

Medium-term Management Plan 2026

CCC-II

SAKATA INX CORPORATION

TSE Prime | Securities code: 4633

The forward-looking statements in this document are based on information available at the time the document was prepared and on certain assumptions deemed reasonable, which entail uncertainties. Please note that the information in this document is subject to change.

— Review of previous Medium-term Management Plan CCC-I: Business results

	FY2023 plans	FY2023 results
Net sales	JPY 195.0 B →	JPY 228.3 B
Operating income	11.5 B →	11.3 B
Ordinary income	13.0 B →	13.6 B
ROE	10% or higher →	8.1%
Exchange rate	JPY 105 =USD1 →	JPY 140.56 =USD1

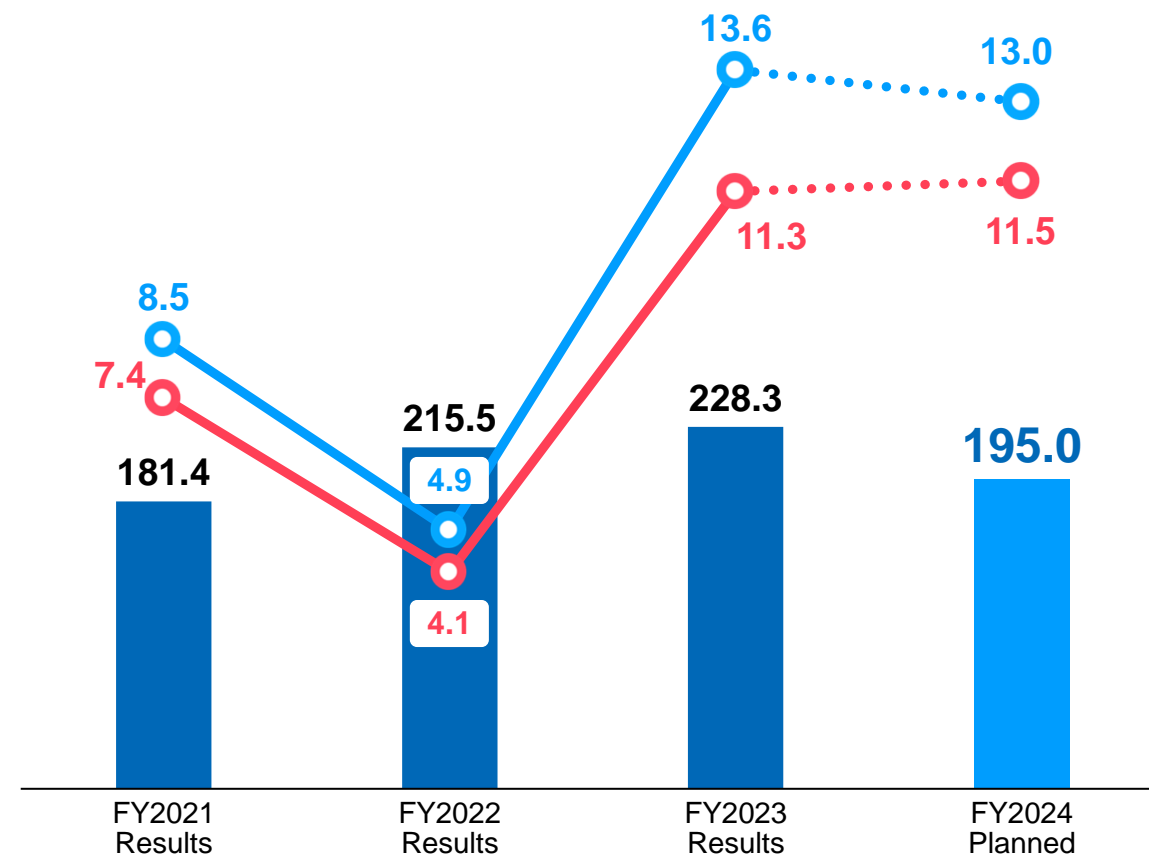
External factors affecting the plan

- Lower demand for information media due to rapid digitalization
- Emerging geopolitical risks
- Exchange rate effects (yen depreciation)
- Fluctuations in raw material costs
- COVID-19 pandemic
- Global inflation (rising labor costs and prices)

Comparison of consolidated net sales and profits

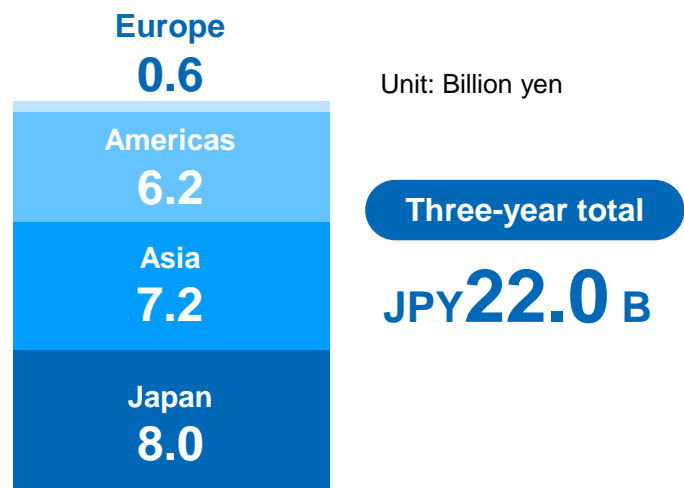
■ Net sales (left axis) ● Operating income (right axis) ● Ordinary income (right axis)

Unit: Billion yen



— Review of previous Medium-term Management Plan CCC-I: Investment plans (including nonconsolidated)

Breakdown of investments by region



Includes strategic investments budget

At the time of Medium-term Management Plan 2023 formulation

Capital investment plan	JPY 15.0 B
Strategic investments budget	JPY 15.0 B *
Total investment	JPY 30.0 B

