

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 Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 13, 2023

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
 Inquiries: TEL 03-5232-3046
 Scheduled date to file Quarterly Securities Report: February 14, 2023
 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	8,149	22.5	759	53.8	765	53.4	459	23.8
Nine months ended December 31, 2021	6,650	–	493	–	498	–	370	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	51.17		–	
Nine months ended December 31, 2021	41.31		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2022	6,838	4,551	66.6	507.02
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	–	14.00	–		
Year ending March 31, 2023 (Forecast)				17.00	31.00

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
Full year	11,450	19.3	1,110	27.2	1,120	27.4	690	10.0	76.86

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2022	8,983,950 shares	As of March 31, 2022	8,980,650 shares
-------------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of December 31, 2022	6,417 shares	As of March 31, 2022	4,317 shares
-------------------------	--------------	----------------------	--------------

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

Nine months ended December 31, 2022	8,976,998 shares	Nine months ended December 31, 2021	8,979,597 shares
-------------------------------------	------------------	-------------------------------------	------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	2,906,634	2,857,630
accounts receivable - trade, and contract assets	2,428,477	2,152,783
Securities	300,000	200,000
Work in process	88,871	291,615
Prepaid expenses	99,572	141,756
Other	273	725
Total current assets	5,823,830	5,644,510
Non-current assets		
Property, plant and equipment		
Buildings, net	36,665	65,363
Tools, furniture and fixtures, net	28,239	41,342
Total property, plant and equipment	64,905	106,706
Intangible assets		
Goodwill	114,291	583,030
Software	3,821	21,115
Software in progress	–	19,305
Trademark right	3,237	6,641
Total intangible assets	121,350	630,093
Investments and other assets		
Investment securities	150,156	146,334
Guarantee deposits	60,724	85,695
Golf club membership	3,600	3,600
Deferred tax assets	276,313	222,927
Allowance for doubtful accounts	(800)	(900)
Total investments and other assets	489,995	457,657
Total non-current assets	676,250	1,194,456
Total assets	6,500,080	6,838,967

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	437,392	504,279
Short-term borrowings	–	150,000
Accounts payable - other	54,236	115,066
Accrued expenses	105,255	167,919
Income taxes payable	287,630	64,300
Accrued consumption taxes	119,385	87,397
Contract liabilities	62,836	206,799
Deposits received	49,739	152,911
Provision for bonuses	378,351	236,833
Provision for bonuses for directors (and other officers)	45,500	42,700
Provision for shareholder benefit program	17,075	2,895
Provision for loss on orders received	68,000	16,000
Total current liabilities	1,625,402	1,747,104
Non-current liabilities		
Long-term accounts payable - other	100,000	100,000
Retirement benefit liability	408,026	440,054
Total non-current liabilities	508,026	540,054
Total liabilities	2,133,429	2,287,158
Net assets		
Shareholders' equity		
Share capital	458,499	460,063
Capital surplus	314,769	316,333
Retained earnings	3,527,761	3,699,893
Treasury shares	(3,459)	(5,529)
Total shareholders' equity	4,297,571	4,470,761
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	76,442	71,879
Remeasurements of defined benefit plans	(7,362)	(4,746)
Total accumulated other comprehensive income	69,079	67,133
Non-controlling interests	–	13,913
Total net assets	4,366,651	4,551,808
Total liabilities and net assets	6,500,080	6,838,967

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	6,650,680	8,149,406
Cost of sales	5,465,170	6,449,100
Gross profit	1,185,509	1,700,305
Selling, general and administrative expenses	691,683	940,747
Operating profit	493,825	759,558
Non-operating income		
Interest income	107	71
Dividend income	2,526	1,374
Outsourcing service income	3,810	8,637
Reversal of allowance for doubtful accounts	100	–
Other	1,294	935
Total non-operating income	7,838	11,018
Non-operating expenses		
Interest expenses	399	595
Loss on retirement of non-current assets	2,379	4,392
Provision of allowance for doubtful accounts	–	100
Other	–	8
Total non-operating expenses	2,779	5,096
Ordinary profit	498,885	765,480
Extraordinary income		
Gain on sale of investment securities	59,856	–
Total extraordinary income	59,856	–
Profit before income taxes	558,741	765,480
Income taxes - current	167,004	245,997
Income taxes - deferred	20,788	59,250
Total income taxes	187,792	305,247
Profit	370,948	460,233
Profit attributable to non-controlling interests	–	837
Profit attributable to owners of parent	370,948	459,395

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	370,948	460,233
Other comprehensive income		
Valuation difference on available-for-sale securities	(21,854)	(4,563)
Remeasurements of defined benefit plans, net of tax	1,320	2,616
Total other comprehensive income	(20,534)	(1,946)
Comprehensive income	350,413	458,286
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	350,413	457,448
Comprehensive income attributable to non-controlling interests	–	837