

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

July 29, 2020

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 12, 2020  
 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, 2020 (from April 1, 2020 to June 30, 2020)

(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, 2020	2,972	(0.9)	67	(42.2)	102	(17.8)	6	(88.5)
Three months ended June 30, 2019	2,998	5.6	117	–	124	–	55	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	0.77		–	
Three months ended June 30, 2019	6.66		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	8,189	5,876	71.6
As of March 31, 2020	8,968	6,158	68.5

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, 2020	–	0.00	–	35.00	35.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	0.00	–	36.00	36.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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, 2020	6,900	1.0	300	(31.9)	320	(32.5)	170	(44.5)	20.77
Full year	15,500	6.0	1,100	5.3	1,130	3.2	735	0.5	89.79

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020  
 (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: No
- 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, 2020	8,650,369 shares	As of March 31, 2020	8,650,369 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	464,616 shares	As of March 31, 2020	464,583 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, 2020	8,185,766 shares	Three months ended June 30, 2019	8,299,113 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	4,128	4,210
Notes and accounts receivable - trade	2,950	1,644
Merchandise and finished goods	7	13
Work in process	272	624
Other	200	189
Total current assets	7,558	6,682
Non-current assets		
Property, plant and equipment	289	326
Intangible assets		
Patent right	0	0
Software	226	209
Software in progress	163	243
Other	0	0
Total intangible assets	390	453
Investments and other assets		
Investment securities	38	38
Deferred tax assets	314	314
Other	403	401
Allowance for doubtful accounts	(26)	(26)
Total investments and other assets	730	727
Total non-current assets	1,409	1,507
Total assets	8,968	8,189
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	665	563
Accounts payable - other	258	201
Income taxes payable	293	78
Advances received	215	487
Provision for bonuses	662	268
Provision for bonuses for directors (and other officers)	36	—
Other	565	593
Total current liabilities	2,696	2,192
Non-current liabilities		
Directors' retirement benefits payable	26	26
Asset retirement obligations	68	76
Other	19	17
Total non-current liabilities	113	120
Total liabilities	2,810	2,312

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Net assets		
Shareholders' equity		
Share capital	3,149	3,149
Capital surplus	559	559
Retained earnings	2,781	2,501
Treasury shares	(349)	(349)
Total shareholders' equity	6,141	5,861
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Total accumulated other comprehensive income	0	0
Non-controlling interests	16	14
Total net assets	6,158	5,876
Total liabilities and net assets	8,968	8,189

**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, 2019	Three months ended June 30, 2020
Net sales	2,998	2,972
Cost of sales	2,325	2,326
Gross profit	673	645
Selling, general and administrative expenses	556	577
Operating profit	117	67
Non-operating income		
Interest income	0	0
Dividend income	0	0
Insurance claim income	4	–
Compensation income	–	110
Subsidy income	1	4
Other	1	1
Total non-operating income	8	116
Non-operating expenses		
Interest expenses	0	0
Loss on investments in investment partnerships	0	0
Compensation expenses	–	80
Other	0	0
Total non-operating expenses	0	81
Ordinary profit	124	102
Extraordinary losses		
Office relocation expenses	–	0
Total extraordinary losses	–	0
Profit before income taxes	124	101
Total income taxes	67	93
Profit	56	7
Profit attributable to non-controlling interests	1	1
Profit attributable to owners of parent	55	6

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	56	7
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	0
Total other comprehensive income	(0)	0
Comprehensive income	56	7
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	55	6
Comprehensive income attributable to non-controlling interests	1	1