HOKUTO Corporation

Financial Results Presentation Materials for the First Quarter of the Fiscal Year Ending March 31, 2027

August 19, 2026

Tokyo Stock Exchange Prime Market: 1379

Financial Highlights for the First Quarter of the Fiscal Year Ending March 31, 2027

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1Q results showed an increase in the surplus. We made progress in building a foundation for the growth of the North American business

Domestic business	**In Japan, sales and profits grew thanks to strong unit pricing for mushrooms** • Our marketing efforts paid off, driving strong unit prices for mushrooms and resulting in higher sales • The impact of the situation in the Middle East was limited. Our cost-reduction measures progressed, leading to lower manufacturing costs
Overseas business	**We steadily built a foundation for growth in our North American business** • Steady progress was made on our second factory plan in the United States • The markets for our core products, bunashimeji, eryngii and maitake, continued to grow • In these markets, we are strengthening our sales structure in line with the roadmap (detailed below) to achieve the targets of the Medium-Term Management Plan
Shareholder returns	• **We expect an interim dividend of ten yen for FY2027, unchanged from the previous forecast**

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (Year-on-year Comparison)

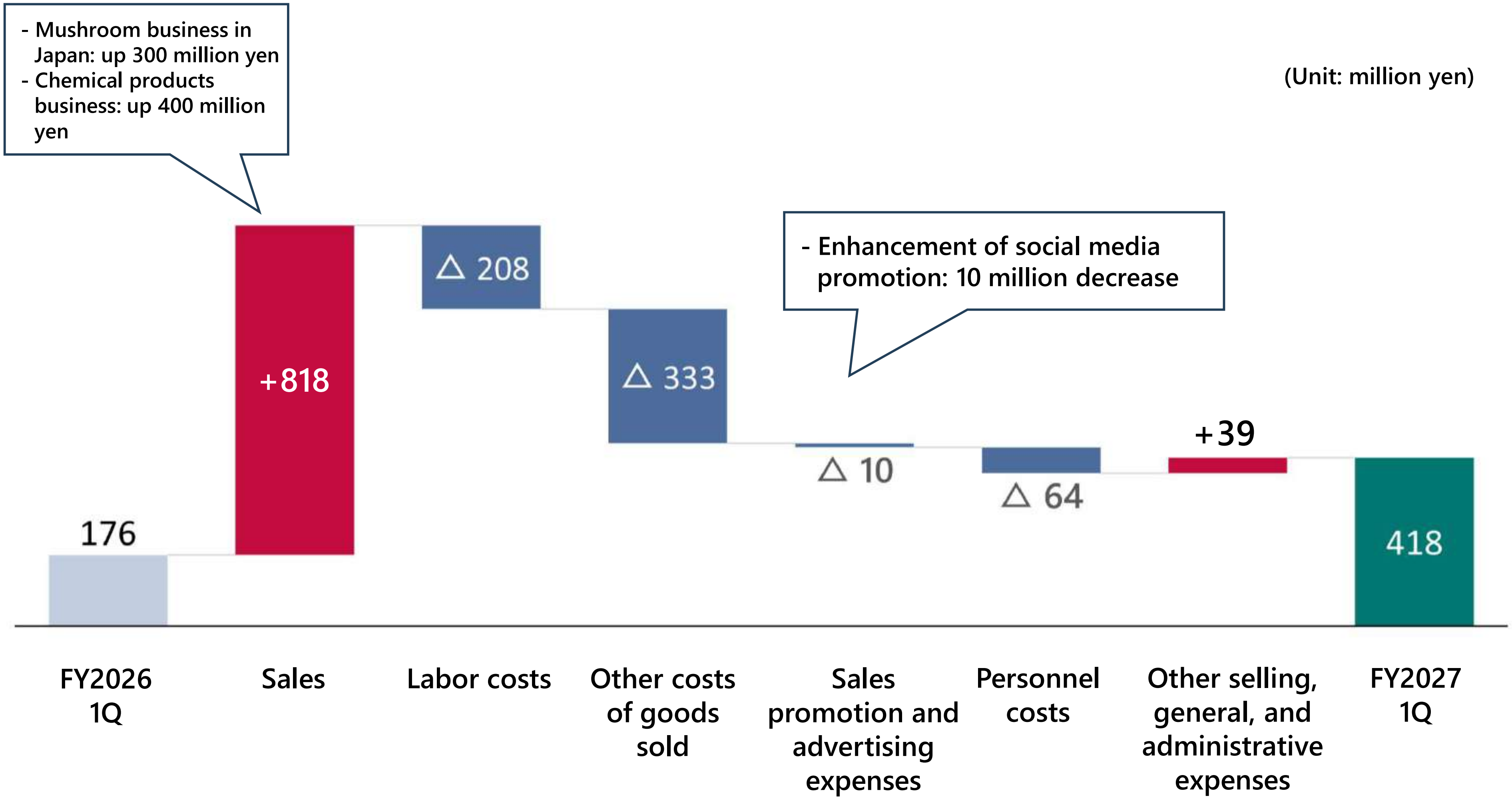
<u>Our efforts to develop new customers and implement regional strategies, among other initiatives, paid off, resulting in favorable mushroom prices in Japan, with both sales and operating profit significantly exceeding those of the previous year.</u>

(Millions of yen)

	Fiscal Year Ended March 31, 2026	Fiscal Year Ending March 31, 2027	Change from the Previous Year	Percentage Change from the Previous Year
Sales	18,524	19,343	818	4.4%
Gross Profit	4,368	4,645	277	6.4%
Gross Profit Margin	23.6%	24.0%		
Selling, General, and Administrative Expenses	4,191	4,227	35	0.9%
Operating Profit	176	418	241	136.8%
Operating Profit Margin	1.0%	2.2%		
Ordinary Profit	147	777	629	426.1%
Ordinary Profit Margin	0.8%	4.0%		
Net Profit	1,358	452	△905	△66.7%
Net Profit Margin	7.3%	2.3%		
Earnings per Share	43.43 yen	14.44 yen		

First Quarter of the Fiscal Year Ending March 31, 2027: Factors Affecting Operating Profit

Despite the impact of the situation in the Middle East, we offset its effects by, among other measures, maintaining favorable mushroom prices in Japan and securing profitability through price revisions in the chemical products business. As a result, operating profit increased by 200 million yen year on year.



Segment Summary for the First Quarter of the Fiscal Year Ending March 31, 2027 (Year-on-year Comparison)

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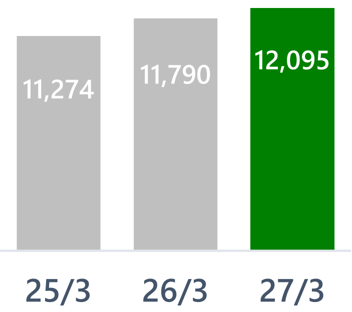
(Unit: million yen)

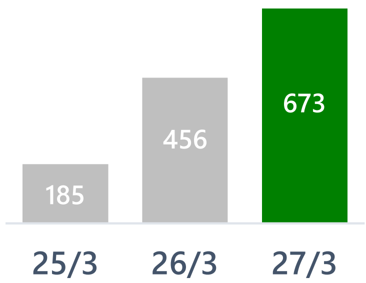
Mushroom business in Japan

✓ Our efforts to execute sales strategies and carry out marketing activities paid off, resulting in favorable mushroom prices and higher sales and operating profit

Sales



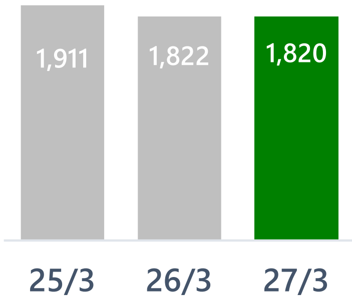
Operating profit



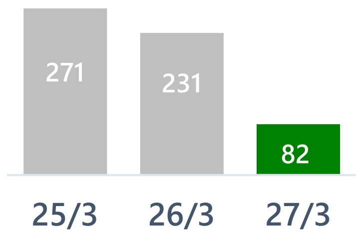
Mushroom business outside Japan

✓ Sales and operating profit decreased due to weak results in bidding by major customers in the United States, as well as weak performance in Malaysia

Sales



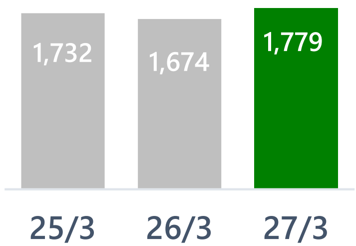
Operating profit



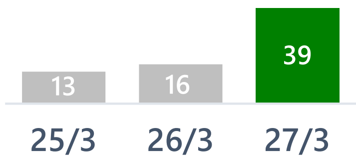
Processed products business

✓ Mainly at Arden, we had difficulty winning orders from major customers through May, but orders recovered significantly in June, resulting in higher sales and operating profit

Sales



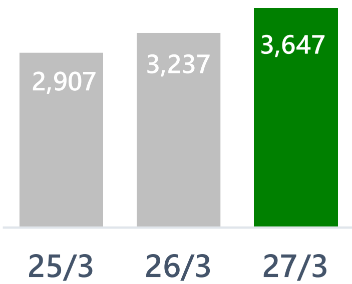
Operating profit



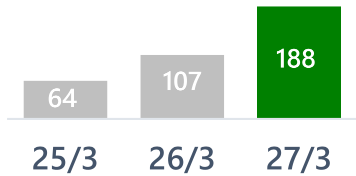
Chemical products business

✓ Despite the impact of the situation in the Middle East, we focused on ensuring a stable supply and implementing price revisions to secure profitability, resulting in higher sales and operating profit

Sales



Operating profit



Our Competitive Advantages

Starting with research and development, we manage cultivation materials, a nationwide production network, and a direct sales network in an integrated manner, thereby achieving high quality, a stable supply, and high productivity

Drivers of competitive advantage

Research and development

Research and development capabilities that achieve high quality and high yields

- ✓ Developing and popularizing new varieties of bunashimeji, eryngii, etc.
- ✓ Promoting an integrated approach that spans from variety development to the establishment of a large-scale production system

Production

Production foundation that enables stable supply of high-quality mushrooms across Japan and overseas markets

- ✓ Operating 33 locations in Japan plus overseas locations
- ✓ Achieved consistent quality and a stable supply nationwide

Sales

Sales network that connects market needs to product development

- ✓ Direct transactions with over 200 retail companies nationwide
- ✓ Feeding consumer feedback back into R&D and production

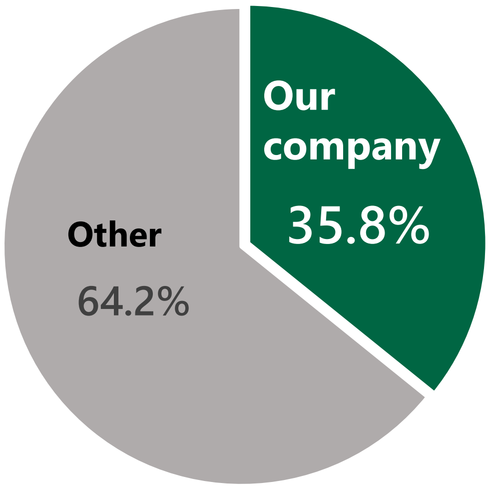
In-house production of cultivation materials and development of processing capabilities

A business foundation that supports our top market share in Japan

Our Market Share in Japan (Fiscal Year Ended March 31, 2025)

