

Consolidated Financial Results

for The Fiscal Year Ended September 30, 2008

Name of Registrant	SHOEI CO., LTD.
Code No:	7839
Securities Traded	Tokyo Stock Exchange, 2nd Section
Headquarters	Tokyo, Japan
(URL http://www.shoei.com)	
Representative:	Masaru Yamada, President and Representative Director
Contact:	Takao Matsumiya, Director and General Manager of Administration Division
Date of the Ordinary General Meeting of Shareholders:	Dec. 22, 2008
Payment Date of Dividends:	Dec. 24, 2008
Filing Date of Financial Statements:	Dec. 24, 2008

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I . Financial Summary

1) Operating Performance

	Millions of Yen		
	<u>Oct.06-Sept.07</u>	<u>Oct.07-Sept.08</u>	<u>% Changes</u>
Net Sales	13,586	14,995	10.4
Operating Income	2,942	3,608	22.6
Ordinary Income	2,751	3,532	28.4
Net Income	1,630	2,214	35.8

	Yen	
	<u>Oct.06-Sept.07</u>	<u>Oct.07-Sept.08</u>
<i>Per Share Amounts</i>		
Net Income	224.60	152.47
Net Income, Diluted	—	—

Notes:

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

	Millions of Yen	
	<u>Oct.06-Sept.07</u>	<u>Oct.07-Sept.08</u>
	—	—

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

	Shares	
	<u>Oct.06-Sept.07</u>	<u>Oct.07-Sept.08</u>
	7,261,200	14,522,400

3. *Change of Accounting Method: Not Applicable*

4. *Percentages of net sales, operating income, ordinary income and net income show from those in the previous year.*

5. *Amounts Less than ¥1 million are omitted.*

6. *On January 1, 2008 as the effective date, a 2-for-1 share split was implemented.*

The net income per share and weighted average number of shares (excluding treasury stock) during the period are calculated with the share split occurring at the beginning of the period.

2) Financial Position

	Millions of Yen	
	<u>Sept. 30, 07</u>	<u>Sept. 30, 08</u>
Total Assets	9,411	11,290
Net Assets	6,413	8,175

	Percent	
	<u>Sept. 30, 07</u>	<u>Sept. 30, 08</u>
Net Assets to Total Assets	68.1%	72.4%

	Yen	
	<u>Sept. 30, 07</u>	<u>Sept. 30, 08</u>
Net Assets per Share	883.27	562.94

Notes:

1. *Number of Shares Outstanding on September 30, 2007 and September 30, 2008 (Consolidated):*

2. *On January 1, 2008 as the effective date, a 2-for-1 share split was implemented.*

	Shares	
	<u>Sept.30,07</u>	<u>Sept.30,08</u>
	7,261,200	14,522,400

3) Cash Flow

	Millions of Yen	
	<u>Oct.06-Sept.07</u>	<u>Oct.07-Sept.08</u>
Net Cash Flow from Operating Activities	2,015	2,499
Net Cash Flow from Investment Activities	(959)	(1,128)
Net Cash Flow from Financial Activities	(369)	(486)
Cash and Cash Equivalents at the End of the Period	2,894	3,808

4) Scope of Consolidation

Number of Consolidated Subsidiaries	4
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, 2009

	<u>Millions of Yen</u> <u>Oct.08-Sept.09</u>
Net Sales	12,700
Operating Income	2,320
Ordinary Income	2,500
Net Income	1,550
	<u>Yen</u>
Net Income Per Share	106.73

