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May 12, 2025

## Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Showa Sangyo Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 2004  
 URL: <https://www.showa-sangyo.co.jp/>  
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 Scheduled date of annual general meeting of shareholders: June 24, 2025  
 Scheduled date to commence dividend payments: June 25, 2025  
 Scheduled date to file annual securities report: June 20, 2025  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	334,425	(3.4)	11,126	(15.4)	13,591	(17.9)	11,599	(6.1)
March 31, 2024	346,358	3.4	13,146	214.2	16,558	153.8	12,358	58.9

Note: Comprehensive income For the fiscal year ended March 31, 2025: ¥11,723 million [(38.7)%]  
 For the fiscal year ended March 31, 2024: ¥19,112 million [104.6%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	356.01	—	8.8	5.3	3.3
March 31, 2024	369.44	—	10.2	6.5	3.8

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2025: ¥1,528 million  
 For the fiscal year ended March 31, 2024: ¥2,159 million

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	255,504	138,619	52.8	4,156.73
March 31, 2024	262,238	133,253	49.4	3,875.58

Reference: Equity

As of March 31, 2025: ¥134,978 million  
 As of March 31, 2024: ¥129,610 million

**(3) Consolidated cash flows**

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	20,274	(11,385)	(10,057)	6,868
March 31, 2024	23,751	(12,401)	(9,435)	8,136

**2. Cash dividends**

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	30.00	—	50.00	80.00	2,677	21.7	2.2
Fiscal year ended March 31, 2025	—	40.00	—	60.00	100.00	3,249	28.1	2.5
Fiscal year ending March 31, 2026 (Forecast)	—	50.00	—	50.00	100.00		34.2	

**3. Consolidated earnings forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	340,000	1.7	11,000	(1.1)	13,000	(4.4)	9,500	(18.1)	292.56

**\* Notes**

**(1) Significant changes in the scope of consolidation during the period: Yes**

Newly included: 1 company (Showa Sangyo International Vietnam Co., Ltd.)

Note: For details, please see “3. Consolidated financial statements and principal notes, (5) Notes on consolidated financial statements (Changes in the scope of consolidation or scope of application of the equity method)” on page 18 of the attached materials.

**(2) Changes in accounting policies, changes in accounting estimates, and restatement**

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

Note: For details, please see “3. Consolidated financial statements and principal notes, (5) Notes on consolidated financial statements (Changes in accounting policies)” on page 18 of the attached materials.

**(3) Number of issued shares (common shares)**

**(i) Total number of issued shares at the end of the period (including treasury shares)**

As of March 31, 2025	32,995,420 shares
As of March 31, 2024	33,985,420 shares

**(ii) Number of treasury shares at the end of the period**

As of March 31, 2025	523,094 shares
As of March 31, 2024	542,511 shares

**(iii) Average number of shares outstanding during the period**

Fiscal year ended March 31, 2025	32,583,205 shares
Fiscal year ended March 31, 2024	33,451,733 shares

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)**

**(1) Non-consolidated operating results**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	215,220	(3.5)	6,132	(18.5)	7,580	(23.5)	7,769	2.8
March 31, 2024	223,135	2.2	7,523	702.1	9,904	146.2	7,559	12.9

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	238.27	—
March 31, 2024	225.90	—

**(2) Non-consolidated financial position**

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	184,381	96,508	52.3	2,969.64
March 31, 2024	191,891	94,952	49.5	2,837.04

Reference: Equity

As of March 31, 2025:

¥96,508 million

As of March 31, 2024:

¥94,952 million

- \* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.
- \* Proper use of earnings forecasts, and other special matters
  - (1) Caution regarding forward-looking statements and others

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. In no way is the Company asserting assurances or guarantees of the achievement of any future business plan targets or measures stated herein.

For matters related to the financial results forecasts, please see “1. Overview of operating results, etc., (4) Future outlook” on page 9 of the attached materials.
  - (2) The Company plans to hold a financial results briefing for institutional investors and analysts on Tuesday, May 20, 2025. The material for the financial results briefing will be posted on the Company’s website by the day of the briefing.

## Table of Contents - Attachments

1. Overview of operating results, etc.....	6
(1) Overview of operating results for the fiscal year under review.....	6
(2) Overview of financial position for the fiscal year under review .....	8
(3) Overview of cash flows for the fiscal year under review .....	8
(4) Future outlook .....	9
2. Basic policy on selection of accounting standards .....	9
3. Consolidated financial statements and principal notes.....	10
(1) Consolidated balance sheets .....	10
(2) Consolidated statement of income and consolidated statement of comprehensive income .....	12
(3) Consolidated statement of changes in equity.....	14
(4) Consolidated statement of cash flows .....	16
(5) Notes on consolidated financial statements.....	18
(Notes on going concern assumption) .....	18
(Changes in the scope of consolidation or scope of application of the equity method) .....	18
(Changes in accounting policies).....	18
(Segment information, etc.).....	18
(Per share information).....	24
(Significant events after reporting period).....	24

## 1. Overview of operating results, etc.

### (1) Overview of operating results for the fiscal year under review

During the fiscal year under review, the Japanese economy followed a moderate recovery trend on the back of improvement in the employment and income environment. However, the outlook remained uncertain mainly due to increased consumer frugality stemming from rising prices, the risk of financial market volatility, and prolonging instability in the international situation.

