

\*This document is a translation of the original Japanese document and does not contain all details of it.

\*This document has been prepared for reference only in accordance with accounting principles generally accepted in Japan.

\*If there is any discrepancy between this document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2014 [Japan GAAP]

May 15, 2014

Stock Exchange Listing: Tokyo (First Section)

### Company Name: GSI Creos Corporation

Code Number: 8101 URL <http://www.gsi.co.jp>

Representative: Koji Nakashima, Representative Director and President

Inquiries: Fumihiro Onishi, General Manager, Corporate Planning Department Tel: +81-3-5211-1802

Scheduled Date of Annual General Meeting of Shareholders: June 27, 2014

Scheduled Date of Dividend Payments Commencement: June 30, 2014

Scheduled Date of Securities Report Filing: June 27, 2014

Supplementary Documents: No

Holding of Financial Results Meeting: No

(Note: Amounts less than one million of yen have been rounded down.)

### 1. Consolidated Results for the Fiscal Year Ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(1) Consolidated Operating Results (Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2014	158,495	21.3	1,666	14.3	1,371	6.2	1,024	11.8
Fiscal year ended March 31, 2013	130,686	7.4	1,458	(25.1)	1,290	(22.9)	916	(18.7)

(Note) Comprehensive income Fiscal year ended March 31, 2014: 2,015 millions of yen 40.0%

Fiscal year ended March 31, 2013: 1,440 millions of yen 54.9%

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2014	15.95	-	7.4	2.2	1.1
Fiscal year ended March 31, 2013	14.24	-	7.4	2.2	1.1

(Reference) Equity in earnings of affiliates Fiscal year ended March 31, 2014: △35 millions of yen

Fiscal year ended March 31, 2013: 9 millions of yen

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2014	66,829	14,792	22.1	229.51
March 31, 2013	59,906	13,000	21.6	201.50

(Reference) Equity capital March 31, 2014: 14,742 millions of yen

March 31, 2013: 12,950 millions of yen

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2014	1,494	(279)	(1,462)	8,130
Fiscal year ended March 31, 2013	711	(514)	(802)	7,970

### 2. Dividends

	Annual dividend per share					Total cash dividends	Payout ratio (Consolidated)	Dividend rate to net assets (Consolidated)
	1Q	2Q	3Q	Fiscal year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2013	-	-	-	2.00	2.00	128	14.0	1.0
Fiscal year ended March 31, 2014	-	-	-	2.00	2.00	128	12.5	0.9
Fiscal year ending March 31, 2015 (Forecast)	-	-	-	2.00	2.00		12.8	

### 3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2015 (April 1, 2014 to March 31, 2015)

(Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	150,000	(5.4)	1,500	(10.0)	1,200	(12.5)	1,000	(2.4)	15.57

(Note) Forecast for the second quarter (cumulative) is not available.

**\* Notes**

(1) Changes in Significant Subsidiaries During the Period

(Changes in Specified Subsidiaries Associated with Changes in the Scope of Consolidation): No

(2) Changes in Accounting Policies and Estimates, and Retrospective Restatement

i Changes in accounting policies due to revisions of accounting standards and other regulations: Yes

ii Changes in accounting policies other than in ( i ): No

iii Changes in accounting estimates: No

iv Retrospective restatement: No

(3) Number of Shares Issued and Outstanding (Common Stock)

i Number of shares issued and outstanding at the end of period (including treasury stock)

March 31, 2014	64,649,715 shares	March 31, 2013	64,649,715 shares
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ii Number of treasury stock at the end of period

March 31, 2014	413,027 shares	March 31, 2013	379,465 shares
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iii Average number of shares during the period

March 31, 2014	64,247,808 shares	March 31, 2013	64,335,769 shares
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**[Reference] Summary of Non-Consolidated Results**

Non-Consolidated Results for the Fiscal Year Ended March 31, 2014 (April 1, 2013 to March 31, 2014)

(1) Non-Consolidated Operating Results

(Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2014	89,305	3.0	591	271.1	726	61.1	536	12.6
Fiscal year ended March 31, 2013	86,707	0.1	159	(78.8)	450	(27.5)	476	(13.3)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2014	8.36	-
Fiscal year ended March 31, 2013	7.41	-

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2014	46,690	10,934	23.4	170.22
March 31, 2013	49,104	10,211	20.8	158.89

(Reference) Equity capital March 31, 2014: 10,934 millions of yen

March 31, 2013: 10,211 millions of yen

**\* Status of Implementation of Audit Procedure**

This report is exempt from audit procedures based on the Financial Instruments and Exchange Act.

Furthermore, consolidated financial statements were undergoing the audit process at the time of the release of this report.

**\* Cautionary Statement with Respect to Forecasts of Consolidated Business Results and Special Notes**

Earning forecasts presented in this report are based on information available and assumptions deemed reasonable at the time.

