

# FYE3/2026 Financial Results Briefing

May 19, 2026

**FEED ONE CO., LTD.**

TSE Prime Securities Code: 2060

Feed the world for the future, lives and smiles

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.

# Agenda and Speakers

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**FYE3/2026 Summary / Shoji**

**FYE3/2026 Full-year Results / Kubota**

**FYE3/2027 Earnings Forecast / Shoji**

**FYE3/2027 Management Strategy / Shoji**

**FYE3/2027 Financial Strategy / Kubota**



Hidehiro Shoji  
President and Representative Director



Kazuo Kubota  
Director, Senior Managing  
Executive Officer

Each profit achieved a record high figure in a milestone year that marked the 10th anniversary of integration.

## Net sales

**¥290.6 billion**

Lower selling prices of animal feed, etc.

YoY

-1.8%

Vs. forecast\*

-6.5%

## Ordinary profit

**¥8.6 billion**

Continuous enhancement of profitability

YoY

+26.9%

Vs. forecast

+23.0%

## Net profit

**¥6.3 billion**

YoY

+18.4%

Vs. forecast

+22.6%

## Net sales

- Selling prices declined for both animal feed and aquatic feed.
- Sales volume decreased as we prioritized enhancing the profit base for a medium to long term.

## Ordinary profit

- The earnings environment remained stable due to weak raw material prices.
- Profitability improved due to enhancement of the profit base; Sales expanded in differentiated products, such as heat-stress countermeasure products.

## Net profit

- We achieved a record profit for the third consecutive year.

\*Comparative figures in this document are based on the initial forecast announced on May 8, 2025.

# FYE3/2026 Management Indicators Highlights

While sales volume decreased under a policy to enhance profitability, EBITDA, ROE and ROIC far exceeded the figures in the Medium-term Management Plan.

**Sales volume**  
**3.73 million tons**

YoY  
**-1.4%**

Vs. forecast  
**-2.1%**

Medium-term Management Plan  
(FYE3/2027)

**3.90 million tons**

**EBITDA**  
**¥12.7 billion**

YoY  
**+20.6%**

Vs. forecast  
**+14.1%**

Medium-term Management Plan  
(FYE3/2027)

**¥11.5 billion**

**ROE**  
**11.0%**

YoY  
**+0.7pt**

Vs. forecast  
**+2.0pt**

Medium-term Management Plan  
(FYE3/2027)

**8% or more**

**ROIC**  
**7.7%**

YoY  
**+1.6pt**

Vs. forecast  
**+1.7pt**

Medium-term Management Plan  
(FYE3/2027)

**6% or more**

**Total investment amount**  
**¥11.8 billion**

YoY  
**— \*1**

Vs. forecast  
**+18.6%**

Medium-term Management Plan  
(FYE3/2027)

**— \*2**

We assume cost of equity of 8% and WACC of 6% for the period of the Medium-term Management Plan

\*1 YoY comparison is not presented because a simple YoY comparison is not appropriate due to investment timing and other factors.

\*2 A Medium-term Management Plan target is not disclosed.

Although earnings results have been steady, we steer to management that is valued by the market toward increasing corporate value, considering the gap between market expectations and the reality.

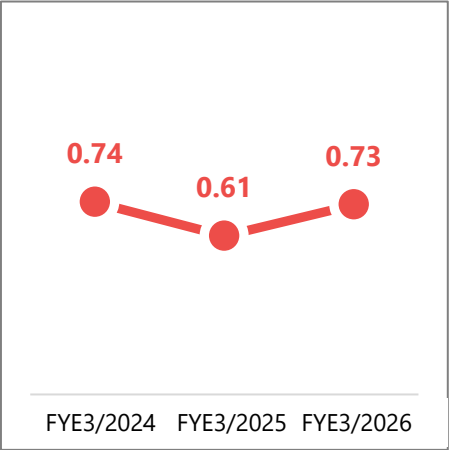
## PBR

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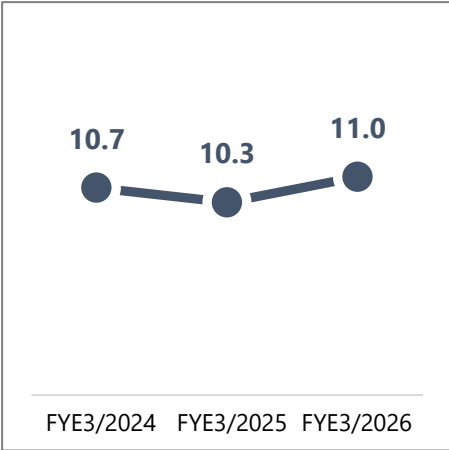
## Profitability (ROE) ×

## Market expectations (PER)

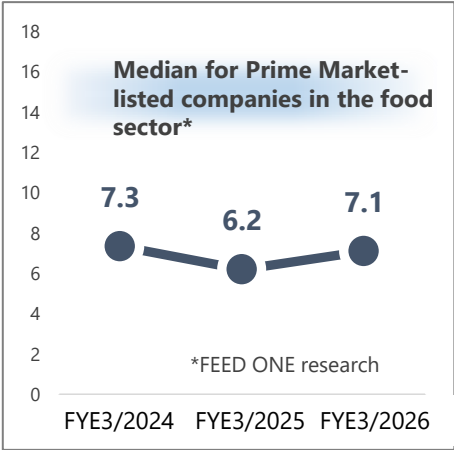
PBR has remained below 1 for a long time.



ROE has remained stable, maintaining profitability.



Market expectations for the future are limited.



Despite stable earnings results, our mid- to long-term growth strategy and value creation approach have not been well conveyed to the market. Based on this recognition, we step up efforts to meet market expectations, based on dialogue with investors.

**FYE3/2026 Summary / Shoji**

**FYE3/2026 Full-year Results / Kubota**

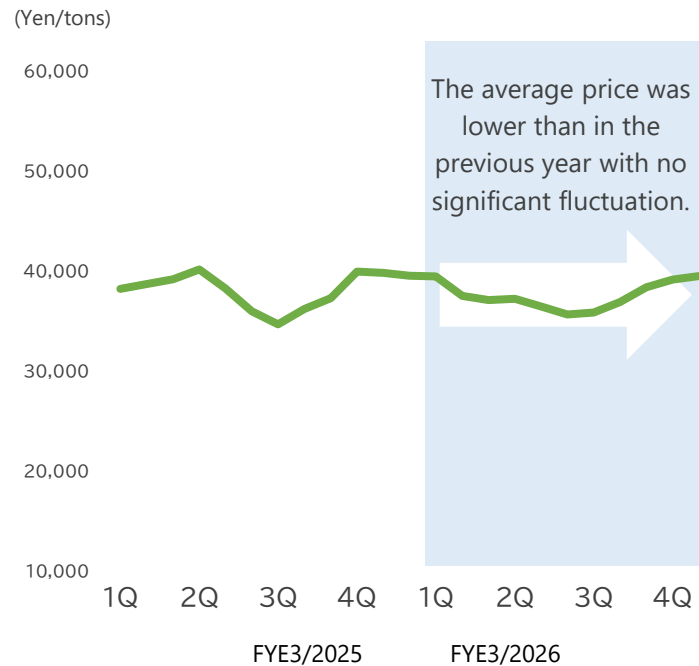
**FYE3/2027 Earnings Forecast / Shoji**

**FYE3/2027 Management Strategy / Shoji**

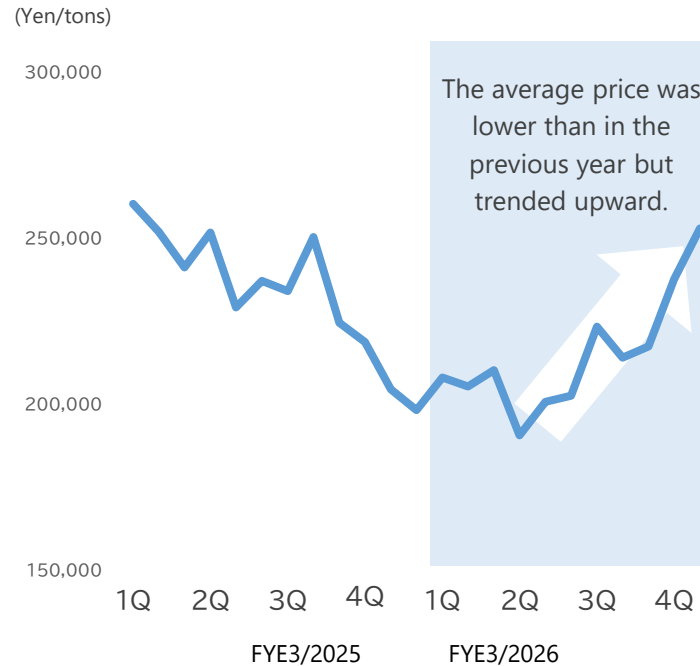
**FYE3/2027 Financial Strategy / Kubota**

Despite price fluctuations in main raw materials, the cost environment remained generally stable.

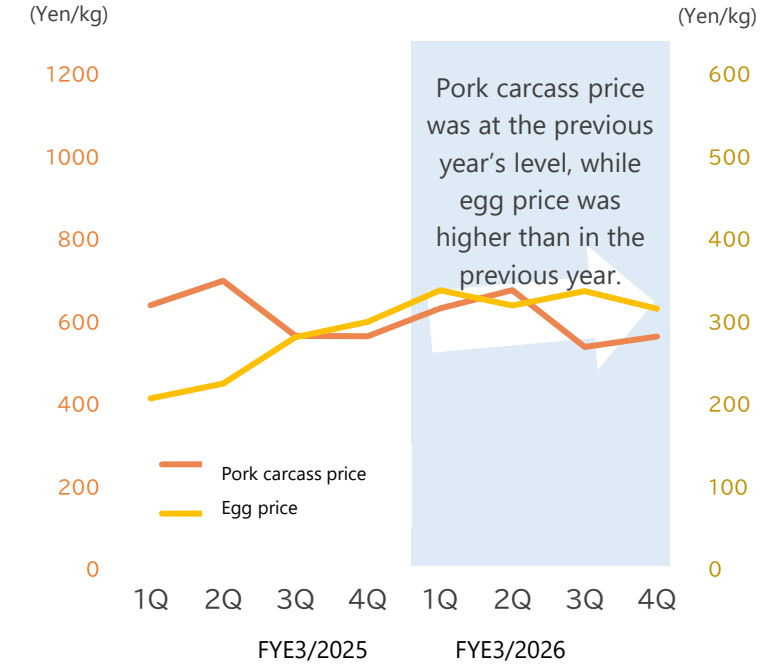
## Corn import price



## Fish meal import price



## Pork carcass and egg prices



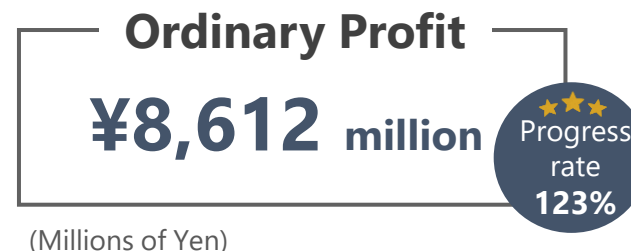
Price of corn, the major ingredient of feed, remained stable and lower than in the previous year. On the other hand, price of fish meal began to rise in the second half of the year. This rise had only a limited impact on the results for the fiscal year and generally mitigated uncertainties over cost of sales stemming from main raw material prices. As a result, the business environment was relatively stable.

# Results Summary (Consolidated)

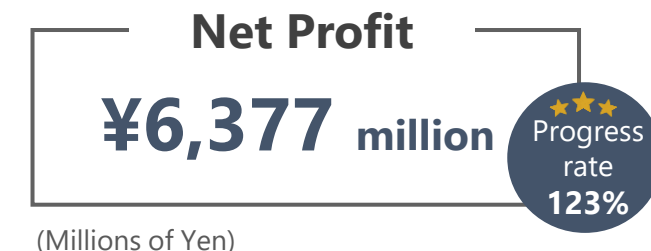
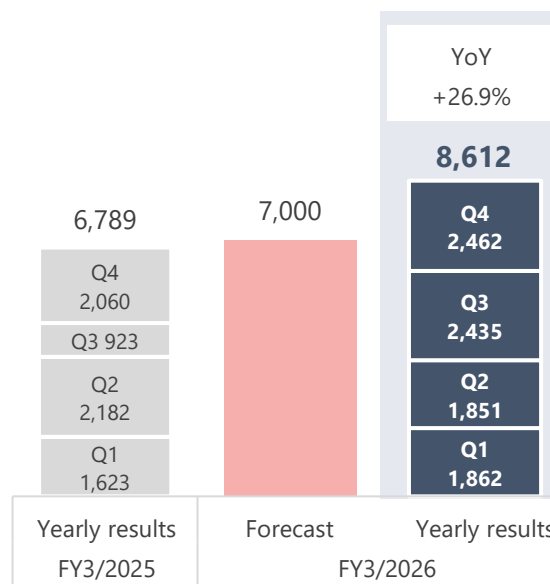
Although net sales decreased due to reduced animal feed selling prices and lower sales volume, profit hit record high at each profit level thanks to improved profitability.

