

穀物ソリューション・カンパニー



昭和産業

CORPORATE PROFILE

Wheat

Corn

Soybeans

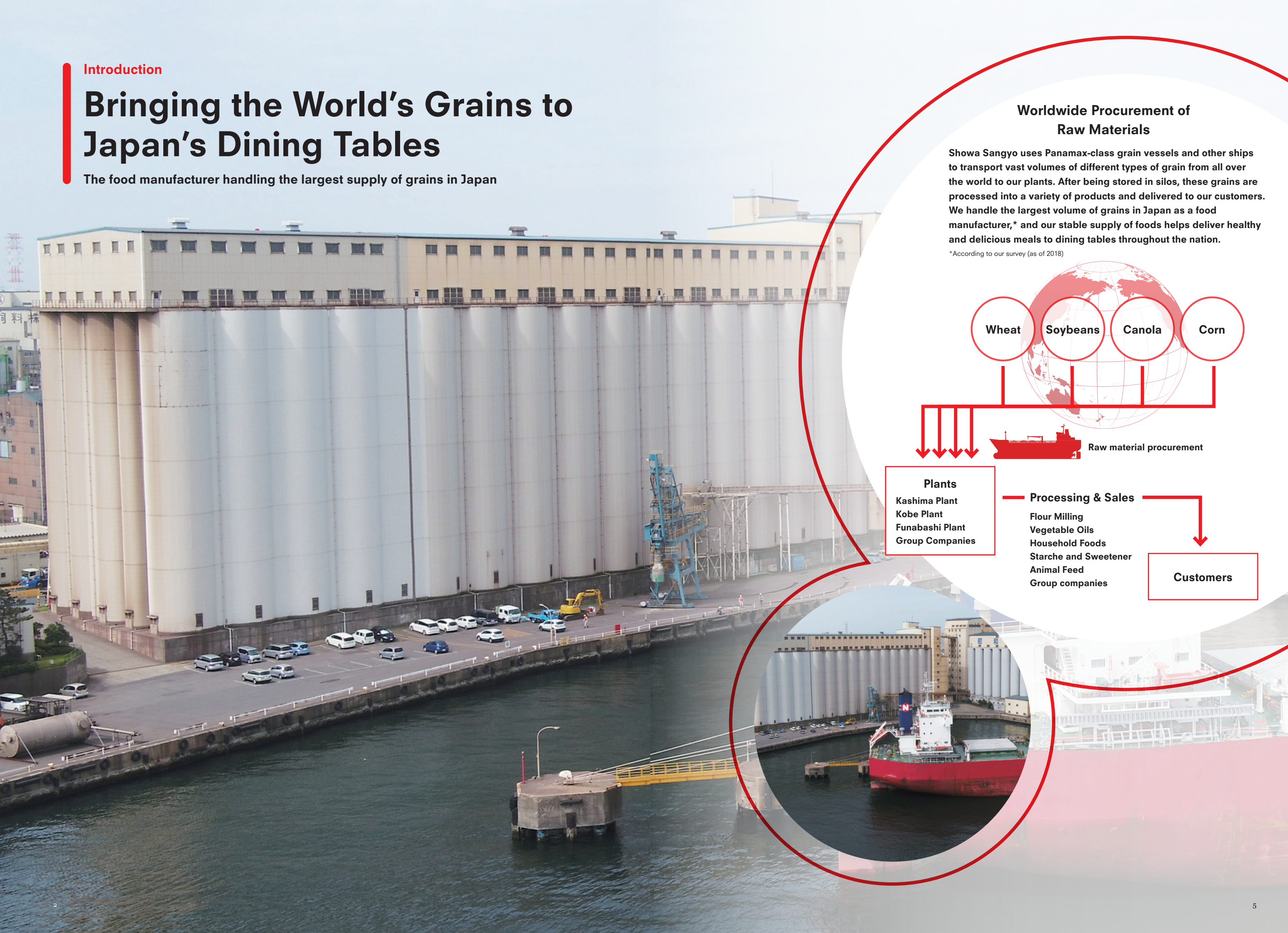
Canola



Introduction

Bringing the World's Grains to Japan's Dining Tables

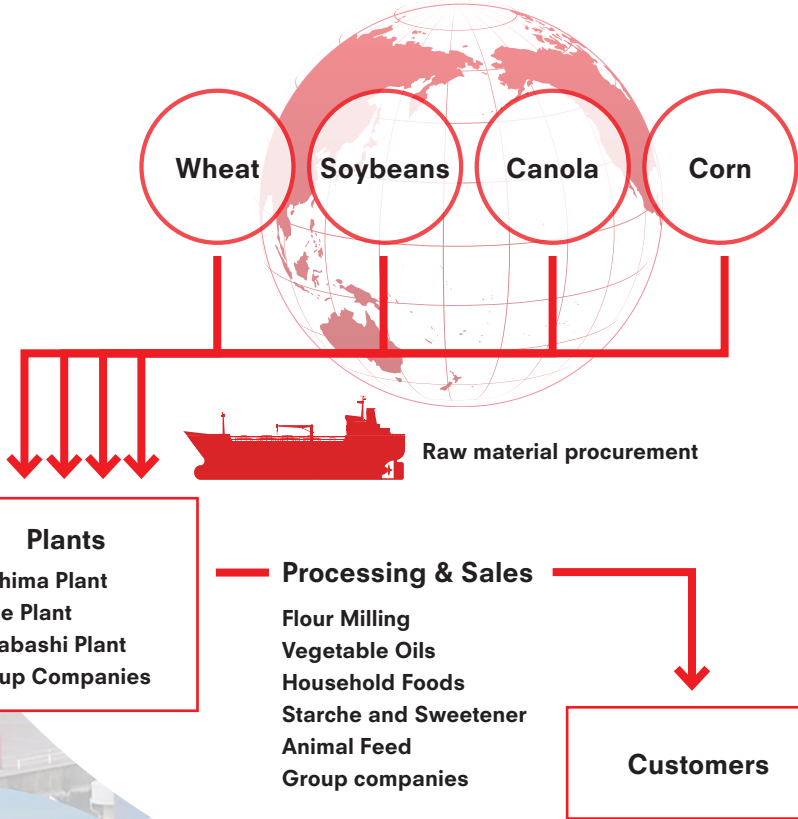
The food manufacturer handling the largest supply of grains in Japan



Worldwide Procurement of Raw Materials

Showa Sangyo uses Panamax-class grain vessels and other ships to transport vast volumes of different types of grain from all over the world to our plants. After being stored in silos, these grains are processed into a variety of products and delivered to our customers. We handle the largest volume of grains in Japan as a food manufacturer,* and our stable supply of foods helps deliver healthy and delicious meals to dining tables throughout the nation.

*According to our survey (as of 2018)





President and CEO

H. Tsukagoshi

President's Message

Advancing to the Next Stage as a "Grain Solution Company!"

Since its establishment in 1936, Showa Sangyo has processed grains that are the bounty of the land, such as wheat, soybeans, canola, and corn, into offerings like wheat flour, premixes, vegetable oils, sweeteners, and animal feed. We have engaged in businesses designed to deliver these to people's dining tables under our corporate philosophy of "Contributing to healthy, rich, and varied meals."

We strive to be the "Best Partner" for our customers by offering solutions to the challenges faced by all companies involved with food and general consumers under our slogan of being a "Grain Solution Company." To achieve this, we will harness the synergistic effects of our unique business model, in which we handle various grains in huge volumes, to meet the ever-increasing expectations that will be placed on food in the future, including food safety and security and its stable supply.

To develop further, in 2017 Showa Sangyo Group created "SHOWA Next Stage for 2025," our long term vision for our Group in the year 2025, which is the 90th anniversary of our founding. Our long term vision has 5 directions for development: "Strengthen our fundamental businesses," "Expand our business fields," "Reducing Burden on the Environment," "Rebuild our platform," and "Strengthen stakeholder engagement." To achieve this long term vision, we will develop through 3 Midterm Management Plans.

Each one of us will pull in the same direction and work to ensure that we continue to be a corporate group that is trusted by society. We aim to be a "Next Stage Grain Solution Company" that provides satisfaction to all of our stakeholders. I look forward to your ongoing cooperation and support.

Long-term Vision: **SHOWA Next Stage for 2025**

Positioning of **SHOWA Next Stage for 2025**

Formulated based on our corporate philosophy, Showa Next Stage for 2025 indicates the ideal state for our 90th anniversary in 2025.

