Translation

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For Immediate Release

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Notice Concerning Capital and Business Alliance with JX Advanced Metals Corporation and Issuance of New Shares through Third Party-Allotment

OXIDE Corporation (hereinafter referred to as the "Company") announces that it resolved at a meeting of its Board of Directors held on November 9, 2026, to enter into a capital and business alliance agreement (hereinafter referred to as the "Capital and Business Alliance Agreement," and the capital and business alliance based on the Capital and Business Alliance Agreement shall be referred to as the "Capital and Business Alliance") with JX Advanced Metals Corporation (hereinafter referred to as "JX Advanced Metals" or the "Expected Subscriber") and to issue new shares (hereinafter referred to as the "New Shares") through a third party-allotment (hereinafter referred to as the "Third Party-Allotment") to the Expected Subscriber. The details are as follows.

I. Outline of the Capital and Business Alliance

1. Purpose and Reason for the Capital and Business Alliance

Guided by the management philosophy of "Solving Social Issues with Optics," the Company is expanding its business in semiconductor, healthcare, and new fields, with optical single crystal as its core technology. In recent years, against the backdrop of advances in semiconductors, the rapid expansion of demand for artificial intelligence ("AI") data centers, progress in quantum technology, and the development of optoelectronic integration technology, demand for high-performance advanced optical materials and devices has been growing rapidly, and the business environment surrounding the Company has undergone significant changes.

In this environment, in addition to the growth of existing businesses, the Company has identified the creation of new business areas in the advanced photonics field and the cultivation of future growth drivers as key management issues with optical single crystal technology and photonics related technologies at the core. To achieve this, it is essential to take a comprehensive approach that encompasses not only research and development, but also product development, mass production, and commercialization, and collaboration with companies possessing advanced technological capabilities and having a strong business foundation is crucial.

JX Advanced Metals is an advanced materials manufacturer with world-class technological capabilities, research and development capabilities, and a business foundation in the fields of semiconductor materials, information and communications materials, and other advanced materials. The Company and JX Advanced Metals have been holding a series of discussions regarding the possibility of collaboration in the fields of advanced materials and optical related technologies, which are expected to see future growth. As a result, the Company has concluded that combining crystal growth, optical, and optical device technologies with JX Advanced Metals' extensive expertise, research and development capabilities, and commercialization capabilities in the field of advanced materials may enable both companies to create new business opportunities and strengthen the Company's competitive position. Therefore, the Company has decided to enter into the Capital and Business Alliance Agreement.

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Through the Capital and Business Alliance, the Company would combine JX Advanced Metals' material development and mass production technologies, as well as its global customer base, with the Company's optical single crystal growth and wavelength conversion technologies, thereby creating a mutually complementary portfolio of materials and technologies for both companies in the field of optical materials and devices utilizing them. The Company believes that this will not only strengthen its mass production capabilities and expand its business operations but also promote the creation of new materials, products, and businesses in the fields of optical communications, quantum related technologies, and the convergence of semiconductors and optoelectronics, and by enhancing the competitiveness in the fields of crystalline materials and photonics, the Company expects that it may contribute to its sustainable growth and its enhancement of corporate value over the medium- to long- term.

2. Details of the Capital and Business Alliance

(1) Details of the Capital Alliance

Through the Third Party-Allotment, the Company will allot 890,000 shares of its common stock (representing 7.66% of the total number of the Company's issued shares of 11,620,442 as of August 31, 2026) to the Expected Subscriber.

For details on the Third Party-Allotment, please refer to "II. Offering of New Shares to be Issued through the Third-Party Allotment" below.

(2) Details of the Business Alliance

Under the Capital and Business Alliance, the Company and JX Advanced Metals aim to leverage the technologies, expertise, human resources, and business foundations of both companies to create new business opportunities in the fields of advanced optical materials and photonics related technologies, and to promote the commercialization of research and development outcomes. In particular, by combining JX Advanced Metals' extensive research and development capabilities, manufacturing technologies and commercialization capabilities in the field of advanced materials with the Company's crystal growth technologies, optical design technologies, and device development technologies, the Company intends to work to strengthen the competitive position and create new value in growth sectors such as semiconductors, AI data centers, quantum technology, optoelectronic integration, and other fields.

