



February 14, 2024

For Immediate Release

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## Notice Regarding Development of New Medium-Term Management Plan *artience2027*

artience Co., Ltd. (President and Representative Director, Group CEO: Satoru Takashima; Chuo-ku, Tokyo; hereinafter “the Company”) announces that it has developed the medium-term management plan *artience 2027*. Starting in January 2024, the plan will be executed over a period of three years. Details will be disclosed to the Tokyo Stock Exchange at 16:00 on Monday, February 19, 2024 and will also be published on the Company’s website. (<https://www.artiencegroup.com/en>)

### 1. Background of Formulation

Under the previous medium-term management plan, the Company made some progress in activities for future growth, including the launch of a business of carbon nanotube (CNT) dispersions for lithium-ion batteries (LiB), amid significant changes in circumstances such as the COVID-19 pandemic, rapid price hikes of raw materials and the prolongation of the Ukraine conflict. Meanwhile, some shortfalls in financial results and in the business foundation remained, such as the earnings capacity of existing businesses and cash flows.

Under these conditions, the Company changed its name to artience Co., Ltd. and developed a new medium-term management plan with a view to offering value that resonates with the senses in response to changes in value sought by society and to become a company that helps build enriched and sustainable societies.

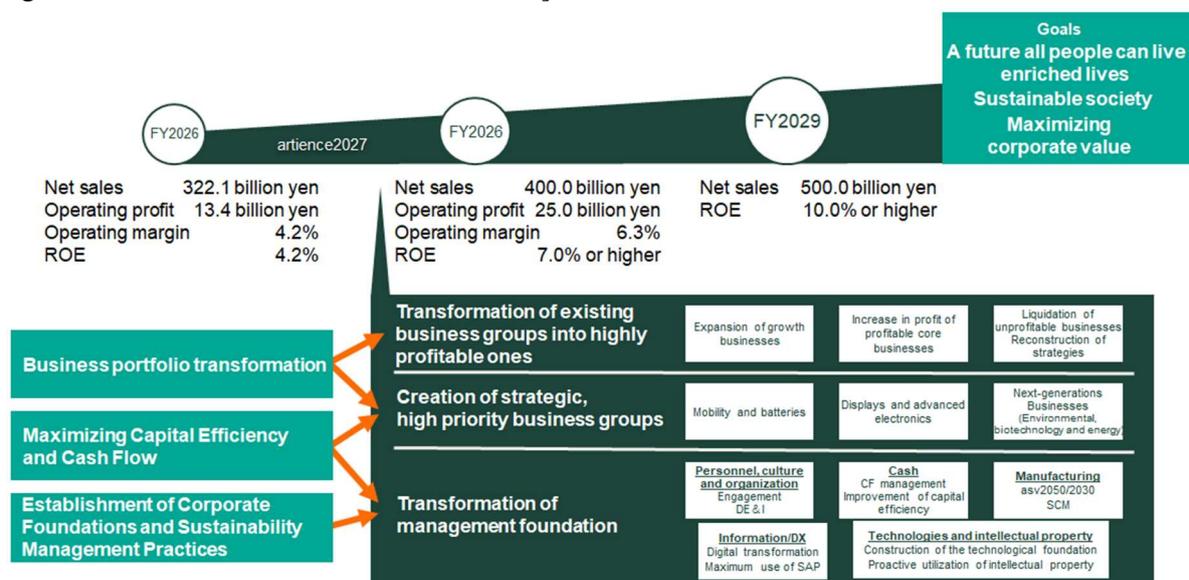
To place the Group on a growth track and show its presence in the market, the Company will carry out reforms with a strong determination in the primary pursuit of *GROWTH*.

### 2. Medium-Term Management Plan *artience2027*

The Plan sets a target of reaching a Group return on equity (ROE) of at least 10% by the fiscal year ending December 31, 2029. It also sets an interim ROE target of 7.0% or more in the fiscal year ending December 31, 2026. Numerical targets include a net sales target of 400 billion yen and operating profit target of 25 billion yen for the fiscal year ending December 31, 2026.

The Plan specifies three key management issues: business portfolio transformation, maximizing capital efficiency and cash flow, and establishment of corporate foundations and sustainability management practices.

[Management Plan: artience2027/2030 “GROWTH”]



3. artience 2027 Basic Policies

The Plan has three basic policies mentioned below. The Company aims to accomplish its business portfolio transformation by following both policies 1 and 2.

[Basic Policy 1] Transforming of existing businesses groups highly profitable ones (Net sales of 305 billion yen and operating profit of 14 billion yen for FY2026)

The Company will classify its existing businesses into the following categories and execute strategies tailored to each category to boost the profitability of individual businesses.