Under such circumstances, Showa Sangyo Co., Ltd. (the “Company”) started in April 2023 the Medium-term Management Plan 23-25 as the 3rd Stage toward the realization of SHOWA Next Stage for 2025, which is the Vision (Long-term Vision) for FY2025, the year to mark the 90th anniversary of the Company’s founding. Guided by the basic concept of ‘SHOWA’s declaration: “SHIN-KA” Toward the 90th Anniversary, and beyond,’ we are promoting various initiatives under the five key strategies: (1) Strengthening our core businesses, (2) Expansion of our business fields, (3) Reducing burden on the environment, (4) Rebuilding our platform, and (5) Reinforcing stakeholder engagement.

The operating results for the fiscal year under review were as follows. Consolidated net sales were 334,425 million yen, or down 11,933 million yen (3.4%) year on year. Operating profit was 11,126 million yen, or down 2,020 million yen (15.4%) year on year, ordinary profit was 13,591 million yen, or down 2,967 million yen (17.9%) year on year, and profit attributable to owners of parent was 11,599 million yen, or down 758 million yen (6.1%) year on year.

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Year-on-year- changes	Year-on-year- changes
Net sales	346,358	334,425	(11,933)	(3.4)%
Operating profit	13,146	11,126	(2,020)	(15.4)%
Ordinary profit	16,558	13,591	(2,967)	(17.9)%
Profit attributable to owners of parent	12,358	11,599	(758)	(6.1)%

The operating results by segment were as follows.

#### <Food Business>

The Food Business saw recovery in demand for restaurant and other services backed by an increase in demand from foreign visitors, among others. Meanwhile, an upward trend continued in cost increasing factors, such as logistics costs and material prices. Under such a market environment, leveraging the strength of our market analytical ability, we strengthened one-stop proposal-based sales for each target business category through sales departments organized by customer that we introduced in April 2023, and promoted sales at fair prices.

In the Flour Milling Category, government selling prices for imported wheat were lowered 0.6% in April and 1.8% in October last year (both on average; tax-inclusive prices). Given this situation, we implemented price revisions for flour products. In parallel with this, the Company works to reduce logistics costs and improve production efficiency through the integrated operation of production sites, including its consolidated subsidiaries. The sales volume of wheat flour increased year on year due to growth in sales for overseas market, while that of premixes declined year on year. The sales volume of pasta increased year on year as sales were favorable mainly in the restaurant market. The sales volume of bran declined year on year. The sales volume of household wheat flour and premixes declined year on year, while that of pasta grew year on year, supported by demand for rice substitutes. As a result of the foregoing, net sales of the Flour Milling Category fell year on year.

In the Vegetable Oils Category, we promoted sales at fair prices commensurate with costs, proposed products with functional values, such as long-life oils and bakery oils with less oil stain, and problem-solving type sales. Furthermore, with the aim of reducing costs and maintaining a stable supply, we sought to ensure efficient operations of production sites and streamline the procurement of raw materials in cooperation with Boso oil and fat Co., Ltd., a consolidated subsidiary of the Company, and Tsuji Oil Mills, Co., Ltd., an equity method affiliate. The sales volume of oils and fats for commercial use increased year on year due to a recovery in demand and the implementation of sales measures that took advantage of such opportunity. The sales volume

of oils and fats for household use also increased year on year with growth in sales of general-use oils and rice bran oils. As a result of the foregoing, net sales of the Vegetable Oils Category declined year on year, despite our efforts for sales at fair prices.

In the Starches and Sweeteners Category, we are making group-wide efforts to resolve issues and improve production efficiency in cooperation with Shikishima Starch MFG. Co., Ltd. and San-ei Surochemical Co., Ltd., which are consolidated subsidiaries of the Company. The sales volume of sweeteners increased year on year largely thanks to expanded sales of unique product lines, such as low decomposition corn syrup and powdered syrup, the strengths of our wide range of glucose products, including those for pharmaceutical use, as well as increased demand for products for soft drinks. The sales volume of corn starch rose year on year with increased demand for that for beer production. The sales volume of modified starch declined year on year. As for by-products, the sales volume increased year on year, while selling prices fell year on year. As a result of the foregoing, net sales of the Starches and Sweeteners Category decreased year on year.

