



OXIDE Corporation
Supplementary Explanation Material
for the Six Months Ended August 31, 2026 Financial Results

October 15, 2026

TSE Growth : 6521

Illuminate with Innovation - OXIDE

Agenda



- 01.** Consolidated Results for FY2027 Feb 2Q
- 02.** Results by Business Segment [Semiconductor, Healthcare, Frontier Tech.]
- 03.** Revision of Forecast for Full-Year Earnings for the Fiscal Year Ending February 2027 and Progress Toward Mid-term Management Targets

Highlights of the First Half of the Fiscal Year Ending February 2027



Revenue	Operating profit	Operating margin	EBITDA margin
JPY 4,935 _M	JPY 641 _M	13.0%	19.6%
YoY change	YoY change	YoY change	YoY change
JPY +784M	JPY +830M	+17.6%	+13.3%

2nd quarter financial results summary

- 1

1H FY2027 Feb: All four key metrics grew substantially year on year
- 2

Growth in the Semiconductor business drove increases in both revenue and profit
- 3

Full-Year Consolidated Earnings Forecast Revised Upward

FY2027 Feb 1H Results



- Both revenue and operating profit exceeded the budget.
- Operating profit came in at JPY 641M, an increase of JPY 381M compared to the budget. Profitability is steadily improving, primarily due to an improvement in the gross profit margin.

(Unit:JPY M, %)

Item	FY27 Feb 1Q*1			FY27 Feb 2Q			FY27 Feb 1H			(Reference) FY26 Feb 1H	YoY change	FY27 Feb Full year
	Budget	Result	Variance	Budget	Result	Variance	Budget	Result	Variance			Budget
Revenue	2,251	2,192	▲ 59	2,409	2,743	+ 334	4,659	4,935	+ 275	4,151	+ 784	9,828
Operating profit	181	199	+ 17	78	442	+ 363	259	641	+ 381	▲ 189	+ 830	933
Operating margin	8.0%	9.1%	+1.1%	3.2%	16.1%	+12.9%	5.6%	13.0%	+7.4%	▲4.6%	+ 17.6%	9.5%
R&D expenses	299	254	▲ 44	241	254	+ 13	540	509	▲ 31	706	▲ 197	1,042
EBITDA*2	352	364	+ 12	262	604	+ 342	613	969	+ 355	263	+ 705	1,681
EBITDA margin*3	15.6%	16.6%	+1.0%	10.9%	22.0%	+11.2%	13.2%	19.6%	+6.4%	6.3%	+ 13.3%	17.1%

*1 Refers to the fiscal year from March 2026 to the end of February 2027.
*2 Figure calculated by adding amortization expenses (including depreciation and goodwill amortization) to Operating Profit
*3 EBITDA ÷ Revenue

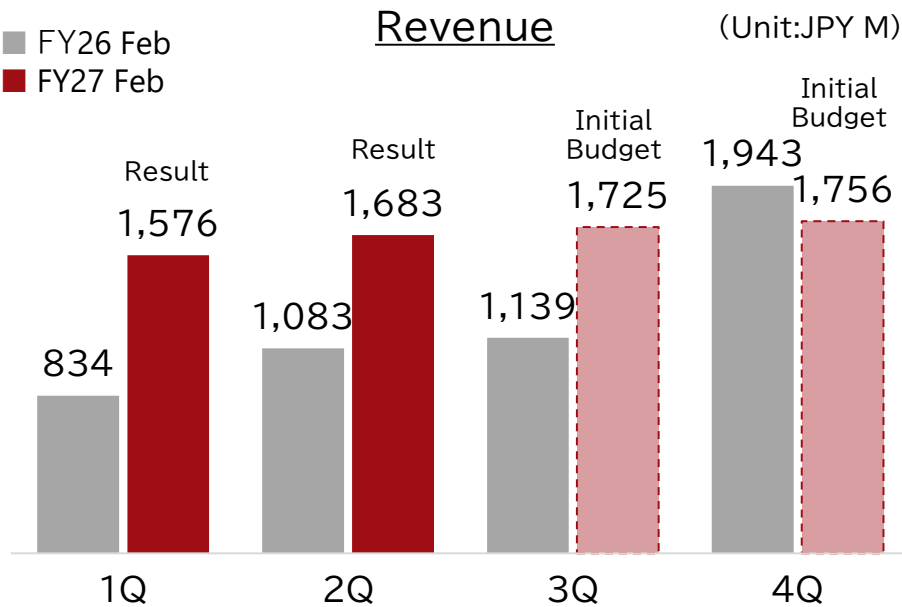
Semiconductor | Revenue



- First-half revenue in the Semiconductor Business totaled JPY 3,259M, an increase of JPY 338M compared to the budget.
- According to a SEMI survey, the semiconductor manufacturing equipment (WFE) market is projected to grow by 23.2% year-over-year in 2026.*
Against the backdrop of this market expansion, shipments of Single Crystals and Lasers—where the Company holds a high market share—increased, resulting in a 70% year-over-year rise in revenue.

