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Notice regarding formulation of New Mid-term Business Plan

SAKATA INX CORP. has drawn up a New Mid-term Business Plan for the three years ending in fiscal year 2020. The overview of the business plan is as follows.

“Mid-term Business Plan 2020”  
～ Innovation for the Future ～

**1. Basic Policy**

SAKATA INX Group will strengthen its corporate structure and management foundation based on the corporate philosophy of “Creation of Visual Communication Technology,” with quick and flexible response for any changes in the business environment, by enhancing CSR activities and by promoting environmental management.

In the face of various changes in the printing market such as diversification of information media, increase in awareness of security and safety in food and strengthening of environmental regulations, we will utilize our group’s network to build a solid position in Japan and world markets.

Our core business being the printing ink business, we will actively expand sales by developing and launching locally-based products meeting customer needs as well as environmentally conscious high-function and high-quality products.

In the digital & specialty products business, we will aim to expand our business further by promoting business mainly in the fields of digital printing materials, image display materials and functional coating materials.

For that purpose, we will strengthen R&D and technology capabilities, innovate production process and strengthen marketing and sales capabilities.

Moreover, we will actively advance into new fields by applying our technology fostered in our core business, and will challenge to create new business for the future.

Under this basic policy, we will achieve sustainable growth as a global company by promoting innovations and challenges in our group, and by enhancing the trust from our stakeholders.

## 2. Consolidated target figures

Unit : 100 million yen	FY2017 Forecast		FY2020 Plan	Growth Rate
Net sales	1,585	➔	1,950	23.0%
Operating income	96		130	35.4%
Ordinary income	120		150	25.0%
Profit attributable to owners of parent	87		98	12.6%

## 3. Consolidated Management Indicator

ROE : 10% or more

## 4. Strategic Themes

Expand Printing Ink Business and Digital & Specialty Products Business

- Develop environmentally conscious, safe and energy saving products
- Optimize production and logistics process
- Launch locally-based products matching customer needs and provide total solutions

Create New Business

- Challenge to new growing fields
- Cooperation among different industries, build partnerships with industry, government, academia, etc. and conduct R&D through open innovation

Strengthen Corporate Structure & Management Foundation

- Strengthen SAKATA INX brand power
- Further enhancement in capital efficiency and propel strategic investment such as M&A, etc.

## 5. Plan by Segment

(Unit : 100 million yen, %)

	Net sales			Operating income		
	FY2017 Forecast	FY2020 Plan	Growth Rate	FY2017 Forecast	FY2020 Plan	Growth Rate
Printing inks & graphic arts materials (Japan)	559	599	7.2	25	26	4.0
Printing inks (Asia)	310	466	50.3	26	39	50.0
Printing inks (North America)	443	527	19.0	21	25	19.0
Printing inks (Europe)	90	98	8.9	3	5	66.7
Digital & Specialty Products	111	174	56.8	12	24	100.0
Other Businesses	149	162	8.7	3	4	33.3
Adjustments	△77	△76	—	6	7	—
Total	1,585	1,950	23.0	96	130	35.4

## 6. Investment Plan

Total investment : 28 billion yen

Breakdown : Total capital investment 18 billion yen

Strategic investment 10 billion yen