Translation

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Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 12, 2021

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
Inquiries: Director and General Manager, Corporate Administration Division Fumitoshi Okuno TEL 03-5232-3046
Scheduled date of ordinary general meeting of shareholders: June 22, 2021
Scheduled date to file Securities Report: June 29, 2021
Scheduled date to commence dividend payments: June 4, 2021
Preparation of supplementary material on financial results: Yes
Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2021	8,877	(2.4)	620	(12.6)	650	(10.2)	430	(9.2)
Year ended March 31, 2020	9,094	12.9	709	21.2	724	23.7	474	25.2

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	71.95	–	11.4	11.6	7.0
Year ended March 31, 2020	79.20	–	13.8	13.8	7.8

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	5,746	3,946	68.7	659.26
As of March 31, 2020	5,498	3,626	66.0	605.74

(3) Non-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, 2021	398	(25)	(161)	2,367
Year ended March 31, 2020	266	(36)	(123)	2,155

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-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, 2020	–	10.00	–	15.00	25.00	149	31.6	4.1
Year ended March 31, 2021	–	12.00	–	13.00	25.00	149	34.7	4.0
Year ending March 31, 2022 (Forecast)	–	15.00	–	15.00	30.00		35.9	

3. Forecast of non-consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2021	4,386	5.9	250	34.5	255	25.2	168	23.7	28.06
Full year	9,330	5.1	755	21.8	760	16.8	500	16.1	83.52

4. Notes

(1) 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

(2) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2021	5,987,100 shares	As of March 31, 2020	5,987,100 shares

Number of treasury shares at the end of the period

As of March 31, 2021	259 shares	As of March 31, 2020	213 shares

Average number of shares during the period

Year ended March 31, 2021	5,986,883 shares	Year ended March 31, 2020	5,986,241 shares

Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	2,167,705	2,384,920
Notes and accounts receivable - trade	2,339,885	2,321,203
Securities	300,000	300,000
Work in process	83,644	98,952
Prepaid expenses	72,502	80,757
Other	5,678	1,917
Total current assets	4,969,416	5,187,750
Non-current assets		
Property, plant and equipment		
Buildings	118,522	118,742
Accumulated depreciation	(66,625)	(75,009)
Buildings, net	51,896	43,733
Tools, furniture and fixtures	166,892	187,042
Accumulated depreciation	(133,314)	(154,804)
Tools, furniture and fixtures, net	33,578	32,238
Total property, plant and equipment	85,475	75,971
Intangible assets		
Software	4,689	2,496
Trademark right	4,737	3,987
Total intangible assets	9,426	6,483
Investments and other assets		
Investment securities	114,681	191,819
Guarantee deposits	66,744	58,508
Golf club membership	3,600	3,600
Deferred tax assets	250,202	223,858
Allowance for doubtful accounts	(1,400)	(1,000)
Total investments and other assets	433,827	476,786
Total non-current assets	528,729	559,242
Total assets	5,498,145	5,746,992

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	465,323	420,962
Accounts payable - other	45,429	44,911
Accrued expenses	95,104	92,258
Income taxes payable	166,478	123,180
Accrued consumption taxes	126,263	97,337
Advances received	43,051	90,494
Deposits received	42,712	45,475
Provision for bonuses	360,816	341,756
Provision for bonuses for directors (and other officers)	37,200	32,600
Provision for shareholder benefit program	16,365	19,633
Provision for loss on order received	6,100	9,000
Total current liabilities	1,404,846	1,317,611
Non-current liabilities		
Long-term accounts payable - other	100,000	100,000
Provision for retirement benefits	366,798	382,482
Total non-current liabilities	466,798	482,482
Total liabilities	1,871,644	1,800,094
Net assets		
Shareholders' equity		
Share capital	458,499	458,499
Capital surplus		
Legal capital surplus	287,388	287,388
Other capital surplus	27,381	27,381
Total capital surplus	314,769	314,769
Retained earnings		
Legal retained earnings	70,000	70,000
Other retained earnings		
Retained earnings brought forward	2,729,090	2,998,186
Total retained earnings	2,799,090	3,068,186
Treasury shares	(195)	(247)
Total shareholders' equity	3,572,164	3,841,207
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	54,336	105,690
Total valuation and translation adjustments	54,336	105,690
Total net assets	3,626,500	3,946,898
Total liabilities and net assets	5,498,145	5,746,992

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	9,094,846	8,877,449
Cost of sales	7,442,645	7,383,743
Gross profit	1,652,200	1,493,706
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	92,940	108,570
Salaries and allowances	214,197	217,083
Bonuses	40,784	33,455
Provision for bonuses	31,591	27,817
Legal welfare expenses	47,466	47,165
Provision for bonuses for directors (and other officers)	37,200	32,600
Supplies expenses	34,848	31,713
Taxes and dues	58,706	59,710
Depreciation	27,450	21,631
Rent expenses on real estate	67,357	74,623
Commission expenses	49,834	47,504
Other	240,329	171,740
Total selling, general and administrative expenses	942,708	873,615
Operating profit	709,492	620,091
Non-operating income		
Interest income	135	187
Dividend income	1,843	2,363
Outsourcing service income	3,500	7,243
Subsidy income	6,194	19,757
Settlement received	3,000	–
Reversal of allowance for doubtful accounts	–	400
Other	1,127	1,387
Total non-operating income	15,801	31,339
Non-operating expenses		
Interest expenses	560	596
Loss on retirement of non-current assets	240	–
Total non-operating expenses	801	596
Ordinary profit	724,492	650,834
Profit before income taxes	724,492	650,834
Income taxes - current	251,662	216,392
Income taxes - deferred	(1,297)	3,700
Total income taxes	250,364	220,092
Profit	474,127	430,741

Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings	Total retained earnings	Treasury shares
						Retained earnings brought forward		
Balance at beginning of period	457,304	286,193	27,381	313,574	70,000	2,380,664	2,450,664	(195)
Changes during period								
Issuance of new shares	1,194	1,194		1,194				
Dividends of surplus						(125,701)	(125,701)	
Profit						474,127	474,127	
Net changes in items other than shareholders' equity								
Total changes during period	1,194	1,194	–	1,194	–	348,426	348,426	–
Balance at end of period	458,499	287,388	27,381	314,769	70,000	2,729,090	2,799,090	(195)

	Shareholders' equity	Valuation and translation adjustments		Total net assets
	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	3,221,349	40,135	40,135	3,261,484
Changes during period				
Issuance of new shares	2,389			2,389
Dividends of surplus	(125,701)			(125,701)
Profit	474,127			474,127
Net changes in items other than shareholders' equity		14,200	14,200	14,200
Total changes during period	350,815	14,200	14,200	365,016
Balance at end of period	3,572,164	54,336	54,336	3,626,500

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity							
		Capital surplus			Retained earnings			
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings	Treasury shares
Balance at beginning of period	458,499	287,388	27,381	314,769	70,000	2,729,090	2,799,090	(195)
Changes during period								
Dividends of surplus						(161,645)	(161,645)	
Profit						430,741	430,741	
Purchase of treasury shares								(52)
Net changes in items other than shareholders' equity								
Total changes during period	–	–	–	–	–	269,095	269,095	(52)
Balance at end of period	458,499	287,388	27,381	314,769	70,000	2,998,186	3,068,186	(247)

	Shareholders' equity	Valuation and translation adjustments		Total net assets
	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	3,572,164	54,336	54,336	3,626,500
Changes during period				
Dividends of surplus	(161,645)			(161,645)
Profit	430,741			430,741
Purchase of treasury shares	(52)			(52)
Net changes in items other than shareholders' equity		51,354	51,354	51,354
Total changes during period	269,042	51,354	51,354	320,397
Balance at end of period	3,841,207	105,690	105,690	3,946,898

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	724,492	650,834
Depreciation	46,876	41,394
Increase (decrease) in allowance for doubtful accounts	–	(400)
Increase (decrease) in provision for bonuses	5,798	(19,060)
Increase (decrease) in provision for bonuses for directors (and other officers)	6,400	(4,600)
Increase (decrease) in provision for retirement benefits	(1,275)	15,684
Increase (decrease) in provision for loss on order received	6,100	2,900
Increase (decrease) in provision for shareholder benefit program	4,098	3,268
Interest and dividend income	(1,979)	(2,551)
Fiduciary obligation fee	(3,500)	(7,243)
Subsidy income	(6,194)	(19,757)
Interest expenses	560	596
Loss on retirement of non-current assets	240	–
Decrease (increase) in trade receivables	(309,104)	18,682
Decrease (increase) in inventories	(31,113)	(15,308)
Increase (decrease) in trade payables	78,810	(44,360)
Increase (decrease) in accrued consumption taxes	47,281	(28,925)
Increase (decrease) in advances received	348	47,442
Decrease (increase) in other current assets	(13,883)	(4,493)
Increase (decrease) in other current liabilities	(47,525)	(7,582)
Subtotal	506,432	626,521
Interest and dividends received	1,979	2,551
Proceeds from fiduciary obligation fee	3,500	7,243
Subsidies received	6,194	19,757
Interest paid	(560)	(596)
Income taxes paid	(251,347)	(256,766)
Net cash provided by (used in) operating activities	266,198	398,710
Cash flows from investing activities		
Payments into time deposits	(5,413)	(5,413)
Purchase of investment securities	(2,934)	(3,140)
Purchase of property, plant and equipment and intangible assets	(29,143)	(16,655)
Other proceeds	1,074	–
Net cash provided by (used in) investing activities	(36,416)	(25,210)
Cash flows from financing activities		
Proceeds from issuance of shares	2,389	–
Dividends paid	(125,701)	(161,645)
Purchase of treasury shares	–	(52)
Net cash provided by (used in) financing activities	(123,311)	(161,698)
Net increase (decrease) in cash and cash equivalents	106,469	211,801
Cash and cash equivalents at beginning of period	2,048,982	2,155,452
Cash and cash equivalents at end of period	2,155,452	2,367,253