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Summary of Consolidated Financial Statements for the Fiscal Year Ended March 31, 2023 [Japan GAAP]

May 15, 2023

Stock Exchange Listing: Tokyo (Prime Market)

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 Tel: +81-3-5418-2122
 Scheduled Date of Ordinary General Meeting of Shareholders: June 28, 2023
 Scheduled Date of Dividend Payments Commencement: June 29, 2023
 Scheduled Date of Securities Report Filing: June 28, 2023
 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, 2023 (April 1, 2022 to March 31, 2023)

(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, 2023	131,054	17.2	1,829	(8.9)	1,787	(5.1)	1,769	8.0
Fiscal year ended March 31, 2022	111,829	—	2,008	(44.7)	1,882	(49.1)	1,638	(19.1)

(Note) Comprehensive income Fiscal year ended March 31, 2023 : 2,204 millions of yen (7.1) %

Fiscal year ended March 31, 2022 : 2,058 millions of yen (52.4) %

	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, 2023	144.29	—	7.0	2.7	1.4
Fiscal year ended March 31, 2022	132.95	—	6.9	3.1	1.8

(Reference) Equity in earnings of affiliates Fiscal year ended March 31, 2023 : 55 millions of yen

Fiscal year ended March 31, 2022 : (152) millions of yen

**Accounting Standards for Revenue Recognition™ (ASBJ Statement No. 29) has been adopted since the beginning of the previous consolidated fiscal year. Figures for the fiscal year ended March 31, 2022 are stated after the application of the new accounting standard, and about net sales, the ratio of figures changes from the previous fiscal year is not indicated.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	69,412	25,929	37.4	2,114.55
March 31, 2022	60,929	24,512	40.2	2,000.04

(Reference) Equity capital March 31, 2023 : 25,929 millions of yen

March 31, 2022 : 24,512 millions of yen

(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, 2023	(1,719)	1,257	632	8,352
Fiscal year ended March 31, 2022	(7,084)	622	(481)	8,078

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, 2022	—	0.00	—	65.00	65.00	796	48.9	3.4
Fiscal year ended March 31, 2023	—	0.00	—	73.00	73.00	895	50.6	3.5
Fiscal year ending March 31, 2024 (Forecast)	—	0.00	—	80.00	80.00		50.3	

*The year-end dividend per share for the fiscal year ended March 31, 2023 is changed from 70.00 yen to 73.00 yen.

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	137,000	4.5	2,800	53.0	2,800	56.6	1,950	10.2	159.05

*** 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, 2023	12,629,942 shares	March 31, 2022	12,629,942 shares
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ii Number of treasury stock at the end of period

March 31, 2023	367,565 shares	March 31, 2022	373,684 shares
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iii Average number of shares during the period

Year ended March 31, 2023	12,260,615 shares	Year ended March 31, 2022	12,324,556 shares
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[Reference] Summary of Non-Consolidated Results

Non-Consolidated Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(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, 2023	68,088	25.4	915	(2.6)	1,179	(9.2)	1,409	(35.1)
Fiscal year ended March 31, 2022	54,307	—	940	(66.3)	1,299	(53.1)	2,171	23.8

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2023	114.96	—
Fiscal year ended March 31, 2022	176.16	—

*“Accounting Standards for Revenue Recognition” (ASBJ Statement No. 29) has been adopted since the beginning of the previous fiscal year. Figures for the fiscal year ended March 31, 2022 are stated after the application of the new accounting standard, and about net sales, the ratio of figures changes from the previous fiscal year is not indicated.

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	45,170	18,524	41.0	1,510.66
March 31, 2022	41,721	18,140	43.5	1,480.13

(Reference) Equity capital March 31, 2023 : 18,524 millions of yen
 March 31, 2022 : 18,140 millions of yen

*** 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, the company 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, 2022)	Current fiscal year (March 31, 2023)
Assets		
Current assets		
Cash and deposits	8,078	8,352
Notes receivable-trade	1,649	1,486
Electronically recorded monetary claims-operating	1,989	2,118
Accounts receivable-trade	24,703	31,798
Merchandise	8,960	10,179
Goods in transit	677	1,041
Raw materials	121	164
Other	2,960	2,958
Allowance for doubtful accounts	(175)	(450)
Total current assets	48,963	57,650
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,248	3,250
Accumulated depreciation	(2,465)	(2,493)
Buildings and structures, net	783	756
Machinery, equipment and vehicles	2,133	2,148
Accumulated depreciation	(2,116)	(2,122)
Machinery, equipment and vehicles, net	17	26
Tools, furniture and fixtures	443	411
Accumulated depreciation	(358)	(328)
Tools, furniture and fixtures, net	85	82
Land	2,393	2,365
Leased assets	516	1,016
Accumulated depreciation	(260)	(506)
Leased assets, net	256	510
Construction in progress	122	—
Total property, plant and equipment	3,659	3,741
Intangible assets		
Good will	436	379
Leased assets	187	111
Other	112	140
Total intangible assets	736	631
Investments and other assets		
Investment securities	5,716	5,483
Investments in capital	791	869
Long-term loans receivable	12	7
Deferred tax assets	55	97
Net defined benefit asset	496	420
Other	608	585
Allowance for doubtful accounts	(111)	(74)
Total investments and other assets	7,570	7,389
Total non-current assets	11,965	11,761
Total assets	60,929	69,412

