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November 7, 2025

## Consolidated Financial Results for the Six Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: Showa Sangyo Co., Ltd.  
Listing: Tokyo Stock Exchange  
Securities code: 2004  
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Scheduled date to file semiannual securities report: November 13, 2025  
Scheduled date to commence dividend payments: December 3, 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 six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	166,701	(1.1)	6,054	(11.8)	7,278	(11.9)	5,768	(24.0)
September 30, 2024	168,582	(4.0)	6,867	(6.6)	8,262	(3.5)	7,586	32.4

Note: Comprehensive income For the six months ended September 30, 2025: ¥9,287 million [37.9%]  
For the six months ended September 30, 2024: ¥6,736 million [(25.8)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	177.60	—
September 30, 2024	232.06	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	261,673	145,994	54.4
March 31, 2025	255,504	138,619	52.8

Reference: Equity  
As of September 30, 2025: ¥142,308 million  
As of March 31, 2025: ¥134,978 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	40.00	—	60.00	100.00
Fiscal year ending March 31, 2026	—	50.00			
Fiscal year ending March 31, 2026 (Forecast)			—	50.00	100.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 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)	292.40

Note: Revisions to the earnings forecasts most recently announced: None

**\* Notes**

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

Newly included: 1 company (Toukatsusyokuhin Co., Ltd.)

Note: For details, please see “2. Semiannual consolidated financial statements and principal notes, (4) Notes on semiannual consolidated financial statements (Changes in the scope of consolidation or scope of application of the equity method)” on page 14 of the attachments.

(2) Adoption of accounting treatment specific to the preparation of semiannual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

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

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2025	32,995,420 shares
As of March 31, 2025	32,995,420 shares

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

As of September 30, 2025	497,459 shares
As of March 31, 2025	523,094 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	32,482,170 shares
Six months ended September 30, 2024	32,692,992 shares

\* Semiannual financial results reports are exempt from review 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., (3) Explanation of consolidated financial forecasts and other forward-looking statements” on page 8 of the attachments.

(2) The supplementary material on financial results will be posted on the Company’s website on Friday, November 7, 2025.

(3) The Company plans to hold a financial results briefing for institutional investors and analysts on Friday, November 14, 2025. (Only available in Japanese) The material for the financial results briefing will be posted on the Company’s website.

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## 1. Overview of operating results, etc.

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

During the six months ended September 30, 2025, the Japanese economy was in a moderate recovery trend, supported primarily by a gradual improvement in the employment and income environment as well as steady spending by inbound tourists.

However, the outlook remained uncertain mainly due to consumers becoming even more frugal because of inflation, as well as to soaring raw material and energy prices, increasing logistics and labor costs, the global economic impact of U.S. tariff policies and other trends, 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’ and by new financial indicators, 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 six months ended September 30, 2025 were as follows. Consolidated net sales were 166,701 million yen, or down 1,881 million yen (1.1%) year on year. Operating profit was 6,054 million yen, or down 813 million yen (11.8%) year on year; ordinary profit was 7,278 million yen, or down 983 million yen (11.9%) year on year; and profit attributable to owners of parent was 5,768 million yen, or down 1,817 million yen (24.0%) year on year.

(Millions of yen)				
	Six months ended September 30, 2024	Six months ended September 30, 2025	Year-on-year- changes	Year-on-year- changes
Net sales	168,582	166,701	(1,881)	(1.1)%
Operating profit	6,867	6,054	(813)	(11.8)%
Ordinary profit	8,262	7,278	(983)	(11.9)%
Profit attributable to owners of parent	7,586	5,768	(1,817)	(24.0)%

The operating results by segment were as follows.

#### <Food Business>

In the Food Business, an upward trend continued in cost increasing factors, such as logistics and labor costs as well as material prices, leading to product price revisions while consumer frugality increased. This created a challenging sales environment. Under such a market environment, leveraging the strength of our market analytical ability, we strengthened solutions-based sales for each target business category, and promoted sales at fair prices.

