

The logo for Dexerials, featuring the word "Dexerials" in white, bold, sans-serif font centered within a dark blue rectangular background that has a slight upward curve at the bottom.

Dexerials

Dexerials Corporation

Investor briefing

August 28, 2020

Event Summary

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	Yoshihisa Shinya	Representative Director and President
	Naoyuki Sanada	Senior Executive Officer and CFO

Presentation

Moderator: Thank you for waiting. We would now like to start the Investor briefing of Dexerials Corporation.

This briefing will be held online and via telephone. Please be aware that the audience includes participants from the media in addition to investors and analysts today.

Now, I will introduce today's speaker. We have Yoshihisa Shinya, Representative Director and President.

Shinya: This is Shinya. Nice to meet you.

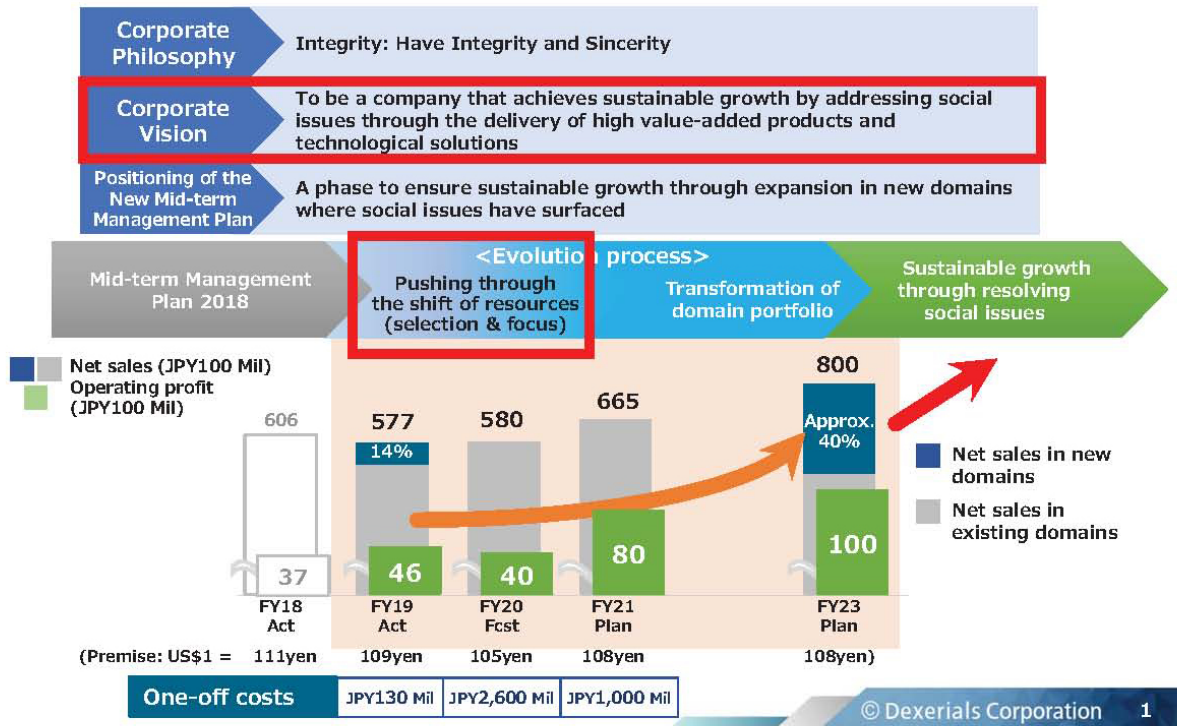
Moderator: Today, Shinya's presentation will be followed by a Q&A session. Please be aware that the presentation and Q&A sections of today's briefing will be posted on our website at a later date, including your names and companies mentioned, in video and transcription.

Mr. Shinya, please go ahead.

Shinya: Thank you very much for attending the corporate briefing today.

First, I would like to express my sincere condolences to victims and those affected by the of the COVID-19 pandemic. I would also like to express my appreciation to the healthcare professionals and everyone else who is making efforts to prevent the spread of the disease.