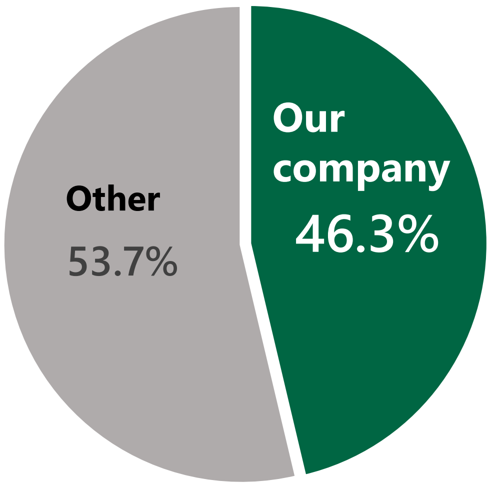
We hold an overwhelming share in three of our core product categories, maintaining a strong market leadership position

Bunashimeji



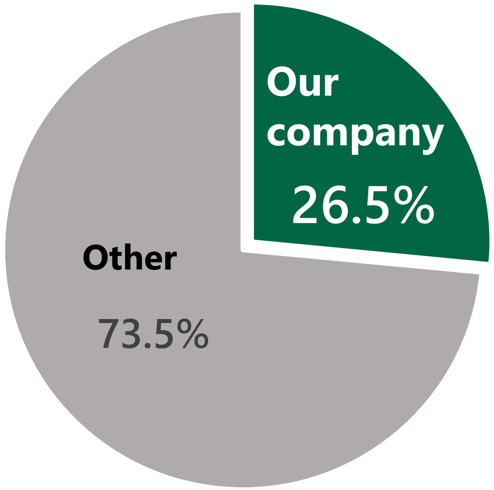
Total production volume in Japan
117,536 t

Eryngii



Total production volume in Japan
34,639 t

Maitake

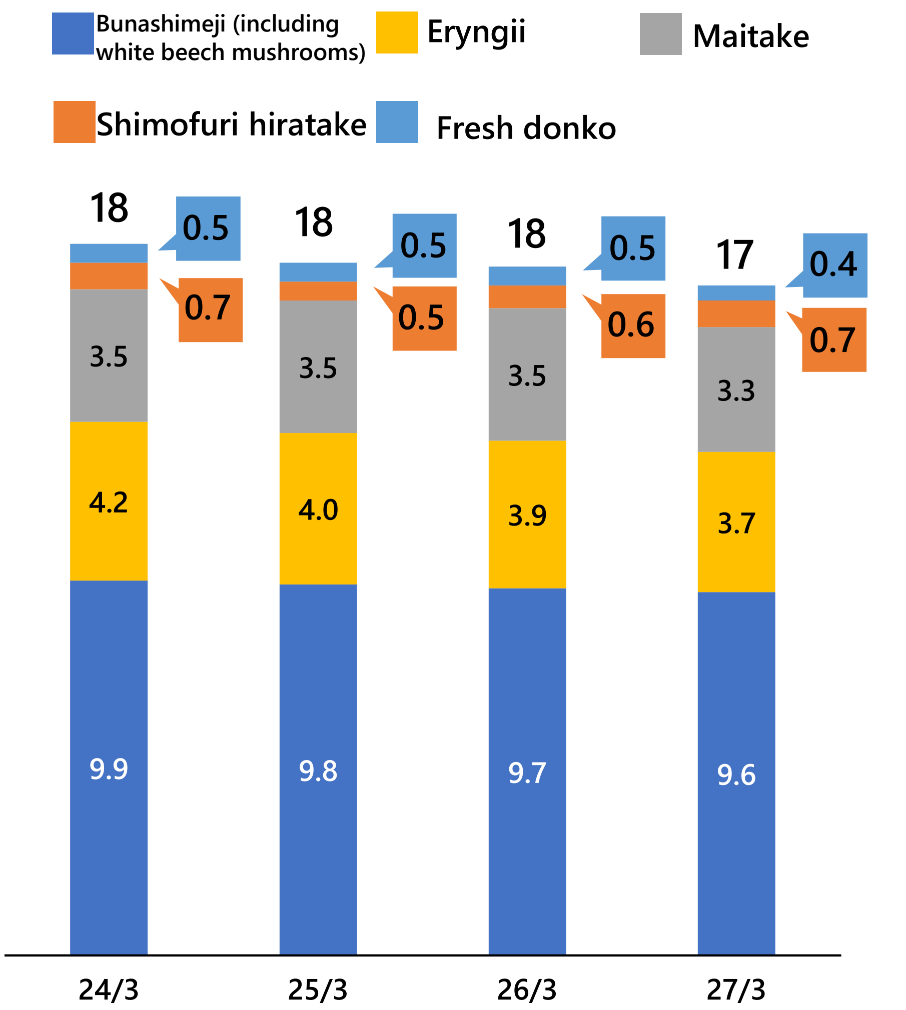


Total production volume in Japan
56,609 t

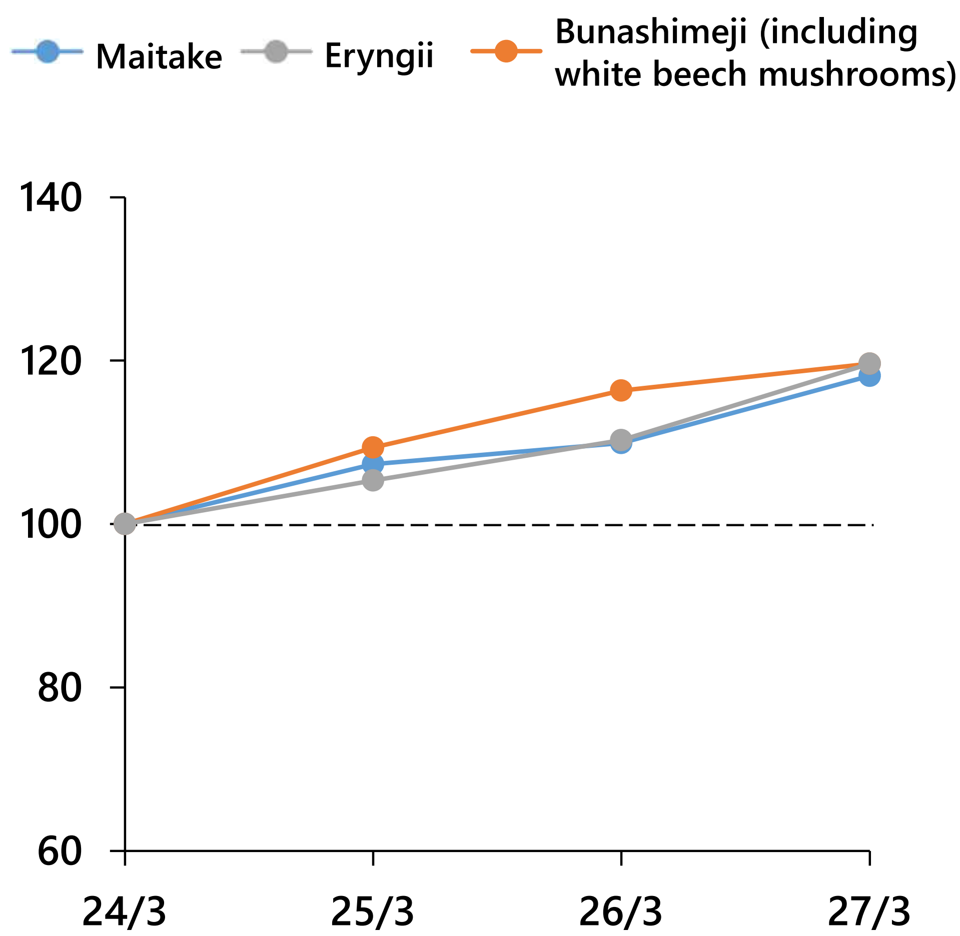
First Quarter of the Fiscal Year Ending March 31, 2027: Trends in Domestic Mushroom Production Volume and Unit Prices by Type

Achieving stable increases in unit prices while maintaining production volume through production adjustments based on demand forecasts and the promotion of regional strategies

Production Volume Trends (1,000 tons)



Unit Price Trends for Major Items (Index)



First Quarter of the Fiscal Year Ending March 31, 2027: Mushroom Business Outside Japan (Year-on-year Comparison)

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Sales and operating profit decreased due to reduced sales to major customers in the United States, as well as weak performance in Malaysia

		Fiscal Year Ended March 31, 2026	Fiscal Year Ending March 31, 2027	Change from the Previous Year	Percentage Change from the Previous Year
United States	Sales	7.08million USD	6.07million USD	△1.00million USD	△14.2%
	Operating Profit	0.89million USD	△0.25million USD	△1.14million USD	―
	Foreign Exchange	144.81	162.39		
Taiwan	Sales	NT$134million	NT$135million	NT$1million	0.8%
	Operating Profit	NT$18million	NT$18million	NT$0million	△0.3%
	Foreign Exchange	4.96	5.10		
Malaysia	Sales	RM3.49million	RM3.36million	△RM0.13million	△3.8%
	Operating Profit	△RM0.69million	△RM0.85million	△RM0.16million	―
	Foreign Exchange	34.26	40.09		

First Quarter of the Fiscal Year Ending March 31, 2027:Trends in Overseas Mushroom Production Volume and Unit Prices by Type and Country

