

Translation

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

April 27, 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: Dept. Manager Takashi Morita TEL 045-222-0555
 Scheduled date to file Quarterly Securities Report: May 12, 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 nine months ended March 31, 2023 (from July 1, 2022 to March 31, 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	%
Nine months ended March 31, 2023	17,083	7.2	1,573	23.8	1,585	22.3	1,001	40.0
Nine months ended March 31, 2022	15,937	3.9	1,270	5.0	1,295	7.7	715	(12.9)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended March 31, 2023	25.59		–	
Nine months ended March 31, 2022	18.10		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	17,499	13,961	79.8
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)				13.00	13.00

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	26.89

4. Notes

- (1) Changes in significant subsidiaries during the nine 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: 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 March 31, 2023	44,532,192 shares	As of June 30, 2022	44,532,192 shares
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Number of treasury shares at the end of the period

As of March 31, 2023	5,745,796 shares	As of June 30, 2022	4,986,376 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended March 31, 2023	39,133,608 shares	Nine months ended March 31, 2022	39,507,085 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	6,450,841	7,435,047
Accounts receivable - trade	3,104,220	3,521,014
Contract assets	419,835	486,086
Securities	2,112,923	2,170,390
Merchandise and finished goods	1,656	699
Work in process	6,636	22,858
Other	235,021	222,860
Total current assets	12,331,136	13,858,958
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	371,132	352,627
Land	223,459	223,459
Construction in progress	5,000	–
Other, net	80,330	64,276
Total property, plant and equipment	679,922	640,363
Intangible assets		
Goodwill	451,976	385,185
Other	483,475	397,595
Total intangible assets	935,451	782,781
Investments and other assets		
Investment securities	1,664,609	1,180,744
Other	1,069,676	1,038,035
Allowance for doubtful accounts	(794)	(1,467)
Total investments and other assets	2,733,492	2,217,311
Total non-current assets	4,348,866	3,640,456
Total assets	16,680,002	17,499,414

(Thousands of yen)

	As of June 30, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	756,505	827,045
Short-term borrowings	280,015	675,035
Income taxes payable	263,163	322,360
Contract liabilities	93,310	27,240
Provision for bonuses	440,958	874,431
Other	1,035,122	725,278
Total current liabilities	2,869,075	3,451,391
Non-current liabilities		
Retirement benefit liability	42,822	41,771
Other	27,234	44,998
Total non-current liabilities	70,057	86,770
Total liabilities	2,939,133	3,538,161
Net assets		
Shareholders' equity		
Share capital	2,270,228	2,270,228
Capital surplus	2,486,241	2,486,327
Retained earnings	10,136,358	10,643,537
Treasury shares	(1,200,049)	(1,493,488)
Total shareholders' equity	13,692,778	13,906,605
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	42,516	49,936
Foreign currency translation adjustment	5,574	4,711
Total accumulated other comprehensive income	48,091	54,647
Total net assets	13,740,869	13,961,253
Total liabilities and net assets	16,680,002	17,499,414

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended March 31, 2022	Nine months ended March 31, 2023
Net sales	15,937,038	17,083,920
Cost of sales	12,675,213	13,351,866
Gross profit	3,261,825	3,732,053
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	209,257	213,823
Salaries and allowances	539,740	578,770
Provision for bonuses	93,475	88,768
Welfare expenses	138,449	146,963
Rent expenses	175,827	189,110
Depreciation	100,304	127,022
Commission expenses	106,092	109,327
Recruitment expenses	41,170	49,889
Taxes and dues	118,528	86,797
Research and development expenses	122,459	132,111
Amortization of goodwill	66,790	66,790
Other	279,108	369,143
Total selling, general and administrative expenses	1,991,203	2,158,519
Operating profit	1,270,621	1,573,534
Non-operating income		
Interest income	8,523	10,725
Dividend income	9,729	11,936
Rental income from buildings	10,322	3,172
Other	10,824	5,853
Total non-operating income	39,399	31,687
Non-operating expenses		
Interest expenses	1,441	899
Amortization of long-term prepaid expenses	10,627	14,790
Other	2,219	4,469
Total non-operating expenses	14,288	20,159
Ordinary profit	1,295,732	1,585,063
Extraordinary income		
Gain on sale of investment securities	17,228	17,330
Total extraordinary income	17,228	17,330
Extraordinary losses		
Office relocation expenses	180,204	–
Impairment losses	24,248	42,166
Loss on valuation of investments in capital	–	15,988
Total extraordinary losses	204,453	58,154
Profit before income taxes	1,108,508	1,544,238
Income taxes	393,257	542,736
Profit	715,250	1,001,501
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	715,250	1,001,501

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended March 31, 2022	Nine months ended March 31, 2023
Profit	715,250	1,001,501
Other comprehensive income		
Valuation difference on available-for-sale securities	(15,584)	7,419
Foreign currency translation adjustment	1,991	(862)
Total other comprehensive income	(13,592)	6,556
Comprehensive income	701,657	1,008,058
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	701,657	1,008,058
Comprehensive income attributable to non-controlling interests	—	—