

HOKUTO Corporation

Consolidated Financial Results for the Second Quarter Ended September 30, 2024

November, 2024



1. The financial report for the Second Quarter Ended September 30, 2024

2. Reference material

1

The domestic mushroom business was affected by high vegetable prices, leading to a firm unit price trend for mushrooms and contributing to increased sales and profits for the Company.

2

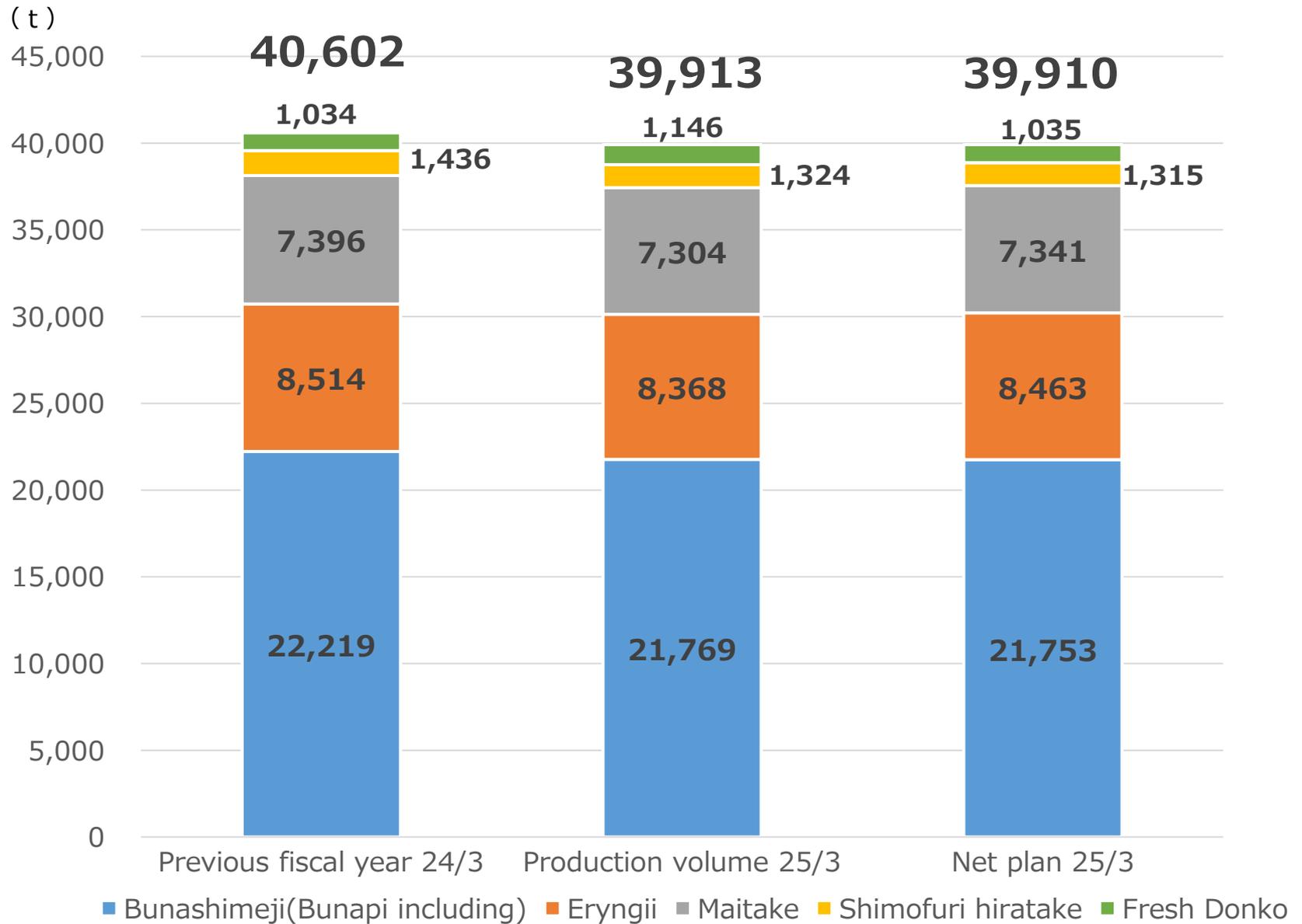
Ordinary profit was almost flat year-on-year, affected by foreign exchange loss.

In our main domestic mushroom business, vegetable prices were high because of low supply levels for many vegetables, affected by a shorter than normal rainy season, higher than normal temperatures, and the impact of heatwaves and typhoons. Accordingly, unit prices for mushrooms were firm, and we recorded year-on-year increases for both net sales and operating profit.

(Millions of yen)

	2Q ended Sep. 30, 2023	2Q ended Sep. 30, 2024	YoYchange	YoY
Net sales	34,862	35,998	1,135	3.3%
Gross profit	5,723	7,573	1,850	32.3%
Gross profit margin	16.4%	21.0%		
Selling, general and administrative expenses	7,698	7,855	156	2.0%
Operating profit	(1,975)	(282)	1,693	—
Operating profit margin	(5.7)%	(0.8)%		
Ordinary profit	(668)	(639)	29	—
Ordinary profit margin	(1.9)%	(1.8)%		
Profit attributable to owners of parent	(617)	(499)	118	—
Net profit margin	(1.8)%	(1.4)%		
Earnings per share (Yen)	(19.49)	(15.74)		

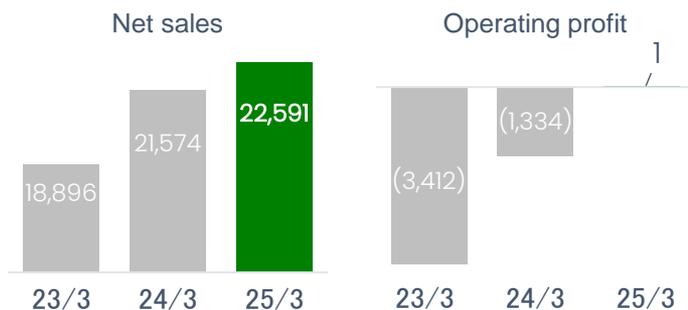
▶▶ The 2nd quarter in FY March 2025 Changes in mushroom production