- Growth Business: Accelerate revenue expansion by capturing market growth and overseas markets (Overseas) Inkjet inks, pressure sensitive and other adhesives, gravure inks, and others
- Profitable Core Business: Solidify the earning base to maintain stable earnings. (Domestic) gravure inks, plastic colorants, etc.
- Business of Restructuring and Rebuilding Strategy: Restructure unprofitable business and thoroughly streamline operations. (Domestic) offset inks, etc.

[Basic Policy 2] Creation of strategic priority businesses (Net sales of 95 billion yen and operating profit of 11 billion yen for FY2026)

The Company will allocate the Group’s resources to two areas strategically to create new bases of earnings.

- Mobility & Battery Related Businesses: CNT dispersions for LiB, adhesives for LiB, adhesives for structures and others
- Display & Advanced Electronics Related Businesses: resist inks for LCDs and sensors, optical pressure sensitive adhesives and others

[Basic Policy 3] Reform of business foundation

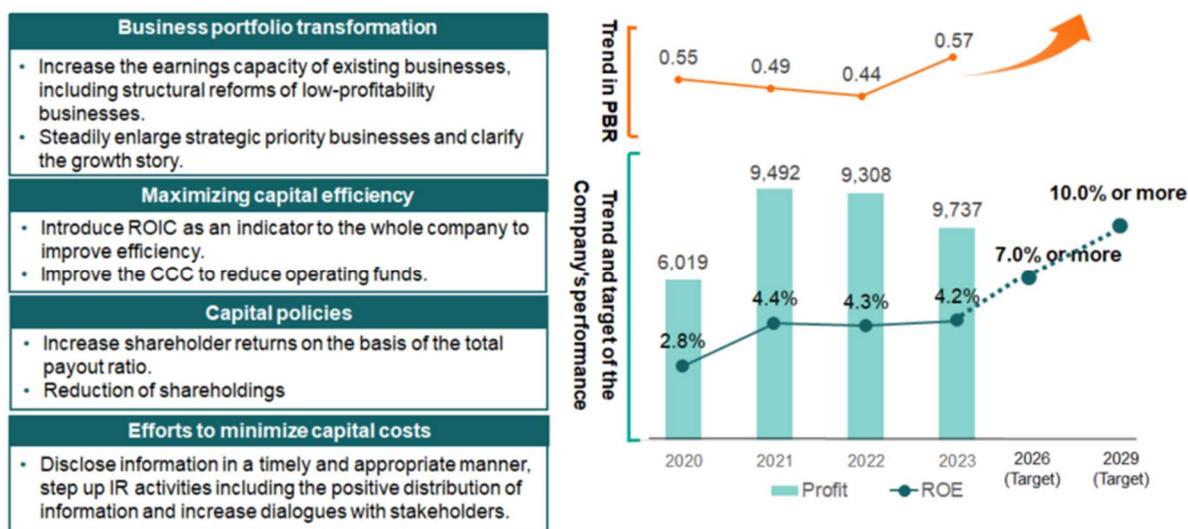
The Company will review its conventional ways of working and carrying out its duties from scratch and will boldly introduce new ways to create an attractive organization and culture with vigor and discipline as well as sternness. We will put particular emphasis on human resources and culture and on cash since they are starting points of the transformation.

- E: Advance towards Sustainability Vision asv2050/2030, take actions to address climate change (include disclosures compliant with the TCFD recommendations), and others
- S: Enhance human capital (by introducing a new human resources system and improving engagement), bolster diversity and others
- G: Strengthen SR · IR activities, reduce shareholdings and others

4. Capital policies

(1) Actions to realize management with an awareness of capital costs and share price

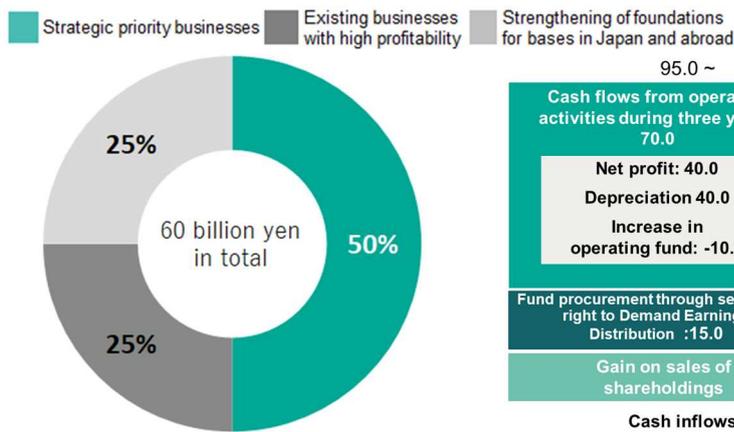
With the perception that the Company’s cost of equity is around 7%, the Company will undertake a business portfolio transformation and approach management with an awareness of increasing capital efficiency, aiming to achieve profit that exceeds the cost of equity. In addition, the Company will target an ROE of 7.0% or more in the fiscal year ending December 31, 2026 and an ROE of 10.0% or more in the fiscal year ending December 31, 2029 in a bid to increase the price book-value ratio (PBR).



