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November 5, 2025

Consolidated Financial Results for the Six Months Ended September 30, 2025 [Japanese GAAP]



Company name: CRESCO LTD.

Listing: Tokyo Stock Exchange

Securities code: 4674

URL: <https://www.cresco.co.jp/ja/index.html>

Representative: Hiroshi Tominaga, President, Executive Officer

Inquiries: Yasushi Sasaki, Executive Officer, Investor Relations and Corporate Governance

Telephone: +81-03)5769-8011

Scheduled date to file semi-annual securities report: November 6, 2025

Scheduled date to commence dividend payments: December 1, 2025

Preparation of supplementary material on financial results: None

Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

(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	%
Six months ended September 30, 2025	30,952	8.6	2,720	4.3	2,867	3.8	2,054	9.3
September 30, 2024	28,506	11.2	2,608	31.9	2,763	13.3	1,879	12.8

(Note) Comprehensive income For the six months ended September 30, 2025: ¥ 3,105 million [75.2%]
For the six months ended September 30, 2024: ¥ 1,773 million [(28.5)%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2025	50.18	-
September 30, 2024	45.60	-

(Note) The Company implemented a 2-for-1 share split of common shares as of July 1, 2024.

Assuming that the stock split was implemented at the beginning of the entire consolidated fiscal year, the net income per share is calculated.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2025	44,646	31,769	71.2
March 31, 2025	43,336	30,815	71.1

Reference: Equity

As of September 30, 2025: ¥ 31,769 million
As of March 31, 2025: ¥ 30,815 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	19.00	-	23.00	42.00
Fiscal year ending March 31, 2026	-	29.00			
Fiscal year ending March 31, 2026 (Forecast)			-	29.00	58.00

(Note) Revisions to the forecast of cash dividends most recently announced: None

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	64,000	8.9	7,000	17.0	7,140	13.5	4,900	11.2	120.95

Note: Revisions to the financial result forecast most recently announced: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: - companies(-)
Excluded: 1 companies(TAKAGI SYSTEM CO., LTD)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(4) Number of issued shares (common shares)

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

As of September 30, 2025	42,000,000 shares
As of March 31, 2025	42,000,000 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	1,487,479 shares
As of March 31, 2025	762,218 shares

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

Six months ended September 30, 2025	40,935,835 shares
Six months ended September 30, 2024	41,204,374 shares

(Note) The Company implemented a 2-for-1 share split of common shares as of July 1, 2024. Assuming that the stock split was implemented at the beginning of the entire consolidated fiscal year, Number of Shares Outstanding at End of Period, Number of Treasury Shares at End of Period, and Average Number of Shares During the Period are calculated.

Semi-annual Consolidated Financial Statements and Primary Notes
Semi-annual Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	15,334,671	15,497,513
Accounts receivable - trade and contract assets	10,489,635	10,096,018
Electronically recorded monetary claims - operating	485,899	241,296
Securities	815,839	503,236
Merchandise and finished goods	48,376	63,070
Work in process	316,708	301,695
Supplies	36,419	35,891
Other	923,475	1,318,961
Total current assets	28,451,026	28,057,684
Non-current assets		
Property, plant and equipment	1,009,084	1,419,795
Intangible assets		
Goodwill	2,755,749	2,571,150
Software	319,848	348,124
Other	14,088	13,965
Total intangible assets	3,089,686	2,933,240
Investments and other assets		
Investment securities	8,103,753	9,550,513
Other	2,785,682	2,787,272
Allowance for doubtful accounts	(102,425)	(102,425)
Total investments and other assets	10,787,011	12,235,360
Total non-current assets	14,885,781	16,588,396
Total assets	43,336,808	44,646,080

(Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,687,261	2,773,114
Short-term borrowings	100,000	200,000
Current portion of long-term borrowings	443,336	428,336
Income taxes payable	1,115,265	1,153,421
Provision for bonuses	2,016,047	2,022,580
Provision for loss on orders received	43,057	57,204
Other	2,566,057	2,196,442
Total current liabilities	8,971,024	8,831,098
Non-current liabilities		
Long-term borrowings	1,160,274	953,606
Long-term accounts payable - other	52,772	52,742
Retirement benefit liability	1,428,595	1,556,193
Provision for retirement benefits for directors (and other officers)	400,000	400,000
Asset retirement obligations	163,104	188,176
Deferred tax liabilities	326,827	855,970
Other	18,291	38,736
Total non-current liabilities	3,549,865	4,045,425
Total liabilities	12,520,890	12,876,523
Net assets		
Shareholders' equity		
Share capital	2,514,875	2,514,875
Capital surplus	2,979,869	2,997,513
Retained earnings	22,696,786	23,802,440
Treasury shares	(491,536)	(1,712,771)
Total shareholders' equity	27,699,995	27,602,058
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,986,227	4,055,445
Foreign currency translation adjustment	20,878	18,919
Remeasurements of defined benefit plans	108,815	93,132
Total accumulated other comprehensive income	3,115,921	4,167,498
Total net assets	30,815,917	31,769,557
Total liabilities and net assets	43,336,808	44,646,080

