

Ensuring Quality and Safety

Basic approach

The artience Group has established a Basic Policy on Product Safety and Quality Assurance (established May 10, 2024) and accompanying Quality Assurance Regulations. We work to ensure that quality assurance is rigorously implemented at every stage, from planning and R&D through sales and after-sales service, to consistently provide customers with products they can rely on. When developing new products and new businesses, we evaluate and verify them in accordance with our internal regulations before commercialization.

In addition, we have also implemented ISO 9001 standards for quality to enhance and strengthen quality assurance throughout the company. We produce products in the medical field, including transdermal patches, in accordance with the GMP (Good Manufacturing Practice,) Ministerial Ordinance on Standard for Manufacturing Control and Quality Control for Drugs and Quasi-drugs.



The Basic Policy on Product Safety and Quality Assurance is posted on our website under [Sustainability > Related Policies and Guidelines.]



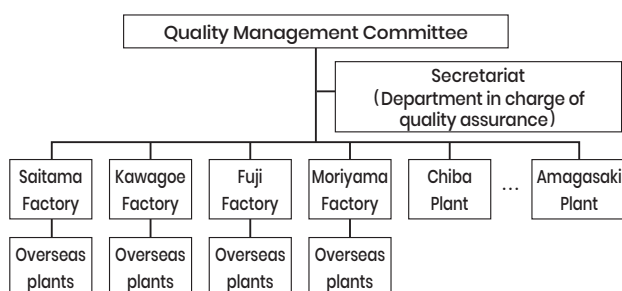
Page 39: Environmental Data > Environmental Management

Promotion system

The Group prioritizes the quality of its products and services, aiming to be a brand chosen by customers and society. We work to establish quality assurance systems and improve the level of quality assurance at all production bases of the artience Group, with the leading by the Quality Management Committee. At the semi-annual meetings of the committee, strategies for quality assurance activities are shared by all production bases in Japan and overseas.

For the purpose of ensuring that customers can use the artience Group's products without concern, the Production Planning Office of artience Co., Ltd. organizes quality risk checkup meetings to check individual facilities from a third party's viewpoint and to create a corporate culture that deters quality misconduct.

Quality management promotion system (FY2025)



Risk Management

[Handling of product risk information]

The artience Group established procedures for handling product risk information in order to respond appropriately and quickly across the group to product risk. Production Planning Office of artience Co., Ltd. deal with product risk information matters and promote quality assurance activities in cooperation with the Group's core operating companies and affiliated companies.

In addition, in order to further improve quality, we are building the Quality Global Standard for production system to ensure that we supply products with the same high quality anywhere in the world, and deploying it to our production bases.

To strengthen quality compliance, we regularly conduct awareness-raising activities for prevention based on materials explaining case studies (inspection fraud, manufacturing fraud, reporting/labeling fraud, etc.) at compliance meetings at individual sites.

Metrics and targets

Relevant themes in Group Materiality 2025-2030

Theme: 4-3. Product Safety / Quality Assurance

Strengthen the product safety and quality assurance system to improve our credibility as a manufacturing company

- Enrichment of the Global Quality Standard Network (unification and control of quality standards, sharing of quality assurance information, etc.)
- Number of serious incidents regarding product safety and quality (violation laws and regulations, human damages, economic loss beyond a certain level): Zero continued



Page 10 to 11: Group Materiality 2025-2030

[Achievements in FY2024]

Number of serious product accidents

(Unit: case)

KPIs and measures	Achievement in FY2022	Achievement in FY2023	Achievement in FY2024	Target (every FY)
Number of serious product accidents	0	0	0	0

Ensuring Quality and Safety

Initiatives

[Management and provision of product information]

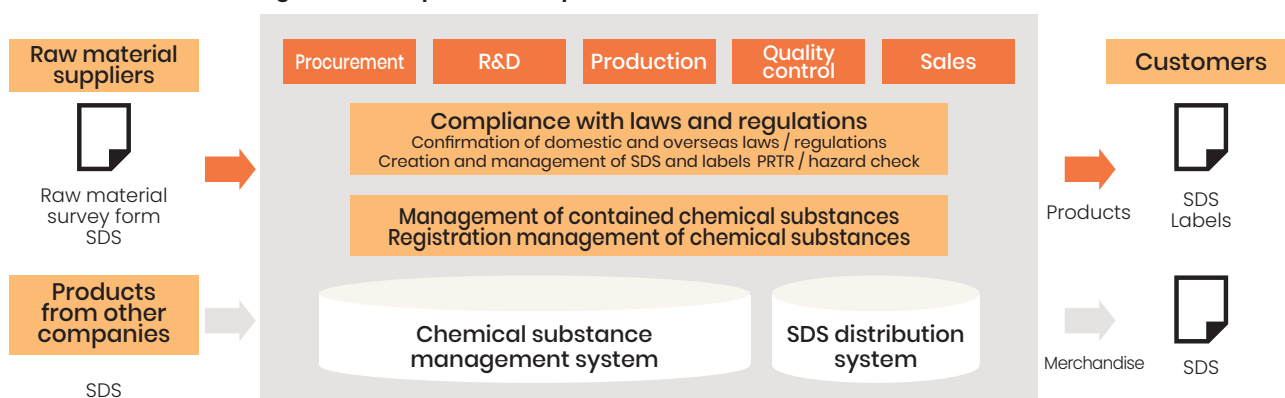
At the artience Group, employees distribute SDSs (Safety Data Sheets.) SDSs are provided also on "Sommelier," the Group's portal site for customer. We are building a system where we provide products information to customers more quickly and support them. In the event of a serious product-related incident, we have established a risk management system to ascertain the facts and identify the scope of impact in accordance with internal regulations, promptly report the situation to management and to the relevant authorities in accordance with laws and regulations, disclose information via our website, etc., and take prompt and appropriate measures.

The artience Group offers products from other companies in addition to our products, and we strive to manage and handle them in a way that ensures the safety of our customers.

[Providing product safety information and complying with laws and regulations globally]

To provide product safety information globally to customers in different countries, the artience Group operates the Chemical Substance Management System that is a unique and has a SDS creation system that conforms to laws and regulations and languages used in countries to which the Group exports and can manage information on laws and regulations on chemical substances in different countries and regions. The Group companies in Japan and overseas operate this system and provide SDSs that comply with laws and regulations in different countries, and product labels that follow the GHS-compliant "Label Guidelines," thereby supporting customers' risk assessment.

■ Process flow of management and provision of product information



Human Resource Management

Basic approach

The artience Group's Corporate Philosophy is *People-oriented management* (management with respect for human rights.) We respect the diverse values and career aspirations of our employees and strive for the development of human resources with a challenging spirit and the ability to produce work of a high quality. Also, we aim to create workplaces where diverse human resources can fully demonstrate their capabilities and have job satisfaction regardless of gender, nationality, age, and disabilities to take advantage of the Group's strengths to contribute to society.

To achieve management with respect for human rights, we have established the Basic Policy on Human Resources Management, and are implementing various personnel measures throughout the Group.



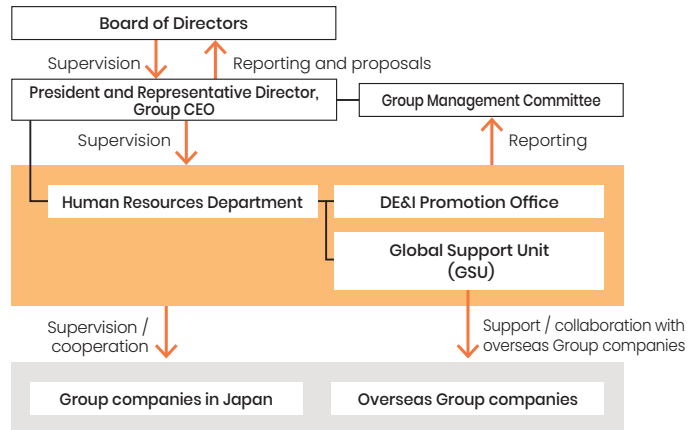
The Basic Policy on Human Resources Management is posted on our website under [Sustainability > Related Policies and Guidelines.]

Promotion system

The Human Resources Department of artience Co., Ltd. takes the central role in driving a variety of initiatives for human resources strategies, including the planning and implementation of group-wide human resources policies, planning for human resource development and career development, planning and implementation of training, promotion of DE&I, and health and productivity management. In compliance with labor-related laws, regulations and practices in different regions and countries, we implement different measures for personnel development in collaboration with separate bases in Japan and overseas.

In FY2024, we also established the Global Support Unit (GSU) to strengthen human resources support for overseas subsidiaries.

Human resource management promotion system (FY2025)



Metrics and targets

We have established KPIs and initiatives for each theme within 3. Management that emphasizes human capital, one of the four pillars of Group Materiality 2025-2030 (3-1. SCM, 3-2. Respect for Human Rights / DE&I, 3-3. Human Capital, 3-4. Occupational Safety and Health Management.)



Page 10 to 11: Group Materiality 2025-2030

Initiatives

[Introduction of New Personnel System and New HR Development System]

In January 2025, the artience Group in Japan launched "artience HR CANVAS," a new personnel system designed to encourage employees to engage in challenges. To create a personnel system where each employee's potential is maximized through proactive career autonomy and growth, we established three key directions in formulating this new system.

artience HR CANVAS

New HR system: artience HR CANVAS

An HR system where the potential of each employee is maximized through proactive career autonomy and growth

Direction of the HR System		
① Give appropriate compensation based on role and performance	② Encourage employees to take on challenges and support growth	③ Create a comfortable working environment
- Clarify expected roles and align role grades with role levels - Implement fair evaluations and compensation based on performance - Reduce seniority-based elements through revised wage tables and flexible promotions/demotions	- Create a system where individuals can feel growth by embracing challenges without fear of failure and accumulating successes - Deepen self-understanding and promote awareness and actions toward proactive career development	Enhance work comfort and maximize individual performance by embracing diverse work styles

Human Resource Management

[Fair evaluation and treatment]

The artience Group respects and evaluates actions that contribute to its performance and results. The pay structure is simple. Pay consists mainly of a base salary and bonuses. The pay is complemented by benefits, which are paid in accordance with business practices in different countries. We are building a remuneration system where the Group's performance will reflect each employee's pay to pass on any gains in profit to the employees. We are reviewing the system through consultation with employee representatives (labor union members.)

Our wage rules stipulate appropriate wages, allowances, and other conditions such as salaries to be paid on an ad hoc basis, in accordance with the labor laws and regulations of each country and region. Our Basic Policy on Human Resources Management also stipulates that labor management rules and systems shall be established in accordance with the laws, regulations, and labor practices of each country.

[Dissemination of the labor standard policy]

Our policies for personnel and labor management raise three key-points: establishment of work rules, building labor-management relations, and compliance with laws and regulations and prevention of labor risks. In Japan, we have set up a website for information on personnel affairs, covering areas such as regulations and programs for personnel affairs and welfare.

In Japan and overseas, Group companies carry out appropriate labor management and conveying policies in an effort to make sure that all employees understand them.

[Risk management and violations related to labor issues]

The artience Group (in Japan) disseminates information to employees to comply with the laws of labor relations and holds management councils where the labor union and the company discuss to improve ways of working.

As part of our risk assessments for overwork, for the purpose of controlling and monitoring work-related risks, we encourage employees to use their annual paid leave, and monitor working hours using a work management system. To reduce long working hours, we have established standards for overtime hours constituting excessive workloads in our Excessive Workload Guidelines. When these standards are exceeded, we implement risk management through notifications from our work management system and by conducting interviews with employees. In addition, Safety and Health Committees, which meet monthly at each site in Japan, confirm and supervise the state of overwork (including rectification of long working hours) and report it to upper management.

There were no Labor Standards Act violations in Japan in FY2024.

[Appropriate working hours]

We comply with laws and regulations related to working hours in different countries. We use work patterns according to conditions of employment and duties and manage working hours. In Japan, if working hours increase temporarily, we conduct labor management within the legitimate, acceptable range that has been previously agreed upon between labor and management, considering employees' health and work-life balance as far as possible.

[Labor-management discussion]

In Japan, employee representatives (labor union members) and company representatives hold management councils at least twice a year and discuss issues that should be solved between labor and management. In addition to those meetings, labor-management consultations are held to discuss individual issues as needed. If changes in personnel systems are discussed, labor and management have as many opportunities to make proposals to each other and exchange opinions as possible. The administrative offices of both parties may hold meetings before the representatives meet.



Page 79: Social Data > Human Resource Management



Page 82: Social Data > Occupational Safety and Health, Process Safety and Disaster Prevention

Human Resources Development

Basic approach

The artience Group has introduced "artience growth field" (a group-wide employee development and training system) as a set of measures and environmental improvements to support the success of individual employees. This system is built on the pillars of level-specific and role-specific training, global talent development and training for overseas national staff, and self-development; all designed to respect the diverse values and career aspirations of our employees. "artience growth field" encourages proactive career development and growth for all artience Group employees, cultivating human resources capable of excelling on a global level.

Promotion system

In an effort led by Human Resources Department of artience Co., Ltd., we will engage in various initiatives aligned with our human resources strategy, including formulating company-wide human resource development and career development plans, and planning and implementing training programs. In compliance with labor-related laws, regulations and practices in different regions and countries, we implement different measures for personnel development in collaboration with separate bases in Japan and overseas.

In FY2024, we established the Global Support Unit (GSU) to strengthen human resources support for overseas subsidiaries. In addition to supporting overseas locations in administrative aspects such as legal affairs, and general affairs with a focus on human resources, we will work to establish a system that regards all Group employees as human capital and fosters their development, regardless of their nationality or the country in which they were recruited.



Page 53: Human resource management promotion system

Metrics and targets

■ Relevant themes in Group Materiality 2025–2030

Theme: 3–3. Human Capital

Accelerate employees' career development efforts and engagement through personnel training that supports their challenges

- Increase in average investment in employee education and training (Japan)
- Accelerate the creation of independent career development programs (in-house staff recruitment and in-house job hunting in Japan)
- Achieve higher scores in employee engagement surveys
- Strengthen support for employees' challenges (support for people entering Business Idea Contests, reward programs, etc.)

