



Supplementary Materials For Financial Results FY Ended Mar. 2025

May 8, 2025

FEED ONE CO., LTD.

TSE Prime Symbol:2060

Financial Summary

Gross profit increased from the previous year. Ordinary profit decreased y-o-y due to an increase in SG&A expenses, but final profit reached a record high.

(Millions of Yen)

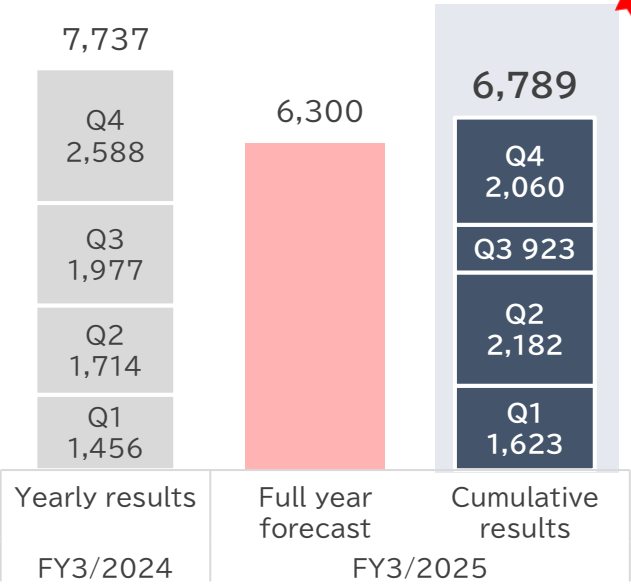
	FY3/2024	FY3/2025		
			YoY difference	YoY
Net Sales	313,875	296,045	-5.7%	96.4%
Cost of Sales	283,153	264,171	-6.7%	-
Gross Profit	30,721	31,874	+3.8%	100.2%
SG&A expenses	22,972	25,531	+11.1%	-
Operating Profit	7,748	6,343	-18.1%	104.0%
Ordinary Profit	7,737	6,789	-12.3%	107.8%
Interim Net profit	5,084	5,387	+6.0%	119.7%

Ordinary Profit

6,789 Million Yen

rate of Progress
108%

(Millions of Yen)

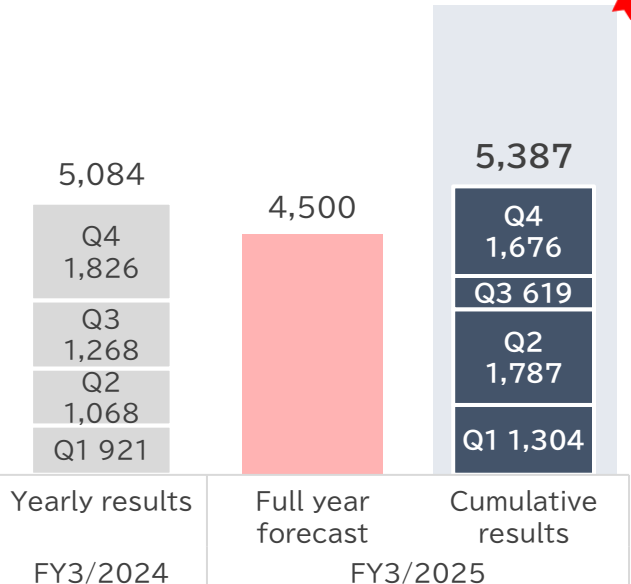


Interim Net Profit

5,387 Million Yen

rate of Progress
120%

(Millions of Yen)



Achieved plan due to improved gross profit in Animal feed and Aquatic feed despite increase in SG&A expenses from the fund (see next page).



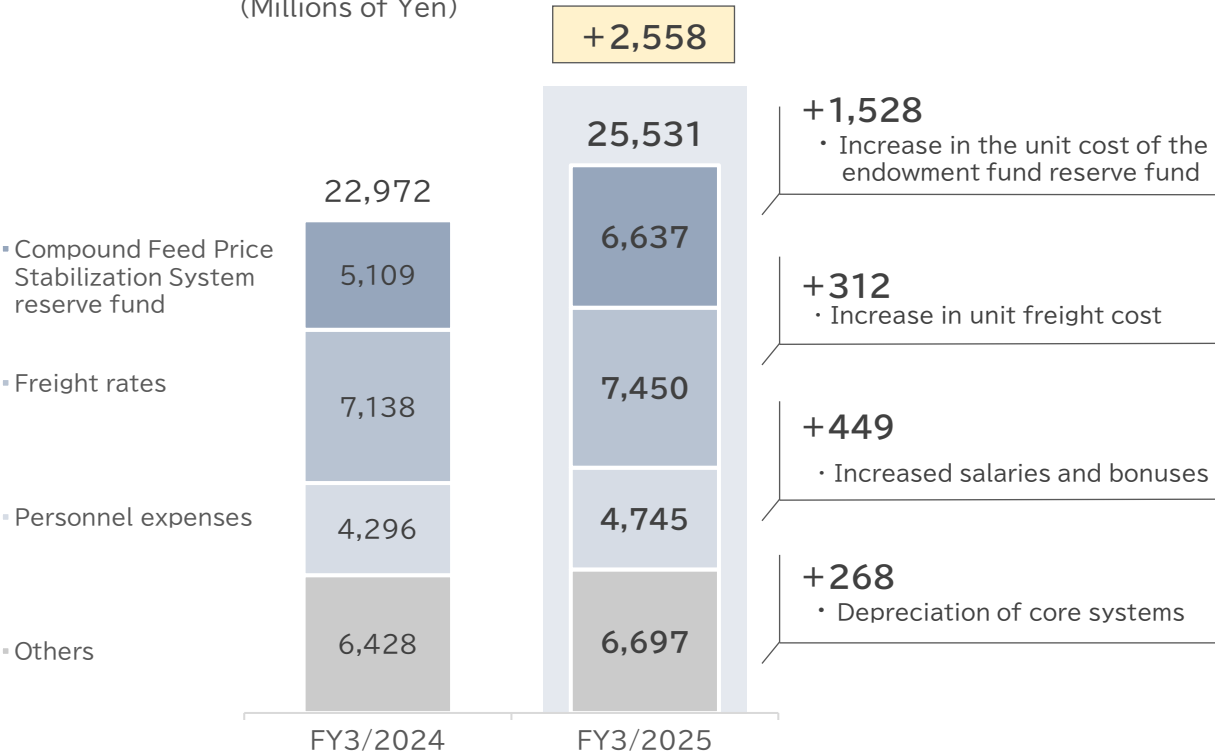
Record-high profit due in part to higher-than-planned ordinary profit and special deduction for corporate tax (see next page)

Supplemental information on SG&A expenses and final profit

SG&A expenses were within the range of the initial plan. Tax burden decreased significantly due to withdrawal from unprofitable businesses and taxation on wages, etc.

