artience

H1 FY12/2026
Results Briefing

artience Co.,Ltd.
TSE Code: 4634

Date of the Results Briefing：August 10, 2026
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Contents

Consolidated Results

(¥ billions)

	H1 FY12/2025	H1 FY12/2026	YoY Change (%)
Net sales	168.7	189.7	12.4
Operating profit	9.4	12.6	34.1
Ordinary profit	8.6	14.6	69.4
Profit attributable to owners of parent	5.5	13.7	150.9
Operating margin	5.6%	6.6%	＋1.0 (point)
Overseas sales ratio	54.2%	56.3%	＋2.1 (point)

Key Takeaways

Driving Growth

1. Existing Businesses :
   Enhance profitability through overseas expansion, with a focus on packaging-related materials.

2. Strategic priority business :
   I. CNT Dispersions for LiBs → Advance business restructuring to achieve profitability.
   II. Advanced Electronics → Accelerate earnings growth by expanding CMOS image sensor materials and semiconductor-related materials.

3. Improving Capital Efficiency :
   Achieve ROE of 8%+ through higher profitability and a leaner balance sheet.

August 10, 2026
President and Representative Director, Group CEO
Satoru Takashima

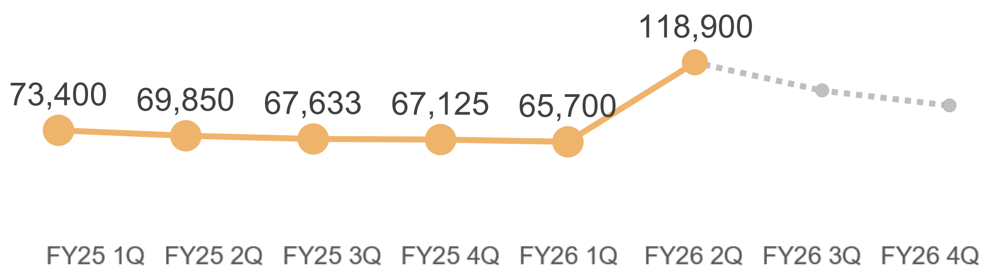
Middle East Situation Update

Changes in External Environment & Raw Material Market Trends

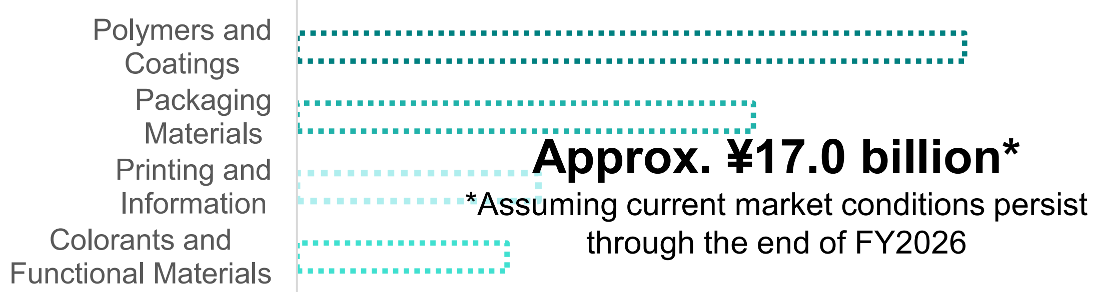
- Raw material prices surged amid **geopolitical tensions in the Middle East** from March onward.
- **Achieved stable procurement** through supplier diversification and close collaboration with suppliers and customers, while securing customer acceptance of price revisions.
- The average naphtha price rose significantly from ¥65,700/KL in FY2026 1Q to ¥118,900/KL in 2Q, is expected to be around ¥90,000/KL in 3Q.
- The impact of rising raw material prices* is expected to be greater in 2H than in 1H. The impact is now estimated at approximately **¥17.0 billion**, up from the initial estimate of ¥12.0 billion, reflecting higher prices for purchased goods and non-naphtha-derived materials. We expect to offset this through price revisions and cost reductions.

(Reference) Naphtha Price Sensitivity: A ¥1,000/KL increase raises costs by approx. ¥0.15 billion. Earnings impact may vary depending on conditions.

Naphtha Price Trend (Cumulative Average, ¥/KL)



Illustrative Impact of Domestic and Overseas Raw Material Prices



H1 FY12/2026

Consolidated Financial Results & Forecasts

Consolidated Results

（¥ billions）

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≪Exchange Rates and Raw Material Prices≫

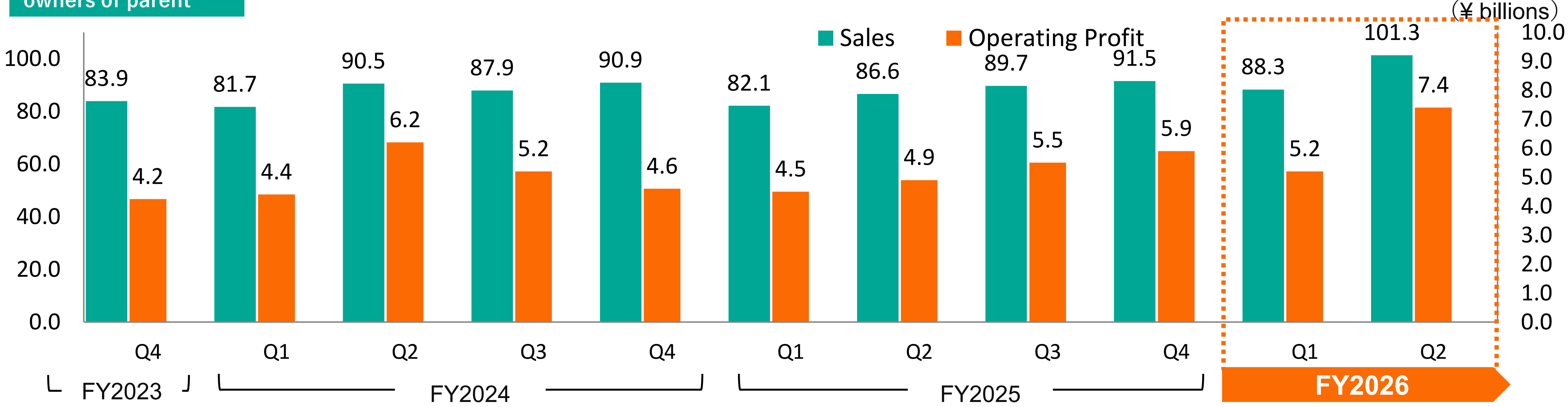
		2025 H1 Avg.	2026 H1 Avg.
Exchange rate	1 USD	￥147.5	￥158.6
	1 EUR	￥162.2	￥184.8
	1 RMB	￥20.3	￥23.1

		2025 H1 Avg.	2026 H1 Avg.
Raw material	Naphtha(/KL)	¥73,400	¥92,300

Consolidated Results Summary

■ Sales and profit increased across all business segments. Sales volume grew due to demand associated with the Middle East situation, and price revisions also contributed to significant YoY.

Net sales	Sales of overseas liquid inks and UV curable inks were particularly strong, with both achieving sales volume growth of more than 10% YoY.
Operating profit	CF materials and optical pressure sensitive adhesives for large displays performed well, supported by demand from major sporting events. For liquid inks, we strengthened procurement in response to escalating tensions in the Middle East and maintained stable supply in both domestic and overseas markets. Operating profit increased due to timely price revisions and the substitution of non-naphtha-derived raw materials. Overseas sales of laminating adhesives and UV curable inks also expanded.
Ordinary profit	A monetary gain on the net monetary position was recognized due to asset value adjustments resulting from continued high inflation in Turkey, while foreign exchange losses narrowed as the depreciation of the Turkish lira moderated.
Profit attributable to owners of parent	Reduced equity holdings and recorded a gain of ¥5.1 billion on the sale of investment securities.



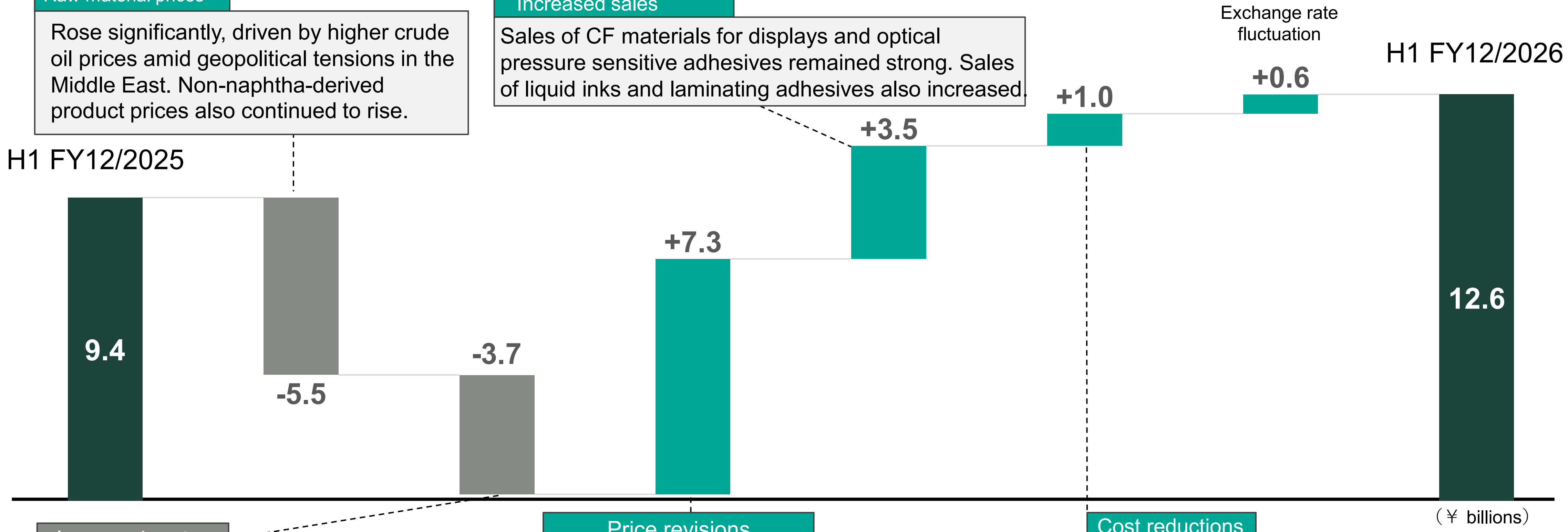
Operating Profit Bridge (YoY)

Raw material prices

Rose significantly, driven by higher crude oil prices amid geopolitical tensions in the Middle East. Non-naphtha-derived product prices also continued to rise.

