

HOKUTO Corporation

Consolidated Financial Results for the Year Ended March 31, 2022

May, 2022



**1. The financial report for the Year Ended
March 31, 2022**

**2. Forecast of consolidated financial results for
the Year Ending March 31, 2023**

3. Recent Activities

4. Reference material

◆ **Consolidated**

(Millions of yen)

	Year ended Mar. 31, 2022	Year ended Mar. 31, 2021	YoY
Net sales	70,932	73,889	–
Operating profit	2,014	6,012	33.5%
Profit attributable to owners of parent	2,530	4,038	62.7%

◆ **Individual**

(Millions of yen)

	Year ended Mar. 31, 2022	Year ended Mar. 31, 2021	YoY
	49,090	52,942	–
	1,117	5,074	22.0%
	1,595	3,340	47.8%

▶ **In Japan, the price of mushrooms remained sluggish throughout the year due to the impact of the depreciation of the vegetable market, resulting in lower sales and profits.**

◆ **By Segment**

(Millions of yen)

	Mushroom business in Japan		Mushroom business outside Japan		Processed products business		Chemical products business	
	Year ended Mar. 31, 2022	Year ended Mar. 31, 2021	Year ended Mar. 31, 2022	Year ended Mar. 31, 2021	Year ended Mar. 31, 2022	Year ended Mar. 31, 2021	Year ended Mar. 31, 2022	Year ended Mar. 31, 2021
Net sales	46,286	50,538	6,348	5,074	7,732	8,274	10,565	10,001
Operating profit	2,788	6,939	642	589	340	539	109	△102

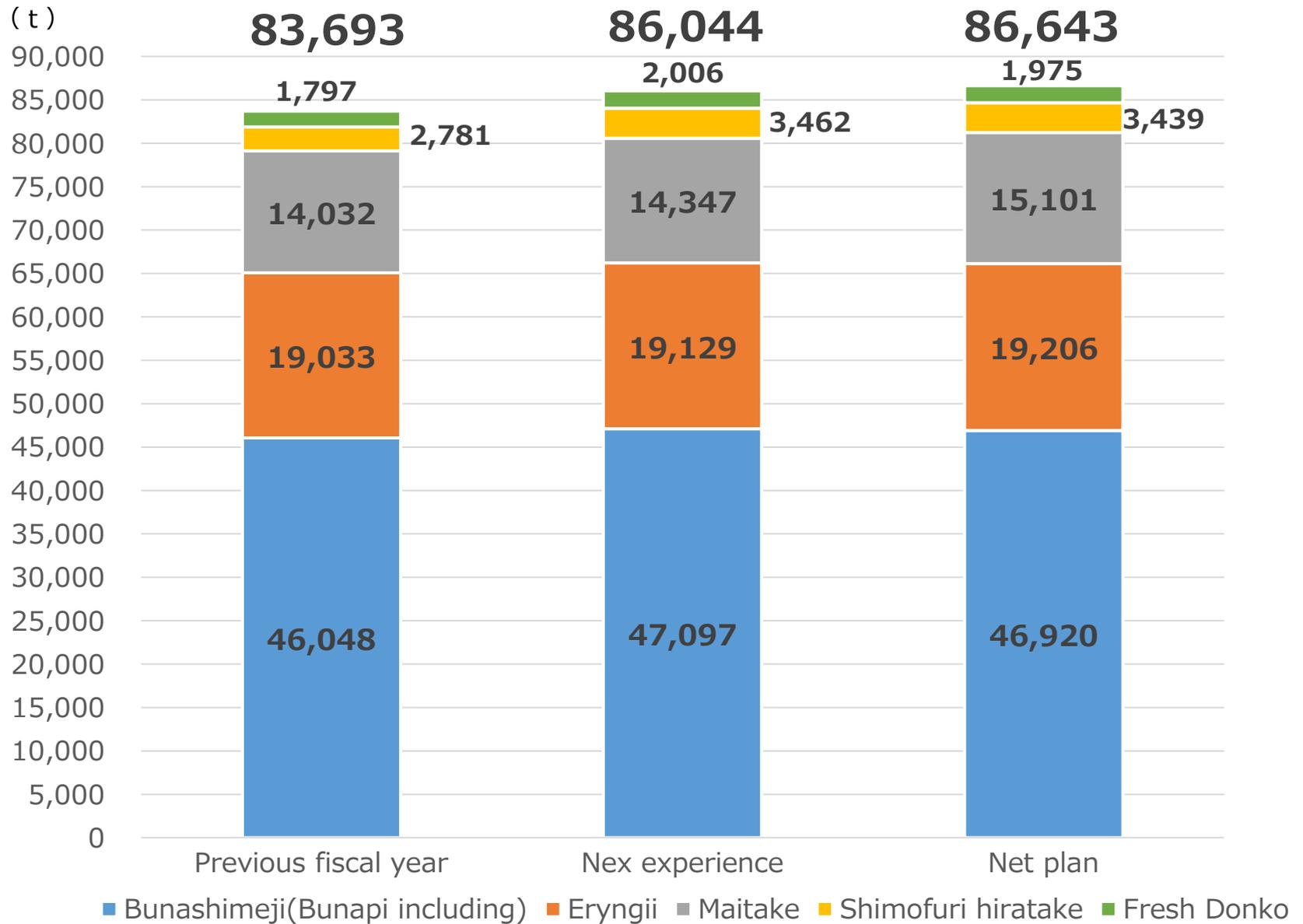
※"Accounting Standards for Revenue Recognition" have been applied since the beginning of the first quarter of the current consolidated accounting, and the figures for the year ended March 2022 are the figures after applying the accounting standards. Therefore, the difference in increase / decrease in the same quarter of the previous year and the rate of increase / decrease in the same quarter of the previous year are not stated.

