

## **Consolidated Financial Results for The Fiscal Year Ended September 30, 2017**

Name of Registrant	SHOEI CO., LTD.
Code No:	7839
Securities Traded	Tokyo Stock Exchange, 1st Section
Headquarters (URL <a href="http://www.shoei.com">http://www.shoei.com</a> )	Tokyo, Japan
Representative:	Kenichiro Ishida, President and Representative Director
Contact:	Atsuyuki Miyakawa, General Manager of Corporate Planning Department
Date of the Ordinary General Meeting of Shareholders:	Dec. 22, 2017
Payment Date of Dividends:	Dec. 25, 2017
Filing Date of Financial Statements:	Dec. 25, 2017

### **INDEX**

- I . Financial Summary**
- II . Consolidated Forecasts  
for The Fiscal Year Ending September 30, 2018**
- III . Consolidated Financial Statements**
- IV . Segment Information**

## I . Financial Summary

### 1) Operating Performance

	Millions of Yen		
	<u>Oct.15-Sept.16</u>	<u>Oct.16-Sept.17</u>	<u>% Changes</u>
Net Sales	14,138	15,641	10.6
Operating Income	3,145	3,461	10.0
Ordinary Income	3,244	3,497	7.8
Net Income	2,192	2,358	7.6

<i>Per Share Amounts</i>	Yen	
	<u>Oct.15-Sept.16</u>	<u>Oct.16-Sept.17</u>
Net Income	159.22	171.29
Net Income, Diluted	—	—

#### *Notes:*

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

Millions of Yen	
<u>Oct.15-Sept.16</u>	<u>Oct.16-Sept.17</u>
—	—

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

Shares	
<u>Oct.15-Sept.16</u>	<u>Oct.16-Sept.17</u>
13,771,896	13,771,845

#### *3.Number of Treasury Shares as of September 30,2017: 561*

#### *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 previous year.*

#### *6.Amounts Less than ¥1 million 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>Sept. 30, 16</u>	<u>Sept. 30, 17</u>
Total Assets	13,453	15,003
Net Assets	10,489	12,255
	Percent	
Net Assets to Total Assets	<u>78.0%</u>	<u>81.7%</u>
	Yen	
Net Assets per Share	<u>761.63</u>	<u>889.93</u>

### *Notes:*

*1. Number of Shares Outstanding on September 30, 2016 and September 30, 2017 (Consolidated):*

	Shares	
	<u>Sept.30,16</u>	<u>Sept.30,17</u>
	<i>13,772,400</i>	<i>13,772,400</i>

### 3) Cash Flow

	<u>Millions of Yen</u>	
	<u>Oct.15-Sept.16</u>	<u>Oct.16-Sept.17</u>
Net Cash Flow from Operating Activities	3,174	1,758
Net Cash Flow from Investment Activities	(859)	(1,039)
Net Cash Flow from Financial Activities	(991)	(1,089)
Cash and Cash Equivalents at the End of the Period	7,196	7,230

### 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, 2018

	<u>Millions of Yen</u>
	<u>Oct.17-Sept.18</u>
Net Sales	16,260
Operating Income	3,560
Ordinary Income	3,570
Profit attributable to owners of parent	2,430
	<u>Yen</u>
Net Income Per Share	176.45

### III. Consolidated Financial Statements

#### Consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended September 30, 2016	Fiscal year ended September 30, 2017
Net sales	14,138,052	15,641,249
Cost of sales	8,263,266	9,162,603
Gross profit	5,874,785	6,478,646
Selling, general and administrative expenses		
Sales commission	54,631	65,834
Packing and transportation expenses	182,807	199,952
Advertising expenses	597,899	690,409
Provision of allowance for doubtful accounts	2,440	△175
Directors' compensations	159,228	146,057
Salaries and bonuses	639,420	701,433
Provision for bonuses	13,800	14,300
Retirement benefit expenses	21,678	26,690
Provision for directors' retirement benefits	30,317	24,096
Insurance expenses	84,861	91,527
Depreciation	43,294	50,827
Commission fee	265,953	283,470
Other	632,876	722,744
Total selling, general and administrative expenses	2,729,209	3,017,169
Operating profit	3,145,575	3,461,476
Non-operating income		
Interest income	3,374	900
Foreign exchange gains	89,291	31,835
Subsidy income	-	3,001
Miscellaneous income	16,403	10,263
Total non-operating income	109,070	46,000
Non-operating expenses		
Loss on transfer of receivables	8,892	8,402
Miscellaneous loss	1,603	1,947
Total non-operating expenses	10,495	10,350
Ordinary profit	3,244,150	3,497,127
Extraordinary income		
Gain on sales of non-current assets	759	1,593
Total extraordinary income	759	1,593
Extraordinary losses		
Loss on retirement of non-current assets	12,401	13,653
Provision for loss on litigation	-	17,275
Total extraordinary losses	12,401	30,929
Profit before income taxes	3,232,507	3,467,791
Income taxes - current	1,032,406	1,039,253
Income taxes - deferred	7,210	69,548
Total income taxes	1,039,617	1,108,802
Profit	2,192,889	2,358,988
Profit attributable to owners of parent	2,192,889	2,358,988

# Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended September 30, 2016	Fiscal year ended September 30, 2017
Profit	2,192,889	2,358,988
Other comprehensive income		
Deferred gains or losses on hedges	△16,456	△2,094
Foreign currency translation adjustment	△739,602	490,767
Remeasurements of defined benefit plans, net of tax	△57,337	7,231
Total other comprehensive income	△813,395	495,904
Comprehensive income	1,379,494	2,854,893
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,379,494	2,854,893

# Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2016	As of September 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	7,196,827	7,230,692
Notes and accounts receivable - trade	1,226,441	1,794,616
Merchandise and finished goods	948,771	1,198,874
Work in process	387,795	449,884
Raw materials and supplies	482,528	569,682
Deferred tax assets	181,071	233,633
Forward exchange contracts	22,626	-
Other	577,483	755,398
Allowance for doubtful accounts	△5,121	△6,097
Total current assets	11,018,422	12,226,684
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,828,189	2,889,080
Accumulated depreciation	△2,037,575	△2,070,086
Buildings and structures, net	790,614	818,994
Machinery, equipment and vehicles	2,322,350	2,663,358
Accumulated depreciation	△1,530,570	△1,685,213
Machinery, equipment and vehicles, net	791,779	978,145
Tools, furniture and fixtures	4,012,188	4,437,742
Accumulated depreciation	△3,827,111	△3,986,915
Tools, furniture and fixtures, net	185,077	450,827
Land	211,544	211,544
Leased assets	-	6,090
Accumulated depreciation	-	△2,030
Leased assets, net	-	4,060
Construction in progress	102,027	77,696
Total property, plant and equipment	2,081,041	2,541,267
Intangible assets	62,092	65,049
Investments and other assets		
Deferred tax assets	260,686	136,398
Other	31,365	34,255
Total investments and other assets	292,051	170,654
Total non-current assets	2,435,185	2,776,970
Total assets	13,453,608	15,003,655

(Thousands of yen)

	As of September 30, 2016	As of September 30, 2017
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	581,543	606,099
Accounts payable - other	247,741	300,378
Income taxes payable	608,579	509,458
Provision for bonuses	196,400	205,600
Forward exchange contracts	-	14,425
Other	430,930	369,479
Total current liabilities	2,065,196	2,005,440
Non-current liabilities		
Provision for directors' retirement benefits	292,677	94,244
Net defined benefit liability	574,556	613,816
Asset retirement obligations	32,070	32,070
Other	-	2,088
Total non-current liabilities	899,304	742,219
Total liabilities	2,964,500	2,747,660
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,394,778	1,394,778
Capital surplus	391,621	391,621
Retained earnings	9,648,043	10,919,056
Treasury shares	△585	△615
Total shareholders' equity	11,433,858	12,704,840
Accumulated other comprehensive income		
Deferred gains or losses on hedges	570	△1,523
Foreign currency translation adjustment	△761,520	△270,752
Remeasurements of defined benefit plans	△183,800	△176,568
Total accumulated other comprehensive income	△944,750	△448,845
Total net assets	10,489,108	12,255,995
Total liabilities and net assets	13,453,608	15,003,655

# Consolidated Statements of Changes in Net Assets

Fiscal year ended September 30, 2016

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,394,778	391,621	8,446,731	△477	10,232,653
Changes of items during period					
Dividends of surplus			△991,577		△991,577
Profit attributable to owners of parent			2,192,889		2,192,889
Purchase of treasury shares				△107	△107
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	1,201,312	△107	1,201,204
Balance at end of current period	1,394,778	391,621	9,648,043	△585	11,433,858

