

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended February 28, 2022 (Based on Japanese GAAP)

April 4, 2022

Company name: KANEKO SEEDS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 1376 URL <http://www.kanekoseeds.jp>
 Representative: PRESIDENT MASAHIKO KANEKO
 Inquiries: SENIOR MANAGING DIRECTOR HEAD HIROKATSU HASE TEL 027-251-1619
 OF GENERAL ADMINISTRATION
 Scheduled date to file Quarterly Securities Report: April 13, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 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 28, 2022 (from June 1, 2021 to February 28, 2022)

(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 28, 2022	37,383	(0.8)	373	(22.3)	474	(17.6)	287	(30.9)
Nine months ended February 28, 2021	37,669	4.2	479	22.8	576	19.3	415	23.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended February 28, 2022	24.64		–	
Nine months ended February 28, 2021	35.65		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2022	40,375	21,613	53.5	1,858.64
As of May 31, 2021	47,452	21,696	45.7	1,859.82

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, 2021	–	11.00	–	18.00	29.00
Year ending May 31, 2022	–	11.00	–		
Year ending May 31, 2022 (Forecast)				18.00	29.00

3. Forecast of consolidated financial results for the year ending May 31, 2022 (from June 1, 2021 to May 31, 2022)

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	60,500	(0.5)	1,500	(9.7)	1,600	(9.4)	1,050	(26.9)	90.03

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended February 28, 2022
(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 28, 2022	11,772,626 shares	As of May 31, 2021	11,772,626 shares
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Number of treasury shares at the end of the period

As of February 28, 2022	143,887 shares	As of May 31, 2021	106,548 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended February 28, 2022	11,662,764 shares	Nine months ended February 28, 2021	11,666,474 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of May 31, 2021	As of February 28, 2022
Assets		
Current assets		
Cash and deposits	5,819,502	4,870,033
Notes and accounts receivable - trade	21,887,080	13,386,693
Merchandise	8,150,033	9,670,607
Other	1,608,926	2,025,360
Allowance for doubtful accounts	(21,979)	(12,995)
Total current assets	37,443,562	29,939,699
Non-current assets		
Property, plant and equipment		
Land	4,009,290	4,003,890
Other, net	2,428,319	2,606,339
Total property, plant and equipment	6,437,610	6,610,230
Intangible assets	733,683	939,439
Investments and other assets		
Other	2,856,353	2,892,618
Allowance for doubtful accounts	(19,177)	(6,537)
Total investments and other assets	2,837,175	2,886,080
Total non-current assets	10,008,469	10,435,750
Total assets	47,452,032	40,375,450
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,522,053	14,929,343
Short-term borrowings	–	880,000
Income taxes payable	250,761	14,162
Other	1,325,948	1,328,573
Total current liabilities	24,098,762	17,152,080
Non-current liabilities		
Retirement benefit liability	1,330,235	1,295,334
Provision for share awards for directors (and other officers)	39,368	46,804
Other	286,711	267,286
Total non-current liabilities	1,656,315	1,609,426
Total liabilities	25,755,078	18,761,506

(Thousands of yen)

	As of May 31, 2021	As of February 28, 2022
Net assets		
Shareholders' equity		
Share capital	1,491,267	1,491,267
Capital surplus	1,765,224	1,765,224
Retained earnings	17,711,991	17,617,144
Treasury shares	(130,303)	(186,980)
Total shareholders' equity	20,838,179	20,686,655
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	856,070	909,262
Foreign currency translation adjustment	(24,937)	(29,112)
Remeasurements of defined benefit plans	27,435	46,887
Total accumulated other comprehensive income	858,569	927,037
Non-controlling interests	205	250
Total net assets	21,696,954	21,613,944
Total liabilities and net assets	47,452,032	40,375,450

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended February 28, 2021	Nine months ended February 28, 2022
Net sales	37,669,025	37,383,893
Cost of sales	31,595,154	31,414,610
Gross profit	6,073,871	5,969,283
Selling, general and administrative expenses	5,594,005	5,596,217
Operating profit	479,865	373,065
Non-operating income		
Dividend income	33,059	35,551
Rental income from buildings	50,187	52,400
Other	34,797	34,705
Total non-operating income	118,044	122,657
Non-operating expenses		
Interest expenses	9,010	8,948
Foreign exchange losses	12,340	11,686
Other	39	298
Total non-operating expenses	21,390	20,933
Ordinary profit	576,520	474,789
Extraordinary income		
Gain on sale of non-current assets	224	–
Gain on sale of investment securities	3,044	–
Compensation for forced relocation	165,861	–
Total extraordinary income	169,131	–
Extraordinary losses		
Loss on disposal of non-current assets	41,235	46,399
Impairment losses	57,447	5,400
Total extraordinary losses	98,682	51,799
Profit before income taxes	646,968	422,990
Income taxes	231,005	135,527
Profit	415,963	287,463
Profit attributable to non-controlling interests	39	45
Profit attributable to owners of parent	415,923	287,417

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended February 28, 2021	Nine months ended February 28, 2022
Profit	415,963	287,463
Other comprehensive income		
Valuation difference on available-for-sale securities	124,178	53,191
Foreign currency translation adjustment	2,416	(4,175)
Remeasurements of defined benefit plans, net of tax	14,516	19,451
Total other comprehensive income	141,111	68,468
Comprehensive income	557,074	355,931
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	557,032	355,886
Comprehensive income attributable to non-controlling interests	42	44