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Consolidated Financial Results for the Three Months Ended June 30, 2025 [Under IFRS]

August 5, 2025

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Scheduled date to commence dividend payments: –
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes (for securities analysts and institutional investors)

(Note) Amounts less than one million yen have been omitted.

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative) (Percentage indicates year-on-year changes.)

	Net sales		Business profit		EBITDA		Operating profit		Profit before tax	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	26,140	(3.8)	7,899	(17.7)	9,667	(13.7)	7,985	(18.3)	7,709	(19.2)
June 30, 2024	27,176	30.3	9,595	78.4	11,204	67.0	9,773	81.5	9,538	84.7

	Profit		Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
June 30, 2025	5,565	(16.8)	5,565	(16.8)	5,555	(23.4)	33.14	31.70
June 30, 2024	6,689	82.1	6,689	81.5	7,251	123.8	38.98	38.96

Notes: 1. For details of business profit and EBITDA, please refer to “* Proper use of earnings forecast, and other special notes, (Business profit and EBITDA).”

2. Effective October 1, 2024, the Company conducted a 3-for-1 split of common shares. Accordingly, basic earnings per share and diluted earnings per share were calculated based on the assumption that the stock split had been conducted at the beginning of the fiscal year ended March 31, 2025.

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
June 30, 2025	154,993	95,508	95,508	61.6	569.78
March 31, 2025	151,821	95,915	95,915	63.2	570.77

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	–	78.00	–	32.00	–
Fiscal year ending March 31, 2026	–				
Fiscal year ending March 31, 2026 (forecast)		29.00	–	29.00	58.00

Notes: 1. Revisions to dividend forecast published most recently: None

2. Effective October 1, 2024, the Company conducted a 3-for-1 split of common shares. As a result, the total annual dividends per share for the year ended March 31, 2025 is not presented, as they cannot be simply aggregated.

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Business profit		Operating profit		Profit before tax		Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	Yen
Fiscal year	103,500	(6.2)	29,000	(23.8)	28,000	(29.5)	28,300	(28.1)	20,500	120.25

Notes: 1. Revisions to earnings forecast published most recently: None
2. For the purpose of calculating the amount of basic earnings per share, the number of shares of the Company held by the Trust E as of the end of the fiscal year ended March 31, 2025 was included in the number of treasury shares, which was to be deducted from the calculation of the average number of common shares during the period.

[Notes]

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies and changes in accounting estimates
 - (i) Changes in accounting policies required by IFRS: None
 - (ii) Changes in accounting policies due to reasons other than (i) above: None
 - (iii) Changes in accounting estimates: None

- (3) Number of shares of common shares issued
 - (a) Number of shares issued (including treasury shares)
 - As of June 30, 2025: 176,418,500 shares
 - As of March 31, 2025: 176,418,500 shares
 - (b) Number of treasury shares
 - As of June 30, 2025: 8,794,661 shares
 - As of March 31, 2025: 8,375,061 shares
 - (c) Average number of common shares during the period
 - Three months ended June 30, 2025: 167,917,593 shares
 - Three months ended June 30, 2024: 171,586,695 shares

Notes: 1. Effective October 1, 2024, the Company conducted a 3-for-1 split of common shares. Accordingly, the number of issued shares (common shares) was calculated based on the assumption that the stock split had been conducted at the beginning of the fiscal year ended March 31, 2025.
2. As the Company has introduced a stock compensation plan which delivers shares with restrictions on transfer, the Company's shares are included in the number of treasury shares at the end of the period mainly for the purpose of allotting them as restricted shares.
3. As the Company has introduced an Employee Stock Ownership Plan (J-ESOP) and a Board Benefit Trust-Restricted Stock (BBT-RS), the number of shares of the Company held by Trust E is included in the number of treasury shares at the end of the period. In addition, the number of shares of the Company held by Trust E was included in the number of treasury shares to be deducted in the calculation of the average number of shares outstanding during the period.

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Proper use of earnings forecast, and other special notes
(Business profit and EBITDA)

Although business profit and EBITDA are not disclosures under IFRS, the Company believes that these disclosures provide useful information to investors. The details of business profit and EBITDA are as follows.

Business profit: A profit indicator that measures the Company's recurring operating results, which are determined by deducting cost of sales and selling, general and administrative expenses from net sales

EBITDA: A profit indicator that is determined by adding back depreciation, which is recorded as cost of sales and selling, general and administrative expenses, to business profit

(Method of obtaining supplementary materials on financial results)

Supplementary materials on financial results will be posted on our website at <https://www.dexerials.jp/en/ir/library/index.html>.