SG&A expenses

(Millions of Yen)



Within the planned 25,700 million yen

Factors Increasing Interim Net Profit

Record-high final profit due to lower tax burden

FY03/2024 tax burden rate

32.0% (2,410※) ※Millions of Yen

↓
↓
-13.0%
(-1,125※)

- Bad debt loss due to liquidation of subsidiaries and affiliates
- Special deduction for corporate tax (wage taxation, etc.)
- Equity in earnings (losses) of affiliates

FY03/2025 tax burden rate

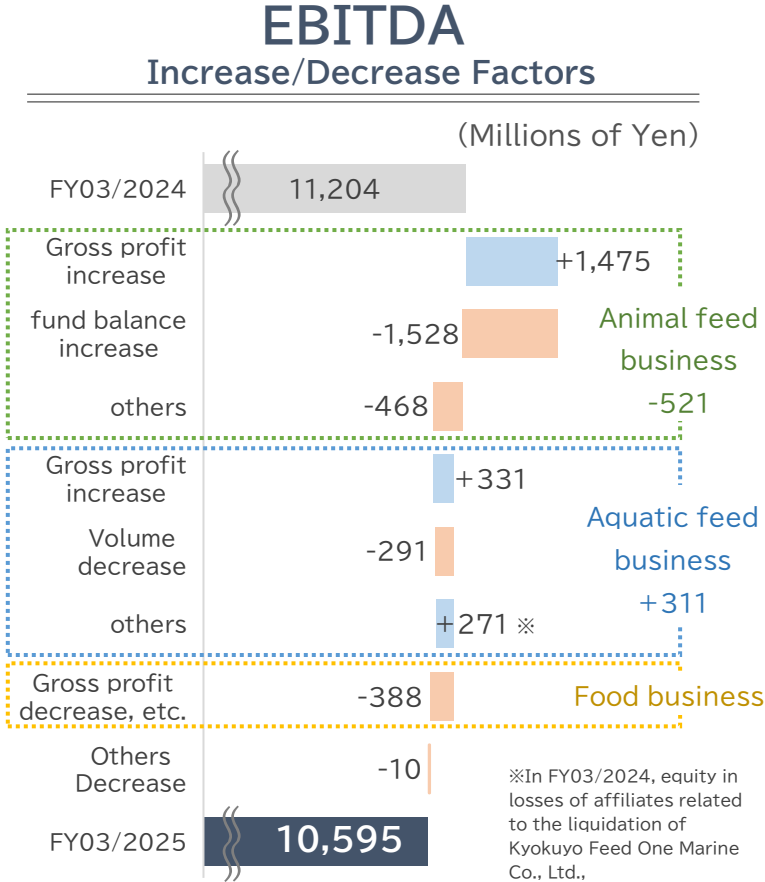
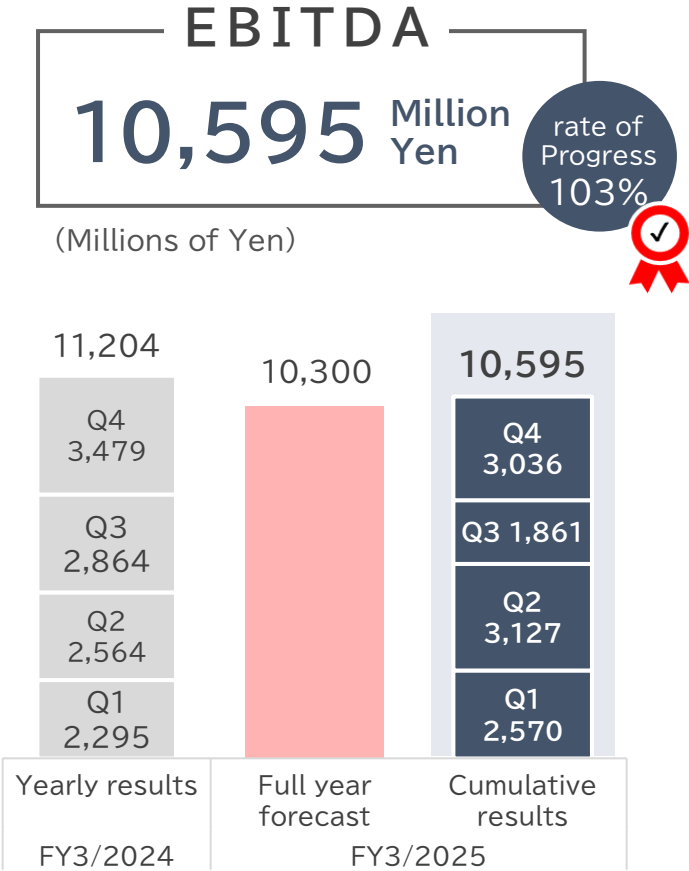
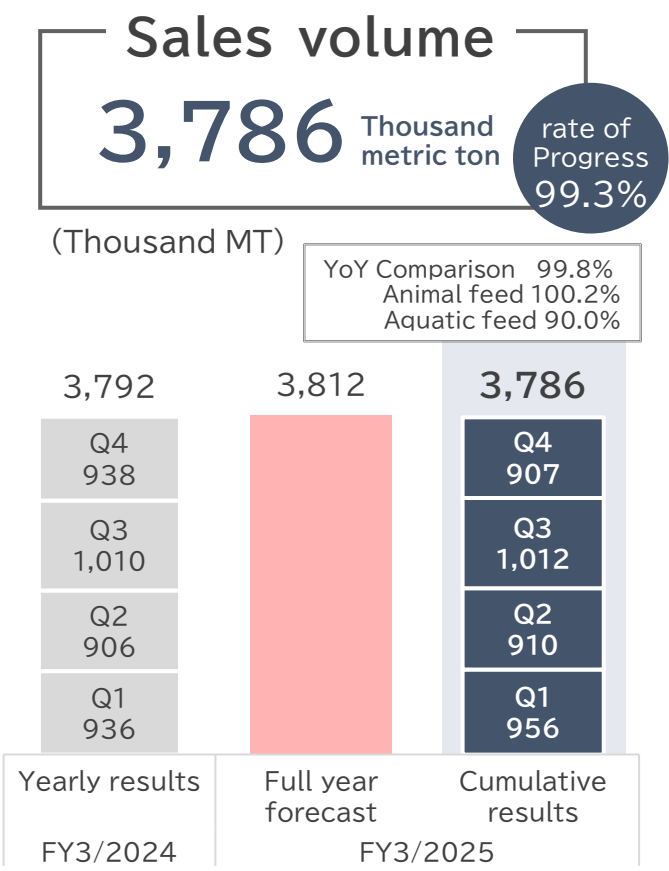
19.0% (1,285※)



Decrease in tax burden due to withdrawal from unprofitable businesses and wage increases, etc. contributed to increase in final profit

Management Indicators

Sales volume was slightly below plan, but EBITDA achieved plan due to thorough profitability management.