* Budget for investments to accelerate growth

Results

Capital investment

Japan

Osaka Plant renovations

Vietnam

Construction of new gravure ink plant

Philippines

Construction of new plant for relocation

USA

Expansion of Ohio plant and installation of additional equipment

Brazil

Construction of new plant

Strategic investments

- **US CVC initiatives**
- **Investments in startups and university-based business ventures for open innovation**
- **Investments to establish new businesses**

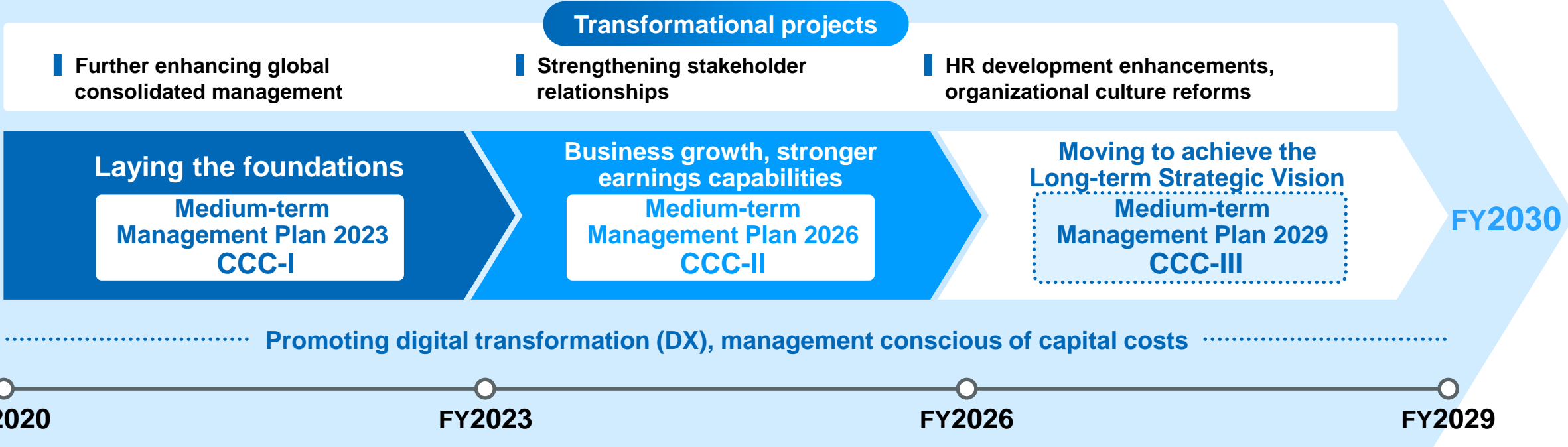


SAKATA INX VISION 2030

Create and Innovate, **C**are for the Earth, **C**olor 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



Strategic course of action

Specific CCC-II policies and initiatives

Growing the Printing inks / Digital and Specialty product businesses



- Business structural reforms (portfolio revisions)
- Contributing to sustainability in the package industry
- Enhancement of global operations

Enhancing ESG and sustainability initiatives with an emphasis on the environment and local communities



- Formulation and review of various policies
- TCFD and TNFD initiatives
- SBT certification
- Quantifying the financial impact of sustainability
- Promoting global ESG governance
- Improving external evaluations

Tackling new business areas



- Accelerating commercialization
- Technology creation in target areas
- Developing HR and corporate culture for tackling new fields and global success
- Open innovation

Transformational project

Specific CCC-II policies and initiatives

Further enhancing global consolidated management



- Building a global strategic promotion structure
- Enhancing the governance structure through the Asia regional management company
- Promoting global projects (sales, ESG, procurement, safety, quality)

Strengthening stakeholder relationships



- Strengthening IR activities and enhancing dialogue with investors
- Proactive disclosure of financial and nonfinancial information, and enhanced dialogue-building
- Enhancing internal branding

