August 29th, 2025

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Announcement of Release of Transcript of Financial Results Briefing for FY 2025 2Q

RS Technologies has released the transcript of its financial results briefing for the second quarter of the fiscal year ending December 2025 held on August 28, 2025.
At this briefing, we explained the financial results for the second quarter of the fiscal year ending December 2025 and answered questions from shareholders.

We would appreciate it if shareholders and investors could view this presentation.
*Questions and answers during the meeting for 2Q financial results are only disclosed in Japanese.

1. Summary of the meeting

Date :
August 28,2025
Speaker:
Nagayoshi Ho ,Representative Director and President
Satoru Endo, Director and Senior Executive Officer
Masato Kawaji, Finance and Accounting Department General Manager

2. Source

Financial Results for 2nd Quarter FY2025（English）

The archived video will be posted on our company website IR page on September 5, 2025.



CEO Ho:
My name is Nagayoshi Ho, CEO of RS Technologies.
Thank you very much for participating in our company's financial results briefing for the second quarter of the FY 2025.
There are 2 things that I would like to point out today.
The first of all, business progress in each segment has been going well.
Secondly, the new businesses acquired through M & A have been making steady progress as well.

Now, Director Endo will explain the overview of financial results.
Mr. Endo, please.

Director Endo:
My name is Endo.
Thank you for joining us today.
After I explain the overview of financial results, I will answer your questions.
If you have any questions, please ask us later.

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Summary of Financial Results for FY2025/12 2Q

01

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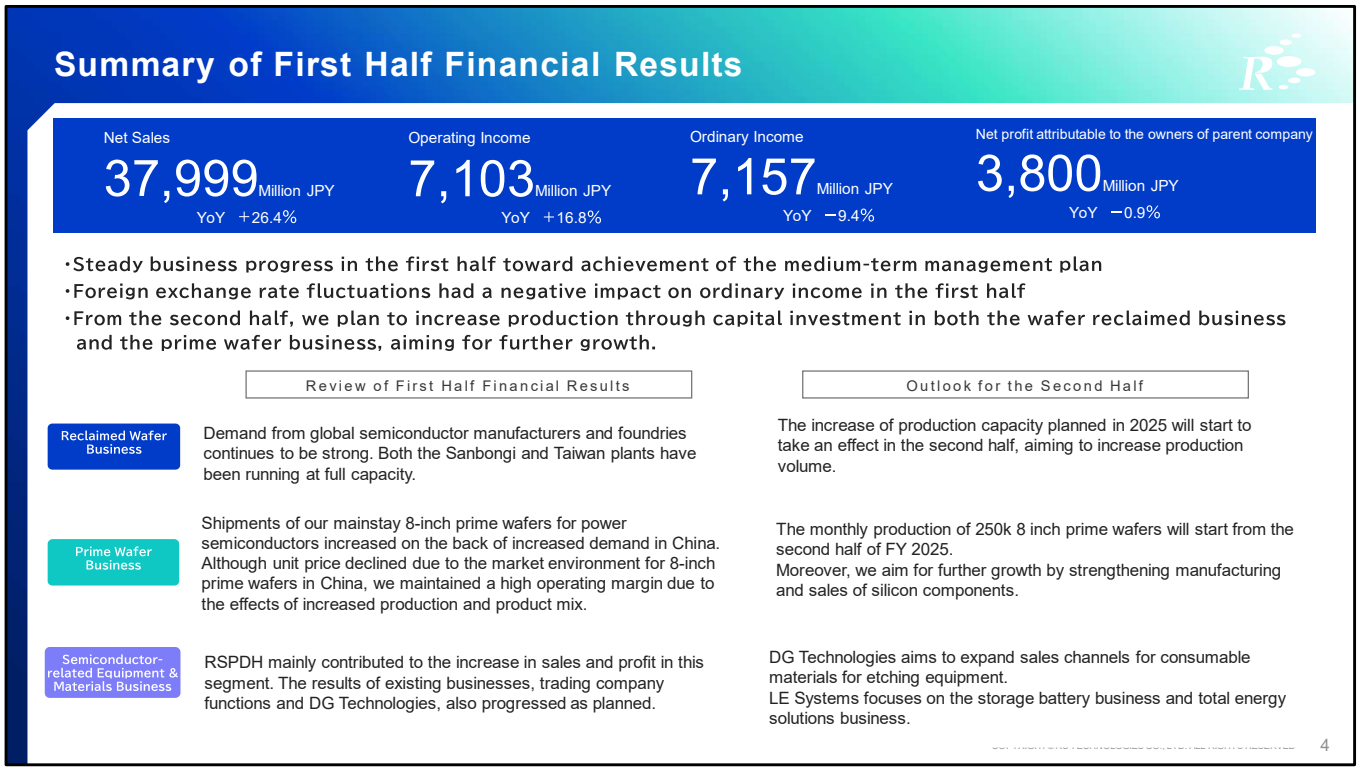
Director Endo:
Now, let me begin



