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February 6, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under IFRS)

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Listing: Tokyo Stock Exchange
Securities code: 1375
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Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: None

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(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, 2024	39,568	10.9	4,311	19.4	4,139	27.3	2,686	25.8
December 31, 2023	35,669	9.9	3,611	24.9	3,252	25.2	2,135	23.2

	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, 2024	2,689	26.2	2,688	25.7	67.43	67.42
December 31, 2023	2,130	23.0	2,137	23.3	53.44	53.43

(Reference)

	Revenue		Core operating profit		Core EBITDA		Core EBITDA margin
	Millions of yen	%	Millions of yen	%	Millions of yen	%	%
Nine months ended							
December 31, 2024	27,216	12.0	3,088	39.8	4,856	26.0	17.8
December 31, 2023	24,309	5.4	2,208	-4.9	3,855	-0.8	15.9

Note: During the first half of the fiscal year ending March 2025, the Company has finalized the provisional accounting treatment for business combinations, and the figures for the fiscal year ended March 2024 reflect the contents of the finalized provisional accounting treatment.

(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, 2024	40,395	13,790	13,626	33.7
March 31, 2024	38,260	11,610	11,446	29.9

Note: During the first half of the fiscal year ending March 2025, the Company has finalized the provisional accounting treatment for business combinations, and the figures for the fiscal year ended March 2024 reflect the contents of the finalized provisional accounting treatment.

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, 2024	-	1.00	-	10.00	11.00
Fiscal year ending March 31, 2025	-	3.00	-		
Fiscal year ending March 31, 2025 (Forecast)				9.00	12.00

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, 2025 (from April 1, 2024 to March 31, 2025)

(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	49,990	5.3	2,620	-6.4	2,370	6.4	1,570	15.7

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Full year	1,550	14.8	38.87

(Reference)

	Revenue		Core Operating Profit		Core EBITDA		Core EBITDA Margin
	Millions of yen	%	Millions of yen	%	Millions of yen	%	%
Full year	36,770	9.9	2,840	10.6	5,190	8.1	14.1

Note: 1. Revisions to financial results forecasts most recently announced: None

2. During the first half of the fiscal year ending March 2025, the Company has finalized the provisional accounting treatment for business combinations, and the percentage change from the previous fiscal year is stated by comparing with the previous fiscal year's figures after reflecting the contents of the finalized provisional accounting treatment.

* Notes

(1) Significant changes in the scope of consolidation during the period: None

(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, 2024	39,910,700 shares
As of March 31, 2024	39,910,700 shares

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

As of December 31, 2024	6,661 shares
As of March 31, 2024	16,667 shares

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

Nine months ended December 31, 2024	39,890,931 shares
Nine months ended December 31, 2023	39,878,835 shares

*** Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None**

*** 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. During the third quarter of the previous consolidated cumulative period, the Company recognized one-time expenses related to the acquisition of shares in overseas operating companies, which was executed on December 4, 2023. There are no one-time income and expenses incurred during the Nine months ended December 31, 2024.
- (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 posted both on TDnet and our website on February 6, 2025.

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I. Qualitative Information for the Nine-Months Period of the Fiscal Year Ending March 31, 2025

1. Analysis of Operating Results

During the Nine-months period of the fiscal year ending March 31, 2025 (April 1, 2024 to December 31, 2024), the Japanese domestic economy showed signs of a moderate recovery and the inbound consumption continued to increase. On the other hand, the outlook remains uncertain due to factors such as chronic labor shortage in Japan, geopolitical risks in the Middle East and rapid fluctuations in foreign exchange rates.

The environment surrounding our business is one which consumers continue to be frugal, due to higher raw material cost caused by abnormal weather around the world and the weak yen, and due to series of food price hikes caused by rising logistics costs and soaring prices of packaging materials.

The environment surrounding our business is characterized by a continuing consumer focus on saving money, due to global climate change, the rising cost of raw materials due to the weak yen, rising distribution costs, and the soaring price of packaging materials and other factors, and a succession of food price increases driven by rising distribution and labor costs due to a shortage of labor.

