



**Financial Results for 2nd Quarter of
Fiscal Year Ending March 2022**

November 4, 2021

Tokyo Stock Exchange, First Section: 1375



AGENDA

- 1. Summary of Consolidated Financial Result for 2Q of FYE March 2022**
- 2. Forecast of Consolidated Financial Results for FYE March 2022**
- 3. Reference Materials**

(Caution concerning forward-looking statements)

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



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Summary of Consolidated Financial Result for 2Q of FYE March 2022



Summary of Financial Results for 2nd Quarter of Fiscal Year Ending March 2022

In the first half of the current fiscal year, although net sales and operating income underperformed the same period of the previous year, operating income exceeded the plan due to appropriate measures and responses

| External Environment | Our Response | Summary of 2 nd Quarter |
|---|---|---|
| <ul style="list-style-type: none">• The impact of the COVID-19 has cooled consumer sentiment, and consumers continue to be frugal• Vaccination progress, signs of economic recovery in some parts of the world• Declaration of a state of emergency and cancellation of priority measures to prevent the spread of disease at the end of September• Increase in crude oil prices, etc. | <ul style="list-style-type: none">• TV commercials aired mainly in western Japan, and proposals for sales floors of Maitake linked to the TV commercials• Joint menu proposal for maitake in collaboration with a kitchenware manufacturer• Button Mushrooms sales promotion activities to coincide with annual events• Some bio-centers have switched from heavy oil to LNG | <div><div>vs Forecast</div><div><ul style="list-style-type: none">• Revenue JPY 13.8 billion YoY -1.1 billion (-7.9%)• Operating Profit JPY 2.5 billion YoY -0.7 billion (-22.2%)</div><div><div>Slightly below, but <u>mostly in line with our forecast</u></div><div><u>Exceeding our forecast</u></div></div></div> |



Consolidated Statements of Income (2Q Cumulative)

In the first half of the current fiscal year, both sales and profits decreased compared to the same period of the previous fiscal year, when there was a tailwind effect from nesting demands, but excluding the impact of other income, operating income was essentially flat in the same period two years ago

| (JPY million) | 2Q FYE March 2022 | 2Q FYE March 2020 | | | 2Q FYE March 2021 | | |
|--|-------------------|-------------------|--|---------|-------------------|------------------|---------|
| | Actual | Actual | Change Amount | % | Actual | Change Amount | % |
| Revenue | 13,816 | 14,377 | (560) | (3.9%) | 14,997 | (1,180) | (7.9%) |
| Gains Arising from Changes in Fair Value | 6,688 | 6,982 | (294) | (4.2%) | 7,657 | (969) | (12.7%) |
| Total Income | 20,504 | 21,360 | (855) | (4.0%) | 22,655 | (2,150) | (9.5%) |
| Material Costs, Labor Costs, etc. | 8,755 | 8,663 | +91 | +1.1% | 8,425 | +329 | +3.9% |
| Gains Arising from Changes in Fair Value | 5,422 | 6,104 | (681) | (11.2%) | 6,846 | (1,424) | (20.8%) |
| Cost of Sales | 14,177 | 14,767 | (589) | (4.0%) | 15,272 | (1,094) | (7.2%) |
| Gross Profit | 6,327 | 6,592 | (265) | (4.0%) | 7,383 | (1,055) | (14.3%) |
| SG&A Expenses | 3,760 | 3,890 | (129) | (3.3%) | 3,957 | (197) | (5.0%) |
| Other Income | 21 | 220 | (198) | (90.2%) | 27 | (5) | (21.5%) |
| Other Expenses | 37 | 169 | (131) | (78.0%) | 171 | (134) | (78.3%) |
| Operating Profit | 2,551 | 2,753 | (202) | (7.4%) | 3,280 | (729) | (22.2%) |
| vs Revenue | 18.5% | 19.2% | Includes JPY 195 million gain on sales of fixed assets | | 21.9% | | |
| vs Total Income | 12.4% | 12.9% | | | 14.5% | | |
| Profit before Tax | 2,341 | 2,462 | (120) | (4.9%) | 3,019 | (677) | (22.4%) |
| Profit Attributable to Owners of Parent | 1,521 | 1,600 | (78) | (4.9%) | 1,966 | (444) | (22.6%) |
| [Reference] | | | | | | | |
| Adjusted Operating Profit * | 2,551 | 2,856 | (305) | (10.7%) | 3,544 | (993) | (28.0%) |
| Adjusted EBITDA * | 3,525 | 3,703 | (178) | (4.8%) | 4,509 | (983) | (21.8%) |
| Adjusted Profit * | 1,590 | 1,720 | (130) | (7.6%) | 2,221 | (631) | (28.4%) |

Note: Adjusted Operating Profit = Operating Profit + Management Fees¹ + Listing-Related Expenses²
Adjusted Profit = Profit + Management Fees¹ + Listing-Related Expenses² + Refinance-Related Gains/Losses³ + Tax Adjustments

Adjusted EBITDA = Adjusted Operating Profit + Depreciation + Amortization

¹ Management Fees are compensation based on the management contract between the Company and Bain Capital Private Equity, LP, and SHINMEI HOLDINGS CO., LTD.

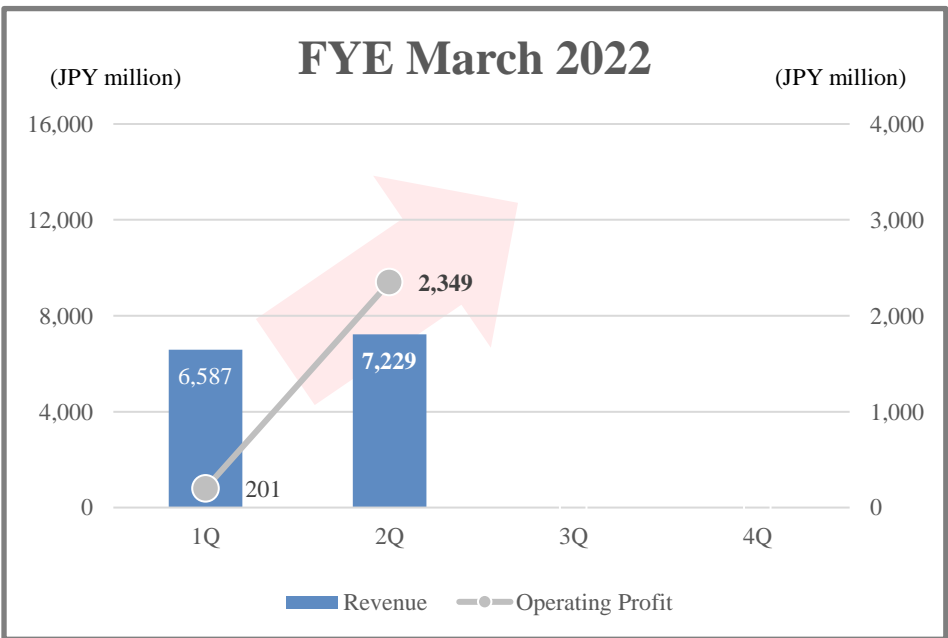
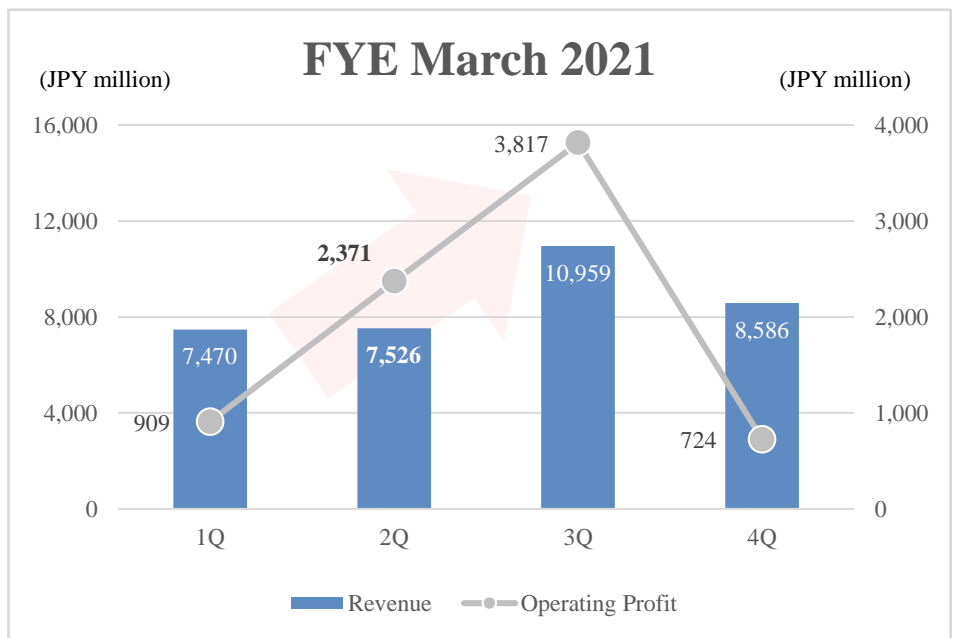
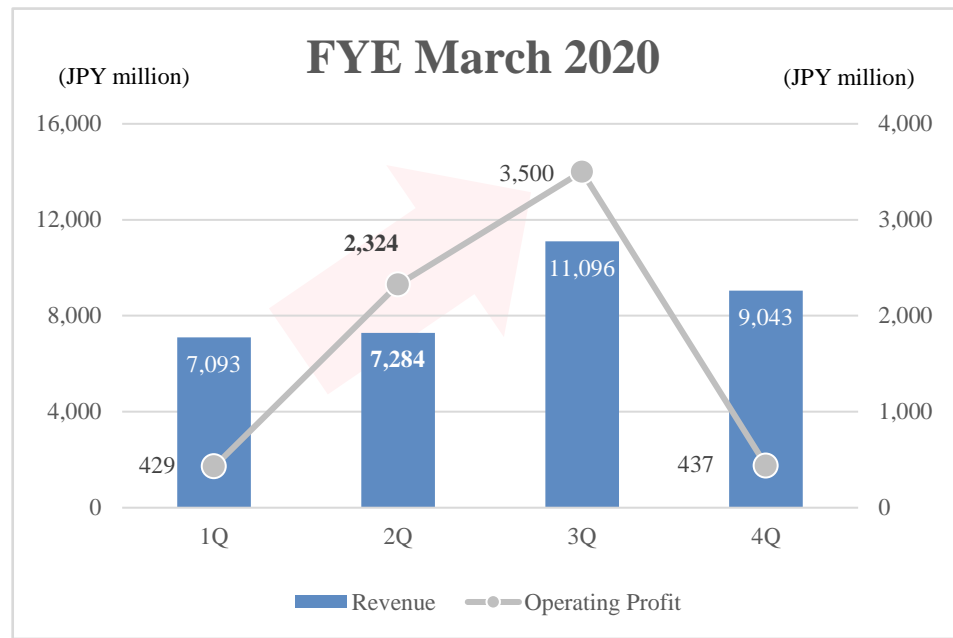
² Listing-Related Expenses are temporary costs including listing preparation advisory costs, costs related to building an organizational structure for listing, costs related to the introduction of IFRS and timely disclosure system for listing, real estate registration costs associated with a merger, etc.

