Financial Results Briefing Material for the Fiscal Year Ended December 31, 2025

SAKATA INX CORPORATION
February 12, 2026

TSE Prime | Securities code: 4633

The performance forecasts and other forward-looking statements found in this document are based on information available at the time this document was prepared and on certain assumptions deemed reasonable by the Company. Actual performance and other outcomes may differ significantly for various reasons. Amounts shown are rounded down to the nearest whole unit. Some of the images used in this document were generated by AI.

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FY2025/12 Financial Results Overview

Yoshiaki Ueno, Representative Director, President & CEO

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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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FY2025 full-year results

- **Operating income hit a record high for the third consecutive fiscal year** due to sales growth in the overseas segment and the contribution of the acquired company to the performance.
- There was almost no direct impact from the U.S. trade and tariff policies.

FY2026 full-year forecasts

- **Net sales and operating income** are both **expected to rise**.
- We will pursue a sales expansion strategy globally under a business model based on local production for local consumption. At the same time, we will streamline production through capital investments designed to bolster our competitive advantage, while moving forward with the optimization of the overall supply chain.

Shareholder return

- Dividends in FY2025 were increased by JPY5 more than the initially planned increase by 20JPY, to **JPY95 per share**.
  The total payout ratio was **49%**, which resulted from the acquisition of JPY1.0 billion of treasury stock in addition to the dividend increase.
- In FY2026, we expect to pay annual dividends of **JPY100 per share** and acquire **JPY1.0 billion** in treasury stock.

Topics for the second half of FY2025

- November 2025 - We announced the transition to **a holding company structure**.
  - We sold shares.

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Transition to holding company structure (January 2027)

Transformation of the Group management structure for achieving the Long-term Strategic Vision and sustainable growth

Group management structure we aim for

(1) Maximization of capital efficiency

- We will unify the management of the overall Group's funds and focus on capital efficiency **in pursuit of** strategic investments and **profit exceeding capital costs**, aiming for the sustainable enhancement of both shareholder value and corporate value.
- We will achieve sustainable growth and a competitive advantages for the entire Group with optimal capital allocation to growth markets and the promotion of strategies in these markets.
- We will ensure prompt decisions are made locally under the global leadership system.

(2) Promotion of ROIC management

- **A structure with four regional headquarters under the holding company**

  (Japan, Asia, Americas and Europe)
- The holding company aims to maximize shareholder value.
- Regional headquarters aim to maximize profit and ROIC in each region.

(3) Enhancement of governance and establishment of a more sophisticated management base

- **Transition to a company with an Audit & Supervisory Committee**
- We will seek to maximize both corporate value and social value by accelerating decision-making and achieving a more sophisticated supervisory function. We will do this by strengthening the governance of the overall Group and through cross-sectoral management streamlining.

Global meeting of the SAKATA INX Group that was held last year

Toward Business Growth and Stronger Earnings Capabilities

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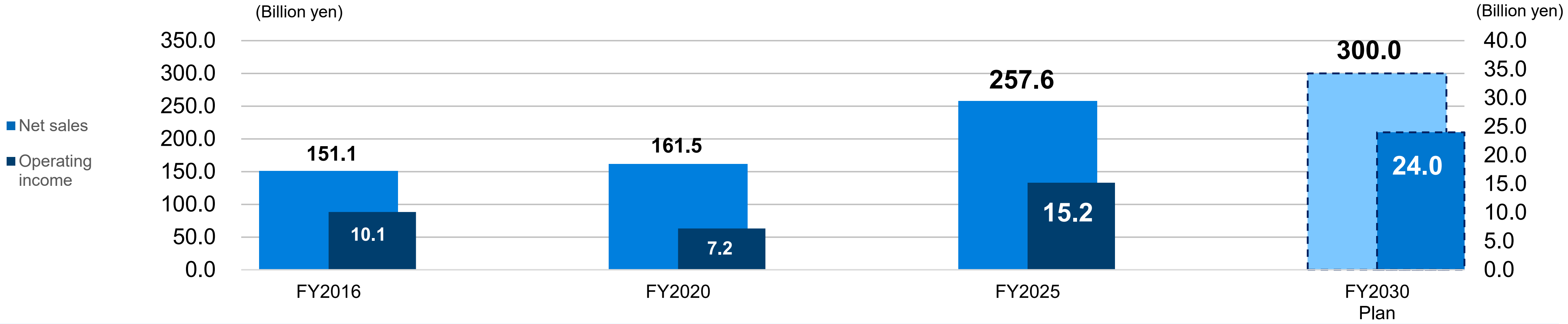
Sustainable growth in the packaging area where demand continues to grow
Further breakthroughs in business in the digital area and coating agent business, which are expected to see continued market expansion



Major Initiatives

Control volatility and seek stable income

- **Active investment in existing areas where business is growing**
  - ➢ Packaging inks and functional coatings
  - ➢ Industrial inkjet printer inks and next-generation display materials
- **Acceleration of global consolidated management**
  - ➢ Increase the number of strategic products for global accounts and expand sales of these products
  - ➢ Regional collaboration to increase the efficiency of purchasing, production and logistics
- **Appropriate pricing strategy**
  - ➢ Flexible response to the fluctuation of the cost of raw materials and other expenses.

Explore new sources of revenue

- **Investment in mergers and acquisitions, new businesses and research and development activities that will produce synergy with our businesses and technologies**
- **Creating new businesses**
  - ➢ Targeting of three areas: electronics and energy, bio-based petrochemical-free fuels and healthcare
- **Maximum use of human capital**
  - ➢ Human resources that achieve continuous growth and create medium- and long-term value

Expansion of the Coating Agent Business Area

Increasing the competitiveness of the functional coating agent business, which is expected to see growth in demand

Endeavoring to create new value toward the transition to the circular economy in the packaging industry

- ➢ Global acceleration of environmental regulations (EU-led regulations → Shift to global standards)
- ➢ Strict environmental standards for brand owners
- ➢ Demand for material substitution and environmental friendliness (shift to mono-materials and paper) in the packaging industry
- ➢ Changes in what are expected of coating and ink manufacturers (safety, recyclability, and low environmental impact)

(1) Acquisition of C&A

Acquired in November 2024

FY2025: Contributed to earnings in accordance with the annual plan

FY2026: Targets at the time of the acquisition are expected to be exceeded.

C&A

(2) Synergy with subsidiaries in the Americas

- ➢ Transfer of production of major raw materials within the Group
(Switched in the second half of 2025)
- ➢ Streamlining of manufacturing, reorganization of teams, and integration of raw materials, procurement, and logistics (cost reduction)
- ➢ Optimization of production bases (planned to be implemented in 2026)
- ➢ Strengthening integrated sales of inks and coating agents to each other's customers

(3) Future growth strategies

[Management foundation strategy]
- ➢ Optimizing production, procurement, and logistics
- ➢ Enhancing price competitiveness by increasing sales volume
- ➢ Strengthening global cooperation for coating agents

[Technological strategy]
- ➢ Product development and research for meeting environmental regulations and catering to brand owners' needs to fulfill sustainability requirements

[Market strategy]
- ➢ Developing global standards through collaborative creation with brand owners
- ➢ Strengthening global sales in growth markets (food packaging, paper containers, films, and metals)

Roadmap of New Business Development -- Strategy to Strengthen Electronics Areas and Its Progress

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The results of research and development efforts have been accumulated, and the forming of a basic step toward commercialization is underway.

Future initiatives: Improvement of the current framework, close engagement with customers as candidates for customers whom we will approach more intensively, and collaborative creation with them

It is now that we have great opportunities because expectations are rising for materials that fulfill demand for low power consumption, etc.

2020 Start of research and development

- Selection of the area where we will make the development efforts, centered on our dispersion technology
- Learning of new areas
- Establishment of concept
- Composition development

2024 Completion of development samples

- Consideration of application development targets
- Reconsideration of the priority area

2025 Exhibition of development samples at a trade show

- Participation in JPCA Show as an exhibitor (The Total Solution Exhibition for Electronic Equipment)
- Exhibition of development samples at our website
- Start of application development

Current stage — Important phase for opening up the future in the priority area

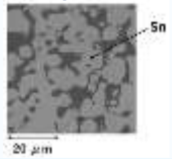
- Gaining of a foothold for electronic materials and functional materials used around semiconductor devices
- Accumulation of pieces of customer requirement information (approaching customers related to the supply chain)
- Commencement of development work in the priority area

2030 Establishment of the business

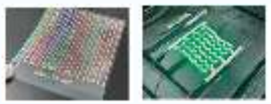
Cu nano paste for fine pitch

Solderable conductive paste

Low-temperature sintering Sn paste



Cold, fast-setting conductive adhesive



Flexible slim multi-point temperature sensor

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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.

