



Second Year of Mid-Term Management Plan Navigating an Era of Uncertainty

P. 12 Message from the President

Steps to Achieving Evolution—Staying True to Our Purpose in Uncertain Times

How will Dexerials sustain growth and navigate forward as geopolitical risks make the business environment uncertain? President Yoshihisa Shinya shares his vision for the Company's path ahead.

Message on the Publication of the Dexerials Integrated Report 2025

The Dexerials Group aspires to be a driving force behind the advancement of digital technology, guided by our corporate Purpose, “Empower Evolution. Connect People and Technology.” Under our Mid-Term Management Plan 2028 “Achieving Evolution,” we are expanding our business portfolio and building a resilient management foundation. At the same time, we are strengthening initiatives centered on our unique business model and focusing on technology and human capital as key materiality.

The Dexerials Integrated Report 2025 presents our approach to value creation and its implementation from both financial and non-financial perspectives. Through this report, we aim to share our ongoing efforts to achieve sustainable corporate growth and address social issues to foster a deeper mutual understanding with our stakeholders.

Driving Global Expansion in the Automotive Business with Proprietary Technologies and Business Model

P. 22 Special Feature 1

Evolving the business model proven in the consumer IT industry and expanding into the growth domain of the automotive industry to create new value on a global scale.



Business Expansion in Growth Domains:
Leveraging Our Technologies and Business
Model for the Automotive Industry

Fostering Dexerials' Value Through Stock Grant Plan (J-ESOP)

P. 40 Special Feature 2

Introducing the changes in mindset that emerged as next-generation employees explored what it means to enhance corporate value as shareholders.



J-ESOP—Creating Value for
Employee Shareholders

New Steps Toward Growth— A New Board Structure as of June 2025

P. 46 Special Feature 3

Dexerials appointed three new directors to ensure continued sustainable growth and enhance corporate value. Each will draw on their own perspectives and expertise, and engage in open and constructive discussions as they fulfill their responsibilities.



Strengthening Corporate Governance to Achieve
Sustainable Growth and Enhance Corporate Value

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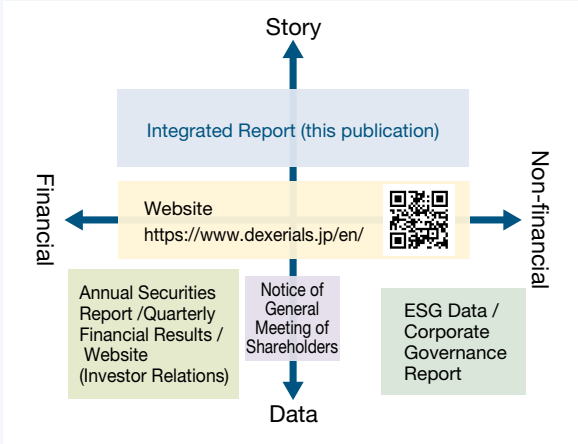
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-  Details are available on our website.
-  Related information is available in this integrated report.
-  Related information is available on TECH TIMES, our technical information media for manufacturing engineers operated by Dexerials.

Editorial Policy

This report is published to help shareholders, investors, and all stakeholders understand Dexerials' initiatives aimed at creating both economic and social value, contributing to a more prosperous and efficient society, and enhancing medium- to long-term corporate value. This year's report focuses on two key themes—our Purpose and business model, and human capital—and features insights shared by both management and employees. We welcome your candid feedback to help us improve future reports.

Communication Map



Applicable Scope and Term

- Applicable Scope: This report covers Dexerials Corporation and its subsidiaries in Japan and globally.
- Applicable Term: This report is based in principle upon the results of activities in fiscal 2024 (April 1, 2024–March 31, 2025); however, some reports and data may refer to past or current information.

