

# HOKUTO Corporation

## Consolidated Financial Results for the Year Ended March 31, 2024

May, 2024



# **1. The financial report for the Year Ended March 31, 2024**

## **2. Forecast of consolidated financial results for the Year Ending March 31, 2025**

## **3. Recent Activities**

## **4. Reference material**

1

**Our domestic mushroom business returned to profitability due to high vegetable market prices, production volume adjustment, and stable unit sales prices.**

2

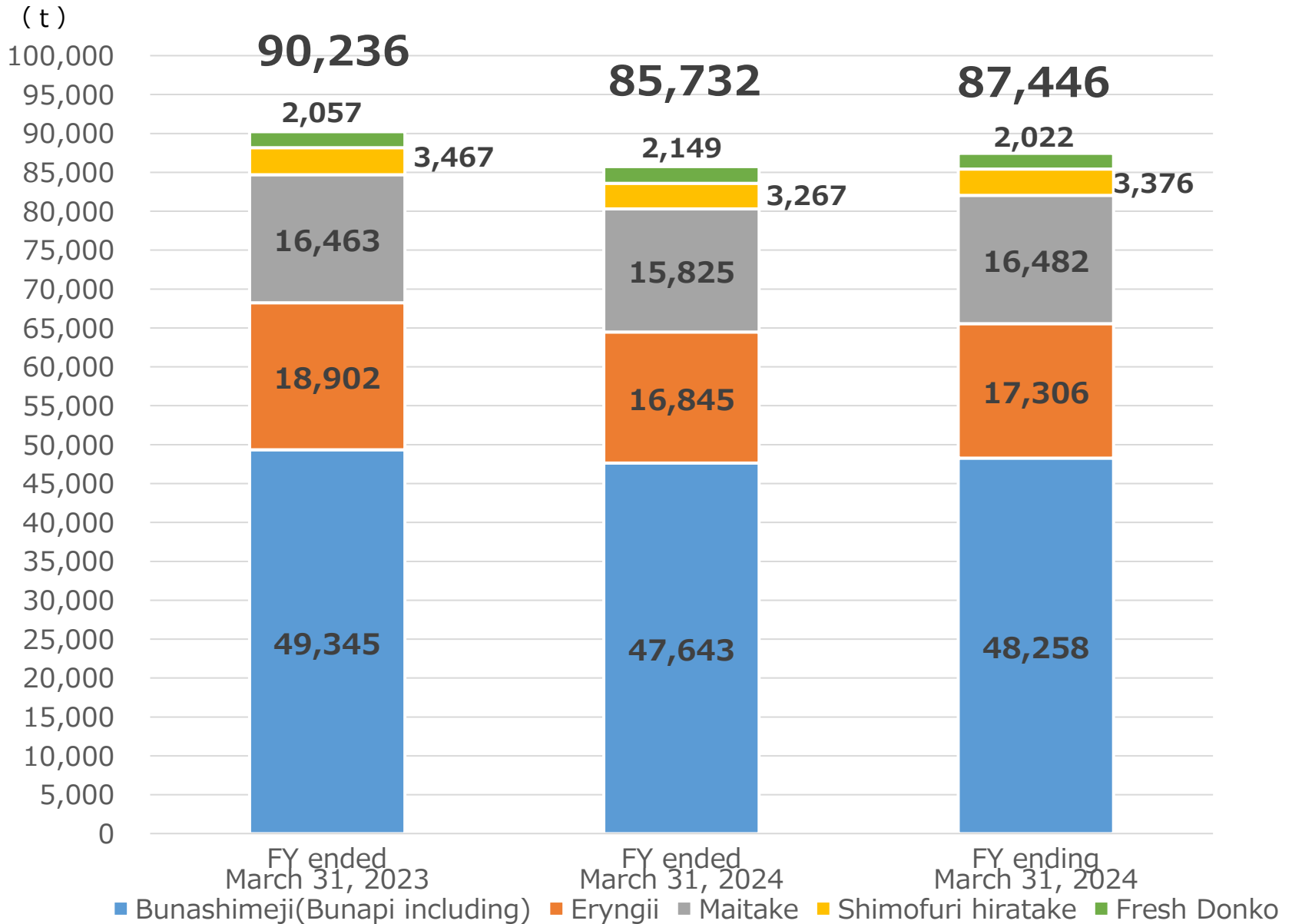
**Our ordinary profit increased due to the weaker yen and the resulting foreign exchange gains.**

▶ The domestic mushroom market suffered from high temperatures and drought in autumn, the peak demand season of the year, decreasing vegetable supply and sustaining high market prices. In addition, the adjustment of our production volume improved demands, steadily maintaining unit sales prices and contributing to the increased sales and profits of the Company.

(Millions of yen)

	Year ended Mar. 31, 2023	Year ended Mar. 31, 2024	YoYchange	YoY
Net sales	72,980	79,426	6,446	8.8%
Gross profit	12,967	19,789	6,821	52.6%
Gross profit margin	17.8%	24.9%		
Selling, general and administrative expenses	15,915	16,608	692	4.3%
Operating profit	(2,948)	3,180	6,129	—
Operating profit margin	(4.0)	4.0%		
Ordinary profit	(1,854)	4,715	6,570	—
Ordinary profit margin	(2.5)	5.9%		
Profit attributable to owners of parent	(2,037)	3,525	5,562	—
Net profit margin	(2.8)	4.4%		
Earnings per share	(64.43)	111.19		

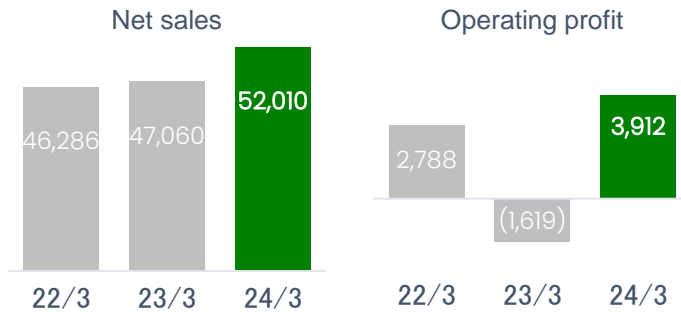
# ▶▶ Changes in mushroom production



(Unit: million yen)

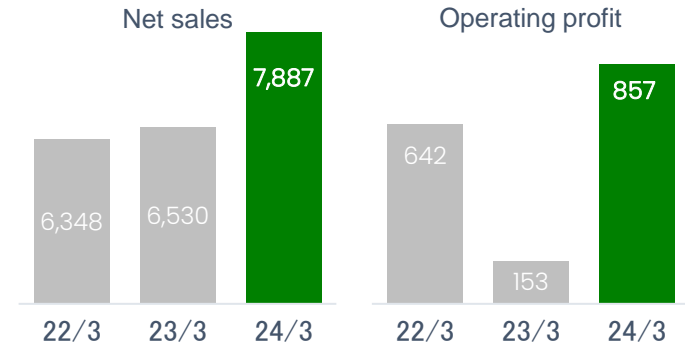
## Mushroom business in Japan

✓ **Increased sales and profits** due to high vegetable market prices, production volume adjustment, and steady unit sales prices



