

July 27, 2018
SHOEI CO., LTD.

Consolidated Financial Results

for the Third 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 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.16-Jun.17</u>	<u>Oct.17-Jun.18</u>	<u>% Changes</u>
Net Sales	10,847	12,669	16.8
Operating Income	2,546	2,936	15.3
Ordinary Income	2,563	2,947	15.0
Profit attributable to owners of parent	1,755	2,018	15.0

	Yen	
	<u>Oct.16-Jun.17</u>	<u>Oct.17-Jun.18</u>
<i>Per Share Amounts</i>		
Net Income	127.49	146.59
Net Income, Diluted	—	—

Notes:

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

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

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

Shares	
<u>Oct.16-Jun.17</u>	<u>Oct.17-Jun.18</u>
13,771,847	13,771,759

3.Number of Treasury Stocks as of June 30, 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>Jun.30,18</u>
Total Assets	15,003	16,078
Net Assets	12,255	13,198

	Percentage	
	<u>Sep.30,17</u>	<u>Jun.30,18</u>
Net Assets to Total Assets	81.7%	82.1%

	Yen	
	<u>Sep.30,17</u>	<u>Jun.30,18</u>
Net Assets per Share	889.93	958.34

Notes:

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

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

II . Consolidated Forecasts
for The Fiscal Year Ending September 30, 2018

	<u>Millions of Yen</u> <u>Oct.17-Sep.18</u>
Net Sales	17,200
Operating Income	3,610
Ordinary Income	3,640
Net Income	2,550
	<u>Yen</u>
Net Income Per Share	185.16

III. Consolidated Financial Statements

Consolidated Statements of Income

(Thousands of yen)

	Nine months ended June 30, 2017	Nine months ended June 30, 2018
Net sales	10,847,615	12,669,971
Cost of sales	6,152,750	7,453,750
Gross profit	4,694,864	5,216,220
Selling, general and administrative expenses	2,148,410	2,279,399
Operating profit	2,546,454	2,936,820
Non-operating income		
Interest income	511	700
Foreign exchange gains	15,107	3,277
Insurance income	1,211	3,574
Subsidy income	3,001	4,919
Other	5,809	4,096
Total non-operating income	25,641	16,568
Non-operating expenses		
Loss on transfer of receivables	6,976	1,272
Payments for employment of persons with disabilities	600	1,200
Other	575	3,288
Total non-operating expenses	8,152	5,761
Ordinary profit	2,563,943	2,947,628
Extraordinary income		
Gain on sales of non-current assets	1,079	1,213
Total extraordinary income	1,079	1,213
Extraordinary losses		
Loss on sales of non-current assets	103	363
Loss on retirement of non-current assets	7,622	—
Provision for loss on litigation	9,583	—
Total extraordinary losses	17,308	363
Profit before income taxes	2,547,714	2,948,478
Income taxes - current	720,137	896,016
Income taxes - deferred	71,761	33,631
Total income taxes	791,899	929,647
Profit	1,755,815	2,018,831
Profit attributable to owners of parent	1,755,815	2,018,831

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Nine months ended June 30, 2017	Nine months ended June 30, 2018
Profit	1,755,815	2,018,831
Other comprehensive income		
Deferred gains or losses on hedges	-570	1,523
Foreign currency translation adjustment	215,786	73,142
Remeasurements of defined benefit plans, net of tax	18,465	19,521
Total other comprehensive income	233,680	94,187
Comprehensive income	1,989,495	2,113,019
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,989,495	2,113,019

Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2017	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	7,230,692	6,306,551
Notes and accounts receivable - trade	1,794,616	2,782,096
Merchandise and finished goods	1,198,874	1,973,965
Work in process	449,884	514,856
Raw materials and supplies	569,682	626,950
Deferred tax assets	233,633	197,871
Other	755,398	711,392
Allowance for doubtful accounts	-6,097	-8,980
Total current assets	12,226,684	13,104,705
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,889,080	2,989,358
Accumulated depreciation	-2,070,086	-2,091,402
Buildings and structures, net	818,994	897,956
Machinery, equipment and vehicles	2,663,358	2,870,940
Accumulated depreciation	-1,685,213	-1,738,409
Machinery, equipment and vehicles, net	978,145	1,132,530
Tools, furniture and fixtures	4,437,742	4,588,155
Accumulated depreciation	-3,986,915	-4,271,922
Tools, furniture and fixtures, net	450,827	316,233
Land	211,544	211,544
Leased assets	6,090	6,090
Accumulated depreciation	-2,030	-3,552
Leased assets, net	4,060	2,537
Construction in progress	77,696	133,328
Total property, plant and equipment	2,541,267	2,694,130
Intangible assets	65,049	66,253
Investments and other assets		
Deferred tax assets	136,398	129,265
Other	34,255	83,694
Total investments and other assets	170,654	212,959
Total non-current assets	2,776,970	2,973,343
Total assets	15,003,655	16,078,048

(Thousands of yen)

	As of September 30, 2017	As of June 30, 2018
Liabilities		
Current liabilities		
Accounts payable - trade	606,099	796,110
Accounts payable - other	300,378	227,187
Income taxes payable	509,458	376,360
Provision for bonuses	205,600	88,200
Forward exchange contracts	14,425	—
Other	369,479	614,343
Total current liabilities	2,005,440	2,102,201
Non-current liabilities		
Provision for directors' retirement benefits	94,244	110,093
Net defined benefit liability	613,816	640,528
Asset retirement obligations	32,070	26,700
Other	2,088	522
Total non-current liabilities	742,219	777,843
Total liabilities	2,747,660	2,880,045
Net assets		
Shareholders' equity		
Capital stock	1,394,778	1,394,778
Capital surplus	391,621	391,621
Retained earnings	10,919,056	11,767,281
Treasury shares	-615	-1,020
Total shareholders' equity	12,704,840	13,552,660
Accumulated other comprehensive income		
Deferred gains or losses on hedges	-1,523	—
Foreign currency translation adjustment	-270,752	-197,610
Remeasurements of defined benefit plans	-176,568	-157,047
Total accumulated other comprehensive income	-448,845	-354,657
Total net assets	12,255,995	13,198,003
Total liabilities and net assets	15,003,655	16,078,048