Consolidated Semi-annual Financial Results (Japanese Accounting Standards) for the First Half of the Fiscal Year Ending December 31, 2026

August 7, 2026

Name of Listed Company: artience Co., Ltd. Listings: Tokyo Stock Exchange
Code: 4634 URL: https://www.artiencegroup.com
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Scheduled date of submission of semi-annual report: August 10, 2026
Scheduled date of commencement of dividend payments: September 7, 2026
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 half of fiscal 2026 ending December 31, 2026
(From January 1, 2026 to June 30, 2026)

(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 Half, Fiscal 2026	189,653	12.4	12,573	34.1	14,626	69.4	13,734	150.9
First Half, Fiscal 2025	168,732	-2.0	9,373	-11.2	8,633	-30.2	5,474	-41.5

(Note) Comprehensive income: First Half, Fiscal 2026: 19,677 million yen (―%) First Half, Fiscal 2025: -4,556 million yen (―%)

	Profit per share (Basic)	Profit per share (Diluted)
	Yen	Yen
First Half, Fiscal 2026	292.60	292.57
First Half, Fiscal 2025	109.43	109.40

(2) Financial position

	Total assets	Net assets	Equity Ratio
	Million yen	Million yen	%
First Half, Fiscal 2026	477,984	292,350	58.7
Fiscal 2025	462,600	277,220	57.5

(Note) Shareholders' equity: First Half, Fiscal 2026: 280,349 million yen Fiscal 2025: 266,021 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 2025	―	50.00	―	50.00	100.00
Fiscal 2026	―	60.00			
Fiscal 2026 (Forecast)			―	60.00	120.00

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

3. Forecasts for the year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

(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	360,000	2.9	23,000	10.8	22,500	7.7	21,000	103.1	447.58

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

* Notes:

(1) Important changes in the scope of consolidation during the period: No

(2) Application of special accounting treatment to the preparation of semi-annual consolidated financial statements: No

(3) Changes in accounting policies and changes or restatement of accounting estimates

- (i) Changes in accounting policies due to the amendments to accounting standards: No
- (ii) Changes in accounting policies other than (i): No
- (iii) Changes in accounting estimates: No
- (iv) Restatement: No

(4) Number of shares issued (ordinary shares)

- (i) Number of shares issued at the end of the period (including treasury shares):
  - First Half, Fiscal 2026: 50,286,544 shares
  - Fiscal 2025: 50,286,544 shares
- (ii) Number of treasury shares at the end of the period:
  - First Half, Fiscal 2026: 3,388,933 shares
  - Fiscal 2025: 2,862,378 shares
- (iii) Average number of shares outstanding during the period (consolidated cumulative period):
  - First Half, Fiscal 2026: 46,940,535 shares
  - First Half, Fiscal 2025: 50,028,835 shares

* These semi-annual financial results are not subject to audits by certified public accountants or audit corporations.

* 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 Half Ended June 30, 2026” 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 August 7, 2026(Friday).

3. The Company will hold a financial results briefing for institutional investors and securities analysts on August 10, 2026 (Monday). 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 Half Ended June 30, 2026

(1) Details of operating results

During the first half of the fiscal year under review, the global economy continued to recover at a moderate pace, but uncertainty persisted due to the Middle East situation. In response to the worsening environment for sourcing petroleum-based raw materials due to the Middle East situation, the artience Group worked to secure raw materials mainly by expanding its supplier base and focused on ensuring stable supply of its products. In addition, the Group moved forward with product price revisions and other measures to respond to the increase in the prices of raw materials.

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. At the same time, the Group endeavored to grasp the impact of changes in the business environment in each region and also prepared measures to cope with these changes.

As a result, net sales and profits in the first half of the fiscal year under review both increased with net sales of 189,653 million yen (up 12.4% year on year), operating profit of 12,573 million yen (up 34.1% year on year), ordinary profit of 14,626 million yen (up 69.4% year on year) and profit attributable to owners of parent of 13,734 million yen (up 150.9% year on year).

Operating results by segment are as follows.