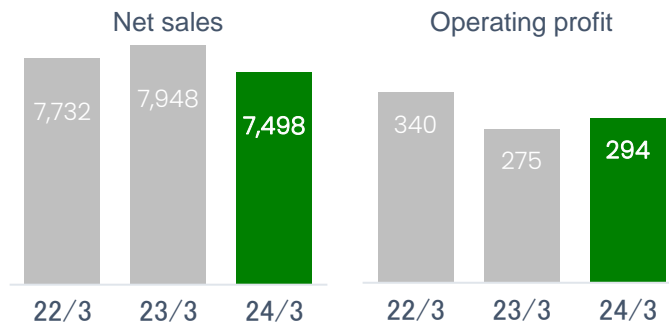
## Mushroom business outside Japan

✓ **Increased sales and profits** mainly due to increased sales prices in the US



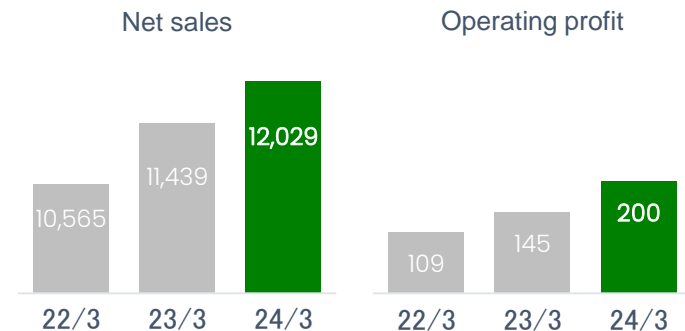
## Processed products business

✓ Reduced menu adoption at mainstay convenience stores and national brand manufacturers due to increased material prices  
 ✓ **Decreased sales** at Arden due to decreased orders negatively affected by increased sales prices



## Chemical products business

✓ Steady sales to food vendors  
 ✓ Steady sales of raw materials to mushroom producers



	cf. Previous year	cf. Plan
<b>Bunashimeji</b>	114.7%	103.5%
<b>Eryngii</b>	117.7%	98.5%
<b>Maitake</b>	114.6%	92.4%
<b>Shimofuri hiratake</b>	109.7%	88.5%

High temperatures and drought decreased vegetable supply volume and sustained high market prices. In addition, the adjustment of our production volume steadily maintained unit sales prices.

	cf. Previous year	cf. Plan
<b>Bunashimeji</b>	96.3%	98.8%
<b>Eryngii</b>	88.9%	98.0%
<b>Maitake</b>	95.7%	96.1%
<b>Shimofuri hiratake</b>	94.2%	96.8%

We adjusted production volume to maintain unit sales prices, thus underperforming the previous year and the plan.



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

		Year ended Mar. 31, 2023	Year ended Mar. 31, 2024	YoYchange	YoY
<b>U.S.A (US\$)</b>	<b>Net sales</b>	22,598,458	27,960,587	5,362,129	23.7%
	<b>Operating profit</b>	(3,397,867)	1,131,423	4,529,290	—
	<b>ROE</b>	133.53	151.41		
<b>Taiwan (NT\$)</b>	<b>Net sales</b>	666,189,088	655,285,182	(10,903,906)	(1.6)%
	<b>Operating profit</b>	140,047,810	141,672,878	1,625,068	1.2%
	<b>ROE</b>	4.38	4.74		
<b>Malaysia (RM)</b>	<b>Net sales</b>	18,815,813	16,956,720	(1,859,093)	(9.9)%
	<b>Operating profit</b>	(3,544,616)	(4,459,557)	(914,941)	—
	<b>ROE</b>	30.24	31.97		

(Millions of yen)

	Initial plan	Year ended Mar. 31, 2024	Plan difference	cf. Plan
Net sales	80,200	79,426	(773)	(1.0)%
Gross profit	18,640	19,789	1,149	6.2%
Gross profit margin	23.2%	24.9%		
Selling, general and administrative expenses	16,720	16,608	(111)	(0.7)%
Operating profit	1,920	3,180	1,260	65.7%
Operating profit margin	2.4%	4.0%		
Ordinary profit	2,110	4,715	2,605	123.5%
Ordinary profit margin	2.6%	5.9%		
Profit attributable to owners of parent	700	3,525	2,825	403.6%
Net profit margin	0.9%	4.4%		
Earnings per share	22.08	111.19		

Our operating profit outperformed the plan due to lower-than-expected production costs such as electricity costs. Our ordinary profit also outperformed the plan due to the weaker yen and the resulting foreign exchange gains.

(Millions of yen)

		Initial plan	Year ended Mar. 31, 2024	Plan difference	cf. Plan
<b>Mushroom business in Japan</b>	Net sales	52,872	52,010	(862)	(1.6)%
	Operating profit	3,305	3,912	606	18.4%
<b>Mushroom business outside Japan</b>	Net sales	7,200	7,887	686	9.5%
	Operating profit	735	857	122	16.6%
<b>Processed products business</b>	Net sales	8,082	7,498	(584)	(7.2)%
	Operating profit	95	294	199	209.7%
<b>Chemical products business</b>	Net sales	12,027	12,029	1	0.0%
	Operating profit	200	200	0	0.0%

		Initial plan	Year ended Mar. 31, 2024	Plan difference	cf. Plan
<b>U.S.A (US\$)</b>	Net sales	26,740,000	27,960,587	1,211,269	4.5%
	Operating profit	30,000	1,131,423	1,091,993	2769.4%
	ROE	131.80	151.41		
<b>Taiwan (NT\$)</b>	Net sales	671,000,000	655,285,182	(16,504,818)	(2.5)%
	Operating profit	143,000,000	141,672,878	(1,767,122)	(1.2)%
	ROE	4.30	4.74		
<b>Malaysia (RM)</b>	Net sales	22,240,000	16,956,720	(5,290,280)	(23.8)%
	Operating profit	(1,640,000)	(4,459,557)	(2,814,557)	—
	ROE	30.20	31.97		

**1. The financial report for the Year Ended  
March 31, 2024**

**2. Forecast of consolidated financial results for  
the Year Ending March 31, 2025**

**3. Recent Activities**

**4. Reference material**

▶▶ Full year plan for the FY ending March 31, 2025 (Consolidated)