Mid-term Management Plan 2023: Positioning of the Plan



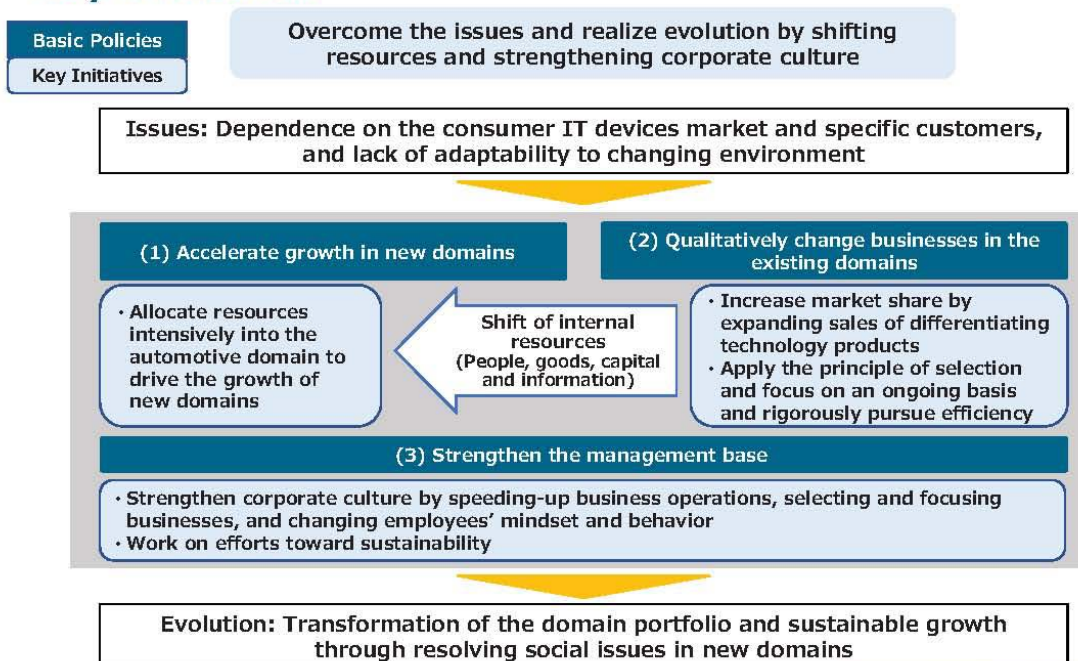
First, I would like to share the Mid-Term Management Plan that we released last April 2019.

Our corporate vision is “to be a company that achieves sustainable growth by addressing social issues through the delivery of high value-added products and technological solutions.”

In order to achieve this, in the two-step evolution process, we will first shift resources to new domains through selection and focus, and thus proceed with the transformation of our domain portfolio.

Today, I would like to take a look back at our initiatives to date, centering on selection and focus, as well as explaining in detail the One-off costs of FY2020, which had been incorporated into the Mid-Term Management Plan from the time of the announcement in April last year.

Mid-term Management Plan 2023: Basic Policies and Key Initiatives



These are the basic policies and key initiatives of the Mid-Term Management Plan.

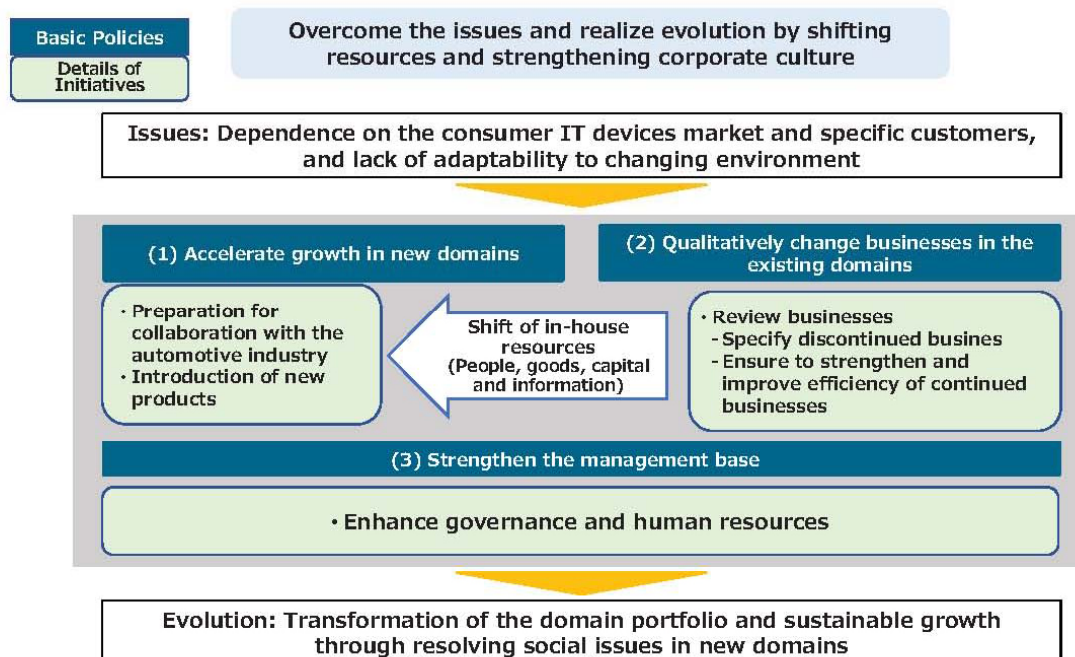
On the right-hand side about existing domains, we will undertake qualitative changes to generate resources, which will be concentrated on the new domains on the left to invest in growth.

