

HOKUTO Corporation

Consolidated Financial Results for the third quarter Ended December 31, 2021

February, 2022



1. The financial report for the third quarter Ended December 31, 2021

2. Recent Activities

3. Reference material

◆ **Consolidated**

(Millions of yen)

	3Q ended Dec. 31, 2021	3Q ended Dec. 31, 2020	YoY
Net sales	52,539	55,439	—
Operating profit	1,440	4,411	—
Profit attributable to owners of parent	1,253	2,917	—

◆ **Individual**

(Millions of yen)

	3Q ended Dec. 31, 2021	3Q ended Dec. 31, 2020	YoY
	36,106	39,765	—
	537	3,732	—
	851	2,547	—

▶ **Abundant supply of vegetable due to fine weather caused vegetable market price remained low, and mushroom price had been weak also.**

◆ **By Segment**

(Millions of yen)

	Mushroom business in Japan		Mushroom business outside Japan		Processed products business		Chemical products business	
	3Q ended Dec. 31, 2021	3Q ended Dec. 31, 2020	3Q ended Dec. 31, 2021	3Q ended Dec. 31, 2020	3Q ended Dec. 31, 2021	3Q ended Dec. 31, 2020	3Q ended Dec. 31, 2021	3Q ended Dec. 31, 2020
Net sales	33,904	37,876	4,577	3,491	5,896	6,383	8,160	7,687
Operating profit	1,823	5,145	591	320	379	565	152	△72

※"Accounting Standards for Revenue Recognition" have been applied since the beginning of the first quarter of the current consolidated accounting, and the figures for the third quarter of the fiscal year ending March 2022 are the figures after applying the accounting standards. Therefore, the difference in increase / decrease in the same quarter of the previous year and the rate of increase / decrease in the same quarter of the previous year are not stated.

