

\*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, 2016 [Japan GAAP]

May 13, 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 Annual General Meeting of Shareholders: June 29, 2016

Scheduled Date of Dividend Payments Commencement: June 30, 2016

Scheduled Date of Securities Report Filing: June 29, 2016

Supplementary Documents: Yes

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, 2016 (April 1, 2015 to March 31, 2016)

(1) Consolidated Operating Results (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	%
Fiscal year ended March 31, 2016	151,639	(1.8)	1,228	5.5	975	(3.6)	749	32.9
Fiscal year ended March 31, 2015	154,440	(2.6)	1,164	(30.1)	1,011	(26.2)	563	(45.0)

(Note) Comprehensive income Fiscal year ended March 31, 2016: 210 millions of yen  $\Delta$ 84.3%

Fiscal year ended March 31, 2015: 1,344 millions of yen  $\Delta$ 33.3%

	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, 2016	11.66	-	4.7	1.5	0.8
Fiscal year ended March 31, 2015	8.78	-	3.7	1.5	0.8

(Reference) Equity in earnings of affiliates Fiscal year ended March 31, 2016:  $\Delta$ 15 millions of yen

Fiscal year ended March 31, 2015:  $\Delta$ 18 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, 2016	68,206	15,908	23.3	246.54
March 31, 2015	65,885	16,061	24.3	249.30

(Reference) Equity capital March 31, 2016: 15,908 millions of yen

March 31, 2015: 16,011 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, 2016	1,344	611	(1,261)	9,037
Fiscal year ended March 31, 2015	2,178	(7)	(2,151)	8,423

### 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, 2015	-	-	-	2.00	2.00	128	22.8	0.8
Fiscal year ended March 31, 2016	-	-	-	2.00	2.00	129	17.2	0.8
Fiscal year ending March 31, 2017 (Forecast)	-	-	-	2.00	2.00		12.9	

### 3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2017 (April 1, 2016 to March 31, 2017)

(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	140,000	(7.7)	1,200	(2.3)	1,000	2.5	1,000	33.5	15.50

(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, 2016	64,649,715 shares	March 31, 2015	64,649,715 shares
----------------	-------------------	----------------	-------------------

ii Number of treasury stock at the end of period

March 31, 2016	119,618 shares	March 31, 2015	423,123 shares
----------------	----------------	----------------	----------------

iii Average number of shares during the period

March 31, 2016	64,245,002 shares	March 31, 2015	64,231,623 shares
----------------	-------------------	----------------	-------------------

**[Reference] Summary of Non-Consolidated Results**

Non-Consolidated Results for the Fiscal Year Ended March 31, 2016 (April 1, 2015 to March 31, 2016)

(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, 2016	84,132	1.6	450	35.5	772	36.4	278	(32.1)
Fiscal year ended March 31, 2015	82,783	(7.3)	332	(43.7)	566	(22.0)	409	(23.7)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2016	4.33	-
Fiscal year ended March 31, 2015	6.38	-

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2016	45,037	11,368	25.2	176.18
March 31, 2015	46,755	11,530	24.7	179.52

(Reference) Equity capital March 31, 2016: 11,368 millions of yen

March 31, 2015: 11,530 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, 2015)	Current fiscal year (March 31, 2016)
<b>Assets</b>		
Current assets		
Cash and deposits	8,423	9,037
Notes and accounts receivable-trade	33,601	35,683
Merchandise	10,719	9,947
Goods in transit	122	270
Deferred tax assets	297	368
Other	2,289	3,915
Allowance for doubtful accounts	(1,122)	(1,156)
Total current assets	54,331	58,066
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,992	3,511
Accumulated depreciation	(2,785)	(2,525)
Buildings and structures, net	1,206	985
Machinery, equipment and vehicles	2,802	2,740
Accumulated depreciation	(2,582)	(2,585)
Machinery, equipment and vehicles, net	220	154
Tools, furniture and fixtures	1,279	1,262
Accumulated depreciation	(1,173)	(1,148)
Tools, furniture and fixtures, net	106	113
Land	3,070	2,310
Lease assets	186	229
Accumulated depreciation	(93)	(146)
Lease assets, net	92	82
Total property, plant and equipment	4,696	3,646
Intangible assets		
Lease assets	835	751
Other	63	61
Total intangible assets	899	813
Investments and other assets		
Investment securities	3,472	3,231
Investments in capital	1,166	1,201
Long-term loans receivable	298	170
Deferred tax assets	31	55
Net defined benefit asset	224	327
Other	1,197	1,129
Allowance for doubtful accounts	(432)	(436)
Total investments and other assets	5,958	5,680
Total non-current assets	11,553	10,140
Total assets	65,885	68,206

