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

Summary of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2019 [Japan GAAP]

August 3, 2018

Stock Exchange Listing: Tokyo (First Section)

Company Name: GSI Creos Corporation

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

Representative: Tadaaki Yoshinaga Representative Director, President and CEO

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Scheduled Date of Quarterly Report Filing: August 10, 2018

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, 2019

(April 1, 2018 to June 30, 2018)

(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, 2018	31,505	(6.0)	376	15.3	428	17.1	298	34.8
First quarter ended June 30, 2017	33,509	(0.5)	326	61.7	365	543.4	221	—

(Note) Comprehensive income First quarter ended June 30, 2018: 254 millions of yen —%

First quarter ended June 30, 2017: △82 millions of yen —%

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter ended June 30, 2018	46.33	—
First quarter ended June 30, 2017	34.38	—

* GSI Creos Corporation executed a consolidation of common shares at a rate of one share for every ten shares as of October 1, 2017.

Net income per share is calculated on the assumption that the consolidation of common shares was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2018	58,053	18,945	32.6
March 31, 2018	62,677	18,916	30.2

(Reference) Equity capital June 30, 2018: 18,945 millions of yen

March 31, 2018: 18,916 millions of yen

* GSI Creos Corporation applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018)

and relevant guidances from the beginning of the first quarter of the current fiscal year. The figures as of March 31, 2018 are those after retrospective application.

2. Dividends

	Annual dividend per share				
	1Q	2Q	3Q	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	—	—	—	35.00	35.00
Fiscal year ending March 31, 2019	—	—	—	—	—
Fiscal year ending March 31, 2019 (Forecast)	—	—	—	40.00	40.00

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

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2019

(April 1, 2018 to March 31, 2019)

(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	130,000	(2.8)	1,500	(4.7)	1,500	(0.2)	1,000	9.4	155.01

(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): 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, 2018	6,464,971 shares	March 31, 2018	6,464,971 shares
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ii Number of treasury stock at the end of period

June 30, 2018	13,725 shares	March 31, 2018	13,593 shares
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iii Average number of shares during the period

Three months ended June 30, 2018	6,451,307 shares	Three months ended June 30, 2017	6,452,541 shares
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* GSI Creos Corporation executed a consolidation of common shares at a rate of one share for every ten shares as of October 1, 2017.

Number of shares issued and outstanding (including treasury stock), number of treasury stock, and average number of shares are calculated on the assumption that the consolidation of common shares was conducted at the beginning of the previous fiscal year.

*** This quarterly report is out of scope of the quarterly review procedure performed by a certified public accountant or audit corporation.**

*** 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, 2018)	First quarter, current fiscal year (June 30, 2018)
Assets		
Current assets		
Cash and deposits	12,636	10,640
Notes and accounts receivable-trade	30,154	27,816
Merchandise	8,138	7,992
Goods in transit	258	13
Other	1,182	1,210
Allowance for doubtful accounts	(283)	(293)
Total current assets	52,087	47,379
Non-current assets		
Property, plant and equipment	4,407	4,387
Intangible assets	620	587
Investments and other assets	5,562	5,698
Total non-current assets	10,589	10,674
Total assets	62,677	58,053
Liabilities		
Current liabilities		
Notes and accounts payable-trade	23,773	21,435
Short-term loans payable	15,250	13,501
Current portion of long-term loans payable	227	224
Income taxes payable	276	89
Provision	466	274
Other	2,901	2,759
Total current liabilities	42,895	38,284
Non-current liabilities		
Long-term loans payable	355	301
Net defined benefit liability	143	142
Other	366	379
Total non-current liabilities	865	823
Total liabilities	43,760	39,108
Net assets		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	855	855
Retained earnings	10,071	10,144
Treasury stock	(22)	(22)
Total shareholders' equity	18,090	18,163
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	606	748
Deferred gains or losses on hedges	(36)	(2)
Foreign currency translation adjustment	190	(31)
Remeasurements of defined benefit plans	65	67
Total accumulated other comprehensive income	826	782
Total net assets	18,916	18,945
Total liabilities and net assets	62,677	58,053

**(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, 2017- June 30, 2017)	Cumulative first quarter, current fiscal year (April 1, 2018- June 30, 2018)
Net sales	33,509	31,505
Cost of sales	30,420	28,380
Gross profit	3,088	3,124
Selling, general and administrative expenses	2,762	2,748
Operating profit	326	376
Non-operating income		
Interest income	10	9
Dividends income	46	39
Foreign exchange gains	26	15
Other	16	51
Total non-operating income	98	115
Non-operating expenses		
Interest expenses	48	44
Other	10	18
Total non-operating expenses	58	63
Ordinary profit	365	428
Extraordinary income		
Gain on sales of investment securities	2	—
Total extraordinary income	2	—
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on valuation of investment securities	16	—
Loss on sales of golf club memberships	—	4
Total extraordinary losses	16	4
Income before income taxes	351	423
Income taxes-current	122	118
Income taxes-deferred	7	6
Total income taxes	129	125
Profit	221	298
Profit attributable to owners of parent	221	298

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

(Millions of yen)

	Cumulative first quarter, previous fiscal year (April 1, 2017- June 30, 2017)	Cumulative first quarter, current fiscal year (April 1, 2018- June 30, 2018)
Profit	221	298
Other comprehensive income		
Valuation difference on available-for-sale securities	(150)	141
Deferred gains or losses on hedges	1	34
Foreign currency translation adjustment	(159)	(221)
Remeasurements of defined benefit plans, net of tax	5	1
Total other comprehensive income	(304)	(44)
Comprehensive income	(82)	254
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(82)	254