

DATE: 21st March 2022

RE: Notice of Market Withdrawal Due to Regulatory Issue with Organic Certification

Several of our company's products have been certified organic by our certifying agent, SCS Global for a numbers of years, but we recently received notice that our certification has been suspended due to the raw materials we are using to grow mushrooms. As a result, we are stopping production and distribution of the impacted products until we resolve this issue. This suspension applies to the following products, which use the USDA Organic Seal on product labels or carton boxes:

Hokto* Bunashimeji (Brown Beech) - Organic

Hokto* Bunapi(White Beech) - Organic

Hokto* Eryngii (King Trumpet) - Organic

Hokto* Maitake (Hen of the Woods) - Organic

*Including Hokto Assortment Packs 6664 or 3332

As a result, we are asking for your cooperation in removing the above-listed products from the shelves and returning them to us at the address listed below. We will gladly cover the cost of returning the goods and will provide you with a refund of the products.

The issue with SCS Global solely involves regulatory compliance with USDA's National Organic Program requirements, and we are committed to resolving this issue and aim to reinstate our certification. However, please note that the impacted products have been sold using the same raw materials and the same production process over the last 14 years. There have been no changes to the product specifications nor any changes that would impact quality.

We apologize for any inconvenience this may have caused. We are trying our best to resolve this issue and hope to supply you with certified organic products again in the near future. We will follow up with you once we are able to obtain a resolution to this matter.

Inquiries regarding the entire matter: Brisch Ibarra (Food Safety Manager) Email: brisch.ibarra@hokto-kinoko.com Phone Number: (760)744-8453For inquiries regarding refunds:

For inquiries regarding refunds: Hokto Los Angeles Sales Office Eva Cheung Email: eva.cheung@hokto-kinoko.com Phone: 626-532-2095

Return address and person in charge: Hokto Kinoko Company Kosuke Kuwabara (Marketing Manager)

Address: 2033 Marilyn Lane, San Marcos, CA 92069 Email: kosuke.kuwabara@hokto-kinoko.com Phone Number: (760)744-8453

> Hokto Kinoko Company President & CEO

> > Akira Konota

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