

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 14, 2024

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: Headquarters Takahiro Miyauchi TEL 03(6683)3857
 Scheduled date of ordinary general meeting of shareholders: June 21, 2024
 Scheduled date to file Securities Report: June 24, 2024
 Scheduled date to commence dividend payments: June 24, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	38,408	40.2	5,559	235.7	5,610	234.5	4,185	228.4
Year ended March 31, 2023	27,399	32.8	1,656	4.9	1,677	5.1	1,274	18.2

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	23.10	–	36.6	31.8	14.5
Year ended March 31, 2023	7.03	–	14.0	13.0	6.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	21,234	13,347	62.9	73.66
As of March 31, 2023	14,073	9,548	67.8	52.69

(3) 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, 2024	5,288	(4,860)	579	7,008
Year ended March 31, 2023	2,170	(699)	(348)	5,990

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (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, 2023	–	0.00	–	1.95	1.95	353	27.7	3.9
Year ended March 31, 2024	–	0.00	–	2.35	2.35	425	10.2	3.7
Year ending March 31, 2025 (Forecast)	–	0.00	–	3.90	3.90		10.2	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	48,300	25.8	9,000	61.9	9,001	60.4	6,900	64.8	38.08

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2024	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 March 31, 2024	1,966 shares	As of March 31, 2023	1,610 shares
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Average number of shares during the period

Year ended March 31, 2024	181,214,310 shares	Year ended March 31, 2023	181,214,410 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	5,990	7,010
Accounts receivable - trade	4,086	5,702
Other	415	450
Allowance for doubtful accounts	(13)	(18)
Total current assets	10,479	13,145
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	255	288
Tools, furniture and fixtures, net	836	1,173
Total property, plant and equipment	1,091	1,461
Intangible assets		
Goodwill	464	1,696
Customer-related intangible assets	–	2,067
Software	30	46
Total intangible assets	494	3,810
Investments and other assets		
Investment securities	–	429
Long-term loans receivable from subsidiaries and associates	32	28
Guarantee deposits	1,053	1,153
Deferred tax assets	930	1,180
Other	17	41
Allowance for doubtful accounts	(25)	(16)
Total investments and other assets	2,008	2,817
Total non-current assets	3,594	8,088
Total assets	14,073	21,234

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	3	3
Current portion of long-term borrowings	4	754
Accounts payable - other	1,443	1,828
Accrued expenses	1,119	1,341
Income taxes payable	548	1,221
Accrued consumption taxes	543	1,026
Contract liabilities	585	901
Provision for bonuses	–	35
Other	98	260
Total current liabilities	4,347	7,372
Non-current liabilities		
Long-term borrowings	32	216
Long-term accrued expenses	92	91
Guarantee deposits received	52	78
Deferred tax liabilities	–	128
Total non-current liabilities	178	513
Total liabilities	4,525	7,886
Net assets		
Shareholders' equity		
Share capital	378	378
Capital surplus	308	308
Retained earnings	8,848	12,681
Treasury shares	(0)	(1)
Total shareholders' equity	9,534	13,365
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	(48)
Deferred gains or losses on hedges	(3)	1
Foreign currency translation adjustment	17	29
Total accumulated other comprehensive income	13	(18)
Total net assets	9,548	13,347
Total liabilities and net assets	14,073	21,234

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	27,399	38,408
Cost of sales	8,621	10,789
Gross profit	18,777	27,619
Selling, general and administrative expenses	17,121	22,059
Operating profit	1,656	5,559
Non-operating income		
Interest income	0	0
Foreign exchange gains	24	31
Compensation income	0	0
Subsidy income	8	2
Reversal of allowance for doubtful accounts for subsidiaries and associates	–	16
Other	3	3
Total non-operating income	37	53
Non-operating expenses		
Interest expenses	0	2
Provision of allowance for doubtful accounts for subsidiaries and associates	16	–
Other	0	0
Total non-operating expenses	16	2
Ordinary profit	1,677	5,610
Extraordinary income		
Gain on sale of investment securities	10	–
Gain on sale of businesses	200	–
Settlement income	5	7
Total extraordinary income	215	7
Extraordinary losses		
Loss on retirement of non-current assets	0	9
Loss on valuation of shares of subsidiaries and associates	52	–
Total extraordinary losses	52	9
Profit before income taxes	1,839	5,608
Income taxes - current	808	1,766
Income taxes - deferred	(242)	(344)
Total income taxes	565	1,422
Profit	1,274	4,185
Profit attributable to owners of parent	1,274	4,185

