

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

February 4, 2021

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:	February 5, 2021
Scheduled date of the start of dividends payment:	-
Supplementary material for quarterly financial results:	Yes
Briefing on quarterly financial results:	None

## 1. Consolidated Financial Results for the First Nine Months Period of the Fiscal Year Ending March 31, 2021 (from April 1, 2020 to December 31, 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 nine months of the year ending March 31, 2021	39,712	2.5	7,098	13.5	6,503	10.3	4,259	12.7
First nine months of the year ended March 31, 2020	38,726	—	6,253	—	5,897	—	3,779	—

	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 nine months of the year ending March 31, 2021	4,265	12.8	4,271	13.1	107.04	106.94
First nine months of the year ended March 31, 2020	3,780	—	3,775	—	94.86	94.80

(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 nine months of the year ending March 31, 2021	7,365	15.0	8,838	14.7	4,703	19.0	118.03	19.0
First nine months of the year ended March 31, 2020	6,404	—	7,706	—	3,952	—	99.18	—

### (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 December 31, 2020	36,512	8,615	8,620	23.6
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 December 31, 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 December 31, 2020 — shares
  - As of March 31, 2020 — shares
- (iii) Average number of shares during the period
  - Nine months ended December 31, 2020 39,850,000 shares
  - Nine months ended December 31, 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 (2) and (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)

Supplementary financial results briefing materials are disclosed on TDnet and posted on our website on February 4, 2021.

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

## (1) Analysis of Operating Results

During the third quarter of the current consolidated cumulative period (April 1, 2020 to December 31, 2020), the domestic economy remained in a very difficult situation due to the stagnation of economic activity caused by the spread of the COVID-19 infection. Initially, there were signs of economic recovery due to government-led economic policies during the third quarter of the consolidated fiscal year, but the situation remains unpredictable due to the rapid re-expansion of the COVID-19 infection.

In the domestic mushroom market, the mushroom consumption remained firm due to an increase in cooking opportunities at home by refraining from going out and an increase in demand for functional foods attributable to heightened health awareness. On the other hand, during the third quarter of the current consolidated cumulative period, we were blessed with warm weather nationwide from early November to mid-December, and the shipment volume of leafy vegetables and other vegetables increased due to favorable growth. In addition, business use of vegetables decreased due to the decline in the restaurant industry caused by the spread of the COVID-19 infection. For these reasons, the vegetable market was oversupplied and the unit price remained weak. As a result, the mushroom market unit price also remained slightly lower than the previous year.

In such an environment, based on the medium-term business plan, the Group is trying to establish its foundation as a comprehensive manufacturer of premium mushrooms by utilizing the production technology, know-how, and salesforce that we have cultivated over many years. In addition, by developing and promoting the functionalities of mushrooms, mainly maitake, we contribute to the health of consumers by providing safe and reliable products, and develop our business to contribute to the realization of a healthy society as well.

Total income for the third quarter of the current consolidated cumulative period was ¥39,712 million (+2.5% year-on-year), of which revenue was ¥25,956 million (+1.9% year-on-year). Gross profit was ¥13,448 million (+4.7% year-on-year). Selling, general and administrative expenses were ¥6,191 million (-0.2% year-on-year).

As a result of the above, the operating profit was ¥7,098 million (+13.5% year-on-year) and the profit attributable to owners of the parent was ¥4,265 million (+12.8% year-on-year). In the third quarter of 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 the total income of ¥13,755 million and the cost of sales of ¥12,841 million.

[Business results for the nine months ended December 31, 2020]

	(Millions of yen)		
	Nine months ended December 31, 2019	Nine months ended December 31, 2020	% Change year-on-year
Revenue	25,473	25,956	1.9
Gains arising from changes in fair value	13,252	13,755	3.8
Total income	38,726	39,712	2.5
Operating profit	6,253	7,098	13.5
Profit before tax	5,897	6,503	10.3
Profit (attributable to owners of parent)	3,780	4,265	12.8

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

[Mushroom business]

1) Maitake

On top of promoting the functionalities 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 third quarter of the current consolidated cumulative period, the unit price of maitake was lower than that in the same period of the previous year, but the sales volume of maitake remained strong. As a result, revenue from the maitake business was ¥15,020 million (+2.7% year-on-year).

