

# Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending January 31, 2026 [Japanese GAAP]

June 11, 2025

Name of listed company: Computer Engineering & Consulting Ltd. Listed exchange: Tokyo  
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Scheduled date of dividend payments: –  
 Supplementary materials prepared for quarterly financial results: Yes  
 Briefing held on quarterly financial results: No

(Rounded down to the nearest million yen)

1. Consolidated financial results for the first quarter of the fiscal year ending January 31, 2026 (February 1, 2025 through April 30, 2025)

(1) Consolidated operating results (Cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q of FY ending Jan. 2026	14,335	2.0	1,785	(7.0)	1,826	(5.1)	1,260	(3.9)
1Q of FY ended Jan. 2025	14,049	6.3	1,919	4.2	1,924	3.9	1,311	2.0

(Note) Comprehensive income: 1Q of FY ending January 2026 1,009 million yen (37.0)%  
 1Q of FY ended January 2025 1,601 million yen 22.9%

	Quarterly net income per share	Diluted quarterly net income per share
	Yen	Yen
1Q of FY ending Jan. 2026	39.54	39.49
1Q of FY ended Jan. 2025	39.02	38.98

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1Q of FY ending Jan. 2026	51,516	39,333	76.3
FY ended Jan. 2025	52,636	40,401	76.7

(Reference) Total shareholders' equity: 1Q of FY ending January 2026 39,311 million yen  
 FY ended January 2025 40,365 million yen

2. Dividends

	Annual dividends				
	Q1 end	Q2 end	Q3 end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended Jan. 2025	–	25.00	–	30.00	55.00
FY ending Jan. 2026	–				
FY ending Jan. 2026 (Forecast)		30.00	–	35.00	65.00

(Note) Revision to most recently announced dividend forecast: No

3. Forecasts of consolidated financial results for the fiscal year ending January 31, 2026  
(February 1, 2025 through January 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
H1	29,300	6.3	3,270	0.6	3,280	0.4	2,220	0.3	69.21
Full year	60,500	7.6	6,780	1.2	6,820	0.2	4,900	21.3	152.76

(Note) Revision to most recently announced financial results forecast: No

\*Notes

- (1) Significant changes in scope of consolidation: None
- (2) Application of accounting policies specific to the preparation of quarterly consolidated financial statements: No
- (3) Changes in accounting policies or estimates, restatements:
- (i) Changes in accounting policies accompanying revisions of accounting standards, etc.: Yes
  - (ii) Changes other than those under (i) above: None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatements: None

Note: For more information, see the Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending January 31, 2026: Accompanying Materials: p. 9, 2. Quarterly Consolidated Financial Statements and Major Notes: (3) Notes on the Quarterly Consolidated Financial Statements: (Changes in Accounting Policies).

(4) Number of shares issued and outstanding (common stock)

(i) Number of shares issued and outstanding (including treasury stock)	1Q of FY ending Jan. 2026	36,059,600 shares	FY ended Jan. 2025	36,059,600 shares
(ii) Ended number of shares of treasury stock	1Q of FY ending Jan. 2026	4,467,236 shares	FY ended Jan. 2025	3,983,910 shares
(iii) Average number of shares during period (quarterly cumulative total)	1Q of FY ending Jan. 2026	31,888,447 shares	1Q of FY ended Jan. 2025	33,616,100 shares

\* The accompanying Quarterly Consolidated Financial Statements are not subject to review by a certified public accountant or audit firm.

\* Notes on forward-looking statements and other notes

(Forward-looking statements)

Forward-looking statements, including the forecasts of financial results contained herein, are based on information currently available to the Company and certain assumptions the Company deems reasonable. Actual results and performance may differ significantly from forecasts for various reasons. Please see page 4 (Notes on Forecasts of Consolidated Financial Results and Other Forward-Looking Information) of the accompanying materials for the conditions on which assumptions underlying the forecasts are based, important points concerning the use of forecasts, and other related information.

(How to obtain supplementary briefing materials)

The Company plans to publish supplementary briefing materials on the Company website (<https://www.cec-ltd.co.jp>) on Wednesday, June 11, 2025.

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## 1. Overview of Business Results, etc.

### (1) Overview of Business Results

Japan's economy followed a gentle recovery trend during the first quarter consolidated cumulative period under review (February 1, 2025 through April 30, 2025) as employment and income continued to improve, alongside results of other ongoing government stimulus policies. Nevertheless, the future outlook remains uncertain for various reasons, including the impact of continuing inflation and fluctuating capital and financial markets, in addition to the downside risks to the Japanese economy of US policy trends, high European interest rates, and the slowing Chinese economy.

