

April 27, 2016  
SHOEI CO., LTD.

## Consolidated Financial Results

### for the Second 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 <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 Corporate Planning Department

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## I . Financial Summary

### 1) Operating Performance

	Millions of Yen		
	Oct.14-Mar.15	Oct.15-Mar.16	% Changes
Net Sales	6,537	6,386	-2.3
Operating Income	1,594	1,487	-6.7
Ordinary Income	1,496	1,547	3.4
Net Income	927	1,024	10.5
	Yen		
<i>Per Share Amounts</i>			
Net Income	67.31	74.40	
Net Income, Diluted	—	—	

Notes:

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

Millions of Yen	
Oct.14-Mar.15	Oct.15-Mar.16
—	—

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

Shares	
Oct.14-Mar.15	Oct.15-Mar.16
13,771,990	13,771,907

3.Number of Treasury Stocks as of March 31, 2016: 502

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 the said changes in presentation, the Company has reclassified the quarterly Consolidated Financial Statements of the second quarter of the previous fiscal year and the Consolidated Financial Statements in the previous fiscal year.

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>Mar.31,16</u>
Total Assets	12,867	12,929
Net Assets	10,101	9,958
	Percentage	
Net Assets to Total Assets	78.5%	77.0%
	Yen	
Net Assets per Share	733.47	723.10

### Notes:

1.Number of Shares Outstanding on September 30, 2015 and March 31, 2016  
(Consolidated):

Shares	
<u>Sep.30,15</u>	<u>Mar.31,16</u>
13,772,400	13,772,400

## 3) Cash Flow

	Millions of Yen	
	<u>Oct.14-Mar.15</u>	<u>Oct.15-Mar.16</u>
Net Cash Flow from Operating Activities	417	1,218
Net Cash Flow from Investment Activities	(369)	(395)
Net Cash Flow from Financial Activities	(825)	(990)
Cash and Cash Equivalents at the End of the Period	5,600	6,186

## 4) Scope of Consolidation

Number of Consolidated Subsidiaries	5
Number of Non-Consolidated Subsidiaries in Equity Method	0
Number of Affiliates in Equity Method	0

## 5) 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

### for The Fiscal Year Ending September 30, 2016

	Millions of Yen
	<u>Oct.15-Sept.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	
	<u>Oct.14-Mar.15</u>	<u>Oct.15-Mar.16</u>
Net sales	6,537,771	6,386,375
Cost of sales	3,587,079	3,543,683
Gross profit	2,950,691	2,842,692
Selling, general and administrative expenses	1,356,309	1,355,595
Operating income	1,594,382	1,487,096
Non-operating income		
Interest income	789	2,314
Foreign exchange gains	—	53,424
Other	3,692	9,310
Total non-operating income	4,481	65,050
Non-operating expenses		
Foreign exchange losses	95,386	—
Loss on transfer of receivables	5,374	4,260
Other	1,233	429
Total non-operating expenses	101,994	4,689
Ordinary income	1,496,869	1,547,457
Extraordinary income		
Gain on sales of non-current assets	874	736
Total extraordinary income	874	736
Extraordinary loss		
Loss on retirement of non-current assets	5,343	5,182
Provision for loss on litigation	49,521	—
Total extraordinary losses	54,864	5,182
Income before income taxes and minority interests	1,442,878	1,543,011
Income taxes - current	516,475	539,150
Income taxes - deferred	(648)	(20,881)
Total income taxes	515,826	518,268
Profit	927,052	1,024,742
Profit attributable to owners of parent	927,052	1,024,742

## Consolidated Statements of Comprehensive Income

	Thousands of Yen	
	<u>Oct.14-Mar.15</u>	<u>Oct.15-Mar.16</u>
Profit	927,052	1,024,742
Other comprehensive income		
Deferred gains or losses hedges	16,282	(9,358)
Foreign currency translation adjustment	273,638	(169,507)
Remeasurements of defined benefit plans, net of tax	682	3,009
Total other comprehensive income	290,603	(175,856)
Comprehensive income	1,217,656	848,886
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,217,656	848,886

