



OXIDE

Supplementary Explanation Material for FY Feb 2025 Second Quarter Financial Results

**OXIDE Corporation
(6521, TSE Growth)
October 15, 2024**

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I will go over the details of the supplementary explanatory materials now.

Agenda

- 01** **FY Feb 2025 2Q Financial Results Highlights**
- 02** **Consolidated Financial Results**
- 03** **Performance by Business Segment**
 - Semiconductor
 - Healthcare
 - Frontier Tech
- 04** **Q & A**

This is today's agenda.

FY Feb 2025 2Q Financial Results Highlights

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FY Feb 2025 2Q Consolidated Financial Results

Revenue
2,010 Millions of Yen

+ 46 Millions of Yen YoY
+ 42 Millions of Yen compared to the forecast

Operating profit
9 Millions of Yen

+ 73 Millions of Yen YoY
+ 1 Millions of Yen compared to the forecast

EBITDA margin
14.0%

+ 4.4% YoY
+ 0.4% compared to the forecast

- **Revenue, Operating profit, and EBITDA margin all exceeded forecast, and turned to profitability for the first time since the 4Q of the fiscal year before last.**
- **Both the Semiconductor business and the Healthcare business have generally made solid progress against the full-year forecast.**
- **The prolonged conflict in Israel has cast a cloud over the outlook for Frontier Tech business.**

*In the fourth quarter of FY Feb 2024, the allocation of acquisition costs was revised due to the finalization of the PPA for the acquisition of Raicol as a subsidiary. As a result, the figures for the second and third quarters of FY Feb 2024 have been retroactively adjusted.

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First, I would like to explain the highlights of the second quarter results.

Revenue, Operating profit, and EBITDA margin all exceeded forecast, and turned to profitability for the first time since the 4Q of the fiscal year before last.

Both the Semiconductor business and the Healthcare business have generally made solid progress against the full-year forecast.

The prolonged conflict in Israel has cast a cloud over the outlook for Frontier Tech business.

I will explain the details of each business in order later.

FY Feb 2025 2Q Financial Results

- Revenues were 2,010 million Yen, an increase of 42 million Yen compared to the forecast of 1,968 million Yen.
- Operating profit was 9 million Yen, an increase of 1 million Yen from the forecast of 8 million Yen, and turned to profitability for the first time since the 4Q of the fiscal year before last.

(Millions of Yen)	FY25 Feb 1Q			FY25 Feb 2Q			FY25 Feb 1H			FY 25 Feb Full Year
	Forecast	Result	Variance	Forecast	Result	Variance	Forecast	Result	Variance	Forecast
Revenue	1,514	1,388	- 126	1,968	2,010	42	3,482	3,398	- 84	8,553
Operating profit	- 270	- 406	- 135	8	9	1	- 262	- 396	- 133	202
(Operating margin)	-17.8%	-29.3%	-	0.4%	0.5%	-	- 7.5%	- 11.7%	-	2.4%
R&D expenses	354	315	- 38	363	311	- 52	718	627	-91	1,469
CAPEX	-	-	-	-	-	-	-	-	-	1,464
EBITDA※	-16	- 144	- 128	268	280	12	252	136	- 116	1,259
(EBITDA margin※)	-1.1%	-10.4%	-	13.6%	14.0%	-	7.3%	4.0%	-	14.7%

* EBITDA is calculated by adding amortization (including Depreciation and amortization Goodwill) to Operating profit.

Next, I will give an overview of second-quarter results.

