Performance Review for 1st Quarter of Fiscal Year Ending March 2026

August 7, 2025

YUKIGUNI FACTORY CO., LTD.

Tokyo Stock Exchange, Prime Market: 1375

AGENDA

- 1. Summary of Consolidated Financial Results for 1Q of FYE March 2026
- 2. Forecast of Consolidated Financial Results for FYE March 2026
- 3. New Business
- 4. Sustainability
- 5. Medium- Term Business Plan for FYE March 31, 2024 to FYE March 31, 2028
- 6. Financial Policies and Shareholder Returns
- 7. 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.

1. Summary of Consolidated Financial Results for 1Q of FYE March 2026



Summary of Financial Results for 1st Quarter Fiscal Year Ending March 2026

In the three months of the current period, revenue and Core EBITDA underperformed both year-on-year and the forecast.

External Environment

- Compared to last year, which saw record high temperatures, temperatures were lower and vegetable growth was steady, resulting in stable prices.
- Large vegetables were reasonably priced and popular with consumers.
- The continuing strong cost-push inflationary trend has led to continued consumer thrift and selective purchasing.
- The upward trend in labor costs due to work style reforms was continuing, putting upward pressure on raw material costs.

Our Response

- By making the most of multiple SKUs and controlling unit prices, we achieved unit prices that exceeded those of the same period last year.
- We proposed menus that combined dishes suitable for the hot season and seasonal vegetables, and promoted cooking methods that are not limited to a particular season.
- We created store displays linked to social media posts by influencers, proposing a wide range of uses to consumers.
- Although freight costs rose, we reduced overall manufacturing costs.

Summary

Revenue JPY 7.2 billion

- YoY JPY -0.1 billion (-1.8%)
- vs Forecast

Core EBITDA JPY 0.5 billion

- YoY JPY -0.1 billion (-15.5%)
- vs Forecast





Consolidated Statements of Income (1st Quarter)

In the three months of the current fiscal year, revenue and profits decreased compared to the same period of the previous fiscal year.

1Q FYE March 2026 1Q FYE March 2025

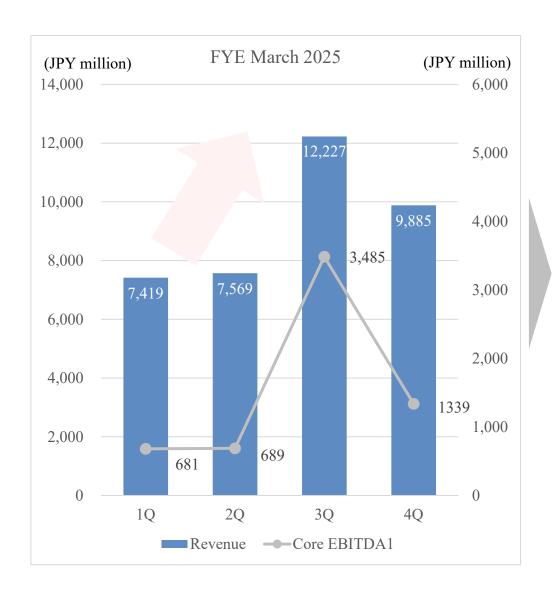
| (JPY million) | Actual |
|---|--------|
| Revenue | 7,284 |
| Gains Arising from Changes in Fair Value | 1,553 |
| Total Income | 8,838 |
| Material Costs, Labor Costs, etc. | 4,952 |
| Gains Arising from Changes in Fair Value | 2,457 |
| Cost of Sales | 7,410 |
| Gross Profit | 1,428 |
| SG&A Expenses | 2,183 |
| Other Income | 52 |
| Other Expenses | 17 |
| Operating Profit | (719) |
| vs Revenue | (9.9%) |
| vs Total Income | (8.1%) |
| Profit before Tax | (736) |
| Profit Attributable to Owners of Parent | (636) |
| [Reference] | |
| Core Operating Profit ¹ | 22 |
| Core Operating Profit margin ¹ | 0.3% |
| Core EBITDA ¹ | 575 |
| Core EBITDA margin ¹ | 7.9% |

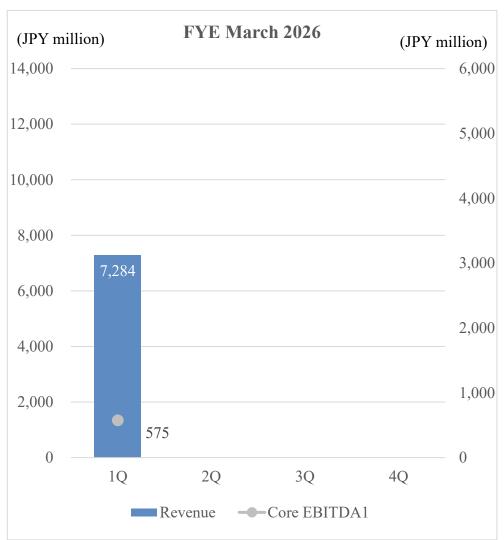
| | Cha | ange |
|--------|---------------|---------|
| Actual | Amount/Margin | % |
| 7,419 | (135) | (1.8%) |
| 2,752 | (1,198) | (43.6%) |
| 10,172 | (1,334) | (13.1%) |
| 5,329 | (377) | (7.1%) |
| 2,828 | (370) | (13.1%) |
| 8,158 | (747) | (9.2%) |
| 2,014 | (586) | (29.1%) |
| 2,083 | 99 | +4.8% |
| 81 | 44 | +500.7% |
| 27 | (10) | (37.4%) |
| (87) | (631) | - |
| (1.2%) | (8.7%) | - |
| (0.9%) | (7.3%) | - |
| (101) | (635) | - |
| (99) | (537) | +542.2% |
| | | |
| 105 | (82) | (78.6%) |
| 1.4% | (1.1%) | - |
| 681 | (105) | (15.5%) |
| 9.2% | (1.3%) | - |
| | | |



Consolidated Operating Results (Quarterly Trends)

Both Revenue and Core EBITDA were lower in this 1st quarter than those in the same period of the previous year.

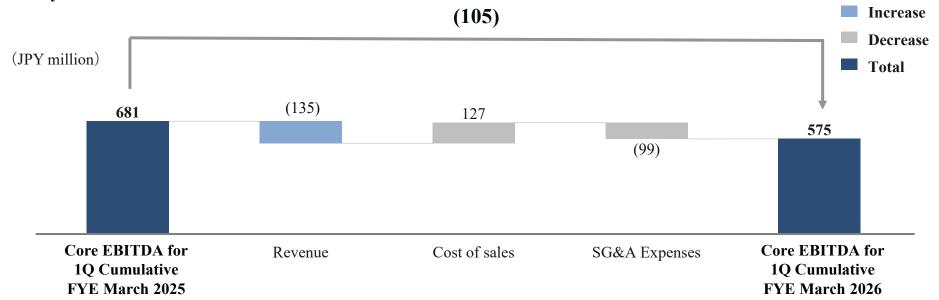






Analysis of Core EBITDA (1Q Cumulative Year-on-Year)

While Cost of sales was kept down, Core EBITDA decreased due to revenue decrease compared to the same period of the previous year.



External environment

- Factors affecting Revenue
- ✓ As of March 2025, mushroom prices were higher than usual
- ✓ Stable supply of vegetables
- ✓ Continued consumer selectivity and thriftiness

- Factors affecting Cost of sales
- ✓ Uncertainty due to unstable global conditions
- ✓ Rising prices due to inflation
- ✓ Rising trend in wages

Core EBITDA variable factors

• Main factors affecting changes in Revenue

- ✓ (Three main mushrooms) Increase in unit sales price and decreased sales volume
- ✓ (Maitake) Promotion of small packs
- ✓ (Buna shimeji) Increase in percentage of products with 1 root

• Main factors affecting changes in Cost

- ✓ Rising raw materials prices
- ✓ Increase in sales-related expenses due to higher freight rates
- ✓ Cost rate decreased due to flexible production response



Revenue by Business Segment

Revenue of buna-Shimeji increased compared to the same period of the previous year, but other segments decreased. Overseas Business in other mushrooms accounts for about 45%.

| _ | 1Q FYE March 2025 | 5 | 1Q FYE March 2026 | | Increa (Decre | |
|---------------------------------|----------------------|----------------------|-------------------|----------------------|------------------|------------|
| (JPY million) | Actual | Composition Ratio | Actual | Composition Ratio | Amount | Change YoY |
| Total Revenue | 7,419 | 100.0% | 7,284 | 100.0% | (135) | (1.8%) |
| Mushroom Business | 7,340 | 98.9% | 7,209 | 99.0% | (130) | (1.8%) |
| Maitake | 3,563 | 48.0% | 3,544 | 48.7% | (19) | (0.5%) |
| Eryngii | 905 | 12.2% | 904 | 12.4% | (1) | (0.2%) |
| Buna-Shimeji | 1,601 | 21.6% | 1,685 | 23.1% | 84 | +5.3% |
| Other Mushrooms ¹ | 1,269 | 17.1% | 1,075 | 14.8% | (194) | (15.3%) |
| Other ² | 78 | 1.1% | 74 | 1.0% | (4) | (5.8%) |

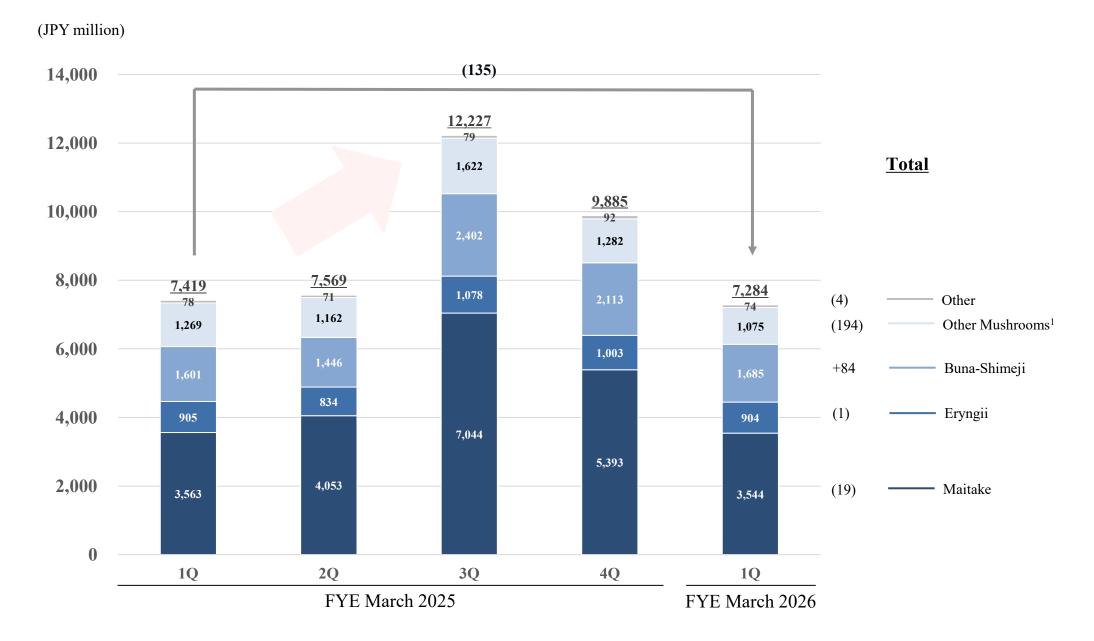
¹ Hon-Shimeji, Hatake-Shimeji, Button-Mushroom, Overseas Business, purchased mushrooms, etc.

