

HOKUTO Corporation

Consolidated Financial Results for the Third Quarter Ended December 31, 2024

February, 2025



1. The financial report for the Third Quarter Ended December 31, 2024

2. Recent Activities

3. Reference material

1

High vegetable prices have kept domestic mushroom prices high, resulting in significant increases in our sales and profits.

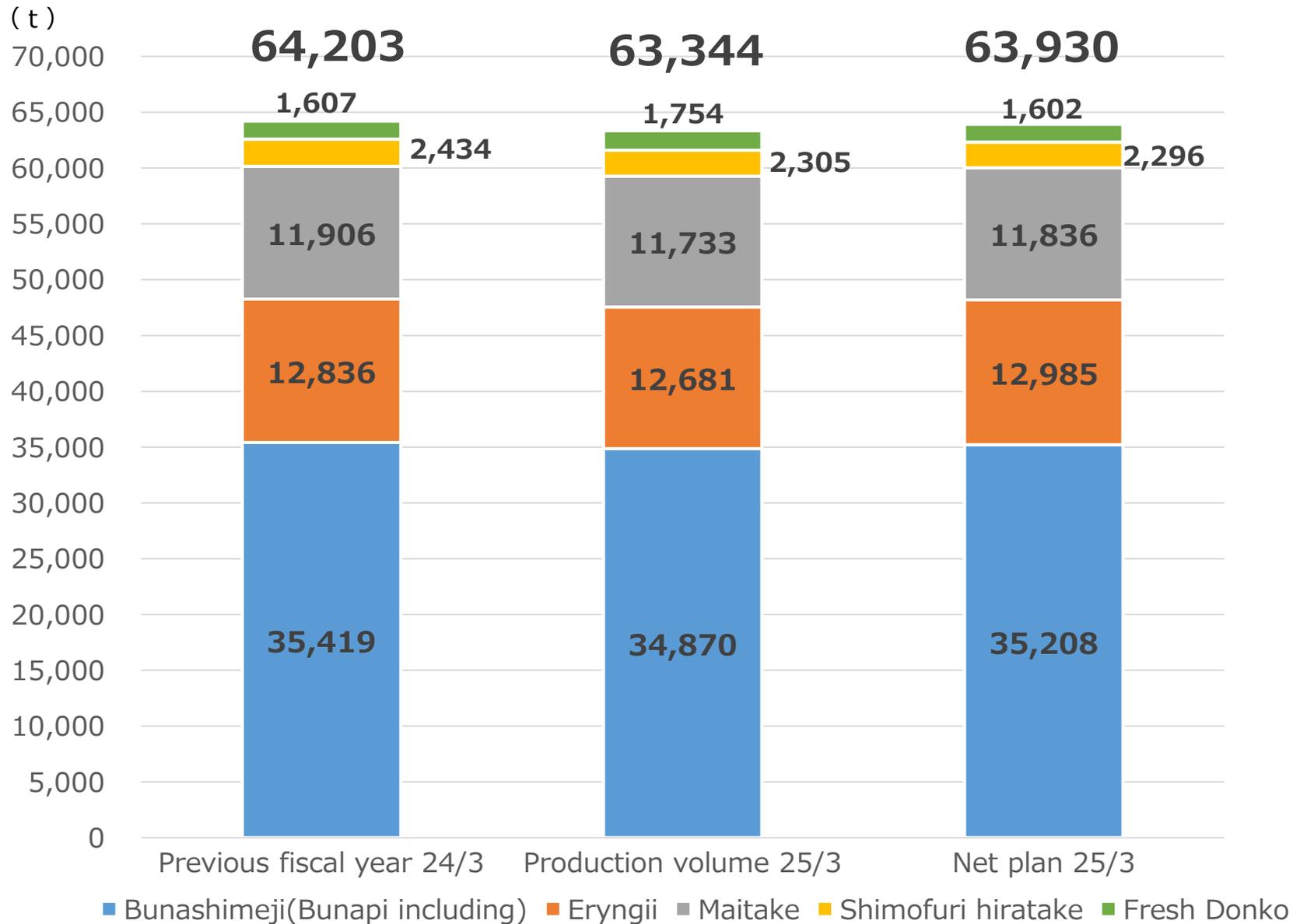
2

All our business segments have recorded increases in sales and profits.

▶ Many vegetables were affected by high temperatures and drought during the growing season, reducing the overall supply of vegetables compared to average years. Consequently, vegetable and mushroom prices remained at a high level, resulting in significant increases in our sales and operating profits compared to the previous year.

(Millions of yen)

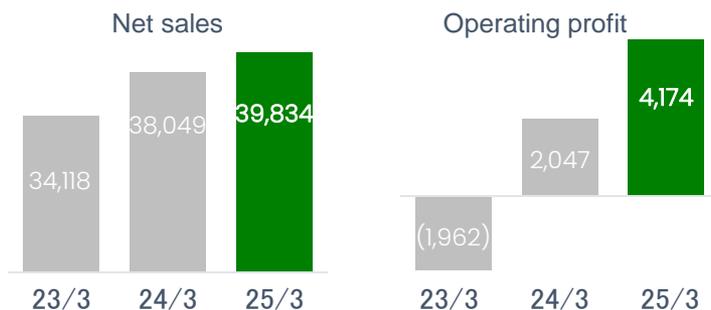
	3Q ended Dec. 31, 2023	3Q ended Dec. 31, 2024	YoYchange	YoY
Net sales	58,579	61,605	3,025	5.2%
Gross profit	13,556	16,854	3,297	24.3%
Gross profit margin	23.1%	27.4%		
Selling, general and administrative expenses	12,119	12,801	681	5.6%
Operating profit	1,436	4,052	2,615	182.1%
Operating profit margin	2.5%	6.6%		
Ordinary profit	2,263	4,945	2,681	118.4%
Ordinary profit margin	3.9%	8.0%		
Profit attributable to owners of parent	1,473	2,968	1,494	101.4%
Net profit margin	2.5%	4.8%		
Earnings per share (Yen)	46.49	93.69		



(Unit: million yen)

