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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, 2022 [Japan GAAP]

November 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: November 9, 2021

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, 2022

(April 1, 2021 to September 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	%
Second quarter ended September 30, 2021	52,595	—	1,201	(47.8)	1,207	(46.4)	935	(20.5)
Second quarter ended September 30, 2020	55,958	(1.2)	2,301	274.7	2,252	287.1	1,176	103.4

(Note) Comprehensive income  
 Second quarter ended September 30, 2021 : 2,005 millions of yen (52.4) %  
 Second quarter ended September 30, 2020 : 4,213 millions of yen 847.6 %

	Net income per share		Diluted net income per share	
	Yen		Yen	
Second quarter ended September 30, 2021	75.51	—	—	—
Second quarter ended September 30, 2020	93.90	—	—	—

\* 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 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, 2021	61,170	—	24,454	—	40.0	
March 31, 2021	60,465	—	23,239	—	38.4	

(Reference) Equity capital  
 September 30, 2021 : 24,454 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 second 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
	Yen		Yen	Yen		Yen	Yen
Fiscal year ended March 31, 2021	—	—	0.00	—	—	60.00	60.00
Fiscal year ending March 31, 2022	—	—	0.00	—	—	—	—
Fiscal year ending March 31, 2022 (Forecast)	—	—	—	—	—	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 is 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 about net sales, the ratio of figures 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)

September 30, 2021	12,629,942 shares	March 31, 2021	12,929,942 shares
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ii Number of treasury stock at the end of period

September 30, 2021	373,576 shares	March 31, 2021	382,886 shares
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iii Average number of shares during the period

Six months ended September 30, 2021	12,383,076 shares	Six months ended September 30, 2020	12,527,240 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 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)	Second quarter, current fiscal year (September 30, 2021)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	14,594	10,698
Notes and accounts receivable-trade	22,803	25,686
Merchandise	8,534	8,657
Work in process	749	749
Raw materials	124	98
Other	737	2,095
Allowance for doubtful accounts	(158)	(172)
<b>Total current assets</b>	<b>47,387</b>	<b>47,811</b>
<b>Non-current assets</b>		
Property, plant and equipment	4,148	3,533
Intangible assets	357	750
<b>Investments and other assets</b>		
Investment securities	6,129	7,132
Other	2,442	1,941
<b>Total investments and other assets</b>	<b>8,572</b>	<b>9,074</b>
<b>Total non-current assets</b>	<b>13,077</b>	<b>13,358</b>
<b>Total assets</b>	<b>60,465</b>	<b>61,170</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	18,773	19,339
Short-term loans payable	11,631	11,495
Current portion of long-term loans payable	87	70
Income taxes payable	1,279	317
Provision	560	424
Other	3,543	3,582
<b>Total current liabilities</b>	<b>35,875</b>	<b>35,230</b>
<b>Non-current liabilities</b>		
Long-term loans payable	231	196
Retirement benefit liability	90	78
Other	1,028	1,210
<b>Total non-current liabilities</b>	<b>1,350</b>	<b>1,485</b>
<b>Total liabilities</b>	<b>37,225</b>	<b>36,715</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	7,186	7,186
Capital surplus	859	855
Retained earnings	13,485	13,696
Treasury stock	(230)	(291)
<b>Total shareholders' equity</b>	<b>21,301</b>	<b>21,446</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,216	2,856
Deferred gains or losses on hedges	4	10
Foreign currency translation adjustment	(427)	4
Remeasurements of defined benefit plans	144	137
<b>Total accumulated other comprehensive income</b>	<b>1,938</b>	<b>3,008</b>
<b>Total net assets</b>	<b>23,239</b>	<b>24,454</b>
<b>Total liabilities and net assets</b>	<b>60,465</b>	<b>61,170</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, 2020- September 30, 2020)	Cumulative second quarter, current fiscal year (April 1, 2021- September 30, 2021)
Net sales	55,958	52,595
Cost of sales	48,341	46,045
Gross profit	7,617	6,549
Selling, general and administrative expenses	5,316	5,348
Operating profit	2,301	1,201
Non-operating income		
Interest income	60	29
Dividends income	48	46
Other	76	67
Total non-operating income	185	142
Non-operating expenses		
Interest expenses	85	60
Foreign exchange losses	87	48
Other	61	28
Total non-operating expenses	235	137
Ordinary profit	2,252	1,207
Extraordinary income		
Gain on sales 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		
Impairment loss	328	—
Loss on retirement of non-current assets	3	1
Loss on valuation of investment securities	18	—
Loss on sale of shares of subsidiaries and associates	—	27
Loss on valuation of investments in capital	20	—
Total extraordinary losses	370	29
Income before income taxes	1,881	1,254
Income taxes-current	780	379
Income taxes-deferred	(75)	(59)
Total income taxes	705	319
Profit	1,176	935
Profit attributable to owners of parent	1,176	935

