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*This document has been prepared for reference only in accordance with accounting principles generally accepted in Japan.

*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, 2021 [Japan GAAP]

May 14, 2021

Stock Exchange Listing: Tokyo (First Section)

Company Name: GSI Creos Corporation

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

Representative: Tadaaki Yoshinaga Representative Director, President and CEO

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

Scheduled Date of Ordinary General Meeting of Shareholders: June 25, 2021

Scheduled Date of Dividend Payments Commencement: June 28, 2021

Scheduled Date of Securities Report Filing: June 25, 2021

Supplementary Documents: Yes

Holding of Financial Results Meeting: Yes

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

1. Consolidated Results for the Fiscal Year Ended March 31, 2021 (April 1, 2020 to March 31, 2021)

(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, 2021	116,375	0.7	3,632	204.8	3,700	205.0	2,026	100.8
Fiscal year ended March 31, 2020	115,548	(16.6)	1,191	(29.2)	1,213	(26.9)	1,008	(12.4)

(Note) Comprehensive income Fiscal year ended March 31, 2021 : 4,321 millions of yen 727.7 %
Fiscal year ended March 31, 2020 : 522 millions of yen 14.5 %

	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, 2021	161.65	—	9.5	6.2	3.1
Fiscal year ended March 31, 2020	79.92	—	5.3	2.0	1.0

(Reference) Equity in earnings of affiliates Fiscal year ended March 31, 2021 : (14) millions of yen
Fiscal year ended March 31, 2020 : (12) millions of yen

* GSI Creos Corporation has conducted a two-for-one stock split for its common stock effectively on April 1, 2021. Net income per share has been calculated as if the stock split of 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, 2021	60,465	23,239	38.4	1,852.19
March 31, 2020	58,532	19,193	32.8	1,532.87

(Reference) Equity capital March 31, 2021 : 23,239 millions of yen
March 31, 2020 : 19,193 millions of yen

* GSI Creos Corporation has conducted a two-for-one stock split for its common stock effectively on April 1, 2021. Net assets per share has been calculated as if the stock split of shares was conducted at the beginning of the previous fiscal year.

(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, 2021	5,379	(115)	(2,438)	14,594
Fiscal year ended March 31, 2020	913	(828)	(577)	11,899

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, 2020	—	0.00	—	45.00	45.00	281	28.2	1.5
Fiscal year ended March 31, 2021	—	0.00	—	60.00	60.00	376	18.6	1.8
Fiscal year ending March 31, 2022 (Forecast)	—	0.00	—	35.00	35.00		29.3	

* GSI Creos Corporation has conducted a two-for-one stock split for its common stock effectively on April 1, 2021. Dividends per share for the fiscal year ended March 31, 2020 and for the fiscal year ended March 31, 2021 are the actual amount before the stock split of shares. But the dividend per share for the fiscal year ending March 31, 2022 (forecast) is the amount after the stock split.

*Details of the fiscal year end dividend of the fiscal year ending March 31, 2022 (forecast)

Ordinary dividend : 30.00 Yen Commemorative Dividend for 90th Anniversary of GSI Creos Corporation : 5.00 Yen

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2022 (April 1, 2021 to March 31, 2022)

(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	116,000	—	2,000	(44.9)	2,000	(46.0)	1,500	(26.0)	119.55

* "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29) has been adopted from the beginning of the fiscal year ending March 31, 2022.

The new accounting standard is applied to the earnings forecast above and the ratio of the net sales changes from the same period of the previous year is not indicated.

*** 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, 2021	12,929,942	shares	March 31, 2020	12,929,942	shares
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ii Number of treasury stock at the end of period

March 31, 2021	382,886	shares	March 31, 2020	408,804	shares
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iii Average number of shares during the period

Year ended March 31, 2021	12,533,643	shares	Year ended March 31, 2020	12,623,694	shares
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* GSI Creos Corporation has conducted a two-for-one stock split for its common stock effectively on April 1, 2021. Number of shares issued and outstanding (including treasury stock), number of treasury stock and average number of shares have been calculated as if the stock split of 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, 2021 (April 1, 2020 to March 31, 2021)

(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, 2021	67,762	5.5	2,789	345.0	2,770	162.6	1,754	85.5
Fiscal year ended March 31, 2020	64,227	(12.7)	626	(0.7)	1,054	12.0	945	42.9

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2021	139.96	-
Fiscal year ended March 31, 2020	74.90	-

* GSI Creos Corporation has conducted a two-for-one stock split for its common stock effectively on April 1, 2021. Net income per share has been calculated as if the stock split of 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, 2021	41,476	16,932	40.8	1,349.48
March 31, 2020	36,860	12,947	35.1	1,034.05

(Reference) Equity capital March 31, 2021 : 16,932 millions of yen
 March 31, 2020 : 12,947 millions of yen

* GSI Creos Corporation has conducted a two-for-one stock split for its common stock effectively on April 1, 2021. Net assets per share has been calculated as if the stock split of shares was conducted at the beginning of the previous fiscal year.