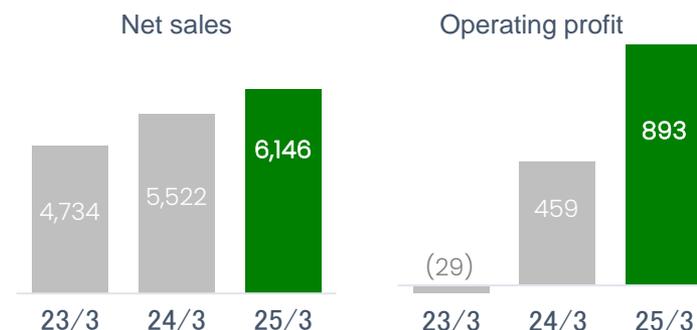
Mushroom business in Japan

✓ High temperatures and drought kept vegetable and mushroom prices high, resulting in **increases in our sales and profits.**



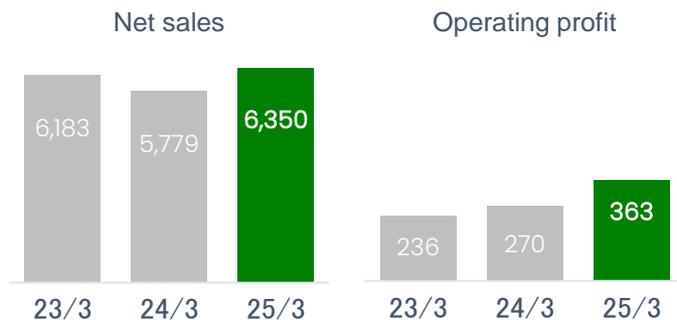
Mushroom business outside Japan

✓ Each subsidiary recorded **increases in both sales and operating profits.** In particular, demand was high in the United States and Taiwan, resulting in strong sales there.



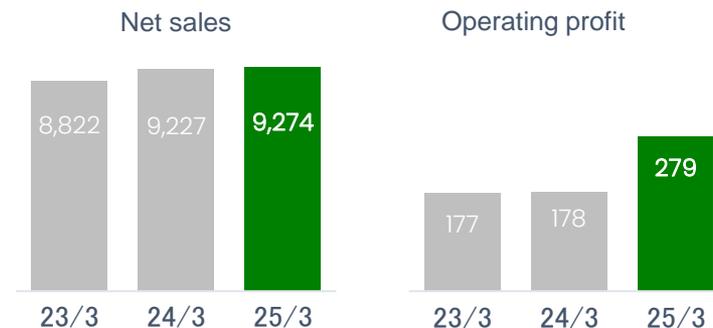
Processed products business

✓ Sales of our products for the restaurant, delicatessen, and ready-made meal industries continued to be strong.
 ✓ Arden Inc. also recorded **increases in sales and profits** due to strong retort orders.



Chemical products business

✓ Sales of our products, mainly food containers, and sales of cultivation raw materials to mushroom producers remained solid.



	cf. Previous year	cf. Plan
Bunashimeji	106.5%	103.0%
Eryngii	104.6%	102.8%
Maitake	106.8%	105.2%
Shimofuri hiratake	107.3%	101.0%

Many vegetables were affected by high temperatures and drought, reducing the supply and keeping vegetable and unit mushroom prices high.

	cf. Previous year	cf. Plan
Bunashimeji	98.2%	99.0%
Eryngii	98.7%	97.6%
Maitake	99.4%	99.4%
Shimofuri hiratake	94.7%	100.4%

A fire broke out at the Ueda First Mushroom Center, causing a decline in *bunashimeji* production.

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

		3Q ended Dec. 31, 2023	3Q ended Dec. 31, 2024	YoYchange	YoY
U.S.A (US\$)	Net sales	20,361,126	20,485,664	124,538	0.6%
	Operating profit	354,351	1,923,951	1,569,600	443.0%
	ROE	141.83	158.18		
Taiwan (NT\$)	Net sales	488,289,775	505,487,628	17,197,853	3.5%
	Operating profit	88,636,821	109,953,796	21,316,975	24.0%
	ROE	4.62	4.84		
Malaysia (RM)	Net sales	12,289,707	12,834,828	545,121	4.4%
	Operating profit	(3,503,473)	(1,668,695)	1,834,778	—
	ROE	30.83	35.40		

(Millions of yen)

	Initial plan	3Q ended Dec. 31, 2024	Plan difference	cf. Plan
Net sales	60,710	61,605	895	1.5%
Gross profit	15,162	16,854	1,692	11.2%
Gross profit margin	25.0%	27.4%		
Selling, general and administrative expenses	13,284	12,801	(482)	(3.6)%
Operating profit	1,878	4,052	2,174	115.8%
Operating profit margin	3.1%	6.6%		
Ordinary profit	2,083	4,945	2,862	137.4%
Ordinary profit margin	3.4%	8.0%		

High unit mushroom prices in line with high vegetable prices, as well as reduced manufacturing costs and selling and administrative expenses, contributed to higher than planned sales and operating profits.

(Millions of yen)

		Initial plan	3Q ended Dec. 31, 2024	Plan difference	cf. Plan
Mushroom business in Japan	Net sales	38,980	39,834	853	2.2%
	Operating profit	2,212	4,174	1,962	88.7%
Mushroom business outside Japan	Net sales	6,202	6,146	(55)	(0.9)%
	Operating profit	948	893	(54)	(5.8)%
Processed products business	Net sales	5,948	6,350	401	6.7%
	Operating profit	210	363	153	73.2%
Chemical products business	Net sales	9,574	9,274	(299)	(3.1)%
	Operating profit	232	279	46	20.0%

		Initial plan	3Q ended Dec. 31, 2024	Plan difference	cf. Plan
U.S.A (US\$)	Net sales	22,300,000	20,485,664	(1,821,746)	(8.2)%
	Operating profit	2,360,000	1,923,951	(442,888)	(18.7)%
	ROE	149.30	158.18		
Taiwan (NT\$)	Net sales	508,000,000	505,487,628	(3,102,372)	(0.6)%
	Operating profit	116,000,000	109,953,796	(6,186,204)	(5.3)%
	ROE	4.70	4.84		
Malaysia (RM)	Net sales	13,990,000	12,834,828	(1,160,172)	(8.3)%
	Operating profit	(1,180,000)	(1,668,695)	(479,695)	—
	ROE	31.50	35.40		

Previously announced forecasts (Announced December 13) (Millions of yen)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
80,800	4,300	4,600	2,500	79.11



Revised forecasts (Announced February 14)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
82,100	5,900	6,500	3,800	120.32

Bad weather kept vegetable and domestic mushroom prices at a high level. Manufacturing costs, including raw material costs and electricity costs, were also lower than planned, leading to the revision of our forecast.