(Disclaimer with respect to earnings and other forecasts)

The forward-looking statements including results forecasts contained in this document are based on information currently available to the Company and certain assumptions that the Company deems reasonable. Accordingly, the Company does not intend to promise their achievement. Actual results may differ from these forecasts and forward-looking statements due to various factors.

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1. Overview of Consolidated Financial Results

(1) Operating results

The Group's operating results for the three months ended June 30, 2025 (hereinafter, the "period under review") were as follows: net sales were ¥26,140 million (down 3.8% year-on-year), business profit was ¥7,899 million (down 17.7% year-on-year), operating profit was ¥7,985 million (down 18.3% year-on-year), and profit attributable to owners of parent was ¥5,565 million (down 16.8% year-on-year). The impact of the end of sales of Phosphor films was offset by the expansion of other high-value-added products. However, fixed costs increased, mainly in optical semiconductors, and yen appreciation negatively impacted profitability.

Operating results by segment and sales by product category are presented as follows.

a. Optical Materials and Components

During the period under review, the Optical films product category reported a year-on-year decrease due to the end of sales of Phosphor films, though sales of products for laptop PC displays performed well in Anti-reflection films (ARF).

The Optical resin materials product category reported a year-on-year increase in sales due to an increase in the shipping quantity of high-end smartphone sensor-related products with high profitability in Smart precision Adhesives.

As a result, the business segment reported net sales of ¥11,933 million (down 5.1% year-on-year) and business profit of ¥3,329 million (down 8.6% year-on-year).

b. Electronic Materials and Components

During the period under review, the Anisotropic conductive films (ACF) product category reported a year-on-year decrease in sales due to the postponement of mass production for the new smartphone model, as well as the impact of pull-forward in demand in the previous quarter driven by China's consumer trade-in subsidy program for smartphones.

The surface mount fuse product category reported a year-on-year increase in sales due to a recovery in production following the completion of inventory adjustments by a major customer for products for power tools in the previous fiscal year, in addition, the acquisition of new BBU (battery backup units) projects for data centers.

The Photonics product category reported a year-on-year increase in sales due to an increase in the shipping quantity of products for optical transceivers for data centers in optical semiconductors.

As a result, the business segment reported net sales of ¥14,390 million (down 2.5% year-on-year) and business profit of ¥4,570 million (down 23.2% year-on-year).

Note: Segment sales include inter-segment transactions.

(2) Financial position

Total assets at the end of the period under review amounted to ¥154,993 million, an increase of ¥3,172 million from the end of the previous fiscal year, due to increases in property, plant and equipment, trade receivables and other receivables, which were partially offset by decreases in cash and cash equivalents and deferred tax assets. Total liabilities amounted to ¥59,484 million, an increase of ¥3,579 million from the end of the previous fiscal year, due to increases in other financial liabilities, trade and other payables, which were partially offset by a decrease in income taxes payable and employee benefits. Total equity amounted to ¥95,508 million, a decrease of ¥406 million from the end of the previous fiscal year, due to increases in treasury stock, despite an increase in capital surplus.

(3) Forward-looking statements including consolidated earnings forecast

The full-year earnings forecast for the fiscal year ending March 31, 2026 remains unchanged from that announced in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2025" disclosed on May 12, 2025.

2. Quarterly Consolidated Financial Statements and Notes
(1) Quarterly consolidated statement of financial position

(Millions of yen)

	Previous fiscal year (As of March 31, 2025)	Current quarter (As of June 30, 2025)
Assets		
Current assets		
Cash and cash equivalents	34,979	25,843
Trade and other receivables	17,979	19,380
Inventories	8,739	9,053
Other financial assets	126	133
Other current assets	1,733	1,984
Total current assets	63,559	56,394
Non-current assets		
Property, plant and equipment	49,703	60,535
Goodwill	21,288	21,288
Intangible assets	7,161	7,380
Investments accounted for using equity method	4,089	4,049
Other financial assets	761	800
Deferred tax assets	5,020	4,309
Other non-current assets	237	235
Total non-current assets	88,262	98,599
Total assets	151,821	154,993

(Millions of yen)

	Previous fiscal year (As of March 31, 2025)	Current quarter (As of June 30, 2025)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	12,279	13,726
Interest-bearing liabilities	8,965	8,055
Employee benefits accruals	4,067	2,700
Income taxes payable	7,631	1,561
Other financial liabilities	4,191	15,269
Other current liabilities	2,135	2,028
Total current liabilities	39,270	43,342
Non-current liabilities		
Interest-bearing liabilities	12,113	11,563
Retirement benefit liability	3,791	3,817
Provisions	279	316
Deferred tax liabilities	392	382
Other non-current liabilities	57	61
Total non-current liabilities	16,634	16,142
Total liabilities	55,905	59,484
Equity		
Share capital	16,262	16,262
Capital surplus	19,526	19,834
Retained earnings	64,442	64,630
Treasury shares	(4,727)	(5,620)
Other components of equity	412	402
Total equity attributable to owners of parent	95,915	95,508
Total equity	95,915	95,508
Total liabilities and equity	151,821	154,993

