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December 19, 2023

For Immediate Release

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Update of Medium-Term Business Plan

Yukiguni Maitake Co., Ltd. (the “Company”) has updated its medium-term business plan for the period from fiscal year ended March 31, 2022 to fiscal year ending March 31, 2026, as outlined below.

1. Overview of Medium-Term Business Plan Update

We have updated our medium-term business plan with the aim of continuing to grow as a comprehensive premium mushroom manufacturer by appropriately responding to rapid changes in the business environment and further strengthening our business base in Japan while promoting global expansion in the mid- to long-term.

2. Background and reasons for updating the current Medium-Term Business Plan (FYE March 2022 to FYE March 2026)

- After the current medium-term business plan was formulated, unexpected changes in the macro environment, such as the outbreak of Russia’s invasion of Ukrainian and the yen's depreciation, have caused utility costs to soar and prices to rise, which have significantly affected consumer behavior and the cost environment for companies. In the mushroom market, the supply-demand balance is being settled down, but the situation remains uncertain.
- We have been pursuing our basic strategies for the domestic mushroom market, technological development, and global expansion with the aim of growing as a comprehensive premium mushroom manufacturer. However, we have determined that it will be difficult to appropriately respond to the rapidly changing business environment if we continue with our existing strategies.
- Therefore, we will not change our stated medium- to long-term vision, management philosophy, and basic business policies, but will update our basic strategies, rebuild our business foundation to achieve high profitability, and promote the integration of new overseas bases and further business development.

3. Basic Strategies of the Medium-Term Business Plan (FYE March 2024 to FYE March 2028)

Basic strategy: Further strengthen the business base in Japan and evolve into a comprehensive premium mushroom manufacturer with global operations

A. Domestic mushroom market: Strengthen existing premium business and create new business

- We will further strengthen our domestic business by enhancing our existing premium positioning and differentiating ourselves from other production areas, and steadily capturing the quality-oriented needs of consumers.
- We will strengthen sales of premium items that are not available in other production areas, and furthermore, we will launch new businesses other than the fresh mushroom business in earnest.

B. Business Processes: Streamlining all processes without sanctuary

- We will improve business processes and reduce costs through company-wide BPR.
- We will promote labor savings and energy conservation through new investments.

C. Global expansion: PMI (Post Merger Integration) of newly acquired overseas company and search for other targets

- We aim to use our expertise to further expand the performance of the acquired overseas companies.
- We will pursue the possibility of additional acquisitions, taking into account the progress in strengthening our domestic operations and geopolitical risks.
- As for the organic strategy, we will consider selling our products in Europe and the U.S. regions in addition to Asia.

4. Quantitative targets (Consolidated basis)

Item	Targets for FYE March 31, 2028
Revenue	Over ¥42.0 billion
Overseas Revenue Ratio	Around 6-7%
Core EBITDA Margin ¹	Around 18%
Return on Invested Capital (ROIC)	Around 10%

1. Core EBITDA Margin = Core EBITDA / Revenue

Core EBITDA: IFRS operating profit excluding the effect of applying IAS 41 "Agriculture", other income and expenses, and one-time income and expenses, plus depreciation and amortization

For details, please refer to "Update of the Medium-Term Business Plan".

The quantitative targets of the Group are as shown above, but each figure is based on reasonable judgments based on currently predictable information, etc., and is not a guarantee of achievement.

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