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Consolidated Financial Results for the Six Months Ended June 30, 2021 [Japanese GAAP]

August 11, 2021

Company name: SAKATA INX CORPORATION
 Stock exchange listing: Tokyo
 Code number: 4633
 URL: <http://www.inx.co.jp/>
 Representative: Yoshiaki Ueno Representative Director, President & CEO
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 Phone: +81-6-6447-5823
 Scheduled date of filing quarterly securities report: August 11, 2021
 Scheduled date of commencing dividend payments: September 3, 2021
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Six Months Ended June 30, 2021 (January 1, 2021 to June 30, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended June 30, 2021	88,676	11.6	5,045	58.6	5,852	126.5	4,039	169.7
June 30, 2020	79,472	(4.4)	3,181	4.3	2,583	(30.5)	1,497	(37.2)

(Note) Comprehensive income: Six months ended June 30, 2021: ¥ 8,460million [-%]
 Six months ended June 30, 2020: ¥ (1,370)million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2021	69.14	-
June 30, 2020	25.65	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2021	156,290	89,043	53.4
December 31, 2020	145,272	81,421	52.6

(Note) Equity: As of June 30, 2021: ¥ 83,472million
 As of December 31, 2020: ¥ 76,360million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2020	Yen -	Yen 15.00	Yen -	Yen 15.00	Yen 30.00
Fiscal year ending December 31, 2021	-	15.00			
Fiscal year ending December 31, 2021 (Forecast)			-	15.00	30.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2021 (January 1, 2021 to December 31, 2021)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	179,000	10.8	9,000	24.8	10,300	32.2	7,300	38.4	124.94

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

- (1) Changes in significant subsidiaries during the six months ended June 30, 2021
(changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- | | |
|--|----|
| 1) Changes in accounting policies due to the revision of accounting standards: | No |
| 2) Changes in accounting policies other than 1) above: | No |
| 3) Changes in accounting estimates: | No |
| 4) Retrospective restatement: | No |
- (4) Total number of issued shares (common shares)
- | | |
|--|------------------|
| 1) Total number of issued shares at the end of the period (including treasury shares): | |
| June 30, 2021: | 62,601,161shares |
| December 31, 2020: | 62,601,161shares |
| 2) Total number of treasury shares at the end of the period: | |
| June 30, 2021: | 4,164,358shares |
| December 31, 2020: | 4,182,625shares |
| 3) Average number of shares during the period: | |
| Six months ended June 30, 2021: | 58,426,329shares |
| Six months ended June 30, 2020: | 58,407,601shares |

* This consolidated financial results are not subject to quarterly review procedures by Certified Public Accountants or audit firm.

* Explanation of appropriate use of financial forecasts and other special notes

The above financial forecasts are based on the current available information in the Company and certain reasonable assumption to the Company, and we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

* Supplementary information will be disclosed on TDnet on August 11, 2021 and will be uploaded on the Company's website.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31,2020	As of June 30,2021
Assets		
Current assets		
Cash and deposits	12,427	12,188
Notes and accounts receivable - trade	43,083	47,341
Merchandise and finished goods	10,462	11,496
Work in process	1,119	1,258
Raw materials and supplies	9,602	12,225
Other	1,542	1,994
Allowance for doubtful accounts	(596)	(563)
Total current assets	77,640	85,942
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,134	16,595
Machinery, equipment and vehicles, net	9,282	9,640
Land	8,847	9,284
Leased assets, net	414	377
Construction in progress	3,514	5,071
Other, net	2,144	2,221
Total property, plant and equipment	40,338	43,190
Intangible assets		
Goodwill	501	530
Other	206	508
Total intangible assets	707	1,038
Investments and other assets		
Investment securities	25,176	24,574
Other	1,824	1,989
Allowance for doubtful accounts	(414)	(444)
Total investments and other assets	26,586	26,118
Total non-current assets	67,632	70,348
Total assets	145,272	156,290

(Million yen)

	As of December 31,2020	As of June 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,376	19,562
Electronically recorded obligations - operating	11,309	10,665
Short-term borrowings	4,533	4,084
Current portion of long-term borrowings	2,771	3,490
Accrued expenses	3,563	3,714
Income taxes payable	614	725
Provision for bonuses	555	550
Other	2,375	2,646
Total current liabilities	42,315	45,438
Non-current liabilities		
Bonds payable	-	1,000
Long-term borrowings	9,754	8,275
Retirement benefit liability	4,940	4,936
Asset retirement obligations	71	72
Other	6,768	7,522
Total non-current liabilities	21,535	21,807
Total liabilities	63,850	67,246
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,672	5,675
Retained earnings	73,918	76,949
Treasury shares	(4,027)	(4,010)
Total shareholders' equity	83,035	86,087
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,652	1,998
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	(7,281)	(3,653)
Remeasurements of defined benefit plans	(1,045)	(958)
Total accumulated other comprehensive income	(6,674)	(2,614)
Non-controlling interests	5,060	5,571
Total net assets	81,421	89,043
Total liabilities and net assets	145,272	156,290