Furthermore, from a medium- to long-term perspective, both companies will promote collaboration that goes beyond the research and development stage and focuses on product development and commercialization, with the aim of expanding business opportunities in the advanced materials and optical related markets, which are expected to grow in the future.

Specifically, the Company intends to promote collaboration with a focus on the following areas, and consider expanding the collaboration to other areas as agreed upon by both companies in the future.

(i) Magneto-optical materials and device technologies for AI data centers;
(ii) Advanced optical materials and device technologies for quantum applications;
(iii) Materials technology for semiconductors and optoelectronic integration; and
(iv) Advanced optical materials technologies for advanced photonics.

3. Outline of the Partner of the Capital and Business Alliance

For an outline of the Expected Subscriber, the partner of this alliance, please refer to "II. Offering of New Shares to be Issued through a Third Party-Allotment, 6. Reasons for Selection of Expected Subscriber and Other Related Matters, (1) Outline of Expected Subscriber" below.

4. Schedule

(1)	Date of the resolution of the Board of Directors regarding the Capital and Business Alliance and the Third Party-Allotment	November 9, 2026
(2)	Date of execution of the agreement regarding the Capital and Business Alliance and the Third Party-Allotment	November 9, 2026
(3)	Payment date for the Third Party-Allotment and the effective date of the Capital and Business Alliance	November 25, 2026 (scheduled)

5. Forecasts

Please refer to "II. Offering of New Shares to be Issued through a Third Party-Allotment, 8. Forecasts" below.

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II. Offering of New Shares to be Issued through a Third Party-Allotment

1. Outline of the Offering

(1)	Payment date	November 25, 2026
(2)	Number of New Shares to be issued	890,000 shares
(3)	Issue price	JPY 3,088 per share of the Company's common stock
(4)	Total amount to be paid	JPY 2,748,320,000
(5)	Amount to be raised	JPY 2,723,320,000 (Note)
(6)	Total amount of capitalization	The amount obtained by dividing the amount stated in "(4) Total amount to be paid" above by 2 (any fraction less than JPY 1 shall be rounded up).
(7)	Method of offering or allotment (Expected Subscriber)	All New Shares will be allocated to the Expected Subscriber (JX Advanced Metals Corporation) through the third-party allotment.
(8)	Other	The items above are subject to the securities registration statement taking effect under the Financial Instruments and Exchange Act of Japan.

(Note) The amount to be raised is the amount obtained by subtracting the estimated cost of issuance related to the New Shares from the total amount to be paid for the New Shares.

2. Purpose and Reason for the Offering

The Third Party-Allotment is based on the Capital and Business Alliance Agreement, and the purpose and reason for the Capital and Business Alliance are as described in "I. Outline of Capital and Business Alliance, 1. Purpose and Reason for the Capital and Business Alliance" above.

(Comparison with Other Funding Methods)

(i) With regard to the issuance of shares through a public offering or a rights issue, it is uncertain whether the Company will be able to procure a sufficient amount of funds because the participation rate of general investors and existing shareholders who are allottees is uncertain.

(ii) With regard to the issuance of stock acquisition rights, the total amount and timing of fund procurement would fluctuate depending on the status of exercise of stock acquisition rights, and there is less certainty of fund procurement than a third party-allotment of new shares, the Company has determined that it is not appropriate to use this method of fund procurement.

(iii) With regard to debt financing through borrowing or corporate bonds, the Company has determined that it is not appropriate to use this method of fund procurement because the amount raised will be full indebtedness, which may decrease the financial soundness and reduce the scope of future borrowing.

As a result of these discussions, the Company has determined that the method of financing by issuing the New Shares through a third party-allotment is the most appropriate method at present in terms of strengthening the Company's financial position, contributing to the improvement of profitability and corporate value, and enhancing shareholders value, despite the presence of a certain degree of dilution on the shares of the Company.

Furthermore, by allocating the funds to be raised to the purposes described in "3. Amount, Use, and Scheduled Timing of Expenditure of Proceeds to be Raised, (2) Use of proceeds to be raised" below, the Company believes that it would achieve sustainable growth and enhancement of corporate value, which will ultimately lead to greater benefits for the shareholders.

