

Translation

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## Summary of Consolidated Financial Results for the Year Ended February 29, 2024 (Based on Japanese GAAP)

April 11, 2024

Company name: CREEK & RIVER Co., Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 4763 URL <https://www.cri.co.jp>  
 Representative: President and Representative Director Jun Kurosaki  
 Inquiries: Corporate Officer Yuki Tochio TEL 03-4550-0011  
 Scheduled date of ordinary general meeting of shareholders: May 29, 2024  
 Scheduled date to file Securities Report: May 30, 2024  
 Scheduled date to commence dividend payments: May 30, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended February 29, 2024 (from March 1, 2023 to February 29, 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 February 29, 2024	49,799	12.9	4,103	3.7	4,137	3.4	2,658	(8.3)
Year ended February 28, 2023	44,121	5.6	3,956	16.0	4,002	17.0	2,899	30.4

	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 February 29, 2024	120.84	119.53	18.0	17.2	8.2
Year ended February 28, 2023	130.52	129.05	22.2	18.8	9.0

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 29, 2024	25,418	15,745	61.2	713.59
As of February 28, 2023	22,752	14,244	61.7	637.32

#### (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 February 29, 2024	3,251	(3,514)	(599)	8,180
Year ended February 28, 2023	2,261	(950)	(605)	9,034

### 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 February 28, 2023	—	0.00	—	27.00	27.00	606	20.7	4.6
Year ended February 29, 2024	—	0.00	—	41.00	41.00	919	33.9	6.2
Year ending February 28, 2025 (Forecast)	—	0.00	—	43.00	43.00		30.5	

3. Forecast of consolidated financial results for the year ending February 28, 2025 (from March 1, 2024 to February 28, 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 August 31, 2024	27,000	6.9	2,700	3.8	2,700	2.8	1,750	1.8	79.56
Full year	55,000	10.4	4,800	17.0	4,800	16.0	3,100	16.6	140.93

4. Notes

(1) Changes in significant subsidiaries during the year ended February 29, 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: Yes

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 February 29, 2024	23,009,000 shares	As of February 28, 2023	23,009,000 shares
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Number of treasury shares at the end of the period

As of February 29, 2024	1,216,285 shares	As of February 28, 2023	972,685 shares
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Average number of shares during the period

Year ended February 29, 2024	21,997,145 shares	Year ended February 28, 2023	22,215,953 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	9,255,060	11,468,896
Notes receivable - trade	1,760	2,018
Accounts receivable - trade	6,022,725	6,122,319
Contract assets	583,107	1,001,386
Merchandise	6,802	47,064
Finished goods	24,556	34,976
Work in process	130,621	338,483
Supplies	3,331	4,172
Other	782,904	749,234
Allowance for doubtful accounts	(45,355)	(48,464)
Total current assets	16,765,514	19,720,087
Non-current assets		
Property, plant and equipment		
Buildings and structures	676,327	685,433
Accumulated depreciation	(264,638)	(305,374)
Buildings and structures, net	411,689	380,058
Machinery, equipment and vehicles	3,904	-
Accumulated depreciation	(3,904)	-
Machinery, equipment and vehicles, net	0	-
Land	2,215	2,215
Tools, furniture and fixtures	860,424	996,537
Accumulated depreciation	(642,372)	(754,817)
Tools, furniture and fixtures, net	218,051	241,719
Leased assets	7,665	7,464
Accumulated depreciation	(5,638)	(3,094)
Leased assets, net	2,027	4,370
Construction in progress	10,164	18,236
Total property, plant and equipment	644,148	646,601
Intangible assets		
Goodwill	664,939	497,062
Software	536,443	688,177
Other	164,731	183,084
Total intangible assets	1,366,114	1,368,324
Investments and other assets		
Investment securities	1,388,101	995,872
Investments in capital	335,560	335,560
Leasehold and guarantee deposits	919,598	919,913
Deferred tax assets	405,283	393,185
Other	1,029,265	1,145,204
Allowance for doubtful accounts	(100,666)	(105,843)
Total investments and other assets	3,977,142	3,683,892
Total non-current assets	5,987,405	5,698,819
Total assets	22,752,920	25,418,907

(Thousands of yen)

