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February 9, 2023

Consolidated Financial Results for the Nine Months Ended December 31, 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
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Scheduled date to file quarterly securities report: February 10, 2023
Scheduled date of dividend payment commencement: -
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: None

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

1. Consolidated Financial Results for the First Nine Months Ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Consolidated Operating Results (Cumulative)

(Percentages indicate year-on-year changes.)

	Total income		Operating profit		Profit before tax		Profit	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2022	32,455	(11.0)	2,892	(46.9)	2,597	(49.5)	1,733	(48.8)
December 31, 2021	36,458	(8.2)	5,451	(23.2)	5,139	(21.0)	3,387	(20.5)

	Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Nine months ended	Millions of yen	%	Millions of yen	%	Yen	Yen
December 31, 2022	1,732	(48.9)	1,733	(48.8)	43.44	43.44
December 31, 2021	3,386	(20.6)	3,384	(20.8)	84.85	84.83

(Reference)

	Core operating profit		Core EBITDA		Core EBITDA margin
Nine months ended	Millions of yen	%	Millions of yen	%	%
December 31, 2022	2,322	(49.5)	3,885	(35.9)	16.9
December 31, 2021	4,595	(29.6)	6,064	(24.1)	25.0

(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	%
December 31, 2022	37,108	11,014	11,014	29.7
December 31, 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	42,661	-9.4	2,151	-56.8	1,754	-61.6	1,167	-61.0	1,166	-61.0	29.26

Note: Revisions from financial results forecasts announced most recently: Yes
As for the consolidated financial forecast for the fiscal year ending March 31, 2023, please refer to the "Revision of Full-year Forecast of Consolidated Financial Results for the Fiscal Year Ending March, 2023" released today (February 9, 2023).

(Reference)

	Core Operating Profit		Core EBITDA		Core EBITDA Margin
	Millions of yen	%	Millions of yen	%	%
Full year	2,407	-56.9	4,510	-40.4	14.4

* 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2022	39,870,700 shares
Nine months ended December 31, 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)

Supplementary financial results briefing materials are posted on our website on February 9, 2023.

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

1. Analysis of Operating Results

During the third quarter of the current consolidated fiscal year (April 1, 2022 to December 31, 2022), the Japanese economy showed a recovery in economic activity due to the easing of restrictions on behavior to prevent the spread of COVID19, while the number of new coronavirus cases still continues to increase, and the international situation remains severe and unstable due to the unstable international situation caused by the Russia's invasion of Ukraine, high energy prices and prolonged yen depreciation.

In the business environment surrounding the Group's operations, consumers are becoming more defensive to protect their household budgets as a result of a series of price hikes for food and daily necessities in response to soaring crude oil prices and other factors. In addition, the Group's profit has also been squeezed by rising costs due to soaring utility unit prices and the impact of raw material price hikes.

In this environment, 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 have been cultivated over the years in accordance with its medium-term business plan. In addition to this, we have developed and promoted the functional properties of mushrooms, especially maitake mushrooms, to contribute to the health of consumers through the provision of safe and secure products and to develop our business in order 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 September 2022. 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". The "Yukiguni-Maitake Kiwami White" has been well received not only for its delicious taste, but also for its beautiful and gorgeous appearance, and has been used in salads and other side dishes in food service menus as well. We will strive to further expand sales channels in the future. We will continue to expand our lineup of premium mushrooms following "Yukiguni Maitake Kiwami White".

As a result of the above, Total income for the third quarter of the current consolidated cumulative period was ¥32,455 million (-11.0% year-on-year), of which revenue was ¥23,057 million (-4.8% year-on-year). Gross profit was ¥8,966 million (-22.0% year-on-year). Selling, general and administrative (SG&A) expenses were ¥6,036 million (+0.2% year-on-year). Operating profit was ¥2,892 million (-46.9% year-on-year) and profit attributable to owners of the parent was ¥1,732 million (-48.9% 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 ¥9,398 million (-23.2% year-on-year) and in the cost of sales of ¥8,707 million (-22.6% year-on-year).

