

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 15, 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 to file Quarterly Securities Report: August 15, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	2,440	20.1	104	73.2	113	71.6	47	26.9
Three months ended June 30, 2021	2,031	–	60	–	66	–	37	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	5.31		–	
Three months ended June 30, 2021	4.18		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2022	6,491	4,258	65.4	474.44
As of March 31, 2022	6,500	4,366	67.2	486.46

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	15.00	–	18.00	33.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		14.00	–	14.00	28.00

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 three months ended June 30, 2022
 (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: No
- 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 June 30, 2022	8,980,650 shares	As of March 31, 2022	8,980,650 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	5,617 shares	As of March 31, 2022	4,317 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	8,975,758 shares	Three months ended June 30, 2021	8,980,262 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	2,906,634	2,936,977
accounts receivable - trade, and contract assets	2,428,477	1,764,112
Securities	300,000	200,000
Work in process	88,871	289,227
Prepaid expenses	99,572	124,506
Other	273	9,850
Total current assets	5,823,830	5,324,674
Non-current assets		
Property, plant and equipment		
Buildings, net	36,665	34,920
Tools, furniture and fixtures, net	28,239	25,549
Total property, plant and equipment	64,905	60,470
Intangible assets		
Goodwill	114,291	636,530
Software	3,821	30,958
Trademark right	3,237	3,050
Total intangible assets	121,350	670,539
Investments and other assets		
Investment securities	150,156	139,304
Guarantee deposits	60,724	62,550
Golf club membership	3,600	3,600
Deferred tax assets	276,313	230,486
Allowance for doubtful accounts	(800)	(600)
Total investments and other assets	489,995	435,341
Total non-current assets	676,250	1,166,350
Total assets	6,500,080	6,491,025

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	437,392	456,147
Short-term borrowings	–	150,000
Accounts payable - other	54,236	57,777
Accrued expenses	105,255	151,906
Income taxes payable	287,630	25,536
Accrued consumption taxes	119,385	104,179
Contract liabilities	62,836	274,461
Deposits received	49,739	177,058
Provision for bonuses	378,351	213,299
Provision for bonuses for directors (and other officers)	45,500	8,500
Provision for shareholder benefit program	17,075	17,075
Provision for loss on orders received	68,000	72,200
Total current liabilities	1,625,402	1,708,142
Non-current liabilities		
Long-term accounts payable - other	100,000	100,000
Retirement benefit liability	408,026	424,795
Total non-current liabilities	508,026	524,795
Total liabilities	2,133,429	2,232,937
Net assets		
Shareholders' equity		
Share capital	458,499	458,499
Capital surplus	314,769	314,769
Retained earnings	3,527,761	3,413,862
Treasury shares	(3,459)	(4,624)
Total shareholders' equity	4,297,571	4,182,507
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	76,442	68,626
Remeasurements of defined benefit plans	(7,362)	(6,490)
Total accumulated other comprehensive income	69,079	62,135
Non-controlling interests	–	13,444
Total net assets	4,366,651	4,258,087
Total liabilities and net assets	6,500,080	6,491,025

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	2,031,924	2,440,829
Cost of sales	1,682,272	1,944,302
Gross profit	349,651	496,527
Selling, general and administrative expenses	289,140	391,743
Operating profit	60,511	104,783
Non-operating income		
Interest income	37	24
Dividend income	1,198	385
Outsourcing service income	3,810	7,972
Reversal of allowance for doubtful accounts	400	200
Other	318	332
Total non-operating income	5,764	8,914
Non-operating expenses		
Interest expenses	146	206
Other	–	8
Total non-operating expenses	146	214
Ordinary profit	66,129	113,482
Profit before income taxes	66,129	113,482
Income taxes - current	2,034	10,920
Income taxes - deferred	26,539	54,518
Total income taxes	28,574	65,439
Profit	37,555	48,043
Profit attributable to non-controlling interests	–	368
Profit attributable to owners of parent	37,555	47,675

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	37,555	48,043
Other comprehensive income		
Valuation difference on available-for-sale securities	40,015	(7,816)
Remeasurements of defined benefit plans, net of tax	440	872
Total other comprehensive income	40,455	(6,944)
Comprehensive income	78,011	41,099
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	78,011	40,730
Comprehensive income attributable to non-controlling interests	–	368