

## Consolidated Financial Summary for the First Six Months Period of the Fiscal Year Ending March 31, 2021 [IFRS]

November 5, 2020

|   |   |
|---|---|
| Listed Company:   | YUKIGUNI MAITAKE CO., LTD.  |
| Stock Exchange:   | Tokyo Stock Exchange  |
| Code Number:  | 1375  |
| URL:  | <a href="https://www.maitake.co.jp/">https://www.maitake.co.jp/</a> |
| Representative:   | Iwao Ashikaga, President and CEO, Representative Director           |
| Contact:  | Masahiro Komuro, Executive Officer (Chief Financial Officer)        |
| Tel.:   | +81-25-778-0162   |
| Scheduled date to submit quarterly report:              | November 6, 2020  |
| Scheduled date of the start of dividends payment:       | December 7, 2020  |
| Supplementary material for quarterly financial results: | Yes   |
| Briefing on quarterly financial results:                | Yes (for analysts and institutional investors)                      |

### 1. Consolidated Financial Results for the First Six Months Period of the Fiscal Year Ending March 31, 2021 (from April 1, 2020 to September 30, 2020)

(Millions of yen with fractional amounts discarded)

#### (1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes)

|  | Total income    |     | Operating profit |      | Profit before tax |      | Profit          |      |
|--|-----------------|-----|------------------|------|-------------------|------|-----------------|------|
|  | Millions of yen | %   | Millions of yen  | %    | Millions of yen   | %    | Millions of yen | %    |
| First six months of the year ending March 31, 2021 | 22,655          | 6.1 | 3,280            | 19.2 | 3,019             | 22.6 | 1,959           | 22.6 |
| First six months of the year ended March 31, 2020  | 21,360          | —   | 2,753            | —    | 2,462             | —    | 1,598           | —    |

|  | Profit attributable to owners of parent |      | Total comprehensive income |      | Basic earnings per share | Diluted earnings per share |
|--|---|------|----------------------------|------|--------------------------|----------------------------|
|  | Millions of yen                         | %    | Millions of yen            | %    | Yen                      | Yen                        |
| First six months of the year ending March 31, 2021 | 1,966                                   | 22.9 | 1,972                      | 24.0 | 49.35                    | 49.32                      |
| First six months of the year ended March 31, 2020  | 1,600                                   | —    | 1,590                      | —    | 40.17                    | 40.15                      |

(Note) Effective July 30, 2020, YUKIGUNI MAITAKE CO., LTD. (hereinafter “the Company”) split the shares of its common stock on a 100-for-1 basis. Basic earnings per share and diluted 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.

#### (Reference)

|  | Adjusted operating profit |      | Adjusted EBITDA |      | Adjusted profit |      | Adjusted basic earnings per share |      |
|--|---------------------------|------|-----------------|------|-----------------|------|-----------------------------------|------|
|  | Millions of yen           | %    | Millions of yen | %    | Millions of yen | %    | Yen                               | %    |
| First six months of the year ending March 31, 2021 | 3,544                     | 24.1 | 4,509           | 21.8 | 2,221           | 29.1 | 55.75                             | 29.1 |
| First six months of the year ended March 31, 2020  | 2,856                     | —    | 3,703           | —    | 1,720           | —    | 43.18                             | —    |

#### (2) Consolidated Financial Position

|                          | Total assets    | Total equity    | Equity attributable to owners of parent | Ratio of equity attributable to owners of parent |
|--------------------------|-----------------|-----------------|---|--|
|                          | Millions of yen | Millions of yen | Millions of yen                         | %  |
| As of September 30, 2020 | 36,857          | 6,874           | 6,880                                   | 18.7   |
| As of March 31, 2020     | 35,199          | 4,901           | 4,899                                   | 13.9   |

## 2. Dividends

|                                       | Dividend per share |                    |                    |          |              |
|---------------------------------------|--------------------|--------------------|--------------------|----------|--------------|
|                                       | End of 1st quarter | End of 2nd quarter | End of 3rd quarter | Year end | Annual Total |
|                                       | Yen                | Yen                | Yen                | Yen      | Yen          |
| Year ended March 31, 2020             | –                  | 0.00               | 4,230.00           | 0.00     | 4,230.00     |
| Year ending March 31, 2021            | –                  | 14.00              |                    |          |              |
| Year ending March 31, 2021 (forecast) |                    |                    | –                  | 28.00    | 42.00        |

(Notes) 1. Revisions from dividends forecasts announced most recently: None

2. Effective July 30, 2020, the Company split the shares of its common stock on a 100-for-1 basis. The amount of dividend per share approved for the fiscal year ended March 31, 2020 has not been adjusted to reflect such share split.