² Including new businesses.



Revenue Trends by Business Segment (Quarterly Trends)

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



 $^{^{1}\ \} Hon\text{-}Shimeji, Hatake\text{-}Shimeji, Button\text{-}Mushroom, Overseas Business, purchased mushrooms, etc.}$



Status of Mushroom Business (1Q Cumulative FYE March 2026)

Sales Volume: All items were negative compared to both the same period of the previous year and the forecast.

Unit Sales Prices: As for unit sales prices of Maitake, Eryngii and Buna-Shimeji increased compared to both the same period of the previous year and the forecast.

| | Sales Volum | e Comparison ¹ | Unit Sales Price Comparison ¹ | | ce Comparison ¹ |
|------------------------------|-----------------------|---------------------------|---|-----------------------|----------------------------|
| (%) | vs 1Q FYE Mar 2025 | vs Forecast |] | vs 1Q FYE Mar 2025 | vs Forecast |
| (70) | Wiai 2023 | vs roiecast | <u> </u> | Iviai 2023 | vs Forecast |
| Maitake | 93.2% | 91.2% | | 107.0% | 104.6% |
| Eryngii | 92.1% | 88.9% | | 108.3% | 104.0% |
| Buna-Shimeji | 95.1% | 96.1% | | 110.7% | 107.2% |
| Other Mushrooms ² | 80.7% | 81.5% | | 97.7% | 93.6% |

Comparison excluding Overseas Business and processed products

² Comparison by the total of Hon-Shimeji, Hatake-Shimeji and button mushrooms



Consolidated Statements of Financial Position

Although capital decreased due to the impact of quarterly loss, liabilities decreased as we steadily repaid borrowings.

| | As of Mar 31, 2025 As | | Increase (Decrease) | | |
|---|------------------------------|--------|---------------------|------------|--|
| (JPY million) | Actual | Actual | Amount | Change YoY | |
| Current Assets | 11,501 | 7,203 | (4,297) | (37.4%) | |
| Cash and Cash Equivalents | 3,903 | 809 | (3,094) | (79.3%) | |
| Trade and Other Receivables | 2,490 | 1,930 | (559) | (22.5%) | |
| Inventories | 1,839 | 1,934 | +95 | +5.2% | |
| Biological Assets | 3,106 | 2,339 | (767) | (24.7%) | |
| Non-current Assets | 26,367 | 26,405 | +38 | +0.1% | |
| Property, Plant and Equipment | 17,784 | 17,592 | (191) | (1.1%) | |
| Goodwill and Intangible Asset | 5,932 | 5,959 | +27 | +0.5% | |
| Total Assets | 37,868 | 33,609 | (4,259) | (11.2%) | |
| Current Liabilities | 9,502 | 6,485 | (3,016) | (31.7%) | |
| Trade and Other Payables | 2,886 | 2,783 | (103) | (3.6%) | |
| Accrued Income Taxes | 1,370 | 1 | (1,369) | (99.9%) | |
| Short-term Borrowings | - | - | - | - | |
| Current Portion of Long-Term Borrowings | 1,422 | 1,422 | 0 | +0.0% | |
| Non-current Liabilities | 15,841 | 15,730 | (110) | (0.7%) | |
| Borrowings | 15,435 | 15,309 | (126) | (0.8%) | |
| Lease Liabilities | 161 | 172 | +11 | +7.1% | |
| Total Liabilities | 25,343 | 22,215 | (3,127) | (12.3%) | |
| Total Equity | 12,525 | 11,393 | (1,131) | (9.0%) | |
| Total Equity Attributable to Owners of Parent | 12,366 | 11,233 | (1,132) | (9.2%) | |
| Total Liabilities and Equity | 37,868 | 33,609 | (4,259) | (11.2%) | |



Consolidated Statements of Cash Flows (1Q Cumulative Year-on-Year)

Cash Flows from Operating Activities···Net cash provided decreased in income due to decrease in profit before tax.

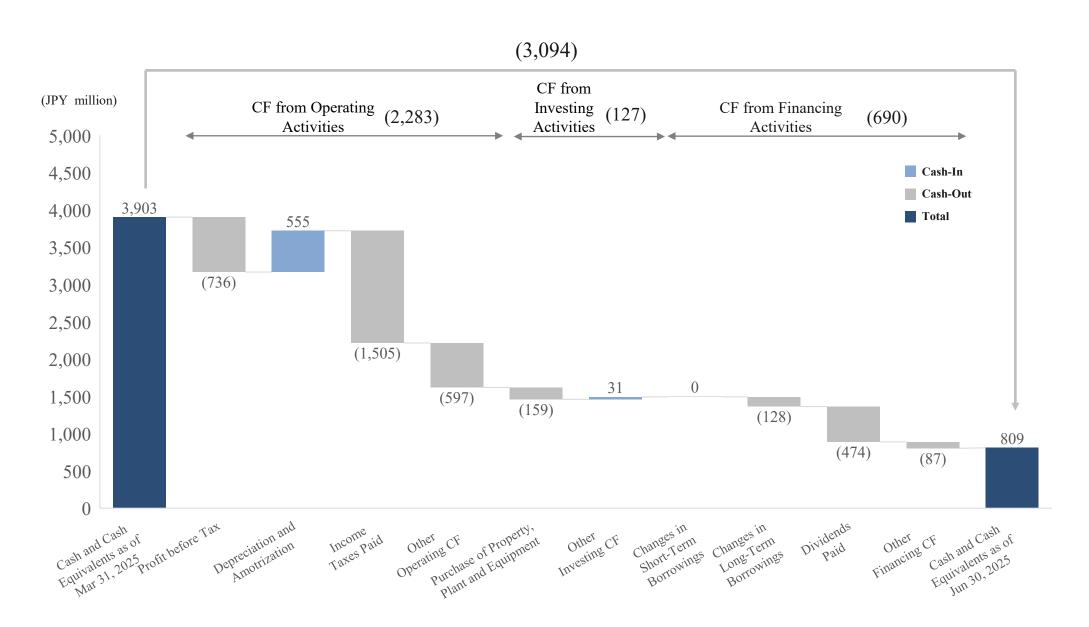
Cash Flows from Investing Activities... Net cash used decreased due to lower capital expenditures.

Cash Flows from Financing Activities… Net cash used increased due to decrease in short-term borrowings and increase in dividends paid.

| (JPY million) | 1Q FYE March 31, 2025 | 1Q FYE March 31, 2026 | Increase (Decrease) |
|--|-----------------------|-----------------------|---------------------|
| Cash Flows from Operating Activities | (707) | (2,283) | (1,576) |
| Profit before Tax | (101) | (736) | (635) |
| Depreciation and Amortization | 578 | 555 | (23) |
| Decrease (Increase) in Trade and Other Receivables | 662 | 566 | (95) |
| Decrease (Increase) in Inventories and Biological Assets | (80) | 677 | +757 |
| Increase (Decrease) in Trade and Other Payables | 83 | (286) | (369) |
| Income Taxes Paid | (933) | (1,505) | (571) |
| Increase (decrease) in employee benefit liabilities | (386) | (863) | (477) |
| Other | (529) | (691) | (161) |
| Cash Flows from Investing Activities | (373) | (127) | +246 |
| Purchase of Property, Plant and Equipment | (382) | (159) | +223 |
| Purchase of Intangible Asset | - | (5) | (5) |
| Other | 8 | 37 | +28 |
| Cash Flows from Financing Activities | 121 | (690) | (811) |
| Proceeds from Short-Term Borrowings | 700 | - | (700) |
| Repayments of Long-Term Borrowings | (128) | (128) | 0 |
| Dividends Paid | (395) | (474) | (79) |
| Other | (54) | (87) | (32) |
| Net Increase (Decrease) in Cash and Cash Equivalents | (947) | (3,094) | (2,146) |
| Cash and Cash Equivalents at the Beginning of the Period | 2,797 | 3,903 | +1,105 |
| Cash and Cash Equivalents at the End of the Period | 1,850 | 809 | (1,041) |

Consolidated Cash Flow Analysis (1Q Cumulative)

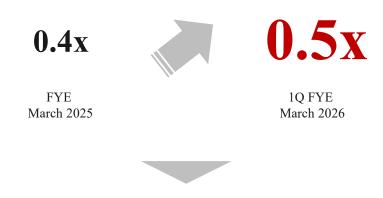
Net cash provided by operating activities was less than income taxes paid, resulting in JPY 2,283 million decreased in CF from operating activities. Cash and cash equivalents decreased by JPY 3,094 million due to dividends paid and so on.



Net D/E ratio deteriorated due to decreased cash and deposits. Furthermore, Core EBITDA decreased compared to the end of the period, the Net D/Core EBITDA increased.

Changes of Financial Indicator Regarding Goodwill

■ Goodwill to Net Assets Ratio ¹



- 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

Changes in Financial Indicator Regarding Net Debt

■ Net Debt to Equity Ratio ¹

1.0x 1.4x

FYE
March 2025 1Q FYE
March 2026

■ Net Debt to Core EBITDA Ratio ²



¹ IFRS based consolidated financial figures

² Using actual Core EBITDA figures. Core EBITDA=Core Operating Profit+Depreciation and Amortization

³ Estimated by last 12 months (LTM) cumulative Core EBITDA



Key Performance Indicators

In the three months of the current fiscal year, profit decreased compared to the same period of previous year, and management indicators deteriorated.

| | 1Q FYE March 2025 | 1Q FYE March 2026 |
|--|-------------------|-------------------|
| Operating Margin | (0.9%) | (8.1%) |
| Core EBITDA Margin | 9.2% | 7.9% |
| Basic Earnings per Share ¹ | (JPY 2.48) | (JPY 15.95) |
| ROE (Return on Equity Attributable to Owners of Parent) ² | 14.7% | 8.7% |
| ROIC (Return on Invested Capital) ³ | 6.8% | 4.1% |

¹ 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

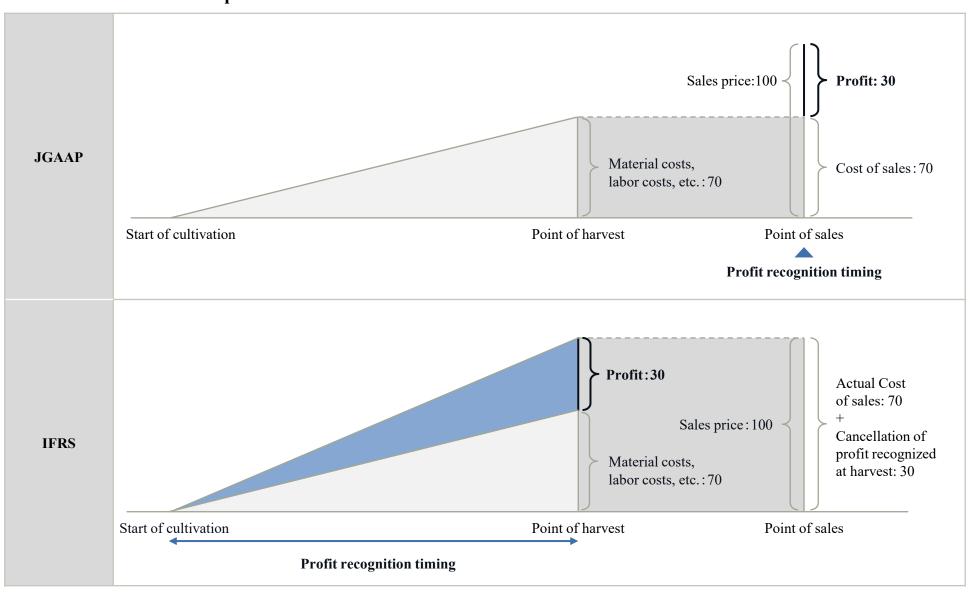
² Cumulative actual of the last 12 months (LTM) ROE = Profit Attributable to Owners of Parent / Average Total Equity Attributable to Owners of Parent during the Period

³ 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" (1Q Cumulative)

Net income impact of - JPY 903 million due to the adoption of agricultural accounting, mainly due to the impact of higher inventory levels of work-in-progress of Maitake.