3. Amount, Use, and Scheduled Timing of Expenditure of Proceeds to be Raised

(1) Amount of funds to be procured (estimated net proceeds)

Total amount to be paid	JPY 2,748,320,000
Estimated cost of issuance	JPY 25,000,000
Estimated net proceeds	JPY 2,723,320,000

(Notes) 1 Consumption and other taxes are not included in the estimated cost of issuance.

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2 The estimated cost of issuance is the total of legal fees and other administrative expenses (such as the cost of preparing the securities registration statement and the cost of corporate registration).

(2) Use of proceeds to be raised

The estimated net proceeds above of JPY 2,723 million are planned to be appropriated for the use of funds as described in the table below.

Use of Proceeds	Amount (JPY million)	Scheduled Timing of Expenditure of Proceeds to be Raised
(i) Investment in manufacturing equipment for Faraday rotator	2,498	From November 2026 to August 2027
(ii) Investment in research and development equipment in the quantum business	225	From February 2027 to August 2027
Total	2,723	-

(Note) Until the fund is appropriated for the use above, the funds will be held in a bank account.

The details of use of funds in the table above are as follows.

(i) Investment in manufacturing equipment for Faraday rotators

In recent years, as generative AI has become more widespread, communication speeds and capacity within and between data centers have continued to increase. Consequently, the demand for optical transceivers, which enable high-speed and high-capacity communication, is growing rapidly, and demand for Faraday rotators (Note 1), which are essential for their stable operation, is also increasing (Source: Fuji Chimera Research Institute, “2026 Comprehensive Survey of the Optical Communications Market”, published on November 7, 2025). The Company is expanding the production capacity to meet the growing demand for Faraday rotators used in optical isolators (Note 2) for AI data centers. In addition, the Company is planning to allocate a portion of the funds raised through the Third Party-Allotment to the investment in manufacturing equipment necessary to expand production capacity for Faraday rotators (a crystal growth apparatus for growing single crystals for Faraday rotators, and the peripheral equipment necessary for its operation). Through this investment in equipment, the number of crystal growth apparatus in operation is expected to more than double compared to previous levels. Furthermore, 1,455 million yen out of 2,498 million yen mentioned above, will be allocated to the investment in equipment announced by the Company in “Notice Concerning Capital Investment to Expand Production Capacity of Faraday Rotators Used in Data Centers” dated August 19, 2026. With regard to the investment in equipment, in order to bring production capacity online for as soon as possible, the Company already made the payment by utilizing a loan as bridge financing through the payment for the Third Party-Allotment. In addition, 841 million yen out of the remaining amount of 1,043 million yen is scheduled to be allocated to the additional investment in equipment (the acquisition and installation of crystal growth equipment and peripheral equipment necessary for its operation etc.) announced by the Company in “Notice Concerning an Additional Capital Investment to Expand Production Capacity of Faraday Rotators Used in Data Centers” dated October 14, 2026. The Company also plans to allocate the remaining amount of 202 million yen toward the acquisition and installation of crystal growth equipment and the peripheral equipment necessary for its operation, in order to further expand its production capacity for single crystals used in Faraday rotators (Note 3).

(ii) Investment in research and development equipment in the quantum business

To promote commercialization in the field of quantum technology, the Company plans to allocate a portion of the funds raised through the Third Party-Allotment to invest in equipment necessary for research and development of quantum computers (Note 4), laser light sources used for quantum communication system (Note 5), and wavelength conversion devices(Note 6) which are components of those lasers. Specifically, the Company plans to acquire research and development equipment for the prototyping, characterization evaluation, performance evaluation, and reliability evaluation of these laser light sources and wavelength conversion devices, as well as the peripheral equipment necessary for their operation.

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Through this investment in equipment, the Company aims to accelerate research and development of high precision, highly stable laser light sources, and wavelength conversion devices required for quantum computers and quantum communication system, and strengthen its development framework to support future productization and commercialization in the field of quantum technology.

