

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 5, 2020

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, Operating officer Kazuhiko Toriya TEL 03-5783-3560  
 Scheduled date to file Quarterly Securities Report: February 14, 2020  
 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, 2019 (from April 1, 2019 to December 31, 2019)

(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, 2019	10,268	10.3	755	116.3	797	107.2	530	58.5
Nine months ended December 31, 2018	9,309	9.5	349	206.2	385	154.9	334	225.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	64.00	–
Nine months ended December 31, 2018	40.31	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	8,198	5,991	72.5
As of March 31, 2019	8,433	5,861	69.0

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, 2019	–	0.00	–	25.00	25.00
Year ending March 31, 2020	–	0.00	–		
Year ending March 31, 2020 (Forecast)				34.00	34.00

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	14,600	7.9	1,030	53.6	1,065	50.7	700	5.4	84.73

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2019  
(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: Yes
- (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: Yes
- 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, 2019	8,650,369 shares	As of March 31, 2019	8,650,369 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	464,583 shares	As of March 31, 2019	351,218 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, 2019	8,286,293 shares	Nine months ended December 31, 2018	8,299,355 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	4,012	4,218
Notes and accounts receivable - trade	2,761	1,885
Merchandise and finished goods	15	18
Work in process	225	630
Other	177	179
Allowance for doubtful accounts	–	(1)
Total current assets	7,192	6,930
Non-current assets		
Property, plant and equipment	303	298
Intangible assets		
Patent right	1	0
Software	223	202
Software in progress	52	110
Other	0	0
Total intangible assets	276	314
Investments and other assets		
Investment securities	41	40
Deferred tax assets	296	295
Other	346	341
Allowance for doubtful accounts	(23)	(23)
Total investments and other assets	660	654
Total non-current assets	1,240	1,267
Total assets	8,433	8,198
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	671	528
Accounts payable - other	304	259
Income taxes payable	178	173
Advances received	180	293
Provision for bonuses	545	267
Provision for bonuses for directors (and other officers)	21	–
Other	545	565
Total current liabilities	2,446	2,087
Non-current liabilities		
Directors' retirement benefits payable	26	26
Asset retirement obligations	67	67
Other	31	24
Total non-current liabilities	124	118
Total liabilities	2,571	2,206

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Net assets		
Shareholders' equity		
Share capital	3,149	3,149
Capital surplus	562	562
Retained earnings	2,258	2,580
Treasury shares	(149)	(349)
Total shareholders' equity	5,820	5,943
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Total accumulated other comprehensive income	0	0
Non-controlling interests	40	47
Total net assets	5,861	5,991
Total liabilities and net assets	8,433	8,198

**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, 2018	Nine months ended December 31, 2019
Net sales	9,309	10,268
Cost of sales	7,364	7,882
Gross profit	1,944	2,385
Selling, general and administrative expenses	1,595	1,629
Operating profit	349	755
Non-operating income		
Interest income	1	0
Dividend income	0	0
Insurance claim income	0	4
Subsidy income	28	36
Other	6	4
Total non-operating income	37	46
Non-operating expenses		
Interest expenses	0	0
Loss on investments in investment partnerships	–	1
Commission for purchase of treasury shares	–	1
Other	0	0
Total non-operating expenses	1	4
Ordinary profit	385	797
Extraordinary losses		
Loss on retirement of non-current assets	–	0
Other	–	0
Total extraordinary losses	–	0
Profit before income taxes	385	797
Total income taxes	43	257
Profit	342	540
Profit attributable to non-controlling interests	7	9
Profit attributable to owners of parent	334	530

## Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	342	540
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Total other comprehensive income	0	0
Comprehensive income	342	540
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	334	530
Comprehensive income attributable to non-controlling interests	7	9