

HOKUTO Corporation

**Financial Results Presentation Materials for
the Fiscal Year Ended March 31, 2026**

May 22, 2026

Tokyo Stock Exchange Prime Market: 1379



Financial Results Showed Increased Revenue and Profit; Progressing Steadily Toward Achieving the Medium-Term Management Plan

Results for the Fiscal Year Ended March 31, 2026

By maintaining price competitiveness in the domestic market, we achieved increased revenue and profit, with sales up 2.8 billion yen and operating profit up 400 million yen year on year

- In the domestic market, marketing initiatives and other measures proved effective, and we were able to maintain steady mushroom prices, leading to increased revenue and profit
- Overseas, while sales in the United States and Taiwan remained flat, we faced challenges in Malaysia. We are making steady progress toward the construction of a new plant in North America
- We advanced shareholder returns by increasing the annual dividend and expanding shareholder benefits

Outlook for the Fiscal Year Ending March 31, 2027

Further advancing initiatives to achieve the medium-term management plan

- In Japan, we expect further profit growth by implementing additional measures to expand mushroom sales while working to reduce labor costs, lower procurement costs, and enhance energy management
- Overseas, we will continue preparing for a new plant in North America and implement measures to expand demand for specialty mushrooms (strengthening sales capabilities)
- To promote further shareholder returns, we will set a DOE target

Medium- Term Management Plan

- For the fiscal year ending March 31, 2029, the final year of the medium-term management plan, the company aims to achieve management targets of 100 billion yen in sales, 10 billion yen in operating profit, an operating profit margin of 10%, a ROIC of 7.2%, and a PBR of 1.9x
➔ **Current progress stands at 85.9% of the sales target and 70% of the operating profit target**

**1. Fiscal Year Ended March 31, 2026
Financial Results**

**2. Full-Year Plan for the Fiscal Year Ending
March 31, 2027**

3. Reference material

▶▶ Financial Highlights for the Fiscal Year Ended March 31, 2026



Despite an unstable cost environment, the company drove up prices for mushrooms in Japan. Thanks to factors such as securing major contracts in the chemical products business, the company achieved growth in both sales and operating profit, with sales reaching 85.9 billion yen and operating profit reaching 7.0 billion yen—both exceeding the previous year's levels.

Sales
85.9 billion yen
(up 3.4% year on year)

Operating profit
7.0 billion yen
(up 6.1% year on year)

Ordinary profit
8.1 billion yen
(up 17.7% year on year)

Net income
7.0 billion yen
(up 57.8% year on year)

**Profit margin for the
mushroom business in
Japan**
13%
(up 0.2 pt from the
previous year)

**Profit margin for the
mushroom business
outside Japan**
14%
(down 1.1 pt from the
previous year)

ROIC
5.29%
(up 0.08 pt from the
previous year)

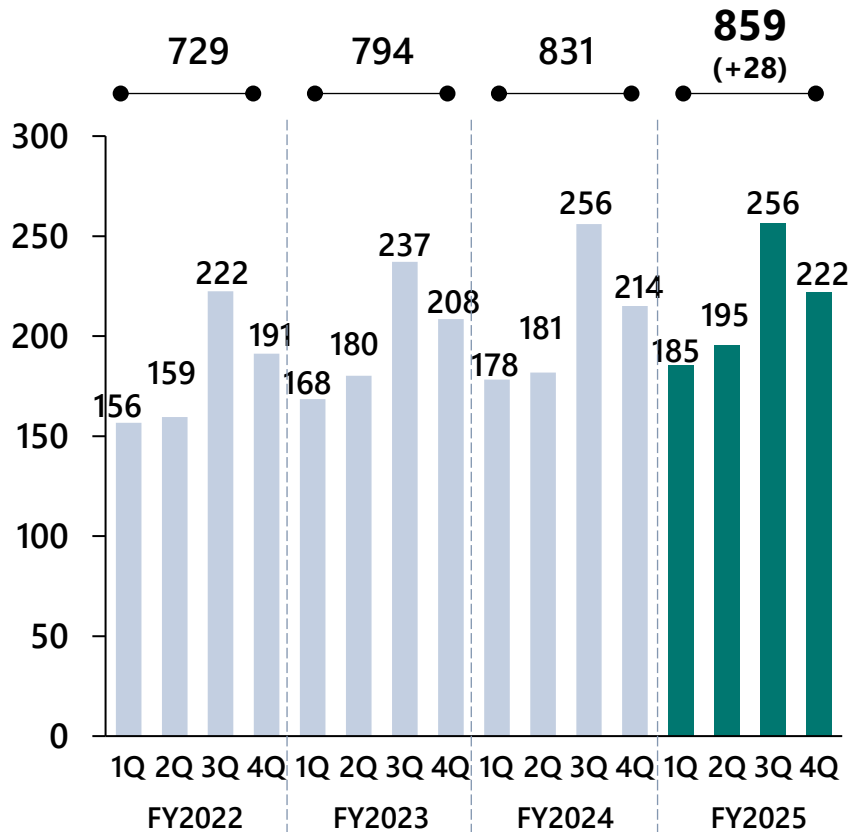
Dividend amount
55 yen
(up 5 yen from the
previous year)

Financial Highlights for the Fiscal Year Ended March 31, 2026

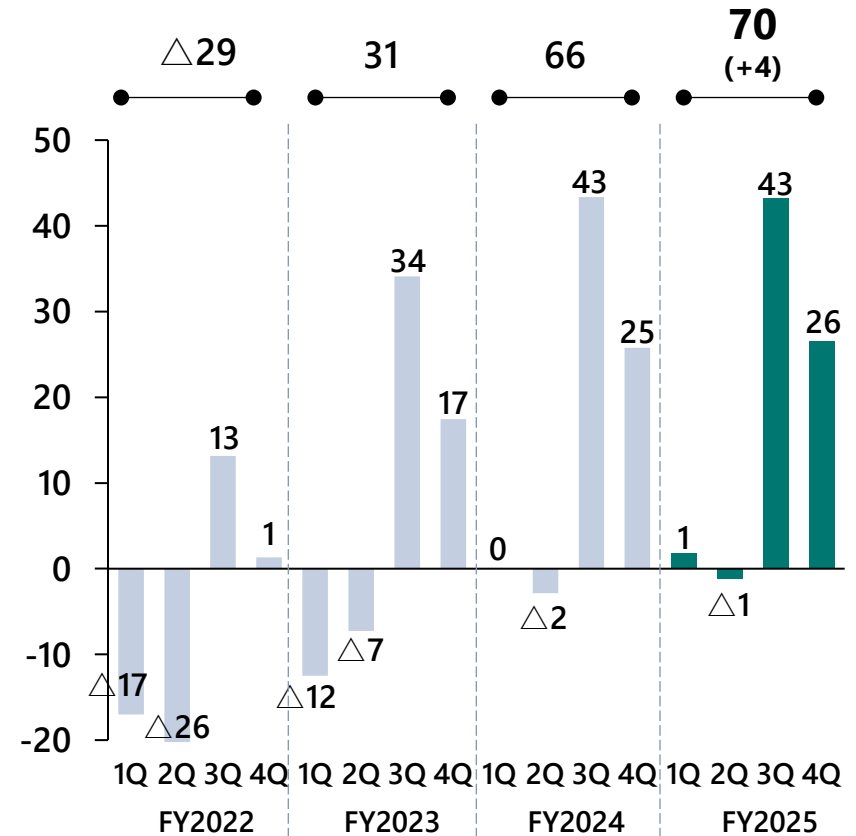


We secured stable, high profitability through initiatives such as new market development, regional strategies, and marketing measures—primarily in our mushroom business in Japan—as well as efforts to optimize production volumes

Sales (100 million yen)



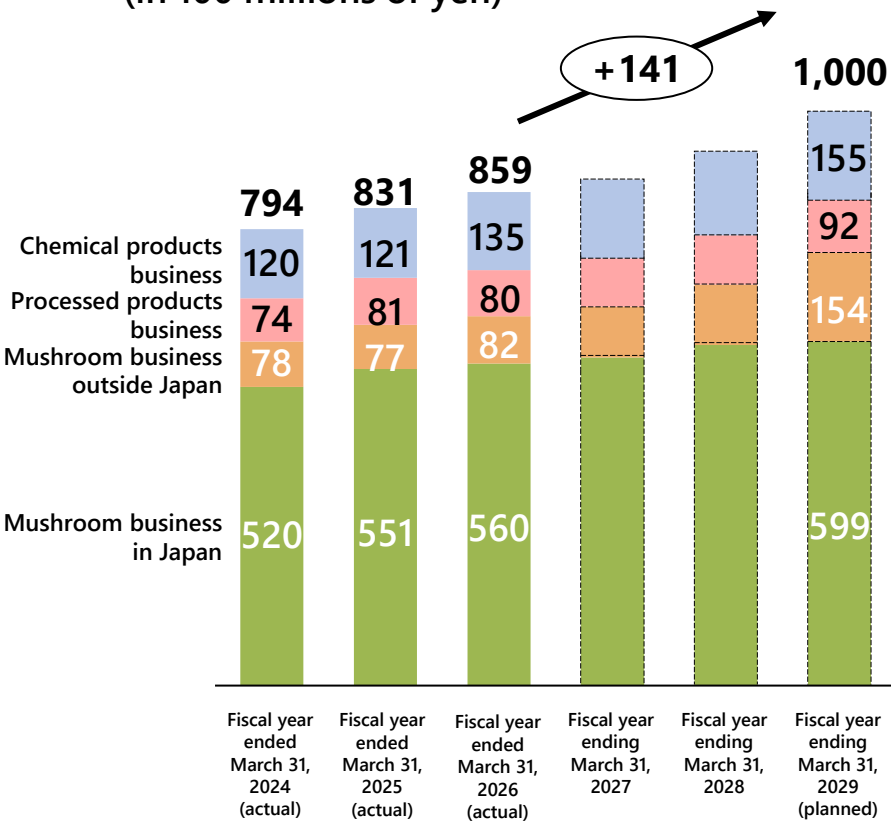
Operating Profit (100 million yen)



Progress is on track, with sales at 85.9% and operating profit at 70% of the targets set in the medium-term management plan.

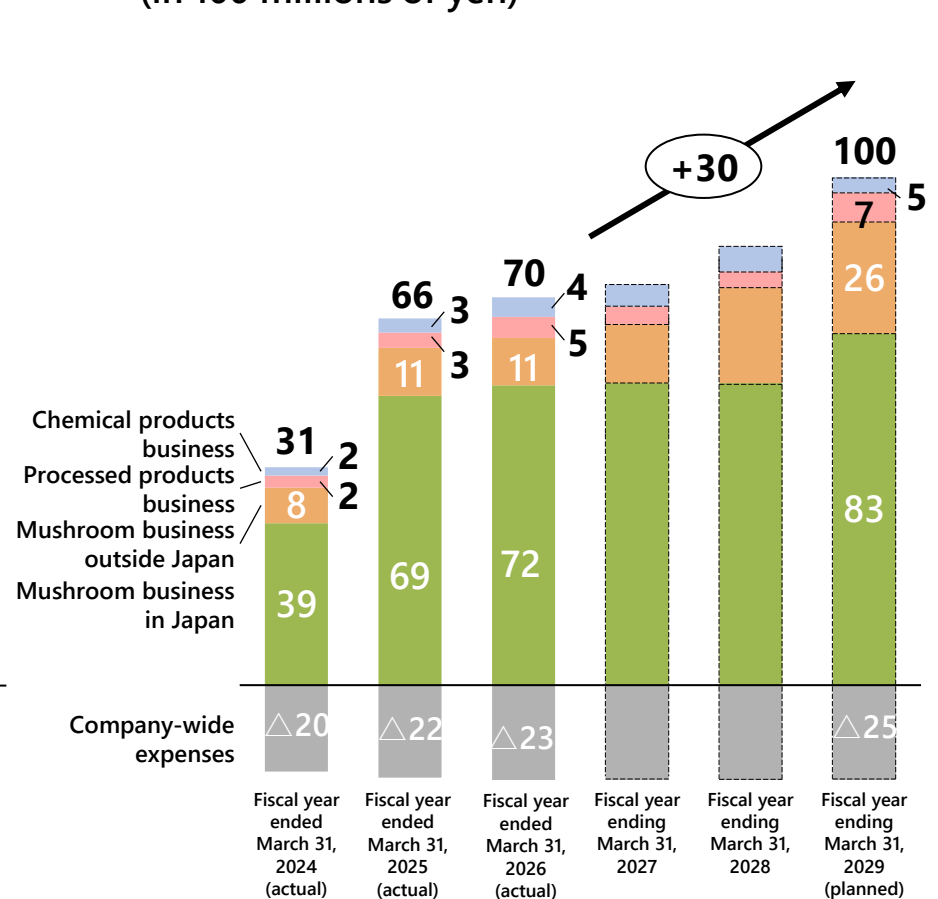
Net sales (consolidated)

(in 100 millions of yen)



Operating profit (consolidated)

(in 100 millions of yen)



Note: In light of the current business environment, the breakdown of each segment has been partially revised from the assumptions in the original medium-term management plan

Summary of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2026



Sales and profit at each stage are performing well.

The balance sheet and cash flow remained stable, indicating a solid financial position.

(Unit: million yen)

Income Statement	Results for Fiscal Year Ended March 31, 2025	Results for Fiscal Year Ended March 31, 2026	Change from the Previous Year	Percentage Change from the Previous Year
Sales	83,104	85,915	2,810	3.4%
Gross Profit	23,760	24,919	1,159	4.9%
Gross Profit Margin	28.6%	29.0%		
Selling, General, and Administrative	17,132	17,888	756	4.4%
Operating Profit	6,628	7,031	402	6.1%
Operating Profit Margin	8.0%	8.2%		
Ordinary Profit	6,953	8,186	1,233	17.7%
Ordinary Profit Margin	8.4%	9.5%		
Net Profit	4,441	7,006	2,565	57.8%
Net Profit Margin	5.3%	8.2%		
Earnings per Share	140.63yen	223.84yen		

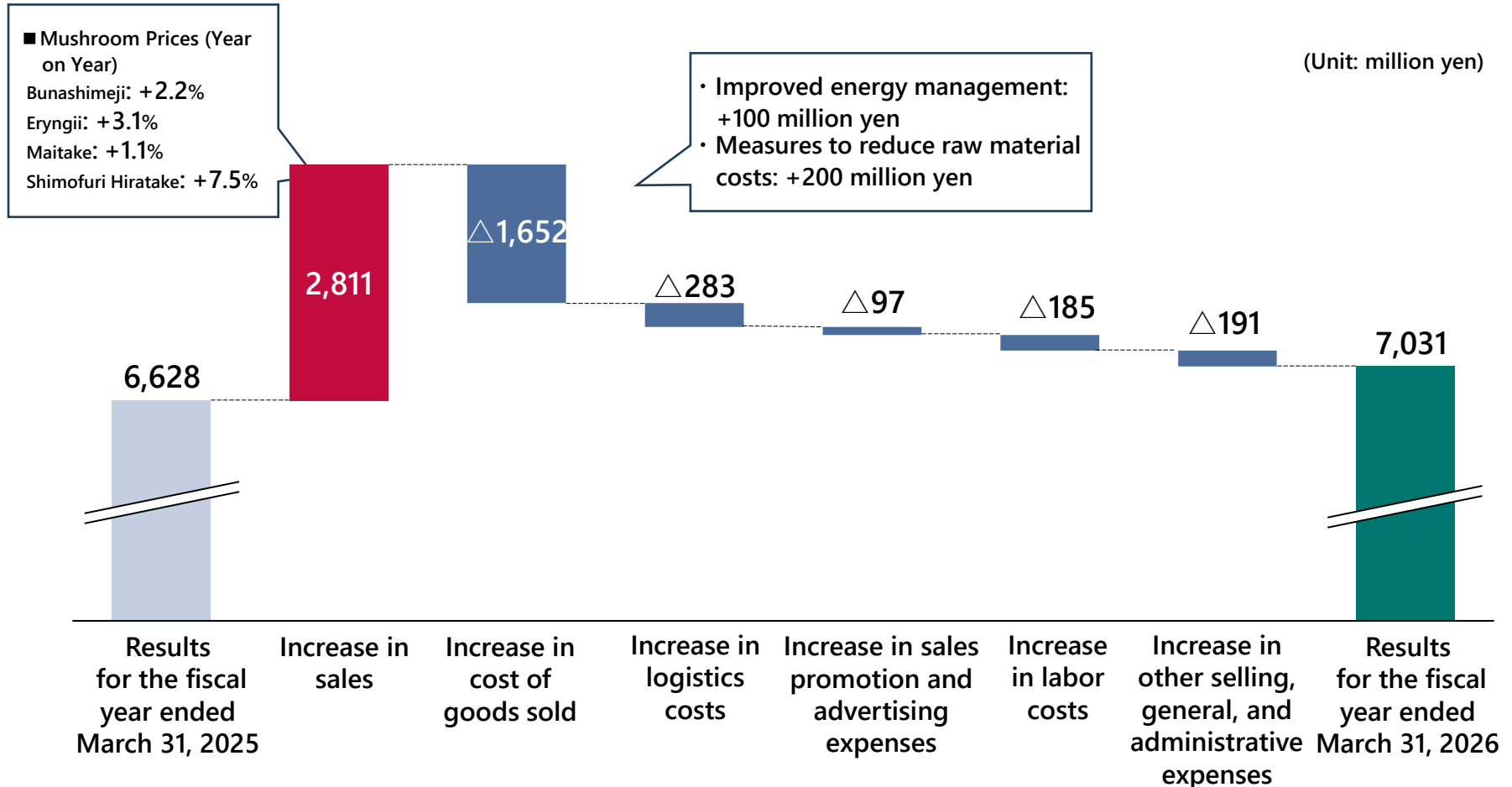
Summary of the Balance Sheet	Results for Fiscal Year Ended March 31, 2025	Results for Fiscal Year Ended March 31, 2026	Change from the Previous Year	Summary
Current Assets	38,621	40,529	1,907	Increase in cash and deposits (2,416 million yen) Decrease in marketable securities (1,012 million yen)
Fixed Assets	68,998	73,196	4,197	Increase in investments and other assets (3,609 million yen)
Total Assets	107,620	113,726	6,105	
Current Liabilities	24,823	23,483	△1,340	Decrease in short-term borrowings (1,461 million yen)
Fixed Liabilities	25,988	25,318	△669	Decrease in long-term borrowings (1,989 million yen) Increase in deferred tax liabilities (fixed) (910 million yen)
Total Liabilities	50,811	48,802	△2009	
Total Shareholders'	54,420	59,994	5,573	Increase in retained earnings carried forward (4,879 million yen)
Total Net Assets	56,808	64,924	8,115	Increase in retained earnings (5,415 million yen) Increase in valuation difference on available-for-sale securities (1,671 million yen)

