



FEED ONE

FEED ONE Integrated Report 2025

March 31, 2025



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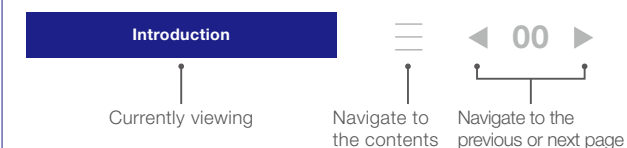
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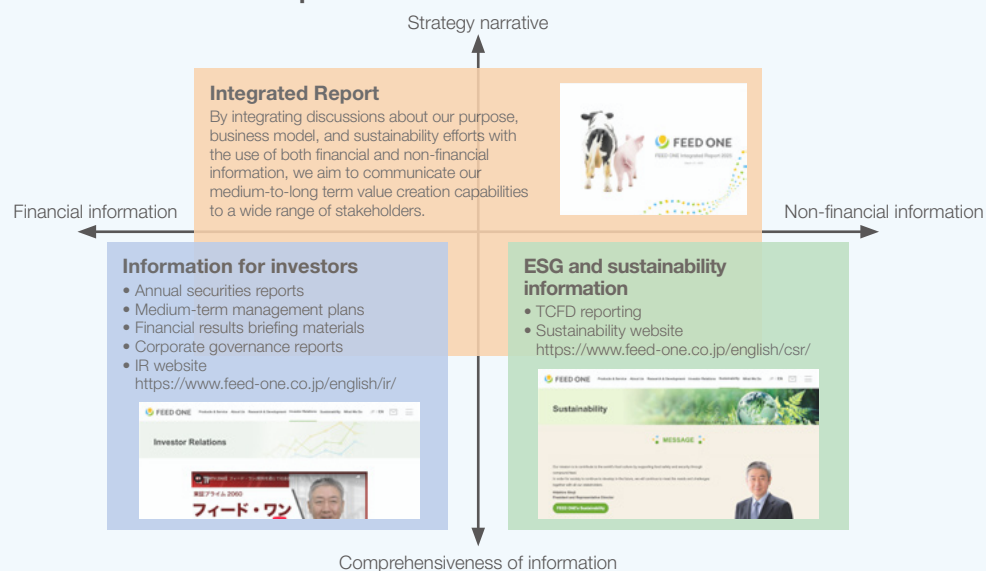
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Editorial Policy

FEED ONE newly formulated a purpose, long-term vision, and Medium-term Management Plan in 2024. This integrated report aims to provide shareholders, investors, and a wide range of stakeholders with an understanding of the Company's capacity to create value over the medium to long term by comprehensively discussing earnings, investment plans, capital cost management, and other financial information alongside non-financial information such as human capital, environmental initiatives, and governance.

In preparing this report, we referenced guidelines and trends related to IR and ESG in Japan and overseas, including the Integrated Reporting Framework advocated by the IFRS Foundation and the Guidance for Collaborative Value Creation developed by Japan's Ministry of Economy, Trade and Industry.

Going forward, we will position the integrated report as one engagement tool for fostering constructive dialogue with all stakeholders, and endeavor to enhance sustainable corporate value. We therefore warmly welcome the honest opinions of all readers.

Reporting Period

April 2024 to March 2025
(some information from after April 2025 is also included)

Reporting Scope

The activities of the Group centered around FEED ONE Co., Ltd.

Disclaimer regarding forward-looking statements

Information regarding the Company's future earnings targets, strategies, and forecasts is based on assumptions and judgments made from currently available information. Actual results may differ due to changes in the economic environment surrounding the Company, product demand, fluctuations in raw material prices and exchange rates, and other factors.

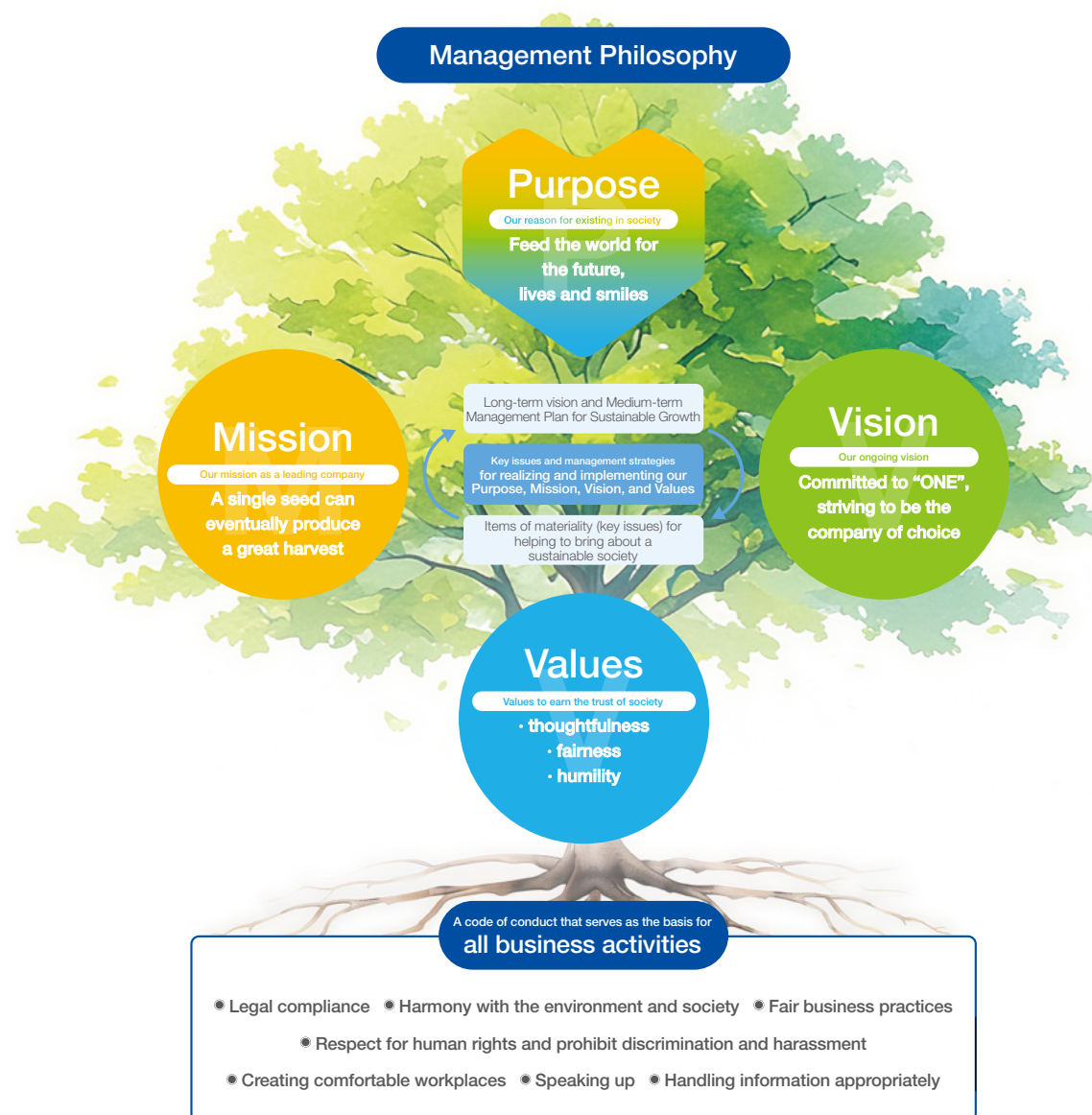
FEED ONE's Philosophy: Purpose, Mission, Vision, Values

Purpose

Feed the world for the future, lives and smiles

Having revisited our purpose, our reason for existing in society, we have clearly delineated the path that FEED ONE should travel together with all our stakeholders, and indicated how the Company will contribute to society by providing value only we can provide. As guideposts for realizing this purpose going forward, we have also updated our mission and our Vision, clarifying them even further.

Underpinning both our mission and our Vision are the unchanging values of our employees and the FEED ONE Group Employee Code of Conduct that underlies them. Building on these elements of our management philosophy, we have identified our items of materiality and formulated our long-term vision and Medium-term Management Plan.



Mission, Vision, and Values



Mission

Our 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

Our 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

The values we cherish

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. Built trust with thoughtfulness, fairness and humility.

FEED ONE Group History

The FEED ONE Group was established in 2014 through the integration of Kyodo Shiryō Co., Ltd. and Nippon Formula Feed Mfg. Co., Ltd., two long-established companies.

Since its foundation, the Company has contributed to the development of the livestock and fisheries industries by delivering products and services to customers under the FEED ONE brand, drawing on the strengths of the two companies.



First Medium-Term Management Plan (FY3/2016–FY3/2018)

Laid the foundation for the ideal FEED ONE ten years down the road

- Launched *FIBEGEAR DROP* (dedicated feed for automatic milking system), a patented product

- FEED ONE CO., LTD. established (full integration)
- Completed the construction of the Kitakyushu Aquatic Feed Factory



Second Medium-Term Management Plan (FY3/2019–FY3/2021)

Optimizing Our Business Portfolio

- Started genomic analysis services for dairy cattle
- Started analysis services for raw milk fatty acid compositions

- Feed One Foods Co., Ltd. established (integration of FEED ONE's meat business and two affiliated companies)
- Magic Pearl Co., Ltd. established through the integration of two affiliated companies
- Completed the construction of the Kitakyushu Animal Feed Factory



Third Medium-Term Management Plan (FY3/2022–FY3/2024)

Putting the Finishing Touches on Business Integration—To Become a True Leading Company—

- Launched *Nori Nori Pork* (a feed for improving thin-fat pork)
- Launched *Lumino Scratch* (synthetic milk for cows)
- Brought to market *Madai DP Sustena ZERO*, a fish meal-free feed for red sea bream

- Installed Vietnam's first flake feed production facility at an affiliated company in Vietnam



Phase 2

(FY3/2025–FY3/2034)

Continue to strengthen profitability and renew, expand production framework

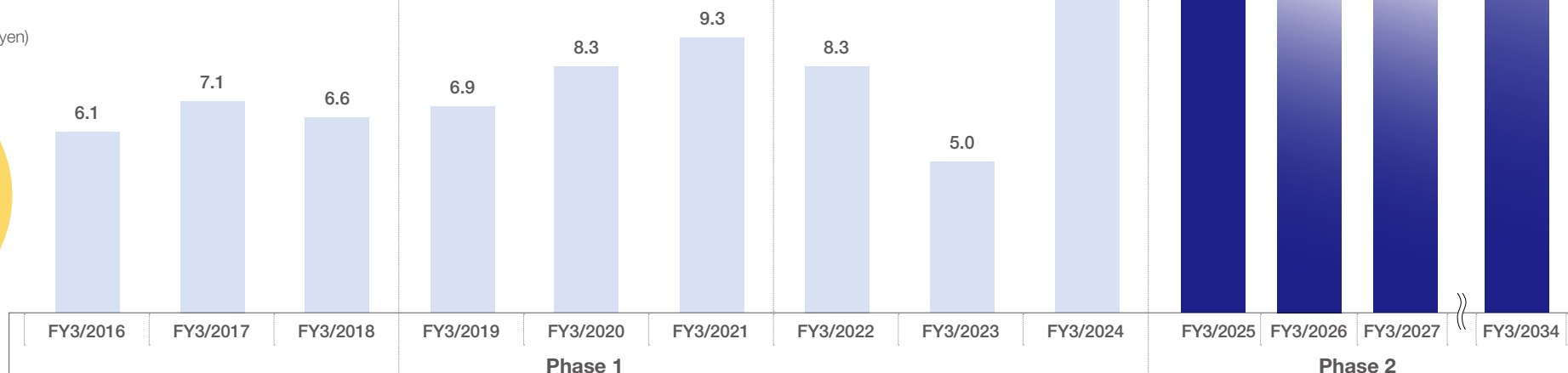
- Launch *Breed One F Series* for sows
- Launch *One-up Beef Cattle Grower* for beef cattle breeding

- Merge affiliated companies TOMAKOMAI FEED and TOHOKU SHIRYO
- Integrate animal feed sales subsidiaries
- Construct a new plant for seasoned boiled eggs (Magic Pearl)

Providing high-value-added products and services

Accelerating capital investment and organizational restructuring

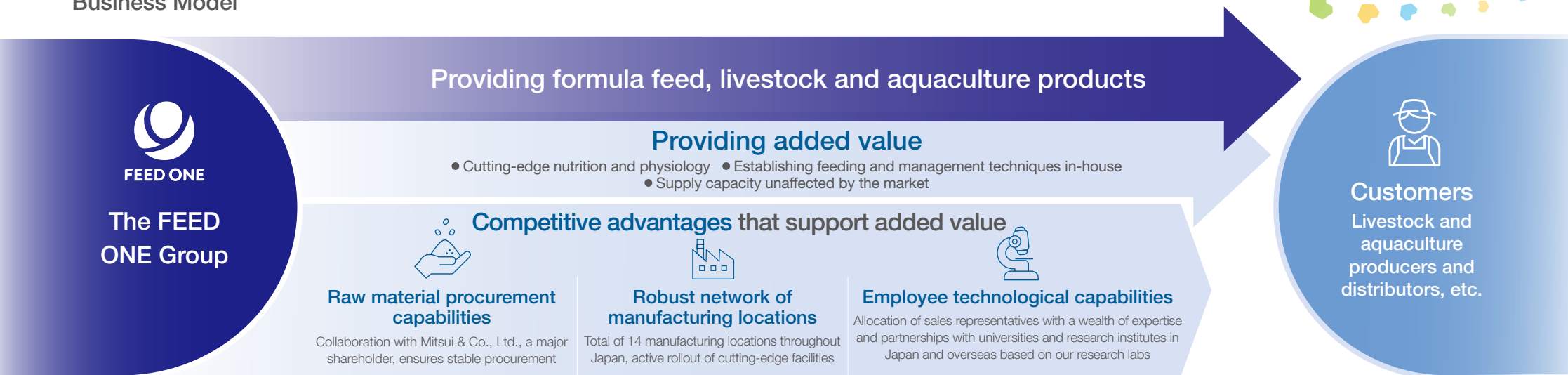
EBITDA (billion yen)



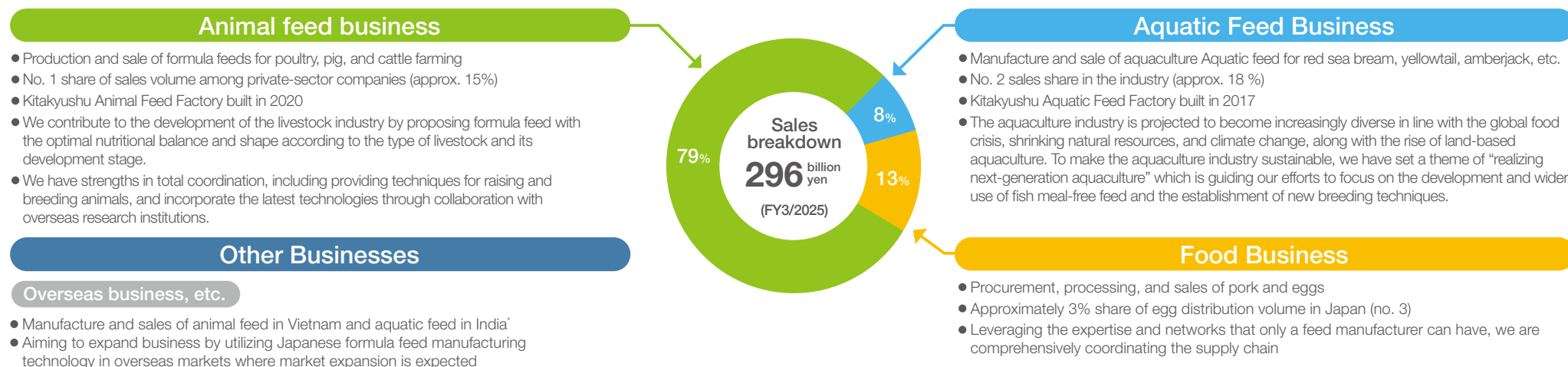
October 2014
FEED ONE HOLDINGS
CO., LTD.
established

FEED ONE Group Businesses

Business Model



Business Overview



* As they involve only equity-method affiliates, overseas businesses are not included in the sales breakdown (only profits and losses on equity-method investments are recorded)

FEED ONE Group Businesses

Earnings and Cost Structure

FEED ONE's earnings structure is heavily influenced by the core animal feed business, and net sales are not an indicator of performance.

Net sales

Revising selling prices in response to fluctuations in imported raw material prices

- The selling prices of animal feed are revised quarterly in response to fluctuations in the prices of imported raw materials.
- As the animal feed business accounts for about 80% of our net sales, net sales are significantly affected by trends in price revisions.

>>> 1 Going deeper...

Cost of sales

Raw materials costs account for about 90% of cost of sales

- Raw materials costs account for approximately 90% of the cost of sales for formula feed. As more than 80% of costs come from imported raw materials, fluctuations in import prices directly affect the cost of sales.

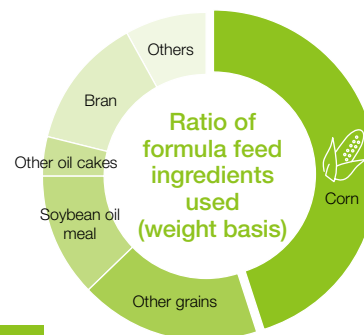
Selling, general, and administrative expenses

Include formula feed price stabilization reserves

- Japan's formula feed price stabilization system mitigates the impact of sudden rises in imported raw material prices on the operations of livestock producers. The government, feed manufacturers, and producers set aside funds, and when conditions for activating the funds are met, subsidies are paid to producers. The reserves are recorded as selling, general, and administrative expenses. We recorded **about 6.6 billion yen** in reserves for FY3/2025.

>>> 2 Going deeper...

Operating profit is stable because we adjust selling prices in response to fluctuations in imported raw materials costs.



>>> 1 Going deeper...

The cost of animal feed is largely made up of imported grains, which are highly susceptible to market conditions and foreign exchange rates. Selling prices for feed are therefore revised in January, April, July, and October to reflect such fluctuations. In recent years, raw material prices have risen sharply and remained high, owing to factors such as grain market prices, exchange rates, ocean freight costs, and tensions in global affairs. Given that sales prices are heavily influenced by raw materials prices, sales in the feed industry are not a reliable measure of business growth.

>>> 2 Going deeper...

Unique to the animal feed industry, the formula feed price stabilization system provides subsidies to producers to mitigate the impact on their operations when prices of formula feed rise sharply. It consists of two tiers: an ordinary compensation fund to which producers and feed manufacturers make contributions, and an extraordinary compensation fund, to which feed manufacturers and the government make contributions. Due to the sharp rise in the prices of imported raw materials, the extraordinary compensation fund was activated in FY3/2023 to make up for subsidies that the ordinary compensation fund was unable to cover. Given expectations that import prices for raw materials will remain elevated, feed manufacturers have resumed contributions to the extraordinary compensation fund and are also contributing a higher unit price per ton of feed.

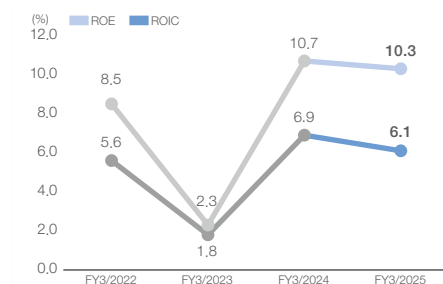
100%
of net salesCost of sales:
about
90%Selling, general,
and
administrative
expenses

Operating profit

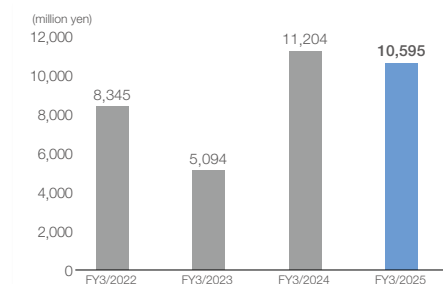
FEED ONE Group by the Numbers

Financial Indicators

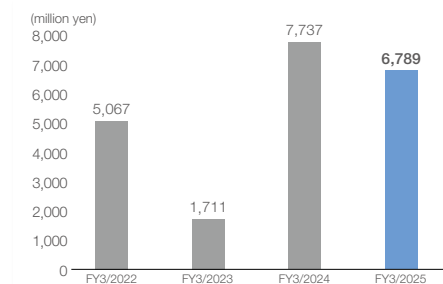
ROE/ROIC 10.3%, 6.1%



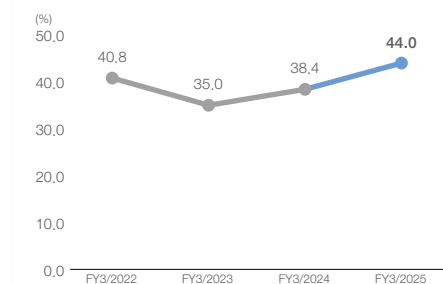
EBITDA 10,595 million yen



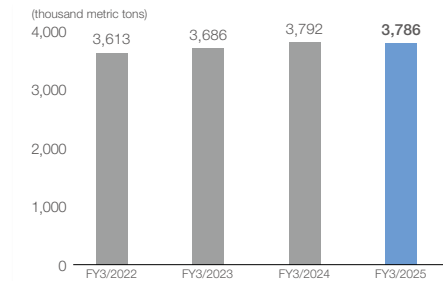
Ordinary profit 6,789 million yen



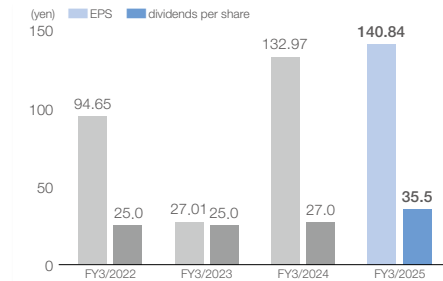
Equity ratio 44.0%



Formula feed sales volume 3,786 thousand metric tons



Earnings, dividends per share 140.84 yen, 35.5 yen



Human Capital Indicators* (FY3/2025)

* The scope of calculation for all figures is for FEED ONE alone.

Selected employee engagement survey questions

Do you like the Company?



88.7%

(vs. FY3/2024: + 2.8%)

Is your job fulfilling?



81.2%

(vs. FY3/2024: + 3.3%)

Average salary



7,647 thousand yen

Education and training expenses per employee



59,681 yen

Retention within three years of joining the Company

(Target: new graduates and mid-career hires joining the Company between 2022 and 2024)



96.1%

Average retention for new university graduates within three years of joining a company is said to be about 70% (source: Ministry of Health, Labor and Welfare, average for businesses with 1,000 or more employees). FEED ONE boasts a retention rate that far surpasses this.

Turnover

(the number of employees who left for personal reasons during FY3/2025 divided by the number of full-time employees at the beginning of FY3/2025)



2.4%

External Recognition



FEED ONE has established 11 key performance indicators for health and productivity management. Our efforts to approach employee health from a management perspective were recognized in 2025: We were certified as a 2025 Health and Productivity Management Excellent Corporation ("White 500" Large Enterprise Category).



In the Nikkei SDGs Management Survey conducted by the newspaper publisher Nikkei, FEED ONE was comprehensively evaluated in terms of our SDG strategies and economic value, social value, environmental value, and governance. We have received a three-star rating for two years in a row since 2023.

▶ Related pages: Please also see the Message from the Officer in Charge of Finance and Human Resources (pp. 12-14) and the Human Resource Management section (pp. 39-42).

Message from the President



Laying the groundwork for sustained growth with an eye to the future of food

Hidehiro Shoji
Representative Director and President

Feed the world for the future, lives and smiles

Takeaways from the first year of Phase 2

Looking back over the past year, we more or less achieved our sales volume target, outperformed our targets for the key management indicators of EBITDA, ROE, and ROIC, and chalked up record-high profit attributable to owners of parent. I believe that our capacity to steadily generate profits in this manner is evidence that our corporate structure has changed for the better and indicates that we have made significant progress.

After our business integration, we adopted a management style that prioritized higher sales volumes, but in Phase 2, we have shifted our policy to place greater emphasis on profits. This policy pivot is partly due to the fact that some of our factories are operating beyond their manufacturing capacity as a result of increased sales volume. We have therefore sought to prioritize safe operations and achieve corporate growth with limited production volume, as well as expand operating cash flow with an eye to large-scale investments in the future. This policy has also permeated our sales operations, leading to

more careful management of margins on transactions and the entrenchment of a focus on ensuring profitability. In addition, when we communicate with our customers, we make sure they understand the value of our technologies and feeds and let them experience the results firsthand. I believe that the accumulation of these efforts has led to a level of trust in the value of the products we offer and has improved our own profitability.

The first year of Phase 2 was significant in the fact that our value was understood more deeply, accompanied by substantial achievements in strengthening our profitability.

Results

Management Indicators	FY3/2025		
	Full year forecast	Yearly results	Achievement Status
Feed sales volume	3.81 million tons	3.78 million tons	△
EBITDA	10.3 billion yen	10.5 billion yen	○
ROE*	8% or more	10.3%	○
ROIC*	6% or more	6.1%	○

* Medium-term management plan target

As for the future operating environment of the compound feed industry in Japan, some are of the view that the shrinking Japanese population and aging demographics will lead to stagnation in demand for livestock and aquaculture produce. However, we see potential for growth, as per-capita consumption of livestock products in Japan is increasing, along with opportunities for exports of livestock and aquaculture produce driven by inbound tourism demand and the weak yen. Although the import volume of livestock products is indicating a slight upward trend, there are various issues at play that prevent Japan from relying entirely on imported livestock products in the future. For example, there are movements among major meat-exporting countries to curtail production due to environmental concerns, operational issues at meat processing plants caused by labor shortages, and the suspension of exports to Japan owing to livestock diseases, among others. As for aquatic products, catch volumes from traditional fishing are mostly in decline, but there is enormous potential for growth in aquaculture, driven by the emergence of land-based salmon farming and increased exports to Europe and the US, particularly of yellowtail.

On the other hand, research into breeding techniques and nutrition is more advanced overseas, particularly in Europe

Message from the President

and the US. For this reason, we actively arrange overseas business trips and training for our young employees, making the most of the connections held by the Company and our largest shareholder, Mitsui & Co., to continuously gain knowledge and apply it to the domestic livestock and aquaculture industries. With such experiences, I believe that further developing and adding greater value to our feeding technology in the livestock industry, as well as in fishmeal-free feed and compensatory growth technology in the aquaculture industry, will help us deliver enormous value to our customers and contribute to the realization of our purpose.

Driving transformation with a purpose rooted in employee awareness

In 2024, we established a purpose (our reason for existence in society). It articulates the values and sentiments that each employee has honed through their day-to-day work, and has been shared throughout the organization. We formulated this purpose after facilitating Company-wide discussions and by

returning to the fundamental questions of “Why do we do this work, and for whom, and what do we want to achieve?” By establishing a purpose, we have brought about a positive change in employee awareness and behavior, enhanced our pride in being the number one private sector company in the industry, and reinforced our sense of mission in supporting the origins of food.

At each worksite, actions that take into account social value beyond one's own tasks are steadily beginning to take root. For example, there is growing momentum around proposals for products that contribute to reducing CO₂ emissions and feed suggestions that aim to lighten the burden on producers who work with living things. This shift from focusing on immediate results to the significance in society as a whole represents an important turning point in the Company's corporate culture.

