April 27, 2016

Company Name:	Dexerials Corporation
Security Code:	4980
Listing:	First Section, Tokyo Stock Exchange
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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 of Concentration of Business Bases in Line with Optimization of Business Structure and Implementation of Early Retirement and Job Transfer Support Program

Dexerials Corporation (the "Company") hereby announces that its Board of Directors resolved at a meeting held today the implementation of business structure optimization measures as described below.

1. Background and objective of implementation

The Company, with the aim to overcome structural changes in the business environment manifested during FY15 and establish a revenue base that can sustain to generate values exceeding its customers' expectations and to improve corporate value, today announced the medium-term management plan "Change for Growth 2018."(Note)

Under the plan, alongside implementing organizational changes for business structure optimization and concentrating business bases, the Company will implement an early retirement and job transfer support program in accordance with the organizational reforms. For employees at bases subject to concentration, continuation of employment will be prioritized, and the basic policy will be to transfer employees to the Tochigi Office. However, for employees who are having difficulty to relocate, support for job transfer, etc., will be provided through this program.

(Note) For details regarding the medium-term management plan, please refer to the "Notice of FY2016 – FY2018 Medium-term Management Plan "Change for Growth 2018", press release, announced today.

2. Content of business structure optimization measures

(1) Organizational reforms

With the aim of optimizing the business structure, the following organizational reforms will be implemented.

1) To shift resources to new business areas, enable swift decision-making, and strengthen measures spanning categories, organizational changes was implemented on April 1, 2016
2) To increase efficiency of business operations, land and buildings purchased during FY15 in Shimotsuke-shi, Tochigi Prefecture (the "Tochigi Office") will be positioned as the central base in

the future, and development and production bases and a portion of headquarters functions that were previously spread across each business are planned to be progressively concentrated in the Tochigi Office.

(2) Early retirement and job transfer support program

1) Eligibility: Employees of the Company who are having difficulty to relocate upon concentration of business bases, and employees of the Company that seek early retirement and job transfer (certain application limitations apply.)

2) Expected number of persons: Approximately 140

3) Offering period: May 1, 2016 to September 30, 2016

4) Date of retirement: October 1, 2016 to March 31, 2017 (Exceptions may apply due to operational conditions.)

5) Benefits provided: While providing additional retirement compensation, applicants will receive reemployment support through a reemployment support company.

3. Effect on business results

Concerning the forecast of consolidated financial results for the fiscal year ending March 31, 2017, as expenses for business structure optimization, which include the above measures, the Company has incorporated a total of approximately ¥3.3 billion in operating expenses and extraordinary losses (of which, extraordinary losses account for approximately ¥2.5 billion). This ¥3.3 billion includes approximately ¥1.4 billion in expenses related to the above early retirement and job transfer support program (of which, extraordinary losses account for approximately ¥1.3 billion).

(Reference) Forecast of consolidated financial results for the fiscal year ending March 31, 2017 and consolidated results for the fiscal year ended March 31, 2016

(Unit: Millions of Yen)

	Consolidated net sales	Consolidated operating income	Consolidated ordinary income	Profit attributable to owners of parent
Forecast of consolidated financial results for the fiscal year ending March 31, 2017	60,300	4,400	4,300	700
Consolidated results for the fiscal year ended March 31, 2016	62,654	8,306	8,163	4,587