Note: This document is a translation of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

SAKATA INX
Visual Communication Technology

Consolidated Financial Results for the Nine Months Ended September 30, 2026 [Japanese GAAP]

November 6, 2026

Company name: SAKATA INX CORPORATION
Stock exchange listing: Tokyo
Code number: 4633
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Scheduled date of commencing dividend payments: –
Availability of supplementary briefing material on financial results: Yes
Schedule of financial results briefing session: No

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

1. Consolidated Financial Results for the Nine Months Ended September 30, 2026 (January 1, 2026 to September 30, 2026)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2026	217,166	13.1	13,445	12.9	14,726	12.3	9,891	1.1
September 30, 2025	192,045	5.3	11,904	8.8	13,113	13.7	9,780	17.1

(Note) Comprehensive income: Nine months ended September 30, 2026: ¥ 11,001 million [86.5 %]
Nine months ended September 30, 2025: ¥ 5,898 million [(37.4)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2026	202.51	–
September 30, 2025	197.92	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
September 30, 2026	242,161	130,621	51.0
December 31, 2025	225,864	126,519	52.8

(Note) Equity: As of September 30, 2026: ¥ 123,522 million
As of December 31, 2025: ¥ 119,158 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2025	–	45.00	–	50.00	95.00
Fiscal year ending December 31, 2026	–	50.00	–		
Fiscal year ending December 31, 2026 (Forecast)				50.00	100.00

(Note) Revision to the forecast for dividends announced most recently: No

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	286,500	11.2	17,000	11.6	17,800	15.8	11,800	1.6	241.84

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Significant changes in the scope of consolidation during the nine months ended September 30, 2026: Yes
Included: 1 company (SAKATA INX SPLIT PREPARATION CORPORATION)
Excluded: –

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards:	No
2) Changes in accounting policies other than 1) above:	No
3) Changes in accounting estimates:	No
4) Retrospective restatement:	No

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

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2026:	50,000,000	shares
December 31, 2025:	54,172,361	shares

2) Total number of treasury shares at the end of the period:

September 30, 2026:	1,247,811	shares
December 31, 2025:	5,043,947	shares

3) Average number of shares outstanding during the period:

Nine months ended September 30, 2026:	48,847,463	shares
Nine months ended September 30, 2025:	49,416,178	shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: No

* Explanation of appropriate use of financial forecasts and other special notes

1. 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. (3) Consolidated forecast and other forward-looking statements” on page 5 of Attachments.
2. Supplementary briefing material on financial results is disclosed on TDnet on November 6, 2026 and is posted on the Company’s website.

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the period under review

During the nine months ended September 30, 2026 (the “period under review”), the global economy maintained solid growth, led by the United States; however, the outlook remained uncertain with the persisting inflation pressure on the back of rising energy prices and disruptions in the logistics network driven by the intensifying situation in the Middle East. In addition, economic sentiment was mixed by country and region due to rising energy prices and differences in demand trends.

In the U.S., the economy remained generally firm, supported by personal consumption and capital investment, among other factors. Meanwhile, uncertainty remained over the outlook for monetary policy with ongoing inflation pressure. In Europe, while a recovery in personal consumption was observed, the pace of economic recovery continued to lack momentum due to rising energy costs and weak industrial activities. In Asia, solid growth driven by domestic demand continued, centered on India, while economic sentiment was mixed across countries and regions, as seen in a slowdown in the pace of economic recovery in China. In Japan, the economic recovery remained modest due in part to the impact of price hikes on consumer spending, rising raw material and energy costs, and uncertainty over the outlook for overseas economies, although a pickup was seen in personal consumption against the backdrop of improvements in the employment and income conditions.

Under these circumstances, this year is the final 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. The Group has promoted aggressive expansion of sustainable products centered on environmentally friendly products, such as the BOTANICAL INK series, while also working to enhance the competitiveness of the functional coatings business, where demand is expected to grow. 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 Product 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.
In addition, with raw material prices rising globally due to the impact of the situation in the Middle East, the Group prioritized the stable supply of products and worked on emergency selling price revisions across the Group to reflect the increase in raw material costs.

Net sales amounted to 217,166 million yen (up 13.1% YoY), mainly due to factors such as strong sales of printing inks and the Digital and Specialty Products, the effects of selling price revisions, and the impact of foreign exchange rates due to the depreciation of the yen.