As a result, net sales of the Food Business were 273,533 million yen, or down 8,795 million yen (3.1%) year on year. Operating profit was 10,975 million yen, or down 1,874 million yen (14.6%) year on year.

#### <Animal Feed Business>

In the Animal Feed Business, we advanced proposal-based sales to meet customer needs, strengthened our engagement with producers, such as support on sales of livestock products and on increased value-added offerings, and promoted sales expansion of items with high added values. The sales volume of compound animal feed and eggs increased year on year, despite the impact of bird flu infections expanding from October last year. On the other hand, net sales declined year on year due to lower average sales prices of compound animal feed than in the previous year as a result of falling raw material prices, and especially the weak egg market that continued until last autumn.

As a result, net sales of the Animal Feed Business were 56,162 million yen, or down 3,299 million yen (5.5%) year on year. Operating profit was 485 million yen, or down 228 million yen (32.0%) year on year.

#### <Other>

In the warehousing business, amid intensifying competition to secure cargo, we worked to increase cargo handling volume by strengthening our engagement with trading companies and our main customers. As a result, the volume of cargo handling increased year on year.

As a result, net sales of other businesses that combine the real estate business, the insurance agency business, the automobile leasing business, the transportation business, and the plant factory business, came to 4,729 million yen, or up 161 million yen (3.5%) year on year. Operating profit was 1,428 million yen, or up 107 million yen (8.1%) year on year.

● Information on disaggregation of net sales (by reportable segment and category)

(Millions of yen)

Information on disaggregation of net sales	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025	Year-on-year changes	Year-on-year changes
Food Business	282,328	273,533	(8,795)	(3.1)%
Flour Milling Category	109,562	106,367	(3,195)	(2.9)%
Vegetable Oils Category	97,852	93,876	(3,976)	(4.1)%
Starches and Sweeteners Category	68,554	65,811	(2,742)	(4.0)%
Other Food Category (Note 1)	6,358	7,477	1,119	17.6%
Animal Feed Business	59,462	56,162	(3,299)	(5.5)%
Other (Note 2)	2,745	3,086	340	12.4%
Revenue from contracts with customers	344,536	332,782	(11,754)	(3.4)%
Revenue from other sources (Note 3)	1,822	1,643	(178)	(9.8)%
Net sales to outside customers	346,358	334,425	(11,933)	(3.4)%

- Notes
1. “Other Food Category” presents sales of food products not belonging to the Flour Milling Category, Vegetable Oils Category, and Starches and Sweeteners Category under the Food Business.
  2. “Other” is the business segment not included in the reportable segments, and includes the warehousing business, the real estate business, the plant factory business, the insurance agency business, the automobile leasing business, and the transportation business.
  3. “Revenue from other sources” consists solely of revenue from “Other.”

## (2) Overview of financial position for the fiscal year under review

Total assets amounted to 255,504 million yen, or down 6,734 million yen from the previous fiscal year. The main decreasing factors were a decrease of 8,736 million yen in trade receivables and a decrease of 1,952 million yen in inventories. The main increasing factor was an increase of 3,179 million yen in investment securities.

Liabilities amounted to 116,884 million yen, or down 12,101 million yen from the previous fiscal year. The main decreasing factors were a decrease of 4,153 million yen in trade payables, a decrease of 3,412 million yen in interest-bearing debt (including lease liabilities), and a decrease of 1,502 million yen in accrued consumption taxes included in “other” under current liabilities.

Net assets amounted to 138,619 million yen, or up 5,366 million yen from the previous fiscal year. The main increasing factor was an increase due to the recording of profit attributable to owners of parent amounting to 11,599 million yen. The main decreasing factors were a decrease of 2,973 million yen due to dividends paid and a decrease of 2,619 million yen in capital surplus due to the cancellation of treasury shares following the purchase of treasury shares.

As a result, the equity-to-asset ratio changed from 49.4% to 52.8%.

## (3) Overview of cash flows for the fiscal year under review

In the fiscal year under review, net cash provided by operating activities amounted to 20,274 million yen, down 3,477 million yen (14.6%) year on year. This is attributable to a cash increase largely stemming from 16,464 million yen in profit before income taxes, 10,417 million yen in depreciation, a decrease in trade receivables, and a decrease in inventories, offset mainly by 5,226 million yen in income taxes paid, a decrease in trade payables, and a decrease in accrued consumption taxes.

Net cash used in investing activities amounted to 11,385 million yen, down 1,015 million yen (8.2%) year on year. This is attributable to cash used largely for 11,528 million yen in purchase of property, plant and equipment and 1,345 million yen in purchase of shares of subsidiaries and associates, offset mainly by 3,466 million yen in proceeds from sale of property, plant and equipment.

