

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 2, 2021

Company name: HOKUTO CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 1379 URL <https://www.hokto-kinoko.co.jp>
 Representative: President Masayoshi Mizuno
 Executive Director, Administration
 Inquiries: Department Director Tomio Takato TEL 026-259-5955
 Scheduled date to file Quarterly Securities Report: February 12, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended December 31, 2020	55,439	3.7	4,411	80.1	4,370	68.9	2,917	–
Nine months ended December 31, 2019	53,449	2.8	2,449	14.2	2,587	(3.3)	(685)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	93.16	80.88
Nine months ended December 31, 2019	(21.69)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	101,906	52,294	51.3
As of March 31, 2020	100,602	50,545	50.2

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, 2020	–	10.00	–	50.00	60.00
Year ending March 31, 2021	–	10.00	–		
Year ending March 31, 2021 (Forecast)				50.00	60.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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
Full year	73,600	3.3	5,810	48.1	5,890	40.7	3,610	135.7	115.25

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly 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)

As of December 31, 2020	33,359,040 shares	As of March 31, 2020	33,359,040 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	1,971,250 shares	As of March 31, 2020	2,096,197 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2020	31,319,910 shares	Nine months ended December 31, 2019	31,601,885 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	12,178	13,244
Notes and accounts receivable - trade	5,798	8,123
Merchandise and finished goods	1,823	2,209
Work in process	3,643	3,836
Raw materials and supplies	688	744
Other	1,122	384
Allowance for doubtful accounts	(43)	(62)
Total current assets	25,212	28,480
Non-current assets		
Property, plant and equipment		
Buildings and structures	63,960	63,816
Accumulated depreciation	(28,633)	(29,404)
Buildings and structures, net	35,327	34,411
Machinery, equipment and vehicles	57,268	59,178
Accumulated depreciation	(40,373)	(43,861)
Machinery, equipment and vehicles, net	16,894	15,317
Land	13,854	14,318
Other	3,037	2,707
Accumulated depreciation	(1,841)	(1,918)
Other, net	1,195	788
Total property, plant and equipment	67,271	64,836
Intangible assets		
Goodwill	188	133
Other	115	109
Total intangible assets	304	242
Investments and other assets		
Investment securities	5,794	6,175
Retirement benefit asset	570	603
Other	1,468	1,586
Allowance for doubtful accounts	(20)	(19)
Total investments and other assets	7,814	8,345
Total non-current assets	75,389	73,425
Total assets	100,602	101,906

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,873	6,544
Short-term borrowings	4,437	6,939
Income taxes payable	1,240	1,048
Provision for bonuses	1,094	567
Other	9,939	11,094
Total current liabilities	22,585	26,195
Non-current liabilities		
Long-term borrowings	16,680	12,301
Bonds with share acquisition rights	9,982	9,857
Retirement benefit liability	356	372
Asset retirement obligations	194	201
Other	257	683
Total non-current liabilities	27,471	23,416
Total liabilities	50,056	49,612
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	5,697	5,712
Retained earnings	43,130	44,146
Treasury shares	(3,925)	(3,685)
Total shareholders' equity	50,402	51,673
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,143	1,394
Foreign currency translation adjustment	(498)	(332)
Remeasurements of defined benefit plans	(502)	(441)
Total accumulated other comprehensive income	142	620
Total net assets	50,545	52,294
Total liabilities and net assets	100,602	101,906

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	53,449	55,439
Cost of sales	38,814	39,036
Gross profit	14,634	16,403
Selling, general and administrative expenses	12,185	11,991
Operating profit	2,449	4,411
Non-operating income		
Dividend income	136	126
Rental income from land and buildings	79	78
Subsidy income	70	58
Other	59	54
Total non-operating income	345	317
Non-operating expenses		
Interest expenses	71	61
Foreign exchange losses	127	286
Other	8	11
Total non-operating expenses	207	358
Ordinary profit	2,587	4,370
Extraordinary income		
Gain on sales of non-current assets	11	39
Insurance claim income	0	184
Other	0	-
Total extraordinary income	12	224
Extraordinary losses		
Loss on retirement of non-current assets	11	4
Loss on disaster	2,459	162
Impairment loss	235	-
Other	59	24
Total extraordinary losses	2,765	190
Profit (loss) before income taxes	(165)	4,404
Income taxes - current	259	1,207
Income taxes - deferred	260	278
Total income taxes	520	1,486
Profit (loss)	(685)	2,917
Profit (loss) attributable to owners of parent	(685)	2,917

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit (loss)	(685)	2,917
Other comprehensive income		
Valuation difference on available-for-sale securities	197	250
Foreign currency translation adjustment	43	165
Remeasurements of defined benefit plans, net of tax	47	60
Total other comprehensive income	288	477
Comprehensive income	(397)	3,395
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(397)	3,395
Comprehensive income attributable to non-controlling interests	—	—