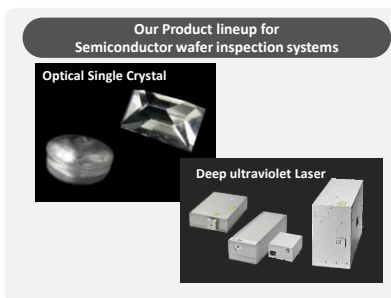
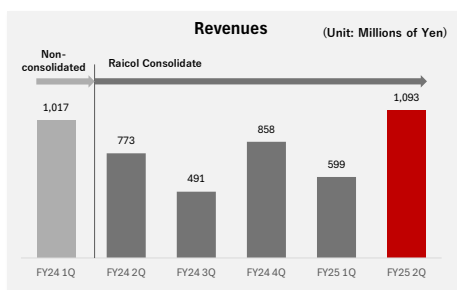
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Semiconductor Revenue

- Revenues in the Semiconductor business fell 37 million Yen short of the 1,131 million Yen forecast, to 1,093 million Yen.
- The 1,093 million Yen was the highest quarterly revenues ever.

(Millions of Yen)	FY25 Feb 1Q			FY25 Feb 2Q			FY25 Feb 1H			FY 25 Feb Full Year
	Forecast	Result	Variance	Forecast	Result	Variance	Forecast	Result	Variance	Forecast
Revenue	749	599	- 149	1,131	1,093	- 37	1,880	1,693	- 186	4,425

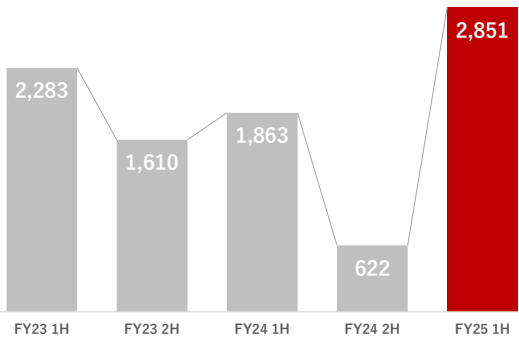


Next, I will explain the results by business. The first is the Semiconductor business. Revenues for the second-quarter were 1,093 million Yen, 37 million Yen below the 1,131million Yen forecast.

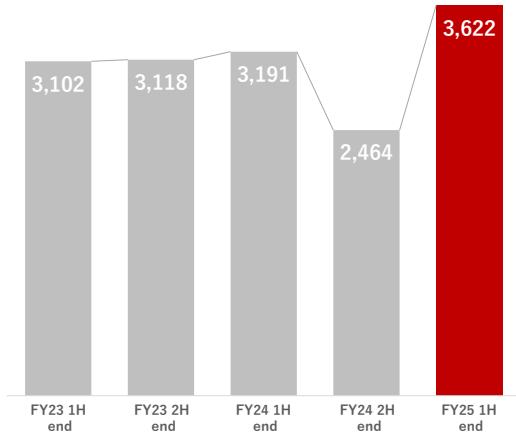
Quarterly Revenues were at record highs, and the Company is on a recovery trend following the failure of some components, which was the main factor in the operating loss in the previous fiscal year.

- New order received in the first half of the fiscal year were 2,851 million Yen.
- The Order backlog as of the end of the first half was 3,622 million Yen.

New order received
(Unit: Millions of Yen)



Order backlog
(Unit: Millions of Yen)



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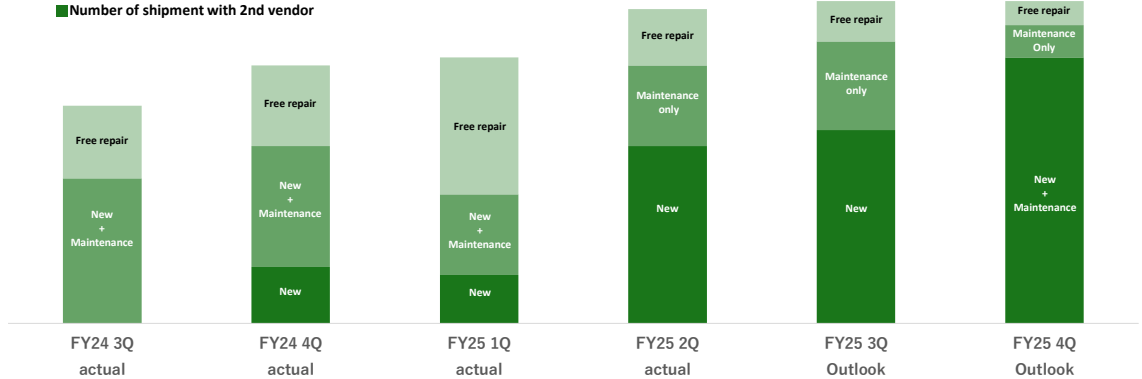
I will explain the New order received.

