

Translation Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes.
In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Financial Highlights Material for the Period Ended May 2021

Sakata Seed Corporation
July 21, 2021



I	Overview of Period Ended May 2021	...	3~16
II	Forecast for Period Ending May 2022 and Dividend Policy	...	17~26
III	Action for Global Growth	...	27~30
IV	Topics	...	31~33
V	Appendix	...	34~37

I Overview of Period Ended May 2021

Figures in the document are rounded for fractions less than the unit.
Please be advised that some figures may differ from the summary of financial results.

- The impact on flowers, vegetables, materials, and all other products was not significant.
- With regard to logistics, there were restrictions on the transporting of seeds, but this was addressed by bringing the schedule forward.
- From a medium- to long-term perspective, concerns remain about the impact of movement restrictions on the development of new production areas and trial field visits.
- Staying home has led to increased interest in home gardening, and online shopping was strong.
- New sales channels such as online trade shows for wholesale distribution were developed.
- Company expenses decreased as a result of voluntarily restricting activities.
- New work styles such as working at home and web conferencing have been established.



**Business activities were never stopped or delayed,
and we achieved a stable supply of seeds.**

**The market was solid, recovery was faster than expected,
and the impact on the Period Ended May 2021 was limited.**

Increase in sales and profit compared to the previous year

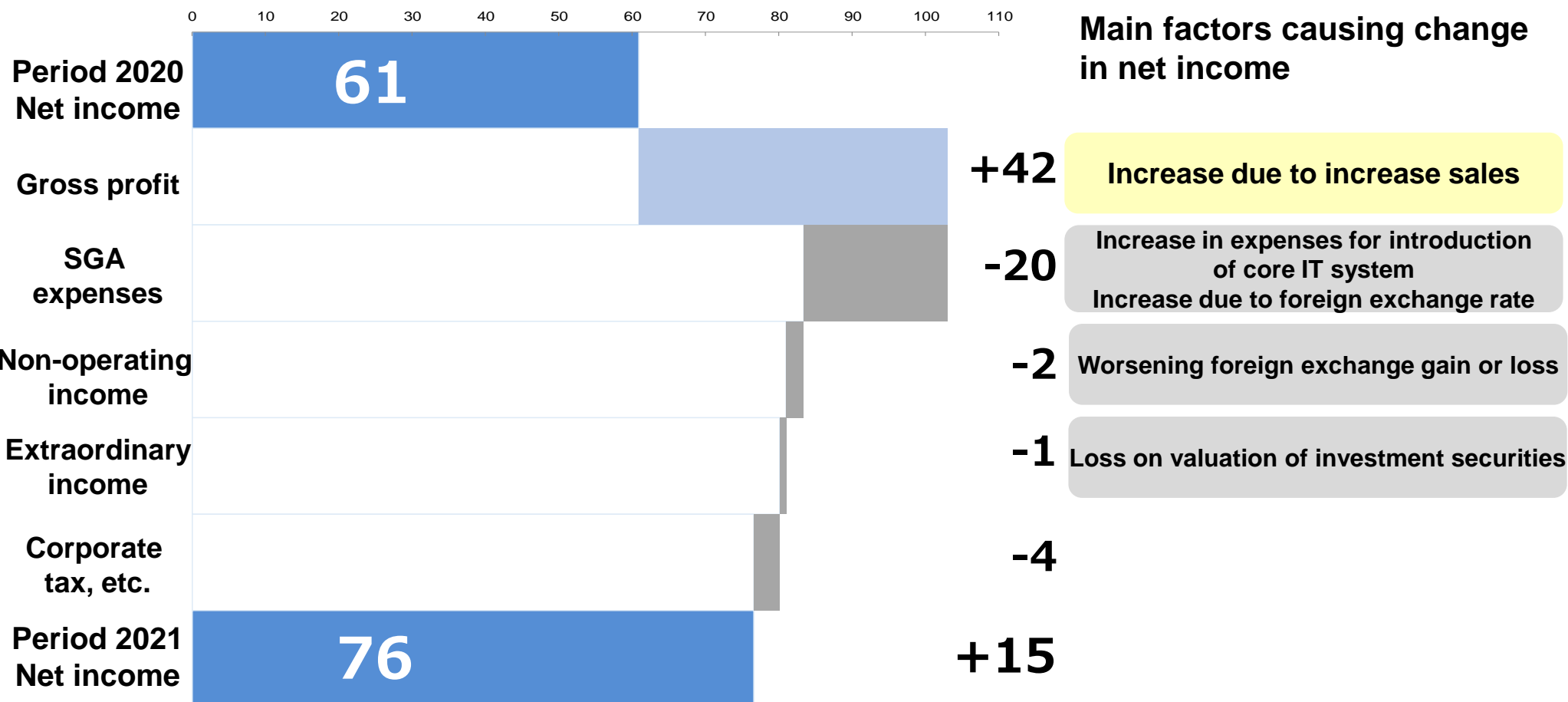
Unit:100 million yen	2020	2021	Difference	Difference(%)	Forecast for 2021 ^{*1}
Sales	617	692	76	12.2%	670(+22)
Gross profit	344	386	42	12.2%	-
Gross profit margin(%)	55.7%	55.7%	-	-	-
R&D expenses	63	70	7	10.5%	-
Ratio against sales(%)	10.3%	10.1%	-	-	-
Other SGA expenses	206	218	13	6.3%	-
Operating income	75	97	22	30.0%	82(+15)
Ordinary income	81	101	20	24.9%	86(+15)
Net income	61	76	15	25.3%	65(+11)
^{*2}					
Yen/USD(¥)	109	111	+ 2	Impact of FX +15	111(±0)
Yen/Euro(¥)	120	130	+10		130(±0)

*1 Announced April 2021

*2 Exchange rates for overseas subsidiaries (Period ended March)

Increase in net income due to increase sales

Unit: 100 million yen



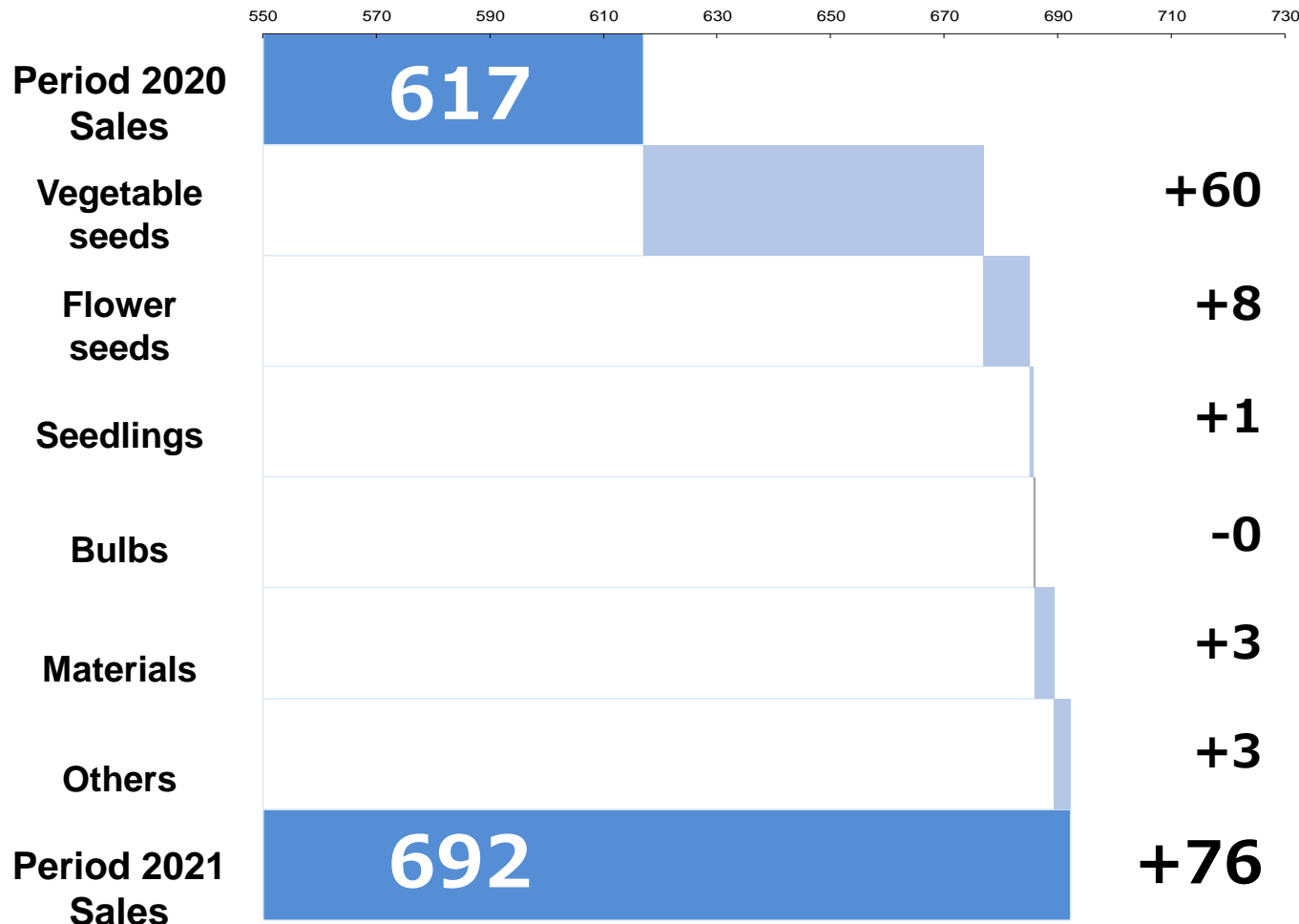
Increase in sales in all business segment

