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# Summary of Consolidated Financial Statements for the Third Quarter of the Fiscal Year Ending March 31, 2018 [Japan GAAP]

February 2, 2018

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 9, 2018

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, 2018 (April 1, 2017 to December 31, 2017)

(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, 2017	100,057	2.0	1,436	40.1	1,494	96.3	1,026	14.0
Third quarter ended December 31, 2016	98,049	(12.5)	1,024	43.5	761	22.6	900	92.0

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

Third quarter ended December 31, 2016: 698 millions of yen 37.6%

	Net income per share	Diluted net income per share
	Yen	Yen
Third quarter ended December 31, 2017	159.15	—
Third quarter ended December 31, 2016	139.56	—

\* GSI Creos Corporation has conducted a consolidation of common shares at a rate of one share for every ten shares with an effective date of October 1, 2017.

Net income per share has been calculated as if this consolidation of 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, 2017	62,209	19,294	31.0
March 31, 2017	65,476	17,963	27.4

(Reference) Equity capital December 31, 2017: 19,294 millions of yen

March 31, 2017: 17,963 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, 2017	—	—	—	3.00	3.00
Fiscal year ending March 31, 2018	—	—	—	—	—
Fiscal year ending March 31, 2018 (Forecast)	—	—	—	30.00	30.00

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

\* GSI Creos Corporation has conducted a consolidation of common shares at a rate of one share for every ten shares with an effective date of October 1, 2017. Consequently, the impact of this consolidation of shares is factored into the figures for the cash dividends per share for the fiscal year ending March 31, 2018 (Forecast). The fiscal year end cash dividends per share for the fiscal year ending March 31, 2018 (Forecast) without the consolidation of shares factored in would be 3.00yen and the annual cash dividends per share would be 3.00yen. For further details, please refer to "Cautionary Statement with Respect to Forecasts of Consolidated Business Results and Special Notes".

### 3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(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	135,000	(4.6)	1,400	6.9	1,200	8.3	800	(51.1)	123.98

(Note) Revisions to the consolidated results forecasts published most recently: No

\* The impact of the consolidation of shares is factored into the net income per share in the forecast of consolidated results for the fiscal year ending March 31, 2018. For further details, please refer to "Cautionary Statement with Respect to Forecasts of Consolidated Business Results and Special Notes".

**\* 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, 2017	6,464,971 shares	March 31, 2017	6,464,971 shares
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ii Number of treasury stock at the end of period

December 31, 2017	13,468 shares	March 31, 2017	12,382 shares
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iii Average number of shares during the period

Nine months ended December 31, 2017	6,452,199 shares	Nine months ended December 31, 2016	6,452,931 shares
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\* GSI Creos Corporation has conducted a consolidation of common shares at a rate of one share for every ten shares with an effective date of October 1, 2017. Number of shares issued and outstanding (including treasury stock), number of treasury stock and average number of shares have been calculated as if this consolidation of shares was conducted at the beginning of the previous fiscal year.

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

(Cash dividends forecast and forecast of consolidated results following the consolidation of shares)

GSI Creos Corporation has conducted a consolidation of common shares at a rate of one share for every ten shares with the effective date of October 1, 2017, following the approval and adoption of proposal for the consolidation of shares at the Company's 87th general meeting of shareholders held on June 29, 2017. In accordance with this, the cash dividend forecast and the forecast of consolidated results for the fiscal year ending March 31, 2018, calculated without factoring in the consolidation of shares are as follows.

1. Cash dividend forecast for the fiscal year ending March 31, 2018

Cash dividends per share

Fiscal year end: 3.00yen (Note1)

2. Forecast of consolidated results for the fiscal year ending March 31, 2018

Net income per share

Full fiscal year: 12.40yen

(Note1) This is the amount of cash dividends calculated without factoring in the consolidation of shares.

(Note2) Annual cash dividends for the fiscal year ending March 31, 2018 (without factoring in the consolidation of shares) will be 3.00yen.

