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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 Fiscal Year Ended March 31, 2017 [Japan GAAP]

May 15, 2017

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, President and CEO

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Scheduled Date of Annual General Meeting of Shareholders: June 29, 2017

Scheduled Date of Dividend Payments Commencement: June 30, 2017

Scheduled Date of Securities Report Filing: June 29, 2017

Supplementary Documents: Yes

Holding of Financial Results Meeting: No

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

### 1. Consolidated Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(1) Consolidated Operating Results (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	%
Fiscal year ended March 31, 2017	141,532	(6.7)	1,309	6.6	1,107	13.5	1,634	118.2
Fiscal year ended March 31, 2016	151,639	(1.8)	1,228	5.5	975	(3.6)	749	32.9

(Note) Comprehensive income Fiscal year ended March 31, 2017: 2,060 millions of yen 876.8%

Fiscal year ended March 31, 2016: 210 millions of yen △84.3%

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2017	25.33	—	9.7	1.7	0.9
Fiscal year ended March 31, 2016	11.66	—	4.7	1.5	0.8

(Reference) Equity in earnings of affiliates Fiscal year ended March 31, 2017: 23 millions of yen

Fiscal year ended March 31, 2016: △15 millions of yen

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2017	65,476	17,963	27.4	278.39
March 31, 2016	68,206	15,908	23.3	246.54

(Reference) Equity capital March 31, 2017: 17,963 millions of yen

March 31, 2016: 15,908 millions of yen

### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2017	1,141	2,452	(264)	12,371
Fiscal year ended March 31, 2016	1,344	611	(1,261)	9,037

## 2. Dividends

	Annual dividend per share					Total cash dividends	Payout ratio (Consolidated)	Dividend rate to net assets (Consolidated)
	1Q	2Q	3Q	Fiscal year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2016	—	—	—	2.00	2.00	129	17.2	0.8
Fiscal year ended March 31, 2017	—	—	—	3.00	3.00	193	11.8	1.1
Fiscal year ending March 31, 2018 (Forecast)	—	—	—	3.00	3.00		24.2	

### 3. Forecast of Consolidated Results for the Fiscal Year Ending March 31, 2018 (April 1, 2017 to March 31, 2018)

(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	135,000	(4.6)	1,400	6.9	1,200	8.3	800	(51.1)	12.40

(Note) Forecast for the second quarter (cumulative) is not available.

**\* Notes**

(1) Changes in Significant Subsidiaries During the Period

(Changes in Specified Subsidiaries Associated with Changes in the Scope of Consolidation): No

(2) 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

(3) Number of Shares Issued and Outstanding (Common Stock)

- i Number of shares issued and outstanding at the end of period (including treasury stock)

March 31, 2017	64,649,715 shares	March 31, 2016	64,649,715 shares
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- ii Number of treasury stock at the end of period

March 31, 2017	123,824 shares	March 31, 2016	119,618 shares
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- iii Average number of shares during the period

March 31, 2017	64,528,531 shares	March 31, 2016	64,245,002 shares
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**[Reference] Summary of Non-Consolidated Results**

Non-Consolidated Results for the Fiscal Year Ended March 31, 2017 (April 1, 2016 to March 31, 2017)

(1) Non-Consolidated Operating Results

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2017	77,212	(8.2)	455	1.0	693	(10.3)	506	81.9
Fiscal year ended March 31, 2016	84,132	1.6	450	35.5	772	36.4	278	(32.1)

	Net income per share	Diluted net income per share
	Yen	Yen
Fiscal year ended March 31, 2017	7.84	—
Fiscal year ended March 31, 2016	4.33	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2017	43,540	12,420	28.5	192.49
March 31, 2016	45,037	11,368	25.2	176.18

(Reference) Equity capital      March 31, 2017: 12,420 millions of yen  
    March 31, 2016: 11,368 millions of yen

\* This summary of financial statements is out of scope of audit procedures

**\* 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.

**Consolidated Financial Statements**  
**(1) Consolidated Balance Sheets**

	(Millions of yen)	
	Previous fiscal year (March 31, 2016)	Current fiscal year (March 31, 2017)
<b>Assets</b>		
Current assets		
Cash and deposits	9,037	12,371
Notes and accounts receivable-trade	35,683	32,421
Merchandise	9,947	8,173
Goods in transit	270	267
Deferred tax assets	368	361
Other	3,915	1,859
Allowance for doubtful accounts	(1,156)	(1,146)
Total current assets	58,066	54,308
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,511	3,509
Accumulated depreciation	(2,525)	(2,288)
Buildings and structures, net	985	1,220
Machinery, equipment and vehicles	2,740	2,616
Accumulated depreciation	(2,585)	(2,505)
Machinery, equipment and vehicles, net	154	110
Tools, furniture and fixtures	1,262	508
Accumulated depreciation	(1,148)	(417)
Tools, furniture and fixtures, net	113	91
Land	2,310	2,758
Lease assets	229	96
Accumulated depreciation	(146)	(42)
Lease assets, net	82	53
Construction in progress	—	3
Total property, plant and equipment	3,646	4,237
Intangible assets		
Lease assets	751	673
Other	61	69
Total intangible assets	813	742
Investments and other assets		
Investment securities	3,231	3,892
Investments in capital	1,201	1,167
Long-term loans receivable	170	190
Deferred tax assets	55	45
Net defined benefit asset	327	344
Other	1,129	791
Allowance for doubtful accounts	(436)	(241)
Total investments and other assets	5,680	6,189
Total non-current assets	10,140	11,168
Total assets	68,206	65,476

