

HOKUTO Corporation

Consolidated Financial Results for the Year Ended March 31, 2023

May, 2023



**1. The financial report for the Year Ended
March 31, 2023**

**2. Forecast of consolidated financial results for
the Year Ending March 31, 2024**

3. Recent Activities

4. Reference material

◆ Consolidated

(Millions of yen)

	Year ended Mar. 31, 2023	Year ended Mar. 31, 2022	YoY
Net sales	72,980	70,932	102.9%
Operating profit	△2,948	2,014	—
Profit attributable to owners of parent	△2,037	2,530	—

◆ Individual

(Millions of yen)

	Year ended Mar. 31, 2023	Year ended Mar. 31, 2022	YoY
Net sales	49,796	49,090	101.4%
Operating profit	△3,295	1,117	—
Profit attributable to owners of parent	△2,811	1,595	—

▶ Operating profit was below the last year's level due to increased manufacturing costs influenced by the crude oil cost hike and other factors despite increased sales owing to Mie Mushroom Center being in full production.

◆ By Segment

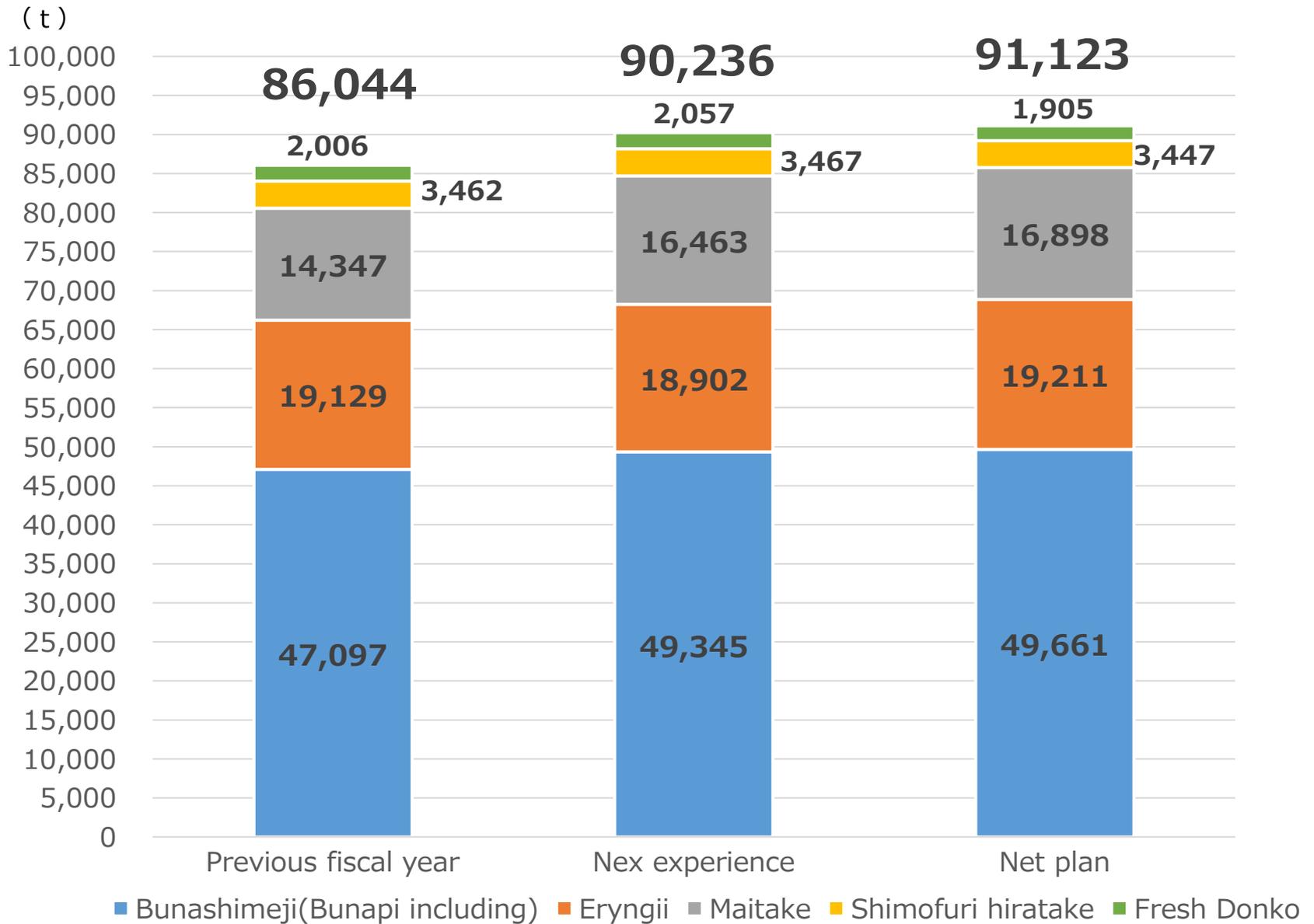
(Millions of yen)

	Mushroom business in Japan		Mushroom business outside Japan		Processed products business		Chemical products business	
	Year ended Mar. 31, 2023	YoY	Year ended Mar. 31, 2023	YoY	Year ended Mar. 31, 2023	YoY	Year ended Mar. 31, 2023	YoY
Net sales	47,060	101.7%	6,530	102.9%	7,948	102.8%	11,439	108.3%
Operating profit	△1,619	—	153	23.9%	275	81.1%	145	132.5%

(Millions of yen)

	Year ended Mar. 31, 2022	Year ended Mar. 31, 2023	YoYchange	YoY
Net sales	70,932	72,980	2,047	102.9%
Gross profit	17,392	12,967	△4,424	74.6%
Gross profit margin	24.5%	17.8%		
Selling, general and administrative expenses	15,377	15,915	537	103.5%
Operating profit	2,014	△2,948	△4,962	—
Operating profit margin	2.8%	△4.0%		
Ordinary profit	3,658	△1,854	△5,513	—
Ordinary profit margin	5.2%	△2.5%		
Profit attributable to owners of parent	2,530	△2,037	△4,567	—
Net profit margin	3.6%	△2.8%		
Earnings per share	80.26	△64.43		