(Millions of Yen)

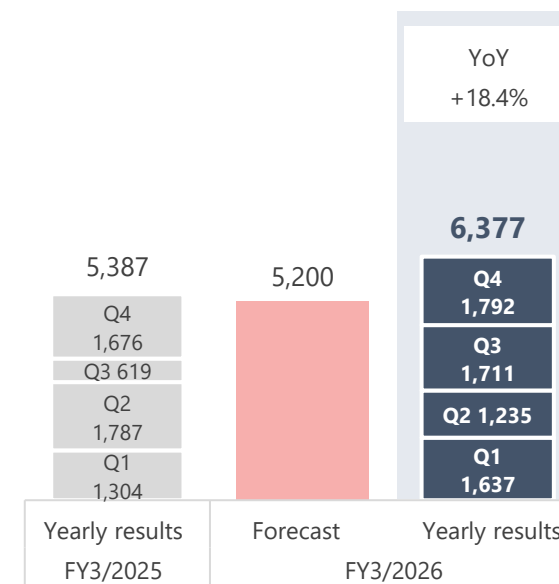
	FY3/2025	FY3/2026		
			YoY	Full-Year Forecast Progress
Net Sales	296,045	290,675	-1.8%	93.5%
Cost of Sales	264,171	256,828	-2.8%	-
Gross Profit	31,874	33,847	+6.2%	100.1%
SG&A Expenses	25,531	25,755	+0.9%	-
Operating Profit	6,343	8,091	+27.6%	119.0%
Ordinary Profit	6,789	8,612	+26.9%	123.0%
Profit attributable to owners of parent	5,387	6,377	+18.4%	122.6%



(Millions of Yen)



(Millions of Yen)



Although sales volume decreased due to focusing on profitability in the sales strategy, profit hit record high at all profit levels.

# Performance by Segment

Despite a decrease in sales volume due to thoroughly promoting sales that focuses on profitability, both Animal and Aquatic Feed Businesses hit record highs.

(Millions of Yen)

Segment	FY3/2025	FY3/2026				
			YoY Difference	YoY	Full-Year Forecast Progress	
Animal Feed Business	Sales Volume (thousand tons)	3,687	3,635	-52	-1.4%	-1.8%
	Segment profit	8,533	10,243	+1,710	+20.0%	116.4%
	EBITDA	11,073	12,987	+1,914	+17.3%	112.9%
Aquatic Feed Business	Sales Volume (thousand tons)	99	98	-1	-1.2%	-12.7%
	Segment profit	1,164	1,426	+262	+22.6%	118.9%
	EBITDA	1,679	2,005	+325	+19.4%	111.4%
Food Business	Segment profit	284	163	-120	-42.4%	81.9%
	EBITDA	457	398	-58	-12.8%	99.7%
Other/Adjustments	Segment profit	-3,193	-3,221	-28	—	—

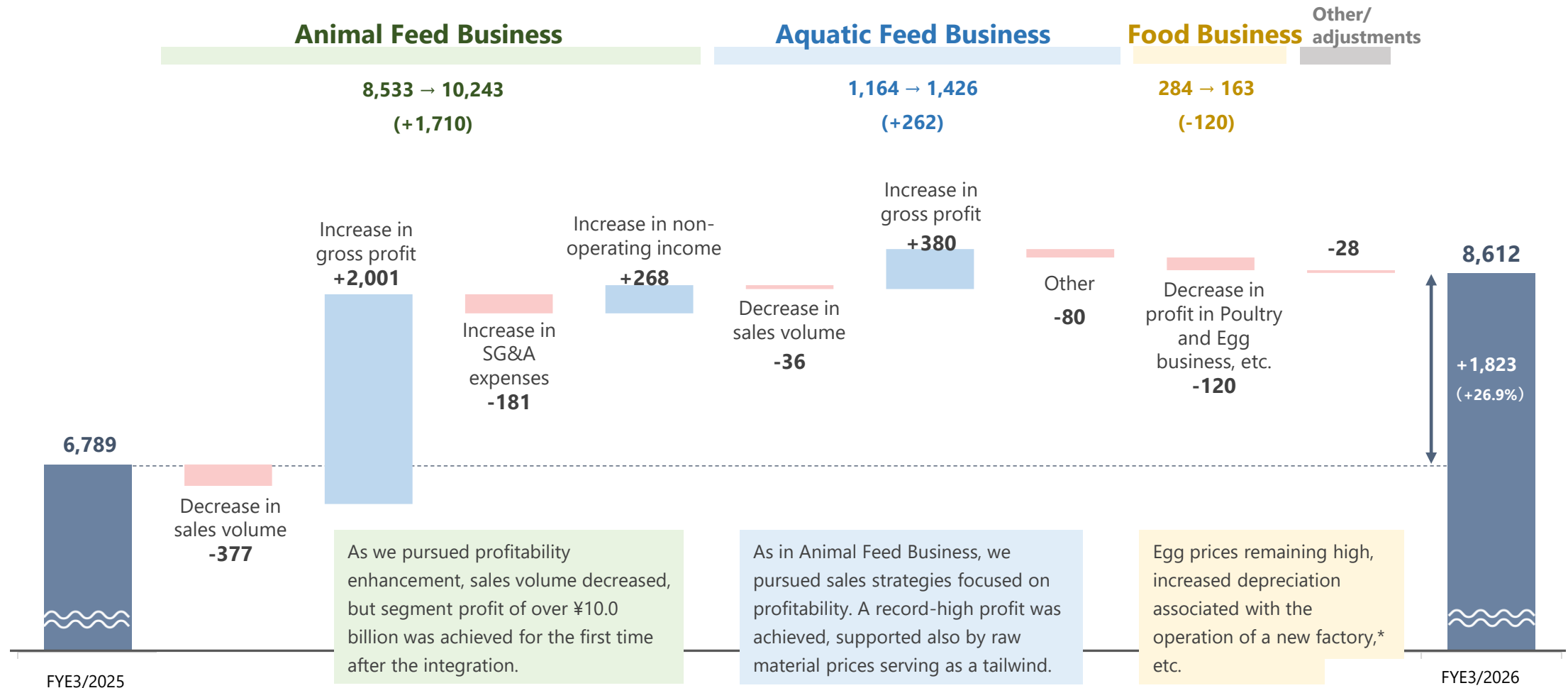
\* Segment profit: Ordinary profit basis

\* EBITDA: Ordinary profit + Interest expenses – Interest income + Depreciation and amortization of goodwill

\* Other: overseas business, real estate rental business, etc. \*Adjustments = Corporate expenses not allocated to business segments

# Factors of Changes in Segment Profit

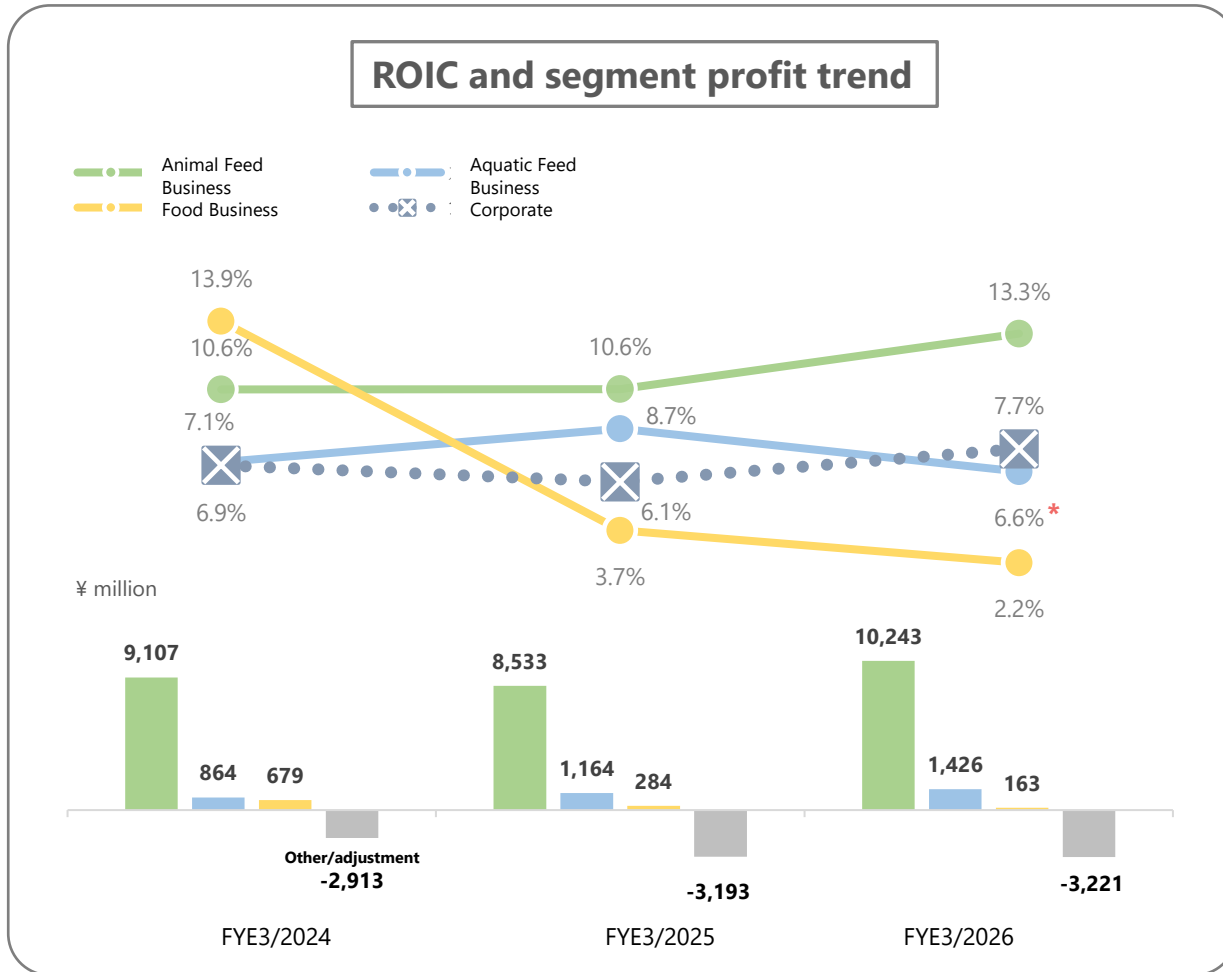
As improved profitability more than offset the impact of declined profit caused by lower sales volume, we achieved a significant increase in profit.



\*The new Magic Pearl factory began operation on March 31, 2025

# ROIC by Segment

The corporate ROIC improved due to enhanced profitability in Feed Businesses. With large-scale investments lined up going forward, we make decisions and allocate resources based on ROIC.



## [Animal Feed] Capital efficiency improved as a result of sales focused on profitability

- ▶ Shifted to a policy to balance quantity and quality from a policy to prioritize volume expansion.
- ▶ The profit structure steadily improved due to the strengthened collaboration among research, manufacturing, and sales.

## [Aquatic Feed] ROIC trended toward improvement due to enhancement of competitive advantage

- ▶ FEED ONE brand was strengthened with our industry-leading fishmeal-free feed.
- ▶ Improvement in manufacturing efficiency at our cutting-edge Kitakyushu Aquatic Feed Factory also contributed to the results.

**\*ROIC is 12.1%, excluding the investment in a new aquatic feed factory currently in construction (about ¥7.0 billion).**

## [Food] ROIC remained at a low level, but the business is in a structural reform phase

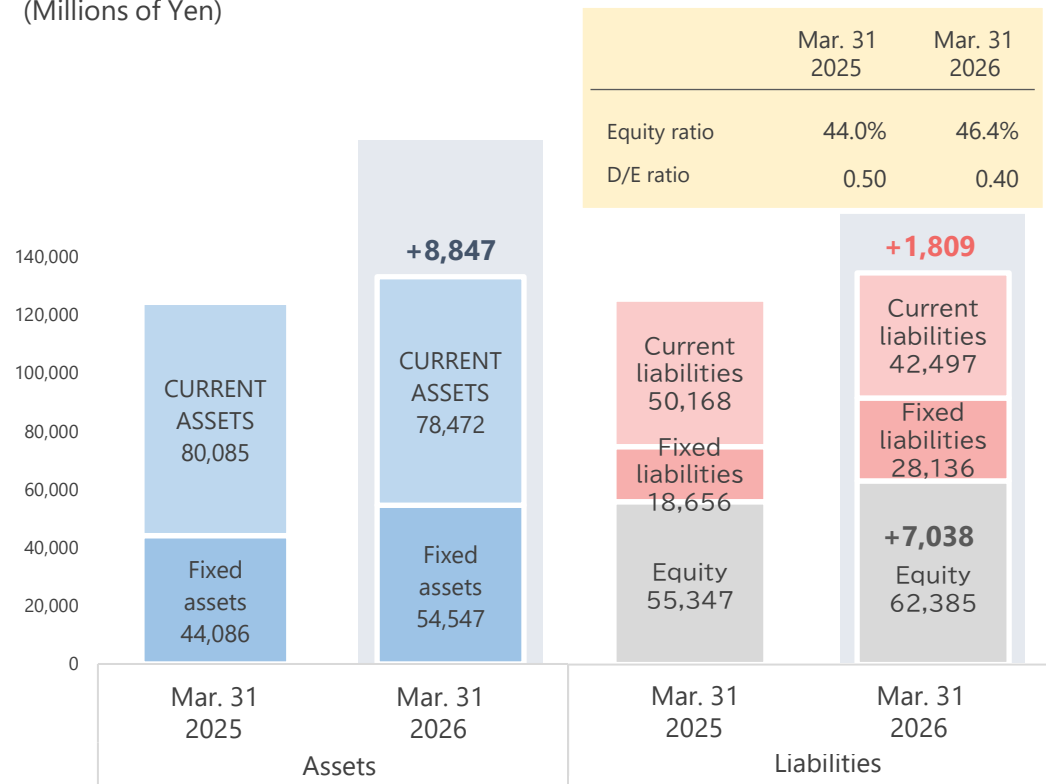
- ▶ Profitability declined due to soaring livestock product prices.
- ▶ Meanwhile, we saw effects in Feed Businesses thanks to synergy effects with Feed Businesses.

