

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

October 27, 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: November 12, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts, financial institutions, institutional investors and general investors)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 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	%
Six months ended September 30, 2021	7,163	–	475	–	494	–	255	–
Six months ended September 30, 2020	6,748	(1.2)	413	(6.2)	459	(3.1)	264	(13.8)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	31.25		–	
Six months ended September 30, 2020	32.28		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	9,176	6,575	71.6
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	–	0.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	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
Full year	15,500	–	1,260	–	1,275	–	800	–	97.73

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2021	8,650,369 shares	As of March 31, 2021	8,650,369 shares
--------------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of September 30, 2021	464,381 shares	As of March 31, 2021	464,681 shares
--------------------------	----------------	----------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	8,185,899 shares	Six months ended September 30, 2020	8,185,759 shares
-------------------------------------	------------------	-------------------------------------	------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	3,927	3,993
Notes and accounts receivable - trade	3,203	–
Notes and accounts receivable - trade, and contract assets	–	2,975
Merchandise and finished goods	13	12
Work in process	352	250
Other	201	235
Total current assets	7,697	7,467
Non-current assets		
Property, plant and equipment	314	322
Intangible assets		
Patent right	0	0
Software	272	608
Software in progress	336	62
Other	0	0
Total intangible assets	609	671
Investments and other assets		
Investment securities	40	39
Deferred tax assets	288	288
Other	412	391
Allowance for doubtful accounts	(26)	(3)
Total investments and other assets	714	716
Total non-current assets	1,638	1,709
Total assets	9,336	9,176

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	693	613
Accounts payable - other	235	169
Income taxes payable	158	172
Provision for bonuses	577	557
Provision for bonuses for directors (and other officers)	15	–
Asset retirement obligations	14	13
Other	845	872
<b>Total current liabilities</b>	<b>2,541</b>	<b>2,400</b>
<b>Non-current liabilities</b>		
Directors' retirement benefits payable	22	22
Provision for share awards	48	71
Asset retirement obligations	67	95
Other	14	10
<b>Total non-current liabilities</b>	<b>153</b>	<b>200</b>
<b>Total liabilities</b>	<b>2,694</b>	<b>2,601</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	3,149	3,149
Capital surplus	757	757
Retained earnings	3,271	3,204
Treasury shares	(537)	(537)
<b>Total shareholders' equity</b>	<b>6,641</b>	<b>6,573</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	0	1
<b>Total accumulated other comprehensive income</b>	<b>0</b>	<b>1</b>
<b>Total net assets</b>	<b>6,642</b>	<b>6,575</b>
<b>Total liabilities and net assets</b>	<b>9,336</b>	<b>9,176</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	6,748	7,163
Cost of sales	5,174	5,485
Gross profit	1,574	1,677
Selling, general and administrative expenses	1,161	1,201
Operating profit	413	475
Non-operating income		
Interest income	0	0
Dividend income	0	0
Compensation income	110	–
Subsidy income	14	15
Other	3	4
Total non-operating income	128	20
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	82	1
Ordinary profit	459	494
Extraordinary losses		
Office relocation expenses	0	29
Loss on valuation of software	–	36
Total extraordinary losses	0	66
Profit before income taxes	458	428
Total income taxes	191	172
Profit	267	255
Profit attributable to non-controlling interests	2	–
Profit attributable to owners of parent	264	255

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	267	255
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Total other comprehensive income	0	0
Comprehensive income	267	256
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	264	256
Comprehensive income attributable to non-controlling interests	2	–

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	458	428
Depreciation	68	126
Increase (decrease) in allowance for doubtful accounts	0	(23)
Increase (decrease) in provision for bonuses	(120)	(20)
Increase (decrease) in provision for bonuses for directors (and other officers)	(36)	(15)
Increase (decrease) in provision for share awards	23	23
Interest and dividend income	(0)	(0)
Interest expenses	0	0
Loss (gain) on investments in investment partnerships	0	0
Loss on valuation of software	–	36
Decrease (increase) in trade receivables	650	–
Decrease (increase) in trade receivables and contract asset	–	476
Decrease (increase) in inventories	(316)	(140)
Increase (decrease) in trade payables	(97)	(79)
Increase (decrease) in accounts payable - other	(84)	(63)
Increase (decrease) in accrued consumption taxes	(92)	(169)
Other, net	111	184
Subtotal	565	764
Interest and dividends received	0	0
Interest paid	(0)	(0)
Income taxes paid	(295)	(158)
Net cash provided by (used in) operating activities	270	605
Cash flows from investing activities		
Purchase of property, plant and equipment	(48)	(27)
Purchase of intangible assets	(158)	(179)
Payments of guarantee deposits	(6)	(3)
Proceeds from refund of guarantee deposits	0	0
Other, net	0	(1)
Net cash provided by (used in) investing activities	(213)	(210)
Cash flows from financing activities		
Proceeds from sale of treasury shares	488	0
Purchase of treasury shares	(488)	–
Dividends paid	(286)	(325)
Dividends paid to non-controlling interests	(2)	–
Repayments of lease obligations	(3)	(3)
Net cash provided by (used in) financing activities	(292)	(328)
Net increase (decrease) in cash and cash equivalents	(236)	65
Cash and cash equivalents at beginning of period	4,128	3,927
Cash and cash equivalents at end of period	3,892	3,993