

**SAKATA INX  
CORPORATION**4633 Tokyo Stock Exchange  
First Section

21-Oct.-16

Important disclosures  
and disclaimers appear  
at the end of this document.FISCO Ltd. Analyst  
Masanobu Mizuta**■ A Major Printing Ink Manufacturer: Third Largest in Japan and North America, and Fourth Largest Globally****Aiming to Grow Earnings from Increasing Sales Volume through Global Business Deployment and Expanding Sales in High-Function, High-Value-Added Products**

SAKATA INX CORPORATION <4633> is a major printing ink manufacturer—the third largest in Japan and North America, and the fourth largest globally.

SAKATA INX positions the printing ink business as its core business. In this business, the company manufactures and sells ink for paper media (newspaper ink and offset ink) and packaging ink (flexo ink, gravure ink and metal-deco ink) in the Japanese, Asian, North American and European markets. In the graphic arts materials business, the company procures and sells plate making materials and related equipment. In the digital & specialty products business, the company primarily manufactures and sells inkjet ink, toner, pigment dispersions for color filters, functional coating materials, etc. The company also conducts other businesses (chemicals, display and color management businesses in the Japanese market).

The company's strengths lie in its ability to develop environmentally friendly and high-function, high-value-added products, and high reliability and quality products. These strengths have been amassed over the course of the company's 120-year history since its foundation in 1896. Additionally, as the company is deploying its business globally and expanding sales in high-function, high-value-added products, the printing inks (Asia) and the printing inks (North America) segments that offer significant potential for market development have grown into primary sources of revenue.

In the FY2016/12 2Q accumulated consolidated results, in comparison with the adjusted figures from the same period in the previous fiscal year, net sales decreased 1.4%, operating income increased 19.9%, ordinary income grew 22.5%, and profit attributable to owners of parent increased 121.9%. Sales decreased due to the effects of foreign currency translation on overseas subsidiaries following the yen's appreciation, but the increase in printing ink sales volume and the effects of cost reductions absorbed the impact of the appreciated yen, and profit exceeded target. After excluding foreign currency translation effects, net sales increased 4.3%, operating income rose 28.8%, ordinary income grew 29.8%, and profit attributable to owners of parent increased 135.3%.

For the consolidated results forecasts for FY2016/12 (revised on August 10), compared to the adjusted figures for the same period in the previous fiscal year, net sales are expected to decrease 3.2%, operating income to increase 3.6%, ordinary income to rise 6.1%, and profit attributable to owners of parent to grow 11.1%. Sales are expected to decrease due to the foreign currency translation effects, but profit is forecast to increase as the impact of the yen's appreciation will be absorbed by the higher printing ink sales volume and the effects of cost reductions. The exchange rate assumption for these forecasts has been revised to US\$1=¥105 for the 2nd half and to US\$1=¥108 for the full fiscal year. After excluding foreign currency translation effects, the forecasts are for net sales to increase 4.2%, operating income to rise 13.3%, ordinary income to grow 14.5%, and profit attributable to owners of parent to increase 19.9%.

The Japanese printing ink market has a strong image of being mature due to the contraction in demand for materials printed on paper, such as newspapers, but demand is still trending firmly upward in the packaging ink field. Moreover, the shift to environmentally friendly and high-function, high-value-added ink is continuing. The overseas printing inks market is expanding against the backdrop of population increases and economic growth. In addition, as environmental friendliness and high functionality have not been developed in the packaging film field in the North America market to the same extent as in Japan, there remains considerable room for the market for environmentally friendly and high-function, high-value-added ink to grow. Demand is expected to rise in the Asian market in the context of economic growth, particularly for packaging ink, while in India, demand for newspapers is increasing against the backdrop of improving income levels and rising literacy rates.

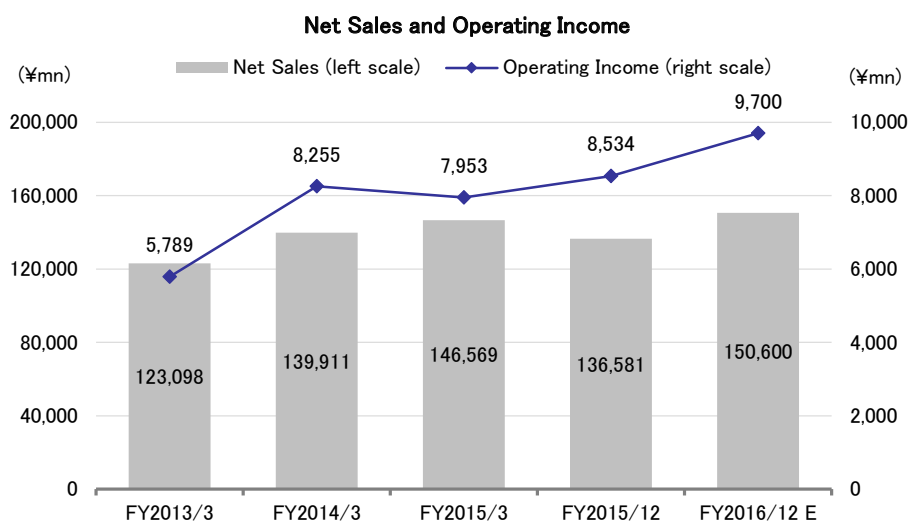
In the company's mid-term business plan (April 2015 to December 2017), the business targets for FY2017/12 are net sales of ¥185,000mn, operating income of ¥11,000mn, ordinary income of ¥12,000mn and profit attributable to owners of parent of ¥7,600mn, as well as a ROE of 10% or more. The exchange rate assumption for these targets is US\$1=¥117. The company's policy to achieve these targets is to grow earnings from increasing sales volume through accelerating its global business deployment, pursuing a strategy of tailoring products to local characteristics, and expanding sales in high-function, high-value-added products.

Against the backdrop of the worldwide shift toward environmentally friendly products, the company is leveraging its track record of global business deployment ahead of its industry peers, its expertise in launching products tailored to the local characteristics in each country, and its high market share in the field of environmentally friendly and high-function, high-value-added products, and it is expected to achieve expansion in earnings and even higher profitability in the medium term.

The company is targeting a consolidated dividend payout ratio in the range of about 20% to 30%. A shareholder benefit program is also offered to shareholders recorded as of December 31 every year. In terms of the dividend forecast for FY2016/12 (upwardly revised on August 10), the company is forecasting an annual dividend of ¥28 per share (¥13 at end of 2Q, ¥15 at the end of the fiscal year), and it will pay an end-of-term commemorative dividend of ¥2 to mark the 120th anniversary of its founding. This is an increase of ¥2 on the previous forecast of an annual dividend of ¥26 and an increase of ¥6 on the FY2015/12 annual dividend of ¥22. It represents the fourth consecutive year of dividend increases and the forecast dividend payout ratio is 21.2%.