Previously announced forecasts (Announced December 13) (Millions of yen)

Net sales	Operating profit	Ordinary profit	Profit	Earnings per share (yen)
55,000	2,700	3,200	1,500	47.47



Revised forecasts (Announced February 14)

Net sales	Operating profit	Ordinary profit	Profit	Earnings per share (yen)
56,300	4,200	5,000	2,700	85.49

Bad weather kept vegetable and domestic mushroom prices at a high level. Manufacturing costs, including raw material costs and electricity costs, were also lower than planned, leading to the revision of our forecast.

1. The financial report for the Third Quarter Ended December 31, 2024

2. Recent Activities

3. Reference material

We joined the Short-Chain Fatty Acid Promotion Association.

We have become a member of the Short-Chain Fatty Acid Promotion Association, a general incorporated association established on August 20, 2024, to promote awareness and recognition of short-chain fatty acids, miraculous substances that are changing common knowledge about intestinal health. Accordingly, we have also announced that we will promote short-chain fatty acids together with the Association and its member companies.

Verification through joint research with Metagen, Inc.

The rich dietary fiber in mushrooms serves as foods for intestinal bacteria, resulting in an increase in the short-chain fatty acids produced in the intestines.

That increases intestinal IgA antibodies, an indicator of immune function.



We will participate in the activities of the Association to further enhance the value of mushrooms as a healthy ingredient and contribute to healthy and happy lives of consumers.

Hokuto invests in “Green Bonds” issued by Nagano Prefecture

As in the previous year, as part of our ESG initiatives, we decided to invest in green bonds issued by Nagano Prefecture on October 11, 2024. We will continue to fulfill our social responsibilities by making ESG investments in green bonds and social bonds such as this bond.

What are Green Bonds?

Green Bonds are issued to finance projects that represent positive steps toward climate change mitigation and adaptation to climate change. Investment in Green Bonds is considered as ESG investment.

Outline

Issue	Nagano Prefecture 2024 3rd round of publicly offered bonds (Green Bond [10-year])
Maturity	10 years
Issued amount	10 billion yen
Issue date	October 25, 2024

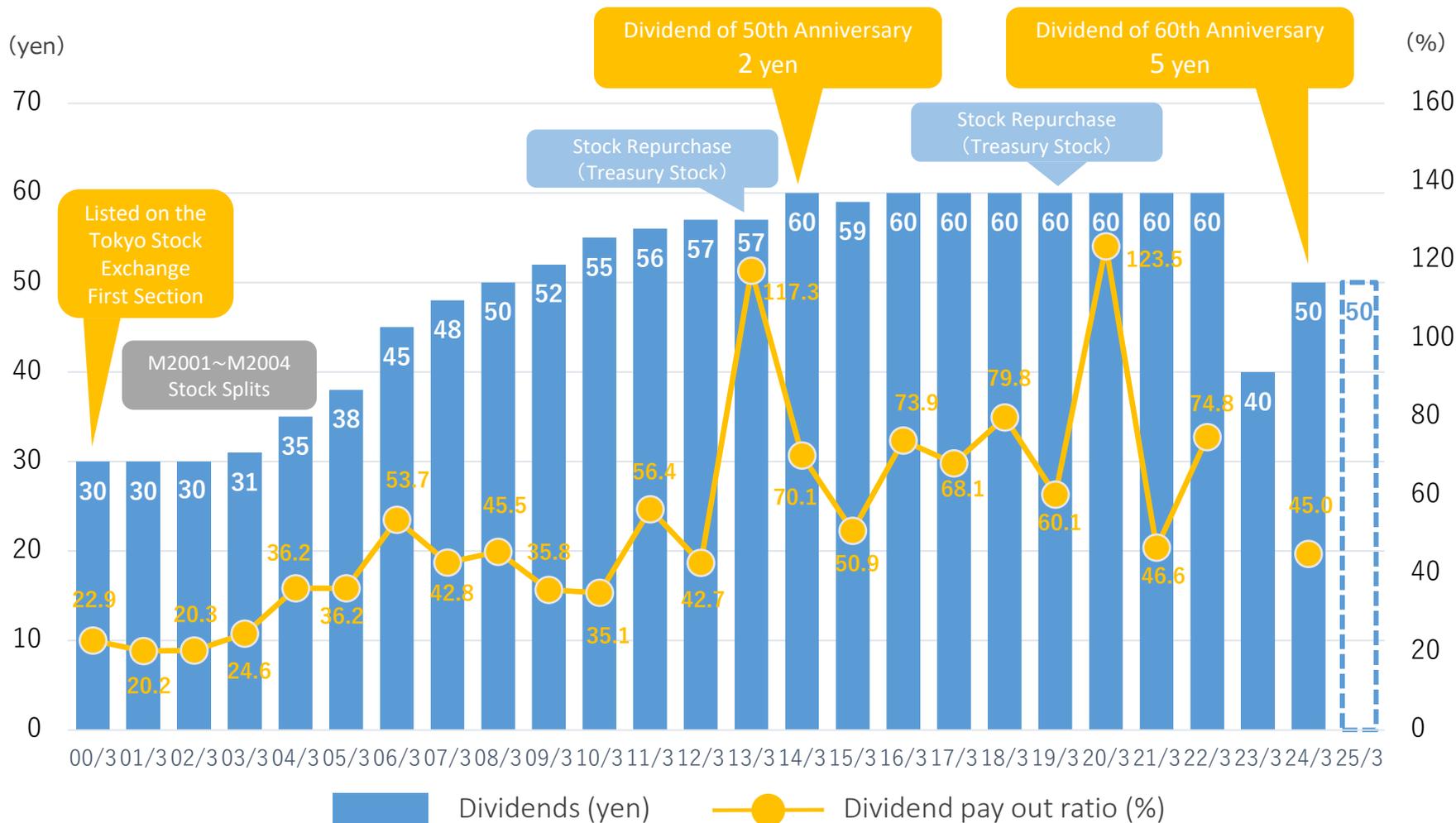
About the purchased green bonds

- ✓ The bonds have been verified by the Japan Credit Rating Agency, Ltd. as conforming with the “Green Bond Principles 2021” defined by the International Capital Market Association (ICMA) and “Ministry of the Environment Green Bond Guidelines 2022,” obtaining the highest rating of “Green 1.”
- ✓ The funds raised will be used for environmental measures implemented by Nagano Prefecture to achieve virtually zero carbon dioxide (CO2) emissions by 2050 (mitigation) and to avoid/mitigate damage caused by natural disasters resulting from climate change (adaptation).

