

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 31, 2024

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, 2024
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	10,568	(0.8)	721	32.6	730	33.7	482	49.1
Nine months ended December 31, 2022	10,656	(0.4)	543	(6.3)	546	(10.3)	323	6.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	60.68		–	
Nine months ended December 31, 2022	40.42		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	9,611	7,059	73.5
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	–	0.00	–		
Year ending March 31, 2024 (Forecast)				50.00	50.00

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
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 nine months ended December 31, 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 December 31, 2023	8,585,688 shares	As of March 31, 2023	8,585,688 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	635,630 shares	As of March 31, 2023	641,000 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, 2023	7,947,783 shares	Nine months ended December 31, 2022	8,004,061 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	3,910	5,282
Notes and accounts receivable - trade, and contract assets	3,567	2,044
Merchandise and finished goods	13	12
Work in process	293	429
Other	201	185
Total current assets	7,985	7,955
Non-current assets		
Property, plant and equipment	267	260
Intangible assets		
Software	661	539
Software in progress	60	86
Other	0	0
Total intangible assets	722	625
Investments and other assets		
Investment securities	153	148
Deferred tax assets	281	281
Other	341	339
Allowance for doubtful accounts	(3)	(0)
Total investments and other assets	773	769
Total non-current assets	1,762	1,655
Total assets	9,748	9,611

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	608	463
Accounts payable - other	236	305
Income taxes payable	174	33
Provision for bonuses	598	269
Provision for loss on projects	197	197
Other	815	1,047
Total current liabilities	2,630	2,315
Non-current liabilities		
Directors' retirement benefits payable	22	22
Provision for share awards	88	109
Asset retirement obligations	97	98
Other	5	4
Total non-current liabilities	213	235
Total liabilities	2,844	2,551
Net assets		
Shareholders' equity		
Share capital	3,149	3,149
Capital surplus	698	698
Retained earnings	3,757	3,906
Treasury shares	(704)	(697)
Total shareholders' equity	6,901	7,057
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	2
Total accumulated other comprehensive income	2	2
Total net assets	6,904	7,059
Total liabilities and net assets	9,748	9,611

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, 2022	Nine months ended December 31, 2023
Net sales	10,656	10,568
Cost of sales	8,400	8,124
Gross profit	2,256	2,443
Selling, general and administrative expenses	1,712	1,722
Operating profit	543	721
Non-operating income		
Interest income	0	0
Dividend income	0	0
Insurance claim income	4	0
Subsidy income	8	7
Other	3	4
Total non-operating income	15	12
Non-operating expenses		
Interest expenses	0	0
Loss on investments in investment partnerships	3	1
Commission expenses	3	–
Foreign exchange losses	4	0
Other	1	0
Total non-operating expenses	12	2
Ordinary profit	546	730
Extraordinary income		
Gain on reversal of allowance for doubtful accounts	–	2
Total extraordinary income	–	2
Extraordinary losses		
Bad debts expenses	17	–
Loss on retirement of non-current assets	0	1
Loss on valuation of software	–	16
Settlement payments	13	–
Total extraordinary losses	30	17
Profit before income taxes	515	715
Total income taxes	192	233
Profit	323	482
Profit attributable to owners of parent	323	482

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	323	482
Other comprehensive income		
Valuation difference on available-for-sale securities	(17)	0
Total other comprehensive income	(17)	0
Comprehensive income	306	482
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	306	482
Comprehensive income attributable to non-controlling interests	—	—