Even though these behavioral changes are still in a transitional phase, we recognize that they will serve as a foundation for the Company to achieve sustainable growth in the future.

Awareness of capital cost management

We are pursuing a style of management that is mindful of capital costs in order to realize our vision, and we have positioned the improvement of ROIC as one of our key pillars. We know that promoting capital cost management will come with its own challenges, such as aging equipment, tight manufacturing capacity, and stronger Group management. With the aim of ensuring that ROIC exceeds the cost of capital, we are pressing ahead with a raft of key measures, including aggressive investments and production streamlining

to improve manufacturing capacity, differentiating ourselves from the competition to enhance profit margins, and bolstering Group management and enhancing employee training and productivity to improve capital efficiency.

▶ Please turn to page 23 to read about our business strategy for improving ROIC.

■ Aggressive investments

In May 2025, we announced the construction of a new aquatic feed factory—the largest investment in our history and one of the centerpieces of our growth investment plan. The factory has been designed as a next-generation plant equipped with a multitude of functions, so it will not only expand our production capacity, but also raise quality standards, improve energy efficiency, and promote labor-saving measures. It will also serve as an R&D plant with research and development capabilities built into adjoining laboratories where we can work on the development of feed for new applications. The decision on this large-scale investment was made based on our firm resolve to have FEED ONE lead the next generation of the aquaculture industry.

Up ahead, we will also consider and make capital investments in commercial farms and food businesses, in addition to upgrades/reorganization of animal feed factories and the establishment of R&D frameworks for livestock and aquaculture. Furthermore, we are actively investing in people and intellectual property by effectively utilizing our relationships with overseas universities and corporations, research institutions, and raw material suppliers, as well as through training programs abroad. We have earmarked 60 billion yen for investment over the six years through FY3/2030, for a cumulative total of 80 billion yen by



Message from the President

FY3/2034. Through these initiatives, we aim to establish a system that can flexibly respond to the rapidly changing market environment and secure ourselves a competitive advantage.

■ Production streamlining

We continue to reduce the number of manufactured items with the aim of improving efficiency on the production floor and enhancing capital efficiency. The hitherto prioritization of increased sales volumes backfired and led to the inadequate management of product numbers, resulting in frequent changes on the production line that required significant time and labor. As a result, the increase in downtime when products are not actually being made precipitated a decline in production efficiency.

However, we have explained this situation to our customers and gained their understanding. We are working to consolidate products and reduce the frequency of item changes on the production line in an effort to maximize operating time. This initiative has resulted in improvements in both safety and operational efficiency. Furthermore, from a financial perspective, improvements in inventory turnover and fixed cost ratios have contributed to increased capital efficiency and profitability.

■ Differentiating ourselves from the competition

We consider the products that directly solve livestock and aquaculture production site issues to be the key differentiators from our competitors. We are therefore actively advancing their development and sales. One example is the heat stress supplements we developed in response to the extreme heat seen in recent years. In the animal feed

business, we have such products for chickens, pigs, and cattle, which have been confirmed to help maintain feed intake even under extreme heat conditions, thereby reducing the risk of decreased productivity. Meanwhile, in the aquatic feed business, higher water temperatures have become a problem, leading to an increase in damage from parasites attaching to the skin of farmed fish. In response to this, we discovered through joint research with Shintoa Corporation that feeding farmed fish with specially processed defatted mealworms increases the mucus on their skin, which could enhance their biological defense. We have applied for a patent for this method.

The introduction of such supplements goes beyond just the sale of feed and provides an opportunity for producers to experience the concrete benefits of our added value. This fosters a relationship of trust, creating a positive cycle that leads to further product proposals and expanded sales of new compound feeds.

■ Bolstering Group management

Since our business integration, we have strategically promoted the consolidation and reorganization of affiliated companies to enhance Group management. Initially, there were 42 affiliated companies, but as of October 2025, we have reduced this number to 27. We have also converted the factories of subsidiaries into our own and merged feed sales companies to eliminate business overlaps and distributed functions. This has shored up the selection and concentration of management resources and strengthened the Group's overall competitiveness and business foundation. Going forward, we will continue to bolster Group management, thereby pursuing further improvements in capital efficiency.

■ Enhancing employee training and productivity

As we enter Phase 2, we have refreshed our management philosophy and management indicators, but instilling them Company-wide presents a major challenge. For example, fostering an awareness of every employee working on the frontlines of production is indispensable to improving ROIC. We are implementing various measures to help employees concretely understand the relationship between their work and ROIC.

One example of this is the use of our internal magazine for communicating information. This quarterly publication includes articles that carefully explain how the ROIC tree should be interpreted and specific measures geared towards improving ROIC at worksites. By having employees view ROIC as a financial indicator from the perspective of how their work impacts the numbers, we are encouraging changes in their mindset and actions toward work.

As a result, in the sales department, an approach that



Promoting ROIC through the company newsletter

Message from the President

emphasizes overall profitability, including reviewing payment terms and logistics, is gaining traction. Also, in departments like purchasing and inventory management, there is a growing recognition that improvements in inventory turnover and shorter procurement lead times contribute to greater capital efficiency.

These changes have driven collaboration at the working level across departments under the common language of ROIC improvement, while steady progress is being made on optimization across the entire organization.

Seizing the initiative to build a health and safety-first culture

Following a serious occupational accident that occurred in 2024, we are currently overhauling the Company's occupational health and safety. We believe that protecting the lives and health of our employees is the premise of all business activities and warrants our utmost attention.

That is why I personally communicated to all employees the basic policy that health and safety should be front of mind, followed by business continuity, and then profits. Sticking to this priority is at the very core of being a company trusted by society.

In terms of specific initiatives, we have implemented exhaustive safety inspections in each department, established a health and safety management committee, created safety pledge documents for all factory workers to sign, and developed a system that allows for the swift implementation of improvement recommendations from worksites. We are focusing on cultivating a corporate culture

where autonomous improvements based on feedback from the frontlines will serve us well, instead of being tied to a conventional centralized approach.

A safe workplace environment is not only a source of pride and job satisfaction for employees but also a foundation that supports the sustainability of the business. We will further strengthen occupational health and safety in terms of the equipment needed and from a management aspect, and the entire Group will continue to work together as one to achieve the goal of being the safest company to work for in Japan.

Committed to “ONE”, striving to be the company of choice

Since our founding, we have contributed to Japan's livestock and aquaculture industries through the provision of compound feed, supporting a stable supply of animal protein to the public. While compound feed may not be highly visible, it is a piece of infrastructure that supports the origins of food, and its social significance will no doubt remain constant in the future. In recognizing this, we aim to actively and continuously communicate our reason for existence to society and the capital markets, enhance our corporate value, and remain an attractive corporation for all stakeholders.

On the other hand, owing to the limited number of publicly listed companies in the feed industry, understanding of the industry as a whole is still lacking. Taking this into account,

we see the strengthening of our IR activities to be a key management issue for improving corporate value. Specifically, in addition to quantitative information such as financial results, we will improve the quality and quantity of disclosures regarding the characteristics of our aforementioned business structure, medium- to long-term growth strategies, and non-financial information, including sustainability topics.

We will continue to communicate our growth story to investors, strengthen engagement, enhance the attractiveness of our shares, and further accelerate our efforts to improve the PBR. Finally, as a corporation, we will contribute to the building of a sustainable world based on our purpose: Feed the world for the future, lives and smiles.



Message from the Officer in Charge of Finance and Human Resources



Kazuo Kubota

Director,
Managing Executive Officer,
General Manager, Administrative Unit and in charge of Aquatic Feed
Division and Corporate Planning & Strategy Division

Driving capital cost management and growth investments for the sustained enhancement of corporate value

MTMP progress and FY3/2026 outlook

We currently employ five key management indicators: sales volume, EBITDA, ROIC, ROE, and total investment amount. In the Medium-term Management Plan in particular, we have positioned the indicator of total investment amount at the very center of our strategy. FY3/2025 was the first year of our largest investment phase to date as we embarked on an unprecedented challenge of investing 60 billion yen by FY3/2030 and 80 billion yen by FY3/2034.

This investment aims to address the urgent issue of upgrading our aging feed factories, as well as to restructure our business foundation and strengthen our competitiveness with a view to achieving sustainable growth. We invested approximately 5 billion yen in FY3/2025, which is only a fraction of the overall plan, but we are steadily making some important decisions, including the execution of a sizeable investment outlay of 13 billion yen for the construction of a new aquatic feed plant. In terms of the future impact of the new aquatic feed plant, we project that EBITDA in the aquatic feed business will have doubled (compared to FY3/2025) by FY3/2039, 10 years after the plant's completion, driven by increased market share and other factors. Moving forward, we will steadily advance our plans while flexibly responding to changes in the external environment, such as higher construction costs and lengthy construction timelines.

With respect to the revenue that will fund these growth investments, it is worth noting that our underlying capacity to generate earnings has steadily gained momentum, highlighted by the fact that we reported EBITDA of more than 10 billion yen for two straight years in FY3/2024 and FY3/2025. In the short term, we will enhance the quality of profits through improved productivity and tighter control on

margins, while in the medium to long term, we will work on strengthening our earnings structure in a sustained manner by rebuilding our product strategy.

We think sales volumes in the animal feed business in FY3/2026 will only increase slightly due to production capacity constraints at our factories, but we do forecast higher profit by virtue of the aforementioned initiatives. In the aquatic feed business, we look for a year-on-year sales volume increase of 13%, buoyed by the rise in the number of juvenile fish introduced for aquaculture. In addition, we will step up sales of our environmentally friendly product, *Madai DP Sustena Zero*, and we will also systematically advance field trials of insect protein feed, which has gained attention as a solution to structural challenges such as fluctuations in fishmeal prices and constraints on natural resources.

ROIC in FY3/2025 was 6.1%, in line with our plan and above the Medium-term Management Plan target of at least 6%. We forecast ROIC of 6% in FY3/2026 as well. In order to secure solid returns while continuing to execute large investments, it is imperative that we not only boost earnings, but also work on improving capital efficiency across the organization.

Execution of capital cost management and enhancement of investment decision-making

Improving ROIC is one of the core themes in the Company's capital cost management. By positioning this not merely as a financial metric but as a cause for encouraging a Company-wide shift in awareness, we are steadily pressing ahead with behavioral changes across the entire organization, including

Message from the Officer in Charge of Finance and Human Resources

at production sites.

In the midst of this, we are focusing on improving our earnings capacity in the short term. On the production floor, we are making operations more efficient by narrowing down product lines and maximizing production lots, thereby striking an optimal balance between manufacturing capacity and sales volume growth. In the sales department as well, we are tightly controlling margins and working to transition to a sales structure that emphasizes profitability.

From a working capital perspective, we consider the proper management of the cash conversion cycle (CCC) to be a key issue, and we are taking steps to improve capital efficiency by enhancing the accuracy of our sales forecasts. Optimizing inventory has become an important topic for us, particularly because we have a high ratio of imported raw materials and face considerable price fluctuation risks. In FY3/2026, we are targeting ROIC of 6% by shortening the CCC by three days.

This Company-wide change in mindset regarding capital efficiency was rolled out in earnest in April 2024, and since then, through information sessions led by the finance department and awareness-raising activities at our worksites, we are steadily seeing changes in how each employee recognizes the issues at hand.

Moreover, for investment decision-making, we are refreshing the evaluation metrics that were previously ambiguous and conducting multifaceted assessments using ROIC, net present value (NPV), internal rate of return (IRR), and years of depreciation for invested capital. Based on these metrics, we have established a system for decision-making that involves careful deliberation by the Board of Directors.

Cash allocation

Over the six years through to FY3/2030, we expect to record total cash outflows of 70 billion yen, assuming 60 billion yen in capital investments and 10 billion yen in shareholder returns (dividends). Of this amount, approximately 55 billion yen will be covered by operating cash flow, while the remaining 15 billion yen or so will be raised through interest-bearing debt and asset sales.

Going forward, we plan to utilize external debt with an appropriate amount of leverage while being mindful of how we manage capital costs. The Company's debt-to-equity ratio is currently at a healthy level of 0.5 to 0.6x. It is precisely because we have a stable funds procurement base that we can execute strategic investments at the right time, which strongly supports the sustainable growth of the Company.

Some of our factories house equipment that has been in operation for over 50 years, so carrying out upgrades is an urgent issue. We intend to establish an order of priority as we go about methodically upgrading equipment and investing in next-generation systems. As a result, we expect to reap the

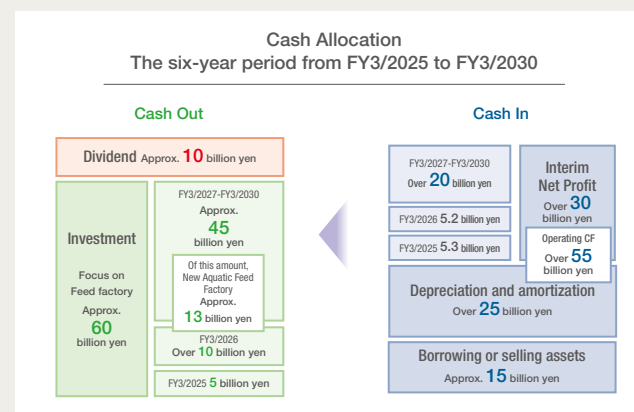
benefits on multiple fronts, such as improvements in quality and energy efficiency, optimization of personnel, augmentation of manufacturing capacity, and reduction of environmental impacts. Ultimately, we hope to benefit from significant financial returns over the long term.

Improving engagement with shareholders and investors

I believe that, alongside promoting our sustainable growth strategy to enhance corporate value, it is important to build trust through constructive dialogue with shareholders and investors, as well as through shareholder returns. While we are currently in a major investment phase, we will continue to provide stable shareholder returns going forward.

As part of this effort, we have revised our previous target of a consolidated payout ratio of at least 25% based on a stable dividend and established a new dividend on equity (DOE) target of 3% based on a progressive dividend, starting from FY3/2026. The DOE has the characteristic of being less susceptible to temporary impacts from fluctuations in profit, which I think has enabled us to clearly present a more stable and sustainable dividend policy.

On the other hand, the fact that our shares are still trading at a PBR below 1.0x is a significant issue. In addition to improving capital efficiency, including ROIC, I believe it is important that we continue to clearly communicate the significance of our long-term vision and strategic capital investments to our shareholders and investors in order to enhance their trust in the Company. At our IR meetings, I personally participate as a speaker, and at our financial results briefings, the Company's external directors usually



Message from the Officer in Charge of Finance and Human Resources

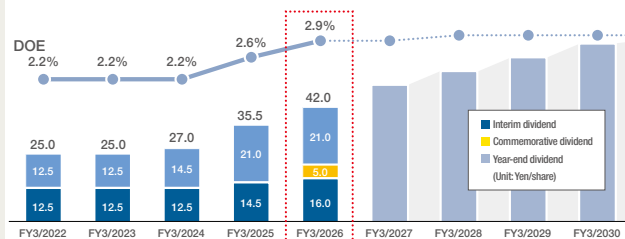
take the rostrum in an effort to enhance management transparency.

Also, the reality is that the feed business has a low profile in the capital markets, so its intrinsic value and future market potential are not being adequately communicated. However, feed is a piece of social infrastructure that supports the stable supply of livestock and aquaculture products, and our business is a core industry that is deeply connected to the future of food in Japan. To help market participants better understand our business, we are planning to hold our first-ever business briefing in November 2025. We will explain our role in society and future growth potential more carefully than ever before at these kinds of IR and SR events in an effort to have participants resonate with our long-term growth story.

Dividend Policy for FY3/2026

1. Implement the new dividend policy of **progressive dividends**
2. **Commemorative dividend (5.0 yen)** to mark the 10th anniversary of full integration

Note: Commemorative dividend is paid in the interim period



We will continue to deepen dialogue with shareholders and investors, actively reflect their broad-ranging perspectives into management, and work on building stronger relationships of trust.

Investment in human capital supportive of sustainable growth

In recent years, securing new talent has become increasingly challenging year after year due to ongoing labor shortages and population decline.

In this environment, we are focused on maximizing the capabilities of our limited workforce to enhance productivity and added value, and to that end, we are driving forward Company-wide initiatives with a sense of urgency.

More specifically, we are revamping our training and education system by updating the content to allow employees to take courses at the next higher level at an earlier time, thereby enhancing the capabilities of each and every employee more than ever before. We are also reviewing routine tasks and aiming to achieve greater efficiency by actively utilizing digital transformation (DX) and outsourcing. By streamlining these operations, we aim to create an environment at the earliest opportunity where employees can focus on tasks that require creativity and expertise—areas where they should be able to demonstrate their true potential.

We are also working to further strengthen the collaboration between the three departments of sales, research, and manufacturing to establish a system for developing problem-solving proposals in an integrated manner that leverages species-specific expertise. In this way, enhancing the capabilities of the people working on the frontlines will serve to strengthen our unique competitive edge.

I also feel that we are making steady headway on improving employee engagement. We continue to actively garner various feedback from employees through initiatives such as roundtable discussions with the president and an



annual career planning questionnaire. We make use of this feedback to review our HR and training systems. We are also proactively taking measures to provide returns to our employees. We have improved salary levels by implementing base pay increases that outpace inflation and by reviewing our compensation systems. The average annual salary for our employees has increased 18.8% compared to FY3/2024.

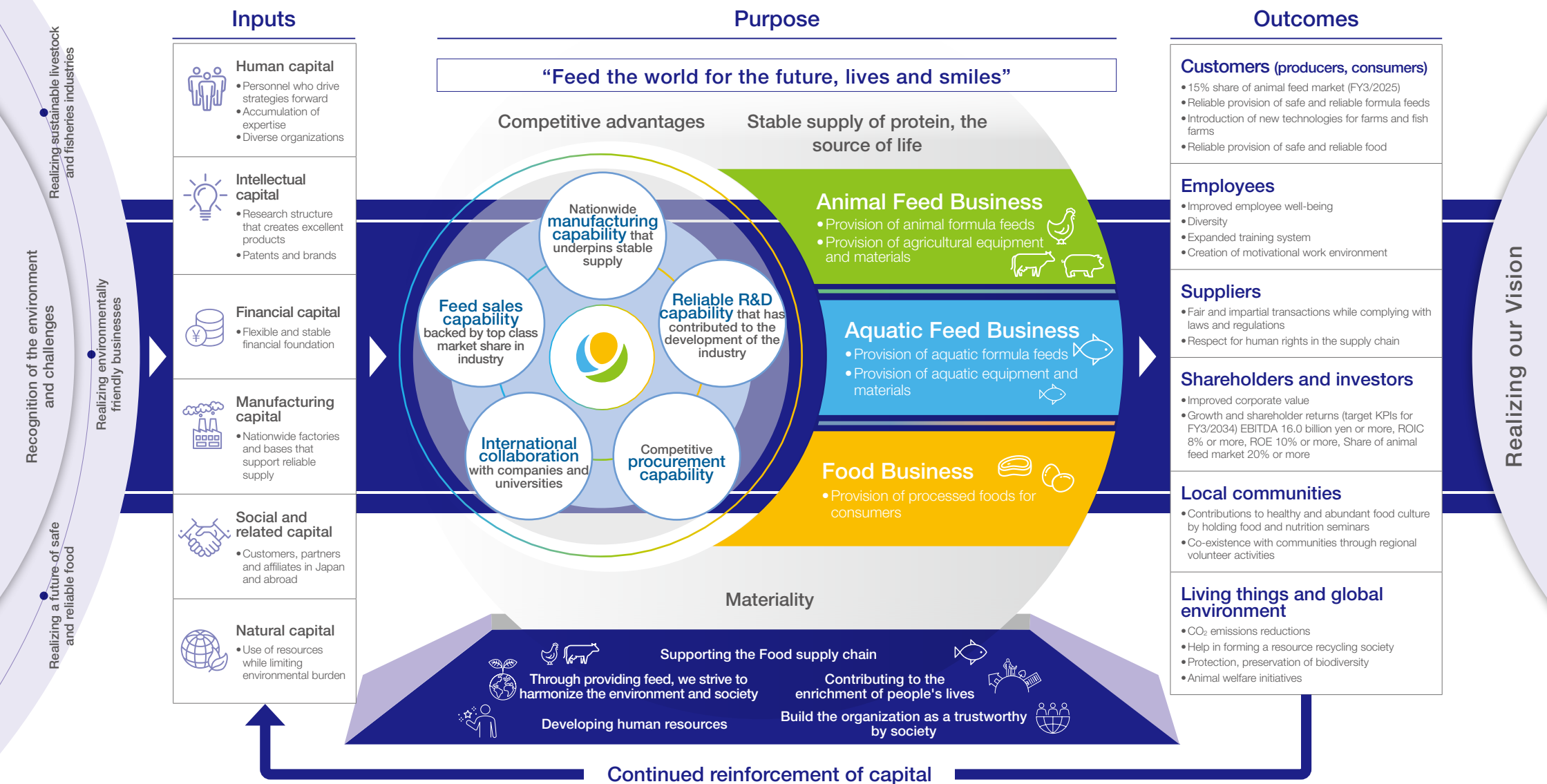
We are developing a workplace environment in which every employee can challenge themselves and work towards ambitious goals, allowing them to experience both the company's sustainable growth and their own personal growth. Particularly among younger and mid-level employees, we want to create a culture where they can seek out challenges and seize the initiative for themselves, thereby contributing to the revitalization of our corporate culture.

The results of investment in human capital may not be readily reflected in financial indicators in the short term, but we believe it is a key initiative that will greatly contribute to enhancing corporate value and earnings in the long term. We are currently working on developing indicators and data to quantitatively visualize the results of these activities.




Together with our employees, we will continue to build a solid human capital foundation that supports sustainable growth—one that is conducive to generating a positive cycle where investment in people contributes to improvement in corporate value.

Value Creation Process




Starting with its purpose, FEED ONE sustains growth while committed to “ONE”, striving to be the company of choice, by creating value for all stakeholders.



Capital Strength and Reinforcement

	 Human capital	 Intellectual capital	 Financial capital
Importance	At FEED ONE, people are the driving force behind growth. Positioning employee development and increased productivity as the foundation for the Company's sustainable development, we recognize the importance of cultivating personnel who can bring vitality to the organization and of creating highly engaging work environments.	FEED ONE is honing its competitive edge with comprehensive knowledge of customer needs and advanced production technologies, while working to reduce environmental impact and develop unique products that help improve productivity in the livestock and fisheries industries.	Properly managing financial capital, including financial assets, liabilities, and shareholders' equity, is essential because these are the source of sustainable growth. Financial capital is also an important factor for investors when ascertaining corporate value.
Strengths	<p>A framework for developing personnel who drive strategies forward; highly engaging work environments</p> <p>Detailed training programs</p> <ul style="list-style-type: none"> • We support the development of next-generation leaders and the growth of every employee through a range of training programs, including on-the-job training at factories for new employees, position-based training, theme-based training, and specialized training <p>Benefit programs for long-term employee retention</p> <ul style="list-style-type: none"> • We have systems in place that allow employees to work through life events and lifestyles, such as remote work, staggered work hours, reduced working hours, and exemptions from transfers <p>High employee engagement</p> <ul style="list-style-type: none"> • Many employees express a strong affinity for the Company, wish to continue working for the long term, and feel motivated in their work 	<p>Research system for creating patents, brands, and superior products</p> <p>Animal Feed</p> <ul style="list-style-type: none"> • By strengthening the uniqueness of product and sales capabilities, we have secured the top market share in Japan for feed in terms of sales volume among private-sector companies • We have built domestic and international networks to quickly access the latest technologies <p>Aquatic Feed</p> <ul style="list-style-type: none"> • We maintain a research system that adopts alternatives to fishmeal as raw materials with an eye to next-generation fisheries and a sustainable society; we also understand true customer needs through the integration of production and sales systems • Well-equipped research infrastructure, including offshore fish cages • Kitakyushu Aquatic Feed Factory boasts one of the largest production capacities in Japan's aquatic feed industry 	<p>Solid cash generation capability</p> <p>Operating cash flow that is less susceptible to the external environment</p> <ul style="list-style-type: none"> • Product prices revised quarterly in line with changes in prices of raw materials • We have built a nationwide sales network and provide a well-balanced lineup of livestock species, enabling us to mitigate the risk of losing markets in specific areas due to disease, disasters, etc. • We have built a robust supply chain with Mitsui & Co., Ltd., a major shareholder, ensuring stable procurement of imported grains, which are susceptible to external factors <p>Ensuring flexible, stable means of raising funds</p> <ul style="list-style-type: none"> • We have built strong relationships with financial institutions • We formed a commitment line agreement to address sudden funding needs stemming from upsurges in imported grain prices and other factors
Challenges	<p>Insufficient uptake and track record in diversity</p> <ul style="list-style-type: none"> • Due to a focus on hiring new graduates, we lack the knowledge of mid-career hires • Lack of career models for female employees; need to establish internal systems and change awareness <p>Staffing of manufacturing divisions</p> <ul style="list-style-type: none"> • Appropriate staffing, including for safety considerations; mid-career hires; passing down skills 	<p>Animal/Aquatic Feed</p> <ul style="list-style-type: none"> • Reinforce development capabilities and invest aggressively to ensure business sustainability into the future • Expand new businesses related to the livestock and fisheries industries both domestically and internationally, and foster talent • Address rising prices for primary raw materials (corn for livestock, fishmeal for fisheries) • Measures to address declining livestock productivity due to climate change and animal welfare measures • In aquatic feed, locating and securing reliable and affordable alternatives to protein ingredient resources other than fishmeal 	<ul style="list-style-type: none"> • Securing funds for large-scale growth investments in Phase 2 (cumulative total of around 60 billion yen by FY3/2030) • Build a more sophisticated Group financing framework • Promote management with awareness of cost of capital
Medium- to long-term initiatives strategies and measures	<p>Human resource development</p> <ul style="list-style-type: none"> • Enhance position-based training to support employee growth • Establish position-based training systems • Improve sales support capabilities through in-house livestock and fisheries instructor qualification examinations and in-house study sessions <p>Initiatives to improve engagement</p> <p>Promote diversity</p> <ul style="list-style-type: none"> • Enhance in-house training and foster an organizational culture that promotes women's participation in the workplace • Hire outside specialists and mid-career talent with a range of experience to diversify the workforce and bring vitality to the organization • Promote the active participation of senior personnel <p>Reform working styles</p> <ul style="list-style-type: none"> • Enhance systems and the work environment so employees can continue working through life events and changes in lifestyles <p>Other</p> <ul style="list-style-type: none"> • Promote health and productivity management • Optimize personnel allocation 	<p>Animal Feed</p> <ul style="list-style-type: none"> • Further invest in R&D • Enhance initiatives focused on animal welfare and greenhouse gas reduction • Strengthen long-term talent development through initiatives like job rotation <p>Aquatic Feed</p> <ul style="list-style-type: none"> • Promote consulting-oriented sales calls accompanied by researchers • Develop low fishmeal and fishmeal-free feeds as core next-generation feed products • Develop innovative breeding technologies that enable sustainable production and growth • Develop value-added products at new aquatic feed factory 	<ul style="list-style-type: none"> • Establish a solid financial foundation to secure funds for large-scale growth investments • Launch full-scale operation of a cash management system to build a more sophisticated Group financing framework • Promote management with awareness of cost of capital across the Group
KPIs for strategies and measures	<ul style="list-style-type: none"> • Education and training costs per employee • Ongoing monitoring of engagement indicators • Retention within three years of joining the Company • Turnover for personal reasons • Ratio of female managers and female employees as part of the General Employer Action Plan based on the Act on the Promotion of Women's Active Engagement in Professional Life • Ongoing monitoring of 11 KPIs for health and productivity management 	<p>Animal Feed</p> <ul style="list-style-type: none"> • Dissemination of products, technologies that enhance customer profitability through consulting-oriented sales specializing in livestock species • Create a lineup of original products that contribute to the health of farmed animals and the achievement of SDGs <p>Aquatic Feed</p> <ul style="list-style-type: none"> • Top market share in Japan by FY3/2034 • 50% or more proportion of low fishmeal feed in FEED ONE feeds (based on in-house criteria) • Develop a full lineup of next-generation feeds for major fish species, contributing to the sustainable growth of the fisheries industry 	<ul style="list-style-type: none"> • Debt-to-equity ratio to determine appropriate use of interest-bearing debt • ROE and EBITDA as management indicators for capital cost management