FY2025/12 Full-year Results

Takayuki Shirafuji, Director and Executive Officer

Full-year Consolidated Forecasts

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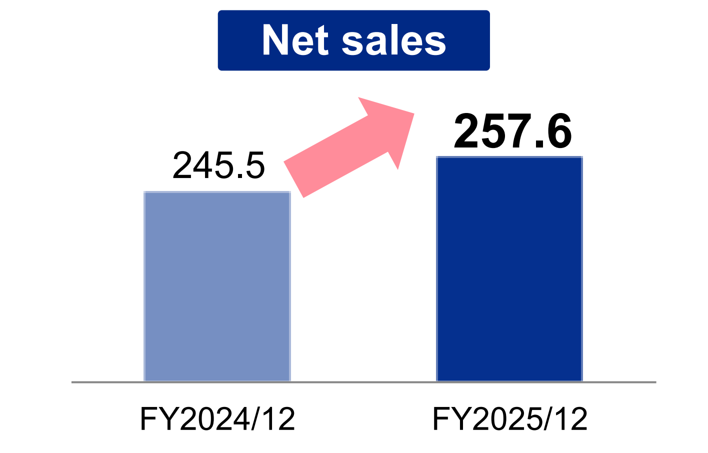
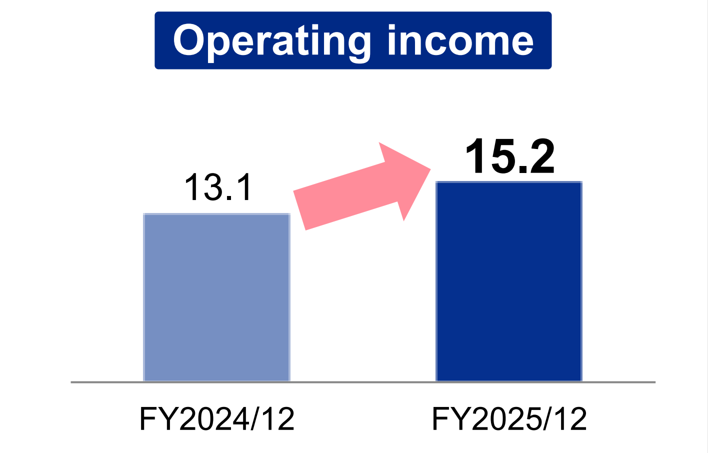
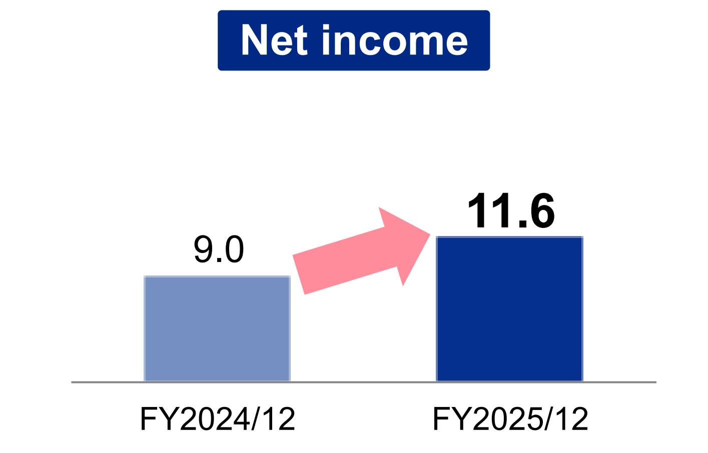
(Billion yen)







(Billion yen)	FY2024/12	FY2025/12			
	Amount	Amount	Change	YoY (%)	Rate of change based on local currency (%)
Net sales	245.5	**257.6**	**12.0**	4.9	5.7
Operating income	13.1	**15.2**	**2.0**	15.7	17.3
Ordinary income	12.8	**15.3**	**2.4**	19.2	22.1
Net income attributable to owners of parent	9.0	**11.6**	**2.6**	28.9	31.9
ROE (%)	8.5	**10.0**	**—**	—	—
Exchange rate (JPY against USD)	151.58	**149.71**	**(1.87)**	—	—

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 JPY1.3 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.

FY2025/12 YoY Changes by Main Factor

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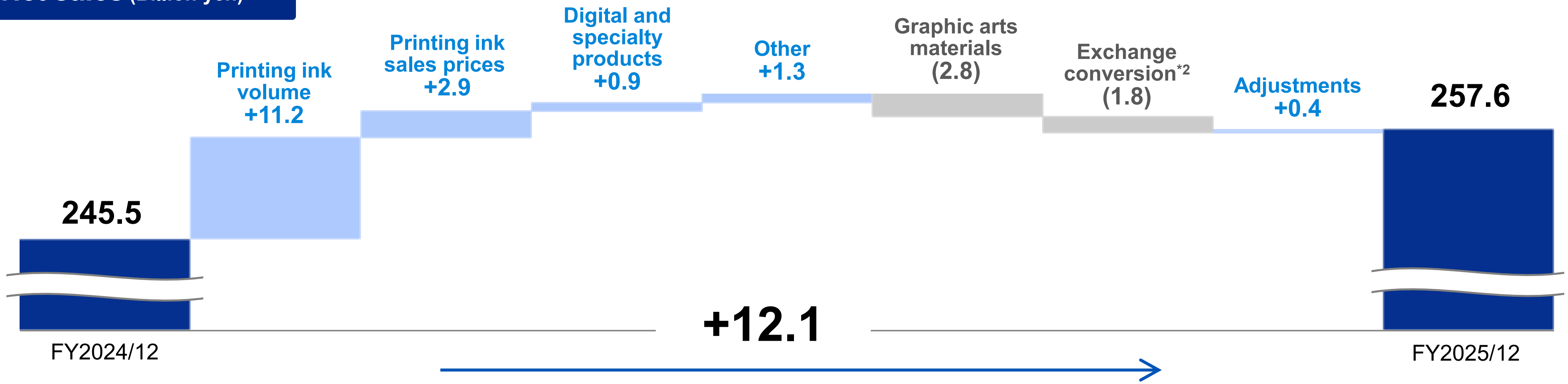
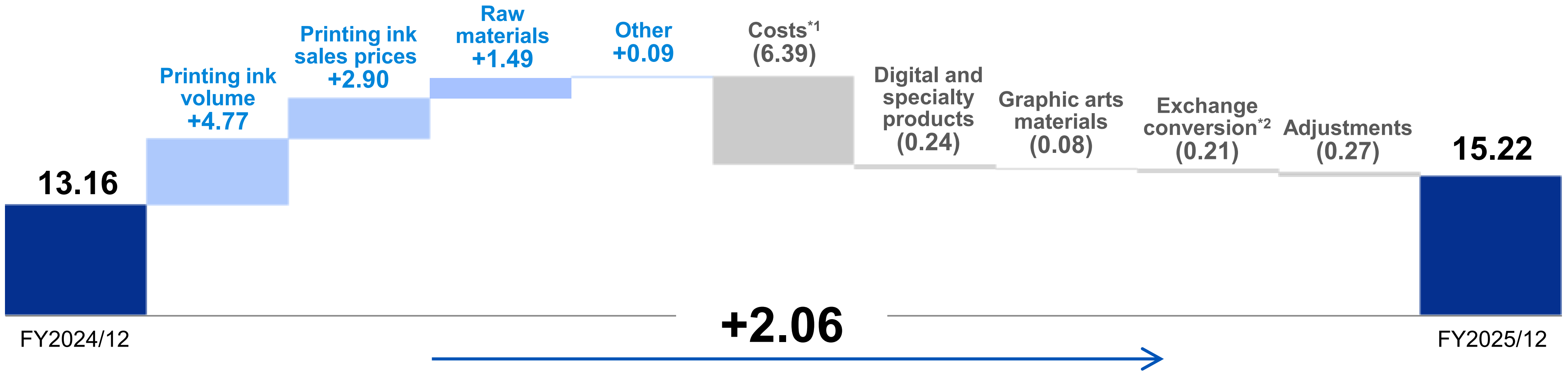
Net sales (Billion yen)



Operating income (Billion yen)



*1 Manufacturing costs, SGA, etc. *2 Impact of exchange rates at the time of the closing of the books of overseas subsidiaries

Results by Segment (net sales and operating income)

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(Billion yen)	Net sales				Operating income			
	FY2024/12	FY2025/12	Change (%)	Rate of change based on local currency (%)	FY2024/12	FY2025/12	Change (%)	Rate of change based on local currency (%)
Printing Inks and Graphic Arts Materials (Japan)	52.8	**50.2**	(4.8)	(4.8)	0.9	**1.4**	54.9	54.9
Printing Inks (Asia)	58.2	**56.1**	(3.6)	(1.7)	5.7	**6.9**	20.3	22.4
Printing Inks (Americas)	87.8	**101.8**	15.9	17.5	4.4	**5.2**	18.1	20.3
Printing Inks (Europe)	21.4	**21.5**	0.6	(2.5)	0.0	**0.0**	(3.0)	(9.3)
Digital and specialty products	19.4	**20.3**	5.0	4.8	2.6	**2.4**	(8.9)	(9.0)
Reporting segments total	239.8	**250.2**	4.3	5.1	13.8	**16.1**	16.2	17.7
Other	12.7	**14.0**	10.2	10.2	0.1	**0.2**	50.0	50.0
Adjustments	(6.9)	**(6.5)**	—	—	(0.9)	**(1.1)**	—	—
Total	245.5	**257.6**	4.9	5.7	13.1	**15.2**	15.7	17.3

Consolidated Balance Sheet

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(Billion yen)

Total assets 225.8 (+4.3 from end of previous fiscal year)

Assets	Liabilities and net assets
Current assets **127.2** (+4.5 from end of previous fiscal year)	Liabilities **99.3** ((2.9) from end of previous fiscal year)
Non-current assets **98.5** ((0.1) from end of previous fiscal year)	Net assets **126.5** (+7.2 from end of previous fiscal year)

Equity ratio: 52.8%
(End of the previous fiscal year: 50.7%)

Major reasons for increase/decrease (Current assets)

Increase in cash and deposits	+4.8
Decrease in notes and accounts receivable – trade	(1.6)
Increase in other current assets	+1.3

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

Increase in property, plant and equipment	+3.3
Decrease in investment securities	(2.6)

Major reasons for increase/decrease (Liabilities)

Decrease in notes and accounts payable – trade	(2.5)
Decrease in short-term borrowings	(4.2)
Increase in other current liabilities	+1.8
Increase in long-term borrowings	+1.1

Major reasons for increase/decrease (Net assets)

Increase in retained earnings	+7.0
Valuation difference on available-for-sale securities	(0.7)
Foreign currency translation adjustment	+1.3

Statement of Cash Flows

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Cash flows from operating activities increased mainly due to an increase in net income and improvement in working capital that resulted from a decrease in notes and accounts receivable - trade.
Cash flows from investing activities decreased due to proceeds from the sale of investment securities, as well as payments for the acquisition of businesses in the previous year
Cash flows from financing activities rose mainly due to a decrease in loans and an increase in dividend payments reflecting a dividend increase.

