

2. Cash dividends

	Annual dividends per share					Total amount of dividends	Dividend payout ratio (consolidated)	Dividends to equity attributable to owners of parent (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	-	78.00	-	32.00	-	10,292	35.8	10.9
Fiscal year ended March 31, 2026	-	29.00	-	29.00	58.00	10,134	34.8	9.5
Fiscal year ending March 31, 2027 (forecast)	-	32.00	-	32.00	64.00		-	

Notes: 1. Effective October 1, 2024, the Company conducted a 3-for-1 split of common shares. The amount of the fiscal year-end dividend for the fiscal year ended March 31, 2025 is presented on a post-stock split basis and the total amount of annual dividends per share is not indicated.

2. The total amount of dividends includes dividends for the shares of the Company held by Custody Bank of Japan, Ltd., (Trust Account E) (435 million yen for the fiscal year ended March 31, 2025, and 370 million yen for the fiscal year ended March 31, 2026).

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2027 (April 1, 2026 - March 31, 2027)

(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 ending March 31, 2027	123,000	8.1	40,000	1.6	38,500	1.1	38,500	0.3	27,500	(1.8)	163.45

[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 issued shares (common shares)
 - (a) Total number of issued shares at end of the period (including treasury shares)

As of March 31, 2026:	174,741,400 shares
As of March 31, 2025:	176,418,500 shares
 - (b) Number of treasury shares at the end of the period

As of March 31, 2026:	7,231,259 shares
As of March 31, 2025:	8,375,061 shares
 - (c) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026:	168,239,359 shares
Fiscal year ended March 31, 2025:	171,171,500 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 Custody Bank of Japan, Ltd., (Trust Account 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 Custody Bank of Japan, Ltd., (Trust Account 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.

(Reference) Summary of non-consolidated results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (April 1, 2025 - March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	110,944	6.3	36,168	3.7	36,892	(14.8)	27,632	(20.5)
March 31, 2025	104,394	11.5	34,877	17.2	43,304	59.9	34,747	79.1

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2026	164.24	-
March 31, 2025	202.99	202.96

Note: 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) Non-consolidated financial position

As of	Total assets	Net assets	Capital to asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2026	151,818	98,237	64.7	586.45
March 31, 2025	140,512	86,277	61.4	513.42

(Reference) Equity capital

Fiscal year ended March 31, 2026 98,237 million yen

Fiscal year ended March 31, 2025 86,277 million yen

* This consolidated financial results report is not subject to audit procedures to be performed by certified public accountants or an audit firm.

* 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 Operating Results, etc.

(1) Analysis of Operating Results

(Operating Results for the current fiscal year)

For the current fiscal year (from April 1, 2025 to March 31, 2026), the global economic outlook remained uncertain amid the continued impact of various policies by the U.S. administration, including reciprocal tariffs, increasing geopolitical risks due to the prolonged Russia-Ukraine situation and rising tensions in the Middle East, as well as ongoing volatility in foreign exchange markets.

In the major industries related to the Group's products, the consumer IT market remained firm for the full fiscal year, although concerns emerged from the second half regarding the impact of soaring memory prices. In the automotive market, while the competitive environment in the Chinese market intensified, production volumes remained solid due to the progress of electrification. In the market for optical transceivers for data centers, demand remained strong against the backdrop of the widespread adoption of generative AI.

Under these business conditions, the Group worked to expand a business portfolio less susceptible to changes in the business environment in accordance with its Mid-Term Management Plan. In growth domains, shipment volumes of products for optical transceivers for data centers and telecommunication equipment increased in the photonics business. In the automotive business, although customers' sales volumes declined due to intensifying competition in the Chinese automotive market, net sales increased slightly owing to an increase in the number of models adopting Anti-reflection films (ARF) and the expansion of display sizes. In existing domains, although sales of Phosphor films were terminated by the end of the first half of the previous fiscal year, sales of high-value-added products expanded, particularly camera module-related products for high-end smartphones, such as Pre-cut Anisotropic Conductive Films (ACF).

As a result, for the current fiscal year, net sales were ¥113,832 million (up 3.1% year-on-year), business profit was ¥39,352 million (up 3.4% year-on-year), operating profit was ¥38,097 million (down 4.1% year-on-year), and profit attributable to owners of parent was ¥28,009 million (up 1.0% year-on-year).

