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This English version of financial results is only for reference purpose. When there are any discrepancies between the original version(Japanese) and English version of the financial results, the original version always prevails.

Please note: This English version of financial results is an extract from the original version.

August 7, 2020

**Summary of Consolidated Financial Results for the Second Quarter
of the Fiscal Year Ending December 31, 2020
(Six Months Ended June 30, 2020)**

[Japanese GAAP]

Company name: RS Technologies Co., Ltd. Listing: Tokyo Stock Exchange, First Section
Securities code: 3445 URL: <https://www.rs-tec.jp/index.html>
Representative: Nagayoshi Ho, Chief Executive Officer
Contact: Masayuki Suzuki, Director & Chief Financial Officer Tel:+81-3-5076-7685
Scheduled date of filing of Quarterly Report: August 7, 2020
Scheduled date of payment of dividend: -
Preparation of supplementary references regarding quarterly results: Yes
Holding of Quarterly results briefing: Yes(For institutional investors and analysts)

(All amounts are rounded down to the nearest million yen)

**1.Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending December 31, 2020
(January 1, 2020 - June 30, 2020)**

(1)Consolidated operating results

	Net sales		Operating Profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six Months Ended Jun 30, 2020	12,653	1.1	2,580	△6.3	2,898	△0.8	1,686	△2.1
Six Months Ended Jun 30, 2019	12,515	8.7	2,755	22.3	2,920	24.4	1,723	19.8

Note: Comprehensive income(million yen) Six Months Ended Jun 30, 2020 : 1,805 (△0.8%)
Six Months Ended Jun 30, 2019 : 1,819 (19.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six Months Ended Jun 30, 2020	131.27	129.09
Six Months Ended Jun 30, 2019	134.54	132.45

(2)Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun 30, 2020	54,882	37,822	40.4
AS of Dec 31, 2019	48,634	35,981	42.7

Reference: Shareholders' equity(million yen) As of Jun 30, 2020 :22,164 AS of Dec 31, 2019 :20,776

2.Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Dec 31, 2019	-	0.00	-	15.00	15.00
Fiscal year ended Dec 31, 2020	-	0.00	-	-	-
Fiscal year ended Dec 31, 2020 (forecast)	-	-	-	15.00	15.00

**3.Consolidated Earnings Forecasts for the Fiscal year Ending December 31, 2020
(January 1, 2020 - December 31, 2020)**

	Net sales		Operating Profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	23,500	△4.1	4,300	△8.8	4,800	△11.4	2,800	△7.8	216.74

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***Notes**

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

New companies: -

Excluded companies: -

(2) Application of special accounting methods to the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting-based estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting-based estimates: None

4) Restatements: None

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of period (including treasury shares)

As of Jun 30, 2020 : 12,918,300 shares

AS of Dec 31, 2019 : 12,829,300 shares

2) Number of treasury shares at the end of period

As of Jun 30, 2020 : 407 shares

AS of Dec 31, 2019 : 407 shares

3) Average number of shares outstanding during the period

Six Months Ended Jun 30, 2020 12,851,235 shares

Six Months Ended Jun 30, 2019 12,807,368 shares

*This report is not subject to quarterly review by certified public accountants or auditing firms.

*Explanation regarding appropriate use of the earnings forecasts and other special notes

Forecasts regarding future performance in this document are based on certain assumptions judged to be valid and information currently available to us. Actual performance may differ significantly from these forecasts for a number of factors.