Capital Strength and Reinforcement

	 Manufacturing capital	 Social and related capital	 Natural capital
Importance	A thorough commitment to manufacturing processes and equipment is essential to provide business partners with safe and high-quality feed and processed foods at an optimal cost.	Our business requires collaboration with producers, suppliers, as well as raw material suppliers, trading companies, distributors, food-related companies, and consumers, both domestically and internationally. We aim to contribute to the advancement of food culture by strengthening collaboration across the supply chain.	We have identified three key issues related to natural capital: climate change, resource conservation, and biodiversity, and are working to fulfill our social responsibility through proactive efforts to prevent global warming, use resources effectively, preserve biodiversity, and foster environmental awareness among employees.
Strengths	<p>Nationwide network of factories and bases support stable supply</p> <p>Feed</p> <ul style="list-style-type: none"> Reliable supply of products thanks to strong production infrastructure Production system based on 14 factories, including those of our own, subsidiaries, and joint ventures, all certified under ISO 22000 Risk management and regular audits of manufacturing processes Strict quality control <p>Food</p> <ul style="list-style-type: none"> FEED ONE has processing facilities near major areas of consumption, enabling shorter lead times for delivery to business partners 	<p>Domestic and international customers, business partners, and other stakeholders</p> <ul style="list-style-type: none"> Prime Market listing enhances social credibility; a grasp of social trends enables sustainable growth FEED ONE's market share is about 15% in livestock feed (second in the industry after JA ZEN-NOH and the top share among private-sector companies) and approximately 18% in fisheries feed (second in the trading industry); we do business with leading domestic producers, distributors, and suppliers By assigning raw material procurement managers not only to headquarters but to regional offices as well, we are more fully capitalizing on local raw materials FEED ONE conducts joint research with domestic universities, research institutions, and industries We collaborate with universities and companies in the United States on livestock technology In the overseas business, we have established joint ventures in Vietnam (animal feed factory) and India (aquatic feed factory) We procure raw materials through major shareholder Mitsui & Co., Ltd. 	<p>Using resources with lower environmental impact and generating credits through the supply chain</p> <ul style="list-style-type: none"> We effectively use food by-products as raw materials for formula feeds, contributing to the creation of a resource-recycling society We aggressively invest in facilities likely to improve energy efficiency We have rolled out renewable energy at factories We help preserve marine resources through the development and widespread use of fishmeal-free feed We launched a project to generate J-credits targeting feed rice producers and are helping to reduce greenhouse gas emissions in the supply chain by using produced feed rice as a formula feed ingredient
Challenges	<p>Feed-Food</p> <ul style="list-style-type: none"> Aging facilities Rising energy costs Personnel shortages and resulting transfer of skills <p>Feed</p> <ul style="list-style-type: none"> Growing demand for stable supply and high-quality, highly functional products <p>Food</p> <ul style="list-style-type: none"> Responding to increasingly strict food hygiene standards 	<ul style="list-style-type: none"> Developing new markets Cultivating new customers Developing new raw materials Diversifying raw material suppliers Developing overseas businesses Addressing human rights issues 	<ul style="list-style-type: none"> Measures to address climate change across the Group, including suppliers Promoting energy conservation and reducing waste in light of higher CO₂ emissions due to business growth Effective use of limited resources to help form a resource-recycling society Achieving a sustainable society by preserving biodiversity Reducing greenhouse gas emissions from livestock Fluctuating raw materials costs stemming from poor harvests caused by climate change and depletion of natural resources
Medium- to long-term initiatives strategies and measures	<p>Feed-Food</p> <ul style="list-style-type: none"> Aggressively invest in facilities Take steps to reduce CO₂ emissions by 50% by FY3/2031 (compared to FY3/2021), achieve carbon neutrality across the supply chain by FY3/2051 (through energy conservation, energy creation, renewable energy alternatives, etc.) <p>Feed</p> <ul style="list-style-type: none"> Improve efficiency of existing machinery and equipment Apply new insights and technologies <p>Food</p> <ul style="list-style-type: none"> Expand production capacity for processed and value-added products 	<p>Solve social issues and innovate through intra-industry and cross-industry collaboration</p> <ul style="list-style-type: none"> Strengthen strategic alliances with companies from different industries Participate in public-private-academic partnership projects aimed at solving social issues and driving product innovation <ul style="list-style-type: none"> ① Digital transformation of livestock and fisheries industries: <ul style="list-style-type: none"> Participate in a project to standardize quality specifications for methods to measure freshness and flavor of fish Increase feed transportation efficiency by visualizing remaining feed volumes through feed inventory management solutions Boost productivity of feedlot cattle through more widespread use of BUJIDAS, an AI service that calls out to cattle to prevent difficulties in standing up ② Effectively utilize recycled resources (building a food recycling loop) through participation in a project organized by Save the Earth Foundation (SEF) Promote human rights due diligence 	<p>Create a roadmap for CO₂ reductions by FY3/2031</p> <p>Energy conservation and creation activities</p> <ul style="list-style-type: none"> Improve intensity at production sites and install energy-efficient equipment Work with feed rice producers to continuously reduce methane emissions <p>Switch to renewable energy</p> <ul style="list-style-type: none"> Purchase electricity derived from renewable energy sources <p>Generate offsets by contributing to reductions</p> <ul style="list-style-type: none"> Reduce greenhouse gas emissions from livestock <p>Other</p> <ul style="list-style-type: none"> Utilize domestically sourced raw materials Develop and sell sustainable feed Set CO₂ reductions as an indicator for performance-linked remuneration (stock-based remuneration) for executives
KPIs for strategies and measures	<p>Feed-Food</p> <ul style="list-style-type: none"> Invest a total of 80 billion yen by FY3/2034 <p>Feed</p> <ul style="list-style-type: none"> Continuously improve intensity by at least 1% year on year Develop LNG-based cogeneration systems Develop more sophisticated processing technologies <p>Food</p> <ul style="list-style-type: none"> Seasoned boiled eggs (<i>Magic Pearl</i>): Increase sales volume by 150% 	<ul style="list-style-type: none"> Create new business opportunities Develop and sell feeds that help solve social issues (feeds that reduces greenhouse gas emissions, fishmeal-free feeds, etc.) Acquire the latest techniques through overseas training Provide technology overseas and import technologies from abroad Expand domestic and international business by leveraging the above initiatives 	<ul style="list-style-type: none"> By FY3/2031: Reduce CO₂ emissions by 50% compared to FY3/2021 level By FY3/2051: Achieve carbon neutrality across the entire supply chain

Risks and Opportunities in Supply Chains

We support the food supply chain from raw material procurement to the production and sales of feed, the production of livestock and aquaculture products, and the manufacturing, sales, and distribution of food, while engaging with a variety of stakeholders. In this context, we continuously assess the risks and opportunities that impact both our stakeholders and the Company.

As necessary, we consider countermeasures and incorporate them into our management plans.



Stakeholders	Suppliers, shareholders and investors, employees, local communities, living organisms and the global environment, government authorities and regulatory bodies, and industry groups		
Related risks, opportunities	<ul style="list-style-type: none"> Climate change <ul style="list-style-type: none"> Risks Poor grain harvests due to abnormal weather, rising procurement costs, and depletion of natural resources Fluctuations in raw material prices due to exchange rates Supply restrictions and price volatility of raw materials caused by changes in international conditions and geopolitical risks Proliferation of SDGs <ul style="list-style-type: none"> Opportunities Emergence of new initiatives and projects Risks Reduction in availability of food by-products and recovered oils Rising awareness of human rights 	<ul style="list-style-type: none"> Climate change <ul style="list-style-type: none"> Opportunities Technological innovation aimed at decarbonization Risks Increase in operational costs due to the introduction of carbon taxes Declining labor population in Japan <ul style="list-style-type: none"> Opportunities Promotion of labor-saving measures Risks Reduced operating rate due to labor shortages Advancements in AI, big data, and robotics <ul style="list-style-type: none"> Opportunities Stabilization of quality and improvement in operational efficiency Increasing awareness of safety and quality <ul style="list-style-type: none"> Opportunities Gaining trust through appropriate responses and information disclosure Risks Reputational damage due to accidents or legal violations Need for capital investment <ul style="list-style-type: none"> Opportunities Promoting quality improvements, energy efficiency, and labor-saving measures Risks Rising construction material and construction costs, along with higher interest rates 	<ul style="list-style-type: none"> Climate change <ul style="list-style-type: none"> Opportunities Increased sales of environmentally friendly feed, greater opportunities for technical training; new aquaculture methods (land-based aquaculture, etc.); growing demand for feed suited to new fish species Risks Livestock suffering from summer fatigue due to extreme heat; lower demand for feed due to rising water temperatures; northward shift of areas suitable for raising livestock due to global warming and other factors Declining labor population in Japan <ul style="list-style-type: none"> Opportunities Efficiency gains through IT and digital transformation; innovation through collaboration with other companies Risks Rising logistics costs and delivery delays due to labor shortages Growing awareness of livestock management (animal welfare) <ul style="list-style-type: none"> Opportunities Increasing demand for feed that takes animal welfare into consideration Risks Lower demand for feed due to restrictions on the number of livestock and chickens raised
Related social indicators	<ul style="list-style-type: none"> In FY3/2025, import prices for feed raw materials up 1.75x for corn and 1.59x for fishmeal compared with FY3/2021 (Ministry of Finance's Trade Statistics) 	<ul style="list-style-type: none"> Decline in working-age population to two-thirds of current level by 2050 74 million in 2020 → 53 million in 2050 (Ministry of Economy, Trade and Industry's Future Human Resources Vision) Electricity rates (for industry) in FY3/2024 up 74% compared to FY3/2011 	<ul style="list-style-type: none"> Number of days with temperatures exceeding 35°C doubled between 2019 and 2024, and number of observation points nearly tripled. Amid these changes, number of cattle (both beef and dairy) that died or were culled grew by more than 1.5 times (Ministry of Agriculture, Forestry and Fisheries' Report On Heat Damage)
FEED ONE's approach	<ul style="list-style-type: none"> Use of food by-products and reducing food waste Diversification of raw material supply sources Switch to low-fishmeal and fishmeal-free feed for aquatic feed Use of domestically produced feed rice Utilization of domestically sourced raw materials Exploration and development of new feed ingredients 	<ul style="list-style-type: none"> Collaboration with sales division and improvement of processing technology Commitment to quality and food safety Promotion of systemization and labor-saving measures Efforts in energy conservation Strengthening of health, safety, and environment (HSE) measures 	<ul style="list-style-type: none"> Strengthening the development of environmentally friendly feed Aggressive investment in R&D Digital transformation technologies (inventory management systems, manufacturing orders, etc.) Addressing animal welfare

Risks and Opportunities in Supply Chains

Production of livestock and
aquaculture products

Production of food

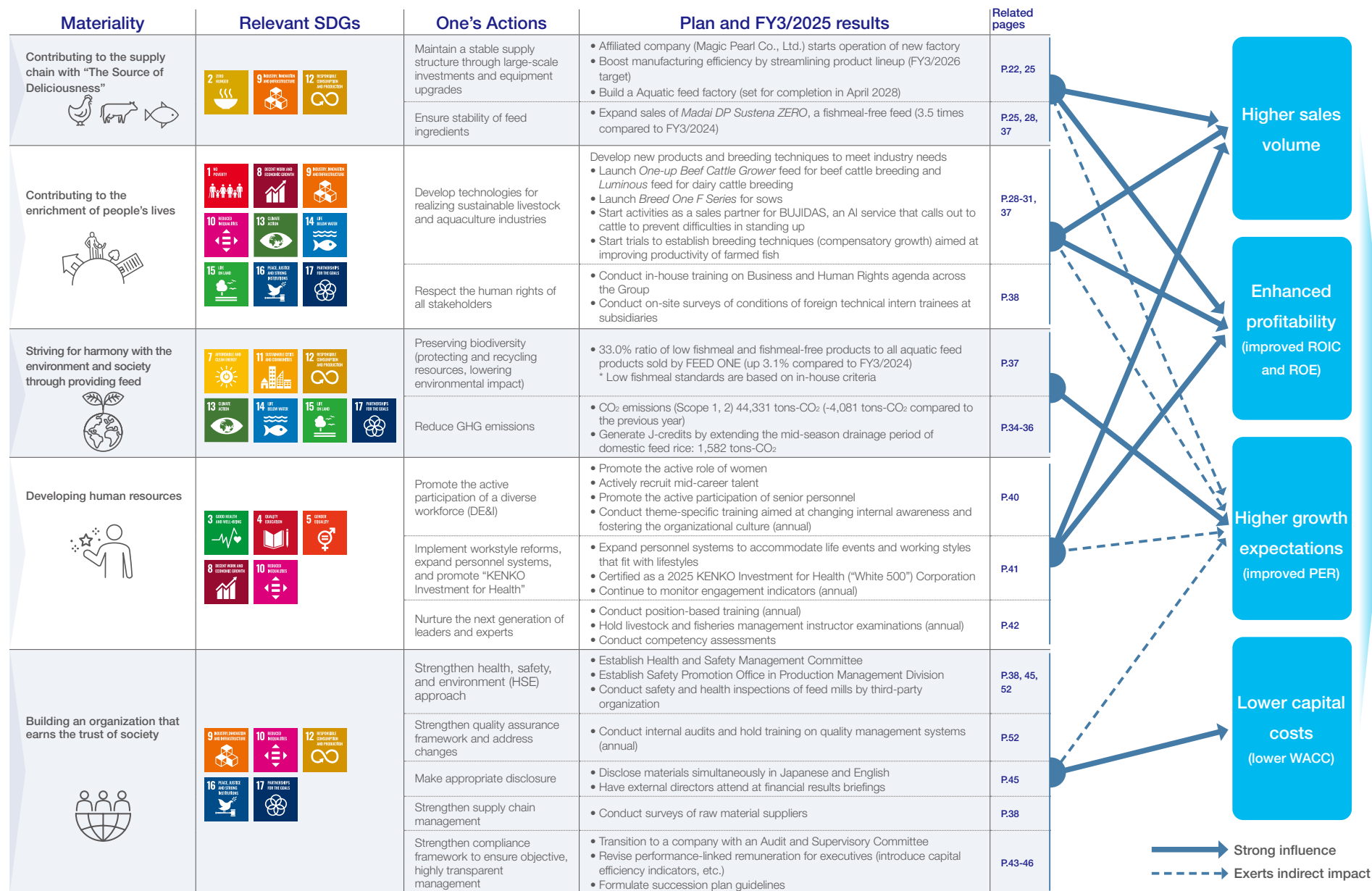


Sales and distribution of food



Stakeholders	Suppliers, shareholders and investors, employees, local communities, living organisms and the global environment, government authorities and regulatory bodies, and industry groups		
Related risks, opportunities	<ul style="list-style-type: none"> • Climate change Opportunities Establishment of new breeding techniques to address challenges; development of feed suitable for new aquaculture methods and new fish species Risks Lower productivity of livestock and aquaculture products and decline in the number of livestock and chickens raised due to the spread of livestock diseases; rising costs of raising livestock due to the need for improvements in air conditioning and other elements of raising environment; changes in aquaculture methods (land-based and offshore) and the type of fish being farmed due to rising water temperatures • Declining labor population in Japan Opportunities Boosting productivity through automation and digital transformation of production management; creating exporting and other new business opportunities as producers grow larger and incorporate Risks Shrinking market due to farmers abandoning farming, etc.; resulting drop in distribution of livestock and aquaculture products • Growing awareness of livestock management (animal welfare) Risks Higher production costs due to revisions to raising environments to address animal welfare concerns 	<ul style="list-style-type: none"> • Climate change Risks Rising prices of livestock products due to a fall in livestock production • Spread of livestock diseases Risks Soaring prices of livestock products due to avian influenza, swine fever, etc. • Rising awareness of food safety Opportunities Enhancing the value of livestock and aquaculture products through thorough traceability Risks Reputational damage from quality issues, etc. 	<ul style="list-style-type: none"> • Population decline Risks Lower demand for livestock and aquaculture products • Expansion of ethical consumption Opportunities Increasing needs for traceability across the supply chain • Diversification of lifestyles in Japan Opportunities Expansion of ready-made meal market • Increase in foreign visitors to Japan Opportunities Expanding consumption of domestic livestock and aquaculture products • Declining labor population in Japan Opportunities Efficiency gains through IT and digital transformation; innovation through collaboration with other companies Risks Rising logistics costs and delivery delays due to labor shortages • Import and export of livestock and aquaculture products Opportunities Growing demand in Japan for livestock and aquaculture products due to increased exports Risks Lower demand for domestic livestock and aquaculture products due to increased imports
Related social indicators	<p>[Japan] 2024</p> <p>Compared to 2019, the number of households raising livestock has continued to decrease: dairy cattle to 79%, beef cattle to 79%, pigs to 72%, laying hens to 77%, and broilers to 91%. Meanwhile, the number of animals per farm has increased, with dairy cattle up to 124%, beef cattle to 135%, hogs to 133%, laying hens to 120%, and broilers to 115%, indicating a trend towards larger-scale operations (Ministry of Agriculture, Forestry and Fisheries' Statistical Yearbook).</p>	<ul style="list-style-type: none"> • Number of GFSI[*]-approved certifications in Japan: Over 3,000 food factories and more than 1,100 farms (on an organizational basis) (GFSI Japan) <p>[*] Global Food Safety Initiative, a non-profit foundation that seeks to harmonize food safety standards across the global food industry by benchmarking and recognizing certification programs</p>	<ul style="list-style-type: none"> • Annual volume of eggs purchased per household in 2024 recovered to 10.781 kg (104.6% of 2023) (Ministry of Internal Affairs and Communications' Family Income and Expenditure Survey) • Average volume of fresh meat purchased in 2024 was 50.35 kg, 100.3% of the previous year (Ministry of Internal Affairs and Communications' Family Income and Expenditure Survey)
FEED ONE's approach	<ul style="list-style-type: none"> • Introducing new technologies (latest European and American breeding techniques, digital transformation technology) • Differentiating livestock and aquaculture products in terms of feed • Offering the latest knowledge through international collaboration 	<ul style="list-style-type: none"> • Acquiring, maintaining FSSC 22000 and other food safety certifications • Reducing CO₂ emissions through capital investments • Securing suppliers to prepare against diseases such as avian influenza and swine fever • Reducing waste and plastic usage • Developing human resources • Pursuing labor-saving initiatives 	<ul style="list-style-type: none"> • Enhancing the competitiveness of processed products • Responding to certification requirements for livestock and aquaculture products • Strengthening the quality assurance framework • Holding food education seminars; donating to food banks

Relationship between Materiality and Enhancing Corporate Value



Long-term Vision

With an unchanging mission of ensuring a stable supply of feed, FEED ONE is steadily enhancing corporate value by creating products and services that meet the needs of society.

FY3/2016–FY3/2024

Establishing a business foundation through integration

Results of management indicators
(FY3/2016 ▶ FY3/2024)

Feed sales volume

3.36 million metric tons ▶ **3.79** million metric tons
13% share 15% share

Ordinary profit

3.7 billion yen ▶ **7.7** billion yen

ROE

8.7% ▶ **10.7%**

EBITDA also grew steadily

6.6 billion yen (FY3/2018) ▶ **11.2** billion yen (FY3/2024)

Phase 2

Continuous enhancement of profitability; renewal, expansion of production framework

Priority measures: Continuous enhancement of profitability

R&D	Developing environmentally friendly feed to improve livestock breeding
Production facilities	Increasing production capacity through more efficient production and leaner production costs and inventories
DX of livestock and fisheries industries	Boosting operational efficiency through digital transformation (DX) of the supply chain; pursuing more efficient sales and management operations
Overseas	Expanding overseas business by incorporating cutting-edge technologies from abroad and harnessing Japanese compounding and production technologies
Human capital	Improving employee engagement by expanding training programs and the personnel system; instilling capital cost management more broadly

1st stage

FY3/2025–FY3/2027

Management indicators

	FY3/2025 (results)	FY3/2026 (forecast)	FY3/2027 (plan)
Feed sales volume	3.78 million metric tons	3.81 million metric tons	3.90 million metric tons
EBITDA	10.5 billion yen	11.2 billion yen	11.5 billion yen
ROE	10.3%	9%	8% or more
ROIC	6.1%	6%	6% or more

2nd stage

FY3/2028
–FY3/2030

3rd stage

FY3/2031–
FY3/2033

Investment plan (Phase 2)

About 60 billion yen (1st stage–2nd stage)

About 80 billion yen (1st stage–3rd stage)

● Investment centered on Animal Feed Factories

Improving production capacity

Improving production efficiency

Improving product quality

Improving working environments

● Investing in digital transformation and R&D, etc.

New backbone system

Research & Development Center, farms, etc.

● Investment in upgrades

FY3/2034

Realization of Vision
Committed to “ONE,”
striving to be the
company of choice

Feed sales volume

20% or more
(animal feed business)
(remained top private-sector company)

EBITDA

16 billion yen or more

ROE

10% or more

ROIC

8% or more

Phase 2 will use the above four indicators as well as total investment as management indicators

Phase 1
FY3/2016–FY3/2024

Focus on: Aggressive Investment for Future Growth

Constructing a new aquatic feed factory in central Japan

FEED ONE decided to build a new aquatic feed factory in the city of Toyokawa in Aichi Prefecture in central Japan. Japan's fisheries industry faces various structural challenges, including population decline and a downtrend in fish consumption in line with changes in dietary habits. Hopes for fish farming are rising year by year, however, buoyed by growing exports of aquaculture products, expansion in the land-based aquaculture particularly of salmon and trout, and the more widespread use of formula feed for amberjack and tuna farming. In addition, the need to conserve and lower dependency on natural resources is fueling expectations for stable demand for aquatic feed, with domestic distribution volume projected to remain solid at around 600,000 tons per year.

In these circumstances, FEED ONE's Chita Factory in Aichi Prefecture has been producing aquatic feed for over 55 years, and is facing growing aging issues. Added to this, the need to address changes in the operating environment and increasingly diverse needs in the aquaculture industry and to help realize next-generation aquaculture led to our decision to build a new factory.

The new factory is expected to serve a vast area of Japan, covering the island of Hokkaido in the north as well as all of Japan's mainland and the island of Shikoku. Together with the Kitakyushu Aquatic Feed Factory in Fukuoka Prefecture on Japan's southwestern island of Kyushu, which began operations in 2017, this dual production approach will reinforce our stable supply framework and give us stronger competitive advantages.

Because the region where the new factory is located is also at risk of a massive earthquake along the Nankai Trough, we will review our business continuity plan and take steps to minimize the impact of any disaster that may occur.



Expected return on investment

Production capacity

40,000 metric tons/year

Twice the size of Chita Factory
(aquatic feed)

Strengths generated by construction of new factory

R&D-oriented factory

State-of-the-art production facilities enable the creation of formula feeds that meet diverse needs

Expanded production capacity

Capacity at the new factory is twice that of Chita Factory (aquatic feed), and there is room for additional expansion

More efficient production

We expect a 15% decrease in fuel costs and a 50% decrease in labor costs (compared to Chita Factory)

Prime location

The factory can easily cover all of Japan's aquaculture areas and address changes in viable aquaculture areas

Magic Pearl builds new factory in northern Japan

Subsidiary Magic Pearl Co., Ltd. built a new factory in the city of Hachimantai in Iwate Prefecture in northern Japan. With the aim of ensuring a stable supply of its mainstay *Magic Pearl* seasoned boiled eggs and further improving quality, the new factory went online in March 2025.

Since their launch in 1980, *Magic Pearl* eggs have been a long-selling, widely enjoyed product, found mainly at kiosks in train stations, convenience stores, and supermarkets.

With the start of operations at the new factory, production capacity has increased by about 1.5 times, enabling an annual production volume of about 30 million eggs. Installation of the latest production equipment has also yielded greater energy efficiency and labor productivity.

Going forward, we will continue to strengthen our framework for delivering safe and reliable foods in a stable manner to customers, while striving for even higher quality and a more sustainable production framework.



