



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

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I am Takeuchi, Senior Executive Officer and CFO.

Thank you very much for taking the time out of your busy schedules to join us today for the financial results briefing for the second quarter of the fiscal year ending February 2027.

Today, I will provide an explanation based on the supplementary financial results materials.

Agenda

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- 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

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Here is today's agenda.

I will present the information in three parts: the second-quarter financial results, performance by business segment, and the revision to the full-year earnings forecast for the fiscal year ending February 2027, along with progress toward mid-term management targets.

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

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

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First, here are the highlights. What I would like to share with you today can be summarized in these three points.

1. 1H FY2027 Feb: All four key metrics grew substantially year on year : Revenue, Operating Profit, Operating Profit Margin, and EBITDA margin. Revenue increased by JPY 784M year on year, and operating profit rose by JPY 830M, reflecting a dramatic improvement in profitability
 2. The growth in the Semiconductor business was the driving force behind this increase in revenue and profit.
 3. Based on these first-half results and the outlook for the second half, we are revising our full-year forecast for earnings upward.
- I will now explain the first-half result, performance by business segment, and the revision to the full-year forecast in that order.

01. Consolidated Results for FY2027 Feb 2Q

FY2027 Feb 1H Results

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■ 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
	Budget	Result	Variance	Budget	Result	Variance	Budget	Result	Variance			
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

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I would like to explain the result for the first half of the fiscal year ending February 2027. both revenue and operating profit exceeded the budget.

Revenue totaled JPY 4,935M, an increase of JPY 275M compared to the budget.

In contrast, operating profit was JPY 641M, an increase of JPY 381M compared to the budget, with the increase in operating profit exceeding the increase in sales. The main factor was an improvement in the gross profit margin, and profitability is steadily improving.

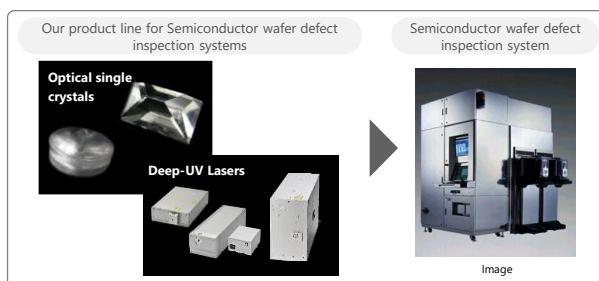
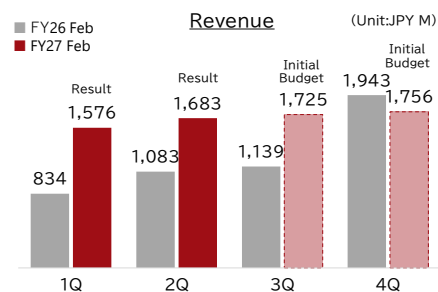
R&D Expenditure amounted to approximately 94% of the budget, but we are proceeding with R&D in line with our plan and continue to steadily invest in medium- to long-term growth.

Semiconductor | Revenue**OXIDE**

- 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
	Budget	Result	Variance	Budget	Result	Variance	Budget	Result	Variance			
Revenue	1,282	1,576	+ 294	1,639	1,683	+ 43	2,921	3,259	+ 338	1,918	+ 1,341	6,402



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<https://www.semi.org/jp/news-resources/press/20260715>

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Next, I will explain the results by business segment. First, the Semiconductor business. Revenue for the Semiconductor business in the first half of the fiscal year was JPY 3,259M, an increase of JPY 338M compared to the budget.

According to a SEMI survey, the Semiconductor manufacturing equipment market—commonly known as the 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 we hold a high market share—increased, resulting in a 70% year-over-year revenue increase.

We believe that our ability to grow our business at a pace exceeding market growth is a reflection of the solid position our products have established within the Semiconductor supply chain.

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

In the Semiconductor market, we are accelerating the development of new fields in addition to expanding our existing businesses.

One such area is the Semiconductor Back-End process sector, where demand for submicron-precision microfabrication—such as for advanced Semiconductor packages and CPOs—is rapidly expanding.