(Billion yen)

Account / Fiscal Year	FY2024/12	FY2025/12	Change
Cash flows from operating activities	8.9	17.0	8.1
Cash flows from investing activities	(14.8)	(4.4)	10.3
Free cash flows	(5.9)	12.5	18.4
Cash flows from financing activities	4.2	(9.9)	(14.1)
Cash and cash equivalents at end of period	14.5	18.7	4.1

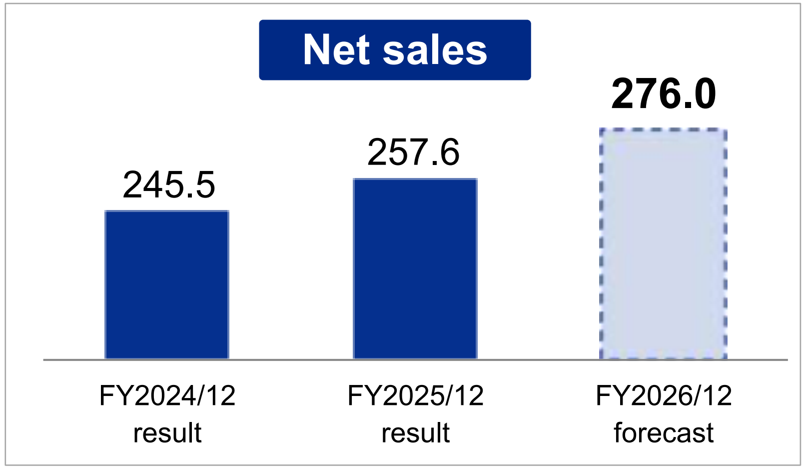
Main breakdown of cash flows in FY2025

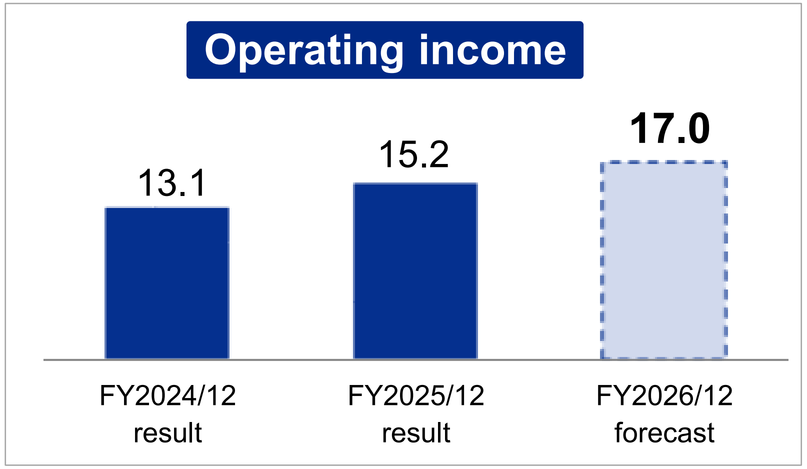
Cash flows from operating activities:	**+8.1**
Income before income taxes:	+3.8
Depreciation and amortization of goodwill:	+0.6
Loss (gain) on sale of investment securities:	(2.9)
Decrease (increase) in notes and account receivables -trade:	+4.1
Decrease (increase) in inventories:	+2.7
Increase (decrease) in notes and account payables -trade:	(1.0)
Cash flows from investing activities:	**+10.3**
Proceeds from sale of investment securities:	+4.1
Payments for acquisition of businesses:	+8.2
Cash flows from financing activities:	**(14.1)**
Proceeds from long-term loans payable:	(7.0)
Net increase (decrease) in short-term borrowings:	(3.3)
Dividend payments:	(2.2)
Total change in cash and deposits:	**+4.1**

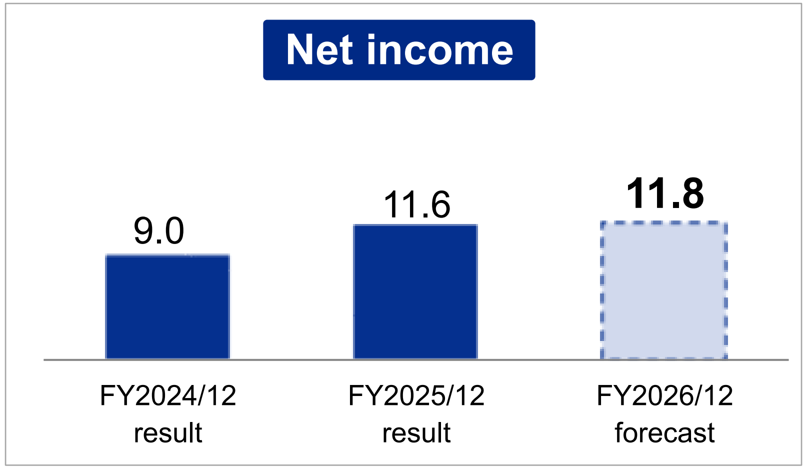
FY2026/12 Full-year Forecasts

Full-year Consolidated Forecasts

(Billion yen)







(Billion yen)	2022	2023	2024	2025	FY2026/12 full-year forecasts			2026 Medium-term Management Plan targets
	Amount	Amount	Amount	Amount	Amount	YoY (amount, % change)		Amount
Net sales	215.5	228.3	245.5	257.6	**276.0**	**18.3**	**7.1%**	270.0
Operating income	4.1	11.4	13.1	15.2	**17.0**	**1.7**	**11.6%**	18.0
Ordinary income	4.9	13.6	12.8	15.3	**17.8**	**2.4**	**15.8%**	19.0
Net income attributable to owners of parent	4.5	7.4	9.0	11.6	**11.8**	**0.1**	**1.6%**	12.7
ROE (%)	5.3	8.1	8.5	10.0	–	–	–	10% or more
Exchange rate (JPY against USD)	131.43	140.56	151.58	149.71	**150.00**	**0.29**	**0.1%**	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 JPY0.11 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 YoY Change Forecast by Main Factor

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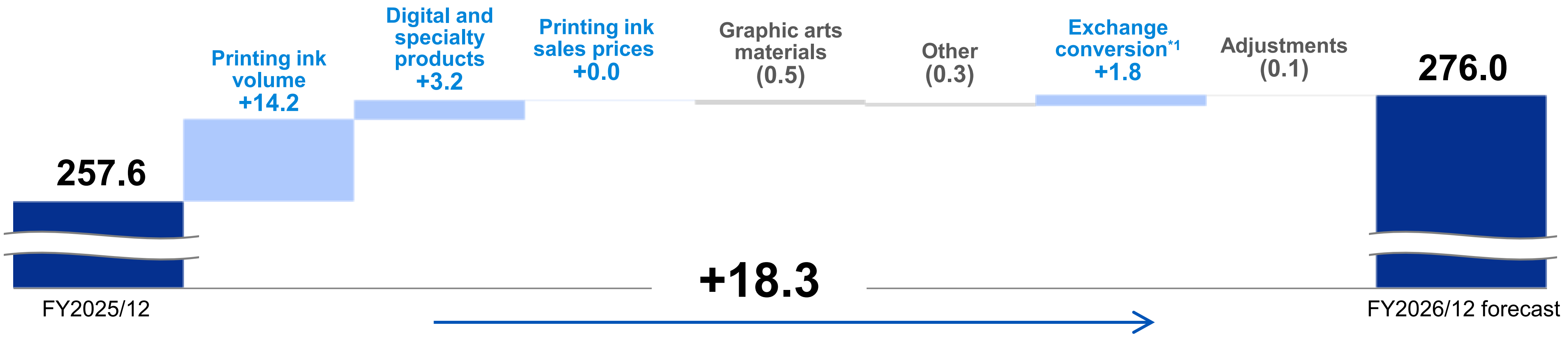
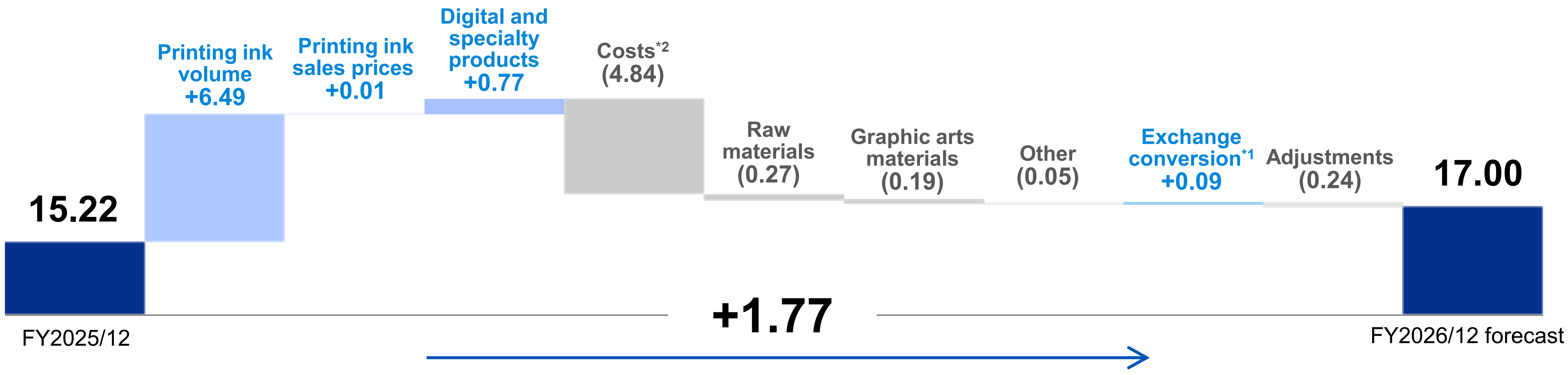
Net sales (Billion yen)



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.

