



March 22,2024

Notice of Formulation of the "Medium-Term Management Plan 2026 - 1st STAGE for NEXT 10 YEARS -"

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
Inquiries: SENIOR EXECUTIVE OFFICER, YUTAKA NAGOYA
CORPORATE PLANNING & STRATEGY
DIVISION
Telephone: +81-45-311-2300

FEED ONE CO., LTD. announced that it has formulated the "Medium-Term Management Plan 2026 - 1st STAGE for NEXT 10 YEARS -" covering the period from the fiscal year ending March 2025 to the fiscal year ending March 2027.

Please refer to the attached document for details.

1. Background and objectives of formulation

The "Medium-Term Management Plan 2026 - 1st STAGE for NEXT 10 YEARS -" positions itself as a period aimed at laying the foundation for realizing the newly established Purpose: "Feed the world for the future, live and smiles", looking ahead to the next ten years.

Our basic policy is to enhance the foundational earning power to undertake approximately 80 billion yen in large-scale investments over the next ten years and aim to build a strong and sustainable management foundation and profitability commensurate with a true leading company.

2. Consolidated Management Indicators

	the fiscal year ending March 2027
ROE	8%
ROIC	6%
EBITDA	11.5 Bln Yen
Sale Volume	3.90 Mln tons

3. Guidelines of return to shareholders

We place importance on dividends as a means of returning profits to shareholders.

Based on a stable dividend, we will aggressively invest in capital investment, R&D, and human resource development to enable sustainable growth, while targeting a consolidated dividend payout ratio of 25% or more.

Medium-Term Management Plan

1st STAGE for NEXT 10 YEARS

Purpose

“Feed the world for the future, lives and smiles”



Feed

The term ‘Feed’ is our company’s greatest asset, which has been incorporated into our company name since before integration, and we cherish the sentiments from our founding.



Creating the Future of Food

Our business scope encompasses the entire realm of ‘food’, and we pursue new challenges and innovations, envisioning the ‘future’.



Sustaining Life

We consistently face the lives of livestock and farmed fish with sincerity, shouldering the crucial responsibility of supporting not only their lives but also those of human beings.



Delivering Smiles

We aim not only to fill dining tables with smiles but also to consider the sustained happiness of all stakeholders, including producers, partners, shareholders, and employees of our group.

Updating MVV (Mission, Vision, and Values) in line with Purpose Setting

Mission

一粒万倍

A single seed can eventually produce a great harvest

Amidst the rapidly changing environment of the livestock and fisheries industry, we consider it our mission as a leading company to earnestly strive for stable feed supply, carrying the sentiment expressed in this “mission” and understanding the invisible efforts of various individuals entrusted in the production of each feed particle, all dedicated towards the peace of mind and safety of those who utilize our feed and our consumers.

Vision

Committed to ‘ONE’, striving to be the company of choice

By emphasizing ‘ONE’ in our company name, we strive to become a true leading company committed to ‘Safety First,’ aiming to be the ‘Number One’ in the industry. We aim to be a company where all stakeholders, including producers, partners, shareholders, and employees of our group, can trust that ‘Choosing Feed One is the right choice’.

Values

We constantly strive to provide solutions that address the needs and issues of customers and consumers. To supply our customers with safe and reliable foods in a stable manner, we conduct thorough compliance with regulations.

We develop highly specialized personnel who can grasp changing trends and constantly tackle challenges.

We sincerely strive to build trust with society through thoughtfulness, fairness, and humility.

Vision for NEXT 10 YEARS

Purpose Feed the world for the future, lives and smiles.