	(Millions of yen)	
	Previous fiscal year (March 31, 2016)	Current fiscal year (March 31, 2017)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	30,621	25,668
Short-term loans payable	16,698	16,558
Current portion of long-term loans payable	163	483
Lease obligations	261	169
Income taxes payable	95	349
Deferred tax liabilities	42	18
Provision for bonuses	386	393
Provision for directors' bonuses	1	35
Provision for loss on liquidation of subsidiaries and associates	—	113
Other	2,722	2,503
Total current liabilities	50,992	46,292
Non-current liabilities		
Long-term loans payable	768	422
Lease obligations	319	208
Deferred tax liabilities	61	415
Net defined benefit liability	142	163
Asset retirement obligations	10	10
Other	3	—
Total non-current liabilities	1,305	1,220
Total liabilities	52,297	47,513
<b>Net assets</b>		
Shareholders' equity		
Capital stock	7,186	7,186
Capital surplus	855	855
Retained earnings	7,696	9,325
Treasury stock	(20)	(20)
Total shareholders' equity	15,718	17,346
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(163)	399
Deferred gains or losses on hedges	(164)	(50)
Foreign currency translation adjustment	522	242
Remeasurements of defined benefit plans	(2)	25
Total accumulated other comprehensive income	190	616
Total net assets	15,908	17,963
Total liabilities and net assets	68,206	65,476

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

	(Millions of yen)	
	Previous fiscal year (April 1, 2015- March 31, 2016)	Current fiscal year (April 1, 2016- March 31, 2017)
Net sales	151,639	141,532
Cost of sales	137,982	128,379
Gross profit	13,657	13,153
Selling, general and administrative expenses		
Haulage and warehousing expenses	1,925	1,654
Sales related expenses	1,984	1,968
Provision of allowance for doubtful accounts	115	64
Directors' compensations, salaries and allowances	2,923	2,823
Employees' bonuses	328	347
Provision for bonuses	352	398
Retirement benefit expenses	140	175
Other salaries	795	802
Depreciation	227	197
Other	3,635	3,410
Total selling, general and administrative expenses	12,428	11,843
Operating income	1,228	1,309
Non-operating income		
Interest income	17	42
Dividends income	99	65
Land and house rent received	5	3
Share of profit of entities accounted for using equity method	5	23
Other	34	68
Total non-operating income	161	203
Non-operating expenses		
Interest expenses	280	209
Share of loss of entities accounted for using equity method	20	—
Foreign exchange losses	71	131
Provision of allowance for doubtful accounts	(1)	—
Other	43	63
Total non-operating expenses	414	405
Ordinary income	975	1,107

	(Millions of yen)	
	Previous fiscal year (April 1, 2015- March 31, 2016)	Current fiscal year (April 1, 2016- March 31, 2017)
Extraordinary income		
Gain on sales of non-current assets	630	1,634
Gain on sales of investment securities	1	0
State subsidy income	4	7
Gain on transfer of business	—	244
Other	—	67
Total extraordinary income	636	1,954
Extraordinary loss		
Loss on sales of non-current assets	2	7
Loss on retirement of non-current assets	120	55
Impairment loss	48	—
Loss on sales of investments in affiliates	8	—
Loss on valuation of investments in capital of subsidiaries and associates	—	17
Loss on liquidation of subsidiaries and associates	365	—
Provision for loss on liquidation of subsidiaries and associates	—	113
Loss on litigation	—	86
Extraordinary loss on business liquidation	30	—
Business structure improvement expenses	—	419
Other	81	12
Total extraordinary loss	658	710
Income before income taxes	953	2,351
Income taxes-current	242	531
Income taxes-deferred	(39)	185
Total income taxes	203	716
Profit	749	1,634
Profit attributable to non-controlling interests	0	—
Profit attributable to owners of parent	749	1,634

# Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	Previous fiscal year (April 1, 2015- March 31, 2016)	Current fiscal year (April 1, 2016- March 31, 2017)
Profit	749	1,634
Other comprehensive income		
Valuation difference on available-for-sale securities	(172)	562
Deferred gains or losses on hedges	(171)	114
Foreign currency translation adjustment	(165)	(279)
Remeasurements of defined benefit plans, net of tax	(29)	28
Total other comprehensive income	(538)	425
Comprehensive income	210	2,060
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	210	2,060
Comprehensive income attributable to non-controlling interests	0	—

**(3) Consolidated Statements of Changes in Shareholders' Equity**  
**Previous fiscal year (April 1, 2015 - March 31, 2016)**

