Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

October 17, 2025

For Immediate Release

Company name: OXIDE Corporation
Representative name: Masayuki Yamamoto, President (COO & CFO)
(Code: 6521 TSE Growth)
Inquiries: Kengo Takeuchi, General Manager of Corporate Planning Division (CSO)
(Tel: +81-551-26-0022)

Q & A session of the Financial Results Meeting for the Six Months Ended August 31, 2025

OXIDE Corporation held a financial result briefing for analysts and institutional investors on October 16, 2025. The following is a summary of the responses to the main questions asked by those in attendance. To promote clarity, some additions and corrections have been made to the original transcript and are included in this summary.

Q. We are deeply disappointed by the loss recorded in the first half of this fiscal year. While you stated there is no change to the full-year earnings budget, given the first-half result, it is difficult to maintain confidence in that outlook. Please provide a detailed explanation of the basis for maintaining the full-year earnings budget unchanged.

A. First, we will explain the expected recovery in the second half for Raicol, the primary factor behind the consolidated performance shortfall in the first half. There are four main points:

① Change in timing of R&D subsidy receipt: The receipt of the first-half planned R&D subsidy of JPY 70M in the second half, combined with the planned receipt of the second-half scheduled amount, is expected to improve earnings by approximately JPY 150M from the first half to the second half.

② Provision for Doubtful Accounts: The provision for doubtful accounts recorded in the first half is not expected to be recorded in the second half.

③ Reduction in Manufacturing Costs: Manufacturing costs are expected to decrease by approximately JPY 50M in the second half.

④ Revenue Recovery: Revenue is expected to recover, particularly in 3Q, leading to an improvement of at least JPY 50M in operating profit/loss.

In summary, operating profit for the second half is projected to improve by approximately JPY 280M compared to the first half, achieving a balanced result. While the first phase of a ceasefire agreement was recently reached between the Israeli government and Hamas, the situation in Israel remains unstable,

prompting a cautious outlook.

Meanwhile, for OXIDE alone, we anticipate multiple projects exceeding budget in both the Semiconductor business and Frontier Tech. We judge this will enable us to recover the shortfall from the first half and are working on this company-wide.

01. Consolidated Results

Breakdown of Consolidated Operating Profit and Loss for the First Half

OXIDE

- 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

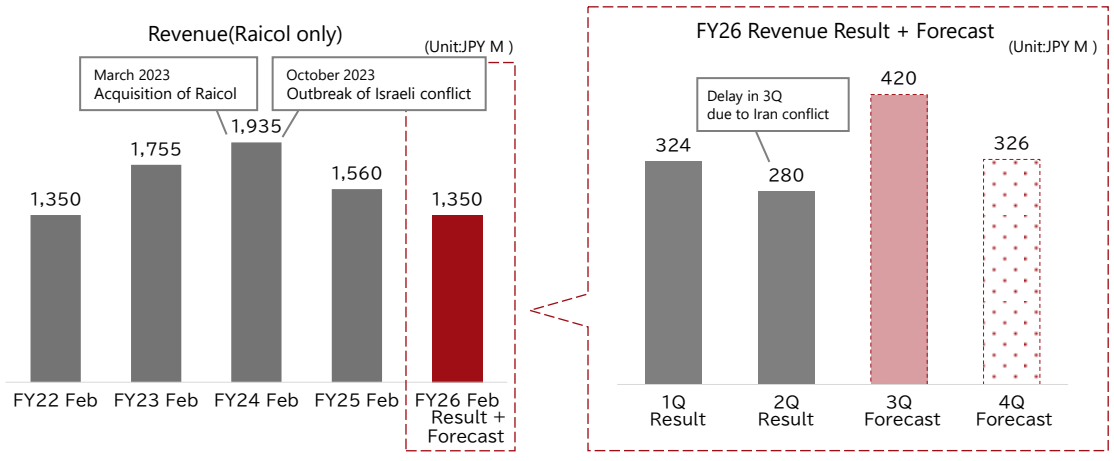
*1 Differences between consolidated figures and the sum of individual components arise from consolidation adjustments.
*2 OPC: Abbreviation for OXIDE Power Crystal Corporation, a wholly-owned subsidiary of the Company engaged in the SiC business.

