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**SAKATA INX**...  
Visual Communication Technology



## Consolidated Financial Results

for the Fiscal Year Ended December 31, 2020 [Japanese GAAP]

February 12, 2021

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  
 Contact: Daisuke Sugahara General Manager, Finance & Accounting Div.  
 Phone: +81-6-6447-5823  
 Scheduled date of Annual General Meeting of Shareholders: March 26, 2021  
 Scheduled date of commencing dividend payments: March 29, 2021  
 Scheduled date of filing annual securities report: March 26, 2021  
 Availability of supplementary briefing material on annual financial results: Yes  
 Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2020 (January 1, 2020 to December 31, 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	%
Fiscal year ended December 31, 2020	161,507	(3.4)	7,212	15.9	7,789	6.4	5,275	28.2
December 31, 2019	167,237	3.2	6,225	21.8	7,319	5.9	4,114	(12.3)

(Note) Comprehensive income: Fiscal year ended December 31, 2020: ¥ 1,839million [ (65.5)%]  
 Fiscal year ended December 31, 2019: ¥ 5,339million [ 605.7%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2020	90.32	-	6.9	5.3	4.5
December 31, 2019	70.46	-	5.5	5.0	3.7

(Note) Equity in earnings of affiliates: Fiscal year ended December 31, 2020: ¥ 314million  
 Fiscal year ended December 31, 2019: ¥ 741million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2020	145,272	81,421	52.6	1,307.13
December 31, 2019	148,292	81,439	51.7	1,313.31

(Note) Equity: As of December 31, 2020: ¥ 76,360million  
 As of December 31, 2019: ¥ 76,696million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
December 31, 2020	10,599	(7,010)	(980)	11,678
December 31, 2019	9,819	(5,106)	(3,821)	9,361

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
December 31, 2019	-	15.00	-	15.00	30.00	1,751	42.6	2.3
December 31, 2020	-	15.00	-	15.00	30.00	1,752	33.2	2.3
Fiscal year ending December 31, 2021(Forecast)	-	15.00	-	15.00	30.00		27.4	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2021 (January 1, 2021 to December 31, 2021) (% 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, 2021	82,400	3.7	3,200	0.6	3,800	47.1	2,600	73.6	44.50
Full year	170,000	5.3	8,000	10.9	9,200	18.1	6,400	21.3	109.53

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review  
(changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) 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
- (3) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):
    - December 31, 2020: 62,601,161 shares
    - December 31, 2019: 62,601,161 shares
  - 2) Total number of treasury shares at the end of the period:
    - December 31, 2020: 4,182,625 shares
    - December 31, 2019: 4,202,237 shares
  - 3) Average number of shares during the period:
    - Fiscal Year ended December 31, 2020: 58,412,754 shares
    - Fiscal Year ended December 31, 2019: 58,399,069 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2020 (January 1, 2020 to December 31, 2020)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2020	61,201	(6.6)	761	(32.9)	2,852	(14.3)	2,752	2.1
December 31, 2019	65,521	(3.5)	1,134	(29.0)	3,326	(14.3)	2,696	(12.7)

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2020	47.12	-
December 31, 2019	46.17	-

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
December 31, 2020	92,244	56,530	61.3	967.68
December 31, 2019	95,136	57,206	60.1	979.58

(Note) Equity: As of December 31, 2020: ¥ 56,530million  
As of December 31, 2019: ¥ 57,206million

\*This consolidated financial results are not subject to audit 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 February 12, 2021 and will be uploaded on the Company's website.

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Million yen)

	As of December 31,2019	As of December 31,2020
<b>Assets</b>		
Current assets		
Cash and deposits	10,122	12,427
Notes and accounts receivable - trade	45,828	43,083
Merchandise and finished goods	11,480	10,462
Work in process	1,178	1,119
Raw materials and supplies	9,024	9,602
Other	1,943	1,542
Allowance for doubtful accounts	(513)	(596)
Total current assets	79,064	77,640
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,439	16,134
Machinery, equipment and vehicles, net	10,455	9,282
Land	8,831	8,847
Leased assets, net	445	414
Construction in progress	1,683	3,514
Other, net	2,317	2,144
Total property, plant and equipment	41,173	40,338
Intangible assets		
Goodwill	738	501
Other	344	206
Total intangible assets	1,083	707
Investments and other assets		
Investment securities	25,311	25,176
Long-term loans receivable	57	46
Retirement benefit asset	167	221
Deferred tax assets	339	347
Other	1,628	1,208
Allowance for doubtful accounts	(533)	(414)
Total investments and other assets	26,970	26,586
Total non-current assets	69,227	67,632
<b>Total assets</b>	<b>148,292</b>	<b>145,272</b>

