



FY12/21 1st Quarter Financial Results Briefing Material

RS Technologies Co., Ltd.

May 14, 2021



Code: 3445
Tokyo Stock Exchange First Section

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1. Company Overview

Company Overview

- Holding the top market share (30%*1) worldwide in semiconductor wafer reclamation market
- Entering the prime wafer business through a joint venture with a Chinese state-owned company
- Expanding into semiconductor-related 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 5,438 million (As of March 2021)
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 42.7%*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 34.2%*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.40 “Business Scheme in Chinese market” 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.

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
May. 2021	Establishment of DG Technologies' second manufacturing plant (Kurihara Plant) in Kurihara city, Miyagi

DG Technologies New Plant Established

- In order to meet customers' demand, DG Technologies established their second manufacturing plant in Kurihara-city, Miyagi on May, 2021.
- Respond to increasing demand at 2 plants(Kamisu and Kurihara plants).

Kamisu Plant



Plant	DG Technologies Kamisu Plant
Location	Kamisu-city, Ibaraki
Area	5,378m ²

Kurihara Plant



Silicon Shower Plate



Quartz Ring

Plant	DG Technologies Kurihara Plant
Location	Kurihara-city, Miyagi
Area	5,000m ²

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

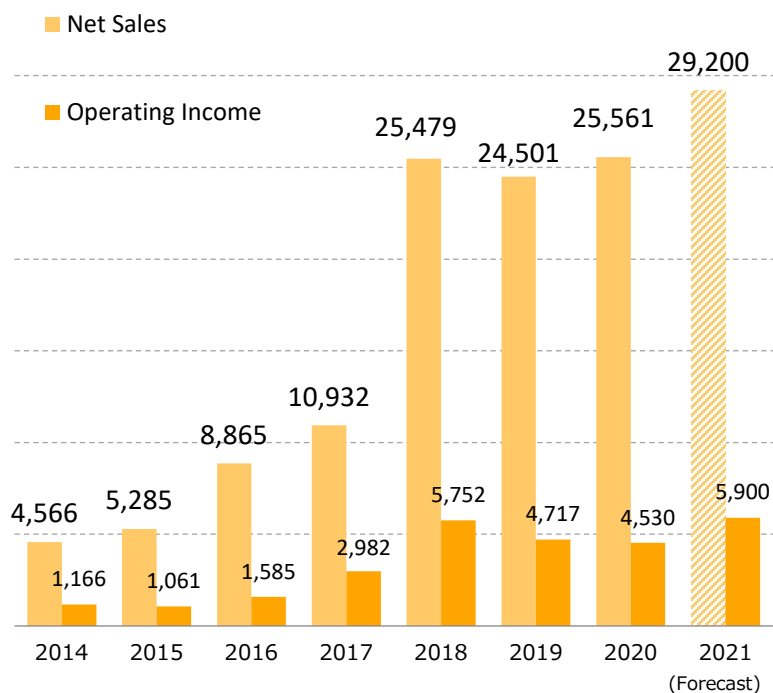


RS Technologies Today

- 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.

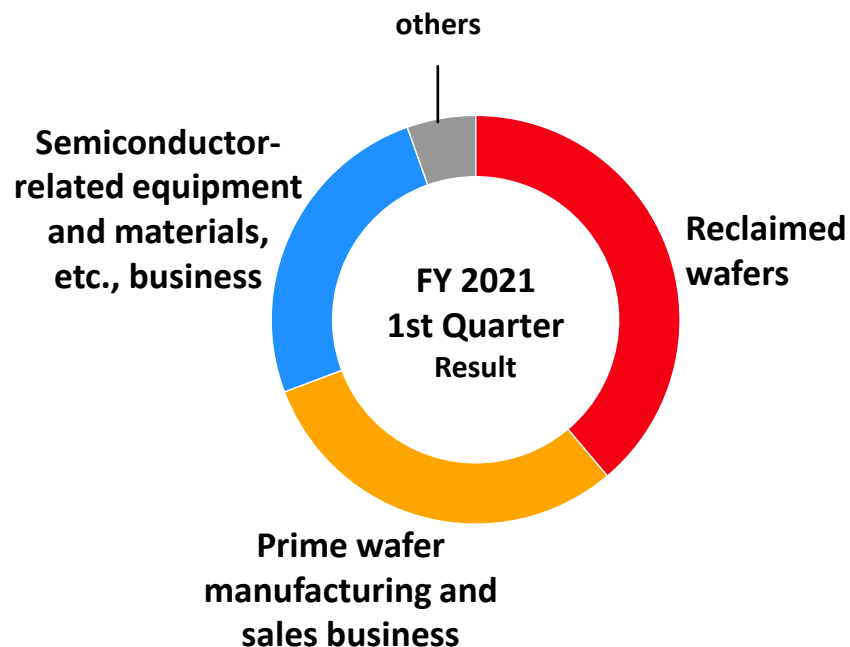
Consolidated Net Sales and Operating Income

(Unit: Million yen)



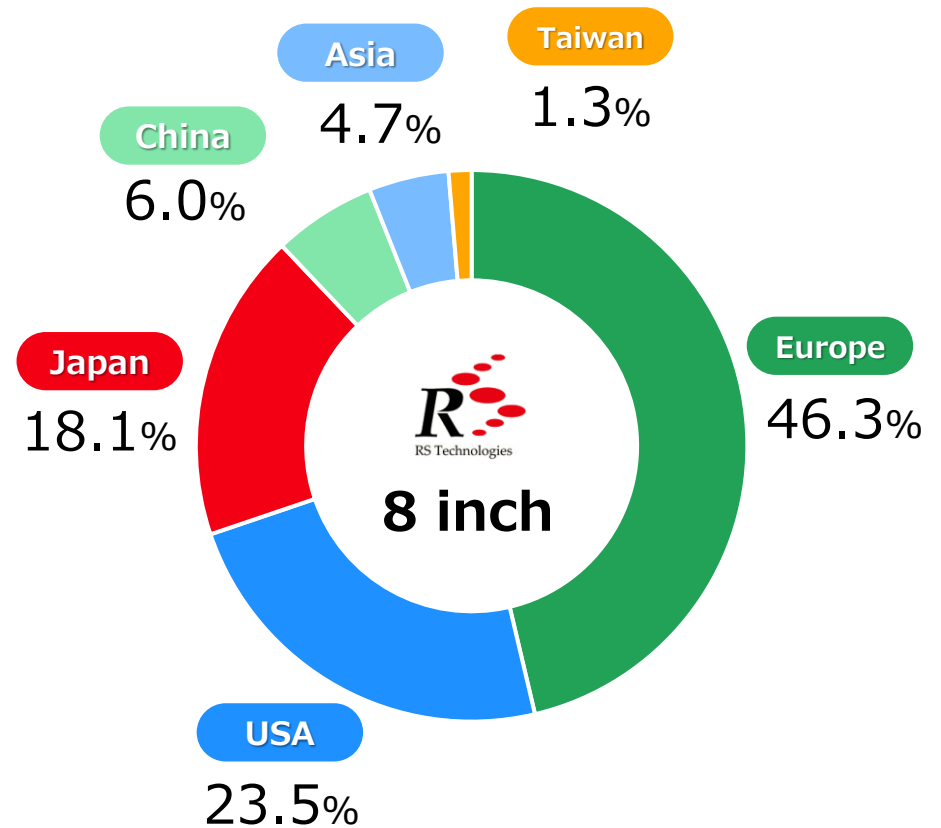
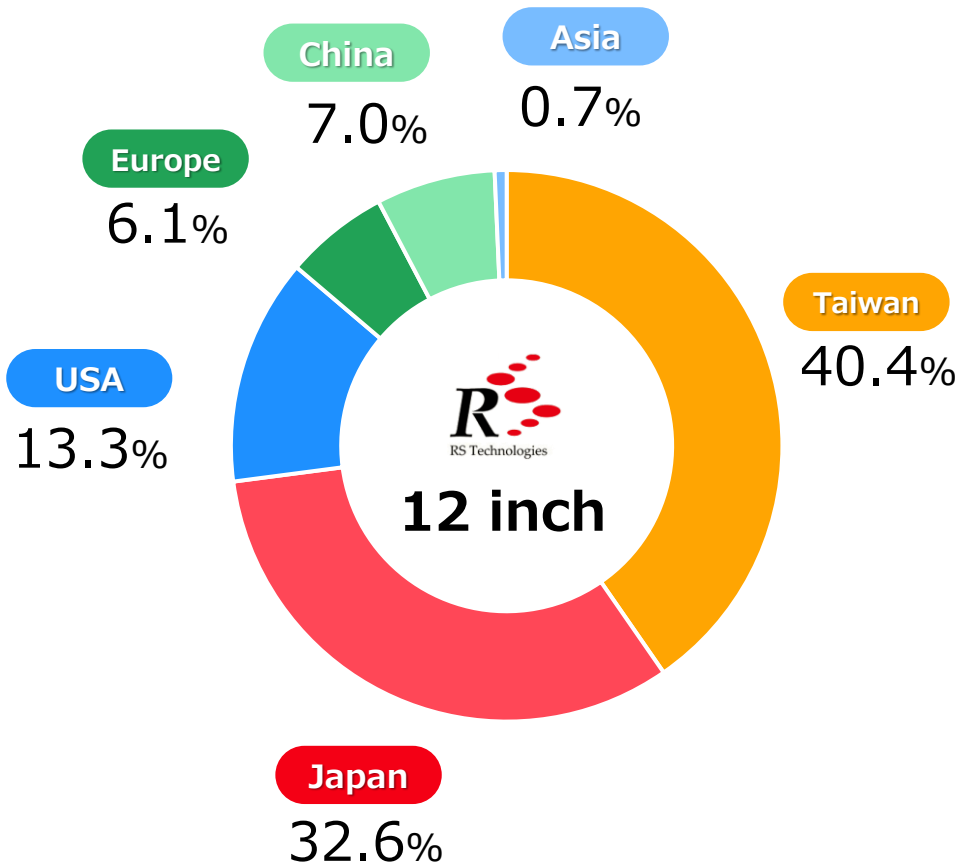
※The forecast above is based on the official data published on Feb 12, 2021

Sales by Business Segment



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.