At the same time, as shown on the lower side, we will strengthen our management base to transit to next-generation management teams, improve productivity, and speed up business operations.

Through these measures, we aim to first increase profits and then investing in growth, including in human resources, to transform ourselves into a corporate entity capable of sustainable growth.

Based on these policies, we have been carrying out various initiatives since the previous fiscal year.

Mid-term Management Plan 2023: Details of Initiatives



Specifically, in new domains, we have been preparing for collaboration with the automotive industry and introduction of new products. In existing domains, we reviewed our businesses, identified businesses to be discontinued, and set measures to strengthen and improve the efficiency of continuing operations.

In addition, as a measure to strengthen our management base, we have been working on measures to further strengthen governance and human resource development.

Our Response to Changes in the Business Environment

(1) Growing concerns about the US-China trade conflict etc.

- ▶ Implement additional cost reduction measures

(2) Spread of the COVID-19

- ▶ Giving top priority to health and safety measures for stakeholders with domestic and overseas, we complied with supply requests from customers

(3) Respond to demand for remote work or stay-at-home demand and demand from medical workers

- ▶ Responding to growing demand for laptops and tablets
- ▶ Increase the production of medical eye shields and products for ventilators



Since the announcement of the Mid-Term Management Plan, however, the global situation has changed dramatically, and the uncertainty surrounding our business has increased further. We have been working hard to deal with the uncertainty by steadily implementing what we can do.


For example, for concerns over the further slowdown of the global economy due to the US-China trade conflict and Brexit issues, as a contingency plan, we also worked to further reduce costs from FY19Q1, achieving a cost savings of approximately JPY900 million in FY19.

At the end of January 2020, immediately after the outbreak of COVID-19, a Company-wide task force was set up and measures were swiftly launched to prevent the spread of infections, placing top priority on health and safety measures for customers, employees, and stakeholders with domestic and overseas.

On that basis, we took efforts to continue business operations. While we temporarily suspended operations at our manufacturing base in China, we were able to meet our customers' demands by covering the shortfall of production and shipments by our sites in Japan and elsewhere.

Amid the pandemic, we also put in major efforts to increase production of products for laptops and tablets, for which inquiries have increased due to demand for remote work and remote education, stay-at-home, as well as products for medical eye shields and ventilators, for which demand has surged with the spread of infection.

Achievements (1)

<p>(1) Accelerate grow in new domains</p>	<ul style="list-style-type: none"> • Expansion of sales in the automotive domain (Sales composition 10% in FY18 → 14% in FY20Q1) • Productized “INFRA-AID™” used to repair infrastructure equipment
<p>(2) Qualitatively change businesses in the existing domains</p> <p style="text-align: center;">  Improved profit-generating capability </p>	<ul style="list-style-type: none"> • Strengthen and improve efficiency of differentiating technology products <ul style="list-style-type: none"> - Expansion of sales and improved productivity in Particle-arrayed Anisotropic Conductive Film (ACF) (FY 18 → FY 19 approx. 70% growth) - Expansion of sales of Smart precision Adhesives (FY 18 → FY 19 approx. 70% growth) • Consolidation of production sites and end of production activities <ul style="list-style-type: none"> - Consolidation production bases for UV curable resin for optical disks ahead of the plan - End of production activities at Dexerials (Shenzhen) Corporation
<p>(3) Strengthen the management base</p>	<ul style="list-style-type: none"> • Establishment of the Nomination and Compensation Committee and the Introduction of the Entrusted Executive officer system • Launched the Business Leadership Program for young employees selected as next-generation management candidates (first-period) • Acquisition of strategic human resources (technology control, management strategy, and overseas marketing)

As a result of the implementation of such measures, we were able to achieve the results shown here.

In particular, our differentiating technology products, centered on Particle-arrayed ACF, delivered robust performance, and productivity has improved. As a result, their profit-generating capability has improved.

In July 2019, we established the Nomination and Compensation Committee to strengthen governance and enhance our management base.

