

Financial Information

Key Consolidated Financial Data

		March 2014	March 2015	March 2016	March 2017	December 2017*1	December 2018	December 2019	December 2020	December 2021	December 2022	December 2023
Net sales	(million JPY)	279,557	286,684	283,208	268,484	240,344	290,208	279,892	257,675	287,989	315,927	322,122
Operating profit	(million JPY)	19,728	18,210	18,236	19,231	16,774	15,276	13,174	12,909	13,005	6,865	13,372
Ordinary profit	(million JPY)	20,553	19,411	18,466	19,262	17,473	15,429	13,847	12,543	15,442	7,906	12,880
Profit attributable to owners of parent	(million JPY)	12,260	13,304	11,818	12,702	10,376	11,847	8,509	6,019	9,492	9,308	9,737
Comprehensive income	(million JPY)	30,351	32,605	5,196	13,179	16,371	-2,441	10,675	-3,993	19,892	11,705	31,888
Net assets	(million JPY)	186,608	213,756	211,859	216,979	228,384	221,091	226,892	217,325	226,947	227,877	255,653
Total assets	(million JPY)	336,601	364,262	359,395	364,066	378,459	371,610	376,130	380,227	406,896	411,177	447,798
Net assets per share*2	(JPY)	3,031.96	3,473.08	3,442.76	3,608.23	3,792.89	3,668.36	3,757.35	3,589.24	3,911.64	4,133.90	4,634.95
Profit per share (Basic)*2	(JPY)	205.46	222.98	198.09	214.98	177.73	202.93	145.72	103.06	169.36	171.49	183.69
Profit per share (Diluted)*2	(JPY)	—	—	198.05	214.84	177.53	202.60	145.44	102.85	169.09	171.30	183.57
Total shareholders' equity ratio	(%)	53.7	56.9	57.2	57.9	58.5	57.6	58.3	55.2	53.7	53.3	54.9
Interest-bearing debts	(million JPY)	74,441	66,924	68,786	64,759	61,772	60,199	59,507	81,386	81,007	86,448	89,897
Return on total shareholders' equity ratio*3	(%)	7.3	6.9	5.8	6.1	4.8	5.4	3.9	2.8	4.4	4.3	4.2
Return on total assets ratio*4	(%)	3.9	3.8	3.3	3.5	2.8	3.2	2.3	1.6	2.4	2.3	2.3
Price earnings ratio	(times)	10.1	12.6	11.4	12.5	18.8	12.0	18.3	19.1	11.4	10.5	14.3
Cash flows from operating activities	(million JPY)	17,603	25,702	25,727	23,370	18,663	19,197	19,673	16,743	15,760	4,262	23,478
Cash flows from investing activities	(million JPY)	-13,249	-6,198	-17,457	-10,611	-5,912	-10,828	-10,404	-13,294	-17,576	-5,645	-19,457
Cash flows from financing activities	(million JPY)	-7,305	-13,585	-5,817	-11,231	-8,355	-5,695	-6,247	16,221	-11,988	-8,102	-2,629
Balance of cash and cash equivalent	(million JPY)	34,723	42,546	43,744	44,132	49,262	50,958	53,765	73,117	60,949	53,385	56,040
Dividend payout ratio	(%)	31.6	32.5	39.1	37.2	45.0	41.9	61.8	87.3	53.1	52.5	49.0
Number of employees	(persons)	7,781	7,919	8,116	8,021	8,135	8,274	8,246	8,157	7,887	7,930	7,836

*1 In 2017, the company's fiscal year end was changed from March 31 to December 31.

*2 The Company implemented a consolidation of its common stock at the ratio of five shares to 1 share on July 1, 2018.

Accordingly, the above figures have been calculated assuming such share consolidation was conducted at the beginning of the fiscal year ended March 2014.

*3 Return on total shareholders' equity ratio (ROE) (%) = Profit attributable to owners of parent / Net worth

*4 Return on total assets ratio (ROA) (%) = Profit attributable to owners of parent / Total assets

Overseas Sales*2

		March 2014	March 2015	March 2016	March 2017	December 2017*1	December 2018	December 2019	December 2020	December 2021	December 2022	December 2023
Asia	(million JPY)	95,018	101,550	101,329	86,992	95,699	106,304	101,361	94,252	113,523	125,627	127,470
The Americas	(million JPY)	11,863	13,983	15,275	13,660	13,940	14,909	14,386	13,286	16,430	23,056	20,029
Europe	(million JPY)	5,171	7,464	7,581	12,212	12,825	12,912	12,393	11,562	13,098	17,306	25,098
Africa	(million JPY)	254	401	434	309	461	513	576	510	644	862	463
Total	(million JPY)	112,308	123,399	124,621	113,175	122,926	134,639	128,718	119,613	143,696	166,853	173,061
Overseas sales ratio	(%)	40.2	43.0	44.0	42.2	51.1	46.4	46.0	46.4	49.9	52.8	53.7

*1 In 2017, the company's fiscal year end was changed from March 31 to December 31.

*2 Overseas sales include sales of artience Co., Ltd. and its consolidated subsidiaries in countries or regions other than Japan (excluding internal sales among consolidated subsidiaries).

Segment Information

■ Segment Information by Business Group

(Unit: million JPY)

Net Sales	March 2014	March 2015	March 2016	March 2017	December 2017*1	December 2018	December 2019	December 2020	December 2021	December 2022	December 2023
Colorants and Functional Materials Business	76,414	78,465	71,878	65,935	63,385	74,660	67,400	61,642	74,995	79,380	81,069
Polymers and Coatings Business	56,742	59,495	60,894	58,325	52,028	66,099	65,887	62,328	70,736	76,240	77,746
Packaging Materials Business	62,530	63,114	64,623	62,965	55,640	68,047	68,071	66,589	73,645	83,464	84,292
Printing and Information Business	85,527	87,468	87,439	81,651	69,011	79,378	76,680	65,595	66,695	75,180	77,202
Others	5,403	5,704	5,980	6,115	5,166	7,228	7,291	6,229	5,746	4,948	5,609
Adjustment	-7,061	-7,564	-7,608	-6,509	-4,889	-5,205	-5,439	-4,708	-3,831	-3,287	-3,797
Total consolidated	279,557	286,684	283,208	268,484	240,344	290,208	279,892	257,675	287,989	315,927	322,122

(Unit: million JPY)

Operating profit	March 2014	March 2015	March 2016	March 2017	December 2017*1	December 2018	December 2019	December 2020	December 2021	December 2022	December 2023
Colorants and Functional Materials Business	8,140	7,290	4,227	4,604	5,273	5,329	3,386	2,610	5,391	1,846	2,687
Polymers and Coatings Business	3,428	3,646	5,547	6,641	5,868	6,035	6,013	5,937	3,570	2,504	5,257
Packaging Materials Business	1,982	1,768	2,723	2,871	2,096	1,491	3,058	3,885	1,813	963	3,668
Printing and Information Business	4,263	2,639	2,977	3,317	2,996	931	314	247	1,730	654	2,373
Others	1,890	2,833	2,754	1,777	541	1,481	424	234	531	890	-601
Adjustment	23	33	5	18	-1	6	-23	-7	-30	5	-12
Total consolidated	19,728	18,210	18,236	19,231	16,774	15,276	13,174	12,909	13,005	6,865	13,372

* Inter-segment transactions and Company-wide expenses have not been deducted from the figures for each business segment above.