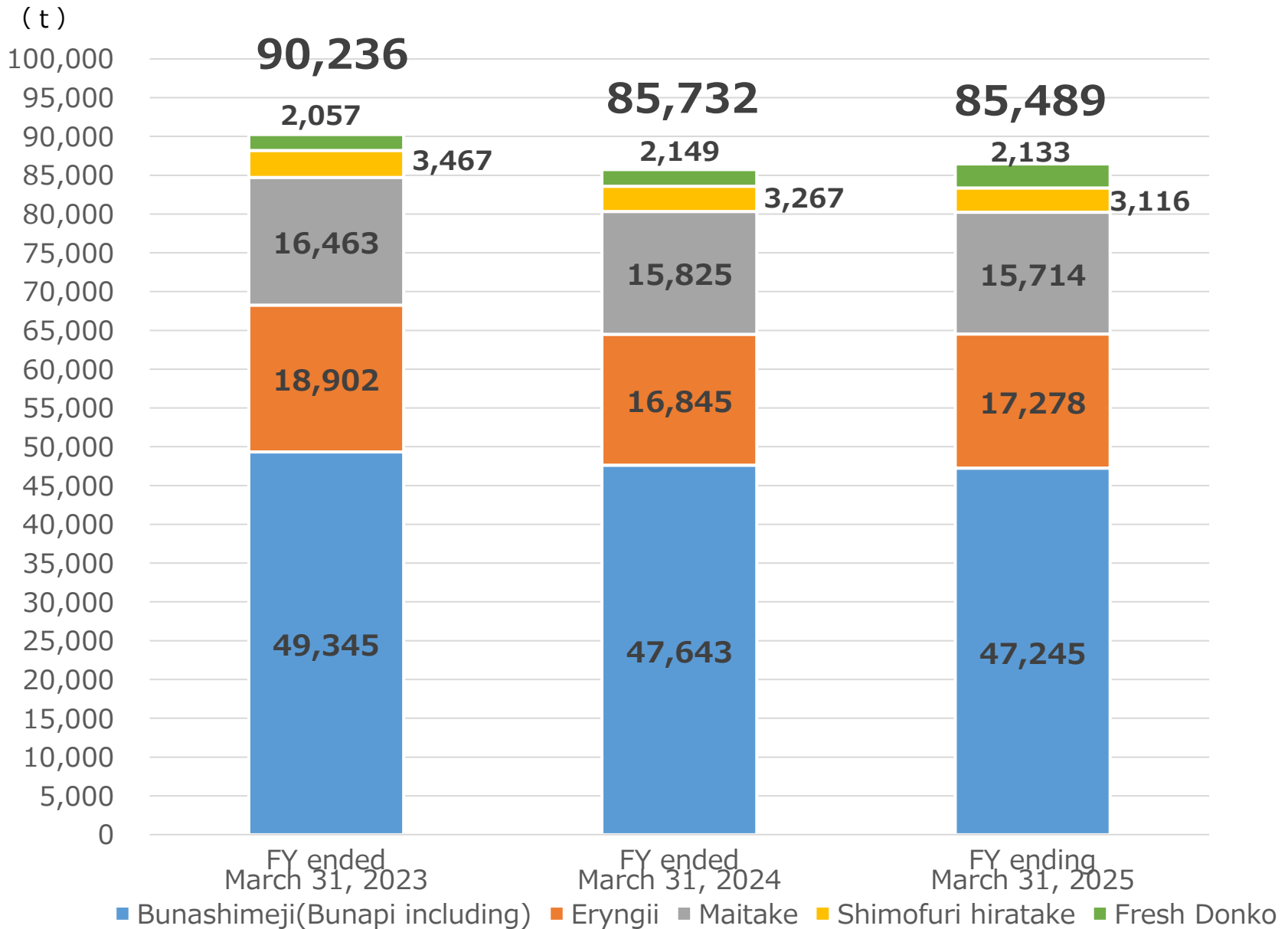


(Millions of yen)

	Year ended Mar. 31, 2024	Year ended Mar. 31, 2025 (Forecast)	Plan difference	cf. Plan
Net sales	79,426	81,200	1,773	2.2%
Gross profit	19,789	21,010	1,220	6.2%
Gross profit margin	24.9%	25.9%		
Selling, general and administrative expenses	16,608	17,700	1,091	6.6%
Operating profit	3,180	3,310	129	4.1%
Operating profit margin	4.0%	4.1%		
Ordinary profit	4,715	3,540	(1,175)	(24.9)%
Ordinary profit margin	5.9%	4.4%		
Profit attributable to owners of parent	3,525	2,440	(1,085)	(30.8)%
Net profit margin	4.4%	3.0%		
Earnings per share	111.19	76.91		

We anticipate increased unit sales prices of mushrooms and forecast increasing sales and profits.

# ▶▶ Changes in mushroom production



(Millions of yen)

		Year ended Mar. 31, 2024	Year ended Mar. 31, 2025 (Forecast)	Plan difference	cf. Plan
<b>Mushroom business in Japan</b>	<b>Net sales</b>	52,010	52,722	711	1.4%
	<b>Operating profit</b>	3,912	3,760	(152)	(3.9)%
<b>Mushroom business outside Japan</b>	<b>Net sales</b>	7,887	8,223	335	4.3%
	<b>Operating profit</b>	857	1,252	394	46.0%
<b>Processed products business</b>	<b>Net sales</b>	7,498	7,735	236	3.2%
	<b>Operating profit</b>	294	240	(54)	(18.4)%
<b>Chemical products business</b>	<b>Net sales</b>	12,029	12,537	508	4.2%
	<b>Operating profit</b>	200	300	99	50.0%



▶▶ Full year plan for the FY ending March 31, 2025  
(Mushroom business outside Japan)



		Year ended Mar. 31, 2024	Year ended Mar. 31, 2025 (Forecast)	Plan difference	cf. Plan
<b>U.S.A (US\$)</b>	<b>Net sales</b>	27,960,587	29,730,000	1,774,119	6.3%
	<b>Operating profit</b>	1,131,423	3,070,000	1,941,379	171.6%
	<b>ROE</b>	151.41	149.30		
<b>Taiwan (NT\$)</b>	<b>Net sales</b>	655,285,182	665,000,000	10,324,818	1.6%
	<b>Operating profit</b>	141,672,878	151,000,000	10,257,122	7.2%
	<b>ROE</b>	4.74	4.70		
<b>Malaysia (RM)</b>	<b>Net sales</b>	16,956,720	19,100,000	2,144,280	12.6%
	<b>Operating profit</b>	(4,459,557)	(1,540,000)	2,913,557	—
	<b>ROE</b>	31.97	31.50		

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## Solar power PPAs for Shizuoka Mushroom Center and Tomakomai Mushroom Center

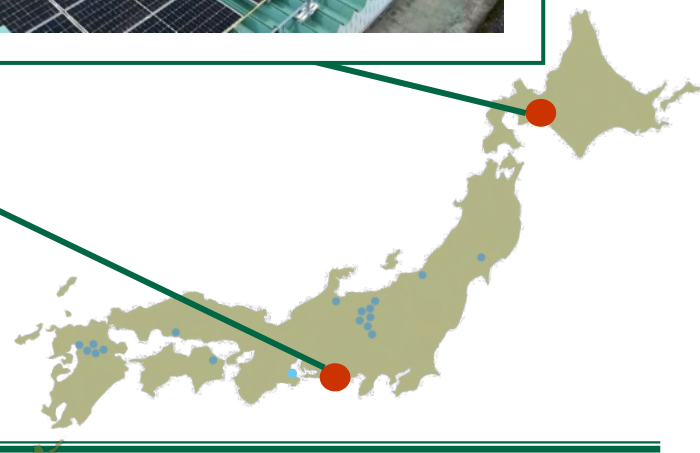
Shizuoka Mushroom Center



Tomakomai Mushroom Center



Last year, we newly introduced solar power purchase agreement (PPA) schemes at Shizuoka Mushroom Center and Tomakomai Mushroom Center. Currently we have seven centers installed with solar power generation systems.