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Percentages indicate year-on-year changes)

|           | Total income    |     | Operating profit |      | Profit before tax |      | Profit          |      | Profit attributable to owners of parent |      | Basic earnings per share |
|-----------|-----------------|-----|------------------|------|-------------------|------|-----------------|------|---|------|--------------------------|
|           | Millions of yen | %   | Millions of yen  | %    | Millions of yen   | %    | Millions of yen | %    | Millions of yen                         | %    | yen                      |
| Full year | 52,678          | 3.8 | 8,324            | 24.4 | 7,783             | 17.1 | 5,099           | 17.4 | 5,099                                   | 17.3 | 127.96                   |

(Notes) 1. Revisions from financial results forecasts announced most recently: None

2. Basic earnings per share have been restated, as appropriate, to reflect a 100-for-1 stock split effect on July 30, 2020.

(Reference)

|           | Adjusted operating profit |      | Adjusted EBITDA |      | Adjusted profit |      | Adjusted basic earnings per share |      |
|-----------|---------------------------|------|-----------------|------|-----------------|------|-----------------------------------|------|
|           | Millions of yen           | %    | Millions of yen | %    | Millions of yen | %    | Yen                               | %    |
| Full year | 8,618                     | 24.9 | 10,453          | 20.5 | 5,466           | 27.6 | 137.17                            | 27.6 |

\* Notes

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries accompanied by a change in the scope of consolidation): None

(2) Changes in accounting policies and changes of accounting assumptions

- (i) Changes in accounting policies as required by IFRS: None
- (ii) Changes in accounting policies other than (i): None
- (iii) Changes in accounting assumptions: None

(3) Number of shares outstanding (common stock)

- (i) Number of shares issued (including treasury stock) at the end of the term:
  - As of September 30, 2020 39,850,000 shares
  - As of March 31, 2020 39,850,000 shares
- (ii) Number of shares of treasury stock at the end of the term:
  - As of September 30, 2020 – shares
  - As of March 31, 2020 – shares
- (iii) Average number of shares during the period
  - Six months ended September 30, 2020 39,850,000 shares
  - Six months ended September 30, 2019 39,850,000 shares

(Note) Effective July 30, 2020, the Company split the shares of its common stock on a 100-for-1 basis. The number of shares issued has been restated, as appropriate, to reflect a 100-for-1 stock split effect on July 30, 2020.

\* Summaries of quarterly consolidated financial statements are not subject to reviews conducted by certified public accountants or audit firms.

\* Notes regarding proper use of forecasts of financial results, and other special comments

(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.

(Other special comments)

- (1) The Company and its consolidated subsidiaries (together, “the Group”) apply the International Financial Reporting Standards (hereinafter “IFRS”) to and after the fiscal year ended March 31, 2020.
- (2) Adjusted operating profit = Operating profit + Management fee + Listing-related expenses
- (3) Adjusted EBITDA = Adjusted operating profit + Depreciation + Amortization
- (4) Adjusted profit for the period or year = Profit for the period or year + Management fee + Listing-related expenses + Refinancing-related gains/losses + Tax adjustments
- (5) In (4), “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. “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.
- (6) Adjusted basic earnings per share = Adjusted profit for the period or year / Average number of shares during the period or year
- (7) Adjusted operating profit, Adjusted EBITDA, Adjusted profit for the period or year and Adjusted basic earnings per share are not indicators defined by IFRS, but the Group assumes these indicators are useful for investors to evaluate the Group’s performance. These financial indicators exclude some expenses and non-recurring gains / losses that are not expected to occur after listing. Adjusted Operating Profit, Adjusted EBITDA, Adjusted profit for the period or year and Adjusted basic earnings per share should not be considered as indicators to replace the other indicators shown in accordance with IFRS because they do not include some of the items that affect the profit for the period, so they are subject to significant restrictions as means of analysis. Adjusted Operating Profit, Adjusted EBITDA, Adjusted profit for the period or year and Adjusted basic earnings per share disclosed by the Group may be less useful in comparison with the same or similar indicators of other competitors because they are calculated according to a different method from that of such other companies.

