

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



## Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 [Japanese GAAP]

February 14, 2023

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  
 Contact: Daisuke Sugahara General Manager, Finance & Accounting Div.  
 Phone: +81-6-6447-5823

Scheduled date of Annual General Meeting of Shareholders: March 29, 2023

Scheduled date of commencing dividend payments: March 30, 2023

Scheduled date of filing annual securities report: March 29, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (January 1, 2022 to December 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2022	215,531	18.8	4,125	(44.4)	4,961	(41.7)	4,555	(7.7)
December 31, 2021	181,487	12.4	7,414	2.8	8,506	9.2	4,933	(6.5)

(Note) Comprehensive income: Fiscal year ended December 31, 2022: ¥ 10,783million [ (15.9)%]

Fiscal year ended December 31, 2021: ¥ 12,829million [ 597.4%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
	Yen	Yen	%	%	%
December 31, 2022	85.52	-	5.3	2.9	1.9
December 31, 2021	84.43	-	6.1	5.5	4.1

(Note) Equity in earnings of affiliates: Fiscal year ended December 31, 2022: ¥ 997million

Fiscal year ended December 31, 2021: ¥ 992million

(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 December 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

(2) Consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
December 31, 2022	177,403	92,952	48.6	1,724.45
December 31, 2021	166,899	92,465	51.8	1,478.18

(Note) Equity: As of December 31, 2022: ¥ 86,272million

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 December 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

(3) Consolidated Cash Flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Million yen	Million yen	Million yen	Million yen
December 31, 2022	4,945	(1,666)	(3,897)	11,721
December 31, 2021	7,556	(5,352)	(2,875)	12,115

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
December 31, 2021	-	15.00	-	15.00	30.00	1,752	35.5	2.2
December 31, 2022	-	15.00	-	15.00	30.00	1,500	35.1	1.9
Fiscal year ending December 31, 2023(Forecast)	-	15.00	-	15.00	30.00		31.9	

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2023 (January 1, 2023 to December 31, 2023)

(% 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, 2023	109,000	5.3	2,300	13.4	2,600	3.8	1,700	(29.2)	33.98
Full year	222,000	3.0	6,000	45.4	6,800	37.1	4,700	3.2	93.93

### \* Notes:

#### (1) Changes in significant subsidiaries during the period under review

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

#### (2) 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

#### (3) Total number of issued shares (common shares)

##### 1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2022: 54,172,361shares

December 31, 2021: 62,601,161shares

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

December 31, 2022: 4,143,541shares

December 31, 2021: 4,164,408shares

##### 3) Average number of shares during the period:

Fiscal Year ended December 31, 2022: 53,264,337shares

Fiscal Year ended December 31, 2021: 58,431,152shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2022 (January 1, 2022 to December 31, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2022	66,142	0.3	534	(68.7)	3,239	(24.7)	3,846	13.7
December 31, 2021	65,938	7.7	1,708	124.4	4,304	50.9	3,382	22.9

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
December 31, 2022	72.21	-
December 31, 2021	57.89	-

(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 December 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
December 31, 2022	93,939	51,607	54.9	1,031.56
December 31, 2021	97,196	58,517	60.2	1,001.39

(Note) Equity: As of December 31, 2022: ¥ 51,607million

As of December 31, 2021: ¥ 58,517million

(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 December 31, 2022, is the figure after applying the accounting standard and relevant ASBJ regulations.

\*This consolidated financial results are not subject to audit 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 February 14, 2023 and will be uploaded on the Company's website.

Consolidated Financial Statements  
Consolidated Balance Sheets

(Million yen)

	As of December 31,2021	As of December 31,2022
<b>Assets</b>		
Current assets		
Cash and deposits	12,684	12,120
Notes and accounts receivable - trade	49,363	53,862
Merchandise and finished goods	12,802	13,164
Work in process	1,227	1,514
Raw materials and supplies	14,562	18,669
Other	2,785	2,394
Allowance for doubtful accounts	(566)	(575)
Total current assets	92,860	101,150
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,642	19,858
Machinery, equipment and vehicles, net	10,293	10,391
Land	9,396	9,816
Leased assets, net	343	231
Construction in progress	3,055	3,814
Other, net	2,588	4,273
Total property, plant and equipment	45,320	48,385
Intangible assets		
Goodwill	453	441
Other	374	1,901
Total intangible assets	827	2,342
Investments and other assets		
Investment securities	25,698	23,942
Long-term loans receivable	46	32
Retirement benefit asset	803	19
Deferred tax assets	258	843
Other	2,065	1,696
Allowance for doubtful accounts	(981)	(1,010)
Total investments and other assets	27,890	25,524
Total non-current assets	74,039	76,252
<b>Total assets</b>	<b>166,899</b>	<b>177,403</b>