In the information services industry, appetite remains high for investment in digital transformation (DX) to improve corporate productivity and competitive strength. Demand continued to grow for digitalization, including system upgrades and migration to the cloud as part of business structural reforms. In particular, AI-based business efficiency improvements and workstyle reforms are proliferating and demand for cybersecurity solutions remains high amid growing awareness of information security issues and the need to respond to increasingly sophisticated cyberattacks.

Under these circumstances, the Group formulated a Medium-term Management Plan to address the three-year period from the fiscal year ending January 31, 2026 through the fiscal year ending January 31, 2028. Based on business and corporate strategies, this plan targets sustained growth in corporate value, achieved through Group business activities emphasizing the pursuit of solutions to social and industrial challenges. Additionally, the Company began purchasing treasury stock under a resolution passed by the Board of Directors at its meeting held March 13, 2025, calling for the purchase of up to 2,000 million yen in treasury shares by the end of October 2025 and retirement of the same by the end of the current period in accordance with capital policies and as part of efforts to increase capital efficiency.

Business results for the cumulative first quarter consolidated period under review showed progress as planned, with net sales up 286 million yen (2.0%) from the same period of the previous year to 14,335 million yen. Higher SG&A expenses resulted in declines of 134 million yen (7.0%) in operating income to 1,785 million yen; 98 million yen (5.1%) in ordinary income to 1,826 million yen; and 50 million yen (3.9%) in quarterly net income attributable to owners of the parent to 1,260 million yen.

Business results for the individual segments are reviewed below.

Starting with the first quarter consolidated cumulative period under review, the Company reorganized its business segments in pursuit of sustained growth by responding to the changing marketplace and technological innovations. The segment categories have been revised from the two segments of the Digital Industry Business and the Service Integration Business to three segments: the Integration Segment, Connected Segment, and Solution Segment. Results for the same period of the previous fiscal year have been restated to reflect these new segments.

Segment	Business overview
Integration Segment	Providing comprehensive one-stop ICT services centered on traditional system development, ranging from information systems planning through infrastructure design, development, and operations.
Connected Segment	Systems development in areas like mobility and smart factories and providing services based on the use and analysis of digital data.
Solution Segment	Leveraging our security technologies and data centers to provide proprietary products and services to customers across diverse fields

#### (Integration Segment)

The focus business area of Migration Services showed positive performance, driven by increased inquiries concerning cloud migration and legacy migration backed by efforts to promote DX. Microsoft Services continued to grow, primarily on the strength of Power Platform projects, for which low-code development demand remains stable. The Systems and Infrastructure Development Business experienced positive performance in backbone system development for the auto industry, helping to offset the absence of major infrastructure development projects recorded in the previous year. As a result, segment net sales increased by 149 million yen (1.7%) from the same period of the previous year to 9,199 million yen. Operating income was up 145 million yen (7.4%) over the same period to 2,119 million yen.

(Connected Segment)

In the focus business area of Data Monetization, Big Data analysis infrastructure development performed well. While development projects making use of AI grew in Cloud Service Development, projects related to manufacturing DX remained unchanged and embedded software development grew in Controls Simulation. Quality Management remained unchanged from the same period of the previous year. As a result, segment net sales increased by 112 million yen (4.0%) over the same period to 2,941 million yen, while operating income was up 48 million yen (9.4%) to 565 million yen, driven by growth in focus business areas and higher sales.

(Solution Segment)

While the focus business area of Security Services attracted growing numbers of inquiries centered on education and healthcare, its sales and profits were down as a rebound from last year's large-scale projects. Inquiries concerning Hybrid Cloud Centers increased in the Data Center business, while Industry-specific solutions saw growth in logistics and healthcare. As a result, segment net sales increased by 24 million yen (1.1%) from the same period of the previous year to 2,195 million yen. Operating income was down 60 million yen (12.5%) over the same period to 427 million yen due to the negative rebound from strong sales of proprietary products in the previous period and to increased costs related to investment in data centers.

## (2) Overview of Financial Position in the Period under Review

(Total assets)

Total assets fell by 1,119 million yen from the end of the previous consolidated fiscal year to 51,516 million yen due mainly to declines of 2,041 million yen in notes and accounts receivable - trade, and contract assets, offsetting increases of 832 million yen in suspense payments included under other current assets.

