

October 31, 2022

Company Name: Dexerials Corporation
 Security Code: 4980
 Listing: Prime, Tokyo Stock Exchange
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Notice of Revised Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2023

Dexerials Corporation (the “Company”) hereby announces that the Company has revised the full-year financial forecasts announced on May 10, 2022, considering the recent trend of business results, as follows.

1. Revised full-year consolidated financial forecast for the fiscal year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	110,000	31,000	29,600	20,000	329.48
Revised forecast (B)	111,000	35,000	32,300	22,000	362.43
Amount changed (B – A)	—	4,000	2,700	2,000	—
Percent change (%)	—	12.9	9.1	10.0	—
(Reference) Actual results for FY2021	95,712	26,642	25,023	16,669	274.61

2. Reason for revision

With respect to consolidated financial results for the first half, both sales and profit increased from the year-ago level. This is mainly due to, in addition to the depreciation of yen, our efforts to provide high value-added products that anticipated technological trends we have been working on, which resulted in winning new customers and projects, adoption to new parts, as well as contribution of new products for high-end products, despite the difficult business environment. Furthermore, the adoption of such products spread in mid-range final products, which increased our earning power. However, since the second quarter, there has been a further slowdown in demand for low-end products.

Regarding the earnings forecast for third quarter and beyond, we have factored in risks considering increasing uncertainty in the business environment, including China's zero-COVID policy, supply chain disruptions, and a slowdown in demand for final products. While the company leave the consolidated net sales forecast unchanged, it has decided to make upward revision to forecast of operating profit and profits below the operating level, as shown above due to an improvement in earning power and a review of assumed foreign exchange rates. The assumed exchange rate for the third quarter onward has been revised from 118.0 Yen/US\$ to 145.0 Yen/US\$.

(Disclaimer with respect to earnings and other forecasts)

The forward-looking statements including earnings forecast contained in this document are based on information currently available to us and certain assumptions that we believe are reasonable. Accordingly, we can give no assurance that such statements will prove to be correct. Actual results may differ from the results anticipated in these forward-looking statements due to a variety of factors.