NOTE : RST's own research (2020)

2. FY 12/2021 1st Quarter Results Summary

Extraordinary Expenses (Share-based compensation expenses)

Background

In February, 2021, some of GRITEK's share owned by BGRS were transferred to Employee Stock Ownership Associations.

(The share transfer plan was disclosed in a disclosure document on November 19, 2020)

RST's understanding and interpretation

RST requested GRITEK's valuation to a third party (the asset evaluation organization assigned by China Securities Regulatory Commission). Based on the valuation result assessed by the third party, RST regarded the valuation (market value net equity) as fair value and transferred some of GRITEK's share to Employee Stock Ownership Association.

Auditing firm's understanding and interpretation

Auditing firm regards quotation from Chinese institutional investors (quoted valuation submitted in April 2021) as fair value.

Outcome • Impact

- Extraordinary Expenses (JPY 1,348 Million) is appropriated based on the difference between transferred value and the fair value determined by auditing firm
- No Cash-out from this event
- No impact on net asset from this event
(Because of this extraordinary expenses, retained earnings decrease while capital surplus increases.
Therefore, there is no impact on net asset)

FY 12/2021 1st Quarter Results Summary

- Net Sales increased due mainly to increasing demand of reclaimed wafer and semiconductor related equipment ,material business.
- Operating Profit decreased because of new factory start-up cost for prime wafer business
- Profit attributable to owners of parent dropped YoY (See the previous page for details)

(JPY Million)	FY 12/2020 1 st Quarter	FY 12/2021 1 st Quarter	YoY	YoY (increase/ decrease)	FY12/2021 2 nd Quarter accumulated estimate (Progress)	FY12/2021 2 nd Quarter accumulated estimate
Net Sales	6,182	6,684	502	8.1%	51.0%	13,100
Operating Profit	1,173	755	▲418	▲35.6%	34.3%	2,200
%	19.0%	11.3%	▲7.7Pt			16.8%
Ordinary Income	1,408	1,191	▲217	▲15.4%	54.1%	2,200
%	22.8%	17.8%	▲5.0Pt			16.8%
Profit attributable to owners of parent	826	▲540	▲1,366	▲165.4%	▲41.5%	1,300
Earnings per share(EPS)	JPY64.43	JPY▲41.83	JPY▲106.26	▲164.9%		JPY100.86

Results by Segment and Company

- Reclaimed Wafer Business increased both net sales and operating profit YoY due to strong customer demand
- Prime Wafer Business decreased operating profit due to new factory start-up cost
- Semiconductor-related Equipment, Materials, etc., Business increased the sales amount by strengthening the sales personnel

	Reclaimed Wafer		Prime Wafer		Semiconductor-related Equipment, Materials, etc., Business		Others, Adjustment		Consolidated TOTAL	
	YoY	YoY	YoY	YoY	YoY	YoY	YoY	YoY	YoY	
By Segment (Million JPY)										
Net Sales	2,913	6.3%	2,280	1.0%	1,898	38.6%	▲407	—	6,684	8.1%
Operating Profit	1,064	7.2%	▲211	▲170.6%	81	▲28.3%	▲179	—	755	▲35.6%
%	36.5	0.3pt	▲9.3	▲22.5pt	4.3	▲4.0pt	—	—	11.3	▲7.7Pt
	RS		RS Taiwan		Chinese Subsidiaries		Others, Adjustment		Consolidated TOTAL	
	YoY	YoY	YoY	YoY	YoY	YoY	YoY	YoY	YoY	
By Company (Million JPY)										
Net Sales	3,091	22.9%	1,288	13.5%	2,204	▲2.3%	101	—	6,684	8.1%
Operating Profit	586	24.9%	392	4.3%	▲238	▲173.5%	15	—	755	▲35.6%
%	19.0	0.3pt	30.4	▲2.7pt	▲10.8	▲25.2Pt	—	—	11.3	▲7.7Pt

Result Chart by Segment

- Reclaimed Wafer Business shows steady growth in sales and operating profit with strong customer demand
- Prime Wafer Business increased net sales, however, operating profit decreased due mainly to new factory start-up cost in China
- Semiconductor-related Equipment, Materials, etc., Business increased the sales volume mainly because of increasing sales volume for consumable parts manufactured by DG Technologies

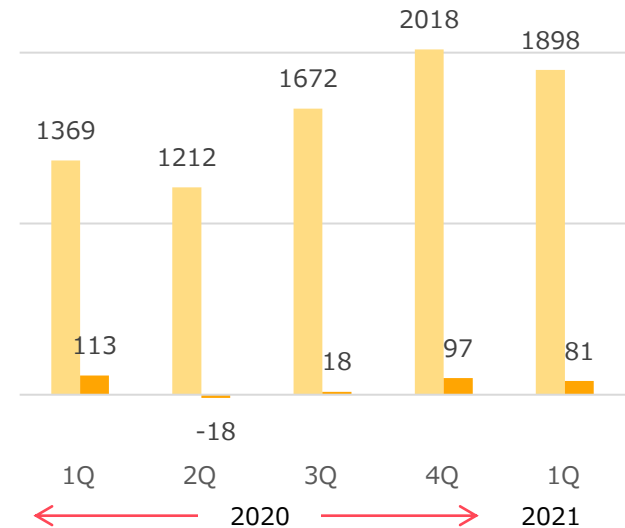
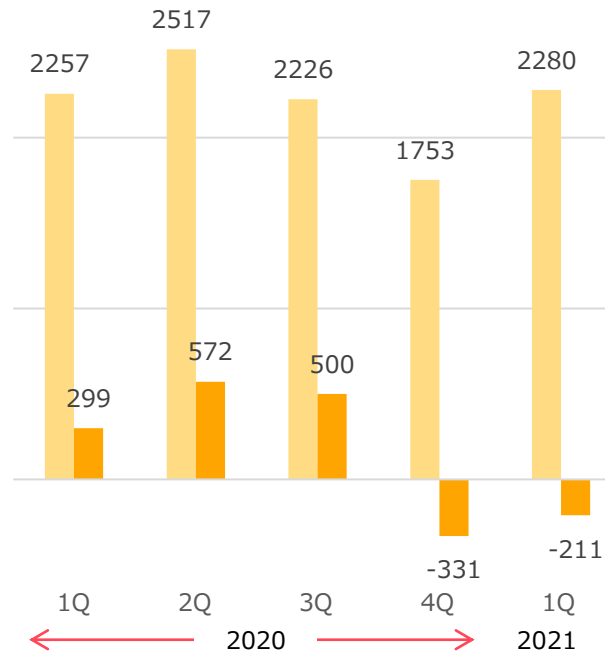
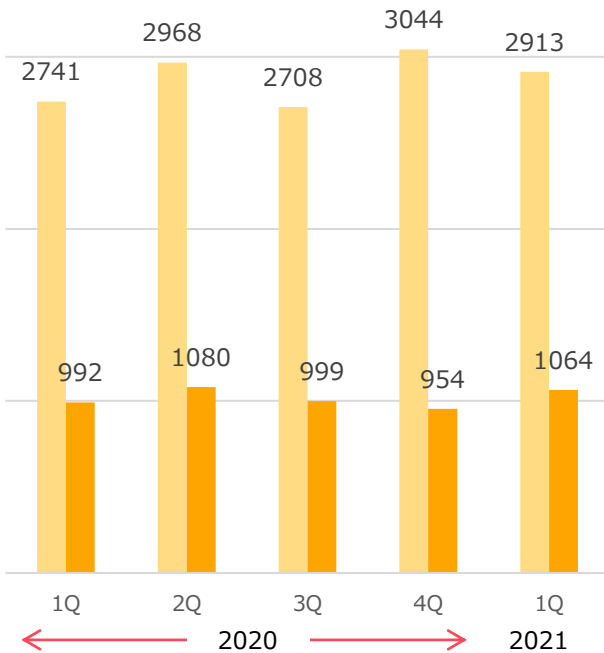
Reclaimed Wafer Business

