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Consolidated Financial Results for the Year Ended March 31, 2025 [Japanese GAAP]

May 9, 2025

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: Kazuo Sugiyama, Director
Telephone: +81-03)5769-8011
Scheduled date of annual general meeting of shareholders: June 20, 2025
Scheduled date to commence dividend payments: June 23, 2025
Scheduled date to file annual securities report: June 19, 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 Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(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	%
Fiscal year ended March 31, 2025	58,760	11.4	5,983	16.8	6,290	11.2	4,405	18.2
March 31, 2024	52,755	9.1	5,121	2.5	5,658	10.2	3,728	12.0

(Note) Comprehensive income: Fiscal year ended March 31, 2025: ¥ 4,419 million [(15.9) %]
Fiscal year ended March 31, 2024: ¥ 5,254 million [61.7%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	106.89	-	15.1	15.1	10.2
March 31, 2024	90.06	-	14.3	15.4	9.7

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2025: ¥ 62 million
Fiscal year ended March 31, 2024: ¥ 52 million

(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	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	43,336	30,815	71.1	747.27
March 31, 2024	39,714	27,681	69.7	671.89

(Reference) Equity: As of March 31, 2025: ¥ 30,815 million
As of March 31, 2024: ¥ 27,681 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2025	4,762	(2,293)	(2,084)	15,244
March 31, 2024	3,213	1,451	(723)	14,864

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	-	25.00	-	27.00	52.00	1,070	28.9	4.2
March 31, 2025	-	19.00	-	23.00	42.00	1,731	39.3	5.9
Fiscal year ending								
March 31, 2026 (Forecast)	-	29.00	-	29.00	58.00		48.8	

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (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
Six months ending September 30, 2025	31,100	9.1	2,870	10.0	2,890	4.6	1,950	3.8	47.29
Full year	64,000	8.9	7,000	17.0	7,140	13.5	4,900	11.2	118.82

* Notes:

- (1) Significant changes in the scope of consolidation during the period: Yes
- Newly included: 2 (Company name: Jet Technologies. Co., Ltd. , TAKAGI SYSTEM CO., LTD)
- Excluded: 2 (Company name: CRESCO Wireless, Inc. , Japan Software Design CO.,LTD.,)

- (2) Changes in accounting policies, changes in accounting estimates, and restatement

- 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- 2) Changes in accounting policies due to other reasons: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

- (3) Number of issued shares (common shares)

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

March 31, 2025: 42,000,000 shares

March 31, 2024: 44,000,000 shares

- 2) Number of treasury shares at the end of the period:

March 31, 2025: 762,218 shares

March 31, 2024: 2,800,764 shares

- 3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2025: 41,217,485 shares

Fiscal Year ended March 31, 2024: 41,401,064 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. Additionally, the Company resolved to implement a cancellation of treasury shares, effective February 25, 2025, for 2,000,000 shares.

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	30,885	4.6	3,670	22.6	4,324	11.2	3,309	19.1
March 31, 2024	29,530	5.3	2,993	2.1	3,889	17.2	2,779	25.6

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2025	80.29	-
March 31, 2024	67.13	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	32,071	23,289	72.6	564.76
March 31, 2024	30,928	21,201	68.5	514.60

(Reference) Equity: As of March 31, 2025: ¥ 23,289 million

As of March 31, 2024: ¥ 21,201 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2026 (April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	16,600	7.9	2,430	12.5	2,020	23.0	48.98
Full year	33,500	8.5	4,778	10.5	3,760	13.6	91.18