**1. The financial report for the Third Quarter
Ended December 31, 2024**

2. Recent Activities

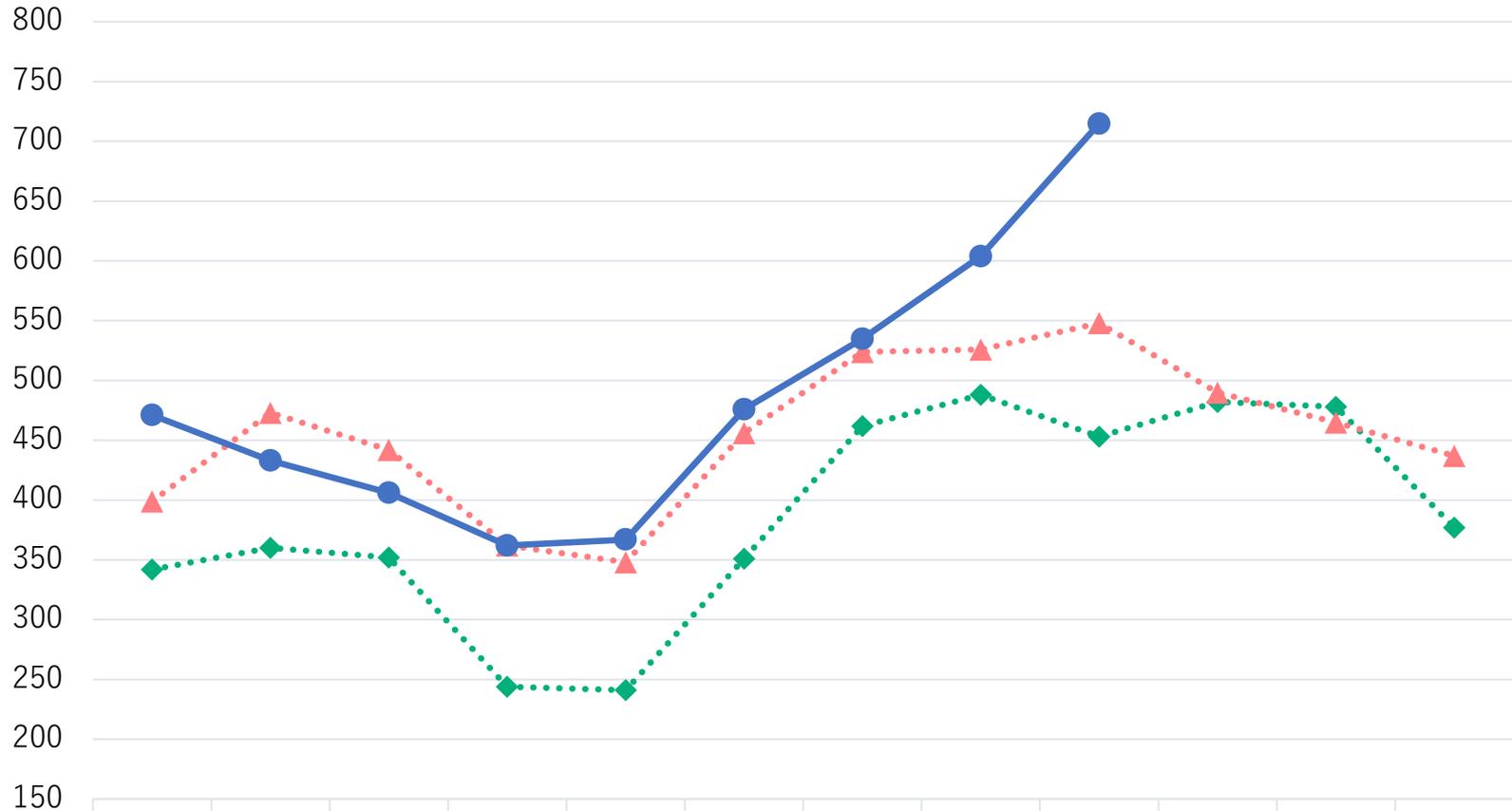
3. Reference material



For the year ending March 2025, we plan to issue an interim dividend of 10 yen and a final dividend of 40 yen.

Monthly Price Change (FY2023~2025)

