OXIDE

OXIDE Corporation

Supplementary Explanation Material for the Six Months Ended August 31, 2025 Financial Results

October 15, 2025 | TSE Growth：6521

Illuminate with Innovation - OXIDE

I will provide an explanation based on the supplementary explanatory materials for the financial results.

Agenda

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01. Consolidated Results

FY2026 Feb 2Q Financial Highlights

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	Revenue	Operating profit/loss	EBITDA Margin
2Q	**JPY 2,363M** vs. Budget +JPY 201M YoY Change +JPY 353M	**▲JPY 117M** vs. Budget ▲JPY 382M YoY Change ▲JPY 127M	**4.6%** vs. Budget ▲17.6% YoY Change ▲9.4%
1H	**JPY 4,151M** vs. Budget +JPY 174M YoY Change +JPY 752M	**▲JPY 189M** vs. Budget ▲JPY 240M YoY Change +JPY 206M	**6.3%** vs. Budget ▲5.9% YoY Change +2.3%

Here are the highlights of our second-quarter financial results for the fiscal year ending February 2026.

Revenue exceeded the budget, but operating profit fell short of the budget due to the situation in Israel.

Details will be explained starting on the next page.

01. Consolidated Results

FY2026 Feb 1H Results

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- Revenue: JPY 4,151M (JPY 174M higher than budget, JPY 752M higher than same period last year)
- Operating loss: JPY 189M (JPY 240M lower than budget, JPY 206M higher than the same period last year)
- We are working on multiple non-budgeted projects to achieve the full-year budget, and there is no change to the full-year budget.

(Unit:JPY M , %)

Item	FY26 Feb 1Q*1			FY26 Feb 2Q			FY26 Feb 1H			(Reference) FY25 Feb 1H	YoY change	FY26 Feb Full year
	Budget	Result	Variance	Budget	Result	Variance	Budget	Result	Variance			Budget
Revenue	1,814	1,787	▲ 26	2,162	2,363	+ 201	3,976	4,151	+ 174	3,398	+ 752	8,713
Operating Profit	▲ 215	▲ 72	142	265	▲ 117	▲ 382	50	▲ 189	▲ 240	▲ 396	+ 206	409
(Operating Profit Margin)	▲11.9%	▲4.0%	7.8%	12.3%	▲5.0%	▲17.2%	1.3%	▲4.6%	▲5.8%	▲11.7%	+ 7.1%	4.7%
R&D Expenditure	337	465	127	282	241	▲ 41	620	706	+ 86	627	+ 79	1,330
EBITDA*2	6	154	147	479	108	▲ 370	486	263	▲ 222	136	+ 126	1,278
(EBITDA margin)*3	0.4%	8.6%	8.3%	22.2%	4.6%	▲17.6%	12.2%	6.3%	▲5.9%	4.0%	+ 2.3%	14.7%

*1 "FY26 Feb" denotes the fiscal year running from March 2025 to February 2026.
*2 EBITDA: Operating Profit plus amortization (including depreciation, amortization of goodwill, etc.)
*3 EBITDA Margin: EBITDA divided by Revenue

I would like to present the first half results for the fiscal year ending February 2026.

Revenue amounted to JPY 4,151M. This represents an increase of JPY 174M compared to the budget and an increase of JPY 752M compared to the same period last year.

The operating loss amounted to JPY 189M. This represents a JPY 240M decrease compared to the budget and an increase of JPY 206M compared to the same period last year.

We are working on multiple non-budgeted projects to achieve the full-year budget, and there is no change to the full-year budget.

01. Consolidated Results

Breakdown of Consolidated Operating Profit and Loss for the First Half

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The breakdown of consolidated operating profit/loss for the first half shows that OXIDE exceeded the budget on a standalone basis, while Raicol fell short by JPY 228M.

