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SAKATA INX
Visual Communication Technology

Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 [Japanese GAAP]

February 12, 2026

Company name: SAKATA INX CORPORATION
Stock exchange listing: Tokyo
Code number: 4633
URL: https://www.inx.co.jp/english/
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Scheduled date of annual general meeting of shareholders: March 26, 2026
Scheduled date of commencing dividend payments: March 27, 2026
Scheduled date of filing annual securities report: March 23, 2026
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes (For institutional investors and analysts)

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (January 1, 2025 to December 31, 2025)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2025	257,668	4.9	15,226	15.7	15,364	19.2	11,609	28.9
December 31, 2024	245,570	7.5	13,161	15.0	12,893	(5.4)	9,006	20.6

(Note) Comprehensive income: Fiscal year ended December 31, 2025: ¥13,940 million [(24.7)%]
Fiscal year ended December 31, 2024: ¥18,515 million [27.8%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets ratio	Operating income to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
December 31, 2025	235.26	–	10.0	6.9	5.9
December 31, 2024	180.64	–	8.5	6.2	5.4

(Note) Equity in earnings of associates: Fiscal year ended December 31, 2025: ¥631 millior
Fiscal year ended December 31, 2024: ¥874 millior

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2025	225,864	126,519	52.8	2,425.44
December 31, 2024	221,470	119,221	50.7	2,264.08

(Note) Equity: As of December 31, 2025: ¥119,158 million
As of December 31, 2024: ¥112,310 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
December 31, 2025	17,005	(4,485)	(9,975)	18,782
December 31, 2024	8,904	(14,846)	4,214	14,583

2. Dividends

	Annual dividends per share					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
December 31, 2024	–	25.00	–	45.00	70.00	3,486	38.8	3.3
December 31, 2025	–	45.00	–	50.00	95.00	4,689	40.4	4.1
Fiscal year ending December 31, 2026 (Forecast)	–	50.00	–	50.00	100.00		41.3	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2026 (January 1, 2026 to December 31, 2026)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	276,000	7.1	17,000	11.6	17,800	15.8	11,800	1.6	241.84

* Notes:

(1) Changes in significant subsidiaries during the period under review: Yes
Newly included: 2 companies (SAKATA Brand Solutions Co., Ltd.; SAKATA INX ASIA HOLDINGS SDN. BHD.)
Excluded: –

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: Yes
2) Changes in accounting policies other than 1) above: No
3) Changes in accounting estimates: No
4) Retrospective restatement: No

(Note) For the details, please refer to “3. Consolidated Financial Statements and Principal Notes, (5) Notes to consolidated financial statements, Changes in accounting policies” on page 15 of Attachments.

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):
December 31, 2025: 54,172,361 shares
December 31, 2024: 54,172,361 shares

2) Total number of treasury shares at the end of the period:
December 31, 2025: 5,043,947 shares
December 31, 2024: 4,567,137 shares

3) Average number of shares outstanding during the period:
Fiscal Year ended December 31, 2025: 49,349,741 shares
Fiscal Year ended December 31, 2024: 49,856,685 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (January 1, 2025 to December 31, 2025)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2025	66,681	(2.8)	555	(20.9)	5,188	14.0	5,829	32.3
December 31, 2024	68,613	(0.6)	702	(55.3)	4,552	35.0	4,405	94.4

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
December 31, 2025	118.12	–
December 31, 2024	88.36	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
December 31, 2025	97,656	54,734	56.0	1,114.11
December 31, 2024	101,406	54,992	54.2	1,108.60

(Note) Equity: As of December 31, 2025: ¥54,734 million
As of December 31, 2024: ¥54,992 million

* The consolidated financial results are not subject to audit conducted by certified public accountants or an audit firm.

* Explanation of appropriate use of financial forecasts and other special notes
Forward-looking statements contained in this document, including forecasts of business performance, are based on information currently available to the Company and on certain assumptions deemed reasonable by the Company, and are not intended as a guarantee of future results. Actual results may differ materially from such statements due to various factors.

For information regarding the financial results forecast, please refer to “1. Overview of Operating Results, etc. (4) Outlook for the next fiscal year” on page 6 of Attachments.

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* The Company plans to hold a briefing session for investors as follows. All materials to be distributed at the briefing session will be posted on the Company's website on the same day.

- Financial results briefing session for institutional investors and securities analysts: Thursday, February 12, 2026

1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year under review

1) Overview of consolidated financial results

During the fiscal year ended December 31, 2025 (the “fiscal year under review”), the global economy continued to face concerns about a potential economic slowdown, as heightened geopolitical risks, including the intensifying situation in the Middle East, remained elevated, and U.S. trade policies and the uncertainty surrounding them rippled through the global economy. Meanwhile, easing inflationary pressures across countries and a recovery in personal consumption provided support, allowing the global economy as a whole to maintain solid growth.

In the United States, personal consumption and capital investment remained cautious amid restrained corporate activity and uncertainty over the economic outlook stemming from trade policy impacts. In addition, the pace of economic recovery slowed as the effects of tariffs gradually became evident in corporate earnings and price levels. In Europe, personal consumption recovered against a backdrop of improving income conditions and easing inflationary pressures, and while some weakness remained in parts of the manufacturing sector, a moderate recovery continued. In Asia, although economic growth in China remained sluggish due to stagnation in the real estate market, the overall economy remained solid. However, economic conditions varied by country within the region, with India and Vietnam performing strongly, while domestic demand in Thailand remained weak. In Japan, although persistently high prices, particularly for food products, weighed on consumption amid continued improvements in income conditions, the economy maintained a moderate recovery trend, supported in part by a deceleration in the rate of price increases.

