

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

July 31, 2019

Company name: CREO CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 9698 URL <https://www.creo.co.jp>  
 Representative: President and Representative Director Junichi Kakizaki  
 Inquiries: Managing Director, Operating officer Kazuhiko Toriya TEL 03-5783-3560  
 Scheduled date to file Quarterly Securities Report: August 14, 2019  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended June 30, 2019 (from April 1, 2019 to June 30, 2019)

(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	%
Three months ended June 30, 2019	2,998	5.6	117	–	124	–	55	–
Three months ended June 30, 2018	2,839	10.2	4	–	7	–	(1)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2019	6.66		–	
Three months ended June 30, 2018	(0.21)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	8,034	5,708	70.6
As of March 31, 2019	8,433	5,861	69.0

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2019	–	0.00	–	25.00	25.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	–	–	34.00	34.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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 September 30, 2019	6,750	9.2	230	50.4	250	35.4	150	15.6	18.07
Full year	15,000	10.9	1,000	49.1	1,030	45.7	680	2.3	81.94

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019  
(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: Yes
- 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 June 30, 2019	8,650,369 shares	As of March 31, 2019	8,650,369 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	351,283 shares	As of March 31, 2019	351,218 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2019	8,299,113 shares	Three months ended June 30, 2018	8,299,419 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	4,012	4,218
Notes and accounts receivable - trade	2,761	1,843
Merchandise and finished goods	15	4
Work in process	225	556
Other	177	175
Total current assets	7,192	6,799
Non-current assets		
Property, plant and equipment	303	313
Intangible assets		
Patent right	1	1
Software	223	194
Software in progress	52	69
Other	0	0
Total intangible assets	276	265
Investments and other assets		
Investment securities	41	40
Deferred tax assets	296	296
Other	346	343
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	660	656
Total non-current assets	1,240	1,235
Total assets	8,433	8,034
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	671	500
Accounts payable - other	304	282
Income taxes payable	178	81
Advances received	180	439
Provision for bonuses	545	268
Provision for bonuses for directors (and other officers)	21	–
Other	545	634
Total current liabilities	2,446	2,207
Non-current liabilities		
Directors' retirement benefits payable	26	26
Asset retirement obligations	67	67
Other	31	25
Total non-current liabilities	124	119
Total liabilities	2,571	2,326

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Net assets		
Shareholders' equity		
Share capital	3,149	3,149
Capital surplus	562	562
Retained earnings	2,258	2,105
Treasury shares	(149)	(149)
Total shareholders' equity	5,820	5,668
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Total accumulated other comprehensive income	0	0
Non-controlling interests	40	39
Total net assets	5,861	5,708
Total liabilities and net assets	8,433	8,034

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Net sales	2,839	2,998
Cost of sales	2,298	2,325
Gross profit	541	673
Selling, general and administrative expenses	536	556
Operating profit	4	117
Non-operating income		
Interest income	0	0
Dividend income	0	0
Insurance claim income	0	4
Subsidy income	1	1
Other	2	1
Total non-operating income	4	8
Non-operating expenses		
Interest expenses	0	0
Loss on investments in investment partnerships	–	0
Other	0	0
Total non-operating expenses	0	0
Ordinary profit	7	124
Profit before income taxes	7	124
Total income taxes	8	67
Profit (loss)	(0)	56
Profit attributable to non-controlling interests	1	1
Profit (loss) attributable to owners of parent	(1)	55

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

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit (loss)	(0)	56
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Total other comprehensive income	0	(0)
Comprehensive income	(0)	56
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1)	55
Comprehensive income attributable to non-controlling interests	1	1