▶▶ Changes in mushroom production



(Millions of yen)

		Year ended Mar. 31, 2022	Year ended Mar. 31, 2023	YoYchange	YoY
Mushroom business in Japan	Net sales	46,286	47,060	774	101.7%
	Operating profit	2,788	△1,619	△4,408	—
Mushroom business outside Japan	Net sales	6,348	6,530	182	102.9%
	Operating profit	642	153	△489	23.9%
Processed products business	Net sales	7,732	7,948	216	102.8%
	Operating profit	340	275	△64	81.1%
Chemical products business	Net sales	10,565	11,439	874	108.3%
	Operating profit	109	145	35	132.5%

	cf. Previous year	cf. Plan
Bunashimeji	98.5%	92.0%
Eryngii	100.5%	92.4%
Maitake	86.6%	79.7%
Shimofuri hiratake	92.8%	83.1%

Mushroom unit prices remained stagnant due to the sluggish vegetable market throughout the year.

	cf. Previous year	cf. Plan
Bunashimeji	105.3%	99.5%
Eryngii	99.4%	98.7%
Maitake	115.3%	97.5%
Shimofuri hiratake	100.1%	100.6%

Production of Bunashimeji and Maitake mushrooms expanded after Mie Mushroom Centers began full-capacity operation.

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

		Year ended Mar. 31, 2022	Year ended Mar. 31, 2023	YoYchange	YoY
U.S.A (US\$)	Net sales	22,629,888	22,598,458	△ 31,430	99.9%
	Operating profit	△ 1,929,737	△ 3,397,867	△ 1,468,130	—
	ROE	122.39	133.53		
Taiwan (NT\$)	Net sales	682,040,042	666,189,088	△ 15,850,954	97.7%
	Operating profit	175,745,339	140,047,810	△ 35,697,529	79.7%
	ROE	4.28	4.38		
Malaysia (RM)	Net sales	21,618,284	18,815,813	△ 2,802,471	87.0%
	Operating profit	△ 967,834	△ 3,544,616	△ 2,576,782	—
	ROE	29.12	30.24		

(Millions of yen)

	Revised Plan	Year ended Mar. 31, 2023	Plan difference	cf. Plan
Net sales	73,600	72,980	△619	99.2%
Gross profit	13,450	12,967	△482	96.4%
Gross profit margin	18.3%	17.8%		
Selling, general and administrative expenses	16,080	15,915	△164	99.0%
Operating profit	△2,630	△2,948	△318	—
Operating profit margin	△3.6%	△4.0%		
Ordinary profit	△1,670	△1,854	△184	—
Ordinary profit margin	△2.3%	△2.5%		
Profit attributable to owners of parent	△1,590	△2,037	△447	—
Net profit margin	△2.2%	△2.8%		
Earnings per share	△50.29	△64.43		

Both net sales and operating profit fell short of the figures shown in the plan.

(Millions of yen)

		Revised Plan	Year ended Mar. 31, 2023	Plan difference	cf. Plan
Mushroom business in Japan	Net sales	47,738	47,060	△678	98.6%
	Operating profit	△1,096	△1,619	△523	—
Mushroom business outside Japan	Net sales	6,513	6,530	17	100.3%
	Operating profit	50	153	102	304.2%
Processed products business	Net sales	7,959	7,948	△10	99.9%
	Operating profit	217	275	58	126.8%
Chemical products business	Net sales	11,409	11,439	30	100.3%
	Operating profit	149	145	△4	96.8%

		Initial plan	Year ended Mar. 31, 2023	Plan difference	cf. Plan
U.S.A (US\$)	Net sales	22,250,000	22,598,458	339,458	101.5%
	Operating profit	△ 3,030,000	△ 3,397,867	△ 358,867	—
	ROE	116.00	133.53		
Taiwan (NT\$)	Net sales	687,000,000	666,189,088	△20,980,912	96.9%
	Operating profit	126,000,000	140,047,810	13,777,810	110.9%
	ROE	4.00	4.38		
Malaysia (RM)	Net sales	24,610,000	18,815,813	△5,795,187	76.5%
	Operating profit	450,000	△3,544,616	△4,002,616	—
	ROE	27.00	30.24		

