

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 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: May 13, 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 three months ended March 31, 2022 (from January 1, 2022 to March 31, 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	%
Three months ended March 31, 2022	252	11.2	49	14.4	47	15.4	33	(12.8)
Three months ended March 31, 2021	227	–	43	–	41	–	38	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2022	5.95		5.77	
Three months ended March 31, 2021	7.03		6.61	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	1,543	988	64.0
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	Yen	Yen	Yen	Yen
Year ended December 31, 2021	–	0.00	–	0.00	0.00
Year ending December 31, 2022	–				
Year ending December 31, 2022 (Forecast)		0.00	–	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	33.42

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 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
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|--|-----|
| 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 March 31, 2022	5,698,200 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 March 31, 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)

Three months ended March 31, 2022	5,697,273 shares	Three months ended March 31, 2021	5,527,176 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of December 31, 2021	As of March 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	1,291,240	1,320,154
Accounts receivable - trade	40,899	41,283
Work in process	62	30
Supplies	155	154
Other	39,108	36,910
Total current assets	1,371,465	1,398,532
Non-current assets		
Property, plant and equipment	22,072	21,600
Intangible assets		
Software	46,175	48,808
Software in progress	8,214	8,464
Total intangible assets	54,390	57,273
Investments and other assets	69,159	65,651
Total non-current assets	145,621	144,524
Total assets	1,517,087	1,543,057
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	26,089	28,643
Current portion of long-term borrowings	14,982	49,148
Income taxes payable	30,195	8,094
Contract liabilities	365,781	384,046
Provision for bonuses	4,022	4,337
Other	59,029	53,922
Total current liabilities	500,100	528,191
Non-current liabilities		
Long-term borrowings	50,000	10,000
Asset retirement obligations	10,392	10,495
Other	8,643	6,207
Total non-current liabilities	69,035	26,702
Total liabilities	569,136	554,894
<b>Net assets</b>		
Shareholders' equity		
Share capital	385,260	385,515
Capital surplus	346,110	346,365
Retained earnings	210,255	244,163
Treasury shares	(112)	(112)
Total shareholders' equity	941,513	975,931
Accumulated other comprehensive income		
Foreign currency translation adjustment	6,437	12,231
Total accumulated other comprehensive income	6,437	12,231
Total net assets	947,950	988,162
Total liabilities and net assets	1,517,087	1,543,057

**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, 2021	Three months ended March 31, 2022
Net sales	227,018	252,477
Cost of sales	88,820	92,739
Gross profit	138,198	159,737
Selling, general and administrative expenses	94,746	110,022
Operating profit	43,451	49,714
Non-operating income		
Interest income	6	7
Other	36	0
Total non-operating income	43	7
Non-operating expenses		
Interest expenses	555	489
Foreign exchange losses	1,771	1,727
Other	0	0
Total non-operating expenses	2,327	2,217
Ordinary profit	41,166	47,504
Profit before income taxes	41,166	47,504
Income taxes - current	3,757	5,784
Income taxes - deferred	(1,458)	7,812
Total income taxes	2,299	13,597
Profit	38,867	33,907
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	38,867	33,907

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended March 31, 2021	Three months ended March 31, 2022
Profit	38,867	33,907
Other comprehensive income		
Foreign currency translation adjustment	6,097	5,794
Total other comprehensive income	6,097	5,794
Comprehensive income	44,965	39,701
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	44,965	39,701
Comprehensive income attributable to non-controlling interests	—	—