

DISCLAIMER

This English version of financial results is only for reference purpose. When there are any discrepancies between the original version(Japanese) and English version of the financial results, the original version always prevails.



November 19, 2020

Company Name: RS Technologies Co.,Ltd

Representative: President & Chief Executive Officer Nagayoshi Ho

Code No: 3445 TSE 1st Section

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Notice of Foreign Subsidiary's Share Transfer for Preparing for IPO

Please be informed that the board of directors held on November 19th, 2020 determined that the shares of GRINM Semiconductor Materials Co., Ltd (GRITEK) are partially transferred to other entities. This decision is a part of preparation process of GRITEK's listing on the STAR Market.

1. General Information of Share Transfer of GRITEK

As of now, Beijing GRINM RS Semiconductor Technology Co., Ltd. (BGRS) who is RST's consolidated subsidiary, owns 100% shares of GRITEK. After the share transfers, the shares are divided as follows.

25.6%: Grinm Advanced Materials (GRINM)

3.14%: Fujian Kuramoto

5.00%: GRINM Semiconductor Materials Co., Ltd (GRITEK)'s Employee Stock Ownership Plan (EOSP)

23.51%: RS Technologies Co.,Ltd

42.75%: Beijing GRINM RS Semiconductor Technology Co., Ltd. (BGRS)

This share transfer agreement is scheduled to be made by the end of November 2020.

Please see the table A for the details.

2. The Motive of Share Transfer of GRITEK

RST aims to keep a good business relationship with a Chinese state-own company, GRINM, elevate employees' motivation for working, and increase the valuation of RST through the execution of this share transfer.

Even though GRITEK becomes listed in the STAR Market, GRITEK is still positioned as one of RST's subsidiary as it is.

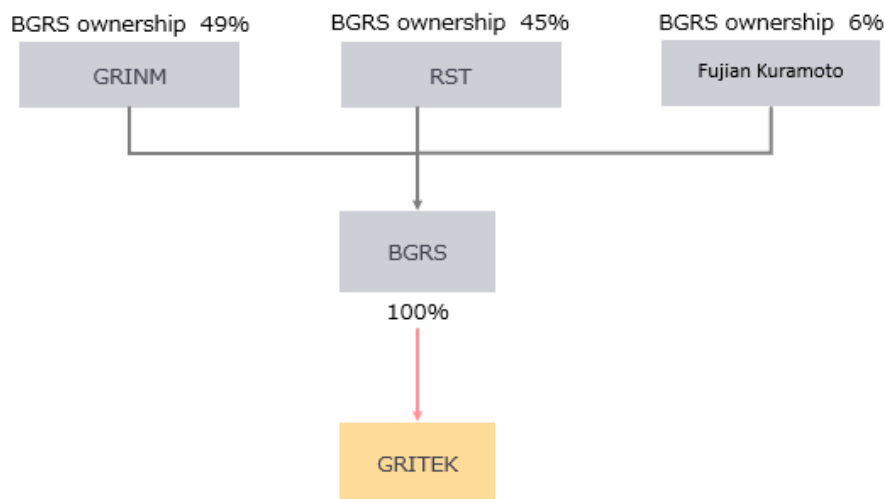
The precise date of IPO has not been fixed yet. Meanwhile, it is also possible to relinquish IPO, depending on Chinese government or securities exchange's disapproval of our IPO or our Joint Venture partner, GRINM's disagreement of IPO as worst-case scenario.

3. Others

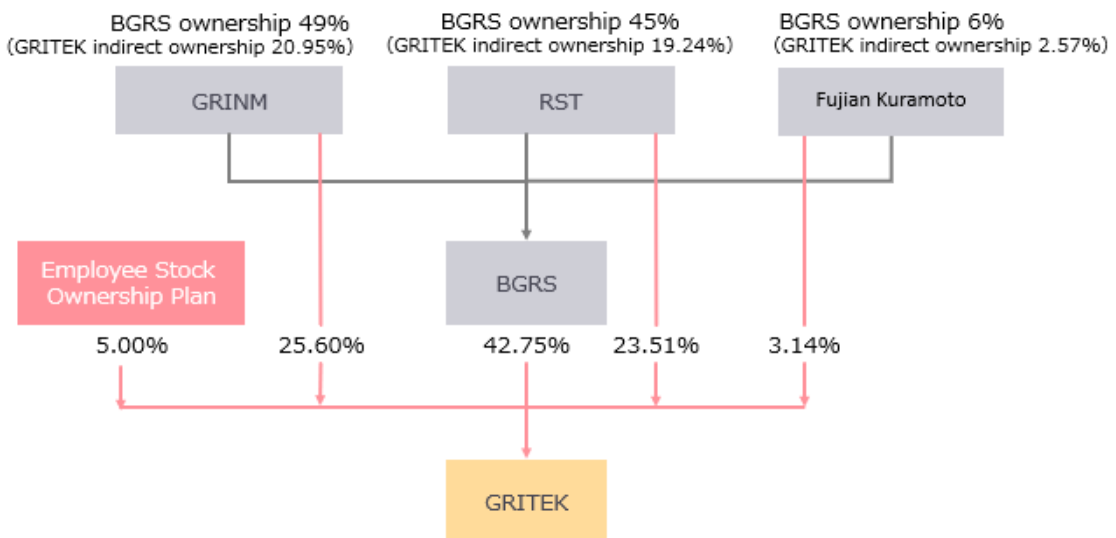
The impact on RST's consolidated financial performance caused by this notice is considered as minor. Yet, whenever important information related to GRITEK's listing on STAR Market needs to be released, RST will immediately release the information.

(Table A) The Scheme of Share Transfer

(1) Before share transfer



(2) After share transfer



This notice is for the purpose of press release to general public regarding GRITEK's IPO on STAR Market. Therefore, this notice is NOT for the solicitation of investment or any other related purposes and the statement that this notice is not for solicitation purpose is applied to any countries including Japan, China, United States and other countries. With regards to United States, selling securities of RS Technologies without registration is not allowed in the United States. The decision to purchase securities through public offering shall be made based on the information in offering memorandum or prospectus. As of now, RS Technologies Co.,Ltd does not intend to do public offering in the United States.