

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended November 30, 2018  
(Based on Japanese GAAP)**

January 11, 2019

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 of ordinary general meeting of shareholders: February 27, 2019  
 Scheduled date to file Securities Report: February 28, 2019  
 Scheduled date to commence dividend payments: February 28, 2019  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended November 30, 2018 (from December 1, 2017 to November 30, 2018)

(1) Consolidated operating results

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	%
Year ended November 30, 2018	14,797	26.5	983	45.9	1,007	46.5	619	46.3
Year ended November 30, 2017	11,696	26.6	674	32.8	687	38.4	423	3.8

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended November 30, 2018	39.27	39.20	35.6	19.6	6.6
Year ended November 30, 2017	27.32	26.83	34.0	16.7	5.8

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2018	5,801	2,032	34.9	128.27
As of November 30, 2017	4,493	1,473	32.5	92.54

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended November 30, 2018	724	(878)	1	1,087
Year ended November 30, 2017	801	(577)	(58)	1,240

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended November 30, 2017	–	0.00	–	18.00	18.00	56	13.2	4.5
Year ended November 30, 2018	–	0.00	–	5.00	5.00	78	12.7	4.5
Year ending November 30, 2019 (Forecast)	–	0.00	–	10.00	10.00		19.4	

3. Forecast of consolidated financial results for the year ending November 30, 2019 (from December 1, 2018 to November 30, 2019)

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, 2019	8,068	17.5	466	0.8	460	(1.6)	298	(1.7)	18.90
Full year	17,066	15.3	1,260	28.1	1,248	23.9	811	31.0	51.43

4. Notes

(1) Changes in significant subsidiaries during the year ended November 30, 2018

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of November 30, 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 November 30, 2018	692 shares	As of November 30, 2017	645 shares
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Average number of shares during the period

Year ended November 30, 2018	15,776,586 shares	Year ended November 30, 2017	15,497,472 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of November 30, 2017	As of November 30, 2018
Assets		
Current assets		
Cash and deposits	1,240	1,087
Notes and accounts receivable - trade	1,565	2,094
Merchandise	18	8
Deferred tax assets	61	70
Other	82	122
Allowance for doubtful accounts	(0)	(0)
Total current assets	2,969	3,381
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,295	1,972
Accumulated depreciation	(268)	(398)
Buildings and structures, net	1,026	1,573
Vehicles	174	298
Accumulated depreciation	(101)	(181)
Vehicles, net	73	116
Land	55	55
Construction in progress	23	210
Other	143	183
Accumulated depreciation	(86)	(92)
Other, net	56	90
Total property, plant and equipment	1,235	2,047
Intangible assets		
Software	59	67
Other	0	0
Total intangible assets	60	68
Investments and other assets		
Investment securities	15	15
Lease and guarantee deposits	199	260
Other	28	41
Allowance for doubtful accounts	(15)	(13)
Total investments and other assets	228	304
Total non-current assets	1,524	2,419
Total assets	4,493	5,801

(Millions of yen)

