

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 2, 2018

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: February 14, 2018
 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 nine months ended December 31, 2017 (from April 1, 2017 to December 31, 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	%
Nine months ended December 31, 2017	8,497	5.1	114	–	151	971.1	102	–
Nine months ended December 31, 2016	8,085	14.9	(16)	–	14	(87.9)	(31)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	12.36		–	
Nine months ended December 31, 2016	(3.70)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	7,032	5,113	72.2
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				
Year ended March 31, 2017	–	0.00	–	13.00	13.00
Year ending March 31, 2018	–	0.00	–		
Year ending March 31, 2018 (Forecast)				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	%
Full year	12,500	8.1	400	34.8	410	22.9	280	3.9

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2017	350,927 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)

Nine months ended December 31, 2017	8,312,446 shares	Nine months ended December 31, 2016	8,634,185 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	3,328	3,429
Notes and accounts receivable - trade	2,234	1,691
Merchandise and finished goods	2	26
Work in process	145	568
Other	278	217
Total current assets	5,990	5,933
Non-current assets		
Property, plant and equipment	352	335
Intangible assets		
Goodwill	132	103
Other	468	381
Total intangible assets	600	484
Investments and other assets		
Other	335	301
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	312	278
Total non-current assets	1,265	1,098
Total assets	7,255	7,032
Liabilities		
Current liabilities		
Accounts payable - trade	531	501
Income taxes payable	65	51
Provision for bonuses	395	247
Provision for directors' bonuses	4	–
Other	944	973
Total current liabilities	1,941	1,773
Non-current liabilities		
Directors' retirement benefits payable	26	26
Net defined benefit liability	–	0
Asset retirement obligations	59	62
Other	68	54
Total non-current liabilities	154	144
Total liabilities	2,095	1,918
Net assets		
Shareholders' equity		
Capital stock	3,149	3,149
Capital surplus	562	562
Retained earnings	1,521	1,515
Treasury shares	(106)	(148)
Total shareholders' equity	5,127	5,078
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	0
Total accumulated other comprehensive income	1	0
Non-controlling interests	31	34
Total net assets	5,160	5,113
Total liabilities and net assets	7,255	7,032

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, 2016	Nine months ended December 31, 2017
Net sales	8,085	8,497
Cost of sales	6,638	6,822
Gross profit	1,447	1,675
Selling, general and administrative expenses	1,464	1,561
Operating profit (loss)	(16)	114
Non-operating income		
Interest income	0	1
Dividend income	3	0
Subsidy income	15	27
Other	12	8
Total non-operating income	32	38
Non-operating expenses		
Interest expenses	0	0
Other	1	0
Total non-operating expenses	2	1
Ordinary profit	14	151
Extraordinary income		
Gain on sales of investment securities	7	2
Total extraordinary income	7	2
Extraordinary losses		
Head office transfer cost	19	-
Other	0	3
Total extraordinary losses	20	3
Profit before income taxes	1	149
Income taxes - current	23	34
Income taxes - deferred	3	7
Total income taxes	26	42
Profit (loss)	(25)	107
Profit attributable to non-controlling interests	6	5
Profit (loss) attributable to owners of parent	(31)	102

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit (loss)	(25)	107
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(1)
Total other comprehensive income	(1)	(1)
Comprehensive income	(27)	106
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(33)	101
Comprehensive income attributable to non-controlling interests	6	5