Prime Wafer Business

Semiconductor-related Equipment, Materials Business

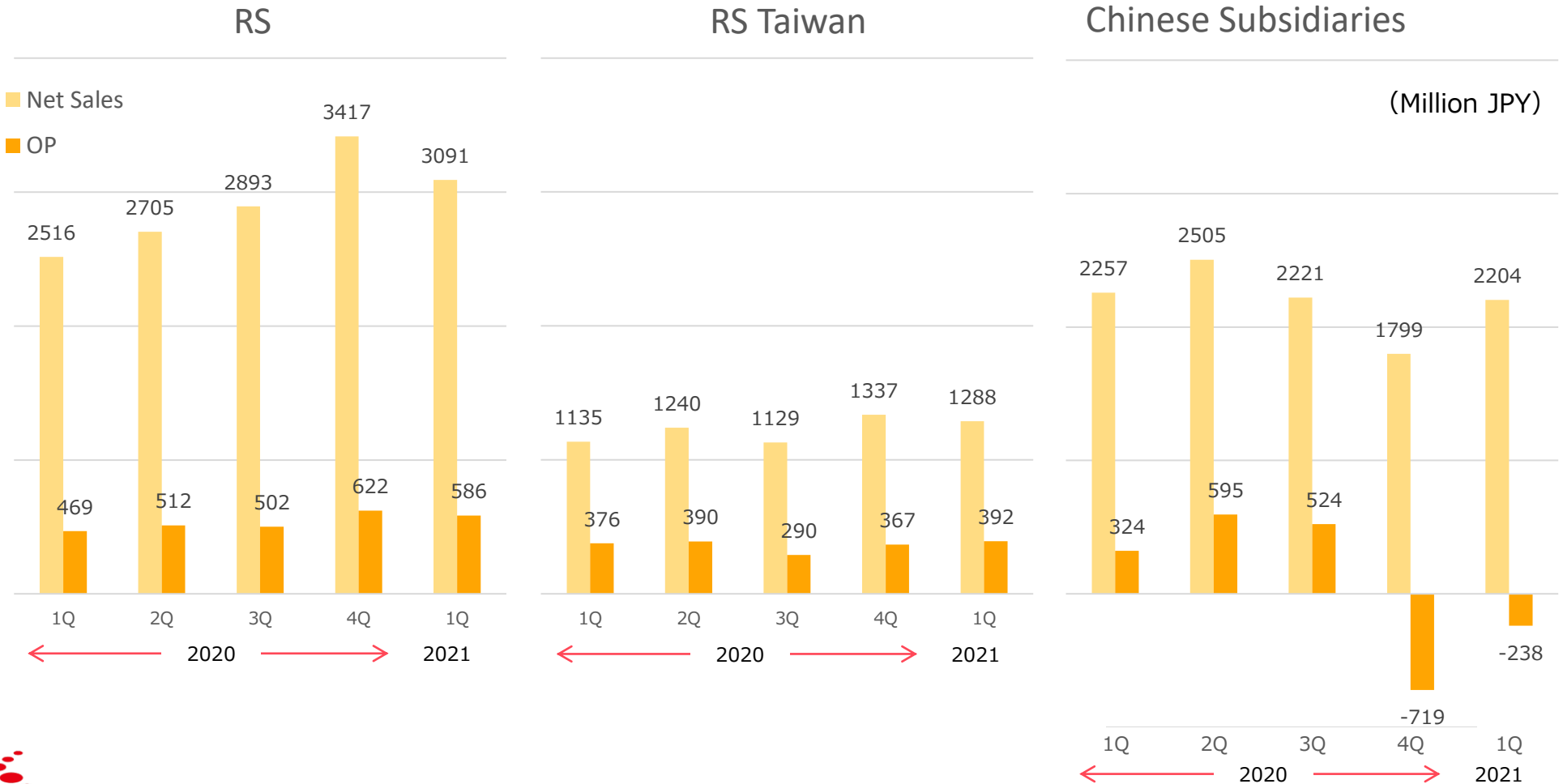
■ Net Sales
■ OP

(Million JPY)



Result Chart by Company

- RS Technologies shows steady sales growth by Reclaimed Wafer Business and Semiconductor-related Equipment, Materials, etc., Business
- RS Taiwan also shows steady sales growth due to strong customer demand
- Chinese Subsidiaries increased net sales, however, operating profit decreased due mainly to new factory start-up cost in China



Balance Sheet (BS)

- Investment and other Assets increased because of additional investment in Established Shandong GRINM RS Semiconductor Materials Co., Ltd (SGRS)

Consolidated Balance Sheet

(JPY Million)	12 FY 2020	12 FY 2021 1 st Quarter
Assets		
Current Asset	32,626	35,280
Cash and deposits	19,082	20,627
Accounts receivable etc	6,321	6,837
Goods and products	2,116	1,961
Fixed Assets	26,124	30,155
Tangible Fixed Assets	24,146	26,064
Intangible Fixed Assets	527	507
Investment and other Assets	1,451	3,584
Total Assets	58,750	65,435
Liabilities		
Current Liabilities	12,631	13,790
Accounts payable etc	2,871	3,355
Short-term loans	1,522	2,770
Fixed Liabilities	5,754	8,955
Long-term loans	1,613	2,906
Total Liabilities	18,385	22,746
Net Assets		
Net Assets	40,365	42,689
Total Liabilities & Net Assets	58,750	65,435

3. Mid-Term Management Plan

Summary of Medium-Term Management Plan (4 years:2021-2024)

- **Reclaimed Wafer Business:** Steady growth by executing further investment to meet market demand
- **Prime Wafer Business:** Securing stable supply and increased production of 8 inch prime wafer
- **Semiconductor-related E&M Business:** Gaining new customers in Chinese market and utilizing group synergy.

(Million yen)	12/2019	12/2021	12/2022	12/2023	12/2024
	Actual	Forecast	Forecast	Forecast	Forecast
Net sales	25,561	29,200	32,900	34,800	37,100
Operating income	4,530	5,900	6,500	7,000	7,900
Operating Margin	17.7%	20.2%	19.8%	20.1%	21.3%
Ordinary income	5,252	5,900	6,600	7,100	8,000
Ordinary Margin	20.5%	20.2%	20.1%	20.4%	21.6%
Net income attributable to owners of the parent	2,824	3,100	3,700	4,200	4,800
EPS	219.15	240.51	286.19	324.87	371.27

Outlook of FY 12/2021

- Although depreciation cost by CAPEX is forecast to squeeze operating income of RS and RS Taiwan year on year, stable mass production of 8 inch prime wafer in China and increasing demand in Semiconductor-related E&M products will contribute to increasing net sales and profit year on year.

(JPY Million)	FY 12/2020 (Jan-Dec, 2020)	FY 12/2021 (Jan-Dec, 2021)	vs. Previous Year	
	Actual	Forecast	Increase/decrease	%
Net Sales	25,561	29,200	3,639	14.2%
Operating Income	4,530	5,900	1,370	30.2%
Operating Margin	17.7%	20.2%	2.5pt	
Ordinary Income	5,252	5,900	648	12.3%
Ordinary Margin	20.5%	20.2%	△0.3pt	
Net income attributable to owners of the parent	2,824	3,100	276	9.8%
EPS	JPY 219.15	JPY 240.51	21.36	9.7%
Annual Dividend	JPY 20	JPY 20	—	—

(JPY Million)	RS		Subsidiary in Taiwan		Subsidiaries in China		Others, Adjustments	Consolidated Total	
		YoY		YoY		YoY			YoY
Net Sales	11,300	△2.0%	4,900	1.2%	10,900	8.4%	2,100	29,200	14.2%
Operating Income	1,700	△19.3%	1,200	△15.8%	2,600	66.2%	400	5,900	30.2%
Operating Margin	15.0%	△3.3pt	24.5%	△4.9pt	23.9%	8.4pt	-	20.2%	2.5pt

Capital Investment Plan: Reclaimed Wafer Business

- Following growing demand of semiconductors in global scale, factory in Japan and Taiwan will increase production capacity and factory in China will execute stable mass production.

Japan

Total investment: JPY 1.4 bil.

- Expand production capacity for 12-inch reclaimed wafers.
- 2020 to 2022: JPY 1.4 bil. (40,000 wafers)

12-inch reclaimed wafer production capacity (per month)

2020	2021	2022	2023
260k	280k	300k	300k

FY2020	FY2021	FY2022
JPY 900 million	JPY 500 million	TBD

Taiwan

Total investment: JPY 1.4 bil.

- Expand production capacity and conduct refinement for 12-inch reclaimed wafers.
- 2020 to 2023: JPY 1.4 bil. (40,000 wafers)

12-inch reclaimed wafer production capacity (per month)

2020	2021	2022	2023
160k	180k	190k	200k

FY2020	FY2021	FY2022
JPY 800 million	JPY 300 million	JPY 300 million

China

Total investment: JPY 3.6 bil.

- Invest a new 12-inch reclaimed wafer production base.
- Phase 1 investment (2020 to 2023): JPY 3.6 bil. (50,000 wafers)
- Phase 2 Investment (2024~) investment -TBD (50,000 wafers)

12-inch reclaimed wafer production capacity (per month)

2020	2021	2022	2023
0k	0k	50k	50k

Phase 1 investment

FY2020	FY2021	FY2022
JPY 3 billion	JPY 500 million	JPY 100 million

Capital Investment Plan: Prime Wafer Business

- **8 inch prime wafer:** Targeting to produce 130k wafers per month
- **12 inch prime wafer:** Executing R&D to produce 10k wafers per month

China (8 inch)

Action to take:

- Quick startup of Shandong Factory
- Execution of stable mass production

8-inch prime wafer production capacity (per month)

2020 → 2021
80k → **130k**

FY2020	FY2021	FY2022
- *1	TBD	TBD

*1: completed investment in 2020

China (12 inch)

Action to take:

Test line investment: JPY 4 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 (per month)

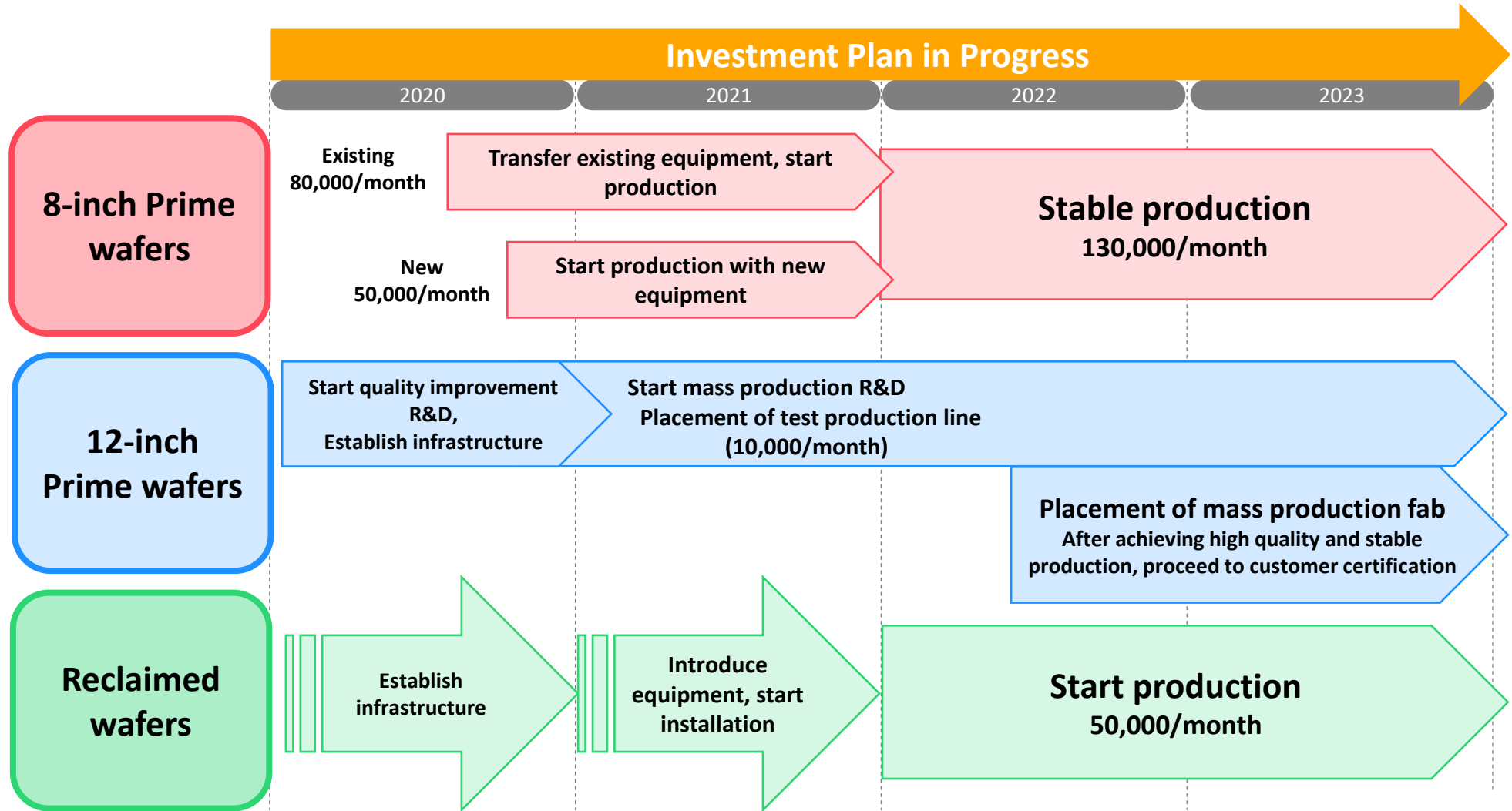
2020 → 2021 → 202X
0k → **10k*2** → **300k**

