

Notice Regarding Launch of Integrated Company to Lead Growth in the Photonics Domain

Dexerials Corporation, (Headquarters: Shimotsuke-shi, Tochigi; Representative Director and President: Yoshihisa Shinya; hereinafter “Dexerials”), which provides leading-edge technologies, materials, and devices for smartphones, automobiles, and other products, announces that it plans to start an integrated company on around April 1, 2024 that will lead business growth in the photonics* domain, which is positioned as a growth field in the next Mid-term Management Plan commencing from FY2024.

The new company will integrate the businesses and resources of domestic consolidated subsidiaries, Dexerials Precision Components Corporation, (Headquarters: Tome-shi, Miyagi; hereinafter “DXPC”) and Kyoto Semiconductor Co., Ltd. (Headquarters: Shimotsuke-shi, Tochigi; hereinafter “Kyoto Semiconductor”) to drive business growth in the photonics domain with the support of the entire Dexerials Group. Dexerials will announce the details of the integrated company, including its name and representative, when they are determined.

■ Background and Purpose of the Launch of the Integrated Company

Under the Mid-term Management Plan “Challenges for Evolution,” Dexerials has been taking steps to accelerate business growth in new domains, qualitatively change businesses in existing domains, and strengthen the management base to achieve sustainable growth even if the business environment changes drastically and is uncertain. As a consequence, net sales in the automotive domain exceeded 12 billion yen in the previous fiscal year, and the business portfolio transformation has been progressed. Dexerials achieved the initial targets in the Mid-term Management Plan and the targets in the updated plan ahead of schedule.

Dexerials believes it needs to continue to grow in new business domains and accelerate change in the business portfolio to achieve sustainable growth in the next Mid-term Management Plan for the period commencing from FY2024. Based on this belief, Dexerials identified the photonics as a new business domain and made Kyoto Semiconductor, which engages in the optical semiconductor business, a Group company in March 2022.

The integrated company to be set up will play a key role in driving business growth in the photonics domain. Dexerials will combine DXPC’s technology to control light, which it has developed as a company engaging micro devices, particularly inorganic optical devices, with Kyoto Semiconductor’s optical semiconductor technology and integrate both companies’ resources. The integrated company will develop photonics solutions through combining these technologies, while continuing to evolve optical semiconductors and micro devices.

The entire Group will work as one with the integrated company at the core to achieve business growth in the photonics domain, through initiatives such as selling current products of Kyoto semiconductor to customers of Dexerials and the Dexerials products to the customers of the integrated company. The Dexerials Group aims to make the photonics business its third pillar following consumer IT and automobiles. The Group will examine the details and announce its business strategies in the next Mid-term Management Plan to be released in the next fiscal year.

* Photonics: Technologies and solutions that generate, transmit and process information transmitted by optical signals, using light detection technology and light control technology. Photonics is expected to be applied to optical communication and optical sensing, as well as to optical computers further down the road.

■ Profiles of Dexerials Precision Components and Kyoto Semiconductor

Company name	Dexerials Precision Components Corporation	Kyoto Semiconductor Co., Ltd.
Head office location	30 Aza Kaganosakai, Takaraeniida, Nakada-cho, Tome-shi, Miyagi	1724 Shimotsuboyama, Shimotsuke-shi, Tochigi
Representative	Toshiya Satake, Representative Director and President	Yoshihisa Shinya, Representative Director and President
Business	Design, technology, planning and management, and manufacture control related to micro devices	Research and development, manufacturing and sales of opto semiconductor devices including opto semiconductor elements and optical and opto sensors, optical communication-use devices, and other semiconductor-related products
Share capital	100 million yen	353 million yen
Date of establishment	October 1, 2020	April 26, 1980 (New Kyoto Semiconductor Co., Ltd. founded May 24, 2016)
Net sales (Fiscal year ended March 31, 2023)	4,332 million yen	4,366 million yen

About Dexerials Corporation <https://www.dexerials.jp/en/>

Dexerials Corporation is a manufacturer providing functional materials for use in smartphones, automobiles and other domains in accordance with its corporate vision, Value Matters - Unprecedented innovation, unprecedented value. On a global scale, Dexerials Corporation manufactures and markets anisotropic conductive film (ACF), optical elastic resin (SVR), anti-reflection film, surface mounted type fuses, industrial adhesives, double- and single-sided tapes and other electronic parts, junction materials, optical materials, and many other materials.