

HOKUTO Corporation

**Consolidated Financial Results
for the second quarter Ended
September 30, 2023**

November, 2023



1. The financial report for the second quarter Ended September 30, 2023

2. Recent Activities

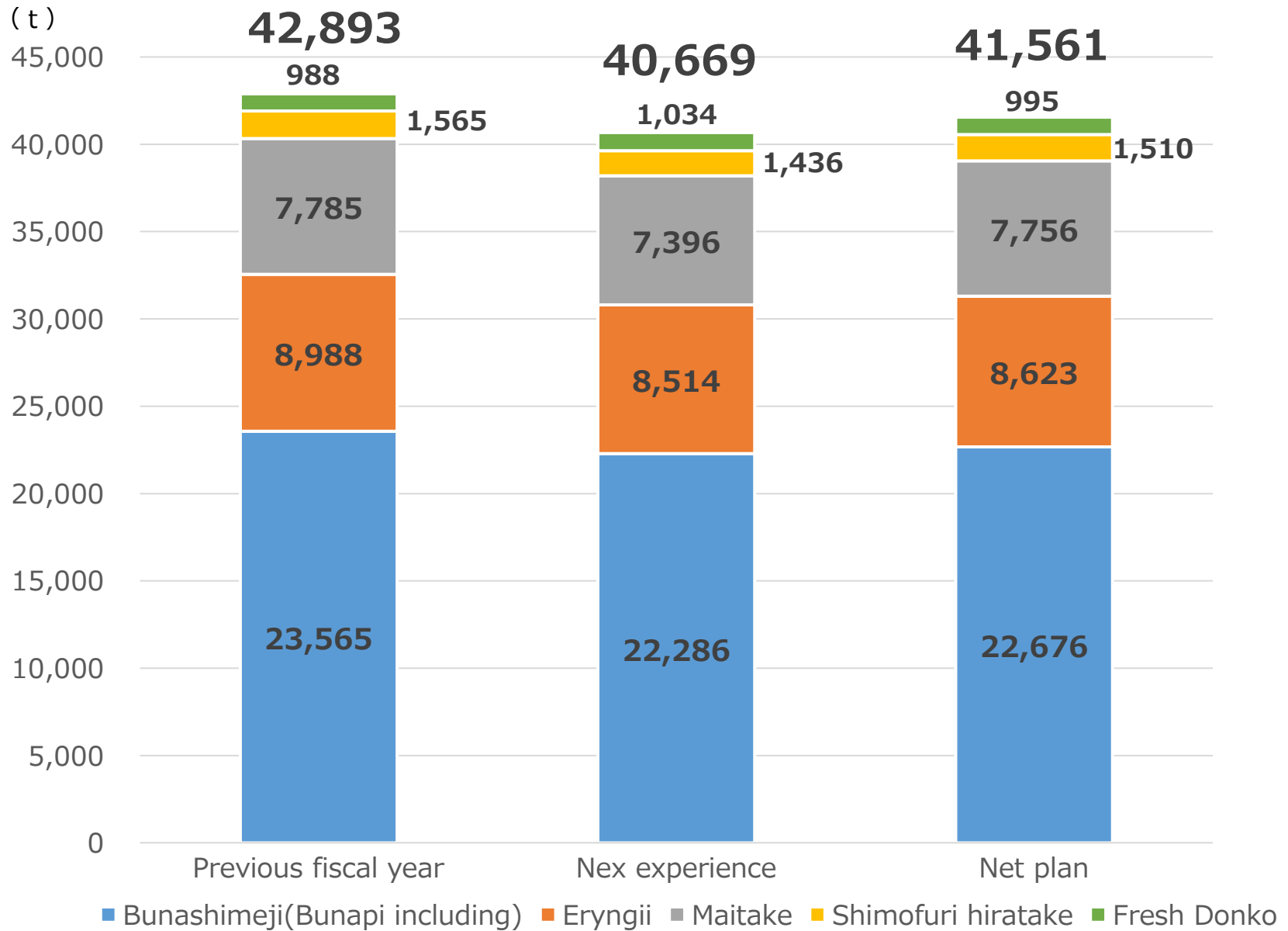
3. Reference material

▶ **In our main domestic mushroom business, both net sales and operating profit increased year-on-year due to improved demand for mushrooms as a result of production adjustments made since the beginning of the current fiscal year, as well as firm unit prices for mushrooms due to relatively high prices in the vegetable market.**

(Millions of yen)

	2Q ended Sep. 30, 2022	2Q ended Sep. 30, 2023	YoYchange	YoY
Net sales	31,617	34,862	3,245	10.3%
Gross profit	3,141	5,723	2,581	82.2%
Gross profit margin(%)	9.9	16.4		
Selling, general and administrative expenses	7,538	7,698	159	2.1%
Operating profit	(4,397)	(1,975)	2,422	—
Operating profit margin(%)	(13.9)	(5.7)		
Ordinary profit	(2,769)	(668)	2,100	—
Ordinary profit margin(%)	(8.8)	(1.9)		
Profit attributable to owners of parent	(2,208)	(617)	1,590	—
Net profit margin(%)	(7.0)	(1.8)		
Earnings per share (Yen)	(69.89)	(19.49)		