The performance of each segment is as follows.

a. Optical Materials and Components

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Percentage change
Net sales	50,647	47,971	(5.3)%
Business profit	14,556	14,308	(1.7)%

(Note) Net sales include inter-segment transactions.

Regarding net sales, in Anti-reflection films (ARF), products for laptop PC displays performed strongly through the first half, supported by replacement demand for end products that had continued since the second half of the previous fiscal year. However, demand stabilized in the second half, and sales decreased slightly due to a decline in sales volumes of certain adopted models in the fourth quarter. On the other hand, sales of products for automotives increased slightly owing to an increase in the number of adopted models and the expansion of display sizes, resulting in overall net sales remaining flat.

In Smart precision Adhesives, products for high-end smartphones remained firm due to increased sales volumes of adopted models.

On the other hand, for the segment, net sales amounted to ¥47,971 million (down 5.3% year-on-year), due to the impact of the termination of sales of Phosphor films at the end of the first half of the previous fiscal year.

Regarding profit, despite the positive impact from increased sales of Smart precision Adhesives, business profit amounted to ¥14,308 million (down 1.7% year-on-year), mainly due to the impact of decreased sales of high value-added products such as Anti-reflection films (ARF) for laptop PC displays.

b. Electronic Materials and Components

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026	Percentage change
Net sales	60,434	66,724	10.4%
Business profit	23,511	25,043	6.5%

(Note) Net sales include inter-segment transactions.

Regarding net sales, in Anisotropic Conductive Films (ACF), although demand for ACF for display applications was brought forward into the previous fiscal year, ACF for camera modules remained strong, particularly Pre-cut ACF, a product for high-end smartphones. In optical semiconductors, amid expanding demand for products used in optical transceivers for data centers and telecommunication equipment, the Group worked to improve yield rates, resulting in an increase in shipment volumes.

In Secondary protection fuses, in addition to a recovery in production following the completion of inventory adjustments by major customers for products used in power tools in the previous fiscal year, sales for products related to battery backup units (BBU) for data centers continued, leading to an increase in sales volumes.

As a result, net sales amounted to ¥66,724 million (up 10.4% year-on-year).

Regarding profit, although growth investments in optical semiconductors increased, business profit increased to ¥25,043 million (up 6.5% year-on-year), driven by the above-mentioned increase in sales.

(Earnings forecast for the next fiscal year)

The consolidated financial forecast for the next fiscal year ending March 31, 2027 is as follows.

Consolidated earnings forecasts

(Millions of yen)

	Fiscal year ending March 31, 2027 (Forecast)
Consolidated net sales	123,000
Business profit	40,000
Operating profit	38,500
Profit before tax	38,500
Profit attributable to owners of parent	27,500

(These forecasts are based on the assumed exchange rate of 150.0 yen/US\$.)

For the fiscal year ending March 31, 2027, the environment for the major industries related to the Group's products is expected to become increasingly uncertain, due to global economic disruption arising from rising tensions in the Middle East and the impact on the consumer IT products market from soaring memory prices.

Regarding the impact on the Group's performance, while production volumes of smartphones are expected to decline due to higher memory prices, shipments of high-end smartphones are expected to increase. In addition, the impact of increased costs through the first half of the fiscal year arising from the situation in the Middle East is expected to be immaterial.

Under these conditions, in growth domains, the Group expects a significant increase in sales volumes of products for optical transceivers for data centers, driven by the commencement of operations of new manufacturing facilities. In existing domains, mainly high value-added products such as Anisotropic Conductive Films (ACF) for high-end smartphones and Smart precision Adhesives are mainly expected to grow steadily. As a result, net sales are expected to increase year-on-year.

Regarding business profit, while capital expenditures and research and development expenses, primarily in the photonics business, are expected to increase, profit is expected to increase driven by the above-mentioned increase in sales. The assumed foreign exchange rate for the next fiscal year is ¥150.0/US\$, compared with ¥150.8/US\$ in the current fiscal year.

