

TRANSLATION:

This is an English translation of Consolidated Quarterly Financial Results (Japanese Accounting Standards) for the First Three quarters of the Fiscal Year Ending December 31, 2025. This is an English translation of the Japanese original, prepared only for the convenience of shareholders residing outside Japan. The original Japanese version will prevail should there be any difference in the meaning between the English version and the Japanese version.



Consolidated Quarterly Financial Results (Japanese Accounting Standards) for the First Three Quarters of the Fiscal Year Ending December 31, 2025

November 14, 2025

Name of Listed Company: artience Co., Ltd.

Code: 4634

Representative: Satoru Takashima, President and Representative Director, Group CEO

Contact: Takeshi Arimura, Operating Officer in charge of IR and General Manager of Finance & Accounting Dept.

Listings: Tokyo Stock Exchange

URL: <https://www.artiencegroup.com>

Tel: +81-3-3272-6002

Scheduled date of commencement of dividend payments: –

Supplementary documents for financial results: Yes

Financial results briefing: Yes (for institutional investors and securities analysts)

(Amounts of less than million yen are omitted)

1. Consolidated business results for the First Three Quarters of fiscal 2025 ending December 31, 2025

(From January 1, 2025 to September 30, 2025)

(1) Business results (cumulative totals)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First Three Quarters, Fiscal 2025	258,434	-0.7	14,878	-5.8	14,454	-3.4	9,665	-23.4
First Three Quarters, Fiscal 2024	260,187	9.2	15,797	73.1	14,964	53.2	12,622	74.8

(Note) Comprehensive income: First Three Quarters, Fiscal 2025: 4,544 million yen (-74.2%) First Three Quarters, Fiscal 2024: 17,581 million yen (-42.1%)

	Profit per share (Basic)	Profit per share (Diluted)
	Yen	Yen
First Three Quarters, Fiscal 2025	194.92	194.88
First Three Quarters, Fiscal 2024	238.27	238.18

(2) Financial position

	Total assets	Net assets	Net worth/Total assets
	Million yen	Million yen	%
First Three Quarters, Fiscal 2025	445,245	265,958	57.2
Fiscal 2024	472,787	273,754	55.4

(Note) Net worth: First Three Quarters, Fiscal 2025: 254,724 million yen Fiscal 2024: 262,113 million yen

2. Dividends

	Dividends per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2024	—	50.00	—	50.00	100.00
Fiscal 2025	—	50.00	—		
Fiscal 2025 (Forecast)				50.00	100.00

(Note) Revisions to the most recently announced dividend forecasts: None

3. Forecasts for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share (Basic)
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	355,000	1.1	19,000	-6.9	18,000	-14.3	15,500	-16.4	314.49

(Note) Revisions to the most recently announced earnings forecasts: None

* Notes:

- | | |
|--|-------------------|
| (1) Important changes in the scope of consolidation during the term: | No |
| (2) Application of special accounting treatment to the preparation of quarterly consolidated financial statements: | No |
| (3) Changes in accounting policies and changes or restatement of accounting estimates | |
| (i) Changes in accounting policies due to the modification in accounting methods: | Yes |
| (ii) Changes in accounting policies other than (i): | No |
| (iii) Changes in accounting estimates: | No |
| (iv) Restatement: | No |
| (4) Numbers of shares issued (ordinary shares) | |
| (i) Numbers of shares issued at the end of the terms (including treasury shares): | |
| First Three Quarters, Fiscal 2025: | 50,286,544 shares |
| Fiscal 2024: | 53,286,544 shares |
| (ii) Number of treasury shares at the end of the terms: | |
| First Three Quarters, Fiscal 2025: | 1,900,511 shares |
| Fiscal 2024: | 2,537,112 shares |
| (iii) Average numbers of shares issued during the terms (consolidated accumulation periods): | |
| First Three Quarters, Fiscal 2025: | 49,585,905 shares |
| First Three Quarters, Fiscal 2024: | 52,976,269 shares |

* Review of the attached consolidated quarterly financial statements by certified public accountants or audit firms: Yes (voluntary)

* Explanations about the proper use of financial forecasts and other important notes

1. The earnings forecasts and other forward-looking statements in this document are based on the information available to the Company at the time of its announcement and on certain assumptions deemed to be reasonable. However, the Company makes no guarantee that these forecasts will be achieved. Actual results may differ significantly due to various factors. Please refer to “(3) Information on the consolidated earnings forecasts and other future forecasts” of “1. Qualitative Information on Financial Results, etc. for the First Three Quarters Ended September 30, 2025” on page 4 of the attached materials for the assumptions underlying the earnings forecasts and precautions regarding the use thereof.
2. Supplementary documents for financial results will be posted on the Company’s website on November 14, 2025(Friday).
3. The Company will hold a financial results briefing for institutional investors and securities analysts on November 21, 2025 (Friday). Reference materials for financial results and forecasts used in the briefing will be posted on the Company’s website before the opening of the briefing.

