

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended February 28, 2018 (Based on Japanese GAAP)

April 3, 2018

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: April 11, 2018  
 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 three months ended February 28, 2018 (from December 1, 2017 to February 28, 2018)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended February 28, 2018	3,212	30.7	166	255.6	173	281.7	108	221.2
Three months ended February 28, 2017	2,457	20.5	46	–	45	–	33	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended February 28, 2018	6.87		6.84	
Three months ended February 28, 2017	2.25		2.15	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2018	4,479	1,521	33.8	95.87
As of November 30, 2017	4,493	1,473	32.5	92.54

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, 2017	–	0.00	–	18.00	18.00
Year ending November 30, 2018	–				
Year ending November 30, 2018 (Forecast)		0.00	–	5.00	5.00

3. Forecast of consolidated financial results for the year ending November 30, 2018 (from December 1, 2017 to November 30, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending May 31, 2018	6,431	20.7	302	15.5	296	11.7	162	(6.7)	10.28
Full year	13,587	16.2	814	20.7	802	16.7	468	10.7	29.70

4. Notes

- (1) Changes in significant subsidiaries during the three months ended February 28, 2018  
(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 February 28, 2018	15,780,500 shares	As of November 30, 2017	15,767,000 shares
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Number of treasury shares at the end of the period

As of February 28, 2018	645 shares	As of November 30, 2017	645 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended February 28, 2018	15,766,655 shares	Three months ended February 28, 2017	15,016,690 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of November 30, 2017	As of February 28, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	1,240	1,053
Notes and accounts receivable - trade	1,565	1,618
Merchandise	18	18
Other	144	107
Allowance for doubtful accounts	(0)	(0)
Total current assets	2,969	2,797
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,026	1,121
Other, net	209	273
Total property, plant and equipment	1,235	1,395
Intangible assets	60	54
Investments and other assets		
Other	243	247
Allowance for doubtful accounts	(15)	(15)
Total investments and other assets	228	232
Total non-current assets	1,524	1,681
Total assets	4,493	4,479
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	106	50
Short-term loans payable	900	1,150
Current portion of long-term loans payable	141	128
Income taxes payable	131	46
Accrued expenses	764	786
Provision for bonuses	72	26
Provision for directors' bonuses	18	-
Other	560	464
Total current liabilities	2,695	2,653
Non-current liabilities		
Long-term loans payable	103	81
Asset retirement obligations	196	208
Other	23	14
Total non-current liabilities	324	305
Total liabilities	3,019	2,958
<b>Net assets</b>		
Shareholders' equity		
Capital stock	366	368
Capital surplus	216	218
Retained earnings	875	926
Treasury shares	(0)	(0)
Total shareholders' equity	1,459	1,512
Subscription rights to shares	14	8
Total net assets	1,473	1,521
Total liabilities and net assets	4,493	4,479

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended February 28, 2017	Three months ended February 28, 2018
Net sales	2,457	3,212
Cost of sales	1,842	2,335
Gross profit	614	876
Selling, general and administrative expenses	568	709
Operating profit	46	166
Non-operating income		
Interest income	0	0
Commission fee	0	–
Subsidy income	–	8
Other	0	0
Total non-operating income	0	8
Non-operating expenses		
Interest expenses	1	1
Share of loss of entities accounted for using equity method	0	–
Total non-operating expenses	1	1
Ordinary profit	45	173
Extraordinary income		
Penalty income	27	–
Gain on reversal of subscription rights to shares	–	4
Total extraordinary income	27	4
Extraordinary losses		
Loss on retirement of non-current assets	–	1
Compensation for damage	14	–
Total extraordinary losses	14	1
Profit before income taxes	58	176
Income taxes - current	9	41
Income taxes - deferred	15	27
Total income taxes	24	68
Profit	33	108
Profit attributable to owners of parent	33	108

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

(Millions of yen)

	Three months ended February 28, 2017	Three months ended February 28, 2018
Profit	33	108
Other comprehensive income		
Share of other comprehensive income of entities accounted for using equity method	0	–
Total other comprehensive income	0	–
Comprehensive income	33	108
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	33	108
Comprehensive income attributable to non-controlling interests	–	–