







Create the future together with customers

Change in the social environment

- Progress of AI
- Spread of high-speed communication
- Progress of autonomous driving technology
- Advent of IoT
- Global warming
- Labor shortages
- Global spread of infectious diseases

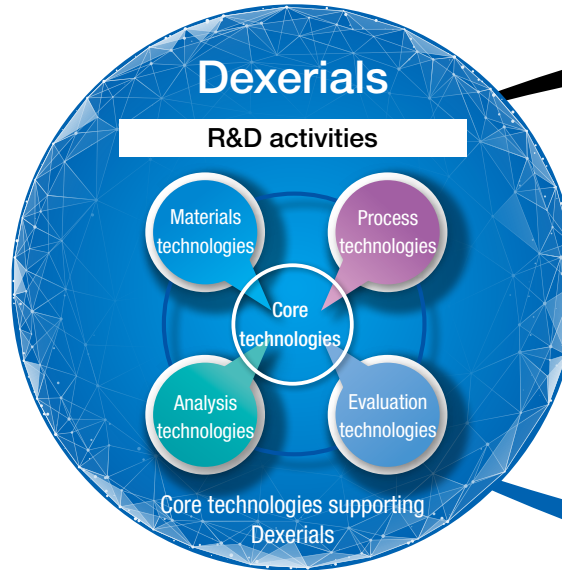
Invested Capital	
 Financial Capital	
<ul style="list-style-type: none"> • Shareholders' equity 	48,349 million yen
 Manufacturing Capital	
<ul style="list-style-type: none"> • Capital investment amount • Manufacturing sites • Tochigi Technology Center Technology center where engineers of various fields gather 	3,029 million yen 5 sites in Japan, 3 sites overseas
 Human Capital	
<ul style="list-style-type: none"> • Number of employees: • Number of engineers: • Ratio of new employees with engineering background to all new employees: 	1,999 643 77%
 Intellectual Capital	
<ul style="list-style-type: none"> • R&D expenditure 	3,653 million yen
 Social Capital	
<ul style="list-style-type: none"> • Relationships of trust with customers based on unique technology and high quality • Relationships with 500 Green Partners 	
 Natural Capital	
<ul style="list-style-type: none"> • Electricity: • Water: 	71,471 MWh 290,000 tons

Corporate Philosophy

Integrity

Have Integrity and Sincerity

Four important challenges to be engaged in for the medium- to long-term (Materialities)



Design-in

Dexerials' strengths

Unique business model
"Design-in" "Spec-in"



Identify customer needs and find the true challenges

Communication capabilities	×	Proposal capabilities
Technological capabilities	×	Analytical capabilities

Provide value that exceeds customers' expectations

Spec-in

Dexerials' Management Strategy

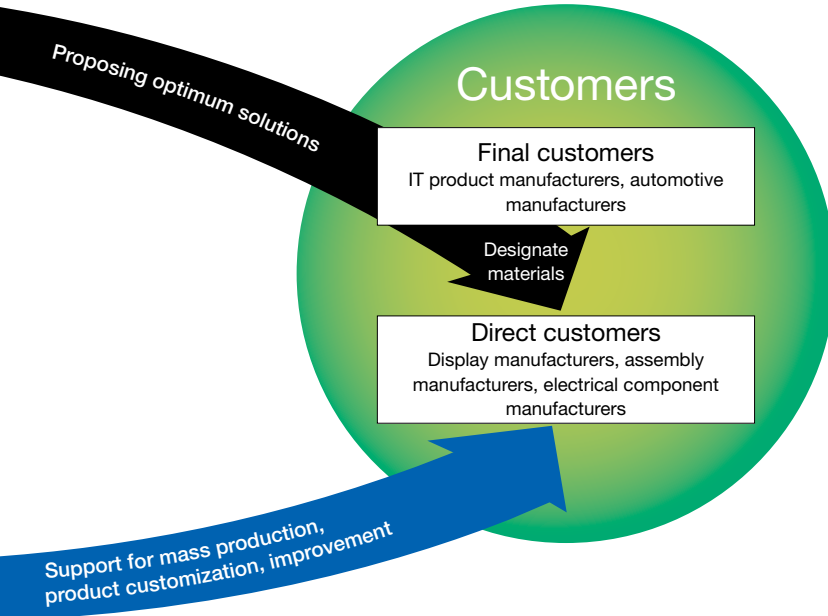
Mid-term Management Plan 2023
"Challenges for Evolution"

- Accelerate growth in new business domains
- Qualitatively change businesses in the existing domains
- Strengthen management base

Value Matters

Unprecedented innovation, unprecedented value.

- 1 Creating New Value, Resolving Social Issues
- 2 Reinforcement of Corporate Governance and Compliance
- 3 Cultivation of Diverse Human Resources and Engagement
- 4 Ensuring Operational Safety and Business Continuity



Management indicators for fiscal 2023
 Net sales **80** billion yen Operating profit **10** billion yen
 ROE **10%** or more

Reinvestment for sustainable value creation

Returns and Value Offered to Society

Solve social issues and contribute to the realization of a prosperous society through products and services backed by unique technology

- Provision of highly functional materials and devices that support next-generation communication equipment and vehicles
- Provision of products that contribute to reduction of environmental impacts
- Creation of new value by applying electronics technology to other fields
- Creation of unique technology by vigorous investment in R&D
- Human resource development through promotion of diversity
- Vigorous execution of shareholder returns according to profit (Total payout ratio before amortization of goodwill 40%)



Dexerials' business model is characterized by its two-track approach to customers, that is, to address the needs of both direct customers and final customers. We are continuing to address needs flexibly and meticulously. For example, as decision-makers on adoption of Dexerials products differ from one customer to another and from one product to another, we first identify the decision-makers and make proposals. As a result, we have gained the trust of both types of customers, which has enabled us to maintain or increase our products' market shares while identifying new technological needs.

Unique approaches to customers "Design-in" "Spec-in"

Design-in - Approach to final customers

- Identify needs and challenges from the product planning phase and assume true technological issues
- Propose our technological solutions corresponding to the assumed issues
- Following evaluation of the proposal, secure the customer's official approval for use of the proposed materials
- Designation of our products by the customer for mass production of its new products

"Spec-in" - Approach to direct customers

- Customize products by using materials optimized for peripheral parts
- Share know-how on handling and usage of Dexerials' products to support smooth ramp-up of mass production
- Development and provision of improved products that contribute to higher productivity such as shortening of manufacturing time, yield improvement, etc. following establishment of the mass-production system