(Unit: million yen)

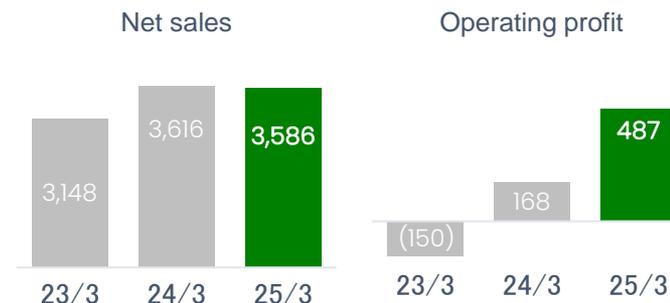
Mushroom business in Japan

- ✓ **Increased sales and profits** due to firm mushroom unit prices caused by strong conditions in vegetables markets, affected by heatwaves and typhoons, etc.



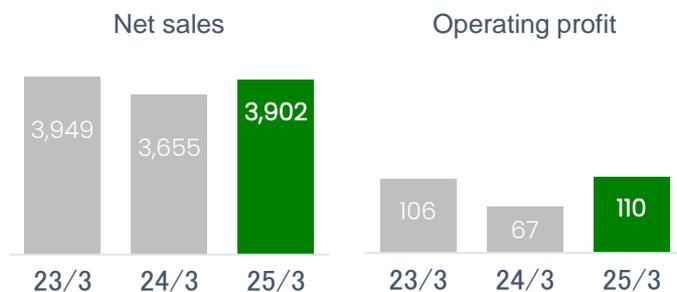
Mushroom business outside Japan

- ✓ **Increased sales and profits** at all subsidiaries due to increased sales and operating profit in local currency, but **decreased sales** in yen terms because of exchange rates effect



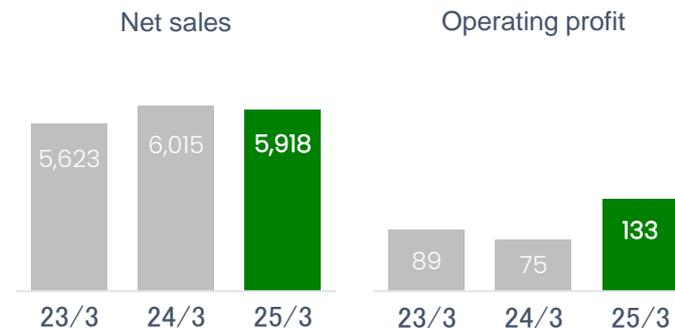
Processed products business

- ✓ Strong performance in products for use by restaurants, delicatessens, and ready meals
- ✓ **Increased sales and profits** due to recovery in orders received at Arden, as well as a contribution from new orders for large products



Chemical products business

- ✓ Recovery in sales, particularly in export-related business
- ✓ Sales of production raw materials to mushroom manufacturers remain at a strong level



	cf. Previous year	cf. Plan
Bunashimeji	107.4%	102.9%
Eryngii	104.8%	100.5%
Maitake	105.0%	103.4%
Shimofuri hiratake	107.9%	101.5%

Vegetable prices were high, affected by a shorter than normal rainy season, higher than normal temperatures, and the impact of heatwaves and typhoons, leading to strong unit sales prices for mushrooms.

	cf. Previous year	cf. Plan
Bunashimeji	97.8%	100.2%
Eryngii	98.2%	98.8%
Maitake	99.5%	99.6%
Shimofuri hiratake	92.1%	100.7%

Production was very close to the planned levels.

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

		2Q ended Sep. 30, 2023	2Q ended Sep. 30, 2024	YoYchange	YoY
U.S.A (US\$)	Net sales	12,871,820	13,083,912	212,092	1.6%
	Operating profit	(45,415)	1,233,797	1,279,212	—
	ROE	149.58	142.73		
Taiwan (NT\$)	Net sales	310,383,861	314,331,344	3,947,483	1.3%
	Operating profit	41,952,789	60,866,259	18,913,470	45.1%
	ROE	4.63	4.51		
Malaysia (RM)	Net sales	7,707,698	8,375,958	668,260	8.7%
	Operating profit	(2,671,169)	(1,080,892)	1,590,277	—
	ROE	31.85	34.73		

(Millions of yen)

	Initial plan	2Q ended Sep. 30, 2024	Plan difference	cf. Plan
Net sales	36,200	35,998	(201)	(0.6)%
Gross profit	6,950	7,573	623	9.0%
Gross profit margin	19.2%	21.0%		
Selling, general and administrative expenses	8,370	7,855	(514)	(6.1)%
Operating profit	(1,420)	(282)	1,137	—
Operating profit margin	(3.9)%	(0.8)%		
Ordinary profit	(1,290)	(639)	650	—
Ordinary profit margin	(3.6)%	(1.8)%		
Profit attributable to owners of parent	(1,030)	(499)	530	—
Net profit margin	(2.8)%	(1.4)%		
Earnings per share (Yen)	(32.47)	(15.74)		

(Millions of yen)

		Initial plan	2Q ended Sep. 30, 2024	Plan difference	cf. Plan
Mushroom business in Japan	Net sales	22,354	22,591	237	1.1%
	Operating profit	(1,000)	1	1,001	—
Mushroom business outside Japan	Net sales	4,011	3,586	(424)	(10.6)%
	Operating profit	516	487	(29)	(5.7)%
Processed products business	Net sales	3,797	3,902	105	2.8%
	Operating profit	57	110	52	92.3%
Chemical products business	Net sales	6,028	5,918	(110)	(1.8)%
	Operating profit	92	133	41	45.0%

		Initial plan	2Q ended Sep. 30, 2024	Plan difference	cf. Plan
U.S.A (US\$)	Net sales	14,630,000	13,083,912	(1,551,950)	(10.6)%
	Operating profit	1,420,000	1,233,797	(186,863)	(13.2)%
	ROE	149.30	142.73		
Taiwan (NT\$)	Net sales	321,000,000	314,331,344	(6,908,656)	(2.2)%
	Operating profit	61,000,000	60,866,259	(623,741)	(1.0)%
	ROE	4.70	4.51		
Malaysia (RM)	Net sales	8,990,000	8,375,958	(621,042)	(6.9)%
	Operating profit	(1,020,000)	(1,080,892)	(52,892)	—
	ROE	31.50	34.73		

Ueda First Mushroom Center (Ueda City, Nagano Prefecture)

On Tuesday, October 29, 2024, a fire broke out at Hokuto Corporation's Ueda First Mushroom Center.