## Consolidated Balance Sheets

	Thousands of Yen	
	Sept.30,15	Mar.31,16
<b>Assets</b>		
Current assets		
Cash and deposits	6,474,459	6,186,284
Notes and accounts receivable-trade	1,426,918	1,211,570
Merchandise and finished goods	1,067,408	1,472,576
Work in process	424,827	433,029
Raw materials and supplies	441,310	584,860
Deferred tax assets	189,714	212,809
Forward exchange contracts	56,371	63,743
Other	610,902	481,700
Allowance for doubtful accounts	(4,559)	(7,147)
Total current assets	10,687,353	10,639,428
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,738,304	2,768,490
Accumulated depreciation	(2,006,706)	(2,025,323)
Buildings and structures, net	731,598	743,167
Machinery, equipment and vehicles	2,006,163	2,091,645
Accumulated depreciation	(1,455,802)	(1,532,606)
Machinery, equipment and vehicles, net	550,360	559,039
Tools, furniture and fixtures	3,856,721	4,083,027
Accumulated depreciation	(3,693,715)	(3,788,061)
Tools, furniture and fixtures, net	163,006	294,966
Land	211,544	211,544
Construction in progress	193,849	154,456
Total property, plant and equipment	1,850,358	1,963,173
Intangible assets	67,438	64,897
Investments and other assets		
Deferred tax assets	230,948	228,284
Other	31,688	33,344
Total investments and other assets	262,637	261,629
Total non-current assets	2,180,434	2,289,700
Total assets	12,867,788	12,929,128

	Thousands of Yen	
	Sep.30,15	Mar.31,16
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	767,348	921,516
Accounts payable-other	245,108	204,983
Income taxes payable	550,709	584,900
Provision for bonuses	191,400	198,300
Other	248,861	270,485
Total current liabilities	2,003,427	2,180,186
Non-current liabilities		
Provision for directors' retirement benefits	262,359	281,445
Net defined benefit liability	468,631	476,845
Asset retirement obligations	32,070	32,070
Total non-current liabilities	763,061	790,361
Total liabilities	2,766,488	2,970,547
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,394,778	1,394,778
Capital surplus	391,621	391,621
Retained earnings	8,446,731	8,479,896
Treasury shares	(477)	(505)
Total shareholders' equity	10,232,653	10,265,791
Accumulated other comprehensive income		
Deferred gains or losses on hedges	17,027	7,668
Foreign currency translation adjustment	(21,918)	(191,425)
Remeasurements of defined benefit plans	(126,463)	(123,453)
Total accumulated other comprehensive income	(131,354)	(307,210)
Total net assets	10,101,299	9,958,580
Total liabilities and net assets	12,867,788	12,929,128

## Consolidated Statements of Cash Flow

	Thousands of Yen	
	Oct.14-Mar.15	Oct.15-Mar.16
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	1,442,878	1,543,011
Depreciation and amortization	219,149	264,336
Increase (decrease) in allowance for doubtful accounts	(187)	2,769
Increase (decrease) in provision for bonuses	(1,000)	6,900
Increase (decrease) in provision for directors' retirement benefits	12,565	19,085
Increase (decrease) in net defined benefit liability	12,294	16,771
Interest and dividends income	(789)	(2,314)
Interest expenses	51	11
Foreign exchange losses (gains)	9,785	(13,999)
Loss on retirement of non-current assets	5,343	5,182
Loss (gain) on sales of non-current assets	(874)	(736)
Decrease (increase) in notes and accounts receivable-trade	167,998	188,203
Decrease (increase) in inventories	(816,369)	(600,943)
Increase (decrease) in notes and accounts payable-trade	255,006	183,841
Decrease (increase) in other current assets	(52,124)	110,148
Increase (decrease) in other current liabilities	(155,968)	348
Other, net	(1,516)	9,614
Subtotal	1,096,244	1,732,230
Interest and dividends income received	789	2,314
Interest expenses paid	(51)	(11)
Income taxes paid	(680,559)	(518,578)
Income taxes refund	1,465	2,561
Net cash provided by (used in) operating activities	417,887	1,218,517
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(363,071)	(371,664)
Proceeds from sales of property, plant and equipment	936	761
Purchase of intangible assets	(2,982)	(20,599)
Other, net	(4,335)	(4,259)
Net cash provided by (used in) investing activities	(369,452)	(395,762)
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	—	(27)
Cash dividends paid	(825,233)	(990,784)
Net cash provided by (used in) financing activities	(825,233)	(990,812)
<b>Effect of exchange rate change on cash and cash equivalents</b>	203,595	(120,117)
<b>Net increase (decrease) in cash and cash equivalents</b>	(573,202)	(288,174)
<b>Cash and cash equivalents at beginning of period</b>	6,173,684	6,474,459
<b>Cash and cash equivalents at end of period</b>	5,600,481	6,186,284



## 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.2014-Mar.2015</u>		<u>Oct.2015-Mar.2016</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	3,008,690	46.0	2,854,711	44.7
North America	1,673,130	25.6	1,092,549	17.1
Other Areas	<u>362,727</u>	<u>5.5</u>	<u>538,708</u>	<u>8.4</u>
Overseas Sales Total	<u>5,044,548</u>	<u>77.2</u>	<u>4,485,969</u>	<u>70.2</u>
Total including Japan	6,537,771	100.0	6,386,375	100.0