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April 25, 2025

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(Securities code: 3445; Prime Market)

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**Notice of Partial Excerpt from FY 2024 Financial Report of Chinese Consolidated Subsidiary,
GRINM Semiconductor Material Co., Ltd. (Gritek)**

The following is an excerpt from the FY 2024 Financial Report of our consolidated subsidiary in China, GRINM Semiconductor Materials Co., Ltd. (Gritek), which was disclosed through the STAR market in the Shanghai Stock Exchange on March 31, 2025

The full text is available on the website of GRINM Semiconductor Material Co., Ltd. (Shanghai Stock Exchange STAR Market Code No. 688432.)

GRINM Semiconductor Material Co., Ltd. (Gritek)
FY 2024 Report (January 1, 2024 to December 31, 2024)

1. FY2024 Performance Summary

Unit: 10,000 yuan

Main Accounting Data	2024	2023	Year-on-Year Change (%)	2022
Operating revenue	99,594.59	96,040.33	3.70	117,531.93
Net income attributable to parent company	23,290.38	25,418.10	-8.37	35,132.54
Net income less ordinary income attributable to parents company	16,302.23	16,500.37	-1.20	31,300.47
Cash flows from operating activities	22,936.80	26,664.28	-13.98	43,035.26
	End of 2024	End of 2023	Change from the end of the	End of 2022
Net Asset	434,158.70	414,799.84	4.67	398,293.17
Total asset	536,776.84	504,305.63	6.44	496,425.76

In China, demand for computing chips and power chips increased in 2024 due to improvements in the home appliance market and developments in the fields of AI and electric vehicles. As a result, silicon wafer for the semiconductor market recovered in the second quarter, and overall demand for the semiconductor market exceeded 2023 levels. However, exports of 12inch wafers slowed due to geopolitical factors, and the balance of supply and demand in China did not improve, resulting in a slump with no sign of unit price increases.

Against this backdrop, our company continued research and development of new products and technologies. In order to achieve a balance between maintaining quality and reducing costs, we refined our technology, improved quality and efficiency, and improved our management system. In addition, our company put the market and customers first, and promoted measures to continue to enhance the overall competitiveness of the company as a whole. Consequently, we achieved 996 million yuan in operating revenue and 318 million yuan in total profit in fiscal 2024.

2. Status of Main Businesses and Main Products

(1) Main Businesses

Our company is primarily engaged in research, development, manufacture and sales of silicon materials for semiconductors. Our main products are silicon wafers for semiconductors, silicon components for etching equipment, single crystal silicon ingots using the Floating Zone method (FZ method), and clean pipe valves for semiconductors. These products are mainly used in the

manufacture of integrated circuits, individual semiconductor devices (Power devices, sensors, optical devices, etc.), silicon parts for etching equipment, etc., and are widely applied in the fields of automotive electronics, industrial electronics, aerospace, etc.

(2) Main products

Product classification	Main dimensions /specifications	Image
Silicon wafer for semiconductors	6~8 inch	 A photograph showing a circular silicon wafer held in a white plastic carrier. The wafer has a blue-tinted surface. The carrier is open, revealing the wafer inside.
Silicon parts for etching equipment	11~21 inch	 A photograph showing four different silicon parts: a cylindrical component with a pointed end, a thick cylindrical ring, a thin cylindrical ring, and a flat circular disc.
single crystal silicon ingot	4~8 inch	 A photograph showing several long, tapered, single-crystal silicon ingots lying parallel to each other on a white surface.
Clean pipe valves for semiconductors	Pressure reducing valves, bellows valves, diaphragm valves, ultra-high purity valves, etc.	 A photograph showing three different types of clean pipe valves: a small valve with a black handle, a larger valve with a black handle, and a smaller valve with a black handle.

a. Semiconductor silicon wafers

Silicon wafers for semiconductor are important basic materials for manufacturing semiconductor products such as high frequency devices, sensors, analog ICs, and power devices. Our company's major semiconductor silicon wafer products measure 6 inches and 8 inches.

b. Silicon materials for etching equipment

Silicon parts are mainly used for etching equipment. The dimensions of silicon parts for etching equipment manufactured by our company range from 11 inches to 21 inches, of which more than 90% are large products of 14 inches or more. The main product types are single-crystal ingots, cylindrical, cut electrode plates, rings, etc.

