

# SAKATA INX...

Visual Communication Technology

## Towards the Implementation of Management That Is Conscious of the Cost of Capital and the Stock Price

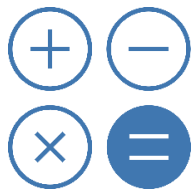
(Updated February 2026)

SAKATA INX CORPORATION

February 12, 2026

TSE Prime | Securities code: 4633

We had expected the cost of shareholders' equity to be around 6-8% in FY2025, but in light of feedback demanding higher profitability obtained in dialogue with investors, we recognized the existence of a gap between this expectation and reality. We therefore recalculated the CAPM and, following extensive dialogue with investors and discussions at meetings of the Board of Directors, we now expect the cost of shareholders' equity to be around 8-9%.



Calculated using the  
capital asset pricing  
model (CAPM)  
8.5%

Significant impact of rising  
long-term interest rates

CAPM calculation formula	=	Risk-free rate	+	β	×	Market risk premium
		10-year government bond yield		104-week beta versus TOPIX		Average of historical MRP and implied MRP
Values used this time As of the end of December 2025		2.08%		1.10		5.81%
Values used previously As of the end of December 2024		1.11%		1.13		6.00%



Meetings with investors  
121 meetings in total  
(FY2025)

Increase in meetings about  
cost of capital

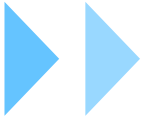
- ✓ Questions to the company about expected cost of shareholder' equity
- ✓ Provision of explanations about the volatility of the our profits



Discussions and  
commitments at  
Board of Directors'  
meetings

Examples of agenda items related to  
cost of capital

- Apr.: Treasury stock purchase policy
- Jun.: Consideration of secondary offering
- Oct.: Review of cost of shareholder's equity
- Dec.: Consideration of shareholder returns and dividends
- Each quarter:  
Report on content of investors meetings

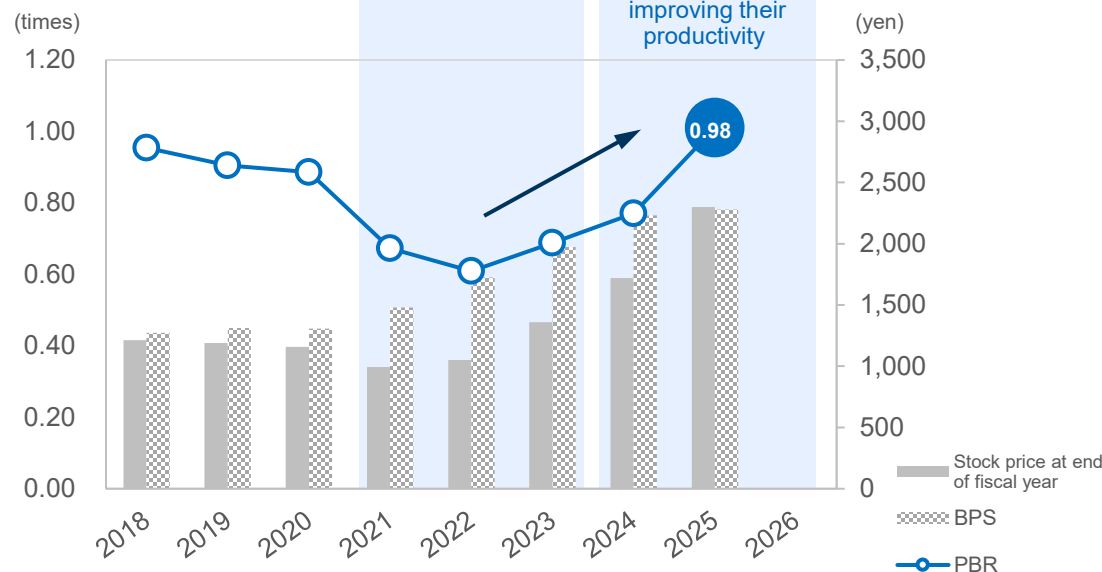


Our estimated cost of  
shareholders' equity  
8-9%

# Analysis of Current Status for Improvement of Corporate Value

- ✓ In 2025, we had a PBR of 0.98 times, ROE of 10.0% (including extraordinary gains), and PER of 10.8 times, all rising for the second consecutive period.
- ✓ In FY2026, which is the final year of the Mid-term Business Plan CCC-II, we will aim to achieve an ROE of 10% or more, excluding gains on the sale of cross-shareholdings.

