OXIDE

OXIDE Corporation

Business Plan and Matters Related to Growth Potential

April 2025 | TSE Growth: 6521

Illuminate with Innovation - OXIDE

Contents

Note: In this document, "FY2025 Feb" or "FY25 Feb" refers to the fiscal year from March 2024 to February 2025. Other fiscal years are similarly expressed, indicating the 12-month period ending in the specified month and year.

01. Company information

A small prefab shed in Kobuchisawacho, Yamanashi prefecture.

That was the place where OXIDE started.

Company Profile (as of February 28, 2025)

Establishment	October 2000
Head Office Location	1747-1 Maginohara, Mukawa, Hokuto, Yamanashi
Number of Employees	402 *1
capital stock	JPY 3,307M
Major Shareholders	KLA, NTT-AT, Nikon, Lasertec, Shimadzu Corporation
Revenue*2	JPY 8,394M
Revenue Overseas Ratio*2	80% or more
R&D Expenditure Ratio to Revenue*2*3	15%
CAPEX*2	JPY 1,676M
Capital adequacy ratio*2	30%

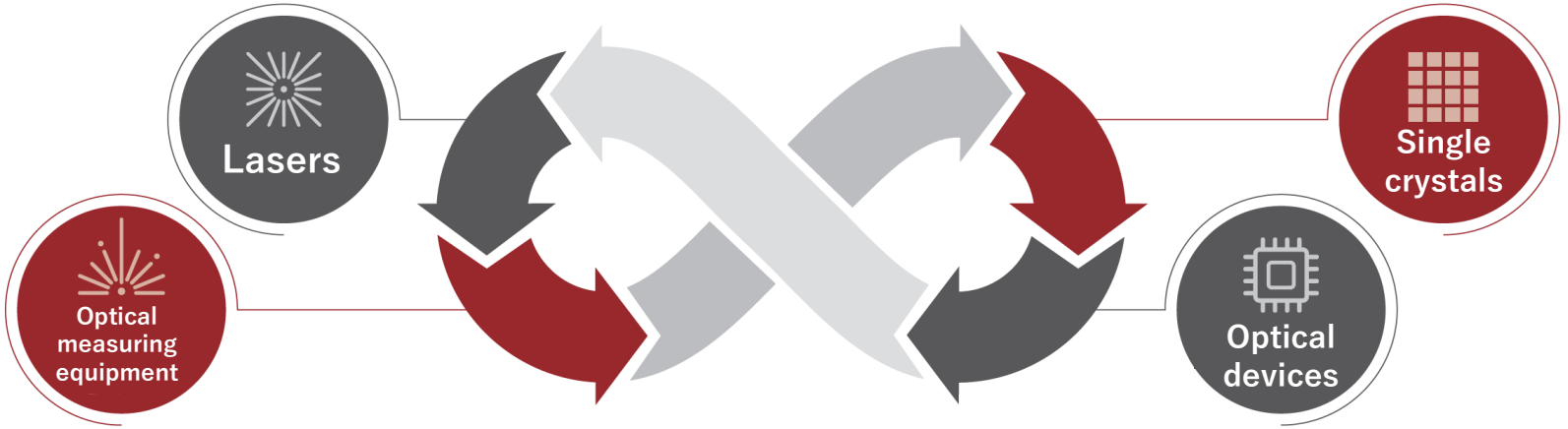
*1 Consolidated Number of Employees
*2 Full year results for the fiscal year ending February 28, 2025
*3 R&D Expenditure: JPY 1,296M

Management Philosophy

OXIDE

Be a global-niche-top company in Single crystals and Lasers

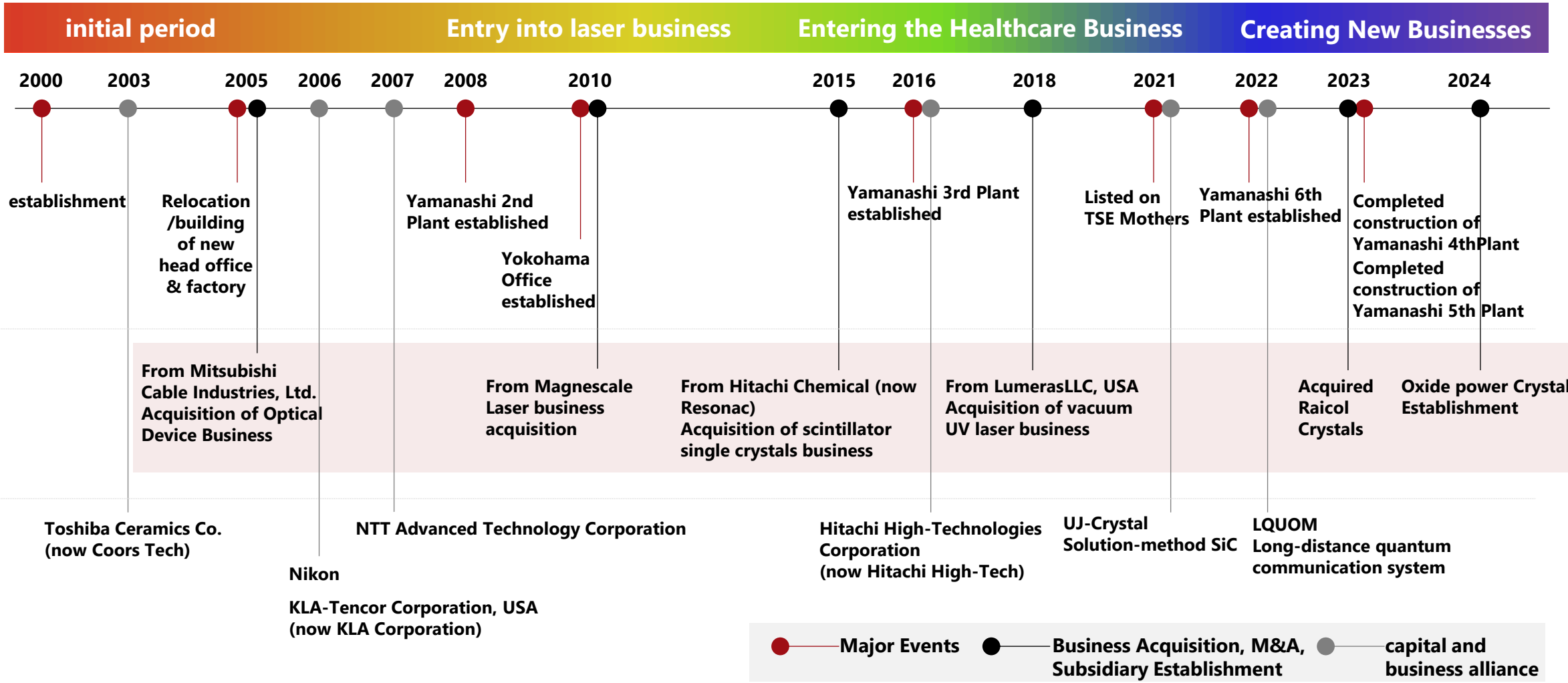
- Use the results of our research to benefit society, and provide key materials to the world
- Provide material solutions to customers and contribute to the development of society
- Develop products centered on single crystals, and continue to create future market opportunities



Company history

OXIDE

While developing products based on our core single-crystal manufacturing technology, we have also acquired new technologies through business acquisitions and M&As.



Management team as of May 29, 2025*1

Chairman (CEO)
Yasunori Furukawa
Doctor of Engineering

Oct. 2000: Established the Company
(Main career)
National Institute for Materials Science

President (COO and CFO)
Masayuki Yamamoto

(Main career)
The Shoko Chukin Bank, Ltd.

Executive Vice President (CTO)
Kazuo Fujiura
Doctor of Engineering

(Main career)
Nippon Telegraph and Telephone Corporation

Director (CTO)
Hiroyuki Ishibashi
Doctor of Science

(Main career)
Hitachi Chemical Co., Ltd.

Director (CSO)
Seiji Uchida

(Main career)
Citigroup

External Director
Emi Tamechika

External Director
Gareth C.W. Jones

External Director
Miwa Koike

Audit & Supervisory Board Member (Full-time)
Takashi Yoshida

Audit & Supervisory Board Member
Yoshito Kosaka

Audit & Supervisory Board Member
Yoshiyuki Tanaka

*1 To be officially decided after the 25th Annual General Meeting of Shareholders and Board of Directors Meeting to be held on May 29, 2025.

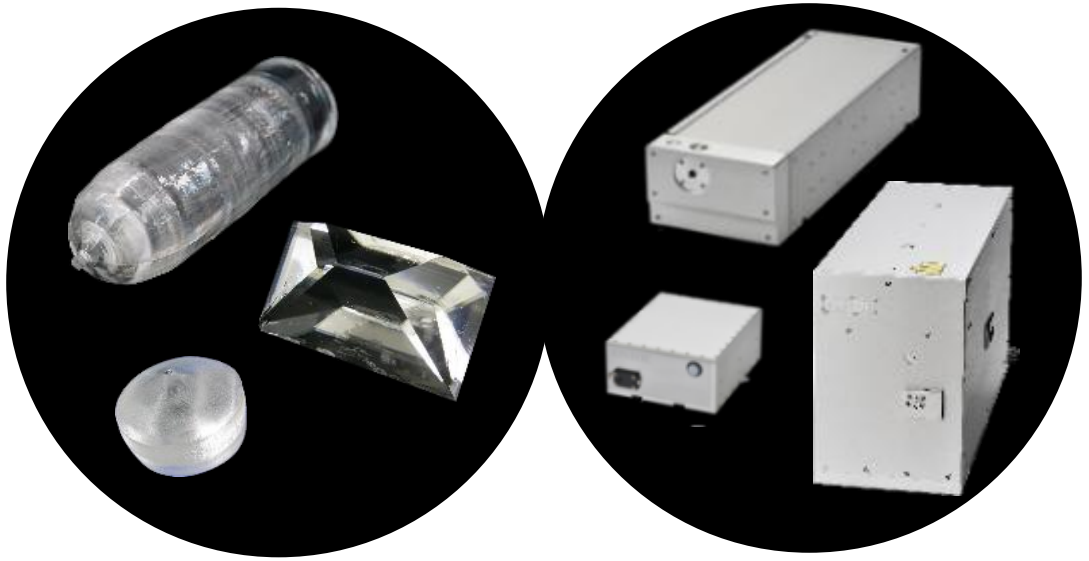
Overview of Business

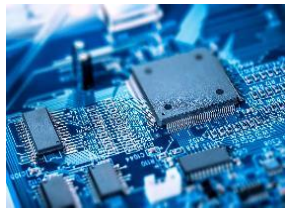
OXIDE

With the goal of becoming a leading global niche company in single crystals and lasers, we are expanding our business into various markets, including semiconductor and healthcare.

Single crystals

Lasers





Semiconductor Business

Manufacturing Single crystals and Lasers for Semiconductor Si Wafer Defect Inspection System

Healthcare Business

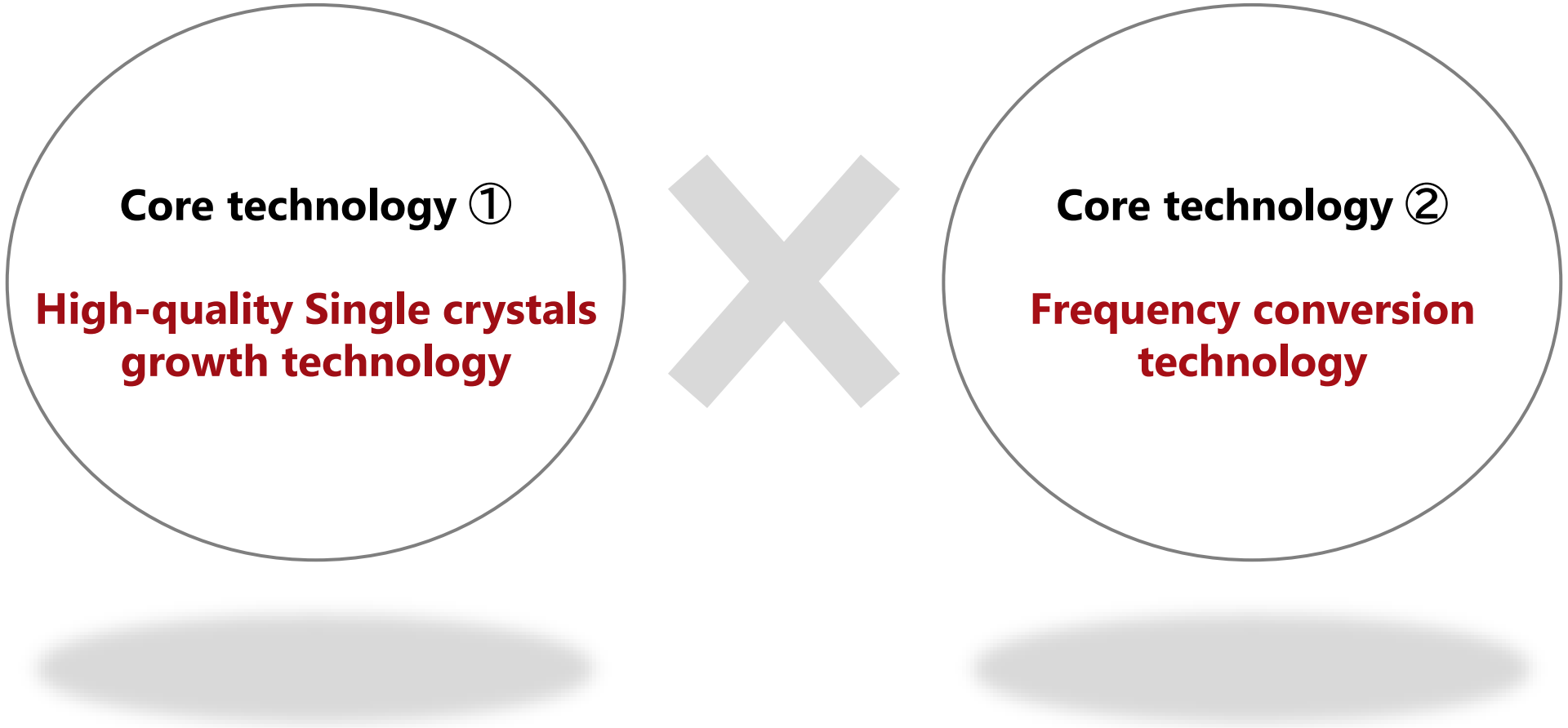
Manufacturing Single crystals for PET scanners

Frontier Tech Business

Business development in various fields, such as Quantum, Power Semiconductor, Aerospace & Defense, Energy, and Medical aesthetics

OXIDE Core Technologies

Our core technologies are high-quality Single crystals growth technology and Frequency conversion technology.



Core technology ① High-quality Single crystals growth technology

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- Since its establishment, OXIDE has adopted a variety of growth technologies. The combination of various growth equipment and know-how in the formulation of raw materials and growth conditions realizes the creation of new materials and the improvement of quality

Growth method	CZ method	FZ method	TSSG method	VB method	DCCZ method
Equipment					
Crystals	 LGSO  TGG  GPS	 YIG  Nd:YVO_4	 CLBO  KTN	 LB4  EPOCH	 Mg:SLT  Mg: SLN

Core technology ② Frequency conversion technology

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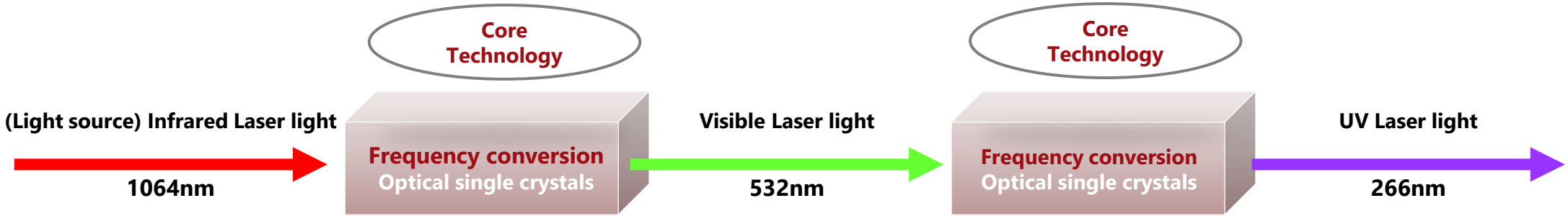
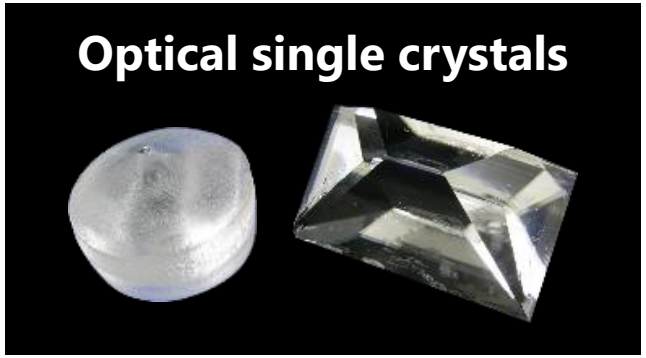
- Frequency conversion is a technology that changes the wavelength of light.
- Our deep-UV Lasers achieve the world's highest output power and long lifetime based on our optical Single crystals manufacturing and processing technology, as well as our knowledge and technology in the use of Single crystals.

Example of Frequency conversion creating a wavelength of 266 nm





Products that use Single crystals growth technology and frequency conversion technology

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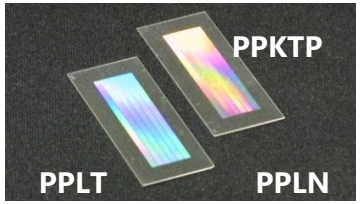
- Combining these two core technologies, OXIDE develops, manufactures, and sells products for a wide range of wavelength.
- These products are used in various application fields.

Gamma | Deep UV | UV | Visible light | Infrared

single crystals


LGSO




KTP RTP

Applications


Healthcare


Semiconductor inspection


Power Semiconductors

Data center


Quantum technology

Competitive Advantages of OXIDE

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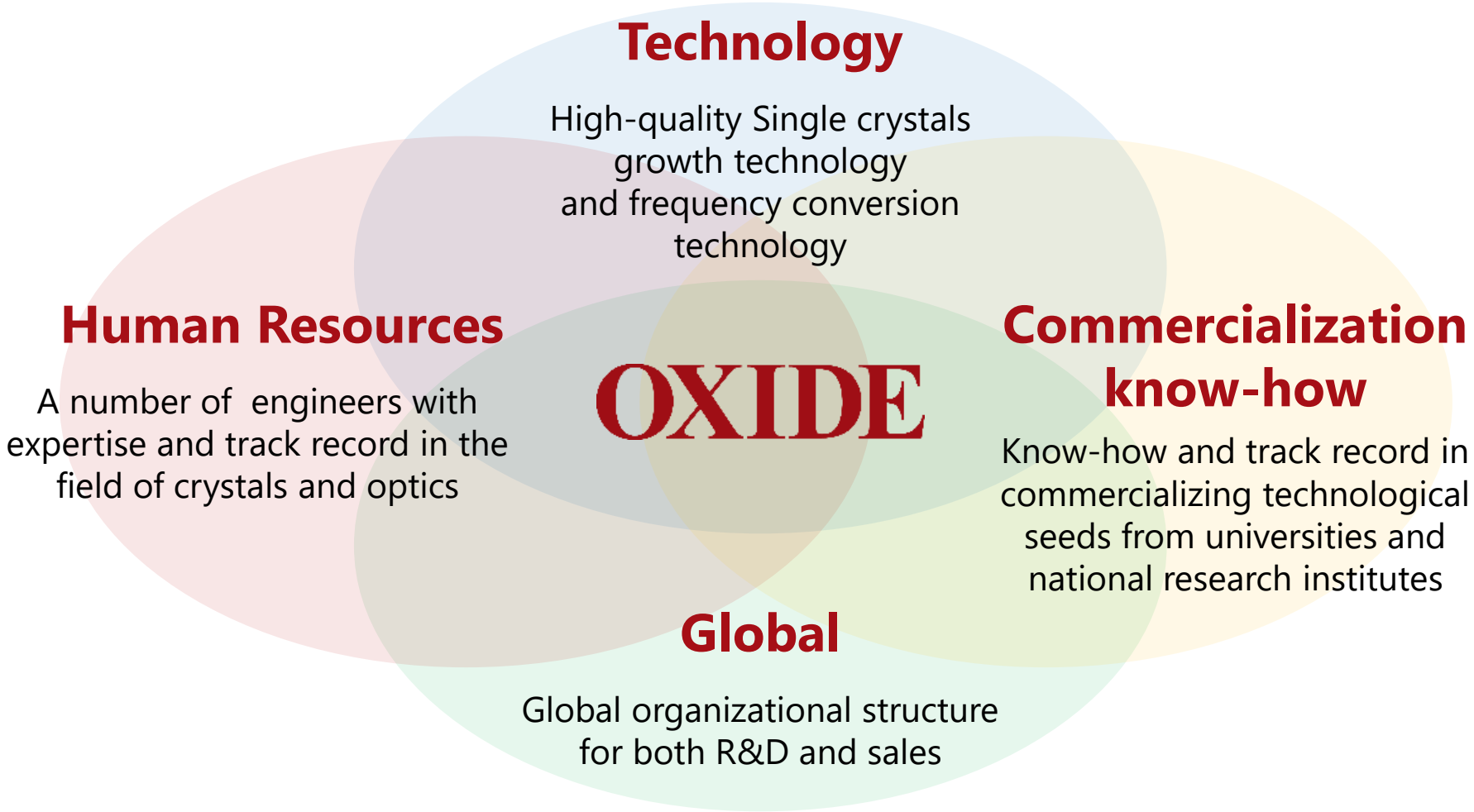
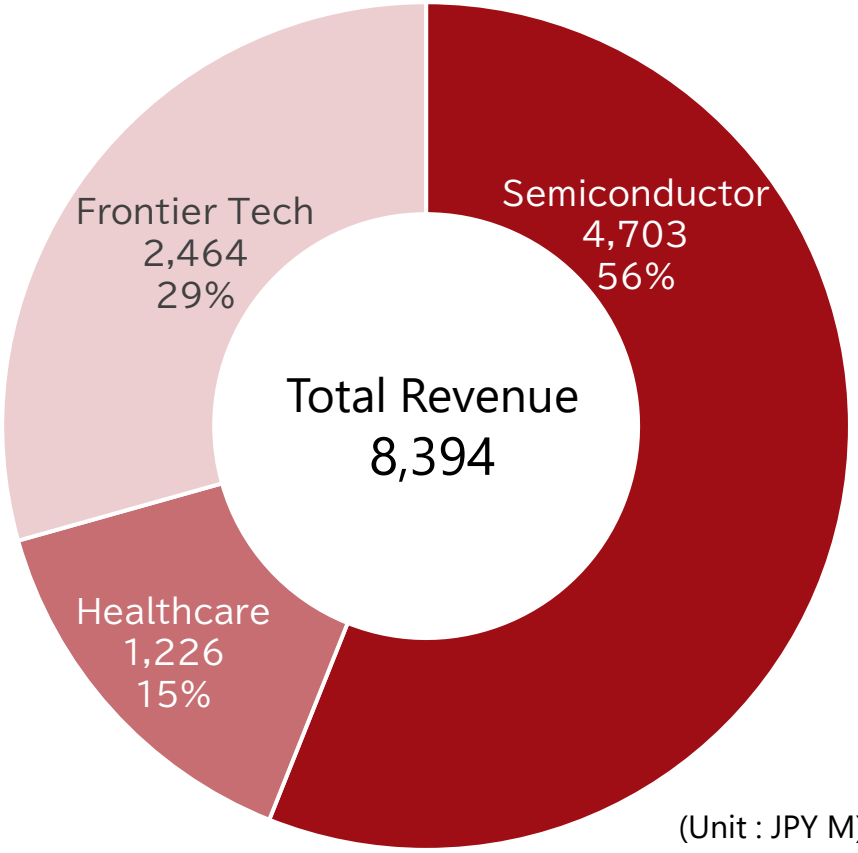
Our competitive advantages are based on four factors: Technology, Human resources, Commercialization know-how, and Global.

