

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 8, 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 of ordinary general meeting of shareholders: June 20, 2024
 Scheduled date to file Securities Report: June 24, 2024
 Scheduled date to commence dividend payments: June 21, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts, financial institutions, institutional investors and general investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	14,351	(2.3)	1,085	20.0	1,100	20.7	717	47.2
Year ended March 31, 2023	14,689	(0.6)	904	(14.7)	911	(17.7)	487	(25.9)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	90.26	–	10.1	11.1	7.6
Year ended March 31, 2023	60.99	–	7.0	9.3	6.2

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	10,057	7,296	72.5	917.75
As of March 31, 2023	9,748	6,904	70.8	869.04

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	2,174	(172)	(329)	5,584
Year ended March 31, 2023	515	(350)	(571)	3,910

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	0.00	–	40.00	40.00	333	65.6	4.6
Year ended March 31, 2024	–	0.00	–	50.00	50.00	416	55.4	5.6
Year ending March 31, 2025 (Forecast)	–	0.00	–	51.00	51.00		50.9	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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, 2024	7,050	1.0	350	(18.5)	351	(19.8)	240	(16.7)	30.39
Full year	15,000	4.5	1,140	5.1	1,145	4.1	790	10.1	100.27

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	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 March 31, 2024	635,630 shares	As of March 31, 2023	641,000 shares
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Average number of shares during the period

Year ended March 31, 2024	7,948,348 shares	Year ended March 31, 2023	7,989,239 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	3,910	5,584
Notes and accounts receivable - trade, and contract assets	3,567	2,396
Merchandise and finished goods	13	11
Work in process	293	297
Other	201	184
Total current assets	7,985	8,474
Non-current assets		
Property, plant and equipment		
Buildings and structures	369	389
Accumulated depreciation and impairment	(165)	(188)
Buildings and structures, net	203	200
Tools, furniture and fixtures	196	193
Accumulated depreciation and impairment	(155)	(156)
Tools, furniture and fixtures, net	41	36
Leased assets	17	10
Accumulated depreciation	(13)	(9)
Leased assets, net	3	0
Land	18	18
Total property, plant and equipment	267	256
Intangible assets		
Software	661	485
Software in progress	60	48
Other	0	0
Total intangible assets	722	533
Investments and other assets		
Investment securities	153	144
Deferred tax assets	281	310
Other	341	338
Allowance for doubtful accounts	(3)	(0)
Total investments and other assets	773	793
Total non-current assets	1,762	1,583
Total assets	9,748	10,057

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	608	501
Accounts payable - other	236	333
Income taxes payable	174	122
Provision for bonuses	598	530
Provision for loss on projects	197	173
Other	815	878
Total current liabilities	2,630	2,542
Non-current liabilities		
Accrued directors' retirement benefits	22	–
Provision for share awards	88	116
Asset retirement obligations	97	98
Other	5	4
Total non-current liabilities	213	219
Total liabilities	2,844	2,761
Net assets		
Shareholders' equity		
Share capital	3,149	3,149
Capital surplus	698	698
Retained earnings	3,757	4,141
Treasury shares	(704)	(697)
Total shareholders' equity	6,901	7,292
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2	3
Total accumulated other comprehensive income	2	3
Total net assets	6,904	7,296
Total liabilities and net assets	9,748	10,057

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	14,689	14,351
Cost of sales	11,441	10,961
Gross profit	3,248	3,390
Selling, general and administrative expenses		
Promotion expenses	4	3
Advertising expenses	104	101
Remuneration for directors (and other officers)	244	246
Salaries, allowances and bonuses	845	829
Retirement benefit expenses	30	29
Provision for bonuses	81	72
Provision for share awards	24	30
Other	1,009	990
Total selling, general and administrative expenses	2,344	2,304
Operating profit	904	1,085
Non-operating income		
Interest income	0	0
Dividend income	0	0
Insurance claim income	4	0
Subsidy income	12	17
Other	4	5
Total non-operating income	21	23
Non-operating expenses		
Interest expenses	0	0
Loss on investments in investment partnerships	4	7
Commission expenses	3	–
Foreign exchange losses	4	0
Other	1	0
Total non-operating expenses	14	8
Ordinary profit	911	1,100
Extraordinary income		
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	24	99
Settlement payments	22	–
Total extraordinary losses	65	100
Profit before income taxes	846	1,001
Income taxes - current	318	313
Income taxes - deferred	41	(29)
Total income taxes	359	284
Profit	487	717
Profit attributable to owners of parent	487	717

