

HOKUTO Corporation

Consolidated Financial Results for the second quarter Ended September 30, 2022

November, 2022



1. The financial report for the second quarter Ended September 30, 2022

2. Recent Activities

3. Reference material

◆ **Consolidated**

(Millions of yen)

	2Q ended Sep. 30, 2022	YoY	cf.Plan
Net sales	31,617	100.4%	91.4%
Operating profit	△4,397	—	—
Profit attributable to owners of parent	△2,208	—	—

◆ **Individual**

(Millions of yen)

	2Q ended Sep. 30, 2022	YoY	cf.Plan
	20,168	95.8%	84.0%
	△4,421	—	—
	△1,711	—	—

Mushroom prices were weak due to the effects of low vegetable prices, resulting in decreased income and profits for the mushroom business in Japan.

The mushroom business outside Japan was also sluggish, but sales exceeded the previous year due to the effects of exchange rates.

◆ **By Segment**

(Millions of yen)

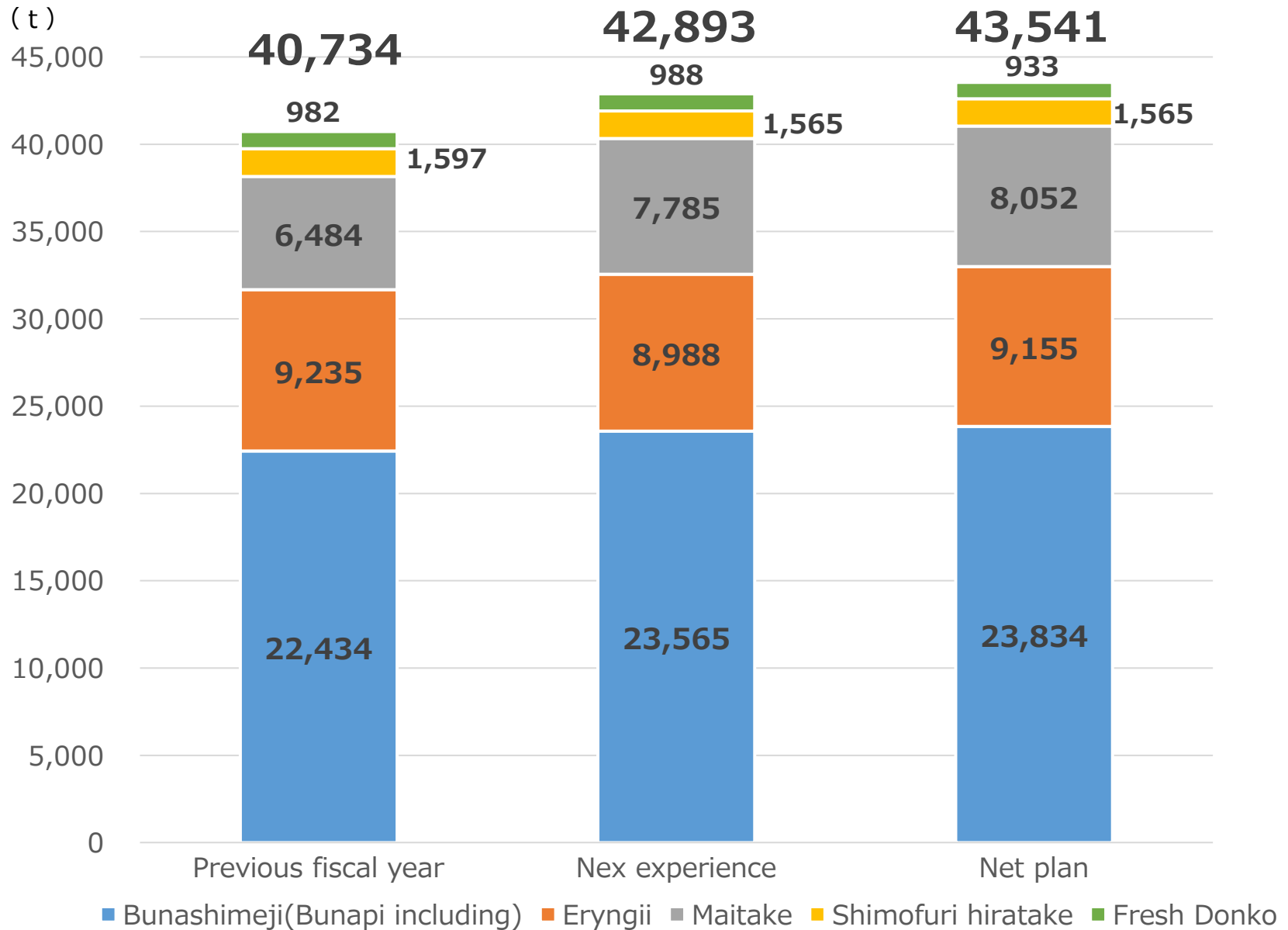
	Mushroom business in Japan		Mushroom business outside Japan		Processed products business		Chemical products business	
	2Q ended Sep. 30, 2022	YoY	2Q ended Sep. 30, 2022	YoY	2Q ended Sep. 30, 2022	YoY	2Q ended Sep. 30, 2022	YoY
Net sales	18,896	95.5%	3,148	109.5%	3,949	110.4%	5,623	106.9%
Operating profit	△3,412	—	△150	—	106	70.1%	89	148.8%