In the Flour Milling Category, government selling prices for imported wheat were lowered average 4.6% in April (tax-inclusive prices). Given this situation, we implemented price revisions for flour products. In parallel with this, the Company is making efforts such as 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 for commercial use increased year on year, while that of premixes declined year on year. The sales volume of pasta for commercial use increased year on year as sales were favorable mainly in the restaurant market. The sales volume of bran rose year on year. The sales volume of household wheat flour and premixes declined year on year, while that of pasta for household use 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 are making such efforts as 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 the promotion problem-solving type sales efforts. The sales volume of oils and fats for household use decreased year on year due to a decline in the sales volume of general-use oils and olive oils, despite an increase in sales of rice bran oils. The sales volume of meals also increased year on year, while a unit cost of sales decreased year on year. 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, for example to resolve issues and improve production efficiency, in cooperation with Shikishima Starch MFG. Co., Ltd. and San-ei Sucrochemical Co., Ltd., which are consolidated subsidiaries of the Company. The sales volume of sweeteners remained at the same level year on year thanks to strong sales of unique product lines, such as low decomposition corn syrup and powdered syrup. The sales volume of corn starch and modified starch declined year on year due to decreased demand for industrial and other applications. As for by-products, the sales volume decreased year on year, while selling prices were higher than the same period last 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 135,855 million yen, or down 2,837 million yen (2.0%) year on year. Operating profit was 5,735 million yen, or down 828 million yen (12.6%) year on year.

#### <Animal Feed Business>

In the Animal Feed Business, we have been advancing proposal-based sales to meet customer needs, strengthening our engagement with producers, such as support on sales of livestock products and on increased value-added offerings, and promoting sales expansion of items with high added values. The sales volume of compound animal feed and eggs decreased year on year due to the impact of bird flu infections expanding from October last year. Although the average sales prices of compound animal feed declined compared to the previous fiscal year, egg sales prices were higher year on year due to the firm market price of eggs.

As a result, net sales of the Animal Feed Business were 28,328 million yen, or up 815 million yen (3.0%) year on year. Operating profit was 370 million yen, or up 53 million yen (16.8%) year on year.

#### <Other>

In the warehousing business, the volume of cargo handling decreased year on year, despite efforts to increase cargo handling volume by strengthening our engagement with trading companies and our main customers amid intensifying competition to secure cargo.

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, the plant factory business, and so forth came to 2,516 million yen, or up 140 million yen (5.9%) year on year. Operating profit was 741 million yen, or up 4 million yen (0.6%) year on year.

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

(Millions of yen)

Information on disaggregation of net sales			Six months ended September 30, 2024	Six months ended September 30, 2025	Year-on-year changes	Year-on-year changes
Reportable segment	Food Business	Flour Milling Category	53,648	52,347	(1,301)	(2.4)%
		Vegetable Oils Category	47,625	46,244	(1,381)	(2.9)%
		Starches and Sweeteners Category	34,252	34,003	(248)	(0.7)%
		Other Food Category (Note 1)	3,167	3,261	94	3.0%
			138,693	135,855	(2,837)	(2.0)%
	Animal Feed Business		27,513	28,328	815	3.0%
	Reportable segment total		166,206	164,184	(2,021)	(1.2)%
Other (Note 2)			1,552	1,672	120	7.8%
Revenue from contracts with customers			167,758	165,857	(1,901)	(1.1)%
Revenue from other sources (Note 3)			823	844	20	2.5%
Net sales to outside customers			168,582	166,701	(1,881)	(1.1)%

- 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 period under review

### (Status of consolidated financial position)

(Millions of yen)

	Fiscal year ended March 31, 2025	Six months ended September 30, 2025	Changes from previous fiscal year-end
Current assets	112,749	111,919	(830)
Non-current assets	142,754	149,753	6,999
Total assets	255,504	261,673	6,169
Current liabilities	78,362	75,672	(2,689)
Non-current liabilities	38,521	40,005	1,484
Total liabilities	116,884	115,678	(1,205)
Total net assets	138,619	145,994	7,374

The status and analysis of consolidated assets, liabilities, and net assets as of September 30, 2025 were as follows.

