

Financial Results Briefing for FY2025 (Ended March 31, 2025)

May 20, 2025



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Overview of Financial Results for FY2025

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Earnings Forecast for FY2026

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Progress of Medium-Term Management Plan 23–25

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Other Topics

Financial Highlights for FY2025

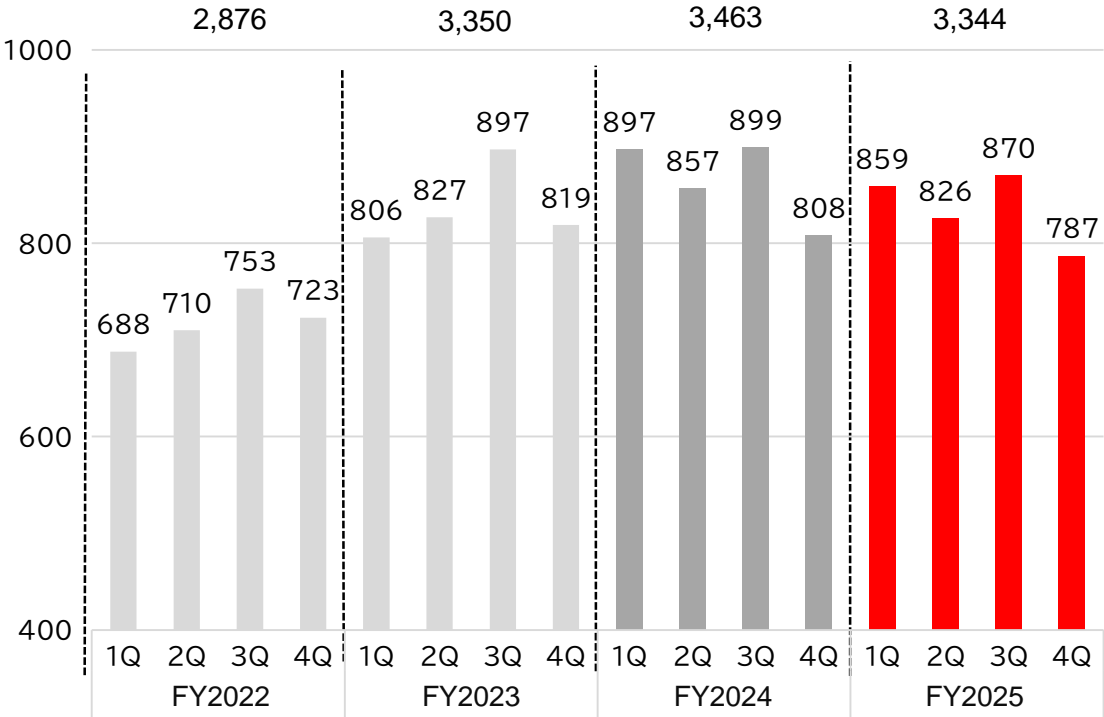
Net sales

334.4 billion yen

Net sales decrease
▲11.9 billion yen
Percentage change
▲3.4%

- Net sales decreased due to lower selling prices resulting from lower raw material prices, despite an increase in sales volume

(0.1 billion yen)



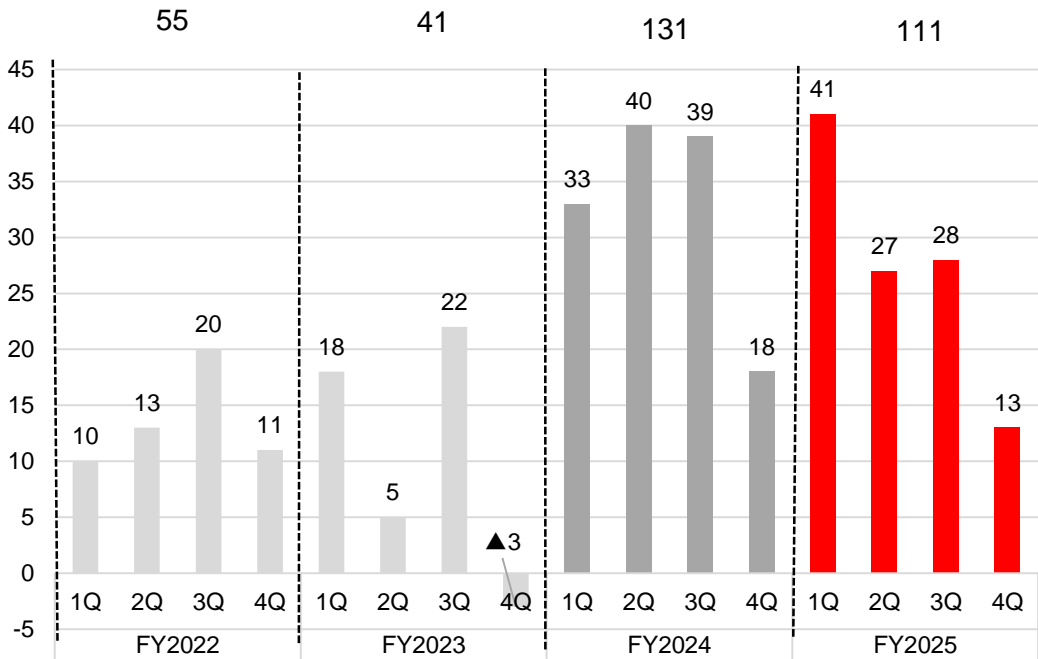
Operating profit

11.1 billion yen

Profit decrease
▲2.0 billion yen
Percentage change
▲15.4%

- Sales volume increased, but this was almost offset by a lower sales price and increased cost of sales
- Profit decreased due to higher SG&A expenses, including personnel and distribution expenses

(0.1 billion yen)



Financial Highlights for FY2025

Net sales

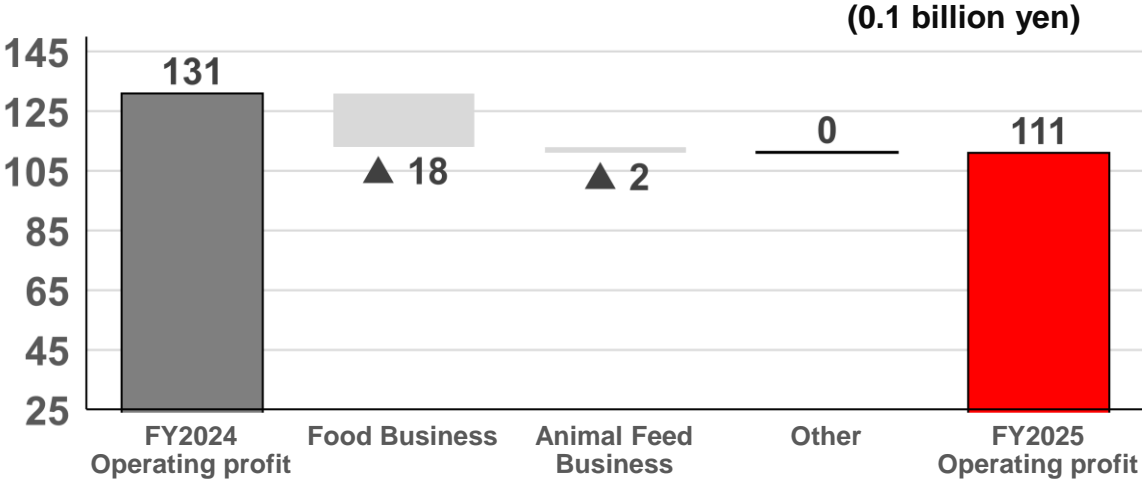
334.4 billion yen

[Annual change]

