

FOR TRANSLATION PURPOSE ONLY

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.

May 14, 2020

**Summary of Consolidated Financial Results for the First Quarter
of the Fiscal Year Ending December 31, 2021
(Three Months Ended March 31, 2021)**

[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: May 14, 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 First Quarter of the Fiscal Year Ending December 31, 2021
(January 1, 2021 - March 31, 2021)**

(1)Consolidated operating results

	Net sales		Operating Profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three Months Ended Mar 31, 2021	6,684	8.1	755	△35.6	1,191	△15.5	△540	-
Three Months Ended Mar 31, 2020	6,182	△2.0	1,173	△17.1	1,410	2.7	828	1.1

Note: Comprehensive income(million yen) Three Months Ended Mar 31, 2021 : △868 (- %)
Three Months Ended Mar 31, 2020 : 638 (△57.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three Months Ended Mar 31, 2021	△41.83	-
Three Months Ended Mar 31, 2020	64.60	63.50

(2)Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar 31, 2021	65,435	42,689	38.4
AS of Dec 31, 2020	58,750	40,365	40.5

Reference: Shareholders' equity(million yen) As of Mar 31, 2021 :25,122 AS of Dec 31, 2020 :23,765

2.Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Dec 31, 2020	-	0.00	-	20.00	20.00
Fiscal year ended Dec 31, 2021	-				
Fiscal year ended Dec 31, 2021 (forecast)		0.00	-	20.00	20.00

**3.Consolidated Earnings Forecasts for the Fiscal year Ending December 31, 2021
(January 1, 2021 - December 31, 2021)**

	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
1st half	13,100	3.5	2,200	△14.8	2,200	△24.1	1,300	△22.9	100.86
Full year	29,200	14.2	5,900	30.2	5,900	12.3	3,100	9.7	240.51

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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 Mar 31, 2021 : 12,928,100 shares

AS of Dec 31, 2020 : 12,928,100 shares

2) Number of treasury shares at the end of period

As of Mar 31, 2021 : 465 shares

AS of Dec 31, 2020 : 427 shares

3) Average number of shares outstanding during the period

Three Months Ended Mar 31, 2021: 12,927,645 shares

Three Months Ended Mar 31, 2020: 12,830,290 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 12/2020 (AS of Dec 31, 2020)	First quarter of FY 3/2021 (As of Mar 31, 2021)
Assets		
Current assets		
Cash and deposits	19,082,234	20,627,551
Bills receivable and accounts receivable	6,321,264	6,837,276
Goods and products	2,116,070	1,961,527
Work in process	1,413,875	1,536,933
Raw materials and supplies	1,236,014	1,598,195
Other	2,481,099	2,750,356
Allowance for doubtful accounts	△ 24,028	△ 31,620
Total current assets	<u>32,626,531</u>	<u>35,280,219</u>
Fixed asset		
Tangible fixed assets		
Buildings and structures (net)	11,060,835	11,634,585
Mechanical equipment and carriers (net)	6,671,191	8,165,236
Other (net amount)	2,339,393	2,413,843
Construction in progress	4,074,229	3,850,765
Total property, plant and equipment	<u>24,145,649</u>	<u>26,064,431</u>
Intangible fixed assets		
Goodwill	348,201	313,012
Other	178,955	193,637
Total intangible assets	<u>527,157</u>	<u>506,650</u>
Investment and other assets		
Other	1,451,062	3,584,493
Total investment and other assets	<u>1,451,062</u>	<u>3,584,493</u>
Total fixed assets	<u>26,123,869</u>	<u>30,155,574</u>
Total assets	<u>58,750,401</u>	<u>65,435,793</u>
Liabilities		
Current Liabilities		
Notes payable and accounts payable	2,871,460	3,355,203
Short-term loans	121,110	1,128,040
Long-term loans payable within one year	1,401,517	1,642,499
Accounts payable	3,731,657	3,772,525
Accrued corporate tax, etc.	740,197	1,585,197
Provision for bonuses	368,783	284,654
Other	3,395,955	2,022,422
Total current liabilities	<u>12,630,681</u>	<u>13,790,543</u>
Fixed liabilities		
Long-term loans	1,613,437	2,906,742
Reserve for retirement benefits for directors	5,749	5,999
Retirement Benefit Retirement Benefits	2,302	2,392
Deferred tax liability	230,484	538,801
Other	3,902,028	5,501,929
Total fixed liabilities	<u>5,754,002</u>	<u>8,955,866</u>
Total liabilities	<u>18,384,684</u>	<u>22,746,410</u>

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2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY 12/2020	First quarter of FY 3/2021
	(AS of Dec 31, 2020)	(As of Mar 31, 2021)
Net assets		
Shareholders' equity		
Capital stock	5,438,329	5,438,329
Capital surplus	5,429,695	6,797,491
Retained earnings	13,281,456	12,482,116
Treasury shares	△ 1,209	△ 1,486
Total shareholders' equity	<u>24,148,271</u>	<u>24,716,452</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△ 2,082	-
Foreign currency translation adjustment	△ 380,408	406,462
Total accumulated other comprehensive income	<u>△ 382,491</u>	<u>406,462</u>
Stock acquisition right	156,022	170,855
Non-controlling interests	16,443,914	17,395,613
Total net assets	<u>40,365,716</u>	<u>42,689,383</u>
Total liabilities and net assets	<u>58,750,401</u>	<u>65,435,793</u>

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

	(Thousands of yen)	
	First Three months of FY 3/2020 (Jan 1, 2020 - Mar 31, 2020)	First Three months of FY 3/2021 (Jan 1, 2021 - Mar 31, 2021)
Net sales	6,182,334	6,684,348
Cost of sales	4,259,047	4,831,012
Gross profit	1,923,286	1,853,335
Selling, general and administrative expense	750,019	1,097,929
Operating profit	1,173,267	755,405
Non-operating income		
Interest income	88,510	45,991
Equity Gains of Affiliated Companies	-	3,722
Foreign exchange gains	143,191	75,162
Subsidy income	211	337,079
Other	24,203	7,556
Total non-operating income	256,117	469,513
Non-operating expenses		
Loss on valuation of investment securities	2,140	9,186
Interest expense	15,289	16,632
Other	3,715	7,783
Total non-operating expenses	21,145	33,603
Ordinary income	1,408,239	1,191,315
Extraordinary losses		
Share-based compensation expenses	-	1,348,153
Total extraordinary losses	-	1,348,153
Profit(loss) before income taxes	1,408,239	△156,838
Income taxes-current	323,917	1,315,689
Income taxes-deferred	△ 22,413	275,326
Total income taxes	301,504	1,591,015
Profit	1,106,735	△1,174,854
Profit attributable to non-controlling interests	280,052	△1,207,068
Loss attributable to non-controlling interests(△)		
Profit attributable to owners of parent	826,683	△540,786

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

	(Thousands of yen)	
	First Three months of FY 3/2020 (Jan 1, 2020 - Mar 31, 2020)	First Three months of FY 3/2021 (Jan 1, 2021 - Mar 31, 2021)
Profit	1,108,875	△1,747,854
Other comprehensive income		
Valuation difference on available-for-sale securities	△2,552	2,082
Foreign currency translation adjustment	△467,541	763,080
Share of other comprehensive income of entities accounted for using equity method	-	114,215
Total other comprehensive income	△470,094	879,378
Comprehensive income	638,781	△868,475
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	621,160	248,167
Comprehensive income attributable to non-controlling interests	24,480	△1,116,642