

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.



Consolidated Financial Results for the Six Months Ended June 30, 2025 [Japanese GAAP]

August 7, 2025

Company name: SAKATA INX CORPORATION
 Stock exchange listing: Tokyo
 Code number: 4633
 URL: <https://www.inx.co.jp/english/>
 Representative: Yoshiaki Ueno Representative Director, President & CEO
 Contact: Takahiro Kiuchi General Manager, Finance & Accounting Div.
 Phone: +81-6-6447-5824
 Scheduled date of filing semi-annual securities report: August 7, 2025
 Scheduled date of commencing dividend payments: September 5, 2025
 Availability of supplementary briefing material on financial results: Yes
 Schedule of financial results briefing session: Yes (For institutional investors and analysts)

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2025 (January 1, 2025 to June 30, 2025)

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

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended June 30, 2025	126,396	4.4	7,645	5.4	8,649	21.0	6,249	17.5
June 30, 2024	121,084	9.9	7,253	42.9	7,146	11.2	5,318	39.5

(Note) Comprehensive income: Six months ended June 30, 2025: ¥ (649)million [-%]
 Six months ended June 30, 2024: ¥ 15,678 million [29.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2025	126.22	—
June 30, 2024	106.26	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	213,438	115,588	50.9
December 31, 2024	221,470	119,221	50.7

(Note) Equity: As of June 30, 2025: ¥ 108,663million
 As of December 31, 2024: ¥ 112,310million

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, 2024	—	25.00	—	45.00	70.00
Fiscal year ending December 31, 2025	—	45.00	—	—	—
Fiscal year ending December 31, 2025 (Forecast)	—	—	—	45.00	90.00

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

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

(% 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	268,000	9.1	15,500	17.8	16,000	24.1	10,800	19.9	217.67

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

* Notes:

- (1) Changes in significant subsidiaries during the six months ended June 30, 2025
(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes
Included: 2 companies (SAKATA Brand Solutions Co., Ltd.; SAKATA INX ASIA HOLDINGS SDN. BHD.)
Excluded: –
- (2) Accounting policies adopted specially for the preparation of semi-annual 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: | Yes |
| 2) Changes in accounting policies other than 1) above: | No |
| 3) Changes in accounting estimates: | No |
| 4) Retrospective restatement: | No |
- (Note) For details, please refer to “2. Semi-annual Consolidated Financial Statements and Principal Notes, (4) Notes to semi-annual consolidated financial statements, Changes in accounting policies” on page 12 of Attachments.
- (4) Total number of issued shares (common shares)
- | | |
|--|------------------|
| 1) Total number of issued shares at the end of the period (including treasury shares): | |
| June 30, 2025: | 54,172,361shares |
| December 31, 2024: | 54,172,361shares |
| 2) Total number of treasury shares at the end of the period: | |
| June 30, 2025: | 4,823,818shares |
| December 31, 2024: | 4,567,137shares |
| 3) Average number of shares during the period: | |
| Six months ended June 30, 2025: | 49,514,261shares |
| Six months ended June 30, 2024: | 50,054,775shares |

* The semi-annual consolidated financial results are not subject to review procedures by certified public accountants or an audit firm.

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

- The financial forecasts above are based on the current information available to the Company and certain reasonable assumptions. However, we do not guarantee that these forecasted numbers will be achieved. Actual results may vary due to a variety of factors. For further information on the forecast of consolidated financial results, please refer to “1. Overview of Operating Results, etc. (3) Consolidated forecast and other forward-looking statements” on page 5 of Attachments.
- Supplementary briefing material on financial results is disclosed on TDnet on August 7, 2025 and is posted on the Company's website.

Contents of Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of operating results for the period under review	2
(2) Analysis of financial position for the period under review	4
(3) Consolidated forecast and other forward-looking statements	5
2. Semi-annual Consolidated Financial Statements and Principal Notes	6
(1) Semi-annual consolidated balance sheets	6
(2) Semi-annual consolidated statements of income and semi-annual consolidated statements of comprehensive income	8
Semi-annual consolidated statements of income	8
Semi-annual consolidated statements of comprehensive income	9
(3) Semi-annual consolidated statements of cash flows	10
(4) Notes to semi-annual consolidated financial statements	12
Changes in accounting policies	12
Segment information, etc.	12
Significant changes in the amount of shareholders' equity	13
Going concern assumption	13
* The Company plans to hold a briefing session for investors as follows. All materials to be disclosed at the briefing session will be posted on the Company's website promptly after the announcement of the financial results.	
• Financial results briefing session for institutional investors and securities analysts: Thursday, August 7, 2025	

1. Overview of Operating Results, etc.

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

During the six months ended June 30, 2025 (the “period under review”), the global economy maintained solid growth; however, geopolitical risks remained elevated due to heightened tensions in the Middle East, and the tightening of U.S. trade policy and the resulting uncertainty had a ripple effect across the world. As a result, concerns have emerged regarding a potential economic slowdown going forward.

