

# First Half of FY2025 Results Briefing

artience Co., Ltd.

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## (Reference)

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- Performance by Segment and Region
- Major Products and Applications

# First Half of FY2025 Summary of Consolidated Business Performance

(Unit : 1 billion yen)

	1H, FY2024	1H, FY2025	Increase/ decrease(%)	FY2025 Forecast(Initial)	FY2025 Forecast (revised on Aug.8)
Net sales	172.3	168.7	-2.0	370.0	355.0
Operating profit	10.6	9.4	-11.2	22.0	19.0
Ordinary profit	12.4	8.6	-30.2	21.0	18.0
Profit attributable to owners of parent	9.4	5.5	-41.5	17.5	15.5
Operating margin	6.1%	5.6%	-0.5 (point)	5.9%	5.4%
Overseas sales ratio	56.0%	54.2%	-1.8 (point)	-	-
ROE	-	-	-	7.0%	6.0%

Assumed indexes for targets

		1H, 2024 Avg.	1H, 2025 Avg.	2025 Projections
Exchange rate	1 USD	¥154.1	¥ 147.5	¥150.0
	1 EUR	¥166.1	¥ 162.2	¥155.0
	1 RMB	¥21.3	¥ 20.3	¥21.0

		1H, 2024 Avg.	1H, 2025 Avg.	2025 Projections
Raw materials	Naphtha(/KL)	¥75,750	¥69,850	¥70,000

# Points of results

## Results for 1H, FY2025

- **First Half of FY2025 Summary:** Both sales and profit decreased. Compared to the previous year, when conditions were favorable, the polymers and coatings and packaging materials segments were solid, but CNT dispersions were weak, which resulted in a decrease in profit.
  - **Overseas**, strong performance was achieved by optical pressure sensitive adhesives for displays and functional films for mobile terminals in China. **In Japan**, sales increased due to growth in demand for certain products and price revisions. Sales of **CNT dispersions for LiBs** were on a recovery trend but the deficit increased. For **CF materials**, prices of some products were revised, but sales decreased given an inability to tap into the growth of demand in China. The impact of the **North American tariffs** was minor, but sales of products produced in Mexico decreased due to the wait-and-see trend in the market.
  - **Ordinary profit:** Foreign exchange losses were generated due to the strong yen and non-operating income and expenses deteriorated the previous fiscal year, when foreign exchange gains were posted.
- **Share buyback** (up to 10 billion yen or 4.5 million shares) and **share cancellation** (3 million shares, 5.63% of total shares outstanding) announced.

## FY2025 Outlook

- **Full-year outlook:** The cost of up-front investment will increase while sales of CNT dispersions are weak, and operating profit is expected to be below 20 billion yen.
- **Business outlook:**
  - **Overseas, growth businesses** (including adhesives and liquid inks) are expected to continue growing, particularly in India and Southeast Asia. Optical pressure sensitive adhesives in China are expected to grow significantly although the momentum will ease. In Japan, profit will be secured by continuing cost cutting and price revisions. Impact of the **U.S. tariffs** on market conditions and currency trends are a concern.
  - **CF materials** will continue to see a challenging business environment. Sales of **CNT dispersions for LiBs** will increase with a recovery in demand in Europe and shipments for a major customer in China, but the amount of sales is expected to be around 5 billion yen. Demand for printing and information segment's products will be sluggish due to rising prices of paper.

# FY2025: Progress in the Medium-Term Management Plan

## Basic Policy (1) Shift to existing businesses with high profitability

- **Growth business:** Profit is increasing, mainly in packaging-related areas (including liquid inks, pressure sensitive adhesives, laminating adhesives, and functional inks), as capital investments made during the previous medium-term management plan have resulted in equipment at overseas sites beginning to operate and contribute profit. A new pressure sensitive adhesives plant will begin operating in India in 2026. Additional investments in liquid inks are planned.
- **Stable Earnings Base Business, Business of Restructuring and Rebuilding Strategy:** The deficit in the offset ink business in Japan was reduced through the promotion of structural reforms and the revision of prices. Regarding plastic colorants and liquid inks in Japan, progress was made in the consolidation of the range of models and price revisions.

## Basic Policy (2) Creation of strategic priority businesses

- **Mobility & Battery Related Businesses:** We invested capital in CNT dispersions for LiBs, carefully selecting investment targets while the EV market was stagnant. The development of products for anodes and LFP batteries were also accelerated. While the overall plan has been delayed, we will steadily proceed with commercialization.
- **Display and Advanced Electronics Related Businesses:**
  - Looking at products related to displays, sales of optical pressure sensitive adhesives grew significantly due to our capturing the increase of demand that is associated with the shift to China.
  - In CF materials, a joint venture for sales in China was established, and our technology licensed production is expected to begin within 2025.
  - Regarding materials for optical semiconductors, development efforts have progressed, and results are being achieved.

## Basic Policy (3) Reform of business foundation

- We improved **capital efficiency** to **enhance our corporate value**.  
An additional stock buyback (up to 10 billion yen or 4.5 million shares)  
(period: May 12, 2025-May 11, 2026) and the cancellation of stock (3 million shares, 5.63% of total shares outstanding) have been announced.
- **The supervisory function of the Board of Directors** has been enhanced by increasing the percentage of directors that are independent outside directors (from 50% to 64%).
- Carry out efforts to realize **Sustainability Vision asv2050/2030**.

Improve ROE, and increase PBR

# Management Plan artience2027/2030 “GROWTH”

~announced revision of FY2025 forecasts(Aug.8)~

Goals

A future all people can live enriched lives

Sustainable society

Maximizing corporate value

	FY2023	FY2024	FY2025	FY2026	FY2029
Net sales	322.1 billion yen	351.1 billion yen	370.0⇒355.0 billion yen	400.0 billion yen	500.0 billion yen
Operating profit	13.4 billion yen	20.4 billion yen	22.0⇒19.0 billion yen	25.0 billion yen	
Operating margin	4.2%	5.8%	5.9⇒5.4%	6.3%	
ROE	4.2%	7.3%	7.0⇒6.0%	8.0% or higher	10.0% or higher

## 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

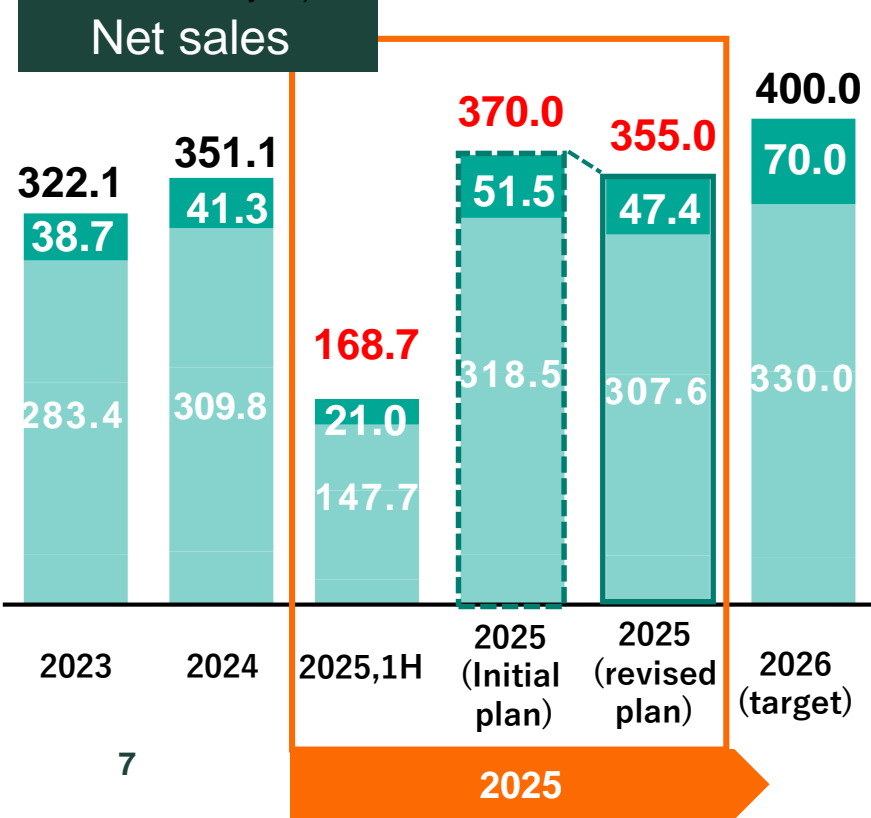
# First Half of FY2025 Progress of Mid-term Management Plan artience2027