In terms of profit, operating income amounted to 13,445 million yen (up 12.9% YoY). The increase was primarily driven by higher sales volume, and the impact arising from a time lag in reflecting raw material costs in prices in some areas, despite raw material prices remaining at high levels due to the situation in the Middle East, and a significant increase in personnel and other expenses in the Americas. Ordinary income amounted to 14,726 million yen (up 12.3% YoY). Net income attributable to owners of parent amounted to 9,891 million yen (up 1.1% YoY).

(Reference) Average exchange rate of the US dollar during the period

	1st quarter	2nd quarter	3rd quarter	For the nine months ended September 30
FY12/26	156.86 yen	159.49 yen	159.25 yen	158.54 yen
FY12/25	152.60 yen	144.59 yen	147.48 yen	148.23 yen

(Note) The average exchange rate during the nine months ended September 30 is calculated as the simple average of monthly exchange rates from January through September.

The operating results by segment are as follows.

Beginning with the first quarter of the fiscal year under review, the Company has reclassified some segments of consolidated subsidiaries previously included in “Other” into the “Digital and Specialty Products” segment. Accordingly, the segment information for the first nine months of the previous fiscal year has been restated based on the revised segment classification.

(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)	37,238	40,860	3,621	9.7	9.7	901	3,709	2,808	311.6
Printing Inks (Asia)	41,507	46,590	5,082	12.2	6.6	5,067	4,837	(229)	(4.5)
Printing Inks (Americas)	76,387	86,628	10,240	13.4	5.1	4,405	3,079	(1,325)	(30.1)
Printing Inks (Europe)	16,030	19,584	3,553	22.2	10.9	174	900	725	416.0
Digital and Specialty Products	20,006	22,924	2,917	14.6	10.6	1,942	1,754	(188)	(9.7)
Reportable Segment total	191,171	216,588	25,416	13.3	7.4	12,490	14,281	1,790	14.3
Other	5,751	5,688	(63)	(1.1)	(1.1)	248	146	(102)	(41.2)
Adjustments	(4,878)	(5,110)	(232)	–	–	(834)	(982)	(147)	–
Total	192,045	217,166	25,120	13.1	7.2	11,904	13,445	1,540	12.9

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

Printing Inks and Graphic Arts Materials (Japan)

Although signs of a recovery were seen in personal consumption amid the ongoing price revisions across necessities, food, and beverages, the recovery remained only moderate due to a continued more cost-conscious spending stance among consumers amid price increases. In the packaging-related business, sales exceeded those of the same period of the previous year, as demand for both gravure and flexographic inks remained firm. The temporary demand in some areas that arose due to concerns about the outlook for the situation in the Middle East in the second quarter had only a limited impact on those sales, partly due to a subsequent reactionary decline in demand. In the printing information-related business, sales fell significantly below those of the same period of the previous year, reflecting the impact of reducing unprofitable items in offset inks to improve profitability, although newspaper inks remained relatively solid, amid the structural contraction of the market caused by digitalization. Under such circumstances, the sales of printing inks as a whole exceeded those for the same period of the previous year thanks to the continued efforts to price revisions as well as the effects of emergency selling price revisions, despite a decrease in sales volume as a whole. The graphic arts materials saw an increase due to an increase in the sales of machinery from the same period of the previous year, despite the impact of the reduction of unprofitable items in materials for printmaking. As a result, net sales amounted to 40,860 million yen (up 9.7% YoY).

In terms of profit, although raw material prices remained at high levels, operating income amounted to 3,709 million yen (up 311.6% YoY) primarily due to improved profitability reflecting reduction of unprofitable items and the effects of selling price revisions, as well as a time lag in reflecting raw material costs in prices in some areas.

Printing Inks (Asia)

Against a backdrop of divergences in economic sentiment within the region, the sales of packaging-related gravure inks, which are the Group’s mainstay products, remained solid in India and Vietnam, while sales in Indonesia and Thailand, among other countries, were somewhat sluggish mainly due to the impact of declining demand. In the printing

information-related business, sales remained solid in India. Net sales amounted to 46,590 million yen (up 12.2% YoY), due to strong sales as a whole, the effects of selling price revisions, and the impact of foreign exchange translation effects.