For the first half of the fiscal year, total New order received were 2,851 million Yen, an increase of 851 million Yen compared to the forecast of 2,000 million Yen.

The Order backlog as of the end of the first half was 3,622 million Yen.

- The transition of materials from the first vendor to the second vendor has been proceeding smoothly.
- The number of units with first vendor that were repaired free of charge decreased, and the number of units shipped that contributed to Revenue increased.

■ Number of free repairs with 1st vendor
 ■ Number of shipment with 1st vendor
 ■ Number of shipment with 2nd vendor



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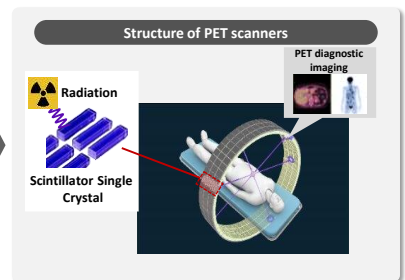
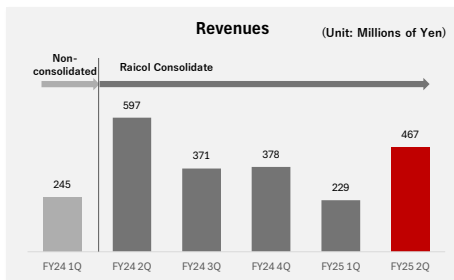
I will explain the shipment breakdown of Laser Product.

The transition of materials from the first vendor to the second vendor has been proceeding smoothly.

The number of units with first vendor that were repaired free of charge decreased, and the number of units shipped that contributed to Revenue increased.

- Revenues in the Healthcare Business were 467 million Yen, an increase of 210 million Yen compared to the forecast of 257 million Yen.
- We won new customers for our cancer diagnostic PET scanners, which led to an increase in revenue.
- There are also ongoing inquiries regarding applications for brain PET scanners, for which future demand is expected.

(Millions of Yen)	FY25 Feb 1Q			FY25 Feb 2Q			FY25 Feb 1H			FY 25 Feb Full Year
	Forecast	Result	Variance	Forecast	Result	Variance	Forecast	Result	Variance	Forecast
Revenue	188	229	41	257	467	210	445	696	251	1,600



Next, I will explain about the Healthcare Business.

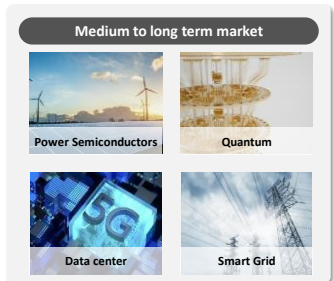
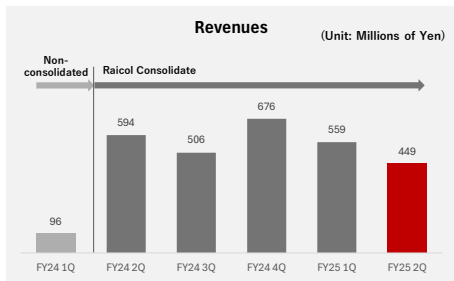
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We won new customers for our cancer diagnostic PET scanners, which led to an increase in revenue.

There are also ongoing inquiries regarding applications for brain PET scanners, for which future demand is expected.