In the U.S., although the economy remained solid, corporate activity showed signs of restraint due to the effects of trade policy and increasing uncertainty about the future. As a result, consumer spending and capital investment exhibited a cautious tone. While the impact of tariffs on prices had not fully materialized, concerns emerged over a potential resurgence of inflation. In Europe, personal consumption continued to recover, supported by improvements in income conditions and easing inflationary pressures. However, the economy showed signs of a slowdown due to stagnation in the manufacturing sector, even as it maintained a modest recovery trend. In Asia, the economy remained generally firm. However, rising uncertainty in the trade environment stemming from U.S. trade policy led to a deceleration in growth, particularly in countries with high dependence on external demand. In Japan, income conditions continued to improve, but the persistent rise in food prices kept the pace of economic recovery modest.

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

Net sales amounted to 126,396 million yen (up 4.4% YoY) mainly due to strong sales in Americas and the strong performance of the U.S. subsidiary acquired in the fourth quarter of last year, despite the impact of foreign exchange rates due to the appreciation of the yen compared with the same period of the previous fiscal year.

In terms of profit, operating income amounted to 7,645 million yen (up 5.4% YoY). The increase was primarily driven by higher sales volume as well as continued improvement in profitability due to raw material prices remaining stable overseas, despite an increase in labor and other expenses. Ordinary income amount to 8,649 million yen (up 21.0% YoY) partly due to the impact of exchange rate fluctuations of the Brazilian real. Net income attributable to owners of parent amounted to 6,249 million yen (up 17.5% YoY).

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

	1st quarter	2nd quarter	1st half
FY12/25	152.60 yen	144.59 yen	148.60 yen
FY12/24	148.61 yen	155.88 yen	152.25 yen

(Note) The average exchange rate during the 1st half is calculated as the simple average of monthly exchange rates from January through June.

The operating results by segment are as follows.

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

(Million yen, unless otherwise stated)

	Net sales					Operating income			
	Previous period	Current period	Change	Change [%]	Real* [%]	Previous period	Current period	Change	Change [%]
Printing Inks and Graphic Arts Materials (Japan)	25,448	24,913	(534)	(2.1)	(2.1)	527	448	(79)	(15.0)
Printing Inks (Asia)	29,114	26,817	(2,297)	(7.9)	(5.1)	2,892	3,128	235	8.1
Printing Inks (Americas)	42,860	50,398	7,538	17.6	21.4	2,718	3,090	372	13.7
Printing Inks (Europe)	11,130	10,530	(600)	(5.4)	(6.0)	210	175	(34)	(16.3)
Digital and Specialty Products	9,618	9,790	171	1.8	2.7	1,374	1,097	(277)	(20.2)
Total of reported segments	118,172	122,451	4,278	3.6	5.7	7,723	7,940	216	2.8
Other	5,993	7,320	1,326	22.1	22.1	36	217	181	503.1
Adjustments	(3,081)	(3,375)	(294)	—	—	(505)	(512)	(6)	—
Total	121,084	126,396	5,311	4.4	6.4	7,253	7,645	391	5.4

* "Real" indicates the rate of change in real terms, excluding the impact of foreign exchange translation of overseas consolidated subsidiaries.

Printing Inks and Graphic Arts Materials (Japan)

Amid continued successive price hikes in many items, including daily necessities, food, and beverages, weaker households' sentiment about spending along with a cutting-back trend, persisted. In the packaging related business, the sales of both gravure inks and flexo inks exceeded those of the same period of the previous year although they were somewhat sluggish. In the printing information related business, the sales of both newspaper inks and offset inks remained sluggish primarily because of structural contraction of the market due to the impact of digitization. Amid such circumstances, the sales of printing inks as a whole exceeded those for the same period of the previous year thanks to the effect of selling price revisions, despite a decrease in sales volume. The graphic arts materials saw a decline in the sales of both materials for printmaking and machinery from the same period of the previous year. As a result, net sales amounted to 24,913 million yen (down 2.1% YoY).

