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Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending January 31, 2027 [Japanese GAAP]

June 11, 2026

Name of listed company: Computer Engineering & Consulting Ltd. Listed exchange: Tokyo
Code: 9692 URL: <https://www.cec-ltd.co.jp>
Representative: (Title) Representative Director & President (Name) Takashi Himeno
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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, 2027 (February 1, 2026 through April 30, 2026)

(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. 2027	16,794	17.2	2,315	29.7	2,336	27.9	1,591	26.2
1Q of FY ended Jan. 2026	14,335	2.0	1,785	(7.0)	1,826	(5.1)	1,260	(3.9)

(Note) Comprehensive income: 1Q of FY ending January 2027 1,276 million yen 26.4%
1Q of FY ended January 2026 1,009 million yen (37.0)%

	Quarterly net income per share	Diluted quarterly net income per share
	Yen	Yen
1Q of FY ending Jan. 2027	50.99	50.96
1Q of FY ended Jan. 2026	39.54	39.49

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
1Q of FY ending Jan. 2027	62,031	42,642	68.7
FY ended Jan. 2026	62,210	42,603	68.4

(Reference) Total shareholders' equity: 1Q of FY ending January 2027 42,608 million yen
FY ended January 2026 42,581 million yen

2. Dividends

	Annual dividends				
	Q1 end	Q2 end	Q3 end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended Jan. 2026	–	30.00	–	40.00	70.00
FY ending Jan. 2027 (Forecast)	–	40.00	–	45.00	85.00

(Note) Revision to most recently announced dividend forecast: None

3. Forecasts of consolidated financial results for the fiscal year ending January 31, 2027
(February 1, 2026 through January 31, 2027)

(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	35,000	13.5	4,100	18.8	4,130	17.4	2,800	17.4	89.71
Full year	68,000	3.2	7,750	5.6	7,800	4.9	5,600	7.7	179.43

(Note) Revision to most recently announced financial results forecast: None

*Notes

- (1) Significant changes in scope of consolidation: None
- (2) Application of accounting policies specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies or estimates, restatements:
- (i) Changes in accounting policies accompanying revisions of accounting standards, etc.: None
 - (ii) Changes other than those under (i) above: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatements: None

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

(i) Number of shares issued and outstanding (including treasury shares)	1Q of FY ending Jan. 2027	35,168,200 shares	FY ended Jan. 2026	35,168,200 shares
(ii) Number of treasury shares at the end of period	1Q of FY ending Jan. 2027	3,957,736 shares	FY ended Jan. 2026	3,957,736 shares
(iii) Average number of shares during period (quarterly cumulative total)	1Q of FY ending Jan. 2027	31,210,464 shares	1Q of FY ended Jan. 2026	31,888,447 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 3 (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 Thursday, June 11, 2026.

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1. Overview of Business Results, etc.

(1) Overview of Business Results

Japan's economy maintained a course of gentle recovery during the first quarter consolidated cumulative period under review (February 1, 2026, through April 30, 2026), as employment and income continued to improve, alongside other positive effects of ongoing government stimulus policies. Nevertheless, the outlook remains uncertain for various reasons, including the impact of high energy and raw material prices associated with rising tensions in the Middle East, US trade policy trends, and financial market fluctuations.

In the information services industry, appetite remained high for investments in digital transformation (DX) intended to improve corporate productivity and competitive strength. Demand for digitalization continued to grow as part of business structural reforms, including system upgrades and migration to the cloud. In particular, use of generative AI for business efficiency improvements and to achieve workstyle reforms continued to expand, while demand for cybersecurity solutions remained high amid growing awareness of information security issues and increasingly sophisticated cyberattacks.

Under these circumstances, the CEC Group promoted business activities based on both business and corporate growth strategies in line with Medium-term Management Plan 2025-2027, striving to achieve sustained growth in corporate value by pursuing solutions to social and industrial challenges.

In the cumulative first quarter consolidated period under review, backed by strong customer ICT investment, these initiatives led to net sales growth of 2,459 million yen (17.2%) from the same period of the previous year to 16,794 million yen. Profit growth was centered on highly profitable focus business areas, driving gains of 530 million yen (29.7%) in operating income to 2,315 million yen; 509 million yen (27.9%) in ordinary income to 2,336 million yen; and 330 million yen (26.2%) in net income attributable to owners of the parent to 1,591 million yen.

Business results for the individual segments are reviewed below.

(Integration Segment)

The focus business area of Migration Services showed double-digit growth as the previous period's efforts for legacy migration projects, backed by DX momentum, generated steady results. In Microsoft Services, office automation development projects, including Microsoft 365, showed growth. The System and Infrastructure Development business showed steady progress, primarily driven by core systems development for the automotive industry, while infrastructure development continued to be led by large-scale projects for government agencies, including projects involving network equipment. As a result, segment net sales grew by 2,179 million yen (23.7%) to 11,378 million yen. Operating income rose 553 million yen (26.1%) to 2,673 million yen, driven by large-scale projects for government agencies in the System and Infrastructure Development business.