Group Management Plan Organization



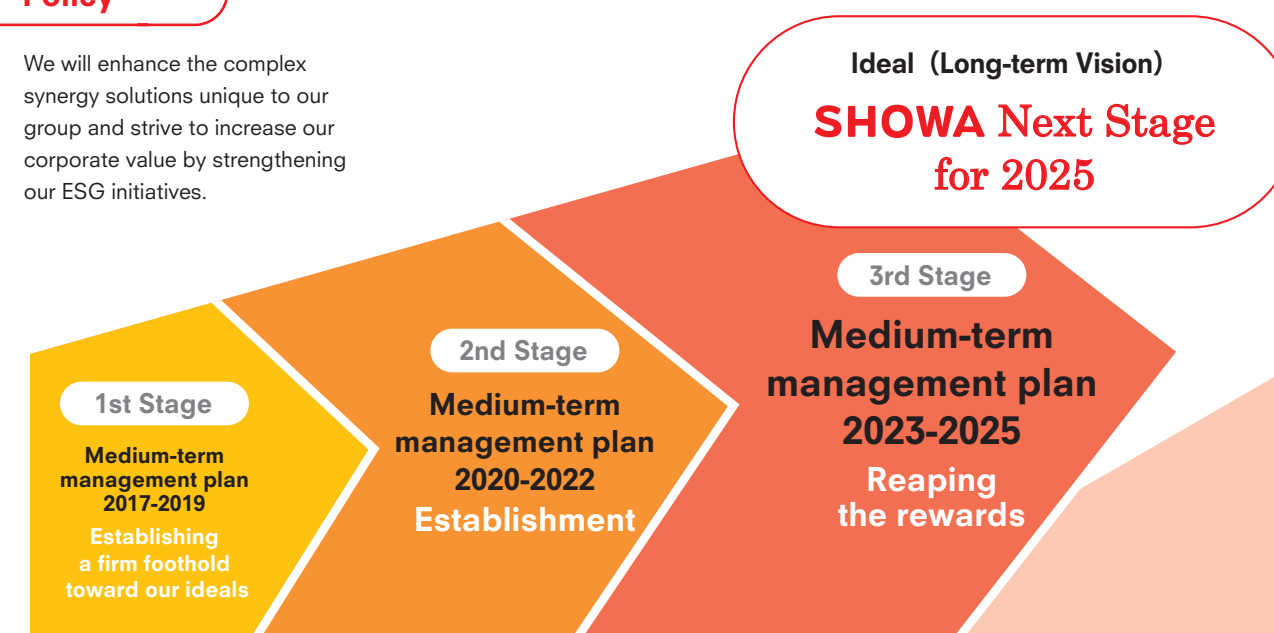
Ideal State

A Next Stage Grain Solutions Company that delivers satisfaction to all of our stakeholders

Spreading our roots, extending our branches, and producing fruits to feed society

Policy

We will enhance the complex synergy solutions unique to our group and strive to increase our corporate value by strengthening our ESG initiatives.



We process huge volumes of various grains to make a variety of products for our customers.