## – Business Portfolio transformation (Basic Policy 1・2) –

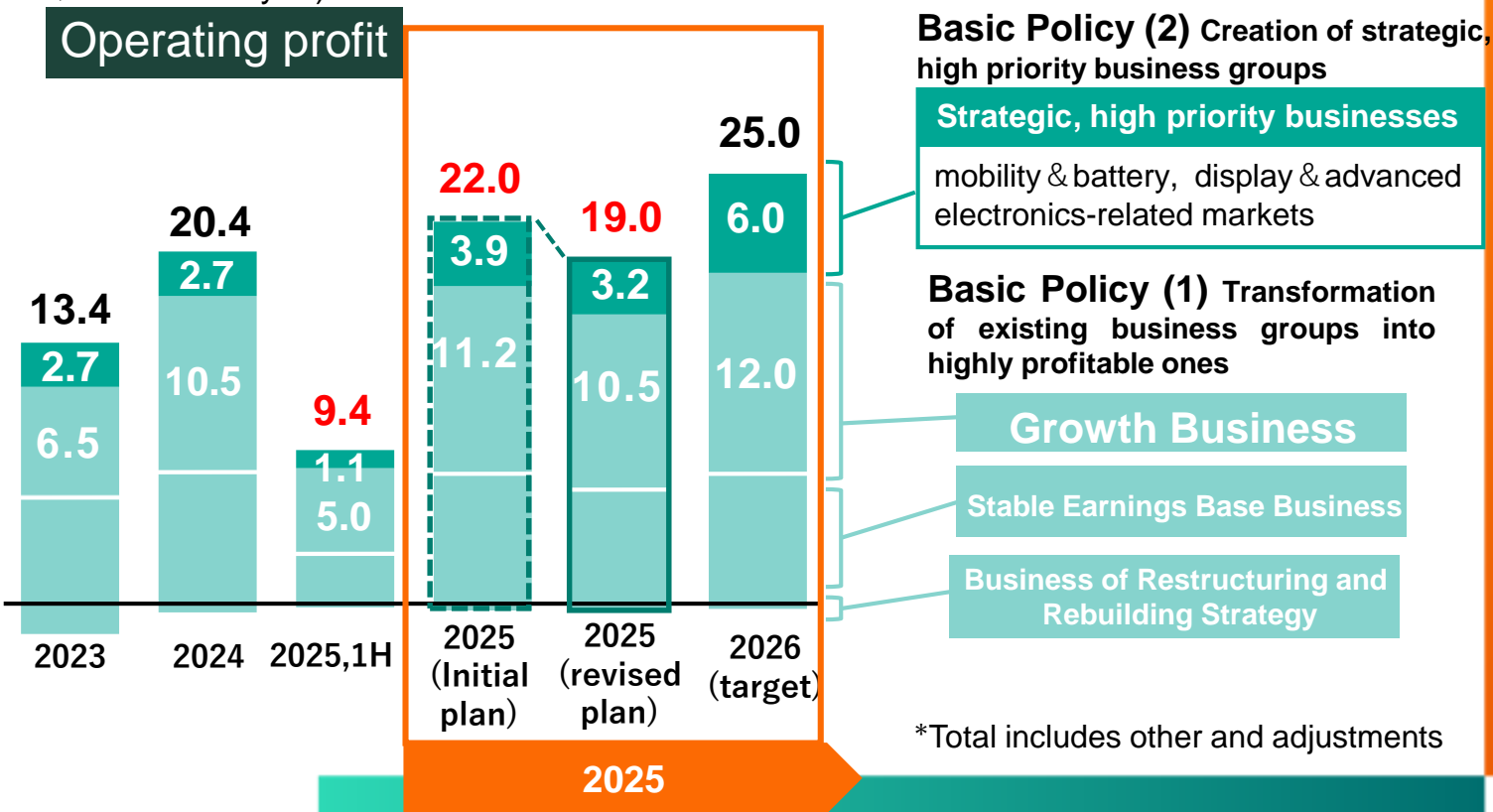
Growth business was on par with the year-ago level in the first half. Among the strategic, high priority business groups, the acceptance of orders for CNT dispersions was delayed, and FY2025 targets were revised.

- **High profitable existing business groups:** Regarding growth business, packaging materials related business grew positively. A new plant began operating in Turkey. In India, further investments will be made to increase profit.
- **Strategic, high priority business groups:** Among products for displays, sales of optical pressure sensitive adhesives increased in the Chinese market. For CF materials, a joint venture was established in China. In the Mobility & Battery Related Businesses, sales target was revised and capital investment was decreased in response to the slow recovery of the CNT dispersion market.

(Unit:1 billion yen)

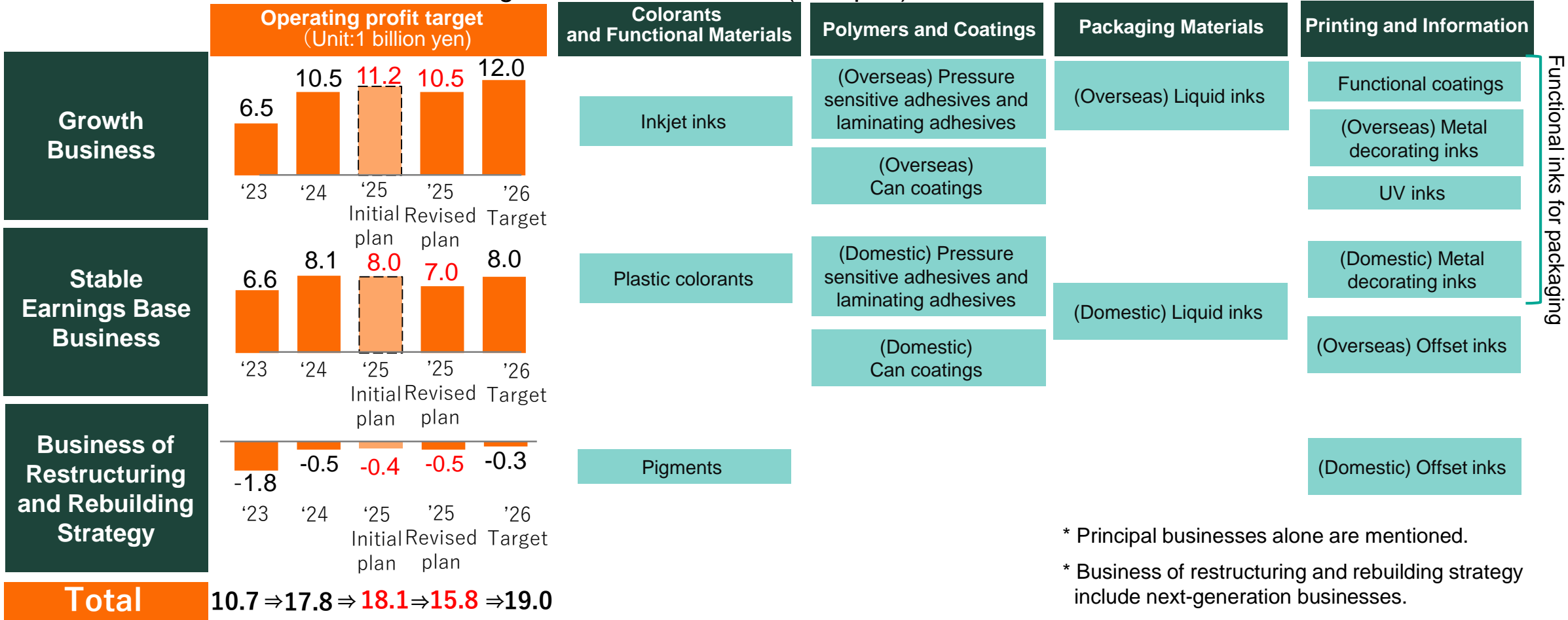


(Unit:1 billion yen)



# Basic Policy (1) Transformation of existing business groups into highly profitable ones

- FY2025 target values of each existing business with high profitability were revised.
- **Progress in FY2025:** Growth slowed compared with the previous year, when the performance was strong, but positive growth was achieved by can coatings and functional coatings, among other products. Plastic colorants for solar cells declined overseas. Pigments and offset inks (in Japan) remained in the black.





Progress in the medium-term management plan: Basic policy (1) Transformation of existing business groups into highly profitable ones

## Capture the growth of the global market (Polymers and Coatings, Packaging Materials segments)

- The growth in India was remarkable, so we plan to continue to invest in liquid inks following the expansion of pressure sensitive adhesives that was announced last year. A new plant began operating in Turkey.
- Growth has been positive, mainly in Asia, due to the investment of capital in overseas sites during the previous medium-term management plan and M&A activities in Thailand.

### ■ Asian market outlook

- Demand will grow in the packaging-related market in proportion to population increase.
- In step with economic development, progress will be made in the shift to higher quality products, the growth of demand for environmental consideration, and the shift to the local production of industrial materials.

### ■ Our strengths

- Our competitiveness has been maintained because of the optimization of procurement leveraging the strong network we constructed over many years and our brand power
- System for speedy development tailored to local needs

### ■ Gujarat Plant in India

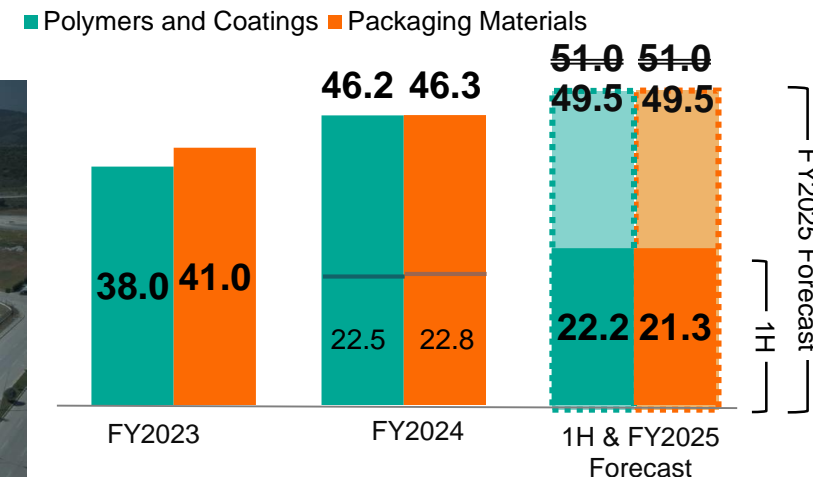


### ■ New operating plant in Turkey



### Changes in overseas sales\* of Polymers and Coatings, Packaging Materials

(1 billion yen)



\* Overseas performance does not reflect the elimination of transactions between regions.