(JPY million)

| | Break down | 1Q FYE March 2026 |
|--|---|----------------------|
| | Gains in Work-in-Progress (Beg. Bal.) | (1,349) |
| | Gains in Work-in-Progress (End. Bal.) | 649 |
| Gains Arising from Changes in Fair Value (Income) | Harvest for the Current Period | 2,191 |
| | Other | 62 |
| | Total | 1,553 |
| | Gains in Finished/Semi-finished Goods (Beg. Bal.) | (460) |
| | Gains in Finished/Semi-finished Goods (End. Bal.) | 232 |
| Gains Arising from Changes in Fair Value (Cost of Sales) | Harvest for the Current Period | (2,191) |
| | Other | (38) |
| | Total | (2,457) |
| Total Net Impact | | (903) |

Gains included in work-in-progress had a negative impact of <u>JPY 699 million</u> due to the lower fair value compared to the beginning of the period.

Gains included in finished and semifinished goods had a negative impact of <u>JPY 227 million</u> due to the lower 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 limited.

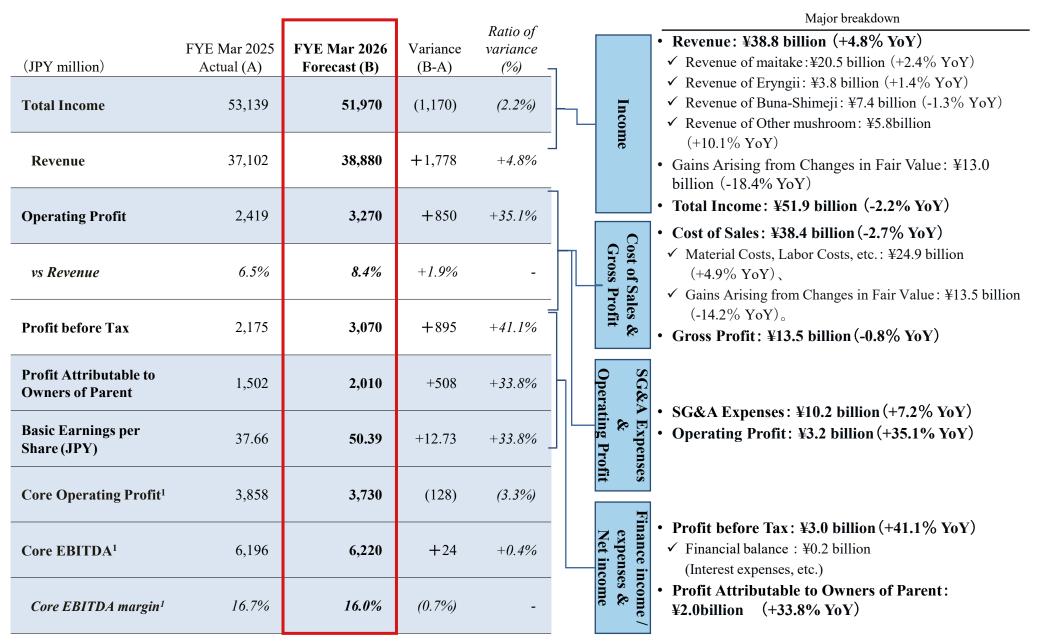
| | (JPY million | 1) | 1Q | 2Q | 3Q | 4Q | Cumulative |
|-------------------|-----------------------|--|--------------------------------|--------------------------------|----------------------------------|----------------------------------|--|
| | | Gains in Work-in-Progress (Beg. Bal.) | (1,349) | | - | | (1,349) |
| | Income | Gains in Work-in-Progress (End. Bal.) | 649 | | | | 649 |
| | Cost of | Gains in Finished/Semi-finished Goods (Beg. Bal.) | (460) | | | | (460) |
| FYE March 2026 | Sales | Gains in Finished/Semi-finished Goods (End. Bal.) | 232 | | | | 232 |
| | Harvest fo | or the Current Period | ±0 | | | | ±0 |
| | Other | | 23 | | | i | 23 |
| | Total Net In | npact | (903) | | | | (903) |
| | | | | | | | |
| | | | | | | | |
| | (JPY million | 1) | 1Q | 2Q | 3Q | 4Q | Cumulative |
| | | Gains in Work-in-Progress (Beg. Bal.) | 1Q (1,145) | 2Q (959) | 3Q (2,184) | 4Q (2,310) | <u> </u> |
| | (JPY million | <u> </u> | | - | | | <u> </u> |
| | | Gains in Work-in-Progress (Beg. Bal.) | (1,145) | (959) | (2,184) | (2,310) | (1,145) 1,349 |
| FYE March 2025 | Income | Gains in Work-in-Progress (Beg. Bal.) Gains in Work-in-Progress (End. Bal.) | (1,145) | (959) 2,184 | (2,184) 2,310 | (2,310) | (1,145) 1,349 |
| | Income Cost of Sales | Gains in Work-in-Progress (Beg. Bal.) Gains in Work-in-Progress (End. Bal.) Gains in Finished/Semi-finished Goods (Beg. Bal.) | (1,145) 959 (389) | (959) 2,184 (469) | (2,184) 2,310 (726) | (2,310) 1,349 (545) | (1,145) 1,349 (389) |
| | Income Cost of Sales | Gains in Work-in-Progress (Beg. Bal.) Gains in Work-in-Progress (End. Bal.) Gains in Finished/Semi-finished Goods (Beg. Bal.) Gains in Finished/Semi-finished Goods (End. Bal.) | (1,145) 959 (389) 469 | (959) 2,184 (469) 726 | (2,184) 2,310 (726) 545 | (2,310) 1,349 (545) 460 | (1,145) 1,349 (389) 460 ±0 |

2. Forecast of Consolidated Financial Results for FYE March 2026



Forecast of Consolidated Financial Results for FYE March 2026 / Key figures

Continue the previous year's trend in line with the renewed Medium-Term Business Plan in 2023 and steadily promote strategies to achieve the plan.

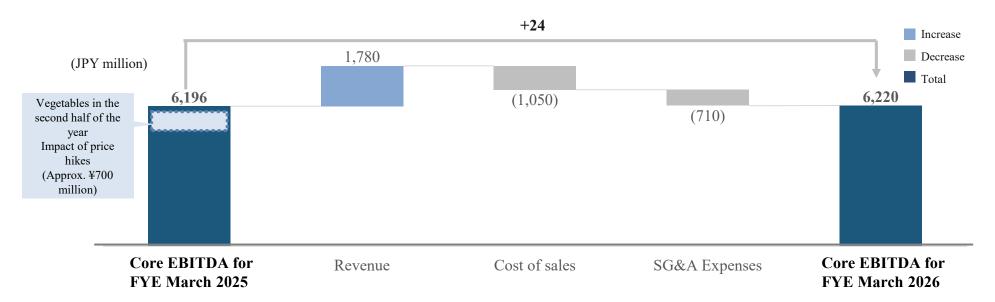


¹ Core Operating Profit = Operating Profit - the effect of applying IAS 41 "Agriculture" - Other income and expenses - One-time income and expenses Core EBITDA = Core Operating Profit + Depreciation and Amortization Core EBITDA margin = Core EBITDA / Revenue



Year-on-Year Comparison and Key Assumptions

In the FYE Mar 2026, growth is expected to be higher than the previous year, excluding the impact of irregularities in the previous fiscal year. Strengthen business foundation to achieve medium- to long-term growth.



Environment outlook

Market supply is expected to remain stable

- ✓ Unit sales prices will remain at the same level as the previous year based on stable market supply
- ✓ Consumers tend to be selective in an inflationary environment

• Assumption is that the upward trend will continue due to uncertainty over the economic outlook

- ✓ Continued geopolitical risks around the world
- ✓ Uncertainty in the economic situation, although the likelihood of a sharp rise is low
- ✓ Continued trend of higher labor costs to improve employee engagement

Strategy for this term

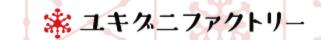
Sales Generate profit by promoting premium strategy

- ✓ Gradual expansion of existing businesses through profit-oriented strategies
- ✓ Attracting customers with new product specifications
- ✓ Further strengthen niche and premium businesses and promote sales expansion
- ✓ Cooperate with Dutch subsidiary to consider capturing markets in surrounding areas

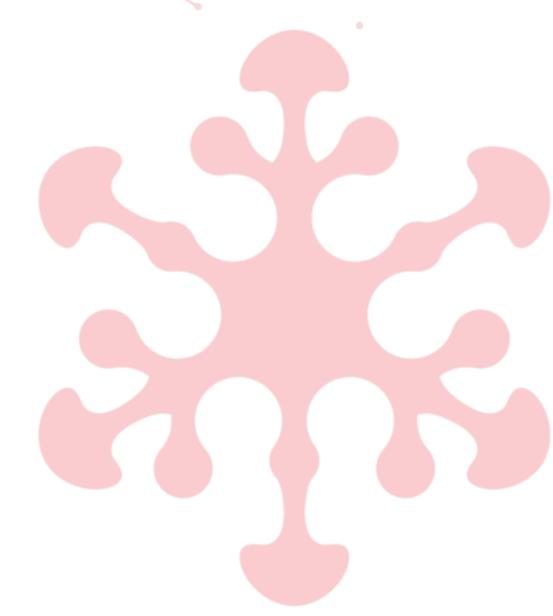
Production / Sales Administration

Promote BPR and production efficiency improvement

- ✓ Improve Mushroom Production Processes to Improve Profitability
- ✓ Cost containment by improving efficiency through BPR, etc.
- ✓ Lower utility costs through long-term contracts