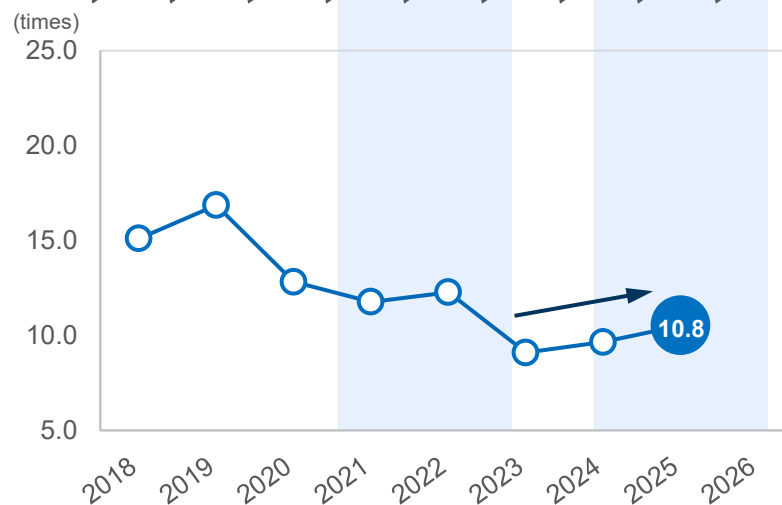
## PBR



## ROE



## PER



**[Capital policies implemented in 2025]** For details, see page 9.

- Reduction of Cross-shareholdings
- Secondary offering of shares
- Purchase of treasury stock

\* As of December 2025

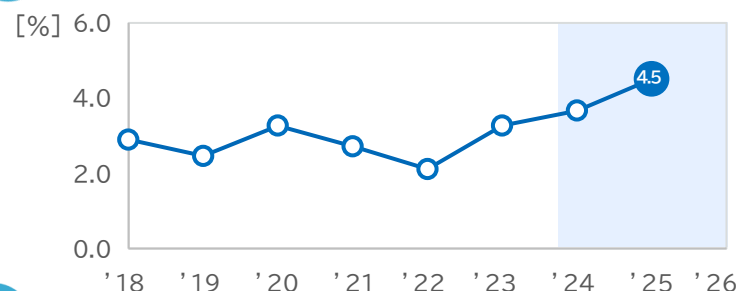
# Analysis of Current Status for Improvement of Corporate Value

## Initiatives for improvement in ROE (period covered by CCC-II)

- ✓ Our business performance in the current fiscal year and progress with capital policies have resulted in a steady increase in shareholders' equity. As a result, our financial leverage has decreased.
- ✓ We will consider the appropriate debt-to-equity ratio for further improving ROE.



### Ratio of net income to net sales (profitability)

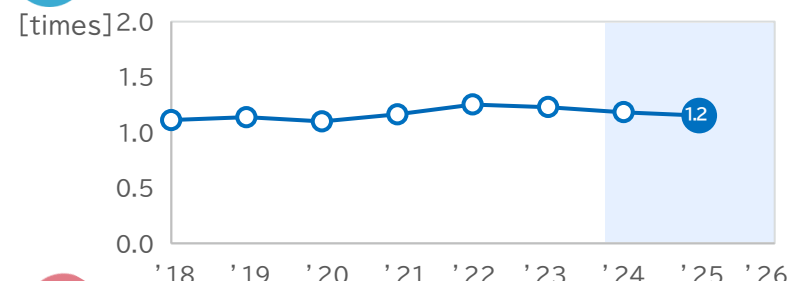


### Profitability improvement

- Ongoing** Pricing according to fluctuations in raw materials prices
- Ongoing** Promotion of joint purchasing based on global strategy
- To be strengthened** Improvement of business efficiency through the implementation of BPR activities and reduction of SG&A expenses through labor-savings
- To be strengthened** Strengthening of ROIC management (global expansion of ERP system use)