(How to obtain supplementary financial results briefing materials and financial results briefing details)

We plan to hold a live streaming of the financial results briefing for institutional investors and analysts on Monday, November 9, 2020. The financial results briefing presentation materials are posted on our website from November 5, 2020.

## Accompanying Materials – Contents

|  |    |
|--|----|
| 1. Qualitative Information for the First Six-Month Period of the Fiscal Year Ending March 31, 2021.....      | 2  |
| (1) Analysis of Operating Results.....   | 2  |
| (2) Analysis of Financial Position.....  | 3  |
| (3) Explanations about Forward-Looking Information Including Forecast of Consolidated Financial Results..... | 4  |
| 2. Summarized Quarterly Consolidated Financial Statements and Significant Notes.....                         | 5  |
| (1) Summarized Quarterly Consolidated Statements of Financial Position.....                                  | 5  |
| (2) Summarized Quarterly Consolidated Statements of Income and Comprehensive Income .....                    | 7  |
| (3) Summarized Quarterly Consolidated Statement of Changes in Equity.....                                    | 9  |
| (4) Summarized Quarterly Consolidated Statements of Cash Flows.....  | 10 |
| (5) Notes to Summarized Quarterly Consolidated Financial Statements.....                                     | 11 |
| (Going Concern Assumptions) .....  | 11 |
| (Segment Information) .....  | 11 |
| (Earnings per Share) .....   | 12 |
| (Significant Subsequent Events) .....  | 12 |

## 1. Qualitative Information for the First Six-Month Period of the Fiscal Year Ending March 31, 2021

### (1) Analysis of Operating Results

The domestic economy during the first six months of the current consolidated fiscal year (April 1, 2020 to September 30, 2020) remained extremely sluggish due to the effects of the novel coronavirus disease (COVID-19). Although government-led policies have facilitated some economic recovery and domestic consumer sentiment has partially improved, the outlook remains uncertain.

In the domestic mushroom market, demand for mushrooms increased, and sales were strong due to (1) more cooking opportunities at home avoiding going out, (2) growing demand for functional foods attributable to heightened health awareness, and (3) soaring vegetable prices caused by poor growth under unseasonable weather in early summer.

In such an environment, the Group continued to promote the development and appeal of mushroom functionality focusing on maitake, under our fundamental policy of our medium-term business plan, "Establishing a foundation as a comprehensive manufacturer of premium mushrooms." By doing so, we have developed a position as a year-round foodstuff rather than seasonal one, and at the same time, we have developed our business to contribute to the realization of a healthy society by providing safe and secure products to our customers.

Total income for the first six months of the current consolidated fiscal year was ¥22,655 million (+6.1% year-on-year), of which revenue was ¥14,997 million (+4.3% year-on-year). Revenue increased due to the steady performance of our mushroom business, including an increase in sales from Mitsukura Norin Co., Ltd., which was acquired in October 2019. Gross profit was ¥7,383 million (+12.0% year on year) due to a decrease in the cost of sales ratio, a decrease in utility costs, quality improvement, and improvement in production efficiency. Selling, general and administrative expenses increased to ¥3,957 million (+1.7% year on year) due to an increase in freight costs and sales commissions associated with increased revenue.

As a result of the above, operating profit for the first six months of the current consolidated fiscal year was ¥3,280 million (+19.2% year on year) and profit attributable to owners of parent was ¥1,966 million (+22.9% year on year). In the first six months of the current consolidated fiscal year, gains arising from changes in fair value related to the application of IFRS Agriculture Accounting (IAS 41) were included in income of ¥7,657 million and cost of sales of ¥6,846 million.

[Business results for the six months ended September 30, 2020]

|   | Six months ended<br>September 30, 2019 | Six months ended<br>September 30, 2020 | (Millions of yen)<br>% Change<br>year on year |
|---|--|--|---|
| Revenue                                   | 14,377                                 | 14,997                                 | 4.3   |
| Gains arising from changes in fair value  | 6,982                                  | 7,657                                  | 9.7   |
| Total income                              | 21,360                                 | 22,655                                 | 6.1   |
| Operating profit                          | 2,753                                  | 3,280                                  | 19.2  |
| Profit before tax                         | 2,462                                  | 3,019                                  | 22.6  |
| Profit (attributable to owners of parent) | 1,600                                  | 1,966                                  | 22.9  |

The status of revenue by business segment during the first six months of the current consolidated fiscal year is as follows.