FY2020	FY2021	FY2022
JPY 0.5 bil.	JPY 4.5 bil.	TBD

*2: Test line for mass production R&D

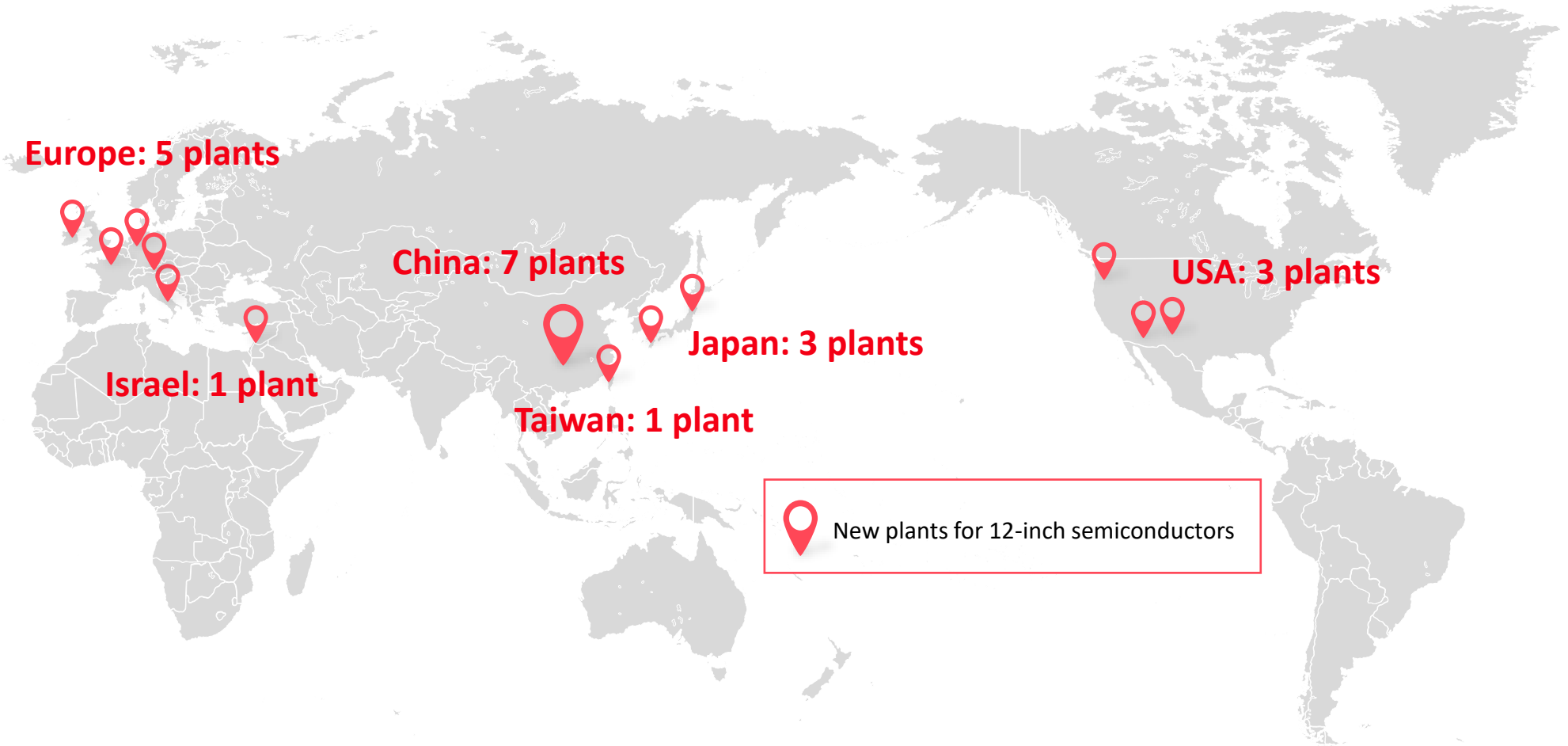
Investment Plan in Progress for China (Schedule)

- Producing 130k wafers per month for 8 inch prime wafer and executing R&D to produce 10k wafers per month for 12 inch is scheduled in 2021.



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.

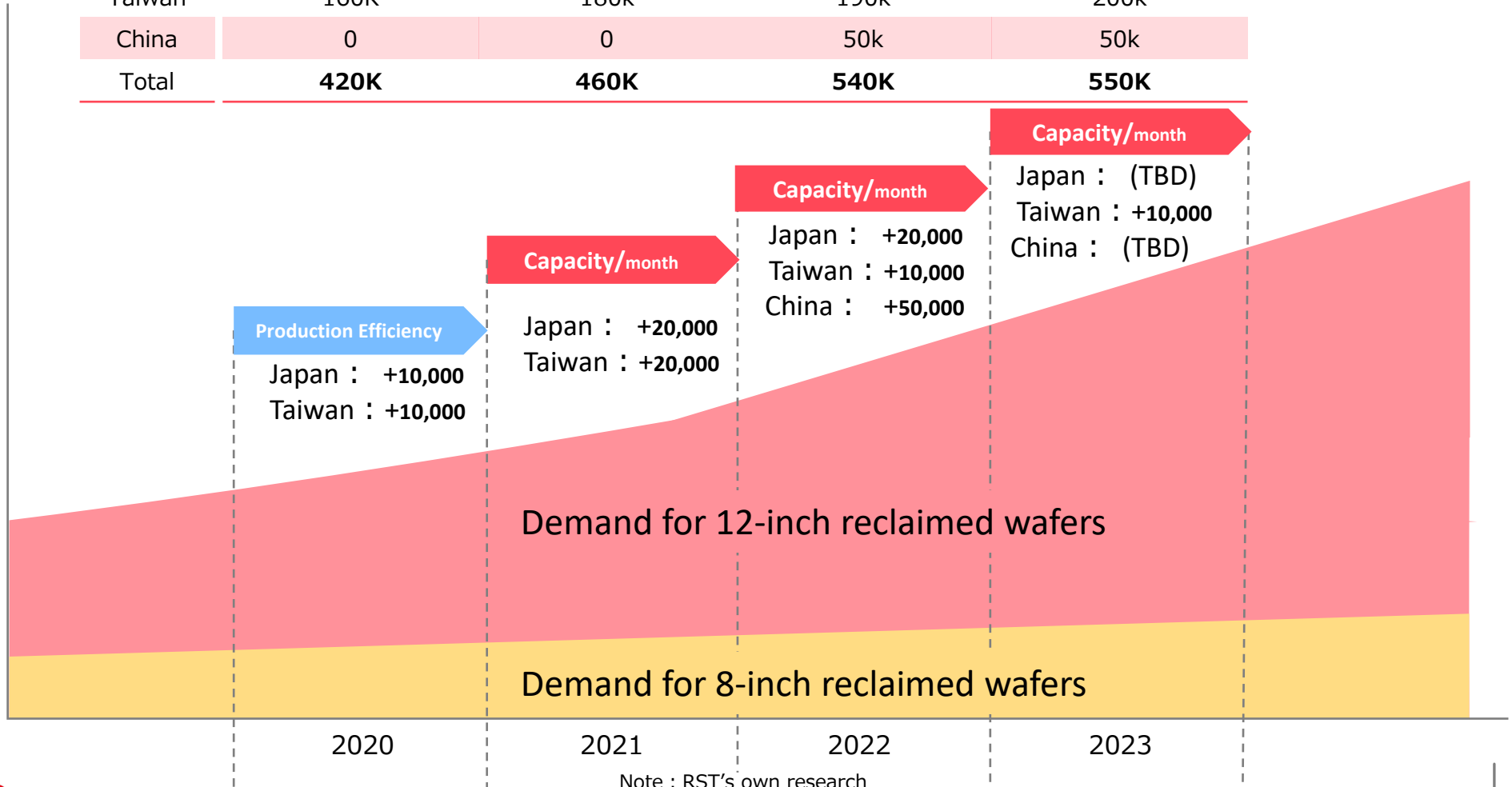


Note: RST survey

Reclaimed Wafer Demand Outlook

- Between 2021 and 2023, production capacity of 12 inch reclaimed wafers is expected to increase:
Japan: +40,000, Taiwan: +40,000, China: +50,000

