



**Yukiguni Maitake Co., Ltd.**

**Financial Results for 3<sup>rd</sup> Quarter of  
Fiscal Year Ending March 2024**

February 8, 2024

Tokyo Stock Exchange,  
Prime Market: 1375



# AGENDA

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- 1. Summary of Consolidated Financial Results for 3Q of FYE March 2024**
- 2. Medium- Term Business Plan for FYE March 31, 2024 to FYE March 31, 2028**
- 3. Reference Materials**

(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.



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## **Summary of Consolidated Financial Results for 3Q of FYE March 2024**

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# Summary of Financial Results for 3<sup>rd</sup> Quarter of Fiscal Year Ending March 2024

In the nine months of the current period, Core EBITDA decreased year-on-year, but outperformed the plan due to appropriate price control and cost reduction measures.

## External Environment

- Market supply of maitake calmed down and market transaction prices remained higher than the previous year.
- Vegetable growth slumped due to high temperatures, but shipments were relatively stable from November onward.
- High temperatures across the country made it difficult to expand sales spaces for hot pot products.
- Utility costs remained high, putting upward pressure on production costs.

## Our Response

- Achieved higher unit sales price levels than both the same period of the previous year and the plan through appropriate product mix and proposals that meet customer needs and volume control.
- Worked to increase awareness as premium mushrooms by creating sales spaces and running campaigns linked to TV commercials.
- Utilized in-store sales promotions linked to a video recipe site to further increase awareness of white maitake mushrooms.
- Efforts to optimize procurement of raw and packaging materials and to improve production efficiency mitigated the impact.

## Summary

### Revenue JPY 24.3 billion

- YoY  
JPY +1.2 billion  
(+5.4%)
- vs Forecast



### Core EBITDA JPY 3.8 billion

- YoY  
JPY -0.03 billion  
(-0.8%)
- vs Forecast





# Consolidated Statements of Income (3<sup>rd</sup> Quarter)

In the nine months of the current fiscal year, Revenue and profits increased compared to the same period of the previous fiscal year.

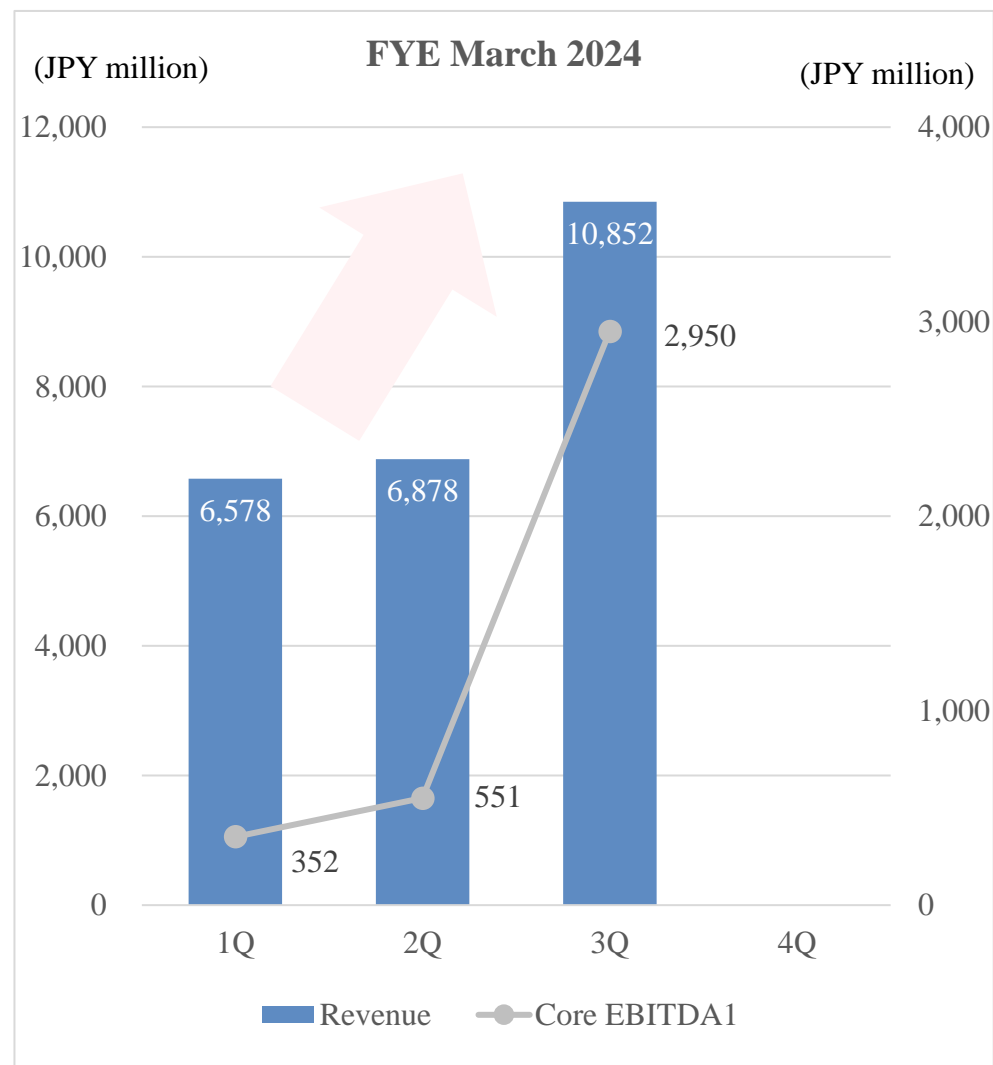
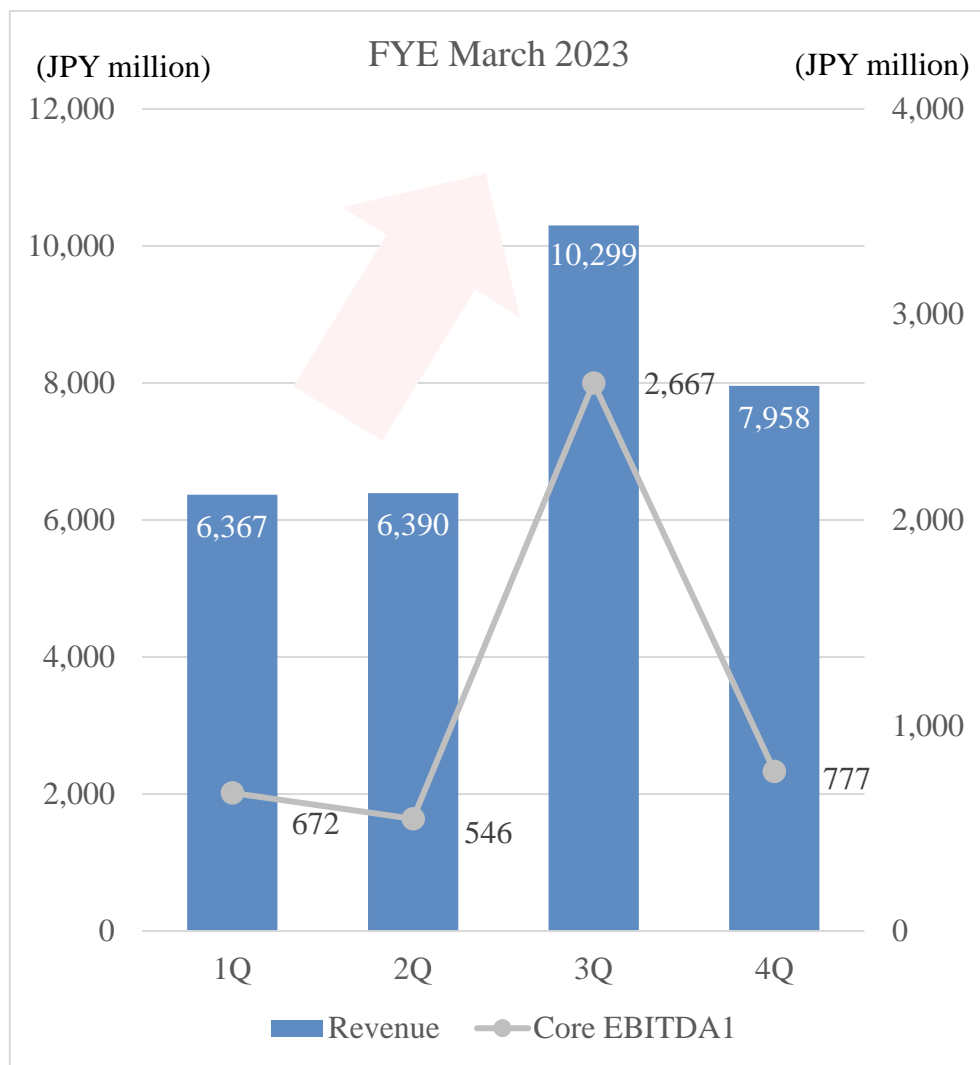
| (JPY million)                                  | 3Q FYE<br>March 2024 | 3Q FYE<br>March 2023 |                      |
|--|----------------------|----------------------|----------------------|
|  | Actual               | Actual               | Change<br>Amount %   |
| Revenue  | 24,309               | 23,057               | +1,252 +5.4%         |
| Gains Arising from Changes in Fair Value       | 11,359               | 9,398                | +1,961 +20.9%        |
| <b>Total Income</b>                            | <b>35,669</b>        | <b>32,455</b>        | <b>+3,213 +9.9%</b>  |
| Material Costs, Labor Costs, etc.              | 15,993               | 14,782               | +1,211 +8.2%         |
| Gains Arising from Changes in Fair Value       | 9,697                | 8,707                | +990 +11.4%          |
| Cost of Sales                                  | 25,691               | 23,489               | +2,201 +9.4%         |
| <b>Gross Profit</b>                            | <b>9,978</b>         | <b>8,966</b>         | <b>+1,011 +11.3%</b> |
| SG&A Expenses                                  | 6,461                | 6,036                | +424 +7.0%           |
| Other Income                                   | 176                  | 56                   | +119 +211.3%         |
| Other Expenses                                 | 78                   | 94                   | (15) (16.1%)         |
| <b>Operating Profit</b>                        | <b>3,614</b>         | <b>2,892</b>         | <b>+722 +25.0%</b>   |
| <i>vs Revenue</i>                              | <b>14.9%</b>         | 12.5%                |                      |
| <i>vs Total Income</i>                         | <b>10.1%</b>         | 8.9%                 |                      |
| Profit before Tax                              | 3,255                | 2,597                | +657 +25.3%          |
| <b>Profit Attributable to Owners of Parent</b> | <b>2,132</b>         | <b>1,732</b>         | <b>+400 +23.1%</b>   |
| [Reference]                                    |                      |                      |                      |
| <b>Core Operating Profit<sup>1</sup></b>       | <b>2,212</b>         | 2,322                | (110) (4.8%)         |
| <b>Core EBITDA<sup>1</sup></b>                 | <b>3,855</b>         | 3,885                | (30) (0.8%)          |
| <b>Core EBITDA margin<sup>1</sup></b>          | <b>15.9%</b>         | 16.9%                |                      |

<sup>1</sup> Core Operating Profit = Operating Profit – the effect of applying IAS 41 “Agriculture” – Other income and expenses – One-time income and expenses  
Core EBITDA = Core Operating Profit + Depreciation and Amortization      Core EBITDA margin = Core EBITDA / Revenue



## Consolidated Operating Results (Quarterly Trends)

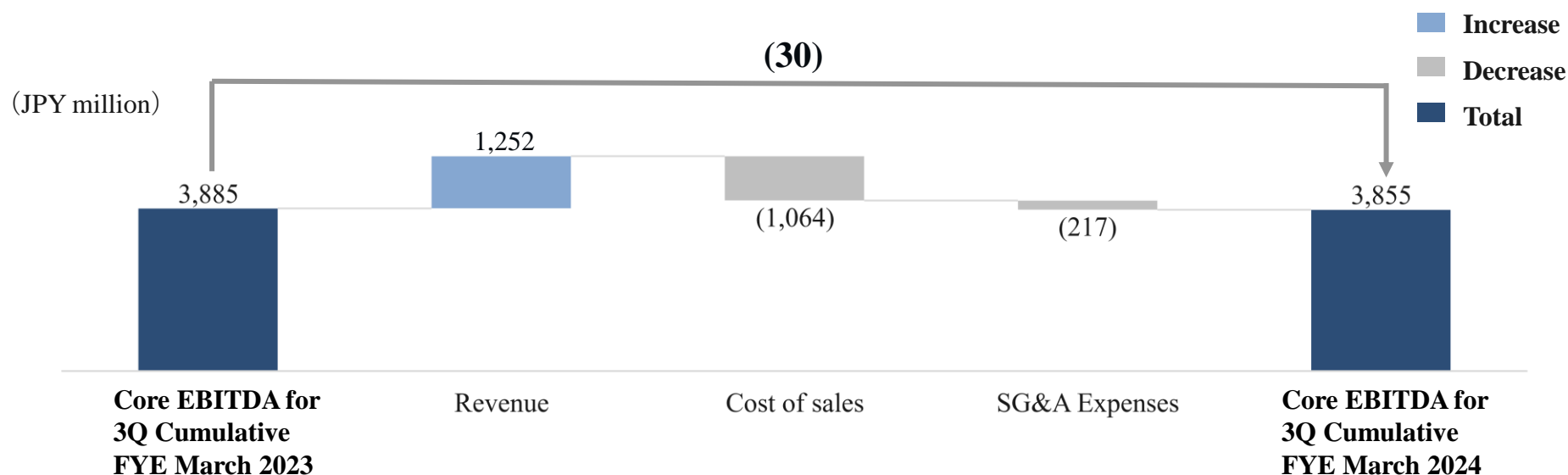
Both Revenue and Core EBITDA were higher in this third quarter than those in the same period of the previous year.





# Analysis of Core EBITDA (3Q Cumulative Year-on-Year)

Revenue increased while Core EBITDA decreased mainly due to higher cost of sales.



|                      |   |
|----------------------|---|
| External environment | <ul style="list-style-type: none"> <li>• <b>Factors affecting Revenue</b> <ul style="list-style-type: none"> <li>✓ Decrease in the supply of mushroom market as a whole (suppression of supply by competitors)</li> <li>✓ Tailwind for high-priced sales in an inflationary environment</li> <li>✓ Weak cold weather slowed down the movement of hot pot products</li> </ul> </li> <li>• <b>Factors affecting Cost of sales</b> <ul style="list-style-type: none"> <li>✓ Prolonged Russian-Ukrainian Situation</li> <li>✓ Continuing trend of yen's depreciation</li> <li>✓ Rising prices due to inflation</li> </ul> </li> </ul> |
|----------------------|---|

|                              |  |
|------------------------------|--|
| Core EBITDA variable factors | <ul style="list-style-type: none"> <li>• <b>Main factors for increase in Revenue</b> <ul style="list-style-type: none"> <li>✓ (Maitake) Increase in unit sales price</li> <li>✓ (Eringi) Increase in unit sales price</li> <li>✓ (Buna shimeji) Increase in unit sales price</li> </ul> </li> <li>• <b>Main factors for increase in Cost of sales</b> <ul style="list-style-type: none"> <li>✓ Rising electricity prices</li> <li>✓ Rising material (raw materials, packaging materials) prices</li> </ul> </li> </ul> |
|------------------------------|--|



# Upwardly Revised Full-year Consolidated Financial Results Forecasts for FYE March 2024 (No change from the forecast announced on November 9, 2023)

Due to a lower-than-expected renewable energy charge and the expected results of the company's own cost and expense reduction activities, consolidated full-year financial results forecasts were revised upward.

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| (JPY million)                                  | FYE March 31, 2023<br>Actual | FYE March 31, 2024<br>Initially announced<br>forecasts (A) | FYE March 31, 2024<br>Revised forecasts (B) | Change (B-A) | Change (%) |
|--|------------------------------|--|---|--------------|------------|
| <b>Total Income</b>                            | 42,204                       | 42,389   | <b>44,467</b>                               | +2,078       | 4.9%       |
| <b>Revenue</b>                                 | 31,016                       | 33,157   | <b>33,157</b>                               | -            | -          |
| <b>Operating profit</b>                        | 2,191                        | 673  | <b>1,624</b>                                | +951         | 141.3%     |
| <b>Ratio vs Total Income</b>                   | 5.2%                         | 1.6%   | 3.7%  |              |            |
| <b>Profit before tax</b>                       | 1,794                        | 228  | <b>1,210</b>                                | +982         | 430.7%     |
| <b>Profit attributable to owners of parent</b> | 1,181                        | 121  | <b>780</b>                                  | +659         | 544.6%     |
| <b>Basic earnings per share (Yen)</b>          | 29.63                        | 3.05   | <b>19.58</b>                                | +16.53       | 542.0%     |
| <b>【Reference】</b>                             |                              |  |   |              |            |
| <b>Core EBITDA <sup>1</sup></b>                | 4,663                        | 3,182  | <b>4,034</b>                                | +852         | 26.8%      |
| <b>Core EBITDA margin<sup>2</sup></b>          | 15.0%                        | 9.6%   | 12.2%                                       |              | -          |

<sup>1</sup> Core EBITDA = Core Operating Profit + Depreciation and Amortization

<sup>2</sup> Core EBITDA margin = Core EBITDA / Revenue

## Main reasons for the revision of the Core EBITDA forecast

| Initial Forecast        | JPY 3,182 million        | Supplementary Explanation  |
|-------------------------|--------------------------|--|
| Revenue                 | JPY — million            | Forecasts are based on conservative assumptions in light of the challenging external environment. Unchanged until performance is determined from 3Q onward during the high impact demand period. |
| Cost of Sales           | JPY 568 million          | Reflect only actual reductions up to 2Q and items with high potential for reduction in 3Q.   |
| SG&A expenses           | JPY 284 million          | Reflect only actual reductions up to 2Q and items with high potential for reduction in 3Q.   |
| <b>Revised Forecast</b> | <b>JPY 4,034 million</b> | Assumptions have been revised based on the results to date and changes in the external environment.  |

## Impact on year-end dividend

The company plans to increase the year-end dividend in light of the upward revision, but we will carefully consider the amount after comprehensively taking into account the company's performance in the second half of the current fiscal year and its funding needs for strategic investments for growth in the next fiscal year and beyond.





## Revenue by Business Segment (3Q Cumulative)

Revenue of maitake, eringi and buna-shimeji and other mushrooms increased in the same period of the previous year.