[Mushroom business]

1) Maitake

On top of promoting the functionality of maitake, we have developed a position as a year-round foodstuff rather than a seasonal one and also developed a product strategy utilizing extensive product lineup through gaining high praise from customers on the balance of *umami*, flavor, and good texture. In the first six months of the current consolidated fiscal year, the unit price was lower than that of the same period of the previous year, but the sales volume remained strong. As a result, revenue from the maitake business segment was ¥8,402 million (+1.6% year-on-year).

2) Eringi

In addition to achieving stable supply by improving production quality, we are expanding our product lineup by launching strategic products that meet consumer needs, and both sales volume and unit price are higher than those of the same period of the previous year. As a result, revenue from the Eringi business segment was ¥1,694 million (+10.5% year on year).

3) Buna-shimeji

By paying close attention to the fruit and vegetable market and market trends and launching products in line with the balance between supply and demand, the unit sales price remained higher than that of the same period of the previous year. As a result, revenue from the Buna-shimeji business segment was ¥2,960 million (+6.5% year on year).

4) Other mushrooms

Mitsukura Norin Co., Ltd., which was acquired in October 2019, contributed to the increase in revenue. As a result, revenue from the other mushrooms business segment was ¥1,683 million (+128.0% year on year).

[Other]

Revenue from the “other” business segment was ¥255 million (-75.7% year on year) due to the closures of the cut vegetables and natto business in February 2020.

Revenue by business segment is as follows.

|                   | Six months ended<br>September 30, 2019 | Six months ended<br>September 30, 2020 | (Millions of yen)<br>% Change<br>year on year |
|-------------------|--|--|---|
| Mushroom business | 13,325                                 | 14,741                                 | 10.6  |
| Maitake           | 8,273                                  | 8,402                                  | 1.6   |
| Eringi            | 1,533                                  | 1,694                                  | 10.5  |
| Buna-shimeji      | 2,780                                  | 2,960                                  | 6.5   |
| Other mushrooms   | 738                                    | 1,683                                  | 128.0   |
| Other             | 1,052                                  | 255                                    | -75.7   |
| Total Revenue     | 14,377                                 | 14,997                                 | 4.3   |

(2) Analysis of Financial Position

1) Financial position

[Assets]

Total assets at the end of the second quarter of the current consolidated fiscal year (as of September 30, 2020) were ¥36,857 million (+¥1,658 million from the end of the previous consolidated fiscal year). Current assets were ¥11,492 million (+¥446 million year on year). This was mainly due to a decrease of ¥952 million in cash and cash equivalents, an increase of ¥950 million in biological assets, ¥298 million in trade and other receivables, and ¥184 million in inventories. Non-current assets were ¥25,365 million (+¥1,211 million year on year). This was mainly due to an increase of ¥1,356 million in property, plant and equipment associated with

facility expansion and renewal related to increased production of maitake.

[Liabilities]

Total liabilities at the end of the second quarter of the current consolidated fiscal year were ¥29,982 million (-¥315 million). Current liabilities were ¥7,424 million (+¥143 million year on year). This was mainly due to a decrease of ¥475 million in accrued income taxes and decrease of ¥461 million in other liabilities, while trade and other payables increased by ¥814 million, and employee benefits liabilities increased by ¥179 million. Non-current liabilities were ¥22,558 million (-¥459 million). This was mainly due to a decrease in borrowings of ¥389 million.

[Equity]

Total equity at the end of the second quarter of the current consolidated fiscal year was ¥6,874 million (+¥1,973 million year on year). This was mainly due to the recording of a profit of ¥1,959 million.

2) Cash flows

The balance of cash and cash equivalents at the end of the second quarter of the current consolidated fiscal year decreased by ¥952 million from the end of the previous consolidated fiscal year to ¥3,508 million. The status of each cash flow and their factors are as follows:

[Net cash flows from operating activities]

The amount of funds acquired as a result of operating activities was ¥1,292 million (the amount used was ¥1,320 million in the same period of the previous year). This was mainly due to the recording of profit before tax of ¥3,019 million, depreciation and amortization of ¥964 million, an increase in inventories ¥184 million due to strong sales, and an increase in biological assets of ¥950 million. On the other hand, there was a income tax payment of ¥1,682 million.

