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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 Fiscal Year Ended March 31, 2019 [Japan GAAP]

May 15, 2019

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

Inquiries: Kunihiro Ono General Manager of Corporate Planning Department Tel: +81-3-5211-1802

Scheduled Date of Ordinary General Meeting of Shareholders: June 26, 2019

Scheduled Date of Dividend Payments Commencement: June 27, 2019

Scheduled Date of Securities Report Filing: June 26, 2019

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, 2019 (April 1, 2018 to March 31, 2019)

(1) Consolidated Operating Results

(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	%
Fiscal year ended March 31, 2019	138,487	3.6	1,683	7.0	1,661	10.6	1,152	26.1
Fiscal year ended March 31, 2018	133,727	(5.5)	1,573	20.1	1,502	35.7	913	(44.1)

(Note) Comprehensive income Fiscal year ended March 31, 2019: 455 millions of yen Δ 59.4%

Fiscal year ended March 31, 2018: 1,123 millions of yen Δ 45.5%

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2019	178.92	-	6.1	2.7	1.2
Fiscal year ended March 31, 2018	141.62	-	5.0	2.3	1.2

(Reference) Equity in earnings of affiliates Fiscal year ended March 31, 2019: 31 millions of yen

Fiscal year ended March 31, 2018: 14 millions of yen

* 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	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2019	61,618	18,991	30.8	3,006.92
March 31, 2018	62,677	18,916	30.2	2,932.15

(Reference) Equity capital March 31, 2019: 18,991 millions of yen

March 31, 2018: 18,916 millions of yen

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

* 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 current fiscal year. The figures as of March 31, 2018 are those after retrospective application.

(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, 2019	2,199	(196)	(2,131)	12,437
Fiscal year ended March 31, 2018	1,394	697	(1,846)	12,636

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, 2018	-	-	-	35.00	35.00	225	24.7	1.2
Fiscal year ended March 31, 2019	-	-	-	40.00	40.00	252	22.4	1.3
Fiscal year ending March 31, 2020 (Forecast)	-	-	-	45.00	45.00		23.7	

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2020 (April 1, 2019 to March 31, 2020)

(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	123,000	(11.2)	1,700	1.0	1,700	2.3	1,200	4.1	189.99

(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: No

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, 2019	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

March 31, 2019	148,875 shares	March 31, 2018	13,593 shares
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iii Average number of shares during the period

Year ended March 31, 2019	6,440,742 shares	Year ended March 31, 2018	6,452,019 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.

[Reference] Summary of Non-Consolidated Results

Non-Consolidated Results for the Fiscal Year Ended March 31, 2019 (April 1, 2018 to March 31, 2019)

(1) Non-Consolidated Operating Results

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2019	73,588	3.5	631	75.5	941	46.2	661	55.7
Fiscal year ended March 31, 2018	71,112	(7.9)	359	(21.0)	643	(7.1)	425	(16.0)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2019	102.74	-
Fiscal year ended March 31, 2018	65.89	-

* 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) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2019	39,518	12,644	32.0	2,001.89
March 31, 2018	42,636	12,864	30.2	1,994.08

(Reference) Equity capital March 31, 2019: 12,644 millions of yen

March 31, 2018: 12,864 millions of yen

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

* 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 current fiscal year. The figures as of March 31, 2018 are those after retrospective application.

*** This financial report is out of scope of the audit 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.

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (March 31, 2018)	Current fiscal year (March 31, 2019)
Assets		
Current assets		
Cash and deposits	12,636	12,437
Notes and accounts receivable-trade	30,154	28,675
Merchandise	8,138	9,195
Goods in transit	258	339
Other	1,182	1,138
Allowance for doubtful accounts	(283)	(209)
Total current assets	52,087	51,577
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,763	3,791
Accumulated depreciation	(2,217)	(2,278)
Buildings and structures, net	1,546	1,512
Machinery, equipment and vehicles	2,633	2,565
Accumulated depreciation	(2,445)	(2,406)
Machinery, equipment and vehicles, net	188	158
Tools, furniture and fixtures	464	443
Accumulated depreciation	(384)	(350)
Tools, furniture and fixtures, net	79	92
Land	2,554	2,536
Leased assets	97	229
Accumulated depreciation	(58)	(73)
Leased assets, net	39	155
Construction in progress	—	9
Total property, plant and equipment	4,407	4,466
Intangible assets		
Leased assets	562	454
Other	57	65
Total intangible assets	620	520
Investments and other assets		
Investment securities	3,416	2,781
Investments in capital	942	910
Long-term loans receivable	170	100
Deferred tax assets	86	335
Net defined benefit asset	379	384
Other	830	788
Allowance for doubtful accounts	(263)	(246)
Total investments and other assets	5,562	5,054
Total non-current assets	10,589	10,041
Total assets	62,677	61,618

