FY2025/12 1Q

Financial Results

RS Technologies

Prime Market 3445

RS Technologies

May 13, 2025

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Summary of Financial Results for FY2025/12 1Q

01

Financial Results for the First Quarter of FY 2025

- **Net sales increased 14.7% year on year to 17.6 billion yen, and operating income increased 14.0% year on year to 3.0 billion yen**

(million yen)

	FY 2024 1st Quarter	FY 2025 1st Quarter	Year-on-Year	Difference
Net Sales	15,358	17,616	+14.7%	+2,258
Operating Income	2,632	3,001	+14.0%	+369
Operating Margin	17.1%	17.0%		△0.1pt
Ordinary Income	3,589	3,252	△9.4%	△337
Ordinary Margin	23.4%	18.5%		△4.9pt
Net income attributable to owners of parent	1,781	1,717	△3.6%	△64
EPS (JPY)	67.60 JPY	65.02 JPY	△3.8%	△2.58 JPY

Financial Results for the First Quarter of FY2025 Segment Trends

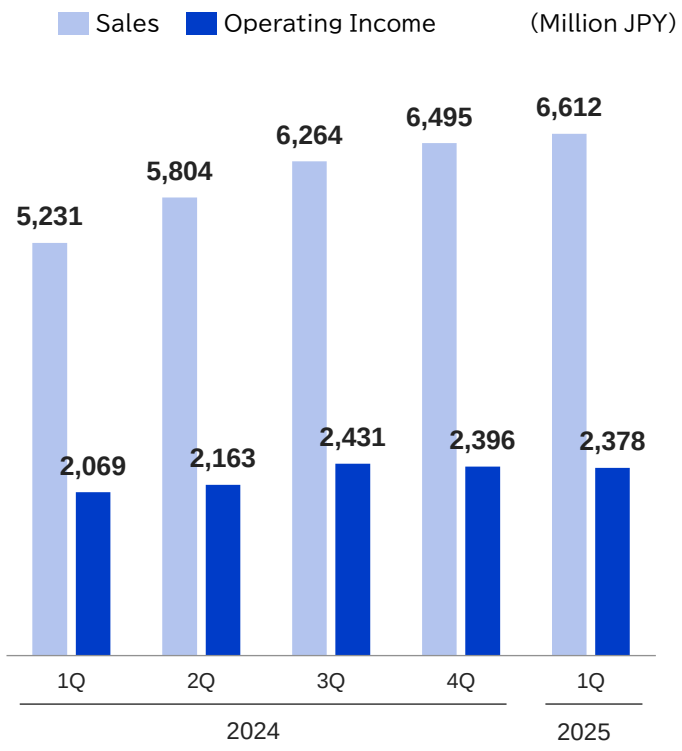
- In the Wafer Reclaimed Business, net sales and profit increased year on year due to an increase in production volume by capital investment.
- In the Prime Wafer Business, the increased capital investment and measures to improve production efficiency led to growth of both sales and operating margin.
- In the Semiconductor-related equipment & materials Business, net sales increased year on year due to the addition of new business RSPDH and LE System's sales. However, the contribution to operating income was small because of the early stage of start-up.

	Wafer Reclaimed Business	YoY	Prime Wafer Business	YoY	Semiconductor-related Equipment & Materials Business	YoY	Other adjustments	YoY	Consolidated total	YoY
Sales	6,612	+26.4%	4,814	+6.2%	6,463	+12.3%	△274	–	**17,616**	**+14.7%**
Operating Income	2,378	+14.9%	1,090	+30.7%	8	△92.7%	△476	–	**3,001**	**+14.0%**
Operating Margin	36.0%	△3.6pt	22.6%	+4.2pt	0.1%	△1.8pt	–	–	**17.0%**	**△0.1pt**

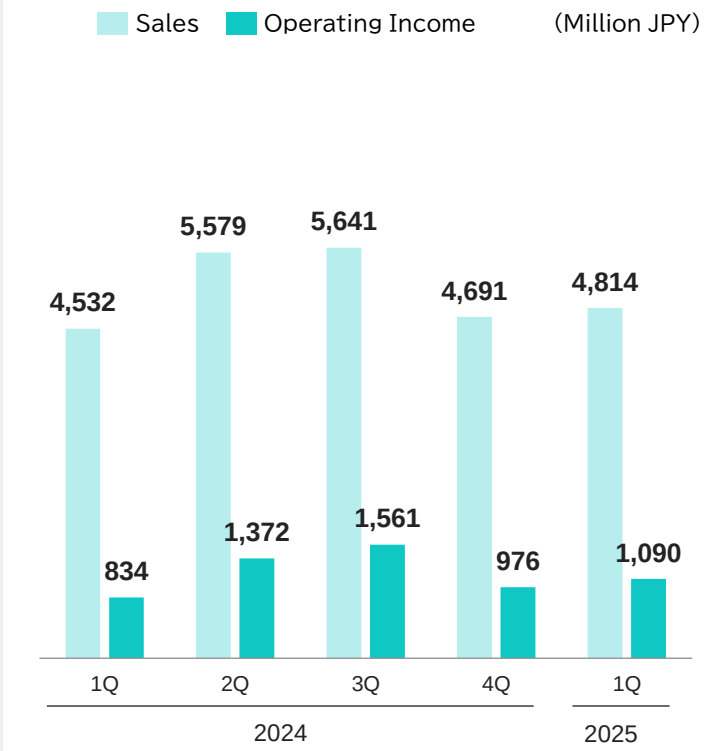
Quarterly Results for the FY2024 and FY2025

- In the wafer reclaimed business, the number of sales wafers with higher cost ratio increased from the previous quarter.
- In the prime wafer business, sales increased from the previous quarter due to an increase in sales of silicon materials for etching equipment.
- In the semiconductor-related equipment and materials business, sales increased from the previous quarter due to the addition of sales of new businesses RSPDH and LE Systems from this fiscal year. However, the contribution to operating income was small due to the early stage of start-up.

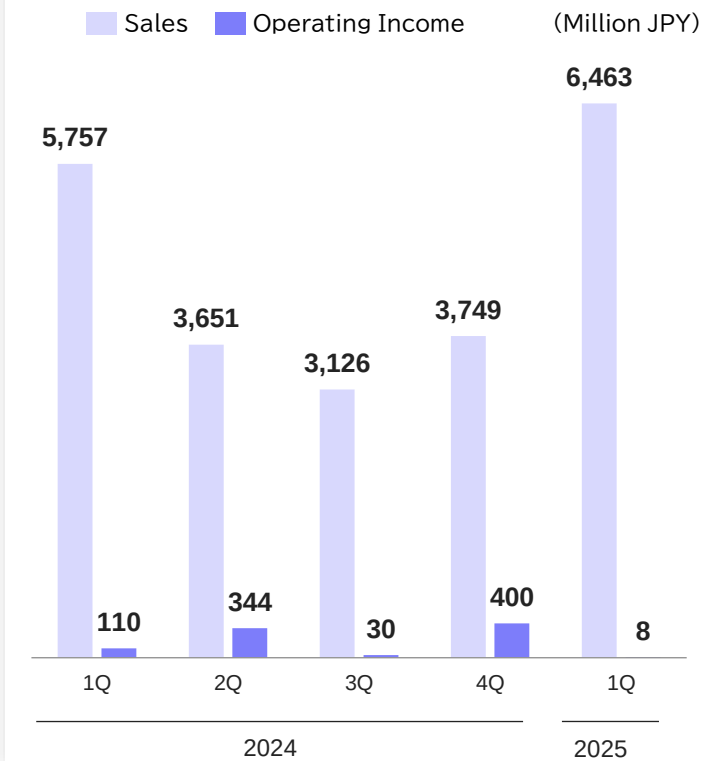
Wafer Reclaimed Business



Prime Wafer Business



Semiconductor-related equipment and materials business



Balance Sheet

・**Net assets decreased 4.9 billion JPY year on year to 130.6 billion JPY (135.5 billion JPY in FY2024)**
The main factor was the impact of foreign currency translation reserve.

(million yen)	FY 2024/12	FY 2025/1Q
Current Assets	124,894	**111,207**
Cash and Deposits	85,224	**76,569**
Notes and accounts receivable-trade	23,417	**19,160**
Merchandise and finished goods	6,678	**6,509**
Fixed assets	57,252	**61,793**
tangible fixed assets	45,575	**43,203**
intangible fixed assets	689	**655**
Investments and other assets	10,987	**17,934**
Total assets	182,146	**173,001**
Current liabilities	34,804	**31,670**
Notes and accounts payable	8,302	**7,850**
Short-term debt	8,754	**11,127**
non-current debt	11,794	**10,727**
Long-term debt	734	**523**
Total liabilities	46,598	**42,397**
Net assets	135,548	**130,603**
Total liabilities and net assets	182,146	**173,001**

Medium-Term Management Plan

02

Overview of the Medium-Term Management Plan (2025-2027)

- **In line with the growth of the semiconductor market, RST will continue to focus on its main business (Reclaimed Wafer & Prime Wafers), continuing to make capital investments to improve profitability and efficiency.**

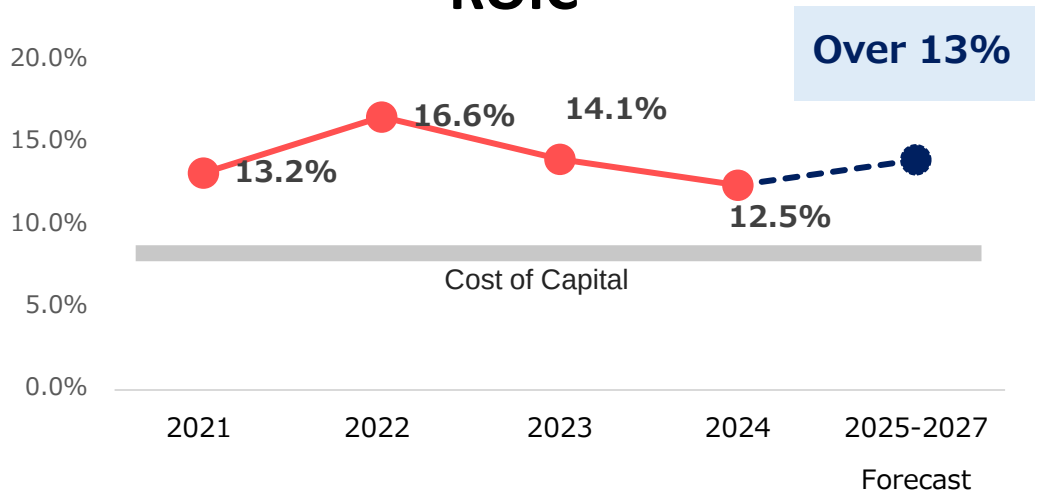
(Million JPY)	FY2023 (Actual)	FY2024 (Actual)	FY2025 (Forecast)	FY2026 (Forecast)	FY2027 (Forecast)
Sales	**51,893**	**59,200**	**75,000**	**88,000**	**100,000**
Operating Income	**11,894**	**13,108**	**15,100**	**17,700**	**21,900**
Operating Margin	*22.9%*	*22.1%*	*20.1%*	*20.1%*	*21.9%*
Ordinary Income	**14,921**	**15,668**	**16,600**	**19,200**	**23,400**
Ordinary Margin	28.8%	26.4%	22.1%	21.8%	23.4%
Net Profit	**7,703**	**9,446**	**8,760**	**10,270**	**12,700**

ROIC	14.1%	12.5%	**Over 13%**		
ROE	13.7%	13.8%	**Over 14%**		

Cost of Capital

- **Our company's consolidated ROIC and ROE continue to exceed CAPM based cost of capital in good condition**
- **Plan to achieve ROIC of over 13% and ROE of over 14% from 2025 to 2027**

ROIC

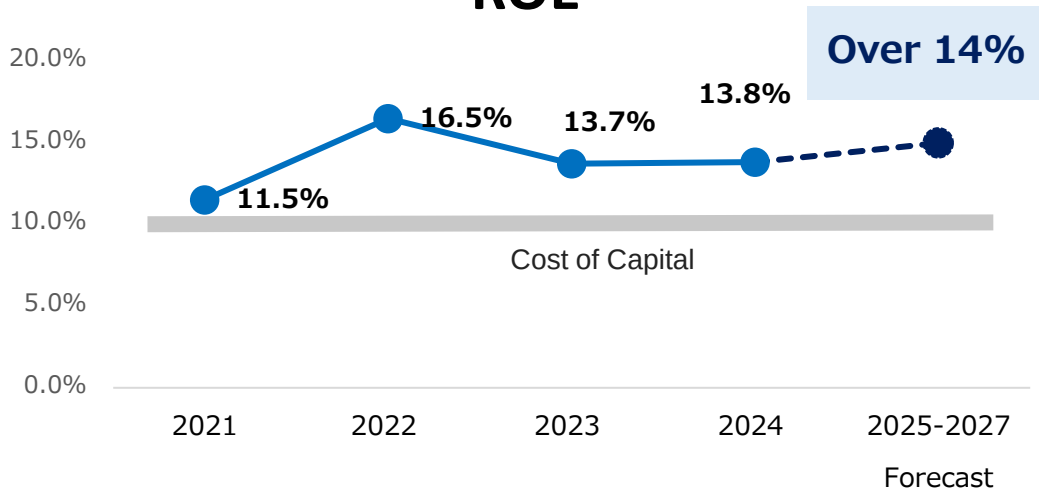


*ROIC= NOPAT / invested capital (shareholders' equity + interest bearing debt)

WACC	9.0 %

*WACC= Cost of equity x Shareholder equity/(invested capital) + Cost of debt x interest-bearing debt/(invested capital) x (1- effective tax rate) ,using the average value for the past two years in our company