Theme: 4–4. Promoting Digital Transformation

Accelerate digital transformation, the use of artificial intelligence (AI,) and digitalization of operations to bolster the Group's ability to adapt to changes in business environment and improve labor productivity

- Promote "Generative AI Native 500" project (the development of generative AI core talent and utilization promoting talent): Developing 500 employees by FY2027



Page 10 to 11: Group Materiality 2025–2030

[Achievements in FY2024]

KPIs and measures	Achievements in FY2024
Achieve higher scores in employee engagement surveys	Conducted an engagement survey targeting Group employees (Japan and some overseas sites)
Strengthen support for employees' challenges	Held an advance explanatory briefing to support participants in the Business Idea Contest, and an idea consultation session to encourage participation
Promote "Generative AI Native 500" project (the development of generative AI core talent and utilization promoting talent): Developing 500 employees by FY2027	Conducted generative AI core human resources training (31 participants in total) Conducted AI training for senior management (33 participants)

Initiatives

[Human resources development through "artience growth field"]

In 2007, we established Toyo Ink Academy with the aim of developing human resources and reforming our corporate culture, and have since been engaged in human resources and career development efforts. In 2024, we made a fresh start after renaming the school "artience growth field." We implement various training programs and personal development activities under the basic policies of promoting proactive skills development, developing next-generation leaders, and acquiring practical skills, with five pillars of job-class-specific training programs, job-type-specific training programs, training programs for developing global human resources and training for local employees overseas, and personal development. The total number of training days was 858, and the total number of employees who participated in training was 2,666 in FY2024.

Since FY2020, when the COVID-19 pandemic began, we expanded online training in an effort to provide education to a wider spectrum of staff members. We currently conduct online training in various formats (including face-to-face, online, and hybrid formats) depending on the purpose and content of each training unit.

	FY2022	FY2023	FY2024
Training costs per person (thousand JPY)	30	33	35
Training hours per employee (hours)*	–	–	0.3
Number of participants in DX training and re-skilling (persons)	1,143	1,305	3,490

* e-learning hours for ESG training for employees of consolidated / non-consolidated subsidiaries in Japan and overseas expatriate employees



Page 80: Social Data > Human Resources Development

Human Resources Development

[Human resource rotation system]

The Human Resource Rotation System consists of development transfers, transfers based on self-assessments, in-house recruitment system, and overseas workshop programs. Under our system of development transfers, we help individual employees to build their careers through systematic transfers. For transfers based on self-assessments, we conduct an annual self-assessment survey and strive to carry out transfers based on employees' intentions. The in-house recruitment system is a program that allows employees to apply for their desired jobs. Several employees are successfully transferred each year under this program.

■ Number of voluntary career development measures adopted

(Unit: persons)

	FY2022	FY2023	FY2024
In-house recruitment system / Career challenge system	11	9	20
Overseas workshop programs	-	3	2

[Developing DX talent]

To respond to changes in the environment and the market, and drive business reforms / creations from a future perspective, we are currently working to develop DX human resources with expertise in the field of digital transformation. In FY2022, we introduced Aidemy for all employees, and a total of 1,219 employees have since taken courses in IT literacy, AI, and machine learning curriculums. We also launched RPA training in FY2023, and 177 employees have participated by FY2024, achieving results in improving operational efficiency.

As of FY2024, we have divided the use of generative AI into two categories: areas common to all

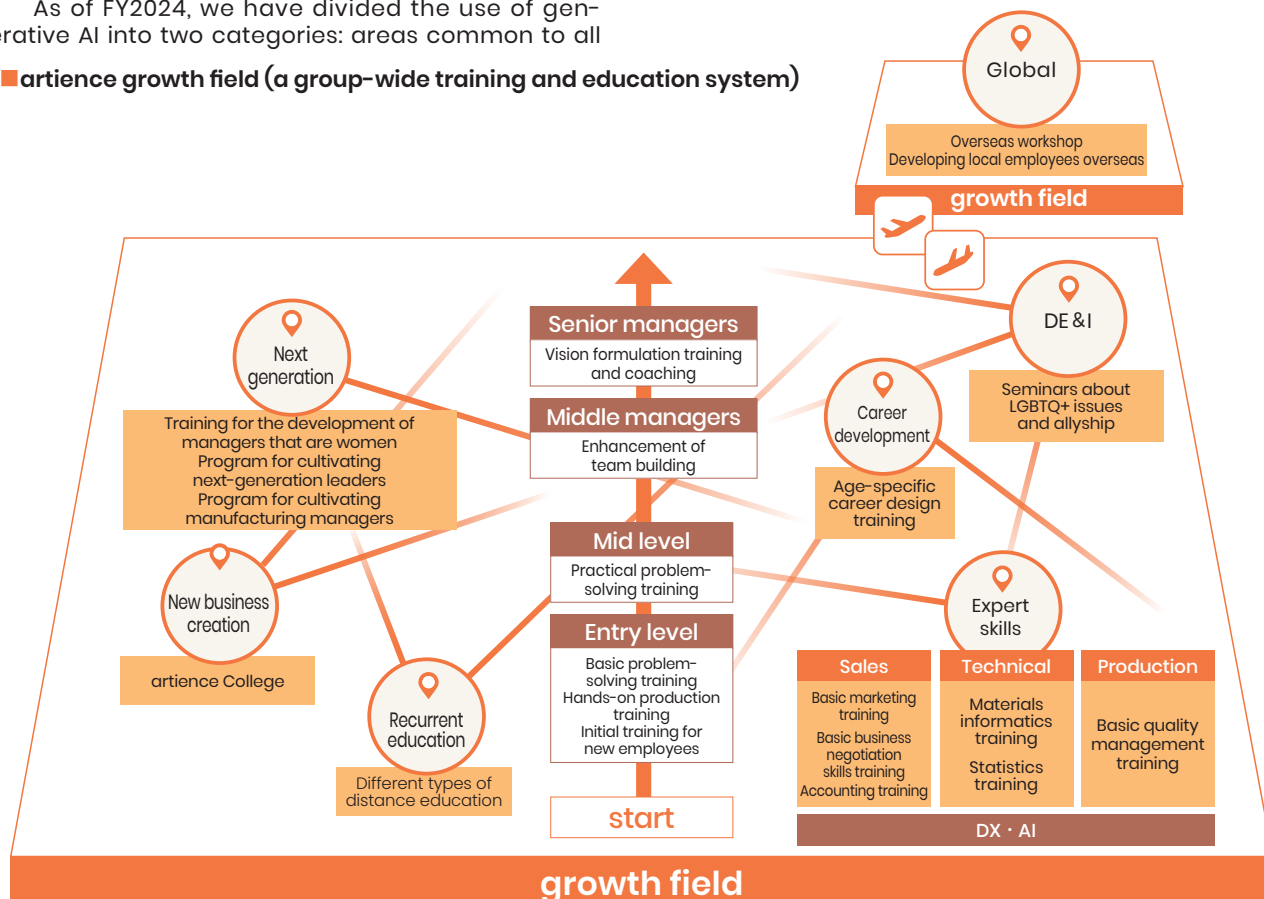
industries (information search, organization, and efficiency, etc.) and industry-specific areas (technology, research, and intellectual property.) In addition to training senior management on the use of generative AI (33 participants,) we aim to have 200 core human resources and 300 more personnel utilizing AI in each department by FY2027, as part of our 500 Generative AI Native initiative. In FY2024, we trained 31 core human resources. Since the use of generative AI is essential, we will aim to train human resources who can balance the benefits and risks of generative AI.

[Developing global human resources]

The overseas workshop programs are aimed at developing globally competitive human resources. Those who participate in the programs experience working for overseas Group companies as interns and acquire cross-cultural communication skills and the capability to adapt to overseas business. Although temporarily suspended due to the COVID-19 pandemic, recruitment resumed in FY2023, and 33 persons took the course between FY2012 and FY2024. Since returning to Japan, many employees have gained further experience in departments related to overseas operations, and have since gone on to work in posts overseas.

In FY2024, we established the Global Support Unit (GSU) to strengthen human resources support for overseas subsidiaries. We are working to establish a system in which all Group employees are regarded and trained as human capital, regardless of their nationality or the country in which they were recruited, and to develop an environment that enables them to participate in training in English.

■ artience growth field (a group-wide training and education system)



Human Resources Development

Dispatch destinations and missions in FY2024

- Dispatched to: Toyo Printing Inks Inc. <Turkey> / Mission: Establish a system to reduce raw material inventory and optimize inventory
- Dispatched to: Shanghai Toyo Ink Mfg. Co., Ltd. <China> / Mission: Marketing and development of pressure sensitive adhesives and structural colors, and improvement of NS technical capabilities

VOICE

Voices from overseas workshop participants

Through my experience in overseas locations, I realized that the artience Group is a global company, and that its head office in Japan is seeking leadership to drive its global business operations. Each day on-site brought a series of new experiences, teaching me both the challenges and joys of working alongside people with different linguistic and cultural backgrounds, which contributed greatly to my personal growth and career development. It was an invaluable six-month period, where I experienced one of Our Principles: Connecting with our global associates.

[In-house commendation system]

We present the Group President Award to recognize business activities that produced excellent results every year. In recognition of results that have made a significant contribution to our business, such as in the development and commercialization of new products, as well as the future potential for business expansion. In FY2024, we recognized four outstanding entries from a total of 21 submissions with the following awards: Group President's Award and Toyochem Co., Ltd. President's Award (one entry,) Toyo Ink Co., Ltd. President's Award (one entry,) artience Excellence Award (one entry,) and artience Transformation Activity Award (one entry.)

[Business Idea Competition]

The third Business Idea Competition "IPPO" was held in 2024. There were a total of 114 entries (97 entries in Japan and 17 entries overseas.) The awards will be presented following a final review in September 2025.

The Business Idea Competition is intended to develop the ability to convert new ideas into tangible forms and foster a corporate culture where employees continue to take on challenges and make proposals.

(Unit: case)

	FY2022	FY2023	FY2024
Number of cases eligible for in-house commendation	2	6	21
Number of applications for Business Idea Competition	63	131	114



Page 80: Social Data > Human Resources Development

[Initiatives to improve employee engagement]

In order to implement our new Our Principles in line with our Brand Promise, we believe that it is necessary to improve the engagement of each and every one of our employees. We conducted an engagement survey in August 2024, targeting the artience Group in Japan and some of our overseas sites.

We have set a goal to increase scores in our Employee Engagement Survey as part of our KPIs and measures for Group Materiality 2025-2030, and will continue to monitor and improve employee engagement in the future.

Engagement survey results

Purpose : Employee awareness survey aimed at improving engagement

Survey period : August 2024

Target employees : approx. 3,600
All domestic Group companies (regular employees and contract employees)
Overseas subsidiaries: Toyo Ink America (USA,) Toyo Printing Inks (Turkey,) Toyo Ink India (Delhi, India)

Response rate : 83%

Survey content : 15 categories

	Question	Score
Strengths	Overall, the artience Group's policies and systems support employees in achieving a healthy work-life balance	72
	Even if creative ideas do not come to fruition, the originator or team is not blamed	72
	Immediate supervisors evaluate and recognize employees if they do a good job	82
	If there are any issues with safety in the workplace, the Company takes appropriate measures in accordance with internal guidelines and rules	89
	The Company responds to external stakeholders (such as customers and suppliers) with integrity	86
	Question	Score
Areas for improvement	The Company successfully anticipates the products or services that customers require	38
	The Company effectively eliminates factors that hinder operational efficiency (such as bureaucracy, waste, and unnecessary rules)	33
	Information is shared effectively across departmental boundaries within the artience Group	47

* Provided by WTW, our survey partner company.

Promoting Diversity, Equity and Inclusion

Basic approach

The artience Group has established a Sustainability Charter, which explicitly highlights the importance of "respecting human rights and diversity throughout the supply chain," along with its Basic Policy on Human Resources Management (established on May 10, 2024) and its Policy on Promoting DE&I (established on August 1, 2024.) We recognize diversity, equity & inclusion (DE&I) as one of our key corporate issues. We strive to respect diverse values, thoughts, and ideas regardless of the employee's gender, nationality, age, and disabilities and aim to create workplaces where employees can have job satisfaction.

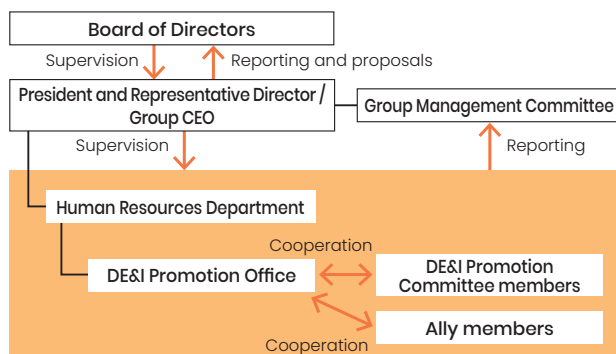
WEB The Sustainability Charter, the Basic Policy on Human Resources Management, and the Policy on Promoting Diversity, Equity, and Inclusion (DE&I) are posted on our website under [Sustainability > Related Policies and Guidelines.]

Promotion system

Stemming from activities led by the artience Group Human Resources Department, via a diversity promotion project in September 2021 operated by members from multiple departments, the D&I Promotion Office was established directly under the Group Human Resources Department in January 2023. In January 2024, the name of the office was changed to the DE&I Promotion Office, and activities are now being conducted with a greater emphasis on equity. We believe that the essence of DE&I is to eliminate structural (or institutional) discrimination. Based on this, we will consider systems and mechanisms that lead to the active participation of a diverse range of employees, plan and implement education and training, communicate information both inside and outside the company, and work to foster a corporate culture of diversity, equity, and inclusion, through the provision of necessary support as required on an individual basis (rather than a uniform approach.)

In addition, the DE&I Promotion Committee – which considers and implements DE&I promotion methods suitable for each site and conducts promotion activities (Promotion Month) – and LGBTQ+ Ally members (who agree with the Ally movement) also work in co-operation with the DE&I Promotion Office.

DE&I promotion system (FY2025)



Metrics and targets

Relevant themes in Group Materiality 2025–2030

Theme: 3-2. Respect for Human Rights / DE&I

Create a working environment that respects human rights and diversity and that has no gender gap

- Percentage of women in managerial positions (on a consolidated basis in Japan): 10%
- Implementation rate of human rights due diligence for employees (global): 100%
- Employment rate for people with disabilities (employment of special subsidiary applied to the Group in Japan): 3%
- Promoting DE&I activities (addressing gender, disabilities, senior employees, etc.)

link Page 10 to 11: Group Materiality 2025–2030

[Achievements in FY2024]

KPIs and measures	Achievements in FY2024
Promoting DE&I activities	Established a special subsidiary, Clover Biz Co., Ltd., to further stimulate the employment of people with disabilities

KPIs and measures	Achievements in FY2022	Achievements in FY2023	Achievements in FY2024	FY2030 targets
Rate of female managers (%)*	4.5	5.5	5.8	10
Employment rate of people with disabilities (%)	2.60	2.74	2.57	3

Aggregation scope of each achievement: Japan (Employees who belong to artience Co., Ltd.)