(Millions of yen)

	Year ended Mar. 31, 2021	Year ended Mar. 31, 2022	YoYchange	YoY
Net sales	73,889	70,932	—	—
Gross profit	21,901	17,392	—	—
Gross profit margin	29.6%	24.5%		
Selling, general and administrative expenses	15,888	15,377	—	—
Operating profit	6,012	2,014	△3,998	33.5%
Operating profit margin	8.1%	2.8%		
Ordinary profit	6,526	3,658	△2,867	56.1%
Ordinary profit margin	8.8%	5.2%		
Profit attributable to owners of parent	4,038	2,530	△1,507	62.7%
Net profit margin	5.5%	3.6%		
Earnings per share	128.83	80.26		

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▶▶ Changes in mushroom production



(Millions of yen)

		Year ended Mar. 31, 2021	Year ended Mar. 31, 2022	YoYchange	YoY
Mushroom business in Japan	Net sales	50,538	46,286 (△936)	—	—
	Operating profit	6,939	2,788	△4,150	40.2%
Mushroom business outside Japan	Net sales	5,074	6,348	1,273	125.1%
	Operating profit	589	642	52	109.0%
Processed products business	Net sales	8,274	7,732 (△6)	—	—
	Operating profit	539	340	△198	63.2%
Chemical products business	Net sales	10,001	10,565 (△202)	—	—
	Operating profit	△102	109	212	—

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	cf. Previous year	cf. Plan
Bunashimeji	90.3%	93.7%
Eryngii	91.1%	92.0%
Maitake	87.3%	90.1%
Shimofuri hiratake	86.5%	84.7%

Due to the abundant supply of vegetables throughout the year, the market price of vegetables remained low, and the unit price of mushrooms was sluggish.

	cf. Previous year	cf. Plan
Bunashimeji	102.7%	100.6%
Eryngii	100.7%	99.8%
Maitake	100.9%	94.4%
Shimofuri hiratake	124.5%	100.7%

Production is almost as planned. The production volume of Shimofuri hirateke increased due to the increase the center utilization rate.

▶▶ Mushroom business outside Japan (cf. previous year)

		Year ended Mar. 31, 2021	Year ended Mar. 31, 2022	YoYchange	YoY
U.S.A (US\$)	Net sales	16,810,000	22,620,000	5,810,000	134.6%
	Operating profit	△ 1,700,000	△ 1,920,000	△ 220,000	—
	ROE	110.71	122.39		
Taiwan (NT\$)	Net sales	671,000,000	682,000,000	10,000,000	101.6%
	Operating profit	175,000,000	175,000,000	0	100.0%
	ROE	3.88	4.28		
Malaysia (RM)	Net sales	21,710,000	21,610,000	△ 90,000	99.6%
	Operating profit	220,000	△ 960,000	△ 1,180,000	—
	ROE	26.66	29.12		

(Millions of yen)

	Initial plan	Year ended Mar. 31, 2022	Plan difference	cf. Plan
Net sales	74,800	70,932	△3,867	94.8%
Gross profit	21,400	17,392	△4,007	81.3%
Gross profit margin	28.6%	24.5%		
Selling, general and administrative expenses	16,300	15,377	△922	94.3%
Operating profit	5,100	2,014	△3,085	39.5%
Operating profit margin	6.8%	2.8%		
Ordinary profit	5,240	3,658	△1,581	69.8%
Ordinary profit margin	7.0%	5.2%		
Profit attributable to owners of parent	3,300	2,530	△769	76.7%
Net profit margin	4.4%	3.6%		
Earnings per share	104.72	80.26		

Net sales and also Operating profit fell drastically below plan.

(Millions of yen)

		Initial plan	Year ended Mar. 31, 2022	Plan difference	cf. Plan
Mushroom business in Japan	Net sales	51,126	46,286	△4,840	90.5%
	Operating profit	5,894	2,788	△3,105	47.3%
Mushroom business outside Japan	Net sales	5,300	6,348	1,047	119.8%
	Operating profit	632	642	10	101.6%
Processed products business	Net sales	8,283	7,732	△550	93.4%
	Operating profit	431	340	△90	78.9%
Chemical products business	Net sales	10,182	10,565	383	103.8%
	Operating profit	△30	109	139	—

		Initial plan	Year ended Mar. 31, 2022	Plan difference	cf. Plan
U.S.A (US\$)	Net sales	20,420,000	22,620,000	2,200,000	110.8%
	Operating profit	△ 200,000	△ 1,920,000	△ 1,720,000	—
	ROE	105.00	122.39		
Taiwan (NT\$)	Net sales	685,000,000	682,000,000	△3,000,000	99.6%
	Operating profit	158,000,000	175,000,000	17,000,000	110.8%
	ROE	3.55	4.28		
Malaysia (RM)	Net sales	25,890,000	21,610,000	△4,270,000	83.5%
	Operating profit	1,190,000	△960,000	△2,160,000	—
	ROE	25.00	29.12		