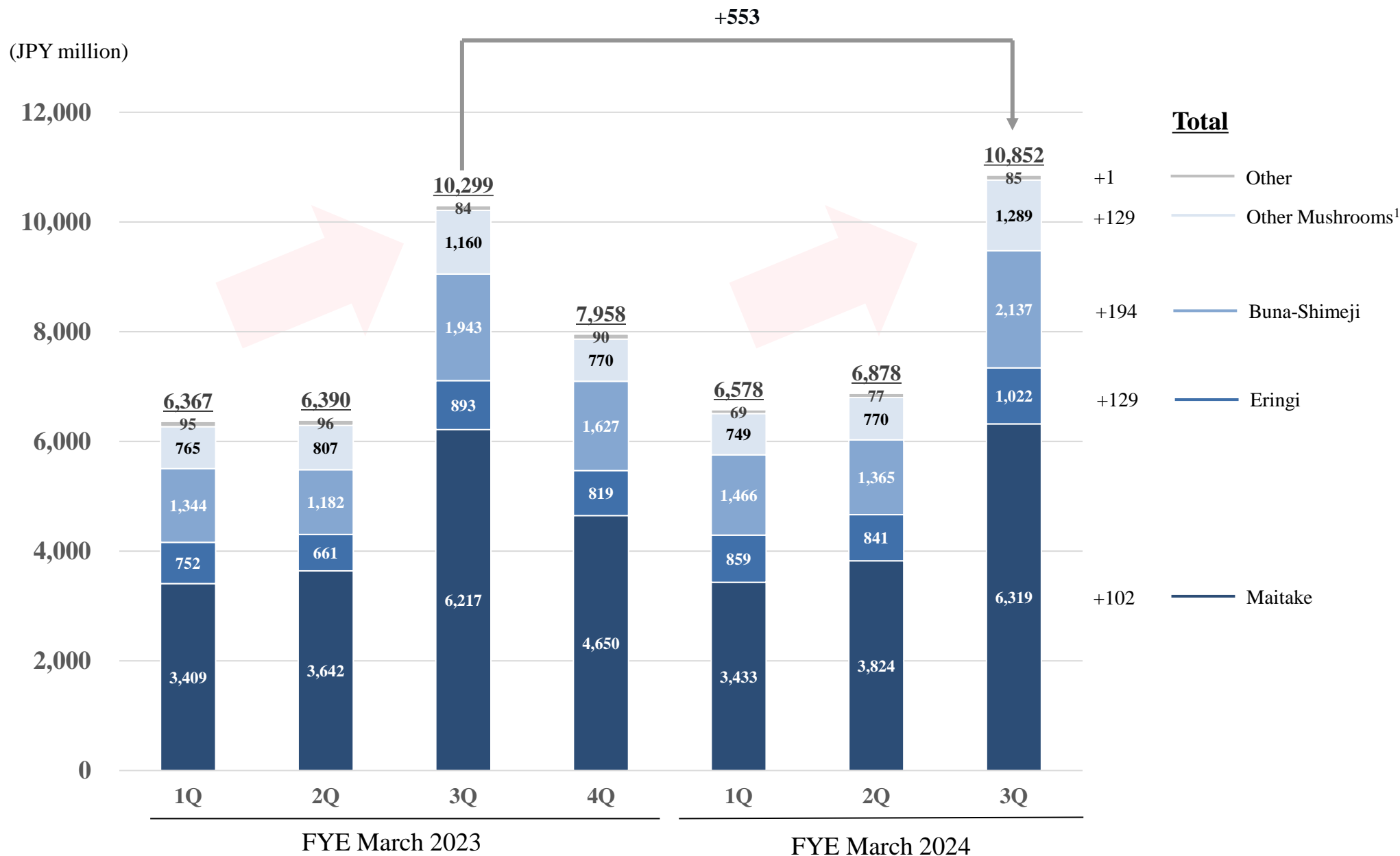
| (JPY million)                          | 3Q FYE<br>March 2023 |                      | 3Q FYE<br>March 2024 |                      | Increase<br>(Decrease) |            |
|--|----------------------|----------------------|----------------------|----------------------|------------------------|------------|
|  | Actual               | Composition<br>Ratio | Actual               | Composition<br>Ratio | Amount                 | Change YoY |
| <b>Total Revenue</b>                   | 23,057               | 100.0%               | <b>24,309</b>        | 100.0%               | 1,252                  | +5.4%      |
| <b>Mushroom<br/>Business</b>           | 22,781               | 98.8%                | <b>24,077</b>        | 99.0%                | 1,296                  | +5.7%      |
| <b>Maitake</b>                         | 13,268               | 57.5%                | <b>13,577</b>        | 55.8%                | 308                    | +2.3%      |
| <b>Eringi</b>                          | 2,307                | 10.0%                | <b>2,722</b>         | 11.2%                | 414                    | +18.0%     |
| <b>Buna-Shimeji</b>                    | 4,470                | 19.4%                | <b>4,969</b>         | 20.4%                | 498                    | +11.2%     |
| <b>Other<br/>Mushrooms<sup>1</sup></b> | 2,734                | 11.9%                | <b>2,808</b>         | 11.6%                | 74                     | +2.7%      |
| <b>Other</b>                           | 276                  | 1.2%                 | <b>231</b>           | 1.0%                 | (44)                   | (16.1%)    |

<sup>1</sup> Hon-Shimeji, Hatake-Shimeji, Button-Mushroom, Mushroom sets, Overseas Subsidiaries, purchased mushrooms, etc.



# Revenue Trends by Business Segment (Quarterly Trends)

Revenue of all mushrooms including Maitake has been on an upward trend toward the 3<sup>rd</sup> Quarter.



<sup>1</sup> Hon-Shimeji, Hatake-Shimeji, Button-Mushroom, Mushroom sets, Overseas Subsidiaries, purchased mushrooms, etc.



Unit sales prices in each mushroom were positive compared to the same period of the previous year and the forecast. As for sales volume, Maitake was negative compared to the same period of the previous year and the forecast, while Eringi was positive compared to same period of the previous year but negative compared to the forecast, and Buna-Shimeji was almost flat compared to the same period of the previous year and the forecast.

### Sales Volume Comparison <sup>1</sup>

| (%)                                | vs 3Q FYE | vs Forecast   |
|------------------------------------|-----------|---------------|
|                                    | Mar 2023  |               |
| <b>Maitake</b>                     | 93.8%     | <b>95.2%</b>  |
| <b>Eringi</b>                      | 108.4%    | <b>99.4%</b>  |
| <b>Buna-Shimeji</b>                | 101.1%    | <b>100.2%</b> |
| <b>Other Mushrooms<sup>2</sup></b> | 90.8%     | <b>86.0%</b>  |

### Unit Sales Price Comparison <sup>1</sup>

|  | vs 3Q FYE | vs Forecast   |
|--|-----------|---------------|
|  | Mar 2023  |               |
|  | 109.0%    | <b>103.0%</b> |
|  | 110.7%    | <b>108.3%</b> |
|  | 110.0%    | <b>103.6%</b> |
|  | 106.4%    | <b>104.2%</b> |

<sup>1</sup> Comparison excluding processed products

<sup>2</sup> Comparison by the total of Hon-Shimeji, Hatake-Shimeji and button mushrooms



# Consolidated Statements of Financial Position

Despite an increase in borrowings due to acquisitions of overseas operating companies, Capital depth increased steadily due to the positive profit accumulated.

| (JPY million)  | As of Mar 31, 2023 | As of Dec 31, 2023 | Increase (Decrease) |            |
|--|--------------------|--------------------|---------------------|------------|
|  | Actual             | Actual             | Amount              | Change YoY |
| <b>Current Assets</b>                                | 7,180              | <b>13,139</b>      | +5,958              | +83.0%     |
| <b>Cash and Cash Equivalents</b>                     | 1,060              | <b>3,221</b>       | +2,160              | +203.7%    |
| <b>Trade and Other Receivables</b>                   | 1,907              | <b>3,972</b>       | +2,064              | +108.2%    |
| <b>Inventories</b>                                   | 1,422              | <b>1,457</b>       | +34                 | +2.5%      |
| <b>Biological Assets</b>                             | 2,662              | <b>4,366</b>       | +1,704              | +64.0%     |
| <b>Non-current Assets</b>                            | 26,124             | <b>27,520</b>      | +1,395              | +5.3%      |
| <b>Property, Plant and Equipment</b>                 | 18,966             | <b>19,656</b>      | +690                | +3.6%      |
| <b>Goodwill and Intangible Asset</b>                 | 5,285              | <b>5,926</b>       | +641                | +12.1%     |
| <b>Total Assets</b>                                  | 33,304             | <b>40,659</b>      | +7,354              | +22.1%     |
| <b>Current Liabilities</b>                           | 6,592              | <b>26,842</b>      | +20,249             | +307.1%    |
| <b>Trade and Other Payables</b>                      | 1,877              | <b>4,936</b>       | +3,059              | +163.0%    |
| <b>Accrued Income Taxes</b>                          | 693                | <b>1,119</b>       | +426                | +61.5%     |
| <b>Short-term Borrowings</b>                         | -                  | <b>1,800</b>       | +1,800              | -          |
| <b>Current Portion of Long-Term Borrowings</b>       | 1,509              | <b>16,379</b>      | +14,869             | +985.2%    |
| <b>Non-current Liabilities</b>                       | 16,302             | <b>1,531</b>       | (14,770)            | (90.6%)    |
| <b>Borrowings</b>                                    | 16,070             | <b>1,182</b>       | (14,888)            | (92.6%)    |
| <b>Lease Liabilities</b>                             | 156                | <b>202</b>         | +45                 | +29.3%     |
| <b>Total Liabilities</b>                             | 22,895             | <b>28,373</b>      | +5,478              | +23.9%     |
| <b>Total Equity</b>                                  | 10,409             | <b>12,285</b>      | +1,876              | +18.0%     |
| <b>Total Equity Attributable to Owners of Parent</b> | 10,409             | <b>12,223</b>      | +1,814              | +17.4%     |
| <b>Total Liabilities and Equity</b>                  | 33,304             | <b>40,659</b>      | +7,354              | +22.1%     |



## Consolidated Statements of Cash Flows (3Q Cumulative Year-on-Year)

Cash Flows from Operating Activities···Increase due to increase in Profit before Tax.

Cash Flows from Investing Activities···Decrease due to decrease in capital expenditures despite acquisition of shares in subsidiaries.

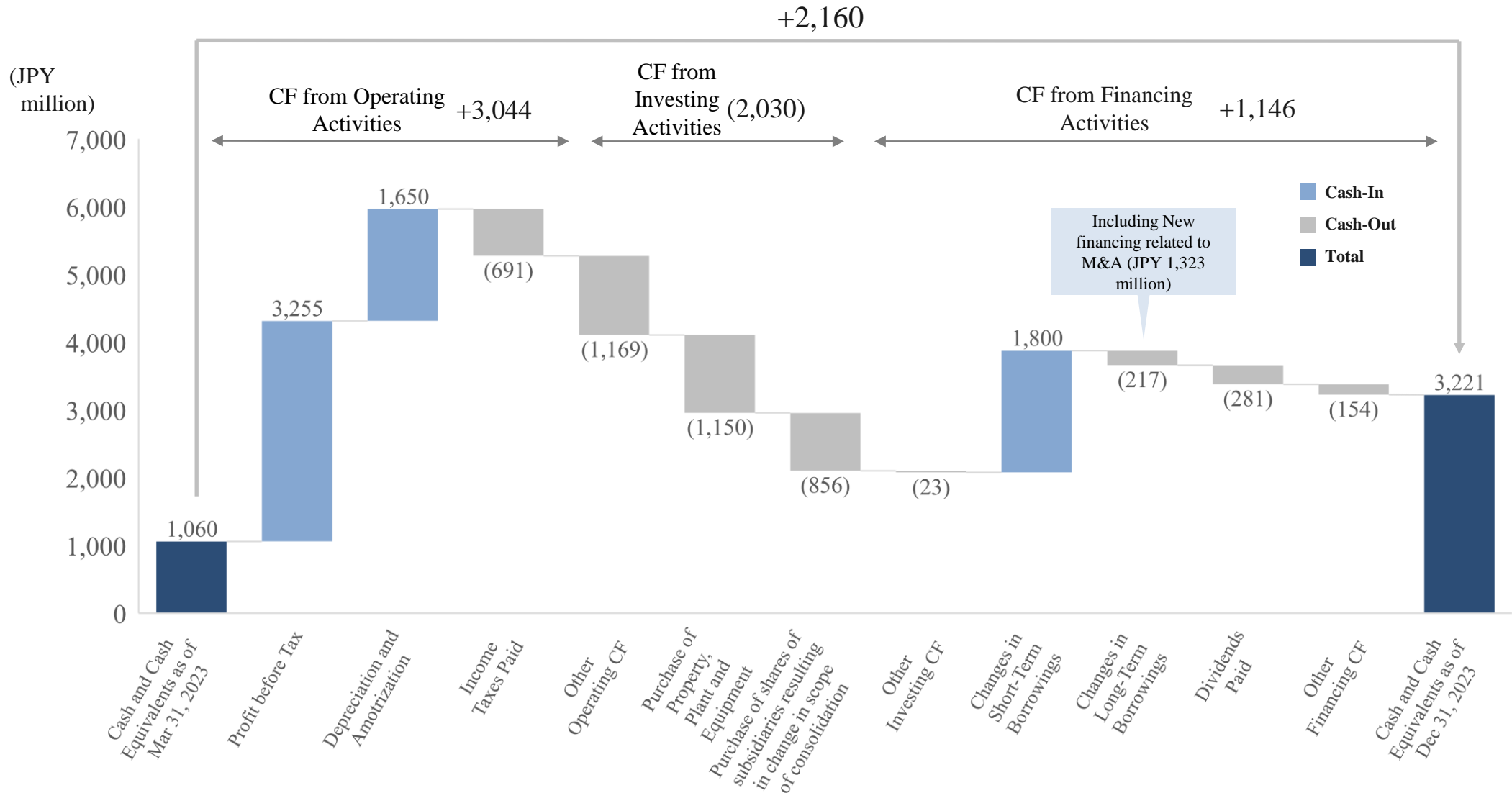
Cash Flows from Financing Activities··· Increase due to proceeds from Borrowings.

| (JPY million)   | 3Q FYE March 31, 2023 | 3Q FYE March 31, 2024 | Increase (Decrease) |
|---|-----------------------|-----------------------|---------------------|
| <b>Cash Flows from Operating Activities</b>   | 1,844                 | <b>3,044</b>          | +1,200              |
| <b>Profit before Tax</b>  | 2,597                 | <b>3,255</b>          | +657                |
| <b>Depreciation and Amortization</b>  | 1,571                 | <b>1,650</b>          | +78                 |
| <b>Decrease (Increase) in Trade and Other Receivables</b>                               | (1,536)               | <b>(1,796)</b>        | (260)               |
| <b>Decrease (Increase) in Inventories and Biological assets</b>                         | (1,107)               | <b>(1,608)</b>        | (500)               |
| <b>Increase (Decrease) in Trade and Other Payables</b>                                  | 1,657                 | <b>1,790</b>          | +132                |
| <b>Income Taxes Paid</b>  | (1,497)               | <b>(691)</b>          | +805                |
| <b>Other</b>  | 157                   | <b>444</b>            | +286                |
| <b>Cash Flows from Investing Activities</b>   | (2,332)               | <b>(2,030)</b>        | +302                |
| <b>Purchase of Property, Plant and Equipment</b>  | (2,299)               | <b>(1,150)</b>        | +1,148              |
| <b>Purchase of Intangible Asset</b>   | (14)                  | <b>(0)</b>            | +14                 |
| <b>Purchase of shares of subsidiaries resulting in change in scope of consolidation</b> | -                     | <b>(856)</b>          | (856)               |
| <b>Other</b>  | (18)                  | <b>(22)</b>           | (4)                 |
| <b>Cash Flows from Financing Activities</b>   | (1,212)               | <b>1,146</b>          | +2,359              |
| <b>Proceeds from Short-Term Borrowings</b>  | 1,500                 | <b>4,300</b>          | +2,800              |
| <b>Repayments of Short-Term Borrowings</b>  | -                     | <b>(2,500)</b>        | (2,500)             |
| <b>Proceeds from Long-Term Borrowings</b>   | -                     | <b>1,323</b>          | +1,323              |
| <b>Repayments of Long-Term Borrowings</b>   | (1,348)               | <b>(1,540)</b>        | (192)               |
| <b>Dividends Paid</b>   | (1,193)               | <b>(281)</b>          | +912                |
| <b>Other</b>  | (171)                 | <b>(154)</b>          | +16                 |
| <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>                             | (1,701)               | <b>2,160</b>          | +3,862              |
| <b>Cash and Cash Equivalents at the Beginning of the Period</b>                         | 3,723                 | <b>1,060</b>          | (2,662)             |
| <b>Cash and Cash Equivalents at the End of the Period</b>                               | 2,022                 | <b>3,221</b>          | +1,199              |



# Consolidated Cash Flow Analysis (3Q Cumulative)

Net cash provided by operating activities was more than income taxes paid, resulting in JPY 3,044 million increased in CF from operating activities. Then cash and cash equivalents increased by JPY 2,160 million due to the acquisition of property, plant and equipment, and the shares of subsidiaries.





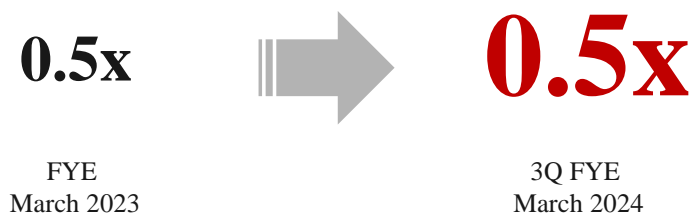
Net D/E ratio improved due to increase in capital.

Core EBITDA is improving, and the Net D/Core EBITDA returns to the level of the end of the previous year.

## Changes of Financial Indicator Regarding Goodwill

## Changes in Financial Indicator Regarding Net Debt

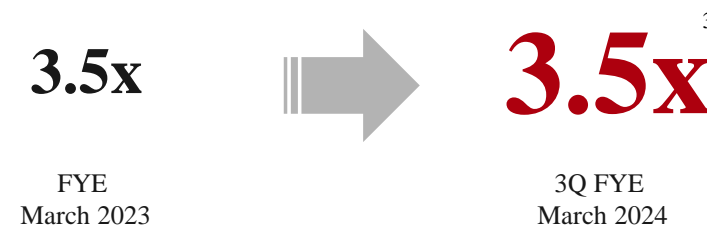
### ■ Goodwill to Net Assets Ratio <sup>1</sup>



### ■ Net Debt to Equity Ratio <sup>1</sup>



### ■ Net Debt to Core EBITDA Ratio <sup>2</sup>



- Regardless of the sign of impairment, **implement an impairment test once a year**
- Check signs of impairment quarterly and **implement an impairment test if there are any signs of impairment**

<sup>1</sup> IFRS based consolidated financial figures

<sup>2</sup> Using actual Core EBITDA figures. Core EBITDA=Core Operating Profit+Depreciation + Amortization

<sup>3</sup> Estimated by last 12 months (LTM) cumulative Core EBITDA



## Key Performance Indicators

**In the Nine months of the current fiscal year, both revenue and profit increased compared to the same period of previous year, and management indicators are improving.**

|  | 3Q FYE March 2023 | 3Q FYE March 2024 |
|--|-------------------|-------------------|
| Operating Margin   | <b>8.9%</b>       | <b>10.1%</b>      |
| Core EBITDA Margin   | <b>16.9%</b>      | <b>15.9%</b>      |
| Basic Earnings per Share <sup>1</sup>                                | <b>JPY 43.44</b>  | <b>JPY 53.48</b>  |
| ROE (Return on Equity Attributable to Owners of Parent) <sup>2</sup> | <b>12.2%</b>      | <b>13.6%</b>      |
| ROIC (Return on Invested Capital) <sup>3</sup>                       | <b>5.3%</b>       | <b>6.2%</b>       |

<sup>1</sup> Effective July 30, 2020, the Company split the shares of its common stock on a 100-for-1 basis. Basic Earnings per Share have been restated, as appropriate, on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year

<sup>2</sup> Cumulative actual of the last 12 months (LTM) ROE = Profit Attributable to Owners of Parent / Average Total Equity Attributable to Owners of Parent during the Period

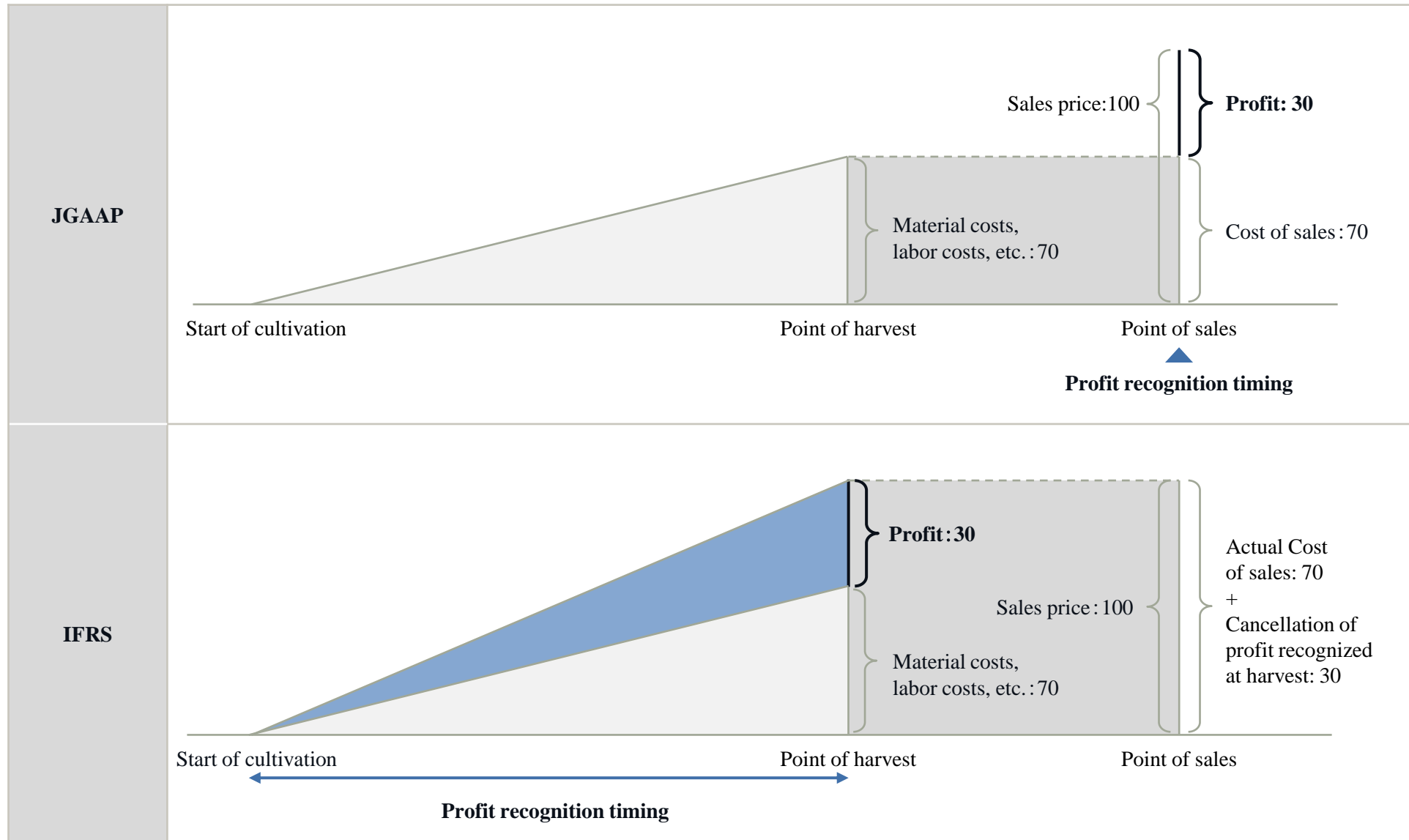
<sup>3</sup> Cumulative actual of the last 12 months (LTM) ROIC = (Operating Profit x (1 - Effective Tax Rate)) / (Average shareholders' Equity + Average interest-bearing Liabilities)





# Overview of Accounting Treatment — IAS 41 “Agriculture”

While profit is recognized at the point of sales under JGAAP, profit is recognized in advance during the period between the start of cultivation and the point of harvest under IFRS.





