

Translation

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## Summary of Non-Consolidated Financial Results for the Six Months Ended August 31, 2022 (Based on Japanese GAAP)

October 14, 2022

Company name: OXIDE Corporation  
 Stock exchange listing: Tokyo  
 Stock code: 6521 URL: <https://www.opt-oxide.com>  
 Representative: President and CEO Yasunori Furukawa  
 Inquiries: Vice President and CFO Masayuki Yamamoto TEL +81-551-26-0022  
 Scheduled date to file Quarterly Securities Report: October 14, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the six months ended August 31, 2022 (from March 1, 2022 to August 31, 2022)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended August 31, 2022	2,961	20.7	545	61.1	586	69.2	414	57.0
Six months ended August 31, 2021	2,452	–	338	–	346	–	264	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended August 31, 2022	84.34		76.44	
Six months ended August 31, 2021	57.99		50.34	

Notes: 1. As the Company has not prepared quarterly financial statements for the six months ended August 31, 2020, the percentage of year-on-year change of each figure for the six months ended August 31, 2021, is not shown.

2. Regarding the diluted earnings per share for the six months ended August 31, 2021, as the Company's shares were listed on the Mothers section of the Tokyo Stock Exchange on April 5, 2021, the figure is calculated using the average share price from the date the shares were newly listed to the end of the second quarter of the fiscal year ended February 28, 2022, deemed as the average share price during the period.

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of August 31, 2022	9,206		5,033		54.7	
As of February 28, 2022	8,710		4,587		52.7	

Reference: Equity As of August 31, 2022 ¥5,033 million  
 As of February 28, 2022 ¥4,587 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 28, 2022	–	0.00	–	0.00	0.00
Year ending February 28, 2023	–	0.00			
Year ending February 28, 2023 (Forecast)			–	0.00	0.00

Note: Revisions to the cash dividend forecast most recently announced: No

3. Forecast of non-consolidated financial results for the year ending February 28, 2023 (from March 1, 2022 to February 28, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,339	33.3	900	50.8	930	55.3	650	31.1	132.21

Note: Revisions to the financial results forecast most recently announced: Yes

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2022	4,931,400 shares	As of February 28, 2022	4,902,900 shares
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Number of treasury shares at the end of the period

As of August 31, 2022	25 shares	As of February 28, 2022	25 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2022	4,916,364 shares	Six months ended August 31, 2021	4,553,882 shares
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\* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

\* Proper use of financial results forecasts, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including the financial results forecasts, contained in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to achieve the stated performance. Actual business and other results may differ substantially due to various factors.

**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of February 28, 2022	As of August 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	2,146,368	1,446,291
Notes and accounts receivable - trade	622,684	698,096
Electronically recorded monetary claims - operating	23,000	8,631
Finished goods	48,762	127,692
Work in process	1,290,021	1,634,982
Raw materials and supplies	460,466	731,455
Other	169,800	285,968
Total current assets	4,761,103	4,933,117
Non-current assets		
Property, plant and equipment		
Machinery and equipment	3,132,645	3,323,018
Accumulated depreciation	(972,887)	(1,038,623)
Machinery and equipment, net	2,159,758	2,284,395
Other	2,326,501	2,523,004
Accumulated depreciation	(911,140)	(977,060)
Other, net	1,415,360	1,545,944
Total property, plant and equipment	3,575,119	3,830,339
Intangible assets	77,885	72,211
Investments and other assets	296,889	371,057
Total non-current assets	3,949,894	4,273,608
Total assets	8,710,998	9,206,726
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	266,993	339,887
Short-term borrowings	–	300,000
Current portion of bonds payable	7,000	157,000
Current portion of long-term borrowings	272,326	264,336
Income taxes payable	137,666	197,332
Provision for bonuses	102,000	114,000
Provision for repairs	140,277	122,496
Provision for product warranties	17,347	21,946
Other	842,043	821,036
Total current liabilities	1,785,653	2,338,034
Non-current liabilities		
Bonds payable	168,500	15,000
Long-term borrowings	2,157,857	1,812,339
Other	11,556	7,881
Total non-current liabilities	2,337,913	1,835,220
Total liabilities	4,123,567	4,173,254