HR development enhancements, organizational culture reforms

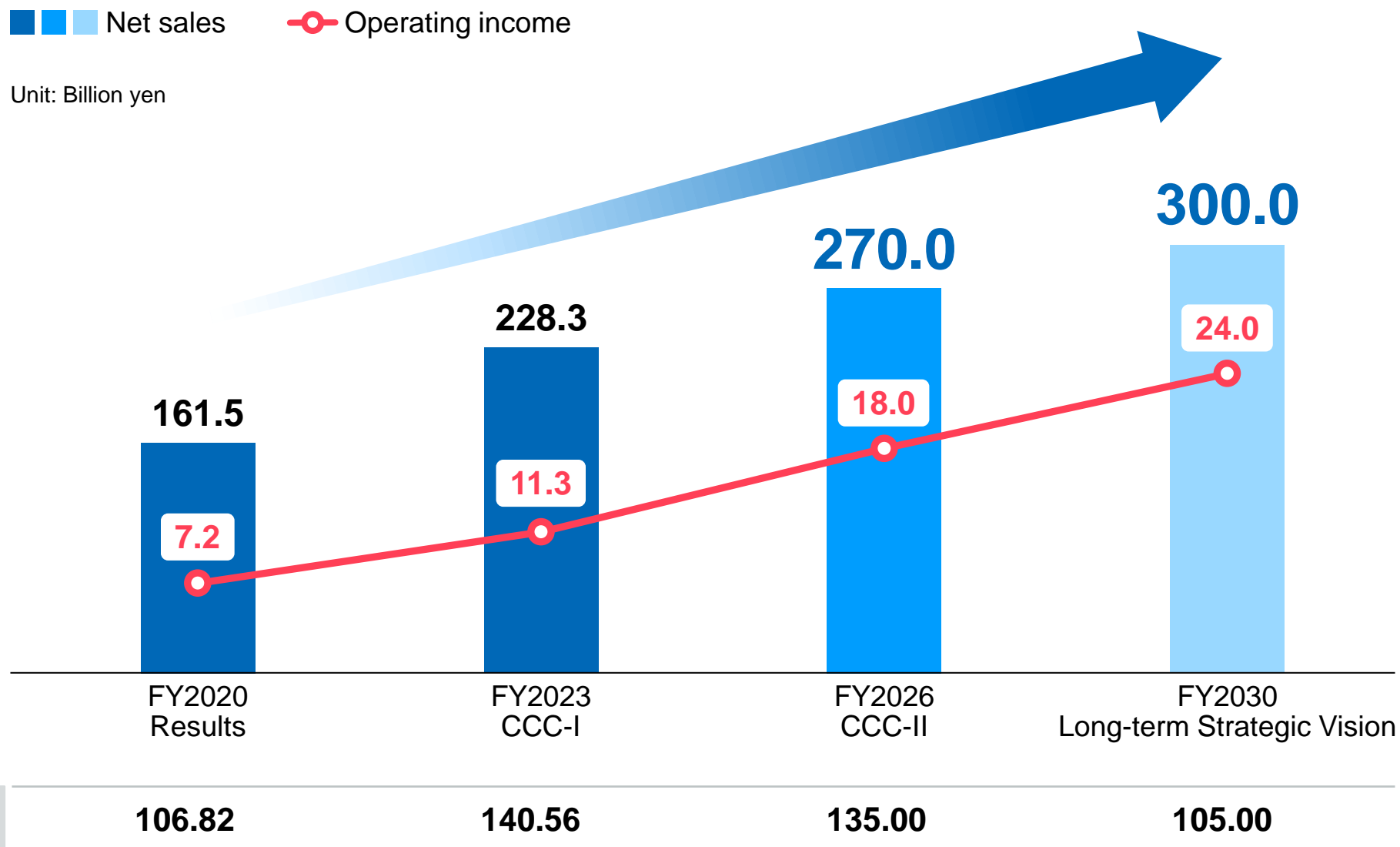


- Growing and enhancing programs and systems to enable employees to energetically tackle new challenges
- Introducing educational and development systems to promote autonomous career-building
- Holding meetings to exchange viewpoints and to deepen understanding of and sympathy with Company vision and policies
- Offering new workstyles targeting well-being, higher productivity, and cocreation

Medium-term Management Plan 2026 (CCC-II): Target and KPI

	Medium-term Management Plan CCC-I		Medium-term Management Plan CCC-II		FY2023-FY2026	
	FY2023 result	Profit margin	FY2026 plan	Profit margin	Change	Growth rate
Unit: Billion yen						
Net sales	228.3	-	270.0	-	+41.7	+18%
Operating income	11.3	5.0%	18.0	6.7%	+6.7	+59%
Ordinary income	13.6	6.0%	19.0	7.0%	+5.4	+39%
Net income attributable to owners of parent	7.4	3.3%	12.7	4.7%	+5.3	+71%
ROE	8.1%		10.0% or higher		—	

— Summary of the ten-year FY2020-2030 Long-term Strategic Vision



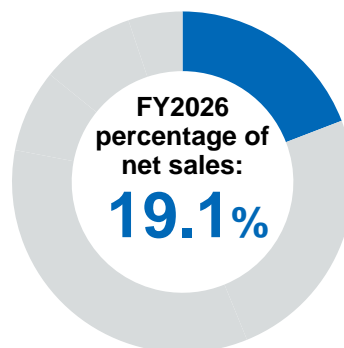
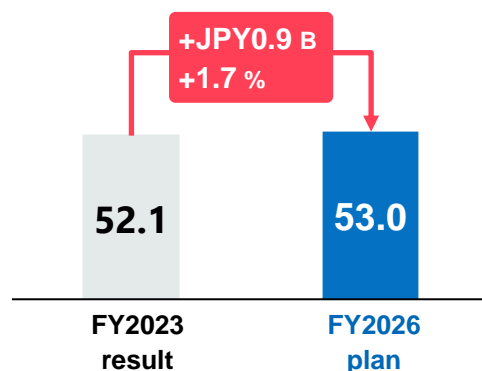
Segment profit/loss

Unit: Billion yen	FY2023		FY2026		FY2023-FY2026			
	Net sales	Operating income	Net sales	Operating income	Change in net sales	Net sales growth rate	Change in operating income	Operating income growth rate
Japan	52.1	0.5	53.0	2.9	+0.9	+1.7 %	+2.4	5.8 times
Asia	52.4	4.3	66.7	4.3	+14.3	+27.3 %	+0.0	+0.0 %
Americas	78.5	4.3	92.8	4.9	+14.3	+18.2 %	+0.6	+14.0 %
Europe	19.5	(0.7)	21.2	0.5	+1.7	+8.7 %	+1.2	-
Digital and Specialty products	16.8	1.8	24.4	4.4	+7.6	+45.2 %	+2.6	2.4 times
Other	15.3	0.4	20.0	1.8	+4.7	+30.7 %	+1.4	4.5 times
Adjustments	(6.4)	0.6	(8.1)	(0.8)	(1.8)	-	(1.5)	-
Consolidated total	228.3	11.3	270.0	18.0	+41.7	+18.3 %	+6.7	+59.3%

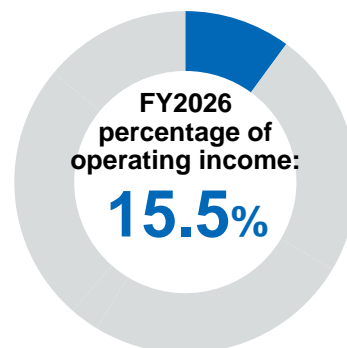
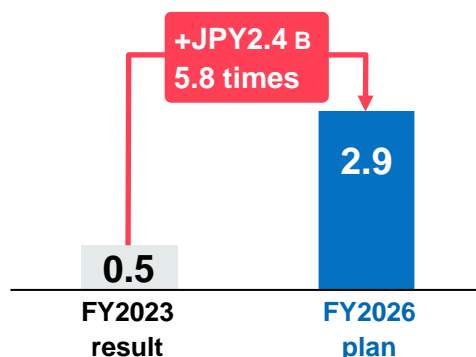
— Segment: Printing Inks and Graphic Arts Materials (Japan)

