

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended August 31, 2018 (Based on Japanese GAAP)

October 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: October 10, 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 nine months ended August 31, 2018 (from December 1, 2017 to August 31, 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	%
Nine months ended August 31, 2018	10,701	28.8	699	78.8	703	78.7	437	83.0
Nine months ended August 31, 2017	8,308	25.5	391	11.6	393	15.2	239	(13.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended August 31, 2018	27.75		27.69	
Nine months ended August 31, 2017	15.53		15.18	

(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, 2018	5,166		1,850		35.7		116.75	
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
Year ended November 30, 2017	–	0.00	–	18.00	18.00
Year ending November 30, 2018	–	0.00	–		
Year ending November 30, 2018 (Forecast)				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	
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 nine months ended August 31, 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 August 31, 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 August 31, 2018	692 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)

Nine months ended August 31, 2018	15,775,516 shares	Nine months ended August 31, 2017	15,408,113 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of November 30, 2017	As of August 31, 2018
Assets		
Current assets		
Cash and deposits	1,240	1,125
Notes and accounts receivable - trade	1,565	1,872
Merchandise	18	15
Other	144	102
Allowance for doubtful accounts	(0)	(0)
Total current assets	2,969	3,114
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,026	1,431
Other, net	209	266
Total property, plant and equipment	1,235	1,698
Intangible assets	60	67
Investments and other assets		
Other	243	299
Allowance for doubtful accounts	(15)	(13)
Total investments and other assets	228	285
Total non-current assets	1,524	2,051
Total assets	4,493	5,166
Liabilities		
Current liabilities		
Accounts payable - trade	106	134
Short-term loans payable	900	1,100
Current portion of long-term loans payable	141	86
Income taxes payable	131	141
Accrued expenses	764	912
Provision for bonuses	72	26
Provision for directors' bonuses	18	-
Other	560	530
Total current liabilities	2,695	2,931
Non-current liabilities		
Long-term loans payable	103	53
Asset retirement obligations	196	287
Other	23	43
Total non-current liabilities	324	384
Total liabilities	3,019	3,315
Net assets		
Shareholders' equity		
Capital stock	366	368
Capital surplus	216	218
Retained earnings	875	1,256
Treasury shares	(0)	(0)
Total shareholders' equity	1,459	1,842
Subscription rights to shares	14	8
Total net assets	1,473	1,850
Total liabilities and net assets	4,493	5,166

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended August 31, 2017	Nine months ended August 31, 2018
Net sales	8,308	10,701
Cost of sales	6,041	7,849
Gross profit	2,266	2,851
Selling, general and administrative expenses	1,875	2,151
Operating profit	391	699
Non-operating income		
Interest income	0	0
Subsidy income	6	8
Other	1	0
Total non-operating income	8	9
Non-operating expenses		
Interest expenses	5	4
Share of loss of entities accounted for using equity method	0	-
Other	0	0
Total non-operating expenses	5	5
Ordinary profit	393	703
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	4	19
Compensation for damage	14	-
Total extraordinary losses	19	19
Profit before income taxes	401	688
Income taxes - current	83	210
Income taxes - deferred	78	40
Total income taxes	162	250
Profit	239	437
Profit attributable to owners of parent	239	437

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended August 31, 2017	Nine months ended August 31, 2018
Profit	239	437
Other comprehensive income		
Share of other comprehensive income of entities accounted for using equity method	0	–
Total other comprehensive income	0	–
Comprehensive income	239	437
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	239	437
Comprehensive income attributable to non-controlling interests	–	–