Financial Results Briefing Material for the 2nd Quarter of the Fiscal Year Ending December 31, 2026 (Half year)

SAKATA INX CORPORATION

August 27, 2026

TSE Prime | Securities code: 4633

Contents

FY2026/12 Q2 (Half Year) Financial Results Overview

Yoshiaki Ueno, Representative Director, President & CEO

SAKATA INX VISION 2030

Create and Innovate, Care for the Earth, Color for Life

Strategic courses of action for the Long-term Strategic Vision

- Growing the Printing inks / Digital and specialty product businesses
- Tackling new business areas
- Enhancing ESG and sustainability initiatives with an emphasis on the environment and local communities

Transformational projects

- Further enhancing global consolidated management
- Strengthening stakeholder relationships
- HR development enhancements, organizational culture reforms

Laying the foundations	Business growth, stronger earnings capabilities	Moving to achieve the Long-term Strategic Vision
Medium-term Management Plan CCC-I	Medium-term Management Plan CCC-II	Medium-term Management Plan CCC-III

2030

Promoting digital transformation (DX), Management conscious of capital costs

January 2024 — December 2026

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Half-year results

- Business was continued with the **stable supply** of products to customers being the **top priority**, although it was affected by the situation in the Middle East.
- **Sales and profits increased** following the revision of procurement activities between Group companies, the expansion of sales, the implementation of joint procurement activities, the optimization of production and inventories, the revision of prices and other measures, despite huge cost increases due to the situation in the Middle East and the increase of personnel and other expenses amid inflation.

Full-year forecasts

- The **forecast for operating income announced at the beginning of the fiscal year** has **not been changed** in consideration of the uncertainty surrounding the Middle East situation, even though half-year results were healthy.
- **Net sales and operating income** are both expected to **increase** year on year (operating income for the fourth consecutive year) as forecast at the beginning of the fiscal year.

Shareholder Return

- JPY 1 billion of treasury stock was acquired in March.
- With an annual dividend of **JPY100**/share and the acquisition of treasury stock combined, **a total payout ratio of 50% or above is expected to be achieved.**

Topics

* See following pages for more details.

- Response to the situation in the Middle East: We made the stable supply of products our top priority and revised prices and streamlined operations to **control the impact** of the Middle East situation **on financial results.**
- Initiatives for new businesses: We formed a capital and business alliance with CONNECTEC JAPAN Corporation to accelerate expansion into the electronics sector.

Impact of Situation in the Middle East

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Stance on and response to the situation in the Middle East

Ensuring the stable supply of products to customers is the top priority

Strengthening global collaboration

We will collaborate within the Group and implement procurement activities anticipating the future to maintain inventories at their normal levels and work to ensure a stable supply of products to customers as our top priority.

Limited impact on product sales

While worldwide inflation will have a negative impact, it is expected that demand for packages, a daily necessity, will stay firm.

Minimizing impact on profits

It is expected that the revision of selling prices in line with increases in raw material prices and logistics costs will enable us to absorb the increase in costs.

If it is expected that future changes in the Middle East situation, and trends in geopolitical risks, the prices of raw materials or other factors will impact financial results, we will disclose information about the matter promptly.

Impact of Situation in the Middle East

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From segment to segment, the impact of the increase in the prices of raw materials and procurement costs due to the situation in the Middle East varies in terms of timing and scope. Making the stable supply of products to existing customers our top priority, we revised prices, implemented procurement measures and conducted other activities to control the impact on our financial results.

Segment	Impact in the first half	Forecast in the second half	Major response measures
Japan	• Raw material prices started rising sharply in April. • Impact on cost was partly delayed to the second half, as existing stocks of raw materials are taken out first.	• Impact on cost will be fully visible. • Prices of raw materials will continue to rise. • Logistics and other costs will continue to increase.	• Ensure a stable supply of products to existing customers • Properly revise prices • Procure from overseas companies within the Group.
Asia	• Raw material prices started rising sharply in March although conventional cost reduction efforts produced positive results in Q1. • This region was most heavily impacted.	• Prices of raw materials will stay high. • Logistics and other costs will continue to increase.	• Strengthen regional procurement functions and share procurement information between different countries (led by regional headquarters) • Conduct proper price actions matched with the circumstances in individual countries • Propose toluene-free products
Americas	• Raw material prices, marine freight fees, etc. increased. • Costs increased, mainly the cost of imported raw materials. • Impact was controlled by the timely revision of prices.	• USA: There is concern about continued inflation. • South America: Marine freight fees, etc. will increase. Procurement costs will decrease due to the strong Brazilian real.	• Continue proper price actions. • Introduce shipping surcharges
Europe	• Raw material prices, marine freight fees, etc. increased. • The European headquarters was able to control the impact by implementing activities to reduce costs and promptly revising prices.	• Prices of raw materials will stay high. • Logistics and other costs will continue to increase.	• Continue proper price actions. • Introduce marine transport surcharges • Strengthen regional collaboration led by the European headquarters
Digital and Specialty Products	• Raw material prices, marine freight fees, etc. increased. • Timely price revisions were conducted (first round of price increases).	• Prices of raw materials will stay high. • Logistics and other costs will continue to increase.	• Ensure a stable supply of products to existing customers • Implement price revisions (second round of price increases)

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Transforming Responses to Raw Material Supply Risks into Opportunities for the Growth of Environmentally-Friendly Products

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Seize opportunities for growth leveraging environmentally-friendly products while maintaining a stable supply of products and stable earnings.

(1) Changes in business environment

Changes in the external environment become permanent.

- Increasing geopolitical risks
- Fluctuations of crude oil and naphtha prices concerned with prices of raw materials for our products
- Rising logistics and energy costs

(2) Maintaining the stability of our supply of products and earnings

Build a business foundation that is resilient to risks in line with the Long-term Strategic Vision

- Diversification of suppliers and joint procurement
- Global optimization of production, inventories and logistics
- Flexible pricing matched with cost fluctuations

(3) Structural response

Accelerating the ongoing shift to petrochemical-free and environmentally-friendly materials

- Use of plant-derived materials
- Expansion of toluene-free products and nitrocellulose (NC)-free products
- Expansion of sales of BOTANICAL INK®

(4) Transformation into opportunity for growth

Capture the expanding demand for environmentally-friendly products

- Toughening of decarbonization and environmental regulations
- Expansion of sustainable procurement by brand owners
- Growing demand for environmentally- friendly products
- Increase in new markets and applications

Popularization of petrochemical-free and environmentally-friendly products based on a track record established in Japan (example initiatives)

Percentage of products transitioned to urethane resins made partly from plant-derived materials
2017 ➡ 2025
Approx. 35%

Percentage of sales from BOTANICAL INK®
2018 2025
Approx. 50% ➡ Approx. 80%

Percentage of sales from toluene-free products
2025
Approx. 90%

We are working to increase the popularity of environmentally-friendly products and technologies cultivated in Japan in line with the needs of the markets in different regions to expand sales globally.

Expansion of the Coating Agent Business Area

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Transforming the coating agent business into a growth area in view of the expansion of the environmentally-friendly packaging market

Market changes: Regulations on packaging and customers' requests

The European Union's Packaging and Packaging Waste Regulation (PPWR) triggers the acceleration of the trend toward a circular economy.

✓ Recyclable package design
✓ Increasing volume of requests that recycled materials be used
✓ Acceleration of the trend towards the reduction of hazardous substances (such as PFAS) and the shift to mono-materials

Brand owners

➢ Advancement in the areas of sustainable procurement and food safety requirements

Manufacturers of converters and packaging materials

➢ Progress in the shift to paper, mono-materials and aluminum-free materials

Material manufacturers

➢ Increasing hopes regarding functional materials supporting safety and the circular economy

Areas in which we provide value

Transforming environmental response strengths into high value-added products and capabilities to propose solutions to customers

1. **Food safety and reliability**
Supporting actions for the safety, hygiene and quality management that are required for food packaging in terms of materials.