Forecasts by Segment

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(Billion yen)	Net sales				Operating income			
	FY2024/12	FY2025/12	FY2026/12 (forecast)	YoY Change (%)	FY2024/12	FY2025/12	FY2026/12 (forecast)	YoY Change (%)
Printing Inks and Graphic Arts Materials (Japan)	52.8	50.2	**49.5**	(1.5)	0.9	1.4	**1.7**	22.6
Printing Inks (Asia)	58.2	56.1	**62.2**	10.8	5.7	6.9	**7.4**	7.2
Printing Inks (Americas)	87.8	101.8	**109.5**	7.5	4.4	5.2	**5.5**	4.2
Printing Inks (Europe)	21.4	21.5	**24.0**	11.6	0.0	0.0	**0.3**	4.7 times
Digital and specialty products	19.4	20.3	**30.2**	48.5	2.6	2.4	**3.2**	32.6
Reporting segments total	239.8	250.2	**275.6**	10.1	13.8	16.1	**18.2**	12.8
Other	12.7	14.0	**7.0**	(49.4)	0.1	0.2	**0.2**	(25.1)
Adjustments	(6.9)	(6.5)	**(6.6)**	—	(0.9)	(1.1)	**(1.4)**	—
Total	245.5	257.6	**276.0**	7.1	13.1	15.2	**17.0**	11.6

Summary and Strategy by Segment

Awareness of the Business Environment

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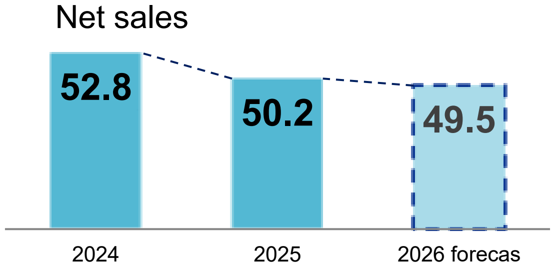
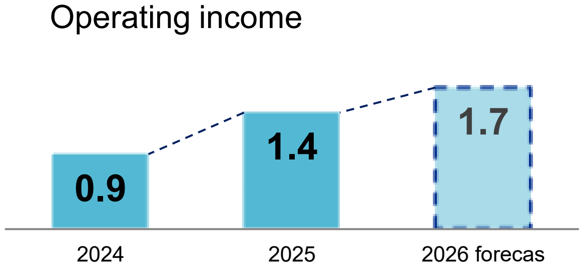
How we will respond and what measures we will take to become stronger

Megatrends of the global situation	➢ Persistent geopolitical tensions ➢ Disruption of trade (tariffs and tougher regulations) ➢ Reconstruction of supply chains ➢ Economic slowdown and stagnation in China	➢ Escalating climate change and the acceleration of decarbonization	➢ Changes in population and labor structures
Trends in the operating environment surrounding the industry	➢ Procurement risk of raw materials ➢ Product supply risk	➢ Tougher environmental regulations and the shift to a circular economy (CE) ➢ Material substitution and shift to mono-materials and paper (recyclable packages)	➢ Labor shortage in developed countries ➢ Population growth in the EMEA region ➢ Structural downsizing of the domestic market
Our initiatives	➢ Further development of business based on local production for local consumption ➢ BCP measures taken by unifying core systems ➢ Raw material procurement leveraging our global network ➢ Downsizing of business in China (related to information media)	➢ Development and sales expansion of products for CE ➢ Enhancement of the coating agent business area ➢ Development of environmentally friendly products reflecting regulations expected in the future ➢ Product customization tailored to customer needs	➢ Expansion of sales and production bases to regions with growing populations and areas we have yet to enter ➢ treamlining of production through capital investments ➢ Optimization of production bases ➢ Business portfolio reform in the domestic market

Printing Inks and Graphic Arts Materials (Japan)

Net sales and operating income (Billion yen)





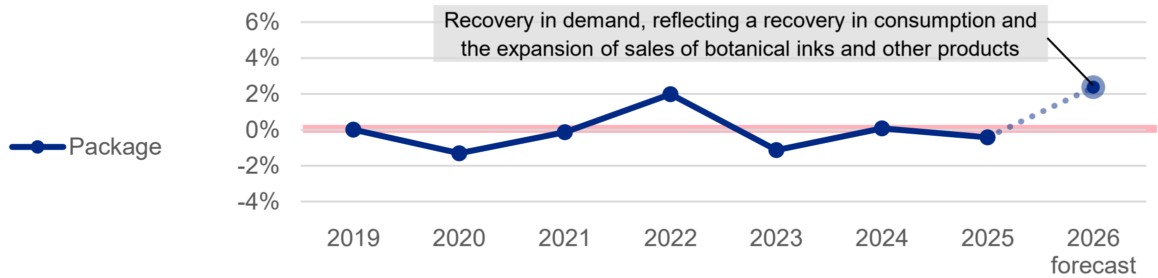
Net sales	1Q	2Q	3Q	4Q
2025	12.4	12.4	12.3	13.0
2024	12.2	13.2	13.4	13.9

Operating income	1Q	2Q	3Q	4Q
2025	0.2	0.1	0.4	0.5
2024	0.3	0.1	0.1	0.2

Performance evaluation and forecast

- **Operating income for FY2025 was JPY1.4 billion, compared with the forecast amount of JPY1.5 billion. As such, we came close to achieving our forecast.**
  - ➢ While costs continued to increase due to persistently high raw material and logistics costs and core system renewal (as expected), our earnings structure improved steadily due to price revisions, business structural reform, and logistics improvements.
- **Forecast amount of FY2026 operating income is JPY1.7 billion. (Target under the Medium-term Management Plan: JPY2.9 billion)**
  - ➢ Operating departments will work on price revisions and the sales expansion of strategic products. Administrative departments will drive cost reduction through a consolidation of bases and BPR initiatives.

Volume growth rate (from the 2019 level)



Awareness of the business environment as well as risks and opportunities

Features of the Japanese market

Japan is a mature market where, compared to growth Asian markets, greater importance is attached to quality and the possibility of sustainable development than to quantitative expansion. While products for information media, such as those for publication, have been shrinking, the packaging area is seeing strong demand for high-quality, environmentally friendly products centering on flexo and gravure inks.

Shrinking of the information media market

Reflecting the rapid contraction that resulted from digitalization, we will discontinue sales of certain offset inks and printing peripheral materials. To respond to the decrease in sales volume, we will proceed with the optimization of production bases, streamlining of product lines, strategic pricing, and ROIC improvement measures, while also expanding to new businesses such as coating agents. With these measures, we will reform our business structure.

Segment strategies

[Making sure to tap into demand in a mature market and increasing earnings with environmentally friendly products and high value-added products]

- ➢ Sales expansion of functional coating agents (including PFAS-free oil repellents)
- ➢ Enhancement of environmentally friendly products (promoting the shift to non-toluene inks and botanical inks)
- ➢ Creation of new businesses (such as the recycling business and EB inks) in business development domains

[Reform of business foundation that optimizes production, cost, and organizations and enables us to demonstrate competitiveness sustainably]

- ➢ Optimization of manufacturing bases for market size (inks for information media)
- ➢ Streamlining of manufacturing, inventories, logistics, and operations (including BPR, reorganization of business facilities, and streamlining of delivery through alliances)

Topics Progress in initiatives for the circular economy involving the printing industry

Since 2024, initiatives to recycle waste have been underway in the printing industry, with the expansion of collaborations with industry peers, chemical manufacturers. printing companies, and construction material manufacturers, among others. Reuse as drum cans, construction materials, and steel beams has made progress through demonstration experiments.