Net cash used in financing activities amounted to 10,057 million yen, up 621 million yen (6.6%) year on year. This is mainly attributable to 3,500 million yen repayments of commercial paper, 3,406 million yen purchase of treasury shares, and 2,973 million yen dividends paid using free cash flows of 8,888 million yen generated by operating and investing activities.



As a result, cash and cash equivalents at the end of the fiscal year under review amounted to 6,868 million yen, down 1,268 million yen (15.6%) from the end of the previous fiscal year.

(Reference) Cash flow indicators

	FY2024	FY2023	FY2022	FY2021	FY2020
Equity-to-asset ratio (%)	52.8	49.4	45.6	45.7	46.7
Equity-to-asset ratio based on market capitalization (%)	36.0	44.6	34.2	37.8	47.1
Interest-bearing debt to cash flow ratio (years)	2.5	2.2	—	38.8	3.2
Interest coverage ratio (times)	68.7	112.3	—	6.0	72.5

Notes: 1. Formulas for each indicator are as follows. All indicators are calculated based on consolidated financial figures.

Equity-to-asset ratio:  $\text{Equity} / \text{Total assets}$

Equity-to-asset ratio based on market capitalization:  $\text{Market capitalization} / \text{Total assets}$

Interest-bearing debt to cash flow ratio:  $\text{Interest-bearing debt} / \text{Cash flow}$

Interest coverage ratio:  $\text{Cash flow} / \text{Interest payments}$

Market capitalization: Closing price on the last day of the fiscal year x Number of issued shares at the end of the period (excluding treasury shares)

Closing prices on the last day of each fiscal year:

FY 2024 2,835 yen

FY 2023 3,500 yen

FY 2022 2,537 yen

FY 2021 2,618 yen

FY 2020 3,105 yen

Cash flow: Cash flows from operating activities stated in the consolidated statement of cash flows

Interest-bearing debt: All liabilities stated in the consolidated balance sheets on which interest is paid

Interest payments: Interest paid stated in the consolidated statement of cash flows

2. Interest-bearing debt to cash flow ratio and interest coverage ratio for FY2022 are not provided as operating cash flows are negative.

#### (4) Future outlook

The Company believes that while the domestic economy will follow a moderate recovery trend on the back of improvement in the employment and income environment, the outlook remains uncertain due to factors such as increased consumer frugality stemming from rising prices, the risk of exchange rate fluctuations, and prolonging instability in the international situation.

The Group's main business is the primary processing of grains, and as this is affected by the prices of raw grains such as wheat, soybeans, canola, and corn, as well as exchange rates, the environment surrounding the Group's business remains uncertain. Under these circumstances, to establish an earnings structure that is less susceptible to fluctuations in the business environment, we will implement various initiatives under the five key strategies outlined in the Medium-term Management Plan 23-25.

The financial results forecast for the fiscal year ending March 31, 2025 is as follows: net sales of 340,000 million yen, operating profit of 11,000 million yen, ordinary profit of 13,000 million yen, and profit attributable to owners of parent of 9,500 million yen.

## 2. Basic policy on selection of accounting standards

Taking into consideration the comparability of consolidated financial statements across periods and between companies, the Group's policy for the time being is to prepare its consolidated financial statements in accordance with Japanese GAAP.

We will take into consideration the domestic and international situations for appropriate adoption of the International Financial Reporting Standards (IFRS).

### 3. Consolidated financial statements and principal notes

#### (1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	8,140	8,106
Notes receivable - trade	2,838	2,086
Accounts receivable - trade	58,659	50,675
Merchandise and finished goods	16,155	15,511
Work in process	2,635	2,475
Raw materials and supplies	29,926	28,777
Other	4,516	5,188
Allowance for doubtful accounts	(111)	(70)
Total current assets	122,760	112,749
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	32,366	31,241
Machinery, equipment and vehicles, net	28,424	27,144
Land	21,732	21,331
Leased assets, net	424	348
Construction in progress	2,032	5,133
Other, net	1,501	1,896
Total property, plant and equipment	86,481	87,096
Intangible assets		
Goodwill	976	831
Customer-related intangible assets	1,737	1,480
Other	1,393	1,451
Total intangible assets	4,106	3,763
Investments and other assets		
Investment securities	44,042	47,221
Long-term loans receivable	233	203
Bad debts	84	82
Retirement benefit asset	1,260	1,654
Other	3,532	3,020
Allowance for doubtful accounts	(262)	(287)
Total investments and other assets	48,889	51,894
Total non-current assets	139,477	142,754
Total assets	262,238	255,504

