

FOR TRANSLATION PURPOSE ONLY

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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.

May 13, 2022

**Summary of Consolidated Financial Results for the First Quarter
of the Fiscal Year Ending December 31, 2022
(Three Months Ended March 31, 2022)**

[Japanese GAAP]

Company name: RS Technologies Co., Ltd. Listing: Tokyo Stock Exchange, Prime Market
Securities code: 3445 URL: <https://www.rs-tec.jp/index.html>
Representative: Nagayoshi Ho, Chief Executive Officer
Contact: Susumu Saito, General Manager of Finance and Accounting Department
Scheduled date of filing of Quarterly Report: May 13, 2022 Tel:+81-3-5076-7685
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, 2022
(January 1, 2022 - March 31, 2022)**

(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, 2022	11,067	65.6	2,617	246.5	2,858	139.9	1,228	-
Three Months Ended Mar 31, 2021	6,684	8.1	755	△35.6	1,191	△15.4	△540	-

Note: Comprehensive income(million yen) Three Months Ended Mar 31, 2022 : 5,282 (- %)
Three Months Ended Mar 31, 2021 : △858 (- %)

	Net income per share	Diluted net income per share
	Yen	Yen
Three Months Ended Mar 31, 2022	95.03	93.05
Three Months Ended Mar 31, 2021	△41.83	-

(2)Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar 31, 2022	83,921	59,893	36.8
AS of Dec 31, 2021	78,997	54,951	36.2

Reference: Shareholders' equity(million yen) As of Mar 31, 2022 : 30,886 AS of Dec 31, 2021 : 28,599

2.Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Dec 31, 2021	-	0.00	-	25.00	25.00
Fiscal year ended Dec 31, 2022	-	-	-	-	-
Fiscal year ended Dec 31, 2022 (forecast)	-	0.00	-	25.00	25.00

**3.Consolidated Earnings Forecasts for the Fiscal year Ending December 31, 2022
(January 1, 2022 - December 31, 2022)**

	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	18,000	15.7	3,500	42.0	4,000	9.2	2,300	264.8	177.91
Full year	37,400	8.0	7,600	10.5	8,900	0.8	4,800	45.3	371.29

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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: Yes

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, 2022 : 12,928,100 shares

AS of Dec 31, 2021 : 12,928,100 shares

2) Number of treasury shares at the end of period

As of Mar 31, 2022 : 487 shares

AS of Dec 31, 2021 : 487 shares

3) Average number of shares outstanding during the period

Three Months Ended Mar 31, 202: 12,927,613 shares

Three Months Ended Mar 31, 202: 12,927,645 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 12/2021	First quarter of FY 3/2022
	(AS of Dec 31, 2021)	(As of Mar 31, 2022)
Assets		
Current assets		
Cash and deposits	27,766,345	31,275,425
Bills receivable and accounts receivable	9,517,602	10,158,537
Goods and products	2,783,377	2,617,978
Work in process	1,635,494	1,744,406
Raw materials and supplies	2,488,830	2,317,353
Other	1,707,624	1,184,052
Allowance for doubtful accounts	△ 48,029	△ 57,609
Total current assets	45,851,246	49,240,144
Fixed asset		
Tangible fixed assets		
Buildings and structures (net)	11,560,637	12,147,747
Mechanical equipment and carriers (net)	12,473,763	12,859,985
Other (net amount)	3,727,748	3,797,393
Construction in progress	1,200,573	1,642,038
Total property, plant and equipment	28,962,723	30,447,164
Intangible fixed assets		
Goodwill	227,645	199,189
Other	189,535	191,969
Total intangible assets	417,180	391,159
Investment and other assets		
Other	3,766,475	3,842,619
Total investment and other assets	3,766,475	3,842,619
Total fixed assets	33,146,379	34,680,943
Total assets	78,997,625	83,921,088
Liabilities		
Current Liabilities		
Notes payable and accounts payable	4,316,935	3,698,840
Short-term loans	1,112,320	2,115,560
Long-term loans payable within one year	1,907,322	1,746,136
Accounts payable	2,541,887	2,397,944
Accrued corporate tax, etc.	809,864	766,899
Provision for bonuses	517,232	348,779
Other	3,012,882	2,981,022
Total current liabilities	14,218,445	14,055,183
Fixed liabilities		
Long-term loans	5,097,170	4,849,312
Reserve for retirement benefits for directors	9,200	357,949
Retirement Benefit Retirement Benefits	2,076	2,124
Deferred tax liability	701,747	665,709
Other	4,017,256	4,097,727
Total fixed liabilities	9,827,450	9,972,823
Total liabilities	24,045,895	24,028,006

