



# 雪国まいたけ

**Yukiguni Maitake Co., Ltd.**

## **Financial Results for Fiscal Year Ended March 2021**

May 12, 2021

Tokyo Stock Exchange, First Section: 1375



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**1** Summary of Consolidated Financial Results for FYE March 2021

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## Summary of Financial Results for Fiscal Year Ended March 2021

### Revenue

YoY

**+JPY 25M**  
**(+0.1%)**

- Against the background of consumers' health consciousness, the sales weight of the mushroom business increased for the full year, and sales increased
- In the 4Q, the consumption sentiment slowed down more than expected due to the prolongation of priority measures such as the declaration of an emergency due to the spread of new coronavirus variants and the Stricter COVID-19 measures prevention of the spread
- Despite a decrease in sales of cut vegetables and natto businesses, which were closed in February 2020, revenue from button mushrooms of Mitsukura Norin, which became a subsidiary in October 2019, remained strong, and contributed to an increase in the total revenue

### Adjusted Operating Profit

YoY

**+JPY**  
**1.19bn**  
**(+17.3%)**

- Profit increased due to increased revenue from mushroom business, decrease of utility cost, improvement of production quality and reduction of labor cost by improvement of production efficiency
- Regarding selling, general and administrative expenses, while sales costs fell due to refraining from face-to-face business meetings to prevent the spread of the COVID-19 infection and the suspension of sales promotion activities at supermarkets, variable costs such as freight charges and sales commissions due to sales expansion have increased



## Financial Highlights of FYE March 2021: Consolidated Statements of Income (Cumulative)

(JPY million)	FYE			FYE Mar			Increase (Decrease)	Change YoY
	March 2020	vs Total Income	vs Revenue	2021	vs Total Income	vs Revenue		
Total Income <sup>1</sup>	50,759	-	-	<b>51,380</b>	-	-	+620	+1.2%
Revenue	34,517	-	-	<b>34,543</b>	-	-	+25	+0.1%
Gains Arising from Changes in Fair Value	16,242	-	-	<b>16,837</b>	-	-	+594	+3.7%
Operating Profit	6,691	13.2%	19.4%	<b>7,823</b>	15.2%	22.6%	+1,131	+16.9%
Profit before Tax	6,646	13.1%	19.3%	<b>7,125</b>	13.9%	20.6%	+479	+7.2%
Profit Attributable to Owners of Parent	4,346	8.6%	12.6%	<b>4,744</b>	9.2%	13.7%	+397	+9.2%
[Reference]								
Adjusted Operating Profit <sup>2</sup>	6,899	13.6%	20.0%	<b>8,090</b>	15.7%	23.4%	+1,191	+17.3%
Adjusted EBITDA <sup>2</sup>	8,672	17.1%	25.1%	<b>10,070</b>	19.6%	29.2%	+1,398	+16.1%
Adjusted Profit <sup>2</sup>	4,282	8.4%	12.4%	<b>5,218</b>	10.2%	15.1%	+935	+21.9%

<sup>1</sup> Total Income = Revenue + Gains Arising from Changes in Fair Value

<sup>2</sup> Operating Profit, EBITDA, and Profit are adjusted by excluding one-time expenses. Adjusted Operating Profit = Operating Profit + Management Fees<sup>3</sup> + Listing-Related Expenses<sup>4</sup>; Adjusted EBITDA = Adjusted Operating Profit + Depreciation + Amortization;

Adjusted Profit = Profit + Management Fees + Listing-Related Expenses + Refinance-Related Gains/Losses<sup>5</sup> + Tax Adjustments;

<sup>3</sup> Management Fees are compensation based on the management contract between the Company and Bain Capital Private Equity, LP, and SHINMEI HOLDINGS CO., LTD, and will not occur after the FYE March 2022.

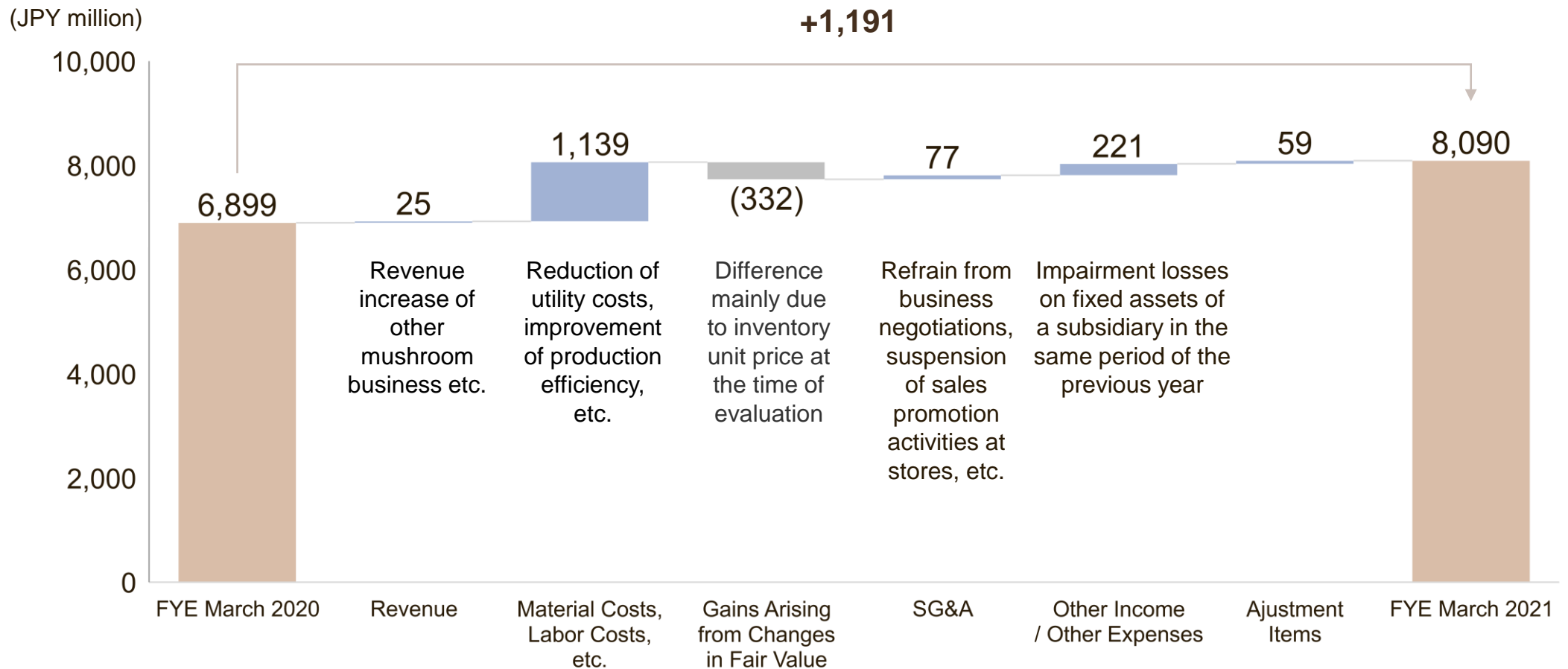
<sup>4</sup> Listing-Related Expenses are temporary costs including listing preparation advisory costs, costs related to building an organizational structure for listing, costs related to the introduction of IFRS and timely disclosure system for listing, real estate registration costs associated with a merger, etc.

<sup>5</sup> 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.



## Analysis of Adjusted Operating Profit Year-on-Year (Cumulative)

- Adjusted operating income increased JPY 1,191 million year-on-year due to a decrease in utility costs and other factors



Adjusted Operating Profit = Operating Profit + Management Fees<sup>1</sup> + Listing-Related Expenses<sup>2</sup>

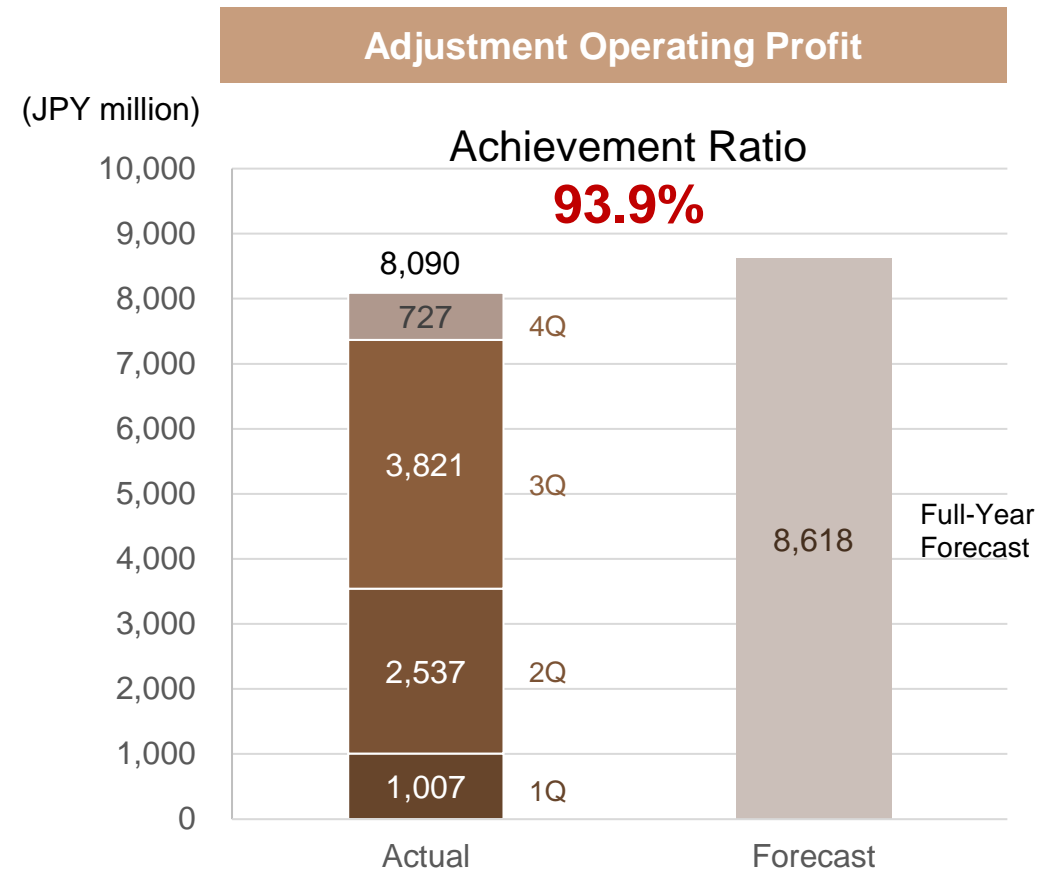
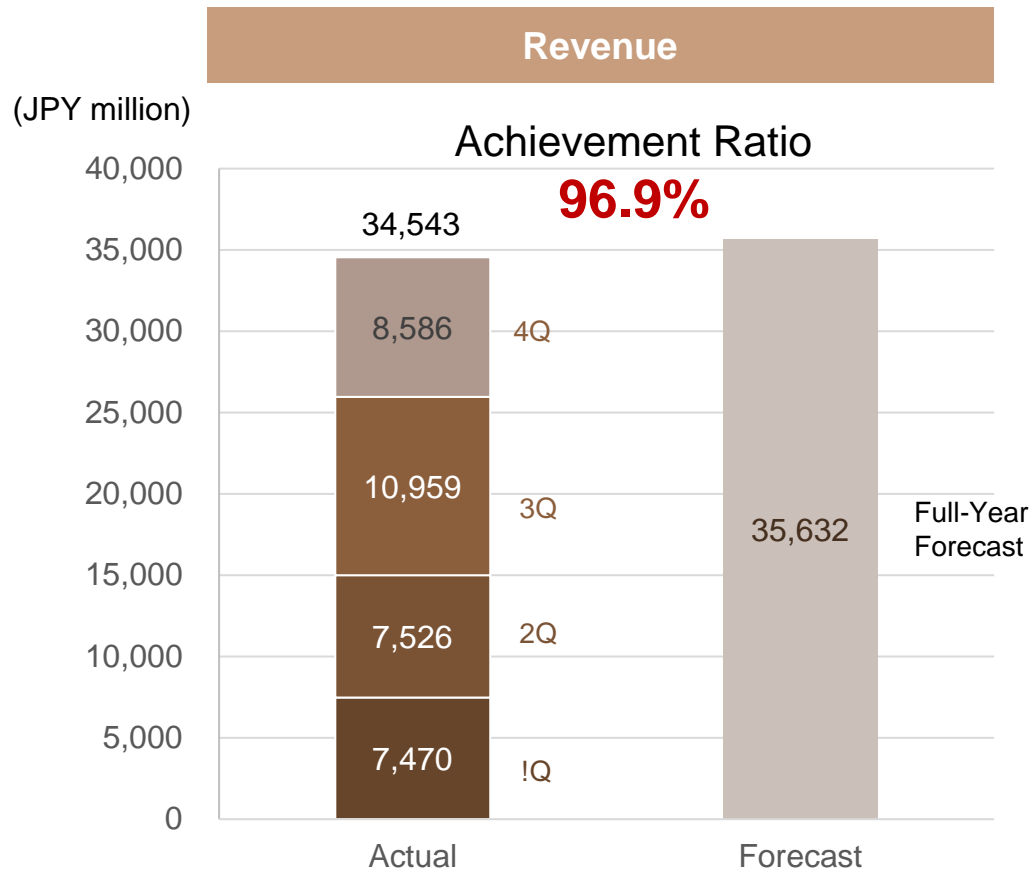
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<sup>2</sup> Listing-Related Expenses are temporary costs including listing preparation advisory costs, costs related to building an organizational structure for listing, costs related to the introduction of IFRS and timely disclosure system for listing,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



# Forecast of Consolidated Financial Results for FYE March 2021 Progress (Cumulative)

- The consumption sentiment slowed down more than expected due to the prolongation of priority measures such as the declaration of the state of emergency and the Stricter COVID-19 measures
- Revenue fell short of 3.1% and adjusted operating profit fell short of 6.1% compared to the full year's earnings forecast



Operating Profit is adjusted by excluding one-time expenses

Adjusted Operating Profit = Operating Profit + Management Fees<sup>1</sup> + Listing-Related Expenses<sup>2</sup>