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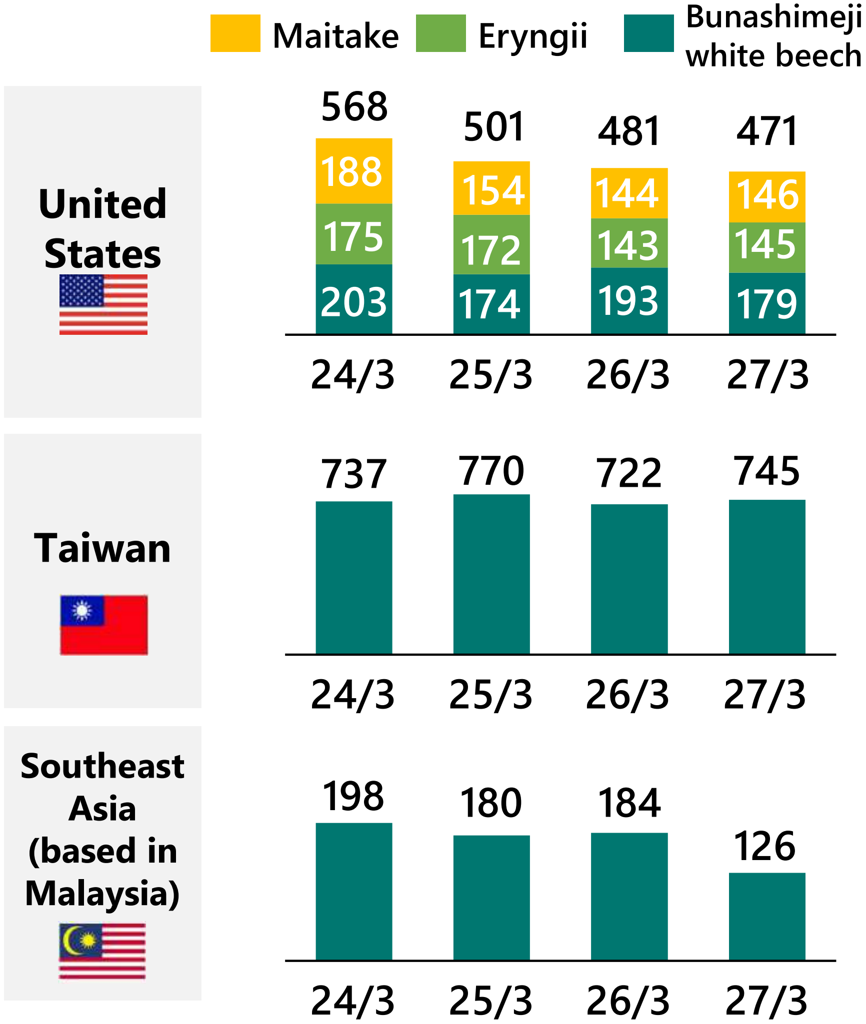
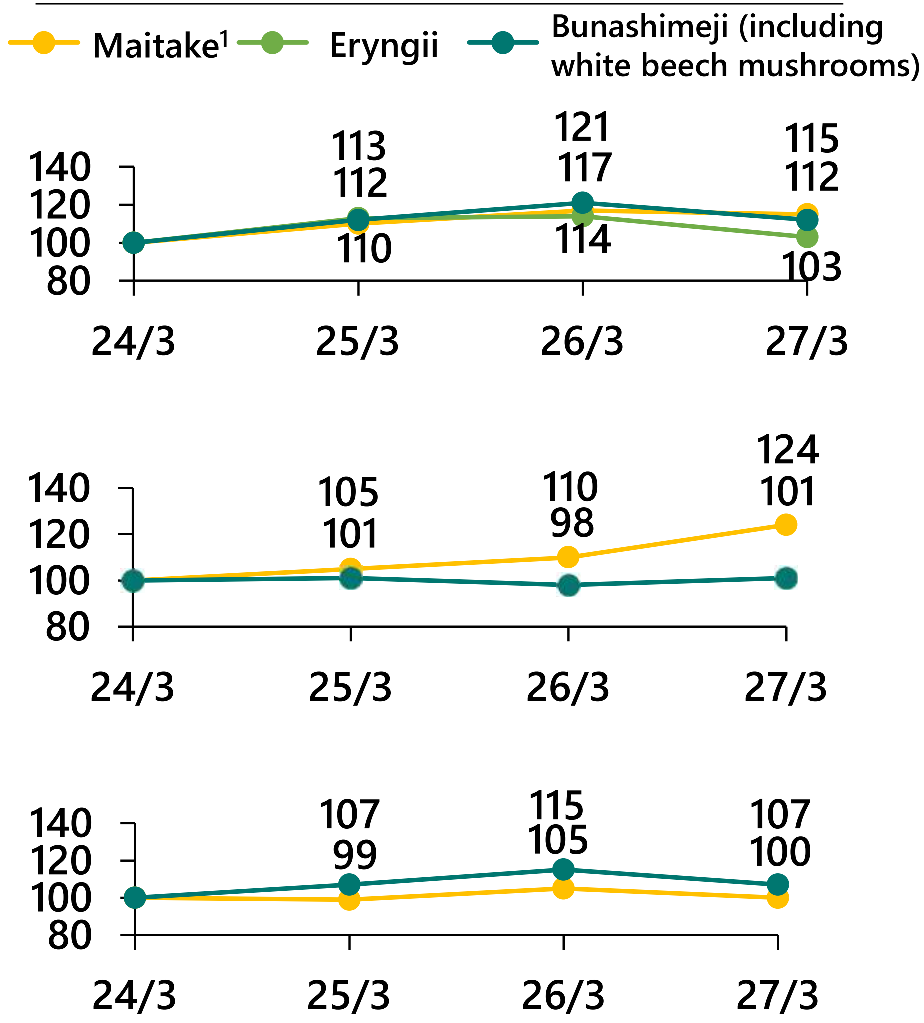
While maintaining sales volume, unit prices in the United States trended downward in 1Q due to weak results in bidding.
In Southeast Asia, we are implementing measures to increase sales volume while maintaining unit prices

Production Volume Trends (Unit: t)



Unit Price Trends (Index)



Note 1: Maitake mushrooms in Taiwan and Southeast Asia are imported from Japan

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2027 (vs. Plan)

(Millions of yen)

	Initial Plan	Fiscal Year Ending March 31, 2027	Deviation from Plan	Percentage Change from Plan
Sales	19,141	19,343	202	1.1%
Gross Profit	4,475	4,645	170	3.8%
Gross Profit Margin	23.4%	24.0%		
Selling, General, and Administrative Expenses	4,506	4,227	△278	△6.2%
Operating Profit	△31	418	449	—
Operating Profit Margin	△0.2%	2.2%		
Ordinary Profit	146	777	631	432.7%
Ordinary Profit Margin	0.8%	4.0%		

Both sales and operating profit exceeded the plan due to favorable mushroom unit prices in Japan and our successful efforts to reduce selling, general and administrative expenses, although manufacturing costs were slightly impacted by the situation in the Middle East

First Quarter of the Fiscal Year Ending March 31, 2027: Segment Overview (vs. Plan)

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(Millions of yen)

		Initial Plan	Fiscal Year Ending March 31, 2027	Deviation from Plan	Percentage Change from Plan
Mushroom business in Japan	Sales	11,948	12,095	146	1.2%
	Operating Profit	250	673	422	168.9%
Mushroom business outside Japan	Sales	2,069	1,820	△248	△12.0%
	Operating Profit	209	82	△126	△60.4%
Processed products business	Sales	1,803	1,779	△24	△1.4%
	Operating Profit	4	39	35	863.9%
Chemical products business	Sales	3,319	3,647	328	9.9%
	Operating Profit	122	188	66	54.4%

First Quarter of the Fiscal Year Ending March 31, 2027: Mushroom Business Outside Japan (vs. Plan)

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		Initial Plan	Fiscal Year Ending March 31, 2027	Deviation from Plan	Percentage Change from Plan
United States	Sales	7.20 million USD	6.07 million USD	△1.12 million USD	△15.6%
	Operating Profit	0.36 million USD	△0.25 million USD	△0.62 million USD	—
	Foreign Exchange	156.60	162.39		
Taiwan	Sales	NT$160 million	NT$135 million	△NT$25 million	△15.7%
	Operating Profit	NT$32 million	NT$18 million	△NT$14 million	△44.2%
	Foreign Exchange	4.90	5.10		
Malaysia	Sales	RM3.60 million	RM3.36 million	△RM0.23 million	△6.6%
	Operating Profit	△RM1.17 million	△RM0.85 million	RM0.31 million	—
	Foreign Exchange	39.70	40.09		

Shareholder Returns

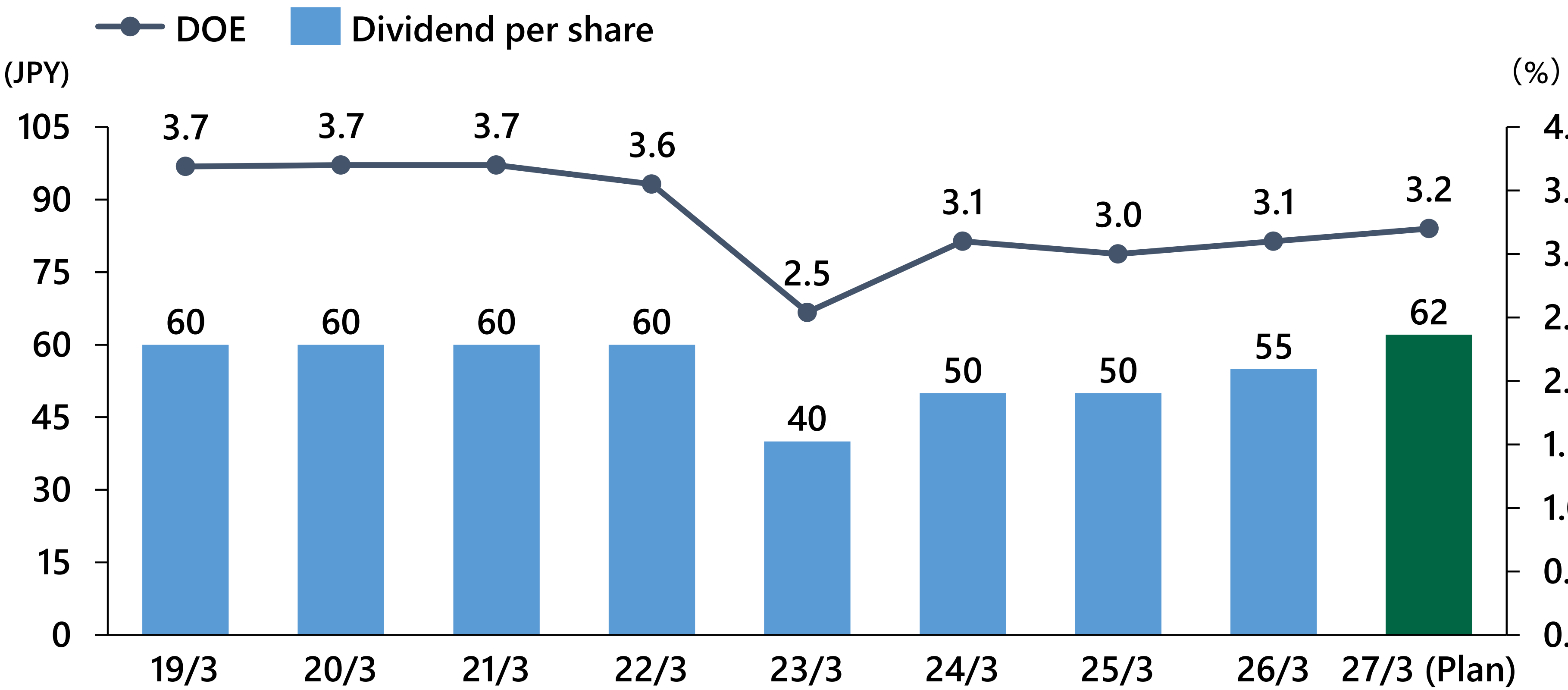
For FY2027, we plan to pay an annual dividend of 62 yen, an increase of seven yen from FY2026, in accordance with the following shareholder return policy. An interim dividend of ten yen is expected.