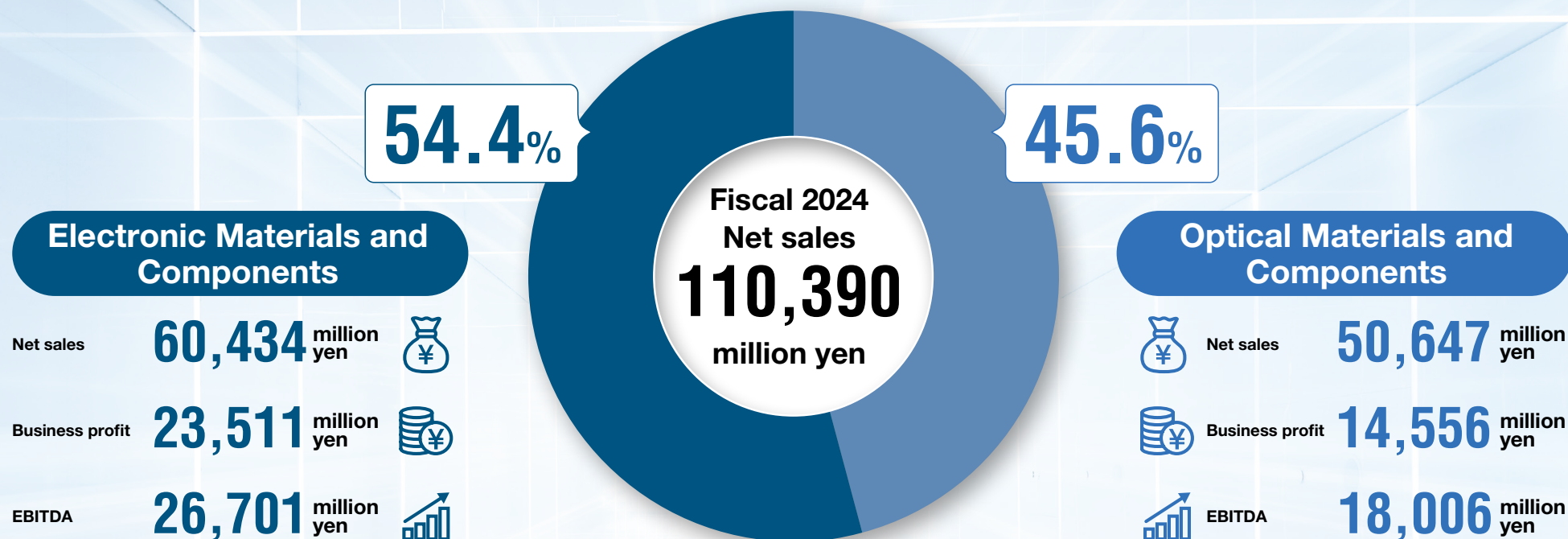
Reference Guidelines

The International Integrated Reporting Framework published by the International Integrated Reporting Council (IIRC) / Guidance for Collaborative Value Creation published by the Ministry of Economy, Trade and Industry / GRI "GRI Standards" / ISO26000 / Environmental Reporting Guidelines (Fiscal Year 2018 Version) published by the Ministry of the Environment

Disclaimer on Forward-Looking Statements

The forward-looking statements contained in this report are based on information currently available to the Company and certain assumptions that are believed to be reasonable, and no responsibility is borne as to the accuracy or completeness of the forward-looking statements. Actual results may differ from the results anticipated in these forward-looking statements due to a variety of factors, and the Company gives no assurance that such statements will prove to be correct.

Business Segments



Note: Each business corresponds to a segment for the purposes of financial disclosure, and net sales include inter-segment transactions.

Main Products in Electronic Materials and Components

Optical Materials and Components

ACF category



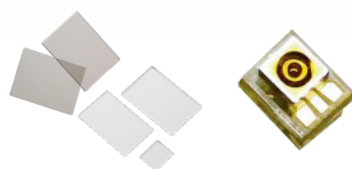
Anisotropic conductive film (ACF)

Surface mount fuse category



Surface mount fuse

Photonics category



Micro devices

Optical semiconductor

Optical films category



Anti-reflection film (ARF)

Optical resin materials category



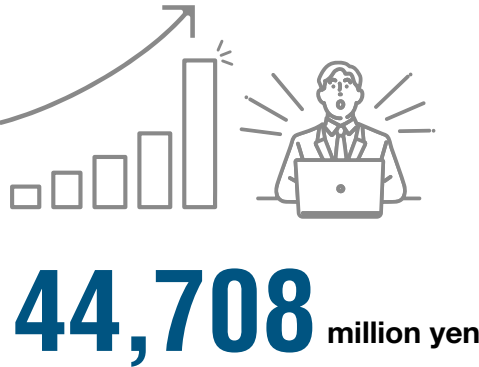
Optical elastic resin (SVR)



Smart precision adhesives

At a Glance (FY2024)

EBITDA

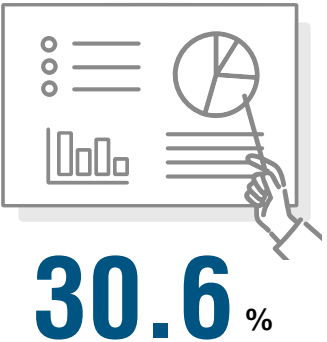


Earnings per share (EPS)

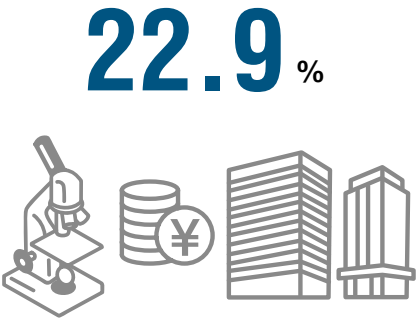


Note: Effective October 1, 2024, Dexerials is conducting a stock split at a ratio of three shares for each share of common stock.

Return on equity (ROE)



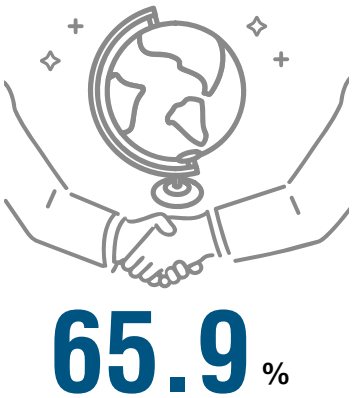
Return on invested capital (ROIC)



R&D expenditure



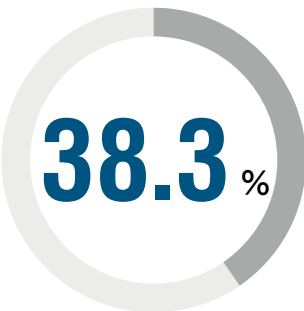
Global patents ownership ratio (consolidated)



Number of employees



Ratio of engineers



ESG Data
For more details, please refer to our [website](#).



Where You Can Find Dexerials

Work and play, your way.

Dexerials products are supporting fun and enjoyment both in society's systems, in daily life, and in business, as well as in outdoor settings far from the realities of the everyday.

Inorganic polarizers

Inorganic polarizers have outstanding heat- and light-resisting properties and are supporting the realization of projectors that have both high brightness and extended product lifespans.



No.1
Global share

Anisotropic conductive film (ACF)

Material essential for connecting displays, camera modules, and other electronic components.



