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SAKATA INX...
Visual Communication Technology



Consolidated Financial Results for the Nine Months Ended September 30, 2020 [Japanese GAAP]

November 13, 2020

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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Scheduled date of filing quarterly securities report: November 13, 2020

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, 2020 (January 1, 2020 to September 30, 2020)

(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, 2020	119,417	(4.2)	4,975	2.0	4,861	(13.1)	2,961	(15.3)
September 30, 2019	124,612	4.4	4,876	26.5	5,596	8.4	3,495	(5.5)

(Note) Comprehensive income: Nine months ended September 30, 2020: ¥ (401)million [-%]
 Nine months ended September 30, 2019: ¥ 2,447million [(2.6)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2020	50.70	-
September 30, 2019	59.85	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2020	144,407	79,087	51.5	1,273.65
December 31, 2019	148,292	81,439	51.7	1,313.31

(Note) Equity: As of September 30, 2020: ¥ 74,404million
 As of December 31, 2019: ¥ 76,696million

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, 2019	-	15.00	-	15.00	30.00
Fiscal year ending December 31, 2020	-	15.00	-	-	-
Fiscal year ending December 31, 2020(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, 2020 (January 1, 2020 to December 31, 2020)

(% 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	161,800	(3.3)	7,000	12.4	6,700	(8.5)	4,200	2.1	71.91

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

* Notes:

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2020
(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, 2020: | 62,601,161 shares |
| December 31, 2019: | 62,601,161 shares |
| 2) Total number of treasury shares at the end of the period: | |
| September 30, 2020: | 4,182,573 shares |
| December 31, 2019: | 4,202,237 shares |
| 3) Average number of shares during the period: | |
| Nine months ended September 30, 2020: | 58,411,009 shares |
| Nine months ended September 30, 2019: | 58,399,103 shares |

*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 13, 2020 and will be uploaded on the Company's website.

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31,2019	As of September 30,2020
Assets		
Current assets		
Cash and deposits	10,122	13,231
Notes and accounts receivable - trade	45,828	40,790
Merchandise and finished goods	11,480	10,986
Work in process	1,178	1,217
Raw materials and supplies	9,024	9,796
Other	1,943	1,546
Allowance for doubtful accounts	(513)	(524)
Total current assets	79,064	77,045
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,439	16,433
Machinery, equipment and vehicles, net	10,455	9,685
Land	8,831	8,818
Leased assets, net	445	451
Construction in progress	1,683	2,706
Other, net	2,317	2,203
Total property, plant and equipment	41,173	40,299
Intangible assets		
Goodwill	738	454
Other	344	206
Total intangible assets	1,083	661
Investments and other assets		
Investment securities	25,311	24,833
Other	2,193	2,170
Allowance for doubtful accounts	(533)	(602)
Total investments and other assets	26,970	26,401
Total non-current assets	69,227	67,361
Total assets	148,292	144,407

(Million yen)

	As of December 31,2019	As of September 30,2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,632	14,994
Electronically recorded obligations - operating	13,008	9,159
Short-term loans payable	6,010	9,524
Current portion of long-term loans payable	2,159	2,934
Accrued expenses	3,639	3,352
Income taxes payable	566	341
Provision for bonuses	527	1,039
Other	2,771	2,300
Total current liabilities	46,317	43,646
Non-current liabilities		
Long-term loans payable	8,059	9,860
Net defined benefit liability	4,769	4,864
Asset retirement obligations	70	71
Other	7,635	6,877
Total non-current liabilities	20,535	21,673
Total liabilities	66,852	65,319
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,672	5,672
Retained earnings	70,396	71,604
Treasury shares	(4,047)	(4,027)
Total shareholders' equity	79,494	80,721
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,329	1,725
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(5,050)	(7,064)
Remeasurements of defined benefit plans	(1,078)	(977)
Total accumulated other comprehensive income	(2,798)	(6,316)
Non-controlling interests	4,743	4,682
Total net assets	81,439	79,087
Total liabilities and net assets	148,292	144,407

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 30,2019	For the nine months ended September 30,2020
Net sales	124,612	119,417
Cost of sales	97,911	93,414
Gross profit	26,700	26,002
Selling, general and administrative expenses	21,823	21,027
Operating income	4,876	4,975
Non-operating income		
Interest income	47	68
Dividend income	280	288
Equity in earnings of affiliates	660	50
Other	336	336
Total non-operating income	1,324	743
Non-operating expenses		
Interest expenses	234	201
Foreign exchange losses	307	596
Other	63	59
Total non-operating expenses	605	857
Ordinary income	5,596	4,861
Extraordinary income		
Gain on sales of investment securities	208	-
Total extraordinary income	208	-
Extraordinary losses		
Impairment loss	190	-
Loss on retirement of property, plant and equipment	39	-
Loss on valuation of investment securities	2	3
Expense on restructuring of organization	-	139
Total extraordinary losses	232	142
Income before income taxes	5,571	4,718
Income taxes - current	1,706	1,621
Income taxes - deferred	(108)	(213)
Total income taxes	1,598	1,407
Net income	3,973	3,311
Net income attributable to non-controlling interests	478	349
Net income attributable to owners of parent	3,495	2,961

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

(Million yen)

	For the nine months ended September 30,2019	For the nine months ended September 30,2020
Net income	3,973	3,311
Other comprehensive income		
Valuation difference on available-for-sale securities	45	(1,630)
Foreign currency translation adjustment	(1,210)	(1,659)
Remeasurements of defined benefit plans, net of tax	103	102
Share of other comprehensive income of affiliates accounted for using equity method	(464)	(525)
Total other comprehensive income	(1,526)	(3,712)
Comprehensive income	2,447	(401)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,047	(556)
Comprehensive income attributable to non-controlling interests	399	154