(Liabilities)

Total liabilities amounted to 12,183 million yen, down 50 million yen from the end of the previous consolidated fiscal year, due mainly to declines of 706 million yen in income taxes payable and 522 million yen in accounts payable included under other current liabilities, offsetting increases of 830 million yen in allowance for bonuses.

(Net assets)

Net assets fell by 1,068 million yen from the end of the previous consolidated fiscal year to 39,333 million yen. This was attributable mainly to a decline resulting from an increase of 1,097 million yen in treasury shares, while retained earnings increased by 294 million yen.

## (3) R&D Activities

In the first quarter consolidated cumulative period under review, the reporting company played a central role in promoting R&D activities intended to create distinctive products and services capable of meeting changing client needs.

Specifically, we promoted activities like those following on from the themes of making our proprietary products more competitive through new product development and other efforts and strengthening the technological capabilities for providing valuable ICT services to clients.

R&D expenses in the first quarter consolidated cumulative period under review were down 4.2% from the same period of the previous fiscal year to 65 million yen. Reviewed below are the major R&D activities undertaken during the period.

(Solution Segment)

Drawing on advanced security technologies and robust data center services, we undertook the following R&D to provide solutions in a wide range of fields, including the public sector, education, logistics, medicine, and healthcare:

- Development of additional features and verification of their practicality in SmartSESAME® cloud-related services
- Development and verification of practicality regarding data utilization services using generative AI
- Development of additional features for LogiPull®

As a result, R&D expenses in the first quarter consolidated cumulative period under review were down 16.0% from the same period of the previous fiscal year to 32 million yen.

(Companywide)

We undertook the following R&D for cloud infrastructure for use across all segments:

- Development and implementation of a shared BizAxis™ cloud integration platform

As a result, R&D expenses in the first quarter consolidated cumulative period under review were 33 million yen (changed - % from the same period of the previous fiscal year).

(4) Notes on Forecasts of Consolidated Financial Results and Other Forward-Looking Information

There are no changes in forecasts of consolidated financial results for the fiscal year ending January 31, 2026 or for the second-quarter cumulative period of the same fiscal year announced on March 13, 2025. We will promptly disclose revised forecasts should it become necessary in light of future circumstances and business trends.

\* Forecasts of business results reflect judgments based on information currently available. They do not guarantee that the Company will achieve the forecast results. Actual results may vary from forecast figures due to changing business conditions and other factors.

## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheet

(Unit: Million yen)

	Previous Consolidated Fiscal Year (January 31, 2025)	Current First Quarter Consolidated Accounting Period (April 30, 2025)
<b>Assets</b>		
Current assets		
Cash and deposits	25,472	24,476
Notes and accounts receivable - trade, and contract assets	11,433	9,391
Product	307	101
Work in progress	574	709
Other accounts receivable	34	194
Others	1,293	2,336
Allowance for doubtful accounts	(1)	(2)
Total current assets	39,114	37,206
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	3,941	4,045
Land	2,004	2,004
Other, net	875	849
Total property, plant, and equipment	6,821	6,899
Intangible assets		
Goodwill	143	706
Others	252	236
Total intangible assets	395	943
Investments and other assets		
Others	6,315	6,477
Allowance for doubtful accounts	(11)	(11)
Total investments and other assets	6,303	6,466
Total non-current assets	13,521	14,309
Total assets	52,636	51,516

(Unit: Million yen)

	Previous Consolidated Fiscal Year (January 31, 2025)	Current First Quarter Consolidated Accounting Period (April 30, 2025)
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	2,557	2,477
Short-term loans payable	350	361
Current portion of long-term loans payable	—	7
Income taxes payable	1,603	897
Allowance for bonuses	636	1,466
Allowance for performance-linked remuneration	—	11
Allowance for share-based remuneration	—	3
Provision for loss on orders received	2	3
Others	5,240	4,777
Total current liabilities	10,389	10,006
Non-current liabilities		
Long-term loans payable	—	13
Long-term accounts payable	22	192
Provision for directors' retirement benefits	7	8
Net defined benefit liability	109	107
Asset retirement obligations	1,704	1,855
Others	1	0
Total non-current liabilities	1,844	2,177
Total liabilities	12,234	12,183
<b>Net assets</b>		
Shareholder equity		
Capital stock	6,586	6,586
Capital surplus	6,733	6,733
Retained earnings	30,539	30,833
Treasury shares	(4,660)	(5,758)
Total shareholder equity	39,198	38,395
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	824	770
Foreign currency translation adjustment	20	16
Remeasurements of defined benefit plans	322	128
Total accumulated other comprehensive income	1,167	916
Subscription rights to shares	35	22
Total net assets	40,401	39,333
Total liabilities and net assets	52,636	51,516



