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## Consolidated Financial Results for the Six Months Ended June 30, 2018 [Japanese GAAP]

August 10, 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  
 Contact: Daisuke Sugahara General Manager, Finance & Accounting Div.  
 Phone: +81-6-6447-5823  
 Scheduled date of filing quarterly securities report: August 10, 2018  
 Scheduled date of commencing dividend payments: September 07, 2018  
 Availability of supplementary briefing material on quarterly financial results: Yes  
 Schedule of quarterly financial results briefing session: Yes

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

### 1. Consolidated Financial Results for the Six Months Ended June 30, 2018 (January 1, 2018 to June 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	%
Six months ended June 30, 2018	78,938	2.2	2,680	(41.2)	3,540	(40.2)	2,609	(43.6)
June 30, 2017	77,272	2.6	4,558	(7.9)	5,923	(1.3)	4,630	12.4

(Note) Comprehensive income: Six months ended June 30, 2018: ¥ 106 million [ (97.2)%]  
 Six months ended June 30, 2017: ¥ 3,800 million [ -%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2018	44.68	-
June 30, 2017	78.47	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
June 30, 2018	145,382	77,624	51.4	1,279.24
December 31, 2017	145,489	78,766	52.0	1,295.39

(Note) Equity: As of June 30, 2018: ¥ 74,706 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
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2017	-	14.00	-	16.00	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	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 six months ended June 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):
    - June 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:
    - June 30, 2018: 4,201,632 shares
    - December 31, 2017: 4,201,482 shares
  - 3) Average number of shares during the period:
    - Six months ended June 30, 2018: 58,399,579 shares
    - Six months ended June 30, 2017: 59,002,150 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 August 10, 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 June 30,2018
<b>Assets</b>		
Current assets		
Cash and deposits	10,002	6,649
Notes and accounts receivable - trade	45,098	46,071
Merchandise and finished goods	9,898	9,921
Work in process	1,096	1,143
Raw materials and supplies	7,642	8,845
Other	2,856	3,244
Allowance for doubtful accounts	(395)	(422)
Total current assets	76,199	75,453
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	16,823	17,217
Machinery, equipment and vehicles, net	9,472	10,334
Land	8,786	8,743
Leased assets, net	619	687
Construction in progress	918	1,145
Other, net	411	404
Total property, plant and equipment	37,032	38,533
Intangible assets	851	723
Investments and other assets		
Investment securities	29,207	27,833
Other	2,662	3,283
Allowance for doubtful accounts	(463)	(444)
Total investments and other assets	31,405	30,671
Total non-current assets	69,290	69,929
<b>Total assets</b>	<b>145,489</b>	<b>145,382</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	29,332	19,542
Electronically recorded obligations - operating	-	11,141
Short-term loans payable	5,343	7,360
Current portion of long-term loans payable	4,188	3,211
Accrued expenses	3,623	3,034
Income taxes payable	993	421
Provision for bonuses	647	641
Other	3,839	4,394
Total current liabilities	47,968	49,746
Non-current liabilities		
Long-term loans payable	6,157	5,813
Net defined benefit liability	5,026	4,938
Asset retirement obligations	71	72
Other	7,499	7,188
Total non-current liabilities	18,754	18,012
<b>Total liabilities</b>	<b>66,723</b>	<b>67,758</b>

(Million yen)

	As of December 31,2017	As of June 30,2018
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,672	5,672
Retained earnings	65,638	67,222
Treasury shares	(4,046)	(4,046)
Total shareholders' equity	74,737	76,321
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,957	4,026
Deferred gains or losses on hedges	2	2
Foreign currency translation adjustment	(2,611)	(4,277)
Remeasurements of defined benefit plans	(1,434)	(1,366)
Total accumulated other comprehensive income	912	(1,614)
Non-controlling interests	3,116	2,917
Total net assets	78,766	77,624
Total liabilities and net assets	145,489	145,382

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the six months)

(Million yen)