(2) Analysis of Financial Position

(i) Summary of assets, liabilities and equity

At the end of the current fiscal year, total assets increased by ¥13,282 million compared to the end of the previous fiscal year, reaching ¥165,104 million, despite a decrease in cash and cash equivalents, due to increases in property, plant and equipment, trade and other receivables, and inventories.

Total liabilities decreased by ¥165 million compared to the end of the previous fiscal year, reaching ¥55,740 million, as increases in other financial liabilities and interest-bearing debt (non-current liabilities) were offset by decreases in interest-bearing debt (current liabilities) and income taxes payable.

Total equity increased by ¥13,448 million compared to the end of the previous fiscal year, reaching ¥109,363 million, due to increases in retained earnings.

(ii) Summary of Cash flow

Cash flow from operating activities for the current fiscal year resulted in an inflow of ¥27,544 million, a decrease of ¥12,889 million compared to the previous fiscal year, due to profit before tax of ¥38,388 million, a decrease due to income taxes paid, and an increase from non-cash items such as depreciation and amortization.

Cash flow from investing activities resulted in an outflow of ¥25,061 million, an increase of ¥2,744 million compared to the previous fiscal year, due to expenditures such as the acquisition of property, plant and equipment.

Cash flow from financing activities resulted in an outflow of ¥21,443 million, an increase of ¥156 million compared to the previous fiscal year, due to expenditures such as the acquisition of treasury stock and dividend payments.

As a result of the above, cash and cash equivalents decreased by ¥18,324 million compared to the end of the previous fiscal year, amounting to ¥16,655 million at the end of the current fiscal year.

(3) Basic policy on Profit Distribution and Dividends for the Current and Next Fiscal Year

We regard return of profits to shareholders as one of the most important management tasks, with the recognition that increasing corporate value through investments for growth is the common interests of our shareholders. With this recognition, we aim to achieve both sustainable growth and high-level shareholder returns through proactive investments for growth and appropriate distribution of profits in accordance with the capital allocation and capital policy set forth in the Mid-term Management Plan 2028 “Achieving Evolution.” Specifically, the details are as follows.

- We make shareholder returns with the target total payout ratio at 60% for the five-year cumulative period covered by the Mid-term Management Plan.
- As to cash dividends paid each fiscal year, we aim to achieve stable dividend payments over the long term with the target consolidated payout ratio of 40% at a minimum dividend on equity ratio (DOE) of 7% or higher.
- We make a share buyback in an agile manner by comprehensively taking into account such factors as the Company’s financial standing, stock price levels, and cash position. As a general rule, treasury shares purchased through share buybacks shall be retired, except for the case of purchase for paying incentives.

For the fiscal year ended March 31, 2026, the year-end dividend per share has been set at 29.00 yen, as resolved at the Board of Directors meeting held on May 13, 2026. The annual dividend per share will be 58.00 yen.

For the next fiscal year ending March 31, 2027, we plan to set the interim dividend per share at 32.00 yen and the year-end dividend per share at 32.00 yen.

Additionally, the basic policy for surplus distribution is to conduct it twice a year, as interim and year-end dividends. The Company stipulates that dividends of surplus can be made by resolution of the Board of Directors based on Article 459, Paragraph 1 of the Companies Act, but the year-end dividend is planned to be resolved at the General Meeting of Shareholders.

(Reference) Total payout ratio for the fiscal year ended March 31, 2026: 54.0%

2. Basic Policy Regarding Selection of Accounting Standards

The Dexerials Group has voluntarily adopted International Financial Reporting Standards (IFRS) in place of Japanese GAAP from the fiscal year ended March 31, 2025. The Company has made this decision for the purpose, among others, of bringing further convenience to investors by providing internationally comparable financial information; facilitating communication of financial information with its customers, suppliers, and business partners by adopting internationally recognized accounting standards, amid an increase in cross-border transactions entered into by the Group; establishing a global management foundation by unifying accounting standards within the Group.