Unit: 100 million yen

	Sales				Operating income			
	2020	2021	Difference	Difference(%)	2020	2021	Difference	Difference(%)
Domestic wholesale	164	167	3	2.0%	52	53	1	2.2%
Overseas wholesale	368	438	69	18.9%	111	133	22	20.0%
Retail sales	56	58	2	4.0%	- 0	1	1	-
Other	29	30	0	1.5%	1	0	- 1	-62.6%
Subtotal	617	692	76	12.2%	164	188	24	14.6%
Elimination	-	-	-	-	- 89	- 91	- 1	-
Consolidated	617	692	76	12.2%	75	97	22	30.0%

Significant increase in vegetable seeds due to strong sales of main crops

Unit: 100 million yen

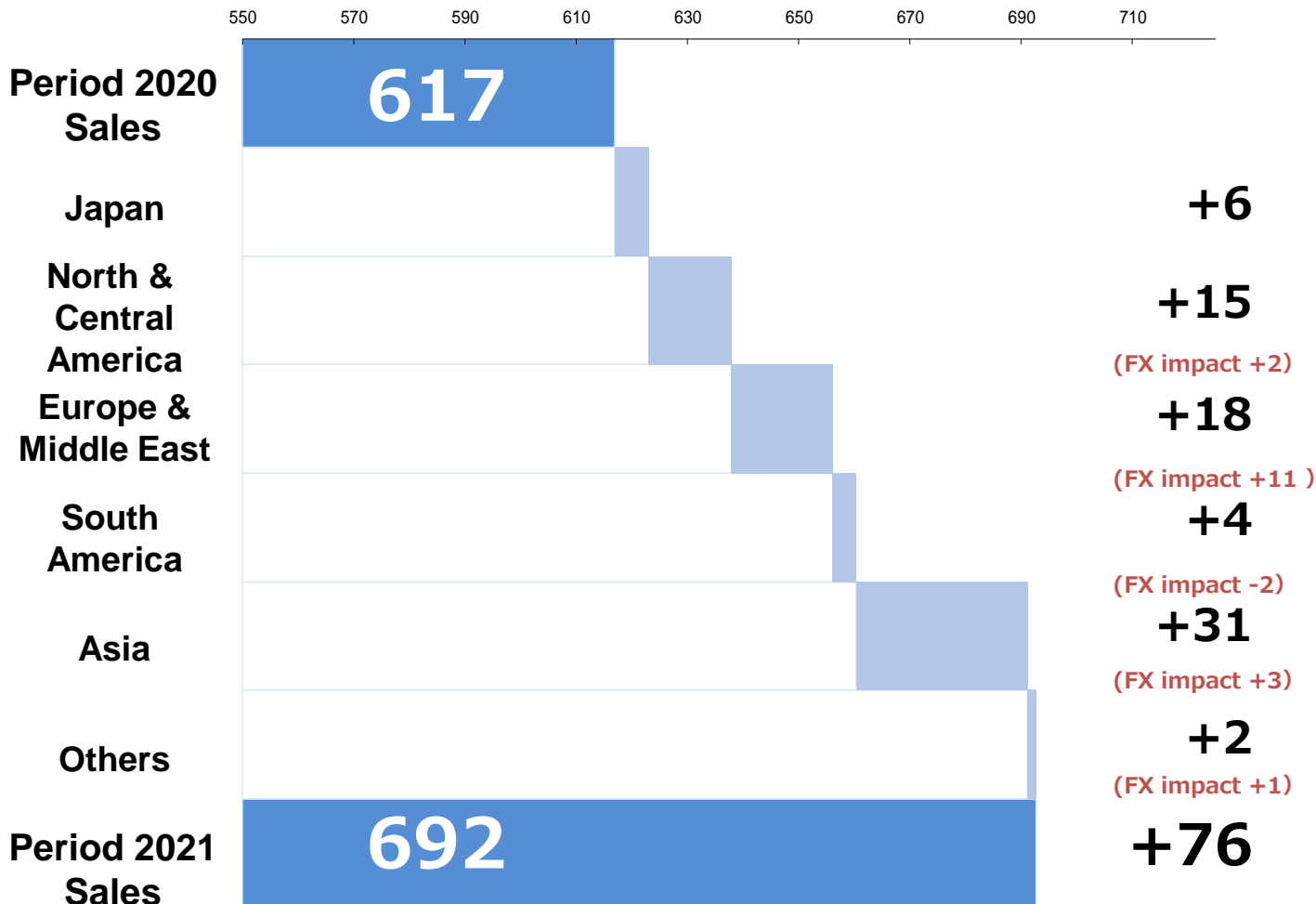


Main factors causing change in sales

- Increase in broccoli and tomato, Change in sales timing of carrot seeds for China
- Poor sales affected by COVID-19 at the beginning of period 2021 but already recovered Increase in lisianthus, sunflower
- Increase in demand for home gardening
- Increase in demand for home gardening
- Increase in royalty income

Increase sales in every region

Unit: 100 million yen



Main factors causing change in sales

Increase in vegetable seeds and materials

Increase in vegetable and flower seeds

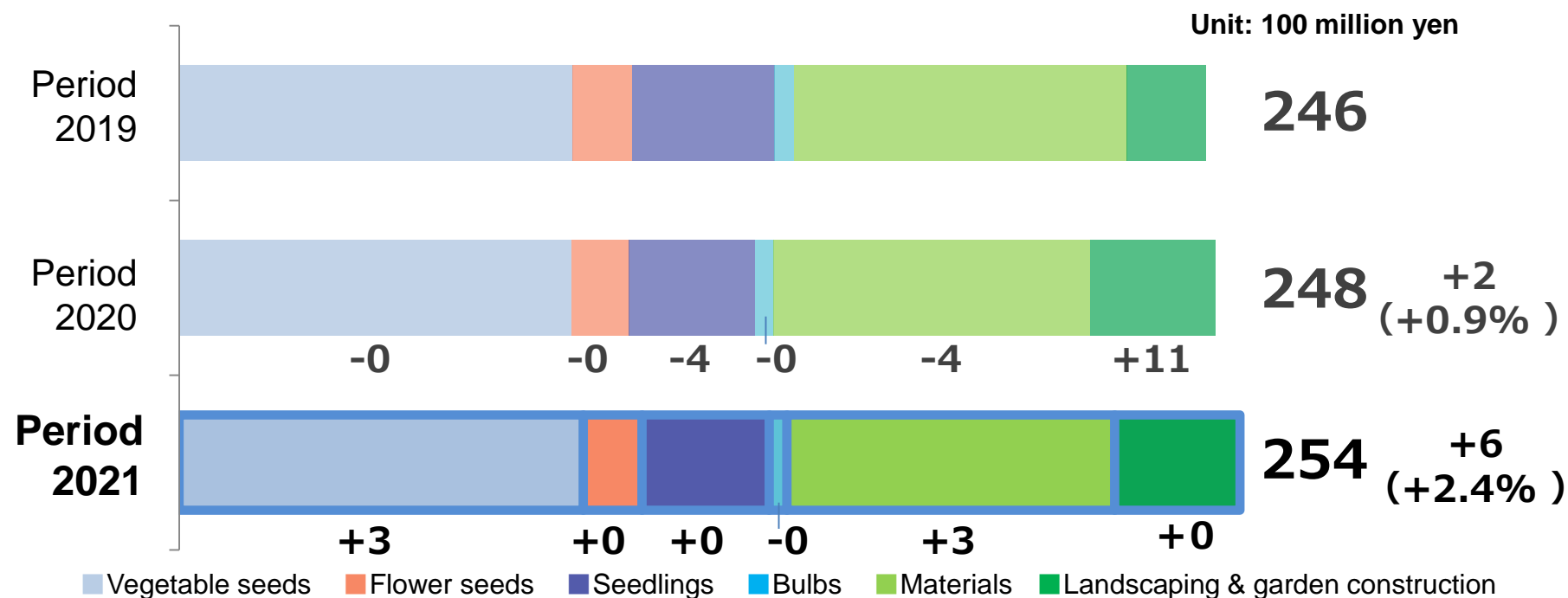
Significant increase in vegetable seeds
Increase due to the impact of FX rates

Increase in vegetable seeds

Significant increase in vegetable seeds
Increase in Carrot for China and flower seeds