### ◆ Second issue of unsecured convertible bond-type bonds with stock acquisition rights issued through third-party allotment

At the Board of Directors Meeting held on March 19, 2024, the Company resolved to solicit convertible bonds with stock acquisition rights to be issued through third-party allotment as described below, and issued them on April 5, 2024.

Payment date	April 5, 2024
Total number of stock acquisition rights	49 rights
Potential number of shares due to the issue	5,208,291 shares
Amount of funds raised	10 billion yen
Exercise price or conversion price	1,920 yen per share
Placement or allocation method	Third-party allocation method
Allotted to	AAGS S9, L.P.

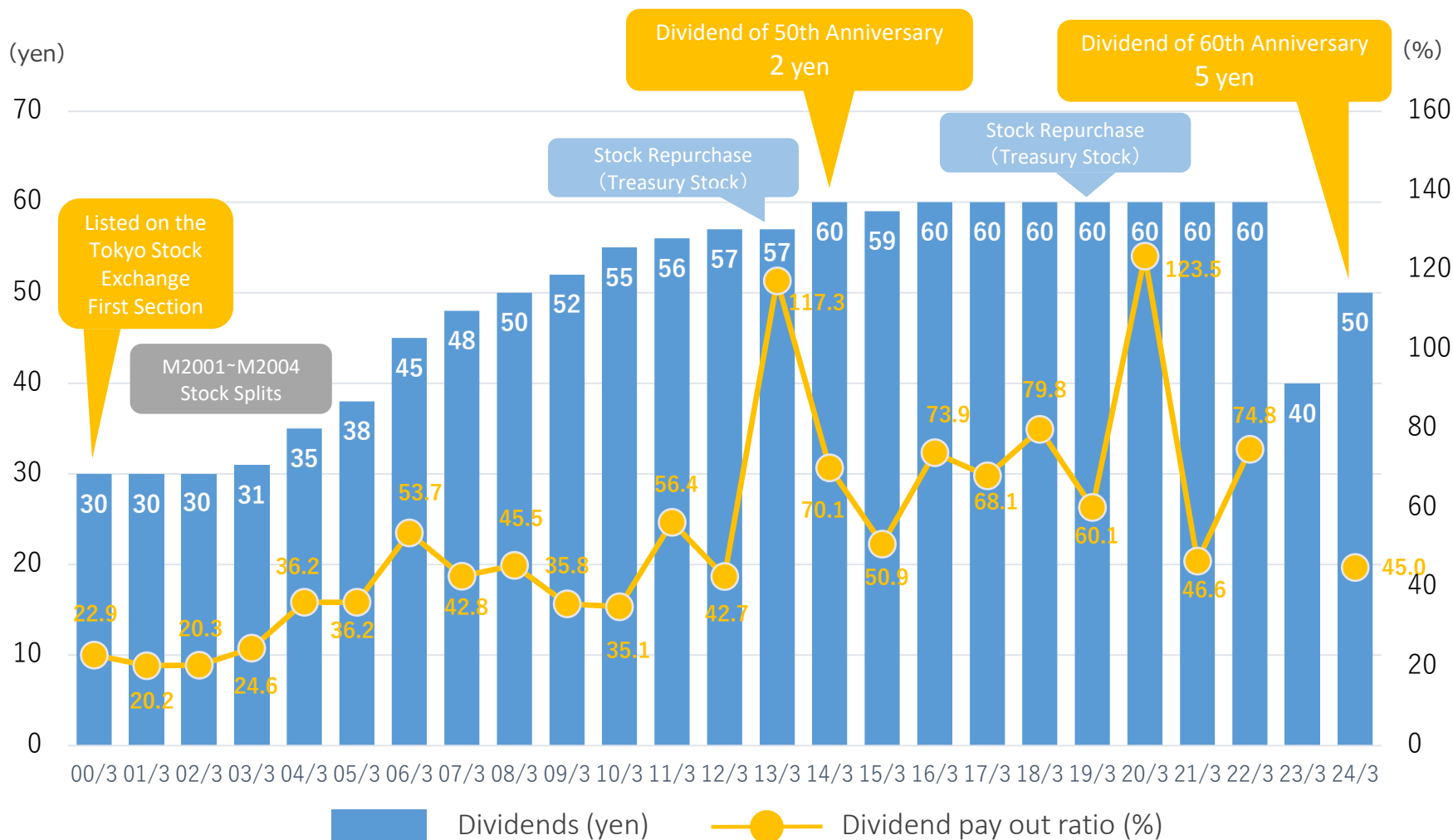
- Business partnership: At the Board of Directors Meeting held on March 19, 2024, the Company resolved to enter into a business partnership agreement with Advantage Advisors.

#### [Outline of business partnership]

1. Support for the upgrading of domestic sales	6. Support for planning and implementation of DX strategy
2. Support for cost reduction measures for domestic business	7. Support for implementation and monitoring of medium-term management plans
3. Support for planning and implementation of overseas business strategy	8. Support for organizational reform, human resources recruitment, development, and retention
4. Support for planning and implementation of new business strategy	9. IR support
5. M&A support	10. Other operations separately agreed between the Company and Advantage Advisors.