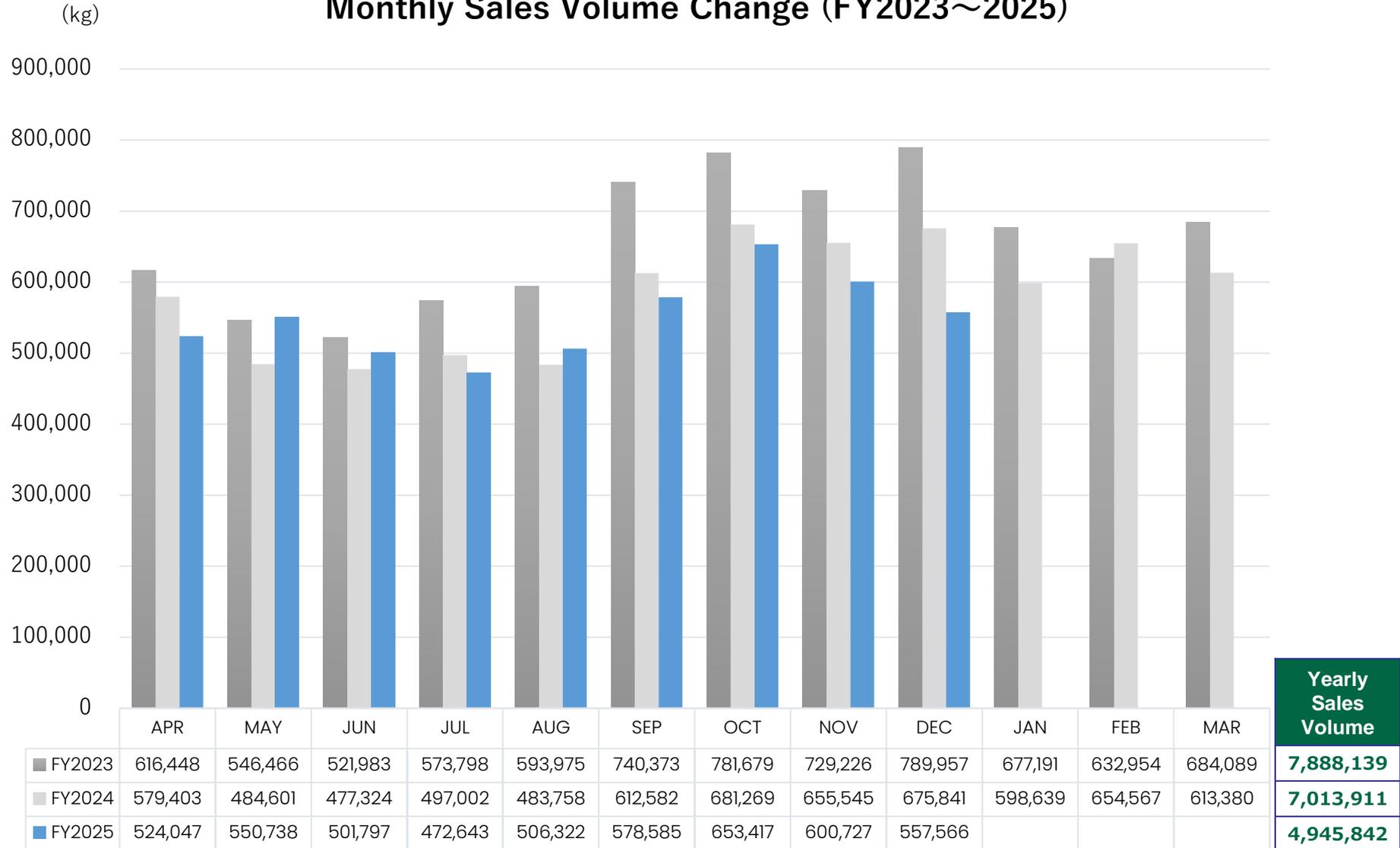
(Yen/kg)



	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
FY2023	342	360	352	244	241	351	462	488	453	482	478	377
FY2024	399	473	442	362	348	456	524	526	548	490	465	437
FY2025	471	433	406	362	367	476	535	604	715			

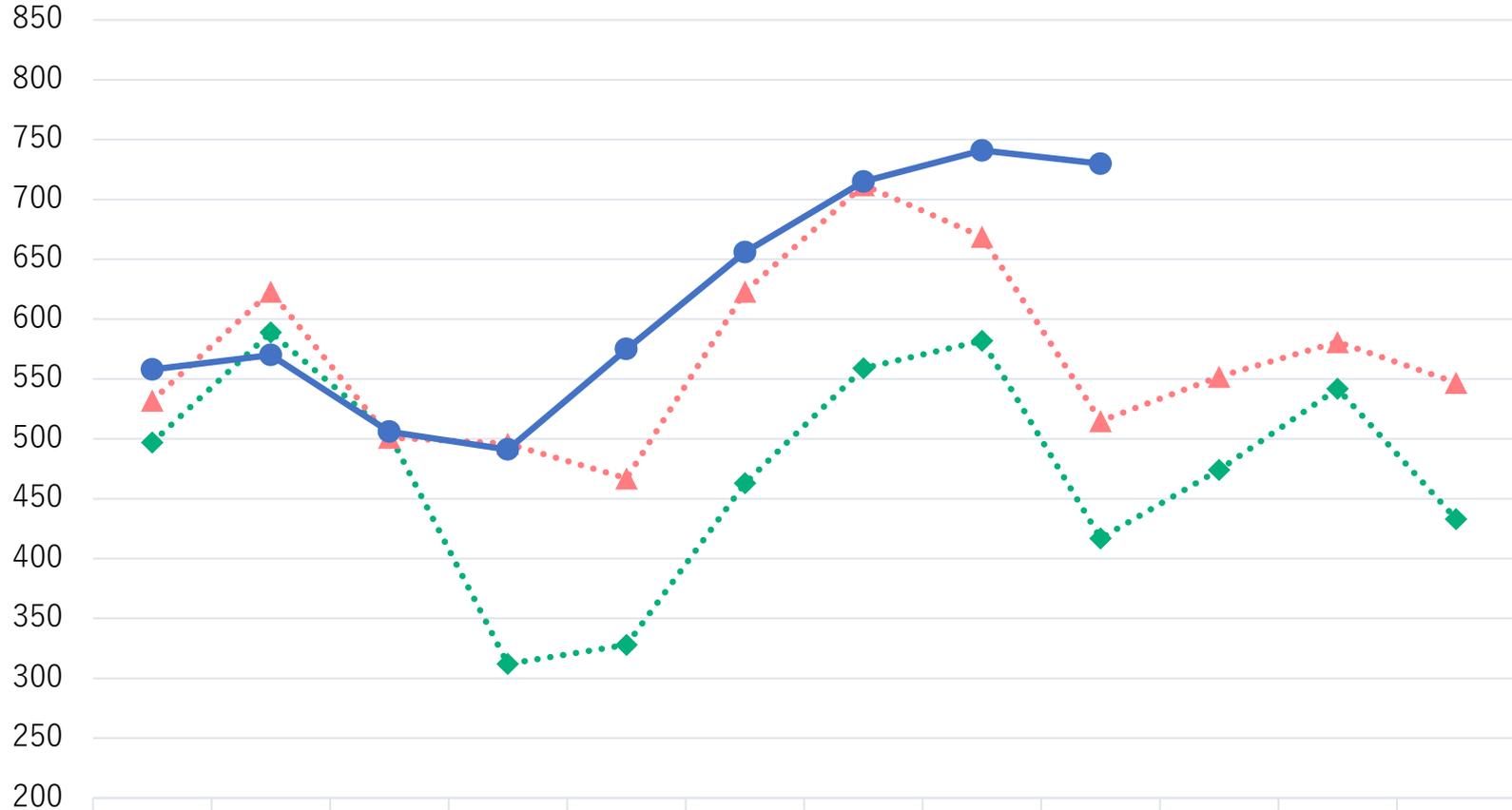
Avr. Price
392
462
492

Monthly Sales Volume Change (FY2023~2025)



Monthly Price Change (FY2023~2025)