Impact of FX
+15

Increase in vegetable seeds such as tomato and broccoli and materials



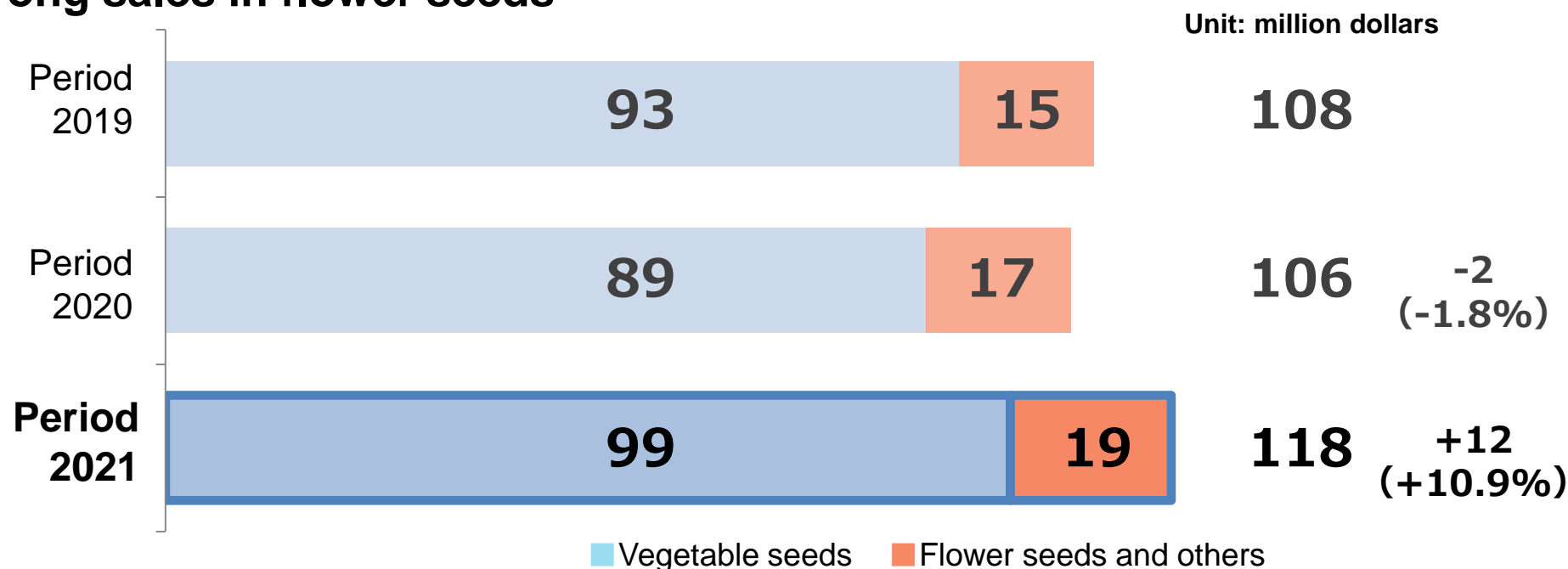
2019/6-2020/5 Products whose sales changed most

Vegetable seeds:	Broccoli	+0.6
	Sweetcorn	- 0.5
	Carrot	- 0.4
Flower seeds:	Sunflower	- 0.8

2020/6-2021/5 Products whose sales changed most

Vegetable seeds:	Tomato	+1.3
	Broccoli	+0.8
	Bunching Onion	+0.6
Flower seeds:	Pansy	- 0.2

Significant increase in vegetable seeds due to strong sales of fruit vegetables, Strong sales in flower seeds



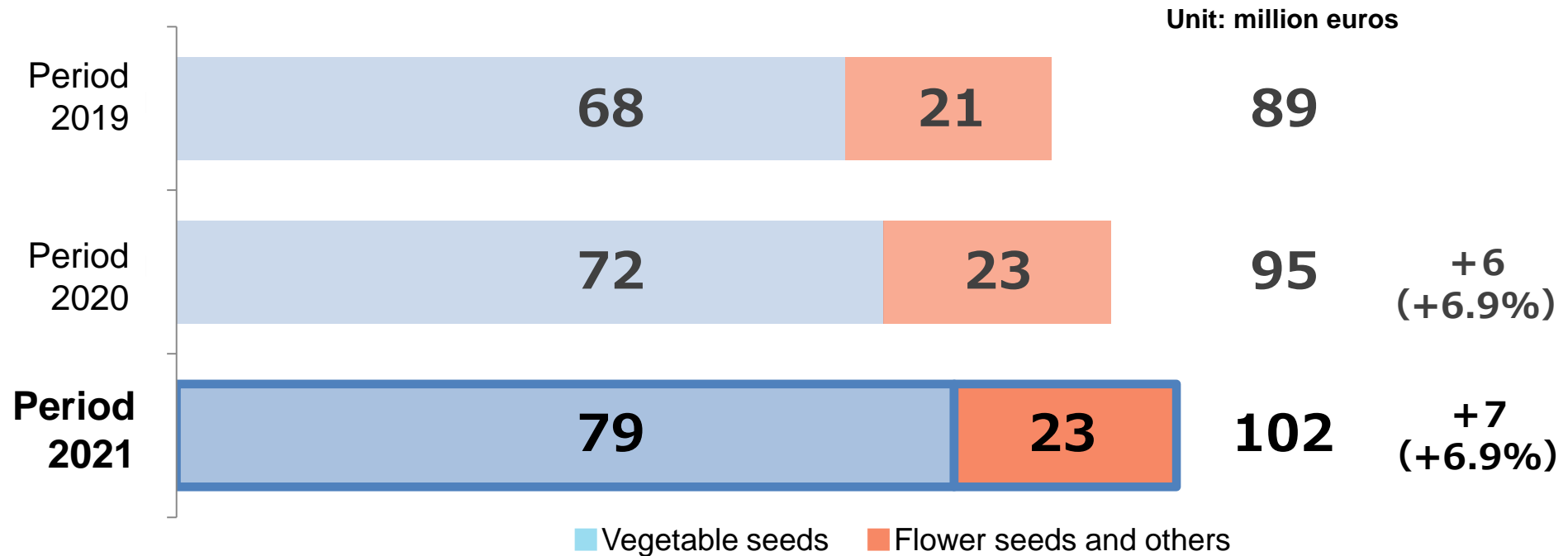
2019/6-2020/5 Products whose sales changed most

Vegetable seeds:	Broccoli	- 1.3
	Melon	- 1.2
	Tomato	+1.2
Flower seeds:	Sunflower	+0.7

2020/6-2021/5 Products whose sales changed most

Vegetable seeds:	Pepper	+3.2
	Tomato	+2.7
	Lettuce	+2.4
Flower seeds:	Sunflower	+0.4

Strong sales in vegetable seeds, flat flower seed sales



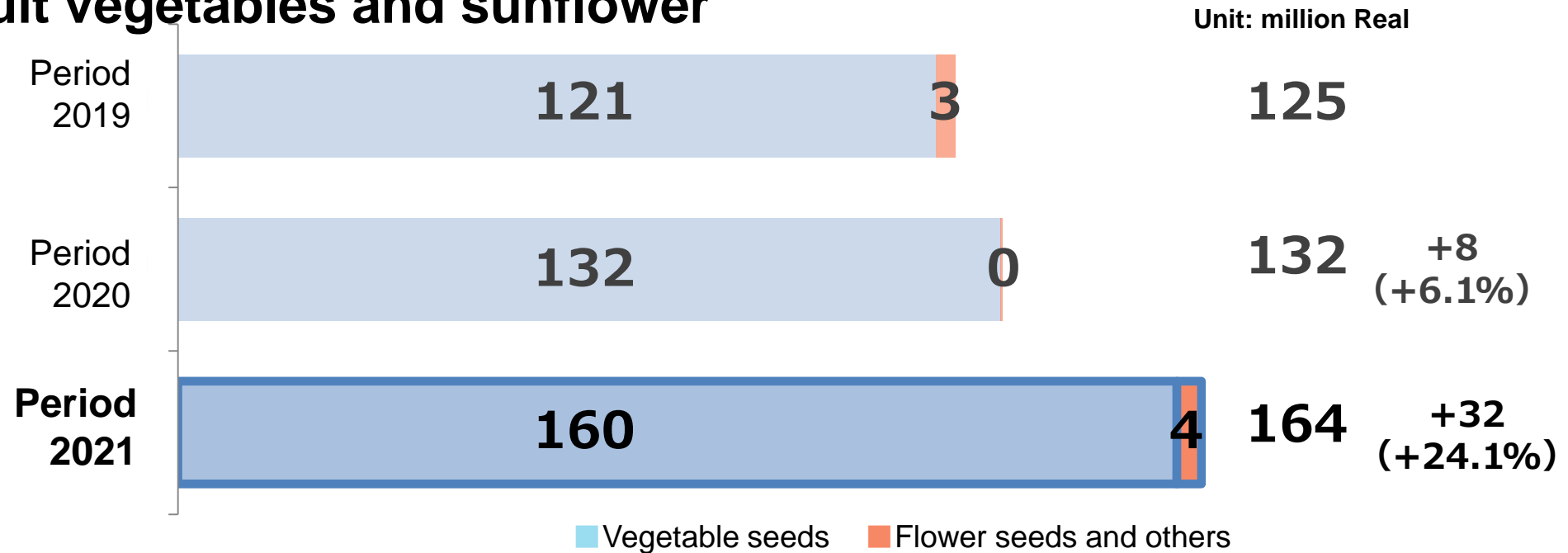
2019/6-2020/5 Products whose sales changed most