Shareholder Return Policy

(1) We will strive to continue stable dividends while securing the internal reserves necessary for the Company

(2) We will target **a DOE of 3.5% for the fiscal year ending March 31, 2029**

(3) Internal reserves will be prioritized for strategic investments essential to future growth



Target Customers in the U.S. Market

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Until now, growth in the mushroom-consuming population has been driven by an increase in the high-end Asian American segment. We will focus on this segment while expanding our reach to the mass-market segment

	Definition of each segment			Changes in the mushroom-consuming population		Factors behind the increase in the proportion of mushroom consumers	
	Residential area	Household income	Consumption per person	Total population	✕ Proportion of consumers	Supply side	Demand side
Asian	—	—	High (Twice a month or more)	↗	↗	Increase in distribution volume to high-end, mass-market, and Asian supermarkets in each region	— (A culture of mushroom consumption already exists)
High-end	Major city	$150,000~	High (Twice a month or more)	↗	↗	Increase in distribution volume to high-end supermarkets in major cities outside the Western and Northeastern regions	Social media posts by other high-end consumers stimulates demand
Mass-market	Major city Suburban and regional areas	$50,000~ $150,000 ~$150,000	Low (Once or twice a month)	→	↗	Increase in distribution volume to mass-market supermarkets in major cities and high-end supermarkets in suburban and regional areas	Recommendations on TV shows and from friends stimulate demand
Light consumers	Major city Suburban and regional areas	~$50,000 ~$150,000	Very low (Less than once a month)	→	→	—	—

Source: Prepared by the Company based on the “U.S. Consumer Survey” and “U.S. Census”

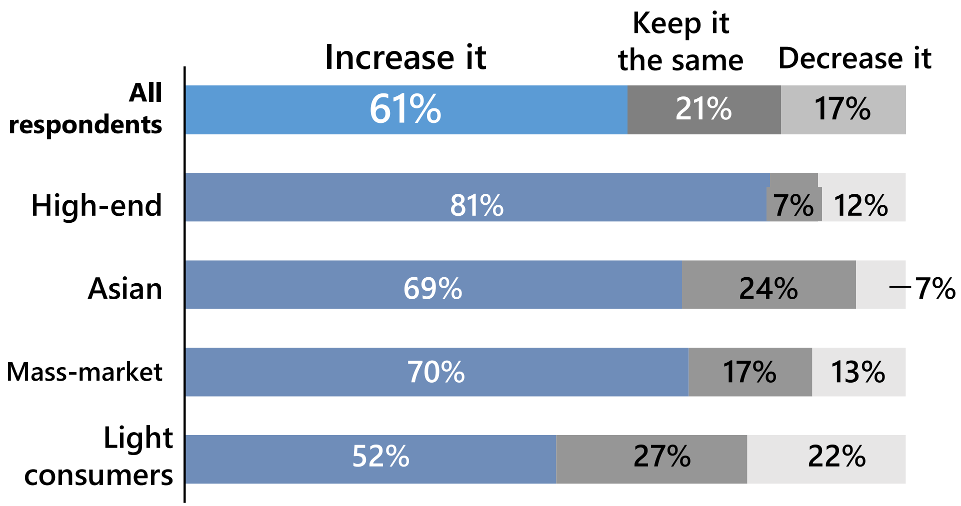
Market Opportunity in the United States

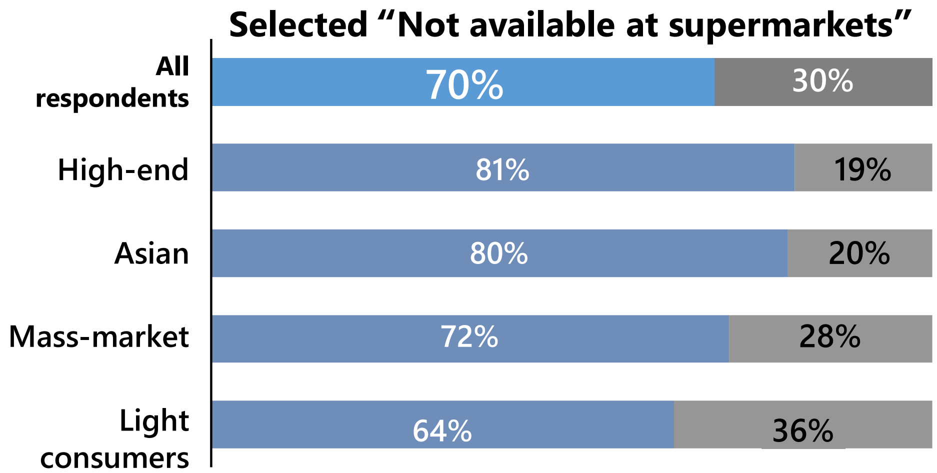
Despite strong consumer demand for mushrooms, purchasing opportunities are often limited due to their low availability at points of sale.
We aim to capture this market opportunity by expanding distribution through strengthened sales activities and by commencing operations at our second factory

Demand (i.e., consumer intentions)

Do you wish to increase your consumption of items such as bunashimeji in the future?

If so, are there any anticipated constraints to doing so?





***Definition of each segment**
- Non-Asian
  - **High-end:** high-income earners in major cities
  - **Mass-market:** middle-income earners in major cities or high-income earners in suburban or regional areas
  - **Light consumers:** Other than the above
- **Asian**

Reaching consumers by strengthening sales operations and expanding product distribution

Source: Prepared by the Company based on the U.S. Consumer Survey

Our Company's Reputation in the U.S. Market

In the U.S. market, our mushrooms are recognized for their quality, and sales are expanding, particularly through high-priced retailers

Factors most valued when purchasing

Freshness	28%
Taste	26%
Organic certification	13%
Price	25%
Other	9%

Quality valued most: **67%**

Consumers place the highest priority on quality when purchasing

Evaluation of our mushrooms

Hokuto holds the advantage	Rated freshness highly	17%
	Rated taste highly	18%
	Rated organic certification highly	15%
	Rated price highly	9%
No different from other companies		9%
Hokuto has a disadvantage		5%
Not familiar with Hokuto		28%

Rated our quality highly: **50%**

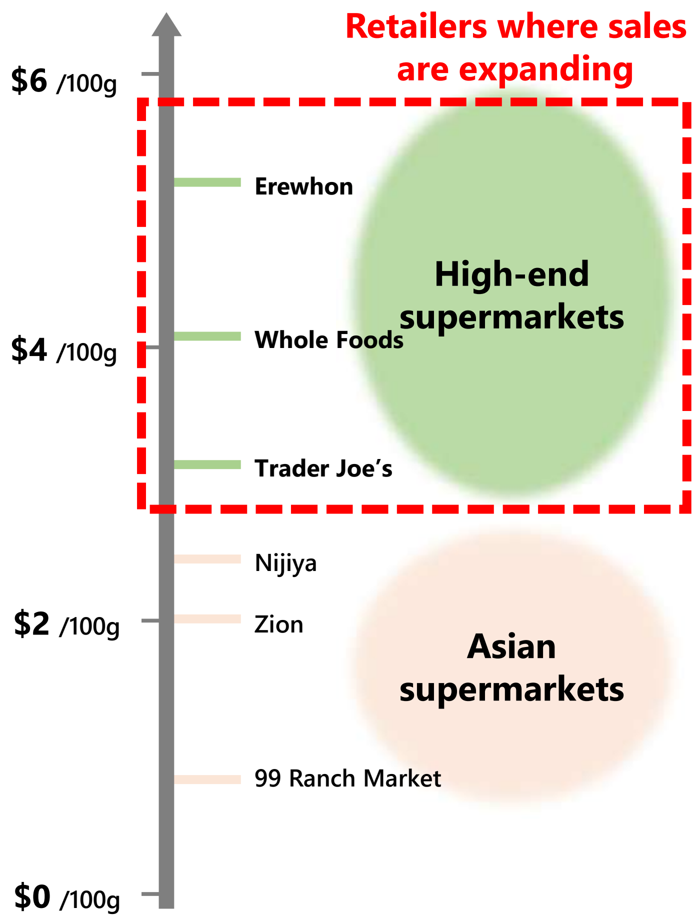
Our mushrooms are highly valued by consumers for their quality

Procurement and sales representatives at major U.S. produce wholesalers

- Hokuto is **very well known among buyers for its high quality**
- Hokuto is also **highly rated** among health- and food-conscious consumers

Our mushrooms are also highly valued by buyers for their quality

Image of bunashimeji retail prices by supermarket



Source: Prepared by the Company based on the U.S. Consumer Survey and interviews with related parties

Examples of Retail Chains Where Our Products Are Already Distributed in the United States

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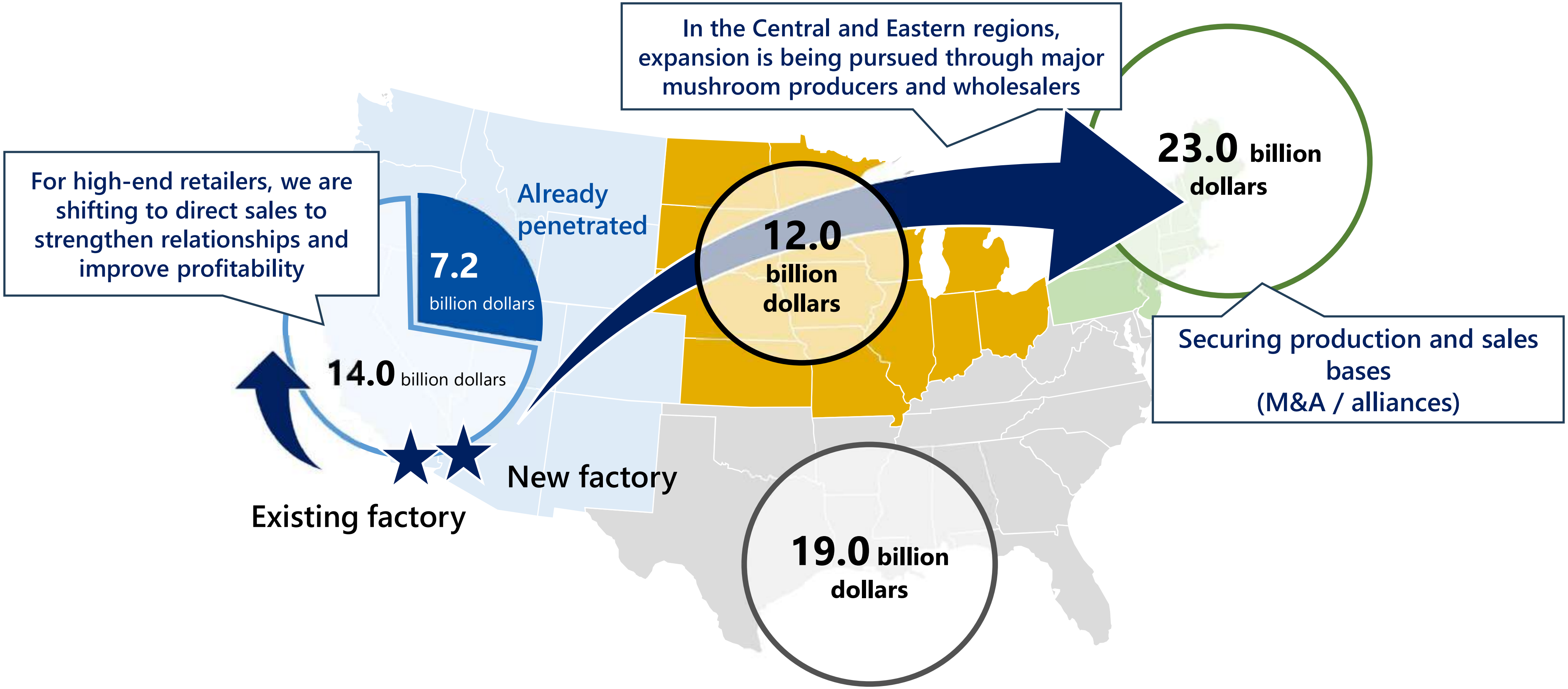
Sales are expanding, primarily through high-end supermarkets and Asian supermarket chains

	Overview	Store and shelf photos (Hokuto products highlighted in the yellow box)	
TRADER JOE'S	• A popular supermarket chain known for its wide selection of natural and organic foods • Hokuto products are sold as private-brand (PB) items in 306 of its 608 stores across the United States		
EREWHON	• A high-end supermarket based in Los Angeles, popular among high-income consumers • It has 11 stores in California, all of which carry Hokuto products		
H MART	• A popular Asian supermarket chain operating across the United States, offering a wide range of Asian ingredients and fresh produce • Hokuto products are sold in 70 of its 112 stores across the United States		

Outlook for Future Sales Expansion

Of the approximately $75 billion U.S. retail market centered on high-end stores, the market we have already penetrated accounts for less than 10%, indicating substantial room for further sales expansion in the U.S. market.

