

Jul. 30, 2010
SHOEI CO., LTD.

Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending
on September 30, 2010

Name of Registrant	SHOEI CO., LTD.
Code No:	7839
Securities Traded	Tokyo Stock Exchange, 2nd Section
Headquarters	Tokyo, Japan
(URL http://www.shoei.com)	
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			
	Oct.08-Jun.09	Oct.09-Jun.10	% Changes	Oct.08-Sept.09
Net Sales	8,036	7,715	-4.0	10,300
Operating Income	1,027	725	-29.4	1,047
Ordinary Income	1,299	793	-39.0	1,335
Net Income	822	527	-35.9	837
	Yen			
<i>Per Share Amounts</i>				
Net Income	56.66	38.31		58.11
Net Income, Diluted	—	—		—

Notes:

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

Millions of Yen		
Oct.08-Jun.09	Oct.09-Jun.10	Oct.08-Sept.09
—	—	—

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

Shares		
Oct.08-Jun.09	Oct.09-Jun.10	Oct.08-Sept.09
14,522,372	13,772,336	14,405,243

3. *Number of Treasury Stocks as of 30, June: 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		
	Jun.30,09	Jun.30,10	Sept.30,09
Total Assets	9,104	8,603	8,431
Net Assets	7,291	6,635	6,710
	Percent		
Net Assets to Total Assets	80.1%	77.1%	79.6%
	Yen		
Net Assets per Share	502.11	481.81	487.24

Notes:

1. *Number of Shares Outstanding on June 30, 2009, June 30, 2010 and September 30, 2009*

Shares		
Jun.30,09	Jun.30,10	Sept.30,09
14,522,400	14,522,400	14,522,400

3) Cash Flow

	<u>Millions of Yen</u>		
	<u>Oct.08-Jun.09</u>	<u>Oct.09-Jun.10</u>	<u>Oct.08-Sept.09</u>
Net Cash Flow from Operating Activities	(202)	1,210	364
Net Cash Flow from Investment Activities	328	(375)	107
Net Cash Flow from Financial Activities	(1,100)	(412)	(1,780)
Cash and Cash Equivalents at the End of the Period	2,442	2,466	2,168

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

	<u>Millions of Yen</u>
	<u>Oct.09-Sept.10</u>
Net Sales	10,200
Operating Income	930
Ordinary Income	1,010
Net Income	615
	<u>Yen</u>
Net Income Per Share	44.65

III. Consolidated Financial Statements

Consolidated Statements of Income

	Millions of Yen			
	<u>Oct.08-Jun.09</u>	<u>Oct.09-Jun.10</u>	<u>% Changes</u>	<u>Oct.08-Sept.09</u>
Net Sales	8,036	7,715	-4.0	10,300
Cost of Sales	<u>5,003</u>	<u>5,221</u>	<u>+4.4</u>	<u>6,526</u>
Gross Profit	3,033	2,494	-17.8	3,773
Selling and Administrative Expenses	<u>2,006</u>	<u>1,769</u>	<u>-11.8</u>	<u>2,725</u>
Operating Income	1,027	725	-29.4	1,047
Non-Operating Income	313	84	-73.0	347
Non-Operating Expenses	<u>40</u>	<u>16</u>	<u>-59.9</u>	<u>58</u>
Ordinary Income	1,299	793	-39.0	1,335
Extraordinary Income	2	5,997	+162.3	20
Extraordinary Loss	<u>7</u>	<u>6,420</u>	<u>-18.3</u>	<u>13</u>
Net Income before Income Taxes	1,294	793	-38.7	1,343
Current/Deferred Income Taxes	<u>471</u>	<u>265</u>	<u>-43.7</u>	<u>506</u>
Net Income	822	527	-35.9	837

Consolidated Balance Sheets

	Millions of Yen			
	Jun.30,09	Jun.30,10	Changes	Sept.30,09
Assets				
Current Assets:				
Cash and Cash Equivalent	2,442	2,504	+61	2,168
Accounts Receivable	1,480	1,118	-362	1,142
Merchandise and Finished Goods	1,294	1,571	+276	1,363
Work in Process	415	431	+16	336
Raw Materials and Supplies	353	259	-93	379
Others	731	540	-191	705
Total Current Assets	<u>6,717</u>	<u>6,424</u>	<u>-292</u>	<u>6,096</u>
Fixed Assets:				
Tangible Fixed Assets	2,193	1,979	-214	2,136
Intangible Fixed Assets	68	49	-19	66
Investments and Other Assets	124	149	+24	131
Total Fixed Assets	<u>2,387</u>	<u>2,178</u>	<u>-208</u>	<u>2,335</u>
Total Assets	<u>9,104</u>	<u>8,603</u>	<u>-501</u>	<u>8,431</u>
Liabilities				
Current Liabilities:				
Accounts Payable	963	1,082	+118	762
Accrued Income Taxes and Other Taxes	22	86	+63	64
Others	585	511	-73	646
Total Current Liabilities	<u>1,571</u>	<u>1,680</u>	<u>+108</u>	<u>1,472</u>
Fixed Liabilities:				
Allowance for Retirement Benefits of Directors	157	181	+23	162
Others	83	106	+22	85
Total Fixed Liabilities	<u>241</u>	<u>287</u>	<u>+46</u>	<u>248</u>
Total Liabilities	<u>1,812</u>	<u>1,967</u>	<u>+154</u>	<u>1,721</u>
Net Assets				
Total Shareholders' Equity	7,635	7,086	-548	6,972
Total Valuation and Translation Adjustments	-343	-451	-107	-261
Total Net Assets	<u>7,291</u>	<u>6,635</u>	<u>-656</u>	<u>6,710</u>
Total Liabilities, and Net Assets	<u>9,104</u>	<u>8,603</u>	<u>-501</u>	<u>8,431</u>