In this economic environment, our group has been working to build a diversified business portfolio by not only further strengthening domestic and existing businesses but also aggressively expanding into overseas markets and new areas, in order to achieve the goals of our medium-term business plan, which was renewed in December 2023. As a specific measure, following our full-scale overseas expansion by entering the Netherlands in the previous consolidated fiscal year, we are planning to launch “alternative meat” for mushrooms in the current consolidated fiscal year, which we have been working on as a new business.

To mark this major turning point, at the 7th Ordinary General Meeting of Shareholders held on June 26, 2024, the Company received approval for a proposal to partially amend its Articles of Incorporation by changing its trade name, and will change its name to “Yukiguni Factory Kabushiki Gaisha” (YUKIGUNI FACTORY CO., LTD. in English) effective April 1, 2025. We have decided to change our corporate name to a more appropriate one, based on our desire and determination to reevaluate our core values and uniqueness, and to look forward to the traditions and trust we must carry on, as well as our ideal image for the future. Please refer to the “Background & Purpose behind Renewal of the Company Name” announced on our website on June 5, 2024 for the background of the corporate name change, new values, brand image, and other information.

We have been, and will continue to be, committed to sustainable growth by developing attractive products that maximize the potential of mushrooms, which are a bounty from nature, using the technologies and quest for excellence established at Yukiguni.

Total income for the third quarter of current consolidated cumulative period was ¥39,568 million (+10.9% year-on-year), of which revenue was ¥27,216 million (+12.0% year-on-year). Gross profit was ¥11,094 million (+11.2% year-on-year). Selling, general and administrative (SG&A) expenses were ¥6,721 million (+4.0% year-on-year).

As a result of the above, operating profit was ¥4,311 million (+19.4% year-on-year) and profit attributable to owners of the parent was ¥2,689 million (+26.2% 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 ¥12,351 million (+8.7% year-on-year) and the cost of sales of ¥11,000 million (+13.4% year-on-year), respectively.

[Business results for the nine months ended December 31, 2024]

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	% Change year-on-year
Revenue	24,309	27,216	12.0
Gains arising from changes in fair value	11,359	12,351	8.7
Total income	35,669	39,568	10.9
Operating profit	3,611	4,311	19.4
Profit before tax	3,252	4,139	27.3
Profit attributable to owners of parent	2,130	2,689	26.2

The status of revenue by business segment during the current consolidated fiscal year is as follows.

[Mushroom business]

1) Maitake

In order to promote the healthy and flavorful maitake, which can be easily and deliciously cooked to meet the needs of consumers, we are working on sales measures to promote the appeal of maitake and their high versatility in cooking, such as joint planning with other food product manufacturers to propose a wide range of seasonal menus, thereby promoting the expansion of demand. In addition, we are striving to increase our market share and strengthen our premium brand strategy by utilizing our variety of product lineups such as pre-measured products, products sold by weight, and large root products, including our strengths white maitake.

Sales volume and unit sales prices exceeded those compared to the same period of the previous year. Thus, revenue of the Maitake business was ¥14,661 million (+8.0% year-on-year).

2) Eryngii

We offer a wide variety of products to meet customer needs, including standard tray products in a variety of sizes from small packs to large packs, as well as convenient sliced products. As part of our retail store promotions, we also held events where customers could try picking Eryngii, and these sales promotion activities, which were part of our food education efforts, were well received.

Sales volume decreased, but unit sales prices exceeded those compared to the same period of the previous year. Thus, revenue of the Eryngii business was ¥2,819 million (+3.6% year-on-year).

3) Buna-shimeji

We are working to ensure a stable supply by monitoring fruit and vegetable market conditions and market trends, and by flexibly introducing products in different quantities, such as 1-root and 2-roots products, depending on the supply-demand balance.

Sales volume was almost the same, but unit sales prices exceeded those compared to the same period of the previous year. Thus, revenue from the Buna-shimeji business was ¥5,450 million (+9.7% year-on-year).