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	26,330	22,177
Short-term borrowings	13,051	13,516
Current portion of bonds	—	7,000
Commercial papers	14,000	10,500
Lease liabilities	210	202
Accounts payable - other	12,576	12,120
Income taxes payable	3,223	2,486
Provision for bonuses	2,424	2,279
Notes payable - facilities	186	140
Electronically recorded obligations - facilities	4,559	3,220
Other	6,736	4,718
Total current liabilities	83,299	78,362
Non-current liabilities		
Bonds payable	18,000	11,000
Long-term borrowings	8,300	7,966
Lease liabilities	436	402
Deferred tax liabilities	5,539	6,135
Provision for retirement benefits for directors (and other officers)	24	19
Retirement benefit liability	9,279	8,951
Asset retirement obligations	362	373
Other	3,743	3,673
Total non-current liabilities	45,685	38,521
Total liabilities	128,985	116,884
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,293	14,293
Capital surplus	7,876	5,256
Retained earnings	92,934	101,219
Treasury shares	(1,173)	(1,551)
Total shareholders' equity	113,931	119,217
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,735	13,592
Deferred gains or losses on hedges	293	(17)
Foreign currency translation adjustment	697	752
Remeasurements of defined benefit plans	952	1,433
Total accumulated other comprehensive income	15,679	15,761
Non-controlling interests	3,642	3,641
Total net assets	133,253	138,619
Total liabilities and net assets	262,238	255,504

## (2) Consolidated statement of income and consolidated statement of comprehensive income

### Consolidated statement of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	346,358	334,425
Cost of sales	289,478	277,342
Gross profit	56,879	57,082
Selling, general and administrative expenses	43,733	45,956
Operating profit	13,146	11,126
Non-operating income		
Interest income	4	27
Dividend income	735	711
Share of profit of entities accounted for using equity method	2,159	1,528
Foreign exchange gains	177	131
Real estate rent (company house and others)	133	131
Insurance claim income	151	27
Other	507	446
Total non-operating income	3,869	3,004
Non-operating expenses		
Interest expenses	207	300
Compensation for damage	31	68
Commission expenses	49	32
Provision of allowance for doubtful accounts	149	42
Other	19	94
Total non-operating expenses	457	539
Ordinary profit	16,558	13,591
Extraordinary income		
Gain on sale of non-current assets	148	2,712
Gain on sale of investment securities	671	319
Gain on sales of investments in capital of subsidiaries and associates	–	241
National subsidies	40	–
Total extraordinary income	860	3,273
Extraordinary losses		
Loss on abandonment of non-current assets	487	394
Loss on sale of non-current assets	0	3
Loss on tax purpose reduction entry of non-current assets	5	–
Loss on valuation of investments in capital	181	–
Other	87	3
Total extraordinary losses	762	401
Profit before income taxes	16,657	16,464
Income taxes - current	4,477	4,458
Income taxes - deferred	(399)	300
Total income taxes	4,078	4,759
Profit	12,578	11,705
Profit attributable to non-controlling interests	220	105
Profit attributable to owners of parent	12,358	11,599

## Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	12,578	11,705
Other comprehensive income		
Valuation difference on available-for-sale securities	4,904	(2)
Deferred gains or losses on hedges	302	(310)
Foreign currency translation adjustment	—	(69)
Remeasurements of defined benefit plans, net of tax	790	480
Share of other comprehensive income of entities accounted for using equity method	536	(78)
Total other comprehensive income	6,533	18
Comprehensive income	19,112	11,723
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	18,803	11,681
Comprehensive income attributable to non-controlling interests	308	42

### (3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,293	7,866	82,751	(1,148)	103,762
Changes during period					
Dividends of surplus			(2,174)		(2,174)
Profit attributable to owners of parent			12,358		12,358
Purchase of treasury shares				(67)	(67)
Change in treasury shares arising from change in equity in entities accounted for using equity method				(0)	(0)
Restricted stock payment		10		42	52
Net changes in items other than shareholders' equity					—
Total changes during period	—	10	10,183	(25)	10,168
Balance at end of period	14,293	7,876	92,934	(1,173)	113,931

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,592	(8)	487	162	9,234	3,365	116,362
Changes during period							
Dividends of surplus					—		(2,174)
Profit attributable to owners of parent					—		12,358
Purchase of treasury shares					—		(67)
Change in treasury shares arising from change in equity in entities accounted for using equity method					—		(0)
Restricted stock payment					—		52
Net changes in items other than shareholders' equity	5,142	301	209	790	6,444	276	6,721
Total changes during period	5,142	301	209	790	6,444	276	16,890
Balance at end of period	13,735	293	697	952	15,679	3,642	133,253

