

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 5, 2016

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: February 12, 2016
 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 nine months ended December 31, 2015 (from April 1, 2015 to December 31, 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	%
Nine months ended December 31, 2015	7,038	(13.6)	97	(16.1)	117	(12.8)	286	–
Nine months ended December 31, 2014	8,146	1.1	116	(48.3)	134	(41.4)	(35)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	33.06		–	
Nine months ended December 31, 2014	(4.12)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	6,610	5,036	75.6
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				
Year ended March 31, 2015	–	0.00	–	5.00	5.00
Year ending March 31, 2016	–	0.00	–		
Year ending March 31, 2016 (Forecast)				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	%
Full year	10,000	(12.5)	300	(21.3)	350	64.0

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2015	583,473 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)

Nine months ended December 31, 2015	8,654,934 shares	Nine months ended December 31, 2014	8,657,060 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	3,553	3,813
Notes and accounts receivable - trade	2,149	1,253
Merchandise and finished goods	24	25
Work in process	204	413
Other	186	185
Total current assets	6,118	5,691
Non-current assets		
Property, plant and equipment	202	167
Intangible assets		
Other	488	436
Total intangible assets	488	436
Investments and other assets	350	315
Total non-current assets	1,041	919
Total assets	7,159	6,610
Liabilities		
Current liabilities		
Accounts payable - trade	433	384
Income taxes payable	43	18
Provision for bonuses	461	209
Provision for sales returns	79	-
Other	1,220	857
Total current liabilities	2,237	1,468
Non-current liabilities		
Directors' retirement benefits payable	26	26
Asset retirement obligations	53	49
Other	42	29
Total non-current liabilities	122	105
Total liabilities	2,360	1,574
Net assets		
Shareholders' equity		
Capital stock	3,149	3,149
Capital surplus	743	743
Retained earnings	1,013	1,256
Treasury shares	(178)	(179)
Total shareholders' equity	4,728	4,970
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	32	25
Total accumulated other comprehensive income	32	25
Non-controlling interests	39	40
Total net assets	4,799	5,036
Total liabilities and net assets	7,159	6,610

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, 2014	Nine months ended December 31, 2015
Net sales	8,146	7,038
Cost of sales	6,361	5,713
Gross profit	1,784	1,324
Selling, general and administrative expenses	1,667	1,226
Operating income	116	97
Non-operating income		
Interest income	0	1
Dividend income	2	2
Subsidy income	–	12
Gain on investments in partnership	12	–
Other	4	3
Total non-operating income	19	19
Non-operating expenses		
Interest expenses	0	0
Foreign exchange losses	1	–
Other	0	0
Total non-operating expenses	1	0
Ordinary income	134	117
Extraordinary income		
Gain on sales of shares of subsidiaries	–	204
Total extraordinary income	–	204
Extraordinary losses		
Settlement package	10	–
appraisal loss software	85	–
Other	0	0
Total extraordinary losses	96	0
Income before income taxes and minority interests	37	321
Income taxes - current	57	23
Income taxes - deferred	12	7
Total income taxes	70	31
Profit (loss)	(32)	289
Profit attributable to non-controlling interests	3	3
Profit (loss) attributable to owners of parent	(35)	286

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit (loss)	(32)	289
Other comprehensive income		
Valuation difference on available-for-sale securities	17	(6)
Total other comprehensive income	17	(6)
Comprehensive income	(14)	282
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(18)	279
Comprehensive income attributable to non-controlling interests	3	3