

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended February 28, 2021 (Based on Japanese GAAP)

April 9, 2021

Company name: SAKATA SEED CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 1377 URL <http://www.sakataseed.co.jp/>
 Representative: President and Representative Director Hiroshi Sakata
 Director, Senior Executive Officer, Akifumi Ujita TEL 045-945-8800
 General Manager of General Administration Division
 Inquiries: Akifumi Ujita
 Scheduled date to file Quarterly Securities Report: April 12, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended February 28, 2021 (from June 1, 2020 to February 28, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended February 28, 2021	47,823	9.5	7,863	38.0	7,931	26.1	5,997	26.2
Nine months ended February 29, 2020	43,686	(0.1)	5,698	(2.9)	6,289	(1.8)	4,753	(8.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended February 28, 2021	134.47		–	
Nine months ended February 29, 2020	106.58		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 28, 2021	127,841	107,811	84.2
As of May 31, 2020	123,601	101,793	82.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended May 31, 2020	–	15.00	–	18.00	33.00
Year ending May 31, 2021	–	15.00	–		
Year ending May 31, 2021 (Forecast)				18.00	33.00

3. Forecast of consolidated financial results for the year ending May 31, 2021 (from June 1, 2020 to May 31, 2021)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	67,000	8.6	8,200	9.6	8,600	6.6	6,500	6.7	145.75

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended February 28, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of February 28, 2021	47,410,750 shares	As of May 31, 2020	47,410,750 shares
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Number of treasury shares at the end of the period

As of February 28, 2021	2,813,534 shares	As of May 31, 2020	2,813,037 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended February 28, 2021	44,597,510 shares	Nine months ended February 29, 2020	44,597,962 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2020	As of February 28, 2021
Assets		
Current assets		
Cash and deposits	17,427	18,996
Notes and accounts receivable - trade	15,894	14,277
Securities	50	49
Merchandise and finished goods	30,243	31,538
Work in process	2,323	1,749
Raw materials and supplies	2,283	2,080
Costs on construction contracts in progress	268	272
Other	4,228	4,994
Allowance for doubtful accounts	(386)	(403)
Total current assets	72,333	73,555
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,273	32,128
Accumulated depreciation	(20,228)	(20,355)
Buildings and structures, net	12,044	11,772
Machinery, equipment and vehicles	13,568	14,228
Accumulated depreciation	(9,262)	(9,813)
Machinery, equipment and vehicles, net	4,306	4,415
Land	13,606	13,552
Construction in progress	695	1,165
Other	5,597	6,002
Accumulated depreciation	(3,405)	(3,722)
Other, net	2,192	2,279
Total property, plant and equipment	32,845	33,186
Intangible assets	2,858	4,225
Investments and other assets		
Investment securities	13,129	14,536
Long-term loans receivable	28	22
Deferred tax assets	1,397	1,306
Other	1,069	1,066
Allowance for doubtful accounts	(60)	(58)
Total investments and other assets	15,563	16,873
Total non-current assets	51,268	54,285
Total assets	123,601	127,841

(Millions of yen)

	As of May 31, 2020	As of February 28, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,006	4,413
Short-term borrowings	3,441	2,356
Income taxes payable	1,048	1,192
Other	5,737	4,981
Total current liabilities	15,233	12,944
Non-current liabilities		
Long-term borrowings	1,267	898
Deferred tax liabilities	947	1,632
Retirement benefit liability	2,066	2,048
Provision for retirement benefits for directors (and other officers)	139	42
Provision for share-based remuneration for directors (and other officers)	66	92
Other	2,086	2,371
Total non-current liabilities	6,574	7,085
Total liabilities	21,808	20,030
Net assets		
Shareholders' equity		
Share capital	13,500	13,500
Capital surplus	10,793	10,793
Retained earnings	84,935	89,459
Treasury shares	(4,485)	(4,487)
Total shareholders' equity	104,744	109,266
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,744	5,484
Foreign currency translation adjustment	(7,520)	(6,815)
Remeasurements of defined benefit plans	(367)	(334)
Total accumulated other comprehensive income	(3,143)	(1,665)
Non-controlling interests	193	210
Total net assets	101,793	107,811
Total liabilities and net assets	123,601	127,841

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended February 29, 2020	Nine months ended February 28, 2021
Net sales	43,686	47,823
Cost of sales	17,918	19,728
Gross profit	25,767	28,095
Selling, general and administrative expenses	20,068	20,231
Operating profit	5,698	7,863
Non-operating income		
Interest income	121	70
Dividend income	294	263
Rental income	169	150
Other	219	166
Total non-operating income	804	650
Non-operating expenses		
Interest expenses	127	87
Foreign exchange losses	15	385
Other	70	109
Total non-operating expenses	213	582
Ordinary profit	6,289	7,931
Extraordinary income		
Gain on sales of investment securities	–	108
Gain on sale of businesses	37	–
Compensation income	126	–
Settlement received	–	150
Total extraordinary income	164	258
Extraordinary losses		
Loss on valuation of investment securities	–	102
Impairment loss	26	83
Total extraordinary losses	26	186
Profit before income taxes	6,427	8,003
Income taxes	1,654	1,975
Profit	4,772	6,028
Profit attributable to non-controlling interests	19	31
Profit attributable to owners of parent	4,753	5,997

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended February 29, 2020	Nine months ended February 28, 2021
Profit	4,772	6,028
Other comprehensive income		
Valuation difference on available-for-sale securities	(321)	739
Foreign currency translation adjustment	(966)	714
Remeasurements of defined benefit plans, net of tax	25	33
Total other comprehensive income	(1,262)	1,487
Comprehensive income	3,510	7,515
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,492	7,474
Comprehensive income attributable to non-controlling interests	18	41