artience Group Value Creation Looking Ahead to 2050

The artience Group is currently working on the artience 2027/2030 "GROWTH" Management Plan, with the target year of FY2030. This plan is a grand design for the transformation we have communicated both within the Group and externally by changing the name of our company and revising our philosophy in January 2024. To achieve the objectives of our designs, we are implementing the artience2027 three-year-long medium-term management plan during the FY2024 to FY2026 period.

We have formulated Sustainability Vision asv 2050/2030 as a set of long-term practical targets for the Group's sustainability activities to communicate the direction of our initiatives. Additionally, we have identified material sustainability issues and are working to achieve the specific qualitative and quantitative targets we set in Group Materiality 2025-2030. The goal is to respond to recent global trends relating to efforts to achieve the Sustainable Development Goals (SDGs,) addressing climate change, carbon neutrality, recycling of resources, human rights and diversity, as well as responding to the situation in which greater demands are being placed on companies to resolve various social issues.

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

artience2027/2030 "GROWTH" Management Plan

The Group has established artience2027/2030 "GROWTH" as a comprehensive management plan. The key concept of the plan is growth. The Group envisions a future where all people can live enriched lives, a sustainable society, and maximizing corporate value. To achieve this transformation by FY2030, the Group has identified three key management issues to address.

Key management issues	Basic approach	Ideal state
Business portfolio transformation	Since its founding, the Group's primary business has been printing inks, but the value needed by society changes over time. The Group will thoroughly review its business portfolio and develop businesses that can deliver new value, leveraging its strengths to address the needs of society.	Realizing a spiritually wealthy future
Maximization of capital efficiency and cash flows	Currently, the Company's PBR is extremely low, which we believe is a serious concern for a commercial enterprise. The Company aims to increase its capital efficiency and maximize cash flow by implementing measures to enhance profitability in each business segment to enhance PBR.	Realizing a sustainable society
Establishment of corporate foundations and sustainability management practices	The Company will establish a corporate foundation to support its operational and financial transformation with the goals of addressing the two issues mentioned above and to achieve sustainable growth. The Group will implement sustainability management to fulfill its corporate social responsibilities and to see the different ESG issues it encounters as opportunities to enhance its long-term corporate value and business prospects.	Maximizing corporate value

Targets for business performance

	artience2027 period			
	FY2023 (result)	FY2024 (result)	FY2025 (result)	FY2026 (planned)	FY2029 (target)
Consolidated net sales	322,122 million JPY	351,064 million JPY	349,979 million JPY	360,000 million JPY	500,000 million JPY
Consolidated operating profit	13,372 million JPY	20,414 million JPY	20,765 million JPY	23,000 million JPY	—
Operating profit margin	4.2%	5.8%	5.9%	6.4%	—
ROE	4.2%	7.3%	3.9%	8.0%	10.0% or more

artience Group Value Creation Looking Ahead to 2050

Sustainability Vision asv2050/2030

The Group formulated the Sustainability Vision asv 2050/2030 in January 2022 to indicate a direction for implementing sustainability management from a medium to long-term perspective. To link this more specifically to our management plans, we reviewed the previous group materiality "Five Material Issues" from scratch and formulated Group Materiality 2025-2030 in February 2025. At the same time, we revised asv2050/2030 to enhance its permeation within the Group and its linkage with our management plans.

■Sustainability Vision asv2050/2030

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



Sustainability Management

Basic approach

The Group has established a Sustainability Charter as its basic philosophy for promoting sustainability in all of its corporate activities. The Charter is based on the Group's philosophy system, consisting of our Corporate Philosophy, Brand Promise, and Our Principles.

The current Medium-term Management Plan, artience2027, sets out three basic policies on sustainability. One of them is to transform the Company's management foundation. This policy clearly specifies sustainability issues we should address strategically. These issues include the reform of the personnel development program, the maximization of capital efficiency, innovation in production processes, digital transformation and the strengthening of a technological foundation.

In February 2025, we established our Group Materiality 2025-2030, which identifies KPIs and measures, taking into account our business's positive and negative impacts on society and the environment. We are dedicated to promoting sustainability initiatives throughout the entire Group, using the Sustainability Vision asv2050/2030, which has been developed from a medium- to long-term perspective and linked to our SDGs goals, and the new Group Materiality as indicators. We thereby aim to address social issues through our business activities.

Sustainability management process

We will implement initiatives using the PDCA cycle.

