

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended November 30, 2021 (Based on Japanese GAAP)

January 13, 2022

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: January 14, 2022  
 Scheduled date to commence dividend payments: February 10, 2022  
 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 six months ended November 30, 2021 (from June 1, 2021 to November 30, 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	%
Six months ended November 30, 2021	32,704	—	5,688	—	6,163	—	4,129	—
Six months ended November 30, 2020	31,524	10.0	5,640	46.9	5,772	33.9	4,320	39.5

(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 six months ended November 30, 2021 in accordance with the same accounting standard before this adoption, net sales would be 34,137 million yen (8.3% increase compared to the previous corresponding period).

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended November 30, 2021	92.89		—	
Six months ended November 30, 2020	96.88		—	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2021	134,865	113,922	84.3
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 November 30, 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	—	18.00	—	—	—
Year ending May 31, 2022 (Forecast)	—	—	—	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
Full year	67,400	–	9,000	–	9,300	–	9,800	–	219.75

(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 period 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 71,000 million yen.

4. Notes

- (1) Changes in significant subsidiaries during the six months ended November 30, 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 November 30, 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 November 30, 2021	3,062,727 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)

Six months ended November 30, 2021	44,457,535 shares	Six months ended November 30, 2020	44,597,621 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of May 31, 2021	As of November 30, 2021
Assets		
Current assets		
Cash and deposits	20,988	23,772
Notes and accounts receivable - trade	16,465	–
Notes and accounts receivable - trade, and contract assets	–	13,437
Merchandise and finished goods	30,642	33,077
Work in process	2,554	2,218
Raw materials and supplies	2,240	533
Costs on construction contracts in progress	51	84
Other	4,387	5,251
Allowance for doubtful accounts	(416)	(404)
Total current assets	76,913	77,970
Non-current assets		
Property, plant and equipment		
Buildings and structures	33,073	33,745
Accumulated depreciation	(21,073)	(21,469)
Buildings and structures, net	12,000	12,275
Machinery, equipment and vehicles	14,842	15,327
Accumulated depreciation	(10,237)	(10,581)
Machinery, equipment and vehicles, net	4,604	4,746
Land	13,697	13,757
Construction in progress	1,647	1,424
Other	6,205	6,546
Accumulated depreciation	(3,917)	(4,197)
Other, net	2,287	2,348
Total property, plant and equipment	34,237	34,551
Intangible assets	4,591	4,435
Investments and other assets		
Investment securities	14,848	15,200
Long-term loans receivable	25	18
Deferred tax assets	1,665	1,792
Other	808	909
Allowance for doubtful accounts	(13)	(12)
Total investments and other assets	17,334	17,907
Total non-current assets	56,163	56,895
Total assets	133,077	134,865

(Millions of yen)

	As of May 31, 2021	As of November 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,896	3,600
Short-term borrowings	1,894	1,450
Income taxes payable	1,447	1,477
Other	6,449	7,313
Total current liabilities	14,688	13,842
Non-current liabilities		
Long-term borrowings	894	991
Deferred tax liabilities	1,256	1,900
Retirement benefit liability	1,819	1,731
Provision for retirement benefits for directors (and other officers)	44	46
Provision for share awards for directors (and other officers)	101	93
Other	2,374	2,336
Total non-current liabilities	6,490	7,100
Total liabilities	21,178	20,942
Net assets		
Shareholders' equity		
Share capital	13,500	13,500
Capital surplus	10,793	10,793
Retained earnings	91,099	93,898
Treasury shares	(4,487)	(5,392)
Total shareholders' equity	110,905	112,799
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,873	6,061
Foreign currency translation adjustment	(4,876)	(4,985)
Remeasurements of defined benefit plans	(240)	(220)
Total accumulated other comprehensive income	757	856
Non-controlling interests	235	266
Total net assets	111,898	113,922
Total liabilities and net assets	133,077	134,865