(Notes)

1. Faraday rotators
   These are optical components that rotate the polarization direction (the direction of light vibration) of light passing through when a magnetic field is applied. They are primarily used as components in optical isolators.
2. Optical isolators
   These are optical components that allow light to pass through in one direction while blocking light returning from the opposite direction. They are used to prevent laser operation instability or damage caused by reflected light.
3. Single crystals used in Faraday rotators
   These are a single, continuous crystal composed of atoms arranged in a regular pattern, which serves as the material for the Faraday rotators. These are manufactured by artificially growing from raw materials using crystal growth equipment.
4. Quantum computers
   These are computers which calculate using the properties of quantum mechanics. These computers process information in units called “qubits” and are expected to perform calculations faster than conventional computers for certain types of problems.
5. Quantum communication system
   This system utilizes the quantum mechanical properties of photons (particles of light) to transmit information and share “encryption keys” used for encrypting and decrypting information. One of the most prominent technologies is “quantum key distribution,” which enhances the security of communications by enabling the sender and receiver to share an encryption key.
6. Wavelength conversion devices
   These are optical elements that convert incident light into light of different wavelengths depending on the application. They are used to convert the light emitted by a laser to the wavelengths required for quantum computers and quantum communication, etc.

4. Rationale for the Use of Proceeds to be Raised

The Company believes that to use the proceeds from the Third Party-Allotment for the purpose of use as described in “3. Amount, Use and Scheduled Timing of Expenditure of Proceeds to be Raised, (2) Use of proceeds to be raised” above, will contribute to enhancing its corporate value and will ultimately lead to increased benefits for its existing shareholders; therefore, the Company has determined that the use of the proceeds from the Third Party-Allotment is reasonable for the Company.

5. Rationale of Issue Terms and Conditions, etc.

(1) Calculation base for the amount to be paid and the specific details

With regard to the amount to be paid for the New Shares, following negotiations with the Expected Subscriber, the price should be in principle JPY 3,088 (rounded down to the nearest whole number) which is equivalent to 97.5% of JPY 3,168 (rounding decimals to the nearest whole number, calculating in the same method hereinafter), the average of the closing price (hereinafter referred to as the “Closing Price”) of the Company’s common stock in regular trading on the Tokyo Stock Exchange (hereinafter referred to as the “TSE”) during the one-month period as of November 6, 2026, the business day immediately preceding the date of the resolution of the Board of Directors regarding the Third Party-Allotment ; however, as an exception, if the average of the Closing Price for such one-month period (hereinafter referred to as the “Most Recent One-month Average Share Price”) falls below the amount multiplying the Closing Price on the business day immediately preceding the date of the resolution of the Board of Directors regarding the Third Party-Allotment by 90% (rounded up to the nearest yen), then, the amount to be paid for the New Shares would be set at the amount multiplying such Closing Price by 90% (rounded up to the nearest yen) from the protection of the interests of existing shareholders.

Based on these considerations, the Company determined the amount to be paid for the New Shares to be JPY 3,088, as 97.5% of the Most Recent One-month Average Share Price ending on the business day

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immediately preceding the date of the resolution of the Board of Directors regarding the Third Party-Allotment was JPY 3,088 (rounding decimals to the nearest whole number, calculating in the same method hereinafter), and the amount multiplying the Closing Price on the business day immediately preceding the date of the resolution of the Board of Directors regarding the Third Party-Allotment by 90% was JPY 2,209. Such amount to be paid was determined in consideration of the "Guidelines Concerning Handling of Allocation of New Shares to a Third Party" (as of April 1, 2010) of the Japan Securities Dealers Association (the "JSDA") and the Company considers it as not a particularly favorable amount to be paid.

The amount to be paid of JPY 3,088 is a premium 25.84% against the closing price of JPY 2,454 in regular trading on the trading day immediately before the date of the resolution of the Board of Directors concerning the issuance of the New Shares (i.e., November 6, 2026), being rounded to the second decimal place (which rounding to the second decimal place is made for the calculation of premiums and discounts against the share price throughout in the same manner), a discount 4.01% against the average closing price of the common stock of the Company for the immediately preceding three months period (hereinafter referred to as the "Most Recent Three-month Average Share Price") of JPY 3,217, and a discount 22.28% against the average closing price of the common stock of the Company for the immediately preceding six months period (hereinafter referred to as the "Most Recent Six-month Average Share Price") of JPY 3,973.