III. Consolidated Financial Statements

Consolidated Statements of Income

	Thousands of Yen		
	Oct.06–Sept.07	Oct.07–Sept.08	% Changes
Net Sales	13,586,081	14,995,286	+10.4
Cost of Sales	<u>7,489,707</u>	<u>8,214,012</u>	<u>+9.7</u>
Gross Profit	6,096,374	6,781,273	+11.2
Selling and Administrative Expenses	3,153,557	3,173,195	+0.6
Sales Commission	17,939	21,845	+21.8
Transportation	215,208	221,558	+3.0
Advertisement	904,563	804,624	-11.0
Provision for Bad Debt	24,579	2,670	-89.1
Directors' Benefits	118,415	123,301	+4.1
Salary and Bonus	542,487	588,922	+8.6
Provision for Bonus	25,900	29,400	+13.5
Retirement Benefit Cost	14,787	13,507	-8.7
Provision for Director' Accrued Severance Indemnities	27,551	26,240	-4.7
Insurance	177,252	219,005	+23.6
Depreciation	65,162	81,558	+25.2
Fees and Charges	322,833	339,576	+5.2
Other Expenses	<u>696,873</u>	<u>700,983</u>	<u>+0.6</u>
Operating Income	2,942,816	3,608,078	+22.6
Non-Operating Income	20,783	31,239	+50.3
Interest Income	7,292	15,328	+110.2
Purchase Discount	269	369	+37.0
Other Non-Operating Income	13,221	15,541	+17.5
Non-Operating Expenses	211,673	106,555	-49.7
Interest Expense	1,101	634	-42.4
Loss on Foreign Exchange Transactions	126,397	32,218	-74.5
Sales Discount	39,429	32,022	-18.8
Loss on Sales of Trade Notes Receivable	21,409	18,292	-14.6
Other Non-operating Expenses	<u>23,335</u>	<u>23,387</u>	<u>+0.2</u>
Ordinary Income	2,751,926	3,532,762	+28.4
Extraordinary Income	369	13,281	—
Extraordinary loss	<u>42,830</u>	<u>16,915</u>	<u>-60.5</u>
Net Income before Income Taxes	2,709,465	3,529,128	+30.3
Current Income Taxes	1,144,254	1,351,574	+18.1
Deferred Income Taxes	<u>(65,664)</u>	<u>(36,758)</u>	<u>-44.0</u>
Net Income	1,630,874	2,214,312	+35.8

Consolidated Balance Sheets

	Thousands of Yen		
	<u>Sept.30,07</u>	<u>Sept.30,08</u>	<u>Changes</u>
Assets			
Current Assets:			
Cash and Cash Equivalent	2,894,590	3,808,321	+913,731
Accounts Receivable	1,769,945	1,876,030	+106,084
Inventories	1,516,712	1,702,313	+185,600
Deferred Tax Assets	280,418	266,379	-14,039
Others	402,561	433,139	+30,578
Provision for Bad Debts	<u>(27,991)</u>	<u>(25,653)</u>	<u>+2,337</u>
Total Current Assets	6,836,237	8,060,531	+1,224,293
Fixed Assets:			
Tangible Fixed Assets:			
Buildings and Structures	740,349	957,692	+217,342
Tools, Furnitures and Fixtures	351,909	505,334	+153,425
Others	<u>645,442</u>	<u>718,784</u>	<u>+73,341</u>
Total Tangible Fixed Assets	1,737,701	2,181,811	+444,109
Intangible Fixed Assets:			
Total Intangible Fixed Assets	82,285	87,160	+4,875
Investments and Other Assets:			
Total Investments and Other Assets	<u>755,483</u>	<u>961,119</u>	<u>+205,635</u>
Total Fixed Assets	<u>2,575,471</u>	<u>3,230,091</u>	<u>+654,620</u>
Total Assets	9,411,709	11,290,622	+1,878,913

	Thousands of Yen		
	Sept.30,07	Sept.30,08	Changes
Liabilities			
Current Liabilities:			
Accounts Payable	1,386,299	1,203,861	-182,438
Accounts Payable–Others	228,051	203,137	-24,914
Accrued Income Taxes and Other Taxes	637,261	901,243	+263,981
Provision for Bonuses	223,700	234,500	+10,800
Others	<u>301,852</u>	<u>314,934</u>	<u>+13,081</u>
Total Current Liabilities	2,777,165	2,857,676	+80,511
Fixed Liabilities:			
Allowance for Retirement Benefits of Directors	168,206	191,949	+23,743
Provision for Retirements	40,735	57,133	+16,397
Others	<u>11,981</u>	<u>8,565</u>	<u>-3,415</u>
Total Fixed Liabilities	<u>220,924</u>	<u>257,649</u>	<u>+36,725</u>
Total Liabilities	2,998,089	3,115,326	+117,236
Net Assets			
Shareholders' Equity			
Common Stock	1,394,778	1,394,778	—
Capital Surplus	391,621	391,621	—
Retained Earnings	<u>4,402,065</u>	<u>6,129,877</u>	<u>-1,727,812</u>
Total Shareholders' Equity	6,188,464	7,916,277	-1,727,812
Valuation and Translation Adjustments			
Deferred Income or Loss on Hedge	(2,444)	41,314	+43,759
Foreign Exchange Adjustment	<u>227,599</u>	<u>217,704</u>	<u>-9,894</u>
Total Valuation and Translation Adjustment	<u>225,154</u>	<u>259,019</u>	<u>+33,864</u>
Total Net Assets	<u>6,413,619</u>	<u>8,175,296</u>	<u>-1,761,677</u>
Total Liabilities, and Net Assets	9,411,709	11,290,622	-1,878,913

