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May 12, 2023

Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Under Japanese GAAP)

Company name:	FEED ONE CO., LTD.	
Listing:	Tokyo	
Securities code:	2060	
URL:	https://www.feed-one.co.jp/english/	
Representative:	REPRESENTATIVE DIRECTOR, PRESIDENT	HIDEHIRO SHOJI
Inquiries:	GENERAL MANAGER, FINANCE & ACCOUNTING DIVISION, ADMINISTRATIVE UNIT	KOJI MOCHIZUKI
Telephone:	+81-45-311-2300	
Scheduled date of annual general meeting of shareholders:		June 23, 2023
Scheduled date to commence dividend payments:		June 8, 2023
Scheduled date to file annual securities report:		June 23, 2023
Preparation of supplementary material on financial results:		Yes
Holding of financial results briefing:		Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	307,911	26.6	1,422	(66.9)	1,711	(66.2)	1,030	(71.8)
March 31, 2022	243,202	13.6	4,293	(24.3)	5,067	(16.7)	3,659	(17.6)

Note: Comprehensive income For the year ended March 31, 2023: ¥ 1,408 million [(64.0)%]
For the year ended March 31, 2022: ¥ 3,915 million [(27.2)%]

	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
Year ended	Yen	Yen	%	%	%
March 31, 2023	27.01	-	2.3	1.4	0.5
March 31, 2022	94.65	-	8.5	4.9	1.8

Reference: Share of profit (loss) of entities accounted for using equity method
For the year ended March 31, 2023: ¥ (42) million
For the year ended March 31, 2022: ¥ 109 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, 2023	127,913	45,314	35.0	1,172.57
March 31, 2022	108,504	44,840	40.8	1,161.40

Reference: Equity
As of March 31, 2023: ¥ 44,768 million
As of March 31, 2022: ¥ 44,306 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
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	(7,816)	(1,187)	12,881	7,322
March 31, 2022	2,740	(952)	(1,174)	3,444

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	-	12.50	-	12.50	25.00	961	26.4	2.2
Year ended March 31, 2023	-	12.50	-	12.50	25.00	960	92.6	2.1
Year ending March 31, 2024 (Forecast)	-	12.50	-	12.50	25.00		41.5	

3. Forecast of consolidated financial results for the 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	60.24

*** Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(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

(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, 2023	38,477,128 shares	As of March 31, 2022	38,477,128 shares

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

As of March 31, 2023	297,519 shares	As of March 31, 2022	328,150 shares

(iii) Average number of shares during the period

Year ended March 31, 2023	38,166,314 shares	Year ended March 31, 2022	38,663,457 shares

* 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

(Explanation of Forward-Looking Statements)

The forward-looking statements in this document are based on information currently available to the Company and certain assumptions that the Company judges to be reasonable. Actual results may differ materially due to various factors.

(How to obtain supplementary material on financial results)

Supplementary material on financial results will be disclosed on TDnet on the same day and will also be posted on the Company's website.

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	3,500	7,379
Notes and accounts receivable - trade	40,359	51,375
Electronically recorded monetary claims - operating	2,427	3,885
Merchandise and finished goods	2,345	3,070
Raw materials and supplies	13,269	17,156
Animals	335	357
Other	3,100	2,791
Allowance for doubtful accounts	(34)	(180)
Total current assets	65,303	85,836
Non-current assets		
Property, plant and equipment		
Buildings and structures	25,521	24,177
Accumulated depreciation	(12,082)	(11,174)
Buildings and structures, net	13,438	13,002
Machinery, equipment and vehicles	30,322	29,123
Accumulated depreciation	(18,050)	(17,905)
Machinery, equipment and vehicles, net	12,271	11,217
Land	6,355	6,114
Leased assets	1,046	1,045
Accumulated depreciation	(227)	(318)
Leased assets, net	818	727
Construction in progress	45	68
Other	2,211	2,137
Accumulated depreciation	(1,627)	(1,599)
Other, net	583	538
Total property, plant and equipment	33,513	31,668
Intangible assets		
Other	530	916
Total intangible assets	530	916
Investments and other assets		
Investment securities	8,215	8,531
Long-term loans receivable	16	12
Distressed receivables	239	327
Deferred tax assets	315	274
Other	630	702
Allowance for doubtful accounts	(259)	(356)
Total investments and other assets	9,157	9,491
Total non-current assets	43,200	42,076
Total assets	108,504	127,913

