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Summary of Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2022 [Japan GAAP]

August 4, 2021

Stock Exchange Listing: Tokyo (First Section)

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 6, 2021

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, 2022 (April 1, 2021 to June 30, 2021)

(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, 2021	24,449	—	720	(17.7)	714	(18.1)	485	(14.1)
First quarter ended June 30, 2020	26,212	4.1	875	507.0	872	410.3	565	118.8

(Note) Comprehensive income First quarter ended June 30, 2021 : 1,537 millions of yen (57.3) %
First quarter ended June 30, 2020 : 3,599 millions of yen — %

	Net income per share		Diluted net income per share	
	Yen	Yen	Yen	Yen
First quarter ended June 30, 2021	38.97	—	—	—
First quarter ended June 30, 2020	45.17	—	—	—

* 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 first quarter of the current consolidated fiscal year. Figures for the first quarter of the fiscal year ending March 2022 are stated after the application of the new accounting standard, and the ratio of net sales 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, 2021	58,672	24,186	41.2
March 31, 2021	60,465	23,239	38.4

(Reference) Equity capital June 30, 2021 : 24,186 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 first quarter of the current consolidated fiscal year. Figures for the first quarter of the fiscal year ending March 2022 are stated after the application of the new accounting standard.

2. Dividends

	Annual dividend per share				
	1Q	2Q	3Q	Fiscal year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	0.00	—	60.00	60.00
Fiscal year ending March 31, 2022	—	—	—	—	—
Fiscal year ending March 31, 2022 (Forecast)	—	0.00	—	35.00	35.00

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

* 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 are the actual amount before the stock split of shares.

But the dividend per share for the fiscal year ending March 31, 2022 (forecast) is the amount after the stock split.

*Details of the fiscal year end dividend for the fiscal year ending March 31, 2022 (forecast)

Ordinary dividend : 30.00 Yen

Commemorative Dividend for 90th Anniversary of GSI Creos Corporation : 5.00 Yen

**3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2022
(April 1, 2021 to March 31, 2022)**

(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	116,000	—	2,000	(44.9)	2,000	(46.0)	1,500	(26.0)	119.55

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

* “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29) has been adopted from the beginning of the fiscal year ending March 31, 2022. The new accounting standard is applied to the earnings forecast above and the ratio of the net sales changes from the same period of the previous year is not indicated.

*** 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 : 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, 2021	12,929,942 shares	March 31, 2021	12,929,942 shares
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ii Number of treasury stock at the end of period

June 30, 2021	581,828 shares	March 31, 2021	382,886 shares
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iii Average number of shares during the period

Three months ended June 30, 2021	12,470,485 shares	Three months ended June 30, 2020	12,521,004 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.

*** 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 and other 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, 2021)	First quarter, current fiscal year (June 30, 2021)
Assets		
Current assets		
Cash and deposits	14,594	10,063
Notes and accounts receivable-trade	22,803	23,224
Merchandise and finished goods	8,534	8,466
Work in process	749	1,250
Raw materials and supplies	124	124
Other	737	1,531
Allowance for doubtful accounts	(158)	(171)
Total current assets	47,387	44,488
Non-current assets		
Property, plant and equipment	4,148	4,118
Intangible assets	357	333
Investments and other assets	8,572	9,732
Total non-current assets	13,077	14,184
Total assets	60,465	58,672
Liabilities		
Current liabilities		
Notes and accounts payable-trade	18,773	16,829
Short-term loans payable	11,631	11,846
Current portion of long-term loans payable	87	78
Income taxes payable	1,279	149
Provision	560	292
Other	3,543	3,608
Total current liabilities	35,875	32,805
Non-current liabilities		
Long-term loans payable	231	214
Retirement benefit liability	90	89
Other	1,028	1,376
Total non-current liabilities	1,350	1,680
Total liabilities	37,225	34,486
Net assets		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	859	859
Retained earnings	13,485	13,584
Treasury stock	(230)	(433)
Total shareholders' equity	21,301	21,196
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,216	2,960
Deferred gains or losses on hedges	4	(2)
Foreign currency translation adjustment	(427)	(109)
Remeasurements of defined benefit plans	144	140
Total accumulated other comprehensive income	1,938	2,989
Total net assets	23,239	24,186
Total liabilities and net assets	60,465	58,672

(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, 2020- June 30, 2020)	Cumulative first quarter, current fiscal year (April 1, 2021- June 30, 2021)
Net sales	26,212	24,449
Cost of sales	22,781	21,089
Gross profit	3,430	3,360
Selling, general and administrative expenses	2,554	2,639
Operating profit	875	720
Non-operating income		
Interest income	47	15
Dividends income	48	45
Other	31	40
Total non-operating income	127	102
Non-operating expenses		
Interest expenses	44	30
Foreign exchange losses	36	59
Other	50	19
Total non-operating expenses	130	108
Ordinary profit	872	714
Extraordinary income		
Gain on sales 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	0
Loss on valuation of investment securities	14	14
Loss on valuation of investments in capital	20	—
Total extraordinary losses	35	15
Income before income taxes	836	700
Income taxes-current	256	180
Income taxes-deferred	14	33
Total income taxes	271	214
Profit	565	485
Profit attributable to owners of parent	565	485

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

(Millions of yen)

	Cumulative first quarter, previous fiscal year (April 1, 2020- June 30, 2020)	Cumulative first quarter, current fiscal year (April 1, 2021- June 30, 2021)
Profit	565	485
Other comprehensive income		
Valuation difference on available-for-sale securities	3,091	744
Deferred gains or losses on hedges	3	(7)
Foreign currency translation adjustment	(60)	318
Remeasurements of defined benefit plans, net of tax	(0)	(3)
Total other comprehensive income	3,033	1,051
Comprehensive income	3,599	1,537
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,599	1,537