(i) Colorants and Functional Materials Related Business

Sales of materials for LCD color filters remained sluggish in Taiwan and Japan due to closing and downsizing of customers' factories for older-generation panels (small/medium-sized panels). At the same time, however, sales of materials for both large and small/medium-sized panels remained strong in China due to an increase in demand related to events including the FIFA World Cup, as well as the effects of government subsidies. Sales of optical semiconductor materials remained firm due to the wider use of materials for micro displays for AR and VR systems, as well as materials for CMOS image sensors.

There was strong demand for plastic colorants for daily goods and containers in Japan. Additionally, newly developed products, such as recycling-related products, began to produce results, and price revisions have proved effective, resulting in strong sales. Overseas, sales of products for solar cells were poor in China, but sales of products for OA applications were strong in Southeast Asia.

The sales volume of lithium-ion battery materials for automotive applications increased year on year in Europe and China, but not enough to significantly improve profits. The Group continued to develop new customers and next-generation products.

In inkjet inks, looking overseas, sales of water-based inks in particular remained strong in China. Sales in Japan were weak, chiefly due to customers' inventories adjustments, but progress was made in evaluations of newly developed products by customers.

As a result, net sales and operating profit for this segment as a whole both increased with net sales of 42,738 million yen (up 3.3% year on year) and operating profit of 1,865 million yen (up 129.6% year on year).

(ii) Polymers and Coatings Related Business

In functional films and tapes, sales of functional films, including conductive adhesive sheets, remained solid for smartphone applications. Progress was also made in the expansion of sales of protection sheets for semiconductor-related products.

In pressure sensitive adhesives, products for industrial materials, such as automobiles and construction materials, remained solid in Japan and products for displays continued to perform strongly in China and South Korea. In adhesives, products for packaging materials were solid in Japan and overseas and progress was made in the

expansion of sales of environmentally friendly products. In products for industrial use, sales of adhesives for lithium-ion batteries were sluggish in Japan but remained strong in overseas markets.
In can coatings, sales of products for beverage cans continued to be solid in Japan. Outside Japan, sales of can coatings remained strong in Thailand for food cans and beverage cans, but they were weak in Turkey.
As a result, net sales and operating profit for this segment as a whole both increased with net sales of 49,856 million yen (up 13.7% year on year) and operating profit of 4,589 million yen (up 25.2% year on year).

(iii) Packaging Materials Related Business
Demand for liquid inks for frozen food, packed rice and snacks, among other applications, remained firm in Japan. In addition, the Group sought to expand sales of environmentally friendly products. Also, in products for cardboard boxes, demand for products for fruit, vegetable and beverage applications remained solid. Outside Japan, sales remained strong in Southeast Asia and China, and there was progress in the expansion of sales in North America and Turkey. Progress was made in the expansion of sales in India as well, but profits did not increase as expected due to higher costs.
In the gravure cylinder platemaking business, the Group worked to tap into new demand for printing plates for packaging materials, while the Group also saw strong demand for 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 52,035 million yen (up 18.1% year on year) and operating profit of 3,595 million yen (up 44.7% year on year).

(iv) Printing and Information Related Business
In Japan, where the information-related printing market continues to contract, the Group sought to increase profitability, mainly by continuously increasing business efficiency and revising prices. Demand for offset inks remained steady, but profit did not increase as expected due to the soaring prices of raw materials.
In UV curable inks, demand for products for paper containers and cards remained firm, and the Group expanded its sales of functional coatings, energy-saving inks and other products.
Overseas, sales remained firm due to progress in the expansion of the sales of functional inks, including UV curable inks in each region.
As a result, net sales and operating profit for this segment as a whole both increased with net sales of 43,795 million yen (up 13.0% year on year) and operating profit of 2,440 million yen (up 18.3% year on year).

(v) Other
This Other segment includes businesses not included in the above segments, services provided by artience as the holding company etc. In the first half of the fiscal year under review, sales increased but profit decreased with net sales of 3,658 million yen (up 39.4% year on year) and operating profit of 79 million yen (down 75.7% year on year).