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	30,903	36,482
Short-term borrowings	11,350	16,803
Lease liabilities	128	126
Income taxes payable	441	467
Provision for bonuses	685	558
Other	6,513	5,636
Total current liabilities	50,022	60,074
Non-current liabilities		
Long-term borrowings	10,478	19,208
Lease liabilities	759	658
Deferred tax liabilities	10	203
Provision for share awards for directors (and other officers)	156	173
Retirement benefit liability	2,194	2,234
Asset retirement obligations	3	3
Other	38	42
Total non-current liabilities	13,641	22,523
Total liabilities	63,663	82,598
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	9,737	9,737
Retained earnings	23,882	23,952
Treasury shares	(271)	(244)
Total shareholders' equity	43,348	43,445
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	948	1,229
Deferred gains or losses on hedges	72	32
Foreign currency translation adjustment	(1)	61
Remeasurements of defined benefit plans	(61)	(0)
Total accumulated other comprehensive income	957	1,323
Non-controlling interests	534	546
Total net assets	44,840	45,314
Total liabilities and net assets	108,504	127,913

(2) Consolidated Statements of Income and Comprehensive Income
(Consolidated Statements of Income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	243,202	307,911
Cost of sales	220,490	285,218
Gross profit	22,712	22,693
Selling, general and administrative expenses	18,418	21,270
Operating profit	4,293	1,422
Non-operating income		
Interest income	14	10
Dividend income	138	145
Share of profit of entities accounted for using equity method	109	―
Stockpile storage revenue	138	141
Subsidy income	379	163
Other	188	210
Total non-operating income	969	670
Non-operating expenses		
Interest expenses	94	158
Sales discounts	35	46
Share of loss of entities accounted for using equity method	―	42
Commission expenses	1	78
Other	65	56
Total non-operating expenses	195	382
Ordinary profit	5,067	1,711
Extraordinary income		
Gain on sale of non-current assets	6	37
Gain on sale of investment securities	45	305
Subsidy income	196	61
Insurance claim income	18	―
Total extraordinary income	266	404
Extraordinary losses		
Loss on sale of non-current assets	25	13
Loss on retirement of non-current assets	59	43
Loss on tax purpose reduction entry of non-current assets	12	―
Impairment losses	143	208
Loss on liquidation of subsidiaries	―	0
Loss on valuation of shares of subsidiaries and associates	2	―
Loss on closing of factory	―	211
Total extraordinary losses	243	476
Profit before income taxes	5,090	1,639
Income taxes - current	1,317	492
Income taxes - deferred	83	103
Total income taxes	1,401	596
Profit	3,689	1,042
Profit attributable to non-controlling interests	29	12
Profit attributable to owners of parent	3,659	1,030

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	3,689	1,042
Other comprehensive income		
Valuation difference on available-for-sale securities	88	280
Deferred gains or losses on hedges	44	(39)
Remeasurements of defined benefit plans, net of tax	(14)	60
Share of other comprehensive income of entities accounted for using equity method	107	63
Total other comprehensive income	226	365
Comprehensive income	3,915	1,408
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,885	1,396
Comprehensive income attributable to non-controlling interests	29	12

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	10,484	21,197	(122)	41,559
Changes during period					
Dividends of surplus			(974)		(974)
Profit attributable to owners of parent			3,659		3,659
Purchase of treasury shares				(895)	(895)
Cancellation of treasury shares		(743)		743	―
Disposal of treasury shares		(3)		136	132
Acquisition of treasury stock by stock benefit trust				(132)	(132)
Net changes in items other than shareholders' equity					
Total changes during period	―	(746)	2,684	(148)	1,789
Balance at end of period	10,000	9,737	23,882	(271)	43,348