\* FY2025 forecast has been changed on August 8.

## Mobility & Battery Related Businesses: CNT dispersions for LiB (1)

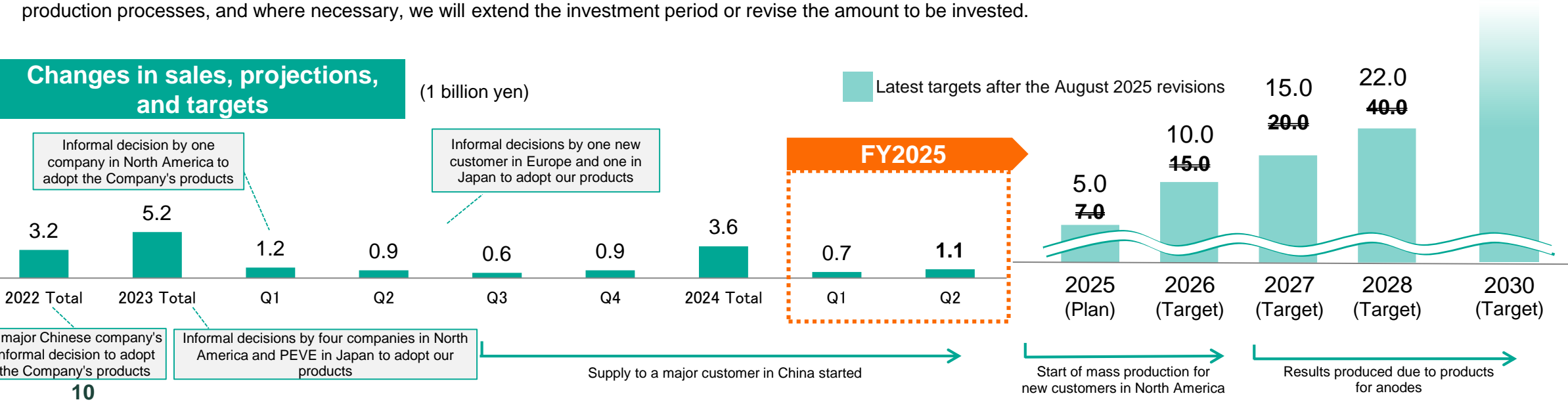
### First half of FY2025 overview and highlights by site:

Net sales were 1.8 billion yen, indicating a recovery. Regarding products for major Chinese companies, we engaged in activities to have our products used in Chinese cars, in addition to European cars. Several local competitors in China were confirmed. We pushed forward with the development of products for anodes and began to provide and evaluate samples of CNT dispersions with the goal of enhancing the functionality of LFP batteries.

- Sites in the US: Sluggish demand from SKon persisted. Shipments to new customers began. A company that made an informal decision to adopt our products reviewed its battery production in response to deteriorating market conditions.
- Site in Hungary: The production system was reinforced in response to the strong demand from SKon. The facility is being expanded for a new customer in 2026.
- Site in Zhuhai, China: Full-scale shipments for major Chinese customers are scheduled to begin in the second half. Products for Chinese cars will be shipped, in addition to products for European cars.
- Japan: Demand from Toyota Battery related to HEVs remained steady. Other customers delayed plans.

### Future prospects:

While shipments to a major customer in China are expected to increase, sales are projected to be 5.0 billion yen, falling short of the initial target of 7.0 billion yen, due to changes in the product mix made in response to the competitive environment in China and to customers in Japan changing their plans. In North America, a company that made an informal decision to adopt our products suspended their construction of a plant, but we aim to have other companies reach informal decisions to adopt our products. The evaluation of products for anodes and those for LFP batteries will be promoted, and we will consider capital investments. We expect results to start being produced around 2027. We will also continue the development of products for all-solid batteries. In consideration of the above, we will revise our targets (for the first time since November 2024). Regarding the amount of capital that we will invest during the three-year period of the medium-term management plan, we will consider market conditions, customer trends, and the optimization of production processes, and where necessary, we will extend the investment period or revise the amount to be invested.



Mobility & Battery Related Businesses: CNT dispersions for LiB (2)

2021-2025 CAGR forecast

BEV shipments\*

+25%

\*Based on our research

Our net sales

+34%

2025-2030 CAGR forecast

BEV shipments\*

+13%

\*Based on our research

Our net sales target

+40%

- Silicon was added to anodes to increase battery capacity and permit rapid charging. CNT began to be used to ensure conductivity.
- Use of CNT as a conductive additive was started to increase the output of LFP batteries.
- In Europe and the U.S., more than 90% of batteries are ternary batteries, and this is expected to expand in the future.

Electrolyte	EV Trends		Needs for automotive batteries	Cathode materials		Anode materials	
				Active materials	Conductive agent	Active materials	Conductive agent
Liquid	★ ★	Current Low-End	Low capacity / Low cost	LFP	CB/CNT	Graphite	-
	★	Next Gen Middle-End	Medium capacity / Low cost	LMFP			
	★ ★ ★	Current High-End	High capacity / High cost	NCA/Ternary (High Nickel NCM)			
	★ ★ ★	Next Gen High- End	Ultra-high capacity / Medium cost / Quick charge	Ternary (Low cost NCM)			
Solid	★	Next Gen Ultra High-End	Ultra-high capacity / Safety / Ultra-rapid charging	Ternary	CB/CNT	Graphite	-

★ Our expectation level of CNT dispersion sales

**Display & Advanced Electronics Related Businesses: Expansion of sales of peripheral materials and semiconductor-related materials**

■ In response to the shift to China and the fierce competitive environment, we secured a production site in China through a joint venture to increase our market shares. Target of FY2026 operating profit has changed from 5.0 to 6.0 billion yen.

**Display**

✓ We secured earnings by increasing our share of the Chinese market. We also developed next-generation materials.

**CF materials**

- In or after 2026, our joint venture in China will start the full-scale production of resist inks and we will transform our business model with the goal of increasing our market share in China and expanding our sales channels for products for small and midsize panels.

**Optical pressure sensitive adhesives**

- Growth achieved by responding to the market's shift to China. The production capacity shortage will be addressed through cooperation within the Group.
- We rolled out high heat-resistance, value-added products for automotive applications.
- We expanded biomass pressure sensitive adhesives that cater to demand for environmental consideration.

**Advanced electronics**

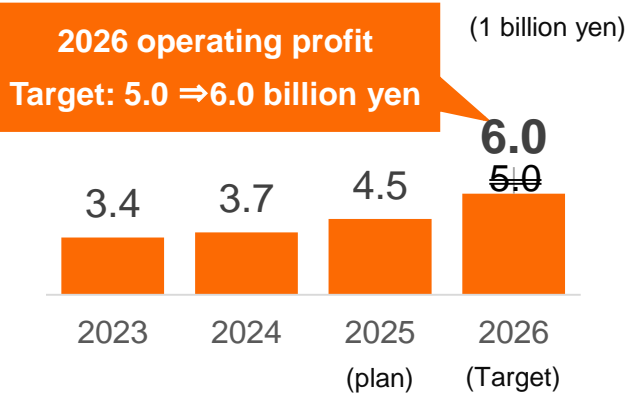
✓ Expand materials for semiconductors and other new materials and accelerate the evaluation of products under development.

**Sensors (optical semiconductors)  
Semiconductor-related materials**

- We enhanced materials for next-generation sensing devices.
- Results began to be achieved regarding low-dielectric resins used in data centers, etc., and we accelerated our expansion of the materials for which we apply the film technologies developed for FPC.



**Changes in the operating profit of Display & Advanced Electronics Related Businesses**





# ESG Topics

E

## Initiatives for achieving the asv2050/2030 Sustainability Vision

- Formulation of new materiality that is linked with the Med-Term Management Plan and the Sustainability Vision, driving Internal and External awareness.
- The introduction of electricity from renewable energy sources and the addition of solar power generation equipment at multiple sites in Japan and other countries(Since 2024; Belgium, Tenjin, Shanghai, Fuji, Moriyama, etc.)
- Increasing the percentage of the roadmap towards decarbonization (in global) (60% in 2023 → 88% in 2024, 93% forecast in 2025 (based on CO2 emissions)

S

## Measures implemented to improve engagement and realize DE&I

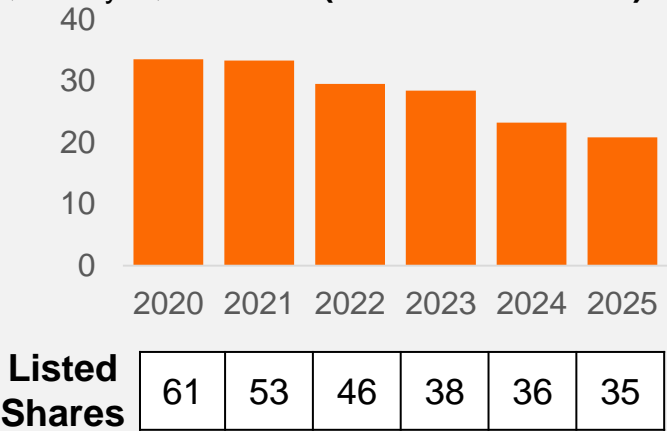
- Carried out engagement survey for strengthening the human capital in consecutive years. Expand surveys at overseas sites. Hiring of non-Japanese personnel in the development and marketing departments(7 people hired). 41.2% of 2025 new graduate hires are female. Roundtable talks by CEO with employees held at domestic and overseas site with an objective of instilling the brand (visited 6 places in 2025, 1H).