* As of the following January of each fiscal year

Promoting Diversity, Equity and Inclusion

Initiatives

[History of DE&I initiatives]

We respect diverse values, thinking, and ideas regardless of gender, nationality, age, or disabilities, and

enable diverse work styles with the aim of creating a workplace where every employee can work with job satisfaction.

■ Evolution of DE&I initiatives

Targets (KPIs)

FY2016 — FY2018

- Rate of hiring female graduates in Japan: 30%

FY2019 — FY2021

- Continuing acquirement *Eruboshi* certification by promoting women's employment and active participation
- Rate of hiring female graduates in Japan: 30%

FY2022 — FY2024

- Continuing acquirement *Eruboshi* certification by promoting women's employment and active participation
- Rate of hiring female graduates in Japan: 30%

FY2025 — FY2030

- Percentage of women in managerial positions (on a consolidated basis in Japan): 10%
- Rate of hiring female graduates in Japan: 35%
- Employment rate for people with disabilities (employment of special subsidiary applied to the Group in Japan): 3%
- Promoting DE&I activities (addressing gender, disabilities, senior employees, etc.)



Initiatives

Promoting the active participation of diverse talent and establishing systems

- Promoted women's empowerment: announcement of a General Business Action Plan based on the Act on the Promotion of Women's Active Engagement in Professional Life
- Promoted active participation for the senior generation (extending retirement age)
- Childcare support
- Support for caregiving / nursing care
- Support for people with disabilities

Promoting women's empowerment and diversity

- Launched Diversity Promotion Project
- Established guidelines for deepening understanding of and supporting LGBT
- Promoted women's empowerment: declaration of support for the 2030 30% Challenge
- Started encouraging remote working and working from home
- Encouraged employment of people with disabilities (established a Clover Support Center at the Jujo Center and started hiring people with intellectual disabilities)

Promoting diversity, equity & inclusion

- Established the D&I Promotion Office directly under the Human Resources Department (renamed the DE&I Promotion Office in 2024)
- Selected DE&I promotion committee members at each site
- Launched Working Group ALLY
- Established Policy on the Promotion of DE&I
- Introduced partnership system
- Created an LGBTQ+ guidebook
- Promoted mandatory childcare leave for male employees
- Established a special subsidiary, Clover Biz Co., Ltd.
- Established a consultation desk for healthcare consultations

Building a work environment with respect for human rights and diversity

Certifications and recognition

- 2015: Acquired second *Kurumin* certification (artience Co., Ltd.)
- 2017: Acquired *Eruboshi* certification (artience Co., Ltd.)
- 2017: Recognized under the Certified Health & Productivity Management Outstanding Organizations Recognition Program, Large Enterprise category (continuous certification thereafter)

- 2022: Acquired PRIDE Index Gold certification (continuous certification thereafter)
- 2023: Acquired *Platinum Kurumin* certification (artience Co., Ltd.) and *Kurumin* certification (Toyo Ink Co., Ltd., Toyochem Co., Ltd., Toyocolor Co., Ltd.)

[Promotion of women's participation and advancement]

In the SIC-II previous medium-term management plan, we have set the target to increase the ratio of female managers in Japan from 4% in FY2020 to 8% in January 2024, and we were moving forward with initiatives. Under Group Materiality 2025-2030, we set the KPI of achieving a 10% ratio of female managers by 2030. We will continue to support ease of work and career development for female employees.

On March 8, 2024, we interviewed female employees who are active in our company to coincide with International Women's Day. We interviewed them about their careers so far, the changes they feel as women's empowerment progresses, and their messages to women who are working to build their careers — and published them globally in an electronic in-house newsletter.

In May, we held a seminar on PMS and dysmenorrhea (menstrual cramps) for Group executives and department heads to improve health literacy in relation to women's health. Director Adachi, who is also Honorary Director of Aiiku Hospital, took to the stage and gave a lecture from a medical perspective. A female employee commented, "The medical explanations about the overall functions of the female body and the background and causes of illnesses, which are topics we rarely hear about, greatly enhanced our understanding." A male employee also commented, "These are symptoms that men rarely experience firsthand, and there are significant differences from person to person. I reflected on how I was lacking in the natural consideration and empathy that women deserve." We also held seminars to promote understanding of fertility treatments and worked to promote internal awareness regarding health issues.

Promoting Diversity, Equity and Inclusion

For direct supervisors with female subordinates, we conducted diversity management training, helping them recognize unconscious biases and learn tips for drawing out their subordinates' diverse individuality. For the female employees themselves, career roundtables and lunch meetings provided opportunities for proactive career development and networking with other women.

In 2022, We introduced a team system for different levels in the organization. We will upgrade the management capabilities of the overall Group by creating opportunities for early management at small units.

Formulation of action plan promoting women's participation and advancement

- ① Increasing the female recruitment ratio to 30% or more
- ② Ensuring the annual paid leave acquisition rate as 60% or more

(Unit: %)

	FY2020	FY2021	FY2022	FY2023	FY2024
Rate of hiring female graduates (Japan)*1	32.1	32.7	32.5	37.0	42.0
Rate of female managers (Japan)*2	3.9	4.5	4.5	5.5	5.8

*1 Rate of hiring female graduates joining the company each year in April.

*2 As of the following January of each fiscal year

Eruboshi Company certification

artience Co., Ltd. is certified as an Eruboshi company under the Act on Promotion of Women's Participation and Advancement in the Workplace. The company was evaluated for its achievements recruitment, continuous employment, working hours, and diversity of career paths.



Gender wage gap initiatives

In Japan*, the Group applies a wage system according to the role (job) in which employees are engaged, and there is no difference in treatment due to gender differences in the same role. However, when the difference in wages between men and women was calculated after eliminating the effects of age, educational background, and years of service using statistical analysis methods, although no statistically significant difference was found for managerial employees, a difference of 87.5% was found for non-managerial employees (general employees.) In light of this situation, we are also analyzing the factors that cause this difference and implementing various measures.

* Scope of consolidated and non-consolidated subsidiaries

[link](#) Page 80: Social Data > Promoting diversity, equity and inclusion

Supporting male employees in taking childcare leave

Since 2022, we have been promoting mandatory childcare leave for male employees, and promote to make foster an atmosphere in the workplace where it is easy for male employees to take childcare leave, and to promote greater understanding among the generation of employees who are about to take childcare leave.

We are also working continuously to foster a corporate culture that encourages employees to take childcare leave, such as by posting messages from employees who have taken childcare leave on our internal portal site.

[Diversity education and awareness activities]

In FY2023, the first year of the establishment of the D&I Promotion Office, members of the Office visited sites around Japan to present details of the Group's diversity-related initiatives to date, and to hear about actual issues and the voices of employees at each site. This enabled DE&I Promotion Office members to hear first-hand opinions, such as issues unique to each site that had not been seen until now, and issues felt by employees while working, and became a stepping stone for promoting DE&I in cooperation with promotion committee members for each site in the future.

In FY2024, we held DE&I promotion briefings at multiple locations in Japan and held a general meeting for promotion committee members at all locations. This facilitated the sharing of initiatives to promote DE&I and issues faced at each location.

[link](#) Page 80: Social Data > Promoting diversity, equity and inclusion

Understanding and Responding to LGBTQ (SOGI)

The Group aims to create workplaces with respect for diversity, where everyone, including members of the LGBTQ+ community, can work with peace of mind. We have implemented various initiatives, including establishing regulations and policies prohibiting discrimination against LGBTQ+ individuals, introducing a partnership system enabling same-sex partners and de facto spouses to make use of employee benefits, conducting internal training to deepen understanding of LGBTQ+ issues, and creating a guidebook summarizing basic knowledge on LGBTQ+ topics, along with the Group's policies and initiatives.

During Pride Month (held in June,) we created Pride-themed PowerPoint templates and online meeting backgrounds for the Group, and hosted a seminar entitled "LGBTQ+, Harassment, and ALLYs" featuring external speakers.

In November 2024, our efforts — such as holding regular study sessions to promote understanding of diversity and expand the circle of ALLYs, and supporting the Business for Marriage Equality and Business Support for LGBT Equality in Japan declarations to foster inclusive workplaces and a society where everyone is treated equally — were recognized with a Gold certification for the third consecutive year under the PRIDE Index, an evaluation metric for workplace initiatives supporting sexual minorities.

work with Pride



Promoting Diversity, Equity and Inclusion

Support for the Business for Marriage Equality campaign

In July 2023, the Toyo Ink Group announced its support for Business for Marriage Equality, a campaign seeking equality in marriage, specifically the legalization of same-sex marriage, in Japan.

*Business for Marriage Equality (bformarriageequality.net) is a campaign to provide visibility to corporate support for equality in marriage (legalization of same-sex marriage,) which is jointly run by Marriage For All Japan (PIIA), Lawyers for LGBT & ALLYs Network (NPO,) and Nijjiro Diversity (authorized NPO.)



[Internal ALLYs network for promoting understanding of diversity]

While an ALLY is typically defined as someone who understands and supports LGBTQ+ individuals, within the Group, we define ALLYs as people who understand and support all differences, not just those of LGBTQ+ individuals. In FY2024, we launched initiatives visible to those around them, such as distributing our own original ALLY support stickers to supporters. We also work to foster a corporate culture by holding regular study sessions. These include creating ally action principles and using them as a basis for discussion, and seminars featuring external speakers to learn about reasonable accommodations for people with disabilities. As of January 2025, approximately 170 domestic employees have signed up as ALLY movement supporters.

[Creating a workplace where diverse employees can play active roles]

Promotion of active participation of people with disabilities

Since 2019, artience Co., Ltd. has been employing individuals with intellectual disabilities as part of its efforts to achieve long-term employment for people with disabilities. They have been responsible for office support work, at the Clover Support Center, in Jujo Center of the Group General Affairs Department. In 2023, with a view to expanding workplaces for people with disabilities beyond the Jujo Center, we began accepting interns for the first time at our head office. In January 2024, we established Clover Biz Co., Ltd.* to further expand our workplaces and promote employment. In July, the company received certification as a special subsidiary. In April of the same year, two interns accepted in 2023 joined the company. In addition to the existing Jujo Center, they handle mainly office support work at head office, such as business card creation, mail collection and delivery, document digitization, data entry, and disinfection of shared spaces. As a new initiative, we have also advanced the internalization of workwear cleaning for employees at our Saitama Factory. New employees from Clover Biz will perform this work, having undergone multiple intern-

ships to prepare for full-scale operation starting in April 2025. Going forward, we will continue working to expand employment and create opportunities for diverse human resources to play active roles. In FY2024, the employment rate for people with disabilities in Japan was 2.57%.

* The word "clover" in the name of the new company Clover Biz is based on the image of a four-leaf clover that carries happiness. The name was chosen at the suggestion of an employee when the support center was established.



Page 80: Social Data > Promoting diversity, equity and inclusion

Promoting senior employees' active participation

Aiming for each employee to continue to play their role in a society of working throughout their lives, we changed the mandatory retirement age from 63 to 65 for full-time employees in Japan in September 2018. To support their career development, we provide career education, which helps them continue to have job satisfaction, create work environments, taking their needs into consideration, and help them promote their health.

In 2024, we conducted a limited regional trial of the Life Shift Platform (LSP) operated by New Horizon Collective. This trial provided an opportunity for employees to engage with the world outside the company and industry, reflect on past career paths, and consider future career directions. Over 70 people attended the preliminary Life Shift lecture, and three employees who applied were selected by lottery for six-month assignments. Working alongside individuals from various companies (primarily Dentsu Inc.) employees supported and stimulated each other while engaging in activities that provided opportunities to reflect on their own careers.

Promoting active roles for employees of foreign nationality

In Japan, we have 40 employees of nationalities other than Japanese. Using their language skills and global perspectives, they work actively in an array of positions.



Page 80: Social Data > Promoting diversity, equity and inclusion

Consideration of local religions

The artience Group is expanding its operations worldwide while giving consideration to local religions. In the Islamic world, we are working to obtain halal certificates to offer packaging materials and other products that comply with the Islamic dietary laws. For Muslim employees, we provide prayer spaces called Musholla in plants and help them observe Ramadan, a month of fasting.

PT. Toyo Ink Indonesia has constructed a mosque as part of its welfare measures in respect for the local culture. The mosque is also open to employees of neighboring companies and to local residents.

Promoting Healthy Work-Life Balance

Basic approach

The artience Group has established a Basic Policy on Human Resources Management (established on May 10, 2024.) We aim to provide employees with workplaces where they are able to work actively and have job satisfaction. Respecting their diverse values and career goals, we will carry out workstyle reforms that lead to enhanced productivity, innovation and healthier work-life balances.

Based on our basic welfare philosophy of supporting each and every employee so that they can work with peace of mind and live fulfilling lives, we established four pillars of welfare programs to support the life stages required by each generation, to respond to rapid changes in society and the diversification of lifestyles and individual preferences.

The four pillars of welfare

- Health: Support for long-term, energetic, healthy work
- Diversity: Expanding options that lead to the happiness of diverse employees and their families
- New normal: Supporting work-life balance in the new normal era
- Engagement: Improving our image as an attractive company that is chosen by employees

(Revised July 2021)



The Basic Policy on Human Resources Management is posted on our website under [Sustainability > Related Policies and Guidelines].

Promotion system

The Human Resources Department of artience Co., Ltd. takes a leading role in offering a better life-work balance through appropriate labor management throughout the entire Group, support for striking a balance between work and childcare and nursing care, and promotion of diverse work styles. Overseas, we undertake initiatives in complying with laws and regulations and practices in each individual country.

Metrics and targets

■ Relevant themes in Group Materiality 2025-2030

Theme: 3-4. Occupational Safety / Health & Productivity Management

Improve labor safety in workplaces and improve employees' health to establish a working environment where employees feel secure

·Percentage of employees taking childcare leave or leave for childcare purposes in Japan: 100% continued

Theme: 4-4. Promoting Digital Transformation

Accelerate digital transformation, the use of artificial intelligence (AI,) and digitalization of operations to bolster the Group's ability to adapt to changes in business environment and improve labor productivity

·Promoting digital transformation in each of the production, sales, engineering and administrative fields



Page 10 to 11: Group Materiality 2025-2030

[Achievements in FY2024]

KPIs and measures	Achievements in FY2022	Achievements in FY2023	Achievements in FY2024	Targets (every FY)
Ratio of employees taking childcare leave, etc. (%)	Female: 100 Male: 92.7	Female: 100 Male: 100	Female: 100 Male: 96.0	100% continued

Aggregation scope: Japan (Employees who belong to artience Co., Ltd.)