[Business results for the nine months ended December 31, 2022]

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	% Change year-on-year
Revenue	24,224	23,057	(4.8)
Gains arising from changes in fair value	12,234	9,398	(23.2)
Total income	36,458	32,455	(11.0)
Operating profit	5,451	2,892	(46.9)
Profit before tax	5,139	2,597	(49.5)
Profit attributable to owners of parent	3,386	1,732	(48.9)

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, a series of TV commercials were aired in the Kanto and Kansai areas as part of the "Your nearest and dearest" series. In addition, the Company conducted joint projects with other food product manufacturers to propose ways of eating and introduced recipes using SNS. Sales volume was almost the same as the same period of the previous year, but unit sales prices remained weak compared to the same period of the previous year, partly due to increased production by other companies. As a result, revenue of the Maitake business was ¥13,268 million (-4.6% year-on-year).

2) Eringi

We are maintaining a stable supply by improving production quality and reviewing our product mix to date, including the introduction of highly convenient pillow products. Sales volume was lower than in the same period of the previous year, but unit sales prices remained at the same level as in the previous year. As a result of the above, revenue of the Eringi business was ¥2,307 million (-4.6% 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 sales volume and unit sales prices 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 ¥4,470 million (-3.1% 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. Sales of Hatake-shimeji and Hon-shimeji remained strong. As a result of the above, revenue from other mushroom businesses was ¥2,734 million (-7.5% year-on-year).

[Other]

Revenue from “Other” business is mainly derived from sales 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 ¥276 million (-16.7% year-on-year).

Revenue by business segment is as follows.

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022	% Change year-on-year
Mushroom business	23,892	22,781	(4.7)
Maitake	13,905	13,268	(4.6)
Eringi	2,418	2,307	(4.6)
Buna-shimeji	4,612	4,470	(3.1)
Other mushrooms	2,956	2,734	(7.5)
Other	331	276	(16.7)
Total Revenue	24,224	23,057	(4.8)

2. Analysis of Financial Position

[Assets]

Total assets at the end of the third quarter of the current consolidated fiscal year (as of December 31, 2022) were ¥37,108 million (+¥1,011 million from the end of the previous consolidated fiscal year). Current assets were ¥10,675 million (+¥940 million from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥1,701 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 ¥1,535 million in trade and other receivables and an increase of ¥1,038 million in biological assets resulting from gains arising from changes in fair value. Non-current assets were ¥26,432 million (+¥71 million from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥85 million in right-of-use assets, while property, plant and equipment, investment real estate increased by ¥45 million, ¥104 million, respectively.

[Liabilities]

Total liabilities at the third quarter of the current consolidated fiscal year were ¥26,093 million (+¥468 million from the end of the previous consolidated fiscal year). Current liabilities were ¥9,861 million (+¥1,850 million from the end of the previous consolidated fiscal year). This was mainly due to increases of ¥1,245 million in trade and other payables, ¥1,500 million in short-term borrowings, and ¥188 million in current portion of long-term borrowings, while there were decreases of ¥632 million in income taxes payable and ¥410 million in other liabilities including accrued expenses and income taxes payable. Non-current liabilities were ¥16,232 million (-¥1,382 million from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥1,314 million in borrowings as a result of scheduled repayments etc.

[Equity]

Total equity at the third quarter of the current consolidated fiscal year was ¥11,014 million (+¥543 million from the end of the previous consolidated fiscal year). This was mainly due to an increase of ¥539 million in retained earnings resulting from the recording of a quarterly profit attributable to owners of parent and the payment of year-end dividends.

3. Analysis of Cash Flows

The balance of cash and cash equivalents at the end of the third quarter of the current consolidated fiscal year decreased by ¥1,701 million from the end of the previous consolidated fiscal year to ¥2,022 million. The status of each cash flow and their factors are as follows:

[Net cash flows from operating activities]

The amount of funds provided as a result of operating activities was ¥1,844 million (the amount provided was ¥3,586 million in the same period of the previous year). This was mainly due to profit before taxes of ¥2,597 million, depreciation and amortization of ¥1,571 million and an increase in trade and other payables of ¥1,657 million, while there was an increase in trade and other receivables of ¥1,536 million, an increase in biological assets of ¥1,038 million and income taxes paid of ¥1,497 million.

[Net cash flows from investing activities]

Funds used as a result of investment activities were ¥2,332 million (the amount used was ¥1,572 million in the same period of the previous year). This was mainly due to the expenditure of ¥2,299 million for the acquisition of renewed property, plant and equipment related to production of mushrooms.