*** 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 31,2020)	Current fiscal year (March 31,2021)
Assets		
Current assets		
Cash and deposits	11,899	14,594
Notes and accounts receivable-trade	25,432	22,803
Merchandise	9,382	9,040
Goods in transit	264	369
Other	1,469	737
Allowance for doubtful accounts	(190)	(158)
Total current assets	48,258	47,387
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,792	3,945
Accumulated depreciation	(2,355)	(2,677)
Buildings and structures, net	1,436	1,268
Machinery, equipment and vehicles	2,590	2,668
Accumulated depreciation	(2,427)	(2,530)
Machinery, equipment and vehicles, net	162	137
Tools, furniture and fixtures	462	479
Accumulated depreciation	(374)	(370)
Tools, furniture and fixtures, net	88	108
Land	2,534	2,409
Leased assets	334	409
Accumulated depreciation	(130)	(185)
Leased assets, net	203	223
Total property, plant and equipment	4,425	4,148
Intangible assets		
Leased assets	352	251
Other	110	105
Total intangible assets	463	357
Investments and other assets		
Investment securities	2,508	6,129
Investments in capital	967	853
Long-term loans receivable	523	507
Deferred tax assets	540	48
Net defined benefit asset	344	506
Other	658	726
Allowance for doubtful accounts	(158)	(199)
Total investments and other assets	5,384	8,572
Total non-current assets	10,273	13,077
Total assets	58,532	60,465

	(Millions of yen)	
	Previous fiscal year (March 31,2020)	Current fiscal year (March 31,2021)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	21,124	18,773
Short-term loans payable	13,757	11,631
Current portion of long-term loans payable	136	87
Lease obligations	86	78
Income taxes payable	89	1,279
Provision for bonuses	454	511
Provision for directors' bonuses	15	48
Other	2,935	3,464
Total current liabilities	38,599	35,875
Non-current liabilities		
Long-term loans payable	173	231
Lease obligations	163	178
Deferred tax liabilities	267	833
Net defined benefit liability	125	90
Asset retirement obligations	10	15
Total non-current liabilities	739	1,350
Total liabilities	39,339	37,225
Net assets		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	855	859
Retained earnings	11,754	13,485
Treasury stock	(245)	(230)
Total shareholders' equity	19,550	21,301
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(284)	2,216
Deferred gains or losses on hedges	0	4
Foreign currency translation adjustment	(114)	(427)
Remeasurements of defined benefit plans	41	144
Total accumulated other comprehensive income	(357)	1,938
Total net assets	19,193	23,239
Total liabilities and net assets	58,532	60,465

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

	(Millions of yen)	
	Previous fiscal year (April 1,2019- March 31,2020)	Current fiscal year (April 1,2020- March 31,2021)
Net sales	115,548	116,375
Cost of sales	103,164	101,730
Gross profit	12,384	14,644
Selling, general and administrative expenses		
Haulage and warehousing expenses	1,323	1,401
Sales related expenses	1,795	1,723
Provision of allowance for doubtful accounts	3	100
Directors' compensations, salaries and allowances	2,701	2,689
Employees' bonuses	344	389
Provision for bonuses	422	483
Provision for directors' bonuses	15	48
Retirement benefit expenses	147	126
Other salaries	790	812
Depreciation	252	264
Other	3,396	2,972
Total selling, general and administrative expenses	11,193	11,012
Operating profit	1,191	3,632
Non-operating income		
Interest income	109	91
Dividends income	57	61
Land and house rent received	6	3
Share of profit of entities accounted for using equity method	11	13
Foreign exchange gains	32	3
Reversal of allowance for doubtful accounts	—	1
Other	78	139
Total non-operating income	297	314
Non-operating expenses		
Interest expenses	186	154
Share of loss of entities accounted for using equity method	23	27
Provision of allowance for doubtful accounts	27	—
Other	37	63
Total non-operating expenses	275	246
Ordinary profit	1,213	3,700

	(Millions of yen)	
	Previous fiscal year (April 1,2019- March 31,2020)	Current fiscal year (April 1,2020- March 31,2021)
Extraordinary income		
Gain on sales of non-current assets	0	—
Gain on sales of investment securities	10	—
Gain on sales of investments in capital	30	—
Other	1	—
Total extraordinary income	42	—
Extraordinary losses		
Loss on retirement of non-current assets	6	5
Impairment loss	—	343
Loss on valuation of investments in capital	0	20
Other	4	—
Total extraordinary losses	11	369
Income before income taxes	1,245	3,331
Income taxes-current	280	1,401
Income taxes-deferred	(44)	(96)
Total income taxes	236	1,305
Profit	1,008	2,026
Profit attributable to owners of parent	1,008	2,026

