

Translation

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Summary of Consolidated Financial Results for the Three Months Ended August 31, 2021 (Based on Japanese GAAP)

October 13, 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
 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 14, 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 three months ended August 31, 2021 (from June 1, 2021 to August 31, 2021)

(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, 2021	16,372	–	3,316	–	3,417	–	2,207	–
Three months ended August 31, 2020	15,827	8.5	3,737	26.5	3,899	21.6	3,094	28.5

(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 three months ended August 31, 2021 in accordance with the same accounting standard before this adoption, net sales would be 17,120 million yen (8.2% increase compared to the previous corresponding period).

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended August 31, 2021	49.54		–	
Three months ended August 31, 2020	69.38		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2021	134,115	113,573	84.5
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 August 31, 2021 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	–				
Year ending May 31, 2022 (Forecast)		18.00	–	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
Six months ending November 30, 2021	30,500	—	3,800	—	3,900	—	2,600	—	58.30
Full year	65,600	—	7,300	—	7,700	—	8,800	—	197.32

(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 69,200 million yen.

4. Notes

- (1) Changes in significant subsidiaries during the three months ended August 31, 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: 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 August 31, 2021	∴	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 August 31, 2021	∴	2,974,664 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)

Three months ended August 31, 2021	∴	44,554,918 shares	Three months ended August 31, 2020	∴	44,597,708 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2021	As of August 31, 2021
Assets		
Current assets		
Cash and deposits	20,988	20,102
Notes and accounts receivable - trade	16,465	–
Notes and accounts receivable - trade, and contract assets	–	16,131
Merchandise and finished goods	30,642	32,298
Work in process	2,554	2,648
Raw materials and supplies	2,240	978
Costs on construction contracts in progress	51	51
Other	4,387	5,329
Allowance for doubtful accounts	(416)	(407)
Total current assets	76,913	77,133
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,073	33,315
Accumulated depreciation	(21,073)	(21,345)
Buildings and structures, net	12,000	11,969
Machinery, equipment and vehicles	14,842	15,271
Accumulated depreciation	(10,237)	(10,462)
Machinery, equipment and vehicles, net	4,604	4,808
Land	13,697	13,746
Construction in progress	1,647	1,899
Other	6,205	6,418
Accumulated depreciation	(3,917)	(4,086)
Other, net	2,287	2,332
Total property, plant and equipment	34,237	34,757
Intangible assets	4,591	4,194
Investments and other assets		
Investment securities	14,848	15,734
Long-term loans receivable	25	23
Deferred tax assets	1,665	1,457
Other	808	828
Allowance for doubtful accounts	(13)	(13)
Total investments and other assets	17,334	18,030
Total non-current assets	56,163	56,982
Total assets	133,077	134,115

(Millions of yen)

	As of May 31, 2021	As of August 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,896	4,451
Short-term borrowings	1,894	1,716
Income taxes payable	1,447	1,022
Other	6,449	6,560
Total current liabilities	14,688	13,751
Non-current liabilities		
Long-term borrowings	894	787
Deferred tax liabilities	1,256	1,795
Retirement benefit liability	1,819	1,720
Provision for retirement benefits for directors (and other officers)	44	41
Provision for share awards for directors (and other officers)	101	106
Other	2,374	2,339
Total non-current liabilities	6,490	6,790
Total liabilities	21,178	20,542
Net assets		
Shareholders' equity		
Share capital	13,500	13,500
Capital surplus	10,793	10,793
Retained earnings	91,099	91,976
Treasury shares	(4,487)	(5,074)
Total shareholders' equity	110,905	111,195
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,873	6,491
Foreign currency translation adjustment	(4,876)	(4,133)
Remeasurements of defined benefit plans	(240)	(230)
Total accumulated other comprehensive income	757	2,128
Non-controlling interests	235	249
Total net assets	111,898	113,573
Total liabilities and net assets	133,077	134,115

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, 2020	Three months ended August 31, 2021
Net sales	15,827	16,372
Cost of sales	5,672	5,574
Gross profit	10,154	10,798
Selling, general and administrative expenses	6,416	7,481
Operating profit	3,737	3,316
Non-operating income		
Interest income	25	25
Dividend income	157	152
Rental income	47	56
Other	74	100
Total non-operating income	305	336
Non-operating expenses		
Interest expenses	32	22
Foreign exchange losses	80	168
Other	29	44
Total non-operating expenses	142	235
Ordinary profit	3,899	3,417
Extraordinary income		
Gain on sale of investment securities	31	–
Total extraordinary income	31	–
Extraordinary losses		
Impairment losses	15	–
Total extraordinary losses	15	–
Profit before income taxes	3,916	3,417
Income taxes	805	1,196
Profit	3,110	2,220
Profit attributable to non-controlling interests	16	13
Profit attributable to owners of parent	3,094	2,207

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended August 31, 2020	Three months ended August 31, 2021
Profit	3,110	2,220
Other comprehensive income		
Valuation difference on available-for-sale securities	118	617
Foreign currency translation adjustment	133	711
Remeasurements of defined benefit plans, net of tax	11	9
Share of other comprehensive income of entities accounted for using equity method	–	33
Total other comprehensive income	262	1,372
Comprehensive income	3,373	3,593
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,352	3,578
Comprehensive income attributable to non-controlling interests	20	14