Summary of the Statement of Cash Flows	Results for Fiscal Year Ended March 31, 2026	Summary
Cash Flows from Operating Activities	10,824	Recognition of income before income taxes and other adjustments (10,054 million yen) Recognition of depreciation and amortization (5,157 million yen) Recognition of foreign exchange gains (665 million yen) Payment of income taxes and other taxes (1,946 million yen) Decrease in accounts payable (791 million yen)
Cash Flows from Investing Activities	△2,917	Net decrease in marketable securities (2,113 million yen) Payments for the acquisition of tangible fixed assets (4,923 million yen)
Free Cash Flow	7,907	
Cash Flows from Financing Activities	△4,420	Net decrease in short-term borrowings (1,500 million yen) Net decrease in long-term borrowings (1,392 million yen) Dividend payments (1,591 million yen)

Full-Year Results for the Fiscal Year Ended March 31, 2026: Factors Affecting Operating Profit



Although the impact of rising costs, including raw material and logistics expenses, was significant, we offset this through price adjustments and productivity improvement measures, resulting in an operating profit that was 400 million yen higher than the previous year.



▶▶ Full-Year Sales and Operating Profit by Segment for the Fiscal Year Ended March 31, 2026



Sales targets were met in all segments. Driven by each domestic segment, consolidated operating profits also exceeded projections.

(Unit: million yen)

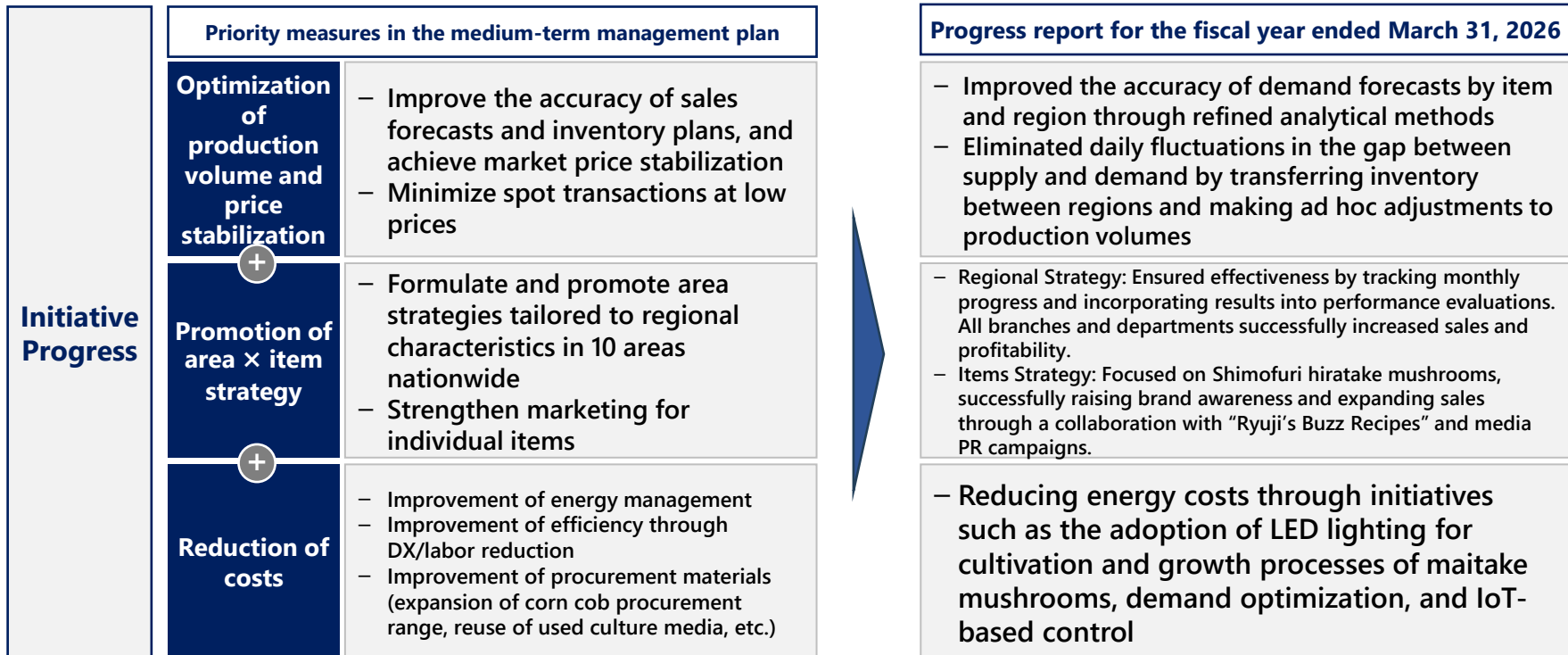
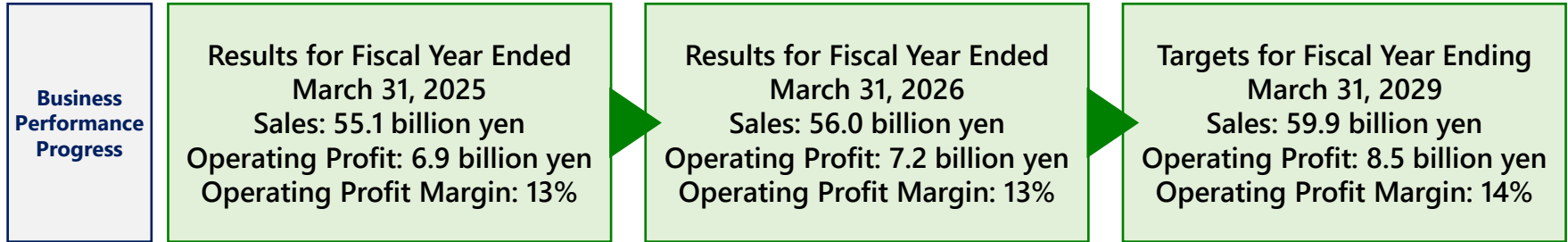
Sales	Results for Fiscal Year Ended March 31, 2025	Results for Fiscal Year Ended March 31, 2026	Change		Plan for the fiscal year ended March 31, 2026	
			Amount	Percentage Increase	Amount	Percentage of Target
			Mushroom business in Japan	55,100	56,077	976
Mushroom business outside Japan	7,711	8,236	525	6.8%	8,208	100.3%
Processed products business	8,158	8,003	△154	△1.9%	7,863	101.8%
Chemical products business	12,134	13,598	1,463	12.1%	13,466	101.0%

Operating profit	Results for Fiscal Year Ended March 31, 2025	Results for Fiscal Year Ended March 31, 2026	Change		Plan for the fiscal year ended March 31, 2026	
			Amount	Percentage Increase	Amount	Percentage of Target
			Mushroom business in Japan	6,994	7,242	248
Mushroom business outside Japan	1,156	1,147	△9	△0.8%	1,307	87.8%
Processed products business	374	511	137	36.8%	298	171.4%
Chemical products business	337	470	132	39.2%	375	125.4%

Overview and Progress of Initiatives Under the Medium-Term Management Plan: Mushroom business in Japan



In the fiscal year ended March 31, 2026, our area and item strategies, along with price stabilization, contributed significantly to sales growth, while energy management at our factories successfully helped control costs



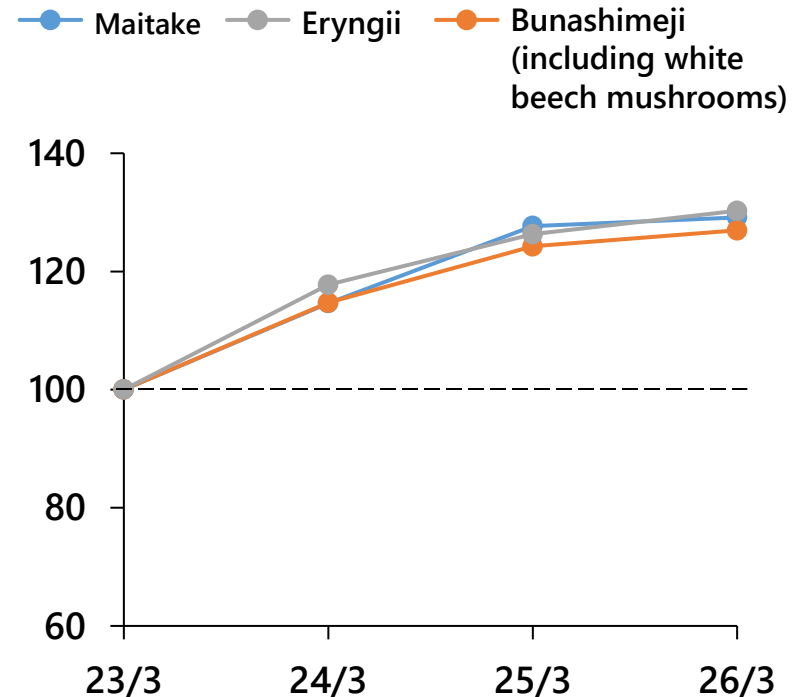
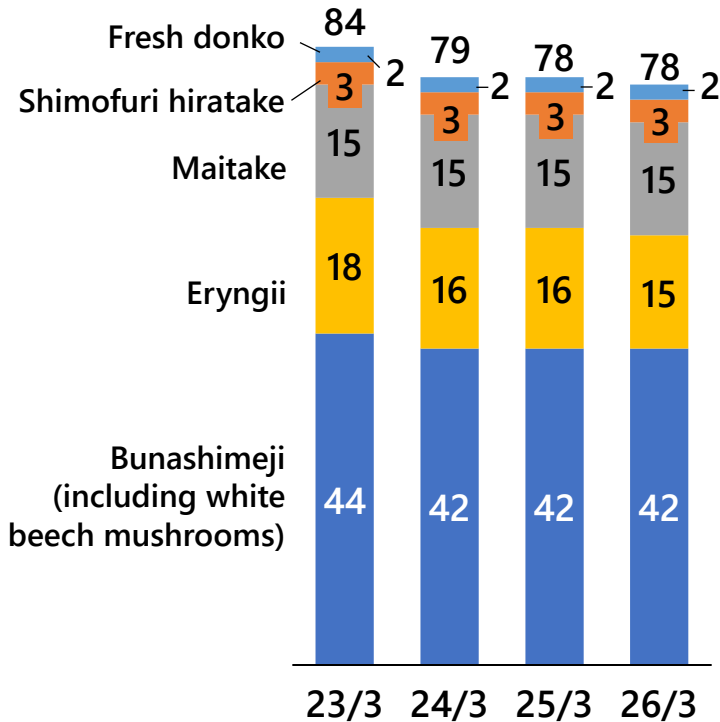
▶▶ Trends in Domestic Mushroom Production Volume and Unit Prices by Type



Achieving stable increases in unit prices while maintaining production volume through production adjustments based on demand forecasts and the promotion of regional strategies

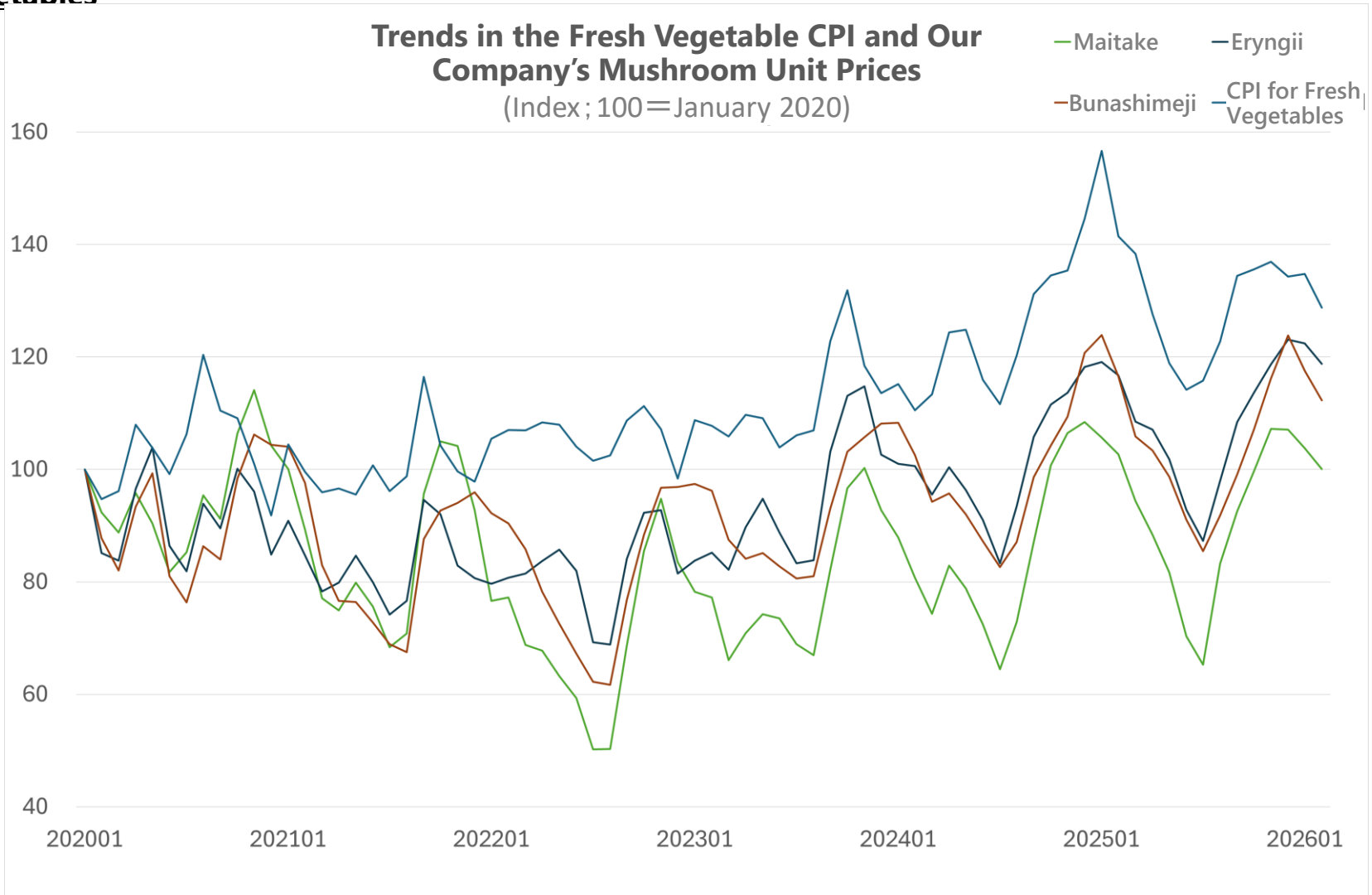
Production Volume Trends (1,000 tons)