Vision Committed to 'ONE', striving to be the company of choice

Period of Enhancing Fundamental Profitability

Management objectives

2023*

EBITDA	10.9Bln Yen
ROE	10.2%
ROIC	6.7%
Operating Profit	7.5Bln Yen
Sales Volume	3.79Mln tons

2026

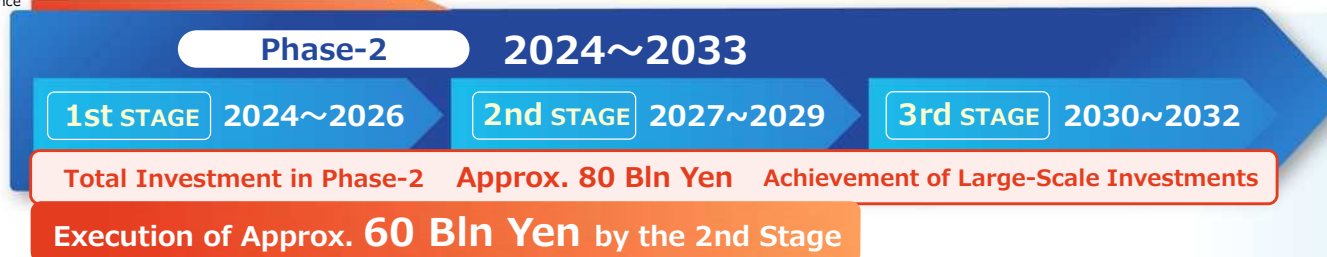
EBITDA	11.5Bln Yen
ROE	8%
ROIC	6%
Sales Volume	3.90Mln tons

2033 (Objectives)

EBITDA	Over 16.0Bln Yen
ROE	Over 10%
ROIC	Over 8%
Sales Volume	4.80Mln tons

* The forecast for fiscal 2023 is calculated from the consolidated performance forecast announced on February 2, 2024.

Phase-1
2015~2023
"Unifying as One, Towards the Future - Establishment of Business Foundation through Integration"



Growth Story

- Manufacturing Facilities** Rebuilding Production Infrastructure and Initiatives for CO2 Emissions Reduction
- Human Capital** Investment for Talent Development and Employee Engagement Improvement
- DX** Enhancing Productivity and Strengthening Sales Operations through DX
- R&D** Development of Environmentally Conscious Feeds
- Overseas** Domestic Introduction of Advanced Technologies from Overseas, and Expansion of Overseas Business

Key Non-Financial KPI

- CO₂ Emissions** Reduce by 50% compared to 2020 levels by the fiscal year 2030
- Diversity in Management Ratio** 15% in 2030
- Percentage of men taking parental leave** 80% in 2026

Initiatives to Enhance Corporate Value ~Toward Improvement of PBR~

To accelerate growth and improvement in profitability

- Investment for growth
- Improvement in investment efficiency
- Review of business portfolio



Implementation of capital cost management

objectives

Cost of equity 8%*
WACC 6%*

Strengthening management base

- Promotion of human capital investment
- Improvement in corporate governance
- Sustainability initiatives



Optimal capital structure

- Appropriate debt to equity ratio
- Enhancement of shareholder returns



Strengthening of IR

- Expansion of opportunities for dialogue between management and investors
- Expansion of financial presentation materials, Securities Report, Integrated report
- Enhancement of English disclosures



* Our assumed capital cost is calculated using the CAPM-based formula, taking into account the beta value and D/E ratio of similar listed companies.

Cash Flow Allocation

(1stSTAGE & 2ndSTAGE)

Source

New Cash Generated Over the 6-Year Period from Fiscal Year 2024"

Operating CF

Over 60 Bln Yen

Optimization of Assets

External Liabilities

Based on cash-ins through operating cash flow and financial cash flow, we will maintain financial discipline by considering the Debt-to-Equity ratio when dealing with external liabilities.

Allocation

Return to Shareholders

Dividend

Our basic principle is to provide stable and continuous dividends, with a target consolidated payout ratio of over 25%

Capital & Growth Investment
60-70 Bln Yen

Feed Manufacturing Facilities

Food Manufacturing Facilities

R&D Facilities

Large-scale renewal

Human Capital

R&D

DX

Overseas Realizing Sustainable Growth through Investment

To support Japan's food safety as a leading company in the feed industry, we will implement significant investments in feed manufacturing facilities. Despite a significant increase in investments, our consolidated dividend payout ratio aims to remain at 25% or higher, ensuring stable dividends and considering gradual increases