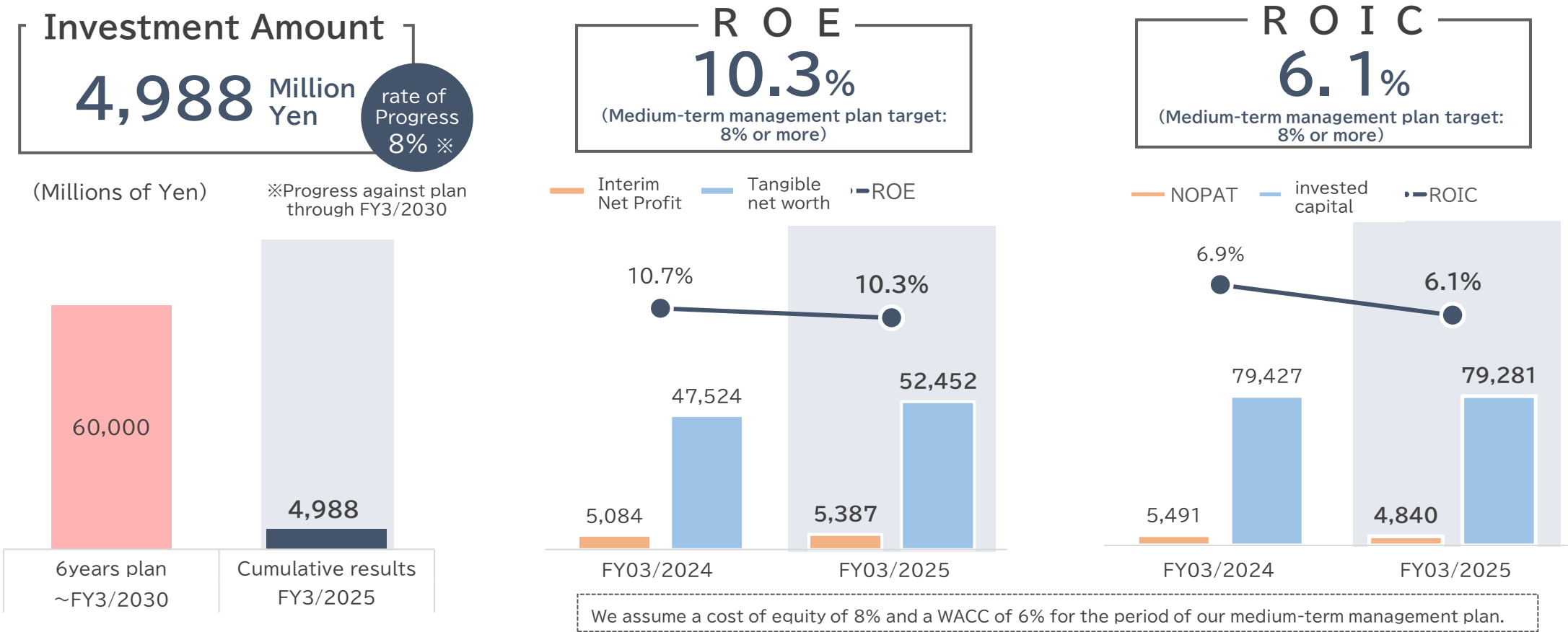
Animal feed sales exceeded the previous year's level, but fell short of the plan, as did total sales volume.



No significant change in depreciation and amortization and achieved the plan for the same reasons as for ordinary profit.

Management Indicators

Investment progressed as originally planned; ROE and ROIC exceeded mid-term management plan targets



Progressed without major deviations from plans, including the construction of a new plant at MAGIC PEARL Co.



First year significantly exceeded mid-term management plan target due to decrease in tax burden



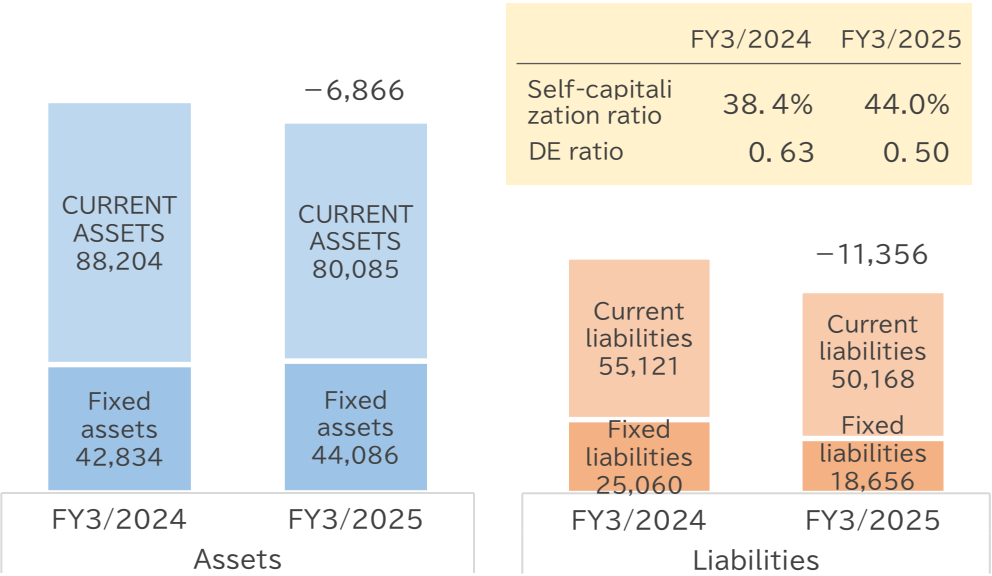
Medium-term management plan target level

Consolidated Financial Condition

Financial stability improved with an equity ratio of 44% and a DE ratio of 0.5x.