Efficiency gains through installation of automatic bundling machines



Magic Pearl seasoned boiled eggs



Expected return on investment

Production capacity

30 million units/year

1.5 times the size of
the former factory

Strengths generated by construction of new factory

Expanded production capacity

Reaching annual production of 30 million units

Improvements in the workplace environment

Steam exhaust through a ventilation system, expansion of break room

More efficient production

Automatic bundling machine installed, creating a line for closing nets eggs are wrapped in

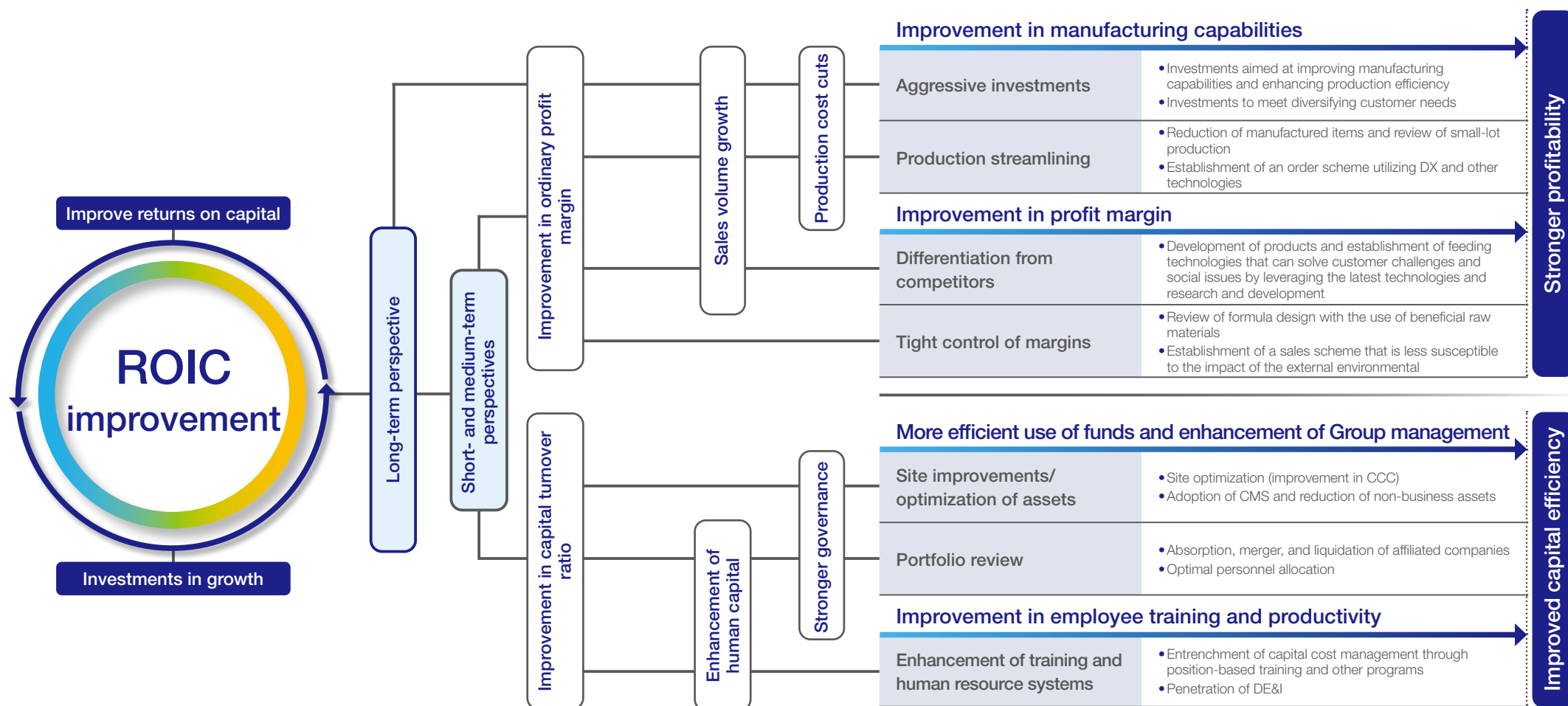
Lower CO₂ emissions

CO₂ emissions reduced by about 10% through efficient heat exchange using a heat pump

Business Strategy for Improving ROIC

We are advancing ways to improve ROIC based on a capital cost management roadmap. More specifically, we are driving stronger profitability (the numerator of ROIC) and improved capital efficiency (the denominator), as two complementary efforts. To strengthen profitability, we are working on differentiating ourselves from the competition and improving manufacturing capabilities. In terms of capital efficiency, we are aiming to use funds more efficiently, take Group management to a higher level, and improve HR development and productivity.

Each segment will steadily implement its respective measures based on this policy, thereby increasing ROIC from short-term, medium-term, and long-term perspectives in a sustained manner.



Business Strategy

Animal Feed Business

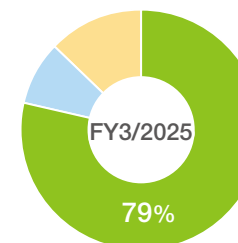


Business Vision

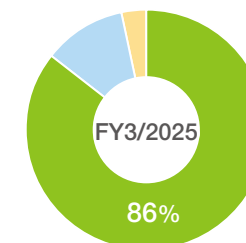
With the aim of achieving sustainable development in both the livestock industry and broader society, we will pursue technological innovation to improve the productivity of producers and reduce environmental impacts. Also, we will support the increasingly sophisticated farm management practices of customers through consulting services for livestock breeding management and disease control. We will think outside the box and continue to take on the challenge of creating value, contribute to improvements in business management for producers, and provide feeds that help improve productivity and profit margins.




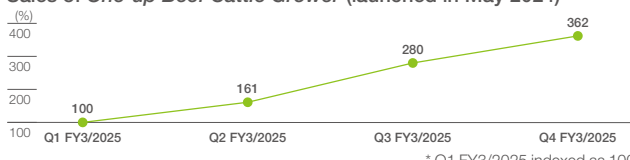

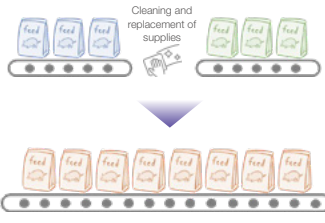
Measures to Improve ROIC

Net sales by segment



Ordinary profit by segment



	 Product development	 Manufacturing	 Sales
Stronger profitability	Active launch of new products The scaling-up of livestock and dairy farming operations and the evolution of breeding technologies have raised the level of feed management at production sites. In response to this environment, every year we are bringing to market unique products that reflect the latest livestock nutrition and formulation technologies for each species. Sales of One-up Beef Cattle Grower (launched in May 2024)  Creation of synergy effects between products and services By strengthening consulting sales that include feed management technologies (sales of services), we are further enhancing the value of our product offerings (sales of products). One example is the heat stress supplements for all livestock species that we developed in response to the extreme summer heat and to help solve the management issues of our customers. 	Capital investments geared towards production efficiency and occupational safety We are executing planned capital investments to address the aging of our plants and to ease the constraints on production capacity. (1) By installing the latest equipment, we are not only improving manufacturing efficiency, but also reducing environmental impacts and enhancing the working environment (2) To thoroughly maintain aging equipment, we are promoting the proper management of production volumes along with maintenance and inspections (3) We are reducing downtime during product changeovers by consolidating manufactured items, thereby improving production efficiency (see figure below) 	Promotion of sales initiatives for IoT and DX technologies DX in sales With the aim of incorporating digital technology into our sales activities, we have newly introduced CRM/SFA tools.* We are digitalizing all information related to sales activities, such as customer information and sales activity details, and building a data-driven strategic sales approach. The aim of this is to improve sales efficiency and accelerate the development of young personnel in specialized areas. * CRM: Customer Relationship Management; SFA: Sales Force Automation DX in livestock DX is also helping to solve management challenges in manufacturing, distribution, and among producers. For example, our feed tank inventory management system contributes to the efficiency of production sites and prevents loss of sales opportunities by systematizing the management of feed inventory, which had previously relied on visual checks. This system also helps us respond to unexpected orders and avoid opportunity losses.
	Synergies with Aquatic Research Center We have three research facilities in the animal feed business and one facility in the aquatic feed business. Although the feeding environments in livestock and aquaculture differ significantly, there are some commonalities in the areas of nutritional design and quality control. We are actively collaborating in an effort to explore the application of aquatic feed formula design and quality control to livestock feed, thinking outside the box to create new value. Development of product specialists We are also working on enhancing and standardizing productivity through field trials and other measures utilizing overseas partners and the Group's own farms.	Group reorganization We are pressing ahead with the optimal allocation of management resources and making improvements in capital efficiency by converting the factories of subsidiaries into our own and merging feed sales subsidiaries. Specifically, we reorganized TOMAKOMAI FEED and TOHOKU SHIRYO, which became wholly owned subsidiaries during the management integration, into our own factories in April 2025. As to the merging of feed sales subsidiaries, after approximately 10 years since the management integration and considering that the FEED ONE brand has become established in the market, we have streamlined operations by merging four of the eight feed sales subsidiaries into two. Safety improvements with dedicated personnel We have newly assigned dedicated personnel to ensure safety. We are raising the safety awareness of employees through training and other initiatives, while also working on the development of next-generation talent and the inheritance and standardization of manufacturing technologies.	

Business Strategy

Aquatic Feed Business



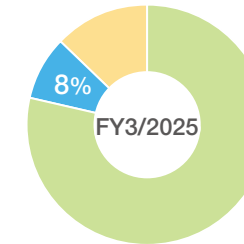
Business Vision

As the environment surrounding the aquaculture industry changes, we are engaging in next-generation aquaculture that pursues sustainability. We aim to promote the use of low-fishmeal and fishmeal-free feeds, explore new raw materials such as insect protein, and establish feed management utilizing compensatory growth.* In 2028, our new factory will come online, providing a stable production system with the latest equipment and product development capabilities, enabling us to supply safer and more secure compound feeds.

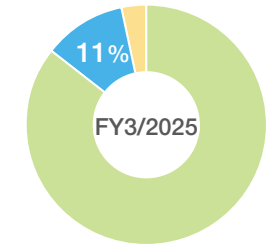
* A feeding method that temporarily restricts feeding to stimulate efficient growth upon the resumption of feeding. Much like the concept of rebounding after a diet, we aim to improve production results while controlling feeding costs with feeding restrictions.

Measures to Improve ROIC

Net sales by segment



Ordinary profit by segment



Product development

Promotion of low-fishmeal and fishmeal-free feeds

Fishmeal, the main raw material for aquaculture compound feeds, is at risk of price surges and supply instability due to environmental changes such as climate change and the depletion of natural resources. To address this, we are promoting the development of low-fishmeal and fishmeal-free feeds. As part of this initiative, we launched the industry's first commercial fishmeal-free feed for red sea bream, *Madai DP Sustena ZERO*, in August 2023. This product, which achieves growth comparable to conventional products, was attuned to the needs of the market at a time when fishmeal prices were soaring. It grew to become number one in sales volume among our red sea bream feed in FY3/2025. It has made a significant contribution not only to the realization of sustainable aquaculture, but also to our earnings.

Promotion of insect protein feed

In aquaculture feed, alternative protein sources such as soybean meal and chicken meal have traditionally been used, but recently, insect protein has been gaining attention. We are focusing not only on the functionality of insect protein as a substitute for fishmeal but also on its unknown functional properties. Specifically, we have confirmed that it promotes an increase in the coating of mucus on the body of fish, which acts as a barrier to diseases, while maintaining growth comparable to conventional products (patent pending).



Manufacturing

Improvement of production efficiency by reducing product items

Since farmed fish prefer to eat feed that matches the size of their mouths, there are multiple size variations even within a single formulation, which carries the risk of low inventory turnover and long-term stock retention. In light of this, we are working to reduce the number of product items to ensure stable supply and optimize inventory. As a result of efforts through to FY3/2025, we have lowered the number of product items by approximately 14% compared to FY3/2023, while increasing the production volume per lot by approximately 12%. Going forward, we aim to reduce the number of items by 50% at the Kitakyushu Aquatic Feed Factory ahead of the new plant coming onstream in April 2028. In FY3/2026, we are targeting a reduction of approximately 30%.

	Number of manufactured items	Vs. FY3/2023	Production volume (tons) per lot	Vs. FY3/2023
FY3/2023	415	—	23.3	—
FY3/2025	357	−14%	26.0	+12%
FY3/2026	291	−30%	29.6	+27%



Sales

Our aquatic feed sales team accompanies clients out to sea, participates in feeding and shipping, and proposes feed tailored to the stage and condition of the fish. Since FY3/2025 we have stationed personnel from our research center at sales offices to accompany visits with the aim of quickly understanding customer needs and strengthening proposal capabilities. ▶ P.28

In addition, we have also stationed personnel from the Aquatic Products Department—which specializes in the sale of aquatic products—at each branch.

We are also taking up the challenge of developing a new sales approach that links aquaculture product distribution and feed sales by directly sharing complex aquaculture distribution skills with our feed sales representatives.



Stronger profitability

Improved capital efficiency

Synergy effects with livestock R&D centers

We have three research facilities in the animal feed business and one facility in the aquatic feed business. Although the feeding environments in livestock and aquaculture differ significantly, there are some commonalities in the areas of nutritional design and quality control. We are actively collaborating in an effort to explore the application of livestock feed formula design and quality control, thinking outside the box to create new value.



Reduction of inventory assets (products and raw materials)

As fish are cold-blooded animals, aquaculture feeds are affected by seasonal factors more than livestock feed, which makes them prone to the accumulation of inventory. By setting appropriate inventory targets, we aim to raise awareness of inventory levels, and in manufacturing, we have strengthened our monitoring system by utilizing past shipping data and recent production plans in an effort to curb unnecessary production. As a result, while maintaining sales volume, we have shortened the inventory turnover days by 2.5 days from the average of the past five years, improving it to 16.2 days. Also, when it comes to the procurement of raw materials, we are working to reduce inventory by streamlining suppliers and engaging in continuous negotiations with them, shifting from bulk purchasing of one year's worth of raw materials to multiple purchases spread out over the course of the year and reducing inventory levels to two to three months' worth.

Business Strategy

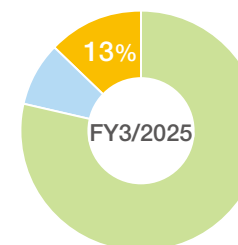
Food Business



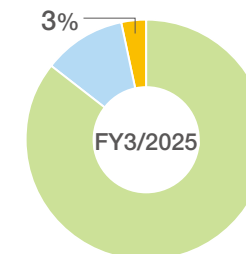
Business Vision

Through the procurement and sales of livestock products, we will build a virtuous business model that links the challenges and needs of the entire supply chain to the development of feed and other initiatives. As a leading company in the compound feed business, we contribute to building a prosperous and healthy society by making full use of our know-how in livestock farming and ensuring a stable supply of protein-based food products in collaboration with producers.

Net sales by segment



Ordinary profit by segment



Measures to Improve ROIC

	Product development	Manufacturing	Sales
Stronger profitability	Creation of added value that only a feed manufacturer can deliver Owing to the fact that we manufacture and sell compound feed, which is essential for the production and differentiation of livestock products, we have established our own distribution channels, including a system for the stable collection of high-quality livestock products. Moreover, based on our deep understanding of livestock products, we are creating processed animal products, original differentiated products, and local goods for local consumption. Feed One Foods: Product example Kanagawa Yume Pork Kanagawa Yume Pork, the pride of Kanagawa, is raised on a special feed mixed with green tea leaves. Only those that pass our own strict certification standards in all aspects—from production area to feed and breed—are shipped. Gold Egg: Product example Nekka-Rich Eggs Himawari A long-selling product loved by consumers for over 20 years. Eggs produced with a feed additive, <i>Super Nekka-Rich</i> , have a richness and flavor unlike other products.	Investment to provide safe and secure animal products Awareness of food safety and security is increasing. Investment is indispensable if we are to provide forward-looking animal products that meet demand. Also, with the spread of livestock diseases and amendments to workplace reform-related laws, concerns are growing regarding raw material shortages and decreased transportation capacity. To maintain and improve stable supply to consumers, we will step up collaboration with our business partners to improve delivery efficiency, expand our suppliers, and make necessary capital investments. In this environment, the new plant of our egg sales subsidiary, Magic Pearl, commenced operations in March 2025. Our production capacity is now 50% greater compared to the previous factory, enabling us to produce approximately 30 million eggs annually. With the construction of this new factory, we can expect improvements not only in hygiene but also in energy efficiency and labor productivity.	Provision of high value-added animal products and processed foods By establishing production bases close to consumption areas, we provide fresh products that meet the needs of local retailers such as supermarkets, thereby promoting local production for local consumption. Establishment of a sales system immune to market fluctuations Recently, not only the spread of livestock diseases such as avian influenza and swine fever, but also the impact of extreme heat have created an environment where animal product prices are prone to sharp increases. Since the food business first procures raw materials (animal products) for sale, failure to reflect sharply higher market prices in selling prices can significantly impact earnings. This is why we are building a distribution channel that is less susceptible to the effects of rising market prices, while ensuring that our customers understand this situation.
	Connecting producers and consumers, the key to Group synergies The food business is closely connected to producers and consumers through the procurement of animal products and wholesale to retailers such as supermarkets. This allows us to pass on the requests and challenges we gather from customers not only to the food business, but also to the entire Group, including the feed businesses. Our involvement across the entire food supply chain, from upstream to downstream, enhances the competitiveness of our individual businesses.		Exhaustive inventory management Although the food business has a shorter inventory turnover period than the feed businesses, the need for refrigeration of animal products and their perishable nature make improving inventory turnover rates an important task. The Group's food subsidiaries continuously monitor the cash conversion cycle (CCC) and share this information at quarterly Group company meetings to identify issues and share initiatives.

Initiatives Overseas



Business Vision

We are entering markets in emerging countries where food demand is expanding, leveraging the compound feed technology and know-how we have developed in Japan. We will grow this business as a new pillar of earnings in the future.

Moreover, by actively incorporating overseas technologies, we are establishing FEED ONE's unique technology to differentiate our products.

Vietnam



India



Initiatives to Leverage Strengths and Bolster Our Competitive Advantage




Product development



Manufacturing



Sales

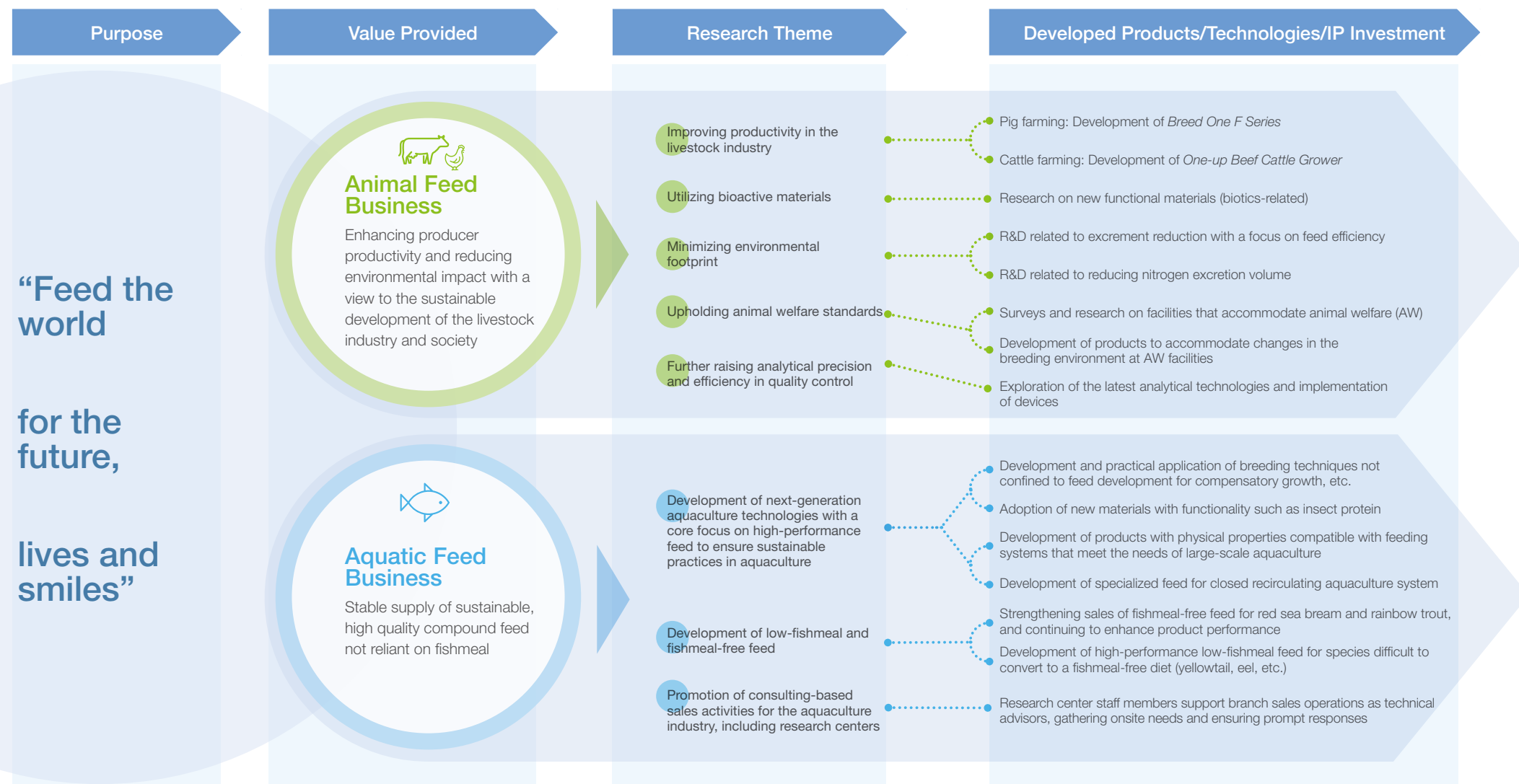
		Product development	Manufacturing	Sales
Overseas Businesses	Vietnam	Business overview Vietnam In 2011, through a joint investment with Sojitz Corporation, we established a local subsidiary for the manufacturing and sales of livestock feeds. We posted record-high profit for three consecutive years and are currently strengthening our efforts to enter the northern region of Vietnam. India In 2013, through a joint investment with a local corporation, we established a local subsidiary for the manufacturing and sales of freshwater Aquatic feed and shrimp feed. We are focused on improving productivity through product development targeting high-margin items and the consolidation and formulation proposals of product items. Differentiation with Japanese quality Leveraging a rich history of nearly 100 years since the origins of FEED ONE, we continue to consistently provide high-quality feed. We draw on our formula design technology that makes effective use of a wide range of local beneficial raw materials to strengthen our earnings structure. We have dispatched two people to Vietnam and one to India from FEED ONE, and in addition, we regularly send skilled manufacturing personnel to visit and share the latest manufacturing know-how with local staff. Thoroughgoing management of inventory and receivables We are educating our local subsidiary on optimizing raw materials and product inventory, as well as managing receivables, and we are also working to improve its financial health. Developing the next-generation of human resources We have introduced an overseas secondment training program at FEED ONE to build an understanding of our overseas operations.		Reinforcing local business foundations By utilizing the advanced feeding technology of the Company's experts, we provide technical support to local farmers and enhance services. In addition, at KSF, we are working to strengthen our marketing activities by communicating information via social media and building close relationships with farmers. Through these initiatives, we will look to shore up our local business foundation.  (facebook) Kyodo Sojitz Feed Miền Trung https://www.facebook.com/profile.php?id=61554711106776
	India			Promotion of compound feed formulation India ranks third in aquaculture production volume, surpassed only by China and Indonesia, and while the market is large, the production derived from compound feed is low. It is said that the potential demand for compound feed is more than 10 times the current level. We are promoting the streamlining of productivity with compound feed and the production of safe and secure aquatic products in a bid to expand our market share.
Technical Cooperation		Dispatch of personnel overseas Research in the livestock industry has progressed, primarily in Europe and the US, providing us with many insights for the sustainable development of Japan's livestock industry. We arrange short-term business trips (training and information exchange) and academic training (short-term study abroad programs) for the purpose of developing human resources and gathering the latest technological information.		Inviting instructors from overseas We invite instructors from overseas to conduct technical training for employees and hold seminars for pig farmers. We have earned rave reviews from producers, and we continue to provide value that leverages our competitive superiority.



R&D Strategy

The demands of society and the needs of the market in relation to feed and food are growing increasingly complex and diverse year after year. In this environment, we are actively developing, acquiring, and applying new technologies through our own research centers to quickly bring groundbreaking products to market.

Value Creation Path for Technology and Intellectual Property



R&D Strategy

R&D Management Message



Overall policy and priority areas

The primary objectives of feed and livestock product research and development are to ensure the safety and security of feed and to pursue the deliciousness of livestock products. However, in the increasingly challenging livestock industry, cost performance, including productivity improvements, also becomes crucial. Furthermore, interest in sustainable livestock farming—including efforts to curb greenhouse gas emissions, a global challenge—is also growing. To address these diverse needs, the Company is advancing research and development that balances productivity enhancement with environmental impact reduction. This includes working to achieve efficient nutrient supply and reduced excretion through effective amino acid design, as well as nutrient design that lowers environmental impact by reducing methane gas emissions from cattle breath. These efforts contribute to the sustainable growth of the livestock industry. Furthermore, we have built a system to deliver differentiated products and technologies more swiftly by leveraging the cutting-edge IoT technologies and overseas networks of our technical partner, Provimi North America, and Kansas State University.

Technologies and products that contribute to our competitive advantage

In FY3/2025, we released the pig farming product *Breed One F Series* for increased productivity and *One-up Beef Cattle Grower* for beef cattle raising. *Breed One F Series* is a product that supports the health of high-yield sows. It makes it possible to stably increase litter sizes by alleviating stress in sows, thereby improving producer profitability. *One-up Beef Cattle Grower* is a product that identifies new value in increasing rumination frequency^{*1} while utilizing existing raw materials such as cottonseed meal and beet pulp^{*2}, and applies this to maximize calf weight. A patent application is pending. Additionally, to address increasingly severe heat stress, we have deployed feeds to counter heat stress for each livestock species (*Sow Manna* for swine, *Ice* for cattle, and *Vitax Neo* for poultry). The entire company is working to alleviate livestock stress during summer and thereby improve economic efficiency.

^{*1} The more a cow ruminates, the more digestion is promoted, allowing it to absorb more nutrients. Ruminating is the behavior where a cow regurgitates food it has swallowed back into its mouth and chews it again, breaking it down into smaller pieces and aiding digestion by microorganisms in the stomach.

^{*2} Beet pulp is the fibrous residue left after extracting sugar from sugar beets. It is primarily used as livestock feed and is especially important as feed for dairy cows.

Development of aquatic feed with new value

The three main challenges for next-generation aquaculture are reducing fishmeal content in feed, rising water temperatures, and adapting to new aquaculture methods. To address these challenges, the Company is advancing the development and sale of low-fishmeal and fishmeal-free feeds for various fish species. We are also establishing feeding management techniques focused on feed restriction as a countermeasure against high water temperatures during summer. Additionally, we are exploring the use of insect protein, which enhances body surface mucus production, and developing feeds suited for new aquaculture formats such as offshore large-scale farming and land-based recirculating aquaculture systems. By moving away from dependence on marine natural resources, we can contribute to environmental sustainability and enhance aquaculture productivity through the introduction of new technologies. This is expected to expand our profitability in line with these values.

Internal coordination and innovation promotion

To promote smooth coordination between the Aquatic Research Center, sales branches, and production plants, we have established the Product Management Office to serve as a liaison between divisions. It handles tasks such as adjusting factory production volumes based on orders from sales and incorporating insights gained at the Aquatic Research Center into the formulation design of actual products.

Additionally, to promote our research activities to sales branches and customers and widely gather specific local needs for use in product development, one technology promoter from the Aquatic Research Center has been assigned to each of three branches starting in FY3/2025. Technology promoters accompany sales reps to accurately and promptly gather customer needs and incorporate them into future research policy.

In addition, study sessions are held at the Research & Development Center once a quarter to help further hone the skills of sales staff, and through coordinating with the Research & Development Center, we are working to raise synergies with the animal feed business.

R&D Strategy

Voices of project leaders



“

The Research & Development Center is accelerating the development of sustainable livestock technologies that not only improve production performance but also reduce environmental pollutants like methane, nitrogen, and CO₂, while prioritizing animal welfare. We aim to contribute to livestock farming that brings happiness to both people and animals.”

”

Kenji Yoshimoto

Manager
Research & Development Center

The challenge of creating new value

The pace of breeding improvements in recent years has been tremendous, and at the same time, customer demands for performance enhancements have grown stronger. To enhance livestock productivity, we have launched new products such as *Breed One F Series* for pig farming and *One-up Beef Cattle Grower* for cattle farming, which have been well received.

There is a persistent belief that higher nutritional specifications equate to higher feed performance. However, we are also advancing research on technologies to reduce the nutritional content of feed while improving performance, thereby lowering the load of pollutants released into the environment. We are applying these technologies to our feed products. With regard to technology to suppress methane emissions from cattle, which has been a much-discussed topic of late, we have also been quick to introduce methane measurement systems domestically and are accelerating the pace of development.

As part of the SDGs, a crucial initiative for companies, interest in animal welfare measures among livestock producers is growing. We are conducting joint research with producers who are early adopters, installing facilities at the Research & Development Center, and carrying out testing and research related to optimal breeding methods and feed design.

