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MEMBERSHIP

December 5, 2023

For Immediate Release

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Capital Alliance with Overseas Operating Companies

Yukiguni Maitake Co., Ltd. (hereinafter referred to as "YM") has formed a capital alliance with two Dutch mushroom companies. The agreement was completed on December 4, 2023.

1. Purpose and Background of the Capital Alliance with the Target Companies

In its medium-term business plan, YM has set out to capture market growth in Europe and the United States, where the button mushroom market is expanding due to increasing health consciousness. The Target Companies are engaged in the manufacture and sale of button mushrooms based in the Netherlands, and are actively engaged in the business of exotic mushrooms in the Netherlands and neighboring countries. They are not only among the top players in the exotic mushroom industry in the Netherlands, but also have an established wide sales network which enables a direct approach to retail customers. Considering that the Target Companies have a similar business model to YM, both sides accepted the share transfer agreement to accelerate growth in the European market as a combined group.

2. Overview of the Target Companies (as of March 31, 2023)

The Target Companies have grown into one of the leading corporations in the Dutch mushroom industry. They supply directly to a variety of retailers in Europe. The companies grow a wide range of mushrooms which they cut, mix, and package. All mushroom production is carried out in the Netherlands. The companies have an annual turnover of approximately EUR12 million achieved with roughly 100 employees.

3. Future Outlook

YM is currently assessing the impact that the acquisition of the Target Companies has for this year’s consolidated financial report.

(end)