

Translation

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**Summary of Consolidated Financial Results  
for the Nine Months Ended August 31, 2017  
(Based on Japanese GAAP)**

October 4, 2017

Company name: S-Pool, Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 2471 URL <http://www.spool.co.jp>  
 Representative: Chairman of the Board, President, and Sohei Urakami  
 Representative Director  
 Inquiries: Director Hideaki Sato TEL 03-6859-5599  
 Scheduled date to file Quarterly Securities Report: October 11, 2017  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended August 31, 2017 (from December 1, 2016 to August 31, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended August 31, 2017	8,308	25.5	391	11.6	393	15.2	239	(13.7)
Nine months ended August 31, 2016	6,621	26.4	350	–	341	–	277	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended August 31, 2017	77.65		75.88	
Nine months ended August 31, 2016	92.35		92.11	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2017	3,943	1,290	32.4	404.58
As of November 30, 2016	3,717	1,041	27.8	344.52

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended November 30, 2016	–	0.00	–	10.00	10.00
Year ending November 30, 2017	–	0.00	–		
Year ending November 30, 2017 (Forecast)				18.00	18.00

3. Forecast of consolidated financial results for the year ending November 30, 2017 (from December 1, 2016 to November 30, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,824	17.2	583	14.8	571	15.0	334	(18.0)	111.35

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended August 31, 2017  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of August 31, 2017	3,153,400 shares	As of November 30, 2016	3,003,400 shares
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Number of treasury shares at the end of the period

As of August 31, 2017	62 shares	As of November 30, 2016	62 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended August 31, 2017	3,081,623 shares	Nine months ended August 31, 2016	3,003,338 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of November 30, 2016	As of August 31, 2017
<b>Assets</b>		
Current assets		
Cash and deposits	1,074,764	1,060,377
Notes and accounts receivable - trade	1,265,106	1,348,890
Merchandise	23,653	22,828
Other	180,373	97,959
Allowance for doubtful accounts	(1,460)	(2,009)
Total current assets	2,542,437	2,528,046
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	754,843	970,845
Other, net	203,682	202,967
Total property, plant and equipment	958,526	1,173,813
Intangible assets	56,777	64,109
Investments and other assets		
Other	186,686	201,230
Allowance for doubtful accounts	(27,151)	(23,858)
Total investments and other assets	159,534	177,372
Total non-current assets	1,174,838	1,415,294
Total assets	3,717,275	3,943,341
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	132,632	91,186
Short-term loans payable	800,000	900,000
Current portion of long-term loans payable	159,836	144,356
Income taxes payable	80,946	51,590
Accrued expenses	552,822	700,537
Provision for bonuses	27,643	25,793
Provision for directors' bonuses	30,000	–
Other	493,592	390,702
Total current liabilities	2,277,474	2,304,167
Non-current liabilities		
Long-term loans payable	245,722	139,570
Asset retirement obligations	132,467	180,834
Other	20,009	28,316
Total non-current liabilities	398,199	348,721
Total liabilities	2,675,673	2,652,889

(Thousands of yen)

	As of November 30, 2016	As of August 31, 2017
Net assets		
Shareholders' equity		
Capital stock	351,138	366,951
Capital surplus	201,138	216,951
Retained earnings	482,075	691,328
Treasury shares	(53)	(53)
Total shareholders' equity	1,034,297	1,275,176
Accumulated other comprehensive income		
Foreign currency translation adjustment	402	592
Total accumulated other comprehensive income	402	592
Subscription rights to shares	6,901	14,682
Total net assets	1,041,602	1,290,452
Total liabilities and net assets	3,717,275	3,943,341

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended August 31, 2016	Nine months ended August 31, 2017
Net sales	6,621,747	8,308,360
Cost of sales	4,709,315	6,041,790
Gross profit	1,912,432	2,266,570
Selling, general and administrative expenses	1,561,882	1,875,310
Operating income	350,549	391,259
Non-operating income		
Interest income	121	9
Share of profit of entities accounted for using equity method	958	-
Subsidy income	-	6,889
Other	1,539	1,288
Total non-operating income	2,619	8,186
Non-operating expenses		
Interest expenses	7,200	5,243
Provision of allowance for doubtful accounts	3,533	-
Share of loss of entities accounted for using equity method	-	119
Other	808	601
Total non-operating expenses	11,541	5,964
Ordinary income	341,627	393,482
Extraordinary income		
Penalty income	-	27,300
Total extraordinary income	-	27,300
Extraordinary losses		
Loss on retirement of non-current assets	12,083	4,837
Compensation for damage	-	14,649
Total extraordinary losses	12,083	19,486
Profit before income taxes	329,544	401,295
Income taxes - current	68,677	83,402
Income taxes - deferred	(16,481)	78,606
Total income taxes	52,196	162,008
Profit	277,347	239,286
Profit attributable to owners of parent	277,347	239,286

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended August 31, 2016	Nine months ended August 31, 2017
Profit	277,347	239,286
Other comprehensive income		
Share of other comprehensive income of entities accounted for using equity method	(452)	190
Total other comprehensive income	(452)	190
Comprehensive income	276,895	239,476
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	276,895	239,476
Comprehensive income attributable to non-controlling interests	—	—