2. **Increasing the functionality of environmentally friendly packaging materials**
Adding moisture-proof, oil-proof, water repellent and other performance features to address functional issues associated with the shift to paper and mono-materials

3. **Proposing solutions supporting the design of packaging materials**
Capitalizing on knowledge of inks and coating agents to support the achievement of both environmental friendliness and packaging performance

Strategy and scenario for growth

■ **Strengthen the domestic supply system**

✓ Install equipment compatible with direct food contact (DFC) at the Tokyo Plant (completion expected in August 2026)
✓ Provide a hygienic production environment suitable for **food contact applications**
✓ Be prepared to handle **PFAS-free oil resistance agents,**[*1] **moisture-proof agents** and other products
✓ Strengthen the **quality and safety management system with a view toward acquiring ISO 22000 certification**

Packaging coated with food contact-compliant agents

■ **Utilization of our global foundation**

✓ Expanding the **technology and customer bases in the Americas through the acquisition of C&A**
✓ Leveraging our track record and knowledge regarding the operation of DFC equipment in the United States
✓ **Stepping up the integrated proposal of ink and coating agent solutions**
✓ **Disseminating** the knowledge possessed in Japan and the United States **to the rest of the world**

■ **Future developments**

✓ Expanding sales of environmentally-friendly products for food packaging and paper containers
✓ Tapping into customers' function-related needs arising from the shift to paper and mono-materials
✓ **Expanding the coating agent business into the environmentally-friendly packaging market**

*1 PFAS-free oil resistance agents: Per- and polyfluoroalkyl substances (PFAS) are organic fluorine compounds and are known to potentially cause carcinogenic effects and persistent environmental pollution. "PFAS-free oil resistance agents" means that oil resistants are intentionally made without using PFAS chemicals.

Creating New Businesses

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Applying core technologies nurtured in the Printing Ink Business to create new business value

Target domains

■ **Open innovation and lean startup**

Business development domains

Providing sustainable solutions by developing new technologies and creating new business models

Electronics and energy

Integration of new technologies aimed at reducing the environmental impact of society
Decarbonization and green energy generation for a sustainable society

■ **Addressing social issues leveraging our core competencies**

Bio-based and non-fossil materials

Developing products that are friendly to the global environment

Healthcare

Helping people live lives characterized by health and well-being

At the heart of the growth strategy

Electronics chemicals

Accelerating the development of high-performance and other materials for the semiconductor and electronic device markets that grow in line with the evolution of AI and for semiconductor manufacturing processes

Proactive investment to accelerate growth

Biochemicals

Developing petrochemical-free materials to create high-performance materials that help create a sustainable society

Creating New Businesses — Strategy for Strengthening Electronics Areas and Progress

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Accelerating initiatives for the creation of new businesses in the field of semiconductor materials

Capital and business alliance with CONNECTEC JAPAN Corporation

Purpose of the alliance

Strengthening the development structure that connects processes from the development of materials to their implementation and evaluation with a view toward fully expanding into the semiconductor materials sector

CONNECTEC JAPAN

Capabilities in implementation, evaluation and process development

- State-of-the-art implementation and bonding technologies
- Evaluation, analysis and reliability testing
- Development of mass production processes and contract manufacturing

Left: Takahiro Nakano, Representative Director and President, CONNECTEC JAPAN Corporation
Center: Katsunori Hirata, Representative Director and Chairman, CONNECTEC JAPAN Corporation
Right: Yoshiaki Ueno, Representative Director, President & CEO, SAKATA INX CORPORATION

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Ability to develop materials and dispersion technologies

- Design and synthesis of functional materials
- Dispersion technologies and mixing technologies
- Diverse material platforms

Expected effects

Increasing the speed of the process up to the product being introduced to the market
Accelerating the evaluation and improvement cycle will shorten lead times.

Expanding new materials and applications
Applications and the customer base will be expanded, mainly in the field of semiconductor back-end process.

Continued growth of business
The mass production structure will be strengthened to increase earnings over the medium- and long-term.

Roadmap

- 2020 — **Start of research and development**
- 2024 — **Completion of development samples**
- 2025 — **Exhibition of development samples at a trade show**
- Current stage — **Important phase for opening up the future in the priority area**
- 2030 — **Establishment of the business**

Development of applications to the area of mounting boards and electronic materials that support electronic devices

Thick film pastes for electronic materials
Printed electronics etc.

Current stage:
- ➢ Gaining of a foothold for electronic materials and functional materials used around semiconductor devices
- ➢ Accumulation of pieces of customer requirement information (approaching customers related to the supply chain)
- ➢ Commencement of development work in the priority area

2030:
- ➢ Establishment of mass production processes
- ➢ Introduction of mass produced products to markets
- ➢ Increased contribution to sales and earnings

FY2026/12 Q2 (Half Year) Financial Results

Takayuki Shirafuji, Director and Executive Officer

FY2026/12 Q2 (Half Year) Consolidated Results

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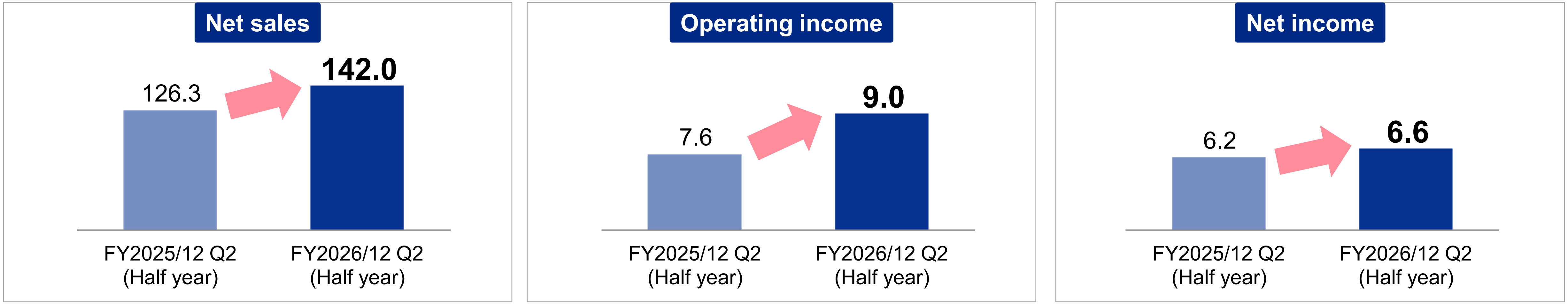
(Billion yen)



(Billion yen)	FY2025/12 Q2 (Half year)	FY2026/12 Q2 (Half year)			
	Amount	Amount	Change	YoY (%)	Rate of change based on local currency (%)
Net sales	126.3	**142.0**	**15.6**	12.4	6.6
Operating income	7.6	**9.0**	**1.3**	18.0	11.7
Ordinary income	8.6	**9.9**	**1.2**	14.9	9.6
Net income attributable to owners of parent	6.2	**6.6**	**0.4**	7.1	1.8
Exchange rate (JPY against USD)	148.60	**158.18**	**9.58**	–	–

About the exchange rate:

- The exchange rate represents a simple average of the average rates during individual quarters.
- Exchange rate sensitivity: A depreciation of JPY1 against the USD increases net sales by around JPY1.4 billion and operating income by JPY0.1 billion in one year.
- The impact of exchange rate occurs mostly from the conversion of currency into the Japanese yen at the end of the accounting period of individual overseas subsidiaries.

