



FY12/20 3rd Quarter Financial Results Briefing Material

RS Technologies Co., Ltd.

November 12, 2020



Code: 3445
Tokyo Stock Exchange First Section

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1. Company Overview

Company Overview

- Holds the top market share worldwide in semiconductor wafer reclamation at 30% *1
- Conducting a full-scale advance into the prime wafer business through a joint venture with a Chinese state-owned company
- Expanding into peripheral business fields expected to produce synergy through M&A

Company name	RS Technologies Co., Ltd.
Date of establishment	December 10, 2010
Corporate principles	“Respect the global environment, earn the trust of people, and constantly strive to create.”
Businesses	Silicon Wafer Reclaim, Silicon Wafer Oxide Film Coating, Silicon Wafer Sales. Solar Power Station. Purchase and sale of used semiconductor equipment. Sale of chemical materials and semiconductor parts. Technical assistance and education service on semiconductor wafer manufacturing process.
Head office	NT Bldg. 12F, 1-47-1, Ohi, Shinagawa-ku, Tokyo 140-0014 JAPAN
Sanbongi Plant	26-2 Yamazaki, Sanbongi Otonashi, Osaki, Miyagi 989-6313 JAPAN
Capital	JPY 5,432 million (As of end June 2020)
President and CEO	Nagayoshi Ho
Consolidated subsidiaries	RSTEC Semiconductor Taiwan Co.,Ltd. Founded in February 2014, Capital: NT \$300 million, Stake: 100%
	Beijing GRINM RS Semiconductor Materials Co., Ltd. (BGRS) Registered Capital US \$138 million, Stake 45%*2
	GRINM Semiconductor Materials Col, Ltd. (GRITEK) Registered capital: RMB 800 million, Stake 45%*2
	Union Electronics Solutions Co., Ltd. Capital ¥27 million, Stake 100%
	Shandong GRINM Semiconductor Materials Co., Ltd. (Shandong GRITEK, Dezhou, Shandong) Registered Capital RMB 1,500 million, Stake 36%*2
	DG Technologies Co., Ltd. Capital ¥100 million, Stake 100%

*1. Estimated by us based on SEMI data.

*2. The consolidated investment scheme in China is as follows. BGRS is the parent company, GRITEK is its subsidiary, and Shandong GRITEK is GRITEK's subsidiary, and so the investments overlap. Please refer to p.35 “China business investment scheme” for details.

History

- World leader in wafer recycling business. Made a major Chinese prime wafer manufacturer a consolidated subsidiary and became a comprehensive wafer manufacturer.
- In October 2020, the new Shandong GRITEK factory was completed in Dezhou City, Shandong Province.

Dec. 2010	Established RS Technologies with reclaimed wafers as its primary business
Jan. 2011	Operations begun at the Sanbongi Factory
Nov. 2011	Sanbongi Factory acquires ISO9001:2008 (quality management system) certification from UKAS
Oct. 2013	Solar power business begun at the Sanbongi Factory
Feb. 2014	RSTEC Semiconductor Taiwan established as a subsidiary in Taiwan (currently a consolidated subsidiary)
Mar. 2015	RST listed on the Tokyo Stock Exchange Mothers Market
Jun. 2015	Fab8 completed at Sanbongi Factory, with cutting-edge equipment allowing reclamation of 18-inch wafers
Dec. 2015	Tainan Factory completed for RSTEC Semiconductor Taiwan (currently a consolidated subsidiary)
Sep. 2016	RST moved to the Tokyo Stock Exchange First Section
Dec. 2017	Joint venture agreement concluded with General Research Institute for Nonferrous Metals (GRINM) and Fujian Kuramoto
Jan. 2018	Beijing GRINM RS Semiconductor Materials Co., Ltd. (BGRS) established; Chinese prime wafer manufacturer Youyan Semiconductor Material Company Limited (GRITEK) made a consolidated subsidiary
May 2018	Acquired 100% of shares at Union Electronics Solutions Co., Ltd. (distributor for Hitachi Power Semiconductor Device, Ltd.)
Aug. 2018	Established Shandong GRINM Semiconductor Materials Co., Ltd. (Shandong GRITEK), a consolidated subsidiary of GRITEK
Jan. 2019	Acquired 100% of shares of DG Technologies Co., Ltd.
Dec. 2019	A four-party joint venture agreement concluded with GRINM, Dezhou Huida Semiconductor Equity Investment Fund Partnership, and the City of Dezhou in Shandong
Feb. 2020	Established Shanghai Union Semiconductor Co., Ltd (Shanghai Union)
Mar. 2020	Established Shandong GRINM RS Semiconductor Materials Co., Ltd. (SGRS) and Beijing Gritek & IVT Technology Co., Ltd. (Beijing IVT)
Oct. 2020	Completion of a new factory in Shandong GRITEK, a production base for prime wafers in China

Shandong GRITEK, New Manufacturing Plant

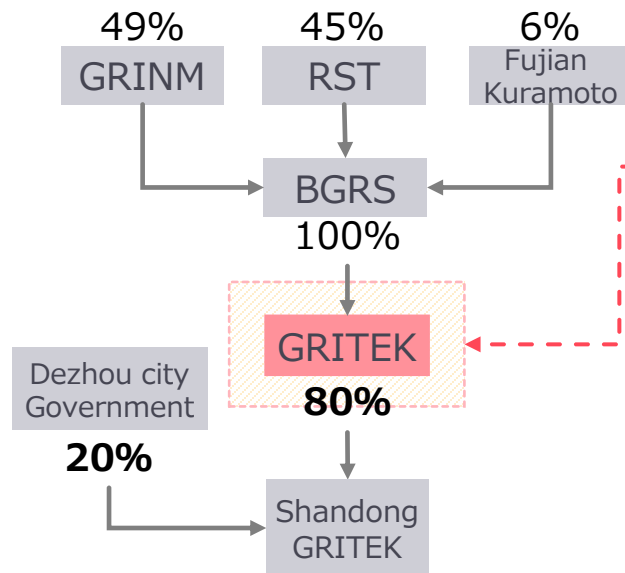
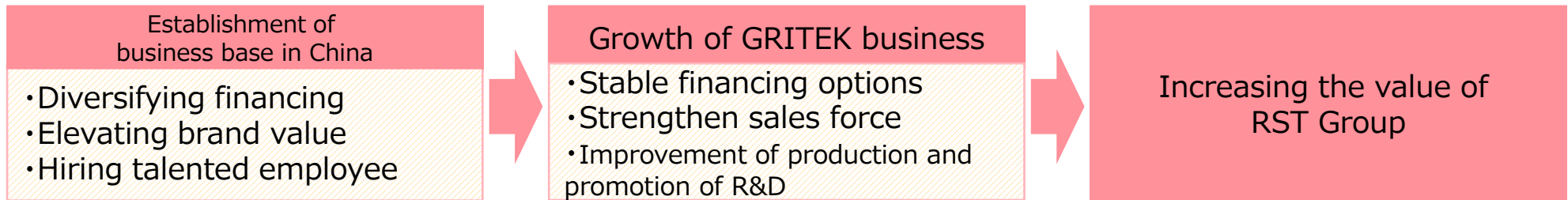
- Completion of Shandong GRITEK in Oct, 2020.(Dezhou City, Shandong, China).
- Start Running and Producing Prime Wafer for Chinese Market



RST's subsidiary, GRITEK, preparing for IPO on STAR Market

- In September, 2020, RST decided to prepare for GRITEK's IPO
- By conducting IPO, RST aims to elevate the value of GRITEK and expand their business

The Purpose of IPO



IPO Subject : GRITEK

- 1999: Established, manufacturing prime wafers
- 2018: Became consolidated subsidiary of RST
- 2020: Starting production of prime wafers at Shandong

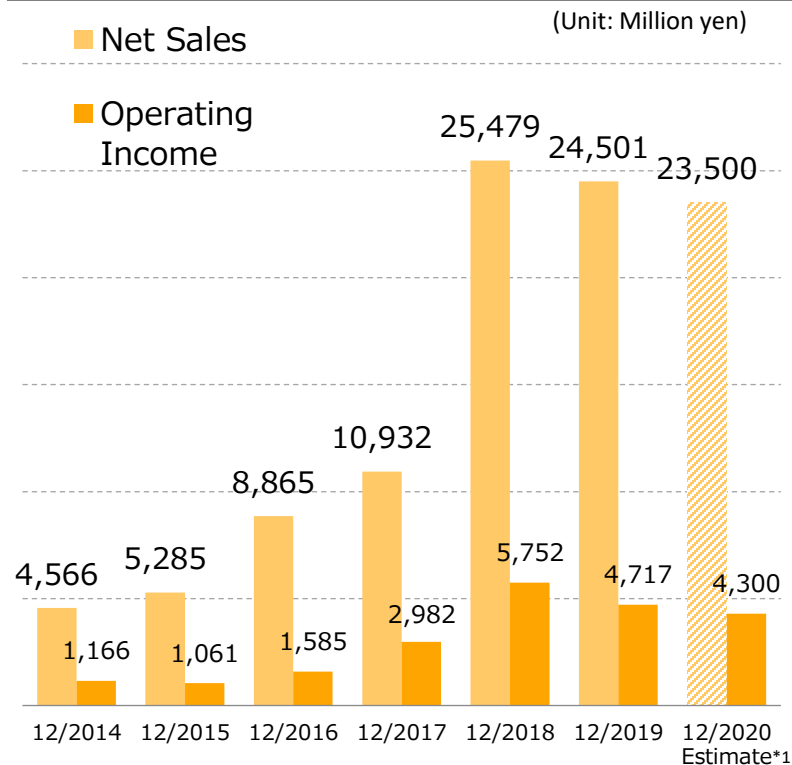
Market : STAR Market

- Officially known as Shanghai Stock Exchange Science and Technology Innovation Board (Also known as Shanghai's NASDAQ)
- Opened on July 22, 2020 led by Chinese government.
- Compared to other equity market, listing requirement and procedures become eased and simplified.
- Mainly start-up tech companies in the market
- Starting with 25 companies. Now, about 130 companies have been listed.