*1 In 2017, the company's fiscal year end was changed from March 31 to December 31.

■ Segment Information by Location

(Unit: million JPY)

Net Sales	March 2014	March 2015	March 2016	March 2017	December 2017*1	December 2018	December 2019	December 2020	December 2021	December 2022	December 2023
Japan	192,946	188,973	181,884	176,297	134,961	181,666	175,513	161,798	173,526	176,986	178,091
Asia*2	95,522	102,163	100,732	86,592	96,331	106,499	101,192	94,478	113,580	126,888	128,807
Europe	10,587	14,190	14,481	18,361	19,988	20,210	19,842	17,954	21,059	26,944	28,871
The Americas	10,881	12,425	14,234	12,825	13,159	14,258	13,992	12,708	16,223	22,711	24,842
Adjustment	-30,379	-31,068	-28,124	-25,592	-24,096	-32,426	-30,648	-29,264	-36,400	-37,604	-38,491
Total consolidated	279,557	286,684	283,208	268,484	240,344	290,208	279,892	257,675	287,989	315,927	322,122

(Unit: million JPY)

Operating profit	March 2014	March 2015	March 2016	March 2017	December 2017*1	December 2018	December 2019	December 2020	December 2021	December 2022	December 2023
Japan	14,244	12,641	11,885	12,671	9,650	9,602	7,774	6,427	7,268	2,938	4,194
Asia*2	6,241	5,733	6,075	6,176	6,157	5,449	5,671	5,868	4,774	3,657	6,296
Europe	37	151	359	587	1,030	406	-204	523	1,336	500	2,006
The Americas	-563	-353	-135	-106	-101	-145	-207	-57	77	-126	1,136
Adjustment	-231	37	52	-96	37	-36	139	147	-450	-103	-262
Total consolidated	19,728	18,210	18,236	19,231	16,774	15,276	13,174	12,909	13,005	6,865	13,372

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

*1 In 2017, the company's fiscal year end was changed from March 31 to December 31.

*2 Includes Oceania regional net sales and operating profit until 2018.

Financial Information

■ Gains on property, plant and equipment and intangible fixed assets (by business group)

(Unit: million JPY)

	March 2014	March 2015	March 2016	March 2017	December 2017 ^{*1}	December 2018	December 2019	December 2020	December 2021	December 2022	December 2023
Colorants and Functional Materials Business	3,281	4,258	3,130	4,190	2,293	3,615	4,524	4,922	5,185	6,325	8,647
Polymers and Coatings Business	2,923	3,156	2,920	3,254	1,204	1,664	2,129	3,739	8,118	5,618	4,526
Packaging Materials Business	1,663	2,039	4,033	2,807	2,253	2,272	2,347	2,563	4,594	3,373	3,402
Printing and Information Business	9,740	4,189	5,577	4,578	1,341	2,574	3,319	2,781	1,997	2,024	2,817
Others	178	281	378	254	201	149	247	104	211	144	562
Total consolidated	17,788	13,925	16,039	15,085	7,294	10,277	12,567	14,111	20,107	17,486	19,956

* In 2017, the company's fiscal year end was changed from March 31 to December 31.

■ Depreciation (by business group)

(Unit: million JPY)

	March 2014	March 2015	March 2016	March 2017	December 2017 ^{*1}	December 2018	December 2019	December 2020	December 2021	December 2022	December 2023
Colorants and Functional Materials Business	3,648	3,731	3,783	3,499	2,869	3,425	3,235	3,353	3,615	3,846	4,275
Polymers and Coatings Business	2,127	2,159	2,207	2,330	1,849	2,295	2,047	2,000	2,207	2,608	2,748
Packaging Materials Business	1,451	1,488	1,666	1,678	1,498	1,558	1,697	1,692	1,773	2,096	2,188
Printing and Information Business	2,092	2,407	2,663	2,809	2,354	2,472	1,931	1,973	1,970	1,993	1,923
Others	157	170	199	222	160	187	176	167	163	200	203
Total consolidated	9,478	9,958	10,520	10,540	8,731	9,939	9,087	9,187	9,731	10,747	11,339

* In 2017, the company's fiscal year end was changed from March 31 to December 31.

■ Research and development expenses (by business group)

(Unit: million JPY)

	March 2014	March 2015	March 2016	March 2017	December 2017 ^{*1}	December 2018	December 2019	December 2020	December 2021	December 2022	December 2023
Colorants and Functional Materials Business	3,012	2,950	3,003	2,810	1,997	2,752	2,899	2,912	3,533	3,838	4,024
Polymers and Coatings Business	1,618	1,641	1,625	1,786	1,529	2,117	2,122	2,308	2,440	2,574	2,717
Packaging Materials Business	1,017	934	955	951	822	1,308	1,266	1,310	1,464	1,543	1,643
Printing and Information Business	1,798	1,798	1,835	1,822	1,539	1,916	1,779	1,572	1,051	1,149	1,224
Others	347	15	15	19	5	9	10	8	5	5	6
Total consolidated	7,794	7,340	7,434	7,390	5,894	8,104	8,077	8,112	8,496	9,111	9,616

* In 2017, the company's fiscal year end was changed from March 31 to December 31.

Financial Information

Quarterly Financial Data (Consolidated)

■ Consolidated Statements of Income

(Unit: million JPY) The lower row is the total amount since the beginning of the year.

	December 2020				December 2021				December 2022				December 2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Net sales	63,424	59,866	64,128	70,257	68,359	70,996	71,609	77,023	74,245	80,512	80,247	80,921	74,826	78,849	84,559	83,886
		[123,290]	[187,418]	[257,675]		[139,356]	[210,965]	[287,989]		[154,758]	[235,006]	[315,927]		[153,676]	[238,235]	[322,122]
Operating profit	3,004	2,545	2,885	4,473	3,527	3,702	2,515	3,259	2,817	1,798	694	1,556	1,909	2,843	4,378	4,241
		[5,549]	[8,435]	[12,909]		[7,230]	[9,746]	[13,005]		[4,615]	[5,309]	[6,865]		[3,771]	[9,131]	[13,372]
Ordinary profit	1,989	2,944	2,532	5,077	4,222	4,439	2,496	4,283	3,906	2,822	506	671	1,594	3,771	4,406	3,107
		[4,933]	[7,466]	[12,543]		[8,662]	[11,159]	[15,442]		[6,728]	[7,235]	[7,906]		[5,365]	[9,772]	[12,880]
Profit attributable to owners of parent	1,161	1,484	1,569	1,804	3,159	3,159	665	2,507	3,161	5,248	348	550	487	3,355	3,376	2,517
		[2,646]	[4,215]	[6,019]		[6,319]	[6,985]	[9,492]		[8,410]	[8,758]	[9,308]		[3,842]	[7,219]	[9,737]

■ Segment Information by Business Group

(Unit: million JPY) The lower row is the total amount since the beginning of the year.