FY2026/12 Q2 (Half Year) YoY Changes by Main Factor

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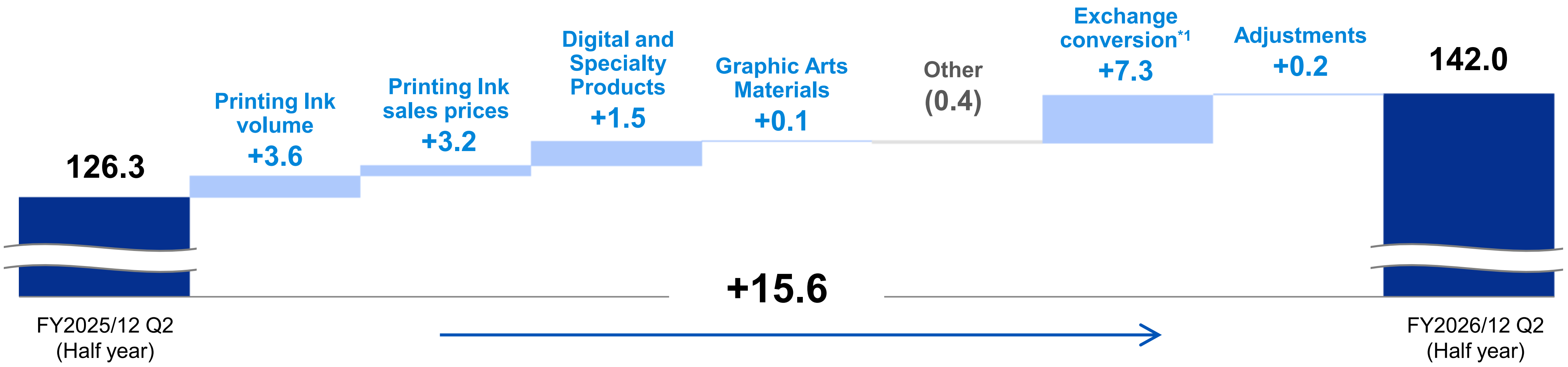
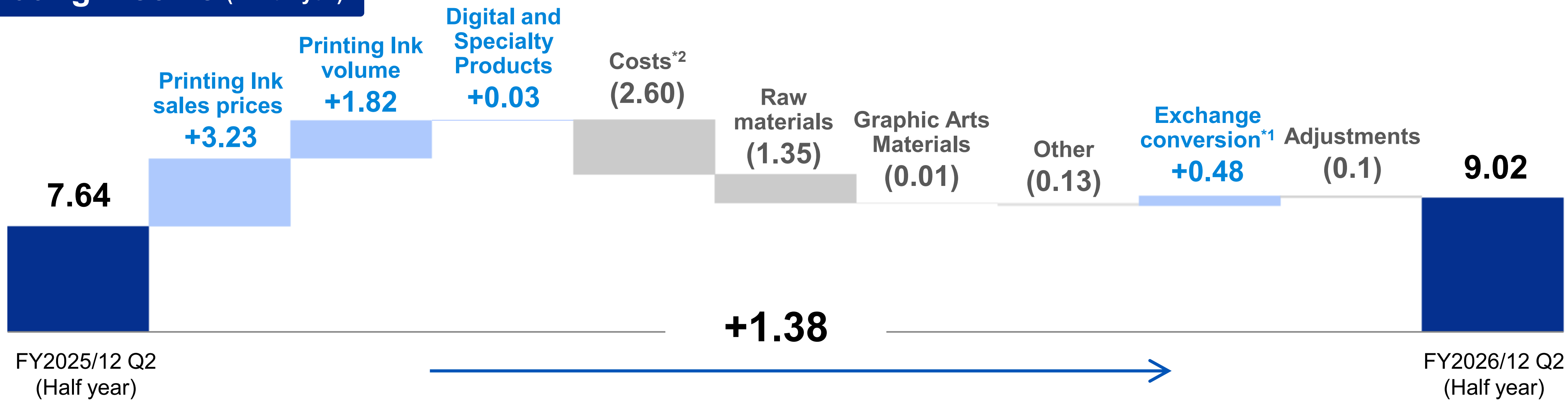
Net sales (Billion yen)



Operating income (Billion yen)



*1 Impact of exchange rates at the time of the closing of the books of overseas subsidiaries

*2 Manufacturing costs, SGA, etc.

Results by Segment (net sales and operating income)

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(Billion yen)

	Net sales				Operating income			
	FY2025/12 Q2 (Half year)	FY2026/12 Q2 (Half year)	Change (%)	Rate of change based on local currency (%)	FY2025/12 Q2 (Half year)	FY2026/12 Q2 (Half year)	Change (%)	Rate of change based on local currency (%)
Printing Inks and Graphic Arts Materials (Japan)	24.9	**26.9**	8.0	—	0.4	**2.1**	386.6	—
Printing Inks (Asia)	26.8	**30.4**	13.4	7.6	3.1	**3.3**	7.1	0.8
Printing Inks (Americas)	50.3	**56.2**	11.7	3.8	3.0	**2.2**	(26.8)	(31.7)
Printing Inks (Europe)	10.5	**12.8**	22.1	9.8	0.1	**0.5**	211.2	174.7
Digital and Specialty Products*	13.0	**15.1**	15.8	11.8	1.1	**1.2**	9.3	2.9
Reporting segments total	125.7	**141.5**	12.6	6.8	7.9	**9.5**	20.1	14.1
Other*	4.0	**3.6**	(10.2)	(10.2)	0.2	**0.0**	(59.9)	(59.9)
Adjustments	(3.3)	**(3.1)**	—	—	(0.5)	**(0.6)**	—	—
Total	126.3	**142.0**	12.4	6.6	7.6	**9.0**	18.0	11.7

* In the fiscal year ending December 31, 2026, the toner business was transferred from a related domestic subsidiary in the Other segment to the Digital and Specialty Products segment. Accordingly, the figures for the fiscal year ended December 31, 2025 have been modified retrospectively.

Consolidated Balance Sheet

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Total assets increased due to increases in notes and accounts receivable - trade and inventories and also due to the impact of foreign currency translation following the depreciation of the yen.

(Billion yen)

Total assets 242.5
(+16.7 from end of previous fiscal year)

Assets	Liabilities and net assets
Current assets **139.6** (+12.4 from end of previous fiscal year)	Liabilities **108.4** (+9.0 from end of previous fiscal year)
Non-current assets **102.8** (+4.3 from end of previous fiscal year)	Net assets **134.1** (+7.6 from end of previous fiscal year)

Equity ratio: 52.0%
(End of the previous fiscal year: 52.8%)

Major reasons for increase/decrease (Current assets)

Increase in cash and deposits	+1.5
Increase in notes and accounts receivable - trade	+7.5
Increase in inventories	+2.6

Major reasons for increase/decrease (Non-current assets)

Increase in property, plant and equipment	+1.7
Increase in intangible assets	+0.4
Increase in investment securities	+2.0

Major reasons for increase/decrease (Liabilities)

Increase in notes and accounts payable - trade	+3.2
Increase in short-term borrowings	+9.6
Decrease in long-term borrowings	(4.2)

Major reasons for increase/decrease (Net assets)

Increase in shareholders' equity	+3.2
Increase in foreign currency translation adjustment	+3.2
Increase in valuation difference on available-for-sale securities	+0.3

Statement of Cash Flows

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Cash flows from operating activities increased year on year reflecting a rise in income before income taxes, partly offset by an increase in working capital. Negative cash flows from investing activities increased chiefly due to an increase in investment in intangible assets. Cash flows from financing activities decreased due to dividend payments and purchase of treasury shares.

(Billion yen)

Account / Fiscal Year	FY2025/12 Q2 (Half year) (1/1/2025-6/30/2025)	FY2026/12 Q2 (Half year) (1/1/2026-6/30/2026)	Change
Cash flow from operating activities	3.1	**4.0**	0.8
Cash flow from investing activities	(3.6)	**(4.0)**	(0.4)
Free cash flows	(0.4)	**(0.0)**	(0.4)
Cash flow from financial activities	0.5	**0.1**	(0.3)
Cash and cash equivalents at end of period	15.1	**19.2**	4.1

Main breakdown of cash flows in FY2026 half year

Cash flows from operating activities:	**+0.8**
Income before income taxes:	+0.6
Decrease (increase) in notes and account receivables -trade:	(6.1)
Decrease (increase) in inventories:	(0.4)
Increase (decrease) in notes and account payables -trade:	+6.6
Cash flows from investing activities:	**(0.4)**
Purchase of property, plant and equipment:	+1.1
Purchase of intangible assets:	(0.8)
Proceeds from sale of investment securities:	(0.9)
Cash flows from financing activities:	**(0.3)**
Net increase (decrease) in short-term borrowings:	+0.9
Proceeds from long-term borrowings:	(1.7)
Repayments of long-term borrowings:	+1.9
Redemption of bonds:	(1.0)
Purchase of treasury shares:	(0.4)
Total change in cash flows:	**+0.0**

