

Global niche R&D company of single crystals and lasers

This report is an English translation of part of the report issued on April 9, 2021.
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[6521 OXIDE Sector : Electric Appliances]

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Feb. 2019	2,608	-	103	-	87	-	140	-	40.0	280.0	0.0
Feb. 2020	3,065	17.5	122	19.1	104	20.1	76	-45.2	20.5	315.5	0.0
Feb. 2021 f	3,573	16.6	323	2.6x	276	2.6x	252	3.3x	66.8	-	0.0
Feb. 2022 f	4,279	19.8	416	28.8	417	51.1	354	40.5	79.3	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending February 2021 and 2022 are the company's forecasts.
It conducted 1-to-500 stock split on November 27, 2020. Per share indices are adjusted retroactively.

Develops Business in the Optical Fields

OXIDE, an R&D company having 25 engineers with doctorates, holds numerous optical single crystal growth technologies. OXIDE was established in October 2000 as a venture company spun-off from the National Institute for Materials Science (NIMS), and first started its business with the development and manufacturing of single crystals, which is positioned in the upstream of the optical field.

The company classifies its net sales according to the use of its products, "optical measurement and new field business," "semiconductor business" and "healthcare business" (Figure 1).

Figure 1: Business Overview

Business by use	Sales composition	Customer	Major product field
Optical measurement and new field business	18.8%	Optical measurement device/optical product manufacturer, research institutions including universities	Development, manufacturing and sales of single crystals, optical parts (optical devices), laser sources, optical measurement devices
Semiconductor business	41.8%	Semiconductor wafer inspection equipment manufactures	Development, manufacturing and sales of single crystals and lasers
Healthcare business	39.4%	PET inspection equipment manufactures	Development, manufacturing and sales of scintillator single crystals used in PET inspection equipment

Note: Sales composition is based on the business results of fiscal year ended February 2020.

Source: Prepared by The Stock Research Center based on the notifiable prospectus.

Optical Measurement and New Field Business

In the optical measurement and new field business, the company develops, manufactures and sells optical parts for wavelength conversion, laser sources, optical measurement equipment, etc. in addition to single crystals manufactured based on optical single crystal and optical technologies, which are the core technologies of the company.

Semiconductor Business

In the semiconductor business, the company develops, manufactures and sells single crystals with strong nonlinear optical effects and lasers using single crystals for semiconductor wafer inspection equipment manufactures.

In addition, supplying parts of semiconductor wafer inspection equipment comes along with maintenance demand for single crystals and lasers for inspection equipment that are in operation. Net sales for maintenance demand accounted for over 20% of net sales from the semiconductor business in the fiscal year ended February 2020.

Healthcare Business

In the healthcare business, the company develops, manufactures and sells scintillator single crystals used in PET inspection equipment for cancer diagnosis. The company has around a 20% share of the scintillator single crystals used in whole-body PET inspection equipment in the global market.

As PET inspection equipment is expected to expand its scope of application to diagnose Alzheimer's disease beyond cancer diagnosis, the company is also pursuing R&D in expansion of the applicable field of PET inspection equipment.

Figure 2: Financial Statements

Statement of income	Fiscal Year	Feb. 2019		Feb. 2020		Nine months to Nov. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,608	100.0	3,065	100.0	2,287	100.0
Cost of sales		1,812	59.5	2,298	75.0	1,681	73.5
Gross profit		795	30.5	767	25.0	606	26.5
Selling, general and administrative expenses		692	26.5	644	21.0	495	21.7
Operating profit		103	4.0	122	4.0	110	4.8
Non-operating income		41	-	32	-	2	-
Non-operating expenses		56	-	50	-	46	-
Ordinary profit		87	3.3	104	3.4	67	2.9
Profit before income taxes		87	3.4	104	3.4	67	2.9
Net profit		140	5.4	76	2.5	48	2.1

Balance sheet	Fiscal Year	Feb. 2019		Feb. 2020		Nine months to Nov. 2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		2,292	44.1	2,605	45.7	2,966	49.5
Cash and deposits		1,023	19.7	675	11.9	882	14.7
Accounts receivable-trade		414	8.0	859	15.1	565	9.4
Inventories		754	14.5	993	17.4	1,437	24.0
Non-current assets		2,900	55.9	3,091	54.3	3,025	50.5
Property, plant and equipment		2,527	48.7	2,810	49.3	2,792	46.6
Intangible assets		203	3.9	116	2.0	60	1.0
Investments and other assets		169	3.3	164	2.9	172	2.9
Total assets		5,192	100.0	5,696	100.0	5,991	100.0
Current liabilities		2,002	38.6	2,331	40.9	2,165	36.1
Accounts payable-trade		143	2.8	213	3.7	209	3.5
Short-term borrowings		750	14.4	1,000	17.6	800	13.4
Current portion of long-term borrowings		368	7.1	360	6.3	266	4.5
Non-current liabilities		2,145	41.3	2,175	38.2	2,576	43.0
Long-term borrowings		2,013	38.8	2,100	36.9	2,532	42.3
Net assets		1,044	20.1	1,189	20.9	1,250	20.9
Owners' equity		1,044	20.1	1,189	20.9	1,250	20.9

Statement of cash flows	Fiscal Year	Feb. 2019	Feb. 2020
		(mn yen)	(mn yen)
Cash flows from operating activities		265	-126
Depreciation		161	208
Cash flows from investing activities		-1,084	-508
Cash flows from financing activities		1,528	333
Dividends paid		-	-
Net increase in cash and cash equivalents		711	-302
Cash and cash equivalents		967	665

Note: Non-consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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