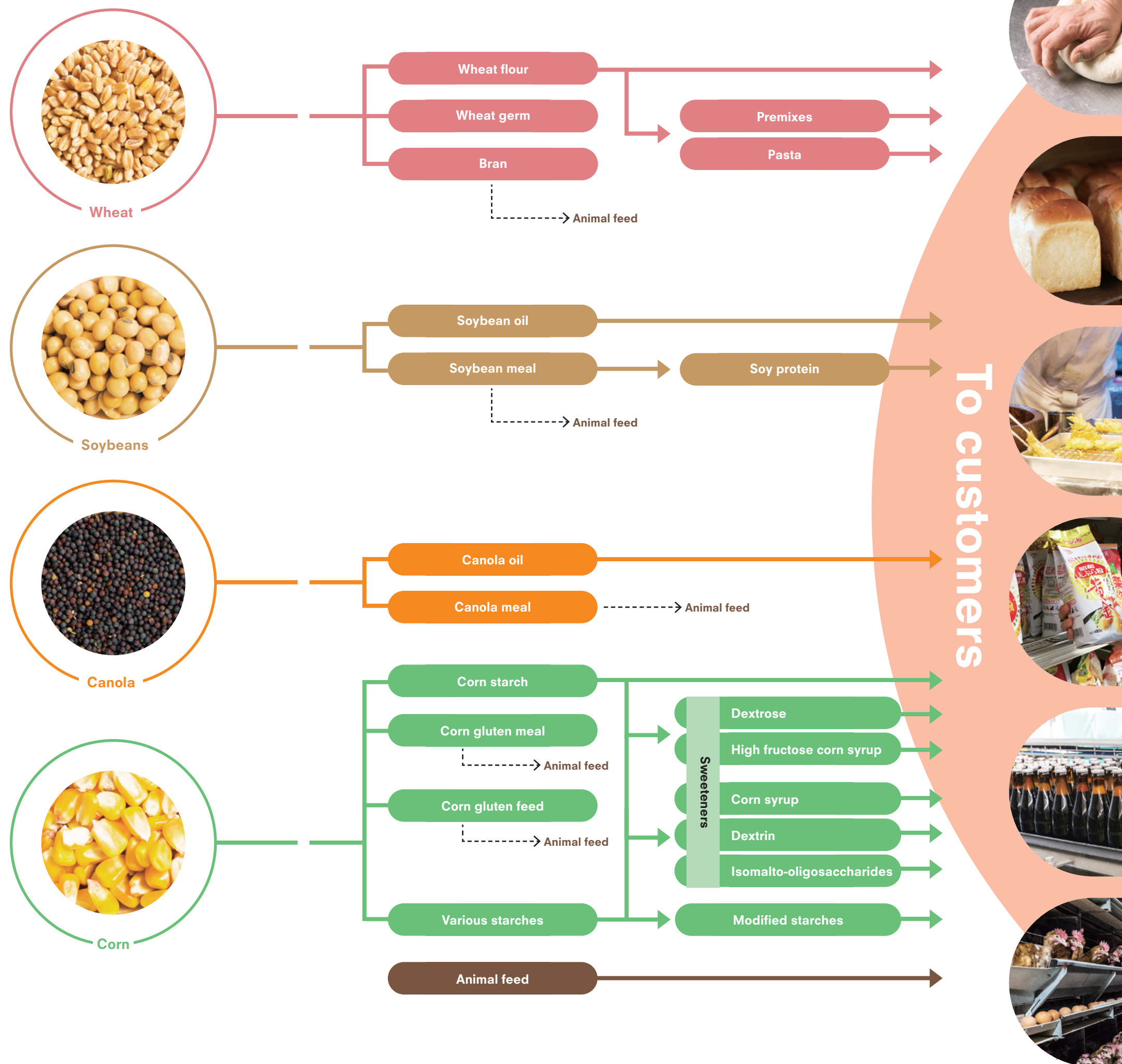
Worldwide Procurement of Raw Materials

Showa Sangyo's plants are all located on the coast for convenience of raw material delivery. The Kashima and Kobe plants have docks large enough to berth Panamax-class grain vessels. Panamax-class refers to the maximum size of ship that can travel through the Panama Canal. One Panamax-class vessel can carry approximately 70,000 tons of grain.



Storage of Grains in Huge Silos

We own some of the largest grain silos in Japan. In addition to our own stores, we also store grain for other companies. The combined holding capacity of our three plants is about 365,000 tons, which is about 216 times the volume of a 50-meter pool.



We provide various products to meet our customers' needs



Business Introduction

Collaborate in a diverse range of business fields
to bring smiles to customers' faces



Flour Milling Business

Wheat is an indispensable ingredient with a highly diverse range of uses. We manufacture and sell different types of flour for breads, cakes, and noodles as well as commercial premixes for customer convenience.



Oil Refining Business

We are manufacturing and selling vegetable oils that are made from soybeans, rapeseed, corn, and other raw ingredients and tailored for various uses, such as in tempura and fried foods or as seasoning in dressings and other sauces, and soy protein for processed meat and marine products.



Starch and Sweetener Business

We use corn to produce starches, modified starches, and sweeteners like dextrose, high-fructose corn syrup, powdered corn dextrin, and isomaltoligosaccharides. These products are suitable for a wide range of applications ranging from industrial use to incorporation in food products such as beer, soft drinks, sweets, and bread.



Collaborate in a diverse range of business fields to bring smiles to customers' faces



Animal Feed Business

We sell animal feed for poultry, swine, dairy cattle, beef cattle, and aquaculture. We also manufacture and sell oligosaccharide for animal husbandry and supplements for mushroom bed cultivation. The Animal Feed Business makes excellent use of by-products from the Flour Milling, Vegetable Oils, and Starch & Sweetener Businesses as well as our silos. We fully support livestock businesses by developing and producing high-quality feed, distributing livestock products, and offering sound business advice.



Warehouse Business

Our largest silos at Kashima, Kobe, and Funabashi have a combined capacity of 365,000 tons. The plants at Kashima and Kobe also have berths large enough for Panamax-class grain vessels to dock alongside our facilities. This allows us to unload imported grains directly into our silos, where we maintain strict quality control standards to ensure that they remain in excellent condition. From there, the grains are supplied to Showa Sangyo plants or other manufacturers.



Real Estate Business

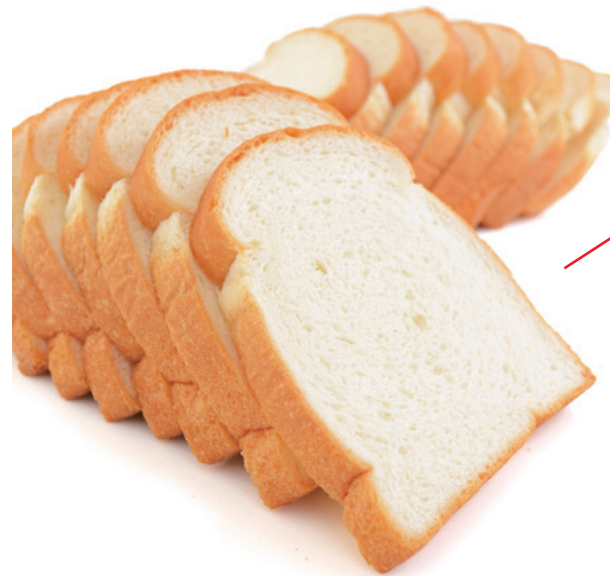
The Showa Sangyo Group effectively uses its real estate and leases office and commercial buildings, land for logistics, and land for business use. We are also engaged in the management of real estate, such as of the Kamakuragashi Building, our head office building in Chiyoda Ward, Tokyo; Shosan Plaza shopping center in Ageo City, Saitama Prefecture; Motoyawata Building, our commercial building in Ichikawa City, Chiba Prefecture; and of land for logistics in Yokohama City, Kanagawa Prefecture.