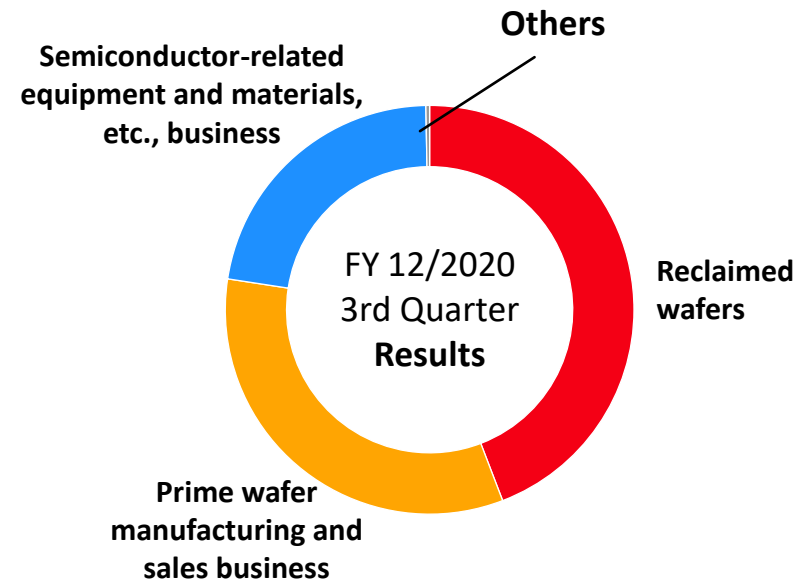
RS Technologies Today

- A comprehensive wafer manufacturer in the silicon wafer reclamation business and prime wafer business.
- Business has expanded into semiconductor-related equipment and materials, etc., business and solar business.
- The Company boasts the world's top share in the silicon wafer reclamation business and is expanding its prime wafer business in China for its domestic use.

Consolidated Net Sales and
Operating Income Ratio



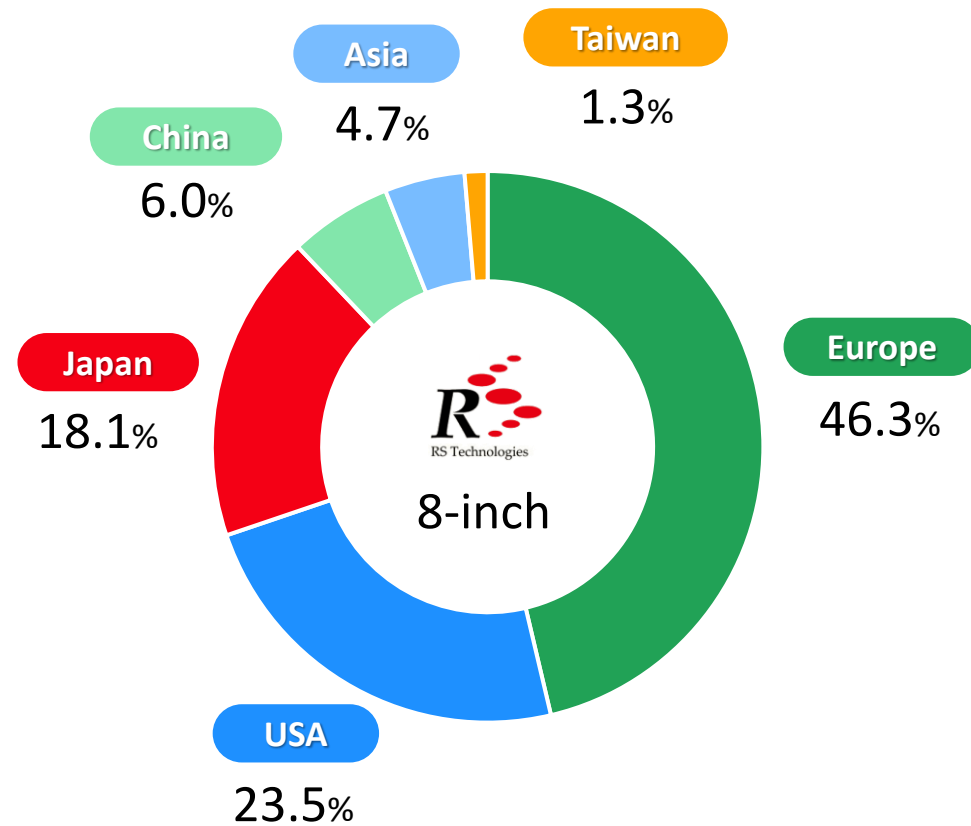
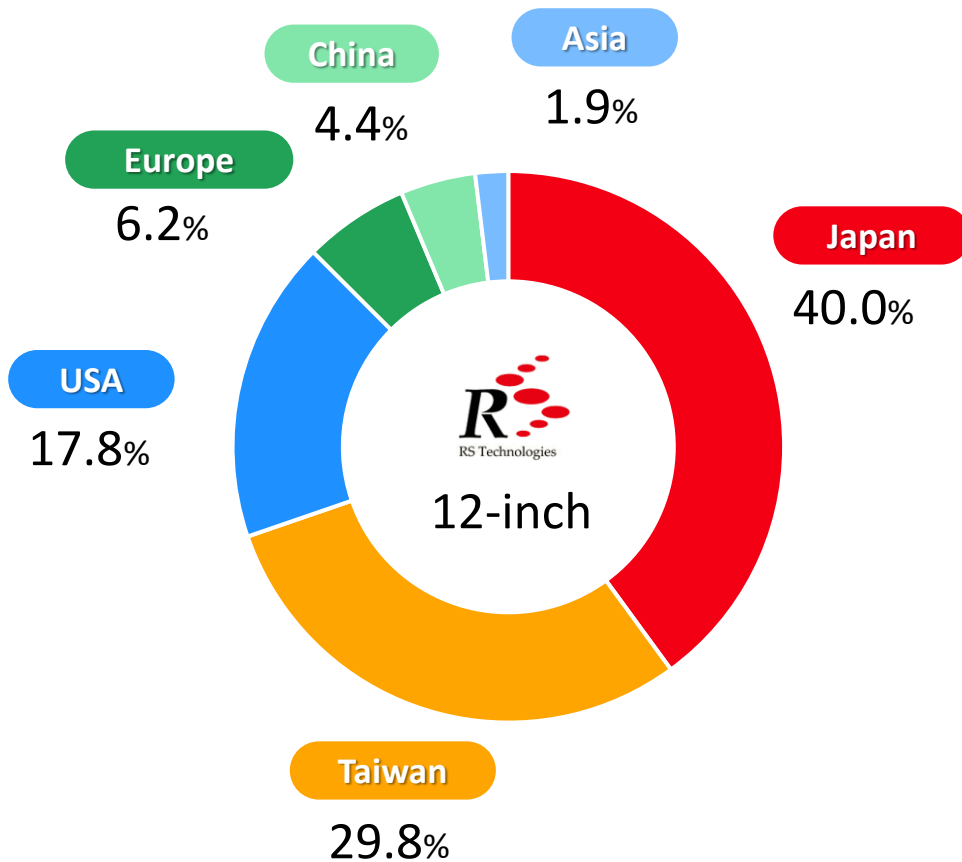
Results by Segment



*1. 12/2020 (Estimate) are figures announced on July 29, 2020

Share of Total Shipments from the Silicon Wafer Reclamation Business

- The customers are major global semiconductor manufacturers, mainly in Japan, Taiwan, USA, and Europe.
- In October 2020, the new Shandong GRITEK factory was completed to meet future demand expansion.



Notes: Based on wafer numbers reported in a study conducted by RST (fiscal 2018)

2. FY12/20 3rd Quarter Results Summary

FY 12/2020 Q3 (Cumulative) Results Summary

- Although the sales amount decreased in prime wafer business, reclaimed wafer business as well as semiconductor related equipment and materials business expanded their business, which led to increase in net sales and operating income compared to last year

(Million JPY)	FY 12/2019 Q3 Cumulative	FY 12/2020 Q3 Cumulative	vs previous term	difference
Net Sales	18,619	18,999	+2.0%	+380
Operating Income	3,745	3,901	+4.2%	+156
Operating Margin	20.1%	20.5%		+0.4pt
Ordinary Income	4,310	4,182	△3.0%	△128
Ordinary Margin	23.1%	22.0%		△1.1pt
Net Income attributable to the parent company	2,506	2,330	△7.0%	△176
Net Income per Share	195.74 JPY	180.96JPY	△14.78JPY	

FY 12/2020 Q3 (Cumulative) Results by Segment and Company

- Reclaimed wafer business achieved increased sales and income YoY by increased production capacity which met healthy customer demand.
- Prime wafer business suffered decreased revenue and income YoY due to worldwide business slowdown and factory relocation.
- Semiconductor-related equipment and materials, etc., business achieved increased revenue and income YoY due to strengthened sales initiatives.

By Segment (Million yen)	Reclaimed Wafer Business		Prime Wafer Manufacturing and Sales Business		Semiconductor-related Equipment, Materials, etc., Business		Others, Adjustments		Consolidated Total	
		YoY		YoY		YoY		YoY		YoY
Net sales	8,417	+7.0%	7,001	△11.8%	4,254	+39.4%	△673	—	18,999	+2.0%
Operating income	3,072	+6.0%	1,373	△9.8%	113	+8.7%	△657	—	3,901	+4.2%
Operating margin	36.5	△0.3Pt	19.6	+0.4Pt	2.7	△0.8Pt	—	—	20.5	+0.4Pt

By Company (Million yen)	RS		Taiwan Subsidiary		Beijing Subsidiary		Other Subsidiaries		Consolidated Total	
		YoY		YoY		YoY	Elimination of intra-company transactions	YoY		YoY
Net sales	8,115	+14.0%	3,505	+42.7%	6,983	△12.1%	396	—	18,999	+2.0%
Operating income	1,484	+4.3%	1,057	+34.0%	1,445	△8.0%	△85	—	3,901	+4.2%
Operating margin	18.3	△1.7Pt	30.2	△2.0Pt	20.7	△1.4Pt	—	—	20.5	+0.4Pt

FY 12/2020 Q3 (Single Quarter) Results Summary

- Net sales showed an increase YoY due to increase in reclaimed wafer business driven by increased production capacity, and increased sales in semiconductor-related equipment and materials, etc., business.
- Net income also showed an increase YoY by reducing the cost in prime wafer business.

