

GSI Creos (8101)	Share price ¥2,610	Market cap ¥31.48bn	Date 8 September 2026
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QUICK ANALYSIS — GSI Creos (8101)

GSI Creos (8101): Assessing the Sustainability of High Dividends and Scope for ROIC Improvement

Valuation reference: Median ¥2,850 | Analytical range: ¥2,300–3,400

Note: This report does not assign investment ratings such as Buy / Sell / Hold and is limited to analysis of market valuation, corporate value, and capital efficiency.

Quick Analysis				
Company (Code) GSI Creos (8101)	Share price ¥2,610	Date 8 September 2026	Market capitalisation ¥31.48 billion	Listing TSE Prime Market
PER 12.3x	PBR 0.94x	Forecast ROE 7.6%	Net cash -¥4.25 billion	Forecast dividend yield 4.1%

Note: Market capitalisation is calculated as the share price of ¥2,610 multiplied by approximately 12.06 million shares outstanding excluding treasury shares. Net cash is cash and cash equivalents less interest-bearing debt (▲ indicates net debt).

Executive Summary - Sustainability of high dividends and improvement in capital efficiency are the focus of market valuation

GSI Creos is improving its earnings mix through higher profitability in the Textile Materials Division, restructuring unprofitable Outerwear operations, integrating the triacetate business, and recovering machinery projects. At a share price of ¥2,610, the stock trades at a forecast PER of 12.3x and PBR of 0.94x, with a forecast dividend yield of 4.1%; the analytical range under the three valuation methods is ¥2,300–3,400, with a median of ¥2,850. Over the next three to five years, valuation will depend less on sales growth itself than on whether ROIC can sustainably exceed the cost of capital through the selection of low-profitability transactions, lower working capital, and more stable operating cash flow.

Profile - A global specialised trading company built on Textile Materials earnings while developing technical products in Industrial Products

GSI Creos is a business-creating trading company built around two pillars: Textile Materials and Industrial Products. In Textile Materials, it handles functional yarns and fabrics, Outerwear, OEM, and materials/products for Innerwear; in Industrial Products, it operates in semiconductors, chemicals, hobby products, raw materials for cosmetics, composite manufacturing equipment, laboratory instruments, and other areas. In FY ended March 2026, net sales were ¥188.7 billion, operating profit ¥3.6 billion, and net profit ¥2.5 billion, with net sales and net profit reaching record highs. Overseas net sales account for about 70%, offering substantial growth potential, while earnings are affected by foreign exchange rates, trade restrictions, counterparty credit, and the timing of individual projects.

Textile Materials 82.9% (1.6%) / Industrial Products 17.1% (5.5%)

Note: Division ratios are calculated from company disclosures for FY ended March 2026. In accordance with the classifications and presentation used by Shikiho Online, net sales mix (segment profit margin) is shown.

Equity Market Perspective - Improvement in ROIC and cash-generation capacity, rather than earnings growth, determines the scope for valuation improvement

The market is focused not on record-high profit itself, but on earnings repeatability and improved capital efficiency. External factors affecting sales and gross profit include demand for apparel and functional materials in Asia, foreign exchange rates, painting material prices, semiconductor restrictions, and capital expenditure cycles. Company-specific factors include deeper penetration of functional yarns and fabrics, withdrawal from unprofitable Outerwear operations, integration of the triacetate business, price revisions, large projects for composite manufacturing equipment, and development of new technical products, all of which improve the profit mix. A dividend payout ratio of 50% or more and a progressive dividend policy support valuation; however, a wider ROIC-WACC spread and improved operating cash flow are important for a medium- to long-term re-rating.