[Breakdown of Raicol Operating Profit/Loss vs Budget]

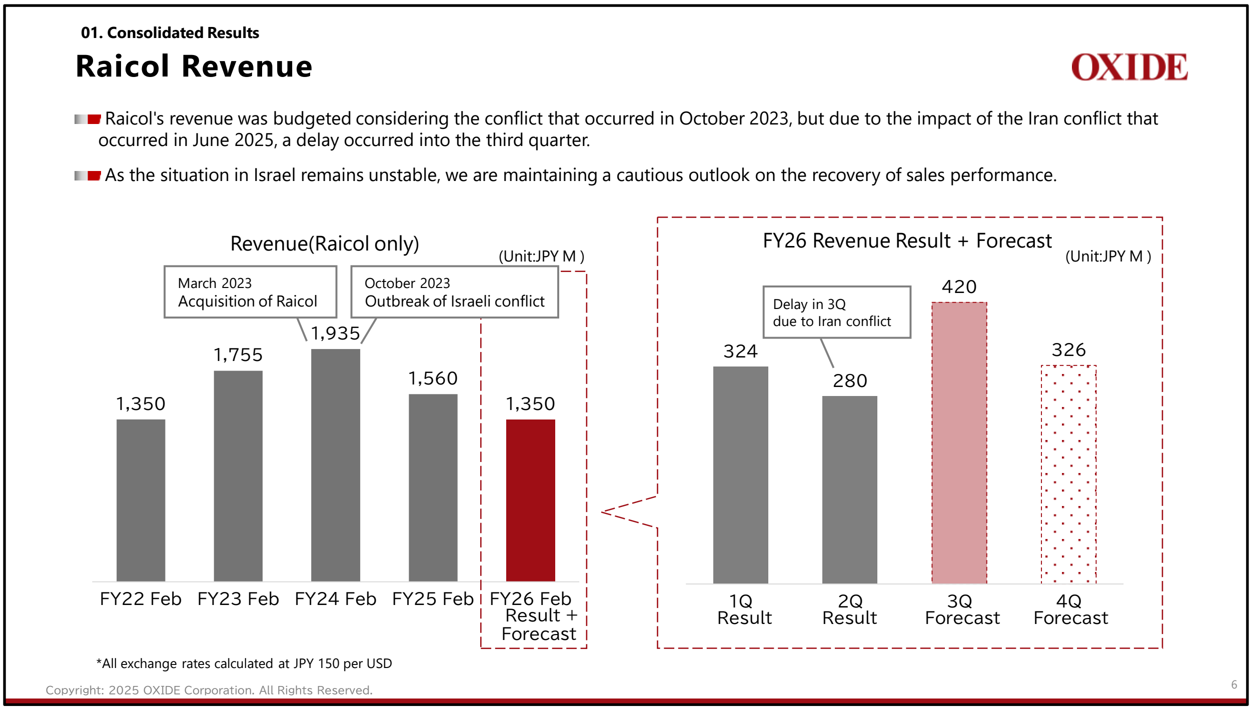
1. Increased manufacturing costs due to conflict impact : ▲Approx. JPY 70M
2. Delay in R&D subsidy payment to the second half due to conflict impact : ▲Approx. JPY 65M
3. Revenue decline due to expanded boycott and timing shift due to Iran conflict : ▲Approx. JPY 50M
4. Provision recognised due to difficulties in collecting accounts receivable from prior years : ▲Approx. JPY 40M

(Unit: JPY M)

Item	FY26 Feb 1Q			FY26 Feb 2Q			FY26 Feb 1H		
	Budget	Result	Variance	Budget	Result	Variance	Budget	Result	Variance
Consolidated Operating Profit/Loss*1	▲ 215	▲ 72	+142	265	▲ 117	▲ 382	50	▲ 189	▲ 240
OXIDE	▲ 66	168	+ 235	344	143	▲ 200	277	312	+ 35
Raicol	▲ 47	▲ 111	▲ 63	▲ 9	▲ 174	▲ 164	▲ 57	▲ 285	▲ 228
OPC*2	▲ 100	▲ 126	▲ 25	▲ 69	▲ 69	▲ 0	▲ 169	▲ 196	▲ 26

*1 Differences between consolidated figures and the sum of individual components arise from consolidation adjustments.
*2 OPC: Abbreviation for OXIDE Power Crystal Corporation, a wholly-owned subsidiary of the Company engaged in the SiC business.

The breakdown of consolidated operating profit/loss for the first half shows that OXIDE exceeded the budget on a standalone basis, while Raicol fell short by JPY 228M.



Raicol's revenue was budgeted considering the conflict that occurred in October 2023, but due to the impact of the Iran conflict that occurred in June 2025, a delay occurred into the third quarter.