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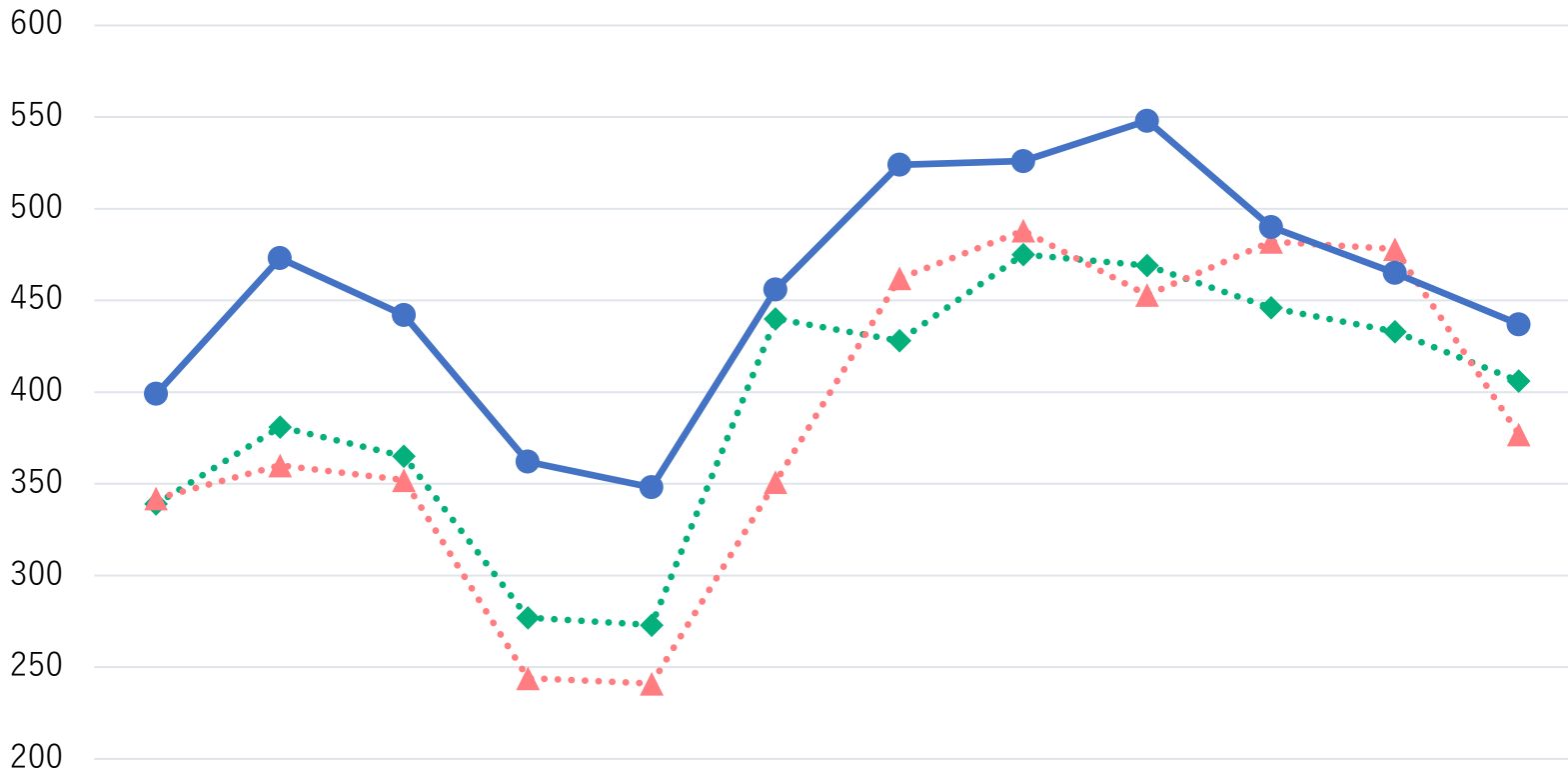
# About Dividends



The year-end dividend for the fiscal year ended March 31, 2024: 40 yen (Ordinary dividend: 35 yen + commemorative dividend: 5 yen). The planned interim dividend for FY2025: 10 yen. The year-end dividend for FY2025: not yet determined.

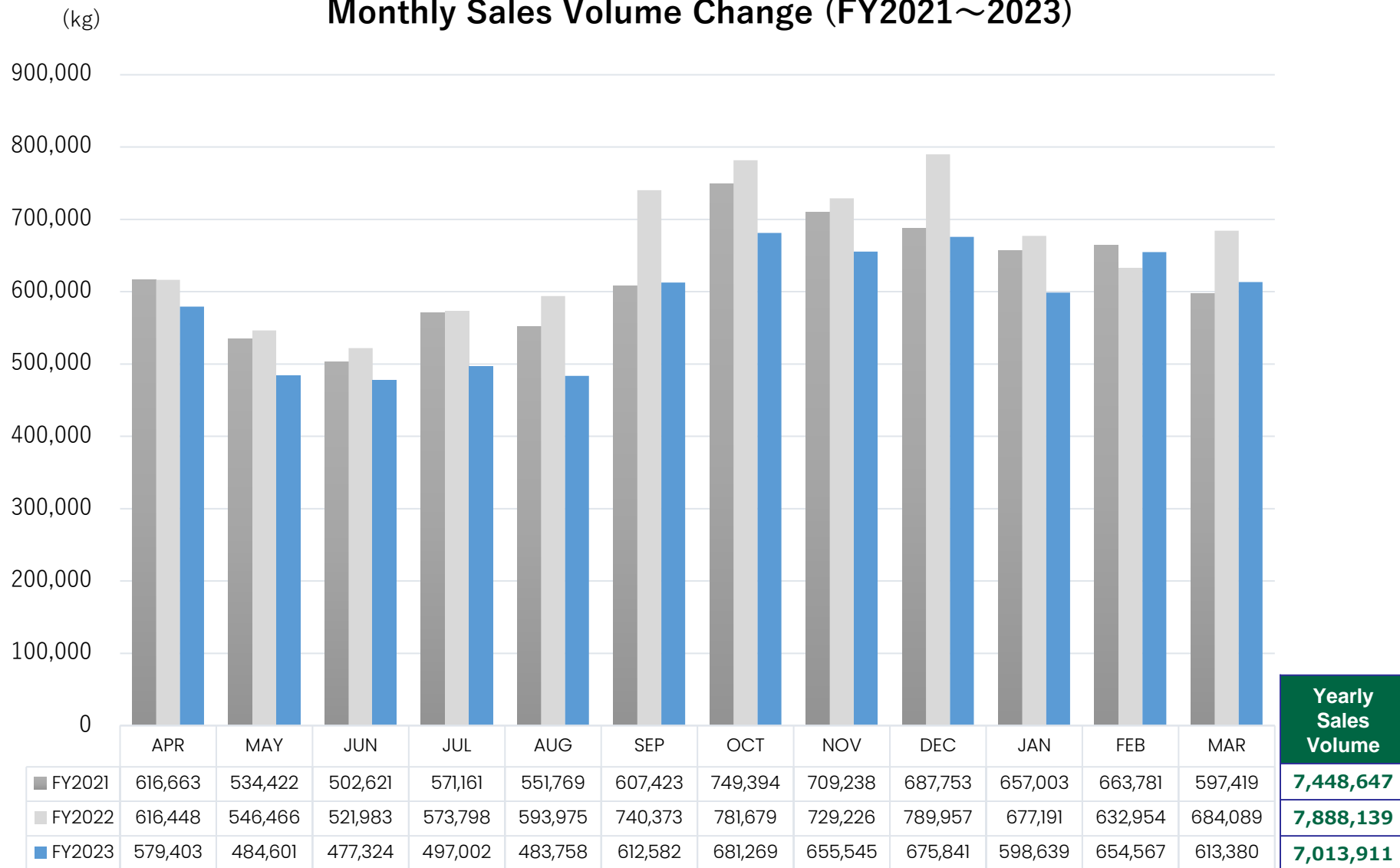
## Monthly Price Change (FY2021~2023)