Increased sales

Sales of CF materials for displays and optical pressure sensitive adhesives remained strong. Sales of liquid inks and laminating adhesives also increased.



Increased costs

Personnel, freight, and other expenses increased overall due to inflation, mainly in Turkey and India.

Price revisions

Promptly implemented price revisions to offset rising raw material costs amid the situation in the Middle East, while maintaining stable supply. Includes the effect of price revisions implemented in H2 FY2025.

Cost reductions

Continued raw material substitution and production process improvements.

FY12/2026 Earnings Forecast

- We will continue to closely monitor market conditions. Our full-year earnings and dividend forecasts remain unchanged, with increases in both net sales and profits expected.

  Profit attributable to owners of parent includes an expected gain on sales of investment securities of ¥7.8 billion (announced May 15, 2026).

（¥ billions）

	FY12/2025 Results	FY12/2026 Forecast
Net sales	350.0	360.0
Operating profit	20.8	23.0
Ordinary profit	20.9	22.5
Profit attributable to owners of parent	10.3	21.0

Operating margin	5.9%	6.4%
ROE	3.9%	8.0%

- Assumed indexes for targets

		2025 Avg.	2026 Projections
Exchange rate	1 USD	￥149.8	¥150.0
	1 EUR	￥169.5	¥170.0
	1 RMB	￥20.9	¥20.0

Raw material	2025 Avg.	2026 Projections	Jun. 2026 Price Level	2026 H1 Avg.
Naphtha(/KL)	¥67,125	¥65,000	¥124,000	¥92,300

H1 FY12/2026
Segment Performance

Market Outlook and Business Impact

Markets	Market Outlook	Business Outlook	Applications	Market Trends	Relevant Segments: Colorants & Functional	Polymers & Coatings	Packaging Materials	Printing & Information
Packaging	Stable growth	Solid	Film packaging, paper containers, labels, metal containers	Domestic: Overall demand remains flat, while demand for environmentally friendly products is becoming increasingly stable. Overseas: Markets continue to expand, particularly in developing countries, supported by population growth.	●	●	●	●
Displays	Flat	Flat	LCD panels (smartphones, tablets, PCs, TVs), polarizing filters	Demand related to the World Cup has run its course, and the market is expected to remain broadly flat for the full year.	●	●		
Advanced electronics	High growth	Solid	CMOS image sensors, semiconductors	Demand for sensors used in smartphone cameras and new applications is increasing, while semiconductor demand is expanding rapidly with the growth of AI.	●	●		
Mobility & Batteries	Flat	Transition	Lithium-Ion Batteries for EVs, HEVs, and ESSs	In the EV market, shipments are on a recovery track in Europe due to subsidies, while the market in the US is sluggish. China will continue to drive the EV market.	●	●		
Information-related Printing	Contracting	Flat	Catalogs, flyers, magazines, books	The paper-based media market continues to contract structurally due to digitalization, while demand for environmentally friendly solutions is increasing.	●			●

Segment Performance

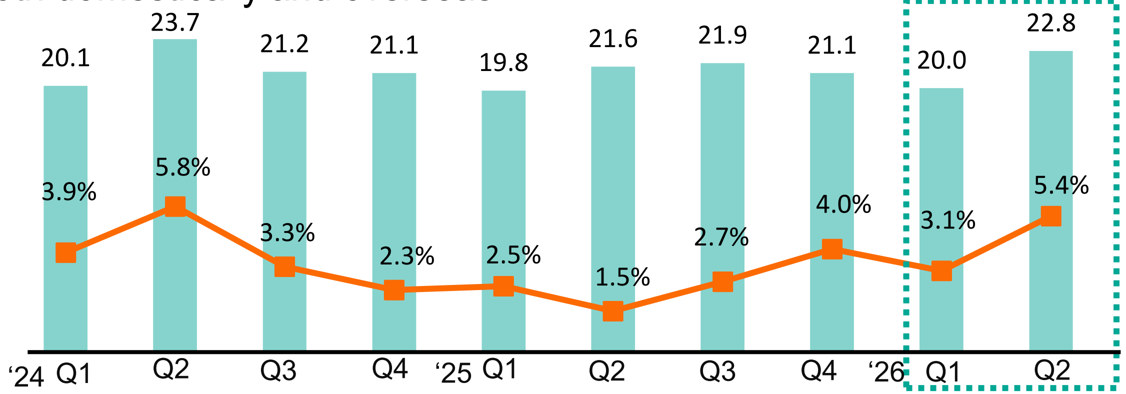
(¥ billions)

	H1 FY12/2025 Results		H1 FY12/2026 Results		YoY Change (%)	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Colorants and Functional Materials	41.4	0.8	42.7	1.9	3.3	129.6
Polymers and Coatings	43.8	3.7	49.9	4.6	13.7	25.2
Packaging Materials	44.1	2.5	52.0	3.6	18.1	44.7
Printing and Information	38.8	2.1	43.8	2.4	13.0	18.3
Others and Adjustments	0.7	0.3	1.2	0.1	-	-
Total (Consolidated)	168.7	9.4	189.7	12.6	12.4	34.1

Colorants and Functional Materials

■ **Net sales/ Operating profit :** Both sales and profit increased. CF materials remained solid, including products for sensor applications, while profitability in Plastic Colorants improved both domestically and overseas.

Results	H1 FY12/2025	H1 FY12/2026	YoY Change (%)
Net sales	41.4	42.7	3.3
Operating profit	0.8	1.9	129.6



Quarterly Net Sales and Operating Margin Trends

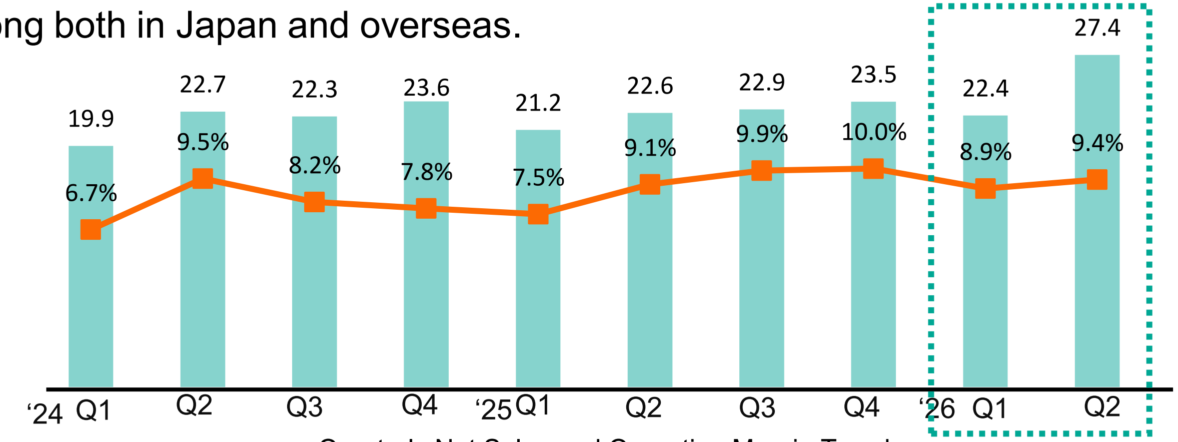
(¥ billions)

	YoY Net Sales Growth	Summary
Color filter materials	10.1%	Products for large display panels performed well in 1H. However, performance is expected to soften in 2H due to panel production adjustments and the discontinuation of production by domestic customers. Sales for sensor applications expanded steadily, although some impact from memory shortages was also observed.
Plastic colorants	-9.2%	In Southeast Asia, sales for home appliances and automobiles remained strong. In China, demand for solar cell materials and Japanese automobiles remained sluggish. In Japan, profitability was maintained through cost reductions, price revisions, and contributions from newly commercialized products.
Pigments	21.1%	Profitability weakened in 2Q due to higher prices for imported raw materials. However, profit increased overall in 1H.
Others	21.6%	Sales of inkjet inks began to recover around June following customer inventory adjustments. Sales of CNT dispersions for LiBs increased in both volume and value in Europe and China, while performance in the U.S. remained sluggish. Customer evaluations of products for anode applications are expected to conclude within the current fiscal year.

Polymers and Coatings

■ **Net sales/ Operating profit :** Both sales and profit increased. Sales of optical pressure-sensitive adhesives for displays remained solid, while sales of laminating adhesives also remained strong both in Japan and overseas.

