

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Consolidated Financial Results for the Six Months Ended September 30, 2025 (Based on Japanese GAAP)

November 14, 2025

Company name: HOKUTO CORPORATION

Stock exchange listing: Tokyo

Stock code: 1379 URL: <https://www.hokto-kinoko.co.jp/lang/en/>

Representative: President Masayoshi Mizuno

Inquiries: Kohei Nakada, Director, Managing Executive Officer, Head of Finance Division and
General Manager of Accounting Department Tel: +81-26-259-5955

Scheduled date to file Semi-annual Securities Report:

Scheduled date to commence dividend payments:

November 14, 2025

December 5, 2025

Preparation of supplementary material on financial results: Yes

Holding of financial results meeting: Yes (For analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(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	%
Six months ended September 30, 2025	38,080	5.8	58	—	307	—	1,401	—
Six months ended September 30, 2024	35,998	3.3	(282)	—	(639)	—	(499)	—

Note: Comprehensive income: Six months ended September 30, 2025: ¥2,778 million [—%]

Six months ended September 30, 2024: ¥(911) million [—%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	44.79	38.36
Six months ended September 30, 2024	(15.74)	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	113,261	58,386	51.6
As of March 31, 2025	107,620	56,808	52.8

Reference: Equity: As of September 30, 2025: ¥58,386 million

As of March 31, 2025: ¥56,808 million

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, 2025	—	10.00	—	40.00	50.00
Year ending March 31, 2026	—	10.00			
Year ending March 31, 2026 (Forecast)			—	42.00	52.00

Note: Revisions to the cash dividend forecasts most recently announced: Yes

3. Forecast of consolidated financial results for the year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	84,650	1.9	5,739	-13.4	6,190	-11.0	5,650	27.2	180.49

Note: Revisions to the earnings forecasts most recently announced: Yes

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2025: No

(2) Application of special accounting methods for preparing 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)

Number of treasury shares at the end of the period

Average number of shares during the period

As of September 30, 2025	33,359,040 shares	As of March 31, 2025	33,359,040 shares
As of September 30, 2025	2,059,976 shares	As of March 31, 2025	2,100,597 shares
Six months ended September 30, 2025	31,284,229 shares	Six months ended September 30, 2024	31,724,050 shares

Notes: 1. "Consolidated Financial Results for the Six Months Ended September 30, 2025" is exempt from review conducted by certified public accountants or an audit corporation.

2. Proper use of forecasts of financial results, and other special matters

(Cautions on forward-looking statements, etc.)

Forward-looking statements, including the earnings forecasts stated in this document, are based on information currently available to the Company and certain assumptions deemed reasonable. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual results may differ materially from the forecasts due to various factors. For the suppositions that form the assumptions for earnings forecasts and cautions concerning the use thereof, please refer to '(3) Information regarding consolidated earnings forecasts and other forward-looking statements' in '1. Overview of Operating Results, Etc.,' on page 3 of the attached materials.

(Means of access to contents of supplementary material on financial results and financial results meeting)

A financial results presentation meeting for institutional investors and analysts will be held online on Wednesday, November 26, 2025. Any materials for the financial results presentation to be used in the meeting will be available on our website.

Contents

1. Overview of Operating Results, Etc.....	2
(1) Overview of operating results for the six months of the fiscal year ended March 31, 2026	2
(2) Overview of financial position at the end of the first half	3
(3) Information regarding consolidated earnings forecasts and other forward-looking statements	3
2. Consolidated Financial Statements and Notes	4
(1) Consolidated balance sheets.....	4
(2) Consolidated statements of income and consolidated statements of comprehensive income.....	6
Consolidated statements of income	6
Consolidated statements of comprehensive income.....	7
(3) Notes on consolidated financial statements.....	8
Additional information	8
Notes on significant changes in the amount of shareholders' equity.....	8
Notes on assumptions for going concern	8
Significant subsequent events.....	8

1. Overview of Operating Results, Etc.

(1) Overview of operating results for the six months of the fiscal year ending March 31, 2026

During the first six months ended September 30, 2025, the Japanese economy maintained a moderate recovery trend amid improvement in the employment and personal income environment. However, the outlook is uncertain, mainly due to concerns over the impact of continued price increases on personal consumption, developments in U.S. trade policy, and prolonged geopolitical risks.

