

April 27, 2022
SHOEI CO., LTD.

Consolidated Financial Results

for the Second Quarter of the Fiscal Year Ending September 30, 2022

Name of Registrant	SHOEI CO., LTD.
Code No:	7839
Securities Traded	Tokyo Stock Exchange, Prime Market
Headquarters	Tokyo, Japan
(URL https://www.shoei.com/)	
Representative:	Kenichiro Ishida, President and Representative Director
Contact:	Hiroshi Yamaguchi, Director and General Manager of Business & Financial Management Department

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I . Financial Summary

1) Operating Performance

	Millions of Yen		
	Oct.20-Mar.21	Oct.21-Mar.22	% Changes
Net Sales	10,744	13,439	25.1
Operating Income	2,719	3,944	45.0
Ordinary Income	2,795	4,018	43.7
Profit attributable to owners of parent	1,929	2,714	40.7
	Yen		
<i>Per Share Amounts</i>			
Net Income	71.86	101.21	
Net Income, Diluted	—	—	

Notes:

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

	Millions of Yen	
	Oct.20-Mar.21	Oct.21-Mar.22
	—	—

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

	Shares	
	Oct.20-Mar.21	Oct.21-Mar.22
	26,848,252	26,821,030

3.Number of Treasury Stocks as of March 31, 2022: 27,648

4.Change of Accounting Method:

(Application of Accounting Standard for Revenue Recognition)

The Company adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No.29, March 31, 2020, hereinafter referred to as the “Accounting Standard for Revenue Recognition”) from the beginning of the first quarter of the current fiscal year and recognized revenue when control of promised goods or services is transferred to customers in an amount that is expected to be received in exchange for those goods or services.

With regard to the application of the Accounting Standard for Revenue Recognition, in accordance with the transitional treatment stipulated in the provisions of paragraph 84 of the Accounting Standard for Revenue Recognition, the cumulative effect of retrospectively applying the new accounting policy prior to the beginning of the first quarter of the current fiscal year was added to or deducted from retained earnings at the beginning of the first quarter of the current fiscal year, and a new accounting policy was applied from the beginning balance of the current fiscal year.

As a result, there was no effect on the Company’s profit and loss for the first quarter of the current fiscal year. In addition, there is no effect on the balance of retained earnings at the beginning of the fiscal year.

(Application of Accounting Standard for Fair Value Measurement)

The Company has applied “Accounting Standard for Fair Value Measurement” (ASBJ Statement No.30, July 4, 2019; hereinafter, “Fair Value Accounting Standards”) and others from October 1, 2021. In accordance with the transitional treatment set forth in Article 19 of Fair Value Accounting Standards and Article 44-2 of “Accounting Standard for Financial Instruments” (ASBJ Statement No.10, July 4, 2019), the Company has applied prospectively a new accounting policy prescribed by Fair Value Accounting Standards and others. This has no effect on the quarterly consolidated financial statement.

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	
	<u>Sep.30,21</u>	<u>Mar.31,22</u>
Total Assets	23,778	24,875
Net Assets	18,528	19,095
	Percentage	
Net Assets to Total Assets	77.9%	76.7%
	Yen	
Net Assets per Share	690.91	711.74

Notes:

1. Number of Shares Outstanding on September 30, 2021 and Mar 31, 2022
(Consolidated):

Shares	
<u>Sep.30,21</u>	<u>Mar.31,22</u>
26,856,858	26,856,858

3) Scope of Consolidation

Number of Consolidated Subsidiaries	8
Number of Non-Consolidated Subsidiaries in Equity Method	0
Number of Affiliates in Equity Method	0

4) Change in Consolidation During the Period

Number of Newly Consolidated Subsidiaries	1
Number of Companies Excluded from Consolidation	0
Number of Subsidiaries and Affiliates Newly Consolidated in Equity Method	0
Number of Companies Excluded from Consolidation in Equity Method	0

II. Consolidated Forecasts

for The Fiscal Year Ending September 30, 2022

	Millions of Yen
	<u>Oct.21-Sep.22</u>
Net Sales	26,430
Operating Income	6,620
Ordinary Income	6,630
Net Income	4,720
	Yen
Net Income Per Share	176.00

III. Consolidated Financial Statements

Consolidated Statements of Income

(Thousands of yen)

