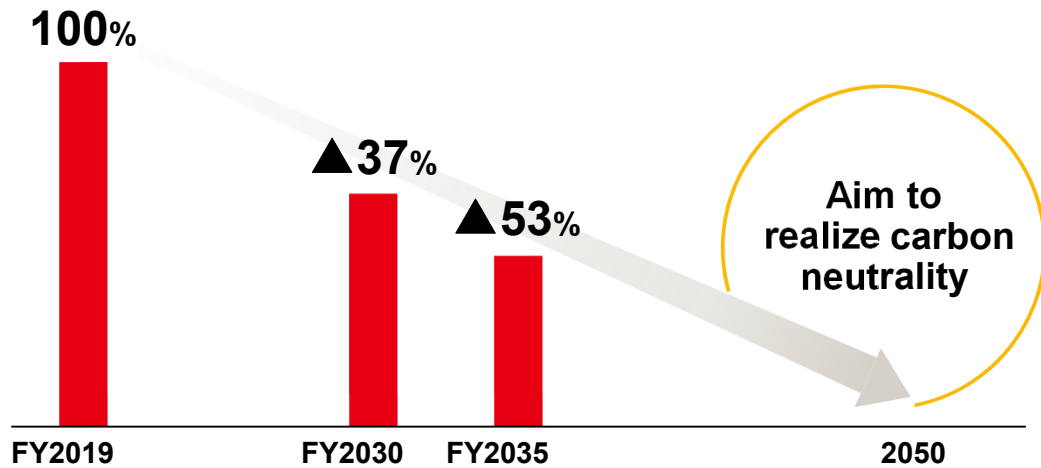
Materiality	Themes to Address	Major Risks	Main Opportunities
Pursuit of the potential of grain-derived materials	<ul style="list-style-type: none"> • Exploration of the value of grains • Pursuit of new applications • Utilization of untapped resources 	<ul style="list-style-type: none"> • Decline in competitiveness 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 • Capturing new markets through utilizing by-products and untapped resources • Strengthening of technological capabilities and resources through external collaboration • Establishment of competitive advantage through intellectual property strategy
Contribution to food 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 provision of products trusted by society	<ul style="list-style-type: none"> • Sustainable and stable production • Provision of safe, reliable, and high-quality products • Stable and sustainable procurement • Environment- and people-friendly logistics 	<ul style="list-style-type: none"> • Health damage caused by-product incidents • Tightening of global grain supply and demand • Insufficient environmental and human rights measures in 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 advanced food safety • Establishment of a sustainable and stable supply system
Realization of a sustainable global environment for the future	<ul style="list-style-type: none"> • Response to climate change • Conservation of water resources • Biodiversity conservation 	<ul style="list-style-type: none"> • Instability in raw material production caused by climate change • Operational shutdown 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 evaluation • Capturing new market opportunities through J-Credit generation • Expansion of biomass applications as renewable energy feedstock
Strengthening of human capital and organizational capabilities	<ul style="list-style-type: none"> • Cultivation of organizational culture • Improvement in job satisfaction • Human capital management • Promoted D&I 	<ul style="list-style-type: none"> • Higher difficulty in acquiring and retaining human capital • 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
Integrity-driven management	<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

New Group Environmental Targets for Decarbonization and Environmental Impact Reduction

With decarbonization positioned as a key management priority and, alongside achieving the 2050 targets, simultaneously promote multifaceted initiatives to reduce environmental impact, including food loss and water consumption reduction

Item	Base Year	Target Year	Target
Reduction of GHG emissions (Scopes 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 (intensity basis)
Reduction of plastic*1 usage	FY2013	FY2030	Oil handy bottle*2: ▲12% or more (intensity basis)
	-	FY2030	Premix: Number of environmentally friendly brands*3 70% or more

GHG Emissions Reduction Targets (Scope 1, 2)



Energy conservation / 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 / Renewable energy utilization

- Fuel conversion for 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 / 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 (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 Brands with a plastic usage reduction rate of 10% or higher (vs. FY2014 plastic usage)

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



Strengthening Stakeholder Engagement

Realize management that earns trust and meets stakeholder expectations through transparent disclosure and two-way dialogue



Grain Solution Company: Future Brand Development

Corporate Brand Logo

Streamlined brand variations to promote unified group operations and improve visibility

Packaging, TV commercials, etc.



Grain Solution Company

Business cards, integrated reports, etc.



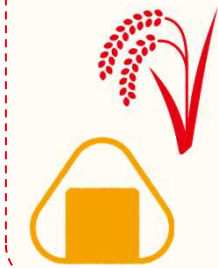
Showa Sangyo Group

Business Diagram

Added a “rice” element to represent the grains handled by the Showa Sangyo Group



Added items





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 Medium-term Management Plan or assume any obligation to do so, regardless of future information, events or consequences caused by them.