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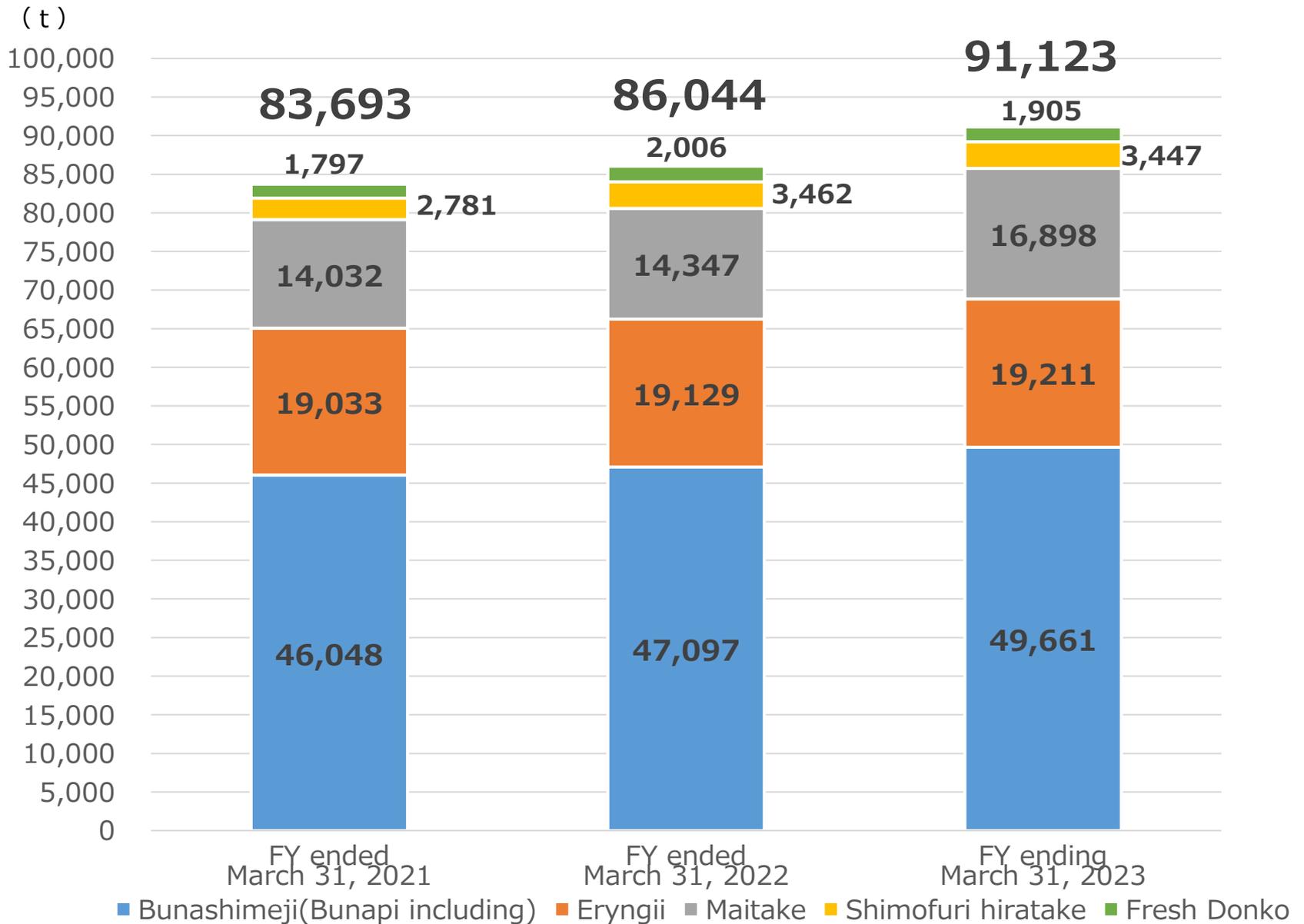
4. Reference material

(Millions of yen)

	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023 (Forecast)	Plan difference	cf. Plan
Net sales	70,932	78,700	7,767	110.9%
Gross profit	17,392	20,100	2,707	115.6%
Gross profit margin	24.5%	25.5%		
Selling, general and administrative expenses	15,377	17,100	1,722	111.2%
Operating profit	2,014	3,000	985	148.9%
Operating profit margin	2.8%	3.8%		
Ordinary profit	3,658	3,120	△538	85.3%
Ordinary profit margin	5.2%	4.0%		
Profit attributable to owners of parent	2,530	1,780	△750	70.3%
Net profit margin	3.6%	2.3%		
Earnings per share	80.26	56.28		

Plans to increase sales and profits due to full operation of Mie mushroom Center.

▶▶ Changes in mushroom production



(Millions of yen)

		Year ended Mar. 31, 2022	Year ended Mar. 31, 2023 (Forecast)	Plan difference	cf. Plan
Mushroom business in Japan	Net sales	46,286	53,492	7,206	115.6%
	Operating profit	2,788	4,488	1,699	160.9%
Mushroom business outside Japan	Net sales	6,348	6,060	△287	95.5%
	Operating profit	642	155	△486	24.2%
Processed products business	Net sales	7,732	8,153	420	105.4%
	Operating profit	340	239	△101	70.2%
Chemical products business	Net sales	10,565	11,046	481	104.6%
	Operating profit	109	80	△29	73.1%

▶▶ Full year plan for the FY ending March 31, 2023
(Mushroom business outside Japan)



		Year ended Mar. 31, 2022	Year ended Mar. 31, 2023 (Forecast)	Plan difference	cf. Plan
U.S.A (US\$)	Net sales	22,620,000	22,250,000	△ 370,000	98.4%
	Operating profit	△ 1,920,000	△ 3,030,000	△ 1,100,000	—
	ROE	122.39	116.00		
Taiwan (NT\$)	Net sales	682,000,000	687,000,000	5,000,000	100.8%
	Operating profit	175,000,000	126,000,000	△49,000,000	71.8%
	ROE	4.28	4.00		
Malaysia (RM)	Net sales	21,610,000	24,610,000	2,990,000	113.8%
	Operating profit	△960,000	450,000	1,420,000	—
	ROE	29.12	27.00		

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New
Item

New products Introducing "HOKUTO Vegetable soup rich in Mushrooms ~with Tomato~" made from Shinsyu

"We'd like to deliver healthy and delicious mushroom soup that makes it easier to consume more vegetables."