In calculating the amount to be paid, the Company recognizes the importance of basing the amount to be paid on an objective stock price that eliminates arbitrariness to the greatest extent possible. The Company also recognizes that when the stock market as a whole is unstable or the Company's stock price is unstable, it is necessary to evaluate whether or not any special factors are affecting the formation of the stock price.

The Company believes that, among the share price on the trading day immediately preceding the resolution of the Board of Directors, the Most Recent One-month Average Share Price, the Most Recent Three-month Average Share Price, and Most Recent Six-month Average Share Price, the Most Recent One-month Average Share Price would eliminate short-term fluctuations due to arbitrariness or special factors on the assumption that there would be little deviation from the share price on the trading day immediately preceding the resolution of the Board of Directors; and further that this price is formed through objective market transactions and reflects the Company's corporate value. Furthermore, after considering the Company's stock price trends and market conditions, and following discussions with the Expected Subscriber, the Company has set the price at an amount equivalent to 97.5% of the Most Recent One-month Average Share Price. However, considering the amount to be paid which is JPY 3,088 would be premium 25.84 % from the share price on the trading day immediately preceding the resolution of the Board of Directors, the Company believes that the amount to be paid is within the range of the value stipulated in the "Guidelines Concerning Handling of Allocation of New Shares to a Third Party" established by the JSDA and is not an unreasonable level.

All three corporate auditors of the Company (including two outside corporate auditors) have expressed their opinions to the effect that no material fact in violation of laws and regulations was found with regard to the decision by the directors that the amount to be paid for the New Shares does not constitute an amount particularly favorable to the Expected Subscriber, given that the amount to be paid for the New Shares is based on the market price, which is an objective index that indicates the value of the shares of the Company, and negotiations were made with the Expected Subscriber based on the Closing Price in regular trading and the Most Recent One-month Average Share Price on the business day immediately preceding the date of the resolution of the Board of Directors of the Company, having determined that the latest share price and the Most Recent One-month Average Share Price appropriately reflects the current objective corporate value of the Company, and also having regarded to the guidelines of the JSDA.

(2) Reasons of rationality of the number of shares to be issued and extent of share dilution

The number of shares to be issued upon issuance of the New Shares will be 890,000 shares (voting rights of 8,900), resulting in the dilution of the amount of 7.66% on the total number of the Company's issued shares of 11,620,442 as of August 31, 2026 (7.72% on the number of the Company's voting rights of 115,262 as of August 31, 2026).

However, as described in "2. Purpose and Reason for Offering" above and "6. Reasons of Selection of the Expected Subscriber and Other Related Matters, (2) Reasons for selecting the Expected Subscriber" below, the enhancement of the business value of the Company can be expected through the Third Party-Allotment, and the Company plans to use the funds raised by the Third Party-Allotment for the use of funds as described above and implement measures leading to the expansion of the Company's business in the future in order to promote the development of the Company's business in the medium- to long-term. Accordingly, the Company

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has determined that the scope of dilution is reasonable in comparison to the profitability that is expected to increase in the future.

For these reasons, the Company believes that the issuance of the New Shares is expected to contribute to an increase in corporate value and shareholder value and also to benefit its existing shareholders. Therefore, the Company believes that the issuance volume and the dilution size of the shares are reasonable.

