

Translation

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Summary of Consolidated Financial Results for the Three Months Ended August 31, 2022 (Based on Japanese GAAP)

October 7, 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: October 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 three months ended August 31, 2022 (from June 1, 2022 to August 31, 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	%
Three months ended August 31, 2022	17,736	8.3	2,467	(25.6)	3,217	(5.8)	2,098	(4.9)
Three months ended August 31, 2021	16,372	–	3,316	–	3,417	–	2,207	–

(Note) From the beginning of the previous year ending May 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 for the three months ended August 31, 2021 are not stated.

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended August 31, 2022	47.32		–	
Three months ended August 31, 2021	49.54		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of August 31, 2022	156,399		131,690		84.0	
As of May 31, 2022	147,423		125,466		84.9	

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, 2022	–	18.00	–	27.00	45.00
Year ending May 31, 2023	–	–	–	–	–
Year ending May 31, 2023 (Forecast)	–	20.00	–	30.00	50.00

3. Forecast of consolidated financial results for the year ending May 31, 2023 (from June 1, 2022 to May 31, 2023)

(% 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
Six months ending November 30, 2022	37,600	15.0	5,400	(5.1)	5,800	(5.9)	4,000	(3.1)	90.20
Full year	78,000	6.8	11,300	1.1	11,800	(2.6)	8,500	(30.6)	191.67

4. Notes

- (1) Changes in significant subsidiaries during the three months ended August 31, 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: 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 August 31, 2022	47,410,750 shares	As of May 31, 2022	47,410,750 shares
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Number of treasury shares at the end of the period

As of August 31, 2022	3,063,082 shares	As of May 31, 2022	3,063,072 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended August 31, 2022	44,347,677 shares	Three months ended August 31, 2021	44,554,918 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2022	As of August 31, 2022
Assets		
Current assets		
Cash and deposits	28,069	29,699
Notes and accounts receivable		
- trade, and contract assets	18,181	17,236
Merchandise and finished goods	32,534	35,697
Work in process	4,214	4,110
Raw materials and supplies	868	931
Costs on construction contracts in progress	37	66
Other	5,768	6,621
Allowance for doubtful accounts	(444)	(470)
Total current assets	89,229	93,891
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,844	35,663
Accumulated depreciation	(22,150)	(22,536)
Buildings and structures, net	12,694	13,127
Machinery, equipment and vehicles	16,813	17,619
Accumulated depreciation	(11,561)	(12,239)
Machinery, equipment and vehicles, net	5,251	5,380
Land	13,995	14,061
Construction in progress	2,115	2,806
Other	6,972	8,921
Accumulated depreciation	(4,523)	(5,354)
Other, net	2,449	3,566
Total property, plant and equipment	36,506	38,942
Intangible assets	4,405	4,336
Investments and other assets		
Investment securities	14,077	15,978
Long-term loans receivable	21	18
Deferred tax assets	2,101	2,150
Other	1,093	1,094
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	17,281	19,228
Total non-current assets	58,193	62,507
Total assets	147,423	156,399

(Millions of yen)

As of May 31, 2022

As of August 31, 2022

Liabilities	As of May 31, 2022	As of August 31, 2022
Current liabilities		
Notes and accounts payable - trade	5,208	6,010
Short-term borrowings	937	967
Income taxes payable	2,488	2,908
Other	7,471	7,773
Total current liabilities	16,105	17,659
Non-current liabilities		
Long-term borrowings	553	708
Deferred tax liabilities	1,194	1,555
Retirement benefit liability	1,590	1,433
Provision for retirement benefits for directors (and other officers)	45	41
Provision for share awards for directors (and other officers)	118	126
Other	2,348	3,183
Total non-current liabilities	5,850	7,049
Total liabilities	21,956	24,708
Net assets		
Shareholders' equity		
Share capital	13,500	13,500
Capital surplus	10,793	10,793
Retained earnings	101,225	101,972
Treasury shares	(5,393)	(5,382)
Total shareholders' equity	120,125	120,883
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,415	6,582
Foreign currency translation adjustment	(109)	4,175
Remeasurements of defined benefit plans	(301)	(291)
Total accumulated other comprehensive income	5,004	10,466
Non-controlling interests	336	340
Total net assets	125,466	131,690
Total liabilities and net assets	147,423	156,399

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended August 31, 2021	Three months ended August 31, 2022
Net sales	16,372	17,736
Cost of sales	5,574	6,711
Gross profit	10,798	11,025
Selling, general and administrative expenses	7,481	8,557
Operating profit	3,316	2,467
Non-operating income		
Interest income	25	112
Dividend income	152	195
Rental income	56	35
Foreign exchange gains	–	503
Other	100	80
Total non-operating income	336	927
Non-operating expenses		
Interest expenses	22	14
Foreign exchange losses	168	–
Losses on net monetary position	–	88
Other	44	73
Total non-operating expenses	235	177
Ordinary profit	3,417	3,217
Extraordinary losses		
Impairment losses	–	5
Total extraordinary losses	–	5
Profit before income taxes	3,417	3,211
Income taxes	1,196	1,090
Profit	2,220	2,121
Profit attributable to non-controlling interests	13	22
Profit attributable to owners of parent	2,207	2,098

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended August 31, 2021	Three months ended August 31, 2022
Profit	2,220	2,121
Other comprehensive income		
Valuation difference on available-for-sale securities	617	1,166
Foreign currency translation adjustment	711	4,284
Remeasurements of defined benefit plans, net of tax	9	9
Share of other comprehensive income of entities accounted for using equity method	33	11
Total other comprehensive income	1,372	5,471
Comprehensive income	3,593	7,592
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,578	7,559
Comprehensive income attributable to non- controlling interests	14	32