



■ Q3 FY02/24

Financial Results Briefing

CREEK & RIVER Co., Ltd.

TSE PRIME 4763

Thursday, January 11, 2024

As planned, sales, operating & ordinary income reached record results for the third quarter

Sales Prior Year **114%** **Operating Profit** Prior Year **105%**

Ordinary Profit Prior Year **105%**

Profit attributable to owners of parent Prior Year **96%**

*Extraordinary profit was recorded in the Q1 of the previous FY

Q3(Sep-Nov): Sales: 115% YOY, Operating profit: 109% YOY

Q2(Jun-Aug) : Sales: 114% YOY, Operating profit: 124% YOY

Q1(Mar-May) : Sales: 112% YOY, Operating profit: 94% YOY

- A total of 344 new graduate employees joined the group. The utilization rate of professional employees was 99% as of the end of November. *100% as of January 2024
- In the prior year, spot sales of vaccinations were recorded in the medical field.
Impact: -223 million yen (Q1: -128 million yen, Q2: -45 million yen, Q3:-50 million yen)

Consolidated Income Statement

Units: million	Q3 FY02/24	Q3 FY02/23	Rate of change	Progress
Sales	37,828	33,224	114%	76%
Gross profit	14,375	13,040	110%	
Gross profit margin	38.0%	39.2%	-	
SG&A expenses	10,893	9,719	112%	
SG&A rate	28.8%	29.3%	-	
Operating profit	3,482	3,320	105%	77%
Operating profit margin	9.2%	10.0%		
Ordinary profit	3,524	3,349	105%	78%
Ordinary profit margin	9.3%	10.1%		
Profit attributable to owners of parent	2,277	2,382	96%	76%

Consolidated Balance Sheet

Units: million	Q3 FY02/24	FY02/23	Rate of change
Total current assets	19,835	16,765	+3,069
Cash and deposits	11,612	9,255	+2,357
Total non-current assets	5,580	5,987	▲406
Goodwill	511	664	▲153
Total investments and other assets	3,652	3,977	▲324
Total current liabilities	9,127	7,917	+1,209
Total non-current liabilities	524	591	▲66
Borrowing(short term/long term)	2,547	2,030	+516
Total net assets	15,764	14,244	+1,519
Retained earnings	13,122	11,451	+1,671
Total liabilities and net assets	25,415	22,752	+2,663

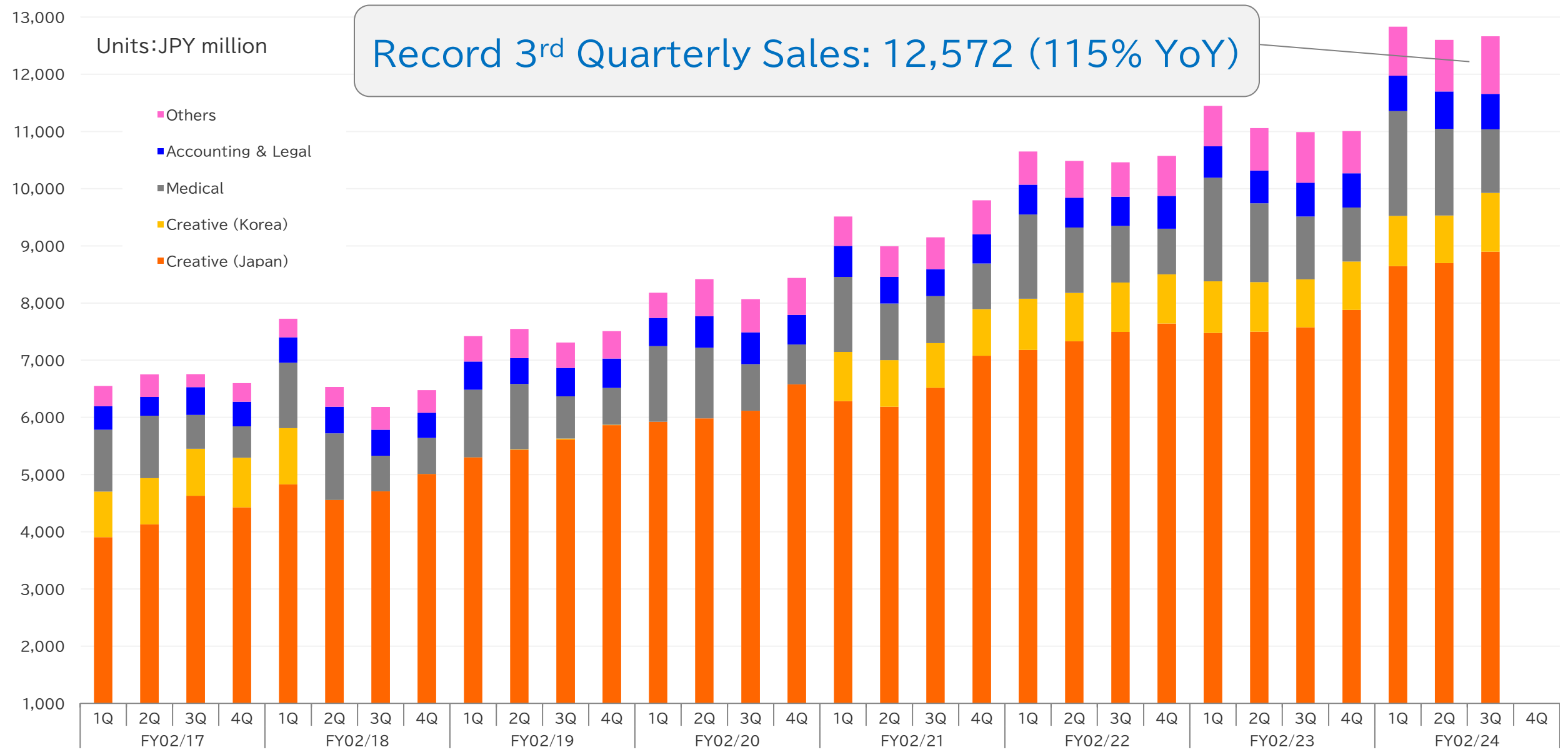
*Equity ratio 61.7%→61.3%

Earnings Results by Segment[Sales]

Units: million	Q3 FY02/24	Q3 FY02/23	Rate of change	Progress (Full year)	Topics
■ Creative (Japan) * 6 companies	26,240	22,550	116%	73%	• Steady growth
■ Creative (Korea) * 2 companies	2,736	2,611	105%	79%	• TV station dispatches decreased • Growth in Webtoon
■ Medical * 2 companies	4,460	4,283	104%	79%	• Growth in doctor referral/event business • Decrease in vaccination spot projects (▲223)
■ Accounting and Legal * 2 companies	1,892	1,717	110%	74%	• Introduction and dispatches business grew
■ Others * 16 companies	2,770	2,331	119%	68%	• Sales increased at 8 companies (+336) • 1 company switched to non- consolidated (▲60) • 7 companies were established (+174)
Total	37,828	33,224	114%	76%	• 4,604-million-yen increase

*Eliminations are omitted

Consolidated Sales Trends(Quarter)

