

# Financial Results Briefing for the First Half of FY2025 (Ending March 31, 2026)

November 14, 2025



- 1 Financial Results for the First Half of FY2025**
- 2 Earnings Forecast for FY2025
- 3 Progress of Medium-Term Management Plan 23–25
- 4 Initiatives for Management Conscious of Cost of Capital and Stock Price
- 5 Other Topics

# Financial Highlights for the First Half of FY2025

Net sales

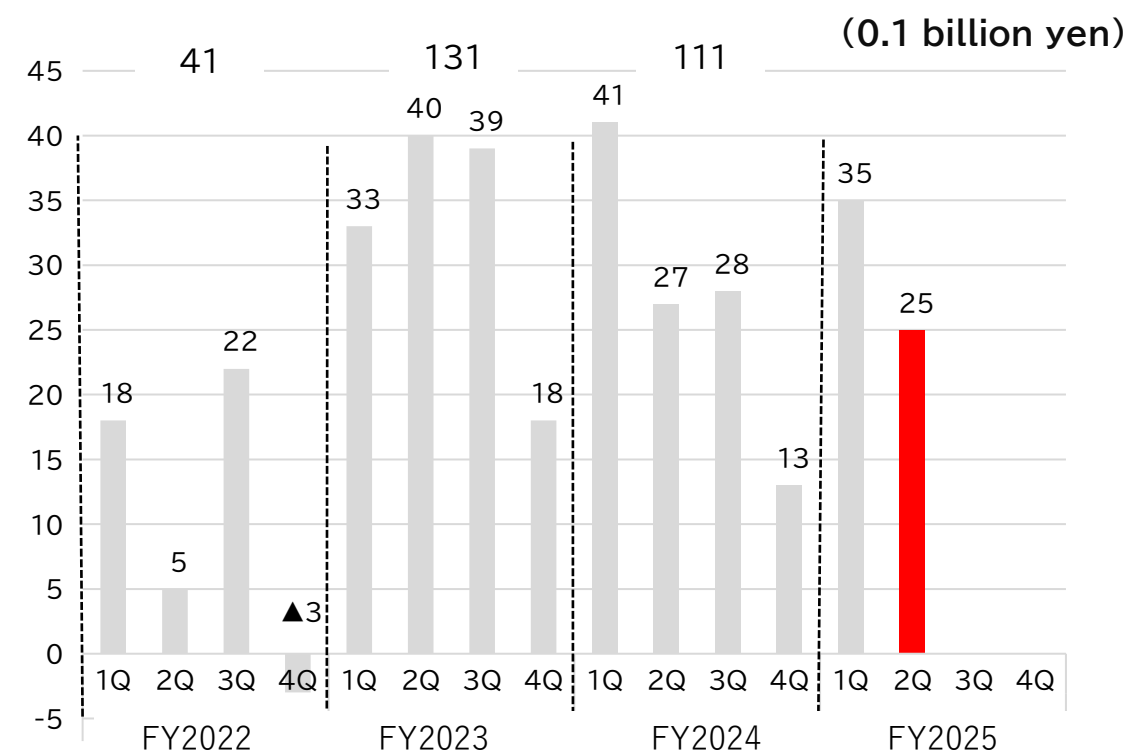
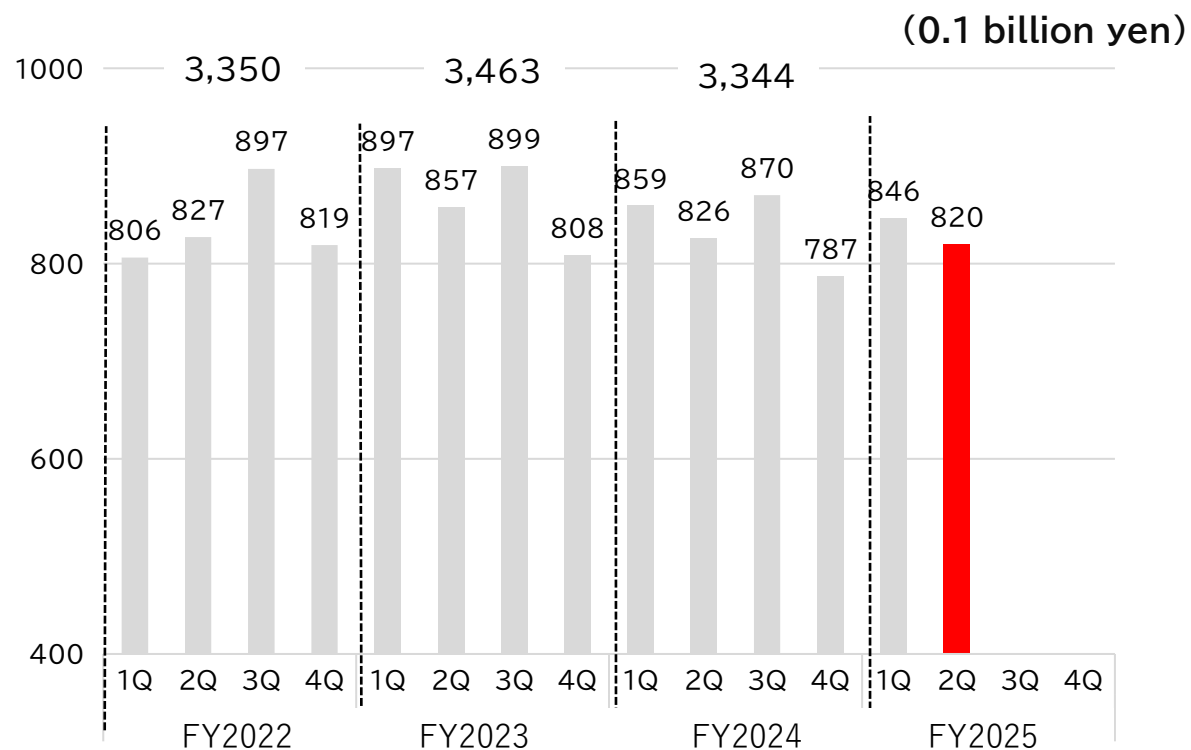
**166.7** billion yen

