

Translation

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## Summary of Consolidated Financial Results for the Year Ended May 31, 2021 (Based on Japanese GAAP)

July 14, 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, Managing Executive Officer, Akifumi Ujita  
 Inquiries: In charge of General Administration Div. TEL 045-945-8800  
 Scheduled date of ordinary general meeting of shareholders: August 24, 2021  
 Scheduled date to file Securities Report: August 24, 2021  
 Scheduled date to commence dividend payments: August 25, 2021  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended May 31, 2021 (from June 1, 2020 to May 31, 2021)

(1) Consolidated operating results

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	%
Year ended May 31, 2021	69,218	12.2	9,725	30.0	10,078	24.9	7,636	25.3
Year ended May 31, 2020	61,667	(1.7)	7,482	(3.1)	8,070	(3.1)	6,094	(11.1)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended May 31, 2021	171.24	–	7.2	7.9	14.1
Year ended May 31, 2020	136.65	–	6.0	6.6	12.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2021	133,077	111,898	83.9	2,503.81
As of May 31, 2020	123,601	101,793	82.2	2,278.16

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended May 31, 2021	11,362	(5,165)	(4,005)	14,758
Year ended May 31, 2020	3,435	(1,322)	(1,757)	11,934

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended May 31, 2020	–	15.00	–	18.00	33.00	1,473	24.1	1.5
Year ended May 31, 2021	–	15.00	–	23.00	38.00	1,696	22.2	1.6
Year ending May 31, 2022 (Forecast)	–	18.00	–	20.00	38.00		19.3	

3. Forecast of consolidated financial results for the year ending May 31, 2022 (from June 1, 2021 to May 31, 2022)

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
Six months ending November 30, 2021	29,000	–	2,900	–	3,200	–	2,400	–	53.81
Full year	65,600	–	7,300	–	7,700	–	8,800	–	197.32

4. Notes

(1) Changes in significant subsidiaries during the year ended May 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of May 31, 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 May 31, 2021	2,813,736 shares	As of May 31, 2020	2,813,037 shares
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Average number of shares during the period

Year ended May 31, 2021	44,597,405 shares	Year ended May 31, 2020	44,597,900 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of May 31, 2020	As of May 31, 2021
Assets		
Current assets		
Cash and deposits	17,427	20,988
Notes and accounts receivable - trade	15,894	16,465
Securities	50	—
Merchandise and finished goods	30,243	30,642
Work in process	2,323	2,554
Raw materials and supplies	2,283	2,240
Costs on construction contracts in progress	268	51
Other	4,228	4,387
Allowance for doubtful accounts	(386)	(416)
Total current assets	72,333	76,913
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,273	33,073
Accumulated depreciation	(20,228)	(21,073)
Buildings and structures, net	12,044	12,000
Machinery, equipment and vehicles	13,568	14,842
Accumulated depreciation	(9,262)	(10,237)
Machinery, equipment and vehicles, net	4,306	4,604
Land	13,606	13,697
Construction in progress	695	1,647
Other	5,597	6,205
Accumulated depreciation	(3,405)	(3,917)
Other, net	2,192	2,287
Total property, plant and equipment	32,845	34,237
Intangible assets	2,858	4,591
Investments and other assets		
Investment securities	13,129	14,848
Long-term loans receivable	28	25
Deferred tax assets	1,397	1,665
Other	1,069	808
Allowance for doubtful accounts	(60)	(13)
Total investments and other assets	15,563	17,334
Total non-current assets	51,268	56,163
Total assets	123,601	133,077

(Millions of yen)

	As of May 31, 2020	As of May 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,006	4,896
Short-term borrowings	3,441	1,894
Income taxes payable	1,048	1,447
Other	5,737	6,449
Total current liabilities	15,233	14,688
Non-current liabilities		
Long-term borrowings	1,267	894
Deferred tax liabilities	947	1,256
Retirement benefit liability	2,066	1,819
Provision for retirement benefits for directors (and other officers)	139	44
Provision for share awards for directors (and other officers)	66	101
Other	2,086	2,374
Total non-current liabilities	6,574	6,490
Total liabilities	21,808	21,178
Net assets		
Shareholders' equity		
Share capital	13,500	13,500
Capital surplus	10,793	10,793
Retained earnings	84,935	91,099
Treasury shares	(4,485)	(4,487)
Total shareholders' equity	104,744	110,905
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,744	5,873
Foreign currency translation adjustment	(7,520)	(4,876)
Remeasurements of defined benefit plans	(367)	(240)
Total accumulated other comprehensive income	(3,143)	757
Non-controlling interests	193	235
Total net assets	101,793	111,898
Total liabilities and net assets	123,601	133,077

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended May 31, 2020	Fiscal year ended May 31, 2021
Net sales	61,667	69,218
Cost of sales	27,314	30,662
Gross profit	34,353	38,555
Selling, general and administrative expenses	26,871	28,830
Operating profit	7,482	9,725
Non-operating income		
Interest income	194	113
Dividend income	323	286
Rental income	221	226
Other	229	203
Total non-operating income	968	830
Non-operating expenses		
Interest expenses	210	119
Sales discounts	28	44
Foreign exchange losses	16	164
Other	124	149
Total non-operating expenses	380	477
Ordinary profit	8,070	10,078
Extraordinary income		
Gain on sale of investment securities	46	130
Settlement received	–	150
Compensation income	126	–
Gain on sale of businesses	37	–
Total extraordinary income	210	280
Extraordinary losses		
Loss on valuation of investment securities	–	272
Impairment losses	226	114
Total extraordinary losses	226	387
Profit before income taxes	8,054	9,971
Income taxes - current	2,282	2,695
Income taxes - deferred	(351)	(411)
Total income taxes	1,931	2,284
Profit	6,123	7,686
Profit attributable to non-controlling interests	28	49
Profit attributable to owners of parent	6,094	7,636