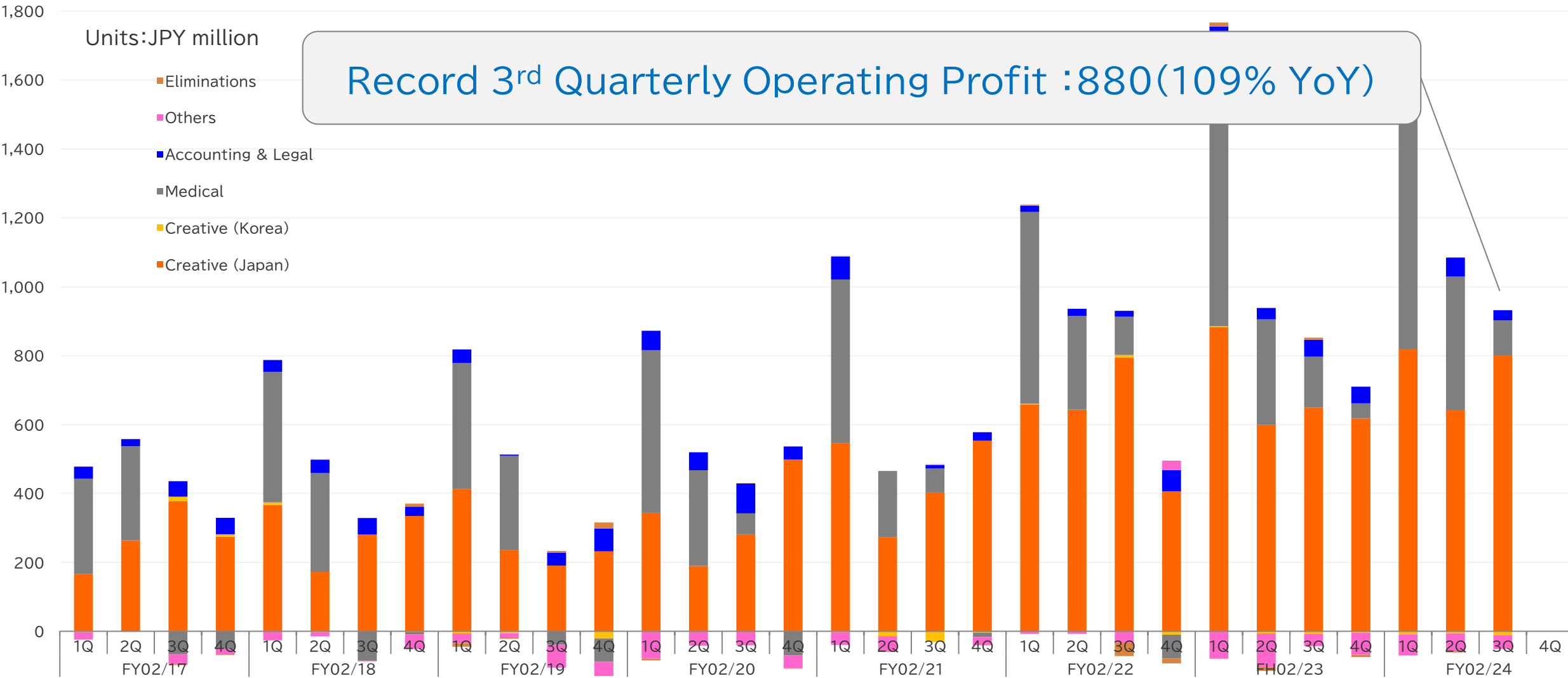


Earning Results by Segment[Operating profit]

Units:million	Q3 FY02/24	Q3 FY02/23	Rate of change	Progress (Full year)	Topics
■Creative (Japan) *6 companies	2,260	2,131	106%	73%	<ul style="list-style-type: none"> •277 new graduates joined the company (Utilization rate was 99% as of the end of November) •Implement DX investment / replace core system •Further strengthen recruitment of 2025 new graduates
■Creative (Korea) *2 companies	▲25	▲11	▲14	-	<ul style="list-style-type: none"> •Decreased number of dispatches to TV stations •Increase in investment in Webtoon
■Medical *2 companies	1,278	1,295	99%	91%	<ul style="list-style-type: none"> •Growth in doctor referral business •Decrease in vaccination spot projects (▲223) •Implement DX investment
■Accounting and Legal *2 companies	121	111	109%	64%	<ul style="list-style-type: none"> •Introduction and dispatches business grew
■Others *16 companies	▲152	▲211	+59	-	<ul style="list-style-type: none"> •Profit increased at 5 companies (+220) •Investment increased at 5 companies (▲80) •7 companies were established /acquired (▲59)
Total	3,482	3,320	105%	77%	<ul style="list-style-type: none"> •162-million-yen increase

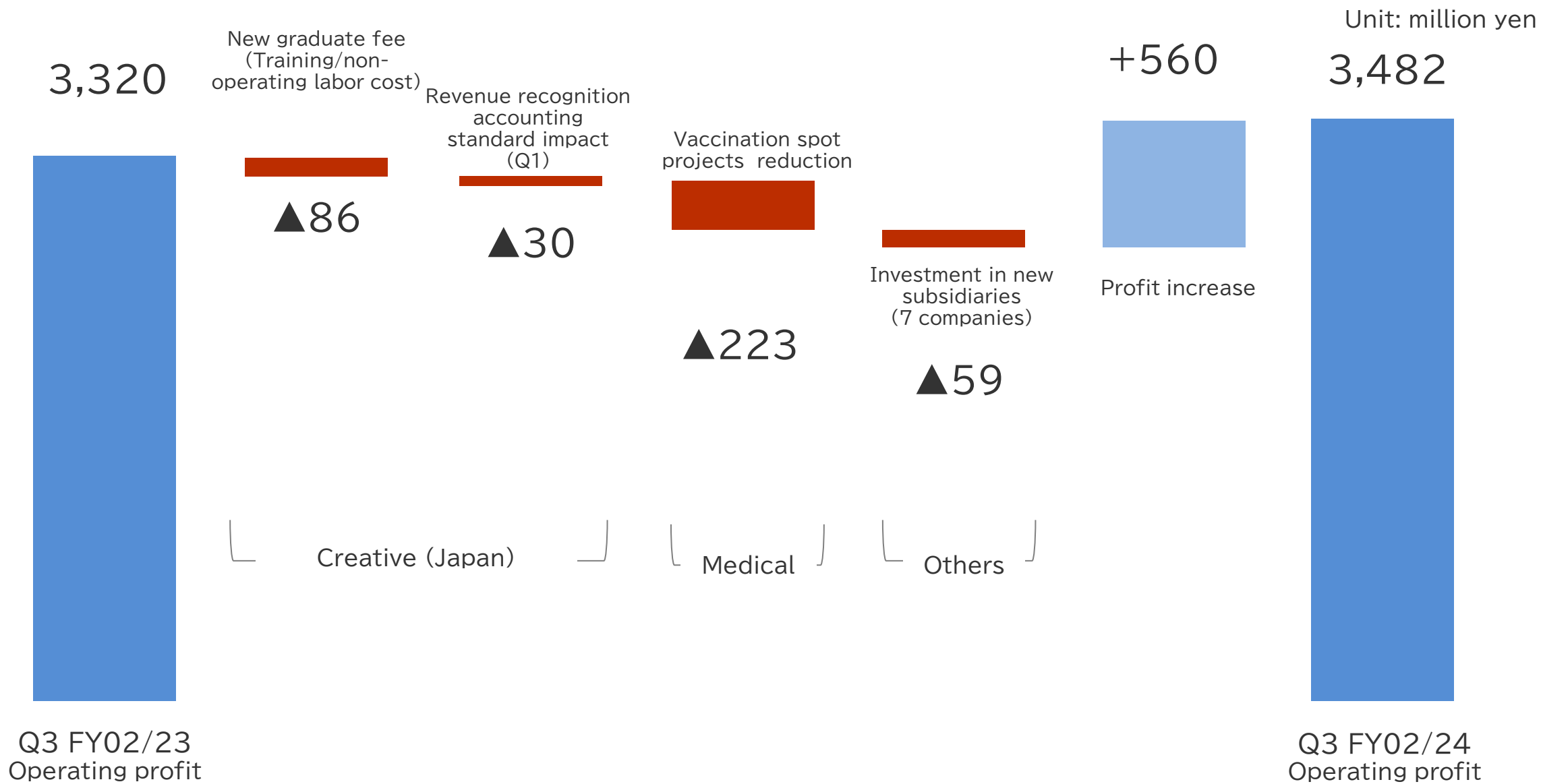
*Eliminations are omitted

Changes in consolidated operating profit(Quarterly)



(200)

Analysis of change in operating profit for Q3 of FY ending February 2024



(Unit: People)

	2022	2023	Utilization rate (End of Nov)	Job Offers (Joined Apr 2024)
Creative(Japan)	102	277	99%	317
Medical	10	9	100%	10
Accounting and Legal	6	6	100%	6
Others	42	52	100%	28
Total	160	344	99%	361

*Number of people as of
January 2024

C&R Group

The Mid-Term

Management Plan

Vision

Create a prosperous society by creating business together with professionals

Enhance the lifetime value of professionals

Contribute to value creation for clients

Theme

- Create an environment where professionals can thrive
- Producing professional ideas and creating new businesses



