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February 8, 2024

Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Under IFRS)

Company name: YUKIGUNI MAITAKE CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 1375
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Scheduled date to file quarterly securities report: February 9, 2024
Scheduled date of dividend payment commencement: -
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: None (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the First Nine Months Ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes.)

	Total income		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2023	35,669	9.9	3,614	25.0	3,255	25.3	2,138	23.4
December 31, 2022	32,455	-11.0	2,892	-46.9	2,597	-49.5	1,733	-48.8

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Millions of yen	%	Yen	Yen
Nine months ended						
December 31, 2023	2,132	23.1	2,140	23.5	53.48	53.48
December 31, 2022	1,732	-48.9	1,733	-48.8	43.44	43.44

(Reference)

	Core operating profit		Core EBITDA		Core EBITDA margin
	Millions of yen	%	Millions of yen	%	%
Nine months ended					
December 31, 2023	2,212	-4.8	3,855	-0.8	15.9
December 31, 2022	2,322	-49.5	3,885	-35.9	16.9

(2) Consolidated Financial Position

	Total assets		Total equity		Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen		Millions of yen		Millions of yen	%
As of						
December 31, 2023	40,659		12,285		12,223	30.1
March 31, 2023	33,304		10,409		10,409	31.3

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	14.00	–	6.00	20.00
Fiscal year ending March 31, 2024	–	1.00	–		
Fiscal year ending March 31, 2024 (Forecast)				1.00	2.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Total income		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Full year	44,467	5.4	1,624	–25.8	1,210	–32.6	780	–34.0

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Full year	780	–33.9	19.58

Note: Revisions from financial results forecasts announced most recently: None

(Reference)

	Core Operating Profit		Core EBITDA		Core EBITDA Margin
	Millions of yen	%	Millions of yen	%	%
Full year	1,844	–28.0	4,034	–13.5	12.2

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
Excluded 1 (Company name) Mitsukura Norin Co., Ltd.
Note: Mitsukura Norin Co., Ltd. was dissolved in an absorption-type merger with the Company as the surviving company as of April 1, 2023.

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2023	39,910,700 shares
As of March 31, 2023	39,910,700 shares

(ii) Number of treasury shares at the end of the period

As of December 31, 2023	16,667 shares
As of March 31, 2023	27,311 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	39,878,835 shares
Nine months ended December 31, 2022	39,870,700 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters
(Caution concerning forward-looking statements)

The forward-looking statements, such as forecasts of financial results, included in this document are based on information available to the management as of the date of the document and certain assumptions that the management considers reasonable. The Company does not promise that forecasts will be achieved. Actual results may differ significantly due to a range of factors.

(Other special comments)

- (1) The Company and its consolidated subsidiaries (together, “the Group”) apply the International Financial Reporting Standards (hereinafter “IFRS”).
- (2) Core operating profit = Operating profit – IAS41 “Agriculture” applying effects – Other income and expenses – One-time income and expenses
- (3) Core EBITDA = Core operating profit + Depreciation + Amortization
- (4) Core EBITDA margin = Core EBITDA / Revenue
- (5) The effect of applying IAS 41 "Agriculture" is to apply IAS 41 "Agriculture" to the production process of mushrooms, from preparation to harvest, and to measure the mushrooms as biological assets at fair value less costs to sell. The gains or losses from the changes in fair value are considered as the impact amount.
- (6) Other income and expenses are mainly impairment losses and loss on disposal of fixed assets.
- (7) One-time income and expenses are income and expenses that are not incurred in the normal course of business. There are no one-time income and expenses incurred during the nine months ended December 31, 2022. During the third quarter of the current consolidated fiscal year, the Company recognized one-time expenses related to the acquisition of shares in overseas operating companies, which was executed on December 4, 2023.
- (8) Core operating profit, Core EBITDA and Core EBITDA margin are not indicators defined by IFRS, but the Group assumes these indicators are useful for investors to evaluate the Group’s performance. These financial indicators exclude the effect of non-recurring gains / losses and items that do not adequately present the Group’s performance relative to its competitors. Core operating profit, Core EBITDA, Core EBITDA margin should not be considered as indicators to replace the other indicators shown in accordance with IFRS because they do not include some of the items that affect the profit for the period, so they are subject to significant restrictions as means of analysis. Core operating profit, Core EBITDA, Core EBITDA margin disclosed by the Group may be less useful in comparison with the same or similar indicators of other competitors because they are calculated according to a different method from those of such other companies.