- Revenues in Frontier Tech fell 130 million Yen short of the 579 million Yen forecast, to 449 million Yen.
- The prolonged conflict in Israel cast a cloud over Raicol's future prospects and revenue outlook.

(Millions of Yen)	FY25 Feb 1Q			FY25 Feb 2Q			FY25 Feb 1H			FY 25 Feb Full Year
	Forecast	Result	Variance	Forecast	Result	Variance	Forecast	Result	Variance	Forecast
Revenue	577	559	- 18	579	449	- 130	1,157	1,008	- 148	2,527



Next, I will explain about the Frontier Tech Business.

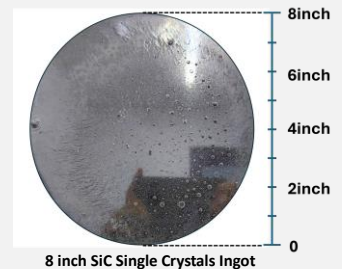
Revenues for the second-quarter were 449 million Yen, 130 million Yen below the 579 million Yen forecast.

The prolonged conflict in Israel cast a cloud over Raicol's future prospects and revenue outlook.

■ The development of solution-Method SiC wafers is making steady progress.

Content of disclosure

- | | | |
|------------------|-------------|---|
| April | 2024 | <ul style="list-style-type: none"> ● Green Innovation Fund passed the stage gate. |
| September | 2024 | <ul style="list-style-type: none"> ● Participated in ICSCRM2024. <ul style="list-style-type: none"> • 6-inch SiC wafer display • 8-inch SiC Single Crystal ingot display |
| October | 2024 | <ul style="list-style-type: none"> ● Established and disclosed Oxide Power Crystal Corporation. <ul style="list-style-type: none"> • October 18: Company Established (scheduled) • December 1st Launch (scheduled) |
| October | 2024 | <ul style="list-style-type: none"> ● Business alliance with JS Foundry KK. |



I will explain the progress of SiC business.

The development of Solution-Method SiC wafer is making steady progress.

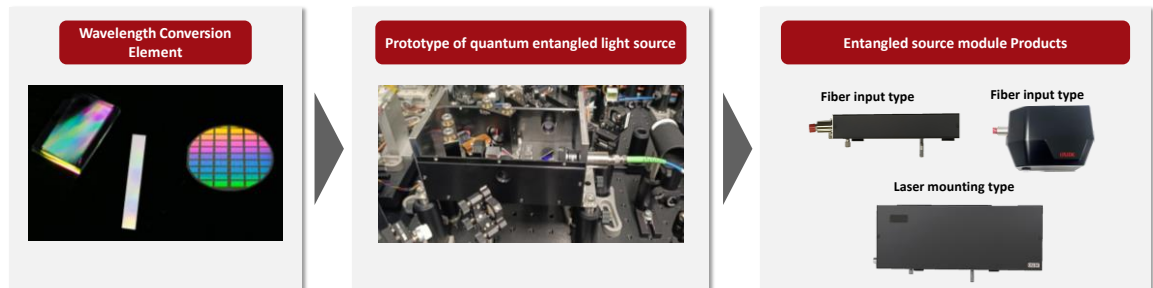
In April 2024, we passed the Green Innovation Fund Stage Gate and announced its new Business Strategy Vision.

In September 2024, we participated in the International Society for SiC Material-related Sciences ICSCRM2024, and displaying 6-inch SiC wafer and 8-inch Single Crystal ingot.

On 4th October 2024, we announced the establishment of a subsidiary, Oxide Power Crystal Corporation. This subsidiary will be established on October 18 and commence business on December 1.

On 9th October 2024, we announced a business alliance with JS Foundry KK, Japan's first independent foundry company, to build a value chain for SiC manufacturing.

