



February 10, 2023

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Notice Concerning Revisions to Full-Year Financial Results Forecasts

HOKUTO CORPORATION (the “Company”) hereby announces that it has revised consolidated and non-consolidated financial results forecasts for the fiscal year ending March 31, 2023, which were announced on November 11, 2022, at the Board of Directors’ meeting held on February 10, 2023, in light of recent trends in operating results, etc.

1. Revisions to full-year consolidated financial results forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 through March 31, 2023)

	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
Previously announced forecasts (A)	75,200	(960)	990	320	10.12
Revised forecasts (B)	73,600	(2,630)	(1,670)	(1,590)	(50.29)
Change (B-A)	(1,600)	(1,670)	(2,660)	(1,910)	—
Change (%)	(2.1)	—	—	—	—
(Reference) Actual consolidated results for the previous fiscal year (Fiscal year ended March 31, 2022)	70,932	2,014	3,658	2,530	80.26

2. Revisions to full-year non-consolidated financial results forecasts for the fiscal year ending March 31, 2023 (April 1, 2022 through March 31, 2023)

	Net sales	Operating profit	Ordinary profit	Profit	Earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previously announced forecasts (A)	52,000	(1,470)	920	580	18.35
Revised forecasts (B)	50,400	(2,970)	(2,390)	(1,960)	(61.99)
Change (B-A)	(1,600)	(1,500)	(3,310)	(2,540)	—
Change (%)	(3.1)	—	—	—	—
(Reference) Actual results for the previous fiscal year (Fiscal year ended March 31, 2022)	49,090	1,117	2,425	1,595	50.62

3. Reason for revision

Although it is difficult to forecast mushroom demand and prices, the Company announces full-year consolidated financial results forecasts for the fiscal year ending March 31, 2023 calculated based on information, projections and so forth available at this point in time.

The forecasts have been revised based on the financial results for the nine months ended December 31, 2022. Against the backdrop of a deteriorating economic market caused by a multitude of factors including the prolonged war in Ukraine and yen depreciation, along with soaring raw material prices, escalating power costs, among other factors, in Japan's domestic market, good harvests of fruit and vegetable crops resulting from clear weather and warm temperatures have kept prices in the vegetable produce market at a low level. In the Maitake mushroom market, supply increased by roughly the low 30% level compared with the previous year, and the market prices for mushrooms as a whole were weak, resulting in difficult conditions in terms of net sales for the nine months ended December 31, 2022. Although the Company has been able to keep cost of sales and selling, general and administrative expenses approximately at planned levels, the amount of drop in net sales suppressed operating profit.

The Company expects these conditions to continue going forward and has downwardly revised net sales and operating profit forecasts from those previously announced. In addition, the Company had expected ordinary profit and profit attributable to owners of parent to receive contribution from increased non-operating income arising from foreign exchange gains due to the weak yen, but they have also been downwardly revised due to a sharp strengthening of the yen since autumn, which means non-operating income is now expected to decline. In light of these circumstances, the Company has revised consolidated and non-consolidated financial results forecasts for the fiscal year ending March 31, 2023, which were announced on November 11, 2022.

Note: The forecast figures, such as those for operating results, contained in these materials are based on information currently available to the Company and certain assumptions deemed reasonable by the Company. Actual results may differ materially from the forecasts due to various factors.