Results	H1 FY12/2025	H1 FY12/2026	YoY Change (%)
Net sales	43.8	49.9	13.7
Operating profit	3.7	4.6	25.2



Quarterly Net Sales and Operating Margin Trends

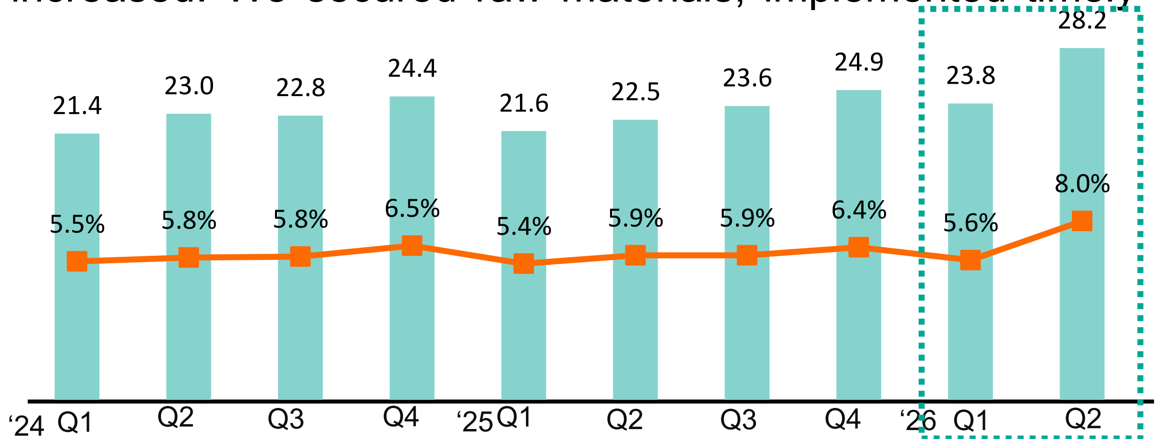
(￥billions)

	YoY Net Sales Growth	Summary
Functional films and tapes	15.3%	Functional films for mobile applications performed well. The impact of higher silver prices was mitigated through the introduction of a surcharge system. Sales of LIOTELAN™, a semiconductor insulating material, also expanded.
Adhesives	14.3%	Sales of optical pressure-sensitive adhesives for displays remained strong in China and South Korea. Capital investment in Gujarat, India, was completed, and operations commenced in July. Sales of high-end laminating adhesives for packaging expanded in Thailand, while sales for consumer battery applications remained solid.
Paints and resins	11.7%	For can coatings, domestic price revisions were slightly delayed. In Thailand, new business for beverage can coatings contributed to sales growth, while sales for food can coatings remained solid. In Turkey, sales temporarily declined due to quality issues but are expected to recover from 3Q onward.

Packaging Materials

■ **Net sales/ Operating profit :** Both sales and profit increased. We secured raw materials, implemented timely price revisions, and maintained a stable supply.

Results	H1 FY12/2025	H1 FY12/2026	YoY Change (%)
Net sales	44.1	52.0	18.1
Operating profit	2.5	3.6	44.7



Quarterly Net Sales and Operating Margin Trends

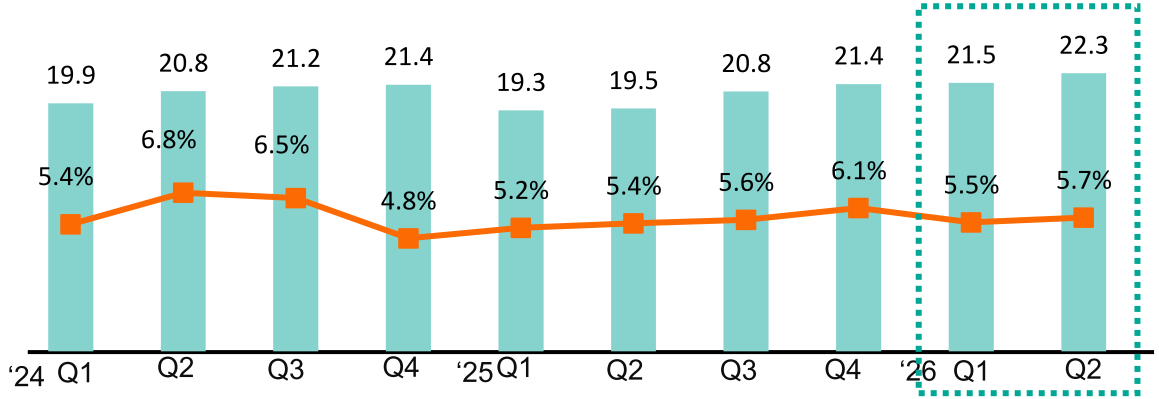
(￥billions)

	YoY Net Sales Growth	Summary
Domestic liquid inks	13.0%	For food packaging applications, amid geopolitical tensions in the Middle East, we leveraged our global procurement capabilities to secure raw materials, maintain a stable supply to customers, and implement timely price revisions. Operating profit increased due to improved production efficiency through product line consolidation, higher sales volumes driven by sales expansion and advance demand, increased exports, and higher licensing revenue.
Overseas liquid inks	28.1%	Sales volume increased by more than 10%, partly driven by advance demand amid geopolitical tensions in the Middle East. We gained market share in Malaysia and India, while strong order intake continued in Thailand. In Turkey, where performance was weak in Q1 last year, domestic sales and exports remained solid despite higher personnel expenses due to inflation.

Printing and Information

■ **Net sales/ Operating profit :** Both sales and profit increased. Sales of UV curable inks expanded, while functional coating agents also performed well.

Results	H1 FY12/2025	H1 FY12/2026	YoY Change (%)
Net sales	38.8	43.8	13.0
Operating profit	2.1	2.4	18.3



Quarterly Net Sales and Operating Margin Trends

(￥billions)

	YoY Net Sales Growth	Summary
Offset inks (General inks)	10.3%	In Japan, market conditions deteriorated due to higher raw material prices and the printing paper price revisions implemented in April. Overseas, market conditions remained favorable in Thailand, and sales expanded in India. However, profitability declined due to sharp increases in raw material and personnel costs.
Functional inks※	16.3%	Domestic sales of UV curable inks were strong, particularly for card applications. Overseas, UV curable inks performed well in China, while sales recovered in Europe despite lower profit. Sales expansion also progressed in North America. Functional coating agents for premium paper containers remained solid.

* Functional inks: UV curable inks, metal inks, and screen inks

Progress on the Medium-Term Management Plan "artience2027"

Management Plan artience2027/2030 "GROWTH"

(¥ billions)

	FY2023	FY2024	FY2025	FY2026	FY2029
Net sales	322.1	351.1	350.0	360.0	500.0
Operating profit	13.4	20.4	20.8	23.0	
Operating margin	4.2%	5.8%	5.9%	6.4%	
ROE	4.2%	7.3%	3.9%	**8.0%**	10.0% or higher

Goals
A future all people can live enriched lives
Sustainable society
Maximizing corporate value

artience2027

Business portfolio transformation

Maximizing Capital Efficiency and Cash Flow

Establishment of Corporate Foundations and Sustainability Management Practices

Transformation of existing business groups into highly profitable ones
- Expansion of growth businesses
- Increase in profit of stable earnings base business
- Liquidation of unprofitable businesses Reconstruction of strategies

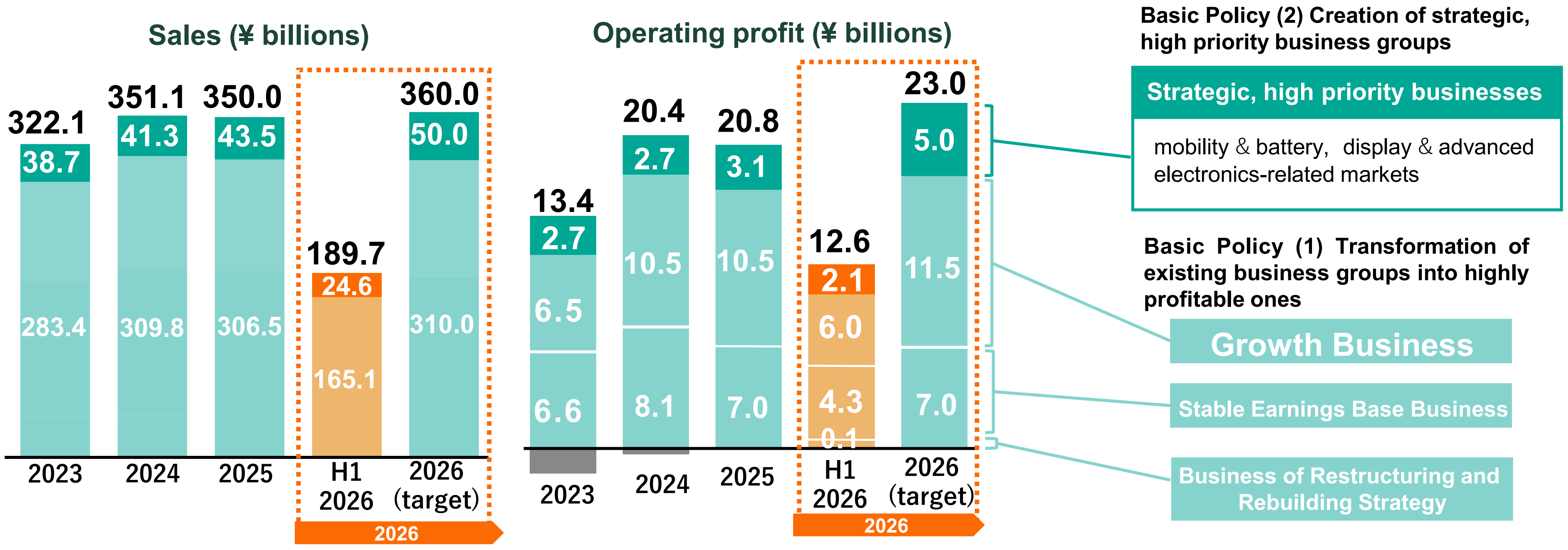
Creation of strategic, high priority business groups
- Mobility and batteries
- Displays and advanced electronics
- Next-generations Businesses (Environmental, biotechnology and energy)

Transformation of management foundation
- **Personnel, culture and organization**: Engagement, DE&I
- **Cash**: CF management, Improvement of capital efficiency
- **Manufacturing**: asv2050/2030, SCM
- **Information/DX**: Digital transformation, Maximum use of SAP
- **Technologies and intellectual property**: Construction of the technological foundation, Proactive utilization of intellectual property

artience2027/2030 “GROWTH”

-Performance in the First Half of FY2026 and Progress Towards Achieving Targets-

- Expanded earnings from existing businesses with high profitability drove consolidated results, marking steady progress towards the full-year target.
- Among strategic high priority businesses, the effects of market conditions in mobility & battery related businesses persisted, but expanded sales in the second half and solid performance in the display & advanced electronics related businesses are expected to prop up the full-year results.