▶▶ Changes in mushroom production



(Millions of yen)

		2Q ended Sep. 30, 2022	2Q ended Sep. 30, 2023	YoYchange	YoY
Mushroom business in Japan	Net sales	18,896	21,574	2,678	14.2%
	Operating profit	(3,412)	(1,334)	2,077	—
Mushroom business outside Japan	Net sales	3,148	3,616	467	14.9%
	Operating profit	(150)	168	319	—
Processed products business	Net sales	3,949	3,655	(293)	(7.4)%
	Operating profit	106	67	(39)	(36.6)%
Chemical products business	Net sales	5,623	6,015	392	7.0%
	Operating profit	89	75	(14)	(15.8)%

	cf. Previous year	cf. Plan
Bunashimeji	120.8%	104.9%
Eryngii	114.8%	97.4%
Maitake	121.9%	92.6%
Shimofuri hiratake	111.0%	86.2%

Improved demand for mushrooms due to production volume adjustments and high prices in the vegetable market resulted in firm unit prices for mushrooms

	cf. Previous year	cf. Plan
Bunashimeji	94.0%	98.2%
Eryngii	94.3%	99.4%
Maitake	94.1%	95.2%
Shimofuri hiratake	91.8%	95.1%

Results failed to meet the previous year or the planned targets due to adjustments in production volume

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

		2Q ended Sep. 30, 2022	2Q ended Sep. 30, 2023	YoYchange	YoY
U.S.A (US\$)	Net sales	10,167,955	12,871,820	2,703,865	26.6%
	Operating profit	(2,378,278)	(45,415)	2,332,863	—
	ROE	144.81	149.58		
Taiwan (NT\$)	Net sales	302,855,230	310,383,861	7,528,631	2.5%
	Operating profit	46,424,382	41,952,789	(4,471,593)	(9.6)%
	ROE	4.56	4.63		
Malaysia (RM)	Net sales	8,639,611	7,707,698	(931,913)	(10.8)%
	Operating profit	(1,535,113)	(2,671,169)	(1,136,056)	—
	ROE	31.22	31.85		

(Millions of yen)

	Initial plan	2Q ended Sep. 30, 2023	Plan difference	cf. Plan
Net sales	35,800	34,862	△937	(2.6)%
Gross profit	5,480	5,723	243	4.4%
Gross profit margin(%)	15.3	16.4		
Selling, general and administrative expenses	8,210	7,698	△511	(6.2)%
Operating profit	(2,730)	(1,975)	754	—
Operating profit margin(%)	(7.6)	(5.7)		
Ordinary profit	(2,650)	(668)	1,981	—
Ordinary profit margin(%)	(7.4)	(1.9)		
Profit attributable to owners of parent	(2,110)	(617)	1,492	—
Net profit margin(%)	(5.9)	(1.8)		
Earnings per share (Yen)	(66.58)	(19.49)		

(Millions of yen)

		Initial plan	2Q ended Sep. 30, 2023	Plan difference	cf. Plan
Mushroom business in Japan	Net sales	22,480	21,574	(905)	(4.0)%
	Operating profit	(1,551)	(1,334)	216	—
Mushroom business outside Japan	Net sales	3,448	3,616	167	4.9%
	Operating profit	165	168	2	1.6%
Processed products business	Net sales	3,934	3,655	(279)	(7.1)%
	Operating profit	(19)	67	87	—
Chemical products business	Net sales	5,997	6,015	18	0.3%
	Operating profit	62	75	13	21.8%

		Initial plan	2Q ended Sep. 30, 2023	Plan difference	cf. Plan
U.S.A (US\$)	Net sales	13,220,000	12,871,820	(350,193)	(2.6)%
	Operating profit	(390,000)	(45,415)	351,354	—
	ROE	131.80	149.58		
Taiwan (NT\$)	Net sales	314,000,000	310,383,861	(4,406,139)	(1.4)%
	Operating profit	42,000,000	41,952,789	(947,211)	(2.2)%
	ROE	4.30	4.63		
Malaysia (RM)	Net sales	10,310,000	7,707,698	(2,610,302)	(25.3)%
	Operating profit	(1,060,000)	(2,671,169)	(1,608,169)	—
	ROE	30.20	31.85		

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2. Recent Activities

3. Reference material

Utilizing electricity fueled by used culture medium

At the Mie Mushroom Center, we plan to provide used culture medium generated after mushroom production as fuel. We will then purchase and use electricity generated by a biomass power plant.

