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Consolidated Financial Results for the Six Months Ended September 30, 2025 [Under IFRS]

November 12, 2025

Company name: Dexerials Corporation Listing: Tokyo Stock Exchange
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Scheduled date to file Semi-annual Securities Report: November 12, 2025
Scheduled date to commence dividend payments: December 18, 2025
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 six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

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

	Net sales		Business profit		EBITDA		Operating profit		Profit before tax	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	57,456	(3.7)	20,153	(9.7)	23,723	(7.2)	19,902	(14.7)	19,794	(12.2)
September 30, 2024	59,635	20.2	22,320	38.2	25,564	35.9	23,319	57.0	22,533	54.3

	Profit		Profit attributable to owners of parent		Total comprehensive income		Basic earnings per share	Diluted earnings per share
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
September 30, 2025	13,410	(15.4)	13,410	(15.4)	13,569	(7.4)	79.65	76.39
September 30, 2024	15,856	52.7	15,856	52.5	14,655	36.0	92.27	88.17

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
September 30, 2025	158,783	103,222	103,222	65.0	610.13
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	-	29.00			
Fiscal year ending March 31, 2026 (forecast)			-	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
Fiscal year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen		Yen
	114,000	3.3	39,000	2.4	39,000	(1.9)	38,500	(2.2)	26,000	(6.3)	153.69

Notes: 1. Revisions to earnings forecast published most recently: Yes
2. For revisions to the earnings forecast, please refer to the "Notice of Revised Consolidated Earnings Forecast for the Fiscal Year Ending March 2026" announced on November 12, 2025.

[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 September 30, 2025: 176,418,500 shares
 - As of March 31, 2025: 176,418,500 shares
 - (b) Number of treasury shares
 - As of September 30, 2025: 7,238,359 shares
 - As of March 31, 2025: 8,375,061 shares
 - (c) Average number of common shares during the period
 - Six months ended September 30, 2025: 168,368,814 shares
 - Six months ended September 30, 2024: 171,837,606 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.

* Semi-annual financial results reports are exempt from interim audit conducted 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 Consolidated Financial Results

(1) Operating results

The Group's operating results for the six months ended September 30, 2025 (hereinafter, the "period under review") were as follows: Net sales were ¥57,456 million (down 3.7% year-on-year), business profit was ¥20,153 million (down 9.7% year-on-year), operating profit was ¥19,902 million (down 14.7% year-on-year), and profit attributable to owners of parent was ¥13,410 million (down 15.4% year-on-year).

During the period under review, despite the appreciation of the yen, the Group achieved growth in sales of optical semiconductors and high-value-added products such as Anisotropic conductive films (ACF) for camera modules. On the other hand, in the same period of the previous fiscal year, sales included Phosphor films (which ended at the end of the previous semi-annual consolidated period) and a buildup of new deliveries of Anti-reflection films (ARF) for automobiles. As a result, net sales declined year-on-year.

In addition to the above factors, an increase in fixed costs due to growth investments—particularly in optical semiconductors—also contributed to the decline in 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 saw steady performance in Anti-reflection films (ARF) for laptop PCs. However, net sales declined year-on-year due to the impact of sales in the previous period, which included Phosphor films and a buildup of new deliveries of ARF for automobiles.

The Optical resin materials product category, net sales decreased due to a decline in shipment volumes for certain models using Optical elastic resins (SVR).

As a result, the business segment reported net sales of ¥25,351 million (down 13.2% year-on-year) and business profit of ¥8,047 million (down 19.4% 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. Although usage of Pre-cut ACF for camera modules increased, overall sales declined due to the impact of pull-forward demand in the fourth quarter of the previous fiscal year, driven by China's consumer trade-in subsidy program for smartphones and other devices using display-related ACF.

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 to continued sales of BBU (battery backup units) for data centers.

