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SAKATA INX
Visual Communication Technology



Consolidated Financial Results for the Three Months Ended March 31, 2021 [Japanese GAAP]

May 14, 2021

Company name: SAKATA INX CORPORATION
 Stock exchange listing: Tokyo
 Code number: 4633
 URL: <http://www.inx.co.jp/>
 Representative: Yoshiaki Ueno Representative Director, President & CEO
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 Scheduled date of filing quarterly securities report: May 14, 2021
 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, 2021 (January 1, 2021 to March 31, 2021)

(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, 2021	43,223	4.7	2,772	45.3	2,849	154.8	1,833	180.2
March 31, 2020	41,269	0.2	1,908	20.1	1,118	(40.4)	654	(40.2)

(Note) Comprehensive income: Three months ended March 31, 2021: ¥ 6,198million [-%]
 Three months ended March 31, 2020: ¥ (2,344)million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2021	31.39	-
March 31, 2020	11.21	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2021	153,065	86,842	53.1	1,392.04
December 31, 2020	145,272	81,421	52.6	1,307.13

(Note) Equity: As of March 31, 2021: ¥ 81,321million
 As of December 31, 2020: ¥ 76,360million

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, 2020	-	15.00	-	15.00	30.00
Fiscal year ending December 31, 2021	-	-	-	-	-
Fiscal year ending December 31, 2021(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, 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

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

* Notes:

- (1) Changes in significant subsidiaries during the three months ended March 31, 2021
(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, 2021: | 62,601,161shares |
| December 31, 2020: | 62,601,161shares |
| 2) Total number of treasury shares at the end of the period: | |
| March 31, 2021: | 4,182,725shares |
| December 31, 2020: | 4,182,625shares |
| 3) Average number of shares during the period: | |
| Three months ended March 31, 2021: | 58,418,461shares |
| Three months ended March 31, 2020: | 58,398,908shares |

*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 14, 2021 and will be uploaded on the Company's website.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31,2020	As of March 31,2021
Assets		
Current assets		
Cash and deposits	12,427	11,683
Notes and accounts receivable - trade	43,083	46,055
Merchandise and finished goods	10,462	11,103
Work in process	1,119	1,198
Raw materials and supplies	9,602	11,543
Other	1,542	1,946
Allowance for doubtful accounts	(596)	(598)
Total current assets	77,640	82,932
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,134	16,860
Machinery, equipment and vehicles, net	9,282	9,837
Land	8,847	9,268
Leased assets, net	414	370
Construction in progress	3,514	4,525
Other, net	2,144	2,241
Total property, plant and equipment	40,338	43,104
Intangible assets		
Goodwill	501	489
Other	206	377
Total intangible assets	707	866
Investments and other assets		
Investment securities	25,176	24,733
Other	1,824	1,874
Allowance for doubtful accounts	(414)	(447)
Total investments and other assets	26,586	26,161
Total non-current assets	67,632	70,132
Total assets	145,272	153,065

	As of December 31,2020	As of March 31,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	16,376	18,974
Electronically recorded obligations - operating	11,309	9,653
Short-term loans payable	4,533	3,484
Current portion of long-term loans payable	2,771	2,651
Accrued expenses	3,563	3,819
Income taxes payable	614	829
Provision for bonuses	555	953
Other	2,590	2,716
Total current liabilities	42,315	43,080
Non-current liabilities		
Bonds payable	-	1,000
Long-term loans payable	9,754	9,777
Retirement benefit liability	4,940	4,945
Asset retirement obligations	71	72
Other	6,768	7,347
Total non-current liabilities	21,535	23,142
Total liabilities	63,850	66,222
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,672	5,672
Retained earnings	73,918	74,743
Treasury shares	(4,027)	(4,028)
Total shareholders' equity	83,035	83,860
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,652	2,177
Deferred gains or losses on hedges	(0)	(1)
Foreign currency translation adjustment	(7,281)	(3,699)
Remeasurements of defined benefit plans	(1,045)	(1,016)
Total accumulated other comprehensive income	(6,674)	(2,539)
Non-controlling interests	5,060	5,521
Total net assets	81,421	86,842
Total liabilities and net assets	145,272	153,065

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 31,2020	For the three months ended March 31,2021
Net sales	41,269	43,223
Cost of sales	32,027	33,131
Gross profit	9,242	10,092
Selling, general and administrative expenses	7,334	7,319
Operating income	1,908	2,772
Non-operating income		
Interest income	21	18
Dividend income	110	110
Equity in earnings of affiliates	20	305
Other	113	107
Total non-operating income	266	541
Non-operating expenses		
Interest expenses	65	49
Foreign exchange losses	969	382
Other	22	32
Total non-operating expenses	1,057	464
Ordinary income	1,118	2,849
Extraordinary losses		
Loss on sales of property, plant and equipment	-	22
Loss on valuation of investment securities	3	-
Expense on restructuring of organization	53	-
Total extraordinary losses	56	22
Income before income taxes	1,061	2,827
Income taxes - current	582	790
Income taxes - deferred	(202)	28
Total income taxes	379	819
Net income	681	2,007
Net income attributable to non-controlling interests	27	174
Net income attributable to owners of parent	654	1,833

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

(Million yen)

	For the three months ended March 31,2020	For the three months ended March 31,2021
Net income	681	2,007
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,547)	465
Deferred gains or losses on hedges	-	(0)
Foreign currency translation adjustment	(1,035)	2,714
Remeasurements of defined benefit plans, net of tax	16	29
Share of other comprehensive income of affiliates accounted for using equity method	(459)	983
Total other comprehensive income	(3,025)	4,191
Comprehensive income	(2,344)	6,198
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,222)	5,738
Comprehensive income attributable to non-controlling interests	(121)	460