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Consolidated Financial Results for the Six Months Ended June 30, 2024 [Japanese GAAP]

August 9, 2024

Company name: SAKATA INX CORPORATION
 Stock exchange listing: Tokyo
 Code number: 4633
 URL: <https://www.inx.co.jp/english/>
 Representative: Yoshiaki Ueno Representative Director, President & CEO
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 Phone: +81-6-6447-5823
 Scheduled date of filing quarterly securities report: August 9, 2024
 Scheduled date of commencing dividend payments: September 6, 2024
 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, 2024 (January 1, 2024 to June 30, 2024)

(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, 2024	121,084	9.9	7,253	42.9	7,146	11.2	5,318	39.5
June 30, 2023	110,181	6.4	5,075	148.0	6,427	156.7	3,812	58.8

(Note) Comprehensive income: Six months ended June 30, 2024: ¥ 15,678million [29.8%]
 Six months ended June 30, 2023: ¥ 12,081million [(1.9)%]

(Note) Because the royalty income which was previously recorded as non-operating income has been included in net sales from the beginning of the FY2024, the figures for six months ended June 30, 2024 and six months ended June 30, 2023 have been prepared after this change.

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2024	106.26	-
June 30, 2023	76.20	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2024	211,276	118,871	53.0
December 31, 2023	194,087	105,651	50.9

(Note) Equity: As of June 30, 2024: ¥ 112,038million
 As of December 31, 2023: ¥ 98,797million

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, 2023	-	15.00	-	20.00	35.00
Fiscal year ending December 31, 2024	-	25.00	-	-	-
Fiscal year ending December 31, 2024 (Forecast)	-	-	-	30.00	55.00

(Note) Revision to the forecast for dividends announced most recently: Yes

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 to December 31, 2024)

(% 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	245,000	7.3	14,000	22.3	13,900	1.9	9,400	25.9	188.61

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended June 30, 2024
(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

(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: Yes

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, 2024: 54,172,361shares

December 31, 2023: 54,172,361shares

2) Total number of treasury shares at the end of the period:

June 30, 2024: 4,227,177shares

December 31, 2023: 4,127,549shares

3) Average number of shares during the period:

Six months ended June 30, 2024: 50,054,775shares

Six months ended June 30, 2023: 50,035,674shares

* 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 9, 2024 and will be uploaded on the Company's website.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31,2023	As of June 30,2024
Assets		
Current assets		
Cash and deposits	17,013	17,088
Notes and accounts receivable - trade	59,401	62,255
Merchandise and finished goods	16,086	17,962
Work in process	1,450	1,475
Raw materials and supplies	14,506	15,336
Other	2,762	4,845
Allowance for doubtful accounts	(663)	(673)
Total current assets	110,557	118,291
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,892	20,593
Machinery, equipment and vehicles, net	10,684	11,000
Land	9,817	10,053
Leased assets, net	256	231
Construction in progress	2,223	4,247
Other, net	4,201	5,744
Total property, plant and equipment	47,075	51,870
Intangible assets		
Goodwill	386	326
Other	3,518	3,650
Total intangible assets	3,904	3,977
Investments and other assets		
Investment securities	30,118	33,588
Other	3,312	4,216
Allowance for doubtful accounts	(880)	(668)
Total investments and other assets	32,549	37,136
Total non-current assets	83,529	92,984
Total assets	194,087	211,276

(Million yen)

	As of December 31,2023	As of June 30,2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,578	26,261
Electronically recorded obligations - operating	14,030	14,283
Short-term borrowings	8,354	7,676
Current portion of long-term borrowings	3,415	3,409
Accrued expenses	5,623	5,875
Income taxes payable	839	778
Provision for bonuses	663	626
Other	3,304	4,328
Total current liabilities	61,811	63,240
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	11,285	11,194
Retirement benefit liability	5,040	5,097
Asset retirement obligations	76	77
Other	9,221	11,794
Total non-current liabilities	26,624	29,164
Total liabilities	88,435	92,404
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,673	5,746
Retained earnings	77,740	82,057
Treasury shares	(3,999)	(4,292)
Total shareholders' equity	86,886	90,984
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,151	2,822
Deferred gains or losses on hedges	2	1
Foreign currency translation adjustment	10,169	18,573
Remeasurements of defined benefit plans	(411)	(342)
Total accumulated other comprehensive income	11,911	21,054
Non-controlling interests	6,853	6,833
Total net assets	105,651	118,871
Total liabilities and net assets	194,087	211,276