## Net Impact of Applying Accounting Treatment — IAS 41 “Agriculture” (3Q Cumulative)

Net income impact of + JPY 1,661 million due to the adoption of agricultural accounting, mainly due to the impact of higher fair value unit price of work-in-progress of Maitake.

修正

(JPY million)

|   | Break down  | 3Q FYE<br>March 2024 |
|---|---|----------------------|
| Gains Arising from Changes<br>in Fair Value (Income)        | Gains in Work-in-Progress (Beg. Bal.)             | (764)                |
|   | Gains in Work-in-Progress (End. Bal.)             | 2,197                |
|   | Harvest for the Current Period                    | 9,703                |
|   | Other   | 223                  |
|   | Total   | 11,359               |
| Gains Arising from Changes<br>in Fair Value (Cost of Sales) | Gains in Finished/Semi-finished Goods (Beg. Bal.) | (277)                |
|   | Gains in Finished/Semi-finished Goods (End. Bal.) | 471                  |
|   | Harvest for the Current Period                    | (9,703)              |
|   | Other   | (187)                |
|   | Total   | (9,697)              |
| <b>Total Net Impact</b>                                     |   | <b>1,661</b>         |

Gains included in work-in-progress had a positive impact of JPY 1,432 million due to the higher fair value compared to the beginning of the period.

Gains included in finished and semi-finished goods had a positive impact of JPY 193 million due to the higher fair value compared to the beginning of the period.



## Net Impact of Applying Accounting Treatment — IAS 41 “Agriculture” (Quarterly Trend)

The net impact of gains arising from changes in fair value fluctuates significantly from quarter to quarter, but the net impact for the full-year is minor.

| (JPY million)                         |  | 1Q    | 2Q     | 3Q      | 4Q | Cumulative |
|---------------------------------------|--|-------|--------|---------|----|------------|
| <b>Income</b>                         | <b>Gains in Work-in-Progress (Beg. Bal.)</b>             | (764) | (665)  | (1,958) |    | (764)      |
|                                       | <b>Gains in Work-in-Progress (End. Bal.)</b>             | 665   | 1,958  | 2,197   |    | 2,197      |
| <b>Cost of Sales</b>                  | <b>Gains in Finished/Semi-finished Goods (Beg. Bal.)</b> | (277) | (278)  | (510)   |    | (277)      |
|                                       | <b>Gains in Finished/Semi-finished Goods (End. Bal.)</b> | 278   | 510    | 471     |    | 471        |
| <b>Harvest for the Current Period</b> |  | ±0    | ±0     | ±0      |    | ±0         |
| <b>Other</b>                          |  | 28    | 8      | (1)     |    | 35         |
| <b>Total Net Impact</b>               |  | (69)  | +1,533 | +197    |    | +1,661     |

| (JPY million)                         |  | 1Q      | 2Q     | 3Q      | 4Q      | Cumulative |
|---------------------------------------|--|---------|--------|---------|---------|------------|
| <b>Income</b>                         | <b>Gains in Work-in-Progress (Beg. Bal.)</b>             | (1,042) | (739)  | (1,599) | (1,643) | (1,042)    |
|                                       | <b>Gains in Work-in-Progress (End. Bal.)</b>             | 739     | 1,599  | 1,643   | 764     | 764        |
| <b>Cost of Sales</b>                  | <b>Gains in Finished/Semi-finished Goods (Beg. Bal.)</b> | (280)   | (252)  | (485)   | (338)   | (280)      |
|                                       | <b>Gains in Finished/Semi-finished Goods (End. Bal.)</b> | 252     | 485    | 338     | 277     | 277        |
| <b>Harvest for the Current Period</b> |  | ±0      | ±0     | ±0      | ±0      | ±0         |
| <b>Other</b>                          |  | 25      | 7      | (1)     | (36)    | (5)        |
| <b>Total Net Impact</b>               |  | (304)   | +1,100 | (105)   | (976)   | (285)      |



# Promoting Maitake through TV CM

“The greatest masterpiece in the history of Yukiguni.” as the catchphrase, and popular actor Taishi Nakagawa appears in commercials.

Disseminating the commitment of “Yukiguni Maitake Kiwami”, as well as conducting comprehensive marketing utilizing in store and digital tools.

## Concept

Specially selected Yukiguni original premium products

- Originally developed fungus
- Long-term maturity
- Large root and stem



Actor Taishi Nakagawa

## Develop Sales Floors



Image of sales floor

## Suggest Recipes



## Send out SNS



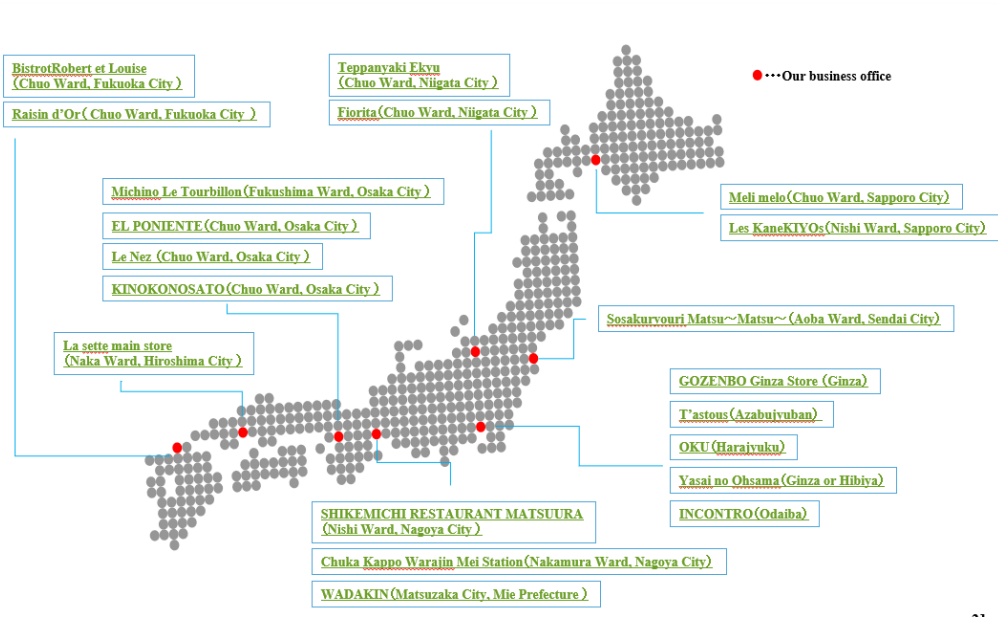


# Premium development of “Yukikuni Maitake Kiwami White”

“Yukikuni Maitake Kiwami White” is used at high-class restaurants across the every region in the country.

High-quality cooking, the chef's impressions and customer reactions are introduced on our company's website to promote the appeal of premium mushrooms.

## Restaurants offering White Maitake menu items



## Introduce on our website



[https://www.maitake.co.jp/\\_recipe/special/white\\_restaurant/](https://www.maitake.co.jp/_recipe/special/white_restaurant/)

*Menu items, chef's impressions, customer reactions, etc.*



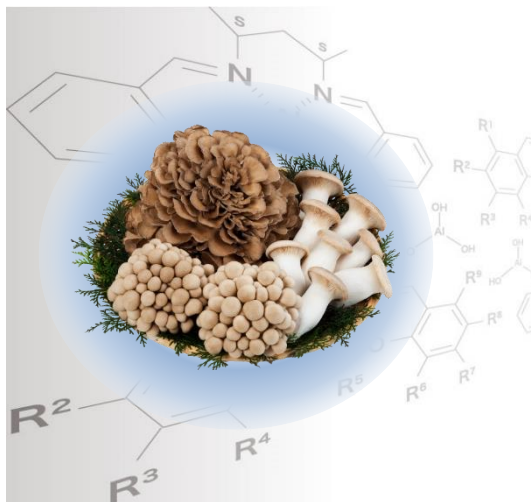
- Restaurants offering menus using “Yukikuni Maitake Kiwami White” expanded throughout Japan.
- Michelin-starred restaurants also use White Maitake.
- Due to the bright appearance, White Maitake is widely used in high-class dishes at famous restaurants.



# Product Innovation Initiatives: Development of Alternative Meat

Increased opportunities for our mushroom alternative meat to be featured in various media such as TV and newspapers. Further strengthen organizational structure and further expand for growth of domestic business.

## Potential of Mushroom



## Product Innovation

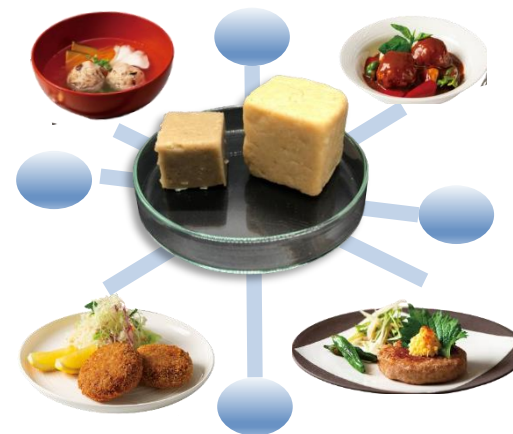
### R&D capabilities



### Successful alternative meat development



### Promotion toward market launch



## Growing interest

肉の代わりではなくなる？ “きのこ由来肉”発売が「代替肉」の再定義に



地球環境に優しい食材として、世界で注目を集めている「代替肉」（たいたいにく）。だが一方で、「肉の味には及ばない」「価格が高い」「加工時に何が入っているかわからない」などネガティブなイメージが広がっているのも事実。そんななか、きのこの生産販売を手掛ける大手・雪国まいたけが、きのこを主原料とした「代替肉」の開発に成功。今年度中に製品化し、販売を目指すことを発表した。日本では  
ORICON NEWS (August 24, 2023)



Nippon Television "Sekaiichi uketai jugyo"  
(The class people want to take the most in the world)  
(January 6, 2024)



「Nikkei MJ」(January 24, 2024)  
「The Nikkei」(January 27, 2024)



TBS「THE TIME」  
(February 1, 2024)



# Initiatives to Sustainability

Sustainability is an important management issue for improving corporate value over the mid- to long-term, and we will establish an internal structure to proactively address ESG issues and promote specific initiatives.

## Formulate a value creation process



- Demonstrate how we will create value and develop through our business activities in response to changes in the external environment.
- Continue to grow sustainably with society by leveraging our value chain and strong brand power.
- In June 2022, publicly available on the Company's website.

## Identify material issues



- Identify material issues that are important and prioritized for sustainable growth and resolution of social issues.
- Establish policy direction and goals for identified each of the seven material issue and manage the progress of those initiatives.
- In February 2023, publicly available on the Company's website.

## Disclose in line with TCFD recommendations



- In November 2021, indicated support for TCFD recommendations.
- Disclose information on "Governance," "Strategy," "Risk Management," and "Metrics and Objectives" as recommended in the TCFD Recommendations.
- After conducting scenario analysis, we newly published it on our company website in May 2023.

## Set GHG emission reduction targets



- Calculate GHG emissions for the entire Yukiguni-Maitake Group.
- Targeting "Net Zero Emissions" by FYE March 2051, we will work to reduce greenhouse gas emissions throughout the entire value chain.
- In June 2022, publicly available on the Company's website.

## Sustainable procurement of raw materials



- Promote healthy forests by thinning degraded forests and creating an environment where trees can grow easily.
- Utilizing wood harvested from the "Yukiguni-Maitake Forest" for our mushroom culture medium.

## Support for balancing work and childcare



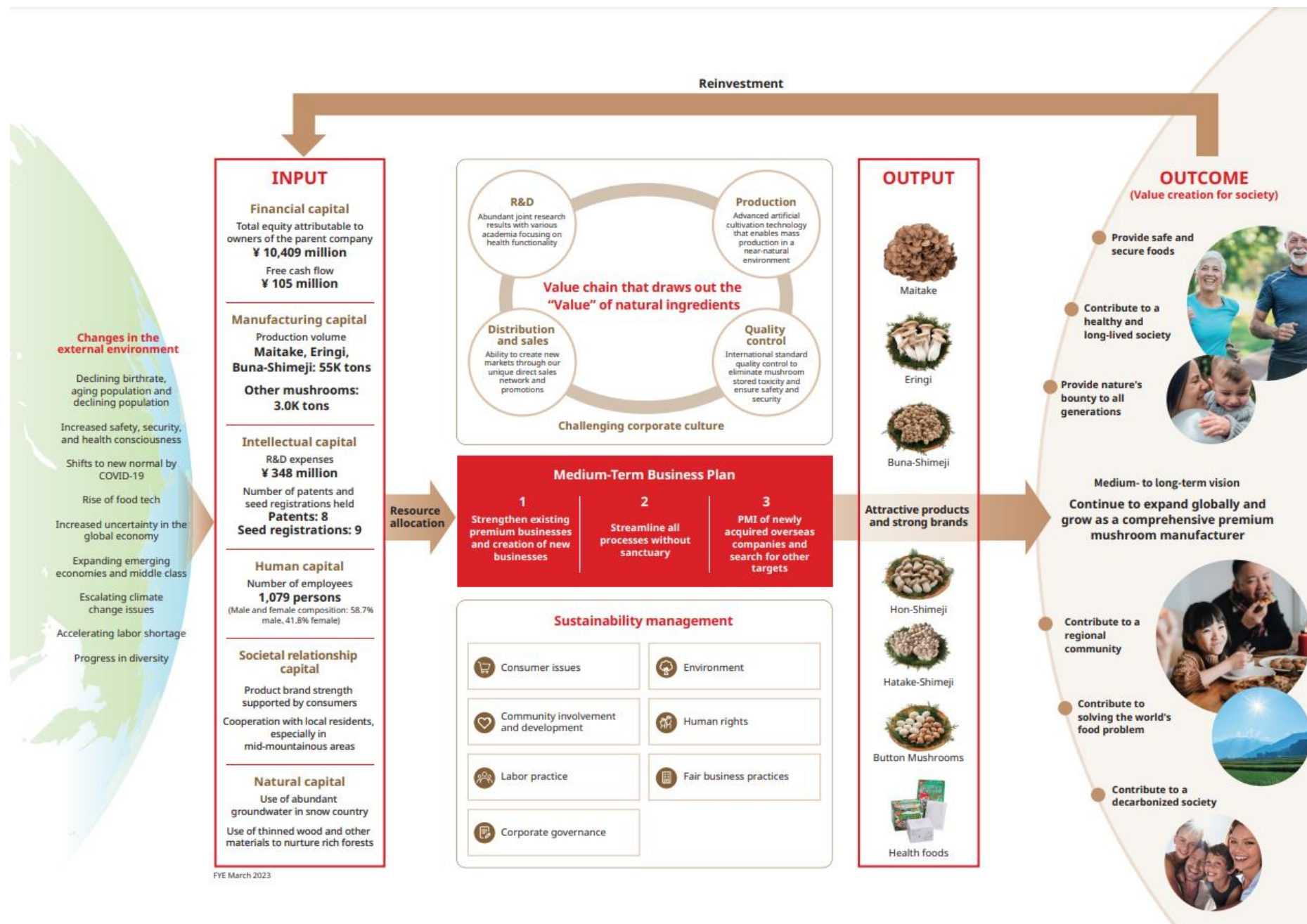
- Create a safe work environment for employees at various life stages
- Obtained "Kurumin Certification" from the Minister of Health, Labor and Welfare on June 6, 2023 for our efforts to support work and childcare balance.

1 Include generally collected recycled materials and reused of scrap from tray manufacturing plants.



# Value Creation Process

Continue to grow sustainably with society through our business activities by leveraging our value chain and our strengths in the face of changes in the external environment.

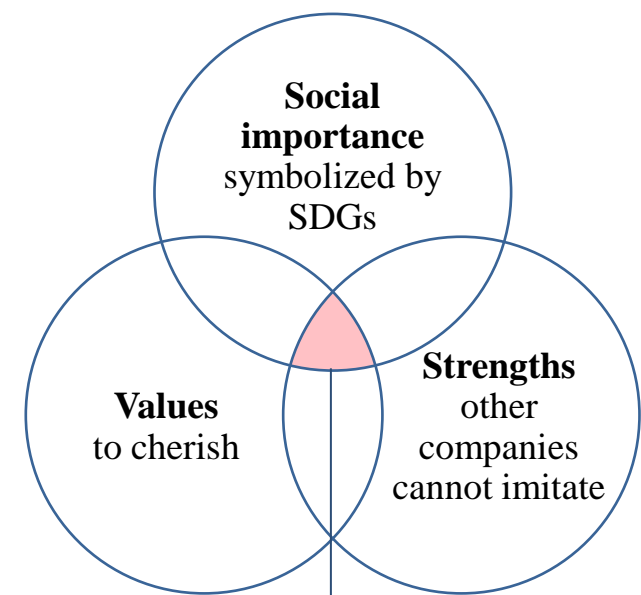






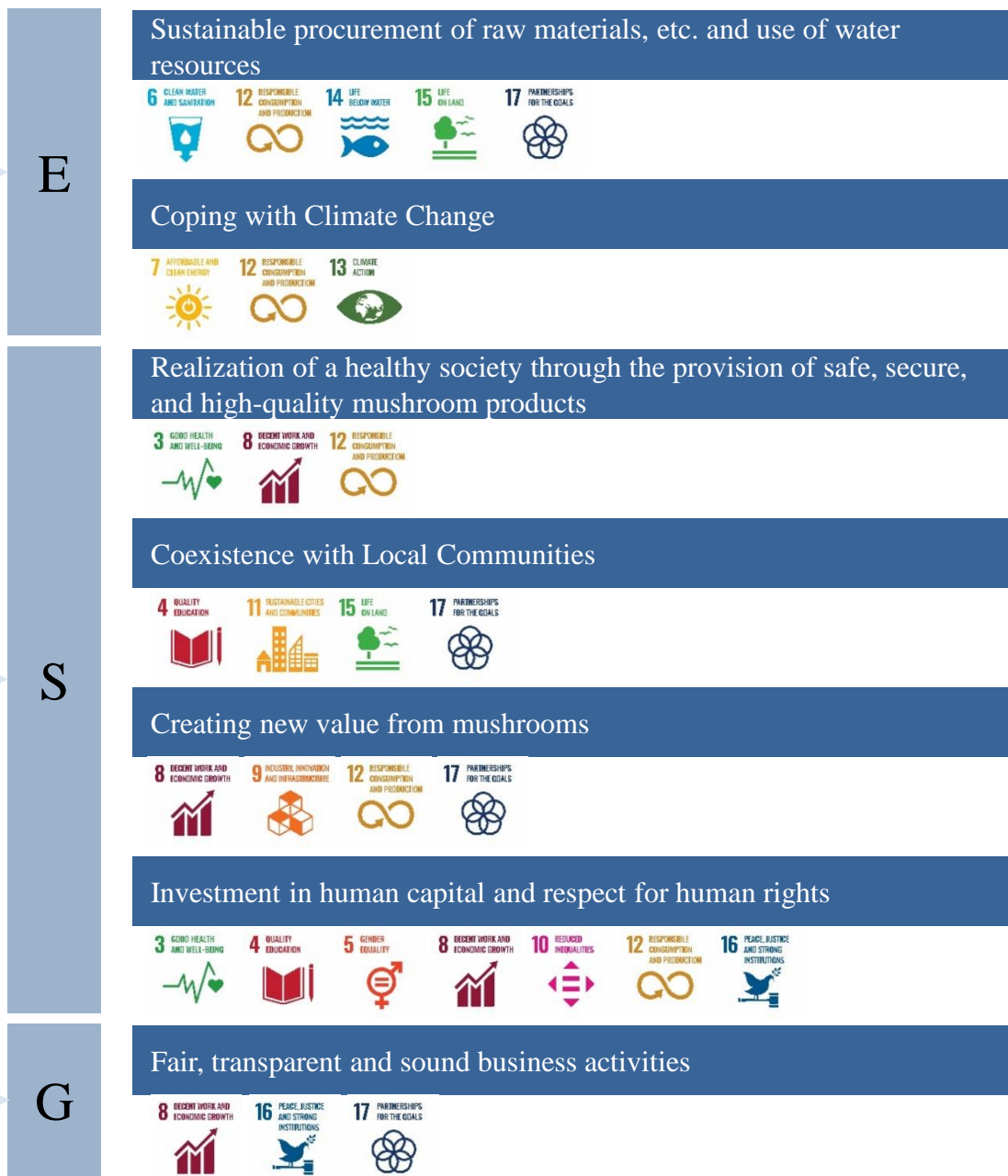
# Identifying Material Issues

Identified seven material issues as important themes to be addressed for the company's sustainable growth and resolution of social issues. Set policy direction and targets for each material issue and manage the progress of initiatives.



