J.E.T. Co., Ltd.

Financial Results for the Fiscal Year Ended December 2023

March 4, 2024

Agenda

1. Company Overview
2. Summary of Financial Results for the Fiscal Year Ended December 2023 and Topics
3. Financial Forecasts for the Fiscal Year Ending December 2024
4. Future Growth Strategies Challenge 2026 Main Points

Appendix

1. Company Overview

Company Overview

Engaged in development, manufacture, sales, and after-sales service of semiconductor cleaning equipment

Our forerunner is S.E.S. Co., Ltd. (“S.E.S.”), which commenced civil rehabilitation proceedings during the semiconductor recession in the aftermath of the collapse of Lehman Brothers.
We were established on April 24, 2009 as a wholly owned subsidiary of ZEUS CO., LTD. (“ZEUS”), a Korean company that was a sales agent of S.E.S., in order to take over S.E.S.’s outstanding technologies for semiconductor cleaning equipment. We launched our business in May 2009 when we acquired S.E.S.’s Okayama Plant in a business transfer.

Company Overview

Name	J.E.T. Co., Ltd.
English Name	J.E.T. Co., LTD.
Establishment	April 2009
Capital	1,848 million JPY (as of December 31, 2023)
Address TEL	6078, Shinjo Kanayama, Satosho-cho, Asakuchi-gun, Okayama Prefecture 0865-69-4080
Representative	Masayuki Bouno, President & CEO
Number of Employees	165 289 Note: Total number of employees, including consolidated subsidiaries (as of December 31, 2023)
Business summary	Development, manufacture, sales, and after-sales service of semiconductor cleaning equipment.

BW3000
Batch type

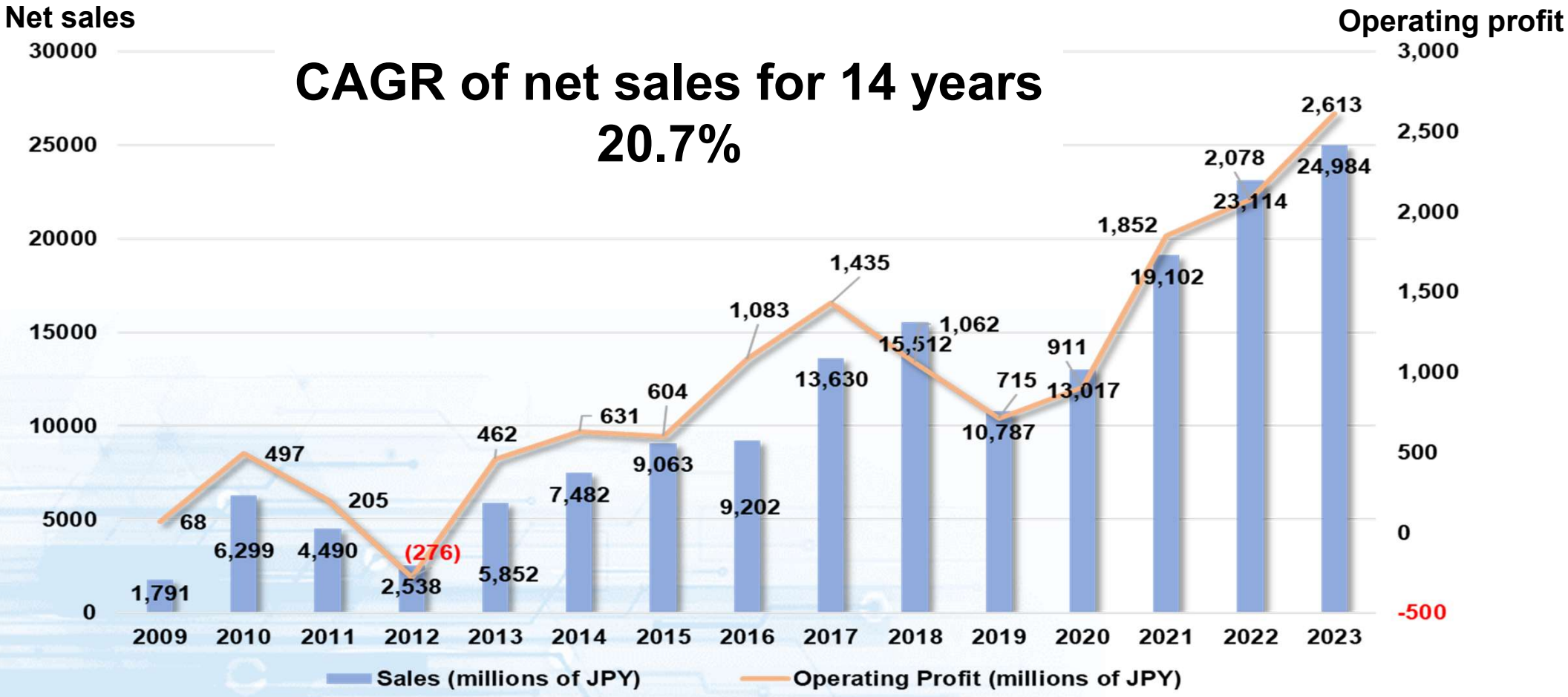
BW3700
Batch type

HTS-300
Single-wafer type

Long-term Consolidated Results (Net Sales and Operating Profit)

Though affected by the silicon cycle, our net sales and operating profit grew as the demand for semiconductors increased.

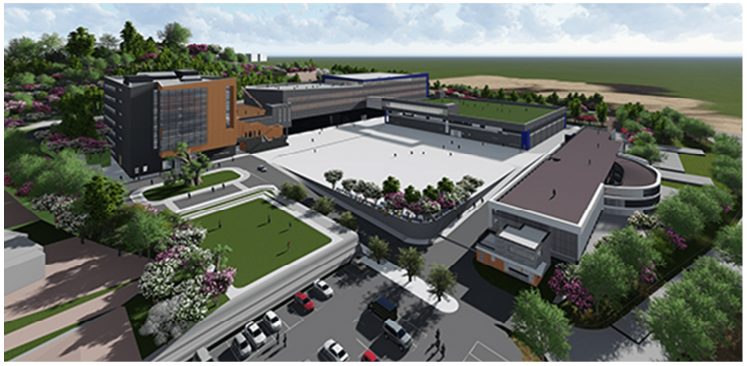
Net sales grew from 1.791 billion JPY in 2009 to 24.984 billion JPY in 2023 (compound annual growth rate (CAGR): 20.7%)



Note: Figures for 2019 and therebefore are unaudited by an audit firm and are provided for reference only.

Group Relationship Diagram

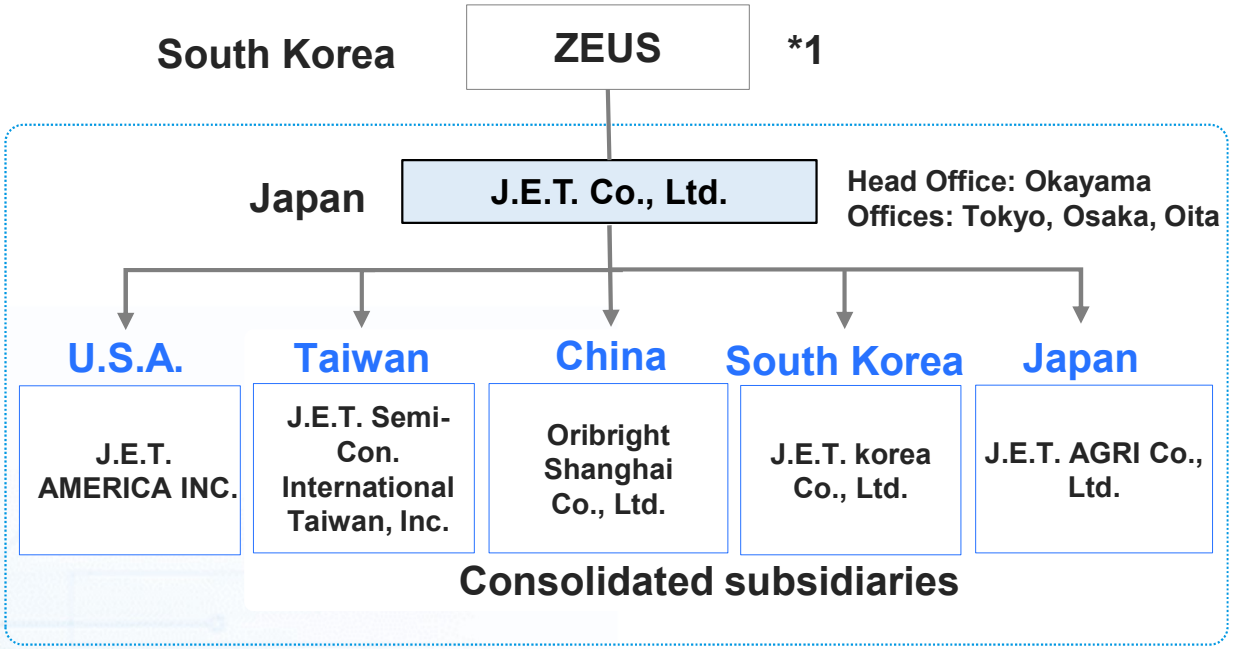
Our business is separate from that of ZEUS, our parent company. We have no competitive relationship with them, and our management aims to be highly independent of them by eliminating the acceptance of officers and employees on secondment.



Address: Hwaseong City, Gyeonggi Province, Republic of Korea
Capital: 5,192 million KRW
Description of business: Manufacture and sales of various manufacturing equipment for semiconductors and liquid crystal
Percentage of voting rights held in our company: 66.4% (direct)
Relationship with the related party: Business transactions
Description of transactions:
Sales and purchase of parts, materials, etc., and outsourcing of equipment manufacturing operations between the two companies, and payment of sales commissions, etc., from us to ZEUS, etc.

Note: Until the end of April 2022, we had one part-time director from ZEUS. From May 2022 onward, we have no officers or employees on secondment or otherwise accepted from ZEUS.