As the situation in Israel remains unstable, we are maintaining a cautious outlook on the recovery of sales performance.

Semiconductor | Revenue

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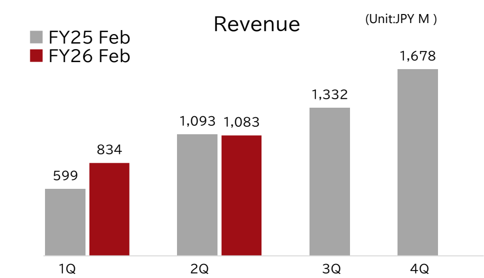
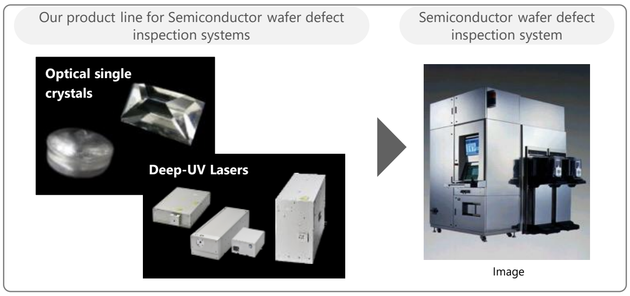
- Revenue from the Semiconductor Business for the first half was JPY 1,918M.
- Performance was broadly in line with the budget plan.
- Compared to the same period last year, result increased by JPY 225M.

(Unit:JPY M)

Item	FY26 Feb 1Q			FY26 Feb 2Q			FY26 Feb 1H			(Reference) FY25 Feb 1H	YoY change	FY26 Feb Full year
	Budget	Result	Variance	Budget	Result	Variance	Budget	Result	Variance			Budget
Revenue	890	834	▲ 55	1,068	1,083	+ 15	1,959	1,918	▲ 40	1,693	+ 225	4,555





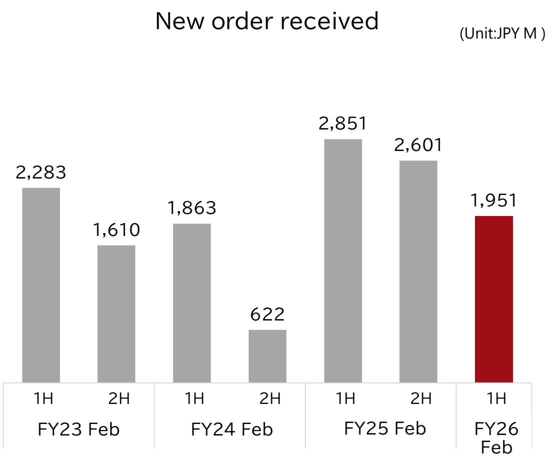
I shall now explain the performance by business segment.
First, Revenue from the Semiconductor Business for the first half was JPY 1,918M.
Performance was broadly in line with the budget plan.
Compared to the same period last year, result increased by JPY 225M.

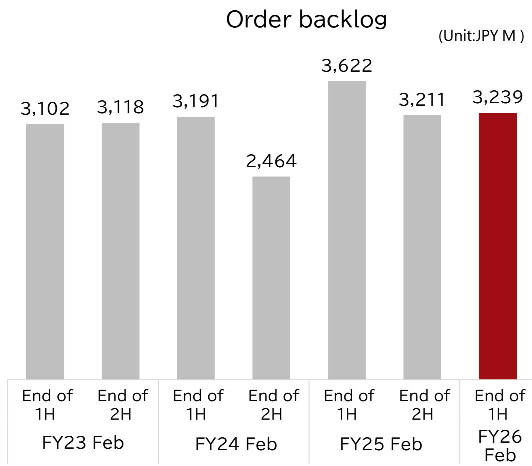
02. Results by Business Segment

Semiconductor | New order received and Order backlog

OXIDE

- For the first half of the fiscal year ending February 2026, the new order received amounted to JPY 1,951M.
- The order backlog at the end of the first half of the fiscal year ending February 2026 stood at JPY 3,239M.





For the first half of the fiscal year ending February 2026, the new order received amounted to JPY 1,951M.

The order backlog at the end of the first half stood at JPY 3,239M.