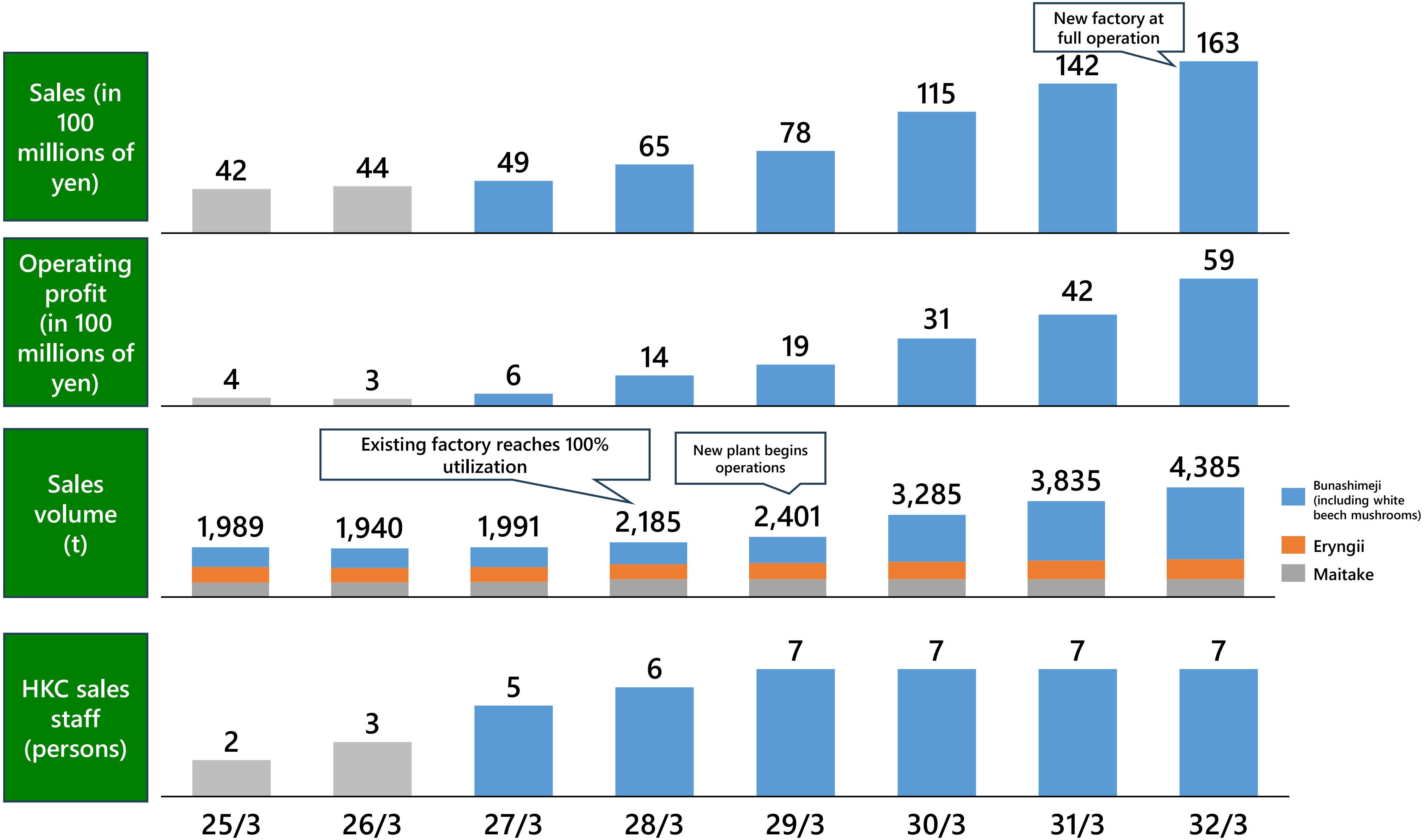
Sales of stores where our products are already available relative to the high-end supermarket market size by region



Source: Prepared by the Company based on "Grocery Market Share" by Chain Store Guide

Progress on the U.S. Business Expansion Plan

To achieve the Medium-Term Management Plan's targets of 15.4 billion yen in overseas sales and 2.7 billion yen in operating profit, we are proceeding with the construction of our second U.S. factory while strengthening our sales structure



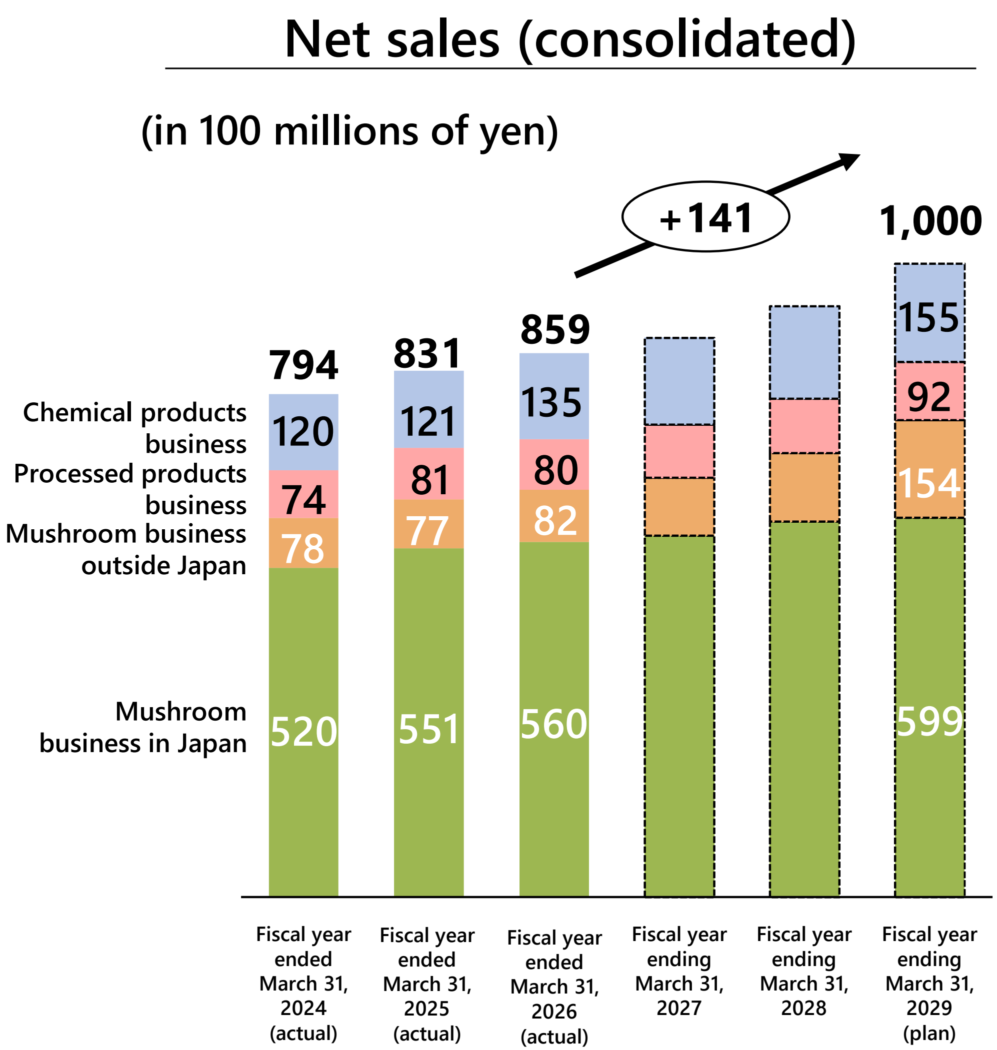
Note: The assumed exchange rate from FY27/3 onward is 160 yen to the U.S. dollar.

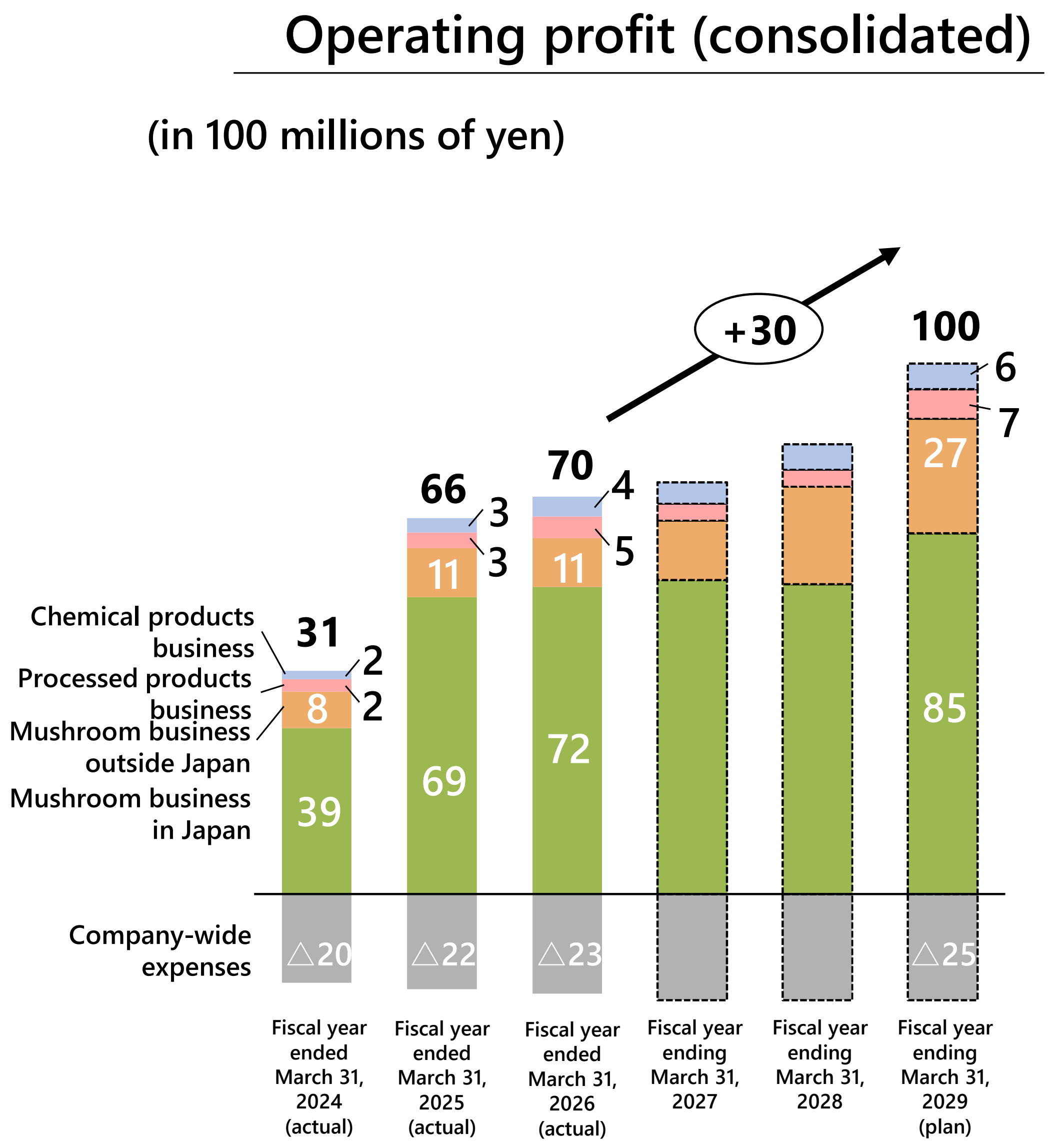
1. First Quarter Financial Results for the Fiscal Year Ending March 31, 2027