**Quarterly Consolidated Financial Statements**  
**(1) Quarterly Consolidated Balance Sheets**

(Millions of yen)

	Previous fiscal year (March 31, 2017)	Third quarter, current fiscal year (December 31, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	12,371	11,773
Notes and accounts receivable-trade	32,421	29,573
Merchandise	8,173	7,998
Goods in transit	267	36
Other	2,221	2,326
Allowance for doubtful accounts	(1,146)	(1,148)
<b>Total current assets</b>	<b>54,308</b>	<b>50,559</b>
Non-current assets		
Property, plant and equipment	4,237	4,716
Intangible assets	742	652
Investments and other assets	6,189	6,280
<b>Total non-current assets</b>	<b>11,168</b>	<b>11,650</b>
<b>Total assets</b>	<b>65,476</b>	<b>62,209</b>
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	25,668	23,069
Short-term loans payable	16,558	15,164
Current portion of long-term loans payable	483	225
Income taxes payable	349	159
Provision	541	256
Other	2,690	2,638
<b>Total current liabilities</b>	<b>46,292</b>	<b>41,513</b>
Non-current liabilities		
Long-term loans payable	422	414
Net defined benefit liability	163	154
Other	634	832
<b>Total non-current liabilities</b>	<b>1,220</b>	<b>1,401</b>
<b>Total liabilities</b>	<b>47,513</b>	<b>42,914</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	855	855
Retained earnings	9,325	10,184
Treasury stock	(20)	(22)
<b>Total shareholders' equity</b>	<b>17,346</b>	<b>18,203</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	399	914
Deferred gains or losses on hedges	(50)	(32)
Foreign currency translation adjustment	242	167
Remeasurements of defined benefit plans	25	41
<b>Total accumulated other comprehensive income</b>	<b>616</b>	<b>1,091</b>
<b>Total net assets</b>	<b>17,963</b>	<b>19,294</b>
<b>Total liabilities and net assets</b>	<b>65,476</b>	<b>62,209</b>

(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, 2016- December 31, 2016)	Cumulative third quarter, current fiscal year (April 1, 2017- December 31, 2017)
Net sales	98,049	100,057
Cost of sales	88,273	90,046
Gross profit	9,776	10,010
Selling, general and administrative expenses	8,751	8,574
Operating profit	1,024	1,436
Non-operating income		
Interest income	27	39
Dividends income	62	59
Foreign exchange gains	—	58
Other	50	88
Total non-operating income	141	245
Non-operating expenses		
Interest expenses	156	145
Foreign exchange losses	210	—
Other	38	41
Total non-operating expenses	404	187
Ordinary profit	761	1,494
Extraordinary income		
Gain on sales of non-current assets	—	0
Gain on sales of investment securities	0	207
Gain on transfer of business	250	—
State subsidy income	4	—
Other	67	0
Total extraordinary income	322	208
Extraordinary losses		
Loss on retirement of non-current assets	9	11
Loss on reduction of non-current assets	4	—
Loss on valuation of investment securities	—	16
Loss on sales of investments in capital	1	—
Loss on valuation of investments in capital of subsidiaries and associates	—	86
Loss on litigation	86	—
Other	—	29
Total extraordinary losses	101	143
Income before income taxes	982	1,559
Income taxes-current	216	430
Income taxes-deferred	(134)	102
Total income taxes	81	532
Profit	900	1,026
Profit attributable to owners of parent	900	1,026

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

(Millions of yen)

	Cumulative third quarter, previous fiscal year (April 1, 2016- December 31, 2016)	Cumulative third quarter, current fiscal year (April 1, 2017- December 31, 2017)
Profit	900	1,026
Other comprehensive income		
Valuation difference on available-for-sale securities	368	514
Deferred gains or losses on hedges	172	18
Foreign currency translation adjustment	(756)	(74)
Remeasurements of defined benefit plans, net of tax	13	15
Total other comprehensive income	(202)	474
Comprehensive income	698	1,501
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	698	1,501