### Total asset turnover (efficiency)

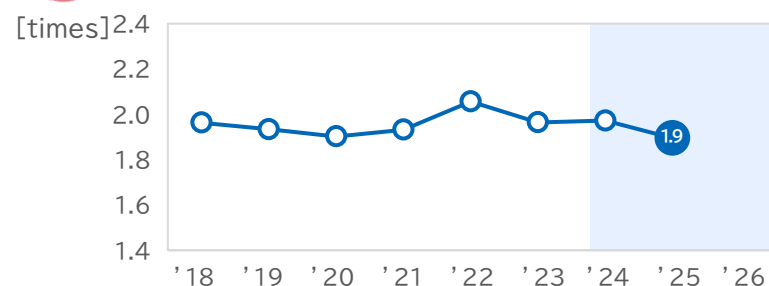


### Improvement of asset efficiency

- Ongoing** Sale of cross-shareholdings (2025)
- Ongoing** Consolidation and disposal of production facilities as part of business structural reform
- Completed** Sale of Maoming plant in China
- To be strengthened** Concentration of global production bases and domestic sales and distribution bases



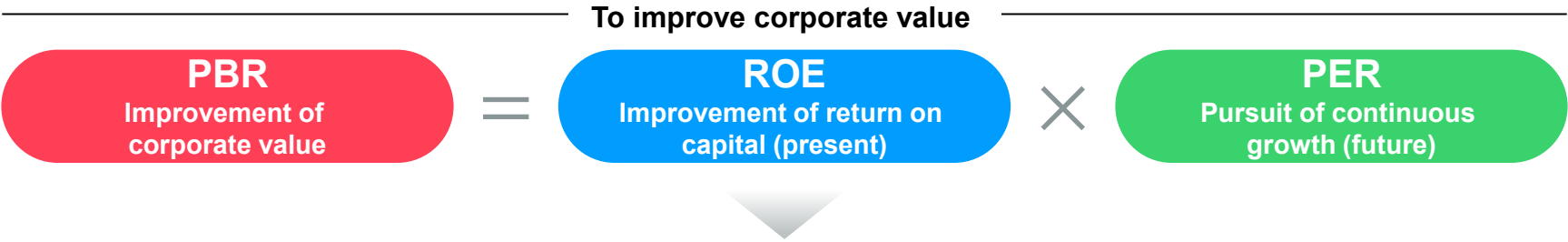
### Financial leverage (debt utilization)



### Growth investment

- Completed** North America: Acquisition of C&A
- Completed** South America: Introduction of gravure ink manufacturing equipment
- Completed** Oceania: Acquisition of ink distributor
- Ongoing** Shanghai: Expansion of Digital & Specialty Products manufacturing equipment
- Completed** India: Introduction of UV manufacturing equipment
- Completed** Vietnam: Expansion of equipment
- To be strengthened** Europe: Enhancement of production bases