(Million yen) *1. Except net income per share	12/2019 Q3	12/2020 Q3	vs Previous term	Change
Net sales	6,104	6,346	+4.0%	+243
Operating income	990	1,320	+33.3%	+330
Operating margin	16.2%	20.8%		+4.6pt
Ordinary income	1,389	1,284	△7.6%	△105
Ordinary margin	22.8%	20.2%		△2.5pt
Net income attributable to owners of the parent	783	643	△17.9%	△140
Net income per share*1	61.20 JPY	49.69JPY	△18.8%	△11.51 JPY

FY 12/2020 Q3 (Single Quarter) Results by Segment and Company

- Reclaimed wafer business showed increased sales and income YoY due to capital investments to increase production capacity.
- Prime wafer business had increased sales YoY impacted by increased customer demand. Operating income increased YoY due to increased sales, cost improvement by increasing product yield and reducing raw material costs.
- Semiconductor-related equipment and materials, etc., business showed an increase in sales YoY due to strengthened sales initiatives. Operating income decreased YoY.

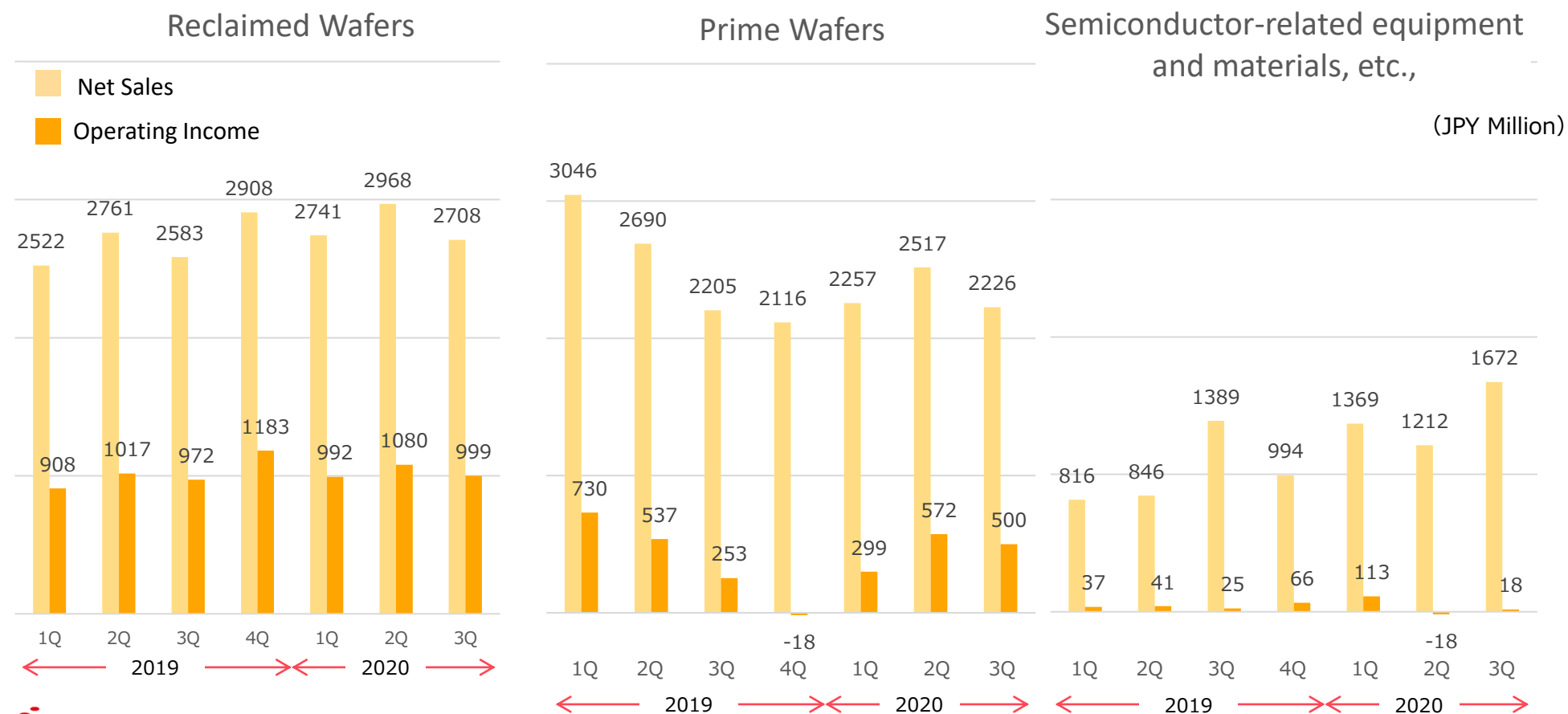
By Segment (Million yen)	Reclaimed wafer business		Prime Wafer Manufacturing and Sales Business		Semiconductor-related Equipment, Materials, etc., Business		Others, Adjustments		Consolidated Total	
		YoY		YoY		YoY		YoY		YoY
Net sales	2,708	+4.8%	2,226	+1.0%	1,672	+20.4%	△260	—	6,346	+4.0%
Operating income	999	+2.8%	500	+97.6%	18	△28.0%	△197	—	1,320	+33.3%
Operating income ratio	36.9	△0.7pt	22.5	+11.0pt	1.1	△0.7pt	—	—	20.8	+4.6pt

By Company (Million yen)	RS		Taiwan subsidiary		Beijing subsidiary		Other subsidiary		Consolidated Total	
	RS	YoY		YoY		YoY	Elimination of intra-company transactions	YoY		YoY
Net sales	2,893	+8.8%	1,129	+44.2%	2,221	+0.7%	103	—	6,346	+4.0%
Operating income	502	△1.8%	290	+26.6%	524	+129.8%	4	—	1,320	+33.3%
Operating income ratio	17.4	△1.9pt	25.7	△3.6pt	23.6	+13.3pt	—	—	20.8	+4.6pt

FY 12/2020 Q3 (Cumulative) Results by Segment and Company

Compared to 2Q:

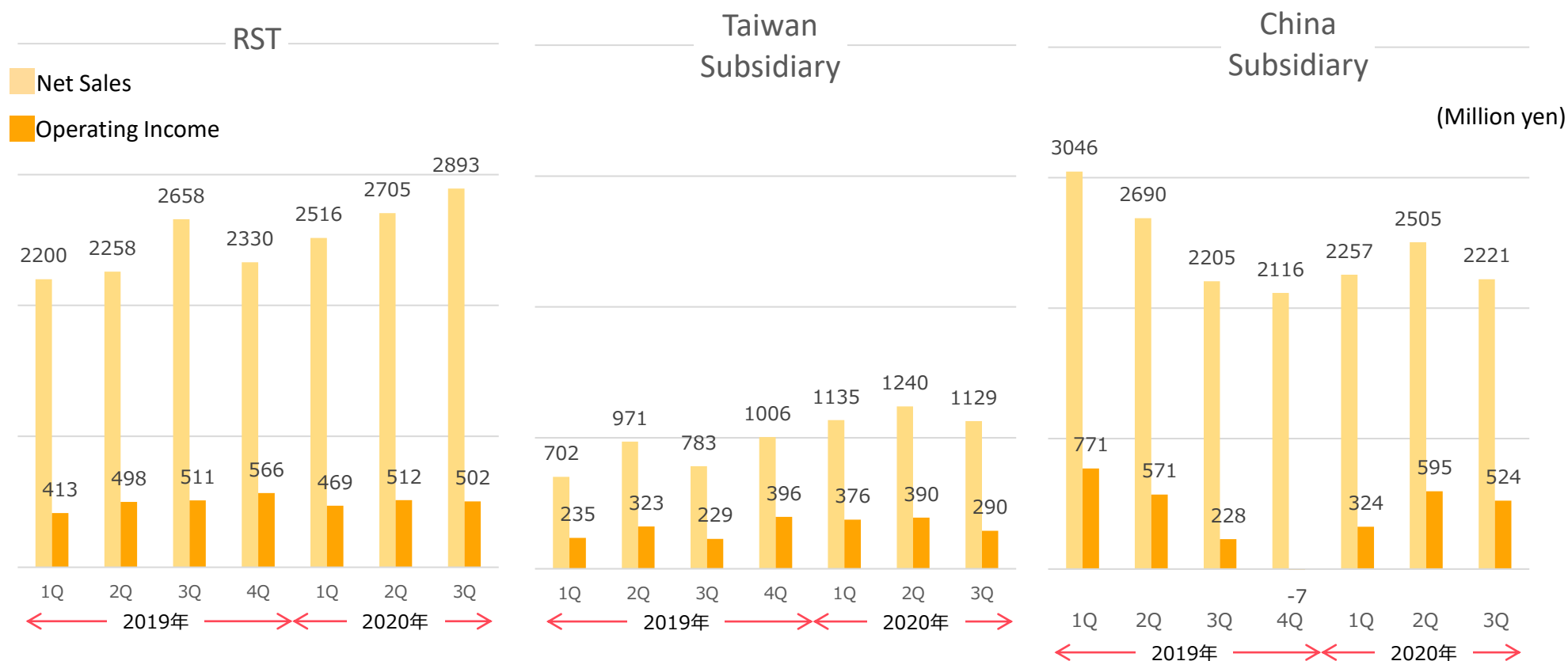
- For reclaimed wafer business, sales amount and operating income declined due to seasonal factors.
- For prime wafer business, sales amount and operating income declined due to the GRITEK's transfer of manufacturing plant from Beijing to Shandong.
- For semiconductor-related equipment and materials business, showed a increase due to ramping up sales forces.