Relationship Diagram



*1: Listed on KOSDAQ (an exchange in South Korea)

Offices

We have made a conscious effort to further accelerate our expansion into Asia, which was started by S.E.S., our forerunner, and have expanded our office network primarily in South Korea, Taiwan, and China.

- Offices in Japan
- Offices outside Japan

J.E.T. korea Co., Ltd.

Office in South Korea: 19 employees

In October 2023, we established an office also in the United States.

JET AMERICA INC.

Office in the United States: 3 employees

Oribright Shanghai Co., Ltd. Beijing Office
Oribright Shanghai Co., Ltd. Wuxi Office
Oribright Shanghai Co., Ltd. Hefei Office
Oribright Shanghai Co., Ltd. Xi'an Office
Oribright Shanghai Co., Ltd. Guangzhou Office
Oribright Shanghai Co., Ltd. Shanghai Head Office

Osaka Office (*2)
Tokyo Office (*1)

J.E.T. Co., Ltd.

Kyushu Branch Office (*1)

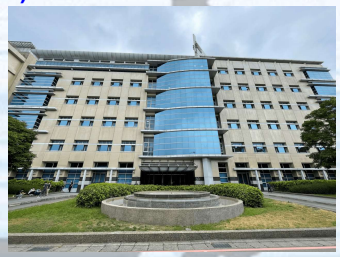
- Head Office
- Kasaoka Farm (*3)

Head Office (Okayama)

Offices in China: 79 employees

Note: Some offices in China have been omitted.

J.E.T. Semi-Con. International Taiwan, Inc.
(HEAD Office) Taiwan Head Office



Office in Taiwan: 24 employees

J.E.T. Semi-Con. International Taiwan, Inc.
(Singapore Branch) Singapore Branch

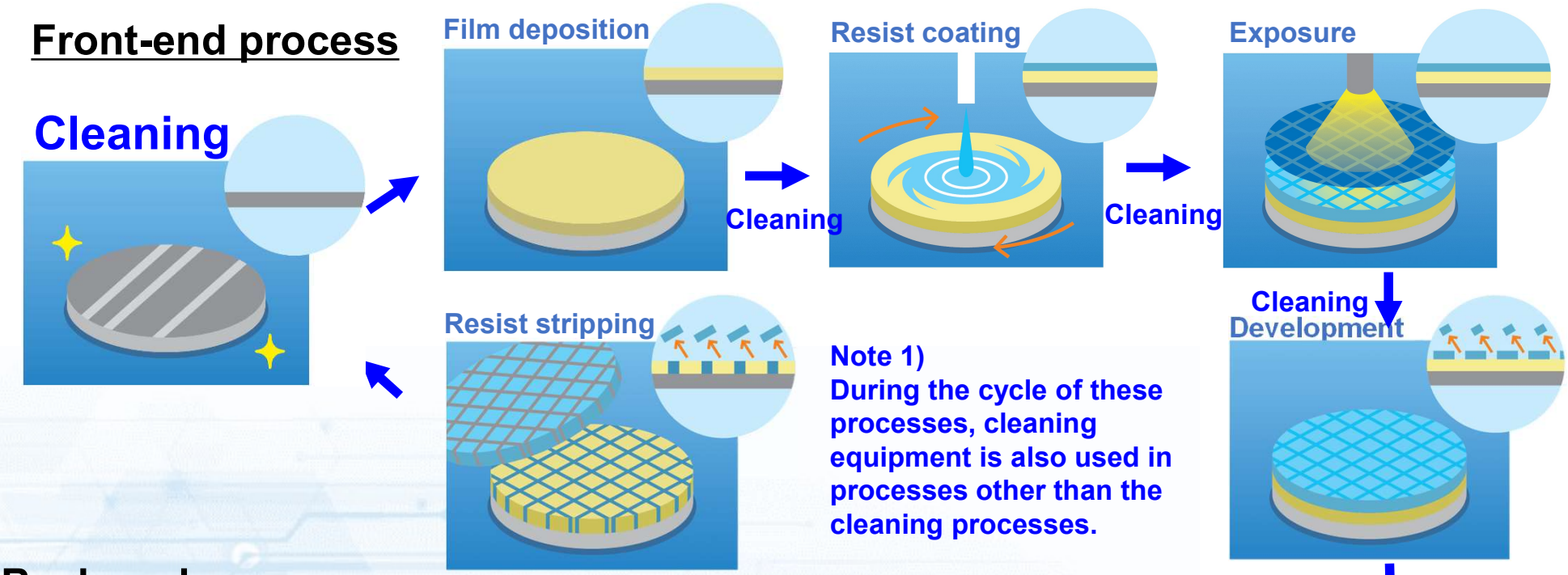
Singapore: 3 employees

*1: At the Tokyo Office and Kyushu Branch Office, we provide field services to our customers.
*2: At the Osaka Office, we sell LIB products.
*3: At Kasaoka Farm, J.E.T. AGRI Co., Ltd., our consolidated subsidiary, grows tomatoes.

Semiconductor Manufacturing Process—Front-end Process

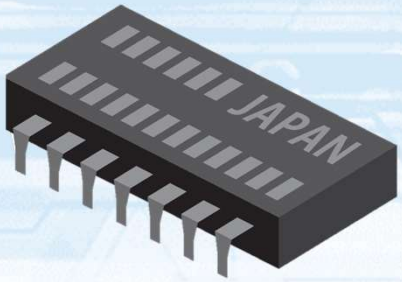
Cleaning is extremely important in the front-end process (which includes more than 500 steps) of semiconductor manufacturing.
30–40% (based on the number of steps) of the front-end process is estimated to involve the use of cleaning equipment.

Front-end process



Back-end process

Inspection and assembly



Semiconductor Cleaning Equipment　Features of Our Products—Batch Type and Single-Wafer Type

There are two methods of cleaning—wet cleaning, which uses chemical solution, and dry cleaning, which uses oxygen gas or ozone.
Wet cleaning is more commonly used. Wet cleaning includes batch type and single-wafer type.

	Batch-type cleaning equipment	Single-wafer-type cleaning equipment
Summary	Cleaning equipment that processes 25–50 wafers at one time in a processing chamber	Cleaning equipment that processes wafers one by one in a processing chamber
Advantage	It is highly productive.	Precisely controlled, one-by-one cleaning is possible.
Disadvantage	It can easily pick up wafer dust.	It is less productive.
Current status	Though it was replaced by single-wafer-type equipment at one time, it maintains a certain share due to its superior productivity.	It is currently the main cleaning equipment.
Features of our products	Compared to the standardized products of other companies, our products are more customizable, and the configuration and the number of cleaning chambers can be changed. F-Type is offered by J.E.T. only.	Our products have special features, such as a feature to raise the temperature of chemical solution on the wafer with a heater to improve throughput and reduce the amount of chemical solution used. They have an advantage in high-temperature, high-viscosity processing.

Note: Based on our own understanding.

Competitive Landscape and Differentiators (1)—Competitors

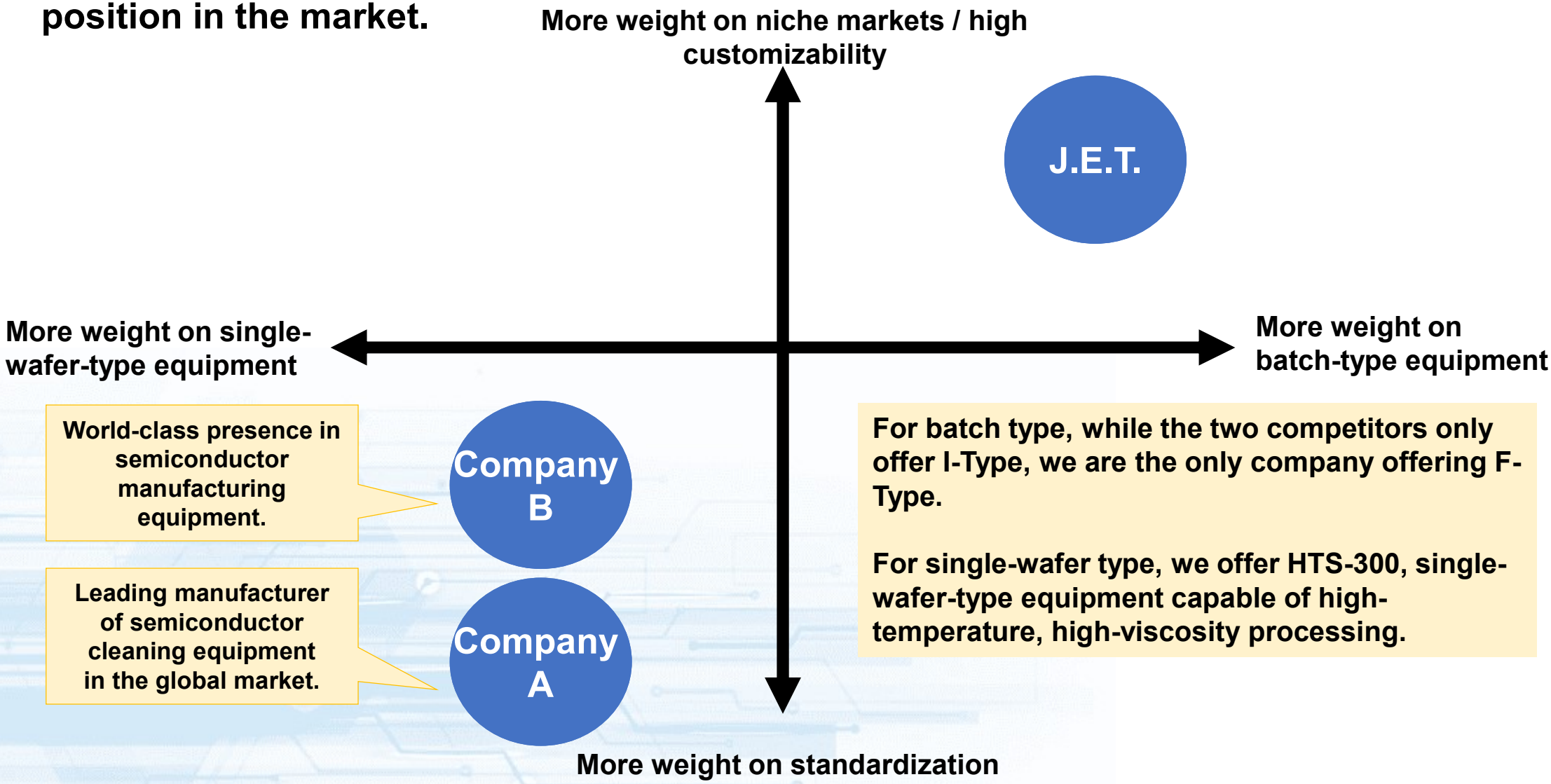
We believe that Japanese companies have had more than a 70% share in the semiconductor cleaning equipment market since the 2000s, and Company A and Company B have a particularly strong presence.