## ■ Check Point

- Pursuing global business deployment, a strategy of tailoring products to local characteristics, and expanding sales in high-function, high-value-added products
- In FY2016/12, the effects of the yen's appreciation will be absorbed by a forecast increase in income and the fourth consecutive year of dividend increases
- In FY2016/12, plans to pay a commemorative dividend for the fourth consecutive year of dividend increases



\*FY2015/12 (9 months)



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## ■ Company Overview

### **Strengths are its development capabilities and high reliability and quality amassed over a 120-year history**

The company boasts a 120-year history dating back to its founding in 1896. Today, it is a major printing ink manufacturer—the third largest in Japan and North America and the fourth largest globally. The company’s strengths lie in its ability to develop environmentally friendly and high-function, high-value-added products, and high reliability and quality products, which it has amassed over its 120-year history.

Founded in 1896 in Osaka City as a private company (SAKATA INK SEIZOUSHO), the company started the manufacture and sale of newspaper ink. In 1911, the company successfully industrialized production of varnish for printing ink using linseed oil for the first time in Japan. In 1920, it was incorporated as a limited company. In 1961, the company listed its shares on the Second Section of the Osaka Securities Exchange. In 1962, it was reassigned to the First Section of the Osaka Securities Exchange. In 1987, the company changed its corporate name to SAKATA INX CORPORATION. In 1988, the company listed its shares on the First Section of the Tokyo Stock Exchange, and, in November 2016, the company will celebrate its 120th founding anniversary.



## SAKATA INX CORPORATION

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### Company History

Year	Main event
1896	Founded (under the name SAKATA INK SEIZOUSHO) as a private company in Osaka City, and started manufacture and sales of printing ink for newspaper
1906	Name changed to SAKATA SHOKAI
1911	Successfully industrialized production of varnish for printing ink using linseed oil for the first time in Japan
1920	Changed to limited company
1923	Opened the Fukuoka Branch and Plant
1924	Completed the first phase of construction of Tokyo Plant
1928	Completed the second phase of construction of Tokyo Plant
1947	Established SAKATA SANGYO, LIMITED by spinning off the industrial chemicals division into an independent company Opened the Nagoya Office
1953	Upgraded Nagoya Office to Nagoya Branch
1959	Constructed and commenced operation of Itami Plant (now Osaka Plant) in Itami City, Hyogo Prefecture
1960	Opened Kodak Color Film Development Center in Osaka (successively opened centers in Tokyo and Fukuoka thereafter) Opened overseas office in the Philippines (Manila) (a succession of major overseas offices and subsidiaries were established thereafter)
1961	Listed on the Second Section of the Osaka Securities Exchange
1962	Reassigned to the First Section of the Osaka Securities Exchange
1969	Constructed and commenced operation of Noda Plant (now Tokyo Plant) in Noda City, Chiba Prefecture
1975	Established SAKATA KIKI SEIBI KOGYO CO., LTD. (now SAKATA INX ENG. CO., LTD.)
1982	Established SAKATA GENZOUSHO CO., LTD. (now SAKATA LABOSTATION CO., LTD.)
1987	Established SAKATA INX ESPAÑA, S.A. in Spain Corporate name changed to SAKATA INX CORP.
1988	INX INTERNATIONAL INC. (now THE INX GROUP LTD.) established in the U.S.A. as a holding company Acquired ACME PRINTING INK CO. in the U.S.A. Listed on the First Section of the Tokyo Stock Exchange
1989	Established PT. SAKATA INX INDONESIA as a joint venture in Indonesia that manufactures and sells printing ink Acquired MIDLAND COLOR CO. in the U.S.A. Acquired CHEMICAL PROCESS SUPPLY in the U.S.A.
1992	Consolidated ACME PRINTING INK CO. and MIDLAND COLOR CO. in the U.S.A. under the name of INX INTERNATIONAL INK CO. Established SAKATA INX INTERNATIONAL CORP. (now SIIX CORPORATION), and transferred businesses related to international trading of electronic components and other products to the company Established THE INX GROUP (UK) LTD. that manufactures and sells printing ink (now INX INTERNATIONAL UK LTD.) in the U.K.
1993	Established MEGA FIRST SAKATA INX (now SAKATA INX (MALAYSIA) SDN. BHD) in Malaysia
1994	Constructed and commenced operation of Hanyu Plant in Hanyu City, Saitama Prefecture Renamed Tokyo Branch to Tokyo Head Office, and instituted a dual Osaka and Tokyo Head Office system
1995	Established MONTARI SAKATA INX LTD. (now SAKATA INX (INDIA) PRIVATE LTD.) in India Absorbed DAIKAIKAKO FUDOSAN CO., LTD. through a merger
1996	Acquired ISO9001 certification at Tokyo Plant (Osaka Plant and Hanyu Plant later acquired certification)
1997	Completed construction of the Technology Building at Osaka Plant
1999	Agreed to strategic alliance with TOYO INK MFG. CO., LTD. (now Toyo Ink SC Holdings Co., Ltd.)
2000	Established the 50-50 joint venture company LOGI CO-NET CORP. with TOYO INK MFG. CO., LTD. (now Toyo Ink SC Holdings Co., Ltd.) Agreed to a capital alliance with TOYO INK MFG. CO., LTD. (now Toyo Ink SC Holdings Co., Ltd.) Established the 50-50 joint venture company ga city Corp. with TOYO INK MFG. CO., LTD. (now Toyo Ink SC Holdings Co., Ltd.)
2001	Acquired ISO14001 certification at the three main plants (Tokyo, Osaka and Hanyu) Established SAKATA LABOSTATION CO., LTD. and transferred photography-related businesses to the company
2002	Established ETERNAL SAKATA INX CO., LTD. in Thailand Established SAKATA INX SHANGHAI CO., LTD. in China (Shanghai)
2003	Established SAKATA INX ENG. CO., LTD. and transferred color management businesses to the company Completed construction of the Technology and Laboratory Building at the Osaka Plant Established SAKATA INX VIETNAM CO., LTD. in Vietnam
2004	Established a holding company INX EUROPE LTD. in the U.K. Established INX INTERNATIONAL FRANCE SAS in France Established MAOMING SAKATA INX CO., LTD. in China (Guangdong) The three main plants (Tokyo, Osaka and Hanyu) earned the Award for TPM Excellence, Category 1, in the 2004 TPM Excellence Awards
2005	Established TRIANGLE DIGITAL INX CO. in the U.S.A. (Name changed to INX DIGITAL INTERNATIONAL CO. and acquired TRIANGLE DIGITAL (U.S.A) in 2009)
2008	Acquired MEGAINK DIGITAL A.S. in the Czech Republic (now INX DIGITAL CZECH, A.S.) Acquired ANTEPRIMA S.R.L. in Italy (now INX DIGITAL ITALY S.R.L.) Acquired OSHMS certification at Tokyo Plant (including Hanyu Plant)
2009	Acquired OSHMS certification at Osaka Plant
2010	The three main plants (Tokyo, Osaka and Hanyu) earned the Award for Excellence in Consistent TPM Commitment in the 2010 TPM Excellence Awards
2012	The three main plants (Tokyo, Osaka and Hanyu) earned the Award for TPM Achievement in the 2012 TPM Excellence Awards
2013	INX DIGITAL INTERNATIONAL CO. merged into INX INTERNATIONAL INK CO.
2014	Commenced operation at Shiga Plant in Maibara City, Shiga Prefecture
2015	Changed fiscal year-end from March to December Acquired ISO9001 & ISO14001 certification at Shiga Plant

Source: Compiled by FISCO based on materials published by SAKATA INX

SAKATA INX positions the printing ink business as its core business. In this business, the company manufactures and sells printing ink such as newspaper ink, offset ink, flexo ink, gravure ink, metal-deco ink, etc. in the Japanese, Asian, North American and European markets. In the graphic arts materials business, the company procures and sells plate making materials and related equipment in the Japanese market. In the digital & specialty products business, the company manufactures and sells inkjet ink, color toner, monochrome toner, pigment dispersions for color filters, functional coating materials, etc. in the Japanese, Asian, North American and European markets. The company also conducts other businesses (chemicals, display and color management businesses in the Japanese market).

