

Translation

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Summary of Consolidated Financial Results for the Three Months Ended August 31, 2020 (Based on Japanese GAAP)

October 2, 2020

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: October 9, 2020
 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 three months ended August 31, 2020 (from June 1, 2020 to August 31, 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	%
Three months ended August 31, 2020	14,639	8.5	340	23.7	375	17.7	260	19.6
Three months ended August 31, 2019	13,490	(0.8)	275	(15.1)	319	(9.7)	217	(8.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 31, 2020	22.30	–
Three months ended August 31, 2019	18.52	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2020	41,079	20,585	50.1	1,764.44
As of May 31, 2020	46,792	20,401	43.6	1,748.70

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, 2020	–	11.00	–	17.00	28.00
Year ending May 31, 2021	–	–	–	–	–
Year ending May 31, 2021 (Forecast)	–	11.00	–	17.00	28.00

3. Forecast of consolidated financial results for the year ending May 31, 2021 (from June 1, 2020 to May 31, 2021)

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
Six months ending November 30, 2020	–	–	–	–	–	–	–	–	–
Full year	59,500	2.3	1,550	4.2	1,650	2.3	1,150	2.5	98.57

4. Notes

- (1) Changes in significant subsidiaries during the three months ended August 31, 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: No
- 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, 2020	11,772,626 shares	As of May 31, 2020	11,772,626 shares
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Number of treasury shares at the end of the period

As of August 31, 2020	106,081 shares	As of May 31, 2020	106,041 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, 2020	11,666,567 shares	Three months ended August 31, 2019	11,739,296 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of May 31, 2020	As of August 31, 2020
Assets		
Current assets		
Cash and deposits	4,744,528	3,884,476
Notes and accounts receivable - trade	22,835,109	17,902,818
Merchandise	8,464,509	7,429,919
Other	1,463,318	2,274,630
Allowance for doubtful accounts	(23,063)	(18,022)
Total current assets	37,484,403	31,473,821
Non-current assets		
Property, plant and equipment		
Land	4,210,675	4,217,555
Other, net	2,278,100	2,292,977
Total property, plant and equipment	6,488,776	6,510,533
Intangible assets	96,119	249,408
Investments and other assets		
Other	2,746,406	2,868,872
Allowance for doubtful accounts	(23,087)	(23,091)
Total investments and other assets	2,723,319	2,845,781
Total non-current assets	9,308,215	9,605,723
Total assets	46,792,619	41,079,544
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,903,100	14,865,852
Short-term borrowings	–	2,720,000
Income taxes payable	234,102	145,071
Other	1,511,088	1,048,968
Total current liabilities	24,648,291	18,779,892
Non-current liabilities		
Retirement benefit liability	1,403,591	1,395,157
Provision for share-based remuneration for directors (and other officers)	16,192	21,892
Other	323,016	297,440
Total non-current liabilities	1,742,801	1,714,491
Total liabilities	26,391,092	20,494,383
Net assets		
Shareholders' equity		
Share capital	1,491,267	1,491,267
Capital surplus	1,765,224	1,765,224
Retained earnings	16,604,614	16,665,215
Treasury shares	(129,522)	(129,579)
Total shareholders' equity	19,731,583	19,792,126
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	739,804	854,302
Foreign currency translation adjustment	(41,850)	(38,225)
Remeasurements of defined benefit plans	(28,188)	(23,243)
Total accumulated other comprehensive income	669,765	792,833
Non-controlling interests	177	201
Total net assets	20,401,526	20,585,161
Total liabilities and net assets	46,792,619	41,079,544

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended August 31, 2019	Three months ended August 31, 2020
Net sales	13,490,439	14,639,230
Cost of sales	11,327,635	12,376,527
Gross profit	2,162,803	2,262,703
Selling, general and administrative expenses	1,887,167	1,921,819
Operating profit	275,635	340,883
Non-operating income		
Dividend income	18,689	20,592
Rental income from buildings	17,606	16,614
Insurance claim income	11,761	1,500
Other	5,122	3,009
Total non-operating income	53,179	41,716
Non-operating expenses		
Interest expenses	5,158	4,991
Foreign exchange losses	3,579	996
Other	656	686
Total non-operating expenses	9,395	6,674
Ordinary profit	319,419	375,925
Extraordinary income		
Gain on sales of non-current assets	4,365	–
Total extraordinary income	4,365	–
Extraordinary losses		
Loss on disposal of non-current assets	1,550	88
Total extraordinary losses	1,550	88
Profit before income taxes	322,234	375,837
Income taxes	104,763	115,649
Profit	217,470	260,187
Profit attributable to non-controlling interests	17	24
Profit attributable to owners of parent	217,453	260,162

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended August 31, 2019	Three months ended August 31, 2020
Profit	217,470	260,187
Other comprehensive income		
Valuation difference on available-for-sale securities	(28,495)	114,498
Foreign currency translation adjustment	–	3,624
Remeasurements of defined benefit plans, net of tax	5,106	4,944
Total other comprehensive income	(23,389)	123,067
Comprehensive income	194,081	383,254
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	194,063	383,227
Comprehensive income attributable to non-controlling interests	17	27