

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 10, 2024

Company name: HOKUTO CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 1379 URL <https://www.hokto-kinoko.co.jp>
 Representative: President Masayoshi Mizuno
 Executive Officer, General Manager of
 Inquiries: Accounting Department Kohei Nakada TEL 026-259-5955
 Scheduled date of ordinary general meeting of shareholders: June 21, 2024
 Scheduled date to file Securities Report: June 21, 2024
 Scheduled date to commence dividend payments: June 24, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	%
Year ended March 31, 2024	79,426	8.8	3,180	–	4,715	–	3,525	–
Year ended March 31, 2023	72,980	2.9	(2,948)	–	(1,854)	–	(2,037)	–

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	111.19	106.38	6.7	4.5	4.0
Year ended March 31, 2023	(64.43)	–	(3.9)	(1.8)	(4.0)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	103,505	54,824	53.0	1,728.17
As of March 31, 2023	104,897	50,955	48.6	1,609.46

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	8,375	1,046	(8,789)	13,638
Year ended March 31, 2023	4,675	(4,147)	888	12,047

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	10.00	–	30.00	40.00	1,265	–	2.4
Year ended March 31, 2024	–	10.00	–	40.00	50.00	1,586	45.0	3.0
Year ending March 31, 2025 (Forecast)	–	10.00	–	–	–		–	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	36,200	3.8	(1,420)	–	(1,290)	–	(1,030)	–	(32.47)
Full year	81,200	2.2	3,310	4.1	3,540	(24.9)	2,440	(30.8)	76.91

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	33,359,040 shares	As of March 31, 2023	33,359,040 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	1,634,972 shares	As of March 31, 2023	1,698,816 shares
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Average number of shares during the period

Year ended March 31, 2024	31,705,927 shares	Year ended March 31, 2023	31,616,605 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	16,031	14,924
Notes receivable - trade	333	404
Accounts receivable - trade	5,917	7,548
Merchandise and finished goods	2,636	2,254
Work in process	4,308	4,306
Raw materials and supplies	1,056	1,150
Other	538	675
Allowance for doubtful accounts	(31)	(39)
Total current assets	30,790	31,225
Non-current assets		
Property, plant and equipment		
Buildings and structures	71,334	72,663
Accumulated depreciation	(34,848)	(37,423)
Buildings and structures, net	36,486	35,240
Machinery, equipment and vehicles	67,555	69,569
Accumulated depreciation	(55,339)	(59,727)
Machinery, equipment and vehicles, net	12,215	9,841
Land	14,506	14,674
Construction in progress	65	173
Other	2,695	2,819
Accumulated depreciation	(1,995)	(2,056)
Other, net	700	762
Total property, plant and equipment	63,973	60,691
Intangible assets		
Goodwill	9	–
Other	202	171
Total intangible assets	211	171
Investments and other assets		
Investment securities	6,681	7,986
Deferred tax assets	485	670
Retirement benefit asset	1,127	1,581
Other	1,768	1,329
Allowance for doubtful accounts	(142)	(151)
Total investments and other assets	9,920	11,416
Total non-current assets	74,106	72,279
Total assets	104,897	103,505

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,187	2,134
Electronically recorded obligations - operating	–	3,842
Short-term borrowings	7,088	12,084
Current portion of long-term borrowings	8,821	5,083
Current portion of bonds with share acquisition rights	9,719	–
Income taxes payable	262	926
Provision for bonuses	964	1,248
Other	4,892	4,985
Total current liabilities	37,936	30,304
Non-current liabilities		
Long-term borrowings	14,072	15,118
Deferred tax liabilities	46	1,277
Retirement benefit liability	358	350
Asset retirement obligations	1,030	1,058
Provision for share awards for directors (and other officers)	76	84
Other	420	486
Total non-current liabilities	16,004	18,376
Total liabilities	53,941	48,680
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	5,728	5,728
Retained earnings	41,943	44,194
Treasury shares	(3,151)	(3,024)
Total shareholders' equity	50,020	52,397
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,352	2,675
Foreign currency translation adjustment	(357)	(500)
Remeasurements of defined benefit plans	(59)	251
Total accumulated other comprehensive income	935	2,427
Total net assets	50,955	54,824
Total liabilities and net assets	104,897	103,505

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	72,980	79,426
Cost of sales	60,012	59,637
Gross profit	12,967	19,789
Selling, general and administrative expenses	15,915	16,608
Operating profit (loss)	(2,948)	3,180
Non-operating income		
Interest income	13	77
Dividend income	152	183
Subsidy income	48	41
Rental income from land and buildings	87	120
Foreign exchange gains	764	1,227
Other	146	89
Total non-operating income	1,213	1,740
Non-operating expenses		
Interest expenses	102	132
Settlement payments	–	26
Other	18	47
Total non-operating expenses	120	206
Ordinary profit (loss)	(1,854)	4,715
Extraordinary income		
Gain on sale of non-current assets	3	7
Gain on sale of investment securities	32	–
Settlement income	–	299
Other	0	–
Total extraordinary income	35	306
Extraordinary losses		
Loss on retirement of non-current assets	2	2
Impairment losses	363	–
Loss on valuation of investment securities	3	1
Other	0	–
Total extraordinary losses	369	4
Profit (loss) before income taxes	(2,188)	5,017
Income taxes - current	407	1,127
Income taxes - deferred	(558)	363
Total income taxes	(151)	1,491
Profit (loss)	(2,037)	3,525
Profit (loss) attributable to owners of parent	(2,037)	3,525