(Unit:JPY M)

Item	FY27 Feb 1Q			FY27 Feb 2Q			FY27 Feb 1H			(Reference) FY26 Feb 1H	YoY change	FY27 Feb Full year
	Budget	Result	Variance	Budget	Result	Variance	Budget	Result	Variance			Budget
Revenue	1,282	1,576	+ 294	1,639	1,683	+ 43	2,921	3,259	+ 338	1,918	+ 1,341	6,402



Our product line for Semiconductor wafer defect inspection systems

Optical single crystals

Deep-UV Lasers

Semiconductor wafer defect inspection system

Image

* Source: SEMI Mid-Year Total Semiconductor Equipment Forecast – OEM Perspective
<https://www.semi.org/jp/news-resources/press/20260715>

Semiconductor | Deep-UV Lasers for back-end semiconductor microfabrication

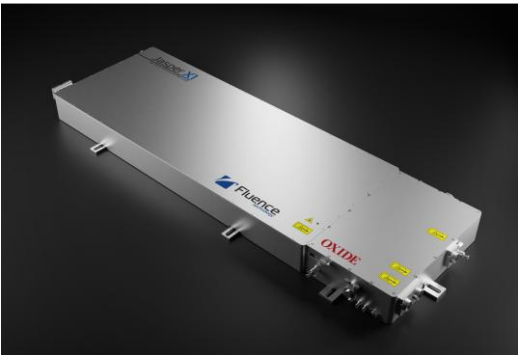


- In addition to expanding our existing businesses, we are accelerating business development in the new growth area of microfabrication for Semiconductor Back-End processes.
- By integrating our wavelength conversion technology with Fluence’s femtosecond laser technology, we have developed a deep ultraviolet femtosecond laser with a wavelength of 258 nm, high output, short pulses, and high beam quality. (Disclosed on August 18, 2026)
- Going forward, we will expand our product lineup to address a wide range of precision microfabrication applications, including advanced semiconductor packages such as CoWoS and CoPoS, optoelectronic integrated CPO, and displays.

OXIDE’s **wavelength conversion technology** × Fluence’s **femtosecond lasers** = Commercialization of Deep-UV femtosecond lasers

The Need for Femtosecond DUV Lasers

Market Needs	Growing demand for submicron-precision microfabrication in advanced Semiconductor packaging and CPO/PICs for optoelectronic integration
Why Femtosecond × Deep ultraviolet?	Femtosecond: Processing occurs before heat is transferred, minimizing thermal effects Deep ultraviolet: High-precision processing achieved through a micro-spot combined with high photon energy



A wide range of precision microfabrication applications, including advanced Semiconductor packages (CoWoS, CoPoS), optoelectronic integrated CPO, and displays

Semiconductor packaging	Glass Substrates	SiC and Sapphire	Micro LED	Organic Materials
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Semiconductor | Appointment of Dr. Susumu Kohyama as Management Strategy Advisor

OXIDE

- To further accelerate the expansion of our existing businesses and the development of new fields, we have appointed Dr. Susumu Kohyama as a Management Strategy Advisor. (Disclosed on September 8, 2026)
- We will leverage his extensive management experience and global insights in the Semiconductor industry to advance our medium- to long-term growth strategy.

Accelerating the growth of the Semiconductor business through Dr. Kohyama's expertise