(Thousands of yen)

	As of February 28, 2022	As of August 31, 2022
Net assets		
Shareholders' equity		
Share capital	1,695,621	1,711,296
Capital surplus	2,152,443	2,168,118
Retained earnings	739,554	1,154,245
Treasury shares	(189)	(189)
Total shareholders' equity	4,587,430	5,033,471
Total net assets	4,587,430	5,033,471
Total liabilities and net assets	8,710,998	9,206,726

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended August 31, 2021	Six months ended August 31, 2022
Net sales	2,452,559	2,961,347
Cost of sales	1,636,457	1,619,473
Gross profit	816,102	1,341,873
Selling, general and administrative expenses	477,490	796,421
Operating profit	338,611	545,452
Non-operating income		
Interest income	59	365
Subsidy income	48,387	73,987
Other	13,011	7,703
Total non-operating income	61,458	82,056
Non-operating expenses		
Interest expenses	26,578	18,765
Commission expenses	–	13,088
Share issuance costs	13,709	423
Listing expenses	11,717	–
Other	1,432	8,656
Total non-operating expenses	53,437	40,933
Ordinary profit	346,633	586,575
Extraordinary income		
Gain on sale of non-current assets	–	5,538
Total extraordinary income	–	5,538
Extraordinary losses		
Loss on sale of non-current assets	–	141
Total extraordinary losses	–	141
Profit before income taxes	346,633	591,972
Income taxes - current	126,425	173,264
Income taxes - deferred	(43,883)	4,016
Total income taxes	82,542	177,281
Profit	264,091	414,691

## Non-consolidated statements of cash flows

(Thousands of yen)

	Six months ended August 31, 2021	Six months ended August 31, 2022
Cash flows from operating activities		
Profit before income taxes	346,633	591,972
Depreciation	125,330	161,899
Amortization of goodwill	644	–
Loss (gain) on sale of non-current assets	–	(5,396)
Increase (decrease) in provision for bonuses	13,000	12,000
Increase (decrease) in provision for repairs	17,776	(17,781)
Increase (decrease) in provision for product warranties	–	4,599
Decrease (increase) in accounts receivable - other	(2,226)	2,312
Increase (decrease) in accounts payable - other	(69,190)	22,909
Increase (decrease) in advances received	(50,337)	(21,307)
Increase (decrease) in contract liabilities	–	(27,085)
Foreign exchange losses (gains)	(3,825)	(20,738)
Interest income	(59)	(365)
Interest expenses	26,578	18,765
Decrease (increase) in trade receivables	115,405	(52,411)
Decrease (increase) in inventories	(82,063)	(694,879)
Increase (decrease) in trade payables	34,281	72,893
Other, net	(11,947)	(100,779)
Subtotal	459,999	(53,393)
Interest received	59	365
Interest paid	(30,021)	(18,966)
Payment of commission	–	(13,088)
Income taxes paid	(43,786)	(109,219)
Net cash provided by (used in) operating activities	386,251	(194,303)
Cash flows from investing activities		
Purchase of property, plant and equipment	(208,089)	(435,442)
Proceeds from sale of property, plant and equipment	–	22,633
Purchase of intangible assets	(26,281)	(5,238)
Purchase of investment securities	–	(19,993)
Payments of leasehold and guarantee deposits	(210)	(47,183)
Cancellation of secured deposits	10,000	–
Net cash provided by (used in) investing activities	(224,581)	(485,223)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(300,000)	300,000
Proceeds from long-term borrowings	–	200,000
Repayments of long-term borrowings	(145,722)	(553,508)
Redemption of bonds	(10,500)	(3,500)
Proceeds from issuance of shares	2,527,482	30,926
Repayments of lease obligations	(1,548)	(1,548)
Repayments of installment payables	(19,140)	(13,659)
Net cash provided by (used in) financing activities	2,050,571	(41,289)
Effect of exchange rate change on cash and cash equivalents	3,825	20,738
Net increase (decrease) in cash and cash equivalents	2,216,067	(700,077)
Cash and cash equivalents at beginning of period	1,171,360	2,146,368
Cash and cash equivalents at end of period	3,387,428	1,446,291