c. Single-crystal silicon ingots

Single crystal silicon ingots are produced by the FZ method and another product is silicon plates cut from single crystal silicon ingots. Unlike CZ (Czochralski method), single crystals silicon produced by the FZ process have the advantages of high purity, high resistivity, and low oxygen content. Silicon wafers produced by the FZ process are mainly used as core materials for power devices such as high-voltage rectifiers and MOSFETs, sensing devices such as radar and sensors, and devices such as monolithic microwave integrated circuits (MMIC) and micro-electro-mechanical systems (MEMS). Silicon plates are used in silicon electrode for dry etching equipment.

d. Clean pipe valves for semiconductors

These valves are mainly used for pressure reduction valves, bellows valves, diaphragm valves, and ultra-high purity valves. They are used in production facilities such as integrated circuits, solar panels, new energy materials, optical fiber communication devices, and experimental facilities, as well as in the petrochemical industry.

3. Status of Shareholders

- (1) Total number of shareholders of common stock, total number of shareholders of preferred stock who have recovered voting rights, total number of shareholders holding special voting rights stock, and status of the top 10 shareholders

Unit: shares

Total number of shareholders of common stock as of the end of the reporting period	20,999
Total number of shareholders of common stock as of the end of the month prior to the annual report disclosure date	20,941
Total number of shareholders of preferred stock who recovered voting rights as of the end of the reporting period	/
Total number of shareholders of preferred stock who recovered voting rights as of the end of the month prior to the annual report disclosure date	/

Number of shareholders holding special voting shares as of the end of the reporting period				/			
Number of shareholders holding special voting shares as of the end of the previous month				/			
Shareholding status of the top 10 shareholders (excluding loans of shares through refinancing)							
Shareholder name (Official name)	Change within the reporting period	Number of shares at the end of the period	Ratio (%)	Number of restricted shares held	Status of pledge, endorsement or freezing		Nature of shareholders
					Status of shares	Quantity	
Beijing GRINM RS Semiconductor Materials, Co., Ltd. (BGRS)	0	384,750,000	30.84	384,750,000	None	0	Domestic Non-National Corporation
RS Technologies, Co., Ltd.	0	327,090,400	26.22	327,090,400	None	0	Foreign corporation
General Research Institute for Nonferrous Metals (GRINM)	0	230,422,500	18.47	0	None	0	State-owned corporation
Fujian Kuramoto Investment Co., Ltd.	0	28,215,000	2.26	28,215,000	None	0	Domestic non-state-owned corporation
Dongzhou Xingli Consulting Management Center (Limited Partnership)	-5,019,908	14,319,986	1.15	0	None	0	Others
Guo Xinhua Investment Management	-8,221,311	14,278,689	1.14	0	None	0	Others

(Shenzhen) Co., Ltd. - Shenzhen Yuhe Investment Corporation (Limited Partnership)							
CEC Core Technology Research Unit Investment Fund (Beijing) Partnership (Limited Partnership)	-118,917	8,881,083	0.71	0	None	0	Others
CITIC Securities Investment Co., Ltd.	-9,946,101	8,841,889	0.71	0	None	0	Domes tic non- state- owned corpor ation
Dongzhou Xirui Consulting Management Center (Limited Partnership)	-4,474,251	8,559,953	0.69	0	None	0	Others
CITIC SECURITIES CO., LTD. ETF	6,757,690	8,064,251	0.65	0	None	0	Others
Explanation of the above controlling relationship between shareholders or shareholder agreement with a common actor			1. Nagayoshi Ho is the beneficial owner of BGRS and RS Technologies Co., Ltd. 2. RS Technologies and Fujian Kuramoto Investment Co., Ltd. have entered into a shareholder agreement with a common actor. 3. CITIC Investment Co., Ltd., a wholly owned subsidiary of CITIC Securities, owns 1.57% of our company shares and 2.74% of the investment in the Research and Investment Fund. 4.Except for the circumstances described above, our company is not aware of the existence of a controlling relationship or agreement among the other shareholders mentioned above.				

(2) Other Status of Controlling Shareholder and Substantial Controller

RS Technologies, a controlling shareholder of our company, owns 26.22% of our company shares directly, 2.26% through joint ownership with Fujian Kuramoto Investment Co., Ltd., and 30.84% indirectly through BGRS, controlling 59.32% of our company shares in total.

As of December 31, 2024, in accordance with relevant laws and regulations, shares in our company's repurchase only account (the company's shares repurchased last year) do not have voting rights at the general meeting of shareholders. Therefore, the voting rights of RS Technologies, a controlling shareholder of our company, are calculated by deducting the number of shares in the repurchase account, and the direct shareholding ratio increases to 26.29% and the voting rights ratio increases to 59.49%.