Achievements (2)

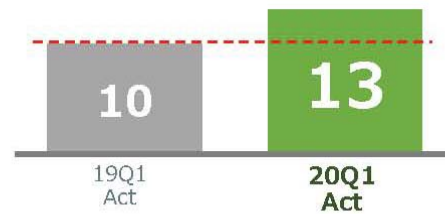
Profit increased due to prompt response to changes, expanding sales of differentiating technology products, and improved productivity

Operating profit

(JPY100 Mil)



Operating profit exceeded
the initial performance target



Operating profit Increased Year on Year

In terms of business performance, progress was made ahead of schedule, and FY19's operating profit exceeded the initial performance target and grew by 24% compared to the previous fiscal year.

In addition, the most recent FY20Q1 saw a YoY increase in operating profit.

Implementation of Organizational Reforms

Initiatives to aim for achievement of the Mid-term Management Plan and Sustainable Growth

- ◆ **Strengthen management base**
 - (1) **Organizational change: Construct a flexible organization**
 - (2) **Build a business execution framework: Transition to next-generation executive officers**
 - (3) **Implement a special early job transfer support program: Build a lean organization**
- ◆ **Qualitatively change businesses in the existing domains**
 - (4) **Measures to enhance the category of Micro devices**

We have just announced the organizational reforms that we have been preparing in accordance with Mid-Term Management Plan.

Today, I will proceed with the explanation based on the following items.

(1) Organizational Change: Construct a Flexible Organization

Speed up decision-making by delegating authority to business units and clarifying business responsibilities
Build a promotion system to accelerate growth in new domains

- ◆ **Strengthen the Business Unit structure**
 - Reorganize four businesses into three based on the business review
 - Integrate the manufacturing and quality assurance functions into each business unit
 - Speed up decision-making by transfer the authority to business unit and clarifying business responsibilities
- ◆ **Accelerate growth in new domains**
 - **Business Strategy Office**
 - Formulate and promote company-wide strategies
 - Responsible for functions including alliance strategy and digital transformation
 - **Dexerials Innovation Group (DIG)**
 - Develop and implement company-wide technology strategies linking with roles from R&D to marketing

First, I would like to explain about the organizational changes that will take place on October 1.

Based on the business review done in FY19, we will reorganize from the current four business units to three. In addition, we will integrate the manufacturing and quality assurance functions, for which the production and quality division had held Company-wide responsibility, into each business unit.

As a result, each business unit will be fully responsible for entire business processes. With this change, we aim to speed up decision making and improve the efficiency of our business operations, especially in the current era of major changes.

In addition, as a new Company-wide function, we will establish a department dedicated to planning and implementing future Company-wide technological strategies and application strategies from a global perspective. This department will draw up a major technology roadmap and organically link it with our R&D and marketing activities to create new businesses.

In addition, if alliances are needed to acquire new technologies or external partners, the Business Strategy Office as a Company-wide function will always provide support and take on the challenge of accelerating business growth in new domains.

(2) Build a Business Execution Framework: Transition to Next-generation Executive Officers

Transit management to next-generation Executive Officers to achieve sustainable growth
Revitalize the organization by recruiting new personnel from both inside and outside the Company

Executive officers, Business Unit Heads and Division Heads		(effective as of October 1, 2020)	
Yoshihisa Shinya	Representative Director and President, President and Executive Officer Officer in charge of management and business operations	Koichi Akeyama	Business Strategy Office Head
Toshiya Satake	Representative Director, Senior Managing Executive Officer Officer in charge of management, administration, and internal audits Representative Director and President, Dexerials Precision Components Corporation	Kuo-Hua Sung	Technology Strategy Head Officer in charge of Dexerials Innovation Group (DIG) Promotion Department
Naoyuki Sanada	Senior Executive Officer CFO (Chief Financial Officer), Corporate Planning & Control Division Head, Company Process Innovator	Kentaro Oshima	Automotive Solutions Business Unit Head
Takashi Yoshida	Executive Officer Optical Solutions Business Unit Head	Kazuya Hayashibe	Corporate R&D Division Head
Kozaburo Hayashi	Executive Officer Connecting Materials Business Unit Head	Koji Yamagishi	Production Control Division Head
Yuji Kakiuchi	Executive Officer Global Sales & Marketing Division Head		

New appointment

I would like to explain about the renewal of the executive framework.

First, with the aim of achieving sustainable growth, we are implementing a generational shift of Executive Officers. There were 12 Executive Officers last year when I became President, which have been reduced to six. Our management team will become fairly lean for the time being.

At the same time, we will appoint leaders of business domains, business units, and divisions from both inside and outside the Company and aim to revitalize the organization through the new structure.