G

## Management initiatives with awareness of capital efficiency improvement and the share price

- Cancellation of treasury shares<sup>\*1</sup>, acquisition of treasury shares<sup>\*2</sup>, continuing to reduce shareholdings(9.5billion yen in 2024)
- Strengthening the governance system, ROE basis management, Increase the proportion of independent outside directors to strengthen the supervisory function of the board of directors, Considering reflecting the level of achievement of ROE in directors' remuneration, Strengthening the SR/IR activities

■ **Listed shares held by the Company in monetary terms**  
(billion yen) (book value basis)



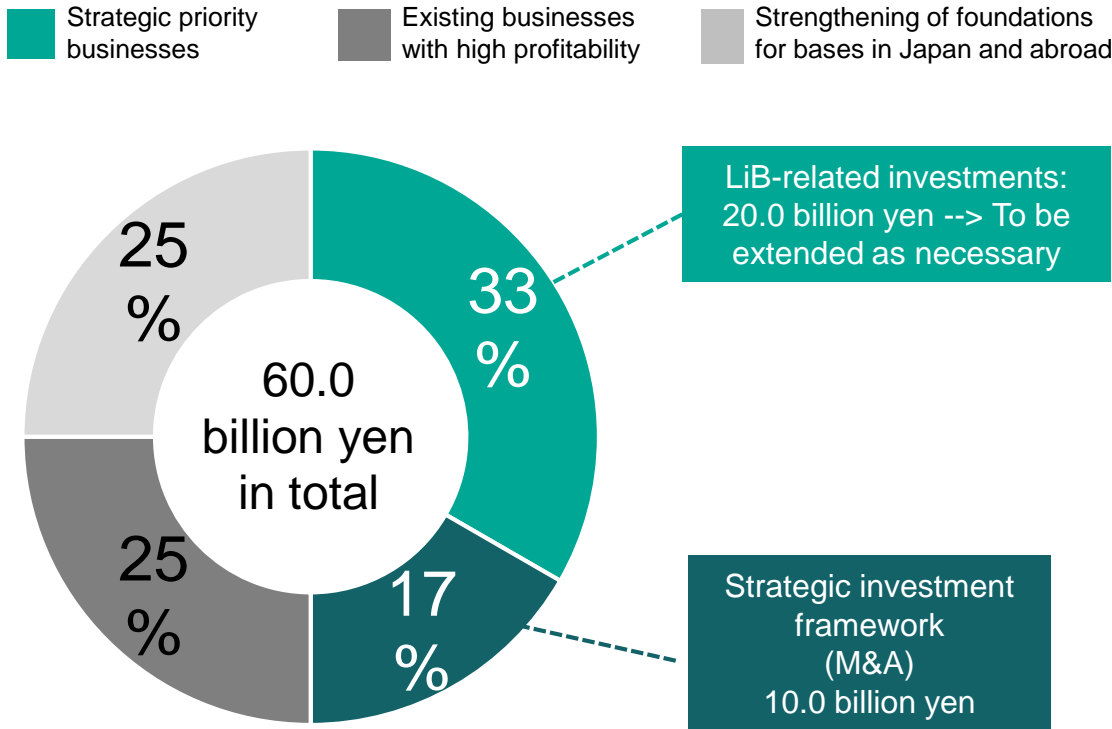
\*1: Already implemented in the end of May 2024 and the end of 2025.

\*2: Upper limit of 4,500,000 shares or 10.0 billion yen (Acquisition period: August 13, 2024 ~ / May 12, 2025~ within a year period)

Progress in the Capital Investment Plan

- Under the Medium-Term Management Plan, capital investment totaling 60.0 billion yen is planned to be made in the three years. We will extend or review investments related to LiBs as necessary by also considering market conditions, customer trends, and the optimization of production process. Strategic investment funds, which were set at an upper limit of 10.0 billion yen, will be allocated mainly to pay expenses related to M&A activities.

Allocation of capital in the capital investment plan: Total amount to be allocated during the three-year period of the medium-term management plan



FY2025 capital investment plan and depreciation expenses

	1H, FY2025 (Results)	FY2025 (Plan)
Capital investment*	8.3	15.8
Depreciation	6.4	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  
FY2024: 6.2 billion yen  
FY2025: To be reduced from 7.1 billion yen to 1.9 billion yen and carried over to the next fiscal year and thereafter

FY2024 and FY2025, others:  
Addition of pressure sensitive adhesives in India, new plant in Turkey, polymer pilot building, sensors, optical pressure sensitive adhesives, etc.

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# First Half of FY2025 Summary of Consolidated Business Performance

(Unit : 1 billion yen)

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ROE	-	-	-	7.0%	6.0%

Assumed indexes for targets

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	1 EUR	¥166.1	¥ 162.2	¥155.0
	1 RMB	¥21.3	¥ 20.3	¥21.0

		1H, 2024 Avg.	1H, 2025 Avg.	2025 Projections
Raw materials	Naphtha(/KL)	¥75,750	¥69,850	¥70,000



# First Half of FY2025 Summary of Consolidated Business Performance

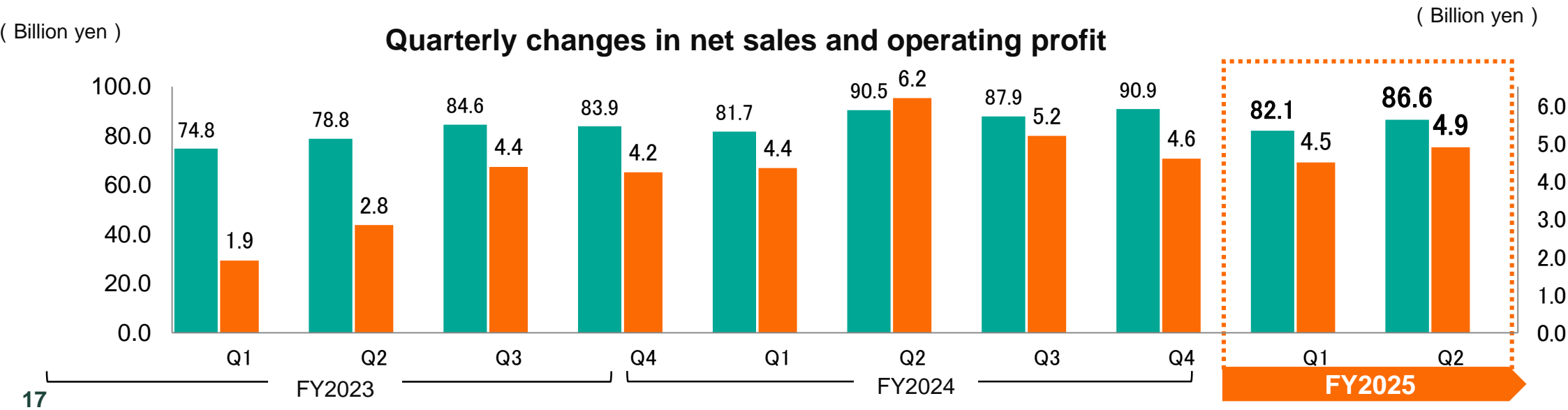
■ **Decrease of both sales and profit:** Compared to the previous year, when conditions including exchange rates were favorable, growth businesses were solid, but CNT dispersions were weak, which resulted in a decrease of profit.

- Net sales
- Operating profit
- Ordinary profit

Overseas, pressure sensitive adhesives for displays and functional films in China were strong, but we were unable to tap into demand for CF materials, which resulted in a decrease of sales. CNT dispersions were trending toward a recovery in Europe but shipments were slow in North America and China. In Japan, packaging related sales increased due to growth in demand for certain products and price revisions.

Cost reduction and price revisions were continued in Japan. We revised the prices of color filter materials, but there was a little progress in shipments of products for small and midsize panels, so the ultimate result was a decrease of profit. CNT dispersions were also weak, and the deficit increased. Overseas, growth businesses were strong in India and Southeast Asia, but printing and information models were weak overall mainly due to rising paper prices.

Foreign exchange losses were incurred due to the strong yen, and non-operating income and expenses were worse than in the previous fiscal year, when foreign exchange gains were posted.



# First Half of FY2025 Analysis of Factors Behind YoY Difference in Operating Profit



## Increased costs

Labor costs, logistics costs, and other expenses have continued to increase due to inflation. Depreciation costs have risen due to investment in areas such as LiBs-related products and Turkey.

