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Summary of Consolidated Financial Statements for the Second Quarter of the Fiscal Year Ending March 31, 2014 [Japan GAAP]

November 1, 2013

Stock Exchange Listing: Tokyo (First Section)

Company Name: GSI Creos Corporation

Code Number: 8101 URL <http://www.gsi.co.jp>
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 Scheduled Date of Quarterly Report Filing: November 11, 2013
 Scheduled Date of Dividend Payments Commencement: —
 Supplementary Documents for Quarterly Financial Statements: No
 Holding of Quarterly Financial Results Meeting: No

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

1. Consolidated Results for the Second Quarter of the Fiscal Year Ending March 31, 2014 (April 1, 2013 to September 30, 2013)

(1) Consolidated Operating Results (Cumulative Total) (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	%
Second quarter ended September 30, 2013	76,212	24.0	915	9.6	675	(10.9)	470	(23.9)
Second quarter ended September 30, 2012	61,453	(0.6)	835	(23.9)	758	(9.3)	618	(9.5)

(Note) Comprehensive income
 Second quarter ended September 30, 2013: 1,168 millions of yen 256.6%
 Second quarter ended September 30, 2012: 327 millions of yen (23.5% decrease)

	Net income per share	Diluted net income per share
	Yen	Yen
Second quarter ended September 30, 2013	7.32	—
Second quarter ended September 30, 2012	9.61	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2013	67,581	14,036	20.7
March 31, 2013	59,906	13,000	21.6

(Reference) Equity capital
 September 30, 2013: 13,986 millions of yen
 March 31, 2013: 12,950 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, 2013	—	—	—	2.00	2.00
Fiscal year ending March 31, 2014	—	—	—	2.00	2.00
Fiscal year ending March 31, 2014 (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, 2014 (April 1, 2013 to March 31, 2014)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	135,000	3.3	1,600	9.7	1,400	8.5	1,000	9.1	15.56

(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: Yes

(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)

September 30, 2013	64,649,715 shares	March 31, 2013	64,649,715 shares
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ii Number of treasury stock at the end of period

September 30, 2013	404,311 shares	March 31, 2013	379,465 shares
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iii Average number of shares during the period

September 30, 2013	64,254,926 shares	September 30, 2012	64,347,783 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, 2013)	Second quarter, current fiscal year (September 30, 2013)
Assets		
Current assets		
Cash and deposits	7,970	7,928
Notes and accounts receivable-trade	30,281	37,660
Merchandise	9,206	9,438
Goods in transit	33	34
Other	1,308	1,370
Allowance for doubtful accounts	(516)	(429)
Total current assets	48,283	56,002
Noncurrent assets		
Property, plant and equipment	5,446	5,423
Intangible assets	553	531
Investments and other assets	5,624	5,624
Total noncurrent assets	11,623	11,578
Total assets	59,906	67,581
Liabilities		
Current liabilities		
Notes and accounts payable-trade	21,923	28,685
Short-term loans payable	16,300	16,903
Current portion of long-term loans payable	1,357	1,486
Income taxes payable	300	259
Provision	403	390
Other	2,442	2,007
Total current liabilities	42,727	49,732
Noncurrent liabilities		
Long-term loans payable	2,865	2,564
Provision for retirement benefits	950	868
Other	363	380
Total noncurrent liabilities	4,178	3,812
Total liabilities	46,906	53,545
Net assets		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	908	895
Retained earnings	5,873	6,228
Treasury stock	(65)	(69)
Total shareholders' equity	13,903	14,240
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(345)	(127)
Deferred gains or losses on hedges	(102)	(33)
Foreign currency translation adjustment	(504)	(93)
Total accumulated other comprehensive income	(952)	(254)
Minority interests		
	49	50
Total net assets	13,000	14,036
Total liabilities and net assets	59,906	67,581

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

(Millions of yen)