(How to obtain supplementary financial results briefing materials and financial results briefing details)

Supplementary financial results briefing materials are disclosed by TDnet and posted on our website on February 8, 2024.

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I. Qualitative Information for the First Nine-Months Period of the Fiscal Year Ending March 31, 2024

1. Analysis of Operating Results

During the third quarter of the current fiscal year (April 1, 2023 to December 31, 2023), the Japanese domestic economy has been experiencing a normalization of economic activity due to a change in the legal status of COVID-19. On the other hand, various cost increases, which are based on the tense international situation, soaring energy prices, higher procurement prices due to the weak yen, and increased labor costs due to the shortage of human resources, have remained high, although they have calmed down slightly, and the situation in corporate activities continues to not allow for optimism.

In this economic environment, as announced in the "Capital Alliance with Overseas Operating Companies" dated December 5, 2023, our group, through our subsidiary Yukiguni Maitake Netherlands Holdings B.V. (established in October 2023), has acquired the shares of a Netherlands-based operating company and its affiliated company vigorously engaged in the production and sale of button mushrooms and exotic mushrooms in the Netherlands and neighboring countries, and brought them under the Group. The main business of the said operating company is the production and sales of button mushrooms. The company is one of the top players of exotic mushrooms in the Netherlands and neighboring countries, and also conducts sales activities by utilizing a broad direct sales network similar to that of our company. Because of these characteristics, the company has a high affinity with our group and is expected to contribute to the growth of the Group as a whole.

In addition, the Group has decided that it is necessary to update its Medium-Term Business Plan in light of the fact that changes in the business environment have had a significant impact on the promotion of the basic strategies of the Medium-Term Business Plan formulated in November 2021. Accordingly, on December 19, 2023, we formulated and announced our Medium-Term Business Plan (for the fiscal years ending March 31, 2024 through March 31, 2028).

< Basic Policies of the Medium-Term Business Plan >

The medium- to long-term vision: "We grow and expand globally as a comprehensive manufacturer of premium mushrooms." remains unchanged, and in order to appropriately respond to changes in the business environment, we have revised our strategies to "rebuild a revenue base that realizes high profitability" and "integrate new overseas bases and further business development" as the renewed policies of the Medium-Term Business Plan. As a result, we will develop our business under the following three basic policies in the current Medium-Term Business Plan and work to achieve our goals.

A. Domestic Mushroom Market: Strengthen existing premium businesses and create of new businesses

- Further strengthen our domestic business by enhancing our existing premium positioning, differentiating ourselves from other production areas, and steadily capturing the quality-oriented needs of consumers.
- Strengthen sales of premium items that are not available in other production areas, and launch new businesses other than the fresh mushroom business in earnest.

B. Business Processes: Streamline all processes without sanctuary

- Improve business processes and reduce costs through company-wide BPR.
- Promote labor savings and energy conservation through new investments.

C. Global Expansion: PMI (Post Merger Integration) of newly acquired foreign companies and Search for other targets

- Utilize our expertise to further expand the performance of acquired overseas companies.
- Pursue additional acquisition possibilities in light of progress in strengthening domestic operations and geopolitical risks.
- As for the organic strategy, consider sales of our products in Europe and the U.S. in addition to Asia.

<Quantitative targets (Consolidated basis)>

Items	FYE Mar 2028 (target)	Upside Plan when conditions are met. ¹
Revenue	Over JPY 42.0 bn	Around JPY 60.0 bn
Overseas Revenue Ratio	Around 6-7%	Around 30%
Core EBITDA margin ²	Around 18%	Around 18%

Return on Invested Capital (ROIC)	Around 10%	-
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1 Upside plan is a plan that mainly aims to develop and expand overseas business if preconditions are met, taking into account the progress of business strengthening in Japan and geopolitical risks.

2 Core EBITDA margin: Core EBITDA/Revenue

Core EBITDA: IFRS operating profit excluding the effect of applying IAS 41 "Agriculture", other income and expenses, and one-time income and expenses, plus depreciation and amortization

For details of each measure, please refer to the "Medium-Term Business Plan (FYE Mar 2024-FYE Mar 2028) Explanatory Material" released on December 19, 2023.

Under the new Medium-Term Business Plan, the Group will accurately respond to rapid changes in the business environment, further strengthen its business foundation in Japan, and continue to promote global business development in order to contribute to consumer health and realize a healthy society through the provision of safe and reliable products.