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

(Millions of yen)

	Cumulative second quarter, previous fiscal year (April 1, 2020- September 30, 2020)	Cumulative second quarter, current fiscal year (April 1, 2021- September 30, 2021)
Profit	1,176	935
Other comprehensive income		
Valuation difference on available-for-sale securities	3,129	640
Deferred gains or losses on hedges	0	5
Foreign currency translation adjustment	(93)	431
Remeasurements of defined benefit plans, net of tax	(0)	(6)
Total other comprehensive income	3,036	1,070
Comprehensive income	4,213	2,005
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,213	2,005

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

(Millions of yen)

	Cumulative second quarter, previous fiscal year (April 1, 2020- September 30, 2020)	Cumulative second quarter, current fiscal year (April 1, 2021- September 30, 2021)
<b>Cash flows from operating activities</b>		
Income before income taxes	1,881	1,254
Depreciation	174	156
Impairment loss	328	—
Increase (decrease) in allowance for doubtful accounts	44	(13)
Increase (decrease) in retirement benefit liability	(34)	(11)
Interest and dividends income	(105)	(75)
Interest expenses	85	60
Foreign exchange losses (gains)	(5)	2
Loss on retirement of property, plant and equipment	3	1
Loss (gain) on sales of property, plant and equipment	—	(0)
Loss (gain) on valuation of investment securities	18	—
Loss (gain) on sales of investment securities	—	(30)
Loss (gain) on sales of shares of subsidiaries and associates	—	27
Gain on sales of investments in capital	—	(45)
Loss on valuation of investments in capital	20	—
Decrease (increase) in notes and accounts receivable-trade	3,395	(2,444)
Decrease (increase) in inventories	426	(72)
Decrease (increase) in other assets	786	(886)
Increase (decrease) in notes and accounts payable-trade	(5,771)	(13)
Increase (decrease) in other liabilities	(49)	150
Other, net	642	(542)
Subtotal	1,842	(2,483)
Interest and dividends income received	110	77
Interest expenses paid	(85)	(60)
Income taxes paid	(79)	(1,344)
<b>Cash flows from operating activities</b>	<b>1,787</b>	<b>(3,810)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(44)	(35)
Proceeds from sales of property, plant and equipment	—	0
Purchase of investment securities	(1)	(97)
Purchase of shares of subsidiaries and associates	(43)	—
Proceeds from sale of investment securities	—	60
Proceeds from sale of investments in capital	—	82
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	572
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(124)
Payments of loans receivable	(9)	—
Collection of loans receivable	10	13
Other, net	22	9
<b>Cash flows from investing activities</b>	<b>(66)</b>	<b>481</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term loans payable	264	(66)
Proceeds from long-term loans payable	100	—
Repayments of long-term loans payable	(89)	(51)
Repayments of lease obligations	(47)	(44)
Cash dividends paid	(281)	(376)
Purchase of treasury stock	(0)	(302)
<b>Cash flows from financing activities</b>	<b>(54)</b>	<b>(841)</b>
Effect of exchange rate change on cash and cash equivalents	(65)	274
Net increase (decrease) in cash and cash equivalents	1,601	(3,896)
Cash and cash equivalents at the beginning of period	11,899	14,594
Cash and cash equivalents at the end of period	13,500	10,698