Accompanying Materials – Contents

1. Qualitative Information on Financial Results, etc. for the First Three Quarters Ended September 30, 2025	2
(1) Details of operating results	2
(2) Details of financial position	4
(3) Information on the consolidated earnings forecasts and other future forecasts	4
2. Consolidated Financial Statements and Primary Notes	5
(1) Consolidated balance sheet	5
(2) Consolidated statements of income and consolidated statements of comprehensive income	7
(3) Notes to consolidated quarterly financial statements	9
(Basic and important matters in preparing the quarterly consolidated financial statements)	9
(Notes on assumption of going business)	9
(Changes in accounting policies)	9
(Notes on significant changes in the amount of shareholders' equity)	9
(Notes on statement of cash flows)	10
(Segment information, etc.)	11

1. Qualitative Information on Financial Results, etc. for the First Three Quarters Ended September 30, 2025

(1) Details of operating results

In the first three quarters of the consolidated fiscal year under review, the global economic recovery was modest, with notable weakness in some regions. The period was also marked by rush demand in anticipation of tariff hikes, a subsequent reactionary fall in demand, and the resultant uncertainty.

In this environment, the Group worked to execute its policies for the fiscal year: transformation of existing business groups into highly profitable ones, creation of strategic, high priority business groups, and transformation of the management foundation.

As a result, net sales and profit in the first three quarters of the fiscal year under review both decreased with net sales of 258,434 million yen (down 0.7% year on year), operating profit of 14,878 million yen (down 5.8% year on year), ordinary profit of 14,454 million yen (down 3.4% year on year) and profit attributable to owners of parent of 9,665 million yen (down 23.4% year on year).

Operating results by segment are as follows.

(i) Colorants and Functional Materials Related Business

Demand for large panels among the materials for LCD color filters increased in China in the first half of the fiscal year under review due in part to the effect of government subsidies. In Taiwan, however, shipments of materials for small and midsize panels used in applications such as personal computers remained weak, and the withdrawal of a domestic panel manufacturer also had an impact. Sales of optical semiconductor materials for smartphones in China expanded.

The profitability of plastic colorants improved on the solid performance of products for beverage caps in Japan as well as the effects of cost cutting and price revisions. Overseas, sales of plastic colorants for solar cells and automotive applications were weak, compared to the same period in the previous fiscal year.

Sales of lithium-ion battery materials for automotive applications were lackluster, reflecting a slowdown in the growth of the EV market. The Company continued to develop customers and next-generation products, although this could not offset increased expenses for the start of operation of the Chinese plant, etc.

Shipments of inkjet inks remained steady thanks to improved collaboration with customers, while competition intensified.

As a result, net sales and operating profit for this segment as a whole both decreased with net sales of 63,216 million yen (down 2.7% year on year) and operating profit of 1,399 million yen (down 51.2% year on year).

(ii) Polymers and Coatings Related Business

Among functional films and tapes, sales of functional films, including conductive adhesive sheets, remained strong due to an increase in sales for new smartphone models and expansion of sales in China. In addition, the area of semiconductor-related materials saw an increase in results yielded by developed products.

Among pressure sensitive adhesives, sales for automotive and other industrial applications in Japan remained strong. In China, the Company increased sales by meeting growing demand for displays. In India, sales grew through market development. Among adhesives, sales of products for packaging were strong in Japan and overseas but were affected by sluggish markets in some regions. As for products for industrial applications, sales for lithium-ion batteries were slow, reflecting a slowdown in the growth of the EV market.

In Japan, sales of can coatings grew partly thanks to sales promotion, which offset a reactionary fall after a last-minute surge in demand for liquors before a price hike. Overseas, particularly in Thailand, demand of can coatings for food cans was strong due to stable tuna prices, and sales of can coatings for beverage cans also increased.

As a result, net sales and operating profit for this segment as a whole both increased with net sales of 66,756 million yen (up 2.8% year on year) and operating profit of 5,931 million yen (up 11.8% year on year).

