

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended February 29, 2020 (Based on Japanese GAAP)

April 3, 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
 Director, Senior Executive Officer, General
 Inquiries: Akifumi Ujita TEL 045-945-8800
 Manager of General Administration Division
 Scheduled date to file Quarterly Securities Report: April 6, 2020
 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, 2020 (from June 1, 2019 to February 29, 2020)

(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	%
Nine months ended February 29, 2020	43,686	(0.1)	5,698	(2.9)	6,289	(1.8)	4,753	(8.4)
Nine months ended February 28, 2019	43,732	(3.4)	5,867	(13.3)	6,404	(9.5)	5,189	1.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended February 29, 2020	106.58	—
Nine months ended February 28, 2019	115.36	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 29, 2020	125,406	102,853	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	Yen	Yen	Yen	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 nine months ended February 29, 2020
(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 29, 2020	47,410,750 shares	As of May 31, 2019	48,410,750 shares
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Number of treasury shares at the end of the period

As of February 29, 2020	2,813,027 shares	As of May 31, 2019	3,812,493 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, 2020	44,597,962 shares	Nine months ended February 28, 2019	44,984,654 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Millions of yen)

	As of May 31, 2019	As of February 29, 2020
Assets		
Current assets		
Cash and deposits	19,611	18,943
Notes and accounts receivable - trade	16,141	13,344
Merchandise and finished goods	27,455	31,682
Work in process	2,726	2,208
Raw materials and supplies	2,358	2,330
Costs on construction contracts in progress	320	682
Other	3,610	4,962
Allowance for doubtful accounts	(288)	(250)
Total current assets	71,936	73,904
Non-current assets		
Property, plant and equipment		
Buildings and structures	31,734	32,429
Accumulated depreciation	(19,775)	(20,268)
Buildings and structures, net	11,958	12,161
Machinery, equipment and vehicles	13,482	13,929
Accumulated depreciation	(9,487)	(9,405)
Machinery, equipment and vehicles, net	3,994	4,524
Land	14,031	13,855
Construction in progress	1,819	934
Other	3,889	5,396
Accumulated depreciation	(2,877)	(3,312)
Other, net	1,011	2,084
Total property, plant and equipment	32,815	33,560
Intangible assets	2,203	2,788
Investments and other assets		
Investment securities	13,141	12,853
Long-term loans receivable	33	30
Deferred tax assets	1,281	1,268
Other	1,077	1,082
Allowance for doubtful accounts	(64)	(83)
Total investments and other assets	15,469	15,151
Total non-current assets	50,488	51,501
Total assets	122,425	125,406

(Millions of yen)

As of May 31, 2019

As of February 29, 2020

Liabilities

Current liabilities

Notes and accounts payable - trade	4,708	5,186
Short-term borrowings	3,168	4,037
Income taxes payable	1,095	1,489
Other	5,942	4,899
Total current liabilities	14,913	15,612

Non-current liabilities

Long-term borrowings	1,975	1,707
Deferred tax liabilities	1,214	1,054
Retirement benefit liability	2,123	1,969
Provision for retirement benefits for directors (and other officers)	138	140
Other	1,176	2,068
Total non-current liabilities	6,628	6,940

Total liabilities

21,542 22,552

Net assets

Shareholders' equity

Share capital	13,500	13,500
Capital surplus	10,900	10,793
Retained earnings	81,755	83,494
Treasury shares	(6,077)	(4,486)
Total shareholders' equity	100,078	103,302

Accumulated other comprehensive income

Valuation difference on available-for-sale securities	4,791	4,470
Foreign currency translation adjustment	(3,931)	(4,896)
Remeasurements of defined benefit plans	(235)	(210)
Total accumulated other comprehensive income	624	(636)

Non-controlling interests

180 187

Total net assets

100,883 102,853

Total liabilities and net assets

122,425 125,406

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, 2019	Nine months ended February 29, 2020
Net sales	43,732	43,686
Cost of sales	17,665	17,918
Gross profit	26,067	25,767
Selling, general and administrative expenses	20,200	20,068
Operating profit	5,867	5,698
Non-operating income		
Interest income	130	121
Dividend income	258	294
Rental income	178	169
Foreign exchange gains	71	—
Other	100	219
Total non-operating income	738	804
Non-operating expenses		
Interest expenses	88	127
Foreign exchange losses	—	15
Other	112	70
Total non-operating expenses	201	213
Ordinary profit	6,404	6,289
Extraordinary income		
Gain on sales of non-current assets	829	—
Gain on sale of businesses	316	37
Compensation income	—	126
Total extraordinary income	1,145	164
Extraordinary losses		
Impairment loss	302	26
Total extraordinary losses	302	26
Profit before income taxes	7,247	6,427
Income taxes	2,046	1,654
Profit	5,200	4,772
Profit attributable to non-controlling interests	11	19
Profit attributable to owners of parent	5,189	4,753

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended February 28, 2019	Nine months ended February 29, 2020
Profit	5,200	4,772
Other comprehensive income		
Valuation difference on available-for-sale securities	(531)	(321)
Foreign currency translation adjustment	(956)	(966)
Remeasurements of defined benefit plans, net of tax	44	25
Total other comprehensive income	(1,442)	(1,262)
Comprehensive income	3,758	3,510
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,754	3,492
Comprehensive income attributable to non-controlling interests	3	18