	Summary	Features of manufactured products	Analysis on competitive landscape
Company A	Leading manufacturer of semiconductor cleaning equipment in the global market.	The largest market share in both the single-wafer-type and batch-type cleaning equipment. Strong in standardized equipment.	The top manufacturer in the semiconductor cleaning equipment industry. Although they have strengths in standardized equipment, there is little competition among our company's core users.
Company B	World-leading share of semiconductor manufacturing equipment.	World-leading share in the industry of equipment used in front-end processes in the semiconductor manufacturing process (WFE) as a whole. Excellent technological capabilities for both single-wafer-type and batch-type cleaning equipment.	They are stepping up their sales initiatives directed at our core users, and there is some competition. However, we have been able to differentiate ourselves with our product features.
J.E.T.	Marketing mainly in Korea, China, and Taiwan. Focus on the Chinese market in recent years.	Specialized in batch-type cleaning equipment, which accounts for over 90% of our consolidated net sales. Also strong in single-wafer-type equipment with distinctive features.	

Note: The descriptions of our company and competitors in the table above are based on our own understanding as of December 2023.

Competitive Landscape and Differentiators—(2) Positioning

Company A and Company B have a large presence. However, we also have a unique position in the market.



Note) This is a diagram prepared based on our own understanding and is provided for illustrative purposes. The estimated global market shares for batch type are our estimates based on SEMI sales statistics and competitors' financial results explanatory materials.

Our Features and Strengths—Five Points

1 Relationships of trust with major overseas customers cultivated over many years

2 Position and personal network in Asia built through our strategy to focus on Asia

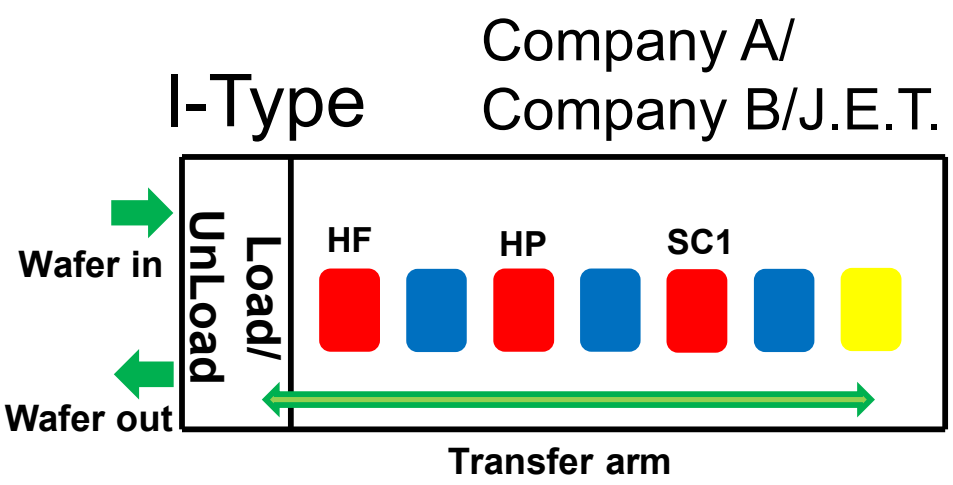
3 Small and agile structure
Flexibility and mobility
High customizability

4 Automotive and electrical machinery
Utilization of excellent subcontractors (partners) nurtured by the broad base of the Japanese industry

5 Jnique technological capabilities and accumulated expertise in specific areas (e.g., equipment that works with high-temperature, high-viscosity chemical solutions)

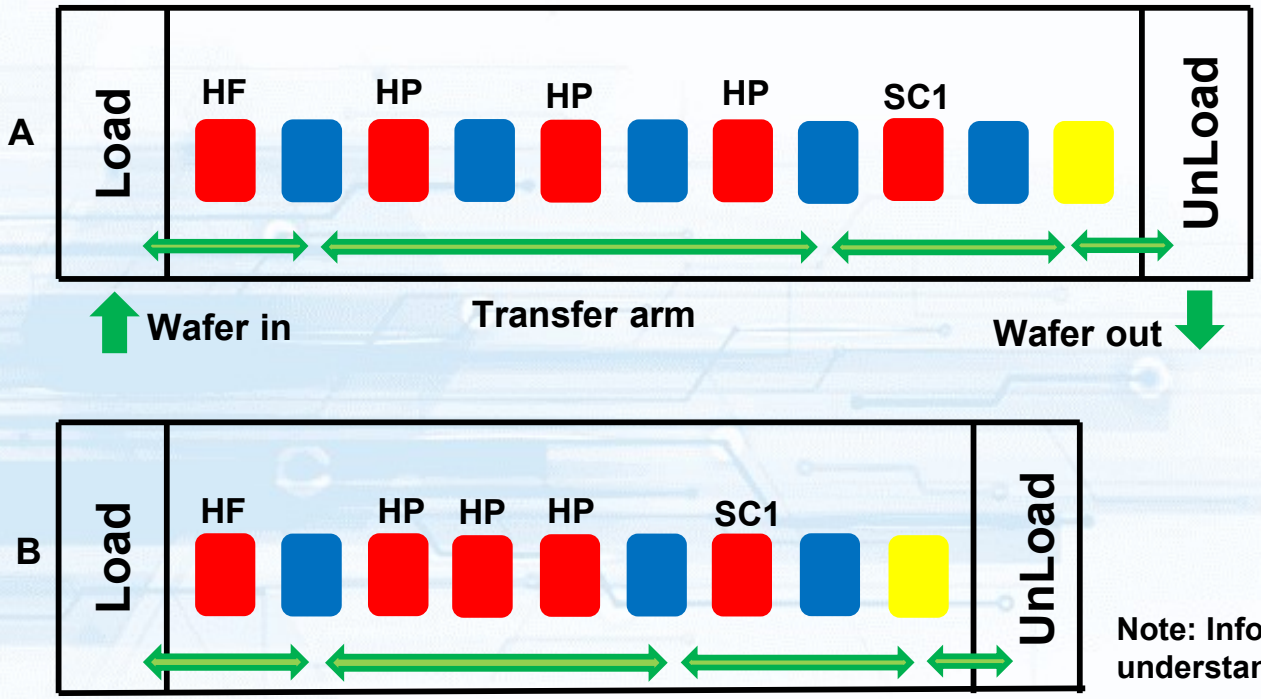
JET batch-type equipment advantages
➡ The only equipment with F-Type

I-Type Company A/ Company B/J.E.T.



Features
- **Compact**
- **Processing chamber: 8 chambers at maximum**
  (The arm moves from side to side, causing jams.)
- **Throughput: Max. 250 wafers/h**

F-Type Made by J.E.T. only



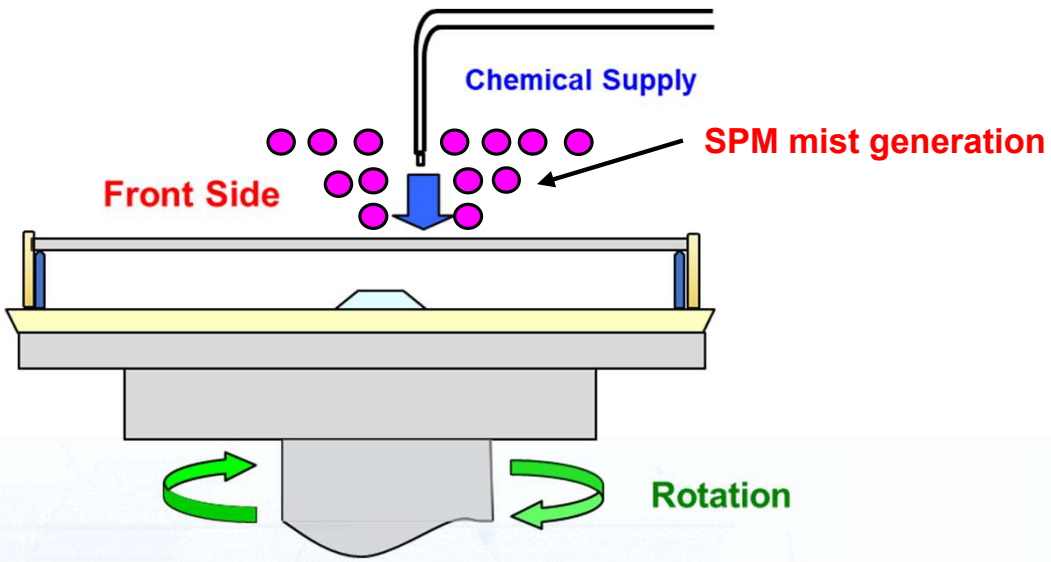
Features
- **A little large**
- **Processing chamber: 14 chambers at maximum**

(Because the one-way arm prevents jams.)
- **Can be selected from A or B**
- **B enables continuous arrangement of chemical chambers**
- **Often used for sulfuric acid/phosphoric acid cleaning at high temperatures**
- **Throughput: Max. 500 wafers/h**

Note: Information is based on our own understanding as of December 2023.