Job satisfaction and future aspirations

When the methods we devise prove effective as intended and result in products that meet producers' needs, I experience a profound sense of accomplishment and fulfillment, finding great satisfaction in my work. Additionally, interacting with people in new fields such as IoT and food-related industries, and gaining knowledge and information from them, has led to the promotion of development through new ideas, the enhancement of my own abilities, and the building of professional networks.

Going forward, it will be crucial to respond swiftly to breeding improvements, technological advancements, and emerging needs. To achieve this, further improvement in the capabilities of research center members is essential. Additionally, we will proceed with introducing new testing facilities and equipment to accelerate development, as well as establishing an environment that leads to labor-saving operations.



“

The new *Breed One F Series*—formulated to stabilize the sow's intestinal flora while promoting piglet health—is now available on the market. To keep pace with rapidly advancing breeding improvements in breeding sows, we are engaged in product and new technology development. This involves gathering information both domestically and internationally, conducting verification trials at our own experimental farms, and leveraging joint research with other companies.”

”

Kazuhiro Osawa

Deputy Section Chief
Research & Development Center

The challenge of creating new value

In recent years, genetic breeding improvements in pigs have been remarkable. As a result, the number of piglets born per litter by breeding sows has increased significantly, and milk production capacity has also greatly improved. Consequently, at the farm level, prolonged farrowing increased the burden on sows, and even after farrowing, sows depleted their stored nutrients to produce milk. Maintaining conventional nutritional management made problems more likely to occur, presenting a major challenge.

We conducted experimental research aiming to maintain high performance while reducing the burden on these high-capacity sows. The results revealed that stabilizing the sow's intestinal flora simultaneously resolves the issues of sustained nutrient supply within the sow's body and maintaining milk quality. Joint research with Miyarisan Pharmaceutical Co., Ltd. made a major contribution to the development of this technology. In FY3/2025, we launched *Breed One F Series*, a feed product for sows with stabilizing intestinal flora as its main concept. It is currently being used by customers throughout Japan.

Job satisfaction and future aspirations

The feed industry is directly connected to food production, food safety, and food deliciousness. I feel a sense of satisfaction in the fact that the products we develop contribute to the richness of food. At the same time, I'm motivated in my research by the joy that is experienced when a new discovery is made during the course of daily work.

The livestock industry has undergone various changes in recent years, including not only breed improvement but also shifts in producers' business models and rising production costs. To accommodate these changes, it is crucial that we take on new challenges. We will continue our research and development efforts, always keeping in mind the current needs of our customers rather than merely extending past practices.

VOICE

R&D Strategy

Voices of project leaders

VOICE



“ We conduct research on potential fish meal alternatives for next-generation aquaculture. Among the numerous alternatives, we are particularly focused on insect protein. Even in the rapidly changing aquaculture environment, we are working to develop feed that delivers consistent performance. ”

Daiji Koga

Deputy Section Chief
Aquatic Research Center

The challenge of creating new value

In the aquaculture industry, compound feed primarily composed of fishmeal is the mainstream practice. However, due to the depletion of natural sardine resources—the main raw material for fishmeal—and the expansion of global aquaculture demand, the international price of fishmeal has risen and remains high. For this reason, there is an urgent need to develop compound feed products that do not rely on natural resources like fishmeal. The Company's Aquatic Research Center is also conducting daily research into alternative raw materials and performance evaluation tests. Among the materials, we are particularly focused on insect protein.

In recent years, insect protein has garnered attention worldwide, and production volume (for mealworms, black soldier flies, etc.) is increasing in places like China, India, and Southeast Asia. It has been confirmed that even when a portion of fishmeal—a primary material in compound feed—is replaced with insect materials, farmed fish still grow sufficiently, but we have been focused on its functionality. Incorporating mealworms into feed increased body surface mucus in multiple species of farmed fish. Body surface mucus acts as a barrier protecting the fish from bacteria and parasites in the water. Increasing this mucus can be expected to improve disease resistance in farmed fish, and a patent application was made in 2024.

Job satisfaction and future aspirations

The moment I feel most satisfied is when a product we've developed is delivered to customers and its performance is rated highly when actually put to use.

Although we face an extremely challenging situation with drastic changes in breeding environments, raw material trends, and the global landscape, it is precisely at times like these that we must sincerely engage with our customers, listen to what they have to say, and accurately grasp their needs at any given moment. Going forward, I will continue working to develop technologies and products that satisfy numerous customers.



“ In the aquaculture industry, various needs are arising related to changes in seawater temperatures in recent years and diversification of aquaculture methods. To accommodate this changing environment, the Company is working to spread feeding management techniques such as the use of insect raw materials and compensatory growth. ”

Mizuho Takanashi

Senior Staff
Aquatic Research Center

The challenge of creating new value

The Aquatic Research Center is strengthening systems to more accurately grasp the diverse needs of the aquaculture industry and incorporate them into research and development. Researchers have been deployed to branch offices nationwide as technology promoters. They work with sales reps and visit aquaculture sites in various regions. Previously, research activities primarily consisted of experiments and testing at facilities in Ehime Prefecture, but now by visiting actual sites and listening directly to what producers have to say, we are working to accumulate more practical knowledge. Furthermore, based on the information we obtain, we actively carry out field testing at aquaculture sites in various regions. We also conduct initiatives to verify feed performance and the practicality of feeding management techniques at actual aquaculture sites. Through these activities, we are developing technologies in line with issues in the field.

Job satisfaction and future aspirations

Starting this year, I have served as a technology promoter for the Kyushu area and have had the opportunity to directly visit various aquaculture facilities. I've been greatly inspired by experiencing the unique voices and environmental changes specific to the field—things we couldn't have noticed through research center testing alone. The environment surrounding the aquaculture industry is changing daily, and in terms of their production scale and aquaculture areas no two producers are alike. We are required to flexibly accommodate such change. Going forward, I will continue to listen to feedback from producers who use our products and work to provide support and proposals closely aligned with the actual situation in the field.

Message from the Sustainability Officer



Mineyuki Nitta

Executive Officer
General Manager, Corporate Planning & Strategy Unit

With a shared focus on materiality across the Group, we will pursue business in harmony with the environment and society

We have a responsibility towards sustainability:

especially because we are tied deeply to society and the environment

FEED ONE's business is closely tied to the production of agricultural, livestock, and aquaculture products, all of which are based on natural capital. Feed production relies heavily on raw materials such as corn and fishmeal, whose production is significantly affected by changes in the climate and in ecosystems. The livestock and aquaculture production sites supported by this feed are themselves also deeply connected to the natural environment. Because our business is situated within a vast value chain in which nature and people are interconnected, sustainable growth is impossible if we fail to operate in harmony with biodiversity and natural capital.

Guided by this understanding, our sustainability policy includes a strong commitment to coexistence with nature, while maintaining a perspective that consciously seeks to incorporate harmony with the environment, society, and people into every business decision. For example, we developed fishmeal-free feed called *Madai DP Sustena ZERO* and are researching and developing feed that suppresses methane emissions from cattle breath. As we reexamine where our business connects to the natural environment, we reflect these

considerations in our technology and products.

We believe the responsibilities companies bear do not end with short-term profit but lie in maintaining a stance of continually questioning the extent of their impact on the future of society and the planet.

Moving ahead steadily with One's Actions to address our items of materiality

Having identified the social issues we need to address through our business activities as items of materiality (key issues), we are implementing One's Actions as a set of concrete strategies to make progress in addressing them. These strategies clarify the core questions of what we are aiming for as a company and how we ought to engage with society. We are working to instill an awareness of these questions in all of our employees so that it can inform their actions.

Materiality



Supporting the Food supply chain

We provide a stable supply of safe and secure feed and food products and we support good food and health every day.



Through providing feed, we strive to harmonize the environment and society

We aim to realize a resource-recycling society and facilitate efforts to address climate change and biodiversity.



Contributing to the enrichment of people's lives

Contribute to developing the livestock and fisheries industries and realize sustainable and abundant lives for people.



Developing human resources

Create a work environment in which all people can play an active role and develop human resources to create new value.



Building the organization as a trustworthy by society

Strengthen governance by ensuring that each employee has high ethical standards.

Message from the Sustainability Officer

In our initiatives to support the food supply chain, we made the institutional decision to undertake a major investment in a new aquatic feed factory, with the aim of addressing aging infrastructure and strengthening our supply framework. The factory will be responsible for developing and ensuring the stable supply of environmentally friendly aquatic feed, including fishmeal-free feed.

In terms of initiatives to contribute to the enrichment of people's lives, we face the need to address extreme heat in recent years, which has caused serious problems such as poor growth and a decline in the reproductive performance of livestock. This entails efforts to support production sites by renewing our feed and supplement products to enhance their ability to prevent heat stress.

In terms of developing human resources, we are working to create supportive workplace environments by establishing systems to accommodate diverse working styles, promoting health and productivity management, and taking steps to incorporate greater diversity, equity, and inclusion. In addition to facilitating the performance of individual employees, these improvements to the workplace also foster a corporate culture that encourages employees to embrace challenges as we work to establish top market share in the industry and improve profitability.

In the area of building the organization as trusted by society, in addition to updating the Business Conduct Guidelines for Employees and Officers, we also sought to give greater visibility to our management philosophy by creating and distributing an employee handbook on the philosophy to promote our shared values. We plan to continue capitalizing on these tools going forward.

In terms of striving to harmonize the environment and

society through providing feed, our initiatives involve introducing energy-saving equipment and utilizing renewable energy, as well as moving forward with upgrading and renovating aging factories. Furthermore, we are aiming to lower our environmental impact across the value chain, including working together with producers to reduce CO₂ emissions.

Sustainability as a driver of business growth

FEED ONE's sustainability management does not merely entail initiatives to address environmental considerations or contribute to society. Rather, it represents a core management strategy designed to increase our intrinsic corporate value over the longer term. Amid a rapidly changing business environment, I believe that by looking at the situation five to ten years down the road and back casting from that vantage point, we can get a clear grasp of what our mission is in terms of addressing constantly evolving challenges in society, which will guide us in taking action for the future. In this way, we are laying the foundation for sustainable growth.

For example, structural challenges such as heat stress and rising water temperatures that accompany global warming, or constraints on natural resources like fishmeal, pose threats to the future business continuity of the livestock and fisheries industries as a whole. FEED ONE is taking the lead in addressing these challenges by bringing products like feed that helps prevent heat stress and fishmeal-free feed to the market, while also stepping up the pace of our

technological development through collaboration with research institutions in Japan and abroad. These efforts go beyond mere product enhancement—they are giving rise to a virtuous cycle that simultaneously delivers value to stakeholders and drives profit growth for the Company.

Underpinning these efforts are the expertise and operational capabilities of every FEED ONE employee. As a leading company, we are committed to driving the industry forward not only in terms of volume but also in terms of quality, by focusing on the development of human resources and fostering more open workplace environments. The in-house knowledge and technologies we have accumulated strengthen trust with producers, which enables us to offer timely product proposals and deliver solutions.

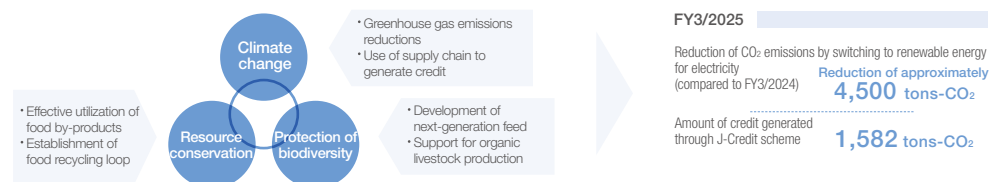
The industry is expected to undergo further consolidation and restructuring going forward. The companies that survive will be those that spare no investment in reducing their environmental footprint and addressing societal challenges. FEED ONE will further accelerate our initiatives related to sustainability management as a company committed to fulfilling our responsibility to society and to the planet in the future. I'm confident that these efforts will ultimately build greater trust in the Company and lead to enhanced shareholder value.



Environmental Stewardship

Basic Approach

With businesses that are grounded in the bounty of nature, the Group is committed to addressing three key issues surrounding natural capital: combating climate change, conserving resources, and protecting biodiversity. We believe addressing these environmental challenges not only contributes directly to the global environment but also enhances corporate value through new technological developments and creates value for stakeholders. We will actively pursue initiatives to lower environmental impact across the supply chain by leveraging our production and breeding technologies, as well as collaborating with business partners to reduce greenhouse gas emissions.



Climate Change Action: Disclosure Based on TCFD Recommendations

We declared our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) created by the Financial Stability Board in April 2022 and make disclosure based on these recommendations.

Governance

The Group established a Sustainability Committee, which is chaired by the Representative Director and President and includes representatives from across the organization selected from business and administrative divisions. The committee reviews and discusses sustainability issues and response measures. It reports regularly to the Executive Committee and the Board of Directors, and a framework is in place for the Board to monitor its activities and offer advice.

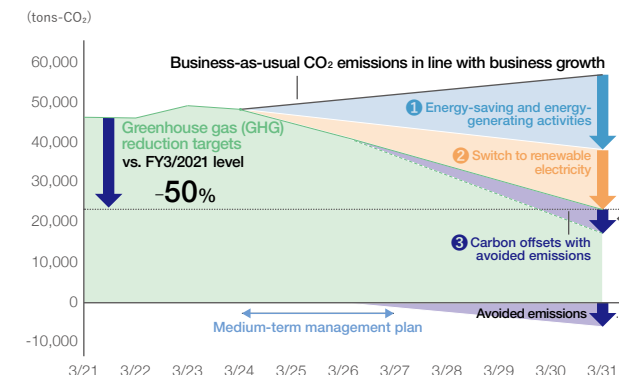
Risk management

The Corporate Planning & Strategy Division serves as our risk management division. It takes the lead in identifying climate-related opportunities and risks within the Group, taking into account internal and external factors. The division quantitatively and qualitatively analyzes and evaluates the identified opportunities and risks using a risk management framework and systems, and formulates response measures. The Sustainability Committee monitors implementation of these measures and seeks to make improvements, while also reporting any critical matters to the Executive Committee and the Board of Directors.

By incorporating climate-related risks into our risk management framework and managing risks comprehensively, we aim to minimize risks and maximize opportunities across the Group.

Metrics and targets

Having formulated a decarbonization roadmap (see diagram on the right), the Group aims to halve Scope 1 and 2 CO₂ emissions by FY3/2031 compared to FY3/2021. We also aim to achieve carbon neutrality throughout the supply chain by FY3/2051.



Actual CO₂ emissions (tons-CO₂)

Category	Target scope	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Scope 1, 2 (YoY)	Total	46,626	46,267	49,546	48,412	44,331
Scope 1	FEED ONE and subsidiaries*	16,393	17,353	20,684	19,046	18,638
Scope 2	FEED ONE and subsidiaries*	30,233	28,913	28,862	29,366	25,693
Scope 3 (YoY)	Total	1,433,714	1,634,175	1,730,980	1,737,428	1,724,828
			(+14.0%)	(+5.9%)	(+0.4%)	(-0.7%)
Category 1 [Purchased goods and services]	FEED ONE and subsidiaries*	1,391,146	1,611,030	1,712,159	1,717,291	1,695,577
Category 2 [Capital goods]	FEED ONE and subsidiaries*	29,172	10,375	7,581	9,918	14,453
Category 3 [Fuel- and energy-related activities not included in Scope 1 and 2]	FEED ONE and subsidiaries*	6,625	6,363	4,602	4,728	9,268
Category 5 [Waste generated by operations]	FEED ONE (factories and research labs) and subsidiaries	953	1,047	950	944	1,122
Category 6 [Business travel]	FEED ONE (Head Office)	71	78	104	162	183
Category 7 [Employee commuting]	FEED ONE	336	359	346	346	360
Category 8 [Upstream leased assets]		N/A	N/A	N/A	N/A	N/A
Category 10 [Processing of sold products]		N/A	N/A	N/A	N/A	N/A
Category 11 [Use of sold products]		N/A	N/A	N/A	N/A	N/A
Category 12 [End-of-life treatment of sold products]	FEED ONE	854	842	862	897	819
Category 13 [Downstream leased assets]	FEED ONE	4,558	4,081	4,375	3,142	3,045
Category 14 [Franchises]		N/A	N/A	N/A	N/A	N/A
Category 15 [Investments]		N/A	N/A	N/A	N/A	N/A

* Consolidated subsidiaries (feed manufacturing factories and food and farm subsidiaries)

Note: For category 1, we calculate the procurement of raw materials (purchases of feed ingredients and livestock products)

Environmental Stewardship Climate Change Action: Disclosure Based on TCFD Recommendations

Strategy

The Group considers action on climate change to be a top management priority, and conducted a 2030 scenario analysis to gauge the financial impact of climate change. In this analysis, we made reference to several scenarios issued by the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC).

Results of scenario analysis and relevant measures

Magnitude of financial impact	High: Impact on profit and loss is over 500 million yen or a material impact on business operations	Time frame	Short: Within five years
	Moderate: Impact on profit and loss is between 100 million and 500 million yen or a somewhat significant impact on business operations		Medium: Between five and 10 years
	Low: Impact on earnings is 100 million yen or less or a minor impact on business operations		Long: Over 10 years

Classification		Risks/opportunities		Magnitude of financial impact		Time frame	Measures for risks and opportunities	
				Over 1.5°C/ under 2°C	4°C			
Transition risks	Policy and regulation	Increased costs due to stricter regulations on GHG emissions		High	High	Short	Initiatives to reduce CO ₂ emissions (Scope 1 and 2) <ul style="list-style-type: none">• Pursue energy-saving activities, install energy-efficient equipment• Switch to renewable energy-derived power source• Install solar power equipment• Leverage IoT technology	Initiatives to reduce carbon tax costs in the supply chain <ul style="list-style-type: none">• Animal feed: Increase bulk-loading of formula feed, and reduce disassembly of used flexible container bags at factories• Aquatic feed: Use plastic bags that contain recycled materials• Food business: Reduce the consumption of plastic packaging materials
	Reputation	Reputational damage due to inadequate climate change response		Low	Low	Long	Pursue initiatives aimed at reducing CO ₂ emissions Help reduce CO ₂ emissions for society at large (food recycling and reducing food loss and waste) Enhance disclosure, including climate change response	
Physical risks	Acute	Physical damage to livestock farmers and farms due to natural disasters, decrease in feed sales volume from disruptions to distribution networks		Low	Low	Short	Pursue measures for producers Build a framework to provide necessary and timely support in case of disaster	Take steps to prevent disruptions to distribution networks Establish a framework for accessing alternate supply routes based on a business continuity plan
		Suspended factory operations due to natural disasters		Low	Low	Short	Implement a business continuity plan to secure the safety of employees, safeguard the production and sale of feeds, and receive product support from locations other than the affected factories	
	Chronic	Impact on livestock and farmed fish from rising sea water temperatures, and a decline in feed sales volume due to a change in optimal production locations in Japan		Low	Moderate	Long	Animal feed: Communicate up-to-date information about feed management technology Aquatic feed: Develop products suitable for land-based recirculating aquaculture for which demand is expected to increase	
		Declining profit due to the impact of climate change on raw material production, costs		High	High	Long	Active use of raw materials with price and quality advantages Animal Feed: Actively use domestic raw materials. Aquatic Feed: Build a framework to respond flexibly	Appropriate price revisions Animal Feed: Continue quarterly revision of sales prices to an appropriate level Aquatic Feed: Review sales prices to reflect changes in raw materials costs
Opportunities	Resource efficiency	Reducing manufacturing costs through improved manufacturing efficiency		Low	Low	Short	Pursue IoT-based initiatives Visualize energy consumption in each process Boost energy efficiency through the introduction of IoT technology	Pursue initiatives to improve efficiency in manufacturing Improve manufacturing efficiency by consolidating product lineups and raw materials used
		Reducing logistics costs by building an efficient distribution process		Low	Low	Short	Procure raw materials from locations closer to the factory Lower transportation costs by reducing long-distance trucking and promoting a shift to domestic shipping	
	Products and services	An increase in feed sales volume from development and sales of sustainable feed and use of sustainable raw materials		Moderate	Moderate	Short	Animal feed: Develop products ahead of other companies, such as feed to reduce methane emissions from cattle, to increase feed sales volume Aquatic feed: Make use of insect-derived ingredients, algae, and methanotroph and take steps to commercialize them ahead of other companies, increasing feed sales volume	
		An increase in feed sales volume owing to advanced technology to prevent heat stress in livestock		Moderate	Moderate	Short	Press ahead with R&D with a focus on feed and supplements that prevent heat stress; continue to gather information on feed management technology and provide services	
	Market	An increase in feed sales volume owing to the expansion of land-based recirculating aquaculture, which is not affected by rising sea temperatures		Low	Low	Short	Aim to expand feed sales volume in new markets by developing feed for recirculating aquaculture systems ahead of other companies	



Please visit our website for details.
<https://www.feed-one.co.jp/english/csr/environment/tcfd.html>

Climate Change Action

Kitakyushu Aquatic Feed Factory

Introducing electric forklifts equipped with lithium-ion batteries

Aiming to reduce CO₂ emissions from fuel, we have introduced electric forklifts equipped with lithium-ion batteries at the factory. Compared to conventional diesel-powered models, these forklifts lower CO₂ emissions and running costs while maintaining high performance. We plan to roll out the forklifts gradually to other factories.



International assessment from an external organization

B score in CDP 2024 climate change category

In the climate change category of a corporate sustainability survey conducted by CDP, an international non-profit specializing in carbon disclosure, FEED ONE was awarded a B score, indicating that we are aware of our own environmental risks and impacts and taking actions.



Environmental Stewardship

Climate Change Action

Development of feed that lowers cattle methane emissions

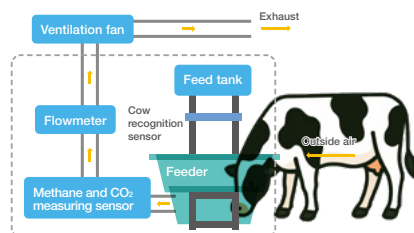
R&D capitalizing on adoption of the GreenFeed system, a methane breathalyzer for cattle

One kind of greenhouse gas, methane in cattle burps accounts for approximately 18% (as of FY3/2023) of the greenhouse gases emitted from cattle and other livestock in Japan's agriculture, forestry, and fisheries sectors. We recognize that developing feed that lowers methane emissions is essential for the stable supply of animal protein and the sustainable development of the livestock industry.

On the other hand, the precise measurement of methane emissions for development purposes entails considerable cost and effort, and because the measurements are conducted in a sealed environment, the cattle themselves carry the heaviest burden of this process. To address this issue, in July 2023, we were the first company in Japan to install C-Link's GreenFeed system at our research labs and have been using it to advance research.

The device operates by activating a fan when a cow puts its head into the feeding trough, allowing it to collect a sample of exhaled breath for the precise measurement of emissions. Furthermore, our research has revealed that by using highly palatable feed these measurements can be made without any special need to habituate the cows to the GreenFeed system. Going forward, we will continue to develop technologies for reducing methane that can be easily replicated and feed that is suited to actual production sites. By combining this with data on milk yields, we will develop feed that boosts productivity while reducing methane, contributing to greater productivity and profitability in the supply chain and to lower greenhouse gas emissions.

How GreenFeed works

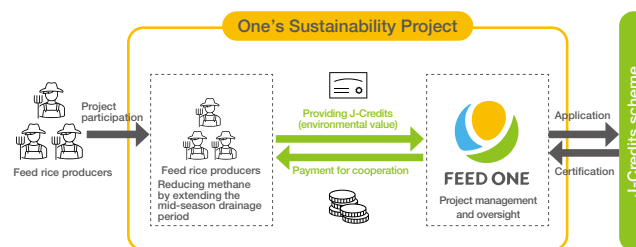


Collaboration with feed rice growers

Creating environmental value by extending the mid-season drainage period

In Japan, CO₂ emissions from rice farming account for approximately 27% of all emissions in the agriculture, forestry, and fisheries sectors (FY3/2023). The government has set a GHG reduction target for farmland soil, aiming for a reduction of 1.04 million tons of CO₂ by FY3/2031 (vs. FY3/2014).

We use feed rice as an ingredient in our formula feeds. In FY3/2025, we launched a project to create environmental value by extending the mid-season drainage period to reduce methane emissions in the rice paddies of feed rice producers. By using this feed rice as an ingredient in our formula feed, we are helping to reduce greenhouse gas emissions in the supply chain. In FY3/2025, this initiative led to FEED ONE's first carbon credit recognition (1,582 tons-CO₂). We will use the environmental value generated through this project in the form of J-Credits, which are offsets of avoided emissions counted as contributions to emissions reductions. Feed rice producers will be able to lower their greenhouse gas emissions while also earning profit through the generation of credits.



Kitakyushu Animal Feed Factory

Adoption of renewable energy sources

Beginning in May 2025, the Kitakyushu Animal Feed Factory began using renewable energy for all its electricity needs. Along with the Kitakyushu Aquatic Feed Factory, which switched entirely to renewable energy in April 2024, this means that two of our factories in Japan have achieved complete renewable energy status.

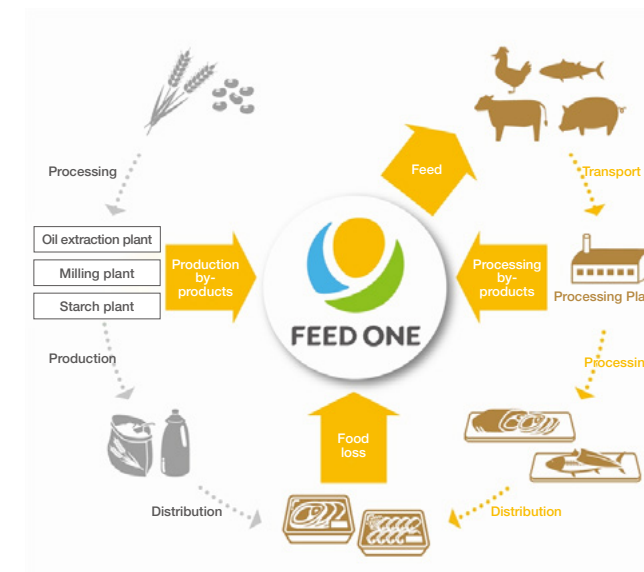
Resource Conservation

Effective use of food by-products

In the production of edible vegetable oils and wheat flour, inedible parts (food by-products) such as soybean oil cake and bran are generated. We are contributing to food recycling by effectively utilizing these by-products as ingredients in formula feeds.

Reducing food loss and waste

Businesses and households in Japan in FY3/2024 generated around 4.64 million tons of "food loss"—food that is still edible but discarded. Faced with the challenge of reducing food loss, we make use of "fried meal"—a by-product that has been heat-treated and dried—as an ingredient in animal feed to maximize the effective use of limited resources.



Toward a Sustainable Livestock and Fisheries Industry

The FEED ONE Group develops and sells products and services that contribute to preserving natural resources and resolving the social issues faced by the livestock and fisheries industry, thereby strengthening our competitive advantage. By also promoting consumption of domestic livestock and fisheries products and providing opportunities for learning about the livestock and fisheries industry, we aim to nurture the kind of human resources who will lead the livestock and fisheries industry into the future and realize a sustainable livestock and fisheries industry.

