February 14, 2025

Company name:	FEED ONE CO., LTD.	
Listing:	Tokyo	
Securities code:	2060	
Representative:	REPRESENTATIVE DIRECTOR, PRESIDENT	HIDEHIRO SHOJI
Inquiries:	GENERAL MANAGER, FINANCE & ACCOUNTING DIVISION, ADMINISTRATIVE UNIT	KOJI MOCHIZUKI
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Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP) (Reviewed by independent account auditors)

FEED ONE CO., LTD. hereby announces that the interim reviewed by independent account auditors of the Japanese-language-original of the quarterly consolidated financial statements in the "Consolidated Financial Results for the Nine Months Ended December 31,2024(Under Japanese GAAP)," which was disclosed on February 6, 2025 has been completed.

There were no revisions made to the quarterly consolidated financial statements disclosed on February 6, 2025.

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 14, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (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, PRESIDENT HIDEHIRO SHOJI
Inquiries: GENERAL MANAGER, FINANCE & ACCOUNTING DIVISION, ADMINISTRATIVE UNIT KOJI MOCHIZUKI
Telephone: +81-45-211-6520

Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2024	225,521	(5.4)	4,271	(15.6)	4,728	(8.2)	3,711	13.9
December 31, 2023	238,369	4.2	5,063	569.7	5,148	395.1	3,257	411.6

Note: Comprehensive income For the nine months ended December 31, 2024: ¥4,264 million [12.6%]
For the nine months ended December 31, 2023: ¥3,787 million [541.9%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	97.00	–
December 31, 2023	85.22	–

	EBITDA	
Nine months ended	Millions of yen	%
December 31, 2024	7,559	(2.1)
December 31, 2023	7,724	–

Note: EBITDA= Ordinary profit + interest expenses - interest income + depreciation and amortization of goodwill

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	135,380	54,032	39.4
March 31, 2024	131,038	50,856	38.4

Reference: Equity
As of December 31, 2024: ¥53,294 million
As of March 31, 2024: ¥50,280 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, 2024	–	12.50	–	14.50	27.00
Fiscal year ending March 31, 2025	–	14.50	–		
Fiscal year ending March 31, 2025 (Forecast)				15.00	29.50

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, 2025 (from April 1, 2024 to March 31, 2025)

(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	307,000	(2.2)	6,100	(21.3)	6,300	(18.6)	4,500	(11.5)	117.73

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

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 company (Dohoku Kyodo Shiryo Hanbai Co., Ltd.)

(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 December 31, 2024	38,477,128 shares
As of March 31, 2024	38,477,128 shares

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

As of December 31, 2024	252,902 shares
As of March 31, 2024	212,836 shares

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

Nine months ended December 31, 2024	38,262,866 shares
Nine months ended December 31, 2023	38,226,962 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 (251,560 shares for the nine months ended December 31, 2024, and 166,960 shares for the fiscal year ended March 31, 2024) 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)."

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

* 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. Please see "1. Overview of operating results and others (3) Explanation of forecast of consolidated financial results and other forward-looking statements" on page 4 of the attached material to this quarterly financial results report for the suppositions that form the assumptions for the earnings forecasts and cautions concerning the use thereof.

How to acquire the Supplementary Materials for Financial Results

The Supplementary Materials for Financial Results were disclosed via TDnet on February 6, 2025, and were posted to the Company's website as well.

Attached Material

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1. Overview of operating results and others

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

During the nine months ended December 31, 2024 (April 1, 2024 to December 31, 2024), the outlook for the Japanese economy remained uncertain due to factors including heightened geopolitical risks due to future policy actions in the United States and growing tensions in the Middle East, while rising real wages and gradual recovery in consumer spending due to improvements in the employment and income environment and the increased number of foreign visitors to Japan.

In the feed industry, the price of corn, which is a primary raw ingredient, was lower than the same period of the previous year, due to factors such as favorable weather conditions suitable for growing in the United States, the main production area, despite concerns about planting delays due to dry weather in the major producing regions in South America. In addition, the prices of other raw materials were also generally lower than the same period of the previous year due to fluctuations in the supply-demand balance.

With regard to animal products prices, the market price of pork was higher than in the same period of the previous year due to factors such as increased demand for hot pots in winter amid a decrease in the number of animals shipped mainly due to the impact of lingering summer heat. The market price of chicken eggs rose toward the end of the year, the highest demand season, due to factors such as strong demand from the food service industry amid a decrease in production volume caused by the extreme summer heat since August, but was lower than the same period of the previous year.

In this environment, the Group is moving forward with initiatives to achieve the goals of its “Medium-Term Management Plan 2026 ~1st STAGE for NEXT 10 YEARS~,” which begins from the fiscal year ending March 31, 2025. These initiatives include strengthening its sales structure, renovating and enhancing its production system and research facilities, taking on the challenge of next-generation aquaculture, and building a business model that integrates animal products and feedstuffs.