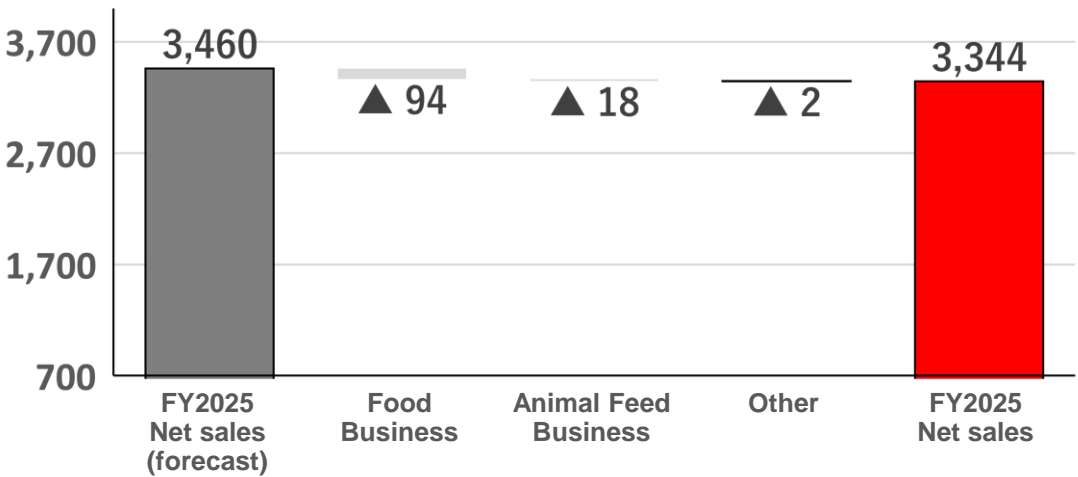


Operating profit

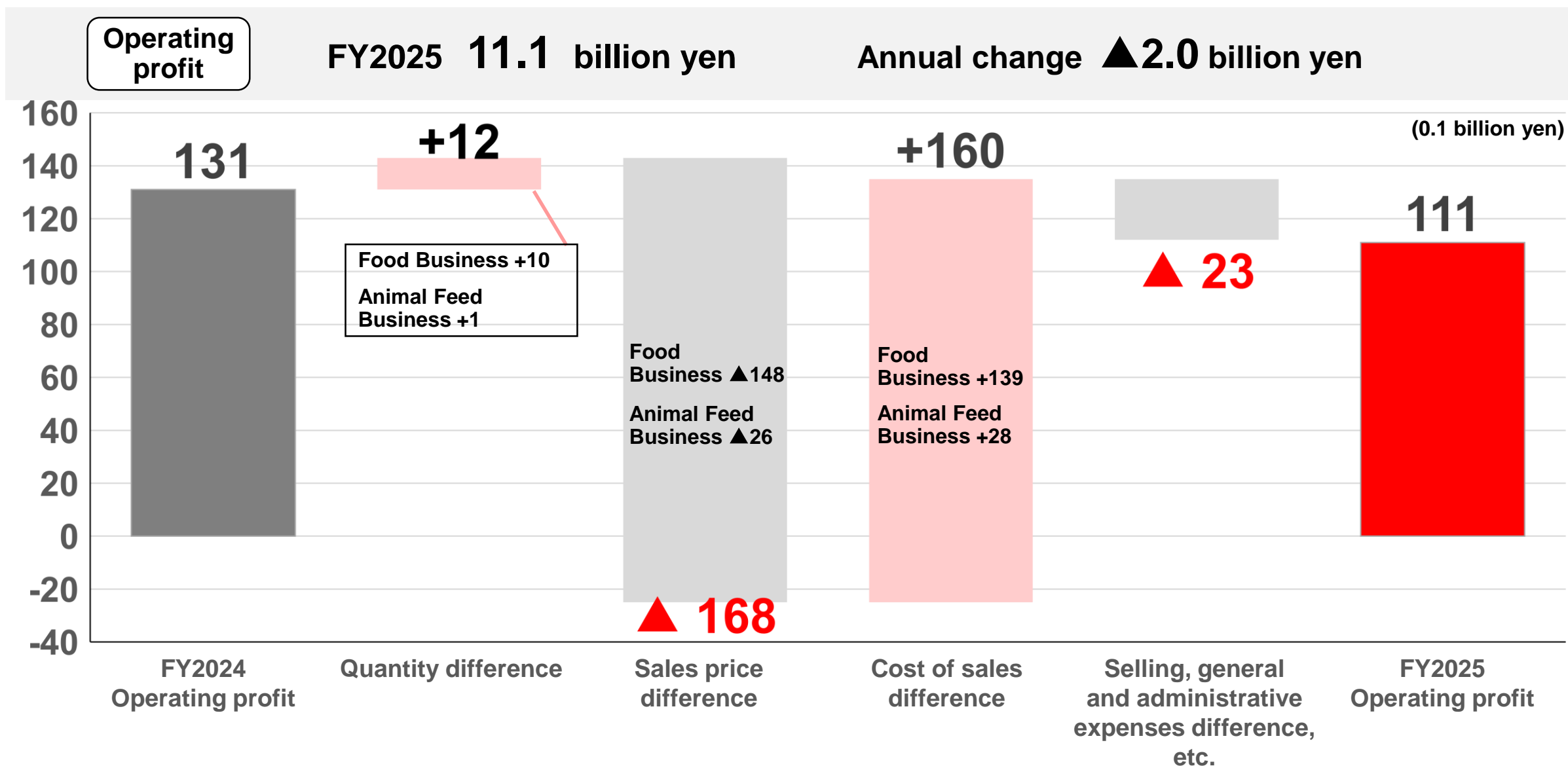
11.1 billion yen



[Difference from forecast]



Factors for Changes in Operating Profit for FY2025



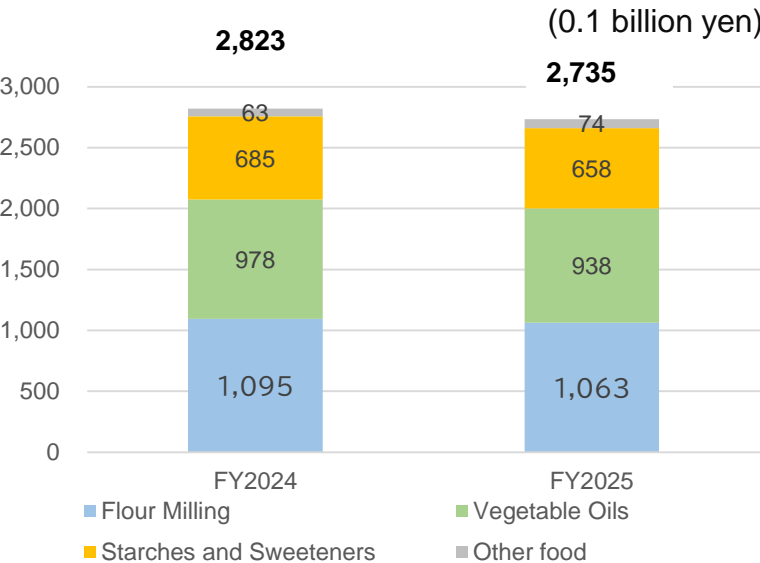
Net Sales and Operating Profit by Segment for FY2025

Food Business Net sales

FY2025 273.5 billion yen

Annual change ▲8.7 billion yen

Percentage change ▲3.1%



Net sales decreased due to lower selling prices compared with the previous year, resulting from lower prices of main raw materials, despite an increase in sales volume

