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Consolidated Financial Results for the Three Months Ended March 31, 2020 [Japanese GAAP]

May 26, 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
 Contact: Daisuke Sugahara General Manager, Finance & Accounting Div.
 Phone: +81-6-6447-5823
 Scheduled date of filing quarterly securities report: May 26, 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 Three Months Ended March 31, 2020 (January 1, 2020 to March 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	%
Three months ended March 31, 2020	41,269	0.2	1,908	20.1	1,118	(40.4)	654	(40.2)
March 31, 2019	41,189	6.2	1,589	13.0	1,874	(6.4)	1,094	(27.6)

(Note) Comprehensive income: Three months ended March 31, 2020: ¥ (2,344) million [-%]
 Three months ended March 31, 2019: ¥ 2,203 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2020	11.21	-
March 31, 2019	18.75	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2020	146,096	78,219	50.4	1,260.26
December 31, 2019	148,292	81,439	51.7	1,313.31

(Note) Equity: As of March 31, 2020: ¥ 73,597 million
 As of December 31, 2019: ¥ 76,696 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, 2019	-	15.00	-	15.00	30.00
Fiscal year ending December 31, 2020	-	-	-	-	-
Fiscal year ending December 31, 2020 (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, 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
Six months ended June 30, 2020	83,600	0.5	3,100	1.6	3,600	(3.2)	2,300	(3.6)	39.38
Full year	171,000	2.2	7,500	20.5	8,800	20.2	5,800	40.9	99.32

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended March 31, 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):	
March 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:	
March 31, 2020:	4,202,300 shares
December 31, 2019:	4,202,237 shares
3) Average number of shares during the period:	
Three months ended March 31, 2020:	58,398,908 shares
Three months ended March 31, 2019:	58,399,196 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 May 26, 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 March 31,2020
Assets		
Current assets		
Cash and deposits	10,122	13,039
Notes and accounts receivable - trade	45,828	44,001
Merchandise and finished goods	11,480	11,167
Work in process	1,178	1,222
Raw materials and supplies	9,024	9,853
Other	1,943	1,996
Allowance for doubtful accounts	(513)	(509)
Total current assets	79,064	80,771
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,439	17,029
Machinery, equipment and vehicles, net	10,455	10,077
Land	8,831	8,787
Leased assets, net	445	410
Construction in progress	1,683	1,853
Other, net	2,317	2,245
Total property, plant and equipment	41,173	40,404
Intangible assets		
Goodwill	738	547
Other	344	279
Total intangible assets	1,083	826
Investments and other assets		
Investment securities	25,311	22,514
Other	2,193	2,184
Allowance for doubtful accounts	(533)	(604)
Total investments and other assets	26,970	24,094
Total non-current assets	69,227	65,325
Total assets	148,292	146,096

(Million yen)

	As of December 31,2019	As of March 31,2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	17,632	18,100
Electronically recorded obligations - operating	13,008	10,473
Short-term loans payable	6,010	8,901
Current portion of long-term loans payable	2,159	3,369
Accrued expenses	3,639	3,075
Income taxes payable	566	573
Provision for bonuses	527	976
Other	2,771	2,421
Total current liabilities	46,317	47,891
Non-current liabilities		
Long-term loans payable	8,059	8,541
Retirement benefit liability	4,769	4,785
Asset retirement obligations	70	70
Other	7,635	6,587
Total non-current liabilities	20,535	19,985
Total liabilities	66,852	67,876
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,672	5,672
Retained earnings	70,396	70,175
Treasury shares	(4,047)	(4,047)
Total shareholders' equity	79,494	79,273
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,329	1,751
Deferred gains or losses on hedges	0	6
Foreign currency translation adjustment	(5,050)	(6,366)
Remeasurements of defined benefit plans	(1,078)	(1,066)
Total accumulated other comprehensive income	(2,798)	(5,675)
Non-controlling interests	4,743	4,621
Total net assets	81,439	78,219
Total liabilities and net assets	148,292	146,096

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 31,2019	For the three months ended March 31,2020
Net sales	41,189	41,269
Cost of sales	32,418	32,027
Gross profit	8,771	9,242
Selling, general and administrative expenses	7,181	7,334
Operating income	1,589	1,908
Non-operating income		
Interest income	12	21
Dividend income	110	110
Equity in earnings of affiliates	236	20
Other	120	113
Total non-operating income	479	266
Non-operating expenses		
Interest expenses	78	65
Foreign exchange losses	90	969
Other	25	22
Total non-operating expenses	193	1,057
Ordinary income	1,874	1,118
Extraordinary income		
Gain on sales of investment securities	47	-
Total extraordinary income	47	-
Extraordinary losses		
Impairment loss	190	-
Loss on valuation of investment securities	2	3
Expense on restructuring of organization	-	53
Total extraordinary losses	192	56
Income before income taxes	1,729	1,061
Income taxes - current	583	582
Income taxes - deferred	(125)	(202)
Total income taxes	457	379
Net income	1,271	681
Net income attributable to non-controlling interests	177	27
Net income attributable to owners of parent	1,094	654

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

(Million yen)

	For the three months ended March 31,2019	For the three months ended March 31,2020
Net income	1,271	681
Other comprehensive income		
Valuation difference on available-for-sale securities	427	(1,547)
Foreign currency translation adjustment	343	(1,035)
Remeasurements of defined benefit plans, net of tax	38	16
Share of other comprehensive income of affiliates accounted for using equity method	121	(459)
Total other comprehensive income	931	(3,025)
Comprehensive income	2,203	(2,344)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,981	(2,222)
Comprehensive income attributable to non-controlling interests	221	(121)