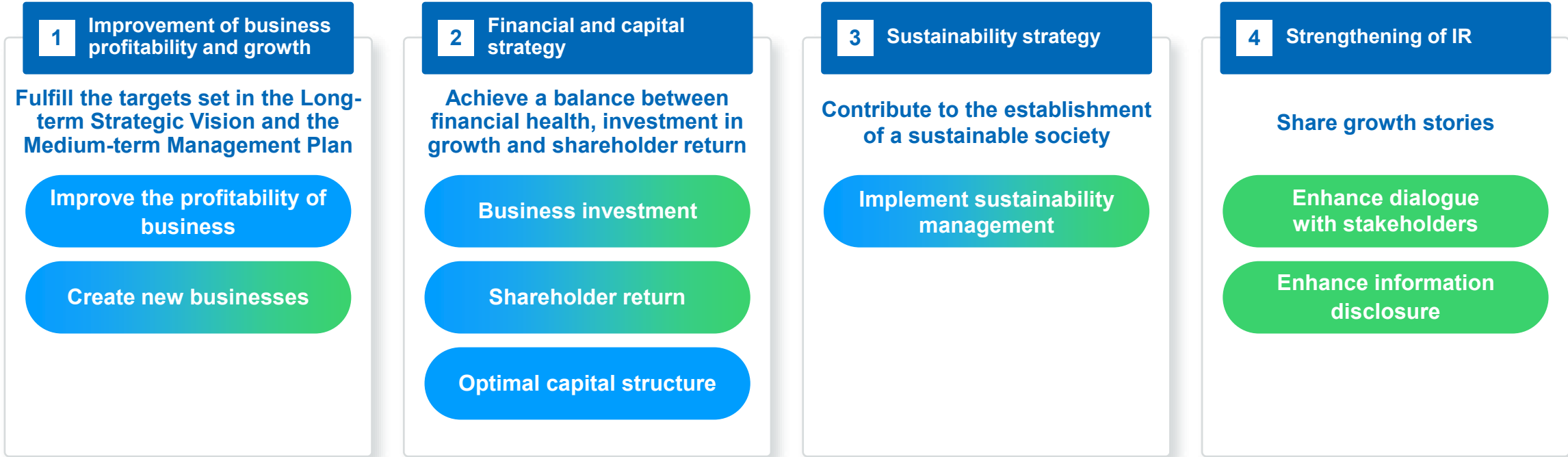




Policy for improving corporate value 1 2 3 4

**Improvement of return on capital** **Pursuit of continuous growth**

Initiatives



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

## 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】

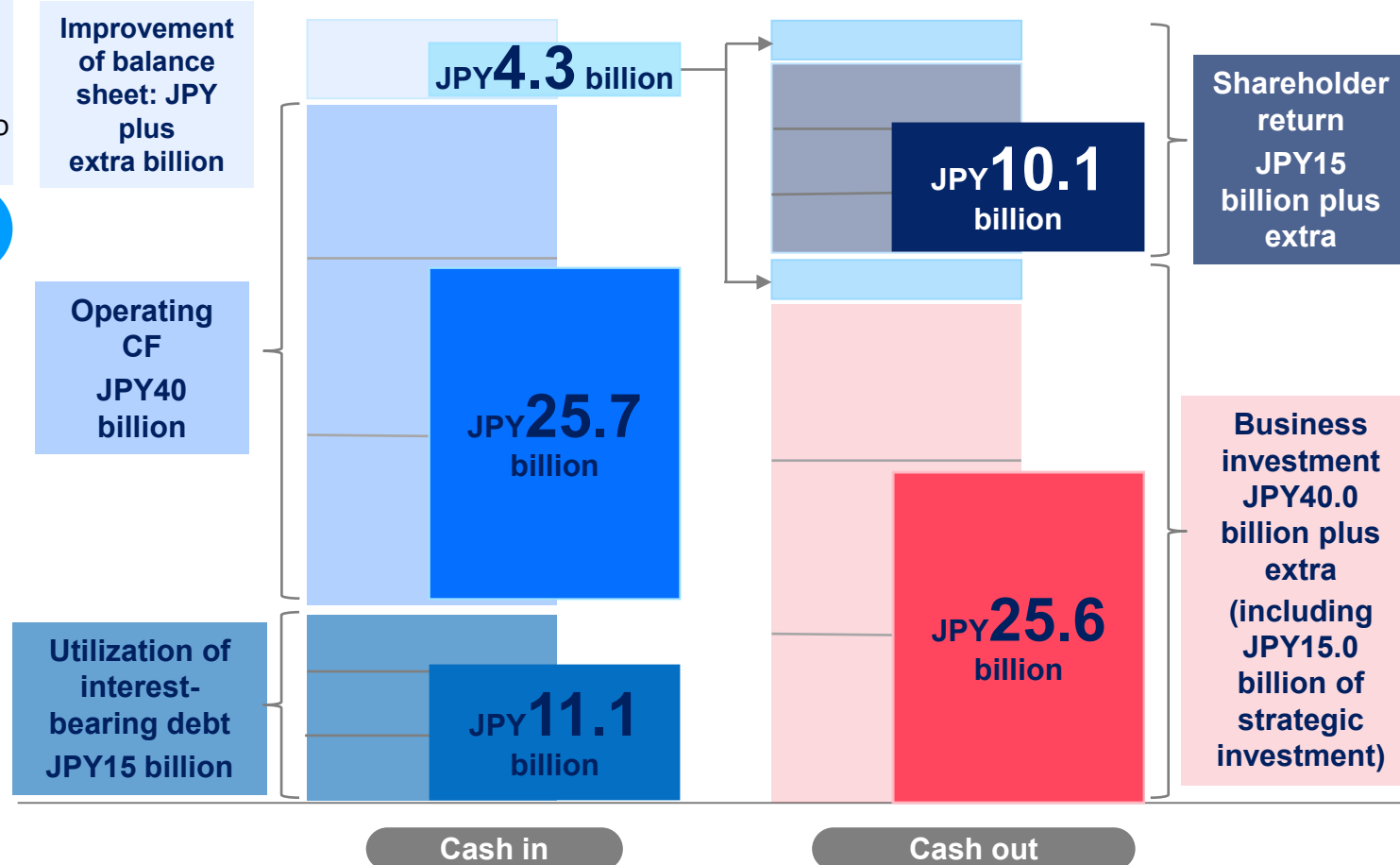
- Expansion of coating business
- Launch of brand protection solutions business

