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Consolidated Financial Results for the Three Months Ended March 31, 2023 [Japanese GAAP]

May 12, 2023

Company name: SAKATA INX CORPORATION
 Stock exchange listing: Tokyo
 Code number: 4633
 URL: <https://www.inx.co.jp/english/>
 Representative: Yoshiaki Ueno Representative Director, President & CEO
 Contact: Daisuke Sugahara General Manager, Finance & Accounting Div.
 Phone: +81-6-6447-5823
 Scheduled date of filing quarterly securities report: May 12, 2023
 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, 2023 (January 1, 2023 to March 31, 2023)

(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, 2023	54,214	10.6	2,428	62.3	3,094	37.4	2,015	44.7
March 31, 2022	49,008	13.4	1,495	(46.0)	2,252	(21.0)	1,392	(24.1)

(Note) Comprehensive income: Three months ended March 31, 2023: ¥ 3,854million [(33.2)%]
 Three months ended March 31, 2022: ¥ 5,769million [(6.9)%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	40.28		-	
March 31, 2022	23.83		-	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
March 31, 2023	180,600	95,933	49.3
December 31, 2022	177,403	92,952	48.6

(Note) Equity: As of March 31, 2023: ¥ 89,068million
 As of December 31, 2022: ¥ 86,272million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen				
Fiscal year ended December 31, 2022	-	15.00	-	15.00	30.00
Fiscal year ending December 31, 2023	-				
Fiscal year ending December 31, 2023(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, 2023 (January 1, 2023 to December 31, 2023)

(% 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, 2023	109,000	5.3	3,900	92.2	4,500	79.7	3,000	25.0	59.96
Full year	222,000	3.0	6,000	45.4	6,800	37.1	4,700	3.2	93.93

(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: | 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): | |
| March 31, 2023: | 54,172,361shares |
| December 31, 2022: | 54,172,361shares |
| 2) Total number of treasury shares at the end of the period: | |
| March 31, 2023: | 4,143,643shares |
| December 31, 2022: | 4,143,541shares |
| 3) Average number of shares during the period: | |
| Three months ended March 31, 2023: | 50,028,756shares |
| Three months ended March 31, 2022: | 58,436,702shares |

*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 12, 2023 and will be uploaded on the Company's website.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31,2022	As of March 31,2023
Assets		
Current assets		
Cash and deposits	12,120	12,154
Notes and accounts receivable - trade	53,862	55,196
Merchandise and finished goods	13,164	16,216
Work in process	1,514	1,575
Raw materials and supplies	18,669	15,016
Other	2,394	2,570
Allowance for doubtful accounts	(575)	(582)
Total current assets	101,150	102,147
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,858	19,774
Machinery, equipment and vehicles, net	10,391	10,407
Land	9,816	9,847
Leased assets, net	231	237
Construction in progress	3,814	3,815
Other, net	4,273	4,408
Total property, plant and equipment	48,385	48,490
Intangible assets		
Goodwill	441	432
Other	1,901	2,514
Total intangible assets	2,342	2,946
Investments and other assets		
Investment securities	23,942	25,346
Other	2,592	2,735
Allowance for doubtful accounts	(1,010)	(1,065)
Total investments and other assets	25,524	27,016
Total non-current assets	76,252	78,453
Total assets	177,403	180,600

(Million yen)

	As of December 31,2022	As of March 31,2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,121	23,449
Electronically recorded obligations - operating	14,316	12,041
Short-term loans payable	11,046	11,299
Current portion of long-term loans payable	1,979	3,456
Accrued expenses	4,656	3,998
Income taxes payable	524	374
Provision for bonuses	547	912
Other	2,951	2,693
Total current liabilities	59,143	58,225
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term loans payable	11,244	12,009
Retirement benefit liability	4,869	4,879
Asset retirement obligations	74	75
Other	8,119	8,478
Total non-current liabilities	25,307	26,442
Total liabilities	84,450	84,667
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,672	5,672
Retained earnings	71,729	73,038
Treasury shares	(4,015)	(4,015)
Total shareholders' equity	80,859	82,168
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,111	1,513
Deferred gains or losses on hedges	(0)	(2)
Foreign currency translation adjustment	5,010	6,069
Remeasurements of defined benefit plans	(709)	(680)
Total accumulated other comprehensive income	5,412	6,899
Non-controlling interests	6,680	6,864
Total net assets	92,952	95,933
Total liabilities and net assets	177,403	180,600

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 31,2022	For the three months ended March 31,2023
Net sales	49,008	54,214
Cost of sales	39,446	42,855
Gross profit	9,562	11,359
Selling, general and administrative expenses	8,066	8,930
Operating income	1,495	2,428
Non-operating income		
Interest income	12	25
Dividend income	109	5
Equity in earnings of affiliates	219	409
Foreign exchange gains	388	286
Other	110	146
Total non-operating income	841	873
Non-operating expenses		
Interest expenses	74	175
Other	10	31
Total non-operating expenses	84	206
Ordinary income	2,252	3,094
Income before income taxes	2,252	3,094
Income taxes - current	601	868
Income taxes - deferred	131	(31)
Total income taxes	733	836
Net income	1,518	2,257
Net income attributable to non-controlling interests	126	242
Net income attributable to owners of parent	1,392	2,015

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

(Million yen)

	For the three months ended March 31,2022	For the three months ended March 31,2023
Net income	1,518	2,257
Other comprehensive income		
Valuation difference on available-for-sale securities	(132)	414
Deferred gains or losses on hedges	2	(1)
Foreign currency translation adjustment	3,250	830
Remeasurements of defined benefit plans, net of tax	30	32
Share of other comprehensive income of affiliates accounted for using equity method	1,099	321
Total other comprehensive income	4,250	1,596
Comprehensive income	5,769	3,854
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,228	3,502
Comprehensive income attributable to non-controlling interests	540	352