Director Endo:
First, here is a summary of the results for the first half of the fiscal year.
Net sales increased 26.4%, to ¥37.9 billion, operating income increased 16.8%, to ¥7.10 billion, ordinary income decreased 9.4%, to ¥7.15 billion, and interim net income attributable to the parent company decreased 0.9%, to ¥3.8 billion.

The business environment for the wafer reclaimed business is favorable at both the Sanbongi and Taiwan plants against the backdrop of growth in the semiconductor market, and
both plants are operating at full capacity even after production increases.
Overall, we also made steady progress toward achieving our medium-term management plan.

In the prime wafer business, shipment volumes of 8-inch prime wafers, our mainstay product,
increased due to capital investment in increased production.
Demand for silicon components(ingot) is also on a recovery trend, and
we were able to maintain a high operating margin for both wafers and silicon components.
We will continue to strengthen manufacturing and sales of 8-inch prime wafers and
silicon components in the second half of the fiscal year and aim for further growth.

The semiconductor-related equipment and materials business consists of
DG Technologies ' manufacturing and sales of consumable components for etching equipment,
the trading company business, and the new businesses from LE Systems and RSPDH.
RSPDH, which has been consolidated as our group since this fiscal year, was the main factor behind the increase in sales and profit in this segment.
The existing businesses DG Technologies and the trading company business performed as planned.
For LE Systems, from the second half of the fiscal year,
we plan to focus not only on the water battery electrolyte business (VRFB),
but also on the storage battery business and electric power consulting as part of our total energy solutions business.

Impact on US Tariff

The impact on consolidated financial results is expected to be extremely minor (As of August 13th)

Business Segment	Service/Product	Impact	Note
Wafer Reclaimed Business	Reclaimed Wafer	None	No impact as it is not subject to tariffs. Even if it becomes subject to tariffs, the impact would be minimal as shipments to the United States account for approximately 4% of the wafer reclaimed segment.
Prime Wafer Business	5、6、8 inch Prime Wafer	None	There is no impact because all processes from raw material procurement to manufacturing and sales are completed in China. The indirect impact is minimal because our customer, device manufacturers, have also completed manufacturing and sales in China.
	Silicon Ingot	None～Minor	Currently, there is no impact. There may be some disruption to sales activities in the United States, but there is no impact on the medium-term management plan.
Semiconductor-related Equipment & Materials Business	Semiconductor manufacturing equipment &Laser Module (Trading Business)	None～Minor	Currently, there is no impact. There may be some disruption to sales activities in the United States, but there is no impact on the medium-term management plan.
	Consumable Parts for Etch equipment (DG Technologies)	None	No impact as it is not subject to tariff.
	electrolytic solution for Vanadium Redox Flow Batteries (LE System)	Minor	Currently, there is no impact. There may be some disruption to sales activities in the United States, but there is no impact on the medium-term management plan.
	Optical Pickup (RSPDH)	Minor	No shipments to the United States. Some secondary materials used for assembly are made in the United States, but the impact is minimal.
12 inch Prime Wafer Business (SGRS) *Equity-method affiliate	12 inch Prime Wafer	None～Minor	No impact at present. There is a possibility that the market launch will be delayed due to some disruptions in imports of manufacturing equipment, etc. to all Chinese wafer manufacturers. However, in the long term, it is expected that there will be a tailwind due to the strengthening of domestic manufacturing of 12 inch wafers in China.