³ Refinancing-Related Gains/Losses are advisory expenses that were temporarily incurred in connection with refinancing carried out after the Company was closed to the public. These expenses are offset by temporary gains that were incurred due to the decline in contract interest rates associated with the refinancing and the increase in interest expense during the remaining contract period that occurs in conjunction with the refinancing.



Consolidated Operating Results (Quarterly Trends)

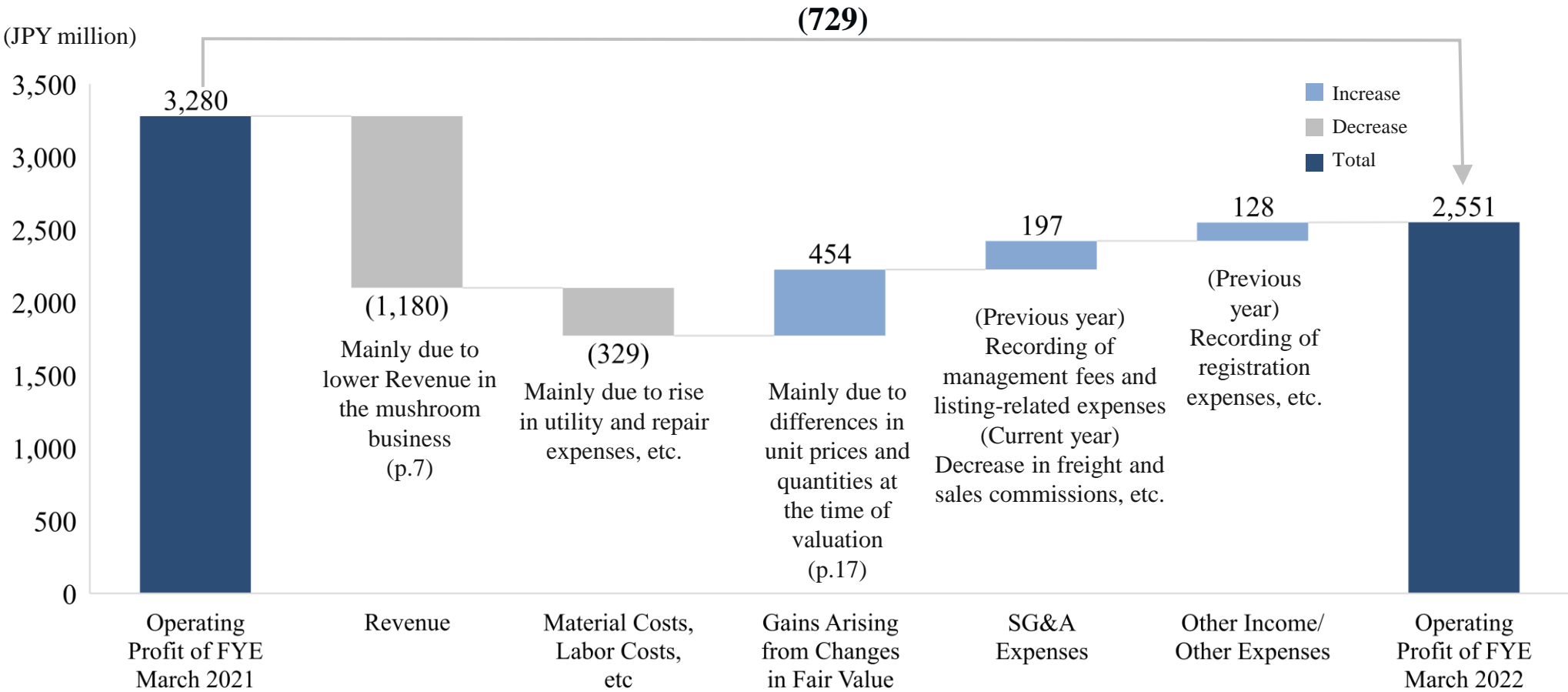
Operating profit for the 2nd quarter of the current fiscal year was almost the same level as the same quarter of the previous year and as the same quarter two years ago





Analysis of Operating Profit (2Q Cumulative Year-on-Year)

The main reasons for the decrease in operating profit were lower Revenue in the mushroom business and higher utility and repair expenses





Revenue by Business Segment (2Q Cumulative)

While sales of Maitake, Eringi, and Buna-Shimeji decreased, sales of button mushrooms were strong

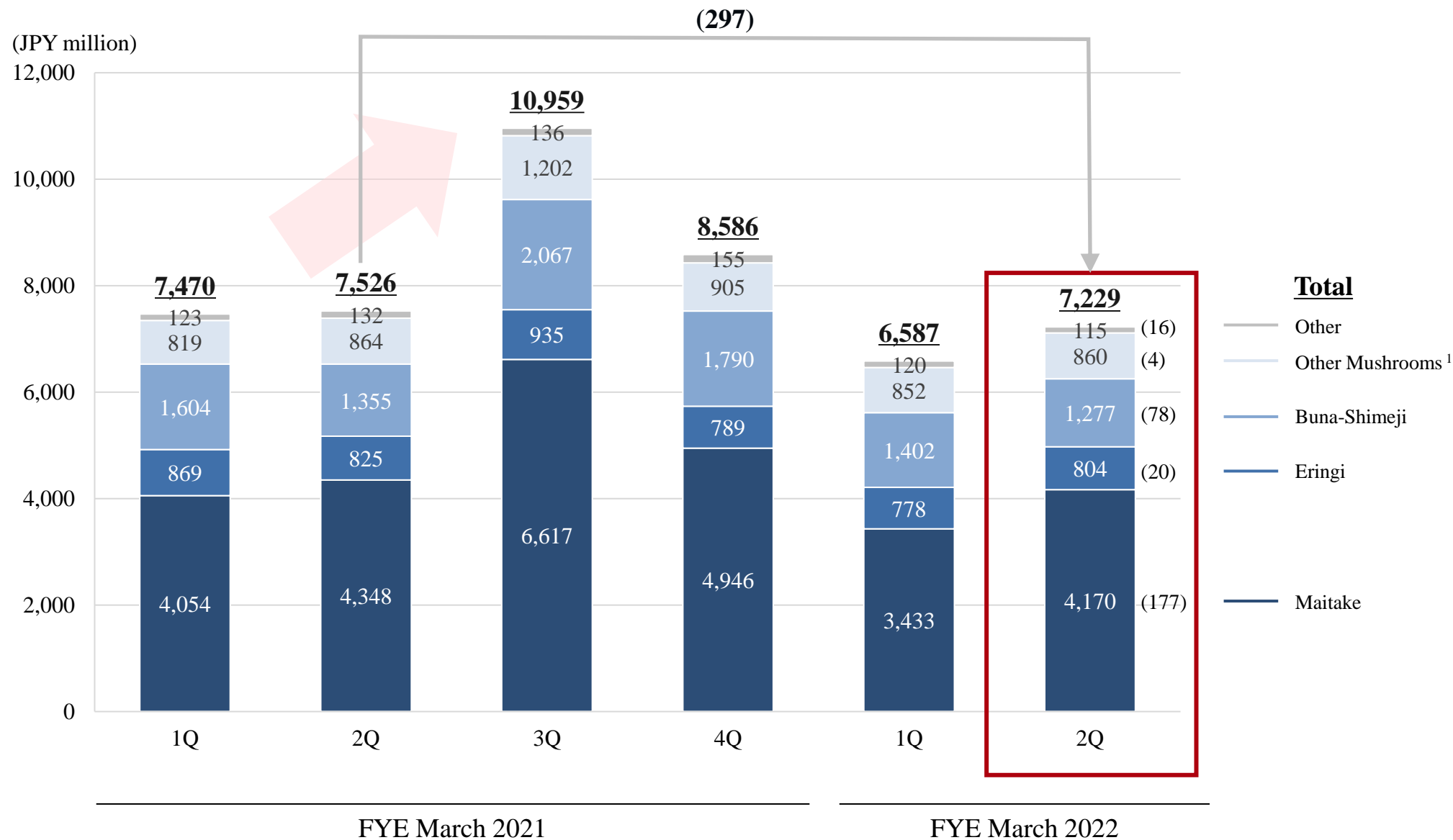
| (JPY million) | 2Q FYE March 2021 | | 2Q FYE March 2022 | | Increase (Decrease) | |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|------------------------|------------|
| | Actual | Composition Ratio | Actual | Composition Ratio | Amount | Change YoY |
| Total Revenue | 14,997 | 100.0% | 13,816 | 100.0% | (1,180) | (7.9%) |
| Mushroom Business | 14,741 | 98.3% | 13,580 | 98.3% | (1,160) | (7.9%) |
| Maitake | 8,402 | 56.0% | 7,604 | 55.0% | (798) | (9.5%) |
| Eringi | 1,694 | 11.3% | 1,582 | 11.5% | (111) | (6.6%) |
| Buna-Shimeji | 2,960 | 19.7% | 2,680 | 19.4% | (279) | (9.4%) |
| Other Mushrooms ¹ | 1,683 | 11.2% | 1,712 | 12.4% | +28 | +1.7% |
| Other | 255 | 1.7% | 235 | 1.7% | (19) | (7.8%) |

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



Revenue Trends by Business Segment (Quarterly Trends)

Based on past trends, revenue of all mushrooms including maitake will be on an upward trend toward the 3rd Quarter



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



Status of Mushroom Business (2Q Cumulative FYE Mar 2022)

Sales volume and unit price of Maitake were positive and negative, respectively, compared to the same period of the previous year, while unit price and volume were slightly below the plan, but generally in-line

Sales volume and sales unit price of Eringi were both negative compared to the same period of the previous year, while sales volume was slightly below, but sales unit price was achieved the plan