ROE



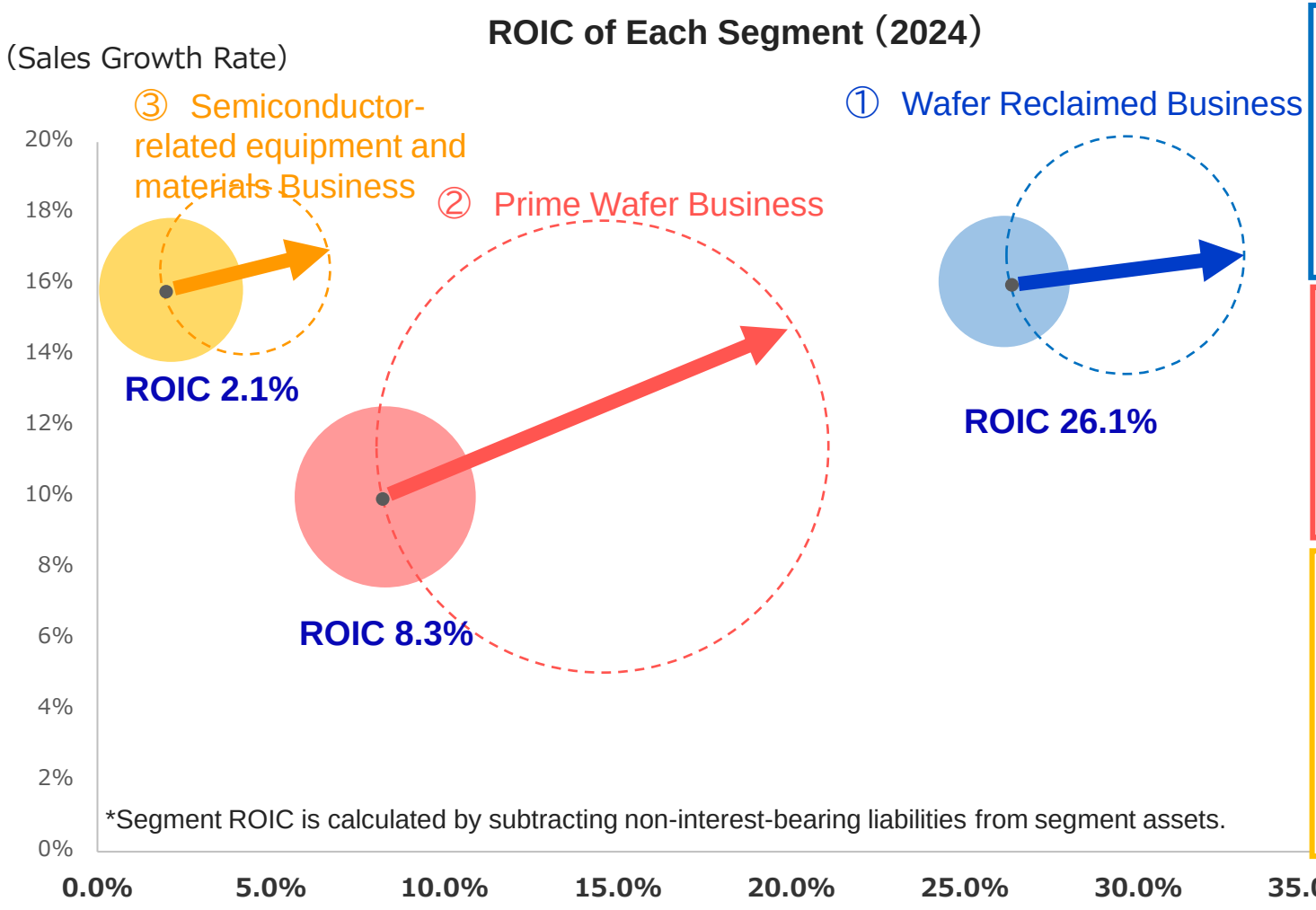
*ROE= Net Income Attributable to Parent / Equity

Cost of Equity	10.5 %

*Cost of equity =Risk free rate (1.11%) + Beta value (1.6) x Risk premium (6%) =10.7% Based on our company 2023 Cost of equity =10.2%, 10.5% is calculated using the average of the past 2 years.

Main Segment Trends

- **Wafer reclaimed business established a highly profitable business structure**
- **Prime wafer business plans to expand its scale and earnings by investing in 12 inch prime wafer as well as 8 inch prime wafer**



*Segment ROIC is calculated by subtracting non-interest-bearing liabilities from segment assets.

① Wafer Reclaimed Business

◆Increase global production capacity to 1million wafers per month by 2027
◆ Increase market share to over 35%
◆Capturing demand from major foundry in Taiwan, new demand in the United States, Europe, and China

② Prime Wafer Business

◆8 inch: Increased production capacity to over 300,000 wafers/month by 2027
◆ Chinese market share to over 10%
◆12 inch: Increased production capacity to 300,000 wafers /month after 2027, investing based on market trends in China

③ Semiconductor-related equipment and materials Business

◆Trading business to improve CCC, which has been an issue in recent years
◆DG Technologies: Improving profitability
◆LE System: Fine-tuning business model
Domestic: Total energy solutions
China: Operation of an electrolyte plant for local consumption

Cash Allocation (for 3 Years)

- **Utilize about ¥55 billion in Cash-In and approximately ¥73 billion in Net Cash for capital investment and M & A over the 3 years**

Unit (Billions of yen)

Cash- In

Three-Year Cumulative Operating CF (2025-2027)

55

Net Cash (2024)

73

Cash-Out

Capital Investment in existing businesses (2025-2027)

70~

・Wafer reclaimed business	25.4
・Prime wafer (8 inch)	6+
・Prime wafer (12 inch)	7+
(The 2027 investment in the 8 inch and 12 inch prime wafer business is fluid and may increase)	
・Solar power generation	4
・Others	12
(LE system plant investment about1.5 billion yen was invested in 2024))	

Strategic Investment (M&A)

35~

・3~5 domestic and overseas M & A

Shareholder Return

・annual increase in dividend payout ratio

Capital Investment Plan: Reclaimed Wafer Business

- As demand for semiconductors grows worldwide, production is being increased in Japan and Taiwan, and mass production is being prepared in Shandong Province, China.
- To meet strong demand, production capacity of more than 1 million semiconductors per month is planned to be established by 2027.

Japan

Total investment **12.8 billion JPY**

FY 2025	FY 2026	FY 2027
1.3 billion yen	1.5 billion yen	10 billion yen

Expansion of production capacity for 12 inch reclaimed wafers and response to miniaturization

2025 – 2027:

Monthly production: increasing + 120,000 wafers/month

Monthly production capacity of 12 inch reclaimed wafers

2024	2025	2026	2027
320,000	340,000	360,000	440,000

Taiwan

Total investment **6.1 billion JPY**

FY 2025	FY 2026	FY 2027
2.1 billion yen	2.8 billion yen	1.2 billion yen

Expansion of production capacity for 12 inch reclaimed wafers and response to miniaturization

2025 – 2027:

Monthly production: increasing +100,000 wafers/month

Monthly production capacity of 12 inch reclaimed wafers

2024	2025	2026	2027
270,000	290,000	330,000	370,000

China

Total investment **6.5 billion JPY**

FY 2025	FY 2026	FY 2027
500 million yen	3 billion yen	3 billion yen

Expansion of production capacity for 12 inch Reclaimed wafers

2025 – 2027:

Monthly production: increasing + 150,000 wafers/month

Monthly production capacity of 12 inch reclaimed wafers

2024	2025	2026	2027
50,000	50,000	150,000	200,000

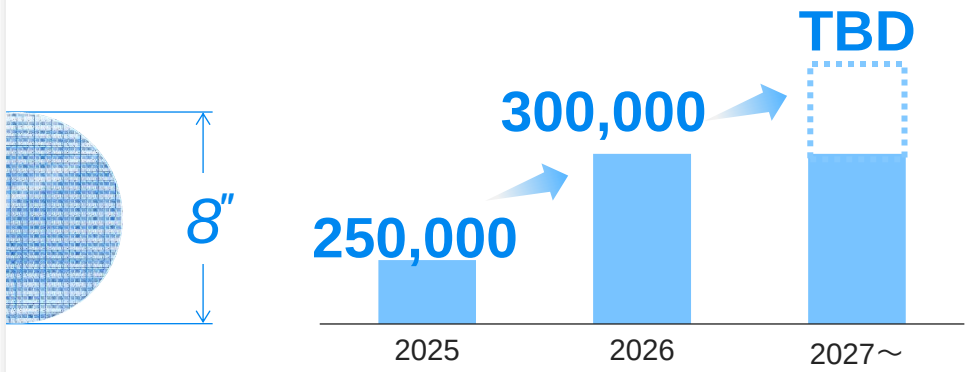
Capital Investment Plan: Prime Wafer Business

- **Production of 8 inch prime wafers is expected to increase from 250,000 to over 300,000 per month between 2025 and 2027.**
- **Production of 12 inch prime wafers is expected to increase from 110,000 to 150,000 per month between 2025 and 2026 and will reach 300,000 per month after 2027.**

China 8 inch

- Aim to build a stable mass production and improve production efficiency

Monthly production capacity for 8 inch prime wafers

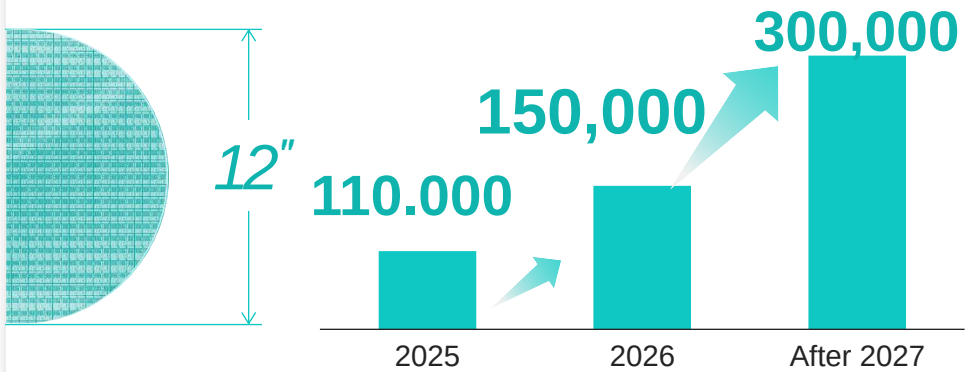


2025	2026	2027～
3 billion JPY	3 billion JPY	TBD

China 12 inch

- Increase production capacity for 12 inch prime wafers

Monthly production capacity for 12 inch prime wafers



2025	2026	2027～
8 billion JPY※1	17 billion JPY※1	TBD

*1 The 12 inch business is an investment from an equity method affiliate.

M & A Target

- M & A to Expand Business Scale
- M & A target area including semiconductors, energy, and new businesses

＜M&A Target Area＞

Semiconductor

RS Technologies

DGtec

UNION Electronics Solutions

Energy

LIQUID ENERGY SYSTEM

New Business

RSPDH

＜Investment Criteria＞

- ◆ Investment standard (hurdle rate) ≒ 14～20%
- ◆ Selection of target company focusing on Synergies
- ◆ Selection of markets with growth potential for new businesses

M & A Strategy (Results after M & A Implementation and Future)

- **Increase value in a short period of time by leveraging sales force, market interaction, and business synergy as growth drivers**
- **Strengthen PMI for future business expansion and build a structure that can contribute to increasing our group's corporate value**

Value added

◆Reconcile **quality and price gaps** after taking over the reclaimed wafer business
◆Build a factory in Taiwan to develop **new Taiwanese and global customers**

◆Introduce **technological know-how** cultivated in the reclaimed wafer business
◆Introduce **governance know-how** for IPO

Market Cap
91.3 billion JPY
(as of 2024.Dec.30)

Market Cap
(RST's equity base)
112 billion JPY
(as of 2024 Dec.30)

VRFB market size
Over **800 billion JPY** (2027)

◆Support VRFB's entry into a huge market, China,
◆Strengthen sales capabilities to expand domestic & overseas sales

RS Technologies
Initial investment amount
Abt **400 million JPY**

GRITEK

Acquisition price
7.3 billion JPY

DGtec

◆**Cross-selling** to RST's key customers
◆Capital investment based on market demand

sales2 times larger than the one in the time of acquisition in 2019

LE System
LIQUID ENERGY SYSTEM

2010 ~2018 2019 2020 2021 2022 2023 2024

RS Technologies's Targeting Business Portofolio

Business

Growth Expansion

Expanding RST's business and its sales areas

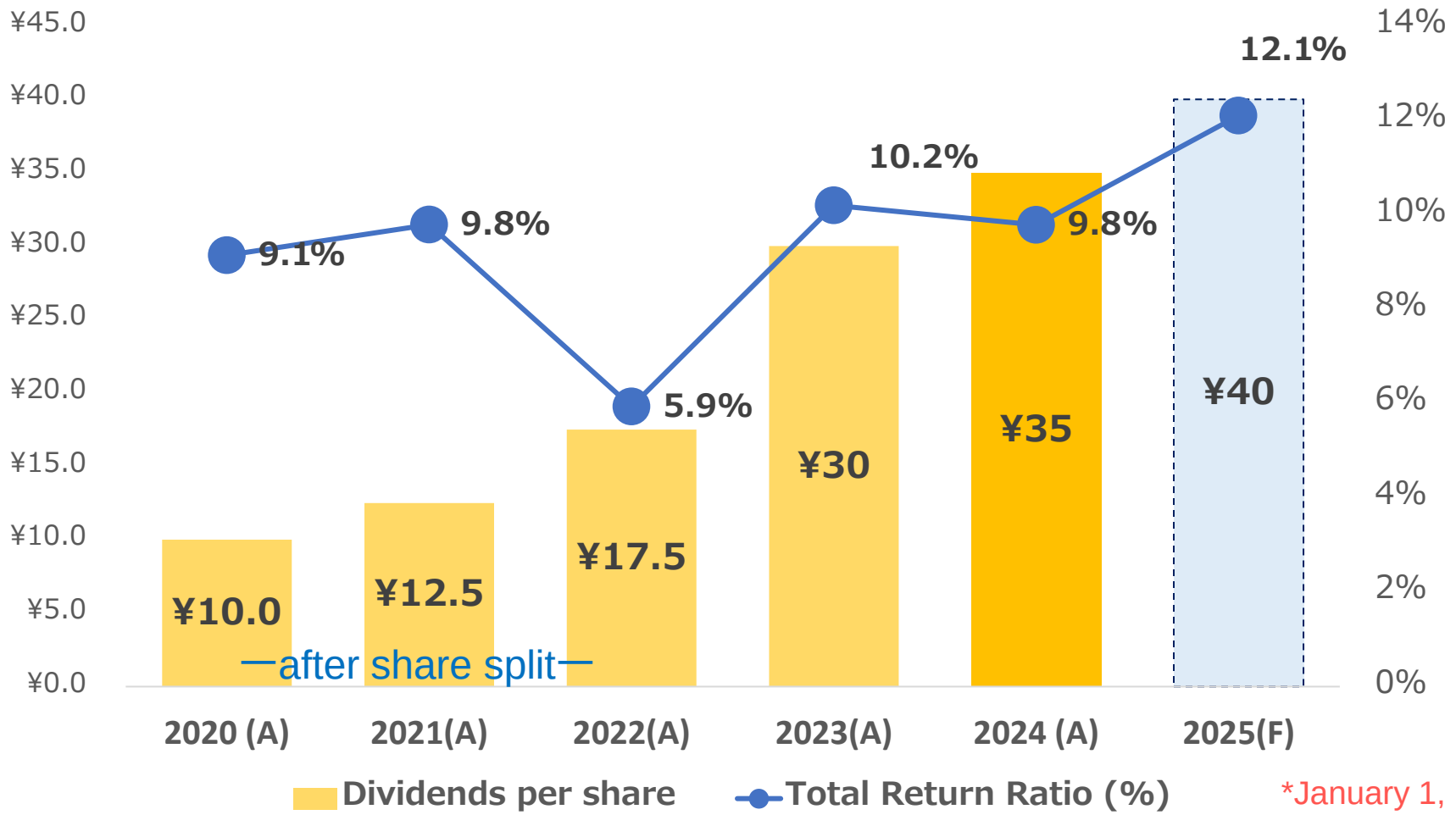
			Japan	China	Asia (other than China)	Europe and America
Manufacturing	Reclaimed wafer		●	●	●	●
	Prime wafer	12inch	○	●	○	○
		8inch, etc.	◐	●	◐	◐
	Consumables related to semiconductor manufacturing		●	●	●	●
	semiconductor manufacturing		○	○	○	○
"renewable /recycled/ revititalized" business	New Business		○	○	○	○
	Vanadium Redox Flow Battery		●	◐	◐	◐
Function of Trading Company	Manufacturing Equipment		●	●	●	●
	Semiconductors, Electronic Components, Consumables		●	●	●	◐
	Others (solar, etc.)		●	○	●	○

● current business area ◐ Planned Regional expansion ○ Possibility of future expansion

Region

Shareholder Return

・We will continue to increase dividends. We will give priority to capital investment and growth investment in M & A.