Improvement of balance sheet: JPY plus extra billion

Operating CF JPY40 billion

Utilization of interest-bearing debt JPY15 billion

〈Figures outlined in blue are total figures for 2 years.〉



### 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

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%\*<sup>1</sup>**
- Stock liquidity: **Up approx. 50%\*<sup>2</sup>**

\*<sup>1</sup> Ratio at end of 2025 compared with end of previous year

\*<sup>2</sup> 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%**

3 Sustainability strategy

Contribute to the establishment of a sustainable society

Implement sustainability management

Environment

Promotion of climate change measures

Acquisition of  
SBT certification



Our Group's greenhouse gas emission targets have been certified as science based targets under the Science Based Targets initiative, a global climate change initiative.

CO<sub>2</sub> emissions in FY2024  
**44.6% reduction**  
(from the FY2013 level on a non-consolidated basis)

On a consolidated basis, we set the target of reducing CO<sub>2</sub> emissions in FY2034 58.8% from the level in FY2022. Accordingly, we are installing new and additional solar panels at our plants in Japan and abroad.

Governance

Enhancement of Global Governance and Change in Institutional Design

Transition to  
holding company  
structure\*

- (1) Maximization of capital efficiency
- (2) Promotion of ROIC management
- (3) Announcement of transition to holding company structure to enhance governance and establish a more sophisticated management base

Transition to a company with  
an Audit & Supervisory  
Committee\*

We will seek maximization of corporate value and social value by speeding up decision-making and achieving a more sophisticated supervisory function, with a view to enhancing governance and building a more sophisticated management base.

Human capital

**Human resources** are the source of continuous growth and the creation of medium- and long-term value.

Introduction of employee management system without job performance-based criteria and seniority elements

Program to enable employees to independently develop their careers

Introduction and launch of a **stock delivery trust program** for employees

Introduction and launch of a **restricted stock incentive program** for the employee shareholders' association

Introduction of a program aimed at raising awareness of participation in corporate management, stimulating the organization as a whole and increasing employee engagement

\* To be decided via a resolution of the General Meeting of Shareholders to be held on March 26, 2026.



4 Strengthening of IR

Share growth stories with stakeholders

Enhance dialogue with stakeholders

Meetings with institutional investors

- Setting of a target number of meetings per year and implementation of individual meetings (2025: 121 meetings in total, including 17 with new investors and 34 with overseas investors)
- Implementation of dialogue with key individuals in charge of exercising voting rights based on shareholder identification investigation

Approaches to individual investors

- Participation in IR fairs to stress our appeal  
(Participants: 110 in-person, 474 online)

Internal feedback

- Every quarter, details of a dialogue with investors are reported at meetings of the Board of Directors, internal projects for improvement of corporate value are shared and improvement measures discussed.
- [Measures implemented in light of investor feedback]
- Enhancement of content of shareholder returns  
(dividend increases and purchase of treasury stock)
  - Development of concrete policy for reducing cross-shareholdings
  - Secondary offering of our shares held by financial institutions
  - Review of cost of shareholders' equity
  - Introduction of stock compensation system for Directors and change of indicator for performance-based compensation
  - Introduction of a stock remuneration program for general employees and other matters

Internal IR activities

- Dissemination of financial briefing and integrated report analysis materials for employees and video explaining the stock delivery trust program for employees

Enhance information disclosure

Enhancement of content of integrated reports

- Enhancement of financial information included based on investor feedback
- Enhancement of content that deepens understanding including content about business model and business portfolio
- Expansion in scope of disclosure of sustainability information

Enhancement of disclosure in English

- Already disclosed full texts of releases, IR-related materials and integrated reports in English

Holding of financial briefings early and enhancement of their content

- Went from holding briefing three weeks after the financial results announcement to holding briefing on the day of the announcement
- Enhancement of content of disclosures from the perspective of institutional investors

Results of secondary offering

- Increase in number of shareholders: up 51.6% from the end of 2024 (28,549→43,302)

Publication of IR report

- Already published third-party reports by Shared Research Inc. (Japanese and English)

Enhancement of website

- Communication of IR news and enhancement of content of IR site

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

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