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## Consolidated Financial Results for the Six Months Ended June 30, 2020 [Japanese GAAP]

August 7, 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: August 7, 2020  
 Scheduled date of commencing dividend payments: September 4, 2020  
 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, 2020 (January 1, 2020 to June 30, 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	%
Six months ended June 30, 2020	79,472	(4.4)	3,181	4.3	2,583	(30.5)	1,497	(37.2)
June 30, 2019	83,167	5.4	3,051	13.9	3,718	5.0	2,386	(8.5)

(Note) Comprehensive income: Six months ended June 30, 2020: ¥ (1,370) million [ -%]  
 Six months ended June 30, 2019: ¥ 1,310 million [ -%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
June 30, 2020	25.65	-
June 30, 2019	40.86	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
June 30, 2020	146,710	79,042	50.7	1,273.28
December 31, 2019	148,292	81,439	51.7	1,313.31

(Note) Equity: As of June 30, 2020: ¥ 74,383 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
Fiscal year ended December 31, 2019	Yen	Yen	Yen	Yen	Yen
Fiscal year ending December 31, 2020	-	15.00	-	15.00	30.00
Fiscal year ending December 31, 2020 (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, 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
Full year	161,800	(3.3)	7,000	12.4	6,700	(8.5)	4,200	2.1	71.91

(Note) Revision to the financial results forecast announced most recently: Yes

\* Notes:

- (1) Changes in significant subsidiaries during the six months ended June 30, 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):
    - June 30, 2020: 62,601,161 shares
    - December 31, 2019: 62,601,161 shares
  - 2) Total number of treasury shares at the end of the period:
    - June 30, 2020: 4,181,969 shares
    - December 31, 2019: 4,202,237 shares
  - 3) Average number of shares during the period:
    - Six months ended June 30, 2020: 58,407,601 shares
    - Six months ended June 30, 2019: 58,399,137 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 August 7, 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 June 30,2020
<b>Assets</b>		
Current assets		
Cash and deposits	10,122	12,966
Notes and accounts receivable - trade	45,828	41,623
Merchandise and finished goods	11,480	11,380
Work in process	1,178	1,223
Raw materials and supplies	9,024	10,792
Other	1,943	1,807
Allowance for doubtful accounts	(513)	(541)
Total current assets	79,064	79,250
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,439	16,726
Machinery, equipment and vehicles, net	10,455	9,927
Land	8,831	8,812
Leased assets, net	445	402
Construction in progress	1,683	1,984
Other, net	2,317	2,225
Total property, plant and equipment	41,173	40,078
Intangible assets		
Goodwill	738	499
Other	344	234
Total intangible assets	1,083	733
Investments and other assets		
Investment securities	25,311	25,091
Other	2,193	2,161
Allowance for doubtful accounts	(533)	(604)
Total investments and other assets	26,970	26,648
Total non-current assets	69,227	67,460
Total assets	148,292	146,710

(Million yen)

	As of December 31,2019	As of June 30,2020
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	17,632	16,349
Electronically recorded obligations - operating	13,008	10,295
Short-term borrowings	6,010	9,409
Current portion of long-term borrowings	2,159	3,021
Accrued expenses	3,639	3,122
Income taxes payable	566	645
Provision for bonuses	527	529
Other	2,771	2,608
Total current liabilities	46,317	45,981
Non-current liabilities		
Long-term borrowings	8,059	9,881
Retirement benefit liability	4,769	4,867
Asset retirement obligations	70	70
Other	7,635	6,867
Total non-current liabilities	20,535	21,686
Total liabilities	66,852	67,668
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,472	7,472
Capital surplus	5,672	5,672
Retained earnings	70,396	71,016
Treasury shares	(4,047)	(4,027)
Total shareholders' equity	79,494	80,134
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,329	1,903
Deferred gains or losses on hedges	0	2
Foreign currency translation adjustment	(5,050)	(6,634)
Remeasurements of defined benefit plans	(1,078)	(1,021)
Total accumulated other comprehensive income	(2,798)	(5,750)
Non-controlling interests	4,743	4,658
Total net assets	81,439	79,042
Total liabilities and net assets	148,292	146,710