"Through mushrooms, We'd like to care your daily life through mushrooms, and support your mind and body."

Based on the idea, we have developed as the second in the "Shinsyu Maitake Cream Soup ~Made with Soy Milk~" series.

«4 commitment of substantial soup to taste mushrooms »

1. Use Eryngii and Fresh Donko

(Use only Eryngii and Fresh Donko harvested at our own factory in Nagano prefecture)

2. Use 8 kinds of mushrooms and vegetables

3. 69kcal per serving & rich in dietary fiber

4. No chemical seasoning



You can enjoy it in the wide range of situations such as daily breakfast, holiday brunch, and relaxing home time. It can also be used when you want one more item or as a preserved food.

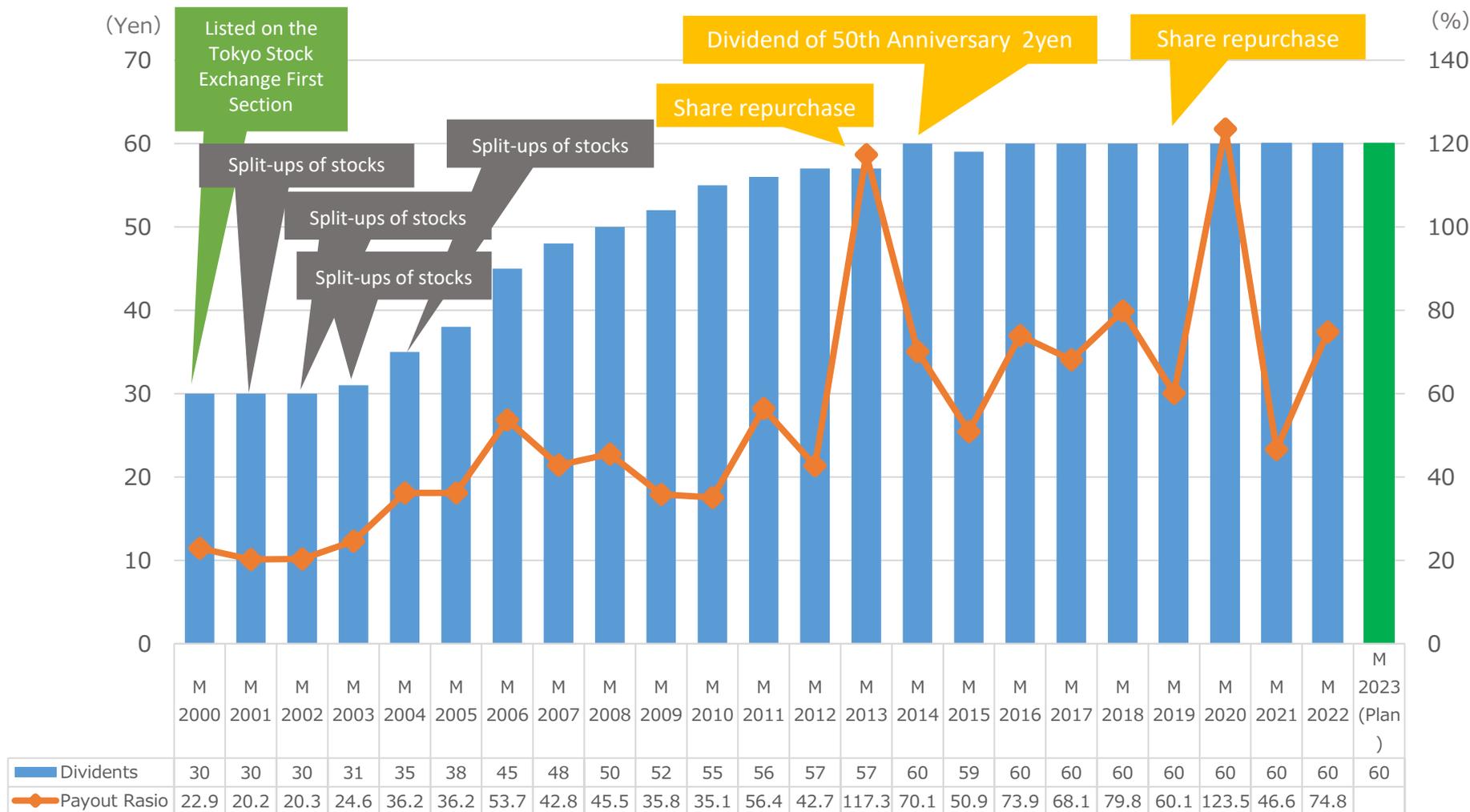
(Billions of yen)

	FY ended March 31, 2022		FY ending March 31, 2023		FY ending March 31, 2024 (Forecast)	
	Plant construction	Mie prefecture	10.0			ASEAN Second
Plant renovation						
Others						
Capital investment		10.0		1.2		1.5
Depreciation		6.9		6.9		7.1

※ Construction of Taiwan Third is currently postponed.