Consolidated Statements of Cash Flow

	Thousands of Yen		
	Oct.08-Jun.09	Oct.09-Jun.10	Oct.08-Sept.09
Cash Flow from Operating Activities:			
Net Income before Income Taxes	1,294,308	793,102	1,343,291
Depreciation	482,208	499,523	730,598
Loss on Cancellation of Insurance Contract	(28,558)	—	(28,558)
Increase/Decrease of Provision for Bad Debts	980	1,673	(13,127)
Increase/Decrease of Provision for Bonuses	(139,500)	(143,000)	3,700
Increase/Decrease of Allowance for Retirement Benefits of Directors	(34,728)	18,638	(29,469)
Increase/Decrease of Provision for Retirements	21,288	22,670	24,117
Interest and Dividends Earned	(15,388)	(1,478)	(18,309)
Interest Expense	732	1,064	541
Profit/Loss on Foreign Exchange	(28,643)	(8,214)	(31,247)
Loss on Disposal of Tangible Fixed Assets	2,826	6,420	7,988
Profit/Loss on Sales of Tangible Fixed Assets	(2,286)	(925)	(2,381)
Impairment Loss	1,635	—	1,785
Loss on Valuation of Golfclub Memberships	3,400	—	3,400
Increase/Decrease of Accounts Receivable	173,663	(12,128)	544,280
Increase/Decrease of Inventories	(550,660)	(239,611)	(539,997)
Increase/Decrease of Accounts Payable	(56,913)	360,736	(284,765)
Increase/Decrease of Other Current Assets	(267,681)	5,496	(86,882)
Increase/Decrease of Other Current Liabilities	34,733	22,575	(26,653)
Increase/Decrease of Other Fixed Liabilities	(3,125)	(2,433)	(3,904)
Others	(9,855)	(1,329)	(6,970)
Subtotal	<u>878,436</u>	<u>1,322,783</u>	<u>1,587,435</u>
Interest and Dividends Received	15,385	1,478	18,309
Interest Paid	(732)	(1,064)	(541)
Corporate Tax Paid	(1,095,121)	(206,863)	(1,241,038)
Income Taxes Refund	—	94,406	—
Net Cash Flow from Operating Activities	<u>(202,031)</u>	<u>1,210,739</u>	<u>364,164</u>
Cash Flow from Investment Activities:			
Increase of Time Deposits	(500,000)	(37,216)	(500,000)
Decrease of Time Deposits	1,300,000	—	1,300,000
Expenses on Acquisition of Tangible Fixed Assets	(524,179)	(330,615)	(730,006)
Proceeds from Sales of Tangible Fixed Assets	2,319	1,142	2,507
Expenses on Acquisitions of Intangible Fixed Assets	(6,082)	(5,350)	(11,861)
Proceeds from Cancellation of Insurance Funds	56,936	—	56,936
Others	(263)	(3,698)	(9,970)
Net Cash Flow from Investment	<u>328,730</u>	<u>(375,738)</u>	<u>107,606</u>
Cash Flow from Financial Activities:			
Increase in Short-term Loans Payable	—	500,000	—
Decrease in Short-term Loans Payable	—	(500,000)	—
Repayments of Treasury Stock's Cost	(40)	—	(678,520)
Dividends Paid	(1,100,847)	(412,795)	(1,101,858)
Net Cash Flow from Financial Activities	<u>(1,100,887)</u>	<u>(412,795)</u>	<u>(1,780,378)</u>
Exchange Differences on Cash and Cash Equivalents	<u>(391,970)</u>	<u>(123,987)</u>	<u>(331,032)</u>
Net increase/Decrease of Cash and Cash Equivalents	<u>(1,366,159)</u>	<u>298,218</u>	<u>(1,639,638)</u>
Cash and Cash Equivalents at the Beginning of the Period	<u>3,808,321</u>	<u>2,168,682</u>	<u>3,808,321</u>
Cash and Cash Equivalents at the End of the Period	<u>2,442,162</u>	<u>2,466,901</u>	<u>2,168,682</u>