Consolidated Balance Sheet

(Millions of Yen)

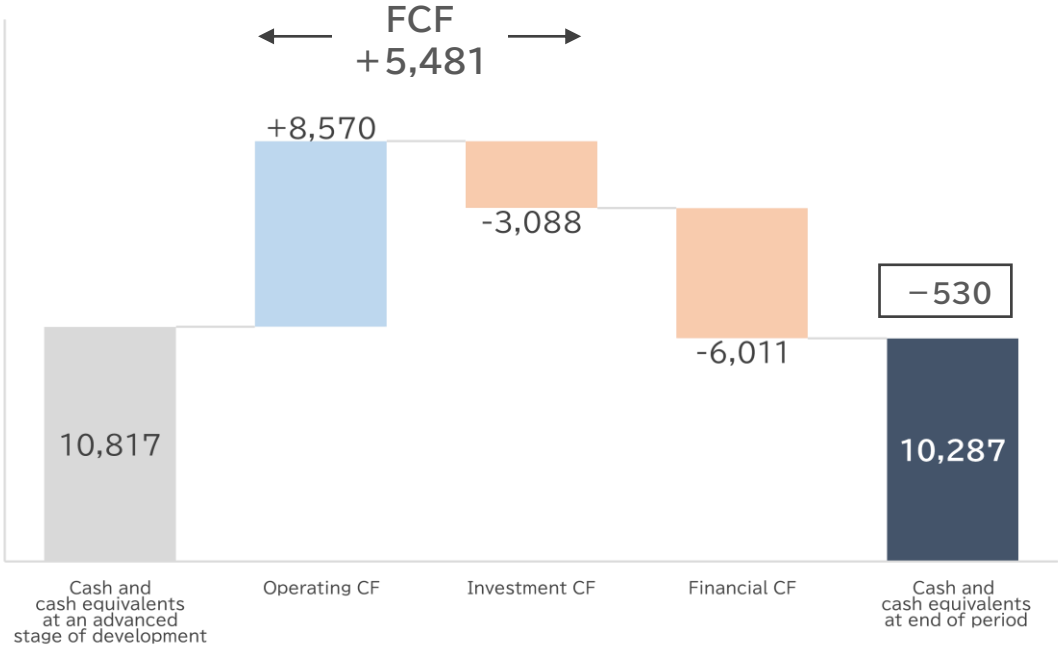


- Decrease in receivables due to a holiday at the end of the previous period and lower sales prices -9,329
- Increase in property, plant and equipment (new plant of Magic Pearl Co., Ltd. etc.) +1,126
- Decrease in interest-bearing debt due to increase in equity capital, etc. -4,479

Consolidated Statements of Cash Flows

(Millions of Yen)

■ increase ■ decrease



Due to the accumulation of shareholders' equity (retained earnings) and the decrease in working capital due to the holiday at the end of the previous fiscal year, the equity ratio increased by 5.6ppt.



Operating CF was used for investments and repayment of interest-bearing debt. Investing CF was used for investment in a new plant of Magic Pearl Co.

Segment Status

Profit in the Animal feed business declined year-on-year due to an increase in SG&A expenses despite thorough profitability management. Profit in the food business also decreased due to soaring market prices of livestock products.

(Millions of Yen)

Segment		FY3/2024		FY3/2025	
				YoY difference	YoY
Animal feed	Net Sales	247,055	232,259	-14,796	-6.0%
	Segment profit	9,107	8,533	-574	-6.3%
	EBITDA	11,594	11,073	-521	-4.5%
Aquatic feed	Net Sales	26,779	25,640	-1,138	-4.3%
	Segment profit	864	1,164	+300	+34.8%
	EBITDA	1,367	1,679	+311	+22.8%
Food	Net Sales	40,030	38,131	-1,898	-4.7%
	Segment profit	679	284	-394	-58.1%
	EBITDA	845	457	-388	-45.9%
Other/ Adjustments	Net Sales	10	14	+4	+43.9%
	Segment profit	-2,913	-3,193	-279	—

*Segment profit: Ordinary profit basis

*EBITDA: Ordinary profit + Interest expenses - Interest profit + Depreciation and amortization and amortization of goodwill

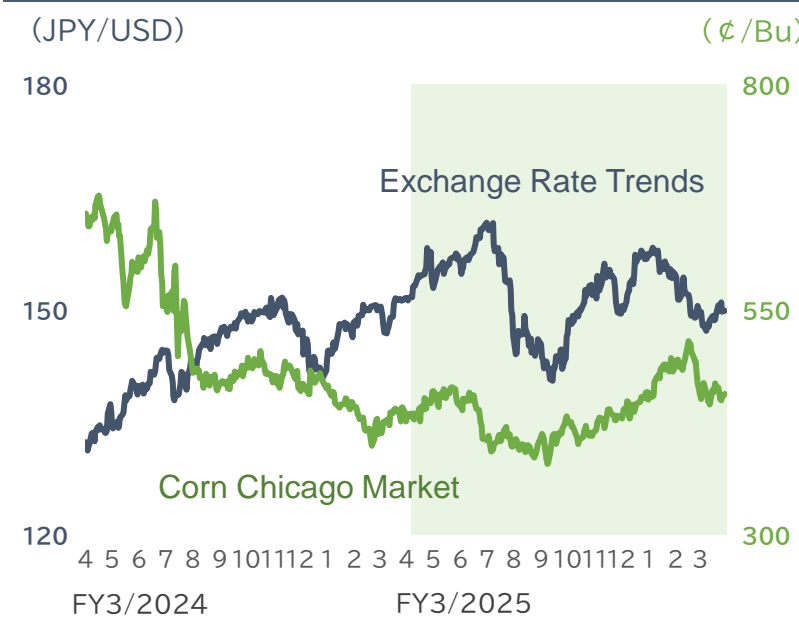
*Other = overseas business, real estate rental business, etc.

