

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended February 28, 2022 (Based on Japanese GAAP)

April 8, 2022

Company name: SAKATA SEED CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 1377 URL <https://corporate.sakataseed.co.jp/>
 Representative: President and Representative Director Hiroshi Sakata
 Executive Officer
 Inquiries: Deputy Senior General Manager of General Administration Div. Takenori Hoshi TEL 045-945-8800
 General Manager of Finance Dept.
 Scheduled date to file Quarterly Securities Report: April 11, 2022
 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, 2022 (from June 1, 2021 to February 28, 2022)

(1) Consolidated operating results (cumulative) (% indicates changes from the previous corresponding period.)

	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, 2022	49,883	–	8,863	–	9,441	–	6,760	–
Nine months ended February 28, 2021	47,823	9.5	7,863	38.0	7,931	26.1	5,997	26.2

(Note) From the beginning of the year ending March 31, 2022, “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020) etc. have been adopted. Therefore, the percentage compared to the previous corresponding periods are not stated. When calculating the figures for the nine months ended February 28, 2022 in accordance with the same accounting standard **before this adoption**, net sales would be 52,277 million yen (9.3% increase compared to the previous corresponding period).

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended February 28, 2022	152.19		–	
Nine months ended February 28, 2021	134.47		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 28, 2022	136,966	116,795	85.0
As of May 31, 2021	133,077	111,898	83.9

(Note) From the beginning of the year ending March 31, 2022, “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020) etc. have been adopted. Accordingly, the above figures as of February 28, 2022 include the effects of the new standards.

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended May 31, 2021	–	15.00	–	23.00	38.00
Year ending May 31, 2022	–	18.00	–		
Year ending May 31, 2022 (Forecast)				20.00	38.00

(Note) Revision of the latest forecast of cash dividends: No

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

(% indicates changes from the previous corresponding period.)

	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	71,500	–	10,000	–	10,300	–	11,000	–	246.65

(Note) Revision of the latest forecast of consolidated financial results: YES

(Note) From the beginning of the year ending March 31, 2022, “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020) etc. have been adopted. Accordingly, the above forecasts include the effects of the new standards. Therefore, the percentage compared to the previous corresponding periods are not stated. When calculating the figures for the full year forecast in accordance with the same accounting standard **before this adoption**, net sales are forecasted at 75,100 million yen.

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended February 28, 2022
(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: Yes
- Changes in accounting policies due to other reasons: Yes
- 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, 2022	47,410,750 shares	As of May 31, 2021	47,410,750 shares
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Number of treasury shares at the end of the period

As of February 28, 2022	3,062,884 shares	As of May 31, 2021	2,813,736 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, 2022	44,421,396 shares	Nine months ended February 28, 2021	44,597,510 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2021	As of February 28, 2022
Assets		
Current assets		
Cash and deposits	20,988	23,295
Notes and accounts receivable - trade	16,465	-
Notes and accounts receivable - trade, and contract assets	-	14,422
Merchandise and finished goods	30,642	33,327
Work in process	2,554	2,743
Raw materials and supplies	2,240	508
Costs on construction contracts in progress	51	69
Other	4,387	5,934
Allowance for doubtful accounts	(416)	(392)
Total current assets	<u>76,913</u>	<u>79,907</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,073	33,981
Accumulated depreciation	(21,073)	(21,771)
Buildings and structures, net	<u>12,000</u>	<u>12,209</u>
Machinery, equipment and vehicles	14,842	15,596
Accumulated depreciation	(10,237)	(10,853)
Machinery, equipment and vehicles, net	<u>4,604</u>	<u>4,743</u>
Land	13,697	13,813
Construction in progress	1,647	1,677
Other	6,205	6,596
Accumulated depreciation	(3,917)	(4,298)
Other, net	<u>2,287</u>	<u>2,298</u>
Total property, plant and equipment	<u>34,237</u>	<u>34,742</u>
Intangible assets	4,591	4,321
Investments and other assets		
Investment securities	14,848	15,411
Long-term loans receivable	25	22
Deferred tax assets	1,665	1,651
Other	808	922
Allowance for doubtful accounts	(13)	(12)
Total investments and other assets	<u>17,334</u>	<u>17,994</u>
Total non-current assets	<u>56,163</u>	<u>57,058</u>
Total assets	<u>133,077</u>	<u>136,966</u>

(Millions of yen)

As of May 31, 2021

As of February 28, 2022

	As of May 31, 2021	As of February 28, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,896	4,803
Short-term borrowings	1,894	1,205
Income taxes payable	1,447	1,601
Other	6,449	5,936
Total current liabilities	14,688	13,547
Non-current liabilities		
Long-term borrowings	894	509
Deferred tax liabilities	1,256	1,967
Retirement benefit liability	1,819	1,673
Provision for retirement benefits for directors (and other officers)	44	46
Provision for share awards for directors (and other officers)	101	123
Other	2,374	2,304
Total non-current liabilities	6,490	6,624
Total liabilities	21,178	20,171
Net assets		
Shareholders' equity		
Share capital	13,500	13,500
Capital surplus	10,793	10,793
Retained earnings	91,099	95,730
Treasury shares	(4,487)	(5,393)
Total shareholders' equity	110,905	114,630
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,873	6,320
Foreign currency translation adjustment	(4,876)	(4,253)
Remeasurements of defined benefit plans	(240)	(210)
Total accumulated other comprehensive income	757	1,856
Non-controlling interests	235	307
Total net assets	111,898	116,795
Total liabilities and net assets	133,077	136,966

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended February 28, 2021	Nine months ended February 28, 2022
Net sales	47,823	49,883
Cost of sales	19,728	18,612
Gross profit	28,095	31,270
Selling, general and administrative expenses	20,231	22,406
Operating profit	7,863	8,863
Non-operating income		
Interest income	70	128
Dividend income	263	263
Rental income	150	176
Foreign exchange gains	–	40
Other	166	243
Total non-operating income	650	853
Non-operating expenses		
Interest expenses	87	67
Share of loss of entities accounted for using equity method	–	56
Foreign exchange losses	385	–
Other	109	152
Total non-operating expenses	582	276
Ordinary profit	7,931	9,441
Extraordinary income		
Gain on sale of investment securities	108	30
Gain on sale of non-current assets	–	258
Settlement received	150	–
Total extraordinary income	258	289
Extraordinary losses		
Loss on valuation of investment securities	102	64
Impairment losses	83	9
Settlement package	–	127
Total extraordinary losses	186	200
Profit before income taxes	8,003	9,529
Income taxes	1,975	2,716
Profit	6,028	6,813
Profit attributable to non-controlling interests	31	52
Profit attributable to owners of parent	5,997	6,760

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended February 28, 2021	Nine months ended February 28, 2022
Profit	6,028	6,813
Other comprehensive income		
Valuation difference on available-for-sale securities	739	446
Foreign currency translation adjustment	714	546
Remeasurements of defined benefit plans, net of tax	33	29
Share of other comprehensive income of entities accounted for using equity method	–	84
Total other comprehensive income	1,487	1,107
Comprehensive income	7,515	7,920
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,474	7,860
Comprehensive income attributable to non-controlling interests	41	60