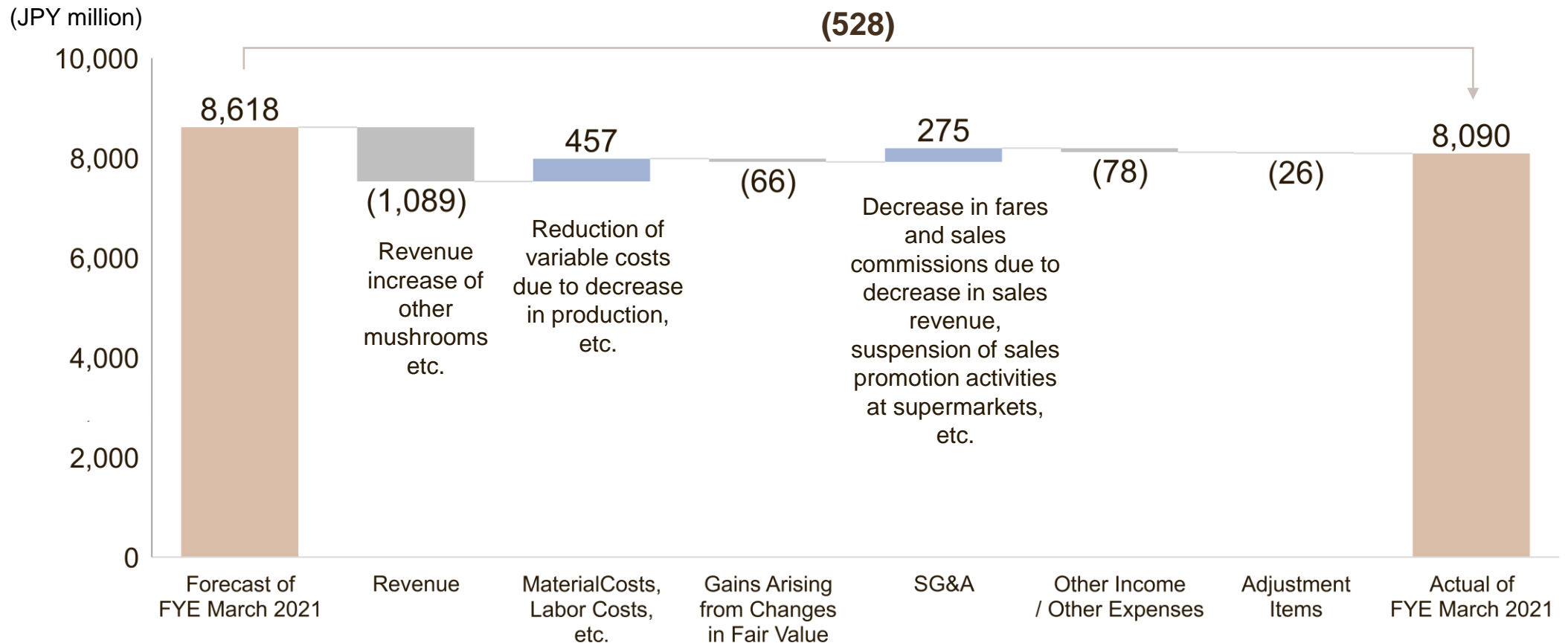
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<sup>2</sup> Listing-Related Expenses are temporary costs including listing preparation advisory costs, costs related to building an organizational structure for listing, costs related to the introduction of IFRS and timely disclosure system for listing,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



## Analysis of Adjusted Operating Profit Compared to Earning Forecast (Cumulative)

- The wind was more severe than we expected, such as the slump in the vegetable market and the decrease in the frequency of consumer visits to supermarkets due to the prolonged corona damage
- Profit decreased by JPY 528 million from the forecast on an adjusted operating income basis



Adjusted Operating Profit = Operating Profit + Management Fees <sup>1</sup> + Listing-Related Expenses <sup>2</sup>

<sup>1</sup> Management Fees are compensation based on the management contract between the Company and Bain Capital Private Equity, LP, and SHINMEI HOLDINGS CO., LTD, and will not occur after the FYE March 2022.

<sup>2</sup> 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.





## Revenue by Business Segment (Cumulative)

- While revenue from the mushroom business segment increased, mainly our mainstay maitake, revenue from the other business segment decreased due to withdrawal from unprofitable businesses, but the total revenue increased slightly

(JPY million)	FYE March 2020	Composition Ratio	FYE March 2021	Composition Ratio	Increase (Decrease)	Change YoY
Total Revenue	34,517	100.0%	<b>34,543</b>	100.0%	+25	+0.1%
Mushroom Business	32,625	94.5%	<b>33,995</b>	98.4%	+1,370	+4.2%
Maitake	19,785	57.3%	<b>19,966</b>	57.8%	+181	+0.9%
Eringi	3,426	9.9%	<b>3,419</b>	9.9%	(6)	(0.2%)
Buna-Shimeji	6,700	19.4%	<b>6,818</b>	19.7%	+118	+1.8%
Other Mushrooms	2,713	7.9%	<b>3,791</b>	11.0%	+1,077	+39.7%
Other	1,892	5.5%	<b>547</b>	1.6%	(1,344)	(71.1%)

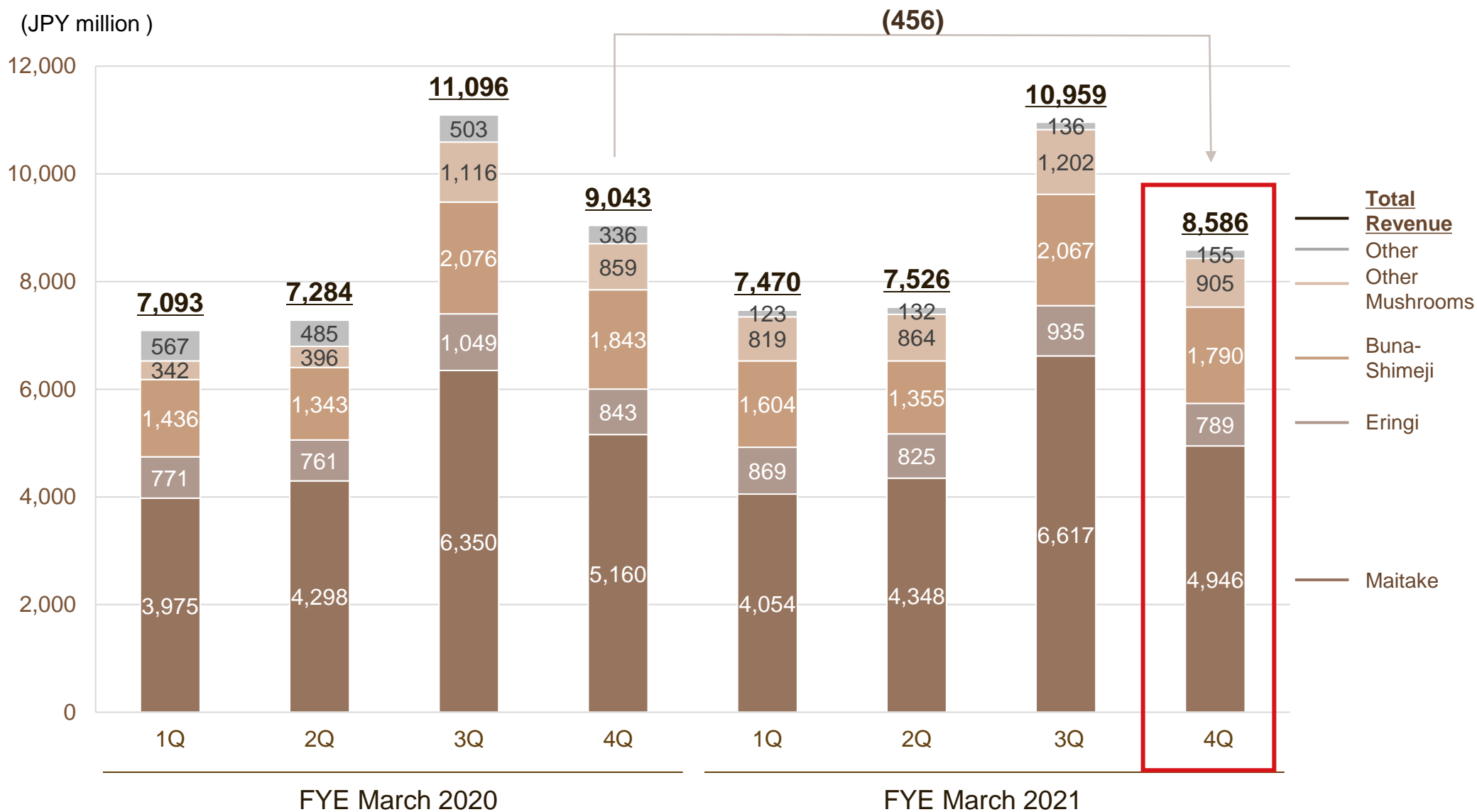
[Reference figures] Revenue excluding special factors such as cut vegetables & natto (closed in February 2020) and Mitsukura Norin (acquired in October 2019)

(JPY million)	FYE March 2020	Composition Ratio	FYE March 2021	Composition Ratio	Increase (Decrease)	Change YoY
Total Revenue	32,210	100.0%	<b>32,266</b>	100.0%	+56	+0.2%
Mushroom Business	31,604	98.1%	<b>31,719</b>	98.3%	+114	+0.4%
Other	605	1.9%	<b>547</b>	1.7%	(58)	(9.6%)



# Revenue Trends by Business Segment (Quarterly)

- In the fourth quarter, revenue decreased year-on-year due to the decline in unit price of Maitake, and total revenue also decreased year-on-year





## Status of Mushroom Business of FYE March 2021 (Cumulative)

- The frequency of consumer visits to stores has decreased since summer, but health-conscious needs have continued, so sales volume has increased, but unit sales prices have been sluggish year-on-year
- The unit price of Eringi remained positive year-on-year from April to August, and full-year revenue was almost as planned
- Although the sales volume of Buna-shimeji decreased from the same period of the previous year, the unit sales price remained almost favorable from April to February

Sales Volume Comparison <sup>1</sup>	Unit Price Comparison <sup>1</sup>			
	Change YoY	vs. Forecast <sup>3</sup>		
(%)				
Maitake	104.7%	97.6%	96.3%	96.2%
Eringi	97.7%	97.8%	103.3%	102.4%
Buna-Shimeji	95.1%	99.0%	109.4%	101.0%
Other Mushrooms <sup>2</sup>	—	151.5%	—	175.6%

<sup>1</sup> Comparison excluding processed products

<sup>2</sup> Comparison by the total value of hon-shimeji, hatake-shimeji and button mushrooms

<sup>3</sup> Comparison with the Group's consolidated financial results forecast in the "Notice of Our Financial Results, etc. Accompanying Listing on the First Section of the Tokyo Stock Exchange" announced on September 17, 2020



## Financial Highlights of FYE March 2021: Consolidated Statements of Financial Position

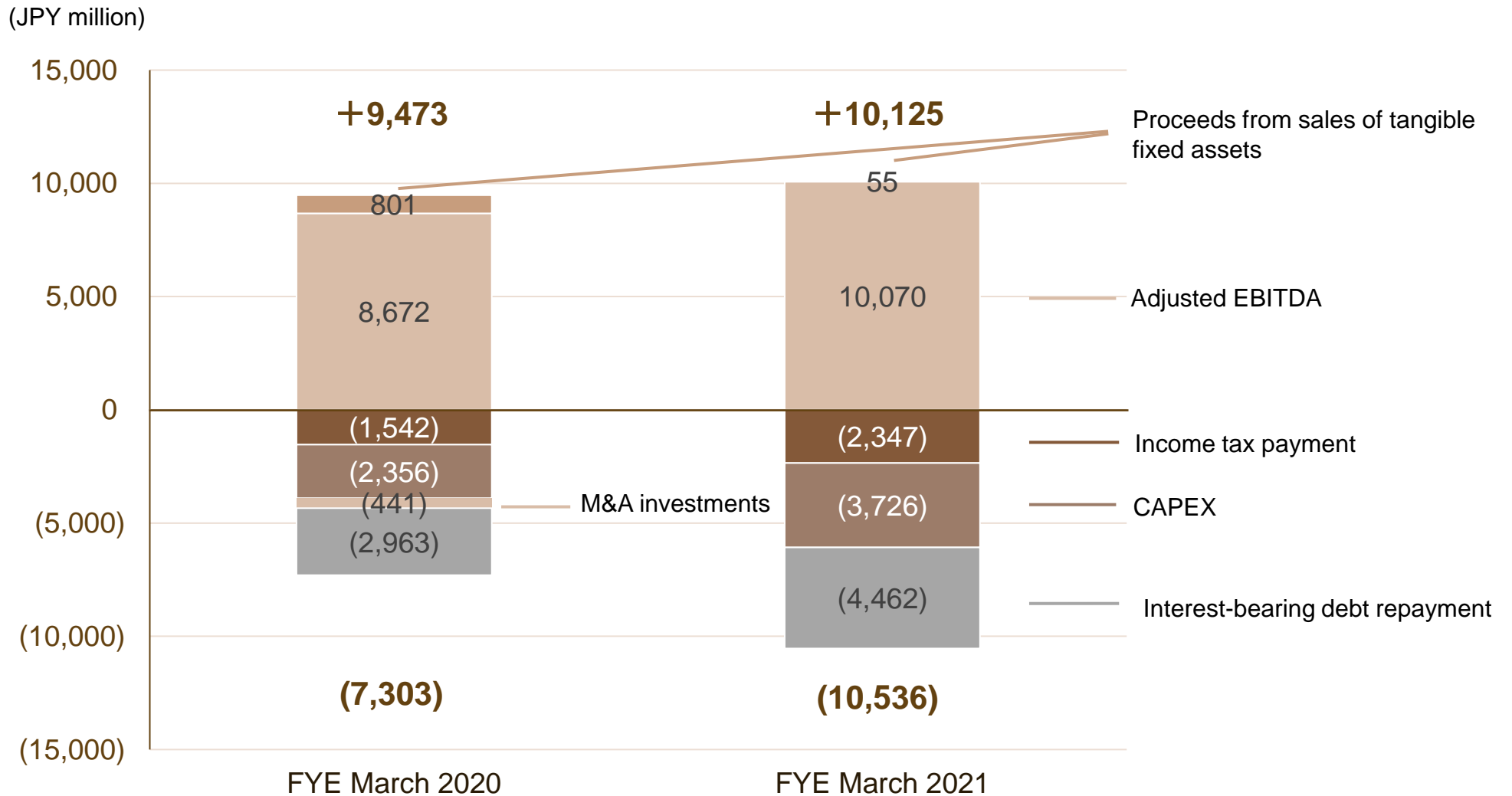
- Borrowings significantly reduced due to pre-deadline repayments and contract repayments
- While liabilities are declining, equity is growing, and the financial stability is maintained