The work building was completely burned, and it will not be possible to ship Bunashimeji mushrooms from Ueda First Mushroom Center for the foreseeable future.



Work building



Inside the work building (foreground: mushroom cultivation jars)

Previously announced forecasts (Announced May 10)

(Millions of yen)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
81,200	3,310	3,540	2,440	76.91



Revised forecasts (Announced November 14)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
-	-	-	-	-

There is an unknown impact on both the consolidated and individual performance forecasts for the Financial Year Ending March 2025 because it is currently difficult to estimate the impact of the fire on performance of the Ueda First Mushroom Center.

Previously announced forecasts (Announced May 10)

(Millions of yen)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
55,400	1,700	2,160	1,440	45.39



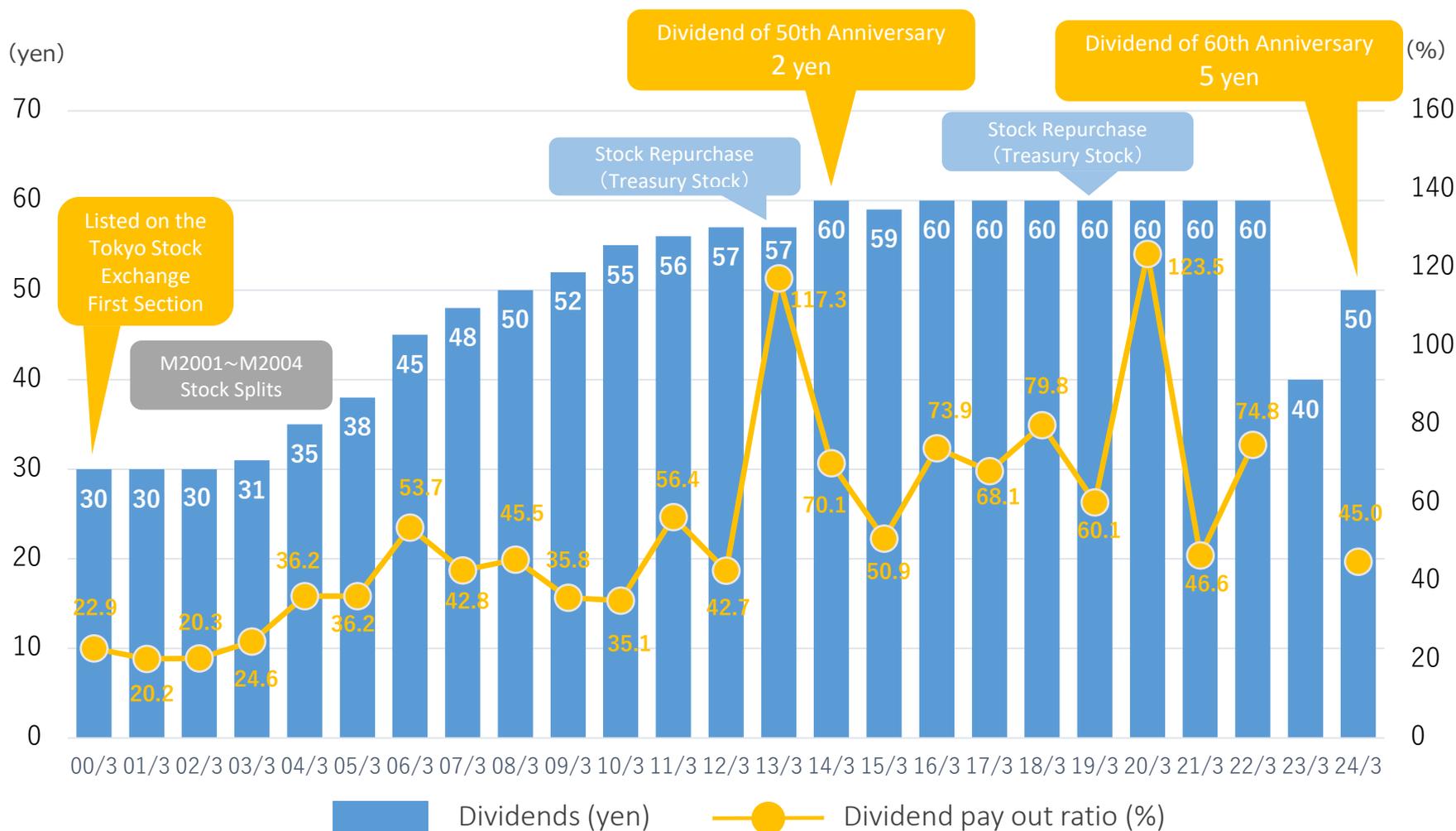
Revised forecasts (Announced November 14)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
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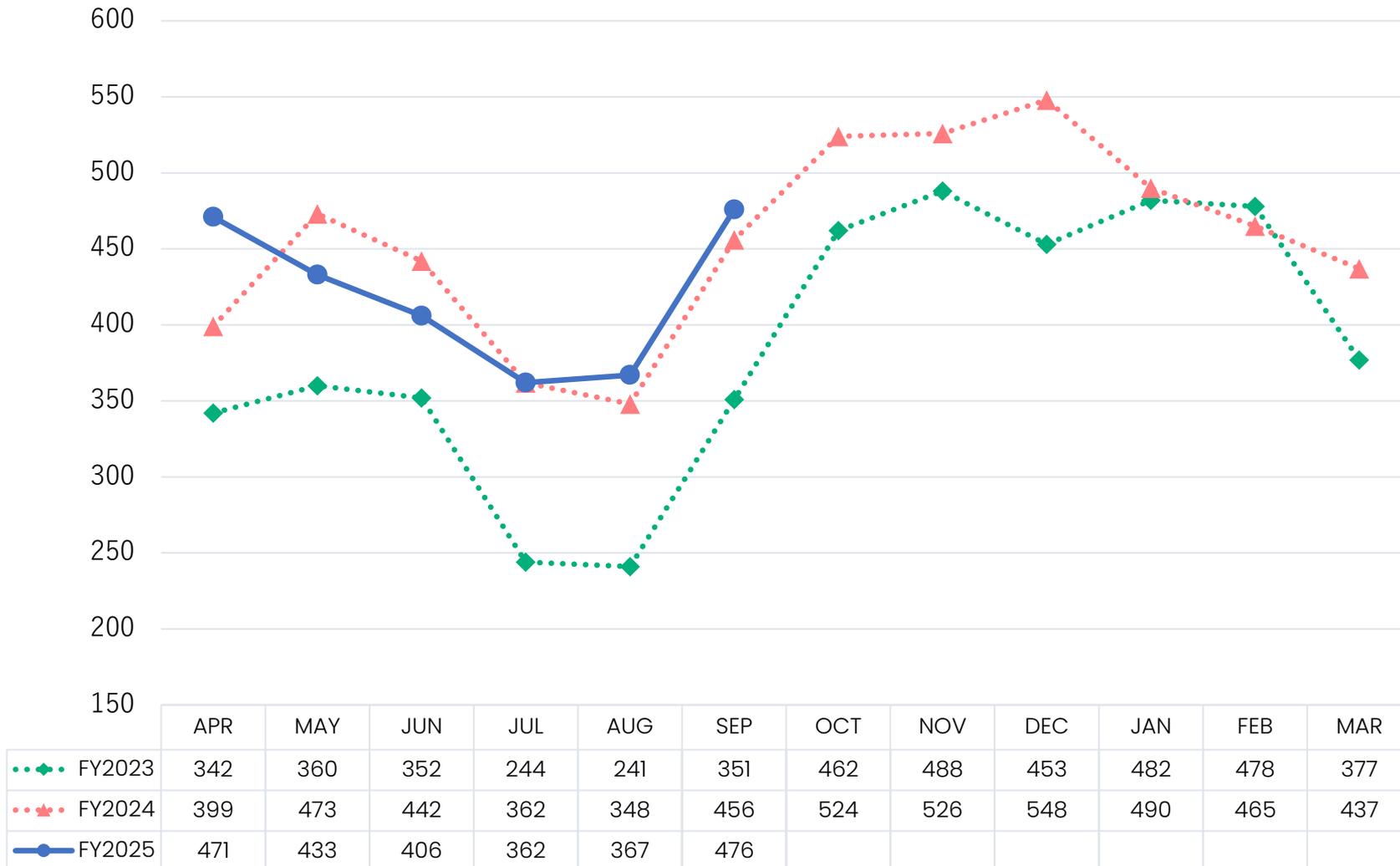
2. Reference material



