



November 8, 2022

Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (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, HIDEHIRO SHOJI
 PRESIDENT
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 Scheduled date to file quarterly securities report: November 9, 2022
 Scheduled date to commence dividend payments: December 2, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	144,890	22.9	(99)	-	103	(97.4)	(29)	-
September 30, 2021	117,858	14.4	3,404	34.0	3,914	44.0	2,829	53.2

Note: Comprehensive income For the six months ended September 30, 2022: ¥ 542 million [(81.3)%]
 For the six months ended September 30, 2021: ¥ 2,907 million [31.2%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	(0.78)	-
September 30, 2021	72.40	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2022	124,574	44,929	35.6
March 31, 2022	108,504	44,840	40.8

Reference: Equity
 As of September 30, 2022: ¥ 44,374 million
 As of March 31, 2022: ¥ 44,306 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year ended March 31, 2022	-	12.50	-	12.50	25.00
Fiscal Year ending March 31, 2023	-	12.50			
Fiscal Year ending March 31, 2023 (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 year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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	305,000	25.4	800	(81.4)	1,000	(80.3)	500	(86.3)	13.10

Note: Revisions to the forecast of financial results most recently announced: Yes

* 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: Yes
 - (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, 2022	38,477,128 shares	As of March 31, 2022	38,477,128 shares
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- (ii) Number of treasury shares at the end of the period

As of September 30, 2022	296,357 shares	As of March 31, 2022	328,150 shares
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- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	38,154,506 shares	Six months ended September 30, 2021	39,088,523 shares
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* 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

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.

Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	3,500	4,554
Notes and accounts receivable - trade	40,359	50,614
Electronically recorded monetary claims - operating	2,427	3,592
Merchandise and finished goods	2,345	2,650
Raw materials and supplies	13,269	16,146
Animals	335	377
Other	3,100	3,237
Allowance for doubtful accounts	(34)	(135)
Total current assets	65,303	81,037
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,438	13,266
Machinery, equipment and vehicles, net	12,271	11,744
Land	6,355	6,339
Leased assets, net	818	779
Construction in progress	45	68
Other, net	583	538
Total property, plant and equipment	33,513	32,736
Intangible assets		
Other	530	811
Total intangible assets	530	811
Investments and other assets		
Investment securities	8,215	8,676
Long-term loans receivable	16	12
Distressed receivables	239	705
Deferred tax assets	315	283
Other	630	627
Allowance for doubtful accounts	(259)	(316)
Total investments and other assets	9,157	9,989
Total non-current assets	43,200	43,537
Total assets	108,504	124,574

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	30,903	34,071
Short-term borrowings	11,350	15,325
Lease liabilities	128	128
Income taxes payable	441	190
Provision for bonuses	685	693
Other	6,513	6,047
Total current liabilities	50,022	56,457
Non-current liabilities		
Long-term borrowings	10,478	19,906
Lease liabilities	759	715
Deferred tax liabilities	10	84
Provision for share awards for directors (and other officers)	156	149
Retirement benefit liability	2,194	2,289
Asset retirement obligations	3	3
Other	38	38
Total non-current liabilities	13,641	23,187
Total liabilities	63,663	79,644
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	9,737	9,737
Retained earnings	23,882	23,371
Treasury shares	(271)	(244)
Total shareholders' equity	43,348	42,865
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	948	1,097
Deferred gains or losses on hedges	72	288
Foreign currency translation adjustment	(1)	180
Remeasurements of defined benefit plans	(61)	(56)
Total accumulated other comprehensive income	957	1,509
Non-controlling interests	534	555
Total net assets	44,840	44,929
Total liabilities and net assets	108,504	124,574

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

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	117,858	144,890
Cost of sales	105,656	134,386
Gross profit	12,202	10,504
Selling, general and administrative expenses	8,797	10,603
Operating profit (loss)	3,404	(99)
Non-operating income		
Interest income	7	5
Dividend income	104	104
Share of profit of entities accounted for using equity method	45	42
Stockpile storage revenue	71	68
Subsidy income	268	96
Other	116	78
Total non-operating income	615	395
Non-operating expenses		
Interest expenses	53	63
Commission expenses	0	70
Other	52	58
Total non-operating expenses	106	192
Ordinary profit	3,914	103
Extraordinary income		
Gain on sale of non-current assets	3	32
Gain on sale of investment securities	45	—
Subsidy income	196	—
Total extraordinary income	245	32
Extraordinary losses		
Loss on sale of non-current assets	16	4
Loss on retirement of non-current assets	15	30
Impairment losses	26	29
Loss on liquidation of subsidiaries	—	0
Total extraordinary losses	59	64
Profit before income taxes	4,100	71
Income taxes - current	1,256	136
Income taxes - deferred	(15)	(56)
Total income taxes	1,240	79
Profit (loss)	2,859	(8)
Profit attributable to non-controlling interests	29	20
Profit (loss) attributable to owners of parent	2,829	(29)

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit (loss)	2,859	(8)
Other comprehensive income		
Valuation difference on available-for-sale securities	3	148
Deferred gains or losses on hedges	26	215
Remeasurements of defined benefit plans, net of tax	4	5
Share of other comprehensive income of entities accounted for using equity method	13	182
Total other comprehensive income	47	551
Comprehensive income	2,907	542
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,877	521
Comprehensive income attributable to non-controlling interests	29	20

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit before income taxes	4,100	71
Depreciation	1,568	1,630
Impairment losses	26	29
Share of loss (profit) of entities accounted for using equity method	(45)	(42)
Increase (decrease) in allowance for doubtful accounts	(31)	157
Increase (decrease) in provision for bonuses	16	7
Increase (decrease) in retirement benefit liability	23	102
Increase (decrease) in provision for share awards for directors (and other officers)	26	(6)
Interest and dividend income	(112)	(110)
Interest expenses	53	63
Loss (gain) on sale of investment securities	(45)	—
Loss (gain) on sale and retirement of non-current assets	29	1
Commission expenses	0	70
Loss on liquidation of subsidiaries	—	0
Subsidy income	(196)	—
Decrease (increase) in trade receivables	(5,659)	(11,825)
Decrease (increase) in inventories	(2,846)	(3,225)
Increase (decrease) in trade payables	1,360	3,168
Other, net	867	(511)
Subtotal	(864)	(10,416)
Income taxes paid	(1,054)	(340)
Net cash provided by (used in) operating activities	(1,918)	(10,756)
Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(1,205)	(1,213)
Proceeds from sale of property, plant and equipment and intangible assets	19	42
Purchase of investment securities	(2)	(2)
Proceeds from sale of investment securities	282	—
Proceeds from liquidation of subsidiaries	—	6
Proceeds from collection of loans receivable	483	104
Income from subsidies	500	—
Interest and dividends received	123	116
Other, net	6	(0)
Net cash provided by (used in) investing activities	208	(945)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,360	4,035
Proceeds from long-term borrowings	645	10,300
Repayments of long-term borrowings	(1,041)	(931)
Interest paid	(53)	(56)
Dividends paid	(492)	(478)
Repayments of lease liabilities	(69)	(66)
Commission fee paid	—	(73)
Purchase of treasury shares	(731)	(0)
Proceeds from sale of treasury shares	13	27
Net cash provided by (used in) financing activities	2,629	12,755
Net increase (decrease) in cash and cash equivalents	919	1,052
Cash and cash equivalents at beginning of period	2,830	3,444
Cash and cash equivalents at end of period	3,749	4,497