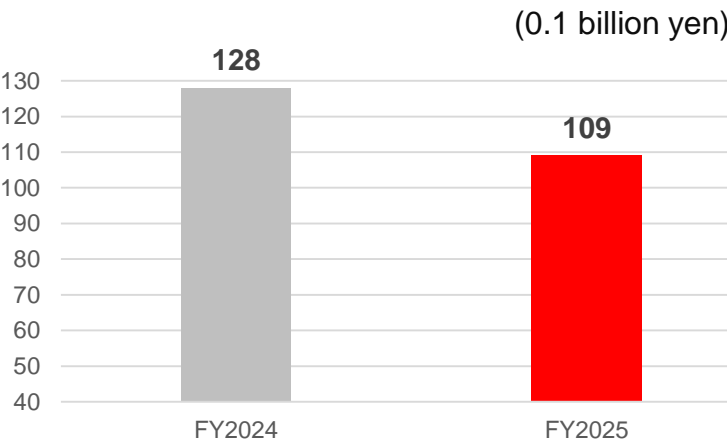
Net sales	FY2024	FY2025	Annual change	Percentage change
Flour Milling	1,095	1,063	▲31	▲2.9%
Vegetable Oils	978	938	▲39	▲4.1%
Starches and Sweeteners	685	658	▲27	▲4.0%
Other food	63	74	11	17.6%
Food Business Total	2,823	2,735	▲87	▲3.1%

Food Business Operating profit

FY2025 10.9 billion yen

Annual change ▲1.8 billion yen

Percentage change ▲14.6%



Sales volume increased from the previous year due to a recovery in demand and the implementation of sales measures to take advantage of such an opportunity, but profit decreased due to the significant impact of increased SG&A expenses

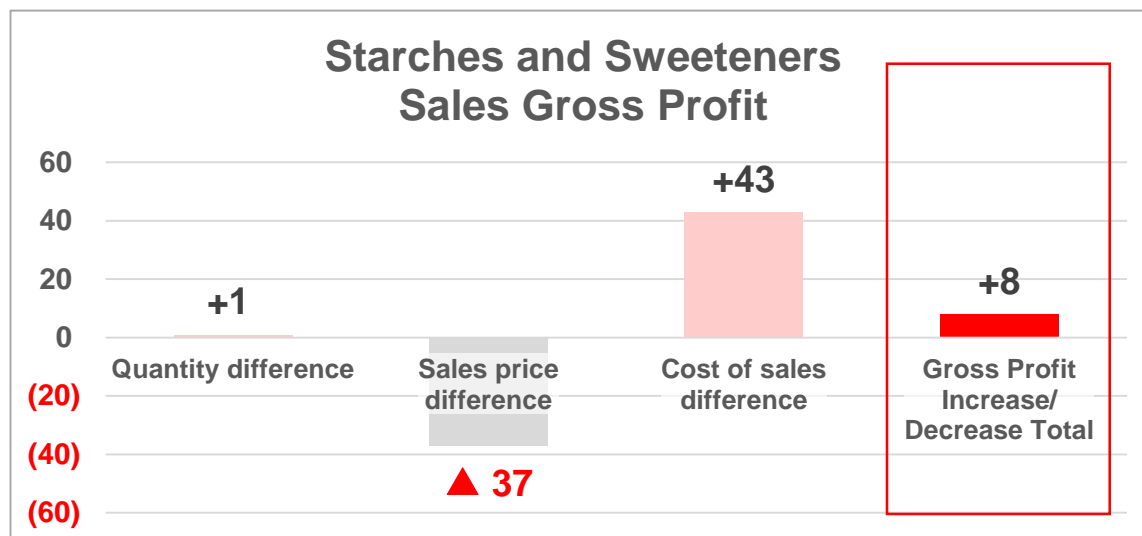
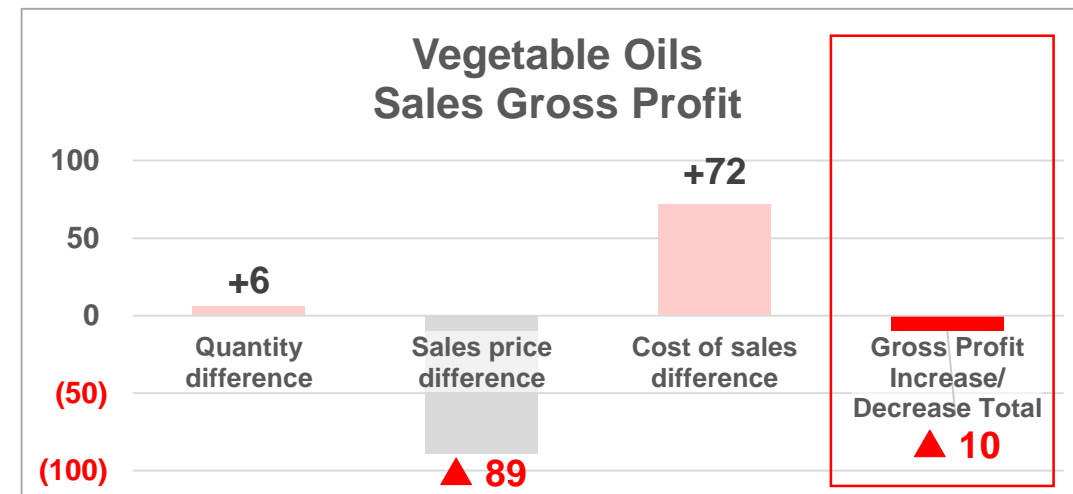
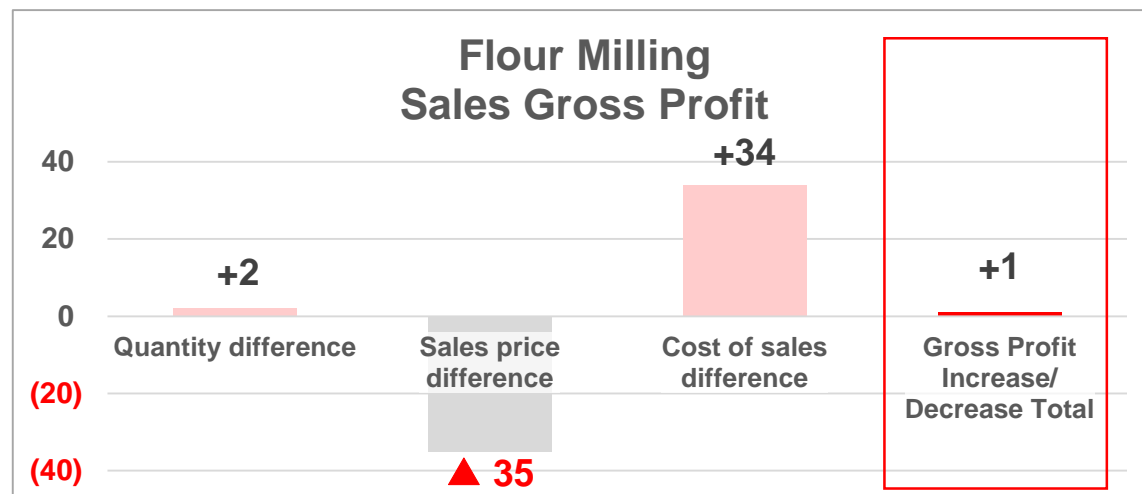
Operating profit	FY2024	FY2025	Annual change	Percentage change
Food Business	128	109	▲18	▲14.6%

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

**Food Business
Operating profit**

FY2025 10.9 billion yen

Annual change ▲1.8 billion yen
(0.1 billion yen)



Difference in sales gross profit
+0.1 billion yen

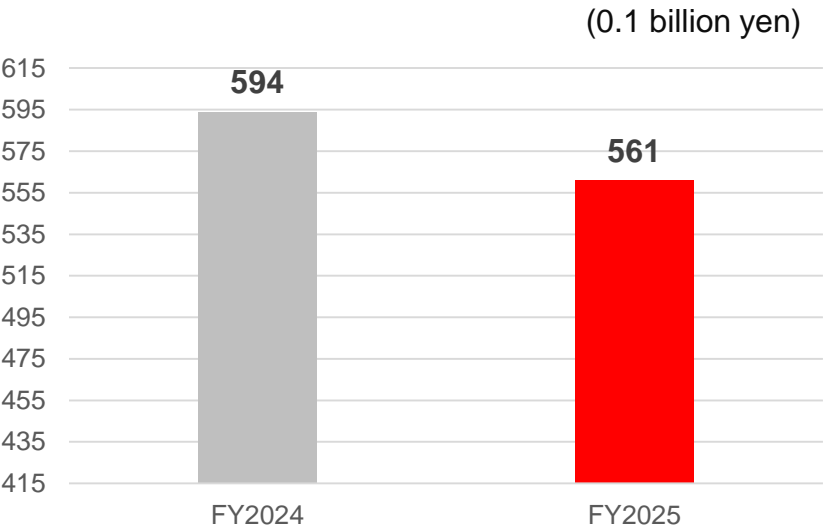
Difference in SG&A expenses, etc.
▲2.0 billion yen