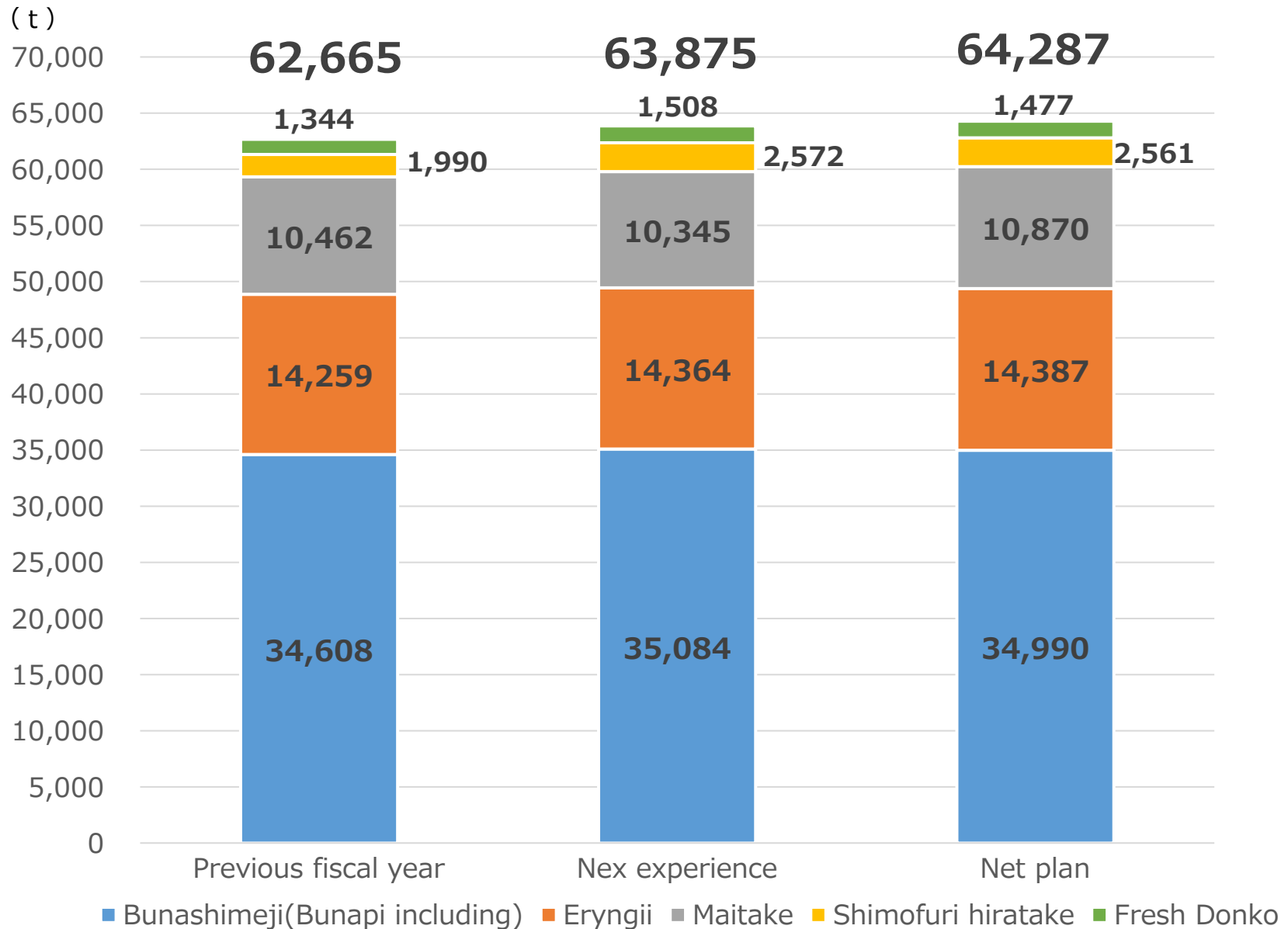


(Millions of yen)

	3Q ended Dec. 31, 2020	3Q ended Dec. 31, 2021	YoYchange	YoY
Net sales	55,439	52,539	—	—
Gross profit	16,403	12,910	—	—
Gross profit margin	29.6%	24.6%		
Selling, general and administrative expenses	11,991	11,470	—	—
Operating profit	4,411	1,440	△2,971	32.6%
Operating profit margin	8.0%	2.7%		
Ordinary profit	4,370	1,965	△2,405	45.0%
Ordinary profit margin	7.9%	3.7%		
Profit attributable to owners of parent	2,917	1,253	△1,664	42.9%
Net profit margin	5.3%	2.4%		
Earnings per share	93.16	39.77		

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▶▶ Changes in mushroom production



(Millions of yen)

		3Q ended Dec. 31, 2020	3Q ended Dec. 31, 2021	YoYchange	YoY
Mushroom business in Japan	Net sales	37,876	33,904 (△679)	—	—
	Operating profit	5,145	1,823	△3,321	35.4%
Mushroom business outside Japan	Net sales	3,491	4,577	1,086	131.1%
	Operating profit	320	591	271	185.0%
Processed products business	Net sales	6,383	5,896 (△4)	—	—
	Operating profit	565	379	△186	67.1%
Chemical products business	Net sales	7,687	8,160 (△150)	—	—
	Operating profit	△72	152	225	—

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	cf. Previous year	cf. Plan
Bunashimeji	88.9%	93.2%
Eryngii	89.9%	92.5%
Maitake	89.3%	95.3%
Shimofuri hiratake	84.4%	83.2%

Since vegetable market price remained low,
resulted in falling drastically below previous year and plan.

	cf. Previous year	cf. Plan
Bunashimeji	101.7%	100.5%
Eryngii	100.6%	100.1%
Maitake	97.2%	94.6%
Shimofuri hiratake	129.2%	100.5%

Production is almost as planned.

		3Q ended Dec. 31, 2020	3Q ended Dec. 31, 2021	YoYchange	YoY
U.S.A (US\$)	Net sales	11,930,000	17,460,000	5,520,000	146.3%
	Operating profit	△ 1,460,000	△ 270,000	1,180,000	—
	ROE	103.50	115.02		
Taiwan (NT\$)	Net sales	496,000,000	509,000,000	13,000,000	102.8%
	Operating profit	112,000,000	126,000,000	13,000,000	112.1%
	ROE	3.68	4.15		
Malaysia (RM)	Net sales	15,920,000	15,900,000	△ 20,000	99.9%
	Operating profit	220,000	△280,000	△ 510,000	—
	ROE	25.61	27.58		

(Millions of yen)

	Initial plan	3Q ended Dec. 31, 2021	Plan difference	cf. Plan
Net sales	55,554	52,539	△3,015	94.6%
Gross profit	15,331	12,910	△2,421	84.2%
Gross profit margin	27.6%	24.6%		
Selling, general and administrative expenses	12,237	11,470	△767	93.7%
Operating profit	3,094	1,440	△1,654	46.5%
Operating profit margin	5.6%	2.7%		
Ordinary profit	3,218	1,965	△1,253	61.1%
Ordinary profit margin	5.8%	3.7%		

Sales and also profit fell below plan.

