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February 16, 2026
Company name: RS Technologies Co., Ltd.
Name of representative: Nagayoshi Ho,
(Securities code: 3445; Prime Market)
Inquiries: Katsuya Tabuchi,
Executive Officer /Manager of Corporate Planning
(Telephone: +81-3-5709-7685)

Announcement of Release of Transcript of Financial Results for FY 2025

RS Technologies Co.,Ltd. (RST) has released the transcript of interview session of its financial results for FY2025 held on February 13, 2026.

At this session, we explained the financial results for FY2025 and answered questions from shareholders.

We would appreciate it if shareholders and investors could view this presentation.

1． Summary of the meeting

Date：

February 13, 2026

Speaker:

Nagayoshi Ho, CEO

Satoru Endo, Director and Senior Executive Officer

Masato Kawaji, General Manager of Finance and Accounting Department

2． Source

Financial Results fo FY2025/12（English）

Nagayoshi Ho (CEO): Thank you very much for participating in our company's financial results briefing for the fiscal year ending December 2025 today.
My name is Nagayoshi Ho, CEO of RS Technologies Co., Ltd.
Today, instead of myself, Director, Endo will give an overview of our financial results.

Satoru Endo (Director): Hi, everyone, again, thank you for joining us today.My name is Satoru Endo.
I'm going to talk about both our financial result of FY2025.
There will be a Q & A session at the end of the presentation, so please ask any questions later.

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Summary of Financial Results for FY2025/12

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Let’s begin

Executive Summary for FY 2025

Sales	Operating Income	Ordinary Income	Net Income
76,707 Million JPY	14,281 Million JPY	16,635 Million JPY	9,297 Million JPY
YoY +29.6%	YoY +8.9%	YoY +6.2%	YoY △1.6%

• Net sales, operating income, and ordinary income for the fiscal year ended December 2025 reached record highs

• Net income attributable to the parent company was 9,297 million yen

(Negative goodwill due to acquisition of RSPDH was recorded in both the previous and this fiscal years, and if such negative goodwill is eliminated, an increase of 984 million JPY from the previous fiscal year)

Wafer Reclaimed

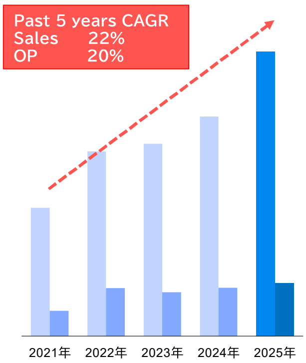
・Demand for reclaimed wafers in Japan and overseas is favorable, and the Sanbongi and Tainan plants were operating at full capacity.
・In 2026, the restart plan of Sanbongi Plant 7 is brought forward to meet even higher demand.

Prime Wafer

・Shipments of 8 inch wafers increased due to recovery in demand for power semiconductors
・Shipments of silicon components increased due to efforts to cultivate new customers
・In 2026, production capacity of 8 inch wafers will increase from 250K to 300K per month

Semiconductor-related

・Accelerated production of optical pickup modules at RSPDH contributed to higher sales and profits.
・In the energy business, RS Energy, a subsidiary in China, was newly established
・First commercial shipment of electrolyte for VRFB to storage facilities in Spain



First, here is a summary of business results.
Net sales increased 29.6% year on year to 76.7 billion yen, operating income increased 8.9% to 14.2billion yen, and ordinary income increased 6.2% to 16.6 billion yen, all setting new record highs.
Net income attributable to the parent decreased 1.6 percentage points year on year, but excluding negative goodwill due to the acquisition of RSPDH in the previous fiscal year,
net income increased 984 million yen year on year.

The business environment for the wafer reclaimed business in the fiscal year was favorable for both the Sanbongi Plant and the Tainan Plant
against the backdrop of growth in the semiconductor market, and operations were at full capacity even after capital investment to increase production

In 2026, in order to meet rising demand, we decided to bring forward the restart of Sanbongi Plant No. 7, which had been scheduled for 2027.
As a result, monthly production capacity will increase by 40,000 wafers at the Sanbongi Plant in 2026, and together with the production increase plan at the Tainan Plant,
monthly production capacity will increase by 70,000 wafers.

In the prime wafer business, shipments of 8 inch prime wafers, which are our mainstay products, increased due to the effects of capital investment.
In China, in response to sluggish consumer spending, the government is promoting a "replacement subsidy policy" in which subsidies are provided for replacement of automobiles and home appliances.
Against this backdrop, the final product market has been on a recovery trend, and shipments of our company's 8 inch wafers remained steady.
Demand is expected to increase moderately in 2026, and we plan to invest in increasing monthly production by 50,000 wafers.

The semiconductor related equipment and materials business consists of RSPDH's camera module manufacturing business,
the energy business, the trading company business, and DG Technologies' manufacturing of consumable materials for etching equipment.
The production and sales of optical pickup modules at RSPDH ahead of schedule was the main factor behind the increase in both sales and profits.

In the energy business, in addition to LE Systems, we have been working on our business through our Chinese subsidiary RS Energy, which was newly established in last year June.
In FY2025, we were able to make the first shipment of electrolyte for VRFB, and after shipment to Spain, we were able to build up a sales record in Japan and China.
In 2026, we will commence operation of our electrolyte plant in China and push forward with further growth.