Surface mount fuse

Installed in the lithium-ion batteries of cordless devices to interrupt circuits if abnormalities occur during charging or discharging to ensure safety.





Optical elastic resin (SVR)

Used to fill gaps between displays and surface panels to improve visibility.



Anti-reflection film (ARF; produced using sputtering technology)

The films reduce glare from external light sources on display surfaces. This allows PC users to concentrate on their work even in outdoor settings.



Smart precision adhesive

Used to secure components such as camera modules.



*1 The 2024 share of surface treatment films (dry coat), according to "Current Status and Future Outlook for Display-related Markets 2025," issued by Fuji Chimera Research Institute, Inc.

*2 The 2024 share for total amount of ACF for large-sized and small- to medium-sized displays, according to "Current Status and Future Outlook for Display-related Markets 2025," issued by Fuji Chimera Research Institute, Inc.

*3 The 2024 share for Optical Clear Resin (OCR) used in bonding displays, according to "Current Status and Future Outlook for Display-related Markets 2025," issued by Fuji Chimera Research Institute, Inc. Optical elastic resin (SVR) is the product name for Dexerials' optically clear adhesives.

The History of Dexerials Value Creation

—Giving Concrete Form to Society's Changes by Embracing Technological Advances

Since our founding in 1962, Dexerials has always anticipated the trends of the times, achieving numerous innovations in electronic components, functional materials, and more based on our approach of solving society's problems through technology. Over the years, we have always challenged ourselves to anticipate upcoming changes in addition to looking at current issues and conditions. We have maintained a firm focus at all times on building a better future together with our customers while addressing each of their challenges one at a time. Based on our corporate Purpose, "Empower Evolution. Connect People and Technology," Dexerials will continue working together with customers to develop products and solutions that create future value.

1960s

LCDs utilized in compact devices

Demand for thinner and more compact designs

Spread of notebook PCs

Safety guarantees for lithium-ion batteries

2000s

Increased use of color LCDs in mobile devices

Improved display visibility both indoors and outdoors

Debut of smartphones and spread of flat-screen TVs

Clear picture even with a thin screen profile

2010s

Company

1962

Sony Chemicals Corporation established

2000

Sony Chemicals Corporation was delisted from TSE and became a wholly owned subsidiary of Sony Corporation

2012

Changed company name to Dexerials Corporation, commenced business activities

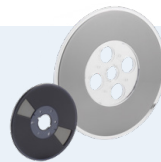
Dexerials

Products

1977

Commercialized Anisotropic conductive film (ACF) ahead of industry peers

Developed material technology combining both electrical conductivity and insulation



1994

Started production of Surface mount fuse

Started mass-producing the secondary protection devices that immediately interrupt overcharge or overcurrent in lithium-ion rechargeable batteries, a first in the world



2002

Started selling of Anti-reflection film (ARF)

Adapted Sony Corporation Cathode-Ray Tube (CRT) technologies to achieve a roll-to-roll sputtering system offering outstanding mass-productivity
Released high-durability, low-reflection film on the market



2007

Started production of Optical elastic resin (SVR)

This optical resin, which has high transparency and elasticity, is used to eliminate air gaps in displays while improving screen-display visibility and contrast as well as device shock resistance, and has been used in a wide range of devices



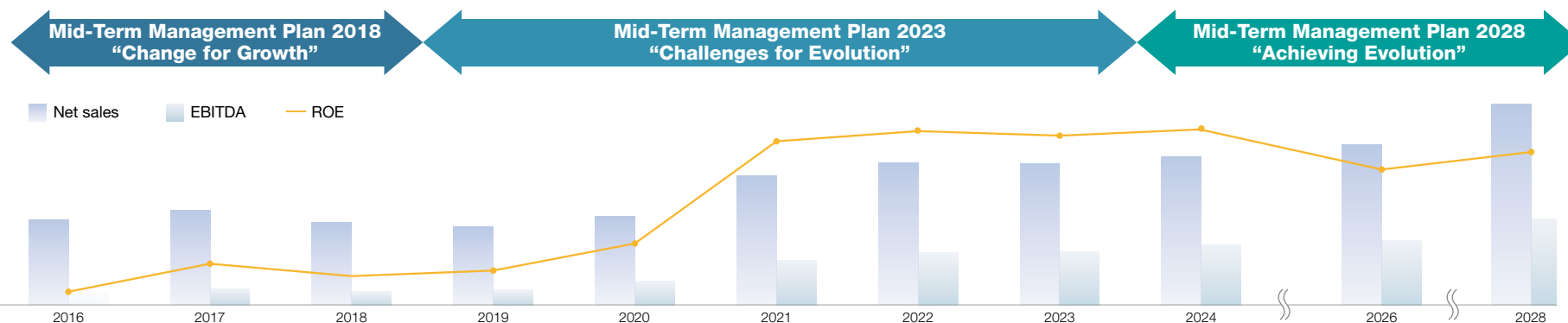
Societal Impacts

ACF technology drives LCD panel advances and contributes significantly to the spread of mobile devices

Dexerials safety technologies boost the reliability of mobile devices and help to popularize them

Contributes toward display usage environments offering both good screen visibility and durability in practice for mobile devices and other information-related devices

Utilized in smartphones, large display units, and more to popularize display-equipped products with excellent visibility and durability



Rise of streaming services

Increasingly high-definition smartphones

Video streaming services and electronic payment methods become widespread

Demand for durability improvements to facilitate improved visibility, touch functionality