Vegetable seeds:	Broccoli	+1.7
	Tomato	+0.9
	Melon	- 0.9
Flower seeds:	Lisianthus	+0.9

2020/6-2021/5 Products whose sales changed most

Vegetable seeds:	Broccoli	+2.7
	Tomato	+1.9
	Squash	+1.3
Flower seeds:	Lisianthus	- 0.3

Significant increase in sales due to strong sales of broccoli, fruit vegetables and sunflower



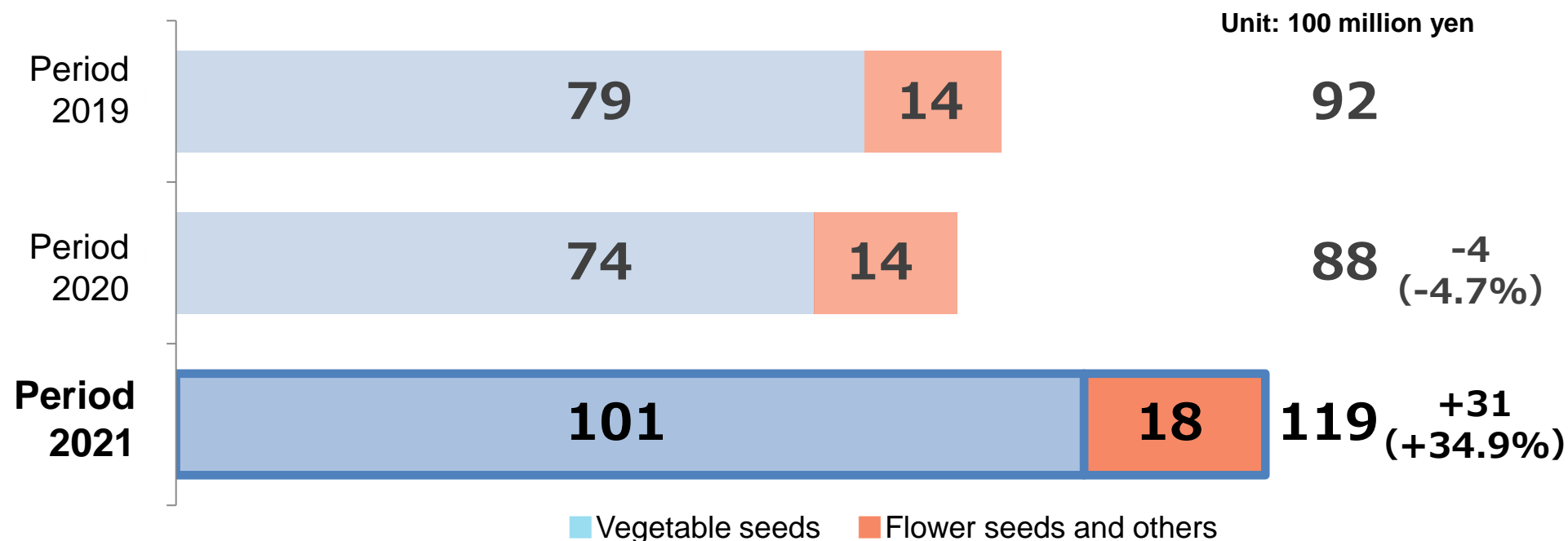
2019/6-2020/5 Products whose sales changed most

Vegetable seeds:	Squash	+6.6
	Broccoli	+3.9
	Tomato	- 2.9
Flower seeds:	Sunflower	+0.3

2020/6-2021/5 Products whose sales changed most

Vegetable seeds:	Broccoli	+6.9
	Squash	+6.0
	Pepper	+4.6
Flower seeds:	Sunflower	+0.9

Significant increase in vegetable seeds, strong sale in flower seeds



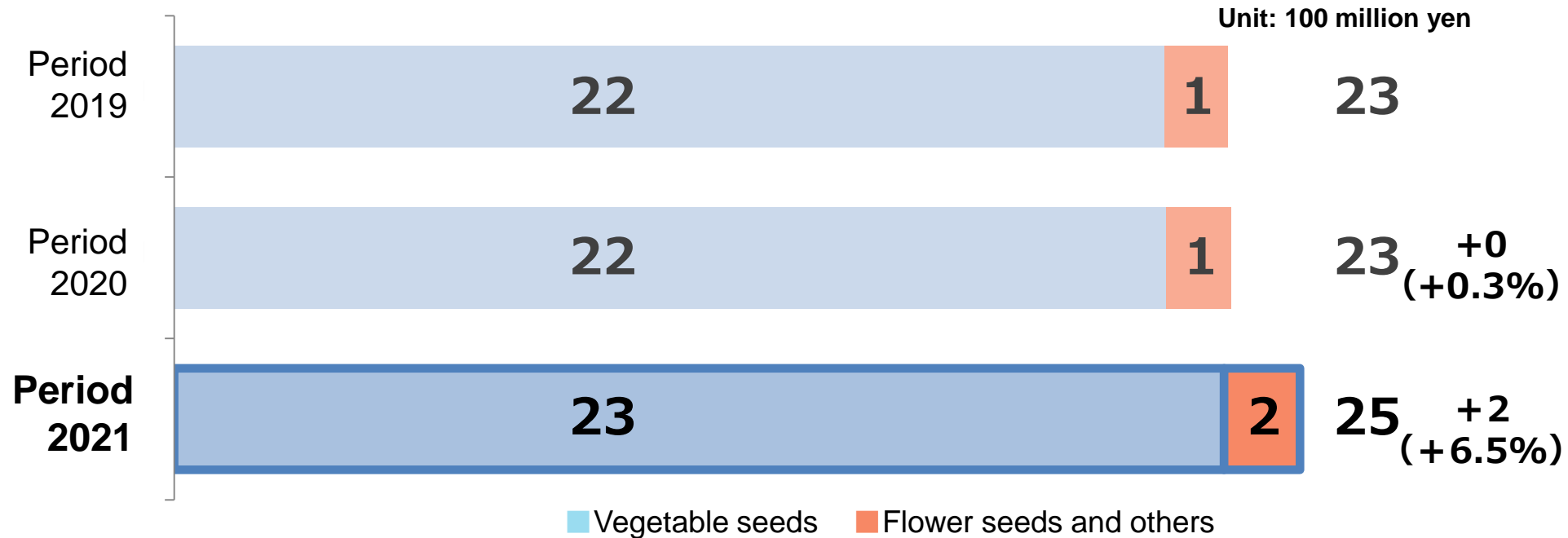
2019/6-2020/5 Products whose sales changed most

Vegetable seeds:	Broccoli	- 4.3
	Carrot	- 3.4
	Spinach	+2.3
Flower seeds:	Sunflower	+1.9

2020/6-2021/5 Products whose sales changed most

Vegetable seeds:	Carrot	+11.2
	Broccoli	+9.5
	Pepper	+2.9
Flower seeds:	Lisianthus	+1.7

Increase in vegetable seeds in South Africa



2019/6-2020/5 Products whose sales changed most

Vegetable seeds:	Melon	+0.6
	Broccoli	- 0.5
	Carrot	- 0.5
Flower seeds:	Pansy	+0.0

2020/6-2021/5 Products whose sales changed most

Vegetable seeds:	Melon	- 1.0
	Cabbage	+0.8
	Onion	+0.5
Flower seeds:	Pansy	- 0.2

Main selling, general and administrative (SGA) expenses for period ended May 2021

Increase from the previous fiscal year due to the impact of foreign exchange rates and introduction cost of core IT system

Unit: 100 million yen; consolidated basis

(Breakdowns given on the basis of locations of head office and major subsidiaries)

	SGA expenses	Personnel expenses	Travel expenses	Depreciation	R&D expenses*
Results for period 2021	288	156	4	19	70
Results for period 2020	269	144	10	17	63
Difference YoY	20	12	- 6	2	7
Impact of foreign exchange out of the above	9	4	0	1	2
Breakdown					
Japan	9	4	- 2	0	3
Europe & Middle East	6	6	- 2	1	2
North & Central America	3	3	- 1	0	2
South America	- 0	- 0	- 0	- 0	0
Others + consolidation adjustment	2	0	- 0	1	- 0

*R&D expenses are the total expenses related to research activities, which may also be included as personnel expenses and depreciation.

II Forecast for Period Ending May 2022 and Dividend Policy

New revenue recognition standard (ASBJ Statement No. 29)

The “Accounting Standard for Revenue Recognition” will be applied from the beginning of the fiscal year ending May 2022.

Main impacts on the company

- Indication of net amount for agency transactions:
Sales: Down approx. 3.6 billion yen
There will be no impact on profit

Cost range change

- With the new core IT system up and running, the cost calculation method was refined with the aim of improving profitable management.
- As a result of reviewing cost scopes, some of the costs that used to be handled as selling, general and administrative expenses will now be recorded as costs of products manufactured.
Selling, general and administrative expenses : Down approx. 900 million yen.
Cost of goods sold: Up approx. 400 million yen

Note: The impact amounts are prerequisites for preparing business performance forecasts, and are not the finalized figures.