Total assets amounted to 261,673 million yen, or up 6,169 million yen from the end of the previous fiscal year. The main increasing factor was an increase of 6,884 million yen in investment securities. The main decreasing factor was a decrease of 1,595 million yen in cash and deposits.

Liabilities amounted to 115,678 million yen, or down 1,205 million yen from the end of the previous fiscal year. The main decreasing factors were a decrease of 2,306 million yen in facility liabilities and a decrease of 1,008 million yen in trade payables. The main increasing factor was an increase of 2,046 million yen in interest-bearing debt (including lease liabilities).

Net assets amounted to 145,994 million yen, or up 7,374 million yen from the end of the previous fiscal year. The main increasing factor was an increase due to the recording of profit attributable to owners of parent amounting to 5,768 million yen.

**(Status of consolidated cash flows)**

	(Millions of yen)		
	Six months ended September 30, 2024	Six months ended September 30, 2025	Year-on-year changes
Net cash provided by (used in) operating activities	7,707	7,344	(363)
Net cash provided by (used in) investing activities	(4,808)	(8,918)	(4,109)
Net cash provided by (used in) financing activities	(1,465)	(105)	1,359
Free cash flow	2,899	(1,574)	(4,473)
Cash and cash equivalents at end of period	9,546	5,095	(4,451)

The status of consolidated cash flows for the six months ended September 30, 2025 was as follows.

For the period under review, net cash provided by operating activities amounted to 7,344 million yen, down 363 million yen (4.7%) year on year. This was mainly attributable to income taxes paid of 2,377 million yen, an increase in inventories, and a decrease in trade payables, which partly offset a cash increase caused primarily by profit before income taxes of 7,978 million yen, depreciation of 4,945 million yen, and a decrease in trade receivables.

Net cash used in investing activities amounted to 8,918 million yen, up 4,109 million yen (85.5%) year on year. This was mainly attributable to cash used for purchase of shares of subsidiaries of 1,208 million yen, purchase of shares of subsidiaries resulting in change in scope of consolidation of 636 million yen, and purchase of property, plant and equipment of 6,967 million yen.

Net cash used in financing activities amounted to 105 million yen, down 1,359 million yen (92.8%) year on year. This was mainly attributable to proceeds from issuance of commercial papers of 2,000 million yen, which largely offset cash used for dividends paid of 1,949 million yen and other purposes.

As a result, cash and cash equivalents at the end of the period under review amounted to 5,095 million yen, down 1,773 million yen (25.8%) from the end of the previous fiscal year.

**(3) Explanation of consolidated financial forecasts and other forward-looking statements**

The business environment surrounding the Showa Sangyo Group is expected to remain uncertain from the third quarter onward due to factors such as instability in the international situation, trends in exchange rates, soaring raw material and energy prices, inflation, and increases in logistics and labor costs. However, there are no changes to consolidated financial forecasts for the fiscal year ending March 31, 2026 announced on May 12, 2025.



## 2. Semiannual consolidated financial statements and principal notes

### (1) Semiannual consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	8,106	6,511
Notes and accounts receivable - trade	52,761	52,721
Merchandise and finished goods	15,511	16,389
Work in process	2,475	3,061
Raw materials and supplies	28,777	28,429
Other	5,188	4,856
Allowance for doubtful accounts	(70)	(48)
Total current assets	112,749	111,919
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,241	31,332
Machinery, equipment and vehicles, net	27,144	26,973
Land	21,331	21,423
Other, net	7,378	7,866
Total property, plant and equipment	87,096	87,596
Intangible assets		
Goodwill	831	759
Customer-related intangible assets	1,480	1,351
Other	1,451	1,439
Total intangible assets	3,763	3,550
Investments and other assets		
Investment securities	47,221	54,106
Retirement benefit asset	1,654	1,696
Other	3,306	3,094
Allowance for doubtful accounts	(287)	(289)
Total investments and other assets	51,894	58,607
Total non-current assets	142,754	149,753
Total assets	255,504	261,673