FY2026/12 Full-year Forecasts

Full-year Consolidated Forecasts

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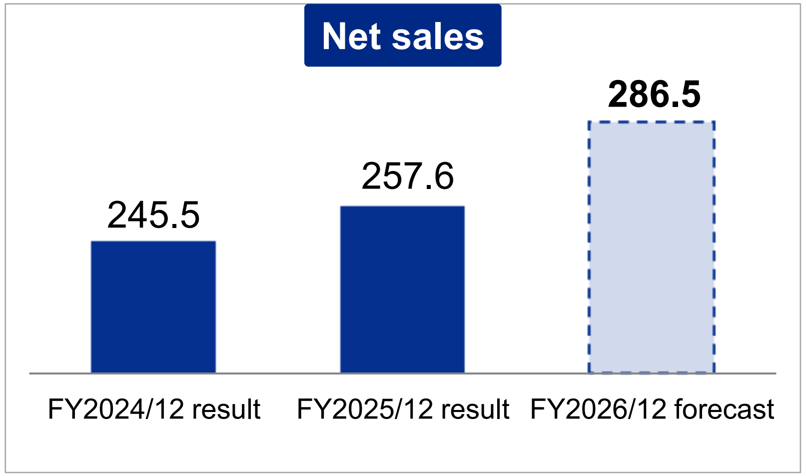
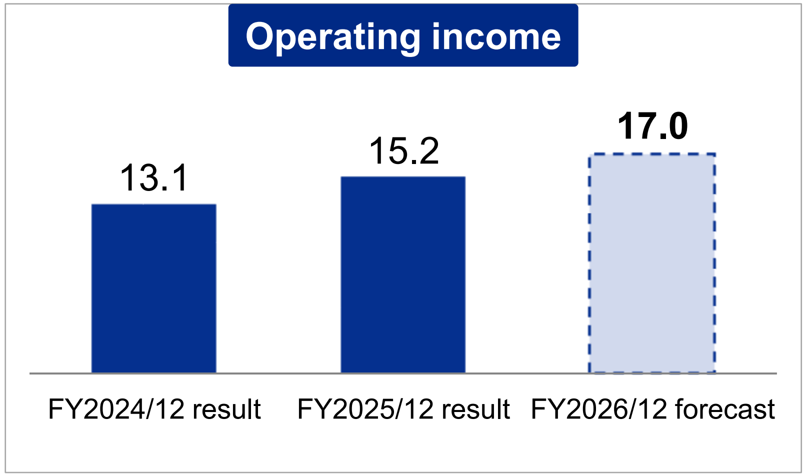
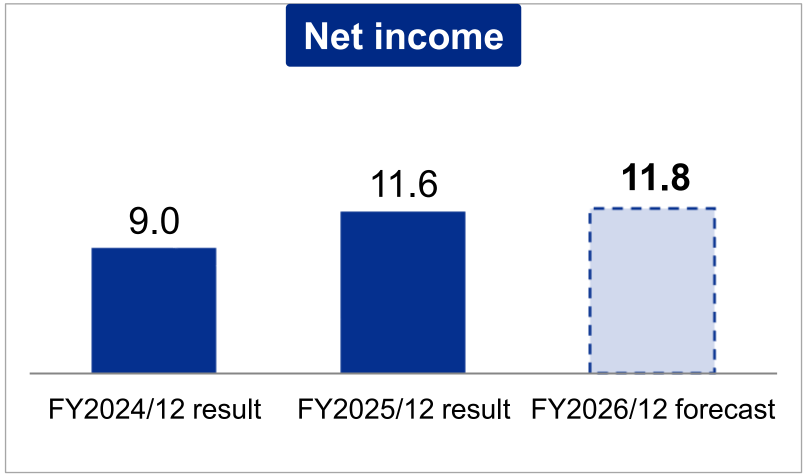
(Billion yen)







(Billion yen)	2024	2025	FY2026/12 full-year				2026 Medium-term Management Plan targets
			Initial forecasts	Revised forecasts			
	Amount	Amount	Amount	Amount	YoY (Amount, % change)		Amount
Net sales	245.5	257.6	276.0	**286.5**	**28.8**	**11.2%**	270.0
Operating income	13.1	15.2	17.0	**17.0**	**1.7**	**11.6%**	18.0
Ordinary income	12.8	15.3	17.8	**17.8**	**2.4**	**15.8%**	19.0
Net income attributable to owners of parent	9.0	11.6	11.8	**11.8**	**0.1**	**1.6%**	12.7
ROE (%)	8.5	10.0	―	―	―	―	10% or more
Exchange rate (JPY against USD)	151.58	149.71	150.00	**155.00**	**5.29**	**3.5%**	135.00

About the exchange rate:

- The exchange rate represents a simple average of the average rates during individual quarters.
- Exchange rate sensitivity: A depreciation of JPY1 against the USD increases net sales by around JPY1.4 billion and operating income by JPY0.1 billion in one year.
- The impact of exchange rate occurs mostly from the conversion of currency into the Japanese yen at the end of the accounting period of individual overseas subsidiaries.

Forecasts by Segment

(Billion yen)

	Net sales					Operating income				
	FY2024/12	FY2025/12	FY2026/12 (Initial forecasts)	**FY2026/12 (Revised forecasts)**	YoY Change (%)	FY2024/12	FY2025/12	FY2026/12 (Initial forecasts)	**FY2026/12 (Revised forecasts)**	YoY Change (%)
Printing Inks and Graphic Arts Materials (Japan)	52.8	50.2	49.5	**54.5**	8.6	0.9	1.4	1.7	**3.2**	129.0
Printing Inks (Asia)	58.2	56.1	62.2	**63.4**	12.9	5.7	6.9	7.4	**6.6**	(3.2)
Printing Inks (Americas)	87.8	101.8	109.5	**112.2**	10.2	4.4	5.2	5.5	**4.7**	(10.3)
Printing Inks (Europe)	21.4	21.5	24.0	**25.3**	17.3	0.0	0.0	0.3	**0.7**	11.2 times
Digital and Specialty Products	19.4*1	26.9*1	30.2	**29.8**	10.7	2.6*1	2.4*1	3.2	**2.6**	8.7
Reporting segments total	239.8	256.8	275.6	**285.3**	11.1	13.8	16.1	18.2	**18.0**	12.1
Other	12.7*1	7.4*1	7.0	**7.4**	0.4	0.1*1	0.2*1	0.2	**0.1**	(46.1)
Adjustments	(6.9)	(6.5)	(6.6)	**(6.3)**	—	(0.9)	(1.1)	(1.4)	**(1.2)**	—
Total	245.5	257.6	276.0	**286.5**	11.2	13.1	15.2	17.0	**17.0**	11.6

* Net sales and operating income forecasts have been revised from the full-year consolidated forecasts announced in February. However, the forecast of total operating income remains unchanged.

*1: In the fiscal year ending December 31, 2026, the toner business was transferred from a related domestic subsidiary in the Other segment to the Digital and Specialty Products segment. Accordingly, the figures for the fiscal year ended December 31, 2025 have been modified retrospectively. However, the figures for the fiscal year ended December 31, 2024 have not been modified retrospectively.

Summary by Segment

Printing Inks and Graphic Arts Materials (Japan)

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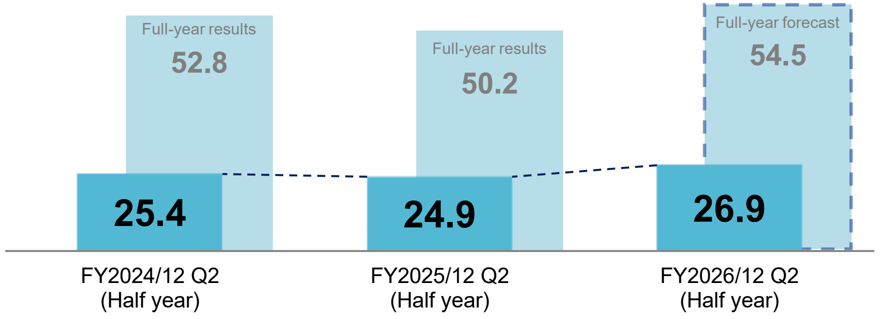
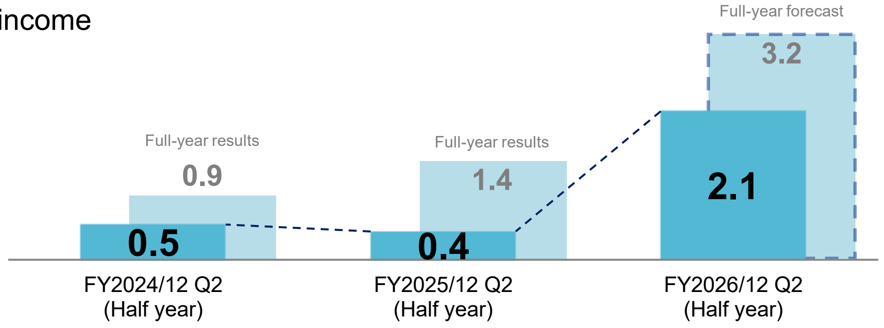
Net sales and operating income (Billion yen)