To capitalize on this growth opportunity, we have developed a deep-ultraviolet femtosecond laser by integrating our core deep-ultraviolet wavelength conversion technology—developed through our work on lasers for Semiconductor wafer defect inspection—with Fluence’s femtosecond laser technology.

Going forward, we will expand into a wide range of precision microfabrication applications, including advanced Semiconductor packaging, optoelectronic CPOs, and displays.

Semiconductor | Appointment of Dr. Susumu Kohyama as Management Strategy Advisor

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- 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

As previously announced, we have appointed Susumu Kohyama as a Management Strategy Advisor to further accelerate the expansion of our existing businesses and the development of new business areas.

Dr. Kohyama led Toshiba Corporation's Semiconductor business for many years and subsequently spearheaded the company's independence and growth through a management buyout (MBO) as President and CEO of Toshiba Ceramics.

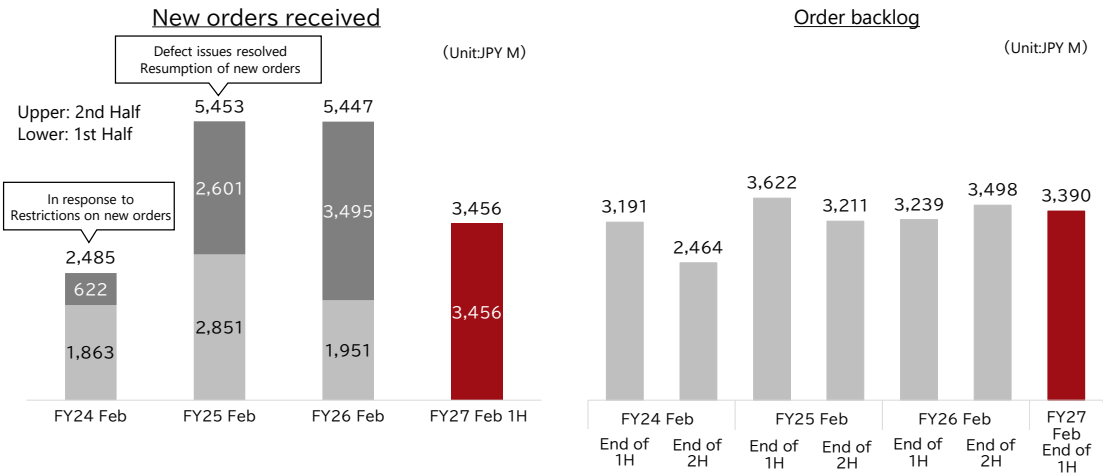
In 2020, he received the IEEE Robert N. Noyce Medal, one of the highest honors in the Semiconductor field.

Going forward, we will leverage his expertise—drawn from his extensive management results and global network in the Semiconductor industry—to inform our medium- to long-term growth strategy.

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.



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New orders received and order backlog for the Semiconductor business.

New orders received for the first half of the fiscal year ending February 2027 reached a record high of JPY 3,456M. This represents a significant increase from the JPY 1,951M recorded in the same period of the previous fiscal year.

The order backlog as of the end of the second quarter stood at JPY 3,390M.

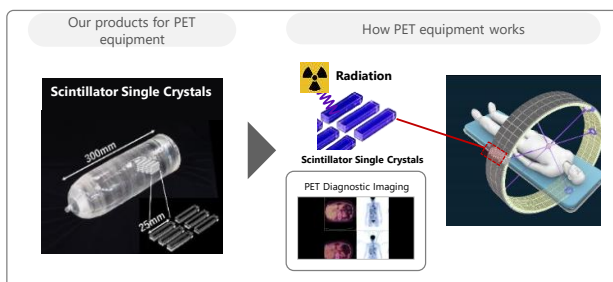
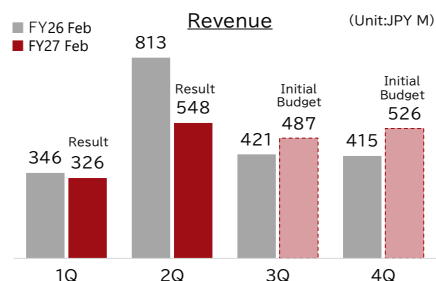
We received a major order in September, as we entered the third quarter, and the trend in orders remains strong.

