

Translation

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**Summary of Consolidated Financial Results
for the Year Ended June 30, 2024
(Based on Japanese GAAP)**

August 7, 2024

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 of ordinary general meeting of shareholders: September 19, 2024
 Scheduled date to file Securities Report: September 19, 2024
 Scheduled date to commence dividend payments: September 4, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

(1) Consolidated operating results

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	%
Year ended June 30, 2024	25,733	12.6	1,964	7.4	1,993	8.4	948	(17.0)
Year ended June 30, 2023	22,859	6.5	1,829	16.5	1,839	15.1	1,142	17.7

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended June 30, 2024	16.35	–	6.6	11.0	7.6
Year ended June 30, 2023	19.51	–	8.2	10.7	8.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	18,497	14,509	78.4	251.34
As of June 30, 2023	17,775	14,139	79.5	243.15

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended June 30, 2024	1,177	(511)	(893)	8,958
Year ended June 30, 2023	1,939	1,730	(537)	9,185

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended June 30, 2023	–	–	–	14.00	14.00	542	47.8	3.9
Year ended June 30, 2024	–	–	–	11.00	11.00	634	67.3	4.4
Year ending June 30, 2025 (Forecast)	–	–	–	12.00	12.00		54.1	

3. Forecast of consolidated financial results for the year ending June 30, 2025 (from July 1, 2024 to June 30, 2025)

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	27,000	4.9	2,050	4.3	2,060	3.3	1,280	35.0	22.17

4. Notes

- (1) Significant changes in the scope of consolidation during the year ended June 30, 2024: No
- (2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2024	66,798,288 shares	As of June 30, 2023	66,798,288 shares
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Number of treasury shares at the end of the period

As of June 30, 2024	9,072,592 shares	As of June 30, 2023	8,646,525 shares
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Average number of shares during the period

Year ended June 30, 2024	57,984,703 shares	Year ended June 30, 2023	58,575,582 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	10,085,490	9,460,290
Accounts receivable - trade	3,029,467	3,491,160
Contract assets	511,409	607,869
Securities	570,122	399,980
Merchandise and finished goods	9,874	1,515
Work in process	31,748	27,118
Raw materials and supplies	3,466	1,679
Other	223,013	275,413
Total current assets	14,464,592	14,265,027
Non-current assets		
Property, plant and equipment		
Buildings and structures	433,153	408,971
Accumulated depreciation	(99,763)	(108,989)
Buildings and structures, net	333,389	299,981
Other	238,766	216,845
Accumulated depreciation	(180,836)	(173,086)
Other, net	57,929	43,759
Total property, plant and equipment	391,319	343,740
Intangible assets		
Software	383,164	339,607
Goodwill	362,922	445,114
Other	21,120	21,120
Total intangible assets	767,207	805,843
Investments and other assets		
Investment securities	1,129,797	2,000,841
Deferred tax assets	262,498	270,939
Other	763,270	815,791
Allowance for doubtful accounts	(2,722)	(5,073)
Total investments and other assets	2,152,844	3,082,499
Total non-current assets	3,311,371	4,232,083
Total assets	17,775,963	18,497,111

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	839,476	982,583
Short-term borrowings	530,006	520,003
Accounts payable - other	541,888	775,341
Income taxes payable	472,975	488,186
Contract liabilities	84,506	81,680
Provision for bonuses	434,904	456,949
Other	666,907	615,567
Total current liabilities	3,570,665	3,920,312
Non-current liabilities		
Retirement benefit liability	45,758	45,371
Other	19,774	22,405
Total non-current liabilities	65,532	67,777
Total liabilities	3,636,197	3,988,089
Net assets		
Shareholders' equity		
Share capital	2,270,228	2,270,228
Capital surplus	2,486,327	2,550,925
Retained earnings	10,784,976	11,190,556
Treasury shares	(1,494,070)	(1,725,939)
Total shareholders' equity	14,047,462	14,285,770
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	84,168	213,642
Foreign currency translation adjustment	8,134	9,609
Total accumulated other comprehensive income	92,302	223,251
Total net assets	14,139,765	14,509,022
Total liabilities and net assets	17,775,963	18,497,111

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Net sales	22,859,362	25,733,333
Cost of sales	17,985,512	20,448,440
Gross profit	4,873,849	5,284,893
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	285,404	360,117
Salaries and allowances	896,489	962,809
Provision for bonuses	55,434	62,708
Welfare expenses	214,383	231,610
Commission expenses	195,457	173,507
Recruitment expenses	71,143	74,678
Depreciation	170,573	170,474
Rent expenses	256,337	286,753
Amortization of goodwill	89,053	154,089
Other	809,590	843,176
Total selling, general and administrative expenses	3,043,867	3,319,925
Operating profit	1,829,982	1,964,967
Non-operating income		
Interest income	13,861	23,734
Dividend income	16,998	19,886
Subsidy income	1,775	7,466
Other	7,227	10,483
Total non-operating income	39,862	61,570
Non-operating expenses		
Interest expenses	1,620	2,560
Amortization of long-term prepaid expenses	17,761	24,140
Foreign exchange losses	3,695	2,662
Other	6,998	3,239
Total non-operating expenses	30,076	32,602
Ordinary profit	1,839,767	1,993,935
Extraordinary income		
Surrender value of insurance policies	–	3,768
Gain on sale of investment securities	17,330	1,328
Gain on sale of non-current assets	21,693	–
Other	–	113
Total extraordinary income	39,023	5,209
Extraordinary losses		
Impairment losses	42,166	303,661
Loss on sale of investment securities	–	4,225
Loss on valuation of investments in capital	18,637	1,164
Loss on sale of non-current assets	46,240	–
Total extraordinary losses	107,044	309,050
Profit before income taxes	1,771,747	1,690,094
Income taxes - current	675,225	861,796
Income taxes - deferred	(46,419)	(120,030)
Total income taxes	628,805	741,765
Profit	1,142,941	948,329
Profit attributable to non-controlling interests	–	–
Profit attributable to owners of parent	1,142,941	948,329