P: Establishing KPIs, measures, and action plans (February 2025)

D: Implementing plans and functional plans, with each subcommittee implementing their own action plans (from February 2025)

C: Reporting on progress (annual review) to the Sustainability Committee (February 2026)

A: Reporting to management, evaluating effectiveness, and identifying and reviewing issues (February to March, 2026)

WEB **Our policies and guidelines are posted on our website under [Sustainability > Related Policies and Guidelines.]**

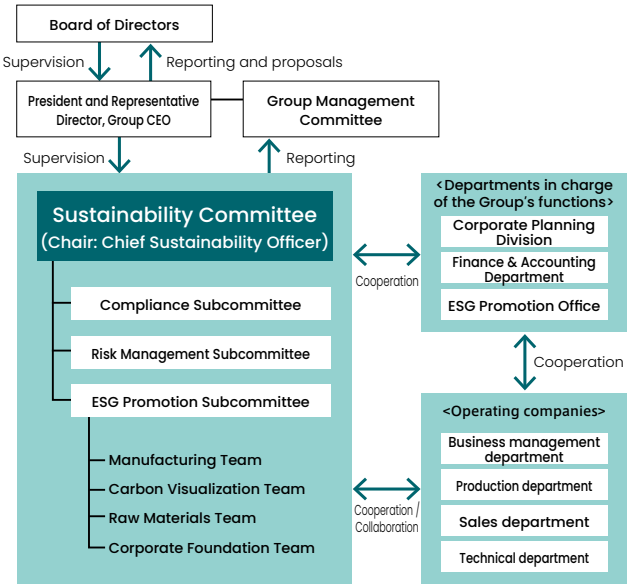
* Related policies and guidelines are available in Japanese, English and Simplified Chinese. We are working to provide our Philosophy System, Sustainability Charter, Code of Ethical Conduct, Basic Policy on Respect for Human Rights, and Basic Policy on Occupational Safety and Health in multiple languages. They are available in 15 different languages.

Promotion system

The Sustainability Committee is chaired by the Group's Chief Sustainability Officer, with the Group CEO as chief supervisor. The committee formulates plans, implements, evaluates, and follows up on all groupwide sustainability-related activities. The committee's activities are reported to management through the Group Management Committee and the Board of Directors, with particularly important matters being decided upon and supervised by the Board.

The three subcommittees of the Sustainability Committee and the administrative departments of each domestic Group company play a central role in supporting the sustainability activities of the entire Group from their various perspectives, and are working to drive activities on a global scale.

■Sustainability promotion system (FY2026)



Activity status of the Sustainability Committee (FY2025)

In FY2025, we held three Sustainability Committee meetings and one Sustainability Conference (group-wide meeting) to report and discuss progress. The Sustainability Committee also took a central role in formulating the new Group Materiality, and promoted activities to ensure its implementation.

■Date of Sustainability Committee meetings

February 13, 2025	1st Sustainability Committee meeting
April 10, 2025	2nd Sustainability Committee meeting
July 1, 2025	Sustainability Conference (group-wide meeting) · ESG Promotion Subcommittee Report · Risk Management Subcommittee Report · Compliance Subcommittee Report · Energy Saving Promotion Solution Progress Report · Group DE&I Activity Report
September 26, 2025	Sustainability Committee meeting (extraordinary meeting) · Responding to responsible mineral sourcing

■Major activities of the three subcommittees (FY2025)

Compliance Subcommittee	Increased knowledge and understanding of the Code of Ethical Conduct and developed, enhanced, and monitored legal risk management systems domestically and internationally
Risk Management Subcommittee	Developed business continuity plans (BCPs), conducted risk analyses (selected and shared key risks), disclosed risk maps, updated and expanded emergency communication methods, revised operation manuals for emergency response headquarters and revised guidelines to address global risks
ESG Promotion Subcommittee	Created a roadmap for decarbonization (achieved at 97% of Group bases, based on CO_2 emissions), acquired third-party verification of CO_2 emissions calculations for each Scope (expanded the scope of calculations to business sites overseas), held dialogues with suppliers toward decarbonization, and distributed questionnaires (engagement survey)

Group Materiality 2025-2030

Generating management value by addressing material issues



Director in charge of Quality Assurance, Production and Environment, Sustainability, Purchasing and Logistics

Yoshimoto Nakajima

Reflecting on the first year in which the Group tackled new material issues

The Group believes that sustainability is a fundamental principle integrated into its management practices. In February 2025, the Group redefined its material issues based on this thought. Its goal is to create management value by integrating its core mission, "creating value through its business and delivering it to customers," and "generating value through sustainability initiatives and contributing to the improvement of societal sustainability" during the period of the artience2027/2030 "GROWTH" Management Plan. The Group recognizes the headwind that is being faced regarding environmental, social and governance (ESG) practices. However, we do not plan to significantly change our established direction regarding our material issues. We aim to achieve effective sustainability by accurately understanding the needs of society, enhancing that understanding, and aligning it with our growth strategy. Materiality is not a one-time project, but a continuous process. We will regularly review and refine our material issues in response to our operational growth, changing business environment, and increasing societal demands. Among the things that the market requests of us, our stakeholders' inquiries regarding how the changes in the structure of businesses, primarily those related to electric vehicles, impact our materiality are especially significant. As sustainability is closely connected to our business, our sustainability initiatives naturally change with the changes in our business structure.

In FY2025, the first year in which we are addressing new material issues, we aimed to provide value that resonates with the senses through our products and services while contributing to future sustainability. We realized that sustainability is becoming an essential requirement for manufacturers to survive. Our material issue targets include expanding the lineup of Sustainability-Enhancing Products, mainly in our strategic priority businesses, and increasing sales of these products. The assessment of sustainability is a priority when we make investment decisions. We believe that over the past year, sustainability and management have become more closely integrated following the review of our material issues.