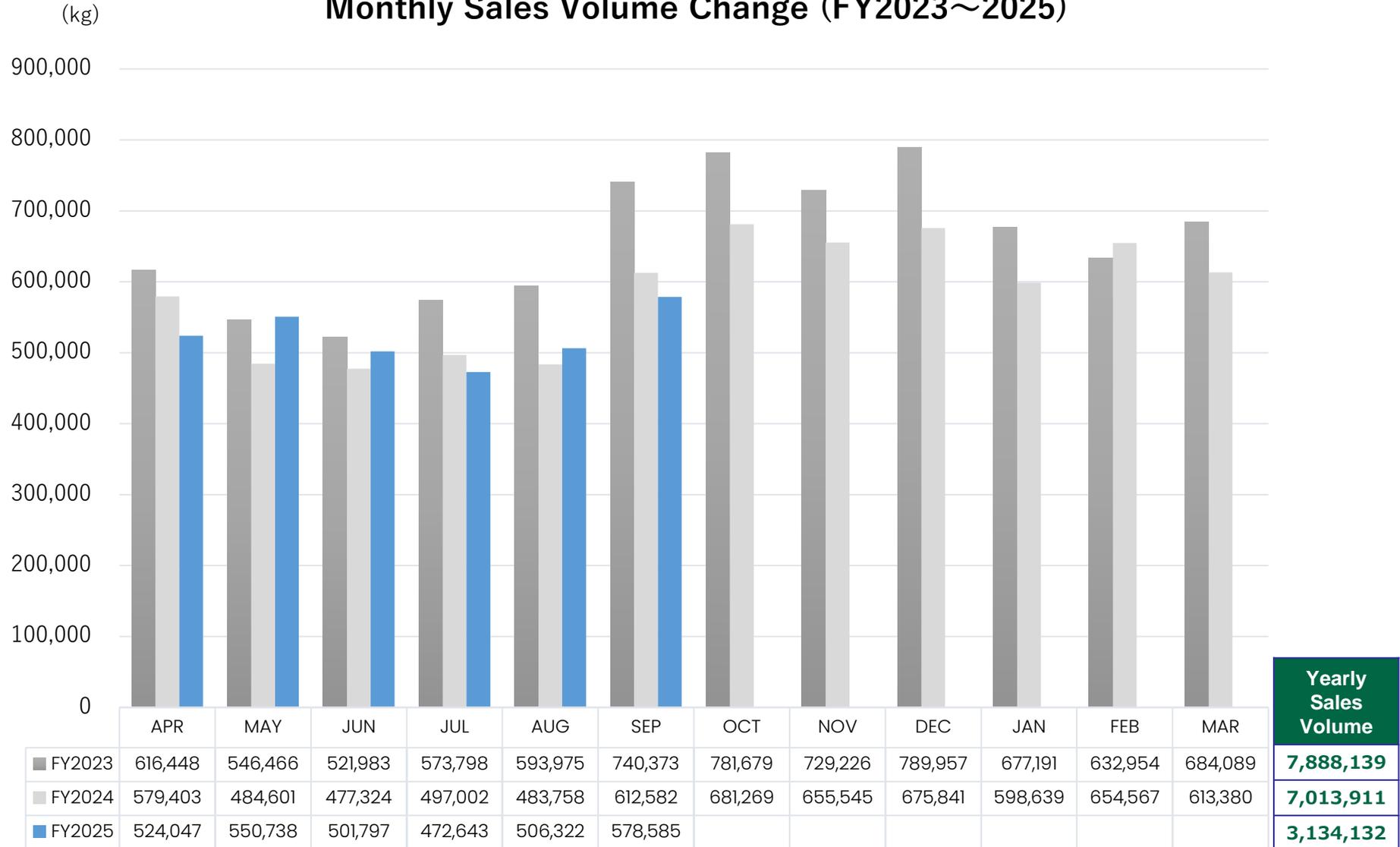
The planned interim dividend for FY2025: 10 yen.
 The year-end dividend for FY2025: not yet determined.

