

Translation

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Summary of Consolidated Financial Results for the Year Ended February 28, 2026 (Based on Japanese GAAP)

April 14, 2026

Company name: OXIDE Corporation
 Stock Exchange Listing: Tokyo
 Securities code: 6521 URL <https://www.opt-oxide.com>
 Representative: President (COO & CFO) Masayuki Yamamoto
 Inquiries: General Manager of Corporate Planning Kengo Takeuchi TEL +81-551-26-0022
 Division (CSO)
 Scheduled date of ordinary general meeting of shareholders: May 29, 2026
 Scheduled date to file Securities Report: May 22, 2026
 Scheduled date to commence dividend payments: —
 Preparation of supplementary materials on annual financial results: Yes
 Holding of annual financial results briefing: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(1) Consolidated operating results

Percentages indicate year-on-year changes

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended February 28, 2026	10,040	19.6	542	329.7	674	192.7	(538)	—
Year ended February 28, 2025	8,394	27.1	126	—	230	—	(2,703)	—

Note: Comprehensive income
 Year ended February 28, 2026 JPY(931) million [-%]
 Year ended February 28, 2025 JPY(2,458) million [-%]

	Earnings per share	Diluted earnings per share	Net profit/equity the current period net margin	Total assets Ordinary profit	Operating profit/revenue
	Yen	Yen	%	%	%
Year ended February 28, 2026	(46.99)	—	(10.6)	4.1	5.4
Year ended February 28, 2025	(243.91)	—	(41.5)	1.2	1.5

Reference: Equity in earnings (losses) of affiliates
 Year ended February 28, 2026 —
 Year ended February 28, 2025 —

Note: Diluted the current period net earnings per share is not stated because there are dilutive shares, but there was a net loss per share in the current period.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2026	14,773	4,694	31.8	405.95
As of February 28, 2025	18,206	5,412	29.7	482.09

Reference: Equity
 As of February 28, 2026 JPY 4,694 million
 As of February 28, 2025 JPY 5,412 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 28, 2026	2,846	(683)	(2,252)	2,287
Year ended February 28, 2025	885	(1,544)	1,277	2,239

2. Cash dividends

	Dividend per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended February 28, 2025	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended February 28, 2026	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending February 28, 2027 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of consolidated financial results for the year ending February 28, 2027 (from March 1, 2026 to February 28, 2027)

Percentages indicate year-on-year changes

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,828	(2.1)	933	71.9	788	16.9	597	—	52.14

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes
One company excluded (Raicol Crystals Ltd.)

(2) Changes in accounting policies, changes in accounting estimates, and restatements
Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
Changes in accounting policies due to other reasons: No
Changes in accounting estimates: No
Restatement: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of February 28, 2026	11,567,113shares	As of February 28, 2025	11,228,823shares
Number of treasury shares at the end of the period			
As of February 28, 2026	1,736shares	As of February 28, 2025	796shares
Average number of shares during the period (cumulative from the beginning of the fiscal year)			
Year ended February 28, 2026	11,449,980shares	Year ended February 28, 2025	11,084,595shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of financial results forecasts, and other special matters

Forward-looking statements contained in this document are based on information currently available to the Company and on certain assumptions deemed reasonable by the Company, and are not intended as a guarantee of the achievement of such statements. Actual results may differ materially from those expressed or implied by such forward-looking statements due to various factors.

For assumptions underlying the earnings forecasts and notes on the use of such forecasts, please refer to “Overview of Business Results, etc. (4) Future Outlook” of the accompanying materials in this document below.

Overview of Business Results, etc.