02. Results by Business Segment

Healthcare | Revenue

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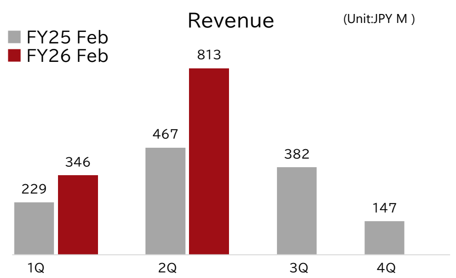
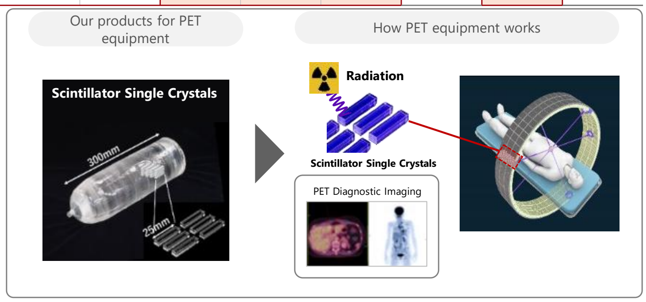
- Revenue from the Healthcare Business for the first half was JPY 1,160M.
- This result was driven by shipments to a new customer, a leading manufacturer of high-performance PET equipment, and a timing shift from the previous period. Revenue increased by JPY 173M compared to the budget and JPY 463M year-on-year.

(Unit:JPY M)

Item	FY26 Feb 1Q			FY26 Feb 2Q			FY26 Feb 1H			(Reference) FY25 Feb 1H	YoY change	FY26 Feb Full year
	Budget	Result	Variance	Budget	Result	Variance	Budget	Result	Variance			Budget
Revenue	401	346	▲ 55	584	813	+ 229	986	1,160	+ 173	696	+ 463	2,170





I shall now explain our healthcare business.

Revenue from the Healthcare Business for the first half was JPY 1,160M.

This result was driven by shipments to a new customer, a leading manufacturer of high-performance PET equipment, and a timing shift from the previous period. Revenue increased by JPY 173M compared to the budget and JPY 463M year-on-year.

02. Results by Business Segment

Frontier Tech | Revenue

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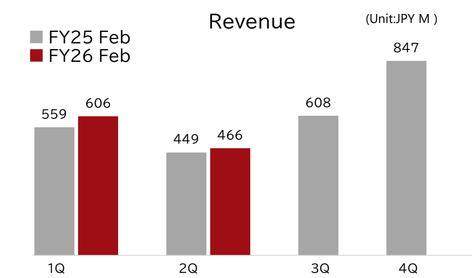
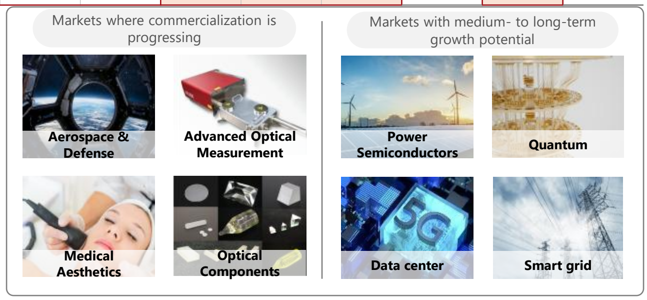
- Revenue from the Frontier Tech Business for the first half was JPY 1,072M.
- This represents an increase of JPY 41M compared to the budget and an increase of JPY 63M compared to the same period last year.
- The decline in Raicol's revenue was offset by revenue from OXIDE's Frontier Tech segment.

(Unit:JPY M)

Item	FY26 Feb 1Q			FY26 Feb 2Q			FY26 Feb 1H			(Reference) FY25 Feb 1H	YoY change	FY26 Feb Full year
	Budget	Result	Variance	Budget	Result	Variance	Budget	Result	Variance			Budget
Revenue	521	606	+ 84	509	466	▲ 43	1,030	1,072	+ 41	1,008	+ 63	1,987





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I shall now explain our new business ventures.

Revenue from the Frontier Tech Business for the first half was JPY 1,072M.

This represents an increase of JPY 41M compared to the budget and an increase of JPY 63M compared to the same period last year.

The decline in Raicol's revenue was offset by revenue from OXIDE's Frontier Tech segment.