Used culture medium



Mie Mushroom Center
CO₂ reduction:

5,700 t

Generate electricity
using used culture
medium, woodchips,
etc., as fuel



POWER AID MIE Shin-Biomass Matsusaka power plant

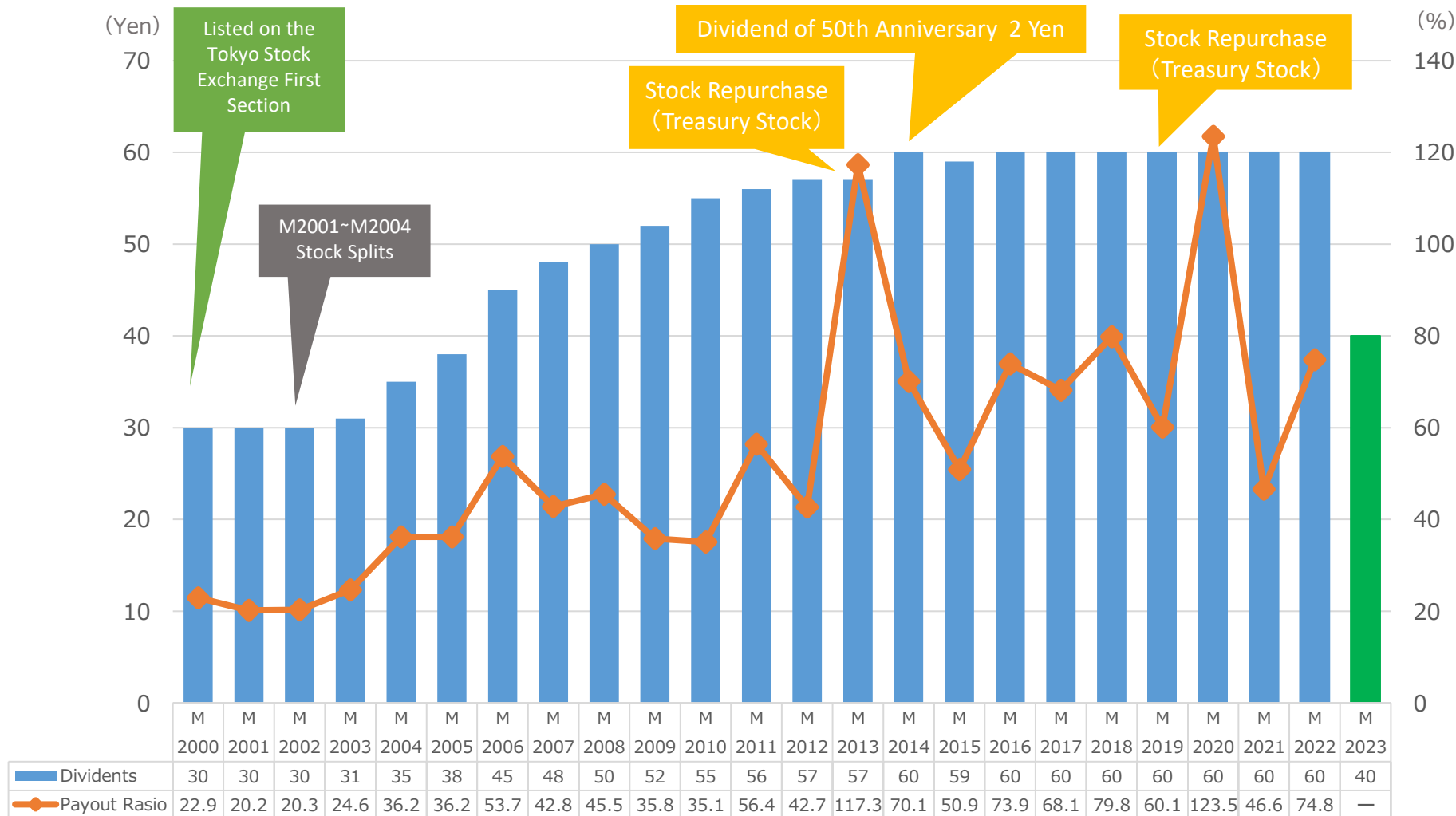
The biomass power plant is scheduled to begin
operating in January 2025

**1. The financial report for the second quarter
Ended September 30, 2023**

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▶▶ About Dividends



Interim dividend for the fiscal year ending March 2024 will be 10 yen.
Dividend for the end of the fiscal year not yet decided.