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▶▶ About Dividends

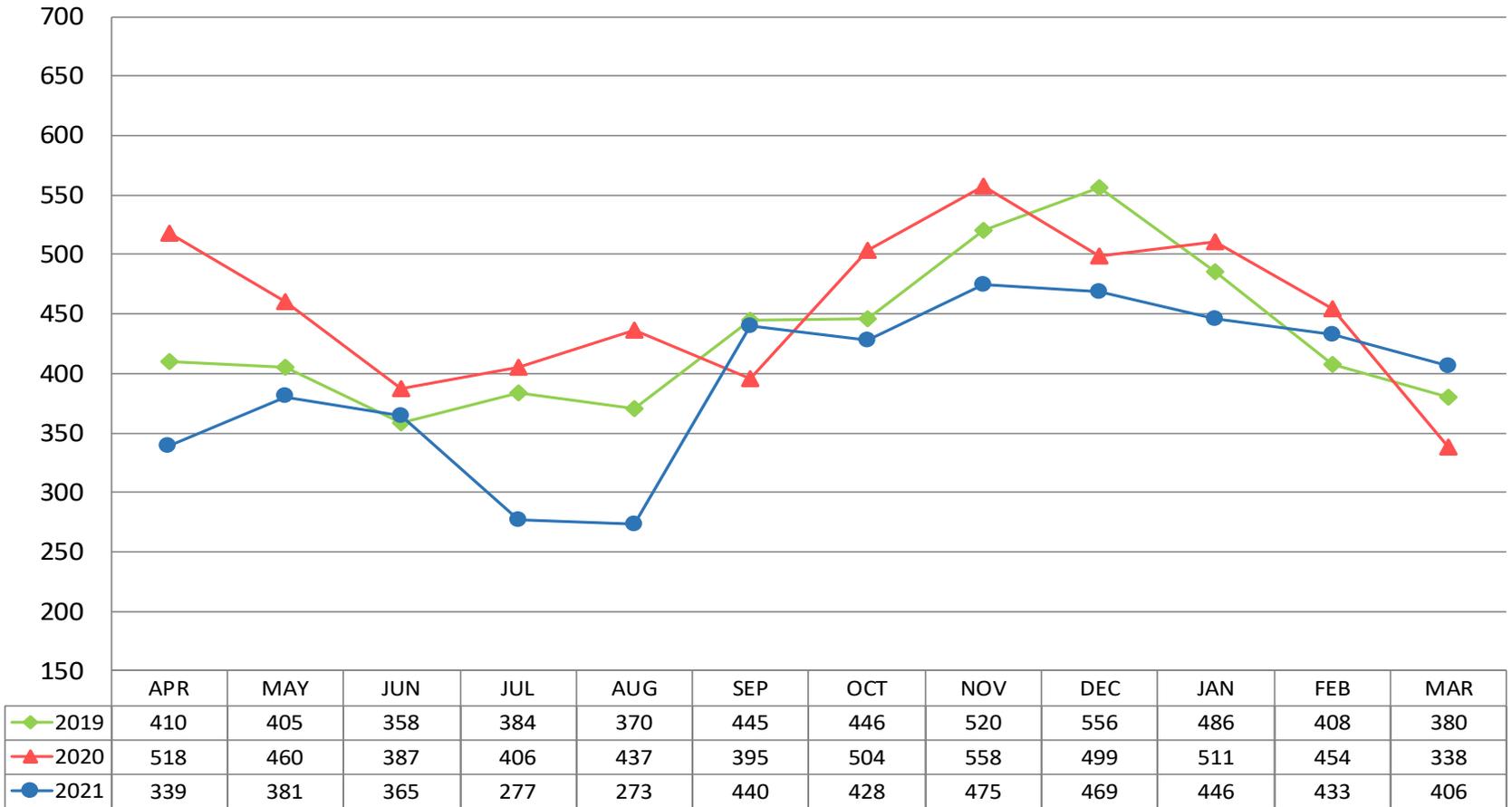


Maintain stable dividends In regards to the future
 (Plan to defer for the current fiscal year)

