

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: RAKUS Co., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 3923 URL <https://www.rakus.co.jp>
 Representative: Representative Director and President Takanori Nakamura
 Director and Business Administration
 Inquiries: Takahiro Miyauchi TEL 050(8880)3200
 Headquarters
 Scheduled date to file Quarterly Securities Report: August 10, 2023
 Scheduled date to commence dividend payments: –
 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 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	8,288	34.4	1,031	260.5	1,047	256.7	705	285.5
Three months ended June 30, 2022	6,165	33.7	286	(44.9)	293	(44.2)	182	(47.1)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	3.89	–
Three months ended June 30, 2022	1.01	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	16,206	9,925	61.2
As of March 31, 2023	14,073	9,548	67.8

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, 2023	–	0.00	–	1.95	1.95
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		0.00	–	2.00	2.00

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	17,485	37.3	1,355	99.9	1,375	97.2	878	107.6	4.85

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	181,216,000 shares	As of March 31, 2023	181,216,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	1,610 shares	As of March 31, 2023	1,610 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	181,214,390 shares	Three months ended June 30, 2022	181,214,462 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	5,990	4,139
Accounts receivable - trade	4,086	4,487
Other	415	630
Allowance for doubtful accounts	(13)	(11)
Total current assets	10,479	9,246
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	255	267
Tools, furniture and fixtures, net	836	996
Construction in progress	—	1
Total property, plant and equipment	1,091	1,265
Intangible assets		
Goodwill	464	423
Software	30	47
Total intangible assets	494	470
Investments and other assets		
Long-term loans receivable from subsidiaries and associates	32	31
Guarantee deposits	1,053	1,027
Deferred tax assets	930	794
Other	17	3,383
Allowance for doubtful accounts	(25)	(12)
Total investments and other assets	2,008	5,224
Total non-current assets	3,594	6,960
Total assets	14,073	16,206

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	3	2
Short-term borrowings	—	500
Current portion of long-term borrowings	4	754
Accounts payable - other	1,443	1,700
Accrued expenses	1,119	177
Income taxes payable	548	254
Accrued consumption taxes	543	478
Contract liabilities	585	636
Provision for bonuses	—	481
Other	98	344
Total current liabilities	4,347	5,330
Non-current liabilities		
Long-term borrowings	32	781
Long-term accrued expenses	92	97
Guarantee deposits received	52	70
Total non-current liabilities	178	950
Total liabilities	4,525	6,281
Net assets		
Shareholders' equity		
Share capital	378	378
Capital surplus	308	308
Retained earnings	8,848	9,200
Treasury shares	(0)	(0)
Total shareholders' equity	9,534	9,886
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(3)	9
Foreign currency translation adjustment	17	30
Total accumulated other comprehensive income	13	39
Total net assets	9,548	9,925
Total liabilities and net assets	14,073	16,206

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	6,165	8,288
Cost of sales	1,967	2,449
Gross profit	4,198	5,838
Selling, general and administrative expenses	3,912	4,807
Operating profit	286	1,031
Non-operating income		
Interest income	0	0
Foreign exchange gains	5	2
Compensation income	0	0
Subsidy income	0	1
Reversal of allowance for doubtful accounts	—	10
Other	0	0
Total non-operating income	7	15
Non-operating expenses		
Interest expenses	0	0
Other	0	0
Total non-operating expenses	0	0
Ordinary profit	293	1,047
Extraordinary income		
Settlement income	—	7
Total extraordinary income	—	7
Extraordinary losses		
Loss on retirement of non-current assets	0	—
Total extraordinary losses	0	—
Profit before income taxes	293	1,054
Income taxes - current	29	218
Income taxes - deferred	81	130
Total income taxes	110	349
Profit	182	705
Profit attributable to owners of parent	182	705

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	182	705
Other comprehensive income		
Deferred gains or losses on hedges	9	12
Foreign currency translation adjustment	11	12
Total other comprehensive income	21	25
Comprehensive income	204	730
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	204	730