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SAKATA INX CORP.

SAKATA INX CORPORATION formulates Medium-term Management Plan

In 2021, the SAKATA INX Group launched SAKATA INX VISION 2030, a long-term strategic vision with a target year of 2030. The Group has implemented various initiatives during the first three years of this vision as part of the foundational phase. This year, the fourth since the launch of the long-term strategic vision, the Group has formulated a new medium-term management plan for which 2026 will be the final year (CCC-II) as a phase of business expansion and profitability enhancements.

Overview of the Medium-term Management Plan 2026 (CCC-II)*

1. Basic policies

The Group will move forward with its business activities based on the following strategic courses of action under the long-term strategic vision: growing the Printing ink / Digital and Specialty products businesses; tackling the challenges of new business domains; and enhancing ESG and sustainability initiatives with a focus on the environment and local communities.

To grow the Printing ink / Digital and Specialty products businesses, in addition to promoting active development of sustainable products based on the BOTANICAL INK series and other environmentally-friendly products centered on the packages field, the Group will advance its business structural reforms in response to a business environment that is changing with digitalization. Other initiatives will include growth in new markets targeting apparel, food, and home furnishings for inkjet inks as well as sales expansion and advancement into new fields in imaging materials.

In tackling the challenges of new business domains, the Group considers the period covered by this plan to be one for giving concrete form to products and services with business development potential, and linking these to earnings, based on the results of various approaches conducted during the foundational phase. As a means for achieving such concrete form, we will promote R&D further, advance open innovation with companies and organizations that have promising technologies with high affinity with our Group technologies and services, and accelerate proposals of new products and business models.

In addition, to enhance ESG and sustainability initiatives with a focus on the environment and local communities, the Group will undertake various initiatives in areas such as the development of sustainable, environmentally-friendly products and business activities in response to climate change, the promotion of human capital policies to serve as the foundations for achieving sustained growth, and the building of appropriate and highly transparent governance structures.

Based on management that accounts for capital costs and share price, these initiatives will aim to reduce capital costs while optimally allocating capital to enhance earnings, invest in growth strategies, and provide returns to shareholders. We will seek to earn the support of stakeholders regarding the efficacy and feasibility of the Group's persuasive growth vision through IR activities, aiming to strengthen corporate value over the medium to long term.

Through steady implementation of these various initiatives throughout the Group, we will contribute to a sustainable society while achieving business growth and enhancing our earnings power to further boost trust among our stakeholders. This will in turn help us realize the long-term strategic vision and the targets of the medium-term management plan.

*CCC-II: This medium-term management plan constitutes phase two of the long-term strategic vision SAKATA INX VISION 2030. It is referred to as CCC-II based on the “three Cs” of the long-term vision’s slogan: “Create and Innovate, Care for the Earth, Color for Life.”

2. Consolidated targets

	FY2023 Results (Billion yen)		FY2026 Planned (Billion yen)	Growth rate (%)
Net sales	228.3	➔	270.0	18.3
Operating income	11.3		18.0	59.3
Ordinary income	13.6		19.0	39.7
Net income attributable to owners of parent	7.4		12.7	71.6

3. Consolidated KPI

ROE: 10% or higher

4. Segment-specific plans

	Net sales			Operating income		
	FY2023 Results (Billion yen)	FY2026 planned (Billion yen)	Growth rate	FY2023 Results (Billion yen)	FY2026 Planned (Billion yen)	Growth rate
Printing inks and Graphic arts materials (Japan)	52.1	53.0	1.7%	0.5	2.9	5.8 times
Printing ink (Asia)	52.4	66.7	27.3%	4.3	4.2	(2.3%)
Printing ink (Americas)	78.5	92.8	18.2%	4.3	4.9	14.0%
Printing ink (Europe)	19.5	21.2	8.7%	(0.7)	0.5	—
Digital and Specialty products	16.8	24.4	45.2%	1.8	4.4	2.4 times
Other	15.3	20.0	30.7%	0.4	1.8	4.5 times
Adjustments	(6.4)	(8.1)	—	0.6	(0.7)	—
Total	228.3	270.0	18.3%	11.3	18.0	59.3%

5. Financial and capital policies

Total investment: 40.0 Billion yen

Includes 15.0 Billion yen in strategic investment in future growth.

Shareholder return policy: Proactive and stable dividends and agile purchase of treasury stock

Targets: Total payout ratio of 50% or higher or dividends on equity (DOE) of 2.5% or higher

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