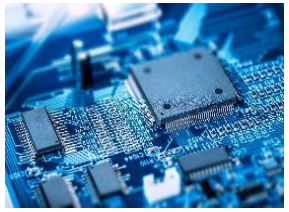


Breakdown of revenue by business : FY 2025 Feb

By business segment, the Semiconductor business accounted for 56%, Healthcare 15%, and Frontier Tech 29%.



(Unit : JPY M)



Semiconductor

Production and sales of Single crystals and Lasers for Semiconductor wafer defect inspection systems

Healthcare

Production and sales of single crystals for Cancer diagnosis PET scanners

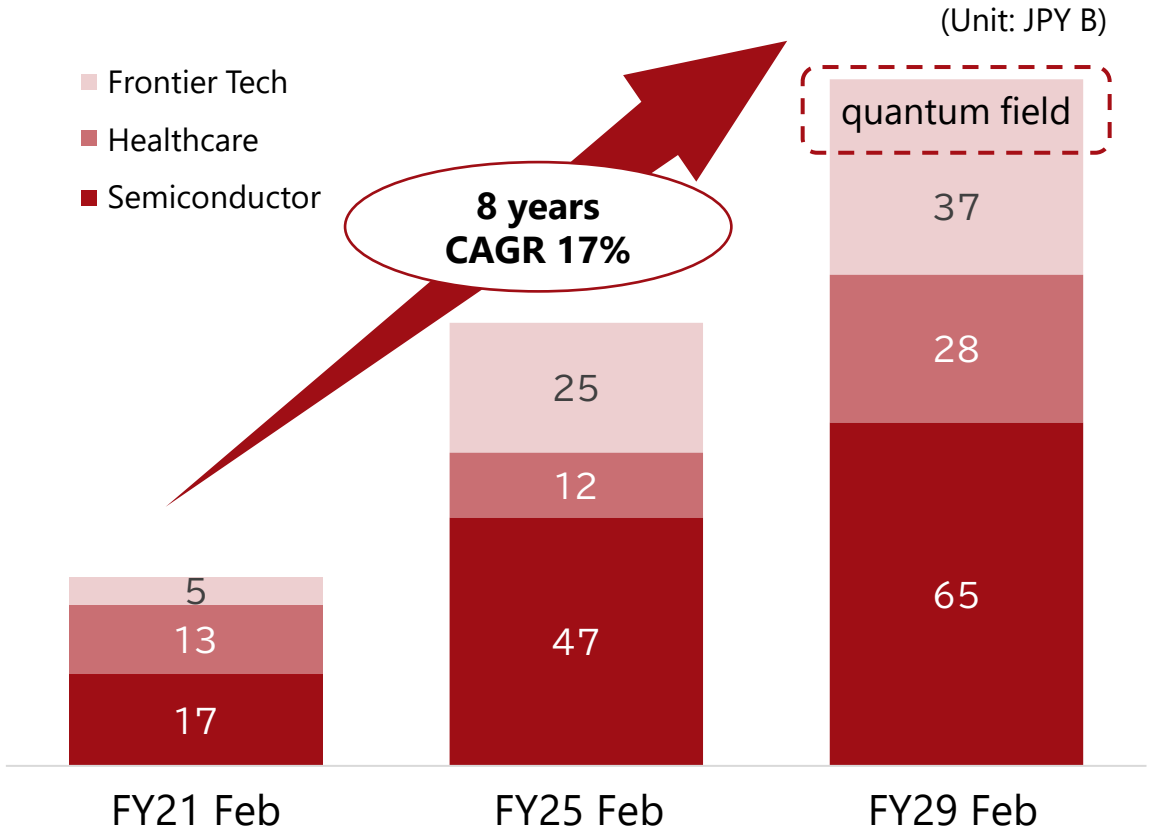
Frontier Tech

Expanding into various fields such as Quantum, Power Semiconductors, Aerospace & Defense, Energy, Medical Aesthetics, etc.

Mid-term management targets

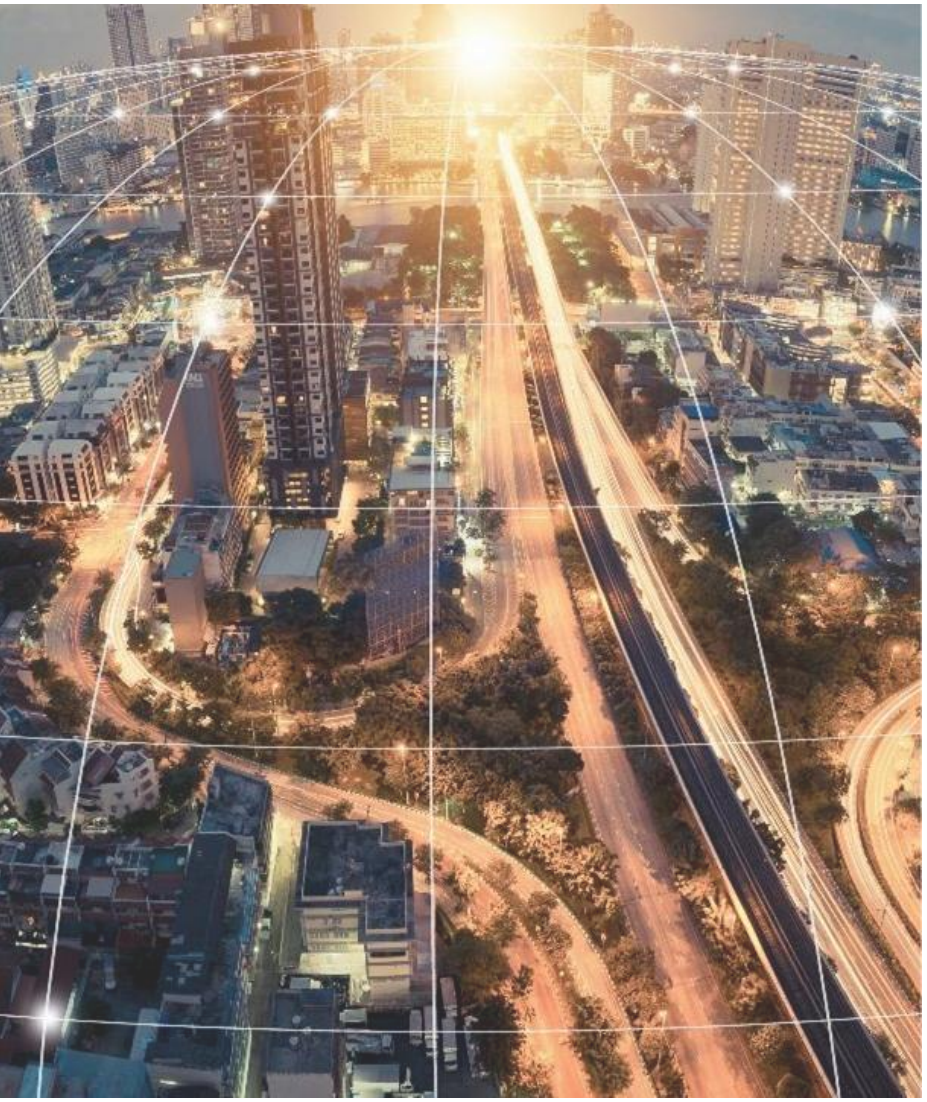
OXIDE

- Management targets for FY2029 Feb are Revenue of JPY 13Billion, Operating Profit Margin of 12%, and EBITDA Margin of 22%.*1
- In addition to the growth of existing businesses, we aim to generate business revenue in the quantum field as a new business pillar.



	FY2025 Feb Result	FY2029 Feb Target
Corporate Revenue	JPY 8.4 Billion	JPY 13 Billion
Operating Profit Margin	1.5%	12%
EBITDA Margin	13.6%	22%

*1 The external environment surrounding our business is changing dynamically on a daily basis. Under these circumstances, we believe it is important to aim for medium-term growth without being influenced by variable factors over one to three years. For this reason, until the previous announcement, we considered three years as the medium-term period and presented our management plan by fiscal year, but from this fiscal year, we consider eight years as the medium-term period and have revised the plan from the results of FY2021 Feb. to FY2029 Feb.



02. FY 2025 Feb Review,
FY 2026 Feb Areas of Focus

FY2025 Feb Review

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	Plan (disclosed in April 2024)	FY 2025 Feb in Review
Semiconductor	・V-shaped recovery in revenue and profit and strengthening of supply chains	・Complete resolution of component failure issues ・Maintenance demand for laser products is on the rise, forming a stable revenue base.
Healthcare	・Develop new customers at both Cancer diagnosis PET scanners and Brain PET scanners	・Obtained certification from a new customer of a leading manufacturer of high-performance PET equipment.
Frontier Tech	・Expand Cross-selling with Raicol and accelerating joint R&D projects including quantum ・Accelerate development of Power Semiconductor through establishment of subsidiary	・Revenue in the quantum field reaches JPY 600M. ・Solution-method SiC business was transferred to a subsidiary through an absorption-type company split. Success in Growing Inclusion-Free, High-Quality, Large-Size SiC Crystals ・Acquire new projects for data centers
Corporate	・Operating profit returned to the black for current term ・Continue to invest in R&D and CAPEX to grow the business from the next term onwards	・While continuing aggressive R&D investment, Operating Profit was JPY 126M, returning to profitability. ・Expansion of manufacturing capacity due to large capital investments to date

FY 2026 Feb Areas of Focus

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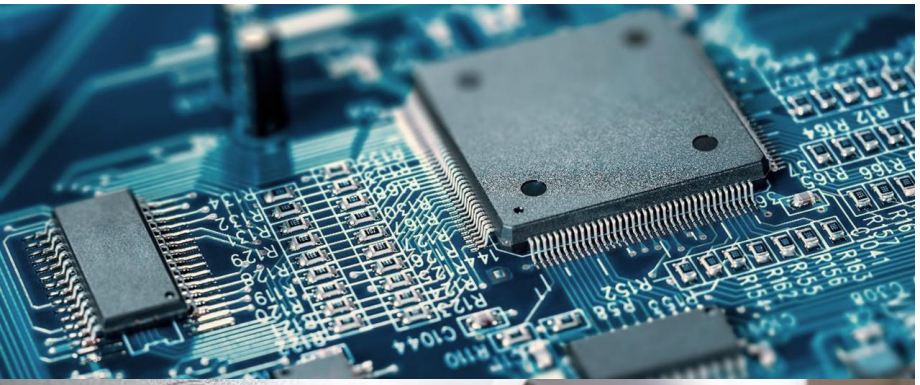
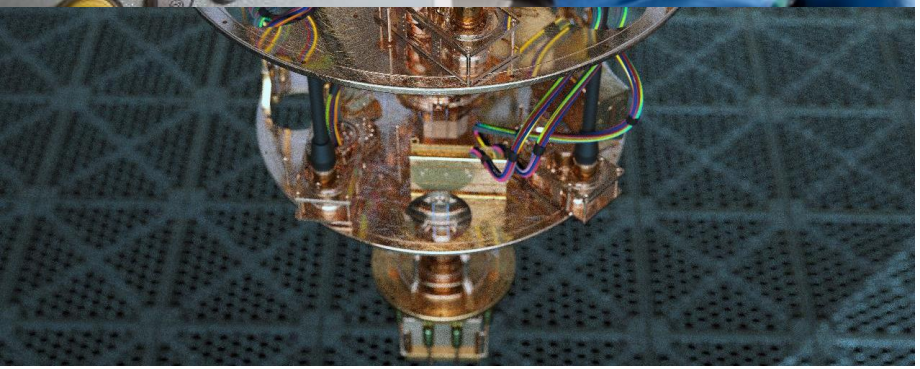
Semiconductor	・Leverage expanded manufacturing capacity to meet growing maintenance demand, support new product development, and address other applications.
Healthcare	・Start full-scale operations with a new customer, a leading manufacturer of high-performance PET equipment.
Frontier Tech	・Develop Single Crystals and Deep-UV Lasers for New Applications. ・Strengthen partnerships with advanced research and development institutions and companies in the quantum field. ・Accelerate regular sample shipments of solution-method SiC wafers and facilitate device evaluations with customers.
Corporate	・Strengthen financial position to achieve mid-term management targets





03. Overview of Business

Semiconductor, Healthcare, Frontier Tech

OXIDE

Semiconductor Business

Semiconductor is an essential part of our lives
OXIDE technology is essential for leading-edge semiconductor manufacturing

Production and sales of Single crystals and Lasers for Semiconductor wafer defect inspection systems

FY 2025 Feb

Revenue

JPY 4,703M

Revenue Composition

56%

Semiconductor | OXIDE in the semiconductor manufacturing process

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Our single crystals and lasers are used in wafer surface defect equipment in the Semiconductor manufacturing process (front-end).

Front-End

Silicon wafer(Shin-Etsu Chemical)*1

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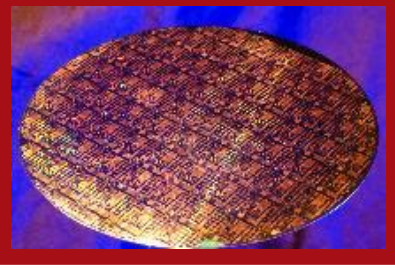
Wafer surface defect inspection
(Wafer without Pattern)

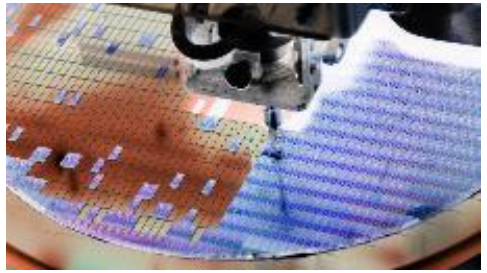
OXIDE

Wafer surface defect inspection
(Wafer with Pattern)



Film deposition, patterning, etching (Tokyo Electron, KLA, Lasertec, Hitachi High-Tech)*1

Back-End



Dicing (DISCO)*1

Packaging (ASE)*1

Generative AI

Mobile phones

Personal computer

Data center

*1 ( ) indicates the name of a representative company in each process.

Semiconductor | High market share in the wafer inspection equipment

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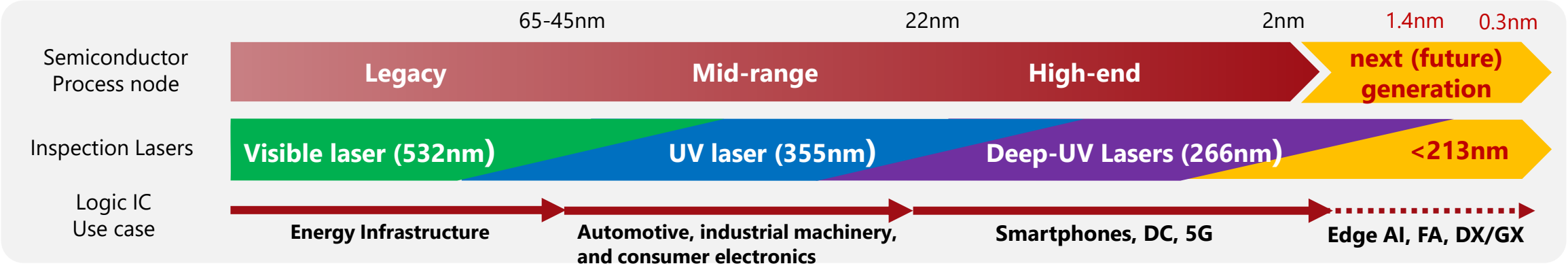
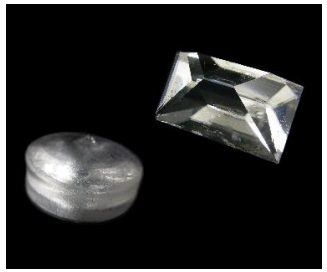
- Demand for Deep-UV Lasers for high-end Semiconductor process node 22nm and below is growing.
- Our high-quality, long-life Deep-UV optical crystals and Deep-UV Lasers are used in Semiconductor manufacturing plants around the world.
- Based on our core technologies of "single crystals growth" and “frequency conversion", we have expanded our market share of single crystals and laser products.



OXIDE Product



Single crystals for Deep-UV Lasers Frequency conversion
Global share > 95% *1

Deep-UV Lasers product
Global share > 30% *1

Adopted in leading-edge Semiconductor wafer inspection equipment

- TSMC
- Intel
- Samsung

Operation at the world’s leading Semiconductor manufactures

*1 Our calculations based on various market data and customer information.

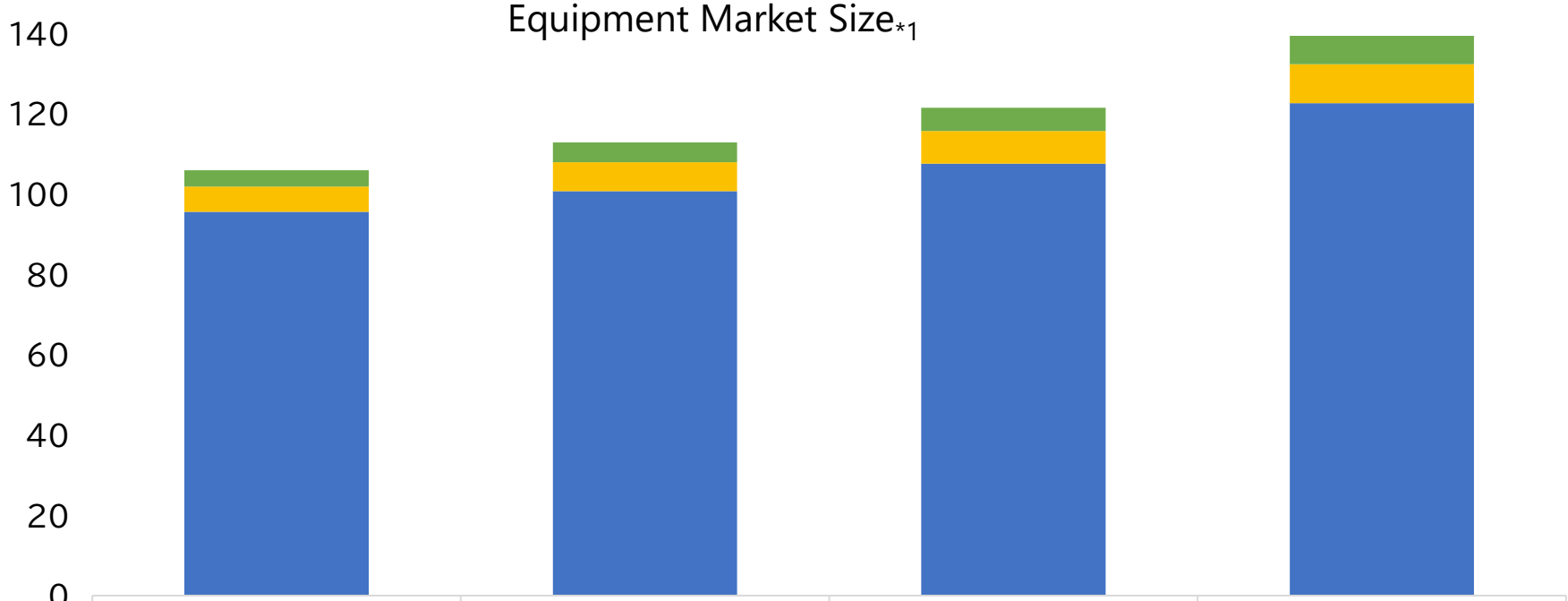
Semiconductor | Market Environment

OXIDE

In December 2024, SEMI updated its forecast figures for the Semiconductor inspection equipment market. The market remains on a growth trend.