Under these circumstances, this year is the second year of the Medium-term Management Plan 2026 (CCC-II), which is the phase of business growth, stronger earnings capabilities, to achieve the long-term strategic vision “SAKATA INX VISION 2030,” which is targeted for the year 2030 and the Group has promoted aggressive expansion of sustainable products centered on environmentally friendly products, such as the BOTANICAL INK series. Particularly, in the packaging field, the Group continued to expand sales in growing regions where the middle class is expanding due to its population growth and economic development. Along with this, the Group promoted global management cooperation by enhancing and expanding strategic products for global accounts and streamlining purchasing, production and logistics through regional collaboration. In the Digital and Specialty Products business, the Group expanded sales of inkjet inks, in addition to existing products, in emerging markets of apparel, food, and home furnishings. Furthermore, the Group promoted sales expansion of high-quality products of image display materials.

Net sales amounted to 257,668 million yen (up 4.9% YoY), reflecting strong sales performance in the Americas, relatively solid sales of the Digital and Specialty Products, and contributions from the U.S. subsidiary acquired in the fourth quarter of the previous fiscal year.

In terms of profit, operating income amounted to 15,226 million yen (up 15.7% YoY). The increase was primarily driven by higher sales volume as well as continued improvement in profitability due to raw material prices remaining stable overseas, despite an increase in labor and other expenses. Ordinary income amounted to 15,364 million yen (up 19.2% YoY). Net income attributable to owners of parent amounted to 11,609 million yen (up 28.9% YoY), mainly due to the recording of gain on sale of investment securities resulting from the reduction of cross-shareholdings.

(Reference) Average exchange rate of Japanese yen to the U.S. dollar during the period

	1st quarter	2nd quarter	3rd quarter	4th quarter	Fiscal year
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
December 31, 2025	152.60	144.59	147.48	154.15	149.71
December 31, 2024	148.61	155.88	149.38	152.44	151.58

(Note) The average exchange rate during the fiscal year lists the simple average rate from January to December.

2) Overview of operating results by segment

The operating results by segment are as follows.

Beginning with the fiscal year under review, the Company has revised the allocation criteria for corporate expenses to more appropriately reflect the performance of each reportable segment. Accordingly, the segment information for the previous fiscal year has been restated based on the revised allocation method.

(Million yen, unless otherwise stated)

	Net sales					Operating income			
	Previous period	Current period	Change	Change [%]	Real* [%]	Previous period	Current period	Change	Change [%]
Printing Inks and Graphic Arts Materials (Japan)	52,806	50,248	(2,558)	(4.8)	(4.8)	927	1,436	508	54.9
Printing Inks (Asia)	58,281	56,173	(2,108)	(3.6)	(1.7)	5,747	6,913	1,166	20.3
Printing Inks (Americas)	87,863	101,860	13,997	15.9	17.5	4,474	5,285	810	18.1
Printing Inks (Europe)	21,447	21,578	131	0.6	(2.5)	66	64	(2)	(3.0)
Digital & Specialty Products	19,405	20,375	969	5.0	4.8	2,666	2,429	(236)	(8.9)
Reportable Segment total	239,805	250,236	10,431	4.3	5.1	13,881	16,129	2,247	16.2
Other	12,731	14,031	1,299	10.2	10.2	180	270	90	50.0
Adjustments	(6,965)	(6,599)	366	–	–	(900)	(1,172)	(272)	–
Total	245,570	257,668	12,097	4.9	5.7	13,161	15,226	2,064	15.7

* “Real” represents a real percentage change excluding the impact of foreign currency translation of overseas consolidated subsidiaries

Printing Inks and Graphic Arts Materials (Japan)

Amid widespread price increases across many items, including daily necessities, food, and beverages, subdued consumer sentiment persisted as households continued to adopt a more cost-conscious spending stance. In the packaging-related business, the sales of both gravure inks and flexo inks exceeded those of the previous fiscal year although they remained somewhat sluggish. In the printing information-related business, sales declined year on year, reflecting not only the structural contraction of the market caused by digitalization but also the impact of reducing unprofitable items in offset inks to improve profitability. Amid these circumstances, the sales of printing inks as a whole exceeded those for the previous fiscal year thanks to the effect of selling price revisions, despite a decrease in sales volume. The graphic arts materials saw a significant decline in the sales of materials for printmaking from the previous fiscal year, due in part to the reduction of unprofitable items. As a result, net sales amounted to 50,248 million yen (down 4.8% YoY).

In terms of profit, despite an increase in personnel expenses, operating income amounted to 1,436 million yen (up 54.9% YoY), reflecting improved profitability mainly due to the effects of selling price revisions.

Printing Inks (Asia)

As the impact of U.S. trade policies dampens economic growth, leading to uneven economic performance across the region, sales of packaging-related gravure inks, which are the Group’s mainstay products, remained relatively solid in Vietnam. However, overall growth was somewhat sluggish. In the printing information-related business, sales were strong in India. Net sales amounted to 56,173 million yen (down 3.6% YoY), primarily due to somewhat sluggish sales in the first half, the impact of the exclusion of a subsidiary in China from consolidation due to transfer of interests in the second quarter of the previous fiscal year, and the impact of foreign exchange translation effects.

