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Summary of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2016 [Japan GAAP]

August 4, 2015

Stock Exchange Listing: Tokyo (First Section)

Company Name: GSI Creos Corporation

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

Representative: Koji Nakashima, Representative Director and President

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Scheduled Date of Quarterly Report Filing: August 10, 2015

Scheduled Date of Dividend Payments Commencement: —

Supplementary Documents for Quarterly Financial Statements: No

Holding of Quarterly Financial Results Meeting: No

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

1. Consolidated Results for the First Quarter of the Fiscal Year Ending March 31, 2016 (April 1, 2015 to June 30, 2015)

(1) Consolidated Operating Results (Cumulative Total) (Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First quarter ended June 30, 2015	32,375	(2.2)	98	(66.1)	99	(47.5)	103	0.9
First quarter ended June 30, 2014	33,111	1.9	290	60.2	188	51.2	102	74.7

(Note) Comprehensive income First quarter ended June 30, 2015: 223 millions of yen Δ 138.8%

First quarter ended June 30, 2014: 93 millions of yen Δ 73.4%

	Net income per share		Diluted net income per share	
	Yen	Yen	Yen	Yen
First quarter ended June 30, 2015	1.61	—	—	—
First quarter ended June 30, 2014	1.59	—	—	—

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	%
June 30, 2015	64,399	15,922	15,922	15,922	24.6	24.6
March 31, 2015	65,885	16,061	16,061	16,061	24.3	24.3

(Reference) Equity capital June 30, 2015: 15,872 millions of yen

March 31, 2015: 16,011 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, 2015	—	—	—	2.00	2.00
Fiscal year ending March 31, 2016	—	—	—	2.00	2.00
Fiscal year ending March 31, 2016 (Forecast)	—	—	—	2.00	2.00

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

3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(Percentage figures represent changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		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	152,000	(1.6)	1,100	(5.5)	1,000	(1.2)	700	24.2	—	10.90

(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: Yes

(3) 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 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)

June 30, 2015	64,649,715 shares	March 31, 2015	64,649,715 shares
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ii Number of treasury stock at the end of period

June 30, 2015	426,183 shares	March 31, 2015	423,123 shares
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iii Average number of shares during the period

June 30, 2015	64,224,652 shares	June 30, 2014	64,236,230 shares
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*** Status of Implementation of Quarterly Review Procedure**

This quarterly report is exempt from the quarterly review procedure based on the Financial Instruments and Exchange Act.

Furthermore, quarterly consolidated financial statements were undergoing the review procedure process at the time of the release of this report.

*** 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, 2015)	First quarter, current fiscal year (June 30, 2015)
Assets		
Current assets		
Cash and deposits	8,423	9,141
Notes and accounts receivable-trade	33,601	29,990
Merchandise	10,719	11,874
Goods in transit	122	50
Other	2,587	2,735
Allowance for doubtful accounts	(1,122)	(1,115)
Total current assets	54,331	52,676
Non-current assets		
Property, plant and equipment	4,696	4,634
Intangible assets	899	889
Investments and other assets	5,958	6,198
Total non-current assets	11,553	11,723
Total assets	65,885	64,399
Liabilities		
Current liabilities		
Notes and accounts payable-trade	27,487	26,552
Short-term loans payable	16,104	15,888
Current portion of long-term loans payable	1,479	1,227
Income taxes payable	134	258
Provision	389	215
Other	2,603	2,764
Total current liabilities	48,199	46,906
Non-current liabilities		
Long-term loans payable	839	802
Net defined benefit liability	135	139
Other	649	627
Total non-current liabilities	1,624	1,569
Total liabilities	49,823	48,476
Net assets		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	895	855
Retained earnings	7,272	7,053
Treasury stock	(71)	(72)
Total shareholders' equity	15,282	15,022
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9	172
Deferred gains or losses on hedges	6	12
Foreign currency translation adjustment	687	642
Remeasurements of defined benefit plans	26	22
Total accumulated other comprehensive income	729	850
Non-controlling interests	49	50
Total net assets	16,061	15,922
Total liabilities and net assets	65,885	64,399

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

(Millions of yen)

	Cumulative first quarter, previous fiscal year (April 1, 2014- June 30, 2014)	Cumulative first quarter, current fiscal year (April 1, 2015- June 30, 2015)
Net sales	33,111	32,375
Cost of sales	29,708	29,176
Gross profit	3,403	3,199
Selling, general and administrative expenses	3,113	3,100
Operating income	290	98
Non-operating income		
Interest income	5	5
Dividends income	43	43
Foreign exchange gains	—	35
Other	17	12
Total non-operating income	66	97
Non-operating expenses		
Interest expenses	83	82
Foreign exchange losses	67	—
Other	18	14
Total non-operating expenses	168	97
Ordinary income	188	99
Extraordinary income		
Gain on sales of non-current assets	—	70
Gain on sales of investment securities	—	0
Total extraordinary income	—	70
Extraordinary loss		
Loss on sales of non-current assets	1	—
Loss on retirement of non-current assets	11	0
Total extraordinary loss	13	0
Income before income taxes	175	169
Income taxes-current	70	64
Income taxes-deferred	2	1
Total income taxes	72	66
Profit	102	103
Profit attributable to non-controlling interests	0	0
Profit attributable to owners of parent	102	103

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

(Millions of yen)

	Cumulative first quarter, previous fiscal year (April 1, 2014- June 30, 2014)	Cumulative first quarter, current fiscal year (April 1, 2015- June 30, 2015)
Profit	102	103
Other comprehensive income		
Valuation difference on available-for-sale securities	124	163
Deferred gains or losses on hedges	(17)	5
Foreign currency translation adjustment	(111)	(44)
Remeasurements of defined benefit plans, net of tax	(3)	(3)
Total other comprehensive income	(8)	120
Comprehensive income	93	223
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	93	223
Comprehensive income attributable to non-controlling interests	0	0