Unit Price Trends for Major Items (Index)



▶▶ Correlation Between Trends in Vegetable Prices and Mushroom Prices

We have achieved higher unit prices in tandem with rising unit prices for fresh vegetables. We will continue to work on increasing our unit prices while closely monitoring market conditions for fresh vegetables



▶▶ Key Marketing Initiatives Implemented for the Fiscal Year Ended March 31, 2026



Promoting Sales of Shimofuri Hiratake Mushrooms

Successfully increased brand awareness and sales through a collaboration with "Ryuji's Buzz Recipes," in-store campaigns, and media PR

Sales increased by 10%, setting a new all-time high

Mass Media PR: Raising Awareness of the Product and "Hokuto Quality"

HONMADEKKA!?! TV (Aired September 17, 2025)

Doyou wa Nani suru!?! (Aired February 28, 2026) and others

Total advertising equivalent value: 400 million yen (estimated by external PR firm)



Eryngii Mushroom Renewal Campaign

Implemented launch campaign for the improved variety PLE10

Concurrently produced, aired, and streamed "Kinoko-gumi" TV commercials

Launch of Official Social Media Accounts

Launch of official social media accounts (X, Instagram, YouTube)

X reached 45,000 followers

Launch of the "Freshly Harvested Mushroom Set" Direct from the Farm

Available on our official online store since September 2025, it has received positive reviews



By switching to LED lighting for the cultivation and growth processes of maitake mushrooms and introducing a single-fluid humidification process, we reduced electricity consumption by 2.6% compared to the fiscal year ended March 31, 2025¹

Previously

After the change

Implementation Status

LED Lighting for Cultivation and Growth

- Fluorescent lamps are used as the light source during the cultivation and growth process of maitake mushrooms



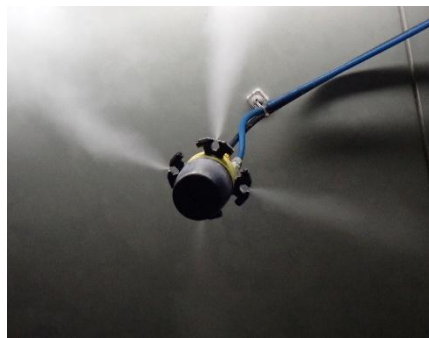
- In addition to reducing electricity costs through the adoption of LED lighting, the light sources do not generate heat, thereby reducing the load on the air conditioning system



- For the cultivation process, the system has already been implemented at the Ueda Second, Shizuoka Second, Tomakomai Third, and Jojima Plants.
- For the growth process, partial implementation was completed at the Shizuoka Second plant during the fiscal year ended March 31, 2026. Implementation is scheduled for the Tomakomai Third and Jojima Plants by the fiscal year ending March 31, 2029.

Single-fluid Humidification

- In the cultivation of eryngii mushrooms and bunashimeji mushrooms, a two-fluid system (air + water) is used, with air supplied by a compressor



- By using a single fluid (water only) and operating the humidifier with a pump, we reduce electricity costs associated with the compressor




- For bunashimeji mushrooms, the system has been implemented at Ueda First and Saku First factories. For eryngii mushrooms, it has been implemented at Tomakomai Second Factory. Implementation at other factories is scheduled to be completed by the end of the fiscal year ending March 31, 2029.

Note 1: Production volume remained at nearly the same level as in the fiscal year ended March 31, 2025, at 99.6% of that figure

▶▶ Acquisition of Shares in Funagata Mushroom Co., Ltd. (Making It a Subsidiary)

In response to growing demand for button mushrooms in Japan, we acquired shares in Funagata Mushroom Co., Ltd.—the third-largest button mushroom producer in the industry with robust production technology—making it a subsidiary and expanding our product lineup

Address	6831 Nagasawa, Funagata-machi, Mogami-gun, Yamagata Prefecture		 舟形マッシュルーム
Representative's Title and Name	Daisuke Nagasawa, President and CEO		
Business Activities	Production and sale of mushrooms Manufacture and sale of processed mushroom products Restaurant management		
Capital	51 million yen		
Date of Establishment	October 15, 2001		
Sales	Fiscal Year Ended March 31, 2023	1,345 million yen	
	Fiscal Year Ended March 31, 2024	1,269 million yen	
	Fiscal Year Ended March 31, 2025	1,186 million yen	

Fiscal Year Ended March 31, 2026: Mushroom Business

Outside Japan (Year on Year)



		Results for Fiscal Year Ended March 31, 2025	Results for Fiscal Year Ended March 31, 2026	Change from the Previous Year	Percentage Change from the Previous Year
United States	Sales	27.64million USD	27.74million USD	0.09million USD	0.4%
	Operating Profit	2.56million USD	2.09million USD	△0.46million USD	△18.2%
	Operating Profit Margin	9.3%	7.6%		
	Foreign Exchange	149.52	159.88		
Taiwan	Sales	NT\$661million	NT\$645million	△NT\$16million	△2.5%
	Operating Profit	NT\$160million	NT\$155million	△NT\$5million	△3.2%
	Operating Profit Margin	24.2%	24.0%		
	Foreign Exchange	4.51	4.99		
Malaysia	Sales	RM17.10million	RM13.64million	△RM3.46million	△20.2%
	Operating Profit	△RM3.18million	△RM4.06million	△RM0.88million	—
	Operating Profit Margin	△18.6%	△29.8%		
	Foreign Exchange	33.69	39.58		

Overview and Progress of Initiatives Under the Medium-Term Management Plan: Mushroom business outside Japan

In the fiscal year ended March 31, 2026, although sales increased on a yen-converted basis due to the weak yen, actual sales were lower than the previous year. Profit margins also declined due to factors such as unsuccessful bids and market price fluctuations. On the other hand, progress has been made on the construction of a new factory in the United States, including the acquisition of land

Business Performance Progress	Results for Fiscal Year Ended March 31, 2025 Sales: 7.7 billion yen Operating Profit: 1.1 billion yen Operating Profit Margin: 15%	Results for Fiscal Year Ended March 31, 2026 Sales: 8.2 billion yen Operating Profit: 1.1 billion yen Operating Profit Margin: 14%	Targets for Fiscal Year Ending March 31, 2029 Sales: 15.4 billion yen Operating Profit: 2.7 billion yen Operating Profit Margin: 18%
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Initiative Progress	Priority measures in the medium-term management plan		Progress report for the fiscal year ended March 31, 2026	
	United States: Expansion of production and sales	<ul style="list-style-type: none"> – Construction of new plants in North America and strengthening of production capacity through M&A – Sales expansion to major retailers and restaurant chains through sales promotion and brand enhancement 	<ul style="list-style-type: none"> – Acquisition of land for the construction of a new factory in the United States – Expansion of sales offices and increase in staff – Development of new business relationships, focusing particularly on high-end retailers with high average sales prices 	
Taiwan and Malaysia: Improvement in profits	<ul style="list-style-type: none"> – Taiwan¹: Increasing profit margins through unit price control – Malaysia: Strengthening of sales structure 	<ul style="list-style-type: none"> – Taiwan: Securing profit by controlling unit prices amid deteriorating vegetable market conditions during the winter – Malaysia: Reducing the frequency of special sales and raising unit prices through careful management 		

Note 1: The original plan was to increase profit by bringing in-house the shipping and repackaging process to reduce outsourcing costs; however, due to the high barriers to bringing it in-house, the company changed course. The strategy was revised to focus on increasing sales at standard prices in order to improve profit margins.

Land has been acquired for the construction of a new factory in California, United States. The company aims to expand sales by increasing production capacity

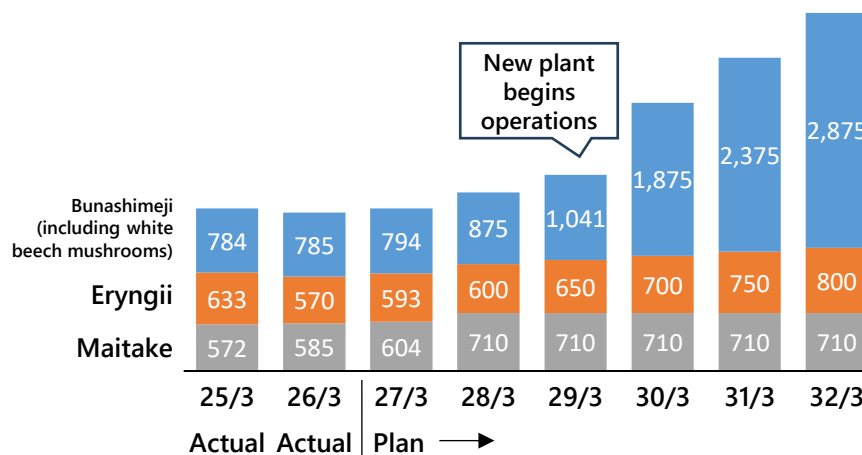
Milestones for Plant Operation (Projected)

- ~March 2026: Land Acquisition (Completed)
- Mid- to Late 2026: Completion of various applications for the County and its review
- November 2026: Design Completion (Conducted concurrently with permit applications)
- Mid- to Late 2027: Completion of various applications for the State of California and its review
- During the third quarter of the fiscal year ending 31, 2029: Start of production

*Timeline subject to change depending on the progress of regulatory reviews

Estimated Production Volume and Sales Plan

(Unit: tons)



We aim to increase sales volume by leveraging the following strategies

- Expanding into new supermarkets
- Increasing our sales force
- Optimizing product packaging and product mix
- Strengthening our marketing efforts

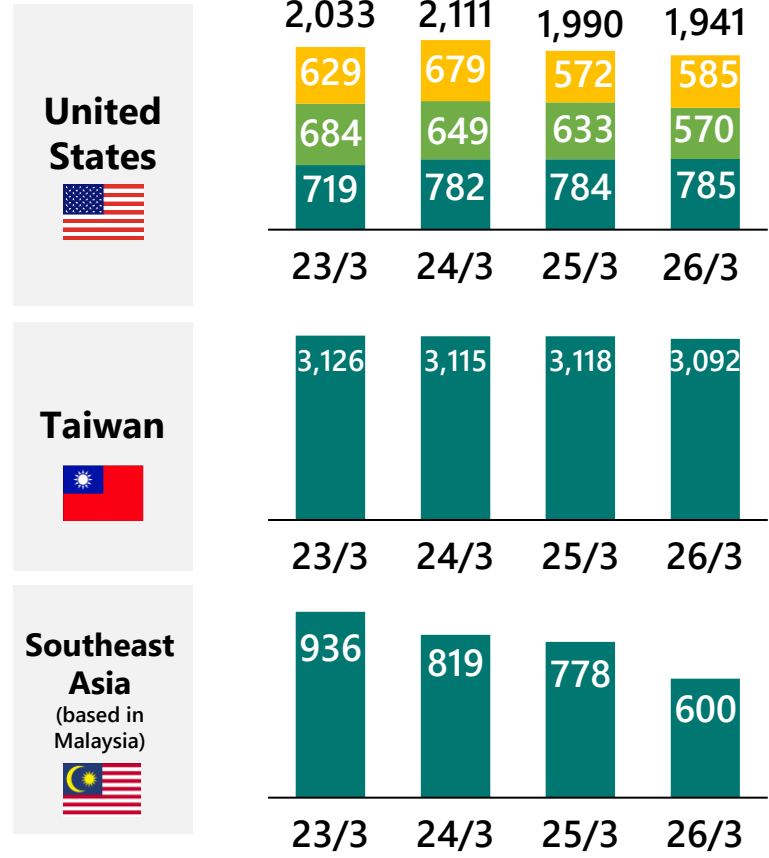
Trends in Mushroom Production Volume and Unit Prices by Country and Region



The United States has managed to increase unit prices while maintaining sales volume. Taiwan continues to maintain high profit margins. Meanwhile, while unit prices in Southeast Asia have risen, sales volume requires a boost

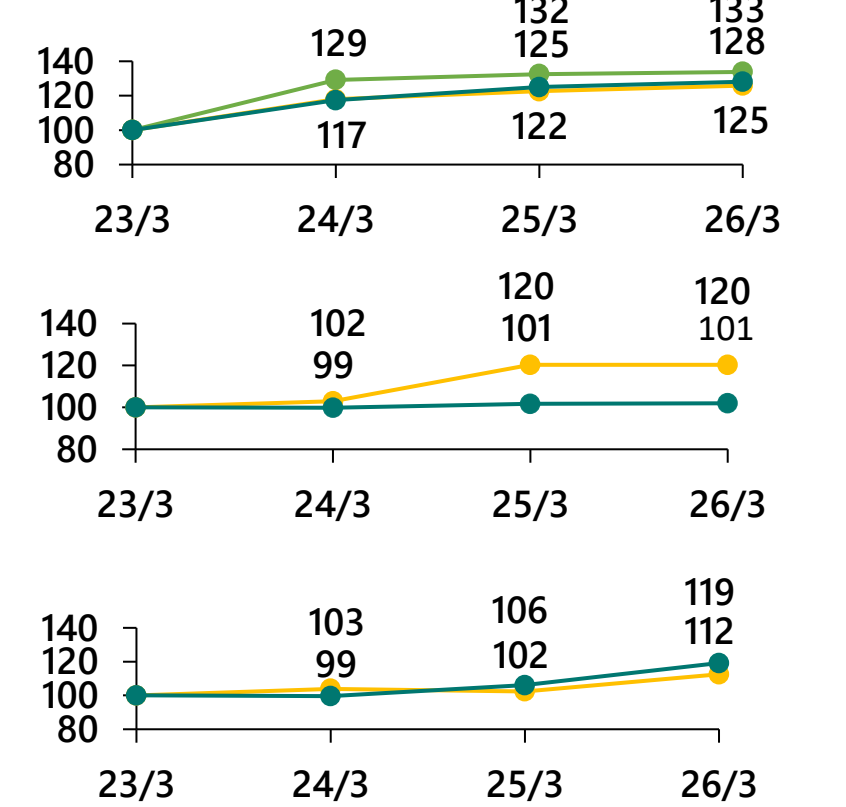
Production Volume Trends (Unit: t)

■ Maitake
 ■ Eryngii
 ■ Bunashimeji (including white beech mushrooms)



Unit Price Trends (Index)

● Maitake
 ● Eryngii
 ● Bunashimeji (including white beech mushrooms)