6. Reasons for Selection of the Expected Subscriber and Other Related Matters

(1) Outline of the Expected Subscriber

(1)	Name	JX Advanced Metals Corporation
(2)	Address	10-4, Toranomon 2-chome, Minato-ku, Tokyo
(3)	Title and name of representative	President & Representative Director Chief Executive Officer, Hayashi Yoichi
(4)	Business	Manufacture and sales of semiconductor materials and information and communications materials, resource development, metal smelting, and recycling
(5)	Stated capital	JPY 75,000 million
(6)	Date of establishment	September 27, 2002
(7)	Number of issued and outstanding shares	949,183,210
(8)	Accounting reference period	End of March
(9)	Number of employees	10,450 (as of March 31, 2026)
(10)	Major business partners	-
(11)	Major bank	Mizuho Bank, Ltd. Sumitomo Mitsui Banking Corporation MUFG Bank, Ltd.
(12)	Major shareholders and shareholding ratio	ENEOS Holdings, Inc. (37.53%) The Master Trust Bank of Japan, Ltd. (Trust Account) (11.42%) Custody Bank of Japan, Ltd. (Trust Account) (2.73%) JP MORGAN CHASE BANK 385781 (Permanent Agent: Mizuho Bank, Ltd., Settlement Operations Department) (0.92%) STATE STREET BANK AND TRUST COMPANY 505001 (Permanent Agent: Mizuho Bank, Ltd., Settlement Operations Department) (0.88%) JPMCB USA RESIDENTS PENSION JASDEC LEND 385051 (Permanent Agent: Mizuho Bank, Ltd., Settlement Operations Department) (0.84%) SBI SECURITIES Co.,Ltd. (0.57%) The Tokyo Tanshi Co., Ltd. (0.50%) BNYM AS AGT/CLTS NON TREATY JASDEC (Permanent Agent: MUFG Bank, Ltd.) (0.46%) ISHARES CORE MSCI EAFE ETF (Permanent Agent: Citibank, N.A., Tokyo Branch) (0.46%) (As of September 30, 2026)
(13)	Relationship between the companies concerned	
	Capital relationship	Not applicable
	Personnel relationship	Not applicable
	Business relationship	During the fiscal year ended February 2026, the Company engaged in transactions involving the acquisition of equipment, but the amount of those transactions represents less than 1% of the Company’s net sales.
	To the related parties applicable status	Not applicable
(14)	Consolidated operating results and consolidated financial position for the past three years	

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Accounting reference period	March FY2024	March FY2025	March FY2026
Total equity	720,802	711,754	838,258
Total assets	1,325,887	1,283,002	1,505,337
Equity attributable to owners of parent per share (JPY)	675.73	663.58	784.44
Net sales	1,512,345	714,940	884,638
Operating profit	86,172	112,484	174,967
Profit attributable to owners of parent	102,624	68,271	104,645
Profit per share (JPY)	110.53	73.53	112.94
Dividends per share (JPY)	-	109.55	31.00

(As of November 9, 2026, except as otherwise specified) (Units: JPY million, except as otherwise specified)

(Note) JX Advanced Metals is listed on the Tokyo Stock Exchange Prime Market. In the section titled "Basic Policy on the Exclusion of Antisocial Forces and Status of its Implementation" in its Corporate Governance Report (last updated June 26, 2026) submitted to the TSE, it states, "Our Group has established a policy in the "JX Advanced Metals Group Code of Conduct" to take a firm stance against antisocial forces. Furthermore, based on the "JX Advanced Metals Group Basic Regulation on Handling of Antisocial Forces" the Company has established systematic measures to sever all ties with antisocial forces." In addition, under the Capital and Business Alliance Agreement that the Company plans to enter into with JX Advanced Metals, JX Advanced Metals is expected to represent and warrant, among other things, that it has no ties to antisocial forces. Based on the foregoing, the Company has determined that JX Advanced Metals and its officers have no connection whatsoever with antisocial forces.

(2) Reasons for selecting the Expected Subscriber

Based on the complementary nature of JX Advanced Metals' research and development capabilities, manufacturing technologies, and commercialization capabilities in the field of advanced materials, combined with the Company's crystal growth, optical, and optical device technologies, the Company has determined that collaboration between the two companies is expected to create new business opportunities and strengthen the competitive position. Furthermore, the Company has determined that establishing a capital relationship would contribute to maintaining a cooperative relationship over the medium- to long-term and to the steady advancement of the Capital and Business Alliance, therefore, the Company selected JX Advanced Metals as the Expected Subscriber of the Third Party-Allotment.

(3) Shareholding policy of the Expected Subscriber

In view of the purpose of the Third Party-Allotment, it was confirmed in discussions regarding the Third Party-Allotment, that the investment in the Company by the Expected Subscriber will be made for the purpose of contributing to the enhancement of corporate value of the Company while building mutual cooperation and that the Expected Subscriber intends to hold the common stock of the Company acquired through the Third Party-Allotment over the medium to long term.