* Total includes other and adjustments.

Progress on the Medium-Term Management Plan “artience2027”

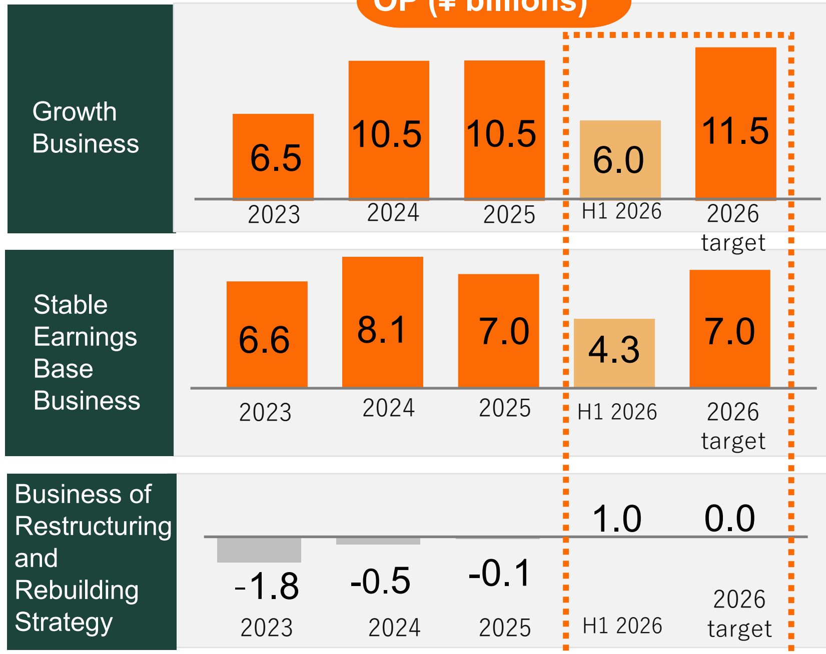
Basic Policy (1) - (3)

Performance in the First Half of FY2026 and Future Outlook

— Steady progress toward the FY2026 targets, driven by expansion of growth businesses, stable earnings base, and enhanced structural reforms —

- In growth businesses, high value-added products including liquid ink, pressure sensitive adhesives and UV curable inks in our overseas operations drove profit.
- In Stable Earnings Base Businesses, we made progress with cost improvements while flexibly responding to changes in the external environment, including the situation in the Middle East, and managed to steadily improve profitability in Japan.
- In Business of Restructuring and Rebuilding Strategy, we achieved profitability in the first half of FY2026 (¥ 0.1 billion), having successfully reviewed the business structure and profitability.

OP (¥ billions)



合計	10.7	17.8	17.7	10.5	18.0

2026

	Colorants and Functional Materials	Polymers and Coatings	Packaging Materials	Printing and Information
Growth Business	Inkjet inks	(Overseas) Pressure sensitive adhesives and laminating adhesives (Overseas) Can coatings	(Overseas) Liquid inks	Functional coatings (Overseas) Metal decorating inks UV inks
Stable Earnings Base Business	Plastic colorants	(Domestic) Pressure sensitive adhesives and laminating adhesives (Domestic) Can coatings	(Domestic) Liquid inks	(Domestic) Metal decorating inks (Overseas) Offset inks
Business of Restructuring and Rebuilding Strategy	Pigments			(Domestic) Offset inks

Functional inks for packaging

* Total includes other and adjustments.

* Business of restructuring and rebuilding strategy include next-generation businesses.

Initiatives to Achieve FY2026 Targets and Future Outlook

- Achieving steady advances in each strategic high priority business while closely monitoring changes in the business environment -

- Mobility & Battery Related Businesses will increase net sales and production volume heading into the second half of the year, benefitting from site-specific strategies and expanded demand for ESS applications, despite sluggish EV market conditions.
- Products related to displays drove performance in the first half of the fiscal year, achieving growth in color filter materials and optical pressure sensitive adhesives thanks to World Cup-related demand. Due to the shift of panel production to China, the local supply structure was also strengthened.
- Advanced Electronics Related Businesses achieved growth in optical semiconductors (CMOS image sensor) against a backdrop of strong AI and semiconductor-related demand. Low dielectric resins used in data centers, etc. and functional films with excellent insulation and flexibility (LIOTELAN) produced results as insulation materials for semiconductors.

Mobility & Battery Related Businesses

Growth Roadmap

2023~2025	2026	2027~
• Development of factory • Customer acquisition	• Recovery in sales and volume • Expansion into the ESS market, etc.	• **Return to profitability** • **Full-scale revenue growth**
【Upfront investment】	【Building the foundation】	【Profitability and growth】

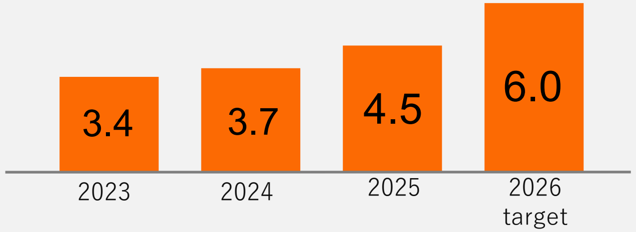
Market

Applications/ Products

- LiB Anodes＆Cathodes / CNT Dispersions
- LiB Pouch-Type / Adhesives
- LiB Components / Resins

Display / Advanced Electronics Related Businesses

OP (¥ billions)



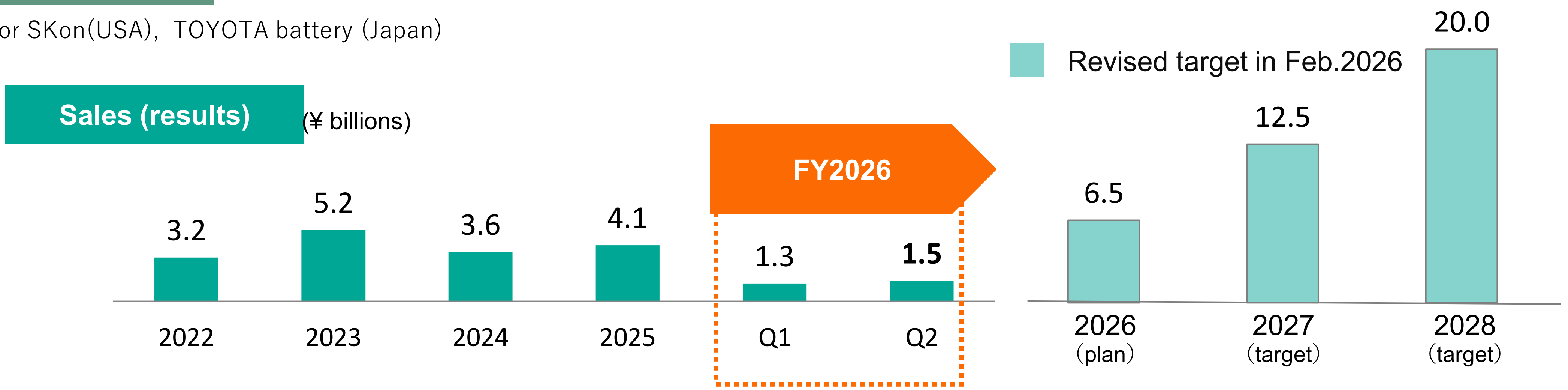
- Displays /CF materials, Optical pressure sensitive adhesives
- Optical semiconductors / CF materials
- Semiconductor-related /Functional films and tapes, resins, etc.

Mobility & Battery Related Businesses: CNT dispersions for LiB

■ **Overview and Outlook by Site：Projected to Fall Short of Targets, Despite Higher Production Volume for Leading Chinese Firms and Solid Performance in Europe**

Europe (Hungary)	■ Two customers. Despite solid performance exceeding the previous year's sales results in both volume and sales, there is a risk of customers entering an adjustment phase in Q3 and beyond. ■ The timing for the start of local production of products for the second customer has been pushed back slightly, and is now slated for Q3.
USA (GA,KY)	■ Two customers*. Sales and volume fell short of the previous year. ■ Evaluations of products for ESS applications are ongoing.
China (Zhuhai)	■ One customer. In Q2, production volume increased by 1.5 times that of Q1. ■ Customers continued to evaluate materials for anodes. We are aiming to shift to mass production in the latter half of 2027.
Japan (Fuji)	■ One customer*. Shipments of CNT dispersions for HEVs remained strong. ■ Progress was also being made on the development of products for all-solid-state batteries.

＊for SKon(USA), TOYOTA battery (Japan)



Display materials expanded earnings by capitalizing on the shift of production to China.