(Connected Segment)

Big Data utilization infrastructure development drove performance in the focus business area of Data Monetization, which grew as planned. Despite strong cloud-related demand, Cloud Service Development sales declined with the completion of specific projects. Controls Simulation showed only slight growth due to the effects of restrained investment, although development of in-vehicle controls grew. In Quality Management, demand grew for next-generation verification systems incorporating AI, despite a trend among customer firms toward controlling costs. As a result, segment net sales grew by 62 million yen (2.1%) to 3,003 million yen, while operating income rose 68 million yen (12.2%) to 634 million yen, driven by growth in focus business areas and continuous productivity improvements in development projects.

(Solution Segment)

The focus business area of Security Services performed well. In particular, in-house products for government agencies demonstrated sharp growth. The performance of the Data Center business slowed due to the end of some contracts, which was associated with business reorganization and delays in securing new contracts. In industry-specific solutions, business was brisk in the medical industry. As a result, segment net sales increased by 216 million yen (9.9%) to 2,411 million yen. Operating income rose 30 million yen (7.2%) to 457 million yen due to sales growth.

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

(Total assets)

Total assets fell by 179 million yen from the end of the previous consolidated fiscal year to 62,031 million yen, due mainly to a decrease of 3,969 million yen in notes and accounts receivable - trade, and contract assets, which offset an increase of 3,607 million yen in cash and deposits.

(Liabilities)

Total liabilities amounted to 19,389 million yen, down 218 million yen from the end of the previous consolidated fiscal year. Key contributing factors included a decrease of 4,107 million yen in accounts payable - trade and an increase of 4,078 million yen in contract liabilities.

(Net assets)

Net assets grew by 39 million yen from the end of the previous consolidated fiscal year to 42,642 million yen. Key contributing factors included an increase of 343 million yen in retained earnings and a decrease of 297 million yen in valuation difference on available-for-sale securities.

(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 conducted the following activities under the themes of strengthening the competitiveness of our proprietary products through new product development and enhancing the technological capabilities to provide valuable ICT services to clients.

R&D expenses in the first quarter consolidated cumulative period under review were down 37.6% from the same period of the previous fiscal year to 41 million yen. Reviewed below are the major R&D activities undertaken during the period.

(Connected Segment)

We pursued the following R&D activities in this segment, which covers the provision of products and services that support cloud-linked IoT systems development and data analysis and utilization:

- Research and development of the Resolana™ data utilization infrastructure
- Development to add functionality to the Facteye® manufacturing equipment utilization monitoring and performance control system
- AI model research and development

As a result, R&D expenses in the first quarter consolidated cumulative period under review were 31 million yen (YoY change: N/A).

(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 down 71.1% from the same period of the previous fiscal year to 9 million yen.

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

See the May 22, 2026 News Release, “Notice Concerning Revisions to First Half Consolidated Earnings Forecast (Upward) and Interim Dividend Forecast (Increase) for FYE January 2027,” for forecasts of consolidated financial results for the fiscal year ending January 31, 2027 and for the second-quarter cumulative period of the same fiscal year.

* 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, 2026)	Current First Quarter Consolidated Accounting Period (April 30, 2026)
Assets		
Current assets		
Cash and deposits	25,200	28,807
Notes and accounts receivable - trade, and contract assets	13,613	9,644
Product	5,133	4,633
Work in progress	632	658
Other accounts receivable	8	35
Others	1,625	1,935
Allowance for doubtful accounts	(2)	(1)
Total current assets	46,210	45,712
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	3,951	4,135
Land	2,007	2,007
Other, net	892	1,075
Total property, plant, and equipment	6,851	7,219
Intangible assets		
Goodwill	638	616
Others	188	219
Total intangible assets	827	835
Investments and other assets		
Others	8,333	8,275
Allowance for doubtful accounts	(11)	(11)
Total investments and other assets	8,321	8,263
Total non-current assets	16,000	16,318
Total assets	62,210	62,031

(Unit: Million yen)