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 30,2023	For the six months ended June 30,2024
Net sales	110,181	121,084
Cost of sales	86,757	92,076
Gross profit	23,423	29,007
Selling, general and administrative expenses	18,348	21,753
Operating income	5,075	7,253
Non-operating income		
Interest income	70	155
Dividend income	72	84
Equity in earnings of affiliates	866	417
Foreign exchange gains	535	-
Other	278	274
Total non-operating income	1,824	932
Non-operating expenses		
Interest expenses	395	337
Foreign exchange losses	-	633
Other	77	69
Total non-operating expenses	472	1,040
Ordinary income	6,427	7,146
Extraordinary income		
Gain on sales of investment securities	-	30
Gain on sales of investments in capital of subsidiaries and associates	-	605
Total extraordinary income	-	636
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	280	-
Total extraordinary losses	280	-
Income before income taxes	6,147	7,782
Income taxes - current	1,592	1,655
Income taxes - deferred	296	299
Total income taxes	1,888	1,955
Net income	4,258	5,826
Net income attributable to non-controlling interests	445	507
Net income attributable to owners of parent	3,812	5,318

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

(Million yen)

	For the six months ended June 30,2023	For the six months ended June 30,2024
Net income	4,258	5,826
Other comprehensive income		
Valuation difference on available-for-sale securities	748	682
Deferred gains or losses on hedges	1	(0)
Foreign currency translation adjustment	5,425	6,627
Remeasurements of defined benefit plans, net of tax	75	70
Share of other comprehensive income of affiliates accounted for using equity method	1,572	2,472
Total other comprehensive income	7,823	9,852
Comprehensive income	12,081	15,678
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,100	14,461
Comprehensive income attributable to non-controlling interests	981	1,217

Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended June 30,2023	For the six months ended June 30,2024
Cash flows from operating activities		
Income before income taxes	6,147	7,782
Depreciation and amortization	2,367	2,654
Amortization of goodwill	56	62
Increase (decrease) in allowance for doubtful accounts	37	(14)
Increase (decrease) in net defined benefit liability	71	3
Increase (decrease) in provision for bonuses	(46)	(33)
Gain on sales of investments in capital of subsidiaries and associates	-	(605)
Loss on valuation of shares of subsidiaries and associates	280	-
Interest and dividend income	(143)	(240)
Interest expenses	395	337
Equity in (earnings) losses of affiliates	(866)	(417)
Loss (gain) on sales of investment securities	-	(30)
Decrease (increase) in notes and accounts receivable - trade	(1,272)	(2,025)
Decrease (increase) in inventories	1,938	141
Increase (decrease) in notes and accounts payable - trade including electronically recorded obligations - operating	(2,875)	(537)
Other, net	(1,022)	(535)
Subtotal	5,068	6,541
Interest and dividend income received	325	568
Interest expenses paid	(403)	(353)
Income taxes paid	(1,241)	(2,094)
Net cash provided by (used in) operating activities	3,748	4,661
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,694)	(2,684)
Proceeds from sales of property, plant and equipment	46	172
Purchase of intangible assets	(1,616)	(425)
Purchase of investment securities	(611)	(502)
Proceeds from sales of investment securities	-	836
Payments of loans receivable	(30)	(24)
Collection of loans receivable	35	28
Payments for sales of investments in capital of subsidiaries resulting in change in scope of consolidation	-	(177)
Other, net	(155)	196
Net cash provided by (used in) investing activities	(4,026)	(2,580)

(Million yen)

	For the six months ended June 30,2023	For the six months ended June 30,2024
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(246)	(517)
Proceeds from long-term loans payable	3,646	2,000
Repayments of long-term loans payable	(1,193)	(2,308)
Cash dividends paid	(750)	(1,000)
Dividends paid to non-controlling interests	(175)	(223)
Purchase of treasury shares	(0)	(430)
Other, net	(125)	(163)
Net cash provided by (used in) financing activities	1,155	(2,643)
Effect of exchange rate change on cash and cash equivalents	1,209	761
Net increase (decrease) in cash and cash equivalents	2,086	198
Cash and cash equivalents at beginning of period	11,721	16,218
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	12	-
Cash and cash equivalents at end of period	13,820	16,417