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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, 2022 [Japan GAAP]

May 13, 2022

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

Scheduled Date of Ordinary General Meeting of Shareholders: June 28, 2022

Scheduled Date of Dividend Payments Commencement: June 29, 2022

Scheduled Date of Securities Report Filing: June 28, 2022

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, 2022	111,829	—	2,008	(44.7)	1,882	(49.1)	1,638	(19.1)
Fiscal year ended March 31, 2021	116,375	0.7	3,632	204.8	3,700	205.0	2,026	100.8

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

Fiscal year ended March 31, 2021 : 4,321 millions of yen 727.7 %

	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, 2022	132.95	—	6.9	3.1	1.8
Fiscal year ended March 31, 2021	161.65	—	9.5	6.2	3.1

(Reference) Equity in earnings of affiliates Fiscal year ended March 31, 2022 : ### millions of yen

Fiscal year ended March 31, 2021 : (14) 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.

**Accounting Standards for Revenue Recognition™ (ASBJ Statement No. 29) has been adopted since the beginning of the current consolidated fiscal year. Figures for the fiscal year ended March 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, 2022	60,929	24,512	40.2	2,000.04
March 31, 2021	60,465	23,239	38.4	1,852.19

(Reference) Equity capital March 31, 2022 : 24,512 millions of yen

March 31, 2021 : 23,239 millions of yen

**Accounting Standards for Revenue Recognition™ (ASBJ Statement No. 29) has been adopted since the beginning of the current consolidated fiscal year.

Figures for the fiscal year ended March 2022 are stated after the application of the new accounting standard.

(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, 2022	(7,084)	622	(481)	8,078
Fiscal year ended March 31, 2021	5,379	(115)	(2,438)	14,594

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, 2021	—	0.00	—	60.00	60.00	376	18.6	1.8
Fiscal year ended March 31, 2022	—	0.00	—	65.00	65.00	796	48.9	3.4
Fiscal year ending March 31, 2023 (Forecast)	—	0.00	—	70.00	70.00		50.5	

* GSI Creos Corporation has conducted a two-for-one stock split for its common stock effectively on April 1, 2021. The dividend per share for the fiscal year ended March 31, 2021 is the actual amount before the stock split of shares.

*Details of the fiscal year ended March 31, 2022

Ordinary dividend : 58.00 Yen, Commemorative Dividend for 90th Anniversary of GSI Creos Corporation : 7.00 Yen

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2023 (April 1, 2022 to March 31, 2023)

(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	117,000	4.6	2,400	19.5	2,400	27.5	1,700	3.8	138.70

* 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 : Yes

ii Changes in accounting policies other than (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, 2022	12,629,942 shares	March 31, 2021	12,929,942 shares
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ii Number of treasury stock at the end of period

March 31, 2022	373,684 shares	March 31, 2021	382,886 shares
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iii Average number of shares during the period

Year ended March 31, 2022	12,324,556 shares	Year ended March 31, 2021	12,533,643 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, 2022 (April 1, 2021 to March 31, 2022)

(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, 2022	54,307	—	940	(66.3)	1,299	(53.1)	2,171	23.8
Fiscal year ended March 31, 2021	67,762	5.5	2,789	345.0	2,770	162.6	1,754	85.5

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2022	176.16	—
Fiscal year ended March 31, 2021	139.96	—

*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.

**Accounting Standards for Revenue Recognition" (ASBJ Statement No. 29) has been adopted since the beginning of the current consolidated fiscal year. Figures for the fiscal year ended March 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, 2022	41,721	18,140	43.5	1,480.13
March 31, 2021	41,476	16,932	40.8	1,349.48

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

March 31, 2021 : 16,932 millions of yen

**Accounting Standards for Revenue Recognition" (ASBJ Statement No. 29) has been adopted since the beginning of the current consolidated fiscal year.

Figures for the fiscal year ended March 2022 are stated after the application of the new accounting standard.