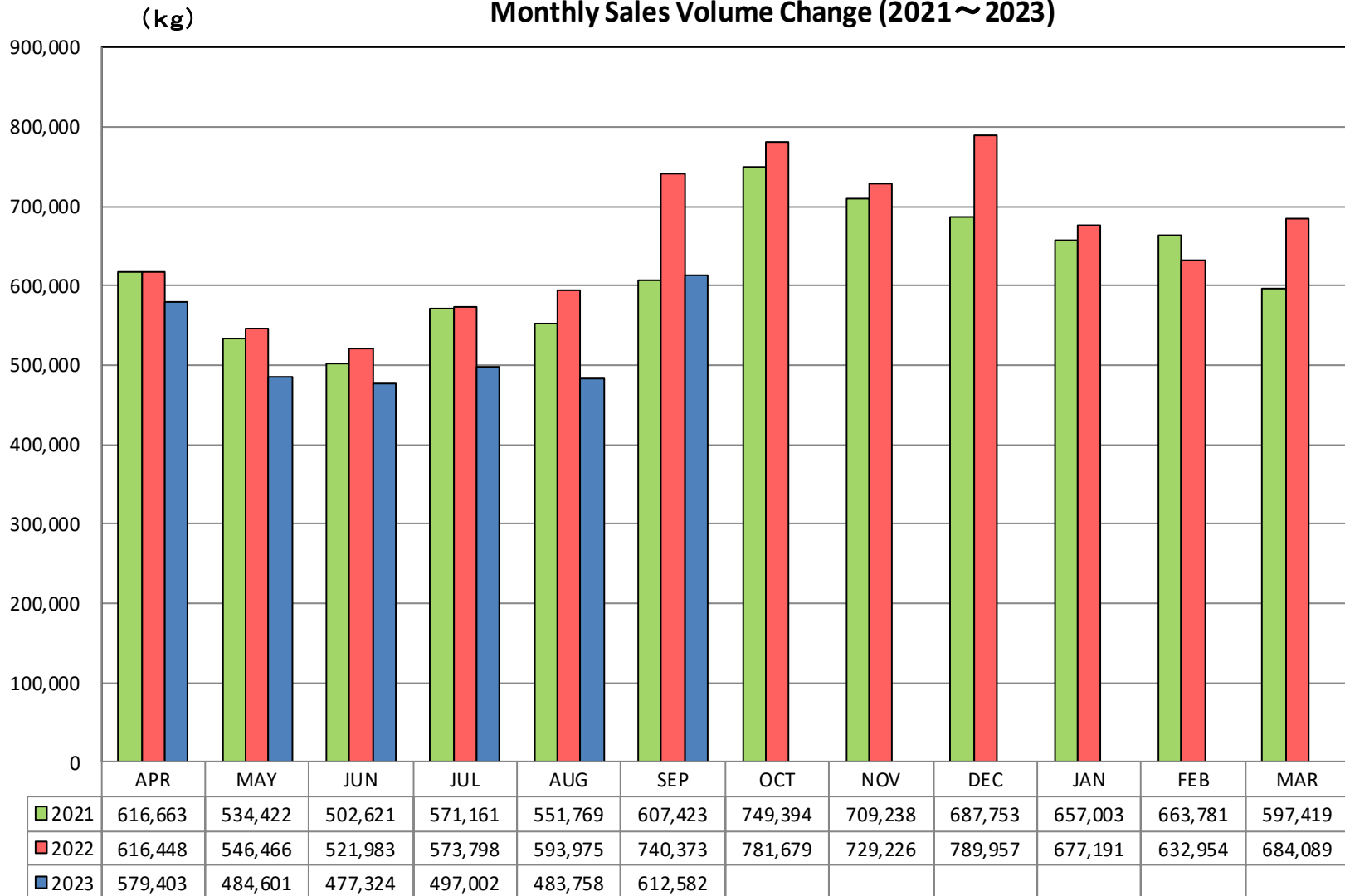
▶▶ (Ref) Change of Bunashimeji Market Price

(Yen/kg)

Monthly Price Change (2021~2023)