*January 1, 2023 Stock split in two

New Business

LE System & RS Precision Device Huizhou (RSPDH)

03

New entry into the renewable energy business

- **In December 2023, LE System Co., Ltd. (100% subsidiary of RST) inherited the electrolyte business for vanadium redox flow batteries (VRFB) from the former LE System**
- **In January 2025, we entered the total energy solution business utilizing our accumulated battery expertise and RS Technologies' group capabilities.**

Overview of the New Company

株式会社LEシステム

Company Name	LE System Co., Ltd.
Establishment	October 13, 2023 (Succession date: December 2023)
Business	Electrolyte production of vanadium redox flow battery
Address	NT Building, 1-47-1 Ohi, Shinagawa-ku, Tokyo, Japan (The same office with RS Technologies, Inc.)
Manufacturing Base	Namie-machi, Futaba- gun, Fukushima, Japan
Capital	30 million yen
President and CEO	Nagayoshi Ho

- From December 2023, the former LE System business was completely succeeded.
- The key technology of the former LE System is technology originated in Japan, and it has received a lot of support including investment by INCJ, Ltd. (Public and Private Sector Fund in Japan).

Strengths of LE Systems

01 **Established mass production process of high-quality electrolytes**

02 **Business collaboration with global battery manufacturers**

03 **Production of electrolyte with low cost through proprietary technology** (more than 10 patents hold)

What is Vanadium Redox Flow Battery (VRFB)?

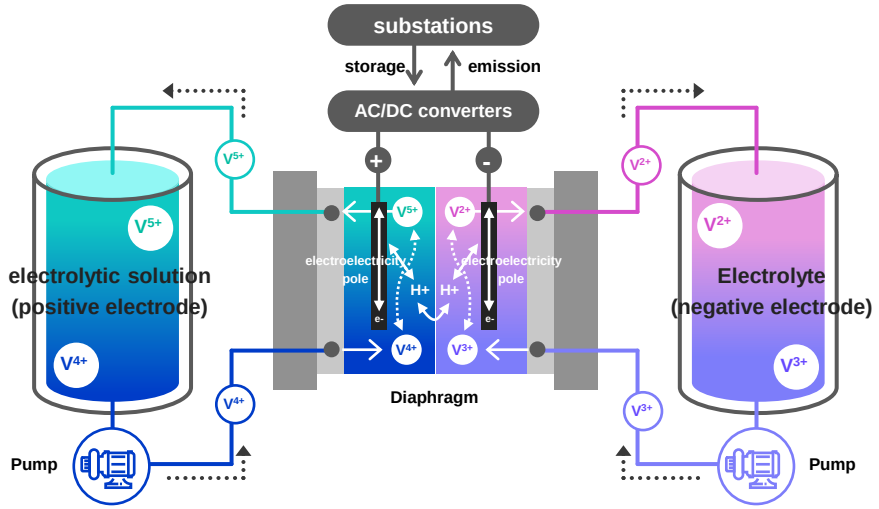
- VRFB is a battery that charges and discharges by circulating and chemically reacting vanadium electrolyte.
- LE system manufactures vanadium electrolyte for VRFB

Primary Use

Use as large-scale, large-capacity stationary storage batteries for wind and solar power generation

Mechanism

VRFB realizes charge and discharge by chemical change (redox) of electrolytic solution, while other batteries charge and discharge by chemical change of electrode.



Features

Since the number of charge and discharge is unlimited and there is no deterioration, it is possible to conduct stable operation over a long period Moreover, it has high safety and it is well-matched with renewable energy.

High Safety

nonflammable electrolytes

Easy for Expansion

charge/discharge time can be designed freely

Long Life

There is no limit to charge/discharge cycle

Cost Reduction

Long-term operation provides cost advantage

Asynchronous Linkage

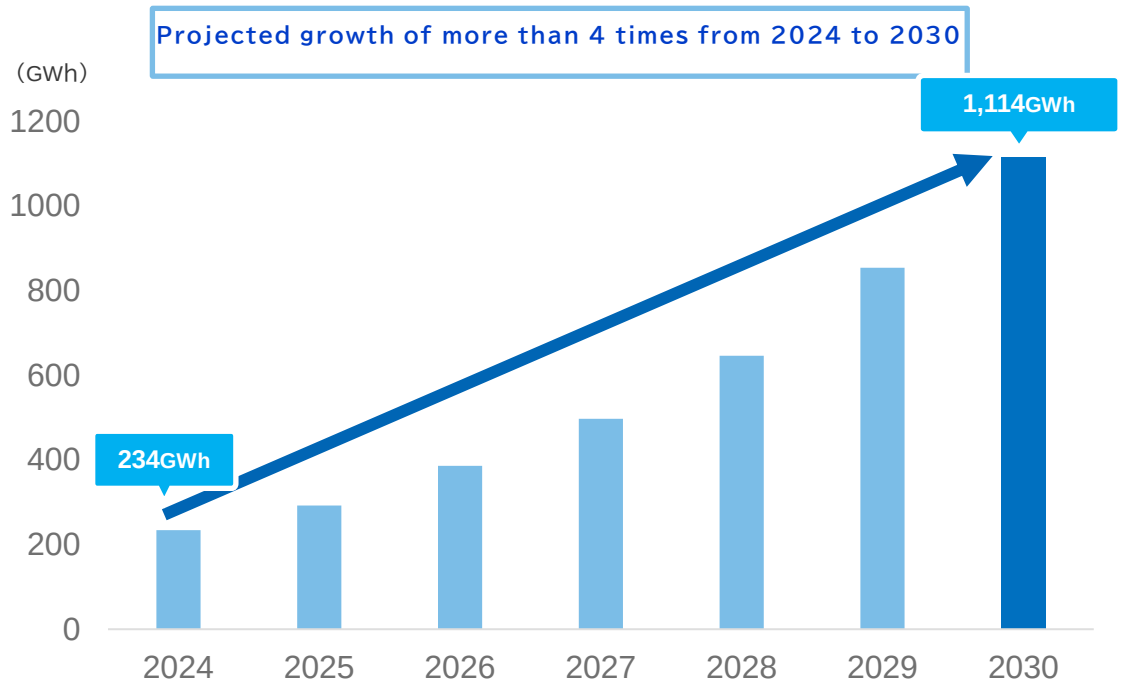
renewable energy well-matched with VRFB

VRFB is a high-capacity stationary storage battery with high safety and stable supply suitable for wind and solar power generation, etc.

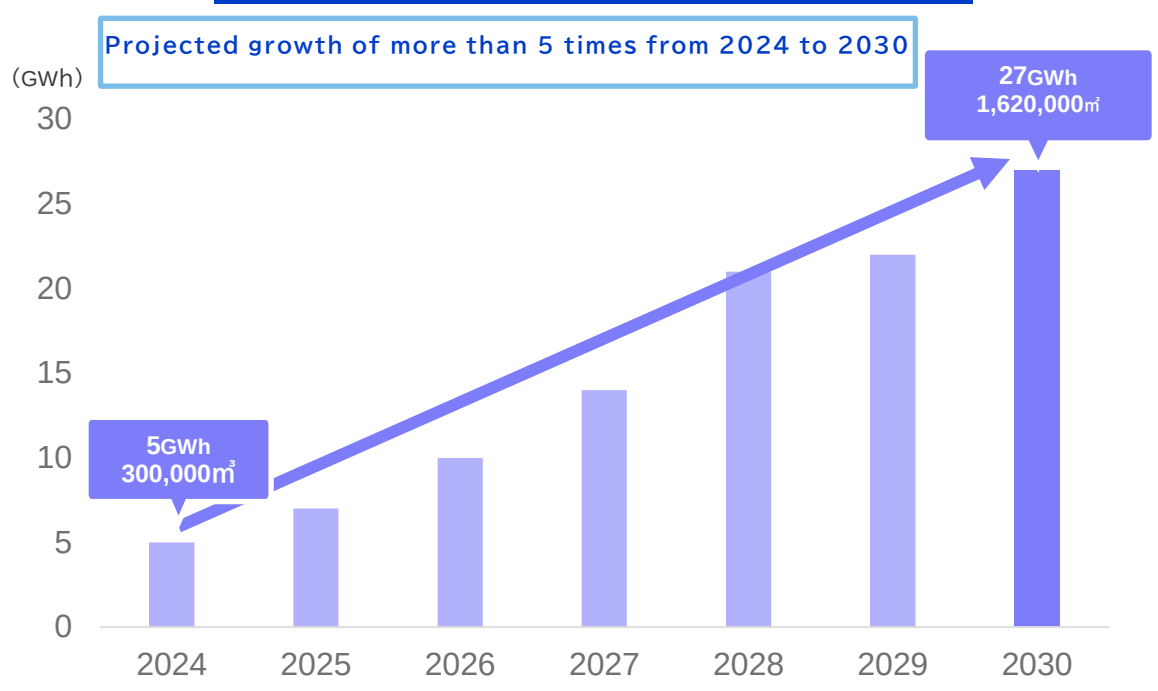
Global Storage Battery Market Forecast

- **Demand for "stationary storage batteries" for adjusting power supply and demand is increasing against the background of the expansion of renewable energy markets such as solar and wind power.**
- **Compared to lithium batteries, which currently dominate the storage battery market, VRFBs have features such as "safety" and "long life“, so a certain market share is expected to be maintained.**

Stationary Storage Batteries Forecast



VRFB Market Forecast

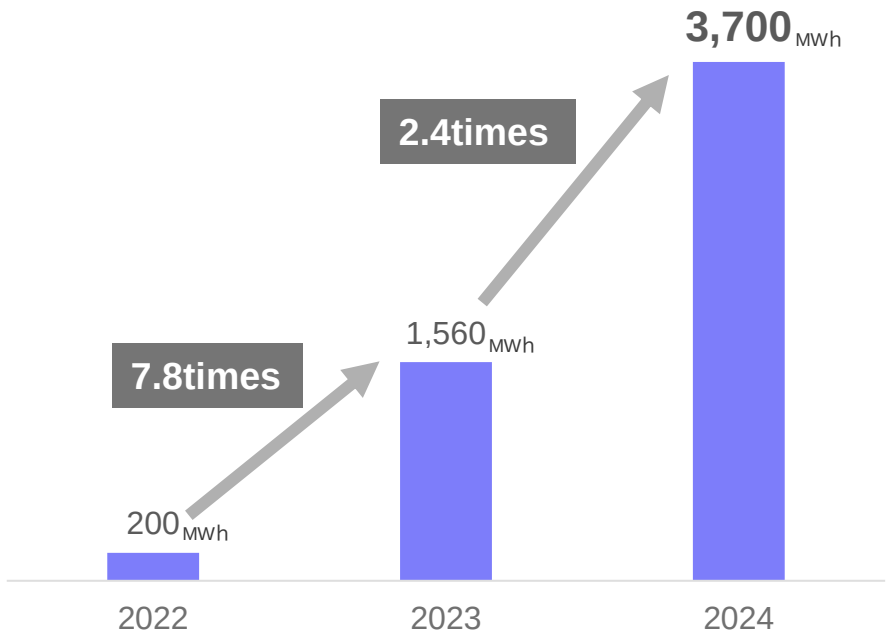


出所：世界銀行/国際復興銀行資料（BNEF、国際エネルギー機関、InteractAnalysis、WEFに基づく）

LE System（Business Strategy in China）

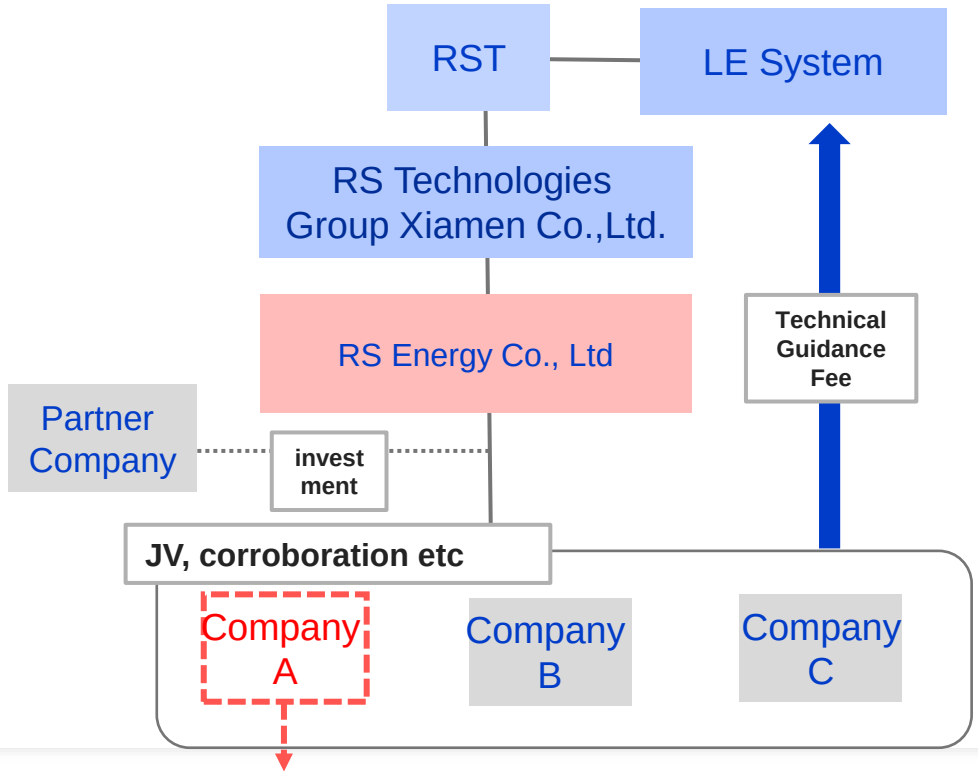
- RS Energy Co., Ltd. is scheduled to be established in May 2025 as a subsidiary company related to energy in China.
- RS Energy Co., Ltd will promote collaboration and joint ventures with partner companies and consider building a manufacturing plant in China, the largest market for redox flow batteries. ⇒ the cost for this will be about 1.5 billion JPY.

Chinese Market VRFB Electrolyte Bidding Trends



The number of bids increased significantly year by year
Plans to start mass production in China by 2026

Business Strategy in China



The company has decided to build the first manufacturing facility in China in Dezhou, Shandong Province (Dezhou Plant). Aiming for mass production by the end of 2026

LE System（Business Strategy in Japan）

- **The Namie Plant in Fukushima will continue to manufacture and sell VRFB electrolytes and ship them to Japan and overseas.**
- **In addition to the VRFB electrolytes business, we can offer customers everything from power cost optimization to power storage plant construction which functions as a total solution provider, offering one-stop services.**

【VRFB Electrolyte Business】

LE System Namie Plant

Cell Manufacturers in Japan and overseas

System sales of electrolytes and cells to power plants in Japan, Europe, North America and Asia

【Grid-connected battery business】

- ✓ Site development
- ✓ Storage systems/power sales
- ✓ Electrolyte sales
- ✓ Storage business operations
- ✓ Power cost optimization consulting

Notice of Acquisition of Sony Precision Devices (Huizhou) Co., Ltd.

