

Translation

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## Summary of Consolidated Financial Results for the Year Ended May 31, 2023 (Based on Japanese GAAP)

July 14, 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 of ordinary general meeting of shareholders: August 30, 2023  
 Scheduled date to file Securities Report: August 30, 2023  
 Scheduled date to commence dividend payments: August 31, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended May 31, 2023 (from June 1, 2022 to May 31, 2023)

(1) Consolidated operating results (% indicates changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended May 31, 2023	77,263	5.8	10,918	(2.4)	12,304	1.6	9,489	(22.6)
Year ended May 31, 2022	73,049	–	11,181	–	12,114	–	12,256	–

(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 year for the year ended May 31, 2022 are not stated.

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended May 31, 2023	213.98	–	7.2	8.0	14.1
Year ended May 31, 2022	276.02	–	10.4	8.6	15.3

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2023	160,715	138,080	85.7	3,104.40
As of May 31, 2022	147,423	125,466	84.9	2,821.58

### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended May 31, 2023	8,351	(8,107)	(2,828)	20,334
Year ended May 31, 2022	10,039	468	(4,581)	21,747

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended May 31, 2022	–	18.00	–	27.00	45.00	1,998	16.3	1.7
Year ended May 31, 2023	–	20.00	–	35.00	55.00	2,442	25.7	1.9
Year ending May 31, 2024 (Forecast)	–	25.00	–	30.00	55.00		30.5	

3. Forecast of consolidated financial results for the year ending May 31, 2024 (from June 1, 2023 to May 31, 2024)

(% indicates changes from the previous year.)

	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, 2023	41,000	7.9	5,400	(2.7)	5,600	(14.0)	3,800	(11.2)	85.68
Full year	84,000	8.7	11,000	0.7	11,000	(10.6)	8,000	(15.7)	180.38

4. Notes

(1) Changes in significant subsidiaries during the year ended May 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 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 May 31, 2023	3,061,185 shares	As of May 31, 2022	3,063,072 shares
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Average number of shares during the period

Year ended May 31, 2023	44,350,242 shares	Year ended May 31, 2022	44,402,832 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of May 31, 2022	As of May 31, 2023
Assets		
Current assets		
Cash and deposits	28,069	28,942
Notes and accounts receivable - trade, and contract assets	18,181	18,352
Merchandise and finished goods	32,534	36,345
Work in process	4,214	4,604
Raw materials and supplies	868	977
Costs on construction contracts in progress	37	166
Other	5,768	7,136
Allowance for doubtful accounts	(444)	(388)
Total current assets	89,229	96,137
Non-current assets		
Property, plant and equipment		
Buildings and structures	34,844	37,083
Accumulated depreciation	(22,150)	(22,679)
Buildings and structures, net	12,694	14,403
Machinery, equipment and vehicles	16,813	18,762
Accumulated depreciation	(11,561)	(12,775)
Machinery, equipment and vehicles, net	5,251	5,986
Land	13,995	13,949
Construction in progress	2,115	2,647
Other	6,972	8,759
Accumulated depreciation	(4,523)	(5,377)
Other, net	2,449	3,382
Total property, plant and equipment	36,506	40,369
Intangible assets	4,405	4,028
Investments and other assets		
Investment securities	14,077	16,261
Long-term loans receivable	21	22
Deferred tax assets	2,101	2,615
Other	1,093	1,292
Allowance for doubtful accounts	(12)	(12)
Total investments and other assets	17,281	20,179
Total non-current assets	58,193	64,577
Total assets	147,423	160,715

(Millions of yen)