Financial Results for FY 2025

(Million JPY)	FY2024	**FY2025**	Year-on-Year	Difference
Net Sales	59,200	**76,707**	29.6%	17,507
Cost of Sales	39,820	**53,122**	33.4%	13,302
Gross Profit	19,380	**23,585**	21.7%	4,205
SGA	6,271	**9,303**	48.3%	3,032
Operating Income	13,108	**14,281**	8.9%	1,173
Non-operating Income	3,392	**3,766**	① 11.0%	374
Non-operating Expense	833	**1,412**	② 69.5%	579
Ordinary Income	15,668	**16,635**	6.2%	967
Net income attributable to owners of parent	9,446	**9,297**	△1.6%	△149
Net Income per share (yen)	358.21	**351.40**	△1.9%	△6.8

Supplementary Comment

①
Subsidy income (Gritek)
JPY 1.1 billion → JPY 2.1 billion

Foreign exchange gain
JPY 726 million → JPY 0

②
Foreign exchange loss
JPY 0 → JPY 88 million
・Year-on-year trend is improving due to the weaker yen Foreign exchange loss Q3: JPY 462 million → JPY 88 million

Equity in investment loss
(SGRS, 12 inch prime wafer business in China)
JPY 685 million → JPY 1 billion
・This is an investment phase that anticipates business growth. Despite an increase in investment loss, the business is progressing steadily.
・Capital increase for capital investment in January 2025 As a result, our company's equity ratio increased.

This is an overview of financial results for FY2025.

I pick up some remarks in the results

The subsidy income in non-operating income is from the Chinese government to GRITEK, which is related to the prime wafer business.
Although this was higher than the previous fiscal year, it was a temporary increase due to past liquidation.

Foreign exchange gain decreased from 726 million yen in the previous fiscal year to 0 yen, and foreign exchange loss increased from 0 yen in the previous fiscal year to 88 million yen.

Regarding equity in losses of affiliates included in non-operating expenses, the loss increased because the 12 inch prime wafer business in China is currently in the investment phase for business growth.
In January 2025, we increased capital through our Chinese subsidiary, GRITEK for capital investment in this business.
As a result, our company's ownership ratio increased, which also affected the increase in loss.

RS currently owns about 39% of SGRS's stake through Gritek.
Through this scheme, we are able to hedge our risk by minimizing our share of the 12 inch business in our company, which requires a large capital investment.
Although we are still in the investment phase, we are making steady progress in our business.

Financial Results for FY2025 Segment Trends

- In the Wafer Reclaimed Business, sales and profit increased year on year due to an increase in production volume
- Although the average unit price of 8-inch wafers declined, sales of prime wafers increased as production volumes increased due to market recovery.
- In the Semiconductor related Equipment & Materials Business, sales and profit increased year on year due to the addition of sales from the RSPDH business.

(million JPY)

	Wafer Reclaimed Business	YoY	Prime Wafer Business	YoY	Semiconductor-related Equipment & Materials Business	YoY	Other adjustments	YoY	Consolidated total	YoY
Sales	27,529	+15.7%	20,893	+2.2%	30,469	+87.1%	△2,185	–	**76,707**	**+29.6%**
Operating Income	10,167	+12.2%	4,159	△12.3%	1,624	+83.7%	△1,669	–	**14,281**	**+8.9%**
Operating Margin	36.9%	△ 1.2pt	19.9%	△ 3.3pt	5.3%	△ 0.1pt	–	–	**18.6%**	**△3.5pt**

Here is segment trends for FY2025
In the wafer reclaimed business, net sales were 27.5 billion yen, up 15.7% year on year, and operating income was 10.1 billion yen, up 12.2% year on year.
In 2025, we invested in increasing monthly production by 50,000 wafers at our Sanbongi and Tainan plants, and
we were able to produce wafers at full capacity from the second half as planned.
This was the main reason for the increase in both sales and profits.

The operating income margin decreased 1.2 percentage points year on year, affected by the purchase of a large number of high-cost wafers in the first half.
However, this purchase was temporary event, and from the second half, it returned to normal levels of about 38%.

In the prime wafer business, net sales were 20.8 billion yen, up 2.2% year on year, and operating income was 4.1 billion yen, down 12.3% year on year.
Shipment volume of 8 inch wafers increased by more than 20% year on year. On the other hand, the average unit price decreased by about 10% year on year.
In terms of the unit price of wafers for power semiconductors, which are our company's mainstay products, there was no significant decrease in the unit price.
However, there was a significant decrease in the average unit price of general-purpose products such as IGBTs and memory wafers,
which account for 2 to 30% of the total product mix, and this had a negative impact on the average unit price.

The unit price trend from the second half of the fiscal year seems to have calmed down relatively,
but we will not be careless and will review our product mix.
In terms of silicon components, until now, our customers were mainly in Korea and Japan,
but as we anticipated the expansion of the 12 inch market in China and developed new customers in China, the shipment volume increased by more than 10% year on year.

In the semiconductor related equipment and materials business, net sales were 30.4 billion yen, an increase of 87.1% year on year,

and operating income was 1,624 million yen, an increase of 83.7% year on year.
RSPDH accounted for about half of this segment's results, and the annual sales of RSPDH of 10 billion yen reported at the beginning of the fiscal year were significantly exceeded.

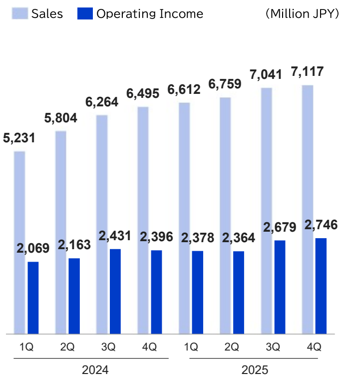
In the energy business, sales were several hundred million yen short of the 1 billion yen reported at the beginning of the fiscal year,
and operating income for the full year was negative because we are in the investment phase.