Net sales decrease  
 ▲1.8 billion yen  
 Percentage change  
 ▲1.1%

Operating profit

**6.0** billion yen

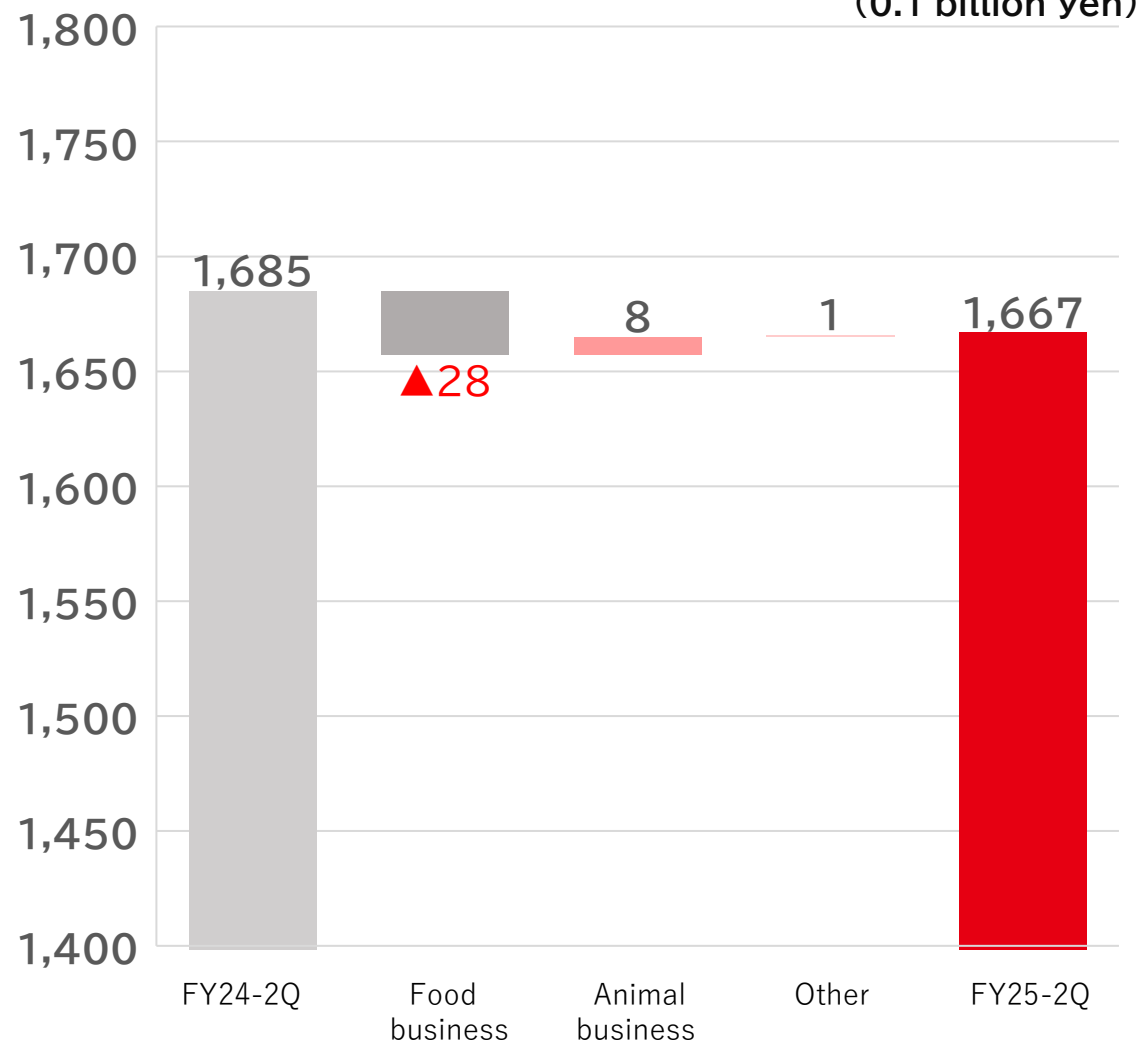
Profit decrease  
 ▲0.8 billion yen  
 Percentage change  
 ▲11.8%