Aiming to create value that resonates with the senses by addressing material issues

I believe we should always be aware of the inseparability of sustainability and management when making materiality-related decisions. I have recently become the Chief Sustainability Officer, but previously I was engaged in sustainability through factory operations. I worked in sales and marketing, gaining firsthand insight into the demands of the market regarding sustainability through discussions with customers and corporate executives. ESG impact assessment has become an essential part of investment decisions. We must evaluate the ESG impact of our business strategies and integrate this information into our decision-making process. We implement sustainability initiatives for many of our product lines. However, we have not effectively communicated information about these efforts. We need to consider how we convey this information more clearly. We are currently reviewing our progress in addressing material issues and providing feedback. We believe the key challenge lies in identifying risks and opportunities in consideration of strategies and determining how we integrate them into our next medium-term management plan.

As the Chief Sustainability Officer, I am responsible for making management decisions that consistently reflect a sustainability perspective, and defining this perspective is a crucial challenge. To create value that resonates with the senses, which is part of our Brand Promise, I focus on talent with firsthand insight into manufacturing. By addressing material issues, we aim to enhance both management decision-making and on-the-ground decision-making. In the process of doing this, we cultivate on-site personnel able to see things from both a sustainability perspective and a management perspective. In this way, I aim to create an organization that generates management value.

Our value lies in leveraging a unique strength: our ability to create new value by fusing art and science, which inspired our name. I believe that we can help solve social issues by creating value that resonates with the senses.

Group Materiality 2025-2030

Group Materiality 2025-2030 (Progress Report for FY2025)

Theme (area of the issue)		Actions (to be taken to address the issue)	KPI/targets (FY2030) or measures (qualitative targets)
1. Provide "value that resonates with the senses" through products and services			
1-1	Products & Services	● Increase sales of Sustainability-Enhancing Products, mainly in the strategic priority businesses	● Operating profit ratio of the strategic priority businesses (consolidated): 40% or more ● Sales ratio of Sustainability-Enhancing Products: 80% ● Expanding the lineup of Sustainability-Enhancing Products (environmental / lifestyle value products)
1-2	Decarbonization	● Promote GHG emissions reduction and decarbonization throughout the value chain	● Initiate and promote calculation of Scope 4 (contribution to reducing GHG emissions downstream in the supply chain) ● Established in-house carbon footprint (CFP) calculation system based on international rules and completed application to specific product categories ● Step up supplier engagement for the purpose of reducing Scope 3 emissions
2. Reducing the environmental impact of manufacturing			
2-1	Climate Change	● Tackle the reduction of GHG emissions by taking every possible measure, and contribute to mitigating climate change	● Scope 1 and 2 emissions (global): 26% reduction from FY2020 level [CO_2 emissions: 35% reduction in Japan from the FY2020 level, 35% reduction overseas compared to the FY2030 BAU] ● Carry out initiatives to reduce Scope 3 emissions
2-2	Water Management	● Improve water use at production sites and contribute to preserving the natural and living environment	● Carry out water resources conservation activities at sites located in water-risk areas (droughts, floods, lacking purified water) ● Promote water recycling activities and calculate the recycling ratio
2-3	Waste Resource Circulation	● Reduce waste from production sites and offices and encourage resource circulation in the value chain	● Achieved zero emissions (final waste disposal rate of 1% or less for total production sites) by promoting 3Rs (reduce-reuse-recycle) throughout production activities ● Carry out initiatives for plastic resource circulation and plastic waste reduction
2-4	Pollution Prevention Chemical Substances	● Prevent air, water and soil pollution and aim for production activities with zero environmental pollution	● Harmful chemical substance emissions (Global): 30% reduction (from the FY2020 level) ● Number of violations of laws and regulations related to pollution prevention: Zero cases continued
3. Implement management with a focus on human capital			
3-1	SCM	● Construct a supply chain that realizes responsible procurement of raw materials	● CSR procurement rate: 80% (Coverage: 70%) ● Guideline consent rate: 85% (Coverage: 70%) ● Carry out initiatives for a sustainable supply chain, including logistics, raw material transactions and the contracting of services
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.)
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.)
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 ● 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% ● Percentage of employees taking childcare leave or leave for childcare purposes in Japan: 100% continued ● Promote initiatives that contribute to employee occupational safety and health / health improvement
4. Form a business foundation that allows the Group to be trusted and to continuously co-create value			
4-1	Corporate Governance Financial Foundation	● Promote management transparency and improve the soundness of the financial foundation	● Increase the diversity (in terms of gender, skills) of officers (directors and operating officers) ● Reform of the remuneration system for officers (increasing transparency in the determining process, reflection of non-financial results, information disclosure of compensation amounts, etc.) ● ROE (Profit attributable to owners of parent / net worth): 10% or more
4-2	Compliance Risk Management Information Security	● Continuously review compliance and risk management systems to improve their effectiveness	● Raising awareness of the Code of Ethical Conduct and the whistleblowing system ● Number of serious compliance violations (violations of laws and regulations and other conduct for disciplinary action): Zero continued ● Building overseas information security systems (implementation of common rules, customization for individual bases, vulnerability testing / corrective activities, etc.)
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 of laws and regulations, human damages, economic loss beyond a certain level): Zero continued
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 ● Promoting digital transformation in each of the production, sales, engineering and administrative fields
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	● Promoting partnership building with governments, companies and research institutes (business cocreations, joint R&D projects, etc.) ● Increase communication with local communities ● Conduct social contribution activities (such as disaster reliefs, cultural and educational supports, environmental conservation, donations, local employment)