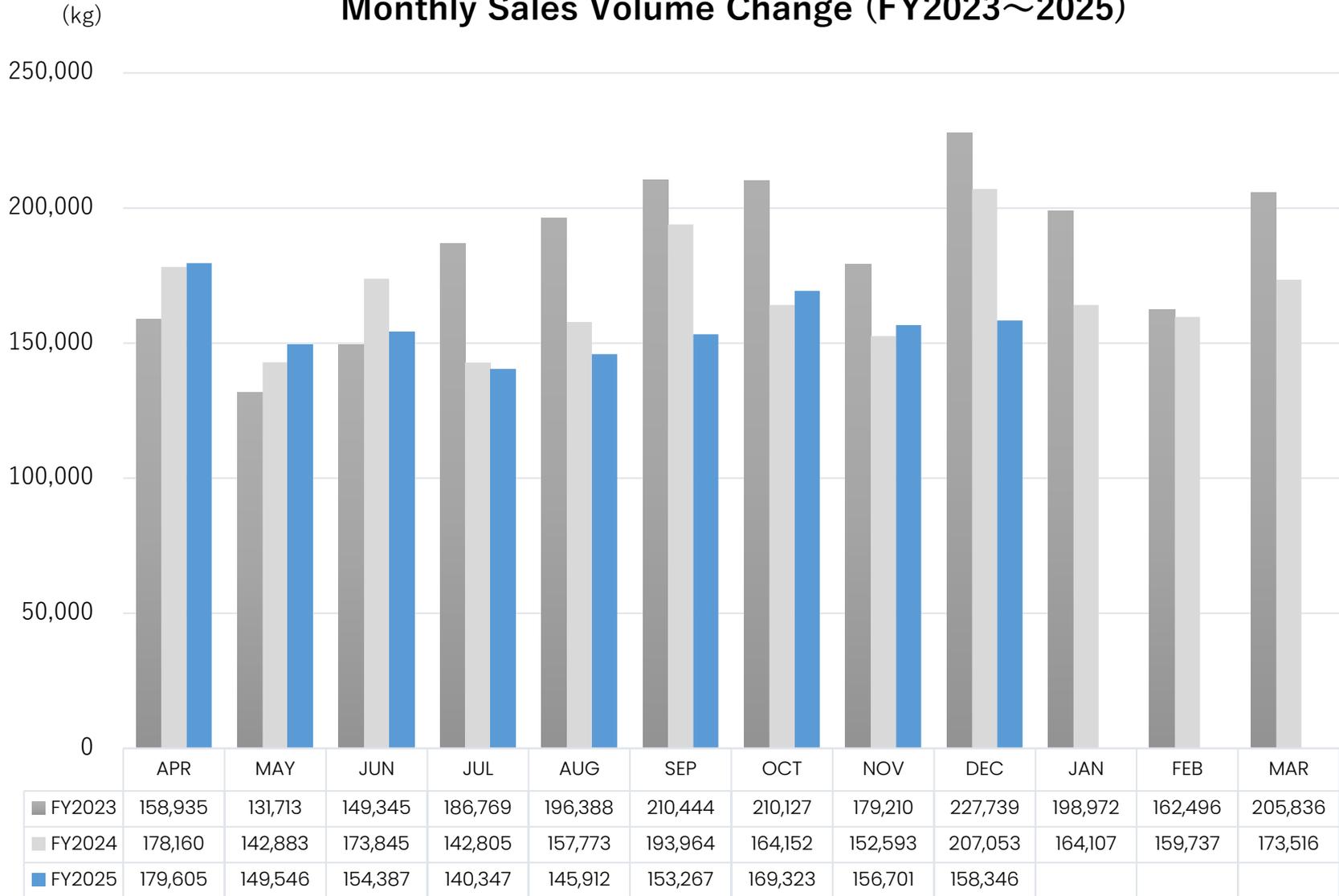
(Yen/kg)



