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\*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, 2024 [Japan GAAP]

November 2, 2023

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, 2023

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, 2024 (April 1, 2023 to September 30, 2023)

(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, 2023	70,850	17.1	1,722	53.4	1,802	40.6	1,297	42.7
Second quarter ended September 30, 2022	60,508	15.0	1,123	(6.5)	1,281	6.2	909	(2.7)

(Note) Comprehensive income  
 Second quarter ended September 30, 2023 : 2,028 millions of yen 13.4 %  
 Second quarter ended September 30, 2022 : 1,788 millions of yen (10.8) %

	Net income per share	Diluted net income per share
	Yen	Yen
Second quarter ended September 30, 2023	105.83	—
Second quarter ended September 30, 2022	74.21	—

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Second quarter ended September 30, 2023	70,517	27,066	38.4
Fiscal year ended March 31, 2023	69,412	25,929	37.4

(Reference) Equity capital  
 Second quarter ended September 30, 2023 : 27,066 millions of yen  
 Fiscal year ended March 31, 2023 : 25,929 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, 2023	—	0.00	—	73.00	73.00
Fiscal year ending March 31, 2024	—	0.00	—	—	—
Fiscal year ending March 31, 2024 (Forecast)	—	—	—	80.00	80.00

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

### 3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(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	137,000	4.5	2,800	53.0	2,800	56.6	1,950	10.2	159.05

(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)

Second quarter ended September 30, 2023	12,629,942 shares	Fiscal year ended March 31, 2023	12,629,942 shares
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ii Number of treasury stock at the end of period

Second quarter ended September 30, 2023	362,610 shares	Fiscal year ended March 31, 2023	367,565 shares
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iii Average number of shares during the period

Six months ended September 30, 2023	12,264,545 shares	Six months ended September 30, 2022	12,258,968 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, 2023)	Second quarter, current fiscal year (September 30, 2023)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	8,352	8,756
Notes receivable-trade	1,486	1,586
Electronically recorded monetary claims-operating	2,118	2,544
Accounts receivable-trade	31,798	31,572
Merchandise	10,179	10,837
Work in process	1,041	1,082
Raw materials	164	188
Other	2,958	2,094
Allowance for doubtful accounts	(450)	(321)
<b>Total current assets</b>	<b>57,650</b>	<b>58,340</b>
<b>Non-current assets</b>		
Property, plant and equipment	3,741	3,694
<b>Intangible assets</b>		
Goodwill	379	888
Other	252	229
<b>Total Intangible assets</b>	<b>631</b>	<b>1,117</b>
<b>Investments and other assets</b>		
Investment securities	5,483	5,495
Other	1,905	1,868
<b>Total investments and other assets</b>	<b>7,389</b>	<b>7,364</b>
<b>Total non-current assets</b>	<b>11,761</b>	<b>12,176</b>
<b>Total assets</b>	<b>69,412</b>	<b>70,517</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	23,959	26,389
Electronically recorded obligations-operating	-	353
Short-term loans payable	12,821	10,009
Current portion of long-term loans payable	83	90
Income taxes payable	341	408
Provisions	519	458
Other	3,731	3,719
<b>Total current liabilities</b>	<b>41,456</b>	<b>41,429</b>
<b>Non-current liabilities</b>		
Long-term loans payable	1,153	1,111
Retirement benefit liability	72	83
Other	800	825
<b>Total non-current liabilities</b>	<b>2,026</b>	<b>2,020</b>
<b>Total liabilities</b>	<b>43,482</b>	<b>43,450</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	7,186	7,186
Capital surplus	859	859
Retained earnings	15,377	15,780
Treasury stock	(287)	(284)
<b>Total shareholders' equity</b>	<b>23,135</b>	<b>23,542</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	1,725	1,701
Deferred gains or losses on hedges	(15)	74
Foreign currency translation adjustment	1,053	1,725
Remeasurements of defined benefit plans	31	22
<b>Total accumulated other comprehensive income</b>	<b>2,793</b>	<b>3,524</b>
<b>Total net assets</b>	<b>25,929</b>	<b>27,066</b>
<b>Total liabilities and net assets</b>	<b>69,412</b>	<b>70,517</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, 2022- September 30, 2022)	Cumulative second quarter, current fiscal year (April 1, 2023- September 30, 2023)
Net sales	60,508	70,850
Cost of sales	53,639	62,578
Gross profit	6,868	8,271
Selling, general and administrative expenses	5,745	6,549
Operating profit	1,123	1,722
Non-operating income		
Interest income	20	25
Dividend income	56	84
Share of profit of entities accounted for using equity method	178	8
Foreign exchange gains	—	13
Other	110	93
Total non-operating income	366	226
Non-operating expenses		
Interest expenses	73	104
Share of loss of entities accounted for using equity method	40	19
Foreign exchange losses	77	—
Other	16	21
Total non-operating expenses	208	145
Ordinary profit	1,281	1,802
Extraordinary income		
Gain on sales of investments in capital	—	39
Total extraordinary income	—	39
Extraordinary losses		
Loss on retirement of non-current assets	1	2
Other	—	7
Total extraordinary losses	1	10
Income before income taxes	1,280	1,832
Income taxes-current	314	478
Income taxes-deferred	55	56
Total income taxes	370	534
Profit	909	1,297
Profit attributable to owners of parent	909	1,297