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	14,979,921	15,334,671
Accounts receivable - trade	9,843,883	10,106,343
Contract assets	427,904	383,291
Electronically recorded monetary claims - operating	691,862	485,899
Securities	808,108	815,839
Money held in trust	107,113	-
Merchandise and finished goods	22,087	48,376
Work in process	372,387	316,708
Supplies	43,884	36,419
Prepaid expenses	491,325	765,104
Other	113,623	158,370
Total current assets	27,902,101	28,451,026
Non-current assets		
Property, plant and equipment		
Buildings	952,887	1,165,467
Accumulated depreciation	(456,219)	(482,862)
Buildings, net	496,668	682,604
Tools, furniture and fixtures	611,386	763,351
Accumulated depreciation	(430,112)	(472,476)
Tools, furniture and fixtures, net	181,274	290,874
Land	19,990	19,990
Leased assets	15,251	24,490
Accumulated depreciation	(12,146)	(8,874)
Leased assets, net	3,105	15,615
Total property, plant and equipment	701,038	1,009,084
Intangible assets		
Goodwill	1,145,242	2,755,749
Software	283,258	319,848
Other	14,334	14,088
Total intangible assets	1,442,835	3,089,686
Investments and other assets		
Investment securities	7,410,000	8,103,753
Leasehold and guarantee deposits	1,204,174	1,548,056
Insurance funds	45,396	45,319
Retirement benefit asset	30,483	-
Deferred tax assets	819,077	938,002
Other	266,508	254,303
Allowance for doubtful accounts	(107,209)	(102,425)
Total investments and other assets	9,668,430	10,787,011
Total non-current assets	11,812,303	14,885,781
Total assets	39,714,405	43,336,808

(Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	2,354,699	2,687,261
Short-term borrowings	100,000	100,000
Current portion of bonds payable	20,000	-
Current portion of long-term borrowings	641,938	443,336
Lease liabilities	1,386	4,405
Accounts payable - other	809,388	663,107
Income taxes payable	1,212,654	1,115,265
Accrued business office tax	39,851	46,131
Accrued consumption taxes	597,047	650,935
Contract liabilities	128,625	349,171
Provision for bonuses	1,769,243	2,016,047
Provision for bonuses for directors (and other officers)	65,892	65,808
Provision for loss on orders received	99,562	43,057
Other	748,338	786,496
Total current liabilities	8,588,629	8,971,024
Non-current liabilities		
Long-term borrowings	1,595,000	1,160,274
Bonds payable	30,000	-
Long-term accounts payable - other	52,834	52,772
Lease liabilities	1,996	12,771
Provision for retirement benefits for directors (and other officers)	-	400,000
Retirement benefit liability	1,325,471	1,428,595
Asset retirement obligations	122,789	163,104
Deferred tax liabilities	316,422	326,827
Other	-	5,520
Total non-current liabilities	3,444,514	3,549,865
Total liabilities	12,033,143	12,520,890
Net assets		
Shareholders' equity		
Share capital	2,514,875	2,514,875
Capital surplus	2,979,869	2,979,869
Retained earnings	20,897,649	22,696,786
Treasury shares	(1,813,333)	(491,536)
Total shareholders' equity	24,579,061	27,699,995
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,920,375	2,986,227
Foreign currency translation adjustment	26,614	20,878
Remeasurements of defined benefit plans	155,210	108,815
Total accumulated other comprehensive income	3,102,199	3,115,921
Total net assets	27,681,261	30,815,917
Total liabilities and net assets	39,714,405	43,336,808

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	52,755,890	58,760,592
Cost of sales	42,418,831	46,980,908
Gross profit	10,337,058	11,779,684
Selling, general and administrative expenses		
Advertising expenses	127,168	157,448
Remuneration, salaries and allowances for directors (and other officers)	2,155,745	2,219,409
Bonuses	167,441	187,963
Provision for bonuses	212,572	223,479
Provision for bonuses for directors (and other officers)	57,642	59,058
Retirement benefit expenses	61,443	51,540
Provision for retirement benefits for directors (and other officers)	-	680
Legal welfare expenses	346,218	362,760
Hiring expenses	192,381	228,722
Education expense	169,921	131,802
Entertainment expenses	67,473	85,479
Rent expenses on land and buildings	186,914	226,610
Supplies expenses	81,893	86,737
Amortization of goodwill	210,697	344,322
Enterprise tax	223,659	227,231
Other	954,107	1,202,615
Total selling, general and administrative expenses	5,215,282	5,795,861
Operating profit	5,121,775	5,983,822
Non-operating income		
Interest income	250,725	233,905
Dividend income	65,686	79,189
Gain on sale of securities	20,942	18,062
Gain on investments in money held in trust	30,939	3,964
Gain on valuation of derivatives	273,440	30,103
Subsidy income	40,779	51,367
Share of profit of entities accounted for using equity method	52,107	62,812
Other	29,772	31,192
Total non-operating income	764,393	510,597
Non-operating expenses		
Interest expenses	2,687	11,243
Loss on valuation of securities	3,887	25,436
Investment advisory fee	90,385	131,692
Donations	121,000	12,000
Other	9,673	23,406
Total non-operating expenses	227,633	203,778
Ordinary profit	5,658,535	6,290,640