* As of the following January of each fiscal year

Initiatives

[Main measures to promote work-life balance]

Measures aligned with the four pillars of employee benefits include: support through the cafeteria plan to balance caregiving and work while maintaining health (such as subsidies for nursing care beds, childcare-related subsidies, home office desks/chairs and PC equipment, and subsidies for purchasing health-related equipment to improve health,) hosting seminars and providing information on health and caregiving, establishing systems that accommodate employees involved in childcare and caregiving to support work-life balance.

In FY2024, we held an explanatory briefing on making use of babysitters and conducted a questionnaire survey to understand the actual situation regarding work and caregiving. We shared the survey results on the company portal site. We will continue working to develop support and systems that meet the needs of our employees.

Systems for support for work-life balance (in Japan)

<Support for achieving a balance between work and childcare or caregiving>

- Childcare and nursing care leave
- Shorter working hours for childcare and nursing care
- Use of cumulative paid leave for childcare
- Child nursing care leave
- Nursing care leave
- Flexible working hours for childcare and nursing care (The hours from 10 a.m. to 3 p.m. are core time. Total working hours in a month are managed.)

<Support for balancing flexible work styles>

- Flexible / staggered work hours
- Remote work (working from home)
- Half-day leave system (Employees may take a half day (first half or second half of the day) off. Twice half day off are treated as once annual paid leave.)
- Re-employment of former employees

Promoting Healthy Work-Life Balance

Childcare support

The entire Group is working intensively to encourage male employees to take childcare leave for at least 10 days in principle. We introduced the Childcare Leave Interview Sheet, an initiative to support childcare. This sheet includes questions about handovers and considerations for people's physical condition. Intended for use as a tool for communicating with superiors, the goal of this sheet is to enable employees to begin leave and return to work smoothly.

In August 2023, the artience Co., Ltd. obtained "Platinum Kurumin" certification, and in November, the core operating companies of the artience Group — Toyocolor Co., Ltd., Toyochem Co., Ltd. and Toyo Ink Co., Ltd. obtained "Kurumin" certification. We will strive to instill a culture of naturally taking childcare leave, and will make sure that this opportunity will inspire employees to review their day-to-day work and to create a workplace with mutual support, aiming to open the way for diverse work styles throughout the Group.



"Kurumin" logomark

■ Use of programs related to childcare support

	FY2022	FY2023	FY2024
Ratio of female employees returning to work after childcare leave (%)	100	100	90
Ratio of taking childcare leave (%)	Female: 100 Male: 92.7	Female: 100 Male: 100	Female: 100 Male: 96.0
Shorter working hours for childcare (number of users)	36	34	32

* Employees who belong to artience Co., Ltd.

[link](#) Page 81: Social Data > Promoting Healthy Work-Life Balance

Nursing care support

Amid changes in the social environment, such as an aging population with fewer children and a shift to nuclear families, more and more employees are facing the need to provide nursing care. The Toyo Ink Group is positively accelerating the creation of workplace environments where a balance between work and nursing care can both be achieved in Japan. We adopt a freely selectable program called the "Cafeteria Plan" to provide employees with financial support for purchasing and renting nursing care items and for enjoying commissioned nursing care support services. We also hold seminars on health and nursing care in an effort to create an environment where employees can work with peace of mind.



Support for balancing work and nursing care

* The action plan and actions related to support for childcare and nursing care are stated on the Ryoritsu Shien no Hiroba website (for publishing action plans by general business operators) run by the Ministry of Health, Labour and Welfare. Companies taking positive actions on women's participation and advancement are included in the Josei no Katsuyaku Suishin Kigyou database (a database of companies working for women's advancement) operated by the same ministry.

VOICE

Voice of a male employee who took childcare leave

I took around one year of childcare leave. During my childcare leave, in addition to focusing on childcare, I also put effort into making sure our home was neat and tidy and establishing rules, with awareness of our dual-income lifestyle after returning to work. After taking childcare leave, I became more conscious of my prioritization of work than before. Being present for my child's first smile, first time rolling over, and other firsts during childcare leave were irreplaceable experiences. Above all, I feel that sharing so much time together as a couple has become a great asset in my life. One thing that makes me truly glad I took childcare leave is how it deepened my bonds with my family.

(Employee at Toyo-B-Net Co., Ltd.)

Comment from partner

Although it was my first time raising a child, I was able to feel at ease because I could consult with my husband about things right away.

[Promotion of appropriate labor management]

The artience Group is improving the work environment so that employees can achieve results while also emphasizing on a work-life balance. We strive to manage working hours appropriately by reducing overtime hours using a work management system, which needs to be approved by a supervisor every day, monitoring entrance/exit records using gate passes to eliminate unpaid overtime work, and holding councils with the labor union under the Labor Standards Act.

To prevent harm to health caused by overwork, we encourage departments who have employees working excessive overtime to improve their operations and request such employees to consult with industrial physicians as needed.

There were no labor standards violations due to overwork in FY2024.

[link](#) Page 81: Social Data > Promoting Healthy Work-Life Balance

Promoting Healthy Work-Life Balance

[Streamlining operations through the application of DX]

The Group is driving digital transformation (DX) as a management strategy, and has identified DX and maximum utilization of SAP as part of Basic Policies (3) Transformation of the management foundation under its artience2027 medium-term management plan. Under this plan, we aim to improve productivity and create value through the use of digital technologies and AI.

The DX Promotion Group, Information Systems Department of artience Co., Ltd., as the dedicated DX promotion organization, selects themes that should be prioritized, deploys cross-organizational activities, and advances initiatives while verifying their effectiveness.

Example initiatives

① Improving operational efficiency through the use of DX
We are engaged in the Group-wide activities to improve operational efficiency through the use of digital technologies, such as business automation and paperless operation (digitization of business forms,) and have achieved results in reducing costs, time taken, and paper usage. Going forward, we will continue to focus on improving efficiency through business automation, and will drive business transformation by establishing digital points of contact with business partners and customers.

② Increased sophistication of business management through the construction of data collection infrastructure and data utilization

To increase management sophistication, we are promoting the utilization and linkage of various internal and external resources based on the following four pillars: 1) data collection and infrastructure development, 2) building data visualization systems, 3) simulation and AI forecasting, and 4) execution of measures based on forecasts. We are also conducting trials to establish a foundation for data-driven management using the latest AI technologies.

③ Improving IT literacy and training DX human resources

To address the diversification and increasing sophistication of IT skills, we are working to strengthen and develop DX-oriented human resources. This involves raising the baseline IT literacy of all employees while simultaneously training specialized personnel in areas such as RPA, generative AI, machine learning, and data analysis, in collaboration with the Human Resources Department.

[Activating employee communication]

Utilization of "Incentive Plus"

The artience Group companies in Japan launched the Incentive Plus*, aimed at encouraging communication between colleagues and forging a sense of unity during the situation where workstyles suited to the new normal. Using this tool, employees exchange messages of appreciation and encouragement every day together with points called "tips." This stimulates internal communication and develops a culture of sharing actions with one another.

* Incentive Plus: A communication tool for exchanging warm-hearted messages between employees in a closed environment and enabling users to win prizes in exchange for points they have gained.

TOPICS

Streamlining operations through the introduction of automated guided EVs

In October 2023, Saitama Factory of Toyo Ink Co., Ltd. launched the Automated Guided EV Introduction Project, to transport materials and products on site using unmanned EVs.

The project aims to improve the productivity of logistics operations by transforming on-site conveyance processes — from manufacture to shipment — through the introduction of IoT technologies and automating repetitive tasks.



Transport by an automated guided EV

Health and Productivity Management

Basic approach

The artience Group believes that each employee is an important asset to the company and it is important to develop an environment which enables our employees to fully exercise their abilities, based on our corporate philosophy of People-oriented management. For this, we are building a workplace environment capable of ensuring the good health of our employees through initiatives for their health such as promoting good health, preventing diseases, protecting the mental health, etc.



The Basic Policy on Health and Productivity Management is posted on our website under [Sustainability > Related Policies and Guidelines.]

Activity policy and strategy for health and productivity management

To promote health and productivity management, we have defined the health management issues that we want to solve as "improving corporate value through the development of an environment in which each and every employee can maximize their abilities." We are working to achieve this while monitoring various indicators in three key directions: support for the development of an environment where employee can work healthily, support for personal health improvement (cost subsidies,) and support for the prevention of mental disorders. We will also support the health of our employees by identifying health and productivity management that will lead to the resolution of management issues, creating and utilizing a health management strategy map that incorporates measures and specific initiatives to solve them, while implementing a PDCA cycle.

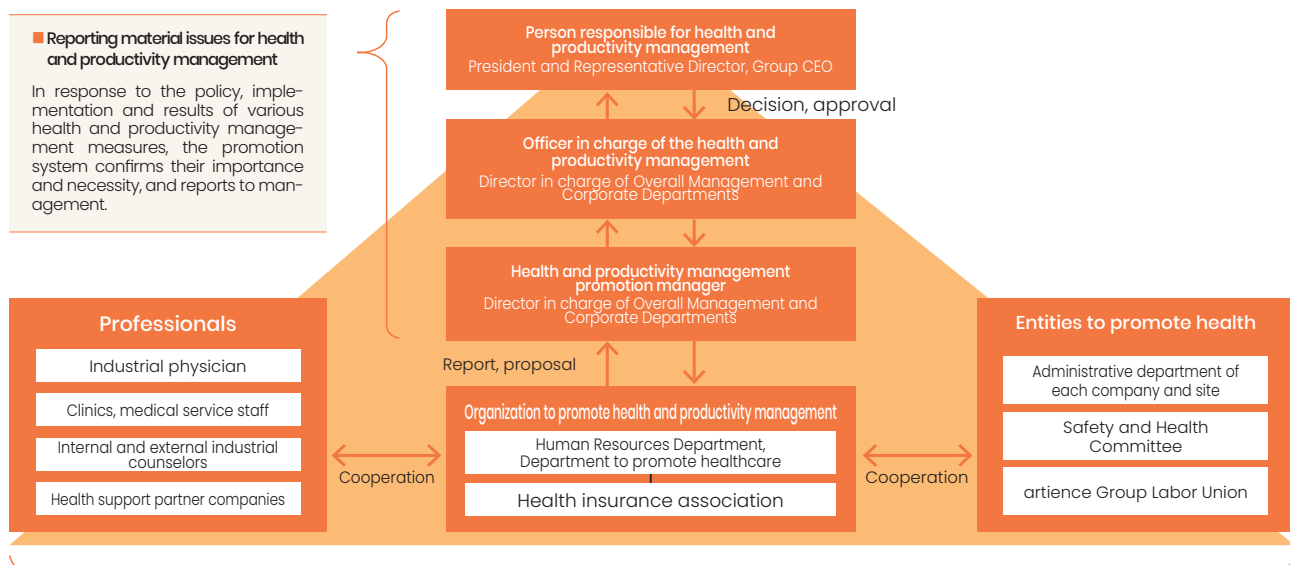
Promotion system

The artience Group systematically promotes health and productivity management through the following system.



The Health and Productivity Management Strategy Map is shown on page 46 of the Sustainability Data Book 2023.

Organization to promote health and productivity management



- **Strengthening cooperation with the health insurance association**
Cooperate with the health insurance association in a timely manner and discuss issues (medical checkups, implementation of health promotion initiatives, etc.)

- **Implementing health and productivity management initiatives and holding training sessions**

Each business site appoints Health and Productivity Management Leaders and Healthcare Promotion Committee Members, implements health and productivity management initiatives in cooperation with professionals, and holds training sessions regularly in cooperation with professionals.

- **Active discussion between labor and management about health and productivity management and the benefit system**
Labor and management discuss health and productivity management linked to the benefit system to create better workplace environments for employees.

- **Capacity building in the system to promote health and productivity management**

Help increase qualified internal counselors and health supervisors



For occupational safety and health, see Occupational Safety and Health, Process Safety and Disaster Prevention on pages 69 to 71.

Health and Productivity Management

Metrics and targets

■ Relevant themes in Group Materiality 2025–2030

Theme: 3–4. Occupational Safety / Health & Productivity Management

Improve labor safety in workplaces and improve employees' health to establish a working environment where employees feel secure

- Reduce lifestyle-related disease risks in Japan: Risk of obesity: 21.3%, risk of hypertension: 9.7%, risk of diabetes: 9.1%, risk of dyslipidemia: 31.0%
- Promote initiatives that contribute to employee occupational safety and health / health improvement



Page 10 to 11: Group Materiality 2025–2030

[Achievements in FY2024]

■ Targets and achievements of health and productivity management (★: KPIs on Group Materiality 2025–2030)

Metrics		Achievements in FY2022	Achievements in FY2023	Achievements in FY2024	Targets		Statistical figure (in Japan)
					2025	2030	
Lifestyle-related diseases	★Risk of obesity Ratio of employees with a BMI figure of 25 or more	28.2%	27.5%	28.3%	22.3%	21.3%	26.3%* ¹
	★Risk of hypertension Ratio of employees with a systolic blood pressure of 140 mmHg or more or a diastolic blood pressure of 90 mmHg or higher	9.6%	9.9%	11.0%	10.1%	9.7%	18.3%* ²
	★Risk of diabetes Ratio of employees with a fasting blood sugar level of 110 mg/dL or higher or a HbA1c of 6.0% or more	11.2%	11.7%	11.5%	9.5%	9.1%	13.1%* ²
	★Risk of hyperlipidemia Ratio of employees with natural fat of 200 mg/dL or more, a HDL cholesterol level of 39 mg/dL or less or an LDL cholesterol level of 140 mg/dL or more	30.2%	30.3%	28.9%	35.0%	31.0%	31.2%* ²
	Ratio of family members (dependents aged 35 or older) undergoing specific health checkups	81.9%	80.0%	78.3%	88.0%	95.0%	49.5%* ³
Cancer	Ratio of employees undergoing gynecologic cancer checkups (regarding breast cancer and uterine cancer)	81.9%	83.5%	83.6%	80.0%	82.5%	Breast cancer: 47.4% Uterine cancer: 43.7%* ⁴
Work-life balance	Average number of days of paid leave taken in a year	12.5 days	13.8 days	13.6 days	13.0 days	14.0 days	12.0 days* ⁵

*1 FY2018 National Health and Nutrition Survey by the Ministry of Health, Labour and Welfare

*2 2023 Annual Health Checkup Results Report by the Ministry of Health, Labour and Welfare

*3 Implementation Status of FY2022 Specific Health Checkups and Specific Health Guidance [Summary] by the Ministry of Health, Labour and Welfare

*4 Overview of FY2022 Basic Survey of National Health and Living by the Ministry of Health, Labour and Welfare

*5 Overview of 2023 General Survey on Working Conditions by the Ministry of Health, Labour and Welfare

■ Rate of participation in health promotion activities / Rate of receiving health checkups or vaccinations

	FY2022	FY2023	FY2024
Rate of receiving health checkups (%)	100	100	100
Health checkups for dependents (%)	81.9	80.0	78.3
Rate of conducting stress checks (%)	90.9	92.3	92.6
Influenza vaccinations (%)	64.0	59.0	58.0

■ Investment for health and productivity management

(Unit: million JPY)

FY2022	FY2023	FY2024
122	112	105*

* Breakdown: health checkups and vaccinations (56 million JPY,) in-house clinic operation (49 million JPY,) various health events, etc.