(1) Overview of Business Results for the Current Fiscal Year

During the consolidated fiscal year under review, the global economy as a whole maintained moderate growth, as inflation continued to ease in major countries and monetary policy shifted from a tightening phase toward policy adjustments. However, uncertainties regarding the future outlook remained high due to ongoing geopolitical tensions, including the situation in Ukraine and the Middle East, uncertainty surrounding U.S. trade policy, and concerns over weak domestic demand and structural slowdown in the Chinese economy. The Japanese economy continued a gradual recovery led by domestic demand, supported by a rebound in personal consumption driven by wage increases and the resilience of corporate capital investment, particularly in labor-saving and digitalization-related initiatives. Meanwhile, developments in raw material and energy prices, exchange rate fluctuations, a slowdown in overseas economies, and heightened geopolitical risks continued to be closely monitored as downside risks to the economic outlook.

During the consolidated fiscal year, the Company Group transferred all shares of Raicol Crystals Ltd. in February 2026 for the purpose of reducing geopolitical risks and improving its financial position, and accordingly excluded the company from the scope of consolidation. As a result of the steady expansion of the Semiconductor Business and the Frontier Tech Business, consolidated revenue and operating profit for the fiscal year exceeded both the previous fiscal year's results and the Company's forecasts for the current fiscal year. Regarding the Company Group's key performance indicators (KPIs), the operating margin improved by 3.9 percentage points year on year to 5.4%, reflecting enhanced profitability, while the EBITDA margin increased by 0.6 percentage points year on year to 14.2%, supported by improved cash generation. As the Company Group operates under a single segment structure for its optical business, segment information is omitted. The following section outlines the status of revenue and other factors by market.

In the Semiconductor Business, demand expanded for existing products such as deep-ultraviolet lasers and single crystals, while contributions were also made by the launch of new products and contract development of next-generation laser technologies. As a result, revenue of this business increased by 6.3% year on year to JPY 5,002 million, marking a record high.

In the Healthcare Business, shipment timing shifts from the previous fiscal year contributed to increased revenue in the second quarter. Thereafter, from the third quarter onward, shipment levels transitioned into a stable phase reflecting actual customer demand. As a result, revenue of this business increased by 62.9% year on year to JPY 1,997 million, reaching a record high.

In the Frontier Tech Business Areas, shipments of Faraday rotators increased against the backdrop of expanding global demand for data centers, resulting in growth that more than offset the decrease in revenue attributable to Raicol Crystals Ltd. As a result, revenue of this business increased by 23.4% year on year to JPY 3,040 million, also reaching a record high.

As a result of the above, consolidated results for the fiscal year were revenue of JPY 10,040 million (up 19.6% year on year), operating profit of JPY 542 million (up 329.7% year on year), ordinary profit of JPY 674 million (up 192.7% year on year), and net loss attributable to owners of parent of JPY 538 million (compared with a net loss of JPY 2,703 million in the previous fiscal year).

(2) Overview of Financial Position for the Current Fiscal Year

(Assets)

Total assets as of the end of the consolidated fiscal year amounted to JPY 14,773 million, a decrease of JPY 3,432 million compared with the end of the previous consolidated fiscal year. This was primarily attributable to an increase of JPY 964 million in accounts receivable, while property, plant and equipment decreased, including a decrease of JPY 1,649 million in machinery, equipment and vehicles and a decrease of JPY 1,125 million in construction in progress.

(Liabilities)

Total liabilities as of the end of the consolidated fiscal year amounted to JPY 10,078 million, a decrease of JPY 2,715 million compared with the end of the previous consolidated fiscal year. This was mainly due to an increase of JPY 461 million in notes and accounts payable, while contract liabilities decreased by JPY 131 million and long-term borrowings decreased by JPY 2,903 million.

(Net Assets)

Total net assets as of the end of the consolidated fiscal year amounted to JPY 4,694 million, a decrease of JPY 717 million compared with the end of the previous consolidated fiscal year. This was mainly attributable to a decrease of JPY 538 million in retained earnings and a decrease of JPY 393 million in foreign currency translation adjustments.

(3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter referred to as "cash") as of the end of the consolidated fiscal year amounted to JPY 2,287 million, an increase of JPY 47 million compared with the end of the previous consolidated fiscal year.

The status of cash flows for the consolidated fiscal year and the major factors are as follows.