Performance targets

Net sales (Billion yen)



Operating income (Billion yen)



Basic strategies

- Enhancement to and expanded sales of environmentally-friendly products to raise sustainability in the package business
- Promoting business structural reforms and improving profitability in response to the shrinking industry of paper media-based printing
- Promoting improvements in production efficiency and approaches to cost-cutting that account for capital costs

Key measures

Packages field

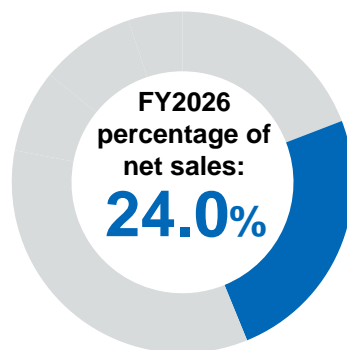
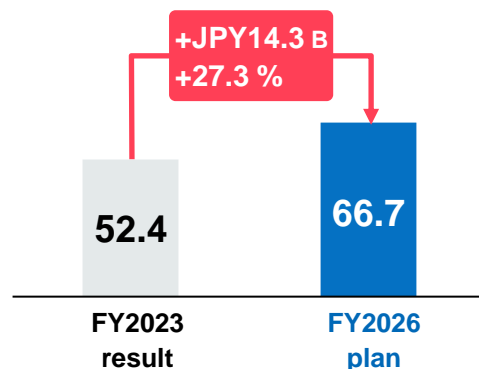
- Expanding sales of environmentally-friendly inks, centered on BITANICAL INKS (e.g., BOTANICAL INK series, water-based inks, EB offset inks)
- Introducing products and services that account for the transition to paper and recycling to reduce plastic waste (e.g., functional coatings, de-inking anchor coatings)

Business structural reforms and profitability enhancements

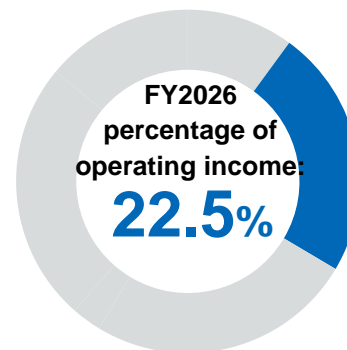
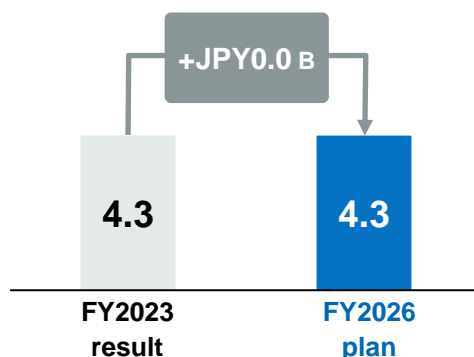
- Improving production efficiency and rebuilding production structures
- Reorganizing domestic facilities to optimize sales and logistics structures
- Reallocating human resources to new businesses and priority business areas
- Putting management resources to effective use

Performance targets

Net sales (Billion yen)



Operating income (Billion yen)



Basic strategies

- Establishing foundations for global execution of corporate strategy
- Reducing product costs and expanding sales of environmentally-friendly products
- Introducing sustainable products for global accounts

Key measures

India

Growing sales of inexpensive high-performance inks to succeed in rapidly growing markets (package inks, UV inks)

Indonesia

Establishing a position as the top package ink producer in the country and developing new customers through gas barrier materials

Vietnam

Increasing production capacity and growing sales of package inks, for which demand is booming; enhancing exports to nearby growth markets

Thailand

Growing sales of package inks for ink converters including major brand ones

China

Local market development for water-based inks (Shanghai)

Establishing an Asia regional management company in Malaysia

Aims of the regional management company

Strategy formulation, implementation, and management in the Asia region

Enhancing governance

Promoting Group policies
(e.g., ESG management)



Enhancing risk management structures
(e.g., compliance)



Enhancing safety and quality structures
(e.g., BCP)



Maximizing Group earnings

Drafting and executing area strategies



Materials procurement strategies
(e.g., joint procurement)



Putting resources to effective use
(e.g., production facility optimization)



SAKATA INX

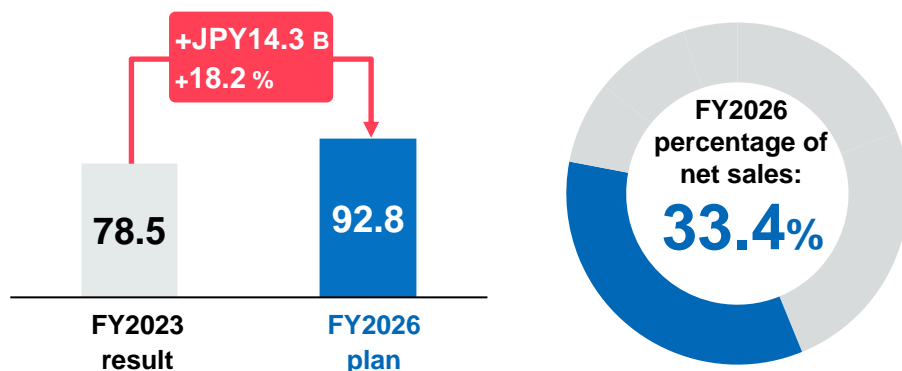
SAKATA INX ASIA HOLDINGS SDN. BHD.