	(Millions of yen)	
	Previous fiscal year (March 31,2022)	Current fiscal year (March 31,2023)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,514	23,959
Short-term loans payable	10,919	12,821
Current portion of long-term loans payable	90	83
Lease obligations	106	196
Income taxes payable	123	341
Contract liabilities	780	620
Provision for bonuses	448	486
Provision for directors' bonuses	32	33
Provision for loss on head office relocation	30	—
Other	3,190	2,914
Total current liabilities	34,239	41,456
Non-current liabilities		
Long-term loans payable	1,236	1,153
Lease obligations	201	381
Deferred tax liabilities	654	411
Net defined benefit liability	76	72
Asset retirement obligations	8	7
Total non-current liabilities	2,177	2,026
Total liabilities	36,416	43,482
Net assets		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	855	859
Retained earnings	14,405	15,377
Treasury stock	(291)	(287)
Total shareholders' equity	22,154	23,135
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,926	1,725
Deferred gains or losses on hedges	17	(15)
Foreign currency translation adjustment	295	1,053
Remeasurements of defined benefit plans	119	31
Total accumulated other comprehensive income	2,358	2,793
Total net assets	24,512	25,929
Total liabilities and net assets	60,929	69,412

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

Consolidated Statements of Income

	(Millions of yen)	
	Previous fiscal year (April 1,2021- March 31,2022)	Current fiscal year (April 1,2022- March 31,2023)
Net sales	111,829	131,054
Cost of sales	98,886	117,033
Gross profit	12,942	14,020
Selling, general and administrative expenses		
Haulage and warehousing expenses	1,370	1,366
Sales related expenses	1,644	1,844
Provision of allowance for doubtful accounts	(17)	238
Directors' compensations, salaries and allowances	2,743	2,821
Employees' bonuses	366	397
Provision for bonuses	441	471
Provision for directors' bonuses	32	33
Retirement benefit expenses	111	92
Other salaries	793	748
Depreciation	270	323
Other	3,175	3,853
Total selling, general and administrative expenses	10,934	12,190
Operating profit	2,008	1,829
Non-operating income		
Interest income	60	47
Dividends income	62	74
Land and house rent received	6	5
Share of profit of entities accounted for using equity method	8	143
Gain on forgiveness of debt	—	54
Other	107	140
Total non-operating income	246	466
Non-operating expenses		
Interest expenses	133	197
Share of loss of entities accounted for using equity method	161	88
Foreign exchange losses	36	157
Other	39	65
Total non-operating expenses	371	508
Ordinary profit	1,882	1,787

	(Millions of yen)	
	Previous fiscal year (April 1,2021- March 31,2022)	Current fiscal year (April 1,2022- March 31,2023)
Extraordinary income		
Gain on sales of non-current assets	0	—
Gain on sales of investment securities	552	906
Gain on sales of investments in capital	45	—
National subsidies	—	25
Total extraordinary income	598	931
Extraordinary losses		
Loss on retirement of non-current assets	45	19
Loss on tax purpose reduction entry of non-current assets	—	25
Impairment loss	15	61
Loss on valuation of investment securities	15	—
Loss on sale of shares of subsidiaries and associates	27	—
Head office relocation expenses	30	112
Total extraordinary losses	135	219
Income before income taxes	2,346	2,499
Income taxes-current	747	868
Income taxes-deferred	(39)	(137)
Total income taxes	708	730
Profit	1,638	1,769
Profit attributable to owners of parent	1,638	1,769

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Previous fiscal year (April 1,2021- March 31,2022)	Current fiscal year (April 1,2022- March 31,2023)
Profit	1,638	1,769
Other comprehensive income		
Valuation difference on available-for-sale securities	(290)	(201)
Deferred gains or losses on hedges	12	(32)
Foreign currency translation adjustment	722	757
Remeasurements of defined benefit plans, net of tax	(24)	(88)
Total other comprehensive income	419	435
Comprehensive income	2,058	2,204
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,058	2,204