Preserving Marine Resources

Development and sale of low-fishmeal and fishmeal-free aquatic feed

Fishmeal, the main ingredient in aquatic feed, is produced from sardines and other wild fish. From the standpoint of preserving marine natural resources, though, there is a need to reduce this dependence on fishmeal. Against this backdrop, the Company is working to reduce the amount of fishmeal we use in aquatic feed. *Madai DP Sustena ZERO*, our fishmeal-free feed for red sea bream, now has the highest sales volume of any of our red sea bream feeds. We aim to contribute to the realization of sustainable aquaculture by developing low-fishmeal feeds for other fish species as well.



Utilizing insect protein

Insect protein has garnered attention in recent years as a recyclable resource with a low environmental footprint. FEED ONE is undertaking research into the use of insect protein as one means of reducing our reliance on fishmeal in aquatic feed. We confirmed that when farmed fish are given feed containing defatted mealworm, a type of insect protein, there is a marked increase in the amount of fish skin mucus. This increase in fish skin mucus is expected to confer protection against invading pathogens, helping to create a healthy breeding environment for farmed fish (patent pending since July 2024). We plan to continue exploring the potential of insect protein by further verifying its functions.



Contributing to the Livestock Industry through Our Products and Services

Development and sale of heat stress mitigation feed

Record-breaking heat of late has led to decreases in farmed animals' feed consumption and reproductive ability, resulting in a sharp fall in productivity. FEED ONE is working to develop and sell heat stress mitigation feed that will help animals regulate their body temperature through sweating and encourage them to drink, while also including ingredients with antioxidant properties.



Renewal of *SowManna* heat control supplement for breeding pigs, 30 years from launch



Addressing social issues faced by livestock industry

In recent years, the livestock industry has grappled with serious social issues in the form of aging producers and labor shortages. FEED ONE is endeavoring to solve these issues by introducing new technologies to the livestock industry and undertaking research and development regarding animal husbandry techniques.

(1) Development and launch of dedicated feed for automatic milking systems

Advances in smart livestock farming have seen more and more dairy farmers adopt automated milking systems (AMS). While AMS generate significant labor-saving benefits, there are also challenges in terms of efficient operation and training dairy cows to accept the equipment. FEED ONE has developed and launched a dedicated feed that is effective in habituating dairy cows to AMS. We also offer support to producers, including dissemination of AMS and feed management advice based on AMS data analysis.

(2) Providing genomic analysis service for dairy cows

FEED ONE was the first domestic feed manufacturer to introduce a genomic analysis service for dairy cows. With this service, DNA analysis can be used to quantify dairy cows' genetic potential (in such terms as body weight and milk yield) when they are still calves, enabling swift identification of cows destined to be highly productive. Results from DNA analysis also can be used to propose cattle feed plans, thereby improving production and farmers' business management.

Contributing to the Livestock and Fisheries Industry through Career Education Support and Food Donations



Visits to schools and company visits

In our career education for the elementary, junior high, and high school students who will lead the next generation, we provide classes in schools to get students thinking about issues facing the feed industry and livestock and fisheries industry, as well as offering work experience opportunities to showcase our efforts toward the SDGs. By enhancing students' understanding of industries and social issues that they are rarely exposed to in their daily lives, we create opportunities for students to select future career paths and become involved in society.



Food and nutrition seminars

FEED ONE holds food and nutrition seminars for local junior and senior high school students. There, we draw on our knowledge as a feed manufacturer to explain the structure of the food value chain up to the point where livestock and marine products reach the dining table, and elucidate the differences between domestically produced and imported products and farmed and wild products. Not only do these learning experiences foster students' ability to make their own food choices, but also, they show that taking an interest in and actively consuming domestic livestock and marine products effectively supports producers. It is our hope that these activities instill understanding and support for the livestock and marine products industry among the children who will forge the future, while also promoting sustainable consumption of domestic livestock and marine products.

Food donations

As a company involved in food, FEED ONE supports households in need of food and donates long-life milk to local food banks and children's cafeterias. By donating milk, a product related to our business, we are also helping to promote milk consumption, which has trended downward in recent years.

Respect for Human Rights

Concept and Policy

The FEED ONE Group recognizes that respecting the human rights of our employees, business partners, and all other stakeholders involved in our business activities is essential to realizing a sustainable society. We established our Human Rights Policy in 2022 to further clarify our approach to respecting human rights and to strengthen our efforts in this area.

In accordance with the basic policy of “respect for human rights and ban on discrimination and harassment” set forth in the FEED ONE Group Employee Code of Conduct, we require all group companies to conduct sincere business in compliance with laws and regulations and with respect for human rights. This policy applies to all the Group's officers and employees, with respect for human rights as set out in the International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work. The policy aims to promote initiatives based on the United Nations Guiding Principles on Business and Human Rights and drive respects for human rights in cooperation with business partners and other related parties under the supervision of the Board of Directors.



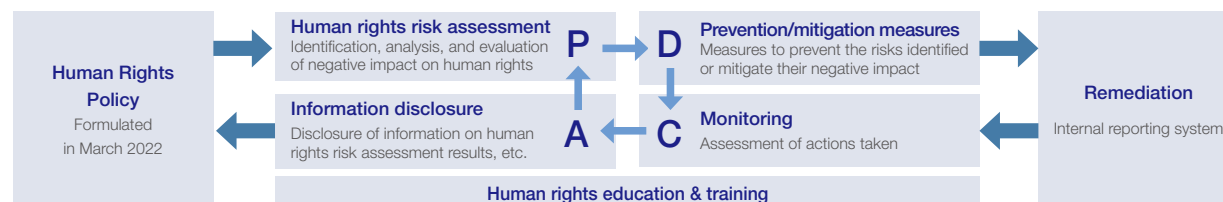
Human Rights Policy

https://www.feed-one.co.jp/english/csr/social/human_rights.html

Governance

The Sustainability Committee takes the lead in promoting initiatives concerning respect for human rights. The committee regularly reports on these efforts to the Board of Directors, which supervises and provides advice on these initiatives.

Human Rights Due Diligence Process



Human Rights Due Diligence

Identification of Human Rights Risks

With due consideration for the characteristics of our business, we held interviews within the Company and with some group companies to identify and assess the human rights risks relevant to our operations. In this manner, we identified seven significant human rights risks and formulated countermeasures for each. In the process of identifying these human rights risks, we had advice from an outside expert.

Currently, we are working toward mitigating and preventing risks via the action policies we formulated.

Significant Human Rights Risks and Our Initiatives

Subject of human rights violation:
● The Company ▲ Suppliers
■ Community residents, consumers, etc.

Major human rights risk identified	Subjects	Initiatives
Rights of workers and community residents in the supply chain (assuming human rights violation including child labor, forced labor, and land rights violation)	▲ ■	<ul style="list-style-type: none"> Establish a management scheme of suppliers in accordance with a procurement policy 1. Develop a procurement policy and communicate it to suppliers 2. Examine the status of their compliance with the policy through questionnaires, etc.
Forced labor and indentured labor	●	<ul style="list-style-type: none"> Conduct actual condition surveys of foreign technical intern trainees
Harassment (power/moral harassment)	●	<ul style="list-style-type: none"> Conduct compliance training (e-learning)
Occupational health and safety at Company factories	● ▲	<ul style="list-style-type: none"> Enhance occupational health and safety training
Long working hours, overwork	●	<ul style="list-style-type: none"> Monitor working hours
Community residents rights pertaining to operation of Company facilities	■	<ul style="list-style-type: none"> Install environmental safety equipment and inspect the same
Consumers' safety and their rights to know	■	<ul style="list-style-type: none"> Maintain ISO 22000-compliant (in some cases, FSSC 22000-compliant) management systems at affiliated food companies Conduct regular audits through the Quality Assurance Division

Supply Chain Initiatives

In FY3/2025, we conducted a questionnaire-type survey of our leading raw material suppliers in terms of transaction value. The survey items referenced our Supply Chain Initiatives Policy and in addition to respect for human rights initiatives in areas such as harassment, labor, and occupational health and safety, they included environmental initiatives in areas such as climate change. We elicited responses from all target companies, and did not learn of any serious human rights violations.

Going forward, we will expand the number of target companies to gain a better grasp of actual circumstances across the supply chain.



Supply Chain Initiatives Policy (Japanese Only)

<https://www.feed-one.co.jp/csr/social/pdf/index-02.pdf>

Actual Condition Surveys of Foreign Technical Intern Trainees at Affiliated Companies

We investigated the employment status of foreign technical intern trainees at affiliated companies, and checked these companies' compliance with the relevant laws and regulations. We found no issues with either compliance or trainee treatment.

Education and Training

The Group conducts e-learning for all employees, to provide compliance training on subjects including harassment. To raise awareness of respect for human rights throughout the Group, we also offer video training on Business and Human Rights for employees of the Company and its affiliates.

Human Resource Management



Basic Approach

FEED ONE's management philosophy is built on the concept of PMVV (Purpose, Mission, Vision, and Values) (see P.2). Our Purpose, Mission, and Vision are underpinned by the employees who embrace our Values, and we believe that the Company's sustainable development rests on our ability to foster human resources who embody these Values. Against this backdrop, we identified "Developing human resources—Create a work environment in which all people can play an active role and develop human resources to create new value" as a key materiality related to human capital, establishing three associated "One's Actions" as specific initiatives for realizing this materiality (see diagram at right). The above initiatives are linked also to the key measures for continuously strengthening profitability outlined in our Medium-term Management Plan.

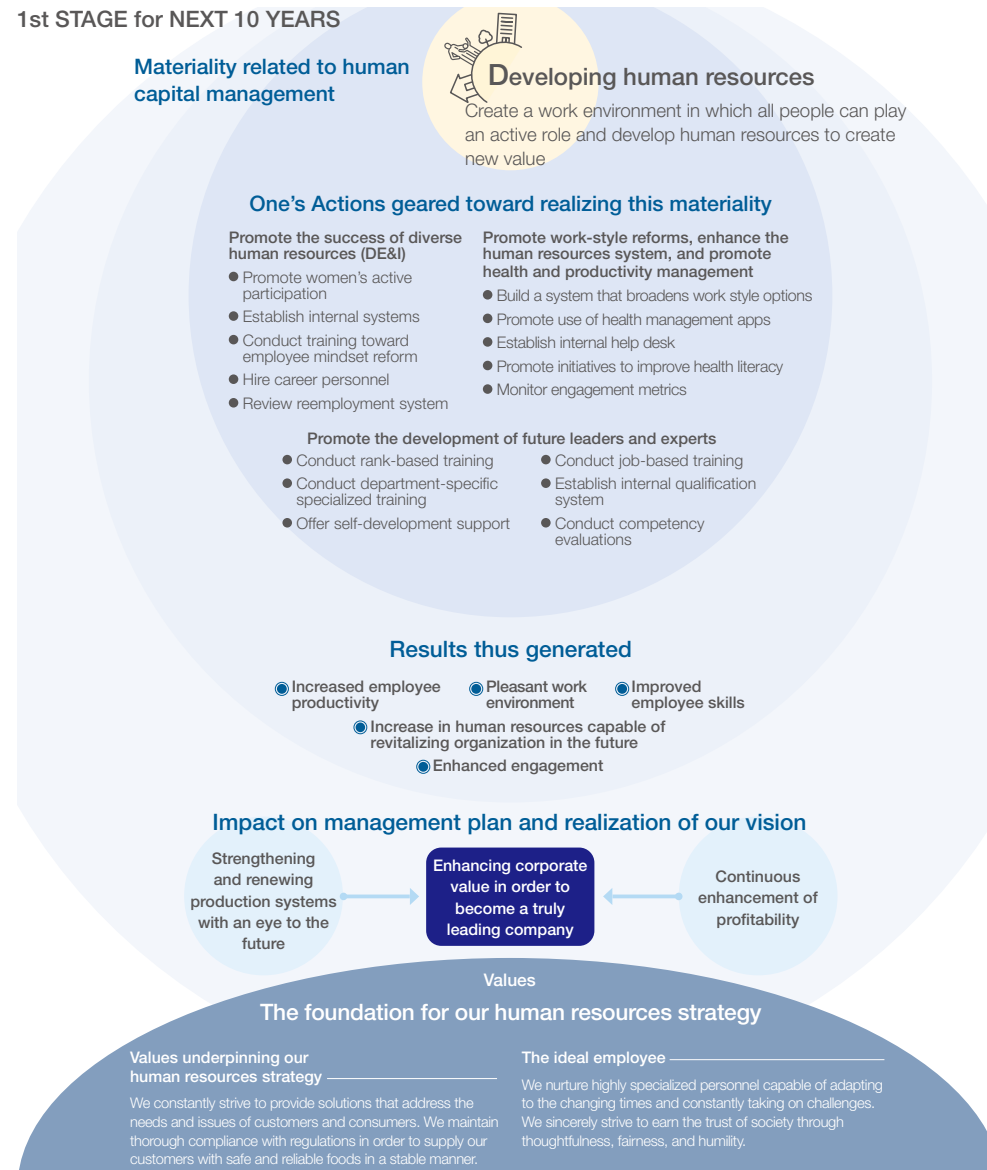
Enhancing Engagement through One's Actions

In order to improve employee productivity, we consider it essential to create a highly engaged work environment to ensure that all employees are motivated and able to fulfil their potential in a healthy and lively manner. We endeavor to create a comfortable and rewarding work environment by continuously monitoring related indicators and flexibly adjusting our One's Action initiatives as needed.

Toward Enhancing Our Corporate Value

We recognize the importance of human resource management, including optimal personnel placement and training, in laying the foundations for business growth. We are particularly aware of our important responsibility, as a company responsible for food infrastructure, to secure and nurture the production department and digital transformation (DX) promotion personnel needed for sustainable development of the livestock and fisheries industry. We seek to enhance our corporate value by steadily working toward the ideal form for our people and organization.

Human Resource Strategy Linked to Materialities in Medium-term Management Plan 2026 - 1st STAGE for NEXT 10 YEARS



Human Resource Management Promoting the Success of Diverse Human Resources (DE&I)

Policy

For the Company to achieve sustainable growth, we consider it essential that employees with diverse backgrounds recognize and respect one another, and that their individual abilities and experiences are fully utilized. We seek to build a workplace in which each and every employee can fulfil their potential and thrive, and to that end we have placed particular emphasis on the following initiatives.

Initiatives

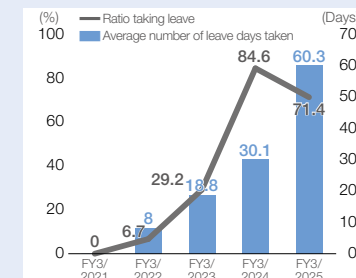
Key themes related to DE&I	Related initiatives
Promoting women's active participation	Example: Female career design training To build a system that flexibly accommodates diverse work styles and to enhance skills and promote human interaction, young female employees from across the country gather to exchange opinions on various challenges and issues unique to women. These opinions are shared with executives and used as reference for improving the workplace environment and designing human resource systems.
Male employees' participation in childcare	Example: Promoting internal awareness of parental leave and making parent leave paid We are promoting awareness of the parental leave system and providing training for division heads to create an environment where male employees can easily request leave. In addition, we have introduced a system that allows employees to save up to 60 days of unused annual paid leave as reserved paid leave. Under this system, parental leave is now included as a reason for taking reserved paid leave, allowing employees to take paid parental leave instead of unpaid leave, thereby reducing financial concerns and enabling them to focus on childcare.
Changing employees' mindset and fostering a new corporate culture	Example: "My Career Design" training It is essential that all employees perceive childcare, nursing care and other life events as something that could happen in their own lives rather than dismissing these events as only affecting the employees in question. To further promote female participation and diversity, we believe that it is crucial to reform employees' mindset from the top down. To that end, all employees of manager status or above undergo training that includes discussions. This has fostered a culture of supporting employees in various circumstances at the department level.
Hiring diverse human resources	Example: Compliance training Since FY3/2020, we have been conducting compliance training for all employees to raise awareness of compliance, including ethics and morals. We aim to foster compliance awareness in all employees, by including compliance items in the behavioral characteristics section of competency evaluations.
	Example: Hiring career professionals We are also actively engaged in recruiting specialists and widely experienced career professionals from outside the Company. To begin with, we plan to place particular emphasis on recruitment of personnel for the production department.
	Example: Promoting active participation by senior personnel We began overhauling our reemployment system in April 2025, with a view to building a workplace that fully leverages the capabilities of senior personnel. We are promoting active participation by senior personnel, encouraging them to take initiative and aid in training younger workers.

Main KPIs

Ratio of female managers and female full-time employees

	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Ratio of female managers (%)	1.6	1.7	1.1	1.9	2.2	2.1
Ratio of female full-time employees (%)	18.5	18.7	19.7	20.0	20.5	20.8

Ratio of male employees taking parental leave and average number of leave days taken



Number of people hired

	FY3/2020		FY3/2021		FY3/2022		FY3/2023		FY3/2024		FY3/2025	
	New graduates	Mid-career hires	New graduates	Mid-career hires	New graduates	Mid-career hires	New graduates	Mid-career hires	New graduates	Mid-career hires	New graduates	Mid-career hires
Males	17	14	14	2	18	0	10	1	13	3	21	3
Females	8	7	3	2	8	0	4	1	9	0	8	3
Percentage of female hires	32.6%		23.8%		30.8%		31.3%		36.0%		31.4%	

Voice

Diversity is critical for company growth

To ensure the sustainable growth of our Company, we place importance on engaging in diversity promotion so that each and every individual can demonstrate their strengths and thrive.

Our materiality concerning human capital management contains the phrase "Create a work environment in which all people can play an active role." This is based on our conviction that a workplace enabling employees with wide-ranging attributes, knowledge, and experience to work together enthusiastically will ultimately enhance employee productivity and in doing so contribute to corporate value.

As we still have some way to go in this respect, we will continue striving to foster a good organizational culture by improving the work environment through human resource system reforms and various training programs, and raising employee awareness.



Yukari Takahata
Deputy General Manager,
Human Resources
Division

Human Resource Management Promote Work-Style Reforms, Enhance the Human Resources System, and Promote Health and Productivity Management

Policy

We believe in promoting work styles that respect work-life balance and accommodate diverse family structures and working styles, because it increases the range of choices available to employees and allows them to work with motivation and a sense of fulfillment. To achieve this, we are working to create a workplace environment where it is easy for employees to use our systems, while fostering a spirit of collaboration among all employees.

Work Styles Adapted to Life Events and Lifestyles

We have introduced systems that provide more work style options so that employees can continue to work at the Company even when life events happen or their lifestyles change. Starting in April 2024, we also established a new allowance aimed at improving the working conditions of employees who relocate due to a transfer. This allowance rewards such employees by affording them greater flexibility in choosing a residence that will suit their individual lifestyles.

Measures related to diversity promotion and reform of work styles to accommodate life events and lifestyles

Measure	Description
Reduced working hours during childcare period	Available until the child completes third year of elementary school
Life event system	Exempts employees from relocation for a certain period, regardless of the reasons
Pair transfer system	Allows married employees to transfer in order to work in the same area as their spouse
F leave (menstrual leave)	Provides up to two days of paid leave per year, under an innocuous name
Support for early return to work after parental leave	Career development support in form of childcare cost subsidies
Babysitting assistance	Provision of discount coupons for use when hiring babysitters
Return-to-work system	Reemployment system for former employees who left the Company for marriage, childbirth, childcare, spouse's transfer, nursing care, or job change in pursuit of self-fulfillment

Health and Productivity Management

We regard employees as our most important asset. We practice health and productivity management to maintain and improve employee health with a view to improving labor productivity, and to grow sustainably as a company that is a good place to work.

We support physical and mental health by such means as holding walking campaigns to promote exercise (using a health and productivity management app that is linked to employees' life logs), prohibiting smoking during working hours, and monitoring employees with health problems through internal and external consultation with public health nurses and industrial physicians, and through EAP (our Employee Assistance Program). We also seek to improve employees' health literacy through e-learning courses dedicated to health and productivity management. In this manner, we are endeavoring to create an environment that fosters understanding of work styles accommodating life events such as women's health challenges and childcare.

Our health and productivity management efforts have been recognized externally. Since 2021, we have been certified for five consecutive years as a Kenko Investment for Health Outstanding Organization by the Ministry of Economy, Trade and Industry in conjunction with Nippon Kenko Kaigi. In 2025, we were selected among the top 500 enterprises (known as the "White 500") in the Large Enterprise Category.

Employee Engagement Survey

In order to improve employee productivity, we believe it is important to build a highly engaged work environment that allows employees to work proactively and with a sense of fulfillment and vitality.

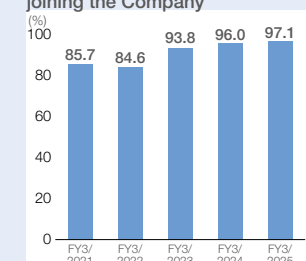
On this basis, we began conducting an annual survey in FY3/2024 to provide quantitative indicators of employee engagement. We will continue to monitor engagement indicators as we endeavor to create a comfortable and rewarding working environment.

Main KPIs

Turnover Rate



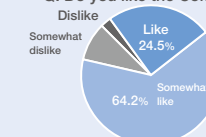
Retention rate within three years of joining the Company



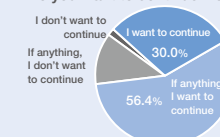
Paid leave and summer vacation usage rates

	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Paid leave usage rate (%)	54.3	59.3	66.8	65.6	66.2
Summer vacation usage rate (%)	96.6	96.8	97.8	95.9	95.9
Average number of paid vacations days taken per year	11.2	12.3	14.0	13.6	13.7
Average number of summer vacation days taken	2.9	2.9	2.9	2.9	2.9
Total	14.1	15.2	16.9	16.5	16.6

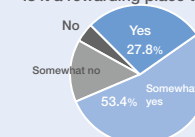
Q: Do you like the Company?



Do you want to continue working here?



Is it a rewarding place to work?



Voice

I came back to FEED ONE through the return-to-work system, and I am glad to be able to do my job while sharing a connection with people

I joined the Company as a career-track employee subject to transfer anywhere in Japan. I subsequently gained experience in sales, but decided to switch to a job that doesn't involve transfers as I value spending time with my family. Later, though, I took advantage of the return-to-work system as, even after my departure, I was touched by the warmth shown by people inside and outside the Company, and I wished to work again with the superiors, colleagues, and customers with whom I had interacted. Although my new job is close to home, initially I was anxious about working for a department where I had no experience. Since my return, though, I have received a great deal of support from those around me, and I feel like my work horizons are expanding. Above all else, I am delighted to be working in a place where I share a strong connection with the people.



Hiroya Kodama
Assistant Section Chief,
Product Management
Section
Aquatic Feed Division

Human Resource Management Promoting the Development of Future Leaders and Experts

Policy

On the premise that employee growth is critical to the Company's sustainable development, we are taking a systematic approach to employee education and providing support for self-fulfillment, in order to develop the kind of human resources who can energize the organization going forward. In FY3/2026, we established a job-based training system to nurture the next generation of leaders and experts.

Rank-based Training System

As employees reach certain ranks, we provide them with ranked-based training with a view to bringing their skills up to a level commensurate with their rank, thereby supporting development of next-generation leaders and the growth of each and every employee.

Skills required at each level

Training type	Target participants and purpose	Capabilities and skills to be improved through training
Senior manager training	Selective development of next-generation leaders	<p>< Conceptual skills > Logical thinking, problem definition and problem solving, problem representation, etc.</p> <p>< Human skills > Communication, coaching, listening, guidance and training for subordinates, leadership, etc.</p> <p>< Technical skills > Business etiquette, business knowledge, time management, etc.</p>
New manager training	Developing the management skills of newly appointed managers	
Manager training	Developing the conceptual skills required of next-generation managerial candidates	
Training for mid-career employees	Developing the human skills required of mid-career employees in their 30s	
Young employee training	Developing the technical skills expected of employees in their fifth year at the Company	
Training for new and second-year employees	Understanding the business and formulating one's own vision	

In our rank-based training, we support employee growth through skill development according to rank, using the Katz model shown in the table above to identify the skills that employees need to develop.

Job-based Training

In FY3/2026, we began work on building a job-based training system in order to develop human resources capable of filling the roles expected of each job type. We believe that optimizing training content to suit career-track employees, engineers, and general-track employees will help the people of each job type to improve their abilities and skills and play an active role in the Company's future. Through this overhaul of our education system, we are supporting the creation of a work environment that will serve as a foundation for the next ten years.

In FY3/2026, we also commenced a revamp of the type of training content that employees can learn ahead of schedule rather than waiting until they reach the rank above, thereby raising the overall level of our training. Through such training, employees acquire the skills they need to reach the next rank, while we develop human resources capable of assuming responsibility for the Company in the future. In Senior Manager Training, which represents the highest level of our rank-based training, we now take a selective approach to identifying candidates, rather than the previous seniority-based approach. The aim of this training is to aid the chosen candidates in developing and demonstrating management skills and leadership.

Specialized Training

Each department conducts training aimed at enhancing employees' expertise and turning them into experts. As initiatives to help sales representatives acquire specialized knowledge in areas such as nutrition, physiology, and management, we hold livestock and fisheries management instructor exams as well as in-house study sessions, and overseas tours. We also hold study sessions on production systems and the relevant laws and regulations, and we think a culture of enhancing employee expertise is now deeply rooted across the Company.

Competency Evaluations

With the view that realization of our Values is essential to the Company's sustainable development, we have introduced competency evaluations to assess behavioral characteristics. We created competency requirements based on positions and grades to assess the ability of managers to carry out their duties, and for non-management employees to perform their work based on their job qualifications. To prevent discrepancies in personnel evaluations among evaluators, we provide assessment training for managers who conduct evaluations and training for employees being evaluated to ensure they understand the purpose and concepts of their evaluation.

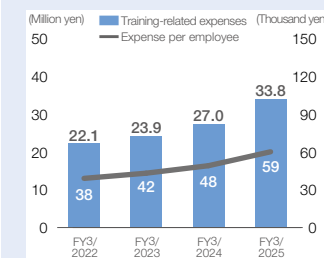


Young employee training

Young employees attend two in-person training sessions taking place over two days and one night. The training is geared toward improving participants' practical skills through case study-style group discussions. Midway through the training, employees have the opportunity to put what they have learned into practice in their daily work, the aim being to bring about behavioral changes post-training.

Training-related expenses

Training-related expenses



Voice

Precisely because there is no objective standard for employee training, I think it is necessary to remain open-minded and consider all possibilities

In FY3/2026, we set out to revamp the entire training system with a view to building a foundation to support the Company's future growth. First, we organized our rank-based training by job type and also introduced selective training. Training is one of the elements that will shape not only the Company's future, but also the future of each employee. We seek to create a training system that leaves participants with a sense of satisfaction and feeling of personal growth, enabling them to take the next step.



Moemi Nishikawa
Senior Staff, Recruitment
and Training Section
Human Resources Division

Corporate Governance

Basic Policy and Framework

The Group regards corporate governance as a management priority. Our basic policy is to establish an optimal management structure to ensure efficient, transparent, and sound management practices to gain the trust of stakeholders, including shareholders, customers, business partners, local communities, and employees, while striving to increase corporate value.

Please visit the link below for more information about our corporate governance.