01. Consolidated Results

Raicol Revenue

OXIDE

- 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.



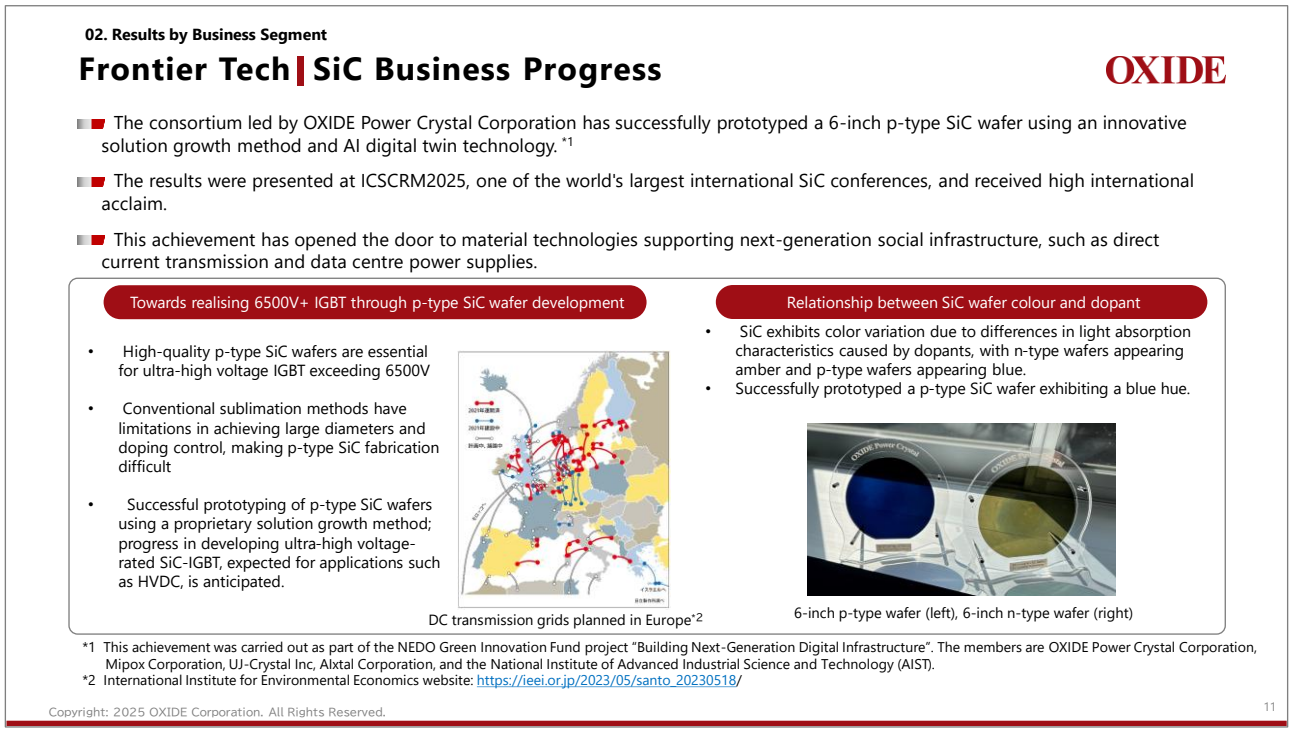
*All exchange rates calculated at JPY 150 per USD

Q. Please explain the specific technical advantages and characteristics of the blue p-type SiC wafers.
Also, please tell us the current development phase and the target timing for mass production.