Net sales



Net sales	2024	2025	2026
Q1	12.2	12.4	12.1
Q2	13.2	12.4	14.7
Q3	13.4	12.3	—
Q4	13.9	13.0	—

Operating income



Operating income	2024	2025	2026
Q1	0.35	0.27	0.56
Q2	0.17	0.17	1.61
Q3	0.16	0.45	—
Q4	0.23	0.53	—

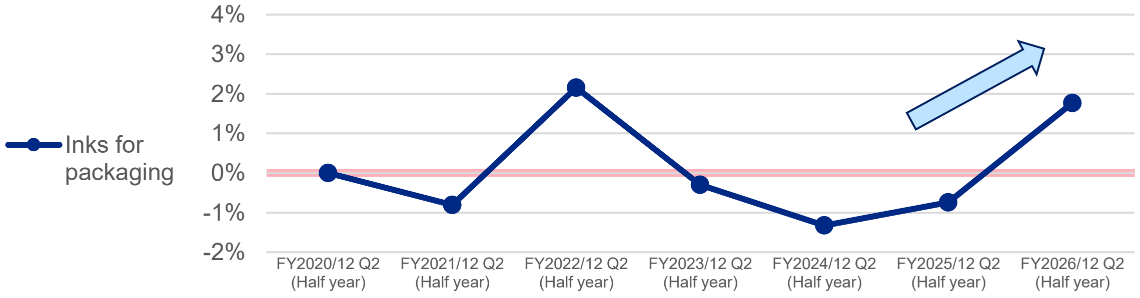
Factors in YoY change

+
- Effect of selling price revisions
- Recovery in demand in inks for packaging
- Effects of business structural reforms

−
- Increase in raw materials
- Rise in wages and logistics costs
- Strategic contraction of sales of products related to information media

Volume growth rate for half year (Compared with the First Half of 2020)

Demand for packaging, mainly for food and daily goods, was trending toward a recovery following the easing the impact of inflation.



Performance evaluation and forecast

- **Half-year operating income stood at JPY2.1 billion, surpassing the same period of the previous year.**
  - ➢ Both net sales and operating income rose, mainly due to the recovery of the sales volume in packaging inks, the increasing impact of price revisions that began to be implemented the previous year and additional price revisions in response to rising prices of raw materials attributable to the Middle East situation, and an increase in earnings following the strategic contraction of business related to information media.
- **Forecast amount of FY2026 operating income is JPY3.2 billion. (Target under the Medium-term Management Plan: JPY2.9 billion)**
  - ➢ Net sales and operating income are expected to increase due to the continued revision of prices and the expansion of sales, mainly in the packaging domain, while it is projected that the prices of raw materials will continue to rise.

Printing Inks and Graphic Arts Materials (Japan)

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Strengthening foundations for growth by expanding environmentally-friendly products and investing capital

Installation of equipment compatible with direct food contact (DFC)*1

Strengthening the domestic supply system to increase safety and reliability in the food packaging area

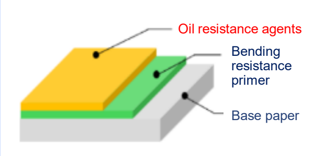
■ Purpose of the installation of the equipment (scheduled in August 2026)

Safety and reliability	High hygiene management standards	Advanced supply system
Contributions to quality and safety in the food packaging area	Supply of materials suitable for direct food contact applications	Acting in anticipation of future toughening of environmental regulations

■ Production details (planned)

- PFAS-free oil resistance agents*2
- Moisture-proof agents
- Water resistance agents
- Various functional coating agents

Expected applications for oil resistance agents
- Wrapping paper for hamburgers
- Paper containers for French fries and pizzas
- Individual packaging for solid oil-containing items



*1 DFC: (Reference) News release on June 11, 2026: *Installation of equipment compatible with DFC (Direct Food Contact) as the first packaging material manufacturer in Japan*

*2 PFAS-free oil resistance agents: Per- and polyfluoroalkyl substances (PFAS) are organic fluorine compounds and are known to potentially cause carcinogenic effects and persistent environmental pollution. "PFAS-free oil resistance agents" means that oil resistants are intentionally made without using PFAS chemicals.

Expansion of sales of existing gravure inks and development of next-generation environmental technologies

■ Market needs

Reduction of volatile organic compounds (VOCs) and CO_2 emissions	Shift to mono-material packaging materials	Compliance with food safety and environmental regulations

■ Enhancement of the lineup of products

Gravure inks	EB offset inks	Water-based flexo inks for films
Existing earnings base	In the verification and market establishment stage	In the stage of expanding applications
Strengthening the existing earnings base by expanding sales of environmentally-friendly products	**Acting in anticipation of next-generation environmental technologies with an eye toward the establishment of a domestic market**	**Expanding the applications of products from conventional paper and cardboard to labels and flexible packaging films in Japan**
➢ Capture stable demand in the mainstay flexible packaging market ➢ Expand sales of environmentally-friendly products, including botanical and toluene-free products that meet customers' needs regarding the reduction of VOCs and petrochemical-free solutions	➢ Address VOCs, high-resolution printing and the shift to mono-materials ➢ Propose solutions in view of examples overseas with a view toward expansion in Japan	➢ Expand into label and flexible packaging film applications ➢ Respond to customers' need to reduce VOCs and CO_2 emissions ➢ Propose solutions and conduct evaluations for label and flexible packaging film applications

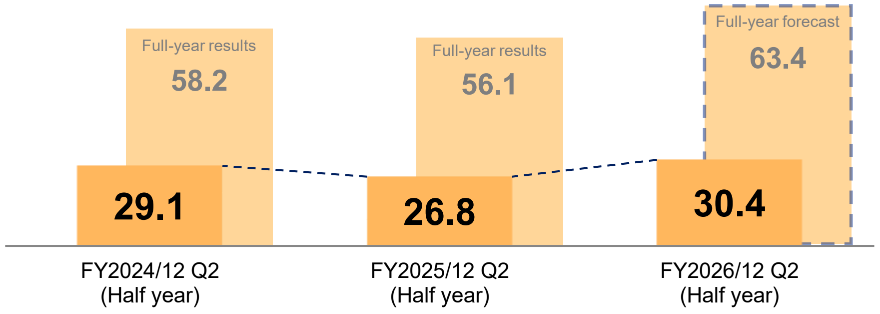
With the existing environmentally-friendly gravure inks as an earnings base, implement activities in anticipation of water-based flexo inks, EB offset inks and other next-generation technologies

Printing Inks (Asia)

SAKATA INX
Visual Communication Technology

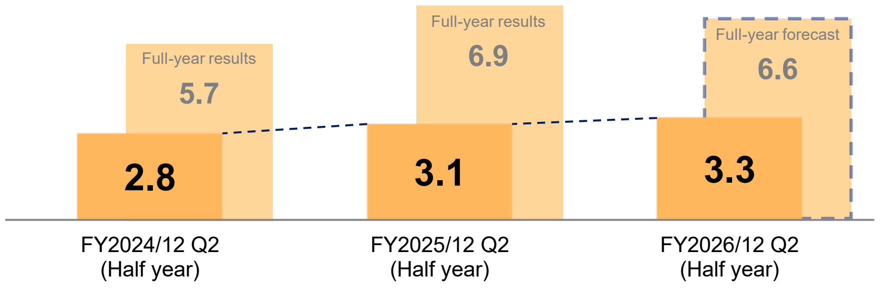
Net sales and operating income (Billion yen)

Net sales



Net sales	2024	2025	2026
Q1	14.8	14.0	14.3
Q2	14.2	12.7	16.1
Q3	14.5	14.6	—
Q4	14.6	14.6	—

Operating income



Operating income	2024	2025	2026
Q1	1.59	1.60	1.65
Q2	1.30	1.52	1.69
Q3	1.44	1.93	—
Q4	1.41	1.84	—

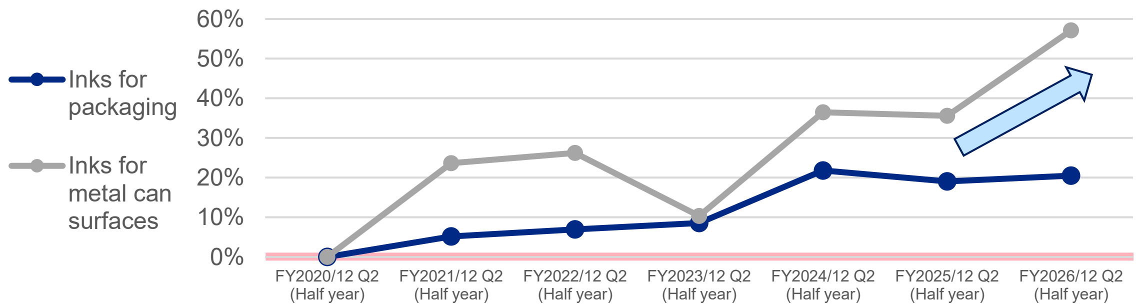
Factors in YoY change

+
- Increases in the sales volumes in major countries (India, Indonesia, and Vietnam)
- Cost reduction effect of joint procurement led by the Asia headquarters
- Effect of production and inventory optimization in the segment

−
- Increase in raw materials
- Rise in wages and logistics costs
- Intensifying competition and downward pressure on prices

Volume growth rate for half year (Compared with the First Half of 2020)

The figure leaped considerably, reflecting the growth of sales of packaging inks amid rallying demand in the Southeast Asia market and the effect of the transfer of inks for metals from a different segment.