(3) Consolidated Statements of Changes in Shareholders' Equity
Previous fiscal year (April 1, 2021 - March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	7,186	859	13,485	(230)	21,301
Cumulative effects of changes in accounting policies			(11)		(11)
Restated balance	7,186	859	13,474	(230)	21,290
Changes of items during the period					
Dividends of surplus			(376)		(376)
Profit attributable to owners of parent			1,638		1,638
Purchase of treasury stock				(303)	(303)
Disposal of treasury stock		0		7	8
Cancellation of treasury stock		(234)		234	
Transfer from retained earnings to capital surplus		229	(229)		
Change of scope of consolidation			(102)		(102)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(4)	930	(61)	864
Balance at the end of period	7,186	855	14,405	(291)	22,154

(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	2,216	4	(427)	144	1,938	23,239
Cumulative effects of changes in accounting policies						(11)
Restated balance	2,216	4	(427)	144	1,938	23,228
Changes of items during the period						
Dividends of surplus						(376)
Profit attributable to owners of parent						1,638
Purchase of treasury stock						(303)
Disposal of treasury stock						8
Cancellation of treasury stock						—
Transfer from retained earnings to capital surplus						—
Change of scope of consolidation	0				0	(102)
Net changes of items other than shareholders' equity	(290)	12	722	(24)	419	419
Total changes of items during the period	(290)	12	722	(24)	419	1,284
Balance at the end of period	1,926	17	295	119	2,358	24,512

Current fiscal year (April 1, 2022 - March 31, 2023)

(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	14,405	(291)	22,154
Changes of items during the period					
Dividends of surplus			(796)		(796)
Profit attributable to owners of parent			1,769		1,769
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		4		5	9
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	4	972	4	981
Balance at the end of period	7,186	859	15,377	(287)	23,135

(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	1,926	17	295	119	2,358	24,512
Changes of items during the period						
Dividends of surplus						(796)
Profit attributable to owners of parent						1,769
Purchase of treasury stock						(0)
Disposal of treasury stock						9
Net changes of items other than shareholders' equity	(201)	(32)	757	(88)	435	435
Total changes of items during the period	(201)	(32)	757	(88)	435	1,416
Balance at the end of period	1,725	(15)	1,053	31	2,793	25,929

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous fiscal year (April 1, 2021- March 31, 2022)	Current fiscal year (April 1, 2022- March 31, 2023)
Cash flows from operating activities		
Income before income taxes	2,346	2,499
Depreciation	326	381
Impairment loss	15	61
Amortization of goodwill	18	79
Increase (decrease) in allowance for doubtful accounts	(73)	230
Increase (decrease) in net defined benefit liability	(24)	(54)
Interest and dividends income	(122)	(122)
Interest expenses	133	197
Foreign exchange losses (gains)	0	5
Loss (gain) on sales of property, plant and equipment	(0)	—
Loss on retirement of property, plant and equipment	45	19
Loss (gain) on sales of investment securities	(552)	(906)
Loss (gain) on sales of shares of subsidiaries and associates	27	—
Loss (gain) on valuation of investment securities	15	—
Loss (gain) on sales of investment in capital	(45)	—
Decrease (increase) in notes and accounts receivable-trade	(4,655)	(4,663)
Decrease (increase) in inventories	(290)	(1,448)
Decrease (increase) in other assets	(1,730)	(382)
Increase (decrease) in notes and accounts payable-trade	(1,238)	3,895
Increase (decrease) in other liabilities	999	(647)
Other, net	(356)	(142)
Subtotal	(5,162)	(995)
Interest and dividends income received	122	130
Interest expenses paid	(133)	(197)
Income taxes paid	(1,909)	(657)
Cash flows from operating activities	(7,084)	(1,719)
Cash flows from investing activities		
Purchase of property, plant and equipment	(256)	(72)
Proceeds from sales of property, plant and equipment	0	—
Purchase of investment securities	(124)	(196)
Proceeds from sales of investment securities	667	1,047
Payments for investments in capital	(0)	(25)
Proceeds from sales of investments in capital	184	2
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	572	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(435)	—
Payments of loans receivable	(31)	(258)
Collection of loans receivable	27	723
Other, net	18	37
Cash flows from investing activities	622	1,257

	(Millions of yen)	
	Previous fiscal year (April 1, 2021- March 31, 2022)	Current fiscal year (April 1, 2022- March 31, 2023)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(693)	1,645
Proceeds from long-term loans payable	1,100	—
Repayments of long-term loans payable	(92)	(90)
Proceeds from sale and leaseback transaction	—	96
Repayments of lease obligations	(116)	(221)
Purchase of treasury stock	(303)	(0)
Cash dividends paid	(376)	(796)
Cash flows from financing activities	(481)	632
Effect of exchange rate change on cash and cash equivalents	426	103
Net increase (decrease) in cash and cash equivalents	(6,516)	274
Cash and cash equivalents at the beginning of period	14,594	8,078
Cash and cash equivalents at the end of period	8,078	8,352