In terms of profit, operating income amounted to 6,913 million yen (up 20.3% YoY), primarily due to the stable prices of raw materials as well as the containment of cost increases, despite the impact of the exclusion from consolidation.

Printing Inks (Americas)

With the impact of U.S. trade policy remaining limited, sales of flexo inks and gravure inks in the mainstay packaging-related business remained strong due to continued gradual recovery in demand in North America as well as sales expansion in South America including Brazil. The sales of metal inks were strong, backed by a continued expansion of demand for aluminum cans from the perspective of environmental impact, along with steady sales expansion in South America. The sales of offset inks, which are related to printing information, exceeded those of the previous fiscal year primarily due to the strong sales of UV inks, despite the structural contraction of the market.

Net sales amounted to 101,860 million yen (up 15.9% YoY) due to the growing sales volume, the strong performance of the U.S. subsidiary acquired in the fourth quarter of the previous fiscal year, and the effects of selling price revisions, including adjustments to reflect tariff-related costs, despite the impact of foreign exchange translation.

In terms of profit, operating income amounted to 5,285 million yen (up 18.1% YoY), primarily due to the growth in sales volume, the effects of selling price revisions, and contributions from the new consolidation, despite an increase in personnel and other expenses.

Printing Inks (Europe)

In the packaging-related business, sales slightly dropped in the second quarter but remained relatively firm. Sales were strong in metal inks, particularly for major customers. Net sales amounted to 21,578 million yen (up 0.6% YoY). While overall sales were affected by a slight decline in the second quarter, the Europe segment, unlike the Asia and Americas segments, benefited from foreign exchange translation effects resulting from the appreciation of local currencies, among other factors.

In terms of profit, operating income amounted to 64 million yen (down 3.0% YoY), primarily due to somewhat sluggish sales and the absence of the impact from the special demand for certain products in the first quarter of the previous fiscal year, despite the stable prices of raw materials.

Digital and Specialty Products

The sales of inkjet inks exceeded those of the previous fiscal year, supported by steady demand. The sales of pigment dispersions for color filters also exceeded the previous fiscal year's level, reflecting a recovery in sales driven by improving operating rates at panel manufacturers. The sales of toner exceeded those of the previous fiscal year primarily due to strong sales expansion overseas. As a result of these factors, net sales amounted to 20,375 million yen (up 5.0% YoY).

In terms of profit, although sales increased, operating income amounted to 2,429 million yen (down 8.9% YoY), primarily due to an increase in expenses.

(2) Overview of financial position for the fiscal year under review

Total assets at the end of the fiscal year under review increased 4,394 million yen (2.0%) year on year to 225,864 million yen. This was mainly due to increases in cash and deposits and property, plant and equipment, despite decreases in notes and accounts receivable – trade, the sale of investment securities in line with the policy to reduce cross-shareholdings, and the impact of foreign exchange translation resulting from the appreciation of the yen against foreign currencies compared with the end of the previous fiscal year.

Liabilities decreased 2,904 million yen (2.8%) year on year to 99,344 million yen. This was mainly due to decreases in loans payable and notes and accounts payable – trade, as well as the impact of foreign exchange translation.

Net assets increased 7,298 million yen (6.1%) year on year to 126,519 million yen, primarily due to increases in retained earnings and foreign currency translation adjustments.

(3) Overview of cash flows for the fiscal year under review

The following is a summary of cash flows for the fiscal year under review.

Net cash provided by operating activities totaled 17,005 million yen. This was mainly due to income before income taxes and depreciation, which were partially offset by an increase in working capital and payments of income taxes. Compared to the previous fiscal year, net cash provided by operating activities increased by 8,101 million yen, mainly due to higher income before income taxes and favorable changes in working capital.

Net cash used in investing activities totaled 4,485 million yen (compared with 14,846 million yen used in the previous fiscal year). This was mainly due to purchase of property, plant and equipment, partially offset by proceeds from sale of investment securities. The year-on-year decrease in net cash used was mainly attributable to increased proceeds from sale of investment securities and the absence of payments for business acquisitions recorded in the previous fiscal year.

Net cash used in financing activities totaled 9,975 million yen (compared with 4,214 million yen provided in the previous fiscal year). This was mainly due to a decrease in loans payable, cash dividends paid, and purchase of treasury shares. The shift from net cash provided in the previous fiscal year to net cash used in the current fiscal year was mainly attributable to a decrease in loans payable and an increase in cash dividends paid.

In addition, together with 128 million yen recorded as an increase in cash and cash equivalents resulting from change of scope of consolidation, cash and cash equivalents at the end of the fiscal year under review amounted to 18,782 million yen, an increase of 4,198 million yen compared to the end of the previous fiscal year.