Grain solution examples

Our businesses are always collaborating to create solutions that meet customer needs

High quality bread with a soft and fluffy texture



In response to a request from a customer who wanted to make "the best bread in Japan," we put Showa Sangyo's unique expertise in starches and sweeteners to good use, creating a completely new type of flour. With this new flour, our customer was able to create delicious bread that stays soft and fluffy for longer.

Noodles that stay delicious long after boiling

In order to create noodles that retain their taste long after being boiled, we looked at a completely new combination of raw materials. Our proposal even included suggestions for the customer's manufacturing process. Using not only wheat but also starch, we create new value added products by way of Showa Sangyo's unique synergy.



Helping a customer make delicious tempura



In another example, a customer contacted us saying, "We just can't make good tempura. Can you help us?" After studying their tempura, we discovered that the cause was due not only to their oil but also to their batter. Thanks to our expertise at Showa Sangyo, we were able to analyze the oil and revise batter ingredients like wheat and starch. In this way, we could offer a solution to help anyone make good tempura.

Research & Development

Pursuing new possibilities in food to meet customer needs



RD&E Center

The technical foundation of the Showa Sangyo Group's solutions consists of the Technology Center, which handles research and engineering; the Development Center, which handles development; and the RD&E Center, which houses the Technical Planning & Promotion Department that promotes tangible and intangible innovation by combining technical and business strategies. We seamlessly connect research, development, production, and sales and are searching for the possibility and uses of grains and for new materials with a scientific eye on the daily. We strive to level up "production process technology for a safe, secure, stable, and affordable supply," "design, procurement, and processing technologies for various foods," and "animal feed design technology," as well as the analysis and evaluation technology and intellectual property strategies that support them.

Creating unique Showa Sangyo grain solutions from multiple perspectives

Research

We are creating core technology that is necessary for Showa Sangyo's challenge to provide new value to customers. We are also engaged in developing uses for the diverse grains handled by Showa Sangyo and functional materials, in researching and developing processes for producing those materials at factories, in researching analysis and evaluation technology for ensuring and improving the safety and flavor of foods, and in managing and operating intellectual property, such as patents and trademarks.



Development

The product development institute seeks to deepen communication with customers, develop applications and products carrying new value, and deliver those products to customers as soon as possible. Standing on the front lines of the food business, we develop proposal-based products aimed at customers' true needs and providing a proposal/technical service to customers.



Engineering

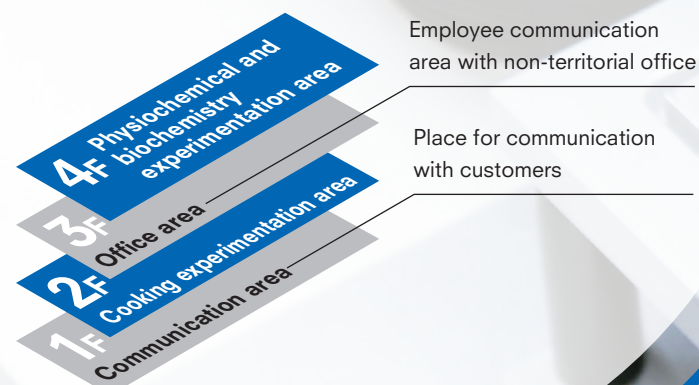
The production technology department standardizes designs of ingredients and products, designs production facilities, and develops production technology to ensure that the fruits of the R&D process are safe, secure, high quality, reasonably priced, and available in stable supply, thus providing maximum value to our customers.



RD&E Center Producing new solutions

The 2nd floor is a cooking experimentation area, the 3rd floor is an office area, and the 4th floor is a physiochemical and biochemistry experimentation area. Each of these floors is designed to facilitate communication between the specialists of each department.

Through unprecedented collaboration and synergy, we strive to produce new products and technologies that will open the path to a new future for Showa Sangyo.



Production

Timely delivery of a wide range of products manufactured from various grains

Kashima Plant



The Kashima Plant has a pier where Panamax-class (approximately 65,000 tons) grain carriers can berth. Located just 80 km from Tokyo, this major plant is also ideally located from a distribution perspective.

Location : Kamisu City, Ibaraki Prefecture (Kashima Coastal Industrial Zone)

Site Area : Approx. 390,000 m² (Including Itako Mix Branch Plant, etc.)

Products : Flour, vegetable oil, cornstarch and sweeteners, processed soybean products, premix

External certifications : ISO22000, ISO14001, FSSC22000 (Sweeteners plant and refined oil filling plant)

Silo storage capacity : Approx. 207,720 tons

Kobe Plant



Located on the eastern side of the Port of Kobe and equipped with a Panamax-class berth, the Kobe Plant is the Group's manufacturing and distribution hub in western Japan.