3. Consolidated Financial Statements and Notes

(1) Consolidated Statement of Financial Position

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	34,979	16,655
Trade and other receivables	17,979	21,171
Inventories	8,739	10,672
Other financial assets	126	17
Other current assets	1,733	984
Total current assets	63,559	49,500
Non-current assets		
Property, plant and equipment	49,703	76,858
Goodwill	21,288	21,288
Intangible assets	7,161	7,497
Investments accounted for using equity method	4,089	4,702
Other financial assets	761	599
Deferred tax assets	5,020	4,433
Other non-current assets	237	223
Total non-current assets	88,262	115,603
Total assets	151,821	165,104

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	12,279	12,710
Interest-bearing liabilities	8,965	3,176
Employee benefits accruals	4,067	4,473
Income taxes payable	7,631	3,879
Other financial liabilities	4,191	12,011
Other current liabilities	2,135	1,574
Total current liabilities	39,270	37,825
Non-current liabilities		
Interest-bearing liabilities	12,113	13,330
Retirement benefit liability	3,791	3,721
Provisions	279	458
Deferred tax liabilities	392	387
Other non-current liabilities	57	17
Total non-current liabilities	16,634	17,914
Total liabilities	55,905	55,740
Equity		
Share capital	16,262	16,262
Capital surplus	19,526	19,331
Retained earnings	64,442	77,667
Treasury shares	(4,727)	(5,110)
Other components of equity	412	1,212
Total equity attributable to owners of parent	95,915	109,363
Total equity	95,915	109,363
Total liabilities and equity	151,821	165,104

(2) Consolidated Statement of Profit or Loss and Consolidated Statement of Comprehensive Income

(Consolidated Statement of Profit or Loss)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	110,390	113,832
Cost of sales	48,247	50,071
Gross profit	62,142	63,760
Selling, general and administrative expenses	24,074	24,408
Other income	2,568	479
Other expenses	901	1,733
Operating profit	39,735	38,097
Finance income	272	77
Finance costs	944	198
Share of profit (loss) of investments accounted for using equity method	296	412
Profit before tax	39,359	38,388
Income tax expense	11,621	10,379
Profit	27,737	28,009
Profit attributable to		
Owners of parent	27,737	28,009
Profit	27,737	28,009
Earnings per share		
Basic earnings per share (yen)	162.04	166.48
Diluted earnings per share (yen)	155.02	160.03

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit	27,737	28,009
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	(298)	86
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	6	(18)
Total of items that will not be reclassified to profit or loss	(292)	67
Items that may be reclassified to profit or loss:		
Cash flow hedges	72	(52)
Hedging costs	16	6
Exchange differences on translation of foreign operations	(983)	664
Share of other comprehensive income of investments accounted for using equity method	(178)	200
Items that may be reclassified to profit or loss	(1,072)	819
Total other comprehensive income (after tax effect)	(1,364)	887
Comprehensive income	26,373	28,896
Comprehensive income attributable to:		
Owners of parent	26,373	28,896
Comprehensive income	26,373	28,896

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Equity attributable to owners of parent				Other components of equity		
	Share capital	Capital Surplus	Retained earnings	Treasury shares	Net Change in Fair Value of Equity Instruments Designated as Measured at Fair Value through Other Comprehensive Income	Remeasurements of defined benefit plans	Cash flow hedges
Balance as of April 1, 2024	16,251	17,700	54,777	(5,085)	-	0	(59)
Profit			27,737				
Other comprehensive income					6	(298)	72
Total comprehensive income	-	-	27,737	-	6	(298)	72
Issuance of new shares	10	10					
Acquisition of treasury shares		(27)		(10,000)			
Dividends			(8,195)				
Share-based payment transactions		1,842		780			
Cancellation of treasury shares			(9,577)	9,577			
Transfer from other components of equity to retained earnings			(298)			298	
Others			(0)				
Total transactions with owners	10	1,825	(18,072)	357	-	298	-
Balance as of March 31, 2025	16,262	19,526	64,442	(4,727)	6	0	12

	Equity attributable to owners of parent				Total equity
	Hedging costs	Exchange differences on translation of foreign operations	Total	Total	
Balance as of April 1, 2024	(17)	1,555	1,478	85,122	85,122
Profit			-	27,737	27,737
Other comprehensive income	16	(1,161)	(1,364)	(1,364)	(1,364)
Total comprehensive income	16	(1,161)	(1,364)	26,373	26,373
Issuance of new shares			-	21	21
Acquisition of treasury shares			-	(10,027)	(10,027)
Dividends			-	(8,195)	(8,195)
Share-based payment transactions			-	2,622	2,622
Cancellation of treasury shares			-	-	-
Transfer from other components of equity to retained earnings			298	-	-
Others			-	(0)	(0)
Total transactions with owners	-	-	298	(15,579)	(15,579)
Balance as of March 31, 2025	(1)	394	412	95,915	95,915