Formulation and execution of medium- to long-term management strategies

Expansion of the business portfolio

Expansion into global markets



Left: Yasunori Furukawa, CEO of OXIDE
Right: Susumu Kohyama

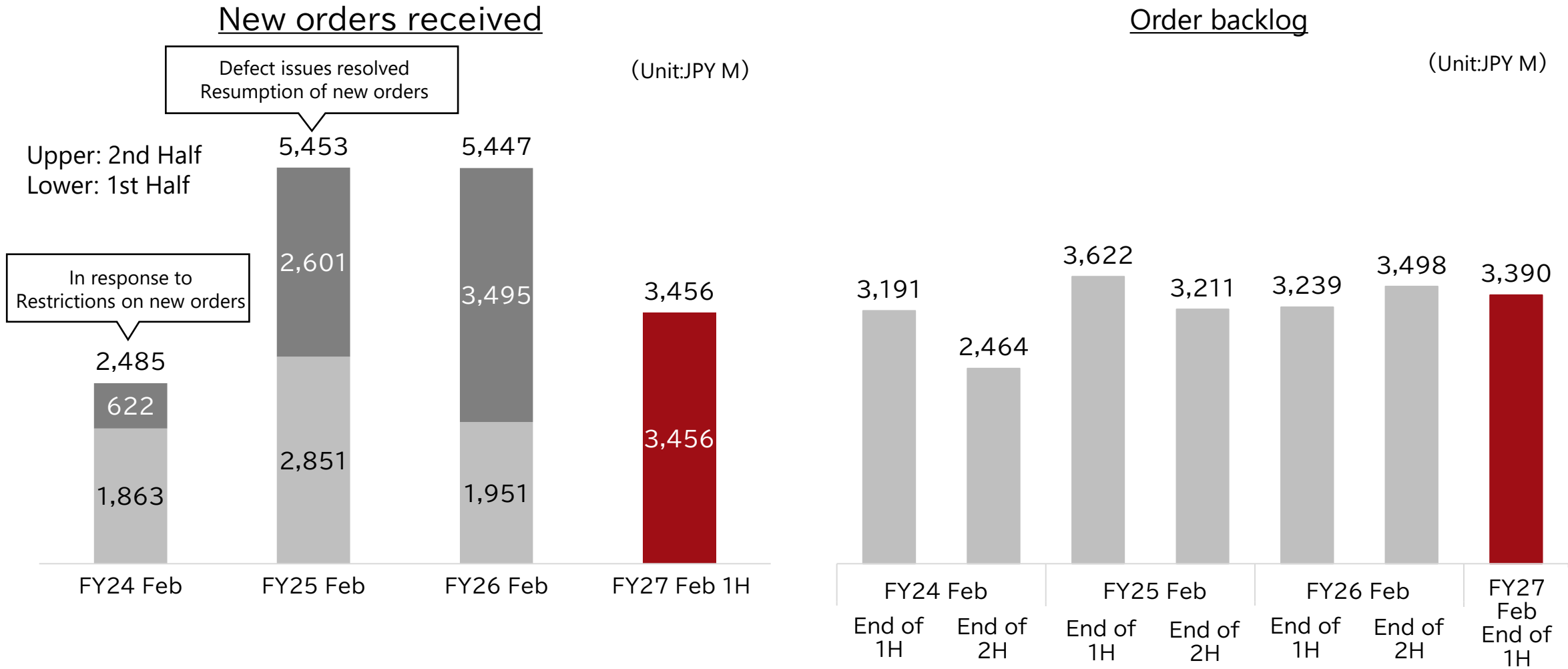
Career History of Dr. Susumu Kohyama

- Led the Semiconductor business at Toshiba Corporation for many years
- As President and CEO of Toshiba Ceramics (now CoorsTek GK), he spearheaded the company's independence and growth through a management buyout (MBO)
- He received the "IEEE Robert N. Noyce Medal" in 2020, one of the highest honors in the Semiconductor field
- Currently serves as Representative of K. Associates, providing management consulting to Semiconductor-related companies in Japan and overseas

Semiconductor | New Orders Received and Order Backlog



- New orders received for the first half of the fiscal year ending February 2027 reached a record high for the first half at JPY 3,456M.
- The order backlog as of the 2nd quarter-end stood at JPY 3,390M.



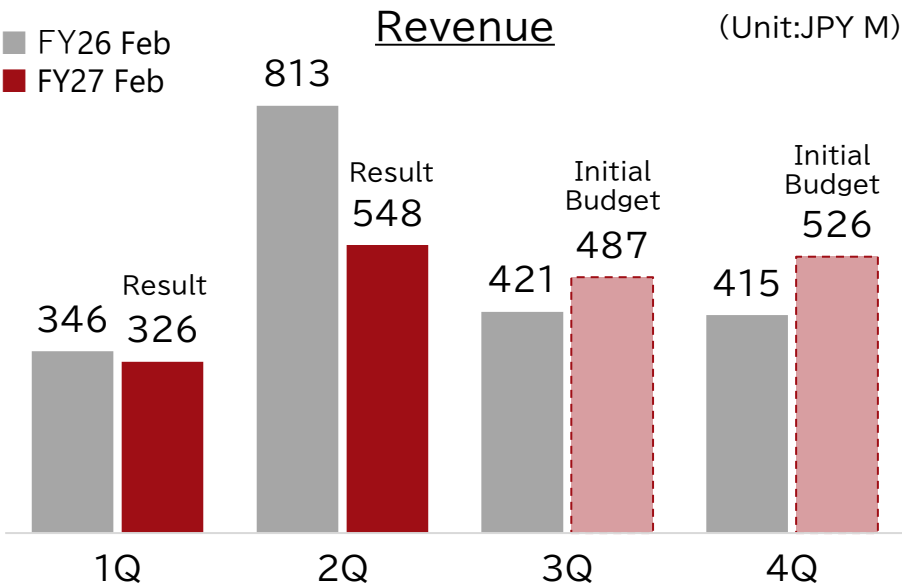
Healthcare | Revenue



- First-half revenue in the Healthcare Business totaled JPY 874M, an increase of JPY 36M compared to the budget.
- In response to deteriorating procurement conditions and soaring prices for key raw materials, the company is continuing discussions with major customers to revise trading terms.