A. High-quality p-type SiC (silicon carbide) wafers are essential components for dramatically improving the performance of next-generation ultra-high-voltage power semiconductors, such as IGBT used in HVDC (high-voltage direct current transmission systems). However, conventional sublimation methods have long posed significant technical challenges, making it extremely difficult to achieve large-diameter wafers and uniformly incorporate elements that determine electrical characteristics.

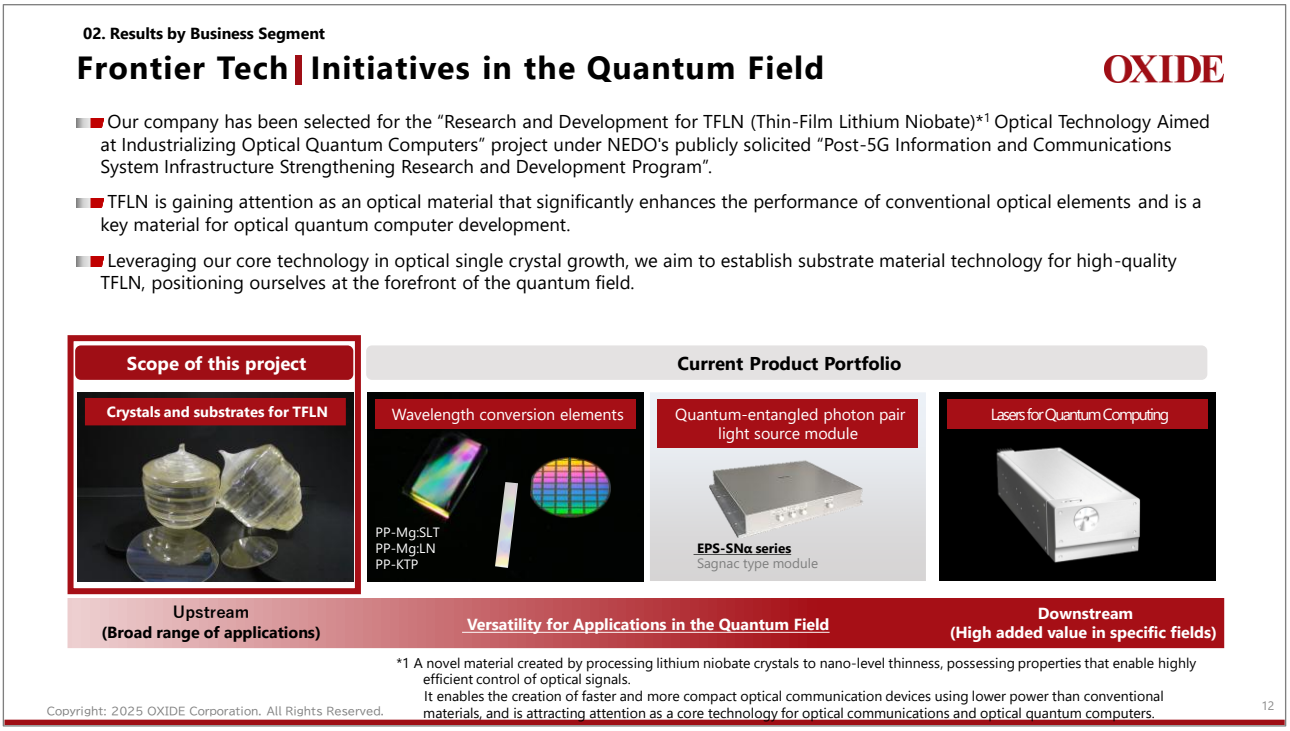
We have solved this challenge by employing our proprietary solution growth method, successfully achieving Japan's first prototype of a high-quality p-type SiC wafer at a practical size. The "blue" color you mention visually indicates that the dopant imparting p-type electrical conductivity is uniformly incorporated throughout the crystal at a high concentration. This demonstrates the realization of high quality and high uniformity, which was difficult to achieve with the sublimation method.