FY 12/2020 Q3 Quarterly Result Chart by Company

Compared to 2Q:

- RST showed growth in sales due to increased production capacity by semiconductor-related equipment and materials business.
- Taiwan subsidiary, showed a decline in sales and income due to seasonal factors.
- For China subsidiary, sales amount and operating income declined due to the GRITEK's transfer of manufacturing plant from Beijing to Shandong



Balance Sheet

- Merchandise and finished goods increased by JPY 900 million compared to last year due to enhancement of sales in semiconductor related equipment and materials business.
- Non-current assets increased by JPY 7.3 billion due mainly to the investment of new manufacturing plant in Shandong.

Consolidated Balance Sheet		
(Million JPY)	12/2019	12/2020 Q3
Assets		
Current Assets	32,760	32,776
Cash and cash equivalents	22,156	19,938
Notes and account receivable	6,047	5,972
Merchandise and finished goods	1,713	2,684
Non-Current Assets	15,873	23,963
Property, plant, and equipment	14,635	21,940
Intangible assets	732	580
Investment and other assets	506	1,442
Total Asset	48,634	56,740
Liabilities		
Current liabilities	7,252	11,503
Notes and account payable	1,614	2,118
Short term debts	1,730	1,480
Non-current liabilities	5,400	6,110
Long term debts	2,232	1,338
Total Liabilities	12,652	17,616
Net Asset		
Net Asset	35,981	39,126
Total Liabilities and Net Assets	48,634	56,740

3. Medium-term Management Plan Outlook

Summary of Medium-Term Management Plan (4 years)

- In the reclaimed wafer business, responding to growing demand by investing in Japan, Taiwan and new fab investing in China.
- In the prime wafer business, new 8-inch prime wafer fabs has completed and started operations in Oct 2020. At the same time, we are also conducting R&D for mass production of 12-inch prime wafers.
- Target for net sales of 31.6 billion yen, operating income of 6.8 billion yen, and net income of 4.0 billion yen in FY2023.

(Million yen)	12/2019	12/2020	12/2021	12/2022	12/2023
	Actual	Revised Plan ^{*1}	Plan ^{*2}	Plan ^{*2}	Plan ^{*2}
Net sales	24,501	23,500	27,000	29,800	31,600
Operating income	4,717	4,300	4,800	6,100	6,800
Operating income ratio	19.3%	18.3%	17.8%	20.5%	21.5%
Ordinary income	5,416	4,800	5,000	6,400	6,900
Ordinary income ratio	22.1%	20.4%	18.5%	21.5%	21.8%
Net income attributable to owners of the parent	3,035	2,800	3,000	3,600	4,000
Net income per share	236.98	216.74	233.84	280.61	311.79

*1. 12/2020 Revised forecast was announced on July 29, 2020.

*2. Forecasts from 12/2021 and beyond were announced on Feb. 13, 2020.

Capital Investment Plan: Reclaimed Wafer Business

- To meet the expanding global semiconductor demand, we are investing in a new production site in China, in addition to capital investments in Japan and Taiwan.

Japan

Total investment: JPY 1.4 bil.

- Expand production capacity for 12-inch reclaimed wafers.
- 2020 to 2022: JPY 1.4 bil. (30,000 wafers)

12-inch reclaimed wafer production capacity (wafers, monthly)

2019 → 2021 → 2022
250k → 270k → 280k

FY2020	FY2021	FY2022
JPY 0.2 bil.	JPY 1 bil.	JPY 0.2 bil.

Taiwan

Total investment: JPY 1.5 bil.

- Expand production capacity and conduct refinement for 12-inch reclaimed wafers.
- 2020 to 2022: JPY 1.5 bil. (20,000 wafers)

12-inch reclaimed wafer production capacity (wafers, monthly)

2019 → 2021 → 2022
150k → 170k → 170k

FY2020	FY2021	FY2022
JPY 0.2 bil.	JPY 1.3 bil.	—

China

Total investment: JPY 3.8 bil.

- Investment to construct a new 12-inch reclaimed wafer production base.
- Phase 1 investment (2020 to 2022): JPY 3.8 bil. (50,000 wafers)

12-inch reclaimed wafer production capacity (wafers, monthly)

2019 → 2021 → 2022
0 k → 0 k → 50 k

FY2020	FY2021	FY2022
JPY 0.5 bil.	—	JPY 3.3 bil.

Phase 1 investment

Capital Investment Plan: Prime Wafer Business

- In addition to planning for increased production capacity for 8-inch prime wafers, we are conducting R&D for the mass production of 12-inch prime wafers.

China

Total investment: JPY 14.0 bil.

- Expand production capacity for 8-inch prime wafers.
- Completion ceremony in Oct. 2020, start operations

8-inch prime wafer production capacity (wafers, monthly)

2020 → 2021
70k → **120k**

Investment period: 2019 to 2020,

FY2020	FY2021	FY2022
JPY 14.0 bil.	Not decided	Not decided

China

Test line investment: JPY 5 bil.

- R&D for 12-inch prime wafer mass production.
- Aim for mass production set-up for 300k wafers through a test line for 10k.

12-inch prime wafer production capacity (wafers, monthly)

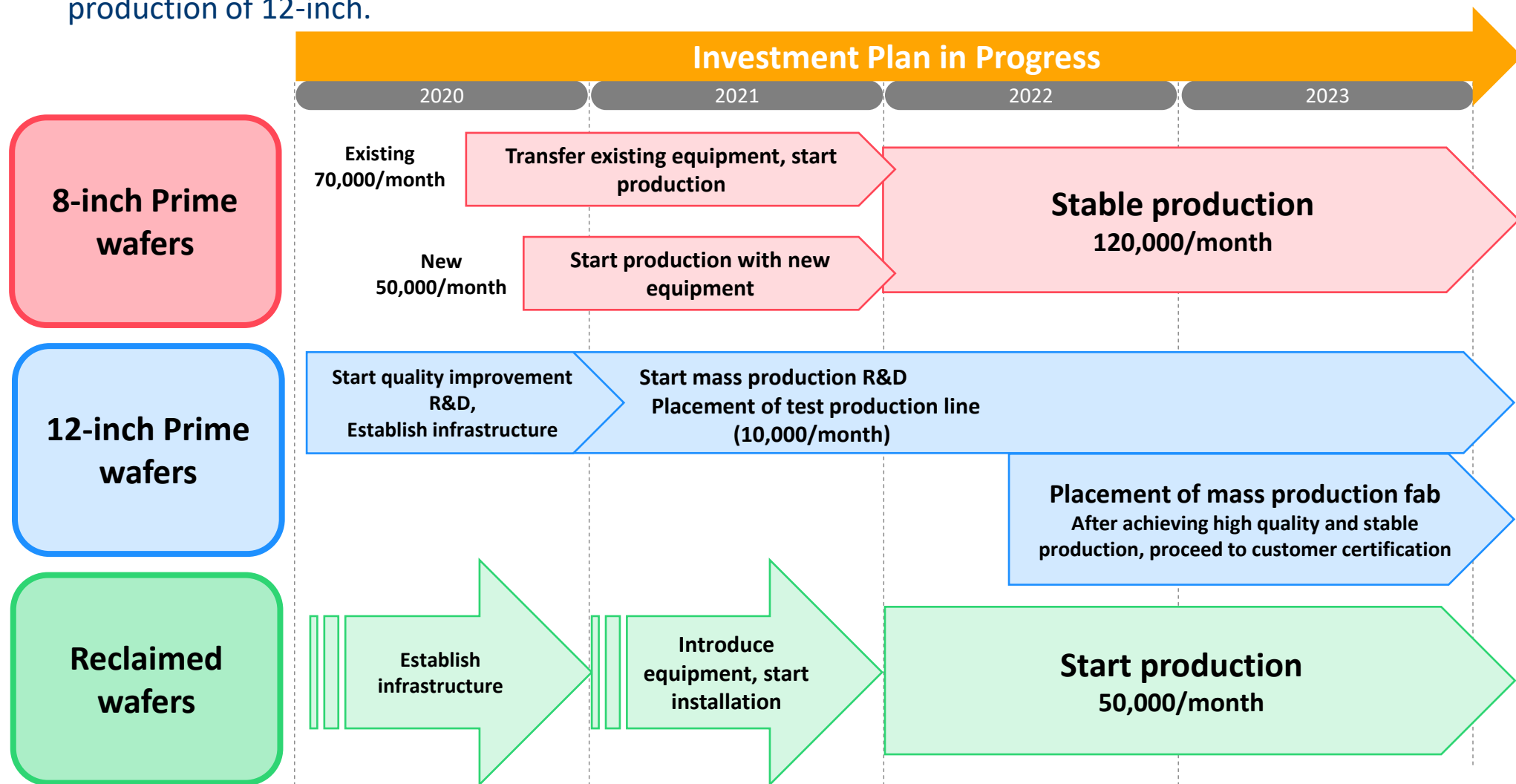
2020 → 2021 → 202X
0k → **10k*** → **300k**

FY2020	FY2021	FY2022
JPY 0.5 bil.	JPY 4.5 bil.	Not decided

*Test line for mass production R&D

Investment Plan in Progress for China (Schedule)

- Executing increased production for 8-inch, R&D for 12-inch mass production, and startup of reclaimed wafers simultaneously beginning in 2020. Targeting to expedite achievement of high quality and stable production of 12-inch.



China Investment Plan in Progress (Current Status)

- Construction of new plant for 8-inch prime wafers has been completed in Oct 16, 2020. And both the existing equipment relocated from the Beijing factory and the newly introduced equipment have started operation and are undergoing customer certification.
- In mass production R&D of 12-inch prime wafers, continuing to improve the quality of ingots.