(iii) Packaging Materials Related Business

In Japan, demand for liquid inks for packed rice, frozen food, and refill packaging materials, among other applications, remained firm. In addition, among inks for cardboard boxes, sales of those related to beverages remained strong due to the intense heat. In addition, net sales increased due in part to progress with the sales promotion for environmentally friendly products and the effect of price revisions.

Overseas, sales in China showed sluggish growth due to a decline in consumption, while sales in Southeast Asia and India remained strong, underpinned by market conditions. In Turkey, sales promotion targeting new customers and surrounding countries made robust progress due to the start of operation of a new plant, while the depreciation expenses increased.

In the gravure cylinder platemaking business, sales were strong due to the capturing of demand for new printing plates for packaging and the gradual recovery of precision platemaking related to electronics.

As a result, net sales and operating profit for this segment as a whole both increased with net sales of 67,629 million yen (up 0.7% year on year) and operating profit of 3,875 million yen (up 1.1% year on year).

(iv) Printing and Information Related Business

While domestic sales of products for advertising and publishing remained sluggish due to the continued structural contraction of the information-related printing market, sales of functional coatings and functional inks such as energy-saving highly sensitive UV-curable inks expanded, reflecting progress on business portfolio reforms.

In overseas markets, sales of products for publishing, newspapers, etc. were weak in China and Europe as a result of the stagnation of the information-related printing market. Sales of products for paper packaging materials also showed slow growth in Southeast Asia and other regions. These resulted in intensified competition.

As a result, net sales and operating profit for this segment as a whole both decreased with net sales of 59,570 million yen (down 3.9% year on year) and operating profit of 3,223 million yen (down 16.7% year on year).

(v) Other

This Other segment includes businesses not included in the above segments, services provided by artience as the holding company, and other businesses. In the first three quarters of the fiscal year under review, sales declined but operating profit increased with net sales of 4,051 million yen (down 3.7% year on year) and operating profit of 458 million yen (operating loss of 79 million yen in the same period of the previous fiscal year).

(2) Details of financial position

Total assets at the end of the first three quarters under review stood at 445,245 million yen, down 27,542 million yen from the end of the previous consolidated fiscal year. Liabilities were 179,287 million yen, down 19,745 million yen from the end of the previous consolidated fiscal year. Net assets came to 265,958 million yen, down 7,796 million yen from the end of the previous consolidated fiscal year.

On the last day of the first three quarters under review, the exchange rate changed in the direction of a stronger yen and weaker foreign currencies compared to the last day of the previous consolidated fiscal year. As a result, assets and liabilities held by overseas subsidiaries and foreign currency translation adjustments fell. Furthermore, investment securities and valuation difference on available-for-sale securities each decreased, reflecting declining stock prices. The Company issued the Third Series of Unsecured Straight Bonds and refinanced part of its borrowings, which resulted in an increase in long-term borrowings and a significant decrease in short-term borrowings. In addition, cash and deposits decreased significantly due to the purchase of treasury shares and the payment of income taxes and dividends.

(3) Information on the consolidated earnings forecasts and other future forecasts

No changes have been made to the full-year forecasts of consolidated financial results for the fiscal year ending December 31, 2025 that were announced on August 8, 2025.

2. Consolidated Financial Statements and Primary Notes

(1) Consolidated balance sheet

(Million yen)

	As of December 31, 2024	As of September 30, 2025
(Assets)		
Current assets		
Cash and deposits	62,855	40,896
Notes and accounts receivable - trade	109,412	104,181
Securities	99	187
Merchandise and finished goods	39,004	39,223
Work in process	622	1,195
Raw materials and supplies	28,608	26,558
Other	5,833	5,876
Allowance for doubtful accounts	-1,154	-1,160
Total current assets	245,282	216,959
Non-current assets		
Property, plant and equipment		
Buildings and structures	124,648	130,875
Accumulated depreciation	-78,813	-80,647
Buildings and structures, net	45,834	50,228
Machinery, equipment and vehicles	183,215	192,432
Accumulated depreciation	-150,695	-152,444
Machinery, equipment and vehicles, net	32,519	39,988
Tools, furniture and fixtures	29,479	30,319
Accumulated depreciation	-24,406	-24,605
Tools, furniture and fixtures, net	5,072	5,714
Land	31,084	31,116
Leased assets	8,810	8,701
Accumulated depreciation	-3,006	-3,444
Leased assets, net	5,803	5,256
Construction in progress	28,022	18,319
Total property, plant and equipment	148,338	150,623
Intangible assets	5,964	5,719
Investments and other assets		
Investment securities	57,610	56,617
Retirement benefit asset	9,427	9,693
Deferred tax assets	4,828	4,199
Other	1,673	1,772
Allowance for doubtful accounts	-338	-339
Total investments and other assets	73,202	71,943
Total non-current assets	227,504	228,285
Total assets	472,787	445,245