Expecting decrease in sales but increase in net income due to gain on sales of non-current assets

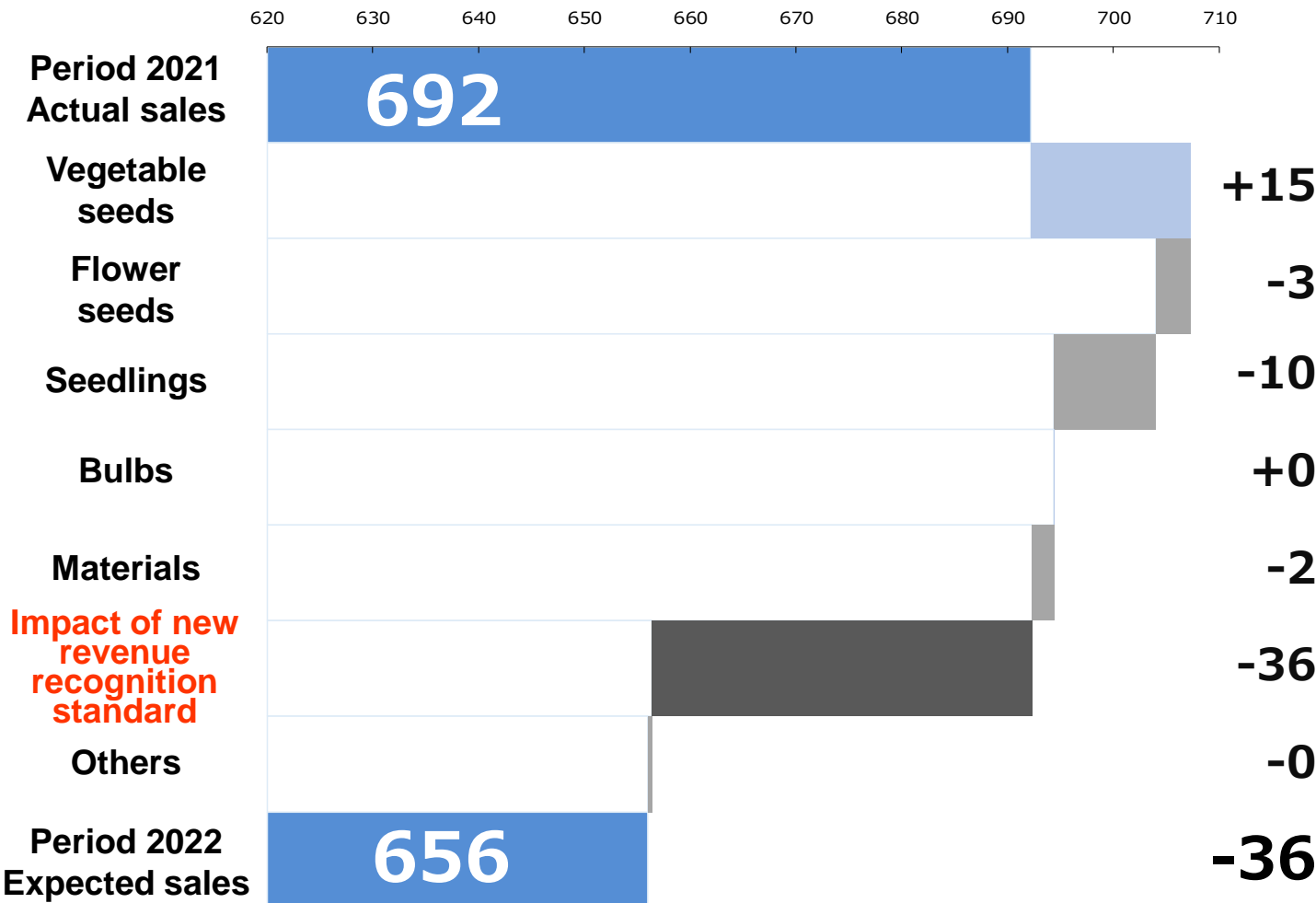
Unit:100 million yen	Period 2020	Period 2021	Period 2022 forecast	Difference	Difference (%)
Total sales (Previous standard)	617	692	692	- 0	-0.0%
Sales (New standard)	-	-	656	-	-
Gross profit	344	386	386	0	0.1%
Gross profit margin (%)*1	55.7%	55.7%	55.8%	-	-
R&D expenses	63	70	73	3	4.2%
Ratio against sales (%)*1	10.3%	10.1%	10.5%	-	-
Other SGA expenses	206	218	239	21	9.5%
Operating income	75	97	73	- 24	-24.9%
Ordinary income	81	101	77	- 24	△23.6%
Net income of FY	61	76	88	12	15.2%
Yen/USD (yen)	109	111	110	Estimate of exchange sensitivity*2(million yen)	
Yen/Euro (yen)	120	130	130	USD	61
				Euro	14

*1 Calculated based on the previous standard for total sales.

*2 Estimated amount of affect from currency fluctuation of 1 yen on revised expected amount for operating income

Expecting increase in vegetable seeds, decrease in flower seeds, seedlings and materials

Unit: 100 million yen

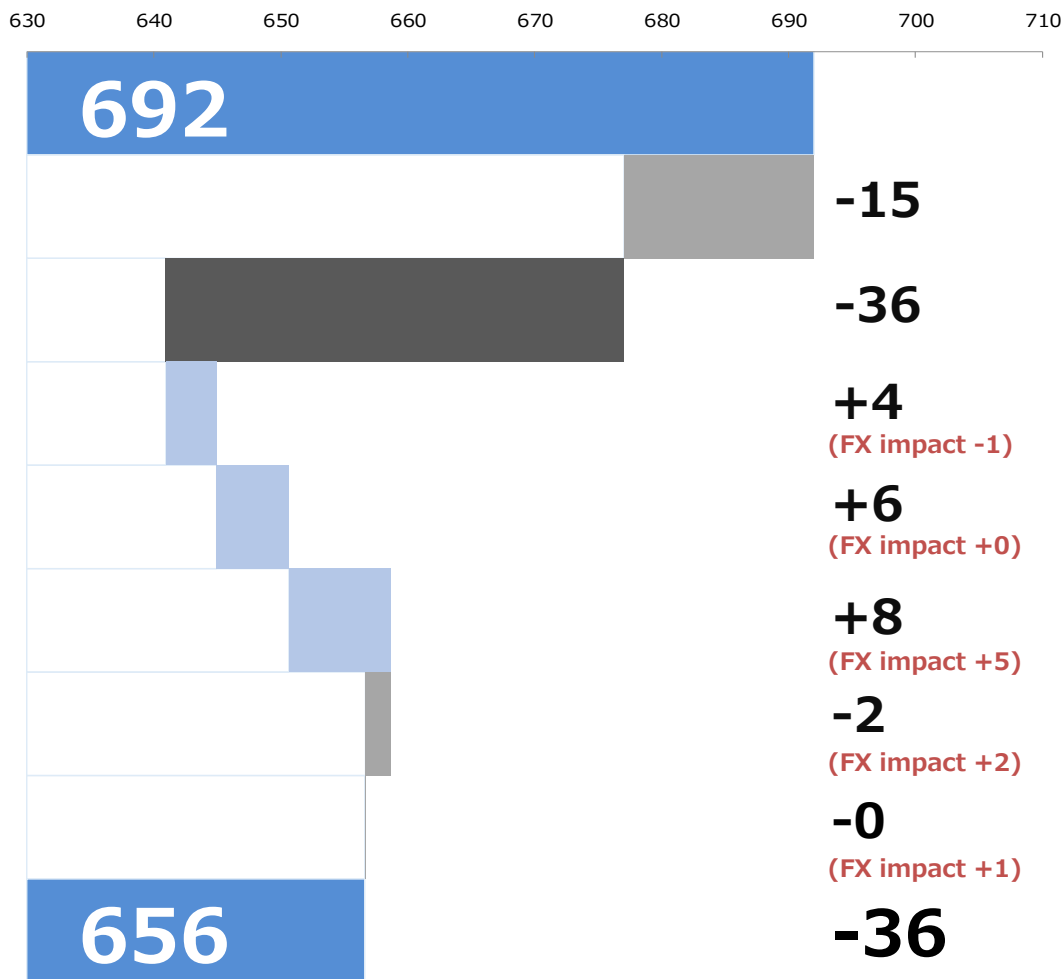


Major factors likely to cause change in sales

- Continuing good sales
- Reactionary fall
- Decrease due to change of product distribution
- Reactionary fall of early shipment
- Indication of net amount for agency transactions of materials