(Million yen)

	As of December 31,2019	As of December 31,2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	17,632	16,376
Electronically recorded obligations - operating	13,008	11,309
Short-term loans payable	6,010	4,533
Current portion of long-term loans payable	2,159	2,771
Lease obligations	249	215
Accrued expenses	3,639	3,563
Income taxes payable	566	614
Provision for bonuses	527	555
Other	2,521	2,375
Total current liabilities	46,317	42,315
Non-current liabilities		
Long-term loans payable	8,059	9,754
Lease obligations	505	455
Deferred tax liabilities	4,503	3,315
Retirement benefit liability	4,769	4,940
Asset retirement obligations	70	71
Other	2,627	2,996
Total non-current liabilities	20,535	21,535
<b>Total liabilities</b>	<b>66,852</b>	<b>63,850</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,672	5,672
Retained earnings	70,396	73,918
Treasury shares	(4,047)	(4,027)
Total shareholders' equity	79,494	83,035
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,329	1,652
Deferred gains or losses on hedges	0	(0)
Foreign currency translation adjustment	(5,050)	(7,281)
Remeasurements of defined benefit plans	(1,078)	(1,045)
Total accumulated other comprehensive income	(2,798)	(6,674)
Non-controlling interests	4,743	5,060
<b>Total net assets</b>	<b>81,439</b>	<b>81,421</b>
<b>Total liabilities and net assets</b>	<b>148,292</b>	<b>145,272</b>

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

	For the fiscal year ended December 31,2019	For the fiscal year ended December 31,2020
Net sales	167,237	161,507
Cost of sales	131,507	126,049
Gross profit	35,730	35,458
Selling, general and administrative expenses	29,504	28,245
Operating income	6,225	7,212
Non-operating income		
Interest income	78	89
Dividend income	330	337
Real estate rent	194	188
Equity in earnings of affiliates	741	314
Other	349	242
Total non-operating income	1,693	1,172
Non-operating expenses		
Interest expenses	305	267
Foreign exchange losses	109	157
Other	186	171
Total non-operating expenses	600	596
Ordinary income	7,319	7,789
Extraordinary income		
Gain on sales of property, plant and equipment	-	83
Gain on sales of investment securities	211	3
Subsidy income	100	100
Total extraordinary income	311	187
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	216	218
Total extraordinary losses	448	221
Income before income taxes	7,181	7,755
Income taxes - current	2,039	2,245
Income taxes - deferred	387	(396)
Total income taxes	2,427	1,849
Net income	4,754	5,906
Net income attributable to non-controlling interests	639	630
Net income attributable to owners of parent	4,114	5,275

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended December 31,2019	For the fiscal year ended December 31,2020
Net income	4,754	5,906
Other comprehensive income		
Valuation difference on available-for-sale securities	647	(1,712)
Foreign currency translation adjustment	(307)	(1,893)
Remeasurements of defined benefit plans, net of tax	287	32
Share of other comprehensive income of affiliates accounted for using equity method	(42)	(492)
Total other comprehensive income	584	(4,066)
Comprehensive income	5,339	1,839
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,680	1,399
Comprehensive income attributable to non-controlling interests	658	439

Consolidated Statements of Changes in Net Assets  
For the fiscal year ended December 31, 2019

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,472	5,672	68,430	(4,047)	77,528
Changes of items during the period					
Dividends of surplus			(1,751)		(1,751)
Net income attributable to owners of parent			4,114		4,114
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation in affiliates accounted for using equity method			(396)		(396)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,966	(0)	1,966
Balance at end of current period	7,472	5,672	70,396	(4,047)	79,494