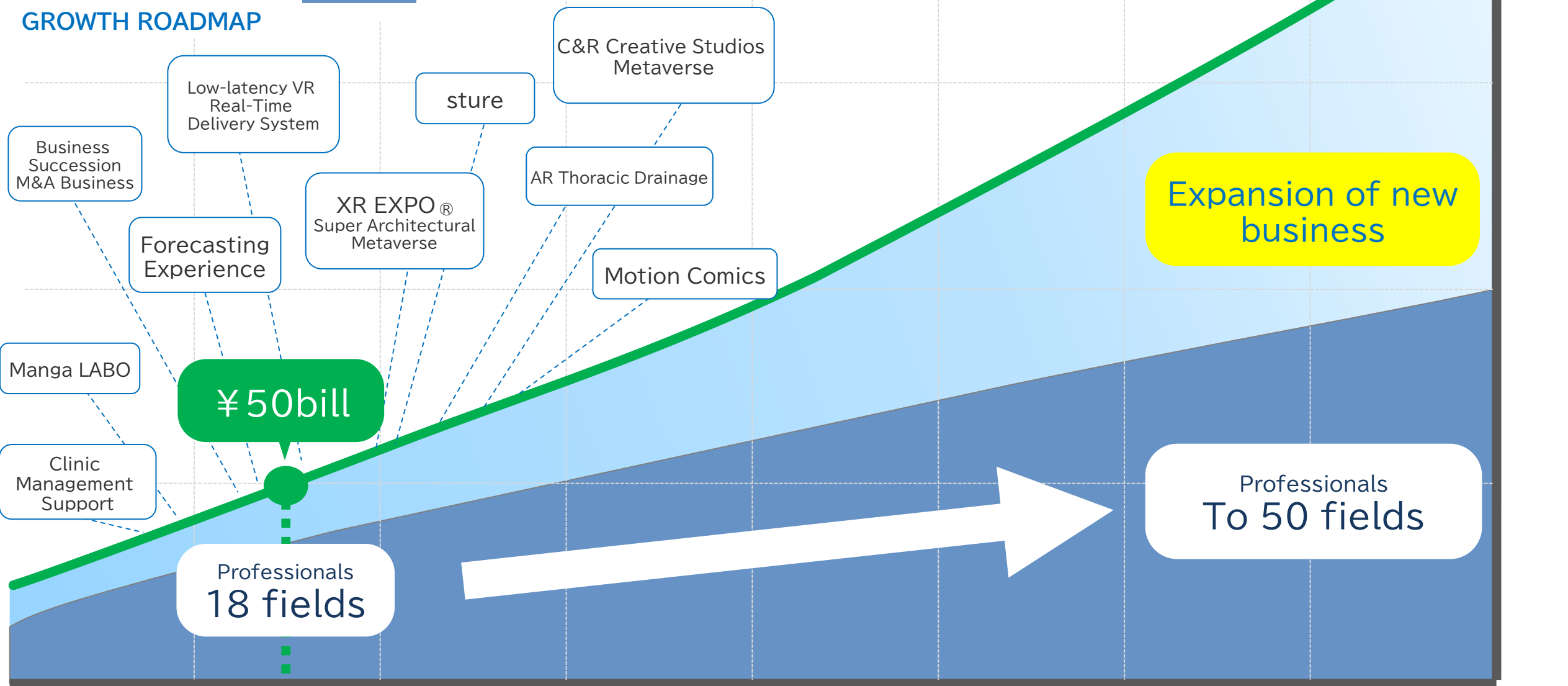
- **Professionals**
368,000
- **Clients**
48,000

18 Expanding to **50** Fields →

GROWTH ROADMAP

- Utilizing Group Assets
Products/Services/Projects
- Professional HR Business

Sales



Current



Manga LABO

Manga production
/ Digital distribution business

Original platform

Author×IT



Low-latency VR Real-time Delivery System

Proprietary VR video
Distribution technology

VR × IT



Clinic Management Support

Business succession
/M&A business

Medical × IT × CXO



AR thoracic drainage

Developing an original
AR technology

AR × Medical



Business Succession / M&A Business

Business Succession/M&A

Accounting & Legal× CXO



Forecasting Experience

AI based demand
forecasting

AI × IT



Architecture VR「XR EXPO®」

Metaverse

VR × Architecture



Apparel DX「sture」

Developing DX Service

Fashion × IT



C&R Creative Studios Metaverse

Developing an original platform

Creative × IT



Motion comics「Movcomic」

Developing an original platform

Author × Creative × IT

Capital co-operation for business synergies

Life Science	Utilization of Carbon Dioxide Institute Co., Ltd. Bio Venture	
Life Science	Plant Life Systems Co., Ltd. Agri Venture	
Computer Science	Agent Growth Corporation Real estate brokerage platform *Business name: Keller Williams Japan	
Management support	MIKATA Small Amount Short Term Insurance Co., Ltd. Legal Insurance	
Creative	Digital Entertainment Asset Pte. Ltd. Blockchain Entertainment	
Medical & Health	EP-ProCareer Co., Ltd. Elder Human Resources	
Quality of life	Mimmy Inc. Online world travel for children	
Creative	YTJ Inc. Theater management and performance	*Investment from C&R Incubation Lab
Quality of life	ICS-net. Inc Online trading platform for food ingredients	*Investment from C&R Incubation Lab
Engineering	NEXUS HOLDINGS CORPORATION Engineer dispatch	*Investment from C&R Incubation Lab
Management support	Uniforce Co., Ltd. IPO・IR Technology	*Investment from C&R Incubation Lab
Medical & Health	OrganTech, Inc. Hair regeneration medicine/next-gen implants	*Investment from C&R Incubation Lab

Basic Strategy

Further Expansion in the Professional Fields

~Expand into 50 professional fields~

Currently 18 fields

Creation of New Services

Currently 10 services

~Creating new value by leveraging professional capabilities~

Management Personnel Development

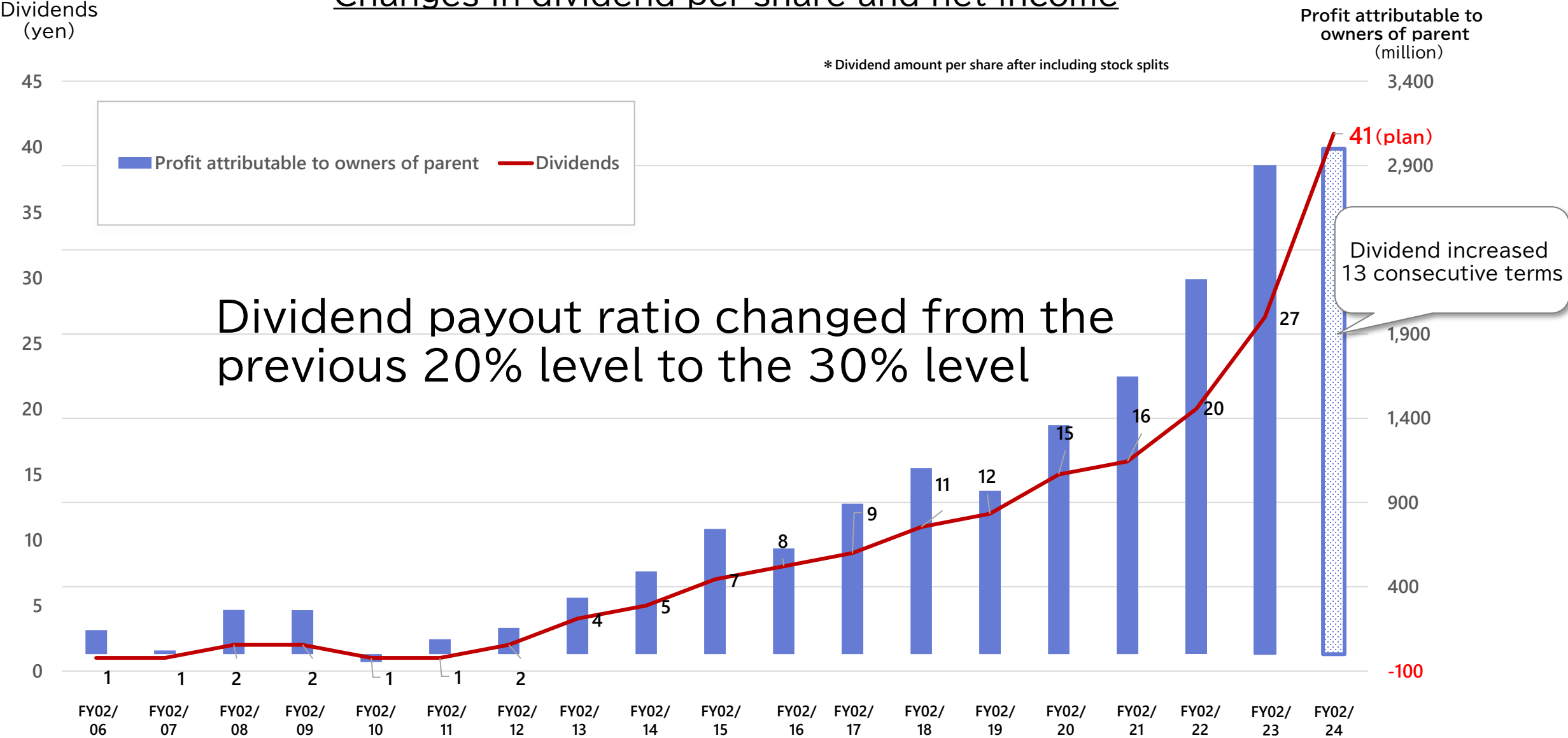
Strengthen Corporate Governance

Formulation of a new mid-term plan that incorporates acquisition of subsidiaries through M&A and investment in new businesses

