

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 2, 2022

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: February 14, 2022
 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	10,703	–	580	–	609	–	304	–
Nine months ended December 31, 2020	10,009	(2.5)	631	(16.4)	689	(13.5)	402	(24.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	37.14		–	
Nine months ended December 31, 2020	49.16		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	9,148	6,623	72.4
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2021	8,185,929 shares	Nine months ended December 31, 2020	8,185,746 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	3,927	4,298
Notes and accounts receivable - trade	3,203	–
Notes and accounts receivable - trade, and contract assets	–	2,436
Merchandise and finished goods	13	12
Work in process	352	429
Other	201	206
Total current assets	7,697	7,383
Non-current assets		
Property, plant and equipment	314	305
Intangible assets		
Patent right	0	0
Software	272	589
Software in progress	336	101
Other	0	0
Total intangible assets	609	691
Investments and other assets		
Investment securities	40	91
Deferred tax assets	288	288
Other	412	390
Allowance for doubtful accounts	(26)	(3)
Total investments and other assets	714	767
Total non-current assets	1,638	1,764
Total assets	9,336	9,148

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	693	565
Accounts payable - other	235	231
Income taxes payable	158	54
Provision for bonuses	577	281
Provision for bonuses for directors (and other officers)	15	–
Provision for loss on projects	0	209
Asset retirement obligations	14	17
Other	844	953
Total current liabilities	2,541	2,312
Non-current liabilities		
Directors' retirement benefits payable	22	22
Provision for share awards	48	83
Asset retirement obligations	67	96
Other	14	9
Total non-current liabilities	153	211
Total liabilities	2,694	2,524
Net assets		
Shareholders' equity		
Share capital	3,149	3,149
Capital surplus	757	757
Retained earnings	3,271	3,252
Treasury shares	(537)	(537)
Total shareholders' equity	6,641	6,622
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	6,623
Total liabilities and net assets	9,336	9,148

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	10,009	10,703
Cost of sales	7,659	8,343
Gross profit	2,350	2,360
Selling, general and administrative expenses	1,719	1,779
Operating profit	631	580
Non-operating income		
Interest income	0	0
Dividend income	0	0
Compensation income	110	–
Subsidy income	26	28
Other	4	9
Total non-operating income	141	38
Non-operating expenses		
Interest expenses	0	0
Loss on investments in investment partnerships	1	8
Compensation expenses	80	–
Other	0	0
Total non-operating expenses	83	9
Ordinary profit	689	609
Extraordinary income		
Gain on sale of businesses	–	2
Total extraordinary income	–	2
Extraordinary losses		
Loss on retirement of non-current assets	–	0
Settlement package	24	–
Office relocation expenses	0	57
Loss on valuation of software	–	36
Total extraordinary losses	25	94
Profit before income taxes	664	517
Total income taxes	257	213
Profit	406	304
Profit attributable to non-controlling interests	4	–
Profit attributable to owners of parent	402	304

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	406	304
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Total other comprehensive income	0	0
Comprehensive income	407	304
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	402	304
Comprehensive income attributable to non-controlling interests	4	—