2) Eringi

In addition to achieving a stable supply by improving production quality, we have expanded our product lineup by introducing highly convenient sliced products that consumers can use immediately without any hassle. In the third quarter of the current consolidated cumulative period, the sales volume of eringi was slightly lower than in the same period of the previous year, but the unit price of eringi was higher than that in the same period of the previous year. As a result, revenue from the eringi business was ¥2,630 million (+1.8% year-on-year).

3) Buna-shimeji

While paying close attention to the fruit and vegetable market and market trends, we implemented flexible product launches by utilizing products with different quantities, such as 1-clump products and 2-clump products, according to the balance between supply and demand. Recently, we have expanded the number of 1-clump products by utilizing the product development in the autumn limited package, and the unit price of buna-shimeji exceeded from that of the same period of the previous year in the third quarter of the current consolidated cumulative period. As a result, revenue from the buna-shimeji business was ¥5,027 million (+3.5% year-on-year).

4) Other mushrooms

Mitsukura Norin Co., Ltd., which was acquired in October 2019, contributed to the increase in sales. As a result, revenue from the other mushrooms business segment was ¥2,886 million (+55.7% year-on-year).

[Other]

Revenue from the “other” business segment was ¥392 million (-74.8% year-on-year) due to the impact of the closures of the cut vegetables and natto business in February 2020.

Revenue by business segment is as follows.

	(Millions of yen)		
	Nine months ended December 31, 2019	Nine months ended December 31, 2020	% Change year-on-year
Mushroom business	23,918	25,564	6.9
Maitake	14,624	15,020	2.7
Eringi	2,583	2,630	1.8
Buna-shimeji	4,856	5,027	3.5
Other mushrooms	1,854	2,886	55.7
Other	1,555	392	-74.8
Total Revenue	25,473	25,956	1.9

(2) Analysis of Financial Position

1) Financial position

[Assets]

Total assets at the end of the third quarter of the current consolidated fiscal year (as of December 31, 2020) were ¥36,512 million (+¥1,313 million from the end of the previous consolidated fiscal year). Current assets were

¥11,160 million (+¥114 million from the end of the previous consolidated fiscal year) mainly due to the following factors. Cash and cash equivalents decreased by ¥2,312 million due to contract repayment and prepayment of borrowings. On the other hand, trade receivables and other receivables increased by ¥1,391 million due to the fact that the last day of the consolidated accounting period for the third quarter was a holiday of financial institutions. Biological assets increased by ¥992 million due to gains arising from changes in fair value. Non-current assets were ¥25,352 million (+¥1,198 million from the end of the previous consolidated fiscal year). This was mainly due to an increase of ¥1,363 million in property, plant and equipment due to facility expansion and renewal related to increased production of maitake.

[Liabilities]

Total liabilities at the end of the third quarter of the current consolidated fiscal year were ¥27,896 million (-¥2,400 million from the end of the previous consolidated fiscal year). Current liabilities were ¥9,140 million (+¥1,859 million from the end of the previous consolidated fiscal year). This was mainly due to an increase of ¥1,485 million in trade payables and other payables. Non-current liabilities were ¥18,756 million (-¥4,260 million from the end of the previous consolidated fiscal year). This was mainly due to a decrease of ¥4,164 million in borrowings due to contract repayment and prepayment.

[Equity]

Total equity at the end of the third quarter of the current consolidated fiscal year was ¥8,615 million (+¥3,714 million from the end of the previous consolidated fiscal year) mainly due to the following factors. Retained earnings decreased by ¥557 million due to the payment of interim dividends, while a profit attributable to owners of parent of ¥4,265 million was recorded due to the favorable business performance.

2) Cash flows

The balance of cash and cash equivalents at the end of the third quarter of the current consolidated fiscal year decreased by ¥2,312 million from the end of the previous consolidated fiscal year to ¥2,148 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 ¥5,844 million (the amount acquired was ¥2,443 million in the same period of the previous year) mainly due to the following factors. Profit before tax of ¥6,503 million and depreciation and amortization of ¥1,472 million were recorded, while the increase in biological assets was ¥992 million and the payment of income tax was ¥2,347 million.