(Yen/kg)



	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	Avr. Price
◆ FY2021	339	381	365	277	273	440	428	475	469	446	433	406	<b>399</b>
▲ FY2022	342	360	352	244	241	351	462	488	453	482	478	377	<b>392</b>
● FY2023	399	473	442	362	348	456	524	526	548	490	465	437	<b>462</b>

### Monthly Sales Volume Change (FY2021~2023)





### Monthly Price Change (FY2021~2023)

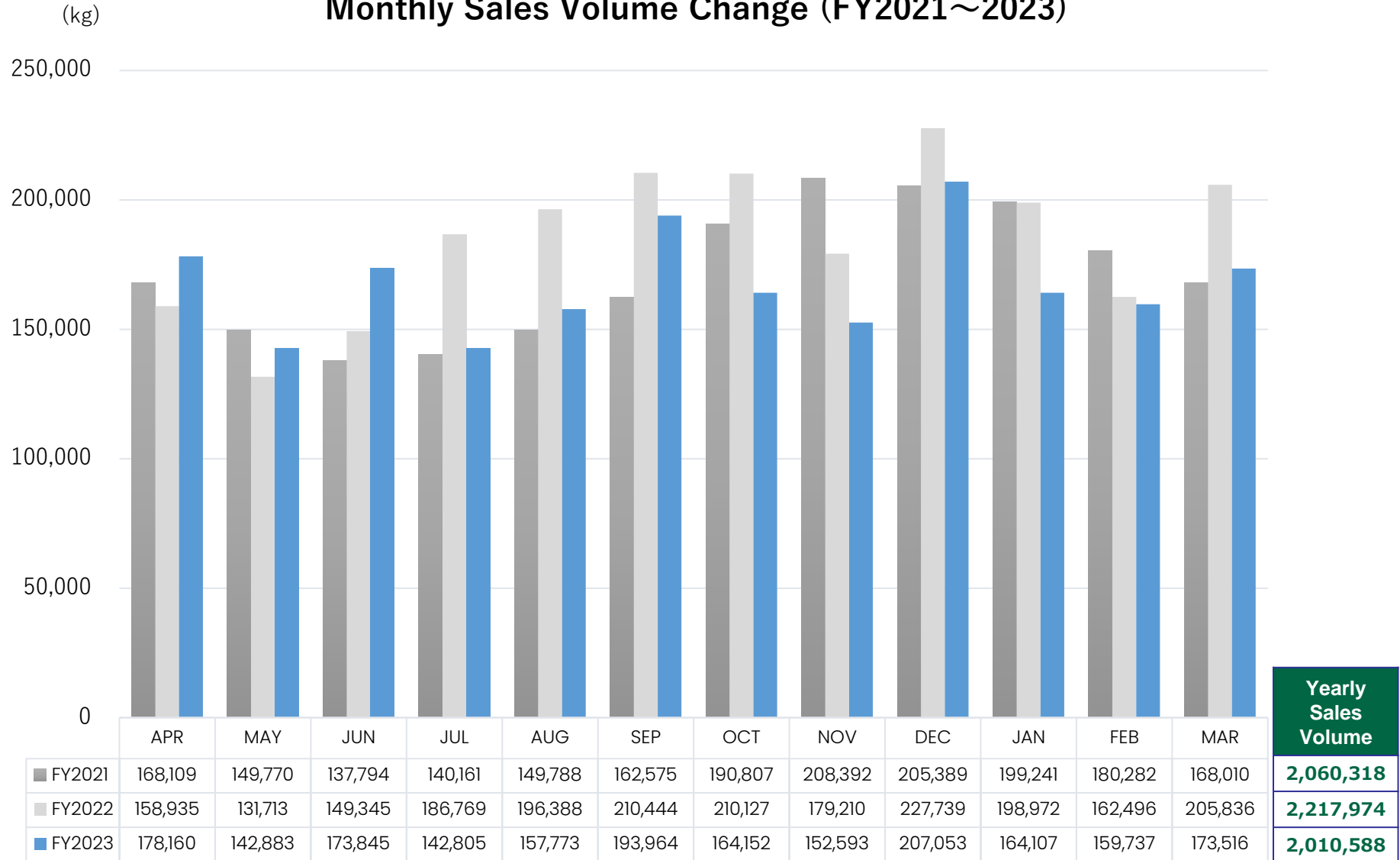
(Yen/kg)



	APR	MAY	JUN	NUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
◆ FY2021	453	514	468	422	463	613	532	467	425	423	450	473
▲ FY2022	497	589	504	312	328	463	559	582	417	474	542	433
● FY2023	532	623	501	496	467	623	712	669	515	552	581	547