▶▶ (Ref) Change of Bunashimeji Market Price

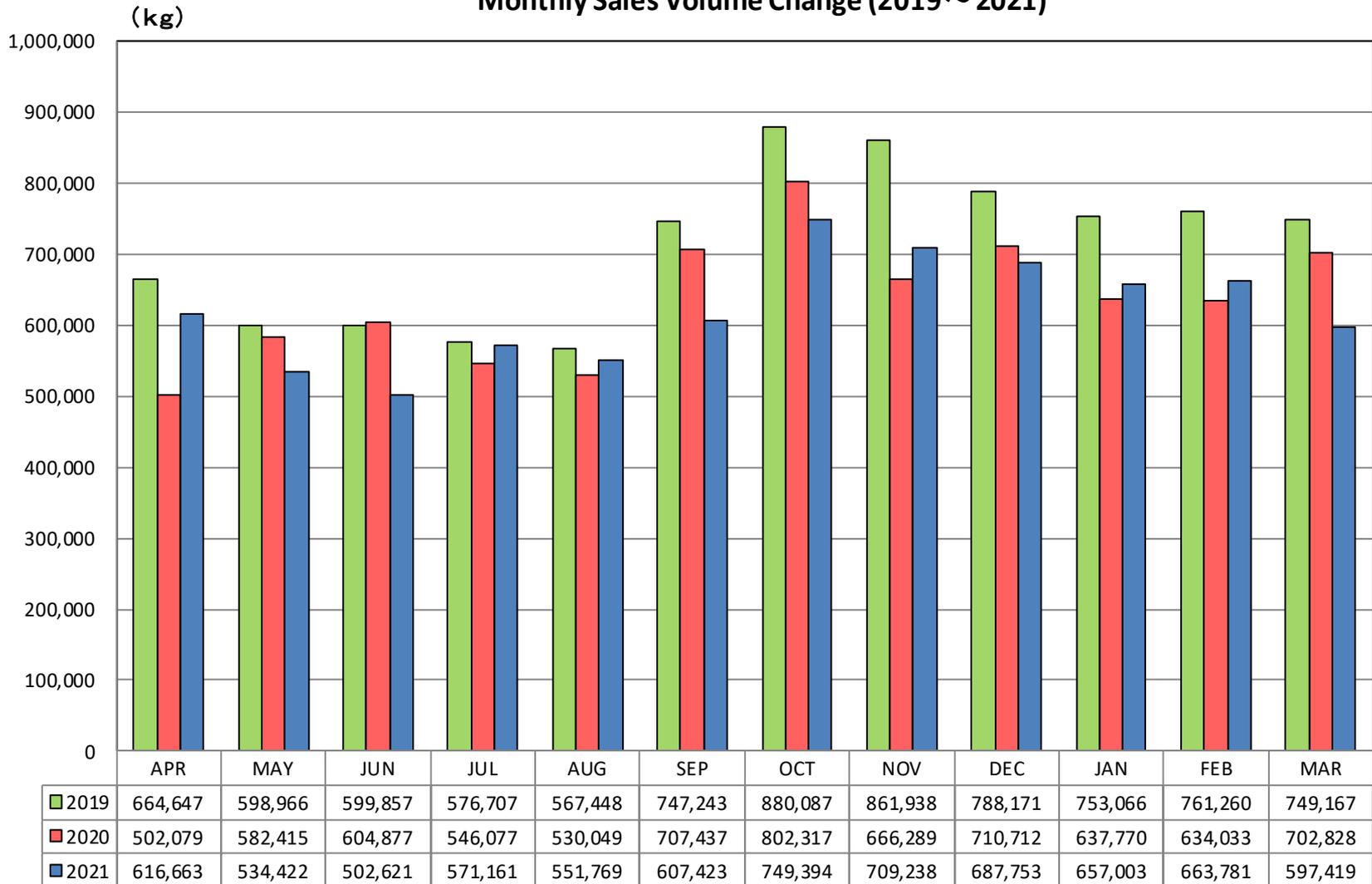
(Yen/kg)

Monthly Price Change (2019~2021)



Avr. Price
437
456
399

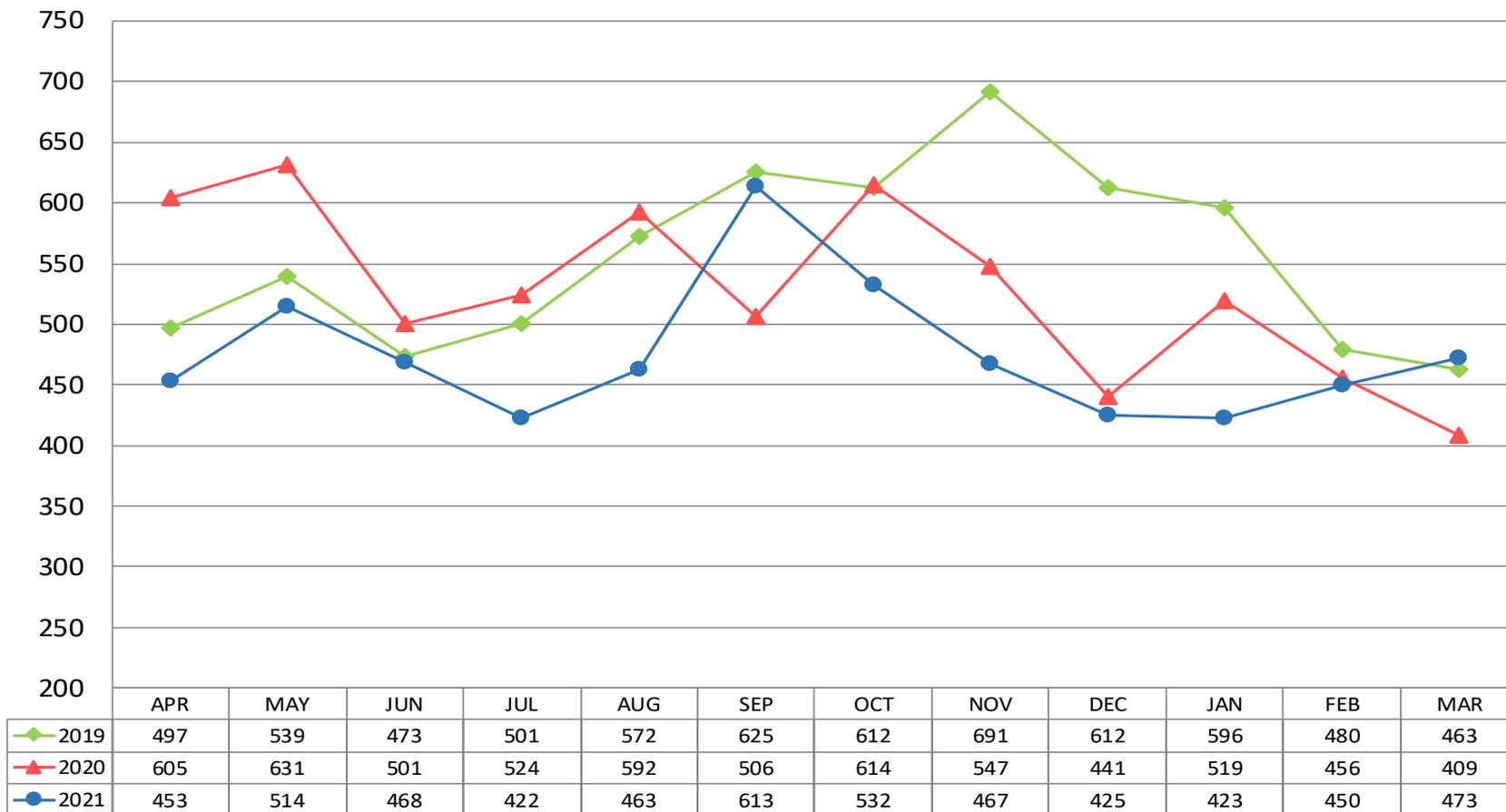
Monthly Sales Volume Change (2019 ~ 2021)



