

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2023 (Based on Japanese GAAP)

January 12, 2024

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: January 12, 2024
 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. Consolidated financial results for the nine months ended November 30, 2023 (from March 1, 2023 to November 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2023	4,693	–	(631)	–	(519)	–	(455)	–
Nine months ended November 30, 2022	–	–	–	–	–	–	–	–

Note: Comprehensive income
 Nine months ended November 30, 2023 ¥(277) million [–%]
 Nine months ended November 30, 2022 ¥– million [–%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2023	(45.60)	–
Nine months ended November 30, 2022	–	–

Notes: 1. The Company started preparing quarterly consolidated financial statements from the first quarter of the fiscal year ending February 29, 2024. Therefore, the figures and year-on-year changes for the nine months ended November 30, 2022 and the year-on-year changes for the nine months ended November 30, 2023 are not shown.

2. Diluted earnings per share for the nine months ended November 30, 2023 are not shown because, although there are potentially dilutive shares, basic loss per share was recorded.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2023	19,815	4,795	24.2
As of February 28, 2023	–	–	–

Reference: Equity
 As of November 30, 2023 ¥4,795 million
 As of February 28, 2023 ¥– million

Note: The Company started preparing quarterly consolidated financial statements from the first quarter of the fiscal year ending February 29, 2024. Therefore, the figures as of February 28, 2023 are not shown.

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended February 28, 2023	–	0.00	–	0.00	0.00
Year ending February 29, 2024	–	0.00	–		
Year ending February 29, 2024 (Forecast)				0.00	0.00

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

3. Forecast of consolidated financial results for the year ending February 29, 2024 (from March 1, 2023 to February 29, 2024)

	Percentages indicate year-on-year changes								
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,511	–	(833)	–	(733)	–	(483)	–	(48.32)

Notes: 1. Revisions to the financial results forecast most recently announced: Yes

2. The Company started preparing quarterly consolidated financial statements from the first quarter of the fiscal year ending February 29, 2024. Therefore, the year-on-year changes are not shown.

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of November 30, 2023	10,055,525 shares	As of February 28, 2023	9,958,800 shares
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Number of treasury shares at the end of the period

As of November 30, 2023	393 shares	As of February 28, 2023	360 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2023	9,995,046 shares	Nine months ended November 30, 2022	9,845,182 shares
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Note: The Company implemented a two-for-one common share split effective March 1, 2023. The “total number of issued shares at the end of the period,” “number of treasury shares at the end of the period” and “average number of shares during the period” were calculated on the assumption that the share split had been conducted at the beginning of the fiscal year ended February 28, 2023.

* 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

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 consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

As of November 30, 2023

Assets	
Current assets	
Cash and deposits	2,031,517
Notes and accounts receivable - trade	1,020,380
Electronically recorded monetary claims - operating	48,160
Merchandise and finished goods	257,583
Work in process	3,068,939
Raw materials and supplies	1,240,389
Other	571,504
Total current assets	8,238,473
Non-current assets	
Property, plant and equipment	
Buildings and structures	3,477,225
Accumulated depreciation	(886,594)
Buildings and structures, net	2,590,630
Machinery, equipment and vehicles	6,132,239
Accumulated depreciation	(2,065,339)
Machinery, equipment and vehicles, net	4,066,900
Other	2,119,010
Accumulated depreciation	(640,507)
Other, net	1,478,502
Total property, plant and equipment	8,136,033
Intangible assets	
Goodwill	2,788,002
Other	145,394
Total intangible assets	2,933,397
Investments and other assets	507,828
Total non-current assets	11,577,259
Total assets	19,815,733

(Thousands of yen)

As of November 30, 2023

Liabilities	
Current liabilities	
Notes and accounts payable - trade	343,994
Short-term borrowings	2,600,000
Current portion of bonds payable	7,000
Current portion of long-term borrowings	922,066
Income taxes payable	6,999
Provision for bonuses	178,675
Provision for repairs	72,320
Provision for product warranties	89,431
Other	1,463,317
Total current liabilities	5,683,804
Non-current liabilities	
Bonds payable	154,500
Long-term borrowings	9,159,377
Retirement benefit liability	839
provision for employee stock compensation	4,424
Other	17,264
Total non-current liabilities	9,336,405
Total liabilities	15,020,209
Net assets	
Shareholders' equity	
Share capital	1,771,489
Capital surplus	2,228,312
Retained earnings	618,821
Treasury shares	(1,433)
Total shareholders' equity	4,617,189
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	791
Foreign currency translation adjustment	177,543
Total accumulated other comprehensive income	178,334
Total net assets	4,795,523
Total liabilities and net assets	19,815,733

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

	(Thousands of yen)
	Nine months ended November 30, 2023
Net sales	4,693,716
Cost of sales	3,254,453
Gross profit	1,439,262
Selling, general and administrative expenses	2,070,628
Operating loss	(631,366)
Non-operating income	
Interest income	7,103
Subsidy income	300,960
Other	5,121
Total non-operating income	313,184
Non-operating expenses	
Interest expenses	101,669
Commission expenses	47,467
Foreign exchange losses	44,478
Other	7,444
Total non-operating expenses	201,060
Ordinary loss	(519,242)
Extraordinary income	
Gain on sale of non-current assets	9,394
Subsidy income	2,979
Total extraordinary income	12,374
Extraordinary losses	
Loss on tax purpose reduction entry of non-current assets	2,737
Total extraordinary losses	2,737
Loss before income taxes	(509,605)
Income taxes - current	4,318
Income taxes - deferred	(58,169)
Total income taxes	(53,851)
Loss	(455,753)
Profit attributable to non-controlling interests	-
Loss attributable to owners of parent	(455,753)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended November 30, 2023
Loss	(455,753)
Other comprehensive income	
Valuation difference on available-for-sale securities	511
Foreign currency translation adjustment	177,543
Total other comprehensive income	<u>178,055</u>
Comprehensive income	<u>(277,698)</u>
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	(277,698)
Comprehensive income attributable to non-controlling interests	-