Group Materiality 2025-2030

WEB For more information about the reasons for identification of each issue, visit our website and click on Sustainability > artience's Sustainability > Group Materiality 2025-2030.
Departments responsible for achieving the targets are listed on pages 20 to 21 of our 188th Annual Securities Report.
https://www.artiencegroup.com/en/corporate/sustainability/strategy/materiality/
https://ssl4.eir-parts.net/doc/4634/yuho_pdf/S100XRLA/00.pdf

	Progress / Achievements for FY2025	Related pages
1. Provide "value that resonates with the senses" through products and services		
1-1	● Sales in the Strategic Priority Businesses (consolidated): 2,700 million JPY ● Operating profit ratio of the Strategic Priority Businesses (consolidated): 13.2% (percentage of the target: 33.0%) ● Sales ratio of Sustainability-Enhancing Products: 61.9% ● Peeling and deinking recycling scheme for flexible packaging, functional coatings for paper container packaging, biomass UV curing inks compatible with LED, water-based inks for flexible packaging, PFAS/BPA-free coatings, etc.	Page 12: Sustainability-enhancing Products Page 17: Environmentally Friendly Products / Utilization of Life Cycle Assessment
1-2	● Began trial calculation of Scope 4 emissions ● Completed the development of in-house carbon footprint (CFP) calculation rules ● Promoted the calculation of the CFPs of purchased raw materials Conducted CSR procurement and CO_2 emissions surveys. Implemented an online system for suppliers on a trial basis	Page 17: Environmentally Friendly Products / Utilization of Life Cycle Assessment Page 18 to 25: Response to Climate Change
2. Reducing the environmental impact of manufacturing		
2-1	● Scope 1 and 2 emissions: 145,525 t-CO_2 (27.9% reduction from FY2020 level), 107.3% of the target ● CO_2 emissions per unit of sales: 0.42 t-CO_2/ million JPY ● Energy consumption: 71,153 kL [crude oil equivalent]	Page 18 to 25: Response to Climate Change
2-2	● The trial calculation of water recycling ratio at our sites in Japan and overseas was conducted. ● Utilized a rainwater harvesting system (Turkey), developed a water utilization scheme using reservoirs (India)	Page 26 to 27: Water Resource Management
2-3	● Promoted the recycling of work clothes of employees involved in production work (Moriyama Factory)	Page 28 to 29: Resource Circulation Page 30 to 31: Waste Management
2-4	● An A rank rating in the 5th JRECO CFC Countermeasures Rating received for the third consecutive year	Page 32 to 33: Pollution Prevention Page 34: Chemical Substance Management
3. Implement management with a focus on human capital		
3-1	● CSR procurement rate: 77.5% (Coverage: 42.1%) ● Guideline consent rate: 83.2% (Coverage: 42.1%) ● Established a Mineral Procurement Subcommittee under the Sustainability Committee. Revised the terms of trade to comply with the Act to Amend the Subcontracting Act (Act on Preventing Delay in Payment to Small and Medium-Sized Entrusted Business Operators in Relation to Manufacturing Consignment)	Page 66 to 69: Respect for Human Rights Page 70 to 71: Supply Chain Management
3-2	● Percentage of women in managerial positions in Japan (employees registered at holding company; as of January 2026): 6.2% (up 0.4 percentage points from the previous fiscal year) ● Percentage of new graduate hires that are women (on a consolidated basis in Japan; hired in April 2026): 54.2% (up 9.2 percentage points from the previous fiscal year) ● Wage difference between men and women (employees in Japan registered at holding company): 78.8% (up 0.6 percentage points from the previous fiscal year) ● Activities designed to promote awareness of the Company's philosophy system, including its corporate philosophy, "People-oriented Management" Global: 100%, ongoing activities to raise awareness of different types of harassment through compliance training ● Employment rate for people with disabilities: 2.8% (up 0.23 percentage points from the previous fiscal year) ● Activities at the special subsidiary Clover Biz Co., Ltd. were expanded. A laundry started operating at the Saitama Factory. Interns from special needs schools continued to be accepted. ● Received a Gold rating in the PRIDE Index for the fourth consecutive year ● Conducted diversity management training for managers with female subordinates and held study sessions for LGBTQ allies (including a screening of the LGBTQ-themed film Kalanchoe No Hana)	Page 49 to 50: Human Resource Management Page 54 to 57: Promoting Diversity, Equity and Inclusion Page 66 to 69: Respect for Human Rights
3-3	● Education and training costs per employee: 58,000 JPY ● Number of successful internal job postings, career challenge programs, overseas workshops: 13 ● Sustainable engagement score based on engagement surveys: 83 (up 7 points from the previous fiscal year) ● Number of submissions for internal awards: 31 ● Number of entries submitted to the Business Idea Contest: 204 (up 79% from the previous fiscal year) ● Introduced the Plus Try system as part of the new personnel system. About half of the members of the labor union registered with the holding company to indicate their intent to actively participate in the system, and about 60% of them acted on this.	Page 49 to 50: Human Resource Management Page 51 to 53: Human Resources Development
3-4	● Number of lost-workday injuries (reported internally in Japan): 5 ● Lost-workday injury frequency rate: 0.755; lost-workday injury severity rate: 0.006 ● Number of violations of labor standards-related laws and regulations: 0 ● Percentage of employees taking childcare leave or leave for childcare purposes: (men) 100%, (women) 100%; percentage of employees returning to work after childcare leave: (women) 100%, (men) 100%; number of employees working shortened hours due to childcare: 39 ● Average overtime: 8.7 hours per month; percentage of employees taking paid leave: 70.0%; average number of days of annual paid leave taken: 13.3 days; optional welfare program utilization rate: 83.9%	Page 49 to 50: Human Resource Management Page 58 to 59: Promoting Healthy Work-Life Balance Page 60 to 62: Health and Productivity Management Page 63 to 65: Occupational Safety and Health, Process Safety and Disaster Prevention
4. Form a business foundation that allows the Group to be trusted and to continuously co-create value		
4-1	● Percentage of the Board of Directors that are women: 27.3% (three of eleven members) ● Reform of the compensation system for officers: The Board of Directors delegated the authority to determine compensation for individual directors to the advisory committee. The Board of Directors resolved to change the ratios of performance-linked compensation and stock compensation and to introduce ROE as a performance evaluation indicator, and it also resolved to implement a malus and clawback system. ● ROE: 3.9% (down 3.4 percentage points from the previous fiscal year)	Page 6 to 7: artience Group Value Creation Looking Ahead to 2050 Page 77 to 78: Corporate Governance
4-2	● Held compliance meetings at business locations of overseas Group companies to increase awareness of the Code of Ethical Conduct. A total of 2,708 people participated in these meetings at a total of 31 sites. ● Number of serious compliance violations: 0 ● Established global security guidelines and outlined measures to prevent compliance violations. Assessed the compliance status of each Group company using checklists and conducted on-site inspections as necessary. Performed vulnerability testing throughout the year. Shared information. Implemented corrective measures.	Page 79 to 83: Risk Management Page 84 to 86: Compliance
4-3	● Conducted global standard hearings at nine production sites in Japan to evaluate the management status and documentation related to quality standard requirements ●Number of serious product accidents related to safety or quality: 0	Page 47 to 48: Ensuring Quality and Safety
4-4	● Number of employees who completed the Generative AI Native 500 training program (for generative AI core talent and utilization promoting talent): total of 296 employees ● Created smart factories (Saitama Factory, Kawagoe Factory, etc.). Used the capabilities of the CX Center of Toyo Ink Co., Ltd. in areas other than Tokyo. Developed a company-wide knowledge-sharing platform. Encouraged the use of MI, RPA, and business cloud services. Established and operated a generative AI platform.	Page 51 to 53: Human Resources Development Page 58 to 59: Promoting Healthy Work-Life Balance
4-5	● Opened Incubation CANVAS TOKYO. Established overseas R&D and co-creation bases (in India and South Korea) ● Partnership agreements with sports teams (the Tokyo Great Bears in the SV League, and COEDO KAWAGOE F.C., a local football club) ● Risk communication (Kawagoe Factory), engagement in and support for local environmental beautification, disaster prevention, and other community events	Page 14: Relationship with Stakeholders Page 72: Social Contribution Activities