Total income for the third quarter of the current consolidated cumulative period was ¥35,669 million (+9.9% year-on-year), of which revenue was ¥24,309 million (+5.4% year-on-year). Gross profit was ¥9,978 million (+11.3% year-on-year). Selling, general and administrative (SG&A) expenses were ¥6,461 million (+7.0% year-on-year).

As a result of the above, operating profit was ¥3,614 million (+25.0% year-on-year) and profit attributable to owners of the parent was ¥2,132 million (+23.1% year-on-year). In the current consolidated cumulative period, gains arising from changes in fair value related to the application of IFRS Agricultural Accounting (IAS 41) were included in total income of ¥11,359 million (+20.9% year-on-year) and the cost of sales of ¥9,697 million (+11.4% year-on-year), respectively.

[Business results for the nine months ended December 31, 2023]

	(Millions of yen)		
	Nine months ended December 31, 2022	Nine months ended December 31, 2023	% Change year-on-year
Revenue	23,057	24,309	5.4
Gains arising from changes in fair value	9,398	11,359	20.9
Total income	32,455	35,669	9.9
Operating profit	2,892	3,614	25.0
Profit before tax	2,597	3,255	25.3
Profit attributable to owners of parent	1,732	2,132	23.1

The status of revenue by business segment during the current consolidated fiscal year is as follows. The revenue of the newly acquired overseas operating companies are included in the "Other Mushrooms" of mushroom business segment for reporting purposes. The impact of the revenue of the said overseas operating companies on the overall revenue in the third quarter of the current consolidated cumulative period was immaterial.

[Mushroom business]

1) Maitake

In order to make the attractiveness of "Kiwami" maitake widely known to consumers, which is made possible by the Company's special production method, long-term maturation, and cultivation of large mushroom roots, the Company has focused on raising awareness of the product as a premium mushroom by airing TV commercials mainly in the Kanto and Kansai areas and proposing in-store planning proposal in conjunction with the commercials. In addition, we have been working on sales measures that take advantage of our abundant product lineup, which is one of our strengths. As a result, sales volume

decreased compared to the same period of the previous year, but the unit sales price remained strong. Thus, revenue of the Maitake business was ¥13,577 million (+2.3% year-on-year).

2) Eringi

The Company maintains supply volume through stable production quality and offers a variety of product proposals, including various volume tray products and convenient high-volume sliced products. As a result, both sales volume and unit sales prices were significantly higher than in the same period of the previous year. Thus, revenue of the Eringi business was ¥2,722 million (+18.0% year-on-year).

3) Buna-shimeji

While keeping a close eye on fruit and vegetable market conditions and market trends, the Company flexibly switched the sales mix of products with different volume items according to the supply-demand balance and implemented a stable supply. As a result, both sales volume and unit sales prices remained strong compared to the same period of the previous year. Thus, revenue from the Buna-shimeji business was ¥4,969 million (+11.2% year-on-year).

4) Other mushrooms

As for mushrooms, the production situation was temporarily unstable, and efforts were made to ensure a stable supply and improve quality. As a result, sales remained sluggish compared to the same period of the previous year. Sales of Hatake-shimeji remained steady. On the other hand, sales of Hon-shimeji remained sluggish compared to the same period of the previous year. In addition, this “Other mushrooms” includes the revenue of newly acquired overseas operating companies. As a result of the above, revenue from other mushroom businesses was ¥2,808 million (+2.7% year-on-year).

[Other]

Revenue from “Other” business is mainly derived from sales of health foods and from sales of culture medium activator handled by Mizuho Norin Co., Ltd. In the third quarter of the current consolidated cumulative period, sales volume of health foods and production and sales volume of culture medium activator both declined. As a result, revenue from other businesses was ¥231 million (-16.1% year-on-year).

Revenue by business segment is as follows.

	(Millions of yen)		
	Nine months ended December 31, 2022	Nine months ended December 31, 2023	% Change year-on-year
Mushroom business	22,781	24,077	5.7
Maitake	13,268	13,577	2.3
Eringi	2,307	2,722	18.0
Buna-shimeji	4,470	4,969	11.2
Other mushrooms	2,734	2,808	2.7
Other	276	231	(16.1)
Total Revenue	23,057	24,309	5.4

2. Analysis of Financial Position

[Assets]

Total assets at the end of the third quarter of the current consolidated fiscal year (as of December 31, 2023) were ¥40,659 million (+¥7,354 million from the end of the previous consolidated fiscal year). Current assets were ¥13,139 million (+¥5,958 million from the end of the previous consolidated fiscal year). This was mainly due to an increase of ¥2,160 million in cash and cash equivalents, ¥2,064 million in trade and other receivables and ¥1,704 million in biological assets due to gains arising from changes in fair value, respectively. Non-current assets were ¥27,520 million (+¥1,395 million from the end of the

previous consolidated fiscal year). This was mainly due to an increase of ¥690 million in property, plant and equipment and an increase of ¥641 million in goodwill and intangible assets resulting from the acquisition of overseas operating companies.