Printing Inks (Asia)

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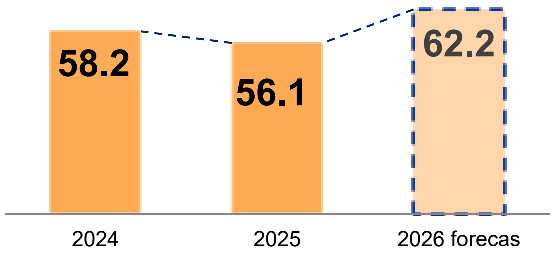
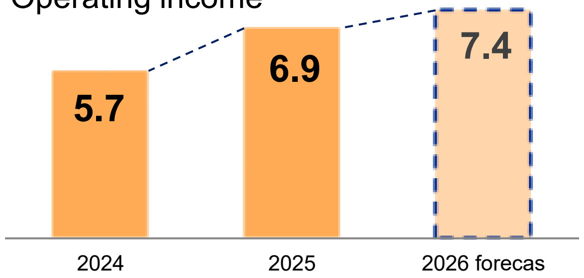
Net sales and operating income (Billion yen)

Net sales



Operating income



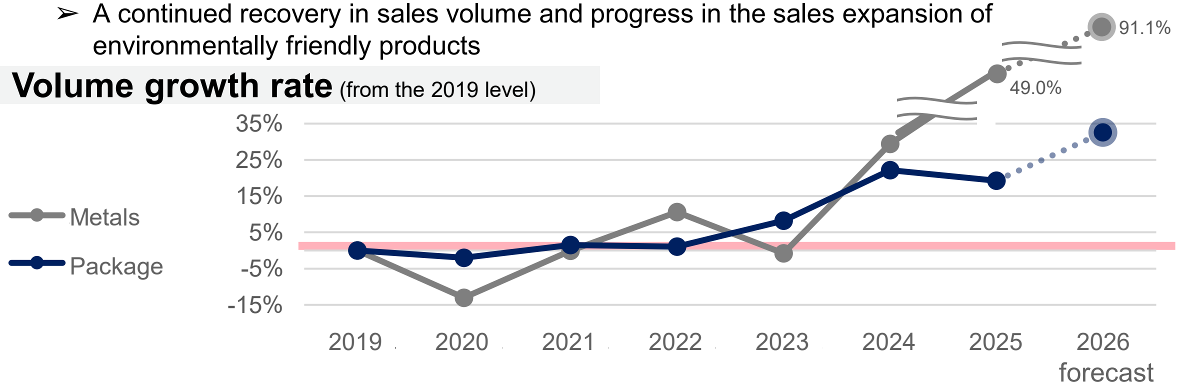
Net sales	1Q	2Q	3Q	4Q
2025	14.0	12.7	14.6	14.6
2024	14.8	14.2	14.5	1.46

Operating income	1Q	2Q	3Q	4Q
2025	1.6	1.5	1.9	1.8
2024	1.5	1.3	1.4	1.4

Performance evaluation and forecast

- **Operating income for FY2025 was JPY6.9 billion, exceeding the forecast amount of JPY6.3 billion.**
  - ➢ The top line decreased due to the impact of the economic slump in the first half. However, it recovered in the second half with a turnaround in demand and the growth in sales. We also posted a profit, reflecting stable costs.
- **The forecast for FY2026 operating income is JPY7.4 billion. (Target under the Medium-term Management Plan: JPY4.3 billion)**
  - ➢ Strengthening cost competitiveness and supply structure through the joint procurement of raw materials, optimization of production bases, and progress in inventory sharing
  - ➢ A continued recovery in sales volume and progress in the sales expansion of environmentally friendly products

Volume growth rate (from the 2019 level)



Awareness of the business environment as well as risks and opportunities

Features of the Asian market

The market has been growing, mainly with the growth of the packaging of food, beverages, and daily goods, and demand for packaging has been rising with the increase in consumption and development of e-commerce. However, risks include a tightening of environmental regulations and restrictions on use of plastics in each country has been growing, reflecting the problem of packaging waste associated with the expansion of e-commerce. Sustainability, cost optimization, and supply chain improvement are issues.

Growth of the package area

It is expected that, due to the entry of world-class brand owners and global package manufacturers into Asia, there will be greater demand for high value-added, environmentally friendly packages meeting global standards, and demand for environmentally friendly inks will also increase in the future.

Segment strategies

[Aggressive strategy aimed at increasing shares in growth markets]

- ➢ Strategic approach to global customers through stronger Group collaboration
- ➢ Promotion of the appeal of environmentally friendly products (including botanical inks, PVC-free inks, and washable inks)
- ➢ Strengthening of metal ink production system (Vietnam: Installation of additional equipment planned to be completed in FY2026 Q3)
- ➢ Expansion of sales of UV inks (supply to Southeast Asia, Middle and Near East, and Africa, mainly from the UV production base in India)

[Reinforcement of structure for Group collaboration in Asia]

- ➢ Optimization of initiatives with the leading role played by the Asia holding company (production system, supply chain, and sales strategy)
- ➢ Technical support across the region (unification of quality and services), strengthening of sales of functional coating agents

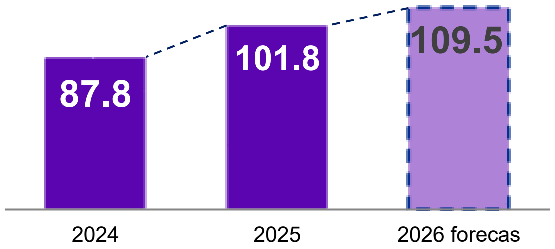
Topics Vietnam to be the strategic hub of metal inks in Asia

To build a structure for supply to the Asia-Pacific region from Vietnam as the hub, we will build a new metal ink production line at our plant in Ho Chi Minh within FY2026.
Metal decorating inks are supplied from Europe at present. By starting supply from Vietnam, we will strengthen the supply chain, shorten the lead time, and reduce logistics costs. We will also respond promptly to fluctuations in demand. We will continue to proceed with development and quality improvement tailored to market needs, aiming to increase our competitiveness in the growing Asia-Pacific market.

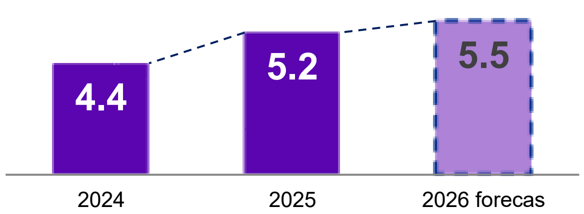
Printing Inks (Americas)

Net sales and operating income (Billion yen)

Net sales



Operating income



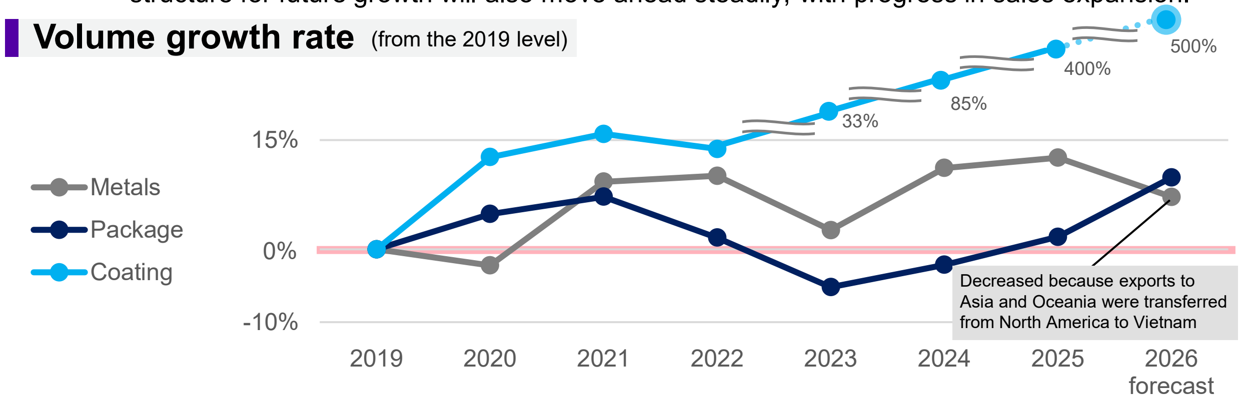
Net sales	1Q	2Q	3Q	4Q
2025	25.5	24.8	25.9	25.4
2024	20.3	22.4	21.9	23.0

Operating income	1Q	2Q	3Q	4Q
2025	1.5	1.5	1.3	0.8
2024	1.3	1.3	1.5	0.1

Performance evaluation and forecast

- **Operating income for FY2025 was JPY5.2 billion, compared with the forecast JPY5.7 billion (up JPY0.8 billion year on year).**
  - ➢ Despite the impact of increased personnel expenses, growing sales of packaging inks and metal decorating inks and C&A contributed to the performance as planned.
- **Forecast FY2026 operating income is JPY5.5 billion. (Target under the Medium-term Management Plan: JPY4.9 billion)**
  - ➢ It is expected that the expansion of our business in South America will make smooth progress due to the start of operation of our new plant in Brazil, and reinforcing the structure for future growth will also move ahead steadily, with progress in sales expansion.

Volume growth rate (from the 2019 level)



Awareness of the business environment as well as risks and opportunities

Features of the Americas market

While the trend towards environmental friendliness has slowed somewhat, brand owners who are operating globally remain environmentally aware. Further market expansion is expected in South America. High value-added, environmentally friendly products, such as those made from renewable materials, low-VOC products, and those with high barrier functions, are required for differentiation.

Trade risks and labor issues

The risk of supply chain disruption is rising due to global changes in the trade environment. Issues include tariffs, tightening of regulations, fluctuation of raw material prices, and how to secure suppliers. In addition, the North American market is on a stable growth track but faces challenges in production capacity and cost because there has been upward pressure on wages due to labor shortages accompanied by inflation.