Expecting increase in overseas sales

Unit: 100 million yen



Major factors likely to cause change in sales

Decrease in some product sales due to change of product distribution

Indication of net amount for agency transactions of materials

Increase in both vegetable and flower seeds

Increase in both vegetable and flower seeds

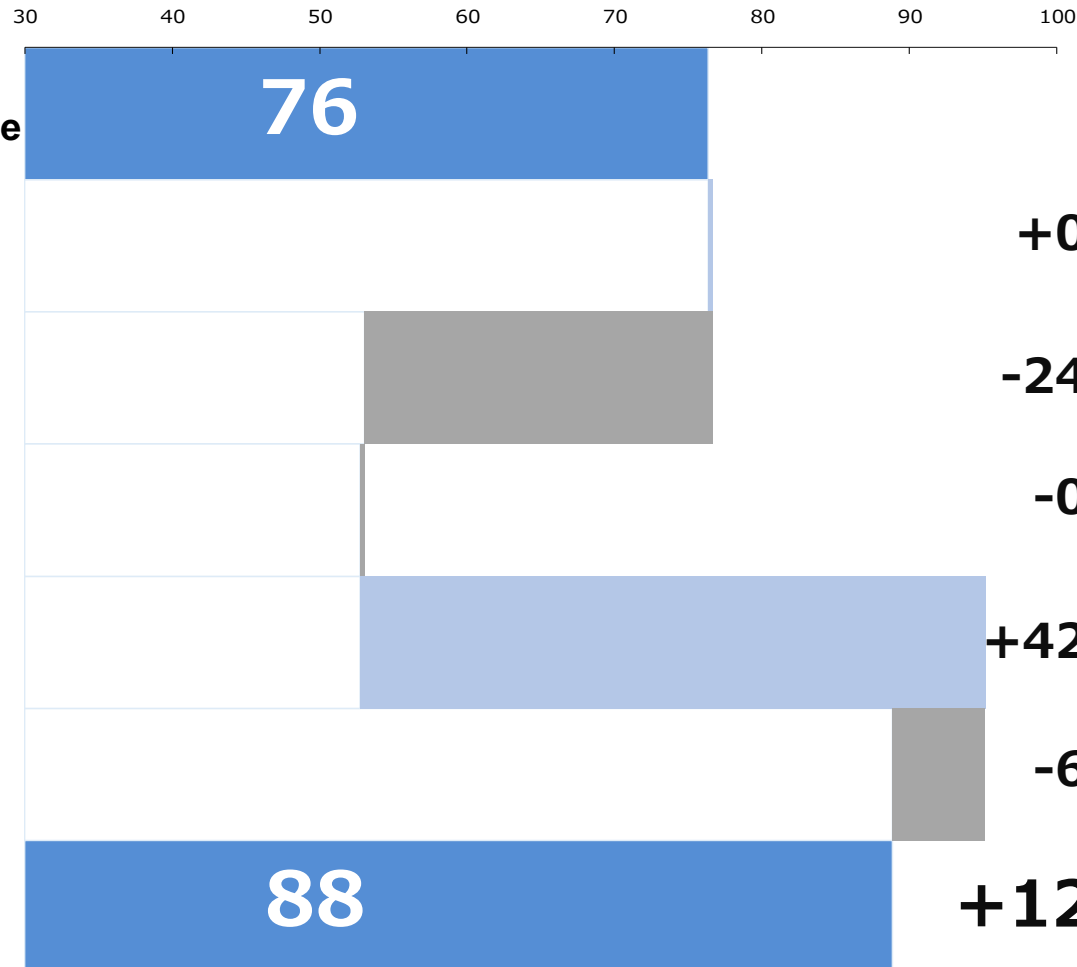
Increase in both vegetable and flower seeds

Reactionary fall of change of selling period

Impact of FX
+6

Expecting increase in net income due to gain on extraordinary income

Unit: 100 million yen



Major factors likely to cause change in net income

Start depreciation of core IT system, Increase in R&D expenses, Recovery of business activities by calming down of COVID-19

Gain on sales of non-current assets in North America

Forecast for period ending May 2022 (Main selling, general and administrative (SGA) expenses)

Expecting increase in expenses for depreciation, R&D and etc.

Unit: 100 million yen; consolidated basis

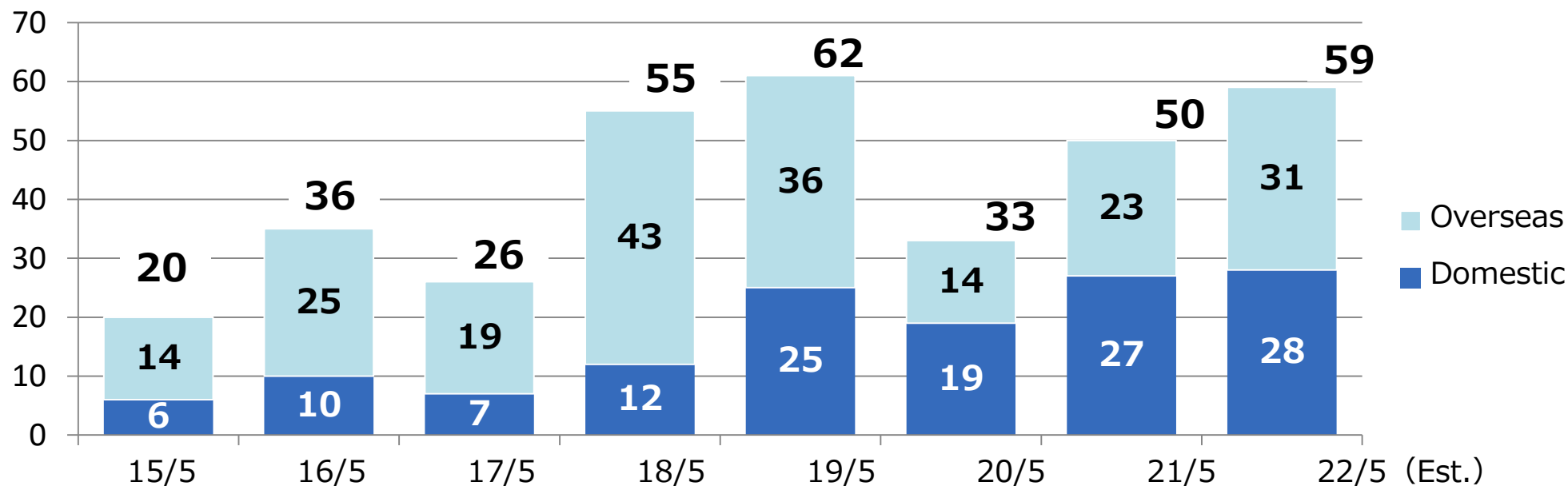
(Breakdowns given on the basis of locations of head office and major subsidiaries)

	SGA expenses	Personnel expenses	Travel expenses	Depreciation	R&D expenses*	
Forecast for period 2022	312	162	10	26	73	
Results for period 2021	288	156	4	19	70	
Difference YoY	24	6	6	6	3	
Impact of foreign exchange out of the above	3	1	- 0	0	1	
Breakdown	Japan	7	- 1	2	5	5
	Europe & Middle East	9	1	2	1	- 1
	North & Central America	3	3	1	0	0
	South America	5	3	0	0	1
	Others + consolidation adjustments	- 1	1	1	- 0	- 2

*R&D expenses are the total amount of expenses related to research activities, part of which include personnel expenses and depreciation.

Increase in total capital expenditure

Unit: 100 million yen;
consolidated basis



*2015/5-2021/5: Actual capital expenditure amounts for each period (including acquisition of intangible fixed assets)
2022/5: Including amounts of investment for periods after period 2020

Year-end dividends for period 2021 is ¥23, For period 2022, ¥38 is expected.

Our company considers the return of profits to shareholders to be an important management issue, and has adopted a basic policy of ensuring a stable and continuous distribution of profits while securing internal reserves necessary to strengthen the management structure and management base, taking into consideration the consolidated results for each fiscal year from a medium- to long-term management perspective.

1) The year-end dividend for period 2021 is ¥23.

(Increase of ¥5 from period 2020 and forecast 2021)

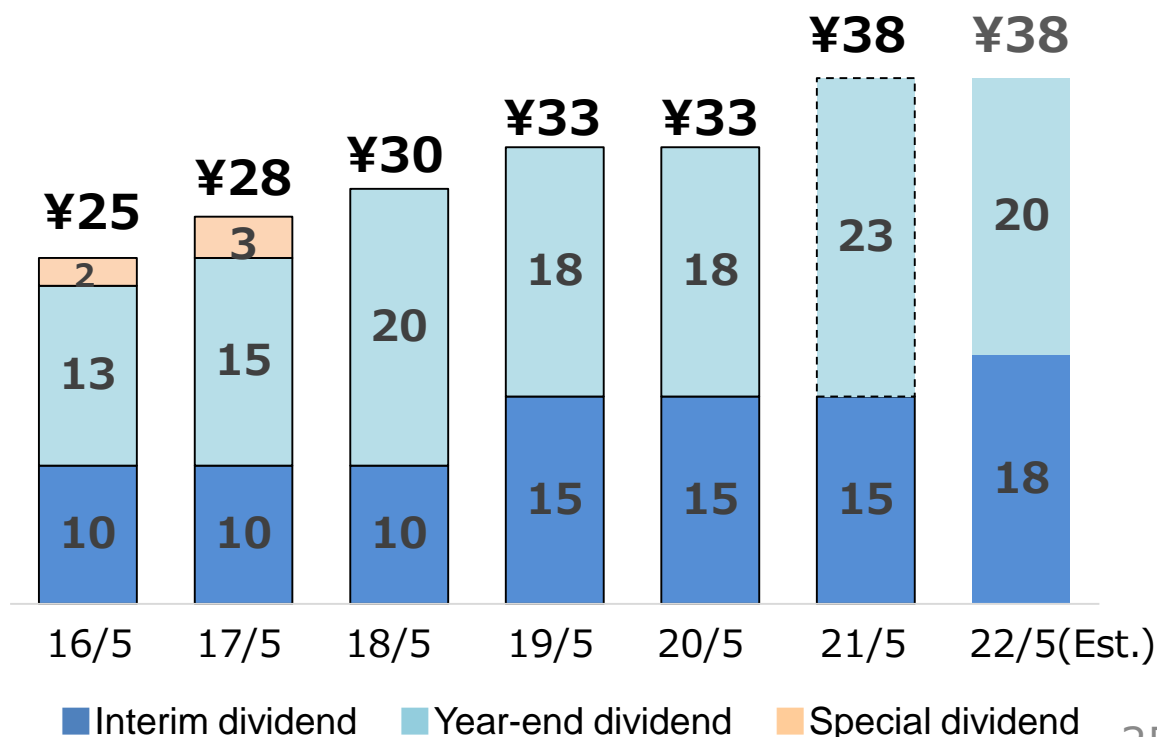
2) For period 2022, ¥38 is expected.