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended June 30,2020	For the six months ended June 30,2021
Net sales	79,472	88,676
Cost of sales	62,037	68,928
Gross profit	17,434	19,747
Selling, general and administrative expenses	14,252	14,701
Operating income	3,181	5,045
Non-operating income		
Interest income	45	38
Dividend income	174	167
Real estate rent	95	90
Equity in earnings of affiliates	-	542
Other	115	135
Total non-operating income	431	974
Non-operating expenses		
Interest expenses	130	113
Equity in losses of affiliates	249	-
Foreign exchange losses	616	-
Other	33	54
Total non-operating expenses	1,029	168
Ordinary income	2,583	5,852
Extraordinary income		
Gain on sales of investment securities	-	71
Total extraordinary income	-	71
Extraordinary losses		
Loss on sales of property, plant and equipment	-	22
Loss on valuation of investment securities	3	-
Expense on restructuring of organization	58	-
Total extraordinary losses	61	22
Income before income taxes	2,522	5,901
Income taxes - current	936	1,340
Income taxes - deferred	(109)	190
Total income taxes	827	1,530
Net income	1,695	4,370
Net income attributable to non-controlling interests	197	331
Net income attributable to owners of parent	1,497	4,039

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Million yen)

	For the six months ended June 30,2020	For the six months ended June 30,2021
Net income	1,695	4,370
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,411)	215
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	(1,321)	2,747
Remeasurements of defined benefit plans, net of tax	60	86
Share of other comprehensive income of affiliates accounted for using equity method	(393)	1,041
Total other comprehensive income	(3,066)	4,089
Comprehensive income	(1,370)	8,460
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,453)	7,869
Comprehensive income attributable to non-controlling interests	82	590

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended June 30,2020	For the six months ended June 30,2021
Cash flows from operating activities		
Income before income taxes	2,522	5,901
Depreciation and amortization	2,204	2,148
Amortization of goodwill	42	42
Increase (decrease) in allowance for doubtful accounts	116	(56)
Increase (decrease) in net defined benefit liability	133	(8)
Increase (decrease) in provision for bonuses	2	(9)
Interest and dividend income	(220)	(205)
Interest expenses	130	113
Equity in (earnings) losses of affiliates	249	(542)
Loss (gain) on sales of property, plant and equipment	-	22
Loss (gain) on sales of investment securities	-	(71)
Loss (gain) on valuation of investment securities	3	-
Expense on restructuring of organization	58	-
Decrease (increase) in notes and accounts receivable - trade	3,694	(2,542)
Decrease (increase) in inventories	(2,066)	(2,023)
Increase (decrease) in notes and accounts payable - trade including electronically recorded obligations - operating	(3,715)	1,734
Other, net	(0)	(773)
Subtotal	3,154	3,730
Interest and dividend income received	384	376
Interest expenses paid	(137)	(118)
Income taxes paid	(777)	(1,319)
Net cash provided by (used in) operating activities	2,623	2,669
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,668)	(2,435)
Proceeds from sales of property, plant and equipment	0	163
Purchase of investment securities	(2,580)	(10)
Proceeds from sales of investment securities	-	154
Payments of loans receivable	(20)	(23)
Collection of loans receivable	25	22
Other, net	(43)	(260)
Net cash provided by (used in) investing activities	(4,286)	(2,388)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	3,507	(649)
Proceeds from long-term loans payable	4,040	1,043
Repayments of long-term loans payable	(1,317)	(2,011)
Proceeds from issuance of bonds	-	1,000
Cash dividends paid	(875)	(876)
Dividends paid to non-controlling interests	(167)	(79)
Other, net	(122)	(119)
Net cash provided by (used in) financing activities	5,064	(1,692)
Effect of exchange rate change on cash and cash equivalents	(499)	656
Net increase (decrease) in cash and cash equivalents	2,901	(755)
Cash and cash equivalents at beginning of period	9,361	11,678
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	429
Cash and cash equivalents at end of period	12,263	11,352