As a result, for the nine months ended December 31, 2024, the Group’s net sales were ¥225,521 million (down 5.4% year-on-year), operating profit was ¥4,271 million (down 15.6% year-on-year), ordinary profit was ¥4,728 million (down 8.2% year-on-year), and profit attributable to owners of parent was ¥3,711 million (up 13.9% year-on-year).

In addition, in order to ensure the execution of capital investment plans and to achieve management that is conscious of the cost of capital, EBITDA and ROIC have been introduced as new management indicators from the fiscal year ending March 31, 2025. EBITDA for the nine months ended December 31, 2024 is as follows.

	Nine months ended December 31, 2023 (Millions of yen)	Nine months ended December 31, 2024 (Millions of yen)	Year-on-year change (%)
Ordinary profit	5,148	4,728	(8.2)
Interest expenses	140	131	(6.2)
Interest income	7	2	(65.7)
Depreciation and amortization of goodwill	2,443	2,701	10.6
EBITDA	7,724	7,559	(2.1)

Note: EBITDA= Ordinary profit + interest expenses - interest income + depreciation and amortization of goodwill

Operating results by segment are as follows.

The classification of reportable segments has been changed from the first quarter of the fiscal year, and the following comparisons with the same quarter of the previous year are comparative analyses based on figures for the same quarter of the previous year that have been reclassified into the new segment classifications.

For details, please refer to “2. Quarterly consolidated financial statements and significant notes thereto (3) Notes to quarterly consolidated financial statements (Notes to segment information etc.).”

(i) Animal Feed Business

Segment sales were ¥175,949 million (down 5.4% year-on-year), segment income was ¥5,977 million (up 2.1% year-on-year), and segment EBITDA was ¥7,870 million (up 2.1% year-on-year).

While revenues decreased because the average selling price of animal feed was lower than in the same period of the previous year due to price revisions, profits increased due to an increase in sales volume and improvement in the earnings environment.

(ii) Aquatic Feed Business

Segment sales were ¥21,104 million (down 0.1% year-on-year), segment income was ¥976 million (up 29.2% year-on-year), and segment EBITDA was ¥1,351 million (up 19.3% year-on-year).

Revenues decreased because sales volume of aquatic feed decreased, but profits increased as a result of improvement in the earnings environment due to factors such as a year-on-year increase in the average selling price.

(iii) Food Business

Segment sales were ¥28,456 million (down 9.1% year-on-year), segment income was ¥116 million (down 68.3% year-on-year), and segment EBITDA was ¥239 million (down 51.6% year-on-year).

The meat division recorded losses in both the first nine months of the previous and current fiscal years. The egg division recorded decreases in both revenues and profits due to factors such as the impact of egg market prices falling below the same period of the previous year.

(iv) Other businesses

Segment sales were ¥11 million (up 42.9% year-on-year), segment income was ¥74 million (up 93.5% year-on-year), and segment EBITDA was ¥75 million (up 92.6% year-on-year).

The category “Other” includes operating segments other than reportable segments, such as overseas and real estate leasing businesses. No sales are recorded for the overseas business since it is only an affiliate accounted for using the equity method.

(2) Overview of financial position for the period under review

(Assets)

The total assets as of December 31, 2024 amounted to ¥135,380 million (up ¥4,341 million from the end of the previous fiscal year). This was mainly due to increases in cash and deposits of ¥1,511 million, notes and accounts receivable - trade of ¥430 million, merchandise and finished goods of ¥845 million, raw materials and supplies of ¥626 million, and construction in progress of ¥1,021 million.

(Liabilities)

The total liabilities as of December 31, 2024 amounted to ¥81,347 million (up ¥1,165 million from the end of the previous fiscal year). This was mainly due to an increase in short-term borrowings of ¥10,377 million, despite decreases in income taxes payable of ¥2,081 million and long-term borrowings of ¥6,188 million.

(Net assets)

The total net assets as of December 31, 2024 amounted to ¥54,032 million (up ¥3,176 million from the end of the previous fiscal year). This was mainly due to an increase in retained earnings of ¥2,586 million as a result of recording of profit attributable to owners of parent.

(3) Explanation of forecast of consolidated financial results and other forward-looking statements

The forecast of consolidated financial results is unchanged from the forecast in the “Consolidated Financial Results for the Fiscal Year Ended March 31, 2024” announced on May 10, 2024. The forecast of cash dividends is unchanged from the forecast in the “Notice of Revision to Dividend Forecasts” announced on October 29, 2024.