(Unit:JPY M)

Item	FY27 Feb 1Q			FY27 Feb 2Q			FY27 Feb 1H			(Reference) FY26 Feb 1H	YoY change	FY27 Feb Full year
	Budget	Result	Variance	Budget	Result	Variance	Budget	Result	Variance			Budget
Revenue	428	326	▲ 101	410	548	+ 138	837	874	+ 36	1,160	▲ 285	1,851



Our products for PET equipment

Scintillator Single Crystals

How PET equipment works

Radiation

Scintillator Single Crystals

PET Diagnostic Imaging

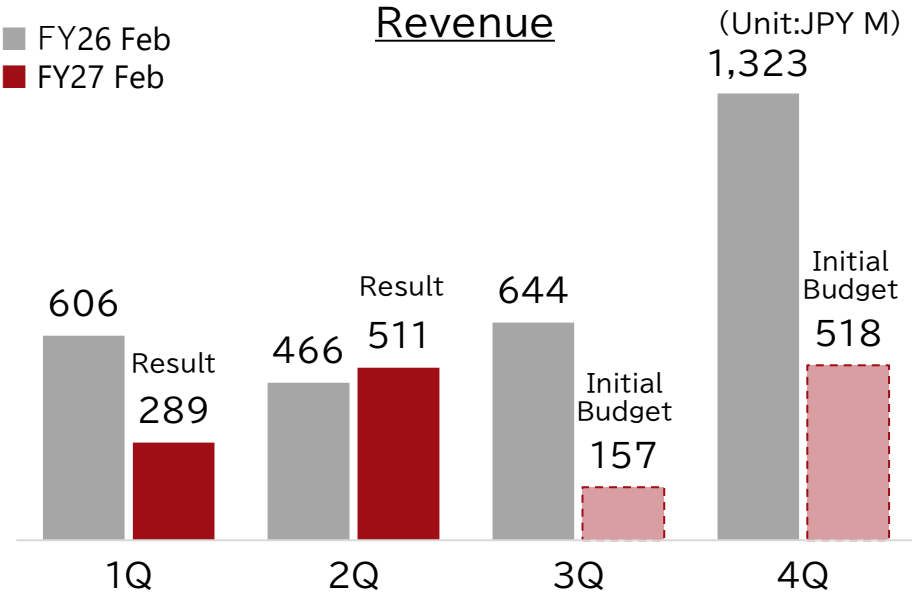
Frontier Tech | Revenue



- Revenue for the Frontier Tech Business in the first half of the fiscal year was JPY 800M, a decrease of JPY 99M from the budget.
- While sales of Faraday Rotators for data centers generally progressed as planned, some projects in other sectors were postponed to the second half of the fiscal year.

(Unit:JPY M)

Item	FY27 Feb 1Q			FY27 Feb 2Q			FY27 Feb 1H			(Reference) FY26 Feb 1H	YoY change	FY27 Feb Full year
	Budget	Result	Variance	Budget	Result	Variance	Budget	Result	Variance			Budget
Revenue	541	289	▲ 251	359	511	+ 152	900	800	▲ 99	1,072	▲ 271	1,575



Focus Areas

Quantum Computing
Quantum Communication

Data Centers

Power Semiconductors

Laser Microfabrication

Optoelectronic Integration

Advanced Optical Measurement

Revision of Forecast for Full-Year Earnings for the Fiscal Year Ending February 2027 and Progress Toward Mid-term Management Targets

Revision of Budget for the Full Year Ending February 2027



- We are revising upward the revenue budgets for both the Semiconductor Business—driven by increased shipments of Single Crystals and Lasers—and the Frontier Tech. Business—driven by increased shipments of Faraday Rotators for data centers.
 - Meanwhile, in the Healthcare Business, in response to deteriorating procurement conditions and rising prices for key raw materials, we are continuing discussions with major customers to review transaction terms. Regarding the forecast for the second half of the fiscal year, we have revised it based on projects with a high degree of certainty of securing orders at this time, taking these circumstances into account. We will continue to prioritize profitability and strive to secure appropriate transaction terms.
 - As a result, we are revising our full-company revenue budget upward to JPY 10,323M, an increase of JPY 495M from the initial budget, and our operating profit budget upward to JPY 1,367M, an increase of JPY 434M from the initial budget.
- (Unit:JPY M, %)

Item	FY27 Feb										
	1Q		2Q		3Q		4Q		Full year		
	Budget	Result	Budget	Result	Budget	Revised Budget	Budget	Revised Budget	Initial Budget	Revised Budget	Variance
Revenue	2,251	2,192	2,409	2,743	2,369	2,598	2,800	2,790	9,828	10,323	+ 495
Semiconductor	1,282	1,576	1,639	1,683	1,725	1,820	1,756	2,160	6,402	7,241	+ 838
Healthcare	428	326	410	548	487	285	526	59	1,851	1,219	▲ 632
Frontier Tech	541	289	359	511	157	493	518	570	1,575	1,864	+ 288
Operating profit	181	199	78	442	247	271	427	455	933	1,367	+ 434
Operating margin	8.0%	9.1%	3.2%	16.1%	10.4%	10.4%	15.3%	16.3%	9.5%	13.2%	+ 3.7%
EBITDA	352	364	262	604	439	461	628	647	1,681	2,076	+ 395
EBITDA margin	15.6%	16.6%	10.9%	22.0%	18.5%	17.7%	22.4%	23.2%	17.1%	20.1%	+3.0%

Progress Toward Mid-term Management Targets

- The revised budget for the fiscal year ending February 2027 includes an Operating Profit Margin of 13.2% and an EBITDA margin of 20.1%. Of the mid-term management objectives for the fiscal year ending February 2028 (12% and 22%), we expect to achieve the Operating Profit Margin one year ahead of schedule.
- After assessing progress in the second half of the fiscal year, we will consider revising our mid-term management objectives.

