Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

November 10, 2022

Consolidated Financial Results for the Six Months Ended September 30, 2022 (Under IFRS)

Company name: YUKIGUNI MAITAKE CO., LTD.
Listing: Tokyo Stock Exchange
Securities code: 1375
URL: https://www.maitake.co.jp/
Representative: Masafumi Yuzawa, President and CEO, Representative Director
Inquiries: Takenori Sakurai, Senior Executive Officer (Chief Financial Officer)
Telephone: +81-25-778-0162

Scheduled date to file quarterly securities report: November 11, 2022
Scheduled date of dividend payment commencement November 28, 2022
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the First Six Months Ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes.)

	Total income		Operating profit		Profit before tax		Profit	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2022	17,513	-14.6	814	-68.1	620	-73.5	432	-71.6
September 30, 2021	20,504	-9.5	2,551	-22.2	2,341	-22.4	1,521	-22.3

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Six months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
September 30, 2022	431	-71.6	432	-71.6	10.83	10.83
September 30, 2021	1,521	-22.6	1,520	-22.9	38.13	38.13

(Reference)

	Core operating profit		Core EBITDA		Core EBITDA margin
Six months ended	Millions of yen	%	Millions of yen	%	%
September 30, 2022	197	-86.9	1,218	-50.8	9.6
September 30, 2021	1,510	-46.4	2,479	-34.3	17.9

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
As of	Millions of yen	Millions of yen	Millions of yen	%
September 30, 2022	34,844	10,268	10,268	29.5
September 30, 2021	36,096	10,470	10,471	29.0

2. Cash Dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	14.00	–	16.00	30.00
Fiscal year ending March 31, 2023	–	14.00			
Fiscal year ending March 31, 2023 (Forecast)			–	16.00	30.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(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	48,076	2.1	4,893	-1.7	4,490	-1.6	2,951	-1.3	2,951	-1.3	74.03

Note: Revisions from financial results forecasts announced most recently: None

(Reference)

	Core Operating Profit		Core EBITDA		Core EBITDA Margin
	Millions of yen	%	Millions of yen	%	%
Full year	5,060	-9.5	7,212	-4.7	20.9

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None

(2) Changes in accounting policies and changes in accounting estimates
  (i) Changes in accounting policies required by IFRS: None
  (ii) Changes in accounting policies due to other reasons: None
  (iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	39,910,700 shares
As of March 31, 2022	39,910,700 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2022	27,311 shares
As of March 31, 2022	40,000 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	39,870,700 shares
Six months ended September 30, 2021	39,910,700 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(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").

(2) Core operating profit = Operating profit – IAS41 "Agriculture" applying effects – Other income and expenses – One-time income and expenses

(3) Core EBITDA = Core operating profit + Depreciation + Amortization

(4) Core EBITDA margin = Core EBITDA / Revenue

(5) The effect of applying IAS 41 "Agriculture" is to apply IAS 41 "Agriculture" to the production process of mushrooms, from preparation to harvest, and to measure the mushrooms as biological assets at fair value less costs to sell. The gains or losses from the changes in fair value are considered as the impact amount.

(6) Other income and expenses are mainly impairment losses and loss on disposal of fixed assets.

(7) One-time income and expenses are income and expenses that are not incurred in the normal course of business (For example, listing-related expenses, etc., which were adjustment items in the financial statements for the previous fiscal year, are included). Currently, there are no one-time income and expenses incurred.

(8) Core operating profit, Core EBITDA and Core EBITDA margin 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. Core operating profit, Core EBITDA, Core EBITDA margin 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. Core operating profit, Core EBITDA, Core EBITDA margin 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 those of such other companies.

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

A presentation for institutional investors and analysts is scheduled to be held on Tuesday, November 15, 2022 in a hybrid format of on-site and webcast. Supplementary financial results briefing materials are posted on our website on November 10, 2022.