The Photonics product category reported a year-on-year increase in sales due to an increase in the shipping quantity of high-speed response photodiodes for optical transceivers and monitor photodiodes for telecommunications equipment in optical semiconductors.

As a result, the business segment reported net sales of ¥32,510 million (up 5.6% year-on-year) and business profit of ¥12,105 million (down 1.9% year-on-year).

Note: Segment sales include inter-segment transactions.

(2) Financial position

(i) Summary of assets, liabilities and equity

Total assets at the end of the period under review amounted to ¥158,783 million, an increase of ¥6,962 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 ¥55,560 million, a decrease of ¥344 million from the end of the previous fiscal year, due to decreases in income taxes payable and interest-bearing debt, despite increases in trade and other payables and other financial liabilities.

Total equity amounted to ¥103,222 million, an increase of ¥7,307 million from the end of the previous fiscal year, due to an increase in retained earnings, despite a decrease in capital surplus.

(ii) Summary of Cash flow

Cash flow from operating activities for the period under review resulted in an inflow of ¥10,853 million, a decrease of ¥8,857 million compared to the same period of the previous fiscal year. Profit before tax amounted to ¥19,794 million, and although income tax payments led to a decrease in cash flow, this was partially offset by non-cash items such as depreciation.

Cash flow from investing activities resulted in an outflow of ¥15,345 million, an increase of ¥10,212 million compared to the same period of 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 ¥8,259 million, an increase of ¥2,887 million compared to the same period of the previous fiscal year, due to expenditures such as dividend payments.

As a result of the above, cash and cash equivalents decreased by ¥12,602 million compared to the end of the previous fiscal year, amounting to ¥22,377 million at the end of the period under review.

(3) Forward-looking statements including consolidated earnings forecast

Revised Consolidated Earnings Forecast

During the current consolidated semi-annual period, performance exceeded expectations due to the expansion of high value-added products such as Anti-reflection films (ARF), as well as the depreciation of the yen compared to the initial exchange rate assumptions. We have revised our exchange rate assumption for the second half of the fiscal year, setting the annual rate at ¥145.8/US\$. Based on this situation, we have upwardly revised our full-year earnings forecast as stated below.

Revised full-year consolidated earnings forecast for the fiscal year ending March 31, 2026

(from April 1, 2025 to March 31, 2026)

	Net sales	Business profit	Operating profit	Profit before income 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
Previous forecast (A)	103,500	29,000	28,000	28,300	20,500	120.25
Revised forecast (B)	114,000	39,000	39,000	38,500	26,000	153.69
Amount changed (B-A)	10,500	10,000	11,000	10,200	5,500	33.44
Percent change (%)	10.1	34.5	39.3	36.0	26.8	27.8
(Reference)						
Results for the fiscal year ended March 31, 2025	110,390	38,068	39,735	39,359	27,737	162.04

Note: Effective October 1, 2024, the Company conducted a 3-for-1 split of common shares. Accordingly, basic earnings per share 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. Semi-annual Consolidated Financial Statements and Notes

(1) Semi-annual consolidated statement of financial position

(Millions of yen)

	Previous fiscal year (As of March 31, 2025)	Current semi-annual period (As of September 30, 2025)
Assets		
Current assets		
Cash and cash equivalents	34,979	22,377
Trade and other receivables	17,979	23,831
Inventories	8,739	9,666
Other financial assets	126	68
Other current assets	1,733	1,111
Total current assets	63,559	57,055
Non-current assets		
Property, plant and equipment	49,703	64,077
Goodwill	21,288	21,288
Intangible assets	7,161	7,441
Investments accounted for using equity method	4,089	4,224
Other financial assets	761	650
Deferred tax assets	5,020	3,792
Other non-current assets	237	253
Total non-current assets	88,262	101,727
Total assets	151,821	158,783

(Millions of yen)

