

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 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: Fumitoshi Okuno  
 Scheduled date of ordinary general meeting of shareholders: June 27, 2023  
 Scheduled date to file Securities Report: June 30, 2023  
 Scheduled date to commence dividend payments: June 7, 2023  
 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, 2023 (from April 1, 2022 to March 31, 2023)

#### (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, 2023	11,578	20.7	1,222	40.2	1,238	40.8	772	23.1
Year ended March 31, 2022	9,596	—	872	—	879	—	627	—

	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, 2023	86.01	—	16.7	17.7	10.6
Year ended March 31, 2022	69.85	—	15.1	14.4	9.1

#### (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, 2023	7,502	4,865	64.7	542.01
As of March 31, 2022	6,500	4,366	67.2	486.46

#### (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, 2023	981	(644)	(286)	2,934
Year ended March 31, 2022	793	(106)	(170)	2,883

### 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, 2022	—	15.00	—	18.00	33.00	251	40.1	4.8
Year ended March 31, 2023	—	14.00	—	21.00	35.00	314	40.7	6.8
Year ending March 31, 2024 (Forecast)	—	20.00	—	20.00	40.00		40.3	

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023	5,760	6.6	587	28.6	587	27.9	360	34.0	40.21
Full year	12,400	7.1	1,429	17.0	1,447	16.9	900	16.5	100.26

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(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: No

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, 2023	8,983,950 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 March 31, 2023	6,767 shares	As of March 31, 2022	4,317 shares
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Average number of shares during the period

Year ended March 31, 2023	8,977,087 shares	Year ended March 31, 2022	8,978,917 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,906,634	3,062,740
accounts receivable - trade, and contract assets	2,428,477	2,649,842
Securities	300,000	200,000
Work in process	88,871	72,465
Prepaid expenses	99,572	137,437
Other	273	17,354
Total current assets	5,823,830	6,139,840
Non-current assets		
Property, plant and equipment		
Buildings	36,665	64,464
Tools, furniture and fixtures	28,239	48,934
Total property, plant and equipment	64,905	113,399
Intangible assets		
Goodwill	114,291	345,167
Customer-related intangible assets	–	305,100
Software	3,821	51,359
Software in progress	–	19,305
Trademark right	3,237	6,354
Total intangible assets	121,350	727,286
Investments and other assets		
Investment securities	150,156	148,723
Guarantee deposits	60,724	75,903
Golf club membership	3,600	3,600
Deferred tax assets	276,313	294,674
Allowance for doubtful accounts	(800)	(650)
Total investments and other assets	489,995	522,250
Total non-current assets	676,250	1,362,936
Total assets	6,500,080	7,502,777

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	437,392	538,846
Accounts payable - other	54,236	69,678
Accrued expenses	105,255	129,899
Income taxes payable	287,630	346,043
Accrued consumption taxes	119,385	116,101
Contract liabilities	62,836	198,833
Deposits received	49,739	54,039
Provision for bonuses	378,351	465,146
Provision for bonuses for directors (and other officers)	45,500	67,900
Provision for shareholder benefit program	17,075	18,058
Provision for loss on orders received	68,000	9,000
<b>Total current liabilities</b>	<b>1,625,402</b>	<b>2,013,548</b>
<b>Non-current liabilities</b>		
Long-term accounts payable - other	100,000	100,000
Retirement benefit liability	408,026	436,862
Deferred tax liabilities	–	86,637
<b>Total non-current liabilities</b>	<b>508,026</b>	<b>623,499</b>
<b>Total liabilities</b>	<b>2,133,429</b>	<b>2,637,048</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	458,499	460,063
Capital surplus	314,769	316,333
Retained earnings	3,527,761	4,012,594
Treasury shares	(3,459)	(5,877)
<b>Total shareholders' equity</b>	<b>4,297,571</b>	<b>4,783,114</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	76,442	73,158
Remeasurements of defined benefit plans	(7,362)	(5,575)
<b>Total accumulated other comprehensive income</b>	<b>69,079</b>	<b>67,583</b>
<b>Non-controlling interests</b>	–	15,031
<b>Total net assets</b>	<b>4,366,651</b>	<b>4,865,729</b>
<b>Total liabilities and net assets</b>	<b>6,500,080</b>	<b>7,502,777</b>

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

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	9,596,440	11,578,940
Cost of sales	7,769,220	9,073,132
Gross profit	1,827,220	2,505,808
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	124,370	129,090
Salaries and allowances	208,683	230,988
Bonuses	32,471	41,992
Provision for bonuses	27,099	41,108
Legal welfare expenses	46,055	56,158
Provision for bonuses for directors (and other officers)	45,500	67,900
Supplies expenses	29,930	40,257
Taxes and dues	65,935	76,647
Depreciation	16,889	71,520
Amortization of goodwill	28,572	71,814
Rent expenses on real estate	72,083	80,607
Commission expenses	73,751	133,643
Education and training expenses	48,339	46,233
Other	135,393	195,435
Total selling, general and administrative expenses	955,074	1,283,398
Operating profit	872,146	1,222,409
Non-operating income		
Interest income	148	102
Dividend income	2,526	1,886
Outsourcing service income	3,810	8,637
Subsidy income	2,943	9,526
Reversal of allowance for doubtful accounts	200	150
Other	1,266	793
Total non-operating income	10,894	21,097
Non-operating expenses		
Interest expenses	570	824
Loss on retirement of non-current assets	2,379	4,392
Other	446	88
Total non-operating expenses	3,396	5,305
Ordinary profit	879,643	1,238,200
Extraordinary income		
Gain on sale of investment securities	59,856	–
Compensation income	10,280	–
Total extraordinary income	70,136	–
Profit before income taxes	949,779	1,238,200
Income taxes - current	371,006	498,453
Income taxes - deferred	(48,433)	(34,305)
Total income taxes	322,573	464,148
Profit	627,206	774,052
Profit attributable to non-controlling interests	–	1,955
Profit attributable to owners of parent	627,206	772,097

