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## Consolidated Financial Results for the Six Months Ended June 30, 2023 [Japanese GAAP]

August 10, 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 filing quarterly securities report: August 10, 2023  
 Scheduled date of commencing dividend payments: September 1, 2023  
 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, 2023 (January 1, 2023 to June 30, 2023)

#### (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, 2023	110,151	6.4	5,045	148.7	6,427	156.7	3,812	58.8
June 30, 2022	103,533	16.8	2,028	(59.8)	2,503	(57.2)	2,400	(40.6)

(Note) Comprehensive income: Six months ended June 30, 2023: ¥ 12,081million [ (1.9)%]  
 Six months ended June 30, 2022: ¥ 12,313million [ 45.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2023	76.20	-
June 30, 2022	42.84	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2023	192,218	104,169	50.3
December 31, 2022	177,403	92,952	48.6

(Note) Equity: As of June 30, 2023: ¥ 96,682million  
 As of December 31, 2022: ¥ 86,272million

### 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2022	Yen -	Yen 15.00	Yen -	Yen 15.00	Yen 30.00
Fiscal year ending December 31, 2023	-	15.00	-	-	-
Fiscal year ending December 31, 2023 (Forecast)	-	-	-	16.00	31.00

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

### 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
Full year	226,000	4.9	10,000	142.4	12,100	143.9	7,900	73.4	157.87

(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: 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, 2023: 54,172,361shares

December 31, 2022: 54,172,361shares

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

June 30, 2023: 4,127,468shares

December 31, 2022: 4,143,541shares

3) Average number of shares during the period:

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

Six months ended June 30, 2022: 56,037,577shares

\* 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, 2023 and will be uploaded on the Company's website.

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Million yen)

	As of December 31,2022	As of June 30,2023
<b>Assets</b>		
Current assets		
Cash and deposits	12,120	14,423
Notes and accounts receivable - trade	53,862	57,891
Merchandise and finished goods	13,164	17,233
Work in process	1,514	1,601
Raw materials and supplies	18,669	14,804
Other	2,394	3,116
Allowance for doubtful accounts	(575)	(630)
Total current assets	101,150	108,440
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	19,858	20,307
Machinery, equipment and vehicles, net	10,391	10,774
Land	9,816	10,045
Leased assets, net	231	251
Construction in progress	3,814	4,329
Other, net	4,273	4,557
Total property, plant and equipment	48,385	50,266
Intangible assets		
Goodwill	441	459
Other	1,901	3,506
Total intangible assets	2,342	3,965
Investments and other assets		
Investment securities	23,942	27,703
Other	2,592	2,905
Allowance for doubtful accounts	(1,010)	(1,064)
Total investments and other assets	25,524	29,545
Total non-current assets	76,252	83,778
Total assets	177,403	192,218

(Million yen)

	As of December 31,2022	As of June 30,2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	23,121	23,674
Electronically recorded obligations - operating	14,316	12,393
Short-term borrowings	11,046	11,493
Current portion of long-term borrowings	1,979	3,611
Accrued expenses	4,656	4,843
Income taxes payable	524	538
Provision for bonuses	547	506
Other	2,951	3,162
Total current liabilities	59,143	60,223
Non-current liabilities		
Bonds payable	1,000	1,000
Long-term borrowings	11,244	12,527
Retirement benefit liability	4,869	4,956
Asset retirement obligations	74	75
Other	8,119	9,266
Total non-current liabilities	25,307	27,826
<b>Total liabilities</b>	<b>84,450</b>	<b>88,049</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,672	5,673
Retained earnings	71,729	74,836
Treasury shares	(4,015)	(3,999)
Total shareholders' equity	80,859	83,982
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,111	1,842
Deferred gains or losses on hedges	(0)	0
Foreign currency translation adjustment	5,010	11,494
Remeasurements of defined benefit plans	(709)	(638)
Total accumulated other comprehensive income	5,412	12,699
Non-controlling interests	6,680	7,486
<b>Total net assets</b>	<b>92,952</b>	<b>104,169</b>
<b>Total liabilities and net assets</b>	<b>177,403</b>	<b>192,218</b>