	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	859	28	(109)	(47)	730	504	42,794
Changes during period							
Dividends of surplus							(974)
Profit attributable to owners of parent							3,659
Purchase of treasury shares							(895)
Cancellation of treasury shares							―
Disposal of treasury shares							132
Acquisition of treasury stock by stock benefit trust							(132)
Net changes in items other than shareholders' equity	88	44	107	(14)	226	29	256
Total changes during period	88	44	107	(14)	226	29	2,045
Balance at end of period	948	72	(1)	(61)	957	534	44,840

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,000	9,737	23,882	(271)	43,348
Changes during period					
Dividends of surplus			(960)		(960)
Profit attributable to owners of parent			1,030		1,030
Purchase of treasury shares				(1)	(1)
Disposal of treasury stock by stock benefit trust				27	27
Net changes in items other than shareholders' equity					
Total changes during period	—	—	69	26	96
Balance at end of period	10,000	9,737	23,952	(244)	43,445

	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	948	72	(1)	(61)	957	534	44,840
Changes during period							
Dividends of surplus							(960)
Profit attributable to owners of parent							1,030
Purchase of treasury shares							(1)
Disposal of treasury stock by stock benefit trust							27
Net changes in items other than shareholders' equity	280	(39)	63	60	365	12	377
Total changes during period	280	(39)	63	60	365	12	474
Balance at end of period	1,229	32	61	(0)	1,323	546	45,314

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	5,090	1,639
Depreciation	3,198	3,235
Impairment losses	143	208
Share of loss (profit) of entities accounted for using equity method	(109)	42
Increase (decrease) in allowance for doubtful accounts	1	242
Increase (decrease) in provision for bonuses	(49)	(127)
Increase (decrease) in retirement benefit liability	74	127
Increase (decrease) in provision for share awards for directors (and other officers)	52	16
Interest and dividend income	(153)	(155)
Interest expenses	94	158
Loss (gain) on sale of investment securities	(45)	(305)
Commission expenses	1	78
Loss on liquidation of subsidiaries	―	0
Loss on valuation of shares of subsidiaries and associates	2	―
Loss (gain) on sale and retirement of non-current assets	77	19
Loss on tax purpose reduction entry of non-current assets	12	―
Subsidy income	(196)	(61)
Insurance claim income	(18)	―
Decrease (increase) in trade receivables	(6,483)	(12,565)
Decrease (increase) in inventories	(3,362)	(4,635)
Increase (decrease) in trade payables	5,358	5,579
Other, net	1,058	(774)
Subtotal	4,748	(7,278)
Income taxes paid	(2,025)	(538)
Proceeds from insurance income	18	―
Net cash provided by (used in) operating activities	2,740	(7,816)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(2,623)	(2,070)
Proceeds from sale of property, plant and equipment and intangible assets	166	101
Purchase of investment securities	(20)	(4)
Proceeds from sale of investment securities	282	484
Proceeds from liquidation of subsidiaries	―	6
Loan advances	(200)	(25)
Proceeds from collection of loans receivable	603	168
Proceeds from subsidy income	696	1
Interest and dividends received	164	162
Other, net	(21)	(12)
Net cash provided by (used in) investing activities	(952)	(1,187)

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,740	5,560
Proceeds from long-term borrowings	1,145	10,500
Repayments of long-term borrowings	(1,958)	(1,877)
Interest paid	(96)	(147)
Dividends paid	(971)	(967)
Repayments of lease liabilities	(136)	(132)
Commission fee paid	(1)	(78)
Purchase of treasury shares	(1,027)	(1)
Proceeds from sale of treasury shares	132	27
Net cash provided by (used in) financing activities	(1,174)	12,881
Net increase (decrease) in cash and cash equivalents	614	3,877
Cash and cash equivalents at beginning of period	2,830	3,444
Cash and cash equivalents at end of period	3,444	7,322