

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 2022

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, Fumitoshi Okuno
 Corporate Administration Division TEL 03-5232-3046
 Scheduled date of ordinary general meeting of shareholders: June 28, 2022
 Scheduled date to file Securities Report: June 30, 2022
 Scheduled date to commence dividend payments: June 7, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

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	%
Year ended March 31, 2022	9,596	—	872	—	879	—	627	—
Year ended March 31, 2021	—	—	—	—	—	—	—	—

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2022	69.85	—	15.1	14.4	9.1
Year ended March 31, 2021	—	—	—	—	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2022	6,500	4,366	67.2	486.46
As of March 31, 2021	—	—	—	—

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2022	793	(106)	(170)	2,883
Year ended March 31, 2021	—	—	—	—

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	—	12.00	—	13.00	25.00	149	—	—
Year ended March 31, 2022	—	15.00	—	18.00	33.00	251	40.1	4.8
Year ending March 31, 2023 (Forecast)	—	14.00	—	14.00	28.00		40.3	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	5,000	12.0	310	4.7	315	5.3	200	3.6	22.28
Full year	10,700	11.5	950	8.9	960	9.2	620	(1.2)	69.07

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation):

Yes

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2022	8,980,650 shares	As of March 31, 2021	8,980,650 shares
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Number of treasury shares at the end of the period

As of March 31, 2022	4,317 shares	As of March 31, 2021	389 shares
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Average number of shares during the period

Year ended March 31, 2022	8,978,917 shares	Year ended March 31, 2021	8,980,324 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

As of March 31, 2022

Assets	
Current assets	
Cash and deposits	2,906,634
accounts receivable - trade, and contract assets	2,428,477
Securities	300,000
Work in process	88,871
Prepaid expenses	99,572
Other	273
Total current assets	5,823,830
Non-current assets	
Property, plant and equipment	
Buildings	36,665
Tools, furniture and fixtures	28,239
Total property, plant and equipment	64,905
Intangible assets	
Goodwill	114,291
Software	3,821
Trademark right	3,237
Total intangible assets	121,350
Investments and other assets	
Investment securities	150,156
Guarantee deposits	60,724
Golf club membership	3,600
Deferred tax assets	276,313
Allowance for doubtful accounts	(800)
Total investments and other assets	489,995
Total non-current assets	676,250
Total assets	6,500,080

(Thousands of yen)

As of March 31, 2022

Liabilities	
Current liabilities	
Accounts payable - trade	437,392
Accounts payable - other	54,236
Accrued expenses	105,255
Income taxes payable	287,630
Accrued consumption taxes	119,385
Contract liabilities	62,836
Deposits received	49,739
Provision for bonuses	378,351
Provision for bonuses for directors (and other officers)	45,500
Provision for shareholder benefit program	17,075
Provision for loss on orders received	68,000
Total current liabilities	<u>1,625,402</u>
Non-current liabilities	
Long-term accounts payable - other	100,000
Retirement benefit liability	408,026
Total non-current liabilities	<u>508,026</u>
Total liabilities	<u>2,133,429</u>
Net assets	
Shareholders' equity	
Share capital	458,499
Capital surplus	314,769
Retained earnings	3,527,761
Treasury shares	(3,459)
Total shareholders' equity	<u>4,297,571</u>
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	76,442
Remeasurements of defined benefit plans	(7,362)
Total accumulated other comprehensive income	<u>69,079</u>
Total net assets	<u>4,366,651</u>
Total liabilities and net assets	<u>6,500,080</u>