	Cumulative second quarter, previous fiscal year (April 1, 2012- September 30, 2012)	Cumulative second quarter, current fiscal year (April 1, 2013- September 30, 2013)
Net sales	61,453	76,212
Cost of sales	54,877	69,251
Gross profit	6,575	6,960
Selling, general and administrative expenses	5,739	6,044
Operating income	835	915
Non-operating income		
Interest income	69	10
Dividends income	42	48
Other	88	48
Total non-operating income	200	106
Non-operating expenses		
Interest expenses	202	169
Foreign exchange losses	12	121
Other	64	55
Total non-operating expenses	278	346
Ordinary income	758	675
Extraordinary income		
Gain on sales of noncurrent assets	19	—
Gain on sales of investment securities	—	3
Total extraordinary income	19	3
Extraordinary loss		
Loss on retirement of noncurrent assets	0	11
Loss on valuation of investment securities	—	44
Loss on valuation of golf club membership	—	8
Total extraordinary loss	0	64
Income before income taxes and minority interests	776	614
Income taxes-current	166	137
Income taxes-deferred	(8)	5
Total income taxes	157	143
Income before minority interests	618	470
Minority interests in income	0	0
Net income	618	470

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

(Millions of yen)

	Cumulative second quarter, previous fiscal year (April 1, 2012- September 30, 2012)	Cumulative second quarter, current fiscal year (April 1, 2013- September 30, 2013)
Income before minority interests	618	470
Other comprehensive income		
Valuation difference on available-for-sale securities	(351)	218
Deferred gains or losses on hedges	9	68
Foreign currency translation adjustment	51	410
Total other comprehensive income	(290)	697
Comprehensive income	327	1,168
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	327	1,168
Comprehensive income attributable to minority interests	0	0

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Cumulative second quarter, previous fiscal year (April 1, 2012- September 30, 2012)	Cumulative second quarter, current fiscal year (April 1, 2013- September 30, 2013)
Cash flows from operating activities		
Income before income taxes and minority interests	776	614
Depreciation and amortization	129	137
Amortization of goodwill	(0)	—
Increase (decrease) in allowance for doubtful accounts	(20)	(30)
Increase (decrease) in provision for retirement benefits	(68)	(81)
Increase (decrease) in provision for extraordinary loss on business liquidation	(43)	—
Interest and dividends income	(111)	(58)
Interest expenses	202	169
Foreign exchange losses (gains)	2	0
Loss (gain) on sales of property, plant and equipment	(19)	—
Loss on retirement of property, plant and equipment	0	11
Loss (gain) on sales of investment securities	—	(3)
Loss (gain) on valuation of investment securities	—	44
Loss on valuation of golf club membership	—	8
Decrease (increase) in notes and accounts receivable-trade	(3,219)	(5,562)
Decrease (increase) in inventories	1	49
Decrease (increase) in other assets	(180)	81
Increase (decrease) in notes and accounts payable-trade	2,868	4,950
Increase (decrease) in other liabilities	133	(532)
Other, net	(32)	70
Subtotal	417	(130)
Interest and dividends income received	51	59
Interest expenses paid	(197)	(169)
Income taxes paid	(84)	(192)
Cash flows from operating activities	187	(433)
Cash flows from investing activities		
Purchase of property, plant and equipment	(75)	(34)
Proceeds from sales of property, plant and equipment	19	—
Proceeds from sales of intangible assets	140	—
Purchase of investment securities	(136)	(11)
Proceeds from sales of investment securities	5	74
Payments for investments in capital	(94)	(82)
Payments of loans receivable	(237)	(57)
Collection of loans receivable	57	63
Other, net	(9)	9
Cash flows from investing activities	(329)	(39)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(220)	486
Proceeds from long-term loans payable	132	724
Repayment of long-term loans payable	(653)	(896)
Cash dividends paid	(128)	(125)
Cash dividends paid to minority shareholders	(0)	(0)
Other, net	(54)	(71)
Cash flows from financing activities	(925)	117
Effect of exchange rate change on cash and cash equivalents	11	169
Net increase (decrease) in cash and cash equivalents	(1,055)	(185)
Cash and cash equivalents at the beginning of period	8,435	7,970
Increase in cash and cash equivalents from newly consolidated subsidiary	50	143
Cash and cash equivalents at the end of period	7,430	7,928