Material issues  
(Key issues to be addressed)

Value creation process created for a sustainable society in June 2022



# Disclosure in line with TCFD recommendations

In November 2021, we expressed our support for the TCFD recommendations, and in June 2022, we made disclosures in line with the disclosure framework recommended by the TCFD. In the future, we will further expand the information and conduct scenario analysis to address global warming issues.

## Governance

- Established the Sustainability Promotion Committee to address climate change as an important management issue.
- The committee is chaired by a representative director and consists of full-time directors (excluding audit committee members), executive officers, and presidents of group companies.
- Deliberate on important issues regarding basic policies for the environment as a whole, including climate change, and reflect them in management strategies.

## Strategy

- Climate change on a global scale may affect our business and finances, such as higher raw material prices due to soaring crude oil prices and changes in consumer preferences.
- Organize countermeasures against possible risks/opportunities from short-, medium-, and long-term perspectives, and promote initiatives.  
Conduct scenario analysis to identify risks and opportunities to the business and publish on website (May 2023)



Endorsement of TCFD Recommendations ( November 2021 )

- Sustainability Promotion Committee reviews risks and opportunities related to climate change in the Group.
- The Board of Directors receives reports from the Committee and supervises the policy, action plans, etc., for addressing environmental issues.

## Risk management

- Aim to reduce greenhouse gas emissions by approximately 45,800 t-CO<sub>2</sub> for Scope 1 and 2, and 16,700 t-CO<sub>2</sub> for Scope 3 by FY2030 (compared to FY2021).
- Aim for net-zero emissions by FY2050
- Establish short- to long-term roadmap to achieve goals.

## Indicators and Targets



# Risks and opportunities based on climate change scenarios

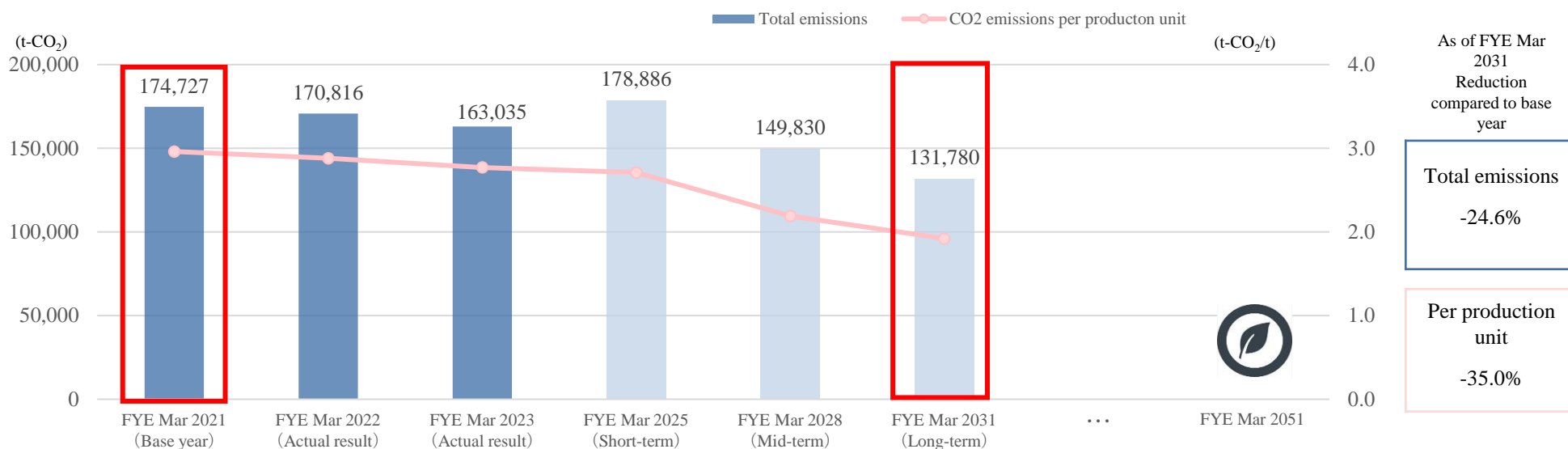
Yukiguni Maitake Group analyzed risks and opportunities associated with climate change in 2030 using 4°C and 1.5°C scenarios. Strive to reduce risks and continuously work to expand opportunities.

|                 | Classification      | Event  | Anticipated Impact on Business  | Expression period   | Importance | Measures  |
|-----------------|---------------------|--|---|---------------------|------------|---|
| Transition risk | Policy              | Introduction of carbon tax   | <ul style="list-style-type: none"> <li>Increased carbon tax burden on CO2 emissions from production, logistics, and other business activities</li> </ul>  | Short<br>Mid & Long | Large      | <ul style="list-style-type: none"> <li>Reduce of production costs by streamlining production processes</li> <li>Avoidance of future carbon tax burden through introduction of renewable energy, etc.</li> </ul>   |
|                 |                     |  | <ul style="list-style-type: none"> <li>Increased procurement costs for plastic packaging materials</li> </ul>   | Short<br>Mid & Long | Small      | <ul style="list-style-type: none"> <li>Reduce of procurement costs by reducing the volume of plastic packaging materials</li> </ul>   |
| Physical risk   | Acute               | Intensification and frequency of extreme weather events such as typhoons, heavy rains, and heat waves    | <ul style="list-style-type: none"> <li>Natural disasters and extreme weather conditions destabilize the procurement of auxiliary materials such as sawdust and bran, which are raw materials for mushroom cultivation, and their prices soar</li> </ul> | Short<br>Mid & Long | Small      | <ul style="list-style-type: none"> <li>Reduce of sawdust consumption by increasing the reuse ratio of the culture medium</li> <li>Vibrant forest development and sustainable sawdust procurement through "Yukiguni-Maitake Forest Creation Activities", etc.</li> </ul> |
|                 | Chronic             | Rising temperatures, fluidized precipitation and weather patterns  | <ul style="list-style-type: none"> <li>Rising temperatures change the growth environment of mushrooms and increase air conditioning costs for temperature and humidity control</li> </ul>   | Short               | Small      | <ul style="list-style-type: none"> <li>Switch to high-efficiency and energy-efficient air conditioning equipment</li> <li>Development of cultivation techniques and varieties less susceptible to climate change</li> </ul>   |
| Opportunity     | Products & Services | Development and expansion of products and services that can contribute to low carbon and decarbonization | <ul style="list-style-type: none"> <li>Increasing substitution of plant-based foods for animal-based foods, creating more opportunities to create new commercial products using mushrooms</li> </ul>  | Short<br>Mid & Long | Large      | <ul style="list-style-type: none"> <li>Research and development to create alternative protein that makes use of the characteristics of mushroom as new products</li> </ul>  |
|                 |                     | Changing consumer preferences  | <ul style="list-style-type: none"> <li>Concerns about the risk of infectious diseases due to climate change have increased the need for mushrooms to help improve immunity</li> </ul>   | Short               | Small      | <ul style="list-style-type: none"> <li>Promotion of the habit of eating mushrooms throughout the year by appealing to consumers about the benefits of mushrooms</li> </ul>  |
|                 | Resilience          | Actualization of physical risks  | <ul style="list-style-type: none"> <li>Expanded marketing opportunities for mushrooms, a crop grown in facilities that is less susceptible to weather changes than open-field cultivation</li> </ul>  | Short               | Small      | <ul style="list-style-type: none"> <li>Stable production and supply of products even in unstable climatic environments</li> </ul>   |

# GHG Emissions Reduction Targets and Results

GHG emissions in FYE Mar 2023 were reduced by 6.7% from the base year of FYE Mar 2021.  
Toward targets in FYE Mar 2031 which is milestone proceed actions for Net zero emissions in FYE Mar 2051.

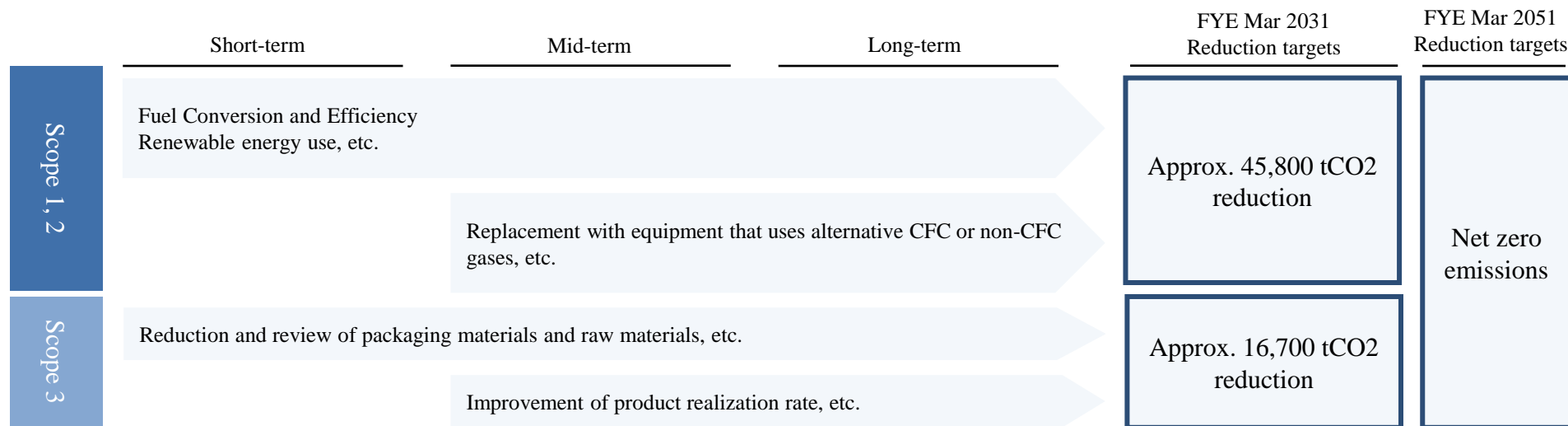
## GHG Emission Reduction Targets and Results



As of FYE Mar 2031  
Reduction compared to base year

**Total emissions**  
-24.6%

**Per production unit**  
-35.0%

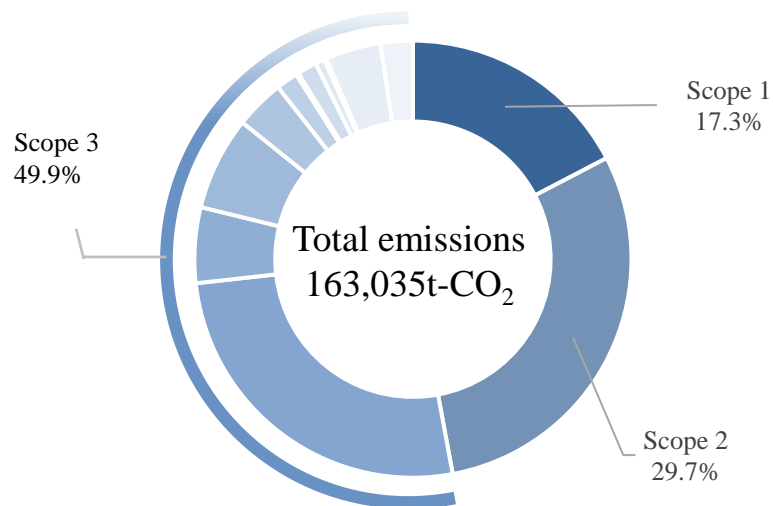


1 The scope of the project includes Yukiguni maitake, Mitsukura Norin, and Mizuho Norin. Calculations were made using the IDEA and Ministry of the Environment databases. For those for which no database exists, scenarios were created and calculations were made.

# GHG Emissions Reduction Results and Actions

GHG emissions in FYE Mar 2023 were reduced by 4.6% from the FYE Mar 2022.  
New initiatives will be promoted in a planned manner.

## GHG Emissions by Scope (Results for FYE March 2023)<sup>1</sup>



### Scope 1



### Switching to LNG

- LNG installation completed at Gosen Bio Center (January 2021) and Bio Center 3 (October 2022)
- Promoting GHG reduction through the use of next-generation energy

### Scope 2



### Production efficiency

- Reviewing and improving the sterilization method for the culture medium and existing equipment has enabled efficient production that also reduces GHGs

### Scope 3 (Category 4)



### Promoting a Modal Shift

- Modal shift to long-distance transportation using rail transport
- Compared to truck transportation, expecting an approx. 80% reduction in CO<sub>2</sub>

|  | FYE Mar 2022 | FYE Mar 2023 | Change YoY |
|--|--------------|--------------|------------|
|--|--------------|--------------|------------|

|                 |                           |                           |       |
|-----------------|---------------------------|---------------------------|-------|
| Scope 1~3 Total | 170,816 t-CO <sub>2</sub> | 163,035 t-CO <sub>2</sub> | -4.6% |
|-----------------|---------------------------|---------------------------|-------|

<sup>1</sup> The scope of the project includes Yukiguni maitake, Mitsukura Norin, and Mizuho Norin. Calculations were made using the IDEA and Ministry of the Environment databases. For those for which no database exists, scenarios were created and calculations were made. Mitsukura Norin was merged into Yukiguni maitake on April 1, 2023, and its name was changed to "Okayama Bio Center".

# “Yukiguni Maitake Forest Creation Activities”

Ongoing activities to develop a forest park where people and forests can coexist in harmony by clearing trees and planting broadleaf trees to create a healthy forest.

## History of Activities

2020

- Signed an agreement with the representatives of Minamiuonuma City, Minamiuonuma Forestry Association, and the Minamiuonuma Regional Promotion Bureau of Niigata Prefectural Government to develop a forest park
- Opened of “Yukiguni Maitake Forest”



2021

- Maintained through weeding and thinning
- Planted broadleaf trees (cherry trees), picked up twigs



## Activities for FYE March, 2023

- Planted cherry trees and mountain maples
- Paved woodchip
- Maintained through weeding and thinning



- Recognized as a "Green Partner 2022" in the "Forest x Decarbon Challenge 2022"<sup>1</sup> sponsored by the Forestry Agency.



In addition to carbon dioxide absorption from forest maintenance activities, the company was certified as a "Green Partner 2022" in recognition of its activities to recycle wood without waste, such as processing wood from thinning into sawdust for use in mushroom culture medium and using used culture medium as fuel for boilers.

<sup>1</sup> A system to recognize the efforts of companies that contribute to securing and enhancing carbon dioxide absorption by forests in order to achieve carbon neutrality by 2050.



# Promotion of diverse work styles and acquisition of "Kurumin Certificate"

**Kurumin certificate as a "Company Supporting Child-Raising" through efforts to create a safe working environment for employees.**

## What is "Kurumin" ?

- A certificate by the Minister of Health, Labor and Welfare as a "Company Supporting Child-Raising" through efforts to support a balance between work and child-raising.
- Based on the Act on Advancement of Measures to Support Raising Next-Generation Children, each company can receive a certificate by establishing a general business owner action plan, achieving the goals set in the plan, and applying for a certificate if the company meets certain criteria.
- We have established a new general business owner action plan (Table 1 below) for the next two years.

Table 1

| Yukikuni Maitake General Business Owner Action Plan |   |
|---|---|
| Planning period                                     | April 1, 2023 - March 31, 2025  |
| Target  | ① More than 50% of male employees taking childcare leave.<br>② More than 70% of all employees taking annual paid leave. |



## Our Approach

- Achieved the target "40% of male employees taking childcare leave" set in the "General Business Owner Action Plan" for the period from April 1, 2020 to March 31, 2023.
- Continue to enhance childcare support and promote a workplace where employees can work with peace of mind.

| ■ Number of employees taking childcare leave (rate <sup>1</sup> ) |              |              |              |
|---|--------------|--------------|--------------|
|   | FYE Mar 2021 | FYE Mar 2022 | FYE Mar 2023 |
| Male  | 5<br>(23%)   | 11<br>(100%) | 16<br>(88%)  |
| Female  | 16<br>(93%)  | 10<br>(100%) | 12<br>(85%)  |
| Total   | 21           | 21           | 28           |

| ■ Rate taking annual paid leave |              |              |
|---------------------------------|--------------|--------------|
| FYE Mar 2021                    | FYE Mar 2022 | FYE Mar 2023 |
| 78.3%                           | 84.0%        | 84.6%        |

<sup>1</sup> Based on the provisions of the "Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave" (Act No. 76 of 1991), the ratio of taking childcare leave, etc. as stipulated in the "Ordinance for Enforcement of the Act on the Welfare of Workers Who Take Care of Children or Other Family Members Including Child Care and Family Care Leave" (Ordinance of the Ministry of Labor No. 25 of 1991) No. 72-4-1.