(Millions of yen)

		Initial plan	3Q ended Dec. 31, 2021	Plan difference	cf. Plan
Mushroom business in Japan	Net sales	37,317	33,904	△3,412	90.9%
	Operating profit	3,774	1,823	△1,950	48.3%
Mushroom business outside Japan	Net sales	3,947	4,577	630	116.0%
	Operating profit	423	591	168	139.8%
Processed products business	Net sales	6,457	5,896	△561	91.3%
	Operating profit	375	379	3	100.9%
Chemical products business	Net sales	7,832	8,160	328	104.2%
	Operating profit	7	152	145	2046.9%

		Initial plan	3Q ended Dec. 31, 2021	Plan difference	cf. Plan
U.S.A (US\$)	Net sales	15,180,000	17,460,000	2,270,000	115.0%
	Operating profit	△ 310,000	△ 270,000	30,000	—
	ROE	105.00	115.02		
Taiwan (NT\$)	Net sales	513,000,000	509,000,000	△3,000,000	99.3%
	Operating profit	108,000,000	126,000,000	17,000,000	116.5%
	ROE	3.55	4.15		
Malaysia (RM)	Net sales	18,980,000	15,900,000	△3,070,000	83.8%
	Operating profit	940,000	△280,000	△1,230,000	—
	ROE	25.00	27.58		



Previously announced forecasts (Announced May 14)

(Millions of yen)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
74,800	5,100	5,240	3,300	104.72



Revised forecasts (Announced February 10)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
70,800	2,220	3,350	2,100	66.61

Previously announced forecasts (Announced May 14)

(Millions of yen)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
53,700	4,150	4,550	2,960	93.93



Revised forecasts (Announced February 10)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
49,300	1,120	2,540	1,650	52.34

1. The financial report for the third quarter Ended December 31, 2021

2. Recent Activities

3. Reference material

Mie Mushroom Center Started Operation!

Completed “Mie Mushroom Center”, a new factory that will serve as a production base for Bunashimeji and Maitake in Taki Town, Taki County, Mie Prefecture. It started operation on September 16, 2021.

〈Profile〉

Location	282-19 Nishiyama, Taki Town, Taki County, Mie Prefecture
Production item	Bunashimeji, Maitake
Production capacity	Approx. 3,000t/yr. for each item
Facility area	Approx. 35,000m ²
Investment	Approx. JPY 10 billion
The First Harvest	Bunashimeji / January 6, 2022 Maitake / October 23, 2021
Employees	Approx. 190



(Exterior view of Mie Mushroom Center)

“Maitake
Just Pack”
in full-scale
sales!



~Features~



- ✓Half size of the regular
- ✓Reducing food loss by providing suitable amount for each household
- ✓Strengthen product lineup and further expand market share

New Item

New Products Introducing “Shinsyu Maitake Cream Soup ~Made with Soy Milk~”

“We’d like to get close to your daily life through “Mushrooms”, and support your healthy mind and body.” Based on the idea, we have developed a retort food that is easy to take in your daily meals.

~5 Points of Maitake Cream Soup~

1. Commitment to **Shinshu Maitake**
(Use only Maitake harvested at our own factory in Nagano prefecture)
2. **Roasting process** to maximize the flavor of Maitake
3. Pursuing **deliciousness** and **health** by soy isoflavone, which helps for maintaining health, from **domestic soymilk**
4. **96kcal** per serving
5. **No chemical seasoning**