Status of 8-inch prime wafers (Completed on October 16, 2020)



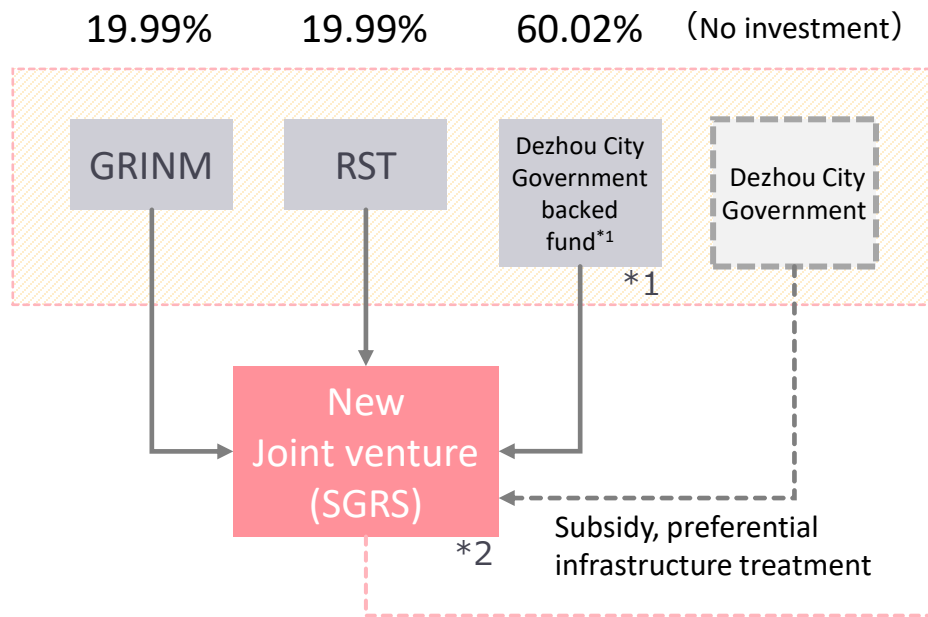
Status of 12-inch prime wafers (Photographed on May 29, 2020, 12-inch ingot)



Business Scheme for 12-inch Silicon Wafers in China

- Have set up a new joint venture with the City of Dezhou and others in March 2020.
- Initial risk associated with the entry into 12-inch silicon wafer business is suppressed by confining our initial stake.
- Start with a test line for 10,000 wafers/month and then aim for mass production of 300,000 wafers/month.

Investment scheme of the J/V



Joint venture agreement

- Joint venture agreement concluded among the 4 parties.
- There are 3 investors (GRINM, RST, and Dezhou City Government Fund)
- Dezhou City Government to provide support for infrastructure, etc.

Business contents

- 12-inch prime wafer business (manufacturing, sales, development)
- 12-inch reclaimed wafer business

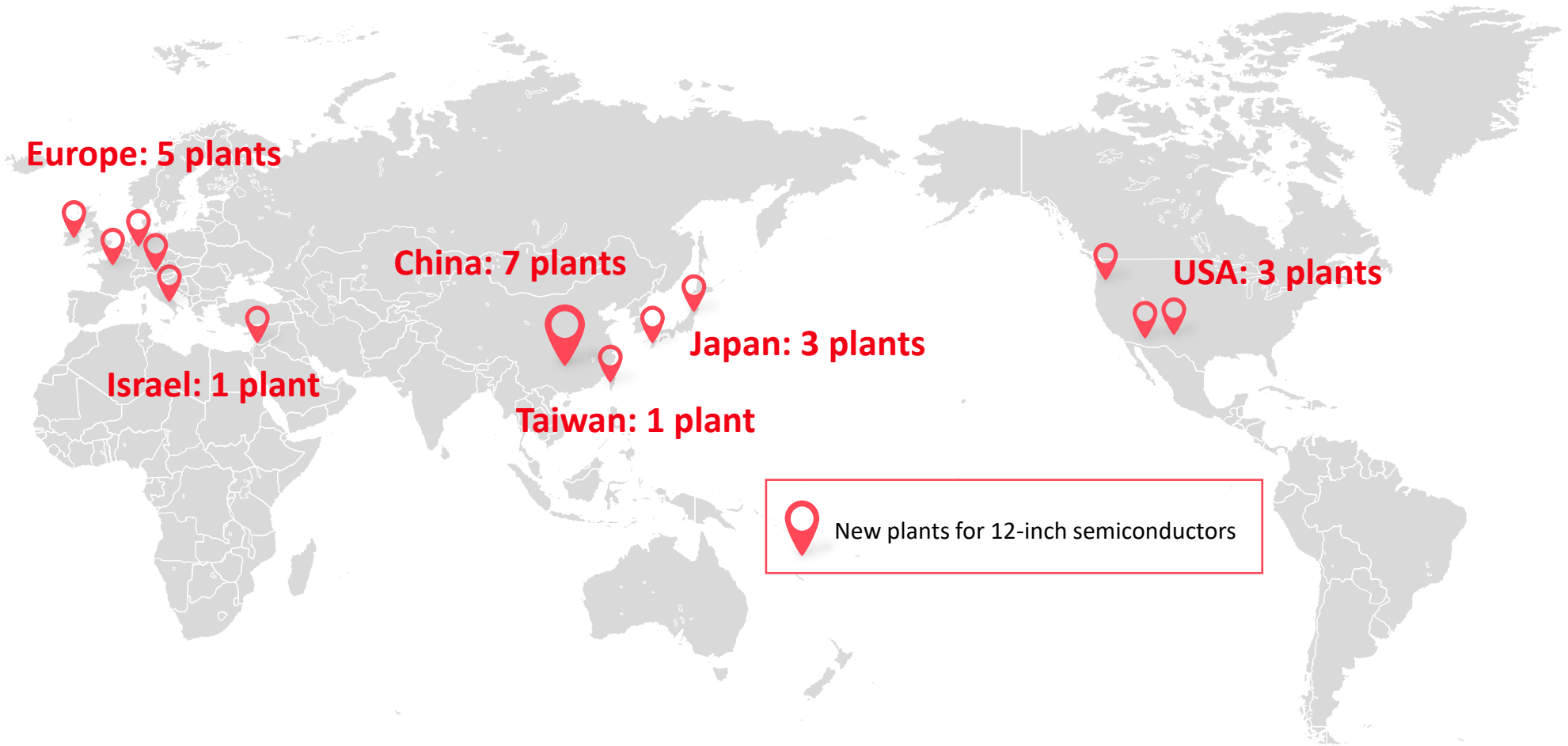
*1. Dezhou Huida Semiconductor Equity Investment Fund Partnership

*2. Shandong GRINM RS Semiconductor Materials Co., Ltd.

New Demand in Reclaimed Wafer Business:

Plans to construct new 12-inch semiconductor plants

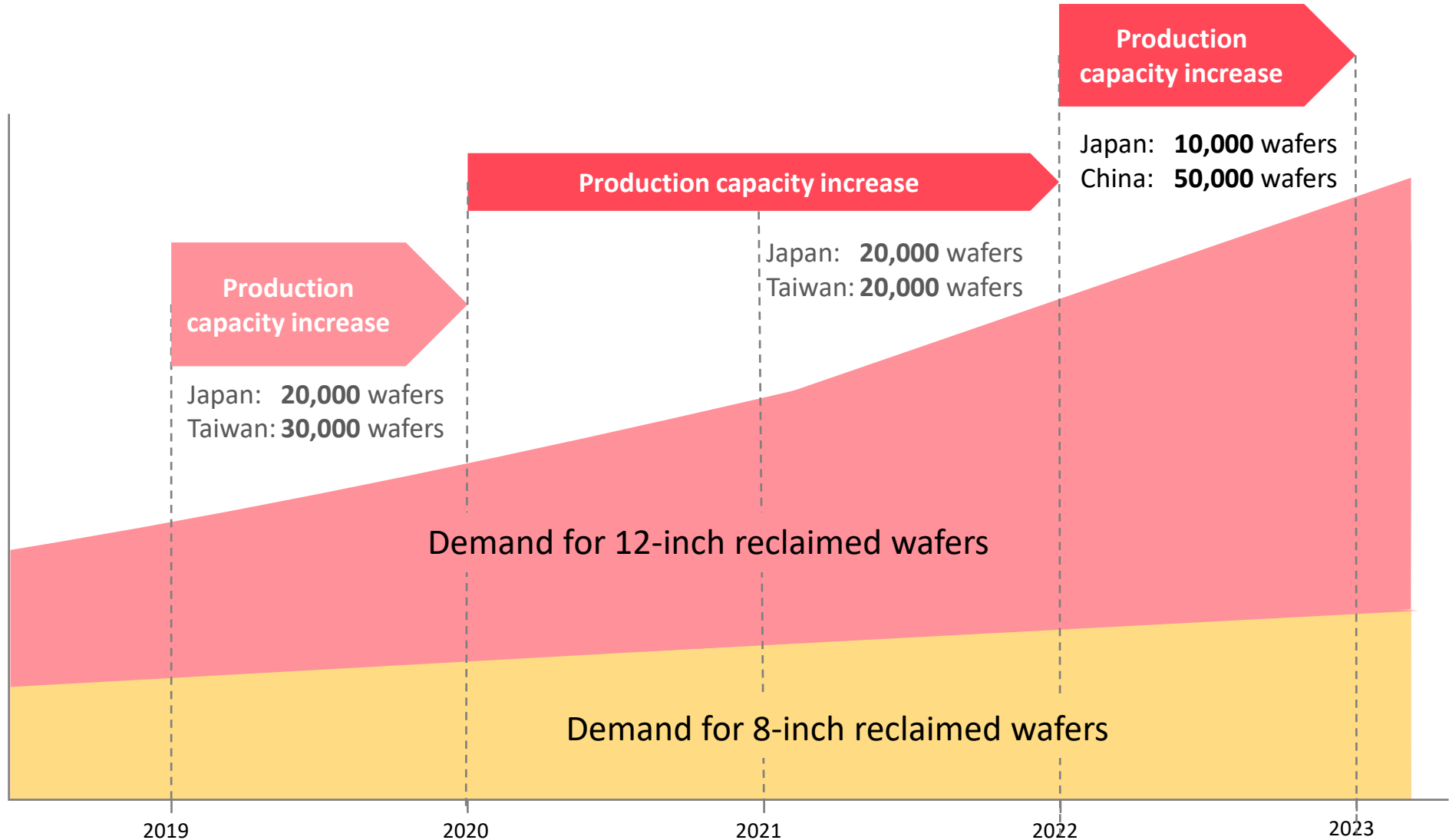
- There are plans to construct new semiconductor plants to cope with the high demand for semiconductors for memory, CPU, computerization of automobiles, etc., in Europe, USA, Japan, etc.
- Meet new reclaimed wafer demand by capital investments in Japan, Taiwan, and China.



