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Summary of Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2019 [Japan GAAP]

February 4, 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
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 Scheduled Date of Quarterly Report Filing: February 8, 2019
 Scheduled Date of Dividend Payments Commencement: —
 Supplementary Documents for Quarterly Financial Statements: Yes
 Holding of Quarterly Financial Results Meeting: No

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

1. Consolidated Results for the Third Quarter of the Fiscal Year Ending March 31, 2019 (April 1, 2018 to December 31, 2018)

(1) Consolidated Operating Results (Cumulative Total) (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	%
Third quarter ended December 31, 2018	107,606	7.5	1,457	1.5	1,460	(2.3)	945	(8.0)
Third quarter ended December 31, 2017	100,057	2.0	1,436	40.1	1,494	96.3	1,026	14.0

(Note) Comprehensive income Third quarter ended December 31, 2018: 380 millions of yen \triangle 74.6%
 Third quarter ended December 31, 2017: 1,501 millions of yen 115.0%

	Net income per share	Diluted net income per share
	Yen	Yen
Third quarter ended December 31, 2018	146.51	—
Third quarter ended December 31, 2017	159.15	—

* 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
	Millions of yen	Millions of yen	%
December 31, 2018	63,289	19,070	30.1
March 31, 2018	62,677	18,916	30.2

(Reference) Equity capital December 31, 2018: 19,070 millions of yen
 March 31, 2018: 18,916 millions of yen

* 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.

2. Dividends

	Annual dividend per share				
	1Q	2Q	3Q	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2018	—	—	—	35.00	35.00
Fiscal year ending March 31, 2019	—	—	—	—	—
Fiscal year ending March 31, 2019 (Forecast)	—	—	—	40.00	40.00

(Note) Revisions to the dividend forecast published most recently: No

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2019 (April 1, 2018 to March 31, 2019)

(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	130,000	(2.8)	1,500	(4.7)	1,500	(0.2)	1,000	9.4	155.01

(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: No

(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)

December 31, 2018	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

December 31, 2018	13,969 shares	March 31, 2018	13,593 shares
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iii Average number of shares during the period

Nine months ended December 31, 2018	6,451,164 shares	Nine months ended December 31, 2017	6,452,199 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.

*** This quarterly report is out of scope of the quarterly review 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.

Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Previous fiscal year (March 31, 2018)	Third quarter, current fiscal year (December 31, 2018)
Assets		
Current assets		
Cash and deposits	12,636	11,905
Notes and accounts receivable-trade	30,154	31,304
Merchandise	8,138	8,968
Goods in transit	258	38
Other	1,182	1,308
Allowance for doubtful accounts	(283)	(282)
Total current assets	52,087	53,243
Non-current assets		
Property, plant and equipment	4,407	4,505
Intangible assets	620	534
Investments and other assets	5,562	5,006
Total non-current assets	10,589	10,046
Total assets	62,677	63,289
Liabilities		
Current liabilities		
Notes and accounts payable-trade	23,773	25,873
Short-term loans payable	15,250	13,495
Current portion of long-term loans payable	227	232
Income taxes payable	276	177
Provision	466	258
Other	2,901	3,303
Total current liabilities	42,895	43,340
Non-current liabilities		
Long-term loans payable	355	279
Net defined benefit liability	143	141
Other	366	456
Total non-current liabilities	865	877
Total liabilities	43,760	44,218
Net assets		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	855	855
Retained earnings	10,071	10,790
Treasury stock	(22)	(23)
Total shareholders' equity	18,090	18,809
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	606	82
Deferred gains or losses on hedges	(36)	(24)
Foreign currency translation adjustment	190	132
Remeasurements of defined benefit plans	65	71
Total accumulated other comprehensive income	826	261
Total net assets	18,916	19,070
Total liabilities and net assets	62,677	63,289

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

(Millions of yen)

	Cumulative third quarter, previous fiscal year (April 1, 2017- December 31, 2017)	Cumulative third quarter, current fiscal year (April 1, 2018- December 31, 2018)
Net sales	100,057	107,606
Cost of sales	90,046	97,660
Gross profit	10,010	9,946
Selling, general and administrative expenses	8,574	8,488
Operating profit	1,436	1,457
Non-operating income		
Interest income	39	42
Dividends income	59	51
Foreign exchange gains	58	—
Other	88	88
Total non-operating income	245	183
Non-operating expenses		
Interest expenses	145	130
Foreign exchange losses	—	15
Other	41	34
Total non-operating expenses	187	181
Ordinary profit	1,494	1,460
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	207	—
Other	0	—
Total extraordinary income	208	0
Extraordinary losses		
Loss on retirement of non-current assets	11	2
Loss on valuation of investment securities	16	—
Loss on sales of golf club memberships	—	4
Loss on valuation of investments in capital of subsidiaries and associates	86	—
Loss on valuation of investments in capital	20	79
Other	8	—
Total extraordinary losses	143	85
Income before income taxes	1,559	1,374
Income taxes-current	430	414
Income taxes-deferred	102	15
Total income taxes	532	429
Profit	1,026	945
Profit attributable to owners of parent	1,026	945

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

(Millions of yen)

	Cumulative third quarter, previous fiscal year (April 1, 2017- December 31, 2017)	Cumulative third quarter, current fiscal year (April 1, 2018- December 31, 2018)
Profit	1,026	945
Other comprehensive income		
Valuation difference on available-for-sale securities	514	(524)
Deferred gains or losses on hedges	18	12
Foreign currency translation adjustment	(74)	(57)
Remeasurements of defined benefit plans, net of tax	15	5
Total other comprehensive income	474	(564)
Comprehensive income	1,501	380
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,501	380