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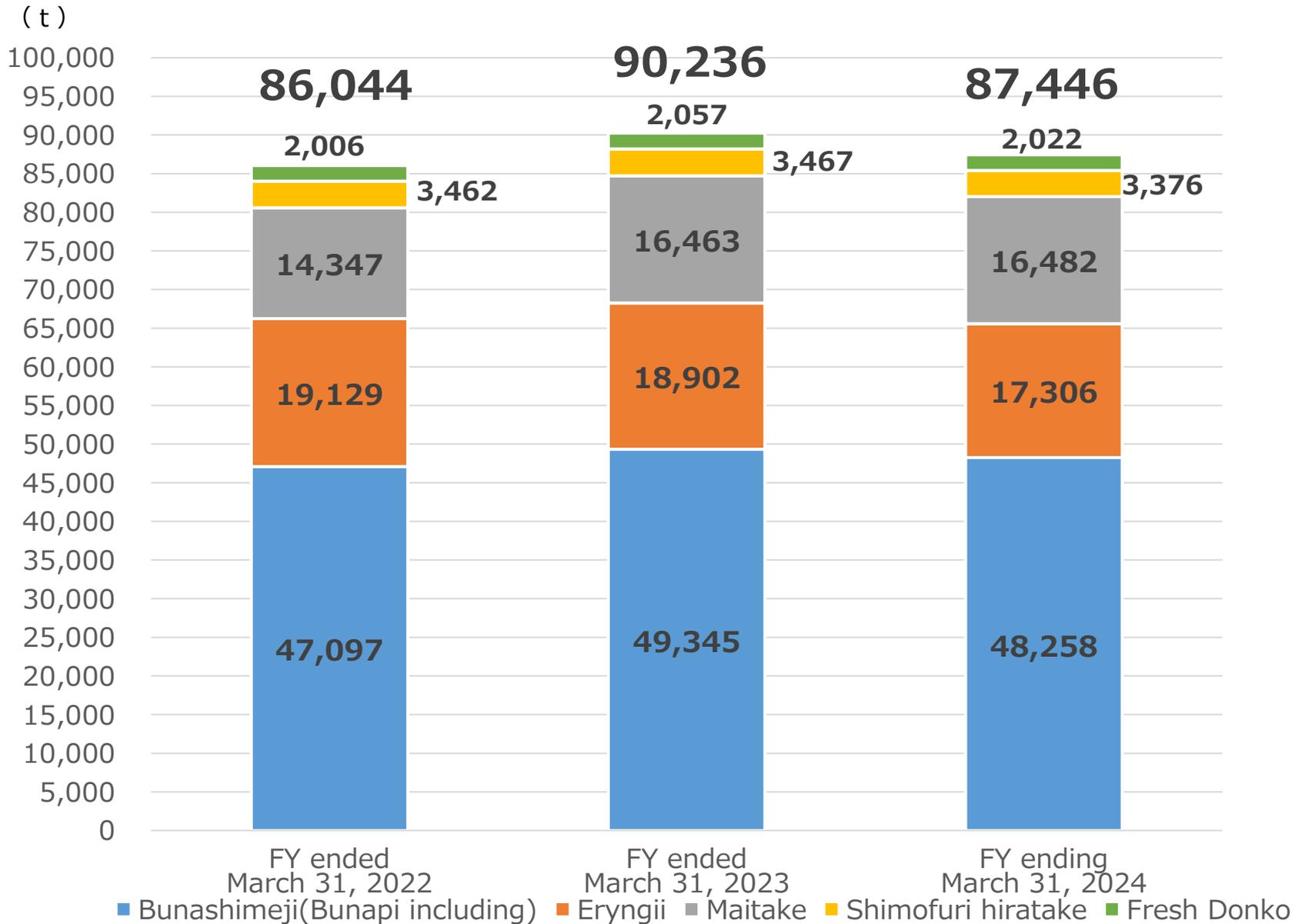
4. Reference material

(Millions of yen)

	Year ended Mar. 31, 2023	Year ended Mar. 31, 2024 (Forecast)	Plan difference	cf. Plan
Net sales	72,980	80,200	7,219	109.9%
Gross profit	12,967	18,640	5,672	143.7%
Gross profit margin	17.8%	23.2%		
Selling, general and administrative expenses	15,915	16,720	804	105.1%
Operating profit	△2,948	1,920	4,868	△65.1%
Operating profit margin	△4.0%	2.4%		
Ordinary profit	△1,854	2,110	3,964	△113.8%
Ordinary profit margin	△2.5%	2.6%		
Profit attributable to owners of parent	△2,037	700	2,737	△34.4%
Net profit margin	△2.8%	0.9%		
Earnings per share	△64.43	22.08		

Planning to increase sales and profits in anticipation of increase in selling prices for mushrooms due to reduced supply.

Changes in mushroom production



(Millions of yen)

		Year ended Mar. 31, 2023	Year ended Mar. 31, 2024 (Forecast)	Plan difference	cf. Plan
Mushroom business in Japan	Net sales	47,060	52,872	5,812	112.4%
	Operating profit	△1,619	3,305	4,925	—
Mushroom business outside Japan	Net sales	6,530	7,200	670	110.3%
	Operating profit	153	735	582	480.1%
Processed products business	Net sales	7,948	8,082	133	101.7%
	Operating profit	275	95	△180	34.5%
Chemical products business	Net sales	11,439	12,027	588	105.1%
	Operating profit	145	200	54	137.9%

▶▶ Full year plan for the FY ending March 31, 2024
(Mushroom business outside Japan)



		Year ended Mar. 31, 2023	Year ended Mar. 31, 2024 (Forecast)	Plan difference	cf. Plan
U.S.A (US\$)	Net sales	22,598,458	26,740,000	4,150,860	118.4%
	Operating profit	△ 3,397,867	30,000	3,437,297	—
	ROE	133.53	131.80		
Taiwan (NT\$)	Net sales	666,189,088	671,000,000	5,600,912	100.8%
	Operating profit	140,047,810	143,000,000	3,392,190	102.4%
	ROE	4.38	4.30		
Malaysia (RM)	Net sales	18,815,813	22,240,000	3,431,187	118.2%
	Operating profit	△3,544,616	△1,640,000	1,899,616	—
	ROE	30.24	30.20		

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Solar power PPAs for Akanuma Mushroom Center and Saku Mushroom Center

Following the signing of solar power PPAs for three mushroom centers in Komoro, Mie and Hiroshima, solar power PPA programs were introduced last year at Akanuma and Saku Mushroom Centers.

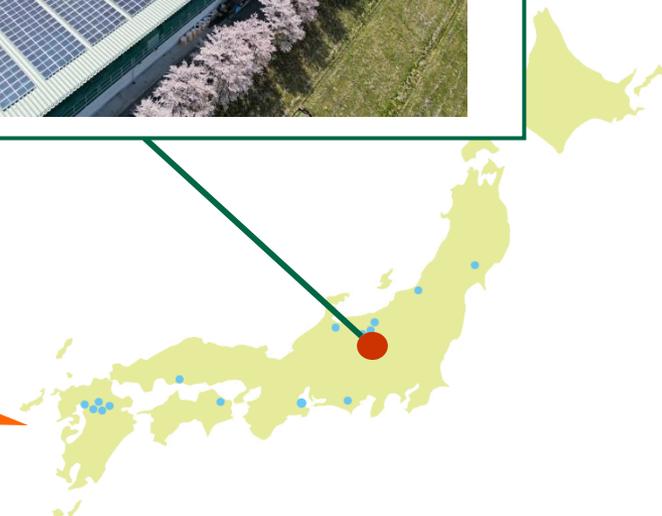
Akanuma Mushroom Center



Saku Mushroom Center



During this fiscal year (ending March 2024), solar power PPA programs will be introduced at Shizuoka Mushroom Center, Tomakomai Mushroom Center and Yame Mushroom Center.



