

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 3, 2021

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: February 12, 2021
 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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	10,009	(2.5)	631	(16.4)	689	(13.5)	402	(24.1)
Nine months ended December 31, 2019	10,268	10.3	755	116.3	797	107.2	530	58.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	49.16		–	
Nine months ended December 31, 2019	64.00		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	8,472	6,276	73.9
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	–	0.00	–		
Year ending March 31, 2021 (Forecast)				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
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 nine months ended December 31, 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 December 31, 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 December 31, 2020	464,681 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)

Nine months ended December 31, 2020	8,185,746 shares	Nine months ended December 31, 2019	8,286,293 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	4,128	3,901
Notes and accounts receivable - trade	2,950	1,805
Merchandise and finished goods	7	16
Work in process	272	954
Other	200	214
Allowance for doubtful accounts	–	(0)
Total current assets	7,558	6,892
Non-current assets		
Property, plant and equipment	289	319
Intangible assets		
Patent right	0	0
Software	226	247
Software in progress	163	279
Other	0	0
Total intangible assets	390	527
Investments and other assets		
Investment securities	38	37
Deferred tax assets	314	314
Other	403	408
Allowance for doubtful accounts	(26)	(26)
Total investments and other assets	730	734
Total non-current assets	1,409	1,580
Total assets	8,968	8,472

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	665	582
Accounts payable - other	258	227
Income taxes payable	293	54
Advances received	215	302
Provision for bonuses	662	270
Provision for bonuses for directors (and other officers)	36	–
Other	565	605
Total current liabilities	2,696	2,042
Non-current liabilities		
Directors' retirement benefits payable	26	26
Asset retirement obligations	68	77
Provision for share-based remuneration	–	34
Other	19	15
Total non-current liabilities	113	154
Total liabilities	2,810	2,196
Net assets		
Shareholders' equity		
Share capital	3,149	3,149
Capital surplus	559	747
Retained earnings	2,781	2,897
Treasury shares	(349)	(537)
Total shareholders' equity	6,141	6,257
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Total accumulated other comprehensive income	0	0
Non-controlling interests	16	18
Total net assets	6,158	6,276
Total liabilities and net assets	8,968	8,472

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	10,268	10,009
Cost of sales	7,882	7,659
Gross profit	2,385	2,350
Selling, general and administrative expenses	1,629	1,719
Operating profit	755	631
Non-operating income		
Interest income	0	0
Dividend income	0	0
Compensation income	–	110
Subsidy income	36	26
Other	9	4
Total non-operating income	46	141
Non-operating expenses		
Interest expenses	0	0
Loss on investments in investment partnerships	1	1
Compensation expenses	–	80
Commission for purchase of treasury shares	1	–
Other	0	0
Total non-operating expenses	4	83
Ordinary profit	797	689
Extraordinary losses		
Loss on retirement of non-current assets	0	–
Settlement package	–	24
Other	0	0
Total extraordinary losses	0	25
Profit before income taxes	797	664
Total income taxes	257	257
Profit	540	406
Profit attributable to non-controlling interests	9	4
Profit attributable to owners of parent	530	402

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	540	406
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Total other comprehensive income	0	0
Comprehensive income	540	407
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	530	402
Comprehensive income attributable to non-controlling interests	9	4