Location : Kobe-shi, Hyogo

Site area : Approximately 73,000 m²

Products : Flour, premixes, vegetable oils

External certifications : ISO22000, ISO14001 and FSSC 22000 (Premixes, vegetable oil preparation)

Silo storage capacity : 135,000 tones

Funabashi Plant



The Funabashi Plant handles secondary processing of flour, including production of premixes and pasta. It serves as a manufacturing and distribution hub for the Tokyo area.

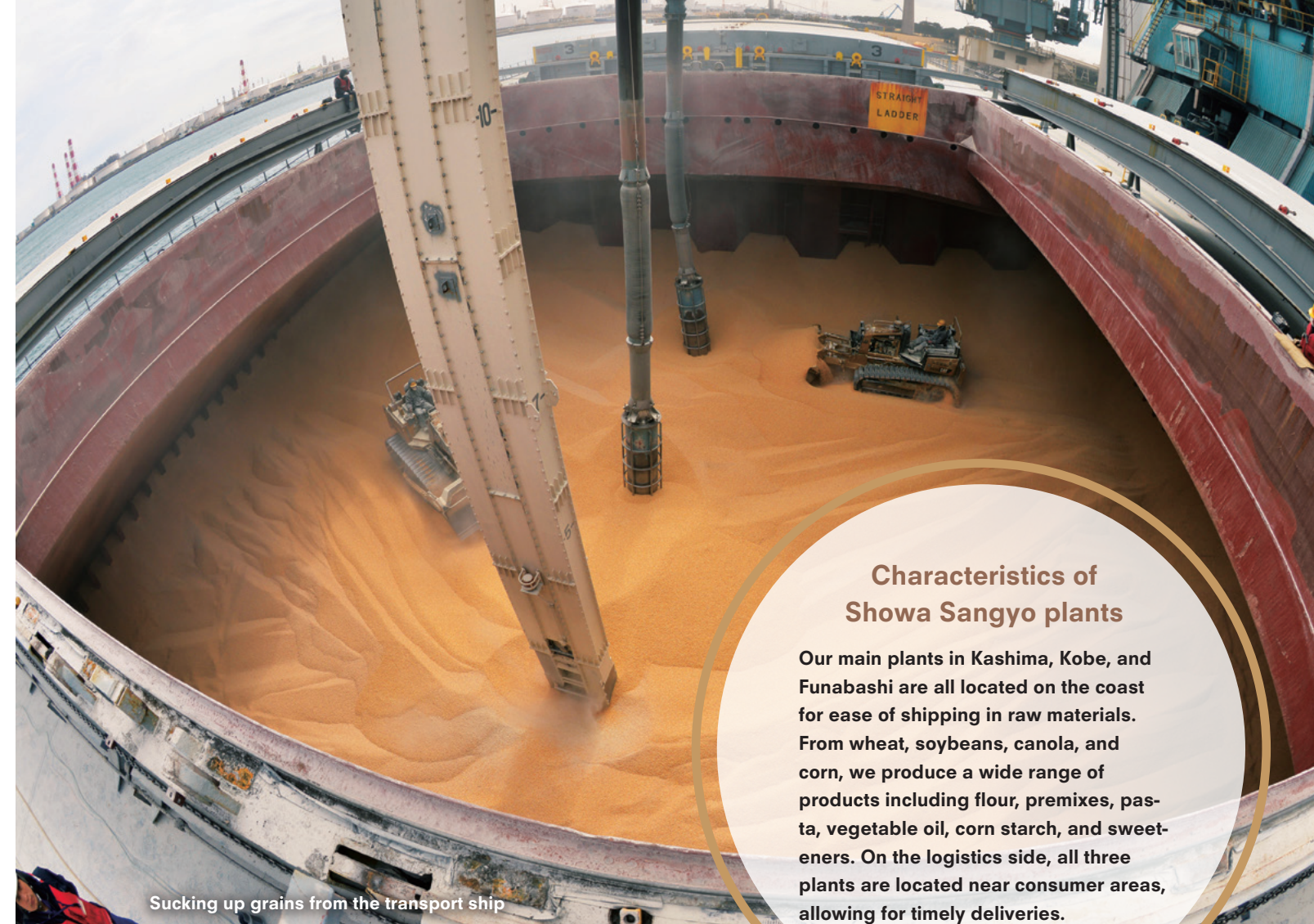
Location : Funabashi-shi, Chiba

Site area : Approximately 77,000 m² (Including the RD&E Center)

Products : Flour, premixes, pasta

External certifications : ISO22000, ISO14001 and FSSC 22000 (Premixes, pasta, vegetable oil capsule packaging)

Silo storage capacity : 22,600 tons



Sucking up grains from the transport ship

Characteristics of Showa Sangyo plants

Our main plants in Kashima, Kobe, and Funabashi are all located on the coast for ease of shipping in raw materials. From wheat, soybeans, canola, and corn, we produce a wide range of products including flour, premixes, pasta, vegetable oil, corn starch, and sweeteners. On the logistics side, all three plants are located near consumer areas, allowing for timely deliveries.