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	487	717
Other comprehensive income		
Valuation difference on available-for-sale securities	(18)	1
Total other comprehensive income	(18)	1
Comprehensive income	469	718
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	469	718
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,149	757	3,605	(535)	6,976
Changes during period					
Dividends of surplus			(334)		(334)
Profit attributable to owners of parent			487		487
Purchase of treasury shares				(236)	(236)
Cancellation of treasury shares		(58)		58	–
Disposal of treasury shares by stock payment trust				9	9
Net changes in items other than shareholders' equity					
Total changes during period	–	(58)	152	(168)	(74)
Balance at end of period	3,149	698	3,757	(704)	6,901

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	20	20	6,997
Changes during period			
Dividends of surplus			(334)
Profit attributable to owners of parent			487
Purchase of treasury shares			(236)
Cancellation of treasury shares			–
Disposal of treasury shares by stock payment trust			9
Net changes in items other than shareholders' equity	(18)	(18)	(18)
Total changes during period	(18)	(18)	(92)
Balance at end of period	2	2	6,904

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,149	698	3,757	(704)	6,901
Changes during period					
Dividends of surplus			(333)		(333)
Profit attributable to owners of parent			717		717
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares by stock payment trust				6	6
Net changes in items other than shareholders' equity					
Total changes during period	–	–	384	6	390
Balance at end of period	3,149	698	4,141	(697)	7,292

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	2	2	6,904
Changes during period			
Dividends of surplus			(333)
Profit attributable to owners of parent			717
Purchase of treasury shares			(0)
Disposal of treasury shares by stock payment trust			6
Net changes in items other than shareholders' equity	1	1	1
Total changes during period	1	1	391
Balance at end of period	3	3	7,296

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	846	1,001
Depreciation	258	272
Increase (decrease) in allowance for doubtful accounts	0	(2)
Increase (decrease) in provision for bonuses	42	(67)
Increase (decrease) in provision for loss on project contracts	31	(23)
Increase (decrease) in provision for share awards	11	27
Interest and dividend income	(0)	(0)
Interest expenses	0	0
Loss (gain) on investments in investment partnerships	4	7
Bad debt expenses	17	–
Loss on valuation of software	24	99
Decrease (increase) in accounts receivable - trade, and contract assets	(338)	1,171
Decrease (increase) in inventories	(32)	(2)
Increase (decrease) in trade payables	(59)	(106)
Increase (decrease) in accounts payable - other	41	96
Increase (decrease) in accrued consumption taxes	29	23
Other, net	18	46
Subtotal	895	2,544
Interest and dividends received	0	0
Interest paid	(0)	(0)
Income taxes paid	(379)	(369)
Net cash provided by (used in) operating activities	515	2,174
Cash flows from investing activities		
Purchase of property, plant and equipment	(12)	(29)
Purchase of intangible assets	(268)	(144)
Purchase of investment securities	(66)	–
Proceeds from sale of investment securities	–	2
Payments of guarantee deposits	(4)	(1)
Proceeds from refund of guarantee deposits	0	0
Other, net	–	(0)
Net cash provided by (used in) investing activities	(350)	(172)
Cash flows from financing activities		
Dividends paid	(334)	(332)
Purchase of treasury shares	(236)	(0)
Proceeds from disposal of treasury shares	9	6
Repayments of lease liabilities	(9)	(2)
Net cash provided by (used in) financing activities	(571)	(329)
Net increase (decrease) in cash and cash equivalents	(406)	1,673
Cash and cash equivalents at beginning of period	4,317	3,910
Cash and cash equivalents at end of period	3,910	5,584