In terms of profit, operating income amounted to 448 million yen (down 15.0% YoY) primarily due to an increase in personnel expenses and other expenses, while raw material prices remaining high, despite the favorable effects of selling price revisions.

Printing Inks (Asia)

The sales of packaging-related gravure inks, which are our mainstay products, remained relatively solid in Vietnam and Thailand. In printing information related business, sales were strong in India. Net sales amounted to 26,817 million yen (down 7.9% YoY) primarily due to sluggish market conditions caused by factors such as a slowdown in exports, the impact of exclusion of a subsidiary in China from consolidation due to transfer of interests in the second quarter last year, and the impact of foreign exchange fluctuations.

In terms of profit, operating income amounted to 3,128 million yen (up 8.1% YoY) primarily due to the stable prices of raw materials as well as the containment of cost increases, despite the impact of the exclusion from consolidation.

Printing Inks (Americas)

Although there were concerns about the impact of U.S. trade policy on market conditions, the sales of flexo inks and gravure inks in the mainstay packaging related business remained strong due to continued recovery of demand in North America as well as sales expansion in South America including Brazil. The sales of metal inks were strong, backed by a continued expansion of demand for aluminum cans from the perspective of environmental impact, along with steady sales expansion in South America. The sales of offset inks, which are related to printing information, exceeded those

for the same period of the previous fiscal year's level primarily due to the strong sales of UV inks, despite the structural contraction of the market. Net sales amounted to 50,398 million yen (up 17.6% YoY) due to the growing sales volume, the strong performance of the U.S. subsidiary acquired in the fourth quarter of the previous fiscal year, and price adjustment to account for tariff-related costs, despite the impact of foreign exchange fluctuations.

In terms of profit, operating income amounted to 3,090 million yen (up 13.7% YoY) due to the growth in sales volume and the effects of the new consolidation, despite continued high expenses including an increase in personnel expenses.

Printing Inks (Europe)

Sales slightly dropped from the first quarter, when sales expansion was strong, in the package-related sector although sales were strong in metal inks. Net sales amounted to 10,530 million yen (down 5.4% YoY) primarily due to a slight decrease in overall sales.

In terms of profit, operating income amounted to 175 million yen (down 16.3% YoY) primarily due to somewhat sluggish sales and an impact from the special demand for certain products in the first quarter of the previous fiscal year despite the stable prices of raw materials.

Digital and Specialty Products

The sales of inkjet inks dropped from the same period of the previous fiscal year's level, partly due to sluggish sales in the U.S. The sales of pigment dispersions for color filters remained at the same level as the same period last year due to factors such as a decline in the operating rate at panel manufacturers. The sales of toner exceeded the same period of the previous fiscal year's level primarily due to strong sales expansion overseas. As a result of these factors, as well as the impact of foreign exchange fluctuations, net sales amounted to 9,790 million yen (up 1.8% YoY).

In terms of profit, operating income amounted to 1,097 million yen (down 20.2% YoY) primarily due to overall sluggish sales of materials for digital printing and an increase in expenses.

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

(i) Assets, liabilities and net assets

Total assets at the end of the period under review decreased 8,031 million yen (3.6%) from the end of the previous fiscal year to 213,438 million yen. This was mainly due to the sale of investment securities based on the policy of reducing cross-shareholdings as well as decreases in notes and accounts receivable – trade, inventories, and property, plant and equipment caused by the impact of foreign currency translation due to continued yen appreciation, despite an increase in cash and deposits.

Liabilities decreased 4,398 million yen (4.3%) from the end of the previous fiscal year to 97,849 million yen. This was mainly due to a decrease in notes and accounts payable – trade as well as the impact of foreign currency translation, despite an increase in loans payable.

Net assets decreased 3,632 million yen (3.0%) from the end of the previous fiscal year to 115,588 million yen primarily due to a decrease in accumulated other comprehensive income including foreign currency translation adjustment, despite an increase in retained earnings.

(ii) Cash flows

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

Net cash provided by operating activities totaled 3,159 million yen (a decrease in cash of 1,502 million yen year on year). This was mainly due to the recording of income before income taxes and depreciation, which was partially offset by an increase in working capital and income taxes paid.

