

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

July 29, 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 03-6866-0331
 Scheduled date to file Quarterly Securities Report: August 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 three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(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, 2016	2,420	12.2	(119)	–	(101)	–	(114)	–
Three months ended June 30, 2015	2,158	(9.2)	(38)	–	(25)	–	164	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	(13.28)		–	
Three months ended June 30, 2015	19.00		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	6,859	4,917	71.0
As of March 31, 2016	7,091	5,165	72.2

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, 2016	–	0.00	–	15.00	15.00
Year ending March 31, 2017	–	–	–	–	–
Year ending March 31, 2017 (Forecast)	–	0.00	–	12.00	12.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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	%
Six months ending September 30, 2016	5,000	5.5	20	(77.1)	30	(71.0)	10	(96.0)
Full year	11,500	11.6	370	6.9	380	3.1	260	(37.1)

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016
 (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (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: Yes
- 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, 2016	9,237,319 shares	As of March 31, 2016	9,237,319 shares
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Number of treasury shares at the end of the period

As of June 30, 2016	586,520 shares	As of March 31, 2016	586,055 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, 2016	8,651,244 shares	Three months ended June 30, 2015	8,655,657 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	3,599	3,797
Notes and accounts receivable - trade	2,176	1,449
Merchandise and finished goods	19	17
Work in process	167	283
Other	193	181
Total current assets	6,155	5,730
Non-current assets		
Property, plant and equipment	186	181
Intangible assets		
Goodwill	26	151
Other	408	437
Total intangible assets	435	589
Investments and other assets	313	358
Total non-current assets	935	1,129
Total assets	7,091	6,859
Liabilities		
Current liabilities		
Accounts payable - trade	462	363
Income taxes payable	80	12
Provision for bonuses	429	230
Other	812	1,126
Total current liabilities	1,784	1,732
Non-current liabilities		
Directors' retirement benefits payable	26	26
Net defined benefit liability	32	103
Asset retirement obligations	50	53
Other	31	27
Total non-current liabilities	141	210
Total liabilities	1,925	1,942
Net assets		
Shareholders' equity		
Capital stock	3,149	3,149
Capital surplus	743	743
Retained earnings	1,384	1,139
Treasury shares	(180)	(180)
Total shareholders' equity	5,096	4,851
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21	18
Total accumulated other comprehensive income	21	18
Non-controlling interests	47	46
Total net assets	5,165	4,917
Total liabilities and net assets	7,091	6,859

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, 2015	Three months ended June 30, 2016
Net sales	2,158	2,420
Cost of sales	1,780	2,038
Gross profit	377	382
Selling, general and administrative expenses	416	501
Operating loss	(38)	(119)
Non-operating income		
Interest income	0	0
Dividend income	1	1
Subsidy income	11	5
Other	0	12
Total non-operating income	12	19
Non-operating expenses		
Interest expenses	0	0
Other	0	1
Total non-operating expenses	0	1
Ordinary loss	(25)	(101)
Extraordinary income		
Gain on sales of shares of subsidiaries	204	-
Other	0	-
Total extraordinary income	204	-
Extraordinary losses		
Other	0	0
Total extraordinary losses	0	0
Profit (loss) before income taxes	178	(101)
Income taxes - current	4	7
Income taxes - deferred	8	4
Total income taxes	12	11
Profit (loss)	165	(113)
Profit attributable to non-controlling interests	1	1
Profit (loss) attributable to owners of parent	164	(114)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Profit (loss)	165	(113)
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	(3)
Total other comprehensive income	(0)	(3)
Comprehensive income	165	(117)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	164	(118)
Comprehensive income attributable to non-controlling interests	1	1