Sales volume and sales unit price of Buna-Shimeji were positive and negative, respectively, compared to the same period of the previous year, but both sales volume and sales unit price were achieved the plan

| | Sales Volume Comparison ¹ | | | Unit Price Comparison ¹ | | |
|------------------------------------|--------------------------------------|-----------------------|---------------|------------------------------------|-----------------------|---------------|
| (%) | vs 2Q FYE Mar 2020 | vs 2Q FYE Mar 2021 | vs Forecast | vs 2Q FYE Mar 2020 | vs 2Q FYE Mar 2021 | vs Forecast |
| Maitake | 106.6% | 100.4% | 96.1% | 85.2% | 88.7% | 97.6% |
| Eringi | 102.5% | 97.6% | 98.4% | 103.0% | 95.4% | 102.2% |
| Buna-Shimeji | 97.5% | 103.3% | 101.9% | 99.4% | 87.6% | 100.6% |
| Other Mushrooms² | — | 98.2% | 94.0% | — | 110.2% | 100.6% |

¹ Comparison excluding processed products

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



Consolidated Statements of Financial Position

Capital enrichment due to accumulation of quarterly profits

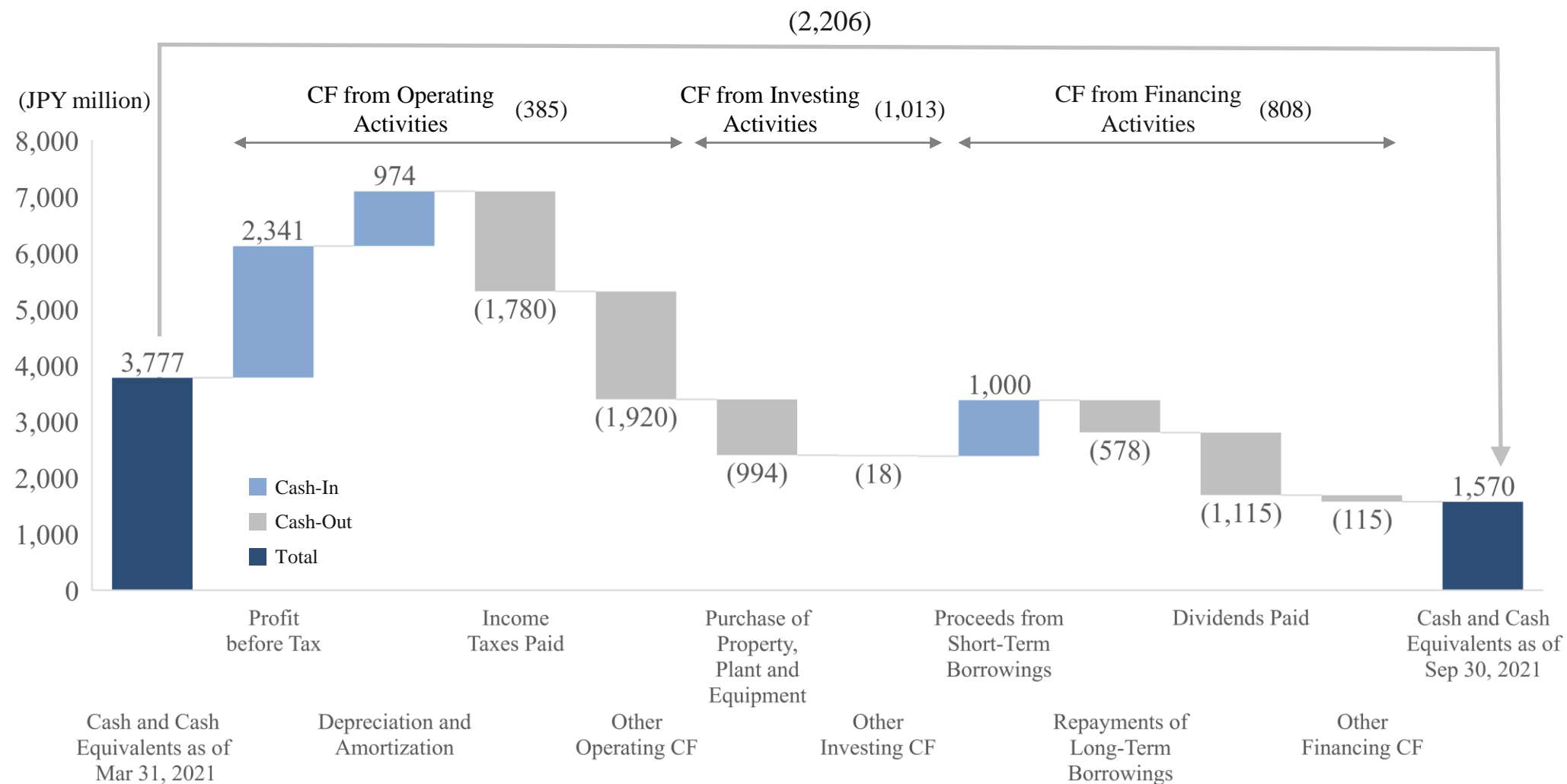
| (JPY million) | As of Mar31, 2021 | As of Sep 30, 2021 | Increase (Decrease) | |
|---|-------------------|--------------------|---------------------|------------|
| | Actual | Actual | Amount | Change YoY |
| Current Assets | 10,202 | 9,925 | (277) | (2.7%) |
| Cash and Cash Equivalents | 3,777 | 1,570 | (2,206) | (58.4%) |
| Trade and Other Receivables | 2,021 | 2,533 | +511 | +25.3% |
| Inventories | 1,390 | 1,394 | +3 | +0.3% |
| Biological Assets | 2,904 | 4,242 | +1,337 | +46.1% |
| Non-current Assets | 25,441 | 25,915 | +474 | +1.9% |
| Property, Plant and Equipment | 18,031 | 18,790 | +758 | +4.2% |
| Goodwill and Intangible Asset | 5,304 | 5,302 | (2) | (0.0%) |
| Total Assets | 35,644 | 35,840 | +196 | +0.6% |
| Current Liabilities | 7,614 | 7,995 | +380 | +5.0% |
| Trade and Other Payables | 1,970 | 2,838 | +867 | +44.0% |
| Accrued Income Taxes | 1,784 | 822 | (962) | (53.9%) |
| Short-Term Borrowings | — | 1,000 | +1,000 | — |
| Current Portion of Long-Term Borrowings | 1,132 | 1,227 | +94 | +8.3% |
| Non-current Liabilities | 18,798 | 18,210 | (587) | (3.1%) |
| Borrowings | 18,351 | 17,835 | (516) | (2.8%) |
| Lease Liabilities | 360 | 291 | (68) | (19.1%) |
| Total Liabilities | 26,413 | 26,206 | (206) | (0.8%) |
| Total Equity | 9,230 | 9,634 | +403 | +4.4% |
| Total Equity Attributable to Owners of Parent | 9,233 | 9,636 | +403 | +4.4% |
| Total Liabilities and Equity | 35,644 | 35,840 | +196 | +0.6% |



Consolidated Cash Flow Analysis (2Q Cumulative)

Cash and cash equivalents decreased by JPY 2,206 million due to payment of corporate income taxes and dividends

Cash flow from operating activities, excluding income tax payments, was JPY 1,395 million





Consolidated Statements of Cash Flows (2Q Cumulative Year-on-Year)

Decrease in income before income taxes and increase in cash outflows such as dividends paid, compared to the same period of the previous fiscal year

| (JPY million) | 2Q FYE March 2021 | 2Q FYE March 2022 | Increase (Decrease) |
|--|----------------------|----------------------|------------------------|
| Cash Flows from Operating Activities | 1,292 | (385) | (1,677) |
| Profit before Tax | 3,019 | 2,341 | (677) |
| Depreciation and Amortization | 964 | 974 | +9 |
| Decrease (Increase) in Trade and Other Receivables | (298) | (505) | (207) |
| Decrease (Increase) in Inventories | (184) | (3) | +180 |
| Increase (Decrease) in Trade and Other Payables | (17) | 341 | +359 |
| Increase (Decrease) in Employee Benefit Liabilities | 179 | (145) | (325) |
| Income Taxes Paid | (1,682) | (1,780) | (98) |
| Cash Flows from Investing Activities | (1,652) | (1,013) | +639 |
| Purchase of Property, Plant and Equipment | (1,639) | (994) | +644 |
| Proceeds from Sale of Property, Plant and Equipment | 3 | 0 | (3) |
| Cash Flows from Financing Activities | (592) | (808) | (216) |
| Proceeds from Short-Term Borrowings | 0 | 1,000 | +1,000 |
| Repayments of Long-Term Borrowings | (481) | (578) | (97) |
| Dividends Paid | 0 | (1,115) | (1,115) |
| Net Increase (Decrease) in Cash and Cash Equivalents | (952) | (2,206) | (1,254) |
| Cash and Cash Equivalents at the End of the Period | 3,508 | 1,570 | (1,937) |



Key Financial Indicators

Cash and cash equivalents decreased due to dividend payments, etc., while Net D/E ratio slightly rose due to increase in short-term borrowings, and Net D/EBITDA multiple rose slightly as EBITDA declined

Changes of Financial Indicator Regarding Goodwill

Goodwill to Net Assets Ratio ¹



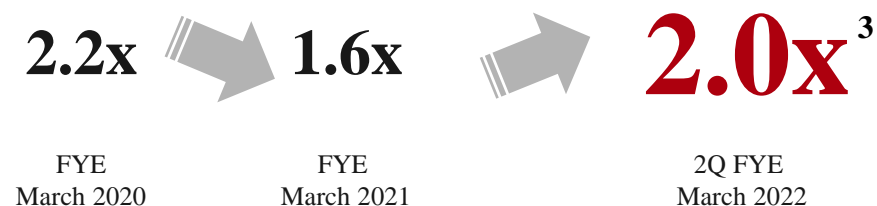
- Regardless of the sign of impairment, **implement an impairment test once a year**
- Check signs of impairment quarterly and **implement an impairment test if there are any signs of impairment**

Changes in Financial Indicator Regarding Net Debt

Net Debt to Equity Ratio ¹



Net Debt to EBITDA Ratio ²



¹ IFRS based financial figures

² EBITDA are adjusted by excluding one-time expenses. Adjusted EBITDA = Adjusted Operating Profit + Depreciation + Amortization

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



Key Performance Indicators (2Q Cumulative)

In the first half of the current fiscal year, both sales and profits decreased compared with the same period of the previous fiscal year, resulting in a slight deterioration in business indicators

| | 2Q FYE March 2021 | 2Q FYE March 2022 |
|--|-------------------|-------------------|
| Operating Margin | 14.5% | 12.4% |
| Adjusted EBITDA Margin | 19.9% | 17.2% |
| Adjusted Profit Margin | 9.8% | 7.8% |
| Basic Earnings per Share ¹ | ¥49.35 | ¥38.13 |
| Adjusted Basic Earnings per Share ¹ | ¥55.75 | ¥39.84 |
| ROE (Return on Equity Attributable to Owners of Parent) ² | 87.4% | 52.1% |
| ROIC (Return on Invested Capital) ³ | 16.0% | 15.6% |