(3) Implement a Special Early Job Transfer Support Program: Build a Lean Organization

Outline of the Program

- ◆ **Eligibility:** Management-class employees aged 50 or older who want early job transfer
(certain application limitations apply.)
- ◆ **Expected number of persons:** Approx. 50 to 100
- ◆ **Offering period:** September 14, 2020 to November 30, 2020
- ◆ **Date of retirement:** October 14, 2020 to December 31, 2020
(exceptions may apply due to operational conditions.)
- ◆ **Benefits provided:** While providing additional retirement compensation, applicants will receive reemployment support through a reemployment support company
- ◆ **Estimated cost:** Approx. 1.05 Billion yen
(Already incorporated into the FY20 forecast)

Next, we will implement a special early job transfer support program as part of our efforts to build a lean corporate organization.

In building a lean and highly productive organizational structure, we will provide managers 50 years of age or older with new options and a special support system to support proactive career development.

We have already had a job transfer support system, but this system will be implemented with the aim of supporting employees who retire early and consider the pursuit of a new life plan, as well as implementing Mid-Term Management Plan measures.

This is the outline of the program.

We will accept applications from next month and arrange for retirement through the end of December. Expenses of approximately JPY1.05 billion are already factored in the FY2020 financial results forecast. However, the number of applicants is yet to be determined, so we will announce it again as soon as it is finalized.

(4) Measures to Enhance the Category of Micro devices

Aim to enhance value of the business that has inorganic optical devices and sputtering targets, etc.

◆ **Objective**

Considering the severe outlook for the end-product market, we will improve the earnings structure of the business itself and build a production system that is resistant to demand fluctuations, thereby aiming for economically self-reliant business operations and sustainable business growth.

◆ **Measures**

(1) **Establishment of a subsidiary that integrates the functions of Business Units (design, technology, planning management, and manufacturing management)**

(2) **Establishment of a manufacturing joint venture**

*On August 28, 2020, we reached the basic agreement with OUTSOURCING Inc, the largest outsourcing company in Japan, to establish a manufacturing joint venture.

Start of operation: Both (1) and (2) are scheduled to start on January 1, 2021.

Next, I would like to explain our initiatives to strengthen the Micro Devices category, which is one of our business categories.

In the Micro Devices category, we leverage our proprietary micro-processing technology to handle inorganic polarizing plates, inorganic wave plates, and target materials used in sputtering. We have a high share of the global market for these products.

The business review carried out in the previous fiscal year identified that this business should be continued but has highlighted the shrinking market for the final product and fundamental issues facing the business. We aim to make drastic improvements in the earnings structure of the business itself and build a production system that is resilient to changes in demand, thereby aiming for economically self-reliant business operations and sustainable business growth.

We will establish a subsidiary that integrates design, technology, planning management, and manufacturing management functions. With regard to manufacturing functions, we will begin preparations for the establishment of a manufacturing joint venture. We are preparing to start operations on January 1, 2021 for both the subsidiary and manufacturing joint venture.

For the future, we will continue to aim to develop new products, grow our business, and achieve earning improvement by utilizing our micro-processing technologies and other elemental technologies.

FY20 Details of One-off Costs

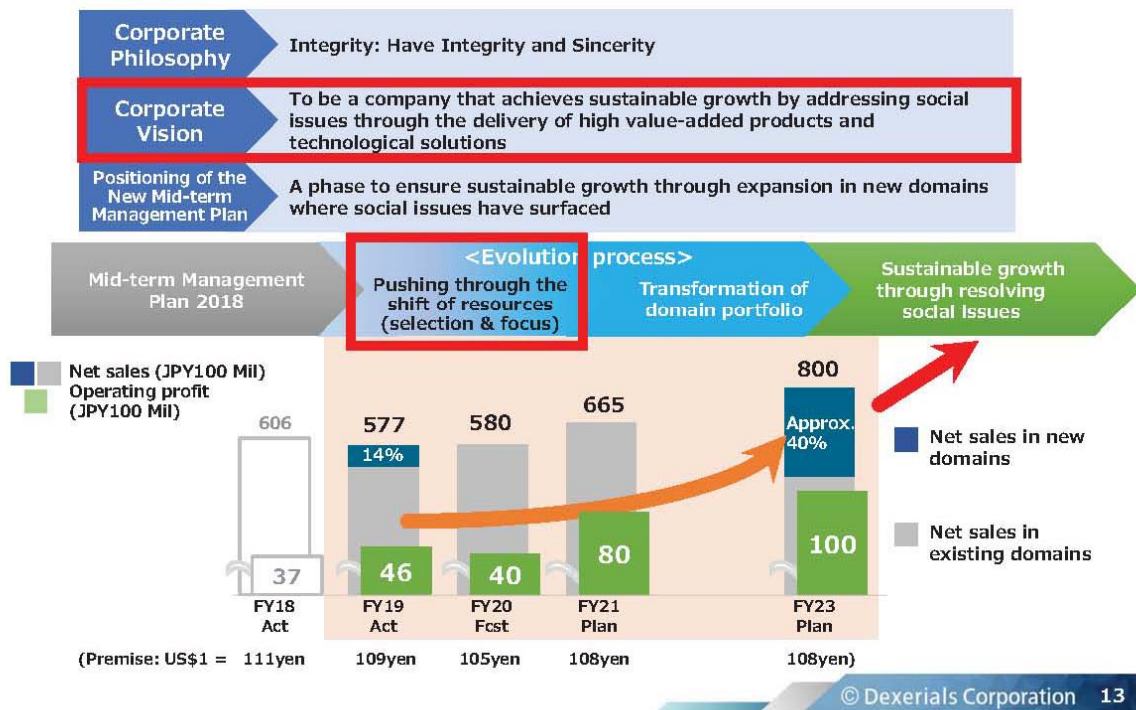
FY20 is the "Year of Execution" of initiatives based on the Mid-term Management Plan