Consolidated Statements of Changes in Net Assets

Thousands of Yen

	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at September 30,2006	1,394,778	391,621	3,371,444	(229,933)	4,927,911
Changes During the period					
Cash Dividends	—	—	(370,321)	—	(370,321)
Net Income	—	—	1,630,874	—	1,630,874
Retirement of Treasury Stock	—	—	(229,933)	229,933	—
Net Changes in Items Other than Shareholders' Equity During the period	—	—	—	—	—
Total Changes During the period	—	—	1,030,620	229,933	1,260,553
Balance at September 30,2007	1,394,778	391,621	4,402,065	—	6,188,464

	Deferred Income or Loss on Hedge	Foreign Exchange Adjustment	Total Valuation and Translation Adjustment	Total net Assets
Balance at September 30,2006	(19,124)	90,635	71,511	4,999,422
Changes During the period				
Cash Dividends	—	—	—	(370,321)
Net Income	—	—	—	1,630,874
Retirement of Treasury Stock	—	—	—	—
Net Changes in Items Other than Shareholders' Equity During the period	16,679	136,963	153,643	153,643
Total Changes During the period	16,679	136,963	153,643	1,414,196
Balance at September 30,2007	(2,444)	227,599	225,154	6,413,619

Thousands of Yen

	Common Stock	Capital Surplus	Retained Earnings	Total Shareholders' Equity
Balance at September 30,2007	1,394,778	391,621	4,402,065	6,188,464
Changes During the period				
Cash Dividends	—	—	(486,500)	(486,500)
Net Income	—	—	2,214,312	2,214,312
Net Changes in Items Other than Shareholders' Equity During the period	—	—	—	—
Total Changes During the period	—	—	1,727,812	1,727,812
Balance at September 30,2008	1,394,778	391,621	6,129,877	7,916,277

	Deferred Income or Loss on Hedge	Foreign Exchange Adjustment	Total Valuation and Translation Adjustment	Total net Assets
Balance at September 30,2007	(2,444)	227,599	225,154	6,413,619
Changes During the period				
Cash Dividends	—	—	—	(486,500)
Net Income	—	—	—	2,214,312
Net Changes in Items Other than Shareholders' Equity During the period	43,759	(9,894)	33,864	33,864
Total Changes During the period	43,759	(9,894)	33,864	1,761,677
Balance at September 30,2008	41,314	217,704	259,019	8,175,296