Performance evaluation and forecast

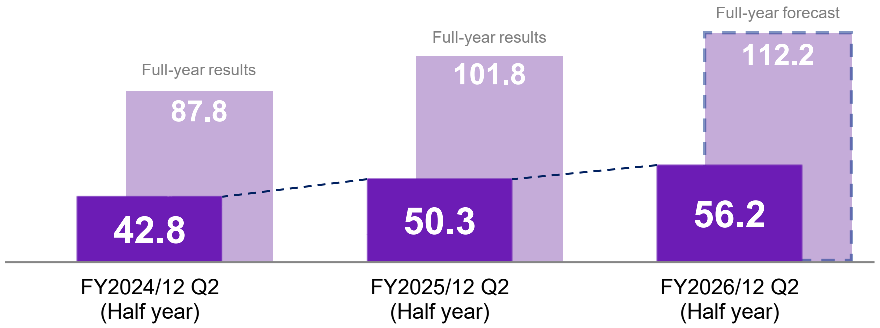
- **Half-year operating income stood at JPY3.3 billion, exceeding the level in the same period of the previous year.**
  - ➢ The strong result was due to firm domestic demand and exports and the inclusion of the performance in the Oceania region in the consolidated results since the second half of the previous year.
  - ➢ Price revisions made it possible to absorb the cost increase arising from the Middle East situation.
  - ➢ Joint procurement and optimization of production and inventories had a positive effect.
- **The forecast for FY2026 operating income is JPY6.6 billion. (Target under the Medium-term Management Plan: JPY4.3 billion)**
  - ➢ Net sales are forecast to rise following the growth of the sales volume, but operating income is expected to decrease due to the rising prices of raw materials.
    The operating income forecast is higher than the target in the Medium-term Management Plan in view of the improvement of profitability that has been supported by the structural reforms led by the Asia headquarters.

Printing Inks (Americas)

SAKATA INX
Visual Communication Technology

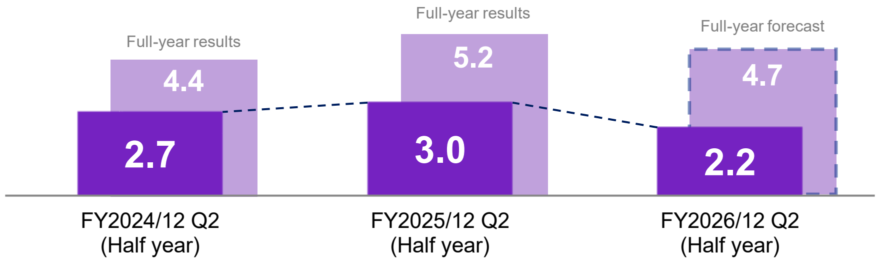
Net sales and operating income (Billion yen)

Net sales



Net sales	2024	2025	2026
Q1	20.3	25.5	27.6
Q2	22.4	24.8	28.6
Q3	21.9	25.9	—
Q4	23.0	25.4	—

Operating income



Operating income	2024	2025	2026
Q1	1.32	1.54	1.28
Q2	1.39	1.54	0.97
Q3	1.56	1.31	—
Q4	0.19	0.87	—

Factors in YoY change

+

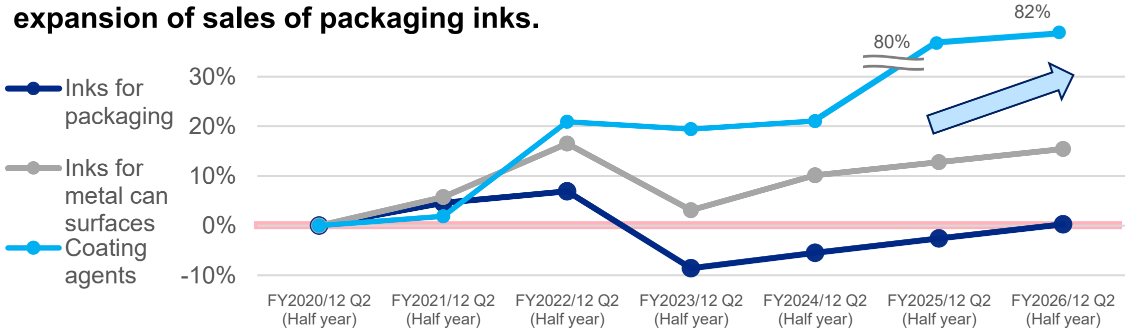
- Expansion of sales and buoyant demand for packaging inks
- Effect of selling price revisions
- Synergy with C&A (profitability increased mainly by expansion of cross-selling of coating agents and integration of production items)

−

- Increases in personnel expenses and logistics costs due to inflation
- Rise in temporary expenses due to the updating of the ERP system
- Burden of the depreciation of the new plant in Brazil

Volume growth rate for half year (Compared with the First Half of 2020)

The sales volume steadily increased due to the expansion of the cross-selling of coating agents in addition to the growing demand and expansion of sales of packaging inks.



Performance evaluation and forecast

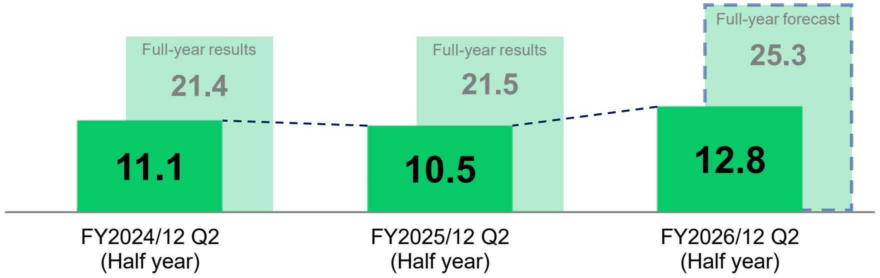
- **Half-year operating income stood at JPY2.2 billion, below the same period of the previous year.**
  - ➢ Although the sales volume increased due to the expansion of sales of packaging inks and the cross-selling of coating agents, the increase of personnel expenses, logistics costs and other costs continued to compress operating income.
  - ➢ A depreciation burden was incurred due to the opening of the new plant in Brazil, in addition to increased cost mainly for updating the ERP system.
- **The forecast for FY2026 operating income is JPY4.7 billion.**
  (Target under the Medium-term Management Plan: JPY4.9 billion)
  - ➢ While net sales are projected to rise after sales of packaging inks and coating agents expand, operating income is expected to decrease due to increasing personnel expenses and logistics costs, the depreciation of the new plant in Brazil, and other factors.
  - ➢ Operating income will remain at the level targeted in the Medium-term Management Plan.