Flour production



Oil production



Pasta production



Sweetener production



Incorporating customer feedback

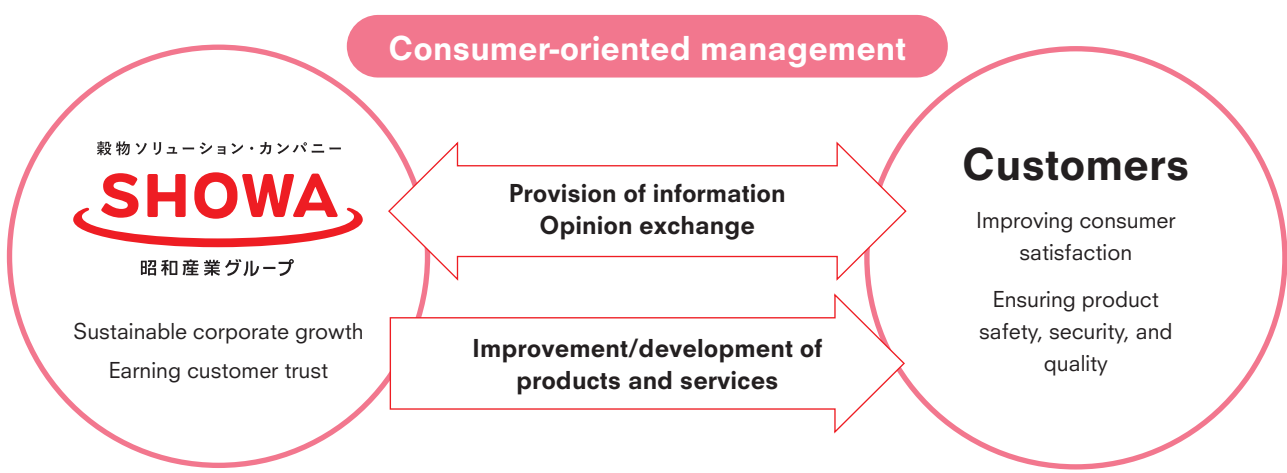
In 2018, we officially announced our “declaration of consumer oriented business” initiative. The entire Showa Sangyo Group is striving to increase customer satisfaction. We have a customer support center where, in addition to responding to queries and proposals, we also consider the reasons why customers contact us and do our best to get closer to them.



Initiatives for quality

Delivering safe and high-quality products to all of our customers

For the entire process from procurement of raw materials to manufacturing and shipping, Showa Sangyo bases operations on our 3 Principles of Safety and Reliability to deliver safe, secure, and high quality products to the customer. Additionally, we always pay close attention to customer feedback and incorporate their opinions when developing new products.



What are the “3 Principles of Safety and Reliability”?

Rule 1: No materials of dubious quality allowed

Procurement of raw materials

Procurement of raw materials

When procuring raw materials, we gain production management information through site visits and communication with producers. We also ensure the safety and quality of raw materials through preliminary sample inspections, admittance inspections, and regular inspections based on our annual plan.



Rule 2: No producing products of dubious quality

Production

Production process management

In order to maintain quality and create products that taste good, we manage the production process based on our agreed-upon standards.



Process inspections

At each stage of the production process, we use equipment such as color sorting machines, metal detectors, and X-ray inspection machines to ensure that there are no foreign substances or defects in the batch.



Rule 3: No delivering products of dubious quality

Delivery

Ascertaining Delivery Quality

Before shipping the final products, we use physiochemistry analyses and microorganism testing to confirm that they measure up to the agreed-upon standards. We also conduct processing tests depending on what the product will be used for.



Logistics initiatives

In order to deliver safe and secure products to the customer, we regularly confirm the status of our lorries and warehouses from a safety-and-quality perspective. In this way, we strive to improve quality assurance throughout the supply chain.



Sustainability initiatives

As a grain solution company, we are promoting ESG (environmental, social, and governance) management based on our CSV strategy, which aims to realize a sustainable society and the sustainable growth of our Group by resolving social issues through our business.

We aim to maximize the trust and expectations of all stakeholders by striving to realize a sustainable society.

We have established the Showa Sangyo Group CSR Code of Conduct as our foundational concept in promoting initiatives in achieving the above goal.



Environmental Projects

We import a large quantity of diverse grains from around the world and are providing food, a daily necessity. For this reason, we believe our duties are the steady supply of food and protecting the earth's environment. The Group has established environmental goals and is implementing various measures.

The Kashima Plant has converted the fuel used for cogeneration facilities and discontinued the use of coal as part of initiatives to reduce carbon emissions.



Employee Projects

Under the SHOWA Spirit guiding principle, each and every individual has a strong passion for taking on new challenges. We are promoting the creation of a workplace in which these individuals can fully demonstrate their strengths and work with peace of mind.