Semiconductor Manufacturing Equipment Market Size*1

(Unit:USD B)



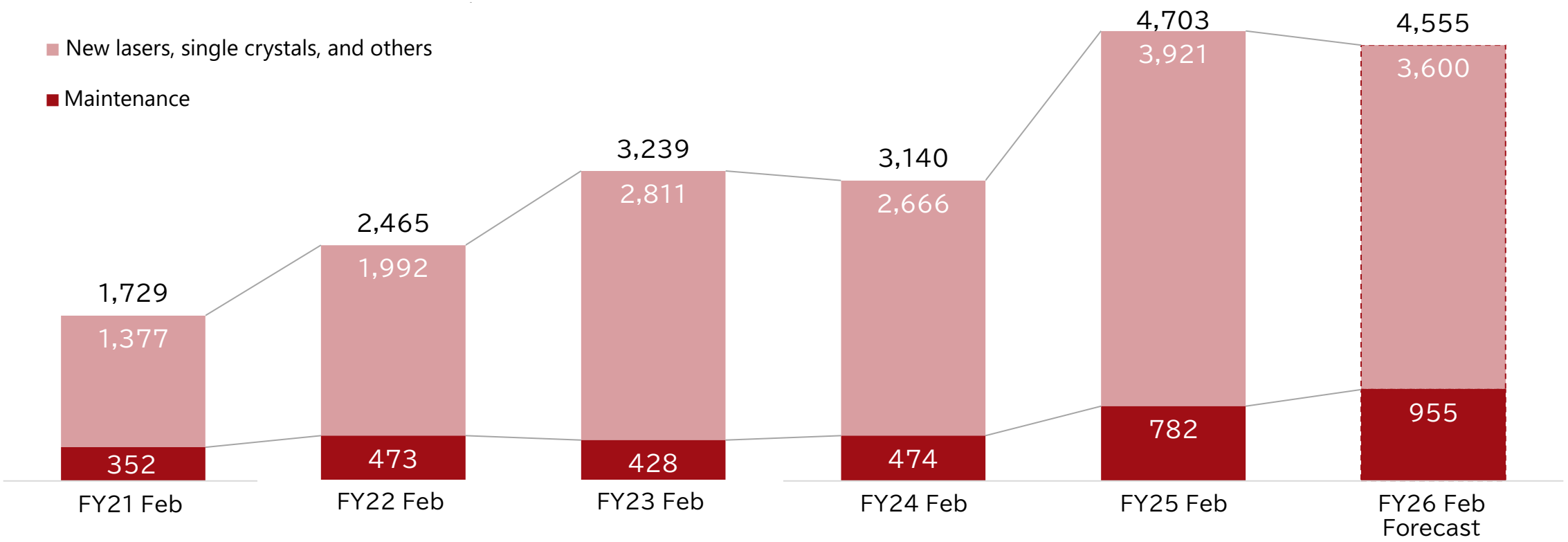
	2023	2024F	2025F	2026F
A&P Equipment	4.03	4.94	5.73	7.07
Test Equipment	6.27	7.14	8.18	9.71
Wafer Fab Equipment	95.61	100.75	107.56	122.64

*1 Source: SEMI Semiconductor Manufacturing Equipment Market Statistics Report Annual Subscription, December 2024

Semiconductor | Revenue forecast

- Revenue for the FY2025 Feb increased due to an increase in shipments of existing products resulting from a significant improvement in production efficiency, as well as new product research and development contracts.
- Maintenance demand for shipped laser products will be on the rise in the FY 2025 Feb, with maintenance revenues totaling JPY 782M. (This will lead to the formation of a stable revenue base as a recurring business model.
- Revenue for FY2026 Feb is expected to be JPY 4,555M.

(Unit:JPY M)



Semiconductor | New order received and Order backlog

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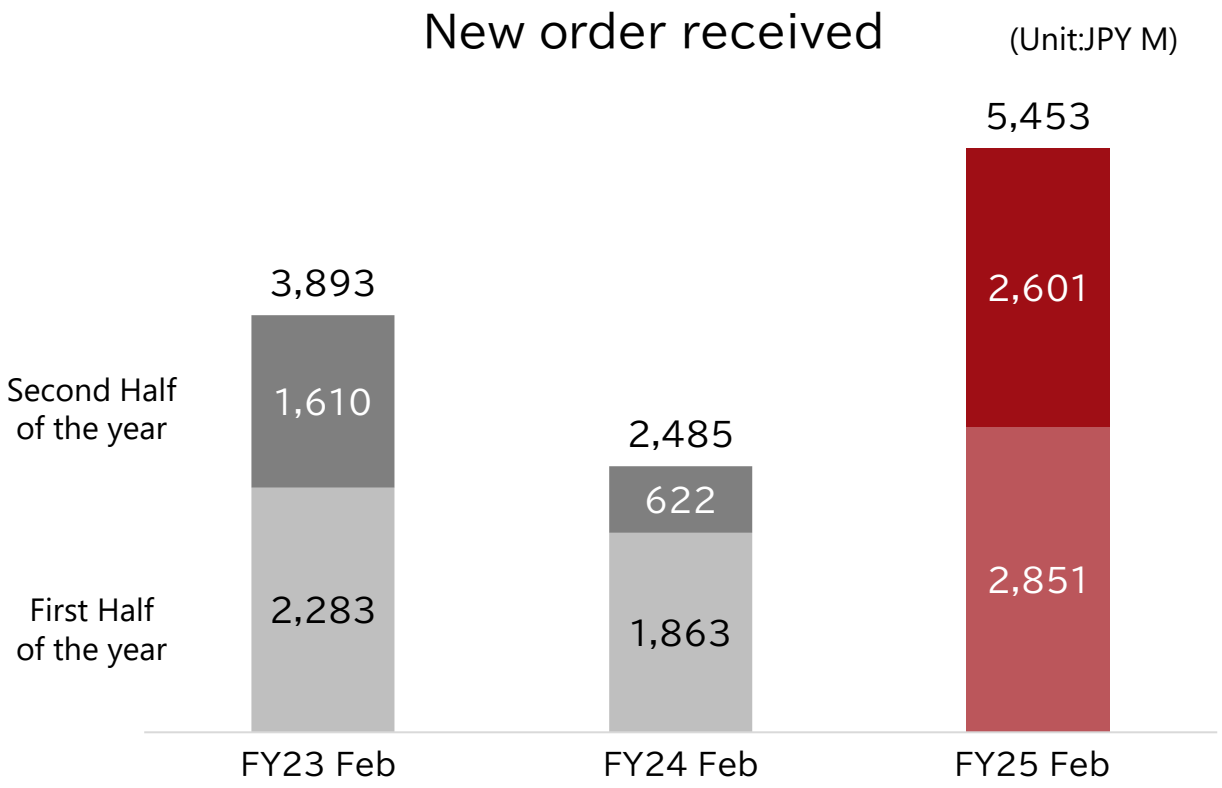
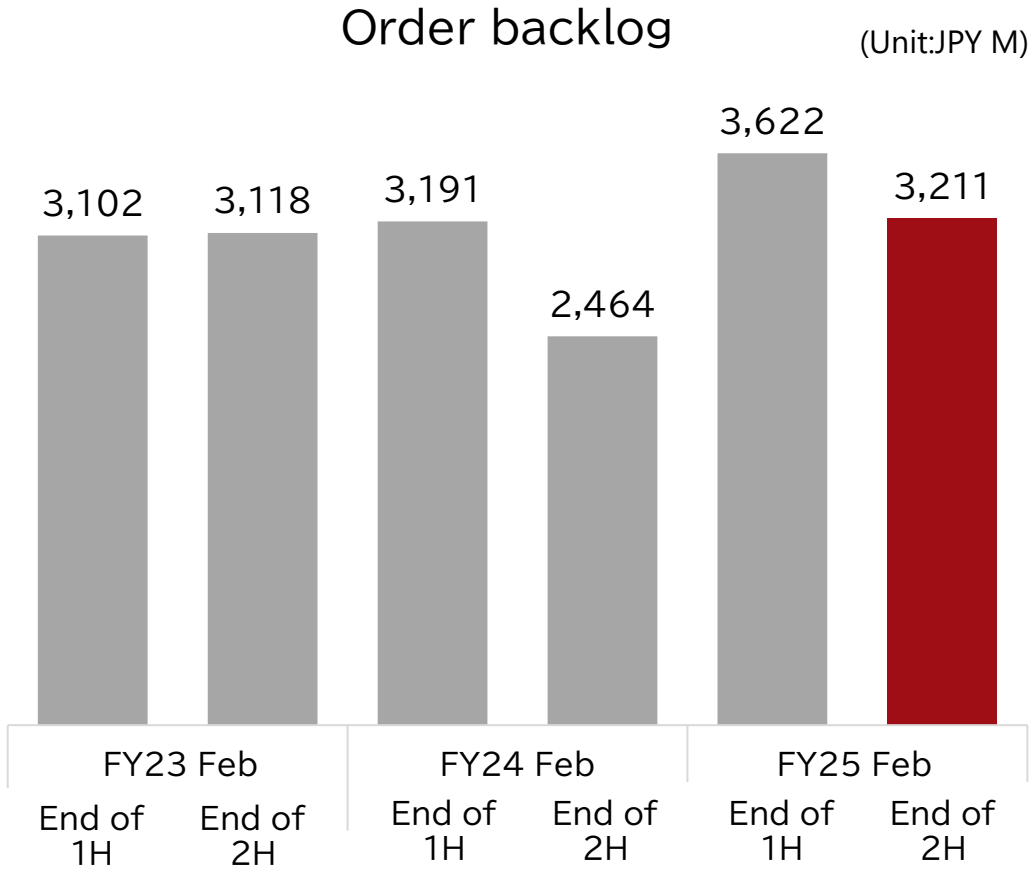
- New order received for FY2025 Feb more than doubled from the previous year to a record high of JPY 5,453M.
- As of FY2025 Feb, the Order backlog was JPY 3,211M.





Semiconductor | Business Strategy

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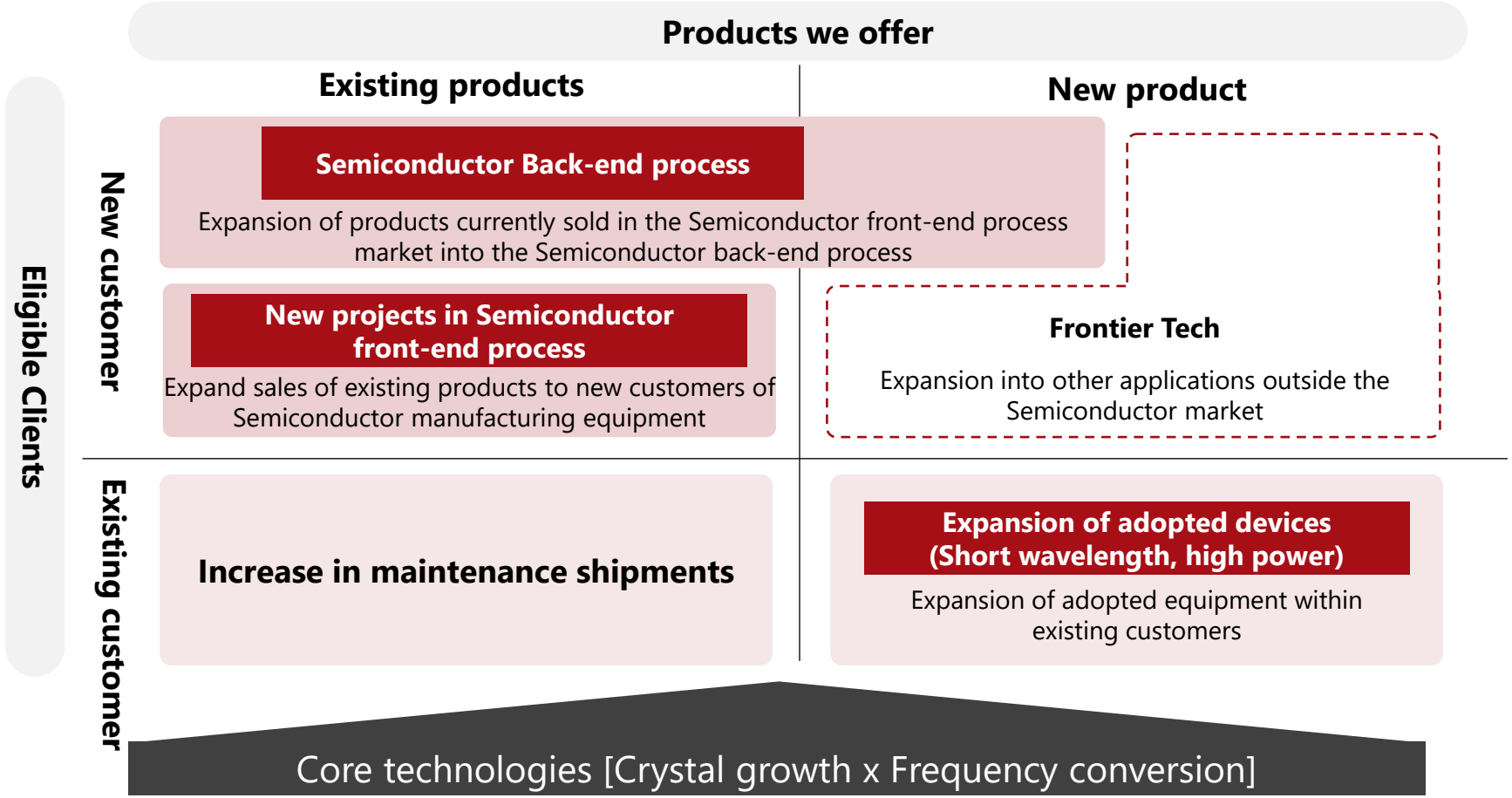
- Revenue from our Optical single crystals and Deep-UV Lasers, which are used in advanced Semiconductor manufacturing, has rapidly expanded since FY2021 Feb and already have a high market share with certain customers.
- We will take advantage of the expansion of our manufacturing capacity to achieve further growth through the development of new products and other applications.



Semiconductor | Competitive Advantages of Deep-UV Lasers

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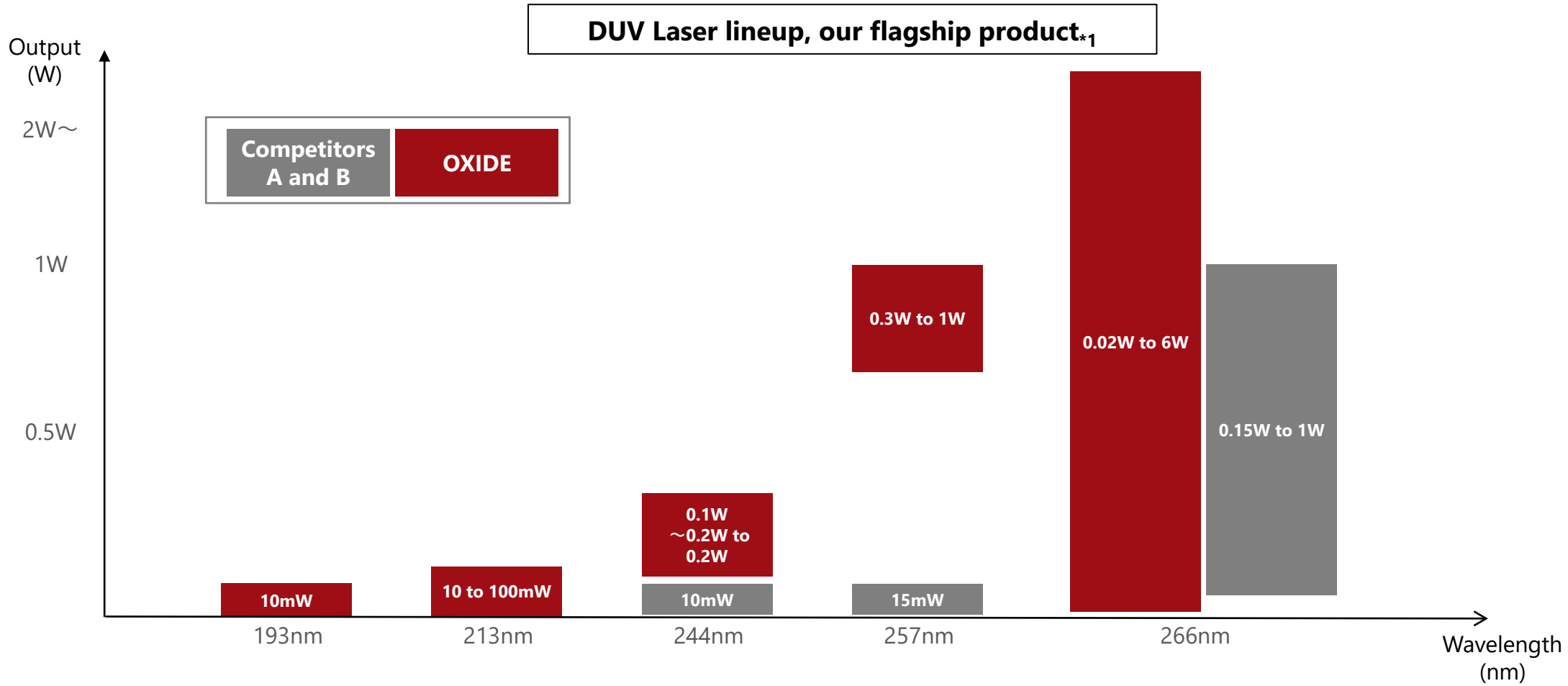
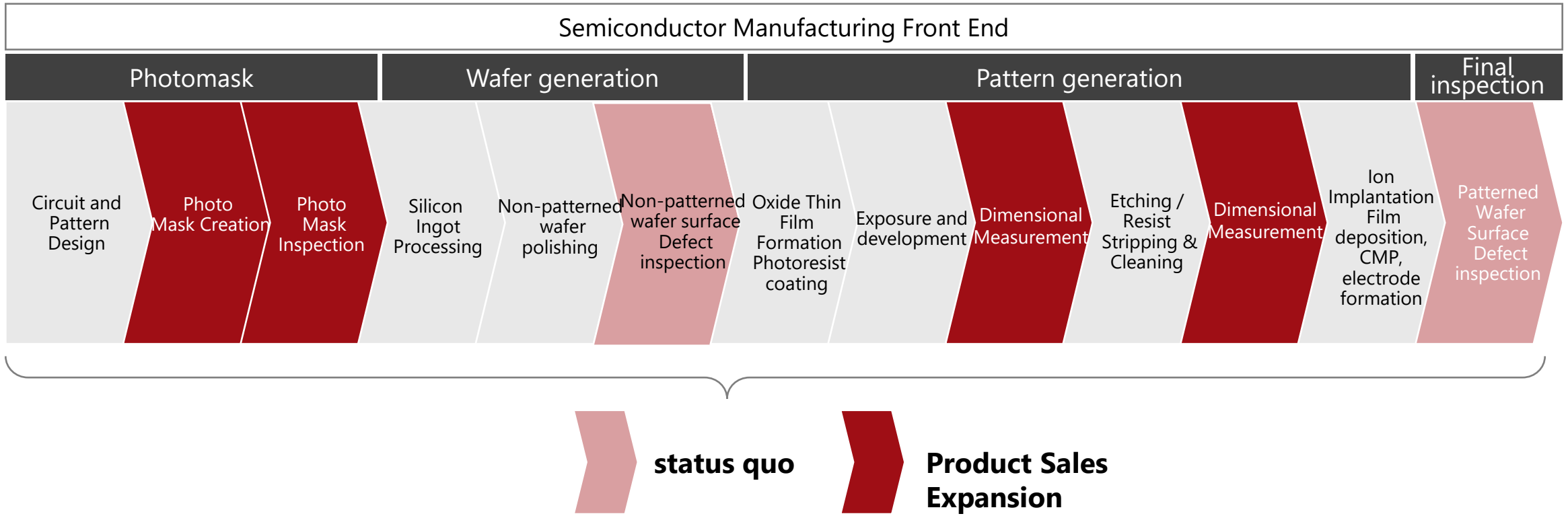
- We have been expanding our product lineup to meet the demand for shorter wavelengths in Semiconductor wafer inspection light sources and a wide range of cutting-edge metrology applications.
- In addition to an extensive product lineup, our products feature high output in the short wavelength range.



*1 Created with reference to competitors' websites, catalogs, etc.

Semiconductor | Expansion of new projects in front-end semiconductor manufacturing

- We will promote the development of new customers for Deep-UV Lasers in the front-end process of Semiconductor manufacturing and accelerate business growth by strengthening existing markets and entering new markets.
- To date, we have expanded our market share of single crystals and lasers in the wafer inspection process. In the future, we will aggressively expand sales of products for the photomask and dimensional measurement processes, where demand for Deep-UV Lasers is expected, and aim for further growth.



Semiconductor | New project: PEEM (photoelectron emission microscope)

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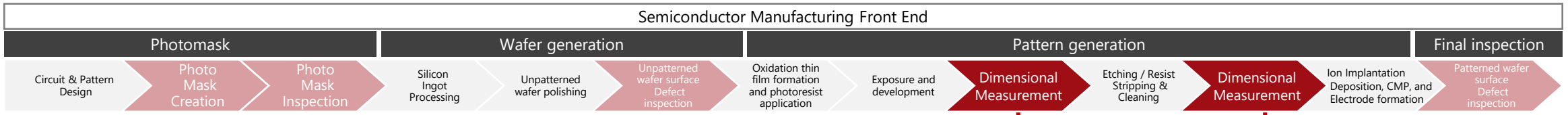
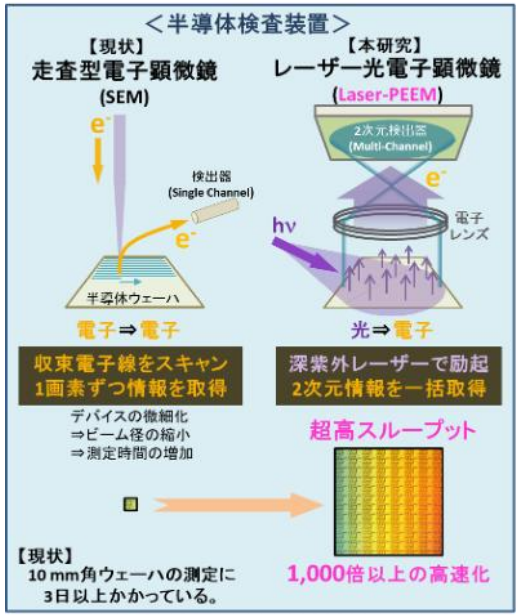
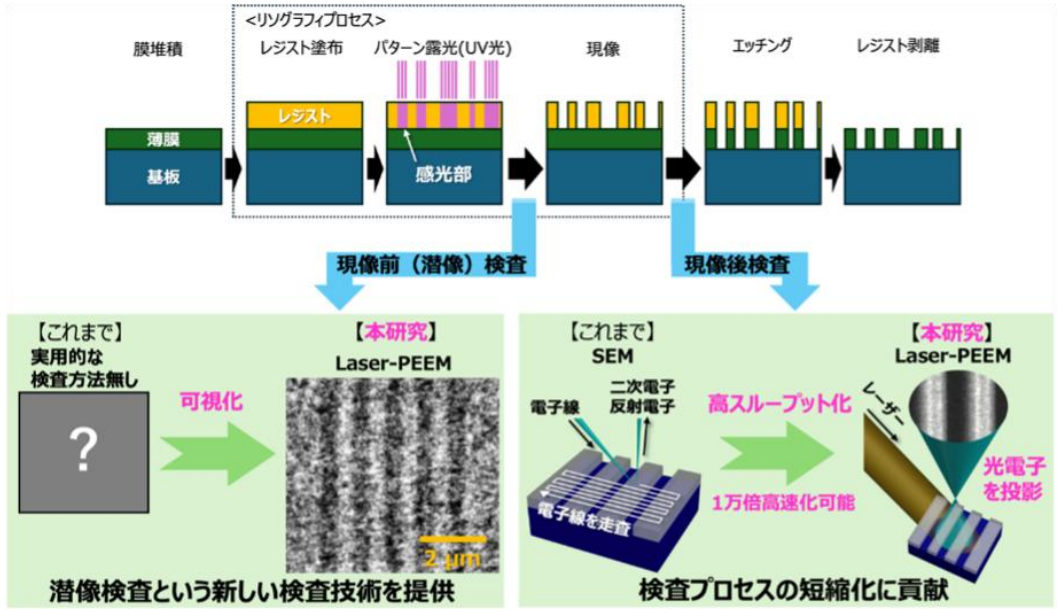
- Circuit pattern inspection throughput can be increased more than 1,000 times faster than with conventional technology (CD-SEM).
- It enables inspection of circuit pattern defects before development (latent image imaging) and contributes to shortening the inspection process.
- Our Deep-UV Lasers (257.5nm and 266nm wavelengths) are used in the development of this technology.