	Six months ended March 31, 2021	Six months ended March 31, 2022
Net sales	10,744,377	13,439,504
Cost of sales	6,318,291	7,353,643
Gross profit	4,426,085	6,085,860
Selling, general and administrative expenses	1,706,223	2,140,986
Operating profit	2,719,862	3,944,873
Non-operating income		
Interest income	548	144
Foreign exchange gains	56,755	62,424
Insurance claim income	1,740	-
Subsidy income	10,770	8,907
Other	9,140	5,389
Total non-operating income	78,955	76,865
Non-operating expenses		
Interest expenses	2,696	3,179
Other	582	171
Total non-operating expenses	3,278	3,351
Ordinary profit	2,795,538	4,018,387
Extraordinary income		
Gain on sale of non-current assets	1,422	51
Total extraordinary income	1,422	51
Profit before income taxes	2,796,961	4,018,439
Income taxes - current	966,124	1,319,366
Income taxes - deferred	-98,354	-15,414
Total income taxes	867,769	1,303,952
Profit	1,929,191	2,714,487
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,929,191	2,714,487

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Six months ended March 31, 2021	Six months ended March 31, 2022
Profit	1,929,191	2,714,487
Other comprehensive income		
Foreign currency translation adjustment	200,406	-12,321
Remeasurements of defined benefit plans, net of tax	14,301	17,847
Total other comprehensive income	214,707	5,525
Comprehensive income	2,143,898	2,720,013
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,143,898	2,720,013
Quarterly comprehensive income for non- controlling interests	-	-

Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	11,426,062	10,726,554
Notes and accounts receivable - trade	2,393,715	2,742,813
Merchandise and finished goods	1,646,080	2,362,530
Work in process	999,435	1,300,523
Raw materials and supplies	1,038,084	1,041,138
Other	1,353,487	1,226,993
Allowance for doubtful accounts	-2,623	-2,486
Total current assets	18,854,243	19,398,066
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,725,216	3,975,331
Accumulated depreciation	-2,245,184	-2,275,833
Buildings and structures, net	1,480,032	1,699,497
Machinery, equipment and vehicles	3,948,169	4,026,486
Accumulated depreciation	-2,726,108	-2,870,078
Machinery, equipment and vehicles, net	1,222,060	1,156,407
Tools, furniture and fixtures	4,883,954	5,000,108
Accumulated depreciation	-4,608,737	-4,704,713
Tools, furniture and fixtures, net	275,217	295,394
Land	215,959	221,196
Leased assets	83,121	83,121
Accumulated depreciation	-20,780	-29,092
Leased assets, net	62,341	54,028
Construction in progress	279,025	602,589
Right-of-use assets	339,993	324,875
Total property, plant and equipment	3,874,629	4,353,990
Intangible assets	116,126	123,863
Investments and other assets		
Deferred tax assets	520,300	527,789
Other	412,896	472,011
Total investments and other assets	933,197	999,800
Total non-current assets	4,923,953	5,477,654
Total assets	23,778,196	24,875,721

(Thousands of yen)

	As of September 30, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	728,056	1,399,526
Lease obligations	66,379	65,143
Accounts payable - other	450,039	369,640
Income taxes payable	1,098,818	1,278,175
Provision for bonuses	271,500	288,900
Other	1,291,700	1,185,610
Total current liabilities	3,906,495	4,586,996
Non-current liabilities		
Lease obligations	339,022	319,910
Retirement benefit liability	833,740	783,745
Asset retirement obligations	41,455	41,492
Other	128,674	48,194
Total non-current liabilities	1,342,892	1,193,343
Total liabilities	5,249,387	5,780,339
Net assets		
Shareholders' equity		
Share capital	1,421,929	1,421,929
Capital surplus	418,773	418,773
Retained earnings	17,290,836	17,797,034
Treasury shares	-187,202	-132,353
Total shareholders' equity	18,944,337	19,505,384
Accumulated other comprehensive income		
Foreign currency translation adjustment	-210,606	-222,927
Remeasurements of defined benefit plans	-222,924	-205,077
Total accumulated other comprehensive income	-433,531	-428,005
Non-controlling interests	18,003	18,003
Total net assets	18,528,809	19,095,381
Total liabilities and net assets	23,778,196	24,875,721

IV. Segment Information

(1) Business Segment Information

This section is not applicable because business of our group is limited to manufacture and sale of helmets.

(2) Overseas Sales

	<u>Oct.2020-Mar.2021</u>		<u>Oct.2021-Mar.2022</u>	
	<u>Sales</u>	<u>Percentage</u>	<u>Sales</u>	<u>Percentage</u>
	<u>Thousands</u>	<u>Overseas</u>	<u>Thousands</u>	<u>Overseas</u>
	<u>of Yen</u>	<u>Sales to</u>	<u>of Yen</u>	<u>Sales to</u>
		<u>Net Sales</u>		<u>Net Sales</u>
Europe	4,316,874	40.2	5,522,488	41.1
North America	1,206,451	11.2	2,505,589	18.6
Other Areas	<u>2,831,367</u>	<u>26.4</u>	<u>2,401,079</u>	<u>17.9</u>
Overseas Sales Total	<u>8,354,694</u>	<u>77.8</u>	<u>10,429,157</u>	<u>77.6</u>
Total including Japan	10,744,377	100.0	13,439,504	100.0