(JPY million)	As of Mar 31, 2020	As of Mar 31, 2021	Increase (Decrease)	Change	Main reasons for increase & decrease
Current Assets	11,045	<b>10,202</b>	(842)	(7.6%)	
Inventories	1,292	<b>1,390</b>	+98	+7.6%	Increase in gains arising from changes in fair value
Biological Assets	3,019	<b>2,904</b>	(114)	(3.8%)	
Non-current Assets	24,153	<b>25,441</b>	+1,287	+5.3%	Increase in tangible fixed assets
<b>Total Assets</b>	<b>35,199</b>	<b>35,644</b>	<b>+444</b>	<b>+1.3%</b>	
Current Liabilities	7,280	<b>7,614</b>	+334	+4.6%	Accounts payable, facility notes payable, accrued income taxes, etc.
Current Portion of Long-Term Borrowings	942	<b>1,132</b>	+190	+20.2%	
Non-current Liabilities	23,017	<b>18,798</b>	(4,218)	(18.3%)	
Borrowings	22,438	<b>18,351</b>	(4,086)	(18.2%)	Pre-deadline repayments JPY 3.5 billion Contract repayments JPY 1.0 billion
<b>Total Liabilities</b>	<b>30,297</b>	<b>26,413</b>	<b>(3,884)</b>	<b>(12.8%)</b>	
<b>Total Equity</b>	<b>4,901</b>	<b>9,230</b>	<b>+4,329</b>	<b>+88.3%</b>	
<b>Total Liabilities and Equity</b>	<b>35,199</b>	<b>35,644</b>	<b>+444</b>	<b>+1.3%</b>	



# Cash Allocation Results (Cumulative)

- Expanding capital investments to increase production for expanding sales channels and to promote factory automation for improving productivity
- On the other hand, also implementing repayments of the interest-bearing debt to improve our financial position





# Key Financial Indicators

- Implemented repayments and improved financial indicators for the interest-bearing debt in light of our strong business performance

## Changes of Financial Indicator Regarding Goodwill

## Changes in Financial Indicator Regarding Net Debt

### Goodwill to Net Assets Ratio <sup>1</sup>

### Net Debt to Equity Ratio <sup>1</sup>

2.2x

FYE  
March 2019

1.1x

FYE  
March 2020



0.6x

3Q FYE  
March 2021



8.6x

FYE  
March 2019

3.9x

FYE  
March 2020



1.7x

3Q FYE  
March 2021



- 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**

### Net Debt to EBITDA Ratio <sup>2</sup>

2.5x

FYE  
March 2019

2.2x

FYE  
March 2020



1.6x<sup>3</sup>

3Q FYE  
March 2021



<sup>1</sup> IFRS based financial figures

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

<sup>3</sup> Estimated by cumulative adjusted EBITDA for the last 12 months (January 2020–December 2020)



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

### Impact on business performance

- Currently, with the spread of new coronavirus variants, priority measures such as the state of emergency and the stricter of COVID-19 measures have been prolonged, and changes are being seen in the external environment
- Demand for nesting in the wake of the state of emergency issued in April 2020 was a big tailwind in the FYE March 2021, but is expected to decline in the current fiscal year

### 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
- Suppress traffic to areas declared a state of emergency

#### Initiatives at sales offices, etc.

- In areas where COVID-19 infection have spread, the rate of attendance at sales offices is kept to the minimum, and in principle, work-from-home is implemented



## Improving Productivity through Pursuit of AgriTech

- Actively utilizing robotics and Artificial Intelligence (AI) to improve the productivity of each process and to reduce manual labor



Yukiguni Maitake Co., Ltd.

X

AgriTech



Maitake  
Cutting  
Process



Maitake  
Inoculation  
Process



Eringi  
Harvest  
Process







## Effects in Maitake Cutting Process

- Succeeded in developing an automatic cutting robot equipped with AI algorithms that can cut at the same level as our most excellent skilled staff
- In the future, aim to reduce manual labor by developing a next-generation cutting and packaging line that implements AI and robotics

### Before Introduction



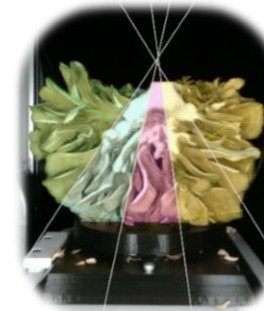
- Cut maitake by hand to the size appropriate for each package
- Different work efficiency between skilled staff and inexperienced staff
- Need to secure the number of staff to cut and pack maitake

### After Introduction (Planned)



X

**ROBIT**



Cut Instruction by AI Algorithm

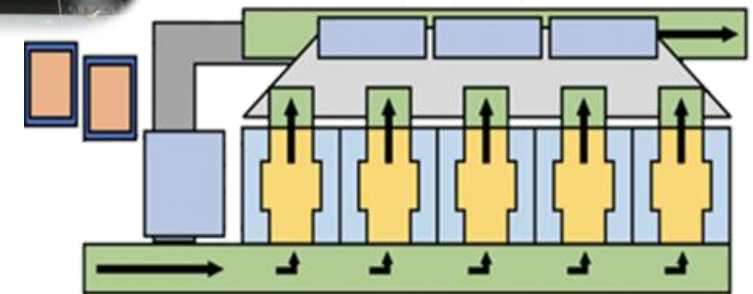


Image of Next-Generation Cutting & Packaging Line

- Installation of the automatic cutting robots that implement AI algorithms
- The robots can cut at the same level as our most excellent skilled staff



## Introduction of Automatic Maitake Inoculation Machines

- Established an automated line in the maitake inoculation process to reduce manual labor and the burden on employees

Before Introduction



After Introduction



## Increased Yield by Automatic Eringi Harvesters

- Increased the efficiency of harvesting by increasing the one time yield using the automatic eringi harvesters





# Promotion Strategy

- Actively collaborating with other companies and carrying out the consumer campaigns to appeal to consumers about the deliciousness, rich nutritional components, health functionalities, etc.
- Creating new demand by expanding touch points with consumers



Promotion



Menu tie-up with a major seasoning maker



Consumer Campaign



Spring version of cooked rice menu proposal

Ready-Made Meals and Others



Promote the brand through Maitake-tempura at a restaurant (udon shop)



Maitake-tempura promotion is held at retail stores at the examination season



Joint development of rice balls with a major convenience store chain

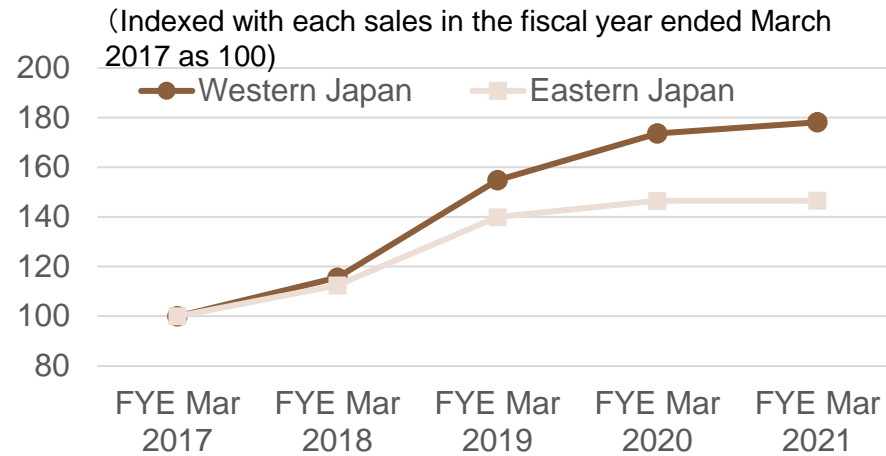


# Comparison of Sales, Sales Volume, and Growth Rate of Eastern Japan and Western Japan

- Compared to the Eastern Japan area, the consumption of Maitake is still small in the Western Japan area, and there is plenty of room for increase in the future
- Western Japan shows higher sales and volume growth than Eastern Japan
- Established Fukuoka sales office to promote demand development in Kyushu



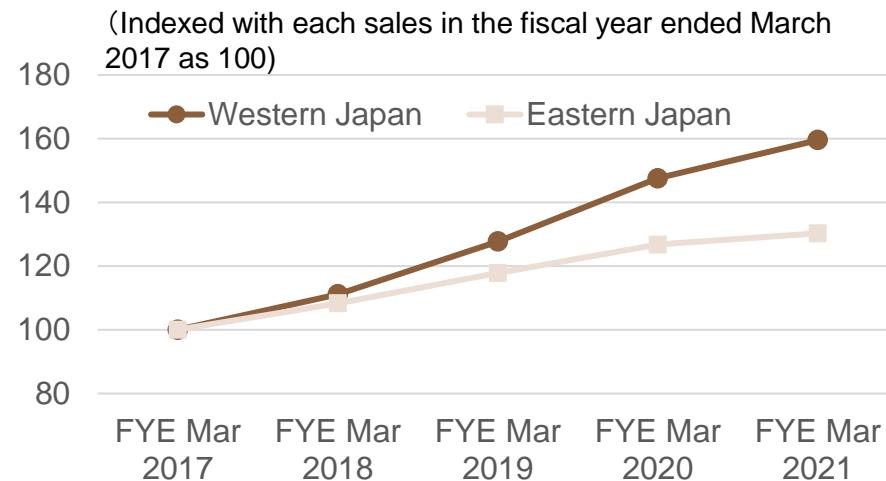
## Amount of Sales



Compound Annual Growth Rate (CAGR)

**EAST** 10.0%  
**WEST** 15.5%

## Sales Volume



Compound Annual Growth Rate (CAGR)

**EAST** 6.8%  
**WEST** 12.4%



# Initiative for Reducing CO<sub>2</sub> Emissions

- Aim for reducing of CO<sub>2</sub> emissions by reconsidering the method of procuring saw dust in order to reduce environmental impact

Reconsidering the Method of Procuring Saw Dust

Plan

- Procuring Japanese saw dust from local producers and planning to procure in local about 10% for the full year
- Attempting to procure hardwood from local forestry



- By procuring from local producers, aim for reducing amount of CO<sub>2</sub> emissions in Logistics and revitalization of local forestry based on “Local Production for Local Consumption”

Estimated reduction amount of CO<sub>2</sub> emissions in Logistics (Japanese cedar saw dust)

Effect by effort above		FYE Mar 2021 Actual	FYE Mar 2022 Forecast	Increase (Decrease)	Change (%)
Total	CO <sub>2</sub> Emissions (tCO <sub>2</sub> )	94.81	87.97	(6.84)	(7.2%)
	Transportation distance (km)	127,052	118,859	(8,193)	(6.4%)



# Effect by Switching the Material of Tray for Maitake Product

- Started to reduce plastic trash through switching the material of tray for Maitake product
- Planning to Reduce plastic waste and CO<sub>2</sub> emissions by packaging without tray and reconsidering original containers

Reconsidering the materials of Tray for Maitake Product

Promotion of Packaging without Tray

## Achievement

“The right sized pack”  
Approx. 16% lighter

“M sized pack”  
Approx. 22.8% lighter

## Reduction of Plastic and CO<sub>2</sub> Emissions

<p>Reduction of Plastic <sup>*1)</sup></p> <p><b>Approx. 158.6t</b></p> <p>(throughout the year)</p>	<p>Reduction of CO<sub>2</sub> Emissions <sup>*2)</sup></p> <p><b>Approx. 404.5tCO<sub>2</sub></b></p> <p>(throughout the year)</p>
<p>Reducing environmental impact by changing materials and shapes of trays keeping as strong as original tray even though trays get thinner</p>	

- Packaging Buna-Shimeji without tray
- Manufacture and development of packaging products for Maitake without trays

\*1): Calculated based of Plan of Unit Sales for the Fiscal Year Ending March 2022

\*2): Calculated Reduction of CO<sub>2</sub> Emissions based on Industrial Waste Plastics 2.55tCO<sub>2</sub>/t , which is CO<sub>2</sub> emission factor generated in waste incineration published in Guidelines for Promoting Global Warming in Regions by Environment Agency



# Business Synergies with Shinmei Holdings Co., Ltd.

- Shinmei Holdings, Co., Ltd. is the largest rice wholesaler in Japan, and by utilizing Shinmei Holdings' network and business know-how, our business expansion to the western Japan and overseas is accelerated

## Development and Reinforcement of Business Partners Mainly in Western Japan



Collaboration label

## Expansion to Ready-Made Meals and Restaurants to Further Permeate Food Culture



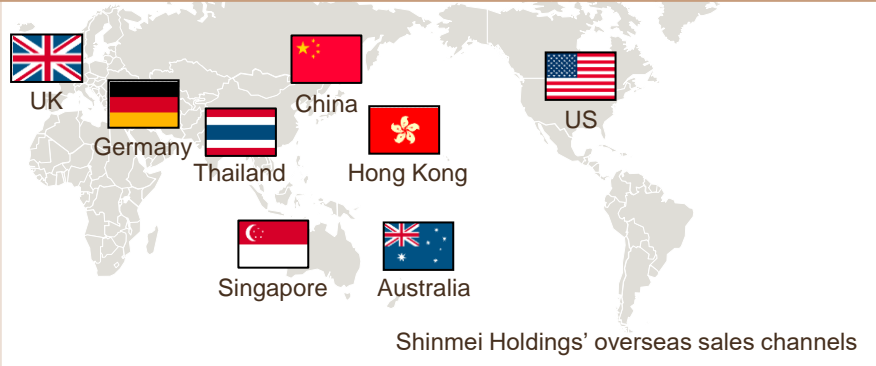
Jointly developed products with Shinmei Delica



Collaboration products with Genki Sushi



## Leveraging Overseas Sales Channel of Major Rice Exporter Shinmei Holdings



## Strategic Mergers & Acquisitions to Expand Our Business Domain



Expanded our product lineup through M&A of Mizuho Norin, Kinoko Center Kin, and Mitsukura Norin



## Consolidated Statements of Income (Cumulative)

- Revenue was almost flat, and Gains Arising from Changes in Fair Value had a negative impact about JPY 180 million, but Gross Profit increased due to reductions in utility costs and other factors

(JPY millions)	FYE March 2020	FYE March 2021	Increase (Decrease)	Change YoY
Revenue	34,517	<b>34,543</b>	+25	+0.1%
Gains Arising from Changes in Fair Value	16,242	<b>16,837</b>	+594	+3.7%
Total Income	50,759	<b>51,380</b>	+620	+1.2%
Material Costs, Labor Costs, etc.	19,196	<b>18,057</b>	(1,139)	(5.9%)
Gains Arising from Changes in Fair Value	16,096	<b>17,023</b>	+927	+5.8%
Cost of Sales	35,293	<b>35,081</b>	(211)	(0.6%)
Gross Profit	15,466	<b>16,299</b>	+832	+5.4%
SG&A Expenses	8,369	<b>8,291</b>	(77)	(0.9%)
Other Income	290	<b>58</b>	(231)	(79.8%)
Other Expenses	696	<b>243</b>	(453)	(65.0%)
Operating Profit	6,691	<b>7,823</b>	+1,131	+16.9%
Profit before Tax	6,646	<b>7,125</b>	+479	+7.2%
Profit Attributable to Owners of Parent	4,346	<b>4,744</b>	+397	+9.2%
[Reference]				
Adjusted Operating Profit	6,899	<b>8,090</b>	+1,191	+17.3%
Adjusted EBITDA	8,672	<b>10,070</b>	+1,398	+16.1%
Adjusted Profit	4,282	<b>5,218</b>	+935	+21.9%