4. Major businesses by product and region

Unit: 10,000 yuan

Major businesses by product						
By product	Operating revenue	Operating cost	Gross margin	Year-over-year change in operating revenue	Year-over-year change in operating cost	Year-over-year change in gross margin
Semiconductor silicon wafer	61,092.39	44,327.24	27.44	36.28	29.74	3.66 pt increase
Silicon parts for etching equipment	28,854.55	11,388.68	60.53	-25.89	-39.47	Increase by 8.86 pt
Others	3,334.02	2,339.56	29.83	18.25	24.12	Decrease by 3.32 pt
Major Business by Region						
By Region	Operating Revenue	Operating Cost	Gross margin	Year-over-year change in operating revenue	Year-over-year change in operating cost	Year-over-year change in gross margin
In China	59,833.22	43,499.94	27.30	35.96	29.42	Increase by 3.67 pt
Other countries and regions	33,447.74	14,555.54	56.48	-21.43	-31.52	6.41 pt increase

In FY2024, our company actively promoted cost reduction and efficiency improvement, strengthened cost control, and continuously improved production efficiency through technological cost reduction. The gross margin of our company's silicon parts for etching equipment and silicon wafers for semiconductors increased from the previous fiscal year.

*The calculation method of gross margin differs from Japanese accounting standards. Please refer to the financial statements for details.

5. FINANCIAL STATEMENTS

(Gritek) Consolidated Balance Sheet

December 31, 2024

Prepared by: GRINM Semiconductor Material Co., Ltd. (Gritek)

Unit: Yuan

Item	December 31, 2024	December 31, 2023
Monetary Funds	1,029,893,380.40	1,504,386,200.39
Settlement reserve		
Loans to financial institutions		
Trading financial assets	1,910,071,561.64	1,351,953,493.15
Derivative financial assets		
Notes receivable	74,479,689.41	67,004,744.53
Accounts receivable	209,112,419.43	170,475,938.68
Accounts receivable financing	129,563,009.25	52,353,799.21
Prepayment	16,130,945.05	2,405,309.80
Accrued premiums		
Accrued reinsurance premiums		
Reserve for reinsurance contracts		
Other accounts receivable	487,015.12	400,285.07
Accrued interest		
Accrued dividends		
Receivable financial assets		
Inventories	209,424,045.33	205,792,594.01
of which: Data resources		
Contract assets		
Assets held for sale		
Non-current assets due within one year		
Other current assets	9,040,232.63	14,952,065.98
Total current assets	3,588,202,298.26	3,369,724,430.82
Loans and advances provided		
Debt investments		
Other debt investments		
Long-term accounts receivable		
Long-term equity investments	350,511,948.72	385,336,730.49
Other equity investments		
Other non-current financial assets	30,000,000.00	30,000,000.00

Investment property		
Fixed assets	1,027,313,509.72	1,014,009,928.15
Construction in progress	246,835,396.49	123,058,374.25
Productive biological assets		
Oil and gas assets		
Right-of-use assets	6,853,455.68	12,014,349.47
Intangible assets	80,750,147.87	82,746,540.82
Of: Data resources		
Development expenditures		
Of: Data resources		
Goodwill		
Long-term prepaid expenses	5,624,403.02	3,272,180.43
Deferred income tax assets	5,625,377.31	5,764,273.64
Other non-current assets	26,051,820.49	17,129,528.79
Total non-current assets	1,779,566,059.30	1,673,331,906.04
Total assets	5,367,768,357.56	5,043,056,336.86
Short-term borrowings		
Central bank borrowings		
Borrowings from financial institutions		
Trading financial liabilities		
Derivative financial liabilities		
Notes payable	115,721,960.05	12,715,301.39
Accounts payable	114,984,070.90	102,190,351.23
Advances received		
Contract liabilities	674,946.21	245,849.11
Receivable financial assets		
Deposits received and interbank deposits		
Funds for buying and selling proxy securities		
Funds for underwriting proxy securities		
Payments payable	37,039,556.40	35,859,380.90
Accrued taxes and duties	17,493,380.99	8,624,792.48
Other accounts payable	87,248,694.13	64,330,432.31
Of which: Unpaid interest		
Accrued dividends		
Accrued commissions and commissions		
Accrued reinsurance premiums		
Liabilities held for sale		
Non-current liabilities due within one year	4,858,613.87	4,309,800.10