4) Other mushrooms

As for button mushrooms, the Company is focusing on stabilizing production conditions and implementing sales promotion plans to strengthen sales and create new demand. As a result, revenue of button mushrooms exceeded those compared to the same period of the previous year. In addition, revenue of button mushrooms and exotic mushrooms (a generic name for mushrooms other than button mushrooms in Japan, such as Shiitake and Hiratake), which are handled by an overseas company that was acquired by the Company in December 2023, are included in this segment's revenue, which was significantly higher than those in the same period of the previous year. As a result of the above, revenue from other mushroom businesses was ¥4,055 million (+44.4% year-on-year).

[Other]

Other revenue was mainly derived from sales of health foods and the culture medium activator handled by Mizuho Norin Co., Ltd. During the nine months ended December 31, 2024, the sales volume of health foods decreased, but the production and sales of culture medium activator remained strong. As a result, revenue from other businesses was ¥229 million (-0.9% year-on-year).

Revenue by business segment is as follows.

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024	% Change year-on-year
Mushroom business	24,077	26,986	12.1
Maitake	13,577	14,661	8.0
Eryngii	2,722	2,819	3.6
Buna-shimeji	4,969	5,450	9.7
Other mushrooms	2,808	4,055	44.4
Other	231	229	-0.9
Total Revenue	24,309	27,216	12.0

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, 2024) were ¥40,395 million (+¥2,134 million from the end of the previous consolidated fiscal year). Current assets were ¥13,055 million (+¥2,440 million from the end of the previous consolidated fiscal year). This was mainly due to increases of ¥1,289 million in biological assets due to gains arising from changes in fair value and ¥1,147 million in trade and other receivables. Non-current assets were ¥27,339 million (-¥305 million from the end of the previous consolidated fiscal year). This was mainly due to decreases of ¥228 million in property, plant and equipment and ¥45 million in right-of-use assets and ¥31 million in goodwill and intangible assets.

[Liabilities]

Total liabilities at the end of the third quarter of the current consolidated fiscal year were ¥26,604 million (-¥45 million from the end of the previous consolidated fiscal year). Current liabilities were ¥10,112 million (+¥833 million from the end of the previous consolidated fiscal year). This was mainly due to increases of ¥636 million in trade and other payables, ¥508 million in income taxes payable, ¥99 million in other financial liabilities including the deposit, respectively, while decreases of ¥278 million in other liabilities including accrued expenses etc., and ¥177 million in provisions. Non-current liabilities were ¥16,491 million (-¥879 million). This was mainly due to decreases of ¥837 million in borrowings and ¥37 million in lease liabilities.

[Equity]

Total equity at the end of the third quarter of the current consolidated fiscal year were ¥13,790 million (+¥2,179 million from the end of the previous consolidated fiscal year). This was mainly due to an increase of ¥2,171 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 decreased by ¥81 million from the end of the previous consolidated fiscal year to ¥2,716 million. The status of each cash flow and their factors are as follows:

[Net cash flows from operating activities]

Funds provided as a result of operating activities was ¥2,923 million (the amount provided was ¥3,044 million in the same period of the previous year). This was mainly due to profit before tax of ¥4,139 million and depreciation and amortization of ¥1,775 million and an increase in trade and other payables of ¥503 million, while biological assets increased by ¥1,288 million, trade and other receivables increased by ¥1,168 million and income taxes paid of ¥959 million.

[Net cash flows from investing activities]

Funds used as a result of investment activities were ¥1,484 million (the amount used was ¥2,030 million in the same period of the previous year). This was mainly due to the expenditure of ¥1,445 million for the acquisition of renewed property, plant and equipment related to mushroom business.

[Net cash flows from financing activities]

Funds used as a result of financing activities were ¥1,521 million (the amount provided was ¥1,146 million in the same period of the previous year). This was mainly due to repayments of long-term borrowings of ¥844 million, dividends paid of ¥519 million and repayments of lease liabilities ¥157 million.