Conventional electron microscope (SEM) and Laser-PEEM



Ultra-fast imaging before and after development in the lithography process

*1 Source:Institute for Solid State Physics, The University of Tokyo Press Release https://www.issp.u-tokyo.ac.jp/maincontents/news2.html?pid=24999
*2 Source: Hitachi High-Technologies Corporation press release https://www.hitachi-hightech.com/jp/ja/media/nr20241107_tcm26-246616.pdf

Semiconductor | Expansion into other applications: Semiconductor back-end process and Frontier Tech

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We aim to further expand the market by developing Deep-UV Lasers and single-crystal products for new applications, leveraging our technology and results accumulated in the Semiconductor wafer inspection system market.

	Semiconductor Business	Frontier Tech Business	
Field	Semiconductor back-end process, microfabrication	Quantum field	Resource Exploration, Space, Aeronautics, Others
Examples of Uses	・Chiplet ・Packaging Microfabrication	・Quantum Computing ・Quantum cryptographic communication ・Quantum sensing	・Analysis of the lunar and earth's surface
To our products demand	・With the trend toward miniaturization and higher density, technological innovation is required. ・Demand may increase as an alternative technology, especially in the Chinese market, despite the impact of export restrictions.	・It is important as a fundamental technology for quantum computing and quantum cryptographic communications, which require high precision wavelengths.	・Raman spectroscopy enables simultaneous analysis of material reflection and Raman reflection ・Expected to be applied to ground surface analysis, etc.
Our Advantage	・High-quality and long-life Deep-UV laser technology ・Long experience and results in the field of Semiconductor manufacturing equipment	・High-quality and long-life Deep-UV laser technology ・Track record of shipments for quantum entangled photon pair generation modules	・High-quality and long-life Deep-UV laser technology ・Many results with Deep-UV Lasers for measurement

OXIDE

Healthcare Business

Early Detection and Treatment Provides Peace of Mind
Supporting Future Health with OXIDE Crystal Technology

Production and sales of single crystals for cancer diagnosis PET scanners

FY 2025 Feb

Revenue

JPY 1,226M

Revenue Composition

15%

Healthcare | Cancer diagnosis PET scanners and scintillator single crystals

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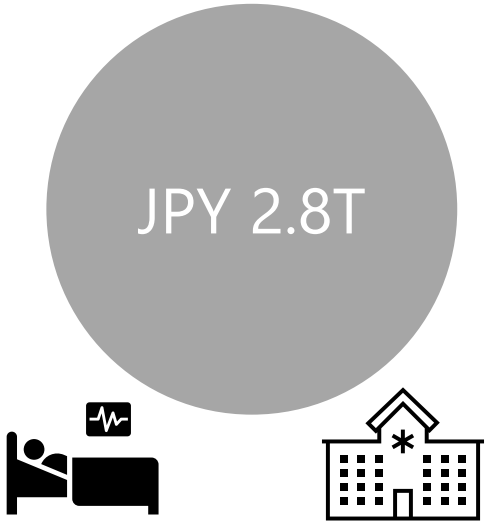
- Our scintillator single crystals are used in the Cancer diagnosis PET scanners *1.
- Cancer diagnosis PET scanners is an indispensable medical device for the early detection of cancer.
- The economic burden of cancer on society is approximately JPY 2.8T*2 . Early detection of cancer not only saves our lives, but also reduces the economic burden.

Economic burden



OXIDE products used in PET scanners

PET scanners

*1 Cancer diagnosis PET scanners: A device that injects a radioactive drug that concentrates on cancer cells into a patient and detects the radiation emitted from the drug.
*2 Source:National Cancer Center Press https://www.ncc.go.jp/jp/information/pr_release/2023/0802/index.html

Healthcare | Competitive Advantages of OXIDE Scintillator (1)

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Our scintillator single crystals ingot

1 High-quality single crystals based on our proprietary crystal growth technology — Growth technology

2 High yield due to improved production technology over the years — Mass production technology

3 Barriers to entry due to extensive patents — Patents

Healthcare | Competitive Advantages of OXIDE Scintillator (2)

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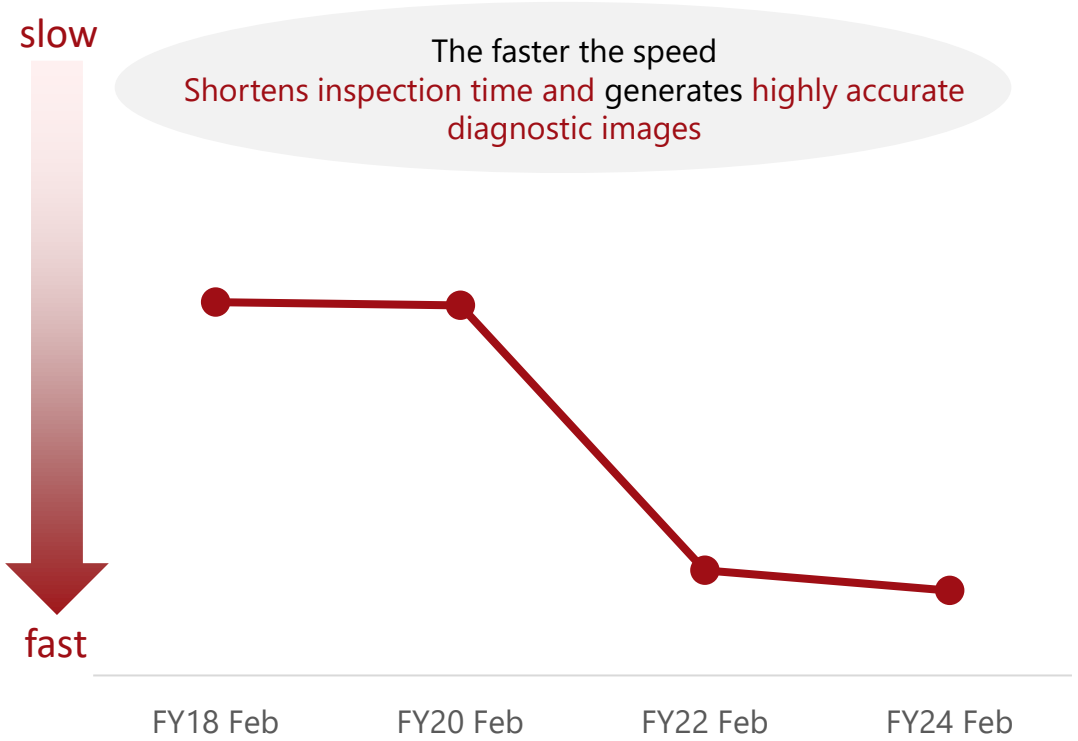
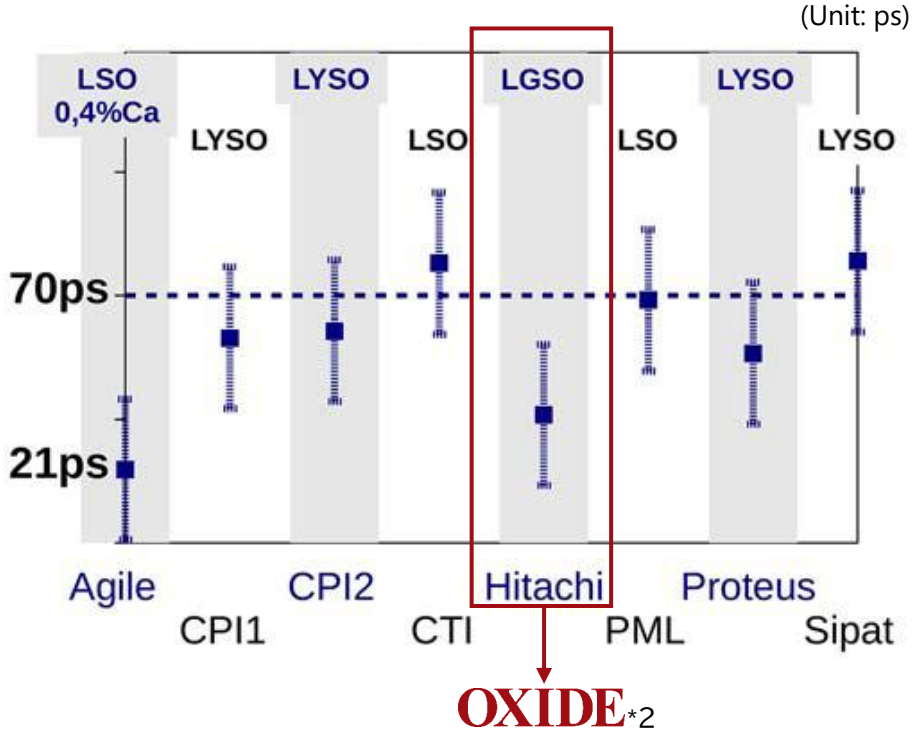
- We have succeeded in developing high-performance scintillator single crystals with top-level radiation detection speed.
- Continuous yield improvement is realized by increasing crystal size while maintaining high quality.

Detection speed of our scintillator single crystals



Comparison of detection speed with scintillator single crystals of other companies*1



*1 Sources: S. Gundacker et al., Phys. Med. Biol. 61, 2802 (2016), P. Lecoq, IEEE Trans. Radiat. Plasma Med. Sci. 1, 473 (2017).
*2 The technology was transferred from Hitachi Chemical (now Resonac) to the Company in 2015. Currently, LGSO is manufactured by the Company.

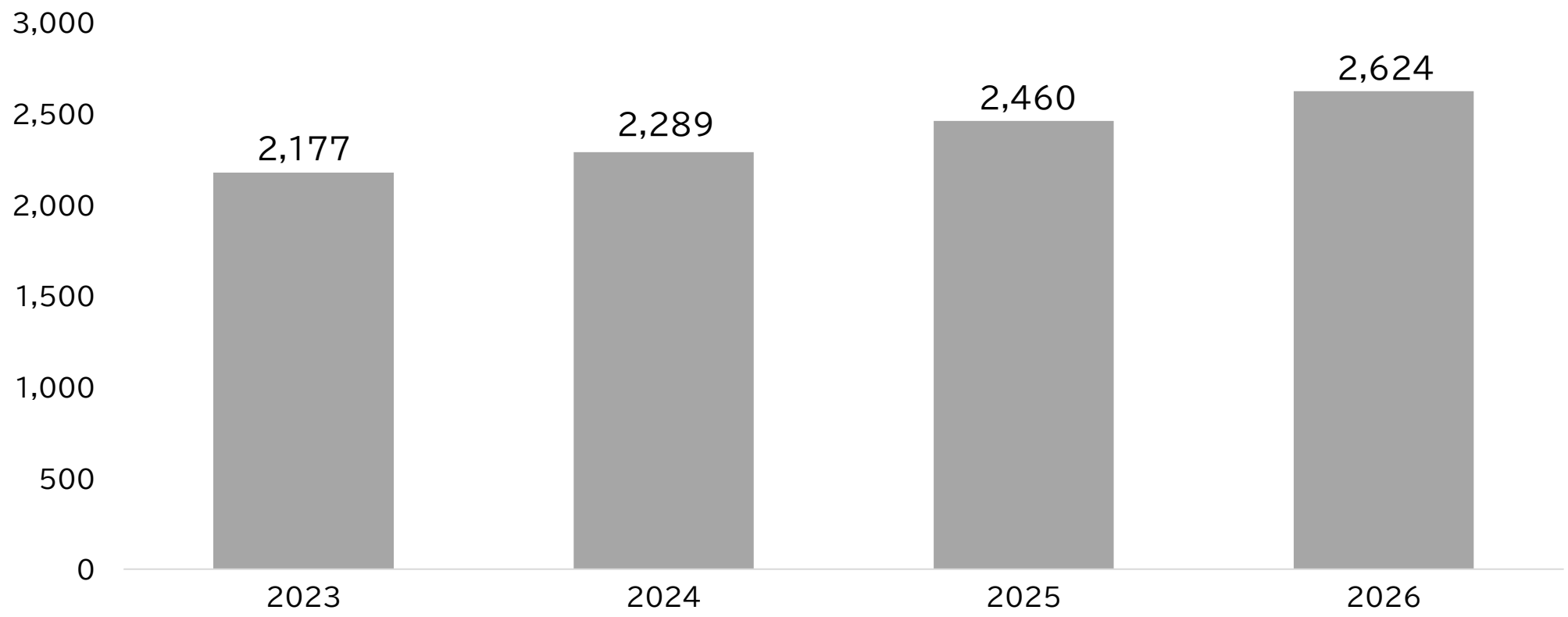
Healthcare | Market Environment

OXIDE

- PET scanner market is expected to grow at a steady rate of more than 5% per year
- The number of PET scanners per million people in each country is increasing.

PET Scanner Market Trends*1

(Unit:USD M)



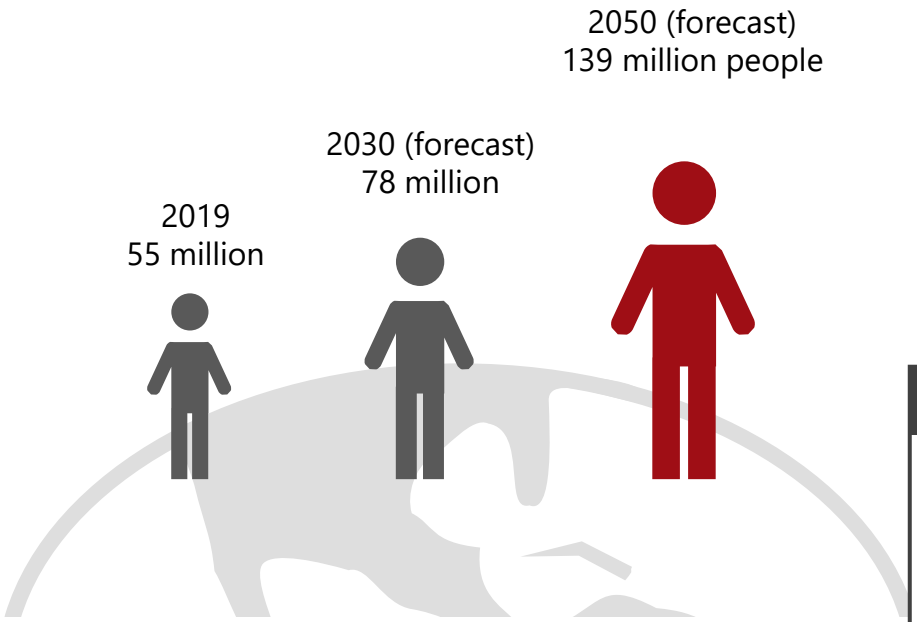
*1 Source: Market.us, Global On-demand PET Scanners Market Size, June 2023

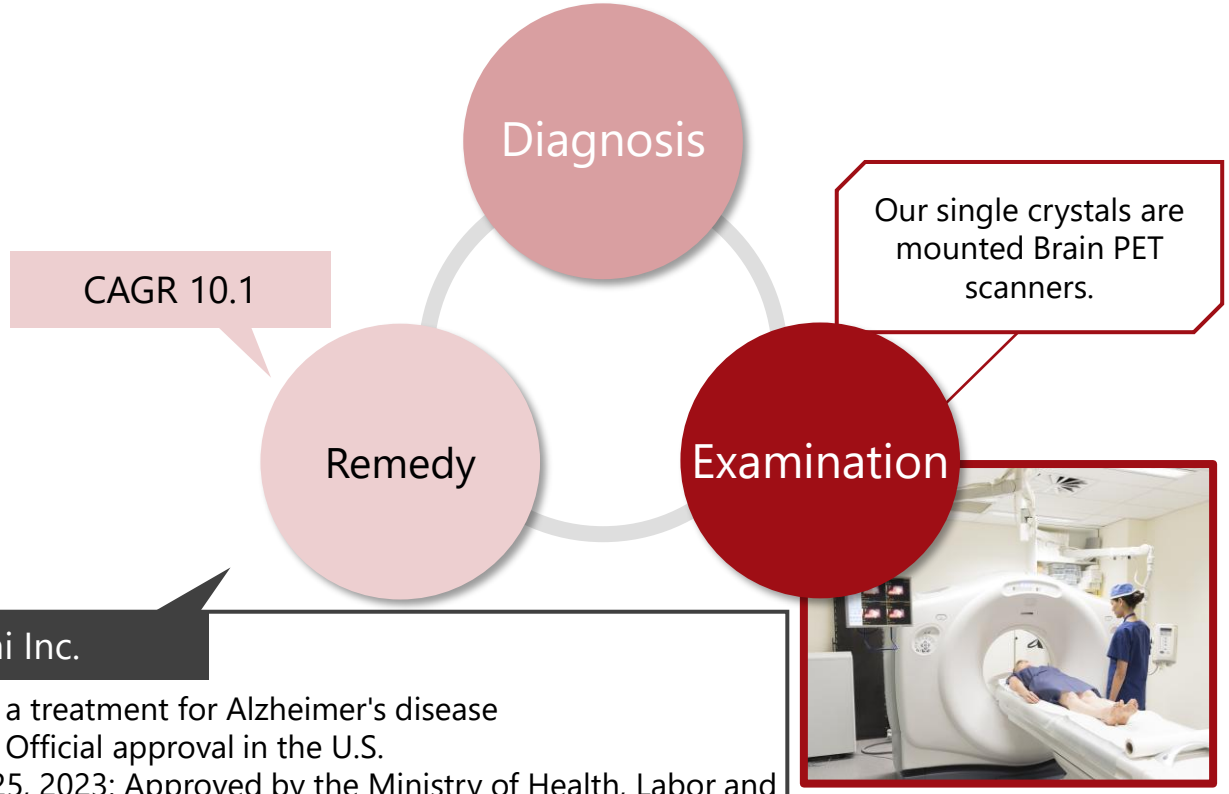
Healthcare | Trends of Brain PET scanners

OXIDE

- Brain PET scanners are one of the methods used to test for amyloid-β, the causative agent of Alzheimer's disease.
- Although Brain PET scanners is still in the development phase, inquiries, including samples, are on the increase.
- Although Alzheimer's treatment is challenged by strict regulatory requirements and high costs, the therapeutic drug market is projected to grow at a CAGR of 10.1%, and we expect to create market expansion opportunities with our small Brain PET scanners.

Alzheimer's Disease Population (Worldwide)*2





Eisai Inc.

Recanemab, a treatment for Alzheimer's disease
July 6, 2023: Official approval in the U.S.
September 25, 2023: Approved by the Ministry of Health, Labor and Welfare in Japan
April 16, 2025: Received marketing approval in the EU

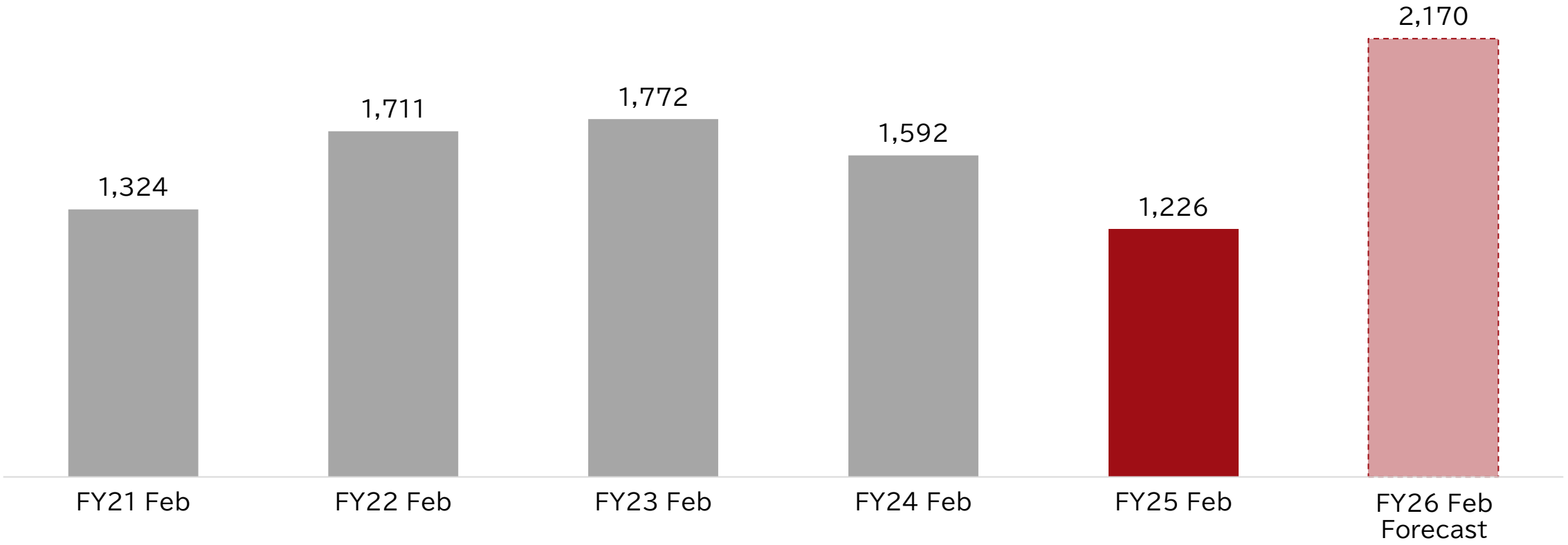
*1 Source: Global imformation, Alzheimer's Disease Drugs Market by Drug Class - Global Forecast 2025-2030, Oct 2024
*2 Source: WHO fact sheets on 20 September 2022

Healthcare | Revenue Forecast

OXIDE

- FY2025 Feb results were JPY 1,226M versus our budget of JPY 1,600M due to lower demand from existing customers.
- In FY2026 Feb, the company expects Revenue to exceed JPY 2.1B as transactions with new clients get into full swing.
- Develop new customers for Cancer diagnosis PET scanners and Brain PET scanners.