CF materials

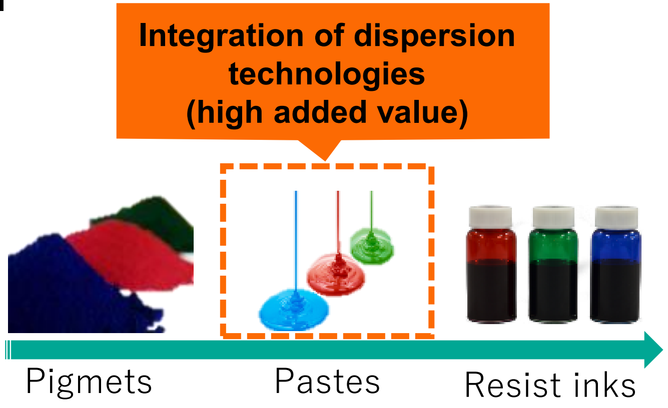
We will aim to stabilize earnings through expanded sales of pastes and local production of resist inks in China.

Transformation of the business model

- China: Established a joint venture with a Chinese firm in response to the rise of local manufacturers. We shifted from conventional resist inks exports from Taiwan to local production in China (began production from the end of 2025, scheduled to complete the transfer of production by Q2 of 2027). Pastes is sold from Japan.
- Taiwan: Expanded resist inks specifically developed for the domestic market.

Maximizing profit

Product sales (pastes, resist inks) + technology licensed production (royalties) + dividends



Optical pressure sensitive adhesives

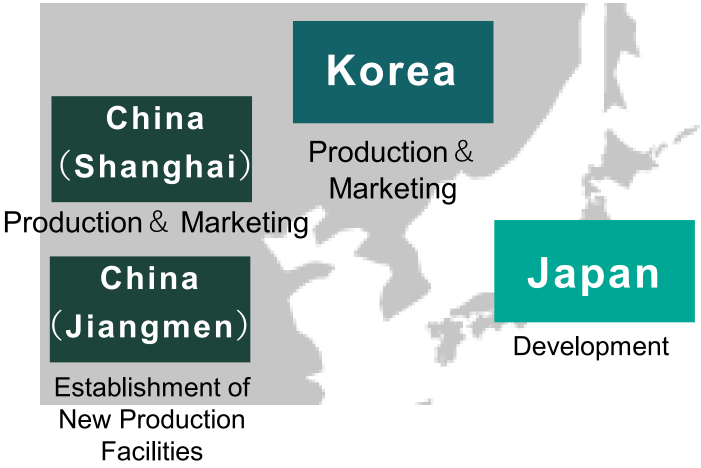
Responding to the market shift from South Korea to China through coordination between sites, and accelerating growth by expanding production capacity while enhancing development capabilities

Coordination between sites in Japan, South Korea and China, expanded local production capacity in China

- Sites in Japan, South Korea and China will closely coordinate with one another to build development, marketing and production structures
- The decision was made to establish new production equipment in Jiangmen in response to a surge in demand (equipment facility expected to enter service in 2027)

Development capabilities that reflect market needs

- We rolled out high heat-resistance, value-added products for automotive applications.
- We expanded pressure sensitive adhesives for OLED applications

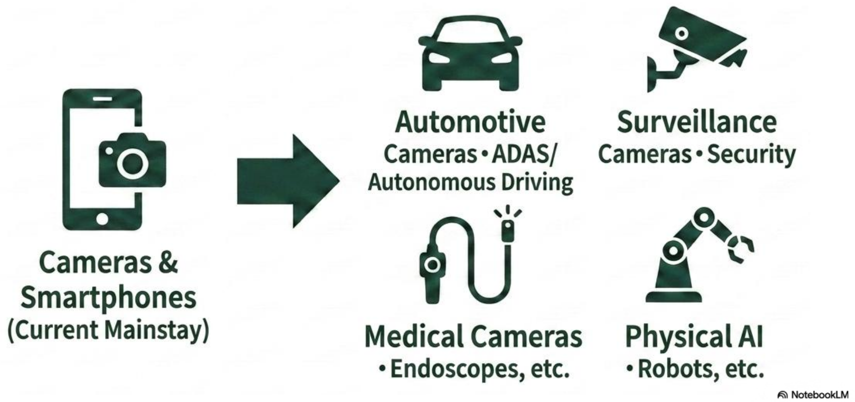


Expansion of the Optical Semiconductor Materials Business (Color Resist Ink for CMOS Image Sensors [CIS])

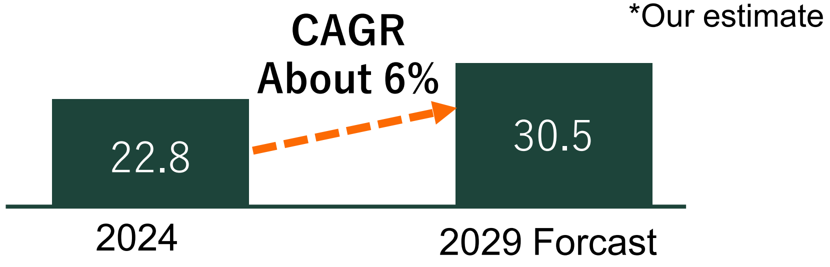
- To address the growing CIS market, we expanded the business by applying the nano-level dispersion technologies and colorant design technologies we cultivated with color resist inks for LCDs
- Performance has expanded, particularly among Chinese CIS manufacturers, due to the growth of the smartphone market. By 2029 we aim to achieve net sales 2.5 times the level of 2024

CIS market trends

- CIS applications are expanding. Smartphone camera resolutions are increasing, while vehicles are increasingly being equipped with multiple cameras.

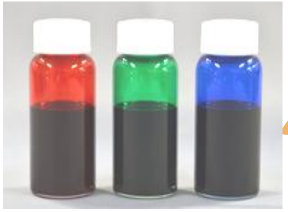


- CIS Global Market Forecast （US$ billions, On a monetary basis)



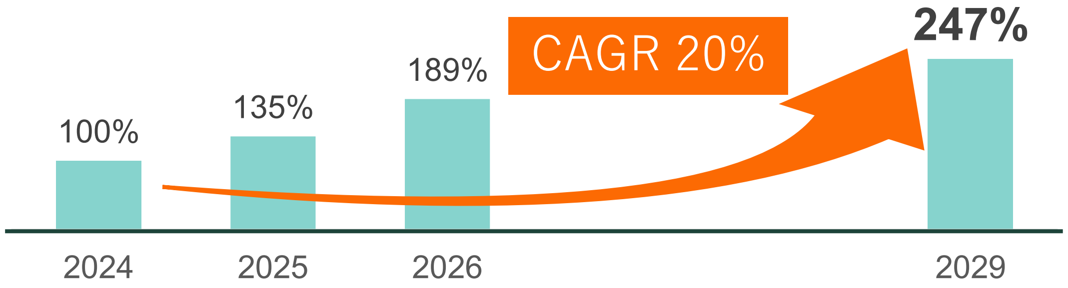
Our business expansion

- Our strengths: Nano-level pigment dispersion technologies, integrated production from colorants to resist inks, technologies for thinner films and multiple wavelengths



artience provides the **color resist inks** used to form films on CIS silicon wafers.

- Optical Semiconductor Materials Sales Target (vs 2024)



ESG topics

E

Initiatives for achieving the asv2050/2030 Sustainability Vision

- The introduction of electricity from renewable energy sources and the addition of solar power generation equipment at multiple sites in Japan and other countries, acquisition of environmental value. （New and Additional Sites Starting in FY24 and Beyond: Belgium, India (planned), Hungary, Tianjin, Shanghai, Jiangmen, Fuji, Moriyama, Chiba, Toyo Morton, Brazil, and others）
- Increasing the percentage of the roadmap towards decarbonization (in global).
  （60%in2023⇒88%in2024⇒97%in2025（based on CO_2 emissions）
- Our CDP score was upgraded to B (climate change and water security).

S

Measures implemented to improve engagement and realize DE&I

- We implemented a survey by a third-party institution for **three consecutive year**, improving the questions, and our score increased.
- We increased hiring of non-Japanese personnel in development, marketing, production and administrative departments.
- Percentage of new graduate hires who are women (from 41.2% the previous year **to 54.2% as of Apr. FY2026**)
- The CEO continued holding roundtable talks in Japan and overseas to instill the philosophy and raise awareness about GROWTH.

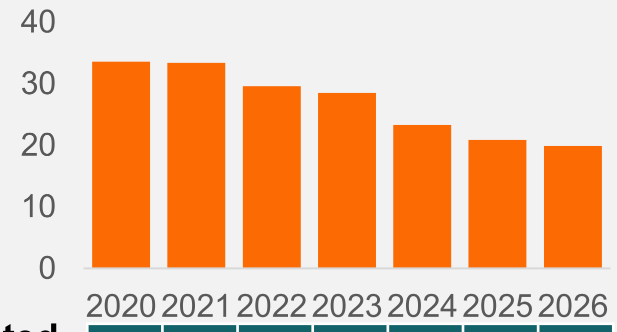
G

Progress of take actions to enable management with an awareness of capital costs and share price

- **Cancellation of treasury shares***1, **acquisition of treasury shares***2 , continuing to reduce shareholdings.
- Strengthening the governance system, ROE basis management, introduction of ROIC as an indicator.
- Increasing the ratio of performance-linked remuneration for the remuneration of internal directors and added ROE as an indicator (from March 2025)
- Strengthening SR and IR activities.