The Company expects to obtain a written pledge from the Expected Subscriber agreeing that if the Expected Subscriber transfers all or any part of the New Shares issued as a result of the Third Party-Allotment within two years from the payment date, it will notify the details thereof to the Company in writing. The Company will report details of such notification to the TSE; and the details of such notification will be made available for public inspection. Furthermore, the Expected Subscriber has agreed that, during the term of the Capital and Business Alliance Agreement, it will not transfer, assign, pledge as collateral, or otherwise dispose of all or any portion of New Shares to any third party that operates a business in competition with the Company's business.

(4) Confirmation of existence of financial assets for payment by the Expected Subscriber

After reviewing the financial information including the net sales, total assets, net assets, and cash and deposits, etc., reported in the 24th Annual Securities Report (covering the period from April 1, 2025, to March 31, 2026) of the Expected Subscriber, the Company believes that there are no issues with it making payments.

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7. Major Shareholders and Shareholding Ratios Before and After the Offering

Before the Offering (As of August 31, 2026) (Note)		After the Offering	
KLA-Tencor Japan, Ltd.	8.18%	KLA-Tencor Japan, Ltd.	7.59%
Yasunori Furukawa	7.70%	Yasunori Furukawa	7.15%
NTT ADVANCED TECHNOLOGY CORPORATION	5.77%	JX Advanced Metals Corporation	7.12%
NTT FINANCE CORPORATION	4.30%	NTT ADVANCED TECHNOLOGY CORPORATION	5.36%
KLA-TENCOR (SINGAPORE) PTE, LTD.	3.53%	NTT FINANCE CORPORATION	4.00%
NOMURA INTERNATIONAL PLC A/C JAPAN FLOW	2.53%	KLA-TENCOR (SINGAPORE) PTE, LTD.	3.28%
KT VENTURE GROUP II, L.L.C.	2.16%	NOMURA INTERNATIONAL PLC A/C JAPAN FLOW	2.35%
NIKON CORPORATION	2.15%	KT VENTURE GROUP II, L.L.C.	2.01%
Lasertec Corporation	2.15%	NIKON CORPORATION	2.00%
The Yamanashi Chuo Bank, Ltd.	1.72%	Lasertec Corporation	2.00%

(Notes) 1 Major shareholders and shareholding ratios are based on the number of shares appearing in the shareholders' register as of August 31, 2026 (which excludes 2,000 treasury shares).
2 The percentages above are rounded to the second decimal place.

8. Forecasts

The Company believes that allocating the funds raised through the Third Party-Allotment to facility investments will contribute to the enhancement of the corporate value and shareholder value of the Company. The Company expects that the impact of Third Party-Allotment on the consolidated financial results for the current fiscal year will be minimal.

9. Matters Concerning Procedures under the Code of Corporate Conduct

Since (1) the dilution ratio is less than 25%, and (2) the Third Party-Allotment does not involve any change in controlling shareholders, the Company is not required to obtain an opinion from an independent third party or to conduct procedures to confirm the intention of shareholders as set forth in Article 432 of the Securities Listing Regulations established by the TSE.

10. Operating Results and Equity Finance for the Past Three Years

(1) Results for the past three years

	February FY2024	February FY2025	February FY2026
Net sales	6,606,974	8,394,851	10,040,393
Operating profit	△983,137	126,320	542,745
Ordinary profit	△766,288	230,366	674,217
Net income attributable to owners of parent (JPY)	△422,303	△2,703,613	△538,075
Net income per share (JPY)	△41.58	△243.91	△46.99
Dividends per share (JPY)	-	-	-
Net assets per share (JPY)	691.54	482.09	405.95

(Units: JPY 1,000, except as otherwise specified)

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(2) Number of issued and outstanding shares, and potential shares as of November 9, 2026

	Number of Shares	Ratio to the Number of Issued and Outstanding Shares
Number of issued and outstanding shares	11,629,367	100%
Number of potential shares at current exercise prices	527,000	4.5%

The number above of potential shares is due to stock options.