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	14,293	7,876	92,934	(1,173)	113,931
Changes during period					
Dividends of surplus			(2,973)		(2,973)
Profit attributable to owners of parent			11,599		11,599
Purchase of treasury shares				(3,406)	(3,406)
Cancellation of treasury shares		(2,621)	(342)	2,964	–
Restricted stock payment		2		64	66
Net changes in items other than shareholders' equity					–
Total changes during period	–	(2,619)	8,284	(378)	5,286
Balance at end of period	14,293	5,256	101,219	(1,551)	119,217

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	13,735	293	697	952	15,679	3,642	133,253
Changes during period							
Dividends of surplus					–		(2,973)
Profit attributable to owners of parent					–		11,599
Purchase of treasury shares					–		(3,406)
Cancellation of treasury shares					–		–
Restricted stock payment					–		66
Net changes in items other than shareholders' equity	(143)	(311)	55	480	81	(1)	80
Total changes during period	(143)	(311)	55	480	81	(1)	5,366
Balance at end of period	13,592	(17)	752	1,433	15,761	3,641	138,619

**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	16,657	16,464
Depreciation	10,214	10,417
Increase (decrease) in retirement benefit liability	85	152
Decrease (increase) in retirement benefit asset	(990)	(393)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(7)	(5)
Increase (decrease) in allowance for doubtful accounts	143	(16)
Interest and dividend income	(739)	(738)
Interest expenses	207	300
Share of loss (profit) of entities accounted for using equity method	(2,159)	(1,528)
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	339	(2,314)
Loss (gain) on sale and valuation of investment securities	(669)	(316)
Insurance claim income	(151)	(27)
Decrease (increase) in trade receivables	(6,200)	8,736
Decrease (increase) in inventories	10,047	1,965
Increase (decrease) in trade payables	(6,096)	(4,153)
Increase (decrease) in accrued consumption taxes	1,886	(1,502)
Other, net	3,814	(2,427)
Subtotal	26,380	24,610
Interest and dividends received	972	1,081
Interest paid	(211)	(295)
Proceeds from insurance income	131	47
Income taxes paid	(3,527)	(5,226)
Income taxes refund	6	56
Net cash provided by (used in) operating activities	23,751	20,274



(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(2)	(1,216)
Proceeds from withdrawal of time deposits	2	2
Purchase of investment securities	(53)	(110)
Proceeds from sale and redemption of investment securities	871	351
Purchase of shares of subsidiaries and associates	(1,711)	(1,345)
Purchase of property, plant and equipment	(10,815)	(11,528)
Proceeds from sale of property, plant and equipment	203	3,466
Payments for retirement of property, plant and equipment	(298)	(253)
Payments for asset retirement obligations	(3)	(107)
Investments and loan advances	(483)	(571)
Proceeds from divestments and collection of loans receivable	40	341
Other, net	(150)	(414)
Net cash provided by (used in) investing activities	(12,401)	(11,385)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings and commercial papers	(10,540)	(3,500)
Proceeds from long-term borrowings	6,500	185
Repayments of long-term borrowings	(2,940)	(53)
Repayments of lease liabilities	(208)	(262)
Dividends paid	(2,174)	(2,973)
Dividends paid to non-controlling interests	(31)	(43)
Purchase of treasury shares	(5)	(3,406)
Other, net	(33)	(2)
Net cash provided by (used in) financing activities	(9,435)	(10,057)
Effect of exchange rate change on cash and cash equivalents	–	(99)
Net increase (decrease) in cash and cash equivalents	1,915	(1,268)
Cash and cash equivalents at beginning of period	6,221	8,136
Cash and cash equivalents at end of period	8,136	6,868

## **(5) Notes on consolidated financial statements**

(Notes on going concern assumption)

Not applicable.

(Changes in the scope of consolidation or scope of application of the equity method)

(Significant changes in the scope of consolidation)

During the fiscal year under review, Showa Sangyo International Vietnam Co., Ltd. was newly established and included in the scope of consolidation.

Showa Sangyo International Vietnam Co., Ltd. falls under a specified subsidiary of the Company.

(Changes in matters pertaining to the fiscal year of a consolidated subsidiary)

From the fiscal year under review, the account closing date of a consolidated subsidiary Showa Frozen Foods Co., Ltd. was changed to March 31 from December 31. As a result of this change in the accounting period, the accounting period of Showa Frozen Foods Co., Ltd. with respect to the fiscal year under review is an irregular period of 15 months from January 1, 2024 to March 31, 2025.

This change has minimal impact on the consolidated financial statements.

(Changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes” and other standards)

The Company applied “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter “Revised Accounting Standard 2022”) and other standards from the beginning of the fiscal year under review.