Reference: Cash flow indicators

	FY12/21	FY12/22	FY12/23	FY12/24	FY12/25
Equity ratio (%)	51.8	48.6	50.9	50.7	52.8
Equity ratio based on market value (%)	34.8	29.6	35.0	39.1	51.5
Interest-bearing debt to cash flow ratio (years)	2.4	5.6	1.7	4.1	2.0
Interest coverage ratio (times)	32.4	9.0	20.3	10.9	16.0

Notes: Equity ratio: (Shareholders' equity + Accumulated other comprehensive income) / Total assets
Equity ratio based on market value: Market capitalization / Total assets
Interest-bearing debt to cash flow ratio: Interest-bearing debt / Cash flows from operating activities
Interest coverage ratio: Cash flows from operating activities / Interest payments

1. All indicators are calculated based on consolidated financial data.
2. Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period, excluding treasury shares.
3. Cash flows from operating activities are based on cash flows provided by operating activities in the consolidated statement of cash flows. Interest-bearing debt is calculated using total loans payable on the consolidated balance sheets that incur interest. For interest payments, the amount of interest expenses paid in the consolidated statements of cash flows is used.

(4) Outlook for the next fiscal year

The Group foresees that in the printing ink business, demand will increase in the medium to long term for inks for packages, which are the Group's mainstay products, including environmentally-friendly products, although demand for products tends to decrease in the printing information-related business due to market contraction caused by digitization in Japan, the Americas, and Europe.

Under such circumstances, the Group formulated a long-term vision, SAKATA INX VISION 2030, in 2021, with the goal of achieving it by 2030, in order to respond to changes in the business environment. The Group is currently in the second phase of this initiative under the Medium-term Management Plan 2026 (CCC-II), with FY2026 positioned as the final year of the plan. CCC-II is positioned as the "Business growth, stronger earnings capabilities" phase to accomplish the long-term vision. In accordance with the strategic direction in this long-term vision, the Group has set business expansion and the strengthening of earnings capabilities as key themes and is steadily advancing initiatives across the Group based on the "Growing the Printing inks / Digital and Specialty product businesses," "Tackling new business areas," and "Enhancing ESG and sustainability initiatives with an emphasis on the environment and local communities."

The global economy is expected to continue a moderate recovery in the next fiscal year, although uncertainties such as geopolitical risks and trends in U.S. policy may weigh on growth.

The moderate recovery in the global economy is also expected to contribute to the stabilization of the demand environment in the Group's overseas markets. Based on these assumptions, the Group expects an increase in revenue in its consolidated earnings forecast for the next fiscal year, as the Group will continue to promote the expansion of sales of printing inks, primarily environmentally friendly products, across all regions, while also continuing to focus on expanding sales of functional materials. In terms of profit, despite an expected increase in expenses, particularly personnel expenses, the Group expects operating income and income at each subsequent level to increase, supported by Group-wide efforts to expand sales and the assumption that raw material prices will remain stable.

Based on the above, the Group forecasts net sales of 276,000 million yen, operating income of 17,000 million yen, ordinary income of 17,800 million yen, and net income attributable to owners of parent of 11,800 million yen. As an assumption, the exchange rate for the U.S. dollar, which is particularly susceptible to foreign exchange translation effects on the revenues and expenses of overseas consolidated subsidiaries, is set at 150.00 yen per U.S. dollar.

(5) Basic policy for distribution of profit and dividends for the current and next fiscal years

The Company regards the stable return of profits to shareholders as one of the important management priorities, and proceeds with the policy of active and stable dividends and flexible share buybacks, while comprehensively considering financial performance, investment plans, and the business environment.

In accordance with this policy, the Group aims to achieve a total payout ratio of 50% or more during the period of Medium-term Management Plan 2026 (CCC-II).

Internal reserves are earmarked for capital requirements for long-term oriented investments primarily on R&D and production facilities of the Group. We will proactively respond to trends in each business field, strengthen our competitiveness, and improve profitability, which we believe leads to higher corporate value.

Based on the aforementioned policy, the Company plans to pay a year-end dividend of 50 yen per share for the fiscal year under review. Accordingly, the annual dividend will be 95 yen per share including the interim dividend.

The planned annual dividend for the next fiscal year is 100 yen per share, comprising an interim dividend of 50 yen and a year-end dividend of 50 yen.

2. Basic Approach to the Selection of Accounting Standards

In consideration of the comparability with other companies and their reporting periods of financial statements, the Group for the time being has prepared consolidated financial statements based on generally accepted accounting principles in Japan.

In the future, we will consider applying International Financial Reporting Standards in consideration of trends in capital markets and requests of stakeholders including shareholders.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated balance sheets

(Million yen)

	As of December 31, 2024	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	15,717	20,595
Notes and accounts receivable – trade	64,151	62,526
Merchandise and finished goods	19,302	19,850
Work in process	1,664	1,700
Raw materials and supplies	18,839	18,140
Other	3,751	5,074
Allowance for doubtful accounts	(665)	(618)
Total current assets	122,761	127,269
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,180	22,659
Machinery, equipment and vehicles, net	11,830	12,383
Land	10,334	10,389
Leased assets, net	199	156
Construction in progress	4,991	5,115
Other, net	5,472	6,630
Total property, plant and equipment	54,009	57,334
Intangible assets		
Goodwill	1,482	1,315
Other	5,639	5,837
Total intangible assets	7,122	7,152
Investments and other assets		
Investment securities	32,833	30,173
Long-term loans receivable	29	23
Retirement benefit asset	1,127	1,210
Deferred tax assets	1,854	1,387
Other	1,829	1,416
Allowance for doubtful accounts	(97)	(104)
Total investments and other assets	37,576	34,107
Total non-current assets	98,708	98,594
Total assets	221,470	225,864