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2

Medium- Term Business Plan for FYE March 31, 2024  
to FYE March 31, 2028

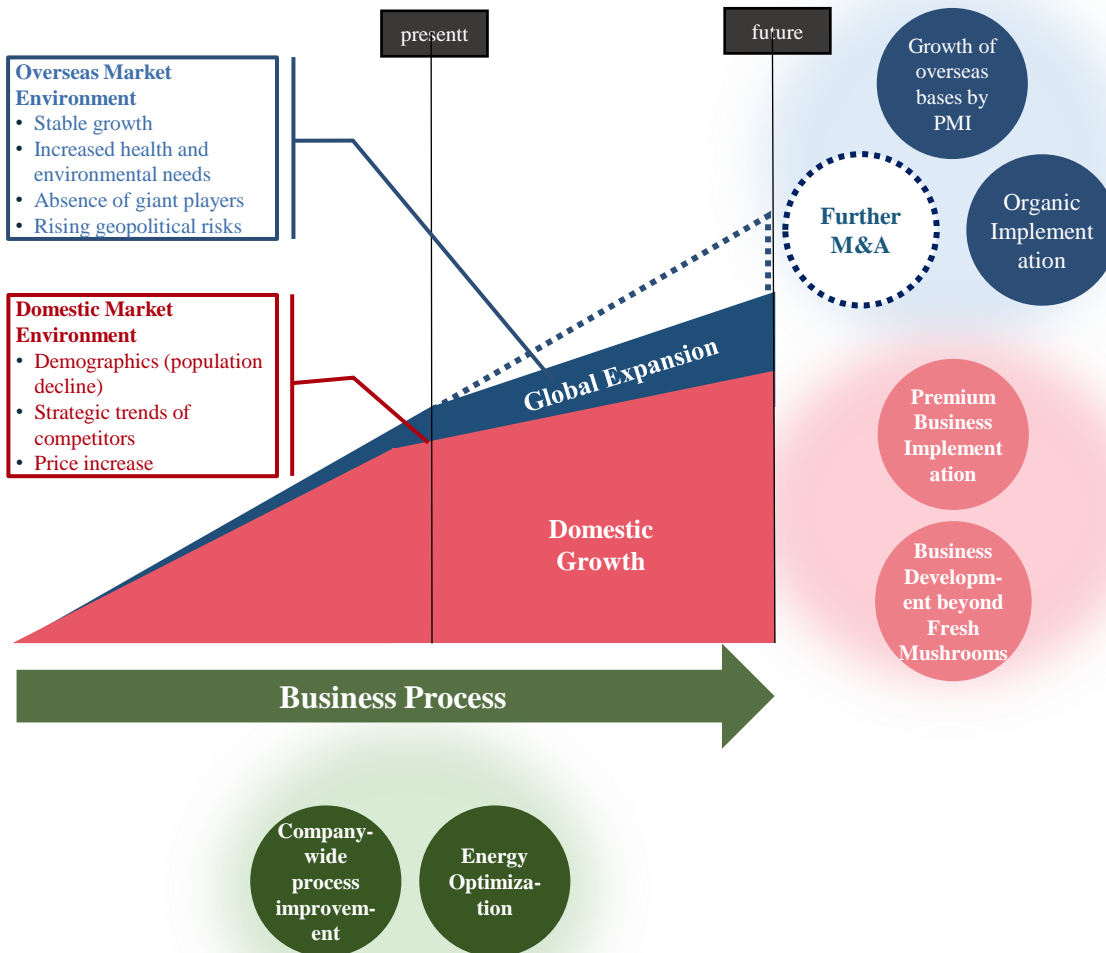
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# Diagram of the Medium-Term Business Plan (FYE March 2024 – FYE March 2028)

Based on the current Medium-Term Business Plan, respond appropriately to changes in the business environment and continue to seek growth opportunities on a global basis



Strengthen and promote the business base in Japan and integration of new bases and further business development in global markets

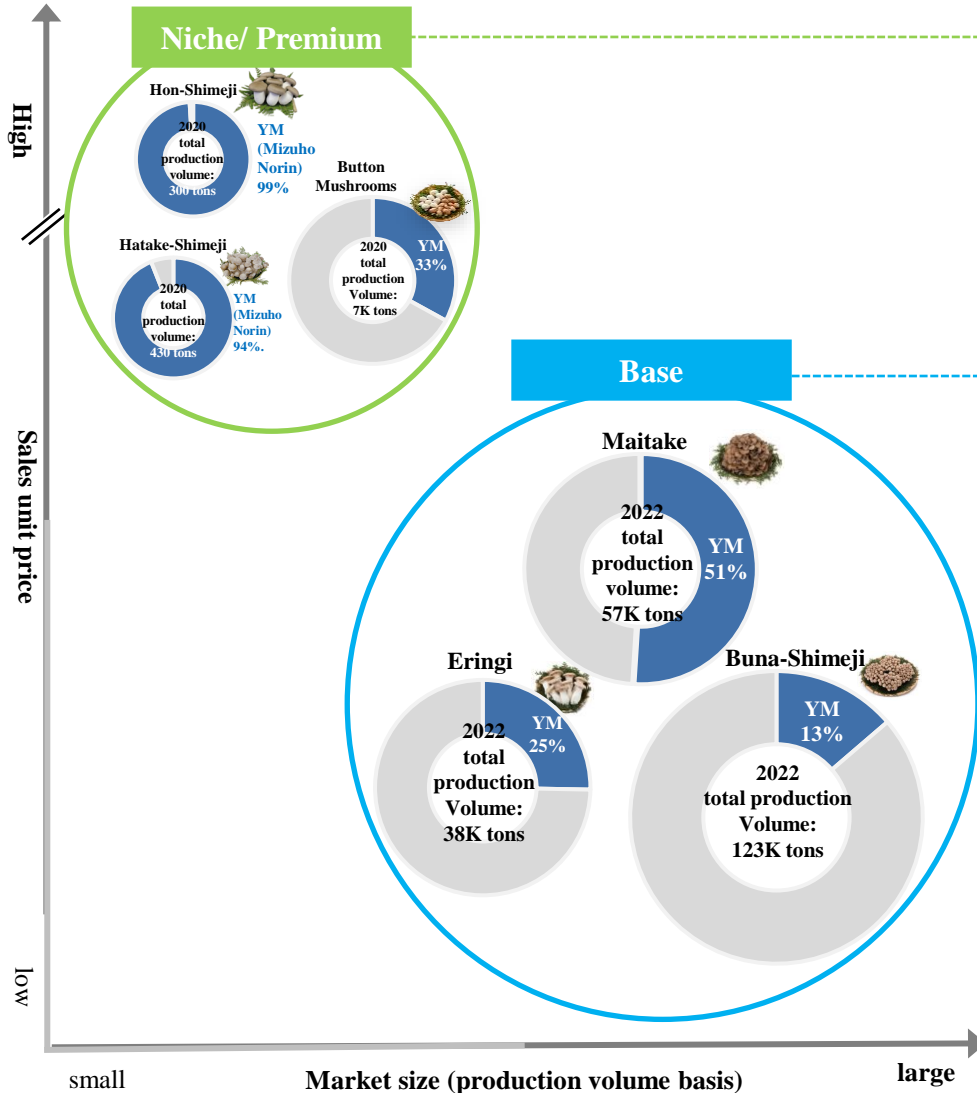
- A** **Domestic Mushroom Market: Strengthen Existing Premium Businesses and Creation of new businesses**
  - Further strengthen our domestic business by enhancing our existing premium positioning, differentiate ourselves from other production areas, and steadily capture the quality-oriented needs of 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 of newly acquired overseas 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, we will consider sales of our products in Europe and the U.S. in addition to Asia.



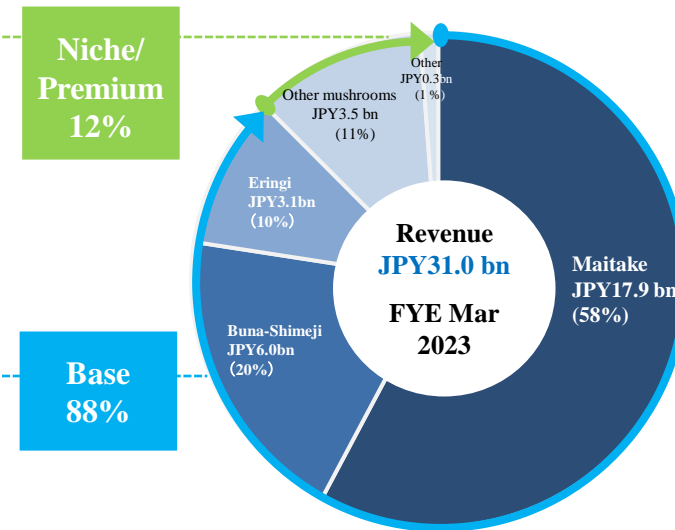
# Basic Policy A. Domestic Mushroom Market (Our Premium Position)

Our business portfolio consists of 80% base business including Maitake mushrooms, and the remaining 20% is niche/ premium business with high unit sales price, which enables us to realize premium margins compared to other companies.

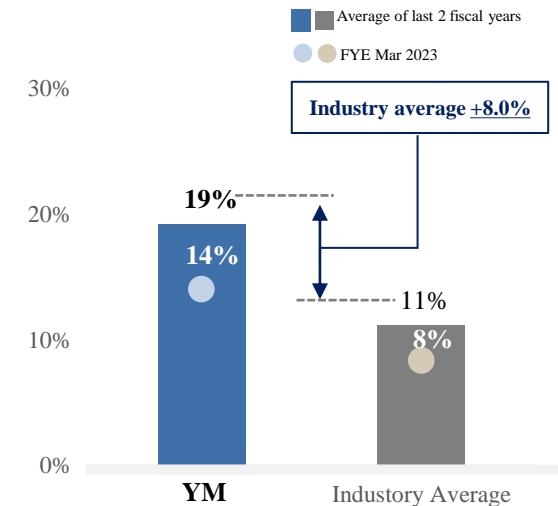
## Mushroom market size (production basis) and share



## Composition of revenue



## Comparison of EBITDA margins between the Company and the mushroom industry



Note: Market share of each mushroom is calculated using domestic production volume (Our company's production / Total domestic production)  
Sources: Forestry Agency "Statistical Survey on Production of Minor Forest Products", Ministry of Agriculture, Forestry and Fisheries "Local Vegetable Production Survey"

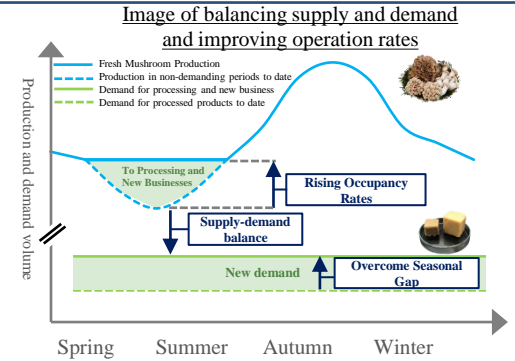


# Basic Policy A. Domestic Mushroom Market (Base Business Strategy)

In the base business, steadily capture quality-oriented needs and aim to simultaneously achieve high profitability and increase market share

## Recompose product allocation to achieve even higher profitability

- Review item mix while also expanding newly designed products with added convenience, to achieve both customer satisfaction and improved profitability
- Overcome the seasonal gap by balancing supply and demand and improving operation rates through a combination of fresh mushroom distribution and input into processing and new businesses



## Strengthen premium brands

- Continue to develop a high-end, three-dimensional promotion that links commercials, digital, and packaging to further refine the premium image
- Introduce using results in high-end restaurants and chefs' voices on our website

“Kiwami Specialties”, which introduces high-end restaurants that use white maitake mushrooms

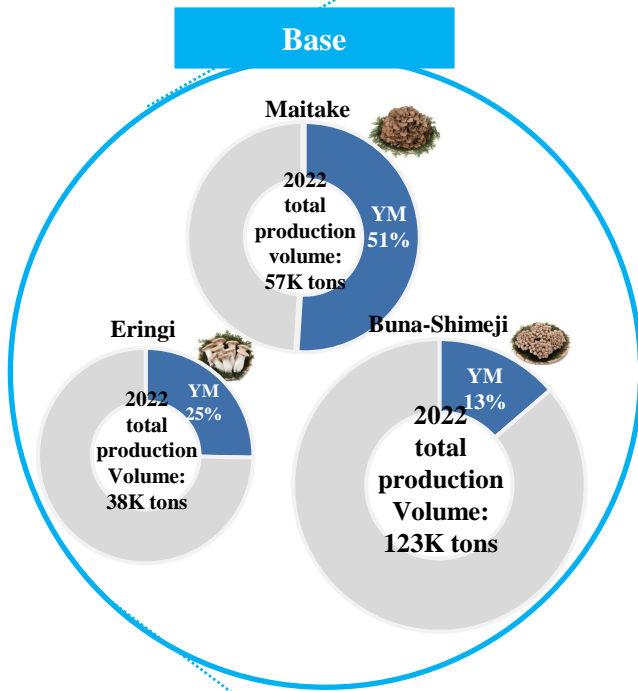


\*Picture menu may be subject to change in the future.

## Further utilization of sales channels

- Continue to leverage our unique, wide-ranging, and robust direct transactions, which are less susceptible to turbulent market conditions.
- Expand win-win sales channels by leveraging the above strengths to invest sales resources and promote value-proposition type sales floor presentation.

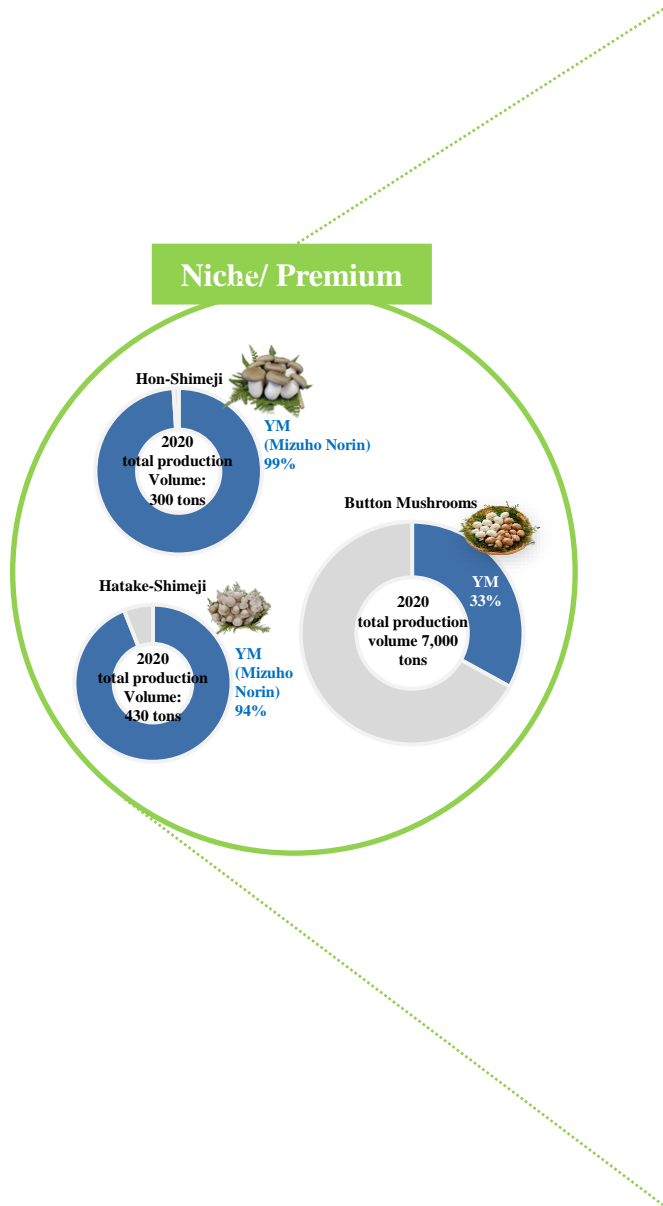
Our unique black-and-white maitake mushroom shelf configuration





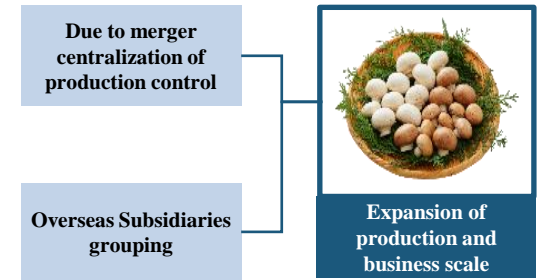
# Basic Policy A. Domestic Mushroom Market (Expansion of Niche/ Premium Business)

Build a new growth driver by expanding scarce items and fully expanding new business areas.



## Expansion of Button mushroom business

- Button mushrooms are an attractive market with room for growth, as they are produced in smaller quantities and have a higher unit sales price than maitake mushrooms
- Expand the scale of our business by strengthening our domestic production base and collaborating with our overseas subsidiaries



## Full-scale expansion of new business areas

- Expand alternative meat products that not only reduce environmental impact, but also provide a solution to health issues and good taste
- In addition, we will launch a new proprietary product that combines mushrooms and alternative meat as raw materials
- Utilize existing sales channels with a high percentage of consumers via the sales floor, and expect to acquire and establish space, as well as achieve steady expansion

Alternative meat material (under development)



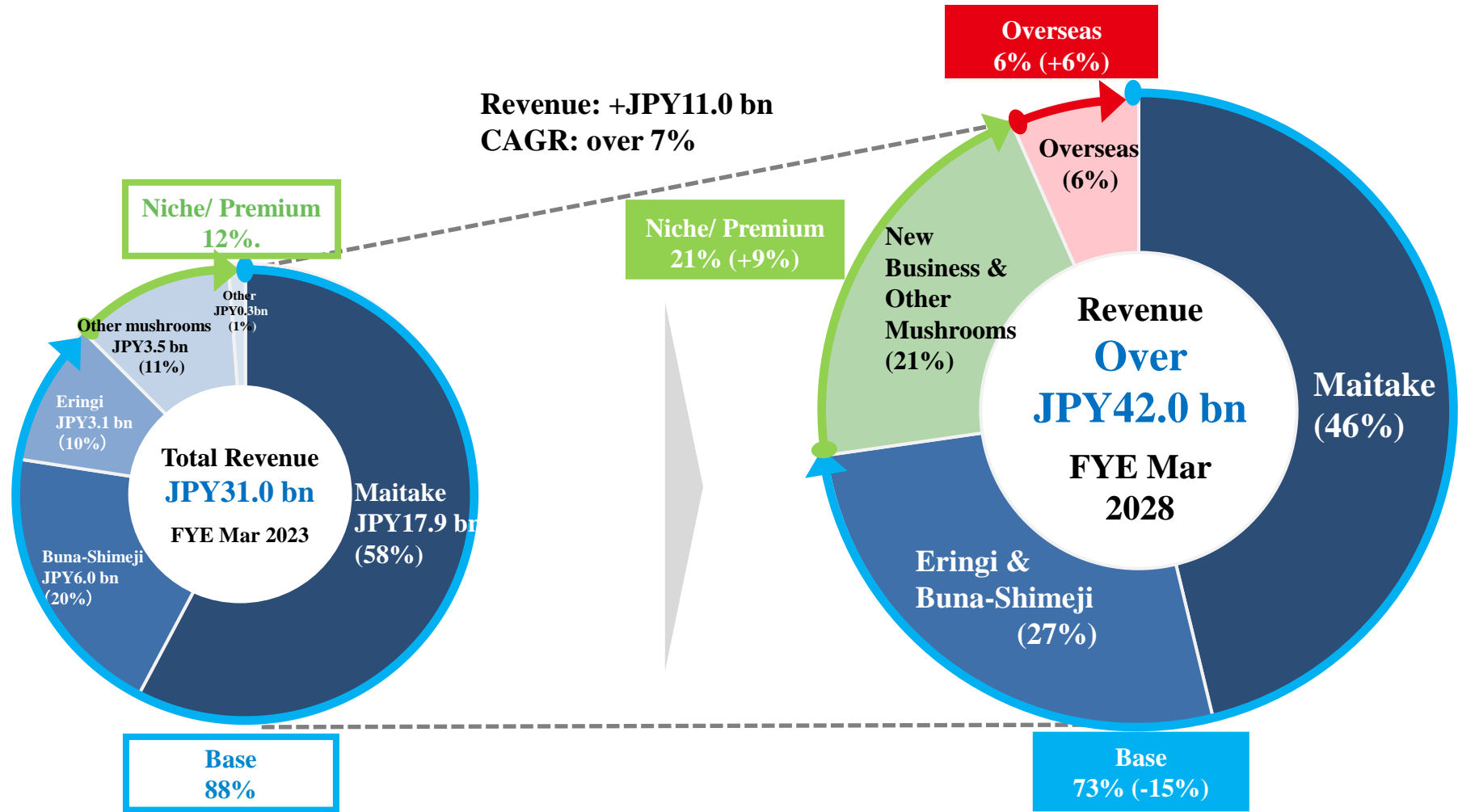
Image of distribution product composition by new business





# Basic Policy A. Domestic Mushroom Market (Future Portfolio)

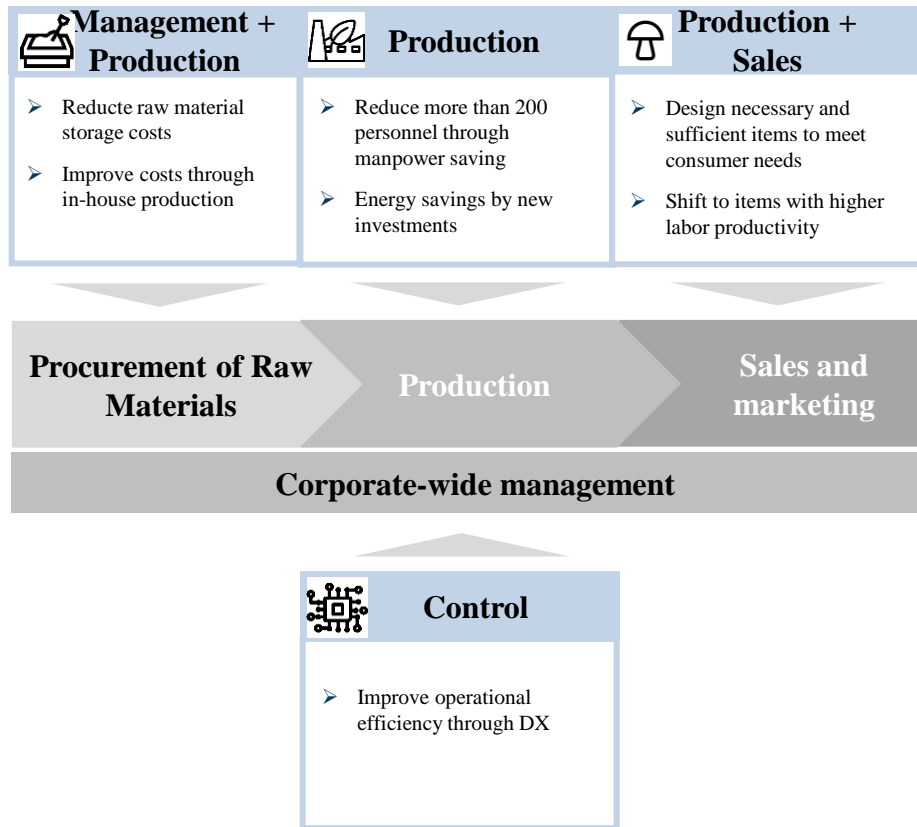
Aim to expand business to over JPY11 billion by expanding two segments, Niche/ Premium and overseas, while maintaining the base business as the mainstay.



