

Consolidated Financial Results
for the Nine Months Ended September 30, 2017
[Japanese GAAP]



Nov 13, 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:Nov 13, 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 Nine Months Ended September 30, 2017 (January 1, 2017 to September 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	%
Nine months ended September 30, 2017	7,874	25.6	2,069	132.3	2,251	357.7	1,501	519.8
September 30, 2016	6,271	60.3	890	5.0	491	(31.7)	242	14.0

(Note) Comprehensive income: Nine months ended September 30, 2017: ¥1,528 million [808.7%]
 Nine months ended September 30, 2016: ¥168 million [Δ 10.4%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2017	135.62	129.65
September 30, 2016	22.29	21.64

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

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of September 30, 2017	11,362	5,041	44.3
As of December 31, 2016	10,859	3,541	32.6

(Reference) Equity: As of September 30, 2017: ¥5,035 million
 As of December 31, 2016: ¥3,535million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
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)				5.00	5.00

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

(Note.2)

Revision to the forecast for dividends announced most recently: Yes

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: No

*** Notes:**

- (1) Changes in significant subsidiaries during the nine months ended September 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):
 - September 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:
 - September 30, 2017: 5,232 shares
 - December 31, 2016: 6,814 shares
 - 3) Average number of shares during the period:
 - Nine months ended September 30, 2017: 11,072,056 shares
 - Nine months ended September 30, 2016: 10,870,197 shares

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

* The quarterly financial statements are not subject to quarterly reviews.

* 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 September 30, 2017
Assets		
Current assets		
Cash and deposits	1,952,928	2,728,889
Notes and accounts receivable - trade	2,727,931	2,659,129
Merchandise and finished goods	361,110	380,421
Work in process	132,598	157,985
Raw materials and supplies	134,801	193,373
Other	216,215	294,359
Total current assets	5,525,586	6,414,158
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,424,667	1,410,274
Machinery, equipment and vehicles, net	3,612,706	3,253,476
Other, net	114,334	99,033
Construction in progress	506	8,998
Total property, plant and equipment	5,151,215	4,771,782
Intangible assets	23,050	18,770
Investments and other assets	158,348	157,351
Total non-current assets	5,333,614	4,947,904
Total assets	10,859,200	11,362,062
Liabilities		
Current liabilities		
Notes and accounts payable - trade	283,389	335,403
Short-term loans payable	580,500	241,150
Current portion of long-term loans payable	947,166	957,674
Accounts payable - other	310,223	332,100
Income taxes payable	426,823	655,091
Provision for bonuses	20,659	142,339
Other	431,576	154,452
Total current liabilities	3,000,339	2,818,212
Non-current liabilities		
Long-term loans payable	3,620,126	2,933,144
Deferred tax liabilities	643,648	524,887
Other	53,795	44,464
Total non-current liabilities	4,317,570	3,502,496
Total liabilities	7,317,910	6,320,708
Net assets		
Shareholders' equity		
Capital stock	629,450	641,850
Capital surplus	629,440	641,840
Retained earnings	2,287,910	3,734,445
Treasury shares	(8,550)	(7,123)
Total shareholders' equity	3,538,249	5,011,012
Accumulated other comprehensive income		
Foreign currency translation adjustment	(2,972)	24,328
Total accumulated other comprehensive income	(2,972)	24,328
Subscription rights to shares	6,013	6,013
Total net assets	3,541,290	5,041,353
Total liabilities and net assets	10,859,200	11,362,062

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine months ended September 30

(Thousand yen)

	For the nine months ended September 30, 2016	For the nine months ended September 30, 2017
Net sales	6,271,203	7,874,146
Cost of sales	4,704,726	4,888,159
Gross profit	1,566,477	2,985,987
Selling, general and administrative expenses	675,726	916,352
Operating income	890,751	2,069,634
Non-operating income		
Interest income	940	1,401
Subsidy income	—	19,615
Commission fee	1,982	233,981
Supplementary income account	16,017	1,811
Other	7,469	11,698
Total non-operating income	26,409	268,508
Non-operating expenses		
Interest expenses	57,120	53,900
Loan fee	—	26,500
Foreign exchange losses	344,519	—
Other	23,650	6,279
Total non-operating expenses	425,289	86,679
Ordinary income	491,870	2,251,462
Extraordinary income		
State subsidy income	14,776	—
Total extraordinary income	14,776	—
Extraordinary losses		
Loss on reduction of non-current assets	10,289	—
Total extraordinary losses	10,289	—
Profit before income taxes	496,357	2,251,462
Income taxes - current	220,686	791,897
Income taxes - deferred	33,390	(42,018)
Total income taxes	254,076	749,878
Profit	242,280	1,501,584
Profit attributable to owners of parent	242,280	1,501,584

Quarterly Consolidated Statements of Comprehensive Income
 Nine months ended September 30

(Thousand yen)

	For the nine months ended September 30, 2016	For the nine months ended September 30, 2017
Profit	242,280	1,501,584
Other comprehensive income		
Foreign currency translation adjustment	(74,036)	27,300
Total other comprehensive income	(74,036)	27,300
Comprehensive income	168,243	1,528,885
Comprehensive income attributable to:		
Owners of parent	168,243	1,528,885
Non-controlling interests	—	—