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended November 30, 2020	Six months ended November 30, 2021
Net sales	31,524	32,704
Cost of sales	12,706	12,278
Gross profit	18,817	20,425
Selling, general and administrative expenses	13,177	14,737
Operating profit	5,640	5,688
Non-operating income		
Interest income	49	57
Dividend income	193	194
Rental income	104	141
Foreign exchange gains	–	119
Other	125	131
Total non-operating income	473	644
Non-operating expenses		
Interest expenses	62	44
Foreign exchange losses	203	–
Other	74	124
Total non-operating expenses	340	169
Ordinary profit	5,772	6,163
Extraordinary income		
Gain on sale of investment securities	108	28
Settlement received	150	–
Total extraordinary income	258	28
Extraordinary losses		
Impairment losses	71	8
Settlement package	–	126
Loss on valuation of investment securities	102	–
Total extraordinary losses	173	135
Profit before income taxes	5,857	6,057
Income taxes	1,503	1,883
Profit	4,353	4,173
Profit attributable to non-controlling interests	33	44
Profit attributable to owners of parent	4,320	4,129

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

(Millions of yen)

	Six months ended November 30, 2020	Six months ended November 30, 2021
Profit	4,353	4,173
Other comprehensive income		
Valuation difference on available-for-sale securities	52	188
Foreign currency translation adjustment	(60)	(150)
Remeasurements of defined benefit plans, net of tax	22	19
Share of other comprehensive income of entities accounted for using equity method	–	44
Total other comprehensive income	14	101
Comprehensive income	4,367	4,275
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,326	4,228
Comprehensive income attributable to non-controlling interests	41	46

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended November 30, 2020	Six months ended November 30, 2021
Cash flows from operating activities		
Profit before income taxes	5,857	6,057
Depreciation	1,176	1,615
Impairment losses	71	8
Amortization of goodwill	25	28
Increase (decrease) in retirement benefit liability	(65)	(64)
Increase (decrease) in allowance for doubtful accounts	4	(12)
Interest and dividend income	(243)	(252)
Interest expenses	62	44
Foreign exchange losses (gains)	61	59
Share of loss (profit) of entities accounted for using equity method	–	31
Loss (gain) on sales of non-current assets	(7)	(13)
Loss (gain) on sale of investment securities	(108)	(28)
Loss (gain) on valuation of investment securities	102	–
Settlement received	(150)	–
Settlement package	–	126
Decrease (increase) in trade receivables	3,537	3,286
Decrease (increase) in inventories	(538)	(390)
Increase (decrease) in trade payables	(1,236)	(1,587)
Increase (decrease) in accounts payable - other	(731)	(661)
Other, net	367	550
Subtotal	8,184	8,798
Interest and dividends received	251	260
Interest paid	(59)	(44)
Settlement package received	150	–
Income taxes refund	39	10
Income taxes paid	(1,101)	(1,377)
Net cash provided by (used in) operating activities	7,463	7,646
Cash flows from investing activities		
Payments into time deposits	(1,176)	(2,430)
Proceeds from withdrawal of time deposits	800	1,739
Purchase of property, plant and equipment	(1,130)	(1,620)
Proceeds from sale of property, plant and equipment	51	77
Purchase of intangible assets	(1,233)	(529)
Purchase of investment securities	(100)	(63)
Proceeds from sale of investment securities	352	66
Other, net	87	(19)
Net cash provided by (used in) investing activities	(2,348)	(2,780)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(564)	(422)
Proceeds from long-term borrowings	–	233
Repayments of long-term borrowings	(29)	(232)
Purchase of treasury shares	(1)	(909)
Dividends paid	(804)	(1,041)
Other, net	(149)	(161)
Net cash provided by (used in) financing activities	(1,549)	(2,533)
Effect of exchange rate change on cash and cash equivalents	99	(168)
Net increase (decrease) in cash and cash equivalents	3,665	2,164
Cash and cash equivalents at beginning of period	11,934	14,758
Cash and cash equivalents at end of period	15,600	16,922