Net sales	December 2020				December 2021				December 2022				December 2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Colorants and Functional Materials Business	15,070	13,686	15,558	17,326	18,516	18,280	18,711	19,486	19,105	20,267	19,651	20,355	18,709	20,654	21,175	20,529
		[28,757]	[44,315]	[61,642]		[36,796]	[55,508]	[74,995]		[39,373]	[59,025]	[79,380]		[39,364]	[60,539]	[81,069]
Polymers and Coatings Business	14,847	15,084	15,667	16,729	16,285	17,329	18,061	19,060	18,334	19,810	18,611	19,483	17,325	19,024	20,836	20,559
		[29,931]	[45,598]	[62,328]		[33,614]	[51,676]	[70,736]		[38,144]	[56,756]	[76,240]		[36,349]	[57,186]	[77,746]
Packaging Materials Business	16,321	16,589	16,267	17,411	17,047	18,358	18,152	20,087	18,878	21,109	22,159	21,316	20,215	20,145	22,069	21,860
		[32,910]	[49,177]	[66,589]		[35,406]	[53,558]	[73,645]		[39,988]	[62,148]	[83,464]		[40,361]	[62,431]	[84,292]
Printing and Information Business	16,874	13,939	16,375	18,407	16,156	16,477	16,213	17,847	17,488	18,843	19,418	19,430	17,876	18,467	20,060	20,797
		[30,813]	[47,188]	[65,595]		[32,633]	[48,847]	[66,695]		[36,332]	[55,750]	[75,180]		[36,344]	[56,404]	[77,202]
Others	1,551	1,768	1,334	1,575	1,543	1,679	1,249	1,274	1,223	1,272	1,208	1,244	1,469	1,365	1,252	1,522
		[3,319]	[4,654]	[6,229]		[3,222]	[4,471]	[5,746]		[2,495]	[3,704]	[4,948]		[2,834]	[4,086]	[5,609]
Adjustment	-1,240	-1,201	-1,073	-1,192	-1,188	-1,129	-779	-733	-784	-792	-801	-908	-770	-808	-835	-1,382
		[-2,442]	[-3,516]	[-4,708]		[-2,318]	[-3,097]	[-3,831]		[-1,576]	[-2,378]	[-3,287]		[-1,579]	[-2,414]	[-3,797]
Total consolidated	63,424	59,866	64,128	70,257	68,359	70,996	71,609	77,023	74,245	80,512	80,247	80,921	74,826	78,849	84,559	83,886
		[123,290]	[187,418]	[257,675]		[139,356]	[210,965]	[287,989]		[154,758]	[235,006]	[315,927]		[153,676]	[238,235]	[322,122]

Operating profit

(Unit: million JPY) The lower row is the total amount since the beginning of the year.

	December 2020				December 2021				December 2022				December 2023			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Colorants and Functional Materials Business	828	462	425	894	1,176	1,546	1,312	1,354	996	504	-143	489	542	923	644	577
		[1,291]	[1,716]	[2,610]		[2,723]	[4,036]	[5,391]		[1,501]	[1,357]	[1,846]		[1,465]	[2,109]	[2,687]
Polymers and Coatings Business	1,169	1,280	1,656	1,831	1,196	793	697	882	795	702	297	710	804	1,113	1,808	1,531
		[2,449]	[4,106]	[5,937]		[1,989]	[2,687]	[3,570]		[1,497]	[1,794]	[2,504]		[1,917]	[3,726]	[5,257]
Packaging Materials Business	854	1,061	806	1,162	717	553	205	337	287	182	169	323	697	720	1,157	1,092
		[1,916]	[2,723]	[3,885]		[1,271]	[1,476]	[1,813]		[470]	[640]	[963]		[1,418]	[2,575]	[3,668]
Printing and Information Business	94	-340	-95	589	263	594	138	733	359	228	149	-83	-141	99	983	1,432
		[-246]	[-341]	[247]		[858]	[996]	[1,730]		[588]	[737]	[654]		[-41]	[941]	[2,373]
Others	56	86	77	14	181	225	162	-38	378	183	214	114	12	0	-212	-402
		[143]	[220]	[234]		[406]	[569]	[531]		[561]	[776]	[890]		[12]	[-199]	[-601]
Adjustment	-0	-3	15	-18	-7	-11	-1	-11	-0	-2	5	3	-4	-14	-3	9
		[-4]	[11]	[-7]		[-18]	[-19]	[-30]		[-3]	[2]	[5]		[-18]	[-22]	[-12]
Total consolidated	3,004	2,545	2,885	4,473	3,527	3,702	2,515	3,259	2,817	1,798	694	1,556	1,909	2,843	4,378	4,241
		[5,549]	[8,435]	[12,909]		[7,230]	[9,746]	[13,005]		[4,615]	[5,309]	[6,865]		[4,752]	[9,131]	[13,372]

Financial Information

Consolidated Balance Sheets

(Unit: million JPY)

