

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended February 28, 2023 (Based on Japanese GAAP)

April 5, 2023

Company name: KANEKO SEEDS CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 1376 URL <http://www.kanekoseeds.jp>  
 Representative: PRESIDENT MASAHIKO KANEKO  
 Inquiries: SENIOR MANAGING DIRECTOR HEAD HIROKATSU HASE TEL 027-251-1619  
 OF GENERAL ADMINISTRATION  
 Scheduled date to file Quarterly Securities Report: April 13, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 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, 2023 (from June 1, 2022 to February 28, 2023)

(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	%
Nine months ended February 28, 2023	39,398	5.4	564	51.4	682	43.8	497	73.2
Nine months ended February 28, 2022	37,383	(0.8)	373	(22.3)	474	(17.6)	287	(30.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended February 28, 2023	43.06		–	
Nine months ended February 28, 2022	24.64		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2023	42,435	22,599	53.3	1,970.41
As of May 31, 2022	48,932	22,645	46.3	1,956.51

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	–	11.00	–	18.00	29.00
Year ending May 31, 2023	–	11.00	–		
Year ending May 31, 2023 (Forecast)				18.00	29.00

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

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
Full year	61,500	1.3	1,850	0.8	1,950	2.1	1,250	(4.0)	108.00

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended February 28, 2023  
(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 February 28, 2023	11,772,626 shares	As of May 31, 2022	11,772,626 shares
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Number of treasury shares at the end of the period

As of February 28, 2023	303,408 shares	As of May 31, 2022	198,197 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, 2023	11,561,031 shares	Nine months ended February 28, 2022	11,662,764 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of May 31, 2022	As of February 28, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	5,109,988	4,080,570
Notes and accounts receivable - trade	21,909,529	14,208,626
Merchandise	9,165,220	11,677,879
Accounts receivable - other	2,025,776	1,183,986
Other	325,594	810,317
Allowance for doubtful accounts	(21,972)	(13,984)
Total current assets	38,514,137	31,947,396
Non-current assets		
Property, plant and equipment		
Land	3,993,961	3,998,821
Other, net	2,624,778	2,729,556
Total property, plant and equipment	6,618,740	6,728,377
Intangible assets	898,471	765,588
Investments and other assets		
Other	2,907,809	3,013,130
Allowance for doubtful accounts	(6,559)	(18,980)
Total investments and other assets	2,901,250	2,994,149
Total non-current assets	10,418,461	10,488,116
Total assets	48,932,599	42,435,513
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	22,602,856	15,904,081
Short-term borrowings	–	880,000
Income taxes payable	250,013	7,152
Other	1,797,473	1,394,200
Total current liabilities	24,650,342	18,185,433
Non-current liabilities		
Retirement benefit liability	1,292,668	1,286,804
Provision for share awards for directors (and other officers)	51,958	66,358
Other	291,847	297,588
Total non-current liabilities	1,636,474	1,650,751
Total liabilities	26,286,817	19,836,184

(Thousands of yen)

	As of May 31, 2022	As of February 28, 2023
Net assets		
Shareholders' equity		
Share capital	1,491,267	1,491,267
Capital surplus	1,765,224	1,765,224
Retained earnings	18,632,298	18,792,499
Treasury shares	(276,921)	(445,408)
Total shareholders' equity	21,611,868	21,603,582
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,000,036	953,771
Foreign currency translation adjustment	(13,803)	(10,567)
Remeasurements of defined benefit plans	47,439	52,270
Total accumulated other comprehensive income	1,033,673	995,473
Non-controlling interests	240	272
Total net assets	22,645,781	22,599,328
Total liabilities and net assets	48,932,599	42,435,513

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended February 28, 2022	Nine months ended February 28, 2023
Net sales	37,383,893	39,398,015
Cost of sales	31,414,610	33,296,456
Gross profit	5,969,283	6,101,558
Selling, general and administrative expenses	5,596,217	5,536,857
Operating profit	373,065	564,700
Non-operating income		
Dividend income	35,551	47,589
Rental income from buildings	52,400	51,052
Foreign exchange gains	–	7,077
Other	34,705	22,870
Total non-operating income	122,657	128,590
Non-operating expenses		
Interest expenses	8,948	9,026
Foreign exchange losses	11,686	–
Other	298	1,365
Total non-operating expenses	20,933	10,392
Ordinary profit	474,789	682,898
Extraordinary income		
Gain on sale of non-current assets	–	261
Total extraordinary income	–	261
Extraordinary losses		
Loss on disposal of non-current assets	46,399	4,722
Loss on sale of non-current assets	–	2,250
Impairment losses	5,400	–
Total extraordinary losses	51,799	6,973
Profit before income taxes	422,990	676,187
Income taxes	135,527	178,364
Profit	287,463	497,822
Profit attributable to non-controlling interests	45	32
Profit attributable to owners of parent	287,417	497,790

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended February 28, 2022	Nine months ended February 28, 2023
Profit	287,463	497,822
Other comprehensive income		
Valuation difference on available-for-sale securities	53,191	(46,265)
Foreign currency translation adjustment	(4,175)	3,235
Remeasurements of defined benefit plans, net of tax	19,451	4,830
Total other comprehensive income	68,468	(38,199)
Comprehensive income	355,931	459,622
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	355,886	459,587
Comprehensive income attributable to non-controlling interests	44	34