Certified as a 2023 Certified Health and Productivity Management Outstanding Organization (large enterprise category)



2023

健康経営優良法人

Health and productivity

Our efforts for health and productivity management were publicly recognized, and on March 14, 2023, we were certified as a 2023 Certified Health and Productivity Management Outstanding Organization (large enterprise category).

We have just started on such efforts, and we will continue to work under the philosophy of health and productivity management.

[Our Health and Productivity Management Philosophy]

HOKUTO Corporation regards the health of our employees and their families as essential for supporting the health of people with our mushrooms. We create an environment for everyone in the company to work with eagerness and passion and unite our efforts to further improve health. Believing that HEALTH is an important management resource, we support the HEALTH of everyone involved in and around us so that they can enjoy spiritually rich and happy lives.

New Product

“Mushroom Dashi (Stock)” made from mountain and marine foodstuffs
Released on the HOKUTO online shop on March 17!

Dashi pack containing a well balanced mix of natural umami ingredients such as Shimofuri Hiratake and Maitake mushrooms from the mountains and katsuo-bushi (dried bonito) and konbu (dried kelp) from sea. No salt or yeast extract is added to preserve the natural taste.

**Shimofuri
hiratake**



Premium mushroom having more pleasant texture and containing lots of umami owing to our patented technology

Maitake



Mushroom having rich taste and flavor and harvested as a whole one by one just like wild-grown maitake through the use of our unique cultivation technology

**Dried bonito
from Yaizu**



Made only from bonito brought in at Yaizu port and with traditional methods requiring lots of care

**Kelp from
Hokkaido**



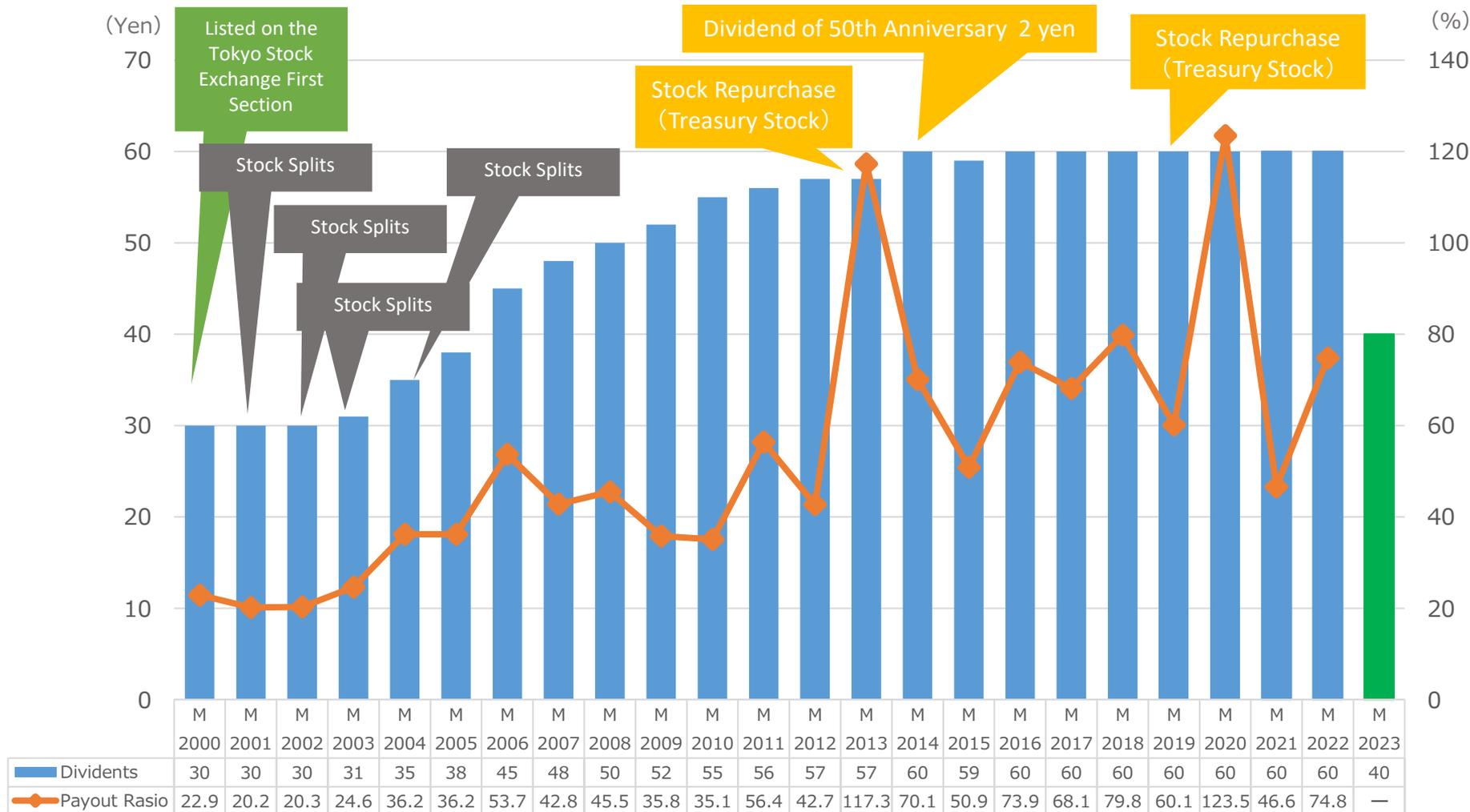
Kelp grown in the sea filled with nature's blessings in Hokkaido



Delivering not only deliciousness but also health!
A cup of soup rich with mushroom power is good for beauty and health.