*Adjustment = corporate expenses not allocated to business segments

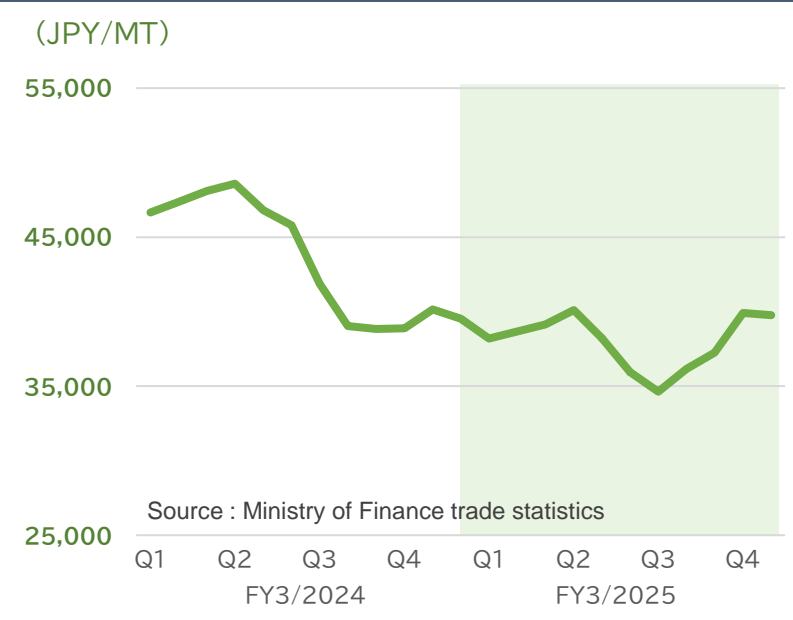
Market Conditions for Animal Feed Business

Despite the yen's depreciation, the Chicago market remained soft, and Animal feed sales prices declined from the previous year despite repeated price cuts and price hikes.

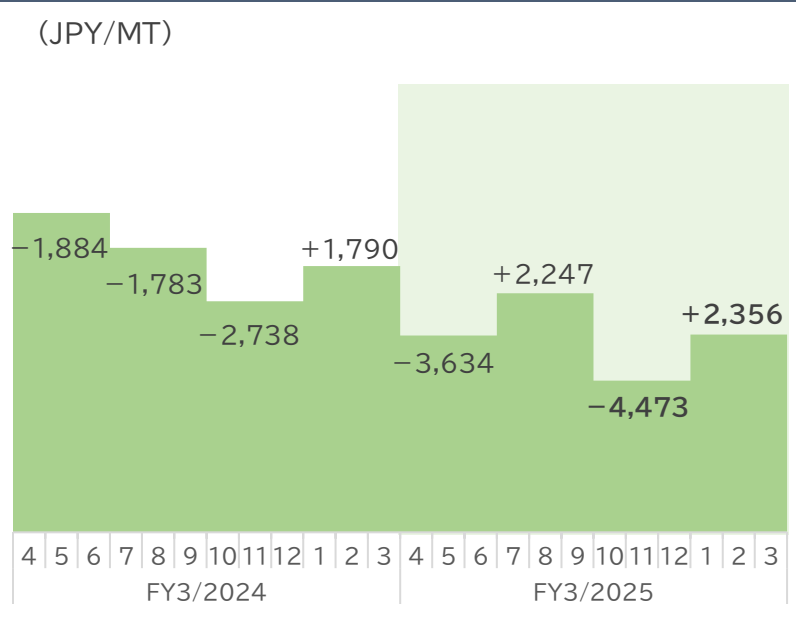
Corn Chicago Market and Exchange Rate Trends



Corn imported price



Animal feed sales price

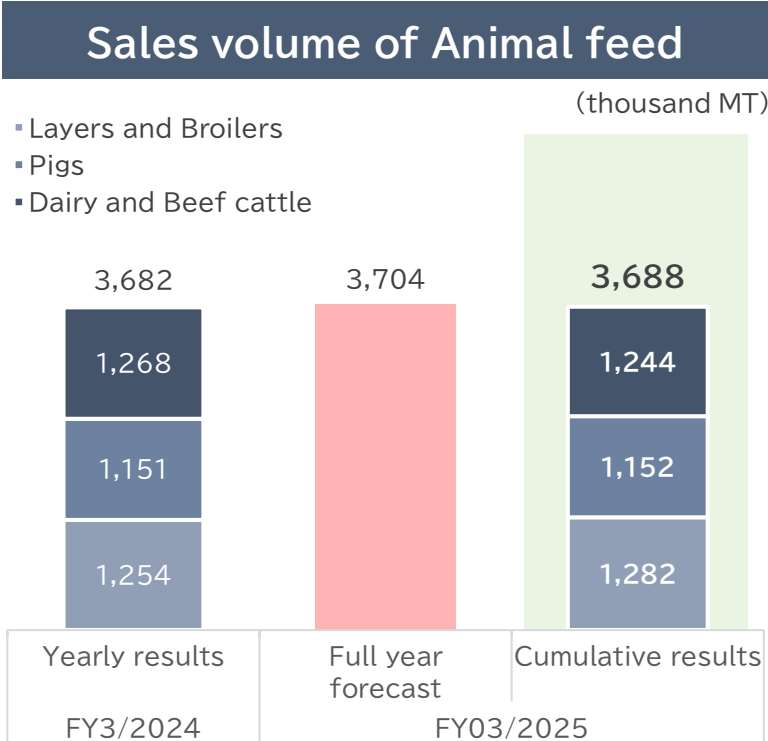
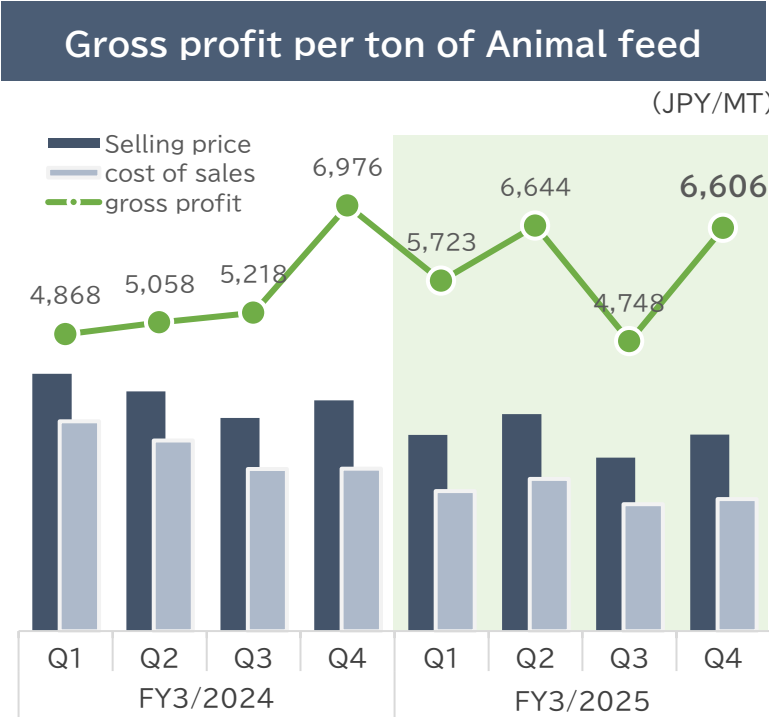
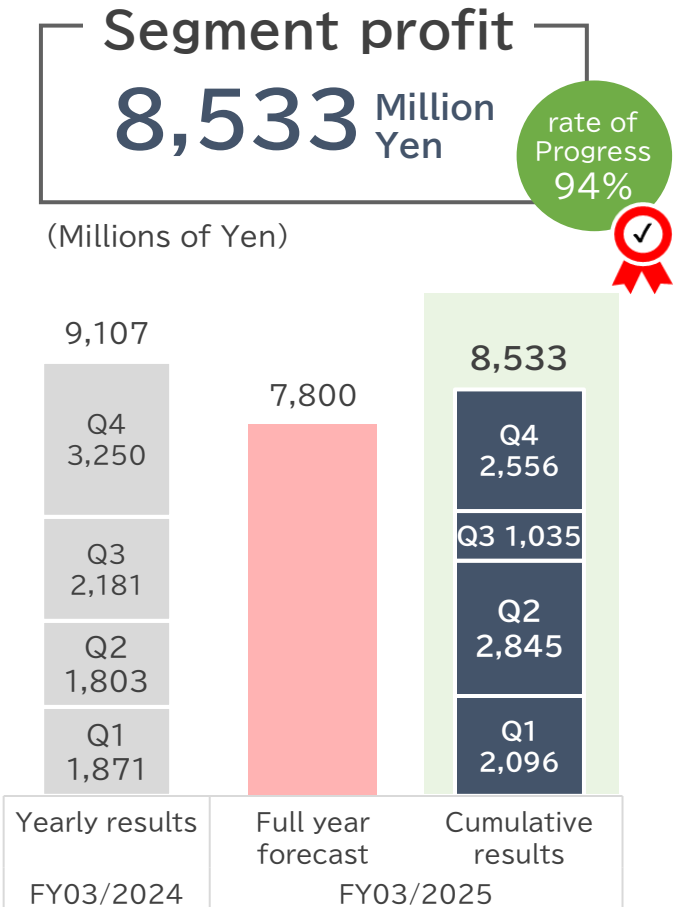


