November 13, 2026

For Immediate Release

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Notice Regarding the Revision to Consolidated Earnings Forecast, Revision to Gain on Sale of Investment Securities, and the Recording of Impairment Loss

artience Co., Ltd. (the "Company") hereby announces a revision to our consolidated earnings forecast for the fiscal year ending December 31, 2026, which was originally announced on February 13, 2026, as detailed below.

In addition, at the Board of Directors meeting held today, the Company resolved to sell additional portions of its investment securities. Accordingly, the Company is revising the forecast for gain on sales of investment securities (extraordinary income) that was announced on May 15, 2026, as detailed below. Furthermore, the Company hereby announces that it has recorded an impairment loss (extraordinary loss) for the third quarter of the fiscal year ending December 31, 2026.

1. Revision to consolidated earnings forecast

(1) Consolidated earnings forecast for the year ending December 31, 2026 (from January 1, 2026 to December 31, 2026)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	360,000	23,000	22,500	21,000	447.58
Revised forecast (B)	38,800	26,000	27,500	19,000	404.95
Change (B - A)	28,000	3,000	5,000	△2,000	
Change (%)	7.8	13.0	22.2	△9.5	
(Reference) Results for the previous fiscal year ended December 31, 2025	349,979	20,765	20,888	10,340	210.50

(2) Reason for the revision

The outlook on the situation in the Middle East is still uncertain. As a result of estimates based on current economic conditions and the information available at present, the Company has revised the initial full-year consolidated earnings forecast announced on February 13, 2026, as stated above.

Regarding net sales, the artience Group achieved a stable supply of its products by securing the raw materials needed and by procuring them from alternative sources, and its sales volume was firm overall. Partly due to the expansion of sales and the revision of product prices following the increase in raw material prices and logistics expenses, net sales are now expected to surpass the initial forecast.

Looking at profits, it is now expected that the initial operating profit and ordinary profit forecasts will be exceeded as it is expected that the growth of net sales and the effects of cost reductions through the use of alternative raw materials and changes in manufacturing processes will absorb negative factors such as the increases in raw material prices and logistics costs. The profit attributable to owners of parent forecast is expected to fall below the initial forecast due to the recording of the impairment losses.

(Note) The above forecasts are based on information available as of the date of this announcement, and actual results may differ from the forecast figures due to various factors in the future.

2. Revision to gain on sale of investment securities (extraordinary income)

(1) Reasons for the sale of investment securities

In the Notice of Policy to Reduce Shareholdings and Gain on Sale of Investment Securities (Extraordinary Income) released on August 9, 2024, the Company set out a policy of reducing its shareholdings and this sale of stock is in line with this policy.

(2) Details of the sale of investment securities

(i) Investment securities sold or to be sold: 12 securities held by the Company

(ii) Period of sales: February to December 2026 (plan)

(iii) Gain on sale of investment securities: Approximately 13,700 million yen

(Including the 5,084 million yen gain recognized in the first three quarters of the fiscal year, the Company expects to record estimated gain on sale of investment securities of 13,700 million yen as extraordinary income in its non-consolidated and consolidated financial results for the fiscal year ending December 31, 2026.)

The gain on sale of investment securities is an estimated amount calculated based on factors such as the currently assumed stock price of the investment securities, and it may change.

3. Recording of impairment loss (extraordinary losses)

While the European electric vehicle (EV) market continued to expand, major customers delayed bringing their battery factories online and other negative effects were observed partly due to the change of government in Hungary. Considering this, the Group revised its plan regarding its business of materials for automotive lithium-ion batteries, including changes in the production and supply structure.

In Turkey, raw material and energy costs increased due to the situation in the Middle East amid the ongoing hyperinflation. Because of these factors, a consolidated subsidiary in Turkey that is engaged mainly in the manufacturing and sale of liquid inks worked to control its costs by passing the rising costs on via selling prices and improving production efficiency, but its operating profit/loss deteriorated.

As a result, indications of impairment were recognized in each of the businesses, necessitating recognition of impairment losses. The Group accordingly determined to reduce the book value of the non-current assets related to these businesses to the recoverable amount in the third quarter of the consolidated fiscal year. As a result, the Group recorded an impairment loss of 4,731 million yen related to the consolidated subsidiary in Hungary and another impairment loss of 2,595 million yen related to the consolidated subsidiary in Turkey. In addition, the Group recorded an impairment loss of 1,869 million yen for non-current assets that became idle at our domestic manufacturing site due to the changes in the production and supply structure for the automotive lithium-ion battery materials business.

As a result, a total impairment loss of 9,197 million yen was recorded in the first three quarters ended September 30, 2026. Note

that this impairment loss was recognized entirely by consolidated subsidiaries, and no impairment loss was recorded in the non-consolidated financial statements of the Company.

4. Dividend forecasts

Despite the revision of its full-year consolidated earnings forecast, there have been no changes to the annual dividend forecast for the fiscal year ending December 31, 2026, of 120 yen per share (interim dividend of 60 yen and year-end dividend of 60 yen) announced on February 13, 2026.