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Summary of Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2016 [Japan GAAP]

February 2, 2016

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, Director and General Manager of Corporate Planning Department Tel: +81-3-5211-1802
 Scheduled Date of Quarterly Report Filing: February 10, 2016
 Scheduled Date of Dividend Payments Commencement: —
 Supplementary Documents for Quarterly Financial Statements: No
 Holding of Quarterly Financial Results Meeting: No

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

1. Consolidated Results for the Third Quarter of the Fiscal Year Ending March 31, 2016 (April 1, 2015 to December 31, 2015)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Third quarter ended December 31, 2015	112,062	2.0	714	6.8	621	10.1	469	104.5
Third quarter ended December 31, 2014	109,885	(5.5)	668	(50.9)	564	(49.1)	229	(71.5)

(Note) Comprehensive income Third quarter ended December 31, 2015: 507 millions of yen \triangle 38.3%
 Third quarter ended December 31, 2014: 822 millions of yen \triangle 49.6%

	Net income per share	Diluted net income per share
	Yen	Yen
Third quarter ended December 31, 2015	7.30	—
Third quarter ended December 31, 2014	3.57	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2015	70,301	16,205	23.0
March 31, 2015	65,885	16,061	24.3

(Reference) Equity capital December 31, 2015: 16,155 millions of yen
 March 31, 2015: 16,011 millions of yen

2. Dividends

	Annual dividend per share				
	1Q	2Q	3Q	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2015	—	—	—	2.00	2.00
Fiscal year ending March 31, 2016	—	—	—	—	—
Fiscal year ending March 31, 2016 (Forecast)	—	—	—	2.00	2.00

(Note) Revisions to the dividend forecast published most recently: No

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

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

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	152,000	(1.6)	1,100	(5.5)	1,000	(1.2)	700	24.2	10.90

(Note) Revisions to the consolidated results forecasts published most recently: No

*** Notes**

(1) Changes in Significant Subsidiaries During the Period

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

(2) Application of Special Accounting Methods to the Preparation of Quarterly Financial Statements: Yes

(3) 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

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

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

December 31, 2015	64,649,715 shares	March 31, 2015	64,649,715 shares
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ii Number of treasury stock at the end of period

December 31, 2015	432,060 shares	March 31, 2015	423,123 shares
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iii Average number of shares during the period

December 31, 2015	64,222,215 shares	December 31, 2014	64,232,961 shares
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*** Status of Implementation of Quarterly Review Procedure**

This quarterly report is exempt from the quarterly review procedure based on the Financial Instruments and Exchange Act.

Furthermore, quarterly consolidated financial statements were undergoing the review procedure 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.

Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (March 31, 2015)	Third quarter, current fiscal year (December 31, 2015)
Assets		
Current assets		
Cash and deposits	8,423	9,114
Notes and accounts receivable-trade	33,601	37,446
Merchandise	10,719	10,259
Goods in transit	122	30
Other	2,587	2,761
Allowance for doubtful accounts	(1,122)	(1,098)
Total current assets	54,331	58,514
Non-current assets		
Property, plant and equipment	4,696	4,571
Intangible assets	899	846
Investments and other assets	5,958	6,369
Total non-current assets	11,553	11,786
Total assets	65,885	70,301
Liabilities		
Current liabilities		
Notes and accounts payable-trade	27,487	31,576
Short-term loans payable	16,104	16,457
Current portion of long-term loans payable	1,479	560
Income taxes payable	134	224
Provision	389	249
Other	2,603	3,541
Total current liabilities	48,199	52,610
Non-current liabilities		
Long-term loans payable	839	820
Net defined benefit liability	135	140
Other	649	524
Total non-current liabilities	1,624	1,485
Total liabilities	49,823	54,095
Net assets		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	895	855
Retained earnings	7,272	7,419
Treasury stock	(71)	(73)
Total shareholders' equity	15,282	15,387
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9	206
Deferred gains or losses on hedges	6	(65)
Foreign currency translation adjustment	687	611
Remeasurements of defined benefit plans	26	14
Total accumulated other comprehensive income	729	767
Non-controlling interests	49	50
Total net assets	16,061	16,205
Total liabilities and net assets	65,885	70,301

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income
(Quarterly Consolidated Statements of Income)
(Cumulative Third Quarter)

(Millions of yen)

	Cumulative third quarter, previous fiscal year (April 1, 2014- December 31, 2014)	Cumulative third quarter, current fiscal year (April 1, 2015- December 31, 2015)
Net sales	109,885	112,062
Cost of sales	99,491	102,033
Gross profit	10,394	10,028
Selling, general and administrative expenses	9,725	9,314
Operating income	668	714
Non-operating income		
Interest income	21	19
Dividends income	55	55
Foreign exchange gains	46	63
Other	85	31
Total non-operating income	208	170
Non-operating expenses		
Interest expenses	254	219
Other	58	44
Total non-operating expenses	313	263
Ordinary income	564	621
Extraordinary income		
Gain on sales of non-current assets	4	68
Gain on sales of investment securities	—	1
State subsidy income	—	4
Total extraordinary income	4	73
Extraordinary loss		
Loss on sales of non-current assets	1	0
Loss on retirement of non-current assets	22	15
Loss on reduction of non-current assets	—	4
Extraordinary loss on business liquidation	52	31
Other	0	—
Total extraordinary loss	76	52
Income before income taxes	492	642
Income taxes-current	249	162
Income taxes-deferred	12	10
Total income taxes	262	172
Profit	229	469
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	229	469

(Quarterly Consolidated Statements of Comprehensive Income)
(Cumulative Third Quarter)

(Millions of yen)

	Cumulative third quarter, previous fiscal year (April 1, 2014- December 31, 2014)	Cumulative third quarter, current fiscal year (April 1, 2015- December 31, 2015)
Profit	229	469
Other comprehensive income		
Valuation difference on available-for-sale securities	419	197
Deferred gains or losses on hedges	53	(71)
Foreign currency translation adjustment	131	(76)
Remeasurements of defined benefit plans, net of tax	(11)	(11)
Total other comprehensive income	593	37
Comprehensive income	822	507
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	822	506
Comprehensive income attributable to non-controlling interests	0	0