Fiscal year ended March 31, 2026

(Millions of yen)

	Equity attributable to owners of parent				Other components of equity		
	Share capital	Capital Surplus	Retained earnings	Treasury shares	Net Change in Fair Value of Equity Instruments Designated as Measured at Fair Value through Other Comprehensive Income	Remeasurements of defined benefit plans	Cash flow hedges
Balance as of April 1, 2025	16,262	19,526	64,442	(4,727)	6	0	12
Profit			28,009				
Other comprehensive income					(18)	86	(52)
Total comprehensive income	-	-	28,009	-	(18)	86	(52)
Issuance of new shares							
Acquisition of treasury shares		(28)		(5,992)			
Dividends			(10,283)				
Share-based payment transactions		(165)		1,023			
Cancellation of treasury shares			(4,585)	4,585			
Transfer from other components of equity to retained earnings			84			(86)	
Others							
Total transactions with owners	-	(194)	(14,783)	(383)	-	(86)	-
Balance as of March 31, 2026	16,262	19,331	77,667	(5,110)	(12)	(0)	(39)

	Equity attributable to owners of parent				Total equity
	Hedging costs	Exchange differences on translation of foreign operations	Total	Total	
Balance as of April 1, 2025	(1)	394	412	95,915	95,915
Profit			-	28,009	28,009
Other comprehensive income	6	864	887	887	887
Total comprehensive income	6	864	887	28,896	28,896
Issuance of new shares			-	-	-
Purchase of treasury shares			-	(6,020)	(6,020)
Dividends			-	(10,283)	(10,283)
Share-based payment transactions			-	858	858
Cancellation of treasury shares			-	-	-
Transfer from other components of equity to retained earnings			(86)	(1)	(1)
Others			-	-	-
Total transactions with owners	-	-	(86)	(15,447)	(15,447)
Balance as of March 31, 2026	5	1,259	1,212	109,363	109,363

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before tax	39,359	38,388
Depreciation and amortization	6,700	7,606
Impairment loss (or reversal)	111	-
Interest and dividends income	(272)	(77)
Interest expenses	136	60
Foreign exchange loss (gain)	(362)	(177)
Loss (gain) on sale of fixed assets	(12)	(357)
Loss on retirement of fixed assets	506	513
Share-based payment expenses	2,710	1,357
Increase or decrease in retirement benefit asset or liability	(702)	57
Decrease (increase) in trade and other receivables	4,118	(2,871)
Decrease (increase) in inventories	1,066	(1,840)
Increase (decrease) in trade and other payables	(1,870)	93
Others	(2,296)	(1,576)
Subtotal	49,190	41,176
Interest and dividends received	135	78
Interest paid	(135)	(175)
Income taxes paid	(8,756)	(13,535)
Net cash provided by (used in) operating activities	40,433	27,544
Cash flows from investing activities		
Purchase of investment securities	(385)	(41)
Purchase of property, plant and equipment	(14,073)	(23,716)
Purchase of intangible assets	(1,672)	(1,522)
Proceeds from sale of property, plant and equipment	17	261
Purchase of shares of subsidiaries and affiliates	(1,276)	-
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(4,910)	-
Others	(16)	(43)
Net cash provided by (used in) investing activities	(22,316)	(25,061)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	(4,000)
Proceeds from increase in long-term borrowings	-	4,000
Repayments of long-term borrowings	(2,459)	(4,527)
Purchase of treasury shares	(10,000)	(5,992)
Dividends paid	(8,195)	(10,283)
Repayments of lease liabilities	(653)	(640)
Proceeds from exercise of employee share options	21	-
Net cash provided by (used in) financing activities	(21,286)	(21,443)
Effect of exchange rate change on cash and cash equivalents	424	636
Net increase (decrease) in cash and cash equivalents	(2,745)	(18,324)
Cash and cash equivalents at beginning of period	35,328	34,979
Net increase (decrease) in cash and cash equivalents transfer from assets held for sale	2,396	-
Cash and cash equivalents at end of period	34,979	16,655

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Segment Information, etc.)

