

Jan. 29, 2020
SHOEI CO., LTD.

Consolidated Financial Results

for the First Quarter of the Fiscal Year Ending September 30, 2020

Name of Registrant	SHOEI CO., LTD.
Code No:	7839
Securities Traded	Tokyo Stock Exchange, 1st Section
Headquarters	Tokyo, Japan
(URL https://www.shoei.com/)	
Representative:	Kenichiro Ishida, President and Representative Director
Contact:	Atsuyuki Miyakawa, General Manager of Corporate Planning Department

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I . Financial Summary

1) Operating Performance

	Millions of Yen		
	Oct.18-Dec.18	Oct.19-Dec.19	% Changes
Net Sales	4,160	4,475	7.6
Operating Income	863	1,067	23.6
Ordinary Income	850	1,081	27.2
Profit attributable to owners of parent	585	757	29.5
<hr/>			
	Yen		
<i>Per Share Amounts</i>	<hr/>		
Net Income	42.48	55.01	
Net Income, Diluted	—	—	

Notes:

1.Earnings (Losses) of Affiliates in Equity Method:

Millions of Yen	
Oct.18-Dec.18	Oct.19-Dec.19
—	—

2.Average Number of Shares Outstanding During The Period (Consolidated):

Shares	
Oct.18-Dec.18	Oct.19-Dec.19
13,771,600	13,771,529

3.Number of Treasury Stocks as of December 31, 2019: 871

4.Change of Accounting Method:

Beginning with the current consolidated first quarter, the Company has applied IFRS16

Leases for overseas consolidated subsidiaries that have adopted International Financial Reporting Standards.

The impact of this accounting standard on quarterly consolidated financial statements is minor.

5.Percentages of net sales, operating income, ordinary income and net income show changes from those in the corresponding period of the previous year.

6.Amounts Less than ¥1million are omitted.

7.The net income per share is calculated using the weighted average number of shares (excluding treasury stock)during the period.

2) Financial Position

	Millions of Yen	
	<i>Sep.30,19</i>	<i>Dec.31,19</i>
Total Assets	18,252	17,916
Net Assets	15,065	14,163
	Percentage	
	<i>Sep.30,19</i>	<i>Dec.31,19</i>
Net Assets to Total Assets	82.5%	79.1%
	Yen	
	<i>Sep.30,19</i>	<i>Dec.31,19</i>
Net Assets per Share	1,093.99	1,028.44

Notes:

1.Number of Shares Outstanding on September 30, 2019 and Dec 31, 2019

(Consolidated):

Shares	
<i>Sep.30,19</i>	<i>Dec.31,19</i>
<i>13,772,400</i>	<i>13,772,400</i>

II. Consolidated Forecasts for The Fiscal Year Ending September 30, 2020

	Millions of Yen
	<i>Oct.19-Sep.20</i>
Net Sales	19,400
Operating Income	3,870
Ordinary Income	3,880
Net Income	2,670
	Yen
	<i>Oct.19-Sep.20</i>
Net Income Per Share	193.88

III. Consolidated Financial Statements

Consolidated Statements of Income

(Thousands of yen)

	Three months ended December 31, 2018	Three months ended December 31, 2019
Net sales	4,160,582	4,475,726
Cost of sales	2,518,447	2,603,073
Gross profit	1,642,134	1,872,652
Selling, general and administrative expenses	778,516	804,962
Operating profit	863,618	1,067,690
Non-operating income		
Interest income	162	149
Foreign exchange gains	-	14,898
Insurance claim income	260	100
Subsidy income	200	200
Other	1,590	901
Total non-operating income	2,213	16,250
Non-operating expenses		
Interest expenses	-	1,025
Foreign exchange losses	15,579	-
Loss on transfer of receivables	9	-
Other	75	1,190
Total non-operating expenses	15,665	2,215
Ordinary profit	850,166	1,081,724
Extraordinary income		
Gain on sales of non-current assets	173	29
Total extraordinary income	173	29
Profit before income taxes	850,340	1,081,754
Income taxes - current	202,795	307,267
Income taxes - deferred	62,502	16,893
Total income taxes	265,298	324,160
Profit	585,042	757,594
Profit attributable to owners of parent	585,042	757,594

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Three months ended December 31, 2018	Three months ended December 31, 2019
Profit	585,042	757,594
Other comprehensive income		
Foreign currency translation adjustment	185,473	-209,243
Remeasurements of defined benefit plans, net of tax	6,026	8,719
Total other comprehensive income	191,499	-200,523
Comprehensive income	776,542	557,070
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	776,542	557,070

Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	9,018,639	8,667,637
Notes and accounts receivable - trade	2,233,168	1,709,934
Merchandise and finished goods	1,227,427	1,621,977
Work in process	661,877	561,981
Raw materials and supplies	703,465	996,599
Forward exchange contracts	19,524	-
Other	820,832	596,249
Allowance for doubtful accounts	-5,726	-5,537
Total current assets	14,679,209	14,148,841
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,166,936	3,175,166
Accumulated depreciation	-2,145,319	-2,164,817
Buildings and structures, net	1,021,617	1,010,348
Machinery, equipment and vehicles	3,355,870	3,369,128
Accumulated depreciation	-2,082,628	-2,164,646
Machinery, equipment and vehicles, net	1,273,241	1,204,481
Tools, furniture and fixtures	4,537,736	4,570,638
Accumulated depreciation	-4,235,723	-4,279,710
Tools, furniture and fixtures, net	302,013	290,928
Land	211,544	211,544
Construction in progress	74,824	166,874
Right-of-use assets	-	214,756
Total property, plant and equipment	2,883,240	3,098,933
Intangible assets	65,696	64,328
Investments and other assets		
Deferred tax assets	413,605	392,941
Other	210,363	211,561
Total investments and other assets	623,969	604,503
Total non-current assets	3,572,905	3,767,765
Total assets	18,252,115	17,916,607

(Thousands of yen)

	As of September 30, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	495,905	1,204,840
Accounts payable - other	307,291	265,735
Income taxes payable	650,191	447,442
Provision for bonuses	223,200	91,600
Other	563,518	643,443
Total current liabilities	2,240,108	2,653,062
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	151,743	122,083
Retirement benefit liability	753,103	756,996
Asset retirement obligations	41,306	41,325
Other	-	179,997
Total non-current liabilities	946,152	1,100,402
Total liabilities	3,186,260	3,753,464
Net assets		
Shareholders' equity		
Share capital	1,394,778	1,394,778
Capital surplus	391,621	391,621
Retained earnings	13,981,413	13,279,225
Treasury shares	-1,983	-1,983
Total shareholders' equity	15,765,829	15,063,642
Accumulated other comprehensive income		
Foreign currency translation adjustment	-511,702	-720,946
Remeasurements of defined benefit plans	-188,272	-179,553
Total accumulated other comprehensive income	-699,975	-900,499
Total net assets	15,065,854	14,163,143
Total liabilities and net assets	18,252,115	17,916,607