- The yen depreciated against the U.S. dollar due to economic indicators and monetary policy in Japan and the U.S.
- Chicago market softens as production outlook exceeds market forecasts
- Import prices of corn remained significantly lower than in the same period of the previous year (-12.2% YoY)

- Animal feed sales price -6.4% YoY
(-4,067JPY/MT)


Performance by Segment / Animal feed business

Segment profit decreased from the previous year due to an increase in SG&A expenses, but achieved the plan due to thorough profitability management.



※Total sales volume includes sales excluding chickens, pigs, and cattle.

- Average gross profit increased from the previous year due to thorough profitability management, but segment profit decreased from the previous year due to increased SG&A expenses.
 - Sales volume increased from the previous year, although it fell short of the plan. Sales of poultry and swine increased, but sales of cattle temporarily decreased due to strict profitability management.
- [Reference] National Animal feed sales volume was 99.5% YoY (according to our own research)

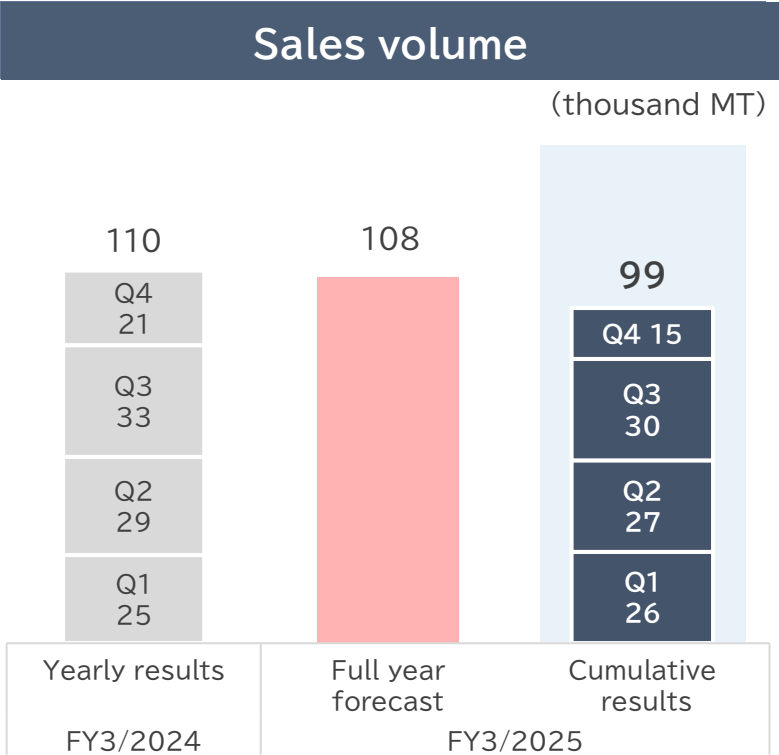
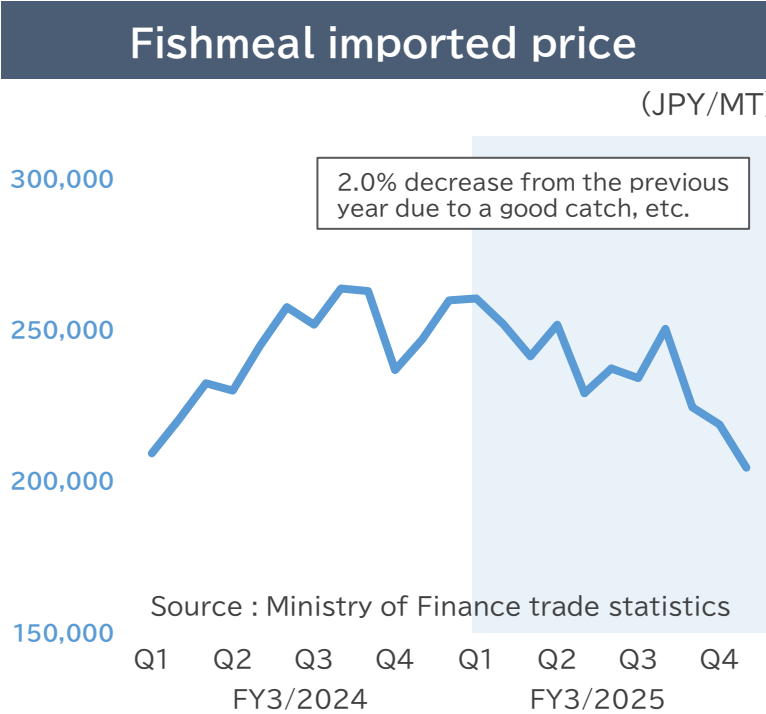
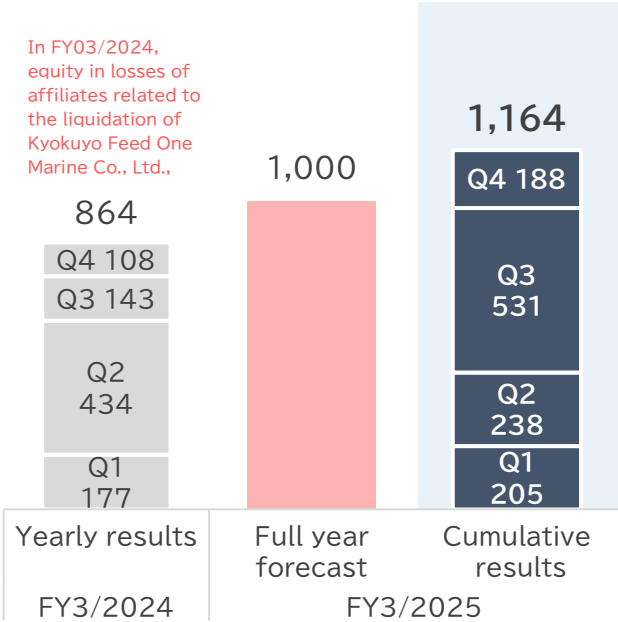
 Sales volume fell short of the plan, but segment profit achieved the plan due to thorough profitability management.