Therefore, they do not constitute a guarantee that they will be realized. Actual results could differ significantly from forecasts due to a variety of factors.

**Consolidated Financial Statements**  
**(1) Consolidated Balance Sheets**

(Millions of yen)

	Previous fiscal year (March 31, 2013)	Current fiscal year (March 31, 2014)
<b>Assets</b>		
Current assets		
Cash and deposits	7,970	8,130
Notes and accounts receivable-trade	30,281	34,937
Merchandise	9,206	10,542
Goods in transit	33	50
Deferred tax assets	365	446
Other	943	1,423
Allowance for doubtful accounts	(516)	(762)
Total current assets	48,283	54,769
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,600	4,608
Accumulated depreciation	(3,128)	(3,199)
Buildings and structures, net	1,472	1,408
Machinery, equipment and vehicles	2,697	2,765
Accumulated depreciation	(2,487)	(2,535)
Machinery, equipment and vehicles, net	210	229
Tools, furniture and fixtures	1,314	1,349
Accumulated depreciation	(1,172)	(1,215)
Tools, furniture and fixtures, net	141	134
Land	3,526	3,515
Lease assets	194	203
Accumulated depreciation	(98)	(77)
Lease assets, net	95	126
Total property, plant and equipment	5,446	5,414
Intangible assets		
Lease assets	389	436
Other	163	537
Total intangible assets	553	974
Investments and other assets		
Investment securities	2,878	2,988
Investments in capital	1,802	1,774
Long-term loans receivable	327	320
Deferred tax assets	29	27
Other	1,023	1,053
Allowance for doubtful accounts	(437)	(492)
Total investments and other assets	5,624	5,671
Total non-current assets	11,623	12,060
Total assets	59,906	66,829

	(Millions of yen)	
	Previous fiscal year (March 31, 2013)	Current fiscal year (March 31, 2014)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	21,923	27,958
Short-term loans payable	16,300	16,149
Current portion of long-term loans payable	1,357	1,496
Lease obligations	120	142
Income taxes payable	300	91
Provision for bonuses	368	398
Provision for directors' bonuses	34	15
Other	2,322	2,661
Total current liabilities	42,727	48,913
Non-current liabilities		
Long-term loans payable	2,865	1,860
Lease obligations	338	345
Deferred tax liabilities	14	16
Provision for retirement benefits	950	—
Net defined benefit liability	—	885
Asset retirement obligations	10	9
Other	—	6
Total non-current liabilities	4,178	3,123
Total liabilities	46,906	52,036
Net assets		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	908	895
Retained earnings	5,873	6,782
Treasury stock	(65)	(70)
Total shareholders' equity	13,903	14,793
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(345)	(124)
Deferred gains or losses on hedges	(102)	(1)
Foreign currency translation adjustment	(504)	163
Remeasurements of defined benefit plans	—	(88)
Total accumulated other comprehensive income	(952)	(50)
Minority interests	49	49
Total net assets	13,000	14,792
Total liabilities and net assets	59,906	66,829

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

	(Millions of yen)	
	Previous fiscal year (April 1, 2012- March 31, 2013)	Current fiscal year (April 1, 2013- March 31, 2014)
Net sales	130,686	158,495
Cost of sales	117,214	144,248
Gross profit	13,471	14,246
Selling, general and administrative expenses		
Haulage and warehousing expenses	1,885	1,808
Sales related expenses	2,168	2,062
Provision of allowance for doubtful accounts	57	333
Directors' compensations, salaries and allowances	2,552	2,761
Employees' bonuses	342	331
Provision for bonuses	372	378
Retirement benefit expenses	116	142
Other salaries	987	1,018
Depreciation	160	160
Other	3,369	3,583
Total selling, general and administrative expenses	12,012	12,579
Operating income	1,458	1,666
Non-operating income		
Interest income	100	30
Dividends income	54	59
Land and house rent received	9	11
Share of profit of entities accounted for using equity method	9	0
Foreign exchange gains	76	—
Amortization of negative goodwill	0	—
Other	155	176
Total non-operating income	405	278
Non-operating expenses		
Interest expenses	365	332
Share of loss of entities accounted for using equity method	—	36
Foreign exchange losses	—	97
Provision of allowance for doubtful accounts	123	38
Other	84	70
Total non-operating expenses	572	574
Ordinary income	1,290	1,371