* Some of the information provided relates to the 2026 fiscal year.
* The formulation process is stated on page 33 of Integrated Report 2026.

Sustainability-enhancing Products

Making all products Sustainability-enhancing Products

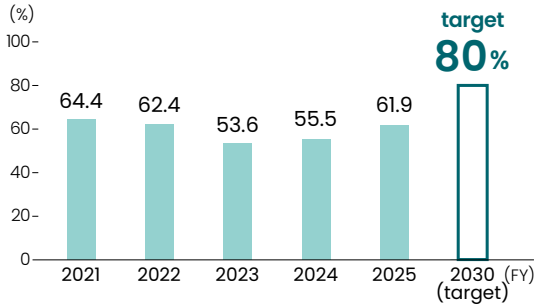
The artience Group is driving the development and launch of products and services that cater to the needs of society and customers, and is working to enhance and expand its range of Sustainability-enhancing Products, with "Environmental Value" as the value provided by environmentally friendly products, and "Lifestyle Value" as the value provided by products that contribute to comfort in people's lives, their health and welfare, and safety and reliability.

Additionally, our sustainability-enhancing products include those identified as climate-related opportunities in our climate change scenario analysis, specifically products and product groups related to expanding sales of low-emission products and acquiring business opportunities such as materials for combating extreme heat and infectious diseases.

In our asv2050/2030, we have set a target of achieving a sales ratio of 80% of total sales for Sustainability-enhancing Products by 2030, and that all products be Sustainability-enhancing Products by 2050.

link Page 7: Sustainability Vision asv2050/2030

■Changes in sales ratio of Sustainability-enhancing Products* and its targets



* In FY2023, a new definition of Sustainability-enhancing Products was introduced under asv 2050/2030 and the scope of calculation was expanded to include overseas sales. The figures up to and including FY2022 are sales composition ratio of conventional environmentally friendly products.