Other current liabilities		
Total current liabilities	378,021,222.55	228,275,907.52
Insurance policy reserves		
Long-term borrowings		
Unpaid bonds		
Preferred stock		
perpetual bond		
Lease liabilities	2,118,850.46	6,791,613.08
Long-term accounts payable		
Long-term accrued salaries		
Estimated liabilities		
Deferred income	190,683,646.81	227,426,490.66
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	192,802,497.27	234,218,103.74
Total liabilities	570,823,719.82	462,494,011.26
Paid-in capital (or share capital)	1,247,621,058.00	1,247,621,058.00
Other equity instruments		
Preferred stock		
Perpetual bonds		
Capital surplus	2,257,339,498.13	2,250,624,106.66
Subtraction: Treasury stock	35,935,687.59	
Other comprehensive income		
Special reserve	8,584,634.90	6,238,759.56
Retained earnings	35,332,565.28	25,250,365.27
General risk reserve		
Unappropriated income	828,644,971.51	618,264,075.33
Total equity attributable to owners (or shareholders)	4,341,587,040.23	4,147,998,364.82
Minority interests	455,357,597.51	432,563,960.78
Total ownership interest (or equity)	4,796,944,637.74	4,580,562,325.60
Total liabilities and ownership interest (or equity)	5,367,768,357.56	5,043,056,336.86

(Gritek) Consolidated Income Statement

January to December 2024

Unit: Yuan

Item	FY 2024	FY 2023
1. Total operating revenue	995,945,853.09	960,403,309.08
of which: Operating revenue	995,945,853.09	960,403,309.08
Interest income		
Accrued premiums		
Fees and commissions received		
2. Gross operating cost	748,705,472.52	736,223,331.16
Of: Operating cost	630,742,120.87	630,451,009.16
Interest expense		
Fees payable and commissions		
Insurance cancellation refunds		
Net indemnities payable		
Net insurance liability reserve		
Insurance policy dividends payable		
Reinsurance expenses		
Taxes and additions	7,056,703.16	7,739,405.28
Selling expenses	14,059,250.48	14,169,097.42
Administrative expenses	39,082,890.66	33,361,638.11
Research and development expenses	78,280,741.45	82,222,137.91
Financial expenses	-20,516,234.10	-31,719,956.72
Interest expenses	338,852.82	216,017.06
Interest income	20,445,299.09	26,166,998.08
Addition: Other income	60,786,383.75	75,541,359.10
Investment income (Losses are indicated using a minus sign)	-4,944,258.24	20,530,965.83
Income from investments in joint ventures and joint ventures	-35,179,165.13	-12,282,904.16
Income from derecognition of financial assets measured at amortized cost		
Foreign exchange gains (losses are presented using a minus sign)		
Open hedge net income (losses are presented using a minus sign)		
Gain on changes in fair value (losses are presented using a minus sign)	13,297,438.35	12,589,598.17

Credit impairment losses (losses are presented using a minus sign)	-939,419.65	-250,114.73
Asset impairment losses (losses are presented using a minus sign)	2,637,491.56	-8,484,974.67
Gain on disposal of assets (Losses are indicated using a minus sign)	84,500.61	-1,099.62
3. Operating income (Losses are indicated using a minus sign)	318,162,516.95	324,105,712.00
Addition: Non-operating income	1,482,195.67	572,512.01
Subtraction: Non-operating expenses	1,351,379.24	268,310.43
4. Total profit (Total loss is indicated using a minus sign)	318,293,333.38	324,409,913.58
Subtraction: Income tax expense	49,066,337.47	36,152,667.05
5. Net profit (Net loss is indicated using a minus sign)	269,226,995.91	288,257,246.53
1.Net income from continuing operations (net loss is presented using a minus sign)	269,226,995.91	288,257,246.53
2.Net income from discontinued operations (net loss is presented using a minus sign)		
1.Net income attributable to owners of parent (net loss is presented using a minus sign)	232,903,753.41	254,181,046.52
2.Profit or loss of minority shareholders (net loss is presented using a minus sign)	36,323,242.50	34,076,200.01
6. Net other comprehensive income after tax		
Net other comprehensive income attributable to owners of the parent after tax		
(i).Other comprehensive income that cannot be reclassified into profit or loss		
(1)Changes in remeasured defined benefit plans		
(2)Other comprehensive income that cannot be converted into profit or loss under the equity method		
(3)Changes in the fair value of investments in other equity instruments		
(4)Changes in the fair value of the entity's own credit risk		