(2) Details of financial position

Total assets at the end of the first half under review stood at 477,984 million yen, up 15,384 million yen from the end of the previous consolidated fiscal year. Liabilities were 185,634 million yen, up 254 million yen from the end of the previous consolidated fiscal year. Net assets came to 292,350 million yen, up 15,129 million yen from the end of the previous consolidated fiscal year.
On the last day of the first half under review, the exchange rate changed in the direction of weaker yen and stronger 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 increased. In addition, notes and accounts receivable-trade and inventories increased due to higher sales and the securing of raw materials. Moreover, there was an increase in property, plant and equipment chiefly attributable to capital investments. In contrast, there were decreases in investment securities and deferred tax liabilities, mainly reflecting the sale of investment securities.

Additionally, some long-term loans payable were restated as short-term loans payable because they will mature within a year.

(Status of cash flow)
Cash and cash equivalents ("cash") at the end of the first half of the fiscal year under review was 44,173 million yen, a decrease of 1,618 million yen from the balance at the beginning of the fiscal year.
Cash provided by operating activities was 4,511 million yen (down 5,132 million yen year on year). This mainly reflected an increase in cash due to the posting of profit before income taxes and depreciation, as well as a decrease in cash due to an increase in notes and accounts receivable - trade, an increase in inventories, a decrease in notes and accounts payable-trade and income taxes paid.
Cash used in investing activities was 826 million yen (down 6,945 million yen year on year). This reflected a decrease in cash mainly due to purchase of property, plant and equipment and an increase in cash mainly due to proceeds from sales and redemption of securities and investment securities.
Cash used in financial activities was 6,076 million yen (down 6,753 million yen year on year). This primarily reflected a decrease in cash associated with a net decrease in short-term loans payable, expenditures for the purchase of treasury shares and the payment of dividends.

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

The instability of the Middle East situation is significantly impacting the Group's business environment. The Group is working to ensure stable supply of its products through several measures, such as securing raw materials and procurement from alternative sources. It is simultaneously moving forward with revision of product prices to address the soaring prices of raw materials.
The future of the Middle East situation remains uncertain, but the Group has not changed its full-year consolidated business forecasts for the year ending December 31, 2026, which it announced on February 13, 2026, in light of its estimates based on the information obtained to date, including the raw materials sourcing environment, the effect of revision of product prices and the current economic situation.

2. Semi-annual Consolidated Financial Statements and Primary Notes

(1) Semi-annual consolidated balance sheet

(Million yen)

	As of December 31, 2025	As of June 30, 2026
(Assets)		
Current assets		
Cash and deposits	47,625	46,577
Notes and accounts receivable - trade	106,769	115,443
Securities	291	89
Merchandise and finished goods	40,377	41,184
Work in process	599	1,221
Raw materials and supplies	27,675	32,497
Other	5,681	5,630
Allowance for doubtful accounts	-1,347	-1,462
Total current assets	227,672	241,181
Non-current assets		
Property, plant and equipment		
Buildings and structures	133,334	136,949
Accumulated depreciation	-83,133	-85,691
Buildings and structures, net	50,200	51,258
Machinery, equipment and vehicles	197,682	201,300
Accumulated depreciation	-157,033	-159,781
Machinery, equipment and vehicles, net	40,649	41,518
Tools, furniture and fixtures	30,664	31,782
Accumulated depreciation	-24,867	-25,555
Tools, furniture and fixtures, net	5,796	6,226
Land	31,311	31,507
Leased assets	9,153	9,324
Accumulated depreciation	-3,378	-3,591
Leased assets, net	5,774	5,732
Construction in progress	14,192	15,933
Total property, plant and equipment	147,926	152,178
Intangible assets	6,028	6,018
Investments and other assets		
Investment securities	61,997	60,253
Retirement benefit asset	11,461	11,523
Deferred tax assets	5,019	4,805
Other	2,859	2,363
Allowance for doubtful accounts	-365	-338
Total investments and other assets	80,972	78,606
Total non-current assets	234,927	236,803
Total assets	462,600	477,984

(Million yen)

