

Translation

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October 4, 2024

For Immediate Release

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Representative name: Masayuki Yamamoto
President (COO & CFO)
(Stock Code: 6521 TSE Growth)
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**Notice regarding the establishment of a subsidiary for business succession
through an absorption-type company split**

OXIDE Corporation (hereinafter referred to as the "Company") is pleased to announce that its Board of Directors, at a meeting held on October 4, 2024, resolved to establish a wholly-owned subsidiary, OXIDE Power Crystal Corporation. This new subsidiary will focus on the research and development, manufacturing, and sales of materials for power semiconductors and related products. The details are as follows.

1. Purpose of establishment

The Company is actively working on the commercialization of solution method SiC wafer, which are considered a next-generation power semiconductor material. Currently, overseas manufacturers dominate the market for next-generation power semiconductors, leaving a significant opportunity for Japanese manufacturers. In response, the Ministry of Economy, Trade and Industry is spearheading nationwide support initiatives, and the Company aims to enter this untapped field of next-generation power semiconductor substrates. The solution method SiC wafer that the Company is developing has the potential to grow high-quality single crystals with fewer defects compared to conventional sublimation methods.

By establishing this business as a subsidiary, the Company will enable more flexible management decisions and accelerate the creation of a manufacturing value chain through collaboration with other companies. This move will also broaden the business's financing options. To adapt to changes in the business environment and further expedite the commercialization of this business, the Company plans to establish a wholly-owned consolidated subsidiary and transfer the business through an absorption-type company split.

2. Outline of the new company (planned)

(1) Name	OXIDE Power Crystal Corporation	
(2) Location	1741-8 Maginohara, Mukawa, Hokuto, Yamanashi	
(3) Job title and name of representative	Representative Director Yasunori Furukawa	
(4) Description of business	Research and development, manufacturing and sales of materials for power Semiconductors and related Products	
(5) Date of Establishment	October 18, 2024 (planned)	
(6) Share capital	10 million of yen	
(7) Major shareholders and ownership ratios	OXIDE Corporation 100%	
(8) Fiscal Year End	Last day of February	
(9) Relationship between the listed company and said Company	Capital Relationship	It will be established as a wholly owned subsidiary of OXIDE Corporation.
	Personnel Relationship	The company plans to dispatch four officers and employees to serve as directors of the new company and one as an auditor. In addition, two of our directors will also serve as directors of the new company.
	Business Relationship	Not applicable.

3. Schedule

(1) Date of Board of Directors resolution	October 4, 2024
(2) Date of establishment	October 18, 2024 (planned)
(3) Business start date	December 1, 2024 (planned)

4. Future outlook

The new company will be established as a consolidated subsidiary of OXIDE Corporation. Details regarding the company split, including the specifics of the split agreement, will be announced once they are finalized. The impact of this company split on our consolidated financial results is expected to be minimal. Should there be any need to revise our forecast or disclose any significant matters in the future, we will promptly make an announcement.