

Jan 27, 2017
SHOEI CO., LTD.

Consolidated Financial Results

for the First Quarter of the Fiscal Year Ending September 30, 2017

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:	Kenichiro Ishida, President and Representative Director
Contact:	Atsuyuki Miyakawa, General Manager of Corporate Planning Department

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I . Financial Summary

1) Operating Performance

	Millions of Yen		
	<u>Oct.15-Dec.15</u>	<u>Oct.16-Dec.16</u>	<u>% Changes</u>
Net Sales	2,560	3,287	28.4
Operating Income	451	721	59.9
Ordinary Income	495	678	37.0
Profit attributable to owners of parent	323	461	42.5
	<hr/>		
	Yen		
<i>Per Share Amounts</i>			
Net Income	23.50	33.50	
Net Income, Diluted	—	—	

Notes:

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

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

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

Shares	
<u>Oct.15-Dec.15</u>	<u>Oct.16-Dec.16</u>
13,771,911	13,771,850

3.Number of Treasury Stocks as of December 31, 2016: 550

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>Sep.30,16</u>	<u>Dec.31,16</u>
Total Assets	13,453	11,756
Net Assets	10,489	9,826
	Percentage	
Net Assets to Total Assets	78.0%	83.6%
	Yen	
Net Assets per Share	761.63	713.52

Notes:

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

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

II. Consolidated Forecasts for The Fiscal Year Ending September 30, 2017

	Millions of Yen
	<u>Oct.16-Sep.17</u>
Net Sales	14,400
Operating Income	2,420
Ordinary Income	2,420
Net Income	1,660
	Yen
Net Income Per Share	120.53

III. Consolidated Financial Statements

Consolidated Statements of Income

(Thousands of yen)

	Three months ended December 31, 2015	Three months ended December 31, 2016
Net sales	2,560,186	3,287,971
Cost of sales	1,463,072	1,882,715
Gross profit	1,097,113	1,405,256
Selling, general and administrative expenses	645,772	683,629
Operating income	451,340	721,626
Non-operating income		
Interest income	1,022	87
Foreign exchange gains	37,975	-
Insurance income	416	517
Other	6,880	1,435
Total non-operating income	46,293	2,041
Non-operating expenses		
Foreign exchange losses	-	41,681
Loss on transfer of receivables	2,256	3,040
Other	131	365
Total non-operating expenses	2,388	45,087
Ordinary income	495,245	678,580
Extraordinary income		
Gain on sales of non-current assets	204	138
Total extraordinary income	204	138
Extraordinary losses		
Loss on retirement of non-current assets	1,835	2,131
Total extraordinary losses	1,835	2,131
Profit before income taxes	493,614	676,587
Income taxes - current	129,971	134,033
Income taxes - deferred	39,911	81,135
Total income taxes	169,883	215,168
Profit	323,731	461,419
Profit attributable to owners of parent	323,731	461,419

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Three months ended December 31, 2015	Three months ended December 31, 2016
Profit	323,731	461,419
Other comprehensive income		
Deferred gains or losses on hedges	-11,474	-967
Foreign currency translation adjustment	-78,216	-41,231
Remeasurements of defined benefit plans, net of tax	2,805	6,155
Total other comprehensive income	-86,885	-36,044
Comprehensive income	236,845	425,374
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	236,845	425,374

Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	7,196,827	5,956,395
Notes and accounts receivable - trade	1,226,441	839,897
Merchandise and finished goods	948,771	834,226
Work in process	387,795	321,940
Raw materials and supplies	482,528	737,758
Deferred tax assets	181,071	160,012
Forward exchange contracts	22,626	-
Other	577,483	447,299
Allowance for doubtful accounts	△5,121	-5,331
Total current assets	11,018,422	9,292,198
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,828,189	2,839,720
Accumulated depreciation	-2,037,575	-2,042,586
Buildings and structures, net	790,614	797,134
Machinery, equipment and vehicles	2,322,350	2,341,734
Accumulated depreciation	-1,530,570	-1,580,516
Machinery, equipment and vehicles, net	791,779	761,217
Tools, furniture and fixtures	4,012,188	4,101,832
Accumulated depreciation	-3,827,111	-3,861,401
Tools, furniture and fixtures, net	185,077	240,430
Land	211,544	211,544
Leased assets	-	6,090
Accumulated depreciation	-	△507
Leased assets, net	-	5,582
Construction in progress	102,027	154,510
Total property, plant and equipment	2,081,041	2,170,418
Intangible assets	62,092	66,537
Investments and other assets		
Deferred tax assets	260,686	197,042
Other	31,365	30,597
Total investments and other assets	292,051	227,640
Total non-current assets	2,435,185	2,464,596
Total assets	13,453,608	11,756,795

(Thousands of yen)

	As of September 30, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Accounts payable - trade	581,543	123,975
Accounts payable - other	247,741	223,745
Income taxes payable	608,579	179,966
Provision for bonuses	196,400	83,800
Forward exchange contracts	-	83,580
Other	430,930	541,184
Total current liabilities	2,065,196	1,236,252
Non-current liabilities		
Provision for directors' retirement benefits	292,677	78,396
Net defined benefit liability	574,556	579,915
Asset retirement obligations	32,070	32,070
Other	-	3,654
Total non-current liabilities	899,304	694,036
Total liabilities	2,964,500	1,930,288
Net assets		
Shareholders' equity		
Capital stock	1,394,778	1,394,778
Capital surplus	391,621	391,621
Retained earnings	9,648,043	9,021,486
Treasury shares	-585	-585
Total shareholders' equity	11,433,858	10,807,301
Accumulated other comprehensive income		
Deferred gains or losses on hedges	570	-396
Foreign currency translation adjustment	-761,520	-802,752
Remeasurements of defined benefit plans	-183,800	-177,645
Total accumulated other comprehensive income	-944,750	-980,794
Total net assets	10,489,108	9,826,506
Total liabilities and net assets	13,453,608	11,756,795