# Financial Highlights for the First Half of FY2025

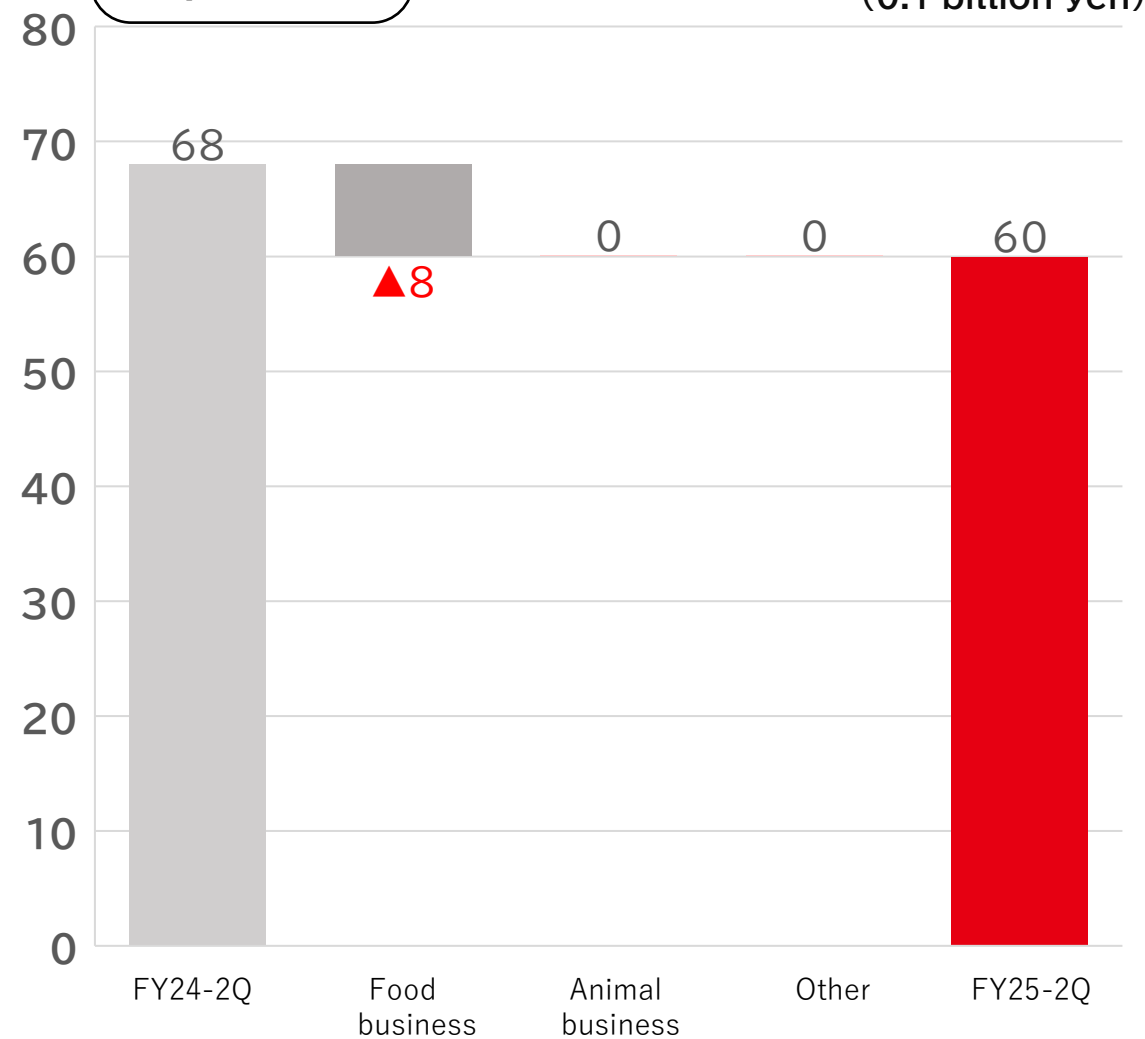
Net sales

**166.7** billion yen  
(0.1 billion yen)

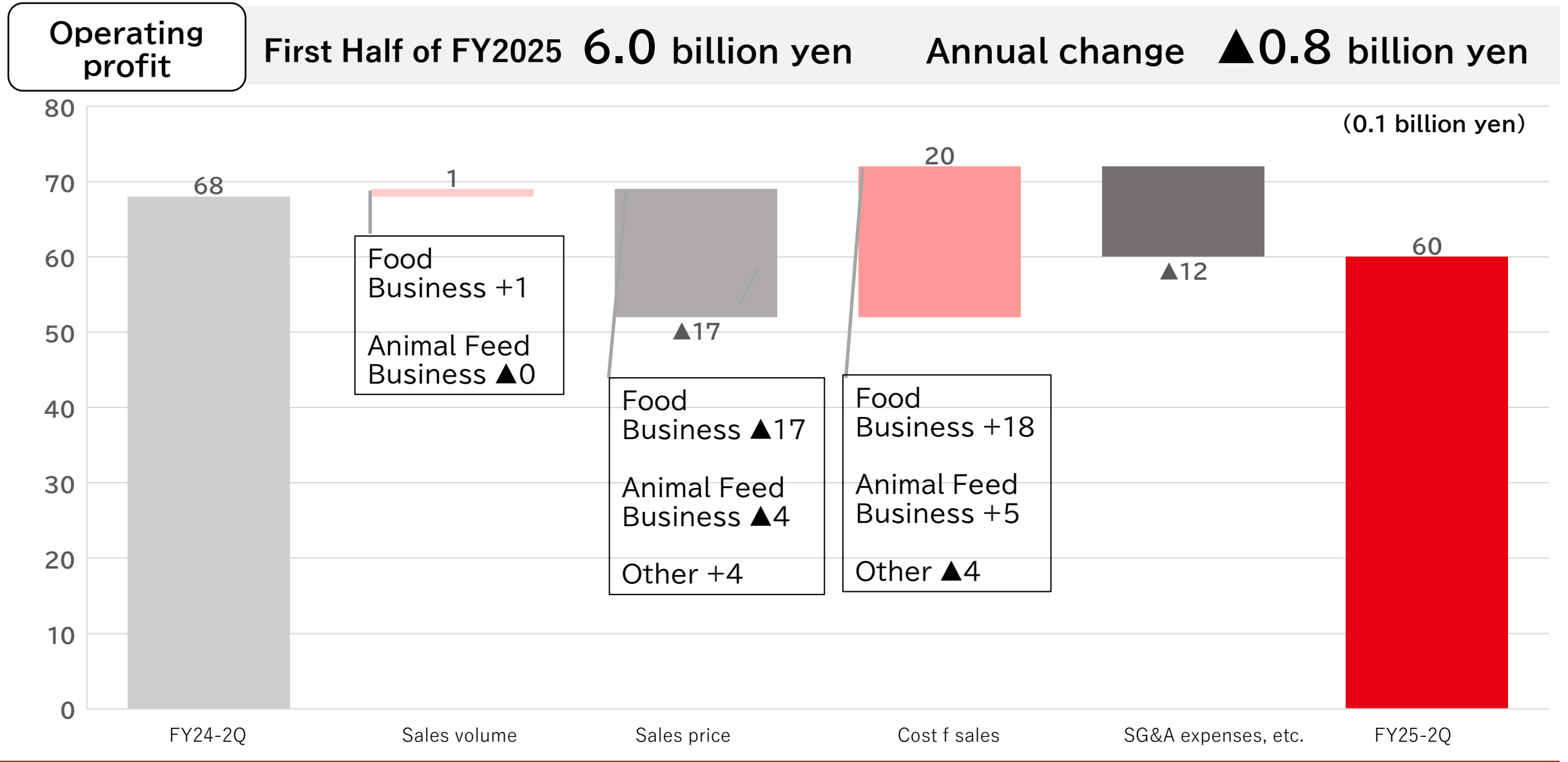


Operating profit

**6.0** billion yen  
(0.1 billion yen)



# Factors for Changes in Operating Profit for the First Half of FY2025



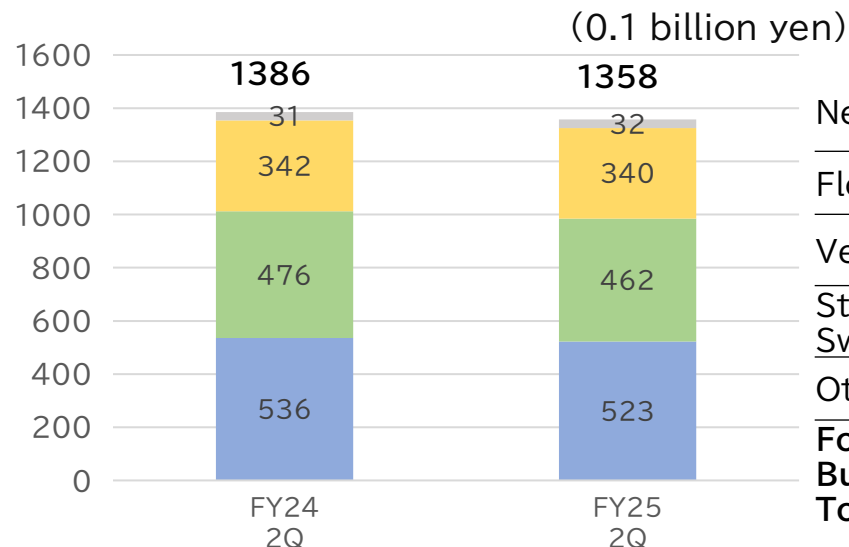
# Net sales and Operating profit by segment for the First Half of FY2025

## Food Business Net sales

FY25-2Q **135.8**  
billion yen

Annual change **▲2.8**  
billion yen

Percentage change **▲2.0%**



(0.1 billion yen)