Accompanying Materials – Contents

I. Qualitative Information for the first Six-Month Period of the Fiscal Year Ended March 31, 2023…2

1. Analysis of Operating Results……2

2. Analysis of Financial Position……3

3. Analysis of Cash Flows ……4

4. Explanations about Forward-Looking Information Including Forecast of Consolidated Financial Results…4

II. 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 Consolidated Financial Statements……11

(Going Concern Assumptions) ……11

(Segment Information) ……11

(Earnings per Share) ……12

(Significant Subsequent Events) ……12

I. Qualitative Information for the First Six-Months Period of the Fiscal Year Ending March 31, 2023

1. Analysis of Operating Results

During the first half of the current consolidated fiscal year (April 1, 2022 to September 30, 2022), the Japanese economy continued to face difficult conditions due to the unstable international situation caused by Russia's invasion of Ukraine, soaring energy prices, and the rapid depreciation of the yen, although the action restrictions to prevent the spread of COVID19 have been relaxed and economic activities have shown signs of picking up. The environment surrounding the Group's business continues to be challenging, as consumers are becoming even more defensive of their household budgets due to a series of food price hike in response to soaring crude oil prices and other factors. In addition, the Group's earnings have also been squeezed by various cost increases due to soaring utility unit prices and the impact of raw material price hikes, etc.

In this environment, based on its medium-term business plan, the Group is working to establish a foundation as a comprehensive premium mushroom manufacturer by leveraging the Company's production technology, know-how, and sales capabilities that it has developed over the years. In addition to this, we have developed and promoted the functional properties of mushrooms, especially maitake mushrooms, to contribute to the health of consumers by providing safe and secure products, and we have been developing our business to contribute to the realization of a healthy society.

After about 6 years of development, we succeeded in developing and mass-producing a new in-house strain of white maitake mushroom, which is difficult to cultivate due to its delicate nature and there are many high hurdles to its stable production, and launched "Yukiguni Maitake Kiwami White" in August this year. The "Yukikuni-Maitake Kiwami White" is our original variety that inherits the texture and taste as well as the nutrients of the existing "Yukikuni-Maitake Kiwami". This was an opportunity to strengthen the Kiwami brand and conduct PR activities, which were well received by customers. Since it has only been a short time since the start of sales, the effect was limited in the first half of the current consolidated fiscal year. We will continue to expand our lineup of premium mushrooms to follow in the footsteps of "Yukiguni Maitake Kiwami White".

In order to introduce the appeal of "Yukiguni Maitake Kiwami" to consumers, we have been running TV commercials mainly in the Kanto and Kansai regions, when consumers have the most opportunities in autumn to see mushroom products. We will continue to promote the good qualities of our mushroom products such as "Yukiguni Maitake Kiwami" so that all our customers can enjoy a healthy and enjoyable diet by spreading awareness of the nutrition-rich taste and functionality of maitake mushrooms and the ease and convenience with which they can be easily prepared.

As a result of the above, Total income for the second quarter of the current consolidated cumulative period was ¥17,513 million (-14.6% year-on-year), of which revenue was ¥12,757 million (-7.7% year-on-year). Gross profit was ¥4,508 million (-28.7% year-on-year). Selling, general and administrative (SG&A) expenses were ¥3,668 million (-2.4% year-on-year).

Operating profit was ¥814 million (-68.1% year-on-year) and profit attributable to owners of the parent was ¥431 million (-71.6% year-on-year). In the current consolidated cumulative period, gains arising from changes in fair value related to the application of IFRS Agricultural Accounting (IAS 41) were included in total income of ¥4,755 million (-28.9% year-on-year) and in the cost of sales of ¥3,959 million (-27.0% year-on-year).

[Business results for the six months ended September 30, 2022]

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022	% Change year-on-year
Revenue	13,816	12,757	(7.7)
Gains arising from changes in fair value	6,688	4,755	(28.9)
Total income	20,504	17,513	(14.6)
Operating profit	2,551	814	(68.1)
Profit before tax	2,341	620	(73.5)
Profit attributable to owners of parent	1,521	431	(71.6)

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

[Mushroom business]

1) Maitake

In order to make the attractiveness of maitake more widely known to consumers, we proposed ways to eat maitake through collaborating with other food product manufacturers and introduced recipes through SNS. However, unit sales prices and sales volume remained lower than in the same period of the previous year, partly due to increased production by other companies. As a result, revenue of the Maitake business was ¥7,051 million (-7.3% year-on-year).

2) Eringi

Despite efforts to maintain a stable supply by improving production quality and reviewing the item mix to date, including the introduction of highly convenient pillow products, both unit sales price and sales volume remained sluggish compared to the same period of the previous year. As a result of the above, revenue of the Eringi business was ¥1,413 million (-10.7% year-on-year).

3) Buna-shimeji

While keeping a close eye on the fruit and vegetable market and market trends, we flexibly introduced products with different quantities, such as single stock products and double stock products, depending on the supply-demand balance. However, both unit sales prices and sales volume were lower than those in the same period of the previous year, partly due to the impact of increased production by other companies. As a result of the above, revenue from the Buna-shimeji business was ¥2,526 million (-5.7% year-on-year).