- The plan to make Sony Precision Devices (Huizhou) Co., Ltd. a subsidiary on December, 2024 was disclosed on September 19, 2024)
- In addition to the existing optical pickup module business, a automotive camera module business will be launched to further expand the business
- Expect to expand sales channels by leveraging our company's strength in the Chinese market

<Overview of Sony Precision Devices (Huizhou) Co., Ltd.>

Name	Sony Precision Devices (Huizhou) Co., Ltd.
Established	November 20, 1995
Capital	CNY 555 million
Business	Manufacturing and sales of optical pickup and automotive camera modules
Location	No. 9 and No.11 Huifeng East 1st Road, Huihuan Street, Zhongkai High-tech Zone, Huizhou, Guangdong, 516006 P.R.C.

Company Profile

04

Company Profile

- **Top company in the reclaimed wafer business with a global market share of 33%** * 1
- **Entered the prime wafer business through a joint venture with a Chinese central company** * 2
- **Expand business into areas where business synergies can be expected through M & A**

Company name	**RS Technologies, Co.,Ltd.**
Establishment	**December 10, 2010**
Management Philosophy	**“Respect the global environment, earn the trust of people, be creative and challenge ourselves”**
Business Profile	• Reclaiming silicon wafers • Manufacturing and sales of prime slicon wafers • Manufacturing and sales of consumable materials for semiconductor manufacturing equipment • Sales of scanning acoustic tomograph (SAT) • Sales of electronic components
Head office	**NT Building 1-47-1 Ohi, Shinagawa-ku, Tokyo, JAPAN**
Manufacturing Facilities	**Miyagi, Ibaraki, Taiwan (Tainan), China (Dezhou),Fukushima**
Capital	**5,701 million yen (as of the end of December 2024)**
President and CEO	**Nagayoshi Ho**

*1 Estimated by our company based on SEMI data
*2 State-owned enterprises subject to management and supervision by the central government
*3 As of the end of December 2023

Major Consolidated subsidiaries

GRINM Semiconductor Material Co., Ltd. GRITEK (Beijing)	Registered Capital	RMB 1 billion
	Investment ratio	40.21%※3
	Listed	Shanghai Stock Exchange STAR market
RSTEC Semiconductor Taiwan Co., Ltd. (Taiwan)	Capital	NT $300 million
	Investment ratio	100%
DG Technologies Co., Ltd. (Japan)	Capital	100 million yen
	Investment ratio	100%
Union Electronics Solutions Co., Ltd. (Japan)	Capital	27 million yen
	Investment ratio	100%
LE System Co., Ltd (Japan)	Capital	30 million yen
	Investment ratio	100%

History

- **Since its establishment, RST has firmly established itself as the world's leading company in the reclaimed wafer business. In 2018, RST became a comprehensive wafer manufacturer by making a major Chinese prime wafer manufacturer a consolidated subsidiary.**

2010	Dec.	RS Technologies Co., Ltd. was established with the main business of reclaimed wafer.	Reclaimed
2014	Feb.	Established RSTEC Semiconductor Taiwan Co., Ltd. (consolidated subsidiary) in Taiwan	Reclaimed
2015	Mar.	Listed on Tokyo Stock Exchange “Mothers Market”	
2016	Sep.	RST transferred to “the First Section” of the Tokyo Stock Exchange	
2018	Jan.	Chinese prime wafer manufacturer, GRINM Semiconductor Material Co., Ltd. (GRITEK) became a consolidated subsidiary of RST	Prime
2018	May	Acquired 100% shares of Union Electronics Solution Co., Ltd.	Semi
2018	Aug.	Established Shandong GRIMN Semiconductor Materials Co., Ltd. (Shandong GRITEK), A consolidated subsidiary of GRITEK.	Prime
2019	Jan.	Acquired 100% shares of DG Technologies Co., Ltd.	Semi
2020	Feb.	Established Shanghai Union Semiconductor Co., Ltd. (Shanghai Union)	Semi
2022	Apr.	Transferred from the First Section of the Tokyo Stock Exchange to the “Prime Market” Establishment of Nomination and Compensation Committee	
2022	Nov.	GRITEK listed on Shanghai Stock Exchange (STAR market)	Prime
2023	Dec.	Established LE System Co.,Ltd, manufacturer of electrolyte for vanadium redox flow batteries (VRFB)	Energy
2024	Dec.	Established RS Precision Devices (Huizhou) Co., Ltd. (RSPDH), manufacturer of optical pickup	Semi

Reclaimed Reclaimed Wafer Business

Prime Prime Wafer Business

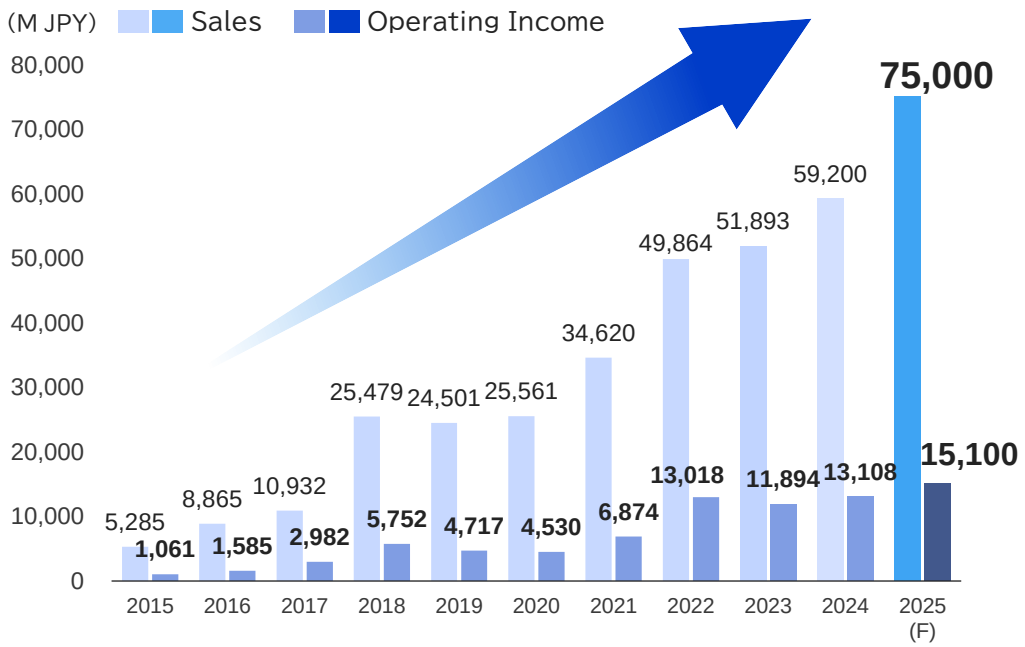
Semi Semiconductor-related Equipment and Materials Business

Energy Renewable energy related

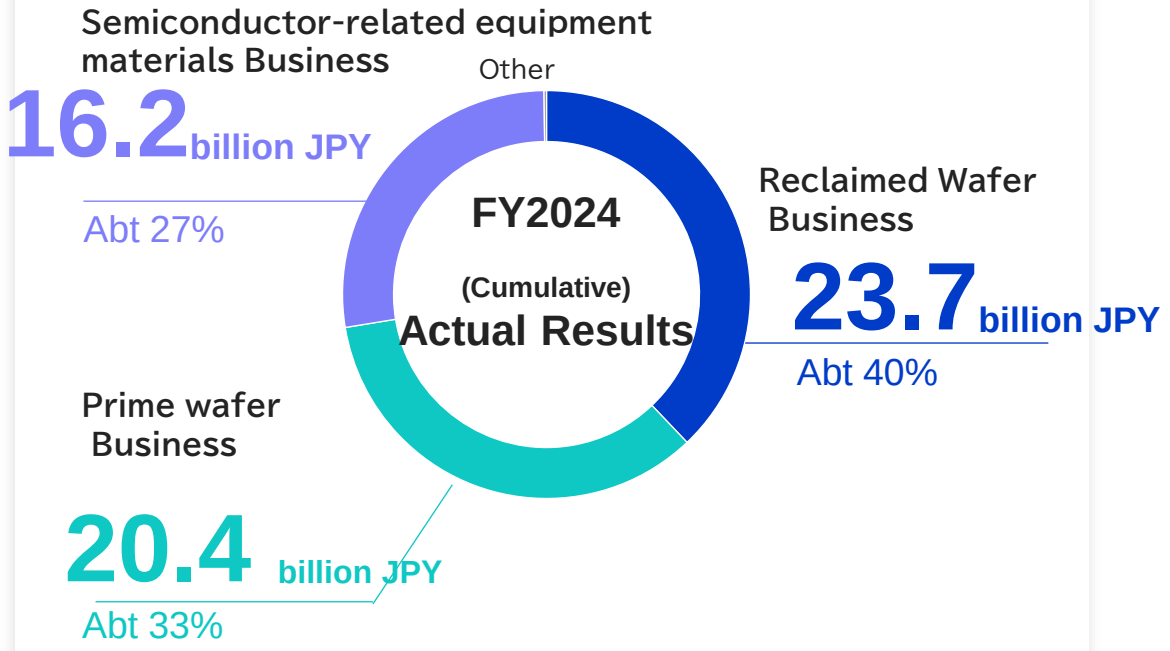
Current RS Technologies

- RST became comprehensive wafer manufacturers with the Reclaimed Wafer Business and Prime Wafer Business
- Expansion of business areas as Semiconductor-related equipment and materials Business
- No1 in global market share in reclaimed wafer business, and development of prime wafer business mainly in China

Consolidated net sales and operating income



Net sales by segment

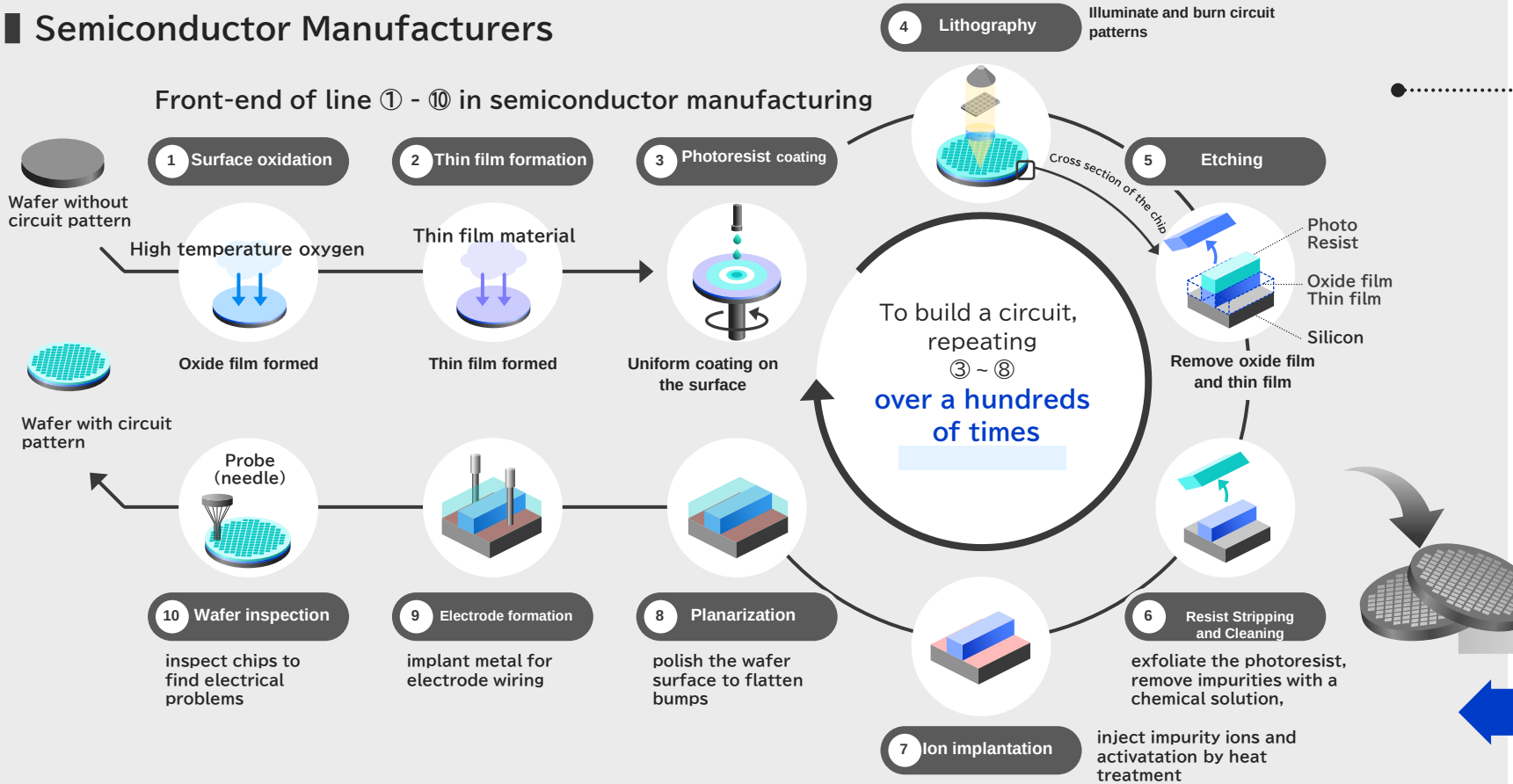


What Reclaimed Wafer is

- **Reclaimed wafers are wafers that have been reclaimed from test wafers used in the process of semiconductor manufacturing.**
- **Reclaimed wafers are used repeatedly by our customer. With our technology, RST can reclaim test wafers more than 10 times, helping to reduce costs for our customers, semiconductor manufacturers and executing eco-friendtly business model.**

Semiconductor Manufacturers

Front-end of line ① - ⑩ in semiconductor manufacturing



RS Technologies (RST)

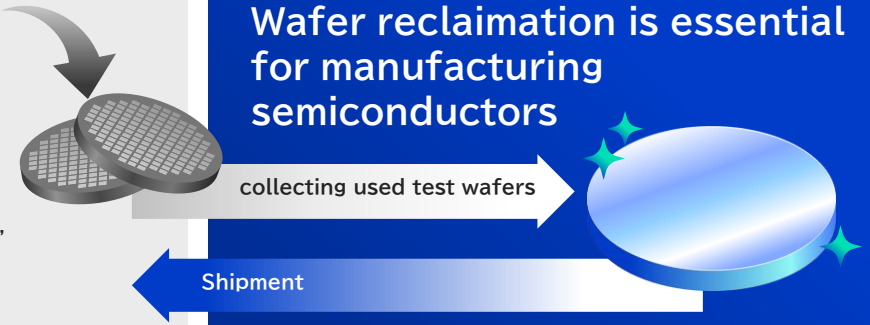
Used in **almost all processes**

- Monitor Wafer
  - (application: process and processing accuracy evaluation)
- Dummy Wafer
  - (application: precision processing stability improvement)