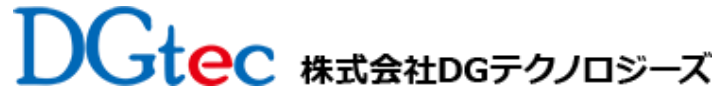
Production	2020	2021	2022	2023
Japan	260K	280k	300k	300k
Taiwan	160K	180k	190k	200k
China	0	0	50k	50k
Total	420K	460K	540K	550K



Third Engine of Growth : DG Tec's Growth Strategy (1/3)

- DG Technologies manufactures consumable parts for semiconductor equipment
- In January, 2019, DG Technologies became a consolidated subsidiary of RS Technologies

Company Profile



Name	DG Technologies Co., Ltd
Est.	October 26, 1981
Business	Consumable parts for semiconductor equipment
Address	3-4, Sunayama, Kamisu-city, Ibaraki
Capital	JPY 100 Million
CEO	Nagayoshi Ho

Product

Quartz and Silicon Consumable Parts
For Etching Equipment



Silicon Plate



Quartz Ring

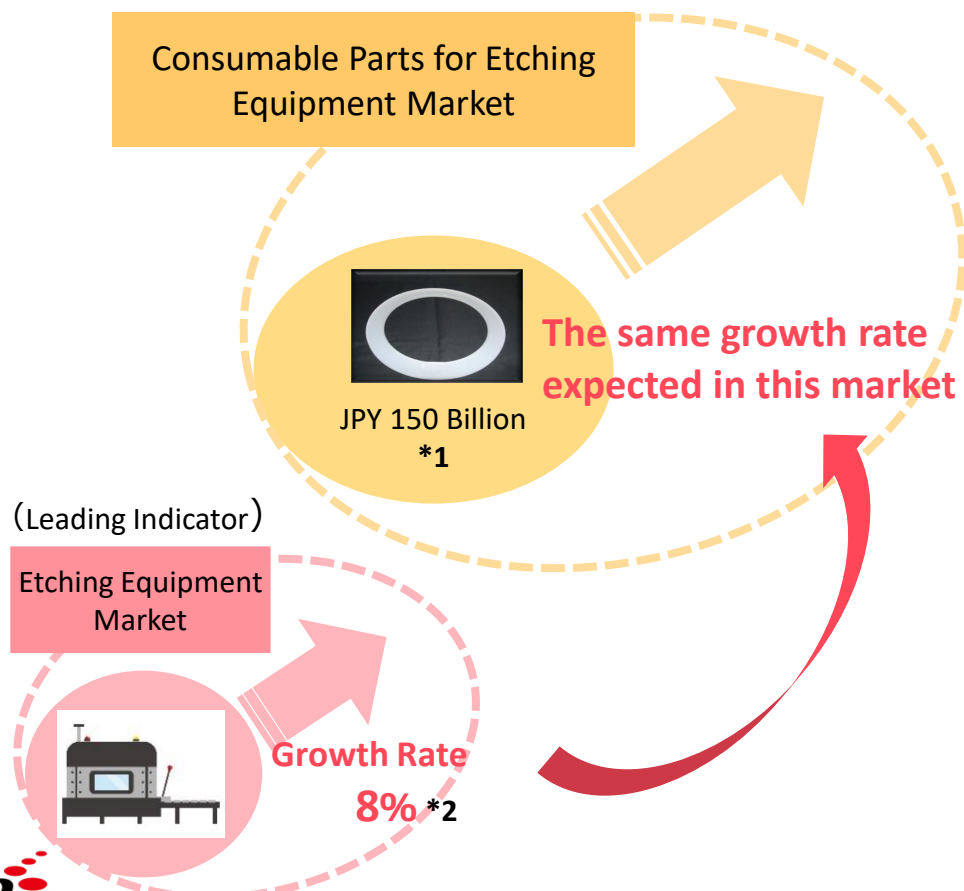
Main Customer

Semiconductor Manufacturers
Semiconductor Equipment Manufacturers

Third Engine of Growth : DG Tec's Growth Strategy (2/3)

- Market for Quartz and Silicon Consumable Parts for Etching Equipment is expected to reach 150 billion yen and is expected to continue stable growth.
- By executing the Growth Strategy, DG Tec targets to become top provider in the market

Market Forecast



Growth Strategy

- ◆ **Strengthening Sales Activities**
⇒ Cross-selling DG Tec's parts to RST's existing customers
- ◆ **Reinforcement of Production Capacity**
⇒ Execution of CAPEX helps DG Tec meet customers' required quantities and delivery time of products.
- ◆ **Improvement of Production Efficiency**
⇒ Optimization of human resources and production planning leads to overall production efficiency
- ◆ **Optimization of Procurement**
⇒ Purchasing raw materials from GRITEK creates cost advantage.

Third Engine of Growth : DG Tec's Growth Strategy (3/3)

- In order to meet customers' demand, DG Technologies established their second manufacturing plant in Kurihara-city, Miyagi on May 30, 2021.
- Both Kamisu and Kurihara plants manufacture Silicon and Quartz parts

Kamisu Plant



Plant	DG Technologies Kamisu Plant
Location	Kamisu-city, Ibaraki
Area	5,378m ²

Kurihara Plant



Silicon
Shower
Plate

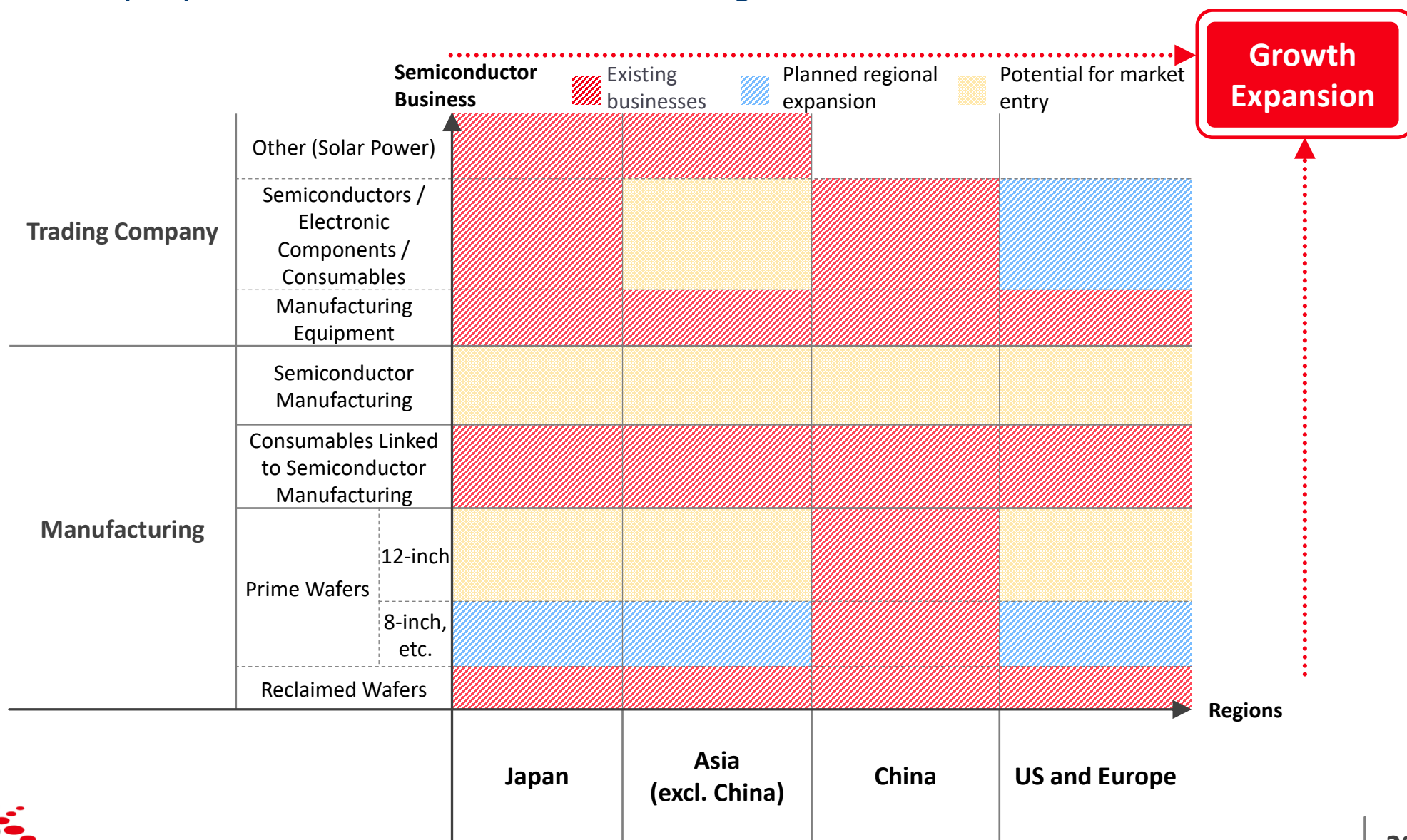


Quartz
Ring

Plant	DG Technologies Kurihara Plant
Location	Kurihara-city, Miyagi
Area	5,000m ²