¹ Effective July 30, 2020, the Company split the shares of its common stock on a 100-for-1 basis. Basic Earnings per Share and Adjusted 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

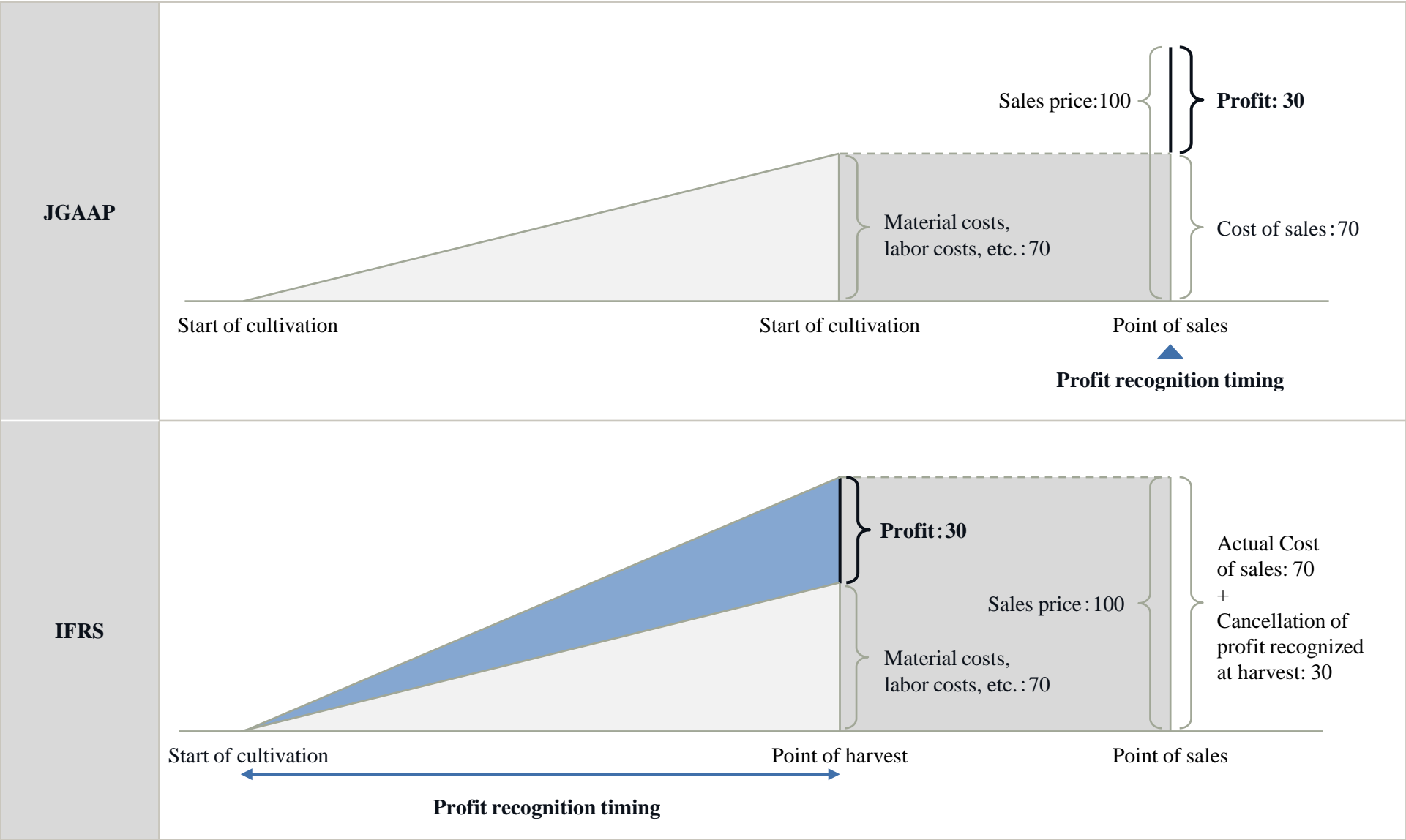
² Cumulative actual of the last 12 months (LTM) ROE = Profit Attributable to Owners of Parent Divided/ Total Equity Attributable to Owners of Parent during the Period

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” (2Q Cumulative)

Net income impact of JPY+1,265 million due to the adoption of agricultural accounting, mainly due to the impact of higher inventory levels of work-in-progress for Maitake

(JPY million)

| | Breakdown | 2Q FYE March 2022 |
|--|---|----------------------|
| Gains Arising from Changes in Fair Value (Income) | Gains in Work-in-Progress (Beg. Bal.) | (1,330) |
| | Gains in Work-in-Progress (End. Bal.) | 2,393 |
| | Harvest for the Current Period | 5,470 |
| | Other | 154 |
| | Total | 6,688 |
| Gains Arising from Changes in Fair Value (Cost of Sales) | Gains in Finished/Semi-finished Goods (Beg. Bal.) | (402) |
| | Gains in Finished/Semi-finished Goods (End. Bal.) | 567 |
| | Harvest for the Current Period | (5,470) |
| | Other | (116) |
| | Total | (5,422) |
| Total Net Impact | | +1,265 |

Gains included in work in process had a positive impact of JPY 1,063 million due to higher inventory levels compared to the beginning of the period

Gains included in finished and semi-finished goods had a positive impact of JPY 164 million due to higher inventory levels compared to the beginning of the period



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

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

| (JPY million) | | 1Q | 2Q | 3Q | 4Q | Total |
|-------------------|--------------------------------|---|---------|---------|----|-------|
| FYE March 2022 | Income | Gains in Work-in-Progress (Beg. Bal.) | (1,330) | (1,027) | | |
| | | Gains in Work-in-Progress (End. Bal.) | 1,027 | 2,393 | | |
| | Cost of Sales | Gains in Finished/Semi-finished Goods (Beg. Bal.) | (402) | (406) | | |
| | | Gains in Finished/Semi-finished Goods (End. Bal.) | 406 | 567 | | |
| | Harvest for the Current Period | | ±0 | ±0 | | |
| | Other | | 27 | 9 | | |
| Total Net Impact | | (271) | +1,537 | | | |

| (JPY million) | | 1Q | 2Q | 3Q | 4Q | Total | |
|-------------------|--------------------------------|---|---------|---------|---------|---------|---------|
| FYE March 2021 | Income | Gains in Work-in-Progress (Beg. Bal.) | (1,478) | (1,086) | (2,177) | (2,314) | (7,056) |
| | | Gains in Work-in-Progress (End. Bal.) | 1,086 | 2,177 | 2,314 | 1,330 | 6,908 |
| | Cost of Sales | Gains in Finished/Semi-finished Goods (Beg. Bal.) | (436) | (352) | (513) | (481) | (1,784) |
| | | Gains in Finished/Semi-finished Goods (End. Bal.) | 352 | 513 | 481 | 402 | 1,750 |
| | Harvest for the Current Period | | ±0 | ±0 | ±0 | ±0 | ±0 |
| | Other | | 25 | 11 | (3) | (36) | (3) |
| | Total Net Impact | | (451) | +1,263 | +102 | (1,099) | (186) |



Health Functionalities of Maitake

Focusing our efforts on the research to reveal the nutrients of Maitake that are expected to have high health functionalities

A type of polysaccharides “glucans”

Beta-Glucans

Beta-glucan, one of the major polysaccharides contained in maitake, is being studied and expected for maintaining and improvement of immunity¹⁻³.

¹ He et al. 2017 Int. J. Biol. Macromol. 101: 910-921.

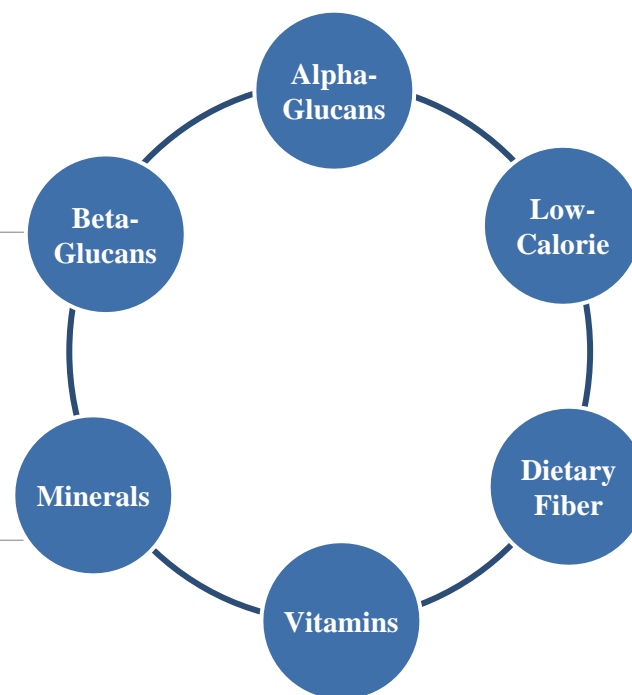
² Wesa et al. 2015 Cancer Immunol Immunother 64: 237-247.

³ Masuda et al. 2013 Int. J. Cancer 133: 108-120.

Essential nutrients for the body

Minerals

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



Expected to have various effects

Maitake Dietary Fiber

Dietary fiber is expected to have the effect of suppressing the rise in postprandial blood glucose level. In addition, Maitake has been confirmed to have a “**second meal effect**” that moderates the rise in blood sugar level after the first meal is eaten⁴.

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.

