

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended November 30, 2021 (Based on Japanese GAAP)

January 6, 2022

Company name: CREEK & RIVER Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4763 URL <https://www.cri.co.jp/>  
 Representative: President and Representative Director Yukihiro Ikawa  
 Inquiries: Director Jun Kurosaki TEL 03-4550-0011  
 Scheduled date to file Quarterly Securities Report: January 13, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended November 30, 2021 (from March 1, 2021 to November 30, 2021)

(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 November 30, 2021	31,276	13.5	3,011	57.7	3,017	55.7	1,978	56.6
Nine months ended November 30, 2020	27,557	12.3	1,909	15.3	1,938	16.7	1,263	22.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 30, 2021	88.76		88.32	
Nine months ended November 30, 2020	57.05		57.00	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of November 30, 2021	19,519	11,951	60.3
As of February 28, 2021	18,087	10,318	56.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 28, 2021	–	0.00	–	16.00	16.00
Year ending February 28, 2022	–	0.00	–		
Year ending February 28, 2022 (Forecast)				18.00	18.00

3. Forecast of consolidated financial results for the year ending February 28, 2022 (from March 1, 2021 to February 28, 2022)

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	41,300	10.7	3,200	30.7	3,200	28.7	1,950	18.4	87.48

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended November 30, 2021  
(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 November 30, 2021	23,009,000 shares	As of February 28, 2021	23,009,000 shares
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Number of treasury shares at the end of the period

As of November 30, 2021	717,700 shares	As of February 28, 2021	717,667 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended November 30, 2021	22,291,300 shares	Nine months ended November 30, 2020	22,153,391 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of February 28, 2021	As of November 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	8,315,320	9,482,951
Notes and accounts receivable - trade	5,043,213	5,139,952
Merchandise	5,255	24,659
Finished goods	332	16,521
Work in process	184,548	183,602
Supplies	1,631	1,725
Other	614,336	509,765
Allowance for doubtful accounts	(40,088)	(41,173)
Total current assets	14,124,550	15,318,005
Non-current assets		
Property, plant and equipment	691,664	661,112
Intangible assets		
Goodwill	159,301	171,103
Software	427,845	401,331
Other	43,502	113,552
Total intangible assets	630,648	685,988
Investments and other assets		
Investment securities	742,370	843,741
Investments in capital	510	333,510
Leasehold and guarantee deposits	898,765	888,275
Deferred tax assets	422,580	312,597
Other	581,981	576,046
Allowance for doubtful accounts	(5,944)	(99,324)
Total investments and other assets	2,640,263	2,854,846
Total non-current assets	3,962,576	4,201,947
Total assets	18,087,126	19,519,952
<b>Liabilities</b>		
Current liabilities		
Trade accounts payable	2,230,143	2,292,951
Accrued expenses	808,127	975,092
Short-term borrowings	1,008,230	850,348
Current portion of long-term borrowings	195,140	117,140
Income taxes payable	382,724	535,356
Accrued consumption taxes	724,322	615,637
Provision for bonuses	340,753	322,015
Guarantee implementation reserve	19,045	20,765
Other	927,656	740,273
Total current liabilities	6,636,145	6,469,580
Non-current liabilities		
Long-term borrowings	711,518	682,385
Retirement benefit liability	247,555	85,829
Provision for Shares benefits	169,761	217,686
Other	3,512	112,906
Total non-current liabilities	1,132,347	1,098,806
Total liabilities	7,768,493	7,568,387

(Thousands of yen)

	As of February 28, 2021	As of November 30, 2021
Net assets		
Shareholders' equity		
Share capital	1,177,194	1,177,194
Capital surplus	2,250,451	2,250,451
Retained earnings	7,136,504	8,763,159
Treasury shares	(476,011)	(476,070)
Total shareholders' equity	10,088,139	11,714,735
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	87,245	67,327
Foreign currency translation adjustment	(13,423)	(3,050)
Total accumulated other comprehensive income	73,822	64,276
Share acquisition rights	5,750	800
Non-controlling interests	150,921	171,752
Total net assets	10,318,633	11,951,564
Total liabilities and net assets	18,087,126	19,519,952

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

### Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended November 30, 2020	Nine months ended November 30, 2021
Net sales	27,557,812	31,276,687
Cost of sales	17,555,611	19,455,537
Gross profit	10,002,201	11,821,149
Selling, general and administrative expenses	8,092,447	8,809,536
Operating profit	1,909,754	3,011,612
Non-operating income		
Interest income	3,078	3,822
Dividend income	4,101	4,131
Surrender value of insurance policies	401	821
Subsidy income	13,339	10,110
Share of profit of entities accounted for using equity method	5,800	–
Miscellaneous income	7,022	7,304
Other	2,272	4,288
Total non-operating income	36,016	30,479
Non-operating expenses		
Interest expenses	3,957	4,096
Foreign exchange losses	1,568	700
Loss on cancellation of insurance policies	–	5,031
Provision of allowance for doubtful accounts	–	2,059
Share of loss of entities accounted for using equity method	–	10,293
Miscellaneous loss	1,509	1,017
Other	704	1,071
Total non-operating expenses	7,740	24,270
Ordinary profit	1,938,030	3,017,821
Extraordinary income		
Gain on sales of non-current assets	–	581
Gain on sales of investment securities	–	15,038
Gain on sales of shares of subsidiaries	–	1,000
Gain on reversal of share acquisition rights	–	5,750
Gain on bargain purchase	–	552
Gain on termination of retirement benefit plan	–	17,913
Total extraordinary income	–	40,836

(Thousands of yen)

	Nine months ended November 30, 2020	Nine months ended November 30, 2021
Extraordinary losses		
Loss on retirement of non-current assets	1,071	9,444
Impairment loss	–	77,258
Office transfer expense	16,808	–
Settlement package	4,188	–
Loss due to new corona virus infection	31,928	10,128
Total extraordinary losses	53,997	96,832
Profit before income taxes	1,884,032	2,961,825
Income taxes - current	557,592	861,270
Income taxes - deferred	63,681	115,868
Total income taxes	621,274	977,138
Profit	1,262,758	1,984,686
Profit (loss) attributable to non-controlling interests	(1,035)	6,174
Profit attributable to owners of parent	1,263,794	1,978,512

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

(Thousands of yen)

	Nine months ended November 30, 2020	Nine months ended November 30, 2021
Profit	1,262,758	1,984,686
Other comprehensive income		
Valuation difference on available-for-sale securities	(6,323)	(19,918)
Foreign currency translation adjustment	(2,999)	10,373
Total other comprehensive income	(9,323)	(9,545)
Comprehensive income	1,253,435	1,975,141
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,254,471	1,968,966
Comprehensive income attributable to non-controlling interests	(1,035)	6,174