	FY19 Act	FY20 Fcst
A special early job transfer support program	-	1.05 Billion yen*
Initiatives to enhance the category of Micro devices	-	1.10 Billion yen
Consolidation of production sites, etc.	0.13 billion yen	0.45 billion yen
Total	0.13 billion yen	2.60 billion yen

*Estimated cost

This is a summary of the breakdown of the One-off costs, including those announced today.

Mid-term Management Plan 2023: Positioning of the Plan



We experienced unexpected events immediately after the announcement of the Mid-Term Management Plan in April last year, but we have been able to respond in a timely manner and the progress has been within the scope of our expectations.

However, looking at the period of the five-year plan, social, political, and economic conditions are undergoing major changes, so we decided to update this Mid-Term Management Plan and will announce it next spring under the new management team introduced today.

Finally, we will continue to push forward with the Mid-Term Management Plan's key initiatives that are controllable even in the face of heightened uncertainty.

With regard to our growth strategies and management base, we will constantly explore the ideal form and strive to be a Company capable of sustainable growth.

I will now close my presentation. Thank you for your attention.

Question & Answer

Moderator: From here, we will now start the question-and-answer session.

Naoyuki Sanada, Senior Executive Officer and CFO, will also participate in the session.

Sanada: This is Sanada. Thank you very much.

Moderator: We have received an inquiry from Mr. Watabe from Morgan Stanley MUFG Securities. Let us start with questions from him.

Watabe: This is Watabe from Morgan Stanley. Thank you very much.

The first question is about the organizational reform, special early job transfer support program, and Micro Device Business that you have explained. Your stake will be 49%, so I assume it will be outside the scope of consolidation, but including the effect from next fiscal year onwards, how should we understand this against the target of operating profit of JPY10 billion in FY23 in the Mid-Term Management Plan? You mentioned that the plan will be revised again in the spring of next year, but could you please give us your thoughts on this matter first?

Shinya: First, regarding the manufacturing function you referred to in your question, we will have a 49% stake in the joint venture, so it is excluded from consolidation. However, the subsidiary of the business will be consolidated. In terms of the effect of structural reforms including these, though we have yet to finalize the details, we expect the net effect to be around JPY4 billion within the Mid-Term Management Plan for 2023. We are also preparing to show this in more detail as we update the Mid-Term Management Plan.

Watabe: What do you mean the net effect to be around JPY4 billion? Does it mean that the net effect of decreased extraordinary losses and improved operating profit is JPY4 billion?

Shinya: This will be explained by Sanada.

Sanada: This is Sanada. Thank you for your question. First, the JPY4 billion explained from Shinya refers to the total net impact over about four years from FY20 onwards.

In terms of the content of expenses, of course, there are extraordinary losses, and some spending as operating expenses that impact the operating profit. When you subtract such spending factors from the effect, we expect the net result to be around JPY4 billion in close to four years.

Watabe: Do you mean that operating profit will improve by JPY4 billion from the current fiscal year?

Sanada: Yes. Including everything between 2019 and 2023, the effect will be about JPY4 billion.

Watabe: In the special early job transfer support program, talking about 50 to 100 employees, I assume that 100 employees would reduce fixed costs by about JPY1 billion. In the case of micro devices, your stake in the manufacturing division will be 49%, and you mentioned that the business subsidiary will be consolidated, but will this result in a reduction of several billion yen in fixed costs? I think JPY4 billion is a fairly large amount, so can you explain a little more?