■Values provided by Sustainability-enhancing Products and their direction

Provided value	Direction	Keywords	Examples of measures and products
Environmental Value Building a society that co-exists in harmony with the environment	Decarbonization	Clean energy / new energy Energy reduction / shift to EV-based transportation	Proposal and advanced development of materials and technologies that contribute to the acceleration of the shift to EVs (LiB materials, thermal control materials and components)
			Contributing to reducing CO_2 emissions during use (shift to UV / EB) Developing environmentally friendly new power generation systems and proposing materials for these systems
	Resource circulation	Reduce Reuse Recycle Replace	Reducing the percentage of petroleum raw materials and replacing them (shift to biomass, water-based materials)
			Simplification of product components, replacement with paper (biodegradable materials, functional coatings)
			Materials and systems that support the recycling of plastics (materials and systems supporting horizontal recycling)
	Coexisting with nature	Environmental harmony, coexistence, and purification Reduction of substances with environmental impact	Heat shielding paint, thermal insulation Soil improvement, wastewater purification, and utilization of renewable energy
	Carbon recycling		Developing Carbon Capture, Usage and Storage (CCUS) technologies, utilizing CO_2-derived raw materials
Lifestyle Value Realizing a comfortable, healthy and safe society	Medical / healthcare area	Prevention / diagnosis	Development of diagnostic materials and systems which lead to the early detection and prevention of diseases and the reduction of risk of being affected by diseases
		Medical treatment	Development of pharmaceutical and medical materials which contribute to advanced therapies and self-care
		Safety / security	Provision of safe, reliable products which do not affect living bodies (do not contain harmful substances)
	Communication / electronics / digital area	High-speed, large-capacity communication	Development of next-generation materials which support photonics, high-speed, large-capacity transmission, and high-speed computing
		Advanced sensing	Provision of key materials aimed at the development of a sensor society and a society connected via IoT
		Big data	Developing technologies which lead to a convenient society based on the utilization of data

[Process flow for the certification of sustainability-enhancing products]

The Group's products are examined based on specific sustainability evaluation items. They include orientation to the environmental value and the lifestyle value, definition and GHG emissions intensity. Any product that is evaluated as fulfilling the certification criteria is certified as a Sustainability-enhancing Products. The certification criteria are reviewed regularly in accordance with changes in sustainability requirements in the market and in society.

SDGs Initiatives

Group Materiality 2025-2030 and relevant SDGs

The Sustainable Development Goals (SDGs) are international goals for the period from 2016 to 2030. They are described in the Agenda 2030 for Sustainable Development that was adopted at the UN Sustainable Development Summit in September 2015. They are the shared goals of everyone on earth, including not only governments but also businesses and civil society. SDGs are a set of 17 goals and 169 targets for achieving a sustainable world. They are aimed at realizing a world in which "No one will be left behind."

The artience Group has organized the themes of its Group Materiality 2025-2030 and the related SDG goals based on the SDG goals and targets. We aim to contribute to the SDGs by addressing each theme defined in Group Materiality 2025-2030, working toward the realization of a sustainable society.

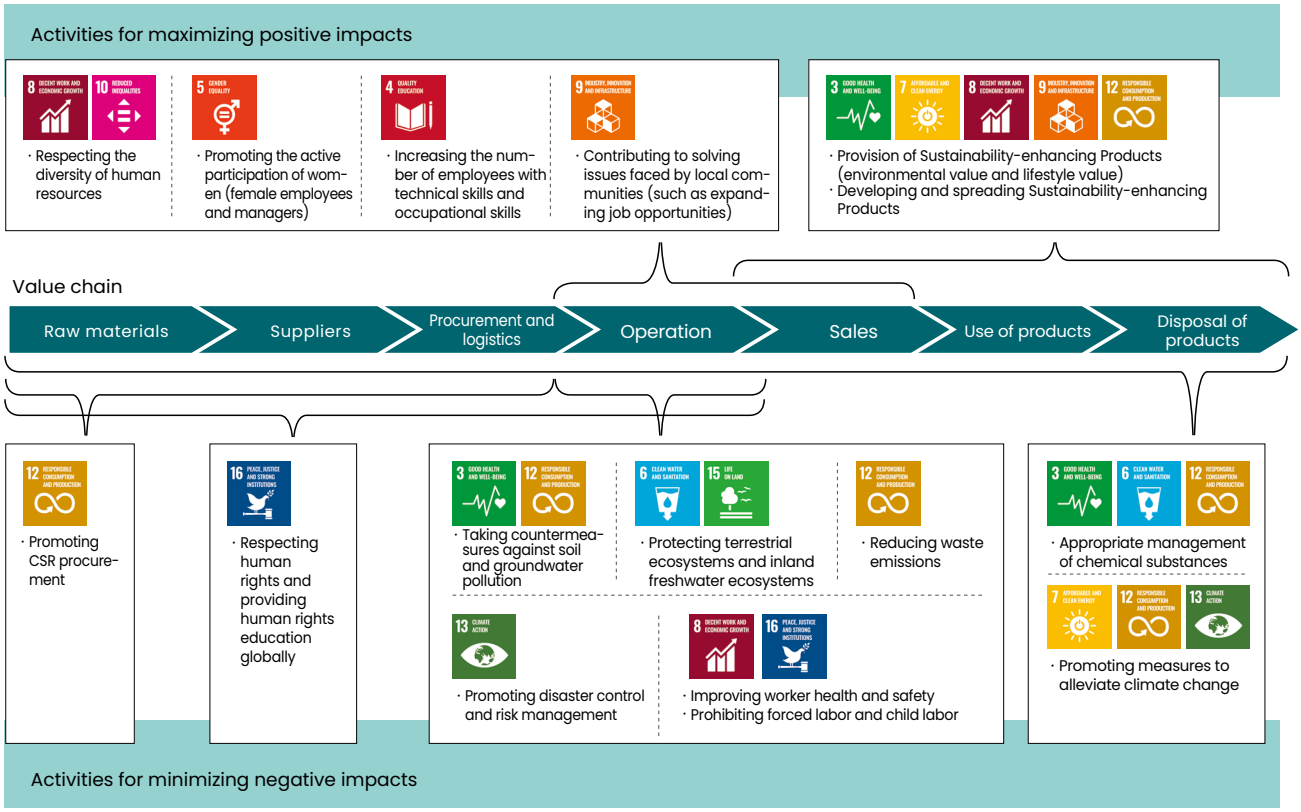
link Page 10 to 11: Group Materiality 2025-2030