Health and Productivity Management

Initiatives

[Regular health checkups]

The periodic health checkups that we conduct every year are more detailed and thorough than those stipulated by law. The percentage of employees receiving health checks is 100% every year. If a health checkup indicates the need for a follow-up or detailed examination, guidance from our industry physicians enables early detection and treatment. For employees who are at high risk, we provide continuous health guidance through our in-house clinics.

[Measures to combat cancer]

In addition to standard health check items, for employees of specific ages or above a certain age, we conduct tumor marker tests, abdominal ultrasounds, and gastroscopies, and provide cervical cancer and breast cancer (specific to women) screenings for all female employees, striving for early-stage detection of cancers.

[Addressing health issues specific to women]

We are strengthening our health support to enable female employees to work and thrive in good health, including expanding the list of health check items for female employees, introducing the healthcare support service "famione" (which allows easy chat or online consultations with specialists about health matters,) and conducting seminars focused on understanding the menopause and menopausal disorders.

[Prevention of lifestyle-related diseases]

We set target values for preventing lifestyle-related diseases and provide support for improvement, such as conducting consultations with industry physicians and offering lifestyle guidance to employees requiring numerical improvements to their health check results (high-risk individuals.) We also work to raise employee health awareness by hosting health events related to food and providing nutritionally balanced "smart meals" at employee cafeterias (eight domestic locations.)

[Participation in a workplace-based pilot study for preventing hypertension (industry-academia-government collaboration)]

Since 2024, we have been participating in the Japanese Society of Hypertension's pilot project on urinalysis and dietary environment improvement for changing eating habits. At certain Group locations, we evaluate the ratio of salt and potassium intake from urine samples collected during health checkups. This helps to encourage lifestyle improvements toward an appropriate intake ratio, contributing to the prevention of hypertension.

[Mental health measures]

We conduct annual stress checks at all business locations in Japan, including those with fewer than 50 employees. This promotes awareness of personal stress levels through visualization. For those experiencing high stress, we arrange consultations with industry

physicians, and work to prevent onset, enable early detection, and facilitate early treatment. We utilize group analysis of stress check results by organization to improve our workplace environments.

Since 2024, we have also been conducting presenteeism surveys at the same time as stress checks and assessing the current situation. This initiative has drawn responses from more employees than our previous voluntary Health and Productivity Survey, enabling a more accurate assessment of the Group's overall situation and identification of underlying causes.

Stress checks	Conducted at all business sites in Japan, including those with fewer than 50 employees. Percentage of employees undergoing checks was 90.9% in FY2022, 92.3% in FY2023, and 92.6% in FY2024.
Self-management	Self-care training via e-learning for new employees
In-house counselor system	This is a system in which professional counselors from both inside and outside the company visit consultation rooms operated as independent facilities within each business site to hear employee consultations. In addition to the above, we have also established multiple consultation contact points, including line care, health consultations by industrial health staff, and consultation services outside the workplace established by the health insurance society.
Loss of productivity due to presenteeism*	2022 31.1%, 2023 31.0%, 2024 30.4%

* Presenteeism refers to the state in which employees work with reduced capacity and productivity in carrying out their duties because of illness, injury or other condition. WHO-HPQ was adopted.

[Health measures by business site]

In response to the health checkup results reports issued by each business site, we appoint a dedicated health promoter at each site and implement measures to match health conditions and work styles at each site (stretching, back pain improvement seminars, smoking cessation seminars, dental diagnosis events, women's health support events, etc.) We held 24 such events implemented in FY2022, 18 in FY2023, and 19 in FY2024.

[Promoting measures to help quit smoking]

We are engaged in a variety of initiatives to help employees quit smoking, including holding a Quit Smoking Day, smoking cessation expense subsidies as part of the selectable welfare program, and support for treatment to quit smoking treatment at on-site clinics.

The smoking rate among employees on a downward trend, was 25.6% in FY2022, 22.0% in FY2023, and 21.6% in FY2024.

[Initiatives to control infectious diseases]

As a measure against infectious diseases, influenza vaccinations are conducted in-house at major business sites every year. There are various advantages, such as being able to receive medical examinations during working hours. The percentage of employees undergoing vaccinations was 64.0% in FY2022, 59.0% in FY2023, and 58.0% in FY2024.

Health and Productivity Management

[Smart Meal certification]

We have received Smart Meal* certification — a certification system for healthy meals and eating environments — for employee cafeterias at some of our business sites.

Eight out of our 13 cafeterias throughout Japan have obtained certification (mainly our head office and major manufacturing sites,) and are supporting the health of our employees with nutritionally balanced meals.

* The Consortium for Healthy Meal and Food Environment — which consists of several academic societies — operates the system, and screens and certifies sites.

[Improving the selectable welfare program]

The selectable welfare program (Cafeteria Plan) offers a full range of health-related options.

A variety of options are available, including subsidies for sports expenses (such as fitness, swimming, and golf,) vaccination costs, medical check expenses, smoking cessation expenses, expenses not covered by insurance, differences in bed costs when hospitalized, and purchase of healthy foods.

[Forest therapy]

Forest therapy is therapeutic “forest bathing” (spending time in a forest,) backed by scientific evidence. The aim is to maintain and improve mental and physical health and prevent disease while enjoying the forest environment.

It is recommended by the TOPPAN Group Health Insurance Society, of which artience is a member, and we also utilize it in training new employees.



Forest therapy conducted as part of training for new employees

Certified as Health and Productivity Management Organization

In 2025, the Group has also been certified by the Ministry of Economy, Trade and Industry (METI) for the ninth consecutive year as a Certified Health & Productivity Management Organization (Large Enterprise Category) — an enterprise that engages in business management with consideration for the health of its employees. Based on initiatives implemented to address local health-related issues and activities led by the Nippon Kenko Kaigi to improve health, the program recognizes enterprises that practice excellent health and productivity management in cooperation with insurers.



Occupational Safety and Health, Process Safety and Disaster Prevention

Basic approach

In the Basic Policy on Occupational Safety and Health (revised in January 2024,) the artience Group states that it will "endeavor to engage in safe operation, safety and disaster prevention, and hygiene management based on the assumption of compliance with laws and regulations and respect for international norms" to "sustainably improve occupational safety and health in the workplace." We are taking safety measures for buildings and facilities in line with this policy. The Group has also built an occupational safety and health management system in line with the content of the business activities at each of its business locations, and actively conducts safety activities based on risk management, in order to maintain compliance with its Basic Policy on Occupational Safety and Health — the basis for safety — at a high level.

WEB The Basic Policy on Occupational Safety and Health is posted on our website under [Sustainability > Related Policies and Guidelines.]

Promotion system

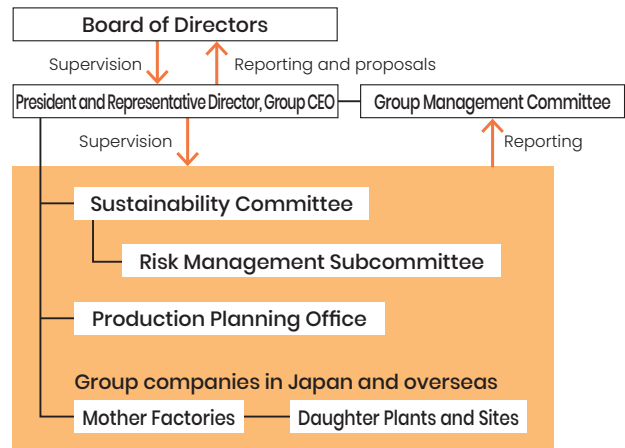
The Production Planning Office of artience Co., Ltd. conducts the audits regarding the prevention of occupational disaster / accidents in the entire Group, the risk assessments, and the accident investigations / confirmations. The section has the function of promotion to prevent, or prevent the recurrence of, industrial accidents and accidents related to processes for safety and disaster prevention. It disseminates important information on occupational safety and health through safety network meetings in Japan and overseas and gives instructions about proper actions to take globally in the entire Group.

Furthermore, in order to prevent occupational accidents and process safety and disaster prevention accidents from occurring and reoccurring, we regularly hold "Repeated Safety Training." Every month, we distribute the "Calendar for Reviewing Past Accidents" in Japan and overseas, summarizing occupational accidents and process safety and disaster prevention accidents that have occurred within the Group in the past. Through sharing and discussing about the safety measures taken following past accidents, thereby raising safety awareness and improving safety skills throughout the Group.

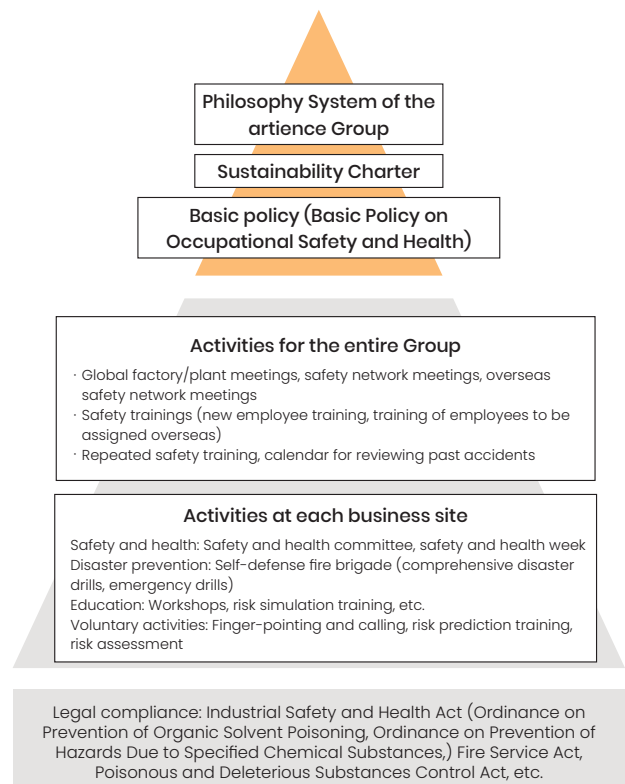
In responding to natural disasters such as large-scale earthquakes, fires, and accidents, we work together with the Risk Management Subcommittee to consider measures to prevent disasters and accidents and minimize damage when they do occur, and to develop our emergency contact network.

We regularly hold management councils, where the labor union and the company discuss issues, to improve work styles, including safety and health. In addition, the safety and health committee meetings are held at each business site every month. The committee consists of persons in charge, managers and members of the labor union. At the meetings, they report and discuss occupational safety and health issues including accidents/disasters. The minutes of committee meetings are also posted on our internal intranet and shared with employees.

Organizational structure for occupational safety and health (FY2025)



System for safety



Occupational Safety and Health, Process Safety and Disaster Prevention

Risk management

[Hazard identification and risk assessment]

At the artience Group, the safety management department confirms the status of basic safety activities, including activities to prevent workplace injuries and the implementation of measures, at each business site. If there are any inadequacies, the section requests business sites to make improvements.

Each site of the artience Group conducts risk assessment, including risk prediction and reports of near-miss cases, before work. Employees conduct pointing and calling to reduce risk when working. If any potential risk is found at any site, it will be reported to managers, who in turn will give feedback on actions and improvements to the site.

[Survey of workplace injuries]

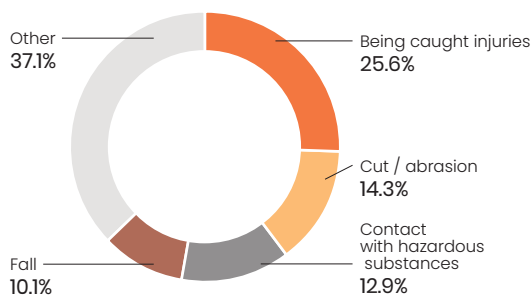
When workplace injuries occur, the sites will be investigated and meetings for actions will be held. The facts and the circumstances behind the injuries will be made clear, and the cause will be investigated. We will then hammer out and implement measures. Accidents are made known in the entire Group promptly through an accident information management system to facilitate creation of recurrence prevention measures.

[Actions to reduce prioritized risks]

We have analyzed the types of workplace injuries at the artience Group and have found that being caught injuries were the most frequent, followed by cuts and abrasions, contact with hazardous substances, and falls. Being caught injuries, and contact with hazardous substances (particularly those causing eye injuries) can cause serious injuries, and the artience Group has defined them as high-risk accidents and is focusing on dealing with them. To prevent those workplace injuries, we have created a working group consisting of members selected at each site. The working group is working to hammer out measures related to employees and facilities to prevent workplace injuries and formulate rules.

■ Breakdown of workplace injuries by type

Data in Japan and overseas from 1997 to 2024
(including minor injuries)



Metrics and targets

■ Relevant themes in Group Materiality 2025-2030

Theme: 3-4. Occupational Safety / Health & Productivity Management

Improve labor safety in workplaces and improve employees' health to establish a working environment where employees feel secure

- Number of lost-workday injuries in Japan, including injuries incurred by contractors working on our premises: Zero
- Promote initiatives that contribute to employee occupational safety and health / health improvement



Page 10 to 11: Group Materiality 2025-2030

[Achievements in FY2024]

■ Number of workplace injuries

(Unit: cases)

KPIs and measures	Achievement in FY2022	Achievement in FY2023	Achievement in FY2024	Target (every FY)
artience Group (in companies* in Japan)	2	3	7	0

* Companies: employees working at all the business establishments of the Group based in Japan (including contract employees, part-time employees and dispatched employees)

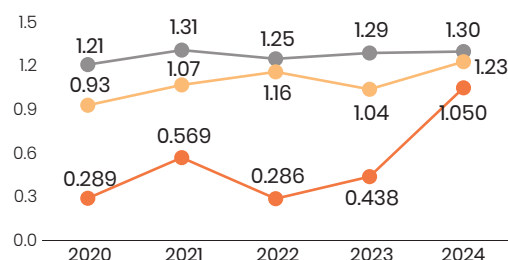
Initiatives

[Changes in the frequency rate and the severity rate for lost-workday injuries]

In the artience Group (companies in Japan,) the number of lost-workday injuries increased by four from 2023, and the frequency rate of lost-workday injuries rose. The number of lost days increased by 44, and the lost-workday-injury severity rate rose. The frequency rate of lost-workday injuries stood at 1.05, and the lost-workday-injury severity rate came to 0.009. Those figures were lower than the entire manufacturing industry and chemicals industry. The artience Group works to make clear causes of accidents and injuries, including lost-workday injuries, and measures to take in response to them to prevent recurrence.