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous fiscal year (April 1,2019- March 31,2020)	current fiscal year (April 1,2020- March 31,2021)
Profit	1,008	2,026
Other comprehensive income		
Valuation difference on available-for-sale securities	(350)	2,500
Deferred gains or losses on hedges	14	4
Foreign currency translation adjustment	(111)	(312)
Remeasurements of defined benefit plans, net of tax	(39)	102
Total other comprehensive income	(486)	2,295
Comprehensive income	522	4,321
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	522	4,321

(3) Consolidated Statements of Changes in Shareholders' Equity
Previous fiscal year (April 1, 2019 - March 31, 2020)

(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	10,998	(177)	18,862
Changes of items during the period					
Dividends of surplus			(252)		(252)
Profit attributable to owners of parent			1,008		1,008
Purchase of treasury stock				(80)	(80)
Disposal of treasury stock		0		11	12
Change of scope of consolidation					
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	756	(68)	688
Balance at the end of period	7,186	855	11,754	(245)	19,550

(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	66	(13)	(3)	80	129	18,991
Changes of items during the period						
Dividends of surplus						(252)
Profit attributable to owners of parent						1,008
Purchase of treasury stock						(80)
Disposal of treasury stock						12
Change of scope of consolidation						
Net changes of items other than shareholders' equity	(350)	14	(111)	(39)	(486)	(486)
Total changes of items during the period	(350)	14	(111)	(39)	(486)	201
Balance at the end of period	(284)	0	(114)	41	(357)	19,193

Current fiscal year (April 1, 2020 - March 31, 2021)

(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	11,754	(245)	19,550
Changes of items during the period					
Dividends of surplus			(281)		(281)
Profit attributable to owners of parent			2,026		2,026
Purchase of treasury stock				(1)	(1)
Disposal of treasury stock		3		16	20
Change of scope of consolidation			(12)		(12)
Net changes of items other than shareholders' equity					—
Total changes of items during the period	—	3	1,731	15	1,750
Balance at the end of period	7,186	859	13,485	(230)	21,301

(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	(284)	0	(114)	41	(357)	19,193
Changes of items during the period						
Dividends of surplus						(281)
Profit attributable to owners of parent						2,026
Purchase of treasury stock						(1)
Disposal of treasury stock						20
Change of scope of consolidation						(12)
Net changes of items other than shareholders' equity	2,500	4	(312)	102	2,295	2,295
Total changes of items during the period	2,500	4	(312)	102	2,295	4,046
Balance at the end of period	2,216	4	(427)	144	1,938	23,239

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous fiscal year (April 1, 2019- March 31, 2020)	Current fiscal year (April 1, 2020- March 31, 2021)
Cash flows from operating activities		
Income before income taxes	1,245	3,331
Depreciation	350	354
Impairment loss	—	343
Increase (decrease) in allowance for doubtful accounts	(106)	51
Increase (decrease) in net defined benefit liability	(21)	(49)
Interest and dividends income	(167)	(149)
Interest expenses	186	154
Foreign exchange losses (gains)	21	(27)
Loss (gain) on sales of property, plant and equipment	(0)	—
Loss on retirement of property, plant and equipment	6	5
Loss (gain) on sales of investment securities	(10)	—
Loss (gain) on sales of investment in capital	(30)	—
Loss on valuation of investments in capital	0	20
Decrease (increase) in notes and accounts receivable-trade	3,169	1,677
Decrease (increase) in inventories	(152)	185
Decrease (increase) in other assets	(307)	739
Increase (decrease) in notes and accounts payable-trade	(3,026)	1,744
Increase (decrease) in other liabilities	233	106
Other, net	(11)	595
Subtotal	1,377	5,594
Interest and dividends income received	160	152
Interest expenses paid	(187)	(154)
Income taxes paid	(437)	(213)
Cash flows from operating activities	913	5,379
Cash flows from investing activities		
Purchase of property, plant and equipment	(78)	(88)
Proceeds from sales of property, plant and equipment	2	—
Purchase of investment securities	(259)	(3)
Proceeds from sales of investment securities	39	—
Purchase of shares of subsidiaries	—	(43)
Payments for investments in capital	(132)	—
Proceeds from sales of investments in capital	66	0
Payments of loans receivable	(485)	(1)
Collection of loans receivable	35	17
Other, net	(17)	3
Cash flows from investing activities	(828)	(115)

	(Millions of yen)	
	Previous fiscal year (April 1, 2019- March 31, 2020)	Current fiscal year (April 1, 2020- March 31, 2021)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(6)	(2,068)
Proceeds from long-term loans payable	100	150
Repayments of long-term loans payable	(240)	(140)
Repayments of lease obligations	(98)	(96)
Purchase of treasury stock	(80)	(0)
Cash dividends paid	(252)	(281)
Cash flows from financing activities	(577)	(2,438)
Effect of exchange rate change on cash and cash equivalents	(45)	(166)
Net increase (decrease) in cash and cash equivalents	(538)	2,659
Cash and cash equivalents at the beginning of period	12,437	11,899
Increase in cash and cash equivalents resulting from inclusion of subsidiaries from consolidation	—	36
Cash and cash equivalents at the end of period	11,899	14,594