[Liabilities]

Total liabilities at the end of third quarter of the current consolidated fiscal year were ¥28,373 million (+¥5,478 million from the end of the previous consolidated fiscal year). This was mainly due to increases of ¥14,869 million in current portion of long-term borrowings, ¥3,059 million in trade and other payables and ¥1,800 million in short-term borrowings, respectively. Non-current liabilities were ¥1,531 million (-¥14,770 million). This was mainly due to a decrease of ¥14,888 million in borrowings, mainly due to a transfer to current portion of long-term borrowings.

[Equity]

Total equity at the end of the third quarter of the current consolidated fiscal year was ¥12,285 million (+¥1,876 million from the end of the previous consolidated fiscal year). This was mainly due to an increase of ¥1,856 million in retained earnings resulting from the recording of a quarterly profit.

3. Analysis of Cash Flows

The balance of cash and cash equivalents at the end of the third quarter of the current consolidated fiscal year increased by ¥2,160 million from the end of the previous consolidated fiscal year to ¥3,221 million. The status of each cash flow and their factors are as follows:

[Net cash flows from operating activities]

The amount of funds provided as a result of operating activities was ¥3,044 million (the amount provided was ¥1,844 million in the same period of the previous year). This was mainly due to profit before income taxes of ¥3,255 million, depreciation and amortization of ¥1,650 million, and an increase in trade and other payables of ¥1,790 million, while there was an increase in trade and other receivables of ¥1,796 million, and an increase in biological assets of ¥1,630 million.

[Net cash flows from investing activities]

Funds used as a result of investment activities were ¥2,030 million (the amount used was ¥2,332 million in the same period of the previous year). This was mainly due to the expenditure of ¥1,150 million for the acquisition of renewed property, plant and equipment related to production of mushrooms and ¥856 million for the acquisition of shares in subsidiaries.

[Net cash flows from financing activities]

Funds provided as a result of financing activities were ¥1,146 million (the amount used was ¥1,212 million in the same period of the previous year). This was mainly due to proceeds from short-term borrowings of ¥4,300 million, and long-term borrowings of ¥1,323, while there was repayment of short-term borrowings of ¥2,500 million, and repayment of long-term borrowings of ¥1,540 million.

4. Explanations about Forward-Looking Information Including Forecast of Consolidated Financial Results

The consolidated earnings forecast for the fiscal year ending March 2024 remains unchanged from the full-year consolidated financial results forecast announced on November 9, 2023 in the “Revision of Full-year Forecast of Consolidated Financial Results for the Fiscal Year Ending March, 2024”.

The financial results forecast is based on the information available at this time, and the actual financial results may differ due to various factors.

II. Summarized Quarterly Consolidated Financial Statements and Significant Notes

1. Summarized Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	1,060	3,221
Trade and other receivables	1,907	3,972
Inventories	1,422	1,457
Biological assets	2,662	4,366
Income taxes receivable	21	-
Other current assets	105	120
Total current assets	7,180	13,139
Non-current assets		
Property, plant and equipment	18,966	19,656
Investment property	95	95
Goodwill and intangible assets	5,285	5,926
Right-of-use assets	238	262
Retirement benefit asset	313	319
Other financial assets	191	220
Deferred tax assets	990	991
Other non-current assets	42	46
Total non-current assets	26,124	27,520
Total assets	33,304	40,659

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Trade and other payables	1,877	4,936
Income taxes payable	693	1,119
Employee benefit accruals	1,683	1,821
Short-term borrowings	-	1,800
Current portion of long-term borrowings	1,509	16,379
Lease liabilities	152	129
Provisions	140	0
Other financial liabilities	21	303
Other current liabilities	515	352
Total current liabilities	6,592	26,842
Non-current liabilities		
Borrowings	16,070	1,182
Lease liabilities	156	202
Provisions	20	32
Other financial liabilities	54	114
Other non-current liabilities	0	0
Total non-current liabilities	16,302	1,531
Total liabilities	22,895	28,373
Equity		
Share capital	100	100
Capital surplus	(6,012)	(6,069)
Retained earnings	16,341	18,198
Treasury shares	(33)	(17)
Other components of equity	14	12
Total equity attributable to owners of parent	10,409	12,223
Non-controlling interests	(0)	61
Total equity	10,409	12,285
Total liabilities and equity	33,304	40,659

