

Translation

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Summary of Consolidated Financial Results for the Year Ended May 31, 2024 (Based on Japanese GAAP)

July 12, 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 of ordinary general meeting of shareholders: August 27, 2024
 Scheduled date to file Securities Report: August 27, 2024
 Scheduled date to commence dividend payments: August 28, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended May 31, 2024 (from June 1, 2023 to May 31, 2024)

(1) Consolidated operating results (% indicates changes from the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended May 31, 2024	88,677	14.8	10,495	(3.9)	11,124	(9.6)	16,162	70.3
Year ended May 31, 2023	77,263	5.8	10,918	(2.4)	12,304	1.6	9,489	(22.6)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended May 31, 2024	365.22	–	10.9	6.3	11.8
Year ended May 31, 2023	213.98	–	7.2	8.0	14.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2024	192,717	160,533	83.1	3,650.73
As of May 31, 2023	160,715	138,080	85.7	3,104.40

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended May 31, 2024	6,966	(4,248)	(4,218)	20,264
Year ended May 31, 2023	8,351	(8,107)	(2,828)	20,334

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended May 31, 2023	–	20.00	–	35.00	55.00	2,442	25.7	1.9
Year ended May 31, 2024	–	25.00	–	40.00	65.00	2,866	17.8	1.9
Year ending May 31, 2025 (Forecast)	–	30.00	–	35.00	65.00		35.6	

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 year.)

	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

4. Notes

(1) Changes in significant subsidiaries during the year ended May 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 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 May 31, 2024	3,561,536 shares	As of May 31, 2023	3,061,185 shares
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Average number of shares during the period

Year ended May 31, 2024	44,253,646 shares	Year ended May 31, 2023	44,350,242 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of May 31, 2023	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	28,942	37,132
Notes and accounts receivable - trade, and contract assets	18,352	21,779
Merchandise and finished goods	36,345	43,082
Work in process	4,604	6,125
Raw materials and supplies	977	1,148
Costs on construction contracts in progress	166	40
Other	7,136	7,870
Allowance for doubtful accounts	(388)	(331)
Total current assets	96,137	116,846
Non-current assets		
Property, plant and equipment		
Buildings and structures	37,083	38,786
Accumulated depreciation	(22,679)	(23,436)
Buildings and structures, net	14,403	15,349
Machinery, equipment and vehicles	18,762	21,647
Accumulated depreciation	(12,775)	(14,868)
Machinery, equipment and vehicles, net	5,986	6,778
Land	13,949	14,427
Construction in progress	2,647	5,310
Other	8,759	10,276
Accumulated depreciation	(5,377)	(6,276)
Other, net	3,382	3,999
Total property, plant and equipment	40,369	45,865
Intangible assets	4,028	4,892
Investments and other assets		
Investment securities	16,261	19,720
Long-term loans receivable	22	27
Retirement benefit asset	-	401
Deferred tax assets	2,615	3,876
Other	1,292	1,097
Allowance for doubtful accounts	(12)	(11)
Total investments and other assets	20,179	25,112
Total non-current assets	64,577	75,870
Total assets	160,715	192,717

(Millions of yen)

As of May 31, 2023

As of May 31, 2024

	As of May 31, 2023	As of May 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,336	5,666
Short-term borrowings	929	2,559
Income taxes payable	1,155	4,761
Other	8,012	9,918
Total current liabilities	15,434	22,906
Non-current liabilities		
Long-term borrowings	536	1,077
Deferred tax liabilities	2,092	3,333
Retirement benefit liability	1,607	999
Provision for retirement benefits for directors (and other officers)	47	103
Provision for share awards for directors (and other officers)	151	187
Other	2,765	3,577
Total non-current liabilities	7,200	9,277
Total liabilities	22,634	32,184
Net assets		
Shareholders' equity		
Share capital	13,500	13,500
Capital surplus	10,793	10,793
Retained earnings	108,467	121,965
Treasury shares	(5,386)	(7,213)
Total shareholders' equity	127,373	139,045
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7,240	9,616
Foreign currency translation adjustment	3,387	11,084
Remeasurements of defined benefit plans	(322)	335
Total accumulated other comprehensive income	10,305	21,035
Non-controlling interests	401	451
Total net assets	138,080	160,533
Total liabilities and net assets	160,715	192,717

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Net sales	77,263	88,677
Cost of sales	29,743	34,704
Gross profit	47,519	53,973
Selling, general and administrative expenses	36,601	43,477
Operating profit	10,918	10,495
Non-operating income		
Interest income	609	845
Dividend income	322	421
Rental income	143	147
Foreign exchange gains	572	475
Other	596	387
Total non-operating income	2,244	2,278
Non-operating expenses		
Interest expenses	77	216
Loss on retirement of non-current assets	52	218
Share of loss of entities accounted for using equity method	510	678
Loss on net monetary position	47	352
Other	170	183
Total non-operating expenses	858	1,649
Ordinary profit	12,304	11,124
Extraordinary income		
Gain on sale of investment securities	51	–
Gain on sale of non-current assets	151	12,332
Total extraordinary income	203	12,332
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	–	491
Loss on valuation of investment securities	–	350
Impairment losses	19	51
Total extraordinary losses	19	893
Profit before income taxes	12,487	22,563
Income taxes - current	2,943	6,832
Income taxes - deferred	(30)	(506)
Total income taxes	2,913	6,326
Profit	9,574	16,236
Profit attributable to non-controlling interests	84	74
Profit attributable to owners of parent	9,489	16,162

