

Translation

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Summary of Consolidated Financial Results for the Six Months Ended December 31, 2021 (Based on Japanese GAAP)

January 27, 2022

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: February 14, 2022
 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, 2021 (from July 1, 2021 to December 31, 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	%
Six months ended December 31, 2021	10,374	5.1	739	8.5	757	12.3	375	(18.4)
Six months ended December 31, 2020	9,873	(1.4)	681	(7.7)	675	(5.0)	459	(2.6)

Note: Comprehensive income: FY2022 Q2 365 million yen (24.0%) FY2021 Q2 481 million yen (0.6%)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended December 31, 2021	22.82	–
Six months ended December 31, 2020	27.66	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	16,119	13,157	81.6
As of June 30, 2021	16,251	13,104	80.6

Note: Equity: FY2022 Q2 13,157 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)	49.79

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

4. Notes

- (1) Changes in significant subsidiaries during the six months ended December 31, 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 December 31, 2021	18,555,080 shares	As of June 30, 2021	18,555,080 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	2,059,304 shares	As of June 30, 2021	2,121,830 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, 2021	16,448,434 shares	Six months ended December 31, 2020	16,628,581 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	7,132,053	6,727,390
Accounts receivable - trade	3,762,447	–
Notes and accounts receivable - trade, and contract assets	–	3,597,730
Securities	1,900,030	1,111,998
Merchandise and finished goods	1,400	1,265
Work in process	25,404	29,642
Other	262,547	274,319
Total current assets	13,083,883	11,742,345
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	115,816	393,655
Land	38,576	262,035
Construction in progress	78,224	1,325
Other, net	41,573	91,463
Accumulated impairment	–	(23,138)
Total property, plant and equipment	274,191	725,339
Intangible assets		
Goodwill	45,747	496,502
Other	463,157	474,845
Total intangible assets	508,905	971,348
Investments and other assets		
Investment securities	1,439,790	1,591,376
Other	945,660	1,090,137
Allowance for doubtful accounts	(766)	(794)
Total investments and other assets	2,384,685	2,680,719
Total non-current assets	3,167,782	4,377,407
Total assets	16,251,666	16,119,753

(Thousands of yen)

	As of June 30, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	707,913	696,540
Short-term borrowings	560,000	300,008
Income taxes payable	271,643	239,906
Provision for bonuses	433,419	430,998
Provision for loss on order received	424	–
Other	1,115,205	1,229,696
Total current liabilities	3,088,606	2,897,150
Non-current liabilities		
Retirement benefit liability	52,671	48,858
Other	6,245	16,323
Total non-current liabilities	58,916	65,181
Total liabilities	3,147,522	2,962,331
Net assets		
Shareholders' equity		
Share capital	2,270,228	2,270,228
Capital surplus	2,463,693	2,486,227
Retained earnings	9,543,037	9,540,376
Treasury shares	(1,241,655)	(1,198,889)
Total shareholders' equity	13,035,303	13,097,943
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	68,840	60,589
Foreign currency translation adjustment	–	(1,111)
Total accumulated other comprehensive income	68,840	59,478
Total net assets	13,104,143	13,157,421
Total liabilities and net assets	16,251,666	16,119,753

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, 2020	Six months ended December 31, 2021
Net sales	9,873,440	10,374,999
Cost of sales	8,028,075	8,365,759
Gross profit	1,845,365	2,009,239
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	149,330	141,253
Salaries and allowances	345,638	363,075
Provision for bonuses	41,014	46,284
Welfare expenses	83,857	92,157
Rent expenses	102,999	106,919
Depreciation	59,154	64,485
Commission expenses	77,239	74,141
Offering expenses	19,434	11,657
Taxes and dues	66,261	73,169
Research and development expenses	53,029	60,436
Amortization of goodwill	9,149	44,526
Other	156,647	191,839
Total selling, general and administrative expenses	1,163,755	1,269,947
Operating profit	681,609	739,291
Non-operating income		
Interest income	7,277	6,263
Dividend income	2,653	7,773
Subsidy income	135	333
Other	2,564	15,449
Total non-operating income	12,631	29,820
Non-operating expenses		
Interest expenses	467	1,146
Commission for purchase of treasury shares	1,992	–
Amortization of long-term prepaid expenses	9,385	8,201
Other	7,149	1,764
Total non-operating expenses	18,995	11,113
Ordinary profit	675,246	757,999
Extraordinary income		
Gain on sale of investment securities	–	17,228
Gain on liquidation of investment securities	6,724	–
Other	293	–
Total extraordinary income	7,017	17,228
Extraordinary losses		
Office relocation expenses	–	158,617
Impairment losses	–	24,248
Total extraordinary losses	–	182,866
Profit before income taxes	682,263	592,361
Income taxes	222,207	217,056
Profit	460,055	375,304
Profit attributable to non-controlling interests	95	–
Profit attributable to owners of parent	459,960	375,304

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended December 31, 2020	Six months ended December 31, 2021
Profit	460,055	375,304
Other comprehensive income		
Valuation difference on available-for-sale securities	21,398	(8,250)
Foreign currency translation adjustment	–	(1,111)
Total other comprehensive income	21,398	(9,361)
Comprehensive income	481,454	365,942
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	481,358	365,942
Comprehensive income attributable to non-controlling interests	95	–