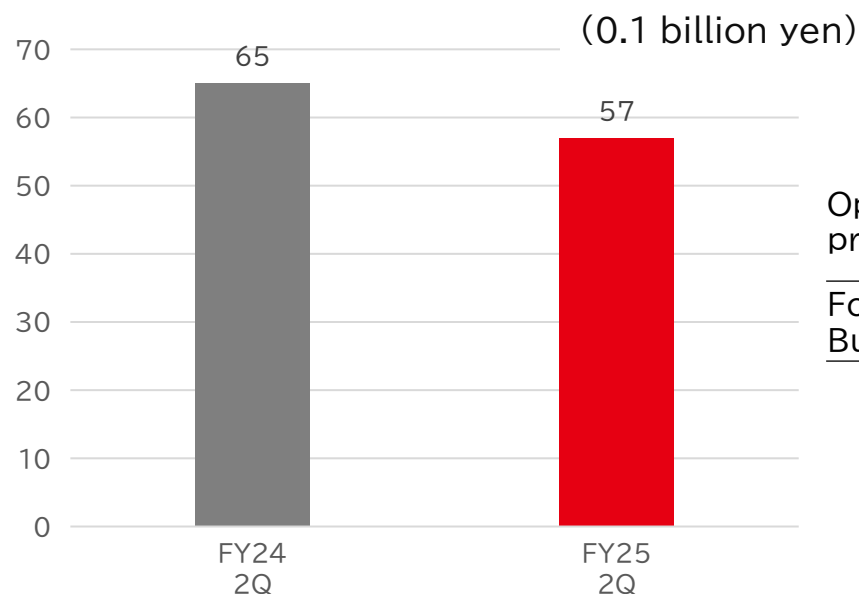
Net sales	FY24 2Q	FY25 2Q	Annual change	Percentage change
Flour milling	536	523	▲13	▲2.4%
Vegetable oils	476	462	▲13	▲2.9%
Starches and Sweeteners	342	340	▲2	▲0.7%
Other food	31	32	1	3.0%
<b>Food Business Total</b>	<b>1,386</b>	<b>1,358</b>	<b>▲28</b>	<b>▲2.0%</b>

## Food Business Operating profit

FY25-2Q **5.7**  
billion yen

Annual change **▲0.8**  
billion yen

Percentage change **▲12.6%**



(0.1 billion yen)

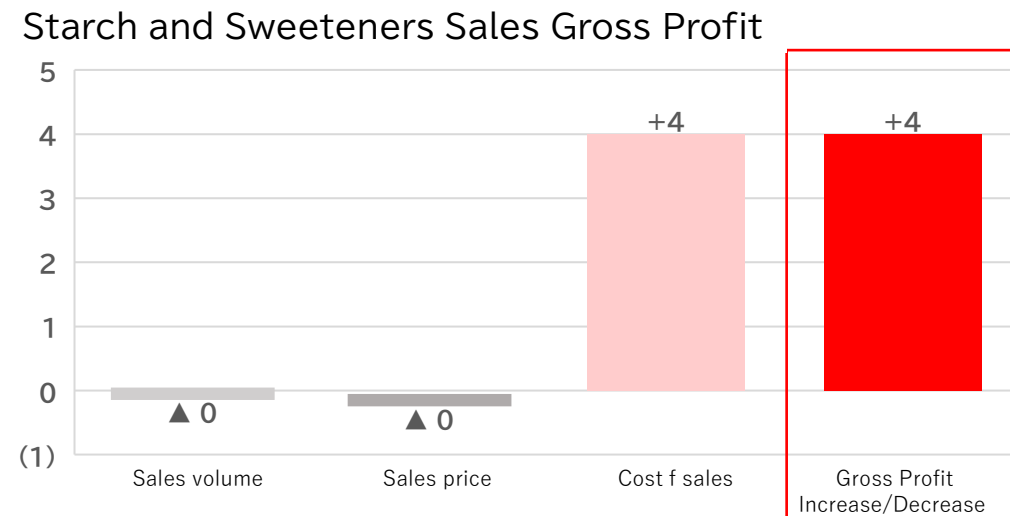
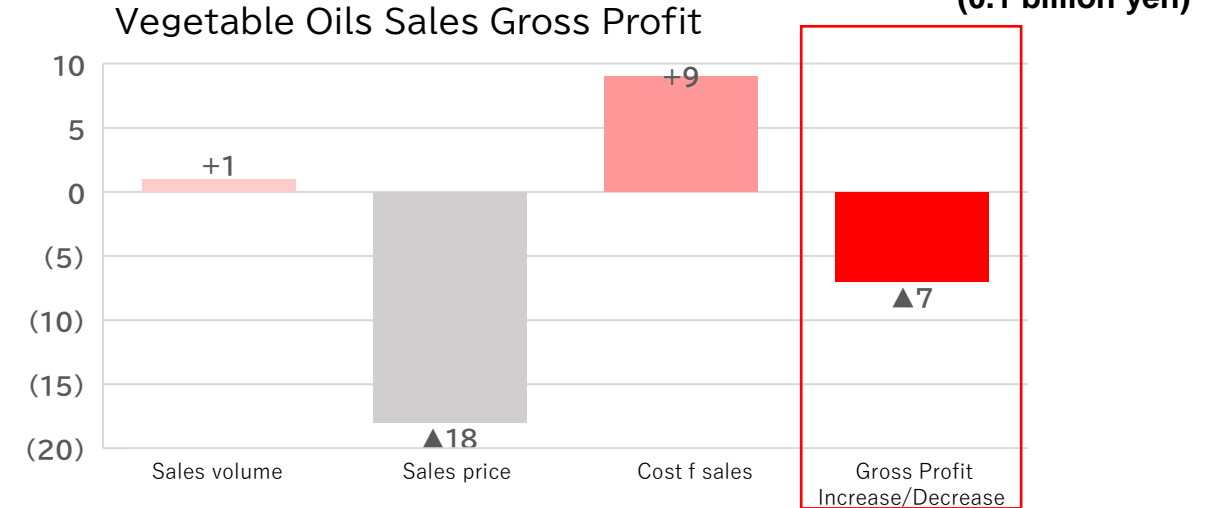
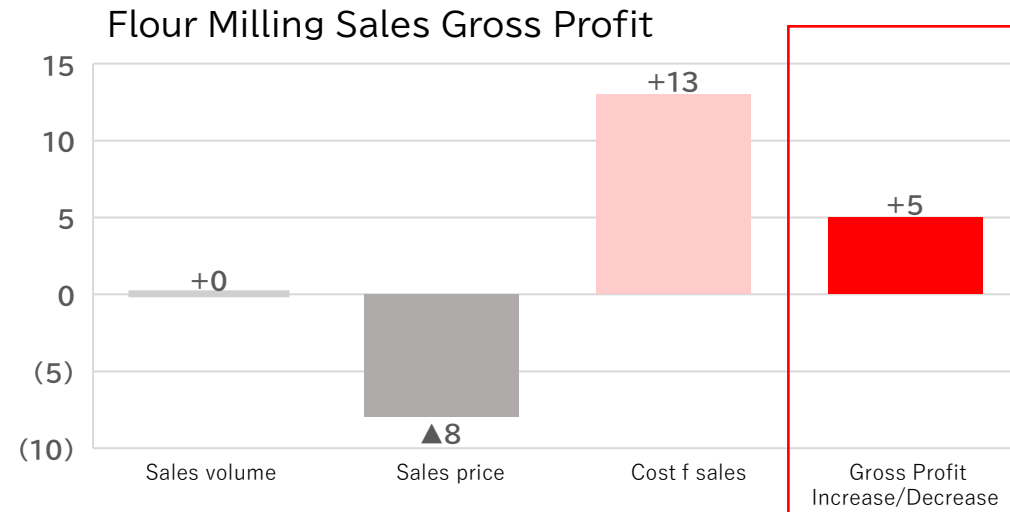
Operating profit	FY24 2Q	FY25 2Q	Annual change	Percentage change
Food Business	65	57	▲8	▲12.6%