Listed shares held by the company in monetary terms (book value basis)

(¥ billions)



	2020	2021	2022	2023	2024	2025	2026
Listed Shares	61	53	46	38	36	35	32

*1 Implemented at the end of May 2024 and 2025; scheduled for **the end of August 2026 (3 million shares).**

*2：**A total of approximately 20.0 billion yen** (Aug. 13, 2024 – **end of Feb. 2026**)

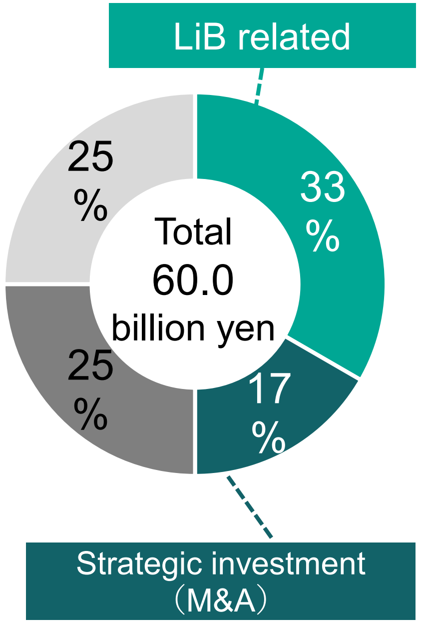
Progress of capital investment

■ We are planning total capital investment of 60.0 billion yen over the 3-year period. LiB-related investment has fallen dramatically. We are currently considering M&A within the strategic investment, which is set at 10 billion yen. Expanding further growth and efficiency investment.

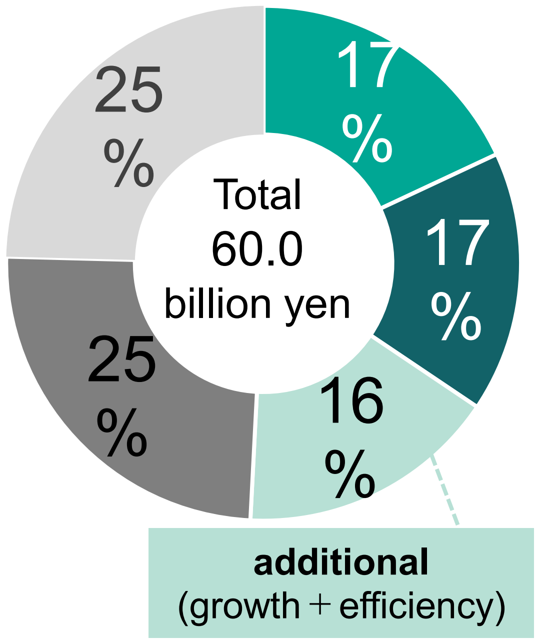
3-year total capital investment

Strategic priority businesses | Existing businesses with high profitability | Strengthening of foundations for bases in Japan and abroad

【Revised in Feb.2025】



【Revised in Feb.2026】



3-year capital investment and depreciation expenses

(¥ billions)	FY2024 (result)	FY2025 (result)	FY2026 (plan)
Capital investment	18.4	16.4	17.9
Depreciation	12.1	13.3	13.0

* Capital investment:
Results shows the amount on an acceptance inspection basis, while the targets shows the amount on an order-placing basis.

■ **Major capital investments**

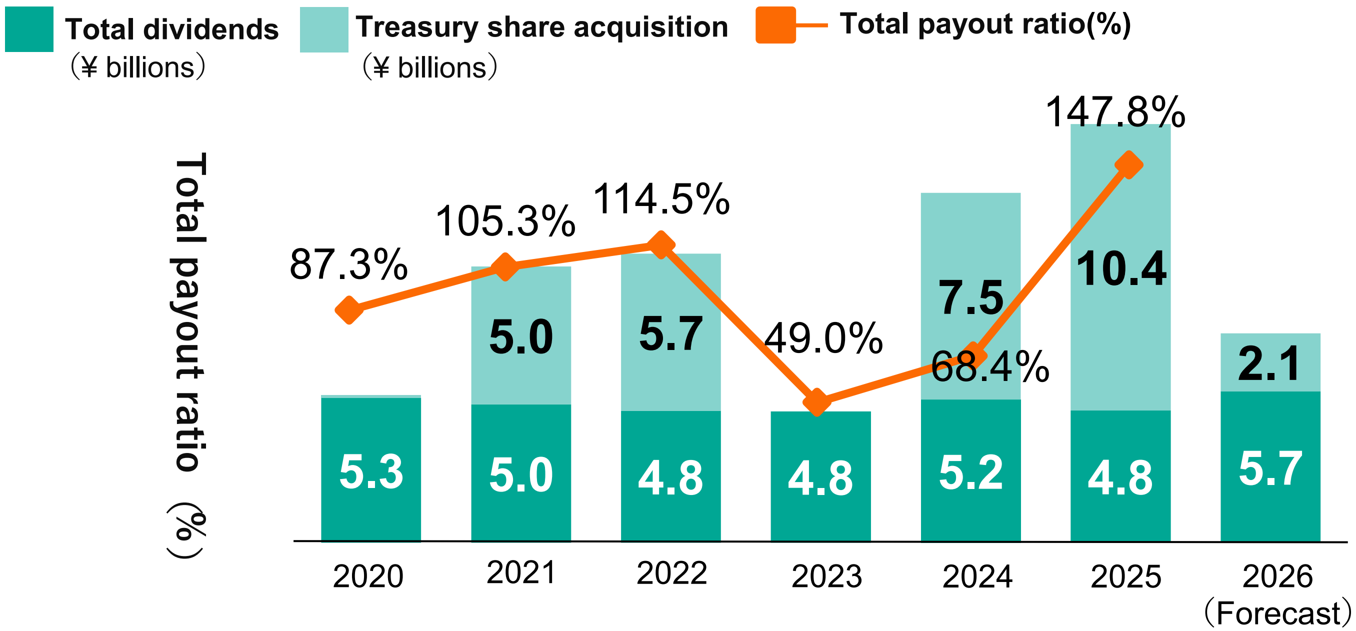
For dispersions for LiBs
FY2025：Reduced from 7.1 billion yen to 1.9 billion yen
FY2026：3.0 billion yen （3 years total **1.0 billion yen**）

PSA (India) →Second facility operational in July 2026
Liquid inks and laminating adhesives （Turkey）→Operational in April 2025
Liquide inks(India, Japan), →Operational in 2028
PSA in China →Operational in 2027
(The bolded CAPEX items were decided in 2025)

Mid-term management plan artience2027 Shareholder Return Policy

■ We plan to further enhance shareholder returns through increased dividends and share buyback, supported by profit growth.

- **In the event of securing a profit, allocate the surplus cash to strategic investments and increased shareholder returns including treasury share acquisition while retaining the basic policy of paying stable dividends.**
- **Set the total payout ratio target at 50% or more.**



	2020	2021	2022	2023	2024	2025	2026 (Forecast)
Annual dividend per share(¥)	90	90	90	90	100	100	120
Profit attributable to owners of parent(¥ billions)	6.0	9.5	9.3	9.7	18.5	10.3	21.0

Key Takeaways

Driving Growth

1. Existing Businesses :
   Enhance profitability through overseas expansion, with a focus on packaging-related materials.

2. Strategic priority business :
   I. CNT Dispersions for LiBs → Advance business restructuring to achieve profitability.
   II. Advanced Electronics → Accelerate earnings growth by expanding CMOS image sensor materials and semiconductor-related materials.

3. Improving Capital Efficiency :
   Achieve ROE of 8%+ through higher profitability and a leaner balance sheet.

August 10, 2026
President and Representative Director, Group CEO
Satoru Takashima

■ **IR Inquiries** ir@artiencegroup.com

■ **Website** https://www.artiencegroup.com

■ Major News Releases

- Developing colorless, transparent solar cells that generate electricity using invisible light (Aug 4, 2026)
  https://www.artiencegroup.com/en/news/2026/26080401.html
- Continued selection as a constituent of the ESG Investment Index “MSCI Japan ESG Select Leaders Index” and the “MSCI Japan Empowering Women Index (WIN)” (July 21, 2026)
  https://www.artiencegroup.com/en/news/2026/26072101.html
- Continued selection as a constituent of the ESG investment index "FTSE JPX Blossom Japan Index" and "FTSE JPX Blossom Japan Sector Relative Index". (July.6, 2026)
  https://www.artiencegroup.com/en/news/2026/26040901.html
- Refill packs using TOYO INK's peeling and recycling technology won the "World Star Award" at the World Star Contest 2026. (June.29, 2026)
  https://www.artiencegroup.com/en/news/2026/26062901.html

■ **IR schedule** * The schedule is subject to change without prior notice.

- Q3 FY12/2026：Financial results announcement （Nov 13）, Results Briefing （Nov 20）

Appendix

Initiatives to improve ROE and capital efficiency

- Through initiatives to improve profitability and enhance capital efficiency, we aim to achieve **an ROE of 8.0% by 2026** and improve our PBR by exceeding **our cost of equity (approximately 8%)**.

Business portfolio transformation

- We are strengthening the profitability of existing businesses with high profitability.
- In strategic, high priority businesses, displays (optical pressure sensitive adhesives) and advanced electronics are performing strongly but there are signs of slow growth in some business areas.