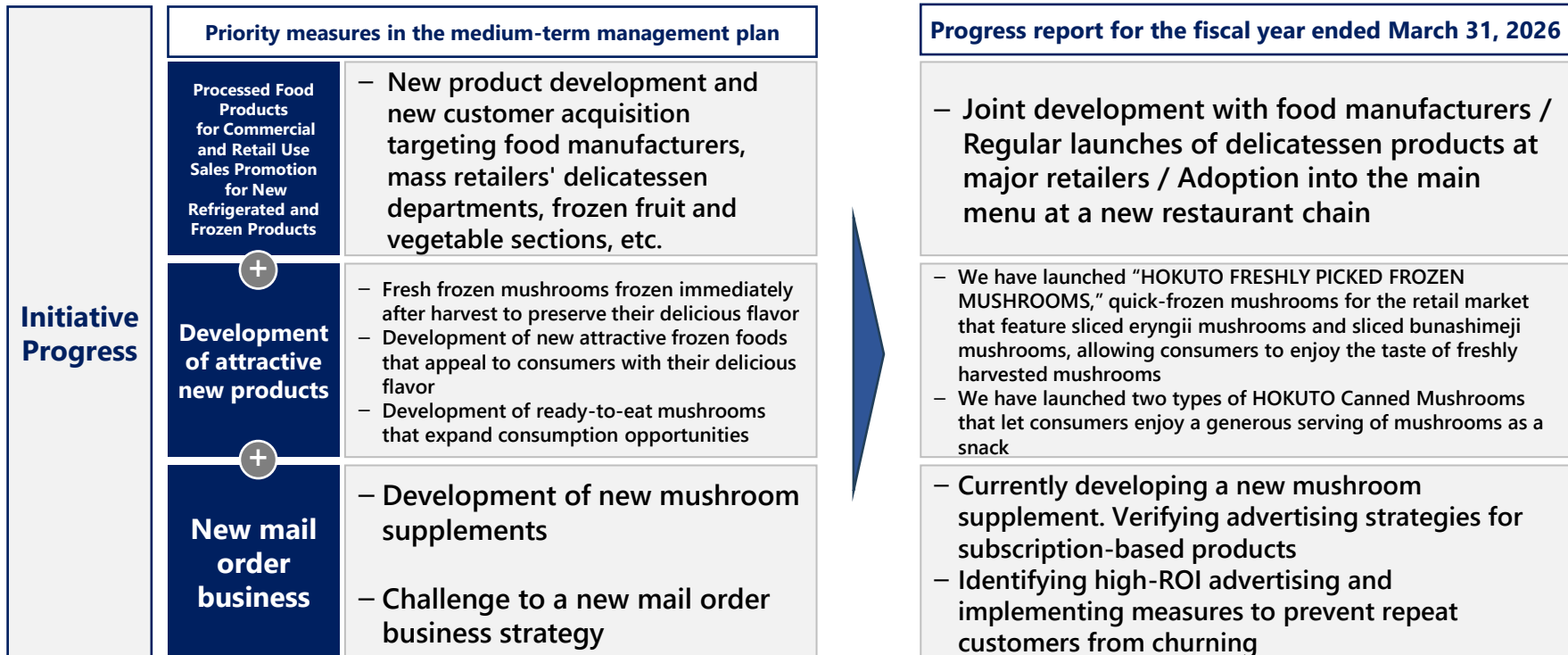
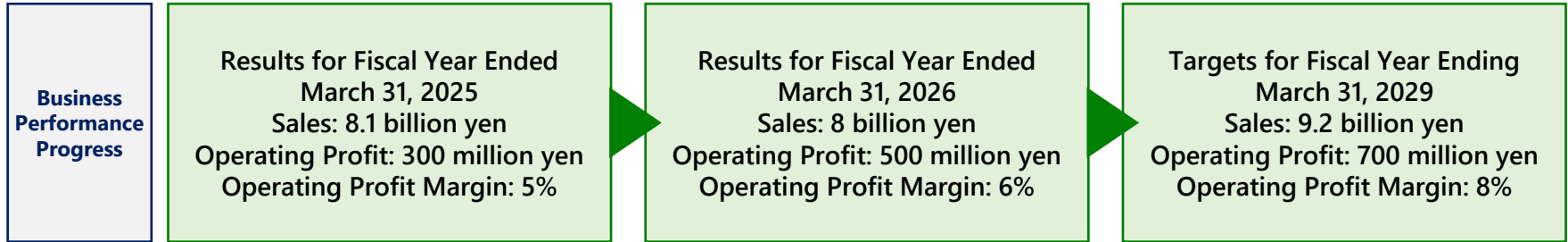


Note 1: Maitake mushrooms in Taiwan and Southeast Asia are imported from Japan

Overview and Progress of Initiatives Under the Medium-Term Management Plan: Processed products business



In the fiscal year ended March 31, 2026, measures to improve gross profit were successful, resulting in strong operating profit. We are also focusing on the development and sales expansion of new products



Sales of “HOKUTO FRESHLY PICKED FROZEN MUSHROOMS,” our quick-frozen mushrooms for the retail market, are steadily increasing in the number of stores carrying the product, and we will continue to focus on developing the retail frozen mushroom market and expanding our business



In October 2025, we launched “HOKUTO FRESHLY PICKED FROZEN MUSHROOMS” our frozen mushrooms for the retail market.

We quickly freeze freshly harvested, sliced eryngii mushrooms and sliced bunashimeji mushrooms at our domestic factories

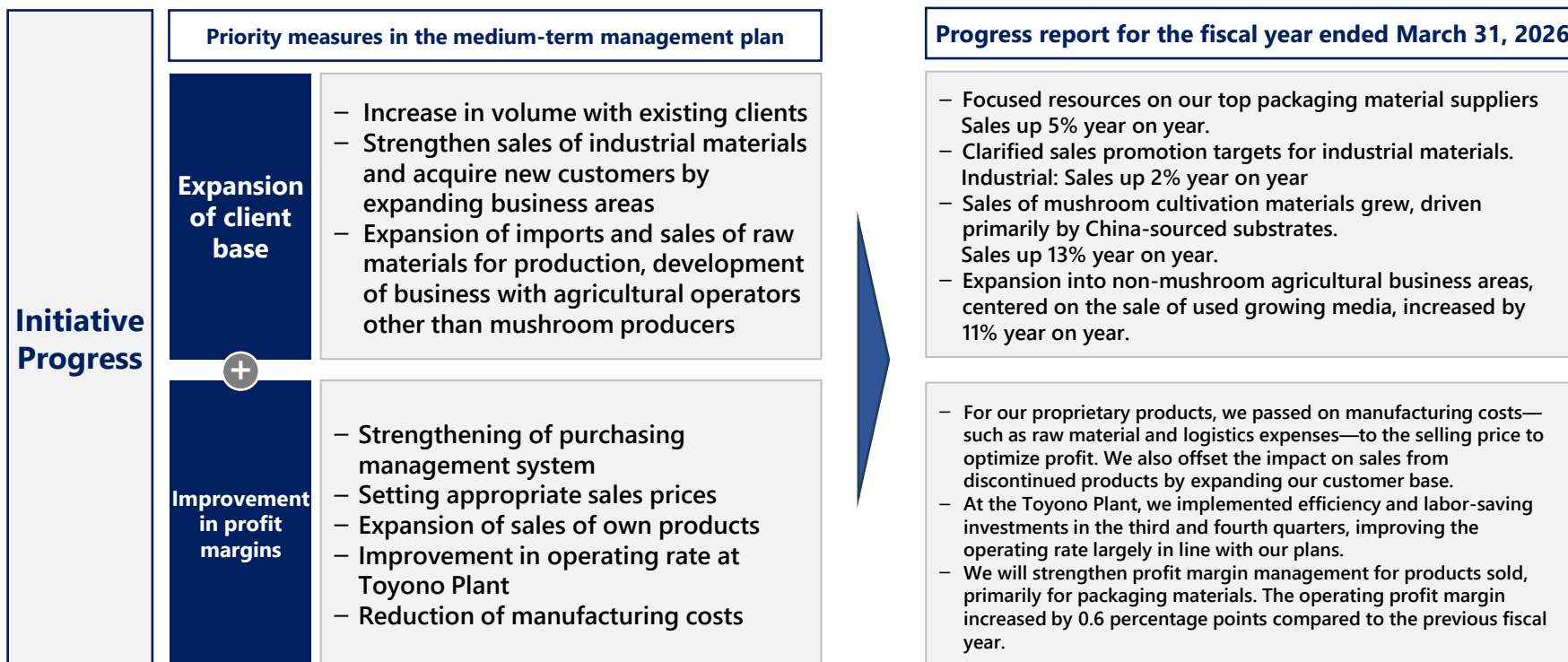
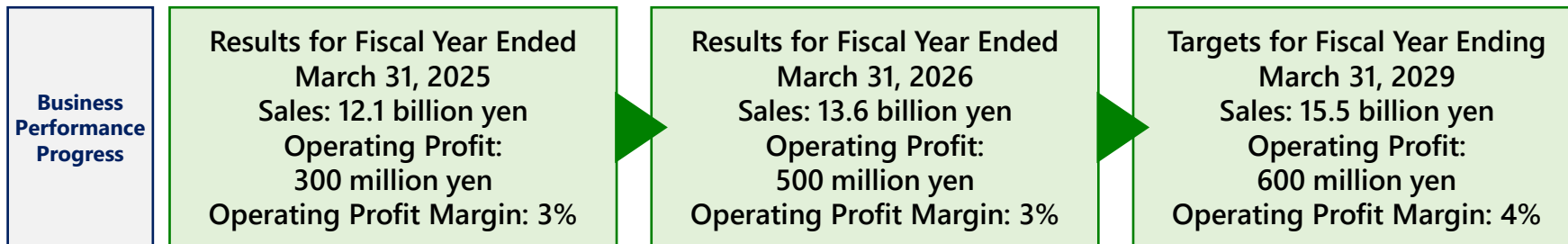


We began pre-launch sales primarily at supermarkets in the Tokyo metropolitan area and have been expanding the number of retail locations by more than double since the fiscal year 2026

We aim to develop the retail frozen mushroom market and expand our business through sales at supermarkets, drugstores, and convenience stores nationwide

Overview and Progress of Initiatives Under the Medium-Term Management Plan: Chemical Products Business

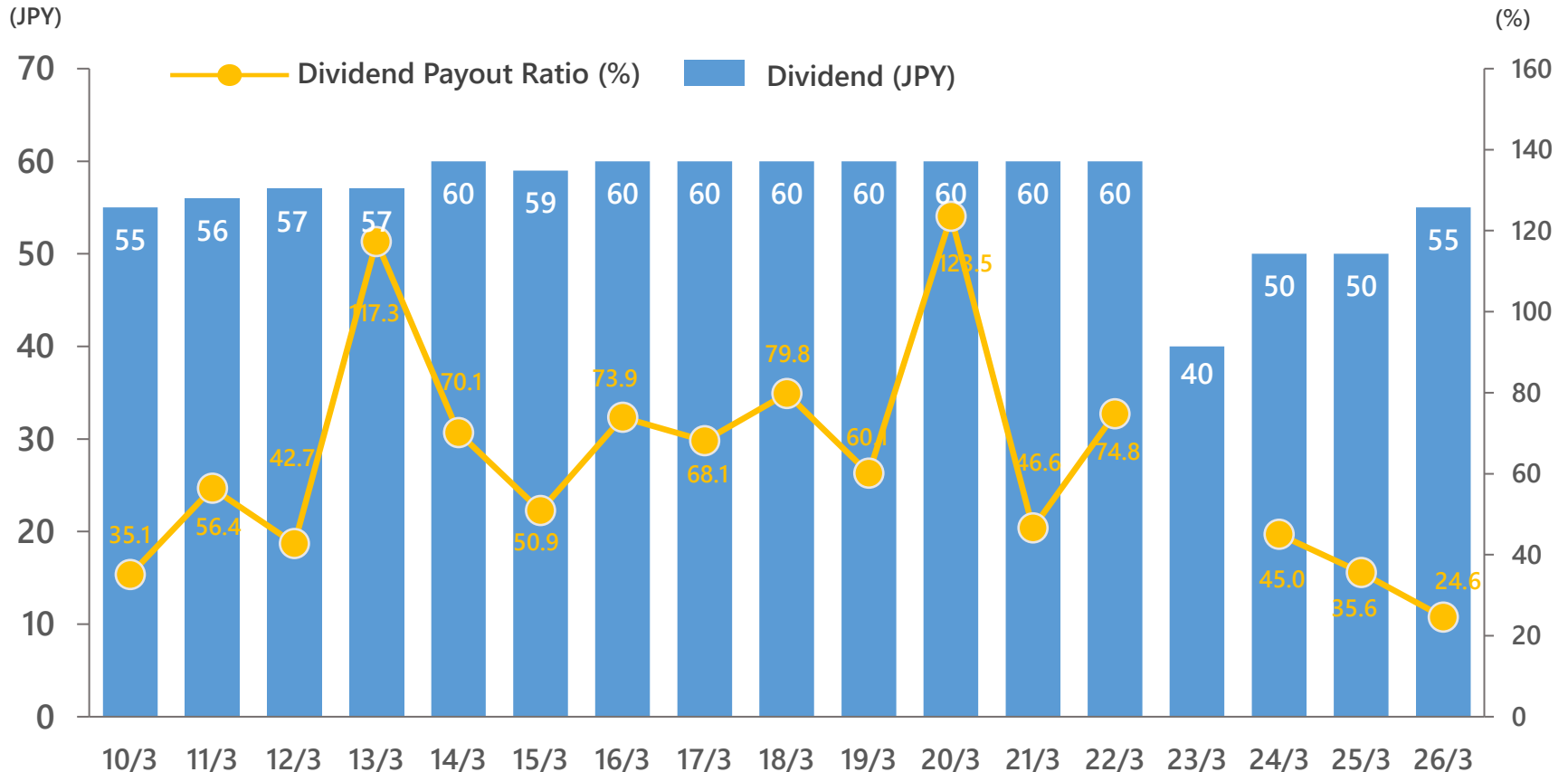
In the fiscal year ended March 31, 2026, sales grew significantly due to the acquisition of large-scale equipment projects in the agricultural materials sector. Profit margins also improved thanks to increased raw material sales and higher plant utilization rates.



▶▶ Fiscal Year Ended March 31, 2026: Shareholder Returns



In the fiscal year ended March 31, 2026, we strengthened shareholder returns and increased the annual dividend



The annual dividend for the fiscal year ended March 31, 2026, is 55 yen

Expansion of Shareholder Benefits for the Fiscal Year Ended March 31, 2026



Eligibility

Shareholders who hold 100 or more shares as of the end of March each year
Shareholders may choose one of the three sets listed below.

Shipping Period

Late October to Early November

A Health Set

Assortment including Agarius drink, etc. (worth 4,000 yen)

B Retort Set

Assortment including retort curry, mushroom-seasoned rice, etc. (worth 1,800 yen)

C Mushroom & Retort Set

Assortment including two types of mushrooms, retort curry, etc. (worth 1,400 yen)

New

Shareholders who have continuously held 500 or more shares for one year*

Shipping Period

Late June



In addition to the benefits listed above, we will present you with a 3,000-yen Visa gift card.

Can be used at Visa-affiliated merchants in Japan and overseas (approximately 130 million locations)

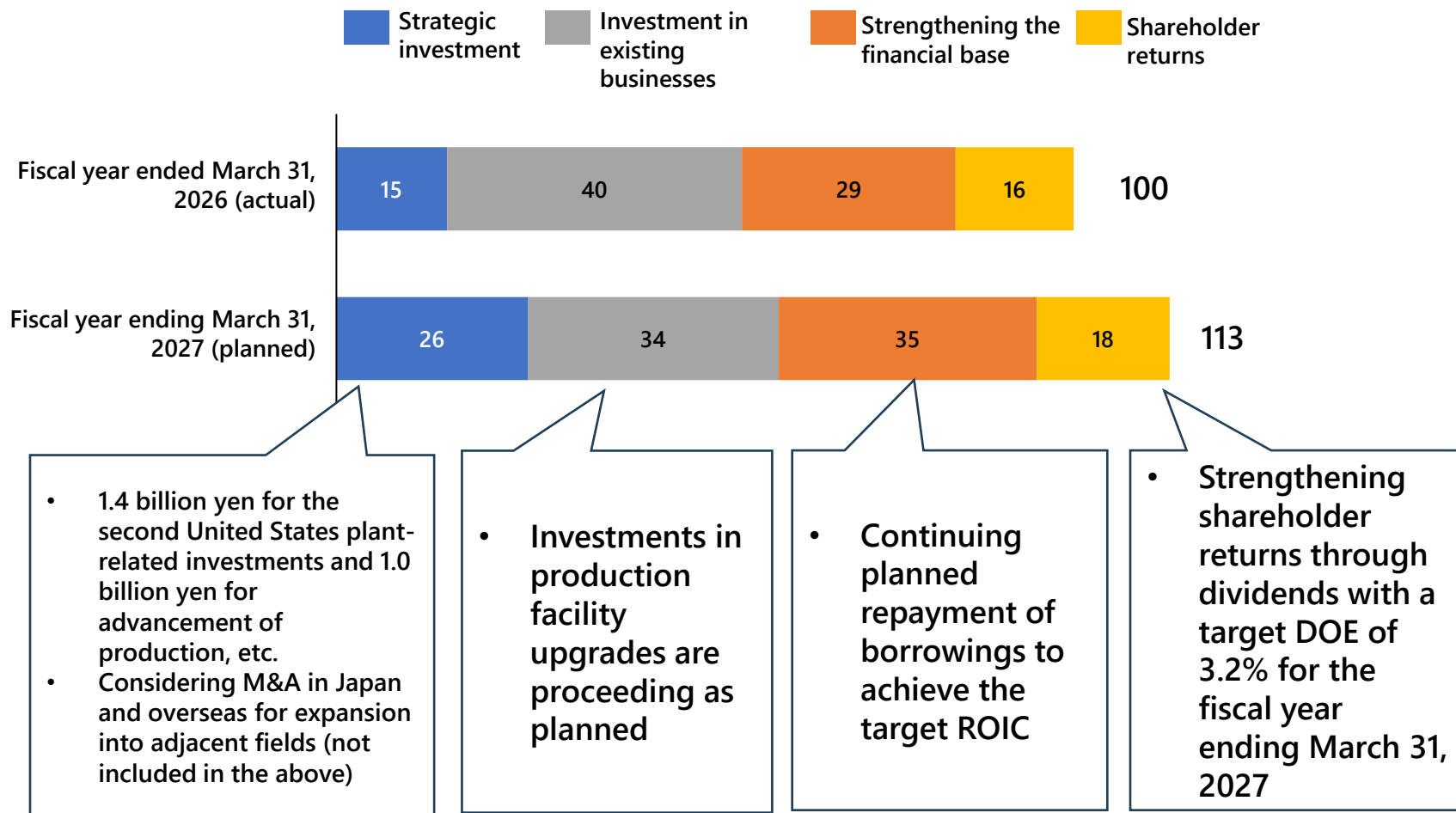
Can be used both in-store and for online shopping

Valid for two years from the date of issuance

*1 For example, based on the record as of March 31, 2026, eligible shareholders are those who are recorded as holding 500 or more shares under the same shareholder number in the shareholder registry at all three of the following dates: March 31, 2025; September 30, 2025; and March 31, 2026.