In FY2016/12 2Q accumulated (January to June 2016), net sales were ¥75,305mn. The composition of sales by segment (before consolidated adjustments) was as follows: printing inks and graphic arts materials (Japan) accounted for 34.2%, printing inks (Asia) 18.2%, printing inks (North America) 27.1%, printing inks (Europe) 5.1%, digital & specialty products 6.0% and other businesses segment 9.5%.

Operating income was ¥4,952mn, and the composition of operating income by segment (before consolidated adjustments) was as follows: printing inks and graphic arts materials (Japan) accounted for 22.1%, printing inks (Asia) 34.6%, printing inks (North America) 30.0%, printing inks (Europe) 0.0%, digital & specialty products 8.1%, and other businesses segment 5.3%. Through global business deployment and expanding sales in high-function, high-value-added products, printing inks (Asia) and printing inks (North America) that offer significant potential for market development have grown into primary sources of revenue.

In 1999, the company and TOYO INK MFG. CO., LTD. (now Toyo Ink SC Holdings Co., Ltd. <4634>) agreed to a strategic alliance in production, logistics and digital-related businesses and international business. In 2000, the two companies agreed to a capital alliance. Currently, Toyo Ink SC Holdings Co., Ltd. is the company's largest shareholder.

As of the end of FY2016/12 2Q, the SAKATA INX Group was consisted of the SAKATA INX CORPORATION, 23 consolidated subsidiaries, and 6 equity-method affiliates. SAKATA INX Group operates in 17 countries and regions, both in Japan and overseas. SIIX Corporation <7613>, which undertakes international trading of electronic components and the Electronics Manufacturing Services (EMS) business, was spun off from SAKATA INX into an independent company. SIIX Corporation is currently an equity-method affiliate of SAKATA INX. As of the end of FY2016/12 2Q, the company's capital stock was ¥7,472mn, and the total number of issued shares excluding treasury shares was 60,507,953.

## ■ Description of Business, and Features and Strengths

### Expanding the Core Printing Ink Business, along with Digital & Specialty products and Other Businesses

As of the end of FY2016/12 2Q, the SAKATA INX Group was consisted of the SAKATA INX CORPORATION, 23 consolidated subsidiaries, and 6 equity-method affiliates. SAKATA INX Group is globally expanding the printing ink business as its core business, along with expanding the graphic arts materials business, digital & specialty products business and other businesses. In both the mainstay printing inks business and the digital & specialty products business, the SAKATA INX Group aims to enhance earnings through accelerating its global business deployment, pursuing a strategy of tailoring products to local characteristics, and increasing sales volume of high-function, high-value-added products.

In the printing ink business, the SAKATA INX Group manufactures and sells ink for paper media (newspaper ink used for printing newspapers, offset ink used for a variety of commercial printing applications such as books, catalogues, posters, brochures, etc.) and packaging ink (flexo ink for printing on packaging such as corrugated boxes and paper containers; gravure ink for printing on packaging film for food, cosmetics and toiletries, daily goods and other products; and metal-deco ink for printing on metal such as beverage cans). These printing inks are supplied to customers in the Japanese, Asian, North American and European markets.

In the graphic arts materials business, the SAKATA INX Group procures and sells plate making materials and related equipment mainly in the Japanese market. Products include Computer to Plate (CTP) setters, CTP plates, inkjet proofers, inkjet proof paper, editing software, on-demand printing presses, color management systems, organic solvent recovery devices, etc.

In the digital & specialty products business, the SAKATA INX Group manufactures and sells digital printing materials (inkjet ink, color toner, monochrome toner), image display materials (pigment dispersions for color filters) and functional coating materials in the Japanese, Asian, North American, and European markets. Digital printing materials account for about 70% of sales. In the other businesses, the SAKATA INX Group primarily conducts chemicals business (SAKATA SANGYO, LIMITED), display service business (SAKATA LABOSTATION CO., LTD.) and color management business (SAKATA INX ENG. CO., LTD.).

In its consolidated accounts, the SAKATA INX Group has adopted the following reportable segments: printing inks and graphic arts materials (Japan), printing inks (Asia), printing inks (North America), printing inks (Europe), digital & specialty products and other businesses.

#### Reportable Segments and Main Products in the Consolidated Accounts

Reportable Segments	Main Products
Printing inks and graphic arts materials (Japan)	Newspaper ink, offset ink, flexo ink, gravure ink, plate making equipment and materials
Printing inks (Asia)	Newspaper ink, offset ink, flexo ink, gravure ink, metal-deco ink
Printing inks (North America)	Offset ink, flexo ink, gravure ink, metal-deco ink
Printing inks (Europe)	Offset ink, flexo ink, gravure ink, metal-deco ink
Digital & Specialty products	Digital printing materials (inkjet ink, color toner, monochrome toner) Image display materials (pigment dispersions for color filters) Functional coating materials (various coating materials)
Other Businesses	Chemicals business (SAKATA SANGYO, LIMITED) Display service business (SAKATA LABOSTATION CO., LTD.) Color management business (SAKATA INX ENG. CO., LTD.)

Source: Prepared by FISCO based on materials published by SAKATA INX

In FY2016/12 2Q accumulated (January to June 2016), net sales were ¥75,305mn, and the composition of sales by segment (before consolidated adjustments) was as follows: printing inks and graphic arts materials (Japan) contributed 34.2%, printing inks (Asia) 18.2%, printing inks (North America) 27.1%, printing inks (Europe) 5.1%, digital & specialty products 6.0% and other businesses 9.5%.

Operating income was ¥4,952mn, and the composition of operating income (before consolidated adjustments) was as follows: printing inks and graphic arts materials (Japan) accounted for 22.1%, printing inks (Asia) 34.6%, printing inks (North America) 30.0%, printing inks (Europe) 0.0%, digital & specialty products 8.1% and other businesses segment 5.3%. Through global business deployment and expanding sales in high-function, high-value-added products, printing inks (Asia) and printing inks (North America) that offer significant potential for market development have grown into primary sources of revenue.

Looking at the company in terms of net sales rankings, SAKATA INX is a major printing ink manufacturer ranked third in Japan and North America (source: "North American Top 20 Ink Industry Report" (March 30, 2016) by INK WORLD) and fourth globally (source: "The 2016 Top International Ink Companies Report" (August 5, 2016) by INK WORLD).

