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Consolidated Financial Results for the Three Months Ended June 30, 2025 (Based on Japanese GAAP)

August 8, 2025

Company name: HOKUTO CORPORATION

Stock exchange listing: Tokyo

Stock code: 1379

URL: <https://www.hokto-kinoko.co.jp/lang/en/>

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Scheduled date to commence dividend payments: —

Preparation of supplementary material on financial results: Yes

Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2025	18,524	3.9	176	—	147	−84.0	1,358	125.4
Three months ended June 30, 2024	17,825	5.8	3	—	923	—	602	—

Note: Comprehensive income: Three months ended June 30, 2025: ¥2,108 million [423.9%]
Three months ended June 30, 2024 ¥402 million [−%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	43.43	37.21
Three months ended June 30, 2024	19.00	16.89

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2025	109,491	57,689	52.7
As of March 31, 2025	107,620	56,808	52.8

Reference: Equity: As of June 30, 2025: ¥57,689 million

As of March 31, 2025: ¥56,808 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2025	—	10.00	—	40.00	50.00
Year ending March 31, 2026	—				
Year ending March 31, 2026 (Forecast)		10.00	—	—	—

Notes: 1. Revisions to the cash dividend forecasts most recently announced: None

2. The forecast for the year-end dividends for the year ending March 31, 2026, has not yet been determined.

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	38,100	5.8	(1,330)	—	(1,160)	—	280	—	8.95
Full year	83,600	0.6	4,280	−35.4	4,650	−33.1	4,340	−2.3	138.65

Note: Revisions to the earnings forecasts most recently announced: None

4. Notes

(1) Significant changes in the scope of consolidation during the three months ended June 30, 2025: No

(2) Application of special accounting methods for preparing consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

Number of treasury shares at the end of the period

Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of June 30, 2025	33,359,040 shares	As of March 31, 2025	33,359,040 shares
As of June 30, 2025	2,076,381 shares	As of March 31, 2025	2,100,597 shares
Three months ended June 30, 2025	31,271,314 shares	Three months ended June 30, 2024	31,724,068 shares

Notes: 1. Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: None

2. Proper use of forecasts of financial results, and other special matters

(Cautions on forward-looking statements, etc.)

Forward-looking statements, including the earnings forecasts stated in this document, are based on information currently available to the Company and certain assumptions deemed reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual results may differ materially from the forecasts due to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to '(3) Information regarding consolidated earnings forecasts and other forward-looking statements' in '1. Overview of Operating Results, Etc.,' on page 3 of the attached materials.

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1. Overview of Operating Results, Etc.

(1) Overview of operating results for the three months of the fiscal year ending March 31, 2026

During the three months ended June 30, 2025, the Japanese economy maintained a moderate recovery trend amid improvement in the employment and personal income environment. However, the outlook remains uncertain, partly due to the ongoing rise in prices and concerns over the impact of U.S. tariff policies.

In this economic environment, under the Management Vision to “Expand the market and consumption, with delivering health through mushrooms as our mission” and to “Balance profit generation and corporate social responsibility,” the Group carried out business activities primarily in the mushroom business to deliver deliciousness and health to more and more people through research and development, production, and sales of mushrooms, which are a health food.

As a result of the above, the operating results of the Group for the three months ended June 30, 2025, were net sales of ¥18,524 million (up 3.9% year on year), operating profit of ¥176 million (operating profit of ¥3 million in the same period of the previous fiscal year), ordinary profit of ¥147 million (¥923 million), and profit attributable to owners of parent of ¥1,358 million (¥602 million).

Production output for the three months ended June 30, 2025, consisted of 10,803t of Bunashimeji, including Bunapi (down 1.4% year on year), 4,118t of Eryngii (down 3.0%), and 3,696t of Maitake (up 1.1%).

The overview of each segment for the three months ended June 30, 2025, is as follows.