In terms of profit, operating income amounted to 4,837 million yen (down 4.5% YoY), primarily due to declined profitability in general-purpose products caused by intensifying competition amid raw material prices remaining at high levels, despite strong sales.

Printing Inks (Americas)

The sales of flexo inks and gravure inks in the mainstay packaging-related business remained strong due to continued gradual recovery of demand in North America, although sales increased only moderately in Brazil due to sluggish personal consumption. Sales of coatings also continued to expand steadily. The sales of metal inks were strong due to a continued expansion of demand for aluminum cans from the perspective of reducing environmental impact, along with the ongoing shift from glass bottles to aluminum cans in Central and South America. The sales of offset inks, which are related to printing information, were slightly below the level of the same period of the previous year, due to the ongoing structural contraction of the market. Net sales amounted to 86,628 million yen (up 13.4% YoY) primarily due to the growth in sales volume, the effects of selling price revisions, and the impact of foreign exchange translation.

In terms of profit, operating income amounted to 3,079 million yen (down 30.1% YoY), primarily due to raw material prices remaining at high levels, increases in personnel and logistics expenses, an increase in various expenses, including temporary expenses related to the renewal of core systems, and depreciation expenses associated with the new plant in Brazil, despite the growth in sales volume and the effects of selling price revisions.

Printing Inks (Europe)

Sales of metal inks were strong, on the back of rising demand from major customers. Sales in the packaging-related business also increased due to sales expansion. Net sales amounted to 19,584 million yen (up 22.2% YoY) primarily due to strong sales and foreign exchange translation effects.

In terms of profit, operating income amounted to 900 million yen (up 416.0% YoY) primarily due to the positive impact of increased profit driven by strong sales, despite an increase in expenses.

Digital and Specialty Products

The sales of inkjet inks exceeded those of the same period of the previous year, partly due to strong sales. The sales of functional materials for displays remained strong and exceeded those of the same period of the previous year, partly due to rising demand from customers. The sales of toner exceeded those of the same period of the previous year due to strong sales. As a result, net sales amounted to 22,924 million yen (up 14.6% YoY).

In terms of profit, operating income amounted to 1,754 million yen (down 9.7% YoY) primarily due to raw material prices remaining at high levels and an increase in expenses mainly in the U.S.

(2) Overview of financial position for the period under review

Total assets at the end of the period under review increased 16,297 million yen (7.2%) from the end of the previous fiscal year to 242,161 million yen. This was due to increases in notes and accounts receivable – trade and inventories as well as an increase in investment securities along with rising stock prices.

Liabilities increased 12,195 million yen (12.3%) from the end of the previous fiscal year to 111,539 million yen. This was mainly due to increases in notes and accounts payable – trade and loans payable.

Net assets increased 4,101 million yen (3.2%) from the end of the previous fiscal year to 130,621 million yen. This was due to a decrease in treasury shares, which are presented as a deduction from net assets, which more than offset a decrease in retained earnings resulting from dividend payments and the cancellation of treasury shares, despite the recognition of net income attributable to owners of the parent.

(3) Consolidated forecast and other forward-looking statements

There are no changes to the full-year consolidated financial results forecast disclosed on August 7, 2026.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly consolidated balance sheets

(Million yen)

	As of December 31, 2025	As of September 30, 2026
Assets		
Current assets		
Cash and deposits	20,595	20,472
Notes and accounts receivable – trade	62,526	70,715
Merchandise and finished goods	19,850	22,371
Work in process	1,700	1,773
Raw materials and supplies	18,140	20,814
Other	5,074	5,397
Allowance for doubtful accounts	(618)	(689)
Total current assets	127,269	140,854
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	22,659	22,664
Machinery, equipment and vehicles, net	12,383	13,901
Land	10,389	10,318
Leased assets, net	156	150
Construction in progress	5,115	3,594
Other, net	6,630	7,005
Total property, plant and equipment	57,334	57,634
Intangible assets		
Goodwill	1,315	1,132
Other	5,837	6,114
Total intangible assets	7,152	7,247
Investments and other assets		
Investment securities	30,173	32,606
Other	4,037	3,925
Allowance for doubtful accounts	(104)	(107)
Total investments and other assets	34,107	36,424
Total non-current assets	98,594	101,306
Total assets	225,864	242,161