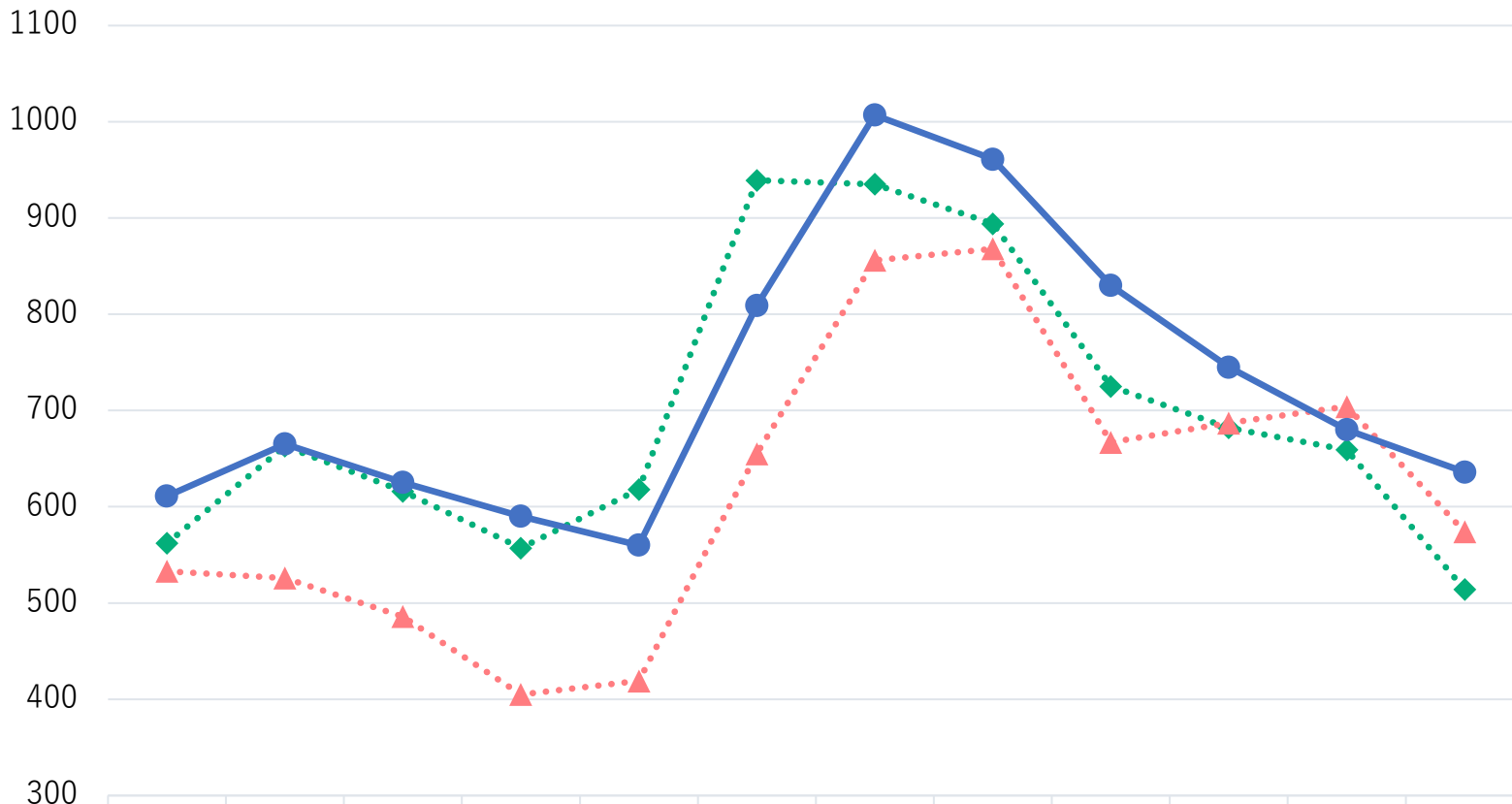
Avr. Price
<b>474</b>
<b>469</b>
<b>567</b>

### Monthly Sales Volume Change (FY2021~2023)



### Monthly Price Change (FY2021~2023)

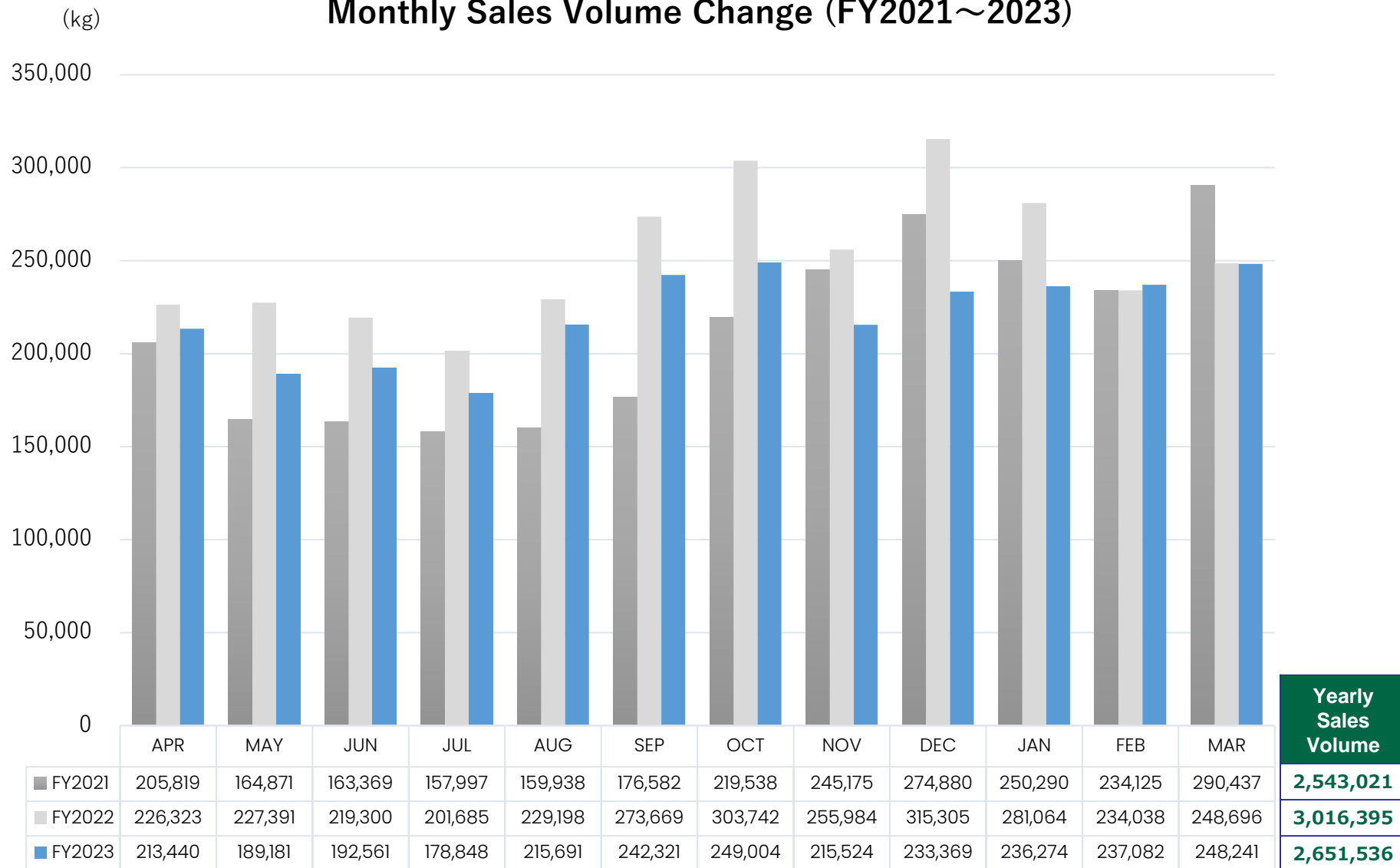
(Yen/kg)



	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
◆●●● FY2021	562	663	616	557	618	939	935	894	725	682	659	514
●●●▲ FY2022	533	526	486	405	419	655	856	868	667	687	704	574
●●●● FY2023	611	665	625	590	560	809	1007	961	830	745	680	636

Avr. Price
699
629
734

### Monthly Sales Volume Change (FY2021~2023)





# 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 : 62,247 mil. yen  
 Shareholders' equity : 52,397 mil. yen  
 Number of employees : 4,096  
 Main business : Mushroom  
 Production/Distribution/ R&D  
 (As of the end of March 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