[Net cash flows from investing activities]

The funds used as a result of investment activities were ¥2,981 million (the amount used was ¥1,044 million in the same period of the previous year). This was mainly due to the expenditure of ¥2,972 million for the acquisition of tangible fixed assets due to facility expansion and renewal related to the increase in maitake production.

[Net cash flows from financing activities]

Funds used as a result of financing activities amounted to ¥5,175 million (the amount used was ¥3,601 million in the same period of the previous year). This was mainly due to expenditures of ¥4,462 million for repayment of long-term borrowings by contract repayments and prepayments and ¥549 million for dividend payments.

(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 December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	4,461	2,148
Trade and other receivables	2,141	3,532
Inventories	1,292	1,385
Biological assets	3,019	4,012
Other financial assets	0	-
Other current assets	131	81
Total current assets	11,045	11,160
Non-current assets		
Property, plant and equipment	16,710	18,073
Investment property	364	336
Goodwill and intangible assets	5,320	5,308
Right-of-use assets	597	498
Retirement benefit asset	310	293
Other financial assets	152	144
Deferred tax assets	646	642
Other non-current assets	50	55
Total non-current assets	24,153	25,352
Total assets	35,199	36,512

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Trade and other payables	2,390	3,875
Accrued income taxes	1,539	1,581
Employee benefit liabilities	1,577	1,628
Current portion of long-term borrowings	942	1,132
Lease liabilities	196	197
Other financial liabilities	26	243
Other current liabilities	605	480
Total current liabilities	7,280	9,140
Non-current liabilities		
Borrowings	22,438	18,273
Lease liabilities	483	387
Defend tax liabilities	11	11
Provisions	17	17
Other financial liabilities	55	63
Other non-current liabilities	10	2
Total non-current liabilities	23,017	18,756
Total liabilities	30,297	27,896
Equity		
Share capital	100	100
Capital surplus	(6,046)	(6,046)
Retained earnings	10,828	14,536
Other components of equity	17	30
Total equity attributable to owners of parent	4,899	8,620
Non-controlling interests	1	(4)
Total equity	4,901	8,615
Total liabilities and equity	35,199	36,512

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

(Summarized Quarterly Consolidated Statements of Income)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Income		
Revenue	25,473	25,956
Gains arising from changes in fair value	13,252	13,755
Total income	38,726	39,712
Cost of sales (*1)	25,878	26,263
Gross profit	12,847	13,448
Selling, general and administrative expenses	6,207	6,191
Other income	238	37
Other expenses	625	195
Operating profit	6,253	7,098
Finance income	88	1
Finance expenses	445	595
Profit before tax	5,897	6,503
Income tax expense	2,118	2,244
Profit	3,779	4,259
Profit attributable to		
Owners of parent	3,780	4,265
Non-controlling interests	(0)	(5)
Earnings per share (Yen)		
Basic earnings per share (Yen)	94.86	107.04
Diluted earnings per share (Yen)	94.80	106.94

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 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.	14,056	13,421
Gains arising from changes in fair value	11,822	12,841
Total	25,878	26,263

## (Summarized Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	3,779	4,259
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 through other comprehensive income	(3)	11
Total of items that will not be reclassified to profit or loss	(3)	11
Total of other comprehensive income (after tax effect deduction)	(3)	11
Comprehensive income	3,775	4,271
Comprehensive income attributable to		
Owners of parent	3,776	4,277
Non-controlling interests	(0)	(5)

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

Nine months ended December 31, 2019 (From April 1, 2019 to December 31, 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	-	-	3,780	-	3,780	(0)	3,779
Other comprehensive income	-	-	-	(3)	(3)	-	(3)
Total comprehensive income	-	-	3,780	(3)	3,776	(0)	3,775
Dividends of surplus	-	(1,685)	-	-	(1,685)	-	(1,685)
Transfer from other components of equity to retained earnings	-	-	3	(3)	-	-	-
Other	-	-	-	3	3	-	3
Total transactions with owners of parent	-	(1,685)	3	(0)	(1,682)	-	(1,682)
Balance as of December 31, 2019	100	(6,046)	10,308	40	4,402	2	4,404