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

(Millions of yen)

	Cumulative second quarter, previous fiscal year (April 1, 2022- September 30, 2022)	Cumulative second quarter, current fiscal year (April 1, 2023- September 30, 2023)
Profit	909	1,297
Other comprehensive income		
Valuation difference on available-for-sale securities	(244)	(23)
Deferred gains or losses on hedges	86	90
Foreign currency translation adjustment	1,050	672
Remeasurements of defined benefit plans, net of tax	(14)	(8)
Total other comprehensive income	878	730
Comprehensive income	1,788	2,028
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,788	2,028

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

(Millions of yen)

	Cumulative second quarter, previous fiscal year (April 1, 2022- September 30, 2022)	Cumulative second quarter, current fiscal year (April 1, 2023- September 30, 2023)
Cash flows from operating activities		
Income before income taxes	1,280	1,832
Depreciation	185	196
Amortization of goodwill	42	82
Increase (decrease) in allowance for doubtful accounts	(13)	(50)
Increase (decrease) in retirement benefit liability	(19)	(4)
Interest and dividend income	(77)	(110)
Interest expenses	73	104
Foreign exchange losses (gains)	5	(1)
Loss on retirement of property, plant and equipment	1	2
Gain on sales of investments in capital	—	(39)
Decrease (increase) in notes and accounts receivable-trade	(4,735)	2,110
Decrease (increase) in inventories	(15)	(201)
Decrease (increase) in other assets	274	975
Increase (decrease) in notes and accounts payable-trade	2,488	(152)
Increase (decrease) in other liabilities	(630)	(247)
Other, net	(49)	204
Subtotal	(1,188)	4,699
Interest and dividends income received	84	115
Interest expenses paid	(73)	(104)
Income taxes paid	(186)	(413)
Cash flows from operating activities	(1,364)	4,296
Cash flows from investing activities		
Purchase of property, plant and equipment	(11)	(56)
Purchase of investment securities	(95)	(149)
Proceeds from sale of investments in capital	—	214
Payments for investments in capital	(25)	(35)
Loan advances	(41)	(62)
Proceeds from collection of loans receivable	481	—
Other, net	(40)	44
Cash flows from investing activities	266	(46)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,112	(3,109)
Repayments of long-term loans payable	(45)	(34)
Proceeds from sale and leaseback transactions	96	—
Repayments of lease obligations	(100)	(92)
Purchase of treasury stock	(0)	(1)
Cash dividends paid	(796)	(895)
Cash flows from financing activities	1,266	(4,132)
Effect of exchange rate change on cash and cash equivalents	160	111
Net increase (decrease) in cash and cash equivalents	329	229
Cash and cash equivalents at the beginning of period	8,078	8,352
Increase in cash and cash equivalents from newly consolidated	—	174
Cash and cash equivalents at the end of period	8,407	8,756