	March 2014	March 2015	March 2016	March 2017	December 2017 ¹	December 2018	December 2019	December 2020	December 2021	December 2022 (%)	December 2023 (%)
Assets											
Current assets	176,609	187,727	183,422	181,214	195,606	203,063	199,969	214,097	223,589	229,247 (55.8)	230,911 (51.6)
Cash and deposits	31,894	39,620	44,470	44,903	50,260	52,706	56,691	76,469	64,816	55,117	57,917
Notes and accounts receivable	92,991	94,883	90,949	89,049	94,594	95,553	90,173	87,126	94,297	100,390	102,930
Securities	700	563	529	116	477	43	29	57	24	430	65
Merchandise and finished goods	25,409	27,795	28,560	27,228	29,477	29,873	30,535	28,328	34,149	38,494	37,714
Work in process	1,541	1,496	1,421	1,279	1,103	1,034	1,319	1,070	726	1,000	722
Raw materials and supplies	15,146	16,139	13,768	13,963	16,085	17,872	16,654	16,790	24,695	28,088	26,282
Deferred tax assets	2,248	2,048	1,908	1,908	1,380	—	—	—	—	—	—
Other	7,571	6,226	3,046	3,852	3,220	6,744	5,350	5,178	5,979	6,881	6,224
Allowance for doubtful accounts	-893	-1,047	-1,233	-1,086	-993	-765	-786	-924	-1,100	-1,154	-944
Non-current assets	159,992	176,535	175,973	182,851	182,853	168,547	176,161	166,130	183,306	181,930 (44.2)	216,886 (48.4)
Property, plant and equipment	96,306	101,865	100,209	101,398	97,081	94,013	99,577	102,616	111,716	122,366 (29.8)	134,258 (30.0)
Buildings and structures	35,141	39,744	39,081	40,639	38,762	36,828	35,940	34,526	39,031	42,258	43,286
Machinery, equipment and vehicles	20,877	25,329	25,347	25,124	23,105	21,834	21,767	20,324	24,819	27,160	29,789
Tools, furniture and fixtures	3,090	3,081	2,807	2,827	2,644	2,722	2,873	3,236	3,922	5,349	5,070
Land	28,771	28,617	28,374	30,003	30,007	30,272	30,669	30,529	30,060	30,490	30,802
Leased assets	196	187	251	196	187	136	4,043	3,726	3,895	5,033	5,608
Construction in progress	8,229	4,903	4,346	2,607	2,373	2,219	4,282	10,273	9,986	12,075	19,700
Intangible assets	4,713	2,796	5,683	4,487	4,307	4,649	4,202	3,113	2,225	2,619 (0.6)	5,290 (1.2)
Investments and other assets	58,973	71,873	70,080	76,964	81,463	69,883	72,381	60,399	69,364	56,944 (13.9)	77,337 (17.3)
Investment securities	46,230	62,223	60,604	66,718	68,541	58,302	61,071	48,440	54,093	42,791	63,874
Net defined benefit asset	7,552	4,115	4,293	5,927	8,614	6,423	7,964	8,608	10,255	7,645	8,410
Deferred tax assets	938	1,025	771	833	1,068	2,163	2,333	2,398	2,420	2,826	3,323
Other	4,739	5,020	4,715	3,904	3,671	3,228	1,194	1,143	2,777	3,881	2,027
Allowance for doubtful accounts	-487	-512	-304	-419	-432	-234	-182	-191	-182	-200	-298
Total assets	336,601	364,262	359,395	364,066	378,459	371,610	376,130	380,227	406,896	411,177 (100.0)	447,798 (100.0)
Liabilities											
Current liabilities	101,612	90,742	87,369	97,513	94,808	100,839	106,747	91,411	112,125	113,463 (27.6)	123,953 (27.7)
Notes and accounts payable	48,159	48,773	48,520	49,588	56,129	62,460	59,543	54,608	68,221	70,738	67,075
Short-term loans payable	33,369	20,931	21,932	30,660	22,507	20,593	30,315	19,379	24,042	24,022	36,542
Income taxes payable	3,658	2,824	1,880	3,088	1,485	1,470	1,279	1,082	1,652	726	1,579
Provision for environmental measures	—	—	—	—	—	884	—	—	537	—	—
Other	16,424	18,212	15,036	14,175	14,685	15,429	15,608	16,340	17,672	17,975	18,756
Non-current liabilities	48,380	59,763	60,166	49,573	55,267	49,679	42,490	71,491	67,823	69,836 (17.0)	68,191 (15.2)
Corporate bonds	—	—	—	—	—	—	—	—	—	5,000	10,000
Long-term loans payable	40,051	44,895	46,037	33,262	38,409	38,845	27,460	60,492	55,415	54,851	40,161
Deferred tax liabilities	4,664	10,451	10,175	10,884	11,641	7,847	9,584	6,561	8,703	6,276	13,563
Provision for environmental measures	365	889	768	2,504	2,349	538	2,348	1,485	364	251	118
Net defined benefit liability	1,496	1,775	1,891	1,865	1,868	1,784	1,885	1,914	2,275	1,676	1,878
Asset retirement obligations	27	27	28	29	29	30	31	31	32	33	34
Other	1,775	1,724	1,266	1,027	968	632	1,179	1,005	1,030	1,746	2,434
Total liabilities	149,993	150,506	147,536	147,087	150,075	150,518	149,237	162,902	179,948	183,300 (44.6)	192,144 (42.9)
Net assets											
Total shareholders' equity	172,123	180,259	185,338	190,155	195,642	202,600	205,891	206,706	206,236	204,990 (49.9)	209,967 (46.9)
Capital stock	31,733	31,733	31,733	31,733	31,733	31,733	31,733	31,733	31,733	31,733	31,733
Capital surplus	32,920	32,920	32,926	32,918	32,710	32,500	32,500	32,499	32,546	32,530	32,468
Retained earnings	109,220	117,368	122,450	130,496	136,202	143,379	146,627	147,390	151,740	151,414	156,381
Treasury shares	-1,750	-1,762	-1,771	-4,992	-5,002	-5,012	-4,969	-4,916	-9,784	-10,687	-10,615
Total accumulated other comprehensive income	8,791	26,960	20,060	20,525	25,807	11,570	13,548	2,998	12,213	14,056 (3.4)	35,794 (8.0)
Valuation difference on available-for-sale securities	6,065	13,396	12,610	17,726	19,284	11,888	14,273	5,699	9,941	5,007	19,845
Foreign currency translation adjustment	3,928	10,933	5,669	1,144	3,299	-1,513	-2,843	-5,284	-1,212	7,986	14,809
Remeasurements of defined benefit plans	-1,203	2,630	1,781	1,653	3,223	1,195	2,118	2,583	3,483	1,062	1,139
Subscription rights to shares	—	—	38	95	164	248	265	249	163	98 (0.0)	45 (0.0)
Non-controlling interests	5,694	6,536	6,422	6,202	6,768	6,671	7,187	7,370	8,334	8,731 (2.1)	9,845 (2.2)
Total net assets	186,608	213,756	211,859	216,979	228,384	221,091	226,892	217,325	226,947	227,877 (55.4)	255,653 (57.1)
Total liabilities and net assets	336,601	364,262	359,395	364,066	378,459	371,610	376,130	380,227	406,896	411,177 (100.0)	447,798 (100.0)

¹ In 2017, the company's fiscal year end was changed from March 31 to December 31.

Financial Information

Consolidated Statements of Income

(Unit: million JPY)