▶▶ Medium-Term Management Plan: Progress on Cash Allocation

We are generating stable operating cash flow and allocating cash appropriately. Annual strategic investment amounts are expected to continue increasing in line with the progress of various initiatives. We plan to increase dividends every year through the fiscal year ending March 31, 2029.



To support strategic investments and shareholder returns, we are driving improvements in cash generation and asset efficiency

Improving Free Cash Flow

- **Generating Operating Cash Flow Through Revenue Growth**
 - ✓ Achieving higher revenue and profit despite increased costs through detailed sales strategies, production volume control, and effective promotional initiatives
 - ✓ Consolidated operating cash flow for the fiscal year ended March 31, 2026 is 10.8 billion yen (A decrease of 1.4 billion yen year-on-year, primarily due to an increase in corporate tax payments)

Improving Asset Efficiency

- **Research and Development to Improve Production Efficiency**
 - ✓ Exploration and implementation of cultivation technologies to realize low-cost and stable production
- **Promoting Investment in Factory Facilities**
 - ✓ Maintaining and enhancing production capabilities by appropriately updating existing facilities
 - ✓ Improving productivity by automating labor-intensive processes
 - ✓ Introducing AI technologies to enhance production of high-quality and uniform mushrooms

Under the Medium-Term Management Plan for the fiscal year ending March 31, 2029, the target PBR is 1.9x versus the current 0.92x, while the target ROIC is 7.2% versus the current 5.29%

**1. Fiscal Year Ended March 31, 2026
Financial Results**

**2. Full-Year Plan for the Fiscal Year Ending
March 31, 2027**

3. Reference material

To achieve the medium-term management plan targets of 100 billion yen in sales and 10 billion yen in operating profit, we will proceed with preparations for the construction of a new plant in the United States while working to strengthen our mushroom business in Japan.

Sales
88.1 billion yen
(up 2.5% year on year)

Operating profit
7.2 billion yen
(up 3.3% year on year)

Ordinary profit
7.6 billion yen
(down 6.6% year on year)

Net income
5.2 billion yen
(down 25.1% year on year)

Profit margin for the mushroom business in Japan
13%
(down 0.1 pt from the previous year)

Profit margin for the mushroom business outside Japan
16%
(up 2.2 pt from the previous year)

ROIC
5.28%
(down 0.01 pt from the previous year)

Dividend amount
62 yen
(up 7 yen from the previous year)

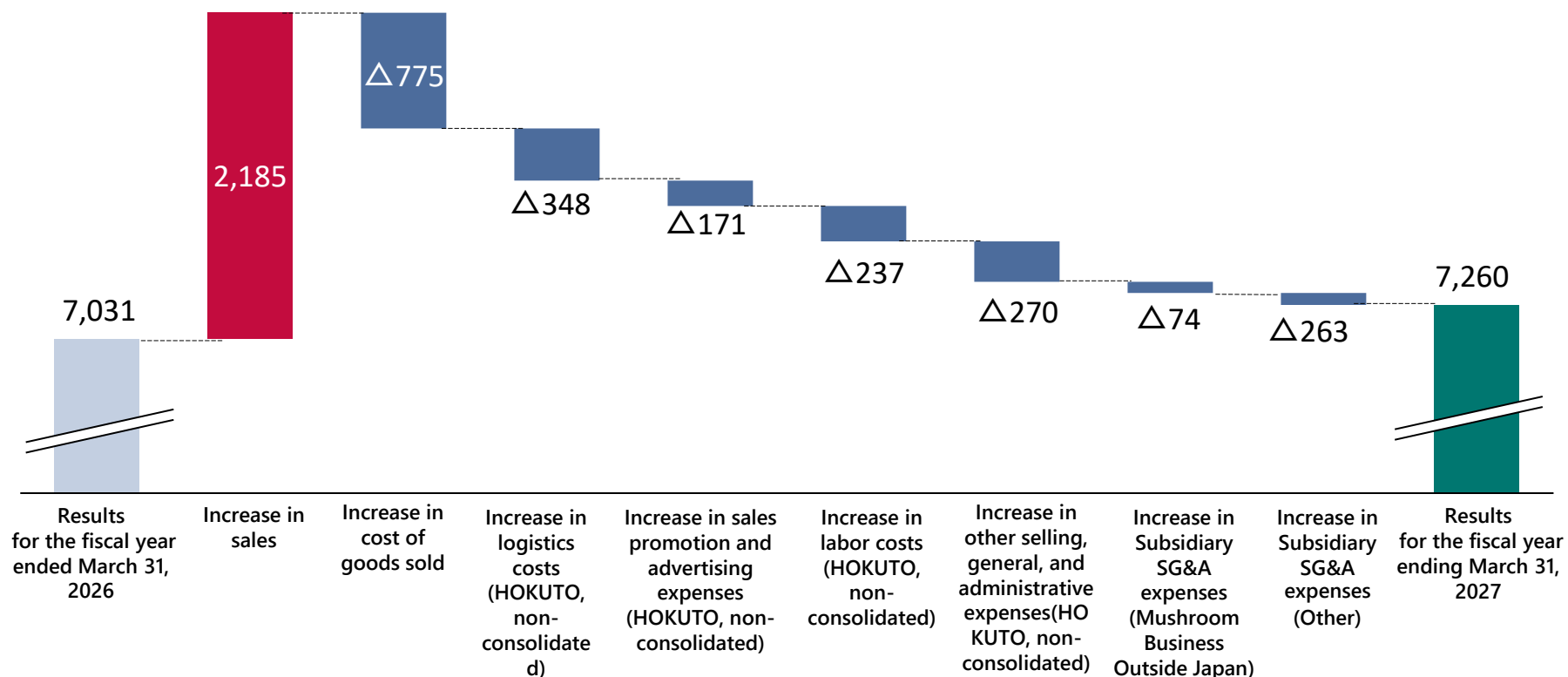
Full-Year Plan for the Fiscal Year Ending March 31, 2027:

Factors Affecting Operating Profits



We anticipate further profit growth by addressing the expected continued increases in costs, logistics expenses, and labor costs through the implementation of cost-reduction measures on the production floor and by maintaining or improving the unit price of mushrooms

(Unit: million yen)



Full-Year Sales and Operating Profit by Segment for the Fiscal Year Ending March 31, 2027



In the mushroom business outside Japan, we expect both sales and profits to increase due to new market development in the United States and price increases

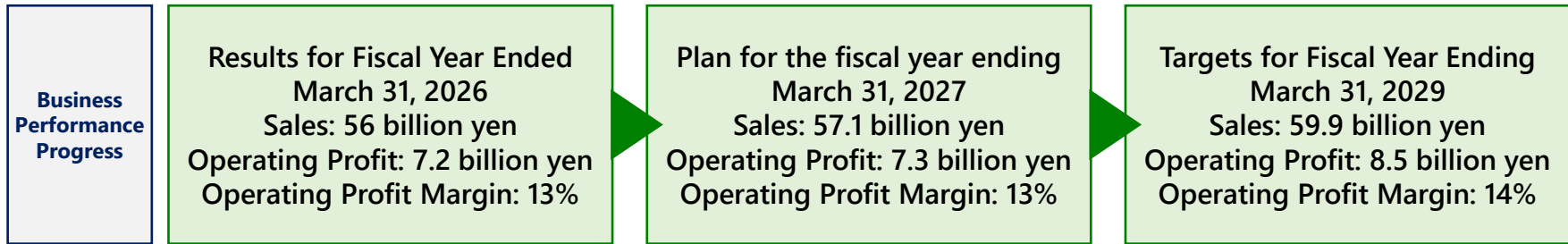
(Unit: million yen)

Sales	Results for Fiscal Year Ended March 31, 2026	Plan for the fiscal year ending March 31, 2027	Change		Priority Measures
			Amount	Percentage Increase	
Mushroom business in Japan	56,077	57,130	1,052	1.9%	Regional Strategy and Marketing Initiatives
Mushroom business outside Japan	8,236	8,830	593	7.2%	Expansion in the U.S. Market
Processed products business	8,003	8,430	426	5.3%	New Proposals
Chemical products business	13,598	13,710	111	0.8%	Strengthening in Raw Material Sales

Operating profit	Results for Fiscal Year Ended March 31, 2026	Plan for the fiscal year ending March 31, 2027	Change		Priority Measures
			Amount	Percentage Increase	
Mushroom business in Japan	7,242	7,300	57	0.7%	Increase unit prices for mushroom in Japan
Mushroom business outside Japan	1,147	1,420	272	23.8%	Raise unit prices for mushrooms in the United States
Processed products business	511	430	△81	△16.0%	Strengthen Measures by Allocating Human Resources
Chemical products business	470	530	59	12.7%	Increase profits through raw material sales

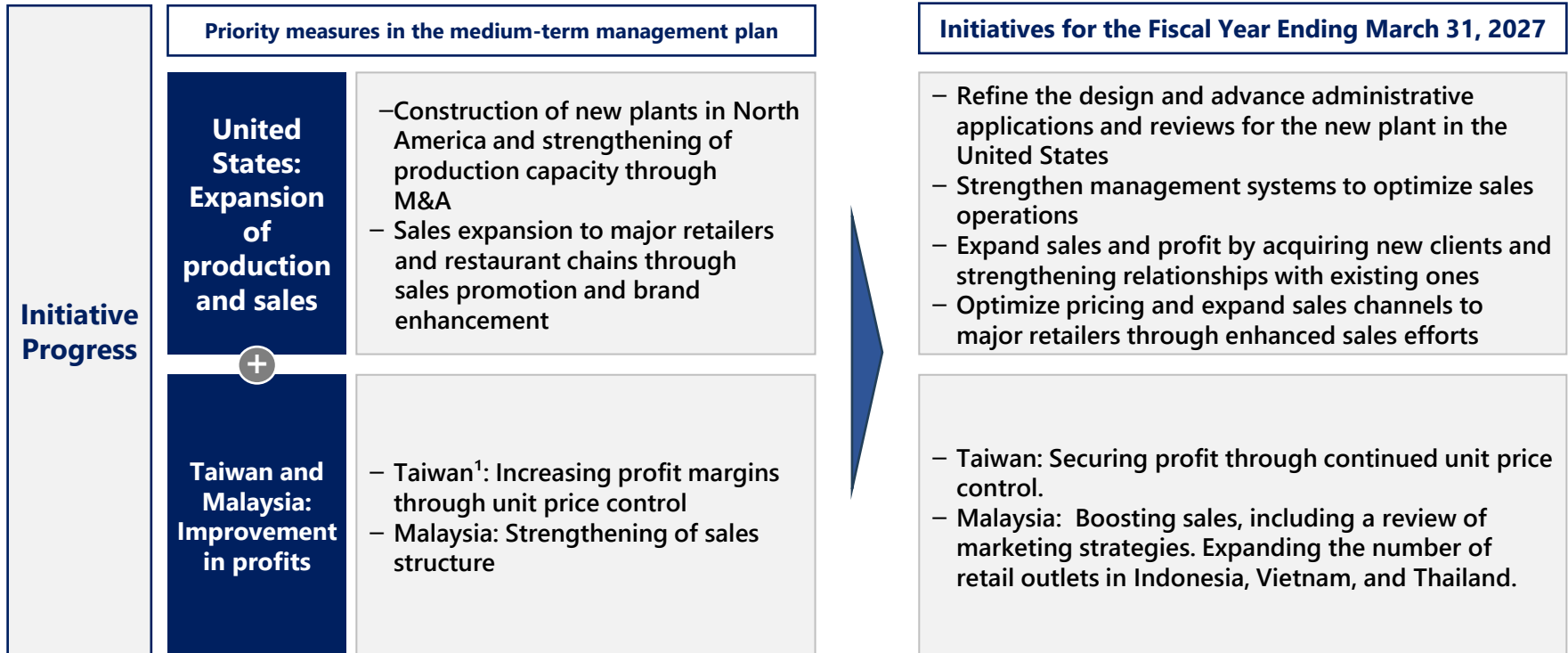
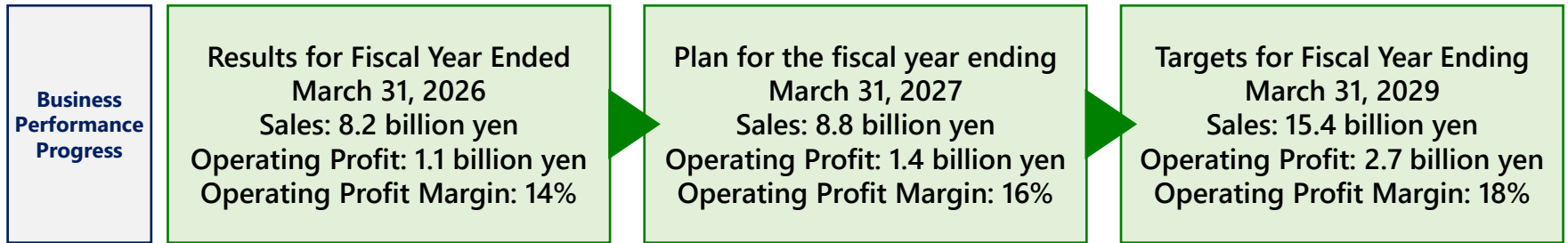
Future Initiatives to Achieve the Medium-Term Management Plan: Mushroom Business in Japan

In the fiscal year ending March 31, 2027, we plan to further expand our marketing efforts while continuing to optimize production volumes and implement our regional strategy



Future Initiatives to Achieve the Medium-Term Management Plan: Mushroom Business Outside Japan

In the fiscal year ending March 31, 2027, we will proceed with the construction of a new factory in the United States while aiming to increase both sales and profit margins