Interim dividend: ¥18

Year-end dividend: ¥20

(Same as period 2021 for total dividend)

* Amount per share



A resolution of the board was made for the repurchase of its stock with the aim of increasing shareholder returns and enhancing capital efficiency, as well as to implement flexible capital policy to suit the management environment.

[Details of repurchase]

- | | |
|--|---|
| (1) No. of shares repurchased | 250,000 shares of common stock (max. limit)
(ratio of 0.56% of total number of shares issued (excluding treasury stock)) |
| (2) Total amount of repurchased | 1,000,000,000 yen (max. limit) |
| (3) Repurchase period | July 15 to October 29, 2021 |

(Reference)

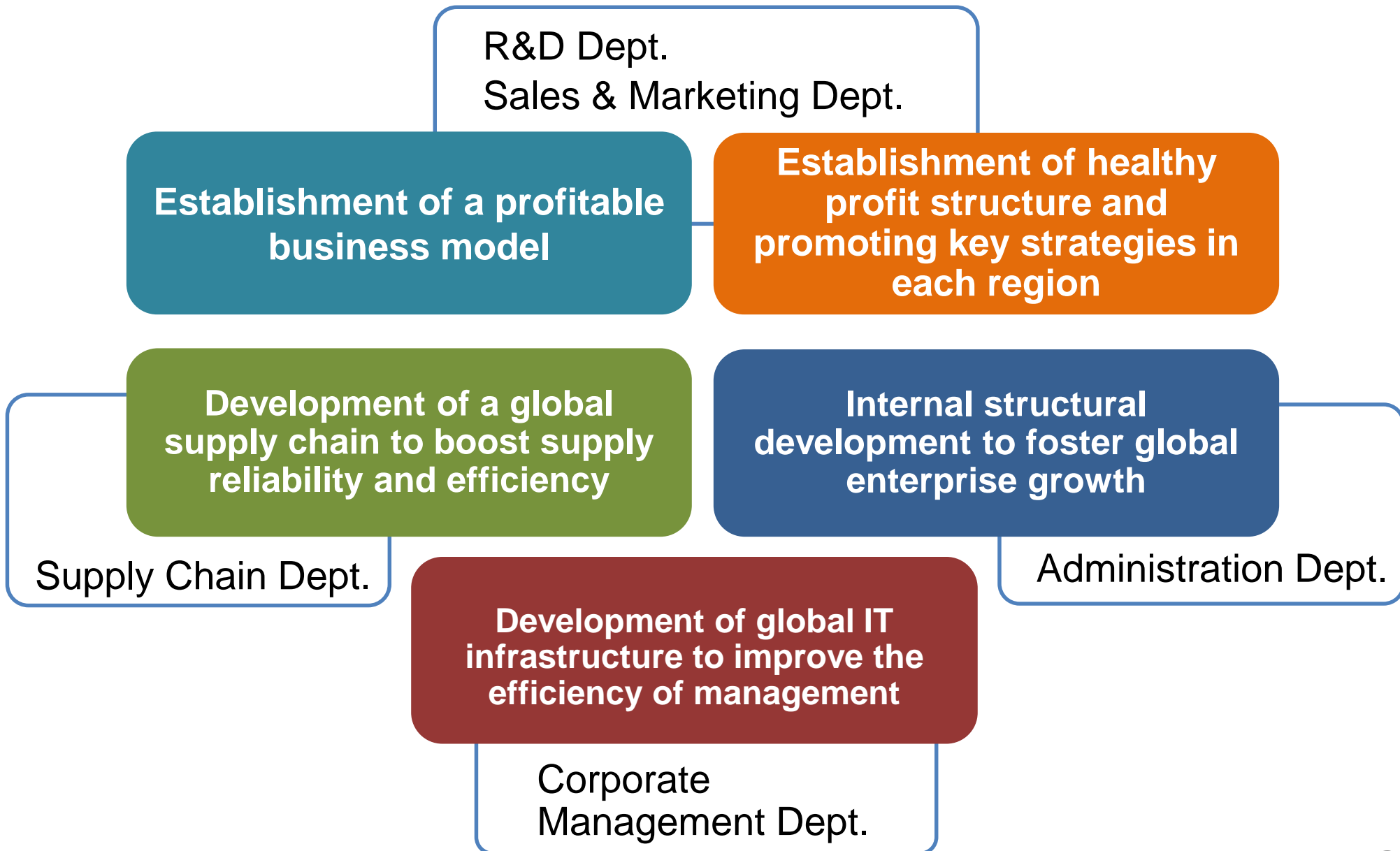
Status of treasury stock as of May 31, 2021

No. of shares issued (excluding treasury stock) 44,635,714 shares

No. of treasury stock 2,775,036 shares

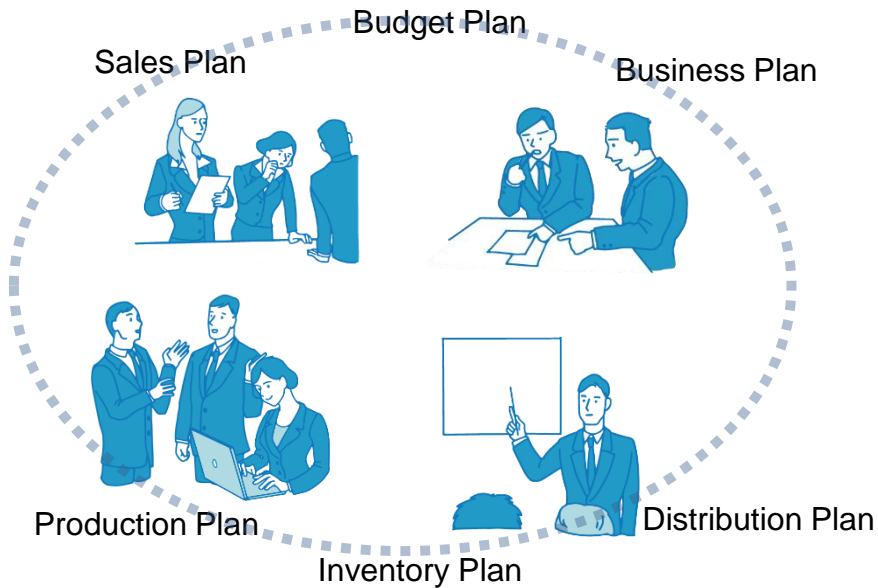
*** The above no. of treasury stock does not include company shares (38,700 shares) owned by Board Benefit Trust (BBT).**

III Action for Global Growth

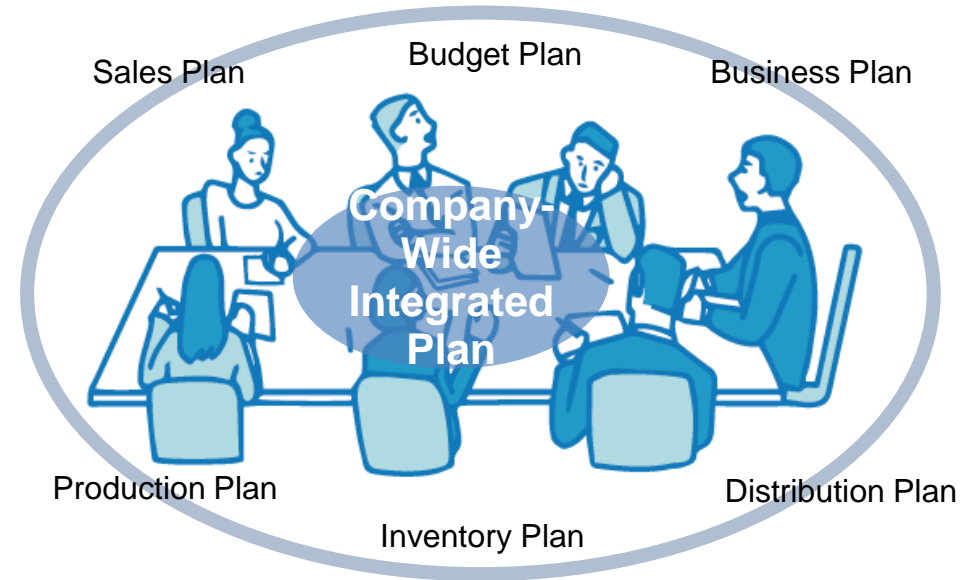


Background of rebuilding the IT infrastructure

Separate individual plans for each business department, e.g., business, sales, and production plans



Transform into a "plan that is shared and committed to company-wide."
→ Improve the efficiency of global management



Visually representing information based on preparing and collecting data is an urgent issue

Adopting "global" as a key strategy, the core IT system was renewed and an ERP system introduced.