# Consolidated Financial Condition

Amid ongoing growth investment, our financial position steadily improved due to strong cash generation.

## Consolidated Balance Sheet

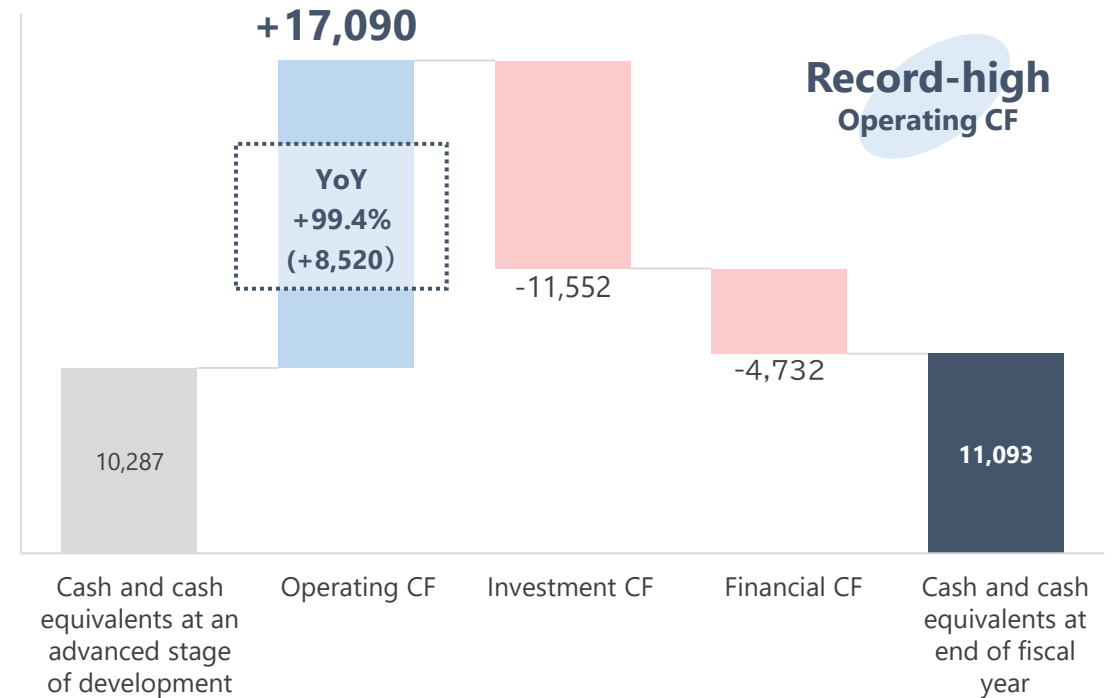
(Millions of Yen)



## Consolidated Statement of Cash Flows

(Millions of Yen)

■ Increase ■ Decrease



Fixed assets related to the construction of a new aquatic feed factory increased (construction in progress). Long-term borrowings increased from the H1 syndicated loan, while short-term borrowings decreased.

\* Equity ratio = Equity/Total assets \*D/E ratio = Interest-bearing debt/Equity



Operating CF: Profit before income taxes 8,603 million yen; depreciation 3,932 million yen  
Amount of working capital improved +¥4,279 million (YoY)

Investing CF: Expenditures for the construction of a new aquatic feed factory, etc.

\* Working capital = Trade receivables + Inventories – Trade payables

# Shareholder Returns

We gradually increase the level of shareholder returns by clarifying the dividend policy and enhancing returns in the milestone year.

## Dividend policy revision

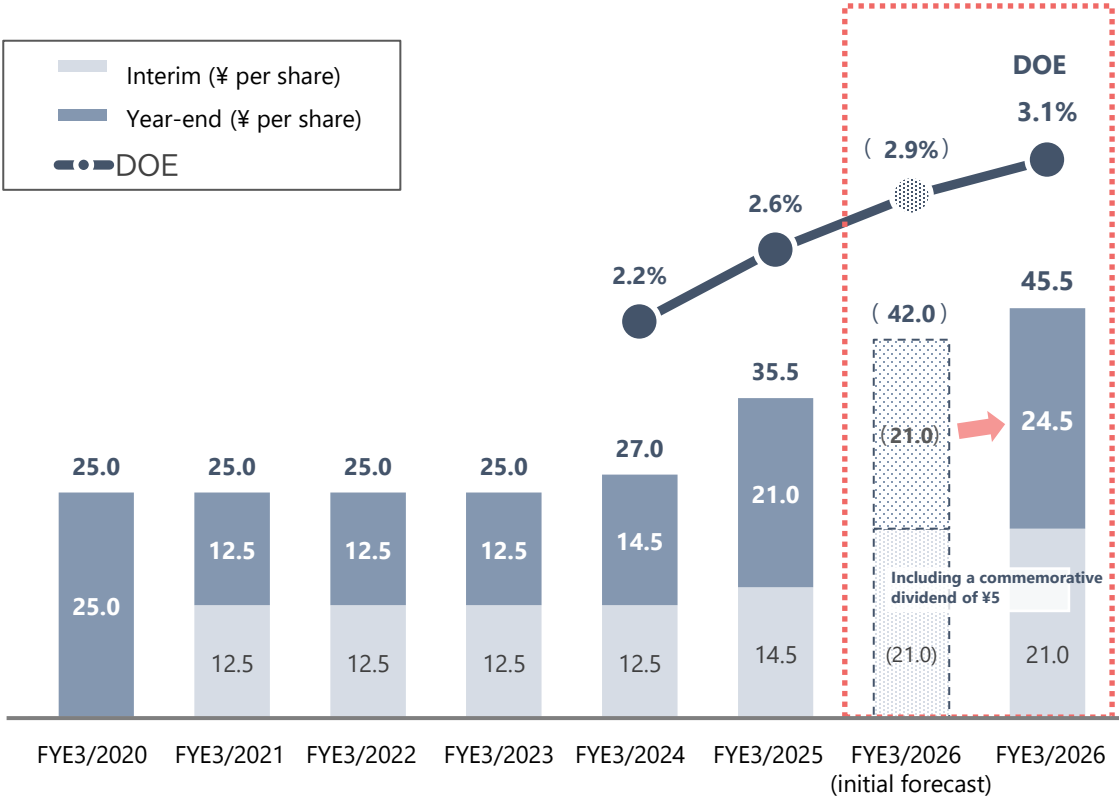
**Before** We aim to achieve a **consolidated payout ratio of 25% or more**, based on the enhancement of retained earnings to strengthen our financial position as the foundation for long-term development and **stable dividend payments**.

**After** We aim to achieve a **consolidated dividend on equity (DOE) of 3%**, based on the enhancement of retained earnings to strengthen our financial position as the foundation for long-term development and **progressive dividend payments**.

\*The policy below remains unchanged.  
Our policy is to utilize retained earnings effectively as investment funds to maintain and enhance the competitiveness of the Company, in the future.

## Dividend per share

(Interim) **¥21.0**, comprising an ordinary dividend of ¥16.0 and a commemorative dividend of ¥5 to mark the 10th anniversary of the full integration.  
(Year-end) **¥24.5**, an increase of ¥3.5 from ¥21.0, considering the earnings results and other factors.



**FYE3/2026 Summary / Shoji**

**FYE3/2026 Full-year Results / Kubota**

**FYE3/2027 Earnings Forecast / Shoji**

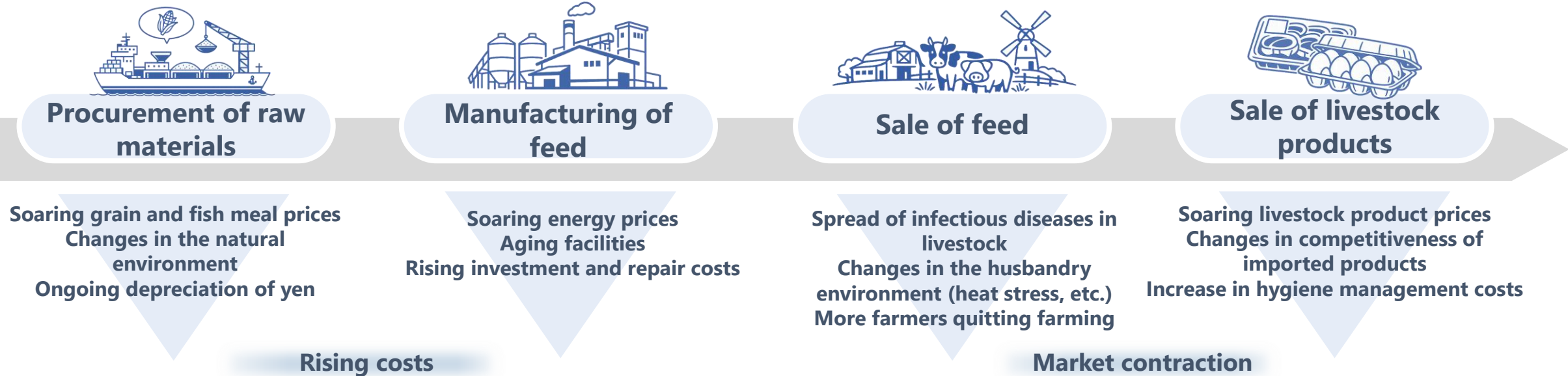
- ▶ **Our Recognition of the Business Environment and Directions to Take**
- ▶ **Impact of the Middle East Situation**
- ▶ **Full-year Earnings Forecast**
- ▶ **Earnings Forecast by Segment**

**FYE3/2027 Management Strategy / Shoji**

**FYE3/2027 Financial Strategy / Kubota**

# Our Recognition of the Business Environment and Directions to Take

We transform our business model according to the environment surrounding food in Japan and contribute to sustainable development of the livestock and fisheries industries.



The compound feed industry is a process industry in a high-volume, low-margin business model. The issue is its structure where fluctuations in the external environment directly impact revenue.

**Shift the business from a volume-driven model to an additional value- and solution-based model**

- Implementation drivers**
- Strengthen solution-providing capabilities with products and technologies aimed at creating values and resolving issues
  - Establish a stable supply model by optimizing supply chains

# Impact of the Middle East Situation

We forecast the impact to be limited, despite structural issues in the food supply chain and the recent geopolitical risks affecting the market environment.

## Impact on production sites

Deterioration of producers' financial conditions

Decrease in consumption of livestock and aquatic products



### Decrease in net sales

- Contraction of the feed market size
- Intensifying competition with peers

## Soaring grain prices

Increase in demand for biofuel

Soaring fertilizer prices



### Rise in cost of sales

- Soaring raw material prices
- Soaring manufacturing costs

Soaring ocean freight

## Soaring energy costs

Soaring shipping costs

Soaring fuel costs at factories



### Rise in SG&A expenses

- Soaring feed transportation costs
- Soaring contribution to the price stabilization fund

## — Countermeasures —

- ▶ Help producers with our products that improve production performance and help them increase revenue
- ▶ Expand our market share through comprehensive consulting sales involving proposals on husbandry management technology

- ▶ Pass on the cost to selling prices

Review on selling prices quarterly

× Compensation under the compound feed price stabilization system

- ▶ Reduce cost by increasing manufacturing efficiency

- ▶ Pass on the cost to selling prices (Supplementary information)

The impact is limited as clients are coming to our factories to pick up feed in many cases

- ▶ Step up efforts to increase transportation efficiency (DX)

# Full-year Earnings Forecast

In the completion year of the Medium-term Management Plan, we forecast new record profits once again.

(Millions of Yen)

	FYE3/2026	FYE3/2027	
		YoY	YoY (%)
Net sales	290,675	317,000	+26,325 +9.1%
Cost of sales	256,828	281,600	+24,772 +9.6%
Gross profit	33,847	35,400	+1,553 +4.6%
SG&A expenses	25,755	26,900	+1,145 +4.4%
Operating profit	8,091	8,500	+409 +5.1%
Ordinary profit	8,612	8,800	+188 +2.2%
Profit attributable to owners of parent	6,377	6,500	+123 +1.9%

## Management indicators

Figures in parentheses are those in the Medium-term Management Plan: FYE3/2027

**Sales volume**

**3.81 million tons**

(3.90 million tons)

**EBITDA**

**¥13.0 billion**

(¥11.5 billion)

**ROE**

**10%**

(8% or more)

**ROIC**

**7%**

(6% or more)

**Total investment amount**

**Over ¥7.5 billion**

(-) \*A Medium-term Management Plan target is not disclosed.

# Segment Forecasts

We aim to steadily increase profit in each segment even in a challenging business environment.