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Regarding the impact of tariffs in the United States, we believe that
the impact on our consolidated results and medium-term management plan will be extremely minor at this point.

First of all, reclaimed wafers in the wafer reclaimed business are currently exempt from tariffs, so there will be no impact.
Even if they become subject to tariffs in the future, our reclaimed wafers' shipments to the United States
account for about 4% of the total shipment, so the impact will be minor.

The business of prime wafers in the prime wafer business are basically completed in China,
from manufacturing and sales to procurement of raw materials. Therefore, there will be no impact.

As for silicon components (ingot), there is a possibility that some of our sales activities to the United States
might be disrupted in the future. Yet, there will be no impact on our medium-term management plan.

Similarly, there is a possibility that some of our sales activities might be disrupted
in the trading company business in the semiconductor manufacturing equipment and materials business
and electrolyte for water batteries (VRFB) in LE systems, but, as of now, there will be no impact on our medium-term
management plan.

RSPDH uses some of its secondary materials made in the United States, but the impact will be very minimal.

Financial Results for the Second Quarter of FY 2025

(Million JPY)	FY 2024 2nd Quarter	FY 2025 2nd Quarter	YoY	Difference
Net Sales	30,068	**37,999**	26.4%	7,931
Cost of Sales	20,919	**26,379**	26.1%	5,460
Gross Profit	9,149	**11,620**	27.0%	2,471
S&GA Expense	3,066	**4,516**	47.3%	1,450
Operating Income	6,082	**7,103**	16.8%	1,021
Non operating income	2,089	① **1,502**	-28.1%	-587
Non Operating expense	275	② **1,448**	426.5%	1,173
Ordinary Income	7,896	**7,157**	-9.4%	-739
Profit attributable to owners of parent	3,833	**3,800**	-0.9%	-33
EPS (JPY)	145.42	**143.79**	-1.1%	-1.6

Note

①
Foreign exchange gains: JPY659 million → JPY 0

Subsidy income (from the Chinese government): JPY607 million → JPY 704 million

②
Foreign exchange losses: JPY 0 → JPY 822 million

Equity in losses of affiliates (SGRS loss): JPY 210 million →JPY 505 million
*Although investment losses increase during investment phase, the preparation for mass production in progress
*Our company's equity ratio increased due to capital increase for capital investment in January 2025.

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This is an overview of the financial results for the second quarter.
Net sales and operating income ended the first half of the fiscal year with double-digit growth from the same period of the previous fiscal year.

As a supplement related to non-operating income,
Subsidy income is a subsidy from the Chinese government to for the prime wafer business, which is recorded every fiscal year.

Exchange rate fluctuations decreased by ¥1.48 billion in total.
Although our group has been working to minimize foreign exchange risk by carrying out forward exchange contracts at appropriate rates, this result was affected by the appreciation of the New Taiwan dollar against the U.S. dollar in Q2.

Regarding equity in losses of affiliates included in non-operating expenses, the incorporation of loss increased because the 12 inch business in China is currently in the investment phase for business growth.
In addition, in January of this year, we increased capital through our Chinese subsidiary GRITEK for capital investment in this business.
As a result, our stake in our company increased, which also affected the increase in loss.
Although we are in the investment phase, we are making steady progress in terms of business progress, as shown on page 46 of the materials.

Financial Results for the Second Quarter of FY2025 Segment Trends

- In the wafer reclaimed business, sales and profits increased year on year because of capacity increase by capital investment.
- The prime wafer business maintained a high operating margin with stable demand for 8-inch prime wafers.
- In the semiconductor-related equipment and materials business, sales increased year on year mainly due to RSPDH's financial result.