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	627,206	774,052
Other comprehensive income		
Valuation difference on available-for-sale securities	(29,247)	(3,284)
Remeasurements of defined benefit plans, net of tax	(3,218)	1,787
Total other comprehensive income	(32,466)	(1,497)
Comprehensive income	594,740	772,555
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	594,740	770,599
Comprehensive income attributable to non-controlling interests	–	1,955

## 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					
Issuance of new shares					
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				
Issuance of new shares				
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

Fiscal year ended March 31, 2023

(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	3,527,761	(3,459)	4,297,571
Changes during period					
Issuance of new shares	1,564	1,564			3,128
Dividends of surplus			(287,263)		(287,263)
Profit attributable to owners of parent			772,096		772,096
Purchase of treasury shares				(2,418)	(2,418)
Net changes in items other than shareholders' equity					
Total changes during period	1,564	1,564	484,833	(2,418)	485,543
Balance at end of period	460,063	316,333	4,012,594	(5,877)	4,783,114

	Accumulated other comprehensive income			Non-controlling interests	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	76,442	(7,362)	69,079	–	4,366,651
Changes during period					
Issuance of new shares					3,128
Dividends of surplus					(287,263)
Profit attributable to owners of parent					772,096
Purchase of treasury shares					(2,418)
Net changes in items other than shareholders' equity	(3,284)	1,787	(1,496)	15,031	13,534
Total changes during period	(3,284)	1,787	(1,496)	15,031	499,077
Balance at end of period	73,158	(5,575)	67,583	15,031	4,865,729



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	949,779	1,238,200
Depreciation	33,179	112,146
Amortization of goodwill	28,572	71,814
Increase (decrease) in allowance for doubtful accounts	(200)	(150)
Increase (decrease) in provision for bonuses	26,302	86,795
Increase (decrease) in provision for bonuses for directors (and other officers)	12,900	22,400
Increase (decrease) in retirement benefit liability	14,934	13,639
Increase (decrease) in provision for loss on orders received	59,000	(59,000)
Increase (decrease) in provision for shareholder benefit program	(2,558)	983
Interest and dividend income	(2,674)	(1,989)
Fiduciary obligation fee	(3,810)	(8,637)
Subsidy income	(2,943)	(9,526)
Compensation income	(10,280)	–
Loss (gain) on sale of investment securities	(59,856)	–
Interest expenses	570	824
Loss on retirement of property, plant and equipment	2,379	4,392
Decrease (increase) in trade receivables	(63,685)	(141,794)
Decrease (increase) in inventories	10,080	27,089
Increase (decrease) in trade payables	1,311	58,355
Increase (decrease) in accrued consumption taxes	18,543	(6,568)
Increase (decrease) in contract liabilities	(27,662)	(21,729)
Decrease (increase) in other current assets	(10,650)	(10,251)
Increase (decrease) in other current liabilities	18,335	29,194
Other, net	275	–
Subtotal	991,843	1,406,187
Interest and dividends received	2,674	1,989
Proceeds from fiduciary obligation fee	3,810	8,637
Subsidies received	2,943	9,526
Proceeds from compensation	10,280	–
Interest paid	(570)	(824)
Income taxes paid	(217,250)	(443,891)
Net cash provided by (used in) operating activities	793,730	981,624
Cash flows from investing activities		
Payments into time deposits	(5,405)	(5,402)
Purchase of investment securities	(3,175)	(3,318)
Proceeds from sale of investment securities	78,765	–
Purchase of property, plant and equipment and intangible assets	(22,439)	(149,956)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(161,532)	(790,825)
Payments of guarantee deposits	(2,216)	(24,971)
Proceeds from refund of guarantee deposits	1,423	90
Proceeds from cancellation of insurance funds	8,000	–
Proceeds from collection of short-term loans receivable	–	330,016
Net cash provided by (used in) investing activities	(106,579)	(644,367)

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from financing activities		
Proceeds from issuance of shares	–	3,128
Dividends paid	(167,631)	(287,263)
Purchase of treasury shares	(3,211)	(2,418)
Net cash provided by (used in) financing activities	(170,842)	(286,553)
Net increase (decrease) in cash and cash equivalents	516,309	50,702
Cash and cash equivalents at beginning of period	2,367,253	2,883,562
Cash and cash equivalents at end of period	2,883,562	2,934,265