Mushroom business in Japan

The production division continued working to reduce costs, performed even more thorough hygiene control, worked to improve quality and for stable cultivation, and produced mushrooms safely and securely.

The R&D division worked to increase product quality, develop new high value-added products and new varieties, and pursue the pharmacological effects and functionality of mushrooms.

The sales division advocated for “Kinkatsu through mushrooms” (the lifestyle habit of incorporating mushrooms into daily meals) with the three pillars of health, beauty, and sports in order to stimulate mushroom demand and carry out sales activities with a commitment to freshness. In terms of sales, after the high prices seen in 2024, vegetable prices have gradually declined and market prices have been lower than usual, particularly for large vegetables. However, prices for mushrooms have been comparatively firm due to efforts to develop new business, expand inventories, and pursue an area strategy under the new Medium-Term Management Plan.

As a result, net sales for the mushroom business in Japan as a whole were ¥11,790 million (up 4.6% year on year) and segment profits were ¥456 million (up 146.1%).

Mushroom business outside Japan

At Hokto Kinoko Company, our U.S. subsidiary, orders remained stable as new prices became entrenched following the increase implemented for all customers in October 2024. Efforts were also stepped up to increase sales to the new customer base, leading to steady growth in business from new accounts, such that net sales and operating profit exceeded targets on a local currency basis.

At Taiwan Hokuto Corporation, our subsidiary in Taiwan, demand declined due to the heatwaves and mushroom sales prices also fell significantly in response to an overall decline in vegetable prices. Against this backdrop, the subsidiary put measures in place to stimulate demand, such as special sales campaigns, but net sales and operating profit fell short of targets.

Hokto Malaysia Sdn. Bhd., our subsidiary in Malaysia, reorganized its sales structure alongside a shift in strategy to generate profit by raising unit prices and changes to sales promotion methods. However, these changes caused a temporary downturn in sales that overlapped with a period of low demand, resulting in both net sales and operating profit falling short of targets.

As a result, net sales for the mushroom business outside Japan as a whole were ¥1,822 million (down 4.7% year on year) and segment profits were ¥231 million (down 14.7%).

Processed products business

The processed products business carried out sales of processed mushroom products (boiled or frozen) and worked to expand sales of ready-to-use processed products and fresh mushrooms for commercial use, develop new products, and open up new markets. Sales of products for restaurants and delicatessens, products for prepared meals, and commercial processed products were strong and products for popular menu items were taken up by convenience stores, leading to steady growth in sales volumes. In the mail-order businesses, health food-related products and retort pouch foods struggled, but sales of dried mushrooms were strong. At the subsidiary Arden Corporation, customer orders fell significantly through May before showing signs of a recovery in June, but total net sales and operating profit for the three months ended June 30, 2025, were short of targets.

As a result, net sales for the processed products business were ¥1,674 million (down 3.4% year on year) and segment profits were ¥16 million (up 26.1%).

Chemical products business

The chemical products business has worked on proposal-based marketing in the packaging materials sector to sell packaging materials that satisfy market needs, including recycled and plant-based environmental packaging materials and frozen food packaging materials, as well as functional packaging materials for containers that help reduce food waste. In the industrial materials sector, amidst mounting uncertainty over global market trends, sales to export manufacturers of semiconductors and automotive parts have struggled.

In the agricultural materials sector, a bulk order expected in the first quarter was pushed back into the second quarter but sales of mushroom cultivation materials were solid. For manufacturing and marketing of in-house products, this business continued the steady progress made in the fiscal year ended March 31, 2025.

As a result, net sales for the chemical products business were ¥3,237 million (up 11.4% year on year) and segment profits were ¥107 million (up 68.1%).

(2) Overview of financial position for the period under review

Positions of assets, liabilities and net assets, and the factors thereof as of June 30, 2025 are as follows.