J.E.T. single-wafer-type equipment advantages

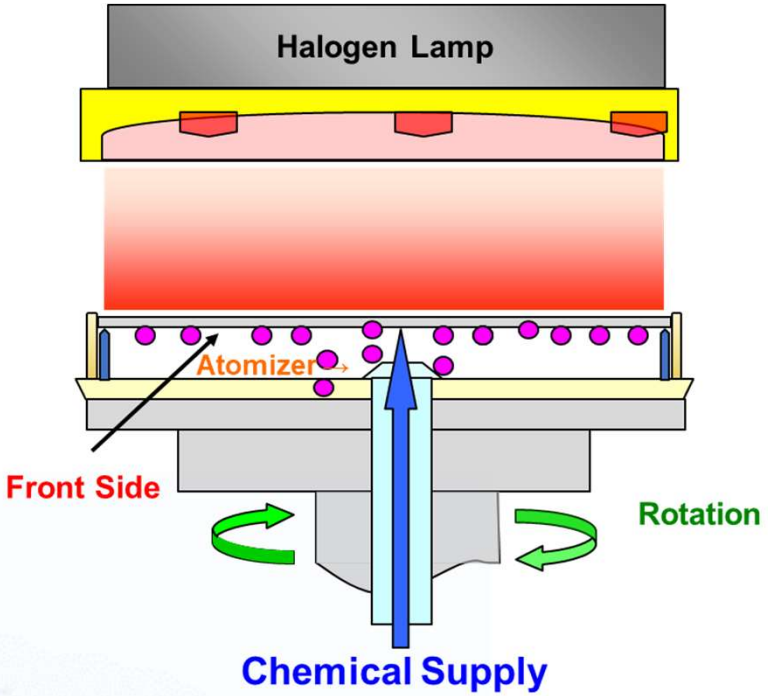
Company A/B single-wafer-type SPM system



Features

- Processing temperature: 150–200ºC
- Uses chemical reaction heat
  - ➡ Difficult to maintain high temperature even when continuously applying chemicals
- Process time: 5 min/HDI resist wafer (see notes)
- ➡ Required chemical amount: 3,000 ml/wafer
  (due to the necessity to continuously apply the chemical for 5 minutes)
- SPM mist generates more particles

J.E.T. single-wafer-type SPM system (HTS -300)



Features

- Processing temperature: 200–240ºC
- High temperatures are maintained with a heater
- Inverted processing surface to use atomized chemicals
- Process time: 0.5 min/HDI resist wafer
  ➡ Required chemical amount: 150 ml/wafer
- No diffusion of SPM mist, and the amount of particles generated is small

Note: HDI resist wafer = resist wafer with cured layer
Note: Information is based on our own understanding as of December 2023.

2. Summary of Financial Results for the Fiscal Year Ended December 2023 and Topics

Results Summary

Although partly affected by the delay in the start-up of cleaning equipment, we have seen steady sales of cleaning equipment.
Sales and profit growth have been achieved for the fourth consecutive year.

Net sales	Operating profit	Ordinary profit	Net income
24,984 million JPY	2,613 million JPY	2,444 million JPY	1,651 million JPY
YoY +8.1%	YoY +25.7%	YoY +28.9%	YoY +37.9%

- ✓ **Memory prices have continued to fall due to a global consumption slowdown influenced by geopolitical risks and inflation, but DRAM prices have risen due to increased demand for servers for generative AI.**
  New capital investment has also begun.

- ✓ **Capital investment in mature semiconductors, particularly in China, has continued but some investment is on a slowing trend.**

Consolidated Results

Unit (millions of JPY)	Fiscal year ended December 2022	Sales ratio (%)	Fiscal year ended December 2023	Sales ratio (%)	YoY change (%)
Net sales	23,114	—	24,984	—	8.1%
Gross profit	4,893	21.2%	5,535	22.2%	13.1%
SG&A expenses	2,815	12.2%	2,921	11.7%	3.8%
Operating profit	2,078	9.0%	2,613	10.5%	25.7%
Ordinary profit	1,896	8.2%	2,444	9.8%	28.9%
Net income	1,197	5.2%	1,651	6.6%	37.9%

Unit (millions of JPY)	Fiscal year ended December 2022	Fiscal year ended December 2023
Capital investment amount	50	41
Depreciation expenses	325	65
R&D expenses	513	739

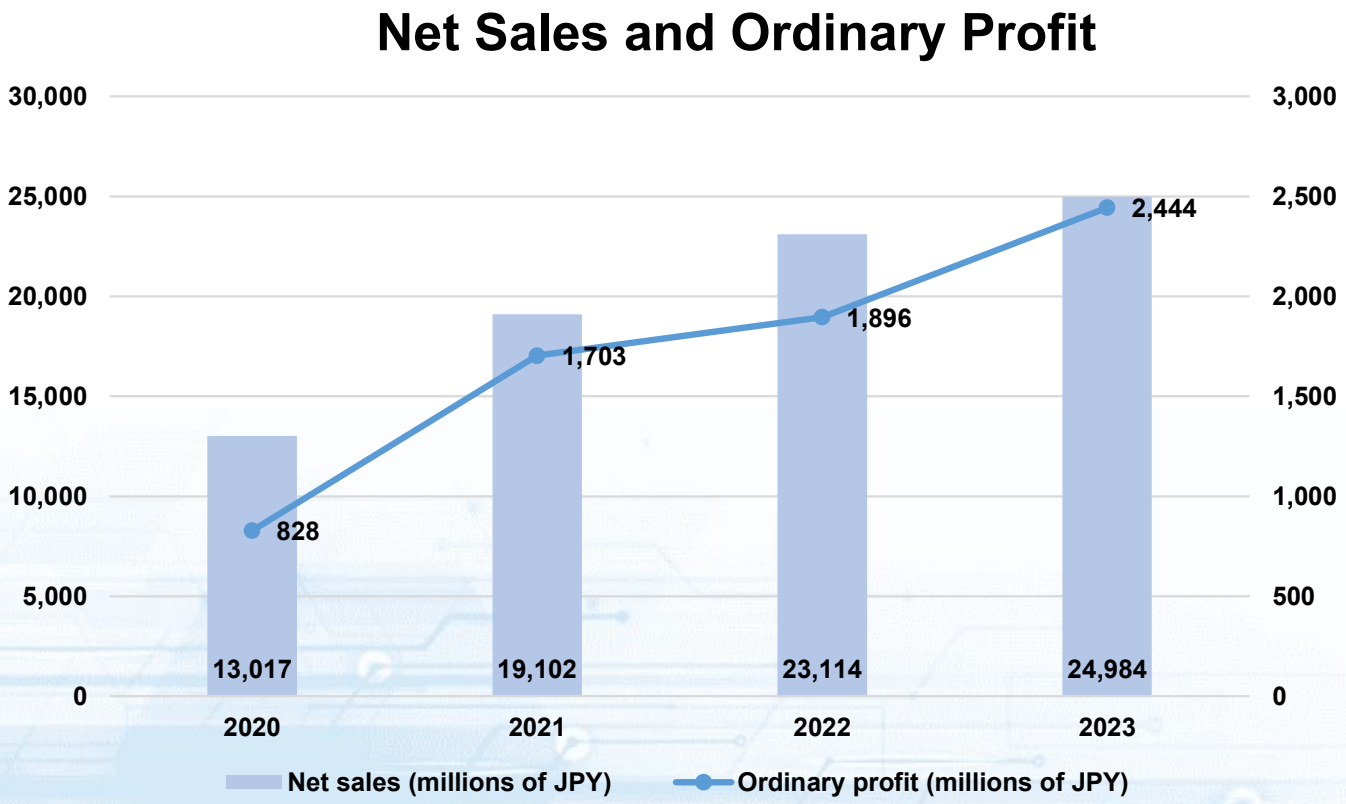
Note: Depreciation expenses related to R&D are stated as R&D expenses.

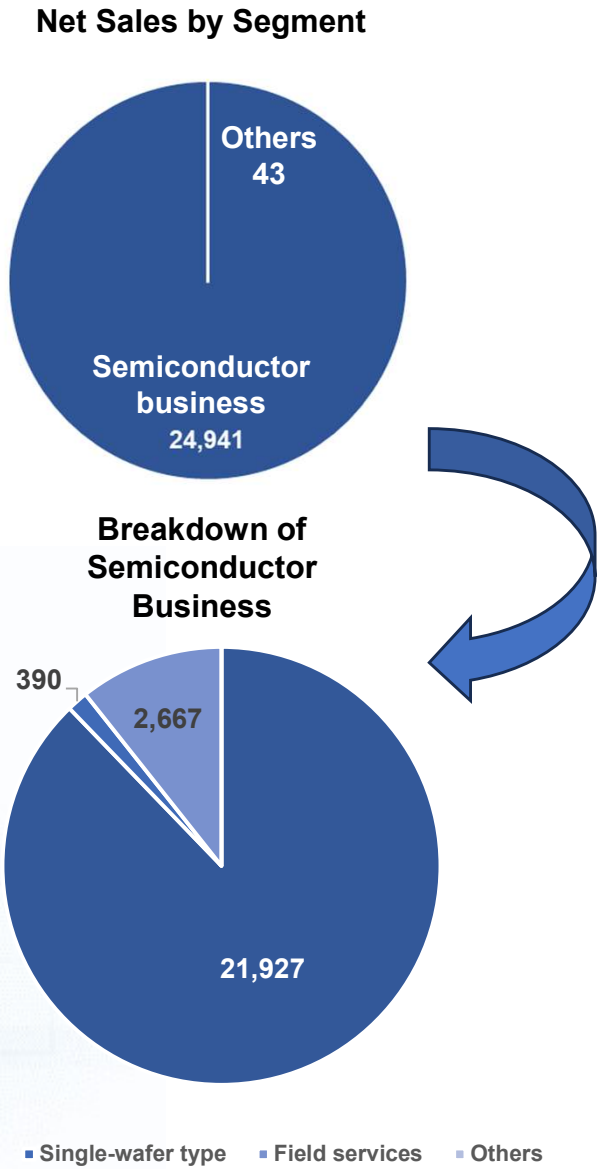
Consolidated Balance Sheet

Unit (millions of JPY)	Fiscal year ended December 2022	Fiscal year ended December 2023	Increase/Decrease	Main factors of change
Current assets	26,439	27,068	+629	
Property, plant and equipment	1,137	954	-183	
Intangible assets	75	56	-19	
Investments and other assets	639	695	+56	
Total assets	28,290	28,774	+484	
Current liabilities	14,435	11,496	-2,939	Decrease in short-term borrowings
Non-current liabilities	5,514	4,866	-648	Decrease in long-term borrowings
Total liabilities	19,950	16,362	-3,588	
Total net assets	8,340	12,411	+4,071	Increase in capital and capital surplus through capital increase Increase in retained earnings
Total liabilities and net assets	28,290	28,774	+484	