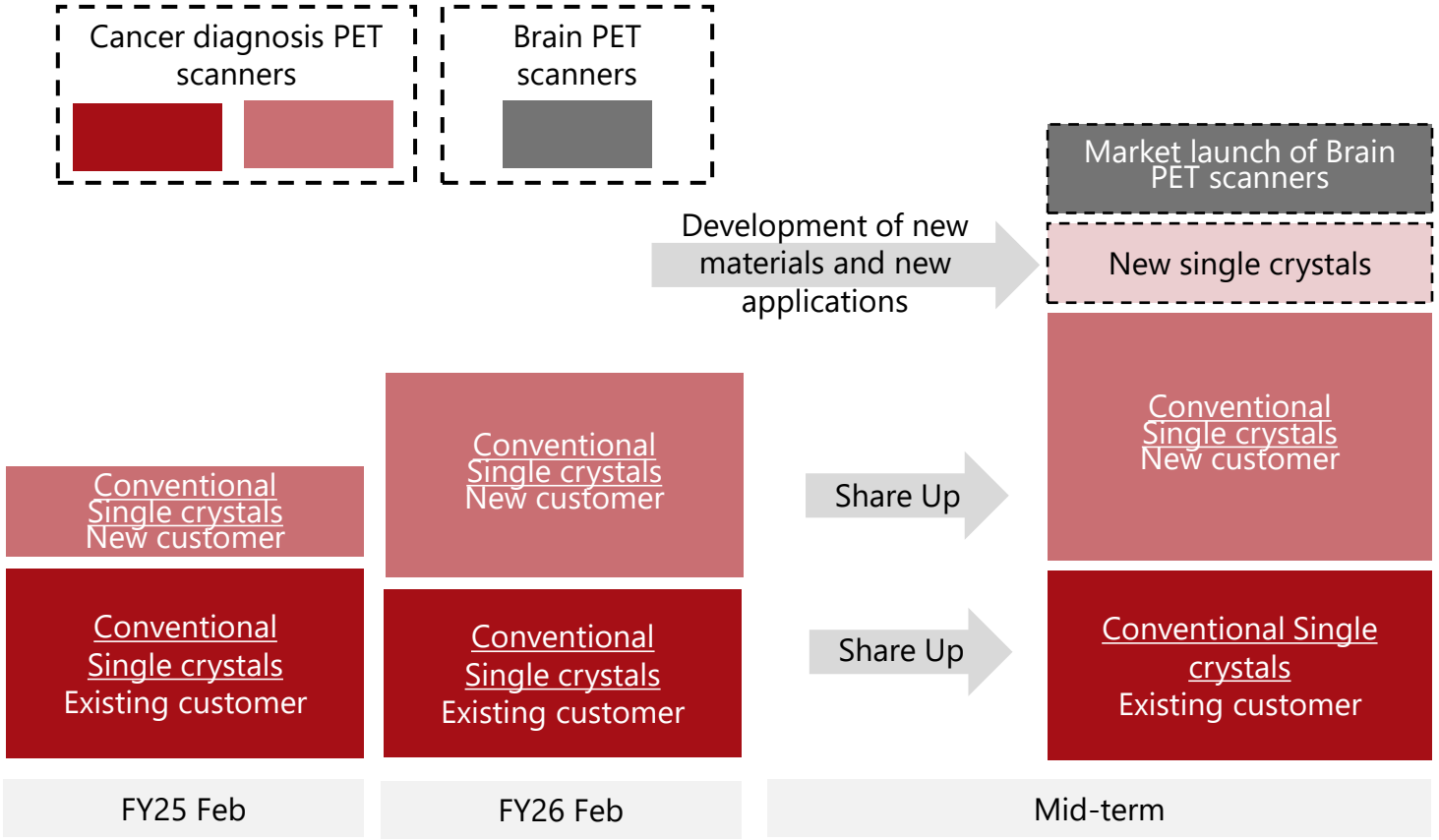
(Unit:JPY M)



Healthcare | Business Strategy

OXIDE

- In Cancer diagnosis PET scanners, we will expand sales to new customers and increase market share, while developing new materials and new applications.
- We will work to ensure that our products are adopted from the prototype stage and adopted for mass production as the market for PET equipment dedicated to the head begins to emerge.



①Increased share of new customers

- Improved price competitiveness through yield improvement
- Tuning of crystal composition to meet customer requirements
- In-house processing for added value
- Geopolitical advantages

②Increase existing customer share

- Increased adoption rate due to improved performance

③Entry into the PET market dedicated to the head

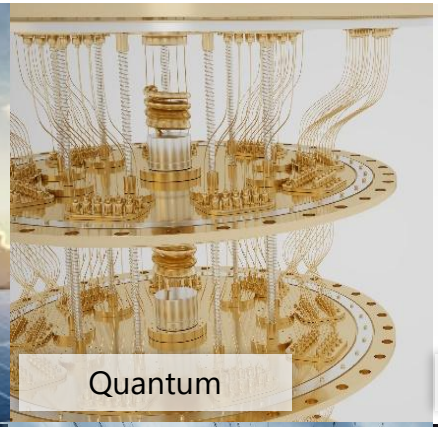
- Adoption of our products from the prototype stage of PET scanners

④Development of new single crystals

OXIDE

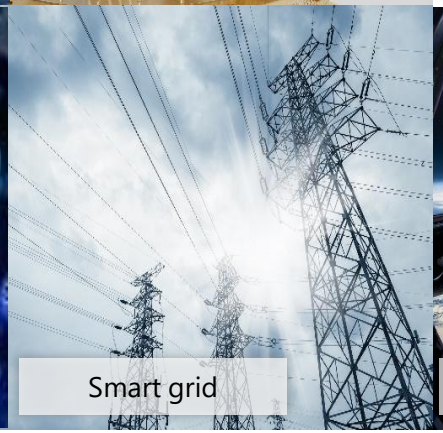
Frontier Tech Business


Power Semiconductors


Quantum


Advanced Optical Measurement

Data center


Smart grid


Aerospace & Defense

Expanding into various fields such as Quantum, Power Semiconductors, Aerospace & Defense, Energy, Medical Aesthetics, etc.

FY 2025 Feb

Revenue

JPY 2,464M

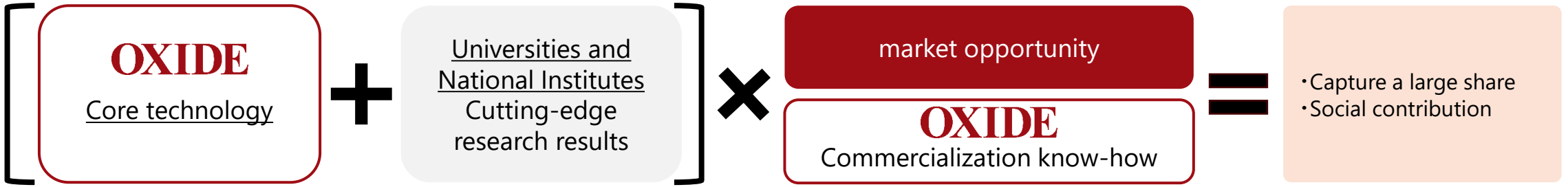
Revenue Composition

29%

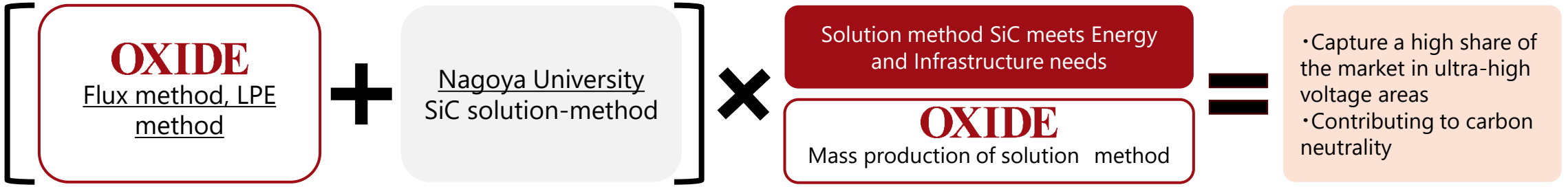
Frontier Tech | Criteria for Selection of R&D Themes

OXIDE

- We select R&D themes that have our own strengths and technological superiority over other companies and that will enable us to gain a high market share.
- Using our core technologies and commercialization know-how, we contribute to society by implementing the results of our cutting-edge research.
  We combine our core technologies with cutting-edge research results from universities and national institutes. Regardless of the size of the market, our selection criteria include meeting the needs of our customers and society.



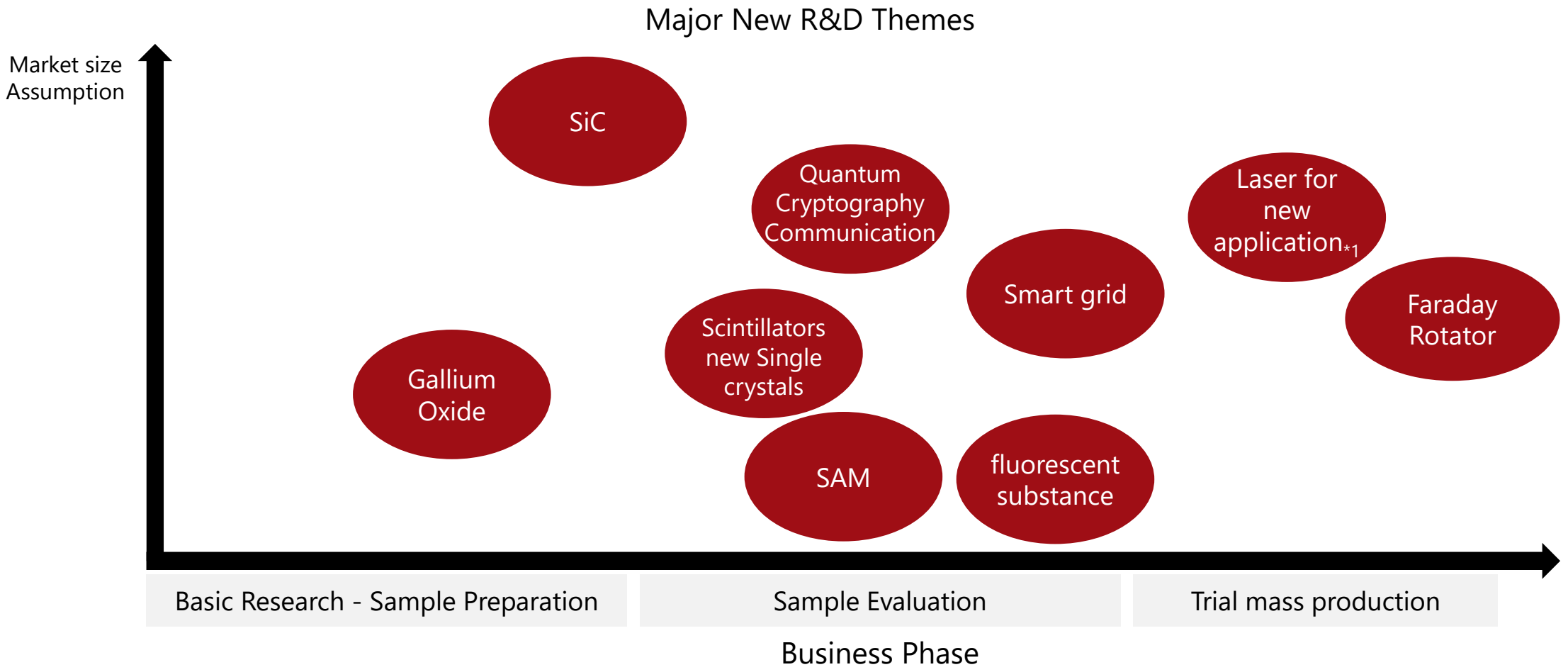
Example: SiC single crystals



Frontier Tech | R&D portfolio

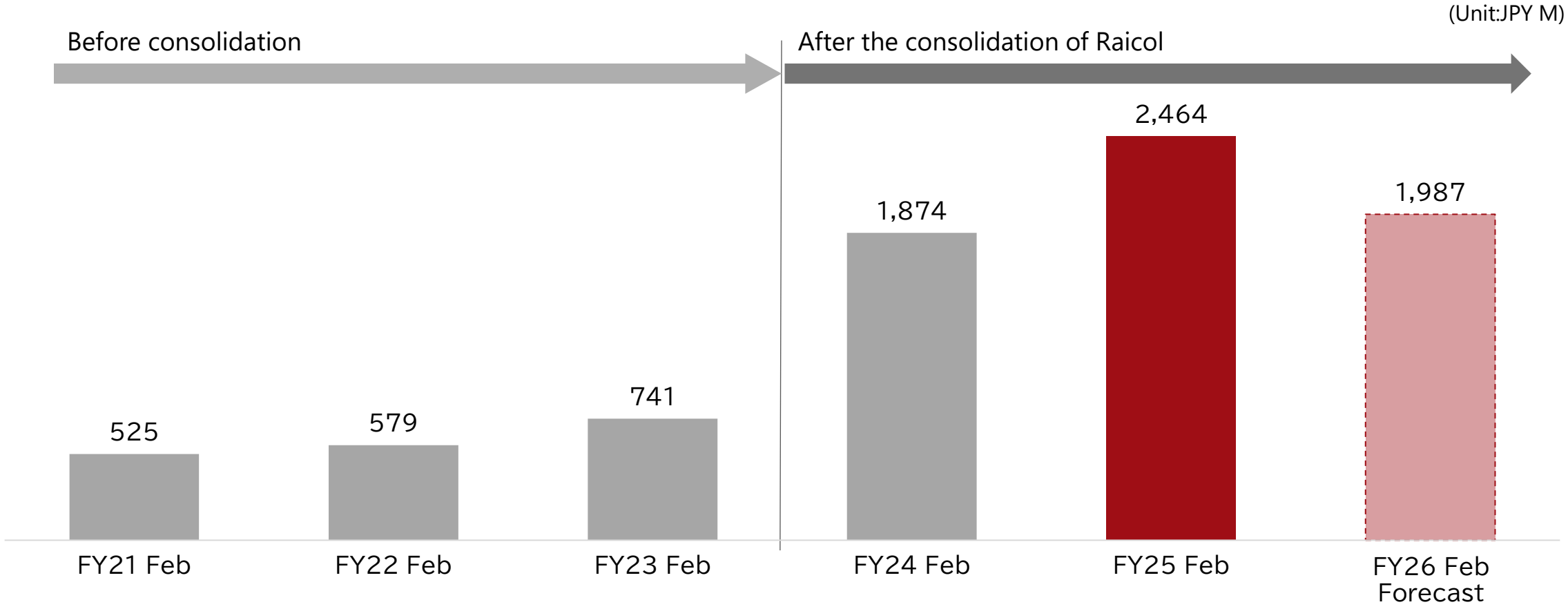
OXIDE

R&D themes determined using the selection criteria are managed in the portfolio according to the business phase and the market size assumption.



Frontier Tech | Revenue Forecast

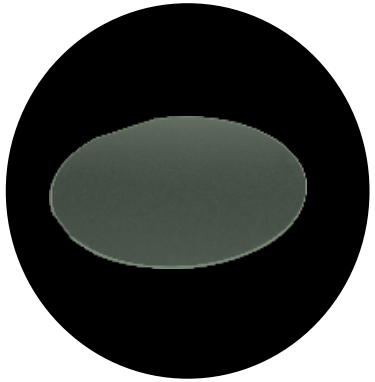
- In FY2025 Feb, Raicol's results were weak due to the prolonged conflict in Israel, but OXIDE alone posted a full year consolidated net sales increase of JPY 590M over the previous year due to contributions from new projects for data centers and other projects.
- For FY2026 Feb, we conservatively estimate Raicol's Revenue due to the impact of the protracted Israeli conflict.



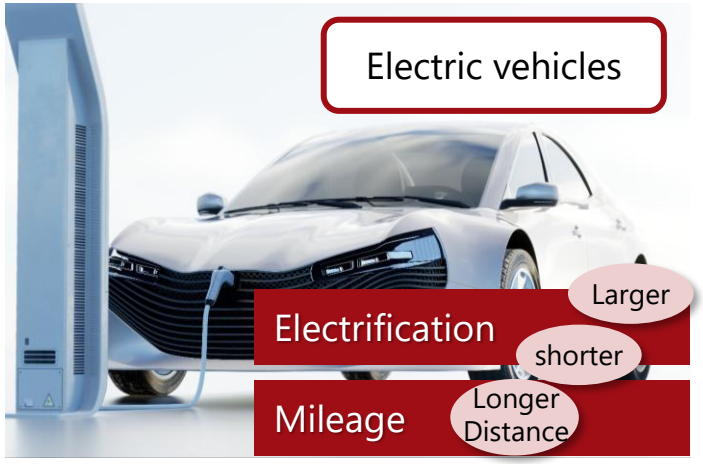
Frontier Tech | [Power Semiconductors]Next-generation Power Semiconductor for achieving carbon neutrality

OXIDE

We are currently engaged in the development of mass production technology for SiC Single crystals and β-type gallium oxide.



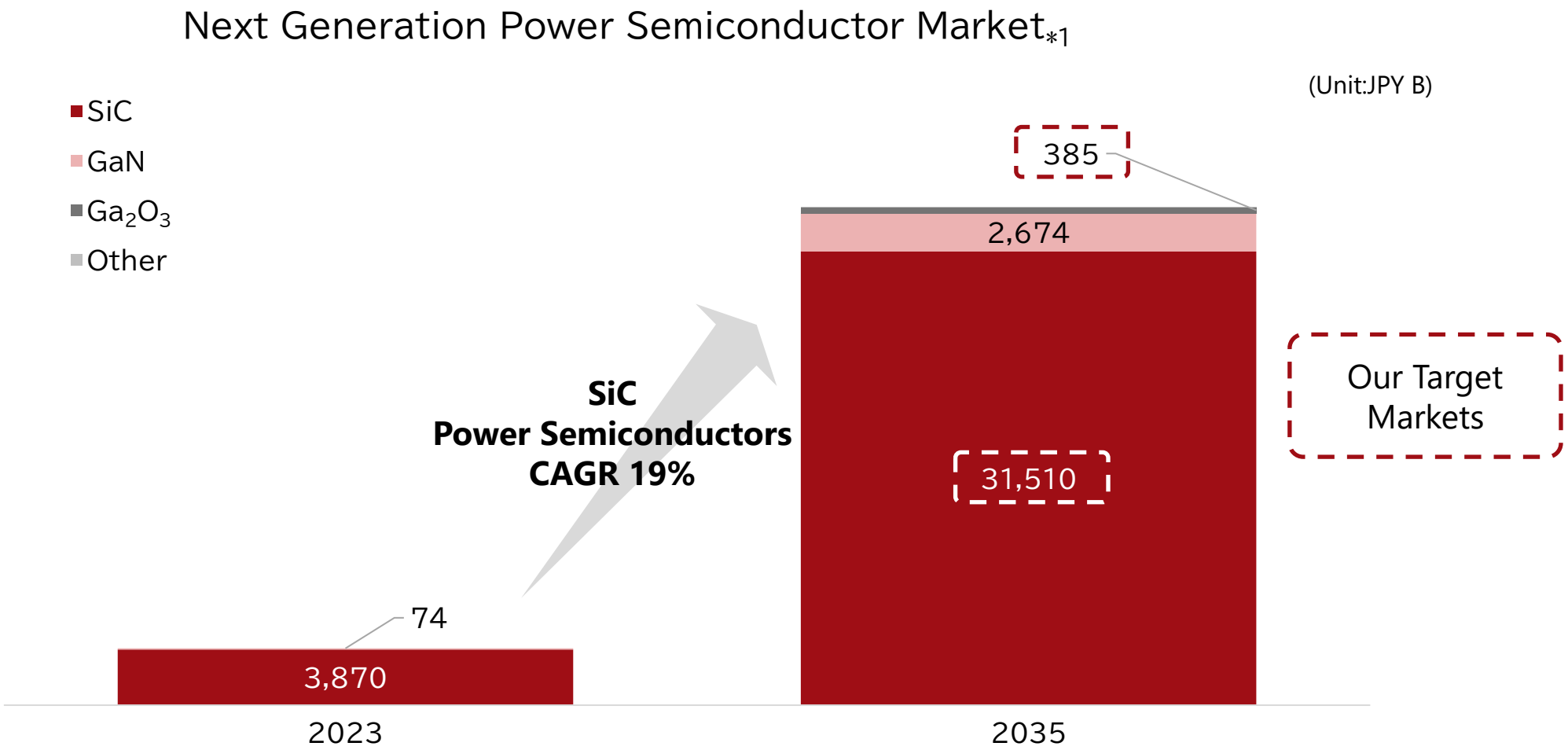
SiC single crystals
β-type Gallium Oxide



Frontier Tech | [Power Semiconductors] Market Environment

OXIDE

The market for next-generation power semiconductors represented by SiC, GaN, and Gallium Oxide (Ga_2O_3) is growing rapidly.

