

Translation

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## Summary of Consolidated Financial Results for the Year Ended May 31, 2024 (Based on Japanese GAAP)

July 10, 2024

Company name: KANEKO SEEDS CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 1376 URL <https://www.kanekoseeds.jp>  
 Representative: PRESIDENT MASAHIKO KANEKO  
 SENIOR MANAGING DIRECTOR HEAD  
 Inquiries: HIROKATSU HASE TEL 027-251-1619  
 OF GENERAL ADMINISTRATION  
 Scheduled date of ordinary general meeting of shareholders: August 27, 2024  
 Scheduled date to file Securities Report: August 28, 2024  
 Scheduled date to commence dividend payments: August 28, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended May 31, 2024 (from June 1, 2023 to May 31, 2024)

#### (1) Consolidated operating results

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	%
Year ended May 31, 2024	61,598	(0.9)	1,478	(17.2)	1,570	(17.9)	1,177	(17.4)
Year ended May 31, 2023	62,179	2.5	1,785	(2.7)	1,913	0.2	1,426	9.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended May 31, 2024	103.28	–	4.9	3.3	2.4
Year ended May 31, 2023	123.63	–	6.2	4.0	2.9

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2024	48,682	24,441	50.2	2,163.02
As of May 31, 2023	46,707	23,513	50.3	2,053.62

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended May 31, 2024	2,235	(486)	(614)	3,265
Year ended May 31, 2023	(1,590)	(499)	(579)	2,114

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended May 31, 2023	–	11.00	–	20.00	31.00	358	25.1	1.5
Year ended May 31, 2024	–	11.00	–	22.00	33.00	376	32.0	1.6
Year ending May 31, 2025 (Forecast)	–	11.00	–	22.00	33.00		31.1	

3. Forecast of consolidated financial results for the year ending May 31, 2025 (from June 1, 2024 to May 31, 2025)

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, 2024	–	–	–	–	–	–	–	–	–
Full year	63,500	3.1	1,650	11.6	1,750	11.4	1,200	1.9	106.20

4. Notes

(1) Changes in significant subsidiaries during the year ended May 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of May 31, 2024	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 May 31, 2024	472,890 shares	As of May 31, 2023	322,818 shares
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Average number of shares during the period

Year ended May 31, 2024	11,402,797 shares	Year ended May 31, 2023	11,536,857 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of May 31, 2023	As of May 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	2,448,185	3,599,397
Notes and accounts receivable - trade	20,720,127	20,070,658
Electronically recorded monetary claims - operating	388,356	1,754,644
Merchandise	10,231,778	10,418,295
Accounts receivable - other	2,182,034	2,199,467
Other	271,469	391,370
Allowance for doubtful accounts	(20,996)	(21,984)
Total current assets	36,220,954	38,411,849
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,429,592	2,459,650
Land	3,999,060	4,231,587
Other, net	356,347	398,055
Total property, plant and equipment	6,785,000	7,089,293
Intangible assets	720,780	609,003
Investments and other assets		
Investment securities	2,360,797	2,077,934
Deferred tax assets	131,194	13,783
Other	508,468	504,828
Allowance for doubtful accounts	(19,321)	(24,170)
Total investments and other assets	2,981,139	2,572,376
Total non-current assets	10,486,921	10,270,673
Total assets	46,707,875	48,682,522

(Thousands of yen)

	As of May 31, 2023	As of May 31, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	19,448,024	21,071,489
Income taxes payable	306,191	121,142
Other	1,813,531	1,905,509
Total current liabilities	21,567,747	23,098,142
Non-current liabilities		
Retirement benefit liability	1,265,239	749,268
Provision for share awards for directors (and other officers)	65,563	82,942
Other	295,492	310,298
Total non-current liabilities	1,626,295	1,142,509
Total liabilities	23,194,042	24,240,651
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,491,267	1,491,267
Capital surplus	1,765,224	1,765,224
Retained earnings	19,721,047	20,541,739
Treasury shares	(477,057)	(693,622)
Total shareholders' equity	22,500,481	23,104,608
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	956,629	891,253
Foreign currency translation adjustment	2,373	42,611
Remeasurements of defined benefit plans	54,087	403,120
Total accumulated other comprehensive income	1,013,089	1,336,985
Non-controlling interests	262	276
Total net assets	23,513,832	24,441,871
<b>Total liabilities and net assets</b>	<b>46,707,875</b>	<b>48,682,522</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Net sales	62,179,177	61,598,847
Cost of sales	52,671,747	52,142,060
Gross profit	9,507,429	9,456,787
Selling, general and administrative expenses	7,722,032	7,977,878
Operating profit	1,785,397	1,478,908
Non-operating income		
Interest income	4,419	4,401
Dividend income	49,623	58,320
Rental income from buildings	67,394	69,560
Other	31,822	23,747
Total non-operating income	153,259	156,030
Non-operating expenses		
Interest expenses	12,615	14,479
Foreign exchange losses	9,752	46,095
Other	2,969	3,889
Total non-operating expenses	25,337	64,464
Ordinary profit	1,913,319	1,570,474
Extraordinary losses		
Loss on sale of non-current assets	2,250	–
Loss on disposal of non-current assets	11,099	1,593
Loss on valuation of investment securities	4,131	–
Impairment losses	–	61,794
Total extraordinary losses	17,481	63,387
Profit before income taxes	1,895,837	1,507,086
Income taxes - current	453,187	336,328
Income taxes - deferred	16,274	(6,973)
Total income taxes	469,461	329,354
Profit	1,426,376	1,177,732
Profit attributable to non-controlling interests	37	32
Profit attributable to owners of parent	1,426,338	1,177,699

