

Translation

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

April 10, 2023

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, 2023
 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, 2023 (from June 1, 2022 to February 28, 2023)

(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, 2023	54,635	9.5	8,213	(7.3)	9,135	(3.2)	6,522	(3.5)
Nine months ended February 28, 2022	49,883	–	8,863	–	9,441	–	6,760	–

(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 nine months ended February 28, 2022 are not stated.

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended February 28, 2023	147.06		–	
Nine months ended February 28, 2022	152.19		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of February 28, 2023	154,103		133,047		86.1	
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	–	20.00	–	–	–
Year ending May 31, 2023 (Forecast)	–	–	–	30.00	50.00

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

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
Full year	78,000	6.8	11,300	1.1	11,800	(2.6)	8,500	(30.6)	191.67

(Note) Revision of the latest forecast of consolidated financial results: No

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	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 February 28, 2023	3,060,610 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)

Nine months ended February 28, 2023	44,350,355 shares	Nine months ended February 28, 2022	44,421,396 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2022	As of February 28, 2023
Assets		
Current assets		
Cash and deposits	28,069	28,127
Notes and accounts receivable - trade, and contract assets	18,181	16,231
Merchandise and finished goods	32,534	36,560
Work in process	4,214	3,850
Raw materials and supplies	868	989
Costs on construction contracts in progress	37	72
Other	5,768	6,628
Allowance for doubtful accounts	(444)	(441)
Total current assets	89,229	92,019
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,844	35,442
Accumulated depreciation	(22,150)	(22,723)
Buildings and structures, net	12,694	12,719
Machinery, equipment and vehicles	16,813	17,776
Accumulated depreciation	(11,561)	(12,520)
Machinery, equipment and vehicles, net	5,251	5,255
Land	13,995	13,920
Construction in progress	2,115	4,161
Other	6,972	9,204
Accumulated depreciation	(4,523)	(5,712)
Other, net	2,449	3,492
Total property, plant and equipment	36,506	39,549
Intangible assets	4,405	4,053
Investments and other assets		
Investment securities	14,077	14,916
Long-term loans receivable	21	22
Deferred tax assets	2,101	2,313
Other	1,093	1,241
Allowance for doubtful accounts	(12)	(11)
Total investments and other assets	17,281	18,481
Total non-current assets	58,193	62,084
Total assets	147,423	154,103

(Millions of yen)

As of May 31, 2022

As of February 28, 2023

	As of May 31, 2022	As of February 28, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,208	5,257
Short-term borrowings	937	519
Income taxes payable	2,488	1,648
Other	7,471	6,568
Total current liabilities	16,105	13,993
Non-current liabilities		
Long-term borrowings	553	600
Deferred tax liabilities	1,194	1,653
Retirement benefit liability	1,590	1,560
Provision for retirement benefits for directors (and other officers)	45	46
Provision for share awards for directors (and other officers)	118	142
Other	2,348	3,058
Total non-current liabilities	5,850	7,061
Total liabilities	21,956	21,055
Net assets		
Shareholders' equity		
Share capital	13,500	13,500
Capital surplus	10,793	10,793
Retained earnings	101,225	105,567
Treasury shares	(5,393)	(5,384)
Total shareholders' equity	120,125	124,477
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,415	5,972
Foreign currency translation adjustment	(109)	2,489
Remeasurements of defined benefit plans	(301)	(273)
Total accumulated other comprehensive income	5,004	8,188
Non-controlling interests	336	382
Total net assets	125,466	133,047
Total liabilities and net assets	147,423	154,103

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, 2022	Nine months ended February 28, 2023
Net sales	49,883	54,635
Cost of sales	18,612	20,808
Gross profit	31,270	33,826
Selling, general and administrative expenses	22,406	25,613
Operating profit	8,863	8,213
Non-operating income		
Interest income	128	422
Dividend income	263	306
Rental income	176	114
Foreign exchange gains	40	361
Other	243	367
Total non-operating income	853	1,573
Non-operating expenses		
Interest expenses	67	50
Losses on net monetary position	–	272
Share of loss of entities accounted for using equity method	56	69
Other	152	258
Total non-operating expenses	276	650
Ordinary profit	9,441	9,135
Extraordinary income		
Gain on sale of investment securities	30	29
Gain on sale of non-current assets	258	–
Total extraordinary income	289	29
Extraordinary losses		
Loss on valuation of investment securities	64	–
Impairment losses	9	10
Settlement payments	127	–
Total extraordinary losses	200	10
Profit before income taxes	9,529	9,155
Income taxes	2,716	2,563
Profit	6,813	6,592
Profit attributable to non-controlling interests	52	69
Profit attributable to owners of parent	6,760	6,522

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended February 28, 2022	Nine months ended February 28, 2023
Profit	6,813	6,592
Other comprehensive income		
Valuation difference on available-for-sale securities	446	559
Foreign currency translation adjustment	546	2,615
Remeasurements of defined benefit plans, net of tax	29	27
Share of other comprehensive income of entities accounted for using equity method	84	(16)
Total other comprehensive income	1,107	3,185
Comprehensive income	7,920	9,777
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,860	9,705
Comprehensive income attributable to non-controlling interests	60	72