(Million yen)

	As of December 31, 2025	As of September 30, 2026
Liabilities		
Current liabilities		
Notes and accounts payable – trade	25,437	33,147
Electronically recorded obligations – operating	11,833	8,303
Short-term loans payable	7,098	16,062
Current portion of long-term loans payable	2,903	7,932
Current portion of bonds payable	1,000	–
Lease obligations	905	1,042
Accrued expenses	7,688	7,624
Income taxes payable	1,133	1,468
Provision for bonuses	766	1,421
Other	3,509	2,607
Total current liabilities	62,275	79,610
Non-current liabilities		
Long-term loans payable	18,895	13,012
Lease obligations	2,797	3,123
Deferred tax liabilities	5,994	6,193
Retirement benefit liability	4,704	4,751
Asset retirement obligations	76	68
Other	4,600	4,780
Total non-current liabilities	37,068	31,929
Total liabilities	99,344	111,539
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,828	5,672
Retained earnings	91,590	91,482
Treasury shares	(5,912)	(1,617)
Total shareholders' equity	98,979	103,010
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,582	2,236
Deferred gains or losses on hedges	1	10
Foreign currency translation adjustment	18,203	17,879
Remeasurements of defined benefit plans	390	385
Total accumulated other comprehensive income	20,178	20,512
Non-controlling interests	7,361	7,099
Total net assets	126,519	130,621
Total liabilities and net assets	225,864	242,161

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income

Quarterly consolidated statements of income

for the nine months ended September 30

(Million yen)

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2026
Net sales	192,045	217,166
Cost of sales	144,110	162,402
Gross profit	47,934	54,763
Selling, general and administrative expenses	36,030	41,318
Operating income	11,904	13,445
Non-operating income		
Interest income	181	268
Dividend income	118	89
Equity in earnings of associates	1,029	1,641
Foreign exchange gains	428	–
Other	404	385
Total non-operating income	2,161	2,385
Non-operating expenses		
Interest expenses	808	756
Foreign exchange losses	–	210
Other	144	137
Total non-operating expenses	952	1,104
Ordinary income	13,113	14,726
Extraordinary income		
Gain on sale of investment securities	1,611	56
Total extraordinary income	1,611	56
Extraordinary losses		
Loss on retirement of non-current assets	27	47
Loss on sale of investment securities	–	6
Head office relocation expenses	110	–
Loss on valuation of investment securities	359	222
Compensation for damage	–	327
Total extraordinary losses	497	603
Income before income taxes	14,228	14,178
Income taxes – current	3,331	3,479
Income taxes – deferred	0	(66)
Total income taxes	3,331	3,412
Net income	10,896	10,766
Net income attributable to non-controlling interests	1,116	874
Net income attributable to owners of parent	9,780	9,891

Quarterly consolidated statements of comprehensive income
for the nine months ended September 30

(Million yen)

	For the nine months ended September 30, 2025	For the nine months ended September 30, 2026
Net income	10,896	10,766
Other comprehensive income		
Valuation difference on available-for-sale securities	(784)	580
Deferred gains or losses on hedges	0	9
Foreign currency translation adjustment	(3,319)	(494)
Remeasurements of defined benefit plans, net of tax	(13)	0
Share of other comprehensive income of associates accounted for using equity method	(881)	139
Total other comprehensive income	(4,998)	235
Comprehensive income	5,898	11,001
Comprehensive income attributable to:		
Owners of parent	5,090	10,225
Non-controlling interests	807	776

(3) Notes to quarterly consolidated financial statements

Segment information, etc.