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Profit	9,574	16,236
Other comprehensive income		
Valuation difference on available-for-sale securities	1,827	2,370
Foreign currency translation adjustment	3,517	7,693
Remeasurements of defined benefit plans, net of tax	(21)	657
Share of other comprehensive income of entities accounted for using equity method	(17)	16
Total other comprehensive income	5,305	10,738
Comprehensive income	14,880	26,975
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,790	26,893
Comprehensive income attributable to non- controlling interests	90	82

Consolidated statements of changes in equity

Fiscal year ended May 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,500	10,793	101,225	(5,393)	120,125
Cumulative effects of changes in accounting policies			11		11
Hyperinflation adjustment			(172)		(172)
Restated balance	13,500	10,793	101,064	(5,393)	119,964
Changes during period					
Dividends of surplus			(2,087)		(2,087)
Profit attributable to owners of parent			9,489		9,489
Purchase of treasury shares				(4)	(4)
Issuance of treasury shares held by Board Benefit Trust				11	11
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	7,402	6	7,409
Balance at end of period	13,500	10,793	108,467	(5,386)	127,373

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	5,415	(109)	(301)	5,004	336	125,466
Cumulative effects of changes in accounting policies						11
Hyperinflation adjustment						(172)
Restated balance	5,415	(109)	(301)	5,004	336	125,305
Changes during period						
Dividends of surplus						(2,087)
Profit attributable to owners of parent						9,489
Purchase of treasury shares						(4)
Issuance of treasury shares held by Board Benefit Trust						11
Net changes in items other than shareholders' equity	1,824	3,497	(21)	5,300	64	5,364
Total changes during period	1,824	3,497	(21)	5,300	64	12,774
Balance at end of period	7,240	3,387	(322)	10,305	401	138,080

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	13,500	10,793	108,467	(5,386)	127,373
Changes during period					
Dividends of surplus			(2,664)		(2,664)
Profit attributable to owners of parent			16,162		16,162
Purchase of treasury shares				(1,826)	(1,826)
Disposal of treasury shares		0		0	0
Net changes in items other than shareholders' equity					-
Total changes during period	-	0	13,498	(1,826)	11,671
Balance at end of period	13,500	10,793	121,965	(7,213)	139,045

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	7,240	3,387	(322)	10,305	401	138,080
Changes during period						
Dividends of surplus						(2,664)
Profit attributable to owners of parent						16,162
Purchase of treasury shares						(1,826)
Disposal of treasury shares						0
Net changes in items other than shareholders' equity	2,375	7,696	657	10,730	50	10,781
Total changes during period	2,375	7,696	657	10,730	50	22,453
Balance at end of period	9,616	11,084	335	21,035	451	160,533

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Cash flows from operating activities		
Profit before income taxes	12,487	22,563
Depreciation	3,810	4,468
Impairment losses	19	51
Amortization of goodwill	71	93
Increase (decrease) in retirement benefit liability	(14)	(1,123)
Increase (decrease) in allowance for doubtful accounts	(87)	(104)
Interest and dividend income	(931)	(1,267)
Interest expenses	77	216
Foreign exchange losses (gains)	101	(73)
Loss on net monetary position	47	352
Share of loss (profit) of entities accounted for using equity method	510	678
Loss (gain) on sale of non-current assets	(178)	(12,389)
Loss on retirement of non-current assets	52	218
Loss on tax purpose reduction entry of non-current assets	-	491
Loss (gain) on sale of investment securities	(51)	-
Loss (gain) on valuation of investment securities	-	350
Decrease (increase) in accounts receivable - trade, and contract assets	536	(1,584)
Decrease (increase) in inventories	(2,742)	(4,231)
Increase (decrease) in trade payables	(398)	(570)
Increase (decrease) in accounts payable - other	250	16
Other, net	(1,088)	1,048
Subtotal	12,471	9,205
Interest and dividends received	907	1,254
Interest paid	(78)	(216)
Income taxes refund	74	78
Income taxes paid	(5,024)	(3,355)
Net cash provided by (used in) operating activities	8,351	6,966
Cash flows from investing activities		
Payments into time deposits	(2,648)	(12,077)
Proceeds from withdrawal of time deposits	437	4,720
Purchase of property, plant and equipment	(5,621)	(6,325)
Proceeds from sale of property, plant and equipment	592	13,148
Purchase of intangible assets	(584)	(969)
Purchase of investment securities	(253)	(1,028)
Proceeds from sale of investment securities	119	-
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,693)
Other, net	(149)	(22)
Net cash provided by (used in) investing activities	(8,107)	(4,248)

	(Millions of yen)	
	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(47)	1,460
Repayments of lease liabilities	(599)	(695)
Proceeds from long-term borrowings	30	31
Repayments of long-term borrowings	(104)	(490)
Purchase of treasury shares	(4)	(1,826)
Dividends paid	(2,084)	(2,662)
Other, net	(20)	(35)
Net cash provided by (used in) financing activities	(2,828)	(4,218)
Effect of exchange rate change on cash and cash equivalents	1,171	1,431
Net increase (decrease) in cash and cash equivalents	(1,413)	(69)
Cash and cash equivalents at beginning of period	21,747	20,334
Cash and cash equivalents at end of period	20,334	20,264