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DISCLAIMER

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.

November 12, 2020

**Summary of Consolidated Financial Results for the Third Quarter
of the Fiscal Year Ending December 31, 2020
(Nine Months Ended September 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: November 12, 2020
Scheduled date of payment of dividend: -
Preparation of supplementary references regarding quarterly results: Yes
Holding of Quarterly results briefing: No

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

**1.Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2020
(January 1, 2020 - September 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	%
Nine Months Ended Sep 30, 2020	18,999	2.0	3,901	4.2	4,182	△3.0	2,330	△7.1
Nine Months Ended Sep 30, 2019	18,619	2.9	3,745	△5.6	4,310	0.9	2,506	3.3

Note: Comprehensive income(million yen) Nine Months Ended Sep 30, 2020 : 2,989 (32.0%)
Nine Months Ended Sep 30, 2019 : 2,265 (△24.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine Months Ended Sep 30, 2020	180.96	177.93
Nine Months Ended Sep 30, 2019	195.74	192.35

(2)Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep 30, 2020	56,740	39,126	40.6
AS of Dec 31, 2019	48,634	35,981	42.7

Reference: Shareholders' equity(million yen) As of Sep 30, 2020 :23,025 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 Sep 30, 2020 : 12,927,100 shares

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

2) Number of treasury shares at the end of period

As of Sep 30, 2020 : 407 shares

AS of Dec 31, 2019 : 407 shares

3) Average number of shares outstanding during the period

Nine Months Ended Sep 30, 2020 12,876,190 shares

Nine Months Ended Sep 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 (AS of Dec 31, 2019)	Third quarter of FY 9/2020 (As of Sep 30, 2020)
Assets		
Current assets		
Cash and deposits	22,156,177	19,938,388
Bills receivable and accounts receivable	6,047,227	5,972,461
Goods and products	1,713,170	2,684,930
Work in process	925,047	882,846
Raw materials and supplies	1,346,559	1,527,529
Other	603,000	1,795,123
Allowance for doubtful accounts	△ 30,677	△ 24,907
Total current assets	<u>32,760,505</u>	<u>32,776,372</u>
Fixed asset		
Tangible fixed assets		
Buildings and structures (net)	2,738,780	2,629,939
Mechanical equipment and carriers (net)	5,056,950	3,291,670
Other (net amount)	2,453,551	2,331,523
Construction in progress	4,385,861	13,687,367
Total property, plant and equipment	<u>14,635,144</u>	<u>21,940,499</u>
Intangible fixed assets		
Goodwill	502,424	386,757
Other	229,672	193,941
Total intangible assets	<u>732,096</u>	<u>580,698</u>
Investment and other assets		
Bankruptcy rehabilitation claims, etc.	6,831	-
Other	506,595	1,442,615
Allowance for doubtful accounts	△ 6,831	-
Total investment and other assets	<u>506,595</u>	<u>1,442,615</u>
Total fixed assets	<u>15,873,836</u>	<u>23,963,814</u>
Total assets	<u>48,634,341</u>	<u>56,740,186</u>
Liabilities		
Current Liabilities		
Notes payable and accounts payable	1,614,888	2,118,979
Short-term loans	123,080	124,100
Long-term loans payable within one year	1,278,179	1,227,419
Accounts payable	1,743,304	3,612,630
Accrued corporate tax, etc.	518,815	532,105
Provision for bonuses	361,249	396,504
Other	1,612,583	3,491,854
Total current liabilities	<u>7,252,100</u>	<u>11,503,593</u>
Fixed liabilities		
Long-term loans	2,232,965	1,338,122
Reserve for retirement benefits for directors	4,900	5,537
Retirement Benefit Retirement Benefits	2,247	2,255
Deferred tax liability	424,983	333,889
Other	2,735,687	4,430,257
Total fixed liabilities	<u>5,400,784</u>	<u>6,110,061</u>
Total liabilities	<u>12,652,884</u>	<u>17,613,655</u>

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2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY 12/2019	Third quarter of FY 9/2020
	(AS of Dec 31, 2019)	(As of Sep 30, 2020)
Net assets		
Shareholders' equity		
Capital stock	5,376,590	5,438,229
Capital surplus	5,384,889	5,429,595
Retained earnings	10,649,190	12,786,873
Treasury shares	△ 1,126	△ 1,126
Total shareholders' equity	<u>21,409,544</u>	<u>23,653,571</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△ 2,863	△ 4,935
Foreign currency translation adjustment	△ 630,179	△ 622,941
Total accumulated other comprehensive income	<u>△ 633,043</u>	<u>△ 627,876</u>
Stock acquisition right	91,697	139,654
Non-controlling interests	15,113,258	15,961,182
Total net assets	<u>35,981,456</u>	<u>39,126,531</u>
Total liabilities and net assets	<u>48,634,341</u>	<u>56,740,186</u>

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

	(Thousands of yen)	
	First nine months of FY 9/2019 (Jan 1, 2019 - Sep 30, 2019)	First nine months of FY 9/2020 (Jan 1, 2020 - Sep 30, 2020)
Net sales	18,619,046	18,999,609
Cost of sales	12,503,558	12,811,195
Gross profit	6,115,488	6,188,414
Selling, general and administrative expense	2,369,660	2,287,056
Operating profit	3,745,827	3,901,357
Non-operating income		
Interest income	193,547	252,274
Equity Gains of Affiliated Companies	-	610
Foreign exchange gains	222,446	-
Subsidy income	15,890	183,434
Other	222,183	36,562
Total non-operating income	654,067	472,882
Non-operating expenses		
Interest expense	61,618	46,149
Foreign exchange losses	-	125,514
Other	28,232	19,999
Total non-operating expenses	89,850	191,664
Ordinary income	4,310,044	4,182,575
Extraordinary income		
Gain on sale of fixed assets	201	-
Total extraordinary income	201	-
Extraordinary losses		
Factory relocation cost	-	214,089
Loss on sale of fixed assets	4,417	-
Total extraordinary losses	4,417	214,089
Profit(loss) before income taxes	4,305,828	3,968,486
Income taxes-current	838,132	977,125
Income taxes-deferred	△ 96,709	△ 79,476
Total income taxes	741,423	897,649
Profit	3,564,405	3,070,836
Profit attributable to non-controlling interests	1,057,430	740,720
Loss attributable to non-controlling interests(△)		
Profit attributable to owners of parent	2,506,974	2,330,115

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

	(Thousands of yen)	
	First nine months of FY 9/2019 (Jan 1, 2019 - Sep 30, 2019)	First nine months of FY 9/2020 (Jan 1, 2020 - Sep 30, 2020)
Profit	3,564,405	3,070,836
Other comprehensive income		
Valuation difference on available-for-sale securities	1,073	△ 2,072
Foreign currency translation adjustment	△ 1,300,273	△ 110,664
Share of other comprehensive income of entities accounted for using equity method	-	31,191
Total other comprehensive income	<u>△ 1,299,200</u>	<u>△ 81,546</u>
Comprehensive income	<u>2,265,205</u>	<u>2,989,290</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,784,899	2,335,282
Comprehensive income attributable to non-controlling interests	480,305	654,008