⁴ 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)

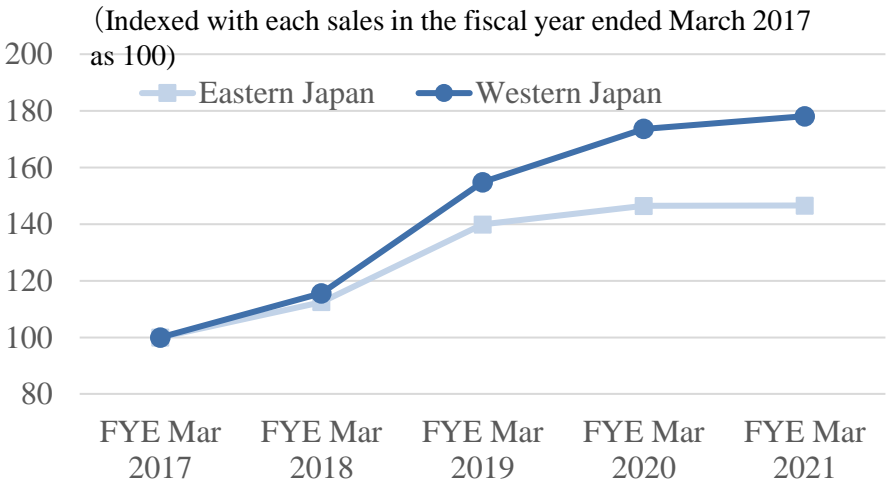


Comparison of Sales, Sales Volume, and Growth Rate of Eastern Japan and Western Japan

Compared to eastern Japan, consumption of maitake in western Japan is still low, and there is great potential for future growth
Strengthen demand development in the Kyushu region through Fukuoka Sales Office

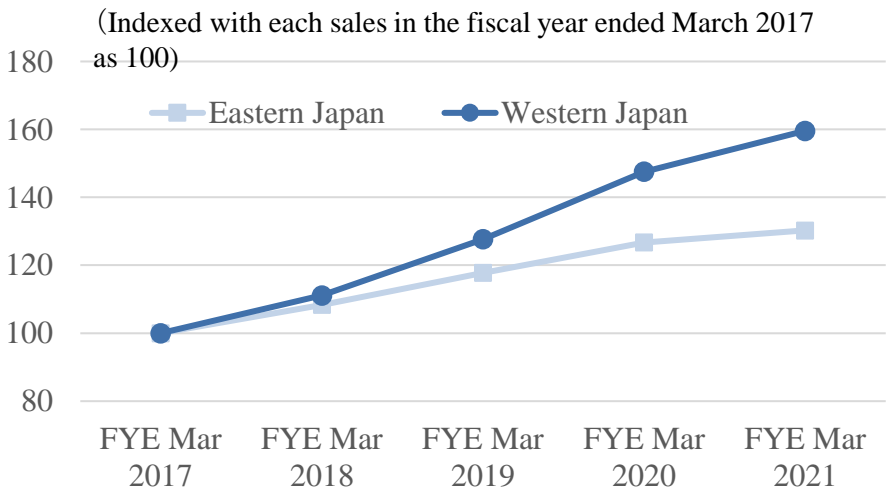


Sales Amount



| Compound Annual Growth Rate (CAGR) | |
|------------------------------------|-------|
| WEST | 15.5% |
| EAST | 10.0% |

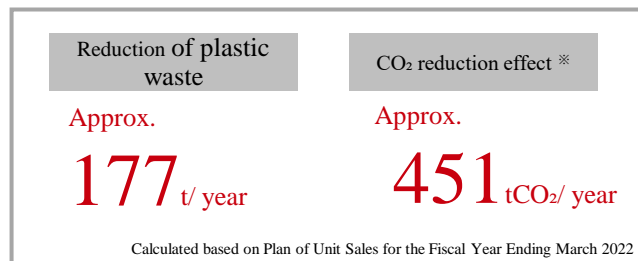
Sales Volume



| Compound Annual Growth Rate (CAGR) | |
|------------------------------------|-------|
| WEST | 12.4% |
| EAST | 6.8% |

Initiatives to Reduce Environmental Impact

Reduce CO₂ and plastic waste by continuously reviewing packaging materials and raw materials to reduce environmental impact



Review the material and thickness of the tray.

- Changed the material and thickness of the following trays, which are used in large quantities (Target: The right size pack, M sized pack, Shimeji Megumi W”)



“The right sized pack”



“M sized pack”



“Shimeji Megumi W”

Reduce CO₂ emissions and plastic waste

Reduce environmental impact

Reduce logistics CO₂ by short-distance purchasing
Improve CO₂ absorption rate through forestation

Procure local saw dust.

- Full-scale procurement of local cedar saw dust
- 28.5% of total procurement (FYE Mar 2022 1H actual)
- Promote the procurement of hardwood sawdust in the neighborhood.

Reduce use of petroleum resources

Use biomass ink

- Use biomass ink¹ for packaging materials (Items to be marked as completed: Some Maitake Pillow products, Eringi products)

¹ Biomass ink: Inks that use plant-derived ingredients (trees, rice bran, etc.) as part of the raw material.





COVID-19: Impact on Business Performance and Initiatives to Prevent Spread of Infection

Vaccinations have progressed, and the emergency declaration and the stricter anti-coronavirus measures have been cancelled, but the Company will continue its efforts to prevent infection

Impact on business performance

- At present, the declaration of a state of emergency and the stricter anti-coronavirus measures have been cancelled, and the severity of the external environment is beginning to ease

Initiatives to prevent the spread of infection

Company-wide Initiatives

- Thorough measurement of body temperatures and wearing of masks
- Enforcement of hand washing and disinfection / regular ventilation
- Meetings in a closed space are prohibited in principle
- Shift lunch time, record time and seats, and refrain from conversation
- During meals, set one meter interval between seats and refrain from face-to-face seating
- Recommend use of contact tracing apps
- Curb cross-state travel

Initiatives at sales offices, etc.

- Continue to support telework at sales offices depending on business needs



2

Forecast of Consolidated Financial Results for FYE March 2022



Assumptions for Forecast of Consolidated Financial Results for FYE March 2022

As expected at the beginning of the fiscal year, vaccinations are progressing and the harshness of the external environment is beginning to ease

Outlook for the Group

- Assuming sluggish consumption due to prolonged priority measures such as declaration of emergency and the stricter anti-coronavirus measures, increased tendency of consumers to save money, decreased frequency of visits to supermarkets, etc.
- Crude oil prices, which had been lower than expected in the last fiscal year, are expected to normalize in this fiscal year
- Assuming that the severe external environment will be eased in the second half of this fiscal year

Total Revenue / Income

- Revenues are Maitake JPY 20.8 billion (+4.3% YoY), Eringi JPY 3.3 billion (-1.5% YoY), Buna-Shimeji JPY 6.5 billion (-4.4% YoY), and Other Mushrooms JPY 4.1 billion (+9.5% YoY)
- Total Revenue is JPY 35.3 billion (+2.4% YoY), Gains Arising from Changes in Fair Value is JPY 16.1 billion (-3.9% YoY), and Total Income is JPY 51.5 billion (+0.3% YoY)

Cost of Sales/ Gross Profit

- Due to the increase in utility costs associated with the rise in crude oil prices, which was low in the previous fiscal year, Material Costs, Labor Costs, etc. are JPY 19.1 billion (+6.0% YoY), and Gains Arising from Changes in Fair Value is JPY 16.1 billion (-5.4% YoY)
- Cost of Sales is JPY 35.2 billion (+0.5% YoY) and gross profit is JPY 16.3 billion (+0.1% YoY)

SG&A/ Operating Profit

- SG&A expenses are JPY 8.7 billion (+6.1% YoY) due to an increase in sales promotion expenses associated with over-the-counter sales promotion activities, an increase in business trips, an increase in labor costs, and other test and research expenses
- Operating Profit is JPY 7.4 billion (-5.0% YoY)

Financial Balance/ Profit

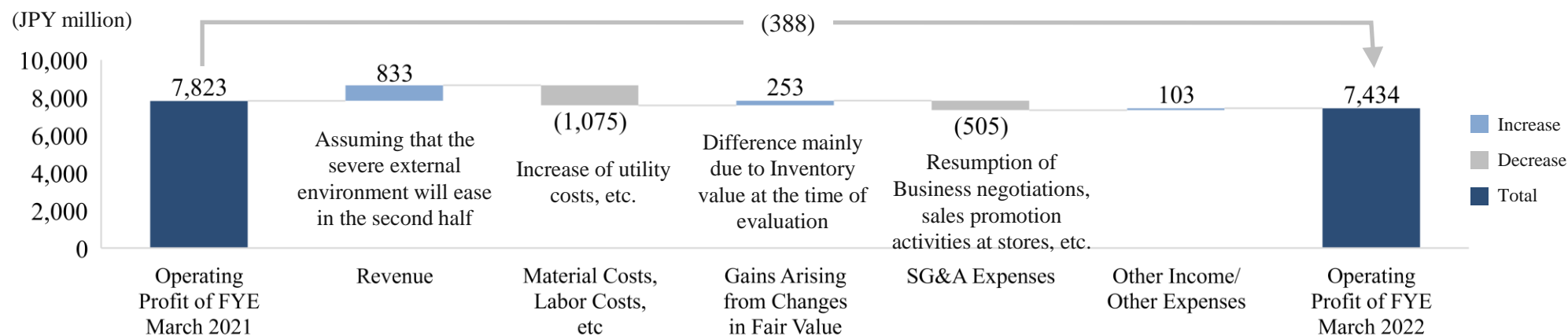
- Financial Balance is JPY -0.4 billion due to the reduction of interest expense associated with the repayment of borrowings carried out in the previous fiscal year
- Profit before Tax is JPY 6.9 billion (-2.0% YoY), and Profit Attributable to Owners of Parent is JPY 4.5 billion (-3.4% YoY)



Forecast of Consolidated Financial Results for FYE March 2022

| (JPY million) | FYE Mar 2021 Actual | FYE Mar 2022 Forecast | Change YoY |
|--------------------------------------|------------------------|--------------------------|---------------|
| Total Income | 51,380 | 51,553 | +0.3% |
| Revenue | 34,543 | 35,376 | +2.4% |
| Operating Profit | 7,823 | 7,434 | (5.0%) |
| vs Total Income | 15.2% | 14.4% | — |
| Profit before Tax | 7,125 | 6,982 | (2.0%) |
| Profit Attribute to Owners of Parent | 4,744 | 4,581 | (3.4%) |
| Basic earnings per share (Yen) | 119.03 | 114.80 | (3.6%) |
| [Reference] | | | |
| Adjusted Operating Profit | 8,090 | 7,434 | (8.1%) |
| Adjusted EBITDA | 10,070 | 9,388 | (6.8%) |
| Adjusted Profit | 5,218 | 4,749 | (9.0%) |

- We assume that the tailwind effect of the COVID-19 felt last fiscal year on our mushroom business will mostly disappear in the first half of this fiscal year
- At the moment, the harshness of the external environment can be felt, such as consumers' desire to save money, but we assume that the severe external environment will be eased in the second half of this fiscal year
- Costs decreased due to lower-than-expected crude oil prices in the last fiscal year, but this fiscal year, we assume the crude oil prices to normalize and cause cost increases
- For this fiscal year, we have formulated the financial forecast assuming that the tailwind effect of the COVID-19 and the positive impact of the crude oil prices will mostly be eliminated



Note: Adjusted Operating Profit = Operating Profit + Management Fees¹ + Listing-Related Expenses² Adjusted EBITDA = Adjusted Operating Profit + Depreciation + Amortization

Adjusted Profit = Profit + Management Fees¹ + Listing-Related Expenses² + Refinance-Related Gains/Losses³ + Tax Adjustments

¹ Management Fees are compensation based on the management contract between the Company and Bain Capital Private Equity, LP, and SHINMEI HOLDINGS CO., LTD.