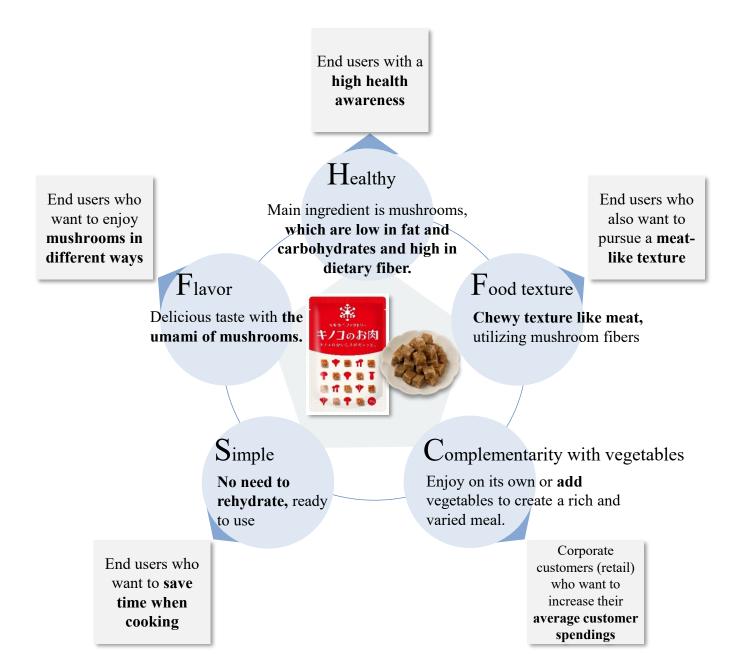
3. New Business





Features of "Mushroom Meat" and points of appeal to customers

Mushroom Meat" made from "Yukiguni-Maitake Kiwami" with a meat-like texture will be launched on February 18, 2025. Responding to customer needs by proposing new food products that are both tasty and functional, using healthy mushrooms.





Business model and anticipated scale of new business

By utilizing our strengths in sales networks in the fruit and vegetable section, we will be able to enter market with a high degree of certainty and increase our presence in the markets that have not yet been fully explored by competitors.

Business Model Overview

Utilize existing channels

Since we already have a sales area on the fruit and vegetable shelves, we can expect a high distribution rate.

> **Utilizing our sales** network in the fruit and vegetable section, we aim to enter the market

By selling our new products with vegetables, expect an increase in the average amount spent per customer.

> **Benefits for retail** customers

High exposure to shoppers

The rate of customers stopping by the fruit and vegetable section of the supermarket is over 90%, so high exposure effects can be expected.

quickly and reliably.

As a main or side dish, it can meet consumers' needs for 'one more dish'.

> Capture consumer needs



Aiming for over JPY1 billion sales through sales synergy between mushroom meat and vegetable.

According to Seed Planning

Estimated by the Company based on the Supermarket White Paper 2023.



Since the development of mushroom alternative meat, there has been a lot of media interest, and it has been featured in newspapers, magazines, and on the web.



Explored unknown possibilities



Successfully developed in June 2023









TV TOKYO "Dawn of Gaia"

(February 7, 2025)



Launch in February 2025

Increasing media attention



ORICON NEWS
(August 24, 2023)



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

Published in a fashion magazine (May 2024)



The Yomiuri KODOMO Newspaper (June 13, 2024)

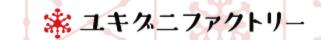


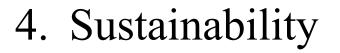
Nippon Television "Sekaiichi uketai jugyo" (The class people want to take the most in the world)
(January 6, 2024)

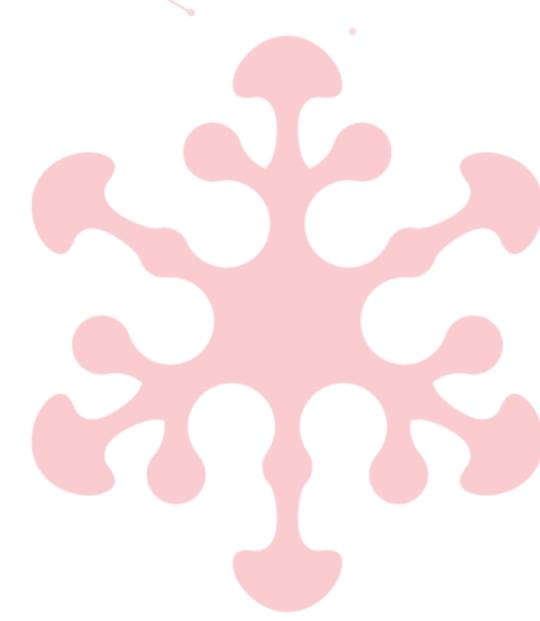


TBS THE TIME] (February 1, 2024)

Satellite TV Special feature on a business news program (June 10, 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.

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.

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 published it on our company website in May 2023.

Set GHG emission reduction targets



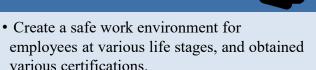
- Calculate GHG emissions for the entire Yukiguni-Factory Group.
- Targeting "Net Zero Emissions" by FYE March 2051, we will work to reduce greenhouse gas emissions throughout the entire value chain.
- In June 2022, publicly available on the Company's website.

Proactive Sustainability Initiatives



- Focusing on harmony with nature, people, and society, we will work to solve social issues and promote sustainable growth.
- In July 2024, the company will be selected as a constituent of the "FTSE Blossom Japan Sector Relative Index".

Support for balancing work and childcare



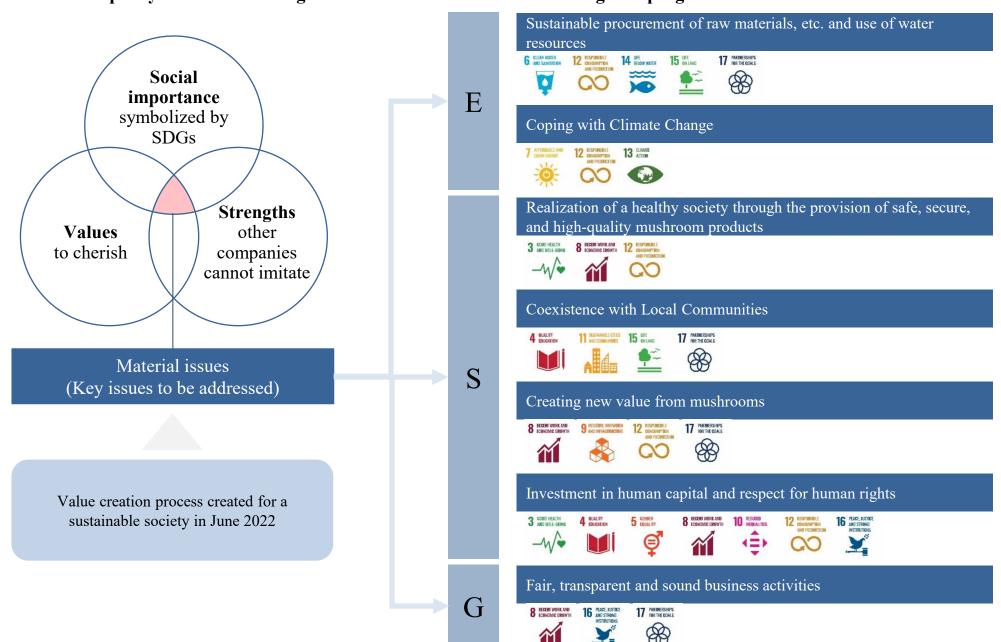
• Ministry of Health, Labor and Welfare "Kurumin Certification" (June 2023), Niigata Prefecture "Happy Partner Company" (February 2024), Ministry of Health, Labor and Welfare "Eruboshi Certification (Third Stage)" (August 2024).

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



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.

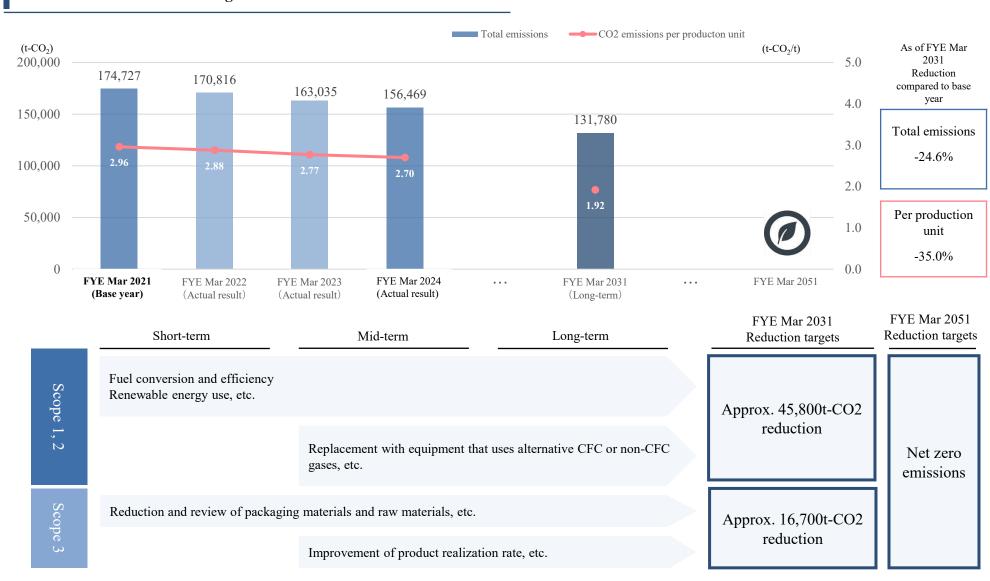




GHG Emissions Reduction Targets and Results

GHG emissions in FYE Mar 2024 were reduced by 10.4% 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 Results¹

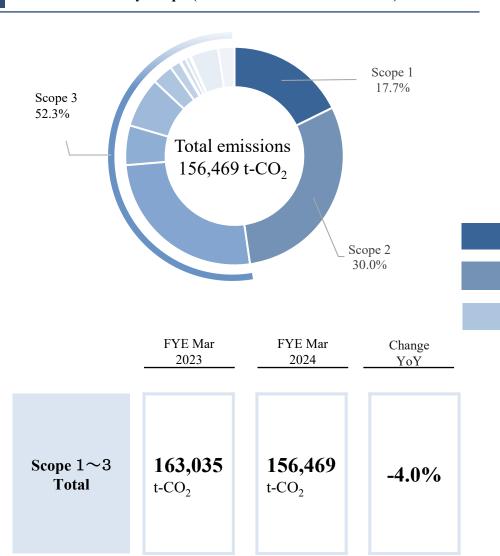


¹ The scope of the project includes Yukiguni Factory and Mizuho Norin. Calculations were made using the IDEA and Ministry of the Environment databases. For those for which no database exists, scenarios were created and calculations were made.

GHG Emissions Reduction Results and Actions

GHG emissions in FYE Mar 2024 were reduced by 4.0% from the FYE Mar 2023. New initiatives will be promoted in a planned manner.