2. Quarterly consolidated financial statements and significant notes thereto

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	10,876	12,387
Notes and accounts receivable - trade	51,829	52,259
Electronically recorded monetary claims - operating	5,149	4,889
Merchandise and finished goods	2,856	3,701
Raw materials and supplies	14,041	14,667
Animals	408	385
Other	3,335	3,900
Allowance for doubtful accounts	(292)	(300)
Total current assets	88,204	91,892
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,401	12,335
Machinery, equipment and vehicles, net	10,179	9,593
Land	6,265	6,336
Leased assets, net	687	653
Construction in progress	167	1,189
Other, net	480	483
Total property, plant and equipment	30,181	30,591
Intangible assets		
Other	1,542	1,601
Total intangible assets	1,542	1,601
Investments and other assets		
Investment securities	10,143	10,561
Long-term loans receivable	1	10
Distressed receivables	252	149
Deferred tax assets	199	153
Other	681	564
Allowance for doubtful accounts	(169)	(145)
Total investments and other assets	11,109	11,294
Total non-current assets	42,834	43,487
Total assets	131,038	135,380

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	34,360	33,686
Short-term borrowings	10,580	20,957
Lease liabilities	133	130
Income taxes payable	2,262	181
Provision for bonuses	772	406
Asset retirement obligations	77	–
Other	6,933	6,484
Total current liabilities	55,121	61,846
Non-current liabilities		
Long-term borrowings	21,178	14,990
Lease liabilities	602	565
Deferred tax liabilities	685	1,132
Provision for share awards for directors (and other officers)	111	111
Retirement benefit liability	2,313	2,426
Asset retirement obligations	3	58
Liabilities from application of equity method	119	128
Other	46	88
Total non-current liabilities	25,060	19,501
Total liabilities	80,182	81,347
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	9,737	9,743
Retained earnings	28,075	30,662
Treasury shares	(173)	(210)
Total shareholders' equity	47,639	50,194
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,316	2,630
Deferred gains or losses on hedges	139	228
Foreign currency translation adjustment	213	263
Remeasurements of defined benefit plans	(28)	(22)
Total accumulated other comprehensive income	2,640	3,100
Non-controlling interests	576	737
Total net assets	50,856	54,032
Total liabilities and net assets	131,038	135,380

(2) Quarterly consolidated statements of income and comprehensive income

Quarterly consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	238,369	225,521
Cost of sales	216,367	201,804
Gross profit	22,001	23,716
Selling, general and administrative expenses	16,938	19,444
Operating profit	5,063	4,271
Non-operating income		
Interest income	7	2
Dividend income	156	150
Share of profit of entities accounted for using equity method	–	201
Stockpile storage revenue	102	107
Other	178	189
Total non-operating income	445	651
Non-operating expenses		
Interest expenses	140	131
Share of loss of entities accounted for using equity method	187	–
Commission expenses	10	31
Other	22	32
Total non-operating expenses	360	195
Ordinary profit	5,148	4,728
Extraordinary income		
Gain on sale of non-current assets	12	9
Gain on sale of investment securities	74	–
Gain on sale of businesses	–	10
Gain on bargain purchase	–	338
Total extraordinary income	87	357
Extraordinary losses		
Loss on sale of non-current assets	9	6
Loss on retirement of non-current assets	27	33
Impairment losses	94	47
Loss on cancellation of leases	0	–
Loss on valuation of investment securities	2	–
Loss on sale of shares of subsidiaries and associates	–	8
Loss on closing of factory	145	–
Loss on step acquisitions	–	158
Head office relocation expenses	–	32
Total extraordinary losses	280	287
Profit before income taxes	4,955	4,798
Income taxes - current	1,465	682
Income taxes - deferred	199	310
Total income taxes	1,664	993
Profit	3,290	3,805
Profit attributable to non-controlling interests	32	93
Profit attributable to owners of parent	3,257	3,711

Quarterly consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	3,290	3,805
Other comprehensive income		
Valuation difference on available-for-sale securities	695	313
Deferred gains or losses on hedges	(266)	89
Remeasurements of defined benefit plans, net of tax	2	6
Share of other comprehensive income of entities accounted for using equity method	65	50
Total other comprehensive income	496	459
Comprehensive income	3,787	4,264
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,754	4,170
Comprehensive income attributable to non-controlling interests	32	93

(3) Notes to quarterly consolidated financial statements

(Significant matters forming the basis for preparation of quarterly consolidated financial statements)

Quarterly consolidated financial statements are prepared in accordance with Article 4, paragraph 1 of the standard for preparation of quarterly financial statements established by Tokyo Stock Exchange, Inc. and the accounting standards for quarterly financial statements generally accepted in Japan (provided, however, the Company applies the practice of omitting the descriptions provided for in Article 4, paragraph 2 of the aforementioned standard for preparation of quarterly financial statements).

(Notes to segment information, etc.)

Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

1. Disclosure of sales and profit (loss) for each reportable segment, and breakdown of revenue

(Unit: Millions of yen)

	Reportable segments				Other Note 1	Total	Adjustments Note 2	Amounts in quarterly consolidated statements of income Note 3
	Animal Feed Business	Aquatic Feed Business	Food Business	Total				
Net sales								
Revenue from contracts with customers	185,922	21,134	31,304	238,361	7	238,369	–	238,369
Net sales from external customers	185,922	21,134	31,304	238,361	7	238,369	–	238,369
Intersegment sales or transfers	4,014	215	22	4,252	1	4,253	(4,253)	–
Total	189,937	21,350	31,327	242,614	9	242,623	(4,253)	238,369
Segment profit	5,856	755	368	6,980	38	7,019	(1,870)	5,148

Notes 1 The category “Other” includes operating segments other than reportable segments, such as overseas and real estate leasing businesses.

2 The adjusted segment profit of ¥(1,870) million includes corporate profit or loss of ¥(1,870) million that is not allocated to each reportable segment. Corporate profit and loss mainly consists of general and administrative expenses not attributable to the reportable segments.

3 Segment profit is adjusted with ordinary profit in the quarterly consolidated statements of income.

2. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment

(Major impairment losses on non-current assets)

In the “Aquatic Feed Business” segment, the book value of assets no longer expected to be used in the future was reduced to the recoverable amount, and impairment losses of ¥14 million was recognized as extraordinary losses.

In the “Food Business” segment, the book value of assets no longer expected to be used in the future was reduced to the recoverable amount, and impairment losses of ¥74 million was recognized as extraordinary losses.

Impairment losses not allocated to reportable segments amounted to ¥6 million.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gain on bargain purchase)

Not applicable.

Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

1. Disclosure of sales and profit (loss) for each reportable segment, and breakdown of revenue

(Unit: Millions of yen)

	Reportable segments				Other Note 1	Total	Adjustments Note 2	Amounts in quarterly consolidated statements of income Note 3
	Animal Feed Business	Aquatic Feed Business	Food Business	Total				
Net sales								
Revenue from contracts with customers	175,949	21,104	28,456	225,509	11	225,521	–	225,521
Net sales from external customers	175,949	21,104	28,456	225,509	11	225,521	–	225,521
Intersegment sales or transfers	3,384	246	16	3,646	1	3,647	(3,647)	–
Total	179,333	21,350	28,472	229,156	12	229,168	(3,647)	225,521
Segment profit	5,977	976	116	7,069	74	7,144	(2,415)	4,728

Notes 1 The category “Other” includes operating segments other than reportable segments, such as overseas and real estate leasing businesses.

2 The adjusted segment profit of ¥(2,415) million includes corporate profit or loss of ¥(2,415) million that is not allocated to each reportable segment. Corporate profit and loss mainly consists of general and administrative expenses not attributable to the reportable segments.

3 Segment profit is adjusted with ordinary profit in the quarterly consolidated statements of income.

2. Notes relating to changes in reportable segments, etc.

(Changes in classification of reportable segments)

With the start of the “Medium-Term Management Plan 2026 ~1st STAGE for NEXT 10 YEARS~,” beginning from the fiscal year ending March 31, 2025, the Group has reformed its organizational structure and methods of performance evaluation. In order to properly reflect this change in reportable segments, the Group has subdivided its business segments into three segments: “Animal Feed Business,” “Aquatic Feed Business,” and “Food Business” instead of the previous two segments: “Feed Business” and “Food Business,” and consolidated its business segments under the new method of classification. In addition, due to the introduction of management indicators based on ordinary profit, segment income has been changed from “operating profit” to “ordinary profit.”

Segment information for the nine months ended December 31, 2023 has been prepared based on the new classification method and segment income is based on ordinary profit.

3. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment

(Major impairment losses on non-current assets)

Impairment losses not allocated to reportable segments amounted to ¥47 million.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gain on bargain purchase)

In the Animal Feed Business, a gain on negative goodwill of ¥338 million was recorded due to the inclusion of Dohoku Kyodo Shiryo Hanbai Co., Ltd., previously an equity method affiliate, which entered the scope of consolidation in the first quarter of the fiscal year due to the acquisition of additional shares.

Gain on bargain purchase is an extraordinary income and is not included in the segment income for the aforementioned business.

(Notes when there are significant changes in amounts of equity)

Not applicable.

(Notes on premise of going concern)

Not applicable.

(Notes to quarterly consolidated statements of cash flows)

Quarterly consolidated statements of cash flows for the nine months ended December 31, 2024 is not prepared.

Depreciation and amortization (including amortization related to intangible assets) for the nine months ended December 31, 2023 and 2024 are as follows.

(Millions of yen)

	Nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Depreciation	2,443	2,701