I. For the nine months ended September 30, 2025 (From January 1, 2025 to September 30, 2025)

1. Information on amounts of sales and profit or loss and on revenue breakdown by reportable segment

(Million yen)

	Reportable segment						Other (*1)	Total	Adjustment (*2)	Amount recorded in quarterly consolidated statement of income (*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	36,571	41,356	75,822	15,588	19,991	189,330	2,715	192,045	–	192,045
Other revenues	–	–	–	–	–	–	–	–	–	–
Sales to external customers	36,571	41,356	75,822	15,588	19,991	189,330	2,715	192,045	–	192,045
Intersegment sales and transfers	667	150	564	442	15	1,841	3,036	4,878	(4,878)	–
Total	37,238	41,507	76,387	16,030	20,006	191,171	5,751	196,923	(4,878)	192,045
Segment income	901	5,067	4,405	174	1,942	12,490	248	12,739	(834)	11,904

(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 adjustment of negative 834 million yen to segment income includes elimination of intersegment transaction of 142 million yen and corporate expenses not allocated to each reportable segment of negative 977 million yen. Corporate expenses mainly consist of general and administrative expenses and research and development expenses that are not attributable to any reportable segment.

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

2. Information on impairment loss or goodwill on non-current assets by reportable segment

During the nine months ended September 30, 2025, there are no significant impairment losses recognized on non-current assets, no significant changes recognized in the amount of goodwill, and no significant gains recognized on bargain purchases.

II. For the nine months ended September 30, 2026 (From January 1, 2026 to September 30, 2026)

1. Information on amounts of sales and profit or loss and on revenue breakdown by reportable segment

(Million yen)

	Reportable segment						Other (*1)	Total	Adjustment (*2)	Amount recorded in quarterly consolidated statement of income (*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	40,096	46,494	85,854	19,018	22,861	214,325	2,840	217,166	–	217,166
Other revenues	–	–	–	–	–	–	–	–	–	–
Sales to external customers	40,096	46,494	85,854	19,018	22,861	214,325	2,840	217,166	–	217,166
Intersegment sales and transfers	764	95	774	565	62	2,262	2,847	5,110	(5,110)	–
Total	40,860	46,590	86,628	19,584	22,924	216,588	5,688	222,276	(5,110)	217,166
Segment income	3,709	4,837	3,079	900	1,754	14,281	146	14,427	(982)	13,445

(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 adjustment of negative 982 million yen to segment income includes elimination of intersegment transaction of 191 million yen and corporate expenses not allocated to each reportable segment of negative 1,174 million yen. Corporate expenses mainly consist of general and administrative expenses and research and development expenses that are not attributable to any reportable segment.

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

2. Matters relating to change in reportable segments

Beginning with the first quarter of the fiscal year under review, the Company has reclassified some segments of consolidated subsidiaries previously included in “Other” into the “Digital and Specialty Products” segment, following a partial review of internal management classifications within the Group.

The segment information for the first nine months of the previous fiscal year has been restated based on the revised segment classification.

3. Information on impairment loss or goodwill on non-current assets by reportable segment

During the nine months ended September 30, 2026, there are no significant impairment losses recognized on non-current assets, no significant changes recognized in the amount of goodwill, and no significant gains recognized on bargain purchases.

Significant changes in the amount of shareholders' equity

The Company acquired a total of 396,300 shares of its own stock by September 30, 2026, based on the resolution of the Board of Directors meeting held on February 12, 2026. As a result, treasury shares increased by 999 million yen during the period under review. In addition, the Company disposed of a total of 18,191 treasury shares as restricted stock compensation, based on the resolution of the Board of Directors meeting held on March 26, 2026. Furthermore, the Company resolved to cancel its treasury shares at the Board of Directors meeting held on May 11, 2026, and cancelled a total of 4,172,361 treasury shares on May 29, 2026. As a result, capital surplus decreased by 156 million yen, retained earnings decreased by 5,093 million yen, and treasury shares decreased by 5,291 million yen during the period under review.

As of September 30, 2026, capital surplus, retained earnings and treasury shares amounted to 5,672 million yen, 91,482 million yen, and 1,617 million yen, respectively.

Going concern assumption

Not applicable

Quarterly consolidated statements of cash flows

Quarterly consolidated statements of cash flows are not prepared for the period under review. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine months ended September 30 are as follows.

(Million yen)

	For the nine months ended September 30, 2025 (From January 1, 2025 to September 30, 2025)	For the nine months ended September 30, 2026 (From January 1, 2026 to September 30, 2026)
Depreciation	4,455	4,900
Amortization of goodwill	174	198

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.

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 202 million yen and 126,968 shares as of December 31, 2025, and 199 million yen and 124,504 shares as of September 30, 2026, respectively.

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

The Employees who satisfy the conditions for stock grant