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

Net Sales and Operating Profit by Segment for FY2025

Animal Feed Business Net sales

FY2025	56.1 billion yen
Annual change	▲3.2 billion yen
Percentage change	▲5.5%

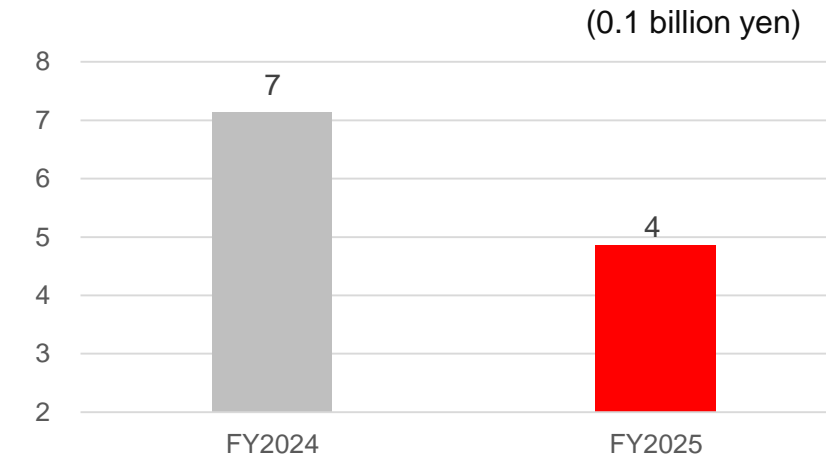


Net sales fell due to lower sales prices of compound animal feed than in the previous year as a result of falling raw material prices as well as the weak egg market caused by easing of the supply-demand balance

Net sales	FY2024	FY2025	Annual change	Percentage change
Animal Feed Business	594	561	▲32	▲5.5%

Animal Feed Business Operating profit

FY2025	0.4 billion yen
Annual change	▲0.2 billion yen
Percentage change	▲32.0%



Profit decreased due to higher SG&A expenses, despite the higher sales volume of compound animal feed and eggs than the previous year as a result of a recovery in egg production

Operating profit	FY2024	FY2025	Annual change	Percentage change
Animal Feed Business	7	4	▲2	▲32.0%

Consolidated Balance Sheet

■ Consolidated Balance Sheet (0.1 billion yen)

Item	End of March 2024	End of March 2025	Change
Total assets	2,622	2,555	▲67
Current assets	1,227	1,127	▲100
Non-current assets	1,394	1,427	32
Total liabilities	1,289	1,168	▲121
Interest-bearing debt (including lease obligations)	539	505	▲34
Other liabilities	749	662	▲86
Total net assets	1,332	1,386	53

<Major Factors>

● Assets

- (-) Decrease in trade receivables and inventories
- (+) Increase in valuation of investment securities

● Liabilities

- (-) Decrease in demand for funds at the end of the fiscal year
- (-) Decrease in notes and accounts payable - trade

● Net assets

- (+) Profit
- (-) Repurchase and cancellation of treasury shares, dividend payments

Market Information on Cost

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

- Raw material grain market softened compared with the previous year's results
- Ocean freight rates have been softening since 3Q
- Exchange rates remain unstable

	FY2025				FY2026 Assumptions
	April-June results	July-September results	October-December results	January-March results	
Wheat yen/t ^{*1}	68,240	67,810	67,810	66,610	63,451
Soybean ¢/Bu ^{*2}	1,171	1,168	1,000	1,002	1,039
Rapeseed C\$/MT ^{*3}	609	632	598	619	628
Corn ¢/Bu ^{*4}	429	430	398	446	460
Sea freight US\$/t ^{*5}	62.3	62.3	57.2	45.4	55.0
Exchange rate Yen/US\$ ^{*6}	150.96	157.44	144.65	154.67	148.00
LNG yen/kg ^{*7}	94.8	93.8	92.1	97.0	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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- 3 Progress of Medium-Term Management Plan 23–25
- 4 Other Topics

Earnings Forecast for FY2026

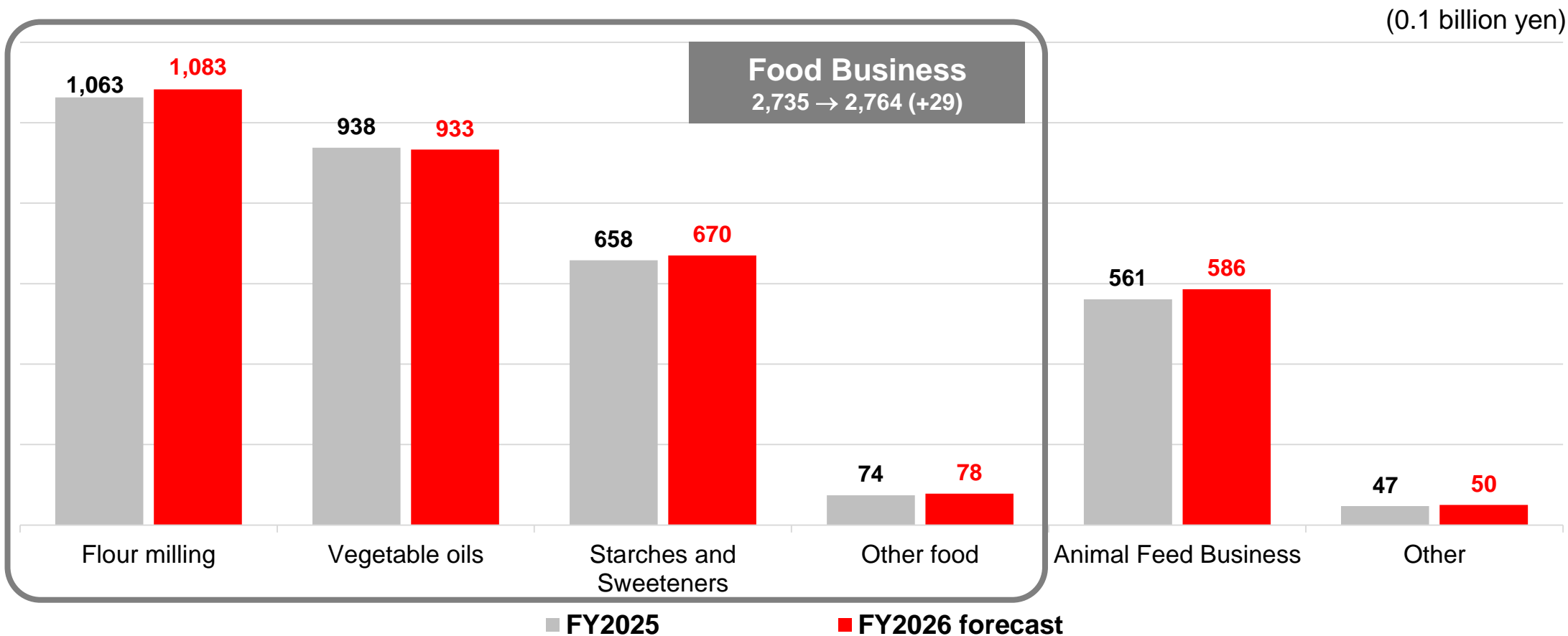
- Net sales are expected to be 340.0 billion yen, slightly increased from the previous year
- Operating profit is expected to be 11.0 billion yen, almost unchanged from a year earlier
- The difference in profit comes from the gain on transfer of non-current assets in the previous year