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▶▶ About Dividends

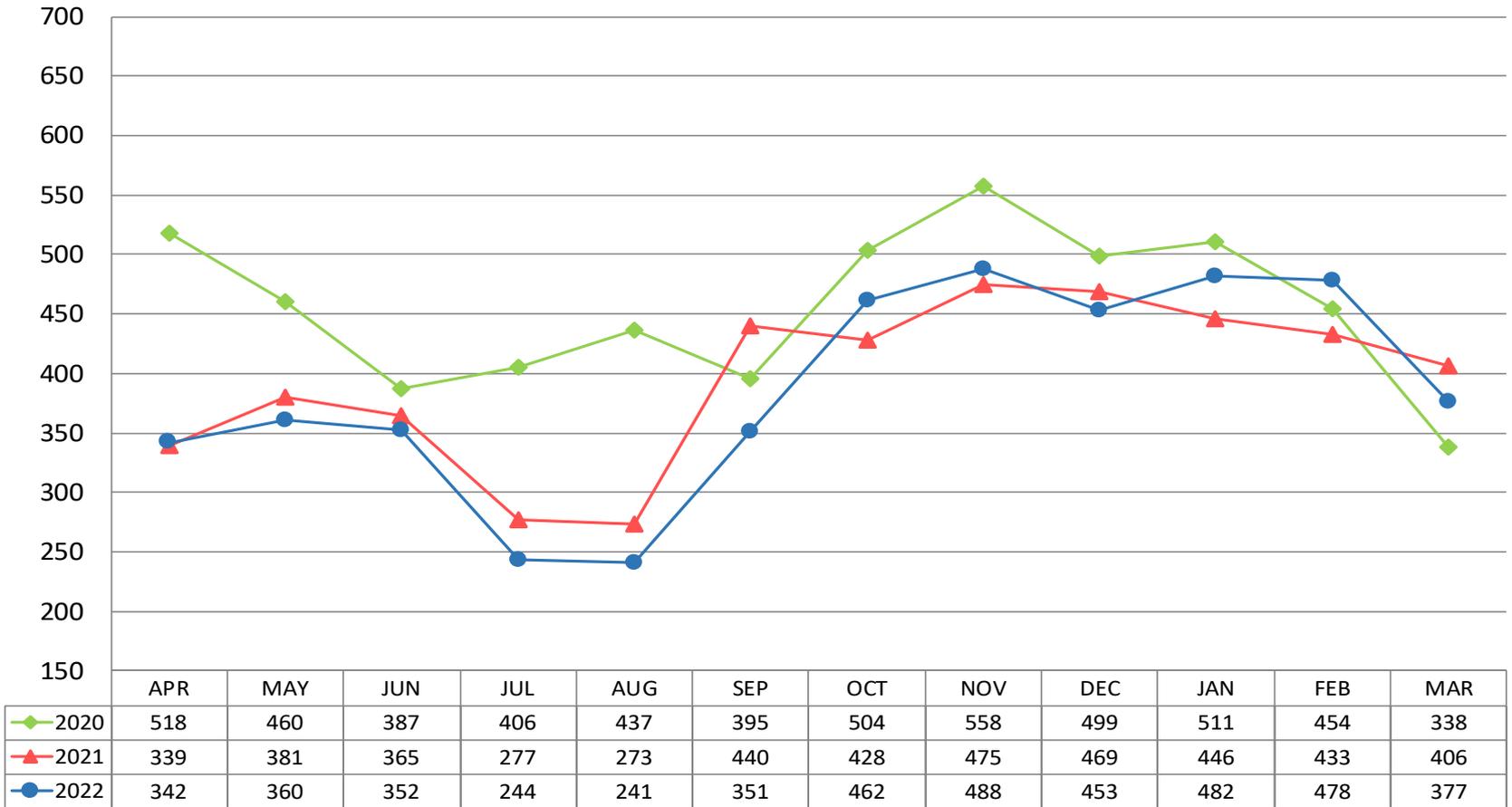


Dividend decreased by 20 yen to annual dividend of 40 yen due to full-year deficit.
 Dividend for the fiscal year ending March 2024 not yet decided.

▶▶ (Ref) Change of Bunashimeji Market Price

(Yen/kg)

Monthly Price Change (2020~2022)