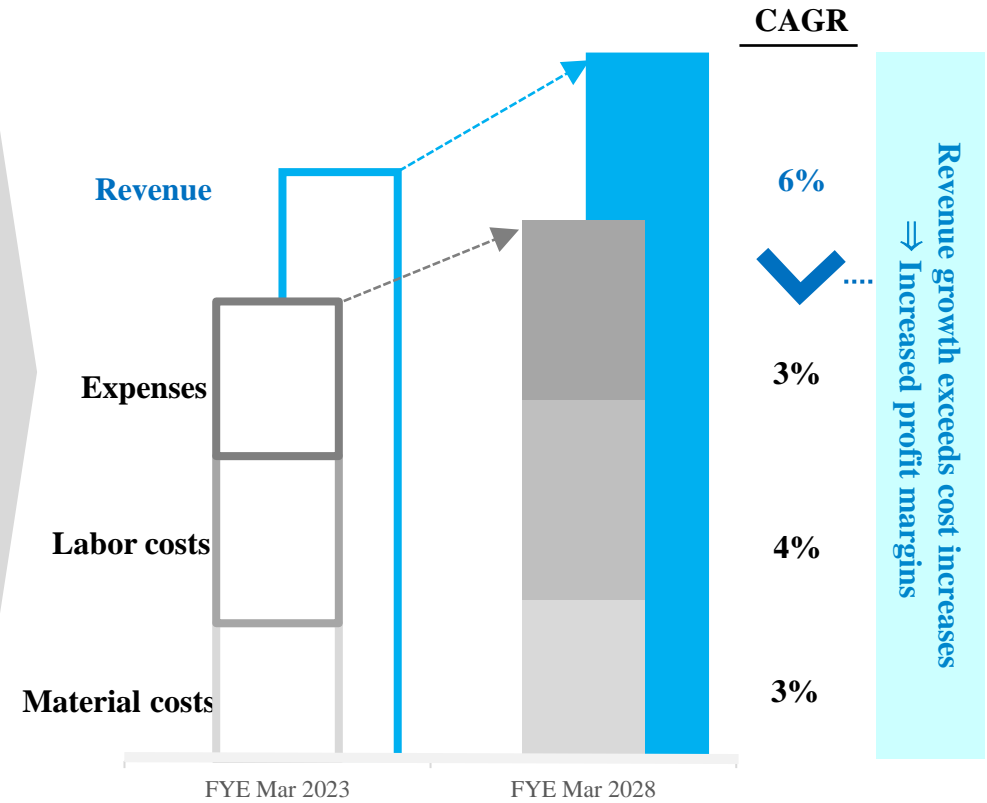


# Basic Policy B: Streamline All Processes without Sanctuary

Improve business processes through company-wide BPR to build a business structure in which higher revenue exceeds higher costs.



## Changes in Revenues and Cost of Sales\*



\* Excluding inorganic



# Basic Policy C: Global Expansion (Further Target Exploration)

While promoting global market development in Europe, the U.S., and ASEAN countries, mutually share management resources with comparative advantages among regions to strengthen the competitiveness of the entire group




## Japan → Europe, U.S., ASEAN



- Our Premium Mushrooms
- Our proprietary model (production and sales)
- Know-how and technology for stable production of mushrooms with high degree of difficulty

## Europe and the U.S. regions → Japan

- Competitive western mushrooms (Button mushrooms etc.)
- Raw materials
- Others (know-how and technology)

Japan

| Basic Policy  | Organic Strategy   |  |   |
|---|--|--|---|
|   | North America  | Europe   | ASEAN   |
|   |  |  |  |
| <p>■ Basic strategies</p> <ul style="list-style-type: none"> <li>➢ In addition to ASEAN, broad consideration of <b>Europe and the U.S. as targets</b></li> <li>➢ Accelerating the speed of sales channel development with a <b>unique channel model</b> cultivated in Japan while also considering alliances</li> <li>➢ In addition to our own channels, we also consider the use of <b>other companies' channels overseas</b></li> </ul> |  |  |   |

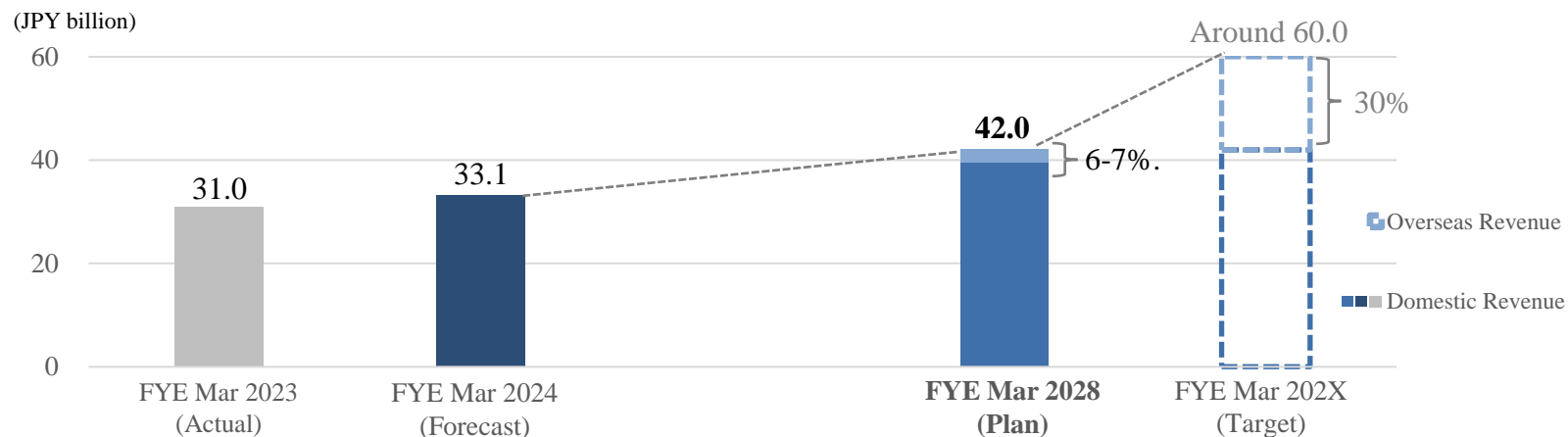
| Basic Policy   | Inorganic Strategy   |  |
|--|--|--|
|  | Europe   | North America  |
|  |  |  |
| <p>■ Basic strategies</p> <ul style="list-style-type: none"> <li>➢ <b>Integrate</b> acquired Dutch companies to promote <b>further business expansion</b></li> <li>➢ <b>Share superior technologies and products across borders</b> to improve the competitiveness of the entire group</li> <li>➢ Explore <b>additional acquisition possibilities</b> as strategies develop</li> </ul> |  |  |



# Quantitative Targets of the Medium-Term Business Plan

While rebuilding the business base in Japan and pursuing steady growth through the integration of new overseas bases as the basic strategy, we will also pursue the possibility of further overseas business expansion if the conditions are met.

|  | FYE Mar 2023 (Actual) | FYE Mar 2024 (Forecast) | FYE Mar 2028 (Plan) | Upside            |
|--|-----------------------|-------------------------|---------------------|-------------------|
| 1. Revenue                             | JPY31.0 bn            | JPY33.1 bn              | Over JPY42.0 bn     | Around JPY60.0 bn |
| 2. Overseas Revenue Ratio <sup>1</sup> | -                     | -                       | Around 6-7%         | Around 30%        |
| 3. Core EBITDA margin <sup>2</sup>     | 15.0%                 | 12.2%                   | Around 18%          | Around 18%        |
| 4. ROIC                                | 5.0%                  | -                       | Around 10%          |                   |



| Core EBITDA Margin | 15.0% | 12.2% | Around 18% | Around 18% |
|--------------------|-------|-------|------------|------------|
|--------------------|-------|-------|------------|------------|

<sup>1</sup> Overseas Revenue Ratio = Overseas sales revenue / Revenue

<sup>2</sup> 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





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3

## Reference Materials

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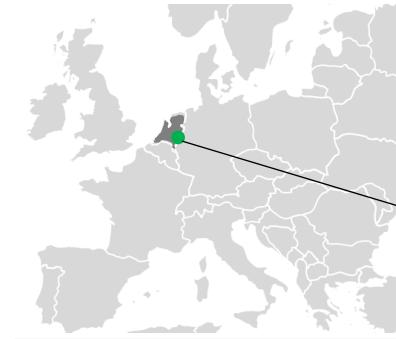
# Overview of Yukiguni Maitake Group

Produce and package mushrooms, mainly in Niigata Prefecture, for shipment nationwide.

In addition, we have established a unique direct sales route to retailers and a sales network covering the entire country through eight sales offices.

## Outline of Yukiguni Maitake Group

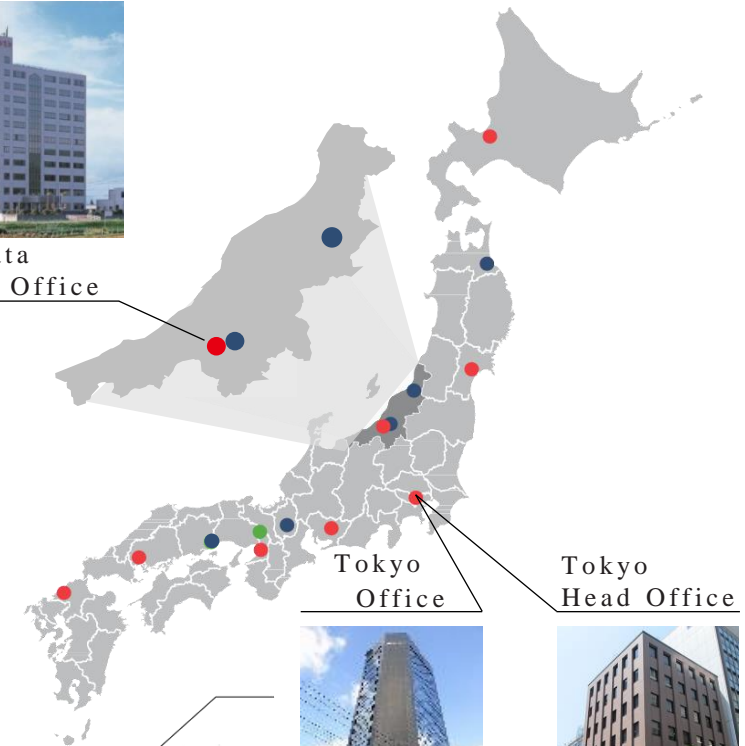
|                                  |  |
|----------------------------------|--|
| Representative                   | Masafumi Yuzawa  |
| Established                      | July 1983  |
| Head Office Location             | 【Niigata Head Office】 Minamiuonuma City, Niigata<br>【Tokyo Head Office】 Chuo-ku, Tokyo                   |
| Number of Employees <sup>1</sup> | Full-time: 1,079, Part-time: 1,252<br>(as of March 31, 2023)   |
| Office                           | Production plants : 8<br>Laboratory : 1<br>Sales office : 8  |
| Business Description             | Production and sale of mushrooms, including maitake, and production and sale of processed mushroom foods |
| Subsidiary company               | Mizuho Norin Co., Ltd.<br>Yukiguni Maitake Netherlands Holdings B.V.                                     |



Yukiguni Maitake Netherlands Holdings B.V.



Niigata Head Office



Tokyo Office

Tokyo Head Office



- Production and sales bases
- Sales Offices
- Subsidiary company

### Subsidiary company

#### 《Kyoto》

Mizuho Norin Co., Ltd.

( Production and sale of Hon-Shimeji and Hatake-Shimeji )



#### 《Netherlands》

Yukiguni Maitake Netherlands Holdings B.V.

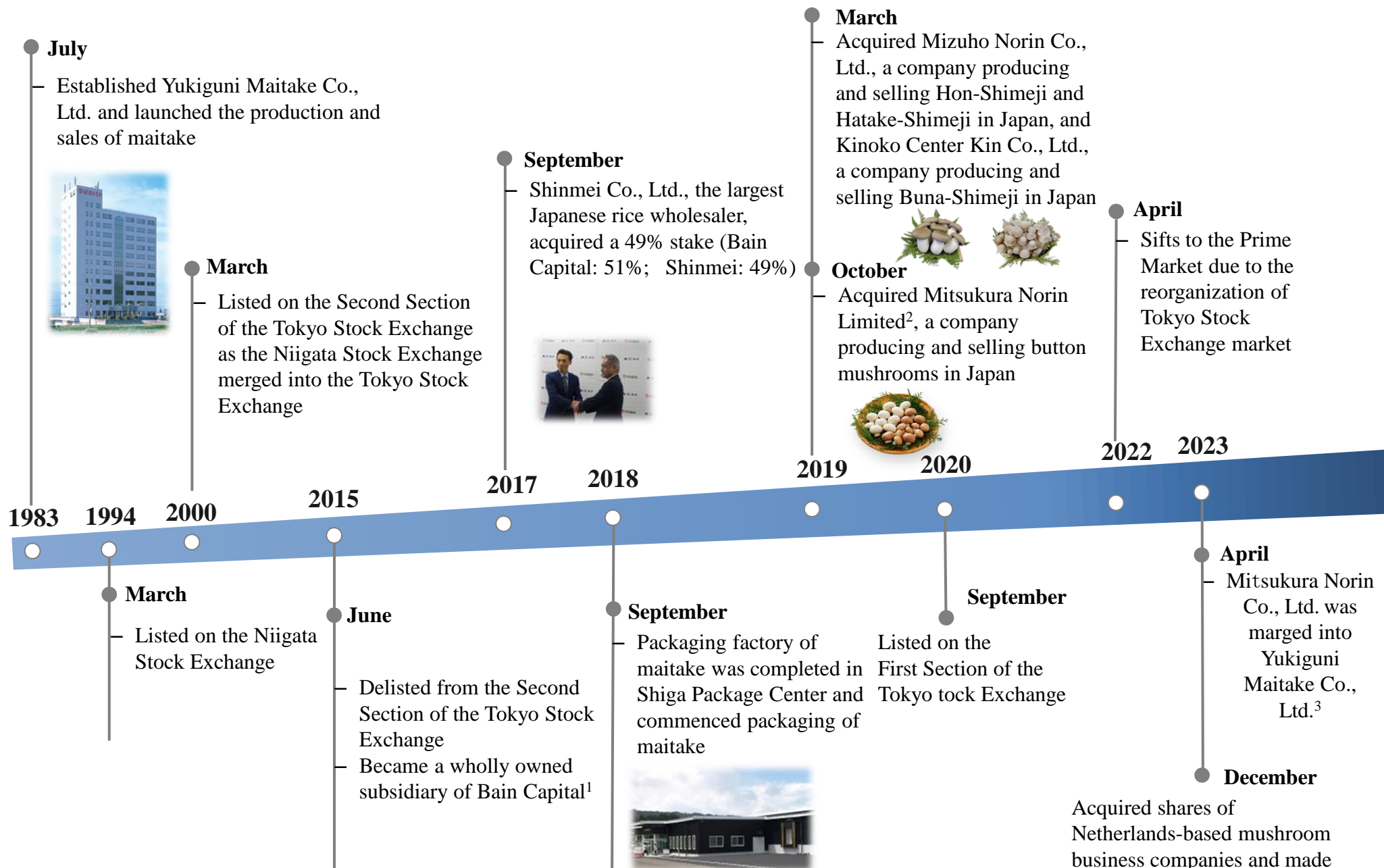
( Production and sale of button mushrooms and exotic mushrooms )



<sup>1</sup> The number of employees consists of the number of full-time employees (excluding those seconded from the Company to outside, including those seconded from outside to the Company) and the average number of temporary employees over the previous one year (part-timers, temporary staff from human resources companies, and seasonal workers)



# Corporate History



<sup>1</sup> "Bain Capital" mentioned above is the generic term of the fund which Bain Capital Private Equity, LP provides investment advice

<sup>2</sup> Changed the trade name from Mitsukura Norin Limited to Mitsukura Norin Co., Ltd. on March 2, 2020

<sup>3</sup> Merged with Okayama Bio Center effective April 1, 2023 and changed its name to Okayama Bio Center.



# Our Strengths in the Value Chain (Maitake)

Achieve a stable production and supply system for premium mushrooms through repeated improvements in the production process, and establish a high barrier to entry and a stable revenue base

Complex and multifaceted marketing customized for each target customer segment by region.

## R&D

High R&D capabilities cultivated over many years to support the entire value chain

- **Proprietary seeds and cultivation techniques** that support stable production on a large scale
- **High basic research capability** to support new product development
- **Accumulation of academic evidence** to support marketing

## Production

Large-scale, stable production know-how for premium mushrooms

- **Large-scale and stable** production process in bag cultivation
- Proprietary strains make it **difficult for other companies to imitate** (Certain effect as a barrier to entry)
- Further improvements in productivity are ongoing

Producing "large" maitake plants that are close to natural ones

- Natural mushrooms are **rare** (They dance for joy when they find it.)
- **The "over 900g" size**, which is close to the natural size, cannot be produced stably and on a large scale by other companies
- **Taste and quality** are also close to natural ones.



## Product

High-quality premium mushroom lineup

- Maitake "Kiwami" : A top brand for its *umami* and texture.
- White Maitake "Kiwami White" : Only we can produce
- Other Premium Mushroom (Button-Mushroom, Hon-shimeji)



Flexible size adjustment in response to demand fluctuations

- **Small, medium, or large size adjustment** is possible for our unique large shares
- Sizing according to the retail characteristics and intentions of direct customers (Customer base: age group, household composition, region, etc.)
- Increase the number of small sizes and packs when demand increases (publicity and seasonal factors)

## Marketing

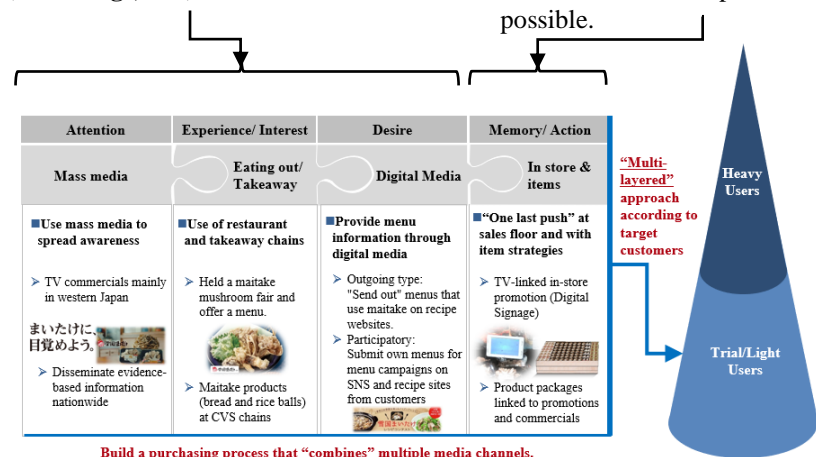
Detailed, three-dimensional marketing for different customer segments

- Devise media and messages to meet the needs of **different regions and customer segments**. Provide eating opportunities by utilizing food service and its routes
- Aggressive collaboration and promotion with **other major manufacturers with strong brands (seasonings, etc.)**

## Distribution, Sales

"Direct sales" network to retail chains

- Confirmation of annual sales volume in advance and **stabilization of sales volume and price** (80% of total sales of maitake)
- Ensure sales floor space through **product sizing and effective promotions** that meet the retail needs of direct customers
- "Last mile" in-store promotions are possible.