RS Technologies' Aims

Steady expansion of business domains and regions



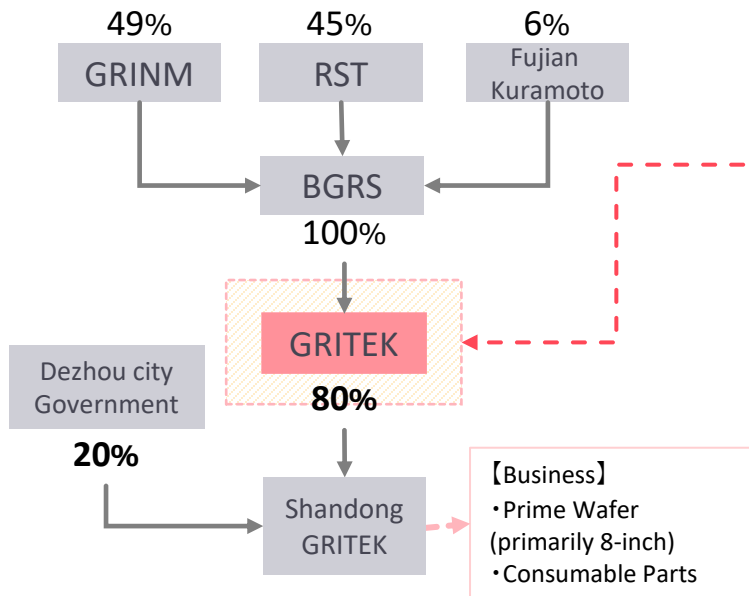
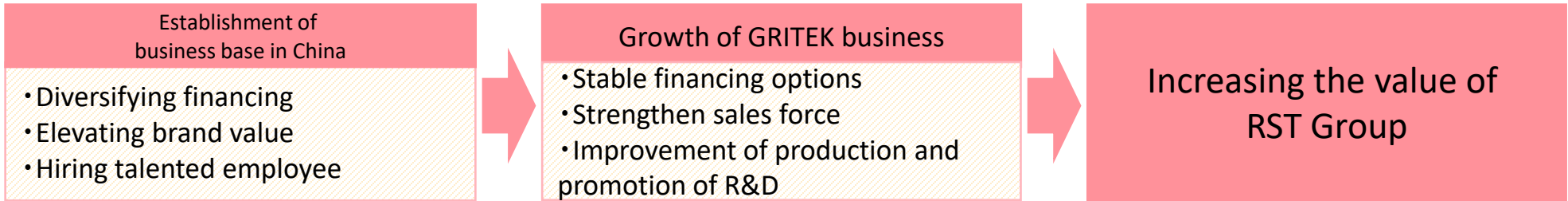
Appendix 1

**Subsidiary in China, GRITEK, preparing for IPO on STAR Market:
(Published Information)**

Subsidiary in China, GRITEK, preparing for IPO (Published in Sept, 2020)

- 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



【Business】
 • Prime Wafer (primarily 8-inch)
 • Consumable Parts

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.

GRITEK's Status for IPO (Published in Nov. 2020)

- Board of Directors held on Nov. 19, 2020 approved share transfer of GRITEK's share as a part of IPO process.

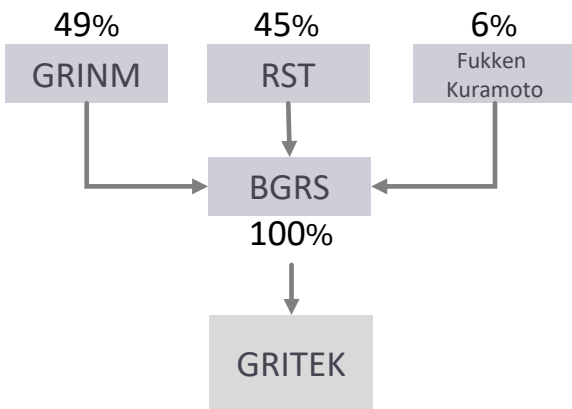
Summary of Share Transfer

- Current Status** : BGRS holding 100% of GRITEK's Share
- Share Transfer Scheme** : BGRS transferring GRITEK share to GRINM with 25.60%、Fukken Kuramoto with 3.14%、Employee stock ownership association with 5.00%、 and RST with 23.51%

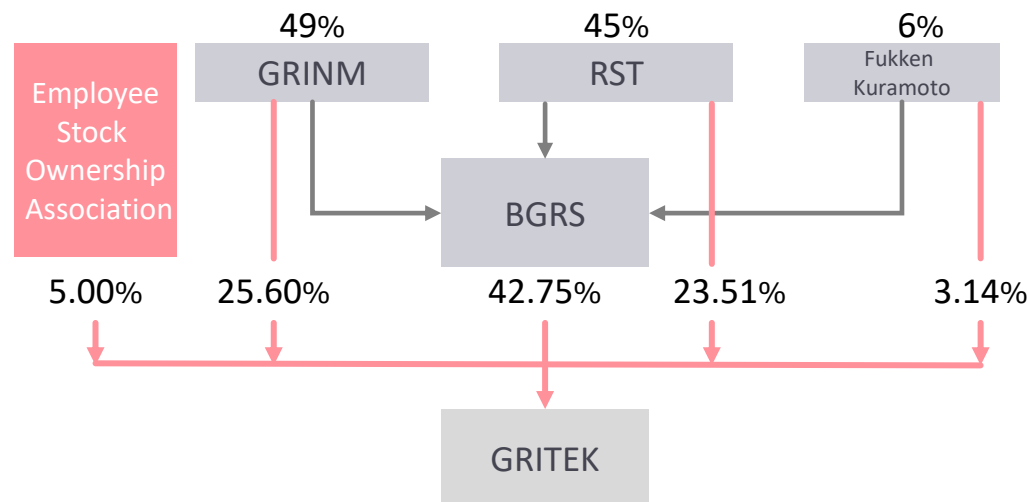
Purpose of Share Transfer

- Employee Stock Ownership Association stimulates GRITEK's employees' motivation
 - Maintaining business relationship with GRINM
- ↓
- Increasing RST Group's enterprise value

BEFORE Share Transfer



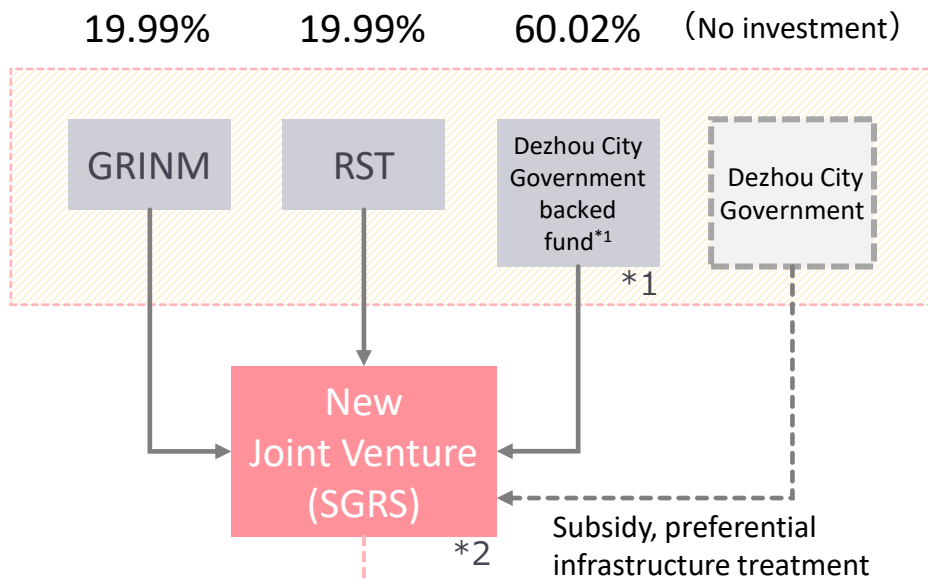
AFTER Share Transfer



Business Scheme for 12-inch Silicon Wafers in China

- Establishing a new joint venture with the City of Dezhou and others in March 2020.
- The foray into 12-inch silicon wafer business with 19.9% investment avoids initial investment risks.
- Starting a test line for 10,000 wafers/month and aiming 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.

Appendix 2

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.

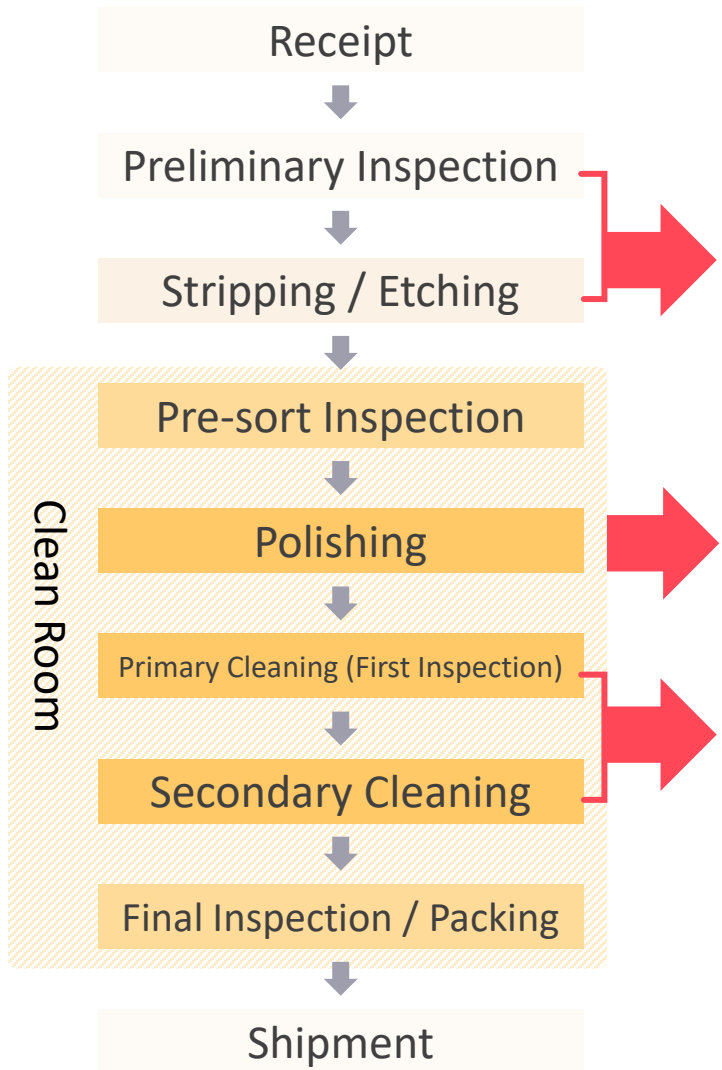
2010 Established and appointed president of RTS
(current position)

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 (1/2)



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

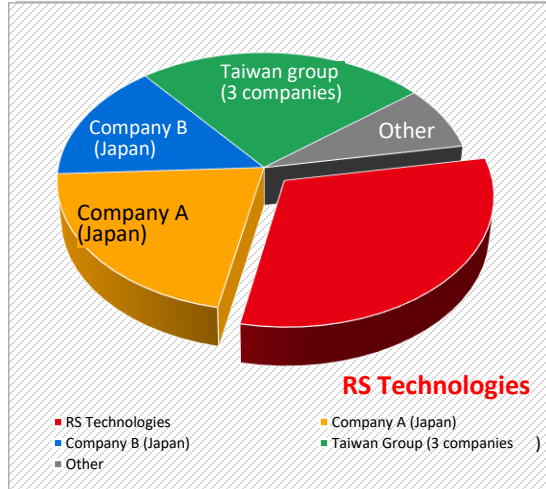
+ Removal of metallic impurities
Particular strength in removing copper (Cu)



Reclaimed Wafer Business (2/2)

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.

