

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended August 31, 2021 (Based on Japanese GAAP)

October 6, 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: October 12, 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 three months ended August 31, 2021 (from June 1, 2021 to August 31, 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	%
Three months ended August 31, 2021	14,439	(1.4)	315	(7.3)	355	(5.5)	235	(9.6)
Three months ended August 31, 2020	14,639	8.5	340	23.7	375	17.7	260	19.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended August 31, 2021	20.17		–	
Three months ended August 31, 2020	22.30		–	

(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, 2021	42,296	21,744	51.4	1,863.92
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	–				
Year ending May 31, 2022 (Forecast)		11.00	–	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
Six months ending November 30, 2021	–	–	–	–	–	–	–	–	–
Full year	61,000	0.4	1,600	(3.7)	1,700	(3.7)	1,100	(23.4)	94.29

4. Notes

- (1) Changes in significant subsidiaries during the three months ended August 31, 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: 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, 2021	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 August 31, 2021	106,548 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)

Three months ended August 31, 2021	11,666,078 shares	Three months ended August 31, 2020	11,666,567 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of May 31, 2021	As of August 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	5,819,502	4,005,210
Notes and accounts receivable - trade	21,887,080	17,561,352
Merchandise	8,150,033	7,519,687
Other	1,608,926	3,001,853
Allowance for doubtful accounts	(21,979)	(16,984)
Total current assets	37,443,562	32,071,121
Non-current assets		
Property, plant and equipment		
Land	4,009,290	4,003,890
Other, net	2,428,319	2,439,902
Total property, plant and equipment	6,437,610	6,443,792
Intangible assets	733,683	880,355
Investments and other assets		
Other	2,856,353	2,920,094
Allowance for doubtful accounts	(19,177)	(19,179)
Total investments and other assets	2,837,175	2,900,914
Total non-current assets	10,008,469	10,225,062
Total assets	47,452,032	42,296,183
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	22,522,053	14,416,823
Short-term borrowings	–	2,720,000
Income taxes payable	250,761	127,570
Other	1,325,948	1,644,742
Total current liabilities	24,098,762	18,909,136
Non-current liabilities		
Retirement benefit liability	1,330,235	1,326,813
Provision for share awards for directors (and other officers)	39,368	35,404
Other	286,711	279,996
Total non-current liabilities	1,656,315	1,642,214
Total liabilities	25,755,078	20,551,351
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,491,267	1,491,267
Capital surplus	1,765,224	1,765,224
Retained earnings	17,711,991	17,694,096
Treasury shares	(130,303)	(130,303)
Total shareholders' equity	20,838,179	20,820,284

(Thousands of yen)

	As of May 31, 2021	As of August 31, 2021
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	856,070	915,298
Foreign currency translation adjustment	(24,937)	(24,937)
Remeasurements of defined benefit plans	27,435	33,957
Total accumulated other comprehensive income	858,569	924,318
Non-controlling interests	205	229
Total net assets	21,696,954	21,744,832
Total liabilities and net assets	47,452,032	42,296,183

**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, 2020	Three months ended August 31, 2021
Net sales	14,639,230	14,439,974
Cost of sales	12,376,527	12,180,554
Gross profit	2,262,703	2,259,420
Selling, general and administrative expenses	1,921,819	1,943,558
Operating profit	340,883	315,862
Non-operating income		
Dividend income	20,592	22,058
Rental income from buildings	16,614	18,427
Other	4,509	5,537
Total non-operating income	41,716	46,024
Non-operating expenses		
Interest expenses	4,991	4,882
Foreign exchange losses	996	1,532
Other	686	298
Total non-operating expenses	6,674	6,713
Ordinary profit	375,925	355,172
Extraordinary losses		
Loss on disposal of non-current assets	88	1,525
Impairment losses	–	5,400
Total extraordinary losses	88	6,925
Profit before income taxes	375,837	348,247
Income taxes	115,649	112,974
Profit	260,187	235,273
Profit attributable to non-controlling interests	24	23
Profit attributable to owners of parent	260,162	235,249

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

(Thousands of yen)

	Three months ended August 31, 2020	Three months ended August 31, 2021
Profit	260,187	235,273
Other comprehensive income		
Valuation difference on available-for-sale securities	114,498	59,227
Foreign currency translation adjustment	3,624	–
Remeasurements of defined benefit plans, net of tax	4,944	6,521
Total other comprehensive income	123,067	65,749
Comprehensive income	383,254	301,022
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	383,227	300,997
Comprehensive income attributable to non-controlling interests	27	24