Translation

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For Immediate Release

Company Name: OXIDE Corporation
Representative Name: Masayuki Yamamoto, COO
(Stock Code: 6521, TSE Growth)
Inquiries: Kengo Takeuchi, CFO
(Tel: +81-551-26-0022)

Notice Concerning Capital Investment to Expand Production Capacity of Faraday Rotators Used in Data Centers

OXIDE Corporation (the "Company") hereby announces that, at the Executive Officers' Meeting held today, it resolved to make a capital investment aimed at expanding production capacity for Faraday Rotators in response to growth in the optical communications market for data centers driven by the widespread adoption of generative AI.

1. Reason for acquisition

In recent years, the widespread adoption of generative AI has accelerated the demand for higher-speed and higher-capacity communications both within and between data centers. Consequently, demand for optical transceivers, which enable high-speed, high-capacity data transmission, has been growing rapidly, leading to increased demand for Faraday Rotators that are essential for their stable operation.

The Company provides Faraday Rotators utilizing the single-crystal growth technologies it has cultivated over many years. In light of this market environment, the Company has decided to invest in related equipment to meet growing demand and strengthen our supply capacity.

Faraday Rotators are core components of optical isolators installed in optical transceivers. By rotating the plane of polarization of light and operating in combination with polarizing filters, Faraday Rotators protect laser light sources and optical circuits from reflected light. They are critical components for improving the stability and reliability of optical communication systems.

Through this capital investment , the Company aim to capture growth opportunities in Frontier Tech Business and contribute to enhancing the medium- to long-term corporate value.

2. Details of assets to be acquired

(1) Location	Factory No. 6 of the Company (Hokuto City, Yamanashi Prefecture) (planned)
(2) Details of the Assets	Production equipment to increase the production capacity of Faraday Rotators
(3) Acquisition Cost	JPY 1,455 million (planned)
(4) Start of Operations	During the second half of the fiscal year ending February 2027 (planned)

3. Future Outlook

Regarding the future outlook, the impact of this capital investment on consolidated financial results for the fiscal year ending February 2027 will be minimal, and as of now, the Company has not revised the forecast announced on April 14, 2026. Should the Company determines that a revision to the forecast is necessary in the future, the Company will disclose this promptly.