	Accumulated other comprehensive income				Total net assets
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	17,027	△21,918	△126,463	△131,354	10,101,299
Changes of items during period					
Dividends of surplus					△991,577
Profit attributable to owners of parent					2,192,889
Purchase of treasury shares					△107
Net changes of items other than shareholders' equity	△16,456	△739,602	△57,337	△813,395	△813,395
Total changes of items during period	△16,456	△739,602	△57,337	△813,395	387,808
Balance at end of current period	570	△761,520	△183,800	△944,750	10,489,108

Fiscal year ended September 30, 2017

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,394,778	391,621	9,648,043	△585	11,433,858
Changes of items during period					
Dividends of surplus			△1,087,976		△1,087,976
Profit attributable to owners of parent			2,358,988		2,358,988
Purchase of treasury shares				△30	△30
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	1,271,012	△30	1,270,981
Balance at end of current period	1,394,778	391,621	10,919,056	△615	12,704,840

	Accumulated other comprehensive income				Total net assets
	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at beginning of current period	570	△761,520	△183,800	△944,750	10,489,108
Changes of items during period					
Dividends of surplus					△1,087,976
Profit attributable to owners of parent					2,358,988
Purchase of treasury shares					△30
Net changes of items other than shareholders' equity	△2,094	490,767	7,231	495,904	495,904
Total changes of items during period	△2,094	490,767	7,231	495,904	1,766,886
Balance at end of current period	△1,523	△270,752	△176,568	△448,845	12,255,995

# Consolidated Statements of Cash Flow

(Thousands of yen)

	Fiscal year ended September 30, 2016	Fiscal year ended September 30, 2017
<b>Cash flows from operating activities</b>		
Profit before income taxes	3,232,507	3,467,791
Depreciation	614,820	605,586
Increase (decrease) in allowance for doubtful accounts	1,320	367
Increase (decrease) in provision for bonuses	5,000	9,200
Increase (decrease) in provision for directors' retirement benefits	30,317	△198,432
Increase (decrease) in net defined benefit liability	28,998	48,957
Interest and dividend income	△3,374	△900
Interest expenses	37	374
Foreign exchange losses (gains)	8,413	15,456
Loss on retirement of non-current assets	12,401	13,653
Loss (gain) on sales of non-current assets	△759	△1,593
Decrease (increase) in notes and accounts receivable - trade	85,916	△479,915
Decrease (increase) in inventories	△71,298	△312,213
Increase (decrease) in notes and accounts payable - trade	△60,555	△53,502
Decrease (increase) in other current assets	18,017	△109,550
Increase (decrease) in other current liabilities	212,153	△55,845
Other, net	17,655	20,869
<b>Subtotal</b>	<b>4,131,572</b>	<b>2,970,303</b>
Interest and dividend income received	3,374	900
Interest expenses paid	△37	△374
Income taxes paid	△968,259	△1,224,712
Income taxes refund	8,240	12,515
<b>Net cash provided by (used in) operating activities</b>	<b>3,174,890</b>	<b>1,758,631</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△826,168	△1,003,981
Proceeds from sales of property, plant and equipment	784	2,593
Purchase of intangible assets	△26,493	△29,522
Other, net	△7,593	△8,996
<b>Net cash provided by (used in) investing activities</b>	<b>△859,471</b>	<b>△1,039,906</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	△107	△30
Cash dividends paid	△991,240	△1,087,773
Repayments of lease obligations	-	△1,914
<b>Net cash provided by (used in) financing activities</b>	<b>△991,348</b>	<b>△1,089,717</b>
Effect of exchange rate change on cash and cash equivalents	△601,701	404,857
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>722,368</b>	<b>33,864</b>
Cash and cash equivalents at beginning of period	6,474,459	7,196,827
<b>Cash and cash equivalents at end of period</b>	<b>7,196,827</b>	<b>7,230,692</b>

## 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.2015-Sept.2016</u>		<u>Oct.2016-Sept.2017</u>	
	<u>Sales</u>	<u>Percentage</u>	<u>Sales</u>	<u>Percentage</u>
	Thousands	Overseas	Thousands	Overseas
	of Yen	Sales to	of Yen	Sales to
		Net Sales		Net Sales
Europe	6,107,646	43.2	7,580,331	48.5
North America	2,484,505	17.6	2,138,989	13.7
Other Areas	<u>1,448,082</u>	<u>10.2</u>	<u>1,858,140</u>	<u>11.9</u>
Overseas Sales Total	<u>10,040,233</u>	<u>71.0</u>	<u>11,577,461</u>	<u>74.0</u>
Total including Japan	14,138,052	100.0	15,641,249	100.0