(0.1 billion yen)		FY2025	FY2026 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%

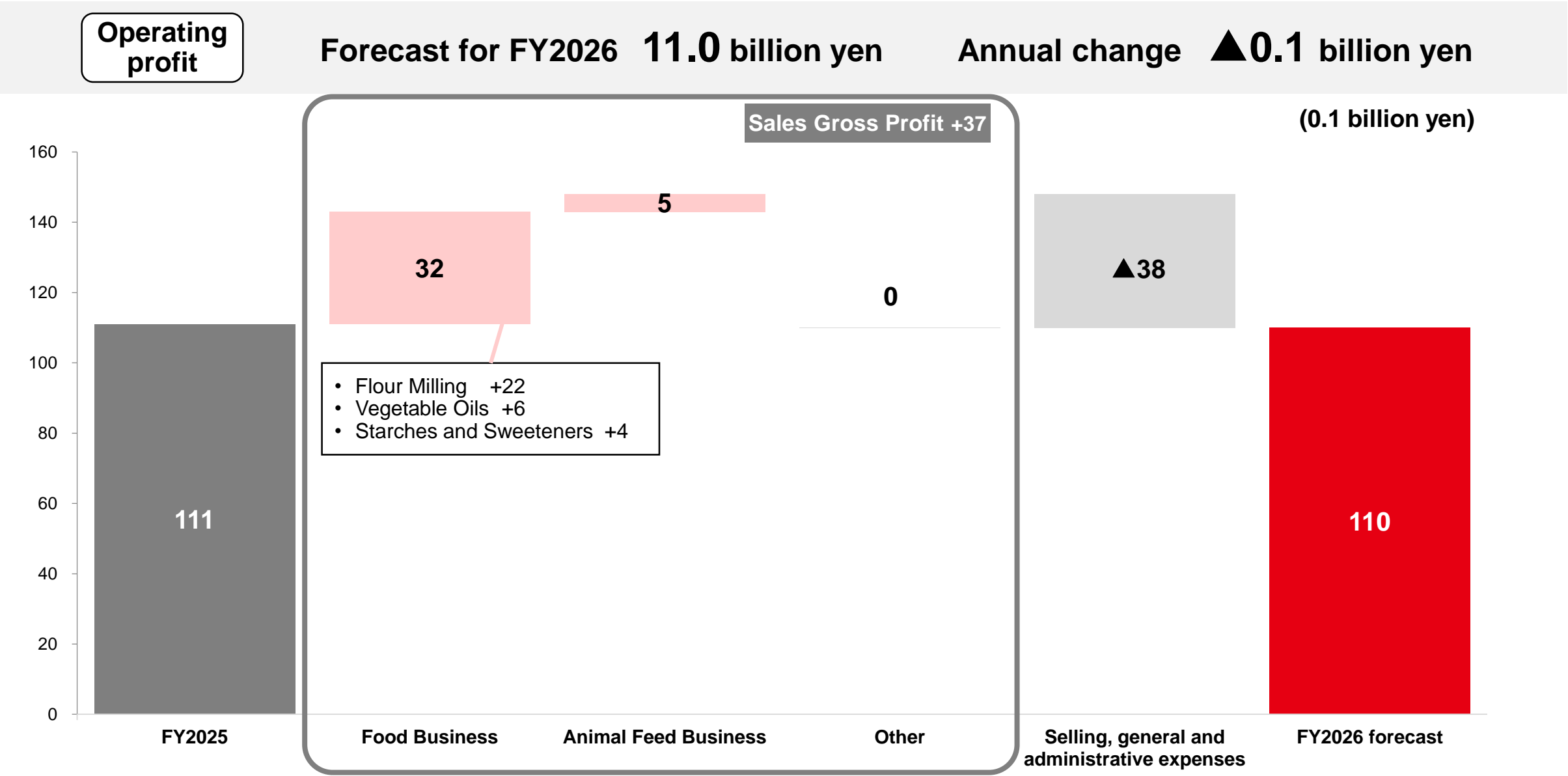
Earnings Forecast for FY2026 (Net sales, by Food Business Category)

Net sales forecast

FY2025 334.4 billion yen ⇒ FY2026 340.0 billion yen (annual change +5.5 billion yen)



Earnings Forecast for FY2026 (Operating Profit)



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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

Financial KPIs Target and Progress of “Medium-Term Management Plan 23–25”

- Achieved most items, such as ordinary profit and ROE, for two consecutive years by steadily implementing each measure
- Promoting cash-flow-based management by identifying the items to improve and managing them on a monthly basis

	FY2023 results	FY2024 results	FY2025 results	FY2026 Medium-term Management Plan target	Difference (Compared with FY2023)
Ordinary profit <small>(0.1 billions of yen)</small>	6.5	16.5	13.5	13.0	200%
ROE (%)	7.1 ^{*1}	10.2	8.8 ^{*2}	7.0 or higher	-
ROIC ^{*3} (%)	1.8	5.3	4.4	4.0 or higher	Increased by 2.2 points
CCC (Days)	91	87.3	85.5	75	16 days shortened
NET D/E Ratio	0.48	0.35	0.31	0.6 or less	

*1: In FY2023, there was a gain on sale of non-current assets (extraordinary income) of approximately 5.2 billion yen from the sale of the Shosan Ageo Building

*2: 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

*3: Definition of ROIC: $\text{ROIC} = \text{Operating profit after tax} / \text{Invested capital (interest bearing debt (net) + equity capital)}$.
The operating profit after tax is calculated assuming that income taxes are 30% of operating profit.

Quantitative Effects of Priority Measures

[Actual results for FY2025 (ordinary profit basis)]

■ Targets for the FY2024–2026 Medium-term Management Plan (compared with FY2023 results): +2.7 billion yen

Key Strategy (1) Strengthening Our Core Businesses: +2.9 billion yen	
1. Evolution of the “Grain Solution”	+0.4 billion yen
2. Expansion of business and enhancement of profitability through Group collaboration	+0.9 billion yen
3. Optimization of product composition	+0.3 billion yen
4. Expansion of value-added products sales through a differentiation strategy	+1.2 billion yen

■ Medium-Term Management Plan 23–25 Target (compared with FY2023 results): +0.8 billion yen

Key Strategy (2) Expansion of Our Business Fields: +0.4 billion yen	
1. Expansion of overseas businesses	+0.5 billion yen
2. Expansion of frozen food businesses	▲0.1 billion yen

■ Targets for the FY2024–2026 Medium-Term Management Plan (compared with FY2023 results): +3.0 billion yen

Recovery of business environment, responding to business environmental changes: +3.4 billion yen	
1. Recovery of sales volume	+0.5 billion yen
2. Appropriate price revision	+2.9 billion yen