- India
- Malaysia
- Vietnam
- Indonesia
- Philippines
- Thailand

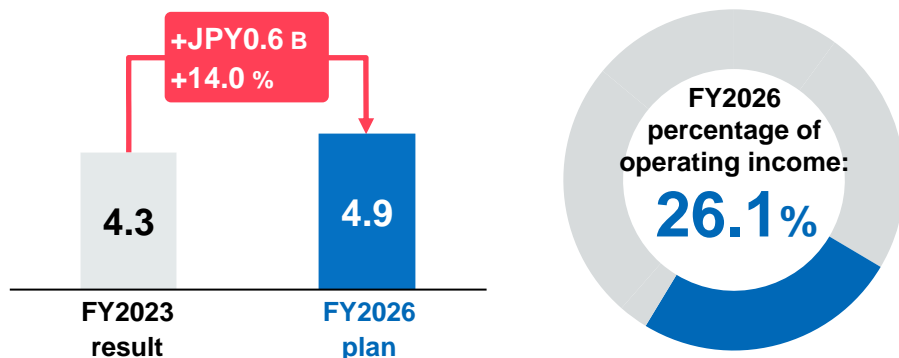
— Segment: Printing Inks (Americas)

Performance targets

Net sales (Billion yen)



Operating income (Billion yen)



Basic strategies

- Growing sales volume and market share, backed by strong consumption
- Promoting production capacity enhancements and production efficiency improvements based on review of capital investment and production structures

Key measures

North America

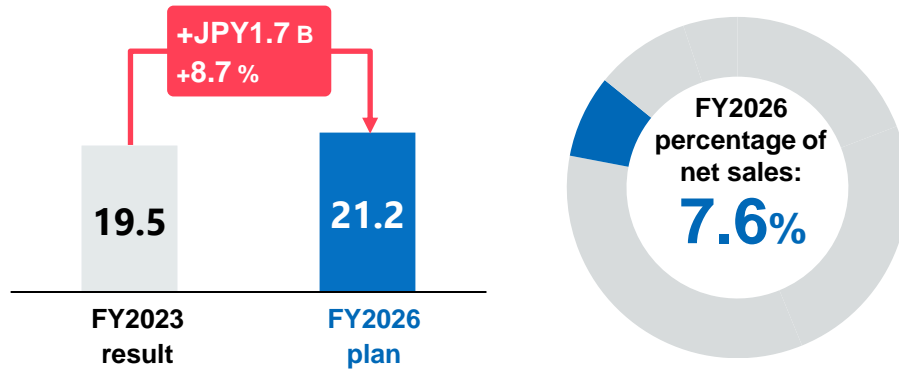
- Building a new plant for package inks and enhancing facilities at the existing plant in response to growth markets
- Maintaining high market shares based on expectations for revived growth in the metal ink market

South America

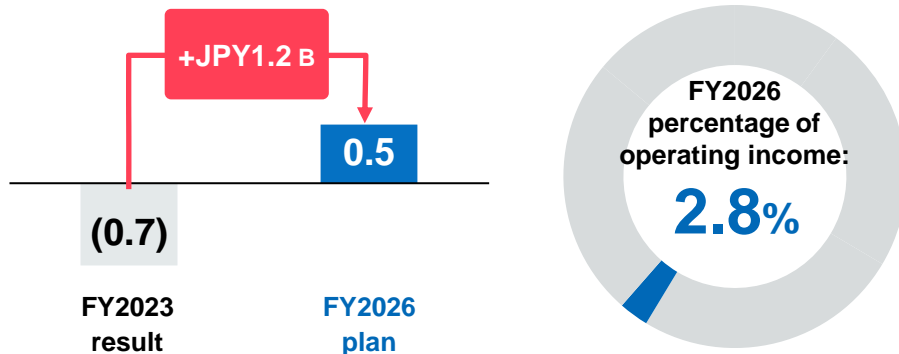
- Growing production capacity and supply areas by bringing the Colombia plant and the new Brazil plant online during 2024
- Growing the package ink market share in Brazil, expanding sales to nearby markets and Central America
- Targeting further growth in market share in metal inks through emphasis on quality and price

Performance targets

Net sales (Billion yen)



Operating income (Billion yen)



Basic strategies

- Rebuilding production and sales structures
- Promoting cost savings by developing procurement strategies
- Developing and growing sales of environmentally-friendly and sustainable products

Key measures

- Cutting costs by streamlining the product lineup and production facilities; enhancing sales to major customers
- Achieving progress on cutting raw material costs by promoting joint procurement within the Sakata Inx Group
- Promoting Groupwide deployment of Europe’s advanced environmental regulations
- Introducing gas barrier materials suited to the monomaterial shift, introducing de-inkable inks to promote recycling

UK

Striving to grow sales to major customers in addition to achieving recovery in other areas to offset the lost Russian market

Spain

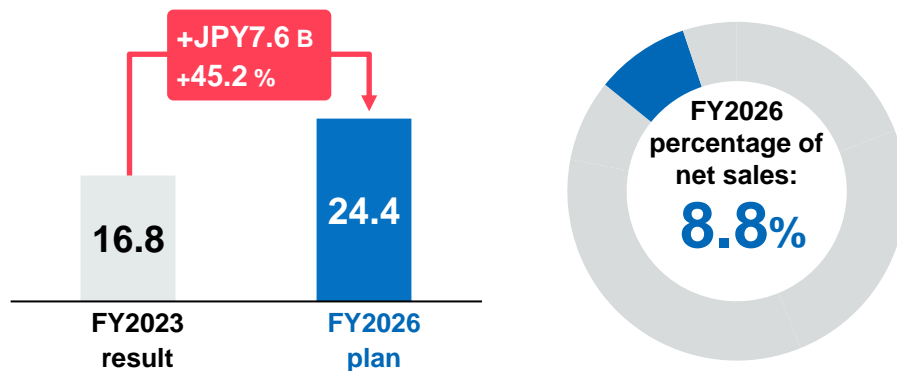
Further expanding sales of package inks to meet steadily growing demand

