

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2022 (Based on Japanese GAAP)

November 11, 2022

Company name: rakumo Inc.
 Stock exchange listing: Tokyo
 Stock code: 4060 URL <https://corporate.rakumo.com/>
 Representative: President CEO and COO Daisuke Mitarai
 Inquiries: Director CFO Yuya Nishimura TEL 050(1746)9891
 Scheduled date to file Quarterly Securities Report: November 11, 2022
 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 nine months ended September 30, 2022 (from January 1, 2022 to September 30, 2022)

(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	%
Nine months ended September 30, 2022	802	13.4	162	3.0	155	1.5	104	(26.2)
Nine months ended September 30, 2021	707	17.4	157	71.2	152	110.3	142	111.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2022	18.40		17.86	
Nine months ended September 30, 2021	25.45		24.18	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	1,749	1,073	61.4
As of December 31, 2021	1,517	947	62.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2021	–	0.00	–	0.00	0.00
Year ending December 31, 2022	–	0.00	–		
Year ending December 31, 2022 (Forecast)				0.00	0.00

3. Forecast of consolidated financial results for the year ending December 31, 2022 (from January 1, 2022 to December 31, 2022)

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	1,100	14.2	248	8.8	244	10.5	190	0.9	33.37

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2022
(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: 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, 2022	5,701,200 shares	As of December 31, 2021	5,695,500 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	67 shares	As of December 31, 2021	67 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2022	5,698,720 shares	Nine months ended September 30, 2021	5,583,758 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2021	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	1,291,240	1,437,545
Accounts receivable - trade	40,899	39,339
Work in process	62	-
Supplies	155	155
Other	39,108	43,833
Total current assets	1,371,465	1,520,874
Non-current assets		
Property, plant and equipment	22,072	21,109
Intangible assets		
Goodwill	-	86,812
Software	46,175	48,920
Software in progress	8,214	13,460
Total intangible assets	54,390	149,194
Investments and other assets	69,159	58,150
Total non-current assets	145,621	228,454
Total assets	1,517,087	1,749,328
Liabilities		
Current liabilities		
Accounts payable - trade	26,089	33,675
Current portion of long-term borrowings	14,982	40,000
Income taxes payable	30,195	11,690
Contract liabilities	365,781	508,539
Provision for bonuses	4,022	7,112
Other	59,029	51,724
Total current liabilities	500,100	652,742
Non-current liabilities		
Long-term borrowings	50,000	10,000
Asset retirement obligations	10,392	10,754
Other	8,643	1,891
Total non-current liabilities	69,035	22,645
Total liabilities	569,136	675,388
Net assets		
Shareholders' equity		
Share capital	385,260	385,785
Capital surplus	346,110	346,635
Retained earnings	210,255	315,098
Treasury shares	(112)	(112)
Total shareholders' equity	941,513	1,047,406
Accumulated other comprehensive income		
Foreign currency translation adjustment	6,437	26,533
Total accumulated other comprehensive income	6,437	26,533
Total net assets	947,950	1,073,939
Total liabilities and net assets	1,517,087	1,749,328

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Net sales	707,625	802,336
Cost of sales	270,164	293,598
Gross profit	437,460	508,738
Selling, general and administrative expenses	279,604	346,080
Operating profit	157,856	162,657
Non-operating income		
Interest income	29	31
Other	37	1
Total non-operating income	66	32
Non-operating expenses		
Interest expenses	1,635	1,443
Foreign exchange losses	3,338	5,290
Other	0	716
Total non-operating expenses	4,974	7,450
Ordinary profit	152,949	155,239
Extraordinary losses		
Settlement package	–	3,670
Total extraordinary losses	–	3,670
Profit before income taxes	152,949	151,569
Income taxes - current	18,837	23,285
Income taxes - deferred	(7,976)	23,441
Total income taxes	10,860	46,727
Profit	142,088	104,842
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	142,088	104,842

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2021	Nine months ended September 30, 2022
Profit	142,088	104,842
Other comprehensive income		
Foreign currency translation adjustment	7,872	20,096
Total other comprehensive income	7,872	20,096
Comprehensive income	149,961	124,939
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	149,961	124,939
Comprehensive income attributable to non-controlling interests	—	—