

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 3, 2017

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 03-5783-3560
 Scheduled date to file Quarterly Securities Report: February 14, 2017
 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, 2016 (from April 1, 2016 to December 31, 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	%
Nine months ended December 31, 2016	8,085	14.9	(16)	–	14	(87.9)	(31)	–
Nine months ended December 31, 2015	7,038	(13.6)	97	(16.1)	117	(12.8)	286	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	(3.70)		–	
Nine months ended December 31, 2015	33.06		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	7,079	4,956	69.3
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	–	0.00	–		
Year ending March 31, 2017 (Forecast)				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	%
Full year	11,500	11.6	370	6.9	380	3.1	260	37.1

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2016	8,650,369 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 December 31, 2016	123,830 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)

Nine months ended December 31, 2016	8,634,185 shares	Nine months ended December 31, 2015	8,654,934 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	3,599	3,546
Notes and accounts receivable - trade	2,176	1,537
Merchandise and finished goods	19	4
Work in process	167	371
Other	193	271
Allowance for doubtful accounts	–	(7)
Total current assets	6,155	5,724
Non-current assets		
Property, plant and equipment	186	288
Intangible assets		
Goodwill	26	142
Other	408	481
Total intangible assets	435	623
Investments and other assets		
Other	313	464
Allowance for doubtful accounts	(0)	(21)
Total investments and other assets	313	443
Total non-current assets	935	1,355
Total assets	7,091	7,079
Liabilities		
Current liabilities		
Accounts payable - trade	462	448
Income taxes payable	80	30
Provision for bonuses	429	222
Provision for directors' bonuses	2	–
Asset retirement obligations	–	38
Other	810	1,185
Total current liabilities	1,784	1,924
Non-current liabilities		
Directors' retirement benefits payable	26	26
Net defined benefit liability	32	104
Asset retirement obligations	50	27
Other	31	40
Total non-current liabilities	141	198
Total liabilities	1,925	2,123
Net assets		
Shareholders' equity		
Capital stock	3,149	3,149
Capital surplus	743	561
Retained earnings	1,384	1,222
Treasury shares	(180)	(48)
Total shareholders' equity	5,096	4,884
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	21	20
Total accumulated other comprehensive income	21	20
Non-controlling interests	47	51
Total net assets	5,165	4,956
Total liabilities and net assets	7,091	7,079

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, 2015	Nine months ended December 31, 2016
Net sales	7,038	8,085
Cost of sales	5,713	6,638
Gross profit	1,324	1,447
Selling, general and administrative expenses	1,226	1,464
Operating income (loss)	97	(16)
Non-operating income		
Interest income	1	0
Dividend income	2	3
Subsidy income	12	15
Other	3	12
Total non-operating income	19	32
Non-operating expenses		
Interest expenses	0	0
Other	0	1
Total non-operating expenses	0	2
Ordinary income	117	14
Extraordinary income		
Gain on sales of shares of subsidiaries	204	–
Gain on sales of investment securities	–	7
Other	0	–
Total extraordinary income	204	7
Extraordinary losses		
Head office transfer cost	–	19
Other	0	0
Total extraordinary losses	0	20
Profit before income taxes	321	1
Income taxes - current	23	23
Income taxes - deferred	7	3
Total income taxes	31	26
Profit (loss)	289	(25)
Profit attributable to non-controlling interests	3	6
Profit (loss) attributable to owners of parent	286	(31)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit (loss)	289	(25)
Other comprehensive income		
Valuation difference on available-for-sale securities	(6)	(1)
Total other comprehensive income	(6)	(1)
Comprehensive income	282	(27)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	279	(33)
Comprehensive income attributable to non-controlling interests	3	6