Segment strategies

[Increasing market shares centering on global customers and areas of high value-added products]

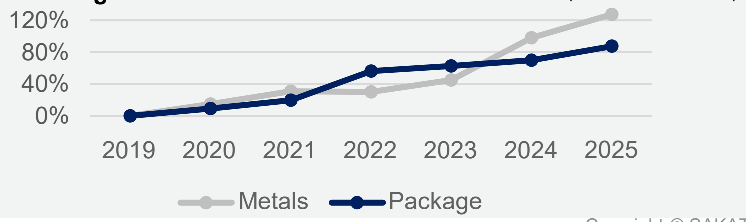
- ➢ Deepening of relationships with major global customers and creation of added value through total proposal of inks + coatings
- ➢ Sales expansion in new growth areas (including functional coating agents, digital printing inks, and UV/EB inks)
- ➢ Stepping up efforts to propose environmentally friendly products that meet PFAS and VOC regulations and help build a circular economy
- ➢ Sales expansion in the South American market (expansion of sales of metal and packaging inks to Central and South American countries)

[Driving reinforcement of foundation supporting sustainable growth]

- ➢ Enhancement of production capacity of existing plants and integration and optimization of manufacturing of coating agents
- ➢ Renewal of operating base through the updating of ERP (such as supply chain plan and strengthened integration of quality and accounting)

Topics Enhancing a presence in the South American market with a focus on Brazil

Rate of growth in sales volume in South America (from the 2019 level)



Since our entry to Brazil in 2016, we have been steadily expanding sales in the South American market. A new plant was completed in FY2025, and further equipment expansion is planned in the following year, FY2026. Through these investments, we will further reinforce our business foundation in the South American area, aiming to establish a firm position in the market.

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Printing Inks (Europe)

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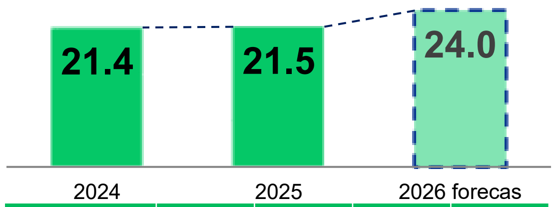
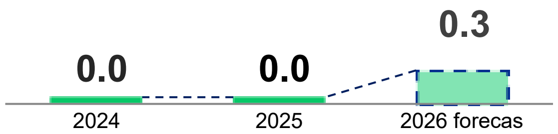
Net sales and operating income (Billion yen)

Net sales



Net sales	1Q	2Q	3Q	4Q
2025	5.2	5.2	5.4	5.5
2024	5.5	5.6	5.3	4.9

Operating income

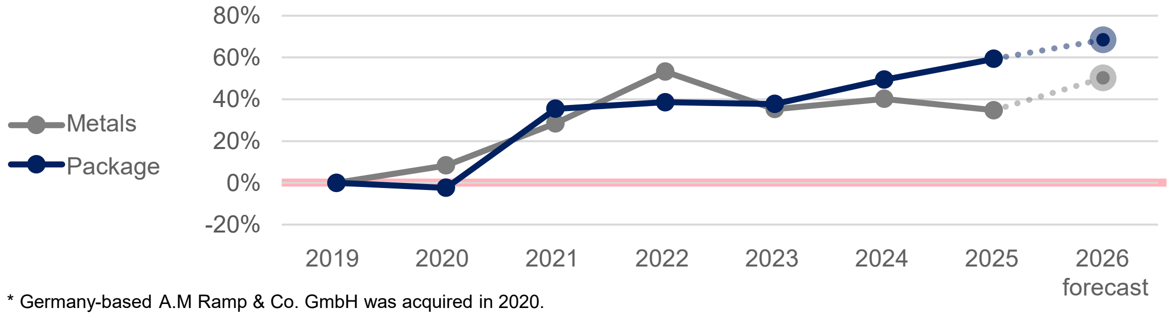


Operating income	1Q	2Q	3Q	4Q
2025	0.0	0.0	(0.0)	(0.1)
2024	0.2	0.0	0.0	(0.1)

Performance evaluation and forecast

- **Operating income for FY2025 was JPY0.0 billion, compared with the forecast JPY0.3 billion, but profitability was maintained.**
  - ➢ The forecast amount at JPY0.3 billion was not reached, mainly due to sluggish growth in sales of printing inks for special purposes. However, sales of environmentally friendly products for packages and sales of metal decorating inks made steady progress.
- **The forecast FY2026 operating income is JPY0.3 billion. (Target under the Medium-term Management Plan: JPY0.5 billion)**
  - ➢ Initiatives to streamline production and rebuild the sales structure will move forward, with progress made in bolstering the foundation for improving our earnings structure.
  - ➢ We will continue to focus our efforts on structural reforms and growth areas and expand sales, with the expansion of bases included in possible options, as part of our efforts to increase earnings.

Volume growth rate (from the 2019 level)



* Germany-based A.M Ramp & Co. GmbH was acquired in 2020.

Awareness of the business environment as well as risks and opportunities

Features of the European market

It is a mature market with the strictest sustainability requirements and regulations in the world. The market demands high environmental performance, such as low VOC content, a shift to water-based inks, and deinkability. A finely tuned response to diverse demands, which varies among countries and regions, is required. Technological capabilities, quality assurance, and compliance form the core of competitiveness. On the back of complicated environmental regulations, comprehensive proposals combining inks and coating agents are expected to be valuable in this market going forward.

Structural issues in the European market

There are regional gaps in economic growth. While growth in Southern and Eastern Europe is higher than that in Western Europe, wages and cost of skills are likely to continue rising due to structural constraints, such as the aging populations and labor shortages in Central and Eastern Europe. Due to these and other factors, this market demands a flexible approach tailored to regional characteristics needs.

Segment strategies

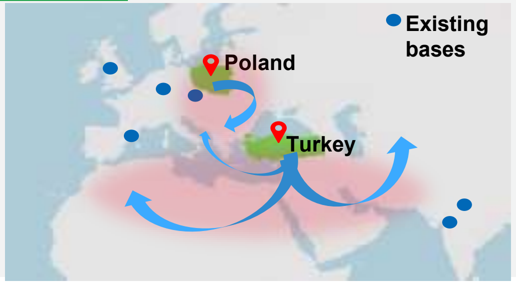
[Developing products proactively in anticipation of environmental regulations and increasing market shares in high value-added areas]

- ➢ Strengthening access to global brand owners and package manufacturers
- ➢ Expanding sales in high value-added areas (environmentally friendly inks, UV/EB inks, and functional coating agents)

[Reinforcement of earnings base with integrated organizations, production, and response to regulations]

- ➢ Strengthening of sales network and capacity for scale expansion
  Investing in Poland and Turkey as strategic bases for long-term growth
- ➢ Strengthening of governance and operating model
  Reinforcement of production and sales structures through collaboration among our European bases led by the holding company in Europe

Topics **Establishment of new bases for expanding sales to Eastern Europe, Middle East, and Africa**



We have established a new company in the Republic of Poland, where sales are growing, aiming to expand our business in Europe. We have also established a company in the Republic of Turkey. We are also considering the expansion of production bases for the purpose of strengthening sales in Eastern Europe, Middle East and Near East, and Africa, where growth is expected in the future.

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Visual Communication Technology

Enhancing our presence in Europe will drive global expansion and growth.

A base for disseminating information on environmental regulations

- EU Packaging and Packaging Waste Regulation (PPWR)
- ROHS/REACH/PFAS (regulations on chemicals)
- Sustainability disclosures

and others

Collection of information on environmental regulations

Response to regulations

Europe segment

Presence enhancement strategy

- Expanding bases for boosting market shares
- Increasing environmentally friendly products

Approach/Co-creation

Extended Producer Responsibility, which involves not only the use of environmentally friendly materials but also a view to recycling after use

Functional coating agents
Catalysts that boost the growth of inks by increasing their recyclability

Approach/Co-creation

Brand ownersGlobal package manufacturers

(Concentrated in Europe)

Example) Major food manufacturers, daily goods manufacturers, etc.