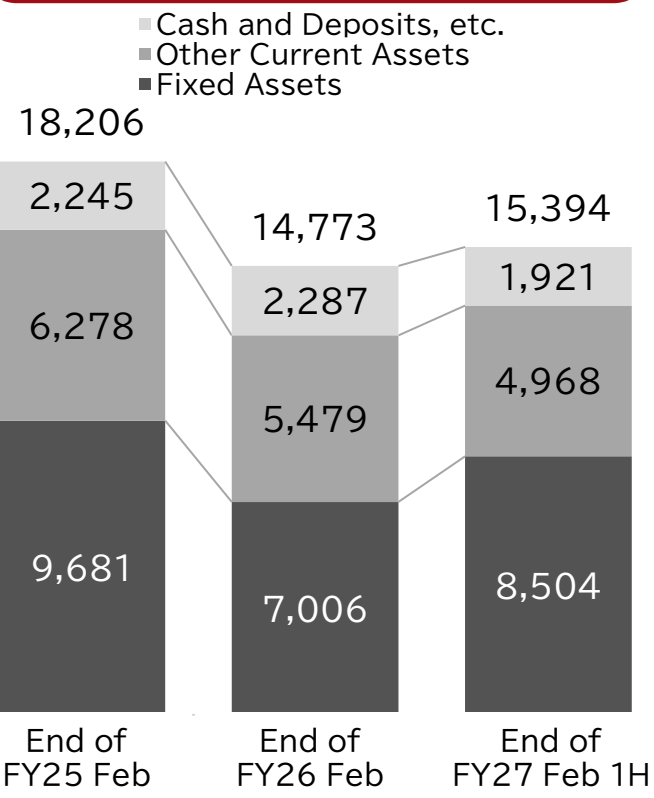
	FY27 Feb Initial Budget	FY27 Feb Revised Budget		Mid-term management objectives (Disclosed in April 2026)	
				FY28 Feb	FY29 Feb
Company- wide Revenue	JPY 9.8B	JPY 10.3B	Upward revision of approximately JPY 500M compared to initial budget driven by increased shipments in semiconductors and frontier tech	—	JPY 13B
Operating margin	9.5%	13.2%	Target for the fiscal year ending February 2028 brought forward by one year	12%	14%
EBITDA margin	17.1%	20.1%	Targets for the fiscal year ending February 2028 are also within reach	22%	23%

Changes in the Consolidated Balance Sheets

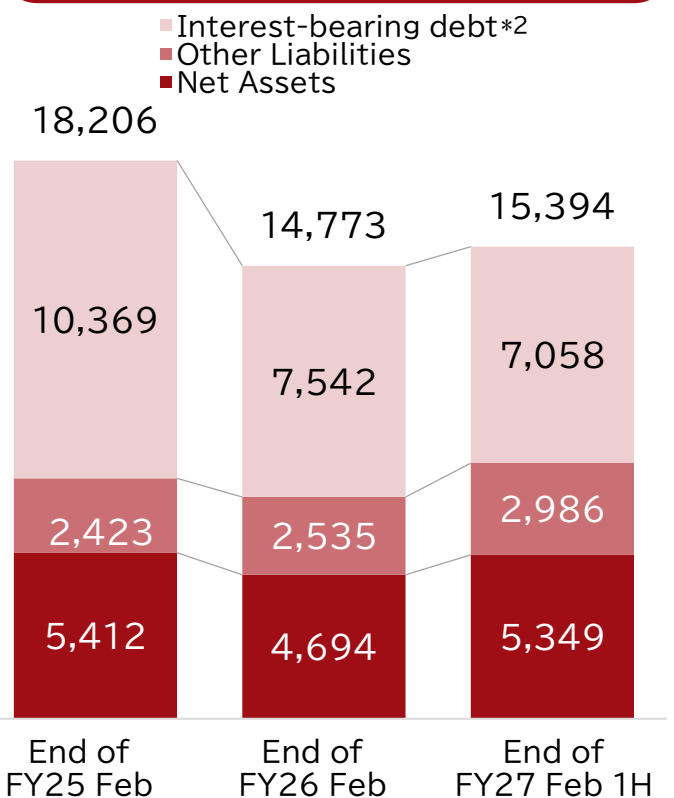


- In parallel with the growth in sales and profits, we are steadily improving our financial position.
- The Net Debt/EBITDA ratio, which we regard as a key indicator, improved from 3.7 times at the fiscal year-end of the previous fiscal year to 2.6 times at the 2nd quarter-end.*1
- The equity ratio also rose to 34.7% (up 2.9% from the fiscal year-end of the previous year), indicating enhanced financial soundness.