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	22,177	21,168
Short-term borrowings	13,516	13,498
Current portion of bonds payable	7,000	7,000
Commercial papers	10,500	12,500
Income taxes payable	2,486	2,445
Provision for bonuses	2,279	2,246
Other	20,402	16,813
Total current liabilities	78,362	75,672
Non-current liabilities		
Bonds payable	11,000	11,000
Long-term borrowings	7,966	7,957
Provision for retirement benefits for directors (and other officers)	19	200
Retirement benefit liability	8,951	9,109
Other	10,584	11,738
Total non-current liabilities	38,521	40,005
Total liabilities	116,884	115,678
<b>Net assets</b>		
Shareholders' equity		
Share capital	14,293	14,293
Capital surplus	5,256	5,265
Retained earnings	101,219	105,037
Treasury shares	(1,551)	(1,475)
Total shareholders' equity	119,217	123,121
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,592	17,094
Deferred gains or losses on hedges	(17)	83
Foreign currency translation adjustment	752	611
Remeasurements of defined benefit plans	1,433	1,397
Total accumulated other comprehensive income	15,761	19,186
Non-controlling interests	3,641	3,686
Total net assets	138,619	145,994
Total liabilities and net assets	255,504	261,673

**(2) Semiannual consolidated statements of income and semiannual consolidated statements of comprehensive income**

**Semiannual consolidated statements of income**

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	168,582	166,701
Cost of sales	138,911	136,954
Gross profit	29,671	29,747
Selling, general and administrative expenses	22,803	23,692
Operating profit	6,867	6,054
Non-operating income		
Interest income	1	35
Dividend income	408	480
Share of profit of entities accounted for using equity method	890	585
Foreign exchange gains	58	71
Other	306	275
Total non-operating income	1,666	1,448
Non-operating expenses		
Interest expenses	135	189
Compensation for damage	65	4
Other	70	30
Total non-operating expenses	271	223
Ordinary profit	8,262	7,278
Extraordinary income		
Gain on sale of non-current assets	2,629	0
Gain on sale of investment securities	319	75
Gain on step acquisitions	—	911
Total extraordinary income	2,949	987
Extraordinary losses		
Loss on abandonment of non-current assets	227	101
Loss on sale of non-current assets	0	17
Impairment losses	—	19
Loss on valuation of investments in capital	—	149
Other	1	—
Total extraordinary losses	230	288
Profit before income taxes	10,981	7,978
Income taxes - current	2,972	2,308
Income taxes - deferred	367	(175)
Total income taxes	3,340	2,132
Profit	7,641	5,845
Profit attributable to non-controlling interests	54	76
Profit attributable to owners of parent	7,586	5,768

## Semiannual consolidated statements of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit	7,641	5,845
Other comprehensive income		
Valuation difference on available-for-sale securities	(521)	3,308
Deferred gains or losses on hedges	(501)	101
Foreign currency translation adjustment	(12)	(339)
Remeasurements of defined benefit plans, net of tax	(13)	(36)
Share of other comprehensive income of entities accounted for using equity method	143	408
Total other comprehensive income	(904)	3,441
Comprehensive income	6,736	9,287
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,696	9,194
Comprehensive income attributable to non-controlling interests	39	92