## Changes in sales mix

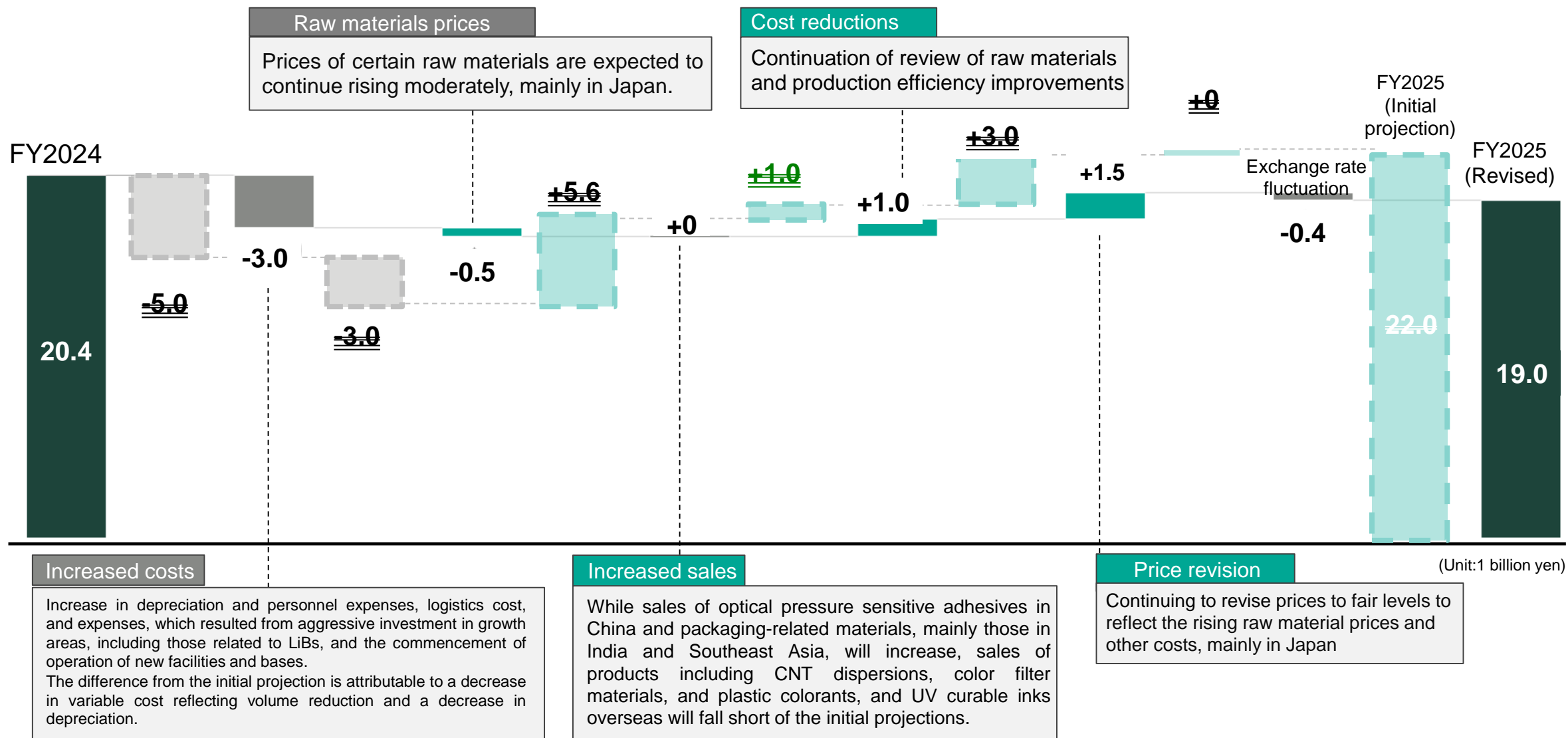
Growth was achieved by optical pressure sensitive adhesives in China and can coatings in Japan and overseas, which belong to a growth business. On the other hand, CF materials and CNT dispersions were stagnant. Overseas, the market for offset inks were sluggish.

## Price revision

Prices have been revised to fair levels to reflect the rising raw material prices and other costs, mainly in Japan.

# (Reference) FY2025 Projection of Factors for YoY Difference in Operating Profit

(Announced on February 20, 2025 --> Revised on August 8)



FY2025 Summary of Performance by Business Segment

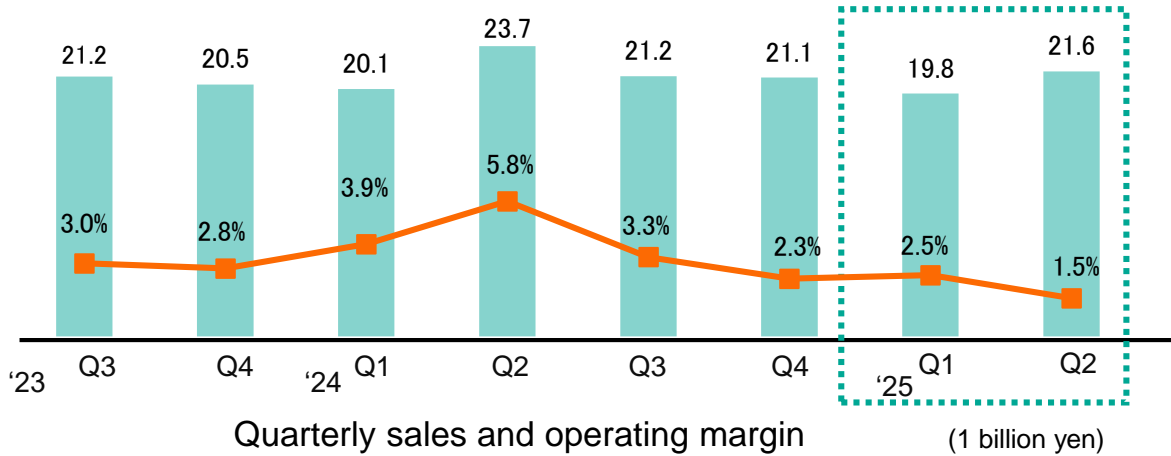
	Results for 1H, FY2024 (billion yen)		Results for 1H, FY2025 (billion yen)		Increase/decrease (%)		Results for FY2024 (billion yen)		FY2025 Forecast (initial) (billion yen)		FY2025 Forecast (revised on Aug.8) (billion yen)	
	Net sales	Operating Profit	Net sales	Operating Profit	Net sales	Operating Profit	Net sales	Operating Profit	Net sales	Operating Profit	Net sales	Operating Profit
Colorants and Functional Materials	43.8	2.2	41.4	0.8	- 5.6	-62.5	86.1	3.4	90.0	3.9	89.0	2.5
Polymers and Coatings	42.6	3.5	43.8	3.7	2.8	5.3	88.5	7.2	95.0	7.8	92.0	7.5
Packaging Materials	44.3	2.5	44.1	2.5	-0.6	-0.7	91.5	5.4	97.5	5.9	93.0	5.4
Printing and Information	40.7	2.5	38.8	2.1	-4.8	- 16.9	83.3	4.9	85.5	5.1	80.0	4.5
Others and Adjustment	0.8	- 0.1	0.7	0.3	-4.6	-	1.6	-0.4	2.0	- 0.7	1.0	-0.9
Total consolidated	172.3	10.6	168.7	9.4	- 2.0	- 11.2	351.1	20.4	370.0	22.0	355.0	19.0

First Half of FY2025 Summary by Business Segment (Colorants and Functional Materials)

■ **Net sales/Operating profit** Both sales and profit decreased. Sales of CNT dispersion for LiBs were trending toward a recovery in Q2, but overall, the segment remained weak.

Results	1H, FY2024	1H, FY2025	YoY Increase/decrease(%)	FY2025 (after Aug.8th revision)
Net sales	43.8	41.4	- 5.6	89.0
Operating profit	2.2	0.8	-62.5	2.5

(Unit : 1 billion yen)



	YonY increase / decrease in net sales	Summary
Color filter materials	-7.0%	Sales of CF materials decreased due to lack of growth in terms of quantity, partly reflecting the rise of a local manufacturer and the slow recovery of products for small and midsize panels in Taiwan. This was partially offset by the effects of government subsidies in China and the rush demand before the increase of U.S. tariffs. We revised prices for customers in Japan and overseas. CF materials for sensors remained solid.
Plastic colorants	-3.8%	Both sales and profit increased in Japan. Products for home electronics and office automation equipment in Southeast Asia were strong. Profit decreased due to the weak performance of products for solar cells in China and products for automobiles in North America.
Pigments	-8.2%	Profit continued to increase, mainly due to the effects of sales promotions, the cost reductions and price revisions that had continued up since the previous fiscal year, and the decrease in the prices of imported raw materials.
Other	-6.8%	Sales of inkjet inks remained firm, particularly for commercial printing and labels. CNT dispersions for LiBs were trending toward a recovery in Europe. Sales to a major customer in China were weak. In North America, there was a recovery trend in terms of quantity, but a company that had made an informal decision to adopt our products suspended their production plans. We accelerated the development of new products, including products for anodes.

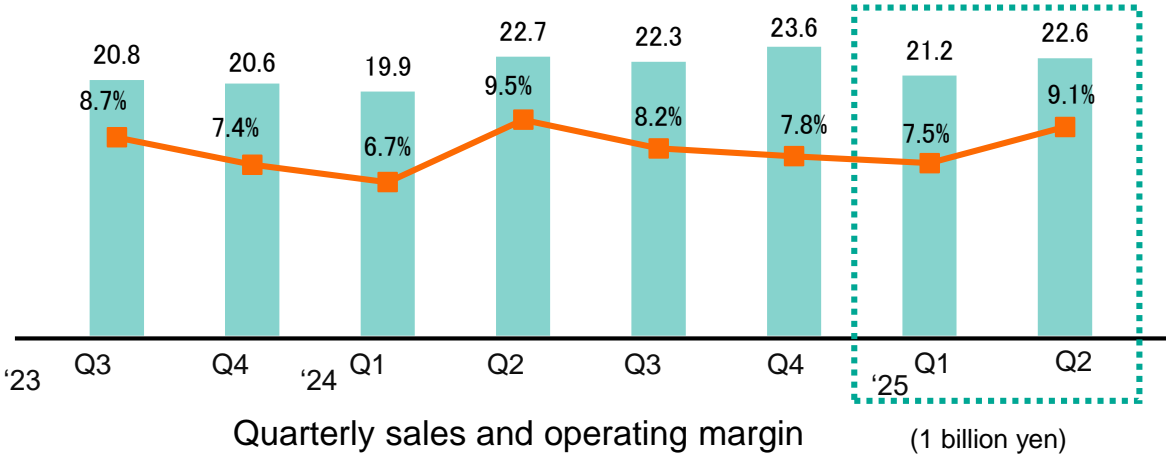
■ **FY2025 Second Half Outlook** The profit from CF materials is expected to be on par with the previous year. For plastic colorants, we will aim to increase profit in Japan and Southeast Asia, but the recovery of products for solar cells is not expected. We are increasing production of CNT dispersions in response to the growing demand in Europe. Full-scale sales to a major customer in China is also expected.