Performance by Segment / Aquatic feed business

Sales volume decreased from the previous year due to heat, etc., but segment profit remained at the same level as the previous year, excluding special factors.



In FY03/2024, equity in losses of affiliates related to the liquidation of Kyokuyo Feed One Marine Co., Ltd.,

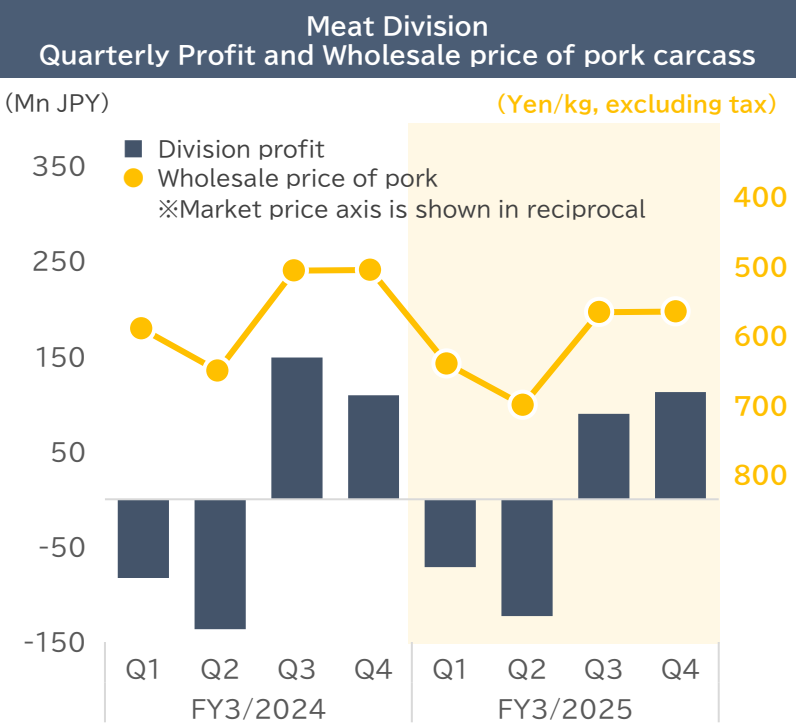
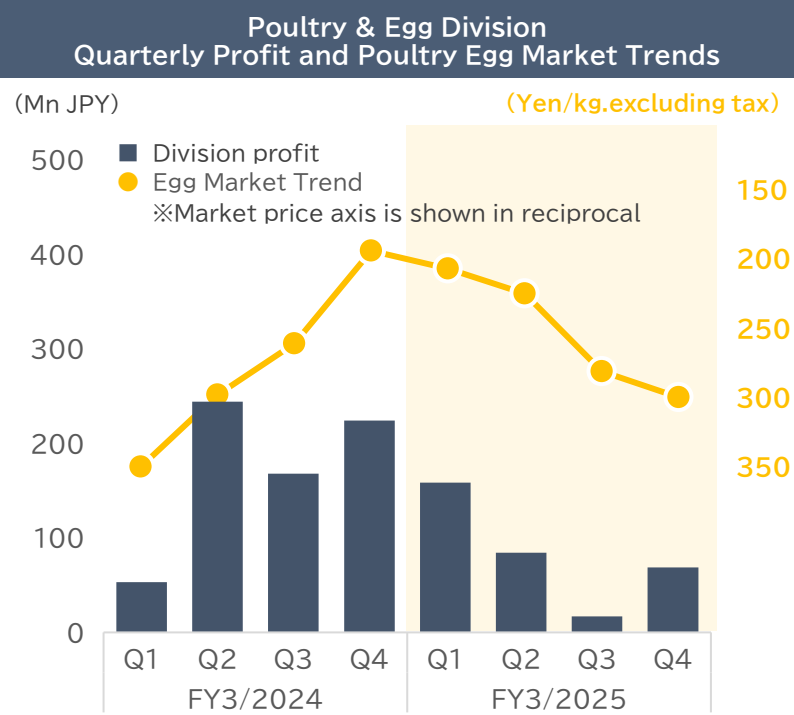
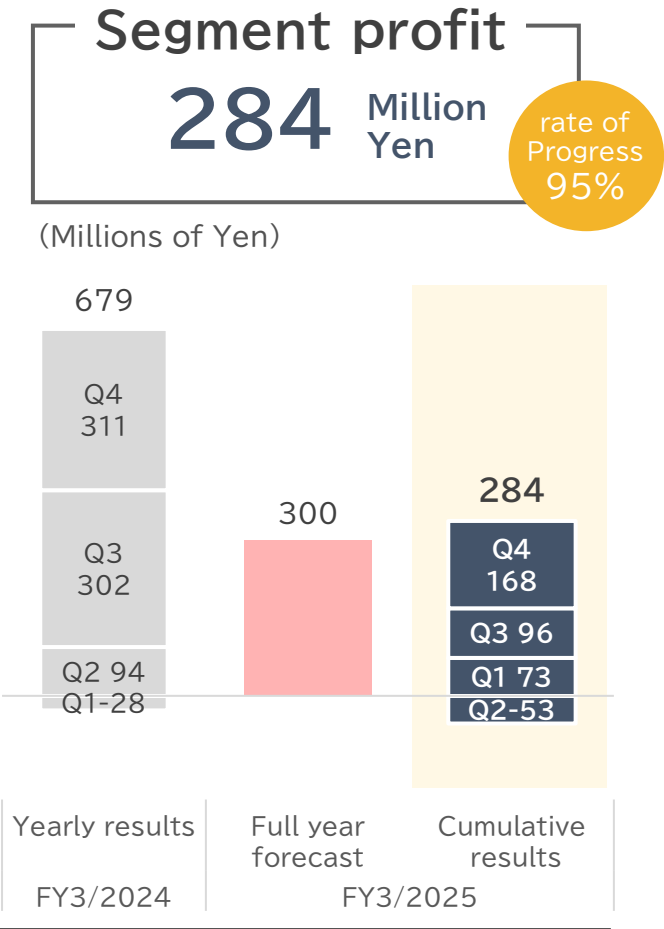