Currently, these wafers are in the sample shipment phase. Moving forward, based on the progress of evaluations and application development by various device manufacturers, we aim to commence mass production around 2029. This product is an essential technology for enhancing the performance of next-generation power infrastructure and is expected to significantly contribute to improving energy efficiency.



Q. TFLN (Thin Film Lithium Niobate) technology is described as "essential for the industrialization of photonic quantum computers." Could you elaborate further on its importance? For example, what specific role does TFLN technology play in realizing photonic quantum computers?

A. It is an essential component material for realizing the optical signal processing circuit, which is the heart of a photonic quantum computer. Current photonic quantum computers assemble optical signal processing circuits on large optical benches by combining conventional optical fibers and waveguide components. By utilizing TFLN, which our company is developing, it becomes possible to integrate more advanced optical circuits onto a single substrate. Specifically, it enables the fabrication of quantum entangled light generation, optical amplification, and optical modulation functions using lithography processes. Furthermore, TFLN possesses characteristics such as high speed and low loss compared to semiconductor materials like Si (silicon) and InP (indium phosphide). As such, it is anticipated to be an indispensable material for next-generation photonic quantum computers. Currently, only a limited number of companies worldwide can manufacture TFLN. From an economic security perspective, we believe that OXIDE's commitment to this theme holds significant societal importance.



Q. Regarding the quarterly revenue trends for the Semiconductor and Healthcare businesses, is the Semiconductor business expected to achieve higher revenue in the second half than in the first half? Also, for the Healthcare business, please explain the factors driving the increase in revenue in the second quarter and the outlook for the third quarter and beyond.

A. For the Semiconductor Business, revenue in the second half is expected to exceed that in the first half, driven by anticipated growth in maintenance demand.

For the Healthcare business, the revenue increase in the second quarter was primarily due to the full-scale shipment to a leading high-performance PET manufacturer, combined with the carryover effect from the fourth quarter of the previous fiscal year. Revenue in the second half is expected to be slightly lower than the first half, as this carryover effect will no longer be present.

Q. We understand that the consolidated full-year budget remains unchanged. Please explain the details of the off-budget projects being pursued by OXIDE alone and Raicol's full-year outlook.

A. For OXIDE alone, we have been working to develop new projects in both the Semiconductor business and Frontier Tech. Particularly in Frontier Tech, we expect to secure new projects for data centers. Regarding Raicol, we anticipate full-year revenue to be at the level initially forecast, but operating profit is expected to fall short of the budget.

Q. Please tell us the planned mass production timing for TFLN in the quantum field.

A. It is difficult to specify a concrete timeline for TFLN mass production at this stage. While small-diameter substrates for R&D applications are already available in the market, the mass production technology for large-diameter substrates essential for the societal implementation of technologies like optical quantum computers remains under development globally. We anticipate that development and evaluation of large-diameter substrates will accelerate over the next 2-3 years, leading to progress in societal implementation. Through our TFLN initiatives, we will contribute to accelerating research and development in this critical technological field.

Q. Regarding TFLN's market opportunities, is there potential beyond optical quantum computers for use as modulators in optical communications? Also, while I understand the current mainstream in silicon photonics is InP (indium phosphide), is there a possibility TFLN could become central in the future? Additionally, please share your thoughts on the potential for partnerships with downstream companies in the supply chain for this theme.

A. Prior to its application in optical quantum computers, we believe optical communication modulators will be the primary market opportunity in the short term. Currently, InP (indium phosphide) and Si (silicon) lead the market due to their scalability for miniaturization, but they have limitations in high-speed performance. TFLN excels in high-speed performance and enables miniaturization through thin-film fabrication, leading to expectations that it will replace existing materials in cutting-edge communication systems. Therefore, as you pointed out, we anticipate business opportunities expanding first in modulators for optical communications, followed by the larger market of optical quantum computers.

The NEDO project we are participating in involves numerous companies spanning the entire supply chain, from upstream material manufacturers to downstream device and equipment manufacturers. We will actively deepen collaboration with these companies to advance commercialization.