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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 11, 2021

**Summary of Consolidated Financial Results for the Second Quarter
of the Fiscal Year Ending December 31, 2021
(Six Months Ended June 30, 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: August 11, 2021
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, 2021
(January 1, 2021 - June 30, 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	%
Six Months Ended Jun 30, 2021	15,559	23.0	2,464	△4.5	3,662	26.4	630	△62.6
Six Months Ended Jun 30, 2020	12,653	1.1	2,580	△6.3	2,898	△0.8	1,686	△2.1

Note: Comprehensive income(million yen) Six Months Ended Jun 30, 2021 : 2,267 (25.6%)
Six Months Ended Jun 30, 2020 : 1,805 (△0.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six Months Ended Jun 30, 2021	48.77	47.71
Six Months Ended Jun 30, 2020	131.27	129.09

(2)Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun 30, 2021	71,014	47,805	34.8
AS of Dec 31, 2020	58,750	40,365	40.5

Reference: Shareholders' equity(million yen) As of Jun 30, 2021 :24,719 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	-	0.00	-	-	-
Fiscal year ended Dec 31, 2021 (forecast)	-	-	-	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
Full year	31,600	23.6	6,100	34.7	7,300	39.0	3,100	9.7	240.51

FOR TRANSLATION PURPOSE ONLY

***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, 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 Jun 30, 2021 : 487 shares

AS of Dec 31, 2020 : 427 shares

3) Average number of shares outstanding during the period

Six Months Ended Jun 30, 2021 12,927,639 shares

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

FOR TRANSLATION PURPOSE ONLY

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	FY 12/2020 (AS of Dec 31, 2020)	Second quarter of FY 6/2021 (As of Jun 30, 2021)
(Thousands of yen)		
Assets		
Current assets		
Cash and deposits	19,082,234	24,465,127
Bills receivable and accounts receivable	6,321,264	7,418,077
Goods and products	2,116,070	1,765,280
Work in process	1,413,875	1,529,425
Raw materials and supplies	1,236,014	1,837,434
Other	2,481,099	2,930,474
Allowance for doubtful accounts	△ 24,028	△ 58,039
Total current assets	<u>32,626,531</u>	<u>39,887,781</u>
Fixed asset		
Tangible fixed assets		
Buildings and structures (net)	11,060,835	11,540,749
Mechanical equipment and carriers (net)	6,671,191	12,599,762
Other (net amount)	2,339,393	2,326,490
Construction in progress	4,074,229	429,300
Total property, plant and equipment	<u>24,145,649</u>	<u>26,896,303</u>
Intangible fixed assets		
Goodwill	348,201	284,556
Other	178,955	221,151
Total intangible assets	<u>527,157</u>	<u>505,708</u>
Investment and other assets		
Other	1,451,062	3,724,730
Total investment and other assets	<u>1,451,062</u>	<u>3,724,730</u>
Total fixed assets	<u>26,123,869</u>	<u>31,126,742</u>
Total assets	<u>58,750,401</u>	<u>71,014,524</u>
Liabilities		
Current Liabilities		
Notes payable and accounts payable	2,871,460	3,148,561
Short-term loans	121,110	1,114,840
Long-term loans payable within one year	1,401,517	2,141,157
Accounts payable	3,731,657	4,282,113
Accrued corporate tax, etc.	740,197	1,128,183
Provision for bonuses	368,783	480,079
Other	3,395,955	1,263,950
Total current liabilities	<u>12,630,681</u>	<u>13,558,886</u>
Fixed liabilities		
Long-term loans	1,613,437	5,369,365
Reserve for retirement benefits for directors	5,749	6,249
Retirement Benefit Retirement Benefits	2,302	2,210
Deferred tax liability	230,484	477,644
Other	3,902,028	3,794,258
Total fixed liabilities	<u>5,754,002</u>	<u>9,649,728</u>
Total liabilities	<u>18,384,684</u>	<u>23,208,614</u>

FOR TRANSLATION PURPOSE ONLY

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	FY 12/2020	Second quarter of FY 6/2021
	(AS of Dec 31, 2020)	(As of Jun 30, 2021)
Net assets		
Shareholders' equity		
Capital stock	5,438,329	5,438,329
Capital surplus	5,429,695	4,940,265
Retained earnings	13,281,456	13,653,294
Treasury shares	△ 1,209	△ 1,616
Total shareholders' equity	<u>24,148,271</u>	<u>24,030,272</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△ 2,082	-
Foreign currency translation adjustment	△ 380,408	689,094
Total accumulated other comprehensive income	<u>△ 382,491</u>	<u>689,094</u>
Stock acquisition right	156,022	185,882
Non-controlling interests	16,443,914	22,900,660
Total net assets	<u>40,365,716</u>	<u>47,805,909</u>
Total liabilities and net assets	<u>58,750,401</u>	<u>71,014,524</u>