FOR TRANSLATION PURPOSE ONLY

2. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheet

	FY 12/2021	First quarter of FY 3/2022
	(AS of Dec 31, 2021)	(As of Mar 31, 2022)
(Thousands of yen)		
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Net assets		
Shareholders' equity		
Capital stock	5,438,329	5,438,329
Capital surplus	4,916,418	4,916,418
Retained earnings	16,274,609	17,180,704
Treasury shares	△ 1,616	△ 1,616
Total shareholders' equity	<u>26,627,740</u>	<u>27,533,835</u>
Accumulated other comprehensive income		
Foreign currency translation adjustment	1,971,708	3,352,395
Total accumulated other comprehensive income	<u>1,971,708</u>	<u>3,352,395</u>
Stock acquisition right	211,411	222,726
Non-controlling interests	<u>26,140,870</u>	<u>28,784,124</u>
Total net assets	<u>54,951,730</u>	<u>59,893,081</u>
Total liabilities and net assets	<u>78,997,625</u>	<u>83,921,088</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 3/2021 (Jan 1, 2021 - Mar 31, 2021)	First Three months of FY 3/2022 (Jan 1, 2022 - Mar 31, 2022)
Net sales	6,684,348	11,067,858
Cost of sales	4,831,012	7,334,357
Gross profit	1,853,335	3,733,501
Selling, general and administrative expense	1,097,929	1,116,198
Operating profit	755,405	2,617,302
Non-operating income		
Interest income	45,991	46,555
Equity Gains of Affiliated Companies	3,722	-
Foreign exchange gains	75,162	58,716
Subsidy income	337,079	184,356
Other	7,556	9,278
Total non-operating income	469,513	298,907
Non-operating expenses		
Interest expense	16,632	14,670
Equity in losses of affiliates	-	42,618
Other	16,970	558
Total non-operating expenses	33,603	57,847
Ordinary income	1,191,315	2,858,362
Extraordinary losses		
Provision for directors' retirement benefits	-	350,000
Share-based compensation expenses	1,348,153	-
Total extraordinary losses	1,348,153	350,000
Profit(loss) before income taxes	△156,838	2,508,362
Income taxes-current	1,315,689	469,975
Income taxes-deferred	275,326	△70,101
Total income taxes	1,591,015	399,874
Profit	△1,174,854	2,108,487
Profit attributable to non-controlling interests	△1,207,068	879,945
Loss attributable to non-controlling interests(△)		
Profit attributable to owners of parent	△540,786	1,228,542

FOR TRANSLATION PURPOSE ONLY

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

	(Thousands of yen)	
	First Three months of FY 3/2021 (Jan 1, 2021 - Mar 31, 2021)	First Three months of FY 3/2022 (Jan 1, 2022 - Mar 31, 2022)
Profit	△1,747,854	2,108,487
Other comprehensive income		
Valuation difference on available-for-sale securities	2,082	-
Foreign currency translation adjustment	772,696	2,871,335
Share of other comprehensive income of entities accounted for using equity method	114,215	302,431
Total other comprehensive income	<u>888,994</u>	<u>3,173,767</u>
Comprehensive income	<u>△858,860</u>	<u>5,282,255</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	230,465	2,709,564
Comprehensive income attributable to non-controlling interests	△1,089,325	2,572,690