(Unit:hundred million yen)

	FY02/21	FY02/22	FY02/23	New mid-term plan		
				—1st—	—2nd—	—3rd—
				FY02/24	FY02/25	FY02/26
Sales	373	Initial plan		460	500	550
		400	430			
		Actual				
		417	441			605
Operating profit	24.4	Growth Rate:143%		35	45	50
		28.5	32			
		Actual				
		34.1	39.5			56.5
				Growth Rate:143%		

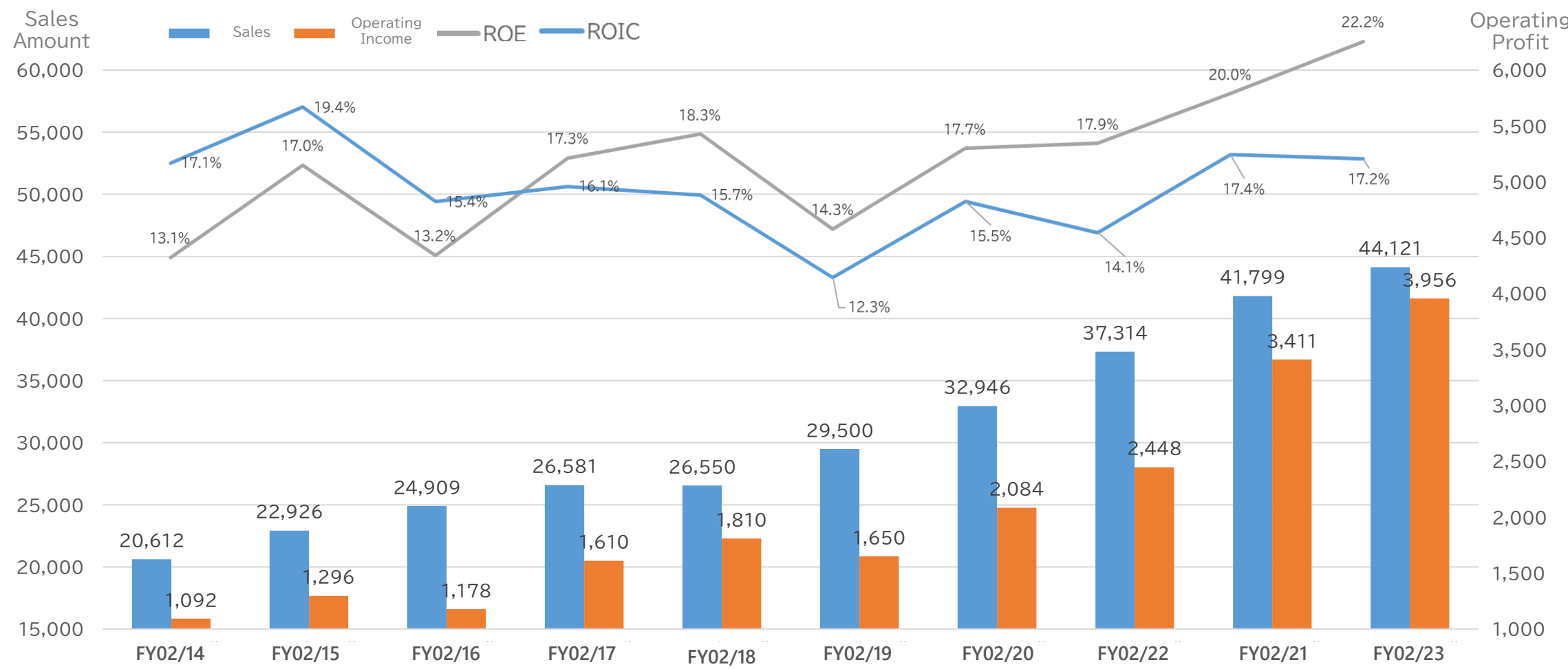
Changes in dividend per share and net income



Regarding cost of capital and return on capital

Capital costs* at the end of February 2023 is recognized as 8.61%. *Estimated weighted average cost of capital (WACC)

Over the past 10 years, both sales and operating profit have continued to grow, and ROE and ROIC have also steadily improved. The most recent (end of February 2023) ROE: 22.2%, ROIC: 17.2%, which exceeds the cost of capital. We will continue to focus on increasing profitability that exceeds the capital costs.



< Announced on January 5, 2024 >

Notice regarding the status of acquisition of treasury stock

At the board of directors meeting held on October 26, 2023, the Company resolved to purchase treasury stock based on the provisions of the Articles of Incorporation pursuant to Article 459, Paragraph 1 of the Companies Act. We would like to inform you about the acquisition status as follows.

For the Record

Cumulative total of treasury stock acquired by December 31, 2023

- (1) Total number of acquired shares: 113,800 shares
- (2) Total acquisition price of shares: 222,773,300 yen

(For your reference)

Details of resolution regarding acquisition of treasury stock (announced on October 26, 2023)

- (1) Type of shares to be acquired Company's common stock
- (2) Total number of shares to be acquired: 265,000 shares (upper limit)
[1.2% of total number of issued shares (excluding treasury stock)]
- (3) Total acquisition price of shares: 500 million yen (upper limit)
- (4) Period of acquisition: October 27, 2023, to February 29, 2024
- (5) Acquisition method: Market purchase on the Tokyo Stock Exchange

Topics

C&R Group 29 Companies



C&R Group New Graduate Offering Ceremony



On October 2, 2023, a face-to-face informal offer ceremony was held

Japan's largest creative studios, steadily expanding

Currently, 1,800 people are enrolled.

We create a lot of content centered on games, web, video, XR, manga, architecture, etc.
We provide new value to society with the power of professionals



Research planning: Japan Marketing Research Organization
Research overview: Market research in designated areas for
the fiscal year ending August 2022

Plan to Open an Independent C&R DX Studio (tentative name)

In order to respond to the rapid development of IT and digital technology and the increasing diversification of DX, we will establish a studio in the DX solutions field from C&R Creative Studios.



**C&R
CREATIVE STUDIOS**

Registered Creators: Approx. 1,800

Number of Studios: 21 Studios

Regions:

Games/Web/Video/XR/CG/Video/
Advertisement/Manga/Novel/
Architecture/Fashion/

DX solutions etc



C&R DX Studio (tentative name)

- Build a network of DX personnel
- Develop DX human resources
- Collaborate as a C&R group to solve client issues with DX

Progress in Utilization of C&R Creative Studios Metaverse

In March 2023, we opened the Metaverse for creators “C&R Creative Studios Metaverse” beta1. Functions are being expanded by using it for various internal and external events.



Opening a training institution for people with no experience in the fields of games, architecture, and food.

Build a unique human resource circulation model to meet industry needs

CG・ゲーム業界のプロを育成する
C&R Creative Academy



[Game field]
C&R Creative Academy

- Diverse and practical education in collaboration with our studio
- Resolution of management issues through reskilling
- Go from a company that “gathers human resources” to one that “creates human resources”
- Contribute to long-term network formation through farms and alumni



[Architecture field]
C&R Architect Academy
Started in November 2023



[Food field]
Chef Academy
Started in November 2023

C&R Group's TV program production continues steadily

October Cool 2023 TV Tokyo drama
“KUSUBURIONNA TO SUNDOMEONNA” (A Smoldering Woman Who Can't Break Out)
TVer views exceeded 5 million



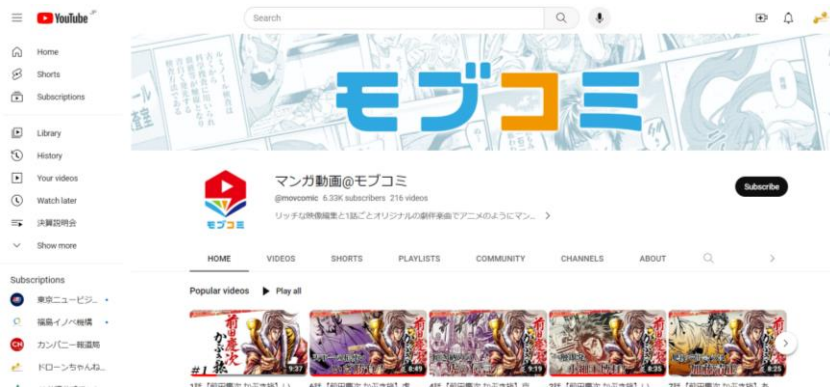
カズレーザーと学ぶ。



Successful production of regular and special programs

“Fist of the North Star” appeared in motion comic “Movcomic” (September 28th)