RST **reclaims** the used test wafers for and returns to semiconductor manufacturers

Wafer Reclamation

Wafer reclaimation is essential for manufacturing semiconductors



Reclaim customer's assets

Wafer Reclaimed Business

- **Achieve continued growth as a global supplier in the reclaimed wafer industry**

Market Characteristics

Continued growth in the semiconductor industry

The global semiconductor market size was 2023 to 2030 and grew at a CAGR of about 10% in 2030.
It is projected to reach **US $1 trillion** *1

*1 Source: "Semiconductor Market Forecast" by SEMI Japan

Resilient to economic fluctuations

- Used by various applications such as the start-up of semiconductor manufacturing equipment
- When customers become more cost-conscious during a recession,
the amount of Reclaimed wafers' input increases

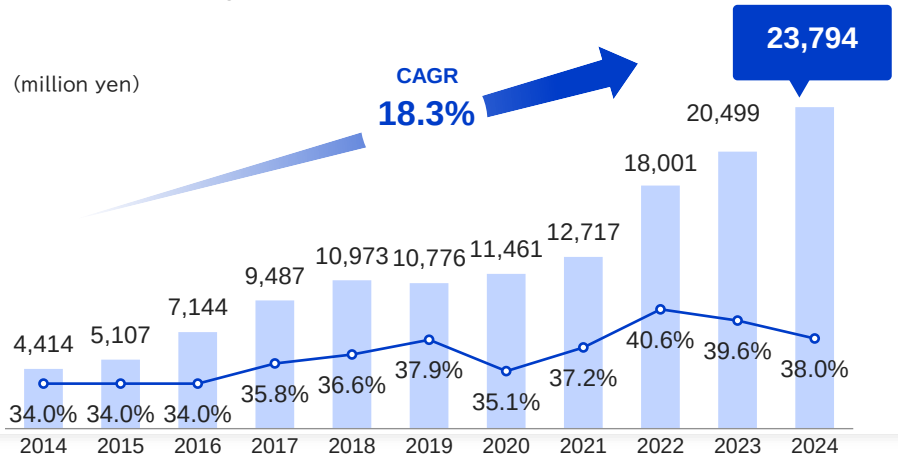
⇒ **Less susceptible to the silicon cycle**

The reclaimed wafer business is expcted to grow more in the future

Results

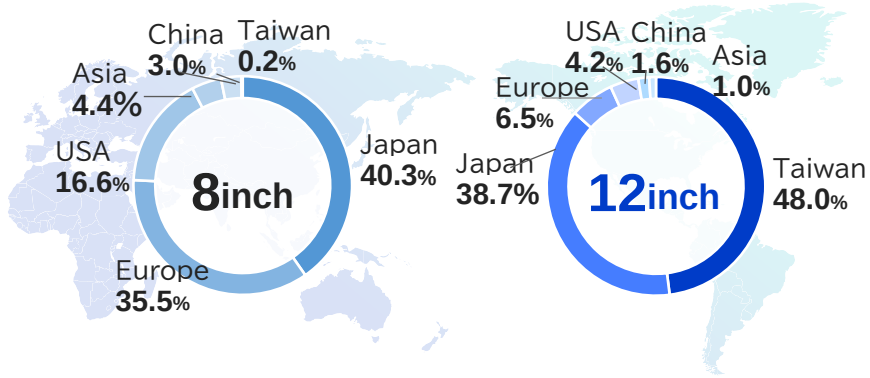
Performance Trends (Reclaimed Wafer Business)

- Achieve significant growth by expanding production capacity and increasing the manufacturing sites



Shipping Regions

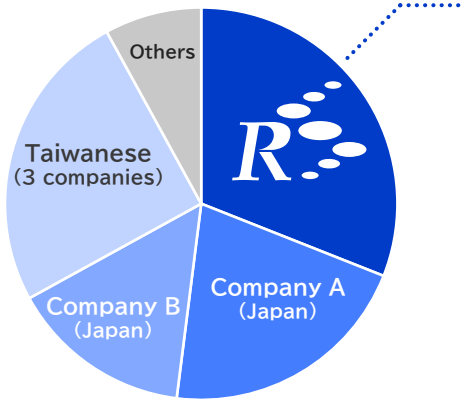
Securing a wide range of shipping destinations in Japan, Taiwan, Europe and North America



RS Technologies' market share in reclaimed wafer market

Increasing market share in the reclaimed wafer

Market share in the 12 inch regeneration market



RS Technologies

Due to the new construction and expansion of Sanbongi in Taiwan, production capacity increased, and the current market share rose to about 33%.

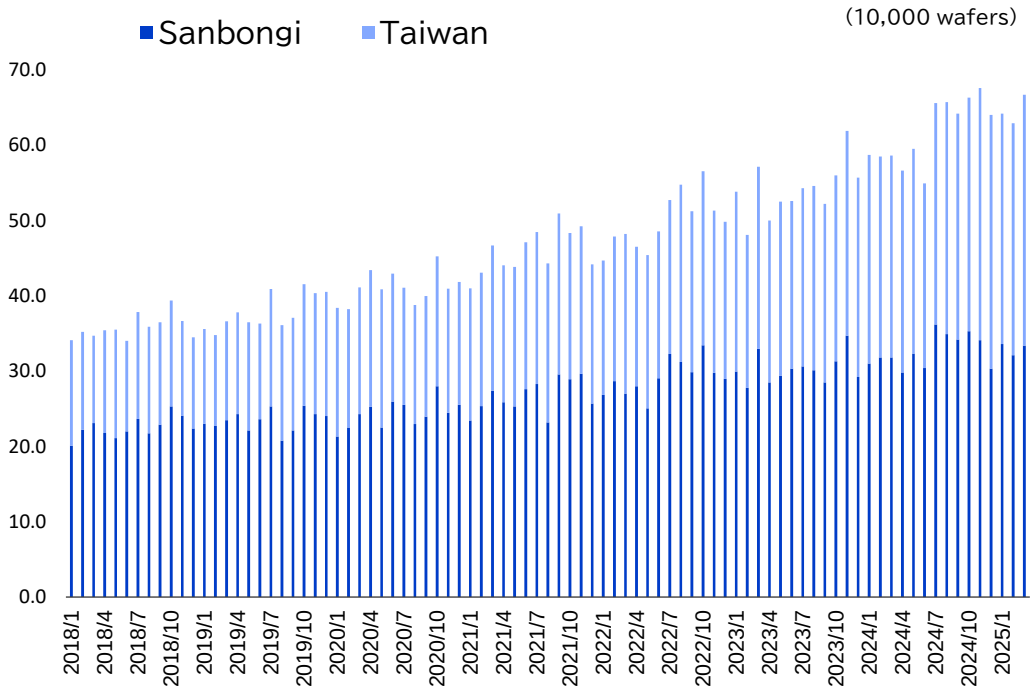
By further increasing production capacity through existing facilities at both factories, using an empty factory in Sanbongi, and using business tie-ups and M & As, etc.
RST aims to increase market share.

Year	Second half of 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
RST capacity	240k	280k	300k	340k	400k	420k	460k	550k	590k	630k
Market Share	24%	29%	30%	31%	33%	33%	33%	33%	33%	33%

Estimated in our company based on SEMI data

Shipments at the Sanbongi Plant and Taiwan Plant

Trends in the number of 12 inch wafers shipped at the Sanbongi Plant and Taiwan Plant



Reclaimed Wafer Business (1)

clean room

- Customer follow-up
- Reciept
- Primary Inspection
- Stripping/Etching
- Pre-sort Inspection
- Polishing
- Primary Cleaning (Primary Inspection)
- Secondary Cleaning
- Final Inspection/Packing
- Shipping

RST's Strengths

01

Identify exact needs through direct sales system

Communicate directly with all customers
Make it possible to reduce SGA cost by handling only from Tokyo headquarters

02

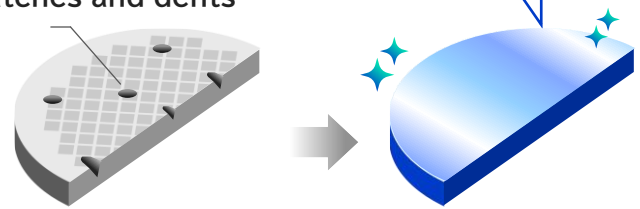
Strip off all filims

Due to chemical treatment, surface damage is minimized

Increase the number of reclamation

More cost reduction possible

Inherited original technology from Lasa Industries



Smooth scratches and irregularities on the surface by polishing (polishing).

03

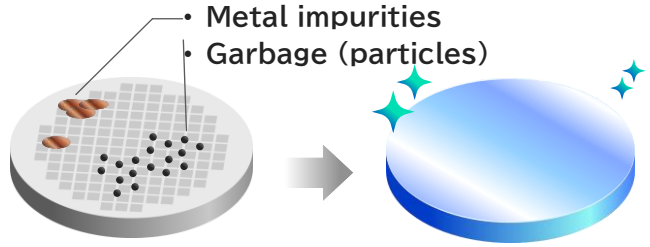
Remove metal impurities

Remove fine dust and dirt from wafer surface by cleaning

+

Removal of metal impurities

Especially, strong in decontamination and removal of copper (Cu)

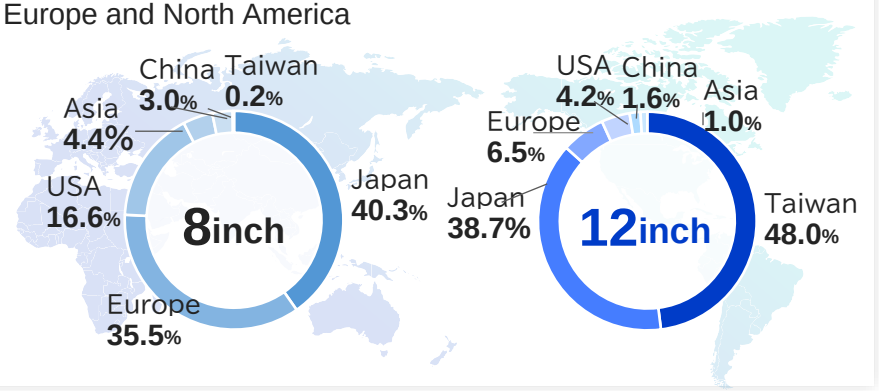


Shipment of Reclaimed Wafer

- **The Taiwan plant meets the demand of major Taiwanese foundry manufacturers, while the Sanbongi plant meets the demand of all countries except Taiwan.**
- **Applications are distributed in CMOS, logic, memory, and power to hedge risk.**

Shipping Regions

Securing a wide range of shipping destinations in Japan, Taiwan, Europe and North America

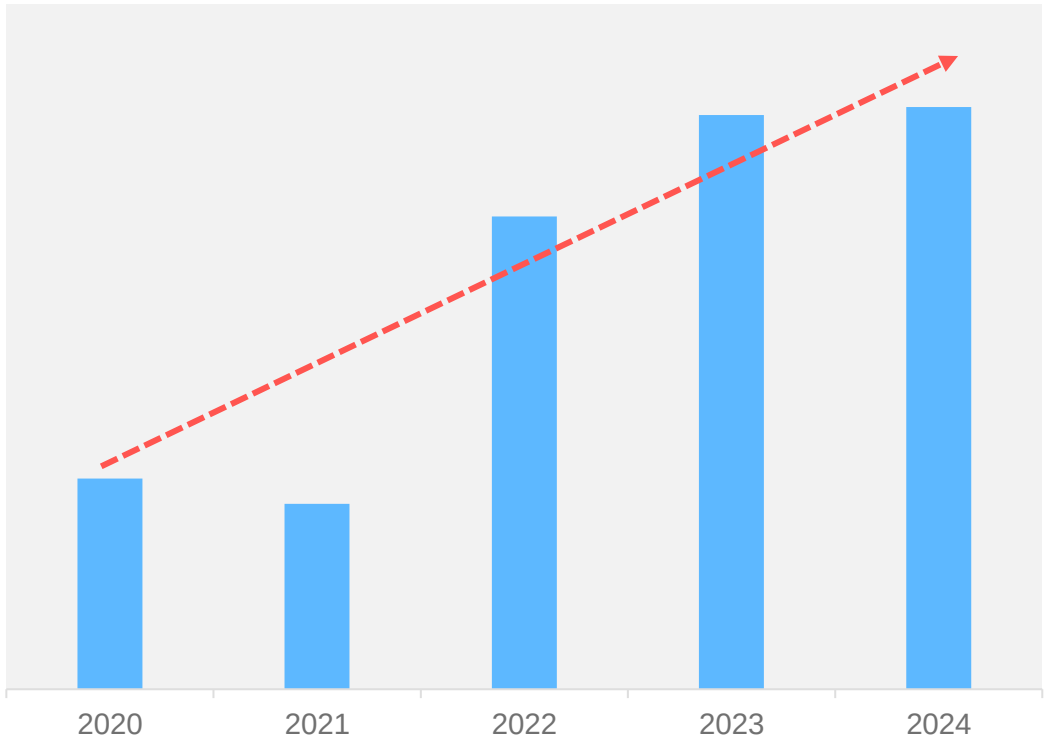


12inch shipping regions

	2020	2021	2022	2023	2024
Japan	32.6%	34.0%	35.4%	26.4%	38.7%
Taiwan	40.4%	47.0%	47.7%	53.2%	48.0%
USA	13.3%	4.5%	2.8%	4.9%	4.2%
Europe	6.1%	6.3%	7.4%	11.8%	6.5%
Asia	7.7%	8.0%	7.0%	4.0%	2.5%

RS Taiwan Sales for Main Customer (Major Taiwanese Foundry)

Sales increased approximately 2.8 times in 5 years



Demand for Reclaimed Wafers: New 12 inch semiconductor Plants

- In the global market, new 12 inch semiconductor plants are under construction in China, Europe, the United States and Japan.
- RST meets new demand for reclaimed wafers through capital investment in Japan, Taiwan and China.

