

Consolidated Financial Results for The Fiscal Year Ended September 30, 2021

Name of Registrant	SHOEI CO., LTD.
Code No:	7839
Securities Traded	Tokyo Stock Exchange, 1st Section
Headquarters (URL https://www.shoei.com/)	Tokyo, Japan
Representative:	Kenichiro Ishida, President and Representative Director
Contact:	Atsuyuki Miyakawa, General Manager of Investors & Public Relations Department
Date of the Ordinary General Meeting of Shareholders:	Dec. 23, 2021
Payment Date of Dividends:	Dec. 24, 2021
Filing Date of Financial Statements:	Dec. 24, 2021

INDEX

- I . Financial Summary
- II . Consolidated Forecasts
for The Fiscal Year Ending September 30, 2022
- III . Consolidated Financial Statements
- IV . Segment Information

I . Financial Summary

1) Operating Performance

	Millions of Yen		
	Oct.19-Sept.20	Oct.20-Sept.21	% Changes
Net Sales	19,479	23,752	21.9
Operating Income	4,740	6,024	27.1
Ordinary Income	4,746	6,092	28.4
Net Income	3,348	4,407	31.6

	Yen	
	Oct.19-Sept.20	Oct.20-Sept.21
<i>Per Share Amounts</i>		
Net Income	123.88	164.19
Net Income, Diluted	—	—

Notes:

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

Millions of Yen	
Oct.19-Sept.20	Oct.20-Sept.21
—	—

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

Shares	
Oct.19-Sept.20	Oct.20-Sept.21
27,028,537	26,842,361

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 Shares as of September 30,2021: 39,019

5.Change of Accounting Method: Not Applicable

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 \1 million 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>Sept. 30, 20</u>	<u>Sept. 30, 21</u>
Total Assets	20,841	23,778
Net Assets	15,631	18,528
	Percent	
Net Assets to Total Assets	75.0%	77.9%
	Yen	
Net Assets per Share	582.32	690.91

Notes:

1. Number of Shares Outstanding on September 30, 2020 and September 30, 2021

(Consolidated):

<u>Shares</u>	
<u>Sept. 30, 20</u>	<u>Sept. 30, 21</u>
26,843,058	26,856,858

3) Cash Flow

	Millions of Yen	
	Oct.19-Sept.20	Oct.20-Sept.21
Net Cash Flow from Operating Activities	4,542	5,215
Net Cash Flow from Investment Activities	(1,359)	(1,354)
Net Cash Flow from Financial Activities	(2,795)	(2,111)
Cash and Cash Equivalents at the End of the Period	9,383	11,426

4) Scope of Consolidation

Number of Consolidated Subsidiaries	7
Number of Non-Consolidated Subsidiaries in Equity Method	1
Number of Affiliates in Equity Method	0

5) 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
	Oct.21-Sept.22
Net Sales	26,430
Operating Income	6,620
Ordinary Income	6,630
Profit attributable to owners of parent	4,720
	Yen
Net Income Per Share	176.00

III. Consolidated Financial Statements

Consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Net sales	19,479,662	23,752,536
Cost of sales	11,309,824	13,652,326
Gross profit	8,169,837	10,100,209
Selling, general and administrative expenses		
Sales commission	61,806	81,751
Packing and transportation costs	248,620	303,026
Advertising expenses	688,986	802,654
Provision of allowance for doubtful accounts	1,893	3,046
Remuneration for directors (and other officers)	141,885	168,718
Salaries and bonuses	790,758	875,686
Provision for bonuses	10,100	11,500
Retirement benefit expenses	32,556	36,747
Provision for retirement benefits for directors (and other officers)	26,902	5,298
Insurance expenses	95,210	95,336
Depreciation	118,398	163,342
Commission expenses	373,394	456,755
Other	839,164	1,071,579
Total selling, general and administrative expenses	3,429,677	4,075,443
Operating profit	4,740,159	6,024,765
Non-operating income		
Interest income	1,607	296
Foreign exchange gains	-	54,057
Insurance claim income	839	2,301
Subsidy income	13,831	12,125
Withholding income tax refund	5,681	-
Miscellaneous income	21,439	10,113
Total non-operating income	43,400	78,895
Non-operating expenses		
Interest expenses	6,019	6,806
Foreign exchange losses	26,778	-
Loss on sale of receivables	30	-
Payments for employment of persons with disabilities	-	2,350
Commission for purchase of treasury shares	-	1,158
Miscellaneous losses	4,286	1,074
Total non-operating expenses	37,115	11,389
Ordinary profit	4,746,444	6,092,271
Extraordinary income		
Gain on sale of non-current assets	1,531	1,703
Total extraordinary income	1,531	1,703
Profit before income taxes	4,747,975	6,093,974
Income taxes - current	1,393,320	1,779,997
Income taxes - deferred	6,384	-93,224
Total income taxes	1,399,704	1,686,773
Profit	3,348,271	4,407,201
Profit attributable to owners of parent	3,348,271	4,407,201