Note: RST survey

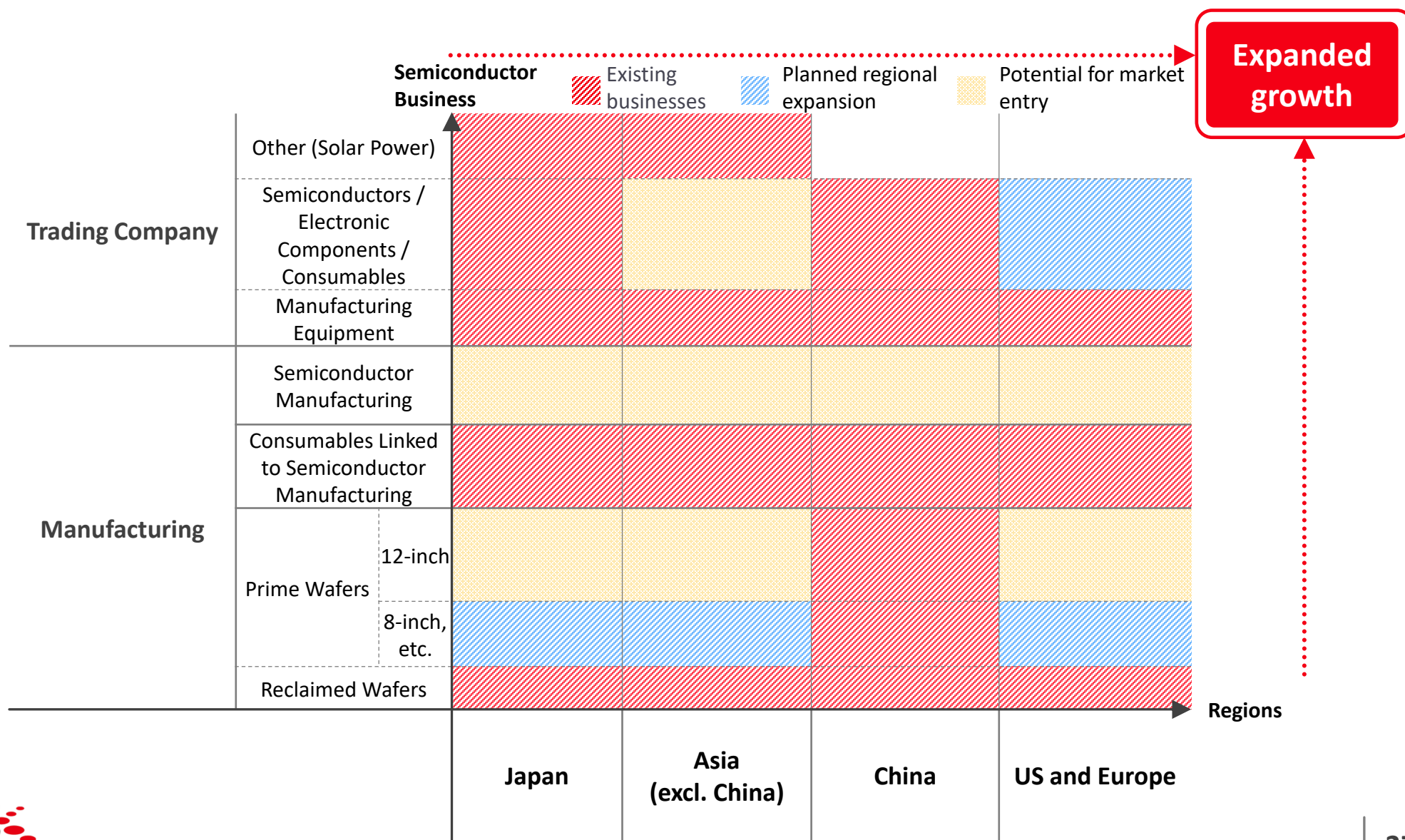
Reclaimed Wafer Demand Outlook: Expansion to continue focused on 12-inch

- Capacity enhancement of 30,000 wafers in Japan, 20,000 in Taiwan, and 50,000 in China are being planned between 2020 and 2022 to meet the expanding demand for reclaimed wafers.



RS Technologies' Aims

Steady expansion of business domains and regions



Appendix

Strengths of CEO Nagayoshi Ho

- President and CEO Nagayoshi Ho has knowledge gained from over 20 years in Japan, as well as strengths in worldwide sales, business networking, partnerships, and financing.
- President Ho has assembled a team of professionals from a broad range of fields including advanced technology and finance.



Nagayoshi Ho, center front (taken September 2016 at TSE)

Nagayoshi Ho

Born 1970 in Fujian Province, China

Completed Josai International University Graduate Program

Specialty fields:

M&A, business alliances

(successful M&As with more than 10 companies)

1998 Established Eiki Shoji Co., Ltd.

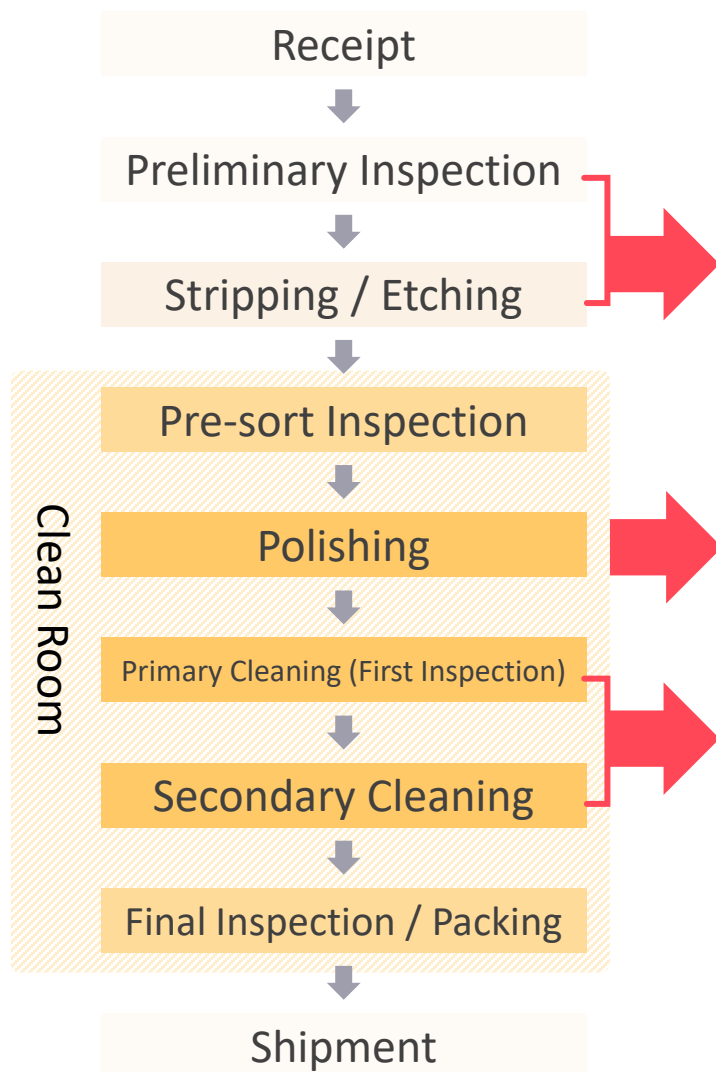
2010 Established and appointed president of RTS
(current position)

Favorite maxim: Where there is a will, there is a way

Supplementary information:

Nagayoshi Ho came to Japan after graduating high school. He has invested in more than 20 companies in Japan and abroad. In addition to semiconductors, he has experience investing in a range of businesses, including investment funds, trade, hotels, IT, and agriculture. He has traveled the world promoting his belief that Japanese manufacturing is the best in the world.

Reclaimed Wafer Business (1)



Strength
1

Able to strip all films

- Removed using chemical processes to minimize damage to surfaces

► **Reclaimed many times** ► **Potential for greater cost reductions**

Special (chemical) technique inherited from Rasa Industries



Polishing of scratches and uneven areas on the surface to make it smoother

Strength
2

Removal of metallic impurities

- Cleaning to remove minute particles and dirt on the wafer surface

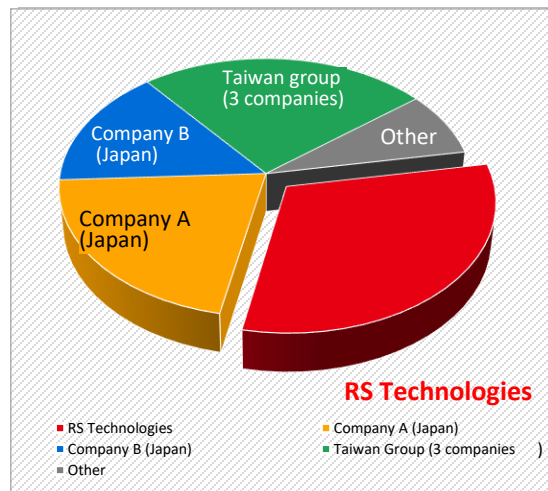
+ **Removal of metallic impurities**
Particular strength in removing copper (Cu)



Reclaimed Wafer Business (2)

Increasing Share of the Reclaimed Market

RS Technologies' Share of the 12-inch Reclaimed Market



A new plant in Taiwan and expansion of the Sanbongi Factory increased production capacity, increasing our market share to 33%.