(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
(Quarterly Consolidated Statement of Income)  
(First Quarter Consolidated Cumulative Period)

(Unit: Million yen)

	Previous First Quarter Consolidated Cumulative Period (February 1, 2024 - April 30, 2024)	Current First Quarter Consolidated Cumulative Period (February 1, 2025 - April 30, 2025)
Net sales	14,049	14,335
Cost of sales	10,228	10,352
Gross profit	3,820	3,983
Selling, general, and administrative expenses	1,900	2,197
Operating income	1,919	1,785
Non-operating income		
Interest income	0	6
Foreign exchange gains	–	2
Dividends from insurance	7	9
Subsidy income	–	18
Others	3	7
Total non-operating income	10	43
Non-operating expenses		
Interest expenses	0	0
Loss on retirement of non-current assets	0	0
Foreign exchange loss	4	–
Commission for purchase of treasury shares	–	1
Others	0	0
Total non-operating expenses	5	2
Ordinary income	1,924	1,826
Quarterly net income before income taxes	1,924	1,826
Income taxes - current	779	791
Income taxes - deferred	(166)	(225)
Total income taxes	613	565
Quarterly net income	1,311	1,260
Quarterly net income attributable to owners of parent	1,311	1,260

(Quarterly Consolidated Statement of Comprehensive Income)  
(First Quarter Consolidated Cumulative Period)

(Unit: Million yen)

	Previous First Quarter Consolidated Cumulative Period (February 1, 2024 - April 30, 2024)	Current First Quarter Consolidated Cumulative Period (February 1, 2025 - April 30, 2025)
Quarterly net income	1,311	1,260
Other comprehensive income		
Valuation difference on available-for-sale securities	155	(53)
Foreign currency translation adjustment	4	(3)
Remeasurements of defined benefit plans	130	(193)
Total other comprehensive income	289	(251)
Quarterly comprehensive income	1,601	1,009
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of parent	1,601	1,009

### (3) Notes on the Quarterly Consolidated Financial Statements

#### (Changes in Accounting Policies)

(Application of the Accounting Standard for Current Income Taxes and other applicable standards)

The Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan [ASBJ] Statement No. 27, October 28, 2022; “2022 Revised Accounting Standard” hereinafter) and other applicable standards have been applied since the start of the first quarter consolidated cumulative period under review.

The provisional handling specified in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the provisional handling specified in the proviso to Paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; “2022 Revised Guidance” hereinafter) have been applied for revisions related to the accounting classifications of income tax (taxation on other comprehensive income). This change in accounting policies does not affect the quarterly consolidated financial statements.

For changes related to the revised handling in the consolidated financial statements of carryover for tax purposes of gains/losses on sales arising in connection with sale of assets such as stock in subsidiaries among consolidated companies, we have applied the 2022 Revised Guidance since the start of the first quarter consolidated cumulative period under review. This change in accounting policies is applied retroactively; the quarterly consolidated financial statements and consolidated financial statements for the previous fiscal year reflect this retroactive application. This change does not affect the quarterly consolidated financial statements and consolidated financial statements for the previous fiscal year.

(Segment Information, etc.)

[Segment information]

Previous First Quarter Consolidated Cumulative Period (February 1, 2024 - April 30, 2024)

1. Information on net sales and income/loss by reporting segment

(Unit: Million yen)

	Reporting segment				Adjustment (Note 1)	Amount recognized on Consolidated Financial Statements (Note 2)
	Integration Segment	Connected Segment	Solution Segment	Total		
Net sales						
Sales to external customers	9,049	2,828	2,171	14,049	—	14,049
Inter-segment sales or transfers	58	59	29	147	(147)	—
Total	9,108	2,887	2,200	14,196	(147)	14,049
Segment profit	1,973	516	488	2,978	(1,058)	1,919

(Notes) 1. The adjustment of (negative) 1,058 million yen to segment profit consists mainly of Companywide expenses not allocated to individual reporting segments. Companywide expenses consist mainly of administrative-section expenses not allocated to individual reporting segments.