Printing Inks (Europe)

SAKATA INX
Visual Communication Technology

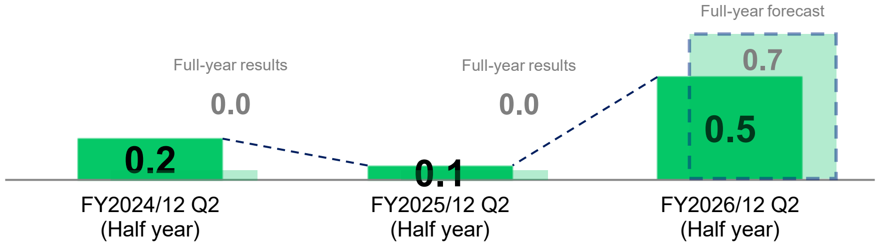
Net sales and operating income (Billion yen)

Net sales



Net sales	2024	2025	2026
Q1	5.5	5.2	6.2
Q2	5.6	5.2	6.6
Q3	5.3	5.4	―
Q4	4.9	5.5	―

Operating income



Operating income	2024	2025	2026
Q1	0.20	0.08	0.22
Q2	0.00	0.09	0.31
Q3	0.00	(0.00)	―
Q4	(0.14)	(0.10)	―

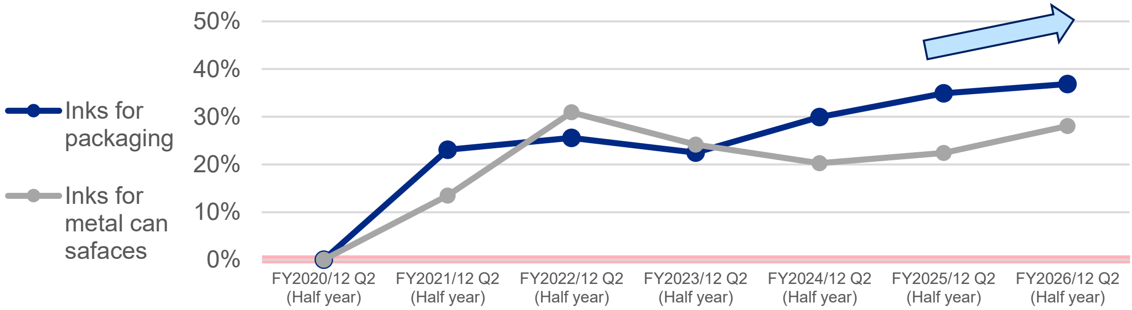
Factors in YoY change

+
- Growth in sales of environmentally friendly products (aided by increasingly strict European environmental regulations)
- Increase in the sales volume of inks for metals (increase in the share of the large customer market and growing demand in the EU zone and Africa)
- Joint procurement of raw materials and effects of logistics reforms

−
- Increases in wages, procurement costs and other expenses
- Transfer of production of inks for metals for Asia to Vietnam

Volume growth rate for half year (Compared with the First Half of 2020)

Growth continued following the expansion of sales of environmentally-friendly products and an increased sales volume of inks for metals.



* The German company A.M Ramp & Co. GmbH (RUCO) was acquired in 2020.

Performance evaluation and forecast

- **Half-year operating income stood at JPY0.5 billion, exceeding the level in the same period of the previous year.**
  - ➢ In addition to the growth of sales of environmentally-friendly products, demand for inks for metals in the EU zone grew and their sales for Africa were firm.
  - ➢ Reorganization of production bases in the EU zone, joint procurement and other factors helped increase operating income.
- **The forecast FY2026 operating income is JPY0.7 billion. (Target under the Medium-term Management Plan: JPY0.5 billion)**
  - ➢ It is expected that costs will increase in the second half due to the situation in the Middle East. Despite this, net sales and operating income are forecast to increase as a result of price revisions and the expansion of sales of environmentally-friendly products.
  - ➢ Operating income will remain higher than the target in the Medium-term Management Plan.

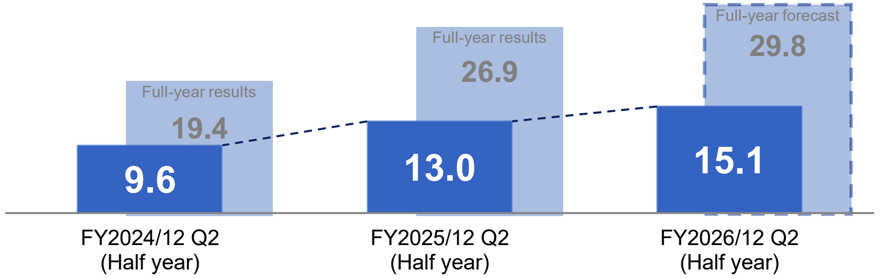
Digital and Specialty Products

SAKATA INX
Visual Communication Technology

Net sales and operating income (Billion yen)

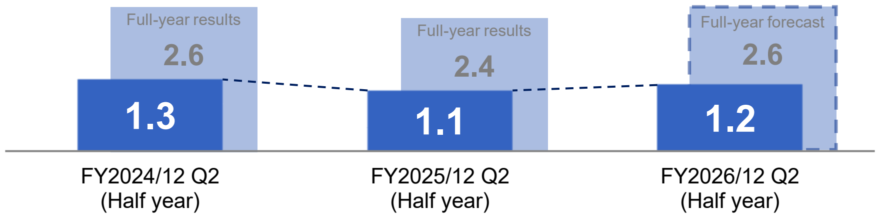
Net sales

* In the fiscal year ending December 31, 2026, the toner business was transferred from a related domestic subsidiary in the Other segment. Accordingly, the figures for the fiscal year ended December 31, 2025 have been modified retrospectively, but those for the fiscal year ended December 31, 2024 have not.



Net sales	2024	2025	2026
Q1	4.4	6.5	7.5
Q2	5.1	6.5	7.5
Q3	4.9	6.9	—
Q4	4.8	6.9	—

Operating income



Operating income	2024	2025	2026
Q1	0.72	0.60	0.60
Q2	0.64	0.49	0.60
Q3	0.64	0.83	—
Q4	0.64	0.50	—

Factors in YoY change

+

- Price revisions implemented in response to the increase of prices of raw materials due to the Middle East situation

[Pigment dispersions for display materials]
Sales leapt due to an increase in demand for televisions because of the FIFA World Cup.

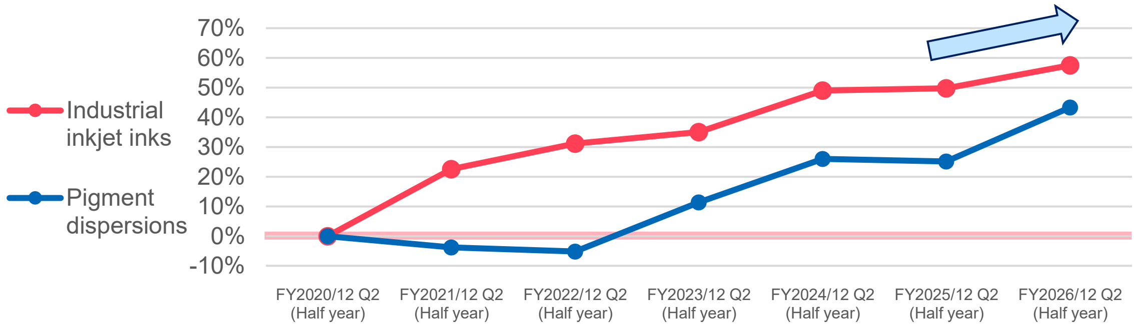
−

- Increasing prices of raw materials due to the Middle East situation

[Inkjet inks]
Decrease in demand and inventory adjustments by customers due to the situation in the Middle East

Half-year sales growth rate (Compared with the First Half of 2020)

There was steady progress in the expansion of sales of both inkjet inks and pigment dispersions.