(Million yen)

	As of December 31, 2024	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable – trade	25,644	25,437
Electronically recorded obligations – operating	14,215	11,833
Short-term loans payable	9,433	7,098
Current portion of long-term loans payable	4,817	2,903
Current portion of bonds payable	–	1,000
Lease obligations	834	905
Accrued expenses	6,985	7,688
Income taxes payable	467	1,133
Provision for bonuses	760	766
Other	3,080	3,509
Total current liabilities	66,238	62,275
Non-current liabilities		
Bonds payable	1,000	–
Long-term loans payable	17,748	18,895
Lease obligations	2,411	2,797
Deferred tax liabilities	5,723	5,994
Retirement benefit liability	4,727	4,704
Asset retirement obligations	74	76
Other	4,323	4,600
Total non-current liabilities	36,009	37,068
Total liabilities	102,248	99,344
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,814	5,828
Retained earnings	84,496	91,590
Treasury shares	(4,930)	(5,912)
Total shareholders' equity	92,853	98,979
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,313	1,582
Deferred gains or losses on hedges	(0)	1
Foreign currency translation adjustment	16,838	18,203
Remeasurements of defined benefit plans	304	390
Total accumulated other comprehensive income	19,456	20,178
Non-controlling interests	6,911	7,361
Total net assets	119,221	126,519
Total liabilities and net assets	221,470	225,864

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

(Million yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net sales	245,570	257,668
Cost of sales	186,937	193,234
Gross profit	58,633	64,433
Selling, general and administrative expenses	45,471	49,206
Operating income	13,161	15,226
Non-operating income		
Interest income	310	249
Dividend income	158	185
Foreign exchange gains	–	130
Real estate rent	181	186
Equity in earnings of associates	874	631
Other	396	350
Total non-operating income	1,920	1,733
Non-operating expenses		
Interest expenses	811	1,065
Foreign exchange losses	1,023	–
Other	354	530
Total non-operating expenses	2,189	1,595
Ordinary income	12,893	15,364
Extraordinary income		
Gain on sale of investment securities	32	2,991
Gain on sale of investments in capital of subsidiaries and associates	605	–
Subsidy income	70	–
Total extraordinary income	709	2,991
Extraordinary losses		
Impairment losses	–	185
Loss on retirement of non-current assets	208	27
Loss on sale of investment securities	–	3
Loss on valuation of investment securities	99	600
Business restructuring expenses	–	268
Head office relocation expenses	–	111
Total extraordinary losses	308	1,197
Income before income taxes	13,293	17,158
Income taxes – current	3,255	3,268
Income taxes – deferred	(204)	731
Total income taxes	3,050	4,000
Net income	10,243	13,158
Net income attributable to non-controlling interests	1,236	1,549
Net income attributable to owners of parent	9,006	11,609

Consolidated statements of comprehensive income

(Million yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net income	10,243	13,158
Other comprehensive income		
Valuation difference on available-for-sale securities	226	(722)
Deferred gains or losses on hedges	(2)	1
Foreign currency translation adjustment	5,006	861
Remeasurements of defined benefit plans, net of tax	727	36
Share of other comprehensive income of associates accounted for using equity method	2,313	605
Total other comprehensive income	8,272	782
Comprehensive income	18,515	13,940
Comprehensive income attributable to:		
Owners of parent	16,551	12,331
Non-controlling interests	1,963	1,609

(3) Consolidated statements of changes in equity

Fiscal year ended December 31, 2024

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total Shareholders' equity
Balance at beginning of current period	7,472	5,673	77,740	(3,999)	86,886
Changes of items during the period					
Dividends of surplus			(2,249)		(2,249)
Net income attributable to owners of parent			9,006		9,006
Purchase of treasury shares				(1,000)	(1,000)
Disposal of treasury shares		72		137	210
Purchase of treasury shares by stock benefit trust				(204)	(204)
Disposal of treasury shares by stock benefit trust		68		136	204
Net changes of items other than shareholders' equity					
Total changes of items during period	–	141	6,756	(930)	5,967
Balance at end of current period	7,472	5,814	84,496	(4,930)	92,853

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,151	2	10,169	(411)	11,911	6,853	105,651
Changes of items during the period							
Dividends of surplus							(2,249)
Net income attributable to owners of parent							9,006
Purchase of treasury shares							(1,000)
Disposal of treasury shares							210
Purchase of treasury shares by stock benefit trust							(204)
Disposal of treasury shares by stock benefit trust							204
Net changes of items other than shareholders' equity	162	(2)	6,669	716	7,545	57	7,602
Total changes of items during period	162	(2)	6,669	716	7,545	57	13,569
Balance at end of current period	2,313	(0)	16,838	304	19,456	6,911	119,221

Fiscal year ended December 31, 2025

(Million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,472	5,814	84,496	(4,930)	92,853
Changes of items during the period					
Dividends of surplus			(4,464)		(4,464)
Net income attributable to owners of parent			11,609		11,609
Purchase of treasury shares				(1,000)	(1,000)
Disposal of treasury shares		14		17	31
Disposal of treasury shares by stock benefit trust				1	1
Change in scope of consolidation			(51)		(51)
Net changes of items other than shareholders' equity					
Total changes of items during period		14	7,093	(981)	6,126
Balance at end of current period	7,472	5,828	91,590	(5,912)	98,979