Corporate Governance Report

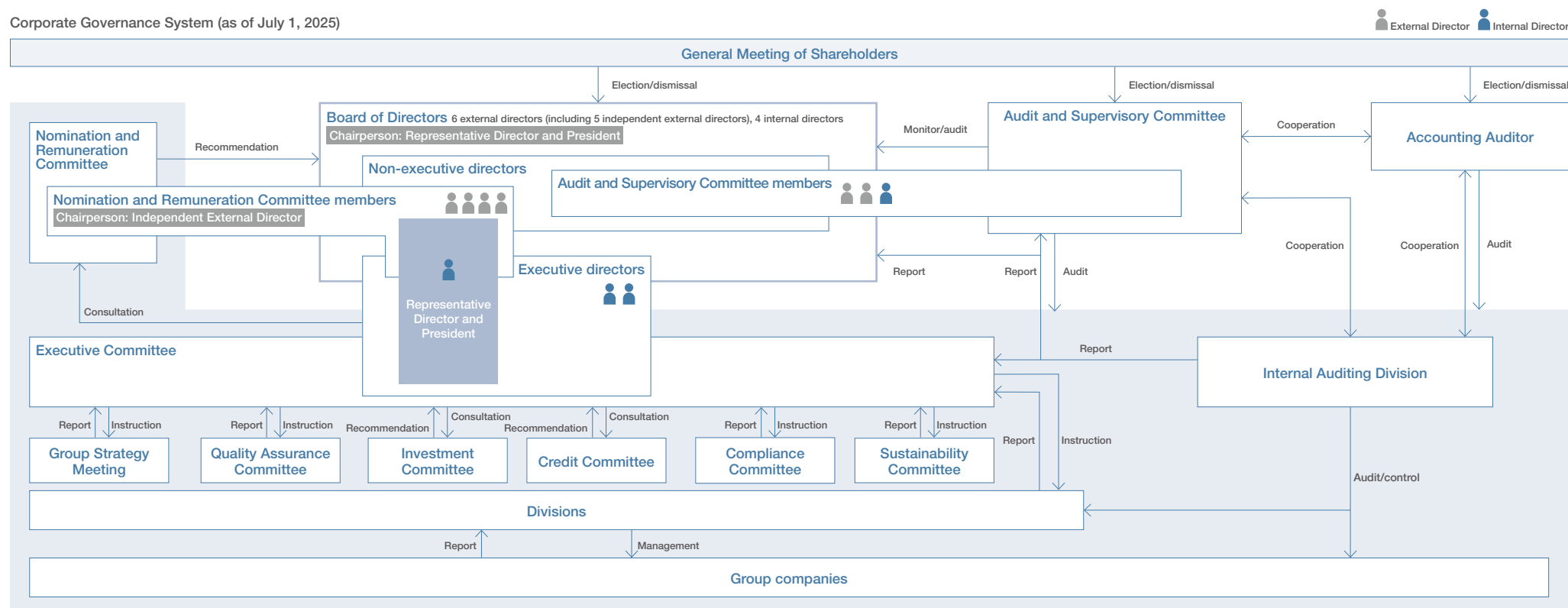
<https://pdf.irpocket.com/C2060/CG2x/XuJZ/HV4y.pdf> (Japanese only)

Timeline of strengthening corporate governance

Transition to a company with an Audit and Supervisory Committee in FY3/2025; appointment of lead independent external director in FY3/2026

	FY3/2016	FY3/2019	FY3/2020	FY3/2023	FY3/2024	FY3/2025	FY3/2026
Board of Directors	Establishment of Nomination and Remuneration Meeting (chaired by an external director), which was reorganized into Nomination and Remuneration Committee in FY3/2021 One female director appointed One corporate manager appointed						Appointment of lead independent external director Transition to a company with an Audit and Supervisory Committee
Number of directors	10	8	9	10	9	10	10
Number of external directors	3	3	4	5	5	6	6
Ratio of independent external directors	20.0%	25.0%	33.3%	40.0%	44.4%	50.0%	50.0%
Key initiatives	Introduction of performance-linked remuneration Introduction of stock-based remuneration plan Introduction of effectiveness evaluation by a third party					Review of performance-linked remuneration (adoption of capital efficiency indicators) Review of stock-based remuneration plan (introduction of RS Trust incentive plan, remuneration linked to Medium-term Management Plan performance) Review of executive evaluation system Establishment of succession planning guidelines Abolishment of consultant and advisor system	

Corporate Governance System (as of July 1, 2025)



Corporate Governance

Deliberations of the Board of Directors

The Board of Directors has adopted a structure under which it formulates the Group's strategies and supervises business execution, with the aim of sustainable growth and the enhancement of medium-to-long-term corporate value. The following topics were discussed in detail in FY3/2025.

Item	Description
Frequency of meetings	In principle, monthly (17 meetings held in FY3/2025)
Specific topics discussed	<div><div><ul style="list-style-type: none">Construction of new aquatic feed factoryReorganization of feed sales subsidiariesProgress in Medium-term Management PlanEvaluation of the effectiveness of the Board of DirectorsInformation disclosure in line with TCFD recommendationsCredit portfolioCapital cost management</div><div><ul style="list-style-type: none">Strategic shareholdings and the significance of holdings for investment purposesDialogue with investorsDividend policyHuman resources strategy and employee engagementQuicker quarterly settlementIT securityOperational status of new backbone systemOccupational health & safety, workplace accident occurrence and response</div></div>

In July 2023, we implemented changes to the criteria for presenting items to the Board of Directors. We allocated more time to in-depth discussions on medium- and long-term strategies and sustainability initiatives, which have enhanced the deliberations of the Board.

Policy and Procedures for Nomination of Directors

In selecting senior executives and nominating directors (excluding directors who are Audit and Supervisory Committee members), we consider the overall capabilities, qualities, and achievements of each candidate, while for the nomination of external directors, our policy is to appoint individuals who can provide opinions from an objective standpoint. Furthermore, regarding the nomination of candidates for directors who are Audit and Supervisory Committee members, our policy is to comprehensively consider their capacity to appropriately supervise the execution of duties by directors (excluding directors who are Audit and Supervisory Committee members) and to prevent violations of laws and regulations or the Company's Articles of Incorporation, as well as

their ability to conduct audits neutrally and objectively, thereby contributing to the soundness of management

In line with the above policy, the Company established the Nomination and Remuneration Committee, which is spearheaded by the lead independent external director, to review the appropriateness of the candidate screening process and remuneration for directors (excluding directors who are Audit and Supervisory Committee members).

For director candidates who are not Audit and Supervisory Committee members, decisions are made by the Board of Directors with reference to recommendations from the Nomination and Remuneration Committee. For candidates who are Audit and Supervisory Committee members, decisions are made by the Board after receiving recommendations from the Nomination and Remuneration Committee and obtaining the approval of the Audit and Supervisory Committee.

Role of Independent External Directors in Protecting Interests of Minority Shareholders

Mitsui & Co. holds 25.72% of FEED ONE's voting rights, and FEED ONE is an equity-method affiliate of Mitsui & Co. Mitsui & Co. is also an indispensable partner for us, as we utilize its international network to stably procure large quantities of the raw materials that are essential to our products, and it also provides us with information on new technologies in the overseas livestock and fisheries industry. We disclose our specific relationship with Mitsui & Co. to the Tokyo Stock Exchange, as a matter concerning controlling shareholders.

Five of the ten Board of Directors members are independent external directors who represent the Company's minority shareholders. These independent external directors also verify the economic appropriateness of transactions with Mitsui & Co. More specifically, raw material purchasing prices are determined on the basis of transactions with multiple companies at prevailing market prices, leveraging the principle of market competition. The Board of Directors verifies the economic appropriateness of transactions with Mitsui & Co. on the basis of periodic reports from the Company's purchasing department on the purchase prices of raw materials, including those from Mitsui & Co., and the weighting of purchases from that company. When the Board of Directors makes investment decisions, our independent external directors represent the interests of minority shareholders and indeed all stakeholders. Independent external directors accordingly attend important meetings such as Executive Committee meetings, Group Strategy Committee meetings, animal feed business division meetings, and aquatic feed business meetings, in order to deepen their understanding of business content and the status of business execution. They also conduct regular on-site inspections of the Company's business sites and those of Group companies.

Makeup of the Board of Directors/Skills Matrix

For details, please visit the link below.
<https://pdf.irpocket.com/C2060/HgJ1/Lt1O/LAo7.pdf>

Name	Title	Attendance at Board meetings	Attendance at Nomination and Remuneration Committee meetings	Attendance at Audit and Supervisory Committee meetings	Skills							
					Corporate management	Industry knowledge (livestock, feed, etc.)	Sales	Finance, accounting, economics, financial affairs	Legal	Global business	Academia	DX
Hidehiro Shoji	Representative Director and President	(17/17)	(12/12)		●	●	●			●		
Kazuo Kubota	Director	(17/17)				●	●	●		●		
Yoshinao Tashiro	Director	(17/17)				●	●					
Kikue Kubota	External Director (Independent)	(17/17)	(12/12)								●	
Takao Tsuji	External Director (Independent)	(17/17)	(12/12)		●					●	●	●
Yasushi Handa	External Director (Independent)	(17/17)	(12/12)						●		●	
Kaku Yoshisato	External Director	(13/13) ^{*1}	(9/9) ^{*1}			●		●		●		
Toru Aoyama	Director, Audit and Supervisory Committee Member	(13/13) ^{*2}		(13/13)		●		●				
Keizo Goto	External Director (Independent), Audit and Supervisory Committee Member	(17/17)	(12/12)	(13/13)				●		●	●	
Naohiro Chikada	External Director (Independent), Audit and Supervisory Committee Member	(13/13) ^{*2}		(13/13)				●				

^{*1} Kaku Yoshisato was appointed as a Director at the 10th Annual General Meeting of Shareholders held on June 21, 2024. The figure denotes the number of meetings he attended since assuming his position.

^{*2} At the 10th Annual General Meeting of Shareholders held on June 21, 2024, the Company transitioned to a company with an Audit and Supervisory Committee. Consequently, Audit and Supervisory Committee members Toru Aoyama and Naohiro Chikada stepped down from their positions as auditors and became directors who are also Audit and Supervisory Committee members. The figure denotes the number of meetings they attended since assuming their new position.

Corporate Governance

Evaluation of the Effectiveness of the Board of Directors

The Board of Directors conducts an annual survey, including self-evaluations, of all internal and external directors (including corporate auditors, prior to the transition to a company with an Audit and Supervisory Committee), with the aim of enhancing the functions of the Board and ultimately increasing corporate value. The results are analyzed and assessed to evaluate the effectiveness of the Board overall. In order to obtain objective opinions, we enlist the services of external organizations for support in analyzing the survey results and providing comparisons with other companies.

Results of FY3/2024 Evaluation

Analysis of the FY3/2024 survey demonstrated that even though the Board's supervisory function was deemed to be working adequately and a higher level of effectiveness had been achieved, there are some challenges that need to be continuously addressed going forward, such as addressing potential risks across the Group as a whole, enhancing IR activities, and reviewing the Board of Directors' composition.

Addressing Issues

- We initiated pre-sharing of Board of Directors' meeting agendas and reporting schedules, providing materials in advance.
- We established an Occupational Health and Safety Management Committee to identify companywide risk scenarios and address key risks (workplace accidents)
- The Nomination and Remuneration Committee formulated basic concepts and guidelines for succession planning, including the appointment and dismissal of directors and executive officers.
- The Nomination and Remuneration Committee held earnest discussions on the necessity and requirements for a lead independent external director, approving the establishment of this position at the Board of Directors' meeting held on May 8, 2025.

Major initiatives toward strengthening IR

- (1) Establishment of new organization dedicated to IR
- (2) External directors' attendance at financial results briefings, starting in FY3/2025
- (3) Release of first sponsored research report in FY3/2025
- (4) Having a Managing Executive Officer speak at IR meetings
- (5) Holding factory tours for institutional investors
- (6) Providing IR activity reports to directors on monthly basis



An external director attending a financial results briefing

Results of FY3/2025 evaluation

The evaluation of the effectiveness of the Board of Directors in FY3/2025 was analyzed, discussed, and assessed at the meeting of the Board on June 17, 2025. The following is an overview of the results.

Our analysis showed that there remain issues that need to be addressed on an ongoing basis, given the need for greater effectiveness following the transition to a company with an Audit and Supervisory Committee.

Issues identified

- Establishing an appropriate system for managing conflicts of interest with controlling shareholders
- Ensuring proper monitoring of potential risks across the Group and the methods for addressing them
- Fleshing out description of the skills required for directors to execute business strategies
- Analyzing reasons for dissenting votes at general shareholders' meetings and considering how best to respond
- Continuing to consider the composition of the Board, including diversity from a gender perspective

Based on the results of this effectiveness evaluation, we will continue to work on enhancing the Board's functions by properly examining these issues and addressing them swiftly

Matters Concerning Appointment and Dismissal of Candidates for Director (Including Executive Officers)

We formulated a basic stance on the appointment and dismissal of directors (excluding Audit and Supervisory Committee members) and executive officers, and created guidelines for future actions related to their appointment and dismissal.

1. Appointee (new appointee) requirements

Appointee requirements consist of (1) personnel requirements, (2) work experience requirements, and (3) performance requirements.

- (1) Basic qualities (business vision, management ability), outcome expectations, willingness & motivation
- (2) High level of expertise in relevant business activities and practical experience in corporate activities
- (3) Performance (track record)

2. Reappointment

When considering the reappointment of directors and executive officers whose terms of office have ended, we will determine the appropriateness of reappointing such individuals based on reassessment of the aforementioned selection requirements (personnel requirements, ability to fulfil role as demonstrated by work experience, and performance (track record)). Individuals will not be reappointed if it is determined that these selection requirements are not met.

3. Dismissal

Even if a director or executive officer has not reached the end of their term in office, their dismissal will be considered if they are involved in a scandal or facing disciplinary action. Decisions regarding dismissal will be based on the gravity of the scandal or disciplinary action.

The individual fulfilling the role of president must not only have a deep understanding of the business, but also be able to communicate appropriately with internal and external stakeholders. Essentially, we will assemble a pool of potential candidates from both inside and outside the Company and nurture their capabilities over the medium to long term.

Corporate Governance

Basic Design of Director Remuneration

Basic policies

We position the remuneration of directors (excluding external directors and directors who serve as Audit and Supervisory Committee members) as a key tool for achieving sustained growth, enhancing medium- to long-term corporate value, and pursuing sustainability. In FY3/2025, we undertook a review of the remuneration system. Remuneration is determined based on a transparent and fair process, in accordance with the following policies.

- In principle, the Company shall delegate the Nomination and Remuneration Committee, which is mainly composed of external directors, to decide on individual remuneration for directors. The remuneration shall follow a process that ensures the transparency and objectivity of the procedures for determining director remuneration.
- Remuneration shall be designed to be an incentive linked to short-term earnings based on business plans, and for the purpose of enhancing medium- to long-term corporate value based on Medium-term Management Plans.
- Similar companies shall be referenced so as to set remuneration amounts by position at a level that ensures the attraction and retention of talented individuals.

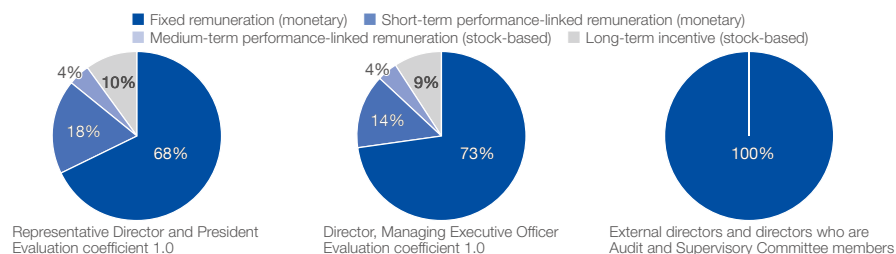
Makeup of remuneration

Remuneration for directors consists of monetary remuneration (fixed remuneration and short-term performance-linked remuneration) and non-monetary remuneration (medium-term performance-linked remuneration and long-term incentive remuneration). Remuneration for external directors and directors who are Audit and Supervisory Committee members consists of fixed remuneration only.

Based on the above policies, monetary remuneration and non-monetary remuneration are each calculated by comprehensively considering factors such as position, the achievement rate against earnings targets, division evaluations, the market environment, and social circumstances.

The payment ratio for each type of remuneration is determined by the Nomination and Remuneration Committee, taking into consideration the balance between monetary remuneration and non-monetary remuneration, as well as a comparison with the remuneration of other companies in the same industry or companies of similar size.

Weightings



Fixed remuneration

The fixed remuneration for directors corresponds to monetary remuneration, which is paid as a fixed amount on a monthly basis. Revisions to fixed remuneration are determined primarily based on changes in position or role, taking into account changes in business conditions and circumstances affecting remuneration levels.

Variable remuneration

In order to clarify the performance evaluation of each director while broadly taking into account fluctuations in business environment factors and risks related to equity-method affiliates, we have set the performance-linked remuneration indicators as follows. For short-term performance-linked remuneration (monetary compensation), the indicators are EBITDA and ROIC (return on invested capital) in consolidated business plans. For medium-term performance-linked remuneration (non-monetary compensation), the indicators are EBITDA, ROE (return on equity), CO₂ reductions, and employee engagement scores in Medium-term Management Plans. In addition, stock-based remuneration is paid every year as a long-term incentive according to position.

Performance-linked remuneration is set with a variable range from 0% to 150%, depending on the achievement of the targets for each indicator.

The weighting of variable remuneration in the total amount of individual remuneration is structured within a range of 10% to 39%, depending on performance-linked remuneration. The weighting of non-monetary remuneration in the total amount of individual remuneration is structured within a range of 10% to 15%.

Type	Period	Payout format	Payout timing	Evaluation unit	KPIs
Short-term performance-linked remuneration	One fiscal year	Cash	Annually	Entire company & each business division	1. EBITDA 2. ROIC
Medium-term performance-linked remuneration	Three years	Shares	Every three years	Entire company	1. EBITDA 2. ROE 3. CO ₂ reductions 4. Employee engagement scores

Reference: Total amount of remuneration by officer type and remuneration type, and number of eligible officers

Category	Total remuneration (¥ million)	Total remuneration by type (¥ million)			Fixed remuneration
		Performance-linked remuneration	Non-monetary remuneration	Number of eligible officers	
Directors (excluding Audit and Supervisory Committee members and external directors)	120	89	19	12	4
Directors (Audit and Supervisory Committee members) (excluding external directors)	14	14	—	—	1
Corporate auditors (excluding external auditors)	4	4	—	—	1
External officers	41	41	—	—	8

Note: Following a resolution made at the 10th Annual General Meeting of Shareholders held on June 21, 2024, the Company transitioned to a company with an Audit and Supervisory Committee. The amount paid to Corporate Auditors pertains to the period before the transition to a company with an Audit and Supervisory Committee, while the amount paid to Directors (Audit and Supervisory Committee members) relates to the period after the transition to a company with an Audit and Supervisory Committee.

Directors and Executive Officers



Hidehiro Shoji

Representative Director and President

April 1988 Joined Mitsui & Co., Ltd.
April 2020 Joined the Company
June 2022 Representative Director and President



Takao Tsuji

External Director

April 1973 Joined Nissho Iwai Corporation
(current Sojitz Corporation)
June 2022 External Director, the Company

Concurrent positions

Outside Director (Audit & Supervisory Committee Member), SNT Corporation
Outside Director, TACHIBANA ELETECH CO.,LTD.



Keizo Goto

External Director, Audit and Supervisory Committee Member

April 1973 Joined the Ministry of Finance
August 1998 Regional Commissioner, Sendai
Regional Taxation Bureau
June 2005 Full-time Auditor, Japan Freight Railway
Company
June 2020 External Director, the Company



Kazuo Kubota

Director

April 1987 Joined The Bank of Yokohama, Ltd.
April 2021 Joined the Company
June 2023 Director, Managing Executive Officer



Yasushi Handa

External Director

April 1992 Judge, Nagoya District Court
April 2007 Presiding Judge, Tokyo District Court
June 2023 External Director, the Company

Concurrent positions

Senior Counsel, Waseda Legal Commons, LPC
Professor, Gakushuin University Law School



Naohiro Chikada

External Director, Audit and Supervisory Committee Member

April 1992 Joined Chuo Shinko Audit Corporation
June 2024 External Director, the Company

Concurrent positions

Representative, Chikada Certified Public
Accountant Office
Representative Director,
Chiyoda Accounting Office
Independent Audit & Supervisory Board Member,
Tokyo Tatemono Co., Ltd.



Yoshinao Tashiro

Director

April 1988 Joined the Company
June 2023 Director, Managing Executive Officer



Kaku Yoshisato

External Director

April 1991 Joined Mitsui & Co., Ltd.
June 2024 External Director, the Company

Concurrent positions

Operating Officer; Assistant to General Manager,
Food Business Unit, Mitsui & Co., Ltd.
External Director, Starzen Co., Ltd.
Outside Director, J-OIL MILLS, INC.

Executive Officer

Kanya Shibamoto

Managing Executive Officer
General Manager, Kitakyushu
Division; General Manager,
Kitakyushu Branch

Yuji Kawasaki

Executive Officer
General Manager, Quality Assurance
Division

Kazuhiko Kumagai

Executive Officer
Deputy Chief Operating Officer,
Animal Feed Business Unit; General
Manager, Animal Feed Division

Takehiro Hayashi

Executive Officer
General Manager, Chubu Division;
General Manager, Chubu Branch

Yuichi Takashima

Executive Officer
General Manager, Kanto Division;
General Manager, Kanto Branch

Takashi Onoda

Executive Officer
General Manager, Research &
Development Center

Mineyuki Nitta

Executive Officer
General Manager, Corporate
Planning & Strategy Unit

Masahiro Hashimoto

Executive Officer
General Manager, Aquatic Feed
Division



Kikue Kubota

External Director

April 1999 Professor, Faculty of Human Life and
Environmental Sciences, Ochanomizu University
June 2019 External Director, the Company

Concurrent positions

Professor Emeritus, Ochanomizu University
Auditor, Tokyo University of Agriculture



Toru Aoyama

Director, Audit and Supervisory Committee Member

April 1984 Joined the Company
June 2022 Full-time Corporate Auditor
June 2024 Director

Conversation with External Directors



Takao Tsuji
External Director

Naohiro Chikada
External Director

Status of initiatives to enhance corporate value

Progress of corporate governance

Tsuji Considering that corporate governance is a core element of managing a company, I realize that helping to strengthen governance is a vital role for external directors. As chair of the Nomination and Remuneration Committee, I was involved mainly in two reforms.

The first was a revision of the Company's succession plan. We redefined the qualities and skill set expected of the next president and have been working to establish a candidate list based on the updated criteria.

The second reform was to create a more transparent remuneration plan for executives. After clearly separating compensation structures for directors and executive officers, we implemented a uniform compensation scale for all internal and external directors based on the understanding that they bear equal responsibilities.

Chikada I've worked for many years as a CPA and with many companies, and have witnessed numerous governance issues and even failures. Drawing on these experiences, I actively propose measures to strengthen the governance framework of FEED ONE as well, and to enhance the effectiveness of its Board of Directors.

Tsuji We currently administer questionnaires to evaluate the effectiveness of the Board of Directors, but I believe introducing third-party one-on-one interviews would be effective in acquiring more objective and in-depth opinions. To further enhance effectiveness, we should pursue ongoing improvements, including reviewing the evaluation method itself.

Implementing the Medium-term Management Plan and pursuing more rigorous ROIC management

Tsuji My judgement is that the various target indicators set out in the Medium-term Management Plan are the right indicators for enhancing corporate value. But the challenge lies in how well these indicators are understood at the operational level and integrated into the day-to-day work of employees. We can see from survey results, in fact, that employees don't yet have a sufficient understanding of the indicators.

Chikada You're quite right. The return on invested capital, or ROIC, may in particular be a less familiar concept for most employees, but it's actually closely tied to day-to-day operations. For instance, daily tasks like the early collection of accounts receivable or optimizing inventories contribute directly to improving ROIC. I think that getting each employee to understand how their specific tasks impact the indicators, and having managers clearly communicate that connection, will help this understanding to steadily take root.

Tsuji With regard to profit, which is a part of ROIC, I believe the concept of profit as fixed income is crucial. In contrast to the typical approach of stacking up sales and expenses to ultimately secure profits, this way of thinking begins by setting a target profit as a premise, and then determines what level of expenses is acceptable based on that. If more and more employees gain this awareness, that should significantly change their mindset about expenses at the operational level.

Conversation with External Directors

- Chikada** That's a really novel way to think about it. I believe the way people perceive profit can significantly change behavior on the front lines. Even from an outside perspective, my sense is that the Company is highly cost-conscious, and so I feel there's fertile ground for such thinking to take root.
- Tsuji** ROIC is also indispensable as an indicator for rigorously measuring returns when making large-scale investment decisions, including the factory construction currently underway. A major challenge going forward, I think, will be to ensure that such indicators go from being merely explicit knowledge to taking root as tacit knowledge in the day-to-day work of employees, becoming embedded as part of the organizational culture.

Organizational strengths and challenges for sustainable growth

- Tsuji** I believe FEED ONE's greatest strength lies in having successfully integrated the cultures of the two companies that merged, and establishing shared values. To further engrain these values, the Company is moving forward with initiatives to cultivate the organizational culture by creating a corporate philosophy handbook for employees and publishing an in-house newsletter. I'm particularly impressed by the fact that young employees are proactively proposing and working on initiatives to further instill the corporate philosophy. That seems really emblematic of the spontaneity and vitality of the organization.
- Chikada** I feel that the Company's strengths are found in the two areas of its sales capabilities and product development capabilities. Here, sales capabilities don't merely have to do with selling products; rather, the Company's strengths lie in the practice of its core values of thoughtfulness, fairness, and humility. In terms of product

development, I think FEED ONE's sustained competitiveness stems not only from the technologies it has cultivated over many years but also its underlying commitment to contribute to society.

- Tsuji** Moving forward, promoting diversity will be essential to further honing the Company's strengths. As a company involved in food, personnel with diverse values provide FEED ONE with a wellspring of innovation. Securing personnel adept at digital transformation is also a critical theme. I've personally tracked the large-scale project to renew the Company's backbone system

from the initial stages. In the process, I've witnessed steady growth in the pool of digital transformation talent in the Company. I look forward to their further contributions going forward.

- Chikada** You're absolutely right—securing people who can carry digital transformation forward is key to future growth. However, sectors like livestock and feed still currently carry a deep-rooted perception of being highly analog, primary industries, and they have yet to attract sufficient interest from people with strengths in IT and AI. That's precisely why FEED ONE needs to actively get the word out about its cutting-edge projects and technologies, conveying the appeal of the Company.

- Tsuji** Looking further ahead, long-term food demand in Japan is expected to remain flat or decline at a gradual pace, as population decline offsets the increasing numbers of foreign visitors to Japan and growing demand for ready-made meals. In this context, enhancing the functionality of feed will be a crucial important theme for firmly establishing the Company's unique position. As part of this effort, I have high hopes for the leading-edge approaches the Company is currently pursuing, such as its DNA analysis of livestock populations and the utilization of digital technologies. The perspective of sustainability is also important. Precisely because FEED ONE operates in areas that are close to people's daily lives, it's extremely important for the Company to consider its responsibilities to society and the environment. Instead of simply pursuing its own profit, I believe the Company should move forward with product development and sales strategies in the spirit of "three-sided prosperity" cherished by the Omi merchants (merchants from central Japan who traveled around the country from the 16th to the Meiji era and had a reputation for hard work and fair dealing).