(Millions of yen)

	2Q ended Sep. 30, 2021	2Q ended Sep. 30, 2022	YoYchange	YoY
Net sales	31,497	31,617	120	100.4%
Gross profit	6,190	3,141	△3,048	50.7%
Gross profit margin	19.7%	9.9%		
Selling, general and administrative expenses	7,103	7,538	435	106.1%
Operating profit	△913	△4,397	△3,484	—
Operating profit margin	△2.9%	△13.9%		
Ordinary profit	△725	△2,769	△2,043	—
Ordinary profit margin	△2.3%	△8.8%		
Profit attributable to owners of parent	△612	△2,208	△1,595	—
Net profit margin	△1.9%	△7.0%		
Earnings per share	△19.45	△69.89		

▶▶ Changes in mushroom production



(Millions of yen)

		2Q ended Sep. 30, 2021	2Q ended Sep. 30, 2022	YoYchange	YoY
Mushroom business in Japan	Net sales	19,782	18,896	△886	95.5%
	Operating profit	△535	△3,412	△2,877	—
Mushroom business outside Japan	Net sales	2,875	3,148	272	109.5%
	Operating profit	322	△150	△473	—
Processed products business	Net sales	3,576	3,949	373	110.4%
	Operating profit	152	106	△45	70.1%
Chemical products business	Net sales	5,262	5,623	360	106.9%
	Operating profit	60	89	29	148.8%

	cf. Previous year	cf. Plan
Bunashimeji	93.1%	89.0%
Eryngii	96.6%	94.0%
Maitake	77.3%	74.6%
Shimofuri hiratake	91.1%	79.9%

Mushroom prices remained sluggish due to
low vegetable market prices

	cf. Previous year	cf. Plan
Bunashimeji	105.7%	99.0%
Eryngii	98.8%	98.8%
Maitake	120.9%	97.0%
Shimofuri hiratake	98.0%	100.1%

The production volume of Bunashimeji and Maitake rose significantly over the previous year because the Mie Mushroom Center operated at full capacity.

		2Q ended Sep. 30, 2021	2Q ended Sep. 30, 2022	YoYchange	YoY
U.S.A (US\$)	Net sales	11,465,725	10,167,955	△ 1,297,770	88.7%
	Operating profit	19,815	△ 2,378,278	△ 2,398,093	—
	ROE	111.92	144.81		
Taiwan (NT\$)	Net sales	321,753,655	302,855,230	△ 18,898,425	94.1%
	Operating profit	67,241,656	46,424,382	△ 20,817,274	69.0%
	ROE	4.02	4.56		
Malaysia (RM)	Net sales	10,746,437	8,639,611	△ 2,106,826	80.4%
	Operating profit	437,063	△ 1,535,113	△ 1,972,176	—
	ROE	26.72	31.22		

(Millions of yen)

	Initial plan	2Q ended Sep. 30, 2022	Plan difference	cf. Plan
Net sales	34,600	31,617	△2,982	91.4%
Gross profit	5,600	3,141	△2,458	56.1%
Gross profit margin	16.2%	9.9%		
Selling, general and administrative expenses	8,230	7,538	△691	91.6%
Operating profit	△2,630	△4,397	△1,767	—
Operating profit margin	△7.6%	△13.9%		
Ordinary profit	△2,550	△2,769	△219	—
Ordinary profit margin	△7.4%	△8.8%		
Profit attributable to owners of parent	△2,160	△2,208	△48	—
Net profit margin	△6.2%	△7.0%		
Earnings per share	△68.35	△69.89		

(Millions of yen)