(Million yen)

	As of December 31, 2024	As of September 30, 2025
(Liabilities)		
Current liabilities		
Notes and accounts payable - trade	70,747	63,751
Short-term loans payable	45,825	13,800
Income taxes payable	2,972	1,530
Other	19,923	24,214
Total current liabilities	139,469	103,296
Non-current liabilities		
Bonds payable	10,000	15,000
Long-term loans payable	24,914	34,299
Deferred tax liabilities	13,968	14,056
Provision for environmental measures	80	80
Retirement benefit liability	3,254	3,512
Asset retirement obligations	35	35
Other	7,310	9,005
Total non-current liabilities	59,564	75,990
Total liabilities	199,033	179,287
(Net assets)		
Shareholders' equity		
Capital stock	31,733	31,733
Capital surplus	32,466	32,513
Retained earnings	159,807	155,131
Treasury shares	-7,992	-5,904
Total shareholders' equity	216,015	213,473
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,645	19,784
Foreign currency translation adjustment	25,147	21,457
Remeasurements of defined benefit plans	304	8
Total accumulated other comprehensive income	46,097	41,250
Subscription rights to shares	29	11
Non-controlling interests	11,611	11,222
Total net assets	273,754	265,958
Total liabilities and net assets	472,787	445,245

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

Consolidated first three quarters

(Million yen)

	From January 1, 2024 to September 30, 2024	From January 1, 2025 to September 30, 2025
Net sales	260,187	258,434
Cost of sales	204,312	203,238
Gross profit	55,874	55,195
Selling, general and administrative expenses		
Packing and transportation costs	6,038	6,026
Salaries and allowances	10,201	10,284
Bonuses	1,963	2,030
Welfare expenses	2,468	2,484
Depreciation	1,459	1,587
Research and development expenses	2,846	3,184
Other	15,098	14,719
Total selling, general and administrative expenses	40,077	40,317
Operating profit	15,797	14,878
Non-operating income		
Interest income	403	319
Dividend income	713	770
Share of profit of entities accounted for using equity method	—	53
Gain on net monetary position	1,325	2,211
Other	509	451
Total non-operating income	2,951	3,805
Non-operating expenses		
Interest expenses	1,964	961
Foreign exchange losses	951	2,558
Share of loss of entities accounted for using equity method	87	—
Other	781	710
Total non-operating expenses	3,784	4,229
Ordinary profit	14,964	14,454
Extraordinary profit		
Gain on sales of non-current assets	17	29
Gain on sales of investment securities	2,188	403
Other	3	6
Total extraordinary profit	2,209	438
Extraordinary losses		
Loss on sales and retirement of non-current assets	277	382
Extra retirement payments	145	—
Business restructuring expenses	—	179
Other	102	—
Total extraordinary loss	525	562
Profit before income taxes	16,649	14,330
Income taxes - current	3,713	4,151
Income taxes - deferred	132	319
Total income taxes	3,846	4,470
Profit	12,802	9,859
Profit attributable to non-controlling interests	180	194
Profit attributable to owners of parent	12,622	9,665

Consolidated statements of comprehensive income

Consolidated first three quarters

(Million yen)

	From January 1, 2024 to September 30, 2024	From January 1, 2025 to September 30, 2025
Profit	12,802	9,859
Other comprehensive income		
Valuation difference on available-for-sale securities	1,850	-861
Foreign currency translation adjustment	3,189	-4,111
Remeasurements of defined benefit plans, net of tax	-316	-295
Share of other comprehensive income of entities accounted for using equity method	55	-46
Total other comprehensive income	4,778	-5,315
Comprehensive income	17,581	4,544
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,216	4,817
Comprehensive income attributable to non-controlling interests	364	-273

(3) Notes to consolidated quarterly financial statements

(Basic and important matters in preparing the quarterly consolidated financial statements)

The quarterly consolidated financial statements have been prepared, conforming to the Tokyo Stock Exchange's General Principles for Preparing Quarterly Consolidated Financial Statements, Article 4 paragraph (i) and accounting standards for quarterly financial statements accepted generally as being fair and appropriate in Japan (however, when matters stipulated under Article 4 paragraph (ii) apply, there is no need for adoption).