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	2,313	(0)	16,838	304	19,456	6,911	119,221
Changes of items during the period							
Dividends of surplus							(4,464)
Net income attributable to owners of parent							11,609
Purchase of treasury shares							(1,000)
Disposal of treasury shares							31
Disposal of treasury shares by stock benefit trust							1
Change in scope of consolidation							(51)
Net changes of items other than shareholders' equity	(730)	1	1,365	85	721	450	1,172
Total changes of items during period	(730)	1	1,365	85	721	450	7,298
Balance at end of current period	1,582	1	18,203	390	20,178	7,361	126,519

(4) Consolidated statements of cash flows

(Million yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from operating activities		
Income before income taxes	13,293	17,158
Depreciation and amortization	5,515	6,057
Impairment losses	-	185
Amortization of goodwill	138	237
Increase (decrease) in allowance for doubtful accounts	(586)	(42)
Decrease (increase) in retirement benefit asset	(787)	(82)
Increase (decrease) in retirement benefit liability	(22)	10
Increase (decrease) in provision for bonuses	98	4
Gain on sale of investments in capital of subsidiaries and associates	(605)	–
Interest and dividend income	(468)	(434)
Interest expenses	811	1,065
Equity in losses (earnings) of associates	(874)	(631)
Loss (gain) on sales of investment securities	(32)	(2,987)
Loss (gain) on valuation of investment securities	99	600
Loss on retirement of non-current assets	208	27
Subsidy income	(70)	–
Business restructuring expenses	–	268
Head office relocation expenses	–	111
Decrease (increase) in notes and accounts receivable – trade	(2,501)	1,692
Decrease (increase) in inventories	(2,623)	170
Increase (decrease) in notes and accounts payable – trade including electronically recorded obligations - operating	(1,805)	(2,845)
Other, net	3,105	(1,031)
Subtotal	12,892	19,535
Interest and dividend income received	1,065	958
Interest expenses paid	(815)	(1,063)
Proceeds from subsidy income	70	–
Income taxes paid	(4,309)	(2,424)
Net cash provided by (used in) operating activities	8,904	17,005
Cash flows from investing activities		
Purchase of property, plant and equipment	(6,924)	(6,923)
Proceeds from sale of property, plant and equipment	283	51
Purchase of intangible assets	(491)	(1,219)
Purchase of investment securities	(519)	(735)
Proceeds from sale of investment securities	856	5,000
Payments of loans receivable	(53)	(50)
Collection of loans receivable	58	56
Payments for acquisition of businesses	(8,243)	–
Proceeds from sale of investments in capital of subsidiaries resulting in change in scope of consolidation	458	–
Other, net	(269)	(664)
Net cash provided by (used in) investing activities	(14,846)	(4,485)

(Million yen)

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,049	(2,348)
Proceeds from long-term loans payable	11,311	4,222
Repayments of long-term loans payable	(3,699)	(4,878)
Cash dividends paid	(2,249)	(4,464)
Dividends paid to non-controlling interests	(891)	(1,159)
Purchase of treasury shares	(1,204)	(1,000)
Proceeds from sale of treasury shares	204	0
Other, net	(305)	(346)
Net cash provided by (used in) financing activities	4,214	(9,975)
Effect of exchange rate change on cash and cash equivalents	92	1,525
Net increase (decrease) in cash and cash equivalents	(1,635)	4,069
Cash and cash equivalents at beginning of period	16,218	14,583
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	–	128
Cash and cash equivalents at end of period	14,583	18,782

(5) Notes to consolidated financial statements

Going concern assumption

Not applicable

Changes in accounting policies

Application of accounting standard for current income taxes

The "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter the "Revised Accounting Standard 2022"), etc. has been applied since the beginning of the fiscal year ended December 31, 2025.

Revisions concerning the categories in which current income taxes should be recorded (taxes on other comprehensive income) are subject to the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment set forth in the proviso of paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter, "Revised Guidance 2022"). The change in accounting policies had no impact on the consolidated financial statements.

With regard to the revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares in subsidiaries, etc. resulting from transactions between consolidated companies are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the fiscal year ended December 31, 2025. The change in accounting policies has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been restated accordingly. However, the change in accounting policies had no impact on the consolidated financial statements for the previous fiscal year.

Additional information

Employee stock ownership plan

(1) Outline of the plan

The Company resolved at the meeting of the Board of Directors held on November 11, 2024 to introduce an employee stock ownership plan (hereinafter the “Plan”) for employees of the Company and its subsidiaries (hereinafter the “Employees”), aiming to enhance the Company's corporate value over the medium to long term, and the Plan was implemented on November 28, 2024.

One of the initiatives in our Medium-term Management Plan is human capital policy, which is the foundation for achieving sustained development. As part of this policy, we intend to foster a sense of participation in management among the Employees, which will lead to the sustained enhancement of the Group's corporate value.

Since the Employees can receive economic benefits from an increase in the Company's share price, the plan is expected to encourage them to perform their duties with a keen awareness of the share price as well as to motivate them to strive harder.

The Plan delivers the Company's shares acquired as an incentive plan for the Employees by the Employee Stock Ownership Plan Trust to the Employees who fulfill certain requirements based on the terms set forth in the Plan.