Strengthen promotions like short videos to improve viewing retention rate and click rate KPIs



『終末のワルキューレ』©アジチカ・梅村真也・フクイタクミ/コアミックス



©Buronson/Tetsuo Hara/Core Mix 1983

【YouTube Channel】

<https://www.youtube.com/channel/UCkqK-RZ1DdTkd7tLwMjnynA>

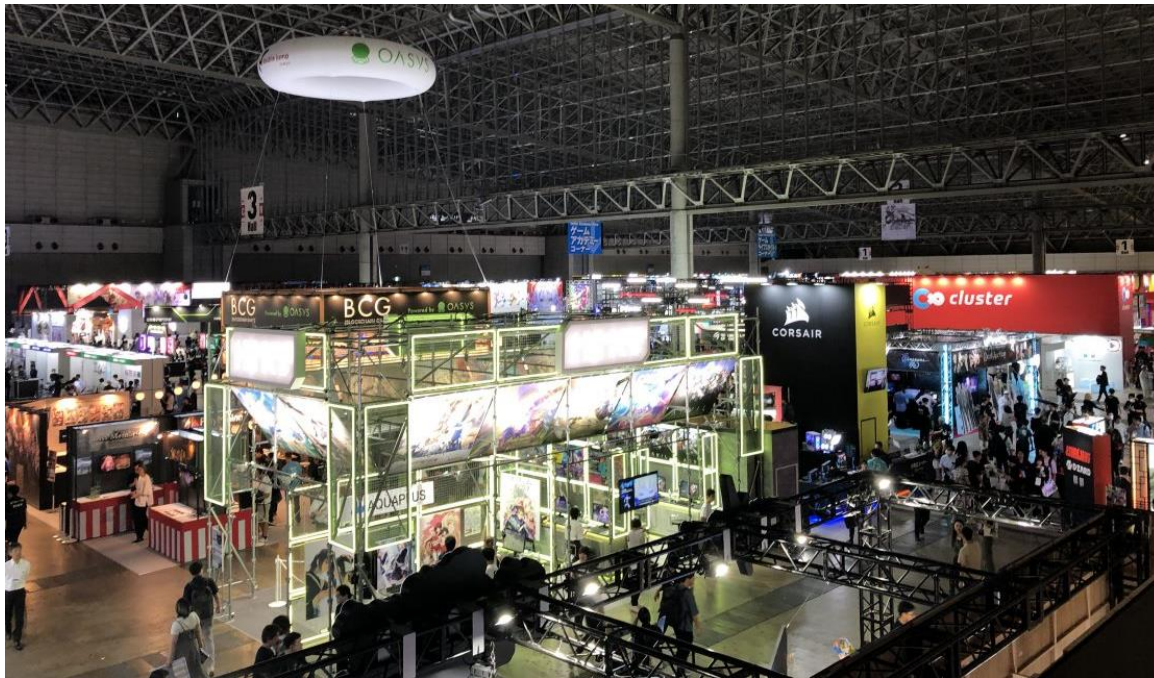
【App】

App Store : <https://apps.apple.com/jp/app/id1666538614>

Google Play : <https://play.google.com/store/apps/details?id=com.movcomic>

9/21~24 Exhibited at Tokyo Game Show 2023

C&R Creative Studios／C&R Creative Academy PR



Introducing one of Japan's largest development studios and a project that trains over 150 game industry professionals every year

Successful collaborations with famous characters

Collaboration events between popular games/anime and leisure facilities with “Atfes®”.



TV anime “Tokyo Revengers” collaboration event
held at Hakkeijima Sea Paradise in Yokohama
December 1st - December 22nd, 2023



TV anime “Blue Rock” collaboration event
held at Asakusa Hanayashiki
November 22nd - December 26th, 2023

Restaurant “Cassolo” collaborations held one after another

Selling collaborative dishes and original goods produced by “Atfes®”



Anime “TIGER & BUNNY 2”
 Collaboration cafe “Buon appetito!”
 Held on Saturdays and Sundays
 from April 29th to May 28th

Escape novel game “Tasokare Hotel Re:newal”
 Collaboration cafe “Enigmistica”
 Held on Saturdays and Sundays from June
 17th to July 16th

“Grazie!” is a special collaboration for the
 reincarnation simulation game “Bungo and
 Alchemist” Held on Saturdays and Sundays from
 November 25th to December 17th

The first “Discovery Temples” held at “Komyoin” in Kyoto

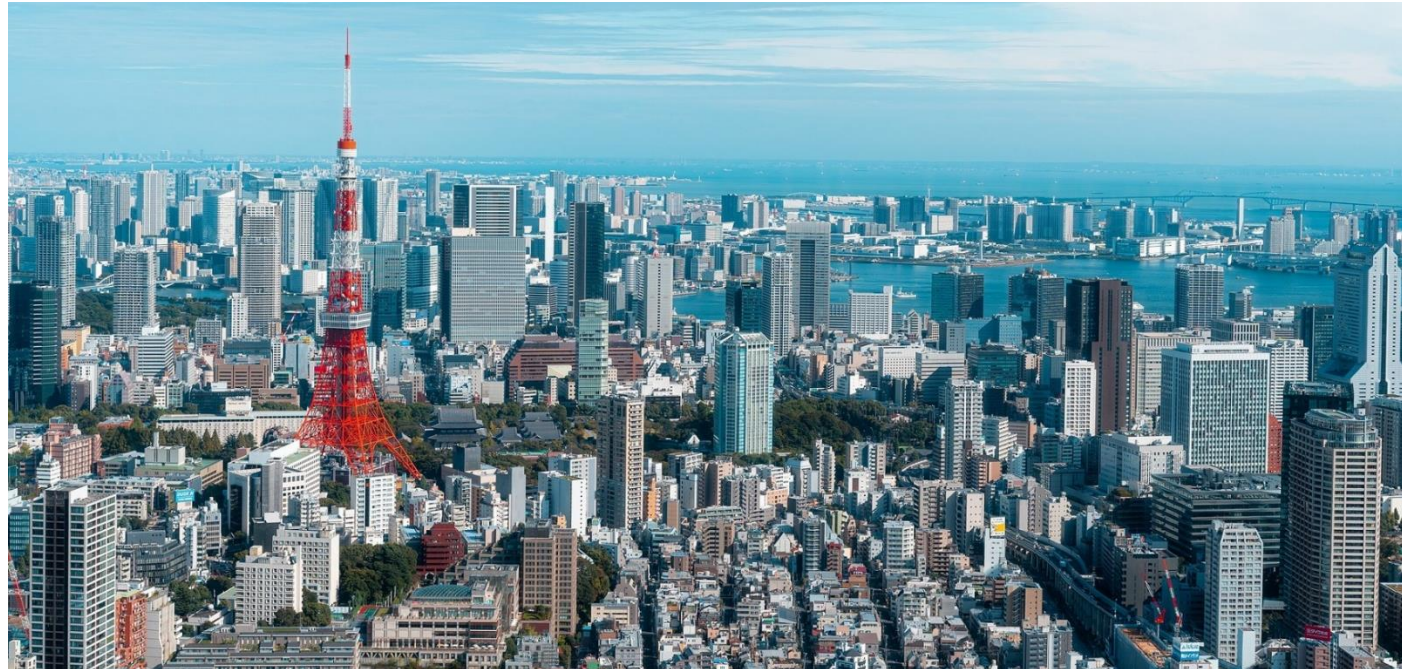
After viewing hours the temple, you can take advantage of the opportunity to see zazen meditation, sword sharpening techniques, maiko and geisha, etc.
Evening entertainment with vegetarian cuisine




November 24th to 26th 120 people participated in the Komyoin night event.
A project certified as a tourism restart project by the Japan Tourism Agency

CXO Network Expansion

Supporting the careers of 1,200 people, including CEOs, COOs, and CFOs of listed companies, who are responsible for various functions at companies in our network.