Assets (Unit:JPY M)



Liabilities and Net Assets (Unit:JPY M)



Trends in Key Financial Ratios (Unit: times, %)

Item	End of FY25 Feb	End of FY26 Feb	End of FY27 Feb 1H
Net Debt/EBITDA*1	7.1	3.7	2.6
Debt-to-Equity Ratio	1.9	1.6	1.3
Equity ratio	29.7	31.8	34.7

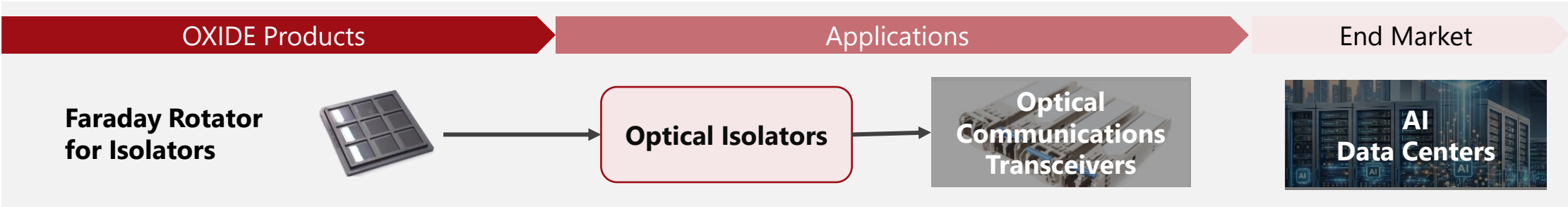
*1 For the end of the 2Q of the fiscal year ending February 2027, the actual first-half EBITDA (JPY 969M) was doubled. For all other periods, the actual full-year EBITDA result was used.
*2 Interest-bearing debt: Bonds payable + borrowings (excluding lease liabilities)

CAPEX Plan Faraday Rotators for Data Centers

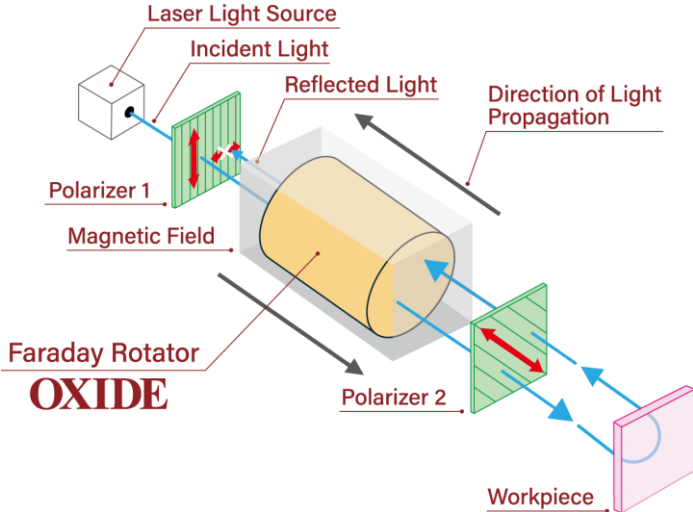


- Viewing the expansion of the optical communications market for data centers—driven by the proliferation of generative AI—as a growth opportunity, we have decided to implement CAPEX of JPY 1.455B to expand production capacity for Faraday Rotators. (Disclosed on August 19, 2026) *1
- Operations are scheduled to begin during the second half of the fiscal year ending February 2027, and we will establish a supply system capable of meeting expanding demand.