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	7,186	895	7,272	(71)	15,282
Changes of items during the period					
Dividends of surplus			(128)		(128)
Profit attributable to owners of parent			749		749
Purchase of treasury stock				(1)	(1)
Change by share exchanges			(2)	53	50
Change of scope of consolidation		(40)	(193)		(233)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(40)	424	51	435
Balance at the end of period	7,186	855	7,696	(20)	15,718

(Millions of yen)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	9	6	687	26	729	49	16,061
Changes of items during the period							
Dividends of surplus							(128)
Profit attributable to owners of parent							749
Purchase of treasury stock							(1)
Change by share exchanges							50
Change of scope of consolidation							(233)
Net changes of items other than shareholders' equity	(172)	(171)	(165)	(29)	(538)	(49)	(588)
Total changes of items during the period	(172)	(171)	(165)	(29)	(538)	(49)	(152)
Balance at the end of period	(163)	(164)	522	(2)	190	—	15,908



Current fiscal year (April 1, 2016 - March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of period	7,186	855	7,696	(20)	15,718
Changes of items during the period					
Dividends of surplus			(129)		(129)
Profit attributable to owners of parent			1,634		1,634
Purchase of treasury stock				(0)	(0)
Change by share exchanges					—
Change of scope of consolidation			123		123
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	—	1,628	(0)	1,628
Balance at the end of period	7,186	855	9,325	(20)	17,346

(Millions of yen)

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of period	(163)	(164)	522	(2)	190	—	15,908
Changes of items during the period							
Dividends of surplus							(129)
Profit attributable to owners of parent							1,634
Purchase of treasury stock							(0)
Change by share exchanges							—
Change of scope of consolidation							123
Net changes of items other than shareholders' equity	562	114	(279)	28	425	—	425
Total changes of items during the period	562	114	(279)	28	425	—	2,054
Balance at the end of period	399	(50)	242	25	616	—	17,963

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Previous fiscal year (April 1, 2015- March 31, 2016)	Current fiscal year (April 1, 2016- March 31, 2017)
<b>Cash flows from operating activities</b>		
Income before income taxes	953	2,351
Depreciation	295	256
Impairment loss	48	—
Increase (decrease) in allowance for doubtful accounts	69	(143)
Increase (decrease) in provision for loss on liquidation of subsidiaries and associates	—	113
Increase (decrease) in net defined benefit liability	(140)	35
Interest and dividends income	(117)	(107)
Interest expenses	280	209
Foreign exchange losses (gains)	0	0
Loss (gain) on sales of property, plant and equipment	(627)	(1,626)
Loss on retirement of property, plant and equipment	120	55
Loss (gain) on sales of investment securities	(1)	(0)
Loss (gain) on sales of investments in affiliates	8	—
Loss on valuation of investments in capital of subsidiaries and associates	—	17
Loss (gain) on sales of investments in capital	—	(3)
Extraordinary loss on business liquidation	30	—
Loss on liquidation of subsidiaries and associates	365	—
Gain on transfer of business	—	(244)
Business structure improvement expenses	—	419
Loss on litigation	—	86
Decrease (increase) in notes and accounts receivable-trade	(2,156)	2,689
Decrease (increase) in inventories	400	1,182
Decrease (increase) in other assets	(712)	902
Increase (decrease) in notes and accounts payable-trade	3,143	(4,205)
Increase (decrease) in other liabilities	(81)	(39)
Other, net	(111)	49
Subtotal	1,768	1,996
Interest and dividends income received	117	107
Interest expenses paid	(275)	(212)
Payments for business structure improvement expenses	—	(30)
Payments for loss on litigation	—	(86)
Payments for loss on liquidation of subsidiaries and associates	—	(359)
Income taxes paid	(266)	(275)
<b>Cash flows from operating activities</b>	<b>1,344</b>	<b>1,141</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(112)	(1,265)
Proceeds from sales of property, plant and equipment	481	3,200
Purchase of investment securities	(2)	(13)
Proceeds from sales of investment securities	45	5
Payments for investments in capital	(99)	(8)
Proceeds from sales of investments in capital	153	144
Payments of loans receivable	(28)	(91)
Collection of loans receivable	34	19
Proceeds from transfer of business	—	416
Other, net	139	45
<b>Cash flows from investing activities</b>	<b>611</b>	<b>2,452</b>

	(Millions of yen)	
	Previous fiscal year (April 1, 2015- March 31, 2016)	Current fiscal year (April 1, 2016- March 31, 2017)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	642	155
Proceeds from long-term loans payable	100	400
Repayments of long-term loans payable	(1,487)	(415)
Repayments of lease obligations	(274)	(274)
Cash dividends paid	(130)	(129)
Payments for additional purchase from non-controlling interests	(109)	—
Dividends paid to non-controlling interests	(0)	—
Other, net	(1)	(0)
Cash flows from financing activities	(1,261)	(264)
Effect of exchange rate change on cash and cash equivalents	(117)	(129)
Net increase (decrease) in cash and cash equivalents	576	3,200
Cash and cash equivalents at the beginning of period	8,423	9,037
Increase in cash and cash equivalents from newly consolidated subsidiary	36	157
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(24)
Cash and cash equivalents at the end of period	9,037	12,371