[Net cash flows from investing activities]

The funds used as a result of investing activities amounted to ¥1,652 million (the amount used was ¥389 million in the same period of the previous year). This was mainly due to the expenditure of ¥1,639 million for the purchase of property, plant and equipment associated with the expansion and renewal of facilities related to the increase in production of maitake. In addition, in the same period of the previous year, income from the sale of land owned by the Company in Shiga Prefecture was also a factor of fluctuation.

[Net cash flows from financing activities]

Funds used as a result of financing activities amounted to ¥592 million (the amount used was ¥1,096 million in the same period of the previous year). This was mainly due to the repayments of long-term borrowings of ¥481 million. In the same period of the previous year, the advance repayment of long-term borrowings was also a factor in the fluctuation.

(3) Explanations about Forward-Looking Information Including Forecast of Consolidated Financial Results

Regarding the consolidated financial results forecast, there is no change in the full-year consolidated financial results forecast announced in “Notice of Our Financial Results, etc. Accompanying Listing on the First Section of the Tokyo Stock Exchange” on September 17, 2020. The financial results forecast is based on the information available at this time, and the actual financial results may differ due to various factors.

## 2. Summarized Quarterly Consolidated Financial Statements and Significant Notes

### (1) Summarized Quarterly Consolidated Statements of Financial Position

(Millions of yen)

|                                | As of March 31, 2020 | As of September 30, 2020 |
|--------------------------------|----------------------|--------------------------|
| Assets                         |                      |                          |
| Current assets                 |                      |                          |
| Cash and cash equivalents      | 4,461                | 3,508                    |
| Trade and other receivables    | 2,141                | 2,439                    |
| Inventories                    | 1,292                | 1,476                    |
| Biological assets              | 3,019                | 3,970                    |
| Other financial assets         | 0                    | -                        |
| Other current assets           | 131                  | 97                       |
| Total current assets           | 11,045               | 11,492                   |
| Non-current assets             |                      |                          |
| Property, plant and equipment  | 16,710               | 18,066                   |
| Investment property            | 364                  | 316                      |
| Goodwill and intangible assets | 5,320                | 5,311                    |
| Right-of-use assets            | 597                  | 523                      |
| Retirement benefit asset       | 310                  | 301                      |
| Other financial assets         | 152                  | 145                      |
| Deferred tax assets            | 646                  | 641                      |
| Other non-current assets       | 50                   | 58                       |
| Total non-current assets       | 24,153               | 25,365                   |
| Total assets                   | 35,199               | 36,857                   |



(Millions of yen)

|   | As of March 31, 2020 | As of September 30, 2020 |
|---|----------------------|--------------------------|
| <b>Liabilities</b>                            |                      |                          |
| Current liabilities                           |                      |                          |
| Trade and other payables                      | 2,390                | 3,205                    |
| Accrued income taxes                          | 1,539                | 1,064                    |
| Employee benefit liabilities                  | 1,577                | 1,757                    |
| Current portion of long-term borrowings       | 942                  | 1,037                    |
| Lease liabilities                             | 196                  | 199                      |
| Other financial liabilities                   | 26                   | 15                       |
| Other current liabilities                     | 605                  | 144                      |
| Total current liabilities                     | 7,280                | 7,424                    |
| Non-current liabilities                       |                      |                          |
| Borrowings                                    | 22,438               | 22,048                   |
| Lease liabilities                             | 483                  | 416                      |
| Defend tax liabilities                        | 11                   | 11                       |
| Provisions                                    | 17                   | 17                       |
| Other financial liabilities                   | 55                   | 61                       |
| Other non-current liabilities                 | 10                   | 2                        |
| Total non-current liabilities                 | 23,017               | 22,558                   |
| Total liabilities                             | 30,297               | 29,982                   |
| <b>Equity</b>                                 |                      |                          |
| Share capital                                 | 100                  | 100                      |
| Capital surplus                               | (6,046)              | (6,046)                  |
| Retained earnings                             | 10,828               | 12,795                   |
| Other components of equity                    | 17                   | 31                       |
| Total equity attributable to owners of parent | 4,899                | 6,880                    |
| Non-controlling interests                     | 1                    | (5)                      |
| Total equity                                  | 4,901                | 6,874                    |
| Total liabilities and equity                  | 35,199               | 36,857                   |

## (2) Summarized Quarterly Consolidated Statements of Income and Comprehensive Income

(Summarized Quarterly Consolidated Statements of Income)