■ Changes in the lost-workday injury frequency rate*

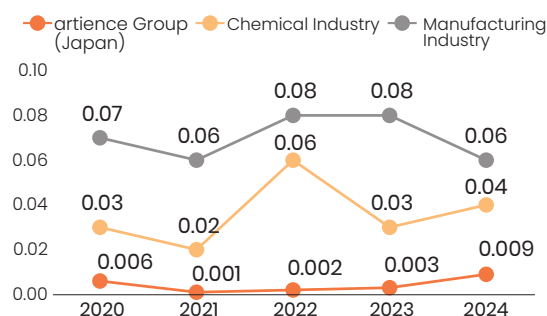
artience Group (Japan) Chemical Industry Manufacturing Industry



* Lost-workday injury frequency rate: Number of lost-workday injuries or fatalities per million work hours, which indicates the frequency of lost-workday injuries. The outside data are cited from the Ministry of Health, Labour and Welfare's Summary on Industrial Accidents (surveys of business establishments) issued in 2024.

Occupational Safety and Health, Process Safety and Disaster Prevention

Changes in the Lost-workday injury severity rate*



* Lost-workday injury severity rate: Number of lost-workday per thousand work hours, which indicates the severity of accidents. The outside data are cited from the Ministry of Health, Labour and Welfare's Summary on Industrial Accidents (surveys of business establishments) issued in 2024.

[Initiatives for safety and disaster prevention]

Fire and accidents caused by production facilities could harm the health and safety of employees working at the sites and residents living nearby. The artience Group takes steps to prevent accidents and disasters at each operation site in Japan and overseas and conducts emergency drills at each operation site to minimize damage if any accident or disaster occurs.

Occurrence of accidents leading to injury or death

In FY2024, a fatal accident occurred during initial fire-fighting efforts for a static electricity-related fire at an overseas Group company. We conducted on-site verification and investigated the causes of the accident on the ground, and distributed information regarding the circumstances of the accident and proposed countermeasures to Group affiliates.

Number of serious fires and accidents involving human life

(Unit: cases)

	2020	2021	2022	2023	2024
artience Group (consolidated)	0	0	0	0	1

[Network meetings in Japan and overseas]

The artience Group holds safety network meetings every year. In FY2024, these meetings were held in May and October at our sites in Japan, and introduced examples of initial fire extinguishment, emergency responses, and behavioral disasters, while carrying out on-site checks. Overseas meetings included mutual safety checks involving safety managers in China, South Korea and in the English-speaking region (at all 27 locations) regarding the action against static electricity, and the initial extinguishment operations, etc. We will continue to hold safety network meetings at locations in Japan and overseas to share safety information in the Group and improve the safety level.

[Training for occupational safety and health]

The artience Group provides repeated safety training to have employees acquire knowledge to avoid serious accidents. The repeated safety training is e-learning given to individual employees. Each employee can take safety lessons when they like. They view safety

videos created internally and answer questions or quizzes about safety.

We also provide opportunities to have a simulated experience, "VR Risk Simulation Training," to employees. This training features close-to-reality VR risk simulations in which trainees experience a simulated workplace injuries and accidents at production sites and other situations that are difficult to reproduce (hazardous events such as fires, falls, and pinch-point injuries.) These simulations are combined with related lectures. We provide opportunities to have a "VR Risk Simulation Training" also to employees overseas to raise their crisis awareness and crisis management level.



VR Risk Simulation Training

Number of participants in company-wide safety training (FY2024)

(Unit: persons)

Type of training		Theme	Number of participants
Repeated safety training	e-learning	Preventing electrical fires	2,046
Repeated safety training	e-learning	Preventing back pain accidents	2,183
Safety training for new hires	on-line training	Things to do for safety	48
Training for overseas assignees	on-line training	Overseas safety	16
VR Risk Simulation	Simulation	Pinch-point injuries, falls, the forklift	103

Respect for Human Rights

Basic approach

In line with its Corporate Philosophy of *People-oriented* management, the artience Group engages in business activities with respect for the cultures and values of each region, under its Basic Policy on Respect for Human Rights (revised in January 2024.)

Frameworks such as the OECD Guidelines for Multinational Enterprises, the California Transparency in Supply Chains Act, and the UK Modern Slavery Act 2015 require companies to fulfill their social responsibilities covering their supply chains. We therefore focus on initiatives in consideration of human rights, labor, the environment, and other factors by including our supply chains in the scope of our social responsibilities. In addition to our Basic Policy on Respect for Human Rights, we have established a Basic Policy on Procurement (revised in January 2024) and a set of Sustainable Supply Chain Guidelines (revised in May 2024,) and distributed these to our Group companies and suppliers both in Japan and overseas.



The Basic Policy on Respect for Human Rights, the Basic Policy on Procurement, and the Sustainable Supply Chain Guidelines are posted on our website under [Sustainability > Related Policies and Guidelines.]

Promotion system

In the artience Group, the Human Resources Department is responsible for regulations and policies on human rights. The Compliance Committee takes a leading role in addressing human rights issues and providing human rights education by each subject.

In addition to assigning responsibilities to relevant departments based on themes and implementing responses, the Risk Management Subcommittee exhaustively and comprehensively manages and checks the human rights-related risks of the entire Group under the operating officer in charge of risk management (the head of the Risk Management Subcommittee.) The Group Management Committee and the Board of Directors also receive reports on these initiatives and monitor their progress and issues.

■ Respecting human rights related system (FY2025)



Risk management

[Human rights due diligence]

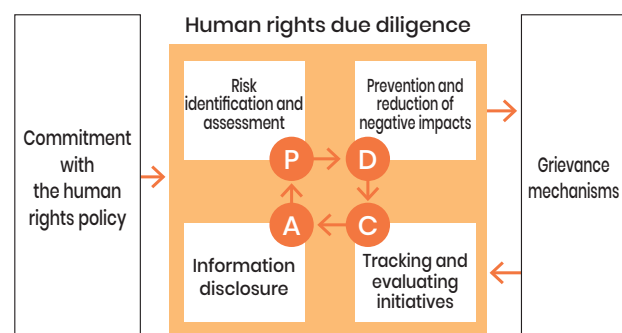
Businesses and their supply chains are required to fulfill their social responsibility. We therefore focus on initiatives in consideration of human rights, labor, the environment, and other factors by including our supply chains in the scope of our social responsibilities. Based on the idea that it is necessary to understand and reduce the negative impacts of business activities on human rights, we associate those human rights risks that can be assumed with specific departments on a subject-by-subject basis to carry out activities to control them.

The Human Resources Department and the General Affairs Department (Legal Group) play a central role in conducting training, education and awareness-raising activities regarding respect for human rights and labor practices inside the artience Group, collaborating with relevant departments in an effort to ensure sound workplace environments.

To our supply chains, we distribute the Sustainable Supply Chain Guidelines and carry out surveys on CSR procurement. The Guidelines provide for statutory compliance, respect for international norms, respect for human rights, fair labor conditions and environment, reduction of environmental impacts, corruption control and other matters. In so doing, we are monitoring suppliers' human rights and other sustainability activities.

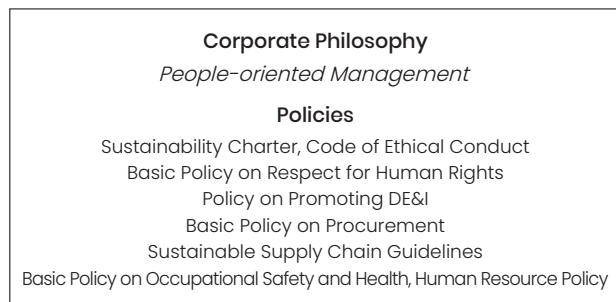
When the artience Group's business activities are directly or indirectly involved in the infringement of human rights or negatively impact human rights, the Group will swiftly endeavor to correct them through dialogue and appropriate procedures

■ Human rights due diligence processes



Respect for Human Rights

■ Overview of human rights initiatives



• System for promoting respect for human rights

Sustainability Committee: ESG Promotion Subcommittee, Compliance Subcommittee, Risk Management Subcommittee
Chair: Chief Sustainability Officer



P Risk identification,
assessment, and reporting

P Evaluation and
improvement support

**All Group employees
in Japan and overseas**

Training / education, and
awareness-raising activities
In-house questionnaire survey

Supply chain

Supplier selection survey
(new suppliers)
CSR procurement survey
(self-assessment survey)
Promotion of ethical logistics
("White Logistics")
Utilization of external evaluations
(EcoVadis)

• Grievance mechanisms (complaint handling)

We have established internal and external compliance offices as points of contact for reporting compliance issues, including human rights violations. We have also established an inquiry desk (also with English and Chinese language support) on our website to respond to external reports.

D **Prevention and reduction of negative impacts**
Initiatives under our system for promoting respect for human rights

C **Tracking and evaluating initiatives**
Board of Directors, Group Management Committee,
Sustainability Committee, Sustainability Conference

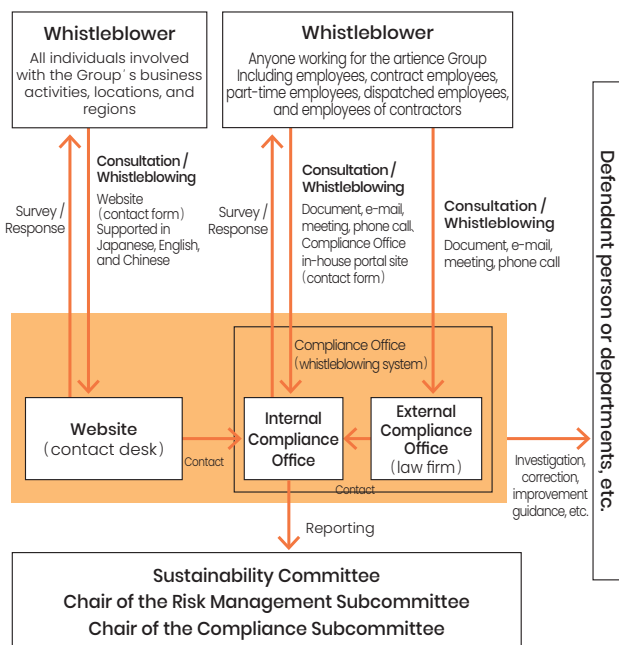
A **Information disclosure**
Integrated Reports, Sustainability Data Book, website

[Office providing consultations on human rights violations]

We established internal and external compliance offices to provide consultations on compliance, including human rights violations. We also have a contact point for inquiries on our website (Japanese, English, and Simplified Chinese,) where we respond to whistleblowing from external parties. We conduct fact-finding surveys in response to whistleblowing and take prompt countermeasures if a problem is likely to occur. Every possible measure is taken to protect whistleblowers and keep their identities confidential.

In FY2024, there was no whistleblowing that led to serious risks of human rights violations. In addition, there were no case of serious human rights violations.

■ Consultation and grievance reporting hotline



Respect for Human Rights

[Human rights issues to be addressed]

We have identified human rights issues that may be negatively impacted by our business activities and have specified them as human rights issues requiring our attention within our Basic Policy on Respect for Human Rights as follows: (1) Child labor, forced labor, (2) Discrimination or harassment, (3) Freedom of association, collective bargaining rights and privacy protections, (4) Occupational safety and health, wages and working hours, and (5) Responsible procurement.

We prioritize these identified human rights issues as key human rights risks requiring focused attention. To eliminate negative impacts, we implement initiatives such as promoting diversity, equity, and inclusion (DE&I), raising awareness through compliance activities (including training and education on respecting human rights and preventing human rights violations), conducting internal surveys, and implementing CSR procurement surveys for suppliers.

[link](#) Page 76 to 77: Supply Chain Management > CSR procurement survey (FY2024)

Human rights issues to be addressed

- Child labor, forced labor
- Discrimination, Harassment
- Freedom of association, collective bargaining, privacy
- Occupational safety and health, working hours and wages
- Responsible procurement

Metrics and targets

■ Relevant themes in Group Materiality 2025–2030

Theme: 3-2. Respect for Human Rights / DE&I

Create a working environment that respects human rights and diversity and that has no gender gap

- Implementation rate of human rights due diligence for employees (global): 100%

[Achievements in FY2024]

KPIs and measures	Achievements in FY2024
Implementation rate of human rights due diligence for employees (global): 100%	· Activities to instill our corporate philosophy system, including "people-oriented management," throughout the company: global 100% · Ongoing awareness-raising activities regarding various types of harassment in compliance training

[link](#) Page 10 to 11: Group Materiality 2025–2030

Initiatives

■ Latent human rights risks involved in business activities

(□: Japan, ■: Overseas)

Latent human rights risks	Activities in the artience Group ☐ ■Discrimination ☐ ■Harassment ☐ ■Working environment ☐ ■Leakage of personal information	Supply chain ☐ ■Discrimination ☐ ■Harassment ☐ ■Working environ- ment ☐ ■Forced labor ☐ ■Child labor ☐ ■Conflict minerals ☐ ■Leakage of personal information ☐ ■Anti-corruption	☐ ■Insufficient product safety assurance ☐ ■Human rights viola- tions at the stage of product use ☐ ■Product use for mili- tary purposes	Local communities ☐ ■Environmental pollu- tion
Major initiatives	· Training, education and awareness raising activities (such as training for new employ- ees, training before overseas assignment, compliance meetings at individual sites, and internal surveys) · Internal surveys (questionnaires, stress checks) · Construction of the DE&I promotion structure · Information security measures (construction of a business continuity planning (BCP) structure for systems) · Information security measures (such as IT lit- eracy tests and information security investiga- tions)	· CSR procurement (study on the Standard for Se- lecting Suppliers and CSR procurement surveys) · Response to CSR investigations and surveys · Information security measures (construction of a BCP structure for systems) · Promotion of ethical logistics ("white logistics") · Utilization of external evaluations (EcoVadis) · Management and offering of quality information	· Risk communication activities · Participation in environ- mental conservation activities · Participation in locally organized activities and organization of dialogues · Information disclosures (through Integrated Reports, Sustainability Data Books and the website)	

Respect for Human Rights

[Human rights education and awareness-raising activities]

At the artience Group, we believe it important to take initiatives to ensure that the human rights of our employees and a wide range of our stakeholders are respected. The Basic Policy on Respect for Human Rights expressly states the prohibition of any form of "prohibition of child labor and forced labor," "elimination of discrimination and harassment," "respect for freedom of association, the right to collective bargaining and privacy," "consideration of occupational safety and health, working hours and wages," and "promoting responsible procurement." Our internal training programs such as training for new employees and training before overseas assignment include human rights matters. Our compliance training that we hold every year, such as compliance meetings in each site and the Compliance Improvement Month, focuses on human rights issues that are considered important. We thus continue awareness-raising activities. We also distribute a booklet showing a collection of specific model cases of compliance (revised on April 1, 2025) to all workers in Japan, and use it for internal trainings related to human rights issues.

