

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 Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 28, 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: August 12, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	3,423	6.9	82	(26.7)	85	(31.8)	49	(30.4)
Three months ended June 30, 2021	3,201	–	112	–	126	–	71	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	6.09		–	
Three months ended June 30, 2021	8.68		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	9,233	6,501	70.4
As of March 31, 2022	9,777	6,997	71.6

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, 2022	–	0.00	–	39.00	39.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	0.00	–	40.00	40.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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, 2022	7,330	2.3	420	(11.7)	425	(14.1)	245	(4.2)	30.46
Full year	15,350	3.8	1,230	16.0	1,260	13.8	800	21.7	100.12

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
 (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: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- 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, 2022	8,650,369 shares	As of March 31, 2022	8,650,369 shares
---------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of June 30, 2022	673,781 shares	As of March 31, 2022	463,281 shares
---------------------	----------------	----------------------	----------------

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

Three months ended June 30, 2022	8,122,966 shares	Three months ended June 30, 2021	8,185,809 shares
----------------------------------	------------------	----------------------------------	------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	4,317	4,206
Notes and accounts receivable - trade, and contract assets	3,228	2,576
Merchandise and finished goods	13	12
Work in process	259	434
Other	198	187
Total current assets	8,017	7,417
Non-current assets		
Property, plant and equipment	295	294
Intangible assets		
Software	596	620
Software in progress	99	80
Other	0	0
Total intangible assets	695	701
Investments and other assets		
Investment securities	118	166
Deferred tax assets	315	320
Other	337	336
Allowance for doubtful accounts	(2)	(2)
Total investments and other assets	767	820
Total non-current assets	1,759	1,815
Total assets	9,777	9,233

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	668	525
Accounts payable - other	194	281
Income taxes payable	243	6
Provision for bonuses	556	289
Provision for loss on projects	165	210
Other	747	1,221
Total current liabilities	2,575	2,534
Non-current liabilities		
Accrued directors' retirement benefits	22	22
Provision for share awards	76	70
Asset retirement obligations	96	96
Other	8	7
Total non-current liabilities	204	197
Total liabilities	2,780	2,731
Net assets		
Shareholders' equity		
Share capital	3,149	3,149
Capital surplus	757	757
Retained earnings	3,605	3,320
Treasury shares	(535)	(734)
Total shareholders' equity	6,976	6,492
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20	8
Total accumulated other comprehensive income	20	8
Total net assets	6,997	6,501
Total liabilities and net assets	9,777	9,233

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, 2021	Three months ended June 30, 2022
Net sales	3,201	3,423
Cost of sales	2,456	2,756
Gross profit	745	666
Selling, general and administrative expenses	632	584
Operating profit	112	82
Non-operating income		
Interest income	0	0
Dividend income	0	0
Insurance claim income	0	4
Subsidy income	11	–
Other	1	1
Total non-operating income	13	5
Non-operating expenses		
Interest expenses	0	0
Loss on investments in investment partnerships	0	0
Office handling fee	–	1
Other	0	0
Total non-operating expenses	0	2
Ordinary profit	126	85
Extraordinary losses		
Office relocation expenses	20	–
Total extraordinary losses	20	–
Profit before income taxes	106	85
Total income taxes	34	36
Profit	71	49
Profit attributable to owners of parent	71	49

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	71	49
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(11)
Total other comprehensive income	0	(11)
Comprehensive income	71	38
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	71	38
Comprehensive income attributable to non-controlling interests	—	—