

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended February 28, 2021 (Based on Japanese GAAP)

April 2, 2021

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 9, 2021  
 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, 2021 (from June 1, 2020 to February 28, 2021)

(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, 2021	37,669	4.2	479	22.8	576	19.3	415	23.8
Nine months ended February 29, 2020	36,165	(0.2)	390	(24.6)	483	(19.8)	335	(15.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended February 28, 2021	35.65		–	
Nine months ended February 29, 2020	28.69		–	

(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, 2021	38,870	20,629	53.1	1,768.28
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				
Year ended May 31, 2020	–	11.00	–	17.00	28.00
Year ending May 31, 2021	–	11.00	–		
Year ending May 31, 2021 (Forecast)				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
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 nine months ended February 28, 2021  
(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 February 28, 2021	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 February 28, 2021	106,323 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)

Nine months ended February 28, 2021	11,666,474 shares	Nine months ended February 29, 2020	11,708,265 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of May 31, 2020	As of February 28, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	4,744,528	3,447,948
Notes and accounts receivable - trade	22,835,109	15,050,091
Merchandise	8,464,509	9,242,825
Other	1,463,318	1,102,271
Allowance for doubtful accounts	(23,063)	(14,991)
Total current assets	37,484,403	28,828,145
Non-current assets		
Property, plant and equipment		
Land	4,210,675	4,192,872
Other, net	2,278,100	2,434,544
Total property, plant and equipment	6,488,776	6,627,416
Intangible assets	96,119	584,919
Investments and other assets		
Other	2,746,406	2,848,778
Allowance for doubtful accounts	(23,087)	(19,180)
Total investments and other assets	2,723,319	2,829,597
Total non-current assets	9,308,215	10,041,934
Total assets	46,792,619	38,870,079
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	22,903,100	14,864,743
Short-term borrowings	–	880,000
Income taxes payable	234,102	21,044
Other	1,511,088	748,319
Total current liabilities	24,648,291	16,514,107
Non-current liabilities		
Retirement benefit liability	1,403,591	1,403,450
Provision for share-based remuneration for directors (and other officers)	16,192	33,292
Other	323,016	289,738
Total non-current liabilities	1,742,801	1,726,482
Total liabilities	26,391,092	18,240,589
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,491,267	1,491,267
Capital surplus	1,765,224	1,765,224
Retained earnings	16,604,614	16,691,848
Treasury shares	(129,522)	(129,943)
Total shareholders' equity	19,731,583	19,818,396
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	739,804	863,983
Foreign currency translation adjustment	(41,850)	(39,434)
Remeasurements of defined benefit plans	(28,188)	(13,671)
Total accumulated other comprehensive income	669,765	810,877
Non-controlling interests	177	216
Total net assets	20,401,526	20,629,490
Total liabilities and net assets	46,792,619	38,870,079

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended February 29, 2020	Nine months ended February 28, 2021
Net sales	36,165,667	37,669,025
Cost of sales	30,178,412	31,595,154
Gross profit	5,987,254	6,073,871
Selling, general and administrative expenses	5,596,458	5,594,005
Operating profit	390,796	479,865
Non-operating income		
Dividend income	30,260	33,059
Rental income from buildings	50,822	50,187
Other	30,881	34,797
Total non-operating income	111,964	118,044
Non-operating expenses		
Interest expenses	9,599	9,010
Foreign exchange losses	9,809	12,340
Other	53	39
Total non-operating expenses	19,462	21,390
Ordinary profit	483,298	576,520
Extraordinary income		
Gain on sales of non-current assets	42,412	224
Gain on sales of investment securities	774	3,044
Compensation for forced relocation	–	165,861
Total extraordinary income	43,186	169,131
Extraordinary losses		
Loss on disposal of non-current assets	29,895	41,235
Impairment loss	–	57,447
Total extraordinary losses	29,895	98,682
Profit before income taxes	496,590	646,968
Income taxes	160,626	231,005
Profit	335,963	415,963
Profit attributable to non-controlling interests	14	39
Profit attributable to owners of parent	335,949	415,923

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended February 29, 2020	Nine months ended February 28, 2021
Profit	335,963	415,963
Other comprehensive income		
Valuation difference on available-for-sale securities	(22,117)	124,178
Foreign currency translation adjustment	6,681	2,416
Remeasurements of defined benefit plans, net of tax	15,565	14,516
Total other comprehensive income	128	141,111
Comprehensive income	336,092	557,074
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	336,071	557,032
Comprehensive income attributable to non-controlling interests	21	42