(2) Quarterly consolidated statement of profit or loss and quarterly consolidated statement of comprehensive income

Quarterly consolidated statement of profit or loss

(Millions of yen, except for per share data)

	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)
Net sales	27,176	26,140
Cost of sales	(11,838)	(12,367)
Gross profit	15,338	13,772
Selling, general and administrative expenses	(5,742)	(5,873)
Other income	200	131
Other expenses	(22)	(46)
Operating profit	9,773	7,985
Finance income	49	8
Finance costs	(289)	(169)
Share of profit (loss) of investments accounted for using equity method	5	(114)
Profit before tax	9,538	7,709
Income tax expense	(2,849)	(2,144)
Profit	6,689	5,565
Profit attributable to:		
Owners of parent	6,689	5,565
Profit	6,689	5,565
Earnings per share		
Basic earnings per share (Yen)	38.98	33.14
Diluted earnings per share (Yen)	38.96	31.70

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)
Profit	6,689	5,565
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	(196)	(0)
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(1)	2
Total of items that will not be reclassified to profit or loss	(197)	2
Items that may be reclassified to profit or loss:		
Cash flow hedges	(133)	5
Hedging costs	(14)	25
Exchange differences on translation of foreign operations	907	(117)
Share of other comprehensive income of investments accounted for using equity method	-	73
Items that may be reclassified to profit or loss	759	(11)
Total other comprehensive income (after tax effect)	561	(9)
Comprehensive income	7,251	5,555
Comprehensive income attributable to:		
Owners of parent	7,251	5,555
Comprehensive income	7,251	5,555

(3) Notes to quarterly consolidated financial statements

(Going concern assumption)

Not applicable.

(Quarterly consolidated statements of cash flows)

While quarterly consolidated statement of cash flows for the first quarter of the current fiscal year is not prepared, depreciation and amortization for the first quarter of the current fiscal year is as follows.

(Millions of yen)

	Three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)	Three months ended June 30, 2025 (From April 1, 2025 to June 30, 2025)
Depreciation and amortization	1,623	1,782

(Significant changes in the amount of equity attributable to owners of parent)

Not applicable.

(Segment information)

I Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

Information on net sales and profit (loss) by reportable segment

(Millions of yen)

	Reportable Segments			Adjustments	Consolidated
	Optical Materials and Components	Electronic Materials and Components	Total		
Net sales					
Sales to external customers	12,438	14,738	27,176	-	27,176
Intersegment sales and transfers	134	27	162	(162)	-
Total	12,573	14,765	27,339	(162)	27,176
Business Profit (Note)	3,641	5,953	9,595	-	9,595
Other income					200
Other expenses					(22)
Operating profit					9,773
Finance income					49
Finance costs					(289)
Share of profit (loss) of investments accounted for using equity method					5
Profit before tax					9,538

(Note) Business profit is a profit indicator that measures the Group's recurring operating results, which are determined by deducting cost of sales and selling, general and administrative expenses from net sales.

Reference) Net sales by region

Japan	¥5,773 million	China	¥8,849 million	South Korea	¥3,561 million
Taiwan	¥5,110 million	Other	¥3,880 million		

(Note) Sales in Japan include sales to customers based in Japan, even when the final destination of the products is overseas.

II Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

Information on sales and profit or loss by reportable segment

(Millions of yen)

	Reportable Segments			Adjustments	Consolidated
	Optical Materials and Components	Electronic Materials and Components	Total		
Net sales					
Sales to external customers	11,758	14,381	26,140	-	26,140
Intersegment sales and transfers	174	8	183	(183)	-
Total	11,933	14,390	26,324	(183)	26,140
Business Profit (Note)	3,329	4,570	7,899	-	7,899
Other income					131
Other expenses					(46)
Operating profit					7,985
Finance income					8
Finance costs					(169)
Share of profit (loss) of investments accounted for using equity method					(114)
Profit before tax					7,709

(Note) Business profit is a profit indicator that measures the Group's recurring operating results, which are determined by deducting cost of sales and selling, general and administrative expenses from net sales.

(Reference) Net sales by region

Japan	¥13,505 million	China	¥6,429 million	South Korea	¥1,804 million
Taiwan	¥2,335 million	Other	¥2,065 million		

(Note) Sales in Japan include sales to customers based in Japan, even when the final destination of the products is overseas.