

Jan 26, 2018  
SHOEI CO., LTD.

## Consolidated Financial Results

for the First Quarter of the Fiscal Year Ending September 30, 2018

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

	<u>Millions of Yen</u>		
	<u>Oct.16-Dec.16</u>	<u>Oct.17-Dec.17</u>	<u>% Changes</u>
Net Sales	3,287	3,761	14.4
Operating Income	721	739	2.5
Ordinary Income	678	755	11.4
Profit attributable to owners of parent	461	503	9.2
	<u>Yen</u>		
<i>Per Share Amounts</i>			
Net Income	33.50	36.59	
Net Income, Diluted	—	—	

#### Notes:

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

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

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

<u>Shares</u>	
<u>Oct.16-Dec.16</u>	<u>Oct.17-Dec.17</u>
13,771,850	13,771,798

#### 3.Number of Treasury Stocks as of December 31, 2017: 661

#### 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.30,17</u>	<u>Dec.31,17</u>
Total Assets	15,003	14,259
Net Assets	12,255	11,771
	Percentage	
Net Assets to Total Assets	81.7%	82.5%
	Yen	
Net Assets per Share	889.93	854.74

Notes:

1.Number of Shares Outstanding on September 30, 2017 and Dec 31, 2017

(Consolidated):

Shares	
<u>Sep.30,17</u>	<u>Dec.31,17</u>
13,772,400	13,772,400

## II. Consolidated Forecasts for The Fiscal Year Ending September 30, 2018

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

### III. Consolidated Financial Statements

#### Consolidated Statements of Income

(Thousands of yen)

	Three months ended December 31, 2016	Three months ended December 31, 2017
Net sales	3,287,971	3,761,719
Cost of sales	1,882,715	2,300,022
Gross profit	1,405,256	1,461,696
Selling, general and administrative expenses	683,629	722,134
Operating profit	721,626	739,562
Non-operating income		
Interest income	87	99
Foreign exchange gains	-	16,690
Insurance income	517	515
Other	1,435	1,754
Total non-operating income	2,041	19,059
Non-operating expenses		
Foreign exchange losses	41,681	-
Loss on transfer of receivables	3,040	1,236
Other	365	1,646
Total non-operating expenses	45,087	2,882
Ordinary profit	678,580	755,739
Extraordinary income		
Gain on sales of non-current assets	138	11
Total extraordinary income	138	11
Extraordinary losses		
Loss on sales of non-current assets	-	159
Loss on retirement of non-current assets	2,131	-
Total extraordinary losses	2,131	159
Profit before income taxes	676,587	755,590
Income taxes - current	134,033	284,487
Income taxes - deferred	81,135	△32,787
Total income taxes	215,168	251,699
Profit	461,419	503,890
Profit attributable to owners of parent	461,419	503,890

# Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Three months ended December 31, 2016	Three months ended December 31, 2017
Profit	461,419	503,890
Other comprehensive income		
Deferred gains or losses on hedges	△967	1,523
Foreign currency translation adjustment	△41,231	185,071
Remeasurements of defined benefit plans, net of tax	6,155	△4,246
Total other comprehensive income	△36,044	182,348
Comprehensive income	425,374	686,239
Comprehensive income attributable to Comprehensive income attributable to owners of parent	425,374	686,239

# Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2017	As of December 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	7,230,692	6,133,877
Notes and accounts receivable - trade	1,794,616	1,878,555
Merchandise and finished goods	1,198,874	1,359,654
Work in process	449,884	388,254
Raw materials and supplies	569,682	764,114
Deferred tax assets	233,633	273,495
Other	755,398	630,947
Allowance for doubtful accounts	△6,097	△6,108
Total current assets	12,226,684	11,422,792
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,889,080	2,899,116
Accumulated depreciation	△2,070,086	△2,085,855
Buildings and structures, net	818,994	813,260
Machinery, equipment and vehicles	2,663,358	2,696,201
Accumulated depreciation	△1,685,213	△1,690,353
Machinery, equipment and vehicles, net	978,145	1,005,847
Tools, furniture and fixtures	4,437,742	4,539,364
Accumulated depreciation	△3,986,915	△4,092,067
Tools, furniture and fixtures, net	450,827	447,297
Land	211,544	211,544
Leased assets	6,090	6,090
Accumulated depreciation	△2,030	△2,537
Leased assets, net	4,060	3,552
Construction in progress	77,696	144,491
Total property, plant and equipment	2,541,267	2,625,993
Intangible assets	65,049	62,156
Investments and other assets		
Deferred tax assets	136,398	115,071
Other	34,255	33,982
Total investments and other assets	170,654	149,054
Total non-current assets	2,776,970	2,837,204
Total assets	15,003,655	14,259,996

(Thousands of yen)

	As of September 30, 2017	As of December 31, 2017
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	606,099	653,320
Accounts payable - other	300,378	300,763
Income taxes payable	509,458	308,295
Provision for bonuses	205,600	83,600
Forward exchange contracts	14,425	-
Other	369,479	386,032
Total current liabilities	2,005,440	1,732,011
Non-current liabilities		
Provision for directors' retirement benefits	94,244	99,527
Net defined benefit liability	613,816	623,597
Asset retirement obligations	32,070	32,070
Other	2,088	1,566
Total non-current liabilities	742,219	756,761
Total liabilities	2,747,660	2,488,773
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,394,778	1,394,778
Capital surplus	391,621	391,621
Retained earnings	10,919,056	10,252,340
Treasury shares	△615	△1,020
Total shareholders' equity	12,704,840	12,037,719
Accumulated other comprehensive income		
Deferred gains or losses on hedges	△1,523	-
Foreign currency translation adjustment	△270,752	△85,681
Remeasurements of defined benefit plans	△176,568	△180,815
Total accumulated other comprehensive income	△448,845	△266,496
Total net assets	12,255,995	11,771,223
Total liabilities and net assets	15,003,655	14,259,996