2. Segment profits are adjusted against operating income reported on the Quarterly Consolidated Statement of Income.

Current First Quarter Consolidated Cumulative Period (February 1, 2025 - April 30, 2025)

1. Information on net sales and income/loss by reporting segment

(Unit: Million yen)

	Reporting segment				Adjustment (Note 1)	Amount recognized on Consolidated Financial Statements (Note 2)
	Integration Segment	Connected Segment	Solution Segment	Total		
Net sales						
Sales to external customers	9,199	2,941	2,195	14,335	—	14,335
Inter-segment sales or transfers	28	71	8	108	(108)	—
Total	9,227	3,012	2,203	14,443	(108)	14,335
Segment profit	2,119	565	427	3,111	(1,326)	1,785

(Notes) 1. The adjustment of (negative) 1,326 million yen to segment profit consists mainly of Companywide expenses not allocated to individual reporting segments. Companywide expenses consist mainly of administrative-section expenses not allocated to individual reporting segments.

2. Segment profits are adjusted against operating income reported on the Quarterly Consolidated Statement of Income.

2. Change in reporting segments, etc.

Starting with the first quarter consolidated cumulative period under review, the Company revised its business segments in pursuit of sustained growth by responding to the changing marketplace and technological innovations. The segment categories have been revised from the two segments of the Digital Industry Business and the Service Integration Business to three segments: the Integration Segment, Connected Segment, and Solution Segment.

Results for the first quarter consolidated cumulative period in the previous fiscal year have been restated based on these new segments.

(Notes in the Event of Significant Changes in the Amount of Shareholders' Equity)

(Acquisition and retirement of treasury shares)

In its meeting held March 13, 2025, the Company Board of Directors resolved to acquire treasury shares pursuant to Article 156 of the Companies Act, applicable mutatis mutandis under Article 165, Paragraph 3 of the same Act, and to retire treasury shares under Article 178 of that Act. The status of this acquisition is reviewed below.

Status of acquisition of treasury shares (as of April 30, 2025)

Total number of shares acquired: 509,500 shares

Total purchase price: 1,131 million yen

Reference: Details of March 13, 2025 Board of Directors resolution

1. Reasons for acquisition and retirement of treasury shares

The Company decided to acquire and retire treasury shares to strengthen capital efficiency and enhance the return of earnings to shareholders.

2. Details of matters related to this acquisition

- (1) Class of shares to be acquired: Company common stock
- (2) Total number of shares to be acquired: 1,200,000 shares (maximum)  
(3.74% of total shares issued and outstanding [not including treasury shares])
- (3) Total acquisition price of shares to be acquired: 2,000 million yen (maximum)
- (4) Acquisition period: March 14–October 31, 2025
- (5) Acquisition method: Market purchase on the Tokyo Stock Exchange  
(Market purchase under a discretionary contract on acquisition of treasury stock)

3. Details of matters related to the retirement of shares

- (1) Class of shares to be retired: Company common stock
- (2) Total number of shares to be retired: Total number of treasury shares acquired under 2 above  
(3.33% of total shares issued and outstanding prior to retirement)
- (3) Planned date of retirement: January 16, 2026

(Notes on the Going Concern Assumption)

Not applicable

(Notes on the Quarterly Consolidated Statement of Cash Flows)

No Consolidated Statement of Cash Flows was prepared for the first quarter consolidated cumulative period under review.  
Depreciation (including depreciation of intangible assets) in the first quarter consolidated cumulative period is shown below.

	Previous first quarter consolidated cumulative period (February 1 – April 30, 2024)	Current first quarter consolidated cumulative period (February 1 – April 30, 2025)
Depreciation	221 million yen	195 million yen

### 3. Other

Orders received and outstanding balances of orders received

Orders received and the outstanding balance of orders received in the Integration Segment during the first quarter consolidated cumulative period under review remained strong thanks to success in securing orders for large-scale public sector projects, including products. While orders received in the Connected Segment were down due to the merger of a subsidiary last year, the outstanding balance of orders received increased, centered on Big Data analysis infrastructure development for the auto industry. Orders received and the outstanding balance of orders received in the Solution Segment were down as a rebound from the large-scale public sector orders recorded last year.

Orders received during the first-quarter consolidated cumulative period are broken down below by business segment.

Segment	Orders received (million yen)	YoY change (%)	Balance of orders received (million yen)	YoY change (%)
Integration Segment	14,013	145.2	13,374	145.0
Connected Segment	3,176	91.2	2,555	108.2
Solution Segment	2,896	95.0	5,985	94.9
Total	20,086	124.1	21,915	122.5

Note: The Company has revised its reporting segments starting with the first quarter consolidated cumulative period under review.

Figures for the same period of the previous fiscal year above have been restated to reflect these changes.