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November 25, 2021

For Immediate Release

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Capital Investment by Consolidated Subsidiary to Increase Button-Mushroom Production **-Evolution into Comprehensive Premium Mushroom Manufacturer-**

Yukiguni Maitake Co., Ltd. (the “Company”) hereby announces that our consolidated subsidiary, Mitsukura Norin Co., Ltd. (headquarters: Setouchi-city, Okayama; hereinafter “Mitsukura Norin”) will make capital investment to increase production in order to meet the growing demand for button-mushrooms going forward.

1. Background and Purpose of Capital Investment

In October 2019, the Company acquired Mitsukura Norin, which produces and sells button-mushrooms, to make it a subsidiary. Selling button-mushrooms through the Company's direct sales channels and proposals for sales promotion plans, the sales volume of button-mushrooms has steadily increased, and the button-mushroom business has contributed to the Group's revenue. Therefore, in order to further strengthen our button-mushroom business, in the medium-term business plan for FYE March 31, 2022 to FYE March 31, 2026 announced on November 4, 2021, we have set the expansion of our button-mushroom business as one of our growth strategies under the basic policy of “Create further demand in the domestic mushroom market and evolve into a comprehensive manufacturer of premium mushrooms with global operations.”

Unlike other mushrooms, button-mushrooms can be eaten raw and can be eaten all year round such as salads and *ajillo*, regardless of the season. It is also unlikely to compete with the Japanese mushrooms that we handle, such as maitake, and they are complementary to each other. The domestic production of button-mushrooms is about 7,000 tons¹, which is about 13% of the domestic production of maitake, but

the domestic production of button-mushrooms increased by about 25% from 2012 to 2018. Therefore, we believe that there is a high potential for further growth in the button-mushroom business by creating demand through menu proposals and aggressive promotions.

In the future, the Group will strengthen its button-mushroom business both in Japan and overseas, and build a system to increase button-mushroom production through capital investment in order to meet the growing needs of customers.

¹ Forestry Agency “Statistical Survey on Production of Minor Forest Products”, Ministry of Agriculture, Forestry and Fisheries “Local Vegetable Production Survey”

2. Overview of Capital Investment

Investment details: Increase production volume and improve productivity through expansion and renovation of incubation rooms, packaging lines, and other facilities

Productive capacity: Increase button-mushroom production volume by approximately 30% compared to FYE March 2021 actual (planned)

Amount of investment: Approximately ¥900 million (FYE March 2022- FYE March 2024)

3. Impact on Forecasted Financial Results

We estimate that the impact to be caused by this matter on the Company’s forecasted financial results for FYE March 2022 would be insignificant.

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