Net Sales and Ordinary Profit and Composition of Net Sales

Record high profit for the fourth consecutive year

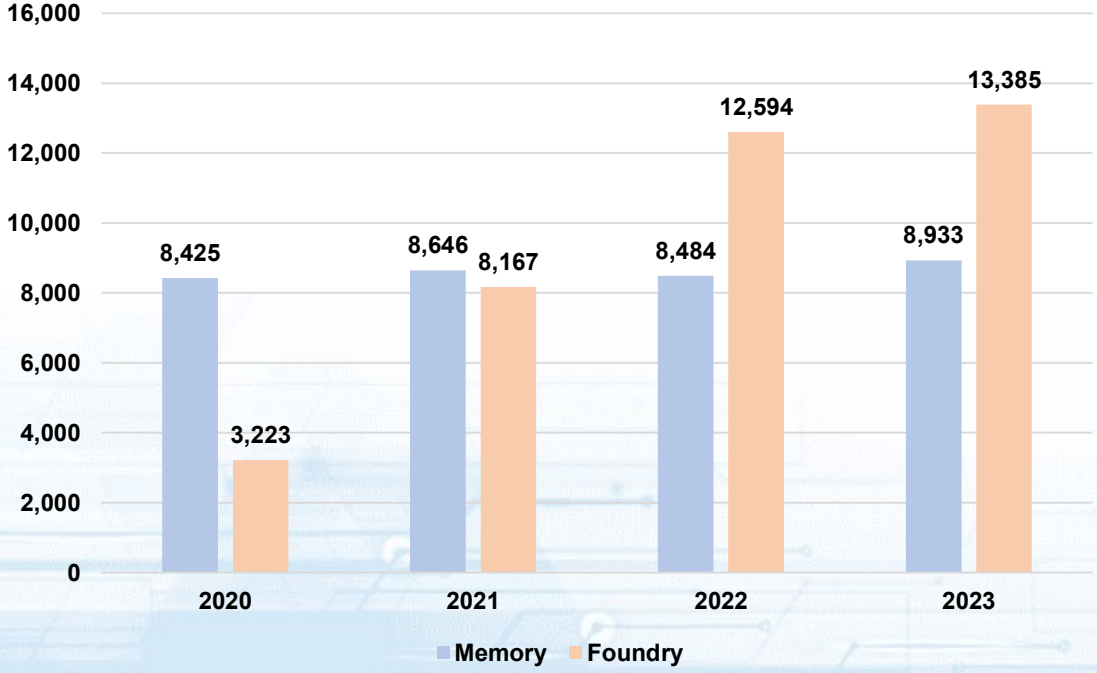




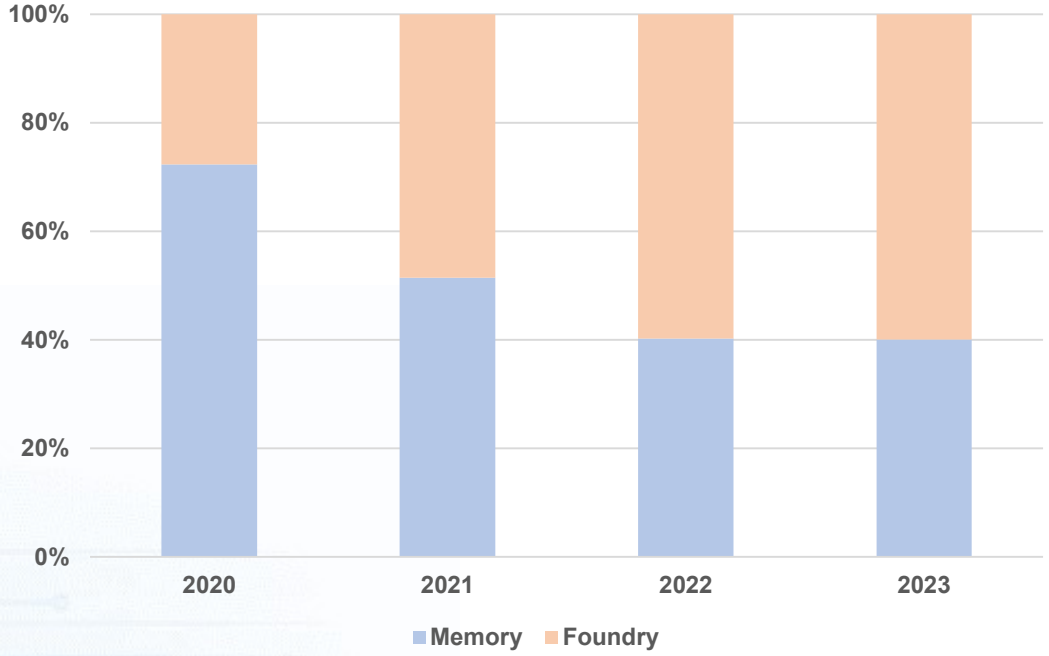
Equipment Net Sales (by Shipping Destination)

Composition ratio of sales for foundries is currently up.

Equipment Net Sales by Shipping Destination

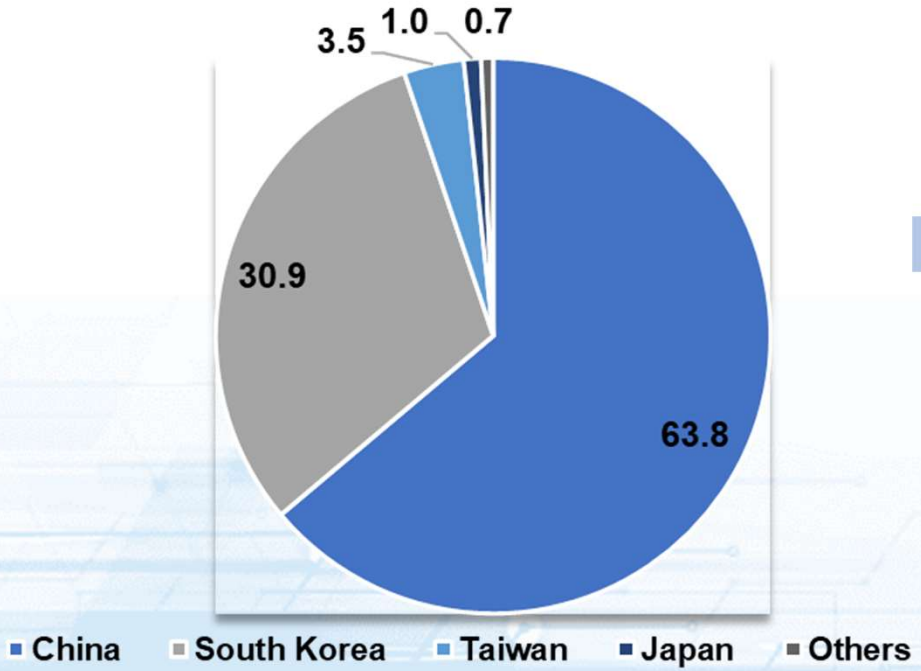


Equipment Net Sales Composition by Shipping Destination

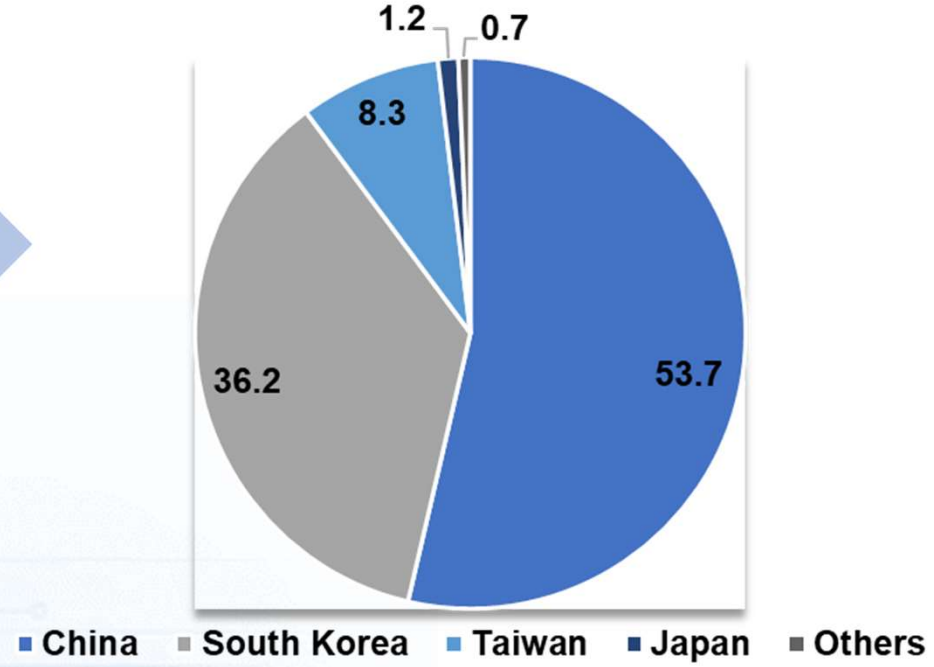


Net Sales Composition by Region (1)
Comparison with Previous Fiscal Year

The composition ratio of China decreased and the composition ratio of South Korea and Taiwan increased from those of the previous fiscal year.
In the future, we aim to achieve a composition ratio of 25% for China and Taiwan, South Korea, the United States, and Japan, respectively.