Germany

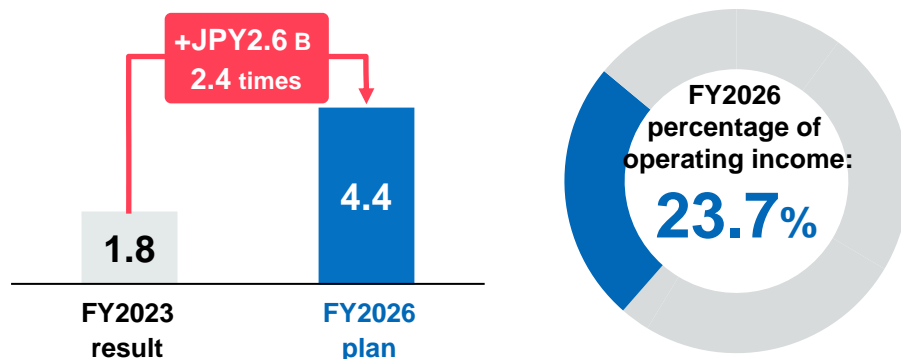
Leveraging the INX brand to expand sales to new customers and new markets

Performance targets

Net sales (Billion yen)



Operating income (Billion yen)



Basic strategies

- Promoting global sales
- Growing sales in regions and areas with high economic growth
- Promoting and strengthening strategic partnerships

Key measures

Inkjet inks

- Growing sales to the emerging markets of apparel, food, and home furnishings while maintaining existing market shares
- Expanding the introduction of environmentally-friendly products (e.g., next-generation water-based inks, environmentally-friendly UV inks), expanding local production capacity

Toner

- Further sales expansion and cost-cutting
- Securing new deals using existing powder technologies

Can inks

Reentering the Japanese market

Display materials (e.g., pigment dispersions)

- Further growth in market share and sales to new customers
- Leveraging technologies to advance into new fields (AR/VR, lens modules)
- Promoting new product development and joint development by exploring market needs and feasibility studies

— Initiatives in new fields

Sales target

JPY5.0 B (FY2026)

Strategic keywords

Decarbonization

Improved QOL

Comfort and convenience

Safety and security

Target domains

■ Open innovation and lean startup

Business development domains

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

Bio-based and non-fossil materials

Environmentally-friendly product development



■ Deploying our core competencies to address social issues

Electronics and energy

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

Healthcare

Helping people live lives characterized by health and well-being



— Initiatives in new fields

Details of main initiatives

■ **New business development through cooperation**

■ **Drawing on core competencies to create new businesses**

Business development domains

Product authentication solutions

Offering advanced brand protection solutions that draw on our knowledge of product sales and domestic and international networks (OpSec)

Digital can-printing inks

Developing inks for digital printing on metal cans and growing sales for canned beverages produced in small lots, such as craft beers (Canworks)

Environmentally-friendly coatings

PFAS-free paper package coatings; bringing to market technologies that help achieve both safety and transition from plastics (DetraPel)

Sustainable products

Developing and introducing functional package coatings and EB inks

Electronics and energy

Thermal management materials, next-generation solar cell materials, electronics materials

Accelerating materials development and marketing to promote the generation and efficient use of renewable energy (Electroninks, WFC, Matwerkz)

Bio-based and non-fossil materials

Biomass resins

Developing environmentally-friendly biomass resins to contribute to carbon neutrality and developing markets and applications therefor

New bio materials

Bio materials based on cell-free synthesis technologies for use in our businesses and for sustainable product development (Debut Bio)

Healthcare

Plant-based functional food materials

Developing plant-based functional food materials to further health (Salus Lab)

Note: Alliance partners are indicated in parentheses.

— Capital policies (cash allocation)

We will improve returns on capital and achieve sustained growth while balancing financial soundness with investments in growth and shareholder returns, and convey the efficacy and feasibility of these measures through IR activities,

with the aim of realizing a

PBR of 1.0 or higher.

Three-year totals

Cash inflows

Cash flow from operations

JPY40.0 B

Use of interest-bearing debt

JPY15.0 B

Debt/equity ratio of approx. 0.4

Cash outflows

Business investments to strengthen management foundations

JPY40.0 B

Strategic investments in future growth

JPY15.0 B

Shareholder returns
(Dividends + purchases of treasury stock)

JPY15.0 B

Shareholder return policy

Proactive and stable returns of dividends and agile purchase of treasury stock

Target

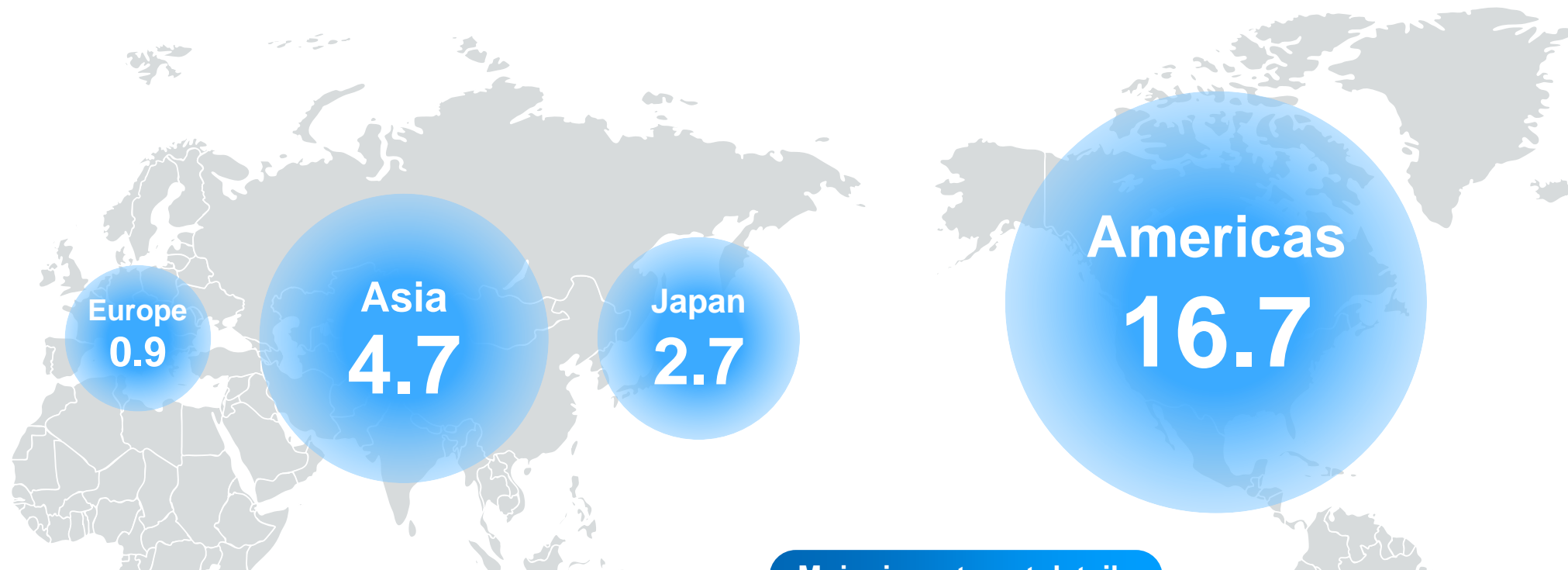
Total payout ratio of **50%** or higher,
or DOE of **2.5%** or higher