4) Other mushrooms

Sales of Button mushrooms were weak compared to the same period of the previous year due to a temporary unstable production situation that prevented us from meeting the strong demand in the market. In addition, sales of Hatake-shimeji and Hon-shimeji remained strong. As a result of the above, revenue from other mushroom businesses was ¥1,573 million (-8.1% year-on-year).

[Other]

Revenue from “Other” business is mainly derived from sale of health foods and the sales of culture medium activators handled by Mizuho Norin. The production and sales volume of culture medium activator decreased, although sales of health foods remained steady compared to the same period of the previous year. As a result of the above, revenue from other businesses was ¥191 million (-18.7% year-on-year).

Revenue by business segment is as follows.

(Millions of yen)

	Six months ended September 31, 2021	Six months ended September 31, 2022	% Change year-on-year
Mushroom business	13,580	12,566	(7.5)
Maitake	7,604	7,051	(7.3)
Eringi	1,582	1,413	(10.7)
Buna-shimeji	2,680	2,526	(5.7)
Other mushrooms	1,712	1,573	(8.1)
Other	235	191	(18.7)
Total Revenue	13,816	12,757	(7.7)

2. Analysis of Financial Position

[Assets]

Total assets at the end of the second quarter of the current consolidated fiscal year (as of September 30, 2022) were ¥34,844 million (-¥1,252 million from the end of the previous consolidated fiscal year). Current assets were ¥8,285 million (-¥1,450 million from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥3,023 million in cash and cash equivalents resulting from purchase of property, plant and equipment, dividend payments, income taxes payments, etc., offset by an increase of ¥282 million in trade and other receivables, an increase of ¥279 million in inventories, and an increase of ¥984 million in biological assets resulting from gains arising from changes in fair value. Non-current assets were ¥26,559 million (+¥197 million from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥53 million in right-of-use assets, while property, plant and equipment, investment real estate, and deferred tax assets increased by ¥112 million, ¥104 million, and ¥16 million, respectively.

[Liabilities]
Total liabilities at the second quarter of the current consolidated fiscal year were ¥24,576 million (-¥1,049 million from the end of the previous consolidated fiscal year). Current liabilities were ¥7,618 million (-¥392 million from the end of the previous consolidated fiscal year). This was mainly due to an increase of ¥1,500 million in short-term borrowings, while accrued income taxes and other liabilities including accrued expenses and accrued consumption taxes decreased by ¥1,274 million and ¥603 million, respectively. Non-current liabilities were ¥16,958 million (-¥656 million from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥619 million in borrowings as a result of scheduled repayments etc.

[Equity]
Total equity at the second quarter of the current consolidated fiscal year was ¥10,268 million (-¥202 million from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥204 million in retained earnings resulting from the recording of a quarterly profit and the payment of year-end dividends.

3. Analysis of Cash Flows

The balance of cash and cash equivalents at the end of the second quarter of the current consolidated fiscal year decreased by ¥3,023 million from the end of the previous consolidated fiscal year to ¥699 million. The status of each cash flow and their factors are as follows:

[Net cash flows from operating activities]
The amount of funds used as a result of operating activities was ¥1,383 million (the amount used was ¥385 million in the same period of the previous year). This was mainly due to profit before taxes of ¥620 million and depreciation and amortization of ¥1,027 million, while there were an increase in trade and other receivables of ¥282 million, an increase in inventories of ¥279 million and an increase in biological assets of ¥984 million, and income taxes paid of ¥1,475 million.

[Net cash flows from investing activities]
Funds used as a result of investment activities were ¥1,715 million (the amount used was ¥1,013 million in the same period of the previous year). This was mainly due to the expenditure of ¥1,692 million for the acquisition of renewed property, plant and equipment related to production of mushrooms.

[Net cash flows from financing activities]
Funds provided as a result of financing activities were ¥75 million (the amount used was ¥808 million in the same period of the previous year). This was mainly due to proceeds from short-term borrowings of ¥1,500 million, repayment of long-term borrowings of ¥674 million due to scheduled repayments, and cash dividends paid of ¥637 million.

4. Explanations about Forward-Looking Information Including Forecast of Consolidated Financial Results

The full-year forecasts of the consolidated financial results for the fiscal year ending March 2023 remain unchanged from the forecasts that were announced on May 12, 2022.