	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	715	741	730			

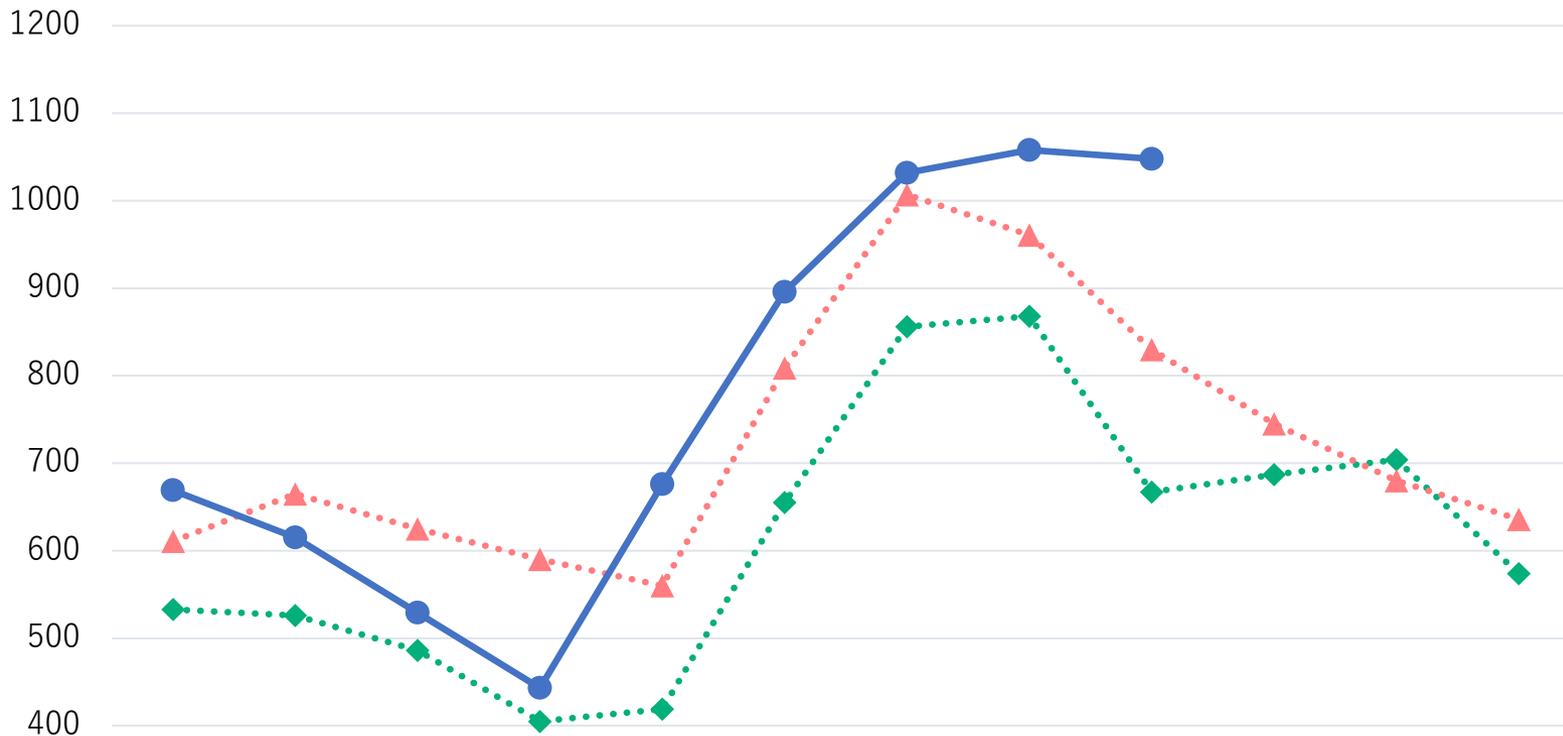
Avr. Price
469
567
618

Monthly Sales Volume Change (FY2023~2025)



Monthly Price Change (FY2023~2025)

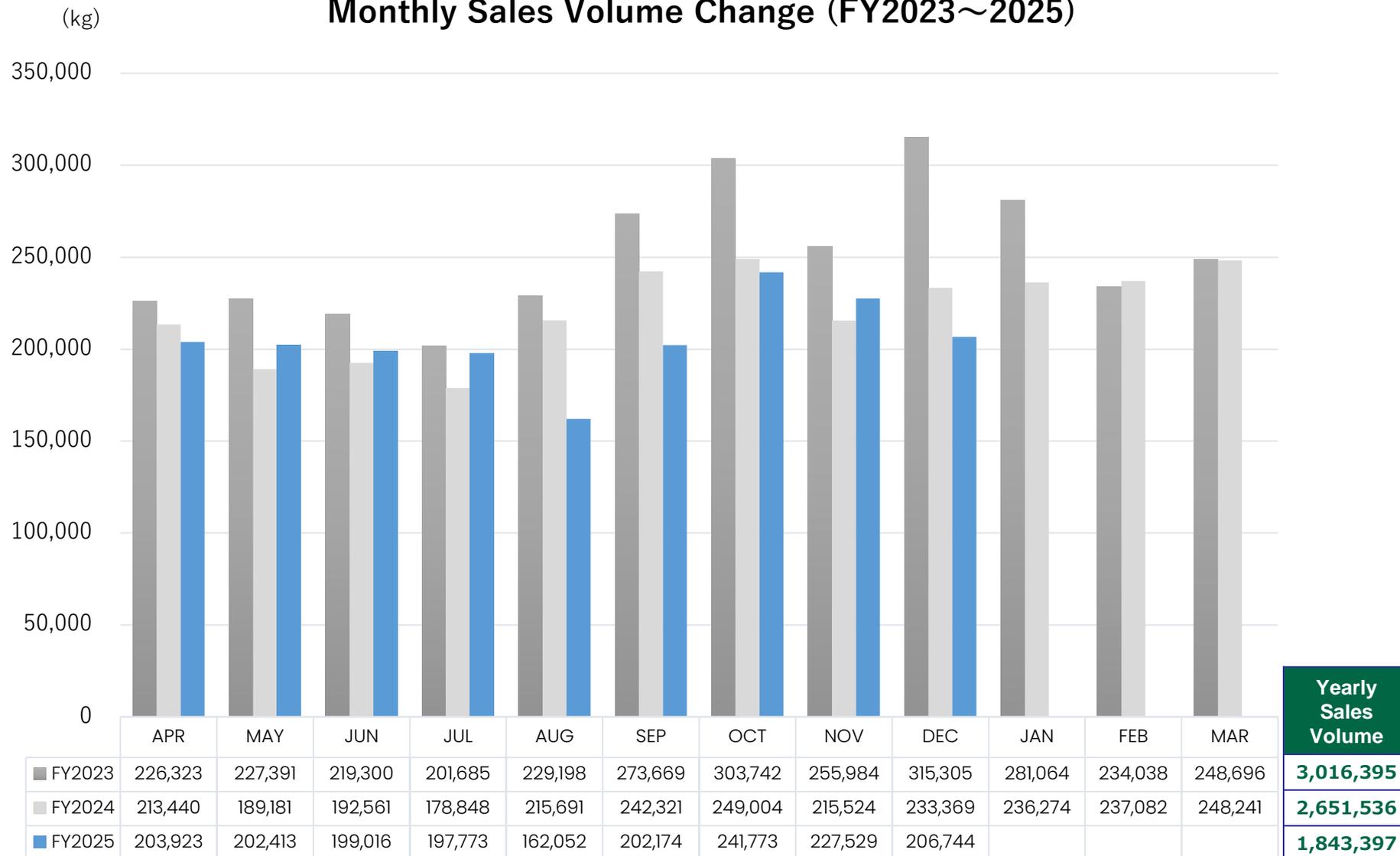
(Yen/kg)



	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
●◆ FY2023	533	526	486	405	419	655	856	868	667	687	704	574
◆▲ FY2024	611	665	625	590	560	809	1007	961	830	745	680	636
●● FY2025	669	615	529	443	676	896	1032	1058	1048			

Avr. Price
629
734
787

Monthly Sales Volume Change (FY2023~2025)





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 : 60,112 mil. yen
 (As of the end of December 2024)
 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 KINOKO COMPANY
 •Mushroom Production/Distribution in
 North America




Arden Incorporated
 •Retort pouch food production




TAIWAN HOKUTO CORPORATION
 •Mushroom Production/Distribution in
 Taiwan

Sun Medica Co., Ltd.