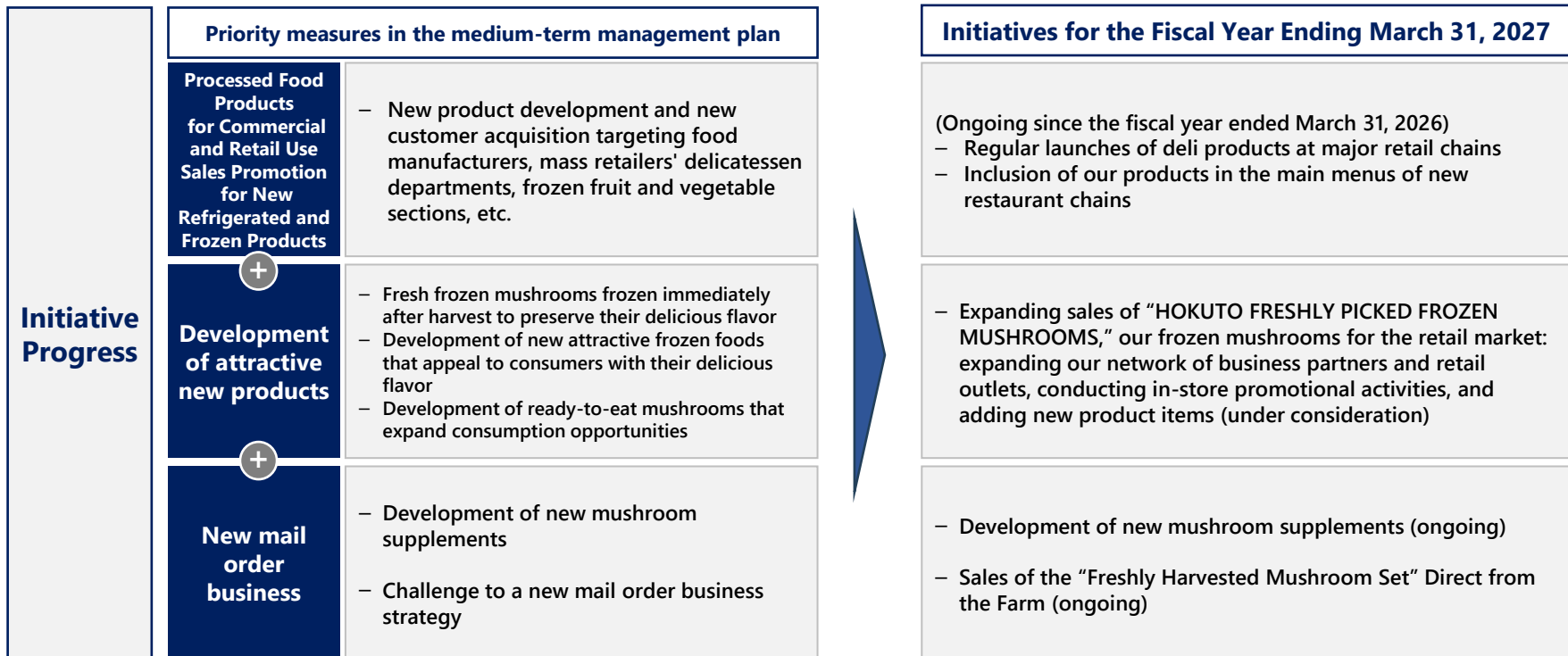
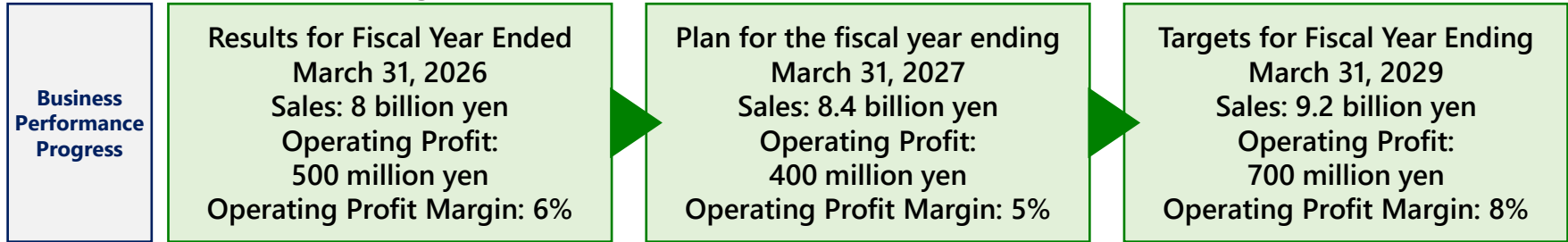


Note 1: The original plan was to increase profit by bringing in-house the shipping and repackaging process to reduce outsourcing costs; however, due to the high barriers to bringing it in-house, the company changed course. The strategy was revised to focus on increasing sales at standard prices in order to improve profit margins.

Future Initiatives to Achieve the Medium-Term Management Plan: Processed Foods Business

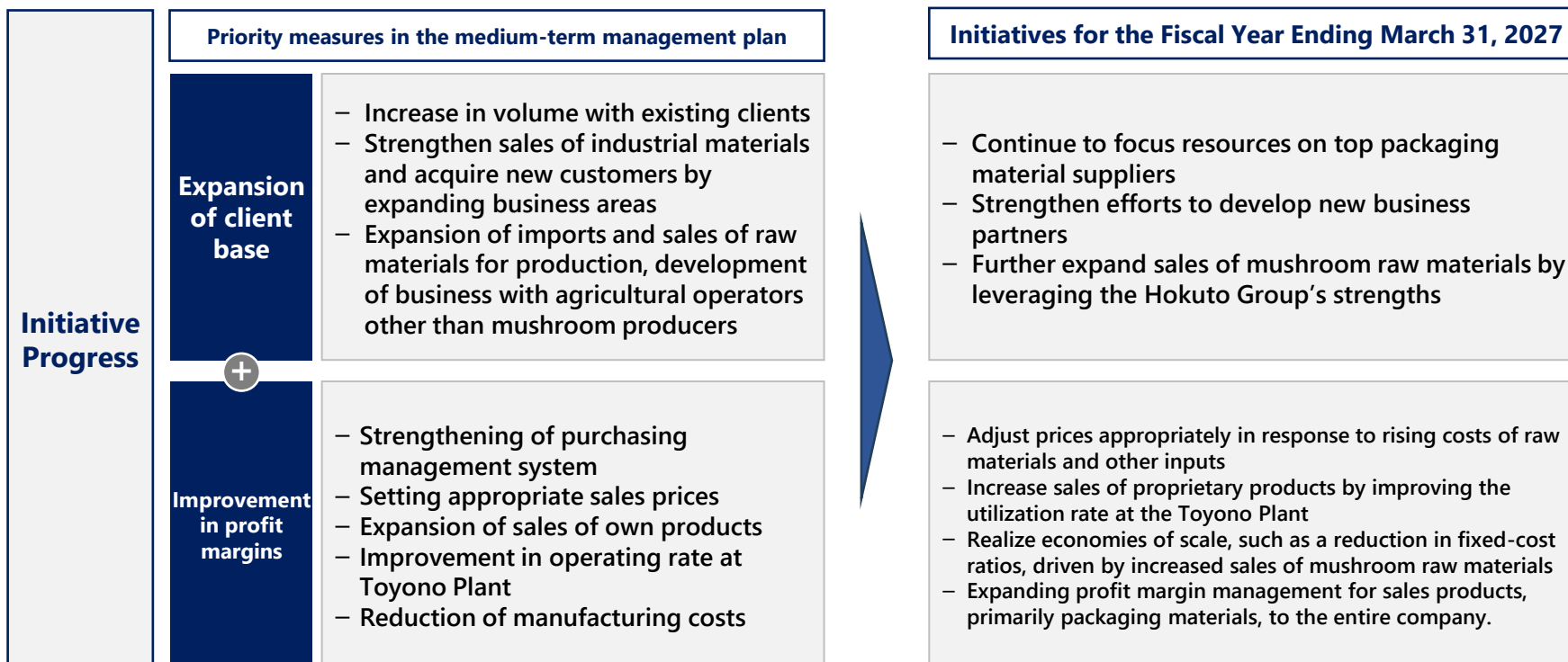
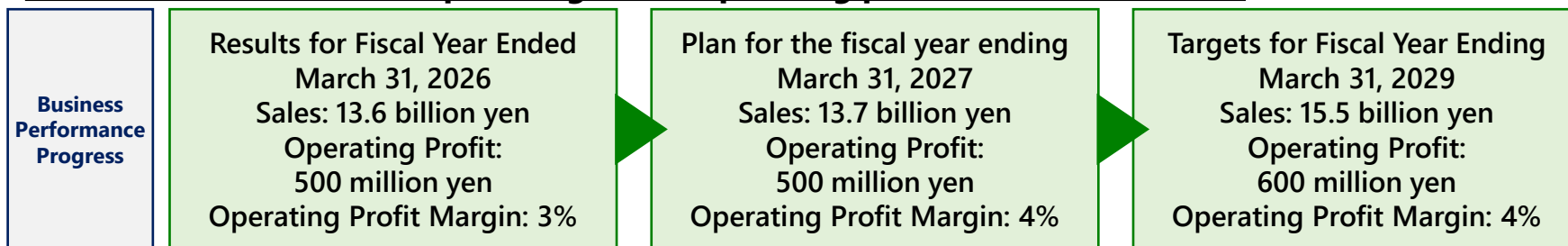


In the fiscal year ending March 31, 2027, we will focus on expanding sales of frozen mushrooms for the retail market, in addition to strengthening sales efforts for major retailers (Delica) and restaurants, and developing mushroom supplements for online sales.



▶▶ Future Initiatives to Achieve the Medium-Term Management Plan: Chemical Products Business

In the fiscal year ending March 31, 2027, we will further expand base sales and improve profit margins through measures such as increasing plant utilization rates. We are also on track to achieve the medium-term plan targets for operating profit ahead of schedule



Strengthening the Management Foundation to Achieve the Medium-Term Management Plan



To underpin this transformation, we will actively pursue organizational restructuring with functional enhancements, efficiency improvements through the increased utilization of leveraging digital technologies, and strengthening employee engagement

Results for Fiscal Year Ended March 31, 2026

Future Initiatives

Organizational Restructuring and Functional Expansion in Line with Our Strategy

- To strengthen our marketing efforts, we newly established the “Sales Promotion Department” effective April 1, 2025, which will oversee both the Sales Planning Section and **the newly established Marketing Section**
- To bolster the driving force behind our overseas operations, **we newly established the Overseas Business Division** and allocated resources to it

- In the Human Resources Planning Department, newly established on April 1, 2026, we are promoting **the optimization of staffing levels across all departments** in line with our strategic objectives
- We will strengthen headquarters functions with a focus on PDCA management for strategic execution

Improving Productivity Through Digital Technology

- **Stabilizing yield and quality through the introduction of AI cameras** in the eryngii mushroom production process

- Strengthening the organization and workforce to leverage IT
- Exploring opportunities for efficiency gains through **factory digital transformation**

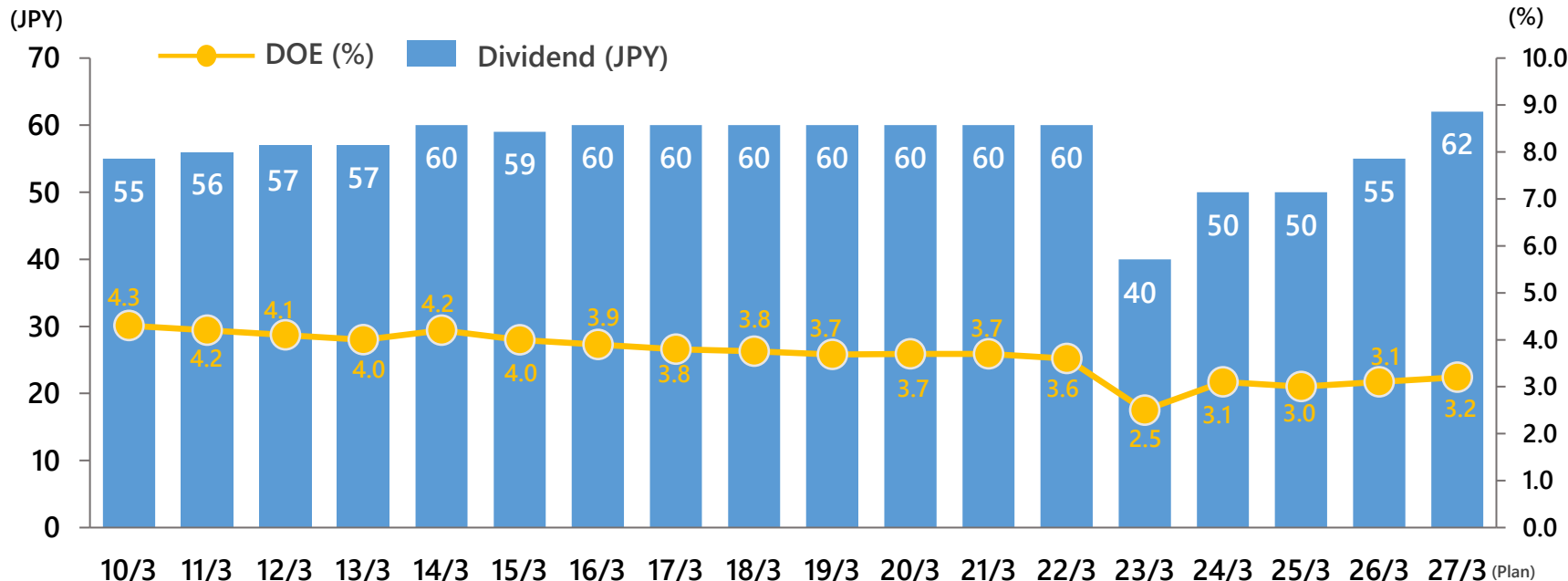
Enhancing Employee Engagement

- Employee engagement scores have risen as a result of various initiatives
 - ✓ Implementation of pilot roundtable discussions with senior management, DEI training, and revisions to HR policies
 - ✓ Launch and active use of the internal portal site

- Conduct a reanalysis of the engagement survey and explore follow-up measures
 - ✓ Synergistic effects of perceived growth × perceived contribution × job satisfaction
 - ✓ Active use of the internal portal site
- Optimize the talent portfolio
 - ✓ Comprehensively revise HR systems
 - ✓ Assess and monitor the talent portfolio

Shareholder Return Policy

We regard returning profits to our shareholders as a key management objective. Our basic policy is to strive to maintain stable dividends while securing the internal reserves necessary to prepare for future business expansion. Regarding future profit distribution, in order to further expand shareholder returns, we have decided to implement a dividend policy with the goal of achieving a **DOE (Dividend on Equity) of 3.5% in the fiscal year ending March 31, 2029**, based on consolidated shareholders' equity. Through this, we aim to achieve stable and sustainable dividends that are not subject to fluctuations in single-year performance. Furthermore, regarding retained earnings, we will prioritize allocating them to strategic investments essential for future growth in order to achieve a sustainable increase in corporate value.



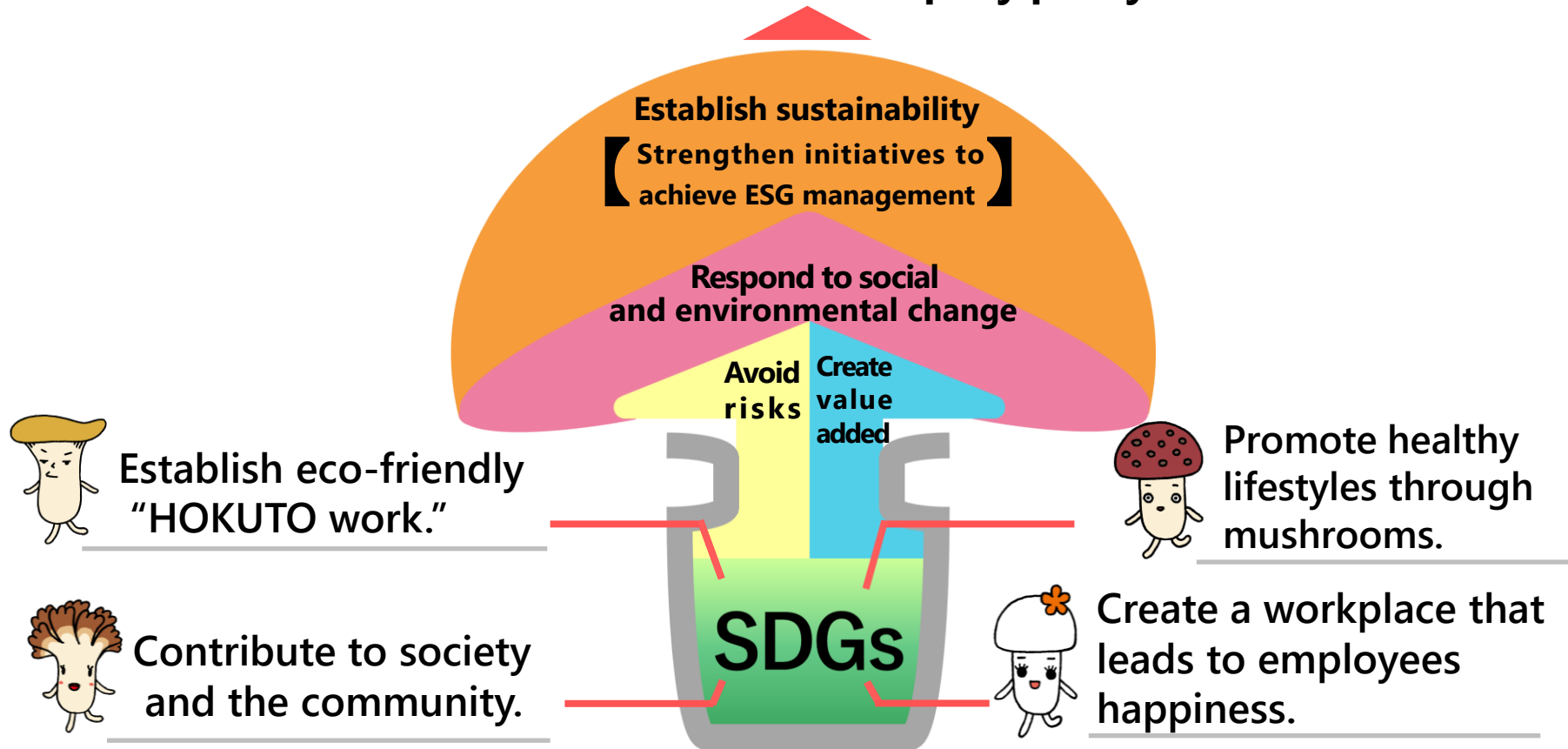
The company plans to pay an annual dividend of 62 yen for the fiscal year ending March 31, 2027

SDGs-Related Initiatives: Overview

The SDGs and ESG are two sides of the same coin, and we place a high priority on the pursuit of sustainability, which lies at the heart of both.