	March 2014	March 2015	March 2016	March 2017	December 2017 ^{a)}	December 2018	December 2019	December 2020	December 2021	December 2022	(%)	December 2023	(%)
Net sales	279,557	286,684	283,208	268,484	240,344	290,208	279,892	257,675	287,989	315,927	(100.0)	322,122	(100.0)
Cost of sales	215,401	222,944	218,326	203,095	184,433	227,914	219,559	200,479	229,284	261,725	(82.8)	258,272	(80.2)
Gross profit	64,156	63,739	64,882	65,388	55,910	62,293	60,333	57,196	58,704	54,202	(17.2)	63,849	(19.8)
Selling, general and administrative expenses	44,427	45,529	46,645	46,156	39,136	47,017	47,159	44,286	45,699	47,336	(15.0)	50,476	(15.7)
Packing and transportation expenses	6,397	6,445	6,546	6,420	5,304	6,802	7,181	6,657	7,517	7,811		7,542	
Salaries and allowances	10,748	11,301	11,762	11,596	9,991	11,691	11,698	11,272	11,743	12,370		12,903	
Bonuses	2,547	2,563	2,708	2,698	2,123	2,760	2,651	2,559	2,499	2,512		2,377	
Welfare expenses	2,653	2,914	2,969	3,006	2,443	3,062	3,030	2,917	3,033	3,110		3,124	
Depreciation	1,140	1,284	1,412	1,801	1,525	1,805	1,879	1,962	1,961	1,816		1,847	
Research and development expenses	3,186	3,082	2,918	2,831	2,786	3,372	3,438	3,224	3,325	3,452		3,637	
Other	17,753	17,939	18,328	17,801	14,959	17,524	17,279	15,692	15,617	16,261		19,043	
Operating income	19,728	18,210	18,236	19,231	16,774	15,276	13,174	12,909	13,005	6,865	(2.2)	13,372	(4.2)
Non-operating income	2,264	2,656	1,955	1,796	1,925	2,238	1,964	2,012	3,769	4,324	(1.4)	2,586	(0.8)
Interest income	191	212	239	191	229	244	214	245	189	226		411	
Dividend income	662	751	1,078	1,094	940	1,126	1,137	1,280	1,263	1,567		1,323	
Foreign exchange gains	533	929	—	—	—	—	—	—	1,537	1,833		357	
Share of profit of entities accounted for using equity method	—	—	—	43	263	65	—	—	—	—		—	
Other	876	762	637	467	491	802	611	485	779	696		494	
Non-operating expenses	1,440	1,455	1,725	1,766	1,226	2,085	1,290	2,377	1,332	3,283	(1.0)	3,078	(1.0)
Interest expenses	850	812	735	896	756	745	644	520	544	1,365		1,942	
Foreign exchange losses	—	—	736	385	94	904	130	1,129	—	—		—	
Share of loss of entities accounted for using equity method	—	—	67	—	—	—	37	77	271	173		8	
Loss on net monetary position	—	—	—	—	—	—	—	—	—	1,183		289	
Other	590	642	186	484	375	434	478	650	516	560		837	
Ordinary income	20,553	19,411	18,466	19,262	17,473	15,429	13,847	12,543	15,442	7,906	(2.5)	12,880	(4.0)
Extraordinary income	199	6,934	205	2,860	929	1,355	2,088	91	694	5,934	(1.9)	2,208	(0.7)
Gain on sales of non-current assets	45	6,854	62	67	579	866	30	23	311	276		130	
Gain on sales of investment securities	—	—	9	2,637	340	489	2,057	67	367	5,648		1,953	
Compensation for transfer	144	—	—	—	—	—	—	—	—	—		—	
Other	9	79	133	155	9	—	—	0	14	9		125	
Extraordinary losses	351	4,908	684	4,895	3,637	867	3,629	2,636	3,006	1,480	(0.5)	2,274	(0.7)
Loss on sales and retirement of non-current assets	286	390	375	322	210	290	284	411	262	362		389	
Impairment losses	—	257	166	375	3,054	437	364	247	708	456		565	
Fire loss	—	—	—	—	—	98	—	—	—	—		—	
Environmental expenses	—	—	83	—	—	—	—	—	—	—		—	
Amortization of goodwill	—	2,262	—	650	—	—	—	—	—	—		—	
Provision for environmental measures	61	530	—	2,950	—	—	2,688	—	—	—		—	
Loss on cancellation of securities to retirement benefit trust	—	1,125	—	—	—	—	—	—	—	—		—	
Business restructuring expenses	—	—	—	—	—	—	—	—	1,754	125		736	
Loss on business restructuring	—	—	—	—	—	—	—	1,040	237	—		—	
Loss on remittance fraud at overseas subsidiaries	—	—	—	—	—	—	—	519	—	—		—	
Extra retirement payments	—	—	—	—	—	—	—	—	—	233		231	
Shut down cost	—	—	—	—	—	—	—	363	—	226		—	
Special investigation expenses	—	—	—	—	—	—	283	—	—	—		—	
Loss on sales of investment securities	—	—	—	—	—	—	—	—	—	—		297	
Other	3	341	59	596	371	41	8	54	42	76		53	
Profit before income taxes	20,401	21,437	17,987	17,227	14,765	15,917	12,306	9,999	13,130	12,360	(3.9)	12,815	(4.0)
Income taxes, current	6,750	5,989	4,375	5,346	4,142	3,249	3,313	3,124	3,482	2,839		3,134	
Income taxes, deferred	1,017	1,686	1,251	-1,355	-276	367	90	388	-32	129		-91	
Total income taxes	7,768	7,676	5,626	3,990	3,865	3,617	3,404	3,512	3,450	2,968	(0.9)	3,042	(0.9)
Profit	—	13,761	12,360	13,236	10,900	12,299	8,901	6,486	9,680	9,392		9,772	
Profit attributable to non-controlling interests	372	456	542	534	523	451	392	467	187	83		34	
Profit attributable to owners of parent	12,260	13,304	11,818	12,702	10,376	11,847	8,509	6,019	9,492	9,308	(2.9)	9,737	(3.0)

^{a)} In 2017, the company's fiscal year end was changed from March 31 to December 31.