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Profit	3,348,271	4,407,201
Other comprehensive income		
Foreign currency translation adjustment	-53,121	354,218
Remeasurements of defined benefit plans, net of tax	23,012	-57,664
Total other comprehensive income	-30,109	296,553
Comprehensive income	3,318,161	4,703,755
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,318,161	4,703,755

Consolidated Balance Sheets

(Thousands of yen)

As of September 30, 2020 As of September 30, 2021

Assets		
Current assets		
Cash and deposits	9,383,136	11,426,062
Notes and accounts receivable - trade	1,931,140	2,393,715
Merchandise and finished goods	2,506,584	1,646,080
Work in process	812,916	999,435
Raw materials and supplies	885,261	1,038,084
Other	1,069,399	1,353,487
Allowance for doubtful accounts	-5,065	-2,623
Total current assets	16,583,374	18,854,243
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,334,367	3,725,216
Accumulated depreciation	-2,171,539	-2,245,184
Buildings and structures, net	1,162,827	1,480,032
Machinery, equipment and vehicles	3,681,397	3,948,169
Accumulated depreciation	-2,363,868	-2,726,108
Machinery, equipment and vehicles, net	1,317,529	1,222,060
Tools, furniture and fixtures	4,888,988	4,883,954
Accumulated depreciation	-4,419,589	-4,608,737
Tools, furniture and fixtures, net	469,399	275,217
Land	211,544	215,959
Leased assets	-	83,121
Accumulated depreciation	-	-20,780
Leased assets, net	-	62,341
Construction in progress	115,446	279,025
Right-of-use assets	272,131	339,993
Total property, plant and equipment	3,548,878	3,874,629
Intangible assets	104,126	116,126
Investments and other assets		
Deferred tax assets	402,094	520,300
Other	202,938	412,896
Total investments and other assets	605,033	933,197
Total non-current assets	4,258,037	4,923,953
Total assets	20,841,411	23,778,196

	As of September 30, 2020	As of September 30, 2021
Liabilities		
Current liabilities		
Accounts payable – trade	1,658,287	728,056
Lease obligations	45,034	66,379
Accounts payable – other	383,722	450,039
Income taxes payable	872,509	1,098,818
Provision for bonuses	236,900	271,500
Other	833,884	1,291,700
Total current liabilities	4,030,337	3,906,495
Non-current liabilities		
Lease obligations	226,581	339,022
Provision for retirement benefits for directors (and other officers)	137,978	-
Retirement benefit liability	774,075	833,740
Asset retirement obligations	41,380	41,455
Other	-	128,674
Total non-current liabilities	1,180,016	1,342,892
Total liabilities	5,210,353	5,249,387
Net assets		
Shareholders' equity		
Share capital	1,394,778	1,421,929
Capital surplus	391,621	418,773
Retained earnings	14,575,019	17,290,836
Treasury shares	-276	-187,202
Total shareholders' equity	16,361,142	18,944,337
Accumulated other comprehensive income		
Foreign currency translation adjustment	-564,824	-210,606
Remeasurements of defined benefit plans	-165,260	-222,924
Total accumulated other comprehensive income	-730,084	-433,531
Non-controlling interests	-	18,003
Total net assets	15,631,057	18,528,809
Total liabilities and net assets	20,841,411	23,778,196

Consolidated Statements of Changes in Net Assets

Fiscal year ended September 30, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,394,778	391,621	13,981,413	-1,983	15,765,829
Changes during period					
Issuance of new shares					
Dividends of surplus			-1,459,782		-1,459,782
Profit attributable to owners of parent			3,348,271		3,348,271
Purchase of treasury shares				-1,293,176	-1,293,176
Disposal of treasury shares					
Transfer of loss on disposal of treasury shares					
Cancellation of treasury shares			△1,294,883	1,294,883	-
Change in scope of consolidation					
Net changes in items other than shareholders' equity					
Total changes during period	-	-	593,605	1,707	595,312
Balance at end of period	1,394,778	391,621	14,575,019	-276	16,361,142

	Accumulated other comprehensive income			Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of period	-511,702	-188,272	-699,975	15,065,854
Changes during period				
Issuance of new shares				
Dividends of surplus				-1,459,782
Profit attributable to owners of parent				3,348,271
Purchase of treasury shares				-1,293,176
Disposal of treasury shares				
Transfer of loss on disposal of treasury shares				
Cancellation of treasury shares				-
Change in scope of consolidation				
Net changes in items other than shareholders' equity	-53,121	23,012	-30,109	-30,109
Total changes during period	-53,121	23,012	-30,109	565,203
Balance at end of period	-564,824	-165,260	-730,084	15,631,057