(Cash Flows from Operating Activities)

Net cash provided by operating activities amounted to JPY 2,846 million (compared with JPY 885 million provided in the previous fiscal year). This was mainly attributable to the recording of a loss before income taxes of JPY 1,048 million, while proceeds from subsidies totaled JPY 897 million, a loss on sales of shares of subsidiaries and affiliates amounted to JPY 1,773 million, and a loss on disposal of non-current assets amounted to JPY 715 million.

(Cash Flows from Investing Activities)

Net cash used in investing activities amounted to JPY 683 million (compared with JPY 1,544 million used in the previous fiscal year). This was mainly due to proceeds of JPY 328 million from sales of property, plant and equipment, while expenditures included JPY 647 million for purchases of property, plant and equipment and JPY 360 million in payments associated with the sale of shares of subsidiaries resulting in changes in the scope of consolidation.

(Cash Flows from Financing Activities)

Net cash used in financing activities amounted to JPY 2,252 million (compared with JPY 1,277 million provided in the previous fiscal year). This was mainly due to proceeds of JPY 370 million from long-term borrowings, while repayments of long-term borrowings totaled JPY 2,977 million.

(4) Future Outlook

The Company forecasts its consolidated financial results for the fiscal year ending February 28, 2027, as outlined below.

Revenue

Despite the impact of the exclusion of Raicol Crystals Ltd. from the scope of consolidation, the Company expects an increase in revenue on a non-consolidated basis. As a result, consolidated revenue is expected to remain almost flat compared with the previous fiscal year and are forecast at JPY 9,828 million (down 2.1% year on year). Forecast consolidated revenue by business area is as follows.

In the Semiconductor Business, the semiconductor inspection equipment market, in which the Company's major customers operate, is expected to continue growing, driven by expansion in the advanced semiconductor field amid the widespread adoption of generative AI. Under these market conditions, demand for existing products, including deep-ultraviolet lasers and single crystals, is expected to continue increasing. In addition, new products announced in the previous fiscal year are expected to contribute to revenue in the current fiscal year. Furthermore, maintenance demand is expected to remain steady, supported by an increase in cumulative shipments of laser products. As a result, revenue of this business is expected to increase by 28.0% year on year to JPY 6,402 million.

In the Healthcare Business, shipment volumes are expected to continue at a stable pace based on actual customer demand. As revenue in the previous fiscal year included the impact of shipment timing differences, revenue of this business for the fiscal year is expected to decrease by 7.3% year on year to JPY 1,851 million.

In the Frontier Tech Business, while revenue on a non-consolidated basis is expected to increase, consolidated revenue is forecast to decrease by 48.2% year on year to JPY 1,575 million due to the exclusion of Raicol Crystals Ltd. from the scope of consolidation.

Operating Profit

Consolidated operating profit is forecast at JPY 933 million, representing an increase of 71.9% year on year.

In calculating operating profit, the Company estimates required variable costs based on past performance and sales forecasts by major customer and product, taking purchasing trends into account, and determines contribution profit. The majority of variable costs consist of variable manufacturing costs, while variable selling, general and administrative expenses are expected to be immaterial. The contribution margin is expected to remain at approximately the same level as in the previous fiscal year.

Next, fixed manufacturing costs are calculated based on estimates of depreciation expenses and labor costs. Gross profit is determined by deducting fixed manufacturing costs from contribution profit, and as a result, the gross profit margin is expected to remain at a level comparable to that of the previous fiscal year. Thereafter, research and development expenses, as well as selling, general and administrative expenses, reflecting investments for future growth, are deducted from gross profit to calculate operating profit.

In particular, research and development expenses are a key factor that will have a significant impact not only on the fiscal year ending February 28, 2027, but also on performance in and beyond the fiscal year ending February 28, 2028. Accordingly, estimates have been made following thorough examination and discussion within the Group. Consolidated research and development investment is expected to account for 10.6% of consolidated revenue. While maintaining a high level of research and development investment essential for future growth, the ratio of research and development expenses to revenue is expected to decrease by 1.4 percentage points year on year, indicating progress in balancing growth investment with improved profitability.

