

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended February 29, 2024 (Based on Japanese GAAP)

April 5, 2024

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
 Senior Executive Officer
 Inquiries: 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 8, 2024
 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 29, 2024 (from June 1, 2023 to February 29, 2024)

(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 29, 2024	59,716	9.3	8,041	(2.1)	8,581	(6.1)	5,306	(18.6)
Nine months ended February 28, 2023	54,635	9.5	8,213	(7.3)	9,135	(3.2)	6,522	(3.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended February 29, 2024	119.66		–	
Nine months ended February 28, 2023	147.06		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 29, 2024	179,068	147,156	81.9
As of May 31, 2023	160,715	138,080	85.7

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, 2023	–	20.00	–	35.00	55.00
Year ending May 31, 2024	–	25.00	–		
Year ending May 31, 2024 (Forecast)				30.00	55.00

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

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 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	84,000	8.7	11,000	0.7	11,000	(10.6)	15,500	63.3	349.49

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

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended February 29, 2024
(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 February 29, 2024	47,410,750 shares	As of May 31, 2023	47,410,750 shares
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Number of treasury shares at the end of the period

As of February 29, 2024	3,107,677 shares	As of May 31, 2023	3,061,185 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended February 29, 2024	44,347,756 shares	Nine months ended February 28, 2023	44,350,355 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2023	As of February 29, 2024
Assets		
Current assets		
Cash and deposits	28,942	28,491
Notes and accounts receivable - trade, and contract assets	18,352	17,636
Merchandise and finished goods	36,345	45,143
Work in process	4,604	3,427
Raw materials and supplies	977	1,253
Costs on construction contracts in progress	166	90
Other	7,136	9,654
Allowance for doubtful accounts	(388)	(383)
Total current assets	96,137	105,314
Non-current assets		
Property, plant and equipment		
Buildings and structures	37,083	39,714
Accumulated depreciation	(22,679)	(23,663)
Buildings and structures, net	14,403	16,051
Machinery, equipment and vehicles	18,762	20,690
Accumulated depreciation	(12,775)	(14,154)
Machinery, equipment and vehicles, net	5,986	6,535
Land	13,949	14,456
Construction in progress	2,647	3,913
Other	8,759	9,848
Accumulated depreciation	(5,377)	(6,032)
Other, net	3,382	3,816
Total property, plant and equipment	40,369	44,773
Intangible assets	4,028	5,008
Investments and other assets		
Investment securities	16,261	19,748
Long-term loans receivable	22	22
Deferred tax assets	2,615	2,609
Other	1,292	1,601
Allowance for doubtful accounts	(12)	(11)
Total investments and other assets	20,179	23,971
Total non-current assets	64,577	73,753
Total assets	160,715	179,068

(Millions of yen)

As of May 31, 2023

As of February 29, 2024

	As of May 31, 2023	As of February 29, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,336	6,801
Short-term borrowings	929	2,787
Income taxes payable	1,155	2,032
Other	8,012	9,743
Total current liabilities	15,434	21,365
Non-current liabilities		
Long-term borrowings	536	1,521
Deferred tax liabilities	2,092	3,494
Retirement benefit liability	1,607	2,007
Provision for retirement benefits for directors (and other officers)	47	46
Provision for share awards for directors (and other officers)	151	178
Other	2,765	3,298
Total non-current liabilities	7,200	10,545
Total liabilities	22,634	31,911
Net assets		
Shareholders' equity		
Share capital	13,500	13,500
Capital surplus	10,793	10,793
Retained earnings	108,467	111,109
Treasury shares	(5,386)	(5,560)
Total shareholders' equity	127,373	129,842
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,240	9,639
Foreign currency translation adjustment	3,387	7,531
Remeasurements of defined benefit plans	(322)	(280)
Total accumulated other comprehensive income	10,305	16,891
Non-controlling interests	401	422
Total net assets	138,080	147,156
Total liabilities and net assets	160,715	179,068

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, 2023	Nine months ended February 29, 2024
Net sales	54,635	59,716
Cost of sales	20,808	22,321
Gross profit	33,826	37,395
Selling, general and administrative expenses	25,613	29,354
Operating profit	8,213	8,041
Non-operating income		
Interest income	422	634
Dividend income	306	401
Rental income	114	114
Foreign exchange gains	361	133
Other	367	399
Total non-operating income	1,573	1,683
Non-operating expenses		
Interest expenses	50	80
Loss on net monetary position	272	258
Share of loss of entities accounted for using equity method	69	621
Other	258	183
Total non-operating expenses	650	1,144
Ordinary profit	9,135	8,581
Extraordinary income		
Gain on sale of investment securities	29	–
Total extraordinary income	29	–
Extraordinary losses		
Loss on valuation of investment securities	–	225
Impairment losses	10	5
Total extraordinary losses	10	230
Profit before income taxes	9,155	8,350
Income taxes	2,563	2,990
Profit	6,592	5,359
Profit attributable to non-controlling interests	69	52
Profit attributable to owners of parent	6,522	5,306

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended February 28, 2023	Nine months ended February 29, 2024
Profit	6,592	5,359
Other comprehensive income		
Valuation difference on available-for-sale securities	559	2,396
Foreign currency translation adjustment	2,615	4,140
Remeasurements of defined benefit plans, net of tax	27	42
Share of other comprehensive income of entities accounted for using equity method	(16)	10
Total other comprehensive income	3,185	6,589
Comprehensive income	9,777	11,948
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,705	11,892
Comprehensive income attributable to non- controlling interests	72	55