

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

**Summary of Consolidated Financial Results
for the Six Months Ended November 30, 2019
(Based on Japanese GAAP)**

January 9, 2020

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
 Inquiries: Director, Senior Executive Officer, Akifumi Ujita TEL 045-945-8800
 General Manager of General Administration Division
 Scheduled date to file Quarterly Securities Report: January 10, 2020
 Scheduled date to commence dividend payments: February 10, 2020
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended November 30, 2019 (from June 1, 2019 to November 30, 2019)

(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	%
Six months ended November 30, 2019	28,668	(1.6)	3,840	(0.1)	4,310	0.2	3,097	(13.0)
Six months ended November 30, 2018	29,135	(2.2)	3,844	(12.5)	4,302	(7.4)	3,561	3.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended November 30, 2019	69.46		-	
Six months ended November 30, 2018	79.14		-	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2019	124,754	102,344	81.9
As of May 31, 2019	122,425	100,883	82.3

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, 2019	-	15.00	-	18.00	33.00
Year ending May 31, 2020	-	15.00	-	-	-
Year ending May 31, 2020 (Forecast)	-	-	-	18.00	33.00

3. Forecast of consolidated financial results for the year ending May 31, 2020 (from June 1, 2019 to May 31, 2020)

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	63,500	1.2	7,700	(0.2)	7,900	(5.2)	6,000	(12.5)	133.62

4. Notes

- (1) Changes in significant subsidiaries during the six months ended November 30, 2019
(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 November 30, 2019	47,410,750 shares	As of May 31, 2019	48,410,750 shares
-------------------------	-------------------	--------------------	-------------------

Number of treasury shares at the end of the period

As of November 30, 2019	2,812,794 shares	As of May 31, 2019	3,812,493 shares
-------------------------	------------------	--------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended November 30, 2019	44,598,039 shares	Six months ended November 30, 2018	44,999,152 shares
------------------------------------	-------------------	------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2019	As of November 30, 2019
Assets		
Current assets		
Cash and deposits	19,611	20,280
Notes and accounts receivable - trade	16,141	12,720
Merchandise and finished goods	27,455	30,311
Work in process	2,726	1,836
Raw materials and supplies	2,358	2,239
Costs on construction contracts in progress	320	435
Other	3,610	4,263
Allowance for doubtful accounts	(288)	(239)
Total current assets	71,936	71,848
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,734	31,939
Accumulated depreciation	(19,775)	(19,913)
Buildings and structures, net	11,958	12,025
Machinery, equipment and vehicles	13,482	12,968
Accumulated depreciation	(9,487)	(9,047)
Machinery, equipment and vehicles, net	3,994	3,921
Land	14,031	13,941
Construction in progress	1,819	1,404
Other	3,889	5,214
Accumulated depreciation	(2,877)	(3,196)
Other, net	1,011	2,018
Total property, plant and equipment	32,815	33,312
Intangible assets	2,203	2,538
Investments and other assets		
Investment securities	13,141	14,769
Long-term loans receivable	33	26
Deferred tax assets	1,281	1,272
Other	1,077	1,081
Allowance for doubtful accounts	(64)	(93)
Total investments and other assets	15,469	17,056
Total non-current assets	50,488	52,906
Total assets	122,425	124,754

(Millions of yen)

	As of May 31, 2019	As of November 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,708	4,851
Short-term borrowings	3,168	3,810
Income taxes payable	1,095	1,375
Other	5,942	4,832
Total current liabilities	14,913	14,870
Non-current liabilities		
Long-term borrowings	1,975	1,859
Deferred tax liabilities	1,214	1,508
Retirement benefit liability	2,123	2,032
Provision for retirement benefits for directors (and other officers)	138	132
Other	1,176	2,006
Total non-current liabilities	6,628	7,539
Total liabilities	21,542	22,410
Net assets		
Shareholders' equity		
Share capital	13,500	13,500
Capital surplus	10,900	10,793
Retained earnings	81,755	82,508
Treasury shares	(6,077)	(4,485)
Total shareholders' equity	100,078	102,317
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,791	5,872
Foreign currency translation adjustment	(3,931)	(5,809)
Remeasurements of defined benefit plans	(235)	(218)
Total accumulated other comprehensive income	624	(155)
Non-controlling interests	180	182
Total net assets	100,883	102,344
Total liabilities and net assets	122,425	124,754