(Millions of yen)

|  | Six months ended<br>September 30, 2019 | Six months ended<br>September 30, 2020 |
|--|--|--|
| Income                                       |  |  |
| Revenue                                      | 14,377                                 | 14,997                                 |
| Gains arising from changes in fair value     | 6,982                                  | 7,657                                  |
| Total income                                 | 21,360                                 | 22,655                                 |
| Cost of sales (*1)                           | 14,767                                 | 15,272                                 |
| Gross profit                                 | 6,592                                  | 7,383                                  |
| Selling, general and administrative expenses | 3,890                                  | 3,957                                  |
| Other income                                 | 220                                    | 27                                     |
| Other expenses                               | 169                                    | 171                                    |
| Operating profit                             | 2,753                                  | 3,280                                  |
| Finance income                               | 21                                     | 0                                      |
| Finance expenses                             | 312                                    | 262                                    |
| Profit before tax                            | 2,462                                  | 3,019                                  |
| Income tax expense                           | 863                                    | 1,059                                  |
| Profit                                       | 1,598                                  | 1,959                                  |
| Profit attributable to                       |  |  |
| Owners of parent                             | 1,600                                  | 1,966                                  |
| Non-controlling interests                    | (1)                                    | (6)                                    |
| Earnings per share (Yen)                     |  |  |
| Basic earnings per share (Yen)               | 40.17                                  | 49.35                                  |
| Diluted earnings per share (Yen)             | 40.15                                  | 49.32                                  |

Management believes that the information of “material costs, labor costs, etc.” facilitates comparison between the Group and other companies in the same industry by users of financial statements. Therefore, we disclose the information voluntarily as a note in the summarized quarterly consolidated statements of income. “Material costs, labor costs, etc.” are the production costs of fresh mushrooms and purchasing costs of other goods sold by the Group, excluding the gains from fluctuations in fair value recognized under IAS 41 “Agriculture”.

| (*1) Components of cost of sales         |        |        |
|--|--------|--------|
| Material costs, labor costs, etc.        | 8,663  | 8,425  |
| Gains arising from changes in fair value | 6,104  | 6,846  |
| Total                                    | 14,767 | 15,272 |

## (Summarized Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

|   | Six months ended<br>September 30, 2019 | Six months ended<br>September 30, 2020 |
|---|--|--|
| Profit  | 1,598                                  | 1,959                                  |
| Other comprehensive income (after tax effect deduction)                                       |  |  |
| Items that will not be reclassified to profit or loss   |  |  |
| Net change in equity instruments measured at fair value<br>through other comprehensive income | (8)                                    | 12                                     |
| Total of items that will not be reclassified to profit or loss                                | (8)                                    | 12                                     |
| Total of other comprehensive income (after tax effect deduction)                              | (8)                                    | 12                                     |
| Comprehensive income  | 1,590                                  | 1,972                                  |
| Comprehensive income attributable to  |  |  |
| Owners of parent  | 1,592                                  | 1,978                                  |
| Non-controlling interests   | (1)                                    | (6)                                    |

## (3) Summarized Quarterly Consolidated Statement of Changes in Equity

Six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)

(Millions of yen)

|   | Share capital | Capital surplus | Retained earnings | Other components of equity | Equity attributable to owners of parent | Non-controlling interests | Total equity |
|---|---------------|-----------------|-------------------|----------------------------|---|---------------------------|--------------|
| Balance as of April 1, 2019                                   | 100           | (4,360)         | 6,524             | 44                         | 2,308                                   | 3                         | 2,312        |
| Profit  | -             | -               | 1,600             | -                          | 1,600                                   | (1)                       | 1,598        |
| Other comprehensive income                                    | -             | -               | -                 | (8)                        | (8)                                     | -                         | (8)          |
| Total comprehensive income                                    | -             | -               | 1,600             | (8)                        | 1,592                                   | (1)                       | 1,590        |
| Transfer from other components of equity to retained earnings | -             | -               | 3                 | (3)                        | -                                       | -                         | -            |
| Other   | -             | -               | -                 | 2                          | 2                                       | -                         | 2            |
| Total transactions with owners of parent                      | -             | -               | 3                 | (1)                        | 2                                       | -                         | 2            |
| Balance as of September 30, 2019                              | 100           | (4,360)         | 8,128             | 34                         | 3,902                                   | 1                         | 3,904        |

Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)