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Profit	1,426,376	1,177,732
Other comprehensive income		
Valuation difference on available-for-sale securities	(43,407)	(65,375)
Foreign currency translation adjustment	16,176	40,238
Remeasurements of defined benefit plans, net of tax	6,647	349,032
Total other comprehensive income	(20,583)	323,896
Comprehensive income	1,405,792	1,501,628
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,405,745	1,501,568
Comprehensive income attributable to non-controlling interests	46	60

## Consolidated statements of changes in equity

Fiscal year ended May 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,491,267	1,765,224	18,632,298	(276,921)	21,611,868
Changes during period					
Dividends of surplus			(337,588)		(337,588)
Profit attributable to owners of parent			1,426,338		1,426,338
Purchase of treasury shares				(200,136)	(200,136)
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	1,088,749	(200,136)	888,612
Balance at end of period	1,491,267	1,765,224	19,721,047	(477,057)	22,500,481

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,000,036	(13,803)	47,439	1,033,673	240	22,645,781
Changes during period						
Dividends of surplus				–	–	(337,588)
Profit attributable to owners of parent				–	–	1,426,338
Purchase of treasury shares				–	–	(200,136)
Net changes in items other than shareholders' equity	(43,407)	16,176	6,647	(20,583)	21	(20,562)
Total changes during period	(43,407)	16,176	6,647	(20,583)	21	868,050
Balance at end of period	956,629	2,373	54,087	1,013,089	262	23,513,832

Fiscal year ended May 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,491,267	1,765,224	19,721,047	(477,057)	22,500,481
Changes during period					
Dividends of surplus			(357,007)		(357,007)
Profit attributable to owners of parent			1,177,699		1,177,699
Purchase of treasury shares				(216,564)	(216,564)
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	820,692	(216,564)	604,127
Balance at end of period	1,491,267	1,765,224	20,541,739	(693,622)	23,104,608

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	956,629	2,373	54,087	1,013,089	262	23,513,832
Changes during period						
Dividends of surplus				-	-	(357,007)
Profit attributable to owners of parent				-	-	1,177,699
Purchase of treasury shares				-	-	(216,564)
Net changes in items other than shareholders' equity	(65,375)	40,238	349,032	323,896	14	323,910
Total changes during period	(65,375)	40,238	349,032	323,896	14	928,038
Balance at end of period	891,253	42,611	403,120	1,336,985	276	24,441,871



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended May 31, 2023	Fiscal year ended May 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,895,837	1,507,086
Depreciation	454,596	512,117
Impairment losses	–	61,794
Increase (decrease) in allowance for doubtful accounts	11,786	5,836
Increase (decrease) in retirement benefit liability	(19,734)	(16,505)
Increase (decrease) in provision for share awards for directors (and other officers)	13,604	17,379
Interest and dividend income	(54,043)	(62,722)
Interest expenses	12,615	14,479
Loss (gain) on valuation of investment securities	4,131	–
Loss (gain) on sale and retirement of property, plant and equipment	13,350	1,593
Decrease (increase) in trade receivables	801,533	(656,126)
Decrease (increase) in inventories	(1,068,042)	(175,924)
Increase (decrease) in trade payables	(3,320,480)	1,489,993
Increase (decrease) in accrued consumption taxes	73,250	46,045
Other, net	(38,355)	(61,133)
Subtotal	(1,219,951)	2,683,911
Interest and dividends received	53,876	62,562
Interest paid	(12,504)	(14,343)
Income taxes paid	(412,026)	(496,519)
Net cash provided by (used in) operating activities	(1,590,605)	2,235,610
Cash flows from investing activities		
Purchase of property, plant and equipment	(368,568)	(577,135)
Proceeds from sale of property, plant and equipment	5,750	–
Purchase of intangible assets	(33,743)	(102,485)
Purchase of investment securities	(58,596)	(10,741)
Proceeds from redemption of investment securities	–	200,000
Other, net	(44,347)	4,267
Net cash provided by (used in) investing activities	(499,505)	(486,095)
Cash flows from financing activities		
Proceeds from short-term borrowings	3,800,000	3,600,000
Repayments of short-term borrowings	(3,800,000)	(3,600,000)
Dividends paid	(337,127)	(356,608)
Purchase of treasury shares	(200,136)	(216,564)
Other, net	(41,924)	(41,135)
Net cash provided by (used in) financing activities	(579,189)	(614,308)
Effect of exchange rate change on cash and cash equivalents	7,497	16,004
Net increase (decrease) in cash and cash equivalents	(2,661,802)	1,151,212
Cash and cash equivalents at beginning of period	4,776,488	2,114,685
Cash and cash equivalents at end of period	2,114,685	3,265,897