FOR TRANSLATION PURPOSE ONLY

(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 6/2020 (Jan 1, 2020 - Jun 30, 2020)	First six months of 6/2021 (Jan 1, 2021 - Jun 30, 2021)
Net sales	12,653,186	15,559,840
Cost of sales	8,491,272	10,700,214
Gross profit	4,161,913	4,859,625
Selling, general and administrative expense	1,581,011	2,395,013
Operating profit	2,580,902	2,464,612
Non-operating income		
Interest income	192,232	98,132
Equity Gains of Affiliated Companies	-	6,614
Foreign exchange gains	110,328	22,750
Subsidy income	35,833	1,102,054
Other	31,620	16,425
Total non-operating income	370,015	1,245,976
Non-operating expenses		
Interest expense	33,176	33,521
Other	19,486	14,395
Total non-operating expenses	52,662	47,917
Ordinary income	2,898,254	3,662,672
Extraordinary losses		
Share-based compensation expenses	-	1,372,890
Total extraordinary losses	-	1,372,890
Profit(loss) before income taxes	2,898,254	2,289,781
Income taxes-current	660,968	1,976,889
Income taxes-deferred	△ 80,448	147,543
Total income taxes	580,519	2,124,433
Profit	2,317,735	165,348
Profit attributable to non-controlling interests	630,790	△465,142
Loss attributable to non-controlling interests(△)		
Profit attributable to owners of parent	1,686,944	630,490

FOR TRANSLATION PURPOSE ONLY

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

	(Thousands of yen)	
	First six months of FY 6/2020 (Jan 1, 2020 - Jun 30, 2020)	First six months of 6/2021 (Jan 1, 2021 - Jun 30, 2021)
Profit	2,317,735	165,348
Other comprehensive income		
Valuation difference on available-for-sale securities	△ 2,375	2,082
Foreign currency translation adjustment	△ 509,663	1,993,743
Share of other comprehensive income of associates accounted for using equity method	-	106,301
Total other comprehensive income	<u>△ 512,039</u>	<u>2,102,127</u>
Comprehensive income	<u>1,805,695</u>	<u>2,267,476</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,485,559	1,702,076
Comprehensive income attributable to non-controlling interests	320,135	565,399

FOR TRANSLATION PURPOSE ONLY

(3) Quarterly Consolidated Statements of Cash Flow

	(Thousands of yen)	
	First six months of FY 6/2020 (Jan 1, 2020 - Jun 30, 2020)	First six months of 6/2021 (Jan 1, 2021 - Jun 30, 2021)
Cash flow from Operating Activities		
Profit(loss) before income taxes	2,898,254	2,289,781
Depreciation	920,326	1,178,655
Amortization goodwill	77,111	63,644
Increase / decrease in allowance for doubtful accounts (Δ indicates decrease)	Δ 12,406	31,324
Increase / decrease in provision for bonuses (Δ indicates decrease)	137,283	88,449
Interest income and dividend income	Δ 192,232	Δ 98,132
Subsidy income	Δ 35,833	Δ 1,102,054
Foreign exchange gains / losses (Δ is profit)	Δ 10,897	76,494
Interest expense	33,176	33,521
Loss on retirement of non-current assets	350	-
Gain / loss on sale of property, plant and equipment (Δ is profit)	-	Δ 6,614
Share-based compensation expenses	32,735	1,404,076
Increase / decrease in trade receivables (Δ indicates increase)	Δ 233,285	Δ 817,998
Increase / decrease in inventories (Δ indicates increase)	Δ 163,522	Δ 168,281
Increase / decrease in trade payables (Δ indicates decrease)	147,149	139,698
Increase / decrease in accounts payable (Δ indicates decrease)	288,267	Δ 69,741
Other, net	Δ 440,336	Δ 331,942
subtotal	<u>3,446,138</u>	<u>2,710,881</u>
Interest and dividend income received	192,232	98,049
Subsidy received	1,635,353	2,193,109
Interest expenses paid	Δ 33,526	Δ 33,995
Income taxes paid	Δ 391,933	Δ 1,680,883
Net cash flow provided by (used in) operating activities	<u>4,848,264</u>	<u>3,287,161</u>
Cash flow from Investing Activities		
Payments for time deposits	Δ 640,032	Δ 1,117,486
Proceeds from withdrawal of time deposits	-	1,206,083
Purchase of property, plant and equipment	Δ 2,915,904	Δ 5,409,838
Purchase of intangible assets	Δ 239	Δ 80,880
Payments for investment securities	Δ 115	-
Proceeds from sales of investment securities	5,188	12,824
Purchase of shares of subsidiaries and associates	-	Δ 2,014,800
Payments for insurance reserve fund	Δ 3,609	Δ 3,609
Other, net	Δ 5,522	Δ 96,520
Net cash provided by (used in) investing activities	<u>Δ 3,560,236</u>	<u>Δ 7,504,228</u>

FOR TRANSLATION PURPOSE ONLY

(3) Quarterly Consolidated Statements of Cash Flow

	(Thousands of yen)	
	First six months of FY 6/2020 (Jan 1, 2020 - Jun 30, 2020)	First six months of 6/2021 (Jan 1, 2021 - Jun 30, 2021)
Cash flows from Financing Activities		
Net increase / decrease in short-term loans payable (△ indicates decrease)	-	984,640
Proceeds from long-term loans payable	-	5,200,000
Repayments of long-term loans payable	△ 658,601	△ 820,172
Repayments of lease obligations	△ 185,266	△ 99,306
Proceeds from issuance of common shares	111,250	-
Proceeds from share issuance to non-controlling shareholders	216,072	2,593,310
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	1,124,609
Purchase of treasury shares	-	△ 407
Cash dividends paid	△ 192,153	△ 258,168
Cash flows from financing activities	<u>△ 708,697</u>	<u>8,724,504</u>
Effect of exchange rate change on cash and cash equivalents	△ 425,762	893,115
Net increase (decrease) in cash and cash equivalents	<u>153,567</u>	<u>5,400,553</u>
Cash and cash equivalents at beginning of period	<u>21,363,639</u>	<u>17,910,394</u>
Cash and cash equivalents at end of period	<u>21,517,207</u>	<u>23,310,947</u>