	As of May 31, 2022	As of May 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,208	5,336
Short-term borrowings	937	929
Income taxes payable	2,488	1,155
Other	7,471	8,012
Total current liabilities	16,105	15,434
Non-current liabilities		
Long-term borrowings	553	536
Deferred tax liabilities	1,194	2,092
Retirement benefit liability	1,590	1,607
Provision for retirement benefits for directors (and other officers)	45	47
Provision for share awards for directors (and other officers)	118	151
Other	2,348	2,765
Total non-current liabilities	5,850	7,200
Total liabilities	21,956	22,634
Net assets		
Shareholders' equity		
Share capital	13,500	13,500
Capital surplus	10,793	10,793
Retained earnings	101,225	108,467
Treasury shares	(5,393)	(5,386)
Total shareholders' equity	120,125	127,373
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,415	7,240
Foreign currency translation adjustment	(109)	3,387
Remeasurements of defined benefit plans	(301)	(322)
Total accumulated other comprehensive income	5,004	10,305
Non-controlling interests	336	401
Total net assets	125,466	138,080
Total liabilities and net assets	147,423	160,715

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

	(Millions of yen)	
	Fiscal year ended May 31, 2022	Fiscal year ended May 31, 2023
Net sales	73,049	77,263
Cost of sales	29,134	29,743
Gross profit	43,914	47,519
Selling, general and administrative expenses	32,733	36,601
Operating profit	11,181	10,918
Non-operating income		
Interest income	254	609
Dividend income	278	322
Rental income	232	143
Foreign exchange gains	322	572
Other	251	596
Total non-operating income	1,338	2,244
Non-operating expenses		
Interest expenses	105	77
Sales discounts	52	–
Share of loss of entities accounted for using equity method	73	510
Losses on net monetary position	–	47
Other	174	222
Total non-operating expenses	406	858
Ordinary profit	12,114	12,304
Extraordinary income		
Gain on sale of investment securities	30	51
Gain on sale of non-current assets	5,102	151
Total extraordinary income	5,133	203
Extraordinary losses		
Loss on valuation of investment securities	74	–
Settlement payments	133	–
Impairment losses	439	19
Total extraordinary losses	647	19
Profit before income taxes	16,600	12,487
Income taxes - current	4,360	2,943
Income taxes - deferred	(87)	(30)
Total income taxes	4,272	2,913
Profit	12,327	9,574
Profit attributable to non-controlling interests	71	84
Profit attributable to owners of parent	12,256	9,489

**Consolidated statements of comprehensive income**

(Millions of yen)

	Fiscal year ended May 31, 2022	Fiscal year ended May 31, 2023
Profit	12,327	9,574
Other comprehensive income		
Valuation difference on available-for-sale securities	(457)	1,827
Foreign currency translation adjustment	4,676	3,517
Remeasurements of defined benefit plans, net of tax	(61)	(21)
Share of other comprehensive income of entities accounted for using equity method	105	(17)
Total other comprehensive income	4,263	5,305
Comprehensive income	16,590	14,880
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,503	14,790
Comprehensive income attributable to non-controlling interests	86	90

## Consolidated statements of changes in equity

Fiscal year ended May 31, 2022

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,500	10,793	91,099	(4,487)	110,905
Cumulative effects of changes in accounting policies			(304)		(304)
Restated balance	13,500	10,793	90,795	(4,487)	110,601
Changes during period					
Dividends of surplus			(1,825)		(1,825)
Profit attributable to owners of parent			12,256		12,256
Purchase of treasury shares				(910)	(910)
Issuance of treasury shares held by Board Benefit Trust				4	4
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	10,430	(905)	9,524
Balance at end of period	13,500	10,793	101,225	(5,393)	120,125

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,873	(4,876)	(240)	757	235	111,898
Cumulative effects of changes in accounting policies						(304)
Restated balance	5,873	(4,876)	(240)	757	235	111,594
Changes during period						
Dividends of surplus						(1,825)
Profit attributable to owners of parent						12,256
Purchase of treasury shares						(910)
Issuance of treasury shares held by Board Benefit Trust						4
Net changes in items other than shareholders' equity	(457)	4,766	(61)	4,247	100	4,348
Total changes during period	(457)	4,766	(61)	4,247	100	13,872
Balance at end of period	5,415	(109)	(301)	5,004	336	125,466