In this economic environment, under the Management Vision to “Expand the market and consumption, with delivering health through mushrooms as our mission” and to “Balance profit generation and corporate social responsibility,” the Group carried out business activities primarily in the mushroom business to deliver deliciousness and health to more and more people through research and development, production, and sales of mushrooms, which are a health food.

As a result of the above, the operating results of the Group for the six months ended September 30, 2025 were as follows: net sales of ¥38,080 million (up 5.8% year on year), operating profit of ¥58 million (compared with an operating loss of ¥282 in the same period of the previous fiscal year), ordinary profit of ¥307 million (compared with an ordinary loss of ¥639 million in the same period of the previous fiscal year), and profit attributable to owners of parent of ¥1,401 million (compared with a loss attributable to owners of parent of ¥499 million in the same period of the previous fiscal year).

Production output of the main mushroom varieties for the six months ended September 30, 2025 (consolidated basis) consists of 21,625t of Bunashimeji, including Bunapi (down 0.7% year on year), 8,178t of Eryngii (down 2.3%), and 7,238t of Maitake (down 0.9%).

Performance in each business segment for the six months ended September 30, 2025 was as follows.

Mushroom business in Japan

The production division continued working to reduce costs, performed even more thorough hygiene control, worked to improve quality and for stable cultivation, and produced mushrooms safely and securely.

The R&D division worked to increase product quality, develop new high value-added products and new varieties, and pursue the pharmacological effects and functionality of mushrooms.

The sales division advocated for “Kinkatsu through mushrooms” (the lifestyle habit of incorporating mushrooms into daily meals) with the three pillars of health, beauty, and sports in order to stimulate mushroom demand and carry out sales activities with a commitment to freshness. In particular, the Company promoted new market development, inventory expansion, and regional strategies as set forth in the new Medium-Term Management Plan, resulting in relatively firm mushroom prices.

As a result, net sales for the mushroom business in Japan as a whole were ¥23,273 million (up 3.0% year on year) and segment profits were ¥320 million (compared with ¥1 million in the same period of the previous fiscal year).

Mushroom business outside Japan

At the U.S. subsidiary, Hokto Kinoko Company, net sales for the six months exceeded the level of the same period of the previous fiscal year, while operating profit fell short. In addition, although net sales fell short of the plan due to sluggish sales caused by the extreme heat, operating income exceeded the plan. Meanwhile, as a result of strengthened efforts to expand our customer base, the subsidiary has begun transactions with major retailers and is steadily advancing initiatives aimed at expanding sales. At Taiwan Hokuto Corporation, our subsidiary in Taiwan, stay-at-home orders were issued in July and September due to typhoons, leading to stockpiling and stay-at-home consumption that boosted demand for vegetables and mushrooms. As a result, performance in the second quarter improved; however, it was not sufficient to offset delays in the first quarter. Consequently, both net sales and operating profit for the six-month period fell short of the previous year’s results and initial targets. In yen terms, however, the depreciation of the yen had a positive impact. Hokto Malaysia Sdn. Bhd., a local subsidiary in Malaysia, reorganized its sales structure alongside a shift in strategy to generate profit by raising unit prices, while continuing advertising and sales promotion activities aimed at enhancing brand recognition and promoting brand value. However, sluggish sales persisted, and both net sales and operating profit for the six-month period were below the levels of the previous fiscal year and initial targets.

As a result, net sales for the mushroom business outside Japan as a whole were ¥3,827 million (up 6.7% year on year) and segment profits were ¥444 million (down 8.7%).

