

Consolidated Financial Results
for the Six Months Ended June 30, 2017
[Japanese GAAP]



Aug 10, 2017

Company name:RS Technologies Co., Ltd.
 Stock exchange listing:Tokyo Stock Exchange
 Code number:3445
 URL:http://www.rs-tec.jp/
 Representative:Nagayoshi Ho, President
 Contact:Masayuki Suzuki, Director and General Manager, Administrators Division
 Phone:+81-3-5709-7685
 Scheduled date of filing quarterly securities report:Aug 10, 2017
 Scheduled date of commencing dividend payments:—
 Availability of supplementary briefing material on quarterly financial results:Available
 Schedule of quarterly financial results briefing session:No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended June 30, 2017 (January 1, 2017 to June 30, 2017)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended June 30, 2017	4,971	28.2	1,404	177.2	1,598	-	1,069	-
June 30, 2016	3,877	56.7	506	(16.8)	156	(73.2)	65	(72.1)

(Note) Comprehensive income: Six months ended June 30, 2017: ¥1,086 million [-%]
 Six months ended June 30, 2016: △¥8 million [-%]

	Earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Six months ended June 30, 2017	96.88	95.51		
June 30, 2016	6.04	5.87		

(Note) Nothing.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2017	11,514	4,598	39.9
As of December 31, 2016	10,859	3,541	32.6

(Reference) Equity: As of June 30, 2017: ¥4,592 million
 As of December 31, 2016: ¥3,535million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2016	—	0.00	—	10.00	10.00
Fiscal year ending December 31, 2017	—	0.00			
Fiscal year ending December 31, 2017 (Forecast)			—	—	—

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2017 (January 1, 2017 to December 31, 2017)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	9,450	6.8	2,550	63.7	2,650	82.7	1,630	87.4	147.60

(Note) Revision to the financial results forecast announced most recently: Yes

*** Notes:**

- (1) Changes in significant subsidiaries during the six months ended June 30, 2017 (changes in specified subsidiaries resulting in changes in scope of consolidation): No
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: No
 - 2) Changes in accounting policies other than 1) above: No
 - 3) Changes in accounting estimates: No
 - 4) Retrospective restatement: No
- (4) Total number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares):
June 30, 2017: 11,134,000 shares
December 31, 2016: 11,010,000 shares
 - 2) Total number of treasury shares at the end of the period:
June 30, 2017: 5,932 shares
December 31, 2016: 6,814 shares
 - 3) Average number of shares during the period:
Six months ended June 30, 2017: 11,043,407 shares
Six months ended June 30, 2016: 10,868,404 shares

(Note) It executed the stock split on July 1, 2017. It'll be the percentage of 1 to 2.

*** Presentation regarding the implementation status of the quarterly review procedures**

These quarterly financial results are outside the scope of quarterly review procedures under the Financial Instruments and Exchange Act. At the time of disclosure of these quarterly financial results, review procedures for the quarterly consolidated financial statements under the Financial Instruments and Exchange Act have been completed.

*** Explanation of the proper use of financial results forecast and other notes**

(Note on the forward-looking statements)

The earnings forecasts and other forward-looking statements herein are based on information that is available and certain assumptions deemed reasonable as of the date of publication of this document. The Company does not guarantee that such forecasts will be achieved. Actual results may differ significantly from these forecasts due to a wide range of factors.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of December 31, 2016	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	1,952,928	2,960,639
Notes and accounts receivable - trade	2,727,931	2,206,565
Merchandise and finished goods	361,110	567,894
Work in process	132,598	139,978
Raw materials and supplies	134,801	157,936
Other	216,215	393,757
Total current assets	5,525,586	6,426,773
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,424,667	1,409,386
Machinery, equipment and vehicles, net	3,612,706	3,391,179
Other, net	114,334	103,708
Construction in progress	506	769
Total property, plant and equipment	5,152,215	4,905,043
Intangible assets	23,050	20,841
Investments and other assets	158,348	161,496
Total non-current assets	5,333,614	5,087,380
Total assets	10,859,200	11,514,153
Liabilities		
Current liabilities		
Notes and accounts payable - trade	283,389	286,353
Short-term loans payable	580,500	639,200
Current portion of long-term loans payable	947,166	960,450
Accounts payable - other	310,223	286,306
Income taxes payable	426,823	610,716
Provision for bonuses	20,659	162,729
Other	431,576	178,224
Total current liabilities	3,000,339	3,123,980
Non-current liabilities		
Long-term loans payable	3,620,126	3,178,940
Deferred tax liabilities	643,648	565,047
Other	53,795	47,943
Total non-current liabilities	4,317,570	3,791,931
Total liabilities	7,317,910	6,915,912
Net assets		
Shareholders' equity		
Capital stock	629,450	641,850
Capital surplus	629,440	641,840
Retained earnings	2,287,910	3,302,755
Treasury shares	(8,550)	(8,016)
Total shareholders' equity	3,538,249	4,578,429
Accumulated other comprehensive income		
Foreign currency translation adjustment	(2,972)	13,798
Total accumulated other comprehensive income	(2,972)	13,798
Subscription rights to shares	6,013	6,013
Total net assets	3,541,290	4,598,241
Total liabilities and net assets	10,859,200	11,514,153

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Six months ended June 30

(Thousand yen)

	For the six months ended June 30, 2016	For the six months ended June 30, 2017
Net sales	3,877,720	4,971,650
Cost of sales	2,943,763	3,010,989
Gross profit	933,956	1,960,660
Selling, general and administrative expenses	427,240	556,008
Operating income	506,716	1,404,652
Non-operating income		
Interest income	321	291
Subsidy income	—	24,250
Commission fee	1,431	1,380
Supplementary income account	16,017	233,981
Other	4,976	5,495
Total non-operating income	22,746	265,398
Non-operating expenses		
Interest expenses	38,622	34,018
Loan fee	—	26,500
Foreign exchange losses	320,480	—
Other	14,166	10,572
Total non-operating expenses	373,270	71,091
Ordinary income	156,192	1,598,959
Extraordinary income		
State subsidy income	14,776	—
Total extraordinary income	14,776	—
Extraordinary losses		
Loss on reduction of non-current assets	9,715	—
Total extraordinary losses	9,715	—
Profit before income taxes	161,253	1,598,959
Income taxes - current	121,650	570,581
Income taxes - deferred	(26,084)	(41,516)
Total income taxes	95,565	529,065
Profit	65,687	1,069,894
Profit attributable to owners of parent	65,687	1,069,894

Quarterly Consolidated Statements of Comprehensive Income
Six months ended June 30

(Thousand yen)

	For the six months ended June 30, 2016	For the six months ended June 30, 2017
Profit	65,687	1,069,894
Other comprehensive income		
Foreign currency translation adjustment	(73,899)	16,771
Total other comprehensive income	(73,899)	16,771
Comprehensive income	(8,212)	1,086,665
Comprehensive income attributable to:		
Owners of parent	(8,212)	1,086,665
Non-controlling interests	—	—