Faraday Rotators in the Data Center Supply Chain



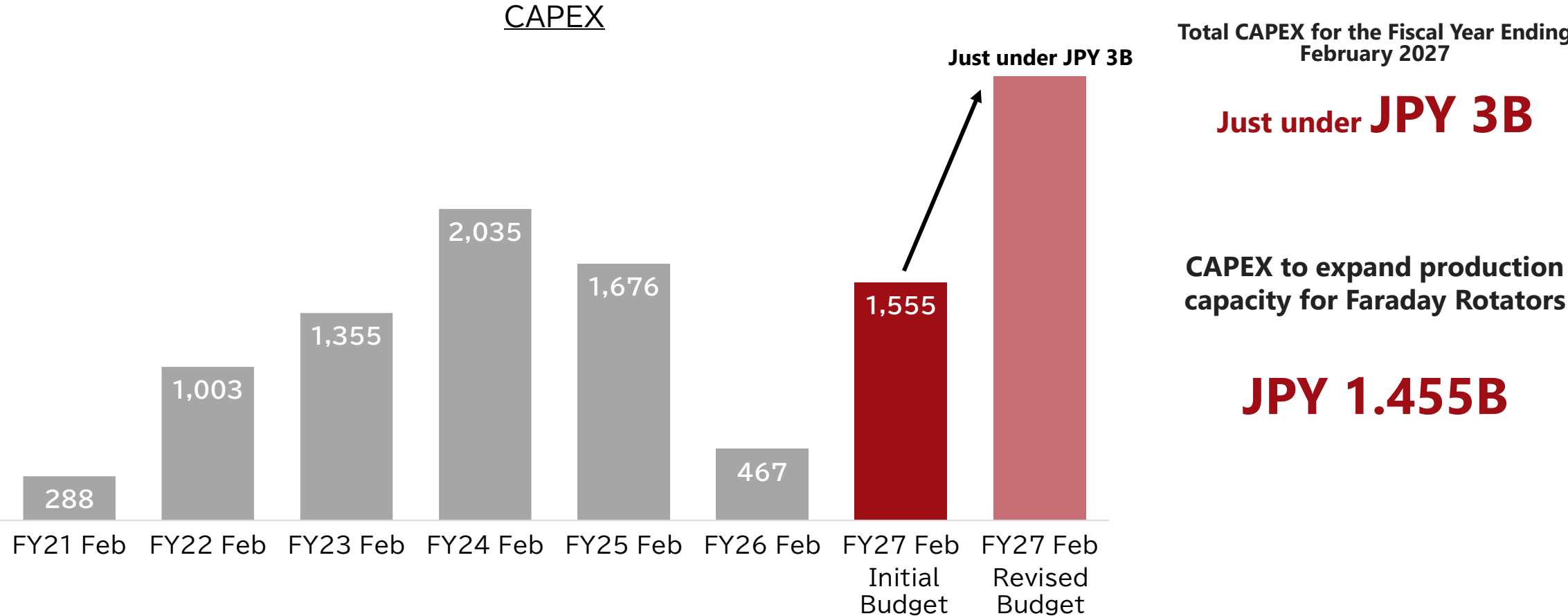
How Optical Isolators Work



CAPEX Plan



- Of the JPY 1.455B in CAPEX to expand production capacity for Faraday Rotators, the majority represents additional investment beyond the initial plan.*1
- Combined with the initial plan of JPY 1.555B, total CAPEX for the fiscal year ending February 2027 is projected to be just under JPY 3B.