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Extraordinary income		
Gain on sale of non-current assets	-	983
Gain on sale of investment securities	323,351	173,288
Gain on redemption of investment securities	108,001	57,315
Gain on sale of shares of subsidiaries and associates	-	1,626
Surrender value of insurance policies	12,193	11,599
Other	-	3,197
Total extraordinary income	443,545	248,010
Extraordinary losses		
Loss on retirement of non-current assets	10,809	16,663
Loss on sale of investment securities	776	5,380
Loss on valuation of investment securities	5,807	23,209
Office relocation expenses	3,838	42,008
Impairment losses	296,694	89,459
Loss on compensations	-	85,475
Other	83,845	33,199
Total extraordinary losses	401,772	295,397
Profit before income taxes	5,700,308	6,243,253
Income taxes - current	2,035,570	1,924,200
Income taxes - deferred	(63,843)	(86,514)
Total income taxes	1,971,727	1,837,686
Profit	3,728,580	4,405,567
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	3,728,580	4,405,567

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	3,728,580	4,405,567
Other comprehensive income		
Valuation difference on available-for-sale securities	1,431,425	65,851
Foreign currency translation adjustment	8,537	(5,735)
Remeasurements of defined benefit plans, net of tax	85,959	(46,394)
Total other comprehensive income	1,525,923	13,721
Comprehensive income	5,254,504	4,419,289
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,254,504	4,419,289
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Equity
For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,514,875	3,403,940	19,105,001	(2,150,640)	22,873,176
Changes during period					
Dividends of surplus			(1,083,495)		(1,083,495)
Profit attributable to owners of parent			3,728,580		3,728,580
Purchase of treasury shares				(995,731)	(995,731)
Disposal of treasury shares		18,372		38,159	56,531
Cancellation of treasury shares		(1,294,880)		1,294,880	-
Transfer from retained earnings to capital surplus		852,437	(852,437)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	(424,070)	1,792,648	337,307	1,705,885
Balance at end of period	2,514,875	2,979,869	20,897,649	(1,813,333)	24,579,061

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	1,488,949	18,076	69,250	1,576,276	24,449,452
Changes during period					
Dividends of surplus					(1,083,495)
Profit attributable to owners of parent					3,728,580
Purchase of treasury shares					(995,731)
Disposal of treasury shares					56,531
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	1,431,425	8,537	85,959	1,525,923	1,525,923
Total changes during period	1,431,425	8,537	85,959	1,525,923	3,231,809
Balance at end of period	2,920,375	26,614	155,210	3,102,199	27,681,261

For the fiscal year ended March 31, 2025

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,514,875	2,979,869	20,897,649	(1,813,333)	24,579,061
Changes during period					
Dividends of surplus			(1,339,300)		(1,339,300)
Profit attributable to owners of parent			4,405,567		4,405,567
Purchase of treasury shares					-
Disposal of treasury shares		27,309		27,356	54,666
Cancellation of treasury shares		(1,294,440)		1,294,440	-
Transfer from retained earnings to capital surplus		1,267,130	(1,267,130)		-
Net changes in items other than shareholders' equity					
Total changes during period	-	-	1,799,136	1,321,796	3,120,933
Balance at end of period	2,514,875	2,979,869	22,696,786	(491,536)	27,699,995