We will further enhance production capacity at both plants by using empty factories at Sanbongi, and utilizing business partnerships, M&A, and other means.

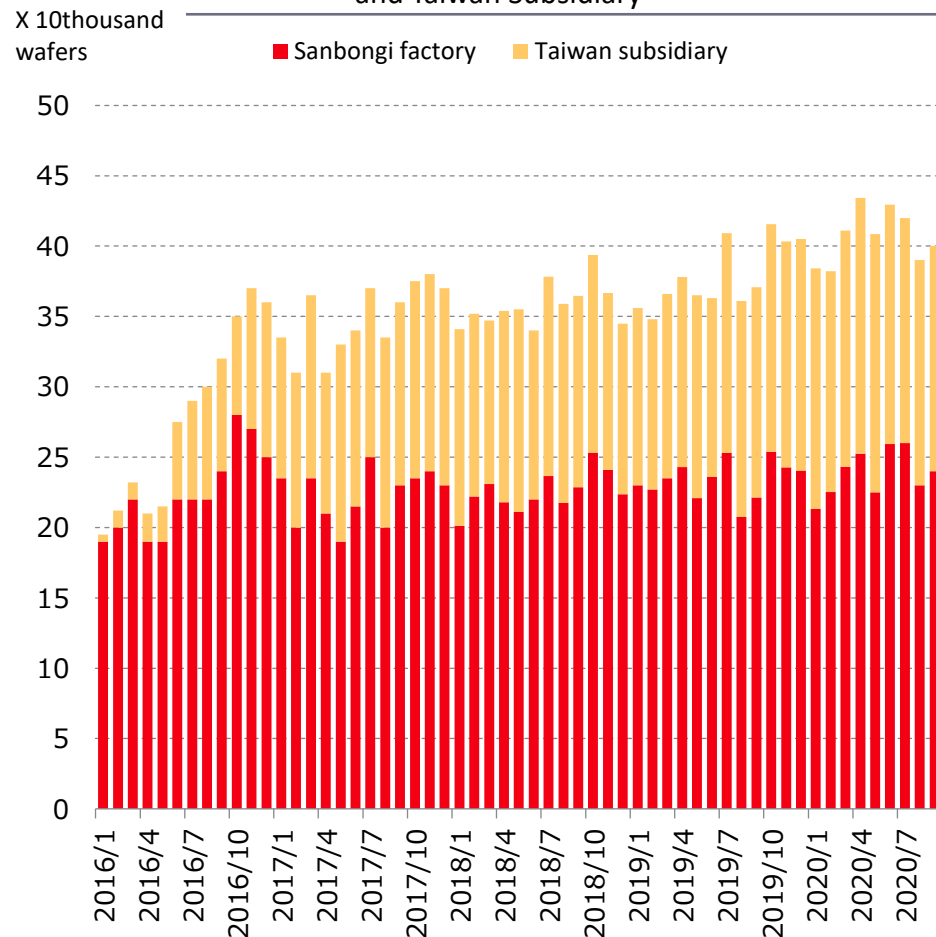
Note: RST survey

	FY12/15 1H	FY12/15 2H	FY12/16	FY12/17	FY12/18	FY12/19
RST Group Production Capacity	180,000 wafers	240,000 wafers	280,000 wafers	300,000 wafers	340,000 wafers	400,000 wafers
RST Group Market Share	19%	24%	29%	30%	31%	33%

Note: RST survey

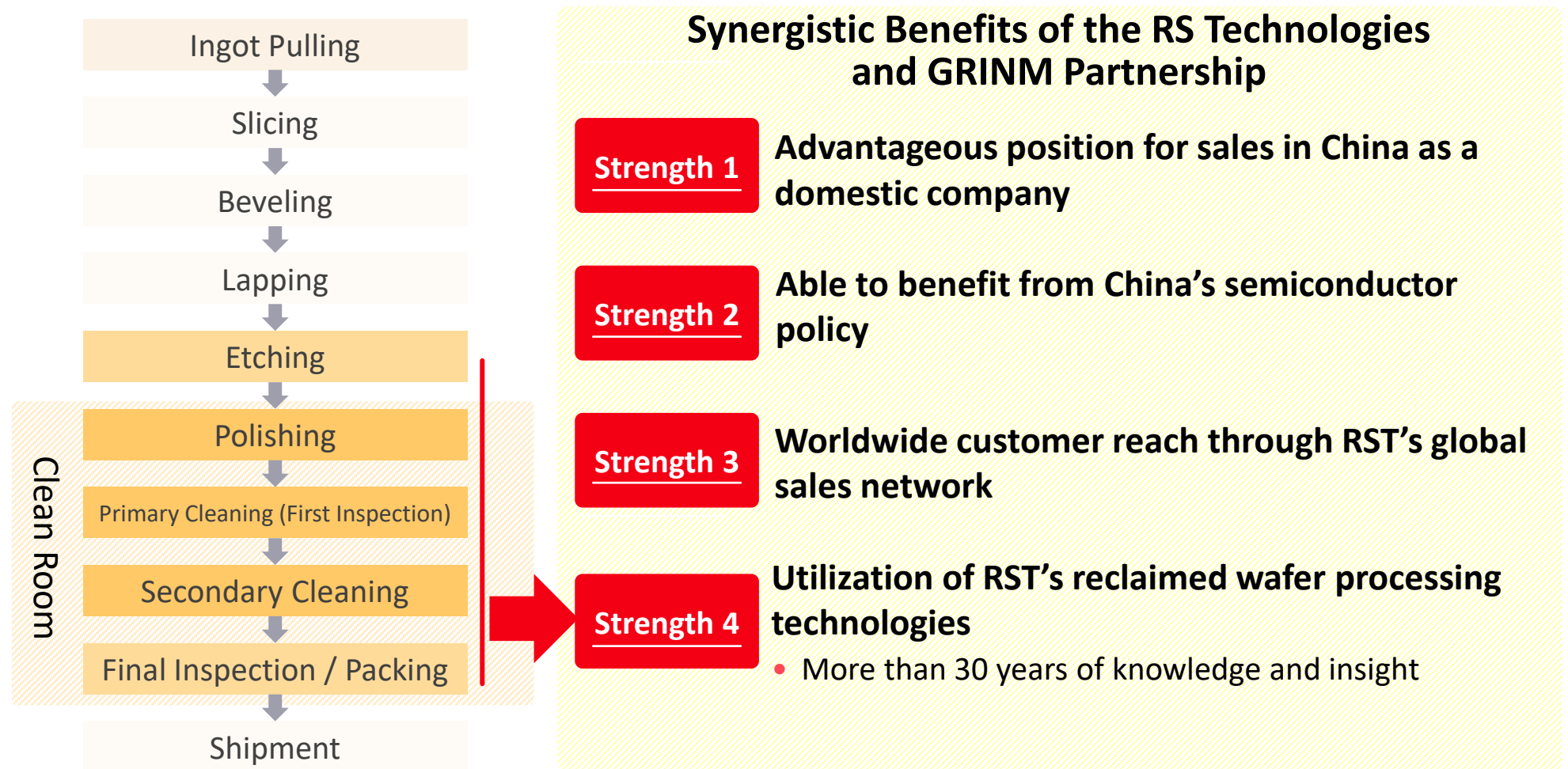
Shipments from the Sanbongi Factory and Taiwan Subsidiary (2016-2020)

Shipments of 12-inch Wafers from the Sanbongi Factory and Taiwan Subsidiary



Entry into Prime Wafer Business

- RS Technologies has established a joint venture with Chinese state-owned company General Research Institute for Nonferrous Metals (currently, Grinm Advanced Materials, hereafter, GRINM) and is developing its semiconductor business as a domestic Chinese company.



Regarding our Joint Venture Partner in China

- Established in 1952, GRINM is the largest state-owned research institute in the field of non-ferrous metals in China.
- Out of the roughly 13 million companies in China, about 300 thousand are state owned.
Out of these, about 88 are directly owned by the central national government and GRINM is one of these.
- GRINM is a research institute through which government, industry and science come together. Nonferrous metal policies of the central national government are transmitted through GRINM.
- GRINM established operating companies that serve as evidence of its successful research. Currently, 34 of these companies exist.
- GRITEK, a subsidiary of Beijing GRINM RS Semiconductor Materials Co., Ltd. (BGRS), an RST joint venture, was established as GRINM's first operating company in 2001.



Partnership with the City of Dezhou in Shandong, China

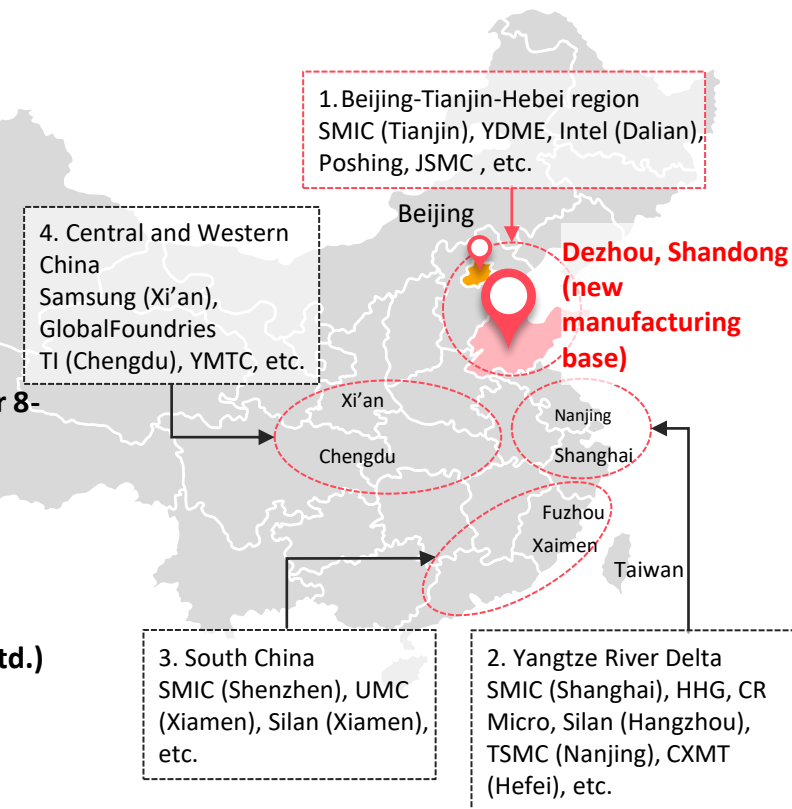
Subsidiary established for factory construction