We are confident that evolving our initiatives related to the SDGs and fully committing to ESG management will lead to the realization of the Hokuto Group's management philosophy, the "Corporate Creed"

**Support from stakeholders
Achievement of the company policy**



We promote ESG management by placing the realization of a sustainable society at the core of our business operations

Results for Fiscal Year Ended March 31, 2026

Future Initiatives

Addressing Climate Change

- Reducing CO₂ Emissions by Switching the Fuel Source for Production Facilities (Komoro Kinoko Center)
 - ➔ Reduction of 32.1% compared to the fiscal year ended March 31, 2025 through the switch from Class A heavy oil to city gas

- Achieve net-zero CO₂ emissions through the adoption of carbon-offset city gas at the center (adoption already decided)

- Biomass Power Generation Using Spent Mushroom Culture Media (Mie Mushroom Center)
 - ➔ Operations began in April 2025
 - CO₂ emissions 66% reduction compared to March 31, 2025
- Solar power generation
 - ➔ Currently operating at 15 locations in Japan and overseas

- CO₂ emissions: Continue to be reduced by 66% compared to the fiscal year ended March 31, 2025
- Solar power generation is planned to be introduced at two new locations.

Sustainable Procurement

- Thinner packaging materials and reduced plastic use for mushrooms
 - ✓ Maitake and Shimofuri Hiratake Mushrooms:
 - ➔ 20% reduction in plastic used for outer film
 - ✓ Eryngii Mushrooms:
 - ➔ 5% reduction in plastic used for 100g trays.

- Introduction of cultivation bottles that reduce plastic use by 9% (Shizuoka Kinoko Center)

**1. Fiscal Year Ended March 31, 2026
Financial Results**

**2. Full-Year Plan for the Fiscal Year Ending
March 31, 2027**

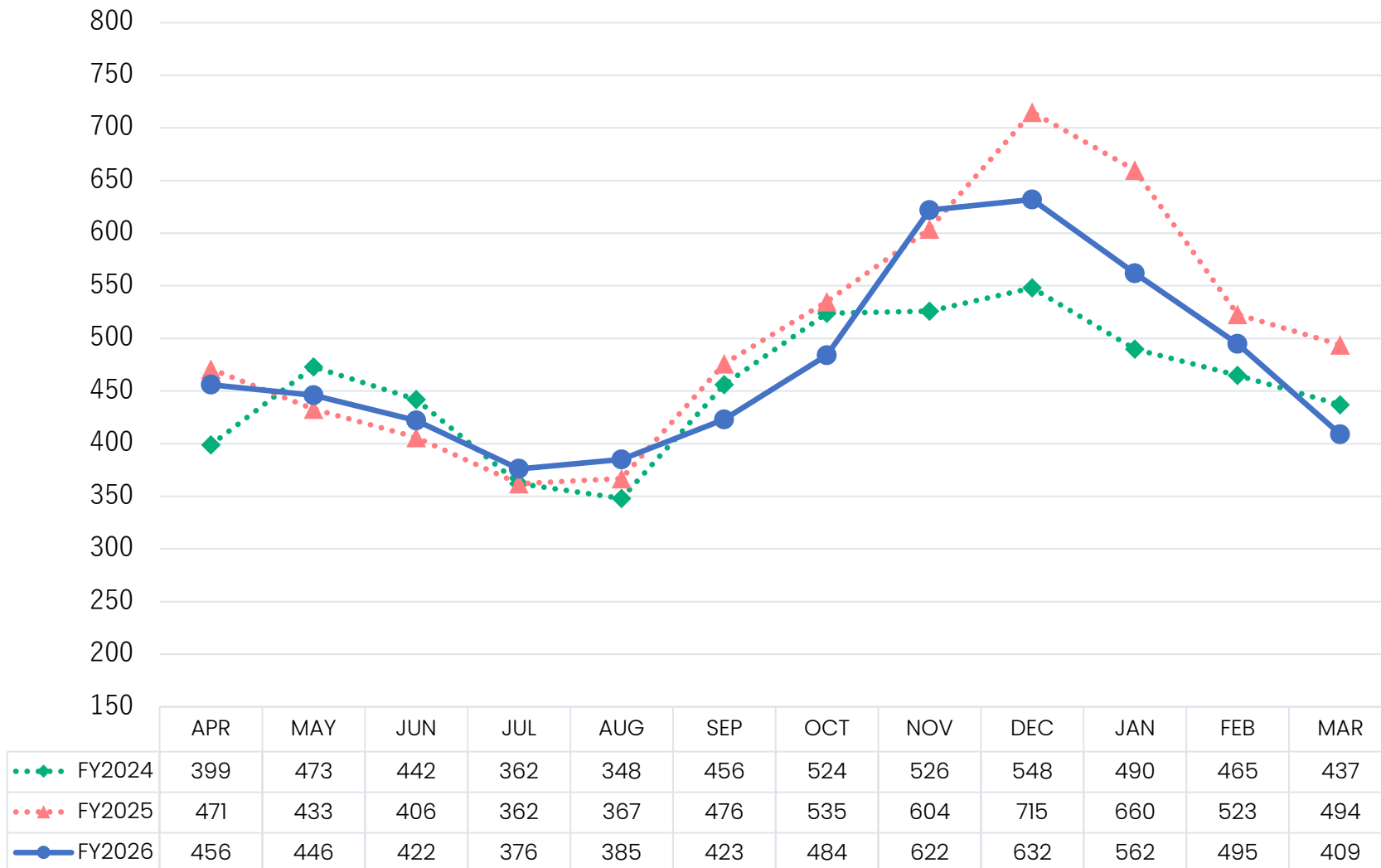
3. Reference material

▶▶ (Ref) Change of Bunashimeji Market Price



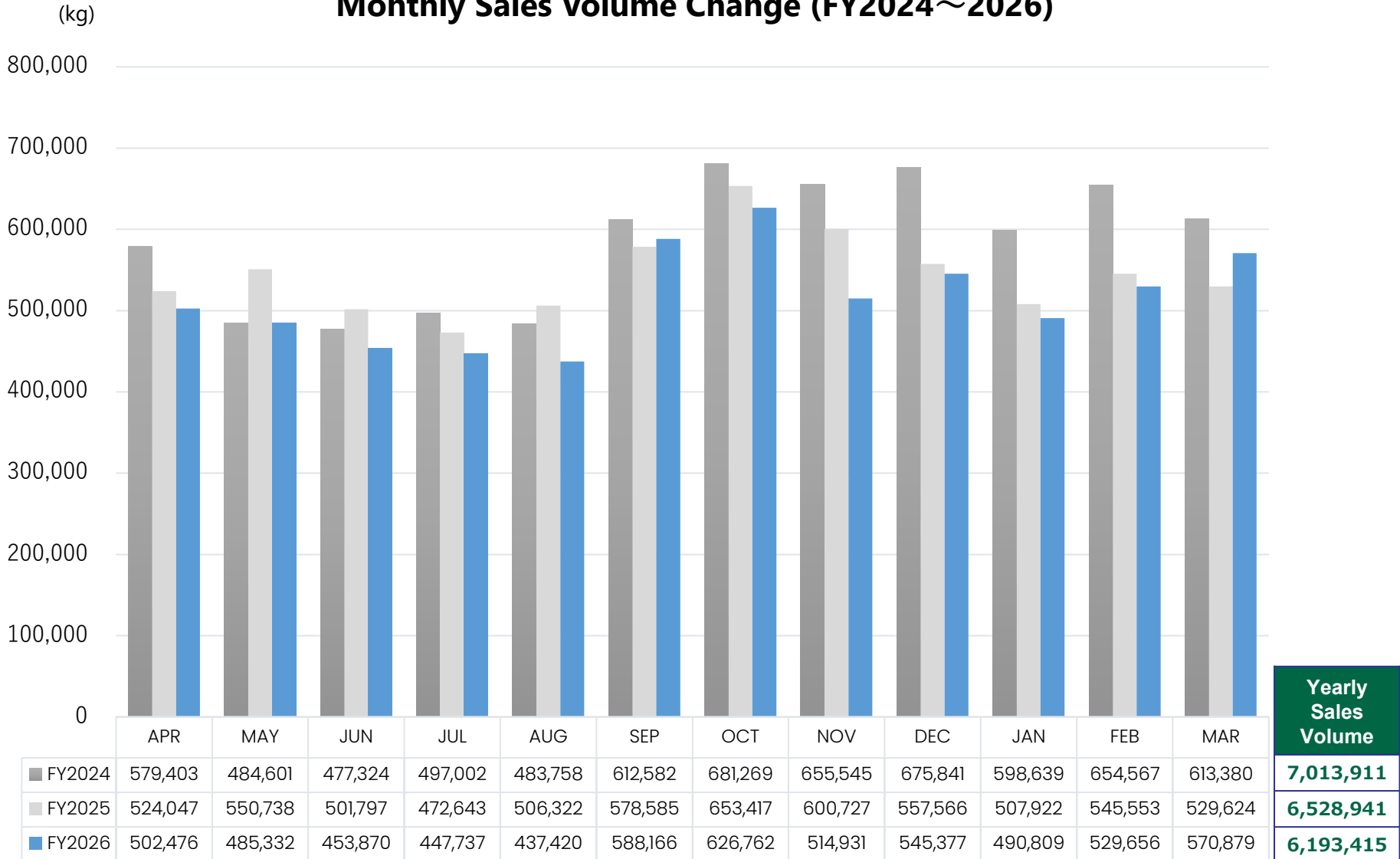
Monthly Price Change (FY2024~2026)

(Yen/kg)



▶▶ (Ref) Change of Bunashimeji Sales Volume

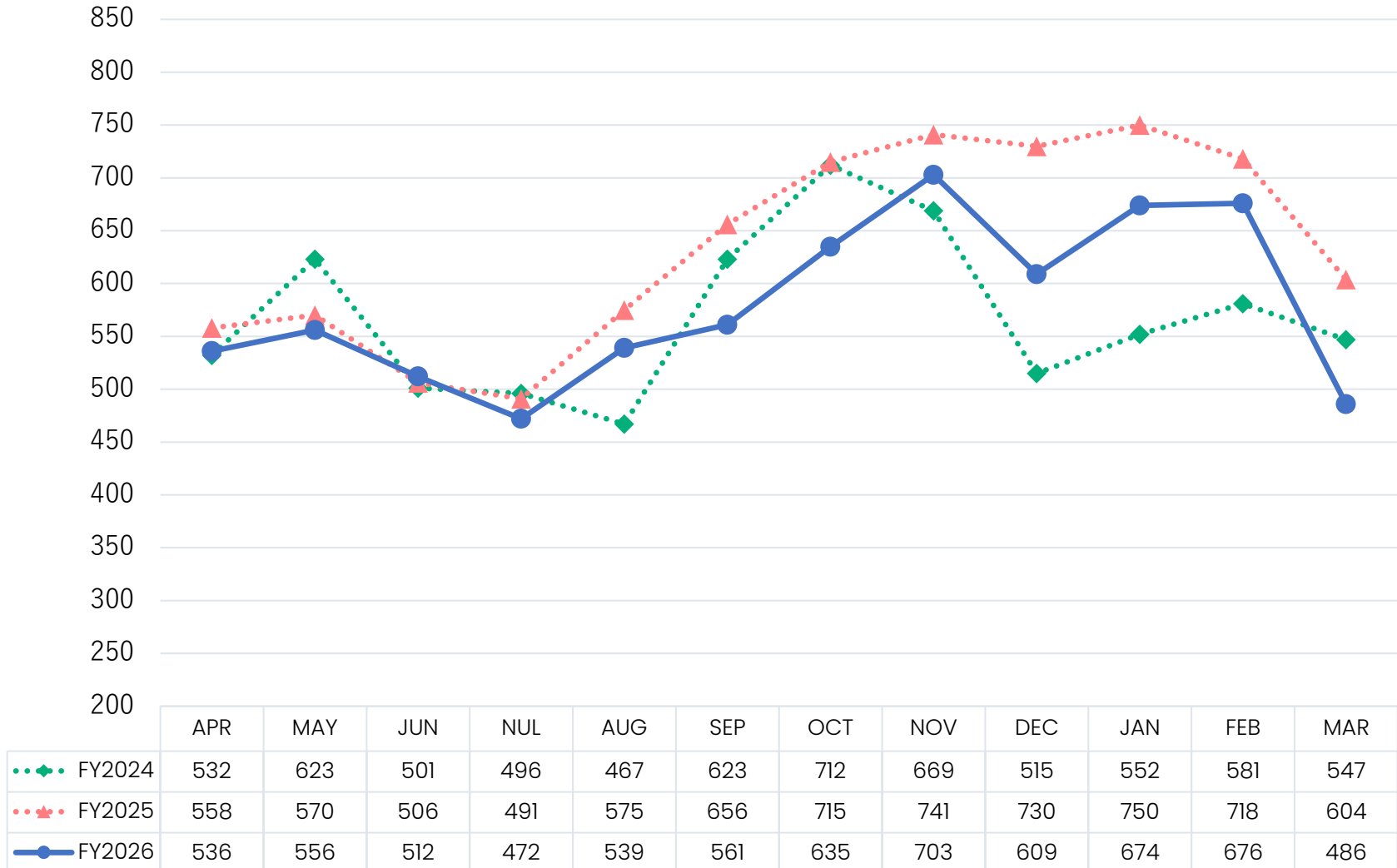
Monthly Sales Volume Change (FY2024~2026)



▶▶ (Ref) Change of Eryngii Market Price

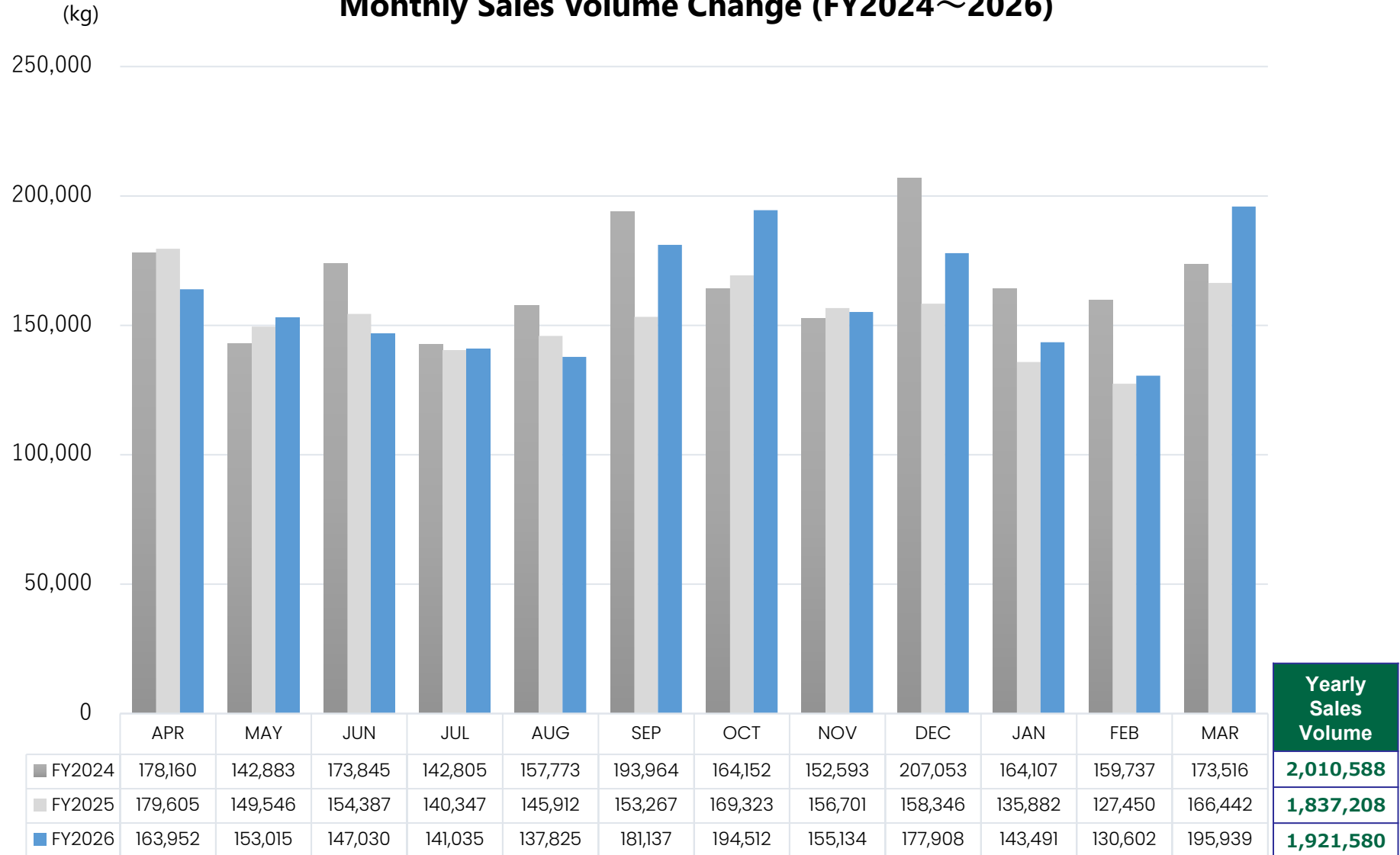
Monthly Price Change (FY2024~2026)