2020s

Integration of display products into lifestyle infrastructure

Compatibility with curved and complex-form displays

Digital transformation (DX) measures and spread of generative AI

Deployment of countermeasures to excess electricity consumption at data centers

2015

Listed on the First Section of the Tokyo Stock Exchange (TSE)

2016

Commenced operation of the Tochigi Technology Center

2021

Transitioned from a company with an Audit and Supervisory Board to a company with an Audit and Supervisory Committee

2022

Kyoto Semiconductor Co., Ltd. (current Dexerials Photonics Solutions Corporation) joined the Dexerials Group

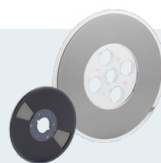
2024

- Formulated Purpose
- Started operation of Dexerials Photonics Solutions Corporation

2016

Commercialized “ArrayFIX®” Particle-Arrayed Anisotropic conductive film (ACF)

Utilizes systematic particle distribution to realize minute, stable connections



ArrayFIX® drives the evolution of next-generation smartphones, high-definition displays, and more, while significantly contributing to the realization of thinner, higher-performance devices

2020

Developed “HD Series” Anti-reflection film (ARF)

Includes an anti-smudge layer formed through vacuum deposition and abrasion resistance strengthened to more than 40 times that of conventional products, resulting in a high-performance film with both beautiful appearance and high usability



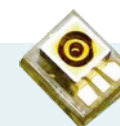
The HD Series offers excellent visibility and durability for a wide range of usage environments, thus contributing to more comfortable touchscreen functionality and viewing experiences

2023

Initiated market introductions of fast-response InGaAs* photodiode

Dexerials responded to demand for larger-volume data transmissions by providing a high-performance photodiode with sensitivity to longer wavelengths in the infrared spectrum compared with silicon variants

* Indium gallium arsenide



Contributes toward faster data transmission, reduced electric power usage, and other benefits in response to increasing data-related needs

Advancing a Sustainable Future Through Light-Connecting Technologies

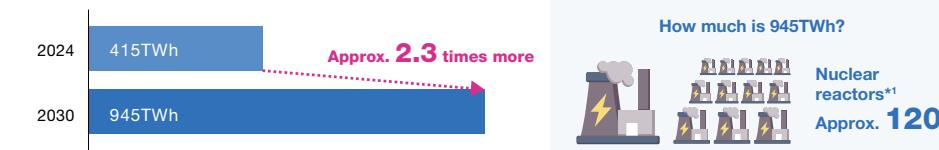
Dexerials Photonics' Vision for the Future

Societal Change and Emerging Technological Needs

Generative AI is now starting to change the way we approach things in our work and personal lives. For example, creating documents, images, or videos, or interacting by voice, is easier to do than ever. The use of generative AI is expanding across a broad range of fields that include healthcare, education, manufacturing, and transportation. Yet, behind the scenes, massive amounts of data are being processed for this near-instantaneous output. Data traffic and power consumption are rising sharply worldwide and are expected to continue increasing unabated in the future. By 2030, global data center power demand is projected to increase to approximately 2.3 times the 2024 level, raising concerns that unchecked growth could place a serious strain on social infrastructure.

One promising technology now gaining attention for its potential to resolve these societal issues is photonics technology. For data communications, optical transmission is faster and more stable than electrical transmission. It generates less heat, reducing the power needed for cooling. This makes photonics technology a foundational technology essential for the AI era.

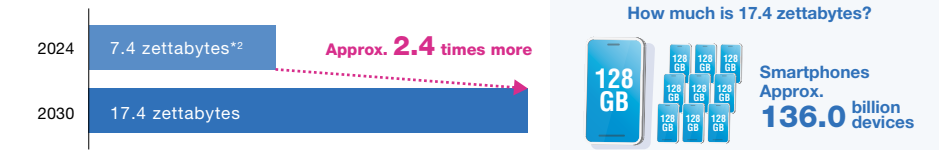
Global Data Center Power Demand Forecast



Source: International Energy Agency (IEA) "Energy & AI"

*1 Reactor equivalent: Based on an assumption that one nuclear power plant (1 GW output, 90% capacity factor) generates about 8 TWh annually, the equivalent is calculated by dividing the consumption by this amount.

Global Internet Data Traffic Forecast

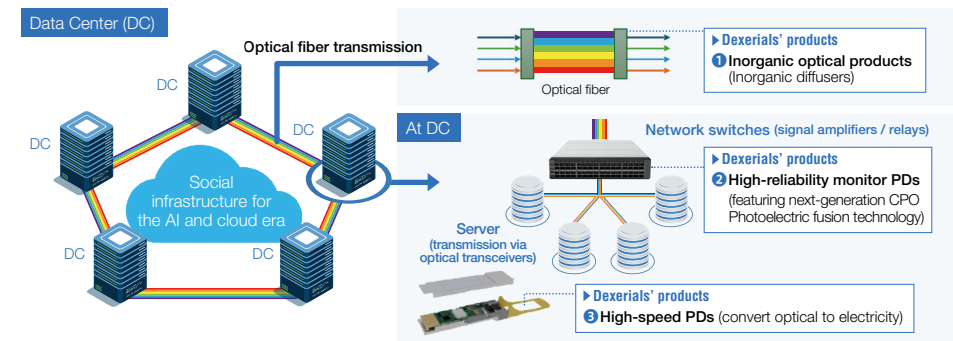


Sources: International Telecommunication Union (ITU) "Facts and Figures 2024: Internet traffic," Dexerials research

*2 Zettabyte = 1 trillion gigabytes

Dexerials' Connecting Technologies for the Next Era

Dexerials is applying the technological expertise we have developed in displays to further advance Light-Connecting Technologies for the AI era. We will focus specifically on the products and technologies shown below, aiming to build more energy-efficient and reliable social infrastructure for diverse data communication applications.