### (3) Semiannual consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
<b>Cash flows from operating activities</b>		
Profit before income taxes	10,981	7,978
Depreciation	5,152	4,945
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	(2,401)	118
Loss (gain) on step acquisitions	—	(911)
Decrease (increase) in trade receivables	8,735	243
Decrease (increase) in inventories	(4,551)	(624)
Increase (decrease) in trade payables	(2,412)	(1,181)
Increase (decrease) in accrued consumption taxes	(1,792)	(787)
Other, net	(3,569)	(753)
Subtotal	10,142	9,028
Interest and dividends received	695	823
Interest paid	(133)	(187)
Income taxes paid	(3,051)	(2,377)
Income taxes refund	55	56
Net cash provided by (used in) operating activities	7,707	7,344
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1)	(1)
Purchase of investment securities	(276)	(33)
Proceeds from sale and redemption of investment securities	351	84
Purchase of shares of subsidiaries	(3)	(1,208)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(636)
Purchase of property, plant and equipment	(7,417)	(6,967)
Proceeds from sale of property, plant and equipment	2,978	68
Payments for retirement of property, plant and equipment	(127)	(58)
Payments for asset retirement obligations	(107)	(0)
Investments and loan advances	(179)	(192)
Proceeds from divestments and collection of loans receivable	18	26
Other, net	(43)	—
Net cash provided by (used in) investing activities	(4,808)	(8,918)
<b>Cash flows from financing activities</b>		
Increase (decrease) in short-term borrowings and commercial papers	3,860	1,982
Repayments of long-term borrowings	(43)	(9)
Repayments of lease liabilities	(158)	(87)
Dividends paid	(1,673)	(1,949)
Purchase of treasury shares	(3,403)	(2)
Other, net	(45)	(39)
Net cash provided by (used in) financing activities	(1,465)	(105)
Effect of exchange rate change on cash and cash equivalents	(24)	(93)
Net increase (decrease) in cash and cash equivalents	1,409	(1,773)
Cash and cash equivalents at beginning of period	8,136	6,868
Cash and cash equivalents at end of period	9,546	5,095

#### **(4) Notes on semiannual consolidated financial statements**

(Notes on going concern assumption)

Not applicable.

(Notes in the event of significant changes in the amount of shareholders' equity)

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 six months ended September 30, 2025, the Company acquired additional shares in Toukatsusyokuhin Co., Ltd. and included it in the scope of consolidation.

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

Effective from the six months ended September 30, 2025, the account closing date of a consolidated subsidiary Shosan Kaihatsu Co., Ltd. has been changed from February 28 to March 31. As a result of this change, the accounting period of Shosan Kaihatsu Co., Ltd. for the period under review was an irregular period of seven months from March 1, 2025 to September 30, 2025.

This change had a minimal impact on the semiannual consolidated financial statements.

(Changes in presentation methods)

(Semiannual consolidated statements of cash flows)

“Purchase of shares of subsidiaries,” which was included in “other, net” under cash flows from investing activities for the six months ended September 30, 2024, is separately presented from the six months ended September 30, 2025 due to increased monetary importance. To reflect this change in presentation methods, semiannual financial statements for the six months ended September 30, 2024 have been reclassified.

As a result, the (46) million yen presented in “other, net” under cash flows from investing activities of the semiannual consolidated statement of cash flows for the six months ended September 30, 2024 has been reclassified into (3) million yen in “purchase of shares of subsidiaries” and (43) million yen in “other, net.”

(Notes on segment information, etc.)

[Segment information]

1. Six months ended September 30, 2024

(1) Information on net sales and profit or loss by reportable segment

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in semiannual consolidated statement of income (Note 3)
	Food Business	Animal Feed Business	Total				
Net sales							
Net sales to outside customers	138,693	27,513	166,206	2,376	168,582	—	168,582
Inter-segment net sales or transfers	1,913	1	1,914	1,556	3,471	(3,471)	—
Total	140,606	27,514	168,121	3,932	172,054	(3,471)	168,582
Segment profit	6,563	317	6,881	737	7,618	(750)	6,867

- 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. Adjustment of (750) million yen for segment profit includes elimination of inter-segment transactions of 3 million yen and corporate expenses of (753) 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.
  3. Segment profit is adjusted with operating profit on the semiannual consolidated statement of income.

(2) Information on impairment losses on non-current assets and goodwill by reportable segment

Not applicable.