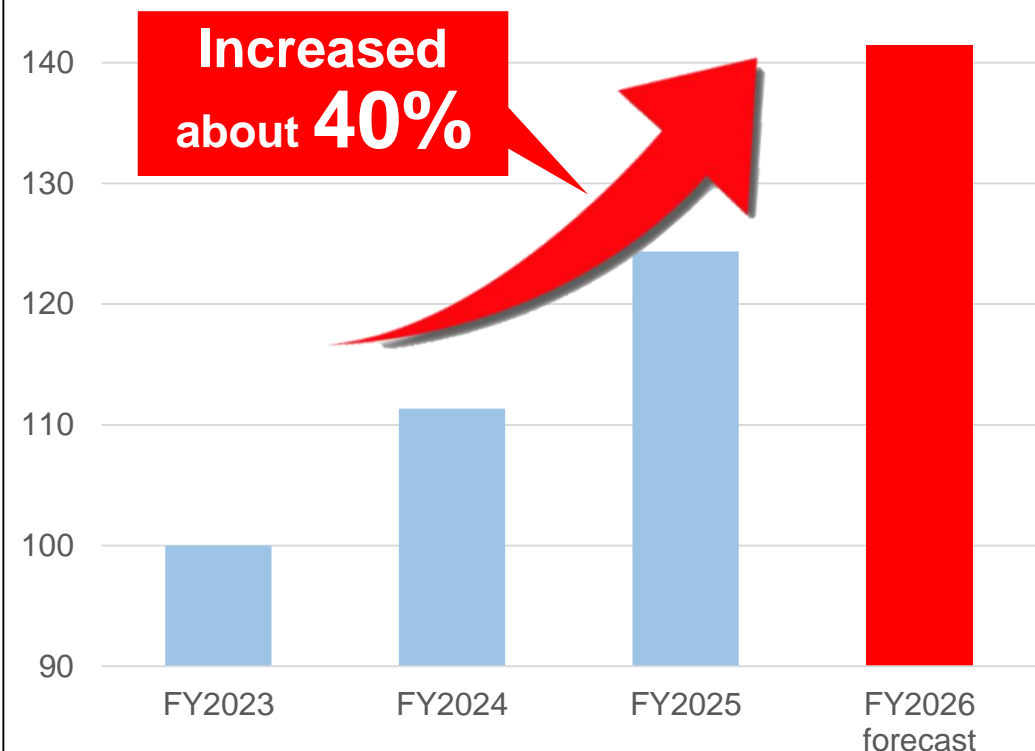
[Measures for FY2026]

Key Strategy (1): Strengthening Our Core Businesses
<ul style="list-style-type: none"> ▶ Improve profitability through a Group-wide reform of business structure in both sales and manufacturing ▶ Create new markets by promoting solution-oriented sales from a user-oriented perspective that focuses on solving customer problems
Key Strategy (2): Expansion of Our Business Fields
<ul style="list-style-type: none"> ▶ Create and strengthen contacts with overseas customers through on-site business meetings, workshops, and seminars to expand export business ▶ Steadily proceed with the construction of a new plant in Vietnam, while continuing to examine opportunities including M&A and capital tie-ups with overseas partners
Recovery of business environment, responding to business environmental changes
<ul style="list-style-type: none"> ▶ Formation of appropriate prices in line with cost increases other than main raw material prices (logistics costs, labor costs, packaging material costs, etc.)

Strategic initiatives to expand overseas exports



Export sales amount of the Company
(Indexed with FY2023 as 100)



Expansion of Our Business Fields [Challenge to new businesses]

Fine chemicals

- A new plant for the mass production of phytochemical products will be constructed and start operation by the end of this year



- Tocotrienol (Foods and cosmetics)
- Vitamin E (Foods and cosmetics)
- Vegetable sterol (Foods and cosmetics)
- Bio-paraffin (Cosmetics)

Oleochemicals

- Collaboration with phytochemical products
- Boso oil and fat Co., Ltd., one of the Group companies, participates in a project to promote decarbonization in Sosa City, Chiba Prefecture

- Biofuel
(For power generation, substitute of light oil)



**Unused raw
materials**

**Raw materials
for animal feed**

Industrial waste

**Promote upcycling by combining our
technology with open innovation**

Fuel



**Chemical
products**



**Agricultural
materials**



Cosmetics



Functional food



Initiatives for upcycling waste

By-product from diatomite filtration of saccharified liquid at Kashima plant



Filter cake of saccharification



Decolorized filter cake

Proprietary technologies



- Soil amendments (Patent No. 7471122)
- Composting promotion & deodorizing materials



Reduction in the use of chemical pesticides and chemical fertilizers



Deodorizing effect is well received by nearby residents and agricultural and livestock workers



Realization of CSV

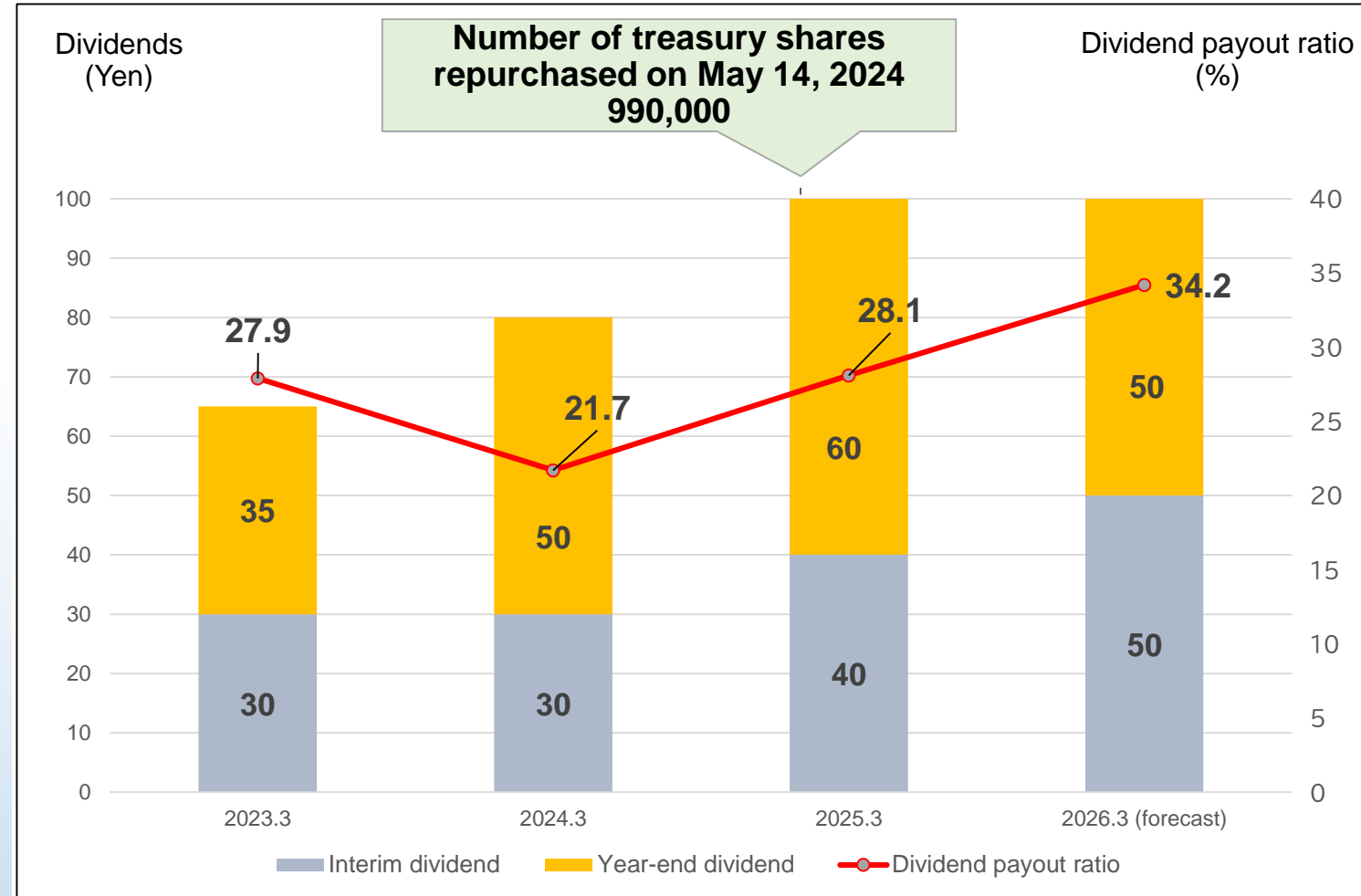
Enforcing Stakeholder Engagement

“Enhancement of shareholder returns”: Decided to increase the year-end dividend by 20 yen per share

