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MEMBERSHIP

November 8, 2023

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

Company name: FEED ONE CO., LTD.
 Listing: Tokyo
 Securities code: 2060
 URL: <https://www.feed-one.co.jp/> (in Japanese)
 Representative: REPRESENTATIVE DIRECTOR, HIDEHIRO SHOJI
 PRESIDENT
 Inquiries: GENERAL MANAGER, KOJI MOCHIZUKI
 FINANCE & ACCOUNTING DIVISION,
 ADMINISTRATIVE UNIT
 Telephone: +81-45-311-2300
 Scheduled date to file quarterly securities report: November 9, 2023
 Scheduled date to commence dividend payments: December 1, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly 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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	156,645	8.1	2,844	—	3,171	—	1,989	—
September 30, 2022	144,890	22.9	(99)	—	103	(97.4)	(29)	—

Note: Comprehensive income For the six months ended September 30, 2023: ¥3,088 million [468.9%]
 For the six months ended September 30, 2022: ¥542 million [(81.3)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	52.07	—
September 30, 2022	(0.78)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	134,881	47,995	35.1
March 31, 2023	127,913	45,314	35.0

Reference: Equity

As of September 30, 2023: ¥47,409 million

As of March 31, 2023: ¥44,768 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, 2023	—	12.50	—	12.50	25.00
Fiscal year ending March 31, 2024	—	12.50			
Fiscal year ending March 31, 2024 (Forecast)			—	12.50	25.00

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

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	323,000	4.9	3,500	146.0	3,500	104.5	2,300	123.1	60.11

Note: Revisions to the forecast of financial results most recently announced: None

*** Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly 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, 2023	38,477,128 shares
As of March 31, 2023	38,477,128 shares

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

As of September 30, 2023	212,009 shares
As of March 31, 2023	297,519 shares

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

Six months ended September 30, 2023	38,210,682 shares
Six months ended September 30, 2022	38,154,506 shares

Note: The number of treasury shares excluded from the calculation of the number of treasury shares at the end of the period and the average number of shares outstanding during the period includes shares of the Company (166,960 shares for the six months ended September 30, 2023, and 253,960 shares for the fiscal year ended March 31, 2023) held by Custody Bank of Japan, Ltd. (Trust Account) as the trust assets for the “trust for share-based remuneration for directors (and other officers).”

- * Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

- * Proper use of earnings forecasts, and other special matters

Caution regarding forward-looking statements, etc.

The forward-looking statements contained in this report, including earnings forecasts, are based on information currently available to the Company and certain assumptions that management believes to be reasonable. Actual financial and other results may differ substantially due to various factors.

How to acquire the Supplementary Materials for Quarterly Financial Results and Quarterly Financial Results Briefing content

The Supplementary Materials for Quarterly Financial Results are disclosed via TDnet on the same day, and are posted to the Company’s website as well. The Company plans to hold a Quarterly Financial Results Briefing for institutional investors and analysts on Tuesday, November 21, 2023, and the content of this briefing will be posted on the Company’s website immediately after the briefing.

Quarterly consolidated financial statements**(1) Quarterly consolidated balance sheets**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	7,379	11,379
Notes and accounts receivable - trade	51,375	53,830
Electronically recorded monetary claims - operating	3,885	4,341
Merchandise and finished goods	3,070	2,910
Raw materials and supplies	17,156	15,921
Animals	357	403
Other	2,791	3,200
Allowance for doubtful accounts	(180)	(142)
Total current assets	85,836	91,844
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,002	12,778
Machinery, equipment and vehicles, net	11,217	10,695
Land	6,114	6,108
Leased assets, net	727	671
Construction in progress	68	21
Other, net	538	537
Total property, plant and equipment	31,668	30,812
Intangible assets		
Other	916	1,422
Total intangible assets	916	1,422
Investments and other assets		
Investment securities	8,531	9,967
Long-term loans receivable	12	10
Distressed receivables	327	284
Deferred tax assets	274	195
Other	702	664
Allowance for doubtful accounts	(356)	(322)
Total investments and other assets	9,491	10,801
Total non-current assets	42,076	43,036
Total assets	127,913	134,881