Mushroom Wisdom, Inc,

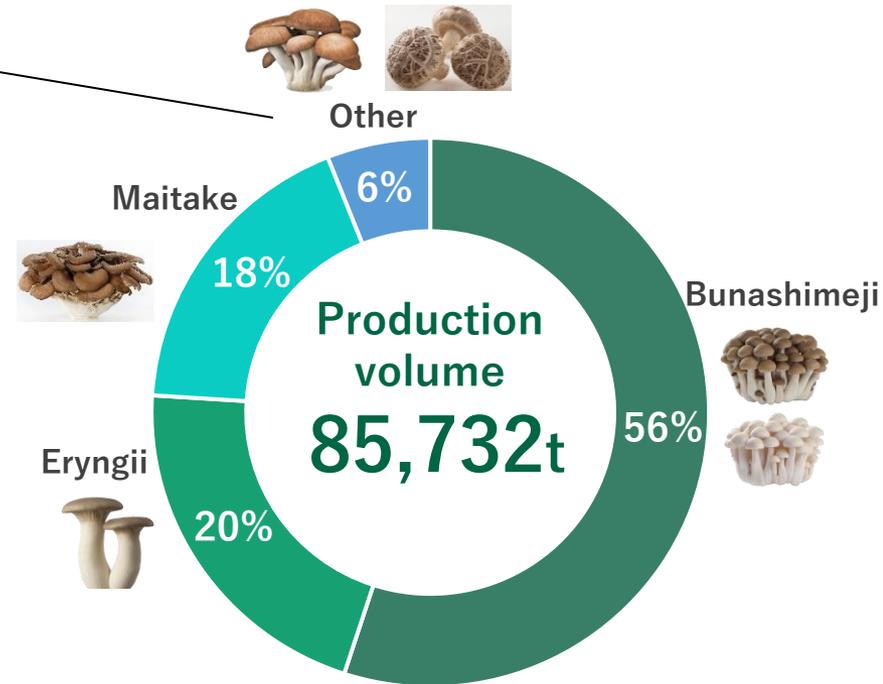
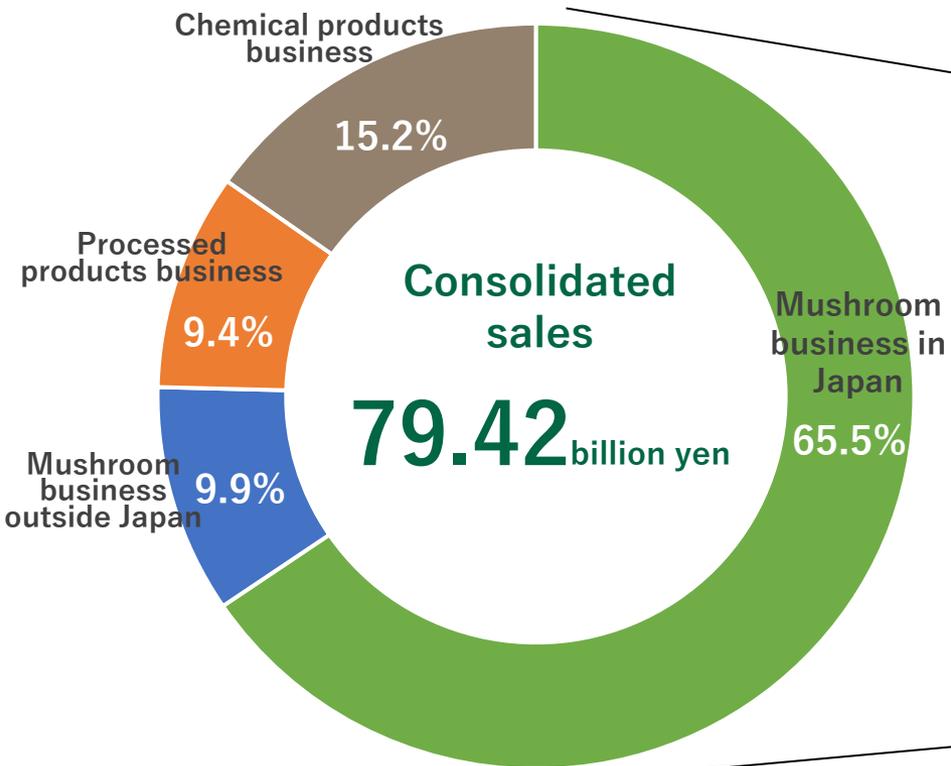
PT HOKTO INDONESIA MATERIALS



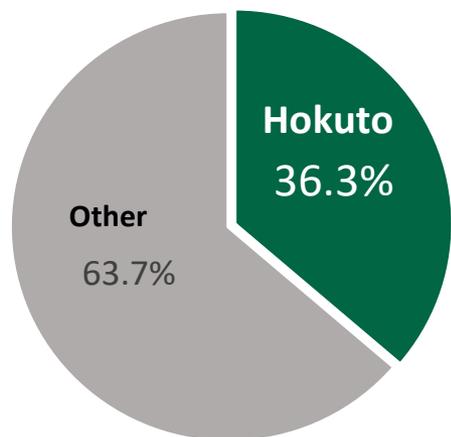

HOKTO MALAYSIA SDN.BHD.
 •Mushroom Production/Distribution
 in Southeast Asia

By segment

Mushroom production volume

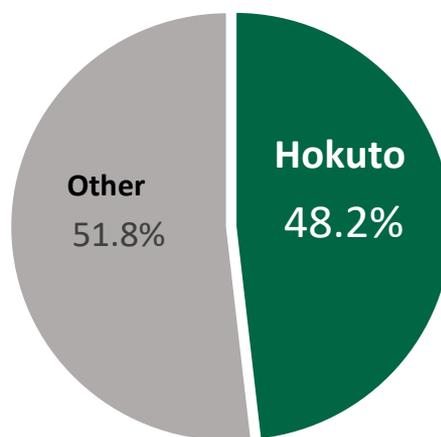


Bunashimeji



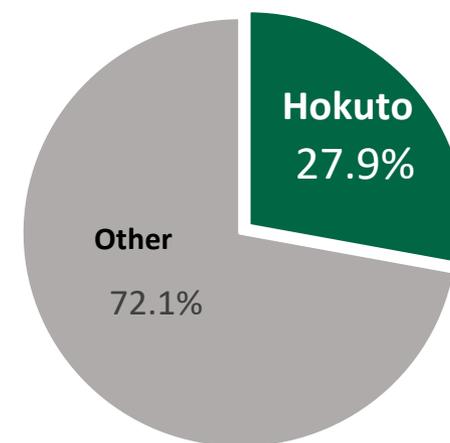
Japan total production volume
122,840 t

Eryngii



Japan total production volume
37,798 t

Maitake



Japan total production volume
56,763 t

Inquiries about IR

Administration Headquarters

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HOKUTO Corporation

