

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2017
(Based on Japanese GAAP)**

July 31, 2017

Company name: CREO CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 9698 URL <http://www.creo.co.jp>
 Representative: President and Representative Director Junichi Kakizaki
 Inquiries: Managing Director, Financial Director Takashi Ameda TEL 03-5783-3560
 Scheduled date to file Quarterly Securities Report: August 14, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2017 (from April 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2017	2,577	6.5	(115)	–	(111)	–	(127)	–
Three months ended June 30, 2016	2,420	12.2	(118)	–	(101)	–	(114)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2017	(15.34)	–
Three months ended June 30, 2016	(13.23)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	6,813	4,880	71.2
As of March 31, 2017	7,255	5,160	70.7

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, 2017	–	–	–	13.00	13.00
Year ending March 31, 2018	–	–	–	–	–
Year ending March 31, 2018 (Forecast)	–	0.00	–	14.00	14.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ending September 30, 2017	5,660	5.2	10	–	20	–	(20)	–
Full year	12,500	8.1	400	34.8	410	22.9	280	3.9

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
(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: No
- 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, 2017	8,650,369 shares	As of March 31, 2017	8,650,369 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	350,662 shares	As of March 31, 2017	257,720 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, 2017	8,338,517 shares	Three months ended June 30, 2016	8,651,244 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	3,328	3,594
Notes and accounts receivable - trade	2,234	1,413
Merchandise and finished goods	2	9
Work in process	145	349
Other	278	254
Total current assets	5,990	5,621
Non-current assets		
Property, plant and equipment	352	342
Intangible assets		
Goodwill	132	122
Other	468	438
Total intangible assets	600	561
Investments and other assets		
Other	335	312
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	312	288
Total non-current assets	1,265	1,192
Total assets	7,255	6,813
Liabilities		
Current liabilities		
Accounts payable - trade	531	443
Income taxes payable	65	15
Provision for bonuses	395	232
Other	948	1,096
Total current liabilities	1,941	1,787
Non-current liabilities		
Directors' retirement benefits payable	26	26
Net defined benefit liability	–	0
Asset retirement obligations	59	59
Other	68	59
Total non-current liabilities	154	145
Total liabilities	2,095	1,933
Net assets		
Shareholders' equity		
Capital stock	3,149	3,149
Capital surplus	562	562
Retained earnings	1,521	1,284
Treasury shares	(106)	(148)
Total shareholders' equity	5,127	4,847
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	1
Total accumulated other comprehensive income	1	1
Non-controlling interests	31	30
Total net assets	5,160	4,880
Total liabilities and net assets	7,255	6,813

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, 2016	Three months ended June 30, 2017
Net sales	2,420	2,577
Cost of sales	2,038	2,144
Gross profit	382	432
Selling, general and administrative expenses	501	548
Operating loss	(118)	(115)
Non-operating income		
Interest income	0	0
Dividend income	1	0
Subsidy income	5	-
Other	12	5
Total non-operating income	19	6
Non-operating expenses		
Interest expenses	0	0
Other	1	1
Total non-operating expenses	1	1
Ordinary loss	(101)	(111)
Extraordinary losses		
Loss on disposal of non-current assets	0	2
Other	-	0
Total extraordinary losses	0	2
Loss before income taxes	(101)	(113)
Income taxes - current	7	5
Income taxes - deferred	4	7
Total income taxes	11	13
Loss	(113)	(127)
Profit attributable to non-controlling interests	1	0
Loss attributable to owners of parent	(114)	(127)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Loss	(113)	(127)
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	0
Total other comprehensive income	(3)	0
Comprehensive income	(116)	(126)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(118)	(127)
Comprehensive income attributable to non-controlling interests	1	0