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	1,274	4,185
Other comprehensive income		
Valuation difference on available-for-sale securities	–	(48)
Deferred gains or losses on hedges	(5)	4
Foreign currency translation adjustment	6	11
Total other comprehensive income	0	(32)
Comprehensive income	1,275	4,153
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,275	4,153

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	378	308	7,918	(0)	8,604
Changes during period					
Dividends of surplus			(344)		(344)
Profit attributable to owners of parent			1,274		1,274
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	930	(0)	930
Balance at end of period	378	308	8,848	(0)	9,534

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	–	2	10	13	8,617
Changes during period					
Dividends of surplus					(344)
Profit attributable to owners of parent					1,274
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity		(5)	6	0	0
Total changes during period	–	(5)	6	0	930
Balance at end of period	–	(3)	17	13	9,548

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	378	308	8,848	(0)	9,534
Changes during period					
Dividends of surplus			(353)		(353)
Profit attributable to owners of parent			4,185		4,185
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	3,832	(0)	3,831
Balance at end of period	378	308	12,681	(1)	13,365

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	–	(3)	17	13	9,548
Changes during period					
Dividends of surplus					(353)
Profit attributable to owners of parent					4,185
Purchase of treasury shares					(0)
Net changes in items other than shareholders' equity	(48)	4	11	(32)	(32)
Total changes during period	(48)	4	11	(32)	3,799
Balance at end of period	(48)	1	29	(18)	13,347

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,839	5,608
Depreciation	422	577
Amortization of goodwill	163	290
Increase (decrease) in allowance for doubtful accounts	22	(4)
Increase (decrease) in provision for bonuses	–	9
Interest income	(0)	(0)
Interest expenses	0	2
Foreign exchange losses (gains)	(0)	(1)
Loss (gain) on sale of investment securities	(10)	–
Loss (gain) on sale of businesses	(200)	–
Settlement income	(5)	(7)
Loss on valuation of shares of subsidiaries and associates	52	–
Loss on retirement of non-current assets	0	9
Decrease (increase) in trade receivables	(902)	(1,429)
Increase (decrease) in trade payables	2	0
Increase (decrease) in accounts payable - other	222	377
Increase (decrease) in accrued expenses	388	205
Increase (decrease) in accrued consumption taxes	341	490
Increase (decrease) in guarantee deposits received	52	25
Other, net	71	284
Subtotal	2,461	6,440
Interest and dividends received	0	0
Interest paid	(0)	(2)
Proceeds from settlement received	5	7
Income taxes paid	(429)	(1,156)
Income taxes refund	132	–
Net cash provided by (used in) operating activities	2,170	5,288
Cash flows from investing activities		
Payments into time deposits	–	(1)
Purchase of property, plant and equipment	(625)	(814)
Purchase of intangible assets	(9)	(40)
Purchase of investment securities	–	(499)
Proceeds from sale of investment securities	11	–
Payments of guarantee deposits	(312)	(217)
Proceeds from refund of guarantee deposits	71	16
Proceeds from collection of loans receivable	4	4
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(3,306)
Proceeds from sale of businesses	161	–
Net cash provided by (used in) investing activities	(699)	(4,860)

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from financing activities		
Proceeds from long-term borrowings	–	1,500
Repayments of long-term borrowings	(4)	(566)
Purchase of treasury shares	(0)	(0)
Dividends paid	(344)	(353)
Net cash provided by (used in) financing activities	(348)	579
Effect of exchange rate change on cash and cash equivalents	6	10
Net increase (decrease) in cash and cash equivalents	1,128	1,018
Cash and cash equivalents at beginning of period	4,861	5,990
Cash and cash equivalents at end of period	5,990	7,008