2. Outlook for the North American Business

3. Reference Material

Targeting sales of 100.0 billion yen and operating profit of 10.0 billion yen for the fiscal year ending March 31, 2029





(Reference) Bunashimeji: Market Price Trends

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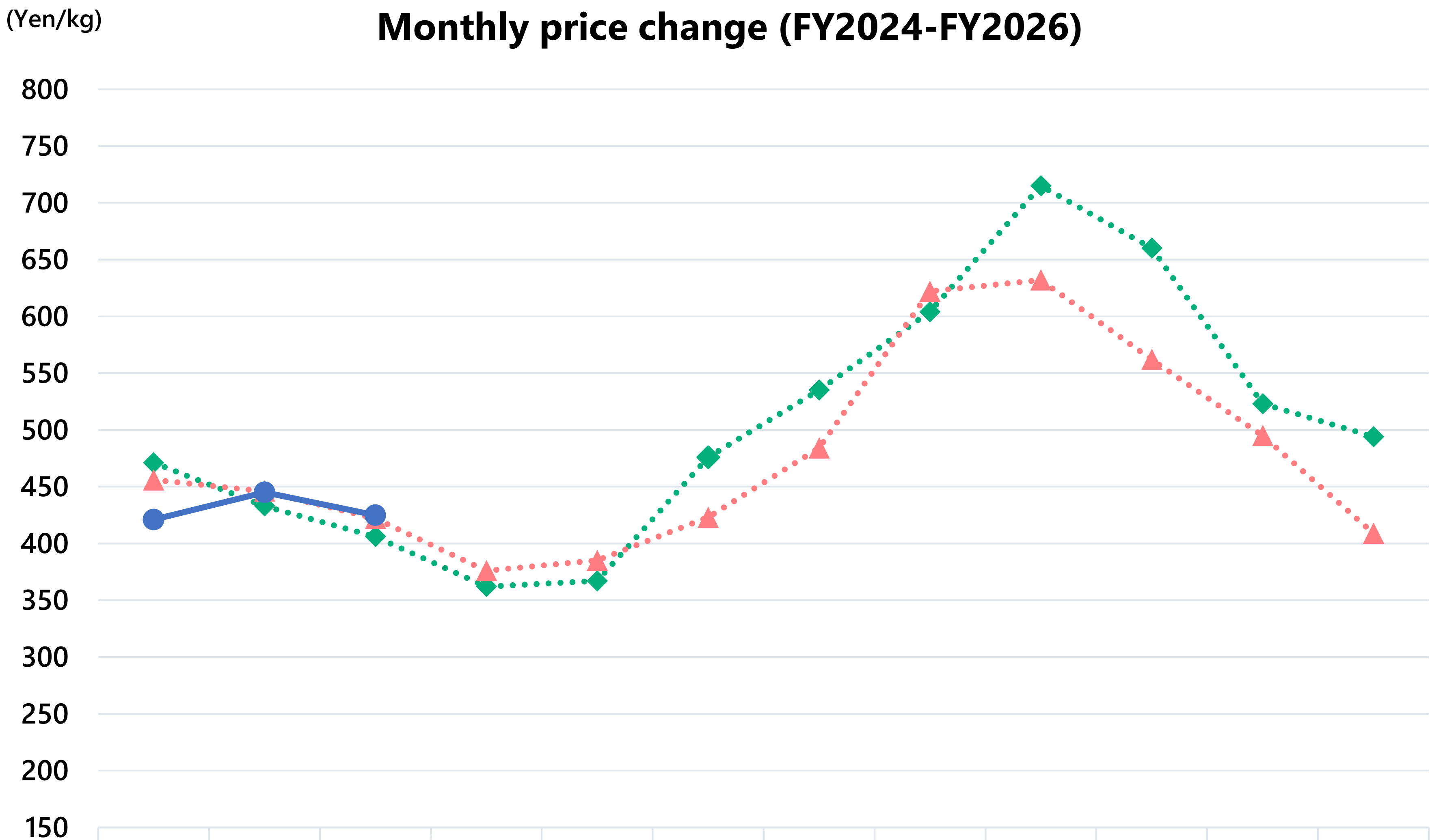

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average price
FY2024	471	433	406	362	367	476	535	604	715	660	523	494	508
FY2025	456	446	422	376	385	423	484	622	632	562	495	409	478
FY2026	421	445	425										430

Reference: Tokyo Metropolitan Central Wholesale Market, Market Transaction Data

(Reference) Bunashimeji: Market Sales Volume Trends

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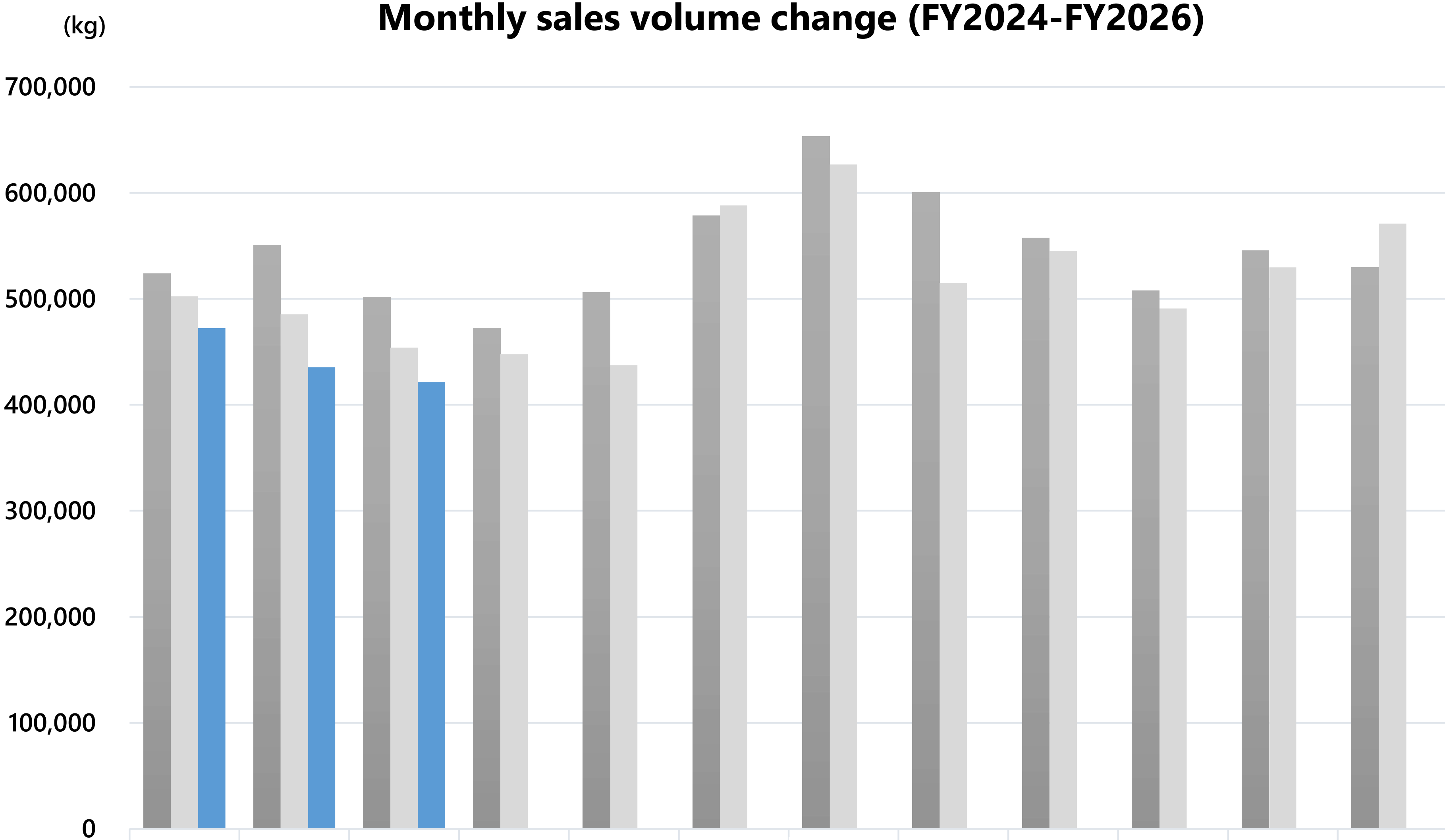
Monthly sales volume change (FY2024-FY2026)



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Annual sales volume
FY2024	524,047	550,738	501,797	472,643	506,322	578,585	653,417	600,727	557,566	507,922	545,553	529,624	6,528,941
FY2025	502,476	485,332	453,870	447,737	437,420	588,166	626,762	514,931	545,377	490,809	529,656	570,879	6,193,415
FY2026	472,314	435,436	421,324										1,329,074

Reference: Tokyo Metropolitan Central Wholesale Market, Market Transaction Data

(Reference) Eryngii: Market Price Trends

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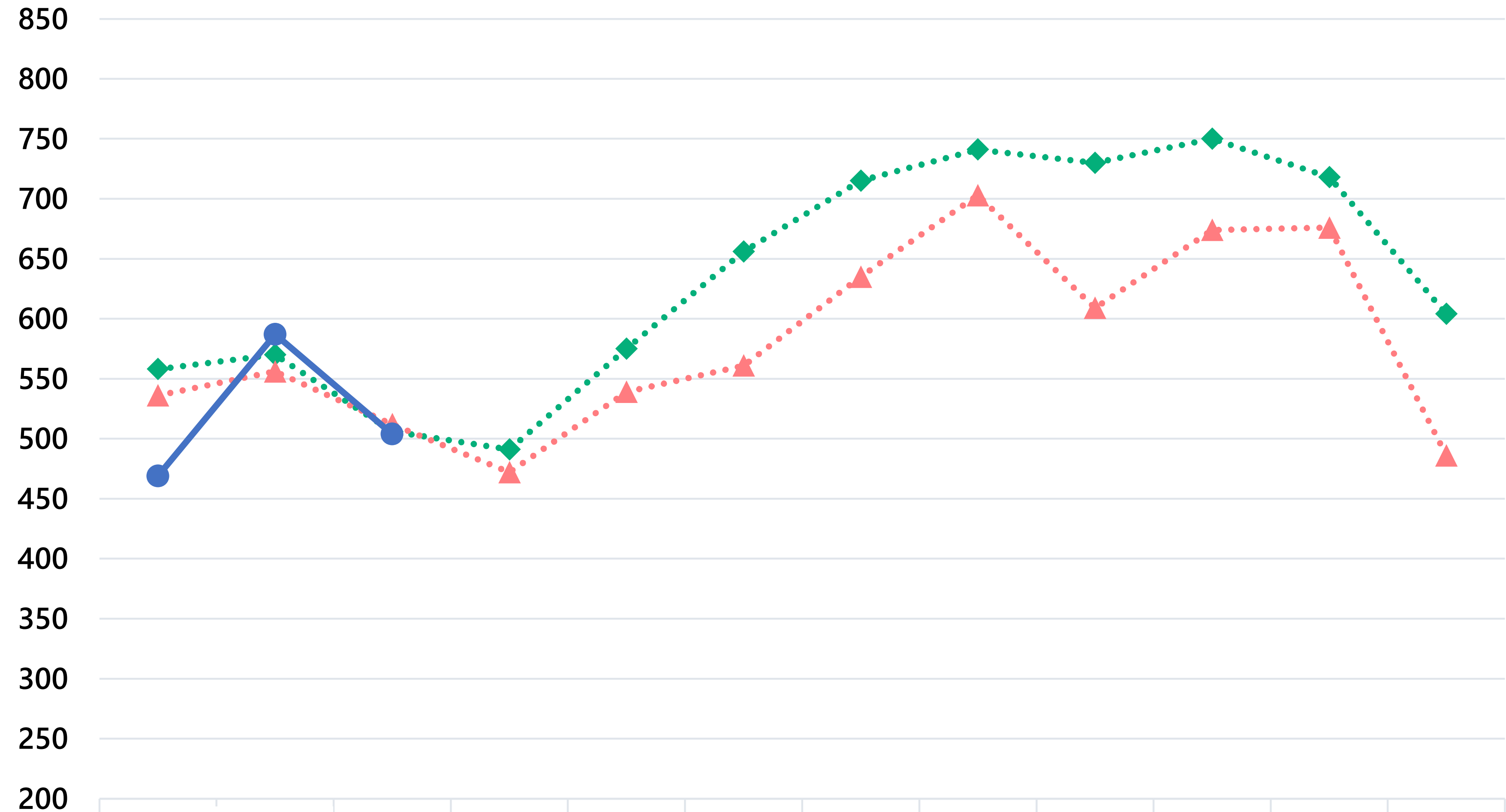
Monthly price change (FY2024-FY2026)