1 Inorganic optical products (Inorganic diffusers)

This refers to light-control technologies used in communication pathways that connect data centers. By combining multiple optical signals into a single line or splitting them apart, this technology enables the transmission of far greater volumes of data with limited infrastructure. In essence, it supports "traffic control" to make communications more efficient.

With excellent durability, our products also enable faster prototyping than conventional models.

2 High-reliability monitor photodiodes

Monitor photodiodes serve as the "watchdog" for light-emitting devices such as laser diodes, performing real-time monitoring of output. They help stabilize optical transmissions by constantly checking laser light intensity and prompting adjustments when fluctuations occur. Our monitor photodiodes have a long-established track record of trouble-free operation in submarine cables, and are now being adopted in next-generation network equipment.

3 High-speed photodiodes (high-speed PDs)

High-speed photodiodes are the key component used in optical transceivers within servers. They convert incoming optical signals into electrical signals—an essential function where speed and precision are critical. Our photodiodes feature extremely low standby current (dark current), minimizing power waste even in servers that operate continuously.

Purpose

Empower Evolution.

Connect People and Technology.

Empowering the Foundation of Future Society Through Technology in Pursuit of Our Purpose

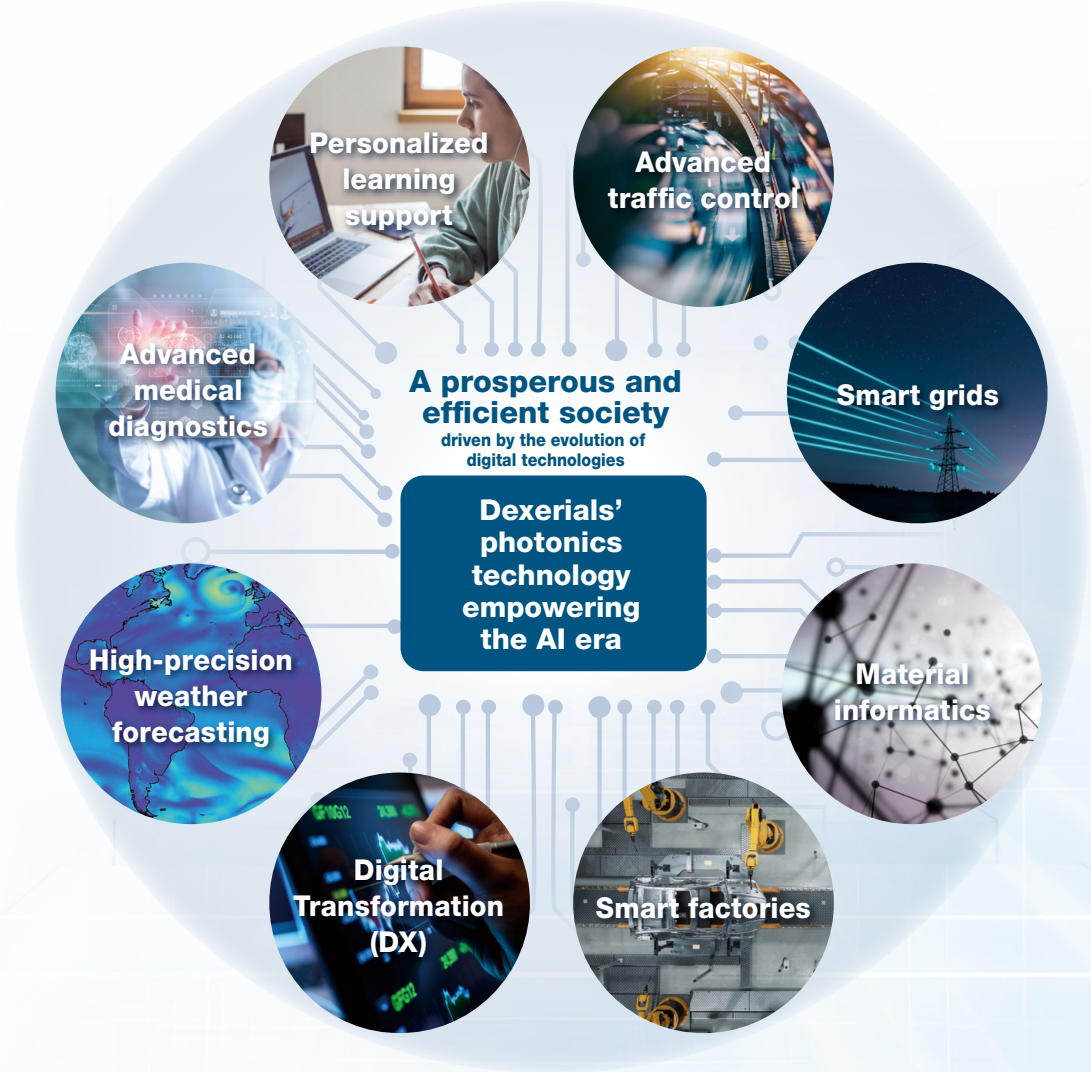
Dexerials' optical communication products and technologies all support reliable connections behind the scenes. We are advancing and adapting our "connecting technologies" originally developed in the field of displays to the challenges at the core of an AI-driven society—communications and power. Combining high precision, proven reliability, and superior energy efficiency, these technologies are already at work in data centers and network equipment around the world.