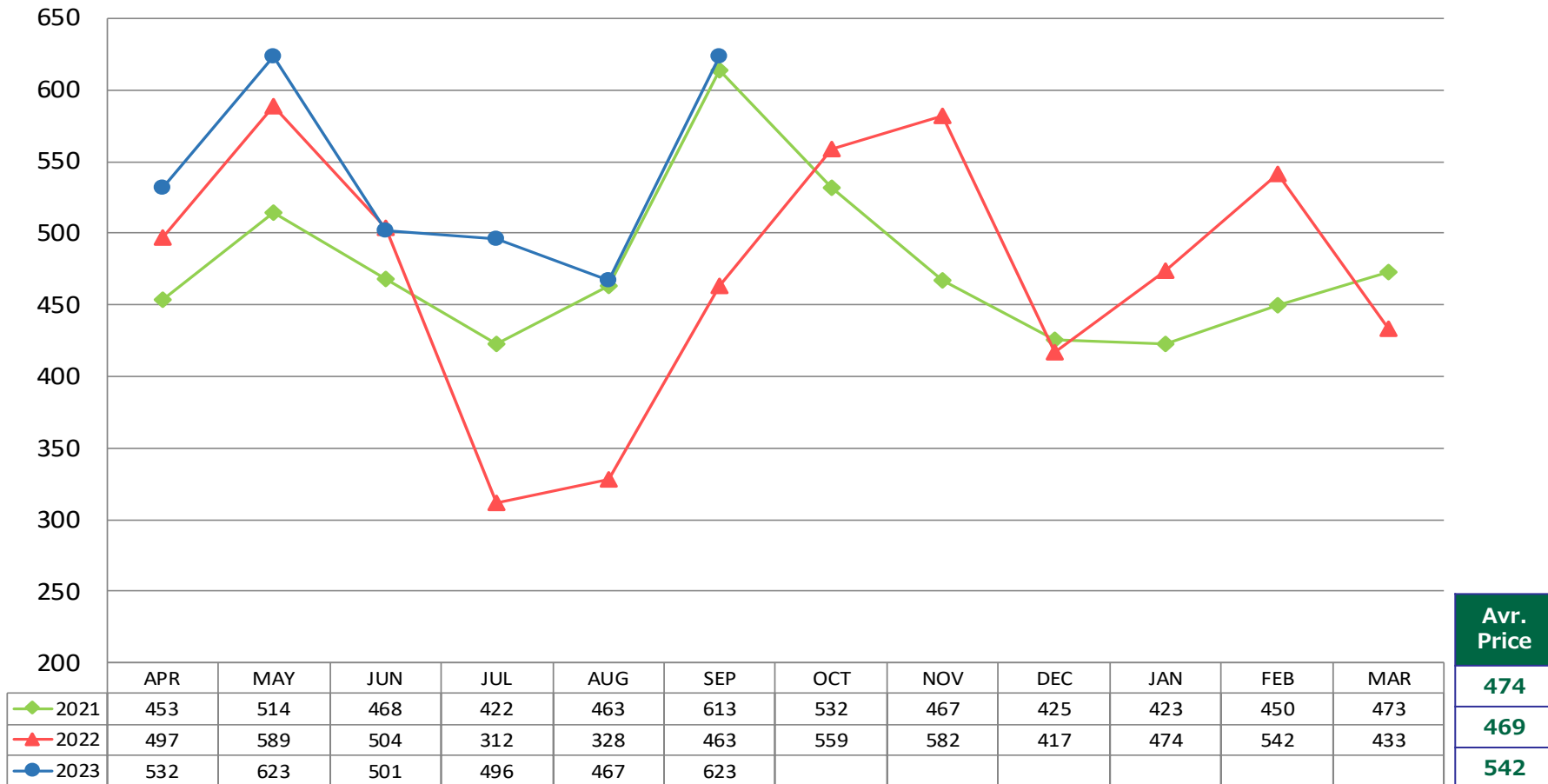


Monthly Sales Volume Change (2021~2023)



Monthly Price Change (2021 ~ 2023)

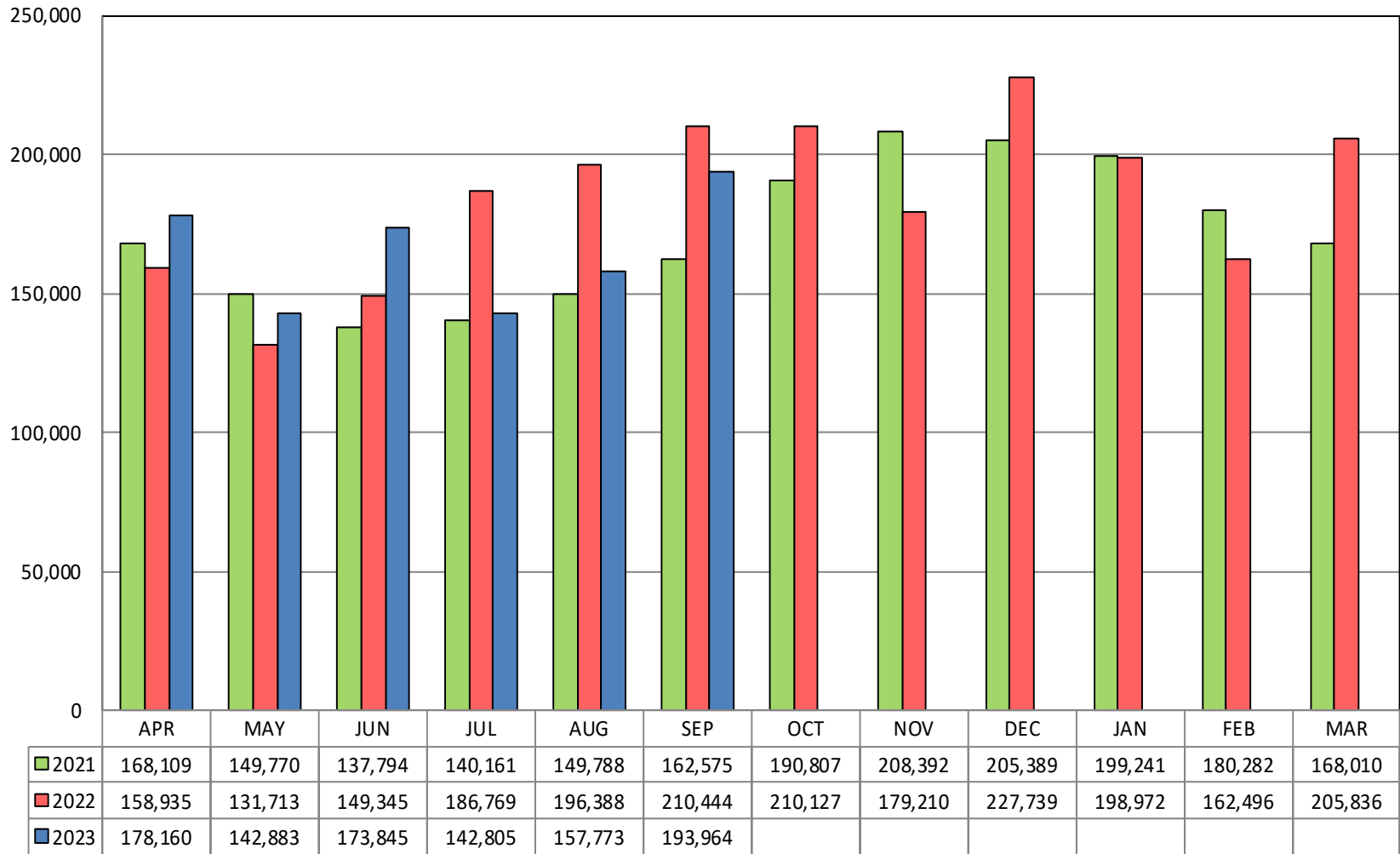
(Yen/kg)