	(Millions of yen)	
	Previous fiscal year (March 31, 2018)	Current fiscal year (March 31, 2019)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	23,773	24,283
Short-term loans payable	15,250	13,777
Current portion of long-term loans payable	227	232
Lease obligations	152	59
Income taxes payable	276	247
Provision for bonuses	424	459
Provision for directors' bonuses	42	28
Other	2,748	2,745
Total current liabilities	42,895	41,834
Non-current liabilities		
Long-term loans payable	355	217
Lease obligations	68	162
Deferred tax liabilities	288	273
Net defined benefit liability	143	130
Asset retirement obligations	9	8
Total non-current liabilities	865	791
Total liabilities	43,760	42,626
Net assets		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	855	855
Retained earnings	10,071	10,998
Treasury stock	(22)	(177)
Total shareholders' equity	18,090	18,862
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	606	66
Deferred gains or losses on hedges	(36)	(13)
Foreign currency translation adjustment	190	(3)
Remeasurements of defined benefit plans	65	80
Total accumulated other comprehensive income	826	129
Total net assets	18,916	18,991
Total liabilities and net assets	62,677	61,618

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

	(Millions of yen)	
	Previous fiscal year (April 1, 2017- March 31, 2018)	Current fiscal year (April 1, 2018- March 31, 2019)
Net sales	133,727	138,487
Cost of sales	120,603	125,322
Gross profit	13,123	13,165
Selling, general and administrative expenses		
Haulage and warehousing expenses	1,484	1,412
Sales related expenses	1,801	1,835
Provision of allowance for doubtful accounts	26	6
Directors' compensations, salaries and allowances	2,790	2,702
Employees' bonuses	354	353
Provision for bonuses	383	425
Provision for directors' bonuses	42	28
Retirement benefit expenses	199	163
Other salaries	795	808
Depreciation	202	210
Other	3,470	3,534
Total selling, general and administrative expenses	11,550	11,481
Operating profit	1,573	1,683
Non-operating income		
Interest income	50	59
Dividends income	60	52
Land and house rent received	3	5
Share of profit of entities accounted for using equity method	28	43
Other	80	83
Total non-operating income	223	244
Non-operating expenses		
Interest expenses	191	173
Share of loss of entities accounted for using equity method	14	12
Foreign exchange losses	2	28
Provision of allowance for doubtful accounts	8	(0)
Other	78	53
Total non-operating expenses	294	267
Ordinary profit	1,502	1,661

	(Millions of yen)	
	Previous fiscal year (April 1, 2017- March 31, 2018)	Current fiscal year (April 1, 2018- March 31, 2019)
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	459	52
Other	14	—
Total extraordinary income	474	52
Extraordinary losses		
Loss on sales of non-current assets	0	—
Loss on retirement of non-current assets	16	11
Impairment loss	281	17
Loss on valuation of investment securities	16	—
Loss on valuation of investments in capital	20	79
Loss on valuation of investments in capital of subsidiaries and associates	89	0
Other	27	4
Total extraordinary losses	452	112
Income before income taxes	1,524	1,600
Income taxes-current	526	489
Income taxes-deferred	84	(41)
Total income taxes	610	448
Profit	913	1,152
Profit attributable to owners of parent	913	1,152

Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Previous fiscal year (April 1, 2017- March 31, 2018)	Current fiscal year (April 1, 2018- March 31, 2019)
Profit	913	1,152
Other comprehensive income		
Valuation difference on available-for-sale securities	207	(540)
Deferred gains or losses on hedges	14	22
Foreign currency translation adjustment	(51)	(193)
Remeasurements of defined benefit plans, net of tax	40	14
Total other comprehensive income	209	(696)
Comprehensive income	1,123	455
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,123	455

(3) Consolidated Statements of Changes in Shareholders' Equity
Previous fiscal year (April 1, 2017 - March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	7,186	855	9,325	(20)	17,346
Changes of items during the period					
Dividends of surplus			(193)		(193)
Profit attributable to owners of parent			913		913
Purchase of treasury stock				(2)	(2)
Change of scope of consolidation			25		25
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	745	(2)	743
Balance at the end of period	7,186	855	10,071	(22)	18,090

(Millions of yen)

	Accumulated other comprehensive income					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	399	(50)	242	25	616	17,963
Changes of items during the period						
Dividends of surplus						(193)
Profit attributable to owners of parent						913
Purchase of treasury stock						(2)
Change of scope of consolidation						25
Net changes of items other than shareholders' equity	207	14	(51)	40	209	209
Total changes of items during the period	207	14	(51)	40	209	953
Balance at the end of period	606	(36)	190	65	826	18,916

Current fiscal year (April 1, 2018 - March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	7,186	855	10,071	(22)	18,090
Changes of items during the period					
Dividends of surplus			(225)		(225)
Profit attributable to owners of parent			1,152		1,152
Purchase of treasury stock				(154)	(154)
Change of scope of consolidation					
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	926	(154)	772
Balance at the end of period	7,186	855	10,998	(177)	18,862

(Millions of yen)

	Accumulated other comprehensive income					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	606	(36)	190	65	826	18,916
Changes of items during the period						
Dividends of surplus						(225)
Profit attributable to owners of parent						1,152
Purchase of treasury stock						(154)
Change of scope of consolidation						—
Net changes of items other than shareholders' equity	(540)	22	(193)	14	(696)	(696)
Total changes of items during the period	(540)	22	(193)	14	(696)	75
Balance at the end of period	66	(13)	(3)	80	129	18,991

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous fiscal year (April 1, 2017- March 31, 2018)	Current fiscal year (April 1, 2018- March 31, 2019)
Cash flows from operating activities		
Income before income taxes	1,524	1,600
Depreciation	279	295
Impairment loss	281	17
Increase (decrease) in allowance for doubtful accounts	(922)	(91)
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	(113)	—
Increase (decrease) in net defined benefit liability	1	4
Interest and dividends income	(111)	(111)
Interest expenses	191	173
Foreign exchange losses (gains)	(0)	0
Loss (gain) on sales of property, plant and equipment	(0)	(0)
Loss on retirement of property, plant and equipment	16	11
Loss (gain) on sales of investment securities	(458)	(52)
Loss (gain) on valuation of investment securities	16	—
Loss on valuation of investments in capital of subsidiaries and associates	89	0
Loss (gain) on sales of investments in capital	(13)	—
Loss on valuation of investments in capital	20	79
Decrease (increase) in notes and accounts receivable-trade	1,553	1,165
Decrease (increase) in inventories	(18)	(1,196)
Decrease (increase) in other assets	489	22
Increase (decrease) in notes and accounts payable-trade	(1,187)	813
Increase (decrease) in other liabilities	296	7
Other, net	141	36
Subtotal	2,079	2,777
Interest and dividends income received	109	112
Interest expenses paid	(185)	(173)
Income taxes paid	(608)	(517)
Cash flows from operating activities	1,394	2,199
Cash flows from investing activities		
Purchase of property, plant and equipment	(621)	(115)
Proceeds from sales of property, plant and equipment	0	0
Purchase of investment securities	(4)	(105)
Proceeds from sales of investment securities	1,223	7
Payments for investments in capital	(28)	(11)
Proceeds from sales of investments in capital	169	27
Payments of loans receivable	(22)	(25)
Collection of loans receivable	31	45
Other, net	(51)	(20)
Cash flows from investing activities	697	(196)

