

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended August 31, 2022 (Based on Japanese GAAP)

October 7, 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: October 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 three months ended August 31, 2022 (from June 1, 2022 to August 31, 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	%
Three months ended August 31, 2022	14,577	1.0	291	(7.8)	340	(4.1)	224	(4.4)
Three months ended August 31, 2021	14,439	(1.4)	315	(7.3)	355	(5.5)	235	(9.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended August 31, 2022	19.44		–	
Three months ended August 31, 2021	20.17		–	

#### (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, 2022	43,940	22,706	51.7	1,961.77
As of May 31, 2022	48,932	22,645	46.3	1,956.51

### 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, 2022	–	11.00	–	18.00	29.00
Year ending May 31, 2023	–				
Year ending May 31, 2023 (Forecast)		11.00	–	18.00	29.00

### 3. Forecast of consolidated financial results for the year ending May 31, 2023 (from June 1, 2022 to May 31, 2023)

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, 2022	–	–	–	–	–	–	–	–	–
Full year	61,500	1.3	1,850	0.8	1,950	2.1	1,250	(4.0)	108.00

4. Notes

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

As of August 31, 2022	198,218 shares	As of May 31, 2022	198,197 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, 2022	11,574,418 shares	Three months ended August 31, 2021	11,666,078 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of May 31, 2022	As of August 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	5,109,988	3,815,551
Notes and accounts receivable - trade	21,909,529	17,997,837
Merchandise	9,165,220	8,574,768
Accounts receivable - other	2,025,776	2,816,699
Other	325,594	400,431
Allowance for doubtful accounts	(21,972)	(17,980)
Total current assets	38,514,137	33,587,309
Non-current assets		
Property, plant and equipment		
Land	3,993,961	4,004,572
Other, net	2,624,778	2,578,690
Total property, plant and equipment	6,618,740	6,583,262
Intangible assets	898,471	854,523
Investments and other assets		
Other	2,907,809	2,934,097
Allowance for doubtful accounts	(6,559)	(18,969)
Total investments and other assets	2,901,250	2,915,128
Total non-current assets	10,418,461	10,352,914
Total assets	48,932,599	43,940,223
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	22,602,856	15,058,315
Short-term borrowings	–	2,720,000
Income taxes payable	250,013	123,741
Other	1,797,473	1,710,610
Total current liabilities	24,650,342	19,612,667
Non-current liabilities		
Retirement benefit liability	1,292,668	1,295,955
Provision for share awards for directors (and other officers)	51,958	56,758
Other	291,847	268,257
Total non-current liabilities	1,636,474	1,620,971
Total liabilities	26,286,817	21,233,638

(Thousands of yen)

	As of May 31, 2022	As of August 31, 2022
Net assets		
Shareholders' equity		
Share capital	1,491,267	1,491,267
Capital surplus	1,765,224	1,765,224
Retained earnings	18,632,298	18,647,758
Treasury shares	(276,921)	(276,956)
Total shareholders' equity	21,611,868	21,627,293
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,000,036	1,021,829
Foreign currency translation adjustment	(13,803)	7,225
Remeasurements of defined benefit plans	47,439	49,972
Total accumulated other comprehensive income	1,033,673	1,079,027
Non-controlling interests	240	263
Total net assets	22,645,781	22,706,584
Total liabilities and net assets	48,932,599	43,940,223

**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, 2021	Three months ended August 31, 2022
Net sales	14,439,974	14,577,928
Cost of sales	12,180,554	12,401,678
Gross profit	2,259,420	2,176,249
Selling, general and administrative expenses	1,943,558	1,884,977
Operating profit	315,862	291,271
Non-operating income		
Dividend income	22,058	29,752
Rental income from buildings	18,427	17,497
Foreign exchange gains	–	3,120
Other	5,537	4,164
Total non-operating income	46,024	54,535
Non-operating expenses		
Interest expenses	4,882	4,966
Foreign exchange losses	1,532	–
Other	298	215
Total non-operating expenses	6,713	5,181
Ordinary profit	355,172	340,625
Extraordinary losses		
Loss on disposal of non-current assets	1,525	4,147
Impairment losses	5,400	–
Total extraordinary losses	6,925	4,147
Profit before income taxes	348,247	336,477
Income taxes	112,974	111,456
Profit	235,273	225,021
Profit attributable to non-controlling interests	23	22
Profit attributable to owners of parent	235,249	224,998

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

(Thousands of yen)

	Three months ended August 31, 2021	Three months ended August 31, 2022
Profit	235,273	225,021
Other comprehensive income		
Valuation difference on available-for-sale securities	59,227	21,792
Foreign currency translation adjustment	–	21,028
Remeasurements of defined benefit plans, net of tax	6,521	2,532
Total other comprehensive income	65,749	45,354
Comprehensive income	301,022	270,376
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	300,997	270,338
Comprehensive income attributable to non-controlling interests	24	37