In 2026, we will make efforts to contribute to business results by bringing the electrolyte plant under construction in China into operation and consulting on electricity rate optimization.
DG Technologies recorded record sales linked to the recovery of the semiconductor market, but did not contribute to operating income.
We will make further efforts to improve our management structure under a new organization structure in 2026.
In the trading company business, sales of semiconductor manufacturing equipment were strong.

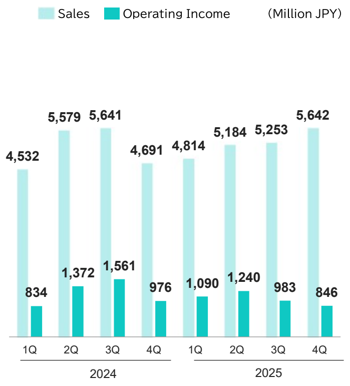
Quarterly Results for the FY2025

- In the wafer reclaimed business, due to favorable demand conditions, the Sanbongi and Tainan plants were operating at full capacity, maintaining a high operating margin.
- In the prime wafer business, despite an increase in shipment volume due to expanded sales of silicon components to Chinese customers, a decline in unit price had an impact on profit.
- Sales in the semiconductor related equipment and materials business was mainly contributed by RSPDH.

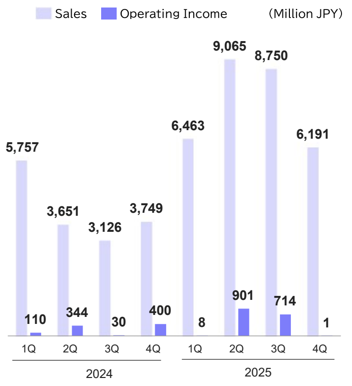
Wafer Reclaimed Business



Prime Wafer Business



Semiconductor-related Equipment and Materials



This page shows quarterly trends by segment.
The wafer reclaimed business performed well in Q4.

As all capital investments for FY2025 completed as of Q3,
there was no significant change from the previous quarter, but we were able to achieve stable results as expected.
The operating margin increased 0.6 percentage points to 38.6%.

In the prime wafer business, sales increased in Q4 due to increased sales volume of 8 inch and silicon components.
As for 8 inch products, sales reached to approximately 230,000 wafers in December due to the effect of investment to increase production.
As for silicon components, sales volume to Chinese customers increased in Q4.
However, because China still manufactures a large proportion of legacy semiconductors and the precision of equipment is not high,
the unit price of silicon components is often lower than that of global products, which affected the decline in the operating margin.
In the future, as the quality of 12 inch semiconductors improves in China, the quality requirements for silicon components from customers will increase,
and we believe that our company's high-quality silicon components will have an advantage in this field.

In the semiconductor related equipment and materials business, the operating margin decreased by 8.1 percentage points in Q4 compared to the previous quarter.
Although the operating margin decreased in Q4 due to the front-loaded production and sales of RSPDH optical pickup modules in Q2 and Q3,
the operating margin was higher than planned for the full year.
Although we expect similar quarterly increases and decreases in the next fiscal year, we expect to generate profit for the full year.

Balance Sheet (BS) & Cash Flow Statement (CS)

Consolidated BS

(Million JPY)

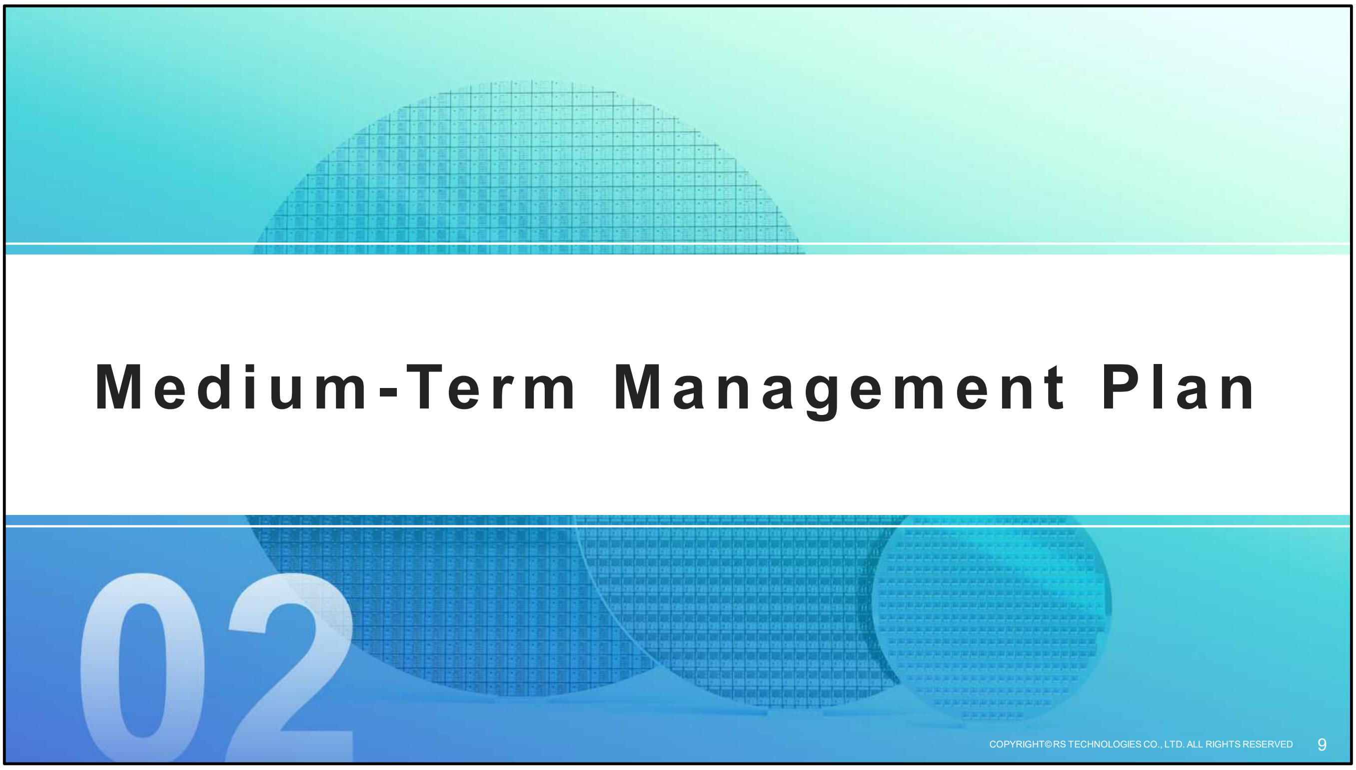
	FY2024	FY2025
Current Assets	124,894	**135,354**
Cash and Deposits	85,224	**96,771**
Notes and accounts receivable-trade	23,417	**22,322**
Merchandise and finished goods	6,678	**5,677**
Fixed assets	57,252	**69,867**
tangible fixed assets	45,575	**49,485**
intangible fixed assets	689	**669**
Investments and other assets	10,987	**19,712**
Total Assets	182,146	**205,222**
Current liabilities	34,804	**31,286**
Notes and accounts payable	8,302	**9,890**
Interest-bearing debt	9,364	**7,300**
non-current debt	11,794	**20,605**
Interest-bearing debt	2,915	**16,140**
Total liabilities	46,598	**51,891**
Net Asset	135,548	**153,331**
Total liabilities and net assets	182,146	**205,222**
DER	0.20x	**0.32x**
Net D／E	△0.55x	**△0.51x**

