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Consolidated Financial Results for the Three Months Ended March 31, 2018 [Japanese GAAP]

May 14, 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: May 14, 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 Three Months Ended March 31, 2018 (January 1, 2018 to March 31, 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	%
Three months ended March 31, 2018	38,792	0.3	1,406	(45.0)	2,002	(36.1)	1,512	(46.8)
March 31, 2017	38,686	2.8	2,560	0.2	3,132	(2.0)	2,841	29.3

(Note) Comprehensive income: Three months ended March 31, 2018: ¥ (1,118) million [-%]
 Three months ended March 31, 2017: ¥ 1,132 million [-%]

	Basic earnings per share	Diluted earnings per share
Three months ended March 31, 2018	Yen 25.90	Yen -
March 31, 2017	47.80	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of March 31, 2018	Million yen 142,201	Million yen 76,622	% 51.7	Yen 1,259.74
December 31, 2017	145,489	78,766	52.0	1,295.39

(Note) Equity: As of March 31, 2018: ¥ 73,568 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	-	-	-	-	-
Fiscal year ending December 31, 2018(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, 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
Six months ended June 30, 2018	80,400	4.0	3,300	(27.6)	4,300	(27.4)	3,000	(35.2)	51.37
Full year	164,500	4.6	7,500	(12.5)	9,500	(15.6)	6,600	(21.3)	113.01

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

* Notes:

- (1) Changes in significant subsidiaries during the three months ended March 31, 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):
 - March 31, 2018: 62,601,161 shares
 - December 31, 2017: 62,601,161 shares
 - 2) Total number of treasury shares at the end of the period:
 - March 31, 2018: 4,201,582 shares
 - December 31, 2017: 4,201,482 shares
 - 3) Average number of shares during the period:
 - Three months ended March 31, 2018: 58,399,617 shares
 - Three months ended March 31, 2017: 59,453,900 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 May 14, 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 March 31,2018
Assets		
Current assets		
Cash and deposits	10,002	6,543
Notes and accounts receivable - trade	45,098	44,889
Merchandise and finished goods	9,898	9,569
Work in process	1,096	1,067
Raw materials and supplies	7,642	8,065
Other	2,856	2,781
Allowance for doubtful accounts	(395)	(407)
Total current assets	76,199	72,510
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,823	16,712
Machinery, equipment and vehicles, net	9,472	10,424
Land	8,786	8,731
Leased assets, net	619	669
Construction in progress	918	979
Other, net	411	378
Total property, plant and equipment	37,032	37,896
Intangible assets	851	755
Investments and other assets		
Investment securities	29,207	28,408
Other	2,662	3,094
Allowance for doubtful accounts	(463)	(462)
Total investments and other assets	31,405	31,039
Total non-current assets	69,290	69,691
Total assets	145,489	142,201
Liabilities		
Current liabilities		
Notes and accounts payable - trade	29,332	29,666
Short-term loans payable	5,343	5,373
Current portion of long-term loans payable	4,188	3,496
Accrued expenses	3,623	3,053
Income taxes payable	993	421
Provision for bonuses	647	1,170
Other	3,839	3,917
Total current liabilities	47,968	47,099
Non-current liabilities		
Long-term loans payable	6,157	6,135
Net defined benefit liability	5,026	4,971
Asset retirement obligations	71	71
Other	7,499	7,301
Total non-current liabilities	18,754	18,479
Total liabilities	66,723	65,579

(Million yen)

	As of December 31,2017	As of March 31,2018
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,672	5,672
Retained earnings	65,638	66,125
Treasury shares	(4,046)	(4,046)
Total shareholders' equity	74,737	75,224
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,957	4,676
Deferred gains or losses on hedges	2	5
Foreign currency translation adjustment	(2,611)	(4,941)
Remeasurements of defined benefit plans	(1,434)	(1,396)
Total accumulated other comprehensive income	912	(1,656)
Non-controlling interests	3,116	3,053
Total net assets	78,766	76,622
Total liabilities and net assets	145,489	142,201

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 31,2017	For the three months ended March 31,2018
Net sales	38,686	38,792
Cost of sales	29,219	30,464
Gross profit	9,467	8,328
Selling, general and administrative expenses	6,907	6,921
Operating income	2,560	1,406
Non-operating income		
Interest income	17	14
Dividend income	5	100
Equity in earnings of affiliates	474	458
Other	140	116
Total non-operating income	637	689
Non-operating expenses		
Interest expenses	60	54
Other	5	39
Total non-operating expenses	65	94
Ordinary income	3,132	2,002
Extraordinary income		
Gain on sales of investment securities	1,109	-
Insurance income	-	86
Total extraordinary income	1,109	86
Extraordinary losses		
Loss on disaster	131	-
Loss on retirement of property, plant and equipment	-	7
Total extraordinary losses	131	7
Net income before income taxes	4,110	2,081
Income taxes - current	1,188	533
Income taxes - deferred	(72)	(62)
Total income taxes	1,116	471
Net income	2,993	1,610
Net income attributable to non-controlling interests	151	98
Net income attributable to owners of parent	2,841	1,512

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

(Million yen)

	For the three months ended March 31,2017	For the three months ended March 31,2018
Net income	2,993	1,610
Other comprehensive income		
Valuation difference on available-for-sale securities	(624)	(258)
Deferred gains or losses on hedges	1	0
Foreign currency translation adjustment	(1,038)	(1,929)
Remeasurements of defined benefit plans, net of tax	48	34
Share of other comprehensive income of affiliates accounted for using equity method	(247)	(576)
Total other comprehensive income	(1,861)	(2,729)
Comprehensive income	1,132	(1,118)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,087	(1,056)
Comprehensive income attributable to non-controlling interests	45	(62)