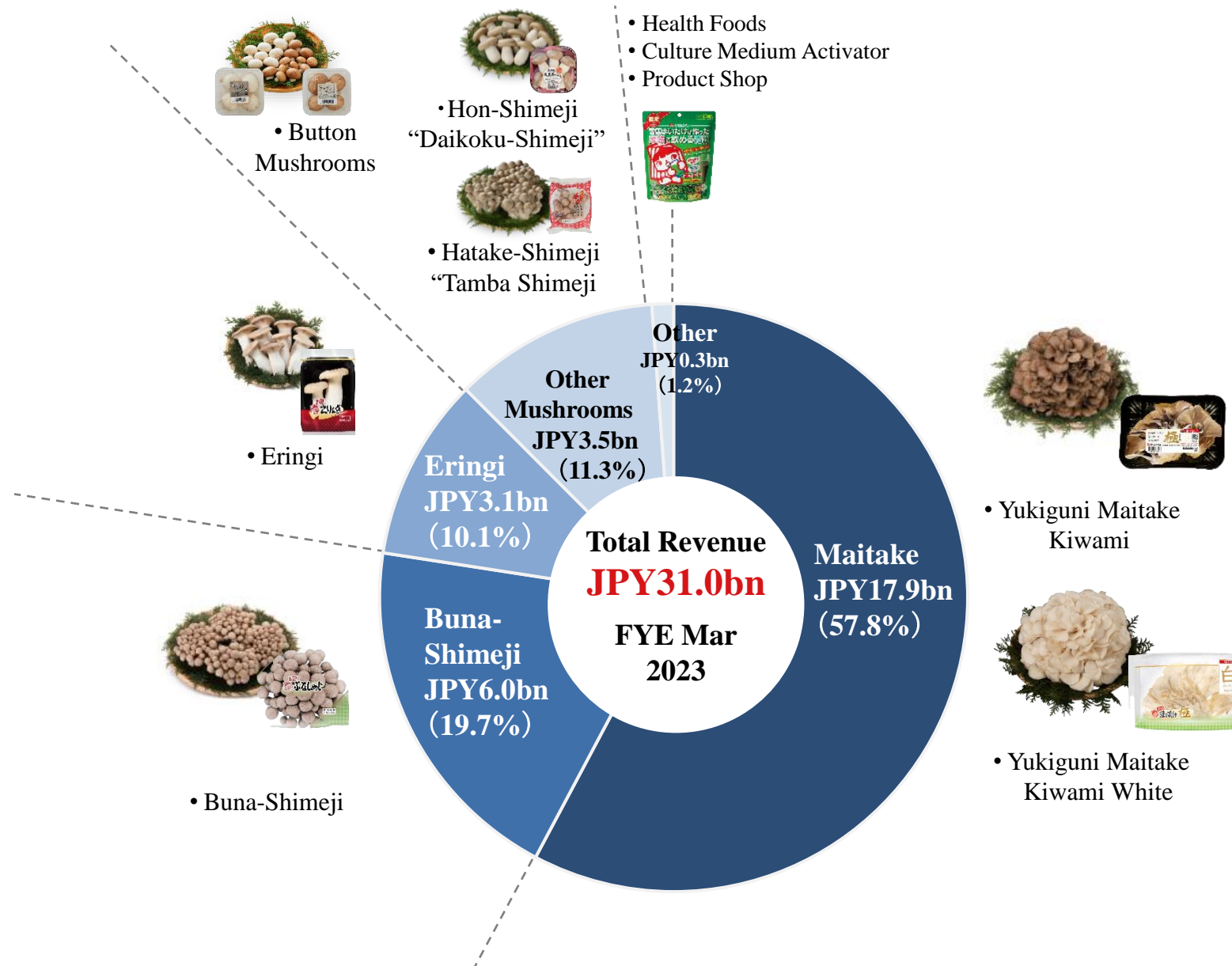




# Main Products and Composition Ratio of Each Product to Sales Revenue

The world's first successful mass producer of maitake, and the top share producer of “premium mushrooms” that achieved factory based mass production of mushrooms.

In addition to mushrooms such as Maitake, develop health foods, processed foods, etc. that utilize our mushroom portfolio.





# Product Portfolio

A pioneer in artificial cultivation and mass production of maitake, and a leading company engaged in factory based mass production of mushrooms. Sales of "Yukiguni Maitake Kiwami White" started in September 2022.

### Maitake "Kiwami"



### Eringi



### Buna-Shimeji



### Button Mushrooms<sup>1</sup>



### Hon-Shimeji<sup>1</sup> "Daikoku Hon-Shimeji"



### Hatake-Shimeji<sup>1</sup> "Tamba Shimeji"



### Processed Foods<sup>2</sup>



### Health Foods<sup>3</sup>



1 Classified as "other mushrooms" business segment

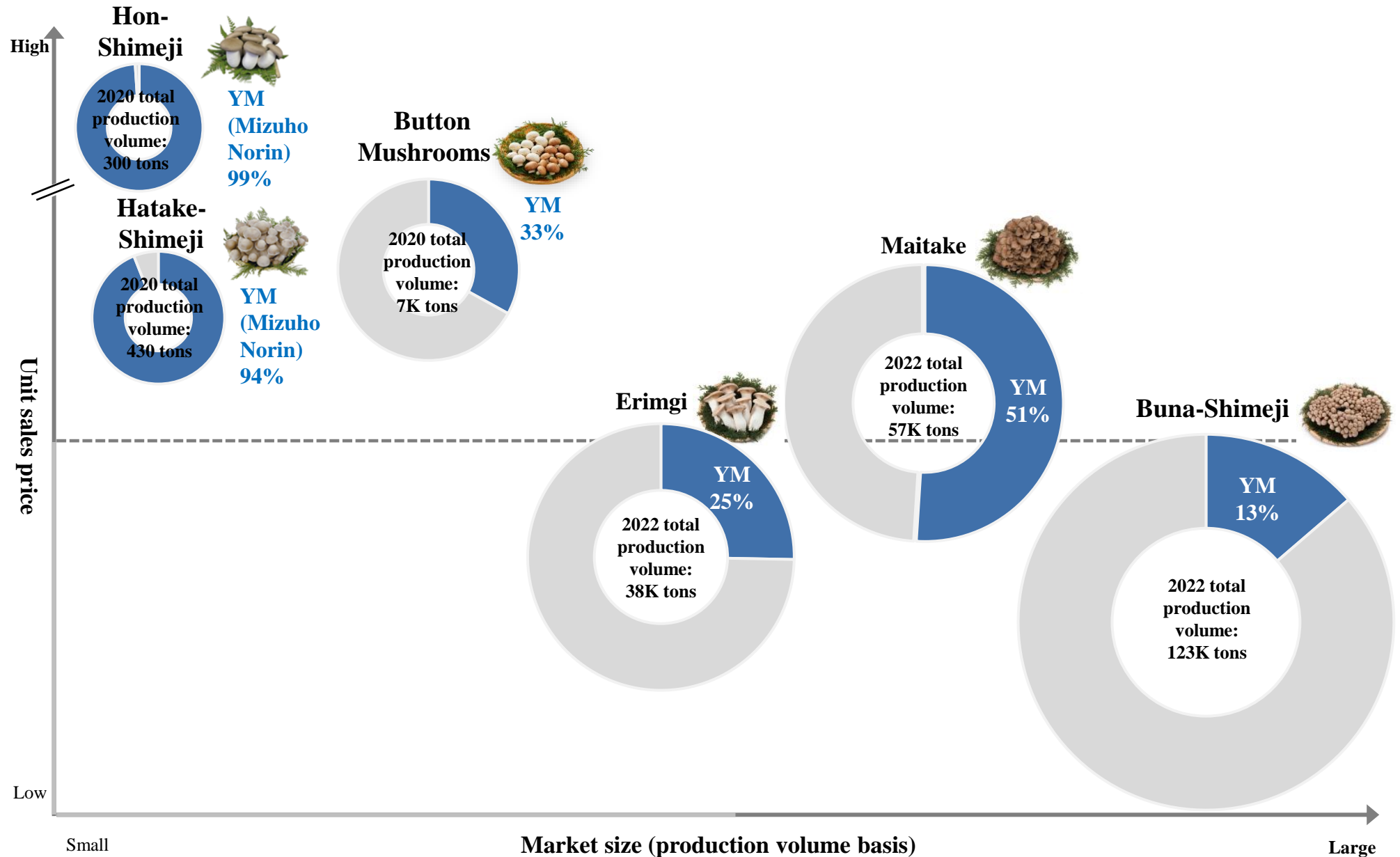
2 Each processed food is classified into its original mushroom business segment

3 Health foods, etc. are classified into "other" business segment



# Mushroom Production Share of Yukiguni Maitake Group (YM)

High market share in the premium mushroom market, including maitake mushrooms and mushrooms



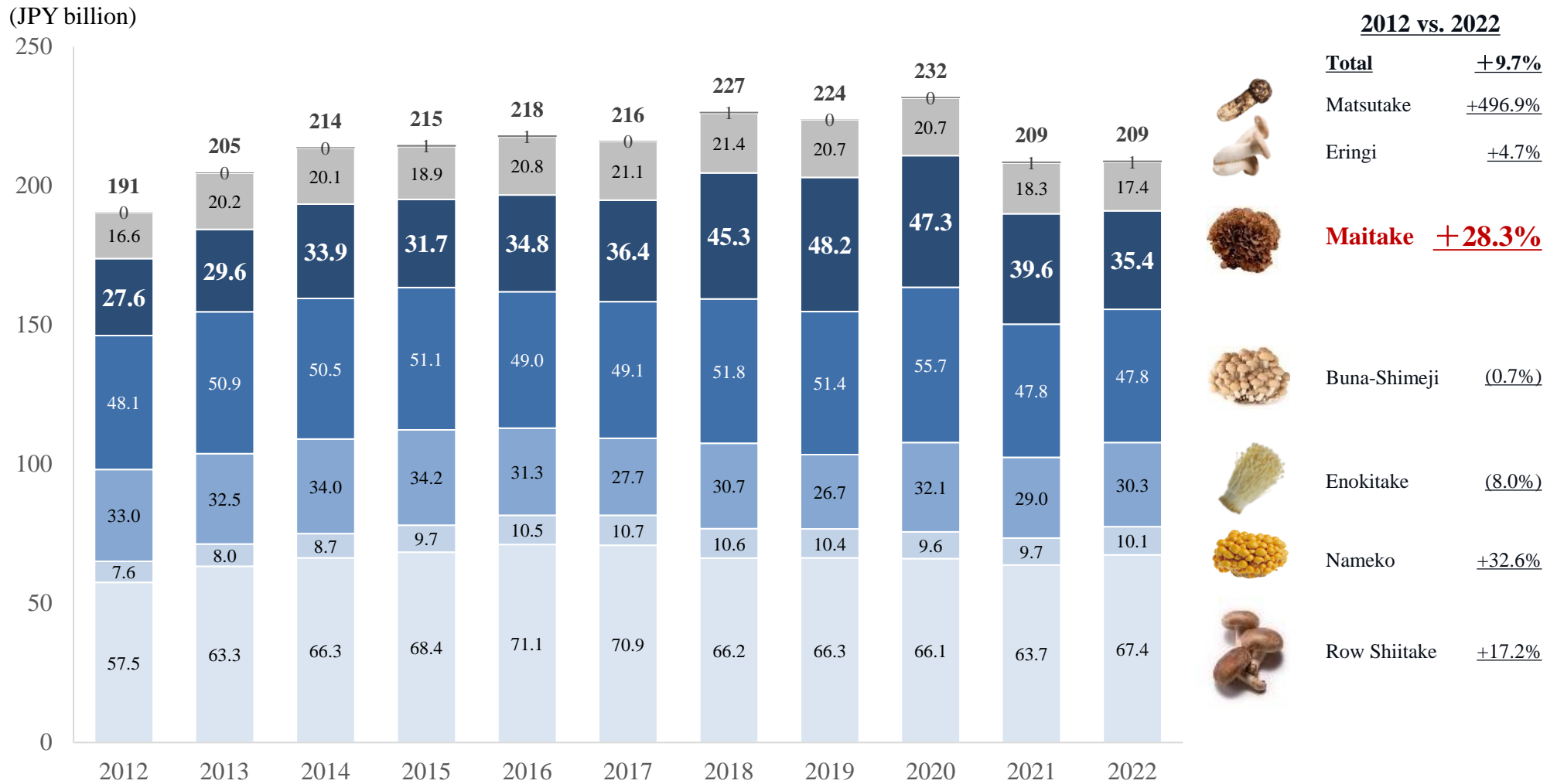
Note: Market share of each mushroom is calculated using domestic production volume (Our company's production / Total domestic production)

Sources: Forestry Agency "Statistical Survey on Production of Minor Forest Products", Ministry of Agriculture, Forestry and Fisheries "Local Vegetable Production Survey"



# Breakdown of Major Mushroom Markets (by Market Size)

Market unit price of each mushroom will decline, and the overall market size of mushrooms will shrink, remaining flat from the previous year in 2022



Note 1: The mushroom market is the total market size of raw Shiitake, Nameko, Enokitake, Buna-Shimeji, Maitake, Eringi, and Matsutake  
 Note 2: Market size is calculated as "annual average wholesale unit price at Tokyo Central Wholesale Market (Jan.-Dec.) x domestic production volume"  
 Note 3: Average unit price of Buna-Shimeji is calculated using average unit price of Shimeji  
 Sources: Statistics Data by Ministry of Agriculture, Forestry and Fisheries, and by Tokyo Central Wholesale Market





# Features of Our Maitake

Apply package cultivation to be able to grow maitake as large as those grown naturally, and still have rich texture, which is successfully achieved in factory based production by large-scale cultivation.

## Cultivation System

- **Apply package cultivation**



## Product Features

- High-quality maitake with well-balanced umami and flavor
- Our maitake has a large “**stem**” which has rich and meaty texture



- Offer products with large roots in various volumes to meet customer demands



“Small pack”  
Small Volume



“Gourmet pack”  
Medium Volume



“LL Pack”  
Extra large volume

|     |     |      |      |      |      |      |
|-----|-----|------|------|------|------|------|
| 50g | 80g | 100g | 120g | 150g | 200g | 300g |
|-----|-----|------|------|------|------|------|

- **Approximately 900 grams** per root →

※approximate weight



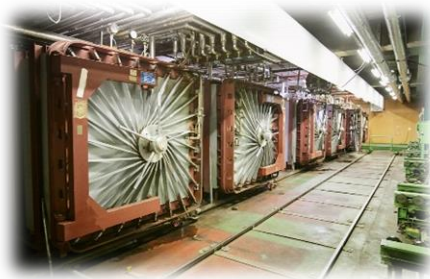
# Production / Packaging Process

World's first manufacturer to achieve factory based production of maitake which is difficult to cultivate, and establish a stable production and supply system for maitake.

Actively pursue AgriTech to improve productivity and reduce manual labor.

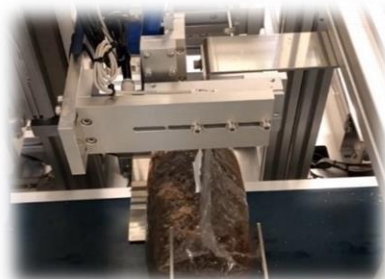
## Stable production capacity / harvest / quality

### Creating Culture Media



- Differentiate recipes for blending culture media that use no agricultural chemicals
- Sterilize the culture media under high temperature and high pressure

### Inoculation



- Inoculate the culture media with fungi originally developed in-house
- Automation of inoculation process
- Clean rooms for avoiding germs

### Cultivation and Growing



- Environmental management based on data science at extensive cultivation rooms
- Mass production realized by control of lightning, temperature, and humidity

### Harvesting / Packaging



- Almost all automation realized in Eringi and Buna-Shimeji production





# Health Functionalities of Maitake

Focusing our efforts on the research to reveal the nutrients of Maitake that are expected to have high health functionalities. It also has a variety of functions, and its proteolytic enzyme flavor makes food taste even better.

## Functionality of Maitake

A type of polysaccharides “glucans”

### Beta-Glucans

Beta-glucan, one of the major polysaccharides contained in maitake, is being studied and expected for maintaining and improvement of immunity.<sup>1-3</sup>

<sup>1</sup> He et al. 2017 Int. J. Biol. Macromol. 101: 910-921.

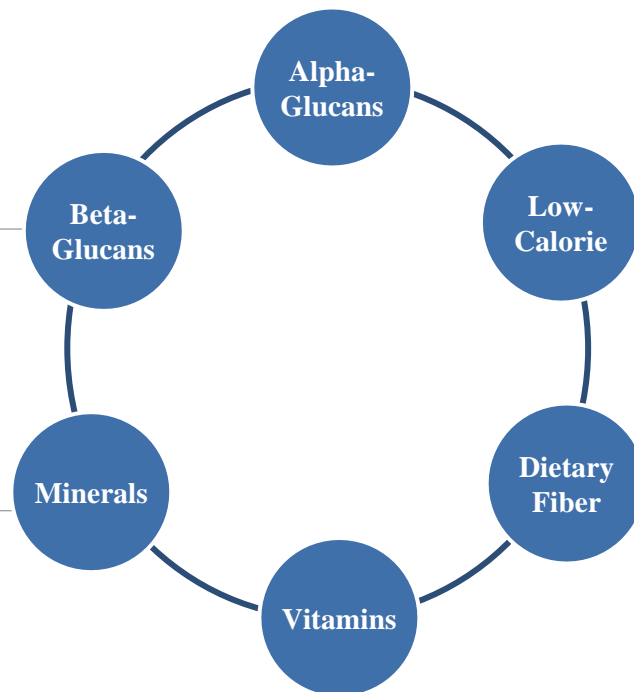
<sup>2</sup> Wesa et al. 2015 Cancer Immunol Immunother 64: 237-247.

<sup>3</sup> Masuda et al. 2013 Int. J. Cancer 133: 108-120.

Essential nutrients for the body

### Minerals

Minerals are essential nutrients for the body, but they cannot be produced by the body. Therefore, it should be taken from food. Maitake contains potassium, which works to get excess salt out of the body, and magnesium, which regulates the body.



Expected to have various effects

## Maitake Dietary Fiber

Dietary fiber is expected to have the effect of suppressing the rise in postprandial blood glucose level. In addition, Maitake has been confirmed to have a “second meal effect” that moderates the rise in blood sugar level after the first meal is eaten<sup>2</sup>.

In addition, dietary fiber is said to have the function of adsorbing lipids and sugars and discharging them to the outside of the body. Dietary fiber contained in maitake increases the amount of stool and shortens the transit time of the digestive tract.

<sup>2</sup> The Effects of Maitake on the Elevation of Blood Sugar Levels and the Second Meal Effects of Maitake (2010, 64th Annual Meeting of Japanese Society of Nutrition and Food Science)

## Other Functionality

Tenderize meat with a little effort before cooking

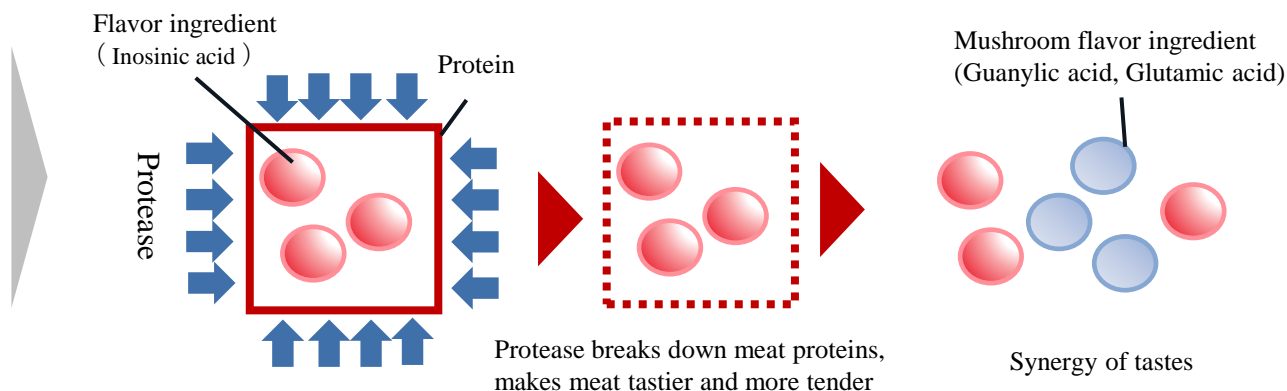
### Proteolytic enzymes (proteases)

Proteolytic enzymes (proteases) break down proteins and tenderize meat.

Synergistic effects of flavor

### Guanylic acid and glutamic acid

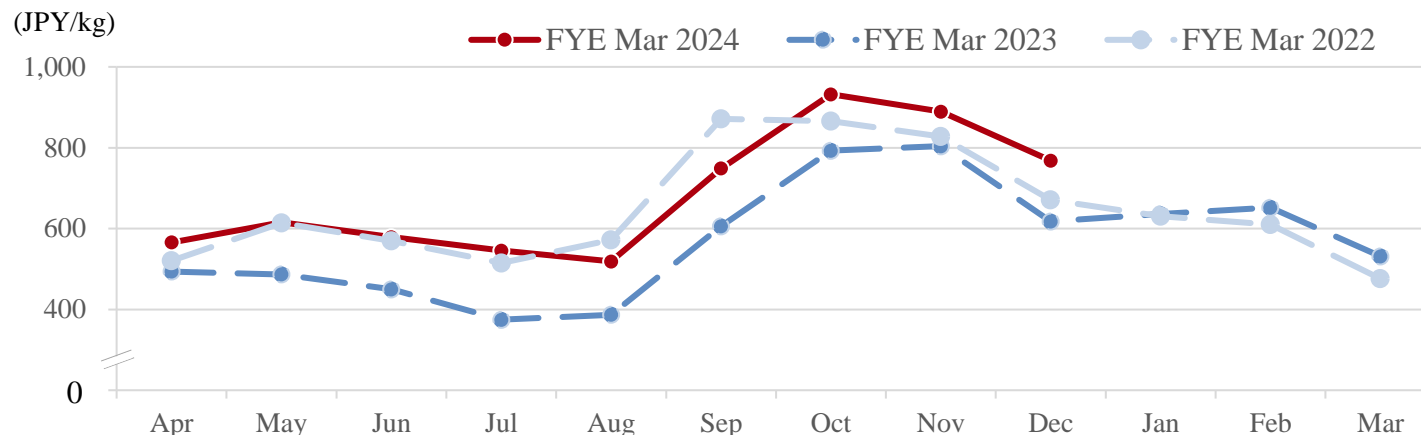
Guanylic acid and glutamic acid are the main flavor ingredients of mushroom, and they combine with inosinic acid in meat to produce a synergistic effect of flavor. Adding this to regular dishes will further enhance the deliciousness of food.