In line with the global expansion of our business, since FY2013 we have been introducing human rights education into our training for overseas assignments. We give lectures about the risk of violating human rights when working overseas including actual cases. At the same time, we provide education about personnel management, including respect for local cultures and customs and harmony with local communities, which are necessary when working with foreign nationals.

To our supply chains, we distribute the Sustainable Supply Chain Guidelines and carry out surveys on CSR procurement. The Guidelines provide for statutory compliance, respect for international norms, respect for human rights, fair labor conditions and working environment, reduction of environmental impacts, anti-corruption and other matters. In so doing, we are monitoring suppliers' human rights and other sustainability activities.



Page 80: Social Data > Promoting diversity, equity and inclusion

[Preventing harassment]

We revised the Rules for Preventing Harassment in June 2022 under the revised Whistleblower Protection Act, which came into effect on June 1, 2022. The Rules for Preventing Harassment show specific prohibited acts, based on which we will promote the correct understanding of respect for human rights and the creation of an environment that accepts the diversity of employees following the Corporate Philosophy of *People-oriented Management*, and take initiatives to prevent human rights infringements.

We provide anti-harassment training to all managerial employees in the artience Group (in Japan.) It increased their understanding of harassment and prompted them to review their own behaviors. In our compliance activities for all employees, we provide anti-harassment education that utilizes a booklet showing a collection of model cases of compliance (revised on April 1, 2025.) The Group endeavors to prevent harassment in all situations.

[Respect for workers' rights]

The artience Group respects fundamental labor rights, including employees' right to organize and the right to collective bargaining. We comply with laws overseas in consideration of the characteristics of each region.

The artience Group companies in Japan provide regular opportunities for management teams and labor union representatives to discuss each other to respect workers' freedom of association and collective bargaining rights. We discuss management policies, working conditions and other subjects to develop sound and favorable labor-management relationships. Senior management and labor union members hold councils twice or more a year and exchange views about overall management.

[Child labor, forced labor]

The artience Group has set forth rules on respect for human rights, including the prohibition of child labor and forced labor, in its Basic Policy on Respect for Human Rights and makes the rules known to the Group companies overseas by providing training to employees assigned overseas and applying guidelines to Group companies overseas. In addition, we established the Basic Policy on Procurement (revised in January 2024) and the Sustainable Supply Chain Guidelines. Not only will we work to comply with these rules, to achieve compliance throughout the whole supply chain, we are asking our suppliers for understanding and observance.

Supply Chain Management

Basic approach

The artience Group has been developing its business globally, with about 60 companies in over 20 countries and regions around the world. This global expansion has made the Group's supply chains more complex. Companies has required to fulfill their social responsibilities covering their supply chains. The Group therefore focus on initiatives in consideration of human rights, labor, the environment, and other factors by including our supply chains in the scope of our social responsibilities.

In addition to our Raw Materials Purchasing Regulations (revised January 2024) and our Basic Policy on Procurement (revised January 2024,) we have established Sustainable Supply Chain Guidelines (revised May 2024,) which outline our approach, stance, and responsibilities as a supply chain, including artience itself.

The basic policy and guidelines are based on our basic stance of complying with and respecting the laws and regulations of the countries and regions in which the Group operates, international codes of conduct by the United Nations, the ILO, and OECD, etc., and industry standards such as RBA and AIAG. They cover a wide range of sustainability issues, including human rights, labor practices, health and safety, the environment, product safety, compliance, and information security. The policy and guidelines have been prepared in Japanese, English, and Chinese language versions, and made available to Group companies and suppliers both in Japan and overseas to build a sustainable supply chain.



The Basic Policy on Procurement and the Sustainable Supply Chain Guidelines are posted on our website under [Sustainability > Related Policies and Guidelines.]

Promotion system

The Group Purchasing Department of artience Co. Ltd. plays a central role in taking actions for suppliers and engages in CSR procurement activities based on the Basic Policy on Procurement and the Sustainable Supply Chain Guidelines.

It delivers reports on risks related to CSR procurement regularly at the Risk Management Subcommittee for information sharing purposes. It endeavors to prevent risks from materializing and to reduce such risks.

Risk management

[Promotion of CSR procurement]

To this end, we implement measures for (1) distributing our Basic Policy on Procurement and Sustainable Supply Chain Guidelines, (2) investigations and audits against suppliers and remedial activities for them, and (3) deepening the level of understanding among employees. We also carry out activities to make the Procurement Principles known to overseas sites.

The Group itself is also working to improve the sustainability of the entire supply chain together with customers by checking efforts to ensure respect for

human rights in procurement activities, conducting supply chain sustainability assessments through EcoVadis, and responding to CSR procurement questionnaires from customers.

Sustainability rating by EcoVadis

EcoVadis is an international organization engaging in rating of supply chain sustainability. The artience Group's sustainability rating for 2024 was an overall score of 53/100.

Metrics and targets

■ Relevant themes in Group Materiality 2025-2030 Theme: 3-1. SCM

Construct a supply chain that realizes responsible procurement of raw materials

- Guideline consent rate: 85% (Coverage: 70%)
- CSR procurement rate: 80% (Coverage: 70%)
- Carry out initiatives for a sustainable supply chain, including logistics, raw material transactions and the contracting of services



Page 10 to 11: Group Materiality 2025-2030

[Achievements in FY2024]

KPIs and measures	Achievements in FY2023	Achievements in FY2024	Achievements in FY2030
Guideline consent rate	76.7% (coverage 42.6%)	80.2% (coverage 42.4%)	85% (coverage 70%)
CSR procurement rate	71.1% (coverage 42.6%)	69.1% (coverage 42.4%)	80% (coverage 70%)

* As of March 2025

Initiatives

[CSR procurement survey (FY2024)]

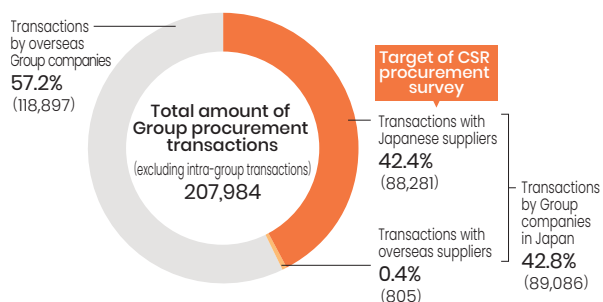
Since FY2022, as part of our CSR procurement survey, we have been conducting questionnaire surveys to confirm the agreement of suppliers in Japan with the Sustainable Supply Chain Guidelines, and to confirm the state of CSR initiatives. The guideline agreement rate and the CSR procurement rate are used as KPIs to indicate the Group's level of CSR procurement performance. They are continuously monitored (surveyed every three years for existing suppliers and surveyed at the time of contracting for new suppliers,) and results are fed back into our improvement activities.

In FY2024, we surveyed of a total of 481 suppliers (transaction value of 88,281 million JPY = 42.4% of the Group's total transaction amount) under the jurisdiction of the Group Purchasing Department, artience Co., Ltd. and subsidiary production sites in Japan. As a result, the guideline agreement rate was found to be 80.2% (354 suppliers) and the CSR procurement rate was found to be 69.1% (259 suppliers.) We are also working to improve our level of CSR performance by designating suppliers with large transaction amounts and insufficient CSR performance levels (transaction value of 100 million JPY or more, total score of less than 60/100 points in questionnaires) as "suppliers requiring care," and effort are being made to improve their CSR level.

Supply Chain Management

Going forward, we will expand our survey activities to include suppliers that engage in transactions with overseas Group subsidiaries and work to promote sustainability in the global supply chain, in particular, to improve respect for human rights.

■ Scope of the CSR procurement survey (FY2024) (Unit: million JPY)



■ Survey results from participating suppliers (481 companies)

	Number of companies (company)	Transaction amount ratio (%)
Suppliers who have submitted consent confirmation	372	90.3
Among them, companies that have expressed agreement with the guidelines (Guideline consent rate)	354	80.2
Answer the questionnaire	372	90.6
Among them, companies with a score of 75/100 or more (CSR procurement rate)	259	69.1

* As of March 2025

* The confirmation of agreement with the Guidelines requires the submission of a signed confirmation form with five levels of agreement, and the guideline agreement rate is defined as the percentage of suppliers with Agreement Level 3 (those who already comply with a CSR code of conduct established by their company or an industry association, or agree to comply with the Guidelines.) The questionnaire was conducted using the GCNJ (Global Compact Network Japan) CSR Procurement Self-Assessment Questionnaire v1.1. The CSR procurement rate is defined as the percentage of suppliers who scored 75/100 or higher overall in the questionnaire.

[Dealing with new suppliers]

We evaluate potential suppliers based on the Standard for Selecting Suppliers in article 6 of Basic Policy on Procurement, and do not deal with any suppliers that do not meet a certain standard. We start to deal with suppliers that meet a certain standard on the assumption that they accept our Basic Policy and Sustainable Supply Chain Guidelines. We also regularly reassess suppliers to reduce procurement risk.

[Response to conflict minerals and extended conflict minerals, and avoidance of complicity in human rights violations in procurement]

We are engaged in initiatives to eliminate the use of conflict minerals (gold, tin, tantalum, and tungsten,) that are mined, refined, and processed by illegitimate means that involve human rights violations in conflict-affected areas and other high-risk areas, which may become a source of funding for groups and forces complicit in the mining, refining and processing of such minerals. We have checked whether each raw material that we have procured directly or indirectly included any conflict minerals or not and have taken appropriate steps when we found and confirmed any use of conflict minerals. We will continue to investigate

and check newly adopted raw materials, and also strengthen our measures to prevent the use of minerals from regions of conflict. Additionally, we are also engaged in some initiatives to address the six minerals designated as "extended minerals" under EMRT 2.0 (cobalt, natural mica, copper, natural graphite, lithium, and nickel.) These include informing suppliers and conducting investigations in response to customer requests. With regard to possible violations of the United States Uyghur Forced Labor Prevention Act (UFLPA,) we have confirmed that the list of primary suppliers from which our purchasing department directly purchases raw materials does not include companies on the UFLPA Entity List. Going forward, we will continue to survey, check, and respond to these responsible procurement activities.

[Initiatives for solving logistics issues]

In 2020, artience Co., Ltd. announced its voluntary action declaration in support for the White Logistics Movement launched by the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Economy, Trade and Industry, and the Ministry of Agriculture, Forestry and Fisheries. As one initiative in support of this movement, we will work to improve and relocate relay bases to optimize delivery and receiving. With the understanding and cooperation of our customers, we will also work together as a united supply chain to reduce the burden on logistics operators, and strive to maintain and improve logistics, which is an important part of social infrastructure, by easing delivery lead times, shortening waiting times at delivery destinations, and reducing the workload of incidental operations.



The details of our participation in the White Logistics Movement are posted on our website under Sustainability > Society > Supply Chain Management.

TOPICS

Revision of the Partnership Building Declaration

On May 27, 2024, artience Co., Ltd. revised its Partnership Building Declaration. The original Partnership Building Declaration was announced on October 31, 2022. This revision is based on the Guidelines for Price Negotiations to Appropriately Pass Through Labor Costs (issued by the Cabinet Secretariat and the Fair Trade Commission in November 2023.) In terms of the content of the revision, the following wording has been used in the declaration.

"We will not make unreasonable demands for cost reductions. We will hold discussions with subcontractors at least once a year when determining transaction considerations, and strive to ensure full discussions with subcontractors to enable them to improve their working conditions, including their appropriate profits."

Going forward, we will continue to engage in dialogues and collaboration with our suppliers, with the aim of achieving further mutual prosperity.



* It is posted on the website.

<https://www.biz-partnership.jp/declaration/80746-05-08-tokyo.pdf>

Social Contribution Activities

Basic approach

The artience Group aims to contribute to society through its business as a good corporate citizen, and to foster a corporate culture that values contributions to local communities and society.

By focusing on the KPIs and initiatives outlined in our newly established Group Materiality 2025-2030, specifically in the areas of communication with local communities and social contribution activities (disaster relief, cultural and educational supports, environmental conservation, donations, local employment, etc.) we will fulfill our social responsibilities as a member of the communities in which we operate and strive for mutual prosperity.

Promotion system

At individual sites, their general affairs and administrative departments play a leading role in carrying out the activities. In Japan, we launched a volunteer leave system for supporting employees' voluntary activities.

Before making donations to non-profit organizations (NPOs), non-governmental organizations (NGOs) and disaster relief activities, we make reasonable decisions in accordance with our internal rules.

Metrics and targets

■ Relevant themes in Group Materiality 2025-2030

Theme: 4-5. Co-creation Culture / Community

Foster a corporate culture that realizes value co-creation through the establishment of partnerships with other organizations and co-existing with local communities

- Increase communication with local communities
- Conduct social contribution activities (such as disaster reliefs, cultural and educational supports, environmental conservation, donations, local employment)



Page 10 to 11: Group Materiality 2025-2030

Initiatives

[Introduction of a volunteer leave system]

The artience Group in Japan has introduced a volunteer leave system, actively encouraging and supporting employee volunteer activities to foster a corporate culture that values social contribution. Three employees took volunteer leave in FY2024.