	Wafer Reclaimed Business	YoY	Prime Wafer Business	YoY	Semiconductor-related Equipment & Materials Business	YoY	Other adjustments	YoY	Consolidated total	YoY
Sales	13,371	+21.2%	9,998	△1.1%	15,528	+65.1%	△899	–	**37,999**	**+26.4%**
Operating Income	4,742	+12.1%	2,330	+5.6%	909	+100.2%	△878	–	**7,103**	**+16.8%**
Operating Margin	35.5%	△2.9pt	23.3%	+1.5pt	5.9%	+1.1pt	–	–	**18.7%**	**△1.5pt**

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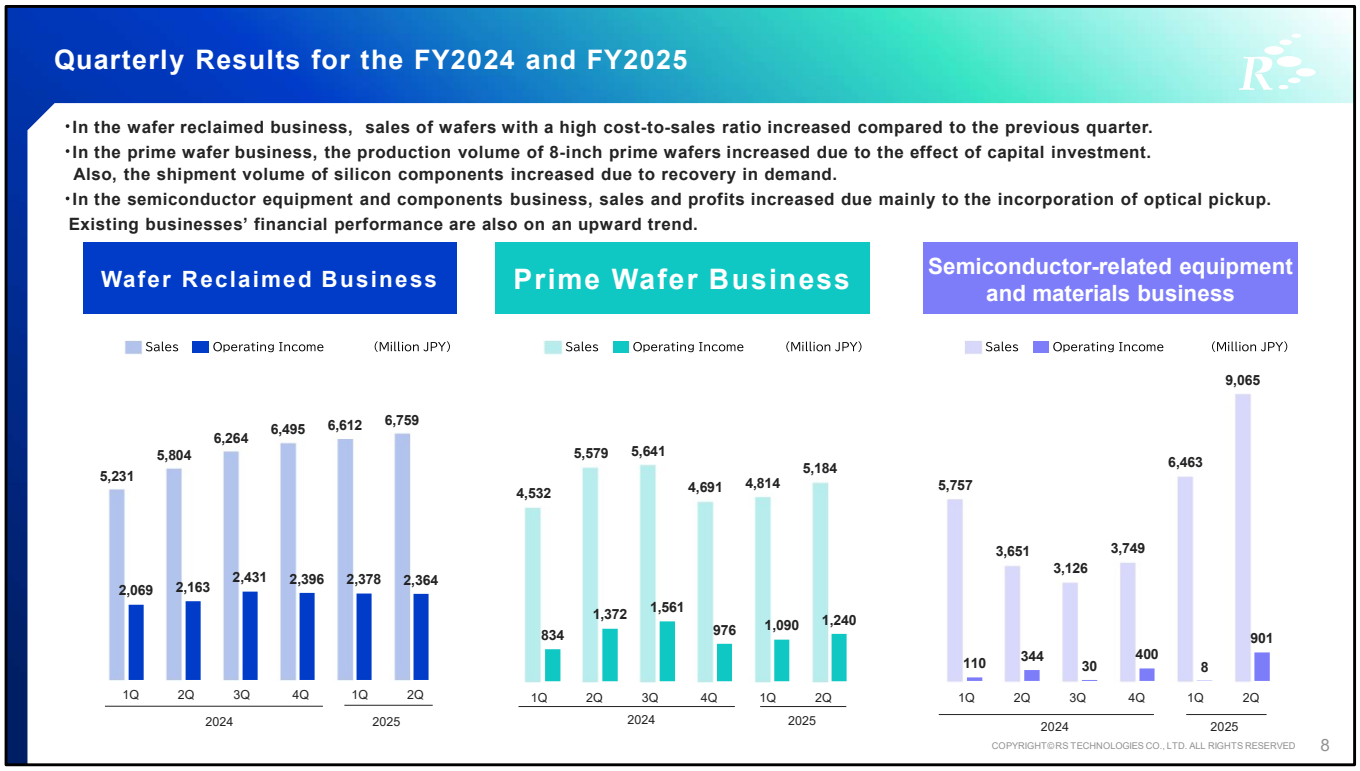
Now, let's talk about segment trends for second quarter.

In the wafer reclaimed business, net sales increased 21.2% and
operating income increased 12.1% year on year.
Compared to the same period of the previous fiscal year,
the increase in shipment volume mainly due to capital investment in increased production contributed to the performance.
On the other hand, the operating margin decreased 2.9 percentage points.
This was due to an increase in the ratio of sales wafers with a high cost ratio, following the first quarter.