# Factors for Changes in Operating Profit for the First Half of FY2025 (by Food Business Category)

## Food Business operating profit

First Half of FY2025 **5.7 billion yen**      Annual change **0.8 billion yen**



**Difference in sales gross profit (3 categories + other)**  
**+0.3 billion yen**

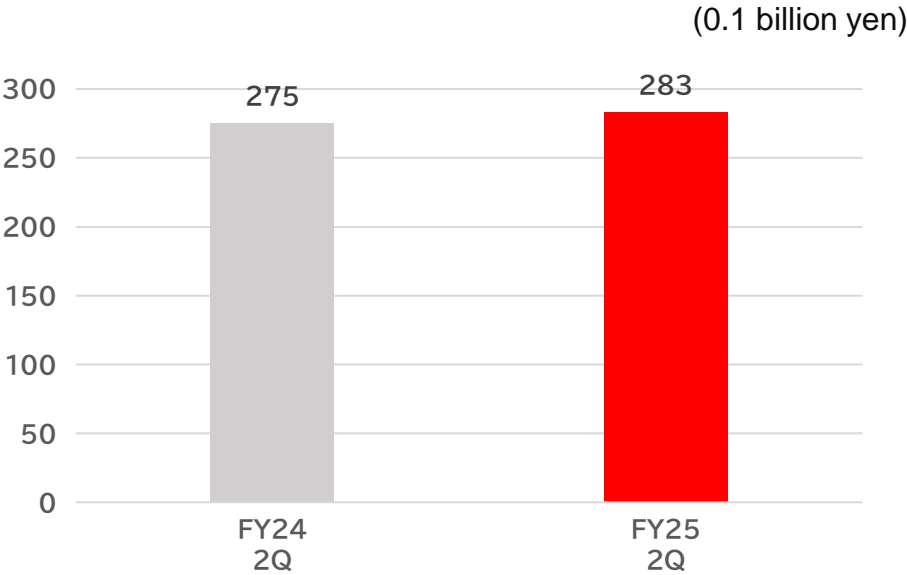
**Difference in SG&A expenses, etc.**  
**▲1.1 billion yen**

**Difference in operating profit of Food Business**  
**▲0.8 billion yen**

# Net sales and operating profit by segment for the First Half of FY2025

## Animal Feed Business Net sales

FY25-2Q	28.3 billion yen
Annual change	0.8 billion yen
Percentage change	3.0%

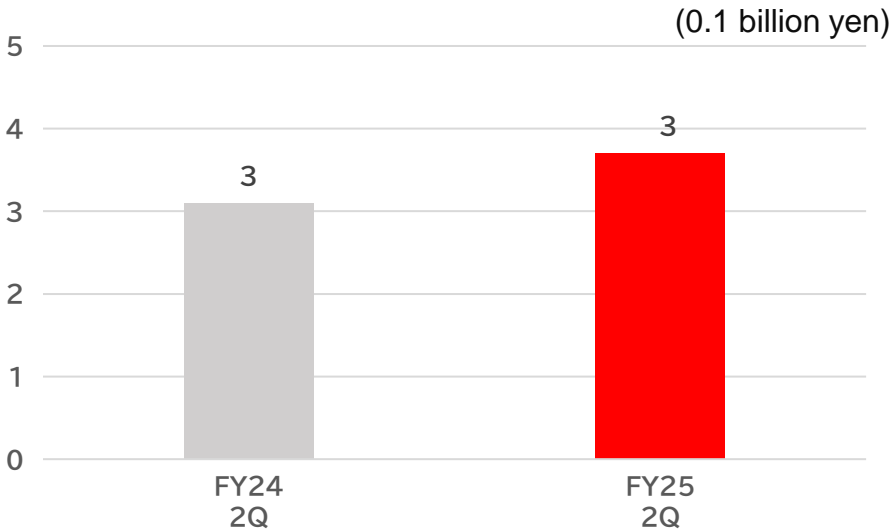


(0.1 billion yen)

Net sales	FY24 2Q	FY25 2Q	Annual change	Percentage change
Animal Feed Business	275	283	8	3.0%

## Animal Feed Business Operating profit

FY25-2Q	0.3 billion yen
Annual change	0.0 billion yen
Percentage change	16.8%



(0.1 billion yen)

Operating profit	FY24 2Q	FY25 2Q	Annual change	Percentage change
Animal Feed Business	3	3	0	16.8%



# Consolidated Balance Sheets

(0.1 billion yen)

Item	End of March 2025	End of Sep 2025	Change
Total assets	2,555	2,616	61
Current assets	1,127	1,119	▲8
Non-current assets	1,427	1,497	69
Total liabilities	1,168	1,156	▲12
Interest-bearing debt	505	526	20
Other liabilities	662	630	▲32
Total net assets	1,386	1,459	73

## ■Cost environment [Raw materials, Exchange rates, Energy]

	FY2024 (Ending March 31, 2025)				FY2025 (Ending March 31, 2026)		
	1Q	2Q	3Q	4Q	1Q	2Q	Assumptions
Wheat yen/t ※1	68,240	67,810	67,810	66,610	66,610	63,570	63,451
Soybean ¢/Bu ※2	1,171	1,168	1,000	1,002	1,024	1,036	1,039
Rapeseed C\$/MT ※3	609	632	598	619	634	703	628
Corn ¢/Bu ※4	429	430	398	446	471	428	460
Sea freight US\$/t ※5	62.3	62.3	57.2	45.4	45.8	51.6	55.0
Exchange rate Yen/US\$ ※6	150.96	157.44	144.65	154.67	148.40	145.38	148.00
LNG yen/kg ※7	94.8	93.8	92.1	97.0	91.5	85.7	94.5

- \*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

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# Earnings Forecast for FY2025

- Net sales are expected to be 340.0 billion yen, slightly increased from the previous year
- Operating profit is expected to be 11.0 billion yen, almost unchanged from a year earlier
- The difference in profit comes from the gain on transfer of non-current assets in the previous year

(0.1 billion yen)		FY2024	FY2025 forecast	Change (Year-on-Year)	Percentage of change (Year-on-Year)
Net sales	Food	2,735	2,764	29	
	Animal feed	561	586	24	
	Other	47	49	1	
	Total	3,344	3,400	55	1.7%
Operating profit	Food	109	107	▲2	
	Animal feed	4	7	3	
	Other	14	13	▲1	
	Company-wide expenses, etc.	▲17	▲17	0	
	Total	111	110	▲1	▲1.1%
Ordinary profit		135	130	▲5	▲4.4%
Profit		115	95	▲20	▲18.1%