# Changes in Market Transaction Unit Price

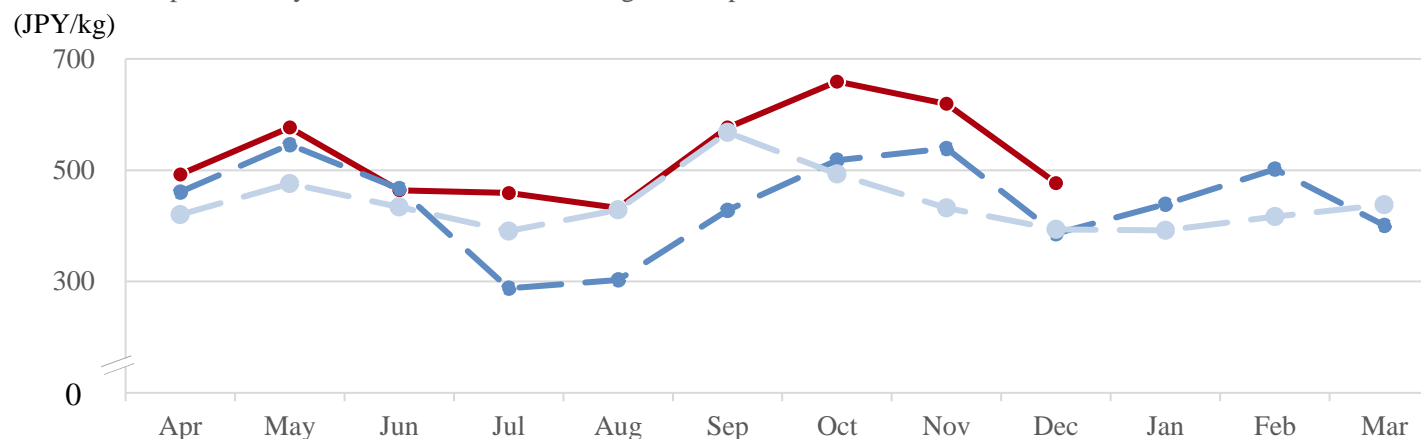
Maitake



## Weighted Average Unit Price (JPY)

|              | 3Q cumulative | Year-round |
|--------------|---------------|------------|
| FYE Mar 2024 | 696           | -          |
| FYE Mar 2023 | 574           | 582        |
| FYE Mar 2022 | 682           | 647        |

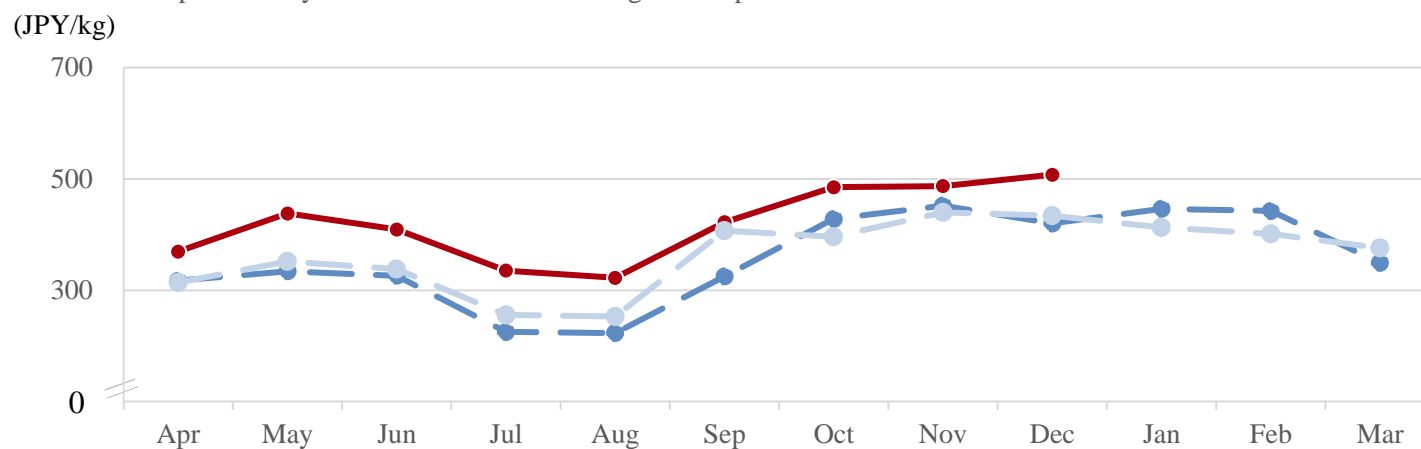
Eringi



## Weighted Average Unit Price (JPY)

|              | 3Q Cumulative | Year-round |
|--------------|---------------|------------|
| FYE Mar 2024 | 527           | -          |
| FYE Mar 2023 | 431           | 434        |
| FYE Mar 2022 | 448           | 439        |

Buna-Shimeji



## Weighted Average Unit Price (JPY)

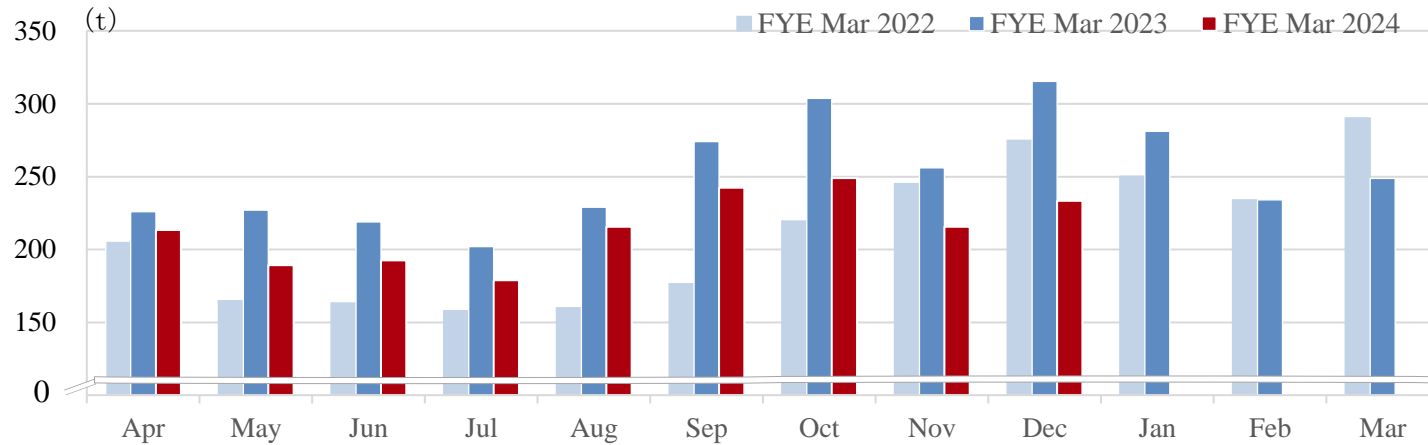
|              | 3Q cumulative | Year-round |
|--------------|---------------|------------|
| FYE Mar 2024 | 427           | -          |
| FYE Mar 2023 | 347           | 363        |
| FYE Mar 2022 | 360           | 370        |

Sources: The Company created the chart based on the Market Statistics Data from Metropolitan Central Wholesale Market



# Changes in Market Sales Volume

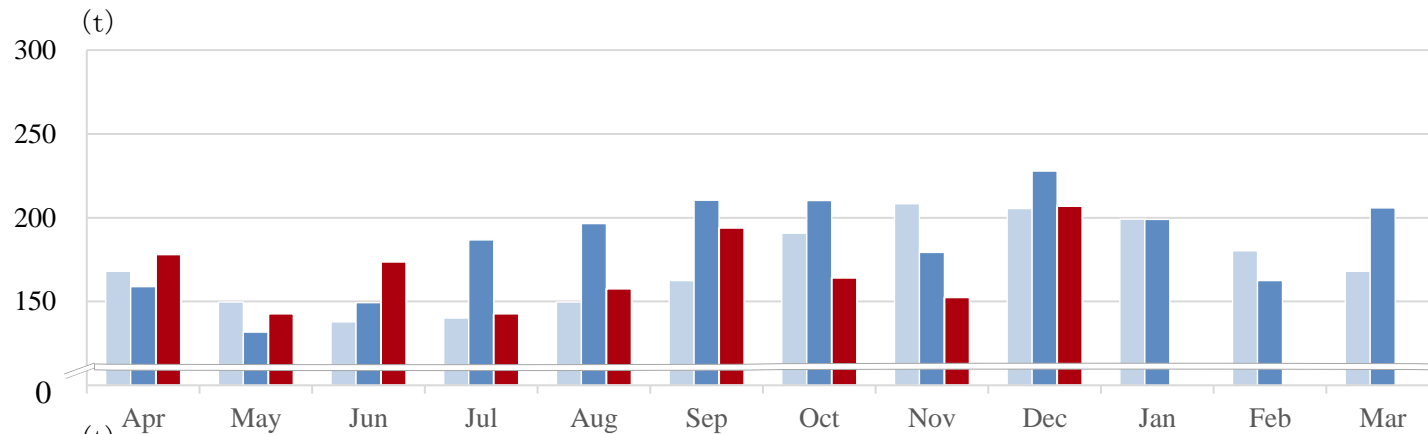
Maitake



## Sales Volume (t)

|              | 3Q Cumulative | Year-round |
|--------------|---------------|------------|
| FYE Mar 2024 | 1,930         | -          |
| FYE Mar 2023 | 2,252         | 3,016      |
| FYE Mar 2022 | 1,768         | 2,543      |

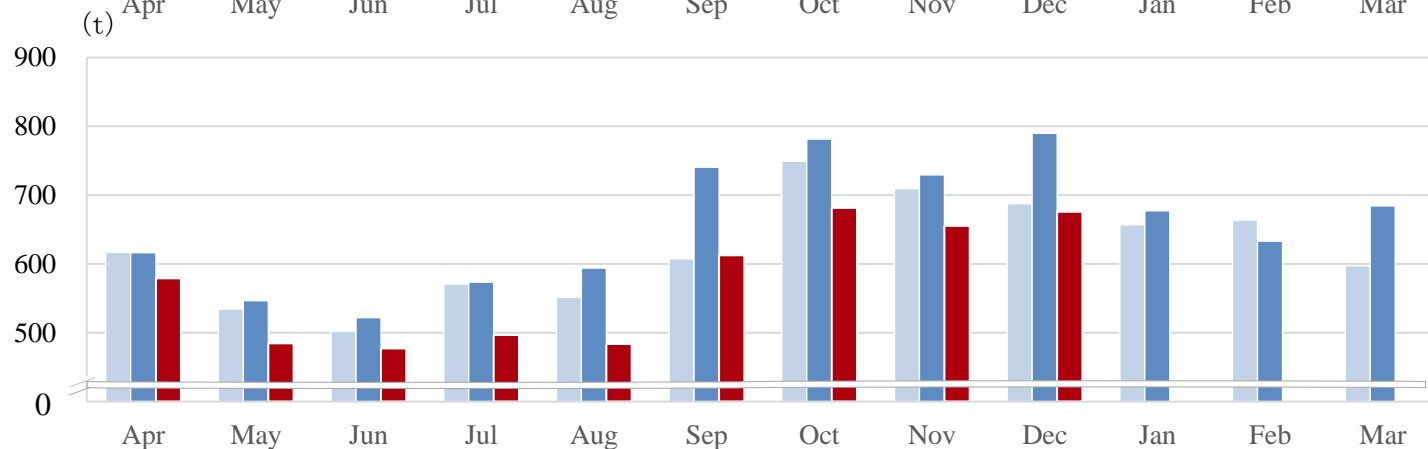
Eringi



## Sales Volume (t)

|              | 3Q Cumulative | Year-round |
|--------------|---------------|------------|
| FYE Mar 2024 | 1,513         | -          |
| FYE Mar 2023 | 1,650         | 2,217      |
| FYE Mar 2022 | 1,513         | 2,060      |

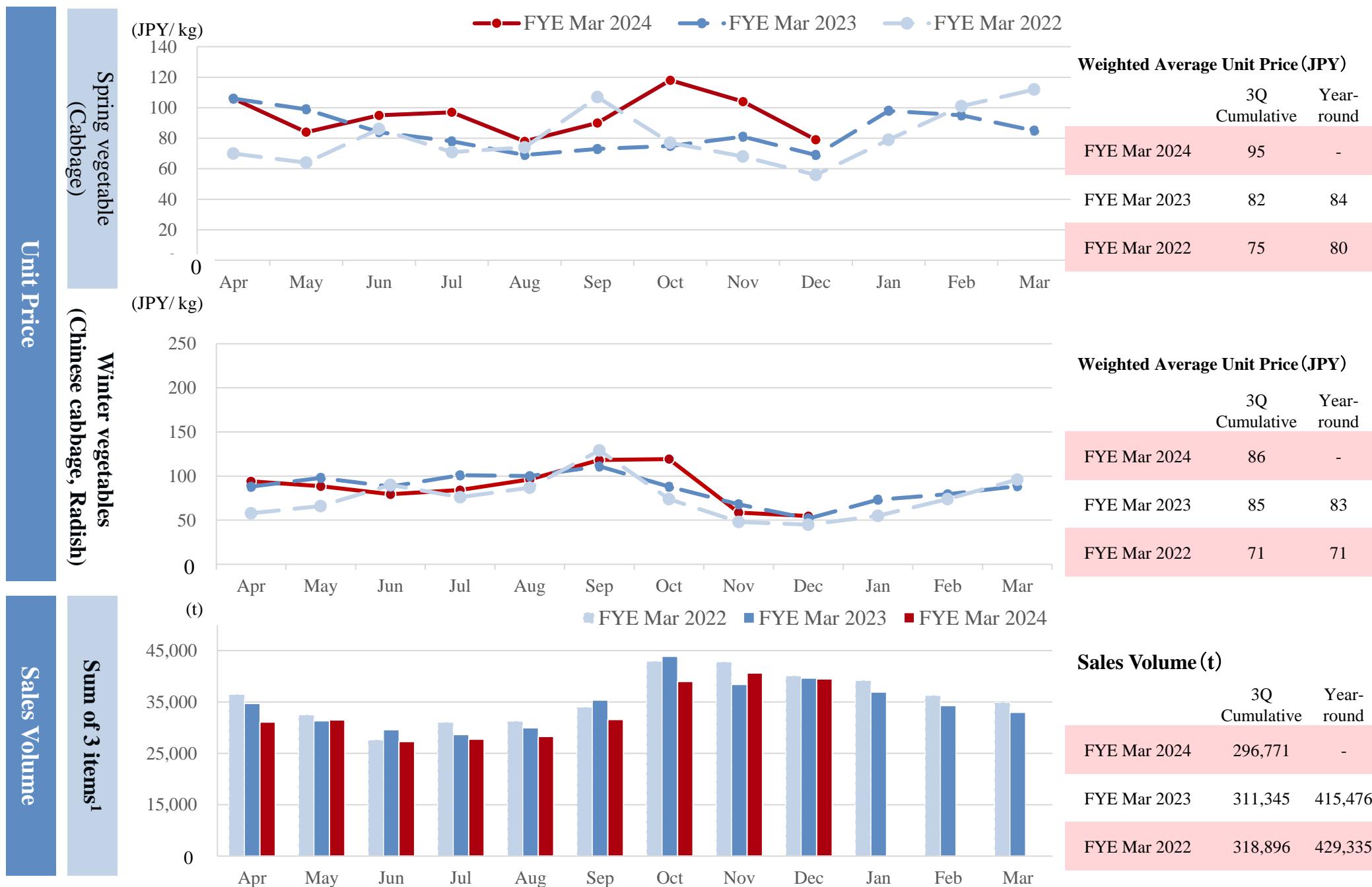
Buna-Shimeji



## Sales Volume (t)

|              | 3Q Cumulative | Year-round |
|--------------|---------------|------------|
| FYE Mar 2024 | 5,147         | -          |
| FYE Mar 2023 | 5,893         | 7,887      |
| FYE Mar 2022 | 5,530         | 7,448      |

# Market Transactions of Seasonal Vegetables



<sup>1</sup> Refers to cabbage, Chinese cabbage, and daikon

Sources: The Company created the chart based on the Market Statistics Data from Metropolitan Central Wholesale Market



## Financial Policies for Future

With sufficient cash flow, plan to keep balance among investment for growth, strengthening financial structure, and shareholder return policy.

### Enhancing Investment for Growth

- Continuously strengthen production and supply capacities
- In the medium-to long-term, consider expanding overseas business and constructing new plants
- Further strengthening the business portfolio through M&A is also under consideration



### The Company's Financial Policy

#### Strengthening Financial Structure

- Continue to strengthen the balance sheet by reducing interest-bearing debt
- Improve financial indicators such as Net Debt to Equity Ratio and Net Debt to EBITDA Ratio

#### Shareholder Return Policy

- Implement a flexible profit return policy in line with free cash flow each year
- Continue stable dividends with a target of around 30% payout ratio
- Implement an annual shareholder benefit program



## Dividend policy

The company plans to increase the year-end dividend in light of the upward revision to its financial results forecasts, but we will carefully consider the amount after comprehensively taking into account its performance in the second half of the fiscal year and its funding needs for strategic investments for growth in the next fiscal year and beyond.

|                            |                               |                           |              |
|----------------------------|-------------------------------|---------------------------|--------------|
| FYE Mar 2023               | Dividends (DPS)               | Annual DPS                | JPY 20.00    |
|                            |                               | Interim DPS               | JPY 14.00    |
|                            |                               | Year-End DPS              | JPY 6.00     |
|                            | <b>Dividends Payout Ratio</b> |                           | <b>67.5%</b> |
| FYE Mar 2024<br>(Forecast) | Dividend per share            | Annual DPS                | JPY 2.00     |
|                            |                               | Interim DPS               | JPY 1.00     |
|                            |                               | Year-End DPS <sup>1</sup> | JPY 1.00     |
|                            | <b>Dividends Payout Ratio</b> |                           | <b>65.4%</b> |

<sup>1</sup> The amount of the initial dividend is shown, as the amount of the planned dividend increase has not yet been determined.

### Our Cash Allocation Policy

『 Achieve a balance between increasing corporate value through growth investments and sustainable shareholder returns 』

- **Execution of strategies and necessary investments to increase corporate value**
  - ✓ Necessary investments to further improve efficiency of existing businesses
  - ✓ Investments to realize non-existing areas (overseas inorganic, new businesses)
- **Sustainable shareholder returns**
  - ✓ Consideration of cash flow after required investments, contractual repayments for borrowings and net income
  - ✓ Dividend levels for each fiscal year are set based on the dividends payout ratio (30% or more) at the time the current medium-term business plan was formulated
  - ✓ Aiming to further return profit to shareholders by increasing corporate value in the medium term





# Shareholder Benefit Program

Expanded shareholder benefits starting from the fiscal year ended March 31, 2023, and will continue to return profit to shareholders in the same manner in the current fiscal year.

## Shareholder Benefit Program

### Eligible Shareholders

The shareholder benefit program is available to shareholders whose names are recorded in the shareholders' register on the record date (March 31 of each year) and who have held one unit (100 shares) or more of the Company's shares for six months or longer. (Shareholders are deemed to "have continuously held the Company's shares for 6 months or longer" if they are kept registered in the Company's shareholder registry with the same shareholder identification numbers consecutively as of the applicable record date of March 31, and September 30 of the previous year.)

### Benefit Details<sup>1</sup>

Depending on the number of shares held, the following sets of the Company's products<sup>1</sup> will be presented.

|   |  |  |
|---|--|--|
|  |  |  |
| Equivalent to JPY 3,000   | Equivalent to JPY 5,000  | Equivalent to JPY 7,000  |
| More than 100 shares to less than 300 shares  | More than 300 shares to less than 1,000 shares                                       | More than 1,000 shares   |

<sup>1</sup> The products in the photos are draft at this time, and the composition of the products equivalent to each tier amount will be posted on our website etc., going forward.

### Delivery Schedule and Method

Products are scheduled to be delivered from June to July every year to eligible shareholders as of the end of previous March.



## Disclaimer

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*Note : This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.*

**The forward-looking statements, such as forecasts of financial results, included in this document are based on the information available to the management as of the date of this 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.**

**Please also note that this document contains managerial accounting figures that have not been audited by independent certified public accountants or audit firms and are not based on historical financial statements.**



Securities Code: 1375