■ Major activities in FY2024

Category	Activities
Communication with local communities	· Risk communication activities (Kawagoe Factory of Toyochem Co., Ltd.) · Donated disaster preparedness supplies (such as nonperishable food and water) through the Social Welfare Council (artience Co., Ltd.) · Donation of used stamps and Bell-marks to the local Council of Social Welfare (artience Co., Ltd.) · Cooperation in employees' blood donation activities on plant premises (Toyo Ink (Philippines) Co., Inc. and Toyo Ink India Pvt. Ltd.) · Engaged in activities aimed at promoting careers in the region in partnership with Bangchan Industrial Estate (Toyo Ink (Thailand) Co., Ltd.) · Donated 69 jumbo bags for waste collection to a recycling program coordinated by the Malaysian Recycling Alliance (MAREA), focusing on high-rise residential buildings (Toyochem Specialty Chemical Sdn. Bhd.)
Cultural and educational support	· Hosted a children's volleyball class coached by a men's professional volleyball team (Tokyo Great Bears) (artience Co., Ltd.) · Continued sponsorship for the Scrum Japan Program, an initiative for spreading and cultivating rugby (artience Co., Ltd.) · Sponsored the Children's Career Summit 2024, hosted by student group Stars · artience sponsored the Try with Children Environment Festival, an event held at an elementary school in Chuo-ku, Tokyo, where children can learn about the environment through hands-on experiences (artience Co., Ltd.) · Donation and contribution according to the CSR program launched in FY2021 for donating to research institutions and offering computers and other learning equipment, bookshelves, chairs and other supplies for use by schoolchildren to local schools (Toyo Ink India Pvt. Ltd.) · Provided educational support (such as scholarship programs) to students in need through donations to the Turkish Educational Foundation (TEV) (Toyo Printing Inks Inc.)
Environmental conservation	· Continued to participate in environmental beautification activities on July 1 (Lake Biwa Day) (Moriyama Factory of Toyo Visual Solutions Co., Ltd.) · Continued to participate in environmental beautification activities, Nakanoshima West Cleanup Activities (Kansai Branch Office, Toyo Ink Co., Ltd.) · Participated in the collection and recycling of used clear plastic folders through the ASKUL Resource Recycling Platform* (locations: Kyobashi head office and Jujo Center of artience Co., Ltd., Saitama Factory of Toyo Ink Co., Ltd.; amount collected: 85.58 kg) · Tree-planting activities on the premises on World Environment Day (June 5) (Toyo Ink India Pvt. Ltd.) · Participated in boat cleanup activity along the Saen Saep Canal (Toyo Ink (Thailand) Co., Ltd.)
Disaster relief, donations, local employment, etc.	· Donated 5 million JPY through the Japanese Red Cross Society as disaster relief support for the Noto Peninsula earthquake · Continued donation to the Chuo-ku-no-Mori forest conservation project run by the Chuo City Government in Tokyo as a measure against global warming · Donation of research grants to universities and organizations for the purpose of supporting research

* ASKUL resource circulation platform (Japanese)
<https://www.askul.co.jp/kaisy/shigen/>

Social Data

Human Resource Management

Number of employees

			FY2022	FY2023	FY2024
Number of employees (employees)	artience	Male	304	288	280
		Female	99	100	97
		Total	403	388	377
	Toyo Ink	Male	585	673	639
		Female	75	88	91
		Total	660	761	730
	Toyochem	Male	493	513	520
		Female	73	82	86
		Total	566	595	606
	Toyocolor	Male	426	424	431
		Female	58	56	61
		Total	484	480	492
	Affiliates in Japan (consolidated)*	Male	768	608	607
		Female	183	162	162
		Total	951	770	769
	Overseas affiliates (consolidated)	Male	3,754	3,792	3,861
		Female	1,112	1,050	1,062
		Total	4,866	4,842	4,923
	Group total	Male	6,330	6,298	6,338
		Female	1,600	1,538	1,559
		Ratio of female employees (%)	20.2	19.6	19.7
		Total	7,930	7,836	7,897

Aggregation scope: Global (consolidated)

* Consolidated subsidiaries in Japan excluding Toyo Ink Co., Ltd., Toyochem Co., Ltd., and Toyocolor Co., Ltd.

Employees by business area

			FY2022	FY2023	FY2024
Number of employees (employees)	Japan	Male	2,576	2,506	2,477
		Female	488	488	497
		Total	3,064	2,994	2,974
	China	Male	1,220	1,171	1,153
		Female	344	321	302
		Total	1,564	1,492	1,455
	Asia (excluding P.R.China)	Male	1,790	1,791	1,863
		Female	467	491	508
		Total	2,257	2,282	2,371
	Americas	Male	303	385	374
		Female	161	95	86
		Total	464	480	460
	Europe and Africa	Male	441	445	471
		Female	140	143	166
		Total	581	588	637

Aggregation scope: Global (consolidated)

Number of new hires / Average years of service / Rate of regular employees

			FY2022	FY2023	FY2024
Number of new hires (employees)	Number of new graduate hires	Male	32	37	32
		Female	17	20	18
		Total	49	57	50
	Number of mid-career hires	Male	49	28	59
		Female	10	2	12
		Total	59	30	71
	Total	Male	81	65	91
		Female	27	22	30
		Total	108	87	121
Average years of service (years)		Male	19.3	18.9	19.0
		Female	14.9	14.2	14.3
		Total	18.6	18.1	18.2
Rate of regular employees (%)			81.3	81.6	82.3

Aggregation scope: Subsidiaries in Japan (consolidated and non-consolidated)

Number of employees by age group, average age

		FY2022	FY2023	FY2024
Number of employees (employees)	Ages 18 to 29	380	378	363
	Ages 30 to 39	704	654	647
	Ages 40 to 49	796	777	774
	Ages 50 to 59	1,002	965	945
	Ages 60 to 64	309	326	341
	Ages 65 and above	17	24	32
	Total	45.0	45.3	45.4
Average age (years old)	Male	45.6	46.0	46.1
	Female	41.9	41.9	42.0
	Total	45.0	45.3	45.4

Aggregation scope: Subsidiaries in Japan (consolidated and non-consolidated)

Annual turnover and reasons for leaving the Group

		FY2022	FY2023	FY2024
Annual turnover rate (%) ^{*1}		2.84	3.71	3.20
Voluntary resignation rate (%) ^{*2}		72.50	83.00	68.46
Reasons for resignation (employees)	Company circumstances	0	0	0
	Personal circumstances	58	83	89
	Mandatory retirement age	0	9	25
	Leave period expired	6	1	7
	Reemployment period expired	16	7	9
	Total	80	100	130

Scope of data: 2022-2023: domestic Group (employees belonging to artience Co., Ltd.); 2024: domestic Group (consolidated)

*1 The annual turnover indicates the percentage of retirees who left the Group due to personal circumstances or who have expired the leave period per the number of all subject employees.

*2 Voluntary resignation rate is calculated as the percentage of voluntary resignations relative to the total number of resignations/retirements.

Social Data

Human resources development

■ List of training programs

Job-class-specific training programs	
Training aimed at acquiring the necessary knowledge, skills, thinking abilities, and mindset for each level.	
· Introductory training for new employees · Follow-up training for employees in their first year · Work approach training · Training for on-the-job trainers · Practical program for solving issues · Basic program for problem solving · Career design training · Evaluator training	
· Logical communication training · Team management training · Training for new officers	
Job-type-specific training programs	
Training aimed at helping employees acquire the skills necessary for each job type	
· Program for improving business negotiation skills · Basic marketing training · Training on design of experiments · Basic QC training	
· Basic statistics training · MI hands-on training · Kaizen skills workshop for production staff	
Selective training	
Training aimed at developing the vision-building, problem/issue-formulation, critical thinking, and other specialized competencies required for the next generation of human resources who will become core members of senior management and organizational leadership.	
· Next-generation executive development program · Program to cultivate next-generation leaders · Program for cultivating manufacturing managers · Mindset and skill enhancement program for new business creation · Generative AI training	
Training programs for developing global human resources and for overseas national staff	
Training to foster the mindset and acquire knowledge necessary for global success, and training aimed at equipping the next generation of leaders among overseas national staff with management knowledge and skills	
· Cross-cultural communication training · Overseas business experience training · Overseas workshop programs · Next-generation leader development program for overseas national staff	
DE&I	
Seminars and training based on the Policy on the Promotion of DE&I	
· Career training for female employees · Seminars about LGBTQ+ issues · Work-life balance support seminar (caregiving, childcare, medical treatment)	
e-learning	
· Chemical substance management course · Trade management course · Intellectual property / patent course	
· Environment / safety course · ESG course	

■ Training costs per employee / in-house recruitment

		FY2022	FY2023	FY2024
Training costs per employee* ¹	Investment amount (thousand JPY / employee)	30	33	35
Training hours per employee * ²	(hours / person)	—	—	0.3
In-house recruitment system / career challenge system (employees)* ³	Number of voluntary career development programs adopted	11	9	20
Number of employees receiving in-house commendation (employees)		2	6	21
Number of applications for Business Idea Competition (cases)* ⁴		63	131	114

*1 Aggregation scope: artience Co., Ltd., Toyo Ink Co., Ltd., Toyochem Co., Ltd., Toyocolor Co., Ltd., and Toyo Visual Solutions Co., Ltd.

*2 Aggregation Scope: e-learning hours for ESG training targeting domestic (consolidated and non-consolidated subsidiaries) and overseas expatriate employees

*3 Aggregation scope: Subsidiaries in Japan (consolidated and non-consolidated)

*4 Aggregation scope: Subsidiaries in Japan (consolidated and non-consolidated)

Promoting diversity, equity and inclusion

■ Employee diversity

		FY2022	FY2023	FY2024
Rate of female managers (%)* ¹		4.5	5.5	5.8
Rate of hiring female graduates (%)* ²		32.5	37.0	42.0
Number of foreign employees (employees)		28	30	37
Employment of people with disabilities	Number of employees (employees)	42	43	41
	Employment rate (%)	2.60	2.74	2.57
	Average years of service (years)	15.6	16.9	17.1

Aggregation scope: Japan (Employees who belong to artience Co., Ltd.)

*1 As of the following January of each fiscal year

*2 Rate of hiring female graduates joining the company each year in April

■ Wage Gap between Male and Female

	FY2022	FY2023	FY2024
Regular employees (%)	76.0	77.3	78.4
Non-regular employees (%)	65.1	39.8	66.2
All employees (%)	75.5	77.1	78.2

Aggregation scope: Subsidiaries in Japan (consolidated and non-consolidated)

* The wage gap between men and women is calculated by dividing the annual average wage for women by the annual average wage for men.

■ Trainings

		FY2022	FY2023	FY2024
Human rights / harassment training (employees)	Training for new employees	49	57	48
	Overseas assignment training	20	20	16
	Training for managers	97	76	92
	Compliance training	Meetings in each site: 3,663 Improvement Month: 3,896	Meetings in each site: 3,386 Improvement Month: 3,479	Meetings in each site: 3,315 Improvement Month: 3,375
Number of participants in diversity training (employees)*		Total 146	Total 146	Total 312
Number of ally supporters (employees)*		94	115	170

Aggregation scope: Subsidiaries in Japan (consolidated and non-consolidated)

* Implemented from FY2022

Social Data

Promoting a Healthy Work-Life Balance

			FY2022	FY2023	FY2024
Childcare leave	Ratio of employees taking childcare leave, etc. (%)	Male	92.7	100	96.0
		Female	100	100	100
	Ratio of employees returning to work after childcare leave (%)	Male	100	100	100
		Female	100	100	90
		Total	100	100	97.6
	Number of employees working shorter hours for childcare (employees)		36	34	32
Working hours	Total working hours (hr)		1,723	1,755	1,729
	Average overtime hours (hr/month)		7.2	7.9	8.5
	Ratio of paid leave taken (%)		64.0	69.2	68.0
	Average number of days of annual paid leave taken (days)		12.3	13.3	13.0
	Average number of days of total paid leave taken*		16.7	16.8	16.1
	Ratio of half-day leave taken (%)		73.7	78.4	78.7
	Rate of use of the selectable welfare program (%)		85.8	83.2	83.9

Aggregation scope: Japan (Employees who belong to artience Co., Ltd.)

* Total paid leave = annual paid leave + nursing care leave + special leave + accumulated leave

Health and Productivity Management

	FY2022	FY2023	FY2024
Rate of receiving health checkups (%)	100	100	100
Health checkups for dependents (%)*	81.9	80.0	78.3
Rate of conducting stress checks (%)	90.9	92.3	92.6
Ratio of influenza vaccinations (%)	64.0	59.0	58.0

Aggregation scope: Japan (Employees who belong to artience Co., Ltd.)

* As of the end of December of each year

Social Data

Occupational Safety and Health, Process Safety and Disaster Prevention

■ Lost-workday injuries / fatal accidents

			FY2022	FY2023	FY2024
Lost-workday injuries	Number of occurrences (cases)*1	Our Group	2	3	7
		Partner companies	1	2	0
Fatal accidents	Number of occurrences (cases)*1		0	0	0
	Number of deaths (employees)	Our Group	0	0	0
		Partner companies	0	0	0
Lost-workday injuries	Frequency rate*2	Our Group	0.286	0.438	1.050
		Partner companies	—	2.744	0.000
	Severity rate*3	Our Group	0.002	0.003	0.009
		Partner companies	—	0.056	0.000
Work-related diseases and poor physical condition	Number of disease outbreaks (cases)		0	0	0
	Number of deaths (employees)		0	0	0

Scope of calculation: Japan

Our Group: employees working at all of the business establishments of the Group based in Japan (including contract employees, part-time employees and dispatched employees)

Partner companies: employees of those companies engaged in commissioned services in all business sites of the Group in Japan (including those without capital relationships) which provide data for the Group's companies and implement safety management as the Group's companies do (The total number of employees from partner companies was 424 in 2022, 381 in 2023, and 355 employees in 2024.)

Calculation period: From January to December each year

1 Number of injuries/accidents: Cases where workers suffer diseases, injuries or death arising from their work activities while on duty (wherein diseases or injuries refer to lost-workday for one day or more or non-lost-workday injuries that cause a loss of part of the body or functions, excluding tardive work-related diseases(), food poisoning and infectious diseases.) Injuries, illnesses or death arising from commuting accidents are excluded.

*Slow-onset: Illnesses that develop slowly, not acutely due to an accident or disaster. They include pneumoconiosis, lead poisoning, and vibration disorder. (Excerpted from the Manual for Entering FY2020 Survey Sheet for Survey on Industrial Accidents by the Ministry of Health, Labour and Welfare)

*2 Lost-workday injury frequency rate: Number of workers suffering or death per million actual working hours in cumulative total, which indicates the frequency of occurrence of lost-workday injuries

*3 Lost-workday injury severity rate: Number of lost-workdays per thousand actual working hours in cumulative total, which indicates severity of lost-workday injuries

■ Number of violations of labor standards-related laws and regulation

	FY2022	FY2023	FY2024
Number of violations of labor standards-related laws and regulations (cases)	0	0	0

Aggregation scope: Subsidiaries in Japan (consolidated and non-consolidated)

Social Contribution Activities

■ Number of employees taking volunteer leave

	FY2022	FY2023	FY2024
Number of employees taking volunteer leave (employees)	3	1	3

Aggregation scope: Japan (Employees who belong to artience Co., Ltd.)