Frontier Tech | SiC Business Progress

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- The consortium led by OXIDE Power Crystal Corporation has successfully prototyped a 6-inch p-type SiC wafer using an innovative solution growth method and AI digital twin technology. *1
- The results were presented at ICSCRM2025, one of the world's largest international SiC conferences, and received high international acclaim.
- This achievement has opened the door to material technologies supporting next-generation social infrastructure, such as direct current transmission and data centre power supplies.

Towards realising 6500V+ IGBT through p-type SiC wafer development

- High-quality p-type SiC wafers are essential for ultra-high voltage IGBT exceeding 6500V
- Conventional sublimation methods have limitations in achieving large diameters and doping control, making p-type SiC fabrication difficult
- Successful prototyping of p-type SiC wafers using a proprietary solution growth method; progress in developing ultra-high voltage-rated SiC-IGBT, expected for applications such as HVDC, is anticipated.

DC transmission grids planned in Europe*2

Relationship between SiC wafer colour and dopant

- SiC exhibits color variation due to differences in light absorption characteristics caused by dopants, with n-type wafers appearing amber and p-type wafers appearing blue.
- Successfully prototyped a p-type SiC wafer exhibiting a blue hue.

6-inch p-type wafer (left), 6-inch n-type wafer (right)

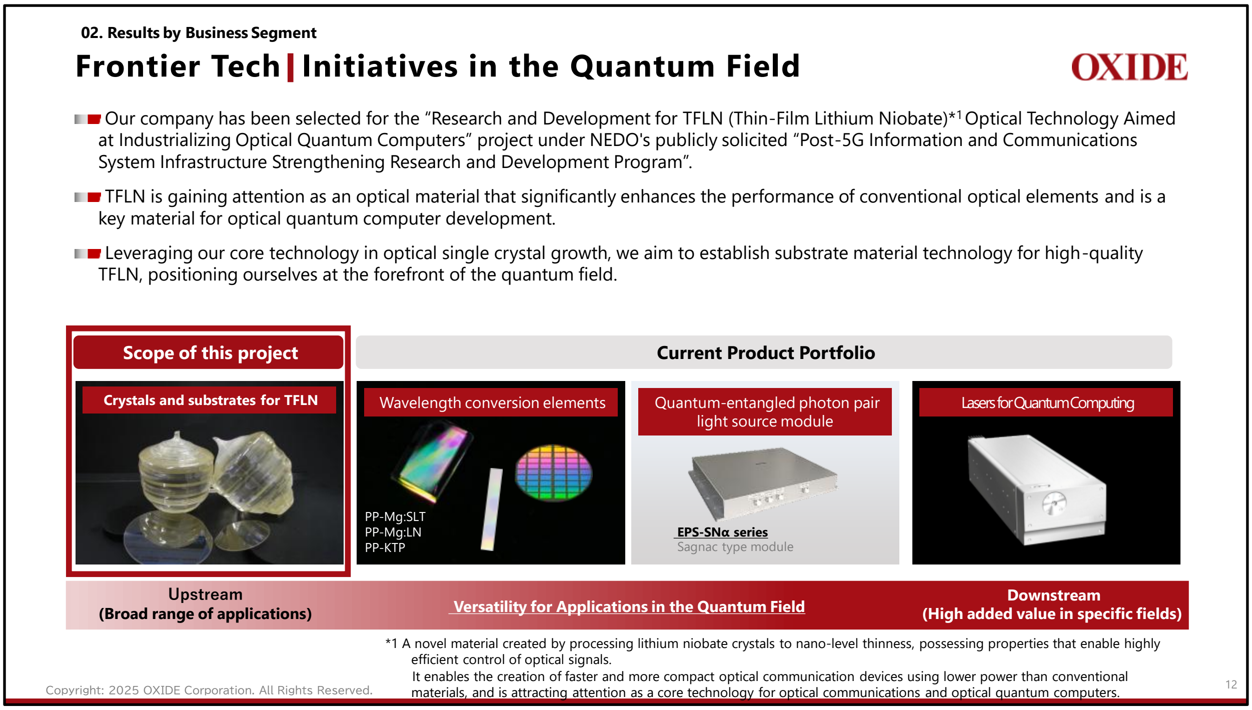
*1 This achievement was carried out as part of the NEDO Green Innovation Fund project "Building Next-Generation Digital Infrastructure". The members are OXIDE Power Crystal Corporation, Mipox Corporation, UJ-Crystal Inc, Alxtal Corporation, and the National Institute of Advanced Industrial Science and Technology (AIST).
*2 International Institute for Environmental Economics website: https://ieei.or.jp/2023/05/santo_20230518/

Next, I shall explain the progress of our SiC business.