# Earnings Forecast for FY2025 (Operating Profit)

Operating  
profit

Forecast for FY2025 **11.0** billion yen      Annual change **▲0.1** billion yen



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# Five Key Strategies of Medium-Term Management Plan 23–25

## 1 Strengthening Our Core Businesses

1. Evolution of the “Grain Solution”
  - Enhancement of sales by transformation into “one-stop” sales system
2. Expansion of business and enhancement of profitability through Group collaboration
3. Optimization of product composition
4. Expansion of value-added products sales through a differentiation strategy
5. Strengthening stable procurement

## 2 Expansion of Our Business Fields

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



**Sophistication of sustainability management to support our Group’s sustainable growth**






## 3 Reducing Burden on the Environment

## 4 Rebuilding Our Platform




## 5 Enforcing Stakeholder Engagement

# Progress of Priority Measures

## Key Strategy (1): Strengthening Our Core Businesses

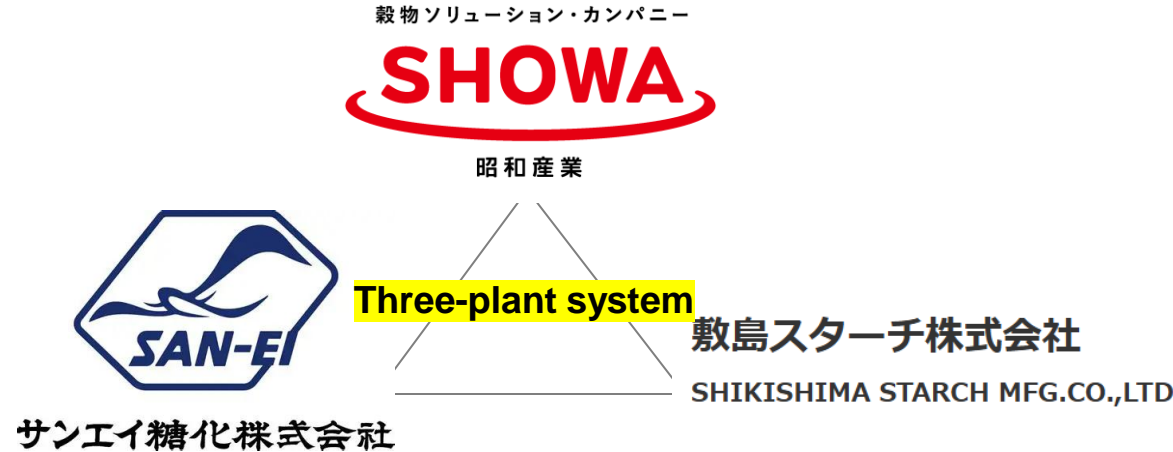
1. Evolution of the “Grain Solution”		Strengthening proposal capabilities through sales organization restructuring
2. Expansion of business and enhancement of profitability through Group collaboration		Strengthening profitability through optimization of production facility operations as an integrated Group
3. Optimization of product composition		Expanding sales of corn oil and rice bran oil as new oil types
4. Expansion of value-added products sales through a differentiation strategy		Creating new markets through solution-oriented sales from a user-oriented perspective
5. Strengthening stable procurement		Promoting diversification of procurement regions for stable procurement

## Key Strategy (2): Expansion of Our Business Fields

1, 2. Expansion of overseas business and export business		Expanding export business by creating and strengthening contacts with overseas customers
3. Expansion of frozen food businesses		Strengthening the frozen food business structure through integration of Toukatsu Foods into the Group
4. Challenge to new businesses		Launching new plant-based brand and forming capital and business alliance with Phytochem Products



## Stable supply



## Differentiated products



Crystalline glucose



Oligosaccharide acid

# Establishing a strong positioning in the starch and sweetener industry

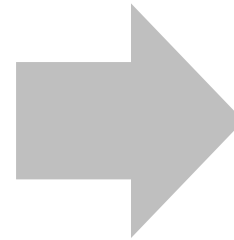
Growing to industry-leading level  
in both volume and quality

Achieving stable profitability less  
susceptible to market fluctuations



## Toward Reducing Volatility in the Vegetable Oils Category —Establishing a Corn Oil Supply Chain and Creating a Market—

Linked to demand for  
saccharified products  
Unstable raw material supply



**Establishing stable  
production system**

### Current initiatives

Identifying aromatic  
components of corn oil  
and presenting at  
academic conferences

### Future developments

Redefining the value of corn  
oil and creating markets



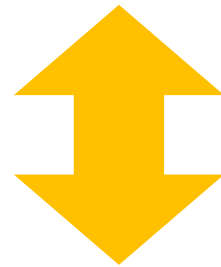


# Participating in development of an industry-wide cross-sectoral platform for grain and oilseed imports to contribute to industry-wide efficiency and DX promotion

No. 1 in Japan in  
grain handling  
volume

First participation by a non-trading company as a social responsibility

## Supporting Japan's food infrastructure



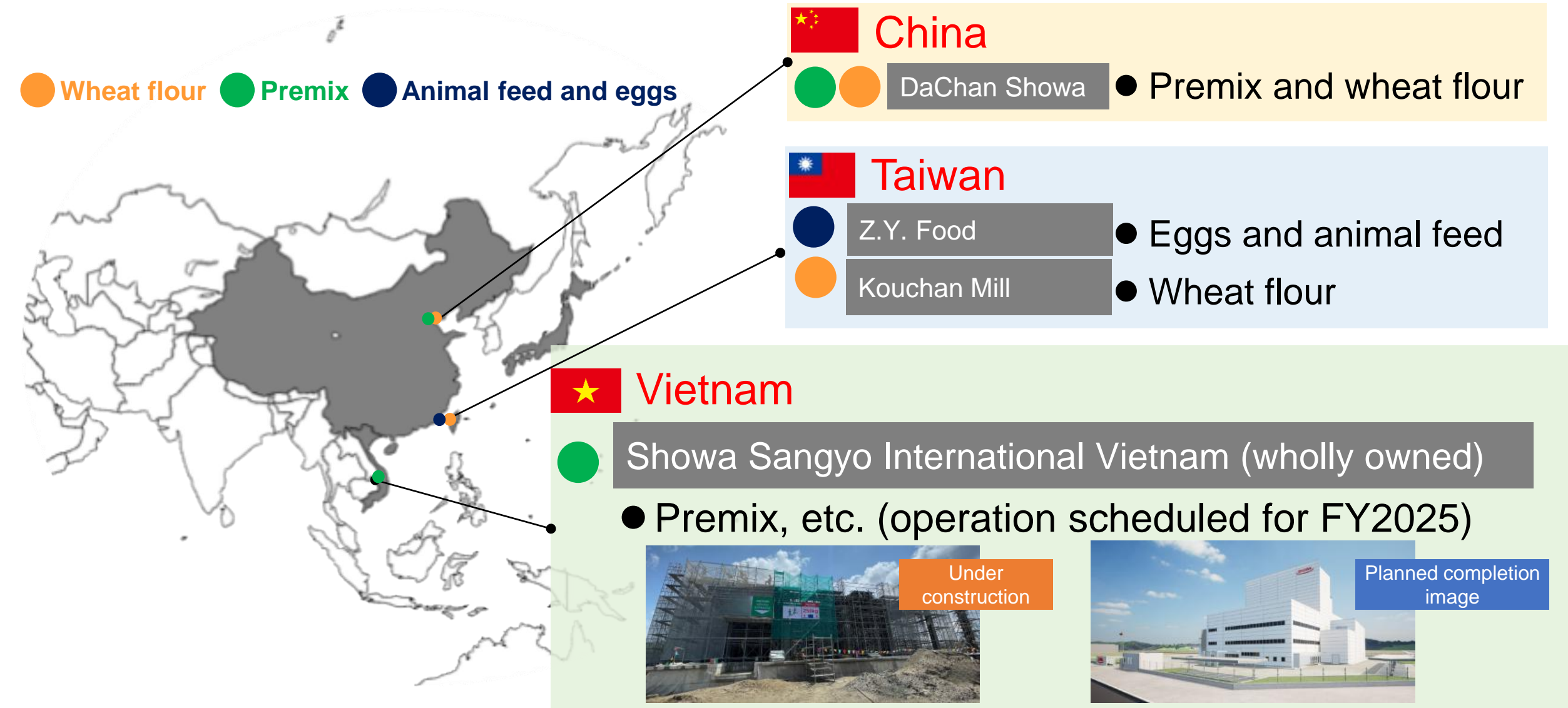
**Efficiency × Handling volume = Receiving the most benefits**