2. Six months ended September 30, 2025

(1) Information on net sales and profit or loss by reportable segment

	Reportable segment			Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in semiannual consolidated statement of income (Note 3)
	Food Business	Animal Feed Business	Total				
Net sales							
Net sales to outside customers	135,855	28,328	164,184	2,516	166,701	—	166,701
Inter-segment net sales or transfers	1,432	2	1,434	1,528	2,962	(2,962)	—
Total	137,287	28,330	165,618	4,045	169,664	(2,962)	166,701
Segment profit	5,735	370	6,106	741	6,847	(793)	6,054

- 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. Adjustment of (793) million yen for segment profit includes elimination of inter-segment transactions of (1) million yen and corporate expenses of (792) 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.
  3. Segment profit is adjusted with operating profit on the semiannual consolidated statement of income.

(2) Information on impairment losses on non-current assets and goodwill by reportable segment

This information is omitted as it is not material.

(Business combinations, etc.)

Business combination through acquisition

1. Outline of the business combination

(1) Name and business of the acquired enterprise

Name of the acquired enterprise: Toukatsusyokuhin Co., Ltd. (“Toukatsusyokuhin”)

Business: Production and sale of Chinese steamed buns, Chinese delicatessen, and other products

(2) Main reason for the business combination

In keeping with the management philosophy of “Contributing to healthy, rich, and varied meals,” the Group makes full use of grains, the earth’s bounty, to provide people with safe and reliable food. One of the key strategies laid down in its Medium-term Management Plan 23-25 is the expansion of the Group’s business fields. As part of this strategy, the Group strives to expand the frozen food business.

Toukatsusyokuhin engages in the Chinese steamed bun business, its mainstay, and other businesses, directed by the management philosophy that aims to help people eat well by continuing to provide delicious and inspiring foods through the development of new food items. Since its founding in 1966, Toukatsusyokuhin has been highly praised by business partners for its technological prowess and attention to details in manufacturing. The Company first acquired a stake in Toukatsusyokuhin in 1985 and has since fostered a relationship with it, chiefly by supplying the Company’s products and offering technological cooperation.

Building on the acquisition of additional shares this time, the two companies will work to enhance mutual collaboration and mobilize their respective management resources and strengths with the goal of making the Group’s frozen food and processed food businesses more structurally robust and grow further.

(3) Business combination date

August 20, 2025: Date of share acquisition

September 1, 2025: Date of share acquisition

September 30, 2025: Deemed date of acquisition

(4) Legal form of the business combination

Acquisition of shares in exchange for cash

(5) Name of the combined enterprise

No change has been made.

(6) Percentage of voting rights acquired

Percentage of voting rights held immediately before the business combination date:	40.04%
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Percentage of voting rights additionally acquired on the business combination date:	59.96%
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Percentage of voting rights after the acquisition:	100.00%
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(7) Main grounds for determining the acquiring enterprise

It was determined based on the fact that the Company acquired shares in exchange for cash.

2. Period of the acquired enterprise’s operating results included in the semiannual consolidated statement of income

For the six months ended September 30, 2025, only the balance sheet of the acquired enterprise was consolidated; accordingly, its operating results were not included in the Company’s semiannual consolidated statement of income.



3. Acquisition cost of the acquired enterprise and the breakdown by type of consideration
 

Fair value, on the business combination date, of shares held immediately before the business combination:	912 million yen
<u>Consideration (cash) for shares additionally acquired on the business combination date:</u>	<u>1,365 million yen</u>
Acquisition cost:	2,277 million yen
  
4. Difference between the acquisition cost of the acquired enterprise and the total amount of the acquisition costs of the respective acquisition transactions
 

Gain on step acquisitions: 911 million yen
  
5. Amount of goodwill incurred, cause for incurrence, amortization method, and amortization period
  - (1) Amount of goodwill incurred
 

115 million yen
  - (2) Cause for incurrence
 

Goodwill was incurred due to the excess earning power expected from future business development.
  - (3) Amortization method and amortization period
 

As the amount was immaterial, it was amortized in full when incurred.