First Half of FY2025 Summary by Business Segment (Polymers and Coatings)

■ **Net sales/Operating profit** Both sales and profit increased. Profit declined in Japan, but overseas, optical pressure sensitive adhesives for displays in China and can coatings performed strongly.

Results	1H, FY2024	1H, FY2025	YoY Increase/decrease(%)	FY2025 (after Aug.8th revision)
Net sales	42.6	43.8	2.8	92.0
Operating profit	3.5	3.7	5.3	7.5

(Unit : 1 billion yen)



	YonY increase / decrease in net sales	Summary
Coating materials	+7.6%	Sales of functional films increased due to products for new models of mobile terminals and the expansion of sales in China, but profit decreased due to exchange rates and high raw material prices. Additionally, shipments of semiconductor-related materials developed by artience, which began to produce results last year, continued.
Adhesives	+0.5%	In Japan, we moved forward with the revision of prices and the review of our raw material supply chain. However, profit decreased despite the increase in sales, mainly due to the slow demand for products for labels. Overseas, optical pressure sensitive adhesives for displays in China grew significantly, driving the growth of profit. Profit from laminating adhesives decreased in Japan, despite the strong performance of products for packaging in Japan and Asia, because the price revisions did not compensate for losses. Profit increased overseas.
Paints and resins	+5.4%	Profit from can coatings increased due to a rush of demand in Q1 in Japan. Overseas, positive growth was achieved due to the expansion of sales of products for beverage cans and the growth of demand for products for food cans in Thailand. In Turkey, sufficient sales were achieved in terms of quantity due to the increase of market share. Low-dielectric resins used in data centers, etc. are newly adopted.

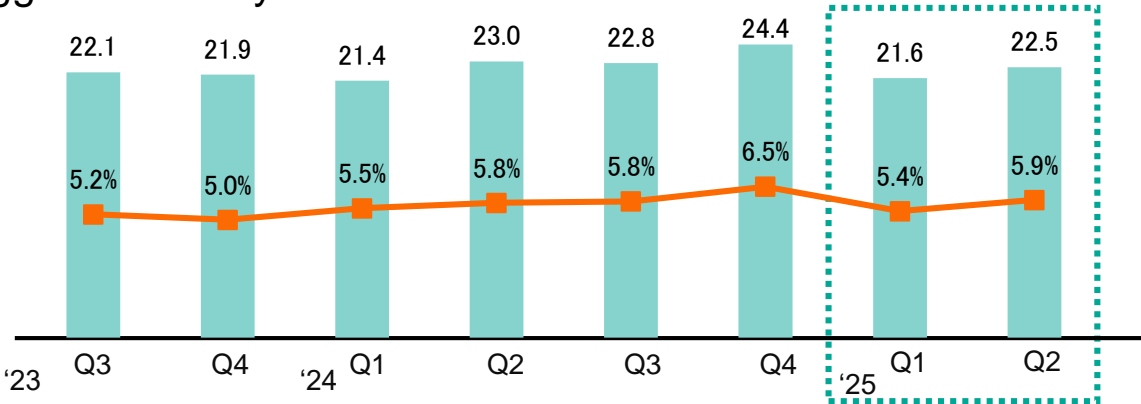
■ **FY2025 Second Half Outlook** Mobile devices in the high price range had been added to the targets of consumer electronics subsidies in China, which makes it likely that functional films will grow again in Q3 continues steady growth. Demand for optical pressure sensitive adhesives is expected to level off. Adhesives are expected to perform at the same level in the first half.

First Half of FY2025 Summary by Business Segment (Packaging Materials)

**Net sales/Operating profit** Both net sales and operating profit were on par with the previous year. Performance was solid in Japan and strong in Southeast Asia and India, and was sluggish in Turkey.

Results	1H, FY2024	1H, FY2025	YoY Increase/decrease(%)	FY2025 (after Aug.8th revision)
Net sales	44.3	44.1	-0.6	93.0
Operating profit	2.5	2.5	-0.7	5.4

(Unit : 1 billion yen)



Quarterly sales and operating margin

(1 billion yen)

	YonY increase / decrease in net sales	Summary
Domestic liquid inks	+3.0%	Both sales and profit increased. In Japan, products for food packaging, including packaging related to rice, beverages, frozen food, and pet food, performed well and our market share continued to increase thanks to growing sales. Despite soaring raw material prices and logistics expenses, we continued to streamline production by consolidating the range of items, reduce fixed costs, and implement price revisions.
Overseas liquid inks	-6.0%	In China, we conducted a review to enhance production and sales systems. Demand was firm in Southeast Asia and India, resulting in an expansion of laminated products. We made particular progress expanding market share in India. We reviewed the supply chain to reduce costs. In Turkey, performance was weak partly due to the impact of inflation, the new plant came into operation and demand was trending toward a recovery,.

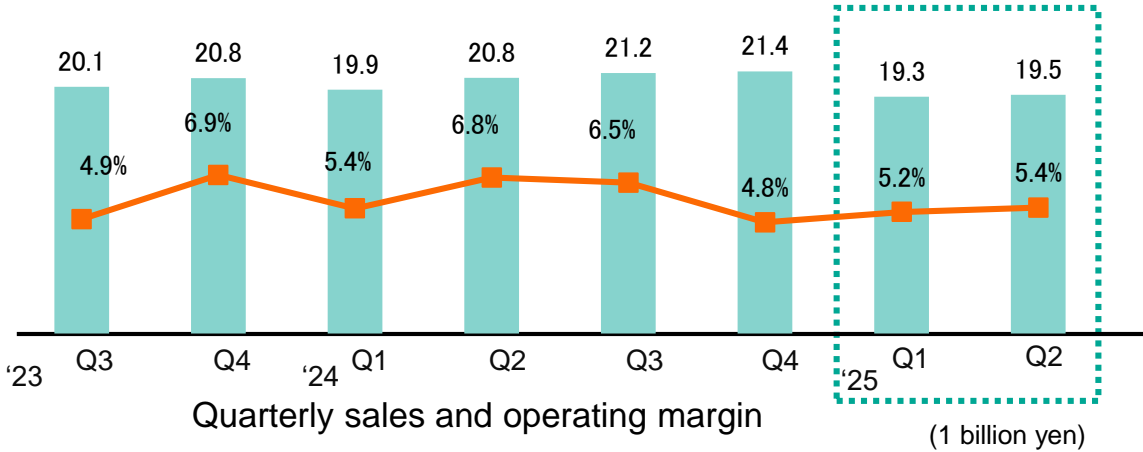
**FY2025 Second Half Outlook** In Japan flexographic inks for cartons and gravure inks, whose sales are strong, are contributing to profit. We will steadily capture demand by consolidating the range of items and expanding sales. We will continue to invest capital to tap into the growth in India.

First Half of FY2025 Summary by Business Segment (Printing and Information)

**Net sales/Operating profit** Both sales and profit decreased. Despite a shrinking domestic information-related printing market, functional coatings performed well.

Results	1H, FY2024	1H, FY2025	YoY Increase/decrease(%)	FY2025 (after Aug.8th revision)
Net sales	40.7	38.8	-4.8	80.0
Operating profit	2.5	2.1	-16.9	4.5

(Unit : 1 billion yen)



	YonY increase / decrease in net sales	Summary
Offset inks (General inks)	-10.4%	Both sales and profit decreased. In Japan, despite a shrinking market for information-oriented printing, improvements to profit continued, reflecting ongoing reform of production and sales systems, and price revisions that incorporated logistics costs and other factors. Overseas, sheet-fed inks were stagnant in applications for publication and paper containers.
Functional Inks*	-0.2%	Both sales and profit decreased. In Japan, UV inks were strong in the area of commercial printing and cards but were weak in packaging-related areas such as paper containers and labels due to rising paper prices. Overseas, shipments of UV inks were sluggish in North America due to customer circumstances. Functional coatings for high-grade paper containers performed steadily.

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

**FY2025 Second Half Outlook** In Japan, we expect to see the effects of the cost reductions and price revisions implemented in the first half. Cards are expected to remain strong. We will expand sales of UV inks, by enhancing sales overseas in particular. Demand for functional coatings is projected to decline slightly.