**Consolidated statements of comprehensive income**

(Millions of yen)

	Fiscal year ended May 31, 2020	Fiscal year ended May 31, 2021
Profit	6,123	7,686
Other comprehensive income		
Valuation difference on available-for-sale securities	(47)	1,129
Foreign currency translation adjustment	(3,568)	2,659
Remeasurements of defined benefit plans, net of tax	(131)	126
Total other comprehensive income	(3,746)	3,915
Comprehensive income	2,376	11,602
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,352	11,537
Comprehensive income attributable to non-controlling interests	23	65

## Consolidated statements of changes in equity

Fiscal year ended May 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,500	10,900	81,755	(6,077)	100,078
Cumulative effects of changes in accounting policies			46		46
Restated balance	13,500	10,900	81,801	(6,077)	100,124
Changes during period					
Dividends of surplus			(1,473)		(1,473)
Profit attributable to owners of parent			6,094		6,094
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares		(106)	(1,487)	1,594	–
Issuance of treasury shares held by Board Benefit Trust				1	1
Net changes in items other than shareholders' equity					
Total changes during period	–	(106)	3,133	1,592	4,619
Balance at end of period	13,500	10,793	84,935	(4,485)	104,744

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,791	(3,931)	(235)	624	180	100,883
Cumulative effects of changes in accounting policies						46
Restated balance	4,791	(3,931)	(235)	624	180	100,929
Changes during period						
Dividends of surplus						(1,473)
Profit attributable to owners of parent						6,094
Purchase of treasury shares						(2)
Disposal of treasury shares						–
Issuance of treasury shares held by Board Benefit Trust						1
Net changes in items other than shareholders' equity	(47)	(3,589)	(131)	(3,768)	12	(3,755)
Total changes during period	(47)	(3,589)	(131)	(3,768)	12	864
Balance at end of period	4,744	(7,520)	(367)	(3,143)	193	101,793

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,500	10,793	84,935	(4,485)	104,744
Changes during period					
Dividends of surplus			(1,472)		(1,472)
Profit attributable to owners of parent			7,636		7,636
Purchase of treasury shares				(2)	(2)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	6,163	(2)	6,161
Balance at end of period	13,500	10,793	91,099	(4,487)	110,905

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	4,744	(7,520)	(367)	(3,143)	193	101,793
Changes during period						
Dividends of surplus						(1,472)
Profit attributable to owners of parent						7,636
Purchase of treasury shares						(2)
Net changes in items other than shareholders' equity	1,129	2,644	126	3,900	42	3,943
Total changes during period	1,129	2,644	126	3,900	42	10,104
Balance at end of period	5,873	(4,876)	(240)	757	235	111,898



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended May 31, 2020	Fiscal year ended May 31, 2021
Cash flows from operating activities		
Profit before income taxes	8,054	9,971
Depreciation	2,299	2,585
Increase (decrease) in retirement benefit liability	13	(328)
Amortization of goodwill	50	50
Increase (decrease) in allowance for doubtful accounts	103	(45)
Interest and dividend income	(517)	(400)
Interest expenses	210	119
Foreign exchange losses (gains)	(47)	(103)
Compensation income	(126)	–
Settlement received	–	(150)
Loss (gain) on sale of businesses	(37)	–
Impairment losses	226	114
Loss (gain) on sale of non-current assets	(1)	(17)
Loss (gain) on sale of investment securities	(46)	(130)
Loss (gain) on valuation of investment securities	–	272
Decrease (increase) in trade receivables	(548)	(2)
Decrease (increase) in inventories	(3,775)	696
Increase (decrease) in trade payables	747	(464)
Increase (decrease) in accounts payable - other	(15)	283
Other, net	(1,505)	674
Subtotal	5,083	13,126
Interest and dividends received	515	395
Interest paid	(210)	(120)
Proceeds from compensation	126	–
Settlement package received	–	150
Income taxes refund	51	45
Income taxes paid	(2,131)	(2,235)
Net cash provided by (used in) operating activities	3,435	11,362
Cash flows from investing activities		
Payments into time deposits	(1,731)	(1,900)
Proceeds from withdrawal of time deposits	3,556	1,589
Purchase of property, plant and equipment	(2,218)	(2,805)
Proceeds from sale of property, plant and equipment	146	73
Purchase of intangible assets	(1,103)	(1,884)
Proceeds from redemption of securities	–	50
Purchase of investment securities	(206)	(677)
Proceeds from sale of investment securities	230	462
Proceeds from sale of businesses	60	–
Other, net	(56)	(72)
Net cash provided by (used in) investing activities	(1,322)	(5,165)

	(Millions of yen)	
	Fiscal year ended May 31, 2020	Fiscal year ended May 31, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(208)	(1,305)
Proceeds from long-term borrowings	405	15
Repayments of long-term borrowings	(355)	(930)
Purchase of treasury shares	(2)	(2)
Dividends paid	(1,470)	(1,474)
Other, net	(124)	(307)
Net cash provided by (used in) financing activities	(1,757)	(4,005)
Effect of exchange rate change on cash and cash equivalents	(593)	632
Net increase (decrease) in cash and cash equivalents	(238)	2,823
Cash and cash equivalents at beginning of period	12,173	11,934
Cash and cash equivalents at end of period	11,934	14,758