		Initial plan	2Q ended Sep. 30, 2022	Plan difference	cf. Plan
Mushroom business in Japan	Net sales	22,766	18,896	△3,869	83.0%
	Operating profit	△1,532	△3,412	△1,880	—
Mushroom business outside Japan	Net sales	2,695	3,148	453	116.8%
	Operating profit	△83	△150	△66	—
Processed products business	Net sales	3,736	3,949	212	105.7%
	Operating profit	6	106	100	1643.5%
Chemical products business	Net sales	5,427	5,623	196	103.6%
	Operating profit	42	89	47	212.5%

		Initial plan	2Q ended Sep. 30, 2022	Plan difference	cf. Plan
U.S.A (US\$)	Net sales	9,340,000	10,167,955	826,955	108.9%
	Operating profit	△ 2,080,000	△ 2,378,278	△ 289,278	—
	ROE	116.00	144.81		
Taiwan (NT\$)	Net sales	318,000,000	302,855,230	△15,854,770	95.0%
	Operating profit	39,000,000	46,424,382	6,994,382	117.7%
	ROE	4.00	4.56		
Malaysia (RM)	Net sales	11,420,000	8,639,611	△2,780,389	75.7%
	Operating profit	△70,000	△1,535,113	△1,458,113	—
	ROE	27.00	31.22		



Previously announced forecasts (Announced May 13)

(Millions of yen)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
78,700	3,000	3,120	1,780	56.28



Revised forecasts (Announced November 11)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
75,200	△960	990	320	10.12



Previously announced forecasts (Announced May 13)

(Millions of yen)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
56,400	2,480	2,890	1,820	57.54



Revised forecasts (Announced November 11)

Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share (yen)
52,000	△1,470	920	580	18.35

1. The financial report for the second quarter Ended September 30, 2022

2. Recent Activities

3. Reference material

New
products

—Mushrooms on your table for healthy daily living—
Introducing “Itamenoko” seasonings for vegetable stir-fry to
enjoy with mushrooms!



These powdered stir-fry seasonings offer unique flavors, different from ordinary stir-fry, that you can enjoy at home. Just add to stir-fried mushrooms and vegetables, and toss well.

Sales of three varieties—Japanese, Western, and Korean—began on October 1 (Saturday).



Itamenoko: Spicy Katsuo

Mushrooms and katsuo (bonito flakes) combine for an irresistible flavor that is spicy, yet rich in umami (savory taste). Recommended if you want to enjoy a spicy Japanese flavor.



Itamenoko: Garlic

Impactful garlic flavor that will tempt your taste buds. Recommended if you want to boost your stamina or enjoy eating hearty.