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2022
Net sales	9,596,440
Cost of sales	7,769,220
Gross profit	<u>1,827,220</u>
Selling, general and administrative expenses	
Remuneration for directors (and other officers)	124,370
Salaries and allowances	208,683
Bonuses	32,471
Provision for bonuses	27,099
Legal welfare expenses	46,055
Provision for bonuses for directors (and other officers)	45,500
Supplies expenses	29,930
Taxes and dues	65,935
Depreciation	16,889
Amortization of goodwill	28,572
Rent expenses on real estate	72,083
Commission expenses	73,751
Other	183,732
Total selling, general and administrative expenses	<u>955,074</u>
Operating profit	<u>872,146</u>
Non-operating income	
Interest income	148
Dividend income	2,526
Outsourcing service income	3,810
Subsidy income	2,943
Reversal of allowance for doubtful accounts	200
Other	1,266
Total non-operating income	<u>10,894</u>
Non-operating expenses	
Interest expenses	570
Loss on retirement of non-current assets	2,379
Other	446
Total non-operating expenses	<u>3,396</u>
Ordinary profit	<u>879,643</u>
Extraordinary income	
Gain on sale of investment securities	59,856
Compensation income	10,280
Total extraordinary income	<u>70,136</u>
Profit before income taxes	<u>949,779</u>
Income taxes - current	371,006
Income taxes - deferred	(48,433)
Total income taxes	<u>322,573</u>
Profit	<u>627,206</u>
Profit attributable to non-controlling interests	—
Profit attributable to owners of parent	<u>627,206</u>

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022
Profit	627,206
Other comprehensive income	
Valuation difference on available-for-sale securities	(29,247)
Remeasurements of defined benefit plans, net of tax	(3,218)
Total other comprehensive income	(32,466)
Comprehensive income	594,740
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	594,740
Comprehensive income attributable to non-controlling interests	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	458,499	314,769	3,068,186	(247)	3,841,207
Changes during period					
Dividends of surplus			(167,631)		(167,631)
Profit attributable to owners of parent			627,206		627,206
Purchase of treasury shares				(3,211)	(3,211)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	459,574	(3,211)	456,363
Balance at end of period	458,499	314,769	3,527,761	(3,459)	4,297,571

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	105,690	(4,144)	101,546	3,942,753
Changes during period				
Dividends of surplus				(167,631)
Profit attributable to owners of parent				627,206
Purchase of treasury shares				(3,211)
Net changes in items other than shareholders' equity	(29,247)	(3,218)	(32,466)	(32,466)
Total changes during period	(29,247)	(3,218)	(32,466)	423,897
Balance at end of period	76,442	(7,362)	69,079	4,366,651

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022
Cash flows from operating activities	
Profit before income taxes	949,779
Depreciation	33,179
Amortization of goodwill	28,572
Increase (decrease) in allowance for doubtful accounts	(200)
Increase (decrease) in provision for bonuses	26,302
Increase (decrease) in provision for bonuses for directors (and other officers)	12,900
Increase (decrease) in retirement benefit liability	14,934
Increase (decrease) in provision for loss on orders received	59,000
Increase (decrease) in provision for shareholder benefit program	(2,558)
Interest and dividend income	(2,674)
Fiduciary obligation fee	(3,810)
Subsidy income	(2,943)
Compensation income	(10,280)
Loss (gain) on sale of investment securities	(59,856)
Interest expenses	570
Loss on retirement of property, plant and equipment	2,379
Decrease (increase) in trade receivables	(63,685)
Decrease (increase) in inventories	10,080
Increase (decrease) in trade payables	1,311
Increase (decrease) in accrued consumption taxes	18,543
Increase (decrease) in contract liabilities	(27,662)
Decrease (increase) in other current assets	(10,650)
Increase (decrease) in other current liabilities	18,335
Other, net	275
Subtotal	991,843
Interest and dividends received	2,674
Proceeds from fiduciary obligation fee	3,810
Subsidies received	2,943
Proceeds from compensation	10,280
Interest paid	(570)
Income taxes paid	(217,250)
Net cash provided by (used in) operating activities	793,730

	(Thousands of yen)
	Fiscal year ended March 31, 2022
Cash flows from investing activities	
Payments into time deposits	(5,405)
Purchase of investment securities	(3,175)
Proceeds from sale of investment securities	78,765
Purchase of property, plant and equipment and intangible assets	(22,439)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(161,532)
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	<u>(106,579)</u>
Cash flows from financing activities	
Dividends paid	(167,631)
Purchase of treasury shares	(3,211)
Net cash provided by (used in) financing activities	<u>(170,842)</u>
Net increase (decrease) in cash and cash equivalents	<u>516,309</u>
Cash and cash equivalents at beginning of period	<u>2,367,253</u>
Cash and cash equivalents at end of period	<u>2,883,562</u>