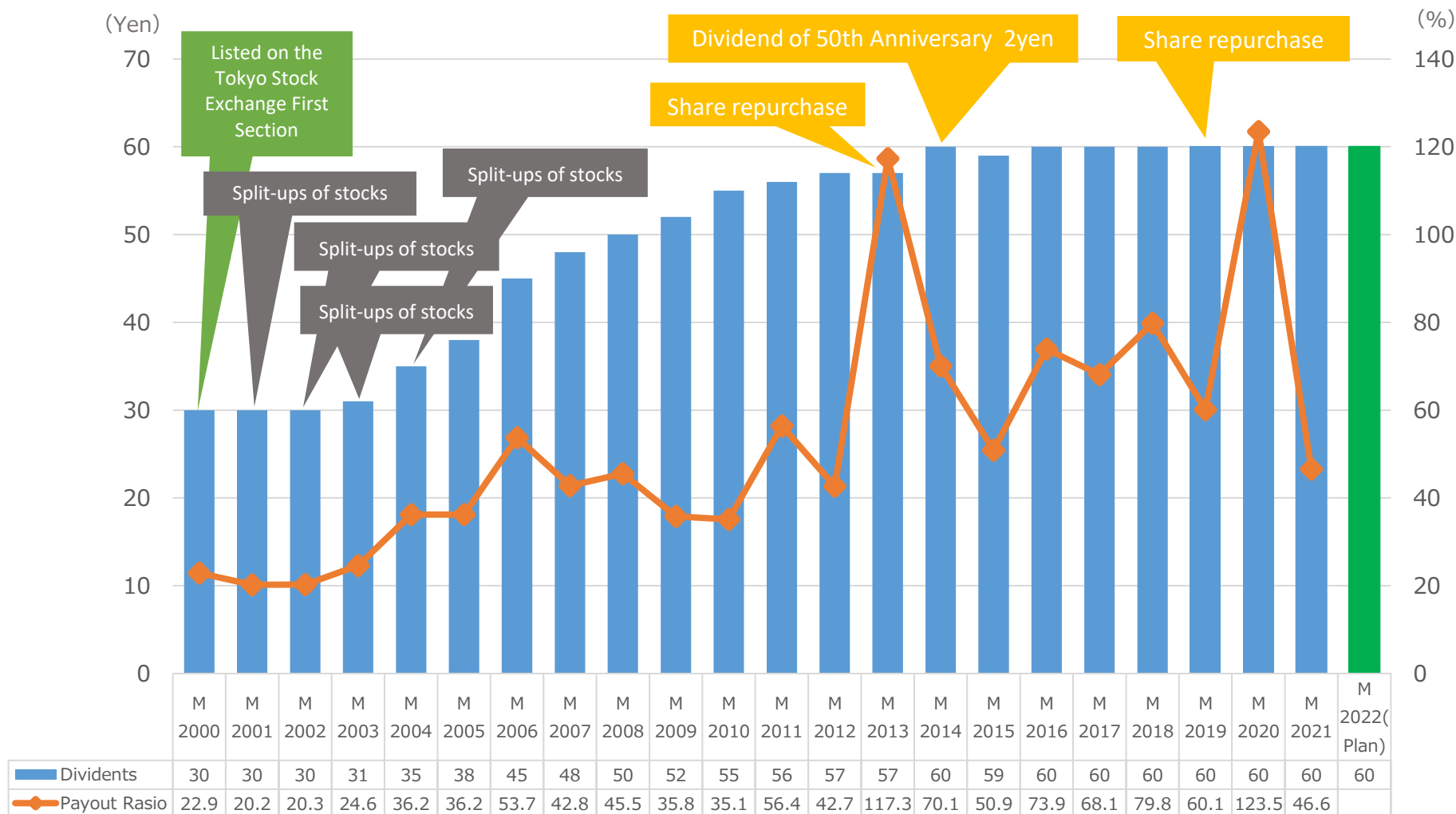
〈NEGATIVE FREE〉 Logo

We have created a new symbol mark along with this introduction. It contains the idea that “We’d like you to actively enjoy “eating” through mushrooms”. This product are on sale mainly at the Hokuto online shop and is scheduled to be on sale at various other channels.