Background of Partnership

1. Worldwide invitations for major semiconductor manufacturers to set up factories in the area are gaining momentum. Several semiconductor manufacturers are located nearby, making the area a prime location (see image on the right)
2. GRITEK will be able to offer plentiful benefits, including low-cost company housing and reduced utility expenses
3. Science and engineering universities are located nearby, providing favorable circumstances for acquiring superior human resources
4. Land expandable to a maximum of about 500,000m² (initially 200,000m²) has been procured, allowing for adequate response to future business progress in China

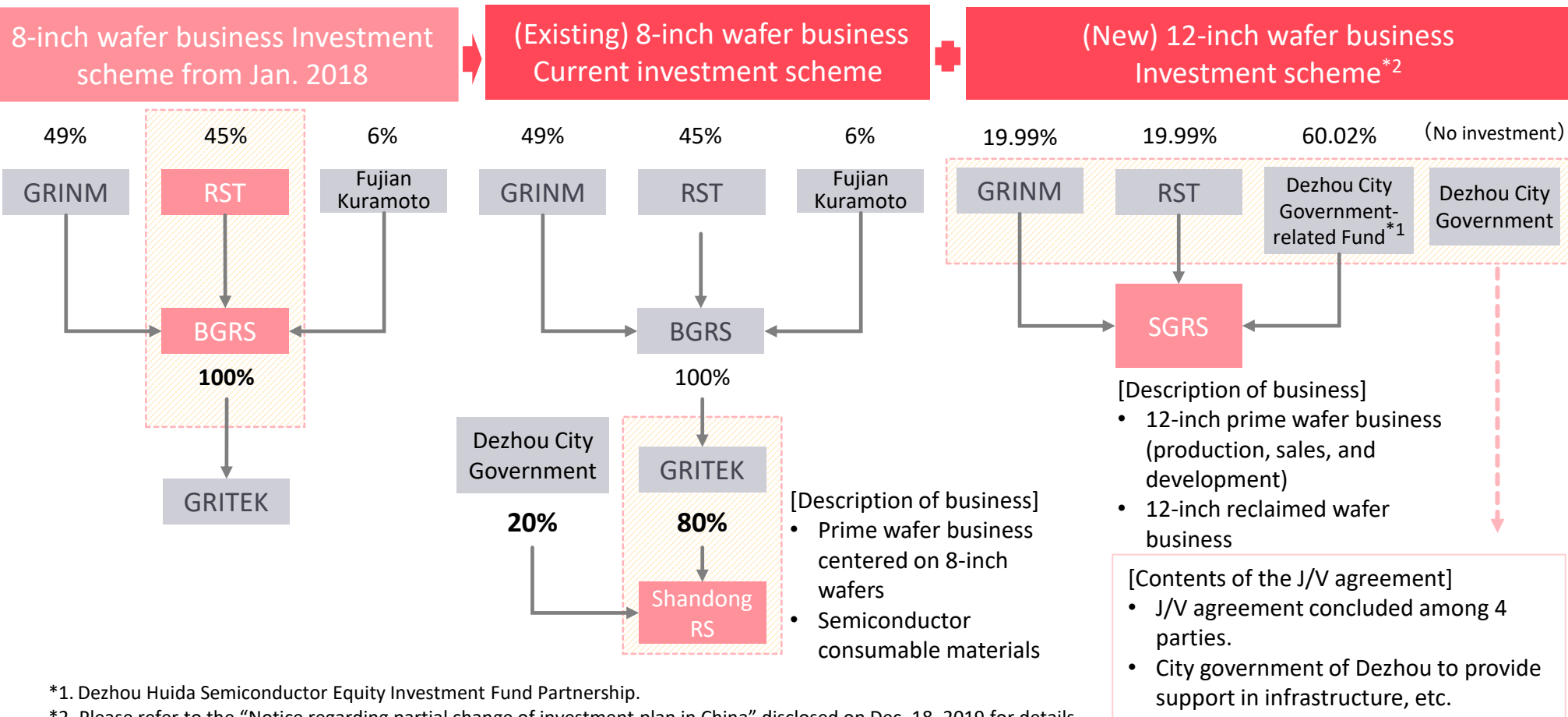
History and current status

1. Established new company (Shandong GRINM Semiconductor Materials Co., Ltd.) for 8-inch wafer business on August 23, 2018.
2. A four-party joint venture agreement concluded with General Research Institute for Nonferrous Metals (GRINM) , Dezhou Huida Semiconductor Equity Investment Fund Partnership, and the City of Dezhou in Shandong in Dec. 2019.
3. Established new joint venture (Shandong GRINM RS Semiconductor Materials Co., Ltd.) for 12-inch wafer business in March 2020
4. Dezhou City New Factory Completion Ceremony held on October 16, 2020



China Business Investment Scheme

- To undertake new 12-inch wafer business, a new joint venture Shandong GRINM RS Semiconductor Materials Co., Ltd. (SGRS) was established with GRINM, the City Government of Dezhou, etc. Initial risk has been suppressed by confining our initial stake.
- Prime wafer business undertaken by the new joint venture aims to establish a mass production system of 300,000 wafers per month, starting with a test line of 10,000 wafers per month. As Phase 1 investment for the reclaimed wafer business, the start of 50,000 wafers per month is targeted.



*1. Dezhou Huida Semiconductor Equity Investment Fund Partnership.

*2. Please refer to the “Notice regarding partial change of investment plan in China” disclosed on Dec. 18, 2019 for details.
Listed stakes are the final and in accordance with investment agreements.

Year-by-Year Results

(million yen)	FY12/13	FY12/14	FY12/15	FY12/16	FY12/17	FY12/18	FY12/19
Net sales	3,475	4,566	5,285	8,864	10,932	25,478	24,501
Gross profit	1,173	1,820	1,852	2,544	4,252	8,366	7,940
Selling, general and administrative expenses	471	654	791	958	1,269	2,615	3,223
Operating income	703	1,166	1,061	1,585	2,982	5,751	4,717
Ordinary income	819	1,247	770	1,444	3,159	6,141	5,416
Net income*	525	664	143	861	2,113	3,620	3,035
Dividend (Yen)	-	-	-	10	5	10	15
Capital investment	338	3,503	4,665	209	95	1,328	4,809
Depreciation	87	103	326	682	714	1,298	1,814
Research and development expenses	1	6	11	85	183	501	449
Number of employees (Regular employees)	152	191	265	373	434	1,159	1,277

*Net income attributable to owners of the parent company.

Principal Financial Statements

(million yen)	FY12/13*	FY12/14	FY12/15	FY12/16	FY12/17	FY12/18	FY12/19
Assets							
Current Assets	1,811	2,759	3,732	5,348	7,388	26,074	32,760
Cash and cash equivalent	397	1,190	1,842	1,952	3,243	14,879	22,156
Notes and accounts receivable - trade	681	696	795	2,531	2,916	6,958	6,047
Merchandise and finished goods	396	376	361	348	446	1,343	1,713
Non-current assets	508	4,064	5,845	5,333	4,843	10,516	15,873
Property, plant and equipment	461	3,918	5,667	5,152	4,674	8,963	14,635
Intangible assets	19	15	29	23	19	1,099	732
Investments and other assets	27	130	148	158	149	453	506
Total Assets	2,320	6,823	9,577	10,682	12,231	36,591	48,634
Liabilities							
Current liabilities	960	2,292	2,295	2,993	3,370	4,979	7,252
Notes and accounts payable - trade	138	151	186	283	398	1,554	1,614
Interest-bearing debt	136	827	1,216	1,538	1,276	976	1,730
Non-current liabilities	709	2,934	4,798	4,317	3,335	2,474	5,400
Long-term loans payable	615	2,925	4,079	3,620	2,767	1,848	2,232
Total Liabilities	1,670	5,227	7,093	7,310	6,705	7,453	12,652
Net Assets							
Net assets	649	1,596	2,483	3,371	5,526	29,137	35,981
Total Liabilities and Net Assets	2,320	6,823	9,577	10,682	12,231	36,591	48,634

*FY12/13 figures are non-consolidated

Performance by Segment

(million yen)	FY12/13	FY12/14	FY12/15*	FY12/16*	FY12/17*	FY12/18	FY12/19
Net sales							
Wafer business	3,347	4,414	5,107	7,144	9,487	10,973	10,776
Prime wafer manufacturing and sales business	—	—	—	—	—	11,918	10,058
Purchases and sales of semiconductor equipment business	—	—	—	1,654	1,393	2,918	4,047
Other, adjustments	127	151	178	66	52	-331	-380
Segment profit							
Wafer business	916	1,444	1,377	1,765	3,396	4,011	4,081
Prime wafer manufacturing and sales business	—	—	—	—	—	2,048	1,503
Purchases and sales of semiconductor equipment business	—	—	—	230	130	366	171
Other, adjustments	-214	-278	-316	-409	-543	-675	-1,038
Segment assets							
Wafer business	1,337	5,040	6,987	5,657	8,120	9,150	10,336
Prime wafer manufacturing and sales business	—	—	—	—	—	21,313	29,311
Purchases and sales of semiconductor equipment business	—	—	—	1,137	1,305	1,939	3,179
Other, adjustments	982	1,783	2,589	3,887	2,805	4,315	5,806

*Financial figures for FY12/15, FY12/16 and FY12/17 are revised figures released on March 5, 2019

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.