2. Summarized Quarterly Consolidated Statements of Income and Comprehensive Income

(Summarized Quarterly Consolidated Statements of Income)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Income		
Revenue	23,057	24,309
Gains arising from changes in fair value	9,398	11,359
Total income	32,455	35,669
Cost of sales (*1)	23,489	25,691
Gross profit	8,966	9,978
Selling, general and administrative expenses	6,036	6,461
Other income	56	176
Other expenses	94	78
Operating profit	2,892	3,614
Finance income	3	0
Finance expenses	298	360
Profit before tax	2,597	3,255
Income tax expense	864	1,116
Profit	1,733	2,138
Profit attributable to		
Owners of parent	1,732	2,132
Non-controlling interests	0	5
Earnings per share		
Basic earnings per share (Yen)	43.44	53.48
Diluted earnings per share (Yen)	43.44	53.48

Management believes that the information of “material costs, labor costs, etc.” facilitates comparison between the Group and competitors by users of financial statements. Therefore, we disclose the information voluntarily as a note in the summarized consolidated statements of income. “Material costs, labor costs, etc.” are the production costs of finished goods and purchasing costs of other goods sold by the Group, excluding the gains arising from changes in fair value recognized under IAS 41 “Agriculture”.

(*1) Components of cost of sales		
Material costs, labor costs, etc.	14,782	15,993
Gains arising from changes in fair value	8,707	9,697
Total	23,489	25,691

(Summarized Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	1,733	2,138
Other comprehensive income (After tax effect deduction)		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	0	5
Total of items that will not be reclassified to profit or loss	0	5
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	-	(3)
Total of items that may be reclassified to profit or loss	-	(3)
Total other comprehensive income (After tax effect deduction)	0	1
Comprehensive income	1,733	2,140
Comprehensive income attributable to		
Owners of parent	1,732	2,134
Non-controlling interests	0	5

3. Summarized Quarterly Consolidated Statement of Changes in Equity

Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total
Balance at beginning of period	100	(6,006)	16,411	(48)	15	10,471	(1)	10,470
Profit	-	-	1,732	-	-	1,732	0	1,733
Other comprehensive income	-	-	-	-	0	0	-	0
Comprehensive income	-	-	1,732	-	0	1,732	0	1,733
Share-based remuneration transactions	-	(9)	-	15	-	6	-	6
Dividends of surplus	-	-	(1,196)	-	-	(1,196)	-	(1,196)
Transfer from other components of equity to retained earnings	-	-	3	-	(3)	-	-	-
Other	-	-	-	-	-	-	-	-
Total	-	(9)	(1,192)	15	(3)	(1,190)	-	(1,190)
Balance at end of period	100	(6,015)	16,951	(33)	12	11,014	(0)	11,014

Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total
Balance at beginning of period	100	(6,012)	16,341	(33)	14	10,409	(0)	10,409
Profit	-	-	2,132	-	-	2,132	5	2,138
Other comprehensive income	-	-	-	-	1	1	-	1
Comprehensive income	-	-	2,132	-	1	2,134	5	2,140
Share-based remuneration transactions	-	(4)	-	15	-	10	-	10
Dividends of surplus	-	-	(279)	-	-	(279)	-	(279)
Transfer from other components of equity to retained earnings	-	-	2	-	(2)	-	-	-
Other	-	(51)	-	-	-	(51)	56	5
Total	-	(56)	(276)	15	(2)	(320)	656	(263)
Balance at end of period	100	(6,069)	18,198	(17)	12	12,223	61	12,285