Note:RST Survey

Sales Structures

- **The ratio of reclaimed wafers and sales wafers in the segment continued to be around 7:3.**
- **Sales of sales wafers increased in 2024 due to orders from new customers.**

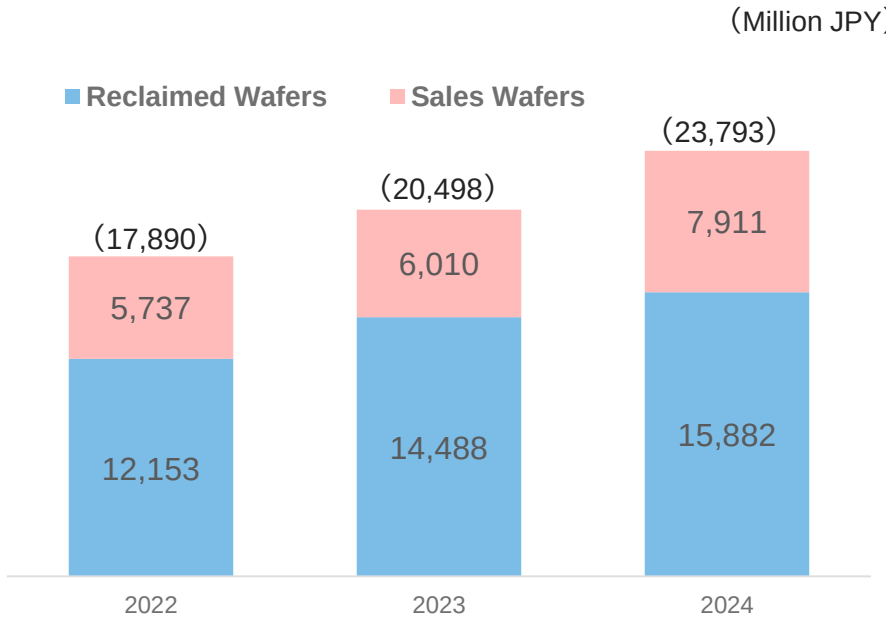
Earnings Structure

Sales of Wafer Reclaimed Business

Reclaimed Wafers	Sales Wafers
(Processing unit price x number of shipments) We receive used test wafers from semiconductor factories. We polish, clean and return them to the same factory.	(Unit selling price x number of units sold) Spec-out test wafers are purchased from the market and polished by RST. RST sells as new test wafers to semiconductor factories in demand.

After sales wafers (new test wafers) are used, they are recycled at RST and used repeatedly as reclaimed wafers.

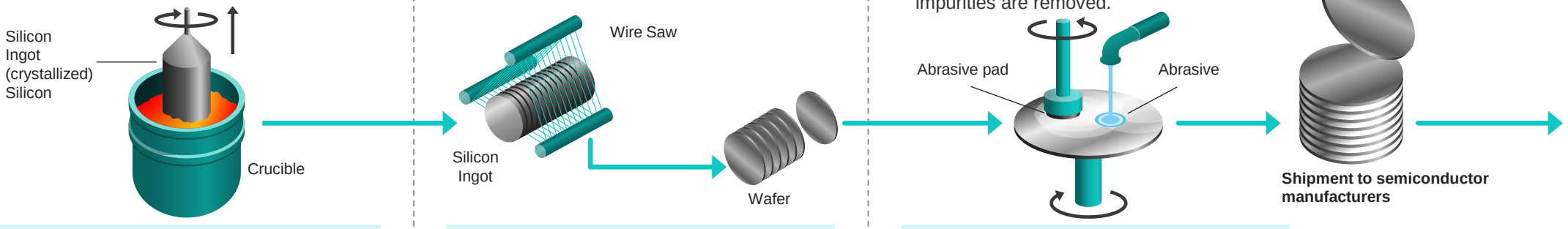
Breakdown of Sales



Business Profile (3/5 Prime Wafer)

- **A prime wafer is a silicon wafer that is a substrate material for semiconductors and used for semiconductor chips.**
- **Made from 99.999999999% silicon, it has the highest flatness of any material currently on Earth.**

	① Silicon ingot raising	② Silicon ingot cutting	③ Wafer polishing
Manufacturing process	Crystallized in crucible Silicon is pulled up while rotating	Sliced, using a wire saw and cut into disk-shaped wafers	By polishing the surface of the wafer, distortion and scratches are corrected and impurities are removed.
Point	By controlling mixture, temperature, pulling speed, etc., **high purity and defect-free single crystals can be formed**	From a single crystal, how many **high-quality wafers is sliced**	To go through advanced processing steps, **ultra-flat, ultra-clean wafers** can be manufactured



All processes require very high crystal and polishing techniques

Market

The silicon wafer market is more than 2 trillion JPY and will expand further in the future.

Expansion into the Prime Wafer business

- **With a Chinese central company *1 ,GRINM, GRINM Semiconductor Material Co., Ltd (GRITEK) *2 was established.**

Ingot Pulling
Slicing
Wrapping
Etching
Polishing
Primary Cleaning (Primary Inspection)
Secondary Cleaning
Final Inspection/Packing
Shipment

Clean Room

Synergistic between RST and GRITEK

*(1) State-owned enterprises subject to management and supervision by the central government
*(2) Current status: Riken Semiconductor Silicone Material Co., Ltd.

Strengths

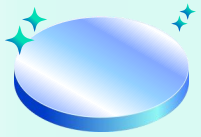
01 GRITEK's technological capabilities

02 Benefit from China's semiconductor policy

03 RST's global sales network to sell to global customers

04 Utilizing RST reclaimed technology

With more than 30 years of knowledge and insight from RST



有研科技集团有限公司(Grinm)

Founded in 1952, China's largest state-owned research institute in the field of nonferrous metals
About 2,000 researchers are employed out of about 4,100 employees.

Business (4/5 Prime Wafer Business in RST)

- **In 2018, the company entered the industry through a joint venture with China's largest state-owned research institute in the field of nonferrous metals, GRINM as a consolidated subsidiary, GRINM Semiconductor Material Co., Ltd.(GRITEK)** * 1.
- **Construction of a flagship plant for prime wafers in Shandong Province, China**

Strengths of GRITEK

High Technological Capability

Poroviding high quality products in China through collaboration with GRINM

Business synergies with our core business

In polishing, cleaning and inspection,our know-how from the reclaimed wafer business is applied

Market advantage

By taking advantage of the GRINM group's sales channels,we gain an advantage in Chinese market

Strategic market selection

Focusing on investment in volume zones with a large number of shipments (low to middle end)

Progress

Establish a global quality mass-production line

8 Inch → Production capacity reaches to 130,000 wafers per month → **12 Inch**

- Completion of flagship plant
- Joint venture with Dezhou Municipal Government Fund
- Production capacity of 60,000 wafers per month

Action Plan

Expand production capacity through capital investment

Strengthen sales promotion activities by taking advantage of customer network in the reclaimed wafer business

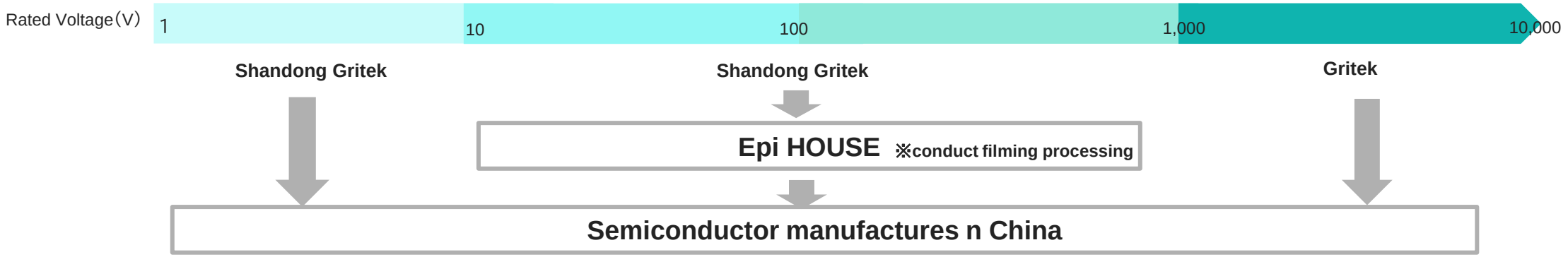
Aim for a global market through the use of mergers and acquisitions

*(1) Current: Aiken Semiconductor Silicone Materials Co., Ltd.

Image of 8-inch Prime Wafer Commercial Flow and Sales Structures

- **Gritek continues to enjoy high profit margins due to its strength in a niche segment in the prime wafer market**
- **Demand for power semiconductors is on the rise thanks to subsidies for the purchase of home appliances, one of the Chinese government's efforts to revitalize the economy.**

■**Key Commercial Flow Images of Gritek 8-inch Wafers**



■**Application**

MCU

Onboard
Power
Cell Phone
Laptop
Battery Power

Electric equipment for automobile

HDD

communication equipment power supply

On-board (IGBT, other power applications)

Solar Inverter
Inverter Air Conditioner

Power Adapter

Industrial equipment machine tools, welding machines, etc.）

Train, Bullet Train

Power Grid

Gritek 8 inch Wafer Sales (Fiscal Year Ended December 2024)

abt 35%

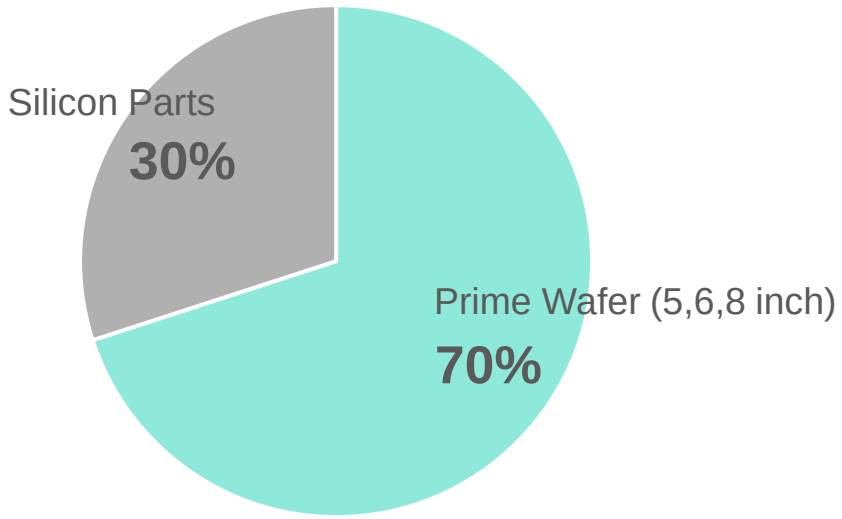
abt 60%

abt 5%

Sales Structures

- **The ratio of prime wafers increased from 2024 on the back of the recovery trend in the Chinese semiconductor market.**

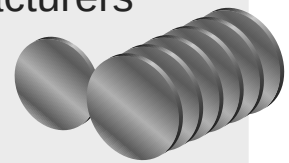
Sales Structure of Prime Wafer Business



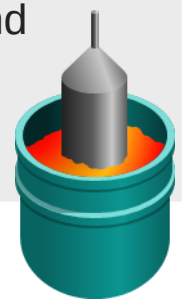
（FY2024 Actual ）

Products

■Prime Wafers (5, 6, and 8 inches)
・Sold to Epi HOUSE and semiconductor manufacturers mainly in China



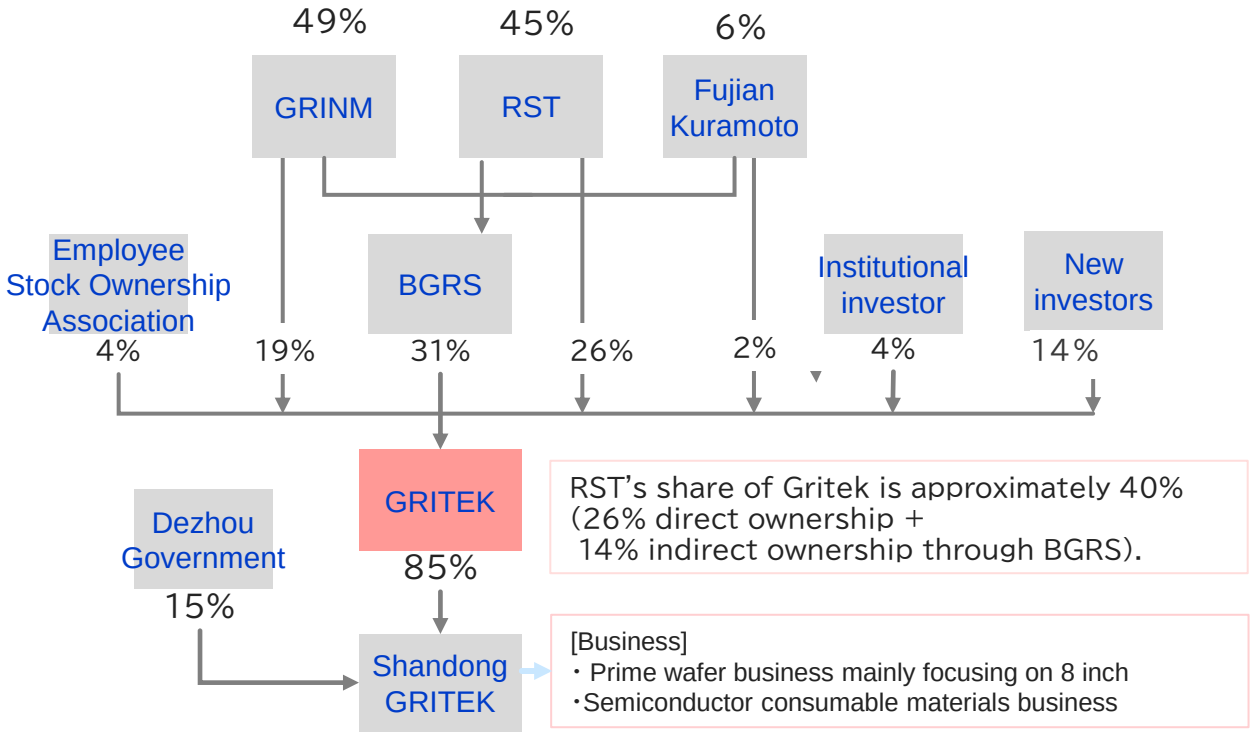
■Silicon Parts (for consumable parts of etching equipment)
・Sold to global processing manufacturers
(End users are etching equipment manufacturers and semiconductor factories)



Business scheme to invest in the prime wafer business

- **GRITEK is listed on the Shanghai Stock Exchange, STAR Market (SHA: 688432).**
- **The below risk-controlled model involving a Chinese sovereign wealth funds**

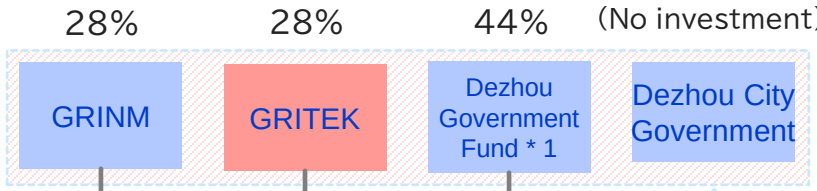
8 inch prime wafer business scheme



RST's share of Gritek is approximately 40%
(26% direct ownership +
14% indirect ownership through BGRS).

[Business]
・Prime wafer business mainly focusing on 8 inch
・Semiconductor consumable materials business

12 inch prime wafer business scheme * 1



[Business]
・12 inch prime wafer business
(Production, sales and development)
・12 inch reclaimed wafer business

[Summary of the Joint Venture Agreement]
・The joint venture agreement is concluded between the four parties.
・The Dezhou city government provides financial support such as infrastructure .