The earnings forecast is based on the information available at this time, and the actual financial results may differ due to various factors.

II. Summarized Quarterly Consolidated Financial Statements and Significant Notes

1. Summarized Quarterly Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and cash equivalents	3,723	699
Trade and other receivables	1,958	2,240
Inventories	1,249	1,528
Biological assets	2,693	3,677
Other current assets	111	138
Total current assets	9,735	8,285
Non-current assets		
Property, plant and equipment	19,170	19,282
Investment property	97	202
Goodwill and intangible assets	5,291	5,292
Right-of-use assets	322	269
Retirement benefit asset	400	401
Other financial assets	141	165
Deferred tax assets	873	889
Other non-current assets	64	55
Total non-current assets	26,361	26,559
Total assets	36,096	34,844

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Trade and other payables	2,602	2,564
Income taxes payable	1,484	210
Employee benefits accruals	1,620	1,658
Short-term borrowings	-	1,500
Current portion of long-term borrowings	1,321	1,415
Lease liabilities	191	167
Provisions	82	0
Other financial liabilities	26	23
Other current liabilities	681	78
Total current liabilities	8,010	7,618
Non-current liabilities		
Borrowings	17,314	16,695
Lease liabilities	222	185
Provisions	17	20
Other financial liabilities	57	57
Other non-current liabilities	2	0
Total non-current liabilities	17,615	16,958
Total liabilities	25,625	24,576
Equity		
Share capital	100	100
Capital surplus	(6,006)	(6,018)
Retained earnings	16,411	16,207
Treasury shares	(48)	(33)
Other components of equity	15	12
Total equity attributable to owners of parent	10,471	10,268
Non-controlling interests	(1)	(0)
Total equity	10,470	10,268
Total liabilities and equity	36,096	34,844

2. Summarized Quarterly Consolidated Statements of Income and Comprehensive Income

(Summarized Quarterly Consolidated Statements of Income)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Income		
Revenue	13,816	12,757
Gains arising from changes in fair value	6,688	4,755
Total income	20,504	17,513
Cost of sales (*1)	14,177	13,004
Gross profit	6,327	4,508
Selling, general and administrative expenses	3,760	3,668
Other income	21	32
Other expenses	37	57
Operating profit	2,551	814
Finance income	1	6
Finance expenses	210	200
Profit before tax	2,341	620
Income tax expense	819	188
Profit	1,521	432
Profit attributable to		
Owners of parent	1,521	431
Non-controlling interests	(0)	0
Earnings per share		
Basic earnings per share (Yen)	38.13	10.83
Diluted earnings per share (Yen)	38.13	10.83

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

(*1) Components of cost of sales		
Material costs, labor costs, etc.	8,755	9,045
Gains arising from changes in fair value	5,422	3,959
Total	14,177	13,004

(Summarized Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	1,521	432
Other comprehensive income (After tax effect deduction)		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(0)	(0)
Total of items that will not be reclassified to profit or loss	(0)	(0)
Total other comprehensive income (After tax effect deduction)	(0)	(0)
Comprehensive income	1,520	432
Comprehensive income attributable to		
Owners of parent	1,521	431
Non-controlling interests	(0)	0

3. Summarized Quarterly Consolidated Statement of Changes in Equity

Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total
Balance at beginning of period	119	(6,026)	15,117	-	21	9,233	(2)	9,230
Profit	-	-	1,521	-	-	1,521	(0)	1,521
Other comprehensive income	-	-	-	-	(0)	(0)	-	(0)
Comprehensive income	-	-	1,521	-	(0)	1,521	(0)	1,520
Share-based payments	-	-	-	-	-	-	-	-
Capital reduction	(19)	19	-	-	-	-	-	-
Dividends of surplus	-	-	(1,117)	-	-	(1,117)	-	(1,117)
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	-	-
Total	(19)	19	(1,117)	-	-	(1,117)	-	(1,117)
Balance at end of period	100	(6,006)	15,522	-	21	9,636	(2)	9,634

Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022)

(Millions of yen)