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,713	4	(4,549)	(1,389)	(3,220)	3,090	77,397
Changes of items during the period							
Dividends of surplus							(1,751)
Net income attributable to owners of parent							4,114
Purchase of treasury shares							(0)
Change of scope of consolidation in affiliates accounted for using equity method							(396)
Net changes of items other than shareholders' equity	615	(4)	(500)	311	421	1,653	2,075
Total changes of items during period	615	(4)	(500)	311	421	1,653	4,041
Balance at end of current period	3,329	0	(5,050)	(1,078)	(2,798)	4,743	81,439



For the fiscal year ended December 31,2020

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,472	5,672	70,396	(4,047)	79,494
Changes of items during the period					
Dividends of surplus			(1,752)		(1,752)
Net income attributable to owners of parent			5,275		5,275
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		(2)		19	17
Transfer to capital surplus from retained earnings		2	(2)		
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(0)	3,521	19	3,540
Balance at end of current period	7,472	5,672	73,918	(4,027)	83,035

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	3,329	0	(5,050)	(1,078)	(2,798)	4,743	81,439
Changes of items during the period							
Dividends of surplus							(1,752)
Net income attributable to owners of parent							5,275
Purchase of treasury shares							(0)
Disposal of treasury shares							17
Transfer to capital surplus from retained earnings							
Net changes of items other than shareholders' equity	(1,676)	(0)	(2,231)	33	(3,876)	317	(3,558)
Total changes of items during period	(1,676)	(0)	(2,231)	33	(3,876)	317	(18)
Balance at end of current period	1,652	(0)	(7,281)	(1,045)	(6,674)	5,060	81,421

## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended December 31,2019	For the fiscal year ended December 31,2020
<b>Cash flows from operating activities</b>		
Income before income taxes	7,181	7,755
Depreciation and amortzation	4,340	4,349
Impairment loss	190	-
Amortization of goodwill	108	83
Increase (decrease) in allowance for doubtful accounts	267	(18)
Increase (decrease) in retirement benefit liability	179	179
Increase (decrease) in provision for bonuses	(25)	29
Interest and dividend income	(408)	(427)
Interest expenses	305	267
Equity in (earnings) losses of affiliates	(741)	(314)
Loss (gain) on sales of property, plant and equipment	-	(83)
Loss on retirement of property, plant and equipment	39	-
Loss (gain) on sales of investment securities	(211)	(3)
Loss (gain) on valuation of investment securities	2	3
Subsidy income	(100)	(100)
Expense on restructuring of organization	216	218
Decrease (increase) in notes and accounts receivable - trade	1,611	1,791
Decrease (increase) in inventories	(469)	(342)
Increase (decrease) in notes and accounts payable - trade including electronically recorded obligations - operating	(1,884)	(2,396)
Other, net	71	1,224
Subtotal	10,675	12,214
Interest and dividend income received	707	739
Interest expenses paid	(305)	(264)
Proceeds from subsidy income	100	100
Income taxes paid	(1,358)	(2,190)
Net cash provided by (used in) operating activities	9,819	10,599
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,095)	(4,318)
Proceeds from sales of property, plant and equipment	21	293
Purchase of investment securities	(130)	(2,887)
Proceeds from sales of investment securities	480	15
Payments of loans receivable	(54)	(38)
Collection of loans receivable	44	48
Other, net	(373)	(121)
Net cash provided by (used in) investing activities	(5,106)	(7,010)

(Million yen)

	For the fiscal year ended December 31,2019	For the fiscal year ended December 31,2020
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(3,137)	(1,282)
Proceeds from long-term loans payable	3,097	4,907
Repayments of long-term loans payable	(1,521)	(2,473)
Cash dividends paid	(1,751)	(1,752)
Dividends paid to non-controlling interests	(167)	(239)
Proceeds from share issuance to non-controlling shareholders	-	117
Other, net	(340)	(256)
Net cash provided by (used in) financing activities	(3,821)	(980)
Effect of exchange rate change on cash and cash equivalents	254	(292)
Net increase (decrease) in cash and cash equivalents	1,146	2,317
Cash and cash equivalents at beginning of period	6,788	9,361
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	1,426	-
Cash and cash equivalents at end of period	9,361	11,678