

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 13, 2024

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
 Inquiries: Corporate Administration Division TEL 03-5232-3046
 Scheduled date to file Semi-annual Securities Report: November 14, 2024
 Scheduled date to commence dividend payments: November 29, 2024
 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 six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	6,754	4.5	479	(37.1)	495	(36.2)	365	(30.4)
Six months ended September 30, 2023	6,465	19.6	761	72.1	775	71.6	525	95.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2024	20.37	—
Six months ended September 30, 2023	29.43	—

(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, 2024	8,167	5,657	69.0	314.11
As of March 31, 2024	8,712	5,773	66.0	320.55

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	—	20.00	—	25.00	45.00
Year ending March 31, 2025	—	18.00			
Year ending March 31, 2025 (Forecast)			—	18.00	36.00

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	14,200	3.4	1,230	(28.9)	1,265	(27.4)	840	(31.9)	46.80

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No

(2) Application of special accounting methods for preparing semi-annual 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: Yes

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, 2024	17,967,900 shares	As of March 31, 2024	17,967,900 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	15,734 shares	As of March 31, 2024	15,734 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, 2024	17,952,166 shares	Six months ended September 30, 2023	17,953,223 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	3,601,864	3,618,651
accounts receivable - trade, and contract assets	3,253,530	2,723,431
Securities	300,000	300,000
Work in process	58,772	144,393
Prepaid expenses	151,988	162,974
Other	732	641
Total current assets	7,366,889	6,950,092
Non-current assets		
Property, plant and equipment		
Buildings, net	57,520	55,087
Tools, furniture and fixtures, net	46,089	45,089
Total property, plant and equipment	103,610	100,176
Intangible assets		
Goodwill	273,353	237,445
Customer-related intangible assets	271,200	254,250
Software	73,056	108,390
Software in progress	21,602	13,622
Trademark right	5,204	4,629
Total intangible assets	644,417	618,337
Investments and other assets		
Investment securities	211,918	134,810
Guarantee deposits	74,361	73,494
Golf club membership	41,600	38,000
Deferred tax assets	275,771	257,547
Allowance for doubtful accounts	(5,700)	(5,000)
Total investments and other assets	597,950	498,851
Total non-current assets	1,345,977	1,217,365
Total assets	8,712,866	8,167,458

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	649,063	690,417
Accounts payable - other	88,747	64,661
Accrued expenses	159,194	113,290
Income taxes payable	331,939	219,804
Accrued consumption taxes	196,063	62,329
Contract liabilities	244,893	243,818
Deposits received	94,191	69,107
Provision for bonuses	393,504	252,136
Provision for bonuses for directors (and other officers)	84,500	24,700
Provision for loss on orders received	75,000	155,000
Total current liabilities	2,317,097	1,895,266
Non-current liabilities		
Long-term accounts payable - other	100,000	100,000
Retirement benefit liability	451,111	442,783
Deferred tax liabilities	70,800	72,294
Total non-current liabilities	621,911	615,078
Total liabilities	2,939,009	2,510,344
Net assets		
Shareholders' equity		
Share capital	460,063	460,063
Capital surplus	316,333	316,333
Retained earnings	4,878,413	4,795,277
Treasury shares	(7,085)	(7,085)
Total shareholders' equity	5,647,724	5,564,589
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	114,439	75,330
Remeasurements of defined benefit plans	(7,640)	(956)
Total accumulated other comprehensive income	106,799	74,373
Non-controlling interests	19,333	18,151
Total net assets	5,773,857	5,657,114
Total liabilities and net assets	8,712,866	8,167,458

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, 2023	Six months ended September 30, 2024
Net sales	6,465,470	6,754,070
Cost of sales	5,035,664	5,533,912
Gross profit	1,429,805	1,220,158
Selling, general and administrative expenses	668,157	740,891
Operating profit	761,648	479,267
Non-operating income		
Interest income	47	501
Dividend income	420	1,106
Outsourcing service income	13,134	5,760
Subsidy income	—	8,876
Other	1,072	351
Total non-operating income	14,674	16,596
Non-operating expenses		
Interest expenses	394	530
Provision of allowance for doubtful accounts	50	—
Total non-operating expenses	444	530
Ordinary profit	775,878	495,333
Extraordinary income		
Gain on sale of investment securities	—	86,520
Total extraordinary income	—	86,520
Profit before income taxes	775,878	581,853
Income taxes - current	218,920	183,350
Income taxes - deferred	28,559	34,016
Total income taxes	247,479	217,366
Profit	528,398	364,486
Profit (loss) attributable to non-controlling interests	3,028	(1,181)
Profit attributable to owners of parent	525,370	365,668

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	528,398	364,486
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,297)	(39,109)
Remeasurements of defined benefit plans, net of tax	1,391	6,684
Total other comprehensive income	94	(32,425)
Comprehensive income	528,493	332,060
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	525,465	333,242
Comprehensive income attributable to non-controlling interests	3,028	(1,181)

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	775,878	581,853
Depreciation	50,029	55,786
Amortization of goodwill	35,907	35,907
Increase (decrease) in allowance for doubtful accounts	50	(700)
Increase (decrease) in provision for bonuses	(99,446)	(141,367)
Increase (decrease) in provision for bonuses for directors (and other officers)	(32,400)	(59,800)
Increase (decrease) in retirement benefit liability	4,173	1,306
Increase (decrease) in provision for loss on orders received	16,300	80,000
Increase (decrease) in provision for shareholder benefit program	(15,135)	—
Interest and dividend income	(467)	(1,607)
Fiduciary obligation fee	(13,134)	(5,760)
Subsidy income	—	(8,876)
Loss (gain) on sale of investment securities	—	(86,520)
Interest expenses	394	530
Decrease (increase) in trade receivables	(298,182)	530,099
Decrease (increase) in inventories	(60,539)	(85,620)
Increase (decrease) in trade payables	49,794	41,354
Increase (decrease) in accrued consumption taxes	7,657	(133,734)
Increase (decrease) in contract liabilities	34,889	(1,074)
Decrease (increase) in other current assets	19,700	(10,894)
Increase (decrease) in other current liabilities	70,303	(85,222)
Subtotal	545,772	705,658
Interest and dividends received	467	1,607
Proceeds from fiduciary obligation fee	13,134	5,760
Subsidies received	—	8,876
Interest paid	(394)	(530)
Income taxes paid	(296,570)	(291,583)
Net cash provided by (used in) operating activities	262,410	429,788
Cash flows from investing activities		
Payments into time deposits	(2,701)	(2,701)
Purchase of investment securities	(1,195)	(1,809)
Proceeds from sale of investment securities	—	109,080
Purchase of property, plant and equipment and intangible assets	(39,187)	(75,309)
Proceeds from refund of guarantee deposits	—	242
Proceeds from sale of golf club membership	—	3,600
Net cash provided by (used in) investing activities	(43,083)	33,102
Cash flows from financing activities		
Dividends paid	(188,520)	(448,804)
Purchase of treasury shares	(1,208)	—
Net cash provided by (used in) financing activities	(189,728)	(448,804)
Net increase (decrease) in cash and cash equivalents	29,598	14,086
Cash and cash equivalents at beginning of period	2,934,265	3,567,986
Cash and cash equivalents at end of period	2,963,863	3,582,072