	Previous fiscal year (As of March 31, 2025)	Current semi-annual period (As of September 30, 2025)
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	12,279	15,249
Interest-bearing liabilities	8,965	7,899
Employee benefits accruals	4,067	3,543
Income taxes payable	7,631	5,080
Other financial liabilities	4,191	5,796
Other current liabilities	2,135	2,072
Total current liabilities	39,270	39,642
Non-current liabilities		
Interest-bearing liabilities	12,113	11,357
Retirement benefit liability	3,791	3,840
Provisions	279	321
Deferred tax liabilities	392	373
Other non-current liabilities	57	26
Total non-current liabilities	16,634	15,918
Total liabilities	55,905	55,560
Equity		
Share capital	16,262	16,262
Capital surplus	19,526	18,576
Retained earnings	64,442	72,475
Treasury shares	(4,727)	(4,663)
Other components of equity	412	571
Total equity attributable to owners of parent	95,915	103,222
Total equity	95,915	103,222
Total liabilities and equity	151,821	158,783

(2) Semi-annual consolidated statement of profit or loss and Semi-annual consolidated statement of comprehensive income
Semi-annual consolidated statement of profit or loss

(Millions of yen, except for per share data)

	Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)
Net sales	59,635	57,456
Cost of sales	(25,335)	(25,382)
Gross profit	34,299	32,073
Selling, general and administrative expenses	(11,979)	(11,920)
Other income	1,082	267
Other expenses	(82)	(517)
Operating profit	23,319	19,902
Finance income	150	47
Finance costs	(996)	(194)
Share of profit or loss of investments accounted for using equity method	59	38
Profit before tax	22,533	19,794
Income tax expense	(6,676)	(6,384)
Profit	15,856	13,410
Profit attributable to:		
Owners of parent	15,856	13,410
Profit	15,856	13,410
Earnings per share		
Basic earnings per share (Yen)	92.27	79.65
Diluted earnings per share (Yen)	88.17	76.39

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)
Profit	15,856	13,410
Other comprehensive income, net of tax:		
Items that will not be reclassified to profit or loss:		
Remeasurements of defined benefit plans	(182)	(0)
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(3)	(1)
Total of items that will not be reclassified to profit or loss	(186)	(1)
Items that may be reclassified to profit or loss:		
Cash flow hedges	174	(38)
Hedging costs	14	(5)
Exchange differences on translation of foreign operations	(1,060)	109
Share of other comprehensive income of investments accounted for using equity method	(142)	95
Items that may be reclassified to profit or loss	(1,014)	160
Total other comprehensive income (after tax effect)	(1,200)	159
Comprehensive income	14,655	13,569
Comprehensive income attributable to:		
Owners of parent	14,655	13,569
Comprehensive income	14,655	13,569

(3) Semi-annual consolidated statement of changes in equity

Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					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 at April 1, 2024	16,251	17,700	54,777	(5,085)	-	0	(59)
Profit			15,856				
Other comprehensive income					(3)	(182)	174
Total comprehensive income	-	-	15,856	-	(3)	(182)	174
Issuance of new shares	10	10					
Purchase of treasury shares				(0)			
Dividends of surplus			(3,716)				
Share-based payment transactions		737		770			
Transfer from other components of equity to retained earnings			(182)			182	
Total transactions with owners	10	748	(3,898)	770	-	182	-
Balance at September 30, 2024	16,262	18,449	66,735	(4,314)	(3)	0	114

	Equity attributable to owners of parent				
	Other components of equity			Total	Total equity
	Hedging costs	Exchange differences on translation of foreign operations	Total		
Balance at April 1, 2024	(17)	1,555	1,478	85,122	85,122
Profit				15,856	15,856
Other comprehensive income	14	(1,203)	(1,200)	(1,200)	(1,200)
Total comprehensive income	14	(1,203)	(1,200)	14,655	14,655
Issuance of new shares			-	21	21
Purchase of treasury shares			-	(0)	(0)
Dividends of surplus			-	(3,716)	(3,716)
Share-based payment transactions			-	1,508	1,508
Transfer from other components of equity to retained earnings			182	-	-
Total transactions with owners	-	-	182	(2,186)	(2,186)
Balance at September 30, 2024	(3)	352	460	97,591	97,591

Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity		
					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 at April 1, 2025	16,262	19,526	64,442	(4,727)	6	0	12
Profit			13,410				
Other comprehensive income					(1)	(0)	(38)
Total comprehensive income	-	-	13,410	-	(1)	(0)	(38)
Issuance of new shares							
Purchase of treasury shares		(0)		(992)			
Dividends of surplus			(5,377)				
Share-based payment transactions		(948)		1,056			
Transfer from other components of equity to retained earnings			(0)			0	
Total transactions with owners	-	(949)	(5,377)	64	-	0	-
Balance at September 30, 2025	16,262	18,576	72,475	(4,663)	5	-	(26)

	Equity attributable to owners of parent				
	Other components of equity			Total	Total equity
	Hedging costs	Exchange differences on translation of foreign operations	Total		
Balance at April 1, 2025	(1)	394	412	95,915	95,915
Profit				13,410	13,410
Other comprehensive income	(5)	205	159	159	159
Total comprehensive income	(5)	205	159	13,569	13,569
Issuance of new shares			-	-	-
Purchase of treasury shares			-	(992)	(992)
Dividends of surplus			-	(5,377)	(5,377)
Share-based payment transactions			-	107	107
Transfer from other components of equity to retained earnings			0	-	-
Total transactions with owners	-	-	0	(6,262)	(6,262)
Balance at September 30, 2025	(7)	599	571	103,222	103,222

(4) Semi-annual consolidated statement of cash flows

	(Millions of yen)	
	Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)	Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)
Cash flows from operating activities		
Profit before taxes	22,533	19,794
Depreciation and amortization	3,274	3,604
Interest and dividend income	(150)	(47)
Interest expenses	61	39
Foreign exchange loss (gain)	278	(110)
Loss (gain) on sale of fixed assets	(7)	(221)
Loss on retirement of fixed assets	31	316
Share-based payment expenses	742	657
Increase or decrease in retirement benefit asset or liability	(577)	48
Decrease (increase) in trade and other receivables	(2,190)	(5,778)
Decrease (increase) in inventories	1,460	(886)
Increase (decrease) in trade and other payables	(526)	2,806
Other	(1,104)	(1,607)
Subtotal	23,824	18,615
Interest and dividends received	165	47
Interest paid	(60)	(89)
Income taxes paid	(4,218)	(7,720)
Net cash provided by (used in) operating activities	19,711	10,853
Cash flows from investing activities		
Purchase of investment securities	(325)	(25)
Purchase of property, plant and equipment	(2,723)	(14,475)
Purchase of intangible assets	(1,197)	(958)
Proceeds from sale of property, plant and equipment	14	120
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(889)	-
Other	(11)	(6)
Net cash provided by (used in) investing activities	(5,133)	(15,345)
Cash flows from financing activities		
Repayments of long-term borrowings	(1,348)	(1,610)
Purchase of treasury shares	(0)	(992)
Dividends paid	(3,716)	(5,377)
Repayments of lease liabilities	(328)	(278)
Proceeds from exercise of employee share options	21	-
Net cash provided by (used in) financing activities	(5,372)	(8,259)
Effect of exchange rate change on cash and cash equivalents	(638)	149
Net increase (decrease) in cash and cash equivalents	8,567	(12,602)
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	-
Net increase (decrease) in cash and cash equivalents transfer to assets held for sale	(3,985)	-
Cash and cash equivalents at end of period	42,307	22,377

(5) Notes to semi-annual consolidated financial statements

(Going concern assumption)

Not applicable.