## Consolidated Statements of Income (Quarterly)

- 4Q slowed down more than expected due to the prolonged state of emergency due to the spread of new coronavirus variants
- Due to the fall in the unit price of Maitake at the end of March, the negative impact of Gains Arising from Changes in Fair Value has expanded

(JPY million)	FYE March 2020				FYE March 2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Revenue	7,093	7,284	11,096	9,043	7,470	7,526	10,959	8,586
Gains Arising from Changes in Fair Value	2,579	4,402	6,269	2,990	3,153	4,504	6,097	3,082
Total Income	9,672	11,687	17,365	12,033	10,624	12,031	17,056	11,668
Material Costs, Labor Costs, etc.	4,341	4,321	5,392	5,140	4,122	4,302	4,995	4,636
Gains Arising from Changes in Fair Value	3,071	3,032	5,717	4,274	3,605	3,241	5,995	4,181
Cost of Sales	7,412	7,354	11,110	9,415	7,728	7,544	10,990	8,818
Gross Profit	2,260	4,332	6,255	2,618	2,895	4,487	6,065	2,850
SG&A Expenses	1,990	1,899	2,316	2,162	1,909	2,048	2,234	2,099
Other Income	209	10	18	52	16	10	9	21
Other Expenses	49	119	456	71	94	77	23	47
Operating Profit	429	2,324	3,500	437	909	2,371	3,817	724
Profit before Tax	269	2,193	3,435	748	775	2,243	3,484	621
Profit Attributable to Owners of Parent	151	1,449	2,179	566	487	1,478	2,299	478
[Reference]								
Adjusted Operating Profit	474	2,381	3,547	495	1,007	2,537	3,821	724
Adjusted EBITDA	893	2,809	4,003	965	1,473	3,035	4,329	1,231
Adjusted Profit	218	1,502	2,231	330	591	1,629	2,482	514



## Consolidated Statements of Financial Position

- Due to the repayment of long-term debt, the balance of cash and cash equivalents at the end of March 2021 decreased by JPY 683 million from the end of the previous fiscal year to JPY 3,777 million

(JPY million)	FYE March 2020	FYE March 2021	Increase (Decrease)
Cash Flows from Operating Activities	4,891	<b>8,204</b>	+3,312
Profit before Tax	6,646	<b>7,125</b>	+479
Decrease (Increase) in Trade and Other Receivables	787	<b>119</b>	(668)
Decrease (Increase) in Inventories	(278)	<b>(98)</b>	+180
Increase (Decrease) in Trade and Other Payables	(1,838)	<b>(221)</b>	+1,616
Increase (Decrease) in Employee Benefit Liabilities	(576)	<b>176</b>	+752
Cash Flows from Investing Activities	(1,994)	<b>(3,689)</b>	(1,694)
Purchase of Property, Plant and Equipment	(2,356)	<b>(3,726)</b>	(1,370)
Proceeds from Sale of Property, Plant and Equipment	801	<b>55</b>	(746)
Cash Flows from Financing Activities	(5,053)	<b>(5,198)</b>	(145)
Repayments of Long-Term Borrowings	(2,963)	<b>(4,462)</b>	(1,498)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,156)	<b>(683)</b>	+1,473
Cash and Cash Equivalents at the End of the Period	4,461	<b>3,777</b>	(683)



## Consolidated Statements of Financial Position

- While debt is declining, capital is growing and maintaining financial soundness

(JPY million)	As of Mar 31, 2020	As of Mar 31, 2021	Increase (Decrease)	Change YoY
Current Assets	11,045	10,202	(842)	(7.6%)
Cash and Cash Equivalents	4,461	3,777	(683)	(15.3%)
Trade and Other Receivables	2,141	2,021	(119)	(5.6%)
Inventories	1,292	1,390	+98	+7.6%
Biological Assets	3,019	2,904	(114)	(3.8%)
Non-current Assets	24,153	25,441	+1,287	+5.3%
Property, Plant and Equipment	16,710	18,031	+1,321	+7.9%
Goodwill and Intangible Asset	5,320	5,304	(16)	(0.3%)
<b>Total Assets</b>	<b>35,199</b>	<b>35,644</b>	<b>+444</b>	<b>+1.3%</b>
Current Liabilities	7,280	7,614	+334	+4.6%
Trade and Other Payables	2,390	1,970	(419)	(17.5%)
Accrued Income Taxes	1,539	1,784	+244	+15.9%
Current Portion of Long-Term Borrowings	942	1,132	+190	+20.2%
Non-current Liabilities	23,017	18,798	(4,218)	(18.3%)
Borrowings	22,438	18,351	(4,086)	(18.2%)
Lease Liabilities	483	360	(122)	(25.4%)
<b>Total Liabilities</b>	<b>30,297</b>	<b>26,413</b>	<b>(3,884)</b>	<b>(12.8%)</b>
<b>Total Equity</b>	<b>4,901</b>	<b>9,230</b>	<b>+4,329</b>	<b>+88.3%</b>
Total Equity Attributable to Owners of Parent	4,899	9,233	+4,333	+88.4%
<b>Total Liabilities and Equity</b>	<b>35,199</b>	<b>35,644</b>	<b>+444</b>	<b>+1.3%</b>



## Key Performance Indicators (Cumulative)

- The profit margin index for the fiscal year ended March 2021 has generally improved, and the Payout Ratio has exceeded the 30% target

	FYE March 2020	FYE March 2021
Adjusted Operating Margin	13.6%	<b>15.7%</b>
Adjusted EBITDA Margin	17.1%	<b>19.6%</b>
Adjusted Profit Margin	8.4%	<b>10.2%</b>
Basic Earnings per Share <sup>1</sup>	¥109.07	<b>¥119.03</b>
Adjusted Basic Earnings per Share <sup>1</sup>	¥107.46	<b>¥130.93</b>
ROE (Return on Equity Attributable to Owners of Parent) <sup>2</sup>	120.6%	<b>67.1%</b>
ROIC (Return on Invested Capital) <sup>3</sup>	15.6%	<b>17.9%</b>
Payout Ratio	38.8%	<b>35.3%</b>
DOE (Rate of Dividends to Equity Attributable to Owners of Parent) <sup>4</sup>	46.8%	<b>23.7%</b>

<sup>1</sup> 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

<sup>2</sup> ROE = Profit Attributable to Owners of Parent Divided by Average Total Equity Attributable to Owners of Parent during the Period

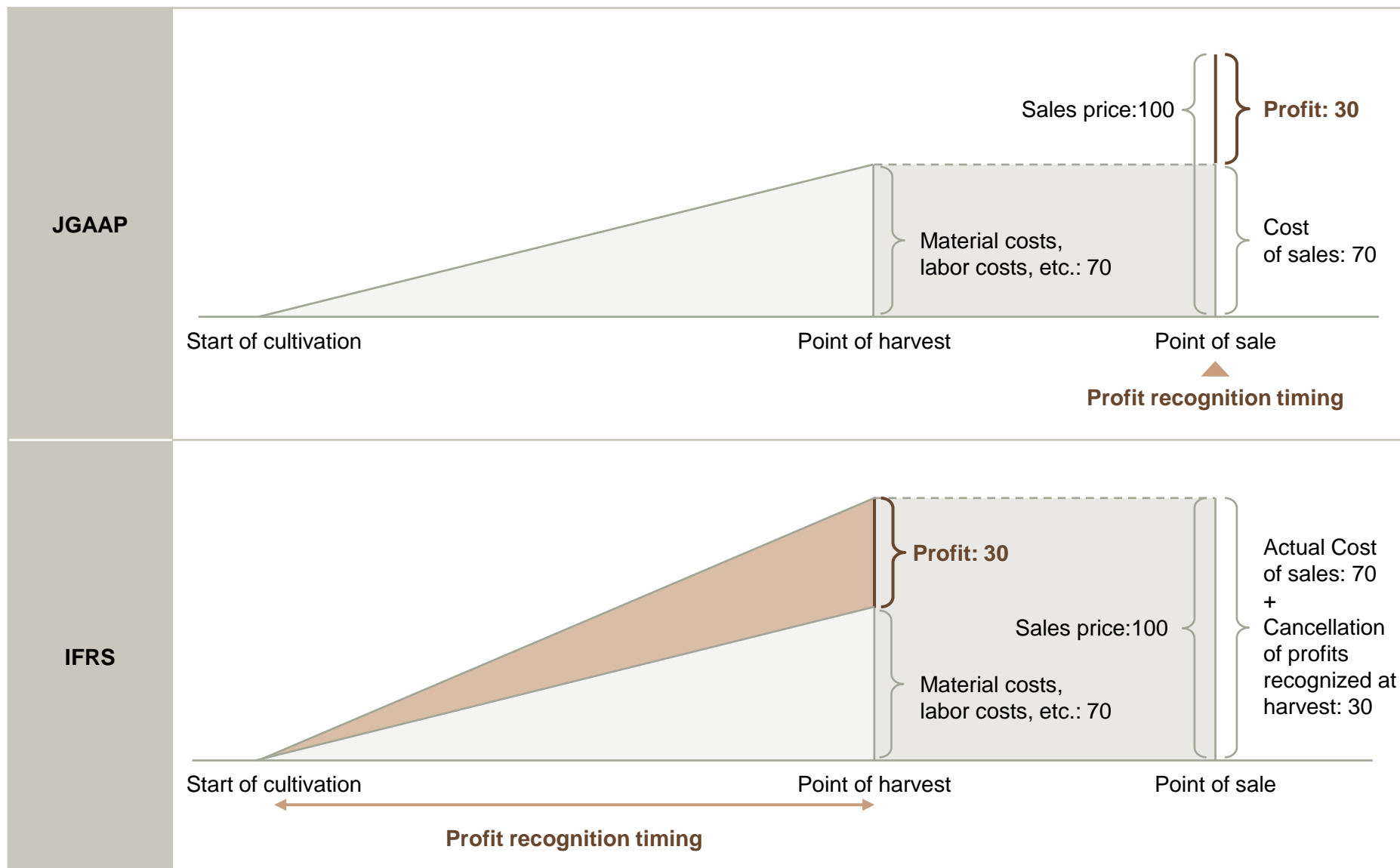
<sup>3</sup> ROIC = (Operating Profit x (1 - Effective Tax Rate)) ÷ (Shareholders' Equity + Interest-Bearing Liabilities)

<sup>4</sup> DOE = Total annual Dividends divided by average Total equity Attributable to Owners of Parent during the period



# Overview of Accounting Treatment — IAS 41 “Agriculture”

- While profit is recognized at the point of sale 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” (Cumulative)

- Due to the impact of declining unit price of Maitake at the end of March 2021, the net profit / loss impact of applying agricultural accounting treatment was JPY -186 million

(JPY million)

	Breakdown	FYE March 2021
<b>Gains Arising from Changes in Fair Value (Income)</b>	Gains in Work-in-Progress (Beg. Bal.)	(1,478)
	Gains in Work-in-Progress (End. Bal.)	1,330
	Harvest for the Current Period	17,026
	Other	(40)
	<b>Total</b>	<b>16,873</b>
<b>Gains Arising from Changes in Fair Value (Cost of Sales)</b>	Gains in Finished/Semifinished Goods (Beg. Bal.)	(436)
	Gains in Finished/Semifinished Goods (End. Bal.)	402
	Harvest for the Current Period	(17,026)
	Other	36
	<b>Total</b>	<b>(17,023)</b>
<b>Total Net Impact</b>		<b>(186)</b>

Gains included in work-in-progress had a negative impact of JPY 148 million due to a big drop in unit prices at the end of the period compared to the beginning of the period

As the unit price of product inventories fell sharply at the end of the period compared to the beginning of the period, the gain included in products and semi-finished products had a negative impact of JPY 33 million



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

- 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 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/Semifinished Goods (Beg. Bal.)	(436)	(352)	(513)	(481)	(1,784)
		Gains in Finished/Semifinished 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)
	<b>Total Net Impact</b>		<b>(451)</b>	<b>+1,263</b>	<b>+102</b>	<b>(1,099)</b>	<b>(186)</b>
FYE March 2020	Income	Gains in Work-in-Progress (Beg. Bal.)	(1,503)	(986)	(2,045)	(2,601)	(7,137)
		Gains in Work-in-Progress (End. Bal.)	986	2,045	2,601	1,478	7,113
	Cost of Sales	Gains in Finished/Semifinished Goods (Beg. Bal.)	(255)	(257)	(559)	(557)	(1,630)
		Gains in Finished/Semifinished Goods (End. Bal.)	257	559	557	436	1,811
	Harvest for the Current Period		±0	±0	±0	±0	±0
	Other		22	10	(2)	(40)	(10)
	<b>Total Net Impact</b>		<b>(491)</b>	<b>+1,370</b>	<b>+551</b>	<b>(1,284)</b>	<b>+146</b>



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## Forecast of Consolidated Financial Results for FYE March 2022

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## Prerequisites for consolidated earnings forecast for the FYE March 2022

### Outlook for the Group

- Assuming sluggish consumption due to prolongation of priority measures such as declaration of emergency and the stricter COVID-19 measures, increasing tendency to save money at home, and decreasing frequency of visits to supermarkets
- Crude oil prices, which had been low in the previous fiscal year, are expected to return in the current fiscal year
- It is assumed that the severe external environment is easing in the second half

### Total Income/ Revenue

- 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 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 before Tax/ Profit

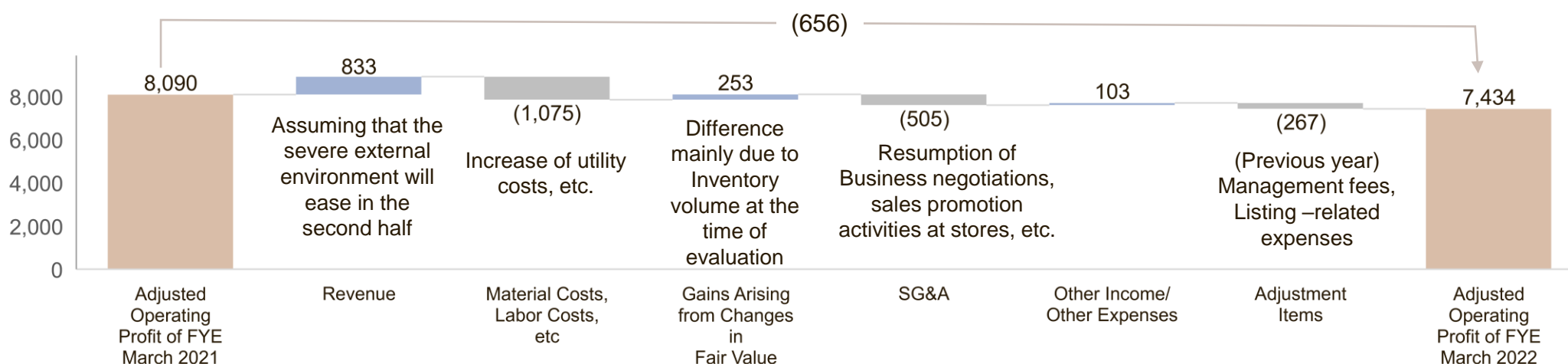
- Financial Balance is JPY -0.4 billion due to the reduction of interest expense associated with the repayment of borrowings carried out in the previous fiscal year.
- Profit before Tax is JPY 6.9 billion (-2.0% YoY), and Profit Attributable to Owners of Parent is JPY 4.5 billion (-3.4% YoY).