² Listing-Related Expenses are temporary costs including listing preparation advisory costs, costs related to building an organizational structure for listing, costs related to the introduction of IFRS and timely disclosure system for listing, real estate registration costs associated with a merger, etc.

³ Refinancing-Related Gains/Losses are advisory expenses that were temporarily incurred in connection with refinancing carried out after the Company was closed to the public. These expenses are offset by temporary gains that were incurred due to the decline in contract interest rates associated with the refinancing and the increase in interest expense during the remaining contract period that occurs in conjunction with the refinancing.



Financial Policies for Future

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

Enhancing Investment for Growth

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



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Yukiguni Maitake Co., Ltd.

The Company's Financial Policy

Strengthening Financial Structure

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

Shareholder Return Policy

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



Shareholder Return Policy

The Company's policy is to return profits to shareholders through a target of a consolidated Payout Ratio of approximately 30%
Our own product sets are presented once a year for shareholder benefits

Dividends

| | | |
|--------------------------|-------------------------|-----------|
| | Annual DPS (Forecast) | JPY 42.00 |
| Dividend per Share (DPS) | Interim DPS (Forecast) | JPY 14.00 |
| | Year-End DPS (Forecast) | JPY 28.00 |

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.)

Shareholder Benefit Program

Benefit Details

Set of the Company's products (Select 1 set from the following 3 sets)



A-set



B-set



C-set

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.

Note: The products shown in the photo are the gift items for the FYE March 2021, and are subject to change.



3

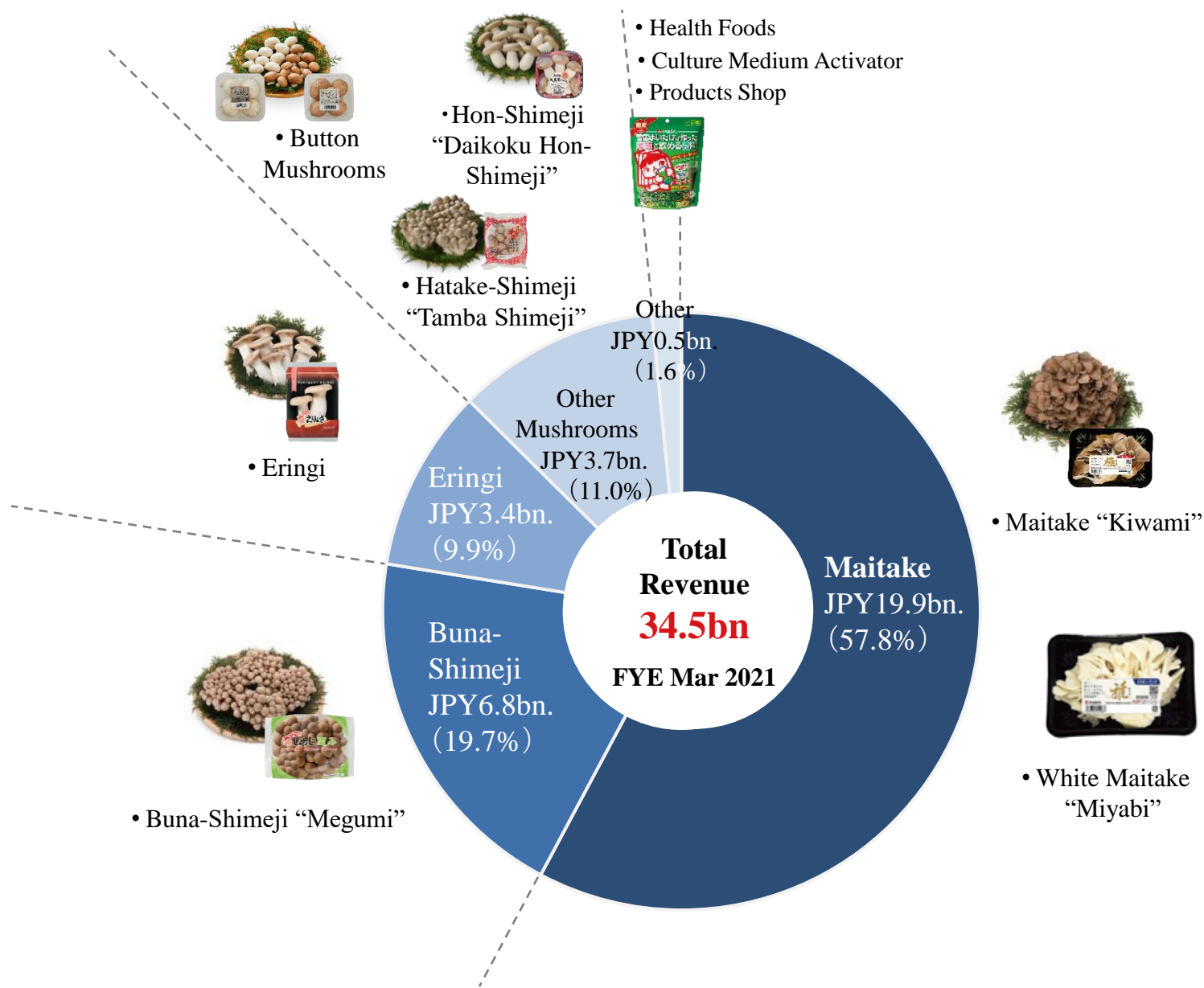
Reference Materials



Main Products and Composition Ratio of Each Product to Sales Revenue

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

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



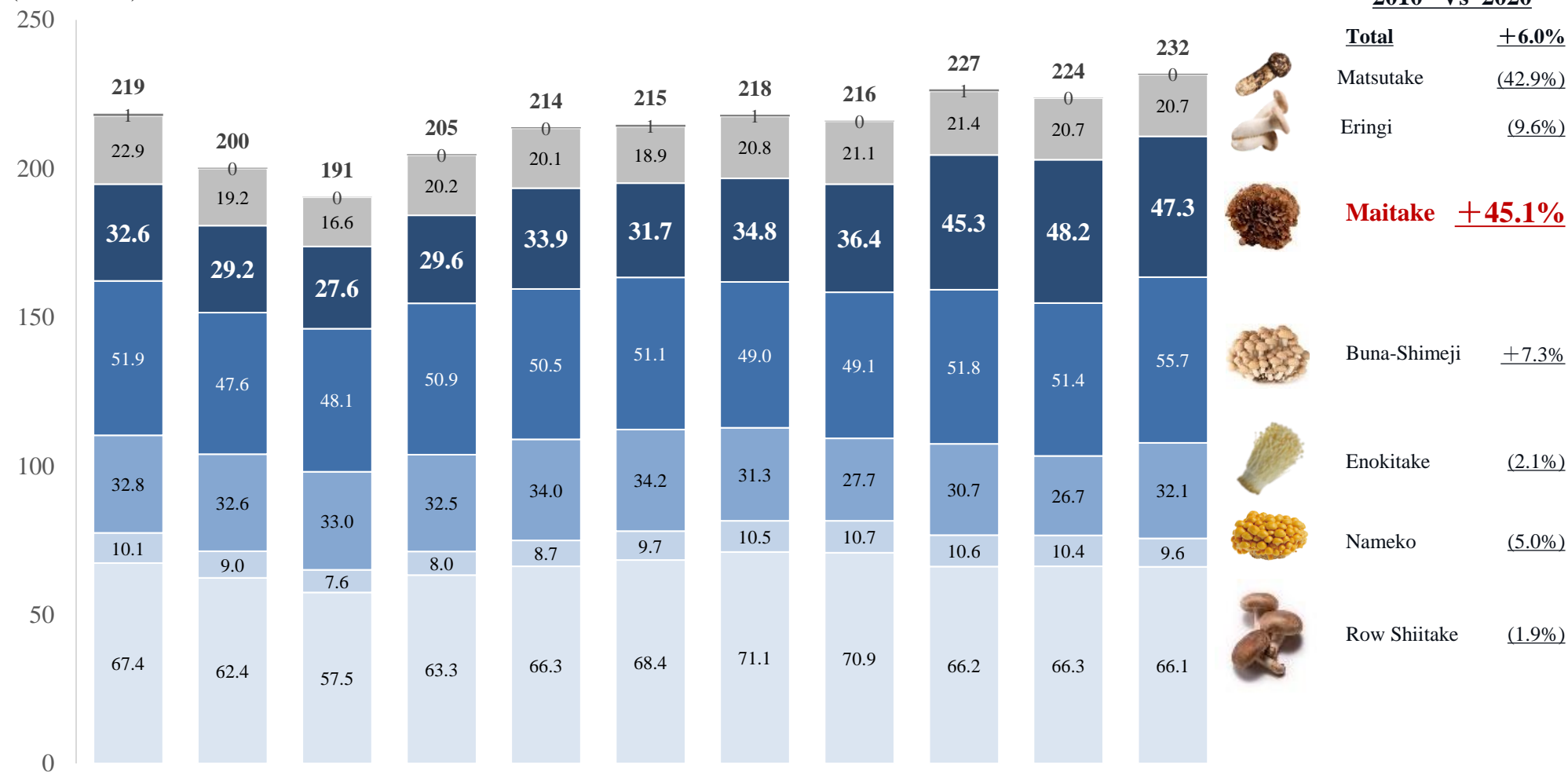


Breakdown of Major Mushroom Markets (by Market Size)

The overall market for mushrooms shrank temporarily due to the effects of rumors associated with the Great East Japan Earthquake, but has been expanding since 2013

In 2020, the production volume of Maitake increased by 7.6% year-on-year, but the market size decreased by 2.0% due to a decline in market unit price

(JPY billion)



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

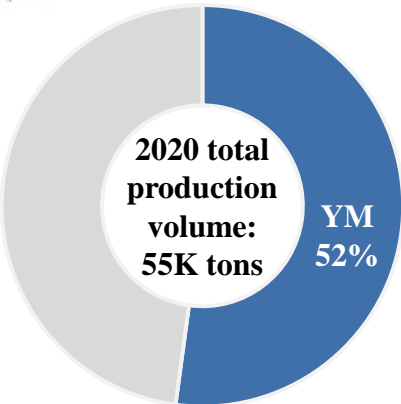


Mushroom Production Share of Yukiguni Maitake Group (YM)

