

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 5, 2019

Company name: CREO CO., LTD.
 Stock exchange listing: Tokyo
 Stock code: 9698 URL: <https://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, 2019
 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, 2018 (from April 1, 2018 to December 31, 2018)

(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, 2018	9,309	9.5	349	206.2	385	154.9	334	225.6
Nine months ended December 31, 2017	8,497	5.1	114	–	151	971.1	102	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2018	40.31		–	
Nine months ended December 31, 2017	12.36		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	7,478	5,531	73.4
As of March 31, 2018	7,525	5,315	70.2

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, 2018	–	0.00	–	15.00	15.00
Year ending March 31, 2019	–	0.00	–		
Year ending March 31, 2019 (Forecast)				25.00	25.00

3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	13,500	10.0	640	55.9	680	48.5	500	63.6	60.25

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018
(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: 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, 2018	8,650,369 shares	As of March 31, 2018	8,650,369 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	351,106 shares	As of March 31, 2018	350,927 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, 2018	8,299,355 shares	Nine months ended December 31, 2017	8,312,446 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	3,483	3,726
Notes and accounts receivable - trade	2,514	1,829
Merchandise and finished goods	4	9
Work in process	235	614
Other	206	203
Total current assets	6,445	6,384
Non-current assets		
Property, plant and equipment	328	317
Intangible assets		
Goodwill	93	64
Patent right	1	1
Software	272	317
Software in progress	95	30
Other	0	0
Total intangible assets	463	414
Investments and other assets		
Investment securities	3	2
Other	308	383
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	288	362
Total non-current assets	1,079	1,094
Total assets	7,525	7,478
Liabilities		
Current liabilities		
Accounts payable - trade	518	496
Accounts payable - other	324	272
Income taxes payable	119	28
Advances received	184	294
Provision for bonuses	485	253
Provision for directors' bonuses	5	—
Other	430	465
Total current liabilities	2,067	1,810
Non-current liabilities		
Directors' retirement benefits payable	26	26
Asset retirement obligations	63	68
Other	52	41
Total non-current liabilities	142	136
Total liabilities	2,210	1,947

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Net assets		
Shareholders' equity		
Capital stock	3,149	3,149
Capital surplus	562	562
Retained earnings	1,718	1,928
Treasury shares	(148)	(149)
Total shareholders' equity	5,281	5,491
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Total accumulated other comprehensive income	0	0
Non-controlling interests	33	39
Total net assets	5,315	5,531
Total liabilities and net assets	7,525	7,478

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, 2017	Nine months ended December 31, 2018
Net sales	8,497	9,309
Cost of sales	6,822	7,364
Gross profit	1,675	1,944
Selling, general and administrative expenses	1,561	1,595
Operating profit	114	349
Non-operating income		
Interest income	1	1
Dividend income	0	0
Subsidy income	27	28
Other	8	6
Total non-operating income	38	37
Non-operating expenses		
Interest expenses	0	0
Other	0	0
Total non-operating expenses	1	1
Ordinary profit	151	385
Extraordinary income		
Gain on sales of investment securities	2	-
Total extraordinary income	2	-
Extraordinary losses		
Other	3	-
Total extraordinary losses	3	-
Profit before income taxes	149	385
Income taxes - current	34	36
Income taxes - deferred	7	6
Total income taxes	42	43
Profit	107	342
Profit attributable to non-controlling interests	5	7
Profit attributable to owners of parent	102	334

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	107	342
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	0
Total other comprehensive income	(1)	0
Comprehensive income	106	342
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	101	334
Comprehensive income attributable to non-controlling interests	5	7