#### The Global Top 10 in Ink Sales (2015)

Rank	Company	Country	Net sales (US\$m)
1	DIC/Sun Chemical	Japan	4,590
2	Flint Group	Luxembourg	2,400
3	Toyo Ink SC Holdings Co., Ltd.	Japan	1,260
4	SAKATA INX	Japan	1,230
5	Siegwerk Group	Germany	1,220
6	Huber Group	Germany	925
7	T&K TOKA	Japan	460
8	Tokyo Printing Ink Mfg. Co., Ltd.	Japan	440
9	Fujifilm North America	U.S.A.	400
10	SICPA	Switzerland	400

Source: "The 2016 Top International Ink Companies Report" (August 5, 2016) by INK WORLD



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### Strengths Lie in its Ability to Develop Environmentally Friendly and High-Function, High-Value-Added Products, and High Reliability and Quality Products

The company's strengths lie in its ability to develop environmentally friendly and high-function, high-value-added products, and high reliability and quality products. These strengths have been amassed over the company's 120-year history since its founding.

In newspaper ink, the company has developed a high-coloration ink called "NEWS WEBMASTER Ecopure" in pursuit of the highest quality of newspaper. This has been achieved by expanding color range, improving dot reproduction and optimizing dot gain in the quest for natural colors and bright coloration. The company has earned a strong reputation as a pioneer of bright coloration ink in the newspaper production. The company's technical capabilities and track record in creating high-quality color pages and in its color management system for controlling the color aspects of newspaper production systems from upstream to downstream has earned considerable trust from newspaper companies.

In offset ink, the company has introduced environmentally friendly ink to the market as an industry pioneer. The company has developed various ink products addressing a diverse spectrum of customer needs such as high-speed web-offset ink, waterless sheet-fed offset ink, ink for perfectors, etc. The company has also developed "Ecopure" series using environmentally friendly aromatic-free solvents.

In the packaging ink field, customers require environmentally friendlier systems in various packaging industries to address priorities such as resource conservation, container recycling and industrial waste measures, etc. Accordingly, the company has developed various high-function inks, including ink for corrugated boxes and paper containers, along with ink for packaging film, as part of efforts to supply environmentally friendly products. In water-based gravure ink, the company is working to promote broader penetration of environmentally friendly ink by undertaking development activities encompassing printing systems.

Both domestically and overseas, the company's mainstay products are its high-function, high-value-added products positioned above the middle range. One main feature of the company is that it boasts a high market share in this field of high-function, high-value-added products, which offers significant potential for growth and market development.

In the field of ink for paper media, the company's ratio of environmentally friendly products for newspaper ink, and offset ink for magazines and brochures, etc. have reached a ratio of 100%. Looking at its market share in the field of packaging ink, the company boasts the No.1 share in Japan for flexo ink for printing on packaging such as corrugated boxes, paper containers, etc., the No.2 share in Japan for gravure ink for printing on film packaging such as for food, daily goods and other items, and the world's No.1 share for metal-deco ink for printing on metal such as beverage cans.

### ■ Business performance trends

#### In FY2016/12 2Q accumulated, absorbed the impact of the yen's appreciation resulting to profit exceeding target

In the consolidated results for FY2016/12 2Q accumulated (January to June 2016) that the company announced on August 10, net sales were ¥75,305mn, operating income was ¥4,952mn, ordinary income was ¥6,003mn, and profit attributable to owners of parent was ¥4,120mn. Due to the change in the fiscal year-end in the previous fiscal year (FY2015/12, a 9 month period), looking at the comparison of the adjusted figures for the same period in the previous fiscal year (January to June 2015), net sales decreased 1.4%, operating income increased 19.9%, ordinary income grew 22.5%, and profit attributable to owners of parent rose 121.9%.



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These results exceeded the revised targets announced on May 13 (compared to the initial targets, net sales were reduced ¥2,300mn, operating income was increased ¥350mn, ordinary income was increased ¥600mn, and profit attributable to owners of parent was increased ¥350mn). Sales fell due to the effects of foreign currency translation on overseas subsidiaries following the yen's appreciation, but the increase in sales volume and the effects of cost reductions absorbed the impact of the appreciated yen, and profit exceeded target. The gross profit margin rate was 24.6% and the selling, general and administrative expenses rate was 18.0%. Under non-operating income, the company recorded equity in earnings of affiliates of ¥909mn.

The average exchange rate was US\$1=¥111.46 (US\$1=¥120.48 in the same period in the previous fiscal year). In terms of the foreign currency translation effects amounts, it had negative effects on net sales of ¥4,333mn, on operating income of ¥369mn, on ordinary income of ¥354mn and on profit attributable to owners of parent of ¥250mn. After excluding foreign currency translation effects, net sales increased 4.3%, operating income rose 28.8%, ordinary income increased 29.8%, and profit attributable to owners of parent grew 135.3%.

**FY2016/12 2Q accumulated consolidated results**

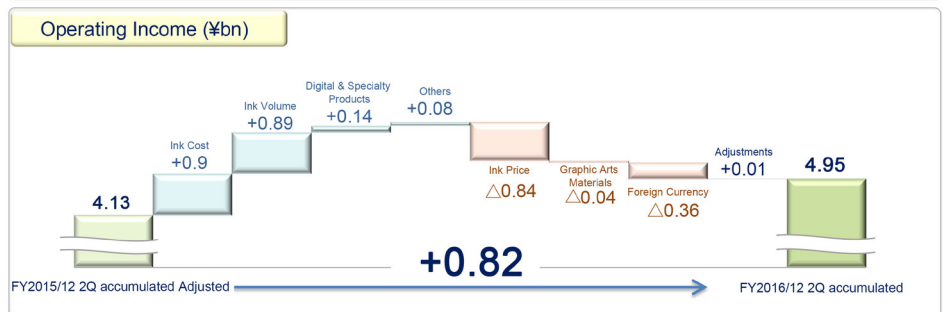
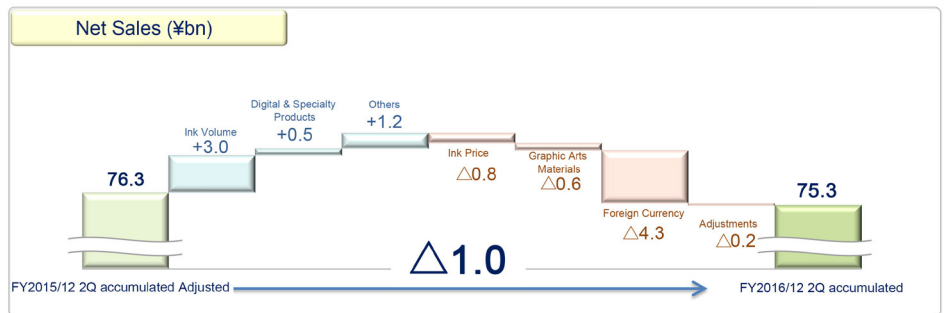
(Units: ¥mn, %)

	FY2015/12 2Q accumulated	FY2016/12 2Q accumulated			FY2016/12 2Q accumulated after excluding foreign currency translation effects			
	(Adjusted) Amount	Amount	Increase / decrease amount	Increase / decrease rate	Foreign currency translation effects amounts	Amount	Increase / decrease amount	Increase / decrease rate
Net sales	76,360	75,305	-1,054	-1.4	-4,333	79,638	3,278	4
Operating income	4,131	4,952	820	19.9	-369	5,321	1,190	29
Ordinary income	4,899	6,003	1,104	22.5	-354	6,357	1,458	30
Extraordinary income/loss	150	46	-103	-68.7	-6	52	-98	-65
Profit attributable to owners of parent	1,857	4,120	2,263	121.9	-250	4,370	2,513	135
Exchange rate (US\$)	120.48	111.46						