I Fiscal year ended March 31, 2025

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	50,039	60,350	110,390	-	110,390
Intersegment sales and transfers	608	83	692	(692)	-
Total	50,647	60,434	111,082	(692)	110,390
Business Profit (Note)	14,556	23,511	38,068	-	38,068
Other income					2,568
Other expenses					(901)
Operating profit					39,735
Finance income					272
Finance costs					(944)
Share of profit of investments accounted for using equity method					296
Profit before tax					39,359
Other Items					
Depreciation and Amortization	3,431	3,269	6,700	-	6,700

(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 36,828 million yen, China 28,915 million yen, South Korea 14,141 million yen, Taiwan 17,579 million yen,

Others 12,925 million yen

II Fiscal year ended March 31, 2026

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	47,162	66,669	113,832	-	113,832
Intersegment sales and transfers	809	54	863	(863)	-
Total	47,971	66,724	114,695	(863)	113,832
Business Profit (Note)	14,308	25,043	39,352	-	39,352
Other income					479
Other expenses					(1,733)
Operating profit					38,097
Finance income					77
Finance costs					(198)
Share of profit of investments accounted for using equity method					412
Profit before tax					38,388
Other Items					
Depreciation and Amortization	3,564	4,041	7,606	-	7,606

(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 57,739 million yen, China 27,672 million yen, South Korea 7,029 million yen, Taiwan 13,103 million yen,

Others 8,286 million yen

(Per Share Information)

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.

(1) Basis for calculating basic earnings per share

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit attributable to owners of parent (Millions of yen)	27,737	28,009
Profit not attributable to ordinary shareholders of parent (Millions of yen)	-	-
Used for calculating basic earnings per share Profit for the period (Millions of yen)	27,737	28,009
Weighted average number of common shares (Thousand shares)	171,171	168,239
Basic earnings per share (Yen)	162.04	166.48

(Note) Shares of the Company held by Trust E are included in treasury shares deducted from the calculation of the average number of shares outstanding during the period for the purpose of calculating basic earnings per share (7,726 thousand shares in the previous fiscal year, 6,782 thousand shares in the current fiscal year).

(2) Basis for calculating diluted earnings per share

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Used for calculating basic earnings per share Profit for the period (Millions of yen)	27,737	28,009
Profit adjustment amount (Millions of yen)	-	-
Profit for the period used for calculating diluted earnings per share (Millions of yen)	27,737	28,009
Weighted average number of common shares (Thousand shares)	171,171	168,239
Increase in common shares		
Stock compensation (Thousand shares)	7,726	6,782
Stock options (Thousand shares)	29	-
Weighted average number of common shares after dilution (Thousand shares)	178,927	175,022
Diluted earnings per share (Yen)	155.02	160.03

4. Others

(1) Appointment of Directors

At the Board of Directors meeting held on May 13, 2026, the Company resolved the following director candidates to be submitted to the annual General Meeting of Shareholders scheduled for June 2026. The selection of the Representative Director is scheduled to be formally decided by a resolution of the Board of Directors after the annual General Meeting of Shareholders.

Directors (excluding Directors serving as Audit and Supervisory Committee Members)

	Name	Position
(Reappointment)	Yoshihisa Shinya	Representative Director and President
(Reappointment)	Katsushi Kitajo	Representative Director
(Reappointment)	Kazuo Hosoya	Outside Director
(Reappointment)	Toshihiro Hagiwara	Outside Director
(New Appointment)	Kyoko Matsuba	Outside Director

*Mr. Kazuo Hosoya, Mr. Toshihiro Hagiwara, and Ms. Kyoko Matsuba are not subject to any items that may cause a conflict of interest with general shareholders according to the independence criteria set by the Tokyo Stock Exchange and the Company. Therefore, if appointed as directors, they are expected to be designated as independent officers.

*Outside Director Satoshi Taguchi will retire at the conclusion of the annual General Meeting of Shareholders scheduled for June 2026.