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# Summary of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2018 [Japan GAAP]

August 4, 2017

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 10, 2017  
 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, 2018 (April 1, 2017 to June 30, 2017)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter ended June 30, 2017	33,509	(0.5)	326	61.7	365	543.4	221	—
First quarter ended June 30, 2016	33,686	4.0	201	104.8	56	(42.6)	5	(94.5)

(Note) Comprehensive income First quarter ended June 30, 2017: △82 millions of yen —%  
 First quarter ended June 30, 2016: △681 millions of yen —%

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter ended June 30, 2017	3.44	—
First quarter ended June 30, 2016	0.09	—

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2017	62,637	17,712	28.3
March 31, 2017	65,476	17,963	27.4

(Reference) Equity capital June 30, 2017: 17,712 millions of yen  
 March 31, 2017: 17,963 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, 2017	—	—	—	3.00	3.00
Fiscal year ending March 31, 2018	—	—	—	—	—
Fiscal year ending March 31, 2018 (Forecast)	—	—	—	30.00	30.00

(Note) Revisions to the dividend forecast published most recently: Yes

GSI Creos Corporation plans to conduct a consolidation of common shares at a rate of one share for every ten shares with an effective date of October 1, 2017. Consequently, the impact of this consolidation of shares is factored into the figures for the cash dividends per share for the fiscal year ending March 31, 2018 (Forecast). The fiscal year end cash dividends per share for the fiscal year ending March 31, 2018 (Forecast) without the consolidation of shares factored in would be 3.00yen and the annual cash dividends per share would be 3.00yen. For further details, please refer to "Cautionary Statement with Respect to Forecasts of Consolidated Business Results and Special Notes".

### 3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

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

	Net sales		Operating profit		Ordinary profit		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	135,000	(4.6)	1,400	6.9	1,200	8.3	800	(51.1)	123.98

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

The impact of the consolidation of shares is factored into the net income per share in the forecast of consolidated results for the fiscal year ending March 31, 2018. For further details, please refer to "Cautionary Statement with Respect to Forecasts of Consolidated Business Results and Special Notes".

**\* 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 ): 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)

June 30, 2017	64,649,715 shares	March 31, 2017	64,649,715 shares
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ii Number of treasury stock at the end of period

June 30, 2017	124,856 shares	March 31, 2017	123,824 shares
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iii Average number of shares during the period

June 30, 2017	64,525,408 shares	June 30, 2016	64,529,962 shares
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**\* This quarterly report is out of scope of the quarterly review procedure.****\* 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.

(Cash dividends forecast and forecast of consolidated results following the consolidation of shares)

GSI Creos Corporation plans to conduct a consolidation of common shares at a rate of one share for every ten shares with the effective date of October 1, 2017 and a change of the share unit from 1,000 shares to 100 shares on October 1, 2017, following the approval and adoption of proposal for the consolidation of shares at the Company's 87th general meeting of shareholders held on June 29, 2017. In accordance with this, the cash dividend forecast and the forecast of consolidated results for the fiscal year ending March 31, 2018, calculated without factoring in the consolidation of shares are as follows.

1. Cash dividend forecast for the fiscal year ending March 31, 2018

Cash dividends per share

Fiscal year end: 3.00yen (Note1)

2. Forecast of consolidated results for the fiscal year ending March 31, 2018

Net income per share

Full fiscal year: 12.40yen

(Note1) This is the amount of cash dividends calculated without factoring in the consolidation of shares.

(Note2) Annual cash dividends for the fiscal year ending March 31, 2018 (without factoring in the consolidation of shares) will be 3.00yen.

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

(Millions of yen)

	Previous fiscal year (March 31, 2017)	First quarter, current fiscal year (June 30, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	12,371	12,060
Notes and accounts receivable-trade	32,421	29,753
Merchandise	8,173	8,461
Goods in transit	267	86
Other	2,221	2,389
Allowance for doubtful accounts	(1,146)	(1,109)
<b>Total current assets</b>	<b>54,308</b>	<b>51,642</b>
Non-current assets		
Property, plant and equipment	4,237	4,359
Intangible assets	742	710
Investments and other assets	6,189	5,925
<b>Total non-current assets</b>	<b>11,168</b>	<b>10,995</b>
<b>Total assets</b>	<b>65,476</b>	<b>62,637</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	25,668	24,122
Short-term loans payable	16,558	16,233
Current portion of long-term loans payable	483	472
Income taxes payable	349	140
Provision	541	405
Other	2,690	2,483
<b>Total current liabilities</b>	<b>46,292</b>	<b>43,857</b>
Non-current liabilities		
Long-term loans payable	422	374
Net defined benefit liability	163	162
Other	634	530
<b>Total non-current liabilities</b>	<b>1,220</b>	<b>1,066</b>
<b>Total liabilities</b>	<b>47,513</b>	<b>44,924</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	855	855
Retained earnings	9,325	9,379
Treasury stock	(20)	(20)
<b>Total shareholders' equity</b>	<b>17,346</b>	<b>17,400</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	399	248
Deferred gains or losses on hedges	(50)	(49)
Foreign currency translation adjustment	242	82
Remeasurements of defined benefit plans	25	30
<b>Total accumulated other comprehensive income</b>	<b>616</b>	<b>312</b>
<b>Total net assets</b>	<b>17,963</b>	<b>17,712</b>
<b>Total liabilities and net assets</b>	<b>65,476</b>	<b>62,637</b>

**(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, 2016- June 30, 2016)	Cumulative first quarter, current fiscal year (April 1, 2017- June 30, 2017)
Net sales	33,686	33,509
Cost of sales	30,525	30,420
Gross profit	3,160	3,088
Selling, general and administrative expenses	2,959	2,762
Operating profit	201	326
Non-operating income		
Interest income	15	10
Dividends income	49	46
Foreign exchange gains	—	26
Other	22	16
Total non-operating income	87	98
Non-operating expenses		
Interest expenses	54	48
Foreign exchange losses	160	—
Other	16	10
Total non-operating expenses	232	58
Ordinary profit	56	365
Extraordinary income		
Gain on sales of investment securities	—	2
State subsidy income	4	—
Total extraordinary income	4	2
Extraordinary losses		
Loss on retirement of non-current assets	1	0
Loss on reduction of non-current assets	4	—
Loss on valuation of investment securities	—	16
Total extraordinary losses	5	16
Income before income taxes	55	351
Income taxes-current	92	122
Income taxes-deferred	(43)	7
Total income taxes	49	129
Profit	5	221
Profit attributable to owners of parent	5	221

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

(Millions of yen)

	Cumulative first quarter, previous fiscal year (April 1, 2016- June 30, 2016)	Cumulative first quarter, current fiscal year (April 1, 2017- June 30, 2017)
Profit	5	221
Other comprehensive income		
Valuation difference on available-for-sale securities	(290)	(150)
Deferred gains or losses on hedges	(96)	1
Foreign currency translation adjustment	(305)	(159)
Remeasurements of defined benefit plans, net of tax	6	5
Total other comprehensive income	(686)	(304)
Comprehensive income	(681)	(82)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(681)	(82)