In addition, improvements in the profitability of existing businesses are expected, and the consolidated operating profit margin for the fiscal year ending February 28, 2027 is forecast at 9.5%, an increase of 4.1 percentage points year on year. Consolidated operating profit is expected to be positive in all quarters. As a medium-term target, the Company aims to achieve an operating profit margin of 14% in the fiscal year ending February 28, 2029, by reducing the fixed cost ratio through revenue growth and improving facility utilization, among other measures.

Ordinary Profit

Consolidated ordinary profit is forecast at JPY 788 million, an increase of JPY 113 million compared with the previous fiscal year.

Non-operating expenses are expected to consist mainly of interest expenses on bonds and borrowings.

Profit Attributable to Owners of Parent

Profit before income taxes is expected to be approximately at the same level as ordinary profit. Income taxes are estimated at JPY 185 million, and profit attributable to owners of parent is forecast at JPY 597 million, representing a return to profitability from a net loss in the previous fiscal year.

Consolidated Financial Statements
(1) consolidated balance sheet

(Thousands of yen)

	As of February 28, 2025	As of February 28, 2026
Assets		
Current assets		
Cash and deposits	2,245,402	2,287,394
Notes receivable	2,643	—
Accounts receivable - trade	1,783,867	1,280,659
Electronically recorded monetary claims - operating	25,619	40,040
Merchandise and finished goods	676,140	239,254
Work in process	2,535,984	1,843,799
Raw materials and supplies	890,455	747,465
Accounts receivable - other	47,253	1,011,703
Other	320,908	316,187
Allowance for doubtful accounts	(4,119)	—
Total current assets	8,524,155	7,766,505
Non-current assets		
Property, plant and equipment		
Buildings and Structures, net	2,568,616	2,396,862
Machinery, equipment and vehicles, net	3,979,436	2,330,020
Land	188,068	188,068
Construction in progress	1,330,982	205,059
Other, net	838,557	774,169
Total property, plant and equipment	8,905,661	5,894,181
Total Intangible assets	286,646	135,439
Investments and other assets		
Deferred tax assets	193,328	718,132
Other	296,293	258,892
Total investments and other assets	489,621	977,025
Total non-current assets	9,681,929	7,006,646
Total assets	18,206,085	14,773,151

(Thousands of yen)

	As of February 28, 2025	As of February 28, 2026
Liabilities		
Current liabilities		
Notes and accounts payable - trade	366,305	827,602
Short-term borrowings	2,900,000	3,100,000
Current portion of bonds payable	4,500	—
Current portion of long-term borrowings	1,103,366	984,948
Income taxes payable	64,625	23,533
Contract liabilities	433,394	302,168
Provision for bonuses	100,654	106,073
Provision for repairs	125,440	154,235
Provision for product warranties	121,271	100,108
Provision for employee stock compensation	—	28,139
Other	1,127,330	965,740
Total current liabilities	6,346,888	6,592,547
Non-current liabilities		
Bonds payable	150,000	150,000
Long-term borrowings	6,211,368	3,307,697
Deferred tax liabilities	73,611	—
provision for employee stock compensation	9,780	—
Retirement benefit liability	425	—
Other	1,128	27,917
Total non-current liabilities	6,446,314	3,485,614
Total liabilities	12,793,202	10,078,161
Net assets		
Shareholders' equity		
Share capital	3,307,277	3,413,992
Capital surplus	3,764,099	3,870,814
Retained earnings	(2,051,342)	(2,589,417)
Treasury shares	(1,591)	(1,591)
Total shareholders' equity	5,018,443	4,693,797
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	914	1,192
Foreign currency translation adjustment	393,524	—
Total accumulated other comprehensive income	394,439	1,192
Total net assets	5,412,882	4,694,989
Total liabilities and net assets	18,206,085	14,773,151