(3) Recent stock price trends

(i) Past three years

	February FY2024	February FY2025	February FY2026
Opening price	JPY 4,250	JPY 2,891	JPY 1,211
Highest price	JPY 4,255	JPY 3,000	JPY 3,320
Lowest price	JPY 2,227	JPY 1,200	JPY 820
Closing price	JPY 2,880	JPY 1,200	JPY 3,210

(ii) Past six months

	June 2026	July 2026	August 2026	September 2026	October 2026	November 2026
Opening price	JPY 5,320	JPY 4,835	JPY 2,803	JPY 3,200	JPY 3,260	JPY 3,030
Highest price	JPY 5,490	JPY 4,885	JPY 3,585	JPY 3,395	JPY 3,580	JPY 3,255
Lowest price	JPY 4,255	JPY 2,625	JPY 2,781	JPY 2,930	JPY 2,716	JPY 2,285
Closing price	JPY 4,710	JPY 2,903	JPY 3,260	JPY 3,250	JPY 3,100	JPY 2,454

(Note) Stock prices for November 2026 are shown as of November 6, 2026.

(iii) Stock price on the business day prior to the date of resolution of the issuance

	November 6, 2026
Opning price	JPY 2,286
Highest price	JPY 2,488
Lowest price	JPY 2,285
Closing price	JPY 2,454

(4) Equity financing in the past three years

Issuance of new shares through a third-party allotment

Payment date	January 5, 2024
Amount to be raised	JPY 2,793,862,485
Issue price	JPY 2,959
Number of issued and outstanding shares at the time of offering	10,055,525 shares
The number of shares issued through the offering	950,000 shares
Total number of issued shares after the offering	11,005,525 shares
Assignee	KLA-Tencor Japan, Ltd.

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Initial use of funds at the time of issue	Repayment of the interest-bearing debt
Expected date of expenditure at the time of issue	January 2024
Current status of appropriation	As of November 9, 2026, the Company has used the entire amount of funds raised, as originally planned, to repay interest-bearing debt.

Issuance of 8th stock acquisition right through a third-party allotment

Allocation date	August 19, 2024
Amount of funds to be procured	22,000
Issue price	Total amount of JPY 23,078,000 (JPY 1,049 per stock acquisition right)
Amount of funds to be procured at the time of issue (estimated net proceeds)	JPY 6,191,878,000 (JPY 6,181,878,000)
Assignee	Daiwa Securities Co. Ltd.
Number of issued and outstanding shares at the time of offering	11,005,525 shares
The number of potential shares through the offering	2,200,000 shares
Current status of exercise (Note)	Number of exercised shares: 96,200 shares (Number of outstanding stock acquisition rights: 0)
Current status of amount of funds procured (estimated net proceeds) (Note)	JPY 163,731,080
Initial use of funds at the time of issue	(A) Research and development expenses to drive medium- to long-term growth, primarily in the power semiconductor, quantum, next generation single crystal and laser fields: JPY 2,274 million (B) Capital investment to support increased maintenance of laser products for the semiconductor business and other research and development: JPY 799 million (C) Funds for repayment of loans raised for research and development expenses and capital investment: JPY 3,108 million
Expected date of expenditure at the time of issue	(A) From August 2024 to February 2026 (B) From August 2024 to May 2025 (C) From August 2024 to August 2026
Current status of appropriation (Note)	(A) JPY 163 million (B) JPY 0 (C) JPY 0

(Note) Regarding the 8th stock acquisition right, as announced in “Notice Regarding the Acquisition and Cancellation of the 8th Stock Acquisition Right with Exercise Price Adjustment Clauses via Third-Party Allotment” dated January 14, 2025, and “Notice Regarding the Completion of the Acquisition and Cancellation of the 8th Stock Acquisition Right with Exercise Price Adjustment Clauses via Third-Party Allotment and Monthly Exercise Status” dated January 28, 2025, the Company acquired all remaining shares on January 28, 2025, and canceled them immediately thereafter. Accordingly, there will be no changes to “Current status of exercise,” “Current status of amount of funds procured,” or “Current status of appropriation” in the future.

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