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit (loss)	(2,037)	3,525
Other comprehensive income		
Valuation difference on available-for-sale securities	314	1,322
Foreign currency translation adjustment	(152)	(142)
Remeasurements of defined benefit plans, net of tax	62	311
Total other comprehensive income	224	1,491
Comprehensive income	(1,812)	5,017
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,812)	5,017
Comprehensive income attributable to non-controlling interests	–	–

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,500	5,728	45,888	(3,318)	53,798
Changes during period					
Dividends of surplus			(1,908)		(1,908)
Profit (loss) attributable to owners of parent			(2,037)		(2,037)
Purchase of treasury shares				(49)	(49)
Disposal of treasury shares		(0)		216	216
Net changes in items other than shareholders' equity					
Total changes during period	–	(0)	(3,945)	167	(3,778)
Balance at end of period	5,500	5,728	41,943	(3,151)	50,020

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,038	(205)	(122)	710	54,509
Changes during period					
Dividends of surplus					(1,908)
Profit (loss) attributable to owners of parent					(2,037)
Purchase of treasury shares					(49)
Disposal of treasury shares					216
Net changes in items other than shareholders' equity	314	(152)	62	224	224
Total changes during period	314	(152)	62	224	(3,553)
Balance at end of period	1,352	(357)	(59)	935	50,955

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	5,500	5,728	41,943	(3,151)	50,020
Changes during period					
Dividends of surplus			(1,272)		(1,272)
Profit (loss) attributable to owners of parent			3,525		3,525
Change in scope of consolidation			(2)		(2)
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		127	127
Net changes in items other than shareholders' equity					
Total changes during period	-	0	2,250	126	2,377
Balance at end of period	5,500	5,728	44,194	(3,024)	52,397

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,352	(357)	(59)	935	50,955
Changes during period					
Dividends of surplus					(1,272)
Profit (loss) attributable to owners of parent					3,525
Change in scope of consolidation					(2)
Purchase of treasury shares					(1)
Disposal of treasury shares					127
Net changes in items other than shareholders' equity	1,322	(142)	311	1,491	1,491
Total changes during period	1,322	(142)	311	1,491	3,868
Balance at end of period	2,675	(500)	251	2,427	54,824

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(2,188)	5,017
Depreciation	7,215	6,180
Amortization of goodwill	37	9
Increase (decrease) in provision for bonuses	(53)	278
Decrease (increase) in retirement benefit asset	(22)	(17)
Increase (decrease) in retirement benefit liability	1	4
Interest and dividend income	(166)	(261)
Interest expenses	102	132
Insurance claim income	(4)	(6)
Impairment losses	363	–
Settlement payments	–	26
Settlement income	–	(299)
Loss (gain) on sale of investment securities	(32)	–
Foreign exchange losses (gains)	(753)	(1,226)
Decrease (increase) in trade receivables	(318)	(1,628)
Decrease (increase) in inventories	(854)	393
Increase (decrease) in trade payables	742	(345)
Decrease (increase) in other current assets	1,122	(97)
Increase (decrease) in other current liabilities	366	78
Decrease (increase) in other non-current assets	150	120
Other, net	38	73
Subtotal	5,746	8,431
Interest and dividends received	166	261
Interest paid	(92)	(125)
Proceeds from insurance income	4	6
Income taxes paid	(1,149)	(471)
Settlement paid	–	(26)
Settlement received	–	299
Net cash provided by (used in) operating activities	4,675	8,375
Cash flows from investing activities		
Payments into time deposits	(4,769)	(616)
Proceeds from withdrawal of time deposits	2,900	3,422
Purchase of property, plant and equipment	(1,577)	(2,219)
Proceeds from sale of property, plant and equipment	3	274
Purchase of shares of subsidiaries and associates	(628)	–
Purchase of investment securities	(197)	(291)
Proceeds from sale of investment securities	295	257
Proceeds from cancellation of insurance funds	–	372
Other payments	(178)	(166)
Other proceeds	4	13
Net cash provided by (used in) investing activities	(4,147)	1,046

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from short-term borrowings	5,130	11,000
Repayments of short-term borrowings	(3,000)	(6,017)
Proceeds from long-term borrowings	5,000	6,090
Repayments of long-term borrowings	(4,493)	(8,977)
Redemption of bonds	–	(9,717)
Purchase of treasury shares	(49)	(1)
Proceeds from sale of treasury shares	210	114
Dividends paid	(1,909)	(1,273)
Other payments	–	(6)
Net cash provided by (used in) financing activities	888	(8,789)
Effect of exchange rate change on cash and cash equivalents	231	334
Net increase (decrease) in cash and cash equivalents	1,648	967
Cash and cash equivalents at beginning of period	10,399	12,047
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	–	623
Cash and cash equivalents at end of period	12,047	13,638