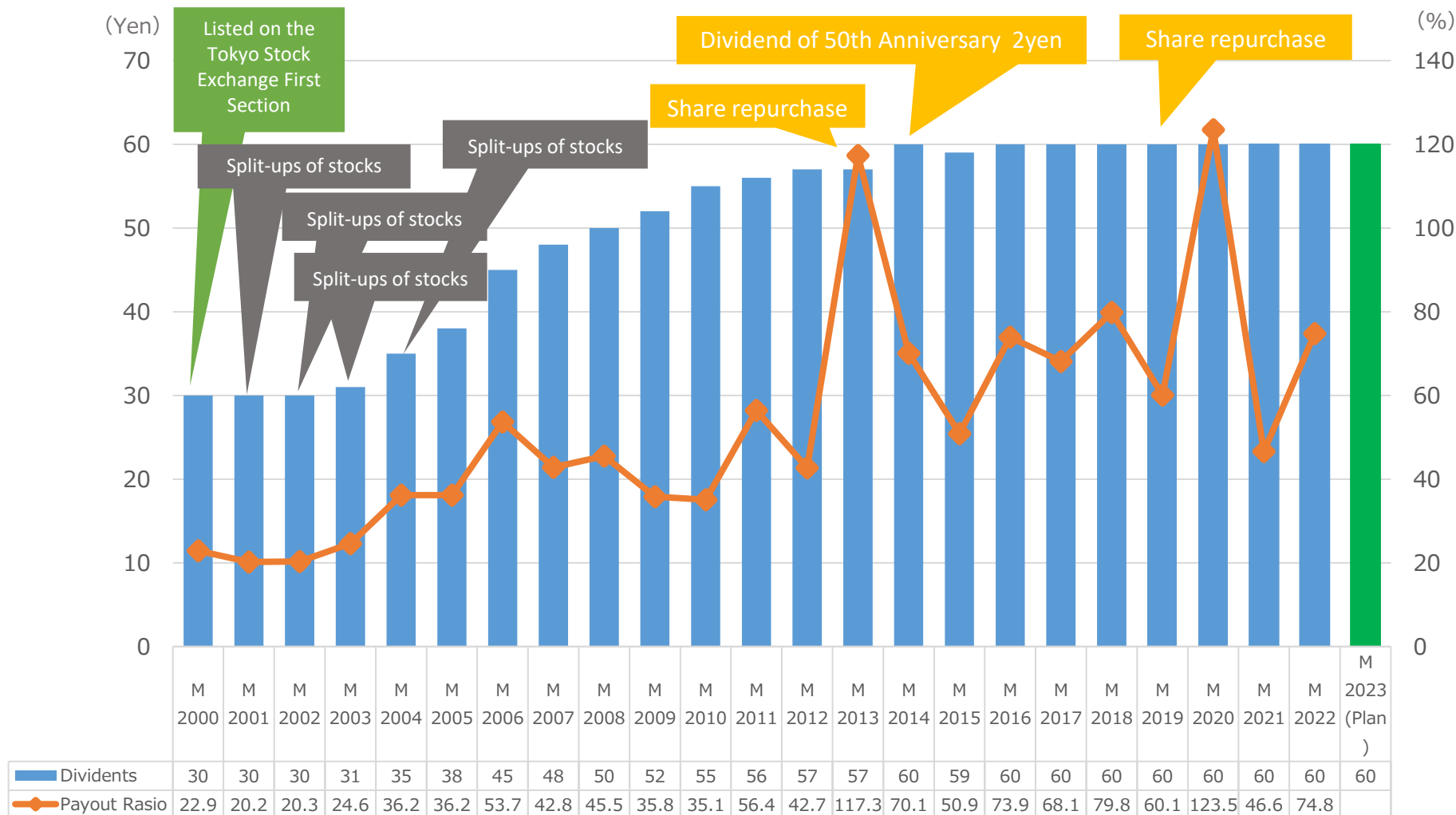
Itamenoko: Yangnyeom

A slightly sweet Korean taste. Recommended if you want to enjoy a taste a little different from your ordinary fare, or if you want to enjoy easy Korean-style cuisine at home.

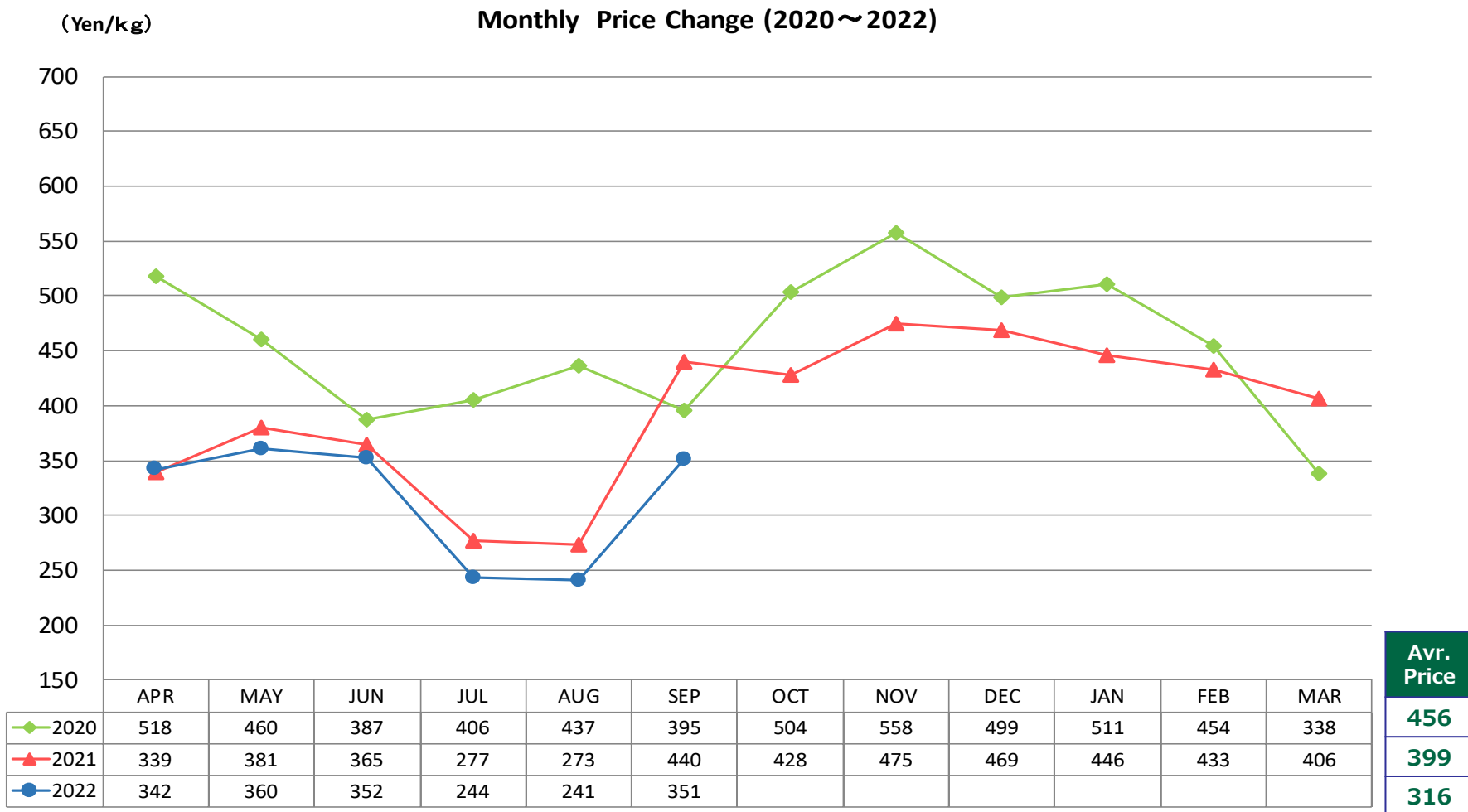
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Ended September 30, 2022**