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 30,2019	For the six months ended June 30,2020
Net sales	83,167	79,472
Cost of sales	65,545	62,037
Gross profit	17,621	17,434
Selling, general and administrative expenses	14,569	14,252
Operating income	3,051	3,181
Non-operating income		
Interest income	30	45
Dividend income	169	174
Real estate rent	97	95
Equity in earnings of affiliates	449	-
Other	136	115
Total non-operating income	882	431
Non-operating expenses		
Interest expenses	157	130
Equity in losses of affiliates	-	249
Foreign exchange losses	-	616
Other	58	33
Total non-operating expenses	215	1,029
Ordinary income	3,718	2,583
Extraordinary income		
Gain on sales of investment securities	208	-
Total extraordinary income	208	-
Extraordinary losses		
Impairment loss	190	-
Loss on valuation of investment securities	2	3
Expense on restructuring of organization	-	58
Total extraordinary losses	192	61
Income before income taxes	3,733	2,522
Income taxes - current	1,021	936
Income taxes - deferred	10	(109)
Total income taxes	1,032	827
Net income	2,701	1,695
Net income attributable to non-controlling interests	315	197
Net income attributable to owners of parent	2,386	1,497

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

(Million yen)

	For the six months ended June 30,2019	For the six months ended June 30,2020
Net income	2,701	1,695
Other comprehensive income		
Valuation difference on available-for-sale securities	(289)	(1,411)
Deferred gains or losses on hedges	-	(0)
Foreign currency translation adjustment	(865)	(1,321)
Remeasurements of defined benefit plans, net of tax	70	60
Share of other comprehensive income of affiliates accounted for using equity method	(306)	(393)
Total other comprehensive income	(1,391)	(3,066)
Comprehensive income	1,310	(1,370)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,052	(1,453)
Comprehensive income attributable to non-controlling interests	257	82

## Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended June 30,2019	For the six months ended June 30,2020
<b>Cash flows from operating activities</b>		
Income before income taxes	3,733	2,522
Depreciation and amortization	2,154	2,204
Impairment loss	190	-
Amortization of goodwill	56	42
Increase (decrease) in allowance for doubtful accounts	12	116
Increase (decrease) in net defined benefit liability	56	133
Increase (decrease) in provision for bonuses	3	2
Interest and dividend income	(199)	(220)
Interest expenses	157	130
Equity in (earnings) losses of affiliates	(449)	249
Loss (gain) on sales of investment securities	(208)	-
Loss (gain) on valuation of investment securities	2	3
Expense on restructuring of organization	-	58
Decrease (increase) in notes and accounts receivable - trade	175	3,694
Decrease (increase) in inventories	(648)	(2,066)
Increase (decrease) in notes and accounts payable - trade including electronically recorded obligations - operating	(1,529)	(3,715)
Other, net	(38)	(0)
<b>Subtotal</b>	<b>3,467</b>	<b>3,154</b>
Interest and dividend income received	356	384
Interest expenses paid	(161)	(137)
Income taxes paid	(606)	(777)
<b>Net cash provided by (used in) operating activities</b>	<b>3,056</b>	<b>2,623</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,830)	(1,668)
Proceeds from sales of property, plant and equipment	7	0
Purchase of investment securities	(118)	(2,580)
Proceeds from sales of investment securities	467	-
Payments of loans receivable	(25)	(20)
Collection of loans receivable	23	25
Other, net	158	(43)
<b>Net cash provided by (used in) investing activities</b>	<b>(2,317)</b>	<b>(4,286)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(1,741)	3,507
Proceeds from long-term loans payable	2,096	4,040
Repayments of long-term loans payable	(869)	(1,317)
Cash dividends paid	(875)	(875)
Dividends paid to non-controlling interests	(10)	(167)
Other, net	(153)	(122)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,553)</b>	<b>5,064</b>
Effect of exchange rate change on cash and cash equivalents	46	(499)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(767)</b>	<b>2,901</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>6,788</b>	<b>9,361</b>
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	1,426	-
<b>Cash and cash equivalents at end of period</b>	<b>7,447</b>	<b>12,263</b>