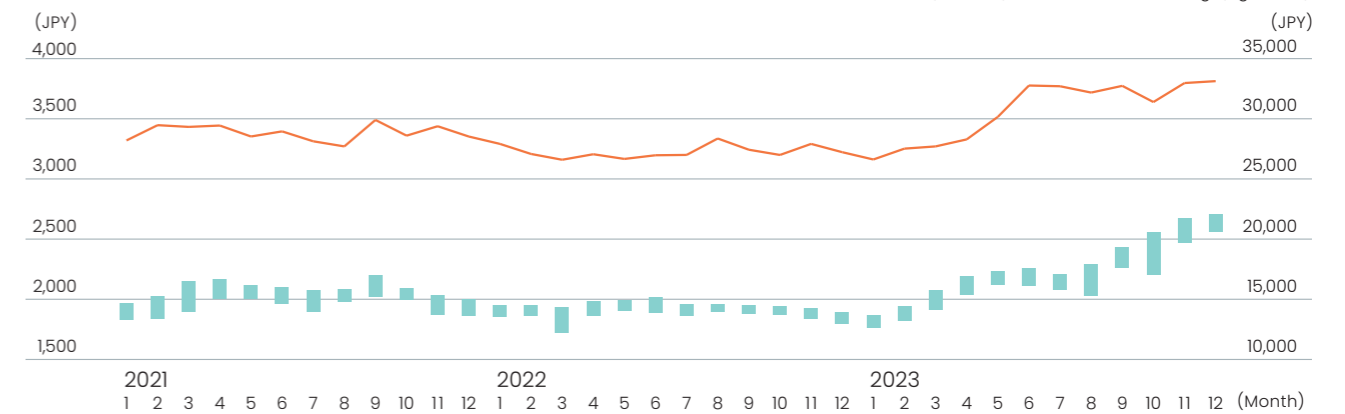
Consolidated Statements of Cash Flows

	(Unit: million JPY)	
	December 2022	December 2023
Cash flows from operating activities	4,262	23,478
Profit before income taxes	12,360	12,815
Depreciation	10,747	11,339
Loss on net monetary position	-	289
Impairment loss	456	565
Business restructuring expenses	125	736
Extra retirement payments	233	-
Shutdown costs	226	-
Interest and dividend income	-1,794	-1,734
Interest expenses	1,365	1,942
Share of profit / loss of entities accounted for using equity method (negative is profit)	173	8
Loss/gain on sale of property, plant and equipment (negative is gain)	-263	-85
Loss on disposals of property, plant and equipment	129	125
Loss / gain on sales of investment securities (negative is gain)	-5,648	-1,655
Decrease / increase in notes and accounts receivable (negative is increase)	-3,481	-498
Decrease / increase in inventories (negative is increase)	-5,328	5,110
Increase / decrease in notes and accounts payable (negative is decrease)	39	-3,859
Other	-3,168	1,899
Subtotal	7,358	27,000
Interest and dividend income received	1,936	1,745
Interest expenses paid	-1,230	-1,828
Income taxes paid	-3,802	-3,438
Cash flows from investing activities	-5,645	-19,457
Net decrease / increase in time deposits (negative is increase)	2,362	-370
Purchase of property, plant and equipment	-17,660	-18,967
Proceeds from sales of property, plant and equipment	535	624
Purchase of intangible assets	-285	-1,039
Purchase of short-term and long-term investment securities	-76	-1,455
Proceeds from sales and redemption of short-term and long-term investment securities	9,546	4,323
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	-2,486
Other	-67	-85
Cash flows from financing activities	-8,102	-2,629
Net increase / decrease in short-term loans payable (negative is decrease)	4,451	-3,943
Proceeds from long-term loans payable	152	1,679
Repayments of long-term loans payable	-6,509	-785
Proceeds from issuance of bonds	5,000	5,000
Purchase of treasury shares	-5,734	-4
Repayments of lease obligations	-384	-438
Cash dividends paid	-4,922	-4,770
Proceeds from share issuance to non-controlling shareholders	-	907
Other	-155	-274
Foreign currency translation adjustments on cash and cash equivalents	1,921	1,264
Net increase / decrease in cash and cash equivalents (negative is decrease)	-7,564	2,655
Cash and cash equivalents, beginning of period	60,949	53,385
Cash and cash equivalents, end of period	53,385	56,040

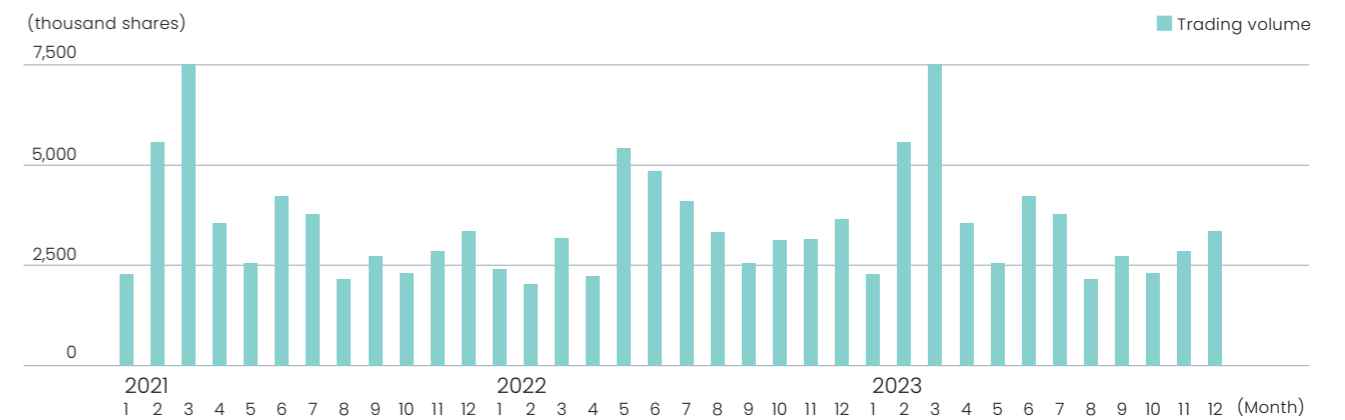
Stock Information (As of December 31, 2023)

Stock exchange listing	Prime Market in Tokyo Stock Exchange	Number of treasury shares	5,262,779 shares
Code	4634	Number of shares issued excluding treasury shares	53,023,765 shares
Number of Authorized Shares	160,000,000 shares	Number of Shareholders	19,182 shareholders
Number of Outstanding Shares	58,286,544 shares		

Trends in Share Prices (on the Tokyo Stock Exchange)



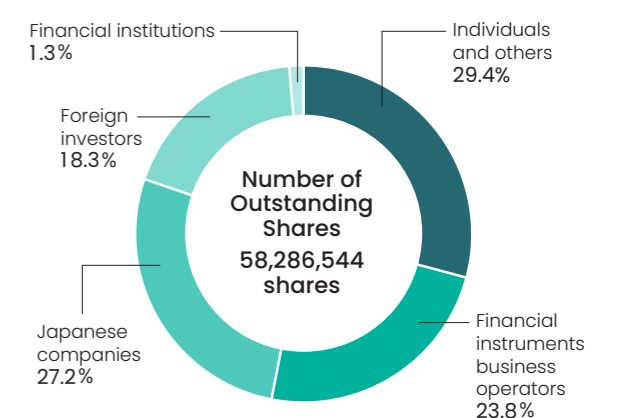
Trends in Trading Volume (on the Tokyo Stock Exchange)



Major Shareholders

Name of Shareholder	Number of shares held (thousand shares)	Shareholding ratio (%)
Toppan Holdings Inc.	10,446	19.70
The Master Trust Bank of Japan, Ltd. (Trust Account)	6,383	12.04
Custody Bank of Japan, Ltd. (Trust Account)	3,485	6.57
Nippon Shokubai Co., Ltd.	1,661	3.13
Employees' Stock Club	1,591	3.00
Client stock ownership	916	1.73
STATE STREET BANK AND TRUST COMPANY 505001	794	1.50
STATE STREET BANK AND TRUST COMPANY 505103	664	1.25
MUFG Bank, Ltd.	602	1.14
Mizuho Bank, Ltd.	602	1.14

Shareholder Composition by Number of Shares Held



* Treasury shares are included in "Individuals and others."

Group Corporate Profile (As of December 31, 2023)

artience Co., Ltd.

Head Office	2-1, Kyobashi 2-chome, Chuo-ku, Tokyo 104-8377 JAPAN	Capital	31,733,496,860 JPY
Founded	January 1896	Number of Affiliates	13 in Japan, 49 overseas (56 consolidated subsidiaries and 6 equity-method affiliates)
Established	January 15, 1907	Number of Employees	388 employees (Non-consolidated,) 7,836 employees (Consolidated)
Representative	Katsumi Kitagawa, Chairman and Representative Director Satoru Takashima, President and Representative Director, Group CEO	Website	https://www.artiencegroup.com/en/

Production items

- PG Pigments
- PC Plastic colorants
- LM LiB related materials
- DM Display materials
- AD Adhesives
- CC Can coatings
- LI Liquid Inks
- OI Offset inks
- MD Metal decorative inks
- IJ Inkjet inks

Company List of artience Group

Holding Company
artience Co., Ltd.

Consolidated Subsidiaries

- Japan*1**
- Toyocolor Co., Ltd.
 - Toyochem Co., Ltd.
 - Toyo Ink Co., Ltd.
 - Toyo Visual Solutions Co., Ltd.
 - Toyo-Morton, Ltd.
 - Matsui Chemical Co., Ltd.
 - Toyo FPP Co., Ltd.
 - Toyo B-Net Co., Ltd.
 - Toyo Ink Engineering Co., Ltd.
 - Toyo Management Service Co., Ltd.