Sanada: Let us answer your question. As summarized in the material, I talked about JPY1.05 billion under the special early job transfer support program. We expect to incur approximately JPY1.1 billion for measures to enhance our Micro Device Business. This JPY1.1 billion includes the expenses associated with the spin-off and

establishment of the joint venture, and compensation to transferred employees is also included in this JPY1.1 billion. In addition, we have factored in various reforms, including the consolidation of production bases, totaling approximately JPY0.45 billion, so those add up to the total of JPY2.6 billion.

Watabe: That's a negative of JPY2.6 billion, so given the effect to be around JPY4 billion, is the idea that operating profit will be increased by around JPY1.4 billion?

Sanada: This cost associated with the special early job transfers and the transfer of employees in Micro Device Business will actually result in a reduction of labor costs. We expect that this will be a major part of the effect.

Watabe: I see. In terms of technological innovation and breakthroughs, the particle-arrayed ACF has been quite successful, and you also have the HD series of anti-reflection film, so I think there have been considerable breakthroughs in the past 1 to 2 years. What is the background of this and what breakthroughs can be expected in the future?

Shinya: As you mentioned, there is no doubt that we have an increased readiness for further improvements in the performance of our differentiated technologies.

Going forward, although we are not yet able to announce the details today, we are planning to release new products in a different category. We would like to communicate with everyone on this matter after the release. In this sense, this year we plan to be quite active in releasing such new products and technologies.

Watabe: I see. Thank you very much.

Moderator: Thank you for your questions. We have a request for questions from Mr. Yamada at Mizuho Securities.

Yamada: Thank you. This is Yamada from Mizuho Securities.

When you spoke about the Mid-Term Management Plan on page 13, you mentioned a revision, but how do you view the environment has changed? Is it that you had been planning to focus on automotive applications, but due to the increasing uncertainty around automobiles, you are attempting to shift proprietary technologies to other markets? Or do you think the Company has to change in a major way, including your vision, given that COVID-19 is causing a drastic change in society?

Please let me know the magnitude of such drastic change and your thoughts if possible. This is the first question.

Shinya: I'd like to answer first. We would like to make a proper reassessment of how our core businesses can make an impact in the new normal created by the impact of the coronavirus, which all of you must be feeling. Although remote demand has pushed up the performance of notebook PCs and tablets, we would like to carefully examine what is really happening on a fundamental basis.

Second, geopolitical risks have been increasing significantly, compared to assumptions in the original Mid-Term Management Plan. Particularly on November 3, the presidential election will be held in the US, which I believe all of you are watching. We would like to carefully examine how such factors will affect our businesses.

With regard to the Automotive Business, it is true that the industry itself is being greatly impacted by the coronavirus. Although we have not been hit so hard by this impact yet, we would like to reexamine once again how the trend in the automobile industry, including unit sales, will evolve going forward.

On the other hand, in terms of what we already know, we are seeing a steady trend towards further size expansion compared to our assumptions for displays for the digitalization of cars that we have been pursuing.

We will carefully examine how such factors will be reflected in our business towards next Spring and will make proper announcements of any revisions.

Yamada: Do you mean that the revision is not about things like your vision as a Company, but rather creating a Mid-Term Management Plan that responds more appropriately to changes in social issues themselves?

Shinya: Yes. If anything, I think it's close to an update of the Mid-Term Management Plan.

Yamada: Thank you. I have another question.

I believe that Dexerials Innovation Group plays a cross-divisional role and is also a way to strengthen the business unit system, so in a sense you have an internal company structure plus a cross-divisional function. But if you move closer to an internal company system, that is, integrating various elements into the business units, it will speed up decision-making, but internal synergies will weaken. Given this, I understood that the intention of creating DIG is to boost internal synergies, but is this the right way to understand it?

What kind of authority is DIG going to have in the organization, and will it truly be a cross-divisional function? If its position is simply something like cutting-edge R&D, I think there is the risk of eventually being disengaged. I'd like to hear your intention of this organizational change as well as the position of DIG in more detail.

Shinya: As for our intention behind measures to strengthen the business unit system, your understanding is correct.

As for Dexerials Innovation Group and the new Business Strategy Office, they will both report directly to the President.

With regard to Dexerials Innovation Group, in particular, Our approach tended to be to add up our technologies and consider what we can do with them. We intend to shift this to clearly identifying social issues and setting an application roadmap, and back-casting from this roadmap to allocate resources to new businesses in a comprehensive manner, such as determining what R&D has to do and how marketing can move in sync with them. This is our aim.