Nine months ended December 31, 2020 (From April 1, 2020 to December 31, 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	-	-	4,265	-	4,265	(5)	4,259
Other comprehensive income	-	-	-	11	11	-	11
Total comprehensive income	-	-	4,265	11	4,277	(5)	4,271
Dividends of surplus	-	-	(557)	-	(557)	-	(557)
Transfer from other components of equity to retained earnings	-	-	-	-	-	-	-
Other	-	-	-	1	1	-	1
Total transactions with owners of parent	-	-	(557)	1	(556)	-	(556)
Balance as of December 31, 2020	100	△6,046	14,536	30	8,620	(4)	8,615

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

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Cash flows from operating activities		
Profit before tax	5,897	6,503
Depreciation and amortization	1,302	1,472
Impairment losses	365	10
Interest expense	387	371
Commission for syndicate loan	54	222
Loss (gain) on sale of fixed assets	(197)	(2)
Loss on disposal of fixed assets	201	81
Decrease (increase) in trade and other receivables	(676)	(1,391)
Decrease (increase) in inventories	(432)	(92)
Decrease (increase) in biological assets	(1,219)	(992)
Increase (decrease) in trade and other payables	(482)	1,431
Decrease (increase) in retirement benefit asset	19	17
Increase (decrease) in employee benefit liabilities	(815)	50
Other	(510)	477
Subtotal	3,893	8,160
Interest paid	(222)	(105)
Commission for syndicate loan paid	(28)	(11)
Income tax paid	(1,542)	(2,347)
Income tax refund	343	149
Net cash inflow (outflow) from operating activities	2,443	5,844
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,236)	(2,972)
Proceeds from sale of property, plant and equipment	703	3
Purchase of intangible assets	(23)	(4)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(441)	-
Other	(46)	(8)
Net cash flow (outflow) from investing activities	(1,044)	(2,981)
Cash flows from financing activities		
Repayments of long-term borrowings	(1,563)	(4,462)
Redemption of bonds	(200)	-
Repayments of lease liabilities	(150)	(163)
Dividends paid	(1,685)	(549)
Other	(1)	(0)
Net cash flow (outflow) from financing activities	(3,601)	(5,175)
Effect of exchange rate changes on cash and cash equivalents	(0)	(0)
Net increase (decrease) in cash and cash equivalents	(2,201)	(2,312)
Cash and cash equivalents at the beginning of the period	6,617	4,461
Cash and cash equivalents at the end of the period	4,415	2,148

(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.

Nine months ended December 31, 2019 (From April 1, 2019 to December 31, 2019)

(Millions of yen)

	Mushroom business	Others	Total	Adjustment items (*)	Per consolidated financial statements
Revenue					
Revenue from external customers	23,918	1,555	25,473	-	25,473
Intersegment revenue	-	2	2	(2)	-
Total revenue	23,918	1,558	25,476	(2)	25,473
Segment profit (loss)	5,937	123	6,061	192	6,253
Finance income					88
Finance expenses					445
Profit before tax					5,897

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

Nine months ended December 31, 2020 (From April 1, 2020 to December 31, 2020)

(Millions of yen)

	Mushroom business	Others	Total	Adjustment items (*)	Per consolidated financial statements
Revenue					
Revenue from external customers	25,564	392	25,956	-	25,956
Intersegment revenue	-	20	20	(20)	-
Total revenue	25,564	412	25,977	(20)	25,956
Segment profit (loss)	7,070	103	7,173	(75)	7,098
Finance income					1
Finance expenses					595
Profit before tax					6,503

(Note) 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, 2019	Nine months ended December 31, 2020
Basic earnings per share		
Profit attributable to owners of parent (Millions of yen)	3,780	4,265
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)	3,780	4,265
Average number of common shares during the period (Thousand shares)	39,850	39,850
Basic earnings per share (Yen)	94.86	107.04
Diluted earnings per share		
Profit used for calculation of basic interim earnings per share (Millions of yen)	3,780	4,265
Adjustment (Millions of yen)	-	-
Profit used for calculation of diluted interim earnings per share (Millions of yen)	3,780	4,265
Average number of common shares during the period (Thousand shares)	39,850	39,850
Increase of shares due to stock acquisition rights (Thousand shares)	25	36
Average number of common shares during the period after dilution (Thousand shares)	39,875	39,886
Diluted earnings per share (Yen)	94.80	106.94

(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.