Healthcare | Revenue**OXIDE**

■ 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.

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



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Next, the Healthcare Business. First-half Revenue for the Healthcare Business totaled JPY 874M, an increase of JPY 36M compared to the budget.

Shipments that were delayed in the first quarter contributed to second-quarter sales, resulting in first-half results that exceeded the budget.

On the other hand, due to the deteriorating procurement environment and soaring prices for key raw materials, we are continuing discussions with major customers regarding the revision of trading terms.

Regarding the outlook for the second half of the fiscal year, I will explain this in more detail later during the revision of our full-year forecast.

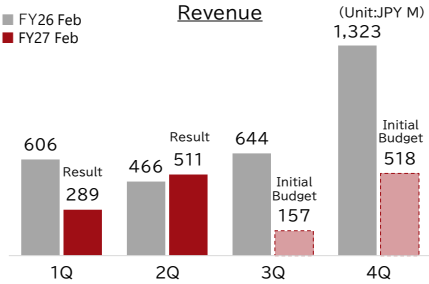
Frontier Tech | Revenue



- 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
	Budget	Result	Variance	Budget	Result	Variance	Budget	Result	Variance			
Revenue	541	289	▲ 251	359	511	+ 152	900	800	▲ 99	1,072	▲ 271	1,575



I will now explain our Frontier Technology.

Revenue for the Frontier Technology Segment 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 deferred to the second half of the fiscal year.

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

Next, I will explain the revision to our full-year earnings forecast for the fiscal year ending February 2027 and our progress toward our mid-term management targets.

Revision of Budget for the Full Year Ending February 2027**OXIDE**

- 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%

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We would like to explain the revision to the full-year earnings forecast for the fiscal year ending February 2027.

In the Semiconductor Business, we anticipate increased shipments of Single Crystals and Lasers, and in the Frontier Technology area, we expect higher shipments of Faraday Rotators for data centers; consequently, we are revising upward the revenue forecasts for both businesses. Revenue in the Semiconductor Business is projected to increase by JPY 838M compared to the initial forecast, and revenue in the Frontier Technology area is projected to increase by JPY 288M.

Meanwhile, in the Healthcare Business, due to deteriorating procurement conditions and soaring prices for key raw materials, we are continuing discussions with major customers regarding the revision of transaction terms. Consequently, we have revised our budget for the second half of the fiscal year based on projects with a high degree of certainty at this time. We will continue to prioritize profitability and work 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.

The operating margin is expected to rise from the initial budget of 9.5% to 13.2%, and the EBITDA margin is expected to increase from 17.1% to 20.1%.

We will continue to further enhance profitability and allocate the cash generated toward investments aimed at business growth.

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%

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Next, I will explain our progress toward our mid-term management objectives.

We view each quarter not as a standalone period, but as a milestone toward achieving our mid-term management objectives.

In the mid-term management objectives disclosed in April 2026, we set an Operating Profit Margin of 12% and an EBITDA margin of 22% for the fiscal year ending February 2028, and revenue of JPY 13B, an Operating Profit Margin of 14%, and an EBITDA margin of 23% for the fiscal year ending February 2029.

Of these, we expect to achieve the Operating Profit Margin target for the fiscal year ending February 2028 one year ahead of schedule. Regarding the EBITDA margin, the target for the fiscal year ending February 2028 is now within reach.

Regarding our mid-term management objectives, we will carefully assess progress in the second half of the fiscal year and then consider revising them.