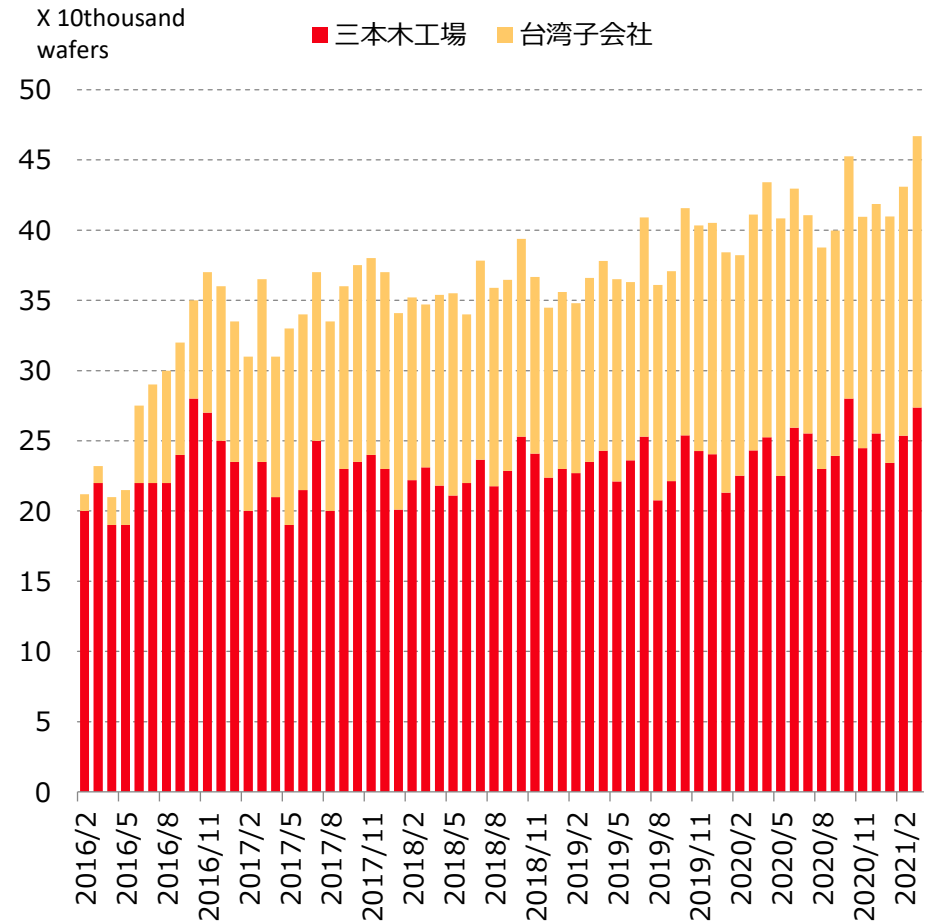
Note: RST survey

	FY12/ 2015 1H	FY12/ 2015 2H	FY12/ 2016	FY12/ 2017	FY12/ 2018	FY12/ 2019	FY12/ 2020
RST Group Production Capacity	180k wafers	240k wafers	280k wafers	300k wafers	340k wafers	400k wafers	420k wafers
RST Group Market Share	19%	24%	29%	30%	31%	33%	33%

Note: RST survey

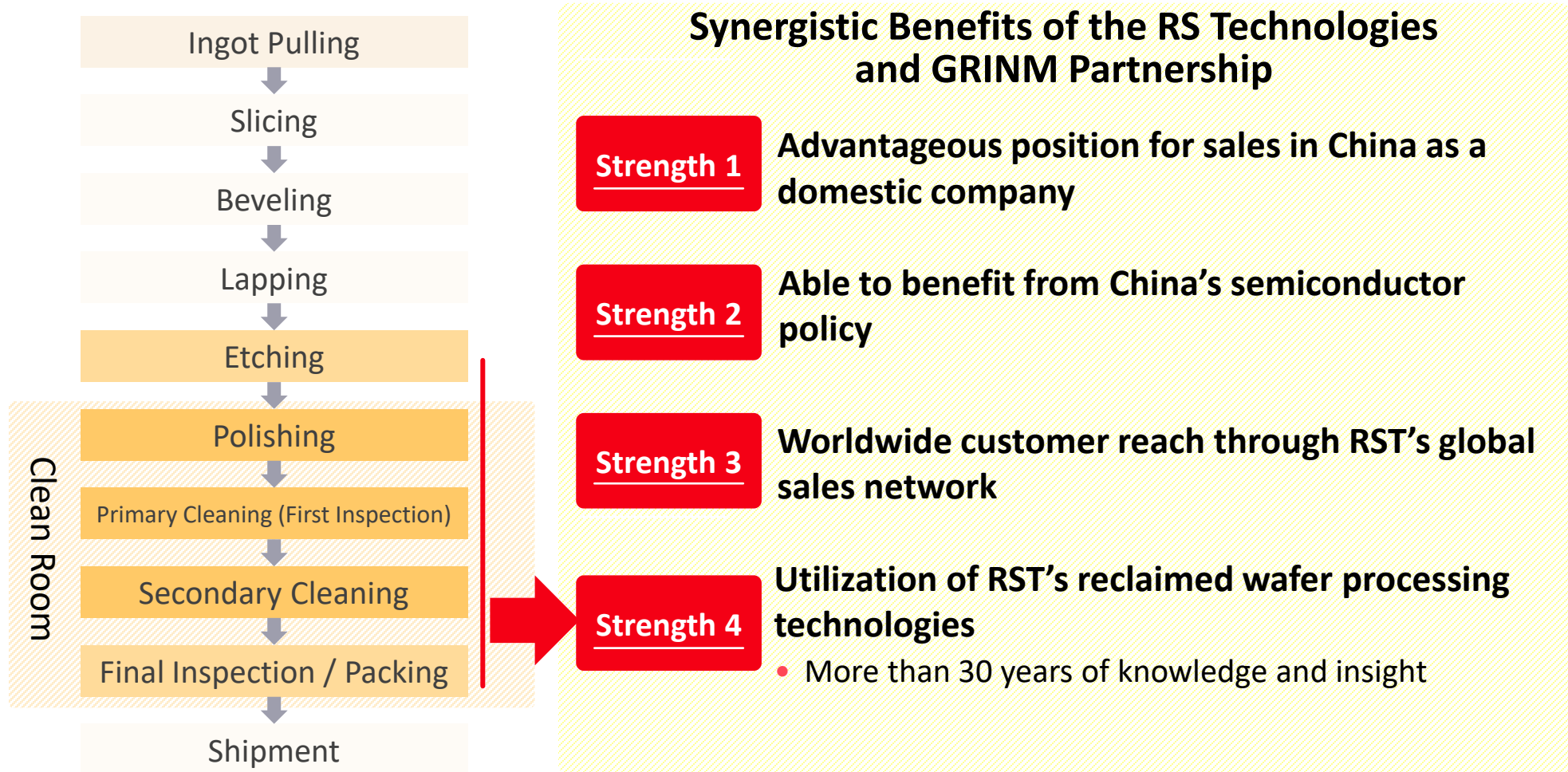
Shipments from the Sanbongi Factory and Taiwan Subsidiary (2016-2021)

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 (**GRINM**)

- 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

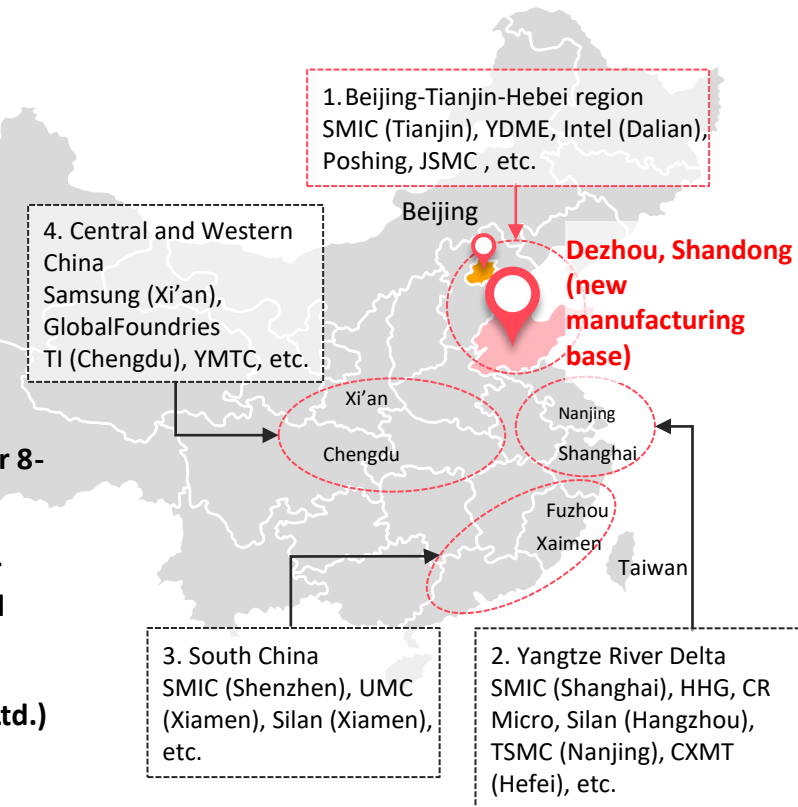
Subsidiary established for factory construction