■ **Contact for IR-related inquiries**

[ir@artiencegroup.com](mailto:ir@artiencegroup.com)

■ **Website**

<https://www.artiencegroup.com>

## ■ **Major News Releases**

- Received Toyota Battery's Zero Defects Award (May 27, 2025)

<https://www.artiencegroup.com/ja/news/2025/25052701.html>

- artience group Integrated Report 2025 Released (June 27, 2025)

<https://www.artiencegroup.com/ja/news/2025/25062701.html>

- Three Printing Inks Manufacturers Start Joint Deliveries in the Tokyo Metropolitan Area to Improve Logistics Efficiency and Solve Social Issues (July 1, 2025)

<https://www.artiencegroup.com/ja/news/2025/25070101.html>

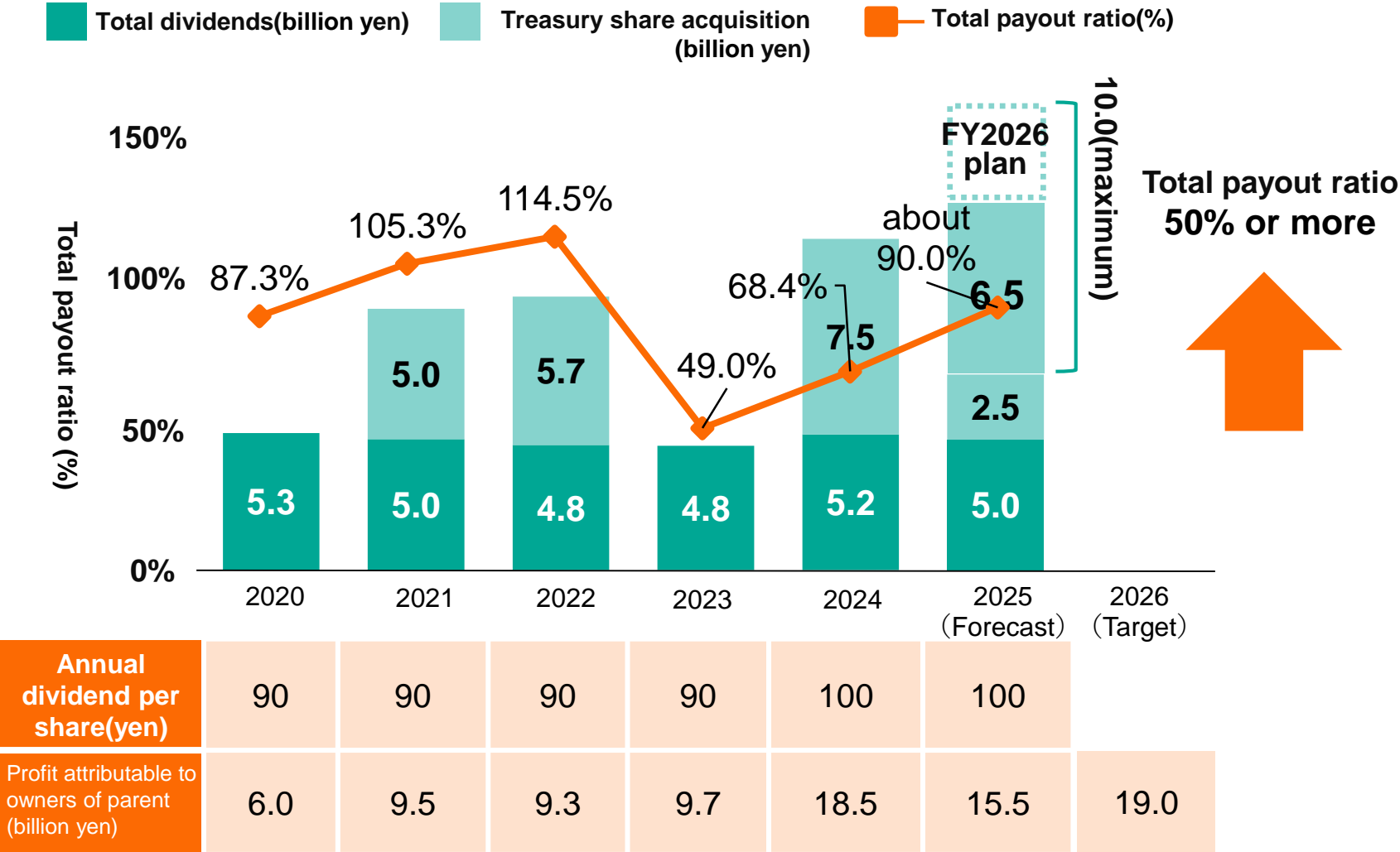
- artience and Immuno-Biological Laboratories Sign a Memorandum of Understanding on Business Alliance in Life Sciences (July 1, 2025)

<https://www.artiencegroup.com/ja/news/2025/25070102.html>

# (Reference) mid-term management plan artience2027 Shareholder Return Policy

■ Introduce a total payout ratio target and aim to raise the level of shareholder returns according to 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.



\*On May 9<sup>th</sup> 2025 ,announced 4.5million shares(maximum)or 10 billion yen(maximum) Treasury Share Acquisition . Period: May.12, 2025-May. 11, 2026.

\*Profit attributable to owners of parent in FY2025 reflects revisions on August 8<sup>th</sup> .

# (Reference) Consolidated Balance Sheet and Profit & Loss Statement

(unit : 1 billion yen)

	1H, FY2024	1H, FY2025	Increase/ decrease(%)	FY2025 Forecast(revised)
Net sales	172.3	168.7	-2.0	355.0
Operating profit	10.6	9.4	-11.2	19.0
Ordinary profit	12.4	8.6	-30.2	18.0
Profit attributable to owners of parent	9.4	5.5	-41.5	15.5
Operating margin	6.1%	5.6%	-0.5 (point)	5.4%
Overseas sales ratio	56.0%	54.2%	-1.8 (point)	

	As at Dec.31,2024	As at Jun.30,2025
Interest-bearing debt(1billion yen)	83.9	76.1
New worth ratio(%)	55.4	56.6
D/E ratio	0.39	0.35

FY2025	First Half	Year End (forecast)
Dividend (yen/1share)	50	50

(unit : 1 billion yen)

	As at Dec. 31, 2024	As at Jun. 30, 2025	Increase/ decrease(%)
Current assets	245.3	221.7	-9.6
Fixed assets	227.5	223.2	-1.9
Total assets	472.8	445.0	-5.9
Current liabilities	139.5	119.4	-14.4
Long-term liabilities	59.6	63.1	5.9
Total liabilities	199.0	182.5	-8.3
Total net assets	273.8	262.5	-4.1
Total of liabilities and net assets	472.8	445.0	-5.9

	As at Dec. 31, 2024	As at Jun. 30, 2025
Consolidated subsidiaries	56	56
Equity method companies	4	5

# (Reference) Performance by Segment

		2nd Quarter FY2025 (1 billion yen)		Increase/decrease(%) Year on Year		Increase/decrease(%) Quarter on Quarter		Total Results, FY 2025 (1 billion yen)		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	10.3	0.2	-4.6	-56.5	14.6	-	19.3	0.1	-5.2	-88.6
	Overseas	15.9	0.4	-10.7	-62.9	10.5	873.8	30.3	0.4	-7.3	-69.0
	Total	21.6	0.3	-8.7	-77.0	9.2	-35.9	41.4	0.8	-5.6	-62.5
Polymers and Coatings	Japan	14.2	0.6	-2.8	-31.3	7.2	128.2	27.5	0.9	0.6	-29.5
	Overseas	11.3	1.4	-7.0	16.2	3.6	5.8	22.2	2.7	-1.4	25.6
	Total	22.6	2.1	-0.5	-3.9	6.6	29.7	43.8	3.7	2.8	5.3
Packaging	Japan	12.1	0.6	4.0	1.9	4.2	-2.2	23.7	1.2	5.5	15.0
	Overseas	10.9	0.7	-7.8	-1.3	4.5	31.1	21.3	1.3	-6.2	-11.0
	Total	22.5	1.3	-2.1	0.1	4.2	14.0	44.1	2.5	-0.6	-0.7
Printing and Information	Japan	10.1	0.4	0.7	-8.2	7.7	65.9	19.5	0.7	0.9	-5.7
	Overseas	11.0	0.7	-10.6	-28.8	-3.4	-8.4	22.4	1.4	-6.8	-19.8
	Total	19.5	1.1	-6.7	-25.3	0.8	4.5	38.8	2.1	-4.8	-16.9
Others		1.4	0.1	-1.3	-	10.2	-45.3	2.6	0.3	-5.0	-
Adjustment		-0.9	0.0	-	-	-	81.8	-1.9	0.0	-	-
Total consolidated		86.6	4.9	-4.3	-21.0	5.4	9.3	168.7	9.4	-2.0	-11.2

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

(Reference) Performance by Segment (Quarterly Trends)

(Unit : billion yen)