Monthly Price Change (FY2023~2025)

(Yen/kg)

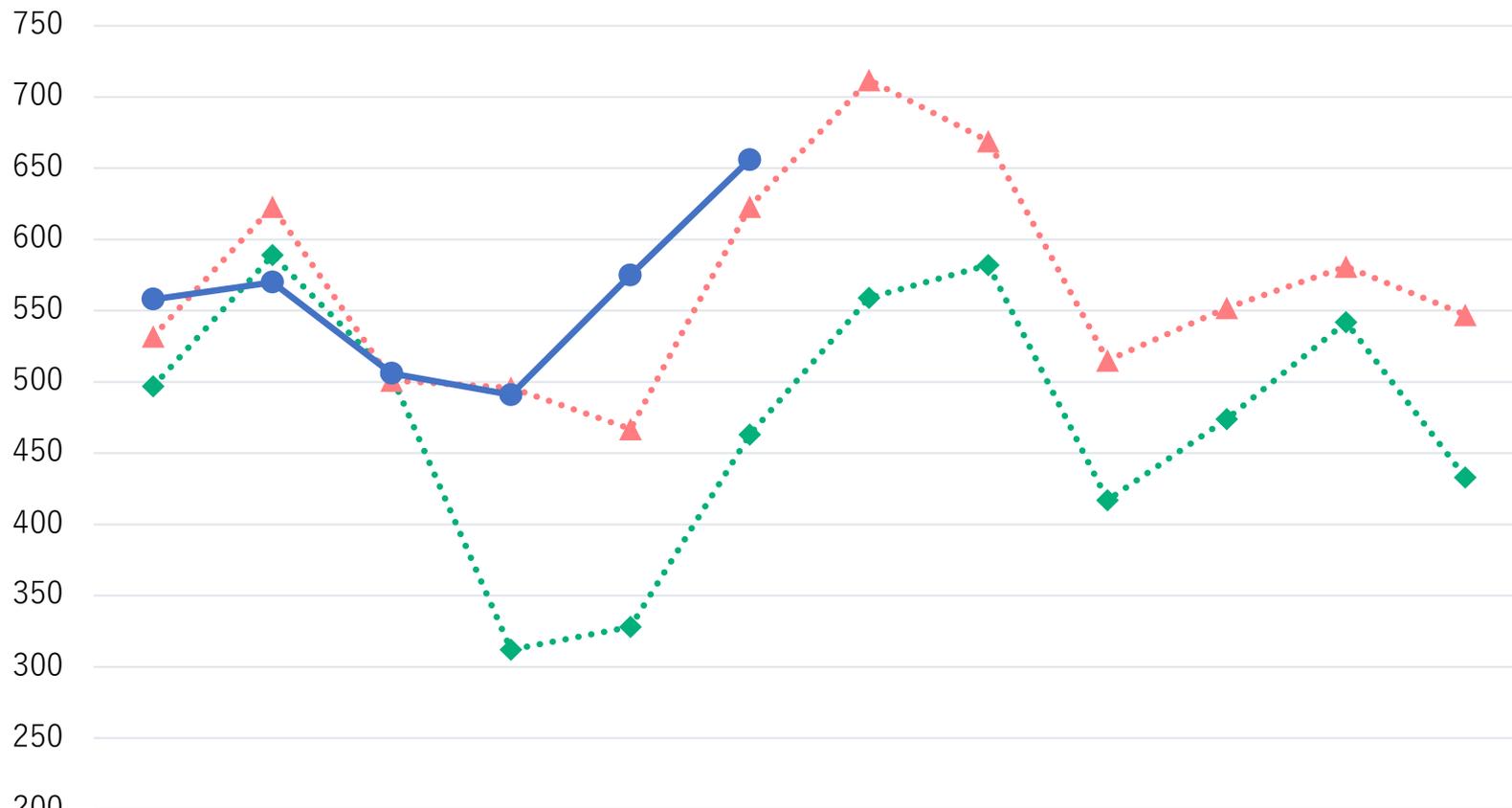


Monthly Sales Volume Change (FY2023~2025)



Monthly Price Change (FY2023~2025)