Expanding the C&R Group through business succession & corporate revitalization



Creating business together with the C&R Group
based on
360,000 professionals and 40,000 clients

Business
Succession

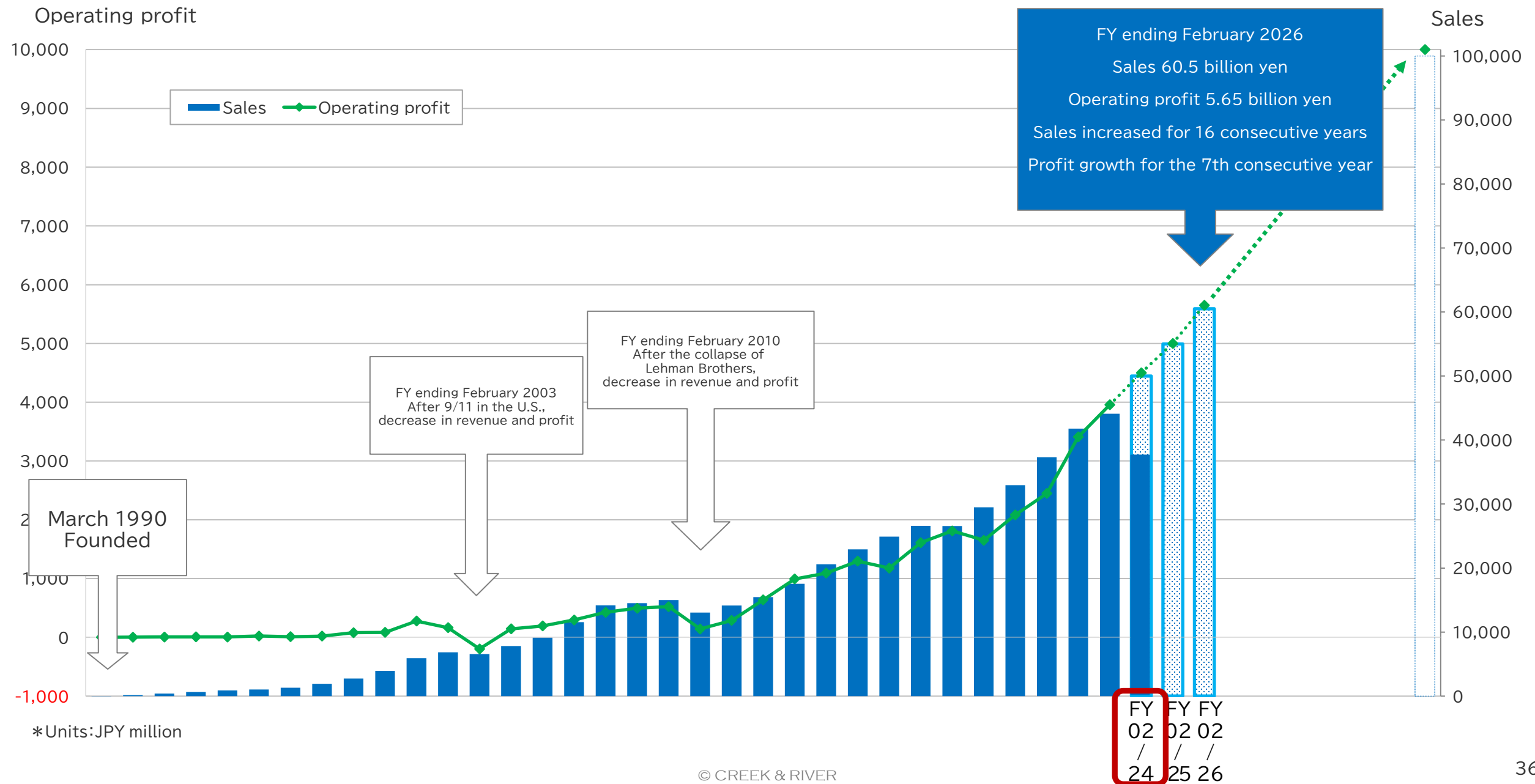
Corporate
Revitalization

M&A

Establishing
New Businesses

(Unit:billion yen)

	—1st—		—2nd—		—3rd—	
	FY02/24	Rate of change	FY02/25	Rate of change	FY02/26	Rate of change
Sales	500	113%	550	110%	605	110%
Operating profit	45	113%	50	111%	56.5	113%
Operating profit Margin	9.0%	-	9.1%	-	9.3%	-



Appendix

“Professional” as defined by the C&R Group

1.

Occupations that
can have an impact
all over the world



2.

Occupations that
cannot be substituted
by machines

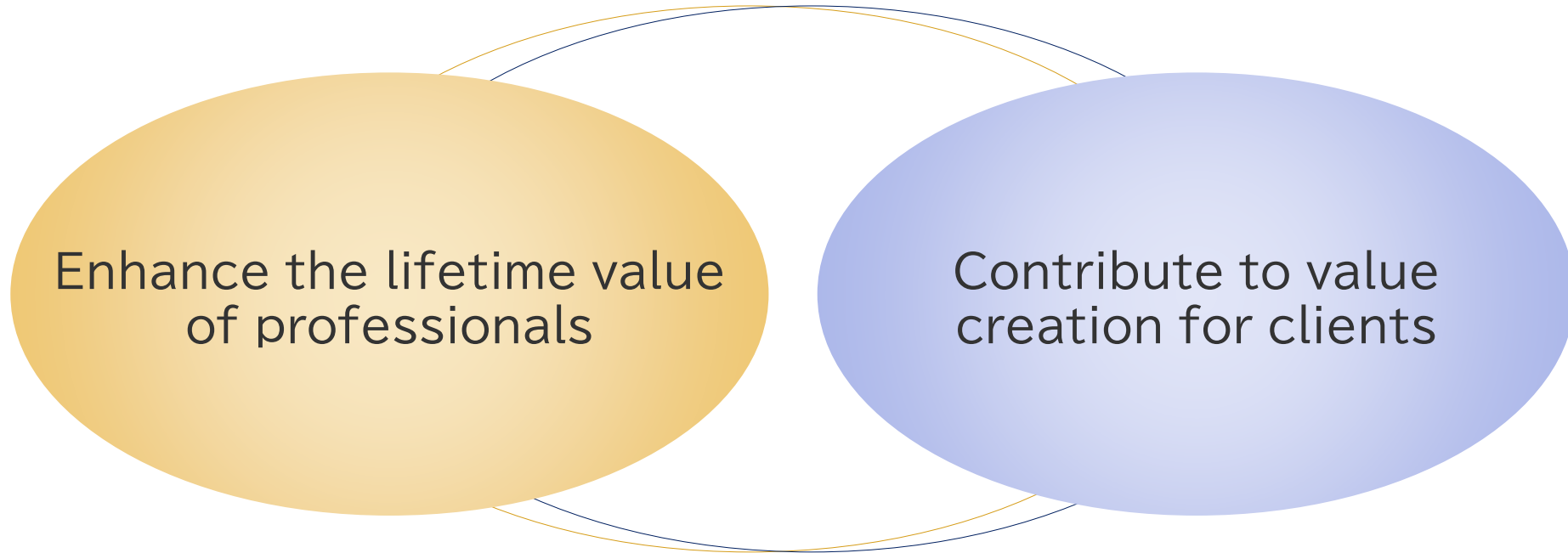


3.

Occupations that
accumulate intellectual
properties



C&R Group Mission



Three Business Pillars



Creative (Japan)

TV, games, web, advertising publishing, authors, architect,
In the field of open innovation: production, rights management & agency business

6 Connected Companies

- CREEK & RIVER
- Claytechworks
- WING
- SION
- SION STAGE
- SION GROUP

Creative (Korea)

(In Korea) TV, games, web, advertising publishing
In the field of authors: production, rights management, & agency business

2 Connected Companies

- CREEK & RIVER ENTERTAINMENT
- CREEK & RIVER KOREA

Medical

Employment placement business for doctors, clinical training for medical students and interns. Support service business and information provision business for the medical industry

2 Connected Companies

- Medical Principle
- Community Medical Innovation

Accounting & Legal

Developing an agency and production business for accountants and lawyers

2 Connected Companies

- Jasnet Communications
- C&R Legal Agency

Others

In addition to agency and production businesses in the fields of fashion, food, and agriculture, we also develop businesses that utilize cutting-edge technologies such as AI, XR, and NFT, as well as rights management and production know-how.