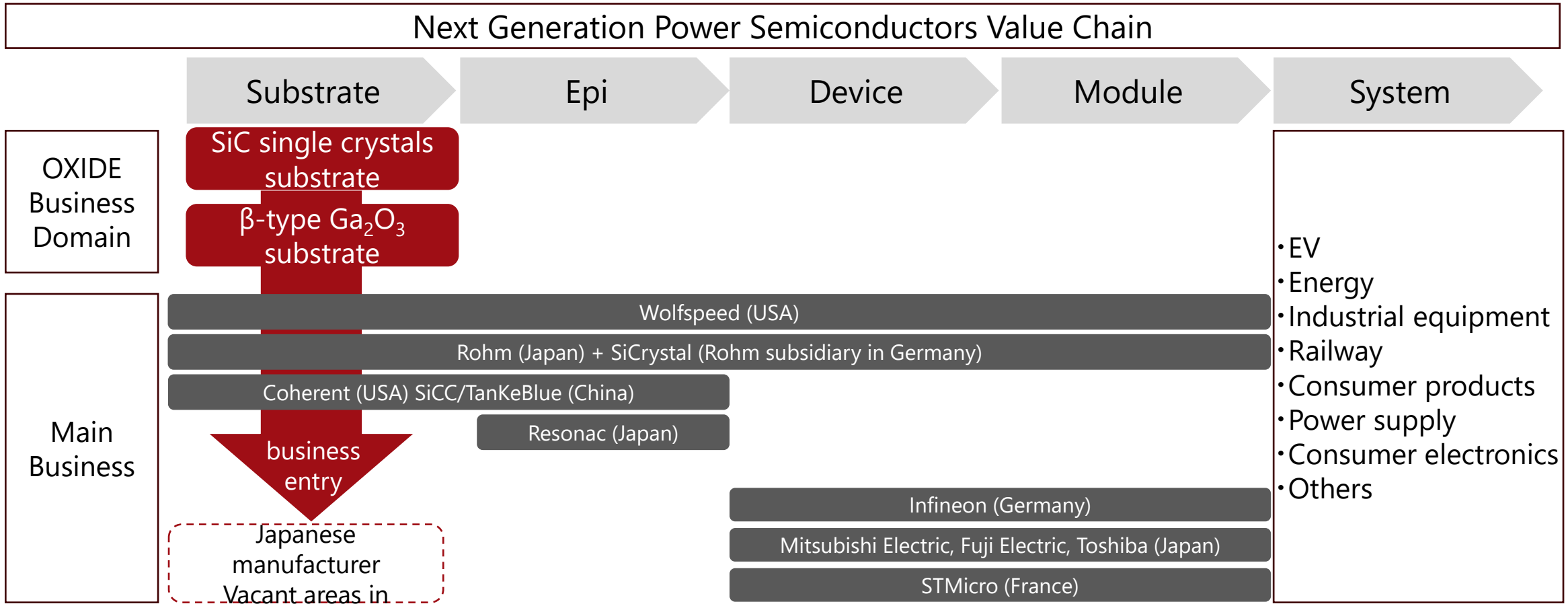


*1 Source: Fuji Keizai, "2024 Edition: Current Status and Future Outlook of the Next-Generation Power Devices and Power Electronics Related Equipment Market.

Frontier Tech | [Power Semiconductors] Next-generation Power Semiconductor Business Model

OXIDE

As a leading Single crystals company, we have made our power semiconductor business a subsidiary, and promoting business development of substrates located upstream in the value chain.



Frontier Tech | [Power Semiconductors] Target Markets for Next Generation Power Semiconductors

OXIDE

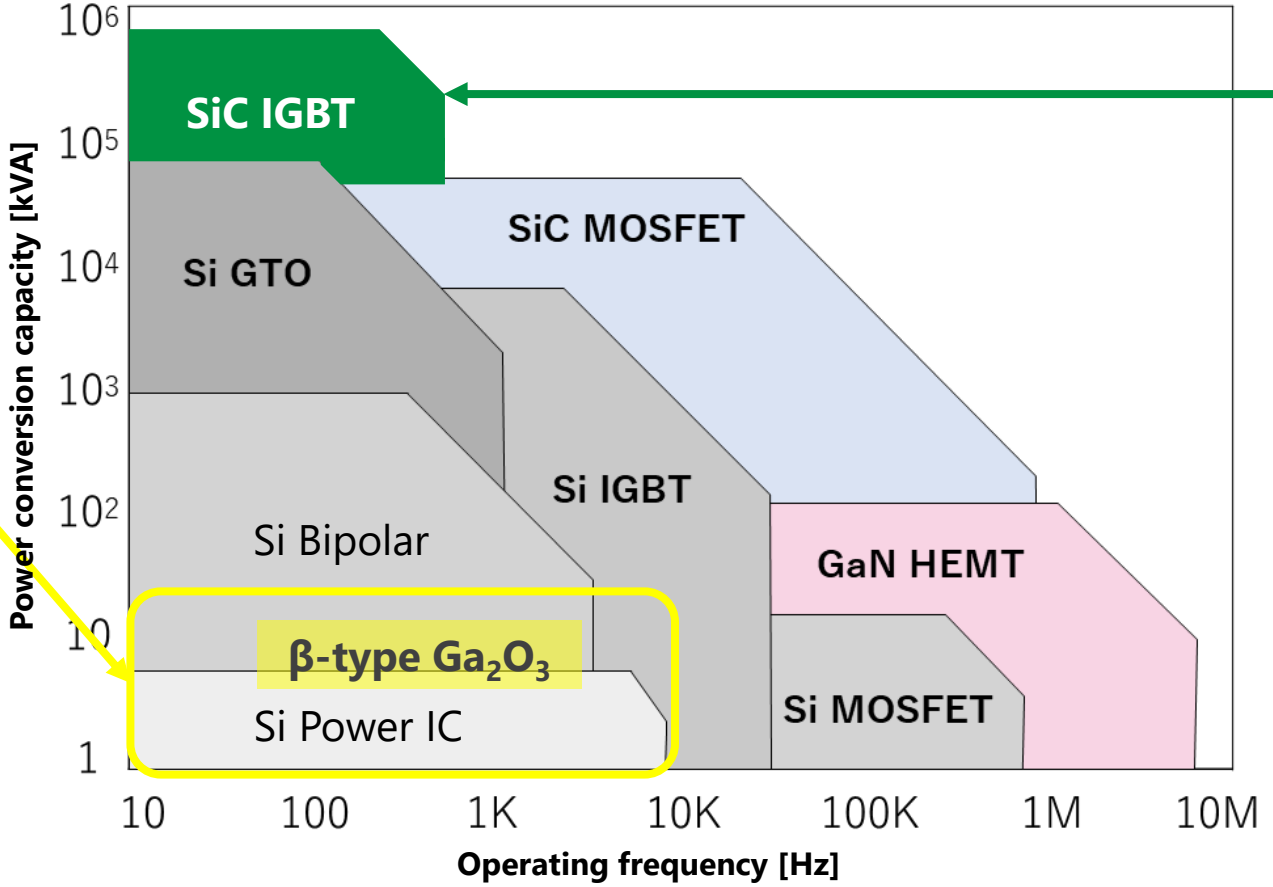
- We are working on the development of mass production technology for SiC single crystals and β-type gallium oxide.
- We aim to create markets in the high-voltage and high-power areas for SiC and in the low- and medium-voltage areas for β-gallium oxide.

β-type Ga_2O_3 substrate

consumer electronics

air-conditioning

Low to medium voltage
Low cost



Solution method
SiC Single crystals substrate

social infrastructure

energy

High voltage
High power

Frontier Tech [Power Semiconductors] Advantages of SiC Single crystals using the solution method

OXIDE

- We are working on growing SiC Single crystals using the solution method in collaboration with UJ-Crystal, a startup from Nagoya University.
- The solution method is expected to be able to produce SiC Single crystals with fewer defects than the sublimation method, another growth method.
- While SiC Single crystals grown by the sublimation method are n-type, the solution method can grow both n-type and p-type, expanding the range of applications.
- This is an environmentally friendly growth method that can be expected to have an energy-saving effect at the manufacturing stage because it allows crystal growth at low temperatures.

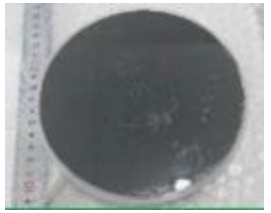
Previous growth methods

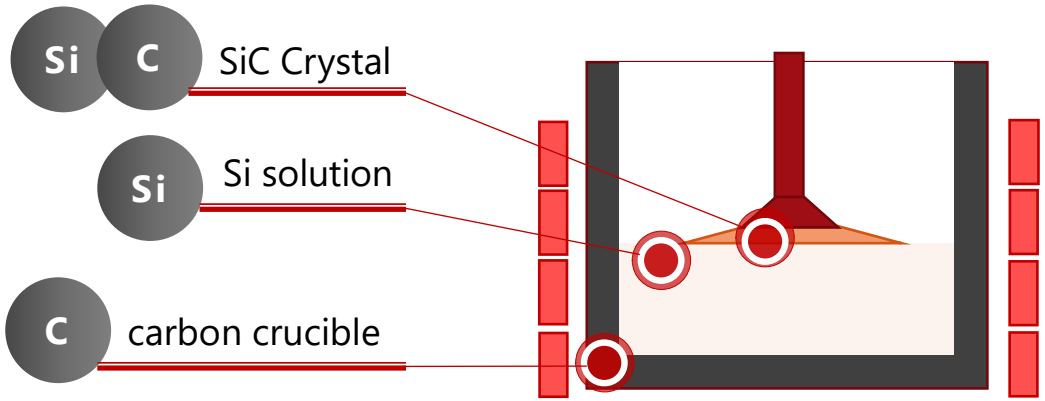
Sublimation Method

New growth method

Solution Method

6-inch SiC single crystals





Larger diameter

Thermal distortion is small, making it possible to increase the diameter.

Low defect density

Small temperature gradients result in few defects.

Speed of growth

The growth rate is carbon supply limited and does not require a temperature gradient.

Low environmental impact

The crystal growth temperature is lower than other growth methods, making it environmentally friendly.

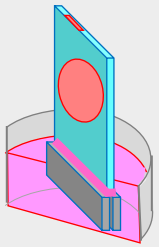
Frontier Tech | [Power Semiconductors] β-type Gallium Oxide

OXIDE

- Research and development of energy-saving technologies and promotion of their implementation in society toward the realization of a decarbonized society. We will promote the development of low-cost β-type Ga_2O_3 homoepitaxial substrates through NEDO project.
- We will promote a new material for power semiconductors in the production of consumer electronics for general use, such as air conditioners and refrigerators, by mass-producing low-cost manufacturing methods developed by Shinshu University and Kyoto University.

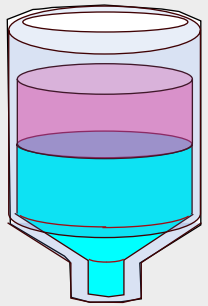
Single crystals growing method

Existing EFG methods



- Orientation restrictions
- Thin to few substrates

Shinshu University's VB method



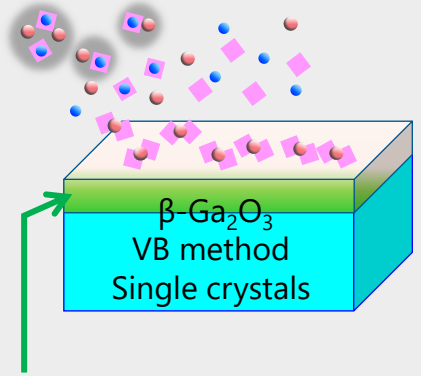
- Substrates in any orientation
- Cylindrical to multi-substrate

Epitaxial film deposition method

Existing HVPE method MOCVD method

- Expensive equipment
- Dangerous gases

Mist CVD method at Kyoto University



High-quality homoepitaxial growth

Jointly conducted by OXIDE, CERATEC JAPAN, Shinshu University, Kyoto University, and Ritsumeikan University

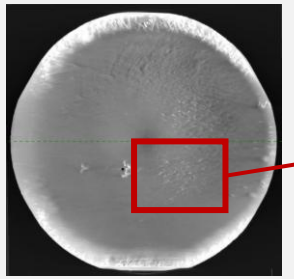
Frontier Tech | [Power Semiconductors] Major Business Progress

OXIDE

- In December 2024, OXIDE 's SiC business was transferred to subsidiary OXIDE Power Crystal Corporation.
- Solution-method SiC wafers and gallium oxide wafers were exhibited at SEMICON Japan 2024.
- We have succeeded in developing an inclusion-free*1 , which is important for realizing high-quality, high-performance solution-method SiC wafers, and have begun shipping samples.

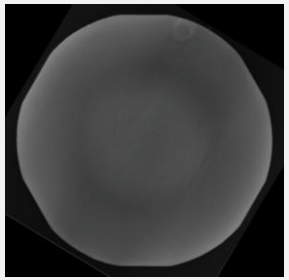
Solution-method P-Type SiC

- We have achieved inclusion-free quality across the entire area of a 6-inch diameter ingot.



Whiteout: inclusion

Conventional single crystal sample
(X-ray CT transmission image)



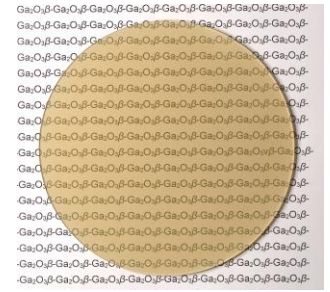
Our newly developed single crystals ingot
(X-ray CT transmission image)

VB method Gallium Oxide

- We have succeeded in creating samples of 4-inch crack-free ingot growth and 4-inch wafers.

SEMICON Japan
(Exhibited at the booth of CERATEC Japan, Inc.)

Gallium oxide on display wafer

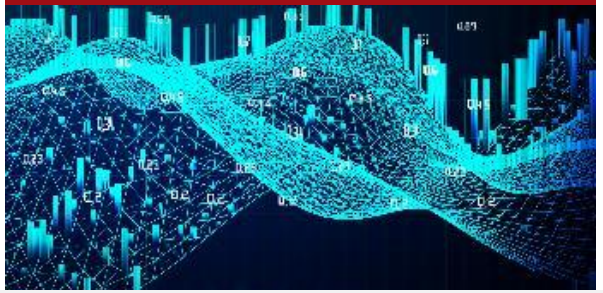


*1 Inclusions in single crystals can disrupt the purity and structure of crystals, resulting in poor quality and reliability.

Frontier Tech | [Quantum] Market Overview

OXIDE

- Quantum is a generic term for an extremely small unit of energy or matter (e.g., photon, atom).
- The quantum field is attracting a great deal of attention worldwide as a technology for specific issues.
- Quantum computing, quantum cryptography communication, and quantum sensing are expected to be the three main application areas.

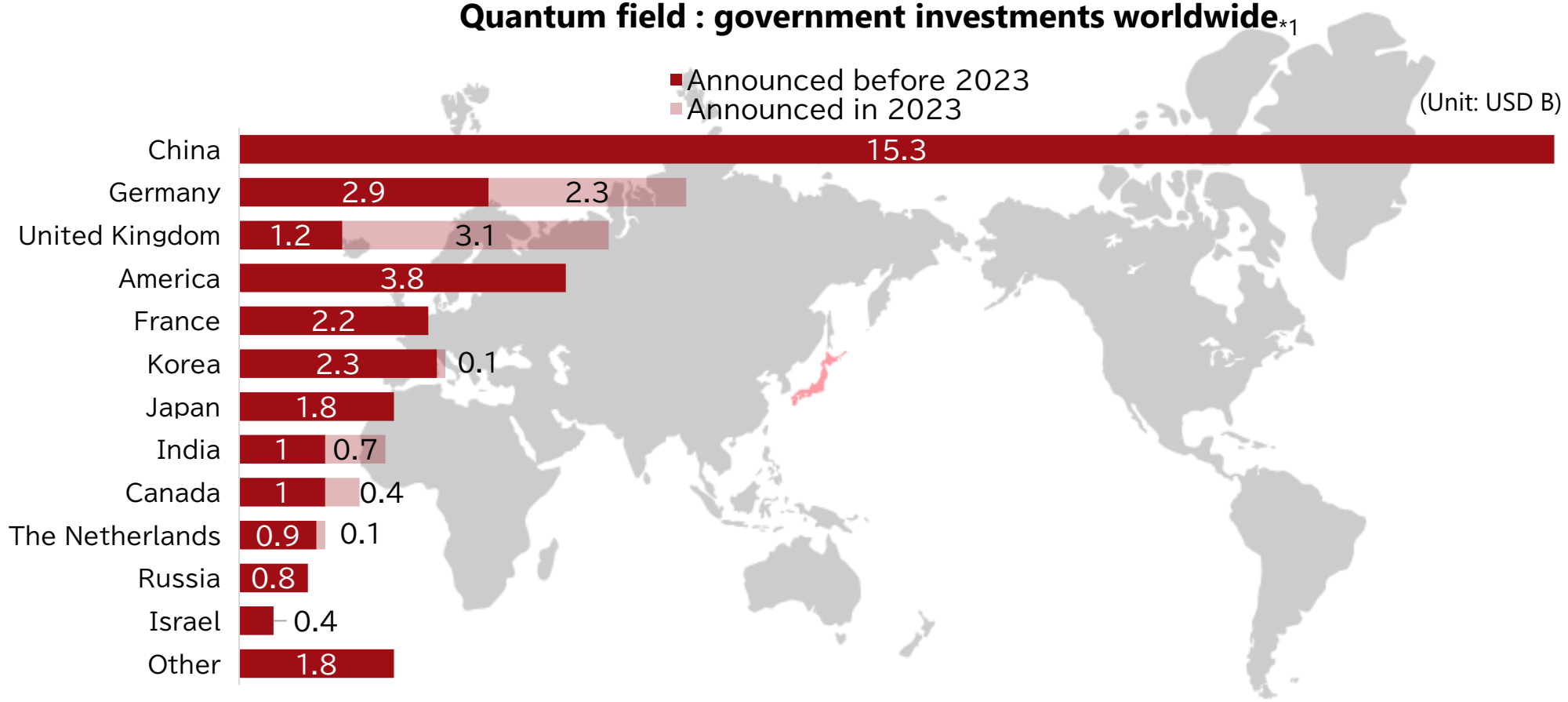
	Quantum computing	Quantum Cryptography Communication	Quantum sensing
			
Examples of Existing Technology	Supercomputer AI Big Data	Information Security quantum computer cryptography 5G	Various sensors Medical diagnostic equipment (MRI, etc.) IOT
quantum value	Innovative High Speed Realization of computing services	High Security Realization of high-speed communication	Realization of high-precision sensing
Examples of Uses	Cryptanalysis (Cryptocommunication, Bitcoin) Machine learning (automated driving, automated diagnostics) Simulation (new drugs, materials, chemistry) And many more	Confidentiality of financial and government communications Quantum Internet Infrastructure Next Generation Secure Cloud Connection And many more	High-sensitivity MRI and brain neuromonitoring Subsurface exploration and earthquake precursor detection And many more

Frontier Tech | [Quantum Field] Investment Trends Worldwide

OXIDE

- Investment in quantum technology is increasing worldwide, exceeding USD 42B cumulatively through 2023.
- We supply single crystals and modules to advanced research institutes and operating companies in various countries in the quantum field, and this global expansion of investment will lead to business opportunities.

Quantum field : government investments worldwide*1



*1 Source: McKinsey Quantum Technology Monitor (April 2024) https://www.mckinsey.com/~/media/mckinsey/business%20functions/mckinsey%20digital/our%20insights/steady%20progress%20in%20approaching%20the%20quantum%20advantage/quantum-technology-monitor-april-2024.pdf

Frontier Tech | [Quantum Field] Quantum Cryptographic Communications Business Alliance with LQUOM, Inc.

OXIDE

- OXIDE and Raicol possess the core technologies for quantum communications: Frequency conversion devices, quantum entangled light sources, and quantum memory crystals.
- LQUOM, a Yokohama National University startup in which OXIDE has invested, is developing a quantum transponder that enables long-distance quantum cryptographic communications using OXIDE's technology.
- LQUOM, Quantium, Keio University, SOFTBANK, Mitsui & Co., Mitsubishi Electric Corporation, and Yokohama National University have started a joint experiment to demonstrate the connection of multiple quantum devices in a practical environment, with the aim of realizing highly scalable quantum information processing. This joint research will conduct research and development of highly scalable quantum information processing technology, including the connection of multiple quantum computers. *1

Seven Parties Sign Joint Research Agreement for Practical Application of Scalable Quantum Information Processing

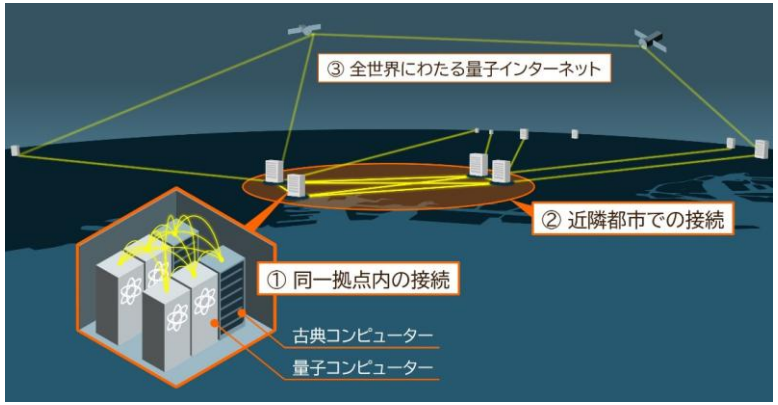


Image of future information processing infrastructure in which multiple quantum computers and conventional classical computers are connected.

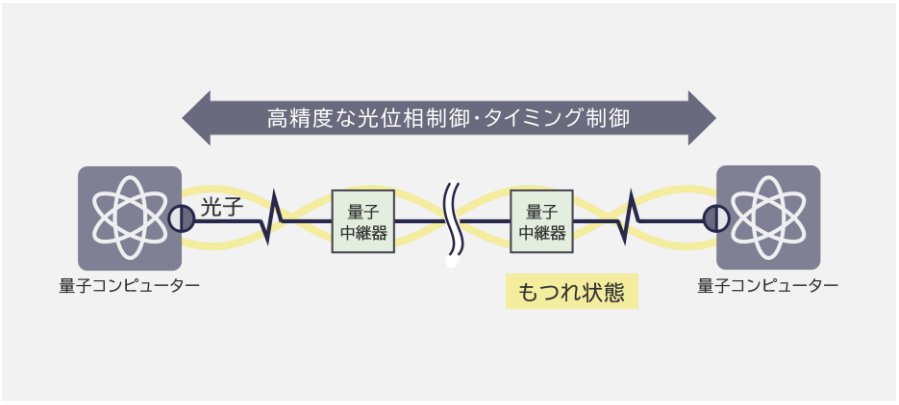


Image of multiple quantum computers connected by quantum entanglement

<u>Role of LQUOM, Inc.</u>
Development of quantum relay system
Developed a quantum relay device based on technology owned by Yokohama National University as a start-up.

