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Consolidated Financial Results for the Three Months Ended March 31, 2022 [Japanese GAAP]

May 13, 2022

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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 Scheduled date of filing quarterly securities report: May 13, 2022
 Scheduled date of commencing dividend payments: -
 Availability of supplementary briefing material on quarterly financial results: Yes
 Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Three Months Ended March 31, 2022 (January 1, 2022 to March 31, 2022)

(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	%
Three months ended March 31, 2022	49,008	13.4	1,495	(46.0)	2,252	(21.0)	1,392	(24.1)
March 31, 2021	43,223	4.7	2,772	45.3	2,849	154.8	1,833	180.2

(Note) Comprehensive income: Three months ended March 31, 2022: ¥ 5,769million [(6.9)%]
 Three months ended March 31, 2021: ¥ 6,198million [-%]

	Basic earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Three months ended March 31, 2022	23.83	-	-	-
March 31, 2021	31.39	-	-	-

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter under review, and each figure for the first quarter of the fiscal year ending March 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of March 31, 2022	176,346	97,357	97,357	97,357	51.5	51.5
December 31, 2021	166,899	92,465	92,465	92,465	51.8	51.8

(Note) Equity: As of March 31, 2022: ¥ 90,732million
 As of December 31, 2021: ¥ 86,379million

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter under review, and each figure for the first quarter of the fiscal year ending March 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2021	-	15.00	-	15.00	30.00
Fiscal year ending December 31, 2022	-	-	-	-	-
Fiscal year ending December 31, 2022(Forecast)	-	15.00	-	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, 2022 (January 1, 2022 to December 31, 2022)

(% 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
Six months ended June 30, 2022	96,800	9.2	2,700	(46.5)	3,350	(42.8)	3,200	(20.8)	54.75
Full year	198,000	9.1	7,000	(5.6)	8,200	(3.6)	6,600	33.8	112.91

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

* Notes:

- (1) Changes in significant subsidiaries during the three months ended March 31, 2022
(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: | Yes |
| 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): | |
| March 31, 2022: | 62,601,161shares |
| December 31, 2021: | 62,601,161shares |
| 2) Total number of treasury shares at the end of the period: | |
| March 31, 2022: | 4,164,510shares |
| December 31, 2021: | 4,164,408shares |
| 3) Average number of shares during the period: | |
| Three months ended March 31, 2022: | 58,436,702shares |
| Three months ended March 31, 2021: | 58,418,461shares |

*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 May 13, 2022 and will be uploaded on the Company's website.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31,2021	As of March 31,2022
Assets		
Current assets		
Cash and deposits	12,684	10,341
Notes and accounts receivable - trade	49,363	52,944
Merchandise and finished goods	12,802	14,533
Work in process	1,227	1,456
Raw materials and supplies	14,562	16,699
Other	2,785	3,292
Allowance for doubtful accounts	(566)	(597)
Total current assets	92,860	98,669
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,642	20,002
Machinery, equipment and vehicles, net	10,293	10,427
Land	9,396	9,531
Leased assets, net	343	277
Construction in progress	3,055	3,605
Other, net	2,588	4,069
Total property, plant and equipment	45,320	47,913
Intangible assets		
Goodwill	453	527
Other	374	447
Total intangible assets	827	975
Investments and other assets		
Investment securities	25,698	26,656
Other	3,174	3,146
Allowance for doubtful accounts	(981)	(1,015)
Total investments and other assets	27,890	28,787
Total non-current assets	74,039	77,676
Total assets	166,899	176,346

(Million yen)

	As of December 31,2021	As of March 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,010	24,598
Electronically recorded obligations - operating	13,234	11,296
Short-term loans payable	5,133	9,035
Current portion of long-term loans payable	5,334	4,760
Accrued expenses	4,156	4,150
Income taxes payable	791	280
Provision for bonuses	612	1,042
Other	2,983	3,002
Total current liabilities	55,258	58,167
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term loans payable	5,557	5,893
Retirement benefit liability	4,981	4,990
Asset retirement obligations	73	73
Other	7,563	8,864
Total non-current liabilities	19,176	20,821
Total liabilities	74,434	78,989
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,675	5,675
Retained earnings	76,967	77,483
Treasury shares	(4,010)	(4,010)
Total shareholders' equity	86,104	86,620
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,106	1,929
Deferred gains or losses on hedges	(2)	(0)
Foreign currency translation adjustment	(1,606)	2,374
Remeasurements of defined benefit plans	(222)	(191)
Total accumulated other comprehensive income	275	4,111
Non-controlling interests	6,085	6,625
Total net assets	92,465	97,357
Total liabilities and net assets	166,899	176,346

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended March 31,2021	For the three months ended March 31,2022
Net sales	43,223	49,008
Cost of sales	33,131	39,446
Gross profit	10,092	9,562
Selling, general and administrative expenses	7,319	8,066
Operating income	2,772	1,495
Non-operating income		
Interest income	18	12
Dividend income	110	109
Equity in earnings of affiliates	305	219
Foreign exchange gains	-	368
Other	107	110
Total non-operating income	541	841
Non-operating expenses		
Interest expenses	49	74
Foreign exchange losses	382	-
Other	32	10
Total non-operating expenses	464	84
Ordinary income	2,849	2,252
Extraordinary losses		
Loss on sales of property, plant and equipment	22	-
Total extraordinary losses	22	-
Income before income taxes	2,827	2,252
Income taxes - current	790	601
Income taxes - deferred	28	131
Total income taxes	819	733
Net income	2,007	1,518
Net income attributable to non-controlling interests	174	126
Net income attributable to owners of parent	1,833	1,392

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

(Million yen)

	For the three months ended March 31,2021	For the three months ended March 31,2022
Net income	2,007	1,518
Other comprehensive income		
Valuation difference on available-for-sale securities	465	(132)
Deferred gains or losses on hedges	(0)	2
Foreign currency translation adjustment	2,714	3,250
Remeasurements of defined benefit plans, net of tax	29	30
Share of other comprehensive income of affiliates accounted for using equity method	983	1,099
Total other comprehensive income	4,191	4,250
Comprehensive income	6,198	5,769
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,738	5,228
Comprehensive income attributable to non-controlling interests	460	540