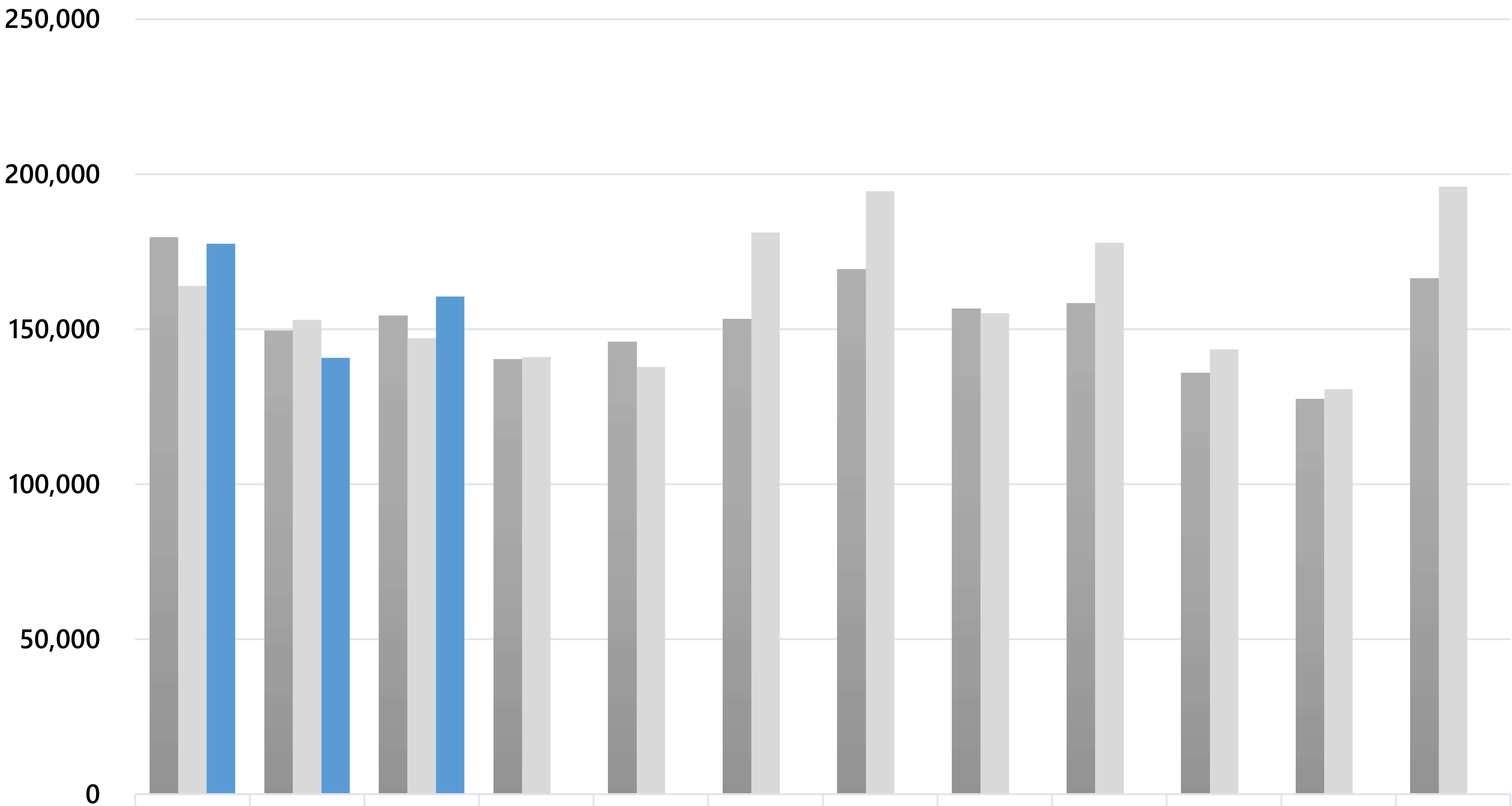
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average price
FY2024	558	570	506	491	575	656	715	741	730	750	718	604	633
FY2025	536	556	512	472	539	561	635	703	609	674	676	486	579
FY2026	469	587	504										515

Reference: Tokyo Metropolitan Central Wholesale Market, Market Transaction Data

(Reference) Eryngii: Market Sales Volume Trends

Monthly sales volume change (FY2024-FY2026)

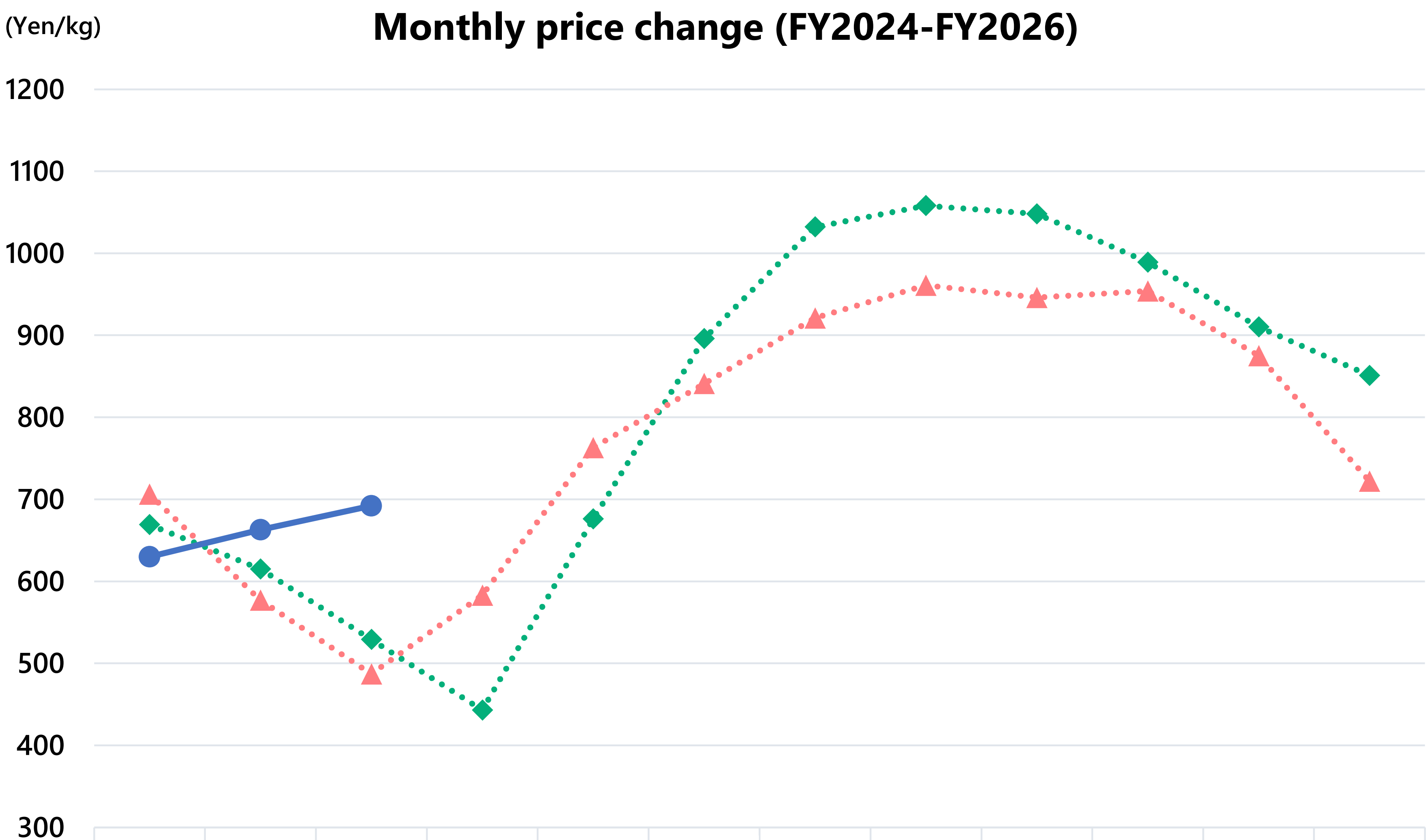
(kg)



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Annual sales volume
FY2024	179,605	149,546	154,387	140,347	145,912	153,267	169,323	156,701	158,346	135,882	127,450	166,442	1,837,208
FY2025	163,952	153,015	147,030	141,035	137,825	181,137	194,512	155,134	177,908	143,491	130,602	195,939	1,921,580
FY2026	177,565	140,778	160,505										478,848

Reference: Tokyo Metropolitan Central Wholesale Market, Market Transaction Data

(Reference) Maitake: Market Price Trends



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Average price
FY2024	669	615	529	443	676	896	1032	1058	1048	989	910	851	817
FY2025	706	577	487	583	763	841	921	961	946	954	875	722	787
FY2026	630	663	692										659

