

\*This document is a translation of the original Japanese document and does not contain all details of it.

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

\*If there is any discrepancy between this document and the original Japanese document, the latter shall prevail.

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

November 4, 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: November 9, 2022

Scheduled Date of Dividend Payments Commencement: —

Supplementary Documents for Quarterly Financial Statements: Yes

Holding of Quarterly Financial Results Meeting: Yes

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

### 1. Consolidated Results for the Second Quarter of the Fiscal Year Ending March 31, 2023

(April 1, 2022 to September 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	%
Second quarter ended September 30, 2022	60,508	15.0	1,123	(6.5)	1,281	6.2	909	(2.7)
Second quarter ended September 30, 2021	52,595	—	1,201	(47.8)	1,207	(46.4)	935	(20.5)

(Note) Comprehensive income  
 Second quarter ended September 30, 2022 : 1,788 millions of yen (10.8) %  
 Second quarter ended September 30, 2021 : 2,005 millions of yen (52.4) %

	Net income per share		Diluted net income per share	
	Yen		Yen	
Second quarter ended September 30, 2022	74.21	—	—	—
Second quarter ended September 30, 2021	75.51	—	—	—

\*\*“Accounting Standards for Revenue Recognition” (ASBJ Statement No. 29) has been adopted since the beginning of the first quarter of the fiscal year ending March 2022. Figures for the second quarter of the fiscal year ending 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			%
September 30, 2022	68,746	—	25,509	—	37.1	
March 31, 2022	60,929	—	24,512	—	40.2	

(Reference) Equity capital  
 September 30, 2022 : 25,509 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	—	0.00	—	—	—
Fiscal year ending March 31, 2023 (Forecast)	—	—	—	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)

September 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

September 30, 2022	367,297 shares	March 31, 2022	373,684 shares
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iii Average number of shares during the period

Six months ended September 30, 2022	12,258,968 shares	Six months ended September 30, 2021	12,383,076 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)	Second quarter, current fiscal year (September 30, 2022)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	8,078	8,407
Notes receivable-trade	1,649	1,592
Electronically recorded monetary claims-operating	1,989	2,087
Accounts receivable-trade	24,703	32,338
Merchandise	8,960	8,899
Goods in transit	677	918
Raw materials	121	163
Other	2,960	2,358
Allowance for doubtful accounts	(175)	(189)
<b>Total current assets</b>	<b>48,963</b>	<b>56,577</b>
<b>Non-current assets</b>		
Property, plant and equipment	3,659	3,876
Intangible assets	736	701
<b>Investments and other assets</b>		
Investment securities	5,716	5,458
Other	1,853	2,131
<b>Total investments and other assets</b>	<b>7,570</b>	<b>7,590</b>
<b>Total non-current assets</b>	<b>11,965</b>	<b>12,168</b>
<b>Total assets</b>	<b>60,929</b>	<b>68,746</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	18,514	22,832
Short-term loans payable	10,919	13,350
Current portion of long-term loans payable	90	92
Income taxes payable	123	260
Provisions	512	476
Other	4,078	3,868
<b>Total current liabilities</b>	<b>34,239</b>	<b>40,879</b>
<b>Non-current liabilities</b>		
Long-term loans payable	1,236	1,189
Retirement benefit liability	76	82
Other	864	1,085
<b>Total non-current liabilities</b>	<b>2,177</b>	<b>2,356</b>
<b>Total liabilities</b>	<b>36,416</b>	<b>43,236</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	7,186	7,186
Capital surplus	855	855
Retained earnings	14,405	14,518
Treasury stock	(291)	(287)
<b>Total shareholders' equity</b>	<b>22,154</b>	<b>22,272</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,926	1,682
Deferred gains or losses on hedges	17	104
Foreign currency translation adjustment	295	1,345
Remeasurements of defined benefit plans	119	105
<b>Total accumulated other comprehensive income</b>	<b>2,358</b>	<b>3,237</b>
<b>Total net assets</b>	<b>24,512</b>	<b>25,509</b>
<b>Total liabilities and net assets</b>	<b>60,929</b>	<b>68,746</b>

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

(Millions of yen)