(Millions of yen)

	Previous fiscal year (March 31, 2015)	Current fiscal year (March 31, 2016)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	27,487	30,621
Short-term loans payable	16,104	16,698
Current portion of long-term loans payable	1,479	163
Lease obligations	266	261
Income taxes payable	134	95
Deferred tax liabilities	—	42
Provision for bonuses	379	386
Provision for directors' bonuses	9	1
Other	2,337	2,722
Total current liabilities	48,199	50,992
Non-current liabilities		
Long-term loans payable	839	768
Lease obligations	535	319
Deferred tax liabilities	83	61
Net defined benefit liability	135	142
Asset retirement obligations	10	10
Other	19	3
Total non-current liabilities	1,624	1,305
<b>Total liabilities</b>	<b>49,823</b>	<b>52,297</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	895	855
Retained earnings	7,272	7,696
Treasury stock	(71)	(20)
Total shareholders' equity	15,282	15,718
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9	(163)
Deferred gains or losses on hedges	6	(164)
Foreign currency translation adjustment	687	522
Remeasurements of defined benefit plans	26	(2)
Total accumulated other comprehensive income	729	190
Non-controlling interests	49	—
<b>Total net assets</b>	<b>16,061</b>	<b>15,908</b>
<b>Total liabilities and net assets</b>	<b>65,885</b>	<b>68,206</b>

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

	(Millions of yen)	
	Previous fiscal year (April 1, 2014- March 31, 2015)	Current fiscal year (April 1, 2015- March 31, 2016)
Net sales	154,440	151,639
Cost of sales	140,191	137,982
Gross profit	14,248	13,657
Selling, general and administrative expenses		
Haulage and warehousing expenses	1,756	1,925
Sales related expenses	2,118	1,984
Provision of allowance for doubtful accounts	309	115
Directors' compensations, salaries and allowances	2,983	2,923
Employees' bonuses	321	328
Provision for bonuses	354	352
Retirement benefit expenses	147	140
Other salaries	960	795
Depreciation	210	227
Other	3,920	3,635
Total selling, general and administrative expenses	13,083	12,428
Operating income	1,164	1,228
Non-operating income		
Interest income	23	17
Dividends income	69	99
Land and house rent received	7	5
Share of profit of entities accounted for using equity method	9	5
Foreign exchange gains	68	—
Other	102	34
Total non-operating income	280	161
Non-operating expenses		
Interest expenses	338	280
Share of loss of entities accounted for using equity method	28	20
Foreign exchange losses	—	71
Provision of allowance for doubtful accounts	(1)	(1)
Other	67	43
Total non-operating expenses	433	414
Ordinary income	1,011	975

	(Millions of yen)	
	Previous fiscal year (April 1, 2014- March 31, 2015)	Current fiscal year (April 1, 2015- March 31, 2016)
<b>Extraordinary income</b>		
Gain on sales of non-current assets	4	630
Gain on sales of investment securities	93	1
State subsidy income	—	4
Gain on contribution of securities to retirement benefit trust	419	—
<b>Total extraordinary income</b>	<b>517</b>	<b>636</b>
<b>Extraordinary loss</b>		
Loss on sales of non-current assets	2	2
Loss on retirement of non-current assets	33	120
Impairment loss	170	48
Loss on sales of investments in affiliates	52	8
Loss on valuation of golf club membership	1	—
Loss on liquidation of subsidiaries and associates	—	365
Extraordinary loss on business liquidation	99	30
Loss on logistics bases closure	100	—
Other	0	81
<b>Total extraordinary loss</b>	<b>460</b>	<b>658</b>
Income before income taxes	1,069	953
Income taxes-current	338	242
Income taxes-deferred	166	(39)
<b>Total income taxes</b>	<b>504</b>	<b>203</b>
Profit	564	749
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	563	749

## Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Previous fiscal year (April 1, 2014- March 31, 2015)	Current fiscal year (April 1, 2015- March 31, 2016)
Profit	564	749
Other comprehensive income		
Valuation difference on available-for-sale securities	133	(172)
Deferred gains or losses on hedges	7	(171)
Foreign currency translation adjustment	523	(165)
Remeasurements of defined benefit plans, net of tax	115	(29)
Total other comprehensive income	780	(538)
Comprehensive income	1,344	210
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,344	210
Comprehensive income attributable to non-controlling interests	0	0