Guided by our Purpose, "Empower Evolution. Connect People and Technology," Dexerials is taking on the challenge of building a sustainable future and society by providing solutions through photonics technology. Photonics technology enables high-capacity, high-speed data transmission with low power consumption, addressing the issues of increasing communication traffic and power consumption that accompany the expansion of AI and cloud computing.

Our photonics, which leverages one of our core technologies—optical semiconductor technology—continues to advance, and by combining it with our six core technologies, Dexerials is generating new value through comprehensive photoelectric fusion solutions.

P. 20 A Business Model Born from Materiality

These technologies not only enhance the efficiency and performance of data centers and network equipment but also extend to diverse fields such as healthcare, education, transportation, and industry, delivering new value to society. Through photonics technology, Dexerials aims to help resolve social issues while achieving sustainable corporate growth, laying the groundwork for a better future for global society.





With Our Purpose as Our Helm, We Are Embarking on a Voyage of Evolution

We have embarked on a new voyage under our Medium-Term Management Plan 2028, “Achieving Evolution,” starting from the fiscal year ending March 2025. This new journey reflects our determination to realize our Purpose and accelerate the next phase of Dexerials’ growth.

Amid an increasingly unpredictable global environment and intensifying geopolitical risks, we remain firmly on course. Guided by our unshakeable helm—our Purpose that never wavers even in uncertainty—we will continue to move forward with confidence and resolve.

新家由久

Yoshihisa Shinya
Representative Director and President

Building Resilience Through Uniqueness— Our Single-Source Strength

As global uncertainties deepen beyond the scope of the traditional VUCA framework, we recognize that we now operate in a truly BANI world—Brittle, Anxious, Non-linear, and Incomprehensible. In this environment, we are determined to make every management decision with uncertainty as our constant premise, maintaining agility and discipline even when conditions shift unexpectedly.

With this mindset, we must identify the risks that affect us, and among these, the ones we can control, in our day-to-day decision-making. Important risks are evaluated using simulation techniques, and at the current time, we assess that the possible impact of these risks on our business is limited.

Our portfolio of single-source products is a key factor in our resilience, as these products are unique and difficult to replicate. Dexerials is committed to delivering indispensable products that enable us to adapt to change and ensure long-term business sustainability.

Our business model enables us to continuously deliver these single-source products. We build relationships with our end customers—the industry-leading brand manufacturers who are closest to consumers—by their sharing technology roadmaps and engaging in dialogue with them. By deeply understanding the vision of our customers—the industry’s top leaders—and collaboratively devising solutions to realize it, we can swiftly produce high-quality products and ensure a single-source supply. This is the essence of our business model’s “Design-In” and “Spec-In” approach, which enables sustainable growth aligned with trends in technological evolution.

P. 20 A Business Model Born from Materiality

Our engineers sometimes ask how we can truly achieve single-source relationships. I always turn the question back to them: “If you were a brand manufacturer, what kind of value would you expect from your partner?” This reversal encourages them to think from the customer’s perspective—to explore what solutions would create real value, how to interpret customers’ priorities, and what kind of dialogue would build genuine trust. By combining technology and expertise, our engineers strive to develop proposals that help shape our customers’ future success. Through this ongoing process, they build enduring relationships based on shared technology roadmaps and open, continuous communication with end customers—relationships that naturally lead to single-source partnerships. Since 2023, we have formalized these uniquely Dexerials activities under the name “engineering marketing,” combining technical creativity with customer insight to drive co-creation.

fiscal 2025 also, the strategies and initiatives outlined in our Mid-Term Plan are progressing steadily.

The ongoing Mid-Term Management Plan positions the photonics and automotive businesses as core growth domains that will power Dexerials’ evolution. These domains embody our strategy of creating long-term value through advanced materials and device technologies that address global challenges.

► Photonics Business

We first turned our focus to the photonics business around 2016, when it emerged as a key enabling technology for IoT and AI. In 2019, we confirmed this commitment by establishing the Dexerials Innovation Group (DIG) Promotion Department, which solidified photonics as our next major growth pillar. The COVID-19 pandemic later revealed the inefficiencies caused by delayed digitalization across society, reaffirming our recognition of AI as a critical technology for solving social challenges. Building on this awareness, we began full-scale efforts in Photonics as an enabling technology that supports and accelerates AI innovation.

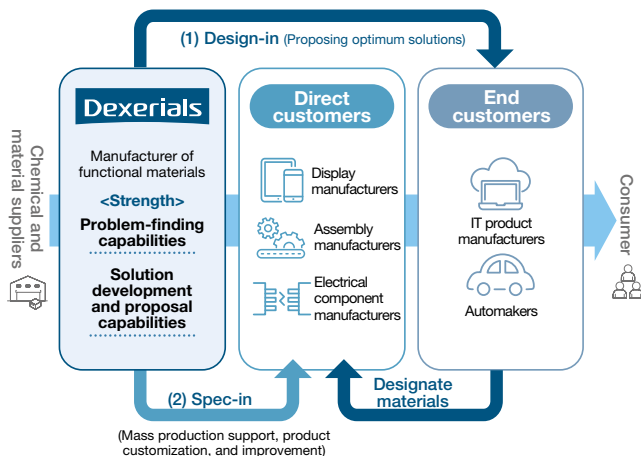
P. 26 Message from the Technology Strategy Head P. 28 Innovation

We later met Kyoto Semiconductor Co., Ltd. (Kyosemi, now Dexerials Photonics Solutions Corporation), a company recognized for its unique expertise in optical semiconductor technology. In 2022, we completed our first acquisition and welcomed Kyosemi into the Dexerials Group.

