

July 26, 2019
SHOEI CO., LTD.

Consolidated Financial Results

for the Third Quarter of the Fiscal Year Ending September 30, 2019

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		
	<u>Oct.17-Jun.18</u>	<u>Oct.18-Jun.19</u>	<u>% Changes</u>
Net Sales	12,669	13,251	4.6
Operating Income	2,936	3,154	7.4
Ordinary Income	2,947	3,114	5.7
Profit attributable to owners of parent	2,018	2,158	6.9

	Yen	
	<u>Oct.17-Jun.18</u>	<u>Oct.18-Jun.19</u>
<i>Per Share Amounts</i>		
Net Income	146.59	156.75
Net Income, Diluted	—	—

Notes:

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

Millions of Yen	
<u>Oct.17-Jun.18</u>	<u>Oct.18-Jun.19</u>
—	—

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

Shares	
<u>Oct.17-Jun.18</u>	<u>Oct.18-Jun.19</u>
13,771,759	13,771,573

3.Number of Treasury Stocks as of June 30, 2019: 871

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.30,18</u>	<u>Jun.30,19</u>
Total Assets	16,755	17,048
Net Assets	13,659	14,422

	Percentage	
	<u>Sep.30,18</u>	<u>Jun.30,19</u>
Net Assets to Total Assets	81.5%	84.6%

	Yen	
	<u>Sep.30,18</u>	<u>Jun.30,19</u>
Net Assets per Share	991.88	1,047.30

Notes:

1.Number of Shares Outstanding on September 30, 2018 and June 30, 2019 (Consolidated):

Shares	
<u>Sep.30,18</u>	<u>Jun.30,19</u>
13,772,400	13,772,400

II. Consolidated Forecasts
for The Fiscal Year Ending September 30, 2019

	<u>Millions of Yen</u> <u>Oct.18-Sep.19</u>
Net Sales	18,500
Operating Income	3,900
Ordinary Income	3,900
Net Income	2,700
	<u>Yen</u>
Net Income Per Share	196.06

Ⅲ. Consolidated Financial Statements

Consolidated Statements of Income

(Thousands of yen)

	Nine months ended June 30, 2018	Nine months ended June 30, 2019
Net sales	12,669,971	13,251,053
Cost of sales	7,453,750	7,663,943
Gross profit	5,216,220	5,587,109
Selling, general and administrative expenses	2,279,399	2,432,191
Operating profit	2,936,820	3,154,917
Non-operating income		
Interest income	700	1,179
Foreign exchange gains	3,277	—
Insurance income	3,574	964
Subsidy income	4,919	6,705
Other	4,096	7,080
Total non-operating income	16,568	15,930
Non-operating expenses		
Foreign exchange losses	—	52,985
Loss on transfer of receivables	1,272	33
Payments for employment of persons with disabilities	1,200	1,800
Other	3,288	1,033
Total non-operating expenses	5,761	55,852
Ordinary profit	2,947,628	3,114,995
Extraordinary income		
Gain on sales of non-current assets	1,213	246
Total extraordinary income	1,213	246
Extraordinary losses		
Loss on sales of non-current assets	363	—
Total extraordinary losses	363	—
Profit before income taxes	2,948,478	3,115,241
Income taxes - current	896,016	871,589
Income taxes - deferred	33,631	84,994
Total income taxes	929,647	956,583
Profit	2,018,831	2,158,657
Profit attributable to owners of parent	2,018,831	2,158,657

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Nine months ended June 30, 2018	Nine months ended June 30, 2019
Profit	2,018,831	2,158,657
Other comprehensive income		
Deferred gains or losses on hedges	1,523	—
Foreign currency translation adjustment	73,142	-135,451
Remeasurements of defined benefit plans, net of tax	19,521	21,193
Total other comprehensive income	94,187	-114,258
Comprehensive income	2,113,019	2,044,399
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,113,019	2,044,399

Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2018	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	8,115,168	6,996,854
Notes and accounts receivable - trade	2,179,023	2,565,017
Merchandise and finished goods	1,396,979	1,870,309
Work in process	421,830	811,935
Raw materials and supplies	689,927	725,051
Other	721,672	746,008
Allowance for doubtful accounts	-7,732	-5,793
Total current assets	13,516,868	13,709,384
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,009,619	3,097,298
Accumulated depreciation	-2,106,608	-2,133,628
Buildings and structures, net	903,011	963,670
Machinery, equipment and vehicles	3,006,197	3,158,813
Accumulated depreciation	-1,812,639	-2,011,676
Machinery, equipment and vehicles, net	1,193,558	1,147,136
Tools, furniture and fixtures	4,514,958	4,680,108
Accumulated depreciation	-4,275,073	-4,339,380
Tools, furniture and fixtures, net	239,885	340,728
Land	211,544	211,544
Leased assets	6,090	6,090
Accumulated depreciation	-4,059	-5,582
Leased assets, net	2,030	507
Construction in progress	140,711	137,118
Total property, plant and equipment	2,690,740	2,800,705
Intangible assets	68,984	58,130
Investments and other assets		
Deferred tax assets	394,584	300,424
Other	84,597	179,685
Total investments and other assets	479,181	480,109
Total non-current assets	3,238,906	3,338,945
Total assets	16,755,775	17,048,330

(Thousands of yen)

	As of September 30, 2018	As of June 30, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	655,824	594,664
Accounts payable - other	249,929	245,228
Income taxes payable	671,370	278,317
Provision for bonuses	220,700	87,700
Forward exchange contracts	4,804	—
Other	493,505	558,236
Total current liabilities	2,296,134	1,764,146
Non-current liabilities		
Provision for directors' retirement benefits	115,375	144,817
Net defined benefit liability	657,802	675,091
Asset retirement obligations	26,700	41,288
Total non-current liabilities	799,878	861,196
Total liabilities	3,096,012	2,625,343
Net assets		
Shareholders' equity		
Capital stock	1,394,778	1,394,778
Capital surplus	391,621	391,621
Retained earnings	12,326,708	13,204,605
Treasury shares	-1,568	-1,983
Total shareholders' equity	14,111,539	14,989,022
Accumulated other comprehensive income		
Foreign currency translation adjustment	-278,595	-414,047
Remeasurements of defined benefit plans	-173,181	-151,987
Total accumulated other comprehensive income	-451,777	-566,035
Total net assets	13,659,762	14,422,986
Total liabilities and net assets	16,755,775	17,048,330