Increase capital efficiency

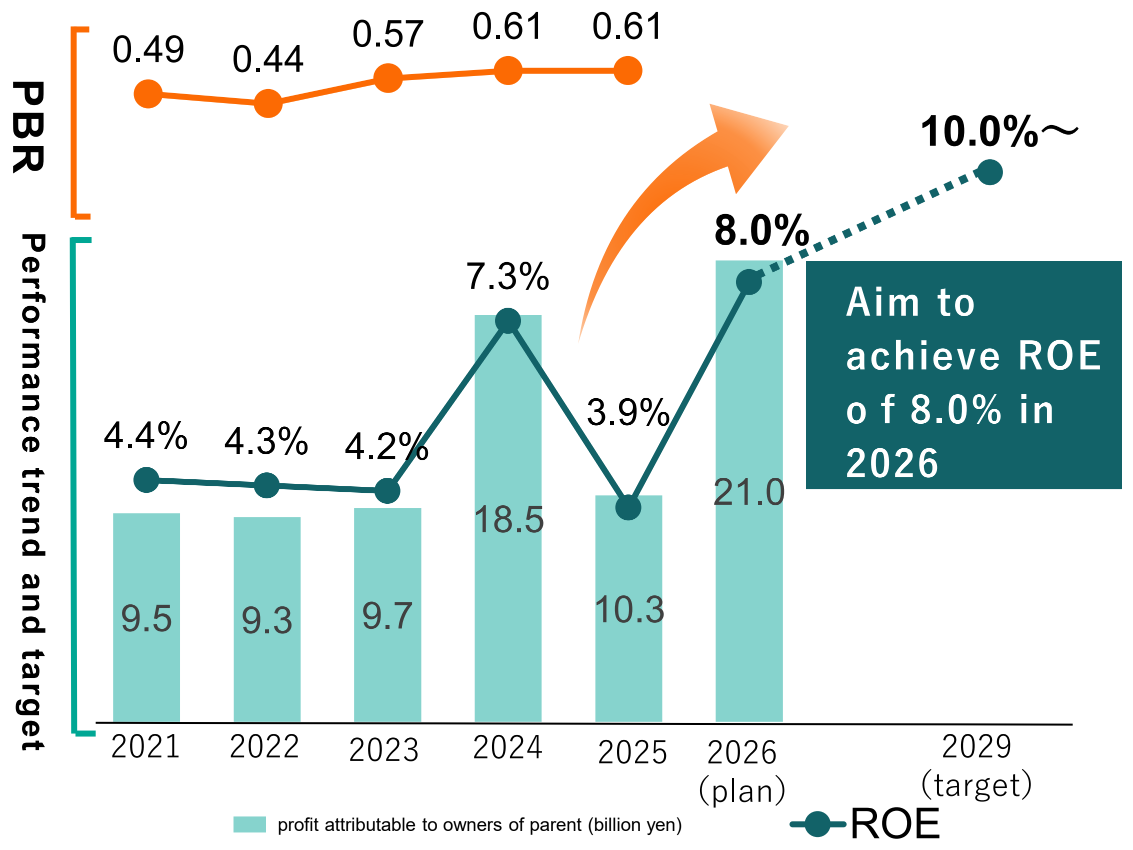
- Capital efficiency is improving through the introduction of ROIC to the whole company.
- We have continuously implemented initiatives to improve the CCC since 2024. In 2025, the CCC was mostly unchanged, going from 111 days the previous year to 112 days.

Capital policies

- Increase shareholder returns on the basis of the total payout ratio(Since Aug. 2024, we have conducted treasury share acquisition approximately 20 billion yen in total.), Increase dividends **by ¥20 per share** in FY2026.
- Reduction of shareholdings（Results FY2024: 9.5billion yen, FY2025 4.6billion yen, **H1 FY2026: 7.1 billion yen**）.
- Cancellation of treasury shares(Implemented at the end of May 2024, at the end of May FY2025 and **at the end of Aug. 2026**)

Efforts to minimize capital costs

- Disclose information in a timely and appropriate manner, step up IR activities including the positive distribution of information and increase dialogues with stakeholders.



Cash Allocation Progress and Implementation Status (After Two and a half year of the 2024-2026 Mid-term Management Plan)

- At the 2.5-year point of our three-year medium-term management plan, both cash generation and shareholder returns have made steady progress, largely as planned.

【Progress and Implementation of Capital Allocation (¥ billions)】

Cash inflow 110.0～	Cash outflow 110.0～
Cash flows from operating activities during three years: 78.0 Net profit 48.0 * Depreciation 40.0 Increase in operating fund -10.0	Capital investment: 30.0 Additional investments: 10.0 growth＋efficiency LiB-related investments＋Strategic investment: 20.0
Fund procurement through setting the right to Demand Earnings Distribution : 12.0	Shareholder returns: 40.0～
Gain on sales of shareholdings 20.0～	Others (appropriation to future investments and additional shareholder returns): 10.0～

*Not include gain on sales of shareholdings

● **72% against the 3-year medium-term management plan**

Progress is largely according to plan due to stable cash generation.

● **107%**

Cumulative result: ¥21.3 billion

● **63%**

In light of changes in the business environment, Lib-related investments reallocated to growth investments.

Strategic investment projects are currently being carefully examined

● **89%**

Shareholder returns result: ¥35.7 billion*2
Target: ¥40.0 billion or more

*2 Includes results for FY2024–2025, the FY2026 share buyback (2.1 billion yen), and an amount equivalent to projected annual dividend for FY2026.

Business Performance

(¥ billions)

	H1 FY12/2025	H1 FY12/2026	Increase/ decrease(%)	FY12/2026 Forecast
Net sales	168.7	189.7	12.4	360.0
Operating profit	9.4	12.6	34.1	23.0
Ordinary profit	8.6	14.6	69.4	22.5
Profit attributable to owners of parent	5.5	13.7	150.9	21.0

Operating margin	5.6%	6.6%	＋1.0 (point)	6.4%
Overseas sales ratio	54.2%	56.3%	＋2.1 (point)	

	As at Dec.31,2025	As at Jun.30,2026
Interest-bearing debt (¥ billions)	66.7	64.8
Net worth ratio(%)	57.5	58.7
D/E ratio	0.32	0.29

FY12/2026	Interim	Year End (forecast)
Dividend (yen/1share)	60	60

(¥ billions)

	As at Dec. 31, 2025	As at Jun. 30, 2026	Increase/ decrease(%)
Current assets	227.7	241.2	5.9
Fixed assets	234.9	236.8	0.8
Total assets	462.6	478.0	3.3
Current liabilities	106.1	111.9	5.5
Long-term liabilities	79.3	73.7	-7.0
Total liabilities	185.4	185.6	0.1
Total net assets	277.2	292.4	5.5
Total of liabilities and net assets	462.6	478.0	3.3

	As at Dec. 31, 2025	As at Jun. 30, 2026
Consolidated subsidiaries	56	56
Equity method companies	5	5

Performance by Segment

		Q2 FY12/2026 (¥ billions)		Increase/decrease(%) Year on Year		Increase/decrease(%) Quarter on Quarter		Total Results, FY12/2026 (¥ billions)		Increase/decrease(%) Year on Year	
		Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Colorants and Functional Materials	Japan	11.1	0.6	8.1	137.4	12.9	11.5	21.0	1.1	8.8	989.7
	Overseas	16.9	0.8	6.4	117.6	16.8	965.2	31.4	0.8	3.7	115.8
	Total	22.8	1.2	5.5	289.9	14.1	96.9	42.7	1.9	3.3	129.6
Polymers and Coatings	Japan	16.1	0.9	13.2	47.6	16.2	35.8	29.9	1.6	9.0	78.2
	Overseas	14.5	1.6	28.4	14.3	18.7	3.2	26.7	3.2	20.5	15.7
	Total	27.4	2.6	21.2	24.8	22.2	28.7	49.9	4.6	13.7	25.2
Packaging	Japan	14.4	1.6	19.3	170.0	21.9	107.5	26.3	2.3	10.8	97.8
	Overseas	14.7	0.7	35.1	-2.1	17.6	30.1	27.2	1.3	27.7	-1.7
	Total	28.2	2.3	25.6	70.8	18.7	69.6	52.0	3.6	18.1	44.7
Printing and Information	Japan	10.5	0.4	3.6	6.0	2.6	-17.9	20.6	1.0	6.0	46.7
	Overseas	13.5	0.9	22.4	34.4	3.0	40.7	26.5	1.5	18.6	10.0
	Total	22.3	1.3	14.6	20.0	3.6	7.5	43.8	2.4	13.0	18.3
Others		2.0	0.0	43.7	-71.6	17.7	-29.8	3.7	0.1	39.4	-75.7
Adjustment		-1.4	-0.0	-	-	-	-	-2.4	0.0	-	-86.1
Total consolidated		101.3	7.4	17.0	50.6	14.7	41.8	189.7	12.6	12.4	34.1

(Note) The segment performance for Japan and overseas does not take into account eliminations between regions.

Performance by Segment (Quarterly Trends)

(¥ billions)

		FY12/2024				FY12/2025								FY12/2026			
		Q3		Q4		Q1		Q2		Q3		Q4		Q1		Q2	
		Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Colorants and Functional Materials	Japan	9.9	0.0	11.4	0.5	9.0	-0.1	10.3	0.2	9.2	0.0	11.0	0.5	9.9	0.5	11.1	0.6
	Overseas	15.6	0.4	15.7	0.4	14.4	0.0	15.9	0.4	16.2	0.2	15.5	0.8	14.5	0.1	16.9	0.8
	Total	21.2	0.7	21.1	0.5	19.8	0.5	21.6	0.3	21.9	0.6	21.1	0.9	20.0	0.6	22.8	1.2
Polymers and Coatings	Japan	14.3	0.7	14.5	0.4	13.3	0.3	14.2	0.6	13.8	0.7	13.9	0.5	13.9	0.7	16.1	0.9
	Overseas	11.7	1.2	12.0	1.3	10.9	1.3	11.3	1.4	12.2	1.6	12.6	1.8	12.2	1.6	14.5	1.6
	Total	22.3	1.8	23.6	1.8	21.2	1.6	22.6	2.1	22.9	2.3	23.5	2.4	22.4	2.0	27.4	2.6
Packaging	Japan	12.2	0.5	12.6	0.9	11.6	0.6	12.1	0.6	12.2	0.7	12.4	0.8	11.8	0.8	14.4	1.6
	Overseas	11.1	0.8	12.4	0.7	10.4	0.6	10.9	0.7	12.0	0.7	13.1	0.8	12.5	0.6	14.7	0.7
	Total	22.8	1.3	24.4	1.6	21.6	1.2	22.5	1.3	23.6	1.4	24.9	1.6	23.8	1.3	28.2	2.3
Printing and Information	Japan	9.9	0.4	10.7	0.4	9.4	0.3	10.1	0.4	10.1	0.5	11.1	0.7	10.2	0.5	10.5	0.4
	Overseas	13.1	1.1	11.9	0.6	11.4	0.7	11.0	0.7	12.3	0.7	11.9	0.6	13.1	0.6	13.5	0.9
	Total	21.2	1.4	21.4	1.0	19.3	1.0	19.5	1.1	20.8	1.2	21.4	1.3	21.5	1.2	22.3	1.3
Others		1.4	-0.0	1.6	-0.3	1.2	0.2	1.4	0.1	1.4	0.1	1.7	-0.1	1.7	0.0	2.0	0.0
Adjustment		-1.1	0.0	-1.1	-0.0	-1.0	0.0	-0.9	0.0	-0.9	-0.0	-1.0	-0.1	-1.1	0.0	-1.4	-0.0
Total consolidated		87.9	5.2	90.9	4.6	82.1	4.5	86.6	4.9	89.7	5.5	91.5	5.9	88.3	5.2	101.3	7.4

(Note) The segment performance for Japan and overseas does not take into account eliminations between regions.