**1. The financial report for the third quarter
Ended December 31, 2021**

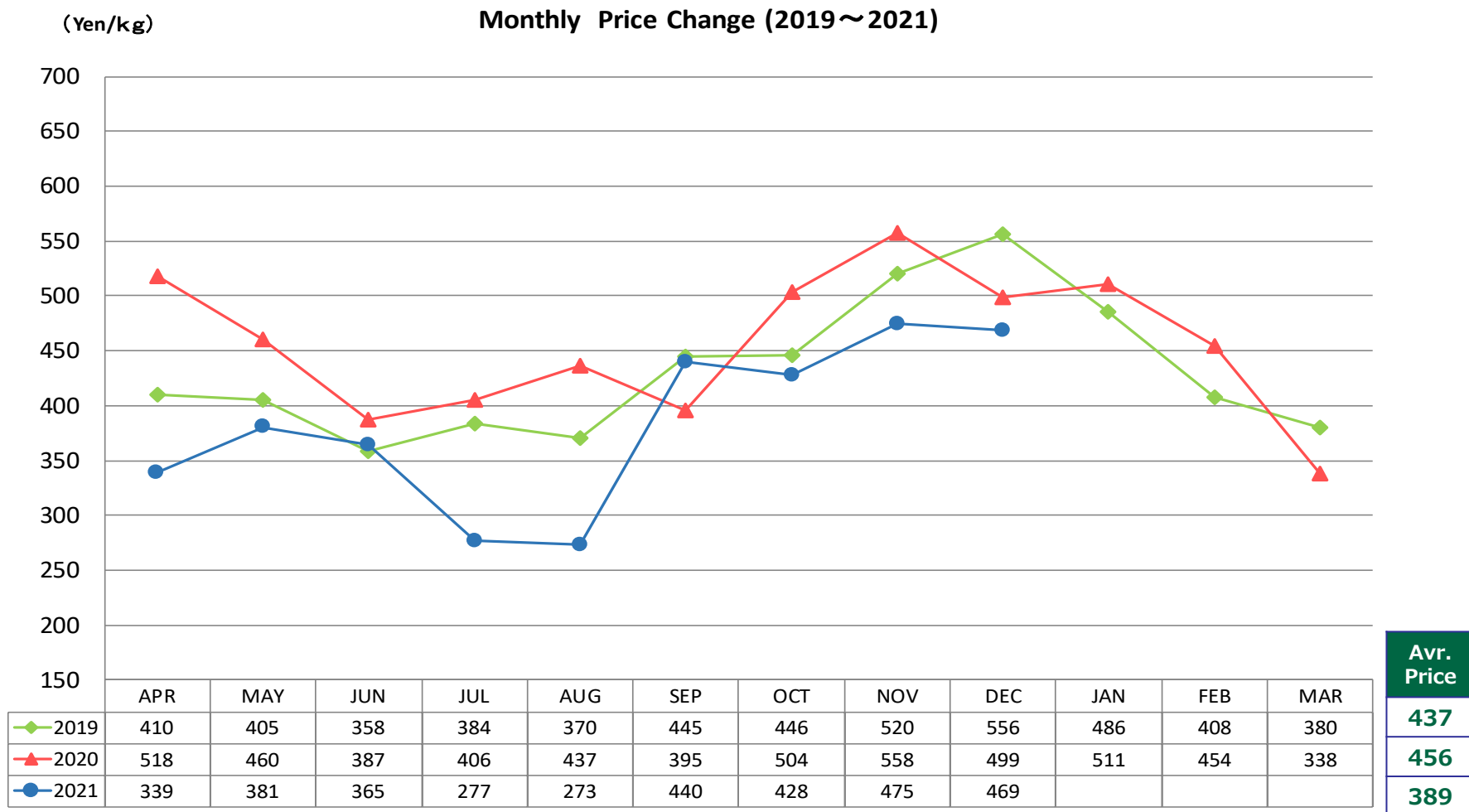
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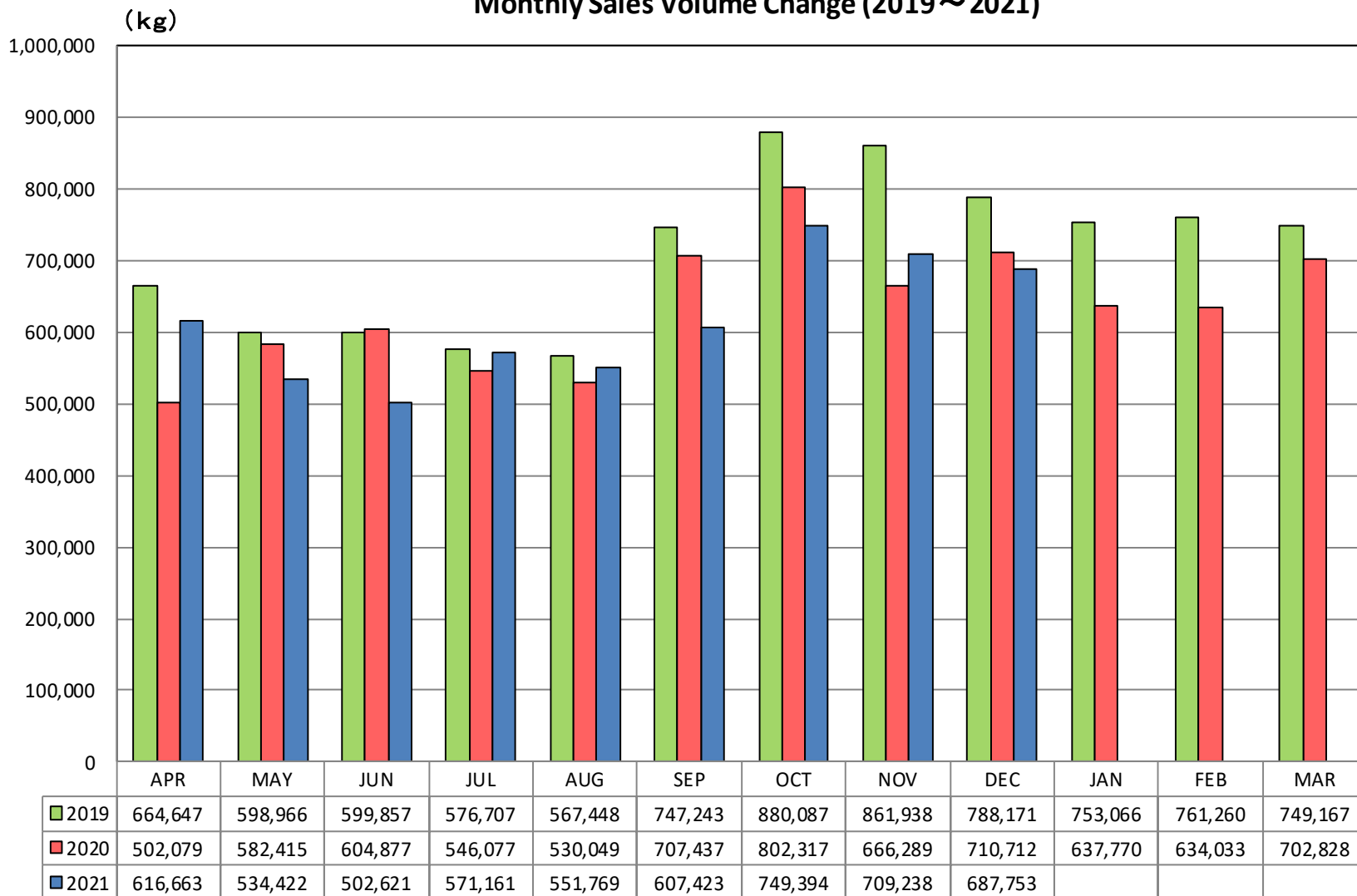


