

Translation

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

July 29, 2021

Company name: CREO CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 9698 URL <https://www.creo.co.jp>
 Representative: President and Representative Director Junichi Kakizaki
 Inquiries: Managing Director, Operating officer Kazuhiko Toriya TEL 03-5783-3560
 Scheduled date to file Quarterly Securities Report: August 13, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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 June 30, 2021 (from April 1, 2021 to June 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 June 30, 2021	3,201	–	112	–	126	–	71	–
Three months ended June 30, 2020	2,972	(0.9)	67	(42.2)	102	(17.8)	6	(88.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	8.68		–	
Three months ended June 30, 2020	0.77		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	8,864	6,390	72.1
As of March 31, 2021	9,336	6,642	71.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	0.00	–	38.00	38.00
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	0.00	–	39.00	39.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 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
Six months ending September 30, 2021	7,200	–	450	–	460	–	260	–	31.76
Full year	15,500	–	1,260	–	1,275	–	800	–	97.73

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 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: Yes
- 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 June 30, 2021	8,650,369 shares	As of March 31, 2021	8,650,369 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	464,381 shares	As of March 31, 2021	464,681 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	8,185,809 shares	Three months ended June 30, 2020	8,185,766 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	3,927	4,451
Notes and accounts receivable - trade	3,203	–
Notes and accounts receivable - trade, and contract assets	–	2,041
Merchandise and finished goods	13	23
Work in process	352	419
Other	201	200
Total current assets	7,697	7,136
Non-current assets		
Property, plant and equipment	314	341
Intangible assets		
Patent right	0	0
Software	272	563
Software in progress	336	108
Other	0	0
Total intangible assets	609	671
Investments and other assets		
Investment securities	40	40
Deferred tax assets	288	288
Other	412	412
Allowance for doubtful accounts	(26)	(26)
Total investments and other assets	714	714
Total non-current assets	1,638	1,727
Total assets	9,336	8,864

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	693	579
Accounts payable - other	235	225
Income taxes payable	158	15
Provision for bonuses	577	288
Provision for bonuses for directors (and other officers)	15	–
Asset retirement obligations	14	14
Other	845	1,159
Total current liabilities	2,541	2,284
Non-current liabilities		
Directors' retirement benefits payable	22	22
Provision for share awards	48	59
Asset retirement obligations	67	95
Other	14	11
Total non-current liabilities	153	189
Total liabilities	2,694	2,473
Net assets		
Shareholders' equity		
Share capital	3,149	3,149
Capital surplus	757	757
Retained earnings	3,271	3,019
Treasury shares	(537)	(537)
Total shareholders' equity	6,641	6,389
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	1
Total accumulated other comprehensive income	0	1
Total net assets	6,642	6,390
Total liabilities and net assets	9,336	8,864

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Net sales	2,972	3,201
Cost of sales	2,326	2,456
Gross profit	645	745
Selling, general and administrative expenses	577	632
Operating profit	67	112
Non-operating income		
Interest income	0	0
Dividend income	0	0
Compensation income	110	–
Subsidy income	4	11
Other	1	2
Total non-operating income	116	13
Non-operating expenses		
Interest expenses	0	0
Loss on investments in investment partnerships	0	0
Compensation expenses	80	–
Other	0	0
Total non-operating expenses	81	0
Ordinary profit	102	126
Extraordinary losses		
Office relocation expenses	0	15
Other	–	4
Total extraordinary losses	0	20
Profit before income taxes	101	106
Total income taxes	93	34
Profit	7	71
Profit attributable to non-controlling interests	1	–
Profit attributable to owners of parent	6	71

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	7	71
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Total other comprehensive income	0	0
Comprehensive income	7	71
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6	71
Comprehensive income attributable to non-controlling interests	1	—