Fiscal year ended September 30, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,394,778	391,621	14,575,019	-276	16,361,142
Changes during period					
Issuance of new shares	27,151	27,151			54,303
Dividends of surplus			-1,664,262		-1,664,262
Profit attributable to owners of parent			4,407,201		4,407,201
Purchase of treasury shares				-386,168	-386,168
Disposal of treasury shares		-7,456		199,242	191,786
Transfer of loss on disposal of treasury shares		7,456	-7,456		-
Change in scope of consolidation			-19,665		-19,665
Net changes in items other than shareholders' equity					-
Total changes during period	27,151	27,151	2,715,817	-186,926	2,583,194
Balance at end of period	1,421,929	418,773	17,290,836	-187,202	18,944,337

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	-564,824	-165,260	-730,084	-	15,631,057
Changes during period					
Issuance of new shares					54,303
Dividends of surplus					-1,664,262
Profit attributable to owners of parent					4,407,201
Purchase of treasury shares					-386,168
Disposal of treasury shares					191,786
Transfer of loss on disposal of treasury shares					-
Change in scope of consolidation					-19,665
Net changes in items other than shareholders' equity	354,218	-57,664	296,553	18,003	314,556
Total changes during period	354,218	-57,664	296,553	18,003	2,897,751
Balance at end of period	-210,606	-222,924	-433,531	18,003	18,528,809

Consolidated Statements of Cash Flow

(Thousands of yen)

	Fiscal year ended September 30, 2020	Fiscal year ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	4,747,975	6,093,974
Depreciation	907,341	1,091,510
Increase (decrease) in allowance for doubtful accounts	-595	-2,881
Increase (decrease) in provision for bonuses	13,700	34,600
Increase (decrease) in provision for retirement benefits for directors (and other officers)	-13,764	-137,978
Increase (decrease) in retirement benefit liability	53,856	-24,134
Interest and dividend income	-1,607	-296
Insurance claim income	-839	-2,301
Subsidy income	-13,831	-12,125
Interest expenses	6,019	6,806
Foreign exchange losses (gains)	-25,792	-15,037
Loss (gain) on sale of non-current assets	-1,531	-1,703
Decrease (increase) in trade receivables	290,293	-361,660
Decrease (increase) in inventories	-1,627,485	670,424
Increase (decrease) in trade payables	1,168,499	-1,018,145
Decrease (increase) in other current assets	-131,845	-128,314
Increase (decrease) in other current liabilities	328,604	523,171
Increase (decrease) in long-term accounts payable - other	-	128,674
Other, net	10,689	-16,563
Subtotal	5,709,687	6,828,020
Interest and dividends received	1,607	296
Proceeds from insurance income	839	2,301
Subsidies received	13,831	12,125
Interest paid	-6,019	-6,806
Income taxes paid	-1,181,211	-1,620,172
Income taxes refund	3,280	-
Net cash provided by (used in) operating activities	4,542,016	5,215,764
Cash flows from investing activities		
Purchase of property, plant and equipment	-1,230,634	-1,169,674
Proceeds from sale of property, plant and equipment	1,531	1,703
Purchase of intangible assets	-41,423	-69,507
Loan advances	-81,000	-
Other, net	-8,190	-117,312
Net cash provided by (used in) investing activities	-1,359,716	-1,354,791
Cash flows from financing activities		
Purchase of treasury shares	-1,293,176	-386,168
Dividends paid	-1,457,330	-1,666,193
Repayments of lease obligations	-44,602	-59,419
Net cash provided by (used in) financing activities	-2,795,109	-2,111,781
Effect of exchange rate change on cash and cash equivalents	-22,277	274,546
Net increase (decrease) in cash and cash equivalents	364,912	2,023,738
Cash and cash equivalents at beginning of period	9,018,224	9,383,136
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	-	19,187
Cash and cash equivalents at end of period	9,383,136	11,426,062

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

	Oct.2019-Sept.2020		Oct.2020-Sept.2021	
	Sales	Percentage	Sales	Percentage
	Thousands of Yen	Overseas Sales to Net Sales	Thousands of Yen	Overseas Sales to Net Sales
Europe				
France	2,019,385	10.4	2,220,311	9.3
Germany	2,281,119	11.7	2,552,412	10.7
Other Europe	4,939,345	25.4	5,453,688	23.0
North America				
United States of America	1,849,553	9.5	2,482,682	10.5
Other North America	146,562	0.8	202,226	0.9
Asia				
China	2,203,043	11.3	4,148,133	17.5
Other Asia	1,056,608	5.4	955,538	4.0
Other Areas	431,036	2.2	698,033	2.9
Overseas Sales Total	14,926,654	76.6	18,713,027	78.8
Total including Japan	19,479,662	100.0	23,752,536	100.0