(Millions of Yen)

Segment		FY3/2026		FY3/2027	
				YoY change	YoY change %
Animal feed Business	Net Sales	223,744	240,000	+16,255	+7.3%
	Segment Profit	10,243	10,400	+156	+1.5%
	EBITDA	12,987	13,200	+212	+1.6%
Aquatic feed Business	Net Sales	24,863	31,000	+6,136	+24.7%
	Segment Profit	1,426	1,500	+73	+5.1%
	EBITDA	2,005	2,100	+94	+4.7%
Food Business	Net Sales	42,053	46,000	+3,946	+9.4%
	Segment Profit	163	300	+136	+83.1%
	EBITDA	398	500	+101	+25.4%

## Business environment outlook

Rising uncertainty, limited impact

Profit growth expected through expanded sales of differentiated products and price revisions, despite concerns over higher imported raw material prices due to the situation in the Middle East

Profit growth expected through a stronger competitive advantage from expanded fishmeal-free feed, amid fishmeal prices at record highs since statistics began

Profit growth expected, supported by prior-year earnings structure improvements, amid expectations that market prices for livestock products will remain high

Sales volume	FY3/2026	FY3/2027	YoY change %	Supplementary information
	(thousand MT)	(thousand MT)		
Animal feed	3,635	3,700	+1.8%	Expand sales mainly of differentiated products, including heat protection products
Aquatic feed	98	115	+17.7%	Expand sales of fishmeal-free and low-fishmeal feed

**FYE3/2026 Summary / Shoji**

**FYE3/2026 Full-year Results / Kubota**

**FYE3/2027 Earnings Forecast / Shoji**

**FYE3/2027 Management Strategy / Shoji**

- ▶ Value Creation Strategy Based on Cost of Capital-conscious Management
- ▶ Strategy for FYE3/2027

**FYE3/2027 Financial Strategy / Kubota**

FYE3/2027 is the final year of the Medium-term Management Plan, a year to ensure that the outcomes take root and to move on to the next phase of growth.

## Positioning of FYE3/2027

A fiscal year to ensure that the outcomes of strategic investments and structural reforms undertaken so far take root steadily in the forms of profitability and ROIC, and to enable a transition to the next phase of growth

## Key management agenda

Build sustainable profitability by expanding sales of differentiated products

Improve our structures by optimizing manufacturing and assets

Explore investment opportunities to achieve stable supply and profitability improvement

Establish a foundation for growth based on human capital and organizations

## Goals to achieve

Ensure sustainable profitability and capital efficiency, achieve the Medium-term Management Plan, and elevate the company to a next stage

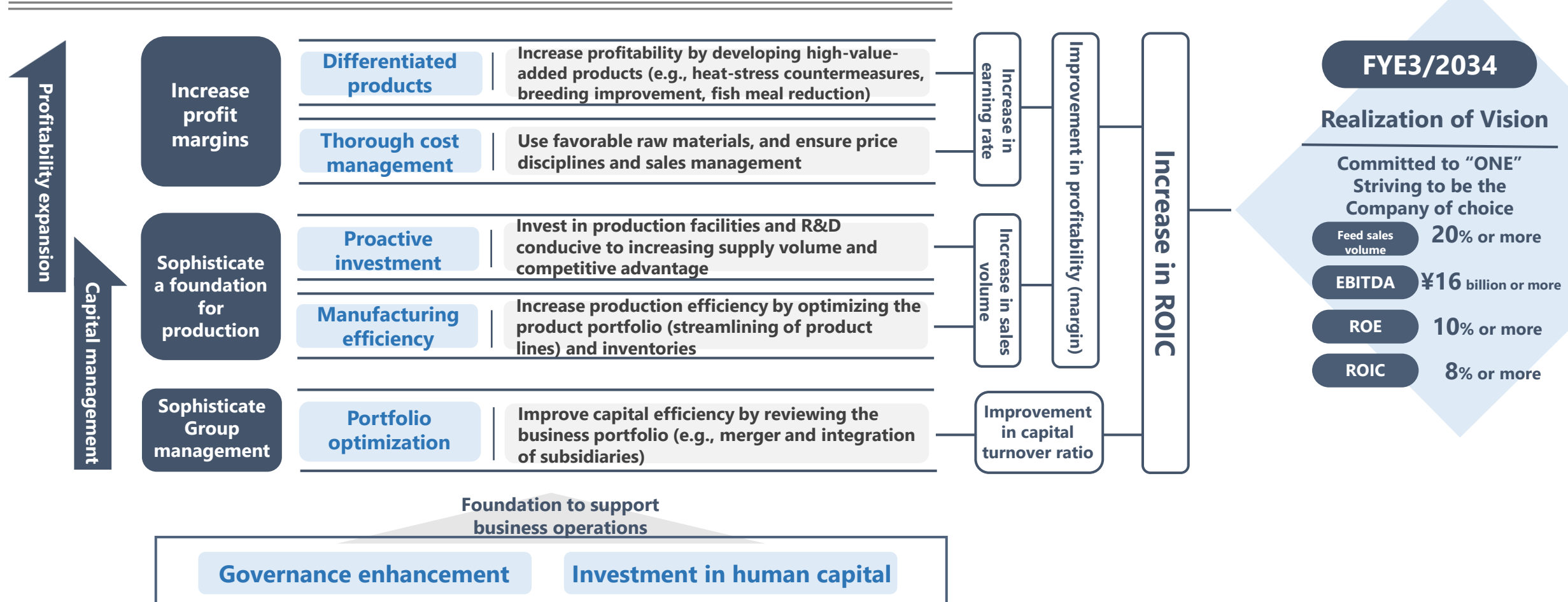
Record-high  
profits once again

EBITDA:  
around ¥13.0  
billion

ROIC:  
7% range

We use ROIC not only as a KPI but also as a “management design map” to boost both profitability and capital efficiency.

## Value creation process toward increasing ROIC



We tackle issues faced by the livestock and fisheries industries with our industry-leading personnel and R&D capability. We will achieve market expansion and profit growth with our products that continue to be chosen.

## <Background of the Value Creation Process>

Intensifying heat stress, the risk of the spread of animal infectious diseases, and instability in the supply of feed raw materials are causing major changes to the husbandry environment surrounding livestock and farmed fish. Performance and values expected of feed are becoming diverse as demand for safe and reliable livestock and aquatic products are rising.

### Short- to medium-term outlook

The effect is forecast to manifest during the current fiscal year or in the period of the next Medium-term Management Plan

- Increase sales volume
- Expand sales of high-margin products
- Increase competitive advantage

## 1 Expand sales of heat-stress countermeasure products

[Improvement in sales margin: ◎ | Growth in volume: ○]

### Policy

A record-high sales volume was achieved in FYE3/2026. Leveraging our industry-leading expertise and product appeal, we aim to expand the profit base centering on heat-stress countermeasure products.

### Expected timing

Within FYE3/2027

### Quantitative target

Profit +10%  
(YoY)

[FYE3/2027] We strengthen competitive advantage with products that address a decline in productivity of livestock products caused by heat stress. With a focus on heat-stress countermeasure products, we expand scale and profitability.

## 2 Release and expand sales of insect protein products

[Improvement in sales margin: ○ | Decline in volatility of raw material expenses: ○]

### Policy

We implemented a field trial in FYE3/2026 (on over 300,000 fish). Based on the outcomes (patent application filed), we release new products and create value for the next generation, as is the case with fishmeal-free feed.

### Expected timing

Within FYE3/2027  
(Released in Apr. 2026)

### Quantitative target

4,000 tons  
60 deals

[FYE3/2027] Amid a surge in fish meal prices, we develop insect protein into a flagship product next to fish meal-free feed, based on the outcomes of field trials.

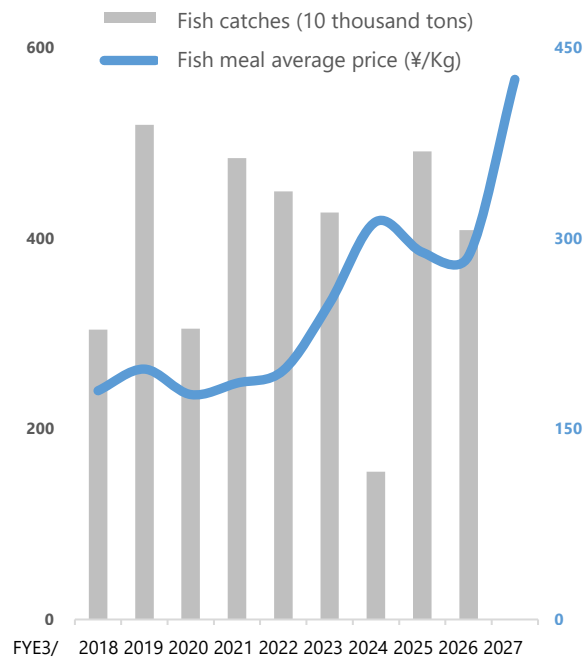
# Break Away from Dependence on Fish Meal

Medium- to long-term strategy to support product differentiation

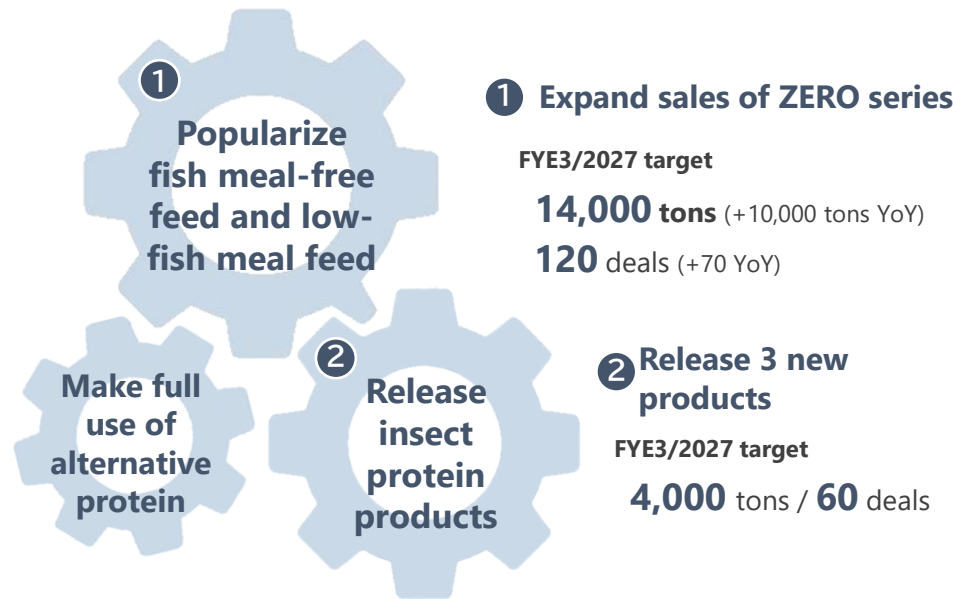
The fish farming business is in a critical situation due to soaring fish meal prices. We contribute to the growth of the industry with our products that balance performance and price.

## Status of fish meal in FYE3/2027

- Soaring prices (the highest price since records began in 2010)
- Concerns about procurement (supply < demand)
- Declining profitability (fish prices < production cost)



## FEED ONE's solution to break away from dependence on fish meal

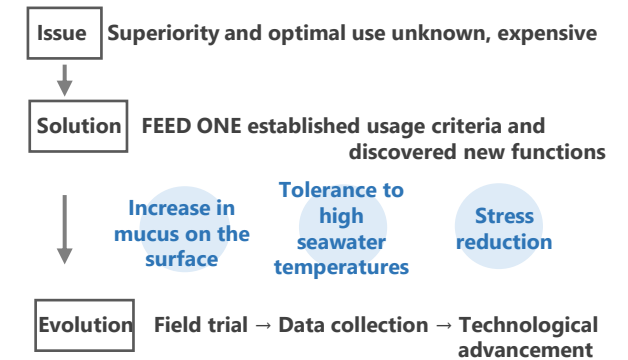


Reduce the average fish meal content to an unprecedented level in the industry

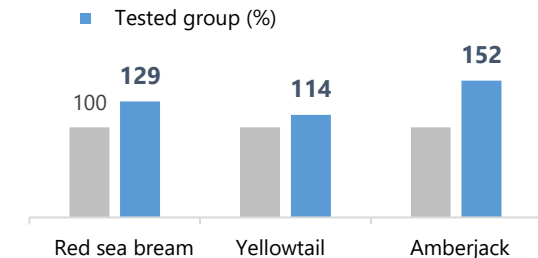
**40.5%** (FYE3/2026) ▶ **30%** (FYE3/2027)

## Value creating solution that goes beyond breakaway from fish meal

### Insect protein



### Rate of increase in mucus on the surface



We will make capital investments to achieve stable supply and profitability improvement.

## <Background of the Value Creation Process>

Aging of feed factories is a common issue among feed manufacturers. As facilities are becoming older, maintaining product quality and addressing running cost and environmental burdens have become issues. While large-scale investment calls for a significant expenditure, manufacturers are required to ensure future competitive advantage.

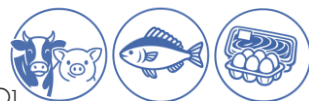
### Long-term outlook

The effect is forecast to manifest by Phase 2 (FYE3/2034).

- Increase sales volume
- Reduce manufacturing costs
- Increase competitive advantage

## 1 Investment in manufacturing facilities

[Decrease in fixed costs: ○ | Growth in volume: ◎ | Long-term ROIC: ○]



### Policy

By implementing cutting-edge equipment, we will increase manufacturing capacity and efficiency. The resulting improvement in energy efficiency and labor productivity will also reduce manufacturing costs.

### Expected timing



Continue investment  
(¥80.0 billion in Phase 2)

### Quantitative target

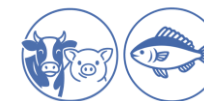


Approx. ¥7.5 billion  
(FYE3/2027)

[FYE3/2027] In addition to investing in a new aquatic feed factory, we make proactive investment mainly in markets with growth potential. We will also accelerate consideration of large-scale investment going forward.

