



August 9, 2024

For Immediate Release

Company name: artience Co., Ltd.
Representative: Satoru Takashima, President and
Representative Director
(Code: 4634, Prime Market of TSE)
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Notice of Policy to Reduce Shareholdings and Gain on Sale of Investment Securities (Extraordinary Income)

artience Co., Ltd. (the “Company”) announces that, at a Board of Directors meeting held on August 9, 2024, the Company resolved to reduce its shareholdings and sell a portion of them. Details are as follows.

1. Shareholding reduction policy

The Company has developed the Medium-Term Management Plan artience2027 for the three-year period starting January 2024. During this plan, the Group aims to achieve an ROE of 10% or higher in the fiscal year ending December 31, 2029, and an ROE of 7.0% or higher in the fiscal year ending December 31, 2026. To achieve this, the Group is focusing on management priorities: business portfolio transformation, maximizing capital efficiency and cash flow, establishment of corporate foundations and sustainability management practices. The Company plans to actively invest approximately 60.0 billion yen. It is actively considering increasing shareholder return and is aiming for a total payout ratio of 50% or more.

The Board of Directors annually reviews the economic rationale of its cross-shareholdings, weighing the benefits against the cost of capital and evaluating transactions with each company in which the Company owns stock, in accordance with the principles of the Corporate Governance Code. The Company has been reducing its shareholdings if their significance has decreased after considering the status of the companies and stock market trends.

The Company has come to believe that to achieve the goals of the Medium-Term Management Plan, it should consider reducing its shareholdings if the reduction helps improve the capital efficiency of the Group, even if it is believed the significance of holding the stock has not declined. After careful discussion with the issuer, the Company has decided to sell stock it holds.

The Company will review the economic rationale of the shareholdings, treating shares of TOPPAN Holdings Inc., an affiliate of the Company similar to stocks held for purposes other than pure investment. If the Company determines that reducing its shareholdings will enhance the capital efficiency of the Group, it will carefully discuss the matter and then proceed with the reduction.

2. Information about the sale of some shareholdings

To comply with the shareholding reduction policy, the Company has resolved to sell some of its shareholdings. The Company expects to record a gain on sale of investment securities as extraordinary income in the fiscal year ending December 31, 2024. The investment securities being sold include those that were approved for sale before the resolution passed by the Board of Directors.

(1) Stocks sold

Five stocks held by the Company

(2) Period of sales

From July 2024 to December 2024 (plan)

(3) Gain on sale of investment securities

3,400 million yen (estimate)

3. Future prospect

If the gain on sale of investment securities in section 2 is recorded and timely disclosure is required, we will communicate the information immediately.

The gain on sale of investment securities has already been factored into the revised consolidated results forecast included in the Notice of the Revision of the Consolidated Results Forecast, the Increase of the Interim Dividend, and the Upward Revision of the Year-End Dividend Forecast published on August 9, 2024.