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*This document has been prepared for reference only in accordance with accounting principles generally accepted in Japan.

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

August 5, 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

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Scheduled Date of Quarterly Report Filing: August 9, 2022

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 First Quarter of the Fiscal Year Ending March 31, 2023

(April 1, 2022 to June 30, 2022)

(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	%
First quarter ended June 30, 2022	25,098	2.7	540	(25.1)	751	5.3	558	15.0
First quarter ended June 30, 2021	24,449	—	720	(17.7)	714	(18.1)	485	(14.1)

(Note) Comprehensive income
 First quarter ended June 30, 2022 : 1,342 millions of yen (12.7) %
 First quarter ended June 30, 2021 : 1,537 millions of yen (57.3) %

	Net income per share	Diluted net income per share
	Yen	Yen
First quarter ended June 30, 2022	45.58	—
First quarter ended June 30, 2021	38.97	—

**“Accounting Standards for Revenue Recognition” (ASBJ Statement No. 29) has been adopted since the beginning of the first quarter of the fiscal year ended March 2022. Figures for the first quarter of 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 same period of the previous fiscal year is not indicated.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2022	59,582	25,061	42.1
March 31, 2022	60,929	24,512	40.2

(Reference) Equity capital
 June 30, 2022 : 25,061 millions of yen
 March 31, 2022 : 24,512 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, 2022	—	0.00	—	65.00	65.00
Fiscal year ending March 31, 2023	—	—	—	—	—
Fiscal year ending March 31, 2023 (Forecast)	—	0.00	—	70.00	70.00

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

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

(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)

June 30, 2022	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

June 30, 2022	373,812 shares	March 31, 2022	373,684 shares
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iii Average number of shares during the period

Three months ended June 30, 2022	12,256,171 shares	Three months ended June 30, 2021	12,470,485 shares
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*** 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, 2022)	First quarter, current fiscal year (June 30, 2022)
Assets		
Current assets		
Cash and deposits	8,078	8,629
Notes receivable-trade	1,649	1,679
Electronically recorded monetary claims-operating	1,989	1,918
Accounts receivable-trade	24,703	22,149
Merchandise	8,960	8,604
Goods in transit	677	963
Raw materials	121	170
Other	2,960	2,691
Allowance for doubtful accounts	(175)	(187)
Total current assets	48,963	46,619
Non-current assets		
Property, plant and equipment	3,659	3,881
Intangible assets	736	716
Investments and other assets		
Investment securities	5,716	6,289
Other	1,853	2,075
Total investments and other assets	7,570	8,365
Total non-current assets	11,965	12,963
Total assets	60,929	59,582
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,514	16,762
Short-term loans payable	10,919	10,691
Current portion of long-term loans payable	90	90
Income taxes payable	123	173
Provisions	512	312
Other	4,078	3,994
Total current liabilities	34,239	32,024
Non-current liabilities		
Long-term loans payable	1,236	1,214
Retirement benefit liability	76	79
Other	864	1,203
Total non-current liabilities	2,177	2,496
Total liabilities	36,416	34,521
Net assets		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	855	857
Retained earnings	14,405	14,167
Treasury stock	(291)	(292)
Total shareholders' equity	22,154	21,919
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,926	2,262
Deferred gains or losses on hedges	17	54
Foreign currency translation adjustment	295	712
Remeasurements of defined benefit plans	119	112
Total accumulated other comprehensive income	2,358	3,142
Total net assets	24,512	25,061
Total liabilities and net assets	60,929	59,582

(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, 2021- June 30, 2021)	Cumulative first quarter, current fiscal year (April 1, 2022- June 30, 2022)
Net sales	24,449	25,098
Cost of sales	21,089	21,808
Gross profit	3,360	3,290
Selling, general and administrative expenses	2,639	2,750
Operating profit	720	540
Non-operating income		
Interest income	15	13
Dividends income	45	55
Foreign exchange gains	—	4
Share of profit of entities accounted for using equity method	12	167
Other	27	24
Total non-operating income	102	265
Non-operating expenses		
Interest expenses	30	33
Foreign exchange losses	59	—
Share of loss of entities accounted for using equity method	10	14
Other	9	6
Total non-operating expenses	108	53
Ordinary profit	714	751
Extraordinary income		
Gain on sale of non-current assets	0	—
Gain on sales of investments in capital	1	—
Total extraordinary income	1	—
Extraordinary losses		
Loss on retirement of non-current assets	0	1
Loss on valuation of investment securities	14	—
Total extraordinary losses	15	1
Income before income taxes	700	750
Income taxes-current	180	173
Income taxes-deferred	33	17
Total income taxes	214	191
Profit	485	558
Profit attributable to owners of parent	485	558

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

(Millions of yen)

	Cumulative first quarter, previous fiscal year (April 1, 2021- June 30, 2021)	Cumulative first quarter, current fiscal year (April 1, 2022- June 30, 2022)
Profit	485	558
Other comprehensive income		
Valuation difference on available-for-sale securities	744	336
Deferred gains or losses on hedges	(7)	37
Foreign currency translation adjustment	318	417
Remeasurements of defined benefit plans, net of tax	(3)	(7)
Total other comprehensive income	1,051	783
Comprehensive income	1,537	1,342
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,537	1,342