## 2 Investment in research centers

[Future gross profit: ○ | Sustainable differentiation: ◎]



### Policy

A research facility of cattle farming is under construction. We also consider R&D investments in the Aquatic Feed Business to develop unparalleled products.

### Expected timing



Within FYE3/2027  
(and from then onward)

### Quantitative target



—  
We will hold repeated discussions as execution and decision-making do not equal immediate results.

[FYE3/2027] We consider enhancement of an internal research system and infrastructures to maximize synergies with a new aquatic feed factory.

# Medium- to Long-term Growth Strategy Focused on Hokkaido

## Inevitability and aim of capital investment

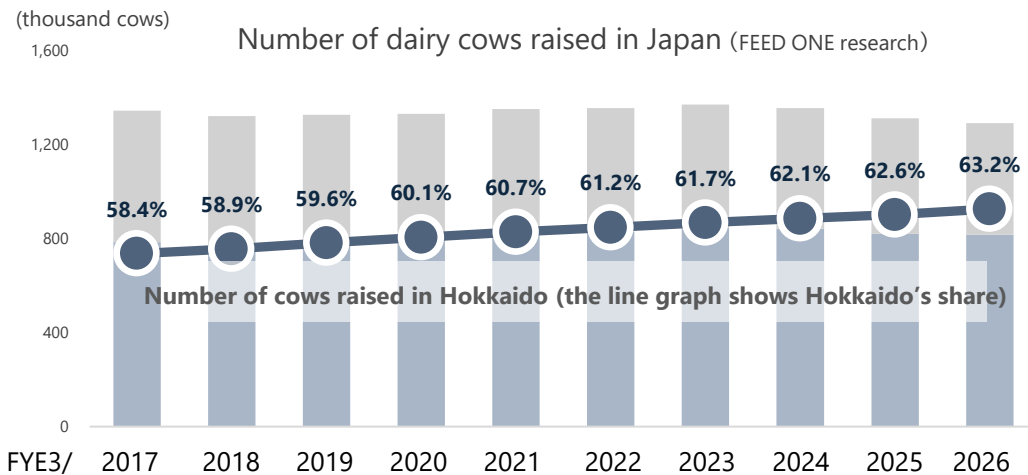
While the market continues expanding, Hokkaido is facing insufficient production capacity. We turn this situation into an opportunity for growth by investment.

### Hokkaido's share in the number of dairy cows raised is increasing

[Market analysis]

- While the number of dairy cows raised is slightly declining, it is concentrating in Hokkaido.
- Hokkaido accounts for more than one-third of the total cattle feed distribution volume.
- While feed distribution volume remains flat nationwide, that in Hokkaido is increasing. (up approx. 7% from FYE3/2017)
- Our sales volume is expanding at a growth rate higher than the national average. (up approx. 15% from FYE3/2017)

**Hokkaido area is positioned as a key market.  
We consider optimal allocation of resources.**



### Aiming to be No. 1 in the cattle feed industry

#### Expand facilities for calf milk replacer

- |                      |   |
|----------------------|---|
| (1) Product          | Calf milk replacer (powdered milk for calves)                           |
| (2) Location         | Tomakomai City, Hokkaido (within Tomakomai Factory)                     |
| (3) Total investment | About ¥2.0 billion (including contingency funds, such as for equipment) |
| (4) Schedule         | Within FYE3/2028  |

#### Growth milestone

### To be No. 1 in the cattle feed industry

#### Tangible

Enhance supply capacity of Hokkaido

Enhance manufacturing capacity of calf milk replacer

Revamp the research facility of cattle farming

#### Intangible (Additional value)

##### Products

- Dairy cow feed (LUMINOUS)
- Calf milk replacer
- Heat-stress countermeasure products

##### Services

- Raw milk fatty acid composition analysis
- Dairy cow genome analysis

We achieve higher production, safety and efficiency through a shift to optimal production and sales, instead of prioritizing utilization rate.

## <Background of the Value Creation Process>

The feed sales volume had significantly grown since the integration (400,000 tons/10 years), which has caused manufacturing capacity shortages. The main feed ingredients are imported raw materials, the prices of which are subject to fluctuations (in tandem with market prices of grains and foreign exchange rates). This poses a risk of increased working capital.

### Short- to medium-term outlook

The effect is forecast to manifest during the current fiscal year or in the period of the next Medium-term Management Plan

- Increase sales volume
- Reduce manufacturing costs
- Generate working capital

## 1 Streamlining of product lines

[Decrease in fixed costs: ◎ | Growth in volume: ◎ | Capital turnover ratio: ◎]



Policy

About 100 product lines were reduced in each of the Animal and Aquatic Feed Businesses in FYE3/2026. We continue reduction and consolidation in FYE3/2027 to expand production volume per hour and to reduce manufacturing costs.

### Expected timing

**Within FYE3/2027  
(and from then onward)**

### Quantitative target

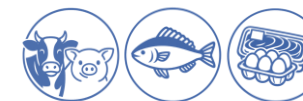
**Animal Feed: Reduce by 100 brands  
Aquatic Feed: Reduce by 89 brands**

[FYE3/2027]

(Animal Feed) We proactively slash small-lot products, which will be highly effective in improving efficiency.  
(Aquatic Feed) We consolidate products into low-fish meal feed and fish meal-free feed.

## 2 Optimization of inventories

[Capital turnover ratio: ◎ | Improvement in cash flows: ○]



Policy

In the Aquatic Feed Business, about ¥0.5 billion worth of inventory was reduced in FYE3/2026. We continue streamlining inventories of raw materials, merchandise and livestock products to reduce losses and to improve the turnover ratio.

### Expected timing

**Within FYE3/2027  
(and from then onward)**

### Quantitative target

**Inventory turnover days  
From 23 days to 22 days**

[FYE3/2027] By reducing product lines, we streamline types of raw materials used, improve the sales turnover ratio, and also determine the optimal inventory level.

We consider an ideal form of the organization for the entire Group and aim to enhance corporate value.

## <Background of the Value Creation Process>

Given the ¥80.0 billion worth of investment lined up in Phase 2, the depreciation expense is significant. It is necessary to increase capital efficiency through efficient use and optimal allocation of management resources from the Group-wide perspective.

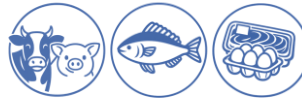
### Short- to medium-term outlook

The effect is forecast to manifest during the current fiscal year or in the period of the next Medium-term Management Plan

- Increase profit margins
- Reduce indirect cost
- Generate surplus funds

## 1 Portfolio review

[Improvement in ROIC: ◎ | Streamlining of organizations: ○]



### Policy

The number of associates decreased by five in FYE3/2026 (from 32 to 27). We will step up ROIC management by business to review unprofitable businesses and establish a lean and efficient corporate organization.

### Expected timing

**Within FYE3/2027**  
(and from then onward)

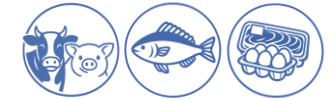
### Quantitative target

—  
We will hold repeated discussions as execution and decision-making do not equal immediate results.

[FYE3/2027] We ensure ROIC management by business and accelerate the business portfolio rebalancing, including the review of unprofitable businesses.

## 2 Group funding optimization

[Financial expenses: ○ | Capital efficiency: ◎]



### Policy

In this period of rising interest rates, we will effectively use the Group's surplus funds by using the cash management system (CMS) introduced in FYE3/2026.

### Expected timing

**Within FYE3/2027**  
(and from then onward)

### Quantitative target

**Review the balance of cash and deposits**  
(with external factors taken into account)

[FYE3/2027] We consolidate and distribute funds within the Group to reduce fund-raising costs and achieve a lean and efficient balance sheet.

We increase our capability and reproducibility of value creation through strategic investment in human capital.

## <Background of the Value Creation Process>

For us to grow sustainably and enhance corporate value, it is essential to upgrade our human capital and establish an organizational system to help them achieve results in a stable manner. Empowering diverse human resources to thrive and providing both a supportive work environment and opportunities for growth will lead to improvement in our capability and reproducibility of value creation.

### Short- to medium-term outlook

The effect is forecast to manifest during the current fiscal year or in the period of the next Medium-term Management Plan

- Increase productivity
- Reduce organizational operating costs
- Improve reproducibility

## Basic policy on human resource management

=

**DE&I**  
(active engagement of diverse workforce)

×

**Work-style reform**  
Personnel system enhancement

×

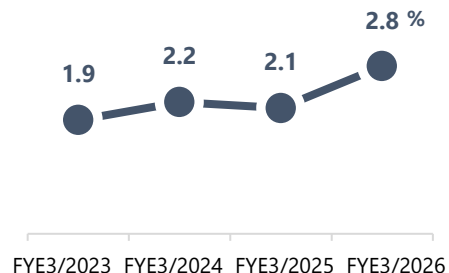
**Human resource development**  
(leaders and experts)



### KPI

- Percentage of female managers
- Percentage of female employees, etc.

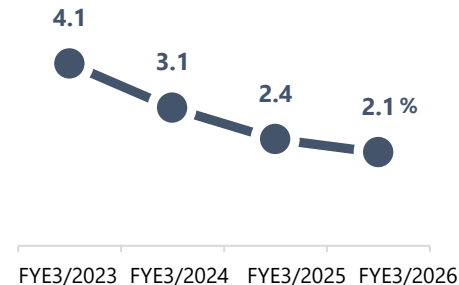
#### Percentage of female managers



### KPI

- Turnover rate
- Employee engagement, etc.

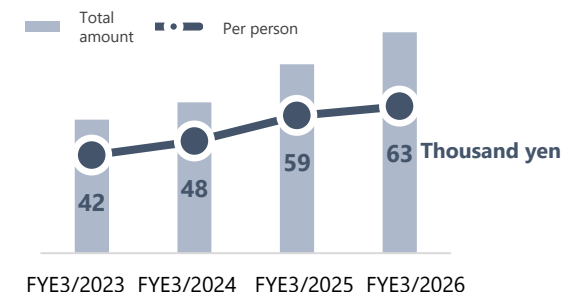
#### Turnover rate



### KPI

- Educational training fees, etc.

#### Educational training fees



We achieve profitability enhancement with our unique growth cycle that converts investment in human capital into results.

## <Background of the Value Creation Process>

Investment in human capital enables allocation of highly professional personnel and collaboration among research, manufacturing, and sales. This is resulting in the increased value creating capability. We turn all these strengths into a mechanism that produces consistent results, which will form the source of sustained enhancement of corporate value.

### Short- to medium-term outlook

The effect is forecast to manifest during the current fiscal year or in the period of the next Medium-term Management Plan

- Expand sales of high-margin products
- Increase sales volume
- Increase competitive advantage

## 1 Develop human resource capabilities

[Improvement in sales margin: ○ | Growth in volume: ○ | Increase in reproducibility: ◎]



### Policy

For developing professional personnel, we conduct every year management instructor examination, an internal certification system, with an aim to increase productivity.

### Expected timing



**Within FYE3/2027**  
(and from then onward)

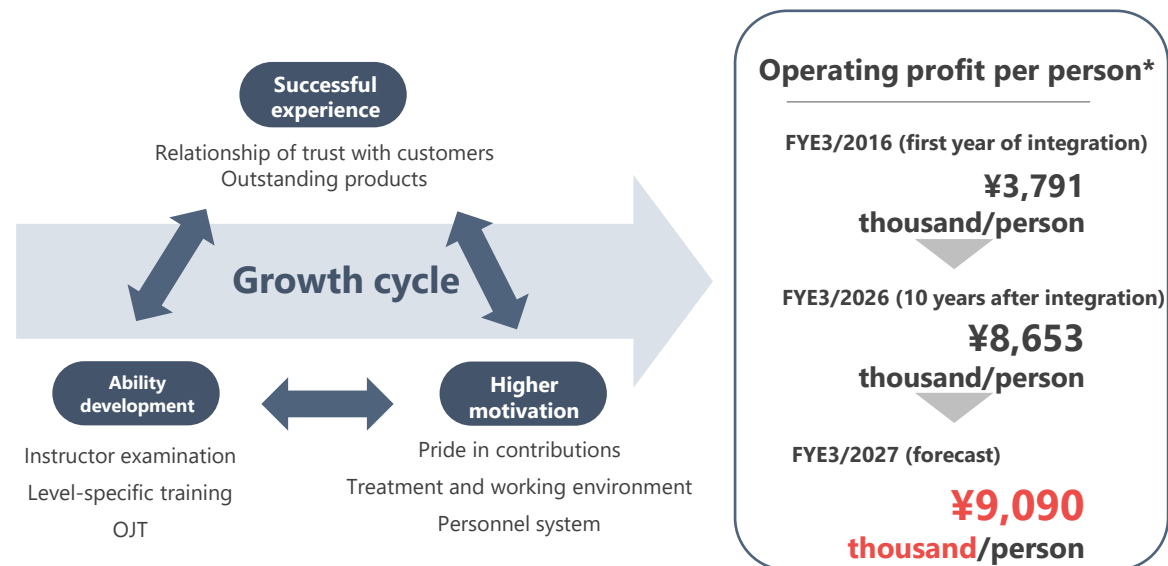
### No. of certified



**63 persons**  
(as of Apr. 2026)

**[FYE3/2027] The certification is valid for three years. We have them stay up to date on the latest technologies and expertise, aiming to maintain and increase the frontline capabilities.**

## [Our unique growth cycle]



\*Operating profit/ Number of employees on a consolidated basis

We continue to enhance the effectiveness of the Board of Directors. Independent external directors will make up the majority of the Board after the General Meeting of Shareholders in June.