Previously, the Company had recorded corporate tax, inhabitant tax, enterprise tax, etc. on income (hereinafter “income taxes”) in profit or loss, in the amount calculated in accordance with laws and regulations. However, the Company has decided to record income taxes on income separately in profit or loss, shareholder’s equity, and other comprehensive income according to the transactions, etc. that generate the income taxes. With regard to income taxes recorded in other comprehensive income, the Company has decided to record the corresponding tax amount in profit or loss when the transactions, etc. that cause the income taxes to be imposed are recorded in profit or loss. If the transactions subject to tax are related to shareholders’ equity or other comprehensive income, in addition to profit or loss, and it is difficult to calculate the amount of income taxes imposed on shareholders’ equity or other comprehensive income, the amount of such taxes is recorded in profit or loss.

Revisions regarding the classification of income taxes (taxation on other comprehensive income) are in accordance with the transitional treatment stipulated in the proviso to paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment stipulated in the proviso to paragraph 65-2 (2) of “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022). These changes in accounting policies have no impact on the consolidated financial statements.

(Segment information, etc.)

a. Segment information

1. Description of reportable segments

(1) Approach to determining reportable segments

The Company’s reportable segments are its organizational units for which separate financial information is available and which are subject to periodic reviews by the Board of Directors for deciding the allocation of management resources and evaluating business performance.

The Company develops comprehensive strategies for each of the Food Business and the Animal Feed

Business, which are categorized based on the market sectors of the Company's products and services, and conducts business activities accordingly.

Therefore, the Company has two reportable segments: the Food Business and the Animal Feed Business.

(2) Types of products and services belonging to each reportable segment

The products and services provided by each reportable segment are as follows:

Food Business: Wheat flour, premix, pasta, bread, bran, cooking oil, frozen dough, frozen food, giftsets, soap, soy protein, soybean meal, canola meal, rice bran, sweeteners, corn starch, lactic acid bacteria, etc.

Animal Feed Business: compound animal feed, simple feed, eggs and other livestock products, etc.

2. Explanation of measurements of sales, profit (loss), asset, liability, and other items for each reportable segment

The accounting methods for the reported business segments are generally the same as those used in preparing the consolidated financial statements.

Profit figures for reportable segments are based on operating profit. Inter-segment income and transfers are mainly based on market prices and manufacturing costs.

### 3. Disclosure of sales, profit (loss), asset, liability, and other items for each reportable segment

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statement of income (Note 3)
	Food Business	Animal Feed Business	Total				
Net sales							
Net sales to outside customers	282,328	59,462	341,790	4,567	346,358	–	346,358
Inter-segment net sales or transfers	3,740	5	3,746	3,001	6,747	(6,747)	–
Total	286,068	59,468	345,537	7,569	353,106	(6,747)	346,358
Segment profit	12,849	713	13,563	1,320	14,883	(1,736)	13,146
Segment assets	196,532	22,730	219,263	27,669	246,933	15,305	262,238
Other items							
Depreciation	8,604	432	9,036	986	10,023	191	10,214
Amortization of goodwill	144	–	144	–	144	–	144
Investments in entities accounted for using equity method	10,316	2,633	12,950	2,172	15,122	–	15,122
Increase in property, plant and equipment and intangible assets	12,920	424	13,344	617	13,962	198	14,160

Notes 1. “Other” is the business segment not included in the reportable segments, and includes the warehousing business, the real estate business, the plant factory business, the insurance agency business, the automobile leasing business, the transportation business, and other businesses.

2. Adjustments are as follows:

(1) Adjustment of (1,736) million yen for segment profit includes elimination of inter-segment transactions of (3) million yen and corporate expenses of (1,733) million yen. Corporate expenses mainly consist of expenses incurred for advertising of the corporate group and basic R&D expenses not attributable to any reportable segment.

(2) Adjustment of 15,305 million yen for segment assets includes inter-reportable segment elimination of (17,851) million yen and corporate assets of 33,157 million yen not allocated to each reportable segment. Corporate assets mainly consist of surplus operating funds (cash) of the parent company, long-term investment funds (investment securities), and assets related to basic R&D.

(3) Adjustment of 198 million yen for increase in property, plant and equipment and intangible assets mainly consists of investments related to assets for basic testing and research.

