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Consolidated Financial Results for the Nine Months Ended September 30, 2018 [Japanese GAAP]

November 13, 2018

Company name: SAKATA INX CORPORATION
 Stock exchange listing: Tokyo
 Code number: 4633
 URL: <http://www.inx.co.jp/>
 Representative: Kotaro Morita Representative Director, President & CEO
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 Phone: +81-6-6447-5823
 Scheduled date of filing quarterly securities report: November 13, 2018
 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, 2018 (January 1, 2018 to September 30, 2018)

(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, 2018	119,366	2.6	3,855	(41.7)	5,163	(39.6)	3,696	(41.6)
September 30, 2017	116,323	3.2	6,607	(14.0)	8,555	(6.9)	6,331	3.1

(Note) Comprehensive income: Nine months ended September 30, 2018: ¥ 2,512 million [(62.5)%]
 Nine months ended September 30, 2017: ¥ 6,699 million [-%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2018	63.30		-	
September 30, 2017	107.64		-	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
As of September 30, 2018	148,462		79,153		51.3		1,303.65	
December 31, 2017	145,489		78,766		52.0		1,295.39	

(Note) Equity: As of September 30, 2018: ¥ 76,132 million
 As of December 31, 2017: ¥ 75,650 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2017	Yen -	Yen 14.00	Yen -	Yen 16.00	Yen 30.00
Fiscal year ending December 31, 2018	-	15.00	-		
Fiscal year ending December 31, 2018(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, 2018(January 1, 2018 to December 31, 2018)

(% 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	161,600	2.7	5,500	(35.8)	7,300	(35.1)	5,300	(36.8)	90.75

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

* Notes:

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2018
(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, 2018: 62,601,161 shares
 - December 31, 2017: 62,601,161 shares
 - 2) Total number of treasury shares at the end of the period:
 - September 30, 2018: 4,201,943 shares
 - December 31, 2017: 4,201,482 shares
 - 3) Average number of shares during the period:
 - Nine months ended September 30, 2018: 58,399,495 shares
 - Nine months ended September 30, 2017: 58,821,432 shares

*This consolidated financial results are not subject to quarterly review procedures.

*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 13, 2018 and will be uploaded on the Company's website.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31,2017	As of September 30,2018
Assets		
Current assets		
Cash and deposits	10,002	6,574
Notes and accounts receivable - trade	45,098	46,089
Merchandise and finished goods	9,898	10,261
Work in process	1,096	1,162
Raw materials and supplies	7,642	9,286
Other	2,856	3,385
Allowance for doubtful accounts	(395)	(376)
Total current assets	76,199	76,384
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,823	17,127
Machinery, equipment and vehicles, net	9,472	10,628
Land	8,786	8,753
Leased assets, net	619	756
Construction in progress	918	1,572
Other, net	411	434
Total property, plant and equipment	37,032	39,273
Intangible assets	851	664
Investments and other assets		
Investment securities	29,207	28,923
Other	2,662	3,668
Allowance for doubtful accounts	(463)	(451)
Total investments and other assets	31,405	32,139
Total non-current assets	69,290	72,077
Total assets	145,489	148,462
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,332	17,711
Electronically recorded obligations - operating	-	13,153
Short-term loans payable	5,343	9,690
Current portion of long-term loans payable	4,188	1,701
Accrued expenses	3,623	3,130
Income taxes payable	993	106
Provision for bonuses	647	1,229
Other	3,839	3,302
Total current liabilities	47,968	50,026
Non-current liabilities		
Long-term loans payable	6,157	6,719
Net defined benefit liability	5,026	4,920
Asset retirement obligations	71	72
Other	7,499	7,569
Total non-current liabilities	18,754	19,281
Total liabilities	66,723	69,308

(Million yen)

	As of December 31,2017	As of September 30,2018
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,672	5,672
Retained earnings	65,638	67,434
Treasury shares	(4,046)	(4,047)
Total shareholders' equity	74,737	76,532
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,957	4,339
Deferred gains or losses on hedges	2	(0)
Foreign currency translation adjustment	(2,611)	(3,403)
Remeasurements of defined benefit plans	(1,434)	(1,335)
Total accumulated other comprehensive income	912	(400)
Non-controlling interests	3,116	3,021
Total net assets	78,766	79,153
Total liabilities and net assets	145,489	148,462

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 30,2017	For the nine months ended September 30,2018
Net sales	116,323	119,366
Cost of sales	88,693	94,519
Gross profit	27,629	24,847
Selling, general and administrative expenses	21,022	20,991
Operating income	6,607	3,855
Non-operating income		
Interest income	51	44
Dividend income	164	259
Equity in earnings of affiliates	1,321	1,221
Other	682	351
Total non-operating income	2,219	1,876
Non-operating expenses		
Interest expenses	190	193
Foreign exchange losses	-	281
Other	81	93
Total non-operating expenses	271	568
Ordinary income	8,555	5,163
Extraordinary income		
Gain on sales of investment securities	1,124	-
Insurance income	-	185
Total extraordinary income	1,124	185
Extraordinary losses		
Loss on disaster	174	-
Loss on retirement of property, plant and equipment	70	56
Plant transfer expenses	71	-
Total extraordinary losses	316	56
Income before income taxes	9,362	5,292
Income taxes - current	2,624	1,389
Income taxes - deferred	21	28
Total income taxes	2,646	1,418
Net income	6,716	3,874
Net income attributable to non-controlling interests	384	177
Net income attributable to owners of parent	6,331	3,696

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

(Million yen)

	For the nine months ended September 30,2017	For the nine months ended September 30,2018
Net income	6,716	3,874
Other comprehensive income		
Valuation difference on available-for-sale securities	417	(562)
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	(576)	(791)
Remeasurements of defined benefit plans, net of tax	100	92
Share of other comprehensive income of affiliates accounted for using equity method	39	(100)
Total other comprehensive income	(17)	(1,361)
Comprehensive income	6,699	2,512
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,375	2,383
Comprehensive income attributable to non-controlling interests	323	128