	(Millions of yen)	
	Previous fiscal year (April 1, 2012- March 31, 2013)	Current fiscal year (April 1, 2013- March 31, 2014)
<b>Extraordinary income</b>		
Gain on sales of non-current assets	19	—
Gain on sales of investment securities	6	8
<b>Total extraordinary income</b>	<b>25</b>	<b>8</b>
<b>Extraordinary loss</b>		
Loss on sales of non-current assets	4	8
Loss on retirement of non-current assets	1	50
Loss on sales of investment securities	88	—
Loss on sales of investments in affiliates	2	—
Loss on valuation of investment securities and investments in capital	1	46
Loss on valuation of golf club membership	—	8
<b>Total extraordinary loss</b>	<b>98</b>	<b>114</b>
<b>Income before income taxes and minority interests</b>	<b>1,217</b>	<b>1,265</b>
Income taxes-current	303	330
Income taxes-deferred	(2)	(89)
<b>Total income taxes</b>	<b>300</b>	<b>240</b>
<b>Income before minority interests</b>	<b>917</b>	<b>1,024</b>
Minority interests in income	0	0
<b>Net income</b>	<b>916</b>	<b>1,024</b>

## Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Previous fiscal year (April 1, 2012- March 31, 2013)	Current fiscal year (April 1, 2013- March 31, 2014)
Income before minority interests	917	1,024
Other comprehensive income		
Valuation difference on available-for-sale securities	317	221
Deferred gains or losses on hedges	(66)	101
Foreign currency translation adjustment	271	667
Total other comprehensive income	522	990
Comprehensive income	1,440	2,015
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,439	2,015
Comprehensive income attributable to minority interests	0	0

**(3) Consolidated Statements of Change in Shareholders' Equity**  
**Previous fiscal year (April 1, 2012 - March 31, 2013)**

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	7,186	908	5,219	(55)	13,259
Changes of items during the period					
Dividends from surplus			(128)		(128)
Net income			916		916
Purchase of treasury stock				(10)	(10)
Change of scope of consolidation			(133)		(133)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	654	(10)	643
Balance at the end of period	7,186	908	5,873	(65)	13,903

(Millions of yen)

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	(663)	(36)	(775)	—	(1,475)	48	11,832
Changes of items during the period							
Dividends from surplus							(128)
Net income							916
Purchase of treasury stock							(10)
Change of scope of consolidation							(133)
Net changes of items other than shareholders' equity	317	(66)	271	—	522	0	523
Total changes of items during the period	317	(66)	271	—	522	0	1,167
Balance at the end of period	(345)	(102)	(504)	—	(952)	49	13,000



Current fiscal year (April 1, 2013 - March 31, 2014)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	7,186	908	5,873	(65)	13,903
Changes of items during the period					
Dividends from surplus			(128)		(128)
Net income			1,024		1,024
Purchase of treasury stock				(5)	(5)
Change of scope of consolidation		(13)	82		68
Change of scope of equity method			(69)		(69)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(13)	909	(5)	890
Balance at the end of period	7,186	895	6,782	(70)	14,793

(Millions of yen)

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	(345)	(102)	(504)	—	(952)	49	13,000
Changes of items during the period							
Dividends from surplus							(128)
Net income							1,024
Purchase of treasury stock							(5)
Change of scope of consolidation							68
Change of scope of equity method							(69)
Net changes of items other than shareholders' equity	221	101	667	(88)	901	0	902
Total changes of items during the period	221	101	667	(88)	901	0	1,792
Balance at the end of period	(124)	(1)	163	(88)	(50)	49	14,792

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Previous fiscal year (April 1, 2012- March 31, 2013)	Current fiscal year (April 1, 2013- March 31, 2014)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	1,217	1,265
Depreciation	273	285
Amortization of goodwill	(0)	—
Increase (decrease) in allowance for doubtful accounts	80	291
Increase (decrease) in provision for retirement benefits	(135)	—
Increase (decrease) in net defined benefit liability	—	(153)
Increase (decrease) in provision for extraordinary loss on business liquidation	(43)	—
Interest and dividends income	(154)	(90)
Interest expenses	365	332
Foreign exchange losses (gains)	(0)	(0)
Loss (gain) on sales of property, plant and equipment	(15)	8
Loss on retirement of property, plant and equipment	1	50
Loss (gain) on sales of investment securities	82	(8)
Loss on valuation of investment securities and investments in capital	1	46
Loss on valuation of golf club membership	—	8
Loss (gain) on sales of investments in affiliates	2	—
Decrease (increase) in notes and accounts receivable-trade	(1,599)	(1,926)
Decrease (increase) in inventories	250	(987)
Decrease (increase) in other assets	132	(170)
Increase (decrease) in notes and accounts payable-trade	1,054	3,419
Increase (decrease) in other liabilities	(149)	(169)
Other, net	(164)	90
Subtotal	1,198	2,292
Interest and dividends income received	81	91
Interest expenses paid	(368)	(334)
Income taxes paid	(200)	(555)
Cash flows from operating activities	711	1,494
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(146)	(135)
Proceeds from sales of property, plant and equipment	27	3
Proceeds from sales of intangible assets	140	—
Purchase of investment securities	(208)	(13)
Proceeds from sales of investment securities	181	82
Payments for investments in capital	(122)	(143)
Payments of loans receivable	(405)	(189)
Collection of loans receivable	73	87
Other, net	(55)	28
Cash flows from investing activities	(514)	(279)

