

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2015  
(Based on Japanese GAAP)**

May 13, 2015

Company name: CREO CO., LTD.  
 Stock exchange listing: Tokyo  
 Stock code: 9698 URL <http://www.creo.co.jp>  
 Representative: President and Representative Director Yuji Anan  
 Inquiries: Executive Officer, Financial Director Takashi Ameda TEL 03-5769-3640  
 Scheduled date of ordinary general meeting of shareholders: June 16, 2015  
 Scheduled date to file Securities Report: June 26, 2015  
 Scheduled date to commence dividend payments: June 17, 2015  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2015	11,425	0.3	357	37.6	380	38.7	213	384.5
Year ended March 31, 2014	11,387	3.1	259	(40.2)	274	(37.5)	44	(87.6)

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	24.66	–	4.6	5.5	3.1
Year ended March 31, 2014	5.06	–	1.0	4.1	2.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2015	7,159	4,799	66.5	549.99
As of March 31, 2014	6,782	4,602	67.3	527.37

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2015	772	(322)	(44)	3,553
Year ended March 31, 2014	978	(686)	(67)	3,148

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2014	–	0.00	–	5.00	5.00	43	98.7	1.0
Year ended March 31, 2015	–	0.00	–	5.00	5.00	43	20.3	0.9
Year ending March 31, 2016 (Forecast)	–	0.00	–	5.00	5.00		12.4	

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending September 30, 2015	4,000	(26.3)	10	(89.6)	100	209.7
Full year	10,000	(12.5)	300	(21.3)	350	64.0

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2015

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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:

Yes

Restatement of prior period financial statements after error corrections:

No

(3) Number of issued shares (common shares)

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

As of March 31, 2015	∴	9,237,319 shares	As of March 31, 2014	∴	9,237,319 shares
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Number of treasury shares at the end of the period

As of March 31, 2015	∴	581,646 shares	As of March 31, 2014	∴	579,538 shares
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Average number of shares during the period

Year ended March 31, 2015	∴	8,656,835 shares	Year ended March 31, 2014	∴	8,699,736 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	3,148	3,553
Notes and accounts receivable - trade	2,041	2,149
Merchandise and finished goods	21	24
Work in process	174	204
Other	216	186
Total current assets	5,603	6,118
Non-current assets		
Property, plant and equipment		
Buildings and structures	215	237
Accumulated depreciation and impairment loss	(88)	(87)
Buildings and structures, net	126	150
Tools, furniture and fixtures	163	158
Accumulated depreciation and impairment loss	(118)	(108)
Tools, furniture and fixtures, net	45	49
Leased assets	3	3
Accumulated depreciation	(0)	(1)
Leased assets, net	2	2
Land	0	0
Total property, plant and equipment	174	202
Intangible assets		
Goodwill	2	–
Patent right	–	2
Software	598	378
Software in progress	102	103
Other	3	3
Total intangible assets	706	488
Investments and other assets		
Investment securities	82	119
Other	216	231
Allowance for doubtful accounts	–	(0)
Total investments and other assets	298	350
Total non-current assets	1,179	1,041
Total assets	6,782	7,159

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	472	433
Accounts payable - other	461	566
Income taxes payable	91	43
Provision for bonuses	429	461
Provision for sales returns	89	79
Asset retirement obligations	9	–
Other	534	653
Total current liabilities	2,087	2,237
Non-current liabilities		
Accrued directors' retirement benefits	28	26
Asset retirement obligations	46	53
Other	19	42
Total non-current liabilities	93	122
Total liabilities	2,180	2,360
<b>Net assets</b>		
Shareholders' equity		
Capital stock	3,149	3,149
Capital surplus	743	743
Retained earnings	843	1,013
Treasury shares	(178)	(178)
Total shareholders' equity	4,558	4,728
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7	32
Total accumulated other comprehensive income	7	32
Minority interests	36	39
Total net assets	4,602	4,799
Total liabilities and net assets	6,782	7,159