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2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY 12/2019	Second quarter of FY 6/2020
	(AS of Dec 31, 2019)	(As of Jun 30, 2020)
Assets		
Current assets		
Cash and deposits	22,156,177	22,949,778
Bills receivable and accounts receivable	6,047,227	6,218,384
Goods and products	1,713,170	1,933,997
Work in process	925,047	820,311
Raw materials and supplies	1,346,559	1,331,860
Other	603,000	1,038,070
Allowance for doubtful accounts	△ 30,677	△ 24,412
Total current assets	<u>32,760,505</u>	<u>34,267,989</u>
Fixed asset		
Tangible fixed assets		
Buildings and structures (net)	2,738,780	2,648,179
Mechanical equipment and carriers (net)	5,056,950	4,511,133
Other (net amount)	2,453,551	2,466,254
Construction in progress	4,385,861	9,855,593
Total property, plant and equipment	<u>14,635,144</u>	<u>19,481,160</u>
Intangible fixed assets		
Goodwill	502,424	425,313
Other	229,672	201,876
Total intangible assets	<u>732,096</u>	<u>627,189</u>
Investment and other assets		
Bankruptcy rehabilitation claims, etc.	6,831	-
Other	506,595	505,766
Allowance for doubtful accounts	△ 6,831	-
Total investment and other assets	<u>506,595</u>	<u>505,766</u>
Total fixed assets	<u>15,873,836</u>	<u>20,614,116</u>
Total assets	<u>48,634,341</u>	<u>54,882,105</u>
Liabilities		
Current Liabilities		
Notes payable and accounts payable	1,614,888	1,722,093
Short-term loans	123,080	124,440
Long-term loans payable within one year	1,278,179	1,235,453
Accounts payable	1,743,304	4,197,911
Accrued corporate tax, etc.	518,815	732,394
Provision for bonuses	361,249	494,642
Other	1,612,583	2,171,379
Total current liabilities	<u>7,252,100</u>	<u>10,678,315</u>
Fixed liabilities		
Long-term loans	2,232,965	1,627,425
Reserve for retirement benefits for directors	4,900	5,324
Retirement Benefit Retirement Benefits	2,247	2,215
Deferred tax liability	424,983	344,887
Other	2,735,687	4,401,467
Total fixed liabilities	<u>5,400,784</u>	<u>6,381,320</u>
Total liabilities	<u>12,652,884</u>	<u>17,059,636</u>

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2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY 12/2019	Second quarter of FY 6/2020
	(AS of Dec 31, 2019)	(As of Jun 30, 2020)
Net assets		
Shareholders' equity		
Capital stock	5,376,590	5,432,683
Capital surplus	5,384,889	5,424,049
Retained earnings	10,649,190	12,143,701
Treasury shares	△ 1,126	△ 1,126
Total shareholders' equity	<u>21,409,544</u>	<u>22,999,307</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△ 2,863	△ 5,238
Foreign currency translation adjustment	△ 630,179	△ 829,189
Total accumulated other comprehensive income	<u>△ 633,043</u>	<u>△ 834,428</u>
Stock acquisition right	91,697	123,400
Non-controlling interests	15,113,258	15,534,189
Total net assets	<u>35,981,456</u>	<u>37,822,469</u>
Total liabilities and net assets	<u>48,634,341</u>	<u>54,882,105</u>

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(2) Quarterly Consolidated Statements of Income and Comprehensive Income
(Quarterly Consolidated Statement of Income)
(For the Six-month Period)

	(Thousands of yen)	
	First six months of FY 6/2019 (Jan 1, 2019 - Jun 30, 2019)	First six months of 6/2020 (Jan 1, 2020 - Jun 30, 2020)
Net sales	12,515,050	12,653,186
Cost of sales	8,166,823	8,491,272
Gross profit	4,348,226	4,161,913
Selling, general and administrative expense	1,593,193	1,581,011
Operating profit	2,755,033	2,580,902
Non-operating income		
Interest income	58,479	192,232
Foreign exchange gains	3,826	110,328
Subsidy income	3,447	35,833
Other	168,892	31,620
Total non-operating income	234,646	370,015
Non-operating expenses		
Interest expense	41,862	33,176
Other	27,503	19,486
Total non-operating expenses	69,365	52,662
Ordinary income	2,920,313	2,898,254
Extraordinary income		
Gain on sale of fixed assets	201	-
Total extraordinary income	201	-
Extraordinary losses		
Loss on sale of fixed assets	4,745	-
Total extraordinary losses	4,745	-
Profit(loss) before income taxes	2,915,769	2,898,254
Income taxes-current	590,240	660,968
Income taxes-deferred	△ 136,015	△ 80,448
Total income taxes	454,225	580,519
Profit	2,461,544	2,317,735
Profit attributable to non-controlling interests	738,430	630,790
Loss attributable to non-controlling interests(△)		
Profit attributable to owners of parent	1,723,113	1,686,944

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(Quarterly Consolidated Statement of Comprehensive Income)
(For the Six-month Period)