Net cash used in investing activities totaled 3,609 million yen (a decrease in cash of 1,028 million yen year on year). This was mainly due to purchase of property, plant and equipment, which was partially offset by proceeds from sale of investment securities.

Net cash provided by financing activities totaled 526 million yen. This was mainly due to an increase in loans payable, which was partially offset by an increase in cash dividends paid and purchase of treasury shares. In the same period of the previous fiscal year, there was a net cash used of ¥2,643 million, the primary factor behind the shift from a decrease

to an increase in cash was the increase in loans payable, which more than offset the increase in dividend payments.

In addition to the above, cash and cash equivalents increased by 95 million yen due to an increase in cash and cash equivalents resulting from change in scope of consolidation. As a result, cash and cash equivalents at the end of the period under review totaled 15,107 million yen, representing an increase of 524 million yen from the end of the previous fiscal year.

(3) Consolidated forecast and other forward-looking statements

There are no changes to the full-year consolidated financial results forecast disclosed on February 14, 2025.

During the period under review, net sales fell below the initial forecast. This was primarily attributable to slightly lower-than-expected sales in Asia and the impact of foreign currency translation due to the appreciation of the yen, despite strong sales in Americas. In terms of profit, operating income exceeded the initial forecast due to stable trends in raw material prices overseas. Ordinary income and other income also exceeded the forecast mainly resulting from foreign exchange gains arising from fluctuations in the Brazilian real.

Our decision to maintain the full-year consolidated financial results forecast reflects our assumptions that there will be no significant changes in U.S. trade policy, and that strong sales will continue in the Americas—including the U.S. subsidiary acquired last year and the Brazilian market—as increased costs due to U.S. tariffs have been partially factored in.

As for the underlying assumptions, the exchange rate for the U.S. dollar—given its sensitivity to fluctuations in the translation of income and expenses of overseas consolidated subsidiaries—is assumed at ¥145.00 per dollar from the third quarter onward, and ¥147.00 for the full year based on a simple annual average.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual consolidated balance sheets

(Million yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	15,717	16,631
Notes and accounts receivable – trade	64,151	60,935
Merchandise and finished goods	19,302	18,891
Work in process	1,664	1,544
Raw materials and supplies	18,839	17,686
Other	3,751	4,100
Allowance for doubtful accounts	(665)	(648)
Total current assets	122,761	119,140
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	21,180	20,689
Machinery, equipment and vehicles, net	11,830	11,231
Land	10,334	10,186
Leased assets, net	199	187
Construction in progress	4,991	5,319
Other, net	5,472	5,261
Total property, plant and equipment	54,009	52,876
Intangible assets		
Goodwill	1,482	1,261
Other	5,639	4,981
Total intangible assets	7,122	6,243
Investments and other assets		
Investment securities	32,833	30,807
Other	4,839	4,462
Allowance for doubtful accounts	(97)	(91)
Total investments and other assets	37,576	35,178
Total non-current assets	98,708	94,297
Total assets	221,470	213,438

(Million yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable – trade	25,644	23,734
Electronically recorded obligations – operating	14,215	10,254
Short-term loans payable	9,433	12,876
Current portion of long-term loans payable	4,817	2,871
Current portion of bonds payable	–	1,000
Lease obligations	834	793
Accrued expenses	6,985	6,208
Income taxes payable	467	955
Provision for bonuses	760	641
Other	3,080	3,283
Total current liabilities	66,238	62,619
Non-current liabilities		
Bonds payable	1,000	–
Long-term loans payable	17,748	18,567
Lease obligations	2,411	2,282
Deferred tax liabilities	5,723	5,637
Retirement benefit liability	4,727	4,649
Asset retirement obligations	74	75
Other	4,323	4,017
Total non-current liabilities	36,009	35,230
Total liabilities	102,248	97,849
Net assets		
Shareholders' equity		
Capital stock	7,472	7,472
Capital surplus	5,814	5,828
Retained earnings	84,496	88,456
Treasury shares	(4,930)	(5,435)
Total shareholders' equity	92,853	96,322
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,313	1,634
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	16,838	10,430
Remeasurements of defined benefit plans	304	277
Total accumulated other comprehensive income	19,456	12,340
Non-controlling interests	6,911	6,925
Total net assets	119,221	115,588
Total liabilities and net assets	221,470	213,438

(2) Semi-annual consolidated statements of income and semi-annual consolidated statements of comprehensive income