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,500	10,793	101,225	(5,393)	120,125
Cumulative effects of changes in accounting policies			11		11
Hyperinflation adjustment			(172)		(172)
Restated balance	13,500	10,793	101,064	(5,393)	119,964
Changes during period					
Dividends of surplus			(2,087)		(2,087)
Profit attributable to owners of parent			9,489		9,489
Purchase of treasury shares				(4)	(4)
Issuance of treasury shares held by Board Benefit Trust				11	11
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	7,402	6	7,409
Balance at end of period	13,500	10,793	108,467	(5,386)	127,373

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,415	(109)	(301)	5,004	336	125,466
Cumulative effects of changes in accounting policies						11
Hyperinflation adjustment						(172)
Restated balance	5,415	(109)	(301)	5,004	336	125,305
Changes during period						
Dividends of surplus						(2,087)
Profit attributable to owners of parent						9,489
Purchase of treasury shares						(4)
Issuance of treasury shares held by Board Benefit Trust						11
Net changes in items other than shareholders' equity	1,824	3,497	(21)	5,300	64	5,364
Total changes during period	1,824	3,497	(21)	5,300	64	12,774
Balance at end of period	7,240	3,387	(322)	10,305	401	138,080



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended May 31, 2022	Fiscal year ended May 31, 2023
Cash flows from operating activities		
Profit before income taxes	16,600	12,487
Depreciation	3,467	3,810
Impairment losses	439	19
Amortization of goodwill	64	71
Increase (decrease) in retirement benefit liability	(278)	(14)
Increase (decrease) in allowance for doubtful accounts	1	(87)
Interest and dividend income	(532)	(931)
Interest expenses	105	77
Foreign exchange losses (gains)	(350)	101
Losses on net monetary position	–	47
Share of loss (profit) of entities accounted for using equity method	73	510
Loss (gain) on sale of non-current assets	(5,102)	(178)
Loss (gain) on sale of investment securities	(30)	(51)
Loss (gain) on valuation of investment securities	74	–
Settlement payments	133	–
Decrease (increase) in trade receivables and contract assets	(858)	536
Decrease (increase) in inventories	(176)	(2,742)
Increase (decrease) in trade payables	(363)	(398)
Increase (decrease) in accounts payable - other	(7)	250
Other, net	(822)	(1,036)
Subtotal	12,435	12,471
Interest and dividends received	546	907
Interest paid	(106)	(78)
Settlement paid	(133)	–
Income taxes refund	11	74
Income taxes paid	(2,713)	(5,024)
Net cash provided by (used in) operating activities	10,039	8,351
Cash flows from investing activities		
Payments into time deposits	(3,538)	(2,648)
Proceeds from withdrawal of time deposits	3,407	437
Purchase of property, plant and equipment	(3,950)	(5,621)
Proceeds from sale of property, plant and equipment	5,227	592
Purchase of intangible assets	(841)	(584)
Purchase of investment securities	(63)	(253)
Proceeds from sale of investment securities	76	119
Proceeds from redemption of investment securities	100	–
Other, net	50	(149)
Net cash provided by (used in) investing activities	468	(8,107)

(Millions of yen)

	Fiscal year ended May 31, 2022	Fiscal year ended May 31, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,102)	(47)
Repayments of lease obligations	(360)	(599)
Proceeds from long-term borrowings	352	30
Repayments of long-term borrowings	(748)	(104)
Purchase of treasury shares	(910)	(4)
Dividends paid	(1,824)	(2,084)
Other, net	13	(20)
Net cash provided by (used in) financing activities	(4,581)	(2,828)
Effect of exchange rate change on cash and cash equivalents	1,063	1,171
Net increase (decrease) in cash and cash equivalents	6,989	(1,413)
Cash and cash equivalents at beginning of period	14,758	21,747
Cash and cash equivalents at end of period	21,747	20,334