GHG Emissions by Scope (Results for FYE March 2024) 1



Scope 1

LNG LNG EMS 1 to EMS 1 to EMS 1 to EMS 1 to EMS 2 to EMS

Switching to LNG

- LNG installations 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 CO₂

¹ The scope of the project includes Yukiguni Factory 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.



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 Forest Creation 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 "Yukiguni Maitake Forest".



2021

Periodic clearing of underbrush and thinning of trees to make it easier for trees to grow (Conduct every year).

2022

Created a mixed forest similar to a natural forest by planting broadleaf trees (cherry trees).

Recognized as a "Green Partner 2022" in the "Forest x Decarbonization Challenge 2022" sponsored by the Forestry Agency.

2023

Planted mountain maples and hydrangea
Continuing from last year, Recognized as a "Green Partner

2023".

2024 Laid wooden walkways.

2025

Changed name to "Yukiguni Forest for the Future"

20xx

Aiming to be the forest park where people gather.



Activities for FYE March, 2025

- Laid wooden walkways
- Thinned and weeded cedar trees for maintenance
- Sowed seeds of Hollyhocks



Laid wooden walkways

Wooden walkways are being laid out. Developing forest parks that are easy for people to visit.



Sowed seeds of Hollyhocks

Seeds were planted along the wooden walkways. Gorgeous flowers will bloom from spring to summer.

¹ 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.

Create a good working environment for employees

Support the child-rearing generation and work to achieve a work-life balance that allows employees to thrive.

The Minister of Health, Labor and Welfare certifies companies with excellent implementation of initiatives to promote the advancement of women. Promotion of women's activities

Childcare Support



Toward a Better Working Environment 2023年認定しるみでなかれる。

between work and child rearing as "Child Rearing Support Companies".

The Minister of Health, Labor and

Welfare certifies companies that

commit to support a good balance

"Eruboshi"
Certification
Certified on August 21, 2024

Certification
Certified on June 6, 2023

"Kurumin"

Companies that have created a workplace environment that is easy for both men and women to work in, and that enables them to balance work and family life, and that are actively involved in the training and promotion of female employees, are registered by Niigata Prefecture.

Work-life balance



"Happy Partner Companies" Registration

Certified on February 28, 2024



Selected as a constituent of the ESG investment index "FTSE Blossom Japan Sector Relative Index"

Selected for inclusion in an index that reflects the performance of Japanese companies that excel in Environmental (E), Social (S) and Governance (G) initiatives for two consecutive years.

Working to solve social issues and achieve sustainable growth by placing importance on harmony with nature, people, and society.

Purpose

Corporate Identity



FTSE Blossom Japan Sector Relative Index 1

Sustainability Policies

As a company not only benefitting from the blessings of nature but also fostering nature, we are working hand-in-hand with our stakeholders in our pursuit of protecting natural environments and enriching people's lives and society, in order to achieve sustainable growth and co-habitation with fruitful nature.

Contribute to the Protection of Fruitful Nature

Contribute to People's Health

Contribute to the Development of Society

Environment

- Disclose in line with TCFD recommendations
- Procure Raw Materials and Use Water Resources
- Conserve Biodiversity
- Reduce Waste and Prevent Environmental Pollution

Social

- Promote DE&I
- Invest in Human Capital
- Promote Occupational Health and Safety
- Coexist with Local Communities

Governance

- Focus on continuing "thorough compliance with internal rules and laws and regulations" as a key theme
- Promote CSR procurement cooperation and other initiatives among business partners in order to develop responsible business activities throughout the supply chain

^{1.} FTSE Russell (a registered trademark of FTSE International Limited and Frank Russell Company) hereby certifies that YUKIGUNI FACTORY CO. LTD. has met the requirement for inclusion in the FTSE Blossom Japan Sector Relative Index as a result of a third party investigation and has become a constituent stock of this index. FTSE Blossom Japan Sector Relative Index is widely used to create and evaluate sustainable investment funds and other financial products. URL: :https://www.lseg.com/en/ftse-russell/indices/blossom-japan

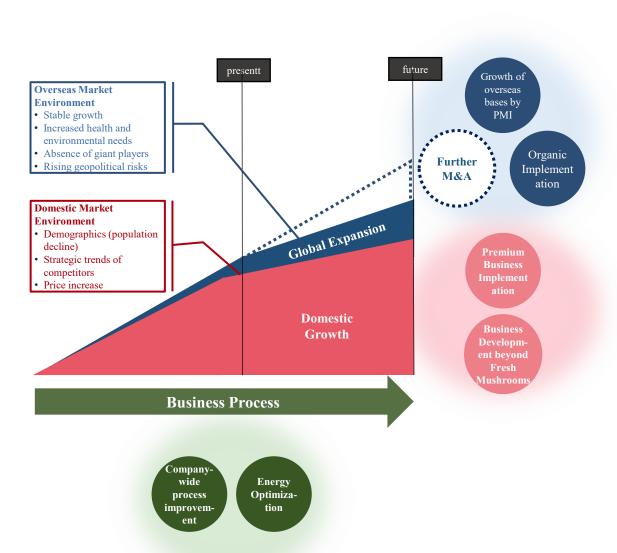
5. Medium- Term Business Plan for FYE March 31, 2024 to FYE March 31, 2028

"Update of the Medium-Term Business Plan" (Excerpts from the December 19, 2023 disclosure)



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 create 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.

В

Business Processes: Streamline all processes without sanctuary

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

c

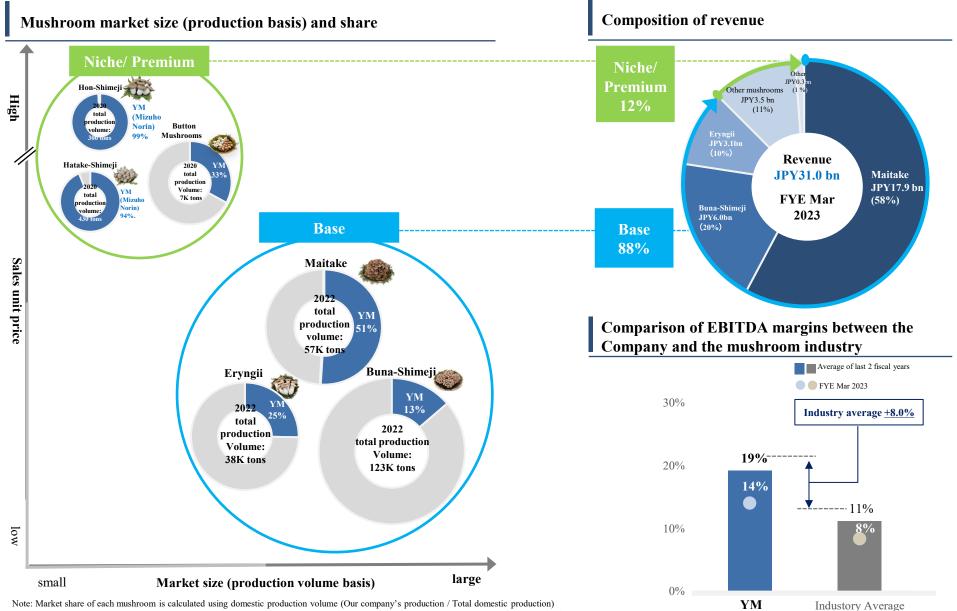
Global expansion: PMI of newly acquired overseas companies and search for other targets

- 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.



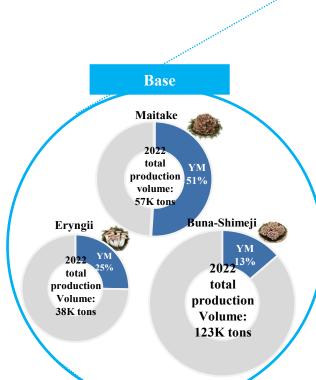
Note: Market share of each mushroom is calculated using domestic production volume (Our company's production / Total domestic production)

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

Image of balancing supply and demand and improving operation rates Fresh Multrom Production in non-demanding periods to date Demand for processing and new business Demand for processing and new business Demand for processing and New Businesss Rising Occupancy Rates New demand Overcome Seasonal Gap Spring Summer Autumn Winter

"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





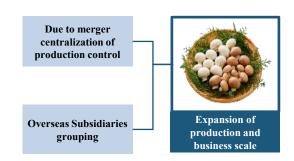
Basic Policy A. Domestic Mushroom Market (Expansion of Niche/ Premium Business)

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

Hon-Shimeji Volume: 300 tons Button Mushrooms Pyn 2020 total production Volume: 430 tons YM (Mizuho Norin) Volume: 430 tons YM (Mizuho Norin) 94%

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)



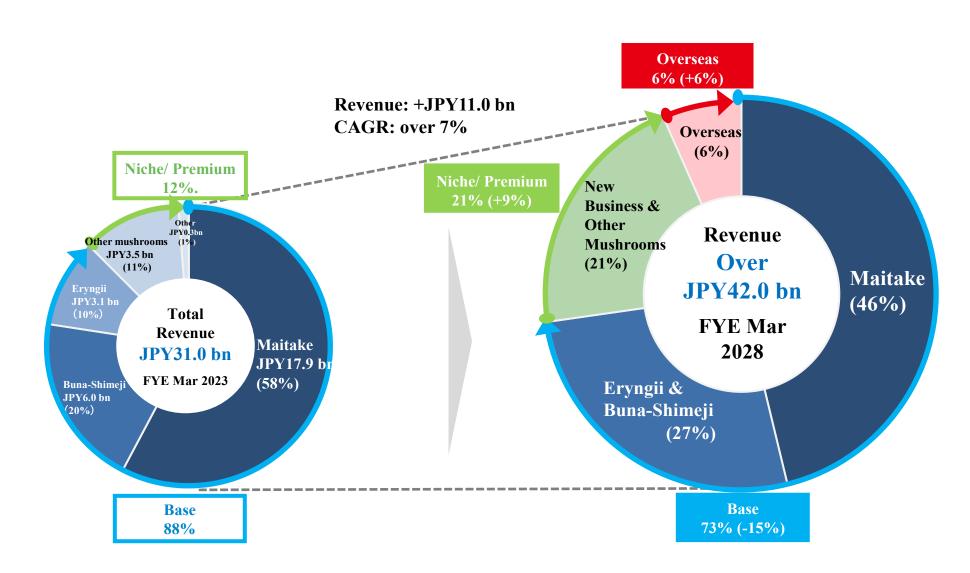
Image of distribution product composition by new business





Basic Policy A. Domestic Mushroom Market (Future Portfolio)

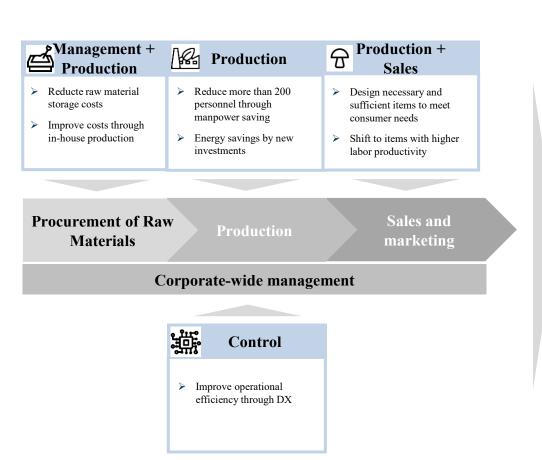
Aim to expand business to over JPY11 billion by expanding two segments, Niche/ Premium and overseas, while maintaining the base business as the mainstay.