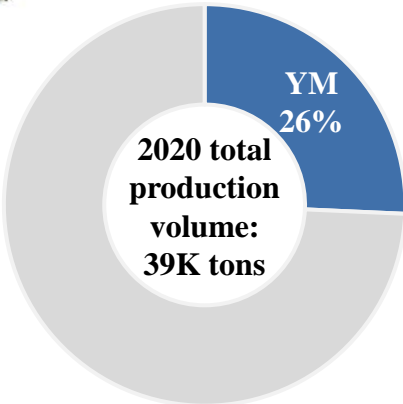
Our mushroom products including maitake have high shares in respective market



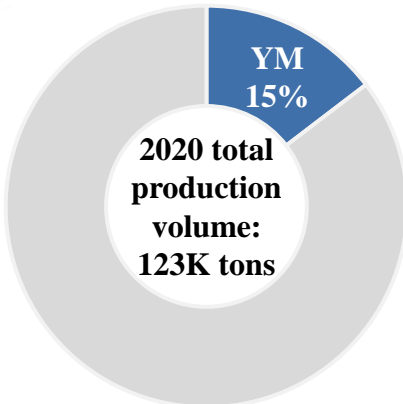
Maitake



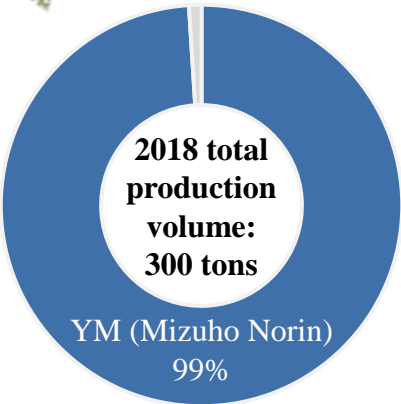
Eringi



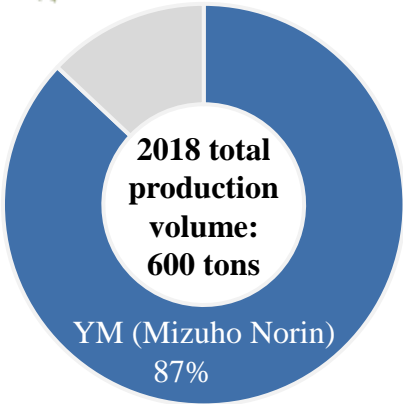
Buna-Shimeji



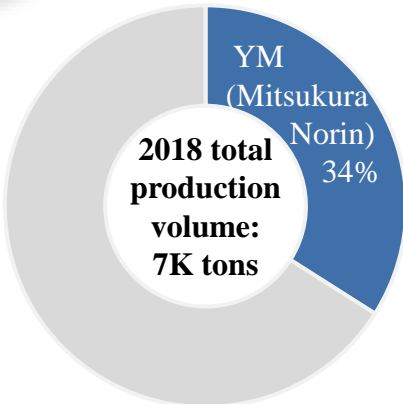
Hon-Shimeji



Hatake-Shimeji



Button Mushrooms

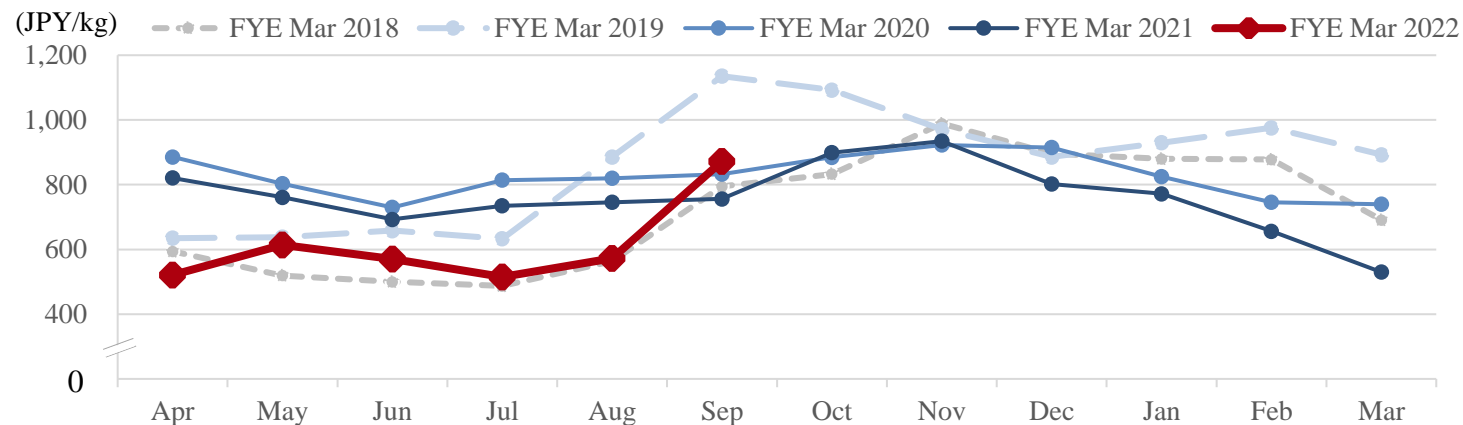


Note: Market share of each mushroom is calculated using domestic production volume (Our company’s production ÷ Total domestic production)
Sources: Forestry Agency “Statistical Survey on Production of Minor Forest Products”, Ministry of Agriculture, Forestry and Fisheries “Local Vegetable Production Survey”

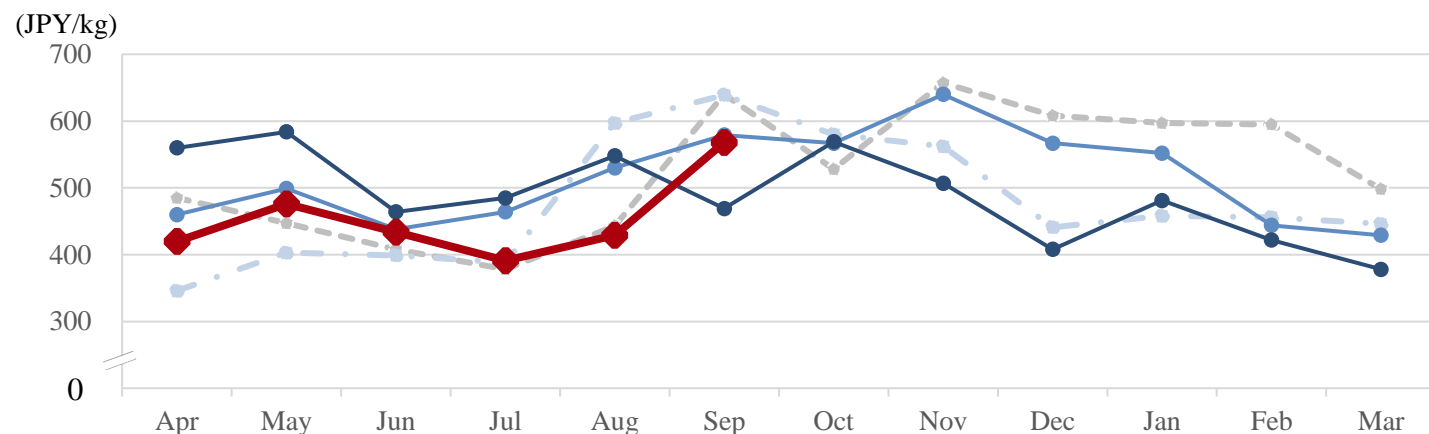


Changes in Market Transaction Unit Price

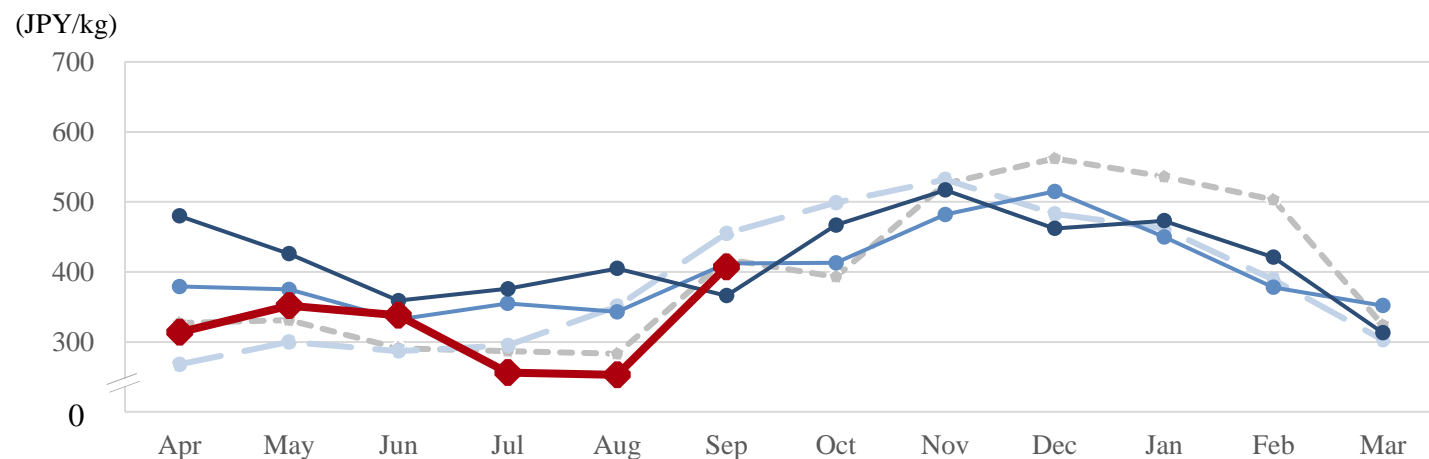
Maitake



Eringi



Buna-Shimeji



Weighted Average Unit Price (JPY)

| | |
|--------------|-----|
| FYE Mar 2022 | — |
| FYE Mar 2021 | 762 |
| FYE Mar 2020 | 831 |
| FYE Mar 2019 | 873 |
| FYE Mar 2018 | 727 |

| | |
|--------------|-----|
| FYE Mar 2022 | — |
| FYE Mar 2021 | 486 |
| FYE Mar 2020 | 514 |
| FYE Mar 2019 | 475 |
| FYE Mar 2018 | 527 |

