

Jan 28, 2016
SHOEI CO., LTD.

Consolidated Financial Results

for the First Quarter of the Fiscal Year Ending September 30, 2016

Name of Registrant	SHOEI CO., LTD.
Code No:	7839
Securities Traded	Tokyo Stock Exchange, 1st Section
Headquarters	Tokyo, Japan
(URL http://www.shoei.com)	
Representative:	Hironori Yasukochi, President and Representative Director
Contact:	Akihito Hirano, Director and General Manager of Corporate Planning Department

INDEX

- I . Financial Summary
- II . Consolidated Forecasts
for The Fiscal Year Ending September 30, 2016
- III . Consolidated Financial Statements

I . Financial Summary

1) Operating Performance

	Millions of Yen		
	Oct.14-Dec.14	Oct.15-Dec.15	% Changes
Net Sales	2,589	2,560	-1.1
Operating Income	479	451	-5.8
Ordinary Income	416	495	18.9
Profit attributable to owners of parent	272	323	18.6
<hr/>			
	Yen		
<i>Per Share Amounts</i>			
Net Income	19.81	23.50	
Net Income, Diluted	—	—	

Notes:

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

Millions of Yen	
Oct.14-Dec.14	Oct.15-Dec.15
—	—

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

Shares	
Oct.14-Dec.14	Oct.15-Dec.15
13,771,990	13,771,911

3.Number of Treasury Stocks as of December 31, 2015: 489

4.Change of Accounting Method: Effective from the beginning of the first quarter of FY2016, The Company adopted the “Revised Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No.21 of September 13, 2013), “Revised Accounting Standard for Consolidated Financial Statements”(ASBJ Statement No.22 of September 13, 2013) and “Revised Accounting Standard for Business Divestures” (ASBJ Statement No.7 of September 13, 2013). In applying these revised accounting standards, the method of presentation for net income was amended and the reference to “minority interests” was changed to “non-controlling interests”. To reflect these changes in presentation, the quarterly Consolidated Financial Statements and Consolidated Financial Statements in the previous fiscal year have been reclassified.

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.30,15</u>	<u>Dec.31,15</u>
Total Assets	12,867	11,367
Net Assets	10,101	9,346
	Percentage	
Net Assets to Total Assets	78.5%	82.2%
	Yen	
Net Assets per Share	733.47	678.66

Notes:

1.Number of Shares Outstanding on September 30, 2015 and Dec 31, 2015
(Consolidated):

Shares	
<u>Sep.30,15</u>	<u>Dec.31,15</u>
13,772,400	13,772,400

II. Consolidated Forecasts for The Fiscal Year Ending September 30, 2016

	Millions of Yen
	<u>Oct.15-Sep.16</u>
Net Sales	14,420
Operating Income	2,500
Ordinary Income	2,550
Net Income	1,720
	Yen
Net Income Per Share	124.89

III. Consolidated Financial Statements

Consolidated Statements of Income

	Thousands of Yen	
	Oct.14-Dec.14	Oct.15-Dec.15
Net sales	2,589,347	2,560,186
Cost of sales	1,434,561	1,463,072
Gross profit	1,154,786	1,097,113
Selling, general and administrative expenses	675,725	645,772
Operating income	479,061	451,340
Non-operating income		
Interest income	354	1,022
Foreign exchange gains	—	37,975
Other	1,752	7,296
Total non-operating income	2,200	46,293
Non-operating expenses		
Foreign exchange losses	62,371	—
Loss on transfer of receivables	2,119	2,256
Other	349	131
Total non-operating expenses	64,840	2,388
Ordinary income	416,422	495,245
Extraordinary income		
Gain on sales of non-current assets	358	204
Total extraordinary income	358	204
Extraordinary losses		
Loss on retirement of non-current assets	4,321	1,835
Total extraordinary losses	4,321	1,835
Income before income taxes and minority interests	412,459	493,614
Income taxes - current	114,359	129,971
Income taxes - deferred	25,236	39,911
Total income taxes	139,596	169,883
Profit	272,863	323,731
Profit attributable to owners of parent	272,863	323,731

Consolidated Statements of Comprehensive Income

	Thousands of Yen	
	<u>Oct.14-Dec.14</u>	<u>Oct.15-Dec.15</u>
Profit	272,863	323,731
Other comprehensive income		
Deferred gains or losses on hedges	(77,848)	(11,474)
Foreign currency translation adjustment	44,283	(78,216)
Remeasurements of defined benefit plans, net of tax	2,146	2,805
Total other comprehensive income	(31,419)	(86,885)
Comprehensive income	241,444	236,845
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	241,444	236,845

Consolidated Balance Sheets

	Thousands of Yen	
	Sept.30,15	Dec.31,15
Assets		
Current assets		
Cash and deposits	6,474,459	5,408,845
Notes and accounts receivable-trade	1,426,918	878,061
Merchandise and finished goods	1,067,408	1,150,497
Work in process	424,827	395,133
Raw materials and supplies	441,310	632,963
Deferred tax assets	189,714	151,435
Forward exchange contracts	56,371	60,475
Other	610,902	403,263
Allowance for doubtful accounts	(4,559)	(4,218)
Total current assets	10,687,353	9,076,457
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,738,304	2,755,572
Accumulated depreciation	(2,006,706)	(2,008,159)
Buildings and structures, net	731,598	747,413
Machinery, equipment and vehicles	2,006,163	2,090,408
Accumulated depreciation	(1,455,802)	(1,489,069)
Machinery, equipment and vehicles, net	550,360	601,339
Tools, furniture and fixtures	3,856,721	4,053,760
Accumulated depreciation	(3,693,715)	(3,737,599)
Tools, furniture and fixtures, net	163,006	316,161
Land	211,544	211,544
Construction in progress	193,849	83,378
Total property, plant and equipment	1,850,358	1,959,836
Intangible assets	67,438	66,811
Investments and other assets		
Deferred tax assets	230,948	233,575
Other	31,688	30,916
Total investments and other assets	262,637	264,492
Total non-current assets	2,180,434	2,291,139
Total assets	12,867,788	11,367,597

	Thousands of Yen	
	Sep.30,15	Dec.31,15
Liabilities		
Current liabilities		
Accounts payable–trade	767,348	213,241
Accounts payable–other	245,108	321,944
Income taxes payable	550,709	302,714
Provision for bonuses	191,400	76,900
Other	248,861	333,054
Total current liabilities	2,003,427	1,247,855
Non-current liabilities		
Provision for directors’ retirement benefits	262,359	268,642
Net defined benefit liability	468,631	472,461
Asset retirement obligations	32,070	32,070
Total non-current liabilities	763,061	773,173
Total liabilities	2,766,488	2,021,029
Net assets		
Shareholders’ equity		
Capital stock	1,394,778	1,394,778
Capital surplus	391,621	391,621
Retained earnings	8,446,731	7,778,885
Treasury shares	(477)	(477)
Total shareholders’ equity	10,232,653	9,564,807
Accumulated other comprehensive income		
Deferred gains or losses on hedges	17,027	5,552
Foreign currency translation adjustment	(21,918)	(100,134)
Remeasurements of defined benefit plans	(126,463)	(123,658)
Total accumulated other comprehensive income	(131,354)	(218,239)
Total net assets	10,101,299	9,346,568
Total liabilities and net assets	12,867,788	11,367,597