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Profit	1,142,941	948,329
Other comprehensive income		
Valuation difference on available-for-sale securities	41,651	129,474
Foreign currency translation adjustment	2,560	1,474
Total other comprehensive income	44,211	130,948
Comprehensive income	1,187,153	1,079,277
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,187,153	1,079,277
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended June 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,270,228	2,486,241	10,136,358	(1,200,049)	13,692,778
Changes during period					
Dividends of surplus			(494,322)		(494,322)
Profit attributable to owners of parent			1,142,941		1,142,941
Purchase of treasury shares				(294,134)	(294,134)
Disposal of treasury shares		86		113	200
Net changes in items other than shareholders' equity					
Total changes during period	-	86	648,618	(294,020)	354,684
Balance at end of period	2,270,228	2,486,327	10,784,976	(1,494,070)	14,047,462

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	42,516	5,574	48,091	13,740,869
Changes during period				
Dividends of surplus				(494,322)
Profit attributable to owners of parent				1,142,941
Purchase of treasury shares				(294,134)
Disposal of treasury shares				200
Net changes in items other than shareholders' equity	41,651	2,560	44,211	44,211
Total changes during period	41,651	2,560	44,211	398,896
Balance at end of period	84,168	8,134	92,302	14,139,765

Fiscal year ended June 30, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,270,228	2,486,327	10,784,976	(1,494,070)	14,047,462
Changes during period					
Dividends of surplus			(542,749)		(542,749)
Profit attributable to owners of parent			948,329		948,329
Purchase of treasury shares				(303,251)	(303,251)
Disposal of treasury shares		64,597		71,381	135,979
Net changes in items other than shareholders' equity					
Total changes during period	–	64,597	405,579	(231,869)	238,307
Balance at end of period	2,270,228	2,550,925	11,190,556	(1,725,939)	14,285,770

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	84,168	8,134	92,302	14,139,765
Changes during period				
Dividends of surplus				(542,749)
Profit attributable to owners of parent				948,329
Purchase of treasury shares				(303,251)
Disposal of treasury shares				135,979
Net changes in items other than shareholders' equity	129,474	1,474	130,948	130,948
Total changes during period	129,474	1,474	130,948	369,256
Balance at end of period	213,642	9,609	223,251	14,509,022

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,771,747	1,690,094
Depreciation	216,993	217,573
Impairment losses	42,166	303,661
Amortization of goodwill	89,053	154,089
Increase (decrease) in allowance for doubtful accounts	1,927	2,350
Increase (decrease) in provision for bonuses	(6,054)	10,231
Increase (decrease) in retirement benefit liability	2,935	(386)
Loss (gain) on sale of investment securities	(17,330)	2,896
Interest and dividend income	(30,860)	(43,620)
Interest expenses	1,620	2,560
Decrease (increase) in accounts receivable - trade, and contract assets	(16,778)	(335,855)
Decrease (increase) in inventories	(30,453)	14,841
Increase (decrease) in trade payables	82,971	72,072
Increase (decrease) in accounts payable - other	46,913	67,233
Other, net	203,674	23,422
Subtotal	2,358,527	2,181,165
Interest and dividends received	29,978	41,672
Interest paid	(1,744)	(2,626)
Income taxes paid	(447,589)	(1,042,425)
Net cash provided by (used in) operating activities	1,939,170	1,177,786
Cash flows from investing activities		
Payments into time deposits	(1,100,000)	(1,400,000)
Proceeds from withdrawal of time deposits	800,000	1,400,000
Purchase of securities	(600,000)	-
Proceeds from redemption of securities	2,512,300	570,000
Purchase of property, plant and equipment	(9,093)	(29,021)
Proceeds from sale of property, plant and equipment	209,466	377,250
Purchase of intangible assets	(114,850)	(120,216)
Purchase of investment securities	(295,551)	(800,000)
Proceeds from sale of investment securities	235,196	397,268
Proceeds from redemption of investment securities	100,000	100,000
Proceeds from cancellation of insurance funds	-	504,209
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,448,516)
Other, net	(7,256)	(62,817)
Net cash provided by (used in) investing activities	1,730,212	(511,843)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	249,990	(50,003)
Purchase of treasury shares	(294,763)	(303,701)
Dividends paid	(492,743)	(539,819)
Other, net	200	51
Net cash provided by (used in) financing activities	(537,315)	(893,472)
Effect of exchange rate change on cash and cash equivalents	2,580	281
Net increase (decrease) in cash and cash equivalents	3,134,648	(227,247)
Cash and cash equivalents at beginning of period	6,050,841	9,185,490
Cash and cash equivalents at end of period	9,185,490	8,958,242