As of March 2026

Executive directors



External directors



Audit and Supervisory Committee members



Board of Directors

10

External directors

6

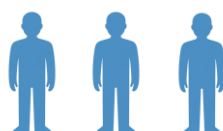
(including 5 independent external directors)

Optimize the Board size and enhance supervisory function and diversity



As of June 2026 (planned)

Executive directors



External directors



Audit and Supervisory Committee members



Board of Directors

9

External directors

6

(including 5 independent external directors)

## Efforts to enhance the effectiveness of Board of Directors

### Achieving greater independence of the Board of Directors

→ Independent external directors will make up the majority of the Board of Directors. We appointed a lead independent external director and held an independent external directors' liaison meeting in FYE3/2026.

### Incorporating diverse perspectives into management

→ Two female directors with distinct careers and skills will be appointed. Incorporating diverse opinions into management will lead to enhancement in corporate value.

### Enhancing the Board of Directors' functions

→ We strengthen the function and operation of the Board based on the effectiveness evaluation by a third party. While delegating authority to the executive divisions, the Board remains involved in large-scale investment projects to promote appropriate risk-taking. (e.g., a new aquatic feed factory)

### Enhancing the effectiveness of the Nomination and Remuneration Committee

→ The Committee is chaired by a lead independent external director, and independent external directors make up the majority. It formulates succession planning from a medium- to long-term perspective and designs a system of performance-linked remuneration for executives aligned with the corporate strategy.

**FYE3/2026 Summary / Shoji**

**FYE3/2026 Full-year Results / Kubota**

**FYE3/2027 Earnings Forecast / Shoji**

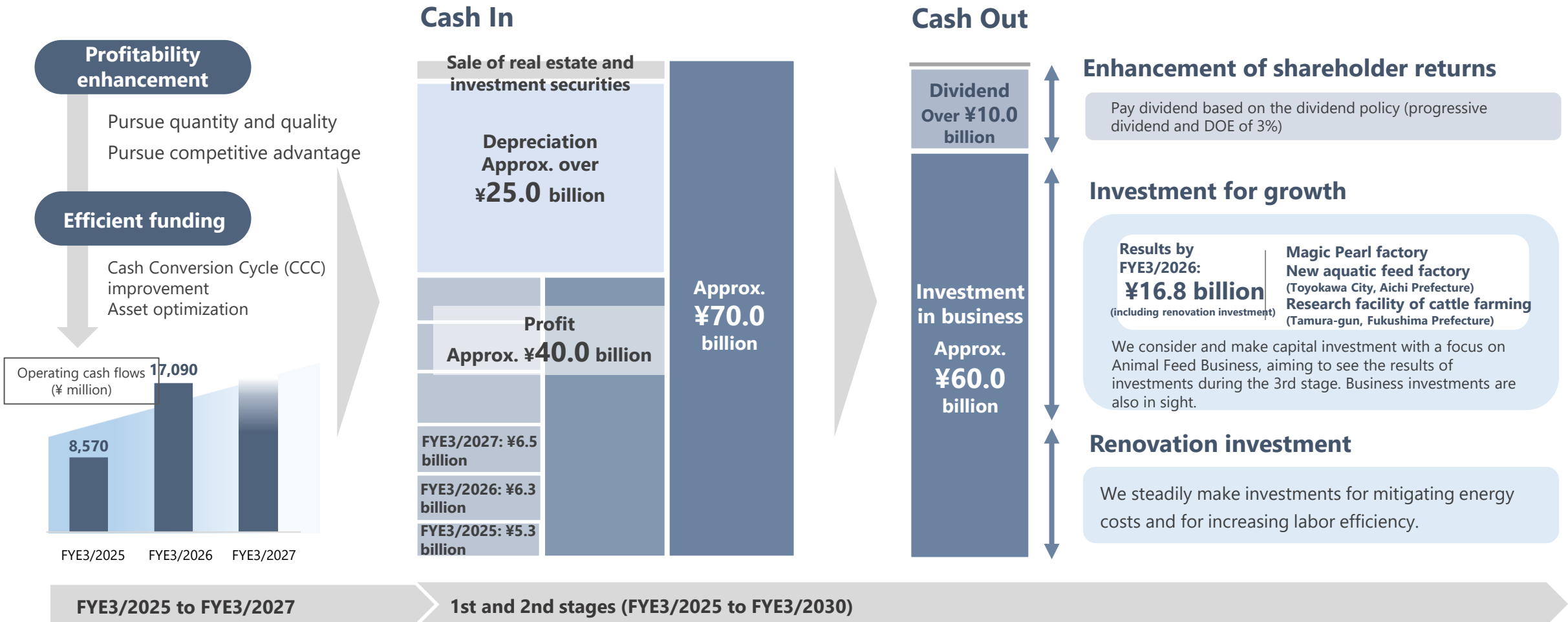
**FYE3/2027 Management Strategy / Shoji**

**FYE3/2027 Financial Strategy / Kubota**

- ▶ Cash Flow Allocation Policy
- ▶ Balance Sheet Management Policy
- ▶ Dividend Policy
- ▶ Our Stock Is Undervalued Relative to Cash Generation Capability
- ▶ Policy for Improving PBR and Market Evaluation

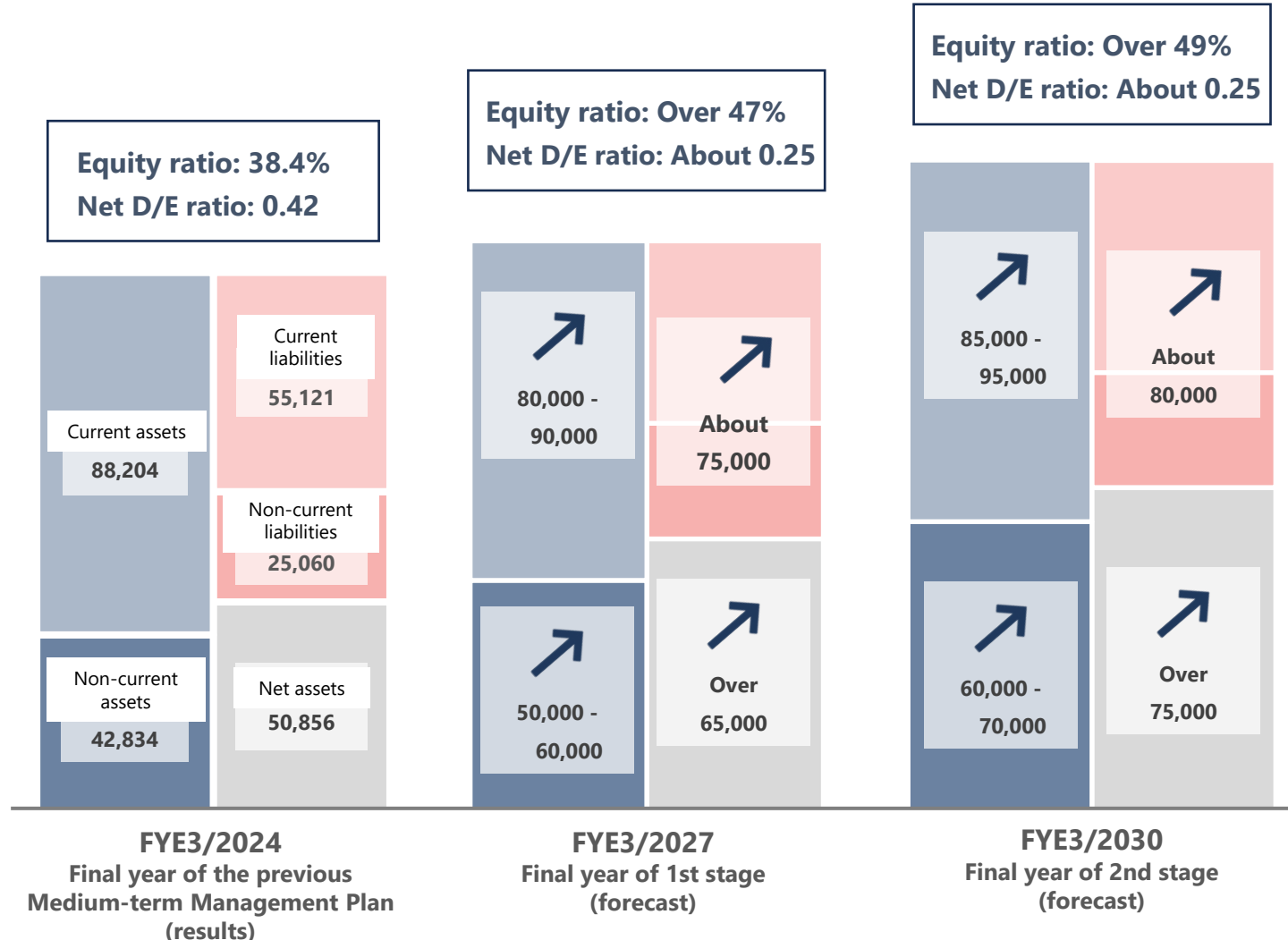
# Cash Flow Allocation Policy

We increase cash generation capability and achieve both growth and shareholder returns.



# Balance Sheet Management Policy

Stability of our balance sheet has reached a certain level. We now enter the capital management phase to strike a balance between investment and shareholder returns.



## Balance Sheet Management Policy

### Equity management

- Equity ratio is nearing 50% due to build-up of equity
- We now enter the phase to strike a balance between investment and shareholder returns

### Interest-bearing debt management

- Amid rising interest rates, we strictly maintain a well-balanced debt maturity ladder
- We optimize funding through Group financing

### Working capital management

- Working capital is forecast to rise due to an increase in sales volume
- We improve CCC by ensuring inventory control and by optimizing operation sites

We maintain stable and progressive shareholder returns with investment for growth also taken into account.

## Dividend basic policy

We aim to achieve a consolidated dividend on equity (DOE) of 3%, based on the enhancement of retained earnings to strengthen our financial position as the foundation for long-term development and progressive dividend payments.

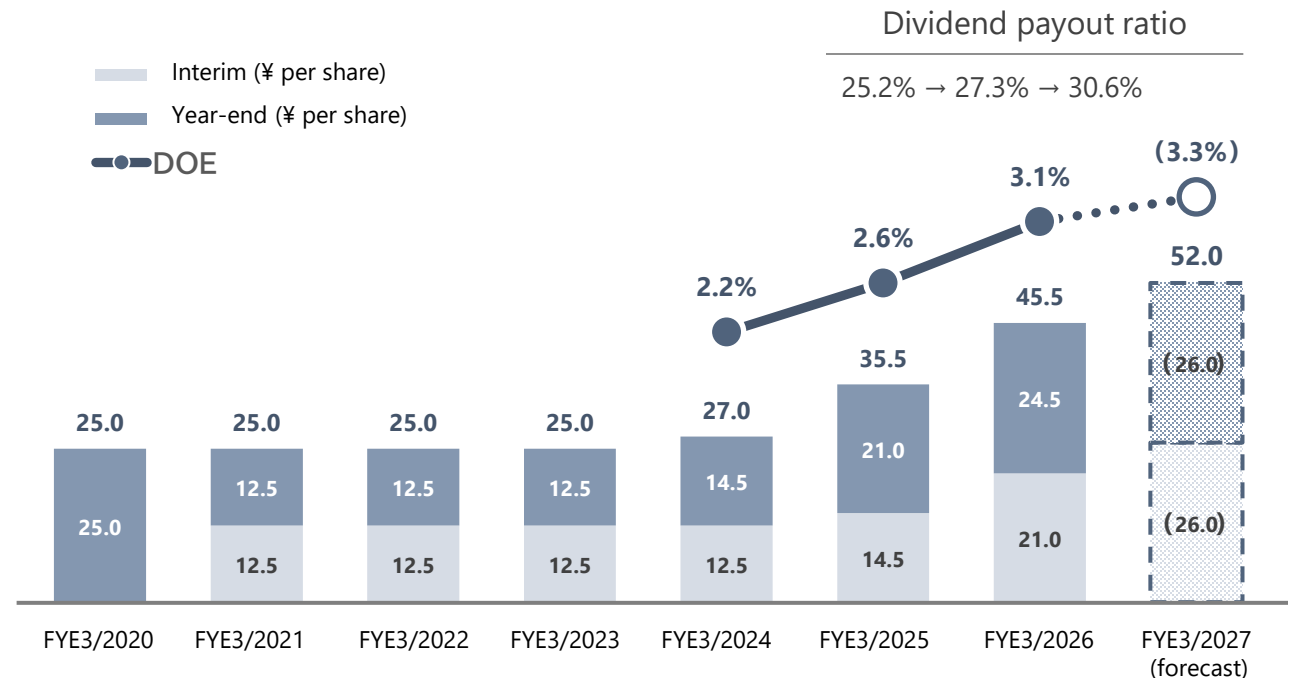
Our policy is to utilize retained earnings effectively as investment funds to maintain and enhance the competitiveness of the Company, in the future.