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	2,920,375	26,614	155,210	3,102,199	27,681,261
Changes during period					
Dividends of surplus					(1,339,300)
Profit attributable to owners of parent					4,405,567
Purchase of treasury shares					-
Disposal of treasury shares					54,666
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	65,851	(5,735)	(46,394)	13,721	13,721
Total changes during period	65,851	(5,735)	(46,394)	13,721	3,134,655
Balance at end of period	2,986,227	20,878	108,815	3,115,921	30,815,917

Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	5,700,308	6,243,253
Depreciation	311,271	282,701
Amortization of goodwill	210,697	344,322
Impairment losses	296,694	89,459
Increase (decrease) in provision for bonuses	195,320	170,518
Increase (decrease) in provision for bonuses for directors (and other officers)	(16,391)	(2,857)
Increase (decrease) in provision for loss on orders received	48,146	(56,505)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-	(102,960)
Increase (decrease) in retirement benefit liability	90,513	24,865
Decrease (increase) in retirement benefit asset	(30,483)	30,483
Interest and dividend income	(316,411)	(313,094)
Interest expenses	2,687	11,243
Loss (gain) on sale of securities	(20,942)	(18,062)
Loss (gain) on valuation of derivatives	(273,440)	(30,103)
Share of loss (profit) of entities accounted for using equity method	(52,107)	(62,812)
Loss on retirement of non-current assets	10,809	16,663
Loss (gain) on valuation of investment securities	5,807	23,209
Loss (gain) on sale of investment securities	(322,574)	(167,908)
Loss (gain) on redemption of investment securities	(108,001)	(57,315)
Decrease (increase) in trade receivables	(1,365,967)	426,218
Decrease (increase) in inventories	(182,002)	54,147
Decrease (increase) in contract assets	(112,363)	44,612
Increase (decrease) in trade payables	147,070	(10,599)
Increase (decrease) in accounts payable - other	302,297	(231,639)
Increase (decrease) in long-term accounts payable - other	(84)	(61)
Increase (decrease) in accrued consumption taxes	100,400	3,401
Other, net	80,214	(88,552)
Subtotal	4,701,470	6,622,631
Interest and dividends received	317,703	316,149
Interest paid	(5,082)	(10,672)
Income taxes paid	(1,800,227)	(2,166,067)
Net cash provided by (used in) operating activities	3,213,864	4,762,042

(Thousands of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(3,601)	(2,410)
Proceeds from withdrawal of time deposits	-	47,912
Purchase of securities	(167,018)	(220,412)
Proceeds from sale of securities	175,902	132,286
Purchase of property, plant and equipment	(184,613)	(411,120)
Purchase of intangible assets	(79,783)	(183,834)
Purchase of investment securities	(749,685)	(1,413,860)
Proceeds from sale of investment securities	511,313	409,071
Proceeds from redemption of investment securities	2,186,868	817,092
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(1,165,882)
Income for sales of shares of subsidiaries resulting in change in scope of consolidation	-	6,099
Proceeds from cancellation of insurance funds	31,584	24,556
Other, net	(269,149)	(333,067)
Net cash provided by (used in) investing activities	1,451,815	(2,293,567)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(30,000)	-
Proceeds from long-term borrowings	1,940,000	10,000
Repayments of long-term borrowings	(524,237)	(703,451)
Repayments of lease liabilities	(2,971)	(3,582)
Redemption of bonds	(25,000)	(50,000)
Dividends paid	(1,083,263)	(1,337,546)
Purchase of treasury shares	(998,220)	-
Net cash provided by (used in) financing activities	(723,692)	(2,084,579)
Effect of exchange rate change on cash and cash equivalents	7,254	(3,652)
Net increase (decrease) in cash and cash equivalents	3,949,240	380,242
Cash and cash equivalents at beginning of period	10,915,310	14,864,551
Cash and cash equivalents at end of period	14,864,551	15,244,793