Source: Prepared by FISCO based on materials published by SAKATA INX

From the analysis of the factors behind the change in net sales (down ¥1bn), the factors pushing up sales were the increases in ink volume of ¥3bn, digital & specialty products of ¥0.5bn and other businesses of ¥1.2bn, while the factors pushing down sales were the decreases from ink prices of ¥0.8bn, graphic arts materials of ¥0.6bn, foreign currency of ¥4.3bn, and adjustments of ¥0.2bn. Also, from the analysis of the factors behind the change in operating income (up ¥0.82bn), the factors pushing it up were the reductions in ink costs of ¥0.9bn, and increases in ink volume of ¥0.89bn, digital & specialty products of ¥0.14bn and other businesses segment of ¥0.08bn, while the factors pushing it down were the decreases from ink prices of ¥0.84bn, digital & specialty products of ¥0.04bn, and foreign currency of ¥0.36bn.

**Factors Behind Changes in Net Sales and Operating Income in FY2016/12 2Q accumulated**



Source: Published in the Company's financial results presentation materials





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Looking at business results by segment (before consolidation adjustments), in comparison with the same period in the previous fiscal year (January to June 2015), printing inks and graphic arts materials (Japan) posted net sales of ¥27,046mn, down 2.0%, and operating income of ¥1,026mn, up 4.9%. Printing inks (Asia) recorded net sales of ¥14,414mn, down 5.1%, and operating income of ¥1,606mn, up 16.9%. Printing inks (North America) achieved net sales of ¥21,397mn, down 3.4%, and operating income of ¥1,392mn, up 28.3%, while printing inks (Europe) recorded net sales of ¥4,054mn, down 11.3%, and operating loss of ¥0mn (compared to adjusted operating income of ¥4mn in the same period in the previous fiscal year). Digital & specialty products posted net sales of ¥4,722mn, up 9.7%, and operating income of ¥374mn, up 61.0%, while the other businesses segment recorded net sales of ¥7,485mn, up 20.8%, and operating income of ¥248mn, up 56.0%.

In printing inks and graphic arts materials (Japan), demand for newspaper ink and plate making materials and related equipment was sluggish and sales declined in this segment as a whole. However, in the packaging related field, demand for gravure ink and flexo ink trended favorably, particularly for food and beverages, with the effects of the heat wave resulting to demand for beverages. Operating income increased from higher sales volume and effects of the costs reductions. Sales in printing inks (Asia) decreased because of the foreign currency translation effects following the yen's appreciation, but with the Vietnam plan rebuilt in October 2015, gravure ink sales expanded. In India and China, newspaper and offset ink sales were strong and operating income rose from the increase in sales volume and the effects of cost reductions.

Sales declined in printing inks (North America) due to the foreign currency translation effects following the yen's appreciation, but overall demand for gravure ink, flexo ink, and metal-deco ink was strong, while UV ink sales also expanded in the offset and packaging fields. Operating income rose from the increase in ink sales volume, the expansion in sales of high-value-added products, and the effects of cost reductions. In printing inks (Europe), ink sales volume remained the same, and there were prior costs to expand sales such as advertising expenses. Foreign currency translation due to the yen's appreciation also had an effect. In digital & specialty products, sales of inkjet ink in North America and Europe were sluggish, but in Japan, demand for inkjet ink, pigment dispersions for color filters, and toner were strong, and both net sales and operating income increased.

The figures after excluding foreign currency translation effects are shown in the table. Operating income was strong in printing inks (Asia), up 33.3%; printing inks (North America), up 38.7%; and digital & specialty products, up 62.9%. It was also favorable in printing inks and graphic arts materials (Japan), up 4.9%.

### Net sales and operating income by segment in FY2016/12 2Q accumulated

(Units: ¥mn, %)

	FY2015/12 2Q accumulated	FY2016/12 2Q accumulated				Figures for FY2016/12 2Q accumulated after excluding foreign currency translation effects		
	(Adjusted) Amount	Amount	Increase / decrease amount	Increase / decrease rate	Foreign currency translation effects amounts	Amount	Increase / decrease amount	Increase / decrease rate
<b>Net sales</b>								
Printing inks and graphic arts materials (Japan)	27,589	27,046	-543	-2	-	27,046	-543	-2
Printing inks (Asia)	15,190	14,414	-775	-5	-1,936	16,350	1,160	8
Printing inks (North America)	22,153	21,397	-755	-3	-1,722	23,119	966	4
Printing inks (Europe)	4,571	4,054	-517	-11	-538	4,592	21	1
Digital & Specialty products	4,305	4,722	417	10	-167	4,889	584	14
Reportable segment total	73,809	71,635	-2,174	-3	-4,365	76,000	2,191	3
Other Businesses	6,194	7,485	1,291	21	-	7,485	1,291	21
Adjustments	-3,644	-3,815	-171	-	32	-3,847	-139	-
Consolidated	76,360	75,305	-1,054	-1	-4,333	79,638	3,278	4
<b>Operating income</b>								
Printing inks and graphic arts materials (Japan)	978	1,026	47	5	-	1,026	47	5
Printing inks (Asia)	1,374	1,606	231	17	-226	1,832	458	33
Printing inks (North America)	1,085	1,392	307	28	-113	1,505	420	39
Printing inks (Europe)	4	-0	-4	-	-19	19	15	-
Digital & Specialty products	232	374	141	61	-4	378	146	63
Reportable segment total	3,675	4,399	723	20	-363	4,762	1,087	30
Other Businesses	159	248	89	56	-	248	89	56
Adjustments	296	304	7	-	-6	310	14	-
Consolidated	4,131	4,952	820	20	-369	5,321	1,190	29

Source: Prepared by FISCO based on materials published by SAKATA INX

## In FY2016/12, the effects of the yen's appreciation will be absorbed and profit is forecast to increase

On August 10, the company revised the full fiscal year consolidated results forecasts and end-of-year dividend forecast for FY2016/12 (a 12-month period from January to December 2016; FY2015/12 was a 9-month period due to the change in fiscal year-end).

In the revised FY2016/12 full fiscal year consolidated results forecasts, compared to the previous forecasts (announced on May 13, net sales to decrease ¥6,500mn, each income item to remain unchanged), the forecast for net sales was reduced ¥900mn to ¥150,600mn, operating income was reduced ¥100mn to ¥9,700mn, ordinary income was increased ¥200mn to ¥11,700mn, and profit attributable to owners of parent was increased ¥700mn to ¥8,000mn. Compared to the adjusted figures for the same period in the previous fiscal year (January to December 2015), net sales are forecast to decrease 3.2%, operating income to increase 3.6%, ordinary income to rise 6.1%, and profit attributable to owners of parent to grow 11.1%.