Industry-wide cross-sectoral platform: Tradewaltz for Grain Importers



## 1, 2. Expansion of overseas businesses





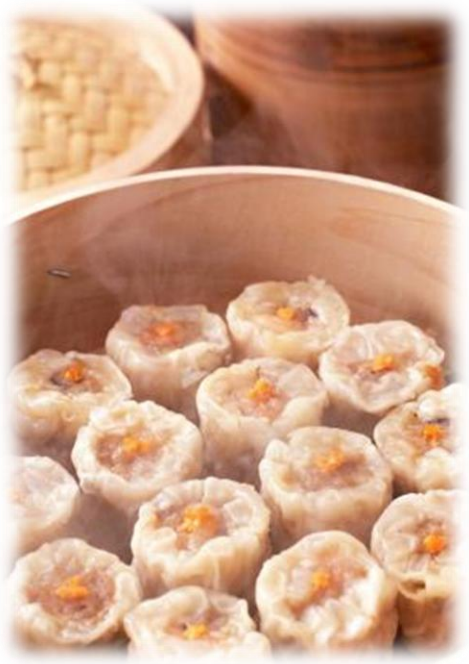


Making Toukatsu Foods Co., Ltd. a wholly-owned subsidiary  
Further strengthening the frozen food business structure and achieving further business growth



東葛食品株式会社

Company name:	Toukatsu Foods Co., Ltd.
Location:	1-5-32 Higashihatsutomi, Kamagaya-shi, Chiba
Representative:	Riichirou Tazawa, President
Established:	September 19, 1966
Capital:	99.8 million yen
Main business:	Manufacturing and sales of Chinese steamed buns, Chinese side dishes, and others





# Roadmap for Oleochemical and Fine Chemical Business

### Building business structure

- Capital and business alliance with Phytochem Products (PCP)
- PCP bench-scale facility operations



### Pilot development

- Establishing mass production technology at PCP development plant
- Participating in decarbonization promotion project in Sosa City



### Business expansion

- Business commercialization through operation of PCP mass production plant
- License and engineering business development
- Overseas expansion

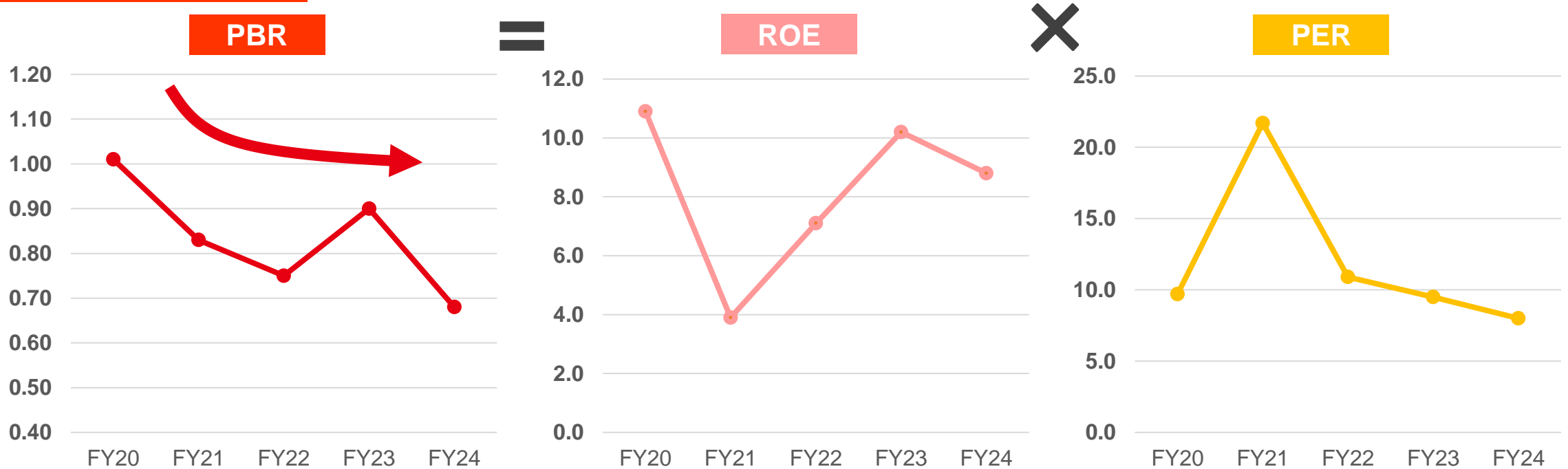
**“Oleo Chemical/ Fine Chemical”**  
Upcycling by-products from plant oil manufacturing processes into substitutes for petrochemical products or high-value-added materials

Present

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# Current Recognition of PBR

## PBR decomposition



## Our recognition

- PBR has been below 1.0x since FY2021, recognizing that low management efficiency (ROE) and low expected growth rate (PER) are the causes
- ROE has been in the 8% range, achieving the target of 7.0% or higher for FY2025, the final fiscal year of the Medium-Term Management Plan  
⇒ Aiming for further improvement
- Need to present specific measures that support sustainable growth potential to improve PER