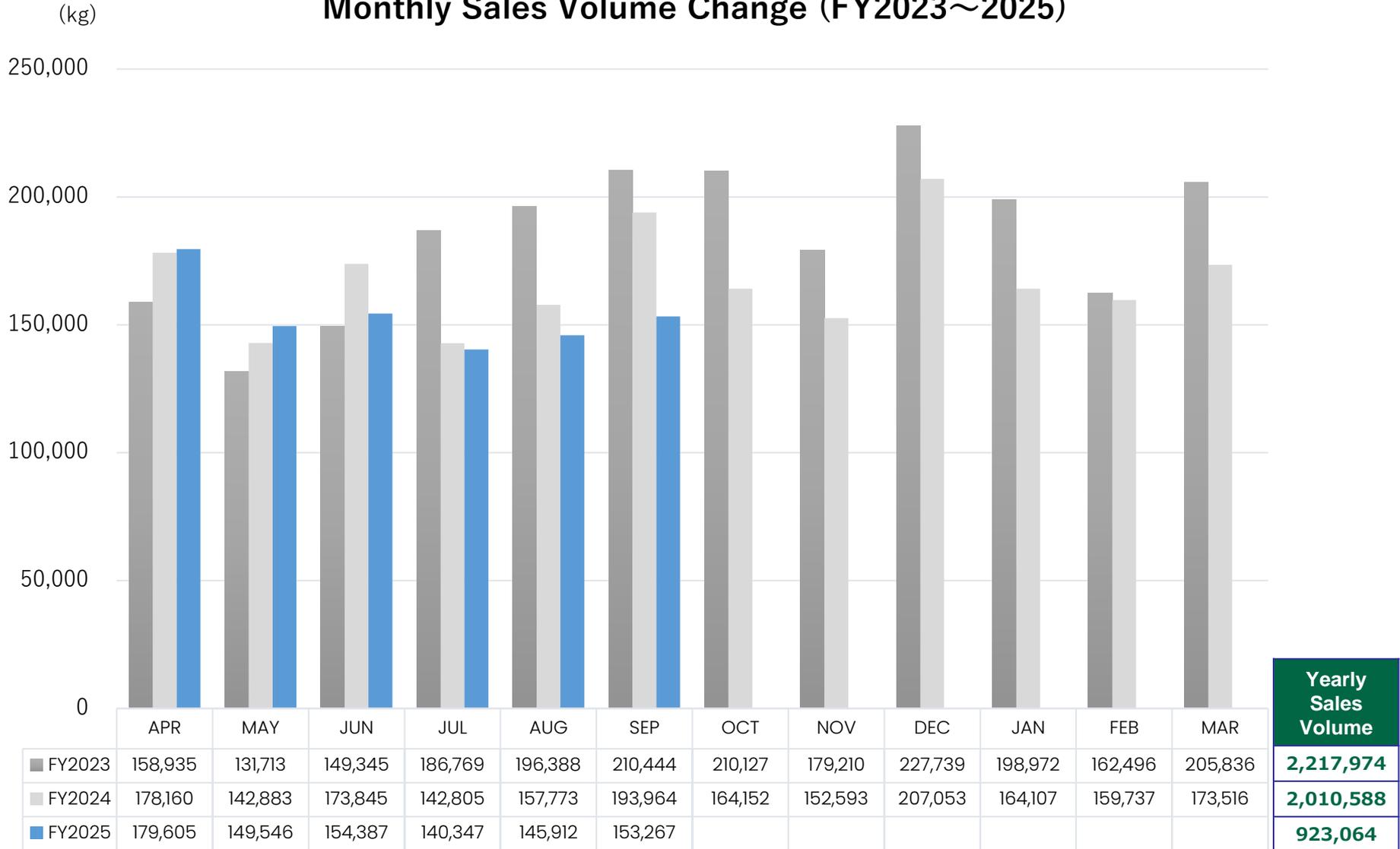
(Yen/kg)



	APR	MAY	JUN	NUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
FY2023	497	589	504	312	328	463	559	582	417	474	542	433
FY2024	532	623	501	496	467	623	712	669	515	552	581	547
FY2025	558	570	506	491	575	656						

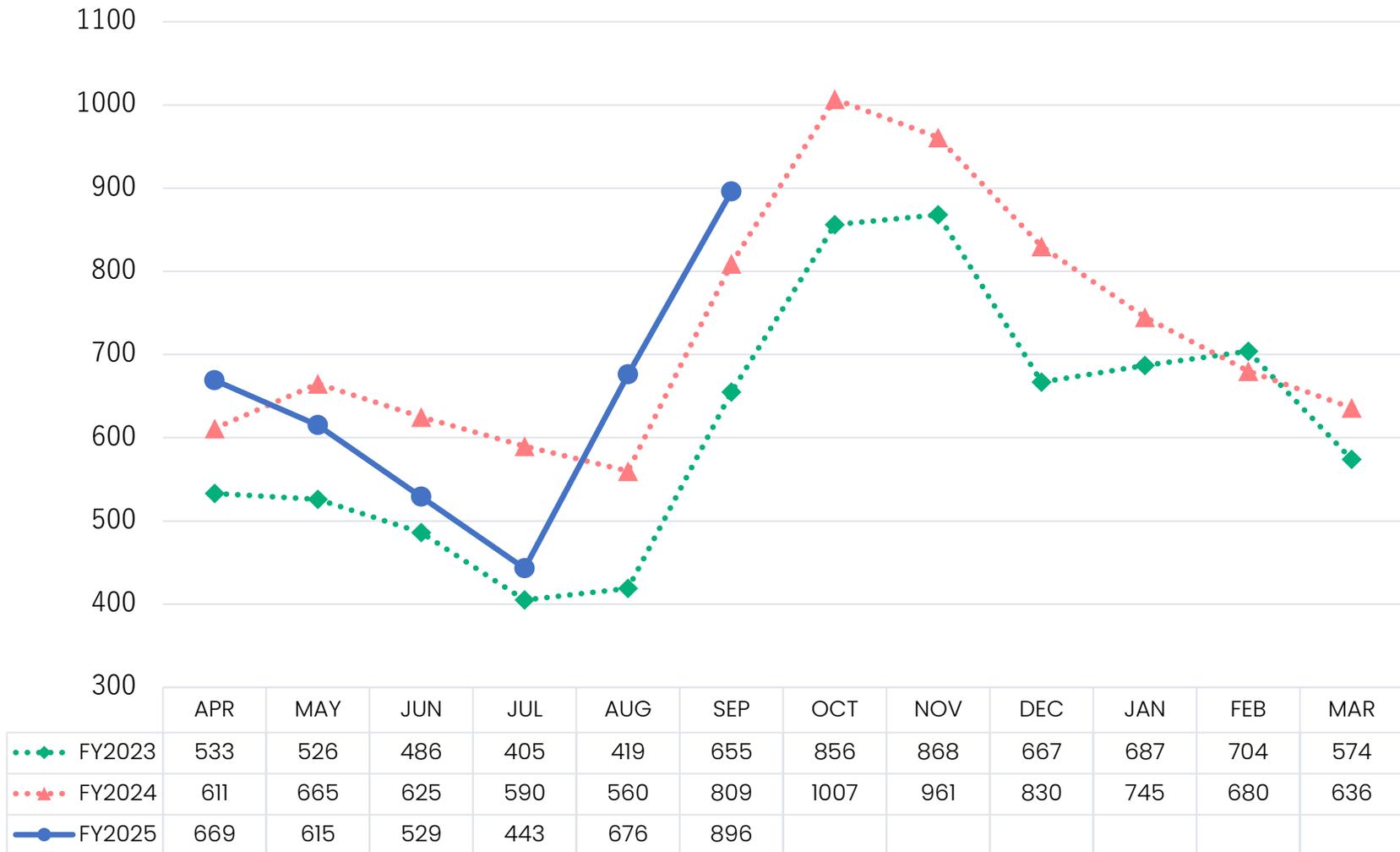
Avr. Price
469
567
560

Monthly Sales Volume Change (FY2023~2025)



