

**Consolidated Financial Results**  
**for the Three Months Ended March 31, 2017**  
**[Japanese GAAP]**



May 15, 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  
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 Scheduled date of filing quarterly securities report:March 15, 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 Three Months Ended March 31, 2017 (January 1, 2017 to March 31, 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	%
Three months ended March 31, 2017	2,552	49.0	733	387.5	919	-	605	-
March 31, 2016	1,713	41.7	150	(51.2)	25	(90.7)	(37)	-

(Note) Comprehensive income: Three months ended March 31, 2017: ¥623 million [-%]  
 Three months ended March 31, 2016: △¥67 million [-%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2017	109.97	106.74
March 31, 2016	(6.96)	-

(Note) Nothing.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2017	10,969	4,118	37.5
As of December 31, 2016	10,859	3,541	32.6

(Reference) Equity: As of March 31, 2017: ¥4,112 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	—	—	—	—	—
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	8,556	(3.3)	1,939	24.5	1,825	25.8	1,177	35.4	216.49

(Note) Revision to the financial results forecast announced most recently: No

**\* Notes:**

- (1) Changes in significant subsidiaries during the three months ended March 31, 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):  
March 31, 2017: 5,523,000 shares  
December 31, 2016: 5,505,000 shares
  - 2) Total number of treasury shares at the end of the period:  
March 31, 2017: 3,007 shares  
December 31, 2016: 3,407 shares
  - 3) Average number of shares during the period:  
Three months ended March 31, 2017: 5,508,151 shares  
Three months ended March 31, 2017: 5,433,821 shares

(Note) Nothing.

**\* 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 March 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	1,952,928	2,630,733
Notes and accounts receivable - trade	2,727,931	2,088,227
Merchandise and finished goods	361,110	584,852
Work in process	132,598	122,517
Raw materials and supplies	134,801	120,214
Other	216,215	191,744
Total current assets	5,525,586	5,738,290
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,424,667	1,432,661
Machinery, equipment and vehicles, net	3,612,706	3,498,682
Other, net	114,334	107,665
Construction in progress	506	11,314
Total property, plant and equipment	5,152,215	5,050,324
Intangible assets	23,050	22,833
Investments and other assets	158,348	158,451
Total non-current assets	5,333,614	5,231,609
Total assets	10,859,200	10,969,899
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	283,389	291,164
Short-term loans payable	580,500	639,850
Current portion of long-term loans payable	947,166	962,159
Accounts payable - other	310,223	298,866
Income taxes payable	426,823	335,033
Provision for bonuses	20,659	80,639
Other	431,576	189,410
Total current liabilities	3,000,339	2,797,123
Non-current liabilities		
Long-term loans payable	3,620,126	3,399,039
Deferred tax liabilities	643,648	604,312
Other	53,795	51,344
Total non-current liabilities	4,317,570	4,054,697
Total liabilities	7,317,910	6,851,821
<b>Net assets</b>		
Shareholders' equity		
Capital stock	629,450	633,050
Capital surplus	629,440	633,040
Retained earnings	2,287,910	2,838,617
Treasury shares	(8,550)	(7,720)
Total shareholders' equity	3,538,249	4,096,986
Accumulated other comprehensive income		
Foreign currency translation adjustment	(2,972)	15,078
Total accumulated other comprehensive income	(2,972)	15,078
Subscription rights to shares	6,013	6,013
Total net assets	3,541,290	4,118,078
Total liabilities and net assets	10,859,200	10,969,899

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Three months ended March 31

(Thousand yen)

	For the three months ended March 31, 2016	For the three months ended March 31, 2017
Net sales	1,713,292	2,552,630
Cost of sales	1,358,830	1,553,595
Gross profit	354,462	999,034
Selling, general and administrative expenses	204,096	265,971
Operating income	150,365	733,063
Non-operating income		
Interest income	115	469
Subsidy income	—	2,269
Commission fee	839	759
Supplementary income account	—	231,240
Other	1,765	3,285
Total non-operating income	2,721	238,023
Non-operating expenses		
Interest expenses	20,021	18,772
Loan fee	—	26,500
Foreign exchange losses	93,920	—
Other	13,523	6,048
Total non-operating expenses	127,466	51,320
Ordinary income	25,620	919,765
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	30,681	919,765
Income taxes - current	22,164	321,497
Income taxes - deferred	46,336	(7,487)
Total income taxes	68,501	314,009
Profit	(37,819)	605,756
Profit attributable to owners of parent	(37,819)	605,756

Quarterly Consolidated Statements of Comprehensive Income  
 Three months ended March 31

(Thousand yen)

	For the three months ended March 31, 2016	For the three months ended March 31, 2017
Profit	(37,819)	605,756
Other comprehensive income		
Foreign currency translation adjustment	(29,717)	18,051
Total other comprehensive income	(29,717)	18,051
Comprehensive income	(67,536)	623,807
Comprehensive income attributable to:		
Owners of parent	(67,536)	623,807
Non-controlling interests	—	—