

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended September 30, 2021 (Based on Japanese GAAP)

October 28, 2021

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 045-324-0111
 Scheduled date to file Quarterly Securities Report: November 12, 2021
 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, 2021 (from July 1, 2021 to September 30, 2021)

(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, 2021	5,096	7.1	288	21.1	298	27.6	207	29.9
Three months ended September 30, 2020	4,759	(1.1)	238	(19.2)	233	(22.4)	160	(21.1)

Note: Comprehensive income: FY2022 Q1 216million yen 31.9% FY2021 Q1 163million yen (22.4%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended September 30, 2021	12.65	–
Three months ended September 30, 2020	9.58	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	15,877	12,942	81.5
As of June 30, 2021	16,251	13,104	80.6

Note: Equity: FY2022 Q1 12,942 million yen FY2021 13,104 million yen

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 June 30, 2021	–	–	–	23.00	23.00
Year ending June 30, 2022	–	–	–	–	–
Year ending June 30, 2022 (Forecast)	–	–	–	24.00	24.00

Note: Revisions to the forecasts of dividends: No

3. Forecast of consolidated financial results for the year ending June 30, 2022 (from July 1, 2021 to June 30, 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	21,000	3.0	1,200	(13.5)	1,200	(14.1)	820	(11.0)	49.69

Note: Revisions to the forecasts of consolidated financial results: No

4. Notes

- (1) Changes in significant subsidiaries during the three months ended September 30, 2021
(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 September 30, 2021	18,555,080 shares	As of June 30, 2021	18,555,080 shares
--------------------------	-------------------	---------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2021	2,128,377 shares	As of June 30, 2021	2,121,830 shares
--------------------------	------------------	---------------------	------------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2021	16,429,914 shares	Three months ended September 30, 2020	16,708,492 shares
---------------------------------------	-------------------	---------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	7,132,053	6,997,508
Accounts receivable - trade	3,762,447	–
Notes and accounts receivable - trade, and contract assets	–	3,315,247
Securities	1,900,030	810,970
Merchandise and finished goods	1,400	1,539
Work in process	25,404	39,810
Other	262,547	310,062
Allowance for doubtful accounts	–	(38)
Total current assets	13,083,883	11,475,099
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	115,816	136,309
Land	38,576	262,035
Construction in progress	78,224	168,835
Other, net	41,573	42,302
Total property, plant and equipment	274,191	609,483
Intangible assets		
Goodwill	45,747	518,766
Other	463,157	474,776
Total intangible assets	508,905	993,543
Investments and other assets		
Investment securities	1,439,790	1,720,522
Other	945,660	1,079,424
Allowance for doubtful accounts	(766)	(756)
Total investments and other assets	2,384,685	2,799,190
Total non-current assets	3,167,782	4,402,217
Total assets	16,251,666	15,877,316

(Thousands of yen)

	As of June 30, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	707,913	683,714
Short-term borrowings	560,000	350,010
Income taxes payable	271,643	143,269
Provision for bonuses	433,419	897,020
Provision for loss on order received	424	–
Other	1,115,205	795,350
Total current liabilities	3,088,606	2,869,365
Non-current liabilities		
Retirement benefit liability	52,671	48,634
Other	6,245	17,120
Total non-current liabilities	58,916	65,755
Total liabilities	3,147,522	2,935,120
Net assets		
Shareholders' equity		
Share capital	2,270,228	2,270,228
Capital surplus	2,463,693	2,463,693
Retained earnings	9,543,037	9,372,978
Treasury shares	(1,241,655)	(1,241,672)
Total shareholders' equity	13,035,303	12,865,227
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	68,840	79,898
Foreign currency translation adjustment	–	(2,929)
Total accumulated other comprehensive income	68,840	76,968
Total net assets	13,104,143	12,942,196
Total liabilities and net assets	16,251,666	15,877,316

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, 2020	Three months ended September 30, 2021
Net sales	4,759,108	5,096,066
Cost of sales	3,920,721	4,164,354
Gross profit	838,386	931,712
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	77,222	73,550
Salaries and allowances	164,073	165,806
Provision for bonuses	46,808	44,764
Welfare expenses	38,296	42,231
Rent expenses	51,328	54,336
Depreciation	29,495	32,730
Commission expenses	42,234	45,501
Offering expenses	11,314	4,396
Taxes and dues	34,513	38,952
Research and development expenses	21,008	26,019
Amortization of goodwill	4,574	22,263
Other	79,152	92,449
Total selling, general and administrative expenses	600,024	643,004
Operating profit	238,362	288,707
Non-operating income		
Interest income	3,542	2,989
Dividend income	1,186	1,815
Other	1,142	10,668
Total non-operating income	5,871	15,473
Non-operating expenses		
Interest expenses	258	785
Amortization of long-term prepaid expenses	5,094	3,650
Other	5,210	1,508
Total non-operating expenses	10,563	5,944
Ordinary profit	233,670	298,237
Extraordinary income		
Gain on sale of investment securities	–	17,228
Gain on liquidation of investment securities	6,724	–
Total extraordinary income	6,724	17,228
Profit before income taxes	240,394	315,465
Income taxes	80,303	107,559
Profit	160,091	207,906
Profit attributable to non-controlling interests	33	–
Profit attributable to owners of parent	160,057	207,906

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2020	Three months ended September 30, 2021
Profit	160,091	207,906
Other comprehensive income		
Valuation difference on available-for-sale securities	3,637	11,058
Foreign currency translation adjustment	–	(2,929)
Total other comprehensive income	3,637	8,128
Comprehensive income	163,728	216,035
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	163,694	216,035
Comprehensive income attributable to non-controlling interests	33	–