## Dividend forecasts

■ FYE3/2026 annual dividend: **¥45.5/share**

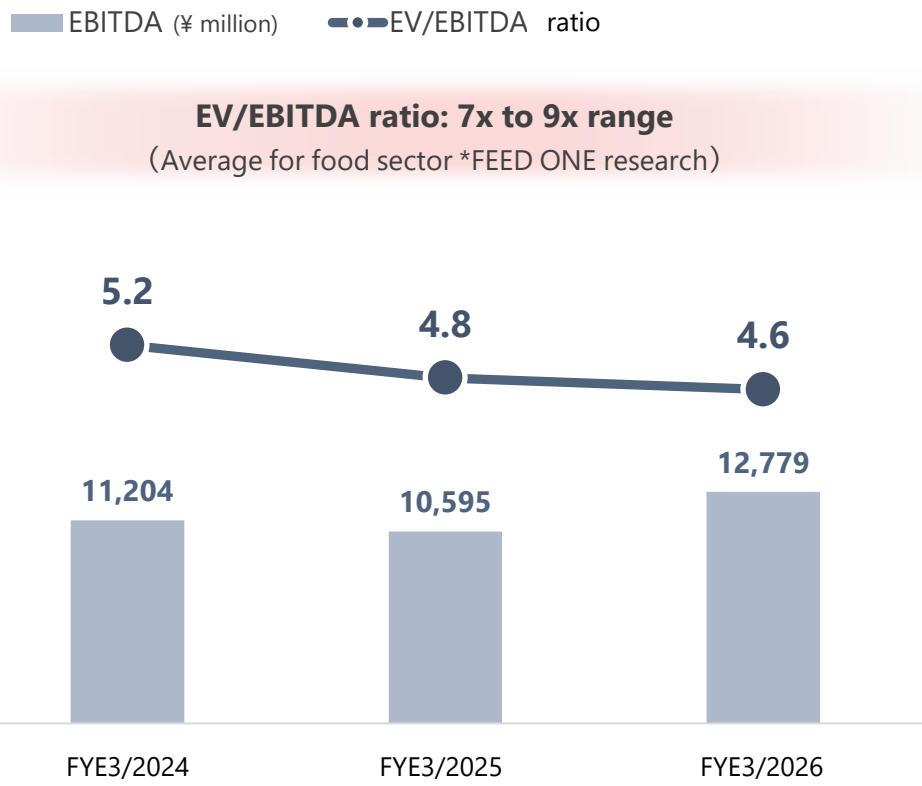
■ FYE3/2027 annual dividend: **¥52.0/share**  
(up ¥6.5 YoY)

Consolidated dividend on equity: **3.3%**  
(up 0.2pt YoY)



# Our Stock Is Undervalued Relative to Cash Generation Capability

While EBITDA we earn remains stable, the EV/EBITDA ratio is below the market average of industry peers.



**EV/EBITDA ratio: 7x to 9x range**  
(Average for food sector \*FEED ONE research)

EV: An indicator of a company's overall intrinsic value (market capitalization + interest-bearing debt – cash and deposits)  
EV/EBITDA ratio: An indicator calculated by dividing enterprise value by EBITDA

## Indispensable business foundation that supports food in Japan

- Compound feed is an indispensable part of meat and fish production.
- Our business underpins food in Japan. Stable demand is expected.

## Recording of stable profit even in an uncertain external environment (No net loss for the past 10 years after the integration)

- Animal Feed Business adopts a system to pass on the fluctuations in raw material prices to selling prices. Earnings are therefore unlikely to be shaken even in the face of fluctuations in foreign exchange rates and market conditions.

## Investment for future growth leveraging stable revenue

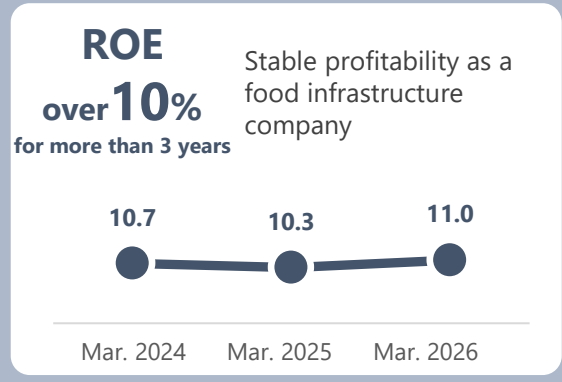
- We invest in facilities and technologies in a planned manner backed by stable revenue and financial base.
- We aim to enhance competitiveness over the medium to long term leveraging our financial base.

**Based on our stable cash generation capability, we see our current stock price as undervalued relative to our business value**

# Policy for Improving PBR and Market Evaluation

FYE3/2027 is a phase to increase earning power and capital efficiency and to embark on management that is recognized by the market.

## Status quo



## Policy going forward

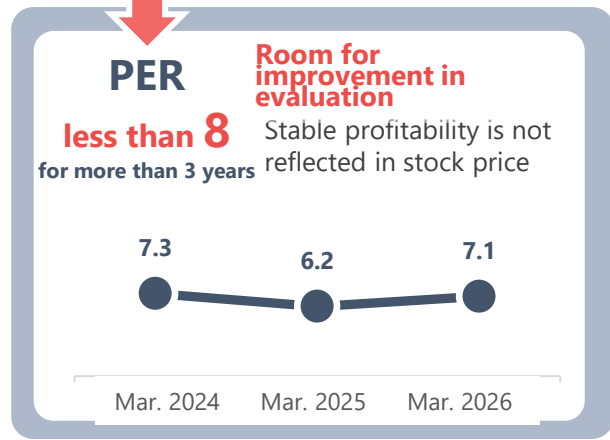
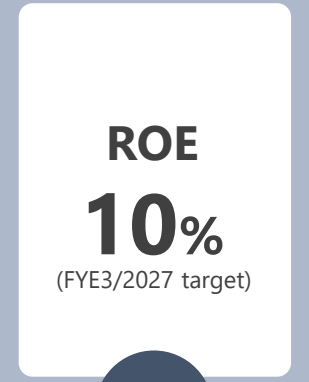
**Higher profit margins**

**Financial leverage management**

**Build a revenue structure to recoup ¥80.0 billion worth of investment in Phase 2 while running operations**

1. Sales of products that help resolve issues in the industry
2. Sales strategy based on strict price discipline
3. Capital allocation based on financial discipline

## Target values



**Equity management**

**Turn over equity instead of accumulating it with an equity ratio kept at around 50%**

**More dialogue with investors**

**Face the current state and broaden dialogue with investors, taking an IR approach where we go meet them instead of waiting for them**



To achieve a PBR of 1x and 1.5x or higher

# Appendix

# FEED ONE's Long-term Vision

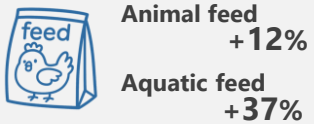
Through strategic investment, we will maintain the top market share in the industry and achieve at least a 50% increase in EBITDA and a 2pt increase in ROIC.

## Phase 1

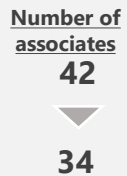
By FYE3/2024

Established business foundation through integration

### Increase in sales volume



### Selection and concentration of group companies



### Enhancement of financial standing



## Phase 2

FYE3/2025 to FYE3/2034

### 1st stage

(FYE3/2025 to FYE3/2027)

Shift from quantity to quality (profitability improvement)

### 2nd stage

(FYE3/2028 to FYE3/2030)

Enhance management base (capital investment)

### 3rd stage

(FYE3/2031 to FYE3/2033)

Maximize profit (scale and profitability)

1st stage  
FYE3/2025  
→FYE3/2027  
(results vs. forecast)

### EBITDA

¥10.5 billion → ¥13.0 billion

### ROIC

6.1% → 7%

## FYE3/2034

## Realization of Vision

Committed to "ONE"  
Striving to be the Company of choice

### EBITDA

¥16 billion or more

### ROE

10% or more

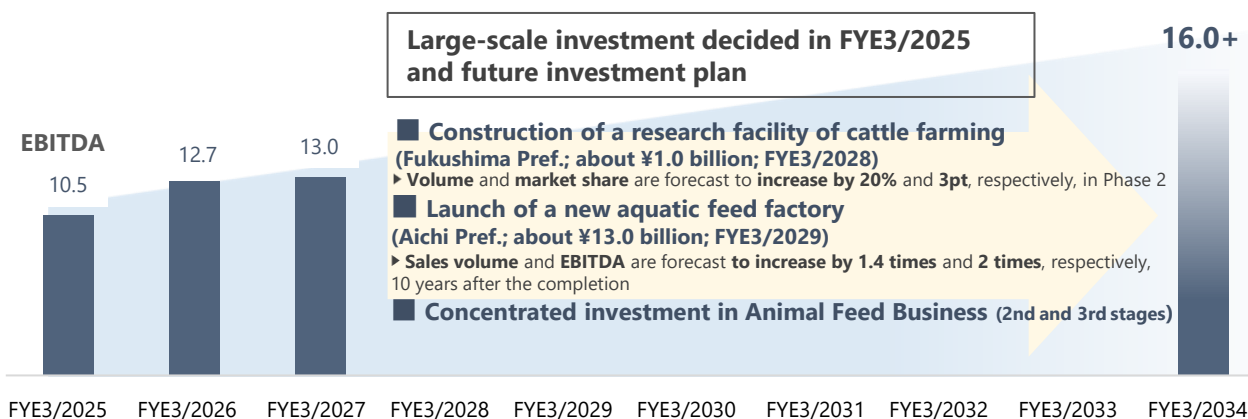
### ROIC

8% or more

### Feed sales volume

Market share  
20% or more

With a total investment of about ¥80.0 billion, we will maximize scale and profitability



(Reference)

### Examples of the effects of factory construction - Kitakyushu animal feed factory -



Labor productivity Improved by:  
- Unmanned shipping equipment 30%



Energy efficiency Improved by:  
- IoT management 15%



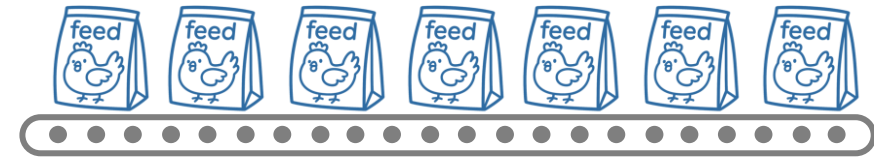
Manufacturing volume Improved by:  
- Increase in production capacity 23%

Reduced product lines lead to improvement in manufacturing efficiency and cost structure.

## Illustration of reduced product lines and the effects



Every product changeover requires cleaning and replacement of fixtures  
→ The more product lines manufactured, the longer the **downtime**  
→ At every product changeover, yield losses\* are generated before and after the manufacturing



It becomes possible to manufacture the required quantity in a shorter time  
→ **Operating hours approximate manufacturing hours**  
→ Yield losses generated before and after the manufacturing are mitigated

### Effect 1: Increase in manufacturing volume per hour

About  
**180%**

- The case in Kitakyushu Aquatic Feed Factory
- In comparison with the first year of initiative (2022)
- Additional 10% improvement in FYE3/2026

### Effect 2: Reduction in expenses due to yield losses

About  
**¥80 million**

- The case in Kitakyushu Aquatic Feed Factory
- In comparison with FYE3/2025
- Including effects of measures other than the reduction of product lines

\*Products manufactured when the machinery is first put into operation or just before the shutdown. They cannot be shipped as products and are put to reuse as raw materials, incurring additional manufacturing cost.



## **Other Reference Materials**

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# Company Profile

<b>Company name</b>	<b>FEED ONE CO., LTD.</b>
<b>Head office</b>	<b>5-1-2, Minatomirai, Nishi-ku, Yokohama-shi, Kanagawa</b>
<b>Representative</b>	<b>Hidehiro Shoji</b>
<b>Established</b>	<b>October 1, 2014</b>
<b>Share capital</b>	<b>10 billion yen</b>
<b>Number of employees</b>	<b>935 (as of March 31, 2026, on a consolidated basis)</b>
<b>Major shareholder</b>	<b>Mitsui &amp; Co., Ltd.</b>
<b>Business activities</b>	<b>Production and marketing of compound feed. Procurement, sale, production and processing of meat, egg and seafood, etc. Other businesses ancillary to the above (farm-management consulting, management of veterinary examination and treatment facilities, etc.)</b>



**Hidehiro Shoji**  
President and  
Representative  
Director

## PURPOSE

**Feed the world for the future, lives and smiles**

The revenue structure is heavily influenced by our core business, the Animal Feed Business; therefore, net sales alone are not a reliable indicator of overall performance.

## [Net Sales] Adjusted in accordance with changes in imported material prices

- Sales prices of animal feed are revised quarterly based on fluctuations in imported material prices.
- Because net sales are significantly affected by these price revisions, they do not serve as a reliable indicator of business performance.

## [Cost of Sales] Raw materials account for the majority of cost of sales

- The majority of the cost of sales for compound feed consists of raw material costs.
- Over 80% of the raw material costs are attributable to imported raw materials, so fluctuations in imported material prices directly impact the cost of sales.

## [SG&A Expenses] Recorded contribution to the Compound Feed Price Stabilization Fund

- This system mitigates the impact of sudden rises in imported raw material prices on the operations of livestock producers.
- The government, feed manufacturers, and producers contribute to the fund, and when certain conditions are met, compensation is paid to producers.
- The contributions are tax-deductible and recorded as SG&A expenses; **approximately 6.5 billion yen** was recorded for FY3/2026.

Net sales

Cost of sales

SG&A expenses

Operating profit

Because the Animal Feed Business adjusts selling prices in response to fluctuations imported raw materials costs, profit remains stable despite temporary fluctuations in net sales.