Volume fell short of plan due to high seawater temperatures and other factors, but achieved plan due to improved margins resulting from price revisions and other factors.

- Price revisions implemented in April penetrated into the H2. Profitability improved and segment profit increased yoy in H2.
 - Sales volume was 90% of the previous year's level, but sales of Sustaina ZERO, a fishmeal-free feed for red sea bream (+4.5 thousand tons), led the way, resulting in a 102% increase over the previous year.
- [Reference] Nationwide Aquatic feed production volume was 90.4% YoY (according to our own research)

Performance by Segment / Food business

Segment profit remained at the same level as the previous year, despite a sharp year-on-year decline in the egg division, due to thorough profitability management in the meat division despite a sharp rise in market prices.



- Poultry & Egg Division:** While the first half of the fiscal year was almost in line with the plan, profitability deteriorated in the second half of the fiscal year due to higher purchase prices as the market price of eggs soared due to the bird flu epidemic.
- Meat Division:** In the first half of the year, the segment was in the red due to soaring market prices caused by hot weather and other factors. Segment profit declined YoY despite softening conditions and improved profitability in the second half and beyond.



Market prices of livestock products soared due to livestock diseases. Profitability was slightly lower than planned despite thorough profitability management.

FY3/2026 earnings Forecast

Despite concerns about declining demand for food products, the short-term impact will be minor due to the nature of the core Animal feed business.

Impact of **TRUMP 2.0**

Tariff
(import tax)

Global economic downturn

appreciation of the yen

etc

Characteristics of Animal Feed Business

- Most of the ingredients in compound feed are imported raw materials
- The main ingredient, corn, is a tax-free raw material
- Revise feed selling prices every three months in accordance with raw material price trends.
- Manufactured compound feed is sold only to domestic customers

Although there are concerns about rising market volatility the short-term impact on our business is negligible.

Japan's Livestock Industry Continues to Face Uncertainties

Production costs of domestic livestock products are declining

POSITIVE

Decrease in imported raw material prices

Market prices for grains used as raw material for formula feed imported by Japan are expected to fall due to the strong yen, declining corn exports to China, and reduced subsidies for biofuels.

Lower material costs

Expecting easing of material prices due to reduced corporate willingness to make capital investments due to uncertainty about the future

Decrease in food demand

Decline in demand for eating out and eating in Japan due to economic downturn and decrease in number of travelers

Livestock export slowdown

Although the impact is limited because not many livestock products are exported to the U.S., there are fears that the market for Wagyu beef, for which domestic demand in Japan is declining, will fall.

Livestock import increase

High prices in the U.S. have also increased the price of imported livestock products in Japan. Limited impact on domestic demand for livestock products in Japan

NEGATIVE

Demand for domestic livestock products declines

Earnings Forecast

Accelerating investment in feed mills while strengthening profitability, ordinary profit and EBITDA are expected to increase YoY

Millions of Yen

	FY3/2025	FY3/2026		
		(Announced May 8, 2025)	YoY difference	YoY
Net Sales	296,045	311,000	+14,954	+5.1%
Cost of Sales	264,171	277,200	+13,028	+4.9%
Gross Profit	31,874	33,800	+1,925	+6.0%
SG&A expenses	25,531	27,000	+1,468	+5.8%
Operating Profit	6,343	6,800	+456	+7.2%
Ordinary Profit	6,789	7,000	+210	+3.1%
Interim Net profit	5,387	5,200	-187	-3.5%

Management Indicators

Sales volume	Investment Amount	EBITDA	ROE	ROIC
381 Thousand MT	over 10 Billions of Yen	11.2 Billions of Yen	9%	6%

Segment Forecasts

Segment profit is expected to increase in the Animal feed and Aquatic feed businesses, but decrease in the food business

(Millions of Yen)

Segment		FY3/2025	FY3/2026		
				YoY difference	YoY
Animal feed	Net Sales	232,259	239,000	+6,740	+2.9%
	Segment profit	8,533	8,800	+266	+3.1%
	EBITDA	11,073	11,500	+426	+3.9%
Aquatic feed	Net Sales	25,640	28,000	+2,359	+9.2%
	Segment profit	1,164	1,200	+35	+3.1%
	EBITDA	1,679	1,800	+120	+7.2%
Food	Net Sales	38,131	44,000	+5,868	+15.4%
	Segment profit	284	200	-84	-29.7%
	EBITDA	457	400	-57	-12.5%

Q1 Forecasts

No major changes in performance are expected in Q1.

Price revisions in Q1 had only a slight price increase and had a negligible impact on the sales difference Volume is expected to be lower than in Q1 last year

Hamachi, a major fish species, remains scarce in ponds, but is expected to recover in Q2 and beyond. Fishmeal market is expected to remain soft.

Egg prices expected to remain high due to the impact of the avian influenza

Sales volume	FY3/2025	FY3/2026	YoY	supplementary information
	(thousand MT)	(thousand MT)		
Animal feed	3,688	3,700	+0.3%	Strategically curtail manufacturing for investment and maintenance
Aquatic feed	99	112	+13.1%	Increased demand due to introduction of fry