2. Recent Activities

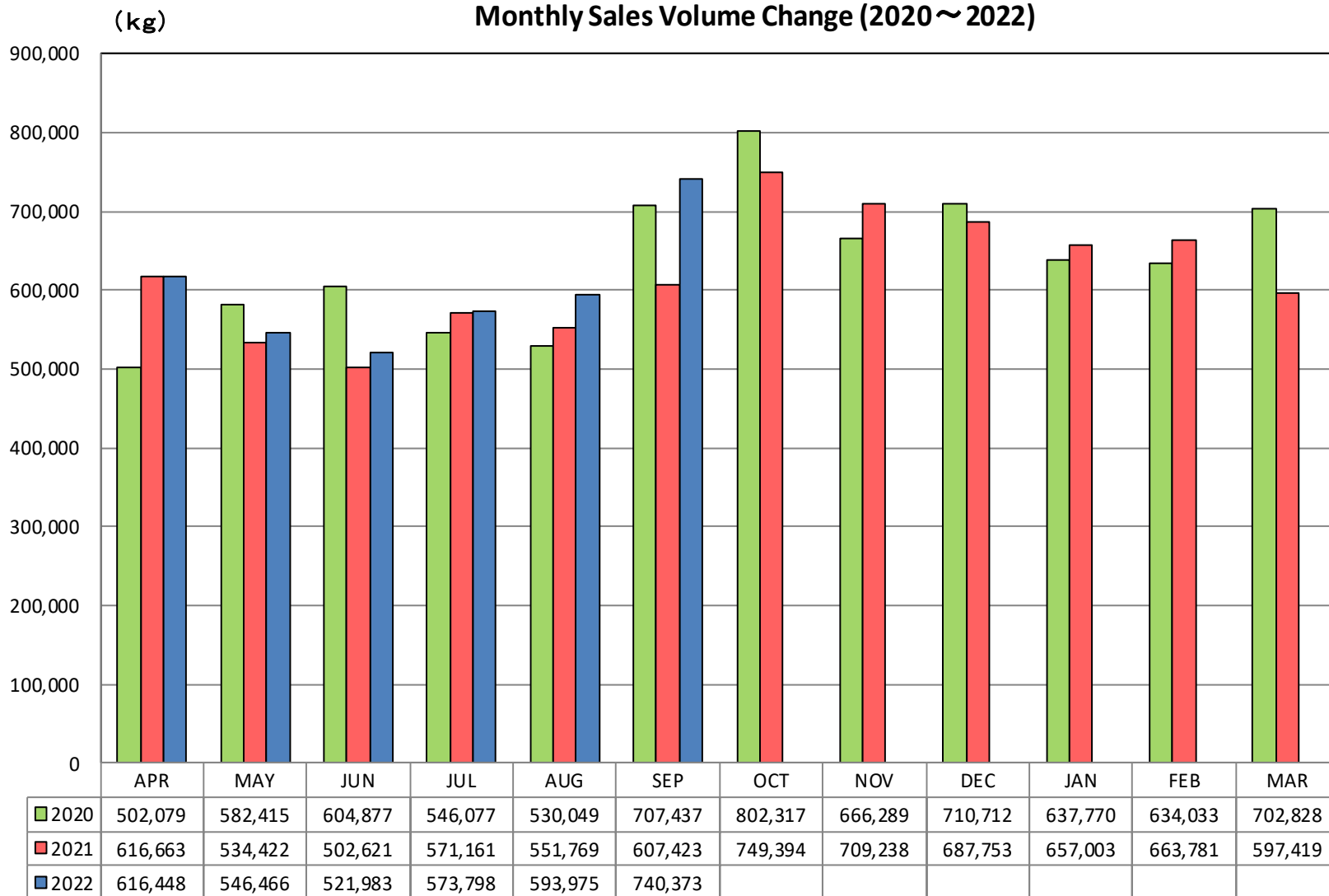
3. Reference material



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



Monthly Sales Volume Change (2020~2022)