- National projects by the Ministry of Internal Affairs and Communications and the Ministry of Education, Culture, Sports, Science and Technology are advancing the development of quantum cryptographic communications and other technologies.
- In collaboration with Raicol, we are developing a quantum-entangled light-source module equipped with our proprietary wavelength-conversion element.
- It is attracting attention as a highly efficient light source for generating entangled photon pairs, which is expected to be useful in quantum cryptography and quantum sensing.



Next, I will explain the progress of quantum technology.

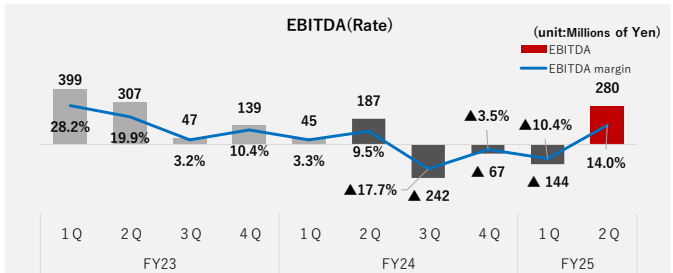
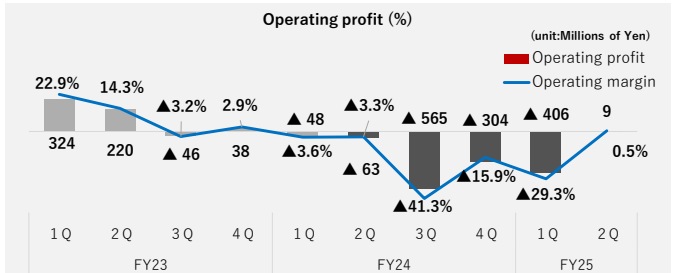
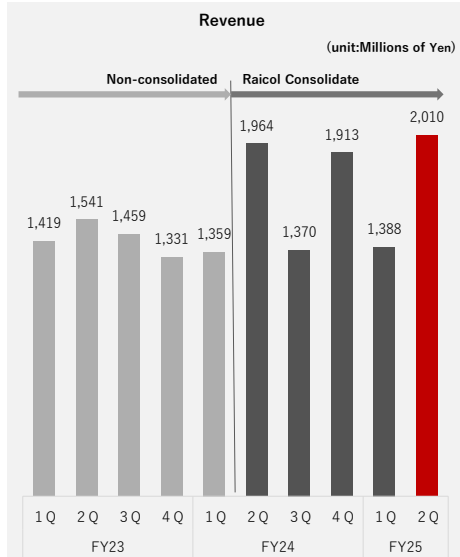
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Appendix

Appendix Financial Trends

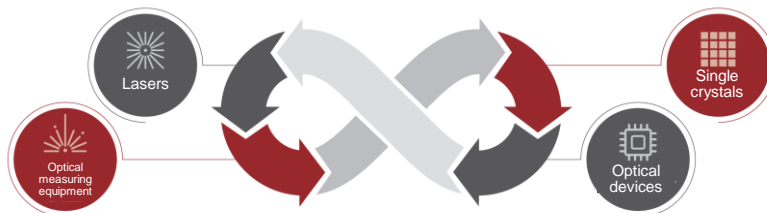


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Appendix Management philosophy

Be a global-niche-top company in **single crystals and Lasers**

- Use the results of our research to benefit society, and provide **key materials** to the world
- Provide **material solutions** to customers and contribute to the development of society
- Develop products centered on single crystals, and continue to create **future market opportunities**





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<https://www.opt-oxide.com>

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The contents of this document are based on the Company's assumptions and beliefs at the time of preparation of the document, and do not guarantee or promise the accuracy or completeness of the information.

These include risks that could affect actual results, economic trends, industry demand, and other uncertain factors.

Please note that the actual results may differ from the forecasts.

The amounts shown in this document have been rounded down to the nearest unit, and the percentages have been rounded to the nearest unit. Therefore, the total of the breakdowns may not equal the actual total in the table.

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