Consolidate CS

(Million JPY)

	FY2024	FY2025
cash flows from operating activities	13,143	**14,836**
cash flows from investing activities	△6,630	**△15,223**
cash from financing activities	1,964	**10,302**
Net effect of exchange rates changes	5,637	**2,213**
Net (decrease)/increase in cash and cash equivalents	14,114	**12,128**
Cash and Cash Equivalents at beginning of year	69,645	**83,759**
Cash and Cash equivalents at the end of year	83,759	**95,888**

Balance Sheet and Cash Flow.
Net assets increased 17.7billion yen year on year to 153.3billion yen
Cash and cash equivalents at year-end increased 12.1billion yen year on year to 95.8billion yen.



Next, I will talk about the medium-term management plan.

Overview of the Medium-Term Management Plan (2026-2028)

- Positioning the next 3 years as a focused investment phase to accelerate growth, investing heavily in the wafer reclaimed business
- Expecting growth from 2027 onward, including M&As etc

(Million JPY)	FY2024(A)	FY2025(A)	FY2026(F)	FY2027(F)	FY2028(F)
Sales	**59,200**	**76,707**	**84,000**	**105,000**	**115,000**
Operating Income	**13,108**	**14,281**	**15,400**	**17,500**	**19,000**
Operating Margin	*22.1%*	*18.6%*	*18.3%*	*16.7%*	*16.5%*
Ordinary Income	**15,668**	**16,635**	**17,200**	**19,000**	**20,000**
Ordinary Margin	26.5%	26.4%	20.5%	18.1%	17.4%
Net Profit	**9,446**	**9,297**	**10,000**	**11,500**	**13,000**

ROIC	12.7%	10.8%	**11%以上**
ROE	15.2%	12.5%	**13%以上**

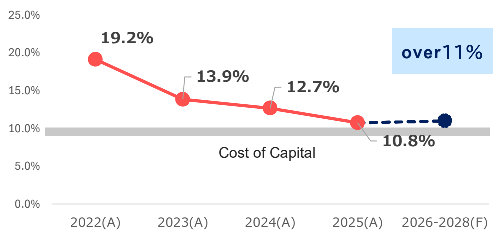
These are the numerical targets for the 3 year medium-term management plan between 2026 and 2028.
For the fiscal year ending December 2026, we plan to achieve net sales of 84 billion yen, operating income of 15.4 billion yen,
ordinary income of 17.2 billion yen, and net income attributable to the parent company of 10 billion yen.

We will maintain continuous growth in 2027 and beyond, aiming for ROIC of 11% or higher and ROE of 13% or higher.

Analysis and evaluation (capital profitability and cost of capital)

- At present, we are in the investment phase and the return on capital is declining. However, we aim to improve ROIC by monetizing large-scale investments mainly in reclaimed wafers and improving capital efficiency.

ROIC

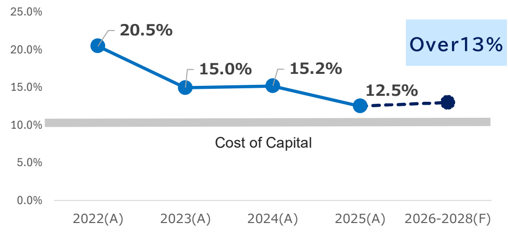


*ROIC= NOPAT / invested capital (shareholders' equity + interest bearing debt average)

WACC	9.0 %

*WACC= Cost of equity x Shareholder equity/(invested capital) + Cost of debt x interest-bearing debt/(invested capital) x (1- effective tax rate) ,using the average value for the past two years in our company

