

Translation

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For Immediate Release

Company name: OXIDE Corporation
Representative name: Masayuki Yamamoto,
President (COO & CFO)
(Stock Code: 6521 TSE Growth)
Inquiries: Miho Ishizaka,
Manager, Corporate Strategy & Planning
(Tel: +81-551-26-0022)

**Notice concerning Non-operating expenses (foreign exchange losses)
and Extraordinary losses (impairment losses)**

OXIDE Corporation (the "Company") hereby announces that it recorded Non-operating expenses (foreign exchange losses) and Extraordinary losses (impairment losses) for the first three quarters of the fiscal year ending February 28, 2025 (from March 1, 2024 to November 30, 2024).

1. Details of Non-operating expenses (foreign exchange losses)

In the current consolidated cumulative third quarter, the Company recorded foreign exchange losses of JPY 55 million due to fluctuations in foreign exchange rates. This was primarily attributable to the revaluation of intra-group loans to an overseas subsidiary.

2. Details of Extraordinary losses (impairment losses)

With respect to Raicol Crystals Ltd. ("Raicol"), a wholly-owned consolidated subsidiary of the Company, an impairment loss of JPY 2,715 million was recorded as an extraordinary loss. This was due to the determination that achieving the initial business plan assumed at the time of acquisition would be difficult, given the gap between the original business plan and actual performance.

The primary reasons for this gap include sluggish orders from certain customers following the conflict in Israel, the imposition of trade restrictions between Israel and some neighboring countries, and product switching by certain customers due to heightened supply chain concerns regarding Israeli products.

Given the ongoing uncertainty caused by the Israeli conflict, the Company has adopted a more conservative outlook for Raicol's future growth compared to the time of acquisition. However, Raicol's technologies and

expertise continue to contribute to the overall value of the Group. The Company remains committed to its strategic policies established at the time of acquisition, including the expansion of its business domains (quantum science, aerospace & defense, and semiconductors) and the strengthening of cross-selling opportunities.

Additionally, the Company expects to record a valuation loss of JPY 363 million as an extraordinary loss in the fourth quarter, related to defective components in the semiconductor business.

3. Impact on business performance

In consideration of the above Non-operating expenses and Extraordinary losses as well as the business performance trend for the current consolidated cumulative third quarter, the Company has revised the full year forecast announced on April 15, 2024. For further details, please refer to the "Notice of revision to consolidated full-year results forecast" announced today (January 14, 2025).