	As of February 28, 2023	As of February 29, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade accounts payable	2,819,298	3,075,294
Short-term borrowings	1,350,000	2,450,000
Current portion of long-term borrowings	585,740	10,740
Income taxes payable	476,153	612,944
Accrued consumption taxes	688,181	677,045
Contract liabilities	2,759	56,678
Accrued expenses	580,902	797,574
Provision for bonuses	420,118	395,541
Other	994,149	1,085,007
<b>Total current liabilities</b>	<b>7,917,304</b>	<b>9,160,826</b>
<b>Non-current liabilities</b>		
Long-term borrowings	95,000	84,260
Retirement benefit liability	119,695	88,816
Provision for share awards	273,563	284,519
Deferred tax liabilities	31,755	27,715
Other	71,422	26,841
<b>Total non-current liabilities</b>	<b>591,436</b>	<b>512,152</b>
<b>Total liabilities</b>	<b>8,508,741</b>	<b>9,672,978</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,177,194	1,177,194
Capital surplus	2,250,451	2,457,011
Retained earnings	11,451,385	13,407,145
Treasury shares	(1,002,701)	(1,707,500)
<b>Total shareholders' equity</b>	<b>13,876,331</b>	<b>15,333,850</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	81,964	120,400
Foreign currency translation adjustment	85,908	96,801
<b>Total accumulated other comprehensive income</b>	<b>167,873</b>	<b>217,202</b>
Share acquisition rights	800	1,750
Non-controlling interests	199,174	193,126
<b>Total net assets</b>	<b>14,244,178</b>	<b>15,745,928</b>
<b>Total liabilities and net assets</b>	<b>22,752,920</b>	<b>25,418,907</b>

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

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Net sales	44,121,199	49,799,694
Cost of sales	27,102,536	31,182,205
Gross profit	17,018,662	18,617,488
Selling, general and administrative expenses	13,062,532	14,513,884
Operating profit	3,956,130	4,103,604
Non-operating income		
Interest income	7,194	11,785
Dividend income	7,851	7,909
Foreign exchange gains	–	10,870
Surrender value of insurance policies	–	8,556
Subsidy income	6,769	8,693
Share of profit of entities accounted for using equity method	27,566	–
Gain on investments in investment partnerships	–	6,738
Miscellaneous income	12,295	5,687
Other	2,737	4,803
Total non-operating income	64,415	65,045
Non-operating expenses		
Interest expenses	4,398	6,194
Foreign exchange losses	488	–
Provision of allowance for doubtful accounts	–	13,122
Share of loss of entities accounted for using equity method	–	5,289
Miscellaneous losses	10,303	5,170
Other	3,322	1,671
Total non-operating expenses	18,513	31,448
Ordinary profit	4,002,032	4,137,200
Extraordinary income		
Gain on sale of non-current assets	–	363
Gain on sale of investment securities	30,000	–
Gain on sale of shares of subsidiaries	36,377	–
Gain on step acquisitions	95,900	–
Total extraordinary income	162,277	363
Extraordinary losses		
Loss on retirement of non-current assets	3,553	2,770
Loss on sale of non-current assets	–	105
Loss on sale of investment securities	–	17,450
Office transfer expense	1,591	–
Settlement payments	57,497	–
Loss due to new corona virus infection	1,362	–
Impairment losses	–	39,924
Loss on liquidation of subsidiaries	–	258
Total extraordinary losses	64,005	60,508
Profit before income taxes	4,100,305	4,077,055
Income taxes - current	1,194,225	1,428,502
Income taxes - deferred	12,802	793
Total income taxes	1,207,027	1,429,295
Profit	2,893,278	2,647,760
Loss attributable to non-controlling interests	(6,345)	(10,342)
Profit attributable to owners of parent	2,899,623	2,658,102

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Profit	2,893,278	2,647,760
Other comprehensive income		
Valuation difference on available-for-sale securities	20,470	38,436
Foreign currency translation adjustment	51,901	10,892
Total other comprehensive income	72,371	49,329
Comprehensive income	2,965,649	2,697,089
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,971,995	2,707,431
Comprehensive income attributable to non-controlling interests	(6,345)	(10,342)

## Consolidated statements of changes in equity

Fiscal year ended February 28, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,177,194	2,250,451	9,008,755	(476,070)	11,960,332
Cumulative effects of changes in accounting policies			(2,767)		(2,767)
Restated balance	1,177,194	2,250,451	9,005,987	(476,070)	11,957,564
Changes during period					
Dividends of surplus			(454,226)		(454,226)
Profit attributable to owners of parent			2,899,623		2,899,623
Purchase of treasury shares				(526,631)	(526,631)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	2,445,397	(526,631)	1,918,766
Balance at end of period	1,177,194	2,250,451	11,451,385	(1,002,701)	13,876,331

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	61,494	34,007	95,501	800	181,955	12,238,589
Cumulative effects of changes in accounting policies						(2,767)
Restated balance	61,494	34,007	95,501	800	181,955	12,235,821
Changes during period						
Dividends of surplus						(454,226)
Profit attributable to owners of parent						2,899,623
Purchase of treasury shares						(526,631)
Net changes in items other than shareholders' equity	20,470	51,901	72,371	–	17,219	89,590
Total changes during period	20,470	51,901	72,371	–	17,219	2,008,357
Balance at end of period	81,964	85,908	167,873	800	199,174	14,244,178

