

Consolidated Financial Results

for the Third 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
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I . Financial Summary

1) Operating Performance

	Millions of Yen		
	<u>Oct.18-Jun.19</u>	<u>Oct.19-Jun.20</u>	<u>% Changes</u>
Net Sales	13,251	13,963	5.4
Operating Income	3,154	3,537	12.1
Ordinary Income	3,114	3,542	13.7
Profit attributable to owners of parent	2,158	2,464	14.1
	<u>Yen</u>		
<i>Per Share Amounts</i>			
Net Income	78.37	90.96	
Net Income, Diluted	—	—	

Notes:

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

Millions of Yen	
<u>Oct.18-Jun.19</u>	<u>Oct.19-Jun.20</u>
—	—

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

Shares	
<u>Oct.18-Jun.19</u>	<u>Oct.19-Jun.20</u>
27,543,146	27,090,847

3.On April 1st, 2020, the Company conducted a two-for-one stock split of common stock.

Concerning the number of shares for the previous fiscal year,

“average number of shares outstanding during the period”

have been calculated and presented as if the split was conducted at beginning of the previous fiscal year.

4.Number of Treasury Stocks as of June 30, 2020: 68

5.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.

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

7.Amounts Less than ¥1million are omitted.

8.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.30,19</u>	<u>Jun.30,20</u>
Total Assets	18,252	17,860
Net Assets	15,065	14,706
	Percentage	
Net Assets to Total Assets	82.5%	82.3%
	Yen	
Net Assets per Share	546.99	547.89

Notes:

1. Number of Shares Outstanding on September 30, 2019 and June 30, 2020
(Consolidated):

Shares	
<u>Sep.30,19</u>	<u>Jun.30,20</u>
27,544,800	26,843,058

2. On April 1st, 2020, the Company conducted a two-for-one stock split of common stock.

Concerning the number of shares for the previous fiscal year,

“number of shares outstanding on September 30, 2019 and June 30, 2020”

have been calculated and presented as if the split was conducted at beginning of the previous fiscal year.

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

	Millions of Yen
	<u>Oct.19-Sep.20</u>
Net Sales	19,400
Operating Income	4,500
Ordinary Income	4,500
Net Income	3,100
	Yen
Net Income Per Share	114.69

Ⅲ. Consolidated Financial Statements

Consolidated Statements of Income

(Thousands of yen)

	Nine months ended June 30, 2019	Nine months ended June 30, 2020
Net sales	13,251,053	13,963,965
Cost of sales	7,663,943	8,014,304
Gross profit	5,587,109	5,949,660
Selling, general and administrative expenses	2,432,191	2,412,364
Operating profit	3,154,917	3,537,296
Non-operating income		
Interest income	1,179	1,202
Insurance claim income	964	560
Subsidy income	6,705	8,224
Miscellaneous income	7,080	18,996
Total non-operating income	15,930	28,984
Non-operating expenses		
Foreign exchange losses	52,985	16,352
Loss on transfer of receivables	33	30
Payments for employment of persons with disabilities	1,800	1,800
Other	1,033	5,931
Total non-operating expenses	55,852	24,114
Ordinary profit	3,114,995	3,542,166
Extraordinary income		
Gain on sales of non-current assets	246	723
Total extraordinary income	246	723
Profit before income taxes	3,115,241	3,542,889
Income taxes - current	871,589	1,073,880
Income taxes - deferred	84,994	4,904
Total income taxes	956,583	1,078,784
Profit	2,158,657	2,464,105
Profit attributable to owners of parent	2,158,657	2,464,105

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Nine months ended June 30, 2019	Nine months ended June 30, 2020
Profit	2,158,657	2,464,105
Other comprehensive income		
Foreign currency translation adjustment	-135,451	-96,397
Remeasurements of defined benefit plans, net of tax	21,193	26,159
Total other comprehensive income	-114,258	-70,237
Comprehensive income	2,044,399	2,393,867
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,044,399	2,393,867

Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2019	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	9,018,639	6,451,522
Notes and accounts receivable - trade	2,233,168	2,435,749
Merchandise and finished goods	1,227,427	2,297,785
Work in process	661,877	962,518
Raw materials and supplies	703,465	676,773
Forward exchange contracts	19,524	-
Other	820,832	939,076
Allowance for doubtful accounts	-5,726	-5,374
Total current assets	14,679,209	13,758,052
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,166,936	3,182,894
Accumulated depreciation	-2,145,319	-2,161,917
Buildings and structures, net	1,021,617	1,020,977
Machinery, equipment and vehicles	3,355,870	3,590,136
Accumulated depreciation	-2,082,628	-2,292,081
Machinery, equipment and vehicles, net	1,273,241	1,298,055
Tools, furniture and fixtures	4,537,736	4,663,313
Accumulated depreciation	-4,235,723	-4,394,381
Tools, furniture and fixtures, net	302,013	268,931
Land	211,544	211,544
Construction in progress	74,824	350,247
Right-of-use assets	-	277,994
Total property, plant and equipment	2,883,240	3,427,749
Intangible assets	65,696	66,529
Investments and other assets		
Deferred tax assets	413,605	401,929
Other	210,363	205,943
Total investments and other assets	623,969	607,872
Total non-current assets	3,572,905	4,102,150
Total assets	18,252,115	17,860,203

(Thousands of yen)

	As of September 30, 2019	As of June 30, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	495,905	344,910
Accounts payable - other	307,291	264,366
Income taxes payable	650,191	614,821
Provision for bonuses	223,200	94,700
Other	563,518	661,236
Total current liabilities	2,240,108	1,980,035
Non-current liabilities		
Provision for retirement benefits for directors (and other officers)	151,743	132,679
Retirement benefit liability	753,103	766,062
Asset retirement obligations	41,306	41,362
Other	-	233,169
Total non-current liabilities	946,152	1,173,274
Total liabilities	3,186,260	3,153,309
Net assets		
Shareholders' equity		
Share capital	1,394,778	1,394,778
Capital surplus	391,621	391,621
Retained earnings	13,981,413	13,690,853
Treasury shares	-1,983	-145
Total shareholders' equity	15,765,829	15,477,107
Accumulated other comprehensive income		
Foreign currency translation adjustment	-511,702	-608,100
Remeasurements of defined benefit plans	-188,272	-162,113
Total accumulated other comprehensive income	-699,975	-770,213
Total net assets	15,065,854	14,706,894
Total liabilities and net assets	18,252,115	17,860,203