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Comparison of Implied Growth and Historical Performance

Based on a share price of ¥2,610, forecast EPS of ¥211.8, and a forecast dividend of ¥106, the forecast PER is 12.3x, the payout ratio is 50.0%, and the dividend yield is 4.1%. Under a constant-growth model assuming a cost of equity of 8.0%, the share price implies a long-term EPS growth rate of approximately 3.9%. Historical EPS CAGR from FY ended March 2022 through FY ended March 2026 was approximately 11.7%, indicating that market expectations are conservative relative to past earnings growth. However, because trading-company earnings are affected by market conditions, individual projects, and working capital, the market appears to be pricing in normalised low-single-digit growth and maintenance of the high dividend rather than continuation of the historical CAGR.

Valuation Analysis: Median of ¥2,850 Across Three Methods; Analytical Range of ¥2,300–3,400

Method	Key assumptions	Analytical range	Implication
PBR	BPS ¥2,776.61, sustainable ROE 8–9%, cost of equity 7.5–8.5%, perpetual growth 1–2%	¥2,650–3,350 (Median ¥3,000)	Currently around book value. Sustained ROE of 10% would support a PBR above 1x.
DCF	Starting from FY27, earnings growth 2–5%, FCFE conversion ratio 75–90%, discount rate 7.5–8.5%	¥2,300–3,400 (Median ¥2,850)	Working capital and the FCF conversion ratio are the largest sensitivities, rather than earnings growth.
ROIC	Invested capital of approximately ¥47.0 billion, normalised ROIC 6.5–8.0%, WACC 5.5–6.5%	¥2,450–3,250 (Median ¥2,850)	A wider ROIC-WACC spread supports improvement in market valuation.

The median across the three methods is ¥2,850. The lower bound of ¥2,300 assumes that ROIC improvement does not progress and profit remains flat; the upper bound of ¥3,400 assumes simultaneous improvement in the profit mix and shareholder returns. These figures are analytical reference values showing sensitivity to assumptions and do not constitute a recommendation to buy or sell.

Ownership Structure: High Free Float and Dispersed Ownership, with Room for Higher Institutional Ownership

According to FactSet ownership statistics as of 26 August 2026, the free-float ratio is high at 74.4%, while institutional ownership is 11.76% and institutional ownership as a percentage of free float is only 15.8%. Ownership is dispersed; excluding treasury shares of 4.04%, the largest outside holders are Nippon Life Insurance Company at 3.50%, Toray Industries, Inc. at 3.14%, Mizuho Financial Group, Inc. at 3.00%, and Gunze Limited at 2.99%, with no single shareholder having substantial influence. Institutional holdings are also present, including Dimensional at 2.85%, Nomura Asset Management at 2.78%, Amova Asset Management at 1.39%, and Daiwa Asset Management at 1.36%, including index and systematic strategies. While the shareholder base combines stable domestic corporate shareholders with high liquidity, improved equity-market valuation will depend importantly on whether the company can broaden its institutional investor base through improved capital efficiency and cash-generation capacity.

Share Price Trend: Rose Alongside Earnings and Dividends, but Doubts over ROIC Constrain Upside

Over the past five years, the share price has risen over the long term in line with higher earnings and dividends, although the advance has not been linear. Since FY ended March 2022, EPS has increased from ¥132.95 to ¥207.24, while BPS has expanded from approximately ¥2,000 to ¥2,777. In 2025, lower ordinary profit and sluggish growth in Industrial Products constrained valuation. In 2026, record-high profit and a dividend increase supported a recovery, while year-to-date, changes in semiconductor distribution channels, lower inventory valuations in Chemicals, and the low operating profit margin have constrained further upside. The main reason the share price has not moved materially higher despite strong earnings is that earnings quality is affected by working capital, individual projects, and counterparty credit. At the same time, ROE has not become clearly above the cost of capital.