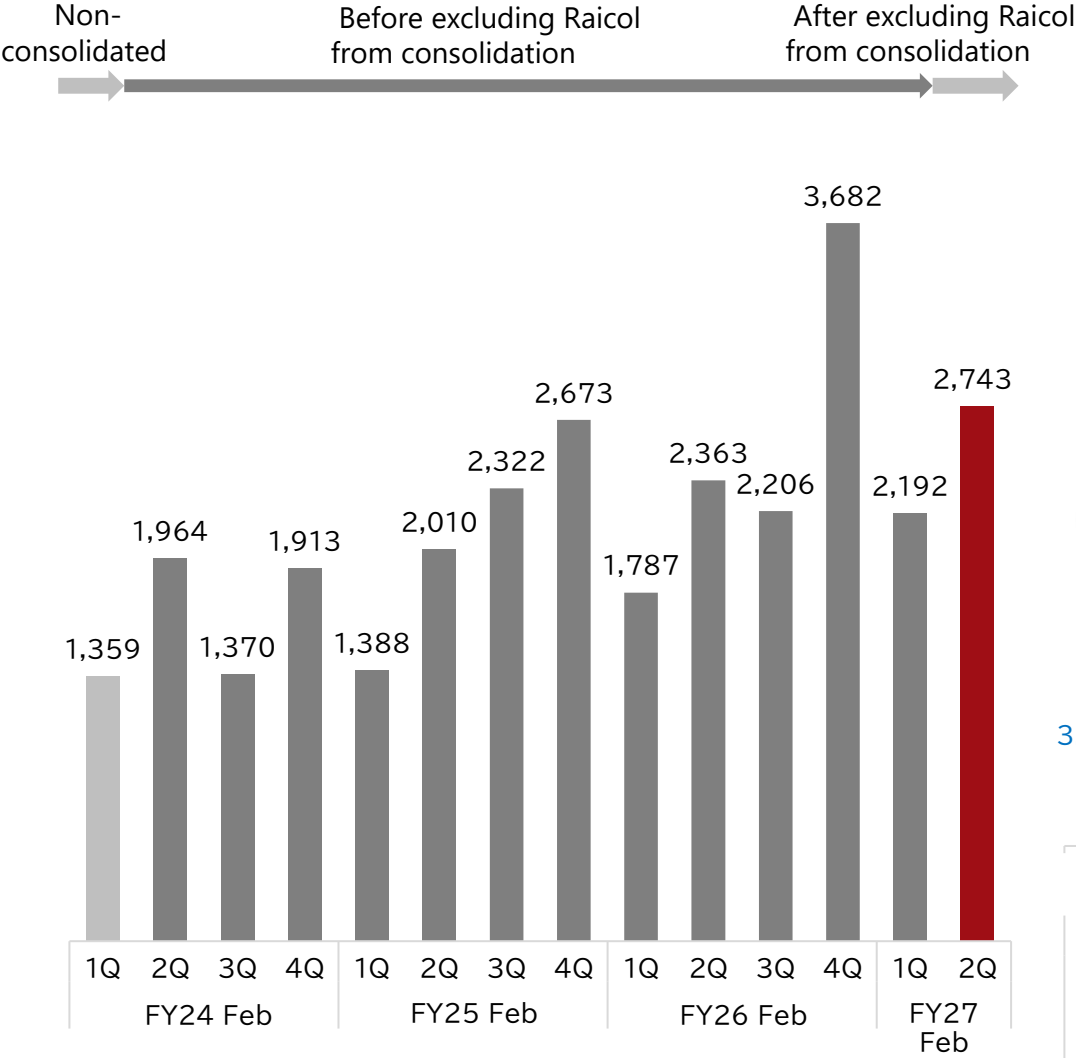


Appendix

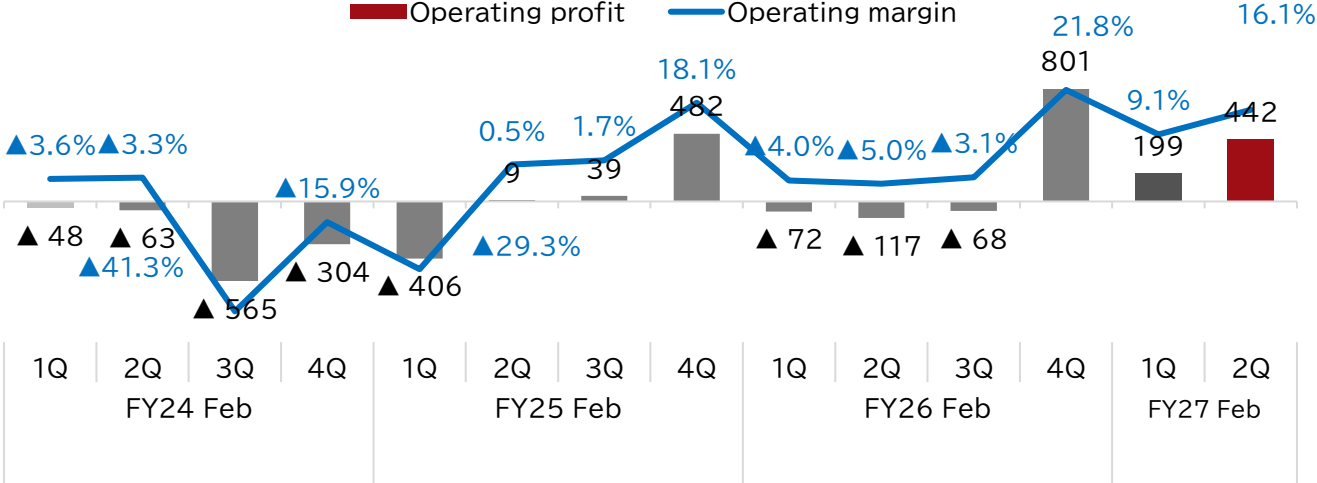
Financial Trends



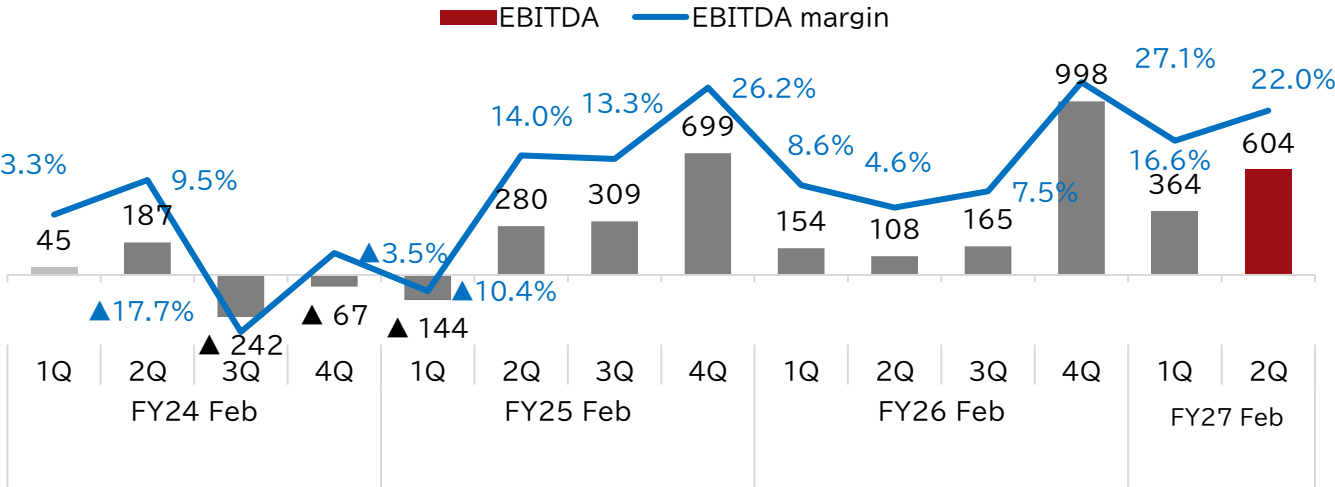
Revenue (Unit:JPY M,%)



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



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



*In the fourth quarter of FY2024 Feb, the allocation of the acquisition cost was revised following the finalization of the purchase price allocation (PPA) associated with the acquisition of Raicol as a subsidiary. Consequently, the figures for the second and third quarters of FY2024 Feb have been restated.

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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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