Consolidated Statements of Cash Flow

	Thousands of Yen	
	<u>Oct.06–Sept.07</u>	<u>Oct.07–Sept.08</u>
Cash Flow from Operating Activities:		
Net Income before Income Taxes	2,709,465	3,529,128
Depreciation	451,232	495,435
Increase/Decrease of Prepaid Benefit Pension Plan's Cost	11,829	15,661
Increase/Decrease of Provision for Bad Debts	24,567	(2,736)
Increase/Decrease of Provision for Bonuses	21,200	10,800
Increase/Decrease of Allowance for Retirement Benefits of Directors	27,551	23,743
Increase/Decrease of Provision for Retirements	40,735	16,397
Interest and Dividends Earned	(7,292)	(15,328)
Interest Expense	1,101	634
Profit/Loss on Foreign Exchange	3,465	(33,595)
Loss on Disposal of Tangible Fixed Assets	15,425	14,747
Loss on Sales of Tangible Fixed Assets	524	327
Profit on Sales of Tangible Fixed Assets	(369)	(190)
Impairment Loss	—	1,840
Increase/Decrease of Accounts Receivable	(304,501)	(100,860)
Increase/Decrease of Inventories	(27,627)	(176,212)
Increase/Decrease of Accounts Payable	157,822	(193,126)
Increase/Decrease of Other Current Assets	(83,644)	32,448
Increase/Decrease of Other Current Liabilities	104,595	(41,019)
Increase/Decrease of Other Fixed Liabilities	11,481	(3,415)
Others	(144)	90
Subtotal	<u>3,157,420</u>	<u>3,574,769</u>
Interest and Dividends Received	7,292	15,328
Interest Paid	(1,101)	(634)
Corporate Tax Paid	<u>(1,148,371)</u>	<u>(1,089,745)</u>
Net Cash Flow from Operating Activities	2,015,239	2,499,717
Cash Flow from Investment Activities:		
Increase of Time Deposits	(500,000)	(900,000)
Decrease of Time Deposits	—	700,000
Expenses on Acquisition of Tangible Fixed Assets	(450,586)	(895,642)
Proceeds from Sales of Tangible Fixed Assets	1,773	489
Expenses on Acquisition of Intangible Fixed Assets	(10,189)	(33,216)
Expenses on Other Investments	(560)	(895)
Proceeds from Refund of Other Investments	254	544
Net Cash Flow from Investment Activities	<u>(959,307)</u>	<u>(1,128,721)</u>
Cash Flow from Financial Activities:		
Dividends Paid	<u>(369,695)</u>	<u>(486,041)</u>
Net Cash Flow from Financial Activities	<u>(369,695)</u>	<u>(486,041)</u>
Exchange Differences on Cash and Cash Equivalents	<u>76,700</u>	<u>28,776</u>
Net increase/Decrease of Cash and Cash Equivalents	<u>762,936</u>	<u>913,731</u>
Cash and Cash Equivalents at the Beginning of the Period	<u>2,131,653</u>	<u>2,894,590</u>
Cash and Cash Equivalents at the End of the Period	<u>2,894,590</u>	<u>3,808,321</u>

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) Geographic Segment Information

	Thousands of Yen	
	<u>Oct.06–Sept.07</u>	<u>Oct.07–Sept.08</u>
Net Sales:		
Japan	11,620,500	11,902,444
Customers	8,666,582	8,975,577
Internal Sales	2,953,918	2,926,866
Europe	4,913,528	6,024,496
Customers	4,699,532	5,843,741
Internal Sales	213,996	180,755
North America	454,736	389,255
Customers	219,967	175,967
Internal Sales	234,769	213,287
Subtotal	<u>16,988,765</u>	<u>18,316,196</u>
Customers	13,586,081	14,995,286
Internal Sales	3,402,683	3,320,909
Subtraction for Consolidation	<u>(3,402,683)</u>	<u>(3,320,909)</u>
Consolidated	<u>13,586,081</u>	<u>14,995,286</u>
Operating Expenses:		
Japan	8,987,752	9,163,348
Europe	4,226,667	4,717,936
North America	391,003	338,867
Subtotal	<u>13,605,422</u>	<u>14,220,152</u>
Subtraction for Consolidation	<u>(2,962,158)</u>	<u>(2,832,944)</u>
Consolidated	<u>10,643,264</u>	<u>11,387,207</u>
Operating Income:		
Japan	2,632,748	2,739,095
Europe	686,860	1,306,560
North America	63,733	50,387
Subtotal	<u>3,383,342</u>	<u>4,096,043</u>
Subtraction for Consolidation	<u>(440,525)</u>	<u>(487,964)</u>
Consolidated	<u>2,942,816</u>	<u>3,068,078</u>

(3) Overseas Sales

	<u>Oct.06–Sept.07</u>		<u>Oct.07–Sept.08</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	7,380,845	54.3	9,076,664	60.5
North America	3,104,805	22.8	2,693,388	18.0
Other Areas	<u>538,345</u>	<u>4.0</u>	<u>756,117</u>	<u>5.0</u>
Overseas Sales Total	<u>11,023,996</u>	<u>81.1</u>	<u>12,526,170</u>	<u>83.5</u>
Total including Japan	13,586,081	100.0	14,995,286	100.0