Performance evaluation and forecast

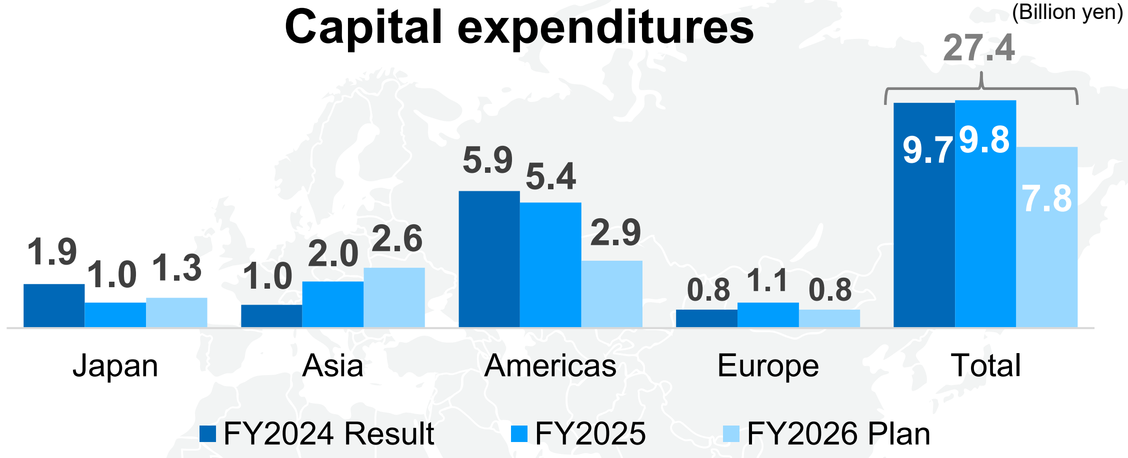
- **Half-year operating income stood at JPY1.2 billion, surpassing the level in the same period of the previous year.**
  - ➢ Sales of inkjet inks were flat year on year, reflecting the shrinkage of demand amid the situation in the Middle East and inventory adjustments implemented by customers.
  - ➢ Sales of pigment dispersions for display materials were strong due to increasing demand.
- **The forecast for FY2026 operating income is JPY2.6 billion. (Target under the Medium-term Management Plan: JPY4.4 billion)**
  - ➢ It is expected that the sales of pigment dispersions and the number of customers newly adopting inkjet inks will increase. At the same time, it is also forecast that sales from some projects will be delayed and that the prices of raw materials will go up.
  - ➢ Earnings will be secured by disseminating price revisions and accelerating expansion into growth areas.

Investments Made and Planned (including unconsolidated figures)

SAKATA INX
Visual Communication Technology

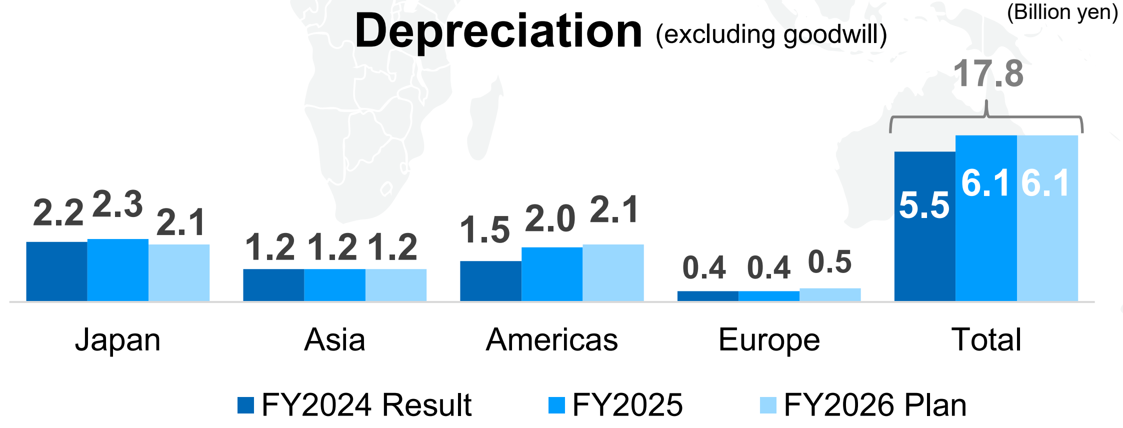
2024-2026 Total
Capital investments of JPY25 billion

Capital expenditures



2024-2026 Total
Depreciation JPY20 billion

Depreciation (excluding goodwill)



2024-2026 Total
Strategic investments of JPY15 billion

Actual examples of investment

■ **Japan**

Capital and business alliance with CONNECTEC JAPAN Corporation (2026)

■ **Europe**

Decision to establish a production site in Poland to expand the market into eastern Europe and the Middle East

■ **Americas**

Acquisition of coating agent manufacturer C&A JPY8 billion (2024)

Major capital investments

■ FY2026 Plan

Japan

- ➢ Equipment related to new businesses
- ➢ Equipment for manufacturing DFC products

Asia

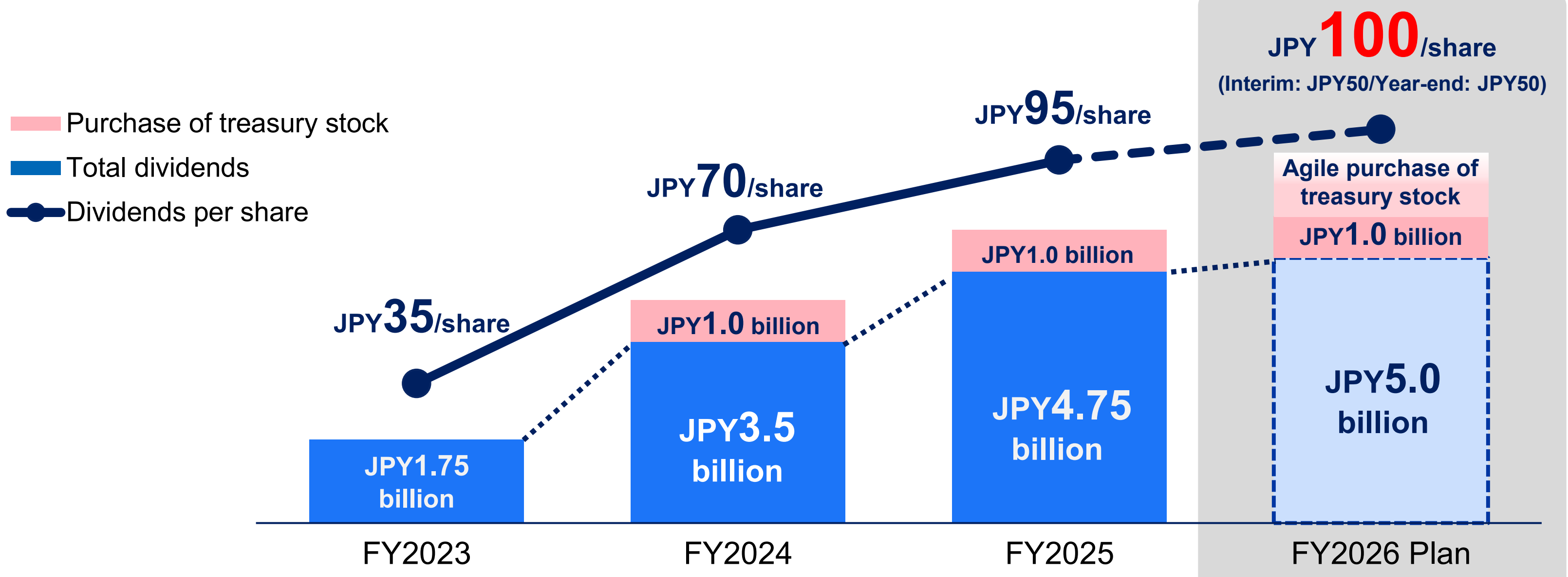
- ➢ ERP update and introduction (successively in different countries)
- ➢ Construction of new warehouses (in Indonesia and in India)
- ➢ Reinforcement of manufacturing equipment (Thailand, Vietnam, and Shanghai: Planned to be completed within 2026)

Americas

- ➢ ERP renewal (USA)
- ➢ Expansion of manufacturing equipment (USA and Brazil)

Shareholder Return

Shareholder return policy	**Active and stable return of dividends and agile purchase of treasury stock**
Target	**Achieving a total payout ratio of 50% or above by 2026**



	FY2023	FY2024	FY2025	FY2026 Plan	
Payout ratio	23.5%	38.8%	40.4%	41.3%	*1
Total payout ratio	23.5%	49.8%	49.0%	50% or above	*1
Net income (billion yen)	7.4	9.0	11.6	11.8	*2
Operating CF (billion yen)	15.3	8.9	17.0	–	

*1 Estimate based on the FY2026 forecast *2 Forecast for FY2026

Treasury stock

Purchased for JPY1.0 billion (in March 2026)

Agile purchase of treasury stock

Annual dividend

FY2026 Plan

JPY100/share

Compared to the FY2023 level
Approx. 2.8 times

 |

SAKATA INX
Visual Communication Technology

Transition to holding company structure (January 2027)

Striving for continued growth with a view toward the achievement of the Long-term Strategic Vision and sustainable growth

1 Intensive investment in growth areas

Integrate management resources scattered across different countries and **concentrate them in businesses and regions with growth potential**

2 Implementation of the global strategy

Enable Group companies in and outside Japan to collaborate and **implement an integrated global business strategy**

3 Strengthening of corporate governance

Clarify the roles of management and business operations to **strengthen the control and governance of the entire Group**

SAKATA INX

Visual Communication Technology

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