(2) The Company's shares remaining in the trust

The Company's shares remaining in the trust are recorded as treasury shares in net assets based on their book value in the trust (excluding the amount of incidental expenses). The book value and number of such treasury shares were 204 million yen and 128,000 shares as of December 31, 2024, and 202 million yen and 126,968 shares as of December 31, 2025, respectively.

(3) Scope of recipients of beneficiary rights and other rights under the Plan

The Employees who satisfy the conditions for stock grant

Consolidated statements of income

Restructuring Cost

Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

Not applicable

Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

The Group has commenced restructuring its supply system for the printing inks business in Asia to realize more efficient business operations. Consequently, the Group has recorded an inventory write-down for certain inventory items at its China sites for which expected sales and usage have declined.

Impairment losses

Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

Not applicable

Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

The Group recorded impairment losses on the following asset group.

(Million yen)

Location	Use	Item	Amount
SAKATA INX (ZHONGSHAN) CORP (Guangdong Province, China)	Business assets	Machinery, equipment and vehicles	116
		Buildings and structures	30
		Other	38
Total			185

As a general rule, the Group groups business assets based on business segments in accordance with management accounting classifications; however, for the assets of certain consolidated subsidiaries, grouping is performed on a company-by-company basis. The Group recorded impairment losses on the following asset group.

For the assets shown above, operating profitability has been consistently negative due to a deterioration in the business environment and market uncertainty caused by the economic slowdown in China, as well as intensifying competition with peers and increased cost burdens, including rising labor costs. Due to these factors, indications of impairment were identified. After assessing future recoverability, the Group determined that the carrying amount was no longer expected to be recoverable. Accordingly, the carrying amount was reduced to its recoverable amount, and the resulting decrease was recognized as an impairment loss.

The recoverable amount is measured at net selling price, which was determined based on the estimated selling price and other relevant factors.

Segment information, etc.

1. Overview of reportable segments

(1) Method of determining reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to periodic review by the Company's board of directors to determine the allocation of management resources and evaluate performance.

(2) Type of products and services belonging to each reportable segment

The Group mainly produces and sells printing inks. In Japan, the Company's multiple business divisions are responsible for the production and sale of printing inks; overseas, multiple local subsidiaries are responsible for the production and sale of printing inks in Asia, the Americas, and Europe, respectively. Each local subsidiary is an independent management unit that formulates comprehensive strategies and conducts business activities in the country where it is located and its surrounding areas. In Japan, in addition to the printing inks business, the Group purchases and sells graphic arts materials.

Moreover, we have established several independent business segments for functional materials such as inkjet inks, toners, and pigment dispersion solutions that apply and expand the pigment dispersion and other fundamental technologies developed in the printing inks business, and we are leading the entire group in our efforts to expand our earnings base.

The printing inks business, which is our core business, consists of regional segments based on production and sales structure. Therefore, the Group has four reportable segments: Printing Inks and Graphic Arts Materials (Japan), Printing Inks (Asia), Printing Inks (Americas), and Printing Inks (Europe). In addition, Digital and Specialty Products, in which the entire Group is expanding its business, is also designated as a reportable segment, making a total of five reportable segments.

Reportable segment	Major products
Printing Inks and Graphic Arts Materials (Japan)	Flexo inks, gravure inks, newspaper inks, offset inks, print-related materials, print-related equipment
Printing Inks (Asia)	Flexo inks, gravure inks, metal decorating inks, newspaper inks, offset inks
Printing Inks (Americas)	Flexo inks, gravure inks, metal decorating inks, offset inks
Printing Inks (Europe)	Flexo inks, gravure inks, metal decorating inks, offset inks
Digital and Specialty Products	Inkjet inks, toners, pigment dispersion for color filter, functional coatings

2. Determination method of net sales, profit or loss, assets and other items by reportable segment

The accounting method of the reportable business segments is in accordance with the accounting policies adopted to prepare the consolidated financial statements.

Profits of reportable segments are based on operating income. Intersegment sales and transfers are based on prevailing market prices.

Beginning with the fiscal year ended December 31, 2025, the Company has revised the allocation criteria for corporate expenses to more appropriately reflect the performance of each reportable segment.

Accordingly, the segment information for the previous fiscal year has been restated based on the revised allocation method.

3. Information and revenue breakdown of sales, profit or loss, assets, liabilities, and other items by reportable segment

I Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)

(Million yen)

	Reportable segment						Other (*1)	Total	Adjustment (*2)	Amount recorded in consolidated financial statements (*3)
	Printing Inks and Graphic Arts Materials (Japan)	Printing Inks (Asia)	Printing Inks (Americas)	Printing Inks (Europe)	Digital and Specialty Products	Total				
Revenues										
Revenues from contracts with customers	51,732	58,082	86,953	20,386	19,369	236,525	9,045	245,570	–	245,570
Other revenues	–	–	–	–	–	–	–	–	–	–
Sales to external customers	51,732	58,082	86,953	20,386	19,369	236,525	9,045	245,570	–	245,570
Intersegment sales and transfers	1,074	198	909	1,060	36	3,279	3,685	6,965	(6,965)	–
Total	52,806	58,281	87,863	21,447	19,405	239,805	12,731	252,536	(6,965)	245,570
Segment income	927	5,747	4,474	66	2,666	13,881	180	14,061	(900)	13,161
Segment assets	44,117	49,427	63,504	16,208	12,466	185,724	6,090	191,814	29,655	221,470
Other items										
Depreciation and amortization	1,691	1,188	1,460	435	669	5,445	51	5,497	17	5,515
Amortization of goodwill	–	–	135	2	–	138	–	138	–	138
Increase in property, plant and equipment and intangible assets	1,600	893	5,672	631	923	9,721	19	9,740	3	9,744

(Notes) 1. The “Other” is a business segment not included in the reportable segments and contains the chemical products business and the display service business in Japan.