▶▶ (Ref) Change of Eryngii Sales Volume

Monthly Sales Volume Change (2021~2023)

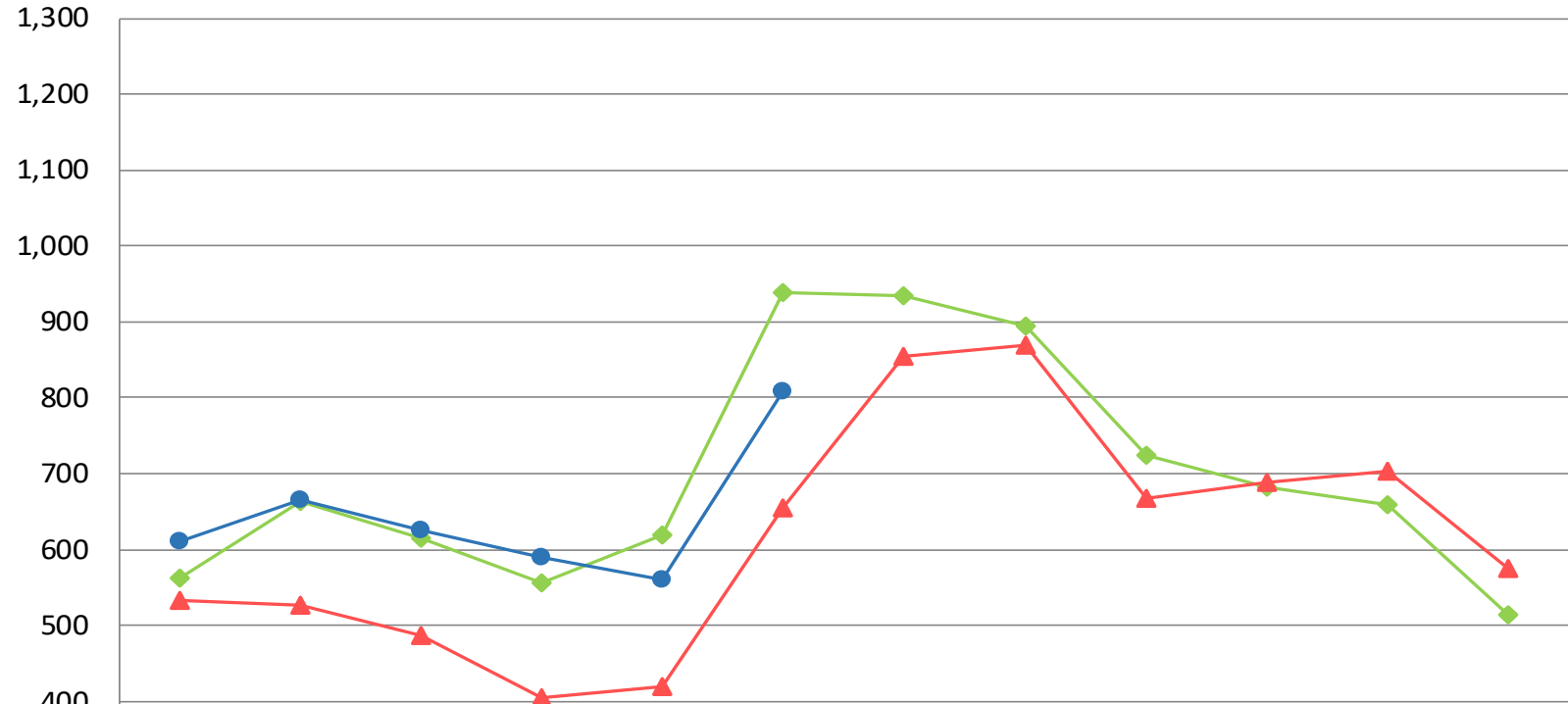
(kg)