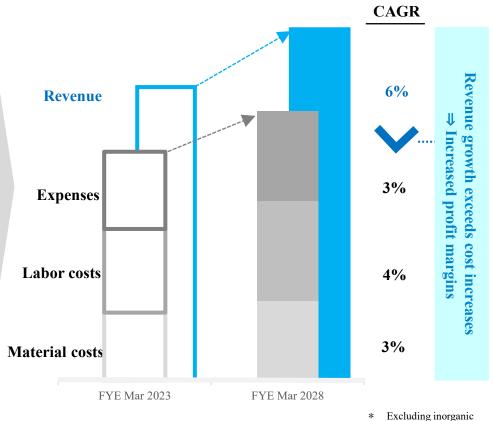


Basic Policy B: Streamline All Processes without Sanctuary

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



Changes in Revenues and Cost of Sales*





channels overseas

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

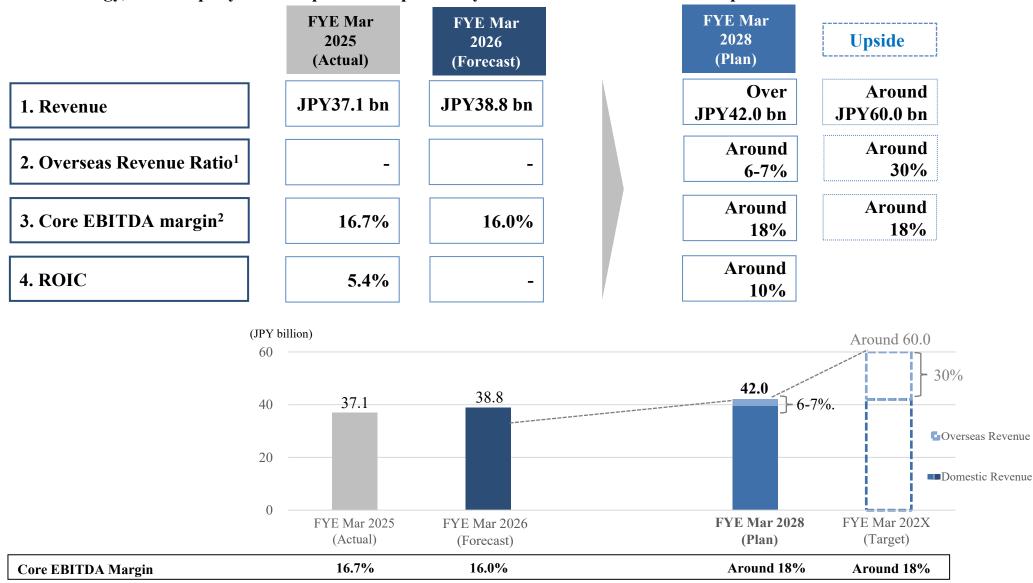
Japan ➡ Europe, U.S., ASEAN **Europe and the U.S. regions → Japan** Competitive western mushrooms (Button mushrooms etc.) Our Premium Mushrooms Our proprietary model (production and sales) Raw materials Know-how and technology for stable production of Others (know-how and technology) mushrooms with high degree of difficulty Japan Basic Basic **Organic Strategy Policy Policy North America Europe ASEAN** Europe **■** Basic strategies **■** Basic strategies ➤ In addition to ASEAN, broad consideration of **Europe and the U.S. as** targets expansion Accelerating the speed of sales channel development with a <u>unique channel</u> model cultivated in Japan while also considering alliances competitiveness of the entire group > In addition to our own channels, we also consider the use of **other companies'**

Inorganic Strategy North America <u>Integrate</u> acquired Dutch companies to promote <u>further business</u> Share superior technologies and products across borders to improve the Explore additional acquisition possibilities as strategies develop



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, the Company will also pursue the possibility of further overseas business expansion if the conditions are met.

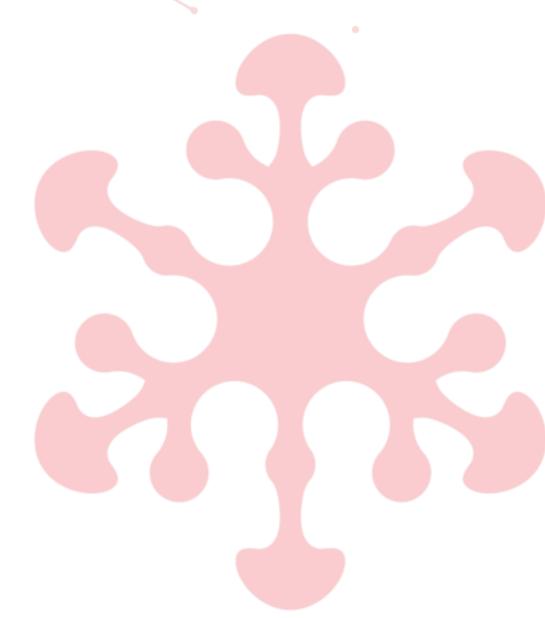


¹ Overseas Revenue Ratio = Overseas revenue / Revenue

² Core EBITDA margin = Core EBITDA / Revenue

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

6. Financial Policies and Shareholder Returns





With acquired cash flows through operating activities, 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 interestbearing 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

X Dividend policy

Considering the recent business performance and cash flow status, the Company aims to improve corporate value by balancing sustainable shareholder return and investments necessary for medium-term growth.

| FYE Mar 20 |
|------------|
|------------|

| | Annual DPS | JPY 15.00 ¹ |
|-------------------------------|--------------|------------------------|
| Dividend per share (DPS) | Interim DPS | JPY 3.00 |
| | Year-End DPS | JPY 12.00 |
| Dividends Payout Ratio | | 39.8% |
| | Annual DPS | JPY 16.00 |
| Dividend per share (DPS) | Interim DPS | JPY 4.00 |
| | Year-End DPS | JPY 12.00 |
| Dividends Payout Ratio | | 31.8% |

FYE Mar 2026 (Forecast)

1 Taking into account temporary factors (negative and positive elements), the Company has comprehensively considered the situation and set the annual dividend ¥3 higher than the initial forecast.

Our Cash Allocation Policy

Achieve a balance between increasing corporate value through growth investments and sustainable shareholder returns \(\]

- Execute 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
 - ✓ Consider 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
 - ✓ Aim further profit return to shareholders by increasing corporate value in the medium term



Shareholder Benefit Program

Continue to raise awareness of products and return profits to shareholders by sending them assortments of the company's products.

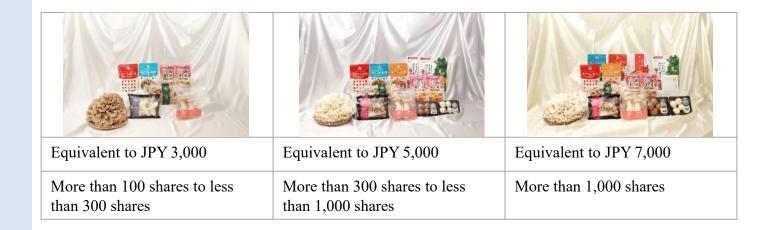
Eligible Shareholders

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.)

Depending on the number of shares held, the following sets of the Company's products¹ will be presented.

Shareholder Benefit Program

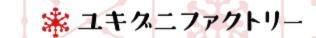
Benefit Details¹



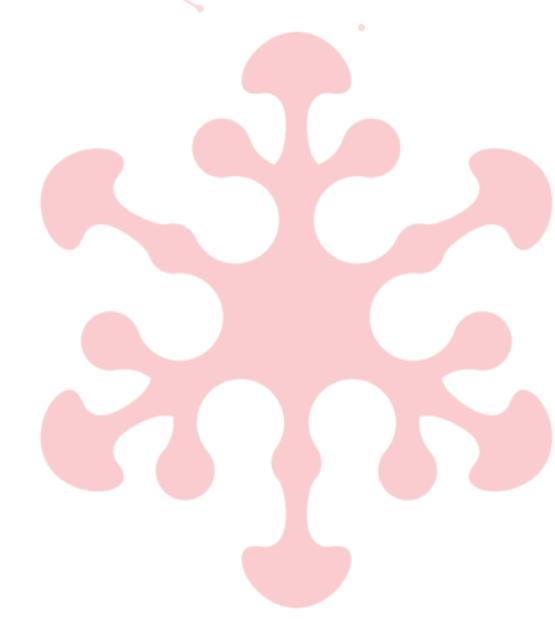
1 The products in the photos are draft at this time, and the composition of the products equivalent to each tier amount will be posted on our website etc., going forward.

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.



7. Reference Materials





Overview of Yukiguni Factory 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 Factory Group

| Dammaaantatiraa | Massfrani Vyranya | |
|----------------------------------|--|--|
| Representative | Masafumi Yuzawa | |
| Established | July 1983 | |
| Head Office Location | [Niigata Head Office] Minamiuonuma City, Niigata [Tokyo Head Office] Chuo-ku, Tokyo | |
| Number of Employees ¹ | Full-time: 1,064, Part-time: 1,426 (as of March 31, 2025) | |
| Office | Production plants: 9 Laboratory: 1 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. Yukiguni Factory Netherlands Holdings B.V. | |

Subsidiary company

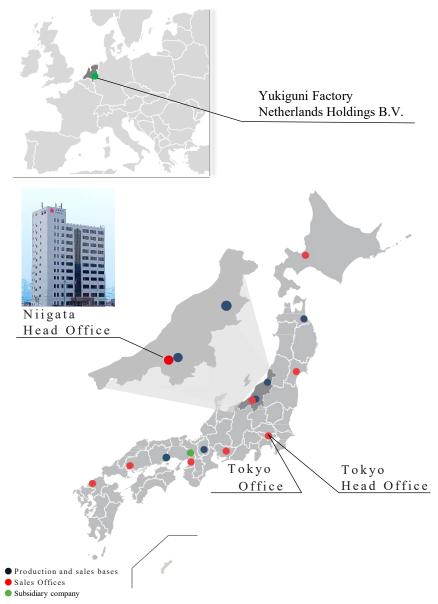
«Netherlands»

Yukiguni Factory Netherlands Holdings B.V.

(Production and sale of

button mushrooms and exotic mushrooms)





¹ 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)

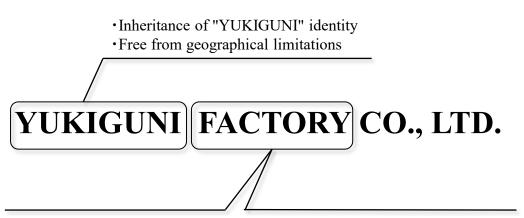


Renewal of the Company Name (Corporate Brand)

On April 1, 2025, the company name will be changed to Yukiguni Factory Co., Ltd. We will continue to maximize the potential of mushrooms through the technologies and quest for excellence established at Yukiguni, leading to sustainable growth.