2. The details of adjustments are as follows.

(1) The adjustment of negative 900 million yen to segment income (loss) includes elimination of intersegment transactions of 142 million yen and corporate expenses not allocated to each reportable segment of negative 1,042 million yen. Corporate expenses mainly consist of general and administrative expenses and research and development expenses that are not attributable to any reportable segment.

(2) The adjustment of 29,655 million yen to segment assets includes elimination of intersegment transactions of negative 6,078 million yen and corporate assets not allocated to any reportable segment of 35,734 million yen. Corporate assets mainly consist of investment securities held for common company-wide purposes.

(3) The adjustment of 17 million yen to depreciation and amortization mainly relates to corporate assets that are not allocated to each reportable segment.

(4) The adjustment of 3 million yen to increase in property, plant and equipment and intangible assets is mainly related to corporate assets that are not allocated to each reportable segment.

3. Segment income (loss) is adjusted with operating income in the consolidated statements of income.

II Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)

(Million yen)

	Reportable segment						Other (*1)	Total	Adjustment (*2)	Amount recorded in consolidated financial statements (*3)
	Printing Inks and Graphic Arts Materials (Japan)	Printing Inks (Asia)	Printing Inks (Americas)	Printing Inks (Europe)	Digital and Specialty Products	Total				
Revenues										
Revenues from contracts with customers	49,318	56,008	101,117	20,861	20,331	247,638	10,029	257,668	–	257,668
Other revenues	–	–	–	–	–	–	–	–	–	–
Sales to external customers	49,318	56,008	101,117	20,861	20,331	247,638	10,029	257,668	–	257,668
Intersegment sales and transfers	929	164	742	716	43	2,597	4,001	6,599	(6,599)	–
Total	50,248	56,173	101,860	21,578	20,375	250,236	14,031	264,267	(6,599)	257,668
Segment income	1,436	6,913	5,285	64	2,429	16,129	270	16,399	(1,172)	15,226
Segment assets	40,871	51,344	66,372	18,174	12,624	189,387	7,286	196,673	29,190	225,864
Other items										
Depreciation and amortization	1,804	1,147	1,920	440	673	5,986	54	6,041	15	6,057
Amortization of goodwill	–	4	230	2	–	237	–	237	–	237
Increase in property, plant and equipment and intangible assets	959	1,951	5,262	1,134	465	9,773	55	9,828	9	9,838

(Notes) 1. The “Other” is a business segment not included in the reportable segments and contains the chemical products business, the display service business, and the brand protection solution business in Japan.

2. The details of adjustments are as follows.

(1) The adjustment of negative 1,172 million yen to segment income includes elimination of intersegment transactions of 130 million yen and corporate expenses not allocated to each reportable segment of negative 1,303 million yen. Corporate expenses mainly consist of general and administrative expenses and research and development expenses that are not attributable to any reportable segment.

(2) The adjustment of 29,190 million yen to segment assets includes elimination of intersegment transactions of negative 6,380 million yen and corporate assets not allocated to any reportable segment of 35,371 million yen. Corporate assets mainly consist of investment securities held for company-wide common purposes.

(3) The adjustment of 15 million yen to depreciation and amortization mainly relates to corporate assets that are not allocated to each reportable segment.

(4) The adjustment of 9 million yen to increase in property, plant and equipment and intangible assets is mainly related to corporate assets that are not allocated to each reportable segment.

3. Segment income is adjusted with operating income in the consolidated statements of income.

4. Information on Impairment Losses on Non-current Assets by Reportable Segment

In the "Printing Inks (Asia)" segment, an impairment loss on property, plant and equipment of 185 million yen was recorded as an extraordinary loss.

Per share information

	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net assets per share (yen)	2,264.08	2,425.44
Basic earnings per share (yen)	180.64	235.26

(Notes) 1. Diluted earnings per share is not presented as the Company had no potential shares.

2. Basis for calculation of basic earnings per share is as follows:

(Million yen, unless otherwise stated)

Item	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net income attributable to owners of parent	9,006	11,609
Amount not attributable to common shareholders	–	–
Net income attributable to common shareholders of parent	9,006	11,609
Average number of common shares outstanding during the period (thousand shares)	49,856	49,349

3. The number of treasury shares, which is the basis for the determination of net assets per share and basic earnings per share, includes the Company's shares held by the ESOP Trust Account. For the fiscal year ended December 31, 2024, the number of the Company's shares held by the Trust at the end of the period and the average number of shares during the period were 128,000 shares and 9,846 shares, respectively. For the fiscal year ended December 31, 2025, the number of the Company's shares held by the Trust at the end of the period and the average number of shares during the period were 126,968 shares and 127,669 shares, respectively.

Significant subsequent events

Not applicable