Sales are forecast to decline due to the effects of foreign currency translation on overseas consolidated subsidiaries following the yen's appreciation, but the increase in the printing ink sales volume and the effects of cost reductions will absorb the impact of the yen's appreciation, and operating income is forecast to increase. The forecasts also incorporate extraordinary items, such as a gain on sale of tangible fixed assets, and a reduction in tax expenses. The rates of progress in FY2016/12 2Q accumulated for the revised full fiscal year company forecasts were 50.0% of net sales, 51.1% of operating income, 51.3% of ordinary income, and 51.5% of profit attributable to owners of parent, so steady progress is being made.

The exchange rate assumption for these forecasts has been revised to US\$1=¥105 for the 2nd half and it is US\$1=¥108 for the full fiscal year (US\$1=¥121.03 in the same period of the previous fiscal year). In terms of the foreign currency translation effects amounts, it is forecast to have negative effects on net sales of ¥11,400mn, on operating income of ¥902mn, on ordinary income of ¥926mn, and on profit attributable to owners of parent of ¥638mn. After excluding foreign currency translation effects, net sales are forecast to increase 4.2%, operating income to rise 13.3%, ordinary income to grow 14.5%, and profit attributable to owners of parent to increase 19.9%.

### FY2016/12 consolidated results forecast

(Units: ¥mn, %)

	FY2015/12	FY2016/12 forecast				Forecasts for FY2016/12 after excluding foreign currency translation effects		
	(Adjusted) Amount	Amount	Increase / decrease amount	Increase / decrease rate	Foreign currency translation effects amounts	Amount	Increase / decrease amount	Increase / decrease rate
Net sales	155,580	150,600	-4,980	-3.2	-11,460	162,060	6,480	4.2
Operating income	9,359	9,700	341	3.6	-902	10,602	1,243	13.3
Ordinary income	11,025	11,700	675	6.1	-926	12,626	1,601	14.5
Profit attributable to owners of parent	7,203	8,000	797	11.1	-638	8,638	1,435	19.9
Foreign currency (US\$)	121.03	108.00						

Source: Prepared by FISCO based on materials published by SAKATA INX

With regards to the targets by segment (before consolidated adjustments), compared to the adjusted figures for the same period in the previous fiscal year (January to December 2015), in printing inks and graphic arts materials (Japan), net sales are forecast to decrease 0.8% to ¥56,013mn and operating income to increase 9.4% to ¥2,427mn; in printing inks (Asia), net sales are expected to fall 4.9% to ¥28,810mn and operating income to rise 3.6% to ¥3,084mn; in printing inks (North America), net sales are forecast to decrease 7.2% to ¥41,669mn and operating income to grow 6.5% to ¥2,440mn; in printing inks (Europe), net sales are forecast to decrease 13.7% to ¥7,791mn and operating income to decrease 72.7% to ¥30mn; in digital & specialty products, net sales are forecast to increase 2.0% to ¥9,619mn and operating income to rise 6.2% to ¥811mn; and in other businesses segment, net sales are forecast to rise 12.3% to ¥14,313mn and operating income to increase 3.3% to ¥410mn.

For the forecasts after excluding foreign currency translation effects, operating income is expected to trend favorably, increasing 21.4% in printing inks (Asia) and 19.5% in printing inks (North America). Printing inks and graphic arts materials (Japan) will also perform solidly, with operating income rising 9.4%.



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In terms of key measures, in the printing inks and graphic arts materials (Japan) segment, the company will work to expand sales of high-value-added products (high density, high color-rendering ink; high sensitivity UV offset ink; high-function, environmentally friendly gravure ink for lamination and surface printing gravure ink; water-based flexo ink with excellent printability). Also, large scale projects for graphic arts materials are scheduled to be recorded in the 2nd half. In the printing inks (Asia) segment, the company will expand sales of high-performance, environmentally friendly products to global customers; develop and launch regionally focused products featuring outstanding cost competitiveness; ensure stable supply by increasing production capacity, and begin full-scale operation at the Vietnam Plant.

In the printing inks (North America) segment, key measures will include launching new products for flexo and gravure ink for high-performance lamination; increasing supply capabilities by starting full-scale operation of a new plant in Ohio; expanding sales of UV and EB ink in the offset and packaging fields; establishing a stable supply framework through plant expansion in the field of metal-deco ink; and enhancing productivity and cost reductions through TPM activities. In the printing inks (Europe) segment, the company will work to increase its market share in the metal-deco ink field by taking full advantage of its new plant in the U.K., and expanding sales to global customers in the packaging field. In the digital & specialty products segment, the company will strengthen its ties and collaboration with printer manufacturers and resist manufacturers, and will propel development of next-generation and high-quality products.

### Consolidated Financial Forecast for FY2016/12: Segment Net Sales and Operating Income

(Units: ¥mn, %)

	FY2015/12	FY2016/12 forecast				Forecasts for FY2016/12 after excluding foreign currency translation effects		
	(Adjusted) Amount	Amount	Increase / decrease amount	Increase / decrease rate	Foreign currency translation effects amounts	Amount	Increase / decrease amount	Increase / decrease rate
<b>Net sales</b>								
Printing inks and graphic arts materials (Japan)	56,463	56,013	-450	-1	-	56,013	-450	-0.8
Printing inks (Asia)	30,292	28,810	-1,483	-5	-4,479	33,289	2,997	9.9
Printing inks (North America)	44,919	41,669	-3,251	-7	-4,925	46,594	1,675	3.7
Printing inks (Europe)	9,031	7,791	-1,241	-14	-1,537	9,328	297	3.3
Digital & Specialty products	9,430	9,619	188	2	-519	10,138	708	7.5
Reportable segment total	150,138	143,902	-6,237	-4	-11,460	155,362	5,224	3.5
Other Businesses	12,752	14,313	1,561	12	-	14,313	1,561	12.2
Adjustments	-7,310	-7,614	-303	-	-	-7,614	-304	-
Consolidated	155,580	150,600	-4,980	-3	-11,460	162,060	6,480	4.2
<b>Operating income</b>								
Printing inks and graphic arts materials (Japan)	2,219	2,427	208	9	-	2,427	208	9.4
Printing inks (Asia)	2,977	3,084	105	4	-529	3,613	636	21.3
Printing inks (North America)	2,291	2,440	149	7	-297	2,737	446	19.5
Printing inks (Europe)	110	30	-80	-73	-62	92	-18	-16.4
Digital & Specialty products	764	811	46	6	-13	824	60	7.9
Reportable segment total	8,364	8,792	428	5	-902	9,694	1,330	15.9
Other Businesses	397	410	12	3	-	410	13	3.0
Adjustments	596	498	-99	-	-	498	-98	-
Consolidated	9,359	9,700	341	4	-902	10,602	1,243	13.3

Source: Prepared by FISCO based on materials published by SAKATA INX

### Business Performance Trends

(Units: ¥mn, ¥)

Fiscal year	FY2013/3 (12 months)	FY2014/3 (12 months)	FY2015/3 (12 months)	FY2015/12 (9 months)	FY2016/12 (12 months) Forecast
Net Sales	123,098	139,911	146,569	136,581	150,600
Operating Income	5,789	8,255	7,953	8,534	9,700
Ordinary Income	6,809	9,443	9,372	10,068	11,700
Profit attributable to owners of parent	5,588	5,964	4,338	7,745	8,000
EPS	92.35	98.57	71.71	128.01	132.21
Dividend	14.00	18.00	20.00	22.00	28.00
BPS	735.56	877.85	1,034.84	1,107.63	-