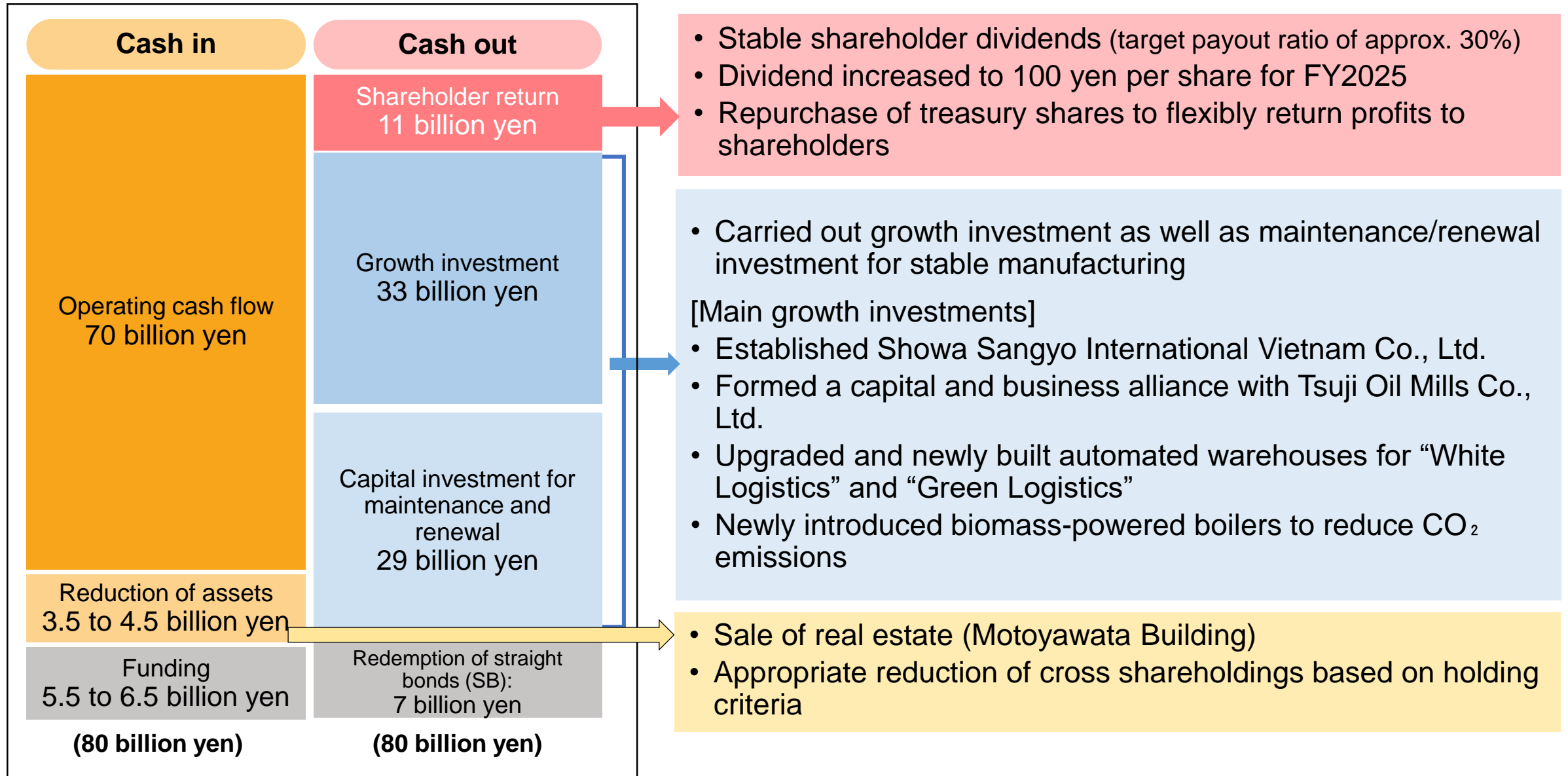
[Year-end dividend for FY2025]
to 60 yen from 40 yen

[Annual dividend]
Increased to 100 yen from 80 yen

(Policy for profit distribution)
Continue to pay stable dividends
with a target payout ratio of
approximately 30%,
while paying attention to the need
to invest for future corporate growth
and enhance shareholder returns



Capital Allocation (3-year-aggregate) (FY2024–2026)



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Excellent Hit Award
<General Processed Foods Category>

MO AGENAI!! YAKITEMPURA-NO-MOTO
(Showa Sangyo Co., Ltd.)



**Sales
volume
1.9 times**

[Year-on-year]

**User-oriented
approach**

**Market
creation**



New Technology/
Food Development Award

Sour Oligo / Sour Oligo C
(San-Ei Sucrochemical Co., Ltd.)



Calcium Maltobionate

II

**Functional
substance**

- Maintaining bone density
- Maintaining bone composition
- Promoting mineral absorption
- Improving bowel movement



穀物ソリューション・カンパニー



昭和産業グループ

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.

Thank you for joining us today



We would appreciate your cooperation in filling out the questionnaire so that we can make the best use of it in our future IR activities

Reference Material

Capital Investment and R&D Expenses

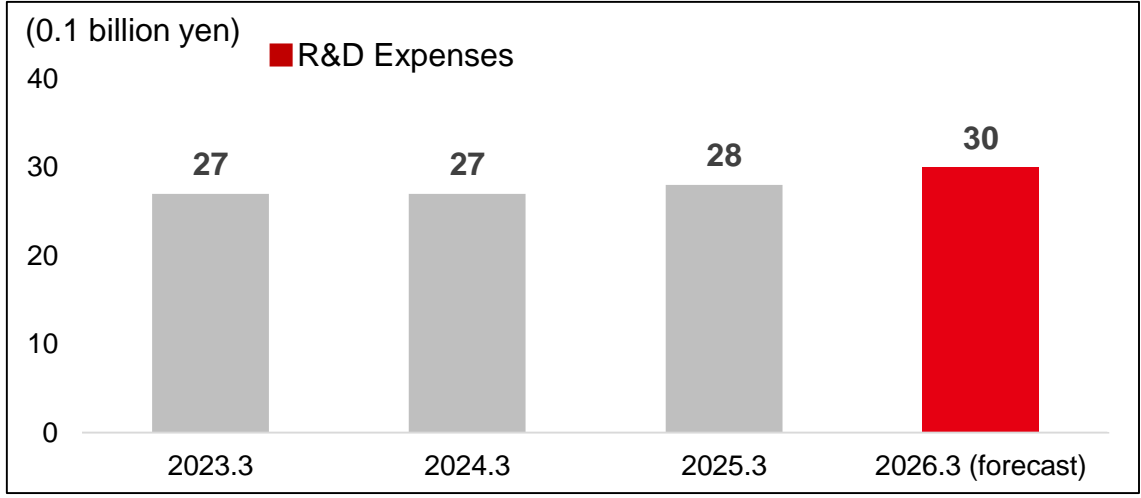
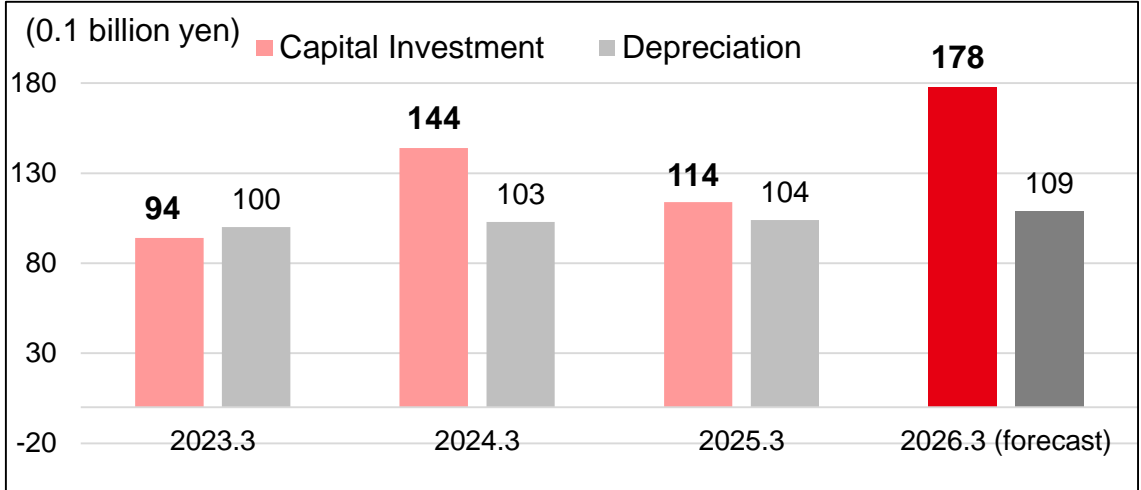
Investments to strengthen core businesses and strategic investments in growth areas to promote sustainable growth of the group