Completed thus far:

The new core IT system went into operation in June 2021, and the transition was completed smoothly.

- More efficient process for taking orders
- More refined cost calculations
- Higher level of sales and profit management per item
- Introduction of global BI



Expected benefits

**Speedier global
management**

**More efficient
forecast/result management**

**Continue to develop the system with a view toward
integrated management**

**Strengthen global cooperation and build a rational and
strategic business structure**

IV Topics

Inauguration of 2027 World Horticultural Exhibition Yokohama Committee Promotion Committee

Theme : Scenery of The Future for Happiness



新着情報 国際園芸博覧会とは 委員会概要 推進ロゴマークの事業

2027国際園芸博覧会

2027年3月～9月 横浜(旧上瀬谷通信施設)で開催します

Duration: March-September 2027

Size of venue: 80 to 100 ha

Venue: Kamiseya, in the northwest part of Yokohama Seya Ward. The area had long been in use of US military communication facility

Number of visitors : More than 15 million (Preliminary estimate)

The goals: Create the future and energy while collaborating with flowers, greenery, agriculture, and human. Respect for nature, Society in harmony with nature, Create new flower gardening culture and development of related industries
→Establish the life that enriches your heart in the world.

excerpt from 2027 World Horticultural Exhibition Yokohama official site and press release from city of Yokohama

Our business such as flower and landscape have a particular affinity for this event and that policies

Work toward to create new flower gardening culture and new market of landscape greenery and flower business from our home city, Yokohama

Victory bouquets for Tokyo 2020 Olympic and Paralympic Games

The flowers such as lisianthus, sunflower, gentian and etc. used for the bouquets are grown mainly in areas affected by the Great East Japan Earthquake in 2011

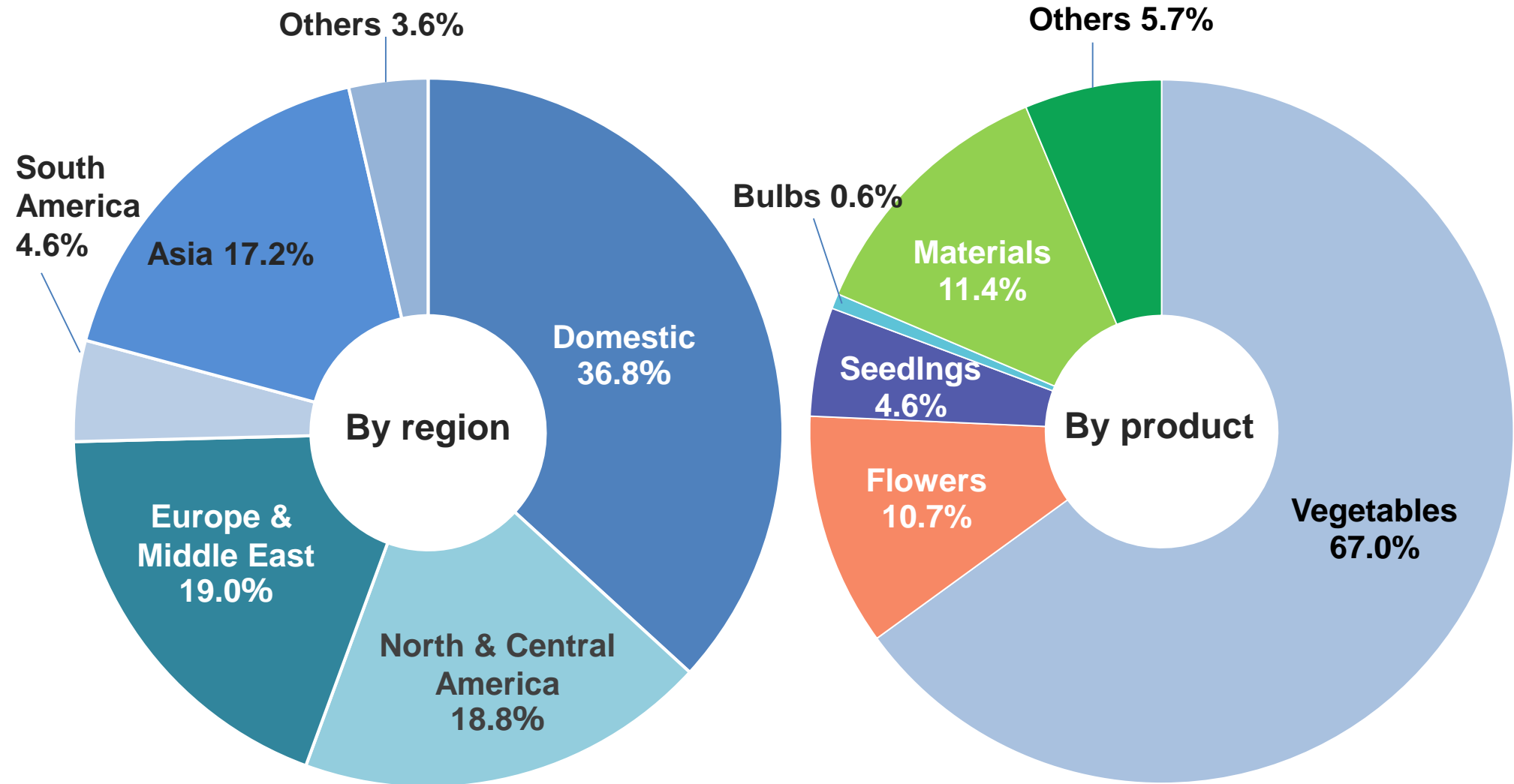


**“Vegetable nourishes the people’s body and
flower nourishes the people’s soul.”**

**Aiming for Sustainable Development of the Environment, Society,
and Agriculture and Horticulture**

V Appendix

Results for period ended May 2021: Breakdown of external sales (1)



Difference of sales YoY by product and region (after eliminating internal transactions)

Unit: 100 million yen

	Vegetables	Flowers	Seedlings	Bulbs	Materials	Others	Total
North & Central America	12.6	1.5	0.0	—	0.6	0.1	14.8
Europe & Middle East	13.0	1.9	—	—	—	3.3	18.2
South America	3.5	0.3	—	—	—	0.4	4.2
Asia	27.0	4.1	0.3	—	- 0.1	- 0.6	30.8
Other regions	1.3	0.0	—	—	—	0.2	1.5
Overseas subtotal	57.4	7.8	0.3	—	0.6	3.4	69.5
Domestic subtotal	2.9	0.3	0.3	- 0.2	2.8	0.0	6.0
Total	60.2	8.1	0.7	- 0.2	3.4	3.4	75.5

Results for period ended May 2021:

External sales by customers' region (Quarterly change)

Overseas sales (by customers' region)

Unit: thousand in local currency/million yen

	1st Qtr	YoY	YoY (%)	2nd Qtr	YoY	YoY (%)	3rd Qtr	YoY	YoY (%)	4th Qtr	YoY	YoY (%)	Total	YoY	YoY (%)
North & Central America (\$US)	17,617	2,994	20.5	28,091	- 9	-0.0	32,792	7,381	29.0	39,310	1,206	3.2	117,809	11,572	10.9
Europe & Middle East (EUR)	24,059	3,566	17.4	23,602	344	1.5	23,326	2,716	13.2	30,580	- 26	- 0.1	101,566	6,600	6.9
South America (Real)	38,538	13,244	52.4	42,044	8,367	24.8	40,773	9,224	29.2	42,564	1,010	2.4	163,919	31,845	24.1
Asia (Yen)	2,643	65	2.5	3,338	927	38.4	2,183	261	13.6	3,720	1,823	96.1	11,884	3,076	34.9
Korea out of the above (WON)	6,758	1,134	20.2	6,690	- 92	- 1.4	4,189	334	8.7	6,697	1,435	27.3	24,334	2,811	13.1
India out of the above (INR)	240	66	38.0	352	19	5.7	194	8	4.5	66	- 124	- 65.5	851	- 31	- 3.5
Others (Yen) (Africa, Oceania)	479	35	7.8	669	95	16.5	637	- 1	- 0.2	718	25	3.6	2,502	154	6.5

This presentation document includes descriptions and materials on forecasts regarding performance, strategies and business plans of Sakata Seed Corporation. Those descriptions and materials are the Company's estimates based on information available at the time of announcement, not facts in the past.

Also, they include potential risks and uncertain elements such as economic circumstances, conditions of competition with other companies, and foreign exchange rates. Therefore, please acknowledge that the Company's actual performance, business development or financial conditions may turn out very different to the forecasts given herein due to various economic, social and political factors, including economic circumstances, competition in the industry, market demand and foreign exchange rates in the future.

Please refer to the annual securities report, the summary of consolidated earnings report and the like for details on general uncertainty and fluctuating elements.