ROE



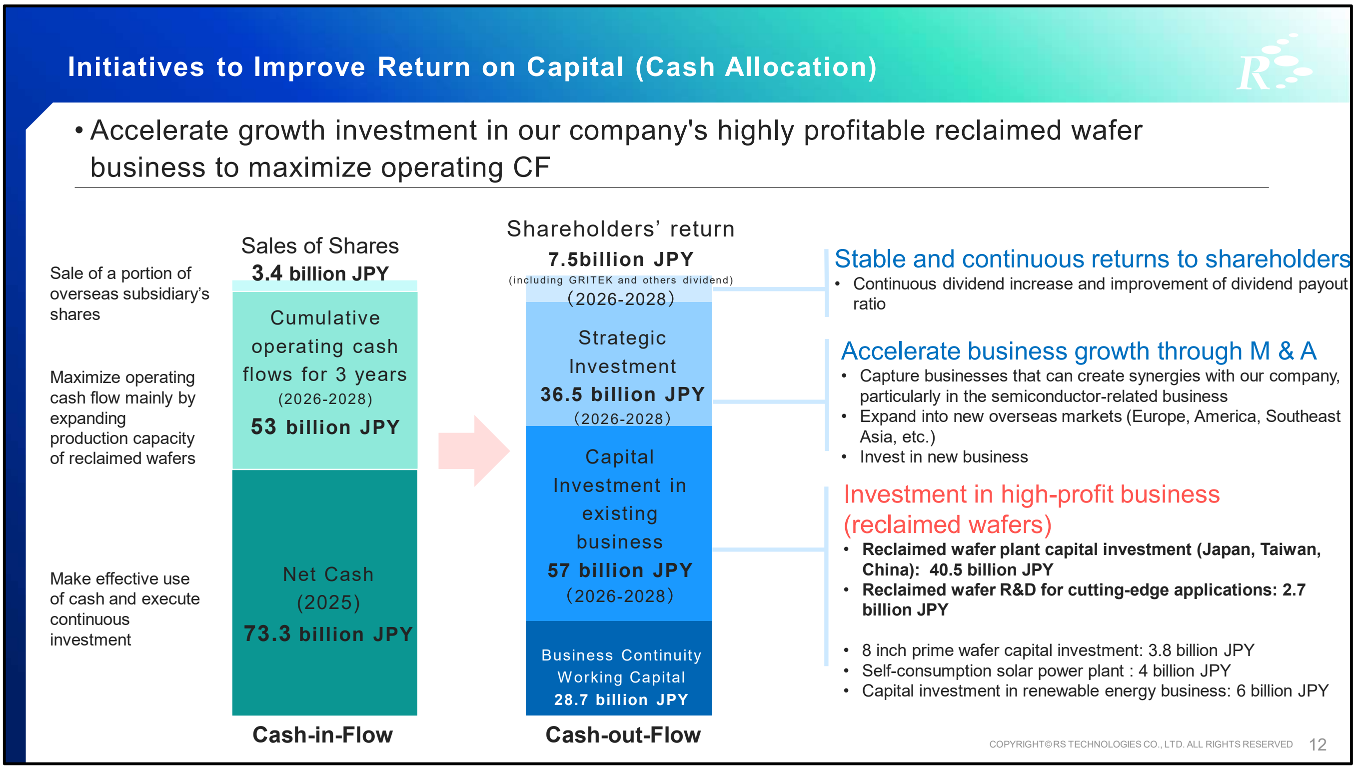
*ROE= Net Income Attributable to Parent / Equity Average

Cost of Equity	10.5 %

*Cost of equity = 10.5% calculated based on risk-free rate + beta value x risk premium

*Capital used as the denominator for ROIC was changed from (shareholders' equity + interest-bearing debt) to (equity + interest-bearing debt). The denominator for ROE calculation was unified to the average of shareholders' equity at the beginning and end of the period in accordance with the Annual Securities Report.

This is our recognition of the current status of capital return.
First of all, ROIC decreased by about 2 points in 2025 from the previous year.
ROIC temporarily declined due to an increase in investment capital associated with growth investments and financial strategies, but operating income is steadily increasing.
From 2026 to 2028, we will make a large-scale capital investment in the wafer reclaimed business, which is a highly profitable business.
This is a decision based on the customer's forecast, and we believe that production at full capacity will be possible,
so we believe that this investment will lead to an improvement in ROIC in the future.



Next, I will talk about cash allocation.
Going forward, we plan to improve capital profitability by effectively utilizing cash to improve corporate value.
In particular, over the next three years, we plan to invest in the wafer reclaimed business, which is a highly profitable business, and in research and development to respond to cutting-edge applications.

Moreover, we will continue to utilize M & A to incorporate companies with synergies with existing businesses and invest in new markets.
In addition to implementing growth investments and strategic investments, we will continue to increase dividends and aim to improve the dividend payout ratio for shareholder returns.

Initiatives to Improve Return on Capital (Large investment in reclaimed wafers)

- Accelerate investment in the highly profitable wafer reclaimed business over the next 3 years to further increase market share and earnings
- Reopen Sanbongi Plant No. 7 and acquire Tainan Plant No. 2 to increase cumulative production capacity to approximately 1.2 million wafers per month by 2028

＜Sanbongi Plant (Japan)＞

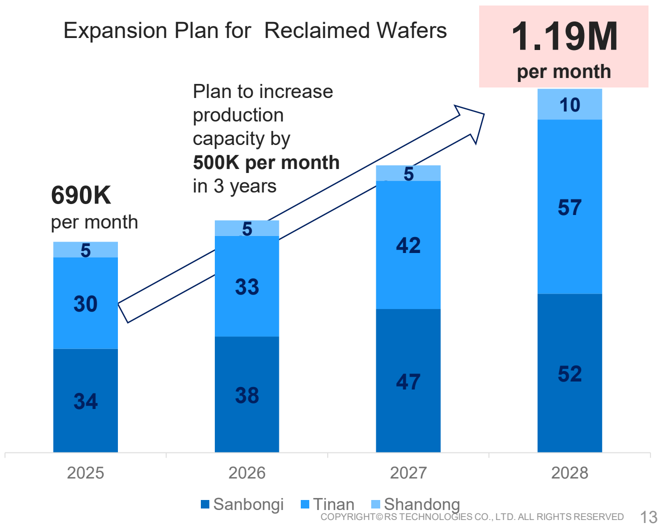
・Construction of Plant 7 capable of producing 170K per month
・Plan to improve production efficiency through advanced equipment and automation at Plant 7