Earnings Drivers: Selection of Low-Profitability Transactions and Improvement in the Profit Mix Matter More Than Market Factors

External drivers of net sales are demand for apparel and functional materials, textile exports to the US, foreign exchange rates, prices of painting materials, semiconductor restrictions, and capital expenditure cycles. Market conditions may lift net sales, but they do not automatically improve gross margin or cash-generation capacity. Company-specific growth depends on deeper penetration of functional yarns and fabrics, withdrawal from unprofitable Outerwear operations, triacetate business, price revisions, large projects for composite manufacturing equipment, and new businesses such as OPV and nanocarbon. The main drivers of ROE and ROIC are operating profit margin, inventory and accounts receivable turnover, and reductions in strategic shareholdings and non-core assets; sales growth alone is insufficient to materially raise returns on capital.

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Capital Policy and Governance Considerations from an Outside Shareholder Perspective

A PBR below 1x, ROE in the 8% range, strategic and business-partner shareholders, and a structure spanning multiple businesses are likely to prompt outside shareholders to question asset efficiency, the business portfolio, and share buybacks. At the same time, a dividend payout ratio of 50% or more, a progressive dividend policy, record-high profit, and improved disclosure as a Prime Market-listed company demonstrate a management stance that emphasises shareholder value. In dialogue with the equity market and investors, what matters is not defensive explanation, but transparent disclosure of value creation above the cost of capital and the priority order among growth investment, shareholder returns, and working capital.

Major Holders (FactSet Top 10)

Rank	Name	Shares held (thousand shares)	Ownership
1	GSI Creos Corporation (treasury shares)	510	4.04%
2	Nippon Life Insurance Company	442	3.50%
3	Toray Industries, Inc.	396	3.14%
4	Mizuho Financial Group, Inc.	379	3.00%
5	Gunze Limited	378	2.99%
6	Dimensional Fund Advisors LP	360	2.85%
7	Nomura Asset Management Co., Ltd.	352	2.78%
8	QR Investment Co., Ltd.	300	2.38%
9	Amova Asset Management Co., Ltd.	175	1.39%
10	Daiwa Asset Management Co. Ltd.	171	1.36%

FactSet's top 20 holders collectively own 35.24%, indicating a relatively dispersed ownership structure. The largest holders include domestic life insurers, banks, and operating companies alongside asset managers such as Dimensional, Nomura, Amova, and Daiwa. Institutional ownership is 11.76% versus a free-float ratio of 74.4%; liquidity is therefore available, and there is relatively room for higher institutional ownership. Because voting rights are not concentrated among outside shareholders, equity-market valuation is likely to depend more on ongoing dialogue with a broad investor base.

Source: FactSet Research Systems, Inc., "Company Report > Ownership Summary GSI Creos (8101)," Report as of 26 August 2026. Total shares outstanding: 12,629,942. Ownership ratios and shares held are based on FactSet's "Top 20 Shareholders." Effective dates differ by holder. Treasury shares are included as GSI Creos at 4.04%.

Key figures and analytical assumptions

Item	Value	Item	Value
Share price	¥2,610	Forecast EPS	¥211.8
Forecast PER	12.3x	Actual BPS (1Q)	¥2,776.61
PBR	0.94x	Forecast ROE (simplified method)	7.6%
Forecast dividend	¥106	Dividend yield	4.1%
FY26 Net sales	¥188.68 billion	FY26 Operating profit	¥3.61 billion
FY27 Company forecast EPS	¥211.8	Net interest-bearing debt	¥3.72 billion

Sources: GSI Creos Corporation, Consolidated Financial Results for the Three Months Ended June 30, 2026; Consolidated Financial Results for the Fiscal Year Ended March 31, 2026; Annual Securities Report for the Fiscal Year Ended March 31, 2026; FactSet Research Systems, Inc. Ownership Summary (Report as of 26 August 2026). Share price is the closing price on 8 September 2026; forecast indicators are company-published figures. Valuation is based on Omega estimates.

Disclaimer: This document is independent analysis based on publicly available information and does not recommend or solicit the purchase or sale of any specific securities. Forecasts and analytical corporate-value figures may vary significantly as assumptions change. This sample illustrates the format of a corporate Quick Analysis.