

Translation

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Summary of Consolidated Financial Results for the Three Months Ended September 30, 2023 (Based on Japanese GAAP)

October 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 Takashi Morita TEL 045-222-0555
 Inquiries: Dept. Manager
 Scheduled date to file Quarterly Securities Report: November 14, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 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 September 30, 2023 (from July 1, 2023 to September 30, 2023)

(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 September 30, 2023	6,209	14.0	446	11.2	460	13.6	302	14.5
Three months ended September 30, 2022	5,448	6.9	401	39.2	405	35.9	264	27.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended September 30, 2023	7.81		–	
Three months ended September 30, 2022	6.69		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	18,049	13,898	77.0
As of June 30, 2023	17,775	14,139	79.5

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, 2023	–	–	–	14.00	14.00
Year ending June 30, 2024	–	–	–	–	–
Year ending June 30, 2024 (Forecast)	–	–	–	16.00	16.00

3. Forecast of consolidated financial results for the year ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

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	25,300	10.7	1,880	2.7	1,880	2.2	1,180	3.2	30.45

4. Notes

- (1) Changes in significant subsidiaries during the three months ended September 30, 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: 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: 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 September 30, 2023	44,532,192 shares	As of June 30, 2023	44,532,192 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	5,784,622 shares	As of June 30, 2023	5,764,350 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2023	38,757,420 shares	Three months ended September 30, 2022	39,465,861 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	10,085,490	8,451,719
Accounts receivable - trade	3,029,467	3,310,417
Contract assets	511,409	790,975
Securities	570,122	400,341
Merchandise and finished goods	9,874	9,853
Work in process	31,748	41,321
Other	226,479	238,409
Total current assets	14,464,592	13,243,037
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	333,389	320,782
Other, net	57,929	55,653
Total property, plant and equipment	391,319	376,435
Intangible assets		
Goodwill	362,922	841,413
Other	404,285	397,157
Total intangible assets	767,207	1,238,570
Investments and other assets		
Investment securities	1,129,797	2,112,844
Other	1,025,769	1,081,726
Allowance for doubtful accounts	(2,722)	(2,722)
Total investments and other assets	2,152,844	3,191,848
Total non-current assets	3,311,371	4,806,854
Total assets	17,775,963	18,049,891

(Thousands of yen)

	As of June 30, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	839,476	907,020
Short-term borrowings	530,006	560,006
Income taxes payable	472,975	451,384
Contract liabilities	84,506	61,938
Provision for bonuses	434,904	944,475
Provision for loss on orders received	–	11,816
Other	1,208,796	1,154,219
Total current liabilities	3,570,665	4,090,860
Non-current liabilities		
Retirement benefit liability	45,758	44,496
Other	19,774	15,726
Total non-current liabilities	65,532	60,222
Total liabilities	3,636,197	4,151,083
Net assets		
Shareholders' equity		
Share capital	2,270,228	2,270,228
Capital surplus	2,486,327	2,486,327
Retained earnings	10,784,976	10,544,833
Treasury shares	(1,494,070)	(1,494,297)
Total shareholders' equity	14,047,462	13,807,092
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	84,168	83,111
Foreign currency translation adjustment	8,134	8,605
Total accumulated other comprehensive income	92,302	91,716
Total net assets	14,139,765	13,898,808
Total liabilities and net assets	17,775,963	18,049,891

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2022	Three months ended September 30, 2023
Net sales	5,448,044	6,209,968
Cost of sales	4,348,389	4,985,118
Gross profit	1,099,655	1,224,850
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	69,265	74,409
Salaries and allowances	181,562	198,268
Provision for bonuses	41,722	47,614
Welfare expenses	42,676	45,783
Rent expenses	65,986	70,015
Depreciation	42,328	44,447
Commission expenses	44,131	51,197
Recruitment expenses	5,618	5,576
Taxes and dues	29,336	28,900
Research and development expenses	41,308	23,018
Amortization of goodwill	22,263	40,809
Other	111,614	147,986
Total selling, general and administrative expenses	697,815	778,029
Operating profit	401,839	446,821
Non-operating income		
Interest income	3,727	7,372
Dividend income	1,526	1,390
Subsidy income	330	5,602
Other	4,288	5,408
Total non-operating income	9,871	19,772
Non-operating expenses		
Interest expenses	272	664
Amortization of long-term prepaid expenses	3,427	5,419
Other	2,732	299
Total non-operating expenses	6,432	6,383
Ordinary profit	405,279	460,209
Extraordinary income		
Surrender value of insurance policies	–	3,768
Other	–	113
Total extraordinary income	–	3,881
Extraordinary losses		
Loss on valuation of investments in capital	–	1,164
Total extraordinary losses	–	1,164
Profit before income taxes	405,279	462,927
Income taxes	141,081	160,320
Profit	264,197	302,606
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	264,197	302,606

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2022	Three months ended September 30, 2023
Profit	264,197	302,606
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,070)	(1,057)
Foreign currency translation adjustment	(595)	470
Total other comprehensive income	(9,665)	(586)
Comprehensive income	254,532	302,020
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	254,532	302,020
Comprehensive income attributable to non-controlling interests	—	—