＜Tainan Plant (Taiwan)＞

・Acquisition of Plant 2 to meet increasing demand in Taiwan
・Construction of Plant 2 to produce 200K per month by 2028 and 300K per month by 2030

＜China Plant (China)＞

・Plan to achieve monthly production of 100K per month by 2028



As I mentioned in the cash allocation earlier, we plan to make a large-scale investment in the wafer reclaimed business over the next 3 years.
We plan to increase monthly production to approximately 1.2 million wafers in Japan, Taiwan, and China by 2028.
The Sanbongi Plant will become a monthly production capacity of 520,000 wafers by the end of 2028.
We plan to further improve production efficiency by introducing new automated equipment.
We also plan to provide high value-added services by responding to cutting-edge applications as needed to meet a wide range of customer needs.

The Tainan Plant will become a monthly production capacity of 570,000 wafers by the end of 2028.
In order to capture growing demand from Taiwanese foundries, we have acquired a No. 2 plant nearby,
and plan to expand production capacity in stages from 2027.

In China, we plan to reach to a monthly production capacity of 100,000 wafers by 2028 and expand capacity to meet demand thereafter.

再生ウェーハ事業

Capital Investment Plan: Reclaimed Wafer Business

- Major investments to capture global semiconductor demand at 3 sites in Japan, Taiwan, and China by 2028
- Establish monthly production capacity of 1.19 million wafers to further expand market share

Japan

Total investment 17.3 billion JPY +

Investment Amount		
FY 2026	FY 2027	FY 2028
11.9 billion yen	5.4 billion yen	TBD

Monthly Production Capacity (12inch)

	2026	2027	2028
Plant 8	340k	350k	350k
Plant 7	40k	120K	170k
Total	380k	470k	520k

Taiwan

Total investment 24.7 billion JPY

Investment Amount		
FY 2026	FY 2027	FY 2028
2.8 billion yen	12.4 billion yen	9.5 billion yen

Monthly Production Capacity (12inch)

	2026	2027	2028
Plant 1	330k	370k	370k
Plant 2	-	50K	200k
Total	330k	420k	570k

China

Total investment 10 billion JPY

Investment Amount		
FY 2026	FY 2027	FY 2028
-	-	10 billion yen

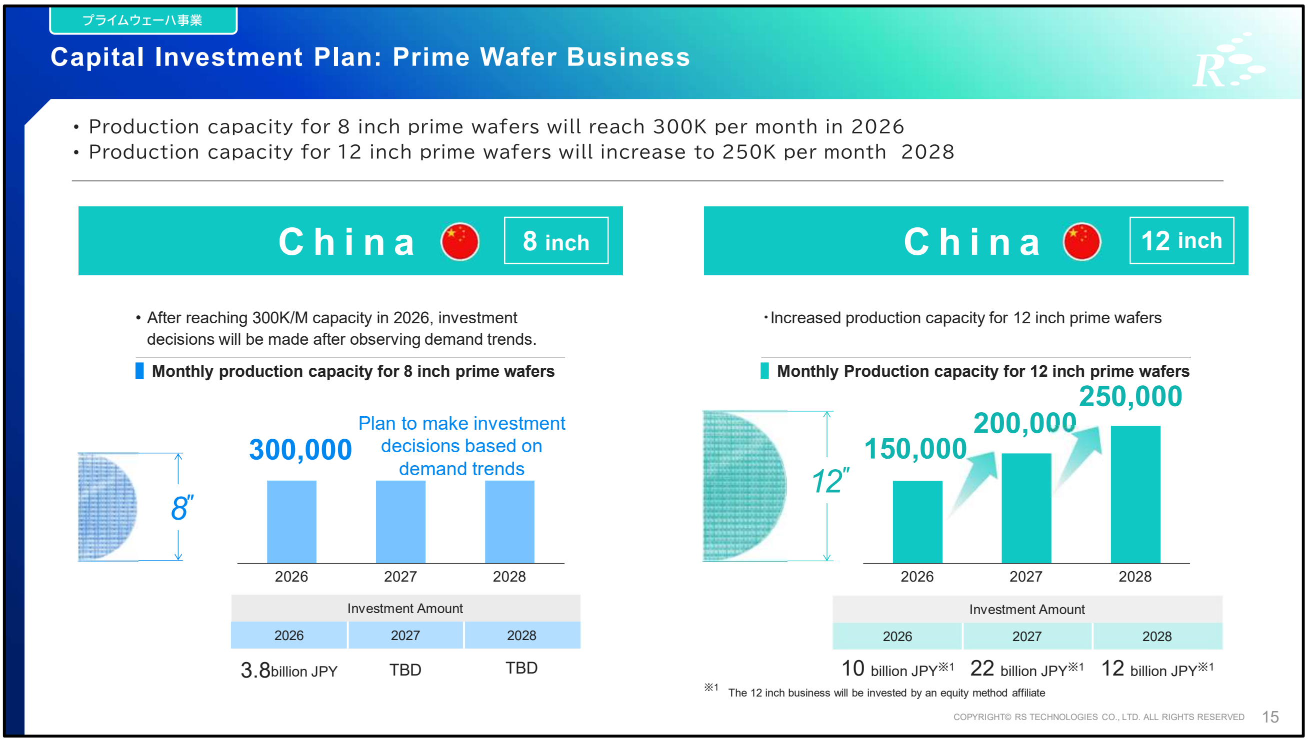
Monthly Production Capacity (12inch)

	2026	2027	2028
Plant	50k	50k	100k
Total	50k	50k	100k

There have been some changes from the capital investment plan for the wafer reclaimed business disclosed in the previous year.
At the Sanbongi Plant, the plan for 2026 was changed from 360,000 wafers to 380,000 wafers, and for 2027 from 440,000 wafers to 470,000 wafers. This will be realized by bringing forward the restart of Plant 7.