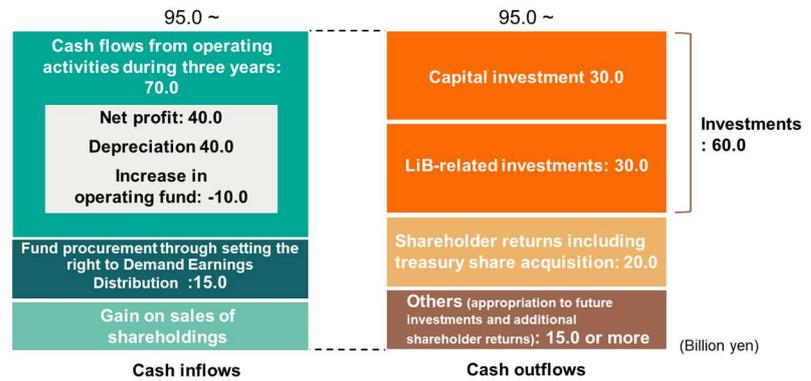
(2) Investment plan and cash allocations

With a view towards medium- and long-term growth based on the basic policies, the Company is planning to positively invest around 60 billion yen in total, exceeding the amount of investment of 46.8 billion yen under the previous medium-term management plan. The total amount consists of around 30 billion yen to be invested mainly in existing businesses and another 30 billion yen or so in the business of CNT dispersions for LiB. While prioritizing these investments for the future, the Company will also positively consider paying shareholder returns.

[Allocation of capital investment plan]

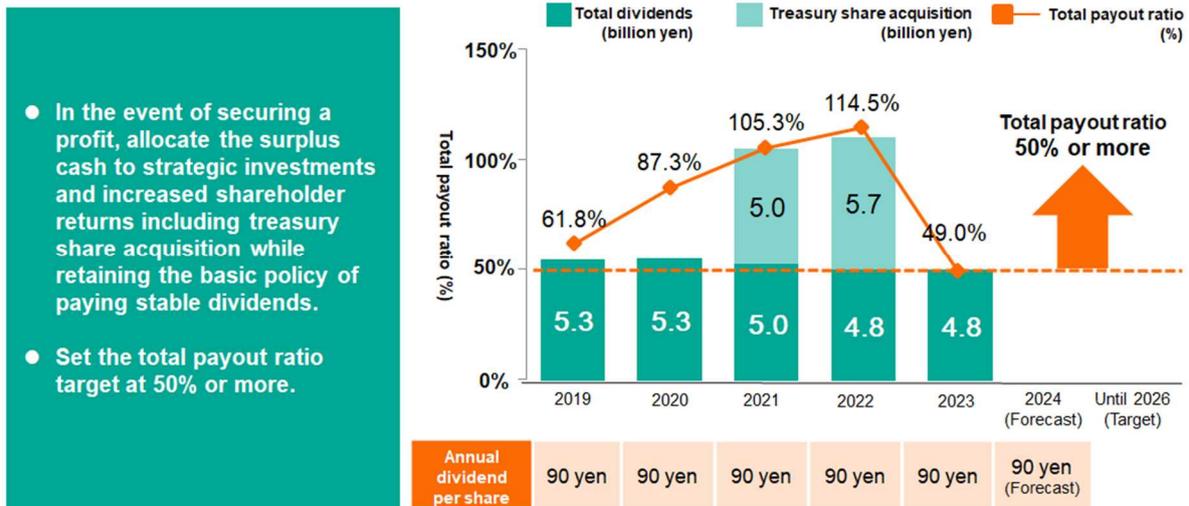


[Cash allocation]



(3) Shareholder return policy

The Company recognizes shareholder returns as a significant management issue. While pursuing a basic policy of paying stable dividends, the Company will allocate the surplus cash in the event of securing a profit to strategic investments, the acquisition of treasury shares and other forms of shareholder return. The total payout ratio target is set at 50% or more.



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