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Consolidated Financial Results for the Nine Months Ended September 30, 2024[Japanese GAAP]

November 11, 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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Scheduled date of filing quarterly securities report: November 11, 2024

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 Nine Months Ended September 30, 2024 (January 1, 2024 to September 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 | % |
| Nine months ended September 30, 2024 | 182,430 | 8.2 | 10,939 | 27.8 | 11,530 | 14.0 | 8,350 | 25.8 |
| September 30, 2023 | 168,669 | 5.5 | 8,560 | 161.7 | 10,116 | 173.7 | 6,637 | 114.8 |

(Note) Comprehensive income: Nine months ended September 30, 2024: ¥ 9,418million [(45.9)%]

Nine months ended September 30, 2023: ¥ 17,412million [13.5%]

(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 nine months ended September 30, 2024 and nine months ended September 30, 2023 have been prepared after this change.

| | Basic earnings per share | Diluted earnings per share |
|--------------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Nine months ended September 30, 2024 | 167.24 | - |
| September 30, 2023 | 132.65 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|--------------------------|--------------|-------------|--------------|
| | Million yen | Million yen | % |
| As of September 30, 2024 | 205,771 | 110,347 | 50.6 |
| December 31, 2023 | 194,087 | 105,651 | 50.9 |

(Note) Equity: As of September 30, 2024: ¥ 104,046million

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: No

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: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended September 30, 2024: Yes
 Newly included: 1 company (INX International Coatings and Adhesives Co.)
 Excluded: 1 company (MAOMING SAKATA INX CO.,LTD.)

(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):
 September 30, 2024: 54,172,361 shares
 December 31, 2023: 54,172,361 shares

2) Total number of treasury shares at the end of the period:
 September 30, 2024: 4,566,877 shares
 December 31, 2023: 4,127,549 shares

3) Average number of shares during the period:
 Nine months ended September 30, 2024: 49,932,198 shares
 Nine months ended September 30, 2023: 50,038,419 shares

*Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

*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 November 11, 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 September 30,2024 |
|--|------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 17,013 | 22,500 |
| Notes and accounts receivable - trade | 59,401 | 58,156 |
| Merchandise and finished goods | 16,086 | 16,466 |
| Work in process | 1,450 | 1,495 |
| Raw materials and supplies | 14,506 | 16,320 |
| Other | 2,762 | 4,107 |
| Allowance for doubtful accounts | (663) | (584) |
| Total current assets | 110,557 | 118,462 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 19,892 | 19,046 |
| Machinery, equipment and vehicles, net | 10,684 | 10,173 |
| Land | 9,817 | 9,831 |
| Leased assets, net | 256 | 214 |
| Construction in progress | 2,223 | 4,880 |
| Other, net | 4,201 | 5,109 |
| Total property, plant and equipment | 47,075 | 49,255 |
| Intangible assets | | |
| Goodwill | 386 | 269 |
| Other | 3,518 | 3,442 |
| Total intangible assets | 3,904 | 3,712 |
| Investments and other assets | | |
| Investment securities | 30,118 | 30,883 |
| Other | 3,312 | 3,550 |
| Allowance for doubtful accounts | (880) | (92) |
| Total investments and other assets | 32,549 | 34,340 |
| Total non-current assets | 83,529 | 87,308 |
| Total assets | 194,087 | 205,771 |

(Million yen)

| | As of December 31,2023 | As of September 30,2024 |
|---|------------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 25,578 | 25,503 |
| Electronically recorded obligations - operating | 14,030 | 11,734 |
| Short-term loans payable | 8,354 | 15,842 |
| Current portion of long-term loans payable | 3,415 | 3,374 |
| Accrued expenses | 5,623 | 5,608 |
| Income taxes payable | 839 | 551 |
| Provision for bonuses | 663 | 1,219 |
| Other | 3,304 | 3,600 |
| Total current liabilities | 61,811 | 67,436 |
| Non-current liabilities | | |
| Bonds payable | 1,000 | 1,000 |
| Long-term loans payable | 11,285 | 11,192 |
| Net defined benefit liability | 5,040 | 5,001 |
| Asset retirement obligations | 76 | 77 |
| Other | 9,221 | 10,715 |
| Total non-current liabilities | 26,624 | 27,987 |
| Total liabilities | 88,435 | 95,423 |
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 7,472 | 7,472 |
| Capital surplus | 5,673 | 5,746 |
| Retained earnings | 77,740 | 83,841 |
| Treasury shares | (3,999) | (4,862) |
| Total shareholders' equity | 86,886 | 92,198 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 2,151 | 2,362 |
| Deferred gains or losses on hedges | 2 | (2) |
| Foreign currency translation adjustment | 10,169 | 9,807 |
| Remeasurements of defined benefit plans | (411) | (318) |
| Total accumulated other comprehensive income | 11,911 | 11,848 |
| Non-controlling interests | 6,853 | 6,301 |
| Total net assets | 105,651 | 110,347 |
| Total liabilities and net assets | 194,087 | 205,771 |

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

| | For the nine months ended September 30,2023 | For the nine months ended September 30,2024 |
|--|--|--|
| Net sales | 168,669 | 182,430 |
| Cost of sales | 132,023 | 138,240 |
| Gross profit | 36,645 | 44,189 |
| Selling, general and administrative expenses | 28,085 | 33,250 |
| Operating income | 8,560 | 10,939 |
| Non-operating income | | |
| Interest income | 137 | 230 |
| Dividend income | 78 | 93 |
| Equity in earnings of affiliates | 1,357 | 773 |
| Foreign exchange gains | 296 | - |
| Other | 393 | 428 |
| Total non-operating income | 2,262 | 1,525 |
| Non-operating expenses | | |
| Interest expenses | 587 | 513 |
| Foreign exchange losses | - | 314 |
| Other | 118 | 106 |
| Total non-operating expenses | 706 | 934 |
| Ordinary income | 10,116 | 11,530 |
| Extraordinary income | | |
| Gain on sales of investment securities | - | 30 |
| Gain on sales of investments in capital of subsidiaries and associates | - | 605 |
| Gain on sale of businesses | 415 | - |
| Total extraordinary income | 415 | 636 |
| Extraordinary losses | | |
| Loss on retirement of non-current assets | - | 141 |
| Loss on valuation of shares of subsidiaries and associates | 280 | - |
| Total extraordinary losses | 280 | 141 |
| Income before income taxes | 10,251 | 12,024 |
| Income taxes - current | 2,588 | 2,747 |
| Income taxes - deferred | 303 | (56) |
| Total income taxes | 2,892 | 2,690 |
| Net income | 7,358 | 9,333 |
| Net income attributable to non-controlling interests | 721 | 983 |
| Net income attributable to owners of parent | 6,637 | 8,350 |

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

(Million yen)

| | For the nine months ended September 30,2023 | For the nine months ended September 30,2024 |
|--|--|--|
| Net income | 7,358 | 9,333 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,030 | 271 |
| Deferred gains or losses on hedges | 9 | (4) |
| Foreign currency translation adjustment | 6,792 | (709) |
| Remeasurements of defined benefit plans, net of tax | 107 | 87 |
| Share of other comprehensive income of affiliates accounted for using equity method | 2,113 | 440 |
| Total other comprehensive income | 10,053 | 84 |
| Comprehensive income | 17,412 | 9,418 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 15,980 | 8,287 |
| Comprehensive income attributable to non-controlling interests | 1,431 | 1,130 |