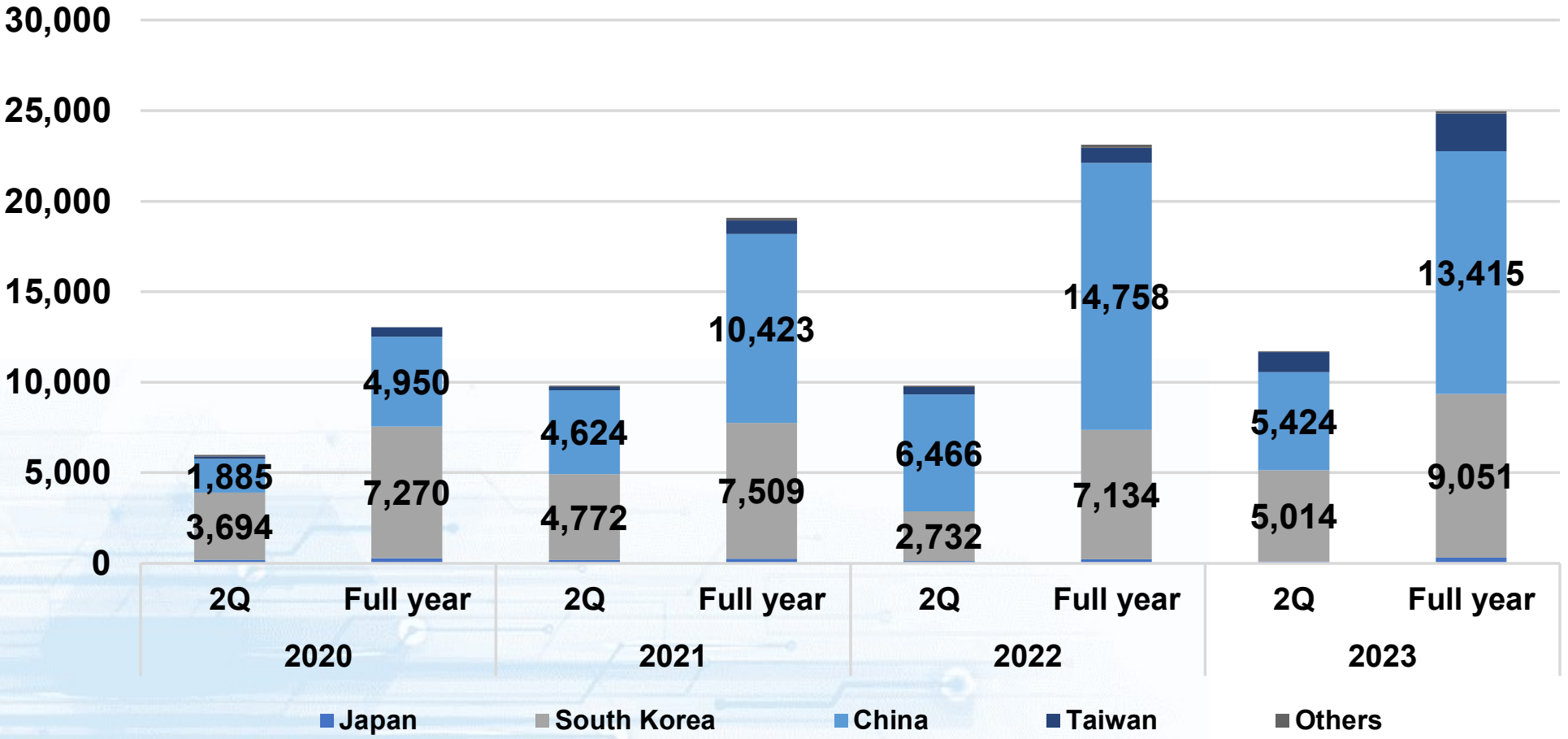


Fiscal year ended December 2022 Unit: %



Fiscal year ended December 2023 Unit: %

Net Sales Composition by Region (2)



Topic (1) U.S. subsidiary (JET AMERICA INC.)

In October 2023, a sales and maintenance company for semiconductor manufacturing equipment was established in Dallas, Texas, a center of the U.S. semiconductor industry where significant capital investment is expected. The company began operations in January 2024.

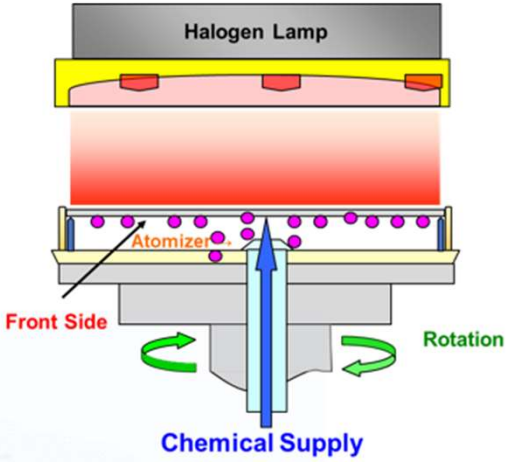
**Texas is where a leading U.S. semiconductor developer and manufacturer Texas Instruments (TI) is based.
The largest analog IC company, headquartered in Dallas.**

Due to geopolitical factors, the U.S. government's policy of focusing on the promotion of the semiconductor industry, including the CHIPS Act, is expected to lead to significant investments in the future.

The U.S. subsidiary also focuses on customer acquisition in legacy areas.

Topic (2) Contract for development work from Rapidus

We have been awarded a contract to develop single-wafer semiconductor cleaning equipment from Rapidus Corporation, which aims to develop and mass-produce logic semiconductors of 2 nm or less in the late 2020s.



Rapidus Chitose Plant
Construction started in September 2023
Scheduled to start operation around April 2025

Reference: J.E.T. single-wafer equipment

HTS-300

Overview of Rapidus Corporation

Address: Kojimachi Diamond Building 11th Floor, 4-1 Kojimachi, Chiyoda-ku, Tokyo

Representative: Atsuyoshi Koike, President and CEO

Business summary: Research, development, design, manufacture, and sale of electronic components such as semiconductor devices and integrated circuits

Capital: 7,346 million yen

Establishment: August 10, 2022

3. Financial Forecasts for the Fiscal Year Ending December 2024

Fiscal Year Ending December 2024
Market Environment Outlook and Tactics

- ✓ **While interest rate hikes and inflation in Europe and the U.S. are calming down, market conditions continue to be riddled with geopolitical risks and other uncertain factors.**
- ✓ **DRAM prices will start to rise and the worst will be behind for NAND flash.New demand is expected from data center investments for generative AI and also from PCs and smartphones.**
- ✓ **For Korean manufacturers working to produce higher-capacity DRAM and higher-stack NAND flash, strive to establish a service system in the U.S. market and propose new cleaning equipment.**
- ✓ **Start developing new customers in the U.S. market at the newly established U.S. subsidiary (JET AMERICA INC.).**
- ✓ **In the Japanese market, strive to develop new customers for automotive power semiconductors, etc., in addition to supporting cutting-edge processes.**

Full-Year Financial Forecasts

Aim to achieve sales and profit growth for the fifth consecutive year

Unit (millions of JPY)	Fiscal year ended December 2023	Sales ratio (%)	Fiscal year ending December 2024	Sales ratio (%)	YoY change (%)
Net sales	24,984	—	25,680	—	2.7%
Gross profit	19,449	77.8%	19,650	76.5%	1.0%
SG&A expenses	2,921	11.7%	3,290	12.8%	12.6%
Operating profit	2,613	10.5%	2,740	10.7%	4.8%
Ordinary profit	2,444	9.8%	2,600	10.1%	6.3%
Net income	1,651	6.6%	1,740	6.8%	5.3%

Unit (millions of JPY)	Fiscal year ended December 2023 (Results)	Fiscal year ending December 2024 (Plans)
Capital investment amount	41	157
Depreciation expenses	65	76
R&D expenses	739	719

Note: Depreciation expenses related to R&D are stated as R&D expenses.

4. Future Growth Strategies Challenge 2026 Main Points

Direction of Future Business Development

1. Achieve stable and continuous growth and improve profit margin
2. Gain a competitive advantage through development of differentiated equipment
3. Build a production system capable of responding to changes in demand
4. Explore new markets in North America and Japan

Immediate counting targets

Profit margin improvement is a top priority target for now.
Eliminate outstanding orders, wait for lead-time to normalize and aim to achieve 15% profit margin as soon as possible.