Asia

- TIPPS Pte. Ltd.
- Toyochem Specialty Chemical Sdn. Bhd.
- Toyo Ink (Thailand) Co., Ltd.

- Thai Eurocoat Ltd.
- Toyo Ink (Philippines) Co., Inc.
- TIP LH Corp.
- Toyo Ink Compounds Corp.
- PT. Toyo Ink Indonesia
- PT. Toyo Ink Trading Indonesia
- Toyo Ink Middle East Fze.
- Toyo Ink Vietnam Co., Ltd.
- Toyo Ink Compounds Vietnam Co., Ltd.
- Toyo Ink India Pvt. Ltd.
- Toyo Ink Arets India Pvt. Ltd.
- Toyo Ink Myanmar Co., Ltd.*2
- Tianjin Toyo Ink Co., Ltd.
- Shanghai Toyo Ink Mfg. Co., Ltd.
- Toyo Ink Asia Ltd.
- Shenzhen Toyo Ink Co., Ltd.
- Jiangmen Toyo Ink Co., Ltd.
- Zhuhai Toyocolor Co., Ltd.
- Jiangsu Toyo Shenlanhua Pigment Co., Ltd.
- Chengdu Toyo Ink Co., Ltd.
- Sichuan Toyo Ink Mfg. Co., Ltd.
- Toyo Ink Far East Ltd.
- Dong Da Li Chemical Co., Ltd.
- Toyo Advanced Science Taiwan Co., Ltd.
- Toyo Ink Korea Co., Ltd.
- Hanil TOYO Co., Ltd.
- Sam Young Ink & Paint Mfg. Co., Ltd.

The Americas

- Toyo Ink International Corp.
- Toyo Ink America, LLC
- LioChem Inc.
- LioChem e-Materials LLC
- Toyo Ink Brasil Ltda.
- Toyo Ink Mexico S.A. de C.V.

Europe and Africa

- Toyo Ink Europe International N.V.
- Toyo Ink Europe N.V.
- Toyo Ink Europe UK Ltd.
- Toyo Ink Europe Deutschland GmbH
- Toyo Ink Europe Specialty Chemicals S.A.S
- Toyo Ink Europe France S.A.S
- UAB "Toyo Ink Europe Baltica"
- Toyo Ink Hungary Kft.
- Toyo Matbaa Mürekkepleri Sanayi ve Ticaret A.Ş.
- Toyo Ink North Africa S.A.R.L. AU

Equity-Method Affiliates

Japan

- Nippon Polymer Industries Co., Ltd.
- MAVERIQ Partners Inc.*3
- Logi Co-Net Corp.

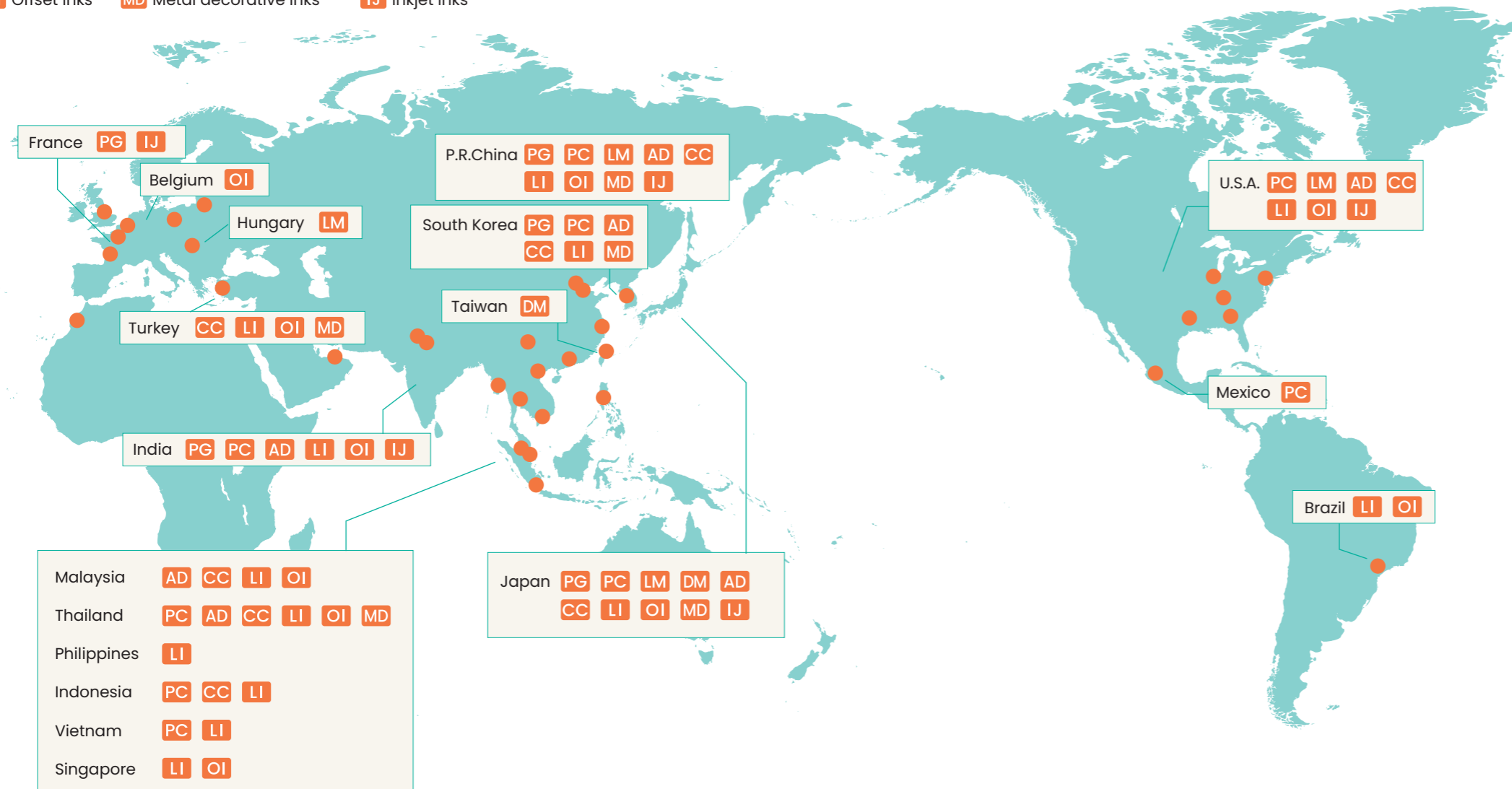
Asia

- Sumika Polymer Compounds (Thailand) Co., Ltd.
- Heubach Toyo Colour Pvt. Ltd.
- Zhuhai Sumika Polymer Compounds Co., Ltd.




*1 Clover Biz Co., Ltd. was established on January 4, 2024.

*2 All shares of Toyo Ink Myanmar Co., Ltd. were sold to an outside company on March 15, 2024.

*3 All shares of MAVERIQ Partners Inc. were sold to an outside company on May 14, 2024.