Concept behind the New Company Name

Aiming to be a factory that creates new value, free from geographical limitations, while inheriting the tradition and trust honed in Yukiguni era.



- •Expresses our corporate identity and purpose of "creating" a world of future (global health) by drawing out the power of mushrooms.
- In addition to the existing "safety and security", imaging an exciting company.

Future Brand Structure image

As a family brand, we will continue using the existing "YUKIGUNI" brand under the new corporate name.



Purpose and Corporate Identity (CI)



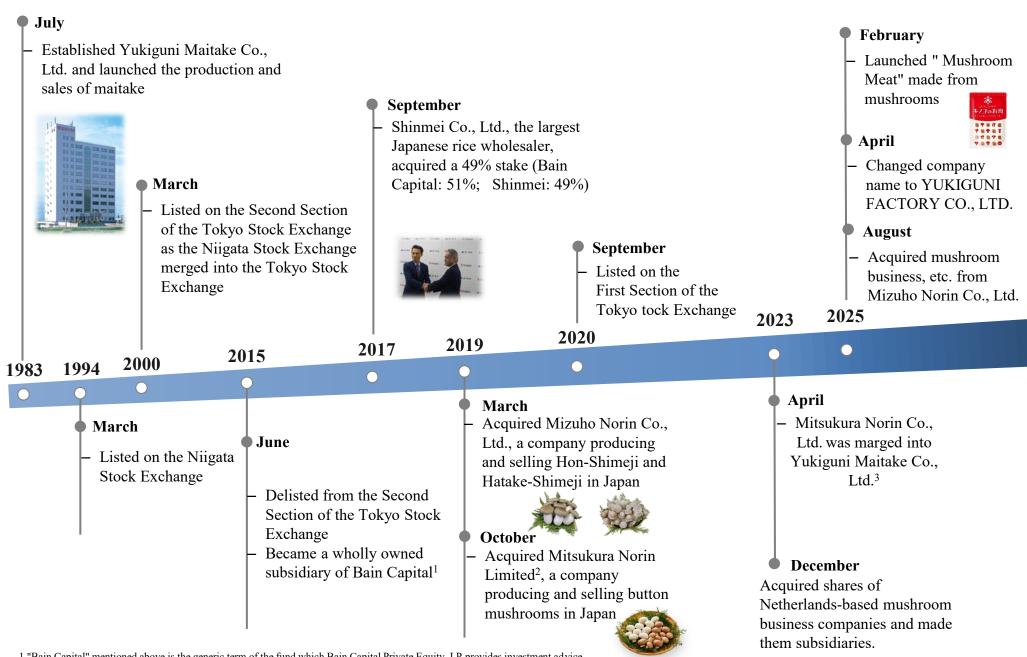
"The World of the Future, with the Power of Mushrooms"

Corporate Identity

"We are a company dedicated to promoting health worldwide

- Not only with our Existing "Technologies & Quest for Excellence" established at "Yukiguni"
- But also by fully utilizing the "New Potential" of mushrooms"

Corporate History



- 1 "Bain Capital" mentioned above is the generic term of the fund which Bain Capital Private Equity, LP provides investment advice
- 2 Changed the trade name from Mitsukura Norin Limited to Mitsukura Norin Co., Ltd. on March 2, 2020
- 3 Merged with Okayama Bio Center effective April 1, 2023 and changed its name to Okayama Bio Center.

Our Strengths in the Value Chain (Maitake)

Realize a stable production and supply system, and establish high barriers to entry and a stable revenue base centered on premium mushrooms. Develop 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 spawn 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 knowhow for premium mushrooms

- Large-scale and stable production process in bag cultivation
- Proprietary spawn makes 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 "approximately 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 by our unique large roots
- 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

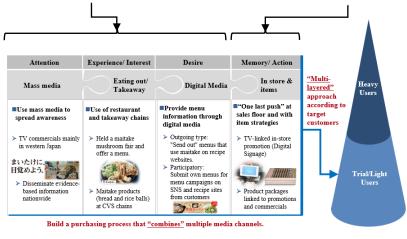
Detailed, three-dimensional marketing for different customer segments

- 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

- Confirm our own extensive and robust sales network and annual sales volume in advance, and stabilize 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 one mile" in-store promotions are possible

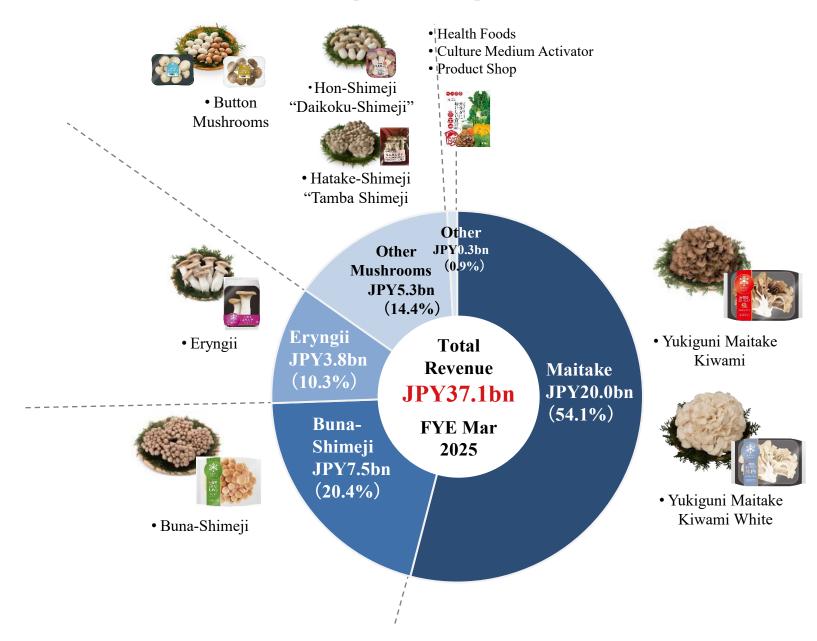




Main Products and Composition Ratio of Each Product to Revenue

The top share manufacturer of "premium mushrooms" that was the first in the world to successfully mass-produce Maitake mushrooms.

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



A pioneer in artificial cultivation and mass production of Maitake, and a leading company engaged in factory based mass production of mushrooms. Launched" Mushroom Meat " in February 2025.

Maitake "Kiwami"

Eryngii

Buna-Shimeji

Button Mushrooms¹









Hon-Shimeji ¹ "Daikoku Hon-Shimeji"

Hatake-Shimeji ¹ "Tamba Shimeji"

Processed Foods 2

Health Foods³







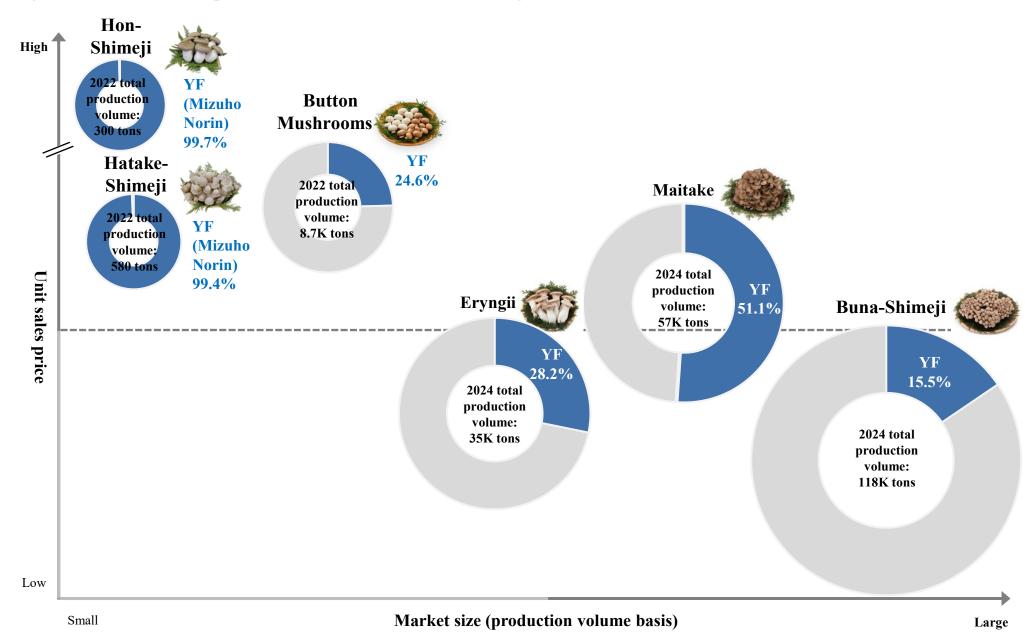


- 1 Classified as "other mushrooms" business segment
- 2 Each processed food is classified into its original mushroom business segment
- 3 Health foods, etc. are classified into "other" business segment



Market sizes and Mushroom Production Share of Yukiguni Factory Group (YF)

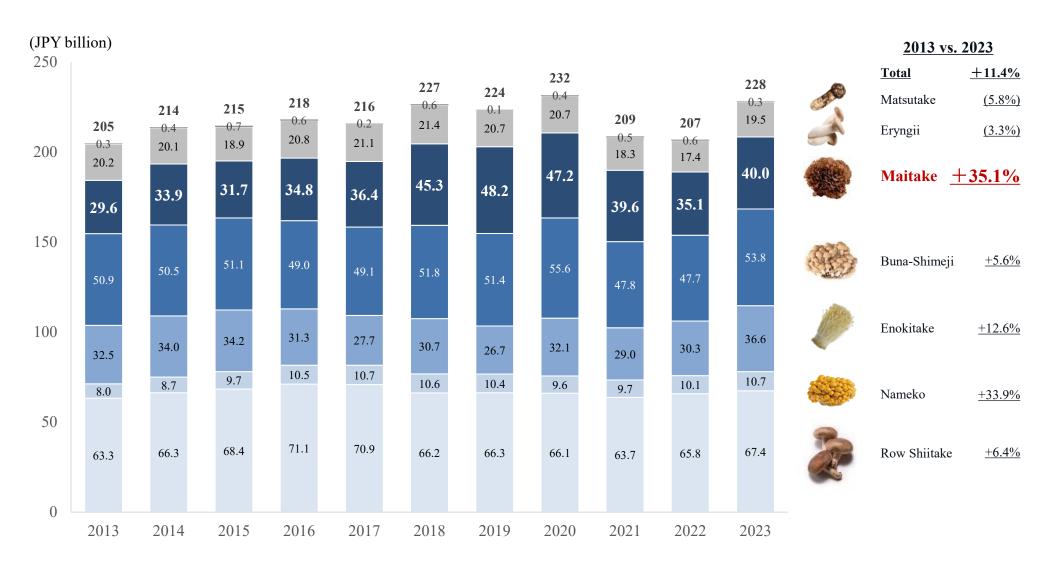
High market share in the premium mushroom market, including maitake mushrooms and button mushrooms





Breakdown of Major Mushroom Markets

Market unit sales price of each mushroom is increasing, and the overall market size of mushrooms is recovering.