Yearly
Sales
Volume

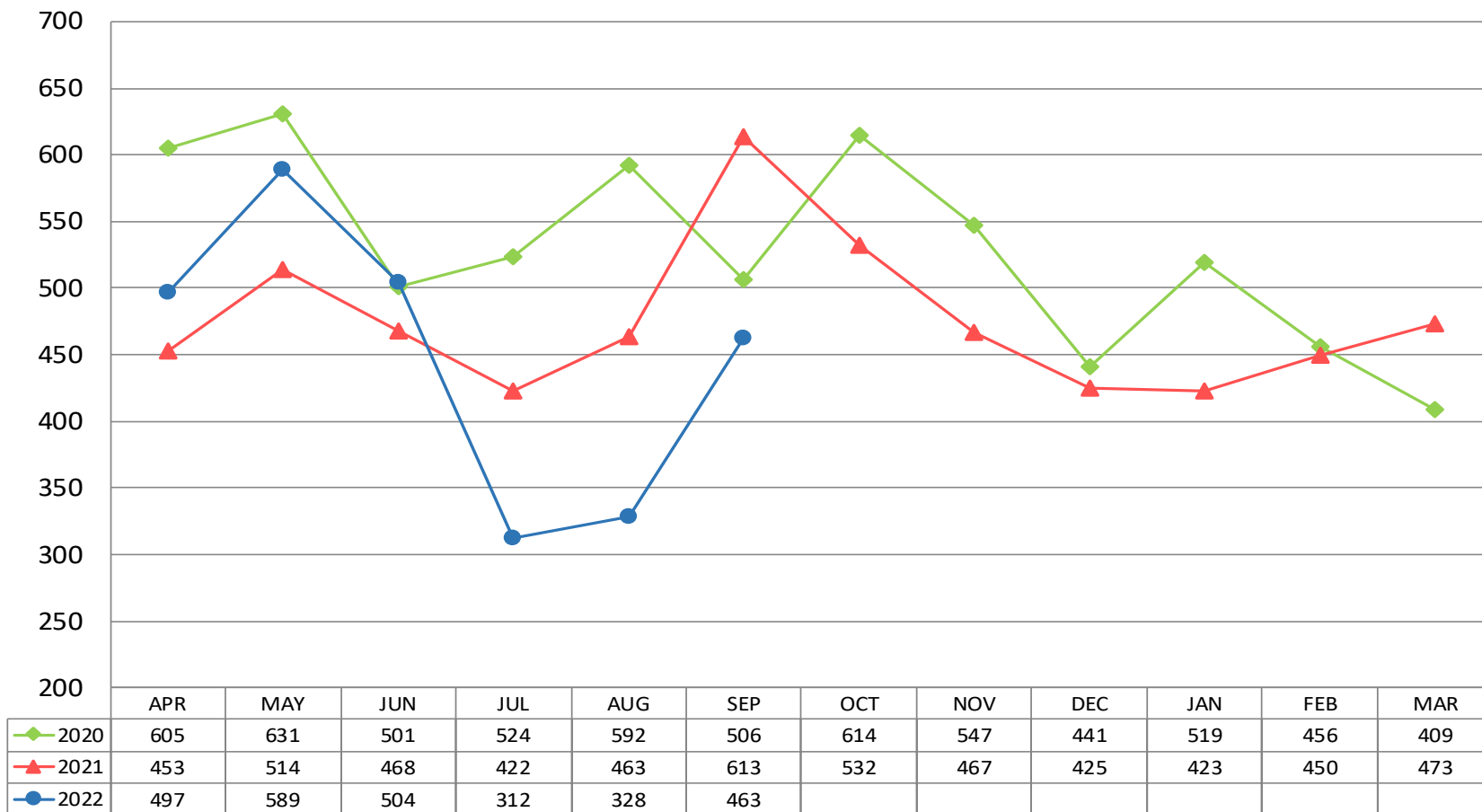
7,626,883

7,448,647

3,593,043

Monthly Price Change (2020~2022)