Yearly Sales Volume
2,060,318
2,217,974
989,430

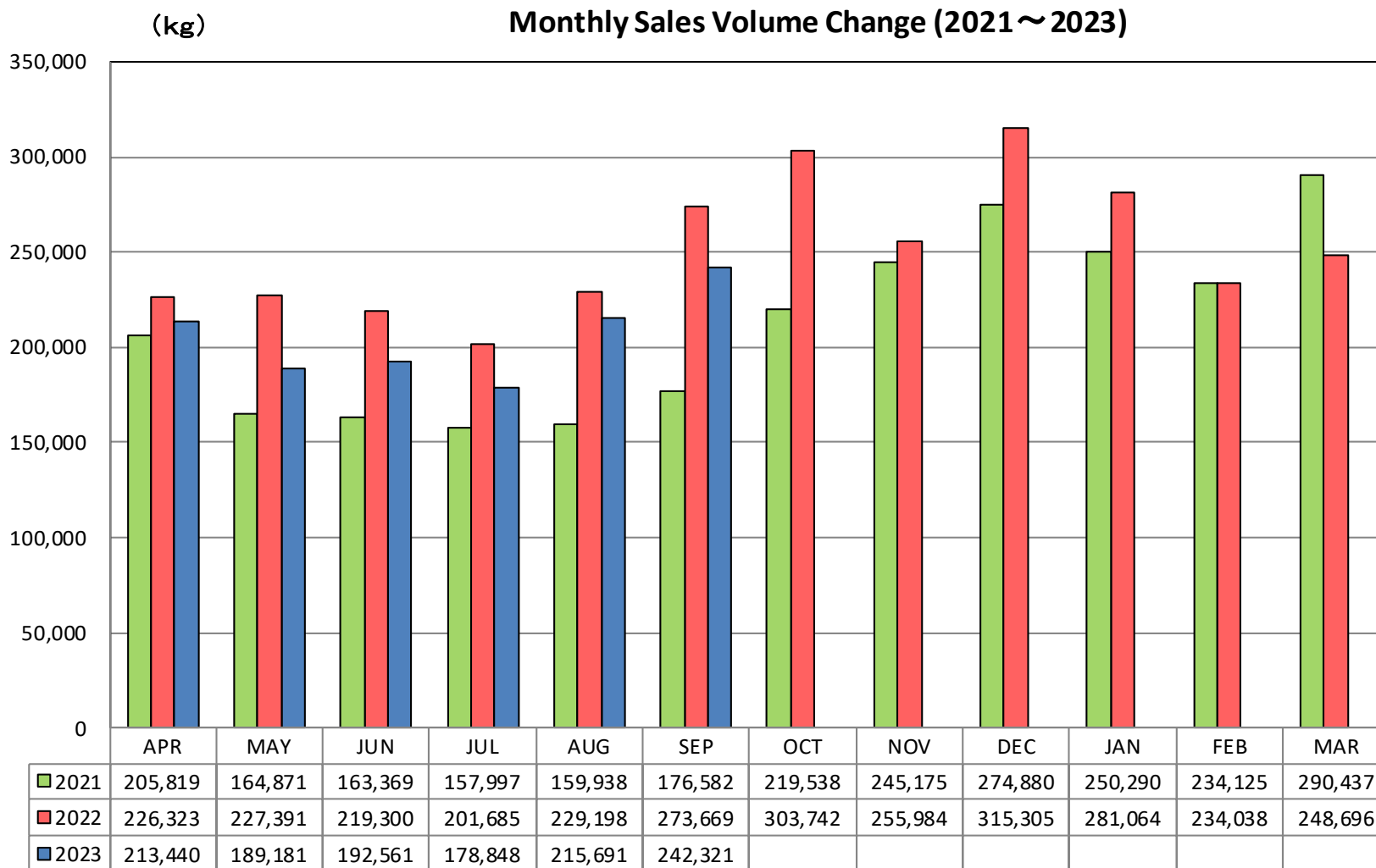
Monthly Price Change (2021~2023)

(Yen/kg)



	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
◆ 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
● 2023	611	665	625	590	560	809						

Avr. Price
699
629
648



Yearly Sales Volume
2,543,021
3,016,395
1,232,042



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 : 60,713 mil. yen
 Shareholders' equity : 48,570 mil.yen
 Number of employees : 4,187
 Main business : Mushroom
 Production/Distribution/ R&D
 (As of the end of September 2023)