For us, the aim is to contribute to the resolution of social issues in the era of AI through photonics. This M&A also represented the acquisition of the missing parts: optical semiconductors.

Within photonics, our primary focus is the data communications market. In particular, we see tremendous potential in photoelectric fusion technology to dramatically cut data-center energy consumption. Maintaining data centers requires enormous amounts of electricity. With the spread of

Dexerials’ Business Model



Driving Innovation in Growth Domains— Photonics and Automotive Businesses

In fiscal 2024, we achieved record highs across key metrics: Net sales rose 4.9% from the previous fiscal year, to 110.4 billion yen, while business profit increased 11.7%, to 38.1 billion yen, and net profit surged 22.9%, to 27.7 billion yen. In

generative AI, energy demand is accelerating. Without the development of energy-efficiency technologies, society as a whole could collapse. Photoelectric fusion technology is garnering recognition as a promising solution to this challenge and, based on these developments, we hope to further boost this technology's commercial potential.

■ P. 10 Advancing a Sustainable Future Through Light-Connecting Technologies

The acquisition of Kyoto Semiconductor (now Dexerials Photonics Solutions) in 2022 represented a decisive step in strengthening our optical semiconductor capabilities. Through this integration, we filled a critical technological gap and secured a platform for scalable growth in high-value markets. We are now expanding from customized small-lot production to automation-ready mass manufacturing, ensuring that our technology can meet diverse global demand.

► Automotive Business

Our automotive journey began in 2010, sparked by an encounter with a European original equipment manufacturer (OEM) engineer who envisioned “cars like smartphones.” That conversation ignited our determination to bring Dexerials’ electronic-material expertise into mobility innovation.

By 2015, we committed to entering the automotive field in earnest, recognizing that the industry’s transformation toward digitalization and autonomy aligned perfectly with our capabilities. Although integrating into the Tier 1 and Tier 2 supplier networks posed challenges, our persistent dialogue with global OEMs revealed clear opportunities where our materials and device knowledge could drive value.

We are steadily expanding our global activities. In the automotive sector, design and functionality requirements differ by region, and we are advancing development tailored to each market. As part of these efforts, we have established bases in Germany and in Detroit. We are also

By continuing to provide unique, high-added-value products and solutions unique to Dexerials, we aim to increase economic and social value and become an indispensable presence in future society.

strengthening relationships with partners and customers by leveraging the unique strengths of each location.

■ P. 22 Special Feature 1: Business Expansion in Growth Domains: Leveraging Our Technologies and Business Model for the Automotive Industry

Furthermore, we have begun exploring ways to expand our strengths into the mass market. Looking ahead, we will continue to anticipate automotive digitalization and take on new challenges, confident that these efforts will make us an indispensable presence in the automotive industry.

We are making steady progress and seeing tangible signs of growth in both our photonics and automotive businesses. This reaffirms that our proactive business model, which anticipates future trends, forms hypotheses and acts ahead of change, remains highly effective as we expand into new areas.

Strengthening the “Technology” and “Human Capital” That Create the Future: Investing for Growth

Under our current Mid-Term Management plan, we are allocating 45 billion in non-financial investments to strengthen two key focus areas: “Technology” and “Human Capital.” These investments are positioned as critical measures for achieving our Mid-Term Management Plan 2028: “Achieving Evolution,” which aims to promote long-term growth while balancing social and economic value, thereby building the foundation for sustainable management.

“Technology” and “Human Capital” are essential for Dexerials to anticipate change, develop forward-looking proposals, and combine different technologies to create new value. This investment initiative is one of the key drivers for achieving the Mid-Term Plan 2028.



► The customer perspective and backcasting: Acquiring and promoting human resources

Dexerials originated as part of the Sony Group, where it was natural to consider from the concept stage how to deliver value to consumers. The experience of understanding the mindset of top-brand engineers and engaging with them through a shared technical language became a major asset that continues to support us even after becoming independent.

More than a decade has passed since our independence, and as we expand into new areas, we recognize the importance of maintaining and developing the mindset of starting with a concept and predicting technology trends. To this end, we have been actively recruiting engineers and leaders experienced in leading brand manufacturers. Our goal is to embed the ability to understand end-customer mindsets and construct strategies and solutions through backcasting within the organization. The head of the DIG has this expertise as well. Dialogue with top industry leaders requires understanding and bridging multiple technological domains, thinking from the customer's perspective, and combining diverse specializations to generate breakthrough solutions. We are beginning to see more talents that exhibits these qualities. Going forward, we will strengthen our competitiveness by actively securing talented individuals—through both external recruitment and internal development—who will drive Dexerials' future growth.

P. 26 Message from the Technology Strategy Head

► Sustaining a culture of innovation and cultivating the next generation

Dexerials is home to many talented individuals, and we are working to further expand opportunities for the development of our next generation of leaders.

We have always approached problem-solving at the leading edge of technological change. Although we are listed on the Prime Market, we continue to value the start-up spirit of a company that embraces new challenges. We intend to

maintain and strengthen this culture by creating an environment where curious and driven people can thrive globally. To support this goal, we are expanding our educational initiatives, including next-generation management candidate development program, and programs to cultivate leaders who can drive organizational transformation.

To better serve our global customers, we are accelerating the development of our global talents pool. By 2024, we introduced a JOB-based HR Management system for all employees worldwide, including those at our global sites.

For our Japanese employees, we are creating more opportunities for international assignments to broaden their perspectives and experiences. We are also working to establish common global standards for our global sites, such as incentive programs that foster engagement and a shared sense of purpose, progressing step by step toward this goal.

