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Consolidated Financial Results for the Six Months Ended June 30, 2022 [Japanese GAAP]

August 10, 2022

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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 Phone: +81-6-6447-5823
 Scheduled date of filing quarterly securities report: August 10, 2022
 Scheduled date of commencing dividend payments: September 2, 2022
 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, 2022 (January 1, 2022 to June 30, 2022)

(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, 2022	103,533	16.8	2,028	(59.8)	2,503	(57.2)	2,400	(40.6)
June 30, 2021	88,676	(4.4)	5,045	4.3	5,852	(30.5)	4,039	(37.2)

(Note) Comprehensive income: Six months ended June 30, 2022: ¥ 12,313million [45.5%]
 Six months ended June 30, 2021: ¥ 8,460million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2022	42.84	-
June 30, 2021	69.14	-

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter under review, and each figure for the first quarter of the fiscal year ending June 30, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2022	183,130	95,233	48.4
December 31, 2021	166,899	92,465	51.8

(Note) Equity: As of June 30, 2022: ¥ 88,572million
 As of December 31, 2021: ¥ 86,379million

(Note) The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the first quarter under review, and each figure for the first quarter of the fiscal year ending June 30, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2021	Yen -	Yen 15.00	Yen -	Yen 15.00	Yen 30.00
Fiscal year ending December 31, 2022	-	15.00	-	-	-
Fiscal year ending December 31, 2022 (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, 2022 (January 1, 2022 to December 31, 2022)

(% 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	221,000	21.8	5,000	(32.6)	5,800	(31.8)	4,700	(4.7)	88.24

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

* Notes:

- (1) Changes in significant subsidiaries during the six months ended June 30, 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: | Yes |
| 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, 2022: | 54,172,361shares |
| December 31, 2021: | 62,601,161shares |
| 2) Total number of treasury shares at the end of the period: | |
| June 30, 2022: | 4,143,284shares |
| December 31, 2021: | 4,164,408shares |
| 3) Average number of shares during the period: | |
| Six months ended June 30, 2022: | 56,037,577shares |
| Six months ended June 30, 2021: | 58,426,329shares |

* 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 10, 2022 and will be uploaded on the Company's website.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31,2021	As of June 30,2022
Assets		
Current assets		
Cash and deposits	12,684	10,943
Notes and accounts receivable - trade	49,363	54,963
Merchandise and finished goods	12,802	16,344
Work in process	1,227	1,526
Raw materials and supplies	14,562	18,818
Other	2,785	3,310
Allowance for doubtful accounts	(566)	(626)
Total current assets	92,860	105,279
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,642	20,731
Machinery, equipment and vehicles, net	10,293	11,088
Land	9,396	9,669
Leased assets, net	343	254
Construction in progress	3,055	3,919
Other, net	2,588	4,207
Total property, plant and equipment	45,320	49,870
Intangible assets		
Goodwill	453	515
Other	374	1,351
Total intangible assets	827	1,866
Investments and other assets		
Investment securities	25,698	23,929
Other	3,174	3,253
Allowance for doubtful accounts	(981)	(1,069)
Total investments and other assets	27,890	26,113
Total non-current assets	74,039	77,850
Total assets	166,899	183,130

(Million yen)

	As of December 31,2021	As of June 30,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	23,010	25,494
Electronically recorded obligations - operating	13,234	11,370
Short-term borrowings	5,133	16,622
Current portion of long-term borrowings	5,334	3,738
Accrued expenses	4,156	4,455
Income taxes payable	791	788
Provision for bonuses	612	601
Other	2,983	3,089
Total current liabilities	55,258	66,160
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	5,557	6,691
Retirement benefit liability	4,981	5,025
Asset retirement obligations	73	73
Other	7,563	8,945
Total non-current liabilities	19,176	21,736
Total liabilities	74,434	87,896
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,675	5,672
Retained earnings	76,967	70,325
Treasury shares	(4,010)	(4,015)
Total shareholders' equity	86,104	79,456
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,106	1,122
Deferred gains or losses on hedges	(2)	0
Foreign currency translation adjustment	(1,606)	8,160
Remeasurements of defined benefit plans	(222)	(167)
Total accumulated other comprehensive income	275	9,115
Non-controlling interests	6,085	6,661
Total net assets	92,465	95,233
Total liabilities and net assets	166,899	183,130