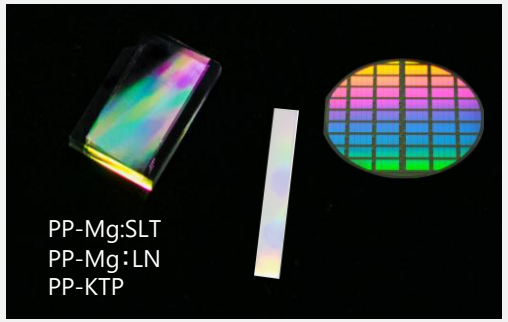
Exhibit: LQUOM, Inc.

*1 Source: disclosed on February 27, 2025, from LQUOM's website https://lquom.com/news/news-537/

Frontier Tech | [Quantum Field] Importance of our products

- Nonlinear optical crystals, elements, and light source modules that efficiently generate quantum entangled photon pairs are used as common components in all areas of quantum sensing, quantum computing, and quantum communications, and revenue is expected to increase as quantum-related markets grow.
- Our quantum-related sales for the FY2025 Feb ware approximately JPY 600M, and the main components consisted of nonlinear optical crystals and elements such as PPSLT and PPKTP, as well as quantum entangled photon pair generation modules, which we began selling last year. In addition, from the FY2026 Feb, high-value-added laser light sources for quantum computing are expected to contribute to our sales.
- The quantum-related market is expected to grow at a compound annual growth rate (CAGR) in the range of 19% to 32%. Based on these projections, our sales in the quantum-related technology field are expected to grow from the current JPY 600M to over JPY 1B in the FY2029 Feb.

Added Value

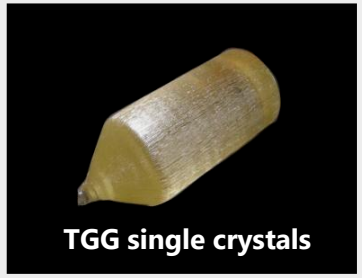
	Frequency Conversion Devices	Entangled photon pair light source module			Lasers for Quantum Computing
Our Products	 PP-Mg:SLT PP-Mg：LN PP-KTP	 **EPS-PS series** Post serection type module	 **EPS-SN series** Sagnac type module	 **EPS-SNα series** Sagnac type module	
Product Price Image	(Element) Hundreds of Thousands of yen		(Module) Millions of yen		(Light source) Tens of Millions of yen

Frontier Tech | [Data center] Faraday Rotator

OXIDE

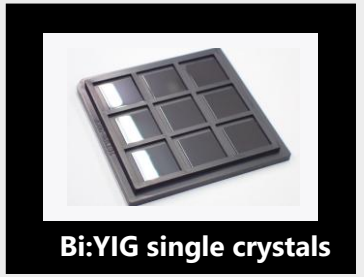
- The construction of data centers capable of operating large numbers of high-performance GPU servers, which are essential for generative AI, is accelerating worldwide, and as a result, demand for optical isolators is also surging.
- A Faraday rotator is an optical device that utilizes the Faraday effect, which causes the plane of polarization of light to rotate under the influence of a magnetic field, and is an important component in optical isolators. Research and development of this material for long-distance optical communications began several decades ago, and leading manufacturers have already entered the market. Subsequently, demand increased again for 4G communications applications, but at that time, market supply could not keep up with demand, causing an imbalance in the supply-demand balance. In light of these market trends, we have been preparing to enter this business with an eye toward 5G and beyond.
- Our technology has been recognized for its potential to meet growing demand for data centers, leading to new business opportunities. We are providing technology to partners aiming to enter the market for parts of the Faraday rotator manufacturing process that are not expected to generate high profit margins. We will continue to retain our proprietary technology for processes with high profit margins to ensure the profitability of our business.

Single Crystals for our Faraday Rotators


TGG single crystals


YIG single crystals


TSAG Single crystals


Bi:YIG single crystals

Market size

The Faraday rotator market is expected to grow from USD 0.8B in 2023 at a CAGR of 7.2%, reaching USD 1.5B by 2032*1

・Major companies: Thorlabs, Newport, Coherent, Gooch & Housego, etc.

*1 Source: DATA INTELO, Faraday Rotator Market Research Report 2032

04. Sustainability

Sustainability Concepts and Initiatives

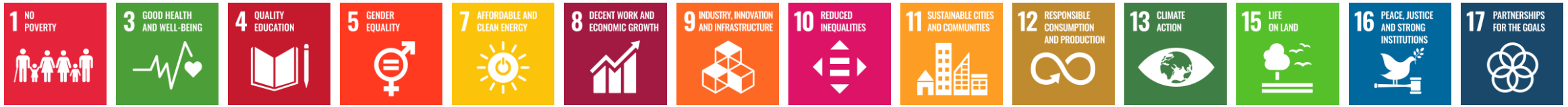
OXIDE

Based on our management philosophy, we have established a Sustainability Policy to realize a sustainable society and enhance our corporate value.

Sustainability Policy

1. Based on our venture spirit of "working on things that do not exist in the world or that other companies dare not do", we will develop technologies and products that solve social issues and contribute to people and the global environment.
2. We will correctly recognize the effects and impacts of our technologies on society and deliver products that combine high quality and safety to the world.
3. The Company will promote open innovation to create new added value quickly and efficiently.
4. As a good corporate citizen, the Company and its officers and employees will work together with local communities to resolve issues toward the realization of a sustainable society.
5. We will continue to reform working styles and improve the workplace environment, and provide educational opportunities, so that all officers and employees can fully demonstrate their abilities.

SUSTAINABLE DEVELOPMENT GOALS



Sustainability Activities Mid-term Targets

OXIDE

We identify social issues and megatrends related to our business, identify materiality, and implement priority measures.

Policy Review Process

Step 1	Step 2	Step 3
Listing global megatrends and social issues	**Evaluating Materiality for us**	**Identifying Materiality and Considering Measures & KPIs**
• List up global megatrends and social issues comprehensively, based on global evaluation standards such as those from ISSB, FTSE, and MSCI, as well as global megatrends. • In addition, identify and organize key opportunities and risks, and conduct an evaluation of our internal initiatives and challenges with the help of external experts, narrowing the list down to 36 items.	• Extract issues that are highly relevant to us, while also adding industry-specific and company-specific issues, and conduct discussions with the management team. • For the organized items, identify and organize key opportunities and risks, and evaluate them based on "Materiality for us" and "Materiality for Society and Stakeholders."	• Determine the proposed materiality and related social issues through a process of discussion and exchange of opinions with executives, including the selection process and associated KPIs. • For high-priority items, consider measures and KPIs by taking into account the relationship between opportunities, risks, and initiatives.

Materiality and Medium-Term Objectives

OXIDE

For materiality items, we consider measures and KPIs in light of the relevance of opportunities, risks, and initiatives.

Our Strengths	From Current Status to Materiality Identification approach	Materiality	Mid-term target
Strong connections with universities and research institutions regarding Single crystals technology, with opportunities for joint research and personal exchanges	1. Contributing to a prosperous future society with cutting-edge products • Contributing to the future society by developing products with single crystals at their core • Research and development of energy-saving technologies and products for a decarbonized society • Provide safe and high quality products and services	1. Product development capabilities to create cutting-edge products 	• Develop new businesses based on core technologies • Development of environmentally friendly products
	2. Support the growth of employees who can contribute to the development and contribution of society • Maintain employee safety and health and provide a good working environment • Recruit and train employees who can contribute to the development and contribution of society through research and development • Career orientation and growth support according to the global environment	2. Organizational culture that leverages the value of human resources 	• Training and recruiting core human resources to support research and development • Supporting employee growth and increasing corporate value • Consideration for employee health and safety and diversity
	3. Approach to the next generation of global talent living in harmony with abundant local resources • Activities that contribute to the community • Support for young people who will lead the next generation	3. Distinctive contributions to local communities 	• Cultivating global thinking • Coexistence with local communities • Supporting children with a future through the power of science

Sustainability Concepts and Initiatives

OXIDE

Environment Climate change

Policy

By reducing CO_2 emissions from our business activities and CO_2 emissions from society through the use of our products, we contribute to the reduction of the global environmental burden.

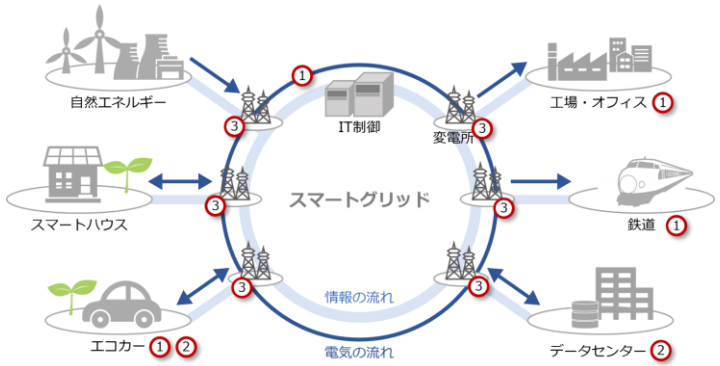
Target

- We will promote research and development of next-generation power semiconductor materials that reduce energy loss and contribute to society's CO_2 emissions reduction, as well as single crystals for sensors used in smart grids.
- While CO_2 emissions are expected to increase with business expansion, we will curb CO_2 emissions from business activities by improving production efficiency and introducing energy-saving equipment.

Main Initiatives

- Providing products that contribute to the reduction of CO_2 emissions in society

① SiC single crystals
② β-Ga_2O_3single crystals
③ RTP crystals



- Reduction of CO_2 emissions in business activities
  - Continuous improvement of production efficiency, introduction of new energy-saving equipment and switching to high-performance machines
  - Visualization of emissions at each plant by introducing CO_2 emissions calculation cloud service
  - Introduction of renewable energy
- Participation in the METI GX League Basic Concept

Sustainability Concepts and Initiatives

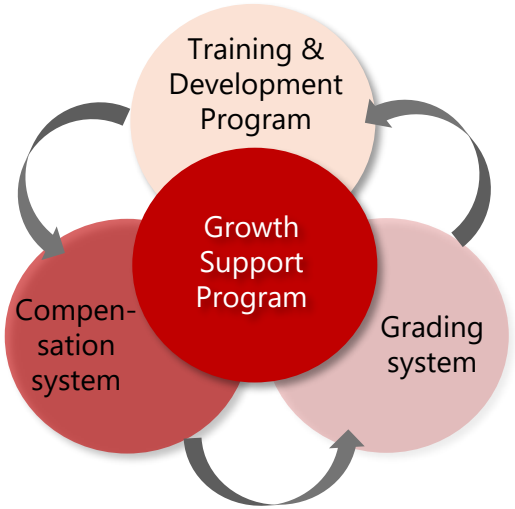
OXIDE

Social Human capital

Introduction of human resources system "OGS"

We have revamped our human resources system, "OXIDE Growth Support for all employees (OGS)," as a framework where employee growth directly contributes to enhancing corporate value and business performance.

The system is centered around a growth support program and is composed of four interconnected mechanisms. It provides an environment where employees can clearly define their own growth goals, receive support from their supervisors, and also contribute to the growth of others by mentoring fellow employees. This structure enables employees to achieve personal and collective growth.



Recruitment and training of talent to support R&D

➢ Hiring PhD Graduates Annually

We recruit PhD graduates every year. To facilitate this, we organize pre-selection networking events where students can interact with existing employees whose expertise aligns with the students' research themes. These events help us attract and secure top talent.

➢ OVEC (OXIDE Value Enhancement Commitment)

As a cross-divisional organization, OVEC provides a platform for discussing and presenting topics that transcend divisional boundaries, such as specialized fields, research, advanced technologies, and production techniques. At OVEC, employees with extensive experience in major corporations or research institutions serve as advisors. These activities directly contribute to the enhancement of corporate value.

➢ Introduction of Succession Plan

We are working on systematic succession planning by identifying the executive personnel who will be responsible for future management and examining their training plans.

Sustainability Concepts and Initiatives

OXIDE

Social Social contribution activities

Educational Support Activities

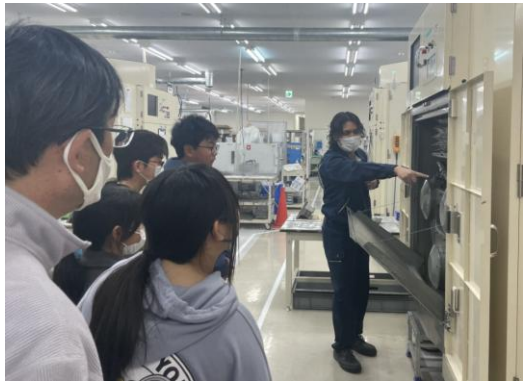
We support educational activities in a variety of settings to nurture the next generation of human resources and create a better society.

Community Activities

Through our business activities, we contribute to job creation and community development.
Through exchanges with schools in the surrounding area, we also engage in activities to support future generations of children with the power of science.

Main results of activities for FY2025 Feb

- Sponsorship of the Yamanashi YMCA International Charity Run and donation to a charity bazaar
- Donation to the Yamanashi Midori Scholarship Foundation
- Donation to the University of Yamanashi Faculty of Engineering
- Open houses (company tours) to local schools
- Sponsorship of Robocon Yamanashi



Sustainability Concepts and Initiatives

OXIDE

Governance

Policy

Based on our management philosophy, we respect all of our stakeholders and strive to increase shareholder value.

Major Initiatives

- Diverse selection of outside directors
  - We appoint external directors with diverse backgrounds, genders, and nationalities to oversee management from a broad range of perspectives.
- Establishment of Internal Control Group
  - The Internal Control Group was newly established in FY2025 Feb. to strengthen the effectiveness and efficiency of operations, ensure the reliability of financial reporting, manage risks, and ensure compliance with laws and regulations.
- Establishment of a dual reporting line for internal audit reporting
  - To enhance the effectiveness of internal audits, the Internal Audit Office reports directly to the Board of Directors and the Board of Corporate Auditors in addition to the Representative Director.
- Development of Sustainability Promotion System
  - The Sustainability Committee was established to promote activities to resolve environmental, social, and governance issues, with the aim of achieving a balance between sustainable development of society and sustainable growth of the company.

06. Financial and Risk Factors

FY2025 Feb Full year result

OXIDE

- Revenue: JPY 8,394M (up JPY 94M from the revised budget; up JPY 1,788M from the previous year)
- Operating Profit: JPY 126M (up JPY 126M from the revised budget, up JPY 1,109M from the previous year)
- EBITDA JPY 1,145M (up JPY 1,222M from the previous year)
- Operating Profit Margin and EBITDA Margin were 1.5% and 13.6%, respectively, compared to the original budgets disclosed in April 2024 (Operating Profit Margin of 2.4% and EBITDA Margin of 14.7%) due to the decrease in Revenue.

(Unit:JPY M, %)

Item	FY24 Feb Full year	FY25 Feb					Variance
		1Q	2Q	3Q	4Q	Full year	
Revenue	6,606	1,388	2,010	2,322	2,673	8,394	1,788
Operating Profit	▲ 983	▲ 406	9	39	482	126	1,109
(Operating Profit Margin)	▲ 14.9%	▲ 29.3%	0.5%	1.7%	18.1%	1.5%	16.4%
R&D Expenditure	1,049	315	311	365	304	1,296	247
CAPEX	2,035	-	-	-	-	1,676	▲ 359
EBITDA*1	▲ 77	▲ 144	280	309	699	1,145	1,222
(EBITDA margin*2)	▲ 1.2%	▲ 10.4%	14.0%	13.3%	26.2%	13.6%	14.8%

*1 EBITDA: Operating Profit plus amortization (including depreciation, amortization of goodwill, etc.)
*2 EBITDA margin ratio: EBITDA divided by Revenue

FY2026 Feb budget (consolidated)

OXIDE

- Revenue: JPY 8,713M (up JPY 319M from the previous year)
- Operating Profit Margin: JPY 409M (up JPY 283M from the previous year), Operating Profit Margin: 4.7%
- EBITDA JPY 1,278M (up JPY 133M from the previous year), EBITDA margin 14.7%

(Unit:JPY M, %)

Item	FY25 Feb Full year	FY26 Feb					variance
		1Q	2Q	3Q	4Q	Full year	
Revenue	8,394	1,814	2,162	2,091	2,645	8,713	319
Semiconductor	4,703	890	1,068	1,061	1,534	4,555	▲ 148
Healthcare	1,226	401	584	534	649	2,170	944
Frontier Tech	2,464	521	509	495	461	1,987	▲ 477
Operating Profit	126	▲ 215	265	32	326	409	283
(Operating Profit Margin)	1.5%	(11.9%)	12.3%	1.5%	12.4%	4.7%	3.2%
R&D Expenditure	1,296	337	282	306	403	1,330	34
EBITDA*1	1,145	6	479	246	545	1,278	133
(EBITDA margin*2)	13.6%	0.4%	22.2%	11.8	20.6%	14.7%	1.0%

*1 EBITDA: Operating Profit plus amortization (including depreciation, amortization of goodwill, etc.)
*2 EBITDA margin ratio: EBITDA divided by Revenue

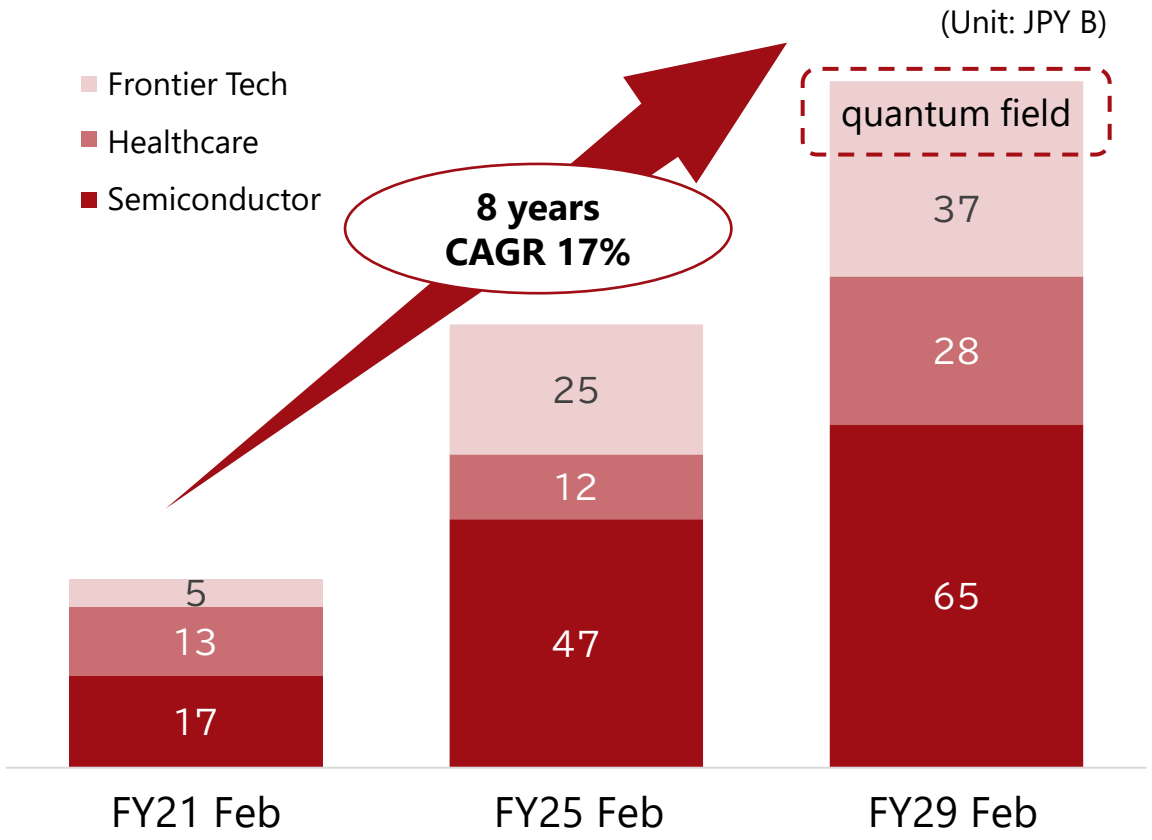
Management Indicators

- The Company uses Operating Profit Margin and EBITDA Margin as key management indicators.
- The targets are Operating Profit Margin and EBITDA Margin of 10% and 20%, respectively.

Management Indicators	Target value	Reasons for selection
Operating profit margin	**10%**	Operating profit margin is used as a management indicator because it is widely used in business analysis in the Japanese manufacturing industry.
EBITDA margin	**20%**	EBITDA margin is widely used in comparisons with domestic and foreign companies as a measure of cash generating ability and is used as a management indicator.

Mid-term management targets

- Management targets for FY2029 Feb are Revenue of JPY 13B, Operating Profit Margin of 12%, and EBITDA Margin of 22%.*1
- In addition to the growth of existing businesses, we aim to generate business revenue in the quantum field as a new business pillar.



	FY2025 Feb Result	FY2029 Feb Target
Corporate Revenue	JPY 8.4 Billion	JPY 13 Billion
Operating Profit Margin	1.5%	12%
EBITDA Margin	13.6%	22%

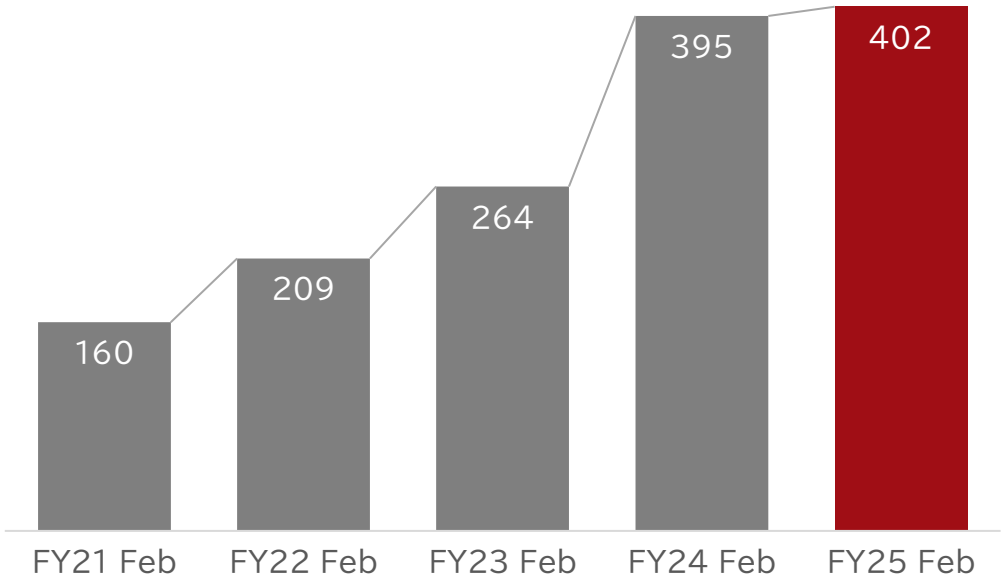
*1 The external environment surrounding our business is changing dynamically on a daily basis. Under these circumstances, we believe it is important to aim for medium-term growth without being influenced by variable factors over one to three years. For this reason, until the previous announcement, we considered three years as the medium-term period and presented our management plan by fiscal year, but from this fiscal year, we consider eight years as the medium-term period and have revised the plan from the results of FY2021 Feb. to FY2029 Feb.