Collaboration in environmental regulation information, R&D, and sales

Reflected in globally common package specifications

Japan, Asia, and the Americas segments

Quality and service support systems tailored to diverse environments, which differ among countries and regions

Deployment to customers' bases around the world

Globally unified quality requirements

Digital and specialty products

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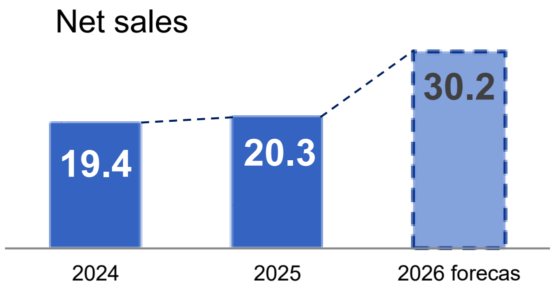
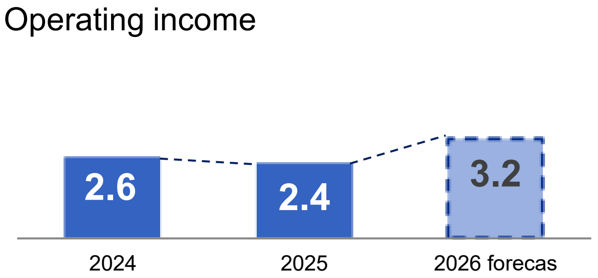
Net sales and operating income (Billion yen)





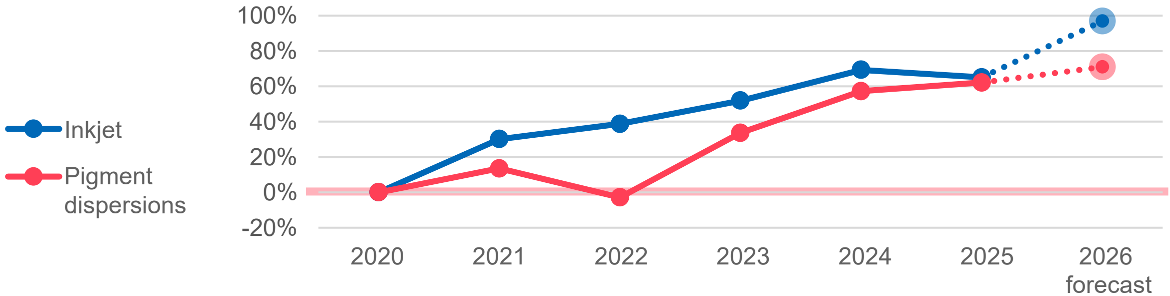
Net sales	1Q	2Q	3Q	4Q
2025	4.8	4.9	5.3	5.2
2024	4.4	5.1	4.9	4.8

Operating income	1Q	2Q	3Q	4Q
2025	0.5	0.5	0.8	0.4
2024	0.7	0.6	0.6	0.6

Performance evaluation and forecast

- **Operating income for FY2025 was JPY2.4 billion, compared with the forecast JPY2.6 billion. Top line exceeded JPY20.0 billion.**
  - ➢ For industrial inkjet inks as our mainstay products, sales expansion was smooth worldwide. For pigment dispersions for display materials, sales of black matrix (BM) increased.
- **Forecast FY2026 operating income is JPY3.2 billion. (Target under the Medium-term Management Plan: JPY4.3 billion)**
  - ➢ For industrial inkjet inks, we will pursue new sales expansion measures, and the volume of products for the areas of food, clothing, and housing is expected to increase.
  - ➢ For pigment dispersions for display materials, we will step up local production capacity in China, and sales are expected to grow.

Volume growth rate (from the 2020 level)



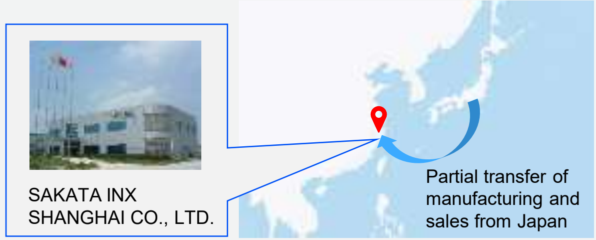
Awareness of the business environment as well as risks and opportunities

- ➢ For industrial inkjet inks, medium- and long-term market growth is expected in the areas of food, clothing, and housing due to improvement in the digital printing technologies.
- ➢ Medium- and long-term growth in pigment dispersions for display materials (CF/BM) is expected with the expansion of the large display and industrial display markets.
- ➢ Inkjet inks involve the risk that procurement and quality control costs are likely to rise because the freedom to change raw materials and manufacturing method is limited due to OEM supply constraints.
- ➢ For CF/BM, we have competitive advantages thanks to our proprietary dispersion and atomization technologies. However, prices fluctuate significantly because China is at the center of the market. We therefore need to continue to pursue technological innovation.

Segment strategies

- ➢ Strengthening global sales structure through Group collaboration, with a focus on Asia as a growth market.
- ➢ For industrial inkjet inks, we will expand applications centering on environmentally friendly inks by tapping into demand for digital printing in the areas of food, clothing, and housing.
- ➢ For pigment dispersions for display materials (CF/BM), we will enhance supply structure with a focus on products for liquid crystal panels and step up efforts to expand them to new applications, such as next-generation displays and AR/VR.
- ➢ Improving profitability by addressing the risks of OEM constraints and price fluctuations, with a concentration on areas of high value-added products and the streamlining of production and procurement
- ➢ Expanding applications to peripheral areas, such as electronic materials and functional coatings, founded on inkjet inks and dispersion technologies

Topics Enhancing production capacity to increase competitiveness in the Chinese market



For pigment dispersions for display materials, we will continue to expand production equipment at Shanghai BM plant in FY2026 for the purpose of increasing our competitiveness in China, the world's biggest producer of displays. By increasing local production capacity, we will reduce lead time for customers and logistics costs.

Investments Made and Planned (including unconsolidated figures)

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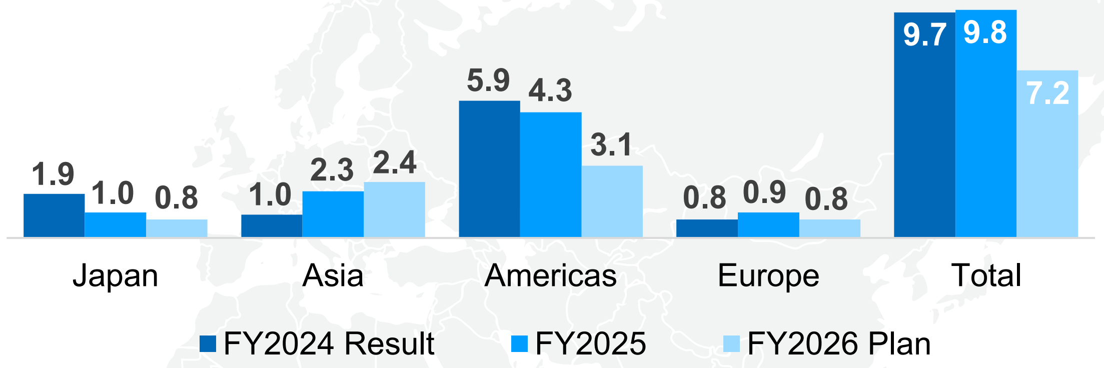
2024-2026 Total
Capital investments of JPY25 billion

Capital investments

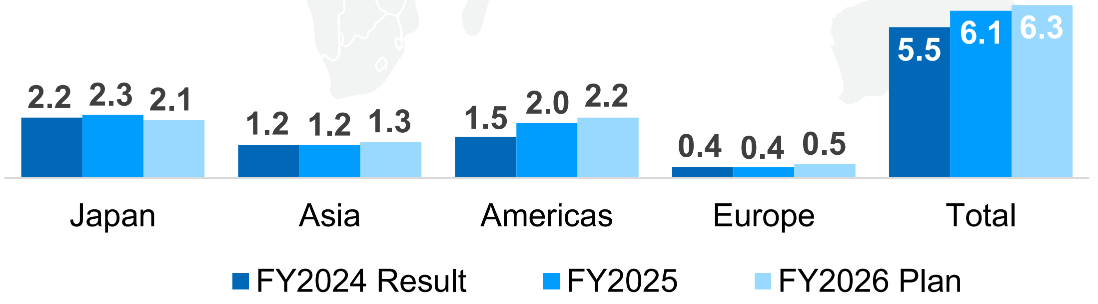
(Billion yen)



2024-2026 Total
Depreciation JPY20 billion

Depreciation (excluding goodwill)

(Billion yen)



2024-2026 Total
Strategic investments of JPY15 billion

Actual examples of investment

■ **Europe**

The establishment of a production base is being considered for market expansion to Eastern Europe and the Middle East.

■ **Americas**

Acquisition of coating agent manufacturer C&A JPY8.0 billion

Major capital investments

■ FY2025

Japan
- ➢ Relocation of the Osaka Head Office (April)

Asia
- ➢ A new plant in the Philippines (completed in Q1)
- ➢ Extension of manufacturing equipment (Vietnam and Thailand)

Americas
- ➢ New plant in Brazil (completed in April)

Europe
- ➢ ERP renewal (EU)

■ Future plan

Japan
- ➢ Capital investments related to new businesses

Asia
- ➢ ERP adoption (step by step)
- ➢ Expansion of manufacturing equipment (Thailand, Vietnam, India, and Shanghai: Planned to be completed within 2026)

Americas
- ➢ Expansion of manufacturing equipment (Planned to be completed in 2027 in Brazil)
- ➢ Related to the construction of a new plant in North America (in 2027)

Europe
- ➢ Expansion of manufacturing equipment (Planned to be completed within 2026 in UK, Germany, and Czech)

Capital Policy and Shareholder Return

Yoshiaki Ueno, Representative Director, President & CEO

— Initiatives for Improving Corporate Value (1) [Cash allocation]

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1 Improvement of business profitability and growth

2 Financial and capital strategy

✓ Cash in and cash out are both in line with Mid-term Business Plan CCC-II.
✓ We are using cash planned initially plus cash from improvement in the balance sheet for shareholder returns and business investments.