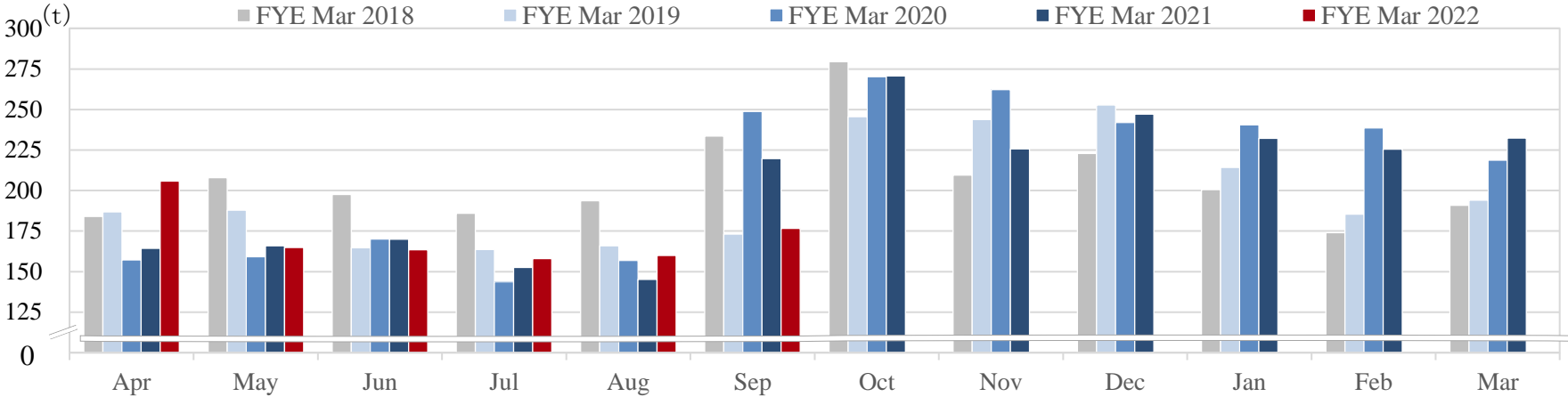
| | |
|--------------|-----|
| FYE Mar 2022 | — |
| FYE Mar 2021 | 422 |
| FYE Mar 2020 | 405 |
| FYE Mar 2019 | 388 |
| FYE Mar 2018 | 403 |

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

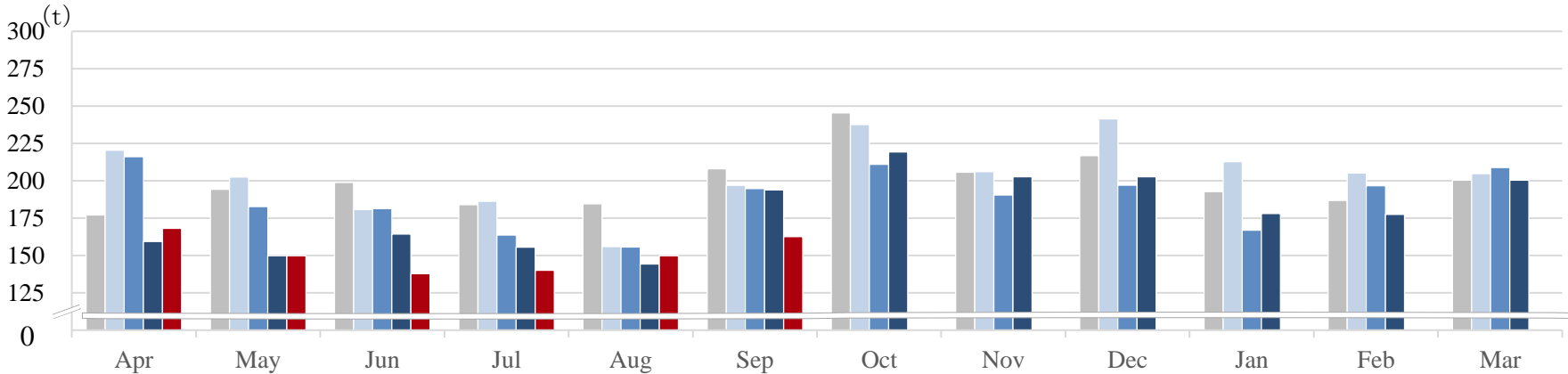


Changes in Market Sales Volume

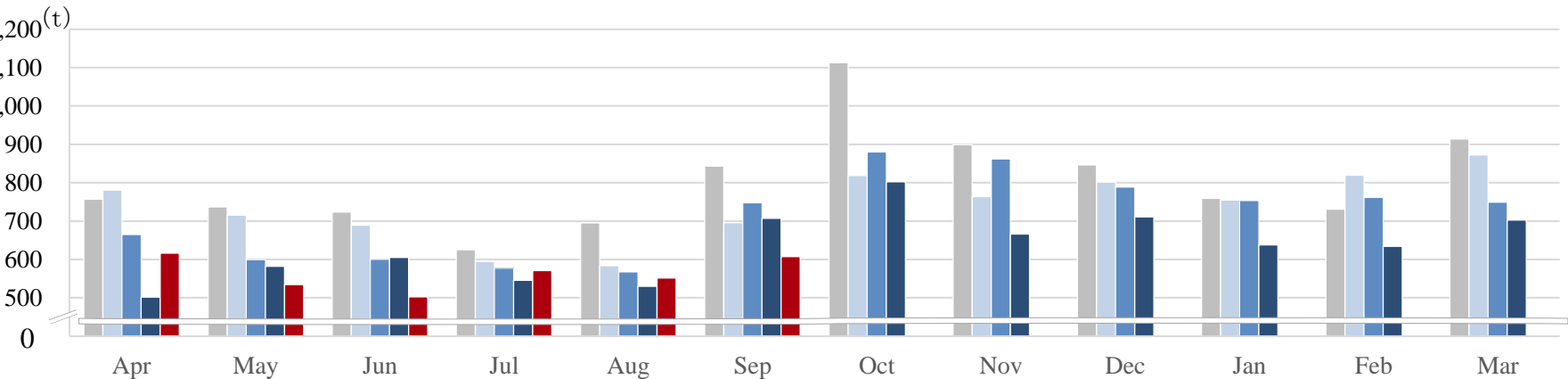
Maitake



Eringi



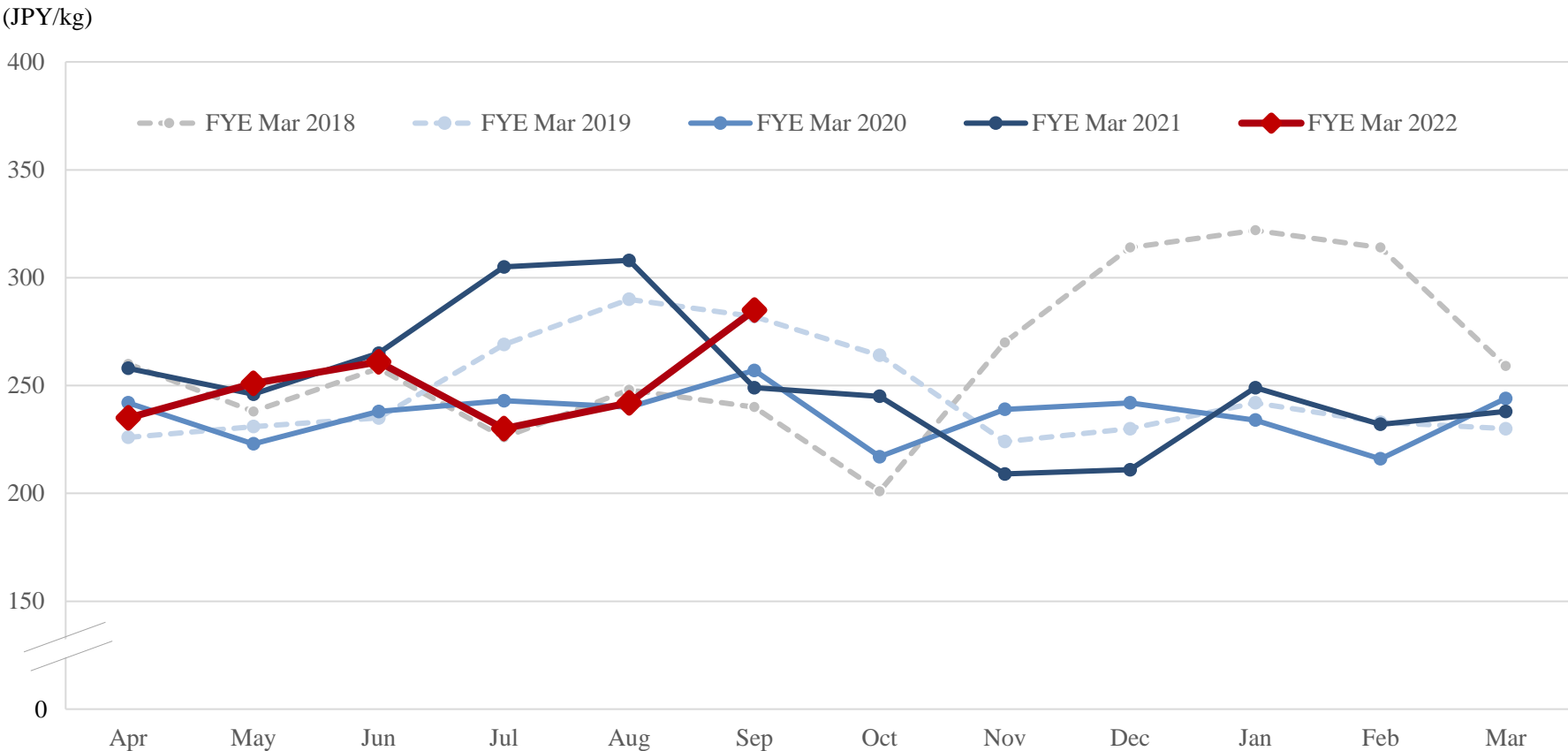
Buna-Shimeji



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



Vegetable Market Transaction Trends



| | | | | | | | | | | | | |
|--------------|-----|-----|-----|------------|------------|------------|-----|-----|-----|-----|-----|-----|
| FYE Mar 2022 | 235 | 251 | 261 | 230 | 242 | 285 | | | | | | |
| FYE Mar 2021 | 258 | 246 | 265 | 305 | 308 | 249 | 245 | 209 | 211 | 249 | 232 | 238 |
| FYE Mar 2020 | 242 | 223 | 238 | 243 | 240 | 257 | 217 | 239 | 242 | 234 | 216 | 244 |
| FYE Mar 2019 | 226 | 231 | 235 | 269 | 290 | 282 | 264 | 224 | 230 | 242 | 233 | 230 |
| FYE Mar 2018 | 260 | 238 | 258 | 226 | 248 | 240 | 201 | 270 | 314 | 322 | 314 | 259 |

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.



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Yukiguni Maitake Co., Ltd.

Securities Code: 1375