

Consolidated Financial Results for the Three Months Ended March 31, 2018[Japanese GAAP]



May 14, 2018

Company name:RS Technologies Co., Ltd.
 Stock exchange listing:Tokyo Stock Exchange
 Code number:3445
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 Scheduled date of filing quarterly securities report:March 14, 2018
 Scheduled date of commencing dividend payments:—
 Availability of supplementary briefing material on quarterly financial results:Available
 Schedule of quarterly financial results briefing session:No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended March 31, 2018 (January 1, 2018 to March 31, 2018)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended								
March 31, 2018	5,204	103.9	1,189	62.2	934	1.6	471	(22.2)
March 31, 2017	2,552	49.0	733	387.5	919	-	605	-

(Note) Comprehensive income: Three months ended March 31, 2018: ¥424 million [(32.0)%]
 Three months ended March 31, 2017: ¥623 million [-%]

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Three months ended				
March 31, 2018	41.65		39.87	
March 31, 2017	54.99		53.37	

(Note) Nothing.

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of March 31, 2018	35,371		21,618		40.5	
As of December 31, 2017	12,468		5,792		46.4	

(Reference) Equity: As of March 31, 2018: ¥14,335 million
 As of December 31, 2017: ¥5,786million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2017	Yen —	Yen 0.00	Yen —	Yen 5.00	Yen 5.00
Fiscal year ending December 31, 2018	—	—	—	—	—
Fiscal year ending December 31, 2018 (Forecast)	—	—	—	—	—

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2018 (January 1, 2018 to December 31, 2018)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
Full year	20,993	91.1	3,891	26.5	3,897	20.9	2,585	17.0	206.14	

(Note) Revision to the financial results forecast announced most recently: No

*** Notes:**

- (1) Changes in significant subsidiaries during the three months ended March 31, 2018 (changes in specified subsidiaries resulting in changes in scope of consolidation): Yes
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
 - March 31, 2018: 12,407,000 shares
 - December 31, 2017: 11,174,000 shares
 - 2) Total number of treasury shares at the end of the period:
 - March 31, 2018: 4,332 shares
 - December 31, 2017: 4,632 shares
 - 3) Average number of shares during the period:
 - Three months ended March 31, 2018: 11,313,782 shares
 - Three months ended March 31, 2017: 11,016,302 shares

(Note) Nothing.

*** Presentation regarding the implementation status of the quarterly review procedures**

These quarterly financial results are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these quarterly financial results, review procedures for the quarterly consolidated financial statements under the Financial Instruments and Exchange Act have been completed.

*** Explanation of the proper use of financial results forecast and other notes**

(Note on the forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information that is available and certain assumptions deemed reasonable as of the date of publication of this document. The Company does not guarantee that such forecasts will be achieved. Actual results may differ significantly from these forecasts due to a wide range of factors.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of December 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	3,243,026	17,338,340
Notes and accounts receivable - trade	3,141,488	5,668,919
Merchandise and finished goods	463,258	903,656
Work in process	112,882	859,360
Raw materials and supplies	134,801	120,214
Other	343,057	438,884
Total current assets	7,625,373	26,234,801
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,418,381	2,629,510
Machinery, equipment and vehicles, net	3,155,331	5,683,184
Other, net	94,125	97,786
Construction in progress	6,568	138,514
Total property, plant and equipment	4,674,406	8,548,996
Intangible assets	19,599	399,192
Investments and other assets	149,265	188,203
Total non-current assets	4,843,271	9,136,392
Total assets	12,468,645	35,371,193
Liabilities		
Current liabilities		
Notes and accounts payable - trade	398,537	1,508,457
Short-term loans payable	315,400	5,002,278
Current portion of long-term loans payable	950,688	897,692
Accounts payable - other	368,776	1,858,017
Income taxes payable	982,901	402,333
Provision for bonuses	107,214	155,992
Other	260,732	232,728
Total current liabilities	3,384,250	10,057,480
Non-current liabilities		
Long-term loans payable	2,767,022	2,986,776
Deferred tax liabilities	484,301	444,731
Other	40,571	263,392
Total non-current liabilities	3,291,894	3,694,899
Total liabilities	6,676,145	13,752,379
Net assets		
Shareholders' equity		
Capital stock	645,850	4,777,826
Capital surplus	645,840	4,777,816
Retained earnings	4,442,972	4,858,349
Treasury shares	(6,357)	(5,974)
Total shareholders' equity	5,728,305	14,408,016
Accumulated other comprehensive income		
Foreign currency translation adjustment	58,181	(72,980)
Total accumulated other comprehensive income	58,181	(72,980)
Subscription rights to shares	6,013	6,013
Non-controlling interest	-	7,277,764
Total net assets	5,792,499	21,618,813
Total liabilities and net assets	12,468,645	35,371,193

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
 Quarterly Consolidated Statements of Income
 Three months ended March 31

(Thousand yen)

	For the three months ended March 31, 2017	For the three months ended March 31, 2018
Net sales	2,552,630	5,204,953
Cost of sales	1,553,595	3,548,471
Gross profit	999,034	1,656,482
Selling, general and administrative expenses	265,971	467,380
Operating income	733,063	1,189,101
Non-operating income		
Interest income	469	3,866
Subsidy income	2,269	-
Commission fee	759	906
Supplementary income account	231,240	21,795
Other	3,285	18,579
Total non-operating income	238,023	45,148
Non-operating expenses		
Interest expenses	18,772	24,624
Loan fee	26,500	3,000
Foreign exchange losses	-	218,745
Other	6,048	53,286
Total non-operating expenses	51,320	299,656
Ordinary income	919,765	934,593
Extraordinary income		
State subsidy income	-	-
Total extraordinary income	-	-
Extraordinary losses		
Loss on reduction of non-current assets	-	-
Total extraordinary losses	-	-
Profit before income taxes	919,765	934,593
Income taxes - current	321,497	252,395
Income taxes - deferred	(7,487)	4,737
Total income taxes	314,009	257,133
Profit	605,756	677,459
Profit attributable to non-controlling interests	-	206,215
Profit attributable to owners of parent	605,756	471,244

Quarterly Consolidated Statements of Comprehensive Income
Three months ended March 31

	(Thousand yen)	
	For the three months ended March 31, 2017	For the three months ended March 31, 2018
Profit	605,756	677,459
Other comprehensive income		
Foreign currency translation adjustment	18,051	(253,453)
Total other comprehensive income	18,051	(253,453)
Comprehensive income	623,807	424,005
Comprehensive income attributable to:		
Owners of parent	623,807	340,082
Non-controlling interests	—	83,923