## Prerequisites for earnings forecast 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%)
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%)
<i>Total revenue to revenue ratio</i>	15.7%	14.4%	-
Adjusted EBITDA	10,070	9,388	(6.8%)
Adjusted Profit	5,218	4,749	(9.0%)

- It is assumed that the tailwind effect of the COVID-19 on the mushroom business will almost disappear in this term
- At the moment, we can feel the harshness of the external environment, such as the desire to save money, but it is assumed that the harshness will be eased in the second half
- Costs decreased due to lower-than-expected crude oil prices in the previous fiscal year, but this fiscal year the market will return and cause cost increases
- For the current fiscal year, we have formulated a earnings forecast assuming that the tailwind effect of the COVID-19 and the positive impact of the crude oil market will be almost eliminated



<sup>1</sup> Total Income = Revenue + Gains Arising from Changes in Fair Value

<sup>2</sup> Operating Profit, EBITDA, and Profit are adjusted by excluding one-time expenses. Adjusted Operating Profit = Operating Profit + Management Fees<sup>3</sup> + Listing-Related Expenses<sup>4</sup>; Adjusted EBITDA = Adjusted Operating Profit + Depreciation + Amortization; Adjusted Profit = Profit + Management Fees + Listing-Related Expenses + Refinance-Related Gains/Losses<sup>5</sup> + Tax Adjustments;

<sup>3</sup> Management Fees are compensation based on the management contract between the Company and Bain Capital Private Equity, LP, and SHINMEI HOLDINGS CO., LTD.

<sup>4</sup> 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.

<sup>5</sup> 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



Yukiguni Maitake Co., Ltd.

### The Company's Financial Policy

#### Strengthening Financial Stability

- 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
- Target a consolidated Payout Ratio of around 30%
- 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
	Interim DPS (Forecast)	JPY 14.00
	Year-End DPS (Forecast)	JPY 28.00

Shareholder Benefit Program

Eligible Shareholders

Benefit Details

Delivery Schedule and Method

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.)

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



Products are scheduled to be delivered from June to July every year to eligible shareholders as of the end of previous March.



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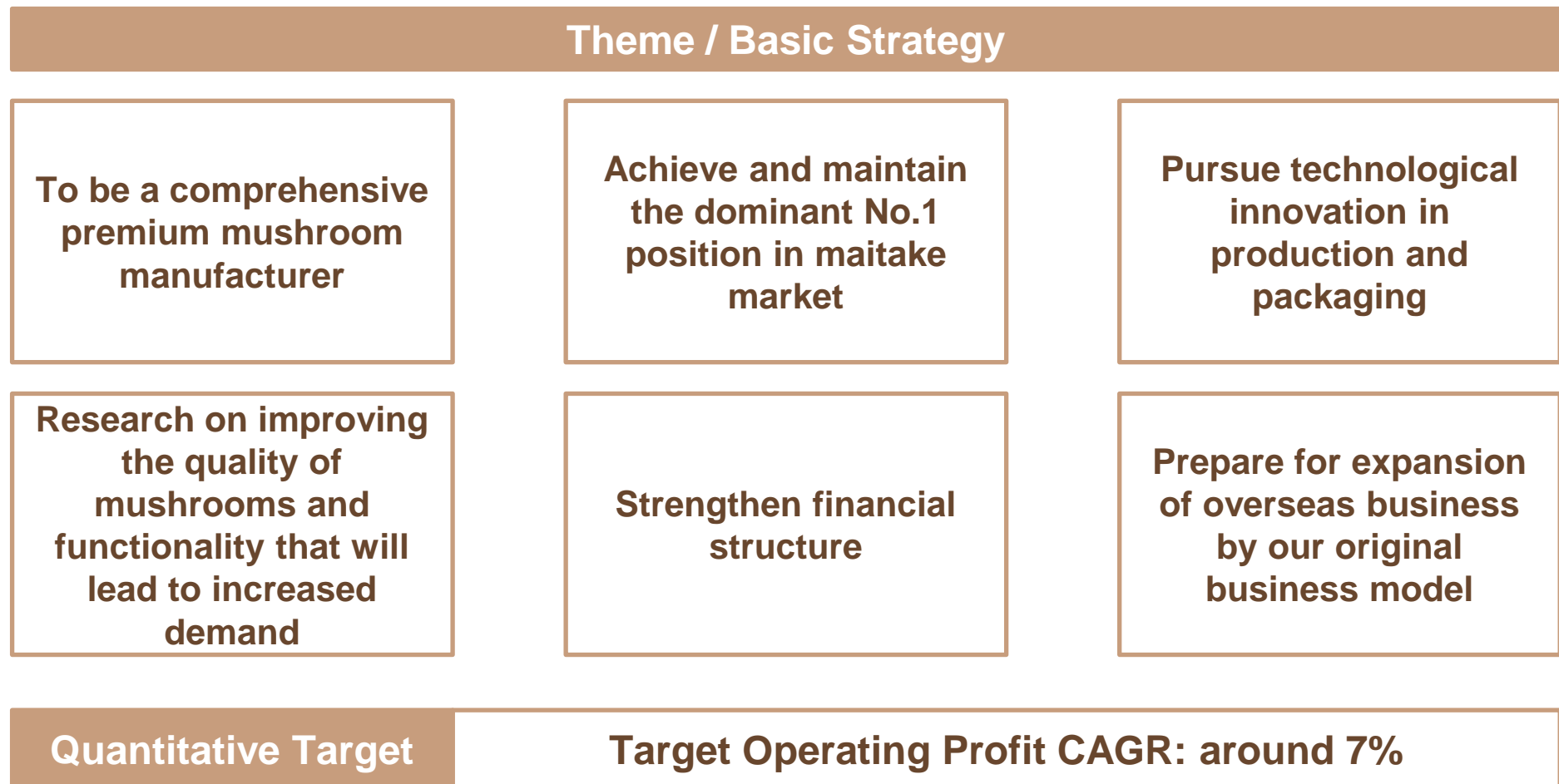
## Medium-Term Business Plan (FYE March 2020 – FYE March 2023)

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## Medium-Term Business Plan: Theme, Basic Strategy, and Quantitative Target

- Due to changes in the external environment such as the spread of new coronavirus variants, we are analyzing the effects on the real economy, cooling consumer sentiment, decreasing disposable income, saving consciousness, household defense, etc.
- Consider the needs for strategic coordination based on this analysis of changes in the external environment



Note1: IFRS based financial figures

Note2: Target Operating Profit CAGR period is the 3-year period from FYE March 2020 to FYE March 2023

Note3: Operating Profit is adjusted by excluding one-time expenses. Adjusted Operating Profit = Operating Profit + Management Fees + Listing-Related Expenses

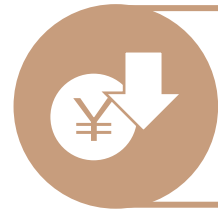


## Specific Strategic Approach

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**Top line growth focusing on the maitake business that captures the expansion of health demand**



**Improving productivity through the pursuit of Agritech**



**Expansion of health food business focusing on E-commerce**

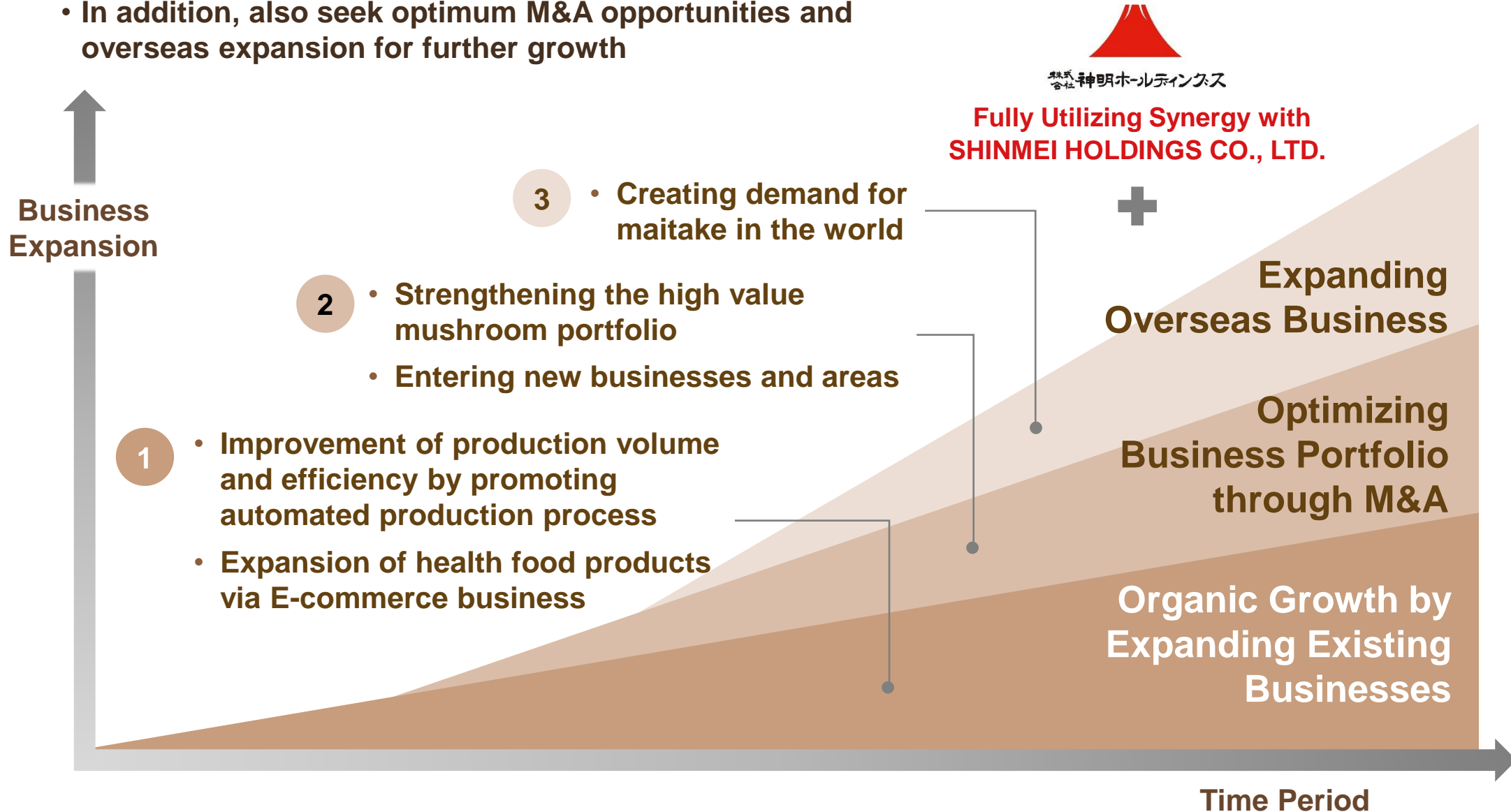


**Further strengthening the business portfolio through M&A**



## Image of Medium to Long Term Growth

- In the medium to long term, drive organic growth through cost reduction achieved by innovative technology, expansion of production capability, and marketing of health food products using E-commerce (EC) by taking advantage of synergies with SHINMEI HOLDINGS
- In addition, also seek optimum M&A opportunities and overseas expansion for further growth







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4

## Reference Materials

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# Overview of Yukiguni Maitake Group

## YUKIGUNI MAITAKE CO., LTD.



Representative

Iwao Ashikaga, President and CEO

Established

July 1983

Head Office

Minamiuonuma-shi, Niigata, Japan

Code Number

1375

Stock Exchange Listing

Tokyo Stock Exchange, 1<sup>st</sup> Section

Number of Shares Issued

39,910,700

Number of Employees<sup>1</sup>

Full-time: 1,105, Part-time: 1,319  
(as of March 31, 2021)

Business Description

Production and sales of maitake, eringi, and buna-shimeji, and manufacture and sales of processed mushroom products



## Mizuho Norin Co., Ltd.



Production and sales of hon-shimeji and hatake-shimeji in Kyotamba-cho, Kyoto, Japan