(Millions of yen)

|   | Share capital | Capital surplus | Retained earnings | Other components of equity | Equity attributable to owners of parent | Non-controlling interests | Total equity |
|---|---------------|-----------------|-------------------|----------------------------|---|---------------------------|--------------|
| Balance as of April 1, 2020                                   | 100           | (6,046)         | 10,828            | 17                         | 4,899                                   | 1                         | 4,901        |
| Profit  | -             | -               | 1,966             | -                          | 1,966                                   | (6)                       | 1,959        |
| Other comprehensive income                                    | -             | -               | -                 | 12                         | 12                                      | -                         | 12           |
| Total comprehensive income                                    | -             | -               | 1,966             | 12                         | 1,978                                   | (6)                       | 1,972        |
| Transfer from other components of equity to retained earnings | -             | -               | -                 | -                          | -                                       | -                         | -            |
| Other   | -             | -               | -                 | 1                          | 1                                       | -                         | 1            |
| Total transactions with owners of parent                      | -             | -               | -                 | 1                          | 1                                       | -                         | 1            |
| Balance as of September 30, 2020                              | 100           | (6,046)         | 12,795            | 31                         | 6,880                                   | (5)                       | 6,874        |

## (4) Summarized Quarterly Consolidated Statements of Cash flows

(Millions of yen)

|  | Six months ended<br>September 30, 2019 | Six months ended<br>September 30, 2020 |
|--|--|--|
| Cash flows from operating activities                         |  |  |
| Profit before tax  | 2,462                                  | 3,019                                  |
| Depreciation and amortization                                | 847                                    | 964                                    |
| Interest expense   | 261                                    | 252                                    |
| Commission for syndicate loan                                | 46                                     | 9                                      |
| Loss (gain) on sale of fixed assets                          | (197)                                  | (1)                                    |
| Loss on disposal of fixed assets                             | 104                                    | 72                                     |
| Decrease (increase) in trade and other receivables           | 407                                    | (298)                                  |
| Decrease (increase) in inventories                           | (613)                                  | (184)                                  |
| Decrease (increase) in biological assets                     | (763)                                  | (950)                                  |
| Increase (decrease) in trade and other payables              | (1,537)                                | (17)                                   |
| Decrease (increase) in retirement benefit asset              | 13                                     | 9                                      |
| Increase (decrease) in employee benefit liabilities          | (695)                                  | 179                                    |
| Other  | (632)                                  | (143)                                  |
| Subtotal   | (296)                                  | 2,911                                  |
| Interest paid  | (144)                                  | (79)                                   |
| Commission for syndicate loan paid                           | (16)                                   | (7)                                    |
| Income tax paid  | (1,204)                                | (1,682)                                |
| Income tax refund  | 342                                    | 149                                    |
| Net cash inflow (outflow) from operating activities          | (1,320)                                | 1,292                                  |
| Cash flows from investing activities                         |  |  |
| Purchase of property, plant and equipment                    | (1,038)                                | (1,639)                                |
| Proceeds from sale of property, plant and equipment          | 702                                    | 3                                      |
| Purchase of intangible assets                                | (18)                                   | (3)                                    |
| Other  | (35)                                   | (12)                                   |
| Net cash flow (outflow) from investing activities            | (389)                                  | (1,652)                                |
| Cash flows from financing activities                         |  |  |
| Repayments of long-term borrowings                           | (992)                                  | (481)                                  |
| Repayments of lease liabilities                              | (103)                                  | (111)                                  |
| Other  | (1)                                    | (0)                                    |
| Net cash flow (outflow) from financing activities            | (1,096)                                | (592)                                  |
| Effect of exchange rate changes on cash and cash equivalents | (0)                                    | (0)                                    |
| Net increase (decrease) in cash and cash equivalents         | (2,807)                                | (952)                                  |
| Cash and cash equivalents at the beginning of the period     | 6,617                                  | 4,461                                  |
| Cash and cash equivalents at the end of the period           | 3,810                                  | 3,508                                  |

(5) Notes to Summarized Quarterly Consolidated Financial Statements

(Going Concern Assumptions)

Not applicable.

(Segment Information)

(1) Reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and regular evaluation by the Board of Directors, chief operating decision maker, is being performed in order to make decisions about resources to be allocated and to assess its performance.

The mushroom business is listed as a reporting segment as the Group has a comprehensive strategy for products and services and is expanding its business activities. "Other" includes businesses that are not included in the reportable segment.