※1 Dezhou Huida Semiconductor Equity Investment Fund Partnership

As of End of March, 2025

Business (5/5 Semiconductor-related equipment and materials Business)

- **Manufacture of silicon and quartz consumables for semiconductor manufacturing equipment and sales of scanning acoustic tomograph (SAT), laser diode and electronic components**

	Manufacturing and sales functions	Trading company functions
Business Entity	•**DG Technologies Co., Ltd.** (subsidiary) •**LE System Co., Ltd** (subsidiary) •**RS Precision Device Huizhou** (subsidiary)	•**RS Technologies Co., Ltd.** •**Union Electronics Solutions Co., Ltd.** (subsidiary)
Overview	Utilizing precision processing technologies for silicon and quartz **Manufacture and sale of consumable materials for semiconductor manufacturing equipment**  (LE System) Manufacture and sale of vanadium redox flow electrolytes Overall energy solution business including energy storage business  (RS Precision Device Huizhou (RSPDH)) Manufacture and sales of optical pickup modules and in-vehicle camera modules 	**Sales of the latest products on behalf of overseas markets**  **Laser Diode (Sharp)**  **Ultrasonic Imaging System (Hitachi)**
Action Plan	**Focuses on quartz glass and monocrystalline and polycrystalline silicon products** Expand sales channels by utilizing global network Continue R & D to enhance product superiority **Sell products globally with competitive edge**	Expand product lineup Expand sales area **Expanding sales and customer segment**

Regional strategies

Japan, North America and Europe

Sanbongi Factory (Japan's flagship factory) **covers mainly North America, Europe and Japan**

Wafer Reclaimed Business:
Tariff Impact Due to Change of Government in the United States

Strategy to avoid the impact of U.S.-China trade friction

China

Prime wafers at present is sold mainly in China

Taiwan

Taiwan plant covers Semiconductor foundry companies based in in Taiwan

Board of Directors

- **In March 2022, we changed our organizational structure to a company with an audit and supervisory committee to strengthen our governance structure**

Directors

Nagayoshi Ho
CEO

1998: founded Eiki Shoji Co., Ltd
2010: RS Technologies's CEO(current)
CEO of DG Technologies,
Chairperson of subsidiaries in Taiwan and China

Satoru Endo
Director
CEO (Manufacturing/ Engineering)

1991: Rasa Industries
2011: RS Technologies (RST)
2017: RST's director (current)
DG Technologies' director
Chairperson of subsidiaries in Taiwan and China

Issei Osawa
Director

2006: Eiki Shoji
2012: RS Technologies (RST)
2023: RST's director(current)
CEO of LE System

Kiyohide Tomatsu
Director/Senior Executive Officer/CSO/CAO

2020: Kiraboshi Bank
2023: RS Technologies (RST)
2024: RST's director(current)
Chairperson of RSPDH

Independent Outside Director

Taro Izawa
Director

1981: TOPPAN
2024: RST's director(current)

Hiroyuki Kanamori
Director, Audit and Supervisory Committee Member

1988: Asahi Shinwa (currently KPMG Azsa)
2022: RST's director (current)
President of Kanamori Certified Public Accountants Office
Representative of Minato Certified Public Accountants Joint Office
Outside Director of a listed company

Natsuko Shimizu
Director, Audit and Supervisory Committee Member

2005: attorney registration
2022: RST's director(current)
Established Shimizu-Aragaki Law Offices Joint counsel
Outside director of a listed company

Cuiping Zhang
Director, Audit and Supervisory Committee Member

2004: attorney registration in China
2011: Registered Foreign Lawyer (Chinese Law)
Nishimura & Asahi Partner of Foreign Law Joint Enterprise
2022: RST's director(current)

Strengths of Nagayoshi Ho

- President and CEO, Nagayoshi Ho has used the knowledge accumulated in Japan for more than 20 years. His strength includes **ability to sell, network, partner and fund globally**
- He has assembled a team of professionals from a broad range of fields, including advanced technology and finance.

Nagayoshi Ho

- Born in 1970 in Fujian Province, China
- Josai International University : Ph.D in Business Administration
- 1998: He established Eiki Shoji Co.,Ltd
- 2010: He established RS Technologies Co.,Ltd
- Naturalized in Japan in 2014

Specialty

M & A, Business Alliance

Favorite Maxim

Where there is a will, there is a way

Note

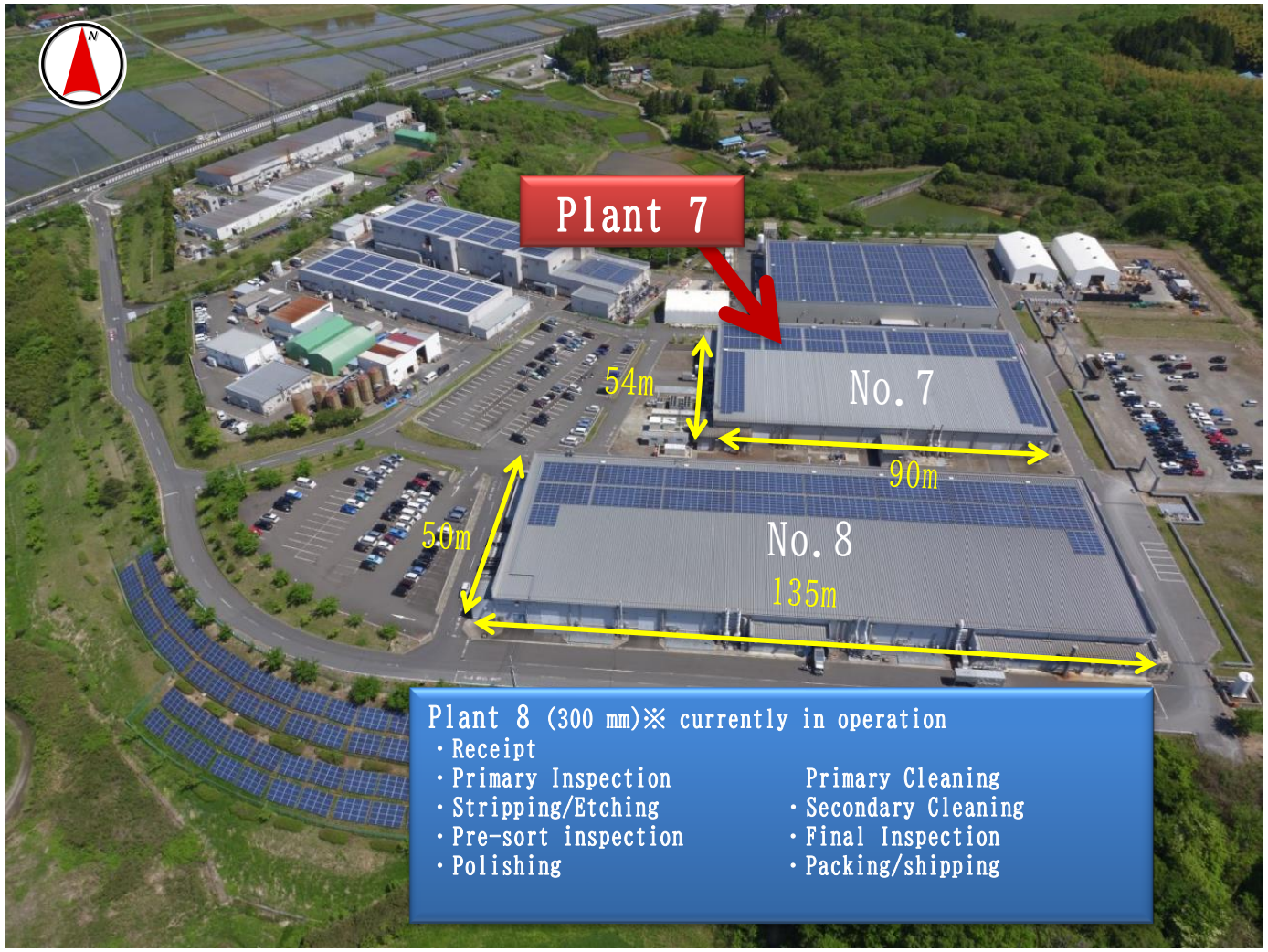
- He came to Japan after graduating from high school. He has invested in various industries such as fund, trade, hotel, IT, and agriculture in addition to semiconductor business.
- Based on his belief that "Japan's manufacturing is the best in the world," he has been traveling around the world to spread his belief.

Appendix

05

Sanbongi Plant (RS Technologies, Reclaimed Wafer Business)

- Jan. 2011: Started operations of Sanbongi Factory Plant
- With the acceleration of growth in semiconductor market, Plant 7 will re-start operations to meet the growing demand.
- Mass production at Plant 7 is scheduled to begin in fiscal 2027.



Company name	RS Technologies, Co.,Ltd.
Establishment	December 2010
Product	5, 6, 8, 12 inch Reclaimed Wafer
Production capacity	8 inch : 150,000 wafers per month 12 inch : 320,000 wafers per month Plant 7 Capital Investment Plan 2027: 100,000 wafers per month 2028: 40,000 wafers per month 2029: 30,000 wafers per month
Address	Osaki City, Miyagi Prefecture, Japan
Certification	ISO9001, ISO14001

Taiwan Plant (RSTW, Reclaimed Wafer Business)

- **Dec. 2015: Production commenced at RSTEC Semiconductor Taiwan Co., Ltd. (RSTW).**

Company name	RSTEC Semiconductor Taiwan Co., Ltd
Establishment	December 2015
Product	12 inch Reclaimed Wafer
Production capacity	12 inch: 270,000 wafers per month
Address	Tainan, Taiwan
Certification	ISO9001, ISO14001

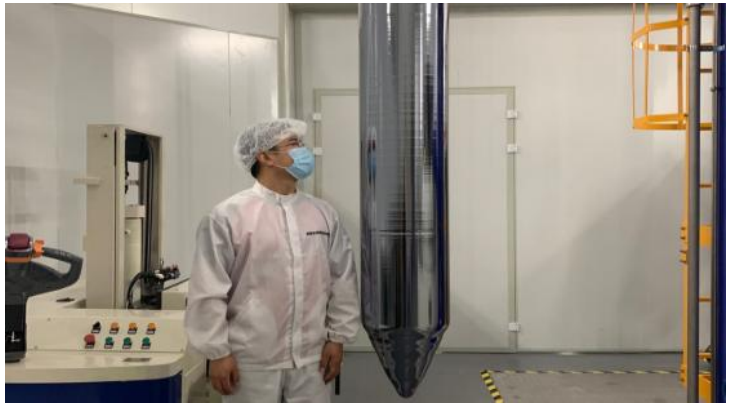
Dezhou Plant (Shandong GRITEK, 8-inch Prime Wafer Business)

- Aug. 2018: Shandong GRITEK Co.,LtdShandong GRITEK, a consolidated subsidiary of GRITEK) was established.
- Oct. 2020: The Dezhou plant started prime wafer production.

Company name	Shandong GRITEK Co., Ltd.
Establishment	October 2020
Product	5,6,8 inch Prime Wafer
Production capacity	5 inch: 50,000 wafers per month 6 inch: 200,000 wafers per month 8 inch: 180,000 wafers per month
Address	Dezhou city, Shandong, China
Certification	ISO9001, ISO14001

SGRS Research and Development Center (SGRS, 12 inch Prime Wafer Business)

- **Mar. 2020, GRINM RS Semiconductor Materials Co., Ltd. (SGRS) was established.**
- **In 2021, R&D line for 12 inch prime wafer (10,000 wafers per month) was established.**



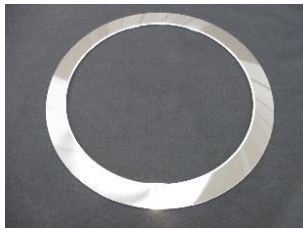
Company name	GRINM RS Semiconductor Materials Co., Ltd.
Establishment	March 2020
Products	① 12 inch Prime Wafer ② 12 inch Reclaimed Wafer
Production capacity	① 50,000 wafers per month 10,000 wafers per month (R&D line) ② 50,000 wafers per month
Address	-Dezhou, Shandong, China -Beijing, China

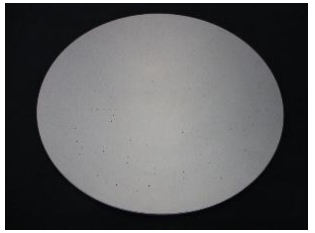
Kamisu Plant and Kurihara Plant (DG Technologies)

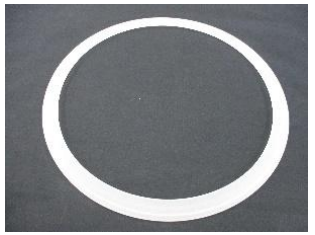
- **In January 2019, DG Technologies became a consolidated subsidiary of RS Technologies.**
- **To meet growing demand, DG Technologies increases production through capital investment and the improvement of productivity.**

Company Name	DG Technologies Co., Ltd.
Commencement of operation	May 2021
Product	For dry etching equipment Consumable member made of quartz and silicon
Address	Kurihara City, Miyagi Prefecture
Certification	ISO9001, ISO14001

Company Name	DG Technologies Co., Ltd.
Establishment	October 1981
Product	For dry etching equipment Consumable member made of quartz and silicon
Address	Kamisu City, Ibaraki Prefecture
Certification	ISO9001, ISO14001







Namie Plant (LE System, Renewable Energy Business)

- **In December 2023, RST completely succeeded the electrolyte manufacturing business [*1] of the former LE System.**

*(1) The key technology of the former LE System is technology that originated in Japan, and has received a lot of support including investment by INCJ Co., Ltd. (Public and Private Sector Fund in Japan).

Namie Plant in Namie, Fukushima, Japan (Constructed in 2021)

Office in Tsukuba City, Ibaraki Prefecture
(Constructed in 2013. Technical research/pilot plant)

Company name	LE System Co., Ltd.
Establishment	October 13, 2023 (Business Succession Date: December 2023)
Business Profile	Electrolyte for vanadium redox flow batteries
Production capacity	5,000m3 per year
Location	Namie-machi, Fukushima Prefecture (Plant) Tsukuba City, Ibaraki Prefecture (office)

RS Precision Devices (Huizhou) Co., Ltd.