Maintain stable dividends In regards to the future
(Plan to defer for the current fiscal year)

▶▶ (Ref) Change of Bunashimeji Market Price



Monthly Sales Volume Change (2019 ~ 2021)



Yearly
Sales
Volume

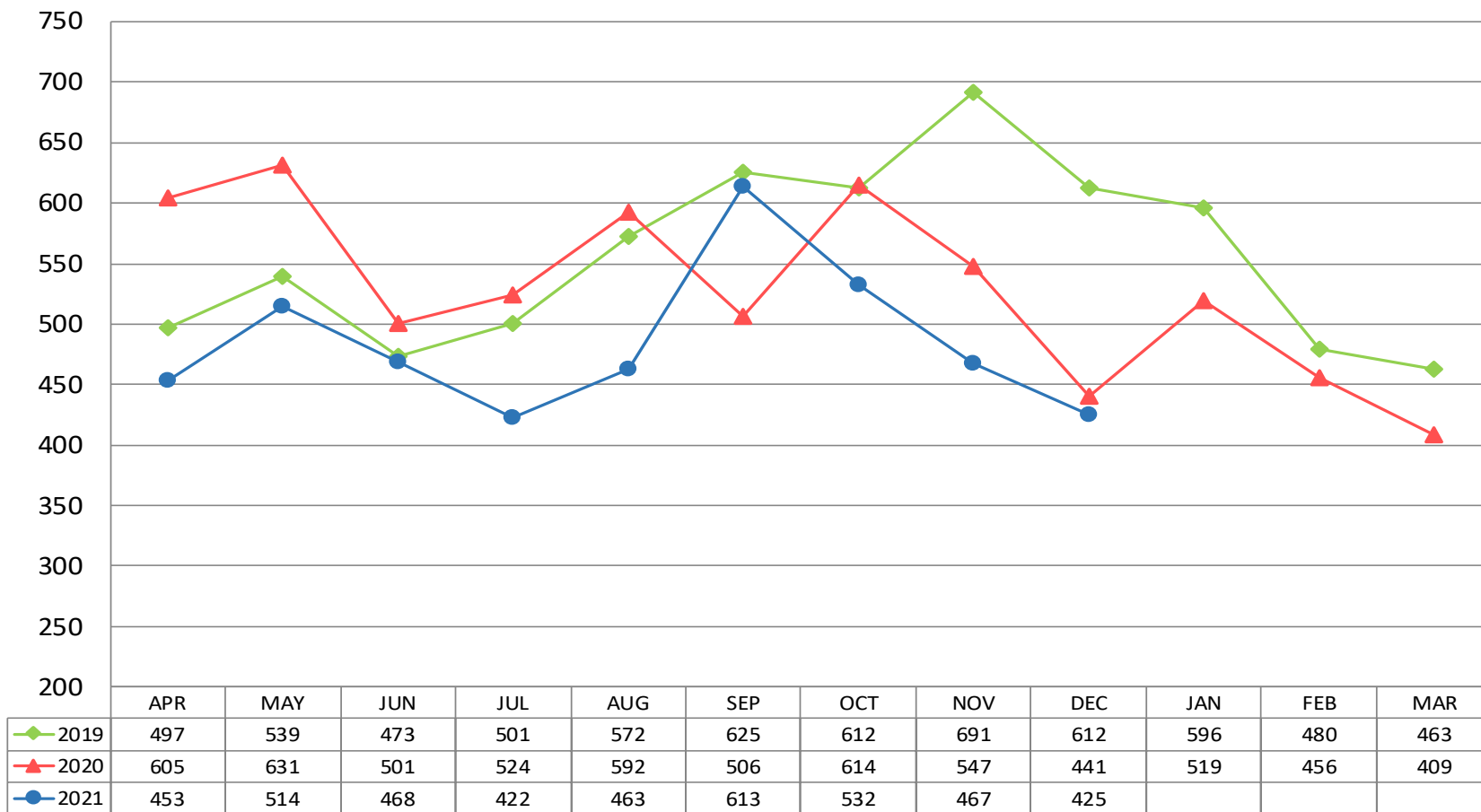
8,548,557

7,626,883

5,530,444

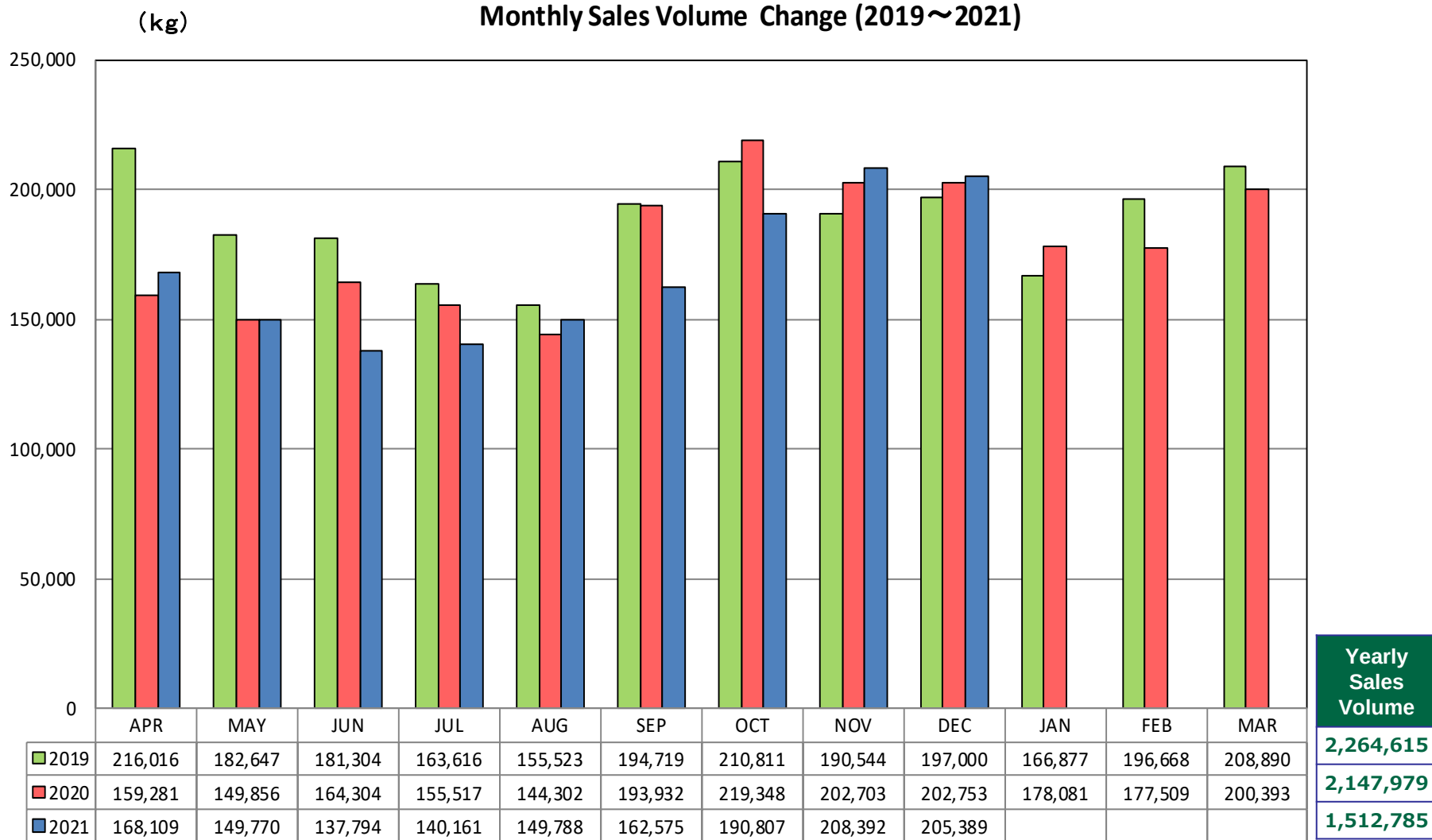
Monthly Price Change (2019 ~ 2021)

(Yen/kg)