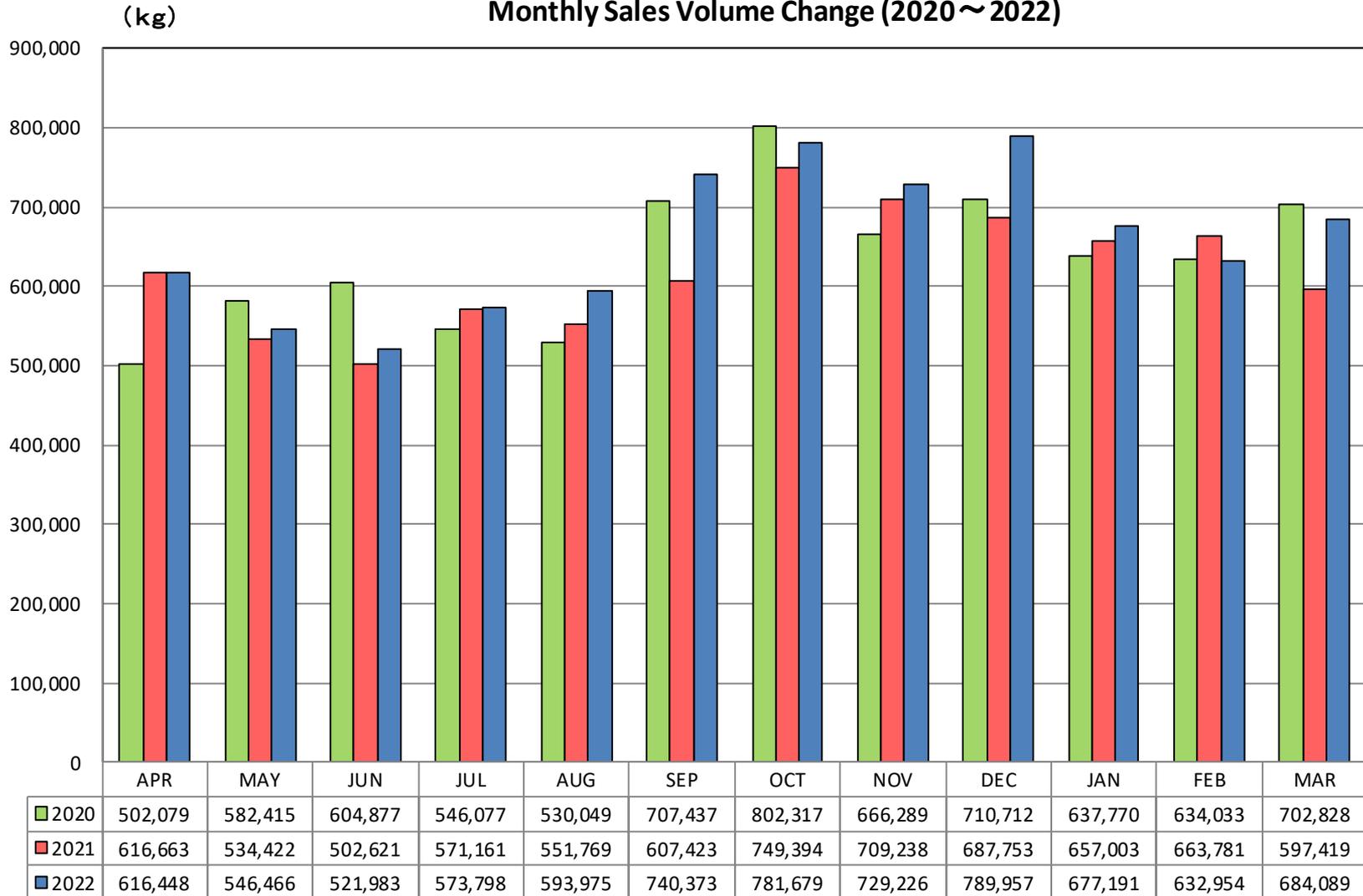


Avr. Price
456
399
392

▶▶ (Ref) Change of Bunashimeji Sales Volume



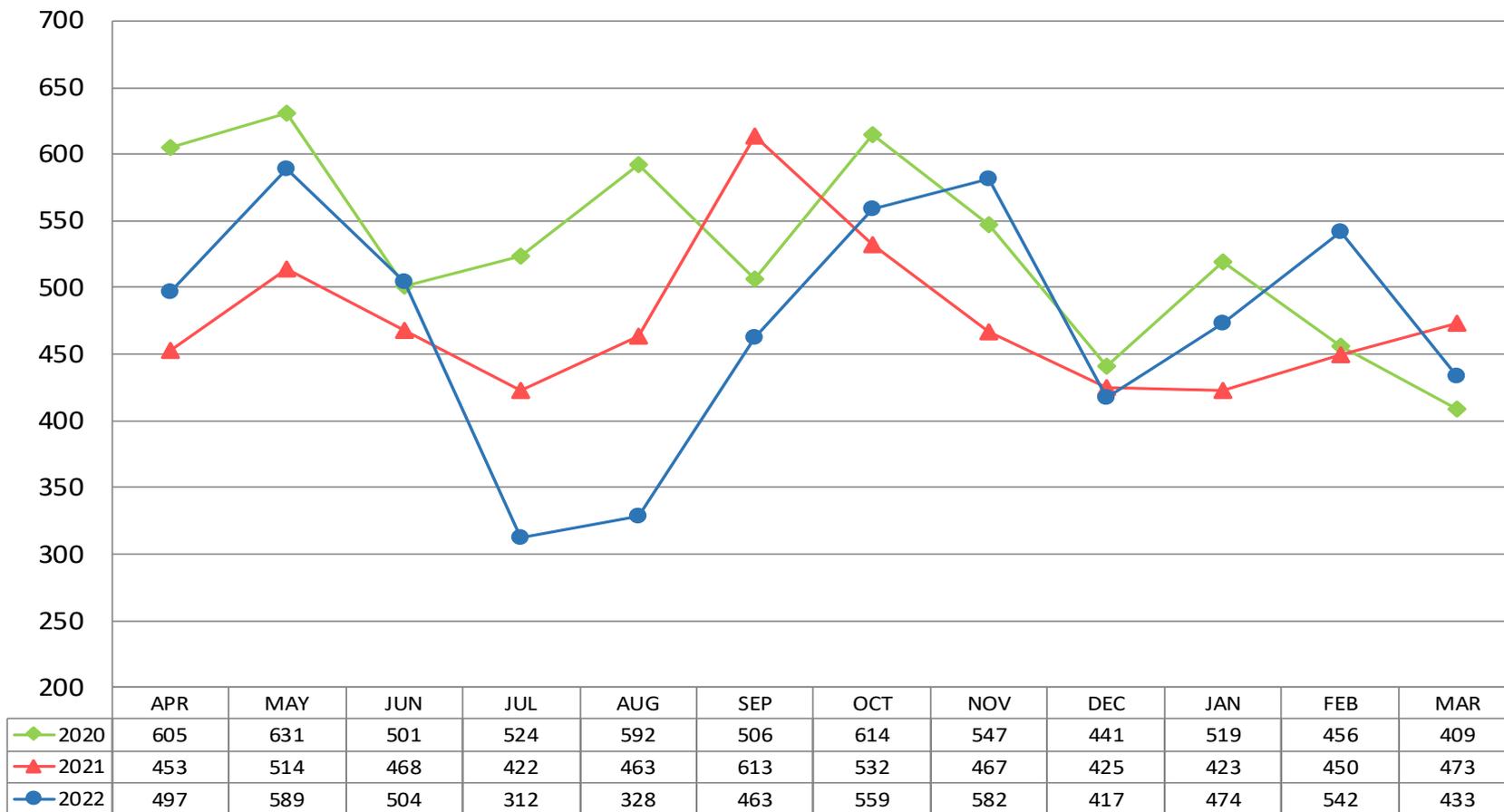
Monthly Sales Volume Change (2020~2022)