## Kinoko Center Kin Co., Ltd.



Production and sales of buna-shimeji in Kin-cho, Okinawa, Japan



## Mitsukura Norin Co., Ltd.



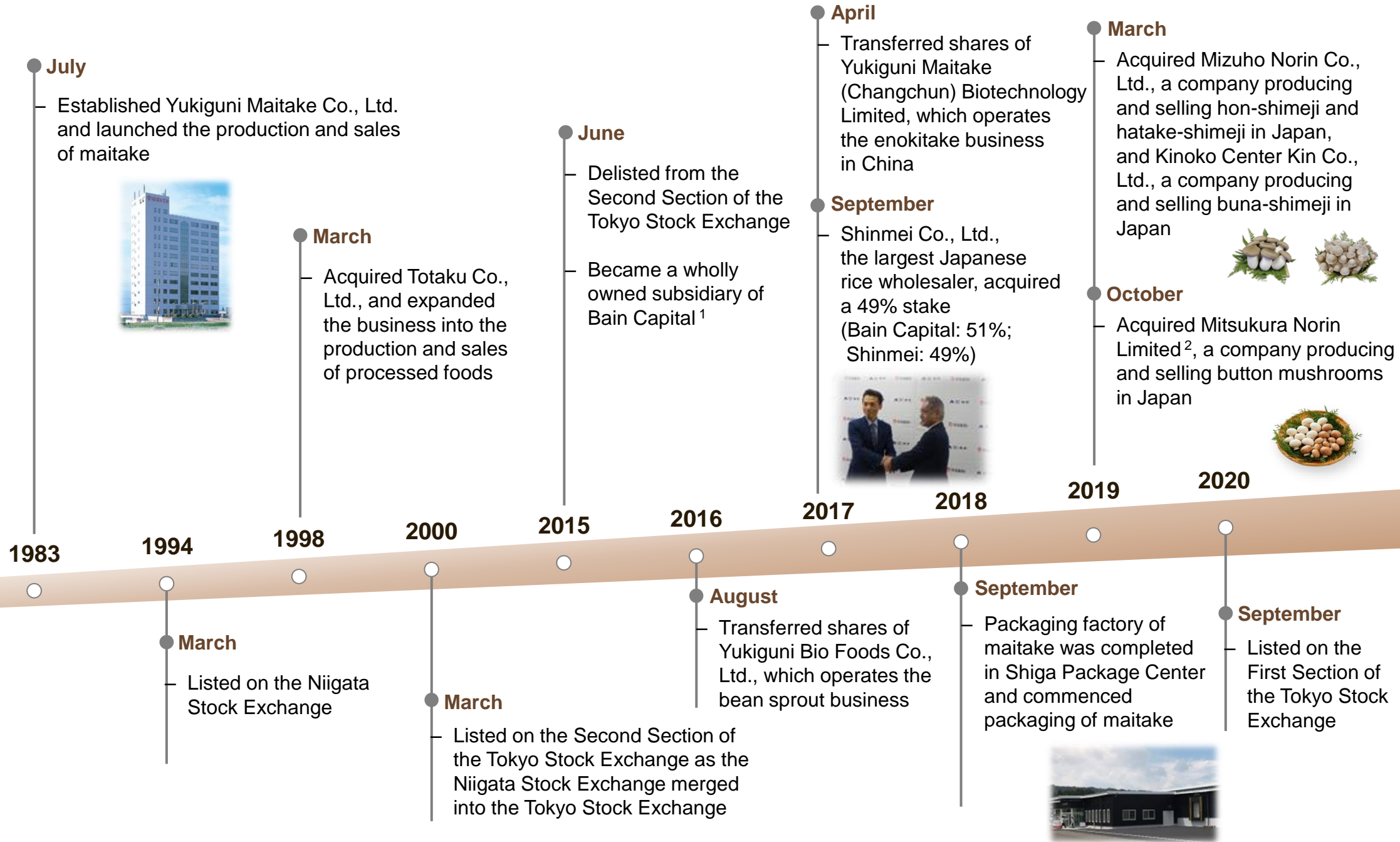
Production and sales of button mushrooms in Ushimado-cho, Okayama, Japan



<sup>1</sup> 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 part-time employees over the previous one year (part-timers, temporary staff from human resources companies, and seasonal workers)



# Corporate History



<sup>1</sup> "Bain Capital" mentioned above is the generic term of the fund which Bain Capital Private Equity, LP provides investment advice

<sup>2</sup> Changed the trade name from Mitsukura Norin Limited to Mitsukura Norin Co., Ltd. on March 2, 2020



# Product Portfolio

- A pioneer in artificial cultivation and mass production of maitake, and a leading company engaged in factory based mass production of mushrooms

Maitake  
“Kiwami”, “Miyabi”



Eringi



Buna-Shimeji  
“Megumi”



Mitsukura Norin  
Button Mushrooms <sup>1</sup>



Hon-Shimeji <sup>1</sup>  
“Daikoku Hon-Shimeji”



Hatake-Shimeji <sup>1</sup>  
“Tamba Shimeji”



Processed Foods <sup>2</sup>



Health Foods <sup>3</sup>



<sup>1</sup> Classified as “other mushrooms” business segment

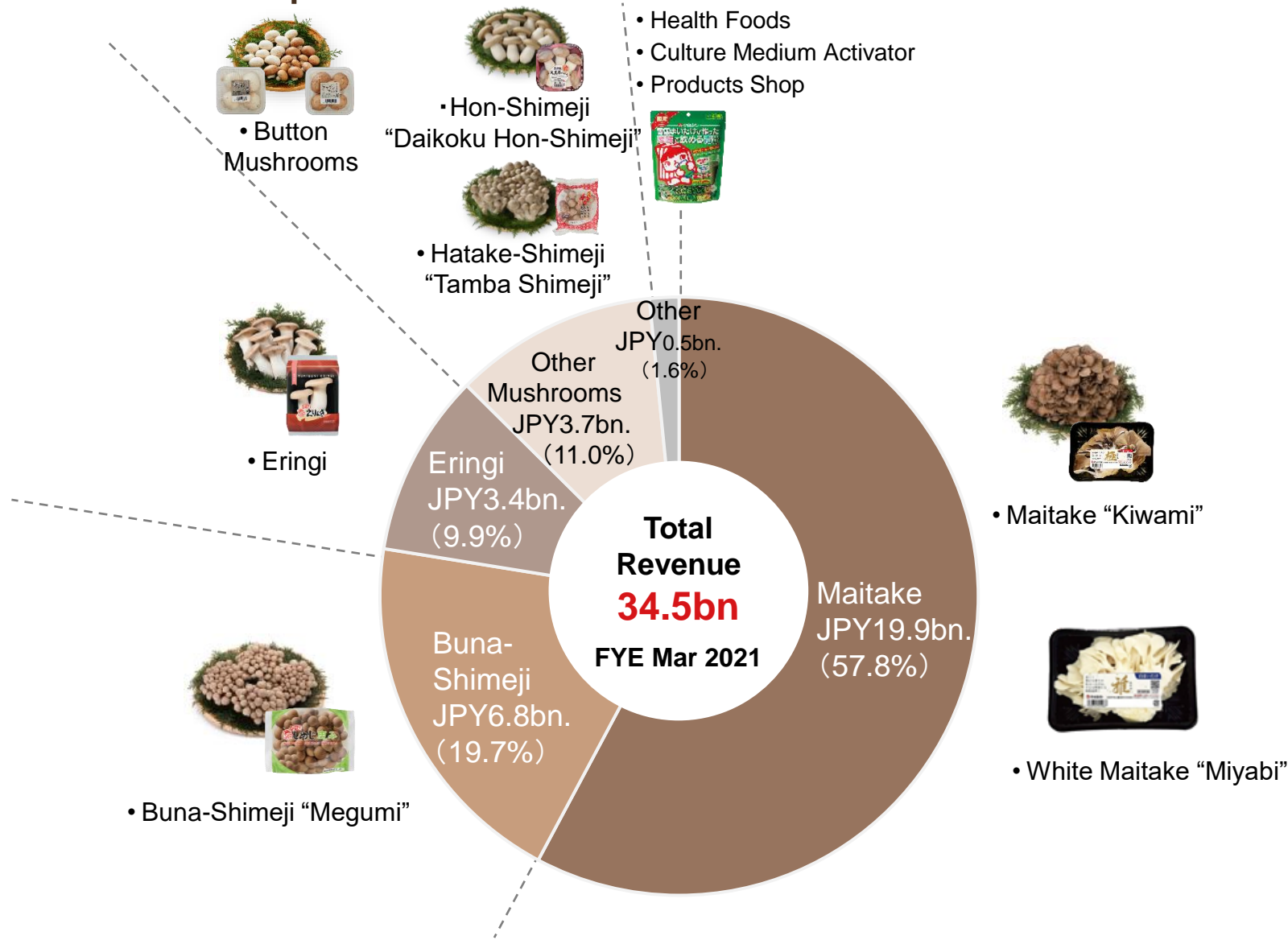
<sup>2</sup> Each processed food is classified into its original mushroom business segment

<sup>3</sup> Health foods, etc. are classified into “other” business segment



# 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

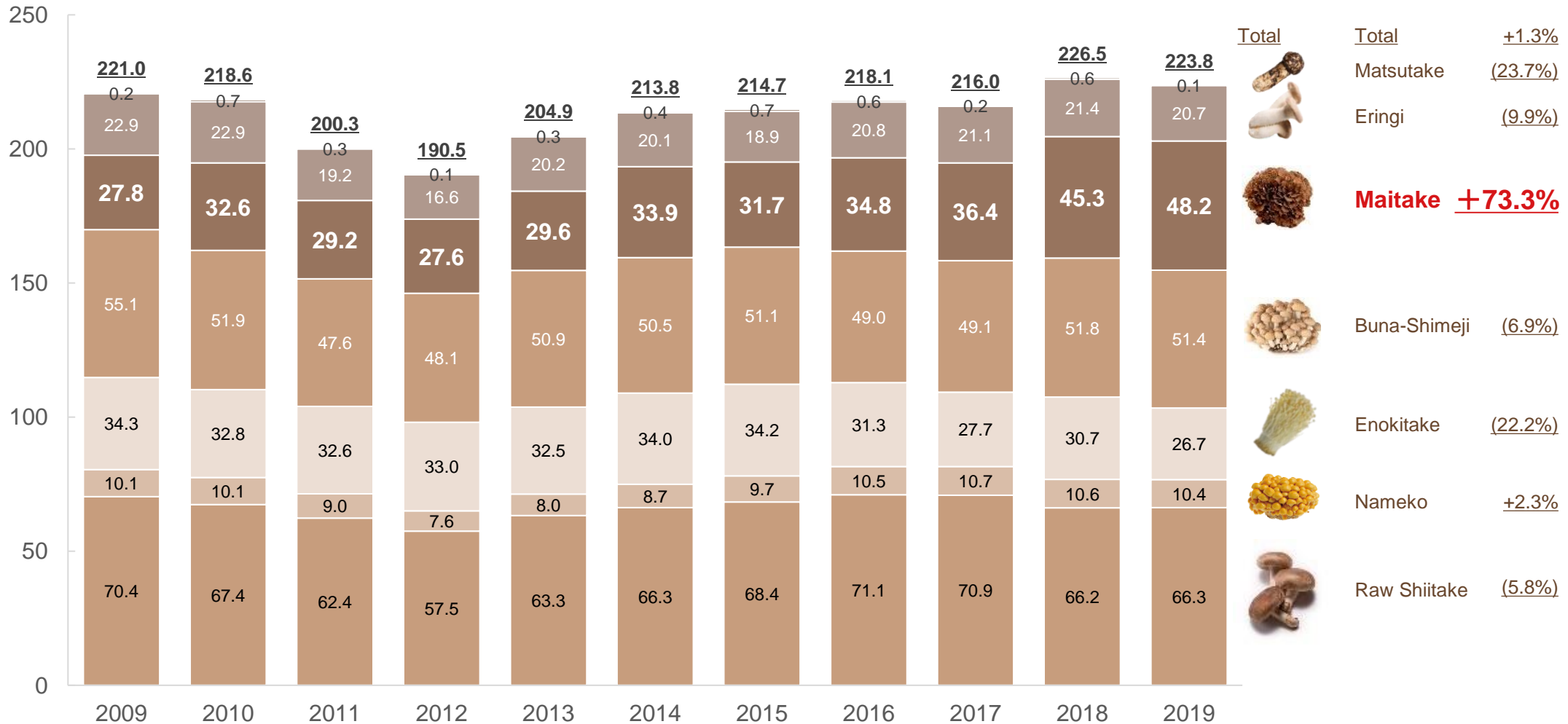




# Breakdown of Major Mushroom Markets (by Market Size)

- 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
- Maitake achieves higher growth compared to other mushrooms

(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

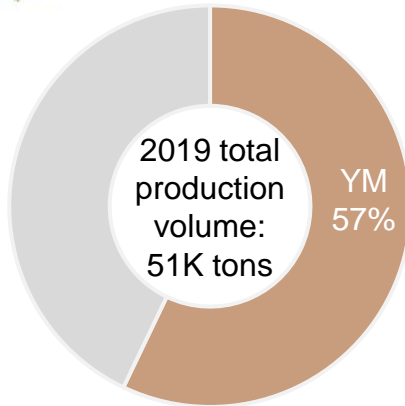


# Mushroom Production Share of Yukiguni Maitake Group (YM)

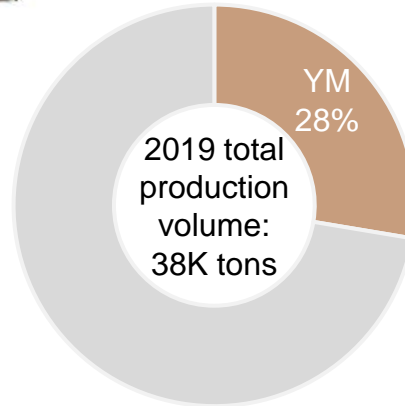
- Our mushroom products including maitake have high shares in respective market