■Group Materiality 2025-2030 and relevant SDGs targets

Themes of materiality	Relevant SDGs target
1. Provide "value that resonates with the senses" through products and services	2, 3, 7, 12, 13
2. Reducing the environmental impact of manufacturing	3, 6, 7, 9, 11, 12, 13, 14, 15
3. Implement management with a focus on human capital	3, 4, 5, 8, 9, 10, 12, 16
4. Form a business foundation that allows the Group to be trusted and to continuously co-create value	4, 5, 8, 9, 10, 11, 12, 16, 17

Our relationships with SDGs in its value chain

Based on "SDG Compass —The guide for business action on the SDGs," the artience Group has clarified its relationships with SDGs in its value chain.



Relationship with Stakeholders

In January 2024, we changed our company name and established the Brand Promise —a promise to customers and other stakeholders of "Creating value that resonates with the senses and building a future where all people can live enriched lives." In addition, in the "Active communication and information disclosure" section of our Sustainability Charter (revised in January 2024,) we state that "We will disclose information about the Group in a fair and timely manner, and work to improve transparency in management. We will also communicate actively with various stakeholders around us, and work to build and develop trusting relationships and coexist with society."

The artience Group clarifies its responsibilities to stakeholders, works to improve communication through various opportunities, and engages in measures to solve social issues in consideration of local communities and the global environment.



Stakeholders	Our responsibilities	Major forms of dialogue
Customers	· Providing products and services that create value in terms of providing security and peace of mind · Enhancing customer satisfaction · Providing accurate, appropriate information about our products · Implementing appropriate management of customer data	· Dissemination of information via website, social media and mailing list · Holding of trade shows and online events · Response to customers by customer relations office
Shareholders / investors	· Maintaining and enhancing our corporate value · Returning profits to shareholders in an appropriate manner · Implementing timely, appropriate disclosure of corporate information · Responding to the trend towards ESG investment	· General Shareholders' Meeting (held once a year, in March) · Individual investor briefings (held twice in FY2025) · Financial results briefings (held four times a year) · One-to-one meetings (held approx. 120 times in FY2025) · Business briefings (held once a year) · Manufacturing facility tours (held once a year) · Information disclosures using IR tools (e.g. Integrated Report, Sustainability Data Book, and Newsletters to Shareholders) and website · Response to SRI surveys
Employees	· Respecting human rights and diversity · Recruiting and cultivating human resources · Creating workplaces in which diverse human resources can thrive · Consideration for occupational safety and health	· Distribution of information through internal newsletters and on the company intranet · Communication at each workplace · Labor-management council · Promotion of work-life balance and health and productivity management
Suppliers	· Engaging in fair, equitable transactions · Providing support for, and collaborating on, sustainable procurement	· Communication through procurement activities · Factory inspections · Implementation and cooperation of questionnaire surveys and other surveys
Governments / industry organizations	· Complying with regulatory requirements, administrative guidance, etc. · Fulfilling our duty to pay taxes · Collaborating on government policies aimed at addressing social problem	· Participating in and collaborating on seminars and other events organized by government agencies · Participating in a variety of industry committees · Communication via industry organizations
Local communities / society	· Contributing to the development of local communities · Respecting local culture and customs · Cooperation and collaboration to solve local issues · Prevention of accidents and disasters, local environmental conservation	· Participating in activities hosted by local communities · Risk communication activities · Factory visits and presentations for local residents · Cooperating in special classes providing hands-on experience in the real world · Having dialogues · Social contribution activities
Global environment / next generation	· Action on climate change · Promoting energy-saving and recycling · Reducing the volume of waste emissions, and reducing chemical substance emissions · Conservation of the water environment and biodiversity · Creating Innovation	· Publishing of various reports and other documents · Responding to questionnaires related to the environment · Joint studies with research institutions including universities · Participating in international initiatives · Activities at Incubation CANVAS TOKYO* for creating innovation · Initiatives for fostering the next generation (event hosting, educational support, etc.)

