

Translation

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

November 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, Corporate Administration Division Fumitoshi Okuno TEL 03-5232-3046
 Inquiries: Administration Division
 Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: November 30, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	6,465	19.6	761	72.1	775	71.6	525	95.1
Six months ended September 30, 2022	5,404	21.1	442	49.4	452	50.9	269	39.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	29.43		-	
Six months ended September 30, 2022	15.00		-	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of September 30, 2023	7,793		5,204		66.6		289.90	
As of March 31, 2023	7,502		4,865		64.7		271.00	

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	-	20.00	-	-	-
Year ending March 31, 2024 (Forecast)	-	-	-	20.00	-

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
Full year	13,300	14.9	1,615	32.1	1,636	32.2	1,070	38.6	59.60

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2023	17,967,900 shares	As of March 31, 2023	17,967,900 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	15,534 shares	As of March 31, 2023	13,534 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	17,953,223 shares	Six months ended September 30, 2022	17,953,437 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	3,062,740	2,995,039
accounts receivable - trade, and contract assets	2,649,842	2,948,025
Securities	200,000	300,000
Work in process	72,465	133,005
Prepaid expenses	137,437	134,743
Other	17,354	562
Total current assets	6,139,840	6,511,375
Non-current assets		
Property, plant and equipment		
Buildings, net	64,464	60,574
Tools, furniture and fixtures, net	48,934	43,353
Total property, plant and equipment	113,399	103,927
Intangible assets		
Goodwill	345,167	309,260
Customer-related intangible assets	305,100	288,150
Software	51,359	91,414
Software in progress	19,305	–
Trademark right	6,354	2,112
Total intangible assets	727,286	690,937
Investments and other assets		
Investment securities	148,723	148,345
Guarantee deposits	75,903	75,188
Golf club membership	3,600	3,600
Deferred tax assets	294,674	260,520
Allowance for doubtful accounts	(650)	(700)
Total investments and other assets	522,250	486,953
Total non-current assets	1,362,936	1,281,818
Total assets	7,502,777	7,793,194

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	538,846	588,640
Accounts payable - other	69,678	126,735
Accrued expenses	129,899	134,212
Income taxes payable	346,043	264,614
Accrued consumption taxes	116,101	123,759
Contract liabilities	198,833	233,723
Deposits received	54,039	67,180
Provision for bonuses	465,146	365,700
Provision for bonuses for directors (and other officers)	67,900	35,500
Provision for shareholder benefit program	18,058	2,923
Provision for loss on orders received	9,000	25,300
Total current liabilities	2,013,548	1,968,289
Non-current liabilities		
Long-term accounts payable - other	100,000	100,000
Retirement benefit liability	436,862	439,032
Deferred tax liabilities	86,637	81,378
Total non-current liabilities	623,499	620,410
Total liabilities	2,637,048	2,588,700
Net assets		
Shareholders' equity		
Share capital	460,063	460,063
Capital surplus	316,333	316,333
Retained earnings	4,012,594	4,349,444
Treasury shares	(5,877)	(7,085)
Total shareholders' equity	4,783,114	5,118,756
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	73,158	71,861
Remeasurements of defined benefit plans	(5,575)	(4,183)
Total accumulated other comprehensive income	67,583	67,678
Non-controlling interests	15,031	18,059
Total net assets	4,865,729	5,204,494
Total liabilities and net assets	7,502,777	7,793,194

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	5,404,088	6,465,470
Cost of sales	4,310,023	5,035,664
Gross profit	1,094,064	1,429,805
Selling, general and administrative expenses	651,448	668,157
Operating profit	442,616	761,648
Non-operating income		
Interest income	55	47
Dividend income	385	420
Outsourcing service income	8,637	13,134
Reversal of allowance for doubtful accounts	200	–
Other	796	1,072
Total non-operating income	10,073	14,674
Non-operating expenses		
Interest expenses	415	394
Provision of allowance for doubtful accounts	–	50
Other	8	–
Total non-operating expenses	424	444
Ordinary profit	452,266	775,878
Profit before income taxes	452,266	775,878
Income taxes - current	188,009	218,920
Income taxes - deferred	(5,763)	28,559
Total income taxes	182,245	247,479
Profit	270,020	528,398
Profit attributable to non-controlling interests	693	3,028
Profit attributable to owners of parent	269,326	525,370

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	270,020	528,398
Other comprehensive income		
Valuation difference on available-for-sale securities	(14,577)	(1,297)
Remeasurements of defined benefit plans, net of tax	1,744	1,391
Total other comprehensive income	(12,833)	94
Comprehensive income	257,187	528,493
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	256,493	525,465
Comprehensive income attributable to non-controlling interests	693	3,028

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	452,266	775,878
Depreciation	50,691	50,029
Amortization of goodwill	35,907	35,907
Increase (decrease) in allowance for doubtful accounts	(200)	50
Increase (decrease) in provision for bonuses	34,850	(99,446)
Increase (decrease) in provision for bonuses for directors (and other officers)	(19,200)	(32,400)
Increase (decrease) in retirement benefit liability	12,951	4,173
Increase (decrease) in provision for loss on orders received	(40,800)	16,300
Increase (decrease) in provision for shareholder benefit program	(14,179)	(15,135)
Interest and dividend income	(440)	(467)
Fiduciary obligation fee	(8,637)	(13,134)
Subsidy income	(330)	–
Interest expenses	415	394
Decrease (increase) in trade receivables	243,015	(298,182)
Decrease (increase) in inventories	(35,762)	(60,539)
Increase (decrease) in trade payables	3,983	49,794
Increase (decrease) in accrued consumption taxes	(32,522)	7,657
Increase (decrease) in contract liabilities	2,329	34,889
Decrease (increase) in other current assets	(2,540)	19,700
Increase (decrease) in other current liabilities	(1,993)	70,303
Subtotal	679,804	545,772
Interest and dividends received	440	467
Proceeds from fiduciary obligation fee	8,637	13,134
Subsidies received	330	–
Interest paid	(415)	(394)
Income taxes paid	(258,237)	(296,570)
Net cash provided by (used in) operating activities	430,558	262,410
Cash flows from investing activities		
Payments into time deposits	(2,701)	(2,701)
Purchase of investment securities	(1,246)	(1,195)
Purchase of property, plant and equipment and intangible assets	(25,704)	(39,187)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(790,825)	–
Payments of guarantee deposits	(24,971)	–
Proceeds from collection of loans receivable	330,016	–
Net cash provided by (used in) investing activities	(515,431)	(43,083)
Cash flows from financing activities		
Proceeds from issuance of shares	3,128	–
Dividends paid	(161,573)	(188,520)
Purchase of treasury shares	(1,602)	(1,208)
Net cash provided by (used in) financing activities	(160,048)	(189,728)
Net increase (decrease) in cash and cash equivalents	(244,921)	29,598
Cash and cash equivalents at beginning of period	2,883,562	2,934,265
Cash and cash equivalents at end of period	2,638,640	2,963,863