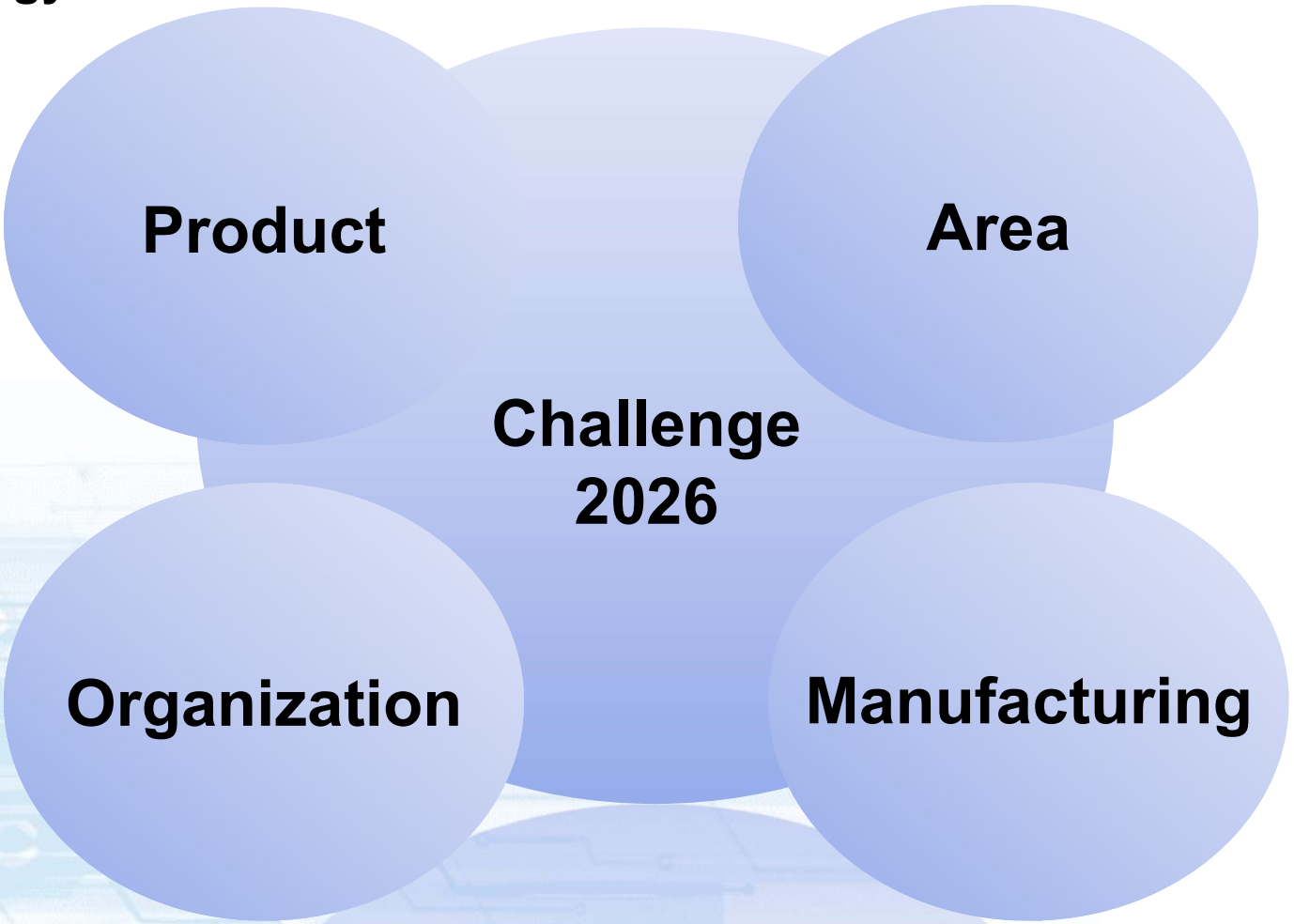
Net sales
24.9 billion yen
Operating profit
2.6 billion yen
Operating profit margin 10.4%
Fiscal year ended December 2023

Net sales 30 billion yen
Operating profit 4.5 billion yen
Operating profit margin 15%

To be achieved by 2027

Challenge 2026

Review the current medium-term management plan and formulate a new medium-term three-year plan to achieve the targets.
Consider strategy on four axes.



Product Strategy

New HTS

1. Capability of handling processes other than sulfuric acid
2. Different product models offered for different chemical solutions (processes)
3. Track record for phosphoric acid to be established in Japan → Horizontal expansion
4. Track record for 03 to be established in Taiwan → Horizontal expansion

HTS-300

BW3500

1. Scheduled to launch in July 2024
2. Strategic models for replacing equipment of other companies in the Chinese market → Horizontal expansion to other regions

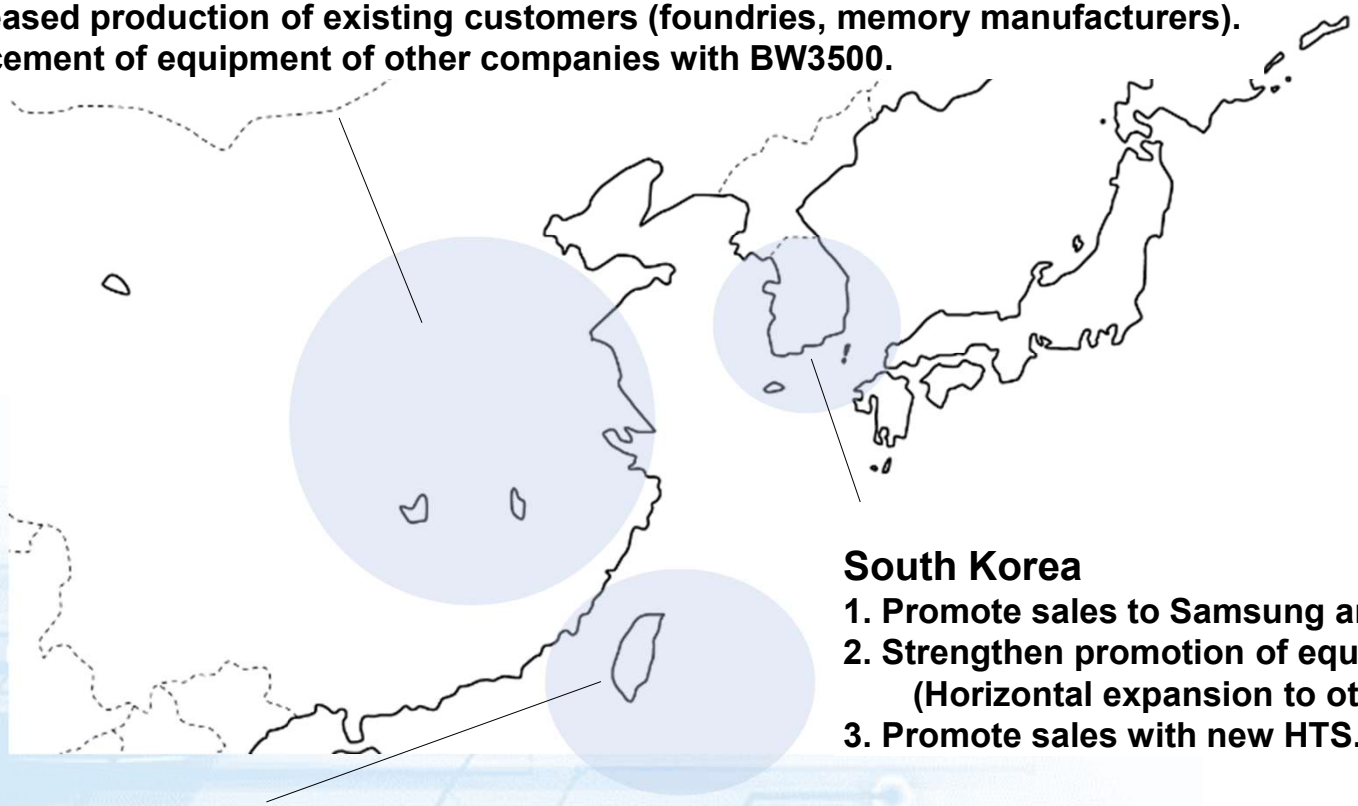
Equipment capable of SiC

1. Track record to be established with products for Samsung Electronics → Horizontal expansion

Area Strategy (1) Major Markets in South Korea, China, and Taiwan

China

1. Maintain relationships with the SMIC Group.
2. Respond to increased production of existing customers (foundries, memory manufacturers).
3. Accelerate replacement of equipment of other companies with BW3500.



South Korea

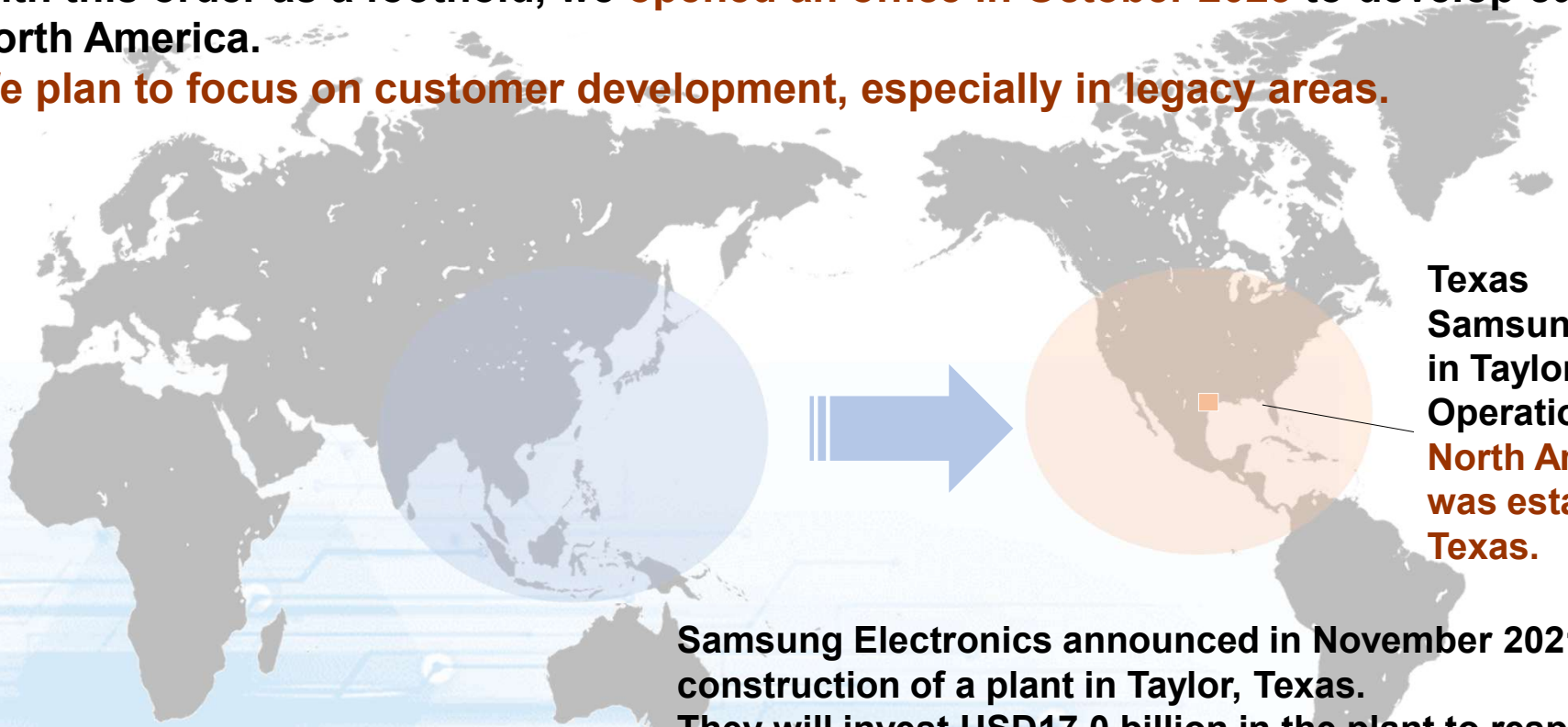
1. Promote sales to Samsung and foundries.
2. Strengthen promotion of equipment capable of SiC.
   (Horizontal expansion to other areas)
3. Promote sales with new HTS.