Yearly Sales Volume
7,626,883
7,448,647
7,888,139

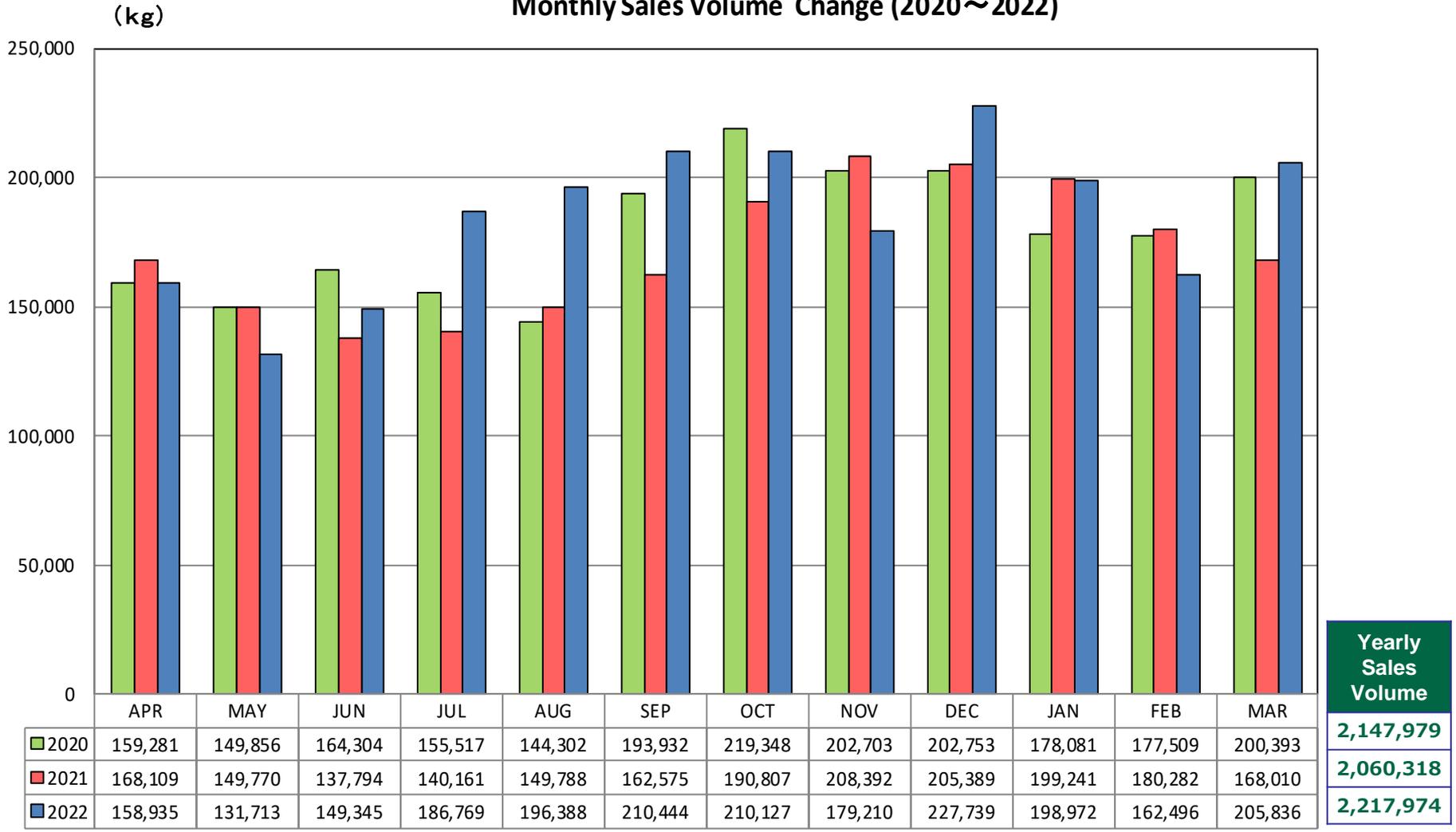
Monthly Price Change (2020~2022)

(Yen/kg)