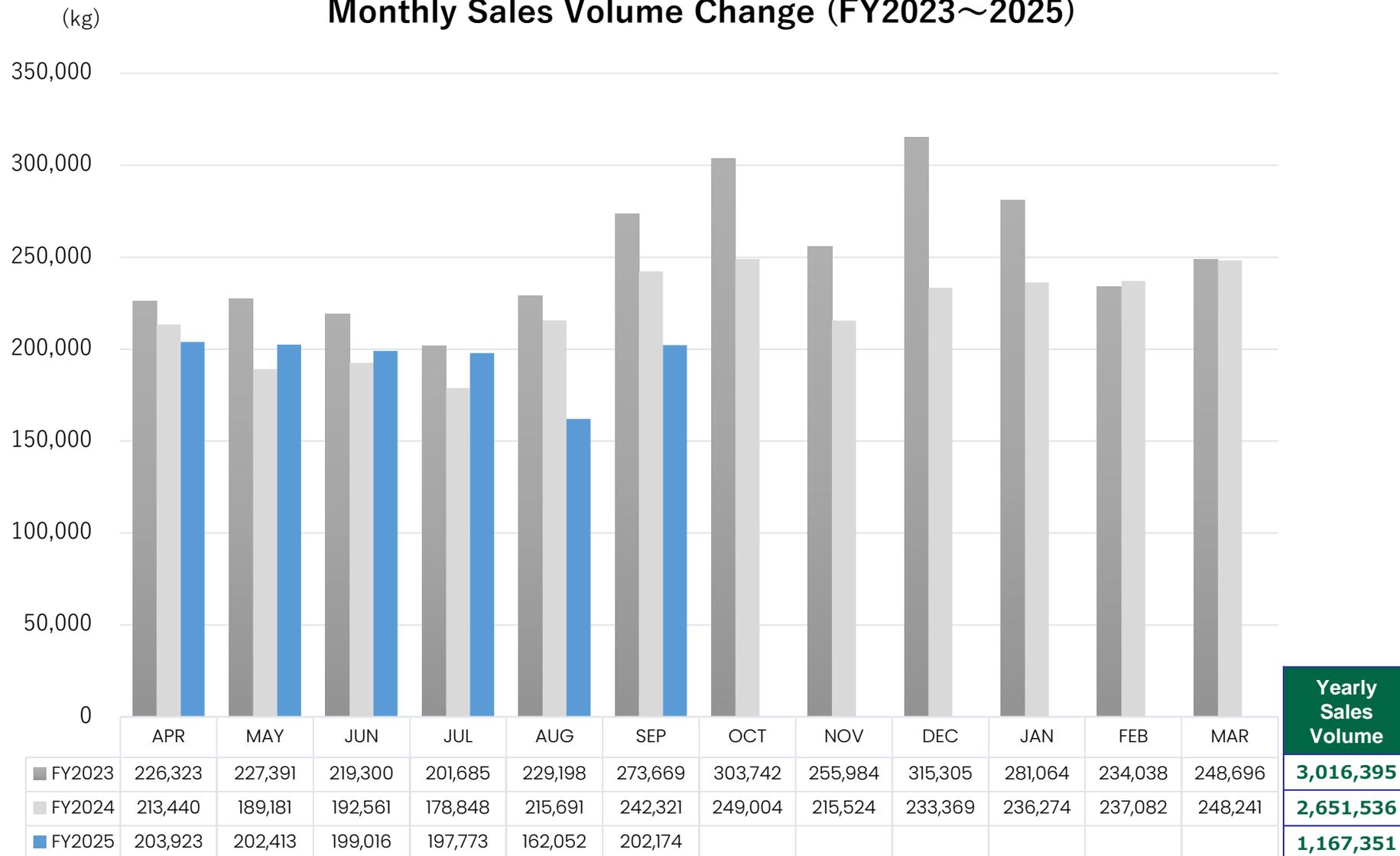
Monthly Price Change (FY2023~2025)

(Yen/kg)



Avr. Price
629
734
638

Monthly Sales Volume Change (FY2023~2025)



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 : 60,746 mil. yen
 Shareholders' equity : 50,625 mil.yen
 Number of employees : 4,069
 Main business : Mushroom
 Production/Distribution
 (As of the end of September 2024)



Hokuto Industry Corporation
 •Industrial Supply
 Production/Distribution



HOKTO
 Hokto Kinoko Company
HOKTO KINOKO COMPANY
 •Mushroom Production/Distribution in
 North America



Arden
Arden Incorporated
 •Retort pouch food production



HOKTO
好菇道
TAIWAN HOKUTO CORPORATION
 •Mushroom Production/Distribution in
 Taiwan

Sun Medica Co., Ltd.

