

Translation

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For Immediate Release

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**Notice regarding the business succession through a company split  
(Simplified absorption-type company split)**

OXIDE Corporation (hereinafter referred to as the "Company") is pleased to announce that its Board of Directors, at a meeting held on October 25, 2024, resolved to have its consolidated subsidiary, OXIDE Power Crystal Corporation, established on October 18, 2024, succeed the business of R&D, manufacturing and sales of materials for power semiconductors and related products through an absorption-type company split, effective (scheduled) on December 1, 2024. The details are as follows.

As this split falls under a simplified absorption-type split in which the Company will succeed the business to a wholly-owned subsidiary, some of the disclosure items and details have been omitted.

1. Purpose of the company split

The Company is actively working on the commercialization of solution method SiC wafer, which is considered a next-generation power semiconductor material. Currently, overseas manufacturers dominate the market for next-generation power semiconductors, leaving a significant opportunity for Japanese manufacturers. In response, the Ministry of Economy, Trade and Industry is spearheading nationwide support initiatives, and the Company aims to enter this untapped field of next-generation power semiconductor substrates. The solution method that the Company is developing has the potential to grow high-quality single crystals with fewer defects compared to conventional sublimation method.

By establishing this business as a subsidiary, the Company will enable more flexible management decisions and accelerate the creation of a manufacturing value chain through collaboration with our partners. This move will also broaden the business's financing options. To adapt to changes in the business environment and further expedite the commercialization of this business, the Company plans to establish a wholly-owned consolidated

subsidiary and transfer the business through an absorption-type company split.

2. Summary of the company split

(1) Schedule of the company split

Date of Board of Directors resolution	October 25, 2024
Date of signing the agreement	October 25, 2024
Effective date of the Company split	December 1, 2024 (planned)

\* Since the Company split qualifies as a simplified absorption-type company split under Article 796, Paragraph 2 of the Companies Act, the Company will not hold a general shareholders meeting to approve the corporate split.

(2) Method of the company split

This is a simplified absorption-type company split in which the Company will be the splitting company, and OXIDE Power Crystal Corporation will be the succeeding company.

(3) Allotment in the company split

Upon the company split, OXIDE Power Crystal Corporation will issue 80,000 shares of its common stock, and all such common shares will be allotted to the Company.

(4) Treatment of stock acquisition rights and bonds with stock acquisition rights in connection with the absorption-type split

There will be no change to the share options issued by the Company due to the company split. In addition, the Company does not issue bond payables with subscription warrants.

(5) Capital to be increased or decreased as a result of the absorption-type split

Not applicable.

(6) Rights and obligations succeeded by the succeeding company

OXIDE Power Crystal Corporation will succeed the assets, liabilities, contractual status excluding employment agreements, and rights and obligations based on these relationships in relation to the business related to the research, development, manufacturing and sales of materials for power semiconductors and related products to the extent specified in the absorption-type company split agreement.

(7) Prospect of the fulfillment of obligations

The Company considers there will be no issue with the performance of the obligations to be borne by OXIDE Power Crystal Corporation after the Company split.

3. Summary of the companies concerned in the split

	Split company (As of February 29, 2024)	Successor company (As of October 25, 2024)
(1) Name	OXIDE Corporation	OXIDE Power Crystal Corporation
(2) Location	1747-1 Maginohara, Mukawa, Hokuto, Yamanashi	1741-8 Maginohara, Mukawa, Hokuto, Yamanashi
(3) Job title and name of representative	Representative Director Masayuki Yamamoto	Representative Director Yasunori Furukawa
(4) Business description	Research and development, manufacture and sale of Single Crystal-related Products, optical sensors and optical measurement instruments, Laser devices, etc.	Research and development, manufacturing and sales of materials for power Semiconductors and related Products
(5) Share capital	JPY 3,177 million	JPY 10 million
(6) Date of establishment	October 18, 2000	October 18, 2024
(7) Number of issued shares	11,005,525 shares	1,000 shares
(8) Fiscal year end	Last day of February	Last day of February
(9) Major shareholders and ownership ratios	KLA-Tencor Japan, Ltd. 8.63% Yasunori Furukawa 7.17% NTT Advanced Technology Corporation 6.08% NTT FINANCE CORPORATION 4.54% KLA-Tencor (Singapore)Pte.Ltd. 3.72% KT Venture Group II, L.L.C. 2.28% Nikon Corporation 2.27% Lasertec Corporation 2.27% The Master Trust Bank of Japan, Ltd. (account in trust) 2.15% The Yamanashi Chuo Bank, Ltd. 1.81% Naito House Corporation. 1.81% SHIMADZU CORPORATION 1.81% YAMANASHI CHUGIN MANAGEMENT CONSULTING 1.81%	OXIDE Corporation 100%

(10) Financial conditions and operating results for the last three years (Minus means a loss.)

Fiscal year end	OXIDE Corporation			OXIDE Power Crystal Corporation *1		
	February 28, 2022	February 28, 2023	February 29, 2024 *2	February 28, 2022	February 28, 2023	February 29, 2024
Net assets	4,587	5,228	7,610	-	-	-
Total assets	8,710	10,791	19,251	-	-	-
Net assets per share	467.83 yen	525.00 yen	691.54 yen	-	-	-
Revenue	4,756	5,752	6,606	-	-	-
Operating profit (loss)	596	537	(983)	-	-	-
Ordinary profit (loss)	598	687	(766)	-	-	-
Net profit (loss)	495	557	(422)	-	-	-
Net income (loss) per share	52.53 yen	56.50 yen	(41.58) yen	-	-	-

(Unit: JPY million, except where noted)

\*1 Since OXIDE Power Crystal Corporation was established on October 18, 2024, it does not have a final fiscal year to be determined.

\*2 OXIDE Corporation has been providing consolidated financial statements since the fiscal year ended February 29, 2024.

4. Summary of the business divisions to be split or succeeded

(1) Description of the business of divisions to be split or succeeded

Business related to research and development, manufacturing and sales of materials for power Semiconductors and related products

(2) Financial results of the divisions to be split or succeeded (Fiscal year ended February 29, 2024)

There were no sales in the business related to research and development, manufacturing and sales of materials for power semiconductors and related products. Therefore, the disclosure is omitted.

(3) Items and amounts of assets and liabilities to be split or succeeded (Fiscal year ended February 29, 2024)

(Unit: JPY million)

Assets		Liabilities	
Items	Book value	Items	Book value
Current assets	21	Current liabilities	223
Non-current assets	751	Non-current liabilities	0
Total	772	Total	223

\* The amounts of assets and liabilities to be split are calculated based on the balance sheet as of February 29, 2024, and may differ from the actual amounts of assets and liabilities to be split.

5. Status after the company split

There will be no changes to the name, headquarters location, job title and name of representative, business activities, share capital, or fiscal year end following the company split.

6. Future outlook

The successor company, OXIDE Power Crystal Corporation, is a wholly-owned subsidiary of the Company.

The impact of the company split on the Company's consolidated financial results is minimal.