(Yen/kg)



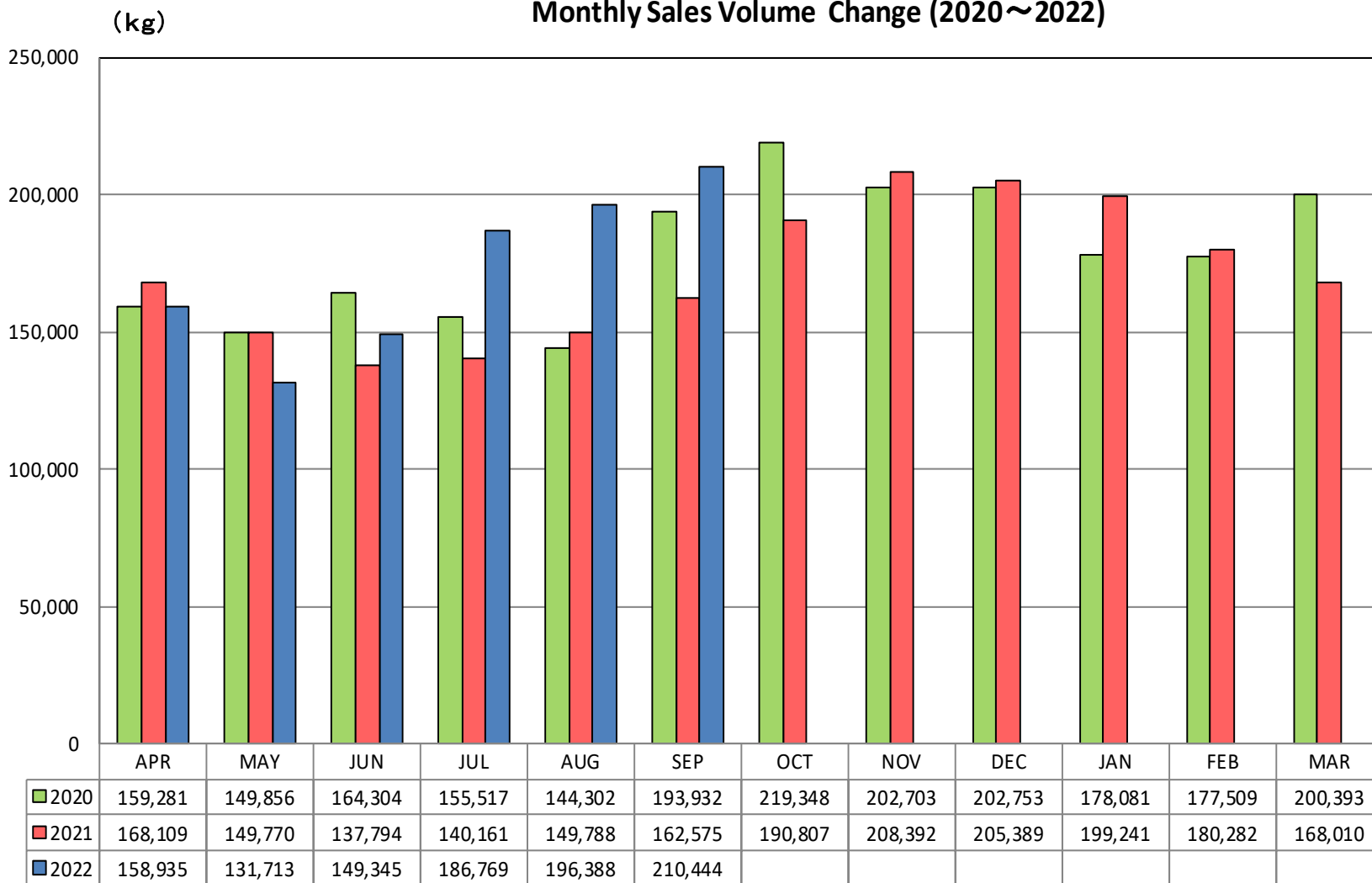
**Avr.
Price**

525

474

437

Monthly Sales Volume Change (2020~2022)