(Yen/kg)



▶▶ (Ref) Change of Eryngii Sales Volume

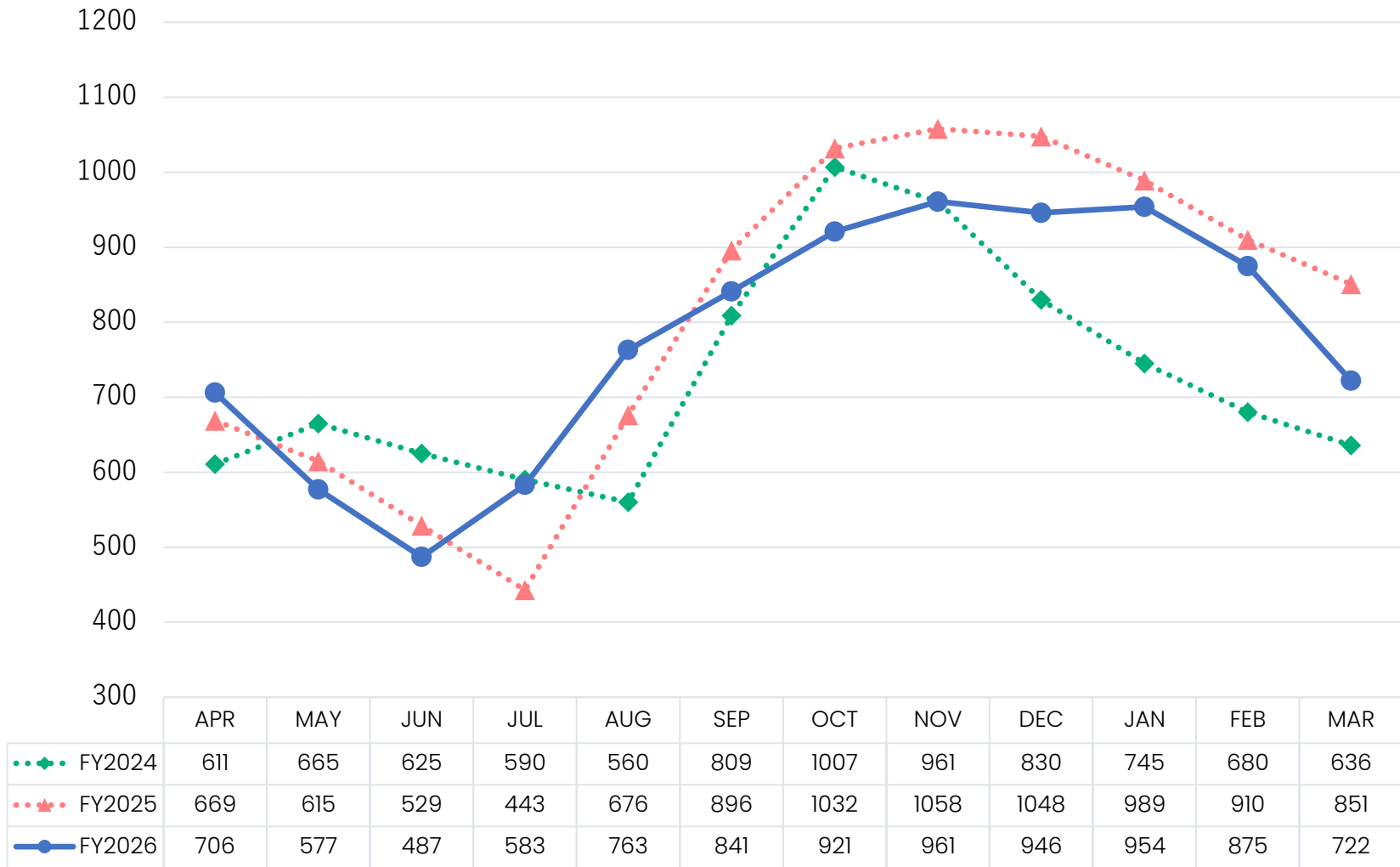
Monthly Sales Volume Change (FY2024~2026)



▶▶ (Ref) Change of Maitake Market Price

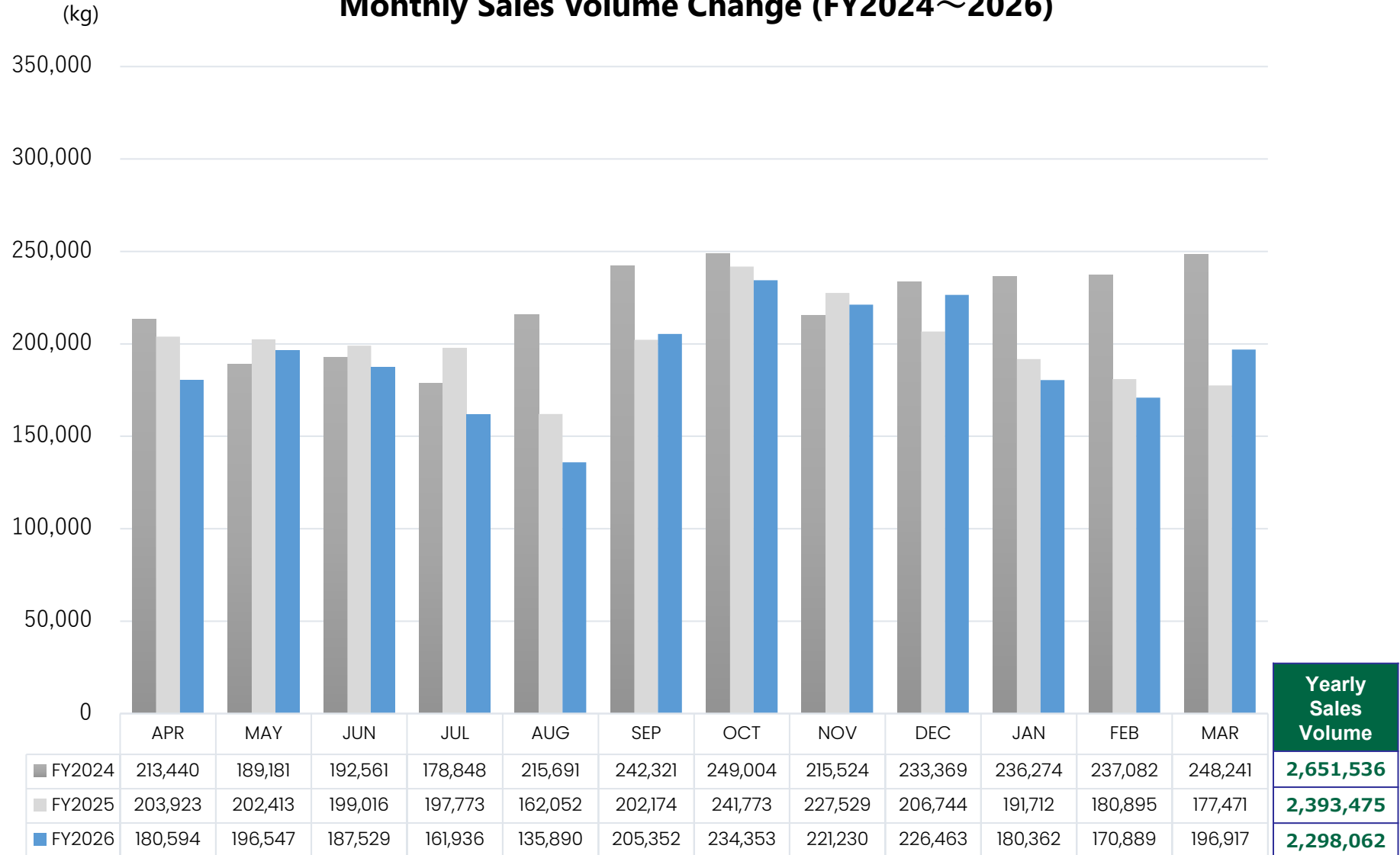
Monthly Price Change (FY2024~2026)

(Yen/kg)



▶▶ (Ref) Change of Maitake Sales Volume

Monthly Sales Volume Change (FY2024~2026)



HOKUTO HOKUTO Corporation



Location : Nagano, Nagano Pref.
 President : Masayoshi Mizuno
 Securities code : 1379
 Listed market : Tokyo Stock Exchange Prime Market
 Number of outstanding shares : 33,359,040 stock

Market capitalization : 63,482 mil. yen
 Shareholders' equity : 59,994 mil.yen
 Number of employees : 4,086
 Main business : Mushroom
 Production/Distribution/ R&D
 (As of the end of March 2026)



Hokuto Industry Corporation
 •Industrial Supply
 Production/Distribution



HOKTO
 Hokto Kinoko Company
HOKTO KINOKO COMPANY
 •Mushroom Production/Distribution in
 North America



Arden
Arden Incorporated
 •Retort pouch food production



HOKTO
好菇道
TAIWAN HOKUTO CORPORATION
 •Mushroom Production/Distribution in
 Taiwan

Sun Medica Co., Ltd.

Mushroom Wisdom, Inc,

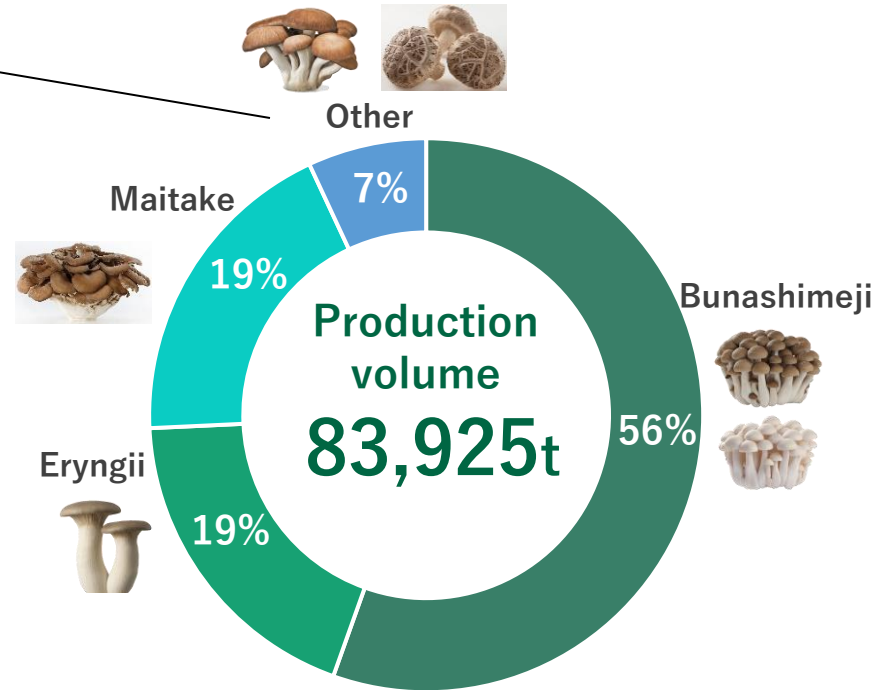
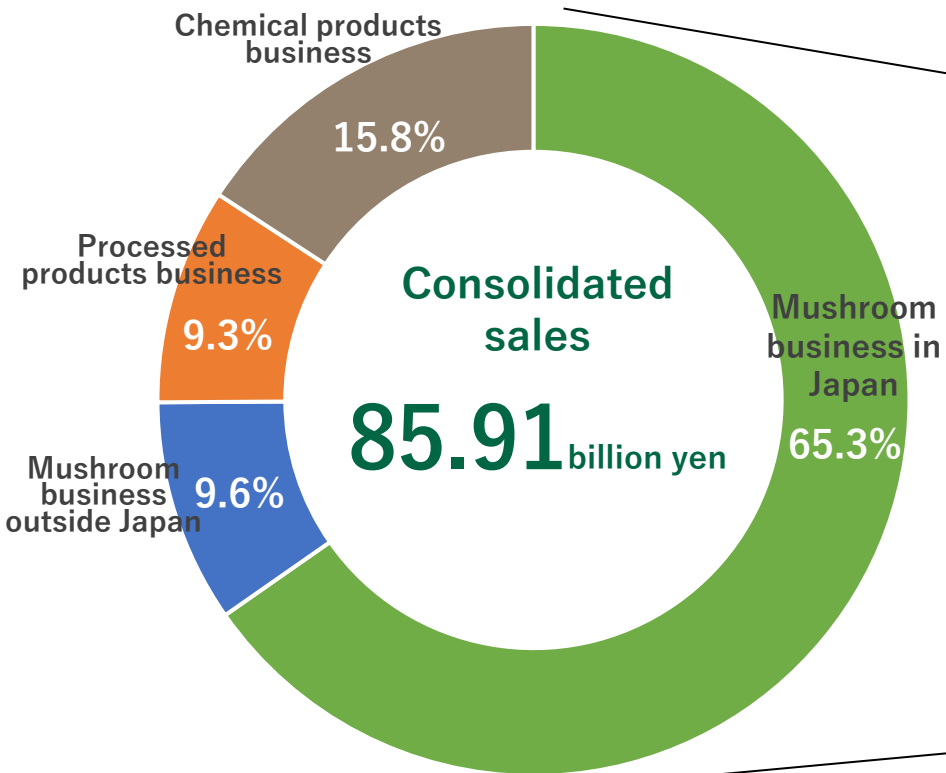
PT HOKTO INDONESIA MATERIALS



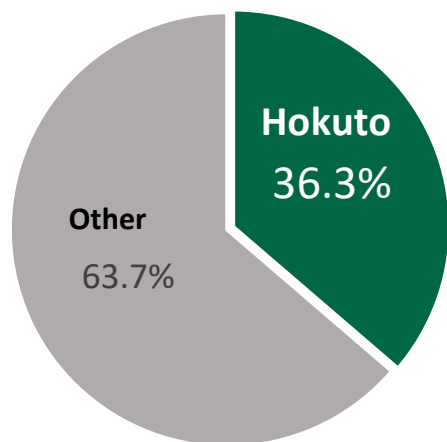
HOKTO
 Makes Health Tastier
HOKTO MALAYSIA SDN.BHD.
 •Mushroom Production/Distribution
 in South east Asia

By segment

Mushroom production volume

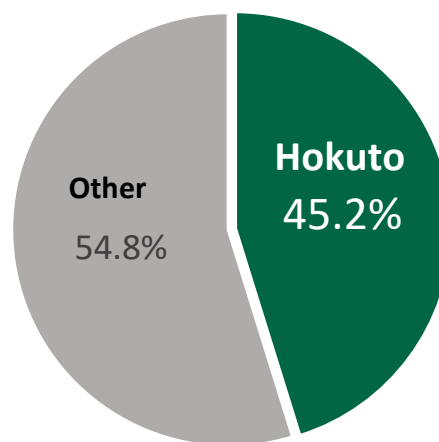


Bunashimeji



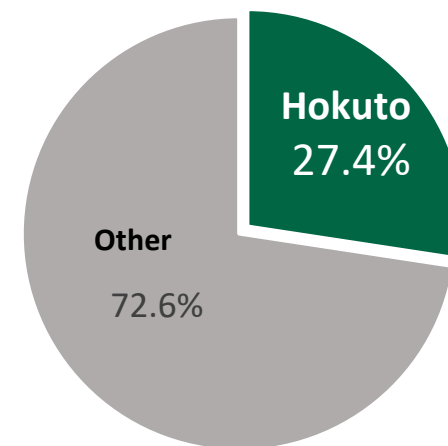
Japan total production volume
117,924 t

Eryngii



Japan total production volume
35,793 t

Maitake



Japan total production volume
55,290 t

Inquiries about IR

Finance Headquarters

Public and Investor Relations

Mail : ir-k@hokto-kinoko.co.jp

HOKUTO Corporation

