Value Creation Process

Create the future together with customers

Corporate Philosophy Integrity — Have Integrity and Sincerity

Corporate Vision Value Matters — Unprecedented innovation, unprecedented value.

Changes in the social environment

- Progress of AI
- Spread of high-speed communication
- Progress of autonomous driving technology
- Advent of IoT society
- Climate change
- New lifestyle

Invested Capital

Financial Capital
- Shareholders' equity 51,439 million yen

Manufacturing Capital
- Capital investment amount 3,832 million yen
- Manufacturing sites 4 sites in Japan, 3 sites overseas
- Headquarters and Tochigi Technology the technology center where engineers from various fields gather

Human Capital
- Number of employees: 1,772
- Number of engineers: 564
- Ratio of new hires with engineering background to all new hires: 77.3%

Intellectual Capital
- R&D expenditure 3,611 million yen
- Overseas patents ratio 65%

Social Capital
- Relationships of trust with customers based on unique technology and high quality
- Relationships with 470 Green Partners

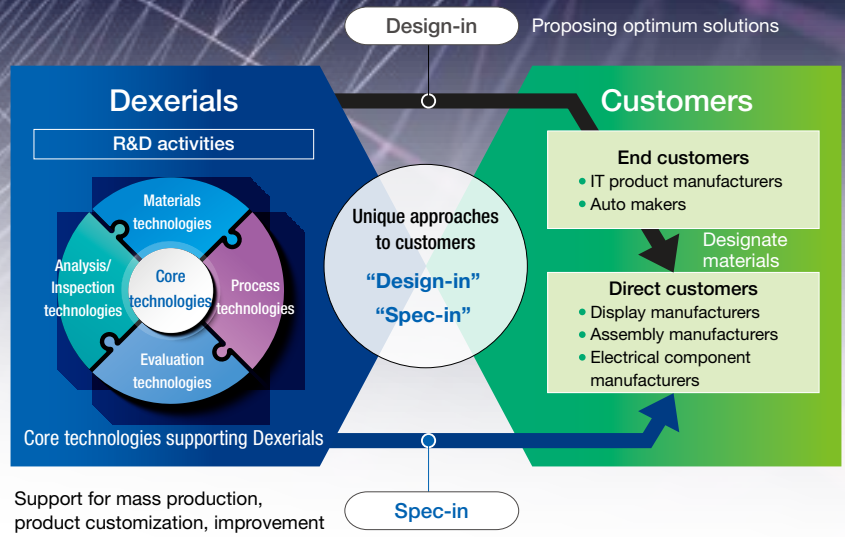
Natural Capital
- Electricity: 71,311 MWh
- Water: 270,000 tons

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

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

Dexerials' Business Model

Refer to the following page for more details.



Dexerials' Management Strategy

Mid-term Management Plan 2023 "Challenges for Evolution"

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

Returns and Value Offered to Society

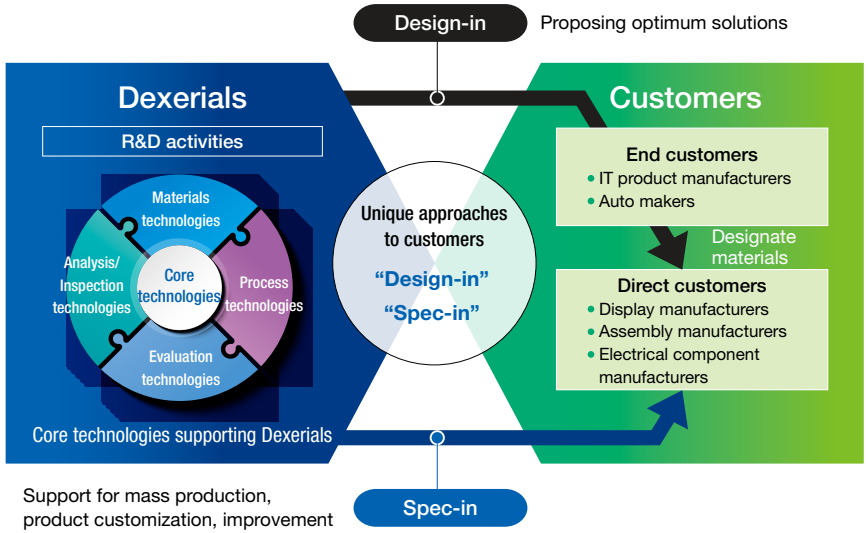
Solve social issues and contribute to the realization of a prosperous society through products and services backed by unique technology

- Provision of highly functional materials and devices that support next-generation communication equipment and automobiles
- 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
- Proactive shareholder returns according to profit (Total payout ratio before amortization of goodwill 40%)

Reinvestment for sustainable value creation

Business Model

We use advanced technologies and communication with customers to discover customers' issues and provide products that will solve those issues.
This has allowed us to maintain a high barrier to entry and high market share and to realize stable profitability.



The key to maintaining a high market share in niche markets

Unique approaches to customers

Design-in Spec-in

Dexerials' product development is supported by our approaches to both "direct customers" who are manufacturers of displays and components, and "end customers" who are manufacturers of end products beyond that.

Design-in

In response to products and new functions developed by the end customers, we identify issues that the customers are not aware of. We then propose new products that will resolve customers' issues. Our products, which have been approved after evaluation by the end customer, are used by the direct customer as designated materials when manufacturing the end products.

Through these activities, we grasp the cutting-edge technology trends, quickly incorporate the end customers' needs, and develop and propose numerous "products that continues to be chosen" by customers.

Spec-in

At the same time, we also provide support for mass production using our products to our direct customers. Furthermore, we are highly evaluated by direct customers for providing improved products that contribute to the customers' productivity improvements even after the establishment of the mass-production system, such as shortening of adhesion time and adhesion at low temperatures.

"Communication capabilities" to elicit customers' issues and needs

In our communication with the customers, our engineers join our sales representatives to elicit customers' issues and needs, and then work with the development division to the true challenges by adding technical considerations.

In response to these challenges, we develop and propose unprecedented, unique and highly value-added products and solutions, and in doing so, achieve the provision of value that exceeds customers' expectations.

Advanced "technological" and "analytical" capabilities to develop products that meet customers' expectations

Our product development that exceeds customers' expectations is founded on comprehensive development capabilities generated by the four core technologies that we have accumulated since the time of our predecessor.

Multiplying these core technologies opens up a wide range of possibilities.

Materials and process technologies

Dexerials owns many technologies related to manufacturing processes, including materials technologies for developing functional materials used in cutting-edge electrical, electronic, and communication equipment, such as liquid and film adhesive materials, magnetic materials, and optical materials; organic technologies for mixing, dispersing, and synthesizing materials; inorganic technologies, such as crystal growth; technology for coating materials on base films or forming thin films in a vacuum environment; and technology for high-precision cutting of film into the required shapes .

Analysis/Inspection and evaluation technologies

To respond swiftly and with certainty to product development and technical challenges, our engineers leverage their knowledge of products and developed products, optimal preprocessing, and analytical methods to perform sophisticated analysis. They use highly sensitive high-resolution instruments backed by the latest technology to achieve speedy solutions to issues.