The Group aggregates maitake business, eringi business, buna-shimeji business, etc. as a reportable segment, "mushroom business," in terms of similarity of economic characteristics such as revenue trends, and the following features are all similar in this segment: (a) the nature of products and services, (b) the nature of the production processes, (c) the type of customers of the products and the services, (d) the method used to deliver the products or provide the services, and (e) the nature of regulatory environment.

Description of the reportable segment is as follows:

|                   | Description of business   |
|-------------------|---|
| Mushroom business | Production and sales of maitake, eringi, buna-shimeji and other mushrooms |

(2) Reportable segments information

The accounting methods of reportable business segments are the same as the Group's accounting policies. Figures reported as segment profit are based on the operating profit reported in the summarized quarterly consolidated statements of income. Revenues from intersegment transactions are based on the current market prices.

Six months ended September 30, 2019 (From April 1, 2019 to September 30, 2019)

(Millions of yen)

|                                 | Mushroom business | Others | Total  | Adjustment items (*) | Per consolidated financial statements |
|---------------------------------|-------------------|--------|--------|----------------------|---------------------------------------|
| Revenue                         |                   |        |        |                      |                                       |
| Revenue from external customers | 13,325            | 1,052  | 14,377 | -                    | 14,377                                |
| Intersegment revenue            | -                 | 1      | 1      | (1)                  | -                                     |
| Total revenue                   | 13,325            | 1,053  | 14,379 | (1)                  | 14,377                                |
| Segment profit (loss)           | 2,474             | 87     | 2,562  | 191                  | 2,753                                 |
| Finance income                  |                   |        |        |                      | 21                                    |
| Finance expenses                |                   |        |        |                      | 312                                   |
| Profit before tax               |                   |        |        |                      | 2,462                                 |

(Note) Adjustment items include corporate expenses that are not allocated to each business segment.

Six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)

(Millions of yen)

|                                 | Mushroom business | Others | Total  | Adjustment items (*) | Per consolidated financial statements |
|---------------------------------|-------------------|--------|--------|----------------------|---------------------------------------|
| Revenue                         |                   |        |        |                      |                                       |
| Revenue from external customers | 14,741            | 255    | 14,997 | -                    | 14,997                                |
| Intersegment revenue            | -                 | 19     | 19     | (19)                 | -                                     |
| Total revenue                   | 14,741            | 275    | 15,017 | (19)                 | 14,997                                |
| Segment profit (loss)           | 3,319             | 33     | 3,353  | (72)                 | 3,280                                 |
| Finance income                  |                   |        |        |                      | 0                                     |
| Finance expenses                |                   |        |        |                      | 262                                   |
| Profit before tax               |                   |        |        |                      | 3,019                                 |

(Note) Adjustment items include corporate expenses that are not allocated to each business segment.

(Earnings per Share)

Calculation of basic earnings per share and diluted earnings per share are described below.

|   | (Unit)            | Six months ended September 30, 2019 | Six months ended September 30, 2020 |
|---|-------------------|-------------------------------------|-------------------------------------|
| Basic earnings per share  |                   |                                     |                                     |
| Profit attributable to owners of parent                           | (Millions of yen) | 1,600                               | 1,966                               |
| Profit not attributable to common shareholders of the Company     | (Millions of yen) | -                                   | -                                   |
| Profit used for calculation of basic interim earnings per share   | (Millions of yen) | 1,600                               | 1,966                               |
| Average number of common shares during the period                 | (Thousand shares) | 39,850                              | 39,850                              |
| Basic earnings per share  | (Yen)             | 40.17                               | 49.35                               |
| Diluted earnings per share  |                   |                                     |                                     |
| Profit used for calculation of basic interim earnings per share   | (Millions of yen) | 1,600                               | 1,966                               |
| Adjustment  | (Millions of yen) | -                                   | -                                   |
| Profit used for calculation of diluted interim earnings per share | (Millions of yen) | 1,600                               | 1,966                               |
| Average number of common shares during the period                 | (Thousand shares) | 39,850                              | 39,850                              |
| Increase of shares due to stock acquisition rights                | (Thousand shares) | 16                                  | 21                                  |
| Average number of common shares during the period after dilution  | (Thousand shares) | 39,866                              | 39,871                              |
| Diluted earnings per share  | (Yen)             | 40.15                               | 49.32                               |

(Note) Effective July 30, 2020, the Company split the shares of its common stock on a 100-for-1 basis. Basic earnings per share and diluted 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.

(Significant Subsequent Events)

No items to report.