Source: Prepared by FISCO based on materials published by SAKATA INX

**Segment Net sales (Before Consolidated Adjustments)**

	(Unit: ¥mn)				
	FY2013/3	FY2014/3	FY2015/3	FY2015/12 9 months	FY2016/12 Forecast
Printing inks and graphic arts materials (Japan)	58,830	60,124	57,304	42,727	56,013
Printing inks (Asia)	19,080	25,155	28,299	28,071	28,810
Printing inks (North America)	28,010	34,230	38,712	44,920	41,669
Printing inks (Europe)	5,837	7,571	8,637	9,031	7,791
Digital & Specialty products	5,689	6,832	8,311	8,230	9,619
Other Businesses	12,144	13,244	13,645	9,598	14,313
Adjustments	-6,494	-7,247	-8,342	-5,999	-7,614
Consolidated	123,098	139,911	146,569	136,581	150,600

Source: Prepared by FISCO based on materials published by SAKATA INX

**■ Business Environment**
**The markets for high-function, high-value-added ink products are expanding in Japan and overseas**

According to the chemical industry statistics, printing ink shipments in Japan [ink total] from January to December 2015 decreased 2.3% compared to the same period in the previous fiscal year, but increased 2.1% from January to June 2016. Newspaper ink declined 1.7% and its market is contracting, but gravure ink, which accounts for approximately 40% of the total market, increased 3.7%, and offset ink, which constitutes around 30% of the market, rose 1.6%, and both are trending favorably.

The Japanese printing ink market has a strong image of being mature, and demand for materials printed on paper, such as newspapers and magazines, is contracting. In contrast, demand is trending firmly upward in the packaging ink field (for flexo ink for printing on packaging, such as corrugated boxes and paper containers; gravure ink for printing on packaging film for food, cosmetics and toiletries, daily goods and other products; and metal-deco ink for printing on metal, such as beverage cans). Moreover, the shift to environmentally friendly and high-function, high-value-added ink, including for newspaper ink, is continuing.

The overseas markets are expanding against the backdrop of population increases and economic growth. In the North American market, the printing ink market as a whole is expanding due to a continuing population increase and strong personal consumption. Moreover, environmentally friendliness and high functionality have not been developed in North America in the packaging film field for foods, cosmetics and toiletries, daily goods, and other products to the same extent as in Japan, and there remains considerable room for the market for environmentally friendly and high-function, high-value-added ink to grow.

Demand is expected to increase in the Asian market in emerging countries such as India and Vietnam in the context of their economic growth, particularly for packaging ink. In India, demand has been increasing for newspapers against the backdrop of improving income levels and rising literacy rates. Considering that Indian newspapers have a high ratio of color pages, the Indian market offers prospects for growing demand for newspaper ink and other forms of printing ink over the medium term.

**■ Medium-Term Growth Strategy**
**Aiming to Grow Earnings from Increasing Sales Volume through Global Business Deployment and Expanding Sales in High-Function, High-Value-Added Products**

In its mid-term business plan (April 2015 to December 2017), the company has adopted the following basic policy: Enhance CSR activities; Attain steady growth through global business expansion; Provide total solutions including products and merchandise; Drive manufacturing technology innovation; and Continuously develop and advance core technologies.



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Furthermore, the company has embraced the following strategic themes: Strengthen corporate governance; Enhance risk and compliance management system; Foster global human resources; Effective use of assets; Strengthen SAKATA INX brand; Propel global procurement; Develop and launch environmentally friendly, safe and secure products; Improve information infrastructure; Respond to market diversification; Strategic move for the next generation by capital investment; Reconstruction of production and logistics system; Improve manufacturing capabilities by optimizing production processes; and Build partnerships with external organizations, including industry, government, academia and others.

The company's policy to achieve these targets is to grow earnings from increasing sales volume through accelerating its global business deployment, pursuing a strategy of tailoring products to local characteristics, and expanding sales in high-function, high-value-added products. Business targets for FY2017/12 are net sales of ¥185,000mn, operating income of ¥11,000mn, ordinary income of ¥12,000mn and profit attributable to owners of parent ¥7,600mn, as well as ROE of 10% or more. The exchange rate assumption for these targets is US\$1=¥117.

Looking at segment forecasts (before consolidation adjustments), in printing inks and graphic arts materials (Japan), the company is forecasting net sales of ¥63,000mn and operating income of ¥3,100mn; in printing inks (Asia), net sales of ¥44,500mn and operating income of ¥3,500mn; in printing inks (North America), net sales of ¥45,400mn and operating income of ¥1,900mn; in printing inks (Europe), net sales of ¥10,300mn and operating income of ¥200mn; in digital & specialty products, net sales of ¥15,700mn and operating income of ¥1,400mn; and in other businesses segment, net sales of ¥14,300mn and operating income of ¥300mn. Forecasted consolidation adjustments are a negative ¥8,200mn at the net sales level and positive ¥600mn at the operating income level.

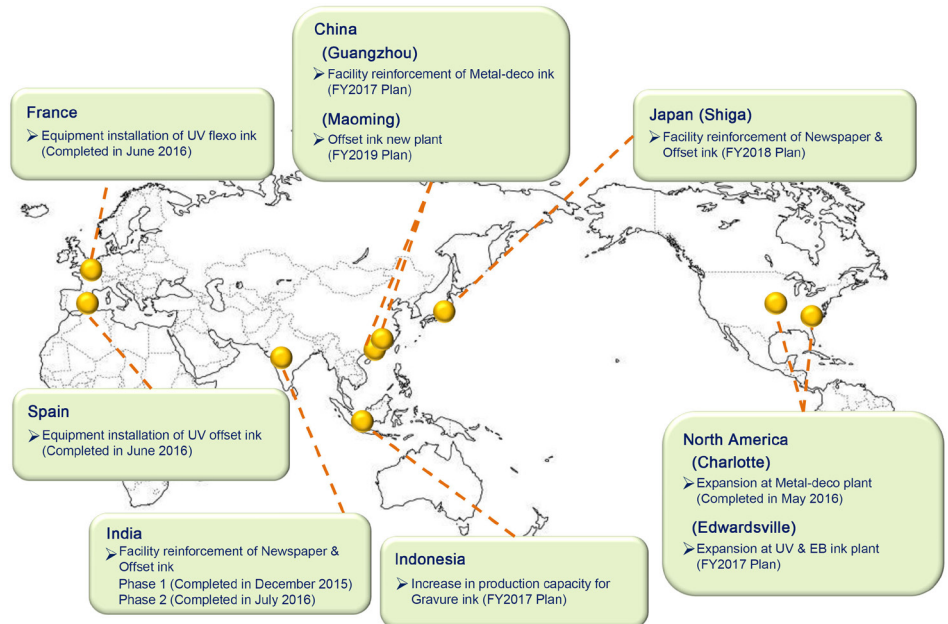
In the printing inks and graphic arts materials (Japan) segment, the company will bolster its business platform in Japan by expanding sales by launching high-quality, differentiated products, offering total solution proposals, reducing costs through innovative manufacturing technologies, and reconstructing logistics and production systems. In the printing inks (Asia) segment, the company seeks to expand sales primarily by expanding environmentally friendly products, launching products tailored to local characteristics and propelling TPM activities.