Yearly Sales Volume
8,548,557
7,626,883
7,448,647

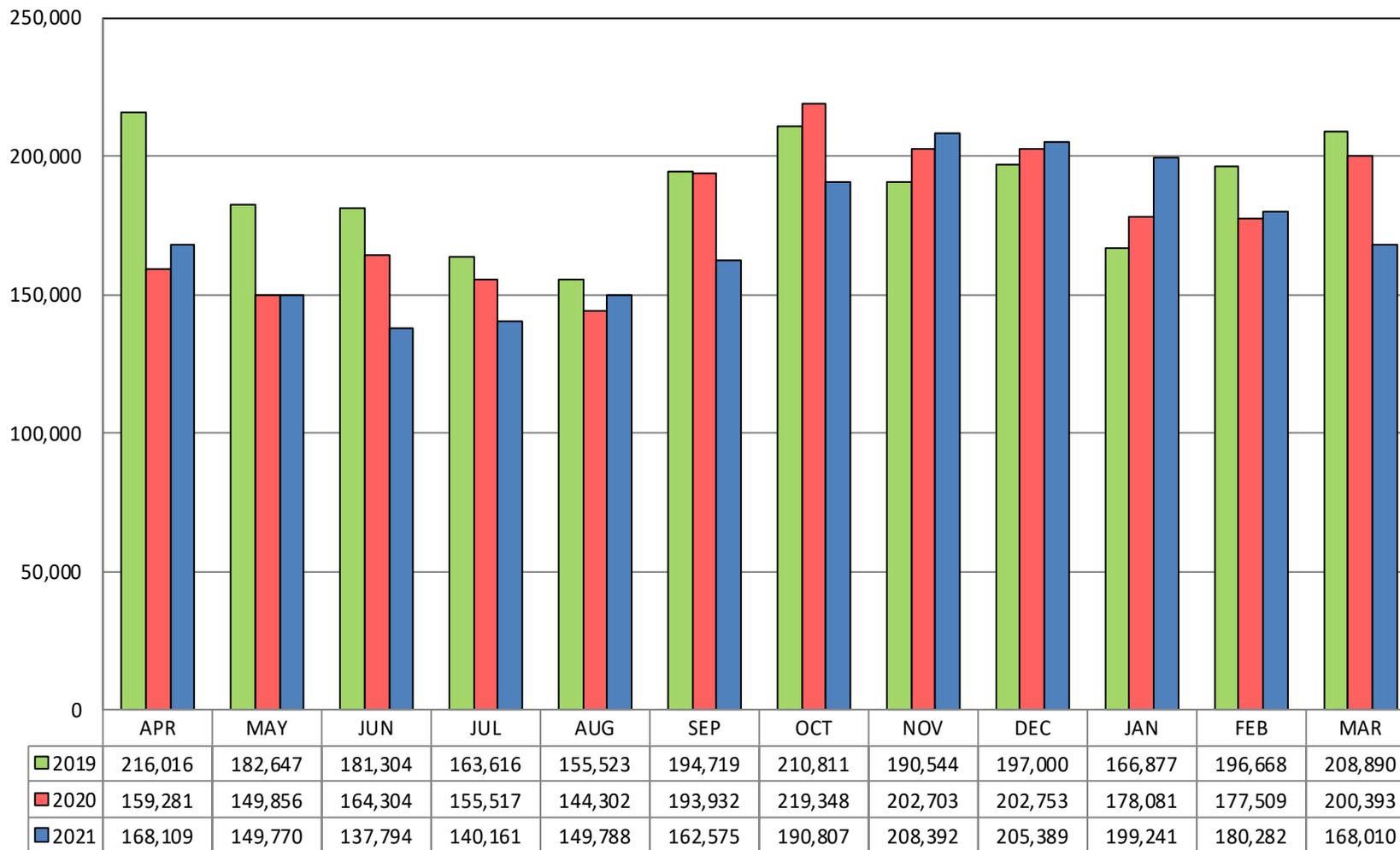
Monthly Price Change (2019~2021)