The consortium led by OXIDE Power Crystal Corporation has successfully prototyped a 6-inch p-type SiC wafer using an innovative solution growth method and AI digital twin technology.

The results were presented at ICSCRM2025, one of the world's largest international SiC conferences, and received high international acclaim.

This achievement has opened the door to material technologies supporting next-generation social infrastructure, such as direct current transmission and data centre power supplies.



Next, I shall explain our initiatives in the quantum field.

Our company has been selected for the "Research and Development for TFLN Optical Technology Aimed at Industrializing Optical Quantum Computers" project under NEDO's publicly solicited "Post-5G Information and Communications System Infrastructure Strengthening Research and Development Program".

TFLN is gaining attention as an optical material that significantly enhances the performance of conventional optical elements and is a key material for optical quantum computer development.

Leveraging our core technology in optical single crystal growth, we aim to establish substrate material technology for high-quality TFLN, positioning ourselves at the forefront of the quantum field.

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Appendix

Financial Trends

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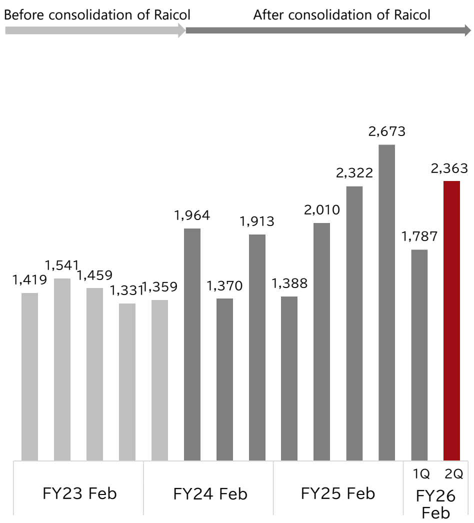
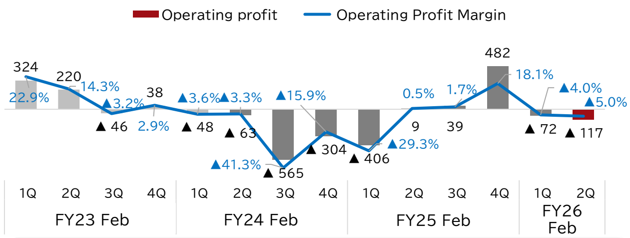
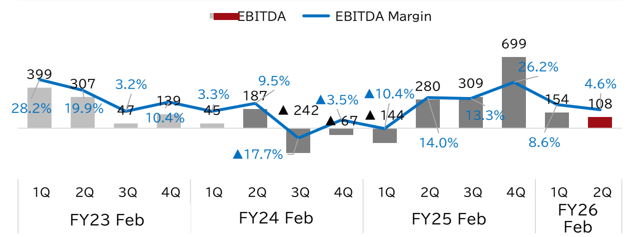
Revenue (Unit:JPY M, %)



Operating Profit Margin (%) (Unit:JPY M, %)



EBITDA (%) (Unit:JPY M, %)



*The allocation of the acquisition cost was revised in FY2024 Feb 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 FY2024 Feb. have been retroactively adjusted.

DISCLAIMER

This material was not prepared for the purpose of soliciting investments in securities issued by the Company.

The information contained in this material is based on our assumptions and beliefs at the time of preparation and we do not guarantee or promise the accuracy or completeness of such information.

The report contains risks, economic trends, industry demand, and other uncertainties that may affect actual results.

Our estimates and actual results may differ. Please be aware that actual results may differ from our projections.

Amounts in this document are rounded down to the indicated unit, and percentages are rounded off to the indicated unit, so the total of the breakdown may not equal the total.

In the fourth quarter of FY2024 Feb, the allocation of the acquisition cost 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 FY2024 Feb. have been retroactively adjusted.

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