Optimal capital structure

【Reduction of Cross-shareholdings】

2024 △ JPY0.9 billion
2025 △ JPY3.4 billion
As of end of 2025 Net assets ratio of cross-shareholdings 2.7%

Improving the profitability of business

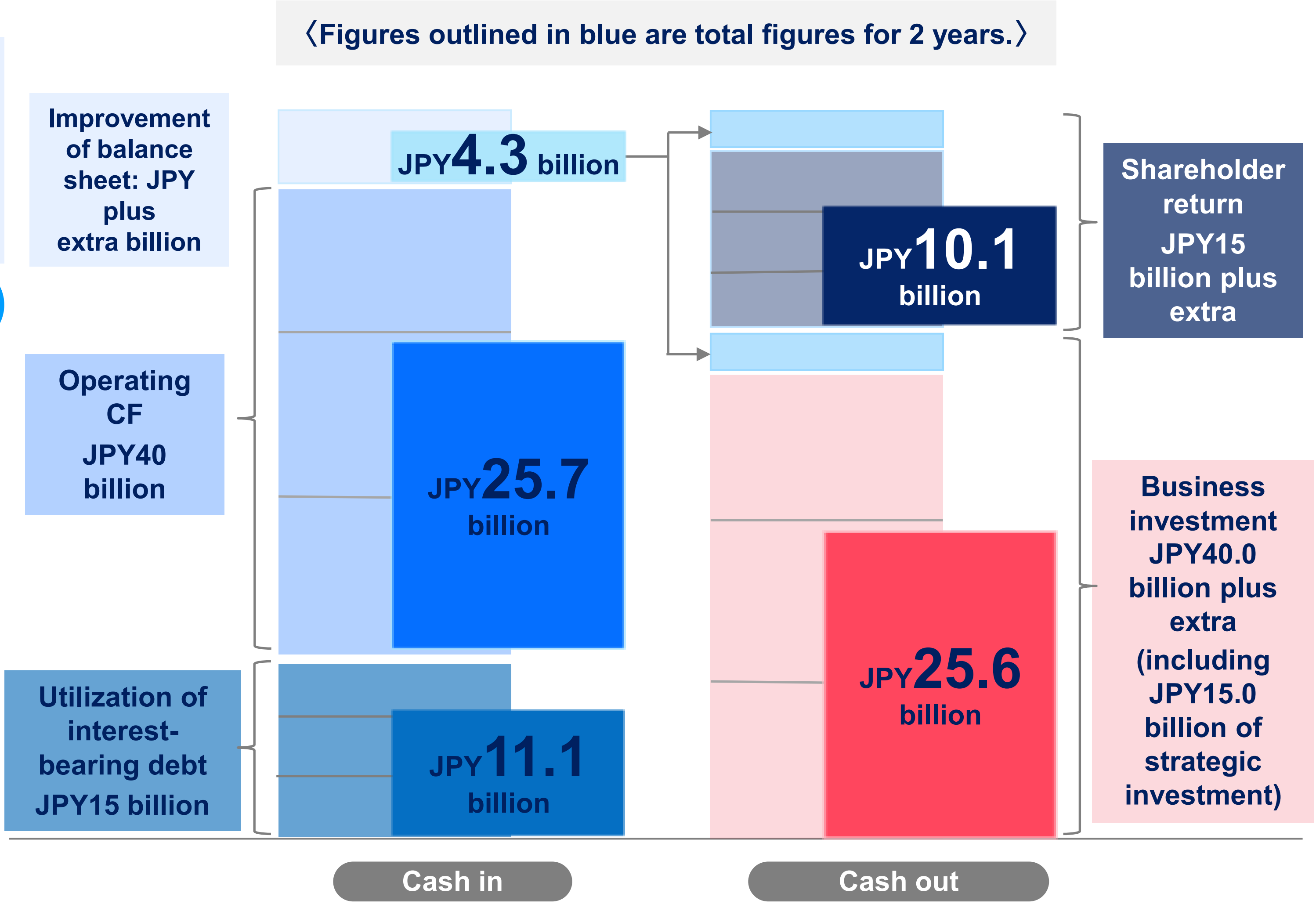
Growth strategy

[Acceleration of global consolidated management]

- Establishment of Asia holding company
- Global rollout of sustainability products
- Implementation of price revisions based on pricing strategy

[Creating new businesses]

- Expansion of coating business
- Launch of brand protection solutions business



Shareholder return

[Dividends] JPY8.1 billion
Made consecutive dividend increases
2024: Annual dividend increased by JPY35
2025: Annual dividend increased by JPY25

[Purchase of Treasury Stock] JPY2.0 billion
Purchased treasury stock worth JPY1.0 billion for two consecutive years in flexible treasury stock purchase.

Business investment

[Major capital investments] JPY17.3 billion

- Construction of new plant in Brazil
- Construction of new plant in the Philippines
- Expansion of production facilities in Vietnam
- Renovation of the Osaka Plant

[Major strategic investments] JPY8.2 billion

- Acquisition of C&A
- Acquisition of distributor in the Oceania region

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2 Financial and capital strategy

Reduction of cross-shareholdings

Change in cross-shareholding policy

[Policy]
- By the end of 2025
  50% reduction in cross-shareholdings
- From 2026 onwards
  Aim to reduce cross-shareholdings to zero

* Cross-shareholdings other than unlisted shares
* Based on market value as of the end of December 2024

[Result]

Cross-shareholdings

Achieved **reduction of approx. 55%** and used proceeds for shareholder returns and growth investments

Secondary offering of shares

Sale of our shares held by financial institutions

[Purpose]
- To reestablish a diverse shareholder structure
- To improve stock liquidity

[Details]

<Implemented November 2025>
Number of shares offered:
2,946,700 shares
5.43% of shares outstanding

[Result]

All offered shares sold thanks to strong demand
- Ratio of individual shareholders: **Up approx. 5%**[*1]
- Stock liquidity: **Up approx. 50%**[*2]

*1 Ratio at end of 2025 compared with end of previous year
*2 Based on average trading volume in period from Dec. 4 2025 to Dec. 17, 2025 (after the transfer); compared with same period of the previous year.

Dividend increase and treasury stock purchase

Expansion of shareholder returns

[Dividend increases] * per share (YoY)

2023: JPY35
2024: JPY75 (+JPY35)
2025: JPY95 (+JPY25)

[Purchase of treasury stock]

Purchase of treasury stock worth **JPY1.0 billion** each year for two consecutive years (2024 and 2025)

[Result]

2025

Total payout ratio: 49%

Shareholder return

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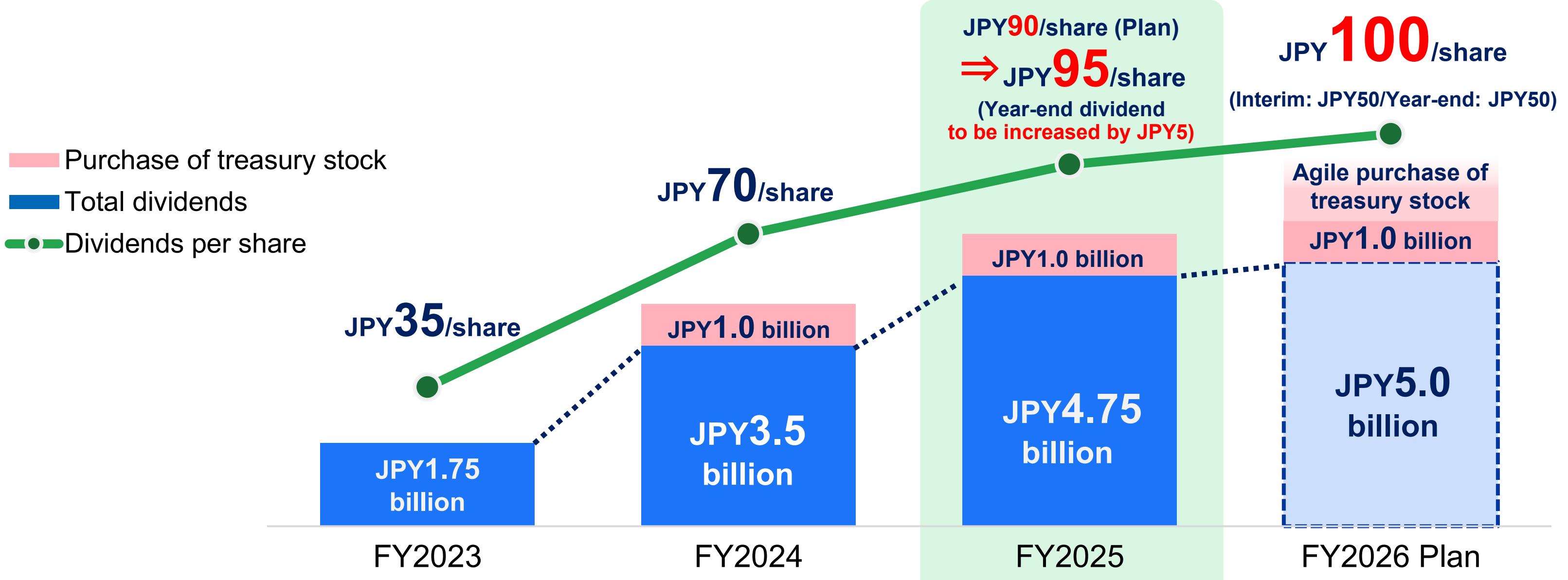
Shareholder return policy — Active and stable return of dividends and agile purchase of treasury stock

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 outlook for FY2026 *2 Forecast for FY2026

Treasury stock

Purchase of JPY1.0 billion (FY2026)

Agile purchase of treasury stock

Annual dividend

FY2025	FY2026 Plan
JPY95/share	JPY100/share
Compared to the FY2023 level Approx. 2.7 times	Compared to the FY2023 level Approx. 2.8 times

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