		FY2024								FY2025							
		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	10.1	0.2	10.7	0.2	9.6	0.3	10.8	0.5	9.9	0.0	11.4	0.5	9.0	-0.1	10.3	0.2
	Overseas	15.5	0.5	14.7	0.3	14.9	0.3	17.8	0.9	15.6	0.4	15.7	0.4	14.4	0.0	15.9	0.4
	Total	21.2	0.6	20.5	0.6	20.1	0.8	23.7	1.4	21.2	0.7	21.1	0.5	19.8	0.5	21.6	0.3
Polymers and Coatings	Japan	12.8	0.6	14.0	0.7	12.7	0.4	14.6	0.9	14.3	0.7	14.5	0.4	13.3	0.3	14.2	0.6
	Overseas	11.0	1.2	9.9	0.9	10.4	1.0	12.2	1.2	11.7	1.2	12.0	1.3	10.9	1.3	11.3	1.4
	Total	20.8	1.8	20.6	1.5	19.9	1.3	22.7	2.2	22.3	1.8	23.6	1.8	21.2	1.6	22.6	2.1
Packaging	Japan	10.9	0.3	11.5	0.5	10.8	0.4	11.6	0.6	12.2	0.5	12.6	0.9	11.6	0.6	12.1	0.6
	Overseas	11.5	0.8	10.7	0.6	10.9	0.7	11.8	0.8	11.1	0.8	12.4	0.7	10.4	0.6	10.9	0.7
	Total	22.1	1.2	21.9	1.1	21.4	1.2	23.0	1.3	22.8	1.3	24.4	1.6	21.6	1.2	22.5	1.3
Printing and Information	Japan	9.5	0.2	10.8	0.6	9.3	0.3	10.0	0.5	9.9	0.4	10.7	0.4	9.4	0.3	10.1	0.4
	Overseas	11.9	0.8	11.5	0.9	11.7	0.8	12.3	0.9	13.1	1.1	11.9	0.6	11.4	0.7	11.0	0.7
	Total	20.1	1.0	20.8	1.4	19.9	1.1	20.8	1.4	21.2	1.4	21.4	1.0	19.3	1.0	19.5	1.1
Others		1.3	-0.2	1.5	-0.4	1.4	0.0	1.4	-0.1	1.4	-0.0	1.6	-0.3	1.2	0.2	1.4	0.1
Adjustment		-0.8	-0.0	-1.4	0.0	-0.9	-0.0	-1.1	-0.0	-1.1	0.0	-1.1	-0.0	-1.0	0.0	-0.9	0.0
Total consolidated		84.6	4.4	83.9	4.2	81.7	4.4	90.5	6.2	87.9	5.2	90.9	4.6	82.1	4.5	86.6	4.9

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

## (Reference) Performance by Location

FY 2025	2nd Quarter FY2024 (1 billion yen)		Increase/decrease(%) Year on Year		Increase/decrease(%) Quarter on Quarter		FY2025 Total Results (1 billion yen)		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	48.0	2.0	-1.1	-19.5	8.2	66.3	92.4	3.1	0.1	-17.7
Asia	35.3	2.6	-7.6	2.4	3.2	11.1	69.6	4.9	-3.0	12.1
Europe	8.0	0.3	-9.5	-66.7	19.3	-	14.6	0.2	-9.8	-81.5
The Americas	5.7	0.4	-15.6	-35.6	-3.9	-10.5	11.7	0.7	-13.4	-35.7
Adjustment	-10.5	-0.3	-	-	-	-	-19.6	0.3	-	740.7
Total consolidated	86.6	4.9	-4.3	-21.0	5.4	9.3	168.7	9.4	-2.0	-11.2

(Note) FY2024 ( 1 billion yen )	1 <sup>st</sup> Quarter		2 <sup>nd</sup> Quarter		3 <sup>rd</sup> Quarter		4 <sup>th</sup> Quarter		Total	
	Net sales	Operating profit	Net sales	Operating income	Net sales	Operating profit	Net sales	Operating profit	Net sales	Operating profit
Japan	43.8	1.4	48.6	2.4	47.7	1.6	51.0	1.9	191.1	7.3
Asia	33.5	1.9	38.2	2.5	37.7	2.6	36.9	2.5	146.3	9.4
Europe	7.4	0.3	8.8	0.8	7.3	0.3	9.5	0.5	33.0	2.0
The Americas	6.7	0.6	6.8	0.5	6.3	0.6	5.4	0.1	25.2	1.9
Adjustment	-9.7	0.2	-11.8	-0.1	-11.1	0.2	-11.9	-0.4	-44.6	-0.2
Total consolidated	81.7	4.4	90.5	6.2	87.9	5.2	90.9	4.6	351.1	20.4

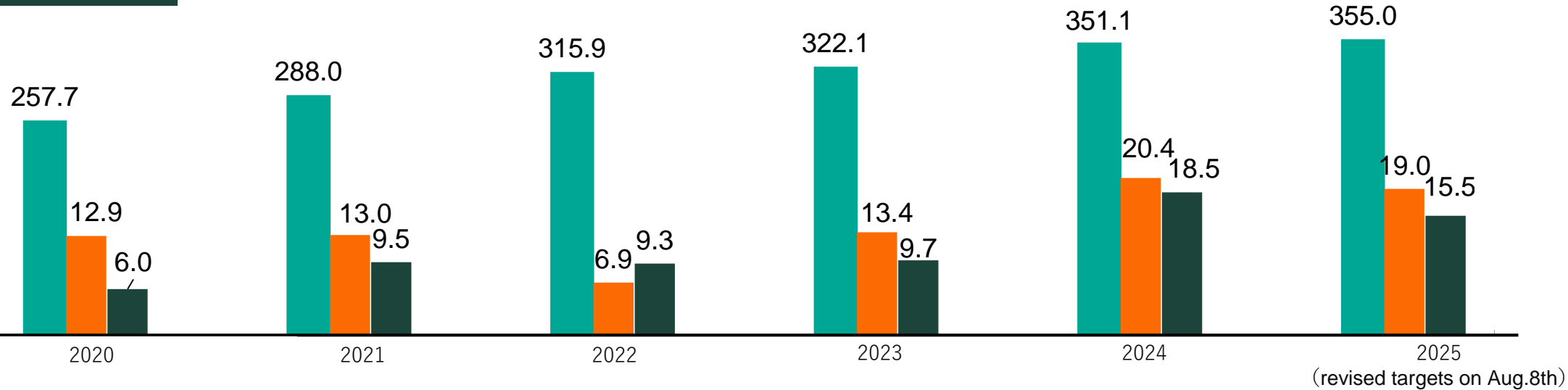
(Note) Inter-regional transactions and Company-wide expenses have not been deducted from the figures for each geographical area above.

# (Reference) Supplemental Financial Data

## Results

(Unit: 1 billion yen)

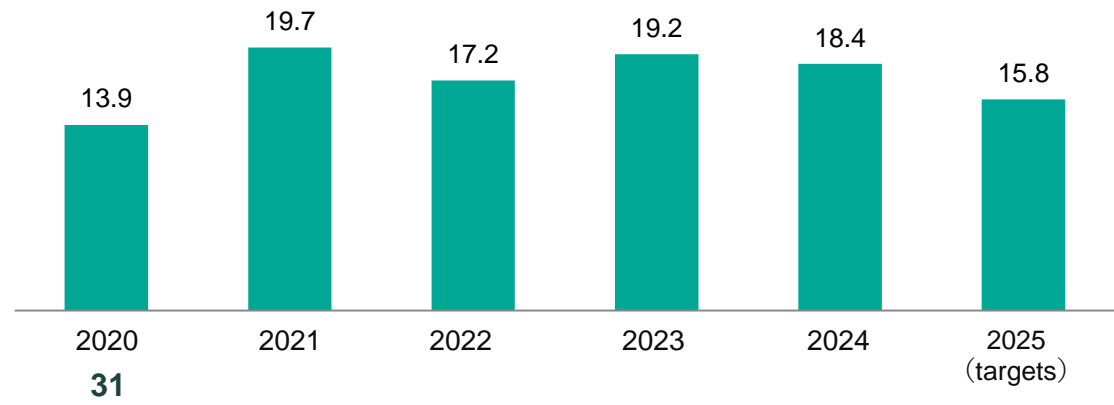
Net sales    Operating profit    Profit attributable to owners of parent



## Capital investment

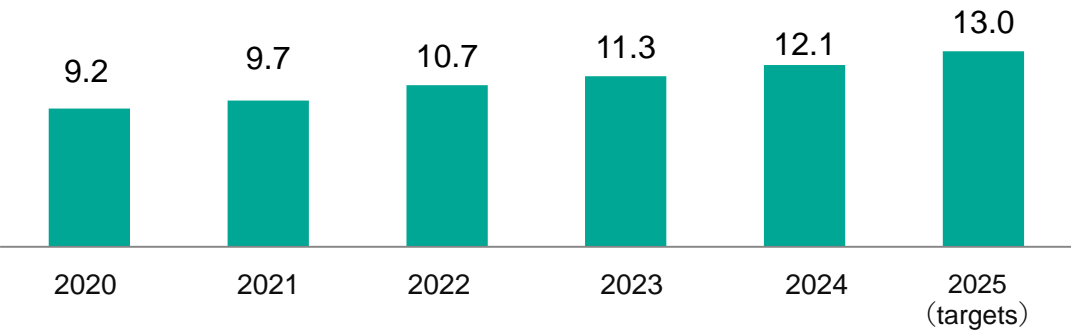
(Unit: 1 billion yen)

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







## Depreciation

(Unit: 1 billion yen)







# 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	Flexible packaging (Food packaging, Refill pouches)	
		Flexographic inks	Buildings	
	Gravure printing systems and prepress	Gravure printing systems, Gravure and flexographic plate making	Diapers, Cartons, Paper bag	
Printing & Information	Offset inks (General inks)	Offset inks, Newspaper inks	Books, Newspaper, Flyers, Paper containers	
	Functional inks	UV curable inks	Paper containers, Labels, Books	
		Metal decorating ink	Beverage cans, Food can	
	Printing materials and machinery	Screen inks	Electronics, Stickers	
		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.

- IR schedule (plan) \* The schedule is subject to change without prior notice.

FY2025Q3 : Financial results announcement (November 14),  
Results Briefing (November 21)