

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2015 (Based on Japanese GAAP)

July 31, 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 to file Quarterly Securities Report: August 14, 2015
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 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, 2015 (from April 1, 2015 to June 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2015	2,158	(9.2)	(38)	–	(25)	–	164	–
Three months ended June 30, 2014	2,376	9.8	(120)	–	(116)	–	(141)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2015	19.00	–
Three months ended June 30, 2014	(16.29)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2015	6,551	4,919	74.5
As of March 31, 2015	7,159	4,799	66.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2015	–	0.00	–	5.00	5.00
Year ending March 31, 2016	–	–	–	–	–
Year ending March 31, 2016 (Forecast)	–	0.00	–	5.00	5.00

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 three months ended June 30, 2015
 (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: No
- (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: Yes
- 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, 2015	9,237,319 shares	As of March 31, 2015	9,237,319 shares
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Number of treasury shares at the end of the period

As of June 30, 2015	581,946 shares	As of March 31, 2015	581,646 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, 2015	8,655,657 shares	Three months ended June 30, 2014	8,657,736 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
Assets		
Current assets		
Cash and deposits	3,553	3,922
Notes and accounts receivable - trade	2,149	1,223
Merchandise and finished goods	24	7
Work in process	204	356
Other	186	152
Total current assets	6,118	5,663
Non-current assets		
Property, plant and equipment	202	181
Intangible assets		
Other	488	380
Total intangible assets	488	380
Investments and other assets	350	325
Total non-current assets	1,041	887
Total assets	7,159	6,551
Liabilities		
Current liabilities		
Accounts payable - trade	433	312
Income taxes payable	43	6
Provision for bonuses	461	206
Provision for sales returns	79	-
Other	1,220	992
Total current liabilities	2,237	1,517
Non-current liabilities		
Directors' retirement benefits payable	26	26
Asset retirement obligations	53	48
Other	42	38
Total non-current liabilities	122	113
Total liabilities	2,360	1,631
Net assets		
Shareholders' equity		
Capital stock	3,149	3,149
Capital surplus	743	743
Retained earnings	1,013	1,135
Treasury shares	(178)	(179)
Total shareholders' equity	4,728	4,849
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32	32
Total accumulated other comprehensive income	32	32
Non-controlling interests	39	38
Total net assets	4,799	4,919
Total liabilities and net assets	7,159	6,551

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, 2014	Three months ended June 30, 2015
Net sales	2,376	2,158
Cost of sales	1,930	1,780
Gross profit	446	377
Selling, general and administrative expenses	566	416
Operating loss	(120)	(38)
Non-operating income		
Interest income	0	0
Dividend income	1	1
Insurance income	2	–
Subsidy income	–	11
Other	0	0
Total non-operating income	4	12
Non-operating expenses		
Interest expenses	0	0
Other	0	0
Total non-operating expenses	0	0
Ordinary loss	(116)	(25)
Extraordinary income		
Gain on sales of shares of subsidiaries	–	204
Other	–	0
Total extraordinary income	–	204
Extraordinary losses		
Settlement package	10	–
Other	–	0
Total extraordinary losses	10	0
Income (loss) before income taxes and minority interests	(126)	178
Income taxes - current	3	4
Income taxes - deferred	10	8
Total income taxes	13	12
Profit (loss)	(140)	165
Profit attributable to non-controlling interests	0	1
Profit (loss) attributable to owners of parent	(141)	164

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Profit (loss)	(140)	165
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Total other comprehensive income	0	(0)
Comprehensive income	(140)	165
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(140)	164
Comprehensive income attributable to non-controlling interests	0	1