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 30,2022	For the six months ended June 30,2023
Net sales	103,533	110,151
Cost of sales	84,454	86,757
Gross profit	19,078	23,394
Selling, general and administrative expenses	17,050	18,348
Operating income	2,028	5,045
Non-operating income		
Interest income	25	70
Dividend income	172	72
Equity in earnings of affiliates	331	866
Foreign exchange gains	-	535
Other	225	308
Total non-operating income	755	1,854
Non-operating expenses		
Interest expenses	187	395
Foreign exchange losses	62	-
Other	30	77
Total non-operating expenses	280	472
Ordinary income	2,503	6,427
Extraordinary income		
Gain on sales of investment securities	1,442	-
Total extraordinary income	1,442	-
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	-	280
Total extraordinary losses	-	280
Income before income taxes	3,945	6,147
Income taxes - current	1,183	1,592
Income taxes - deferred	247	296
Total income taxes	1,431	1,888
Net income	2,514	4,258
Net income attributable to non-controlling interests	113	445
Net income attributable to owners of parent	2,400	3,812

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

(Million yen)

	For the six months ended June 30,2022	For the six months ended June 30,2023
Net income	2,514	4,258
Other comprehensive income		
Valuation difference on available-for-sale securities	(919)	748
Deferred gains or losses on hedges	3	1
Foreign currency translation adjustment	8,082	5,425
Remeasurements of defined benefit plans, net of tax	57	75
Share of other comprehensive income of affiliates accounted for using equity method	2,575	1,572
Total other comprehensive income	9,799	7,823
Comprehensive income	12,313	12,081
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,241	11,100
Comprehensive income attributable to non-controlling interests	1,072	981

## Quarterly Consolidated Statements of Cash Flows

(Million yen)

	For the six months ended June 30,2022	For the six months ended June 30,2023
<b>Cash flows from operating activities</b>		
Income before income taxes	3,945	6,147
Depreciation and amortization	2,334	2,367
Amortization of goodwill	51	56
Increase (decrease) in allowance for doubtful accounts	8	37
Increase (decrease) in net defined benefit liability	(55)	71
Increase (decrease) in provision for bonuses	(20)	(46)
Loss on valuation of shares of subsidiaries and associates	-	280
Interest and dividend income	(198)	(143)
Interest expenses	187	395
Equity in (earnings) losses of affiliates	(331)	(866)
Loss (gain) on sales of investment securities	(1,442)	-
Decrease (increase) in notes and accounts receivable - trade	(813)	(1,272)
Decrease (increase) in inventories	(3,585)	1,938
Increase (decrease) in notes and accounts payable - trade including electronically recorded obligations - operating	(2,381)	(2,875)
Other, net	(34)	(1,022)
<b>Subtotal</b>	<b>(2,335)</b>	<b>5,068</b>
Interest and dividend income received	371	325
Interest expenses paid	(191)	(403)
Income taxes paid	(992)	(1,241)
<b>Net cash provided by (used in) operating activities</b>	<b>(3,147)</b>	<b>3,748</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(2,407)	(1,694)
Proceeds from sales of property, plant and equipment	8	46
Purchase of intangible assets	(1,052)	(1,616)
Purchase of investment securities	(15)	(611)
Proceeds from sales of investment securities	4,628	-
Payments of loans receivable	(16)	(30)
Collection of loans receivable	29	35
Other, net	381	(155)
<b>Net cash provided by (used in) investing activities</b>	<b>1,555</b>	<b>(4,026)</b>

(Million yen)

	For the six months ended June 30,2022	For the six months ended June 30,2023
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	10,051	(246)
Proceeds from long-term loans payable	1,581	3,646
Repayments of long-term loans payable	(2,553)	(1,193)
Proceeds from share issuance to non-controlling shareholders	146	-
Cash dividends paid	(876)	(750)
Dividends paid to non-controlling interests	(642)	(175)
Purchase of treasury shares	(8,192)	(0)
Other, net	(114)	(125)
Net cash provided by (used in) financing activities	(600)	1,155
Effect of exchange rate change on cash and cash equivalents	603	1,209
Net increase (decrease) in cash and cash equivalents	(1,589)	2,086
Cash and cash equivalents at beginning of period	12,115	11,721
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-	12
Cash and cash equivalents at end of period	10,525	13,820