4. Explanations about Forward-Looking Information Including Forecast of Consolidated Financial Results
The full-year forecasts of the consolidated financial results for the fiscal year ending March 2025 remain unchanged from the forecasts that were announced on May 9, 2024.
The earnings 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, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	2,797	2,716
Trade and other receivables	3,211	4,359
Income taxes receivable	-	9
Inventories	1,476	1,602
Biological assets	2,939	4,228
Other current assets	189	138
Total current assets	10,615	13,055
Non-current assets		
Property, plant and equipment	19,621	19,392
Investment property	95	95
Goodwill and intangible assets	6,025	5,993
Right-of-use assets	261	216
Retirement benefit asset	303	304
Other financial assets	213	219
Deferred tax assets	1,053	1,053
Other non-current assets	69	63
Total non-current assets	27,645	27,339
Total assets	38,260	40,395

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Trade and other payables	3,570	4,207
Income taxes payable	940	1,448
Employee benefit accruals	2,138	2,184
Current portion of long-term borrowings	1,422	1,422
Lease liabilities	137	136
Provisions	177	0
Other financial liabilities	115	214
Other current liabilities	776	497
Total current liabilities	9,278	10,112
Non-current liabilities		
Borrowings	16,857	16,020
Lease liabilities	196	159
Deferred tax liabilities	165	159
Provisions	21	21
Other financial liabilities	130	131
Other non-current liabilities	0	0
Total non-current liabilities	17,370	16,491
Total liabilities	26,649	26,604
Equity		
Share capital	100	100
Capital surplus	(6,067)	(6,070)
Retained earnings	17,405	19,576
Treasury shares	(17)	(7)
Other components of equity	25	27
Total equity attributable to owners of parent	11,446	13,626
Non-controlling interests	164	164
Total equity	11,610	13,790
Total liabilities and equity	38,260	40,395

2. Summarized Quarterly Consolidated Statements of Income and Comprehensive Income

(Summarized Quarterly Consolidated Statements of Income)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Income		
Revenue	24,309	27,216
Gains arising from changes in fair value	11,359	12,351
Total income	35,669	39,568
Cost of sales (*1)	25,691	28,473
Gross profit	9,977	11,094
Selling, general and administrative expenses	6,463	6,721
Other income	176	79
Other expenses	78	141
Operating profit	3,611	4,311
Finance income	0	9
Finance expenses	360	181
Profit before tax	3,252	4,139
Income tax expense	1,116	1,452
Profit	2,135	2,686
Profit attributable to		
Owners of parent	2,130	2,689
Non-controlling interests	5	(3)
Earnings per share		
Basic earnings per share (Yen)	53.44	67.43
Diluted earnings per share (Yen)	53.43	67.42

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.	15,993	17,472
Gains arising from changes in fair value	9,697	11,000
Total	25,691	28,473

(Summarized Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	2,135	2,686
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	5	0
Total of items that will not be reclassified to profit or loss	5	0
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(3)	0
Total of items that may be reclassified to profit or loss	(3)	0
Total other comprehensive income (After tax effect deduction)	1	1
Comprehensive income	2,137	2,688
Comprehensive income attributable to		
Owners of parent	2,132	2,691
Non-controlling interests	5	(3)

3. Summarized Quarterly Consolidated Statement of Changes in Equity

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	-	-	2,130	-	-	2,130	5	2,135
Other comprehensive income	-	-	-	-	1	1	-	1
Comprehensive income	-	-	2,130	-	1	2,132	5	2,137
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)	153	101
Total	-	(56)	(276)	15	(2)	(320)	153	(167)
Balance at end of period	100	(6,069)	18,196	(17)	12	12,221	158	12,379

Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)