Dividends

FY2022/12	JPY30
FY2023/12	JPY35
FY2024/12 (planned)	JPY40

— Capital investment plans by region (three-year cumulative)

Unit: Billion yen



Major investment details

Depreciation
JPY20.0 B

Total capital investment
JPY25.0 B

Japan

- Tokyo Plant Hazardous materials / raw materials warehouse
- JPY0.9 B (planned for completion in 2026)

USA

- New package ink plant
- JPY8.1 B (planned for completion in 2025)

Asia-wide

- ERP system adoption and deployment
- JPY1.4 B

Brazil

- New package ink plant
- JPY3.1 B (planned for completion in 2024)

Ideal HR vision

Human resources with a global perspective capable of executing reforms autonomously, who enjoy tackling challenges alongside those around them

CCC-II initiatives

Welcoming diversity



Promoting reforms to create an organization in which diverse human resources can thrive

- Promoting hiring activities (for new graduates and midcareer hires) and HR assignments in line with management strategies
- At least 8.5% of managerial positions in Japan occupied by women
- Boosting the percentage of employees taking childcare leave (at least 70% of male employees)
- DEIB training, human rights training, safety training (undergone by 100% of employees)

An environment that encourages the pursuit of challenges



Structural reforms to ensure positive evaluations of employees who seek out challenges and further environmental improvements to promote employee autonomy

- Eliminating seniority-based aspects and reforming the HR system to one better suited to evaluating employees who seek out challenges
- Designing and enhancing systems for autonomous career planning by employees

Enhancing education and HR development programs



Providing opportunities for growth and education to support autonomous career building

- Enhancing education including support for autonomous career building
- Enhancing reskilling support measures
- Enhancing training programs to develop global human resources
- Preparing succession and development plans for the next generation of leaders

