

Translation

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Summary of Consolidated Financial Results for the Three Months Ended August 31, 2023 (Based on Japanese GAAP)

October 6, 2023

Company name: KANEKO SEEDS CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 1376 URL <https://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, 2023
 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, 2023 (from June 1, 2023 to August 31, 2023)

(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, 2023	13,727	(5.8)	258	(11.4)	309	(9.1)	208	(7.5)
Three months ended August 31, 2022	14,577	1.0	291	(7.8)	340	(4.1)	224	(4.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended August 31, 2023	18.18		–	
Three months ended August 31, 2022	19.44		–	

(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, 2023	43,298	23,527	54.3	2,054.79
As of May 31, 2023	46,707	23,513	50.3	2,053.62

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, 2023	–	11.00	–	20.00	31.00
Year ending May 31, 2024	–				
Year ending May 31, 2024 (Forecast)		11.00	–	20.00	31.00

3. Forecast of consolidated financial results for the year ending May 31, 2024 (from June 1, 2023 to May 31, 2024)

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, 2023	–	–	–	–	–	–	–	–	–
Full year	64,000	2.9	1,850	3.6	2,000	4.5	1,450	1.7	126.64

4. Notes

- (1) Changes in significant subsidiaries during the three months ended August 31, 2023
(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, 2023	11,772,626 shares	As of May 31, 2023	11,772,626 shares
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Number of treasury shares at the end of the period

As of August 31, 2023	322,890 shares	As of May 31, 2023	322,818 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, 2023	11,449,759 shares	Three months ended August 31, 2022	11,574,418 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of May 31, 2023	As of August 31, 2023
Assets		
Current assets		
Cash and deposits	2,448,185	3,223,823
Notes and accounts receivable - trade	20,720,127	16,254,997
Electronically recorded monetary claims - operating	388,356	619,111
Merchandise	10,231,778	9,431,570
Accounts receivable - other	2,182,034	2,863,883
Other	271,469	415,257
Allowance for doubtful accounts	(20,996)	(16,980)
Total current assets	36,220,954	32,791,663
Non-current assets		
Property, plant and equipment		
Land	3,999,060	3,999,060
Other, net	2,785,940	2,833,886
Total property, plant and equipment	6,785,000	6,832,946
Intangible assets	720,780	687,788
Investments and other assets		
Other	3,000,461	3,009,180
Allowance for doubtful accounts	(19,321)	(22,752)
Total investments and other assets	2,981,139	2,986,428
Total non-current assets	10,486,921	10,507,163
Total assets	46,707,875	43,298,826
Liabilities		
Current liabilities		
Accounts payable - trade	19,448,024	13,266,593
Short-term borrowings	—	3,120,000
Income taxes payable	306,191	117,712
Other	1,813,531	1,642,838
Total current liabilities	21,567,747	18,147,145
Non-current liabilities		
Retirement benefit liability	1,265,239	1,262,816
Provision for share awards for directors (and other officers)	65,563	71,263
Other	295,492	290,533
Total non-current liabilities	1,626,295	1,624,612
Total liabilities	23,194,042	19,771,758
Net assets		
Shareholders' equity		
Share capital	1,491,267	1,491,267
Capital surplus	1,765,224	1,765,224
Retained earnings	19,721,047	19,698,907
Treasury shares	(477,057)	(477,161)
Total shareholders' equity	22,500,481	22,478,237
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	956,629	962,899
Foreign currency translation adjustment	2,373	28,615
Remeasurements of defined benefit plans	54,087	57,044
Total accumulated other comprehensive income	1,013,089	1,048,559
Non-controlling interests	262	271
Total net assets	23,513,832	23,527,068
Total liabilities and net assets	46,707,875	43,298,826

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, 2022	Three months ended August 31, 2023
Net sales	14,577,928	13,727,579
Cost of sales	12,401,678	11,481,798
Gross profit	2,176,249	2,245,781
Selling, general and administrative expenses	1,884,977	1,987,733
Operating profit	291,271	258,048
Non-operating income		
Dividend income	29,752	37,038
Rental income from buildings	17,497	18,896
Foreign exchange gains	3,120	–
Other	4,164	3,705
Total non-operating income	54,535	59,640
Non-operating expenses		
Interest expenses	4,966	6,098
Foreign exchange losses	–	679
Other	215	1,282
Total non-operating expenses	5,181	8,061
Ordinary profit	340,625	309,627
Extraordinary losses		
Loss on disposal of non-current assets	4,147	6
Total extraordinary losses	4,147	6
Profit before income taxes	336,477	309,620
Income taxes	111,456	101,422
Profit	225,021	208,198
Profit attributable to non-controlling interests	22	9
Profit attributable to owners of parent	224,998	208,188

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended August 31, 2022	Three months ended August 31, 2023
Profit	225,021	208,198
Other comprehensive income		
Valuation difference on available-for-sale securities	21,792	6,270
Foreign currency translation adjustment	21,028	26,242
Remeasurements of defined benefit plans, net of tax	2,532	2,956
Total other comprehensive income	45,354	35,469
Comprehensive income	270,376	243,667
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	270,338	243,639
Comprehensive income attributable to non-controlling interests	37	27