Assets

Current assets as of June 30, 2025 amounted to ¥40,719 million, up ¥2,097 million from the previous fiscal year end. This was due mainly to an increase of ¥1,896 million in accounts receivable - other from fire insurance claims included in other under current assets. Non-current assets amounted to ¥68,772 million, down ¥226 million from the previous fiscal year end.

As a result, total assets amounted to ¥109,491 million, up ¥1,870 million from the previous fiscal year end.

Liabilities

Current liabilities as of June 30, 2025 amounted to ¥26,143 million, up ¥1,319 million from the previous fiscal year end. This was due mainly to an increase of ¥3,002 million in short-term borrowings and a decrease of ¥1,120 million in income taxes payable. Non-current liabilities amounted to ¥25,657 million, down ¥330 million from the previous fiscal year end.

As a result, total liabilities amounted to ¥51,801 million, up ¥989 million from the previous fiscal year end.

Net assets

Total net assets as of June 30, 2025 amounted to ¥57,689 million, up ¥881 million from the previous fiscal year end.

As a result, the equity ratio was 52.7% (52.8% at the end of the previous fiscal year).

(3) Information regarding consolidated earnings forecasts and other forward-looking statements

There is no change in the earnings forecasts in the “Summary of Consolidated Financial Results for the Year Ended March 31, 2025 (Based on Japanese GAAP),” dated May 14, 2025.

The earnings forecasts are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ materially from the forecasts due to various factors.

2. Consolidated Financial Statements and Notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	16,323	18,042
Notes and accounts receivable - trade	7,084	6,244
Securities	6,989	5,990
Merchandise and finished goods	2,221	2,672
Work in process	4,254	4,319
Raw materials and supplies	1,086	1,092
Other	668	2,361
Allowance for doubtful accounts	(7)	(4)
Total current assets	38,621	40,719
Non-current assets		
Property, plant and equipment		
Buildings and structures	72,019	72,232
Accumulated depreciation	(39,164)	(39,846)
Buildings and structures, net	32,855	32,386
Machinery, equipment and vehicles	70,088	70,706
Accumulated depreciation	(62,132)	(63,361)
Machinery, equipment and vehicles, net	7,955	7,344
Land	14,581	14,563
Other	3,493	3,859
Accumulated depreciation	(2,089)	(2,068)
Other, net	1,404	1,790
Total property, plant and equipment	56,796	56,084
Intangible assets	136	125
Investments and other assets		
Investment securities	8,374	8,865
Retirement benefit asset	1,773	1,790
Other	2,063	2,054
Allowance for doubtful accounts	(146)	(148)
Total investments and other assets	12,065	12,562
Total non-current assets	68,998	68,772
Total assets	107,620	109,491

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,730	1,932
Electronically recorded obligations - operating	4,087	3,829
Short-term borrowings	7,097	10,100
Income taxes payable	1,542	422
Provision for bonuses	1,288	789
Provision for loss by fire	147	7
Other	8,929	9,062
Total current liabilities	24,823	26,143
Non-current liabilities		
Bonds with share acquisition rights	10,015	10,014
Long-term borrowings	12,672	11,877
Retirement benefit liability	333	339
Asset retirement obligations	1,035	1,063
Other	1,931	2,363
Total non-current liabilities	25,988	25,657
Total liabilities	50,811	51,801
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	5,727	5,727
Retained earnings	47,044	47,130
Treasury shares	(3,851)	(3,805)
Total shareholders' equity	54,420	54,552
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,768	3,095
Foreign currency translation adjustment	(732)	(306)
Remeasurements of defined benefit plans	352	348
Total accumulated other comprehensive income	2,387	3,137
Total net assets	56,808	57,689
Total liabilities and net assets	107,620	109,491