Additionally, based on the idea that "Employee health is the foundation of the company," we presented the "SHOWA Sangyo Health Declaration," and strive for the "cultivation of a corporate culture where employees put health first (self-care promotion)" and the "advancement of working style reform (improvement in workplace environment)."

Social Action Projects

As part of our local exchange activities, we are providing food to food banks and other organizations. In the food industry, there are certain rules that pertain to shipment deadlines for food. If the product does not conform to these rules, we can't ship it even if the product has not yet expired and must dispose of it. We are working to donate these products to foodbanks and other organizations.

The environment surrounding food changes annually: there is a growing health consciousness, the number of foreign workers is growing, and more. The needs for food are also diversifying. We are working to create products that meet customers' needs. In response to the growing health consciousness, we launched soy protein as a household product. Soy protein can be easily substituted for ground meat by adding water. Plant-based proteins (soy meat) that come from soybeans are a well-balanced food containing a variety of nutrients, including protein, and are thus known as "field meat."



Company Profile

Company name: Showa Sangyo Co., Ltd.

Establishment: February 18, 1936

Capital: 14,923 million yen

Listing: TSE Prime

Representative: Hideyuki Tsukagoshi, President and CEO

Main Group Companies (As of June 30, 2023)

Consolidated Subsidiary

- Shosan Shoji Co., Ltd.
- Okumoto Flour Milling Co., Ltd.
- Boso oil and fat Co., Ltd.
- Shikishima Starch MFG, Co., Ltd.
- San-ei Sucrochemical Co., Ltd.
- Kyushu Showa Sangyo Co., Ltd.
- Kida Flour Mills Co., Ltd.
- Naigai Flour Milling Co., Ltd.
- Central Flour Milling Co., Ltd.
- Swing Bakery Co., Ltd.
- Grandsolu bakery Co., Ltd.
- Garden Bakery Inc.
- Tower Bakery Co., Ltd.
- Nagaokayuryo Co., Ltd.
- Kumiai-yushi Co., Ltd.
- Musashiyushi Co., Ltd.
- Minaminihonkomeabura Co., Ltd.
- Tokyoyushikogyo Co., Ltd.
- Showa Frozen Foods Co., Ltd.
- Showa Keiran Co., Ltd.
- Shosan Kaihatsu Co., Ltd.
- Shourei Co., Ltd.
- Oban Co., Ltd.
- Shosan Business Services Co., Ltd.
- Shosan Transportation Co., Ltd.
- Star Bakery Co., Ltd.

Unconsolidated Subsidiary

- Okada Unso Co., Ltd.
- Showa Sangyo Vietnam Co., Ltd.

Equity Method Company

- Nagoya futo Silo Co., Ltd.
- Kouchan Mill Co., Ltd.
- Tsuji Oil Mills Co., Ltd.
- Z.Y. Food Company Limited
- Shibushi Silo Co., Ltd.
- Kashima Silo Co., Ltd.
- Shin Nihon Chemical Co., Ltd.

History of Showa Sangyo

1936

Established Showa Sangyo Co., Ltd. for the purpose of manufacturing and selling fertilizers, wheat flour, and oils under the slogan "Agriculture for Japan."

1937

Started manufacturing animal feed and sweets.

1938

Merged three companies—Nihon Kari Kogyo Co., Ltd., Nihon Hiryo Co., Ltd. and Showa Flour Milling Co., Ltd.

1949

Listed on the Tokyo Stock Exchange.

1950

Moved the Head Office to 5, Kanda Kamakura-cho, Chiyoda-ku, Tokyo (current location).

1957

Released Showa Hotcake no Moto (pancake mix) for household use.

1960

Launched household tempura batter mixes SHOWA TEMPURA BATTER MIX in Los Angeles.

1961

Launched Japan's first tempura batter mixes Showa Tempurako.

1965

Moved Funabashi Plant from station front to current location and completed construction of Funabashi Industrial Complex.

1966

Established the Research and Development Center (currently "Research Center for Fundamental Technologies").

1967

Completed Kobe Plant.

1974

Completed Kashima Plant.

1991

Established the Food Development Center (currently "Development Center for New Products & Customer Value").

1992

Isomalto-oligosaccharides approved as a food for specified health uses (FOSHU).

2003

Established a joint venture company, DaChan Showa Foods (Tianjin) Co., Ltd. in China.

2011

Launched the industry's first Renji de Chinsuru Karaage-ko (fried chicken batter mixes for easy cooking using a microwave).

2012

Invested capital in Vietnam's largest premix company: Intermix (Vietnam).

2014

Announced "Grain Solution Company" brand message

2016

Established the RD&E Center.

2017

Formulated long-term vision

2022

Began operation of Funabashi Premix No. 2 Plant

2023

Entered into Capital and business alliance with Tsuji Oil Mills

*For more details, please check out the company website: <https://www.showa-sangyo.co.jp/csr/>