The plan for the Tainan Plant after 2027 has increased due to the acquisition of Plant 2.

In China, the plan was to increase production to 150,000 wafers from 2026, but in light of the global environment and Japan-China relations,
the plan was changed to 50,000 wafers by 2027 and 100,000 wafers from 2028.
Although the plan has been postponed, the plan to enter the market at some point remains unchanged.
We believe that one of our company's characteristics, price and quality achieved through mass production processing using chemical technology, will satisfy Chinese customers.



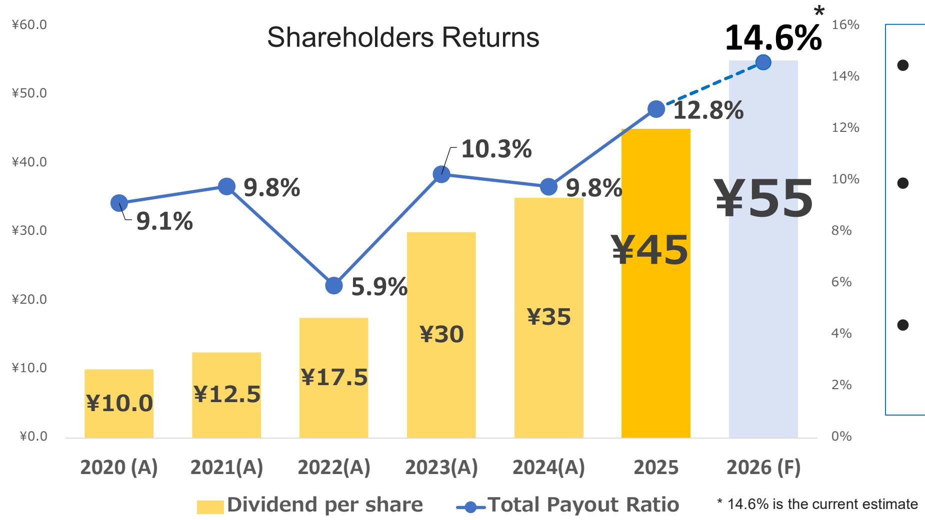
This is about the capital investment plan for the prime wafer business.

For 8 inch wafers, the monthly production capacity will be increased from 250,000 wafers at the end of 2025 to 300,000 wafers in 2026.
After that, investment decisions will be made depending on market trends.

For 12 inch wafers, the current production capacity will be increased from 110,000 wafers to 150,000 wafers in 2026.
As the 12 inch business is operated by an equity method affiliate,
the investment amount stated here is the planned investment amount from SGRS and does not include disbursements from our company.

Initiatives to Improve Return on Capital (Shareholders Return)

The dividend per share for fiscal 2025 was ¥45, an increase of ¥10 from ¥35 in the previous fiscal year (payout ratio 12.8%).The dividend per share for fiscal 2026 is assumed to be ¥55



* 14.6% is the current estimate

- In addition to the annual dividend increase, the dividend increase in 2025 will be 10 JPY, up from 5 JPY in the previous fiscal year.
- In 2026, we plan to increase the dividend by 10 JPY from the previous fiscal year and accelerate **the increase in the total return ratio.**
- Considering stock price trends, cash position, investment progress, and other factors, we will consider buybacks.

Next, I would like to talk about shareholder returns.
The dividend per share for FY2025 was 45 yen, an increase of 10 yen from 35 yen in the previous fiscal year,
comprehensively considering business performance and other factors.

The dividend per share for FY 2026 is expected to be 55 yen.
We would like to continue to grow our business while providing returns to shareholders.

Initiatives to Improve Return on Capital (Investor Relations)

・We plan to increase the number of interviews with investors and promote IR activities that lead to increased corporate value.

◆ **Directors' involvement in investor relations activities**

・To deepen understanding of management policies and strategies proactively set up opportunities for directors to engage in dialogue with investors

◆ **Strengthening overseas investor relations**

・Strengthened overseas investor relations in line with increased number of meetings with overseas investors (Non-deal roadshow in Europe in 2024)

・By simultaneous disclosure of financial results and timely disclosure information in English and enhancement of website in English, eliminate information asymmetry between Japanese investors and overseas investors

◆ **Approach to individual investors**

・Active participation in IR fairs, seminars, and other events to expand presence to individual investors

Lastly, I would like to briefly report on our company's IR activities.
Every quarter, our company has established a forum for the entire management team to discuss feedback from investors in order to improve management issues.
In the future, we would like to increase opportunities to directly communicate with you.

In addition, we have been strengthening our overseas IR activities through timely disclosure in English and enhancement of our English website,
and opportunities to communicate with investors in Japan and overseas have been on an increasing trend.

In addition, we are working to disseminate information to a wide range of investors and improve our presence by participating in IR fairs for individual investors.

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

< Wafer Reclaimed Business >

Q Will the unit price of reclaimed wafers rise in the future as demand for AI (cutting-edge demand) advances?

A (Endo) Reclaimed wafers for advanced applications have higher quality requirements, and the unit price for reclaimed wafers tends to rise accordingly. Currently, driven by AI demand, demand for high-quality, high-value-added wafers is increasing, and the unit price of our reclaimed wafers is expected to rise as well.