(Notes on assumption of going business)

Not applicable

(Changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022") since the beginning of the first quarter of the current fiscal year.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Implementation Guidance 2022"). The application has no effect on quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been applied since the beginning of the first quarter of the fiscal year under review.

The impact of this change is insignificant and it has not been applied retroactively.

(Application of the Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules, etc.)

The Practical Solution on the Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules (ASBJ PITF No. 46, March 22, 2024), etc. has been applied since the beginning of the first quarter of the consolidated fiscal year under review.

Since paragraph 7 of this practical solution has been applied, the Company did not record current taxes related to the Global Minimum Tax Rules in the consolidated financial statements for the first three quarters.

(Notes on significant changes in the amount of shareholders' equity)

(Purchase of treasury shares)

The Company acquired 829,600 treasury shares in accordance with a resolution passed at the meeting of the Board of Directors held on August 9, 2024. As a result, treasury shares increased by 2,501 million yen during the first three quarters of the fiscal year under review.

The Company acquired 1,554,000 treasury shares in accordance with a resolution passed at the meeting of the Board of Directors held on May 9, 2025. As a result, treasury shares increased by 4,797 million yen during the first three quarters of the fiscal year under review.

(Retirement of treasury shares)

On May 30, 2025, the Company retired 3,000,000 treasury shares in accordance with a resolution passed at the meeting of the Board of Directors held on May 9, 2025. As a result, retained earnings and treasury shares both decreased by 9,323 million yen respectively, in the first three quarters of the fiscal year under review.

As a result, on September 30, 2025, the following were recorded: retained earnings at 155,131 million yen, and treasury shares at 5,904 million yen.

(Notes on statement of cash flows)

Quarterly consolidated statements of cash flows for the first three quarters under review have not been prepared. Depreciation (and amortization) figures relating to the first three quarters under review (including amortization relating to intangible assets, but excluding goodwill) are as follows.

	From January 1, 2024 to September 30, 2024	From January 1, 2025 to September 30, 2025
Depreciation	8,931 million yen	9,775 million yen

(Segment information, etc.)
I. From January 1, 2024 to September 30, 2024

Information on net sales and profits or losses by reported segment

(Million yen)

	Reported segments					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	Colorants and Functional Materials Related Business	Polymers and Coatings Related Business	Packaging Materials Related Business	Printing and Information Related Business	Total				
Net sales									
Sales to customers	63,218	64,800	66,505	61,935	256,460	3,726	260,187	—	260,187
Intersegment sales	1,774	150	653	20	2,600	480	3,080	-3,080	—
Total	64,993	64,951	67,159	61,956	259,060	4,207	263,268	-3,080	260,187
Segment profits and losses (-)	2,871	5,306	3,832	3,868	15,878	-79	15,799	-1	15,797

- (Notes) 1. The “Other” segment comprises business segments that are not included in the reported segments, which include sales of raw materials, other profit-earning business activities carried out by the Company as a parent, and delivery of services.
2. An adjustment of -1 million yen in segment profits and losses (-) mainly represents the deduction of intersegment transactions.
3. Segment profits and losses (-) have been adjusted with operating profit recorded in the consolidated quarterly income statement.

II. From January 1, 2025 to September 30, 2025

Information on net sales and profits or losses by reported segment

(Million yen)

	Reported segments					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in consolidated statements of income (Note 3)
	Colorants and Functional Materials Related Business	Polymers and Coatings Related Business	Packaging Materials Related Business	Printing and Information Related Business	Total				
Net sales									
Sales to customers	61,639	66,549	67,075	59,548	254,813	3,620	258,434	—	258,434
Intersegment sales	1,576	207	553	21	2,358	430	2,789	-2,789	—
Total	63,216	66,756	67,629	59,570	257,172	4,051	261,224	-2,789	258,434
Segment profits	1,399	5,931	3,875	3,223	14,431	458	14,889	-11	14,878

- (Notes) 1. The “Other” segment comprises business segments that are not included in the reported segments, which include sales of raw materials, other profit-earning business activities carried out by the Company as a parent, and delivery of services.
2. An adjustment of -11 million yen in segment profits mainly represents the deduction of intersegment transactions.
3. Segment profits have been adjusted with operating profit recorded in the consolidated quarterly income statement.