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Net sales	17,825	18,524
Cost of sales	13,830	14,156
Gross profit	3,995	4,368
Selling, general and administrative expenses	3,991	4,191
Operating profit	3	176
Non-operating income		
Dividend income	107	146
Rental income from land and buildings	39	38
Foreign exchange gains	765	—
Other	46	41
Total non-operating income	959	226
Non-operating expenses		
Interest expenses	29	31
Foreign exchange losses	—	207
Other	10	16
Total non-operating expenses	39	255
Ordinary profit	923	147
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	0	—
Insurance claim income	—	1,896
Total extraordinary income	1	1,898
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss by fire	—	56
Total extraordinary losses	0	56
Profit before income taxes	924	1,989
Income taxes - current	98	306
Income taxes - deferred	223	324
Total income taxes	322	630
Profit	602	1,358
Profit attributable to owners of parent	602	1,358

Consolidated statements of comprehensive income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit	602	1,358
Other comprehensive income		
Valuation difference on available-for-sale securities	(95)	327
Foreign currency translation adjustment	(104)	426
Remeasurements of defined benefit plans, net of tax	(0)	(4)
Total other comprehensive income	(200)	750
Comprehensive income	402	2,108
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	402	2,108
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to consolidated financial statements

Additional information

Loss by fire and insurance claim income

During the three months ended June 30, 2025, the Company recorded ¥56 million as an extraordinary loss by fire, including repair costs, following the fire that broke out on October 29, 2024, at the Company's Ueda First Mushroom Center (Ueda City, Nagano Prefecture). The Company also recorded ¥1,896 million as insurance claim income under extraordinary income due to confirmed insurance proceeds related to this fire.

Segment information, etc.

Segment information

I Three months ended June 30, 2024 (April 1, 2024–June 30, 2024)

1. Information on net sales, profits or losses for each reportable segment

(Millions of yen)

	Reportable segments				Total	Adjustments (Note 1)	Amount recorded on consolidated statements of income (Note 2)
	Mushroom business in Japan	Mushroom business outside Japan	Processed products business	Chemical products business			
Net sales							
(1) Net sales from external customers	11,274	1,911	1,732	2,907	17,825	—	17,825
(2) Intersegment sales and transfers	13	—	—	395	409	(409)	—
Total	11,287	1,911	1,732	3,302	18,234	(409)	17,825
Segment profit	185	271	13	64	534	(530)	3

Notes: 1. Adjustments for segment profit of ¥(530) million are Group-wide expenses of ¥(526) million not allocated to an individual reporting segment and elimination of internal transactions of ¥(3) million. Group-wide expenses are mainly selling, general and administrative expenses that do not belong to any reportable segment.

2. Segment profit is adjusted with operating profit on the quarterly consolidated statements of income.

II Three months ended June 30, 2025 (April 1, 2025–June 30, 2025)

1. Information on net sales, profits or losses for each reportable segment

(Millions of yen)

	Reportable segments				Total	Adjustments (Note 1)	Amount recorded on consolidated statements of income (Note 2)
	Mushroom business in Japan	Mushroom business outside Japan	Processed products business	Chemical products business			
Net sales							
(1) Net sales from external customers	11,790	1,822	1,674	3,237	18,524	—	18,524
(2) Intersegment sales and transfers	27	—	—	304	331	(331)	—
Total	11,818	1,822	1,674	3,542	18,856	(331)	18,524
Segment profit	456	231	16	107	812	(635)	176

Notes: 1. Adjustments for segment profit of ¥(635) million are Group-wide expenses of ¥(640) million not allocated to an individual reporting segment and elimination of internal transactions of ¥5 million. Group-wide expenses are mainly selling, general and administrative expenses that do not belong to any reportable segment.

2. Segment profit is adjusted with operating profit on the quarterly consolidated statements of income.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Notes on assumptions for going concern

Not applicable.

Notes to consolidated statements of cash flows

Quarterly consolidated statements of cash flows for the three months ended June 30, 2025 are not prepared. Depreciation (including amortization related to intangible assets excluding goodwill) for the three months ended June 30, 2025 is as follows.

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	1,420	1,341