

July 26, 2017  
SHOEI CO., LTD.

## Consolidated Financial Results

for the Second Third 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 <a href="http://www.shoei.com">http://www.shoei.com</a> )	
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-Jun.16</u>	<u>Oct.16-Jun.17</u>	<u>% Changes</u>
Net Sales	10,646	10,847	1.9
Operating Income	2,503	2,546	1.7
Ordinary Income	2,570	2,563	-0.3
Profit attributable to owners of parent	1,717	1,755	2.2
	Yen		
<i>Per Share Amounts</i>			
Net Income	124.69	127.49	
Net Income, Diluted	—	—	

#### Notes:

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

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

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

Shares	
<u>Oct.15-Jun.16</u>	<u>Oct.16-Jun.17</u>
13,771,904	13,771,847

##### 3.Number of Treasury Stocks as of June 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 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>Jun.30,16</u>
Total Assets	13,453	14,780
Net Assets	10,489	11,390
	Percentage	
Net Assets to Total Assets	78.0%	77.1%
	Yen	
Net Assets per Share	761.63	827.09

#### Notes:

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

Shares	
<u>Sep.30,16</u>	<u>Jun.30,17</u>
13,772,400	13,772,400

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

	<u>Millions of Yen</u> <u>Oct.16-Sep.17</u>
Net Sales	15,700
Operating Income	3,140
Ordinary Income	3,210
Net Income	2,150
	<u>Yen</u>
Net Income Per Share	156.11

### III. Consolidated Financial Statements

#### Consolidated Statements of Income

(Thousands of yen)

	Nine months ended June 30, 2016	Nine months ended June 30, 2017
Net sales	10,646,241	10,847,615
Cost of sales	6,039,649	6,152,750
Gross profit	4,606,591	4,694,864
Selling, general and administrative expenses	2,103,087	2,148,410
Operating income	2,503,504	2,546,454
Non-operating income		
Interest income	3,218	511
Foreign exchange gains	61,111	15,107
Subsidy income	-	3,001
Other	10,348	7,021
Total non-operating income	74,678	25,641
Non-operating expenses		
Loss on transfer of receivables	6,279	6,976
Other	1,439	1,175
Total non-operating expenses	7,718	8,152
Ordinary income	2,570,464	2,563,943
Extraordinary income		
Gain on sales of non-current assets	732	1,079
Total extraordinary income	732	1,079
Extraordinary losses		
Loss on sales of non-current assets	-	103
Loss on retirement of non-current assets	9,671	7,622
Provision for loss on litigation	-	9,583
Total extraordinary losses	9,671	17,308
Profit before income taxes	2,561,525	2,547,714
Income taxes - current	775,900	720,137
Income taxes - deferred	68,334	71,761
Total income taxes	844,234	791,899
Profit	1,717,291	1,755,815
Profit attributable to owners of parent	1,717,291	1,755,815

## Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Nine months ended June 30, 2016	Nine months ended June 30, 2017
Profit	1,717,291	1,755,815
Other comprehensive income		
Deferred gains or losses on hedges	-17,027	-570
Foreign currency translation adjustment	-316,251	215,786
Remeasurements of defined benefit plans, net of tax	5,814	18,465
Total other comprehensive income	-327,464	233,680
Comprehensive income	1,389,826	1,989,495
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,389,826	1,989,495

# Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2016	As of June 30, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	7,196,827	7,002,131
Notes and accounts receivable - trade	1,226,441	1,548,166
Merchandise and finished goods	948,771	1,661,241
Work in process	387,795	544,341
Raw materials and supplies	482,528	497,015
Deferred tax assets	181,071	158,714
Forward exchange contracts	22,626	-
Other	577,483	664,232
Allowance for doubtful accounts	-5,121	-5,428
Total current assets	11,018,422	12,070,415
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,828,189	2,857,092
Accumulated depreciation	-2,037,575	-2,057,578
Buildings and structures, net	790,614	799,514
Machinery, equipment and vehicles	2,322,350	2,454,573
Accumulated depreciation	-1,530,570	-1,636,277
Machinery, equipment and vehicles, net	791,779	818,296
Tools, furniture and fixtures	4,012,188	4,190,308
Accumulated depreciation	-3,827,111	-3,973,275
Tools, furniture and fixtures, net	185,077	217,033
Land	211,544	211,544
Leased assets	-	6,090
Accumulated depreciation	-	-1,522
Leased assets, net	-	4,567
Construction in progress	102,027	356,268
Total property, plant and equipment	2,081,041	2,407,224
Intangible assets	62,092	68,085
Investments and other assets		
Deferred tax assets	260,686	203,386
Other	31,365	30,896
Total investments and other assets	292,051	234,283
Total non-current assets	2,435,185	2,709,593
Total assets	13,453,608	14,780,008

(Thousands of yen)

	As of September 30, 2016	As of June 30, 2017
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	581,543	1,614,000
Accounts payable - other	247,741	267,020
Income taxes payable	608,579	267,211
Provision for bonuses	196,400	82,500
Other	430,930	443,764
Total current liabilities	2,065,196	2,674,496
Non-current liabilities		
Provision for directors' retirement benefits	292,677	88,962
Net defined benefit liability	574,556	591,272
Asset retirement obligations	32,070	32,070
Other	-	2,610
Total non-current liabilities	899,304	714,914
Total liabilities	2,964,500	3,389,410
Net assets		
Shareholders' equity		
Capital stock	1,394,778	1,394,778
Capital surplus	391,621	391,621
Retained earnings	9,648,043	10,315,882
Treasury shares	-585	-615
Total shareholders' equity	11,433,858	12,101,667
Accumulated other comprehensive income		
Deferred gains or losses on hedges	570	-
Foreign currency translation adjustment	-761,520	-545,734
Remeasurements of defined benefit plans	-183,800	-165,335
Total accumulated other comprehensive income	-944,750	-711,069
Total net assets	10,489,108	11,390,597
Total liabilities and net assets	13,453,608	14,780,008