Major Capital Investments in FY2026

- Growth investment
 - Installation of biomass-powered boiler (operation scheduled for FY2027)
→ Projected reduction of approx. 37,000 tons/year of CO₂ emissions
 - Construction of the Innovation Center at San-ei Sucrochemical Co., Ltd.
- Capital investment for maintenance and renewal
 - Update of starch and sweetener plants
 - Update of facilities at Central Flour Milling Co., Ltd.

Major R&D Activities (FY2026)

- Strengthening Our Core Businesses
 - Development of numerous applications including CVS and food service
 - Strengthen research and development to create high-value-added materials such as flour, fats and oils, and starches and sweeteners with new functionality
- Promotion of Open Innovation
 - Joint research with several universities to explore the health functions of our materials
- Expansion of Our Business Fields
 - Promote research for “fine chemicals and oleochemicals,” “plant-based food,” and “agribusiness”



Non-financial KPIs

Environmental targets	Medium-term Management Plan objectives	Showa Sangyo Group Environmental targets
Reduction of CO ₂ emissions	▲30% or more Compared with FY2014	FY2031 ▲46% or more
Reduction of food loss	▲30% or more Compared with FY2019	FY2026 ▲30% or more
Reduction of water consumption (basic unit)	▲9% or more Compared with FY2020	FY2031 ▲12% or more
Reduction of plastic usage (basic unit)	▲7% or more Compared with FY2014	FY2031 ▲25% or more

Digitalization strategy	Medium-term Management Plan objectives
Promotion of digitalization	<ul style="list-style-type: none"> Digitalization promotion expenses: 4.5 billion yen over 3 years (Growth investment: 1.2 billion yen)
[Key measures (1)] Introduction of multi-faceted analytical DB and Dashboard	<ul style="list-style-type: none"> Sales transformation through effective use of customer information (Customer analysis → enhanced customer proposals) Cost reduction: -60 million yen/year
[Key measures (2)] Development of human resources to promote DX	<ul style="list-style-type: none"> Future DX human resources: 100 trained Cost reduction through deployment of “No-code development tools”: -70 million yen/year

Human capital management	Medium-term Management Plan objectives
Promotion of D&I	<ul style="list-style-type: none"> Percentage of female employees in managerial positions: FY2026 10% or more
Promotion of strategic human capital investment	<ul style="list-style-type: none"> Reskilling investment amount: Twice or more in FY2026 (compared with FY2022)
Increased employee engagement	<ul style="list-style-type: none"> Engagement score: Targets to be announced during the period of Medium-Term Plan FY2024–2026

RD&E strategy	Medium-term Management Plan objectives
Expansion of Our Business Fields	<ul style="list-style-type: none"> Strengthening of research and development in the frozen foods business and new business fields Improvement of technical capabilities of overseas production sites
Utilization of IT and AI technologies	<ul style="list-style-type: none"> Promotion of smart factories
Cost reduction through production improvement activities	<ul style="list-style-type: none"> Cost savings: 1 billion yen or more in 3-year cumulative total

Cash Flows

(0.1 billion yen)

	FY2024	FY2025	Change
Profit before income taxes	166	164	▲ 1
Depreciation <Non-cash items>	102	104	2
Change in working capital (trade receivables, inventories, trade payables)	▲ 22	65	87
Income taxes paid/refund	▲ 35	▲ 51	▲ 17
Other	26	▲ 79	▲ 106
Cash flows from operating activities	237	202	▲ 34
Acquisition of property, plant and equipment	▲ 108	▲ 115	▲ 7
Sale of property, plant and equipment	2	34	32
Acquisition of investment securities	▲ 0	▲ 1	▲ 0
Sale of investment securities	8	3	▲ 5
Other	▲ 26	▲ 35	▲ 9
Cash flows from investment activities	▲ 124	▲ 113	▲ 10
Free cash flow	113	88	▲ 24
Short-term borrowings, commercial papers, long-term borrowings	▲ 69	▲ 33	36
Dividends paid	▲ 21	▲ 29	▲ 7
Repurchase of treasury shares	▲ 0	▲ 34	▲ 34
Other	▲ 2	▲ 3	▲ 0
Cash flows from financing activities	▲ 94	▲ 100	▲ 6
Cash and cash equivalents at end of period	81	68	▲ 12

Change in Quarterly Net Sales and Operating Profit

(millions of yen)		1Q			2Q			3Q			4Q		
		2024.3	2025.3	Change	2024.3	2025.3	Change	2024.3	2025.3	Change	2024.3	2025.3	Change
Net sales	Food	73,665	71,315	▲2,350	69,864	67,377	▲2,486	73,545	71,229	▲2,316	65,252	63,610	▲1,642
	Animal feed	14,967	13,444	▲1,522	14,726	14,068	▲657	15,318	14,670	▲648	14,450	13,979	▲471
	Other	1,166	1,169	3	1,192	1,206	14	1,108	1,187	78	1,100	1,165	65
	Total	89,799	85,929	▲3,870	85,783	82,653	▲3,129	89,972	87,086	▲2,885	80,803	78,755	▲2,047
Operating profit	Food	3,353	3,971	617	3,967	2,592	▲1,374	3,889	3,068	▲820	1,639	1,343	▲296
	Animal feed	▲7	112	120	126	204	78	197	14	▲182	396	153	▲243
	Other	302	385	82	357	351	▲5	352	344	▲7	307	345	38
	Company-wide expenses, etc.	▲336	▲350	▲14	▲412	▲400	12	▲471	▲549	▲78	▲516	▲461	55
	Total	3,313	4,118	805	4,039	2,748	▲1,290	3,966	2,877	▲1,088	1,827	1,381	▲446

[Reference] Status of the activities related to IR (FY2025)

We promote IR activities with the aim of ensuring that all stakeholders have a correct understanding of the direction the Group is heading in.

In accordance with the “Fair Disclosure Rules,” our basic stance is to disclose information promptly, and we will respond to the requests of our stakeholders by providing information accurately, promptly, and proactively.

Activity	Results	Description
Financial results briefing for analysts	Twice	Explanation of financial results and initiatives for institutional investors and securities analysts in May (4Q) and November (2Q)
Plant tours for analysts	Once	Guided tour of our mainstay Kashima Plant (silos, wharf, manufacturing process, etc.)
Individual IR for analysts and institutional investors	41 cases	Explanation of business activities, financial results, and initiatives for institutional investors and securities analysts
Small meetings for institutional investors	Once	Explanation of business activities and the details and progress of the Medium-term Management Plan, etc. for institutional investors
Company presentation for individual investors	Twice	Explanation of business activities, business models, shareholder returns, etc. for individual investors
Individual explanation of financial results for major shareholders	Six times	Individual explanation of financial results and initiatives in May (4Q) and November (2Q)