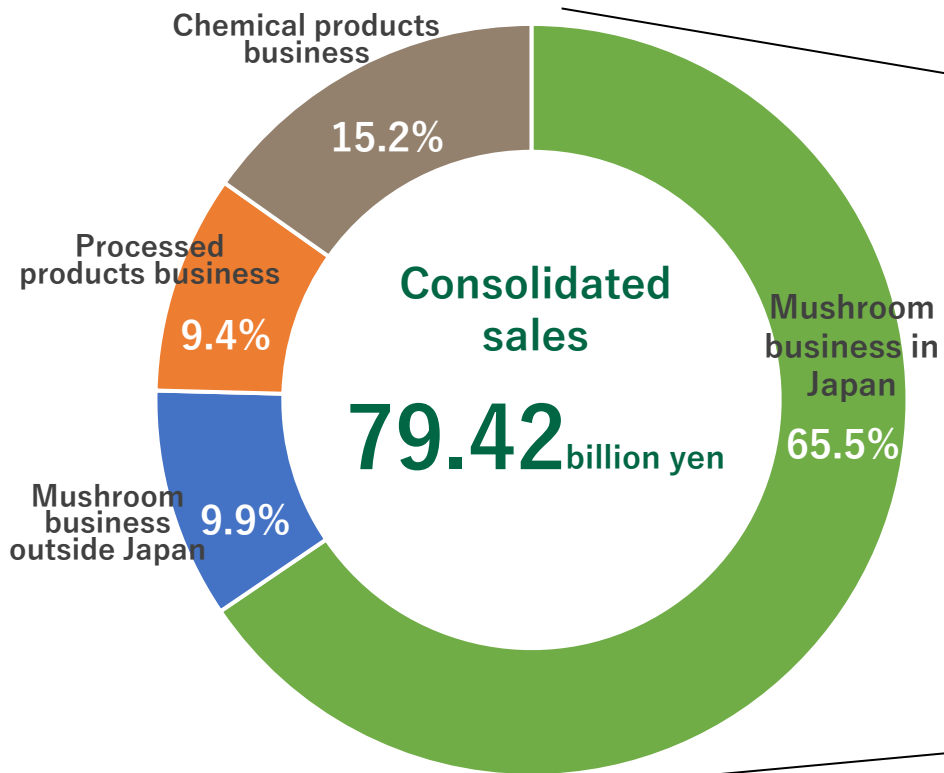
## HOKTO MALAYSIA SDN.BHD.

• Mushroom Production/Distribution  
 in Malaysia

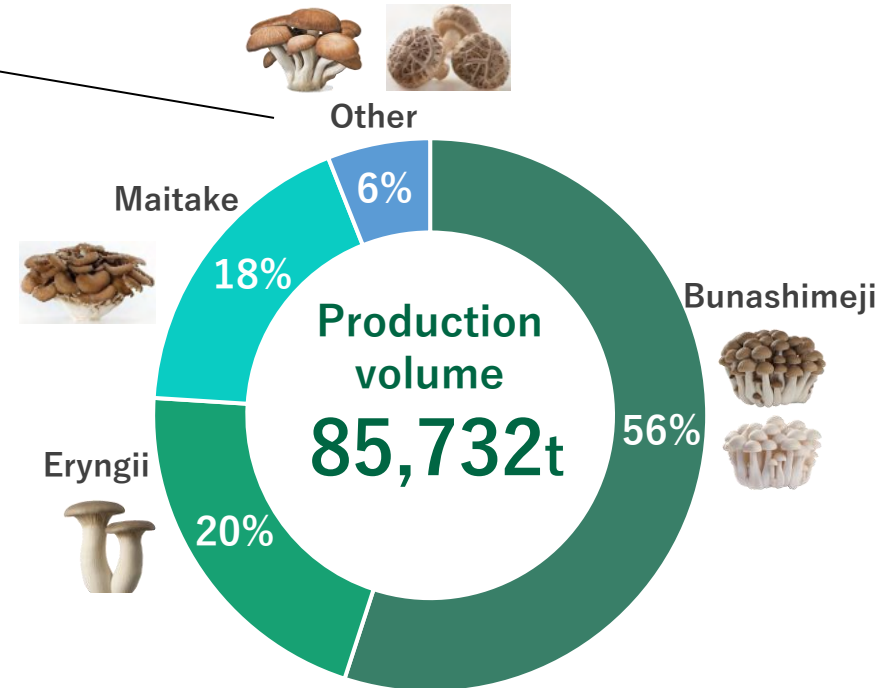
Sun Medica Co., Ltd.

Mushroom Wisdom, Inc,

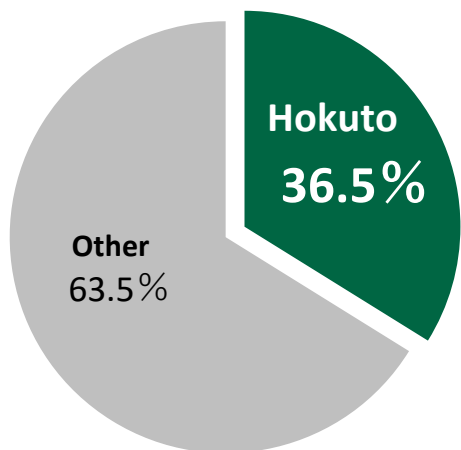
## By segment



## Mushroom production volume

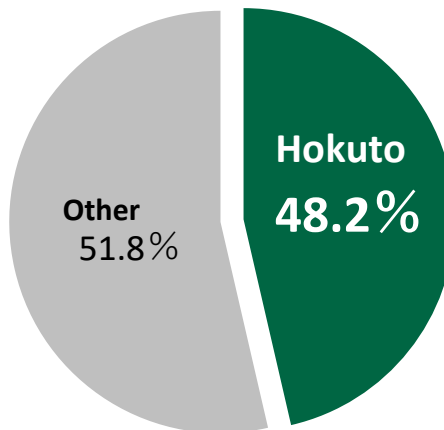


## Bunashimeji



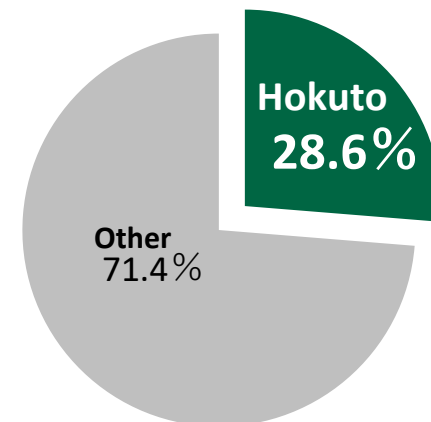
Japan total production volume  
122,840 t

## Eryngii



Japan total production volume  
37,798 t

## Maitake



Japan total production volume  
56,763 t

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# Inquiries about IR

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## HOKUTO Corporation