Semi-annual consolidated statements of income

(Million yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Net sales	121,084	126,396
Cost of sales	92,076	94,971
Gross profit	29,007	31,424
Selling, general and administrative expenses	21,753	23,778
Operating income	7,253	7,645
Non-operating income		
Interest income	155	122
Dividend income	84	101
Equity in earnings of associates	417	751
Foreign exchange gains	—	341
Other	274	303
Total non-operating income	932	1,620
Non-operating expenses		
Interest expenses	337	520
Foreign exchange losses	633	—
Other	69	96
Total non-operating expenses	1,040	616
Ordinary income	7,146	8,649
Extraordinary income		
Gain on sale of investment securities	30	680
Gain on sale of investments in capital of subsidiaries and associates	605	—
Total extraordinary income	636	680
Extraordinary losses		
Loss on retirement of non-current assets	—	27
Head office relocation expenses	—	110
Loss on valuation of investment securities	—	216
Total extraordinary losses	—	355
Income before income taxes	7,782	8,975
Income taxes – current	1,655	1,834
Income taxes – deferred	299	159
Total income taxes	1,955	1,994
Net income	5,826	6,980
Net income attributable to non-controlling interests	507	731
Net income attributable to owners of parent	5,318	6,249

Semi-annual consolidated statements of comprehensive income

(Million yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Net income	5,826	6,980
Other comprehensive income		
Valuation difference on available-for-sale securities	682	(667)
Deferred gains or losses on hedges	(0)	(0)
Foreign currency translation adjustment	6,627	(5,303)
Remeasurements of defined benefit plans, net of tax	70	(19)
Share of other comprehensive income of associates accounted for using equity method	2,472	(1,638)
Total other comprehensive income	9,852	(7,630)
Comprehensive income	15,678	(649)
Comprehensive income attributable to:		
Owners of parent	14,461	(866)
Non-controlling interests	1,217	216

(3) Semi-annual consolidated statements of cash flows

(Million yen)

	For the six months ended June 30,2024	For the six months ended June 30,2025
Cash flows from operating activities		
Income before income taxes	7,782	8,975
Depreciation and amortization	2,654	2,964
Amortization of goodwill	62	114
Increase (decrease) in allowance for doubtful accounts	(14)	38
Increase (decrease) in retirement benefit liability	3	(28)
Increase (decrease) in provision for bonuses	(33)	(111)
Head office relocation expenses	–	110
Gain on sale of investments in capital of subsidiaries and associates	(605)	–
Interest and dividend income	(240)	(223)
Interest expenses	337	520
Equity in (earnings) losses of associates	(417)	(751)
Loss (gain) on sale of investment securities	(30)	(680)
Loss (gain) on valuation of investment securities	–	216
Loss on retirement of non-current assets	–	27
Decrease (increase) in notes and accounts receivable – trade	(2,025)	(85)
Decrease (increase) in inventories	141	(1,151)
Increase (decrease) in notes and accounts payable – trade including electronically recorded obligations – operating	(537)	(4,104)
Other, net	(535)	(1,601)
Subtotal	6,541	4,228
Interest and dividends received	568	486
Interest paid	(353)	(528)
Income taxes paid	(2,094)	(1,027)
Net cash provided by (used in) operating activities	4,661	3,159
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,684)	(3,292)
Proceeds from sale of property, plant and equipment	172	18
Purchase of intangible assets	(425)	(63)
Purchase of investment securities	(502)	(813)
Proceeds from sale of investment securities	836	1,027
Payments of loans receivable	(24)	(21)
Collection of loans receivable	28	28
Payments for sale of investments in capital of subsidiaries resulting in change in scope of consolidation	(177)	–
Other, net	196	(492)
Net cash provided by (used in) investing activities	(2,580)	(3,609)

(Million yen)

	For the six months ended June 30,2024	For the six months ended June 30,2025
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(517)	4,155
Proceeds from long-term loans payable	2,000	2,722
Repayments of long-term loans payable	(2,308)	(3,198)
Cash dividends paid	(1,000)	(2,237)
Dividends paid to non-controlling interests	(223)	(202)
Purchase of treasury shares	(430)	(522)
Other, net	(163)	(190)
Net cash provided by (used in) financing activities	(2,643)	526
Effect of exchange rate change on cash and cash equivalents	761	352
Net increase (decrease) in cash and cash equivalents	198	428
Cash and cash equivalents at beginning of period	16,218	14,583
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	—	95
Cash and cash equivalents at end of period	16,417	15,107

(4) Notes to semi-annual consolidated financial statements

Changes in accounting policies

Application of accounting standard for current income taxes

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022; hereinafter, “Revised Accounting Standard 2022”), etc. has been applied since the beginning of the six months ended June 30, 2025.