3. Segment profit is adjusted with operating profit on the consolidated statement of income.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statement of income (Note 3)
	Food Business	Animal Feed Business	Total				
Net sales							
Net sales to outside customers	273,533	56,162	329,695	4,729	334,425	–	334,425
Inter-segment net sales or transfers	3,414	3	3,417	3,057	6,475	(6,475)	–
Total	276,947	56,166	333,113	7,787	340,900	(6,475)	334,425
Segment profit	10,975	485	11,460	1,428	12,888	(1,762)	11,126
Segment assets	194,321	23,162	217,484	26,886	244,370	11,133	255,504
Other items							
Depreciation	8,862	438	9,301	913	10,215	202	10,417
Amortization of goodwill	144	–	144	–	144	–	144
Investments in entities accounted for using equity method	10,963	3,888	14,852	2,219	17,072	–	17,072
Increase in property, plant and equipment and intangible assets	10,226	590	10,817	609	11,426	67	11,494

- Notes
1. “Other” is the business segment not included in the reportable segments, and includes the warehousing business, the real estate business, the plant factory business, the insurance agency business, the automobile leasing business, the transportation business, and other businesses.
  2. Adjustments are as follows:
    - (1) Adjustment of (1,762) million yen for segment profit includes elimination of inter-segment transactions of (7) million yen and corporate expenses of (1,754) million yen. Corporate expenses mainly consist of expenses incurred for advertising of the corporate group and basic R&D expenses not attributable to any reportable segment.
    - (2) Adjustment of 11,133 million yen for segment assets includes inter-reportable segment elimination of (21,046) million yen and corporate assets of 32,179 million yen not allocated to each reportable segment. Corporate assets mainly consist of surplus operating funds (cash) of the parent company, long-term investment funds (investment securities), and assets related to basic R&D.
    - (3) Adjustment of 67 million yen for increase in property, plant and equipment and intangible assets mainly consists of investments related to assets for basic testing and research.
  3. Segment profit is adjusted with operating profit on the consolidated statement of income.

b. Information associated with reportable segments

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

1. Information for each product or service

Information for each product or service is omitted as the information is disclosed in “1. Overview of operating results, etc., (1) Overview of operating results for the fiscal year under review.”

2. Information for each region

(1) Net sales

The information is omitted as net sales to outside customers in Japan accounts for 90% or more of net sales stated in the consolidated statement of income.

(2) Property, plant and equipment

Not applicable as the Company does not have property, plant and equipment located outside of Japan.

3. Information for each of main customers

The information is omitted as there is no external customer who accounts for 10% or more of net sales stated in the consolidated statement of income.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

1. Information for each product or service

Information for each product or service is omitted as the information is disclosed in “1. Overview of operating results, etc., (1) Overview of operating results for the fiscal year under review.”

2. Information for each region

(1) Net sales

The information is omitted as net sales to outside customers in Japan accounts for 90% or more of net sales stated in the consolidated statement of income.

(2) Property, plant and equipment

The information is omitted as the amount of property, plant and equipment located in Japan accounts for 90% or more of the amount of property, plant and equipment in the consolidated balance sheets.

3. Information for each of main customers

The information is omitted as there is no external customer who accounts for 10% or more of net sales stated in the consolidated statement of income.

c. Disclosure of impairment losses on non-current assets for each reportable segment

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

d. Amortization and unamortized balance of goodwill for each reportable segment

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment		Other	Unallocated amounts and elimination	Total
	Food Business	Animal Feed Business			
Amortization during period	144	—	—	—	144
Unamortized balance at end of period	976	—	—	—	976

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment		Other	Unallocated amounts and elimination	Total
	Food Business	Animal Feed Business			
Amortization during period	144	—	—	—	144
Unamortized balance at end of period	831	—	—	—	831

e. Information about gain on bargain purchase for each reportable segment

Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

Not applicable.

Fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

Not applicable.

(Per share information)

Fiscal year ended March 31, 2024		Fiscal year ended March 31, 2025	
Net assets per share	3,875.58 yen	Net assets per share	4,156.73 yen
Basic earnings per share	369.44 yen	Basic earnings per share	356.01 yen
Diluted earnings per share	– yen	Diluted earnings per share	– yen

Note: 1. Basis for calculation

1. Net assets per share

	As of March 31, 2024	As of March 31, 2025
Total net assets (millions of yen)	133,253	138,619
Net assets related to common stock (millions of yen)	129,610	134,978
Main component of differences (millions of yen) Non-controlling interests	3,642	3,641
Number of issued shares of common stock (shares)	33,985,420	32,995,420
Number of treasury shares of common stock (shares)	542,511	523,094
Number of common shares used to calculate net assets per share (shares)	33,442,909	32,472,326

2. Basic earnings per share

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
(1) Basic earnings per share		
(Basic for calculation)		
Profit attributable to owners of parent (millions of yen)	12,358	11,599
Profit attributable to owners of parent related to common stock (millions of yen)	12,358	11,599
Amount not attributable to common shareholders (millions of yen)	–	–
Average number of common shares outstanding during the period (shares)	33,451,733	32,583,205

Note: Diluted earnings per share is not provided as there are no shares with potential dilution effect.

(Significant events after reporting period)

Not applicable.