[Number of employees] [CAPEX]

- As of the end of February 2025, the company had 402 employees.
- CAPEX for FY2025 Feb was JPY 1,676M in results, compared to an initial budget of JPY 1,464M.
- Large capital investments over the past several years peaked in the fiscal year ending February 2024 and began to decline. Large investments to date have expanded our manufacturing capacity, particularly in our Semiconductor business.
- We are shifting from a phase of large-scale capital investment to a phase of business growth and profitability improvement.

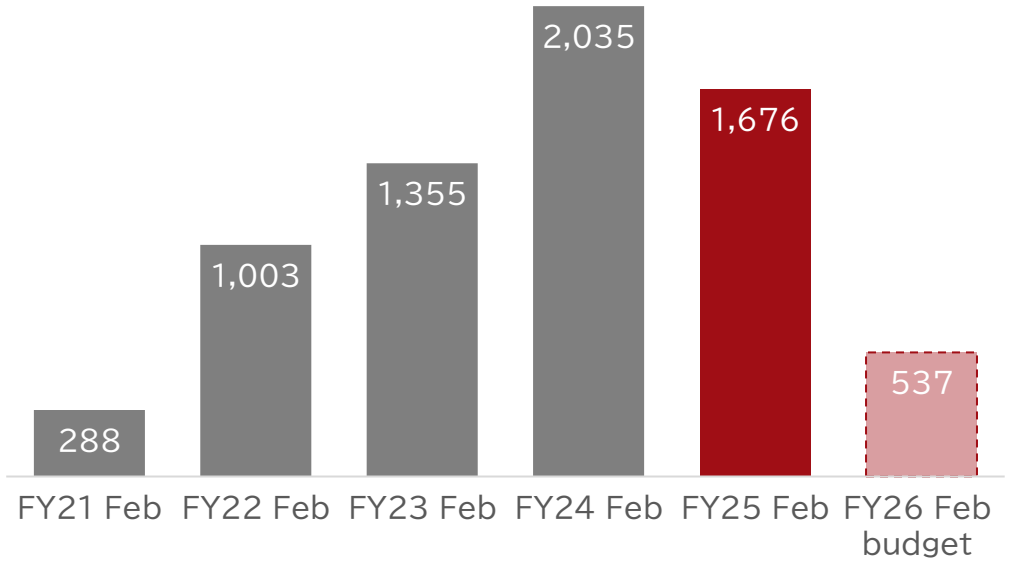
Number of Employees

(Unit:persons)



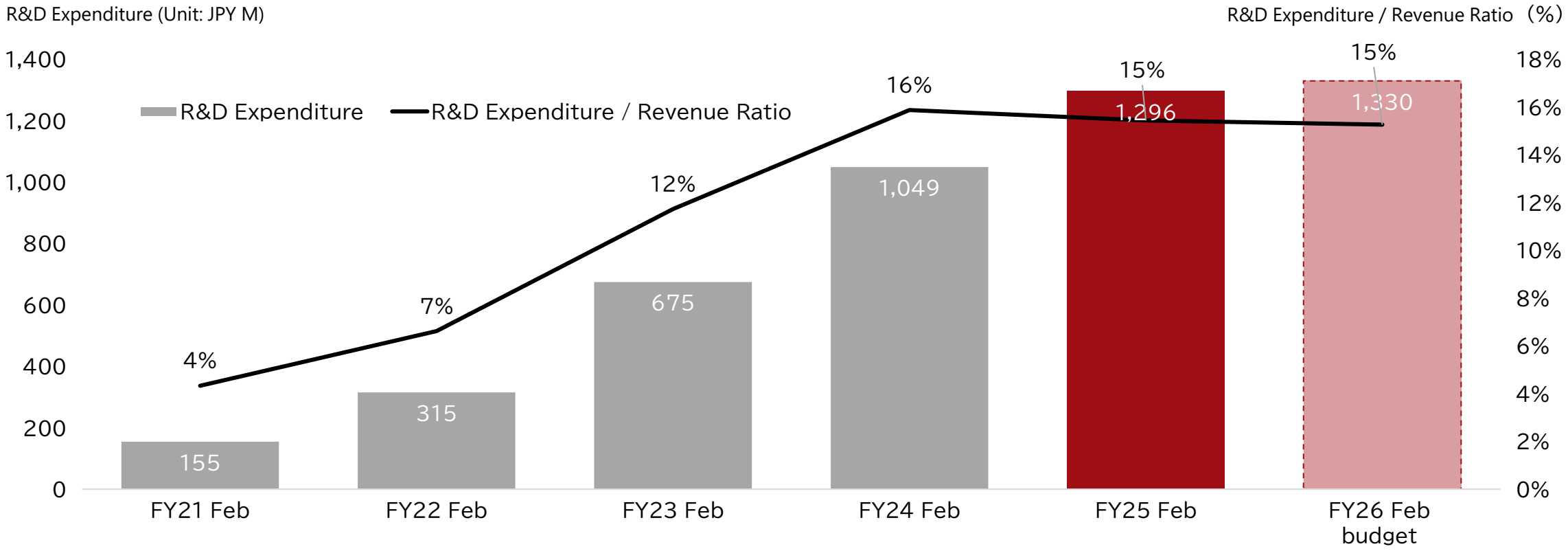
CAPEX

(Unit:JPY M)



R&D Expenditure

- R&D expenditure for FY2025 Feb was JPY 1,296M as a result of prioritizing R&D themes, etc., compared to the initial budget of JPY 1,469M.
- R&D expenditure increased from the previous year, mainly focusing on the Semiconductor business, power semiconductor materials, and the quantum field.
- Research and development is essential for future growth and we will continue to invest in this area.



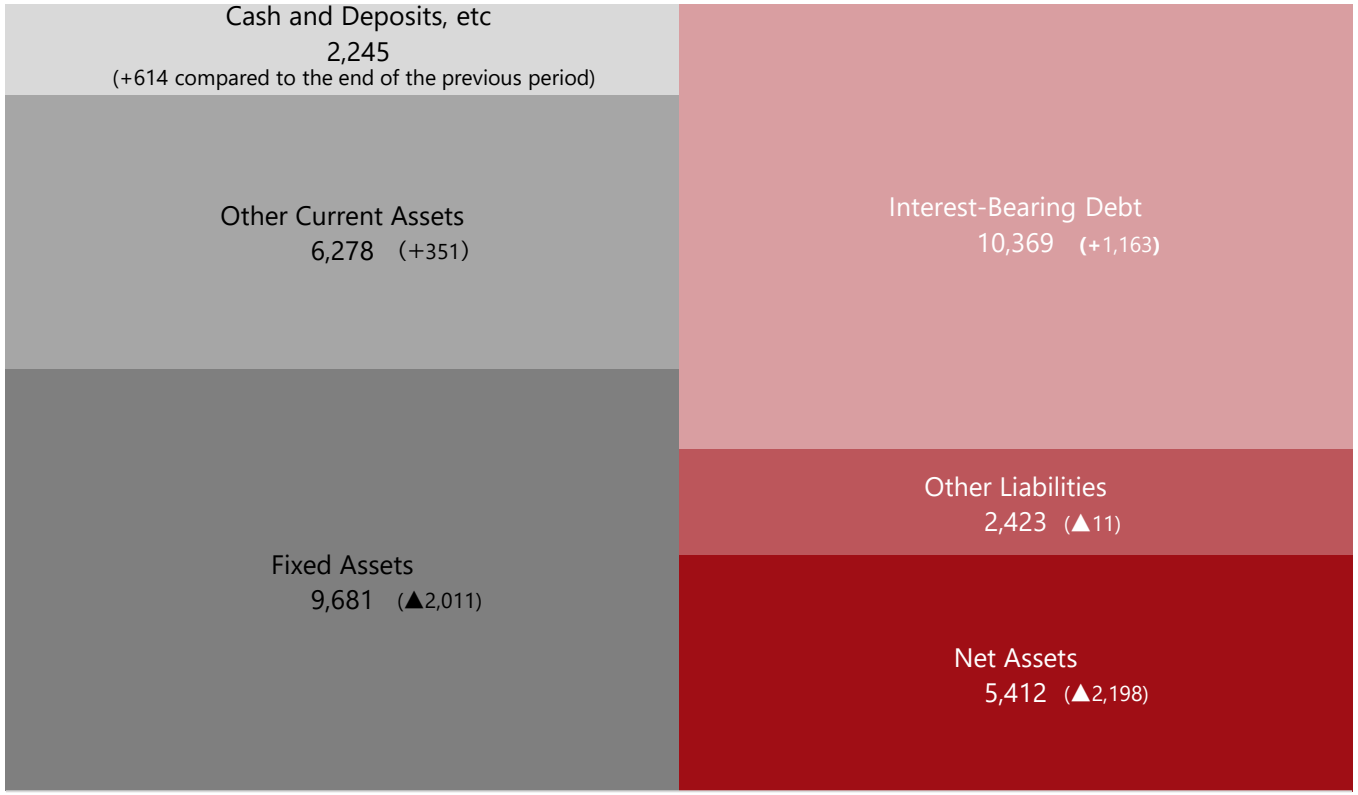
Consolidated Balance Sheet

OXIDE

- The Company's net assets are expected to decrease due to the impairment of Raicol's goodwill and other factors, and the Company will be in breach of the maintenance of net assets clause in its financial covenants. The Company has also agreed to refinance its short-term borrowings with the same amount.

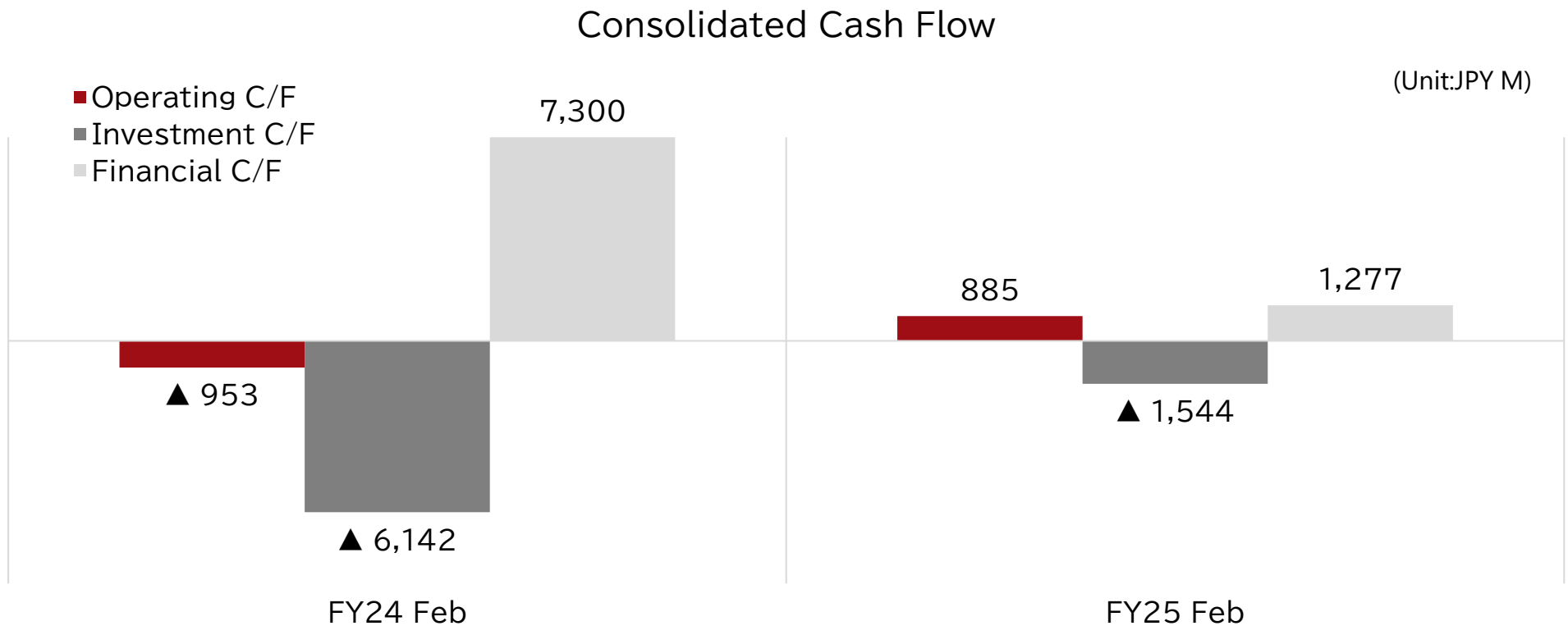
FY25 Feb Consolidated Balance Sheet

(Unit:JPY M)



Consolidated Cash Flow

- In FY2024 Feb, the company posted an operating loss of JPY 983M and an operating cash flow deficit of JPY 953M due to the impact of the component defect issue in the Semiconductor business. In addition, the acquisition of all of Raicol's shares in March 2023 and large capital investments resulted in an investment cash flow deficit of JPY 6,142M.
- In FY2025 Feb, consolidated operating cash flow turned positive as Operating Profit improved to JPY 126M. In addition, large capital expenditures, which peaked in FY2024 Feb and have since declined, have reduced the burden on investment cash flow, leading to an improvement in overall cash flow.



Risk Factors (1)

OXIDE

We consider the following to be particularly significant risks that could hinder the growth of our business.

Risks associated with customer trends					
Probability	High	Impact	Large	Risk Assessment/Change from previous year	Particularly important/Same level
Risk Details	The Group's customer base has expanded to include Semiconductor, Medical Device, Quantum, and other manufacturers around the world. We strive to minimize the impact of fluctuations in the individual business conditions of these clients by conducting sales activities in various industrial sectors. However, significant exchange rate fluctuations, tariff policies of various countries, geopolitical factors, and other factors may adversely affect the performance of these industries as a whole. The demand for products provided by our group always follows the nature of investment in the advanced development of next-generation products, and delays in next-generation investment and product conversion at client companies may adversely affect the financial position and business performance of our group.				
Countermeasures	Given the Group's strength in providing products to a wide range of industrial sectors, including Semiconductor, Medical Device, and Quantum, the Group will strive to diversify risks by further strengthening its business portfolio that does not depend on specific industries in response to changes in economic trends in Japan and abroad.				

Risk Factors (2)

OXIDE

Risk of dependency on specific customers					
Probability	High	Impact	Large	Risk Assessment/Change from previous year	Particularly important/Same level
Risk Details	Our group has over 300 customers as of FY2025 Feb, but sales to six specific customers account for approximately 65% of total sales. Therefore, if these customers experience changes in their business policies or outsourcing strategies, or if their performance deteriorates, leading to a decrease in transactions with our group, this could have an adverse effect on our group's financial condition and performance.				
Countermeasures	Our group continues to streamline its customer portfolio and clarify its key customers in order to achieve its business plan and future growth. In the fiscal year under review, the percentage of revenue from six specified customers decreased by 2 points compared to the previous fiscal year. We aim to further expand revenue from other key customers by continuously creating new markets, entering new markets, and developing new customers, while expanding revenue from six specified customers, thereby reducing the risk of dependence on specific customers and increasing overall revenue.				

Risk Factors (3)

OXIDE

Risks associated with overseas business development					
Probability	High	Impact	Large	Risk Assessment/Change from previous year	Particularly important/Same level
Risk Details	The Company engages in overseas business transactions for the procurement of materials and components and the export of the Company's products. Overseas sales accounted for more than 80% of net sales for the current consolidated fiscal year, with China being the largest market followed by the United States. In the countries where our major customers are located, unforeseeable changes in tax systems or laws and regulations, political or economic instability, the outbreak of terrorism or conflicts, or natural disasters may pose risks that could affect the business activities and performance of our group. In particular, tariff policies and export control regulations in the United States and China may affect the procurement of materials from China, the shipment of products to China, and the shipment of products to the United States. At the same time, there is an increasing trend in inquiries from Chinese customers who find it difficult to purchase products from the United States and from U.S. customers who find it difficult to purchase products from China. Additionally, Raicol Crystals Ltd., a consolidated subsidiary of our company, has its headquarters and manufacturing plant in Rosh HaAyin, central Israel. Political and economic instability has continued in Israel since the outbreak of armed conflict on October 7, 2023, but at this point, there have been no reports of serious impact on the safety of Raicol employees or damage to manufacturing facilities. However, there are concerns that the prolonged conflict between Israel and Palestine may cause delays in Raicol's manufacturing plans and affect our management strategy.				
Countermeasures	We regularly monitor the status of our business operations, review our business strategies on a regular basis in light of risks arising from changes in the international situation and overseas economic conditions, and strive to maintain an accurate understanding of the status of our sales target regions and business locations through management meetings and board of directors meetings, thereby responding appropriately to changes in the situation. <Regarding the situation in Ukraine> Our group does not have any business operations in Russia or Ukraine, nor does it engage in any business activities targeting those regions. We understand that our major customers do not have a significant portion of their business related to those regions. Therefore, we currently assess that the situation in Ukraine is unlikely to have a significant impact on our group's business operations or performance.				

Risk Factors (4)

OXIDE

Risks from material procurement					
Probability	High	Impact	Large	Risk Assessment/Change from previous year	Particularly important/Same level
Risk Details	The Group purchases and uses various raw materials and optical components, including special raw materials and parts. We strive to ensure stable production and supply of important materials by purchasing from multiple vendors and increasing inventory, but some materials cannot be substituted. In particular, lutetium oxide, which is used in the manufacture of single-crystal scintillators in the Healthcare business, is produced in countries such as China and Australia, and the Group procures it from China. Therefore, if problems arise in procurement due to Chinese national policies or other factors, production plans may be disrupted, which could have an adverse effect on the Group's financial condition and results of operations. In addition, there are only a few companies in Japan and overseas that can manufacture certain components for lasers, which are the main products of the Semiconductor Business, that meet the quality standards required by the Group. If the Group is unable to secure these components, it may incur opportunity losses. Furthermore, if the Group is unable to secure components that meet its quality standards, its yield rate may decline. If the Group is unable to pass on the resulting increase in raw material costs to its selling prices, the Group's business results may be affected.				
Countermeasures	We are working to stabilize manufacturing and supply by purchasing from multiple vendors, quickly grasping market trends through trading companies, and taking measures such as increasing inventory. For key components with limited suppliers, we will strengthen cooperation with suppliers through close coordination, review procurement specifications, and regularly monitor procurement status to promote efforts to ensure a stable supply chain.				

Risk Factors (5)

OXIDE

Risks from fluctuations in raw material prices					
Probability	High	Impact	Large	Risk Assessment/Change from previous year	Particularly important/Same level
Risk Details	Among the raw materials used by the Group in manufacturing, lutetium oxide, which is used in the Healthcare business for the manufacture of single crystal scintillators, is a rare earth. The price of rare earths fluctuates significantly, and if such price fluctuations cannot be passed on to sales prices, the Group's financial position and results of operations may be adversely affected.				
Countermeasures	We are working to monitor rare earth price trends at management meetings and board of directors meetings, and have established a system to promptly make management decisions, such as advancing raw material purchases, if we detect any signs of price fluctuations. We are also working to establish a system to pass on increases in raw material prices to sales prices.				

Risk Factors (6)

OXIDE

Risks related to currency fluctuations					
Probability	Medium	Impact	Large	Risk Assessment/Change from previous year	Particularly important/Same level*
Risk Details	Our group conducts transactions with certain overseas entities using currencies other than the Japanese yen. In the event of significant fluctuations in the exchange rates of such currencies, there is a possibility that our group's operations may be adversely affected. Additionally, our consolidated subsidiary, Raicol Crystals Ltd., conducts its financial statements in the local currency, the new shekel. In the event of significant fluctuations in the exchange rate of such currency, there is a possibility that our group's financial condition and results of operations may be adversely affected. *In transactions with overseas entities, yen depreciation tends to increase profits; however, the risk level has not been reduced due to the potential impact of unstable exchange rates on business operations, and therefore, we have assessed the risk level to be the same as the previous period.				
Countermeasures	In transactions with overseas parties within our group, we conduct transactions with major business partners in Japanese yen. Additionally, we make efforts to monitor foreign exchange trends at management meetings and board of directors meetings. In the event that any signs of adverse effects on our financial condition or performance are detected, we have established a system to promptly make management decisions. Furthermore, regarding our consolidated subsidiary Raicol Crystals Ltd., we will continue to implement appropriate management in accordance with our risk hedging policy to mitigate risks.				

For other risks, please refer to “Business and Other Risks” in the OXIDE Corporation securities report.

Handling of this document

- These materials contain forward-looking statements related to the Company's outlook, plans, objectives, and other matters. These forward-looking statements are based on judgments formed by the management of the Company that were derived from the information available to it at the time these materials were created, and incorporate certain assumptions (hypotheses). Accordingly, these assumptions (hypotheses) may be affected by a variety of risks and uncertainties, and actual results may differ significantly from those expressed or implied in the materials.
- Information in these materials not related to the Company refers to data, etc. in the public domain or created by third parties. The Company has not conducted any verification of the accuracy or appropriateness, etc. of this information, and provides no warranty of any kind in this regard.
- These materials exist for the purpose of providing information related to Company briefings, and do not constitute a solicitation or inducement to sell or buy securities issued by the Company.
- The next Business Plan and Matters Related to Growth Potential is scheduled to be published in May 2026.

Illuminate with Innovation

OXIDE

The 21st century is often referred to as the era of optics, a time when advancements in optical technologies are transforming industries and shaping the future.

At OXIDE, we are committed to exploring the full potential of optical technology and delivering its benefits to society as swiftly and extensively as possible.

This commitment has been at the core of OXIDE's mission since its founding.