Performance by Location

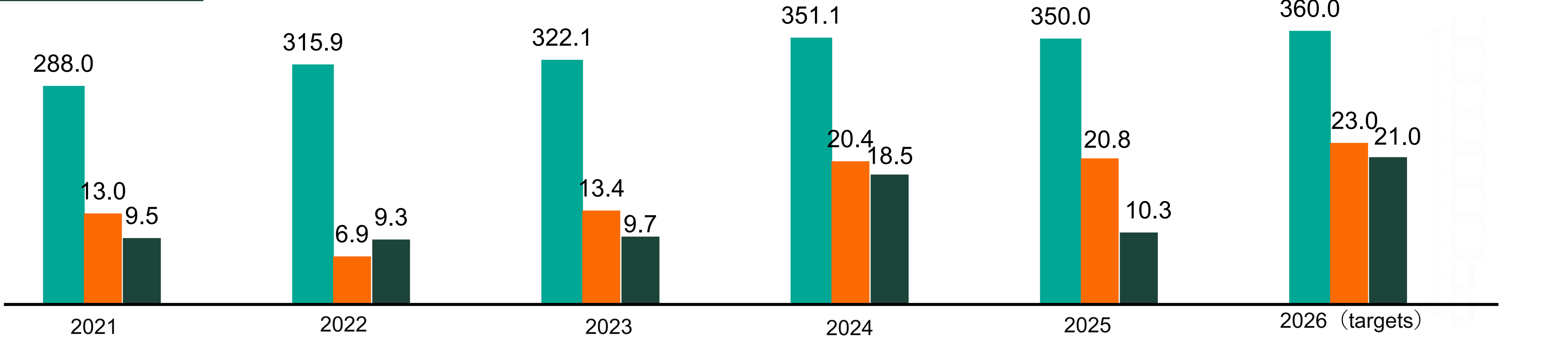
FY12/2026	Q2 FY12/2026 (¥ billions)		Increase/decrease(%) Year on Year		Increase/decrease(%) Quarter on Quarter		FY12/2026 Total Results (¥ billions)		Increase/decrease(%) Year on Year	
	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Japan	53.8	3.5	12.0	77.2	13.9	37.6	101.0	6.0	9.3	91.1
Asia	43.4	3.8	22.8	47.6	18.5	30.2	80.0	6.8	15.0	37.4
Europe	9.4	-0.3	18.5	-	3.6	-	18.5	-0.8	26.7	-
The Americas	6.9	0.6	20.4	60.0	5.5	40.6	13.5	1.0	15.0	29.3
Adjustment	-12.2	-0.2	-	-	-	-	-23.4	-0.4	-	-
Total consolidated	101.3	7.4	17.0	50.6	14.7	41.8	189.7	12.6	12.4	34.1

(Note) FY12/2025 (¥ billions)	Q1		Q2		Q3		Q4		Total	
	Net sales	Operating profit	Net sales	Operating income	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Japan	44.4	1.2	48.0	2.0	46.7	2.0	50.1	2.3	189.2	7.5
Asia	34.3	2.3	35.3	2.6	37.8	2.8	37.0	3.1	144.4	10.8
Europe	6.7	-0.1	8.0	0.3	8.6	0.0	10.0	0.3	33.3	0.5
The Americas	6.0	0.4	5.7	0.4	6.1	0.3	5.9	0.6	23.7	1.6
Adjustment	-9.1	0.6	-10.5	-0.3	-9.6	0.3	-11.4	-0.4	-40.6	0.3
Total consolidated	82.1	4.5	86.6	4.9	89.7	5.5	91.5	5.9	350.0	20.8

(Note) Inter-regional transactions and Company-wide expenses have not been deducted from the figures for each geographical area above.

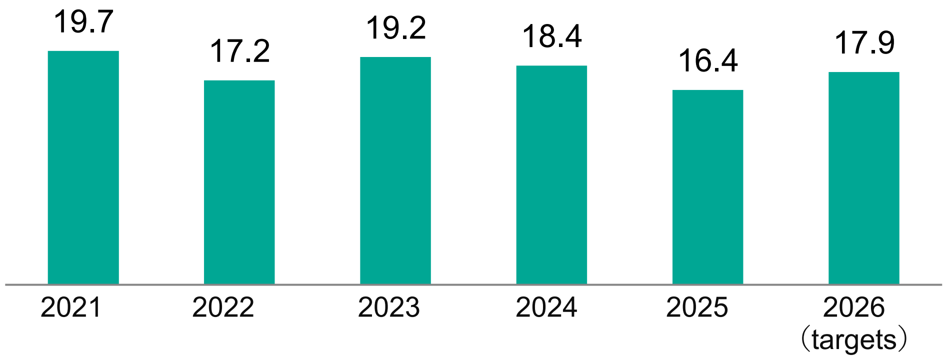
Supplemental Financial Data

Results (¥ billions)

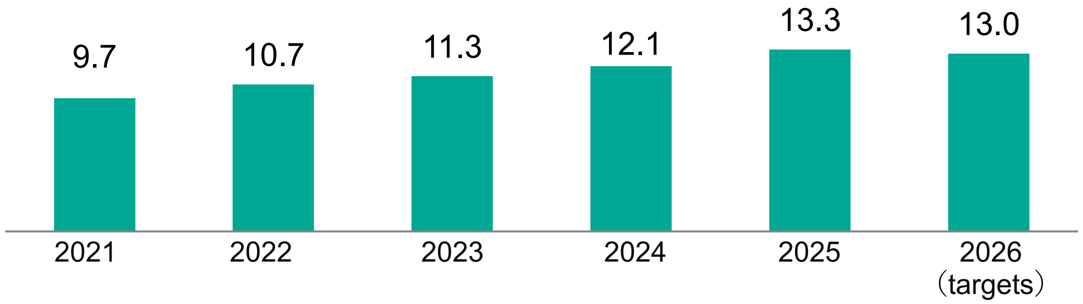


Capital Investment (¥ billions)

※Capital investment: Results shows the amount on an acceptance inspection basis, while the targets shows the amount on an order-placing basis.



Depreciation (¥ billions)



Colorants and Functional Materials Subsegments

Subsegments		Major Products	Major Applications
CF Materials	High functional pigments	High performance pigments	Pastes for color filter
		Pastes for color filter	Resist inks
	Materials for displays	Resist inks	Display panels, Sensor for imaging
Pigments		Pigments, Pigment dispersions	Printing inks, Paints for automobiles
Plastic colorants		Master-batches Compounds	Containers, Automobiles Home electronics OA building materials
Others		Inkjet inks	Billboards, Labels, Cartons
		Functional dispersions	Lithium ion batteries

Polymers and Coatings Subsegments

Subsegment	Major Products	Major Applications
Functional films and tapes	Adhesive tapes, Functional films	Smartphones
	Marking films	Signboards
Adhesives	Pressure sensitive adhesives	Labels, Displays
	Laminating adhesives	Packaging films, lithium ion batteries, solar cells
	Hot-melt adhesives	bookbinding, Body-wrapping labels for PET bottle
Paints and resins	Can coatings	Beverage cans, food cans
	resins, hard coatings	Printing Inks, Architectural paints, Display
Others	Medical	Transdermal patches
	Natural extracts	feeds, foods

Packaging Materials, Printing and Information Subsegments

	Subsegments	Major Products	Major Applications
Packaging Materials	Liquid inks	Gravure inks Flexographic inks	Flexible packaging (Food packaging, Refill pouches) Buildings Diapers, Cartons, Paper bag
Packaging Materials	Gravure printing systems and prepress	Gravure printing systems, Gravure and flexographic plate making	
Printing & Information	Offset inks (General inks)	Offset inks, Newspaper inks	Books, Newspaper, Flyers, Paper containers
Printing & Information	Functional inks	UV curable inks	Paper containers, Cards, Labels, Books
		Metal decorating ink	Beverage cans, Food can
		Screen inks	Electronics, Stickers
Printing & Information	Printing materials and machinery	Offset printing materials, printing inspection equipment	

Caution:

The information disclosed by the Group may contain information on business forecasts or future projections. This information is based on information available at the time of disclosure and certain assumptions that the Group deems reasonable. It may differ from actual results due to various risk factors and other uncertain factors.
The information disclosed by the Group is intended to provide information for deepening stakeholders' understanding about the Group, and it is not intended to solicit investment. Please note that the Group accepts no liability whatsoever for any monetary or non-monetary damages arising in connection with the information disclosed by the Group.

All amounts are rounded to the nearest 100 million yen.