	Cumulative second quarter, previous fiscal year (April 1, 2021- September 30, 2021)	Cumulative second quarter, current fiscal year (April 1, 2022- September 30, 2022)
Net sales	52,595	60,508
Cost of sales	46,045	53,639
Gross profit	6,549	6,868
Selling, general and administrative expenses	5,348	5,745
Operating profit	1,201	1,123
Non-operating income		
Interest income	29	20
Dividend income	46	56
Share of profit of entities accounted for using equity method	12	178
Other	54	110
Total non-operating income	142	366
Non-operating expenses		
Interest expenses	60	73
Foreign exchange losses	48	77
Share of loss of entities accounted for using equity method	11	40
Other	16	16
Total non-operating expenses	137	208
Ordinary profit	1,207	1,281
Extraordinary income		
Gain on sale of non-current assets	0	—
Gain on sale of investment securities	30	—
Gain on sales of investments in capital	45	—
Total extraordinary income	76	—
Extraordinary losses		
Loss on retirement of non-current assets	1	1
Loss on sale of share of subsidiaries and associates	27	—
Total extraordinary losses	29	1
Income before income taxes	1,254	1,280
Income taxes-current	379	314
Income taxes-deferred	(59)	55
Total income taxes	319	370
Profit	935	909
Profit attributable to owners of parent	935	909

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

(Millions of yen)

	Cumulative second quarter, previous fiscal year (April 1, 2021- September 30, 2021)	Cumulative second quarter, current fiscal year (April 1, 2022- September 30, 2022)
Profit	935	909
Other comprehensive income		
Valuation difference on available-for-sale securities	640	(244)
Deferred gains or losses on hedges	5	86
Foreign currency translation adjustment	431	1,050
Remeasurements of defined benefit plans, net of tax	(6)	(14)
Total other comprehensive income	1,070	878
Comprehensive income	2,005	1,788
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,005	1,788

**(3) Quarterly Consolidated Statements of Cash Flows**

(Millions of yen)

	Cumulative second quarter, previous fiscal year (April 1, 2021- September 30, 2021)	Cumulative second quarter, current fiscal year (April 1, 2022- September 30, 2022)
<b>Cash flows from operating activities</b>		
Income before income taxes	1,254	1,280
Depreciation	156	185
Amortization of goodwill	—	42
Increase (decrease) in allowance for doubtful accounts	(13)	(13)
Increase (decrease) in retirement benefit liability	(11)	(19)
Interest and dividend income	(75)	(77)
Interest expenses	60	73
Foreign exchange losses (gains)	2	5
Loss on retirement of property, plant and equipment	1	1
Loss (gain) on sale of property, plant and equipment	(0)	—
Loss (gain) on sale of investment securities	(30)	—
Loss (gain) on sale of shares of subsidiaries and associates	27	—
Gain on sales of investments in capital	(45)	—
Decrease (increase) in notes and accounts receivable-trade	(2,444)	(4,735)
Decrease (increase) in inventories	(72)	(15)
Decrease (increase) in other assets	(886)	274
Increase (decrease) in notes and accounts payable-trade	(13)	2,488
Increase (decrease) in other liabilities	150	(630)
Other, net	(542)	(49)
Subtotal	(2,483)	(1,188)
Interest and dividends income received	77	84
Interest expenses paid	(60)	(73)
Income taxes paid	(1,344)	(186)
Cash flows from operating activities	(3,810)	(1,364)
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(35)	(11)
Proceeds from sale of property, plant and equipment	0	—
Purchase of investment securities	(97)	(95)
Proceeds from sale of investment securities	60	—
Proceeds from sale of investments in capital	82	—
Payments for investments in capital	—	(25)
Proceeds from sale of shares of subsidiaries resulting in charge in scope of consolidation	572	—
Purchase of shares of subsidiaries resulting in charge in scope of consolidation	(124)	—
Loan advances	—	(41)
Proceeds from collection of loans receivable	13	481
Other, net	9	(40)
Cash flows from investing activities	481	266
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	(66)	2,112
Repayments of long-term loans payable	(51)	(45)
Proceeds from sale and leaseback transactions	—	96
Repayments of lease obligations	(44)	(100)
Purchase of treasury stock	(302)	(0)
Cash dividends paid	(376)	(796)
Cash flows from financing activities	(841)	1,266
Effect of exchange rate change on cash and cash equivalents	274	160
Net increase (decrease) in cash and cash equivalents	(3,896)	329
Cash and cash equivalents at the beginning of period	14,594	8,078
Cash and cash equivalents at the end of period	10,698	8,407