(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	(6,067)	17,405	(17)	25	11,446	164	11,610
Profit	-	-	2,689	-	-	2,689	(3)	2,686
Other comprehensive income	-	-	-	-	1	1	-	1
Comprehensive income	-	-	2,689	-	1	2,691	(3)	2,688
Share-based remuneration transactions	-	(3)	-	10	-	7	-	7
Dividends of surplus	-	-	(518)	-	-	(518)	-	(518)
Transfer from other components of equity to retained earnings	-	-	0	-	(0)	-	-	-
Other	-	-	-	-	-	-	3	3
Total	-	(3)	(518)	10	(0)	(511)	3	(508)
Balance at end of period	100	(6,070)	19,576	(7)	27	13,626	164	13,790

4. Summarized Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Profit before tax	3,252	4,139
Depreciation and amortization	1,654	1,775
Interest expenses	302	168
Commission for syndicate loan	12	-
Loss (gain) on sale of fixed assets	(3)	-
Loss on retirement of fixed assets	59	109
Decrease (increase) in trade and other receivables	(1,796)	(1,168)
Decrease (increase) in inventories	21	(125)
Decrease (increase) in biological assets	(1,630)	(1,288)
Increase (decrease) in trade and other payables	1,790	503
Decrease (increase) in retirement benefit asset	(6)	(0)
Increase (decrease) in employee benefit liabilities	138	45
Other	25	(144)
Subtotal	3,820	4,012
Interest paid	(93)	(125)
Payments of commission for syndicate loan	(11)	(3)
Income taxes paid	(691)	(959)
Income taxes refund	21	-
Net cash provided by (used in) operating activities	3,044	2,923
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,150)	(1,445)
Proceeds from sale of property, plant and equipment	3	-
Purchase of intangible assets	(0)	(2)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(856)	-
Other	(26)	(36)
Net cash provided by (used in) investing activities	(2,030)	(1,484)
Cash flows from financing activities		
Proceeds from short-term borrowings	4,300	2,000
Repayments of short-term borrowings	(2,500)	(2,000)
Proceeds of long-term borrowings	1,323	-
Repayments of long-term borrowings	(1,540)	(844)
Repayments of lease liabilities	(154)	(157)
Dividends paid	(281)	(519)
Other	-	(0)
Net cash provided by (used in) financing activities	1,146	(1,521)
Effect of exchange rate changes on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	2,160	(81)
Cash and cash equivalents at beginning of period	1,060	2,797
Cash and cash equivalents at end of period	3,221	2,716

5. Notes to Summarized Consolidated Financial Statements

(Going Concern Assumptions)

Not applicable.

(Segment Information)

(1) Reportable segments

The Group's business 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, Eryngii 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, Eryngii, 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, 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)	3,582	38	3,621	(9)	3,611
Finance income					0
Finance expenses					360
Profit before tax					3,252

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

Nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024) (Millions of yen)

	Mushroom business	Others	Total	Adjustment items (*1)	Per consolidated financial statements
Revenue					
Revenue from external customers	26,986	229	27,216	-	27,216
Intersegment revenue	-	-	-	-	-
Total revenue	26,986	229	27,216	-	27,216
Segment profit (loss)	4,297	30	4,327	(16)	4,311
Finance income					9
Finance expenses					181
Profit before tax					4,139

(*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, 2023	Nine months ended December 31, 2024
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	2,130	2,689
Profit not attributable to common shareholders of parent (Millions of yen)	-	-
Profit used for calculation of basic earnings per share (Millions of yen)	2,130	2,689
Average number of common shares during the period (Thousand shares)	39,878	39,890
Basic earnings per share (Yen)	53.44	67.43
Diluted earnings per share		
Profit used for calculation of basic earnings per share (Millions of yen)	2,130	2,689
Adjustment (Millions of yen)	-	-
Profit used for calculation of diluted earnings per share (Millions of yen)	2,130	2,689
Average number of common shares during the period (Thousand shares)	39,878	39,890
Increase of shares due to restricted stock compensation plan (Thousand shares)	3	3
Average number of common shares during the period after dilution (Thousand shares)	39,881	39,894
Diluted earnings per share (Yen)	53.43	67.42

(Significant Subsequent Events)

Not applicable.