* Incubation CANVAS TOKYO is a global co-creation initiative specializing in materials chemistry linking technologies and ideas. It utilizes the 29th floor of Kyobashi EDO-GRAND Bldg., where the artience Group's head office is located, to plan and host events for driving the implementation of scientific advancements in society, and provide a community space for creating innovation.

WEB **Event information for Incubation CANVAS TOKYO is available on the website at the following URL.**
https://incubation-canvas.tokyo/

External Recognition

MSCI Nihonkabu ESG Select Leaders Index

2026 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

This is an investment index designed by MSCI, which provides a range of support tools for institutional investors. Its constituents are Japanese companies which are excellent in terms of their score of MSCI ESG rating controlled for imbalances in industrial types. This index was selected as an ESG index to be used by the Government Pension Investment Fund (GPIF.)

MSCI Japan ESG Select Leaders Index

2026 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

This is an investment index designed by MSCI, which provides a range of support tools for institutional investors. Its constituents are Japanese companies which are excellent in terms of their score of MSCI ESG rating controlled for imbalances in industrial types.

MSCI Japan Equity Women's Empowerment Index (WIN)

2026 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

This is an investment index designed by MSCI, which provides a range of support tools for institutional investors. Its constituents are Japanese companies which are excellent in terms of their promotion of gender diversity. This index was selected as an ESG index to be used by the Government Pension Investment Fund (GPIF.)

FTSE JPX Blossom Japan Index

FTSE JPX Blossom Japan Index

This is an investment index designed by the global index and data provider FTSE Russell. It is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. This index was selected as an ESG index to be used by the Government Pension Investment Fund (GPIF.)

FTSE JPX Blossom Japan Sector Relative Index

FTSE JPX Blossom Japan Sector Relative Index

This is an investment index designed by FTSE Russell. It reflects the performance of Japanese companies which are excellent in environmental, social, and governance (ESG) initiatives in their respective sectors, while minimizing bias toward specific sectors. This index was selected as an ESG index to be used by the Government Pension Investment Fund (GPIF.)

S&P / JPX Carbon Efficient Index

S&P/JPX カーボン エフィシェント 指数

This is an investment index designed by S&P Dow Jones Indices LLC and Japan Exchange Group, Inc. Its constituents are selected from among the TOPIX constituents, weighted by the status of their disclosure of environmental information and carbon efficiency. artience Co., Ltd. has been evaluated according to the methodology of the S&P Carbon Global Standard as a 1st Decile constituent.

SOMPO Sustainability Index

2026 Sompo Sustainability Index

This is an investment index designed by Sompo Asset Management Co., Ltd. This index comprises approx. 300 companies with outstanding ESG initiatives. It is used in SOMPO Sustainable Management, an investment product from SOMPO Asset Management Co., Ltd. that is adopted by multiple pension funds and institutional investors oriented toward the long-term holding of stocks.

EcoVadis Sustainability Rating

COMMITTED ecovadis Sustainability Rating DEC 2025

EcoVadis is a company which certifies sustainable supply chains. It evaluates companies' policies, measures, and performance in the four fields of the environment, labor & human rights, ethics, and sustainable procurement. The overall score in 2025 is 57/100.

Pride Index 2025 Gold Award

work with Pride Gold 2025

The Pride Index is an index formulated by work with Pride in 2016, to recognize initiatives in support of sexual minorities in the workplace. artience received a Gold certification in recognition of its efforts to promote diversity, including regular workshops to promote understanding of diversity and expand the circle of LGBT allies, as well as its endorsement of the Declaration of Business Support for LGBT Equality in Japan, which aims to create inclusive workplaces and societies where everyone is treated equally. artience has been certified for four successive years since it was initially recognized in 2022.

CDP assessment

CDP Score 2025

Climate Change	Water Security
B	B

CDP is an international non-governmental organization that works in the area of the environment. It sends surveys on the environment to companies and organizes their responses to analyze them and assess the companies using a common standard.
For FY2025, we received CDP scores of B in climate change and B in water security.

* The inclusion of artience Co., Ltd. in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of artience Co., Ltd. by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.
* FTSE Russell (the registered trade mark of FTSE International Limited and Frank Russell Company) confirms that artience Co., Ltd. has been independently assessed according to the index criteria, and has satisfied the requirements to become a constituent of the FTSE JPX Blossom Japan Index and the FTSE JPX Blossom Japan Sector Relative Index. Created by the global index and data provider FTSE Russell, the FTSE JPX Blossom Japan Index and the FTSE JPX Blossom Japan Sector Relative Index are designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE JPX Blossom Japan Index and the FTSE JPX Blossom Japan Sector Relative Index are used by a wide variety of market participants to create and assess responsible investment funds and other products.