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



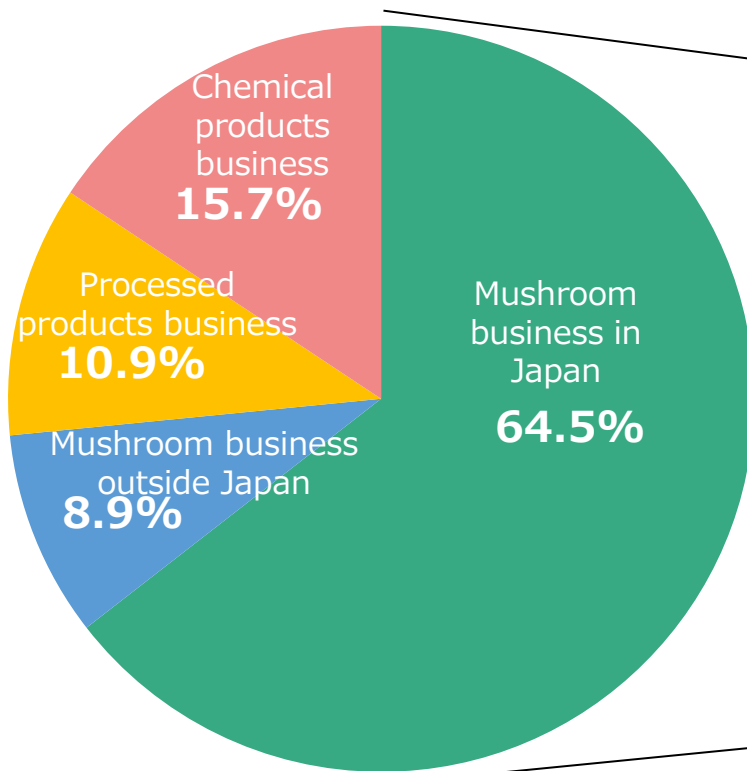
HOKTO MALAYSIA SDN.BHD.

•Mushroom Production/Distribution
 in Malaysia

Sun Medica Co., Ltd.

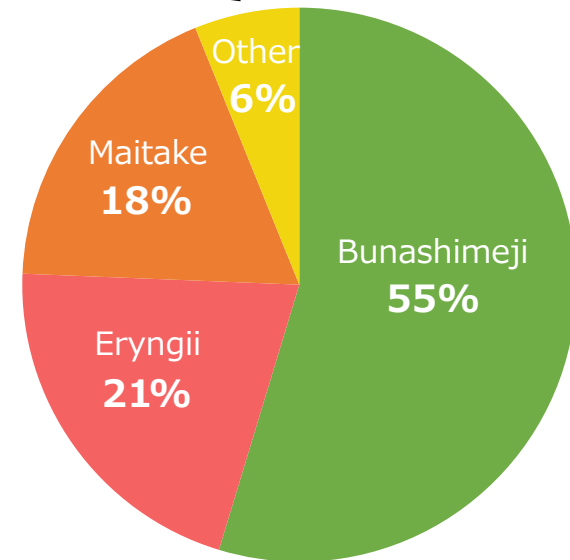
Mushroom Wisdom, Inc,

[By segment]



**Consolidated sales:
72.98 billion yen**

[Mushroom production volume]



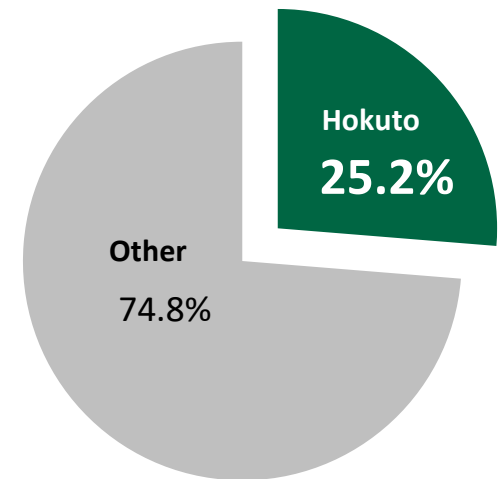
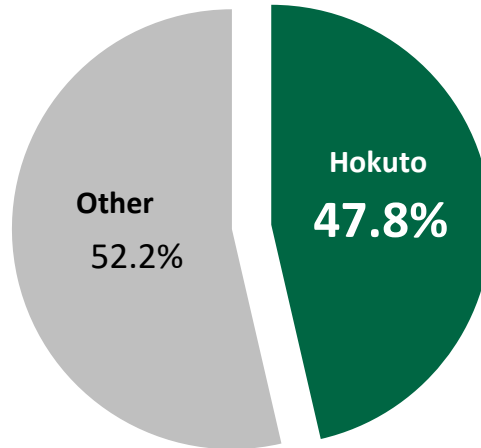
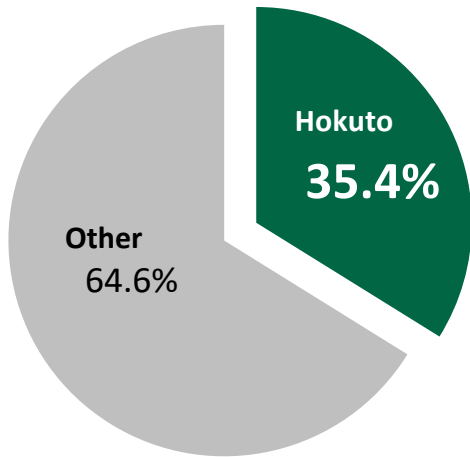
**Mushroom production
volume: 90,236 t**



Bunashimeji

Eryngii

Maitake



Japan total production volume 119,545t

Japan total production volume 38,344t

Japan total production volume 54,521t

Inquiries about IR

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HOKUTO Corporation