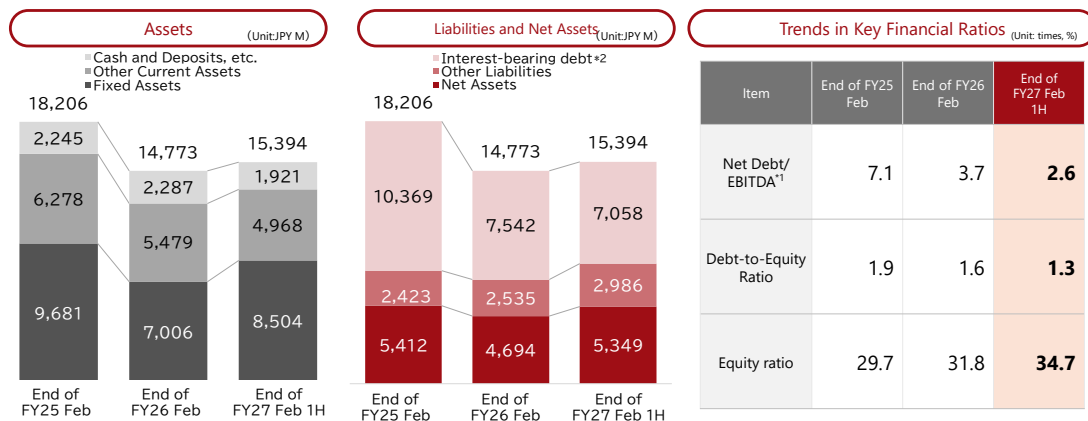
Changes in the Consolidated Balance Sheets

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■ 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.



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*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)

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Next, we present the trends in the consolidated balance sheets.

What we would like to emphasize here is that, in parallel with the growth in sales and profits, we are also making steady progress in improving our financial position.

The Net Debt/EBITDA ratio, which we regard as a key indicator, improved from 3.7x at the fiscal year-end of the previous fiscal year to 2.6x at the end of the second quarter. Compared to the 7.1x fiscal year-end ratio for FY2025 Feb, this represents a significant improvement over the past year and a half.

The debt-to-equity ratio also fell by 0.3 points from the fiscal year-end of the previous fiscal year to 1.3 times, while the equity ratio rose by 2.9 points to 34.7%.

Cash generation driven by profit growth and financial soundness are steadily improving.

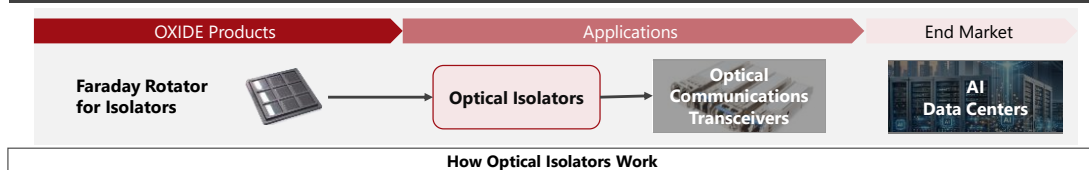
CAPEX Plan Faraday Rotators for Data Centers

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■ 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



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Finally, I would like to explain our CAPEX plan.

As disclosed on August 19 of this year, we view the expansion of the optical communications market for data centers driven by the proliferation of generative AI as a growth opportunity and have decided to implement CAPEX of JPY 1.455B to expand our Faraday Rotator production capacity.

Please note that the JPY 1.455B in this material covers capital investments disclosed through the end of August this year. In addition, as disclosed on October 14, we have decided on an additional capital investment of JPY 841M, also to expand production capacity for Faraday Rotators.

Operations will commence 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 are core components of optical isolators installed in optical transceivers and represent a growth area that leverages the single crystals growth technology we have cultivated over many years.