**(3) Consolidated Statements of Changes in Shareholders' Equity**  
**Previous fiscal year (April 1, 2014 - March 31, 2015)**

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	7,186	895	6,782	(70)	14,793
Cumulative effects of changes in accounting policies			180		180
Restated balance	7,186	895	6,963	(70)	14,974
Changes of items during the period					
Dividends of surplus			(128)		(128)
Profit attributable to owners of parent			563		563
Purchase of treasury stock				(1)	(1)
Change by share exchanges					—
Change of scope of consolidation			(126)		(126)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	309	(1)	307
Balance at the end of period	7,186	895	7,272	(71)	15,282

(Millions of yen)

	Accumulated other comprehensive income					Non-controlling 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	(124)	(1)	163	(88)	(50)	49	14,792
Cumulative effects of changes in accounting policies							180
Restated balance	(124)	(1)	163	(88)	(50)	49	14,973
Changes of items during the period							
Dividends of surplus							(128)
Profit attributable to owners of parent							563
Purchase of treasury stock							(1)
Change by share exchanges							—
Change of scope of consolidation							(126)
Net changes of items other than shareholders' equity	133	7	523	115	780	0	780
Total changes of items during the period	133	7	523	115	780	0	1,088
Balance at the end of period	9	6	687	26	729	49	16,061

Current fiscal year (April 1, 2015 - March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	7,186	895	7,272	(71)	15,282
Cumulative effects of changes in accounting policies					—
Restated balance	7,186	895	7,272	(71)	15,282
Changes of items during the period					
Dividends of surplus			(128)		(128)
Profit attributable to owners of parent			749		749
Purchase of treasury stock				(1)	(1)
Change by share exchanges			(2)	53	50
Change of scope of consolidation		(40)	(193)		(233)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(40)	424	51	435
Balance at the end of period	7,186	855	7,696	(20)	15,718

(Millions of yen)

	Accumulated other comprehensive income					Non-controlling 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	9	6	687	26	729	49	16,061
Cumulative effects of changes in accounting policies							—
Restated balance	9	6	687	26	729	49	16,061
Changes of items during the period							
Dividends of surplus							(128)
Profit attributable to owners of parent							749
Purchase of treasury stock							(1)
Change by share exchanges							50
Change of scope of consolidation							(233)
Net changes of items other than shareholders' equity	(172)	(171)	(165)	(29)	(538)	(49)	(588)
Total changes of items during the period	(172)	(171)	(165)	(29)	(538)	(49)	(152)
Balance at the end of period	(163)	(164)	522	(2)	190	—	15,908

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

(Millions of yen)

	Previous fiscal year (April 1, 2014- March 31, 2015)	Current fiscal year (April 1, 2015- March 31, 2016)
<b>Cash flows from operating activities</b>		
Income before income taxes	1,069	953
Depreciation	298	295
Impairment loss	170	48
Increase (decrease) in allowance for doubtful accounts	297	69
Increase (decrease) in net defined benefit liability	(167)	(140)
Interest and dividends income	(92)	(117)
Interest expenses	338	280
Foreign exchange losses (gains)	(0)	0
Loss (gain) on sales of property, plant and equipment	(2)	(627)
Loss on retirement of property, plant and equipment	33	120
Loss (gain) on sales of investment securities	(93)	(1)
Loss (gain) on sales of investments in affiliates	52	8
Loss on valuation of shares of subsidiaries and associates	0	—
Loss on valuation of golf club membership	1	—
Extraordinary loss on business liquidation	99	30
Loss on liquidation of subsidiaries and associates	—	365
Loss (gain) on securities contribution to employees' retirement benefits trust	(419)	—
Loss on logistics bases closure	100	—
Decrease (increase) in notes and accounts receivable-trade	4,373	(2,156)
Decrease (increase) in inventories	356	400
Decrease (increase) in other assets	388	(712)
Increase (decrease) in notes and accounts payable-trade	(3,367)	3,143
Increase (decrease) in other liabilities	(809)	(81)
Other, net	83	(111)
Subtotal	2,712	1,768
Interest and dividends income received	91	117
Interest expenses paid	(339)	(275)
Income taxes paid	(285)	(266)
Cash flows from operating activities	2,178	1,344
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(66)	(112)
Proceeds from sales of property, plant and equipment	437	481
Purchase of investment securities	(510)	(2)
Proceeds from sales of investment securities	170	45
Payments for investments in capital	(90)	(99)
Proceeds from sales of investments in capital	—	153
Payments of loans receivable	(14)	(28)
Collection of loans receivable	27	34
Other, net	38	139
Cash flows from investing activities	(7)	611