	Previous Consolidated Fiscal Year (January 31, 2026)	Current First Quarter Consolidated Accounting Period (April 30, 2026)
Liabilities		
Current liabilities		
Accounts payable - trade	7,123	3,016
Short-term loans payable	352	350
Current portion of long-term loans payable	2	—
Income taxes payable	1,429	1,076
Contract liabilities	4,165	8,243
Allowance for bonuses	905	1,800
Allowance for performance-linked remuneration	—	9
Allowance for share-based remuneration	—	3
Provision for loss on orders received	4	5
Asset retirement obligations	23	1,144
Others	3,394	2,712
Total current liabilities	17,400	18,363
Non-current liabilities		
Long-term loans payable	13	—
Long-term accounts payable	22	22
Provision for directors' retirement benefits	2	3
Net defined benefit liability	106	104
Asset retirement obligations	1,973	896
Others	88	—
Total non-current liabilities	2,206	1,026
Total liabilities	19,607	19,389
Net assets		
Shareholder equity		
Capital stock	6,586	6,586
Capital surplus	6,733	6,733
Retained earnings	32,619	32,962
Treasury shares	(5,408)	(5,408)
Total shareholder equity	40,531	40,874
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,352	1,055
Foreign currency translation adjustment	22	24
Remeasurements of defined benefit plans	674	653
Total accumulated other comprehensive income	2,049	1,734
Subscription rights to shares	22	33
Total net assets	42,603	42,642
Total liabilities and net assets	62,210	62,031

(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, 2025 - April 30, 2025)	Current First Quarter Consolidated Cumulative Period (February 1, 2026 - April 30, 2026)
Net sales	14,335	16,794
Cost of sales	10,352	12,208
Gross profit	3,983	4,586
Selling, general, and administrative expenses	2,197	2,270
Operating income	1,785	2,315
Non-operating income		
Interest income	6	11
Foreign exchange gains	2	–
Dividends from insurance	9	14
Subsidy income	18	–
Others	7	1
Total non-operating income	43	27
Non-operating expenses		
Interest expenses	0	1
Loss on retirement of non-current assets	0	3
Foreign exchange loss	–	1
Commission for purchase of treasury shares	1	–
Others	0	0
Total non-operating expenses	2	6
Ordinary income	1,826	2,336
Quarterly net income before income taxes	1,826	2,336
Income taxes - current	791	961
Income taxes - deferred	(225)	(215)
Total income taxes	565	745
Quarterly net income	1,260	1,591
Quarterly net income attributable to owners of parent	1,260	1,591

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

(Unit: Million yen)

	Previous First Quarter Consolidated Cumulative Period (February 1, 2025 - April 30, 2025)	Current First Quarter Consolidated Cumulative Period (February 1, 2026 - April 30, 2026)
Quarterly net income	1,260	1,591
Other comprehensive income		
Valuation difference on available-for-sale securities	(53)	(297)
Foreign currency translation adjustment	(3)	2
Remeasurements of defined benefit plans	(193)	(20)
Total other comprehensive income	(251)	(315)
Quarterly comprehensive income	1,009	1,276
(Comprehensive income attributable to)		
Quarterly comprehensive income attributable to owners of parent	1,009	1,276

(3) Notes on the Quarterly Consolidated Financial Statements

(Segment Information, etc.)

[Segment information]

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

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.

Current First Quarter Consolidated Cumulative Period (February 1, 2026 - April 30, 2026)

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	11,378	3,003	2,411	16,794	–	16,794
Inter-segment sales or transfers	33	131	8	173	(173)	–
Total	11,411	3,135	2,420	16,968	(173)	16,794
Segment profit	2,673	634	457	3,765	(1,449)	2,315

(Notes) 1. The adjustment of (negative) 1,449 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.

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

Not applicable

(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 amortization of intangible assets excluding goodwill) and amortization of goodwill in the first quarter consolidated cumulative period are shown below.

	Previous first quarter consolidated cumulative period (February 1 – April 30, 2025)	Current first quarter consolidated cumulative period (February 1 – April 30, 2026)
Depreciation	195 million yen	194 million yen
Amortization of goodwill	6 million yen	22 million yen

(Notes on Material Subsequent Events)

(Acquisition and retirement of treasury shares)

In its meeting held June 11, 2026, 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.

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)
(3.84% of total shares issued and outstanding [not including treasury shares]) |
| (3) Total acquisition price of shares to be acquired: | 2,000,000,000 yen (maximum) |
| (4) Acquisition period: | June 12–November 30, 2026 |
| (5) Acquisition method: | Market purchase on the Tokyo Stock Exchange
(Market purchase under a discretionary contract on acquisition of treasury shares) |

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
(3.41% of total shares issued and outstanding prior to retirement) |
| (3) Planned date of retirement: | January 15, 2027 |

(Reference)

Holdings of treasury shares as of April 30, 2026

Total shares issued and outstanding (excluding treasury shares): 31,210,464 shares

Treasury shares: 3,957,736 shares

3. Other

Orders received and order backlog

During the first quarter consolidated cumulative period under review, orders received and the outstanding balance of orders received in the Integration Segment trended strongly, centered on orders for government agencies. Orders received and the outstanding balance of orders received in the Connected Segment grew, chiefly for Big Data utilization infrastructure development for the auto industry. Orders received and the outstanding balance of orders received in the Solution Segment were driven by growth in in-house products in security services.

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	15,726	112.2	19,064	142.5
Connected Segment	3,338	105.1	2,701	105.7
Solution Segment	5,156	178.0	8,613	143.9
Total	24,221	120.6	30,379	138.6