

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 2, 2023

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 13, 2023
 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, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	10,656	(0.4)	543	(6.3)	546	(10.3)	323	6.4
Nine months ended December 31, 2021	10,703	–	580	–	609	–	304	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	40.42		–	
Nine months ended December 31, 2021	37.14		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	9,198	6,740	73.3
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	–	0.00	–		
Year ending March 31, 2023 (Forecast)				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
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 nine months ended December 31, 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 December 31, 2022	8,585,688 shares	As of March 31, 2022	8,650,369 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	641,800 shares	As of March 31, 2022	463,281 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, 2022	8,004,061 shares	Nine months ended December 31, 2021	8,185,929 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	4,317	3,797
Notes and accounts receivable - trade, and contract assets	3,228	2,914
Merchandise and finished goods	13	16
Work in process	259	468
Other	198	174
Total current assets	8,017	7,371
Non-current assets		
Property, plant and equipment	295	276
Intangible assets		
Software	596	592
Software in progress	99	142
Other	0	0
Total intangible assets	695	734
Investments and other assets		
Investment securities	118	156
Deferred tax assets	315	322
Other	337	341
Allowance for doubtful accounts	(2)	(3)
Total investments and other assets	767	816
Total non-current assets	1,759	1,827
Total assets	9,777	9,198

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	668	497
Accounts payable - other	194	290
Income taxes payable	243	–
Provision for bonuses	556	284
Provision for loss on projects	165	210
Other	747	957
Total current liabilities	2,575	2,239
Non-current liabilities		
Directors' retirement benefits payable	22	22
Provision for share awards	76	92
Asset retirement obligations	96	97
Other	8	6
Total non-current liabilities	204	219
Total liabilities	2,780	2,458
Net assets		
Shareholders' equity		
Share capital	3,149	3,149
Capital surplus	757	698
Retained earnings	3,605	3,594
Treasury shares	(535)	(705)
Total shareholders' equity	6,976	6,737
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20	3
Total accumulated other comprehensive income	20	3
Total net assets	6,997	6,740
Total liabilities and net assets	9,777	9,198

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, 2021	Nine months ended December 31, 2022
Net sales	10,703	10,656
Cost of sales	8,343	8,400
Gross profit	2,360	2,256
Selling, general and administrative expenses	1,779	1,712
Operating profit	580	543
Non-operating income		
Interest income	0	0
Dividend income	0	0
Insurance claim income	0	4
Subsidy income	28	8
Other	8	3
Total non-operating income	38	15
Non-operating expenses		
Interest expenses	0	0
Loss on investments in investment partnerships	8	3
Commission expenses	–	3
Foreign exchange losses	–	4
Other	0	1
Total non-operating expenses	9	12
Ordinary profit	609	546
Extraordinary income		
Gain on sale of businesses	2	–
Total extraordinary income	2	–
Extraordinary losses		
Bad debts written off	–	17
Loss on retirement of non-current assets	0	0
Office relocation expenses	57	–
Loss on valuation of software	36	–
Settlement payments	–	13
Total extraordinary losses	94	30
Profit before income taxes	517	515
Total income taxes	213	192
Profit	304	323
Profit attributable to owners of parent	304	323

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	304	323
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(17)
Total other comprehensive income	0	(17)
Comprehensive income	304	306
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	304	306
Comprehensive income attributable to non-controlling interests	—	—