

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 12, 2021

Company name: R&D COMPUTER CO.,LTD  
 Stock exchange listing: Tokyo  
 Stock code: 3924 URL <https://www.rand.co.jp/>  
 Representative: President and Representative Director Yoshiaki Fukushima  
 Director and General Manager, Corporate Administration Division Fumitoshi Okuno TEL 03-5232-3046  
 Inquiries: Administration Division  
 Scheduled date to file Quarterly Securities Report: November 15, 2021  
 Scheduled date to commence dividend payments: November 30, 2021  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2021	4,463	–	296	–	299	–	193	–
Six months ended September 30, 2020	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	21.54	–
Six months ended September 30, 2020	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	5,920	4,095	69.2
As of March 31, 2021	–	–	–

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	12.00	–	13.00	25.00
Year ending March 31, 2022	–	15.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	14.00	29.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,630	–	755	–	760	–	500	–	55.68

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2021	8,980,650 shares	As of March 31, 2021	8,980,650 shares
--------------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of September 30, 2021	389 shares	As of March 31, 2021	389 shares
--------------------------	------------	----------------------	------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	8,980,261 shares	Six months ended September 30, 2020	8,980,330 shares
-------------------------------------	------------------	-------------------------------------	------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

As of September 30, 2021

Assets	
Current assets	
Cash and deposits	2,639,176
accounts receivable - trade, and contract assets	1,943,618
Securities	300,000
Work in process	187,740
Prepaid expenses	97,820
Other	2,267
Total current assets	5,170,623
Non-current assets	
Property, plant and equipment	
Buildings, net	40,526
Tools, furniture and fixtures, net	26,443
Total property, plant and equipment	66,969
Intangible assets	
Goodwill	128,577
Software	3,472
Trademark right	3,612
Total intangible assets	135,662
Investments and other assets	
Investment securities	245,125
Guarantee deposits	60,724
Golf club membership	3,600
Deferred tax assets	237,809
Allowance for doubtful accounts	(500)
Total investments and other assets	546,759
Total non-current assets	749,392
Total assets	5,920,015

(Thousands of yen)

As of September 30, 2021

Liabilities

Current liabilities

Accounts payable - trade	384,351
Accounts payable - other	31,639
Accrued expenses	106,647
Income taxes payable	154,199
Accrued consumption taxes	74,963
Contract liabilities	76,947
Deposits received	53,179
Provision for bonuses	377,332
Provision for bonuses for directors (and other officers)	15,800
Provision for shareholder benefit program	2,458
Provision for loss on order received	49,500
Total current liabilities	<u>1,327,019</u>

Non-current liabilities

Long-term accounts payable - other	100,000
Retirement benefit liability	<u>397,796</u>
Total non-current liabilities	<u>497,796</u>

Total liabilities

1,824,816

Net assets

Shareholders' equity

Share capital	458,499
Capital surplus	314,769
Retained earnings	3,183,832
Treasury shares	(247)
Total shareholders' equity	<u>3,956,853</u>

Accumulated other comprehensive income

Valuation difference on available-for-sale securities	141,609
Remeasurements of defined benefit plans	(3,264)
Total accumulated other comprehensive income	<u>138,345</u>

Total net assets

4,095,199

Total liabilities and net assets

5,920,015

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

	(Thousands of yen)
	Six months ended
	September 30, 2021
Net sales	4,463,516
Cost of sales	3,678,219
Gross profit	785,297
Selling, general and administrative expenses	489,214
Operating profit	296,082
Non-operating income	
Interest income	82
Dividend income	1,198
Outsourcing service income	3,810
Reversal of allowance for doubtful accounts	500
Other	634
Total non-operating income	6,225
Non-operating expenses	
Interest expenses	286
Loss on retirement of non-current assets	2,379
Total non-operating expenses	2,666
Ordinary profit	299,641
Profit before income taxes	299,641
Income taxes - current	130,145
Income taxes - deferred	(23,979)
Total income taxes	106,166
Profit	193,475
Profit attributable to non-controlling interests	—
Profit attributable to owners of parent	193,475

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2021
Profit	193,475
Other comprehensive income	
Valuation difference on available-for-sale securities	35,919
Remeasurements of defined benefit plans, net of tax	880
Total other comprehensive income	36,799
Comprehensive income	230,274
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	230,274
Comprehensive income attributable to non-controlling interests	—

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2021
<b>Cash flows from operating activities</b>	
Profit before income taxes	299,641
Depreciation	14,231
Amortization of goodwill	14,286
Increase (decrease) in allowance for doubtful accounts	(500)
Increase (decrease) in provision for bonuses	24,575
Increase (decrease) in provision for bonuses for directors (and other officers)	(16,800)
Increase (decrease) in retirement benefit liability	10,609
Increase (decrease) in provision for loss on order received	40,500
Increase (decrease) in provision for shareholder benefit program	(17,174)
Interest and dividend income	(1,281)
Fiduciary obligation fee	(3,810)
Interest expenses	286
Loss on retirement of property, plant and equipment	2,379
Decrease (increase) in trade receivables	421,174
Decrease (increase) in inventories	(88,787)
Increase (decrease) in trade payables	(51,729)
Increase (decrease) in accrued consumption taxes	(25,879)
Increase (decrease) in advances received	(13,551)
Decrease (increase) in other current assets	(10,892)
Increase (decrease) in other current liabilities	(3,182)
Subtotal	594,096
Interest and dividends received	1,281
Proceeds from fiduciary obligation fee	3,810
Interest paid	(286)
Income taxes paid	(102,782)
Net cash provided by (used in) operating activities	496,117
<b>Cash flows from investing activities</b>	
Payments into time deposits	(2,702)
Purchase of investment securities	(1,548)
Purchase of property, plant and equipment and intangible assets	(8,158)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(200,000)
Payments of guarantee deposits	(2,216)
Proceeds from refund of guarantee deposits	1,423
Proceeds from cancellation of insurance funds	8,000
Net cash provided by (used in) investing activities	(205,202)
<b>Cash flows from financing activities</b>	
Dividends paid	(77,828)
Net cash provided by (used in) financing activities	(77,828)
Net increase (decrease) in cash and cash equivalents	213,086
Cash and cash equivalents at beginning of period	2,405,721
Cash and cash equivalents at end of period	2,618,807