	For the six months ended June 30,2017	For the six months ended June 30,2018
Net sales	77,272	78,938
Cost of sales	58,705	62,293
Gross profit	18,567	16,645
Selling, general and administrative expenses	14,009	13,964
Operating income	4,558	2,680
Non-operating income		
Interest income	35	29
Dividend income	158	160
Equity in earnings of affiliates	863	826
Other	468	243
Total non-operating income	1,525	1,259
Non-operating expenses		
Interest expenses	129	119
Foreign exchange losses	-	212
Other	31	68
Total non-operating expenses	161	399
Ordinary income	5,923	3,540
Extraordinary income		
Gain on sales of investment securities	1,117	-
Insurance income	-	185
Total extraordinary income	1,117	185
Extraordinary losses		
Loss on disaster	174	-
Loss on retirement of property, plant and equipment	-	56
Plant transfer expenses	71	-
Total extraordinary losses	246	56
Income before income taxes	6,794	3,669
Income taxes - current	1,869	822
Income taxes - deferred	55	118
Total income taxes	1,924	941
Net income	4,869	2,728
Net income attributable to non-controlling interests	239	118
Net income attributable to owners of parent	4,630	2,609

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

(Million yen)

	For the six months ended June 30,2017	For the six months ended June 30,2018
Net income	4,869	2,728
Other comprehensive income		
Valuation difference on available-for-sale securities	(52)	(874)
Deferred gains or losses on hedges	0	0
Foreign currency translation adjustment	(899)	(1,294)
Remeasurements of defined benefit plans, net of tax	73	63
Share of other comprehensive income of affiliates accounted for using equity method	(191)	(516)
Total other comprehensive income	(1,069)	(2,621)
Comprehensive income	3,800	106
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,658	82
Comprehensive income attributable to non-controlling interests	141	24

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended June 30,2017	For the six months ended June 30,2018
<b>Cash flows from operating activities</b>		
Income before income taxes	6,794	3,669
Depreciation and amortization	1,794	1,956
Increase (decrease) in allowance for doubtful accounts	142	28
Increase (decrease) in net defined benefit liability	83	92
Increase (decrease) in provision for bonuses	(10)	(3)
Interest and dividend income	(194)	(189)
Interest expenses	129	119
Equity in (earnings) losses of affiliates	(863)	(826)
Loss on retirement of property, plant and equipment	-	56
Loss (gain) on sales of investment securities	(1,117)	-
Insurance income	-	(185)
Loss on disaster	174	-
Plant transfer expenses	71	-
Decrease (increase) in notes and accounts receivable - trade	(70)	(1,625)
Decrease (increase) in inventories	(1,739)	(1,687)
Increase (decrease) in notes and accounts payable - trade including electronically recorded obligations - operating	(570)	1,646
Other, net	(513)	(789)
Subtotal	4,110	2,260
Interest and dividend income received	325	336
Interest expenses paid	(133)	(125)
Proceeds from insurance income	-	53
Proceeds from subsidy income	50	-
Income taxes paid	(1,624)	(1,608)
Net cash provided by (used in) operating activities	2,728	916
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,849)	(3,083)
Proceeds from sales of property, plant and equipment	10	10
Purchase of investment securities	(94)	(178)
Proceeds from sales of investment securities	1,956	1
Payments of loans receivable	(17)	(128)
Collection of loans receivable	22	18
Other, net	(603)	(189)
Net cash provided by (used in) investing activities	(575)	(3,549)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	608	2,046
Proceeds from long-term loans payable	3,055	600
Repayments of long-term loans payable	(4,517)	(1,764)
Purchase of treasury shares	(3,402)	(0)
Cash dividends paid	(907)	(934)
Dividends paid to non-controlling interests	(292)	(223)
Other, net	(150)	(136)
Net cash provided by (used in) financing activities	(5,606)	(411)
Effect of exchange rate change on cash and cash equivalents	(194)	(241)
Net increase (decrease) in cash and cash equivalents	(3,647)	(3,285)
Cash and cash equivalents at beginning of period	9,297	9,351
Cash and cash equivalents at end of period	5,649	6,065