	As of December 31, 2025	As of June 30, 2026
(Liabilities)		
Current liabilities		
Notes and accounts payable - trade	67,913	65,019
Short-term loans payable	14,336	18,697
Income taxes payable	2,983	5,927
Other	20,837	22,267
Total current liabilities	106,070	111,911
Non-current liabilities		
Bonds payable	15,000	15,000
Long-term loans payable	34,100	28,100
Deferred tax liabilities	17,066	16,004
Provision for environmental measures	79	79
Retirement benefit liability	3,747	3,771
Asset retirement obligations	35	36
Other	9,279	10,730
Total non-current liabilities	79,309	73,722
Total liabilities	185,379	185,634
(Net assets)		
Shareholders’ equity		
Capital stock	31,733	31,733
Capital surplus	32,513	32,523
Retained earnings	155,804	167,168
Treasury shares	-9,049	-11,052
Total shareholders’ equity	211,002	220,373
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	24,483	24,619
Foreign currency translation adjustment	29,516	34,517
Remeasurements of defined benefit plans	1,020	838
Total accumulated other comprehensive income	55,019	59,975
Subscription rights to shares	8	8
Non-controlling interests	11,189	11,991
Total net assets	277,220	292,350
Total liabilities and net assets	462,600	477,984

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

Semi-annual consolidated statements of income (Million yen)

	From January 1, 2025 to June 30, 2025	From January 1, 2026 to June 30, 2026
Net sales	168,732	189,653
Cost of sales	132,958	147,565
Gross profit	35,774	42,087
Selling, general and administrative expenses		
Packing and transportation costs	3,931	4,480
Salaries and allowances	6,808	7,616
Bonuses	1,376	1,400
Welfare expenses	1,655	1,862
Depreciation	1,014	1,140
Research and development expenses	2,133	2,445
Other	9,480	10,569
Total selling, general and administrative expenses	26,400	29,514
Operating profit	9,373	12,573
Non-operating income		
Interest income	210	259
Dividend income	739	739
Share of profit of entities accounted for using equity method	35	47
Gain on net monetary position	1,707	1,670
Other	300	358
Total non-operating income	2,993	3,074
Non-operating expenses		
Interest expenses	703	449
Foreign exchange losses	2,497	120
Other	532	452
Total non-operating expenses	3,733	1,021
Ordinary profit	8,633	14,626
Extraordinary profit		
Gain on sales of non-current assets	10	24
Gain on sales of investment securities	47	5,072
Other	5	4
Total extraordinary profit	63	5,102
Extraordinary losses		
Loss on sales and retirement of non-current assets	227	236
Business restructuring expenses	87	104
Other	—	0
Total extraordinary loss	314	342
Profit before income taxes	8,382	19,387
Income taxes - current	3,021	6,198
Income taxes - deferred	-224	-803
Total income taxes	2,797	5,394
Profit	5,584	13,992
Profit attributable to non-controlling interests	110	257
Profit attributable to owners of parent	5,474	13,734

Semi-annual consolidated statements of comprehensive income

(Million yen)

	From January 1, 2025 to June 30, 2025	From January 1, 2026 to June 30, 2026
Profit	5,584	13,992
Other comprehensive income		
Valuation difference on available-for-sale securities	-1,772	136
Foreign currency translation adjustment	-8,106	5,735
Remeasurements of defined benefit plans, net of tax	-198	-181
Share of other comprehensive income of entities accounted for using equity method	-64	-4
Total other comprehensive income	-10,141	5,685
Comprehensive income	-4,556	19,677
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-3,839	18,690
Comprehensive income attributable to non-controlling interests	-717	987

(3) Semi-annual consolidated statements of cash flows

(Million yen)

