

Jan. 29, 2010  
SHOEI CO., LTD.

## Consolidated Financial Results

### for the First Quarter of the Fiscal Year Ending September 30, 2010

Name of Registrant	SHOEI CO., LTD.
Code No:	7839
Securities Traded	Tokyo Stock Exchange, 2nd Section
Headquarters	Tokyo, Japan
(URL <a href="http://www.shoei.com">http://www.shoei.com</a> )	
Representative:	Hironori Yasukochi, President and Representative Director
Contact:	Akihito Hirano, Director and General Manager
	of Administration Division

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## I . Financial Summary

### 1) Operating Performance

	Millions of Yen		
	<u>Oct.08-Dec.08</u>	<u>Oct.09-Dec.09</u>	<u>% Changes</u>
Net Sales	2,729	2,404	-11.9
Operating Income	505	118	-76.5
Ordinary Income	724	140	-80.7
Net Income	445	124	-72.1
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	Yen		
<i>Per Share Amounts</i>			
Net Income	30.65	9.01	
Net Income, Diluted	—	—	

Notes:

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

Millions of Yen	
<u>Oct.08-Dec.08</u>	<u>Oct.09-Dec.09</u>
—	—

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

Shares	
<u>Oct.08-Dec.08</u>	<u>Oct.09-Dec.09</u>
14,522,400	13,772,336

3.Number of Treasury Stocks as of 31, December: 750,064

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>Dec. 31, 08</u>	<u>Dec. 31, 09</u>
Total Assets	9,700	9,256
Net Assets	7,227	6,330
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	Percent	
Net Assets to Total Assets	74.5%	68.4%
	<hr/>	
	Yen	
Net Assets per Share	497.67	459.67

Notes:

1.Number of Shares Outstanding on December 31, 2008, December 31, 2009 (Consolidated):

Shares	
<u>Dec. 31, 08</u>	<u>Dec. 31, 09</u>
14,522,400	14,522,400

### 3) Cash Flow

	Millions of Yen		
	<u>Oct.08-Dec.08</u>	<u>Oct.09-Dec.09</u>	<u>Oct.08-Sept.09</u>
Net Cash Flow from Operating Activities	249	409	364
Net Cash Flow from Investment Activities	(174)	(173)	107
Net Cash Flow from Financial Activities	(992)	137	(1,780)
Cash and Cash Equivalents at the End of the Period	2,700	2,488	2,168

## II. Consolidated Forecasts for The Fiscal Year Ending September 30, 2010

	Millions of Yen
	<u>Oct.09-Sept.10</u>
Net Sales	11,280
Operating Income	1,470
Ordinary Income	1,460
Net Income	940
	<u>Yen</u>
Net Income Per Share	68.25

## III. Consolidated Financial Statements

### Consolidated Statements of Income

	Millions of Yen		
	<u>Oct.08-Dec.08</u>	<u>Oct.09-Dec.09</u>	<u>% Changes</u>
Net Sales	2,729	2,404	-11.9
Cost of Sales	<u>1,604</u>	<u>1,704</u>	+6.2
Gross Profit	1,125	700	-37.8
Selling and Administrative Expenses	619	581	-6.2
Operating Income	505	118	-76.5
Non-Operating Income	230	25	-88.9
Non-Operating Expenses	12	4	-64.8
Ordinary Income	724	140	-80.7
Extraordinary Income	3	11	+184.2
Extraordinary loss	<u>3</u>	<u>0</u>	-97.6
Net Income before Income Taxes	724	151	-79.1
Current/Deferred Income Taxes	279	27	-90.3
Net Income	445	124	-72.1

## Consolidated Balance Sheets

	Millions of Yen			
	Dec. 31, 08	Dec. 31, 09	Changes	Sept. 30, 09
<b>Assets</b>				
Current Assets:				
Cash and Cash Equivalent	3,200	2,488	-712	2,168
Accounts Receivable	1,302	1,671	+368	1,142
Inventories	1,882	2,067	+184	2,080
Others	592	687	+95	705
Total Current Assets	6,978	6,913	-64	6,096
Fixed Assets:				
Tangible Fixed Assets	2,212	2,145	-67	2,136
Intangible Fixed Assets	82	60	-21	66
Investments and Other Assets	427	136	-291	131
Total Fixed Assets	2,722	2,342	-379	2,335
Total Assets	9,700	9,256	-444	8,431
<b>Liabilities</b>				
Current Liabilities:				
Accounts Payable	1,022	1,402	+380	762
Short-term Loans Payable	—	500	+500	—
Accrued Income Taxes and Other Taxes	436	100	-336	64
Others	793	663	-104	646
Total Current Liabilities	2,253	2,666	+413	1,472
Fixed Liabilities:				
Allowance for Retirement Benefits of Directors	145	167	+22	162
Others	74	91	+16	85
Total Fixed Liabilities	220	259	+39	248
Total Liabilities	2,473	2,925	+452	1,721
<b>Net Assets</b>				
Total Shareholders' Equity	7,257	6,683	-574	6,972
Total Valuation and Translation Adjustment	-30	-352	-322	-261
Total Net Assets	7,227	6,330	-896	6,710
Total Liabilities, and Total Net Assets	9,700	9,256	-444	8,431