Q Does the capacity increase in the wafer reclaimed business mean that it is only a reclaimed plant for silicon wafers? SiC and GaN are expected to increase in the future, but is it possible to convert them to other materials? If not, is it possible to expect demand to increase beyond your company's capacity increase for silicon wafer applications alone?

A (Endo) Currently, we are thinking of it as a reclaimed plant for silicon wafers. Through communication with our customers, we have made an investment plan based on customer’s forecast, so we believe that we will be able to run at full capacity after the production capacity increase.
As for whether we will engage in SiC and GaN reclaimed as our company's business, I think there is a possibility depending on the demand. However, at the moment, the need for SiC and GaN reclaimed has not increased that much. In the future, we will keep paying attention to the market and decide the next action we need to take.
As a side note, in addition to SiC and GaN, glass substrates are also being used in the back-end-process, so our company is collecting information and conducting research and development, including the needs and possibilities to enter into this market.

Q What about shipments of reclaimed wafers to South Korea?

A: Korean memory manufacturers are currently doing very well and seem to be accelerating production increases. As our company's reclaimed wafer capacity increases, we would like to increase our share in South Korea.

< Prime Wafer business >
Q You are planning to increase production of 8 inch wafers to 300,000 per month in 2026. Is there any prospect that you will be able to operate at full capacity?

A: We currently have a monthly production capacity of 250,000 and are operating at almost full capacity. The semiconductor market has its ups and downs and there are a large number of customers in China, so there will be short-term fluctuations, but overall I believe the 8 inch market is relatively stable. In the future, our customers, 8 inch semiconductor manufacturers, will continue to make small capital investments, and by capturing that demand, we expect to operate at full capacity at 300,000 wafers per month.

Q Please tell us about your strategy for silicon materials.

A (Endo) Gritek manufactures and sells silicon materials (ingots) exclusively for use as consumable parts for etching equipment. The market is expanding as demand for semiconductor manufacturing equipment is increasing worldwide.
Going forward, we will strengthen cooperation with DG Technologies, our subsidiary in our company, which processes Gritek's silicon materials into final product (consumable parts for etching equipment for semiconductor), and establish a management structure that integrates everything from upstream to downstream.

In the medium to long term, we hope to win more orders for large-diameter silicon materials, which is our company's hallmark product, and contribute to increasing our business performance.

Q SGRS 12 inch Business Future Outlook and Strategies

A (Endo) First of all, our company has a track record with 8 inch products, and later launched 12 inch products. We plan to stabilize earnings from power semiconductors and IGBTs applications with 8 inch prime wafers and later on expand to 12 inch products as well. After covering power semiconductor applications, we plan to enter into memory and logic applications with 12 inch prime wafers. In order to enter the market, we will accelerate the R&D and qualification process for a qualified vendor.

Q Why did you change the capital investment plan for SGRS (12 inch business) from the previous fiscal year?

A: We originally planned to produce 150,000 wafers per month in 2026 and 300,000 wafers per month in 2027, but we changed our plan to gradually increase production in consideration of market conditions and business plans.

<Semiconductor-related Equipment and Materials Business>

Q Please tell us a review of RSPDH and the outlook for the future.

A: In the fiscal year under review, we moved up production of optical pickup modules, resulting in net sales well above the 10 billion yen we announced at the beginning of the fiscal year. In fiscal 2026, we also expect net sales to exceed 10 billion yen. We are currently planning to fully enter the in-vehicle camera module market. In addition, we would like to consider various business developments in the future while utilizing our knowledge of camera modules.

Q Please tell us about the selection of the battery storage business as the Ministry of Economy, Trade and Industry subsidy project disclosed on February 10.

A: In this subsidy project, we are planning to construct a storage plant with a capacity of approximately 12,000Mwh using the land of the Namie Plant in Fukushima Prefecture, which is owned by LE Systems, a subsidiary of our company. It was selected as the subject of the SII subsidy. The amount of the subsidy is about 381 million yen, which is about 1/3 of the total, so the investment amount is a little less than 1 billion yen.

< Mid-Term Management Plan >

Q The Medium-Term Management Plan disclosed in the previous fiscal year was rolled up, but could you tell us why the figures for 2026 and 2027 were lower than the figures disclosed in the previous fiscal year?

A: The main reason for the decline is that the launch of new businesses was delayed slightly more than expected, and this was reflected in the plan.

Q ROIC and ROE are on a downward trend, but can't you say that capital efficiency is deteriorating? What is your view on the current situation?

A: As you pointed out, the figures are on a downward trend. I understand that our company is currently in the upfront investment phase for growth. Although profitability will temporarily decline, we believe that in 3 years, we will be able to recover capital profitability through the monetization of large-scale investment in the wafer reclaimed business starting in 2026 and the monetization of the energy business, which is currently under start-up.

Q Regarding the mid-term management plan shown on page 10 of the Financial Results, the operating margin is planned to decrease from the plan announced the previous year. Do you expect profitability to continue to decline until 3 years from now due to the large-scale capital investment?

A: This is the same answer as the ROIC and ROE questions earlier. Our group is currently in the investment phase. Therefore, we have included a plan to temporarily decrease the operating margin. However, if you look at the operating income, the number is growing between 2026 and 2028.

Q Please tell us about the expected depreciation expense for fiscal 2026.

A: In the fiscal 2026 plan, we expect about 6.4 billion yen.

Q: What is the reason for the increase in dividends from the previous forecast of 5 yen to 10 yen?

A: We believe that shareholder returns are one of our company's important measures, and we have increased the dividend by 10 yen to 45 yen in consideration of our business performance and financial condition.