(Segment information)

I Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

Information on net 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	28,903	30,731	59,635	-	59,635
Intersegment sales and transfers	293	53	347	(347)	-
Total	29,197	30,785	59,982	(347)	59,635
Business Profit (Note)	9,984	12,335	22,320	-	22,320
Other income					1,082
Other expenses					(82)
Operating profit					23,319
Finance income					150
Finance costs					(996)
Share of profit or loss of investments accounted for using equity method					59
Profit before tax					22,533
Other Items					
Depreciation and Amortization	1,668	1,606	3,274	-	3,274

(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	¥15,855 million	China	¥16,425 million	South Korea	¥8,528 million
Taiwan	¥11,063 million	Other	¥7,761 million		

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

II Six months ended September 30, 2025 (from April 1, 2025 to September 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	24,968	32,487	57,456	-	57,456
Intersegment sales and transfers	382	22	404	(404)	-
Total	25,351	32,510	57,861	(404)	57,456
Business Profit (Note)	8,047	12,105	20,153	-	20,153
Other income					267
Other expenses					(517)
Operating profit					19,902
Finance income					47
Finance costs					(194)
Share of profit or loss of investments accounted for using equity method					38
Profit before tax					19,794
Other Items					
Depreciation and Amortization	1,689	1,914	3,604	-	3,604

(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	¥30,255 million	China	¥13,396 million	South Korea	¥3,646 million
Taiwan	¥6,082 million	Other	¥4,075 million		

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

(Subsequent events)

(Decision regarding details of repurchase and retirement of treasury shares)

At the Board of Directors' meeting held on November 12, 2025, the Company resolved matters pertaining the repurchase of its treasury shares pursuant to Article 459, paragraph 1 of the Companies Act of Japan and Article 35 of Dexerials' Articles of Incorporation, and at the same time resolved matters pertaining the retirement of the treasury shares pursuant to Article 178 of the said Act.

(1) Reasons for repurchase and retirement of treasury shares

To improve capital efficiency and enhance shareholder returns as part of implementing capital policy according to the business environment, in consideration of factors such as opportunities for strategic investment and the Company's financial condition.

(2) Details of repurchase of treasury shares

- | | | |
|-------|--|--|
| (i) | Class of shares to be repurchased | : Common stock of the Company |
| (ii) | Total number of shares to be repurchased | : Up to 2,500,000 shares
(1.42% of the total number of shares outstanding
excluding treasury shares) |
| (iii) | Total amount of repurchase price | : Up to ¥5,000 million |
| (iv) | Repurchase period | : From November 13, 2025 to December 23, 2025 |
| (v) | Method of repurchase | : Purchase from the open market on the Tokyo Stock Exchange
(through discretionary trading by a securities company) |

(3) Details of retirement of treasury shares

- | | | |
|-------|--------------------------------|---|
| (i) | Class of shares to be retired | : Common stock of the Company |
| (ii) | Number of shares to be retired | : All treasury shares to be repurchased through the transaction as
described in item (2) above |
| (iii) | Scheduled date of retirement | : January 16, 2026 |

(Reference) Holding status of treasury shares as of September 30, 2025

- | | | |
|------|--|----------------------|
| (i) | Total number of shares outstanding (excluding treasury shares) | : 175,564,205 shares |
| (ii) | Number of treasury shares | : 854,295 shares |

Notes: The treasury shares as disclosed above do not include 6,384,064 shares of the Company held by a Board Benefit Trust-Restricted Stock (BBT-RS) for directors and other officers and an Employee Stock Ownership Plan ("J-ESOP") for employees in Japan. Additionally, the Company has introduced a stock compensation plan, which delivers shares with restrictions on transfer, and the treasury shares as disclosed above include 853,092 treasury shares held under the plan mainly for the purpose of allotting them as restricted shares.

The Company continues to hold treasury shares held for the incentive plans for employees and officers because we believe that the plans contribute to the Company's sustainable growth and corporate value enhancement.