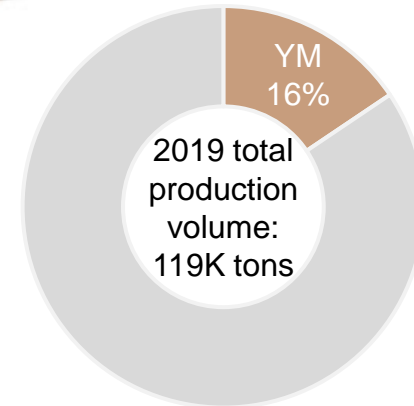
### Maitake



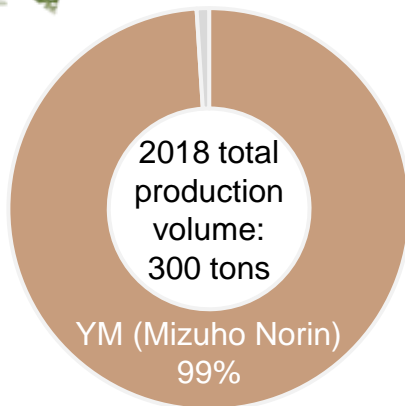
### Eringi



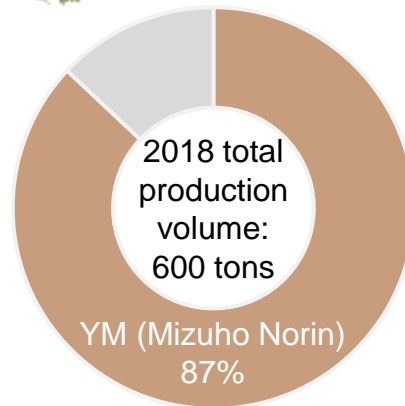
### Buna-Shimeji



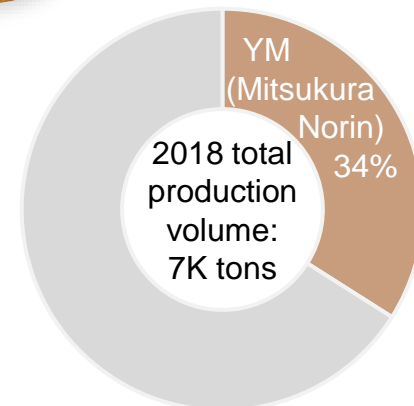
### Hon-Shimeji



### Hatake-Shimeji



### Button Mushrooms



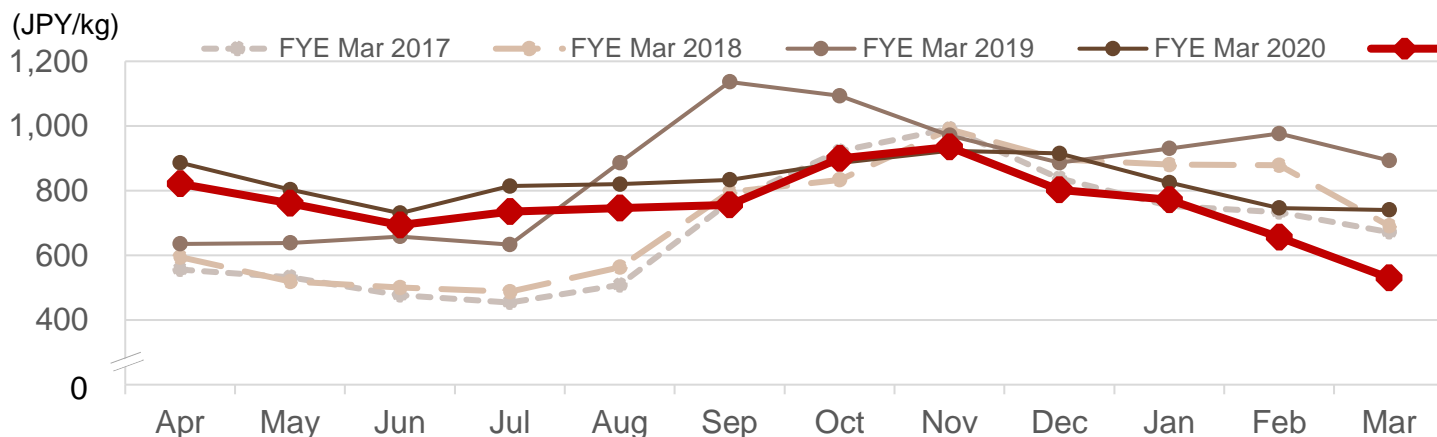
Note: Market share of each mushroom is calculated using domestic production volume (Each company's production ÷ Total domestic production)

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

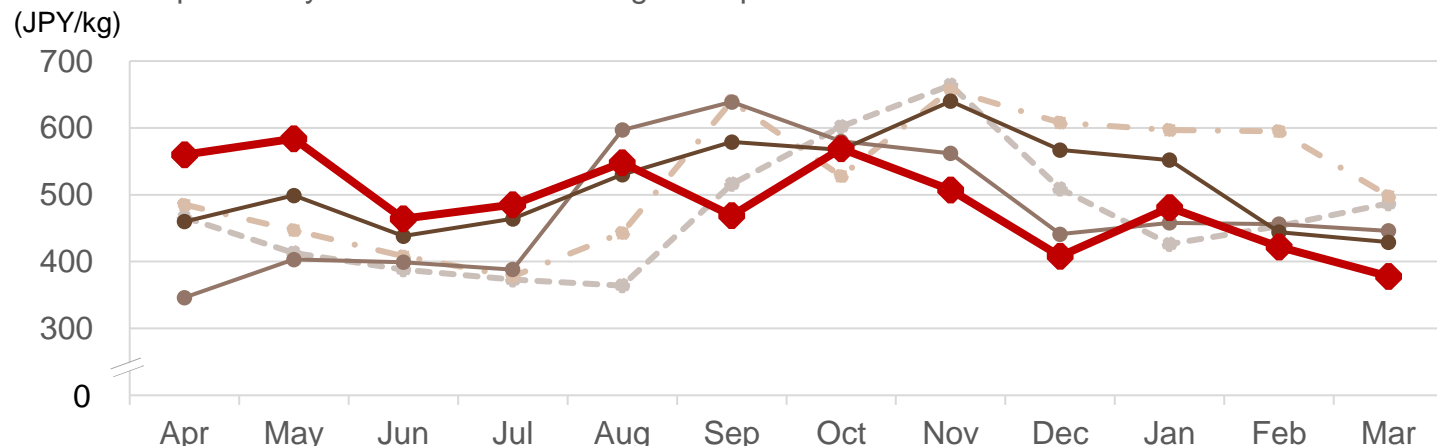
Maitake



## Weighted Average Unit Price (JPY)

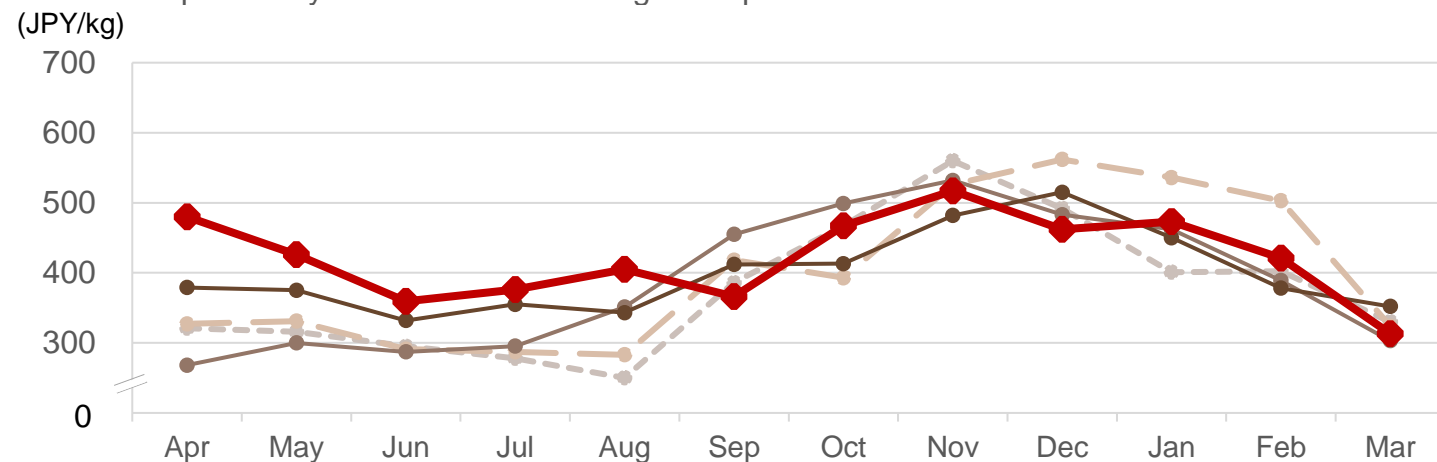
FYE Mar 2021	762
FYE Mar 2020	831
FYE Mar 2019	873
FYE Mar 2018	727
FYE Mar 2017	699

Eringi



FYE Mar 2021	486
FYE Mar 2020	514
FYE Mar 2019	475
FYE Mar 2018	527
FYE Mar 2017	476

Buna-Shimeji



FYE Mar 2021	422
FYE Mar 2020	405
FYE Mar 2019	388
FYE Mar 2018	403
FYE Mar 2017	384

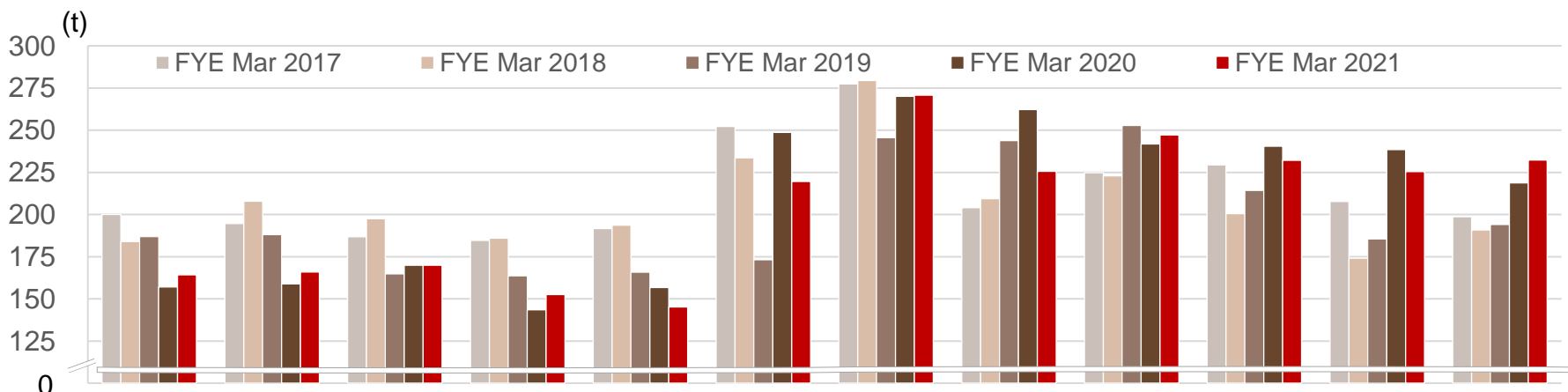
Sources: The Company created the chart based on the Market Statistics Data from Metropolitan Central Wholesale Market