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	36,482	45,193
Short-term borrowings	16,803	7,438
Lease liabilities	126	123
Income taxes payable	467	929
Provision for bonuses	558	584
Other	5,636	7,089
Total current liabilities	60,074	61,358
Non-current liabilities		
Long-term borrowings	19,208	21,861
Lease liabilities	658	597
Deferred tax liabilities	203	654
Provision for share awards for directors (and other officers)	173	116
Retirement benefit liability	2,234	2,252
Asset retirement obligations	3	3
Other	42	43
Total non-current liabilities	22,523	25,528
Total liabilities	82,598	86,886
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	9,737	9,737
Retained earnings	23,952	25,461
Treasury shares	(244)	(172)
Total shareholders' equity	43,445	45,026
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,229	2,021
Deferred gains or losses on hedges	32	166
Foreign currency translation adjustment	61	194
Remeasurements of defined benefit plans	(0)	0
Total accumulated other comprehensive income	1,323	2,383
Non-controlling interests	546	585
Total net assets	45,314	47,995
Total liabilities and net assets	127,913	134,881

(2) Quarterly consolidated statements of income and comprehensive income**Quarterly consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	144,890	156,645
Cost of sales	134,386	142,821
Gross profit	10,504	13,824
Selling, general and administrative expenses	10,603	10,980
Operating profit (loss)	(99)	2,844
Non-operating income		
Interest income	5	5
Dividend income	104	112
Share of profit of entities accounted for using equity method	42	130
Other	243	197
Total non-operating income	395	445
Non-operating expenses		
Interest expenses	63	94
Other	129	23
Total non-operating expenses	192	118
Ordinary profit	103	3,171
Extraordinary income		
Gain on sale of non-current assets	32	6
Total extraordinary income	32	6
Extraordinary losses		
Loss on sale of non-current assets	4	7
Loss on retirement of non-current assets	30	21
Impairment losses	29	6
Loss on cancellation of leases	—	0
Loss on liquidation of subsidiaries	0	—
Loss on valuation of investment securities	—	2
Loss on closing of factory	—	144
Total extraordinary losses	64	182
Profit before income taxes	71	2,996
Income taxes - current	136	843
Income taxes - deferred	(56)	123
Total income taxes	79	967
Profit (loss)	(8)	2,028
Profit attributable to non-controlling interests	20	38
Profit (loss) attributable to owners of parent	(29)	1,989

Quarterly consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit (loss)	(8)	2,028
Other comprehensive income		
Valuation difference on available-for-sale securities	148	792
Deferred gains or losses on hedges	215	133
Remeasurements of defined benefit plans, net of tax	5	1
Share of other comprehensive income of entities accounted for using equity method	182	132
Total other comprehensive income	551	1,060
Comprehensive income	542	3,088
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	521	3,049
Comprehensive income attributable to non-controlling interests	20	38

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	71	2,996
Depreciation	1,630	1,598
Impairment losses	29	6
Share of loss (profit) of entities accounted for using equity method	(42)	(130)
Increase (decrease) in allowance for doubtful accounts	157	(31)
Increase (decrease) in provision for bonuses	7	26
Increase (decrease) in retirement benefit liability	102	20
Increase (decrease) in provision for share awards for directors (and other officers)	(6)	(57)
Interest and dividend income	(110)	(117)
Interest expenses	63	94
Loss (gain) on valuation of investment securities	—	2
Loss (gain) on sale and retirement of non-current assets	1	22
Loss on liquidation of subsidiaries	0	—
Decrease (increase) in trade receivables	(11,825)	(2,907)
Decrease (increase) in inventories	(3,225)	1,348
Increase (decrease) in trade payables	3,168	8,710
Other, net	(440)	1,206
Subtotal	(10,416)	12,787
Income taxes paid	(340)	(288)
Net cash provided by (used in) operating activities	(10,756)	12,499
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,213)	(1,260)
Proceeds from sale of property, plant and equipment and intangible assets	42	16
Purchase of investment securities	(2)	(2)
Proceeds from liquidation of subsidiaries	6	—
Loan advances	—	(105)
Proceeds from collection of loans receivable	104	1
Interest and dividends received	116	125
Other, net	(0)	13
Net cash provided by (used in) investing activities	(945)	(1,210)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,035	(9,485)
Proceeds from long-term borrowings	10,300	3,650
Repayments of long-term borrowings	(931)	(877)
Interest paid	(56)	(95)
Dividends paid	(478)	(482)
Repayments of lease liabilities	(66)	(64)
Commission expenses paid	(73)	(8)
Purchase of treasury shares	(0)	(1)
Proceeds from sale of treasury shares	27	73
Net cash provided by (used in) financing activities	12,755	(7,290)
Net increase (decrease) in cash and cash equivalents	1,052	3,998
Cash and cash equivalents at beginning of period	3,444	7,322
Cash and cash equivalents at end of period	4,497	11,320