Processed products business

The processed products business carried out sales of processed mushroom products (boiled or frozen) and worked to expand sales of ready-to-use processed products and fresh mushrooms for commercial use, develop new products, and open up new markets. As a result, products for restaurants, delicatessens and prepared meals, as well as commercial processed products, performed favorably. The Company’s mushroom products were adopted by convenience stores as ingredients for standard menu items, resulting in growth in sales volume. In the mail-order businesses, sales of dried mushrooms continued to perform well.

Although sales of health food-related products and retort pouch foods were sluggish, certain health food items have begun to show signs of recovery in the number of regular customers. At the subsidiary Arden Corporation, orders from major customers have been recovering since July, with some clients exceeding expectations. However, due to the sluggish performance in the first quarter, both net sales and operating profit for the six-month period were below targets.

As a result, net sales for the processed products business were ¥3,837 million (down 1.7% year on year) and segment profits were ¥175 million (up 59.3%).

Chemical products business

The chemical products business has worked on proposal-based marketing in the packaging materials sector to sell packaging materials that satisfy market needs, including recycled and plant-based environmental packaging materials and frozen food packaging materials, as well as functional packaging materials for containers that help reduce food waste. In the industrial materials sector, while there were some signs of recovery in sales to export manufacturers, particularly those of semiconductor and machinery parts, sales to companies focused on domestic demand remained sluggish.

In the agricultural materials sector, sales of mushroom cultivation materials remained firm, and revenue from a bulk-order equipment project, originally scheduled to be recognized in the first quarter, was instead recorded in the second quarter. In addition, the manufacturing and marketing of in-house products continued to perform steadily.

As a result, net sales for the chemical products business were ¥7,141 million (up 20.7% year on year) and segment profits were ¥263 million (up 97.2%).

(2) Overview of financial position at the end of the first half

Positions of assets, liabilities and net assets, and the factors thereof as of September 30, 2025 are as follows.

Assets

Current assets as of September 30, 2025 amounted to ¥41,843 million, up ¥3,221 million from the previous fiscal year end. This was due mainly to an increase of ¥2,783 million in cash and deposits. Non-current assets amounted to ¥71,417 million, up ¥2,419 million from the previous fiscal year end. This was due mainly to an increase of ¥1,997 million in investment securities.

As a result, total assets amounted to ¥113,261 million, up ¥5,641 million from the previous fiscal year end.

Liabilities

Current liabilities as of September 30, 2025 amounted to ¥28,928 million, up ¥4,104 million from the previous fiscal year end. This was due mainly to an increase of ¥4,008 million in short-term borrowings. Non-current liabilities amounted to ¥25,945 million, down ¥42 million from the previous fiscal year end.

As a result, total liabilities totaled ¥54,874 million, up ¥4,062 million from the previous fiscal year end.

Net assets

Total net assets as of September 30, 2025 amounted to ¥58,386 million, up ¥1,578 million from the previous fiscal year end. This was primarily due to an increase of ¥1,040 million in valuation difference on available-for-sale securities and ¥344 million in foreign currency translation adjustment.

As a result, the equity ratio was 51.6% (52.8% at the end of the previous fiscal year).

(3) Information regarding consolidated earnings forecasts and other forward-looking statements

For the earnings forecasts for the fiscal year ending March 31, 2026, while it is difficult to predict mushroom demand and prices, we disclose earnings forecasts based on currently available information and projections. For more details, please see today's release "Notice Regarding Differences Between Consolidated and Non-Consolidated Forecasts and Actual Results for the First Half of the Fiscal Year Ending March 31, 2026, Revisions to the Full-Year Consolidated and Non-Consolidated Forecasts, and Revisions to Year-End Dividend Forecasts."

The earnings forecasts are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ materially from the forecasts due to various factors.