## Consolidated Statements of Cash Flow

	Thousands of Yen		
	Oct.08–Dec.08	Oct.09–Dec.09	Oct.07–Sept.08
<b>Cash Flow from Operating Activities:</b>			
Net Income before Income Taxes	724,426	151,166	1,343,291
Depreciation	122,836	149,266	730,598
Loss on Cancellation of Insurance Contract	(28,158)	—	(28,558)
Increase/Decrease of Provision for Bad Debts	(1,359)	777	(13,127)
Increase/Decrease of Provision for Bonuses	(140,100)	(143,800)	3,700
Increase/Decrease of Allowance for Retirement Benefits of Directors	(46,695)	5,259	(29,469)
Increase/Decrease of Provision for Retirements	10,939	6,486	24,117
Interest and Dividends Earned	(7,876)	(473)	(18,309)
Interest Expense	198	267	541
Profit/Loss on Foreign Exchange	(15,333)	(1,124)	(31,247)
Loss on Disposal of Tangible Fixed Assets	427	90	7,988
Loss on Sales of Tangible Fixed Assets	(1,880)	(925)	(2,381)
Impairment Loss	—	—	1,785
Loss on Valuation of Golfclub Memberships	3,400	—	3,400
Increase/Decrease of Accounts Receivable	464,925	(541,682)	544,280
Increase/Decrease of Inventories	(273,903)	(8,237)	(539,997)
Increase/Decrease of Accounts Payable	(91,365)	654,977	(284,765)
Increase/Decrease of Other Current Assets	(59,078)	28,612	(86,882)
Increase/Decrease of Other Current Liabilities	102,270	130,294	(26,653)
Increase/Decrease of Other Fixed Liabilities	(1,735)	(628)	(3,904)
Others	(7,206)	(758)	(6,970)
Subtotal	<u>754,732</u>	<u>429,568</u>	<u>1,587,435</u>
Interest and Dividends Received	6,773	473	18,309
Interest Paid	(198)	(390)	(541)
Corporate Tax Paid	(511,704)	(36,178)	(1,241,038)
Income Taxes Refund	—	15,569	—
Net Cash Flow from Operating Activities	<u>249,602</u>	<u>409,042</u>	<u>364,164</u>
<b>Cash Flow from Investment Activities:</b>			
Increase of Time Deposits	(500,000)	—	(500,000)
Decrease of Time Deposits	500,000	—	1,300,000
Expenses on Acquisition of Tangible Fixed Assets	(167,683)	(171,894)	(730,006)
Proceeds from Sales of Tangible Fixed Assets	1,881	1,142	2,507
Expenses on Acquisitions of Intangible Fixed Assets	(3,060)	(1,387)	(11,861)
Proceeds from Cancellation of Insurance Funds	—	—	56,936
Others	(5,411)	(1,275)	(9,970)
Net Cash Flow from Investment	<u>(174,273)</u>	<u>(173,414)</u>	<u>107,606</u>
<b>Cash Flow from Financial Activities:</b>			
Increase in Short-term Loans Payable	—	500,000	—
Repayments of Treasury Stock's Cost	—	—	(678,520)
Dividends Paid	(992,606)	(362,956)	(1,101,858)
Net Cash Flow from Financial Activities	<u>(992,606)</u>	<u>137,043</u>	<u>(1,780,378)</u>
<b>Exchange Differences on Cash and Cash Equivalents</b>			
	<u>(190,224)</u>	<u>(53,083)</u>	<u>(331,032)</u>
<b>Net increase/Decrease of Cash and Cash Equivalents</b>	<u>(1,107,502)</u>	<u>319,588</u>	<u>(1,639,638)</u>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<u>3,808,321</u>	<u>2,168,682</u>	<u>3,808,321</u>
<b>Cash and Cash Equivalents at the End of the Period</b>	<u>2,700,819</u>	<u>2,488,271</u>	<u>2,168,682</u>