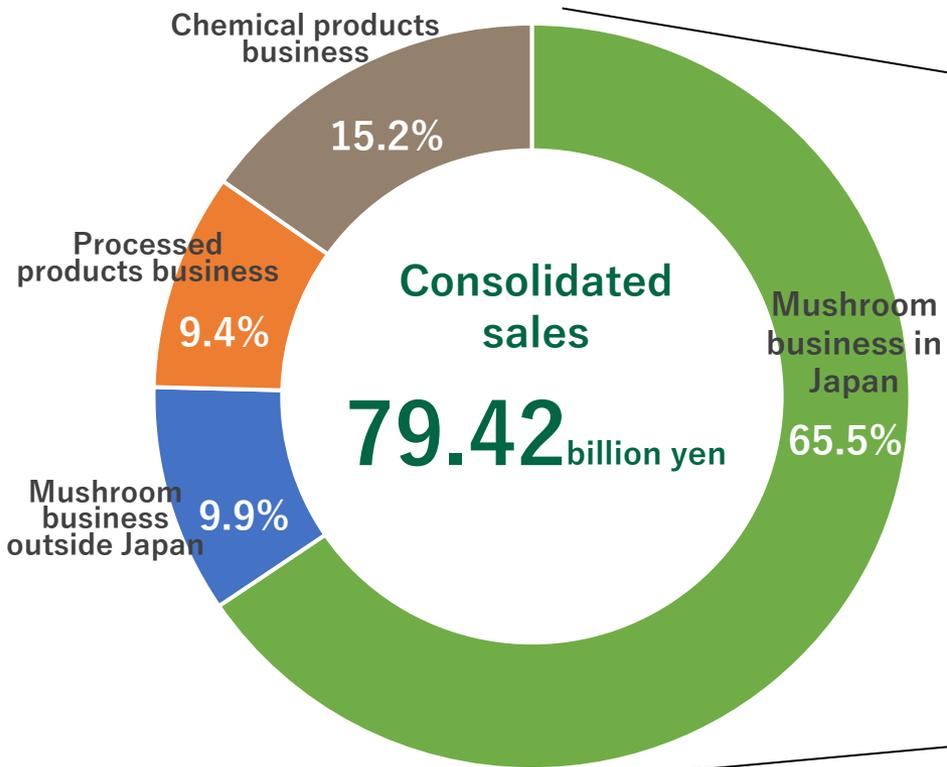
Mushroom Wisdom, Inc,

PT HOKTO INDONESIA MATERIALS

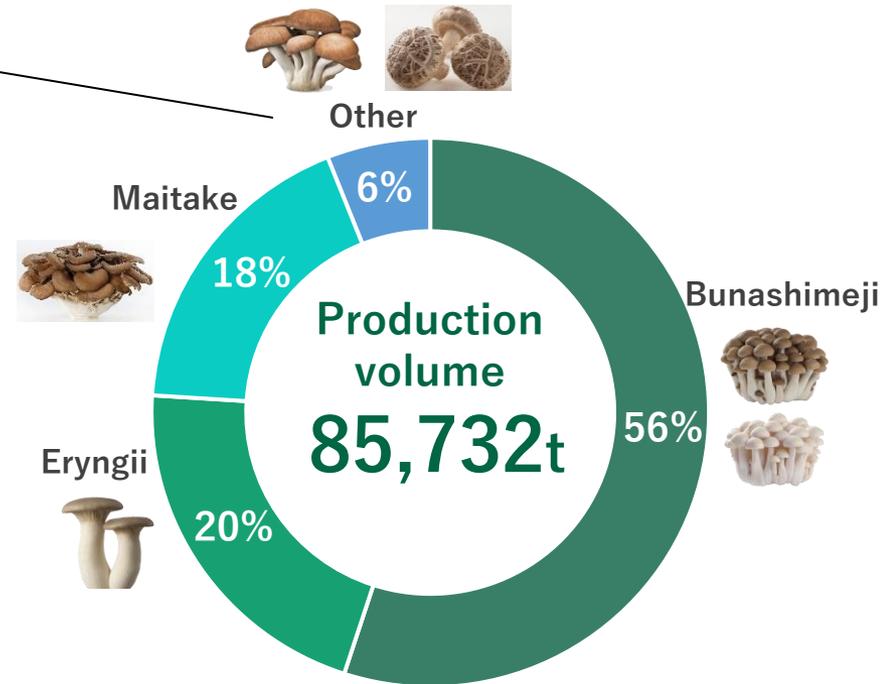


HOKTO
 Makes Health Tastier
HOKTO MALAYSIA SDN.BHD.
 •Mushroom Production/Distribution
 in Southeast Asia

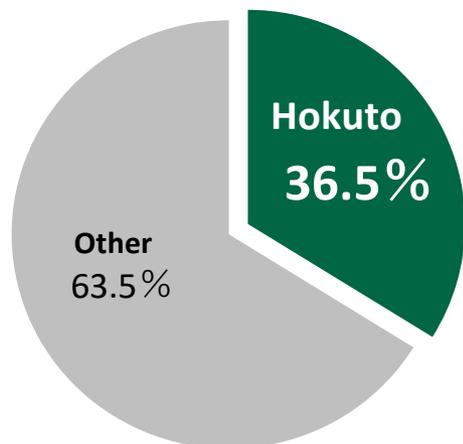
By segment



Mushroom production volume

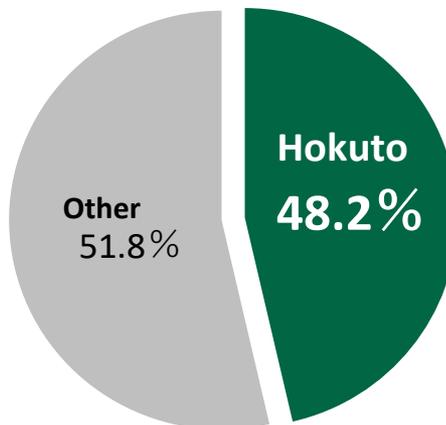


Bunashimeji



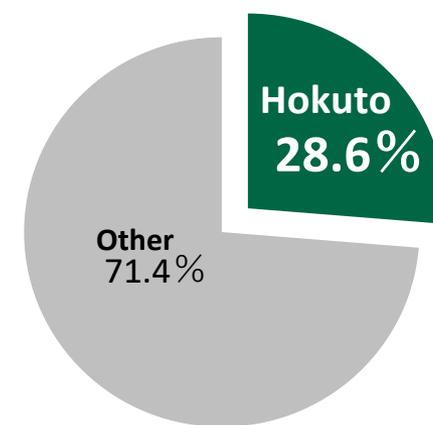
Japan total production volume
122,840 t

Eryngii



Japan total production volume
37,798 t

Maitake



Japan total production volume
56,763 t

Inquiries about IR

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Public and Investor Relations

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HOKUTO Corporation