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Thousands of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Revenue	8,394,851	10,040,393
Cost of sales	5,134,345	6,670,902
Gross profit	3,260,505	3,369,491
Selling, general and administrative expenses	3,134,184	2,826,745
Operating profit	126,320	542,745
Non-operating income		
Interest income	1,599	6,010
Foreign exchange gains	208,921	356,939
Subsidy income	2,323	—
Grant income	81,822	—
Other	8,885	6,600
Total non-operating income	303,551	369,549
Non-operating expenses		
Interest expenses	147,891	163,025
Commission expenses	36,828	14,084
Loss on retirement of non-current assets	6,897	39,338
Other	7,888	21,628
Total non-operating expenses	199,505	238,077
Ordinary profit	230,366	674,217
Extraordinary income		
Gain on sale of non-current assets	23,330	29,126
Subsidy income	5,196	746,304
Total extraordinary income	28,526	775,431
Extraordinary losses		
Loss on reduction of non-current assets	5,009	715,619
Loss on sale of non-current assets	0	2,403
Impairment loss	2,723,138	—
Loss on sale of shares of subsidiaries and associates	—	1,773,877
Loss on disposal of inventories	364,443	—
Other	—	6,670
Total extraordinary losses	3,092,590	2,498,571
Loss before income taxes	(2,833,697)	(1,048,922)
Income taxes - current	30,276	8,225
Income taxes - deferred	(160,360)	(519,071)
Total income taxes	(130,084)	(510,846)
Loss	(2,703,613)	(538,075)
Net profit attributable to non-controlling Shares owners	—	—
Net loss attributable to owners of the parent	(2,703,613)	(538,075)

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Loss	(2,703,613)	(538,075)
Other comprehensive income		
Valuation difference on available-for-sale securities	(47)	277
Foreign currency translation adjustment	245,591	(393,524)
Total of other comprehensive income	245,544	(393,247)
Comprehensive income	(2,458,068)	(931,322)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(2,458,068)	(931,322)
Comprehensive income attributable to non-controlling interests	—	—

(3) Consolidated statement of changes in equity

Fiscal Year ended February 28, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,177,014	3,633,837	652,271	(1,591)	7,461,530
Changes during period					
Issuance of new shares	16,542	16,542	—	—	33,085
Issuance of new shares - exercise of share acquisition rights	113,720	113,720	—	—	227,440
Net loss attributable to owners of the parent owners of parent	—	—	(2,703,613)	—	(2,703,613)
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	130,262	130,262	(2,703,613)	—	(2,443,087)
Balance at end of period	3,307,277	3,764,099	(2,051,342)	(1,591)	5,018,443

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities net unrealized holding gains	Foreign currency translation adjustment	Total accumulated other comprehensive income cumulative total	
Balance at beginning of period	962	147,932	148,895	7,610,426
Changes during period				
Issuance of new shares	—	—	—	33,085
Issuance of new shares - exercise of share acquisition rights	—	—	—	227,440
Net loss attributable to owners of the parent owners of parent	—	—	—	(2,703,613)
Net changes in items other than shareholders' equity	(47)	245,591	245,544	245,544
Total changes during period	(47)	245,591	245,544	(2,197,543)
Balance at end of period	914	393,524	394,439	5,412,882

Fiscal Year ended February 28, 2026

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,307,277	3,764,099	(2,051,342)	(1,591)	5,018,443
Changes during period					
Issuance of new shares	18,439	18,439	—	—	36,879
Issuance of new shares - exercise of share acquisition rights	88,275	88,275	—	—	176,550
Net loss attributable to owners of the parent owners of parent	—	—	(538,075)	—	(538,075)
Net changes in items other than shareholders' equity	—	—	—	—	—
Total changes during period	106,714	106,714	(538,075)	—	(324,646)
Balance at end of period	3,413,992	3,870,814	(2,589,417)	(1,591)	4,693,797