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

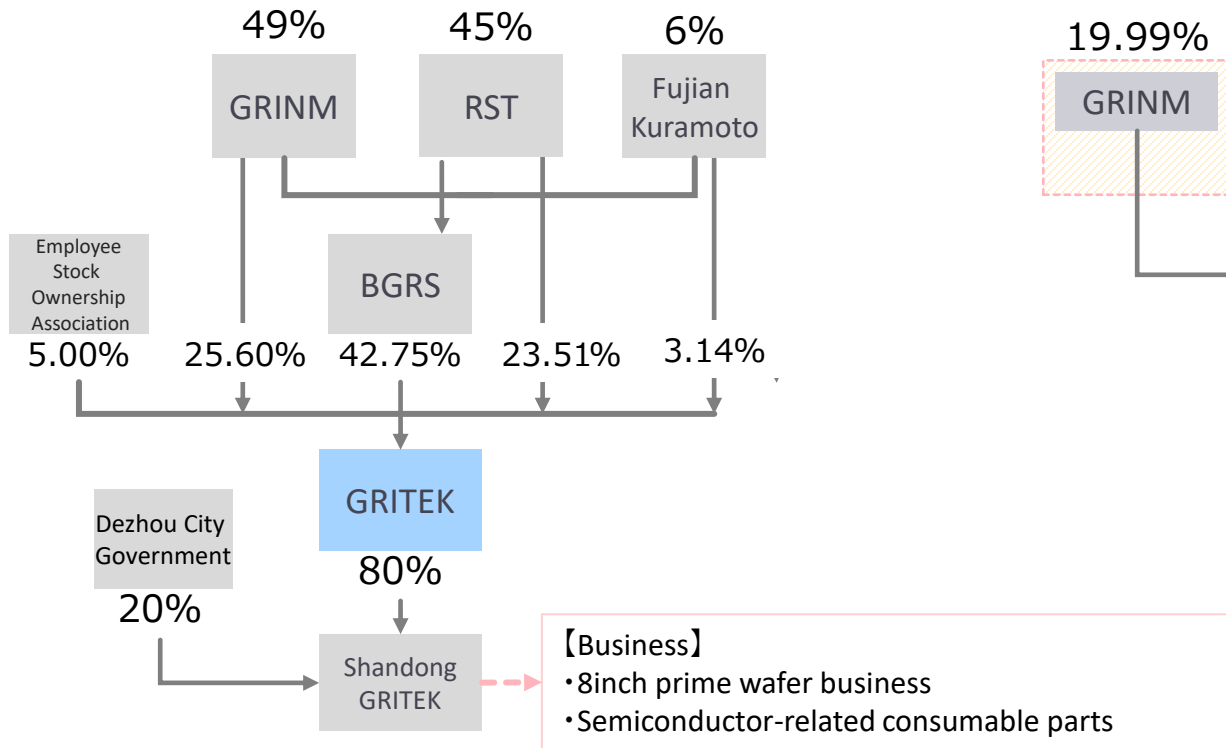
1. Established new company (Shandong GRINM Semiconductor Materials Co., Ltd.) for 8-inch wafer business on August 23, 2018.
2. A four-party joint venture agreement concluded with General Research Institute for Nonferrous Metals (GRINM) , Dezhou Huida Semiconductor Equity Investment Fund Partnership, 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



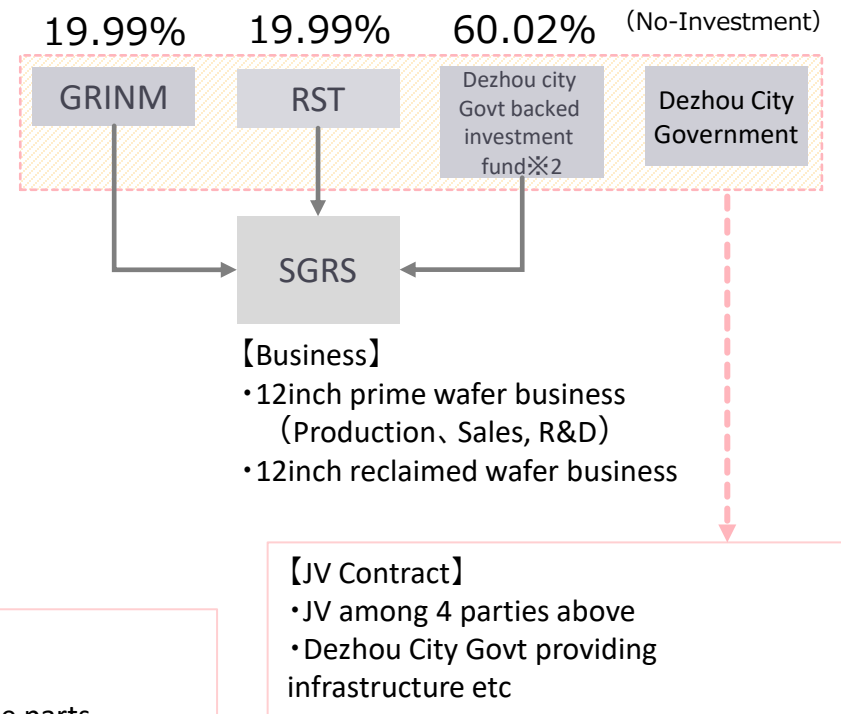
Business Scheme in Chinese market

- Board of Directors in November, 2020 determined that a part of GRITEK's shares owned by BGRS transfer as a part of IPO process.
- Below is the business scheme after executing share transfer disclosed in November, 2020

8 inch prime wafer business scheme ※1



12 inch prime wafer business scheme



※1 The business scheme is the scheme after executing GRITEK's share transfer disclosed in disclosure document on Nov. 19th, 2020

※2 Dezhou Huida Semiconductor Equity Investment Fund Partnership

Year-by-Year Results

(JPY Million)	FY12/2013	FY12/2014	FY12/2015	FY12/2016	FY12/2017	FY12/2018	FY12/2019	FY12/2020
Net sales	3,475	4,566	5,285	8,864	10,932	25,478	24,501	25,561
Gross profit	1,173	1,820	1,852	2,544	4,252	8,366	7,940	8,681
SG&A	471	654	791	958	1,269	2,615	3,223	4,151
Operating profit	703	1,166	1,061	1,585	2,982	5,751	4,717	4,530
Ordinary income	819	1,247	770	1,444	3,159	6,141	5,416	5,252
Net income*	525	664	143	861	2,113	3,620	3,035	2,824
Dividend (Yen)	-	-	-	10	5	10	15	20
Capital investment	338	3,503	4,665	209	95	1,328	4,809	12,409
Depreciation	87	103	326	682	714	1,298	1,814	1,674
Research and development expenses	1	6	11	85	183	501	449	929
Number of employees (Regular employees)	152	191	265	373	434	1,159	1,277	1,187

*Net income attributable to parent company

Principal Financial Statements

(JPY Million)	FY12/2013*	FY12/2014	FY12/2015	FY12/2016	FY12/2017	FY12/2018	FY12/2019	FY12/2020
Assets								
Current Assets	1,811	2,759	3,732	5,348	7,388	26,074	32,760	32,626
Cash and cash equivalent	397	1,190	1,842	1,952	3,243	14,879	22,156	19,082
Notes and accounts receivable - trade	681	696	795	2,531	2,916	6,958	6,047	6,321
Merchandise and finished goods	396	376	361	348	446	1,343	1,713	2,116
Non-Current Assets	508	4,064	5,845	5,333	4,843	10,516	15,873	26,124
Property, plant and equipment	461	3,918	5,667	5,152	4,674	8,963	14,635	24,146
Intangible assets	19	15	29	23	19	1,099	732	527
Investments and other assets	27	130	148	158	149	453	506	1,451
Total Assets	2,320	6,823	9,577	10,682	12,231	36,591	48,634	58,750
Liabilities								
Current liabilities	960	2,292	2,295	2,993	3,370	4,979	7,252	12,631
Notes and accounts payable - trade	138	151	186	283	398	1,554	1,614	2,871
Interest-bearing debt	136	827	1,216	1,538	1,276	976	1,730	1,522
Non-Current Liabilities	709	2,934	4,798	4,317	3,335	2,474	5,400	5,754
Long-term loans payable	615	2,925	4,079	3,620	2,767	1,848	2,232	1,613
Total Liabilities	1,670	5,227	7,093	7,310	6,705	7,453	12,652	18,385
Net Assets								
Net Assets	649	1,596	2,483	3,371	5,526	29,137	35,981	40,365
Total Liabilities and Net Assets	2,320	6,823	9,577	10,682	12,231	36,591	48,634	58,750

*2013年12月期は単独決算となっております

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Performance by Segment

(JPY Million)	FY12/2013	FY12/2014	FY12/2015	FY12/2016	FY12/2017	FY12/2018	FY12/2019	FY12/2020
Net sales								
Wafer business	3,347	4,414	5,107	7,144	9,487	10,973	10,776	11,461
Prime wafer manufacturing and sales business	–	–	–	–	–	11,918	10,058	8,755
Purchases and sales of semiconductor equipment business	–	–	–	1,654	1,393	2,918	4,047	6,272
Other, adjustments	127	151	178	66	52	△331	△380	△927
Segment profit								
Wafer business	916	1,444	1,377	1,765	3,396	4,011	4,081	4,027
Prime wafer manufacturing and sales business	–	–	–	–	–	2,048	1,503	1,041
Purchases and sales of semiconductor equipment business	–	–	–	230	130	366	171	211
Other, adjustments	△214	△278	△316	△409	△543	△675	△1,038	△749
Segment assets								
Wafer business	1,337	5,040	6,987	5,657	8,120	9,150	10,336	11,698
Prime wafer manufacturing and sales business	–	–	–	–	–	21,313	29,311	35,697
Purchases and sales of semiconductor equipment business	–	–	–	1,137	1,305	1,939	3,179	5,387
Other, adjustments	982	1,783	2,589	3,887	2,805	4,315	5,806	5,968

Forward-looking Statements

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.