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Summary of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2017 [Japan GAAP]

August 5, 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, President and CEO

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Scheduled Date of Quarterly Report Filing: August 12, 2016

Scheduled Date of Dividend Payments Commencement: —

Supplementary Documents for Quarterly Financial Statements: Yes

Holding of Quarterly Financial Results Meeting: No

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

1. Consolidated Results for the First Quarter of the Fiscal Year Ending March 31, 2017 (April 1, 2016 to June 30, 2016)

(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	%
First quarter ended June 30, 2016	33,686	4.0	201	104.8	56	(42.6)	5	(94.5)
First quarter ended June 30, 2015	32,375	(2.2)	98	(66.1)	99	(47.5)	103	0.9

(Note) Comprehensive income First quarter ended June 30, 2016: △681 millions of yen —%
 First quarter ended June 30, 2015: 223 millions of yen 138.8%

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter ended June 30, 2016	0.09	—
First quarter ended June 30, 2015	1.61	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2016	62,319	15,222	24.4
March 31, 2016	68,206	15,908	23.3

(Reference) Equity capital June 30, 2016: 15,222 millions of yen
 March 31, 2016: 15,908 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, 2016	—	—	—	2.00	2.00
Fiscal year ending March 31, 2017	—	—	—	2.00	2.00
Fiscal year ending March 31, 2017 (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, 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) 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: No

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

i Changes in accounting policies due to revisions of accounting standards and other regulations: No

ii Changes in accounting policies other than in (i): Yes

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)

June 30, 2016	64,649,715 shares	March 31, 2016	64,649,715 shares
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ii Number of treasury stock at the end of period

June 30, 2016	119,798 shares	March 31, 2016	119,618 shares
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iii Average number of shares during the period

June 30, 2016	64,529,962 shares	June 30, 2015	64,224,652 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, 2016)	First quarter, current fiscal year (June 30, 2016)
Assets		
Current assets		
Cash and deposits	9,037	9,942
Notes and accounts receivable-trade	35,683	30,090
Merchandise	9,947	10,876
Goods in transit	270	69
Other	4,284	2,852
Allowance for doubtful accounts	(1,156)	(1,133)
Total current assets	58,066	52,698
Non-current assets		
Property, plant and equipment	3,646	3,589
Intangible assets	813	799
Investments and other assets	5,680	5,232
Total non-current assets	10,140	9,621
Total assets	68,206	62,319
Liabilities		
Current liabilities		
Notes and accounts payable-trade	30,621	25,733
Short-term loans payable	16,698	16,568
Current portion of long-term loans payable	163	163
Income taxes payable	95	101
Provision	387	254
Other	3,026	3,048
Total current liabilities	50,992	45,868
Non-current liabilities		
Long-term loans payable	768	706
Net defined benefit liability	142	155
Other	394	366
Total non-current liabilities	1,305	1,228
Total liabilities	52,297	47,097
Net assets		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	855	855
Retained earnings	7,696	7,696
Treasury stock	(20)	(20)
Total shareholders' equity	15,718	15,718
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(163)	(454)
Deferred gains or losses on hedges	(164)	(261)
Foreign currency translation adjustment	522	216
Remeasurements of defined benefit plans	(2)	3
Total accumulated other comprehensive income	190	(496)
Total net assets	15,908	15,222
Total liabilities and net assets	68,206	62,319

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

(Millions of yen)

	Cumulative first quarter, previous fiscal year (April 1, 2015- June 30, 2015)	Cumulative first quarter, current fiscal year (April 1, 2016- June 30, 2016)
Net sales	32,375	33,686
Cost of sales	29,176	30,525
Gross profit	3,199	3,160
Selling, general and administrative expenses	3,100	2,959
Operating income	98	201
Non-operating income		
Interest income	5	15
Dividends income	43	49
Foreign exchange gains	35	—
Other	12	22
Total non-operating income	97	87
Non-operating expenses		
Interest expenses	82	54
Foreign exchange losses	—	160
Other	14	16
Total non-operating expenses	97	232
Ordinary income	99	56
Extraordinary income		
Gain on sales of non-current assets	70	—
Gain on sales of investment securities	0	—
State subsidy income	—	4
Total extraordinary income	70	4
Extraordinary loss		
Loss on retirement of non-current assets	0	1
Loss on reduction of non-current assets	—	4
Total extraordinary loss	0	5
Income before income taxes	169	55
Income taxes-current	64	92
Income taxes-deferred	1	(43)
Total income taxes	66	49
Profit	103	5
Profit attributable to non-controlling interests	0	—
Profit attributable to owners of parent	103	5

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

(Millions of yen)

	Cumulative first quarter, previous fiscal year (April 1, 2015- June 30, 2015)	Cumulative first quarter, current fiscal year (April 1, 2016- June 30, 2016)
Profit	103	5
Other comprehensive income		
Valuation difference on available-for-sale securities	163	(290)
Deferred gains or losses on hedges	5	(96)
Foreign currency translation adjustment	(44)	(305)
Remeasurements of defined benefit plans, net of tax	(3)	6
Total other comprehensive income	120	(686)
Comprehensive income	223	(681)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	223	(681)
Comprehensive income attributable to non-controlling interests	0	—