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities net unrealized holding gains	Foreign currency translation adjustment	Total accumulated other comprehensive income cumulative total	
Balance at beginning of period	914	393,524	394,439	5,412,882
Changes during period				
Issuance of new shares	—	—	—	36,879
Issuance of new shares - exercise of share acquisition rights	—	—	—	176,550
Net loss attributable to owners of the parent owners of parent	—	—	—	(538,075)
Net changes in items other than shareholders' equity	277	(393,524)	(393,247)	(393,247)
Total changes during period	277	(393,524)	(393,247)	(717,893)
Balance at end of period	1,192	—	1,192	4,694,989

(4) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Cash flows from operating activities		
Loss before income taxes	(2,833,697)	(1,048,922)
Depreciation	816,636	884,475
Impairment loss	2,723,138	—
Amortization of goodwill	139,651	—
Loss (gain) on sale of shares of subsidiaries and associates	—	1,773,877
Amortization of customer-related assets	62,980	—
Loss (gain) on sale of non-current assets	(23,330)	(26,722)
Loss on retirement of non-current assets	6,897	39,338
Loss on tax purpose reduction entry of non-current assets	5,009	715,619
Grant income	(81,822)	—
Subsidy income	(7,519)	(746,304)
Commission expenses	36,828	14,084
Increase (decrease) in allowance for doubtful accounts	3,896	24,224
Increase (decrease) in provision for bonuses	(21,546)	5,418
Increase (decrease) in provision for repairs	56,560	28,795
Increase (decrease) in provision for product warranties	9,905	(6,560)
Increase (decrease) in provision for share awards for employees	4,125	18,359
Increase (decrease) in retirement benefit liability	(145)	(224)
Increase (decrease) in accounts payable - other	76,483	(76,594)
Increase (decrease) in advances received	(43,296)	12,560
Increase (decrease) in contract liabilities	212,831	(115,819)
Foreign exchange losses (gains)	(205,130)	(368,951)
Interest income	(1,599)	(6,010)
Interest expenses	147,891	163,025
Decrease (increase) in trade receivables	(397,271)	145,655
Decrease (increase) in inventories	127,768	186,480
Increase (decrease) in trade payables	92,202	549,303
Other	(51,467)	7,401
Subtotal	855,979	2,172,509
Interest received	1,448	5,827
Interest paid	(146,978)	(170,454)
Grant received	81,432	—
Subsidies received	1,189	897,278
Settlement package received	37,455	—
Income taxes paid or refunded (paid)	54,637	(58,288)
Cash flows from operating activities	885,164	2,846,872
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(1,660,574)	(647,994)
Proceeds from sale of property, plant and equipment	146,686	328,222
Purchase of intangible assets	(48,335)	(27,852)
Payments of leasehold and guarantee deposits	(1,297)	—
Proceeds from collection of leasehold deposits and guarantee deposits	229	18,675
Payments of loans receivable to employees	(518)	(1,721)
Collection of loans receivable from employees	1,683	1,280
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(360,189)
Withdrawals from restricted deposits	—	5,658
Other	17,295	—
Net cash provided by (used in) investing activities	(1,544,831)	(683,920)

(Thousands of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term borrowings	1,400,000	200,000
Proceeds from long-term borrowings	620,000	370,000
Repayments of long-term borrowings	(918,846)	(2,977,276)
Repayments of bonds	(7,000)	(4,500)
Proceeds from issuance of shares	223,358	174,751
Proceeds from issuance of new Shares subscription warrants	23,078	—
Purchase of new Shares subscription warrants	(22,068)	—
Repayments of lease liabilities	(1,805)	(3,769)
Other	(39,038)	(11,342)
Net cash provided by (used in) financing activities	1,277,677	(2,252,136)
Effect of exchange rate change on cash and cash equivalents	(4,660)	136,635
Net increase (decrease) in cash and cash equivalents	613,349	47,452
Cash and cash equivalents at beginning of period	1,626,592	2,239,942
Cash and cash equivalents at the end of the period	2,239,942	2,287,394