

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 10, 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: August 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	2,844	16.5	238	136.0	252	129.6	163	241.2
Three months ended June 30, 2022	2,440	20.1	101	67.0	109	66.0	47	27.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	18.18		–	
Three months ended June 30, 2022	5.33		–	

(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, 2023	7,279	4,845	66.3	538.03
As of March 31, 2023	7,502	4,865	64.7	542.01

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, 2023	–	14.00	–	21.00	35.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		20.00	–	20.00	40.00

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 three months ended June 30, 2023
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (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, 2023	8,983,950 shares	As of March 31, 2023	8,983,950 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	7,417 shares	As of March 31, 2023	6,767 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, 2023	8,976,858 shares	Three months ended June 30, 2022	8,977,087 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	3,062,740	3,299,494
accounts receivable - trade, and contract assets	2,649,842	2,095,729
Securities	200,000	200,000
Work in process	72,465	281,194
Prepaid expenses	137,437	125,710
Other	17,354	9,933
Total current assets	6,139,840	6,012,063
Non-current assets		
Property, plant and equipment		
Buildings, net	64,464	62,519
Tools, furniture and fixtures, net	48,934	44,219
Total property, plant and equipment	113,399	106,738
Intangible assets		
Goodwill	345,167	327,213
Customer-related intangible assets	305,100	296,625
Software	51,359	77,123
Software in progress	19,305	5,067
Trademark right	6,354	2,300
Total intangible assets	727,286	708,329
Investments and other assets		
Investment securities	148,723	155,937
Guarantee deposits	75,903	75,590
Golf club membership	3,600	3,600
Deferred tax assets	294,674	217,605
Allowance for doubtful accounts	(650)	(700)
Total investments and other assets	522,250	452,033
Total non-current assets	1,362,936	1,267,101
Total assets	7,502,777	7,279,165

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	538,846	535,428
Short-term borrowings	—	150,000
Accounts payable - other	69,678	81,172
Accrued expenses	129,899	159,522
Income taxes payable	346,043	30,068
Accrued consumption taxes	116,101	117,926
Contract liabilities	198,833	263,997
Deposits received	54,039	214,800
Provision for bonuses	465,146	187,195
Provision for bonuses for directors (and other officers)	67,900	11,800
Provision for shareholder benefit program	18,058	18,058
Provision for loss on orders received	9,000	32,500
Total current liabilities	2,013,548	1,802,469
Non-current liabilities		
Long-term accounts payable - other	100,000	100,000
Retirement benefit liability	436,862	446,033
Deferred tax liabilities	86,637	85,388
Total non-current liabilities	623,499	631,421
Total liabilities	2,637,048	2,433,891
Net assets		
Shareholders' equity		
Share capital	460,063	460,063
Capital surplus	316,333	316,333
Retained earnings	4,012,594	3,987,242
Treasury shares	(5,877)	(6,648)
Total shareholders' equity	4,783,114	4,756,991
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	73,158	77,525
Remeasurements of defined benefit plans	(5,575)	(4,878)
Total accumulated other comprehensive income	67,583	72,646
Non-controlling interests	15,031	15,636
Total net assets	4,865,729	4,845,274
Total liabilities and net assets	7,502,777	7,279,165

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, 2022	Three months ended June 30, 2023
Net sales	2,440,829	2,844,328
Cost of sales	1,944,302	2,240,893
Gross profit	496,527	603,434
Selling, general and administrative expenses	395,422	364,808
Operating profit	101,104	238,626
Non-operating income		
Interest income	24	15
Dividend income	385	420
Outsourcing service income	7,972	13,147
Reversal of allowance for doubtful accounts	200	–
Other	332	382
Total non-operating income	8,914	13,966
Non-operating expenses		
Interest expenses	206	200
Other	8	293
Total non-operating expenses	214	494
Ordinary profit	109,804	252,098
Profit before income taxes	109,804	252,098
Income taxes - current	10,920	15,032
Income taxes - deferred	50,698	73,293
Total income taxes	61,619	88,325
Profit	48,184	163,773
Profit attributable to non-controlling interests	368	604
Profit attributable to owners of parent	47,816	163,168

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	48,184	163,773
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,816)	4,366
Remeasurements of defined benefit plans, net of tax	872	696
Total other comprehensive income	(6,944)	5,063
Comprehensive income	41,240	168,836
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	40,872	168,231
Comprehensive income attributable to non-controlling interests	368	604