4. Summarized Quarterly consolidated Statements of Cash flows

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Cash flows from operating activities		
Profit before tax	2,597	3,255
Depreciation and amortization	1,571	1,650
Interest expenses	285	302
Commission for syndicate loan	13	12
Loss (gain) on sale of fixed assets	(2)	(3)
Loss on retirement of fixed assets	73	59
Decrease (increase) in trade and other receivables	(1,536)	(1,796)
Decrease (increase) in inventories	(69)	21
Decrease (increase) in biological assets	(1,038)	(1,630)
Increase (decrease) in trade and other payables	1,657	1,790
Decrease (increase) in retirement benefit asset	(1)	(6)
Increase (decrease) in employee benefit liabilities	(77)	138
Other	(57)	25
Subtotal	3,418	3,820
Interest paid	(63)	(93)
Payments of commission for syndicate loan	(12)	(11)
Income taxes paid	(1,497)	(691)
Income taxes refund	-	21
Net cash provided by (used in) operating activities	1,844	3,044
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,299)	(1,150)
Proceeds from sale of property, plant and equipment	3	3
Purchase of intangible assets	(14)	(0)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(856)
Other	(21)	(26)
Net cash provided by (used in) investing activities	(2,332)	(2,030)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,500	4,300
Repayments of short-term borrowings	-	(2,500)
Proceeds from long-term borrowings	-	1,323
Repayments of long-term borrowings	(1,348)	(1,540)
Repayments of lease liabilities	(171)	(154)
Dividends paid	(1,193)	(281)
Other	(0)	-
Net cash provided by (used in) financing activities	(1,212)	1,146
Effect of exchange rate changes on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	(1,701)	2,160
Cash and cash equivalents at beginning of period	3,723	1,060
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(0)	-
Cash and cash equivalents at end of period	2,022	3,221

5. Notes to Summarized Consolidated Financial Statements

(Going Concern Assumptions)

Not applicable.

(Segment Information)

(1) Reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and regular evaluation by the Board of Directors, chief operating decision maker, is being performed in order to make decisions about resources to be allocated and to assess its performance.

The mushroom business is listed as a reporting segment as the Group has a comprehensive strategy for products and services and is expanding its business activities. "Other" includes businesses that are not included in the reportable segment.

The Group aggregates Maitake business, Eringi business, Buna-shimeji business, etc. as a reportable segment, "mushroom business," in terms of similarity of economic characteristics such as revenue trends, and the following features are all similar in this segment: (a) the nature of products and services, (b) the nature of the production processes, (c) the type of customers of the products and the services, (d) the method used to deliver the products or provide the services, and (e) the nature of regulatory environment.

Description of the reportable segment is as follows:

	Description of business
Mushroom business	Production and sales of Maitake, Eringi, Buna-shimeji and other mushrooms

(2) Reportable segments information

The accounting methods of reportable business segments are the same as the Group's accounting policies. Figures reported as segment profit are based on operating profit reported in the summarized consolidated statements of income. Revenues from intersegment transactions are based on the current market prices.

Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022) (Millions of yen)

	Mushroom business	Others	Total	Adjustment items (*1)	Per consolidated financial statements
Revenue					
Revenue from external customers	22,781	276	23,057	-	23,057
Intersegment revenue	-	-	-	-	-
Total revenue	22,781	276	23,057	-	23,057
Segment profit	2,872	36	2,909	(16)	2,892
Finance income					3
Finance expenses					298
Profit before tax					2,597

(*1) Adjustment items for segment profit include corporate expenses that are not allocated to each business segment.

Nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)

(Millions of yen)

	Mushroom business	Others	Total	Adjustment items (*1)	Per consolidated financial statements
Revenue					
Revenue from external customers	24,077	231	24,309	-	24,309
Intersegment revenue	-	-	-	-	-
Total revenue	24,077	231	24,309	-	24,309
Segment profit (loss)	3,585	38	3,624	(9)	3,614
Finance income					0
Finance expenses					360
Profit before tax					3,255

(*1) Adjustment items for segment profit (loss) include corporate expenses that are not allocated to each business segment.

(Earnings per Share)

Calculation of basic earnings per share and diluted earnings per share are described below.

(Unit)	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	1,732	2,132
Profit not attributable to common shareholders of parent (Millions of yen)	-	-
Profit used for calculation of basic earnings per share (Millions of yen)	1,732	2,132
Average number of common shares during the period (Thousand shares)	39,870	39,878
Basic earnings per share (Yen)	43.44	53.48
Diluted earnings per share		
Profit used for calculation of basic earnings per share (Millions of yen)	1,732	2,132
Adjustment (Millions of yen)	-	-
Profit used for calculation of diluted earnings per share (Millions of yen)	1,732	2,132
Average number of common shares during the period (Thousand shares)	39,870	39,878
Increase of shares due to restricted stock compensation plan (Thousand shares)	4	3
Average number of common shares during the period after dilution (Thousand shares)	39,874	39,881
Diluted earnings per share (Yen)	43.44	53.48

(Significant Subsequent Events)

Not applicable.