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	11,387	11,425
Cost of sales	8,823	8,792
Gross profit	2,563	2,632
Selling, general and administrative expenses		
Promotion expenses	106	83
Advertising expenses	141	154
Salaries, allowances and bonuses	737	771
Retirement benefit expenses	25	28
Provision for bonuses	67	90
Directors' compensations	275	240
Other	949	906
Total selling, general and administrative expenses	2,303	2,275
Operating income	259	357
Non-operating income		
Interest income	0	0
Dividend income	0	2
Insurance fee	1	2
Subsidy income	10	–
Gain on investments in partnership profit	–	12
Other	–	4
Other	2	3
Total non-operating income	15	25
Non-operating expenses		
Interest expenses	–	0
Office work fee	0	–
Foreign exchange losses	–	1
Loss on cancellation of leases	–	0
Other	0	0
Total non-operating expenses	0	2
Ordinary income	274	380
Extraordinary income		
Gain on sales of non-current assets	0	–
Gain on transfer of business	24	86
Other	1	–
Total extraordinary income	26	86
Extraordinary losses		
Loss on retirement of non-current assets	0	–
Settlement package	55	10
appraisal loss software	49	145
Impairment loss	21	–
Other	1	1
Total extraordinary losses	127	157
Income before income taxes and minority interests	173	310

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income taxes - current	127	90
Income taxes - deferred	(4)	3
Total income taxes	123	93
Income before minority interests	50	217
Minority interests in income	5	3
Net income	44	213

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	50	217
Other comprehensive income		
Valuation difference on available-for-sale securities	7	25
Total other comprehensive income	7	25
Comprehensive income	57	242
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	51	238
Comprehensive income attributable to minority interests	5	3

## Consolidated statements of changes in net assets

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,149	743	843	(154)	4,581
Changes of items during period					
Net income			44		44
Purchase of treasury shares				(23)	(23)
Dividends of surplus			(43)		(43)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	0	(23)	(23)
Balance at end of current period	3,149	743	843	(178)	4,558

	Accumulated other comprehensive income		Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of current period	0	0	30	4,612
Changes of items during period				
Net income				44
Purchase of treasury shares				(23)
Dividends of surplus				(43)
Net changes of items other than shareholders' equity	7	7	5	12
Total changes of items during period	7	7	5	(10)
Balance at end of current period	7	7	36	4,602



Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	3,149	743	843	(178)	4,558
Changes of items during period					
Net income			213		213
Purchase of treasury shares				(0)	(0)
Dividends of surplus			(43)		(43)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	170	(0)	169
Balance at end of current period	3,149	743	1,013	(178)	4,728

	Accumulated other comprehensive income		Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of current period	7	7	36	4,602
Changes of items during period				
Net income				213
Purchase of treasury shares				(0)
Dividends of surplus				(43)
Net changes of items other than shareholders' equity	25	25	3	28
Total changes of items during period	25	25	3	197
Balance at end of current period	32	32	39	4,799

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	173	310
Depreciation	501	478
Amortization of goodwill	2	2
Impairment loss	21	–
Increase (decrease) in allowance for doubtful accounts	–	0
Increase (decrease) in provision for bonuses	87	31
Increase (decrease) in provision for sales returns	28	(10)
Interest and dividend income	(1)	(2)
Interest expenses	0	0
Loss on retirement of property, plant and equipment	0	0
Gain on transfer of business	–	(86)
Loss (gain) on valuation of investment securities	1	–
Loss (gain) on sales of property, plant and equipment	(0)	0
appraisal loss software	49	145
Settlement package	55	10
Decrease (increase) in notes and accounts receivable - trade	(48)	(107)
Decrease (increase) in inventories	57	(33)
Increase (decrease) in notes and accounts payable - trade	23	(38)
Increase (decrease) in accounts payable - other	(26)	69
Increase (decrease) in accrued consumption taxes	10	156
Decrease (increase) in claims provable in bankruptcy, claims provable in rehabilitation	–	(0)
Other, net	108	(21)
Subtotal	1,045	905
Interest and dividend income received	1	2
Interest expenses paid	(0)	(0)
Income taxes paid	(67)	(136)
Net cash provided by (used in) operating activities	978	772
Cash flows from investing activities		
Purchase of property, plant and equipment	(48)	(58)
Purchase of intangible assets	(561)	(346)
Proceeds from sales of property, plant and equipment	0	–
Purchase of investment securities	(64)	–
Payments for guarantee deposits	(11)	(77)
Proceeds from collection of guarantee deposits	7	62
Proceeds from transfer of business	–	110
Other, net	(8)	(12)
Net cash provided by (used in) investing activities	(686)	(322)
Cash flows from financing activities		
Cash dividends paid	(43)	(42)
Purchase of treasury shares	(23)	(0)
Cash dividends paid to minority shareholders	(0)	(0)
Repayments of lease obligations	(0)	(0)
Net cash provided by (used in) financing activities	(67)	(44)
Net increase (decrease) in cash and cash equivalents	224	405
Cash and cash equivalents at beginning of period	2,923	3,148
Cash and cash equivalents at end of period	3,148	3,553