	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total equity attributable to owners of parent	Non-controlling interests	Total
Balance at beginning of period	100	(6,006)	16,411	(48)	15	10,471	(1)	10,470
Profit	-	-	431	-	-	431	0	432
Other comprehensive income	-	-	-	-	(0)	(0)	-	(0)
Comprehensive income	-	-	431	-	(0)	431	0	432
Share-based payments	-	(12)	-	15	-	3	-	3
Capital reduction	-	-	-	-	-	-	-	-
Dividends of surplus	-	-	(637)	-	-	(637)	-	(637)
Transfer from other components of equity to retained earnings	-	-	1	-	(1)	-	-	-
Total	-	(12)	(636)	15	(1)	(634)	-	(634)
Balance at end of period	100	(6,018)	16,207	(33)	12	10,268	(0)	10,268

4. Summarized Quarterly consolidated Statements of Cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Profit (loss) before tax	2,341	620
Depreciation and amortization	974	1,027
Interest expenses	201	191
Commission for syndicate loan	9	8
Loss (gain) on sale of fixed assets	(0)	(0)
Loss on retirement of fixed assets	28	40
Decrease (increase) in trade and other receivables	(505)	(282)
Decrease (increase) in inventories	(3)	(279)
Decrease (increase) in biological assets	(1,337)	(984)
Increase (decrease) in trade and other payables	341	259
Decrease (increase) in retirement benefit asset	7	(1)
Increase (decrease) in employee benefit liabilities	(145)	38
Other	(461)	(495)
Subtotal	1,450	144
Interest paid	(45)	(42)
Payments of commission for syndicate loan	(9)	(9)
Income taxes paid	(1,780)	(1,475)
Income taxes refund	0	-
Net cash provided by (used in) operating activities	(385)	(1,383)
Cash flows from investing activities		
Purchase of property, plant and equipment	(994)	(1,692)
Proceeds from sale of property, plant and equipment	0	0
Purchase of intangible assets	(7)	(11)
Other	(11)	(11)
Net cash provided by (used in) investing activities	(1,013)	(1,715)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,000	1,500
Repayments of long-term borrowings	(578)	(674)
Repayments of lease liabilities	(114)	(113)
Dividends paid	(1,115)	(637)
Other	(0)	(0)
Net cash provided by (used in) financing activities	(808)	75
Effect of exchange rate changes on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	(2,206)	(3,023)
Cash and cash equivalents at beginning of period	3,777	3,723
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-	(0)
Cash and cash equivalents at end of period	1,570	699

5. Notes to Summarized 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 operating profit reported in the summarized consolidated statements of income. Revenues from intersegment transactions are based on the current market prices.

Six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021) (Millions of yen)

	Mushroom business	Others	Total	Adjustment items (*1)	Per consolidated financial statements
Revenue					
Revenue from external customers	13,580	235	13,816	-	13,816
Intersegment revenue	-	1	1	(1)	-
Total revenue	13,580	237	13,818	(1)	13,816
Segment profit (loss)	2,501	46	2,548	2	2,551
Finance income					1
Finance expenses					210
Profit before tax					2,341

(*1) Adjustment items for segment profit (loss) include corporate expenses that are not allocated to each business segment.

Six months ended September 30, 2022 (From April 1, 2022 to September 30, 2022) (Millions of yen)

	Mushroom business	Others	Total	Adjustment items (*1)	Per consolidated financial statements
Revenue					
Revenue from external customers	12,566	191	12,757	-	12,757
Intersegment revenue	-	-	-	-	-
Total revenue	12,566	191	12,757	-	12,757
Segment profit (loss)	790	22	812	2	814
Finance income					6
Finance expenses					200
Profit before tax					620

(*1) Adjustment items for segment profit (loss) 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, 2021	Six months ended September 30, 2022
Basic earnings per share			
Profit attributable to owners of parent	(Millions of yen)	1,521	431
Profit not attributable to common shareholders of parent	(Millions of yen)	-	-
Profit used for calculation of basic earnings per share	(Millions of yen)	1,521	431
Average number of common shares during the period	(Thousand shares)	39,910	39,870
Basic earnings per share	(Yen)	38.13	10.83
Diluted earnings per share			
Profit used for calculation of basic earnings per share	(Millions of yen)	1,521	431
Adjustment	(Millions of yen)	-	-
Profit used for calculation of diluted earnings per share	(Millions of yen)	1,521	431
Average number of common shares during the period	(Thousand shares)	39,910	39,870
Increase of shares due to stock acquisition rights	(Thousand shares)	5	-
Increase of shares due to restricted stock compensation plan	(Thousand shares)	-	1
Average number of common shares during the period after dilution	(Thousand shares)	39,916	39,872
Diluted earnings per share	(Yen)	38.13	10.83

(Significant Subsequent Events)

Not applicable.