(Million yen)

	As of December 31,2021	As of December 31,2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	23,010	23,121
Electronically recorded obligations - operating	13,234	14,316
Short-term loans payable	5,133	11,046
Current portion of long-term loans payable	5,334	1,979
Lease obligations	193	647
Accrued expenses	4,156	4,656
Income taxes payable	791	524
Provision for bonuses	612	547
Other	2,790	2,303
Total current liabilities	55,258	59,143
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term loans payable	5,557	11,244
Lease obligations	561	1,337
Deferred tax liabilities	4,065	3,554
Retirement benefit liability	4,981	4,869
Asset retirement obligations	73	74
Other	2,936	3,226
Total non-current liabilities	19,176	25,307
Total liabilities	74,434	84,450
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,675	5,672
Retained earnings	76,967	71,729
Treasury shares	(4,010)	(4,015)
Total shareholders' equity	86,104	80,859
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,106	1,111
Deferred gains or losses on hedges	(2)	(0)
Foreign currency translation adjustment	(1,606)	5,010
Remeasurements of defined benefit plans	(222)	(709)
Total accumulated other comprehensive income	275	5,412
Non-controlling interests	6,085	6,680
Total net assets	92,465	92,952
Total liabilities and net assets	166,899	177,403

Consolidated Statements of Income and Comprehensive Income  
Consolidated Statements of Income

(Million yen)

	For the fiscal year ended December 31,2021	For the fiscal year ended December 31,2022
Net sales	181,487	215,531
Cost of sales	143,803	176,312
Gross profit	37,684	39,218
Selling, general and administrative expenses	30,269	35,093
Operating income	7,414	4,125
Non-operating income		
Interest income	70	65
Dividend income	330	235
Real estate rent	181	180
Equity in earnings of affiliates	992	997
Other	260	347
Total non-operating income	1,835	1,825
Non-operating expenses		
Interest expenses	238	531
Foreign exchange losses	294	250
Commission expenses	84	100
Other	125	107
Total non-operating expenses	743	990
Ordinary income	8,506	4,961
Extraordinary income		
Gain on sales of non-current assets	114	-
Gain on sales of investment securities	75	1,442
Subsidy income	100	100
Total extraordinary income	290	1,542
Extraordinary losses		
Loss on sales of non-current assets	22	-
Loss on retirement of non-current assets	425	218
Provision of allowance for doubtful accounts	565	-
Total extraordinary losses	1,013	218
Income before income taxes	7,784	6,284
Income taxes - current	1,796	1,856
Income taxes - deferred	357	(508)
Total income taxes	2,153	1,348
Net income	5,630	4,935
Net income attributable to non-controlling interests	697	380
Net income attributable to owners of parent	4,933	4,555

## Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended December 31,2021	For the fiscal year ended December 31,2022
Net income	5,630	4,935
Other comprehensive income		
Valuation difference on available-for-sale securities	354	(953)
Deferred gains or losses on hedges	(2)	2
Foreign currency translation adjustment	4,414	5,487
Remeasurements of defined benefit plans, net of tax	831	(473)
Share of other comprehensive income of affiliates accounted for using equity method	1,600	1,784
Total other comprehensive income	7,198	5,847
Comprehensive income	12,829	10,783
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,653	9,692
Comprehensive income attributable to non-controlling interests	1,175	1,091

Consolidated Statements of Changes in Net Assets  
For the fiscal year ended December 31,2021

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,472	5,672	73,918	(4,027)	83,035
Changes of items during the period					
Dividends of surplus			(1,752)		(1,752)
Net income attributable to owners of parent			4,933		4,933
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares		2		17	20
Change in scope of consolidation			(120)		(120)
Change of scope of consolidation in entities accounted for using equity method			(11)		(11)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	2	3,048	17	3,068
Balance at end of current period	7,472	5,675	76,967	(4,010)	83,104