Taiwan

1. Give priority to promotion of HTS/03.
   (Horizontal expansion to other areas)
2. Maintain relationships with existing customers.
3. Accelerate replacement of equipment of other companies with BW3500.

Area Strategy (2) Market Development in North America

An order has already been received for cleaning equipment for Samsung Electronics' plant in Taylor, Texas scheduled to start operation in 2024.
With this order as a foothold, we opened an office in October 2023 to develop customers in North America.
We plan to focus on customer development, especially in legacy areas.



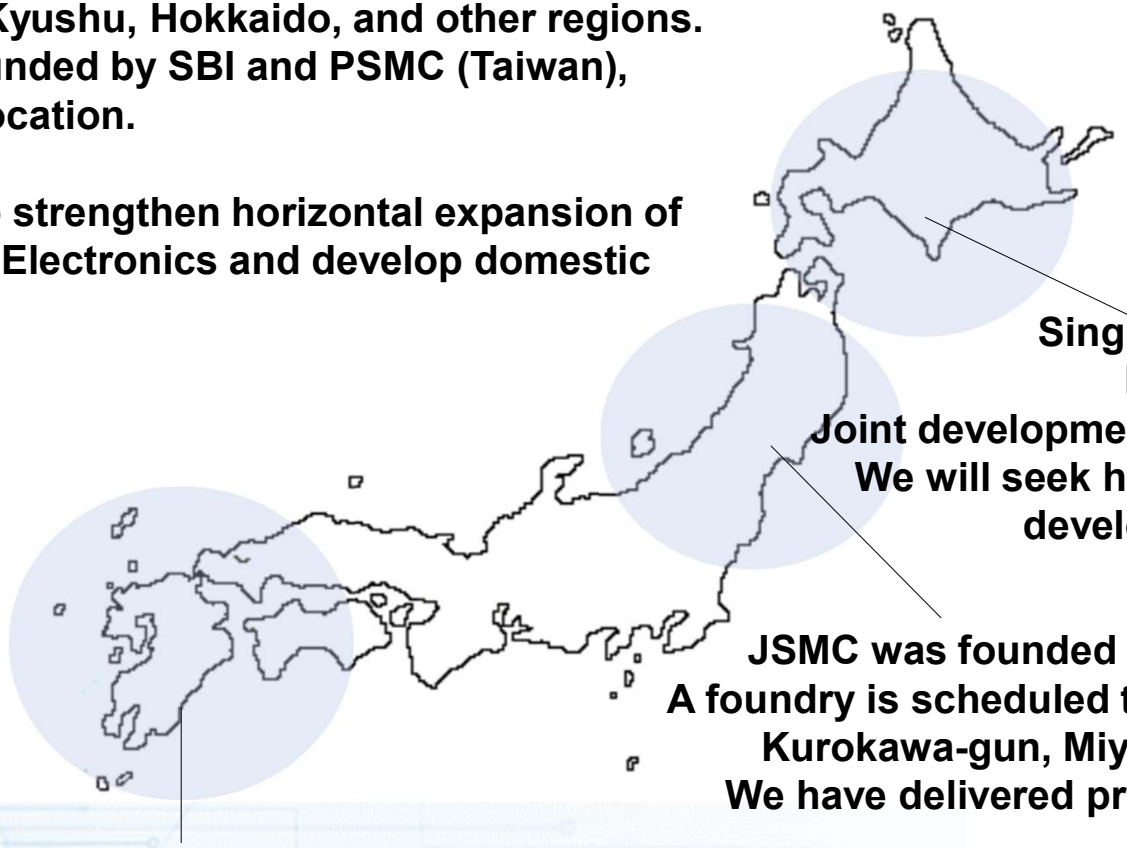
Texas
Samsung Electronics' plant in Taylor
Operations to start in 2024
North American subsidiary was established in Dallas, Texas.

Samsung Electronics announced in November 2021 the construction of a plant in Taylor, Texas.
They will invest USD17.0 billion in the plant to respond to the latest processing needs.
They aim to start production in the latter half of 2024.

Area Strategy (3) Market Development in Japan

Due in part to geopolitical factors and the government's policy promotion, semiconductor investment is concentrated in Kyushu, Hokkaido, and other regions.
In Miyagi Prefecture, JSMC, founded by SBI and PSMC (Taiwan), plans to establish a business location.

We will seize the opportunity to strengthen horizontal expansion of the track record with Samsung Electronics and develop domestic memory customers.



Single-wafer type
Rapidus
Joint development project is in progress.
We will seek horizontal expansion of developed models.

JSMC was founded in August 2023.
A foundry is scheduled to be constructed in Kurokawa-gun, Miyagi Prefecture.
We have delivered products to PSMC.

Various semiconductor-related investment projects are concentrated.
We plan to focus on developing customers for automotive and power semiconductors.

Establishment of SD (System Design Department)

Check customer needs based on specifications and consider the specifications so that manufacture propose to customers.
Aim to reduce cost through efficient manufacturing (review from the design phase).

Strengthening of sales

1. **Enter the U.S. market through JET America.**
2. **Establish a sales division for the Japanese market.**

Manufacturing Strategy (1)

Strengthening of supply chain

1. Seek strengthening for eliminating bottlenecks such as frames, quartz components, and electrical wiring
2. Increase outsourcing of unit production
3. Consider M&A for this purpose (components, equipment manufacturers, design companies, sales companies, etc.)

Construction of a new plant

1. Consider construction of a new plant that assumes a different role from that of existing plants and is in line with the new Vision
2. Address the new HTS and strengthen R&D
3. Achieve significant production efficiency improvements (e.g., introduction of automation)
4. Take environmental measures

Manufacturing Strategy (2) New Plant Construction

A new plant (2.5 ha) is scheduled to be constructed in Asakuchi City, near the Head Office (Satosho, Okayama Prefecture), which will start operation in 2027. Acquisition of land and study of concept are planned for this fiscal year.

Head Office (Satosho)

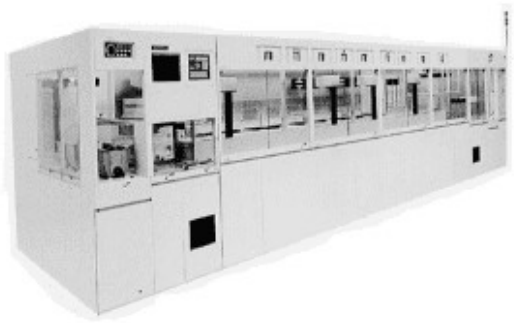
Rendering

Appendix

Our Main Products (1)

	BW3000	BW3700
		
Cleaning type	Batch-type cleaning equipment Compatible with 300 mm wafers	Batch-type cleaning equipment Compatible with 300 mm wafers
Features	◎Flexible configuration to meet customers' requirements (the arrangement and the number of cleaning chambers can be changed according to the customer's request.) ◎Improvement in production efficiency ◎High-Speed LD/ULD compatible with 500 WPH ◎Small equipment footprint: The number of installations in a plant can be increased ◎Reduction in carbon dioxide ◎Controlled gas flow ◎Reduced start-up time by standardized specifications ◎Compatibility with SEMI standard ◎Compatibility with EES (EDA or TDI)	◎Small equipment footprint: The number of installations in a plant can be increased ◎Stabilization of throughput of each processing chamber through individual piping in the exhaust system ◎Processing with a 7-mm pitch between wafers ◎Reduction in generation of particles (fine dust) by achieving a reduction of the contact point of wafers ◎Reduction in bubble generation ◎Improved efficiency in liquid replacement by a reverse flow system ◎Improved stability in concentration ◎Compatibility with a wide variety of processing chambers ◎Compatibility with the 1 chemical solution plus 1DIW configuration
Price range (average unit price) (millions of JPY)	210–400	320–560

Our Main Products (2)

	BW2000	HTS-300
		
Cleaning type	Batch-type cleaning equipment Compatible with 200 mm wafers	Single-wafer-type cleaning equipment Compatible with 300 mm wafers
Features	◎High production efficiency ◎High cleaning capacity ◎Reduced footprint ◎Flexible configuration to meet customers' requirements (the configuration and the number of cleaning chambers can be changed.)	◎Processing with a minimum chemical solution consumption of 150 cc ◎High-temperature processing up to 240ºC ◎Stripping in as short as 30 seconds ◎Prevention of diffusion of fumes (chemical solution vapor) by flipping over wafers
Price range (average unit price) (millions of JPY)	150–210	330–540

Notes

Precautions for handling this document

- This document has been prepared based on the Consolidated Financial Results announced on February 9, 2024.
- The forecasts and forward-looking statements contained in this document are based on information currently available to us and do not guarantee or promise the accuracy or completeness of such information. In addition, changes in economic trends, industry competition, markets, and systems may cause significant changes in the outlook.
- Figures in this document are rounded down to the nearest unit. Percentages are rounded off to the nearest unit.

For inquiries about this document, please contact:

J.E.T. Co., Ltd.
Corporate Management Division
TEL 0865-69-4281