P. 32 Message from the Human Resources Division Head

► Enhancing engagement and fostering human connection

To enhance employee engagement and provide meaningful incentives, we have implemented the Stock Grant Plan (J-ESOP). The system was introduced in 2016 and was updated in 2023 to a three-year grant cycle to encourage broader participation. By enabling more employees to hold shares, we aim to deepen their sense of ownership and connection to the company's value. Today, when our stock price rises, employees sometimes ask, "What happened?" This reflects a deeper interest and consideration among employees regarding our corporate value.

P. 40 Special Feature 2: J-ESOP—Creating Value for Employee Shareholders

From a technical standpoint, we have formed subcommittees where young engineers can interact and share ideas. These discussion forums bring together engineers from a variety of backgrounds. By sharing their

perspectives and exploring different ideas, the engineers generate fresh viewpoints that help them overcome technical barriers. Using analytical tools such as IP landscape* analysis, these exchanges often produce groundbreaking ideas that go far beyond conventional thinking. This environment is designed to refine engineers' analytical skills and creativity. Centered around DIG, our activities are expanding globally. Although DIG is currently led by global members, their resonance with our corporate culture, technology, and growth aspirations has been a tremendous asset. As we build teams in locations such as the US and Taiwan, their methods and activities stimulate many members of the company, including those in related domestic roles. We expect this to become a driving force for spreading Dexerials' value across the world.

Going forward, the question is how we should link and develop our human capital portfolio in conjunction with our business portfolio expansion. We consider this a key initiative to pursue during the current Mid-Term Management Plan and plan to reinforce our foundation for sustainable growth.

* IP landscape: Comprehensive analysis of patent information and technology trend data from multiple perspectives, visualizing the market environment and competitive landscape to use in planning business strategy and R&D policy

Toward the Next Phase of Growth: Evolving Our Management Structure

Since our listing, we have maintained a progressive governance framework with Outside Directors comprising a majority of Outside Directors, and we have continued to enhance our corporate governance practices. Since its establishment in 2019, the Nomination and Remuneration Committee has been chaired by an Outside Director and has engaged in extensive discussions on the role of the Board of Directors and the skills required of its members, including in the context of succession planning. As a tangible result of these discussions, three directors have recently been succeeded.

In 2021, we transitioned to becoming a company with an Audit and Supervisory Committee, which has further strengthened the Board's oversight function. In terms of business execution, we have delegated substantial authority to the executive team to enable faster decision-making and more agile risk-taking in pursuit of growth, while the Board continues to provide appropriate monitoring and guidance. We are committed to ensuring that the Board's operations are effective and evolve continually.

☞ P. 46 Feature 3: Strengthening Corporate Governance to Achieve Sustainable Growth and Enhance Corporate Value

We have also restructured our executive framework, establishing the Corporate Strategy Division and Corporate Risk Management Head.

The Corporate Strategy Division has consolidated the strategies that were previously managed separately by each department. This integration of business and Human Capital Strategies will accelerate growth. The Corporate Risk Management function aims to identify internal and external risks in an increasingly uncertain environment and strengthen responses. Significant risks are reported promptly to the Executive Committee and Board of Directors, enabling them to take swift and appropriate action.

☞ P. 52 Message from the Corporate Strategy Division Head

☞ P. 60 Message from Corporate Risk Management Head

Attempts to Solve Problems to Realize Our Purpose Give Rise to New Encounters with Technology, Companies, and Human Capital

The advance of digital technologies is transforming not only our competitive landscape but the very fabric of society and industry. We see this transformation not as disruption but as opportunity for evolution. We are determined to harness DX and AI to accelerate R&D efficiency and explore new frontiers of innovation. At the same time, we are creating an environment where every employee can actively leverage digital tools to expand the possibilities of value creation and

strengthen our long-term competitiveness—not as disruption, but as opportunity.

These initiatives go far beyond internal efficiency. They form the foundation for Dexerials to broaden its role in addressing global challenges—and to contribute sustainably to the world through technology.

☞ P. 58 Accelerating DX to Drive Growth

In pursuit of the resolution of social issues, Dexerials has identified six key domains that demand technological advancement and has selected several as priority areas for active engagement—one of which is Photonics. We continue to ask what technological progress is required and what kinds of products will meaningfully contribute to society.

This approach is deeply connected to our corporate Purpose: “Empower Evolution. Connect People and Technology.” We believe that making society richer and more efficient requires the ongoing evolution of key technologies and digitalization. Through materials and device-based solutions that enable this evolution, we will continue contributing to the resolution of social issues—this is the essence of our Purpose.

The Purpose is not merely a slogan. It expresses the true meaning of our business activities and the vision we collectively aspire to. Formulated over two years through deep reflection by our employees, it represents a shared commitment that unites us across the organization. Each of us now works with a clear sense of ownership, linking our daily actions directly to our Purpose.

As for myself, I remain constantly attuned to signs of social change—seeking out game-changing shifts and identifying what is missing for Dexerials to evolve further. By maintaining this mindset, I believe we increase the chances of turning unexpected encounters into meaningful innovation. Going forward, with our Purpose as our helm,



we will continue to engage deeply with our end customers and refine our business model to contribute to the resolution of social issues.

As the environment surrounding business transforms at an unprecedented pace, we see steadily expanding opportunities to both create social value and achieve sustainable growth. Dexerials marks its 10th anniversary as a listed company in 2025, and we view the Mid-Term Management Plan 2028, “Achieving Evolution,” as the beginning of our next chapter—a true starting line for sustained growth. We sincerely appreciate the continued expectations and support of all our stakeholders as we move forward on this journey.