External Recognition

 <p>2024 CONSTITUENT MSCI日本株 ESGセレクト・リーダーズ指数</p>	<p>MSCI Nihonkabu ESG Select Leaders Index This is an investment index designed by MSCI, which provides a range of support tools for institutional investors. Its constituents are Japanese companies which are excellent in terms of their score of MSCI ESG rating controlled for imbalances in industrial types. This index was selected as an ESG index to be used by the Government Pension Investment Fund (GPIF.)</p>
 <p>2024 CONSTITUENT MSCI日本株 女性活躍指数 (WIN)</p>	<p>MSCI Japan Equity Women's Empowerment Index (WIN) This is an investment index designed by MSCI, which provides a range of support tools for institutional investors. Its constituents are Japanese companies which are excellent in terms of their promotion of gender diversity. This index was selected as an ESG index to be used by the Government Pension Investment Fund (GPIF.)</p>
 <p>FTSE Blossom Japan Index</p>	<p>FTSE Blossom Japan Index This is an investment index designed by the global index and data provider FTSE Russell. It is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. This index was selected as an ESG index to be used by the Government Pension Investment Fund (GPIF.)</p>
 <p>FTSE Blossom Japan Sector Relative Index</p>	<p>FTSE Blossom Japan Sector Relative Index This is an investment index designed by FTSE Russell. It reflects the performance of Japanese companies which are excellent in environmental, social, and governance (ESG) initiatives in their respective sectors, while minimizing bias toward specific sectors. This index was selected as an ESG index to be used by the Government Pension Investment Fund (GPIF.)</p>
 <p>S&P/JPX カーボン エフィシエント 指数</p>	<p>S&P / JPX Carbon Efficient Index This is an investment index designed by S&P Dow Jones Indices LLC and Japan Exchange Group, Inc. Its constituents are selected from among the TOPIX constituents, weighted by the status of their disclosure of environmental information and carbon efficiency. artience Co., Ltd. has been evaluated according to the methodology of the S&P Carbon Global Standard as a 1st Decile constituent and its carbon information disclosure status is "Not Disclosed."</p>
 <p>2024 SOMPO Sustainability Index</p>	<p>SOMPO Sustainability Index This is an investment index designed by Sompo Asset Management Co., Ltd. This index comprises approx. 300 companies with outstanding ESG initiatives. It is used in SOMPO Sustainable Management, an investment product from SOMPO Asset Management Co., Ltd. that is adopted by multiple pension funds and institutional investors oriented toward the long-term holding of stocks.</p>
 <p>BRONZE 2023 ecovadis Sustainability Rating</p>	<p>EcoVadis Sustainability Rating Bronze status achieved EcoVadis is a company which certifies sustainable supply chains. It evaluates companies' policies, measures, and performance in the four fields of the environment, labor & human rights, ethics, and sustainable procurement. The Bronze rating is awarded to companies ranked in the top 26% to 50% of approx. 100,000 evaluated companies.</p>
 <p>2024 健康経営優良法人 ホワイト500</p>	<p>2024 Health and Productivity Management Outstanding Organizations (White 500) certification This is a recognition program run by the Ministry of Economy, Trade and Industry, under which the ministry certifies corporations taking excellent health and productivity management measures based on the initiatives for promoting good health advanced by the Nippon Kenko Kaigi. artience Co., Ltd. was recognized as one of the top 500 corporations (White 500) in the large enterprise category after a health and productivity management survey. The company has been recognized by this program for the eight consecutive years since 2017, when it was recognized for the first time.</p>
 <p>work with Pride WWP Gold 2023</p>	<p>Pride Index 2023 Gold Award The Pride Index is an index formulated by work with Pride in 2016, to recognize initiatives in support of sexual minorities in the workplace. We have been certified as Gold in recognition of our efforts to promote diversity and increase understanding among employees such as by publishing in-house handbook "Understanding and Responding to LGBTQ+," supporting for "Business for Marriage Equality" which promotes marriage equality, sponsorship of "Rainbow Festa 2023" in Osaka.</p>

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Editorial policies

[Period covered]
January 1, 2023 to December 31, 2023 (FY2023)

* Some sections cover the period before 2022 or after 2024.

[Areas covered]
The scope of this report covers the artience Group (artience Co., Ltd., its consolidated subsidiaries and equity-method affiliates in Japan and overseas.) For information that falls within a different scope, a note is provided indicating the scope of the report.

- [Guidelines used as reference]**
- "International Integrated Reporting Framework," Value Reporting Foundation (VRF)
 - "Guidance for Collaborative Value Creation," Ministry of Economy, Trade and Industry
 - "Sustainability Reporting Standards," Global Reporting Initiative (GRI)
 - "Recommendations of the Task Force on Climate-related Financial Disclosures," TCFD

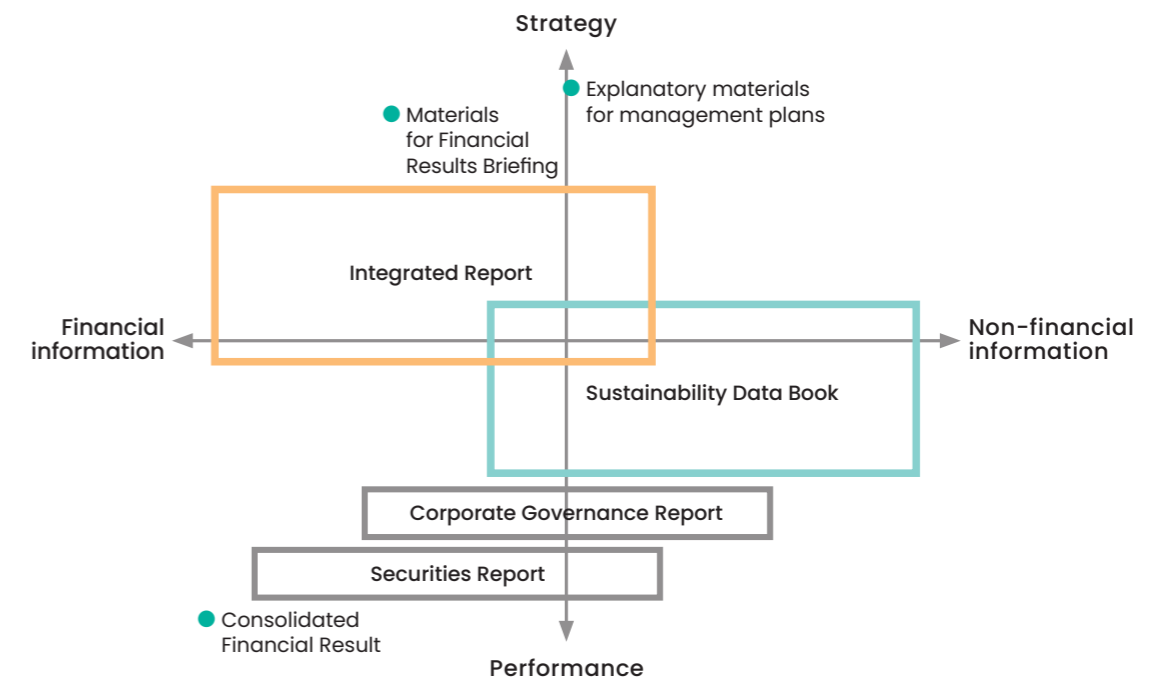


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