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	28,506,829	30,952,579
Cost of sales	22,961,970	24,971,218
Gross profit	5,544,859	5,981,360
Selling, general and administrative expenses		
Advertising expenses	64,416	85,264
Remuneration, salaries and allowances for directors (and other officers)	1,135,371	1,231,722
Provision for bonuses	200,387	225,693
Retirement benefit expenses	27,372	31,286
Legal welfare expenses	181,629	194,949
Hiring expenses	126,227	154,874
Education expense	102,602	139,773
Entertainment expenses	37,937	40,022
Rent expenses on land and buildings	113,804	134,229
Supplies expenses	38,544	39,978
Enterprise tax	110,168	120,301
Other	798,007	862,973
Total selling, general and administrative expenses	2,936,470	3,261,069
Operating profit	2,608,388	2,720,291
Non-operating income		
Interest income	112,284	69,426
Dividend income	38,558	47,995
Gain on sale of securities	7,948	26,150
Gain on investments in money held in trust	3,972	-
Gain on valuation of derivatives	30,103	-
Subsidy income	28,575	18,405
Share of profit of entities accounted for using equity method	21,509	19,355
Other	5,611	20,208
Total non-operating income	248,564	201,542
Non-operating expenses		
Interest expenses	5,921	5,251
Loss on valuation of securities	15,718	-
Foreign exchange losses	10,561	-
Investment advisory fee	58,881	43,226
Other	2,360	5,451
Total non-operating expenses	93,444	53,929
Ordinary profit	2,763,508	2,867,904

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Extraordinary income		
Gain on sale of investment securities	21,049	262,343
Gain on redemption of investment securities	37,043	54,232
Surrender value of insurance policies	6,258	3,599
Gain on sale of shares of subsidiaries and associates	1,626	-
Other	-	10,593
Total extraordinary income	65,977	330,769
Extraordinary losses		
Loss on retirement of non-current assets	15,570	1,375
Loss on sale of investment securities	5,074	-
Loss on valuation of investment securities	22,118	15,324
Office relocation expenses	25,361	12,074
Retirement benefit expenses	-	46,642
Other	7,989	5,463
Total extraordinary losses	76,114	80,880
Profit before income taxes	2,753,371	3,117,793
Income taxes - current	922,025	1,047,239
Income taxes - deferred	(47,715)	16,431
Total income taxes	874,309	1,063,670
Profit	1,879,062	2,054,122
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,879,062	2,054,122

Semi-annual Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Profit	1,879,062	2,054,122
Other comprehensive income		
Valuation difference on available-for-sale securities	(82,174)	1,069,218
Foreign currency translation adjustment	(5,562)	(1,959)
Remeasurements of defined benefit plans, net of tax	(18,241)	(15,682)
Total other comprehensive income	(105,977)	1,051,576
Comprehensive income	1,773,084	3,105,699
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,773,084	3,105,699
Comprehensive income attributable to non-controlling interests	-	-

Semi-annual Consolidated Statement of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Profit before income taxes	2,753,371	3,117,793
Depreciation	149,080	132,557
Increase (decrease) in provision for bonuses	57,141	6,532
Increase (decrease) in provision for loss on orders received	75,151	14,147
Increase (decrease) in retirement benefit liability	18,121	127,598
Interest and dividend income	(150,842)	(117,421)
Loss (gain) on sale of securities	(7,948)	(26,150)
Share of loss (profit) of entities accounted for using equity method	(21,509)	(19,355)
Loss (gain) on sale of investment securities	(15,974)	(262,343)
Loss (gain) on valuation of investment securities	22,118	15,324
Loss (gain) on redemption of investment securities	(37,043)	(54,232)
Loss (gain) on valuation of derivatives	(30,103)	-
Decrease (increase) in accounts receivable - trade, and contract assets	1,117,634	650,019
Decrease (increase) in inventories	(101,166)	846
Increase (decrease) in trade payables	(192,192)	86,972
Increase (decrease) in accounts payable - other	(391,377)	(15,477)
Increase (decrease) in long-term accounts payable - other	(30)	(30)
Increase (decrease) in accrued consumption taxes	(120,183)	(228,656)
Other, net	(73,734)	(4,137)
Subtotal	3,050,512	3,423,985
Interest and dividends received	154,668	124,117
Interest paid	(5,619)	(5,032)
Income taxes paid	(1,159,923)	(981,371)
Net cash provided by (used in) operating activities	2,039,638	2,561,699

(Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from investing activities		
Payments into time deposits	(1,800)	(1,224)
Proceeds from withdrawal of time deposits	20,010	-
Purchase of securities	(118,914)	(2,928)
Proceeds from sale of securities	44,227	139,454
Purchase of property, plant and equipment	(177,252)	(465,675)
Purchase of intangible assets	(90,730)	(76,060)
Purchase of investment securities	(894,461)	(351,280)
Proceeds from sale of investment securities	193,753	461,349
Proceeds from redemption of investment securities	464,609	534,676
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(868,707)	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	6,099	-
Proceeds from cancellation of insurance funds	6,364	41,916
Other, net	(41,420)	(95,039)
Net cash provided by (used in) investing activities	(1,458,221)	185,188
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	100,000
Repayments of long-term borrowings	(481,791)	(221,668)
Repayments of lease liabilities	(1,554)	(5,358)
Dividends paid	(555,407)	(947,595)
Purchase of treasury shares	-	(1,255,010)
Decrease (increase) in deposits paid for purchase of treasury shares	-	(254,821)
Redemption of bonds	(50,000)	-
Net cash provided by (used in) financing activities	(1,088,752)	(2,584,453)
Effect of exchange rate change on cash and cash equivalents	(3,652)	(816)
Net increase (decrease) in cash and cash equivalents	(510,987)	161,617
Cash and cash equivalents at beginning of period	14,864,551	15,244,793
Cash and cash equivalents at end of period	14,353,563	15,406,411