- **In December 2024, we took over the manufacturing and sales business of optical pickup modules and in-vehicle camera modules through M & A.**

Name	RS Precision Devices (Huizhou) Co., Ltd.
Established	November 20, 1995 (Date of business succession: December 2024)
Business	optical pickup modules and in-vehicle camera modules
Location	Huizhou, Guangdong, China

Year by Year Results

(Million Yen)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sales	3,475	4,566	5,285	8,864	10,932	25,478	24,501	25,561	34,620	49,864	51,893	59,200
Gross profit	1,173	1,820	1,852	2,544	4,252	8,366	7,940	8,681	11,870	18,432	17,413	19,380
SG & A expenses	471	654	791	958	1,269	2,615	3,223	4,151	4,995	5,413	5,519	6,271
Operating income	703	1,166	1,061	1,585	2,982	5,751	4,717	4,530	6,874	13,018	11,894	13,108
Ordinary income	819	1,247	770	1,444	3,159	6,141	5,416	5,252	8,832	15,500	14,921	15,668
Net income (＊1)	525	664	143	861	2,113	3,620	3,035	2,824	3,303	7,739	7,703	9,446
Dividends (yen) (＊2)	-	-	-	10	5	10	15	20	25	35	30	35
Capital investment	338	3,503	4,665	209	95	1,328	4,809	12,409	7,827	5,379	5,999	8,786
Depreciation	87	103	326	682	714	1,298	1,814	1,674	2,942	3,498	3,774	4,199
R&D expenses	1	6	11	85	183	501	449	929	1,308	1,657	1,764	1,647
Number of employees	152	191	265	373	434	1,159	1,277	1,187	1,333	1,533	1,534	2,614

(※1)親会社株主に帰属する当期純利益　(※2)2023年度の配当は2023年1月1日の分割(1/2)後にて表示

Principal financial statements

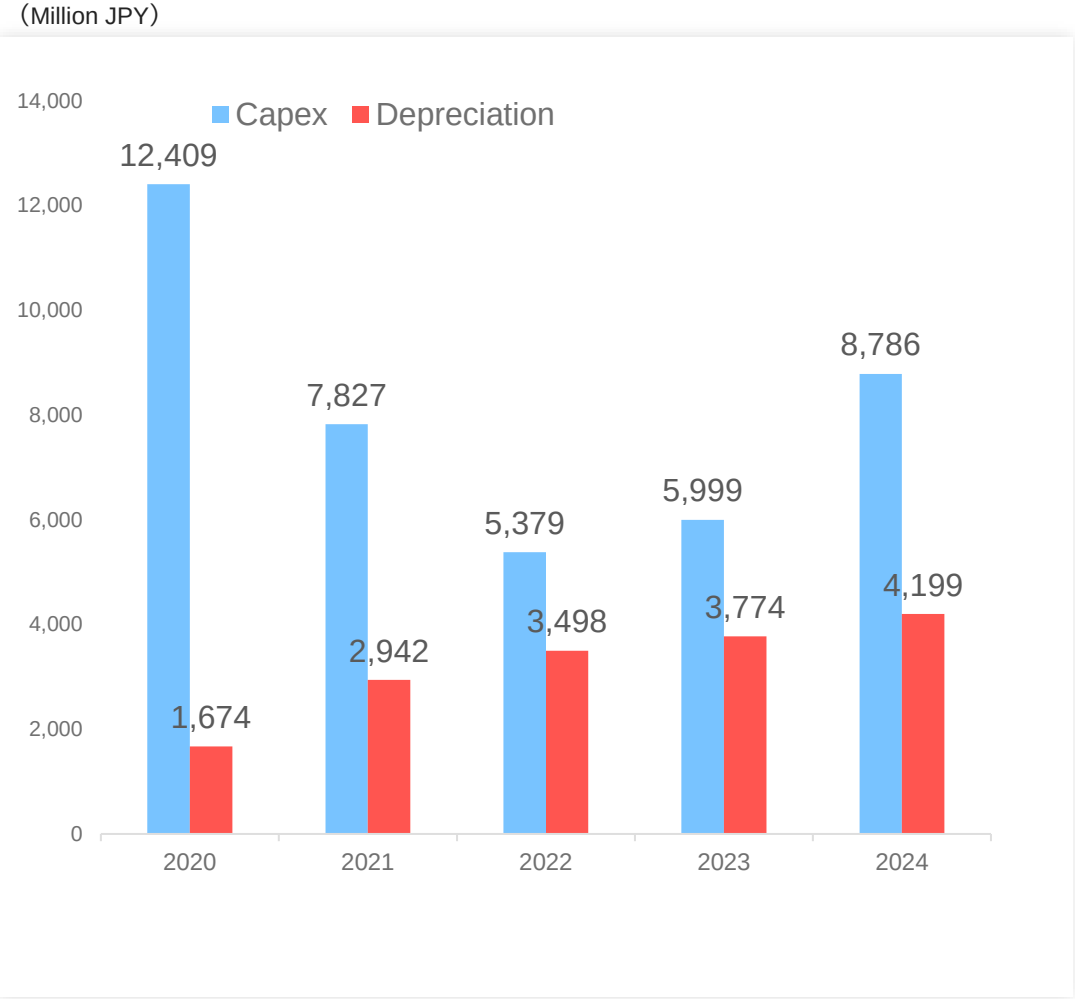
(Million Yen)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assets												
Current Assets	1,811	2,759	3,732	5,348	7,388	26,074	32,760	32,626	45,804	90,470	96,409	124,894
Cash and deposits	397	1,190	1,842	1,952	3,243	14,879	22,156	19,082	25,438	67,939	70,758	85,224
Notes and accounts receivable-trade	681	696	795	2,531	2,916	6,958	6,047	6,321	9,517	11,651	12,673	23,417
Goods and products	396	376	361	348	446	1,343	1,713	2,116	2,783	3,833	6,507	6,678
Non-current Assets	508	4,064	5,845	5,333	4,843	10,516	15,873	26,124	33,206	37,084	44,256	57,252
Property,factory, and equipment assets	461	3,918	5,667	5,152	4,674	8,963	14,635	24,146	29,023	31,285	35,326	45,575
Intangible fixed assets	19	15	29	23	19	1,099	732	527	417	270	266	689
Investments and other assets	27	130	148	158	149	453	506	1,451	3,766	5,529	8,663	10,987
Total assets	**2,320**	**6,823**	**9,577**	**10,682**	**12,231**	**36,591**	**48,634**	**58,750**	**79,010**	**127,554**	**140,666**	**182,146**
Liabilities												
Current Liabilities	960	2,292	2,295	2,993	3,370	4,979	7,252	12,631	14,171	17,622	18,265	34,804
Notes and accounts payable	138	151	186	283	398	1,554	1,614	2,871	4,317	6,466	5,174	8,302
interest-bearing debt	136	827	1,216	1,538	1,276	976	1,730	1,522	3,020	4,694	3,355	8,754
Non-current Liabilities	709	2,934	4,798	4,317	3,335	2,474	5,400	5,754	9,827	8,458	6,973	11,794
Long-term loans payable	615	2,925	4,079	3,620	2,767	1,848	2,232	1,613	5,097	3,514	2,092	743
Total Liabilities	**1,670**	**5,227**	**7,093**	**7,310**	**6,705**	**7,453**	**12,652**	**18,385**	**23,999**	**26,081**	**25,238**	**46,598**
Net assets												
Net assets	649	1,596	2,483	3,371	5,526	29,137	35,981	40,365	55,011	101,473	115,428	135,548
Total liabilities and net assets	**2,320**	**6,823**	**9,577**	**10,682**	**12,231**	**36,591**	**48,634**	**58,750**	**79,010**	**127,554**	**140,666**	**182,146**

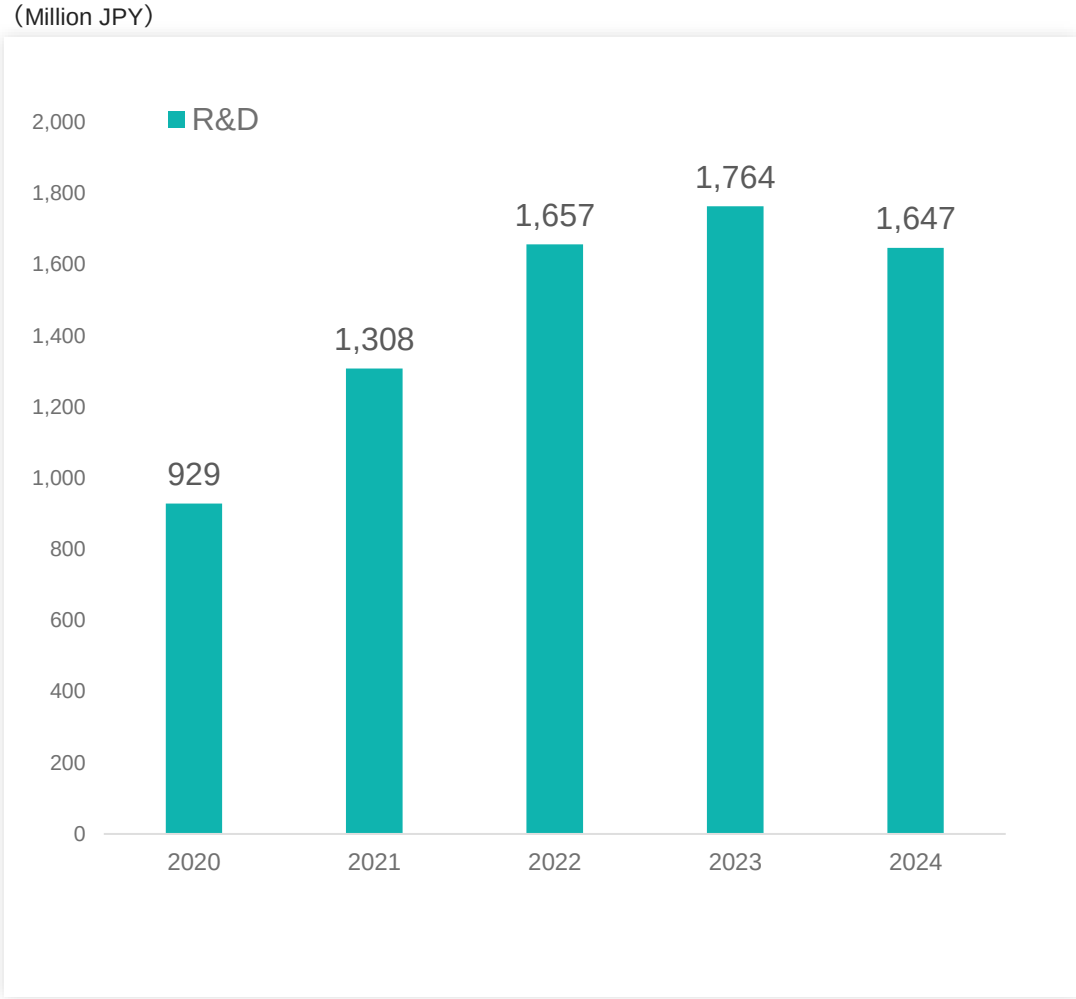
セグメント別 業績推移

(million yen)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Sales												
Reclaimed Wafer Business	3,347	4,414	5,107	7,144	9,487	10,973	10,776	11,461	12,717	18,001	20,499	23,794
Prime Wafer Business	–	–	–	–	–	11,918	10,058	8,755	14,780	22,752	18,736	20,443
Semiconductor-related equipment and material Business	–	–	–	1,654	1,393	2,918	4,047	6,272	8,450	11,265	14,057	16,283
Other adjustments	127	151	178	66	52	△331	△380	△927	△1,327	△2,154	△1,399	△1,320
Segment profit												
Reclaimed Wafer Business	916	1,444	1,377	1,765	3,396	4,011	4,081	4,027	4,731	7,312	8,114	9,059
Prime Wafer Business	–	–	–	–	–	2,048	1,503	1,041	2,539	5,995	3,742	4,743
Semiconductor-related equipment and material Business	–	–	–	230	130	366	171	211	382	914	882	884
Other adjustments	△214	△278	△316	△409	△543	△675	△1,038	△749	△778	△1,203	△844	△1,578
segment assets												
Reclaimed Wafer Business	1,337	5,040	6,987	5,657	8,120	9,150	10,336	11,698	14,302	18,530	21,833	26,163
Prime Wafer Business	–	–	–	–	–	21,313	29,311	35,697	53,202	95,788	100,768	116,144
Semiconductor-related equipment and material Business	–	–	–	1,137	1,305	1,939	3,179	5,387	7,310	6,801	8,775	31,014
Other adjustments	982	1,783	2,589	3,887	2,805	4,315	5,806	5,968	4,243	6,435	9,290	8,823

Trends in R & D Expenditures and Capital Expenditures

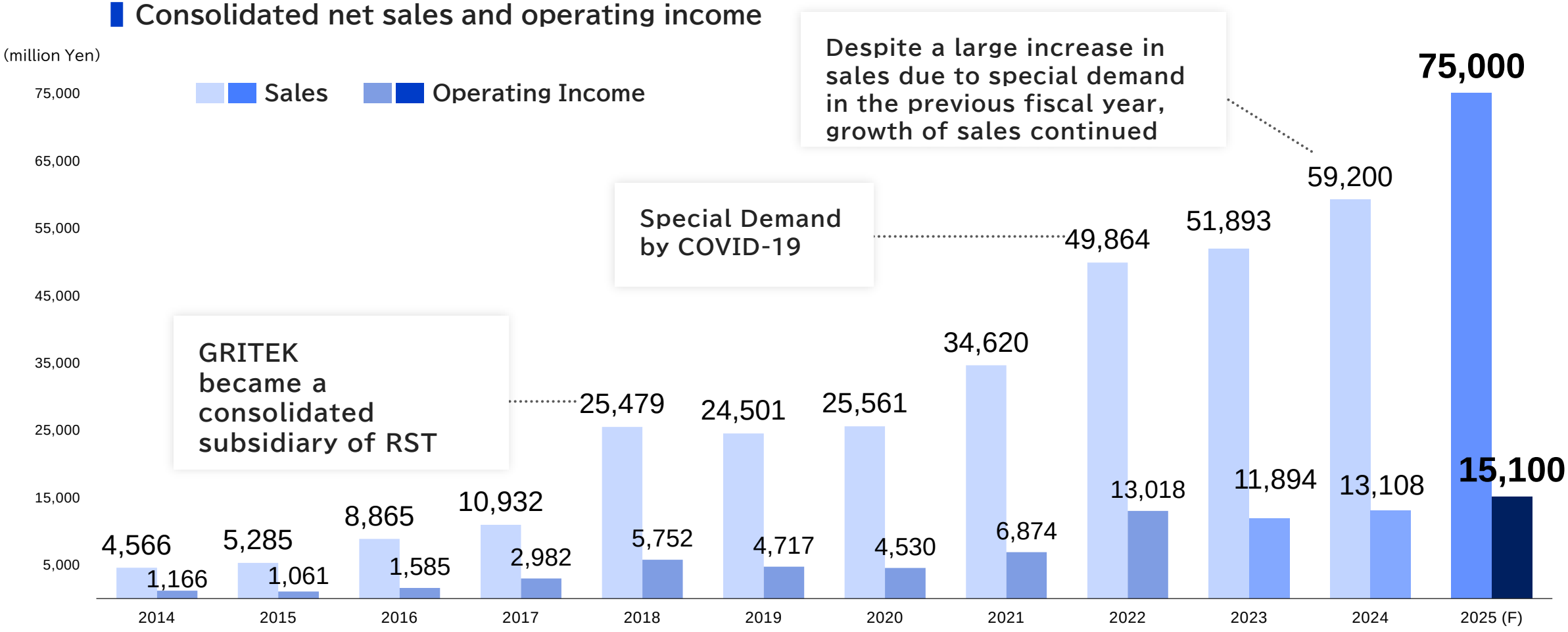
- Continued capital investment and R & D for further growth





Consolidated Financial Results

Consolidated net sales and operating income



Notes

The content of these materials was prepared based on generally recognized economic potential and certain assumptions considered reasonable by the Company but is subject to revision without notice due to changes in various business environments affecting management.

Materials and information provided for this announcement contain forward-looking statements. This information is based on assumptions pertaining to the current outlook, forecasts and risks, and contains uncertainties that could result in different outcomes.

Even in the case of new information, future events, or other relevant matters, the Company is under no obligation to update or revise the forward-looking statements contained in this material.