2.Other comprehensive income that is reclassified into profit or loss		
(1)Other comprehensive income convertible into profit or loss under the equity method		
(2)Changes in fair value of other receivable investments		
(3)Amounts reclassified financial assets and included in other comprehensive income		
(4)Credit impairment reserve for other receivable investments		
(5)Cash flow hedge reserve		
(6)Foreign currency financial statement translation differences		
(7)Other		
(ii) Net amount of other comprehensive income attributable to minority shareholders after tax		
7. Total amount of comprehensive income	269,226,995.91	288,257,246.53
(i) Total comprehensive income attributable to owners of the parent	232,903,753.41	254,181,046.52
(ii) Total comprehensive income attributable to minority shareholders	36,323,242.50	34,076,200.01
(i) Basic earnings per share (yuan/share)	0.1871	0.2037
(ii) Diluted earnings per share (yuan/share)	0.1871	0.2037

If a merger of companies under the same control occurs in the current period, the net income realized by the merged company before the merger will be 0 yuan, and the net income realized by the merged company in the previous period will be 0 yuan.

(Gritek) Consolidated Cash Flow Statement

January to December 2024

Unit: Yuan

Item	FY 2024	FY 2023
Cash received from sales of goods and services	695,326,154.13	822,255,093.17
Net increase in customer deposits and call deposits		
Net increase in borrowings from central banks		
Net increase in borrowings from other financial institutions		
Cash received from the receipt of premiums for original insurance policies		
Net cash received from reinsurance operations		
Net increase in insurer deposits and investments		
Cash received as interest, fees and commissions		
Net increase in borrowings from financial institutions		
Net increase in funds for repurchase operations		
Net cash received through brokerage of securities		
Refund taxes received	16,941,938.91	15,323,114.65
Other cash received in connection with operating activities	62,927,480.71	72,708,636.67
Cash inflows from operating activities Subtotal	775,195,573.75	910,286,844.49
Cash paid for purchases of goods and services	322,736,992.02	437,861,458.41
Net increase in customer loans and advances		
Net increase in central bank deposits and call deposits		
Cash paid as compensation under the original insurance policy		
Net increase in loans to financial institutions		
Cash paid as interest, fees and commissions		
Cash paid as dividends on		

insurance policies		
Cash paid to and on behalf of employees	149,187,196.14	136,984,322.93
Taxes paid	48,922,354.68	46,985,000.11
Other cash paid in connection with operations	24,981,056.15	21,813,251.31
Cash outflows from operating activities Subtotal	545,827,598.99	643,644,032.76
Net cash flows from operating activities	229,367,974.76	266,642,811.73
Cash received from investment recovery	9,480,000,000.00	6,613,000,000.00
Cash received from acquisition of investment income	45,414,276.75	43,804,271.97
Net cash recovered from disposal of fixed assets, intangible assets and other long-term assets	8,816.50	
Net cash received from disposal of subsidiaries and other establishments		
Other cash received in connection with investing activities	2,630,349.81	5,779,113.93
Subtotal cash inflows from investing activities	9,528,053,443.06	6,662,583,385.90
Cash paid for purchases of fixed assets, intangible assets, and other long-term assets	218,670,093.63	106,876,009.85
Cash paid for investments	10,040,000,000.00	7,570,200,000.00
Net increase in loans from pledges		
Net cash paid for purchases of subsidiaries and other establishments		
Other cash paid in connection with investing activities	5,000,000.17	
Cash outflows from investing activities Subtotal	10,263,670,093.80	7,677,076,009.85
Net cash flows from investing activities	-735,616,650.74	-1,014,492,623.95
Cash received from absorption of investments	1,181,388.80	1,787,471.40
of which: Cash received by subsidiaries through the absorption of investments by minority shareholders	1,181,388.80	1,787,471.40

Cash received through the acquisition of borrowings		
Other cash received in connection with financing activities		
Subtotal cash inflows from financing activities	1,181,388.80	1,787,471.40
Cash paid to repay obligations		
Cash paid to repay dividends, profits or interest	27,416,057.22	112,407,776.59
Dividends and income paid by subsidiaries to minority shareholders	14,975,400.00	37,550,513.11
Other cash paid in connection with financing activities	39,320,793.25	10,882,799.82
Subtotal cash outflows from financing activities	66,736,850.47	123,290,576.41
Net cash provided by financing activities	-65,555,461.67	-121,503,105.01
4. Effect of exchange rate changes on cash and cash equivalents	532,242.44	3,860,564.62
5. Net increase in cash and cash equivalents	-571,271,895.21	-865,492,352.61
Addition: Cash and cash equivalents at the beginning of the period	1,477,120,831.11	2,342,613,183.72
6. Cash and cash equivalents at the end of the period	905,848,935.90	1,477,120,831.11