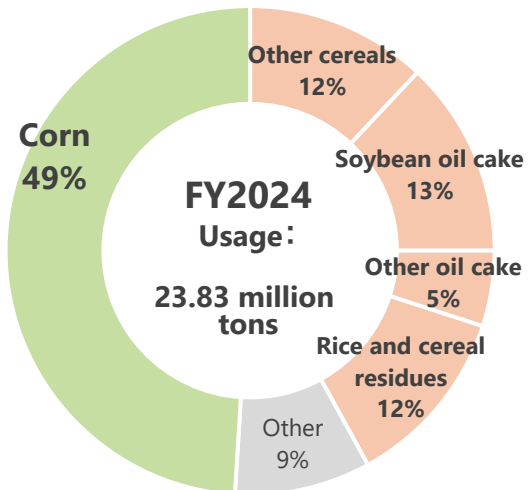
Most feed grains are procured through imports, with a particularly high dependence on the U.S. and Australia.

Feed Grain Imports in Japan

(10,000 tons)

	FY2022	FY2023	FY2024
Corn	1,116	1,126	1,143
Kaoliang	15	9	5
Wheat	41	41	39
Barley	108	107	102
Others	4	4	4
<b>Total</b>	<b>1,284</b>	<b>1,287</b>	<b>1,293</b>

Breakdown of raw materials in compound feed



**U.S.**  
Corn (81%)

**Brazil**  
Corn (18%)

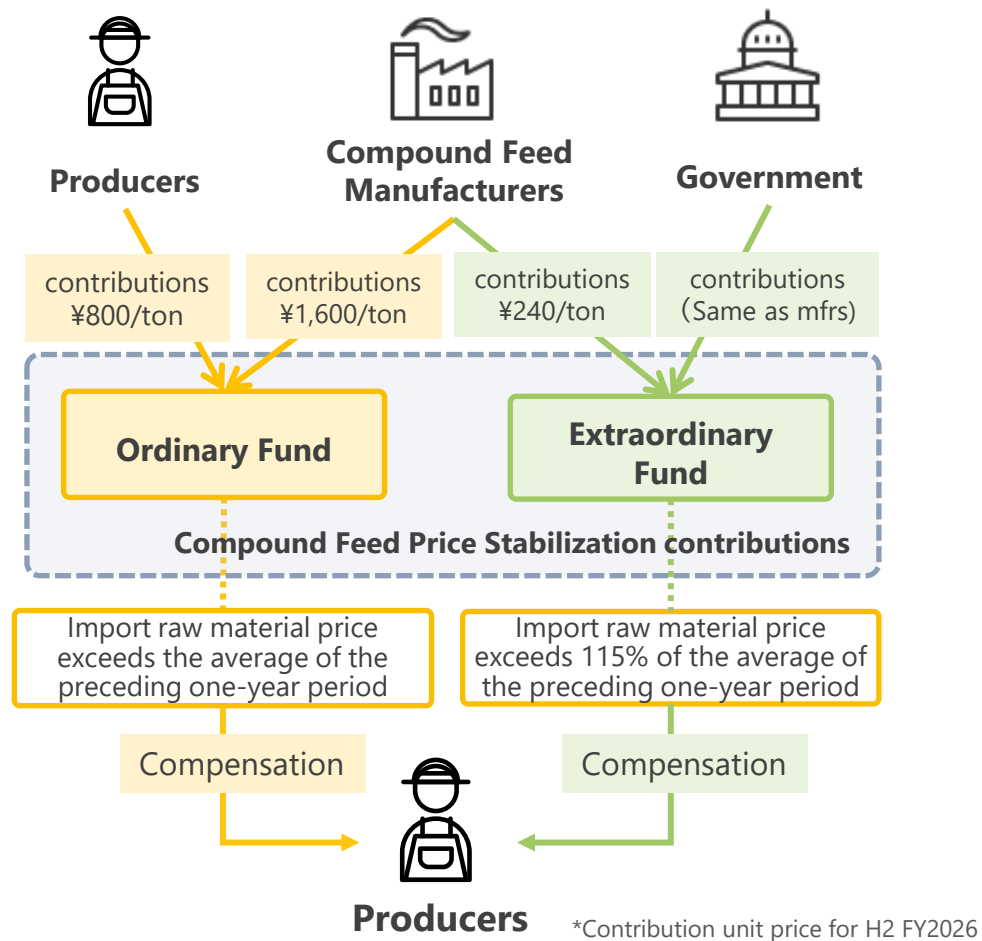
**Australia**  
Barley (53%)  
Wheat (65%)

Note: Percentages in parentheses indicate each country's share of import volumes in FY2024.

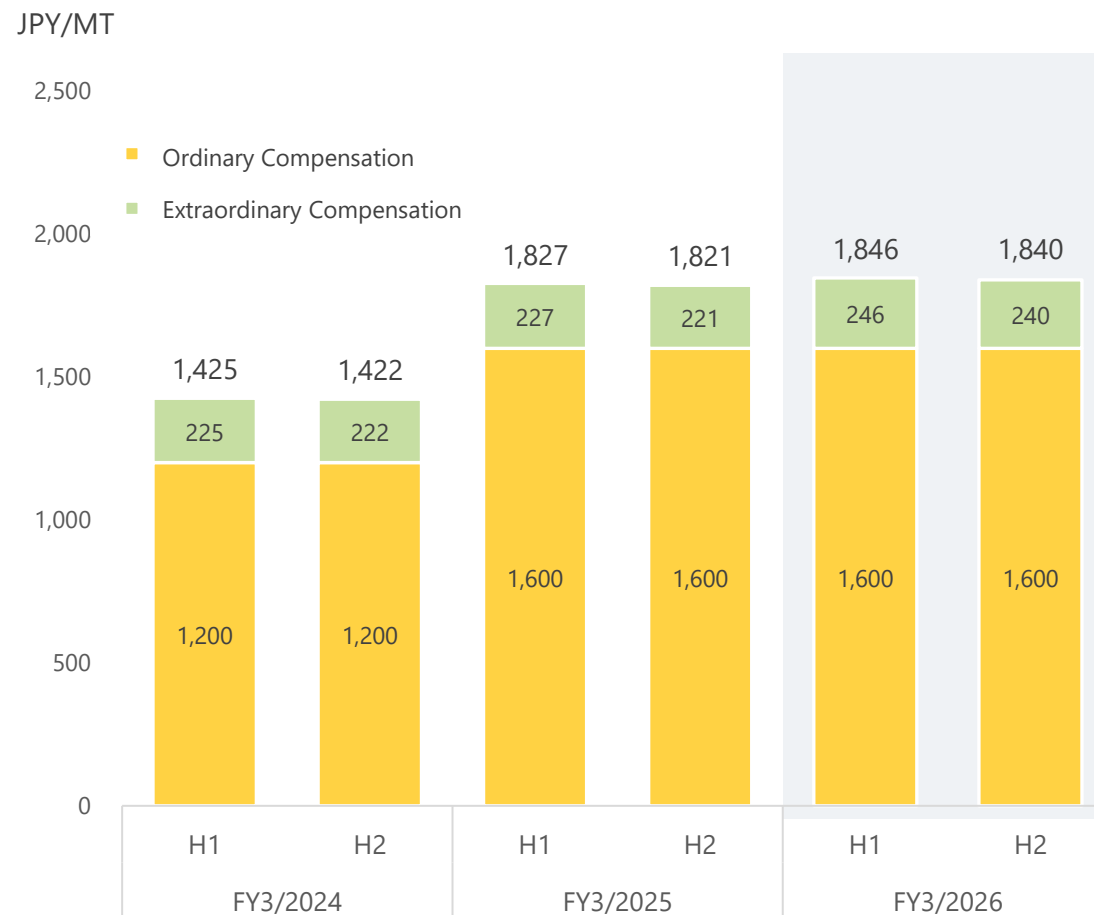
Reference: Ministry of Agriculture, Forestry and Fisheries (MAFF), "Current Situation of Livestock Industry," December 2025.

This system mitigates the impact of sudden rises in imported raw material prices on the operations of livestock producers. (\*Only for animal feed)

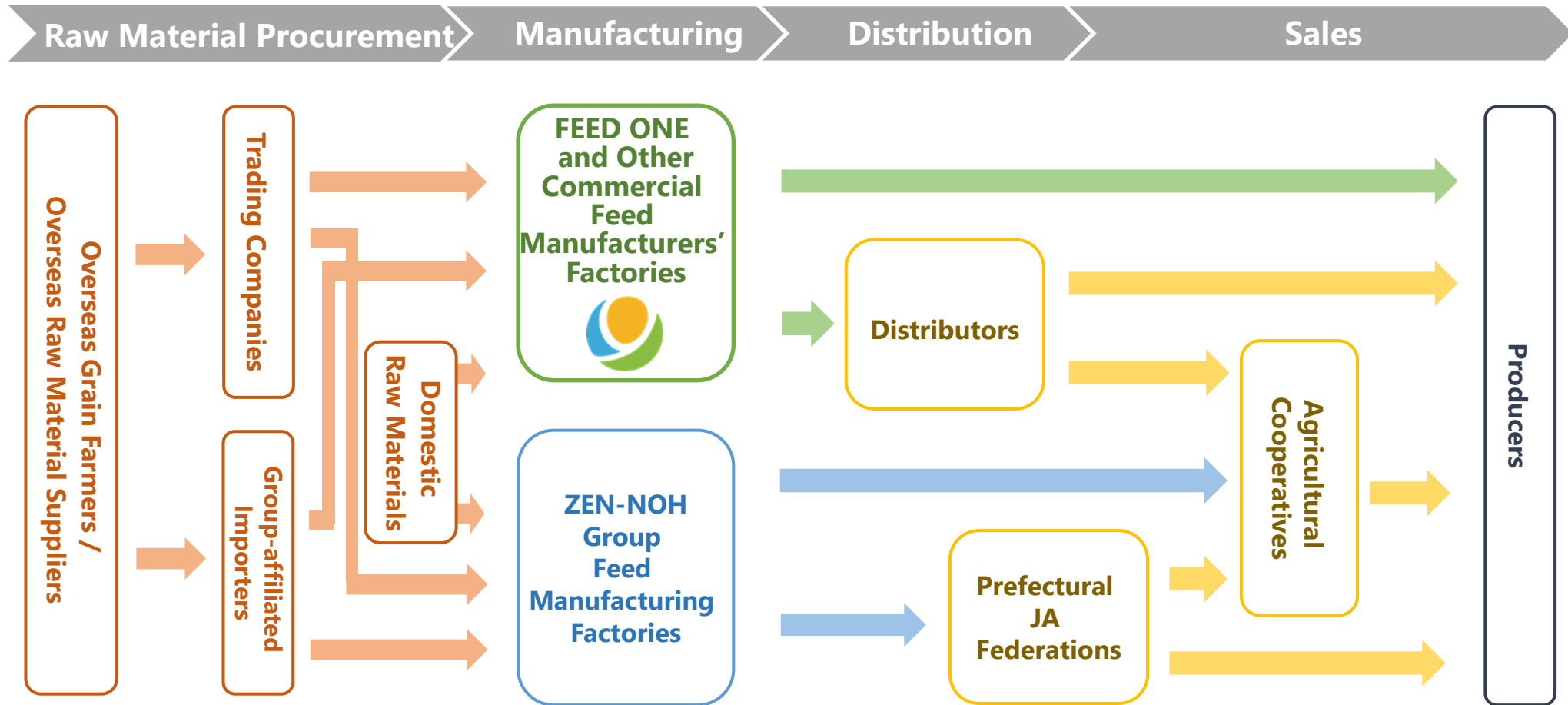
## [Mechanism of the System]



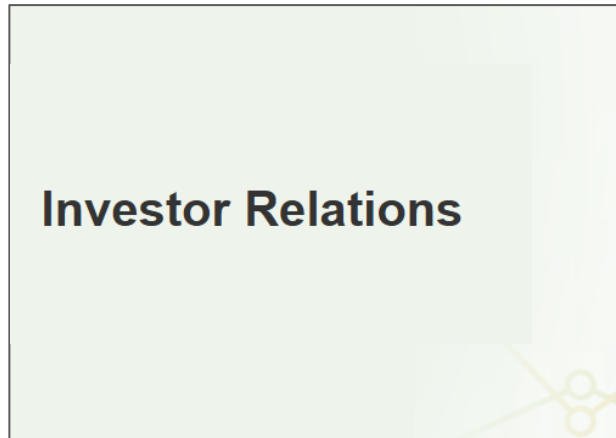
## [Compound Feed Manufacturers' Contributions]



Distribution channels from feed manufacturers to producers include direct sales, distributors, and agricultural cooperatives.



## FEED ONE Investor Relations Top Page



<https://www.feed-one.co.jp/english/ir/>

## FEED ONE Integrated Report 2025



[https://www.feed-one.co.jp/english/ir/integrated\\_report/](https://www.feed-one.co.jp/english/ir/integrated_report/)

## FEED ONE Company Research and Analysis Report



[https://www.feed-one.co.jp/english/ir/sponsored\\_research\\_report/](https://www.feed-one.co.jp/english/ir/sponsored_research_report/)

The opinions and forecasts contained in this document are based on the company's judgment at the time the document was prepared, and the accuracy of such information is not guaranteed. Please be aware that actual performance and results may differ due to changes in various factors.



For questions or inquiries regarding this material, don't hesitate to get in touch with our IR representative at [ir@feed-one.co.jp](mailto:ir@feed-one.co.jp).