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	1,652	(0)	(7,281)	(1,045)	(6,674)	5,060	81,421
Changes of items during the period							
Dividends of surplus							(1,752)
Net income attributable to owners of parent							4,933
Purchase of treasury shares							(0)
Disposal of treasury shares							20
Change in scope of consolidation							(120)
Change of scope of consolidation in entities accounted for using equity method							(11)
Net changes of items other than shareholders' equity	454	(2)	5,675	822	6,950	1,024	7,974
Total changes of items during period	454	(2)	5,675	822	6,950	1,024	11,043
Balance at end of current period	2,106	(2)	(1,606)	(222)	275	6,085	92,465



For the fiscal year ended December 31,2022

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,472	5,675	76,967	(4,010)	86,104
Changes of items during the period					
Dividends of surplus			(1,626)		(1,626)
Net income attributable to owners of parent			4,555		4,555
Purchase of treasury shares				(8,193)	(8,193)
Disposal of treasury shares		(0)		20	20
Cancellation of treasury shares		(8,167)		8,167	-
Transfer from retained earnings to capital surplus		8,165	(8,165)		-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(2)	(5,237)	(4)	(5,244)
Balance at end of current period	7,472	5,672	71,729	(4,015)	80,859

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,106	(2)	(1,606)	(222)	275	6,085	92,465
Changes of items during the period							
Dividends of surplus							(1,626)
Net income attributable to owners of parent							4,555
Purchase of treasury shares							(8,193)
Disposal of treasury shares							20
Cancellation of treasury shares							-
Transfer from retained earnings to capital surplus							-
Net changes of items other than shareholders' equity	(994)	2	6,616	(487)	5,136	595	5,732
Total changes of items during period	(994)	2	6,616	(487)	5,136	595	487
Balance at end of current period	1,111	(0)	5,010	(709)	5,412	6,680	92,952

## Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended December 31,2021	For the fiscal year ended December 31,2022
<b>Cash flows from operating activities</b>		
Income before income taxes	7,784	6,284
Depreciation and amortization	4,306	4,799
Amortization of goodwill	86	107
Increase (decrease) in allowance for doubtful accounts	451	(57)
Decrease (increase) in retirement benefit asset	(582)	784
Increase (decrease) in retirement benefit liability	96	(82)
Increase (decrease) in provision for bonuses	48	(66)
Interest and dividend income	(400)	(301)
Interest expenses	238	531
Equity in (earnings) losses of affiliates	(992)	(997)
Loss (gain) on sales of investment securities	(75)	(1,442)
Loss (gain) on sales and retirement of non-current assets	(92)	-
Loss on retirement of non-current assets	425	218
Subsidy income	(100)	(100)
Decrease (increase) in notes and accounts receivable - trade	(3,629)	(860)
Decrease (increase) in inventories	(4,809)	(1,241)
Increase (decrease) in notes and accounts payable - trade including electronically recorded obligations - operating	7,184	(1,175)
Other, net	(752)	345
Subtotal	9,185	6,747
Interest and dividend income received	747	645
Interest expenses paid	(233)	(550)
Proceeds from subsidy income	100	100
Income taxes paid	(2,243)	(1,997)
Net cash provided by (used in) operating activities	7,556	4,945
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,276)	(4,817)
Proceeds from sales of property, plant and equipment	299	58
Purchase of intangible assets	(912)	(1,643)
Purchase of investment securities	(98)	(368)
Proceeds from sales of investment securities	160	4,628
Payments of loans receivable	(49)	(23)
Collection of loans receivable	49	77
Other, net	474	423
Net cash provided by (used in) investing activities	(5,352)	(1,666)

(Million yen)

	For the fiscal year ended December 31,2021	For the fiscal year ended December 31,2022
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	225	4,763
Proceeds from long-term loans payable	1,044	7,581
Repayments of long-term loans payable	(3,003)	(5,668)
Proceeds from issuance of bonds	1,000	-
Cash dividends paid	(1,752)	(1,626)
Dividends paid to non-controlling interests	(278)	(642)
Proceeds from share issuance to non-controlling shareholders	127	146
Purchase of treasury shares	(0)	(8,193)
Other, net	(238)	(256)
Net cash provided by (used in) financing activities	(2,875)	(3,897)
Effect of exchange rate change on cash and cash equivalents	679	225
Net increase (decrease) in cash and cash equivalents	7	(393)
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	12,115	11,721