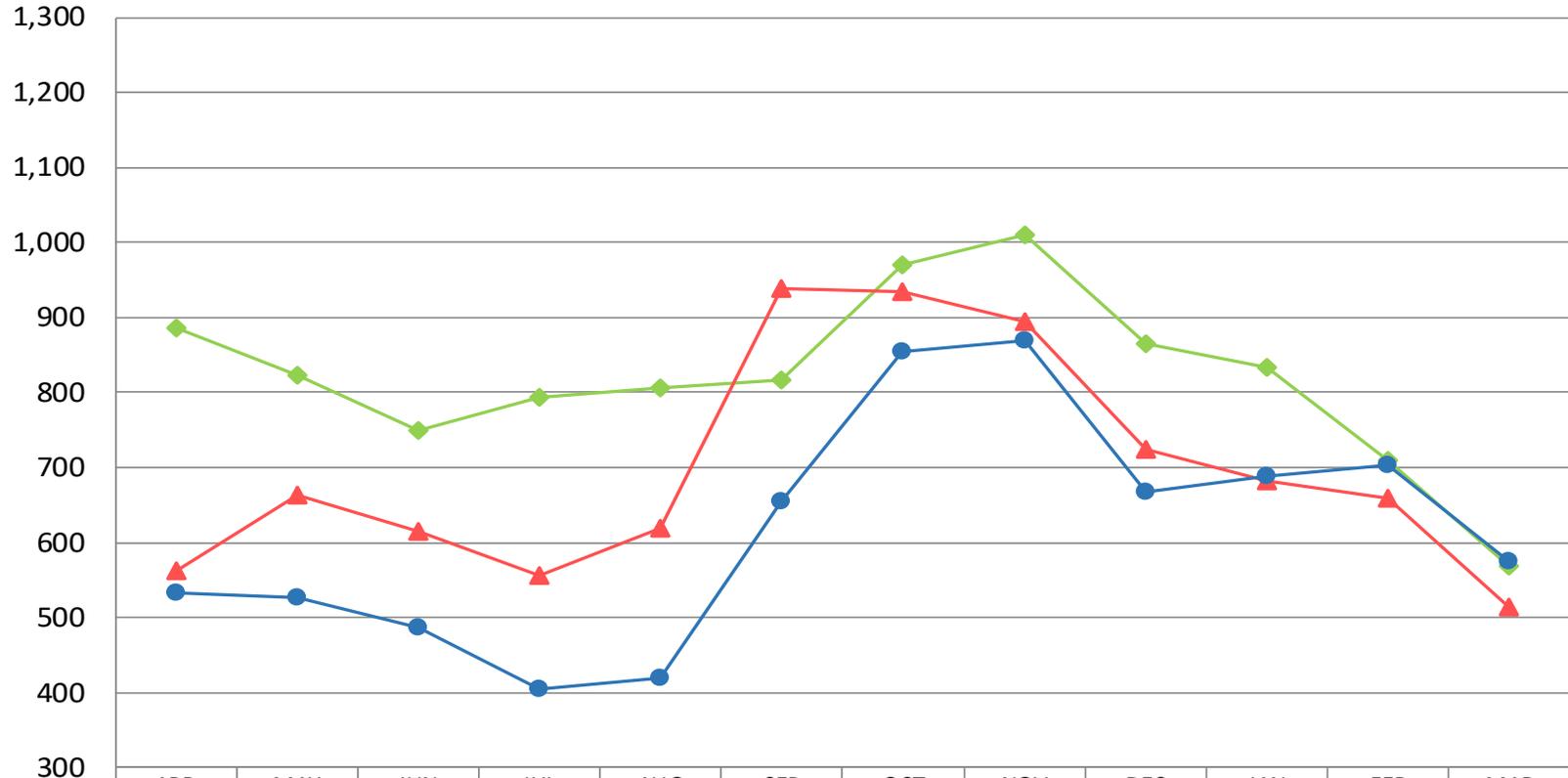
Avr. Price
525
474
469

Monthly Sales Volume Change (2020~2022)



Monthly Price Change (2020~2022)

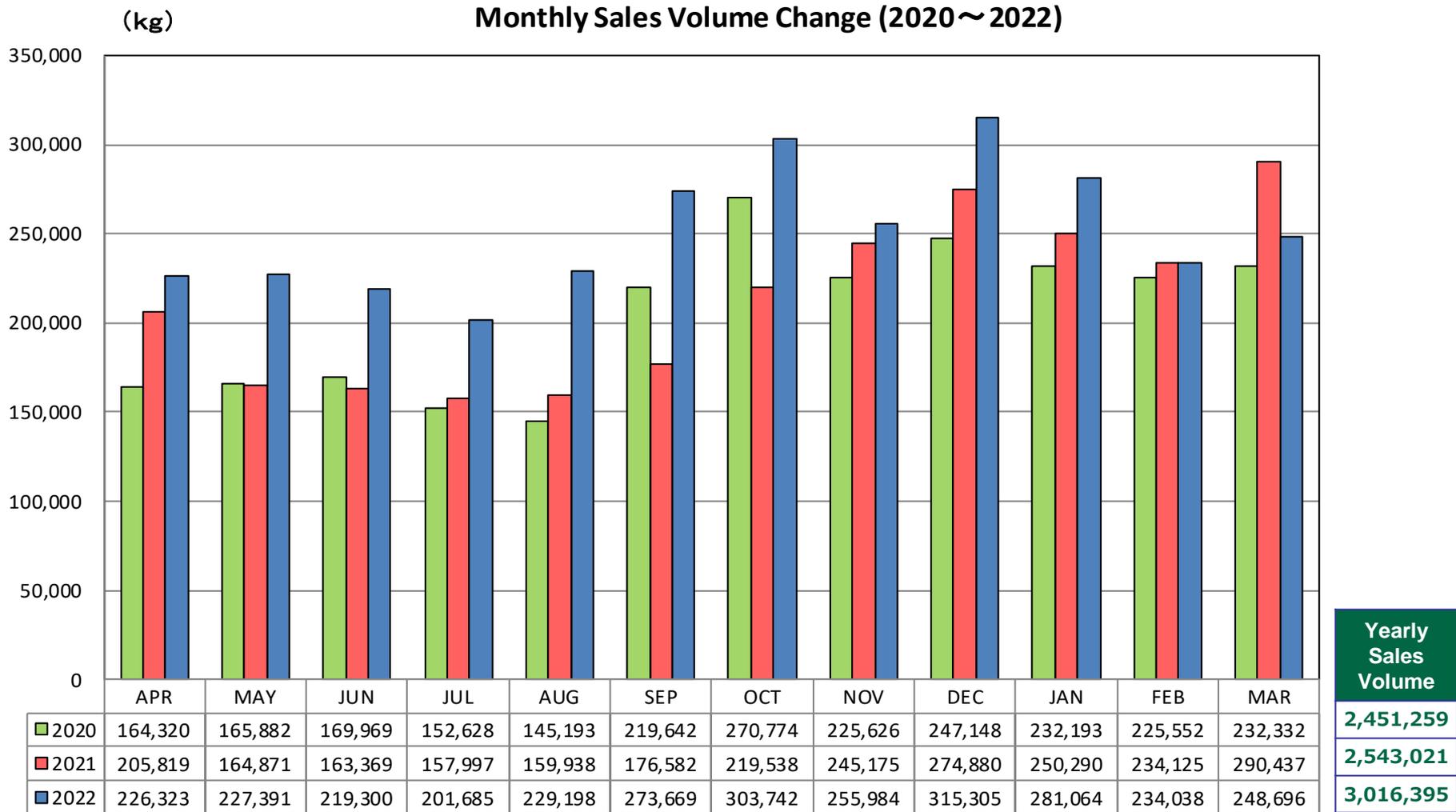
(Yen/kg)



	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
◆ 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
● 2022	533	526	486	405	419	655	856	868	667	687	704	574

Avr. Price
823
699
629

▶▶ (Ref) Change of Maitake Sales Volume





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 : 61,881 mil. yen
 Shareholders' equity : 50,020 mil.yen
 Number of employees : 4,191
 Main business : Mushroom
 Production/Distribution/ R&D
 (As of the end of March 2023)



Hokuto Industry Corporation

•Industrial Supply
 Production/Distribution



HOKTO KINOKO COMPANY

•Mushroom Production/Distribution in
 North America



TAIWAN HOKUTO CORPORATION

•Mushroom Production/Distribution in
 Taiwan



Arden Incorporated

•Retort pouch food production

Sun Medica Co., Ltd.

Mushroom Wisdom, Inc,



HOKTO MALAYSIA SDN.BHD.

•Mushroom Production/Distribution
 in Malaysia

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HOKUTO Corporation

