

April 25, 2018  
SHOEI CO., LTD.

## Consolidated Financial Results

for the Second Quarter of the Fiscal Year Ending September 30, 2018

Name of Registrant	SHOEI CO., LTD.
Code No:	7839
Securities Traded	Tokyo Stock Exchange, 1st Section
Headquarters	Tokyo, Japan
(URL <a href="https://www.shoei.com/">https://www.shoei.com/</a> )	
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		
	<u>Oct.16-Mar.17</u>	<u>Oct.17-Mar.18</u>	<u>% Changes</u>
Net Sales	6,632	7,381	11.3
Operating Income	1,522	1,674	10.0
Ordinary Income	1,460	1,657	13.5
Profit attributable to owners of parent	998	1,122	12.4
	<u>Yen</u>		
<i>Per Share Amounts</i>			
Net Income	72.51	81.49	
Net Income, Diluted	—	—	

*Notes:*

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

Millions of Yen	
<u>Oct.16-Mar.17</u>	<u>Oct.17-Mar.18</u>
—	—

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

Shares	
<u>Oct.16-Mar.17</u>	<u>Oct.17-Mar.18</u>
13,771,850	13,771,769

*3.Number of Treasury Stocks as of March 31, 2018: 661*

*4.Change of Accounting Method: Not Applicable.*

*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.30,17</u>	<u>Mar.31,18</u>
Total Assets	15,003	16,026
Net Assets	12,255	12,485
	<u>Percentage</u>	
Net Assets to Total Assets	81.7%	77.9%
	<u>Yen</u>	
Net Assets per Share	889.93	906.64

*Notes:*

*1.Number of Shares Outstanding on September 30, 2017 and Mar 31, 2018 (Consolidated):*

Shares	
<u>Sep.30,17</u>	<u>Mar.31,18</u>
13,772,400	13,772,400

### 3) Cash Flow

	<u>Millions of Yen</u>	
	<u>Oct.16-Mar.17</u>	<u>Oct.17-Mar.18</u>
Net Cash Flow from Operating Activities	678	1,280
Net Cash Flow from Investment Activities	(355)	(539)
Net Cash Flow from Financial Activities	(1,086)	(1,171)
Cash and Cash Equivalents at the End of	6,703	6,973

### 4) Scope of Consolidation

Number of Consolidated Subsidiaries	5
Number of Non-Consolidated Subsidiaries in Equity Method	0
Number of Affiliates in Equity Method	0

### 5) Change in Consolidation During the Period

Number of Newly Consolidated Subsidiaries	0
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

	<u>Millions of Yen</u>
	<u>Oct.17-Sep.18</u>
Net Sales	16,260
Operating Income	3,560
Ordinary Income	3,570
Net Income	2,430
	<u>Yen</u>
Net Income Per Share	176.45

### III. Consolidated Financial Statements

#### Consolidated Statements of Income

(Thousands of yen)

	Six months ended March 31, 2017	Six months ended March 31, 2018
Net sales	6,632,542	7,381,730
Cost of sales	3,704,062	4,261,298
Gross profit	2,928,479	3,120,432
Selling, general and administrative expenses	1,406,047	1,445,969
Operating profit	1,522,432	1,674,462
Non-operating income		
Interest income	375	545
Insurance income	729	3,149
Subsidy income	3,001	4,719
Other	2,825	3,152
Total non-operating income	6,933	11,566
Non-operating expenses		
Foreign exchange losses	54,472	24,562
Loss on transfer of receivables	4,382	1,272
Other	10,320	3,122
Total non-operating expenses	69,175	28,957
Ordinary profit	1,460,189	1,657,071
Extraordinary income		
Gain on sales of non-current assets	946	11
Total extraordinary income	946	11
Extraordinary losses		
Loss on sales of non-current assets	—	363
Loss on retirement of non-current assets	2,293	—
Total extraordinary losses	2,293	363
Profit before income taxes	1,458,843	1,656,719
Income taxes - current	465,212	607,609
Income taxes - deferred	-4,968	-73,139
Total income taxes	460,244	534,469
Profit	998,598	1,122,250
Profit attributable to owners of parent	998,598	1,122,250

# Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Six months ended March 31, 2017	Six months ended March 31, 2018
Profit	998,598	1,122,250
Other comprehensive income		
Deferred gains or losses on hedges	-570	1,523
Foreign currency translation adjustment	329,518	264,170
Remeasurements of defined benefit plans, net of tax	12,310	13,014
Total other comprehensive income	341,257	278,708
Comprehensive income	1,339,856	1,400,958
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,339,856	1,400,958

# Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2017	As of March 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	7,230,692	6,973,424
Notes and accounts receivable - trade	1,794,616	1,893,699
Merchandise and finished goods	1,198,874	2,118,319
Work in process	449,884	416,732
Raw materials and supplies	569,682	762,839
Deferred tax assets	233,633	308,889
Other	755,398	661,476
Allowance for doubtful accounts	-6,097	-9,388
Total current assets	12,226,684	13,125,991
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,889,080	2,917,940
Accumulated depreciation	-2,070,086	-2,090,185
Buildings and structures, net	818,994	827,754
Machinery, equipment and vehicles	2,663,358	2,809,461
Accumulated depreciation	-1,685,213	-1,722,793
Machinery, equipment and vehicles, net	978,145	1,086,667
Tools, furniture and fixtures	4,437,742	4,600,006
Accumulated depreciation	-3,986,915	-4,216,643
Tools, furniture and fixtures, net	450,827	383,362
Land	211,544	211,544
Leased assets	6,090	6,090
Accumulated depreciation	-2,030	-3,044
Leased assets, net	4,060	3,045
Construction in progress	77,696	153,073
Total property, plant and equipment	2,541,267	2,665,446
Intangible assets	65,049	70,935
Investments and other assets		
Deferred tax assets	136,398	127,944
Other	34,255	36,331
Total investments and other assets	170,654	164,276
Total non-current assets	2,776,970	2,900,658
<b>Total assets</b>	<b>15,003,655</b>	<b>16,026,649</b>

(Thousands of yen)

	As of September 30, 2017	As of March 31, 2018
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	606,099	1,328,644
Accounts payable - other	300,378	284,594
Income taxes payable	509,458	606,461
Provision for bonuses	205,600	217,200
Forward exchange contracts	14,425	-
Other	369,479	336,106
Total current liabilities	2,005,440	2,773,008
Non-current liabilities		
Provision for directors' retirement benefits	94,244	104,810
Net defined benefit liability	613,816	629,775
Asset retirement obligations	32,070	32,070
Other	2,088	1,044
Total non-current liabilities	742,219	767,699
Total liabilities	2,747,660	3,540,707
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,394,778	1,394,778
Capital surplus	391,621	391,621
Retained earnings	10,919,056	10,870,700
Treasury shares	-615	-1,020
Total shareholders' equity	12,704,840	12,656,079
Accumulated other comprehensive income		
Deferred gains or losses on hedges	-1,523	-
Foreign currency translation adjustment	-270,752	-6,582
Remeasurements of defined benefit plans	-176,568	-163,554
Total accumulated other comprehensive income	-448,845	-170,137
Total net assets	12,255,995	12,485,942
Total liabilities and net assets	15,003,655	16,026,649

# Consolidated Statements of Cash Flow

(Thousands of yen)

	Six months ended March 31, 2017	Six months ended March 31, 2018
Cash flows from operating activities		
Profit before income taxes	1,458,843	1,656,719
Depreciation	250,384	427,440
Increase (decrease) in allowance for doubtful accounts	85	2,959
Increase (decrease) in provision for bonuses	8,700	11,600
Increase (decrease) in provision for directors' retirement benefits	-208,998	10,565
Increase (decrease) in net defined benefit liability	28,411	34,173
Interest and dividend income	-375	-545
Interest expenses	361	0
Foreign exchange losses (gains)	8,521	10,976
Loss on retirement of non-current assets	2,293	—
Loss (gain) on sales of non-current assets	-946	352
Decrease (increase) in notes and accounts receivable - trade	310,422	-56,917
Decrease (increase) in inventories	-497,077	-1,008,301
Increase (decrease) in notes and accounts payable - trade	-38,299	691,975
Decrease (increase) in other current assets	94,628	62,348
Increase (decrease) in other current liabilities	-140,118	-89,426
Other, net	10,091	-9,113
Subtotal	1,286,926	1,744,808
Interest and dividend income received	375	545
Interest expenses paid	-361	0
Income taxes paid	-622,137	-464,643
Income taxes refund	13,495	—
Net cash provided by (used in) operating activities	678,299	1,280,710
Cash flows from investing activities		
Purchase of property, plant and equipment	-341,767	-527,887
Proceeds from sales of property, plant and equipment	464	64
Purchase of intangible assets	-14,926	-8,255
Proceeds from sales of intangible assets	1,274	—
Other, net	-1,020	-3,838
Net cash provided by (used in) investing activities	-355,975	-539,916
Cash flows from financing activities		
Purchase of treasury shares	—	-404
Cash dividends paid	-1,086,797	-1,169,583
Repayments of lease obligations	—	-1,044
Net cash provided by (used in) financing activities	-1,086,797	-1,171,032
Effect of exchange rate change on cash and cash equivalents	271,629	172,970
Net increase (decrease) in cash and cash equivalents	-492,843	-257,268
Cash and cash equivalents at beginning of period	7,196,827	7,230,692
Cash and cash equivalents at end of period	6,703,984	6,973,424



## 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.2016-Mar.2017</u>		<u>Oct.2017-Mar.2018</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	3,053,503	46.0	3,144,387	42.6
North America	708,121	10.7	1,279,147	17.3
Other Areas	<u>890,432</u>	<u>13.4</u>	<u>805,816</u>	<u>10.9</u>
Overseas Sales Total	<u>4,652,057</u>	<u>70.1</u>	<u>5,229,351</u>	<u>70.8</u>
Total including Japan	6,632,542	100.0	7,381,730	100.0