Yamada: You mean that since the offices report directly to the President, even as they make agile moves, the structure forces the people in the business units to cooperate?

Shinya: Yes. The new leaders of the business units are also strongly determined to make this a success, to accelerate growth in new domains and to reform our business portfolio. We will continue to implement this as a Company-wide project.

Yamada: I see. Thank you very much.

Moderator: Mr. Yamada, thank you for your questions. Next, we have received a request from Mr. Umebayashi from Daiwa Securities.

Umebayashi: This is Umebayashi from Daiwa Securities. Thank you.

First, on page 12, you mention an extraordinary loss of JPY450 million due to the consolidation of production sites. As the scale is larger than last year's JPY130 million, is there a higher number of projects than last year? Or is the number unchanged but larger in scale? Can you elaborate on the issues around consolidation?

Shinya: This is related to the cost of overseas sites that we have been working on since last year. A large part is the main portion of their expenses being recorded this year. In addition, it includes the consolidation of other production sites that have not yet been announced, but the amount is not so large.

Regarding your question, the answer would be that we are going to complete what we have been doing since last year, and this will be the completion of our measures basically done through the past two years.

Umebayashi: So, you may not have decided for next year, but although some may be pushed into the next fiscal year, is it correct to understand that you will more or less complete what you were planning for within this year? Or might you incur JPY400 million or JPY500 million next year as well?

Shinya: At present, this has not been decided yet. But as we have communicated since last year, we will keep conducting business revaluations every year going forward.

As discussed in an earlier question, the world is undergoing major change. Under these circumstances, we will constantly seek out the ideal for our Company and change whatever we need to. We intend to disclose such decisions to you once we become ready.

Umebayashi: Thank you very much.

Second, I'm looking at the reform of the new executive framework on page 9. Looking at the heads of business units, I can see the Optical Solutions Business, Connecting Materials Business, and Automotive Solutions Business on the right side. Is it correct to understand that these are the new three business units?

Shinya: Yes, that's right.

Umebayashi: In that case, your reporting segments have been the Optical Materials and Components Segment and the Electronic Materials and Components Segment. Based on this management approach going forward, do you intend to disclose information based on these three business units?

Shinya: In terms of the way of disclosure, we still have four business units in two segments. Regarding the Automotive Solutions Business, we provide a separate explanation for rough sales and growth rates, et c. But basically, we will keep disclosing information based on the current segments. But we will continue to consider what kind of disclosure is most understandable to everyone, so this is just our stance as of today.

Umebayashi: I was wondering how you would manage revenues if the segments change, as the Automotive Business would include all kinds of products like ACFs and optical films and SVRs. But it seems that there are issues to be addressed, or that you have not decided yet.

Shinya: No, we have not decided yet.

Umebayashi: I see. Finally, I have a quick question. In terms of the supply chain of the Automotive Business, I understand that you supply materials, which are assembled at MinebeaMitsumi, and then supplied to automobile manufacturers, or OEMs. I'd like to know whether there are any changes in your expectation of some effects from the latter half of next year? And whether there has been progress in seeking partners in Europe and the US with similar schemes. If possible, would you please provide an update?

Shinya: First, I think that your first question refers to what we call the large-scale global model project at briefings. This project itself is making good progress. The project is basically proceeding without delay so far.

In addition, since last year, we have been talking about collaboration in Europe in particular, and we are gradually making preparations. We are in the process of preparing so we can make an announcement to you during the current fiscal year, so I appreciate if you will wait for a while. I will refrain from saying anything today considering the name of our counterpart, et cetera.

Umebayashi: Thank you very much. In terms of order, are you going to announce about Europe in the current fiscal year, and about the US a little later?

Shinya: Yes.

Umebayashi: That's all. Thank you very much.

Moderator: Thank you very much. I will add one point.

Regarding the relationship between the new structure effective October 1 and segment disclosures, please be aware that most of the Optimal Solutions Business will be in the Optical Segment, Connecting Materials will be in the Electronics Segment, and Automotive will be split between both segments.

Umebayashi: Thank you very much.

Moderator: Umebayashi, Thank you very much.

We still have a little more time. Does anyone have any questions?

We still have some time, but it seems all of the questions are answered, so we will close the question-and-answer session. With this, today's briefing will be finished.

Thank you very much for participating amid your busy schedule. We look forward to your continued support to Dexerials.

Shinya: Thank you very much.

Sanada: Thank you very much.

[END]

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1. *Portions of the document where the audio is unclear are marked as follows: [Inaudible].*
2. *This document has been translated by SCRIPTS Asia.*

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