Fiscal year ended February 29, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,177,194	2,250,451	11,451,385	(1,002,701)	13,876,331
Changes during period					
Dividends of surplus			(606,320)		(606,320)
Profit attributable to owners of parent			2,658,102		2,658,102
Purchase of treasury shares				(999,766)	(999,766)
Disposal of treasury shares		211,832		294,966	506,799
Capital increase of consolidated subsidiaries		(5,273)			(5,273)
Change in scope of equity method			(96,084)		(96,084)
Change in scope of consolidation			61		61
Net changes in items other than shareholders' equity					
Total changes during period	–	206,559	1,955,759	(704,799)	1,457,519
Balance at end of period	1,177,194	2,457,011	13,407,145	(1,707,500)	15,333,850

	Accumulated other comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	81,964	85,908	167,873	800	199,174	14,244,178
Changes during period						
Dividends of surplus						(606,320)
Profit attributable to owners of parent						2,658,102
Purchase of treasury shares						(999,766)
Disposal of treasury shares						506,799
Capital increase of consolidated subsidiaries						(5,273)
Change in scope of equity method						(96,084)
Change in scope of consolidation						61
Net changes in items other than shareholders' equity	38,436	10,892	49,329	950	(6,048)	44,230
Total changes during period	38,436	10,892	49,329	950	(6,048)	1,501,749
Balance at end of period	120,400	96,801	217,202	1,750	193,126	15,745,928



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from operating activities		
Profit before income taxes	4,100,305	4,077,055
Depreciation	323,265	370,670
Impairment losses	–	39,924
Amortization of goodwill	122,452	164,821
Share of loss (profit) of entities accounted for using equity method	(27,566)	5,289
Loss (gain) on step acquisitions	(95,900)	–
Increase (decrease) in allowance for doubtful accounts	(1,453)	8,285
Increase (decrease) in provision for bonuses	663	(24,577)
Increase (decrease) in retirement benefit liability	(7,449)	(30,879)
Increase (decrease) in provision for share awards	55,877	10,956
Interest and dividend income	(15,046)	(19,694)
Interest expenses	4,398	6,194
Foreign exchange losses (gains)	4,791	(8,130)
Surrender value of insurance policies	–	(8,556)
Loss (gain) on investments in investment partnerships	–	(6,738)
Loss (gain) on sale of investment securities	(30,000)	17,450
Loss (gain) on sale of non-current assets	–	(258)
Loss on retirement of non-current assets	3,553	2,770
Decrease (increase) in trade receivables and contract assets	(872,905)	(492,386)
Decrease (increase) in inventories	80,789	(39,806)
Increase (decrease) in trade payables	92,592	215,686
Decrease (increase) in other assets	(30,211)	86,913
Increase (decrease) in other liabilities	(214,426)	216,320
Subtotal	3,493,730	4,591,311
Interest and dividends received	13,946	18,383
Interest paid	(4,412)	(5,968)
Income taxes refund (paid)	(1,242,220)	(1,352,649)
Net cash provided by (used in) operating activities	2,261,043	3,251,077

(Thousands of yen)

	Fiscal year ended February 28, 2023	Fiscal year ended February 29, 2024
Cash flows from investing activities		
Payments into time deposits	(110,000)	(5,680,000)
Proceeds from withdrawal of time deposits	810,000	2,610,000
Purchase of investment securities	(388,906)	(147,728)
Proceeds from sale of investment securities	30,000	365,583
Purchase of shares of subsidiaries and associates	–	(10,000)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(771,312)	(132,180)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(21,745)	–
Payments for investments in capital	(2,050)	–
Purchase of property, plant and equipment	(103,481)	(109,502)
Proceeds from sale of property, plant and equipment	–	363
Purchase of intangible assets	(340,781)	(390,520)
Loan advances	–	(36,100)
Proceeds from collection of loans receivable	42,398	36,062
Payments of leasehold and guarantee deposits	(8,522)	(34,318)
Proceeds from refund of leasehold and guarantee deposits	12,044	17,475
Other payments	(98,373)	(47,666)
Other proceeds	–	44,358
Net cash provided by (used in) investing activities	(950,728)	(3,514,173)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	501,022	1,100,000
Repayments of long-term borrowings	(114,285)	(585,740)
Proceeds from issuance of share acquisition rights	–	950
Proceeds from sale of treasury shares	–	499,912
Purchase of treasury shares	(526,631)	(999,766)
Dividends paid	(455,163)	(605,751)
Dividends paid to non-controlling interests	–	(825)
Proceeds from share issuance to non-controlling shareholders	–	1,999
Repayments of lease liabilities	(9,960)	(10,560)
Net cash provided by (used in) financing activities	(605,017)	(599,781)
Effect of exchange rate change on cash and cash equivalents	34,163	9,712
Net increase (decrease) in cash and cash equivalents	739,461	(853,164)
Cash and cash equivalents at beginning of period	8,294,599	9,034,060
Cash and cash equivalents at end of period	9,034,060	8,180,896