artience Group Value Creation Looking Ahead to 2050

The artience Group has been implementing three-year-long medium-term management plans, and is currently working on the artience2027/2030 "GROWTH" Management Plan, with the target year of FY2030. We will continue to steadily implement this management plan to manifest the strong commitment to transformation that we expressed both within and outside the Group through changes to our Philosophy System and the change of our company name to artience in FY2024.

In addition to engaging in business activities with set financial targets under the two medium-term management plans, artience2027 and artience2030, we have also formulated Group Materiality 2025-2030, which identifies key sustainability issues for the Group and society, and are engaged in Group sustainability activities aligned with our medium-term management plans. We have also formulated Sustainability Vision asv2050/2030 as a set of long-term practical targets for the Group's sustainability activities and a direction for Group Materiality 2025-2030. The goal is to respond to recent global trends relating to efforts to achieve the Sustainable Development Goals (SDGs,) such as in addressing climate change, carbon neutrality, recycling of resources, human rights, and diversity, and the situation in which greater demands are being placed on companies to resolve various social issues.

To serve in new area and achieve continued growth in fast-changing social circumstances, we will transform into a company that delivers pioneering value to people around the world using cutting-edge technologies and work together as one group to create value that resonates with the senses for a future where all people can live enriched lives.

■ Targets for business performance during term of artience2027/2030 "GROWTH" Management Plan

	FY2023 (result)	FY2024 (result)	FY2025 (planned)	FY2026 (target)	FY2029 (target)
Consolidated net sales	322,122 million JPY	351,064 million JPY	370,000 million JPY	400,000 million JPY	500,000 million JPY
Consolidated operating profit	13,372 million JPY	20,414 million JPY	22,000 million JPY	25,000 million JPY	–
Operating profit margin	4.2%	5.8%	5.9%	6.3%	–
ROE	4.2%	7.3%	7.0%	8.0% or more	10.0% or more

Sustainability Vision asv2050/2030

The Group formulated the Sustainability Vision asv2050/2030 in January 2022 to indicate a direction for implementing sustainability management from a medium to long-term perspective. To link this more specifically to our management plans, we reviewed the previous group materiality "Five Material Issues" from scratch and formulated Group Materiality 2025-2030 in February 2025. At the same time, we revised asv2050/2030 to enhance its permeation within the Group and its linkage with our management plans.

■ Sustainability Vision asv2050/2030

asv2030 Intermediate targets at milestone towards 2050 Corporate contributions to achieving the SDGs	asv2050 Direction leading to vision for 2050 Achievement of carbon neutrality
1. Providing products and services that realize a sustainable society	
●Sales ratio of Sustainability-Enhancing Products will be 80% ●Expanding the lineup of products that are able to contribute to a reduction in CO_2 emissions throughout the product lifecycle	●Making all products Sustainability-Enhancing Products ●Contributing to decarbonization throughout the entire value chain
2. Reducing the environmental impact of manufacturing	
●Scope 1 and 2 emissions (global): 26% reduction (from FY2020 level) = CO_2 emissions: 35% reduction in Japan (from the FY2020 level,) 35% reduction overseas (compared to the FY2030 BAU)	●Achieve the carbon neutrality of production activities and minimize greenhouse gas (GHG) emissions from all corporate activities
●Reduce water consumption at production sites and carry out water quality preservation activities	●Achieve sustainable water consumption in production activities
●Achieve zero emissions as the Group as a whole and increase the conservation and recycling of resources	●Minimize waste generation and maximize resource recycling
●Harmful chemical substance emissions (Global): 30% reduction (from the FY2020 level)	●Become a chemical manufacturer that emits no harmful chemical substances during production activities
3. Building a foundation for trust	
●Realize the responsible procurement of raw materials in consideration of human rights, labor and the environment ●Realize a working environment that respects human rights and diversity ●Improve employee engagement through promoting personnel development that leads to their growth and providing a safe and secure working environment ●Govern the corporation in ways that meet stakeholders' expectations through uninterrupted reform ●Achieve the co-creation of value by establishing partnerships and coexisting with local communities and nature	●From a sustainability perspective, address supply chains, human rights and diversity, human resource management, connections with local nature and communities, and reform and transformation of governance continuously