16 Connected Companies

- Leading Edge
- VR Japan
- forGIFT
- ANIFTY
- C&R Incubation Lab
- CREEK & RIVER SHANGHAI
- CREEK & RIVER Global
- Idrasys
- Chef's value
- ALFA PMC
- Inter Bell
- Kiduki Architect
- Connect Around
- Nextrek
- Professional Media
- One Leaf Clover
- ※jeki Data Driven Lab (Equity affiliate)

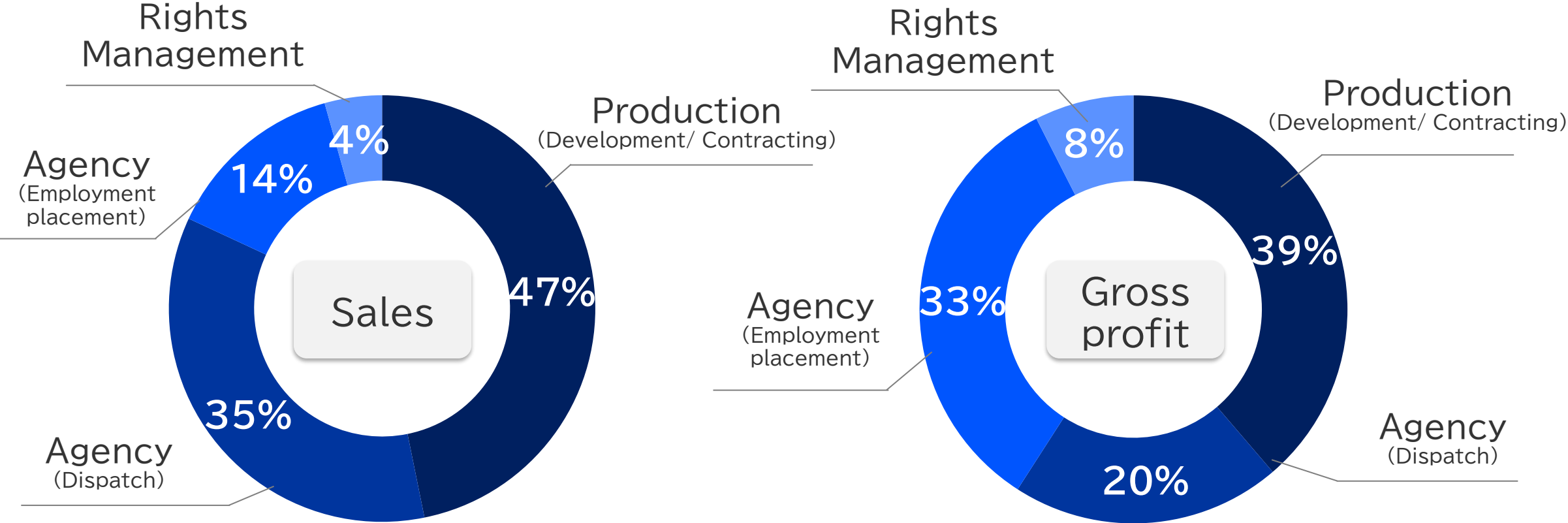
*Underlined companies were grouped in the current term

Business Mapping

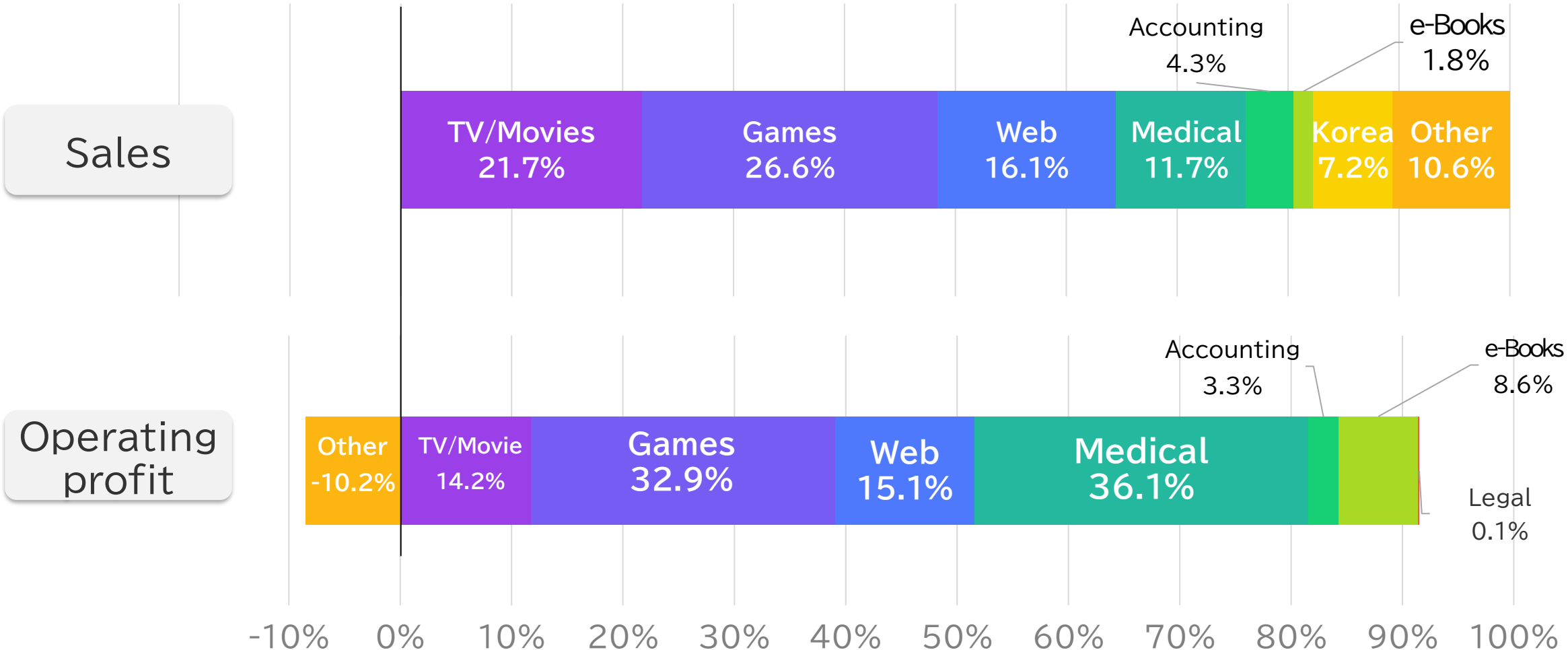
◎:Conducted as a main business ○:New business ×:Legally prevented from this business

Segment	Business fields														
	TV Movies	Games	Web	Ad & Publishi ng	Archite cture	Food	Computer science	Life science	Agricul ture	CXO	Medi cal	Accou nting	Legal	IT	Fashi on
	Creative (Japan)										Medical	Accounting and Legal		Others	
Rights management	◎	◎		◎	○		○		○				○	○	○
Production (Contract)	◎	◎	◎	◎	◎	○	○	○	○		○	◎	×	◎	○
Agency (Dispatch)	◎	◎	◎	◎	◎	○	○	◎		○	×	◎	×	◎	◎
Agency (Employment placement)	◎	◎	◎	◎	◎	◎	◎	○		○	◎	◎	◎	○	◎