In the prime wafer business, net sales decreased 1.1% and
operating income increased 5.6% compared to the same period of the previous fiscal year.
Although production and shipment volumes of 8 inch wafers increased due to
investment to increase production, unit prices decreased due to the impact of the 8 inch market in China.

As a result, net sales of prime wafers were almost flat compared to the same period of the previous fiscal year.
On the other hand, sales of silicon materials and components were on a recovery trend
from inventory adjustments at the end of the previous fiscal year,
but were slightly below the level of the previous fiscal year, leading to a 1.1% decrease in net sales.

In the semiconductor-related equipment and materials business,
sales and income increased compared to the same period of the previous fiscal year due mainly to the addition of sales of RSPDH.
Sales of electrolyte for water batteries (VRFB) for storage facilities in Spain, which LE Systems recorded in the first quarter, are included as well.



This page shows quarterly trends by segment.

The wafer reclaimed business is performing well.
As usual, in the second quarter, we temporally stopped the operation of the plant to conduct large-scale maintenance.
Consequently, the maintenance cost led the cost of sales to increase by about tens of millions of JPY compared to the first quarter.

Some of capacity increase has been already reflected since the first half,
And our plants will be in full operation from the second half, so we expect to further increase production capacity.

For the prime wafer business, it is the same with reclaimed wafer that some of capacity increase
has been executed since the first half. Accordingly, full-scale operation will begin from the second half.

Furthermore, we are also working on the development of new products that meet market demand trends,
so, it expedite us to further increase production volume.
As for the financial result of prime wafer, the operating margin increased by 1.3 percentage points from the first quarter.
This was due to improved productivity, our raw material procurement strategy,
and an increase in the ratio of silicon materials with a high operating margin.

In the semiconductor-related equipment and materials business,
One of our new business, RSPDH, manufactured and shipped optical pickup modules ahead of schedule.
Net sales increased by ¥2.6 billion from the previous quarter.
When it comes to the trading company business,
although there are quarterly fluctuations due to the timing of purchasing and sales, the full-year outlook is as planned.
DG Technologies recorded year-on-year growth linked to the recovery of semiconductor and etching equipment markets.

Balance Sheet／Cashflow Statement

BS

(Million JPY)

	FY 2024/12	FY 2025/2Q
Current Assets	124,894	**111,543**
Cash and Deposits	85,224	**76,245**
Notes and accounts receivable-trade	23,417	**21,886**
Merchandise and finished goods	6,678	**4,822**
Fixed assets	57,252	**61,635**
tangible fixed assets	45,575	**43,311**
intangible fixed assets	689	**580**
Investments and other assets	10,987	**17,742**
Total assets	182,146	**173,178**
Current liabilities	34,804	**30,258**
Notes and accounts payable	8,302	**7,862**
Short-term debt	8,754	**9,771**
non-current debt	11,794	**10,484**
Long-term debt	743	**353**
Total liabilities	46,598	**40,743**
Net assets	135,548	**132,435**
Total liabilities and net assets	182,146	**173,178**

CS

(Million JPY)

	FY 202542Q	FY 2025/2Q
cash flows from operating activities	6,914	**8,701**
cash flows from investing activities	△5,025	**△11,139**
cash from financing activities	△1,882	**△1,345**
Net effect of exchange rates changes	6,494	**△4,567**
Net (decrease)/increase in cash and cash equivalents	6,502	**△8,351**
Cash and Cash Equivalents at beginning of year	69,645	**83,759**
Cash and Cash equivalents at the end of year	76,147	**75,408**

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This is balance sheet and cash flow statement.
Total net assets decreased by ¥3.1 billion from the end of the fiscal year to 132.4 billion yen due to the impact of foreign exchange.

The capital increase of approximately ¥7.9 billion to SGRS, an equity-method subsidiary, in January this year affected account title, “investments and other assets” on the balance sheet and cash flow from investing activities.

This concludes my explanation of the financial results for the second quarter.
Thank you for your attention.