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, 2018	Six months ended November 30, 2019
Net sales	29,135	28,668
Cost of sales	11,702	11,612
Gross profit	17,433	17,055
Selling, general and administrative expenses	13,588	13,215
Operating profit	3,844	3,840
Non-operating income		
Interest income	73	76
Dividend income	177	214
Rental income	108	115
Foreign exchange gains	106	30
Other	113	164
Total non-operating income	578	601
Non-operating expenses		
Interest expenses	57	86
Other	63	45
Total non-operating expenses	120	131
Ordinary profit	4,302	4,310
Extraordinary income		
Gain on sales of non-current assets	829	–
Gain on sale of businesses	309	37
Total extraordinary income	1,138	37
Extraordinary losses		
Impairment loss	225	18
Total extraordinary losses	225	18
Profit before income taxes	5,215	4,329
Income taxes	1,644	1,213
Profit	3,571	3,115
Profit attributable to non-controlling interests	10	17
Profit attributable to owners of parent	3,561	3,097

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended November 30, 2018	Six months ended November 30, 2019
Profit	3,571	3,115
Other comprehensive income		
Valuation difference on available-for-sale securities	309	1,080
Foreign currency translation adjustment	319	(1,881)
Remeasurements of defined benefit plans, net of tax	29	16
Total other comprehensive income	658	(783)
Comprehensive income	4,229	2,331
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,225	2,317
Comprehensive income attributable to non-controlling interests	4	13

Consolidated statements of cash flows

(Millions of yen)

	Six months ended November 30, 2018	Six months ended November 30, 2019
Cash flows from operating activities		
Profit before income taxes	5,215	4,329
Depreciation	978	1,106
Amortization of goodwill	4	25
Increase (decrease) in retirement benefit liability	(232)	(23)
Increase (decrease) in allowance for doubtful accounts	1	(8)
Interest and dividend income	(250)	(291)
Interest expenses	57	86
Foreign exchange losses (gains)	126	(78)
Impairment loss	225	18
Loss (gain) on sales of non-current assets	(829)	(14)
Loss (gain) on sale of businesses	(309)	(37)
Decrease (increase) in trade receivables	3,106	2,839
Decrease (increase) in inventories	(906)	(2,989)
Increase (decrease) in trade payables	(1,103)	213
Increase (decrease) in accounts payable - other	(547)	(788)
Other, net	(181)	(516)
Subtotal	5,356	3,870
Interest and dividends received	259	300
Interest paid	(57)	(85)
Proceeds from insurance income	1	–
Income taxes refund	76	51
Income taxes paid	(913)	(1,083)
Net cash provided by (used in) operating activities	4,723	3,053
Cash flows from investing activities		
Payments into time deposits	(763)	(955)
Proceeds from withdrawal of time deposits	768	1,509
Purchase of property, plant and equipment	(2,772)	(1,352)
Proceeds from sales of property, plant and equipment	1,485	67
Purchase of intangible assets	(325)	(625)
Purchase of investment securities	(0)	(100)
Proceeds from sale of businesses	309	60
Other, net	155	190
Net cash provided by (used in) investing activities	(1,142)	(1,206)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	141	601
Proceeds from long-term borrowings	16	260
Repayments of long-term borrowings	(111)	(119)
Purchase of treasury shares	(1)	(2)
Dividends paid	(899)	(803)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(350)	–
Other, net	(114)	(159)
Net cash provided by (used in) financing activities	(1,318)	(222)
Effect of exchange rate change on cash and cash equivalents	59	(319)
Net increase (decrease) in cash and cash equivalents	2,321	1,304
Cash and cash equivalents at beginning of period	13,304	12,173
Cash and cash equivalents at end of period	15,625	13,477