In the printing inks (North America) segment, the company aims to expand sales primarily by strengthening the packaging field, offering total solution proposals and propelling TPM activities. In the printing inks (Europe) segment, the company will seek to expand sales and bolster earnings by increasing sales of packaging ink and metal-deco ink, making inroads into Eastern Europe, Russia, Africa and the Middle East, and propelling sales to global customers. In the digital & specialty products segment, key measures will include expanding sales of digital printing materials, image display materials and functional coating materials, as well as strengthening global sales structure and deploying into new fields.

The company is planning capital investment of ¥20,000mn for the next three years on a cumulative basis. The main components are capital investments of ¥13,100mn in the printing ink business (¥7,200mn for increasing overseas production capacity, ¥5,900mn for reconstructing logistics and production systems), ¥1,400mn for increasing production capacity in the digital & specialty products business, ¥1,400mn in information infrastructure, and ¥4,100mn in ordinary investments and others. The main projects will be the second phase of construction at Shiga Plant and information infrastructure investment; expansion of plants in North America (metal-deco ink, UV and EB ink), facility reinforcement for metal-deco ink in China (Guangzhou), construction of a new offset ink plant in China (Maoming), and facility reinforcement for newspaper ink in India. The company plans to record depreciation of ¥12,000mn over the next three years on a cumulative basis.

Against the backdrop of the worldwide shift toward environmentally friendly products, the company is leveraging its track record of global business deployment ahead of its industry peers, its expertise in launching products tailored to the local characteristics in each country, and its high market share in the field of environmentally friendly and high-function, high-value-added products, and it is expected to achieve expansion in earnings and even higher profitability in the medium term.

**Capital Investment Plan**



Source: Financial results presentation materials published by SAKATA INX

■ **Shareholder Returns**

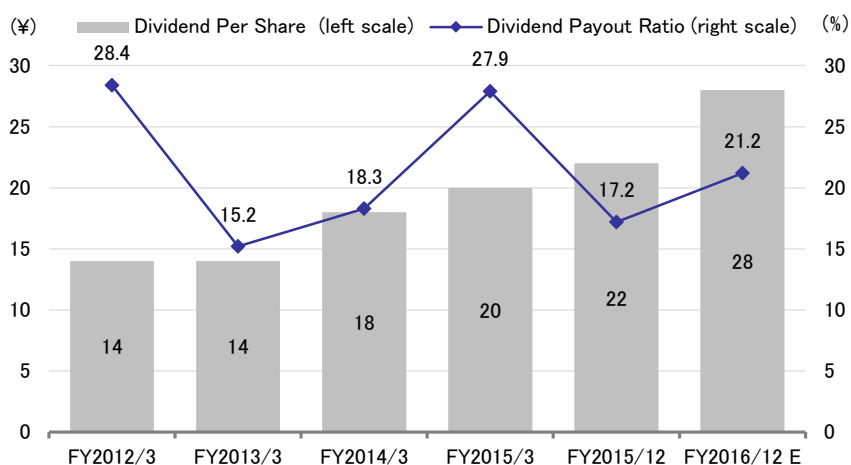
**Targeting a Consolidated Dividend Payout Ratio in the range of about 20% to 30%, along with offering a Shareholder Benefit Program**

In regard to profit distribution, management positions returning profits to shareholders, including dividends, as an important issue in conjunction with working to strengthen the company's financial position and business infrastructure. The basic policy on dividends is to maintain a steady return of profits through dividend payments, while targeting a consolidated dividend payout ratio in the range of about 20% to 30%.

The company also offers a shareholder benefit program. A QUO card for ¥1,000 is awarded to shareholders who own one trading unit (100 shares) or more of shares as of December 31 every year.

**In FY2016/12, plans to pay a commemorative dividend for the fourth consecutive year of dividend increases**

The company announced the upwardly revised dividend forecast for FY2016/12 (12 months earnings) on August 10. November 2016 will be the 120th anniversary of the company's founding and it plans to pay a commemorative dividend of ¥2 at the end of the fiscal year to mark this anniversary, for an annual dividend of ¥28 per share (¥13 at end of 2Q and ¥15 at the end of the fiscal year, comprised of an ordinary dividend of ¥13 and the commemorative dividend of ¥2). This is an increase of ¥2 on the previous forecast of an annual dividend of ¥26 and an increase of ¥6 on the FY2015/12 (9 months earnings) annual dividend of ¥22. It will be the fourth consecutive year of dividend increases and the forecast dividend payout ratio is 21.2%.

**Dividends per Share and Dividend Payout Ratio**


\*FY2015/12 (9 months)

**Key Performance Indicators**

(Unit: ¥mn)

Items	FY2014/3	FY2015/3	FY2015/12	FY2016/12 6 months
Net Sales	139,911	146,569	136,581	75,305
Cost of Sales	107,430	112,581	103,826	56,799
Gross Profit Margin	32,480	33,988	32,754	18,506
Selling, General and Administrative Expenses	24,225	26,034	24,219	13,553
Operating Income	8,255	7,953	8,534	4,952
Non-Operating Income	1,773	2,131	2,601	1,350
Non-Operating Expenses	584	712	1,067	299
Ordinary Income	9,443	9,372	10,068	6,003
Extraordinary Income	6	779	1,539	46
Extraordinary Loss	0	1,128	2	-
Income Before Income Taxes and Minority Interests	9,450	9,023	11,604	6,050
Total Income Taxes	3,124	4,206	3,258	1,581
Profit attributable to owners of parent	5,964	4,338	7,745	4,120
Comprehensive Income	11,133	11,508	6,265	-2,983
Total Assets	115,407	129,912	136,564	122,955
(Current Assets)	62,876	69,346	72,554	64,030
(Noncurrent Assets)	52,530	60,565	64,010	58,924
Total Liabilities	60,723	65,126	66,944	57,219
(Current Liabilities)	43,116	43,753	46,574	40,931
(Noncurrent Liabilities)	17,606	21,373	20,370	16,287
Total Net Assets	54,684	64,785	69,619	65,735
(Shareholders' Equity)	55,724	58,756	65,230	68,624
Capital	7,472	7,472	7,472	7,472
Total Number of Issued Shares at the End of the Period, Excluding Treasury Shares	60,509,187	60,508,675	60,508,154	60,507,953
EPS (¥)	98.57	71.71	128.01	68.10
Net Assets Per Share (¥)	877.85	1,034.84	1,107.63	1,047.30
Dividends Per Share (¥)	18.00	20.00	22.00	13.00
Equity Ratio (%)	46.0	48.2	49.1	51.5
ROE (%)	12.2	7.5	11.9	-
Cash Flows from Operating Activities	7,203	6,487	11,254	4,193
Cash Flows from Investing Activities	-3,920	-9,156	-3,214	-3,394
Cash Flows from Financing Activities	-3,943	2,745	-5,973	-2,806
Cash and Cash Equivalents at the End of the Period	5,514	5,923	7,888	5,356
Number of Employees (Not Including Temporary Staff)	3,584	3,765	3,877	3,924

Source: Prepared by FISCO based on materials published by SAKATA INX

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