

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

July 26, 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: August 14, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023 | 3,404           | (0.6) | 165              | 100.1  | 166             | 94.0   | 112                                     | 127.6  |
| Three months ended June 30, 2022 | 3,423           | 6.9   | 82               | (26.7) | 85              | (31.8) | 49                                      | (30.4) |

|                                  | Earnings per share |  | Diluted earnings per share |  |
|----------------------------------|--------------------|--|----------------------------|--|
|                                  | Yen                |  | Yen                        |  |
| Three months ended June 30, 2023 | 14.17              |  | –                          |  |
| Three months ended June 30, 2022 | 6.09               |  | –                          |  |

(2) Consolidated financial position

|                      | Total assets    | Net assets      | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
|                      | Millions of yen | Millions of yen | %            |
| As of June 30, 2023  | 9,450           | 6,691           | 70.8         |
| As of March 31, 2023 | 9,748           | 6,904           | 70.8         |

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, 2023             | –                          | 0.00            | –               | 40.00           | 40.00 |
| Year ending March 31, 2024            | –                          | –               | –               | –               | –     |
| Year ending March 31, 2024 (Forecast) | –                          | 0.00            | –               | 40.00           | 40.00 |

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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, 2023 | 7,030           | (2.0) | 332              | (9.5) | 333             | (8.5) | 200                                     | (9.1) | 25.17              |
| Full year                            | 15,000          | 2.1   | 1,070            | 18.3  | 1,080           | 18.4  | 720                                     | 47.8  | 90.63              |

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023  
 (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, 2023 | 8,585,688 shares | As of March 31, 2023 | 8,585,688 shares |
|---------------------|------------------|----------------------|------------------|

Number of treasury shares at the end of the period

|                     |                |                      |                |
|---------------------|----------------|----------------------|----------------|
| As of June 30, 2023 | 636,700 shares | As of March 31, 2023 | 641,000 shares |
|---------------------|----------------|----------------------|----------------|

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

|                                  |                  |                                  |                  |
|----------------------------------|------------------|----------------------------------|------------------|
| Three months ended June 30, 2023 | 7,945,460 shares | Three months ended June 30, 2022 | 8,122,966 shares |
|----------------------------------|------------------|----------------------------------|------------------|

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

(Millions of yen)

|  | As of March 31, 2023 | As of June 30, 2023 |
|--|----------------------|---------------------|
| Assets   |                      |                     |
| Current assets   |                      |                     |
| Cash and deposits  | 3,910                | 4,412               |
| Notes and accounts receivable - trade, and contract assets | 3,567                | 2,688               |
| Merchandise and finished goods                             | 13                   | 17                  |
| Work in process  | 293                  | 387                 |
| Other  | 201                  | 221                 |
| Total current assets                                       | 7,985                | 7,727               |
| Non-current assets   |                      |                     |
| Property, plant and equipment                              | 267                  | 261                 |
| Intangible assets  |                      |                     |
| Software   | 661                  | 673                 |
| Software in progress                                       | 60                   | 12                  |
| Other  | 0                    | 0                   |
| Total intangible assets                                    | 722                  | 686                 |
| Investments and other assets                               |                      |                     |
| Investment securities                                      | 153                  | 157                 |
| Deferred tax assets  | 281                  | 280                 |
| Other  | 341                  | 340                 |
| Allowance for doubtful accounts                            | (3)                  | (3)                 |
| Total investments and other assets                         | 773                  | 774                 |
| Total non-current assets                                   | 1,762                | 1,723               |
| Total assets   | 9,748                | 9,450               |

(Millions of yen)

|   | As of March 31, 2023 | As of June 30, 2023 |
|---|----------------------|---------------------|
| <b>Liabilities</b>                                    |                      |                     |
| <b>Current liabilities</b>                            |                      |                     |
| Accounts payable - trade                              | 608                  | 479                 |
| Accounts payable - other                              | 236                  | 244                 |
| Income taxes payable                                  | 174                  | –                   |
| Provision for bonuses                                 | 598                  | 280                 |
| Provision for loss on projects                        | 197                  | 197                 |
| Other   | 815                  | 1,341               |
| <b>Total current liabilities</b>                      | <b>2,630</b>         | <b>2,542</b>        |
| <b>Non-current liabilities</b>                        |                      |                     |
| Accrued directors' retirement benefits                | 22                   | 22                  |
| Provision for share awards                            | 88                   | 90                  |
| Asset retirement obligations                          | 97                   | 97                  |
| Other   | 5                    | 5                   |
| <b>Total non-current liabilities</b>                  | <b>213</b>           | <b>216</b>          |
| <b>Total liabilities</b>                              | <b>2,844</b>         | <b>2,758</b>        |
| <b>Net assets</b>                                     |                      |                     |
| <b>Shareholders' equity</b>                           |                      |                     |
| Share capital   | 3,149                | 3,149               |
| Capital surplus                                       | 698                  | 698                 |
| Retained earnings                                     | 3,757                | 3,537               |
| Treasury shares                                       | (704)                | (699)               |
| <b>Total shareholders' equity</b>                     | <b>6,901</b>         | <b>6,686</b>        |
| <b>Accumulated other comprehensive income</b>         |                      |                     |
| Valuation difference on available-for-sale securities | 2                    | 5                   |
| <b>Total accumulated other comprehensive income</b>   | <b>2</b>             | <b>5</b>            |
| <b>Total net assets</b>                               | <b>6,904</b>         | <b>6,691</b>        |
| <b>Total liabilities and net assets</b>               | <b>9,748</b>         | <b>9,450</b>        |

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

|  | Three months ended<br>June 30, 2022 | Three months ended<br>June 30, 2023 |
|--|-------------------------------------|-------------------------------------|
| Net sales                                      | 3,423                               | 3,404                               |
| Cost of sales                                  | 2,756                               | 2,643                               |
| Gross profit                                   | 666                                 | 760                                 |
| Selling, general and administrative expenses   | 584                                 | 595                                 |
| Operating profit                               | 82                                  | 165                                 |
| Non-operating income                           |                                     |                                     |
| Interest income                                | 0                                   | 0                                   |
| Dividend income                                | 0                                   | 0                                   |
| Insurance claim income                         | 4                                   | 0                                   |
| Other  | 1                                   | 1                                   |
| Total non-operating income                     | 5                                   | 1                                   |
| 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                   | 2                                   | 0                                   |
| Ordinary profit                                | 85                                  | 166                                 |
| Profit before income taxes                     | 85                                  | 166                                 |
| Total income taxes                             | 36                                  | 54                                  |
| Profit   | 49                                  | 112                                 |
| Profit attributable to owners of parent        | 49                                  | 112                                 |

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

(Millions of yen)

|  | Three months ended<br>June 30, 2022 | Three months ended<br>June 30, 2023 |
|--|-------------------------------------|-------------------------------------|
| Profit   | 49                                  | 112                                 |
| Other comprehensive income                                     |                                     |                                     |
| Valuation difference on available-for-sale securities          | (11)                                | 3                                   |
| Total other comprehensive income                               | (11)                                | 3                                   |
| Comprehensive income   | 38                                  | 115                                 |
| Comprehensive income attributable to                           |                                     |                                     |
| Comprehensive income attributable to owners of parent          | 38                                  | 115                                 |
| Comprehensive income attributable to non-controlling interests | —                                   | —                                   |