Note 1: The mushroom market is the total market size of raw Shiitake, Nameko, Enokitake, Buna-Shimeji, Maitake, Eryngii, and Matsutake

Note 2: Market size is calculated as "annual average wholesale unit sales price at Tokyo Central Wholesale Market (Jan.-Dec.) x domestic production volume"

Note 3: Average unit sales price of Buna-Shimeji is calculated using average unit sales price of Shimeji

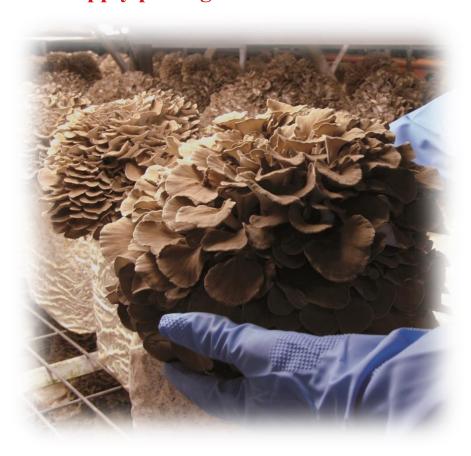
Sources: Statistics Data by Ministry of Agriculture, Forestry and Fisheries, and by Tokyo Central Wholesale Market



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

50g



"Gourmet pack" Medium Volume

120g

150g



"LL Pack"
Extra large volume
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

Inoculation

Cultivation and Growing

Harvesting / Packaging





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





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





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





Almost all automation realized in Eryngii and Buna-Shimeji production



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 and umami make food taste even better.

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 improving immunity. 1-3

- 1 He et al. 2017 Int. J. Biol. Macromol. 101: 910-921.
- 2 Wesa et al. 2015 Cancer Immunol Immunother 64: 237-247.
- 3 Masuda et al. 2013 Int. J. Cancer 133: 108-120.

Essential nutrients for the body

Minerals

Functionality of Maitake

Other Functionality

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.

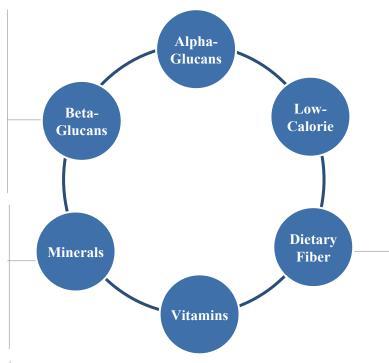
Tenderize meat with a little effort before cooking **Proteolytic enzymes (proteases)**

Proteolytic enzymes (proteases) break down proteins and tenderize meat. The amount of "Glutamic acid", which is umami ingredients, also increases.

Synergistic effects of umami

Guanylic acid and glutamic acid

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



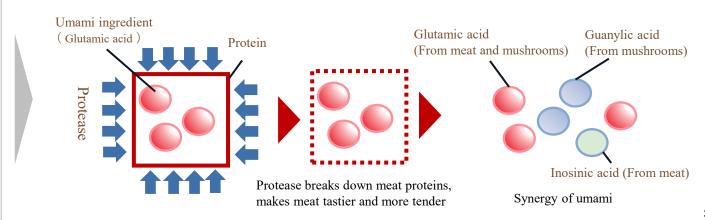
Expected to have various effects

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 eaten².

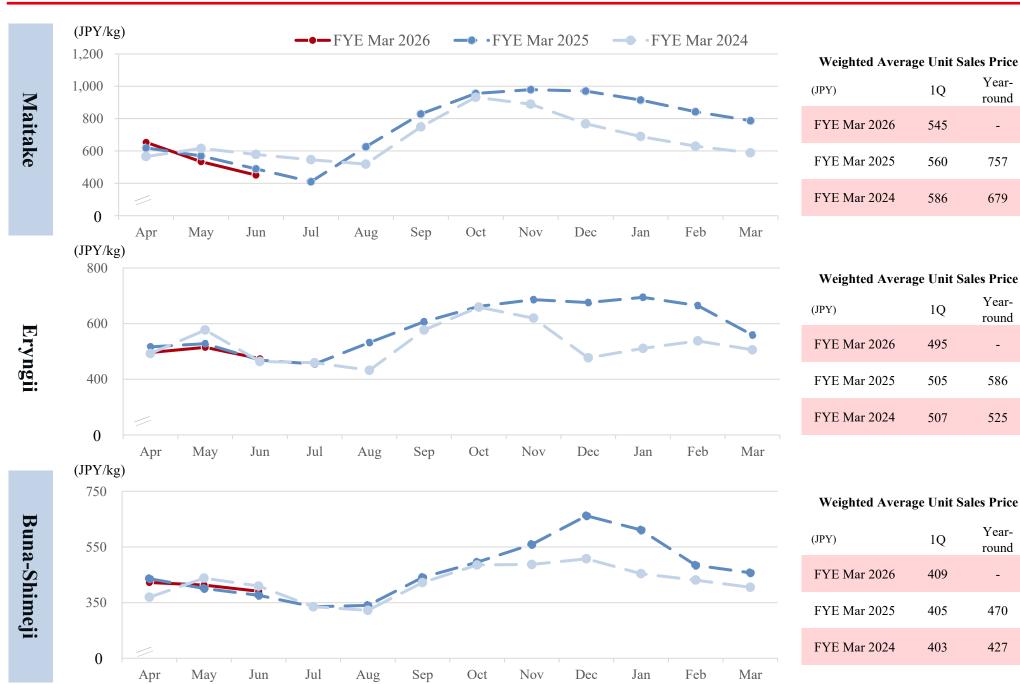
In addition, dietary fiber is said to have the function of adsorbing lipids and sugars and discharging them to the outside of the body. Dietary fiber contained in maitake increases the amount of stool and shortens the transit time of the digestive tract.

2 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)



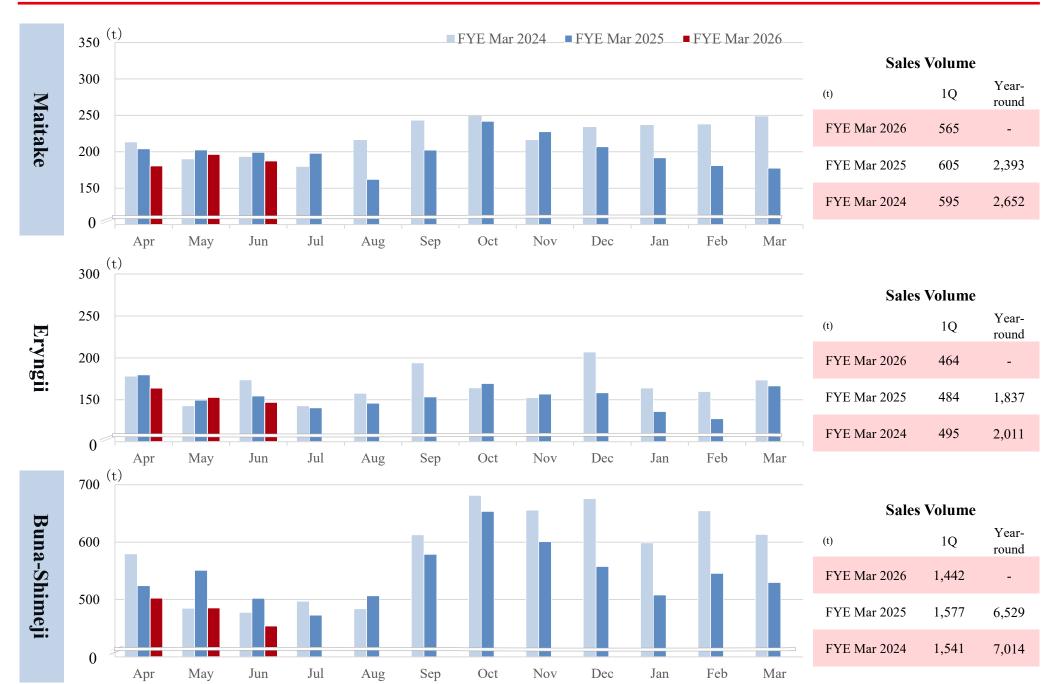


Changes in Market Transaction Unit Sales Price



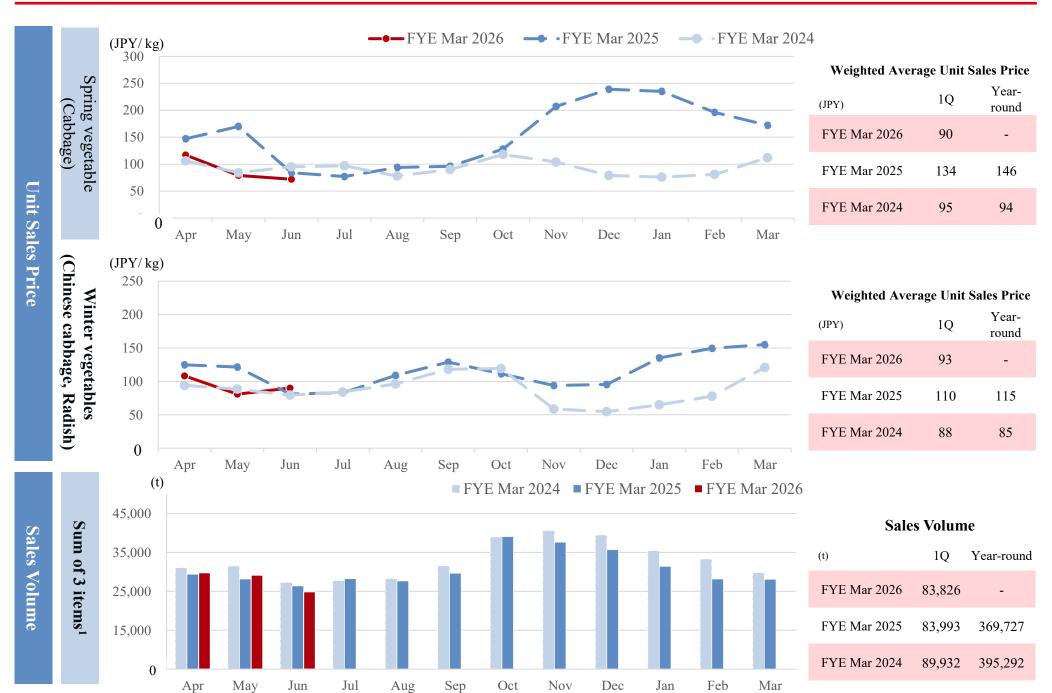


Changes in Market Sales Volume





Market Transactions of Seasonal Vegetables



¹ Refers to cabbage, Chinese cabbage, and radish Sources: The Company created the chart based on the Market Statistics Data from Metropolitan Central Wholesale Market

‡ Disclaimer

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.

* YUKIGUNI FACTORY

Securities Code: 1375