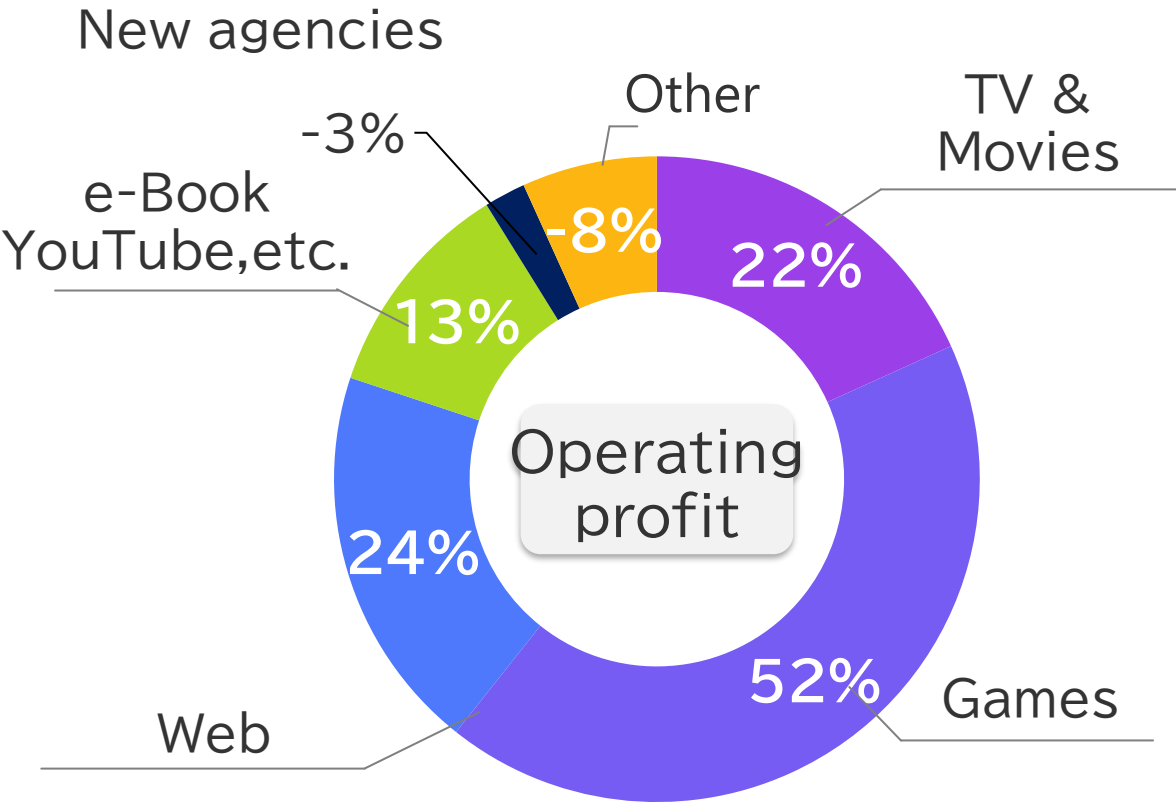
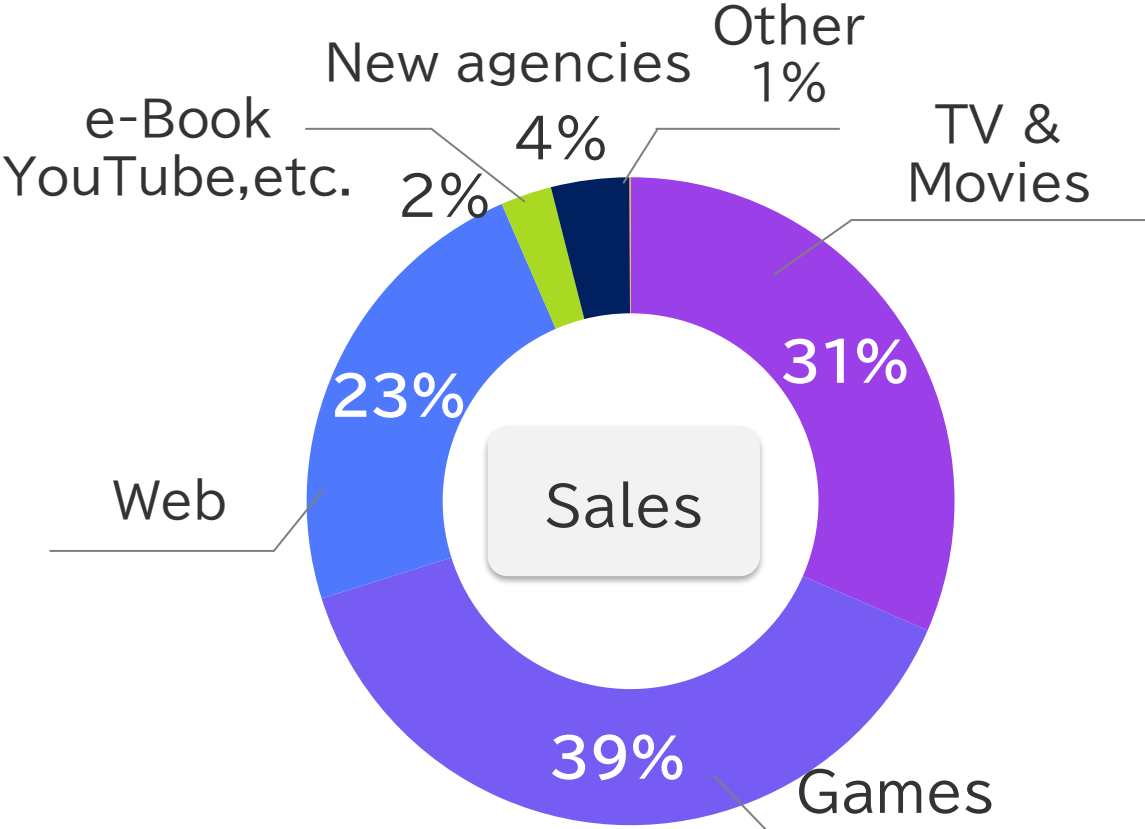
Percentage of Business



Breakdown of Consolidated Sales and Operating profit



Creative (Japan) Percentage of Field



Units:JPY million	FY02/24 (Plan)	FY02/23(Result)	Rate of Change
Sales	50,000	44,121	113%
Operating profit	4,500	3,956	113%
Operating profit margin	9.0%	9.0%	+0.1pt
Ordinary profit	4,500	4,002	112%
Profit attributable to owners of parent	3,000	2,899	103%
Dividends (yen)	41	27	152%

FY02/24 Earnings Results by Segment[Sales]

Units:JPY million	FY02/24 (Plan)	FY02/23 (Result)	Rate of Change
Creative (Japan)	35,800	30,429	118%
Creative (Korea)	3,460	3,459	100%
Medical Staffing	5,640	5,227	108%
Accounting and Legal	2,560	2,314	111%
Others	4,100	3,071	134%
Total	50,000	44,121	113%

*Eliminations are omitted

FY02/24 Earning Results by Segment[Operating profit]

Units:JPY million	FY02/24 (Plan)	FY02/23 (Result)	Rate of Change
Creative (Japan)	3,100	2,749	113%
Creative (Korea)	0	▲16	+16
Medical Staffing	1,400	1,339	105%
Accounting and Legal	190	159	119%
Others	▲50	▲275	+225
Total	4,500	3,956	114%

*Eliminations are omitted

C&R Group Sustainability Initiatives

Basic Sustainability Policy

C&R Group's basic philosophy is "People's abilities have unlimited potential. We will maximize their abilities and contribute to the happiness of people and society." In order to realize our Group's mission of "Providing value to all stakeholders," we aim to achieve both the sustainable development of society as a whole and the sustainable growth of our group by working together to resolve various social issues and preserve the global environment through business activities centered on our professionals.

Through its business, the C&R Group is tackling the social issues facing the world in order to contribute to the achievement of the United Nations Sustainable Development Goals SDGs.

C&R Group Materiality

~Creating a prosperous society by creating businesses together with professionals~

	Materiality	Important policy
1	Create opportunities and an environment in which a variety of professionals can play an active role	<ul style="list-style-type: none"> •Progress of the 50 professional fields initiative •Educational provision that responds to changes in society •Initiatives to address employment issues and income disparity
2	Create new businesses through professional networks	<ul style="list-style-type: none"> •Creation of new value by leveraging the capabilities of professionals •Global expansion •Regional revitalization
3	Environmental initiatives that leverage the wisdom of professionals	<ul style="list-style-type: none"> •Realization of a decarbonized society •Realization of a recycling-oriented society •Realization of a society in harmony with nature
4	Develop a diverse workforce and work environment	<ul style="list-style-type: none"> •Creation of management personnel •Diversity and inclusion initiatives •Education for professionals to demonstrate their abilities
5	Establish a responsible company and management foundation	<ul style="list-style-type: none"> •Strengthening corporate governance •Compliance with laws and regulations/social norms •Information security/privacy protection

ESG Management Initiatives

The C&R Group will promote ESG management from the perspectives of the environment, social, and governance, and will build a strong management foundation that enables sustainable development.

Environment

- Comply with the Task Force on Climate Related Financial Information Disclosure (TCFD)



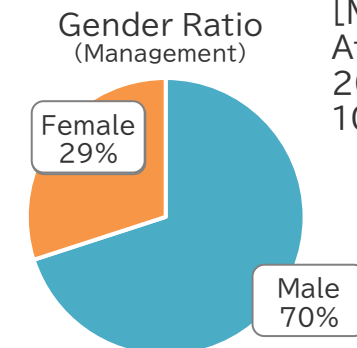
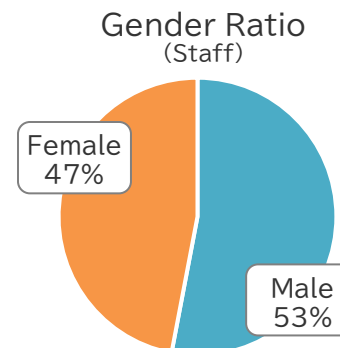
Governance

In addition to strengthening the supervisory function of the management organization, we are working to ensure transparency, prompt execution, and the establishment of a risk management system.

※For details, please see the corporate website "Sustainability".
<https://www.cri.co.jp/sustainability/>

Social

- Human resources development (employee education)
- Promotion of health management (employee health)
- Efforts to improve the working environment
- Work-life balance
- Diversity (diversity of employees)
- Promotion of remote work
- Employment of people with disabilities
- Promotion of women's advancement



[Ministry of Comm. & Internal Affairs]
 2021 Awarded one of the 100 best telework pioneers

