December 18, 2015

Company Name:	Dexerials Corporation
Security Code:	4980
Listing:	First Section, Tokyo Stock Exchange
Representative:	Takashi Ichinose, Representative Director and President
Contact:	Naoyuki Sanada, Executive officer, Corporate Planning & Control Division
Phone:	+81-3-5435-3941

Please note that this document is a translation of the official announcement that was released in Tokyo. The translation is prepared and provided for the purpose of the readers' convenience only.
All readers are strongly recommended to refer to the original Japanese version of the news release for complete and accurate information.

Notice Regarding the Introduction of Employee Stock Ownership Plan (J-ESOP)

Dexerials Corporation (the "Company") hereby announces that its Board of Directors resolved at a meeting held today the introduction of an Employee Stock Ownership Plan ("J-ESOP") for granting employees shares of common stock of the Company.

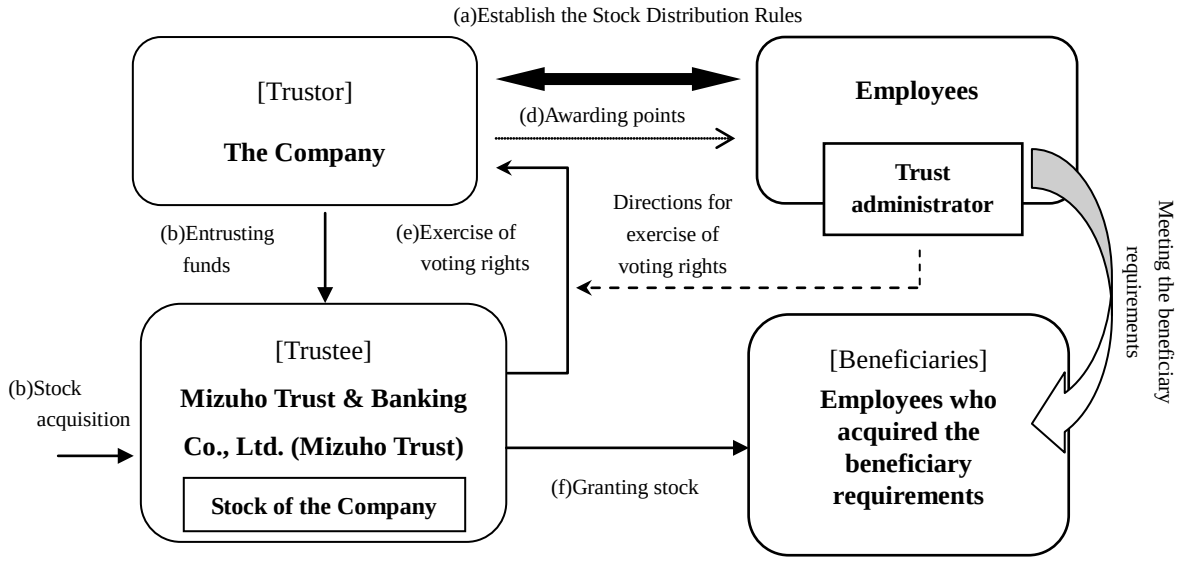
1. Background of introducing J-ESOP

The Company has been considering for some time the use of an employee stock ownership plan, which is widely used in the United States, as one element of its incentive plans for employees. The Company decided to introduce the J-ESOP as an incentive program granting employees shares of common stock of the Company to incentivize them to improve its financial results and, thus, stock prices by (1) increasing linkage of their compensation to the stock price and financial results of the Company and (2) sharing economic benefits with shareholders.

2. Overview of J-ESOP

The J-ESOP will distribute the Company's stock to employees who meet the specified requirements in accordance with the Stock Distribution Rules that the Company has determined in advance.
The Company will grant points to employees based on each individual's contributions and other items. Once an employee has fulfilled the beneficiary requirements, the Company's stock will be distributed based on the number of points held. Stock to be distributed to employees will be purchased using funds in a trust established for this purpose and trust assets will be managed separately.
With the program, the Company expects its employees to enhance their work efforts by growing interest in the Company's stock price as well as in improving its financial results.
The Company will announce the date to establish the J-ESOP and the amount of the trust as soon as soon as they are determined.

Structure of J-ESOP



(a) On introducing J-ESOP, the Company establishes the Stock Distribution Rules.
(b) The Company places funds in a third party trust through Mizuho Trust, the trustee, for the purchase of stock that will be distributed to employees based on the Stock Distribution Rules.
(c) The trustee acquires stock of the Company with the money held in the trust.
(d) The Company awards points to employees based on the Stock Distribution Rules.
(e) The trustee exercises voting rights based on instructions by the trust administrator.
(f) The trustee grants stock of the Company to employees who acquired the beneficiary requirements based on number of points held.