

Translation

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

January 30, 2023

Company name: Computer Institute of Japan, Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4826 URL <https://www.cij.co.jp/>  
 Representative: President and Chief Executive Officer Akihiko Sakamoto  
 Executive Officer Management Planning  
 Inquiries: Takashi Morita TEL 045-222-0555  
 Dept. Manager  
 Scheduled date to file Quarterly Securities Report: February 14, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended December 31, 2022 (from July 1, 2022 to December 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	%
Six months ended December 31, 2022	11,208	8.0	960	29.9	968	27.8	601	60.4
Six months ended December 31, 2021	10,374	5.1	739	8.5	757	12.3	375	(18.4)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended December 31, 2022	30.65		–	
Six months ended December 31, 2021	19.01		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	16,559	13,552	81.8
As of June 30, 2022	16,680	13,740	82.4

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended June 30, 2022	–	–	–	25.00	25.00
Year ending June 30, 2023	–	–	–	–	–
Year ending June 30, 2023 (Forecast)	–	–	–	25.00	25.00

### 3. Forecast of consolidated financial results for the year ending June 30, 2023 (from July 1, 2022 to June 30, 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	22,600	5.3	1,700	8.3	1,700	6.4	1,050	8.1	53.76

4. Notes

- (1) Changes in significant subsidiaries during the six months ended December 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: Yes
- (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 December 31, 2022	22,266,096 shares	As of June 30, 2022	22,266,096 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	2,858,231 shares	As of June 30, 2022	2,493,188 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended December 31, 2022	19,639,335 shares	Six months ended December 31, 2021	19,738,121 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of June 30, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	6,450,841	7,037,247
Notes receivable - trade	–	23,600
Accounts receivable - trade	3,104,220	3,064,724
Contract assets	419,835	740,401
Securities	2,112,923	1,970,443
Merchandise and finished goods	1,656	990
Work in process	6,636	21,220
Other	235,021	215,166
Total current assets	12,331,136	13,073,793
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	371,132	358,628
Land	223,459	223,459
Construction in progress	5,000	–
Other, net	80,330	70,172
Total property, plant and equipment	679,922	652,259
Intangible assets		
Goodwill	451,976	407,449
Other	483,475	426,475
Total intangible assets	935,451	833,925
Investments and other assets		
Investment securities	1,664,609	973,658
Other	1,069,676	1,027,370
Allowance for doubtful accounts	(794)	(1,467)
Total investments and other assets	2,733,492	1,999,561
Total non-current assets	4,348,866	3,485,746
Total assets	16,680,002	16,559,540

(Thousands of yen)

	As of June 30, 2022	As of December 31, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	756,505	788,933
Short-term borrowings	280,015	270,014
Income taxes payable	263,163	332,721
Contract liabilities	93,310	46,855
Provision for bonuses	440,958	426,208
Provision for loss on orders received	–	5,840
Other	1,035,122	1,075,452
<b>Total current liabilities</b>	<b>2,869,075</b>	<b>2,946,026</b>
<b>Non-current liabilities</b>		
Retirement benefit liability	42,822	40,634
Other	27,234	20,588
<b>Total non-current liabilities</b>	<b>70,057</b>	<b>61,223</b>
<b>Total liabilities</b>	<b>2,939,133</b>	<b>3,007,249</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,270,228	2,270,228
Capital surplus	2,486,241	2,486,286
Retained earnings	10,136,358	10,244,024
Treasury shares	(1,200,049)	(1,492,873)
<b>Total shareholders' equity</b>	<b>13,692,778</b>	<b>13,507,666</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	42,516	41,563
Foreign currency translation adjustment	5,574	3,060
<b>Total accumulated other comprehensive income</b>	<b>48,091</b>	<b>44,624</b>
<b>Total net assets</b>	<b>13,740,869</b>	<b>13,552,290</b>
<b>Total liabilities and net assets</b>	<b>16,680,002</b>	<b>16,559,540</b>

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

### Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Net sales	10,374,999	11,208,173
Cost of sales	8,365,759	8,841,512
Gross profit	2,009,239	2,366,660
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	141,253	141,644
Salaries and allowances	363,075	395,073
Provision for bonuses	46,284	44,647
Welfare expenses	92,157	97,337
Rent expenses	106,919	127,088
Depreciation	64,485	84,661
Commission expenses	74,141	71,938
Recruitment expenses	11,657	22,604
Taxes and dues	73,169	54,334
Research and development expenses	60,436	87,331
Amortization of goodwill	44,526	44,526
Other	191,839	235,349
Total selling, general and administrative expenses	1,269,947	1,406,539
Operating profit	739,291	960,121
Non-operating income		
Interest income	6,263	6,663
Dividend income	7,773	7,124
Other	15,782	7,911
Total non-operating income	29,820	21,700
Non-operating expenses		
Interest expenses	1,146	501
Amortization of long-term prepaid expenses	8,201	8,853
Other	1,764	4,061
Total non-operating expenses	11,113	13,416
Ordinary profit	757,999	968,404
Extraordinary income		
Gain on sale of investment securities	17,228	17,330
Total extraordinary income	17,228	17,330
Extraordinary losses		
Office relocation expenses	158,617	–
Impairment losses	24,248	42,166
Loss on valuation of investments in capital	–	15,988
Total extraordinary losses	182,866	58,154
Profit before income taxes	592,361	927,580
Income taxes	217,056	325,591
Profit	375,304	601,988
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	375,304	601,988

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

(Thousands of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Profit	375,304	601,988
Other comprehensive income		
Valuation difference on available-for-sale securities	(8,250)	(952)
Foreign currency translation adjustment	(1,111)	(2,513)
Total other comprehensive income	(9,361)	(3,466)
Comprehensive income	365,942	598,522
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	365,942	598,522
Comprehensive income attributable to non-controlling interests	—	—