

April 26, 2019
SHOEI CO., LTD.

Consolidated Financial Results

for the Second 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-Mar.18</u>	<u>Oct.18-Mar.19</u>	<u>% Changes</u>
Net Sales	7,381	7,841	6.2
Operating Income	1,674	1,692	1.1
Ordinary Income	1,657	1,686	1.7
Profit attributable to owners of parent	1,122	1,156	3.1
	<hr/>		
	Yen		
<i>Per Share Amounts</i>			
Net Income	81.49	83.98	
Net Income, Diluted	—	—	

Notes:

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

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

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

Shares	
<u>Oct.17-Mar.18</u>	<u>Oct.18-Mar.19</u>
13,771,769	13,771,592

3.Number of Treasury Stocks as of March 31, 2019: 833

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>Mar.31,19</u>
Total Assets	16,755	16,819
Net Assets	13,659	13,513
	<hr/>	
	Percentage	
Net Assets to Total Assets	81.5%	80.3%
	<hr/>	
	Yen	
Net Assets per Share	991.88	981.29

Notes:

1.Number of Shares Outstanding on September 30, 2018 and Mar 31, 2019 (Consolidated):

Shares	
<u>Sep.30,18</u>	<u>Mar.31,19</u>
13,772,400	13,772,400

3) Scope of Consolidation

Number of Consolidated Subsidiaries	5
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	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.18-Sep.19</u>
Net Sales	18,150
Operating Income	3,440
Ordinary Income	3,450
Net Income	2,390
	<u>Yen</u>
Net Income Per Share	173.55

III. Consolidated Financial Statements

Consolidated Statements of Income

(Thousands of yen)

	Six months ended March 31, 2018	Six months ended March 31, 2019
Net sales	7,381,730	7,841,990
Cost of sales	4,261,298	4,551,361
Gross profit	3,120,432	3,290,629
Selling, general and administrative expenses	1,445,969	1,598,164
Operating profit	1,674,462	1,692,465
Non-operating income		
Interest income	545	1,065
Insurance income	3,149	382
Subsidy income	4,719	6,705
Other	3,152	5,573
Total non-operating income	11,566	13,726
Non-operating expenses		
Foreign exchange losses	24,562	19,841
Loss on transfer of receivables	1,272	33
Other	3,122	257
Total non-operating expenses	28,957	20,132
Ordinary profit	1,657,071	1,686,059
Extraordinary income		
Gain on sales of non-current assets	11	178
Total extraordinary income	11	178
Extraordinary losses		
Loss on sales of non-current assets	363	—
Total extraordinary losses	363	—
Profit before income taxes	1,656,719	1,686,238
Income taxes - current	607,609	520,136
Income taxes - deferred	-73,139	9,602
Total income taxes	534,469	529,739
Profit	1,122,250	1,156,499
Profit attributable to owners of parent	1,122,250	1,156,499

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Six months ended March 31, 2018	Six months ended March 31, 2019
Profit	1,122,250	1,156,499
Other comprehensive income		
Deferred gains or losses on hedges	1,523	—
Foreign currency translation adjustment	264,170	-35,438
Remeasurements of defined benefit plans, net of tax	13,014	14,129
Total other comprehensive income	278,708	-21,309
Comprehensive income	1,400,958	1,135,189
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,400,958	1,135,189

Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	8,115,168	7,430,891
Notes and accounts receivable - trade	2,179,023	1,604,174
Merchandise and finished goods	1,396,979	2,023,583
Work in process	421,830	736,449
Raw materials and supplies	689,927	929,083
Other	721,672	696,350
Allowance for doubtful accounts	-7,732	-6,666
Total current assets	13,516,868	13,413,866
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,009,619	3,074,218
Accumulated depreciation	-2,106,608	-2,125,838
Buildings and structures, net	903,011	948,380
Machinery, equipment and vehicles	3,006,197	3,054,280
Accumulated depreciation	-1,812,639	-1,948,749
Machinery, equipment and vehicles, net	1,193,558	1,105,530
Tools, furniture and fixtures	4,514,958	4,602,155
Accumulated depreciation	-4,275,073	-4,261,112
Tools, furniture and fixtures, net	239,885	341,043
Land	211,544	211,544
Leased assets	6,090	6,090
Accumulated depreciation	-4,059	-5,074
Leased assets, net	2,030	1,015
Construction in progress	140,711	175,652
Total property, plant and equipment	2,690,740	2,783,166
Intangible assets	68,984	61,620
Investments and other assets		
Deferred tax assets	394,584	378,873
Other	84,597	182,219
Total investments and other assets	479,181	561,092
Total non-current assets	3,238,906	3,405,880
Total assets	16,755,775	16,819,746

(Thousands of yen)

	As of September 30, 2018	As of March 31, 2019
Liabilities		
Current liabilities		
Accounts payable - trade	655,824	1,119,013
Accounts payable - other	249,929	268,358
Income taxes payable	671,370	508,458
Provision for bonuses	220,700	219,500
Forward exchange contracts	4,804	
Other	493,505	341,992
Total current liabilities	2,296,134	2,457,321
Non-current liabilities		
Provision for directors' retirement benefits	115,375	137,891
Net defined benefit liability	657,802	669,305
Asset retirement obligations	26,700	41,269
Total non-current liabilities	799,878	848,465
Total liabilities	3,096,012	3,305,787
Net assets		
Shareholders' equity		
Capital stock	1,394,778	1,394,778
Capital surplus	391,621	391,621
Retained earnings	12,326,708	12,202,447
Treasury shares	-1,568	-1,800
Total shareholders' equity	14,111,539	13,987,046
Accumulated other comprehensive income		
Foreign currency translation adjustment	-278,595	-314,034
Remeasurements of defined benefit plans	-173,181	-159,052
Total accumulated other comprehensive income	-451,777	-473,087
Total net assets	13,659,762	13,513,959
Total liabilities and net assets	16,755,775	16,819,746

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.2017-Mar.2018</u>		<u>Oct.2018-Mar.2019</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	3,144,387	42.6	3,734,564	47.6
North America	1,279,147	17.3	1,304,410	16.6
Other Areas	<u>805,816</u>	<u>10.9</u>	<u>909,374</u>	<u>11.6</u>
Overseas Sales Total	<u>5,229,351</u>	<u>70.8</u>	<u>5,948,350</u>	<u>75.9</u>
Total including Japan	7,381,730	100.0	7,841,990	100.0