# Initiatives for Enhancing Corporate Value

PBR

=

ROE

×

PER

Recognizing urgent need to improve ROE/PER to enhance PBR

PBR

ROE	<p>Medium-Term Management Plan 23–25 target: 7.0 or higher</p> <p>Not only reliably achieve target value but also aim for further improvement</p>	Improving profitability	<p>Improving capital profitability of core businesses through <b>ROIC management</b></p> <p>Solution proposal-oriented sales</p>
		Improving asset efficiency	<p>Sale of cross-shareholdings and idle real estate ⇒ Gradual promotion of <b>asset-light management</b></p>
PER	<p>Presenting specific measures that support sustainable growth potential</p> <p>Strengthening SR and IR activities to promote understanding of our growth strategy</p>	Improving expected growth rate	<p>Strengthening initiatives for next-generation businesses by <b>accelerating investment</b> in new businesses</p>
		Further strengthening IR and SR activities	<p>Promoting <b>careful dialogue</b> with shareholders and investors <b>Strengthening shareholder returns</b> ⇒ Appropriate stock price formation</p>

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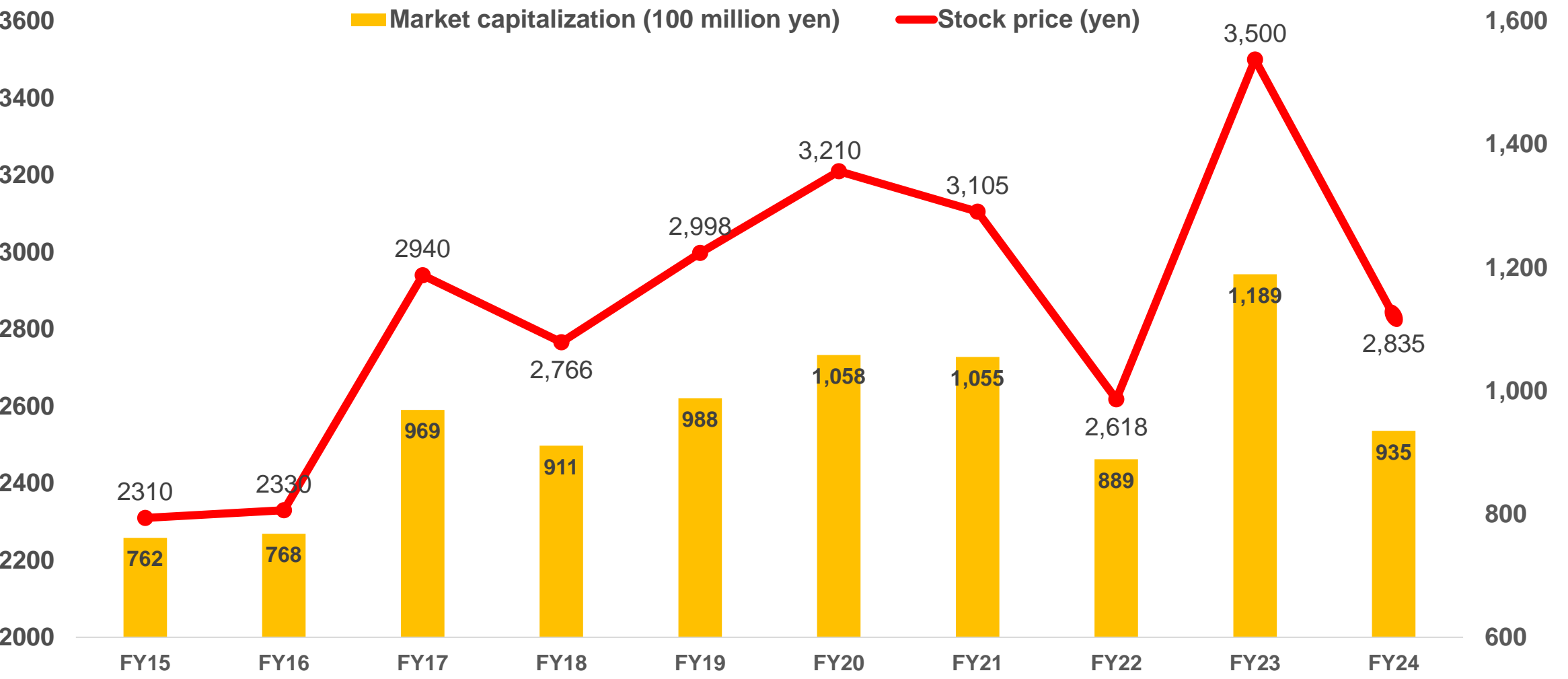


## Enforcing Stakeholder Engagement



# Reference Material

# Stock Price Trend



\* A share consolidation was conducted on October 1, 2017, at a ratio of 1 share for every 5 shares of common stock, and the figures for the fiscal year ended March 2018 and earlier are based on the stock price at the end of March after adjustment for the share consolidation.

# Consolidated Cash Flows

(0.1 billion yen)

Item	First half of FY2024	First half of FY2025	Change
Operating cash flow	77	73	▲3
Investment cash flows	▲48	▲89	▲41
Acquisition of property, plant and equipment	▲74	▲69	4
Sale of property, plant and equipment	29	0	▲29
Other	▲4	▲2	2
Free cash flow	28	▲15	▲44
Financing cash flows	▲14	▲1	13
Cash and cash equivalents at end of period	95	50	▲44

# 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	—	—	63,610	—	—
	Animal feed	13,444	13,953	508	14,068	14,375	307	14,670	—	—	13,979	—	—
	Other	1,169	1,280	110	1,206	1,236	29	1,187	—	—	1,165	—	—
	Total	85,929	84,647	▲1,282	82,653	82,054	▲598	87,086	—	—	78,755	—	—
Operating profit	Food	3,971	3,374	▲596	2,592	2,360	▲231	3,068	—	—	1,343	—	—
	Animal feed	112	136	23	204	234	30	14	—	—	153	—	—
	Other	385	379	▲6	351	362	10	344	—	—	345	—	—
	Company-wide expenses, etc.	▲350	▲355	▲5	▲400	▲437	▲37	▲549	—	—	▲461	—	—
	Total	4,118	3,534	▲584	2,748	2,520	▲228	2,877	—	—	1,381	—	—

# 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	—	—	24,895	—	—
	Vegetable oils	25,024	23,473	▲1,550	22,601	22,770	169	24,349	—	—	21,900	—	—
	Starches and Sweeteners	17,343	17,228	▲115	16,908	16,774	▲133	16,380	—	—	15,179	—	—
	Other	1,621	1,768	147	1,545	1,492	▲53	2,675	—	—	1,634	—	—
	<b>Total</b>	<b>71,315</b>	<b>69,413</b>	<b>▲1,901</b>	<b>67,377</b>	<b>66,441</b>	<b>▲936</b>	<b>71,229</b>	<b>—</b>	<b>—</b>	<b>63,610</b>	<b>—</b>	<b>—</b>





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## 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.