Reference: Tokyo Metropolitan Central Wholesale Market, Market Transaction Data

(Reference) Maitake: Market Sales Volume Trends

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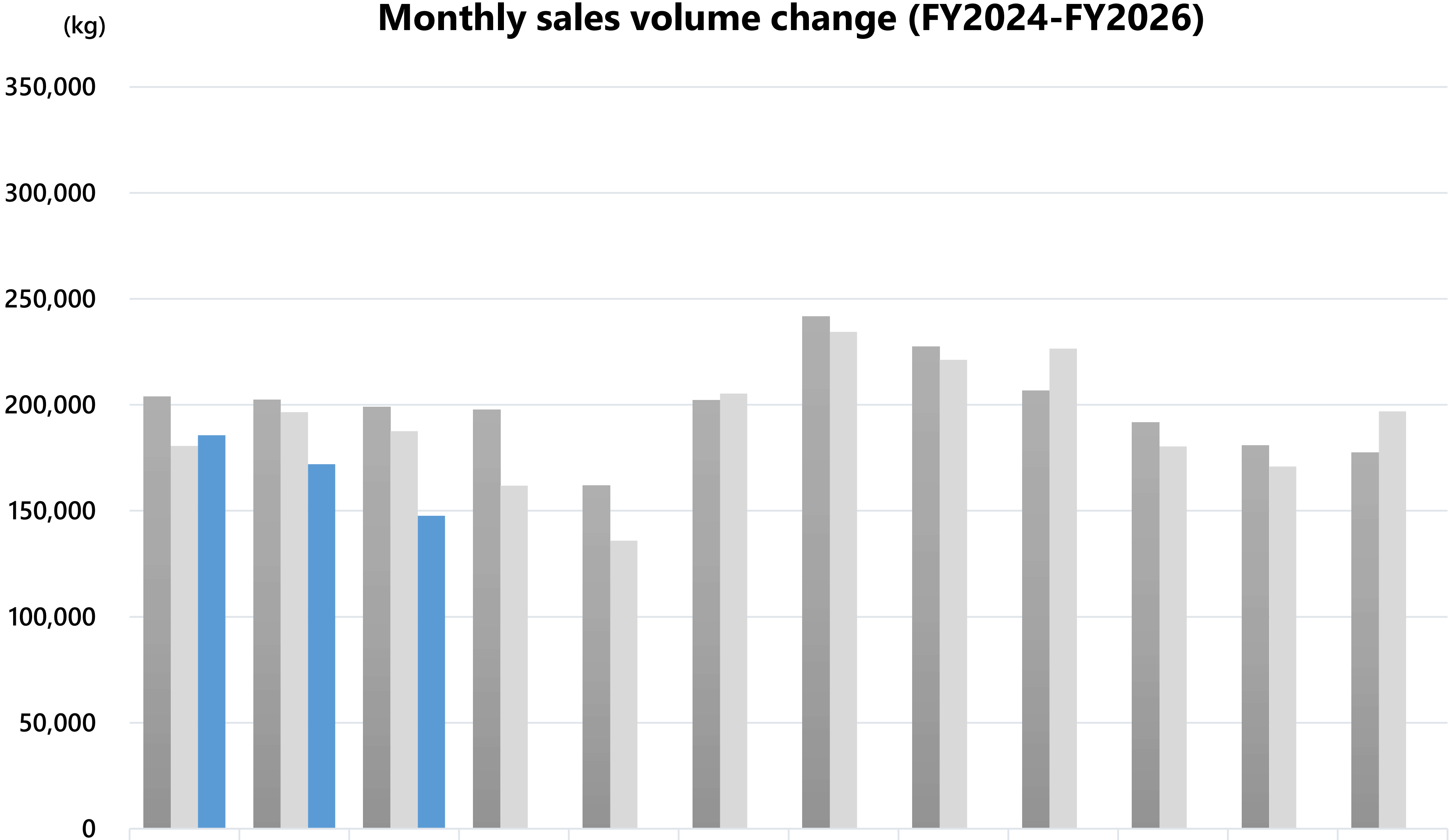
Monthly sales volume change (FY2024-FY2026)



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Annual sales volume
FY2024	203,923	202,413	199,016	197,773	162,052	202,174	241,773	227,529	206,744	191,712	180,895	177,471	2,393,475
FY2025	180,594	196,547	187,529	161,936	135,890	205,352	234,353	221,230	226,463	180,362	170,889	196,917	2,298,062
FY2026	185,667	171,962	147,672										505,301

Reference: Tokyo Metropolitan Central Wholesale Market, Market Transaction Data

First Quarter of the Fiscal Year Ending March 31, 2027: Mushroom Business in Japan (Comparison of Average Selling Price)

	Year-on-year Comparison with Our Results	Comparison with Our Plan
Bunashimeji (including white beech mushrooms)	102.8%	101.8%
Eryngii	108.5%	102.8%
Maitake	107.5%	105.0%
Shimofuri hiratake	105.7%	103.9%

Marketing activities have paid off, resulting in strong unit prices for mushrooms

First Quarter of the Fiscal Year Ending March 31, 2027: Mushroom Business in Japan (Comparison of Sales Volume)

HOKTO

	Year-on-year Comparison with Our Results	Comparison with Our Plan
Bunashimeji (including white beech mushrooms)	99.4%	100.2%
Eryngii	93.9%	97.6%
Maitake	94.9%	100.3%
Shimofuri hiratake	110.7%	101.2%

Production volume is roughly in line with plan

Outline of the Hokuto Group

HOKUTO Corporation

Location: Nagano City, Nagano Prefecture
Representative: Masayoshi Mizuno, President and CEO
Securities code: 1379
Listed market: Tokyo Stock Exchange Prime Market
Number of outstanding shares: 33,359,040

Market capitalization: 60,980 million yen (As of end of June 2026)
Shareholders' equity: 59,994 million yen
Number of employees: 4,086
Main business: Mushroom production and distribution

(As of end of March 2026)

Hokuto Industry Corporation

Production and distribution of chemical products

Hokto Kinoko Company

HOKTO KINOKO COMPANY

Mushroom production and distribution in North America

Arden Incorporated

Retort pouch food production

好菇道

TAIWAN HOKUTO CORPORATION

Mushroom production and distribution in Taiwan

Sun Medica Co., Ltd.

Mushroom Wisdom,Inc,

PT HOKTO INDONESIA MATERIALS

Makes Health Tastier

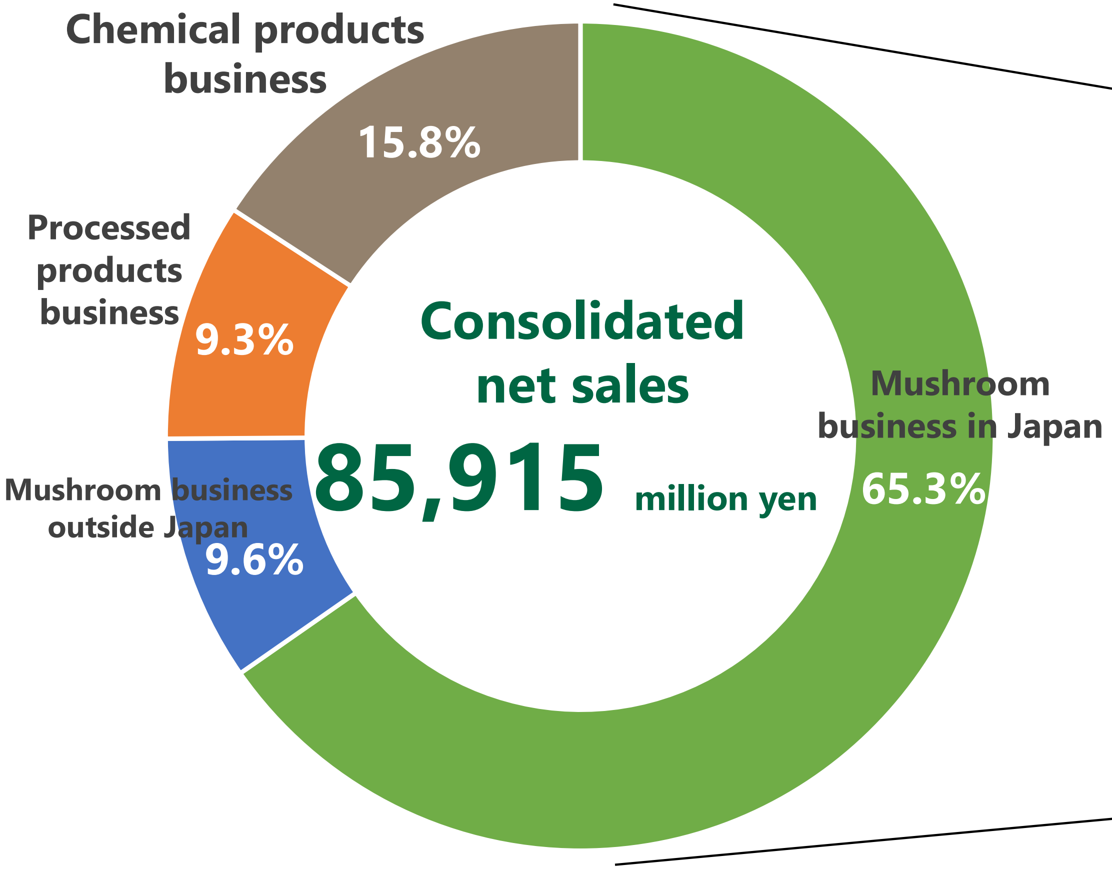
HOKTO MALAYSIA SDN.BHD.

Mushroom production and distribution in Southeast Asia

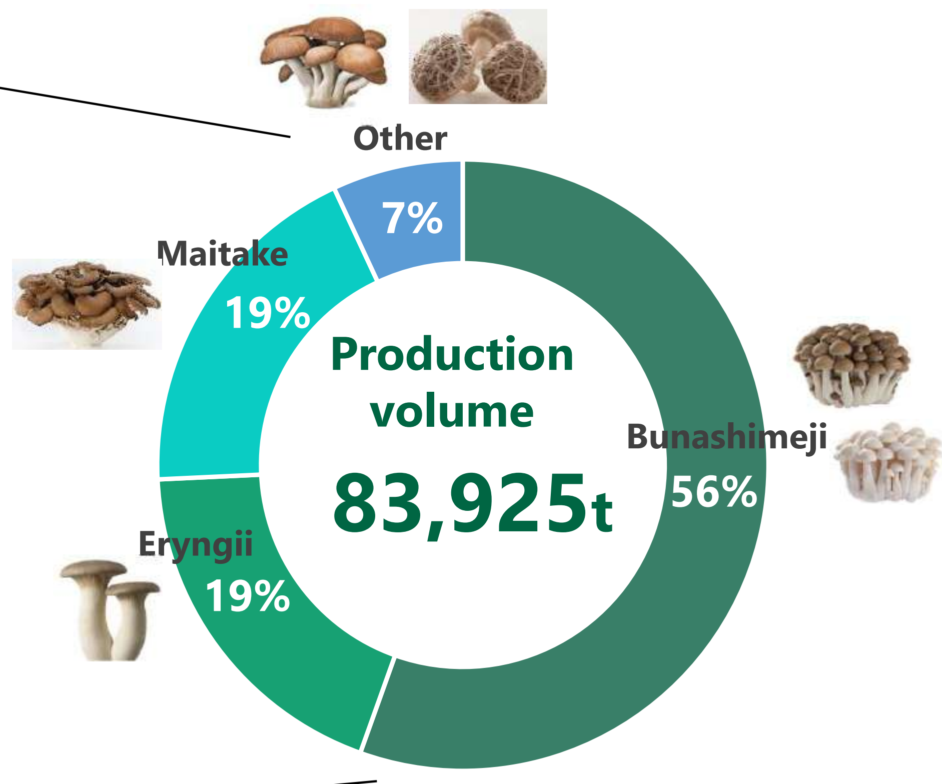
Sales Composition of the Hokuto Group (Fiscal Year Ended March 31, 2026)

HOKTO

By segment



Mushroom production volume



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