

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.

Summary of Consolidated Financial Results for the Three Months Ended August 31, 2020 (Based on Japanese GAAP)

October 9, 2020

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 TEL 045-945-8800
 Scheduled date to file Quarterly Securities Report: October 12, 2020
 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, 2020 (from June 1, 2020 to August 31, 2020)

(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	%
Three months ended August 31, 2020	15,827	8.5	3,737	26.5	3,899	21.6	3,094	28.5
Three months ended August 31, 2019	14,585	0.1	2,954	2.1	3,207	(1.0)	2,407	7.3

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 31, 2020	69.38	–
Three months ended August 31, 2019	53.99	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2020	124,498	104,332	83.7
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	Yen	Yen	Yen	Yen
Year ended May 31, 2020	–	15.00	–	18.00	33.00
Year ending May 31, 2021	–				
Year ending May 31, 2021 (Forecast)		15.00	–	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
Six months ending November 30, 2020	29,000	1.2	3,400	(11.5)	3,600	(16.5)	2,500	(19.3)	56.06
Full year	61,700	0.1	6,000	(19.8)	6,200	(23.2)	4,400	(27.8)	98.66

4. Notes

- (1) Changes in significant subsidiaries during the three months ended August 31, 2020
(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 August 31, 2020	47,410,750 shares	As of May 31, 2020	47,410,750 shares
-----------------------	-------------------	--------------------	-------------------

Number of treasury shares at the end of the period

As of August 31, 2020	2,813,121 shares	As of May 31, 2020	2,813,037 shares
-----------------------	------------------	--------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended August 31, 2020	44,597,708 shares	Three months ended August 31, 2019	44,598,102 shares
------------------------------------	-------------------	------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2020	As of August 31, 2020
Assets		
Current assets		
Cash and deposits	17,427	18,202
Notes and accounts receivable - trade	15,894	14,525
Securities	50	49
Merchandise and finished goods	30,243	31,676
Work in process	2,323	1,856
Raw materials and supplies	2,283	2,301
Costs on construction contracts in progress	268	186
Other	4,228	4,472
Allowance for doubtful accounts	(386)	(383)
Total current assets	72,333	72,887
Non-current assets		
Property, plant and equipment		
Buildings and structures	32,273	32,397
Accumulated depreciation	(20,228)	(20,452)
Buildings and structures, net	12,044	11,945
Machinery, equipment and vehicles	13,568	13,770
Accumulated depreciation	(9,262)	(9,438)
Machinery, equipment and vehicles, net	4,306	4,332
Land	13,606	13,591
Construction in progress	695	708
Other	5,597	5,703
Accumulated depreciation	(3,405)	(3,531)
Other, net	2,192	2,172
Total property, plant and equipment	32,845	32,750
Intangible assets	2,858	3,323
Investments and other assets		
Investment securities	13,129	13,219
Long-term loans receivable	28	26
Deferred tax assets	1,397	1,281
Other	1,069	1,070
Allowance for doubtful accounts	(60)	(59)
Total investments and other assets	15,563	15,538
Total non-current assets	51,268	51,611
Total assets	123,601	124,498

(Millions of yen)

	As of May 31, 2020	As of August 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,006	3,593
Short-term borrowings	3,441	3,498
Income taxes payable	1,048	1,038
Other	5,737	5,494
Total current liabilities	15,233	13,623
Non-current liabilities		
Long-term borrowings	1,267	1,145
Deferred tax liabilities	947	990
Retirement benefit liability	2,066	2,050
Provision for retirement benefits for directors (and other officers)	139	139
Provision for share-based remuneration for directors (and other officers)	66	70
Other	2,086	2,146
Total non-current liabilities	6,574	6,542
Total liabilities	21,808	20,166
Net assets		
Shareholders' equity		
Share capital	13,500	13,500
Capital surplus	10,793	10,793
Retained earnings	84,935	87,226
Treasury shares	(4,485)	(4,485)
Total shareholders' equity	104,744	107,034
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,744	4,862
Foreign currency translation adjustment	(7,520)	(7,391)
Remeasurements of defined benefit plans	(367)	(356)
Total accumulated other comprehensive income	(3,143)	(2,884)
Non-controlling interests	193	182
Total net assets	101,793	104,332
Total liabilities and net assets	123,601	124,498

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, 2019	Three months ended August 31, 2020
Net sales	14,585	15,827
Cost of sales	5,274	5,672
Gross profit	9,311	10,154
Selling, general and administrative expenses	6,357	6,416
Operating profit	2,954	3,737
Non-operating income		
Interest income	38	25
Dividend income	180	157
Rental income	51	47
Other	114	74
Total non-operating income	384	305
Non-operating expenses		
Interest expenses	43	32
Foreign exchange losses	61	80
Other	27	29
Total non-operating expenses	131	142
Ordinary profit	3,207	3,899
Extraordinary income		
Gain on sales of investment securities	–	31
Gain on sale of businesses	37	–
Total extraordinary income	37	31
Extraordinary losses		
Impairment loss	7	15
Total extraordinary losses	7	15
Profit before income taxes	3,237	3,916
Income taxes	812	805
Profit	2,424	3,110
Profit attributable to non-controlling interests	16	16
Profit attributable to owners of parent	2,407	3,094

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended August 31, 2019	Three months ended August 31, 2020
Profit	2,424	3,110
Other comprehensive income		
Valuation difference on available-for-sale securities	16	118
Foreign currency translation adjustment	(853)	133
Remeasurements of defined benefit plans, net of tax	8	11
Total other comprehensive income	(828)	262
Comprehensive income	1,596	3,373
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,580	3,352
Comprehensive income attributable to non-controlling interests	16	20