(Yen/kg)



Avr. Price
555
525
474

(kg) Monthly Sales Volume Change (2019~2021)



Yearly Sales Volume
2,264,615
2,147,979
2,060,318

Monthly Price Change (2019~2021)

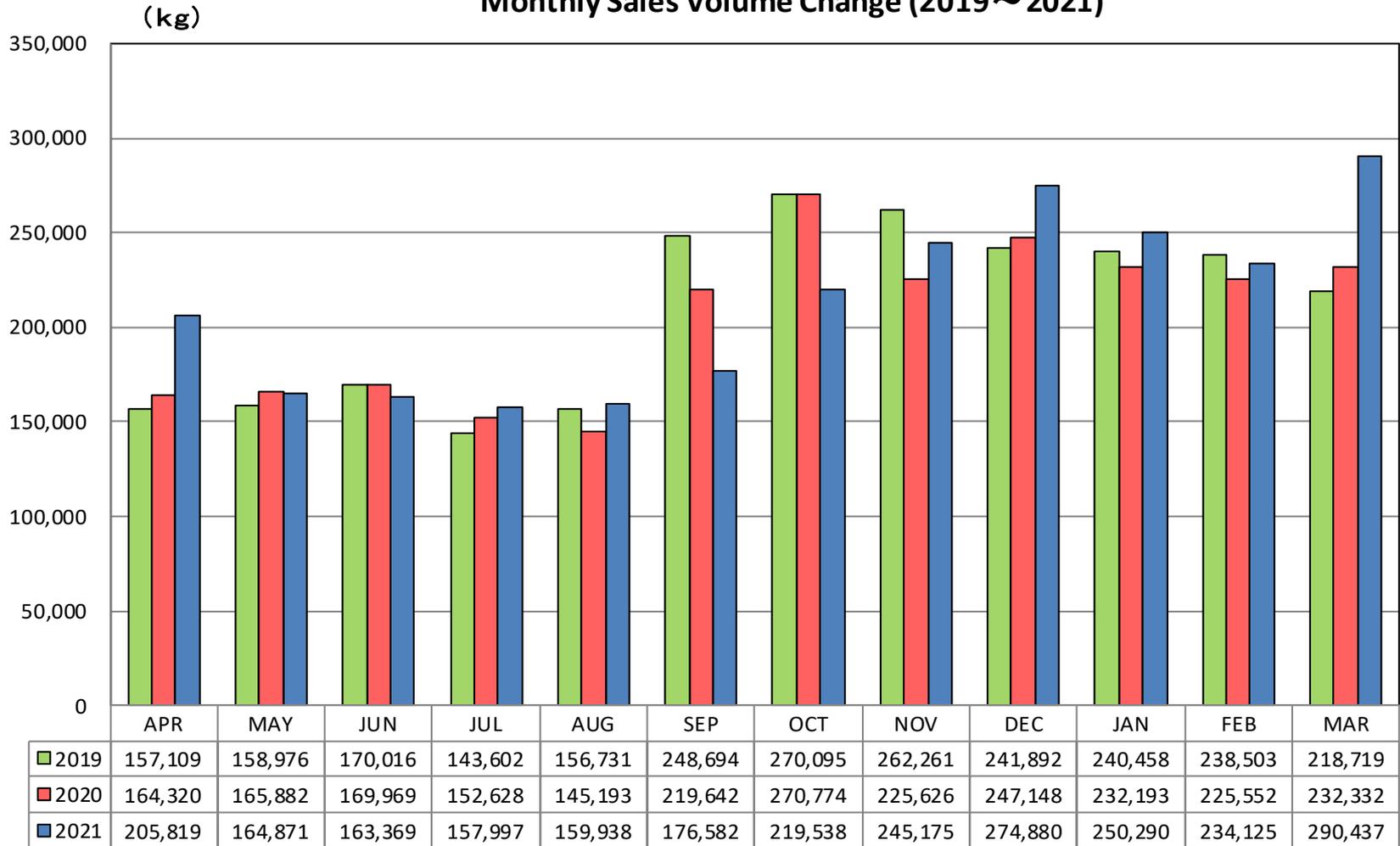
(Yen/kg)



	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
◆ 2019	957	867	789	879	886	899	955	996	988	892	806	799
▲ 2020	886	822	749	794	806	816	970	1,010	866	834	708	568
● 2021	562	663	616	557	618	939	935	894	725	682	659	514

Avr. Price
898
823
699

Monthly Sales Volume Change (2019 ~ 2021)



Yearly Sales Volume
2,507,056
2,451,259
2,543,021



HOKUTO HOKUTO Corporation

Location : Nagano, Nagano Pref.
 President : Masayoshi Mizuno
 Securities code : 1379
 Listed market : Tokyo Stock Exchange Prime Market
 Number of outstanding shares : 33,359,040 stock

Market capitalization : 63,582 mil. yen
 Shareholders' equity : 53,798 mil.yen
 Number of employees : 4,129
 Main business : Mushroom
 Production/Distribution/ R&D
 (As of the end of March 2022)



Hokuto Industry Corporation

- Industrial Supply Production/Distribution



HOKTO KINOKO COMPANY

- Mushroom Production/Distribution in North America



Arden Incorporated

- Retort pouch food production



TAIWAN HOKUTO CORPORATION

- Mushroom Production/Distribution in Taiwan



HOKTO MALAYSIA SDN.BHD.

- Mushroom Production/Distribution in Malaysia

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HOKUTO Corporation