Avr. Price
555
525
484

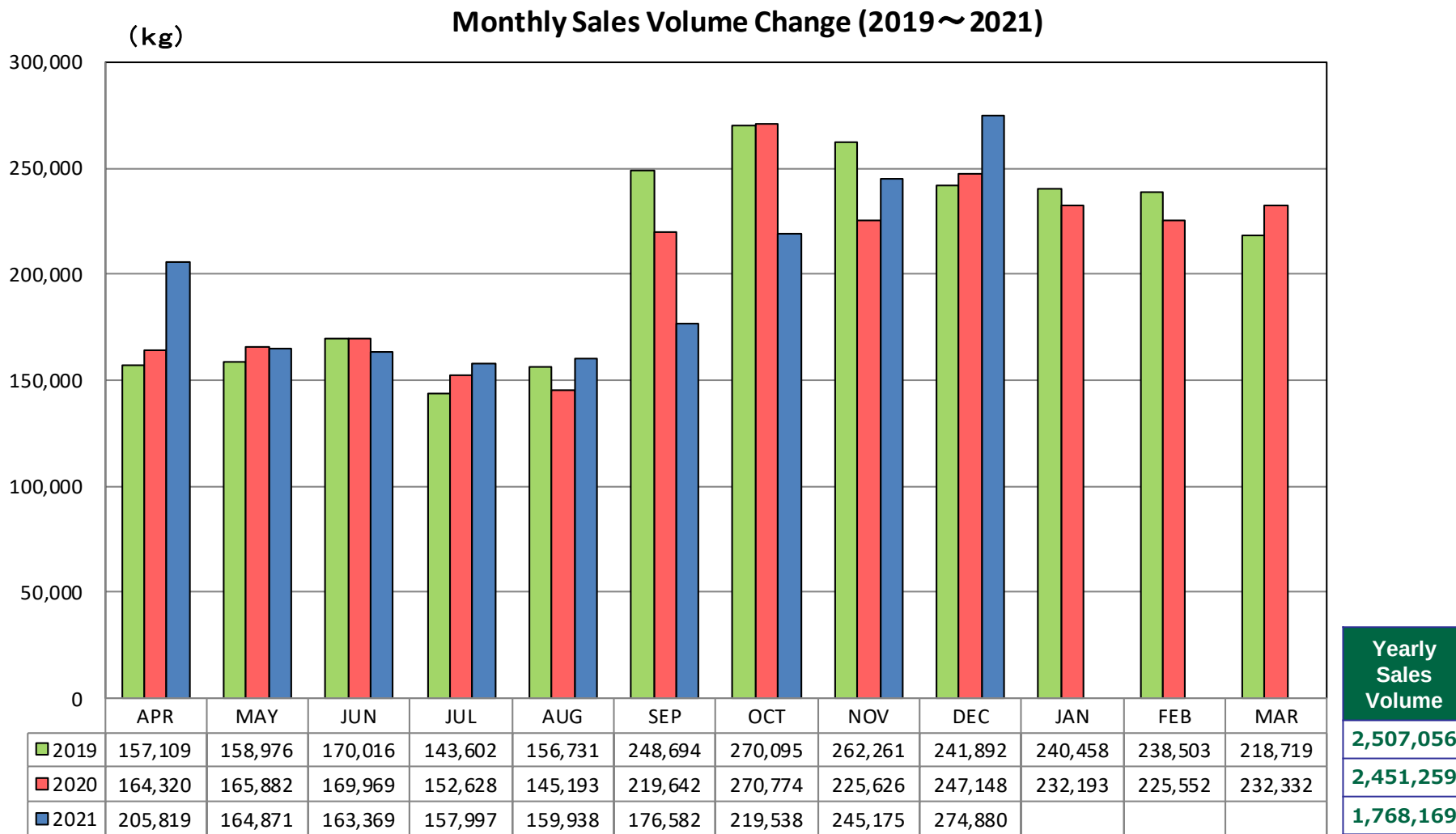
Monthly Sales Volume Change (2019~2021)



Monthly Price Change (2019~2021)



Avr. Price
898
823
736





HOKUTO HOKUTO Corporation

Location : Nagano, Nagano Pref.

President : Masayoshi Mizuno

Securities code : 1379

Listed market : Tokyo Stock Exchange First Section

Number of outstanding shares : 33,359,040 stock

Market capitalization : 63,649 mil. yen

(As of the end of December 2021)

Shareholders' equity : 50,881 mil.yen

Number of employees : 4,178

Main business : Mushroom

Production/Distribution/ R&D

(As of the end of September 2021)



Hokuto Industry Corporation

•Industrial Supply
Production/Distribution



HOKTO KINOKO COMPANY

•Mushroom Production/Distribution in
North America



Arden Incorporated

•Retort pouch food production



TAIWAN HOKUTO CORPORATION

•Mushroom Production/Distribution in
Taiwan



HOKTO MALAYSIA SDN.BHD.

•Mushroom Production/Distribution
in Malaysia

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HOKUTO Corporation

