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June 29, 2023

Consolidated Financial Results for the Fiscal Year Ended May 31, 2023 (Under Japanese GAAP)

Company name: Feedforce Group Inc.
 Listing: Tokyo Stock Exchange Growth
 Securities code: 7068
 URL: <https://feedforcegroup.jp>
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 Scheduled date of annual general meeting of shareholders: August 25, 2023
 Scheduled date to commence dividend payments: —
 Scheduled date to file annual securities report: August 28, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

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

1. Consolidated financial results for the fiscal year ended May 31, 2023 (from June 1, 2022 to May 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended										
May 31, 2023	3,966	32.0	1,275	12.1	1,029	10.7	1,020	11.8	112	△81.3
May 31, 2022	3,005	—	1,137	7.5	930	4.5	912	4.3	602	27.4

Note: Comprehensive income For the fiscal year ended May 31, 2023: ¥23 million [△96.1%]
 For the fiscal year ended May 31, 2022: ¥597 million [19.1%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
May 31, 2023	4.34	4.28	3.9	13.5	26.0
May 31, 2022	23.20	22.63	22.5	12.6	31.0

Reference: Share of profit (loss) of entities accounted for using equity method
 For the fiscal year ended May 31, 2023: ¥△10 million
 For the fiscal year ended May 31, 2022: ¥— million

- Note: 1. As the "Accounting Standard for Revenue Recognition" will be applied from the fiscal year ending May 31, 2022, the percentage change from the previous fiscal year is not shown for net sales.
 2. EBITDA is a sum of operating profit, depreciation, and amortization.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
May 31, 2023	7,119	2,890	39.0	108.01
May 31, 2022	8,019	3,148	37.2	114.06

Reference: Equity
 As of May 31, 2023: ¥2,775 million
 As of May 31, 2022: ¥2,983 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
May 31, 2023	175	△115	△1,047	2,596
May 31, 2022	623	△880	699	3,636

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended May 31, 2022	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended May 31, 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending May 31, 2024 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Consolidated earnings forecasts for the fiscal year ending May 31, 2024 (from June 1, 2022 to May 31, 2023)

(Percentages represent year-on-year changes)

	Net sales		EBITDA		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	%	Millions of yen	%	Yen
First Half ending November 30, 2023 (Forecast)	2,061	9.6	674	27.8	569	41.6	546	37.1	354	—	13.68
Fiscal year ending May 31, 2024 (Forecast)	3,681	22.5	1,619	27.0	1,400	36.0	1,354	32.7	881	680.6	34.28

Note: EBITDA is a sum of operating profit, depreciation, and amortization.

*Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
Excluded: 1 company (Teps Inc.)
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2023	25,693,258 shares
As of May 31, 2022	26,159,200 shares

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

As of May 31, 2023	— shares
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As of May 31, 2022	42 shares
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(iii) Average number of shares outstanding during the period

Fiscal year ended May 31, 2023	25,977,490 shares
Fiscal year ended May 31, 2022	25,976,848 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended May 31, 2023 (from June 1, 2022 to May 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
May 31, 2023	949	△0.7	717	27.2	705	44.6	4	△99.1
May 31, 2022	956	—	563	166.9	487	21.7	449	64.2

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
May 31, 2023	0.16	0.16
May 31, 2022	17.30	16.88

Note:1. As the "Accounting Standard for Revenue Recognition" will be applied from the fiscal year ended May 31, 2022, the percentage change from the previous fiscal year is not shown for net sales.

- From the fiscal year ended May 31, 2023, dividends received from affiliated companies are included in operating revenues.
- The increase in ordinary income for the fiscal year ended May 31, 2023 is due to the recording of dividends received from affiliated companies.
- The decrease in net income for the fiscal year ended May 31, 2023 is due to the posting of loss on valuation of stocks of affiliated companies.

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
May 31, 2023	7,740	5,991	76.2	229.48
May 31, 2022	8,758	6,240	70.4	235.59

Reference: Equity

As of May 31, 2023: ¥5,896 million
As of May 31, 2022: ¥6,162 million

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, including the consolidated forecasts stated in these materials, are based on information currently available to Feedforce Group Inc. and certain assumptions deemed reasonable. Results may differ materially from the consolidated forecasts due to various factors.