2. Consolidated Financial Statements and Notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	16,323	19,106
Notes and accounts receivable - trade	7,084	7,780
Securities	6,989	5,488
Merchandise and finished goods	2,221	2,495
Work in process	4,254	5,117
Raw materials and supplies	1,086	1,062
Other	668	796
Allowance for doubtful accounts	(7)	(4)
Total current assets	38,621	41,843
Non-current assets		
Property, plant and equipment		
Buildings and structures	72,019	73,729
Accumulated depreciation	(39,164)	(40,443)
Buildings and structures, net	32,855	33,286
Machinery, equipment and vehicles	70,088	71,607
Accumulated depreciation	(62,132)	(63,970)
Machinery, equipment and vehicles, net	7,955	7,637
Land	14,581	14,587
Other	3,493	3,827
Accumulated depreciation	(2,089)	(2,090)
Other, net	1,404	1,737
Total property, plant and equipment	56,796	57,247
Intangible assets	136	113
Investments and other assets		
Investment securities	8,374	10,371
Retirement benefit asset	1,773	1,807
Other	2,063	2,030
Allowance for doubtful accounts	(146)	(153)
Total investments and other assets	12,065	14,056
Total non-current assets	68,998	71,417
Total assets	107,620	113,261

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,730	2,044
Electronically recorded obligations - operating	4,087	3,796
Short-term borrowings	7,097	11,106
Income taxes payable	1,542	626
Provision for bonuses	1,288	1,361
Provision for loss by fire	147	—
Other	8,929	9,993
Total current liabilities	24,823	28,928
Non-current liabilities		
Bonds with share acquisition rights	10,015	10,013
Long-term borrowings	12,672	12,022
Retirement benefit liability	333	344
Asset retirement obligations	1,035	1,060
Other	1,931	2,504
Total non-current liabilities	25,988	25,945
Total liabilities	50,811	54,874
Net assets		
Shareholders' equity		
Share capital	5,500	5,500
Capital surplus	5,727	5,727
Retained earnings	47,044	47,173
Treasury shares	(3,851)	(3,779)
Total shareholders' equity	54,420	54,621
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,768	3,809
Foreign currency translation adjustment	(732)	(388)
Remeasurements of defined benefit plans	352	344
Total accumulated other comprehensive income	2,387	3,765
Total net assets	56,808	58,386
Total liabilities and net assets	107,620	113,261

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

Consolidated statements of income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	35,998	38,080
Cost of sales	28,425	29,716
Gross profit	7,573	8,364
Selling, general and administrative expenses	7,855	8,305
Operating profit (loss)	(282)	58
Non-operating income		
Dividend income	110	161
Rental income from land and buildings	62	64
Foreign exchange gains	—	10
Subsidy income	5	6
Other	95	109
Total non-operating income	273	353
Non-operating expenses		
Interest expenses	61	67
Foreign exchange losses	547	—
Other	22	35
Total non-operating expenses	630	103
Ordinary profit (loss)	(639)	307
Extraordinary income		
Gain on sale of non-current assets	1	2
Gain on sale of investment securities	0	—
Insurance claim income	—	1,896
Total extraordinary income	2	1,898
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss by fire	—	105
Total extraordinary losses	0	105
Profit (loss) before income taxes	(637)	2,101
Income taxes - current	193	570
Income taxes - deferred	(331)	129
Total income taxes	(137)	699
Profit (loss)	(499)	1,401
Profit (loss) attributable to owners of parent	(499)	1,401

Consolidated statements of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Profit (loss)	(499)	1,401
Other comprehensive income		
Valuation difference on available-for-sale securities	(451)	1,040
Foreign currency translation adjustment	40	344
Remeasurements of defined benefit plans, net of tax	(1)	(8)
Total other comprehensive income	(411)	1,377
Comprehensive income	(911)	2,778
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(911)	2,778
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes on consolidated financial statements

Additional information

Loss by fire and insurance claim income

During the six-month period ended September 30, 2025, the Company recorded an extraordinary loss of ¥105 million related to the fire that occurred on October 29, 2024, at the Company's Ueda First Mushroom Center (Ueda City, Nagano Prefecture), including repair costs. The Company also recorded ¥1,896 million as insurance claim income under extraordinary income due to confirmed insurance proceeds related to this fire.

Notes on significant changes in the amount of shareholders' equity

Not applicable.

Notes on assumptions for going concern

Not applicable.

Significant subsequent events

Not applicable.