- Chikada** I personally give high marks to the Company's sustainability efforts, as it makes headway with strategic initiatives, including reassessing its items of materiality and making concrete plans for implementation. I also view the incorporation of indicators related to ESG and materiality into the executive remuneration plan as sending a clear message to management. I intend to closely monitor these efforts going forward, both on the Board of Directors and across various other contexts, to ensure their continued progress.



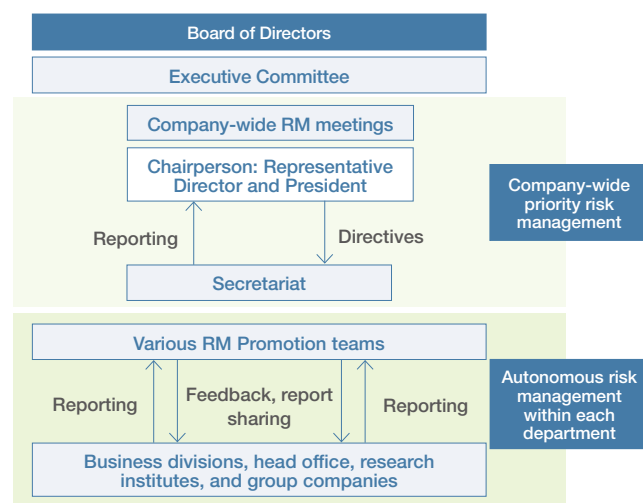
Risk Management

The Group considers factors hindering the achievement of management and business objectives (Medium-term Management Plans, business plans, etc.) to be risks, and implements measures to prevent those risks from materializing. As part of our crisis management, we have formulated a business continuity plan (BCP) to minimize damage in the event of a large-scale disaster and to ensure that we can continue our business.

Enterprise Risk Management (ERM) System

The Group has enterprise risk management (ERM) regulations and the company-wide RM meetings to operate the ERM system.

Risk monitoring data and the status of risk management activities at each department are reported to the Executive Committee and the Board of Directors on a regular basis. We will use their feedback to further invigorate and improve risk management activities across the Group.



Risk Management Activities

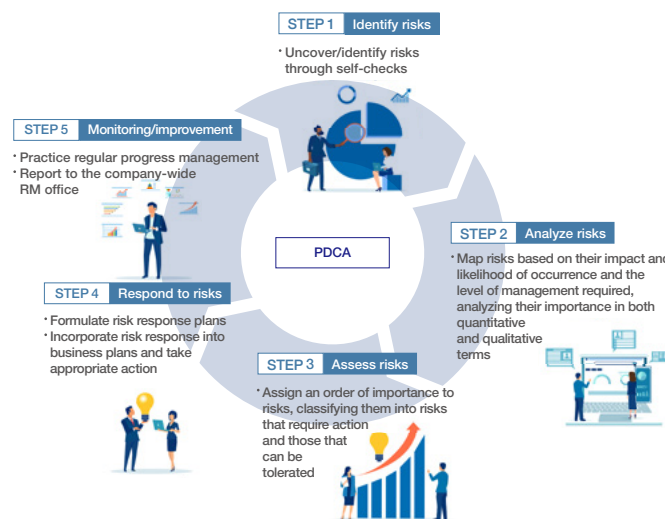
Each department of the Group has established a risk management promotion team, which engages in minimizing risk and improving operational efficiency across the Group by implementing the PDCA cycle of identifying risks, analyzing/assessing risks, developing and implementing risk response measures, and monitoring/improving activities throughout the year. Additionally, the Group is endeavoring to improve the level of risk management through information-sharing at regular study sessions and meetings, particularly company-wide RM meetings.

Company-wide priority risk management

We use the term “company-wide priority risks” for group-wide risks that could adversely affect our response to the key challenges (materialities) related to achieving our purpose, taking a top-down approach to “company-wide priority risk management” aimed at preventing risks from materializing and ensuring that they remain within acceptable limits. We assign an order of importance to company-wide priority risk responses, and assemble task forces to address each risk and devise and implement countermeasures.

Autonomous risk management

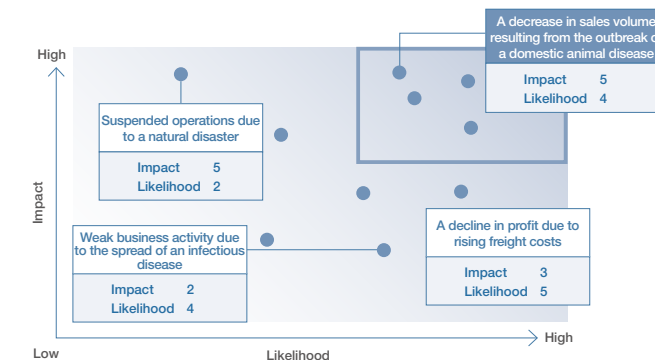
Autonomous risk management (self-checking) by each department nationwide involves identifying risks specific to each department and working to better understand and prevent these risks. In comparison with identification of company-wide priority risks, we are able to pay greater attention to detail when identifying risks specific to each department. We conduct risk mapping based on impact and likelihood of occurrence, to identify risks that require priority management.



Main activities

Items	Activities
Self-check (Autonomous risk management)	<ul style="list-style-type: none"> Identify and analyze risks Assess risks and develop response measures
Regular meetings	<ul style="list-style-type: none"> Share information to support annual activity planning and enhance risk awareness Share the status of company-wide priority risks and responses
Report to the Executive Committee and the Board of Directors (through company-wide RM meetings, etc.)	<ul style="list-style-type: none"> Formulate annual activity plans and define company-wide priority risks Report on progress of activities
Training	<ul style="list-style-type: none"> Facilitator training Various educational activities

An example of risk mapping based on risk analysis



Risk Management

Risk Response Guidelines and Company-wide Priority Risks

In July 2025, the Group newly formulated risk response guidelines linked to our purpose. These guidelines clarify our view on risks and on how to act when faced with any of the risks we have identified. In this manner, we aim to strengthen the entire company's risk sensitivity and response capabilities.



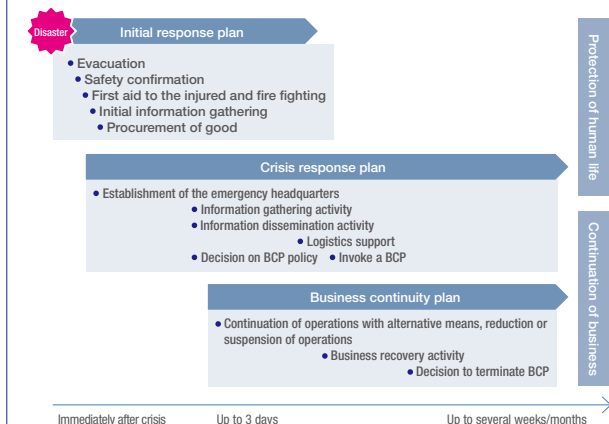
Business Continuity Plan

The Group has developed a business continuity plan (BCP) at each department including feed manufacturing factories, to prepare for the events that may have a material impact on the corporate management (hereinafter, the "managerial crisis event") such as large-scale disasters, contingencies, and spread of infectious diseases.

The managerial crisis events are handled by the Crisis Response Committee chaired by Representative Director and President, and such crisis response comprises an initial response plan, a crisis response plan, and a BCP. The initial response plan addresses such matters as emergency actions to be taken immediately after the outbreak of crisis, securing of personal safety, emergency evacuation and rescue, safety confirmation, initial information gathering, and prevention of secondary damage. The crisis response plan covers the procedures for crisis response measures to be taken by the Company from the recognition to the end of a crisis. The BCP outlines the actions to be taken for business continuity and recovery. We verify the effectiveness of the BCP every year by conducting a desktop exercise.

As computer networks and information systems have recently been playing increasingly important roles, information security measures have become indispensable for companies to continue their business activities. There is a risk of an information system failure or internal information leakage to external parties resulting from targeted email attacks, unauthorized access to information systems, sophisticated cyberattacks, computer virus infections, etc. Such an event may affect our business activities, including a decrease in revenue caused by a loss of credibility, as well as claims for damages. We are therefore working to strengthen our security system by, for example, making our internal network access control system more secure, conducting training on targeted email attacks, and confirming how to deal with a cybersecurity incident when it occurs.

Overview of BCP



Quality Assurance

To realize our Quality Philosophy, we engage in five major quality assurance activities.

Quality Philosophy

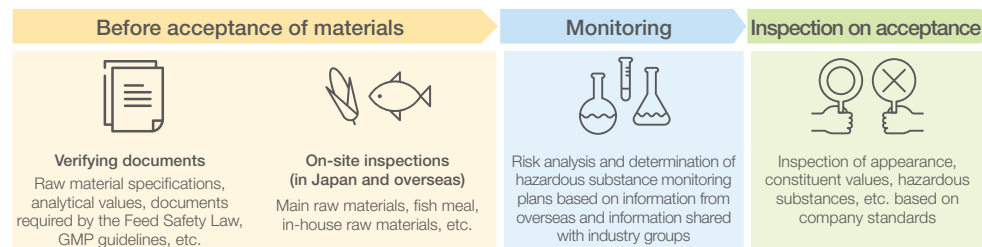
As a part of the food chain linking farm to table, we will provide safe, secure, and high-quality products and services to meet the expectation and trust of our customers.

Obtaining Certification for Providing High-Quality, Safe Feed and Food Products

All of our feed factories are ISO 22000 certified (food safety management system), and have been verified by Japan's Food and Agricultural Materials Inspection Center (FAMIC) as complying with the Good Manufacturing Practice (GMP) guidelines for feed, ensuring feed safety. Affiliated food companies are also either ISO 22000 or FSSC 22000 certified (which requires even more stringent management).

Various Types of Monitoring

We confirm the safety, quality, and regulatory compliance of raw materials used for feeds by obtaining the documents required to be filed, specifications, constituents, and manufacturing flows. In particular, the Quality Control Department of our Research & Development Center monitors and analyzes hazardous substances, such as mycotoxins and pesticides, according to the degree of risk. If there is a problem, we restrict the use of such materials and request that the supplier make necessary corrections.



Number of hazardous substance monitoring analyses

Number of analyses	FY3/2023	FY3/2024	FY3/2025
Raw materials	1,148	967	997
Products	226	167	155

External Audits

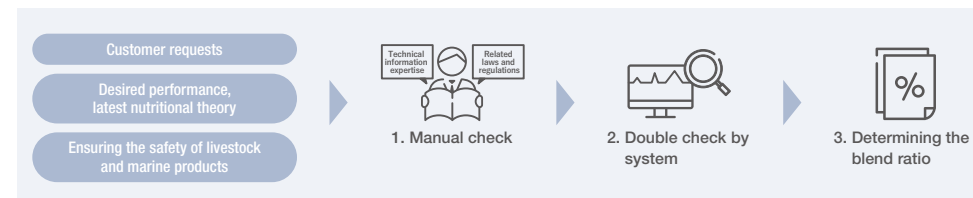
We regularly conduct audits of our raw material suppliers, feed manufacturing contractors, food companies, and factories of food suppliers to ensure that the raw materials and products meet the quality we require.

Number of external audits

FY3/2023	FY3/2024	FY3/2025
20	20	26

Design Management

In the design of feed products, we have a management framework for confirming safety, quality, and compliance with laws and regulations, and in FY3/2025 we commenced operation of a new formula design system.



Company Structure

The Quality Assurance Committee, chaired by the Representative Director and President, meets to take ongoing measures to ensure safety and improve quality through reporting and discussion on feedback and requests from customers and quality data. Additionally, in FY3/2025 we built a cloud database for centralized management of customer requests and inquiries, which we are now putting to use in pursuing customer satisfaction and prevention of feed business accidents.

We work to improve operations by promoting activities based on our quality management system regulations and regularly holding training sessions on ISO.

We also work to foster awareness of regulatory compliance by holding briefing sessions on the Feed Safety Law, Premiums and Representations Act, and other relevant laws and regulations.

Compliance

Basic Policy for Compliance

The Group has defined the following compliance actions based on the Business Conduct Guidelines for Employees and Officers of FEED ONE Group to enhance its corporate value while pursuing solid and efficient corporate management.

1. Conform to laws and regulations, corporate ethics, and social norms, and strive to maintain social orders
2. Identify problems from client and consumer perspectives, and focus on solving them to enhance corporate value

Compliance Framework

The Company regularly holds meetings of the Compliance Committee, which was established by the Representative Director and President, and investigates and deliberates on various issues related to the Group's compliance.

In addition, the Company conducts compliance training sessions for Directors, Executive Officers, employees, and other staff to increase compliance awareness, and introduced the internal reporting system, which has an outside attorney, full-time Audit and Supervisory Committee members, and the Internal Auditing Division as contact points.

FY3/2025 Compliance Committee study session topics	
1st session	Revisions to Business Conduct Guidelines for Employees and Officers of FEED ONE Group
2nd session	Insider trading regulations
3rd session	Keeping trade secrets and protecting personal information
4th session	Corporate ethics and compliance

Internal Control Basic Policy

The Company has set forth the following policies to ensure compliance with laws and regulations and the Articles of Incorporation by Directors, Executive Officers, and employees in their executing duties:

1. In accordance with laws and regulations, the Articles of Incorporation, resolutions at the General Meeting of Shareholders, and internal regulations, the Board of Directors of the Group shall decide on important matters related to management and supervise the execution of duties by Directors.
2. To ensure that the Directors, Executive Officers, and employees of the Group comply with laws and regulations and promote appropriate corporate activities, the Group shall make them aware of the Business Conduct Guidelines for Employees and Officers of FEED ONE Group.
3. Audit and Supervisory Committee shall audit the execution of duties by Directors in cooperation with the Accounting Auditor and the Internal Auditing Division.
4. The Company shall ensure that the Regulations for Internal Reporting are recognized within the Group and periodically report the status of reporting and subsequent follow-up each year to the Board of Directors of the Company. The Board of Directors shall take necessary measures to improve the effectiveness of the internal reporting system. In addition, the Board of Directors shall evaluate the internal reporting system and continuously improve the system.
5. The Board of Directors of the Company shall educate, train, and familiarize the Group regarding compliance, including the internal reporting system, and shall assign and train personnel in charge of compliance who possess the necessary skills and aptitude.
6. The Compliance Committee shall decide on matters including action policies, by investigating and deliberating on various issues related to the Group's compliance, and inform and instruct the Group accordingly.
7. The Group will not engage in any relationship with antisocial forces that threaten civil society and will never conduct anti-social transactions with such forces. In addition, the entire company shall take a resolute stance against such anti-social forces by closely collaborating with the police and other external specialized institutions.

Business Conduct Guidelines for Employees and Officers of FEED ONE Group

We have established the Business Conduct Guidelines for Employees and Officers of FEED ONE Group to outline how our group's executives and employees should behave and our basic approach to compliance, and we strive to ensure thorough compliance.

Business Conduct Guidelines for Employees and Officers of FEED ONE Group

- | | | |
|--|--|--|
| 1. Compliance with Laws and Regulations | 7. Prohibition of Unfair Competition | 13. Report, Consultation, and Sanction |
| 2. Cutting off Relations with Antisocial Forces | 8. Prohibition of Bribery and Excessive Gifts and Excessive Entertainment | 14. Thorough Information Management |
| 3. Environmental Preservation | 9. Conflicts of Interest Between Employees and the Company | 15. Insider Trading Regulations |
| 4. Contributions to Society | 10. Respect for Human Rights and Prohibition of Discrimination and Harassment | 16. Protection of Personal Information |
| 5. Responsibility for Safety of Products Handled | 11. Improvement of the Working Environment | 17. Appropriate Use of Information Systems |
| 6. Compliance with Antitrust Law, etc. | 12. Prohibit Actions that Endanger the Safety and Health of Other Officers and Employees | |

Financial Data for the Last 9 Years

	FY3/2017	FY3/2018	FY3/2019	FY3/2020	FY3/2021	FY3/2022	FY3/2023	FY3/2024	FY3/2025
Operating results (Million yen)									
Sales	207,920	207,562	212,886	215,050	214,120	243,202	307,911	313,875	296,045
Cost of sales	182,917	183,629	189,757	191,401	192,163	220,490	285,218	283,153	264,171
Selling, general and administrative expenses	20,171	20,225	19,005	18,234	16,284	18,418	21,270	22,972	25,531
Operating profit	4,831	3,706	4,123	5,414	5,672	4,293	1,422	7,748	6,343
Ordinary profit	5,131	4,103	4,466	5,737	6,081	5,067	1,711	7,737	6,789
Profit attributable to owners of parent	3,937	2,971	4,657	3,842	4,438	3,659	1,030	5,084	5,387
Total assets	79,904	87,082	88,934	90,880	99,251	108,504	127,913	131,038	124,172
Net assets	30,968	33,304	36,413	38,906	42,794	44,840	45,314	50,856	55,347
Capital expenditures	5,033	6,448	3,811	7,934	8,120	2,659	2,103	2,755	4,988
Depreciation	1,855	2,370	2,395	2,513	3,157	3,198	3,235	3,291	3,621
Net cash provided by (used in) operating activities	11,777	9,199	4,842	1,127	7,737	2,740	-7,816	11,138	8,570
Net cash provided by (used in) investing activities	-891	-7,454	-158	-7,475	-5,989	-952	-1,187	-2,168	-3,088
Net cash provided by (used in) financing activities	-10,373	-1,330	-4,937	6,512	-1,550	-1,174	12,881	-5,474	-6,011
Cash and cash equivalents at end of period	2,333	2,748	2,492	2,657	2,830	3,444	7,322	10,817	10,287
Per share information (Yen)									
Basic earnings per share ^{*1}	19.98	15.08	23.66	97.64	112.78	94.65	27.01	132.97	140.84
Dividend per share	4.50	4.50	4.50	5.00	15.00 ^{*2}	25.00	25.00	27.00	35.50
Net assets per share ^{*1}	155.20	166.86	182.90	977.82	1,074.63	1,161.40	1,172.57	1,314.03	1,429.04
Financial indicators (%)									
Operating profit to sales	2.3	1.8	1.9	2.5	2.6	1.8	0.5	2.5	2.1
Profit to sales	1.9	1.4	2.2	1.8	2.1	1.5	0.3	1.6	1.8
Return on equity (ROE)	13.7	9.4	13.5	10.3	11.0	8.5	2.3	10.7	10.3
Return on assets (ROA)	6.3	4.9	5.1	6.4	6.4	4.9	1.4	6.0	5.3
Equity ratio	38.3	37.8	40.5	42.3	42.6	40.8	35.0	38.4	44.0

*1. Effective October 1, 2020, the Company carried out a consolidation of common stock at a ratio of one share for every five shares. Basic earnings per share and net assets per share are calculated on the assumption that the share consolidation was conducted at the beginning of the fiscal year ended March 31, 2020.

*2. The dividend of 15.00 yen per share for FY3/2021 is the sum of an interim dividend of 2.50 yen and a year-end dividend of 12.50 yen. Effective October 1, 2020, the Company carried out a consolidation of common stock at a ratio of one share for every five shares. As a result, the interim dividend is the amount before the share consolidation (12.50 yen if the share consolidation is taken into consideration), and the year-end dividend of 12.50 yen is the amount after the share consolidation (the annual dividend per share is 25.00 yen if the share consolidation is taken into account).

*3. The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and its implementation guidance since the beginning of FY3/2022. The key management indicators, etc. for FY3/2022 and the following fiscal year are the figures that reflect the application of the accounting standard and its implementation guidance.

Share Information (as of March 31, 2025)

Status of Shares

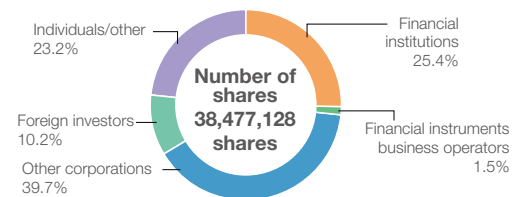
Total number of shares authorized to be issued:	100,000,000 shares
Total number of shares issued:	38,477,128 shares
Number of shareholders:	15,748 shareholders
Stock listing:	Tokyo Stock Exchange, Prime Market
Securities code:	2060
Ordinary General Meeting of Shareholders:	Every June
Record date:	Year-end dividend March 31 every year Interim dividend September 30 every year
Method of public notices:	Public notices are posted on our website. However, if public notices cannot be posted on our website for unavoidable reasons, they will be placed in the Nikkei newspaper. Our website address: https://www.feed-one.co.jp/english/
Shareholder registrar:	1-4-1, Marunouchi, Chiyoda-ku, Tokyo Sumitomo Mitsui Trust Bank, Limited

Major Shareholders

Shareholder	Number of shares held (thousand shares)	Ratio of shares held (%)
Mitsui & Co., Ltd.	9,838	25.56%
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,696	9.60%
Custody Bank of Japan, Ltd. (Trust Account)	1,349	3.50%
Daiwa Kogyo LLC	1,204	3.12%
THE KEIHIN CO., LTD.	1,047	2.72%
STATE STREET BANK AND TRUST COMPANY 505223	928	2.41%
Asahi Mutual Life Insurance Company	803	2.08%
The Bank of Yokohama, Ltd.	781	2.03%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	714	1.85%
Yonkyu Co., Ltd.	600	1.55%

Notes: 1. The major shareholders presented above are based on the shareholder registry as of March 31, 2025.
2. The ratios of shareholding are calculated after deducting treasury shares (1,458 shares).
3. 251,560 shares of the Company, held by the Custody Bank of Japan, Ltd. (Trust Account) as trust assets for the "trust for stock-based remuneration for directors (and other officers)," are not included in the number of treasury shares.

Distribution of Shareholders



Trend of Share Price

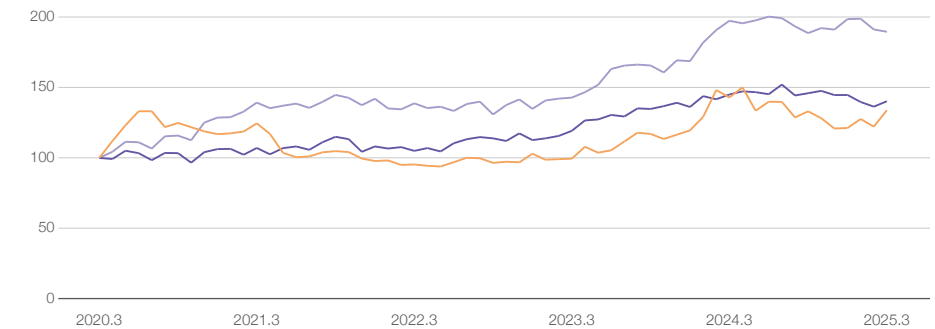


Note: Effective October 1, 2020, the Company carried out a consolidation of common stock at a ratio of one share for every five shares.

Total shareholder return (TSR)

	2021.3	2022.3	2023.3	2024.3	2025.3
FEED ONE	125	95	99	143	134
TOPIX	139	139	143	197	189

FEED ONE TOPIX Foods TOPIX



* Closing price of March 31, 2020 indexed as 100.

Company Overview and External Recognition

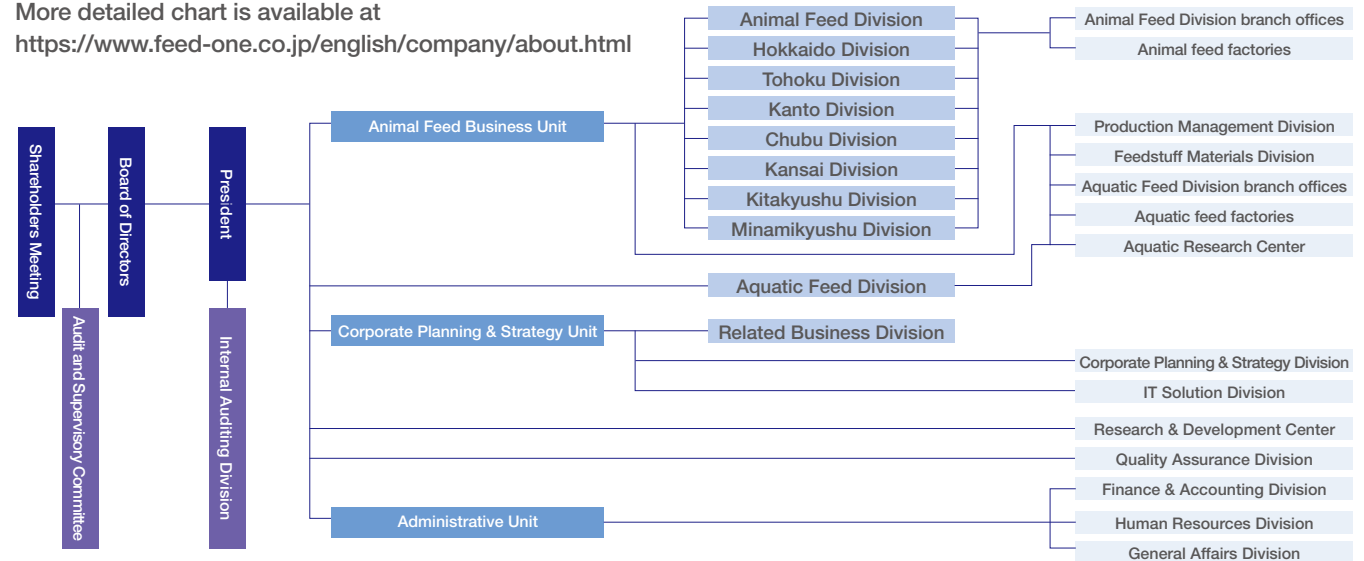
Company Overview

Company Profile (as of March 31, 2025)

Trade name:	FEED ONE CO., LTD.
Established:	October 1, 2014
Share capital:	10,000 million yen
Head office:	5-1-2, Minatomirai, Nishi-ku, Yokohama-shi, Kanagawa
Number of employees (consolidated):	925
Accounting auditor:	Deloitte Touche Tohmatsu LLC
Fiscal year-end:	March 31
Principal businesses of the Group:	Production and sale of formula feeds and purchase, sale, production, and processing of livestock and aquatic products Other businesses related to the above (farm management guidance, operation of livestock veterinary care facilities, etc.)

Organizational Chart

More detailed chart is available at
<https://www.feed-one.co.jp/english/company/about.html>



External Recognition

In recognition of products and services

Magic Pearl Co., Ltd.
Seasoned Boiled Egg, Pack of 2 included in Nikkei POS Selection 2024



Feed One Foods Co., Ltd.
Pork Belly and Green Onion Skewers, Pack of 5 included in Nikkei POS Selection 2024 Long Sellers



In recognition of management

Three-star rating in the 6th Nikkei
 SDGs Management Survey



“Kurumin” certification (July 2024)



Certified as Kenko Investment for Health
 2025 (Large Enterprise Category)



“Eruboshi” certification, 2 stars
 (September 2023)





FEED ONE CO., LTD.

5-1-2, Minatomirai, Nishi-ku, Yokohama-shi, Kanagawa

TEL: +81-45-211-6520

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