

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 12, 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: August 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 three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(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	%
Three months ended June 30, 2021	15,300	–	(733)	–	(638)	–	(504)	–
Three months ended June 30, 2020	16,651	5.8	601	–	662	–	255	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	(16.04)	–
Three months ended June 30, 2020	8.16	7.08

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	100,049	51,647	51.6
As of March 31, 2021	100,237	54,140	54.0

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, 2021	–	10.00	–	50.00	60.00
Year ending March 31, 2022	–				
Year ending March 31, 2022 (Forecast)		10.00	–	50.00	60.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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, 2021	32,700	–	(870)	–	(790)	–	(620)	–	(19.69)
Full year	74,800	–	5,100	(15.2)	5,240	(19.7)	3,300	(18.3)	104.72

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2021
 (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: | Yes |
| 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 June 30, 2021	33,359,040 shares	As of March 31, 2021	33,359,040 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	1,865,093 shares	As of March 31, 2021	1,888,679 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	31,481,661 shares	Three months ended June 30, 2020	31,272,090 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	13,891	13,918
Notes and accounts receivable - trade	5,845	5,292
Merchandise and finished goods	2,251	2,629
Work in process	3,701	3,852
Raw materials and supplies	735	798
Other	508	234
Allowance for doubtful accounts	(53)	(54)
Total current assets	26,881	26,671
Non-current assets		
Property, plant and equipment		
Buildings and structures	64,247	64,304
Accumulated depreciation	(29,985)	(30,491)
Buildings and structures, net	34,262	33,813
Machinery, equipment and vehicles	59,628	59,973
Accumulated depreciation	(45,291)	(46,505)
Machinery, equipment and vehicles, net	14,337	13,468
Land	14,354	14,353
Other	2,990	5,087
Accumulated depreciation	(1,897)	(1,926)
Other, net	1,093	3,161
Total property, plant and equipment	64,047	64,796
Intangible assets		
Goodwill	115	100
Other	134	127
Total intangible assets	250	227
Investments and other assets		
Investment securities	6,544	5,748
Retirement benefit asset	995	1,010
Other	1,537	1,615
Allowance for doubtful accounts	(19)	(21)
Total investments and other assets	9,057	8,353
Total non-current assets	73,355	73,377
Total assets	100,237	100,049

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,870	5,728
Short-term borrowings	3,931	7,944
Income taxes payable	2,005	194
Provision for bonuses	1,130	656
Other	10,385	9,077
Total current liabilities	23,323	23,601
Non-current liabilities		
Long-term borrowings	11,739	14,255
Bonds with share acquisition rights	9,722	9,720
Retirement benefit liability	371	377
Asset retirement obligations	213	219
Other	725	228
Total non-current liabilities	22,772	24,800
Total liabilities	46,096	48,402
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	5,727	5,728
Retained earnings	45,267	43,171
Treasury shares	(3,530)	(3,483)
Total shareholders' equity	52,964	50,916
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,659	1,108
Foreign currency translation adjustment	(328)	(234)
Remeasurements of defined benefit plans	(155)	(143)
Total accumulated other comprehensive income	1,176	730
Total net assets	54,140	51,647
Total liabilities and net assets	100,237	100,049

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	16,651	15,300
Cost of sales	12,374	12,357
Gross profit	4,277	2,943
Selling, general and administrative expenses	3,675	3,676
Operating profit (loss)	601	(733)
Non-operating income		
Dividend income	69	72
Rental income from land and buildings	35	35
Other	40	14
Total non-operating income	145	121
Non-operating expenses		
Interest expenses	20	17
Foreign exchange losses	57	6
Other	6	3
Total non-operating expenses	84	27
Ordinary profit (loss)	662	(638)
Extraordinary income		
Gain on sale of non-current assets	38	0
Total extraordinary income	38	0
Extraordinary losses		
Loss on disaster	148	-
Other	0	-
Total extraordinary losses	148	-
Profit (loss) before income taxes	551	(638)
Income taxes - current	140	109
Income taxes - deferred	155	(243)
Total income taxes	296	(133)
Profit (loss)	255	(504)
Profit (loss) attributable to owners of parent	255	(504)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit (loss)	255	(504)
Other comprehensive income		
Valuation difference on available-for-sale securities	424	(551)
Foreign currency translation adjustment	49	93
Remeasurements of defined benefit plans, net of tax	20	11
Total other comprehensive income	494	(445)
Comprehensive income	749	(950)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	749	(950)
Comprehensive income attributable to non-controlling interests	—	—