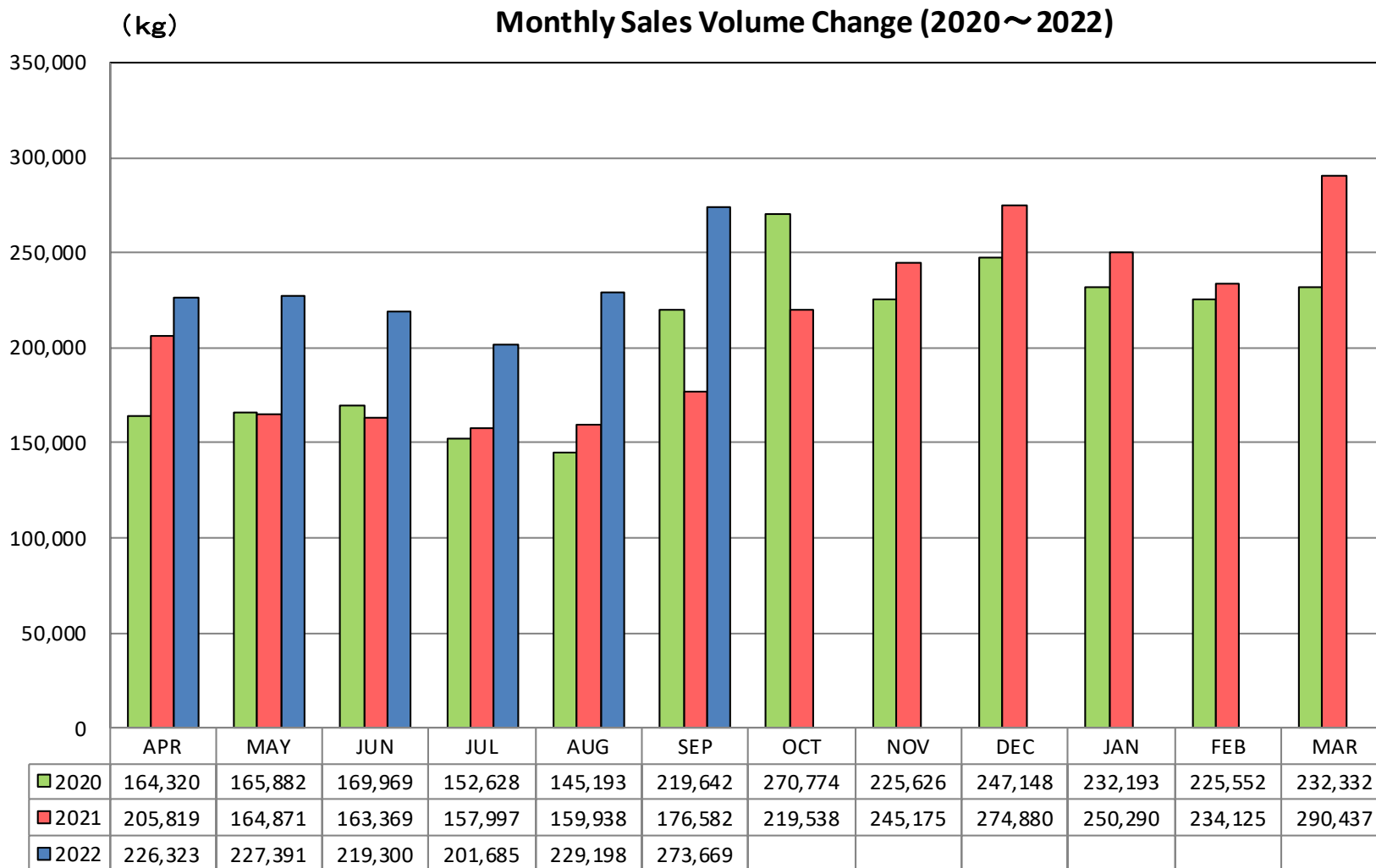


Yearly Sales Volume
2,147,979
2,060,318
1,033,594

Monthly Price Change (2020~2022)



Avr. Price
823
699
511



Yearly Sales Volume
2,451,259
2,543,021
1,377,566



HOKUTO HOKUTO Corporation

Location : Nagano, Nagano Pref.

President : Masayoshi Mizuno

Securities code : 1379

Listed market : Tokyo Stock Exchange Prime Market

Number of outstanding shares : 33,359,040 stock

Market capitalization : 63,182 mil. yen

Shareholders' equity : 50,063 mil.yen

Number of employees : 4,207

Main business : Mushroom

Production/Distribution/ R&D

(As of the end of September 2022)



Hokuto Industry Corporation

•Industrial Supply
Production/Distribution



HOKTO KINOKO COMPANY

•Mushroom Production/Distribution in
North America



TAIWAN HOKUTO CORPORATION

•Mushroom Production/Distribution in
Taiwan



Arden Incorporated

•Retort pouch food production

Sun Medica Co., Ltd.

Mushroom Wisdom, Inc,



HOKTO MALAYSIA SDN.BHD.

•Mushroom Production/Distribution
in Malaysia

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HOKUTO Corporation

