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Consolidated Financial Results for the Nine Months Ended September 30, 2023 [Japanese GAAP]

November 10, 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
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Scheduled date of filing quarterly securities report: November 10, 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 Nine Months Ended September 30, 2023 (January 1, 2023 to September 30, 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	%
Nine months ended September 30, 2023	168,634	5.5	8,525	160.7	10,116	173.7	6,637	114.8
September 30, 2022	159,849	19.6	3,270	(47.7)	3,696	(48.2)	3,090	(35.5)

(Note) Comprehensive income: Nine months ended September 30, 2023: ¥ 17,412million [13.5%]
 Nine months ended September 30, 2022: ¥ 15,341million [53.5%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2023	132.65		-	
September 30, 2022	56.98		-	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
September 30, 2023	197,271	108,576	51.1
December 31, 2022	177,403	92,952	48.6

(Note) Equity: As of September 30, 2023: ¥ 100,812million

As of December 31, 2022: ¥ 86,272million

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, 2022	-	15.00	-	15.00	30.00
Fiscal year ending December 31, 2023	-	15.00	-		
Fiscal year ending December 31, 2023 (Forecast)				16.00	31.00

(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
Full year	226,000	4.9	10,000	142.4	12,100	143.9	7,900	73.4	157.87

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2023
(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): | |
| September 30, 2023: | 54,172,361shares |
| December 31, 2022: | 54,172,361shares |
| 2) Total number of treasury shares at the end of the period: | |
| September 30, 2023: | 4,127,544shares |
| December 31, 2022: | 4,143,541shares |
| 3) Average number of shares during the period: | |
| Nine months ended September 30, 2023: | 50,038,419shares |
| Nine months ended September 30, 2022: | 54,234,985shares |

*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 November 10, 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 September 30,2023
Assets		
Current assets		
Cash and deposits	12,120	16,480
Notes and accounts receivable - trade	53,862	59,444
Merchandise and finished goods	13,164	16,535
Work in process	1,514	1,556
Raw materials and supplies	18,669	14,425
Other	2,394	3,549
Allowance for doubtful accounts	(575)	(649)
Total current assets	101,150	111,341
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,858	20,266
Machinery, equipment and vehicles, net	10,391	10,773
Land	9,816	10,071
Leased assets, net	231	228
Construction in progress	3,814	5,145
Other, net	4,273	4,441
Total property, plant and equipment	48,385	50,926
Intangible assets		
Goodwill	441	425
Other	1,901	3,565
Total intangible assets	2,342	3,990
Investments and other assets		
Investment securities	23,942	29,210
Other	2,592	2,884
Allowance for doubtful accounts	(1,010)	(1,083)
Total investments and other assets	25,524	31,011
Total non-current assets	76,252	85,929
Total assets	177,403	197,271

(Million yen)

	As of December 31,2022	As of September 30,2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,121	24,409
Electronically recorded obligations - operating	14,316	13,926
Short-term loans payable	11,046	9,183
Current portion of long-term loans payable	1,979	3,583
Accrued expenses	4,656	4,991
Income taxes payable	524	621
Provision for bonuses	547	958
Other	2,951	3,318
Total current liabilities	59,143	60,994
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term loans payable	11,244	12,131
Net defined benefit liability	4,869	4,987
Asset retirement obligations	74	75
Other	8,119	9,505
Total non-current liabilities	25,307	27,700
Total liabilities	84,450	88,694
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,672	5,673
Retained earnings	71,729	76,910
Treasury shares	(4,015)	(3,999)
Total shareholders' equity	80,859	86,056
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,111	2,147
Deferred gains or losses on hedges	(0)	9
Foreign currency translation adjustment	5,010	13,203
Remeasurements of defined benefit plans	(709)	(605)
Total accumulated other comprehensive income	5,412	14,755
Non-controlling interests	6,680	7,764
Total net assets	92,952	108,576
Total liabilities and net assets	177,403	197,271

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended September 30,2022	For the nine months ended September 30,2023
Net sales	159,849	168,634
Cost of sales	130,677	132,023
Gross profit	29,171	36,610
Selling, general and administrative expenses	25,901	28,085
Operating income	3,270	8,525
Non-operating income		
Interest income	40	137
Dividend income	179	78
Equity in earnings of affiliates	730	1,357
Foreign exchange gains	-	296
Other	353	428
Total non-operating income	1,303	2,297
Non-operating expenses		
Interest expenses	352	587
Foreign exchange losses	481	-
Other	43	118
Total non-operating expenses	877	706
Ordinary income	3,696	10,116
Extraordinary income		
Gain on sales of investment securities	1,442	-
Gain on sale of businesses	-	415
Total extraordinary income	1,442	415
Extraordinary losses		
Loss on retirement of non-current assets	30	-
Loss on valuation of shares of subsidiaries and associates	-	280
Total extraordinary losses	30	280
Income before income taxes	5,107	10,251
Income taxes - current	1,646	2,588
Income taxes - deferred	144	303
Total income taxes	1,790	2,892
Net income	3,317	7,358
Net income attributable to non-controlling interests	226	721
Net income attributable to owners of parent	3,090	6,637

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

(Million yen)

	For the nine months ended September 30,2022	For the nine months ended September 30,2023
Net income	3,317	7,358
Other comprehensive income		
Valuation difference on available-for-sale securities	(956)	1,030
Deferred gains or losses on hedges	(0)	9
Foreign currency translation adjustment	9,841	6,792
Remeasurements of defined benefit plans, net of tax	78	107
Share of other comprehensive income of affiliates accounted for using equity method	3,061	2,113
Total other comprehensive income	12,024	10,053
Comprehensive income	15,341	17,412
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,983	15,980
Comprehensive income attributable to non-controlling interests	1,358	1,431