

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 2023

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: May 12, 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 March 31, 2023 (from January 1, 2023 to March 31, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Adjusted EBITA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended March 31, 2023	294	16.6	73	47.2	71	43.2	69	46.7	48	41.7
Three months ended March 31, 2022	252	11.2	49	14.4	49	14.4	47	15.4	33	(12.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	8.36		8.18	
Three months ended March 31, 2022	5.95		5.77	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	1,823	1,203	66.0
As of December 31, 2022	1,776	1,152	64.9

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 December 31, 2022	–	0.00	–	0.00	0.00
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		0.00	–	0.00	0.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

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	1,246	13.7	291	25.6	285	26.4	197	6.9	34.29

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 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 March 31, 2023	5,756,100 shares	As of December 31, 2022	5,748,900 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	67 shares	As of December 31, 2022	67 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended March 31, 2023	5,749,966 shares	Three months ended March 31, 2022	5,697,273 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	1,435,554	1,482,272
Accounts receivable - trade	47,374	49,880
Work in process	380	527
Supplies	155	163
Other	44,602	41,280
Total current assets	1,528,067	1,574,123
Non-current assets		
Property, plant and equipment	20,084	19,615
Intangible assets		
Goodwill	84,794	82,775
Software	52,652	55,979
Software in progress	13,905	14,800
Total intangible assets	151,351	153,555
Investments and other assets	77,100	76,513
Total non-current assets	248,536	249,683
Total assets	1,776,603	1,823,807
Liabilities		
Current liabilities		
Accounts payable - trade	33,885	37,667
Current portion of long-term borrowings	40,000	–
Income taxes payable	23,920	17,413
Contract liabilities	433,954	481,172
Provision for bonuses	5,916	3,287
Asset retirement obligations	1,847	893
Other	64,391	59,630
Total current liabilities	603,914	600,063
Non-current liabilities		
Long-term borrowings	10,000	10,000
Asset retirement obligations	8,740	8,746
Other	1,459	1,040
Total non-current liabilities	20,199	19,787
Total liabilities	624,114	619,850
Net assets		
Shareholders' equity		
Share capital	390,235	390,888
Capital surplus	351,085	351,738
Retained earnings	394,808	442,869
Treasury shares	(112)	(112)
Total shareholders' equity	1,136,016	1,185,383
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	(126)
Foreign currency translation adjustment	16,473	18,699
Total accumulated other comprehensive income	16,473	18,573
Total net assets	1,152,489	1,203,956
Total liabilities and net assets	1,776,603	1,823,807

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	252,477	294,328
Cost of sales	92,739	104,007
Gross profit	159,737	190,321
Selling, general and administrative expenses	110,022	119,139
Operating profit	49,714	71,181
Non-operating income		
Interest income	7	8
Other	0	31
Total non-operating income	7	39
Non-operating expenses		
Interest expenses	489	75
Foreign exchange losses	1,727	793
Loss on investments in investment partnerships	–	647
Other	0	0
Total non-operating expenses	2,217	1,516
Ordinary profit	47,504	69,704
Profit before income taxes	47,504	69,704
Income taxes - current	5,784	14,957
Income taxes - deferred	7,812	6,686
Total income taxes	13,597	21,644
Profit	33,907	48,060
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	33,907	48,060

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	33,907	48,060
Other comprehensive income		
Valuation difference on available-for-sale securities	–	(126)
Foreign currency translation adjustment	5,794	2,226
Total other comprehensive income	5,794	2,099
Comprehensive income	39,701	50,160
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	39,701	50,160
Comprehensive income attributable to non-controlling interests	–	–