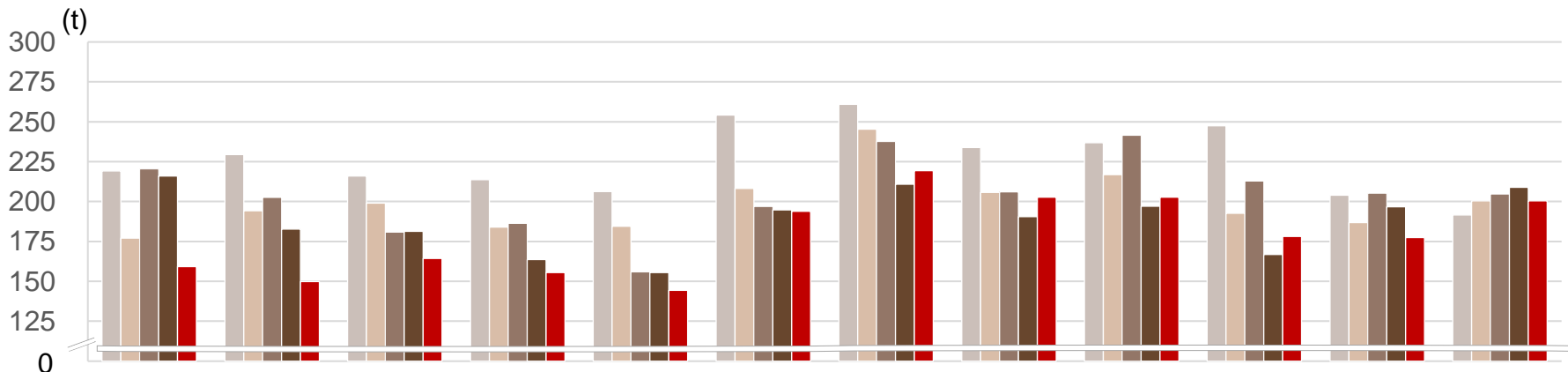


# Changes in Market Sales Volume

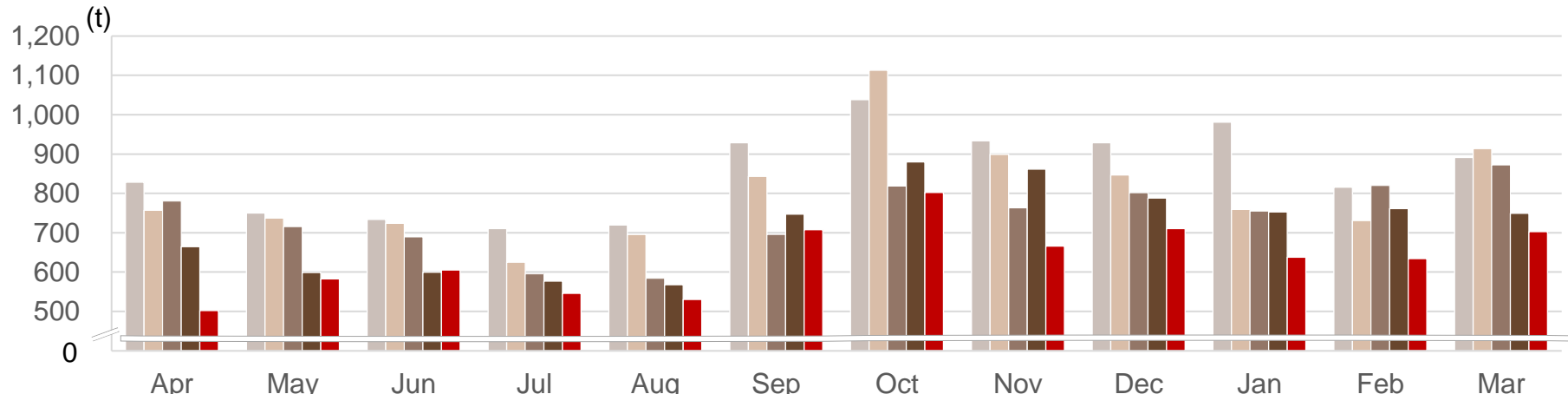
Maitake



Eringi



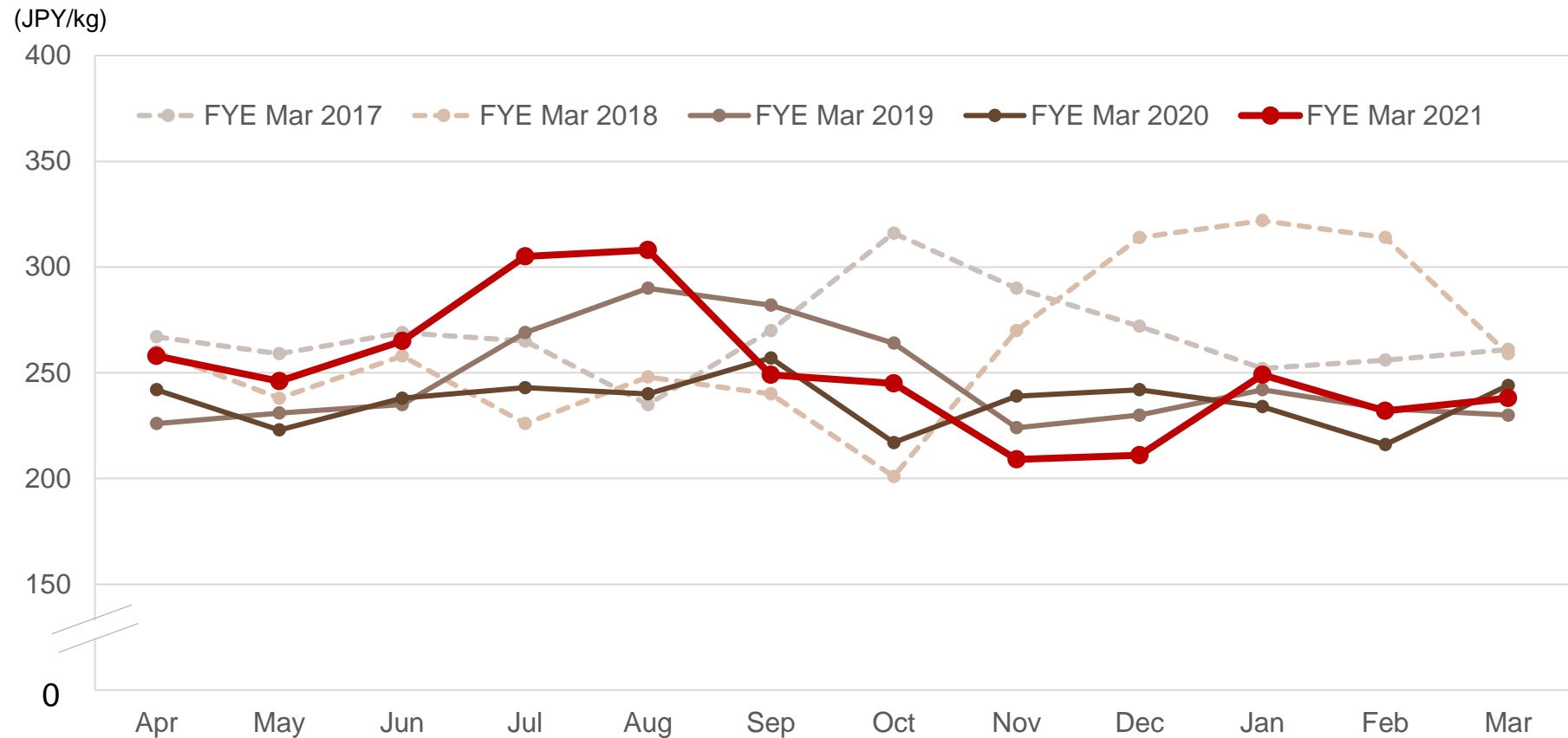
Buna-Shimeji



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



# Vegetable Market Transaction Trends



FYE Mar 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
FYE Mar 2017	267	259	269	265	235	270	316	290	272	252	256	261

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



# Value Chain

- Establish a business model that creates high barriers to entry and cash flows through our unique value chain focusing on maitake



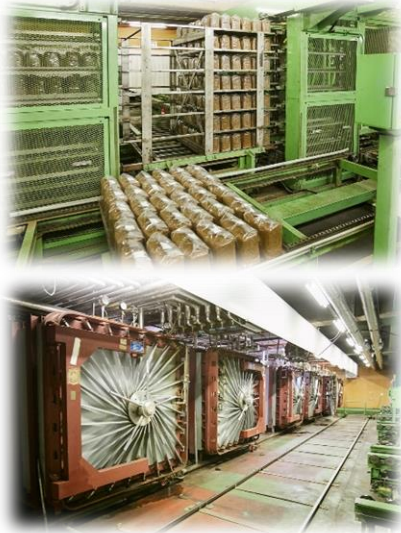


# Production / Packaging Process

- 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



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

### Inoculation



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

### Cultivation and Growing



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

### Harvesting / Packaging



- Full automation realized in eringi and buna-shimeji production





# Features of Our Maitake

- 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

## Product Features

- Apply **package cultivation**



## Cultivation System

- 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



...



...



- **Approximately 900 grams** per root →

50g

80g

100g

120g

150g

200g

350g

※approximate weight



# E-commerce Channels for Health Food Products in Japanese Local Market

- Develop original health food products using the rich nutrients of maitake, and market them through E-commerce in Japanese local market

## YUKIGUNI MAITAKE ONLINE

株式会社雪国まいたけが運営する公式オンラインショップです。まいたけ由来の健康食品「まいたけのふしぎ」シリーズを販売しています。 ▶ サイトマップ ▶ お問い合わせ ▶ コーポレートサイト

雪国まいたけ ONLINE  
～雪国まいたけ公式通販サイト～

ご注文・商品に関するお問い合わせ ▶ マイページ  
0120-990-533 ▶ カートをみる  
受付時間 9:00-17:00(土日・祝除く)

HOME | まいたけのふしぎシリーズ | 商品一覧 | 定期コースの案内 | はじめての方 | よくある質問

**定期コースの3つの特典**

**特典①**  
初めてお申込みの方限定  
**50%** 通常価格のOFF  
最大で3個まで注文可能

**特典②**  
定期コースの期間縛りなし  
初回のご注文で解約・休止OK

**特典③**  
お好みの周期でお届けが可能！  
数や日程変更もOK

**3つの嬉しい特典**

**特典①** 特別割引価格で購入できる！  
**特典②** 回数縛りなく、解約・休止可能！  
**特典③** 数やお届け日などの変更も調整可能！

定期コース詳細を見る

**会員の方**

- ▶ 会員情報の確認・変更
- ▶ お届け内容の確認・変更
- ▶ 定期コース内容の確認・変更

**はじめての方**

- ▶ はじめての方

**お知らせ**

2020/12/22 年末年始休業のお知らせ

2020/08/03 2020年夏季休業のご案内

お知らせ一覧はこちら

雪国まいたけの健康商品

## Our Products

**【NEW】Roasted Maitake Tea**  
Available from May 2021

Caffeine-free tea, made 100% with Maitake

**MD-Fraction Plus**  
Immunity Enhancement

**Maitake-no-Tsubu**  
Condensed Maitake Components

**Maita Care**  
Skin Conditioner

**Aojiru Plus**  
Green Juice Plus

**Aojiru**  
Green Juice



# 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 immunity<sup>1-3</sup>.

<sup>1</sup> He et al. 2017 Int. J. Biol. Macromol. 101: 910-921.

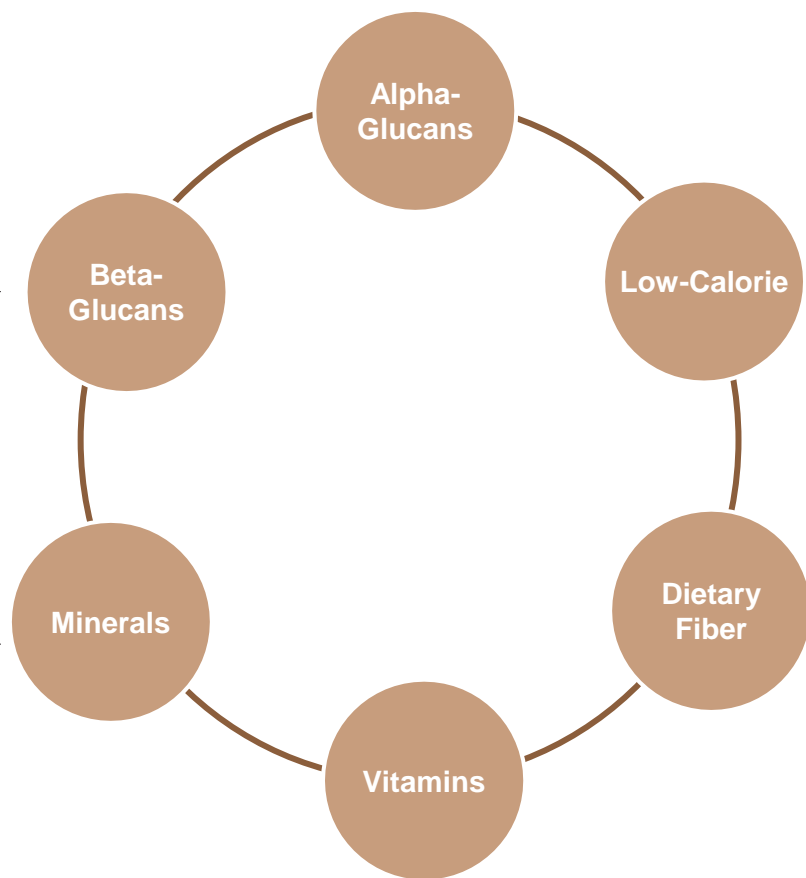
<sup>2</sup> Wesa et al. 2015 Cancer Immunol Immunother 64: 237-247.

<sup>3</sup> 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 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.



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 eaten<sup>2</sup>. 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.

<sup>2</sup> 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)



# Suggestions on How to Eat Maitake

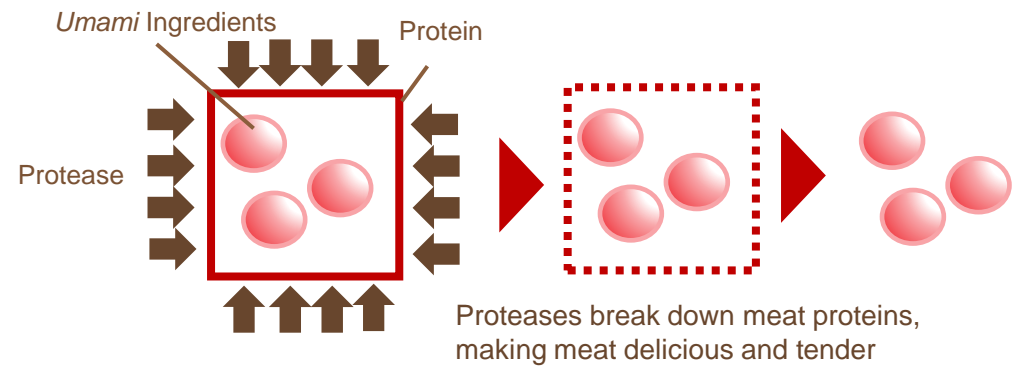
- Providing information on how to eat maitake that you can easily take the nutrition every day by proposing the “*maitashi*” menu

## Proposal of “*Maitashi*” menu

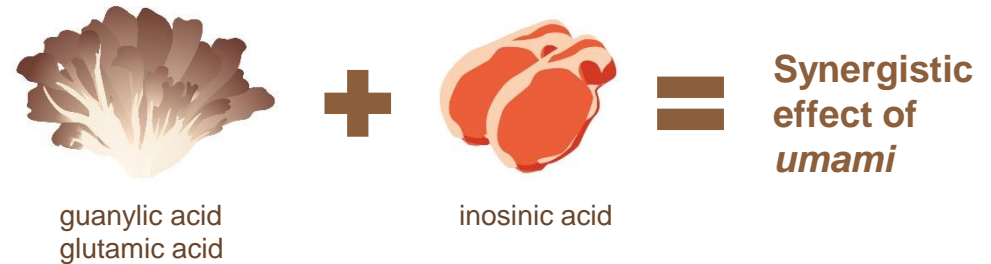
## Maitake as Ingredient to Make Meat Delicious

<h3>Spring</h3>  <p>Cooked Rice with Yukiguni Mushrooms, Spring Cabbage, and Sakura Shrimp</p>	<h3>Summer</h3>  <p>Tomato Keema Curry with Yukiguni Maitake Kiwami</p>
<h3>Winter</h3>  <p>Millefeuille Sukiyaki with Yukiguni Maitake Kiwami</p>	<h3>Autumn</h3>  <p>Miso Cooked Rice with Yukiguni Mushrooms and Salmon</p>

- An enzyme called protease contained in maitake breaks down protein in meat to soften the meat and make amino acids, increasing the *umami*



- Maitake contains guanylic acid and glutamic acid among the three major *umami* ingredients, and is combined with the inosinic acid of meat to improve the *umami* of food by synergistic effect



“*Maitashi*” is a “delicious” and “healthy” lifestyle that is realized by adding maitake to the usual menu





## Our Sustainability Initiatives

- Strengthen our efforts toward environmental conservation, including the most effective use of resources and shift to eco-friendly energy sources

### Less Waste



#### Very low food loss

- Mushroom waste is reused as useful materials

### Reuse of Resources



#### Promoting reuse of culture media

- Reuse all of the sawdust used for culture media as fuel for biomass boilers

### Climate Change Mitigation



#### Use of power producers and suppliers (PPS) and liquefied natural gas (LNG) with high energy conversion efficiency

- Use geothermal and other natural energy sources
- Switch from fuel oil A to LNG through reconsidering utility costs



## Social Contribution Activities

- Engaged in social contribution activities that enhance the sustainability of society through support for environmental conservation activities and support for the revitalization and development of local communities

### Participation in Team Eco

Take part in the environmental conservation efforts hosted by UX Niigata TV 21, and have been a sponsoring member since 2019



### Sponsoring Local Events

In addition to sponsoring local sporting events, actively participate in festivals and other events to help contribute to the revitalization of local communities



### Sponsoring Minamiuonuma and Kin, Okinawa Exchange Program

Since Kinoko Center Kin Co., Ltd., based in the town of Kin, Okinawa, joined the Group in 2019, specially sponsor the exchange program for elementary school students hosted by the city of Minamiuonuma, Niigata and the town of Kin

Children from Niigata visit the factory in the town of Kin, while children from Okinawa visit the factory in the city of Minamiuonuma

### Tours for Local Elementary School Students

The mushroom production and packaging center operates tours as part of social studies field trips for local elementary school students





# Our Approach to SDGs

## “Yukiguni Maitake Forest Creation Activity”

Developing a forest park where people and forests can coexist to realize a sustainable future with the local community

### Image

Designing spaces for people by thinning the forest has been left untouched to create where trees can grow well.



Thinning down artificial cedar trees to lead to healthy forests, and planting broad-leaved trees to create a beautiful landscape with high soil fertility and mixed forest.



### Activities

#### Contents

- Signed an agreement with the representatives of Minamiuonuma City, Minamiuonuma Forestry Association, and the Minamiuonuma Regional Promotion Bureau of Niigata Prefectural Government.
- Borrowing 6.3 hectares of forest adjacent to Ohara Sports Park from Minamiuonuma City
- Started maintenance of untouched forests with employees and related parties

#### Plan

- Thinning and planting trees for healthy forest
- Utilizing thinned trees for mushroom’s medium
- Monitoring and calculating of CO<sub>2</sub> absorption



### Expected Impact on SDGs



- Control the damage caused by natural disasters
- Reduce CO<sub>2</sub> emissions by utilizing renewable energy
- Increase employment and economic development in mountainous areas



## Disclaimer

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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.



**Securities Code: 1375**