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

With regard to revisions related to changes in the accounting treatment for consolidated financial statements when gains/losses on sale of shares, etc. in subsidiaries resulting from transactions between consolidated subsidiaries are deferred for tax purposes, the Company has applied the Revised Guidance 2022 from the beginning of the six months ended June 30, 2025. The change in accounting policies was applied retrospectively to the consolidated financial statements for the first half and the entire previous fiscal year. The change in the accounting policies had no impact on the semi-annual consolidated financial statements and consolidated financial statements for the previous fiscal year.

Segment information, etc.

I. For the six months ended June 30, 2024 (From January 1, 2024 to June 30, 2024)

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

(Million yen)

	Reportable segment						Others (*1)	Total	Adjustment (*2)	Amount recorded in semi- annual consolidate statements of income (*3)
	Printing Inks and Graphic Arts Materials (Japan)	Printing Inks (Asia)	Printing Inks (Americas)	Printing Inks (Europe)	Digital Specialty Products	Total				
Net sales										
Revenue from contracts with customers	24,912	29,048	42,417	10,549	9,601	116,530	4,554	121,084	—	121,084
Other revenues	—	—	—	—	—	—	—	—	—	—
Sales to external customers	24,912	29,048	42,417	10,549	9,601	116,530	4,554	121,084	—	121,084
Intersegment sales and transfers	535	65	442	581	17	1,642	1,439	3,081	(3,081)	—
Total	25,448	29,114	42,860	11,130	9,618	118,172	5,993	124,166	(3,081)	121,084
Segment income	527	2,892	2,718	210	1,374	7,723	36	7,759	(505)	7,253

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

2. The adjustment of negative 505 million yen to segment income includes elimination of intersegment transaction of 43 million yen and corporate expenses not allocated to each reportable segment of negative 549 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 semi-annual consolidated statements of income.

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

During the six months ended June 30, 2024, 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 first six months ended June 30, 2025 (From January 1, 2025 to June 30, 2025)

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

(Million yen)

	Reportable segment						Others (*1)	Total	Adjustment (*2)	Amount recorded in semi- annual consolidate statements of income (*3)
	Printing Inks and Graphic Arts Materials (Japan)	Printing Inks (Asia)	Printing Inks (Americas)	Printing Inks (Europe)	Digital and Specialty Products	Total				
Net sales										
Revenues from contracts with customers	24,450	26,725	50,054	10,239	9,766	121,236	5,159	126,396	—	126,396
Other revenues	—	—	—	—	—	—	—	—	—	—
Sales to external customers	24,450	26,725	50,054	10,239	9,766	121,236	5,159	126,396	—	126,396
Intersegment sales and transfers	462	91	344	291	24	1,214	2,160	3,375	(3,375)	—
Total	24,913	26,817	50,398	10,530	9,790	122,451	7,320	129,771	(3,375)	126,396
Segment income	448	3,128	3,090	175	1,097	7,940	217	8,158	(512)	7,645

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

2. The adjustment of negative 512 million yen to segment income includes elimination of intersegment transaction of 79 million yen and corporate expenses not allocated to each reportable segment of negative 591 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 semi-annual consolidated statements of income.

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

During the six months ended June 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.

3. Matters relating to change in reportable segments

Starting from the six months ended June 30, 2025, the Company has revised the method for allocating corporate expenses to better reflect the performance of each reportable segment.

The segment information for the six months of the previous fiscal year is presented based on the revised allocation method of expenses.

Significant changes in the amount of shareholders' equity

The Company acquired a total of 271,300 shares of its own stock by June 30, 2025, based on the resolution of the Board of Directors meeting held on March 19, 2025. As a result, treasury shares increased by 522 million yen during the period under review. In addition, the Company disposed of a total of 15,950 shares of its own stock as restricted stock compensation, based on the resolution of the Board of Directors meeting held on March 27, 2025. As a result, capital surplus increased by 14 million yen and treasury shares decreased by 17 million yen during the period under review.

As of June 30, 2025, capital surplus and treasury shares amounted to 5,828 million yen and 5,435 million yen, respectively.

Going concern assumption

Not applicable