	From January 1, 2025 to June 30, 2025	From January 1, 2026 to June 30, 2026
Cash flows from operating activities		
Profit before income taxes	8,382	19,387
Depreciation	6,361	6,939
Gain on net monetary position	-1,707	-1,670
Interest and dividend income	-949	-998
Interest expenses	703	449
Share of (profit) loss of entities accounted for using equity method	-35	-47
Loss (gain) on sales of property, plant and equipment	-2	-20
Loss on retirement of property, plant and equipment	66	31
Loss (gain) on sales of investment securities	-47	-5,072
Decrease (increase) in notes and accounts receivable - trade	5,480	-7,544
Decrease (increase) in inventories	652	-5,340
Increase (decrease) in notes and accounts payable - trade	-8,368	-3,190
Other	2,383	3,732
Subtotal	12,918	6,655
Interest and dividend income received	970	1,212
Interest expenses paid	-833	-444
Income taxes paid	-3,411	-2,911
Net cash provided by (used in) operating activities	9,644	4,511
Cash flows from investing activities		
Net decrease (increase) in time deposits	-281	-4
Purchase of property, plant and equipment	-6,895	-7,463
Proceeds from sales of property, plant and equipment	15	31
Purchase of intangible assets	-152	-460
Purchase of short-term and long-term investment securities	-231	-27
Proceeds from sales and redemption of short-term and long-term investment securities	114	7,059
Other	-341	38
Net cash provided by (used in) investing activities	-7,772	-826
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	-4,728	-1,534
Proceeds from long-term loans payable	300	—
Repayments of long-term loans payable	-7,358	-342
Proceeds from issuance of bonds	5,000	—
Proceeds from agreement to set the right to demand earnings distribution	1,065	766
Purchase of treasury shares	-4,156	-2,055
Cash dividends paid	-2,531	-2,369
Repayments of lease obligations	-283	-344
Other	-136	-195
Net cash provided by (used in) financing activities	-12,829	-6,076
Effect of exchange rate change on cash and cash equivalents	-1,563	772
Net increase (decrease) in cash and cash equivalents	-12,520	-1,618
Cash and cash equivalents at beginning of period	60,052	45,792
Cash and cash equivalents at end of period	47,531	44,173

(4) Notes on semi-annual consolidated financial statements

(Notes on going concern assumption)

Not applicable

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

The Company acquired 542,400 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 2,054 million yen during the first half of the fiscal year under review, and treasury shares amounted to 11,052 million yen as of June 30, 2026.

(Segment information, etc.)

I. From January 1, 2025 to June 30, 2025

1. Information on net sales and profits or losses by reportable segment

(Million yen)

	Reportable segments					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in semi-annual 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	40,392	43,679	43,589	38,738	166,400	2,332	168,732	—	168,732
Intersegment sales	970	150	469	17	1,608	292	1,901	-1,901	—
Total	41,363	43,830	44,059	38,755	168,008	2,624	170,633	-1,901	168,732
Segment profits	812	3,665	2,485	2,062	9,025	326	9,351	21	9,373

(Notes) 1. The "Other" segment comprises business segments that are not included in the reportable 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 21 million yen in segment profits mainly represents the deduction of intersegment transactions.
3. Segment profits have been adjusted with operating profit recorded in the semi-annual consolidated statements of income.

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

Not applicable

II. From January 1, 2026 to June 30, 2026

1. Information on net sales and profits or losses by reportable segment

(Million yen)

	Reportable segments					Other (Note 1)	Total	Adjustment (Note 2)	Amount recorded in semi-annual 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	41,254	49,710	51,639	43,791	186,395	3,258	189,653	—	189,653
Intersegment sales	1,483	146	396	4	2,032	400	2,432	-2,432	—
Total	42,738	49,856	52,035	43,795	188,427	3,658	192,085	-2,432	189,653
Segment profits	1,865	4,589	3,595	2,440	12,491	79	12,570	3	12,573

(Notes) 1. The "Other" segment comprises business segments that are not included in the reportable 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 3 million yen in segment profits mainly represents the deduction of intersegment transactions.
3. Segment profits have been adjusted with operating profit recorded in the semi-annual consolidated statements of income.

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

(Million yen)

	Reportable segments					Other	Adjustment	Total
	Colorants and Functional Materials Related Business	Polymers and Coatings Related Business	Packaging Materials Related Business	Printing and Information Related Business	Total			
Impairment loss	–	55	–	–	55	–	–	55

(Note) An impairment loss of 55 million yen related to Polymers and Coatings Related Business is included in business restructuring expenses in the semi-annual consolidated statements of income.

(Important subsequent events)

(Retirement of treasury shares)

artience Co., Ltd. (hereinafter the "Company") announces that at the meeting of the Board of Directors held on August 7, 2026, the Company resolved the retirement of treasury shares in accordance with Article 178 of the Companies Act, as follows.

Details of the retirement of treasury shares

1. Type of shares to be retired	Common stock of the Company
2. Total number of shares to be retired	3,000,000 shares (5.97% of the total number of issued shares before retirement)
3. Scheduled date of the retirement	August 31, 2026
4. Total number of issued shares after retirement	47,286,544 shares