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 30,2021	For the six months ended June 30,2022
Net sales	88,676	103,533
Cost of sales	68,928	84,454
Gross profit	19,747	19,078
Selling, general and administrative expenses	14,701	17,050
Operating income	5,045	2,028
Non-operating income		
Interest income	38	25
Dividend income	167	172
Equity in earnings of affiliates	542	331
Other	226	225
Total non-operating income	974	755
Non-operating expenses		
Interest expenses	113	187
Foreign exchange losses	-	62
Other	54	30
Total non-operating expenses	168	280
Ordinary income	5,852	2,503
Extraordinary income		
Gain on sales of investment securities	71	1,442
Total extraordinary income	71	1,442
Extraordinary losses		
Loss on sales of non-current assets	22	-
Total extraordinary losses	22	-
Income before income taxes	5,901	3,945
Income taxes - current	1,340	1,183
Income taxes - deferred	190	247
Total income taxes	1,530	1,431
Net income	4,370	2,514
Net income attributable to non-controlling interests	331	113
Net income attributable to owners of parent	4,039	2,400

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

(Million yen)

	For the six months ended June 30,2021	For the six months ended June 30,2022
Net income	4,370	2,514
Other comprehensive income		
Valuation difference on available-for-sale securities	215	(919)
Deferred gains or losses on hedges	(1)	3
Foreign currency translation adjustment	2,747	8,082
Remeasurements of defined benefit plans, net of tax	86	57
Share of other comprehensive income of affiliates accounted for using equity method	1,041	2,575
Total other comprehensive income	4,089	9,799
Comprehensive income	8,460	12,313
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,869	11,241
Comprehensive income attributable to non-controlling interests	590	1,072

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended June 30,2021	For the six months ended June 30,2022
Cash flows from operating activities		
Income before income taxes	5,901	3,945
Depreciation and amortization	2,148	2,334
Amortization of goodwill	42	51
Increase (decrease) in allowance for doubtful accounts	(56)	8
Increase (decrease) in net defined benefit liability	(8)	(55)
Increase (decrease) in provision for bonuses	(9)	(20)
Interest and dividend income	(205)	(198)
Interest expenses	113	187
Equity in (earnings) losses of affiliates	(542)	(331)
Loss (gain) on sales of non-current assets	22	-
Loss (gain) on sales of investment securities	(71)	(1,442)
Decrease (increase) in notes and accounts receivable - trade	(2,542)	(813)
Decrease (increase) in inventories	(2,023)	(3,585)
Increase (decrease) in notes and accounts payable - trade including electronically recorded obligations - operating	1,734	(2,381)
Other, net	(773)	(34)
Subtotal	3,730	(2,335)
Interest and dividend income received	376	371
Interest expenses paid	(118)	(191)
Income taxes paid	(1,319)	(992)
Net cash provided by (used in) operating activities	2,669	(3,147)
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,435)	(2,407)
Proceeds from sales of property, plant and equipment	163	8
Purchase of intangible assets	(230)	(1,052)
Purchase of investment securities	(10)	(15)
Proceeds from sales of investment securities	154	4,628
Payments of loans receivable	(23)	(16)
Collection of loans receivable	22	29
Other, net	(29)	381
Net cash provided by (used in) investing activities	(2,388)	1,555

(Million yen)

	For the six months ended June 30,2021	For the six months ended June 30,2022
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(649)	10,051
Proceeds from long-term loans payable	1,043	1,581
Repayments of long-term loans payable	(2,011)	(2,553)
Proceeds from issuance of bonds	1,000	-
Proceeds from share issuance to non-controlling shareholders	-	146
Cash dividends paid	(876)	(876)
Dividends paid to non-controlling interests	(79)	(642)
Purchase of treasury shares	-	(8,192)
Other, net	(119)	(114)
Net cash provided by (used in) financing activities	(1,692)	(600)
Effect of exchange rate change on cash and cash equivalents	656	603
Net increase (decrease) in cash and cash equivalents	(755)	(1,589)
Cash and cash equivalents at beginning of period	11,678	12,115
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	429	-
Cash and cash equivalents at end of period	11,352	10,525