*** 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 31,2021)	Current fiscal year (March 31,2022)
Assets		
Current assets		
Cash and deposits	14,594	8,078
Notes and accounts receivable-trade	22,803	—
Notes receivable-trade	—	1,649
Electronically recorded monetary claims-operating	—	1,989
Accounts receivable-trade	—	24,703
Merchandise	8,534	8,960
Goods in transit	749	677
Raw materials	124	121
Other	737	2,960
Allowance for doubtful accounts	(158)	(175)
Total current assets	47,387	48,963
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,096	3,248
Accumulated depreciation	(2,827)	(2,465)
Buildings and structures, net	1,268	783
Machinery, equipment and vehicles	2,668	2,133
Accumulated depreciation	(2,530)	(2,116)
Machinery, equipment and vehicles, net	137	17
Tools, furniture and fixtures	479	443
Accumulated depreciation	(370)	(358)
Tools, furniture and fixtures, net	108	85
Land	2,409	2,393
Leased assets	409	516
Accumulated depreciation	(185)	(260)
Leased assets, net	223	256
Construction in progress	—	122
Total property, plant and equipment	4,148	3,659
Intangible assets		
Good will	—	436
Leased assets	251	187
Other	105	112
Total intangible assets	357	736
Investments and other assets		
Investment securities	6,129	5,716
Investments in capital	853	791
Long-term loans receivable	507	12
Deferred tax assets	48	55
Net defined benefit asset	506	496
Other	726	608
Allowance for doubtful accounts	(199)	(111)
Total investments and other assets	8,572	7,570
Total non-current assets	13,077	11,965
Total assets	60,465	60,929

	(Millions of yen)	
	Previous fiscal year (March 31,2021)	Current fiscal year (March 31,2022)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,773	18,514
Short-term loans payable	11,631	10,919
Current portion of long-term loans payable	87	90
Lease obligations	78	106
Income taxes payable	1,279	123
Contract liabilities	—	780
Provision for bonuses	511	448
Provision for directors' bonuses	48	32
Provision for loss on head office relocation	—	30
Other	3,464	3,190
Total current liabilities	35,875	34,239
Non-current liabilities		
Long-term loans payable	231	1,236
Lease obligations	178	201
Deferred tax liabilities	833	654
Net defined benefit liability	90	76
Asset retirement obligations	15	8
Total non-current liabilities	1,350	2,177
Total liabilities	37,225	36,416
Net assets		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	859	855
Retained earnings	13,485	14,405
Treasury stock	(230)	(291)
Total shareholders' equity	21,301	22,154
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,216	1,926
Deferred gains or losses on hedges	4	17
Foreign currency translation adjustment	(427)	295
Remeasurements of defined benefit plans	144	119
Total accumulated other comprehensive income	1,938	2,358
Total net assets	23,239	24,512
Total liabilities and net assets	60,465	60,929

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

	(Millions of yen)	
	Previous fiscal year (April 1,2020- March 31,2021)	Current fiscal year (April 1,2021- March 31,2022)
Net sales	116,375	111,829
Cost of sales	101,730	98,886
Gross profit	14,644	12,942
Selling, general and administrative expenses		
Haulage and warehousing expenses	1,401	1,370
Sales related expenses	1,723	1,644
Provision of allowance for doubtful accounts	100	(17)
Directors' compensations, salaries and allowances	2,689	2,743
Employees' bonuses	389	366
Provision for bonuses	483	441
Provision for directors' bonuses	48	32
Retirement benefit expenses	126	111
Other salaries	812	793
Depreciation	264	270
Other	2,972	3,175
Total selling, general and administrative expenses	11,012	10,934
Operating profit	3,632	2,008
Non-operating income		
Interest income	91	60
Dividends income	61	62
Land and house rent received	3	6
Share of profit of entities accounted for using equity method	13	8
Foreign exchange gains	3	—
Reversal of allowance for doubtful accounts	1	—
Other	139	107
Total non-operating income	314	246
Non-operating expenses		
Interest expenses	154	133
Share of loss of entities accounted for using equity method	27	161
Foreign exchange losses	—	36
Other	63	39
Total non-operating expenses	246	371
Ordinary profit	3,700	1,882

