

Translation

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Summary of Consolidated Financial Results for the Three Months Ended August 31, 2024 (Based on Japanese GAAP)

October 4, 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 commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended August 31, 2024 (from June 1, 2024 to August 31, 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	%
Three months ended August 31, 2024	20,988	9.5	2,729	16.8	2,558	(16.3)	1,127	(42.5)
Three months ended August 31, 2023	19,163	8.0	2,335	(5.3)	3,054	(5.1)	1,959	(6.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended August 31, 2024	25.71		–	
Three months ended August 31, 2023	44.19		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2024	192,771	163,997	84.8
As of May 31, 2024	192,717	160,533	83.1

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, 2024	–	25.00	–	40.00	65.00
Year ending May 31, 2025	–				
Year ending May 31, 2025 (Forecast)		30.00	–	35.00	65.00

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

3. Forecast of consolidated financial results for the year ending May 31, 2025 (from June 1, 2024 to May 31, 2025)

(% 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
Six months ending November 30, 2024	45,000	10.1	5,200	(1.8)	5,000	(12.3)	3,500	8.5	79.82
Full year	93,500	5.4	11,000	4.8	11,000	(1.1)	8,000	(50.5)	182.44

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

4. Notes

- (1) Significant changes in the scope of consolidation during the three months ended August 31, 2024: 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 August 31, 2024	46,410,750 shares	As of May 31, 2024	47,410,750 shares
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Number of treasury shares at the end of the period

As of August 31, 2024	2,561,607 shares	As of May 31, 2024	3,561,536 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended August 31, 2024	43,849,171 shares	Three months ended August 31, 2023	44,349,532 shares
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* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2024	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	37,132	34,462
Notes and accounts receivable - trade, and contract assets	21,779	20,475
Merchandise and finished goods	43,082	46,859
Work in process	6,125	5,355
Raw materials and supplies	1,148	1,226
Costs on construction contracts in progress	40	66
Other	7,870	7,567
Allowance for doubtful accounts	(331)	(360)
Total current assets	116,846	115,653
Non-current assets		
Property, plant and equipment		
Buildings and structures	38,786	39,974
Accumulated depreciation	(23,436)	(24,259)
Buildings and structures, net	15,349	15,714
Machinery, equipment and vehicles	21,647	22,717
Accumulated depreciation	(14,868)	(15,688)
Machinery, equipment and vehicles, net	6,778	7,028
Land	14,427	14,598
Construction in progress	5,310	6,271
Other	10,276	10,824
Accumulated depreciation	(6,276)	(6,717)
Other, net	3,999	4,106
Total property, plant and equipment	45,865	47,720
Intangible assets	4,892	4,839
Investments and other assets		
Investment securities	19,720	18,908
Long-term loans receivable	27	23
Retirement benefit asset	401	475
Deferred tax assets	3,876	4,077
Other	1,097	1,087
Allowance for doubtful accounts	(11)	(14)
Total investments and other assets	25,112	24,559
Total non-current assets	75,870	77,118
Total assets	192,717	192,771

(Millions of yen)

As of May 31, 2024

As of August 31, 2024

Liabilities	As of May 31, 2024	As of August 31, 2024
Current liabilities		
Notes and accounts payable - trade	5,666	6,386
Short-term borrowings	2,559	2,374
Income taxes payable	4,761	1,279
Other	9,918	9,579
Total current liabilities	22,906	19,619
Non-current liabilities		
Long-term borrowings	1,077	803
Deferred tax liabilities	3,333	3,190
Retirement benefit liability	999	1,059
Provision for retirement benefits for directors (and other officers)	103	138
Provision for share awards for directors (and other officers)	187	196
Other	3,577	3,766
Total non-current liabilities	9,277	9,154
Total liabilities	32,184	28,773
Net assets		
Shareholders' equity		
Share capital	13,500	13,500
Capital surplus	10,793	10,793
Retained earnings	121,965	119,340
Treasury shares	(7,213)	(5,217)
Total shareholders' equity	139,045	138,416
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,616	9,080
Foreign currency translation adjustment	11,084	15,684
Remeasurements of defined benefit plans	335	335
Total accumulated other comprehensive income	21,035	25,099
Non-controlling interests	451	480
Total net assets	160,533	163,997
Total liabilities and net assets	192,717	192,771

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended August 31, 2023	Three months ended August 31, 2024
Net sales	19,163	20,988
Cost of sales	7,343	7,074
Gross profit	11,819	13,913
Selling, general and administrative expenses	9,483	11,184
Operating profit	2,335	2,729
Non-operating income		
Interest income	169	173
Dividend income	237	289
Rental income	35	34
Foreign exchange gains	215	–
Gain on net monetary position	9	–
Other	119	56
Total non-operating income	787	553
Non-operating expenses		
Interest expenses	17	70
Foreign exchange losses	–	445
Share of loss of entities accounted for using equity method	23	56
Loss on net monetary position	–	114
Other	27	38
Total non-operating expenses	68	724
Ordinary profit	3,054	2,558
Extraordinary losses		
Impairment losses	1	3
Loss on disaster	–	263
Total extraordinary losses	1	266
Profit before income taxes	3,053	2,291
Income taxes	1,078	1,152
Profit	1,975	1,138
Profit attributable to non-controlling interests	15	11
Profit attributable to owners of parent	1,959	1,127

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended August 31, 2023	Three months ended August 31, 2024
Profit	1,975	1,138
Other comprehensive income		
Valuation difference on available-for-sale securities	1,337	(535)
Foreign currency translation adjustment	5,748	4,615
Remeasurements of defined benefit plans, net of tax	14	(0)
Share of other comprehensive income of entities accounted for using equity method	1	(1)
Total other comprehensive income	7,102	4,078
Comprehensive income	9,077	5,217
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,057	5,191
Comprehensive income attributable to non- controlling interests	20	25

【Notes to Consolidated Financial Statements】

(Other Notes)

(Flood damage in Brazil)

In Brazil, heavy rain from late April to May 2024 caused large-scale flooding in the state of Rio Grande do Sul. Isla Sementes Ltda., a consolidated subsidiary located in the state, was damaged by the flooding and suspended its operations until mid-June. “Loss on disaster”, including loss on disposal of inventories, loss on disposal of machinery and equipment, as well as restoration costs and fixed costs incurred until restoration, were recorded as extraordinary losses of 263 million yen. This amount may increase in the second quarter, but in the latest forecast for the consolidated results for the fiscal year ending May 2025, the total “Loss on disaster” has been estimated at 700 million yen.