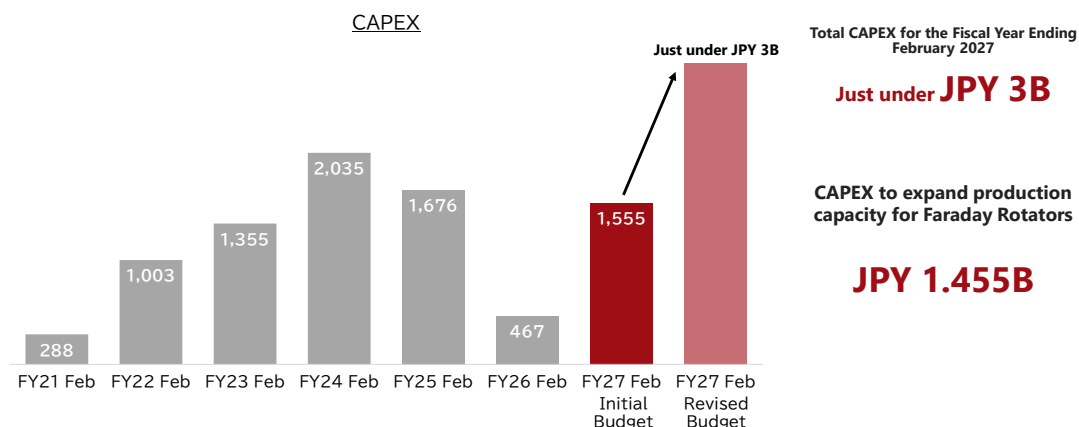
This investment will significantly increase production capacity starting in the next fiscal year.

CAPEX Plan

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■ 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.



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Of the JPY 1.455B in CAPEX to expand production capacity for Faraday Rotators, the majority represents additional investment beyond the initial plan.

Combined with the JPY 1.555B from the initial plan, we expect total CAPEX for the fiscal year ending February 2027 to be just under JPY 3B.

Please note that this total of just under JPY 3B does not include the additional capital investment of JPY 841M disclosed on October 14, which I explained earlier.

By maintaining financial discipline and expanding production capacity in anticipation of growing demand, we will firmly lay the foundation for our next stage of growth.

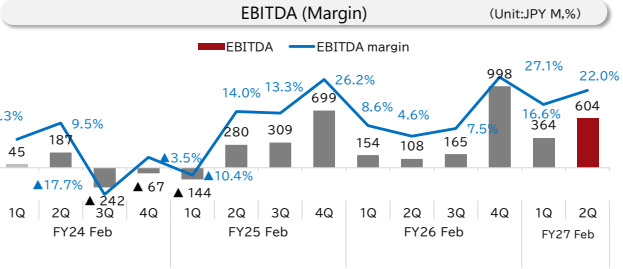
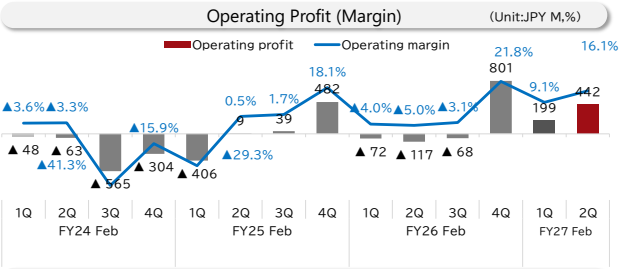
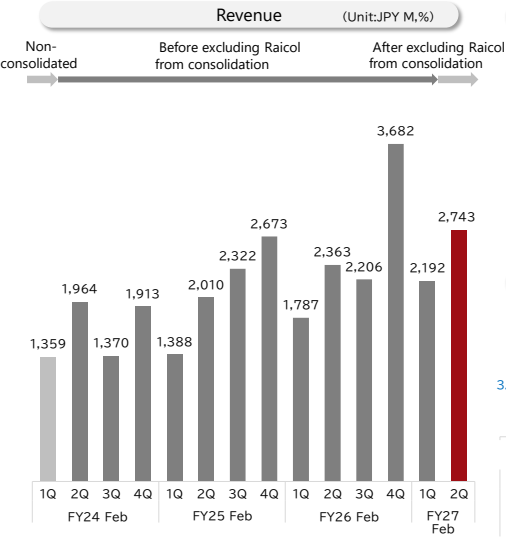
Lastly, let me recap today's key points. In the first half, driven by growth in our semiconductor business, all four key metrics grew substantially year on year. It was a half-year marked not only by the volume of growth but also by its quality. Based on this, we have revised our full-year forecast upward. We will continue to maintain financial discipline and steadily advance growth investments as we work toward achieving our mid-term management objectives.

That concludes my presentation. Thank you for your attention.

Appendix

Financial Trends

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*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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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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