[Net cash flows from financing activities]

Funds used as a result of financing activities were ¥1,212 million (the amount used was ¥2,998 million in the same period of the previous year). This was mainly due to proceeds from short-term borrowings of ¥1,500 million, while there was repayment of long-term borrowings of ¥1,348 million due to scheduled repayments and cash dividends paid of ¥1,193 million.

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

For the consolidated earnings forecast for the fiscal year ending March 31, 2023, please refer to the "Revision of Full-Year Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2023" released on February 9, 2023.

The financial results 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 December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	3,723	2,022
Trade and other receivables	1,958	3,493
Income taxes receivable	-	16
Inventories	1,249	1,318
Biological assets	2,693	3,731
Other current assets	111	93
Total current assets	9,735	10,675
Non-current assets		
Property, plant and equipment	19,170	19,216
Investment property	97	201
Goodwill and intangible assets	5,291	5,289
Right-of-use assets	322	237
Retirement benefit asset	400	401
Other financial assets	141	164
Deferred tax assets	873	873
Other non-current assets	64	47
Total non-current assets	26,361	26,432
Total assets	36,096	37,108

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Trade and other payables	2,602	3,847
Income taxes payable	1,484	852
Employee benefit accruals	1,620	1,543
Short-term borrowings	-	1,500
Current portion of long-term borrowings	1,321	1,509
Lease liabilities	191	154
Provisions	82	0
Other financial liabilities	26	183
Other current liabilities	681	270
Total current liabilities	8,010	9,861
Non-current liabilities		
Borrowings	17,314	15,999
Lease liabilities	222	156
Provisions	17	20
Other financial liabilities	57	55
Other non-current liabilities	2	0
Total non-current liabilities	17,615	16,232
Total liabilities	25,625	26,093
Equity		
Share capital	100	100
Capital surplus	(6,006)	(6,015)
Retained earnings	16,411	16,951
Treasury shares	(48)	(33)
Other components of equity	15	12
Total equity attributable to owners of parent	10,471	11,014
Non-controlling interests	(1)	(0)
Total equity	10,470	11,014
Total liabilities and equity	36,096	37,108

2. Summarized Quarterly Consolidated Statements of Income and Comprehensive Income

(Summarized Quarterly Consolidated Statements of Income)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Income		
Revenue	24,224	23,057
Gains arising from changes in fair value	12,234	9,398
Total income	36,458	32,455
Cost of sales (*1)	24,959	23,489
Gross profit	11,499	8,966
Selling, general and administrative expenses	6,024	6,036
Other income	34	56
Other expenses	58	94
Operating profit	5,451	2,892
Finance income	2	3
Finance expenses	314	298
Profit before tax	5,139	2,597
Income tax expense	1,752	864
Profit	3,387	1,733
Profit attributable to		
Owners of parent	3,386	1,732
Non-controlling interests	0	0
Earnings per share		
Basic earnings per share (Yen)	84.85	43.44
Diluted earnings per share (Yen)	84.83	43.44

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.	13,705	14,782
Gains arising from changes in fair value	11,253	8,707
Total	24,959	23,489

(Summarized Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	3,387	1,733
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	(2)	0
Total of items that will not be reclassified to profit or loss	(2)	0
Total other comprehensive income (After tax effect deduction)	(2)	0
Comprehensive income	3,384	1,733
Comprehensive income attributable to		
Owners of parent	3,383	1,732
Non-controlling interests	0	0

3. Summarized Quarterly Consolidated Statement of Changes in Equity

Nine months ended December 31, 2021 (From April 1, 2021 to December 31, 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	-	-	3,386	-	-	3,386	0	3,387
Other comprehensive income	-	-	-	-	(2)	(2)	-	(2)
Comprehensive income	-	-	3,386	-	(2)	3,383	0	3,384
Share-based payments	-	-	-	-	-	-	-	-
Capital reduction	(19)	19	-	-	-	-	-	-
Dividends of surplus	-	-	(1,676)	-	-	(1,676)	-	(1,676)
Transfer from other components of equity to retained earnings	-	-	0	-	(0)	-	-	-
Total	(19)	19	(1,675)	-	(0)	(1,676)	-	(1,676)
Balance at end of period	100	(6,006)	16,828	-	18	10,940	(1)	10,938

Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 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	-	-	1,732	-	-	1,732	0	1,733
Other comprehensive income	-	-	-	-	0	0	-	0
Comprehensive income	-	-	1,732	-	0	1,732	0	1,733
Share-based payments	-	(9)	-	15	-	6	-	6
Capital reduction	-	-	-	-	-	-	-	-
Dividends of surplus	-	-	(1,196)	-	-	(1,196)	-	(1,196)
Transfer from other components of equity to retained earnings	-	-	3	-	(3)	-	-	-
Total	-	(9)	(1,192)	15	(3)	(1,190)	-	(1,190)
Balance at end of period	100	(6,015)	16,951	(33)	12	11,014	(0)	11,014

4. Summarized Quarterly consolidated Statements of Cash flows

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Cash flows from operating activities		
Profit (loss) before tax	5,139	2,597
Depreciation and amortization	1,476	1,571
Interest expenses	300	285
Commission for syndicate loan	13	13
Loss (gain) on sale of fixed assets	(0)	(2)
Loss on retirement of fixed assets	43	73
Decrease (increase) in trade and other receivables	(1,425)	(1,536)
Decrease (increase) in inventories	(52)	(69)
Decrease (increase) in biological assets	(1,057)	(1,038)
Increase (decrease) in trade and other payables	1,529	1,657
Decrease (increase) in retirement benefit asset	11	(1)
Increase (decrease) in employee benefit liabilities	(248)	(77)
Other	35	(57)
Subtotal	5,766	3,418
Interest paid	(68)	(63)
Payments of commission for syndicate loan	(13)	(12)
Income taxes paid	(2,097)	(1,497)
Income taxes refund	0	-
Net cash provided by (used in) operating activities	3,586	1,844
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,555)	(2,299)
Proceeds from sale of property, plant and equipment	0	3
Purchase of intangible assets	(7)	(14)
Other	(10)	(21)
Net cash provided by (used in) investing activities	(1,572)	(2,332)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,000	1,500
Repayments of short-term borrowings	(1,000)	-
Repayments of long-term borrowings	(1,156)	(1,348)
Repayments of lease liabilities	(170)	(171)
Dividends paid	(1,671)	(1,193)
Other	(0)	(0)
Net cash provided by (used in) financing activities	(2,998)	(1,212)
Effect of exchange rate changes on cash and cash equivalents	0	0
Net increase (decrease) in cash and cash equivalents	(984)	(1,701)
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	2,793	2,022

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.

Nine months ended December 31, 2021 (From April 1, 2021 to December 31, 2021) (Millions of yen)

	Mushroom business	Others	Total	Adjustment items (*1)	Per consolidated financial statements
Revenue					
Revenue from external customers	23,892	331	24,224	-	24,224
Intersegment revenue	-	1	1	(1)	-
Total revenue	23,892	333	24,225	(1)	24,224
Segment profit (loss)	5,373	74	5,448	3	5,451
Finance income					2
Finance expenses					314
Profit before tax					5,139

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

Nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022) (Millions of yen)

	Mushroom business	Others	Total	Adjustment items (*1)	Per consolidated financial statements
Revenue					
Revenue from external customers	22,781	276	23,057	-	23,057
Intersegment revenue	-	-	-	-	-
Total revenue	22,781	276	23,057	-	23,057
Segment profit (loss)	2,872	36	2,909	(16)	2,892
Finance income					3
Finance expenses					298
Profit before tax					2,597

(*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)	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Basic earnings per share			
Profit attributable to owners of parent	(Millions of yen)	3,386	1,732
Profit not attributable to common shareholders of parent	(Millions of yen)	-	-
Profit used for calculation of basic earnings per share	(Millions of yen)	3,386	1,732
Average number of common shares during the period	(Thousand shares)	39,910	39,870
Basic earnings per share	(Yen)	84.85	43.44
Diluted earnings per share			
Profit used for calculation of basic earnings per share	(Millions of yen)	3,386	1,732
Adjustment	(Millions of yen)	-	-
Profit used for calculation of diluted earnings per share	(Millions of yen)	3,386	1,732
Average number of common shares during the period	(Thousand shares)	39,910	39,870
Increase of shares due to stock acquisition rights	(Thousand shares)	7	-
Increase of shares due to restricted stock compensation plan	(Thousand shares)	-	4
Average number of common shares during the period after dilution	(Thousand shares)	39,918	39,874
Diluted earnings per share	(Yen)	84.83	43.44

(Significant Subsequent Events)

Not applicable.