	(Thousands of yen)	
	First six months of FY 6/2019 (Jan 1, 2019 - Jun 30, 2019)	First six months of 6/2020 (Jan 1, 2020 - Jun 30, 2020)
Profit	2,461,544	2,317,735
Other comprehensive income		
Valuation difference on available-for-sale securities	907	△ 2,375
Foreign currency translation adjustment	△ 642,882	△ 509,663
Total other comprehensive income	△ 641,974	△ 512,039
Comprehensive income	1,819,569	1,805,695
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,298,906	1,485,559
Comprehensive income attributable to non-controlling interests	520,663	320,135

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(3) Quarterly Consolidated Statements of Cash Flow

	(Thousands of yen)	
	First six months of FY 6/2019 (Jan 1, 2019 - Jun 30, 2019)	First six months of 6/2020 (Jan 1, 2020 - Jun 30, 2020)
Cash flow from Operating Activities		
Profit(loss) before income taxes	2,915,769	2,898,254
Depreciation	880,769	920,326
Amortization goodwill	77,111	77,111
Increase / decrease in allowance for doubtful accounts (△ indicates decrease)	△ 98,028	△ 12,406
Increase / decrease in provision for bonuses (△ indicates decrease)	201,539	137,283
Increase / decrease in provision for shareholder benefits (△ indicates decrease)	△ 18,135	-
Interest income and dividend income	△ 58,479	△ 192,232
Subsidy income	△ 3,447	△ 35,833
Foreign exchange gains / losses (△ is profit)	5,620	△ 10,897
Interest expense	41,862	33,176
Syndicated loan fee	3,000	-
Loss on retirement of non-current assets	-	350
Gain / loss on sale of property, plant and equipment (△ is profit)	4,543	-
Increase / decrease in trade receivables (△ indicates increase)	434,772	△ 233,285
Increase / decrease in inventories (△ indicates increase)	△ 405,468	△ 163,522
Increase / decrease in trade payables (△ indicates decrease)	△ 165,877	147,149
Increase / decrease in accounts payable (△ indicates decrease)	△ 394,684	288,267
Other, net	681,154	△ 407,601
subtotal	<u>4,102,022</u>	<u>3,446,138</u>
Interest and dividend income received	58,479	192,232
Subsidy received	3,447	1,635,353
Interest expenses paid	△ 42,219	△ 33,526
Income taxes paid	△ 701,661	△ 391,933
Net cash flow provided by (used in) operating activities	<u>3,420,067</u>	<u>4,848,264</u>
Cash flow from Investing Activities		
Payments for time deposits	-	△ 640,032
Purchase of property, plant and equipment	△ 1,396,462	△ 2,915,904
Purchase of intangible assets	△ 1,406,373	△ 239
Proceeds from sales of property, plant and equipment	1,226	-
Payments for investment securities	△ 50,116	△ 115
Payments from changes in ownership interests in subsidiaries that result in change in scope of consolidation	△ 627,010	-
Payments for insurance reserve fund	△ 3,609	△ 3,609
Other, net	△ 699	△ 334
Net cash provided by (used in) investing activities	<u>△ 3,483,046</u>	<u>△ 3,560,236</u>

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(3) Quarterly Consolidated Statements of Cash Flow

	(Thousands of yen)	
	First six months of FY 6/2019 (Jan 1, 2019 - Jun 30, 2019)	First six months of 6/2020 (Jan 1, 2020 - Jun 30, 2020)
Cash flows from Financing Activities		
Net increase / decrease in short-term loans payable (△ indicates decrease)	4,150	-
Proceeds from long-term loans payable	1,885,750	-
Repayments of long-term loans payable	△ 536,525	△ 658,601
Payments for syndicated loan fee	△ 3,000	-
Proceeds from sales and leasebacks	356,950	-
Repayments of lease obligations	△ 116,507	△ 185,266
Proceeds from issuance of common shares	-	111,250
Proceeds from share issuance to non-controlling shareholders	3,469,071	216,072
Cash dividends paid	△ 127,685	△ 192,153
Cash flows from financing activities	<u>4,932,202</u>	<u>△ 708,697</u>
Effect of exchange rate change on cash and cash equivalents	△ 418,195	△ 425,762
Net increase (decrease) in cash and cash equivalents	<u>4,451,028</u>	<u>153,567</u>
Cash and cash equivalents at beginning of period	<u>14,652,995</u>	<u>21,363,639</u>
Cash and cash equivalents at end of period	<u>19,104,024</u>	<u>21,517,207</u>