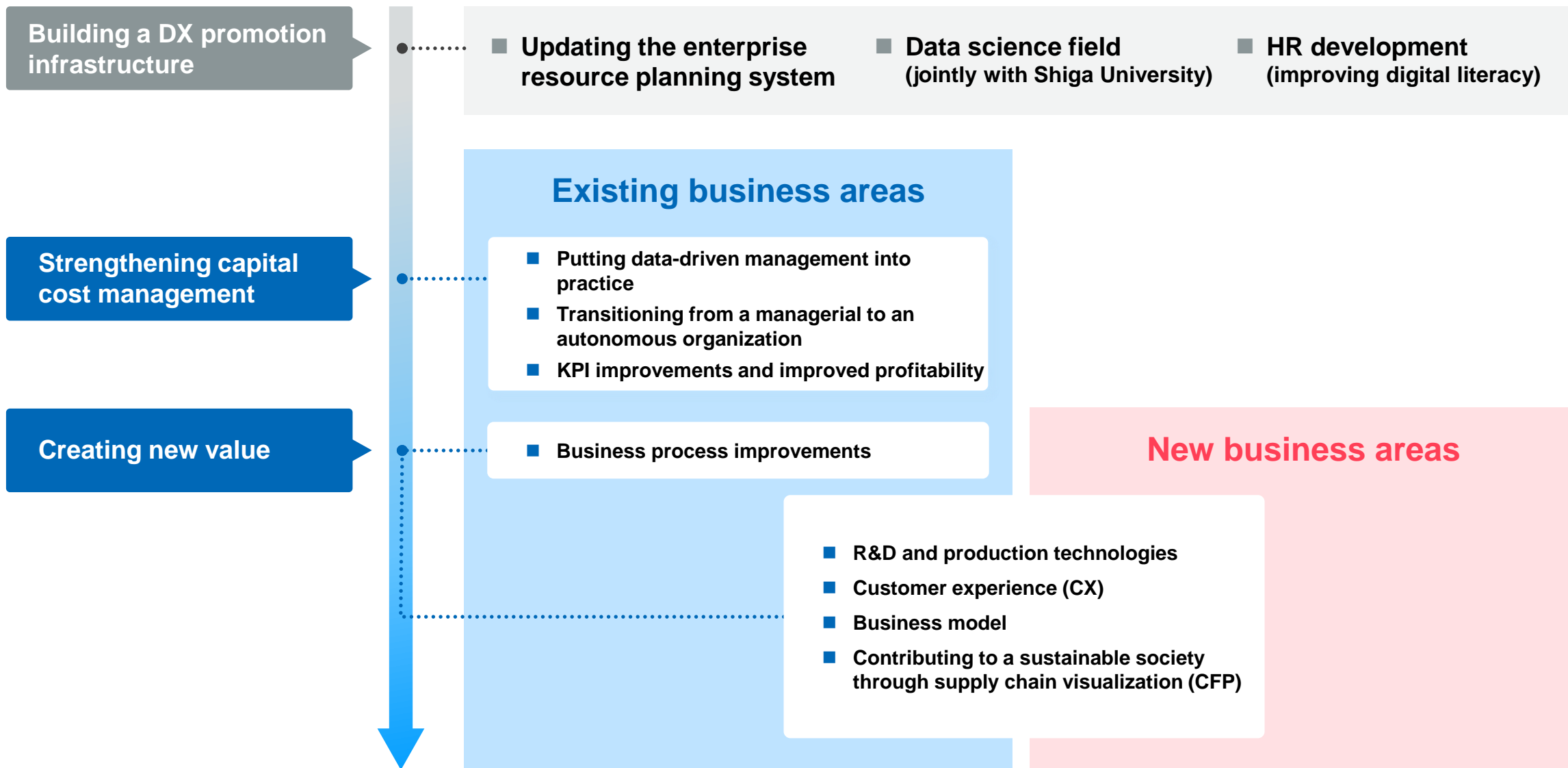
Well-being



Improving productivity by promoting the sound mental and physical health of employees

- Promoting various health programs to be named to the White 500 in the Certified Health & Productivity Management Outstanding Organizations Recognition Program
- Work environmental development and enhancements to realize diverse workstyles (e.g., in workplaces and work-life balance support programs)

— Digital transformation (DX) initiatives



— The SAKATA INX Group seeks to achieve sustained growth (toward integration of ESG and business strategies)

Environmental value
Social value

Business themes Creating visual communication technologies

ESG strategy



Achieving a Long-term Strategic Vision

1. A decarbonized, cyclical society in coexistence with nature
2. A safe, secure society
3. A society of shared value creation
4. A fair society
5. A society characterized by respect for human rights

Realizing our Purpose

Creating information culture for more comfortable living

Business strategies

Sales strategy	Procurement strategy
Production strategy	Environmental strategy
Research strategy	DX strategy
IP strategy	Organizational strategy
HR strategy	Tax strategy

CCC-III

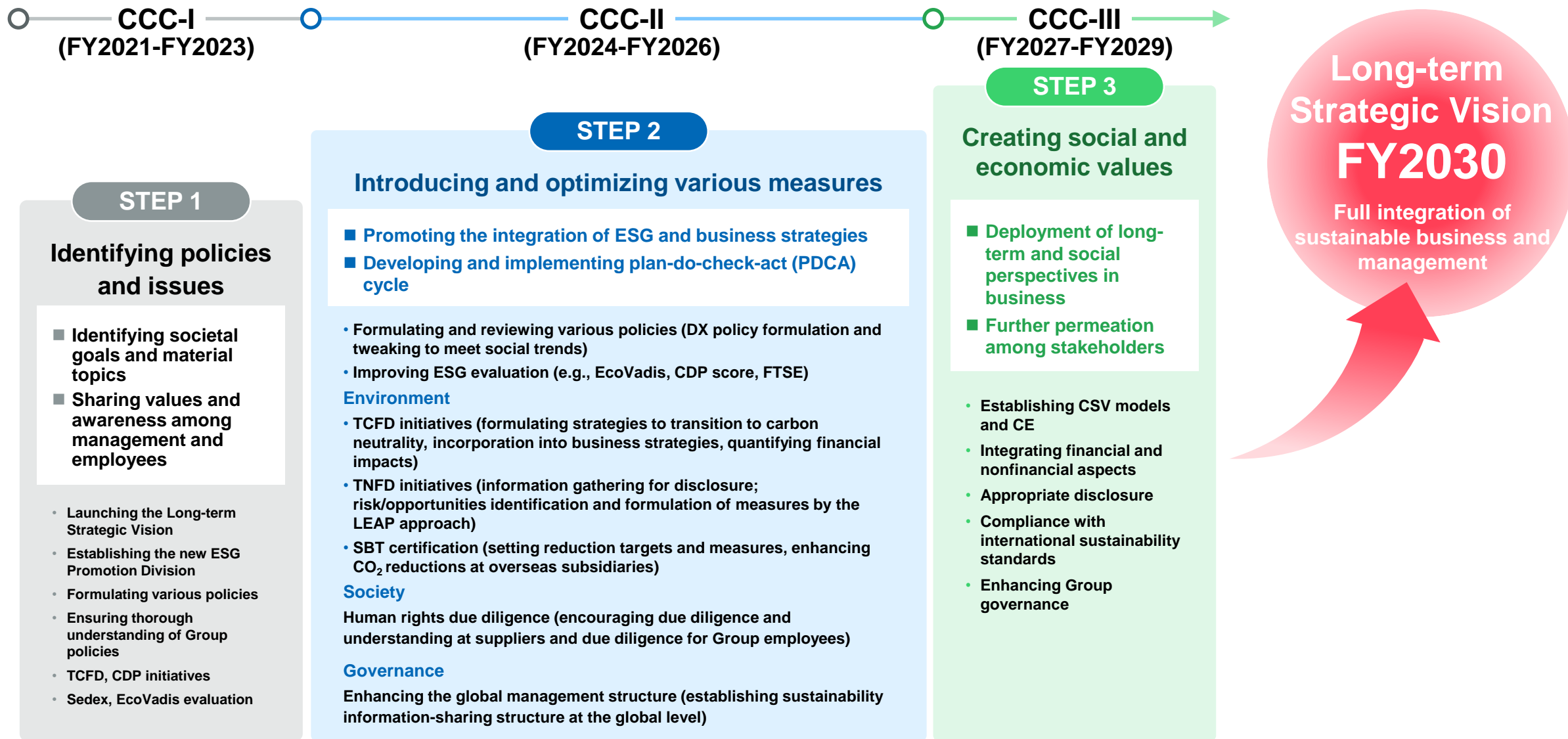
CCC-II

- Strategic courses of action (sustainability, enhancing existing businesses, new businesses)
- Reforms (enhancing consolidated management, stakeholder dialogue, HR/organizational culture)

CCC-I

Economic value

— Evolutionary steps in sustainability management



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Visual Communication Technology



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Corporate Communications Department, SAKATA INX CORPORATION



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