	(Millions of yen)	
	Previous fiscal year (April 1,2020- March 31,2021)	Current fiscal year (April 1,2021- March 31,2022)
Extraordinary income		
Gain on sales of non-current assets	—	0
Gain on sales of investment securities	—	552
Gain on sales of investments in capital	—	45
Total extraordinary income	—	598
Extraordinary losses		
Loss on retirement of non-current assets	5	45
Impairment loss	343	15
Loss on valuation of investment securities	—	15
Loss on valuation of investments in capital	20	—
Loss on sale of shares of subsidiaries and associates	—	27
Head office relocation expenses	—	30
Total extraordinary losses	369	135
Income before income taxes	3,331	2,346
Income taxes-current	1,401	747
Income taxes-deferred	(96)	(39)
Total income taxes	1,305	708
Profit	2,026	1,638
Profit attributable to owners of parent	2,026	1,638

Consolidated Statements of Comprehensive Income

(Millions of yen)

	Previous fiscal year (April 1,2020- March 31,2021)	current fiscal year (April 1,2021- March 31,2022)
Profit	2,026	1,638
Other comprehensive income		
Valuation difference on available-for-sale securities	2,500	(290)
Deferred gains or losses on hedges	4	12
Foreign currency translation adjustment	(312)	722
Remeasurements of defined benefit plans, net of tax	102	(24)
Total other comprehensive income	2,295	419
Comprehensive income	4,321	2,058
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,321	2,058

(3) Consolidated Statements of Changes in Shareholders' Equity
Previous 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

Current 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 shares		(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 shares						
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

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Previous fiscal year (April 1, 2020- March 31, 2021)	Current fiscal year (April 1, 2021- March 31, 2022)
Cash flows from operating activities		
Income before income taxes	3,331	2,346
Depreciation	354	326
Impairment loss	343	15
Amortization of goodwill	—	18
Increase (decrease) in allowance for doubtful accounts	51	(73)
Increase (decrease) in net defined benefit liability	(49)	(24)
Interest and dividends income	(149)	(122)
Interest expenses	154	133
Foreign exchange losses (gains)	(27)	0
Loss (gain) on sales of property, plant and equipment	—	(0)
Loss on retirement of property, plant and equipment	5	45
Loss (gain) on sales of investment securities	—	(552)
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)
Loss on valuation of investments in capital	20	—
Decrease (increase) in notes and accounts receivable-trade	1,677	(4,655)
Decrease (increase) in inventories	185	(290)
Decrease (increase) in other assets	739	(1,730)
Increase (decrease) in notes and accounts payable-trade	(1,744)	(1,238)
Increase (decrease) in other liabilities	106	999
Other, net	595	(356)
Subtotal	5,594	(5,162)
Interest and dividends income received	152	122
Interest expenses paid	(154)	(133)
Income taxes paid	(213)	(1,909)
Cash flows from operating activities	5,379	(7,084)
Cash flows from investing activities		
Purchase of property, plant and equipment	(88)	(256)
Proceeds from sales of property, plant and equipment	—	0
Purchase of investment securities	(3)	(124)
Proceeds from sales of investment securities	—	667
Purchase of shares of subsidiaries	(43)	—
Payments for investments in capital	—	(0)
Proceeds from sales of investments in capital	0	184
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	(1)	(31)
Collection of loans receivable	17	27
Other, net	3	18
Cash flows from investing activities	(115)	622

	(Millions of yen)	
	Previous fiscal year (April 1, 2020- March 31, 2021)	Current fiscal year (April 1, 2021- March 31, 2022)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(2,068)	(693)
Proceeds from long-term loans payable	150	1,100
Repayments of long-term loans payable	(140)	(92)
Repayments of lease obligations	(96)	(116)
Purchase of treasury stock	(0)	(303)
Cash dividends paid	(281)	(376)
Cash flows from financing activities	(2,438)	(481)
Effect of exchange rate change on cash and cash equivalents	(166)	426
Net increase (decrease) in cash and cash equivalents	2,659	(6,516)
Cash and cash equivalents at the beginning of period	11,899	14,594
Increase in cash and cash equivalents resulting from inclusion of subsidiaries from consolidation	36	—
Cash and cash equivalents at the end of period	14,594	8,078