	As of November 30, 2017	As of November 30, 2018
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	106	90
Short-term loans payable	900	1,100
Current portion of long-term loans payable	141	62
Accounts payable - other	198	373
Income taxes payable	131	262
Accrued consumption taxes	276	329
Accrued expenses	764	959
Provision for bonuses	72	45
Provision for directors' bonuses	18	25
Other	84	115
Total current liabilities	2,695	3,364
Non-current liabilities		
Long-term loans payable	103	41
Deferred tax liabilities	23	48
Asset retirement obligations	196	311
Other	–	4
Total non-current liabilities	324	405
<b>Total liabilities</b>	<b>3,019</b>	<b>3,769</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	366	368
Capital surplus	216	218
Retained earnings	875	1,438
Treasury shares	(0)	(0)
Total shareholders' equity	1,459	2,024
Share acquisition rights	14	8
<b>Total net assets</b>	<b>1,473</b>	<b>2,032</b>
<b>Total liabilities and net assets</b>	<b>4,493</b>	<b>5,801</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended November 30, 2017	Fiscal year ended November 30, 2018
Net sales	11,696	14,797
Cost of sales	8,456	10,774
Gross profit	3,239	4,022
Selling, general and administrative expenses	2,564	3,038
Operating profit	674	983
Non-operating income		
Interest income	0	1
Share of profit of entities accounted for using equity method	0	–
Subsidy income	19	29
Other	1	0
Total non-operating income	21	31
Non-operating expenses		
Interest expenses	6	6
Commission fee	2	1
Total non-operating expenses	8	7
Ordinary profit	687	1,007
Extraordinary income		
Gain on sales of non-current assets	–	1
Penalty income	27	–
Compensation income	–	31
Gain on reversal of share acquisition rights	–	4
Other	0	–
Total extraordinary income	27	37
Extraordinary losses		
Loss on retirement of non-current assets	11	30
Loss on cancellation of rental contracts	–	14
Compensation for damage	41	–
Total extraordinary losses	52	45
Profit before income taxes	661	999
Income taxes - current	196	365
Income taxes - deferred	41	14
Total income taxes	238	380
Profit	423	619
Profit attributable to owners of parent	423	619

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended November 30, 2017	Fiscal year ended November 30, 2018
Profit	423	619
Other comprehensive income		
Share of other comprehensive income of entities accounted for using equity method	(0)	–
Total other comprehensive income	(0)	–
Comprehensive income	422	619
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	422	619
Comprehensive income attributable to non-controlling interests	–	–

## Consolidated statements of changes in equity

Fiscal year ended November 30, 2017

(Millions of yen)

	Shareholders' equity					Accumulated other comprehensive income	
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Foreign currency translation adjustment	Total accumulated other comprehensive income
Balance at beginning of current period	351	201	482	(0)	1,034	0	0
Changes of items during period							
Dividends of surplus			(30)		(30)		
Issuance of new shares - exercise of share acquisition rights	15	15			31		
Profit attributable to owners of parent			423		423		
Purchase of treasury shares				(0)	(0)		
Net changes of items other than shareholders' equity						(0)	(0)
Total changes of items during period	15	15	393	(0)	424	(0)	(0)
Balance at end of current period	366	216	875	(0)	1,459	-	-

	Share acquisition rights	Total net assets
Balance at beginning of current period	6	1,041
Changes of items during period		
Dividends of surplus		(30)
Issuance of new shares - exercise of share acquisition rights		31
Profit attributable to owners of parent		423
Purchase of treasury shares		(0)
Net changes of items other than shareholders' equity	7	7
Total changes of items during period	7	432
Balance at end of current period	14	1,473

Fiscal year ended November 30, 2018

(Millions of yen)

	Shareholders' equity					Share acquisition rights	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity		
Balance at beginning of current period	366	216	875	(0)	1,459	14	1,473
Changes of items during period							
Dividends of surplus			(56)		(56)		(56)
Issuance of new shares - exercise of share acquisition rights	1	1			2		2
Profit attributable to owners of parent			619		619		619
Purchase of treasury shares				(0)	(0)		(0)
Net changes of items other than shareholders' equity						(6)	(6)
Total changes of items during period	1	1	562	(0)	565	(6)	558
Balance at end of current period	368	218	1,438	(0)	2,024	8	2,032



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended November 30, 2017	Fiscal year ended November 30, 2018
Cash flows from operating activities		
Profit before income taxes	661	999
Depreciation	220	273
Increase (decrease) in allowance for doubtful accounts	(13)	(0)
Increase (decrease) in provision for bonuses	45	(27)
Increase (decrease) in provision for directors' bonuses	(12)	7
Interest income	(0)	(1)
Interest expenses	6	6
Share of loss (profit) of entities accounted for using equity method	(0)	–
Loss on retirement of non-current assets	11	30
Loss (gain) on sales of non-current assets	–	(1)
Penalty income	(27)	–
Compensation for damage	41	–
Compensation income	–	(31)
Loss on cancellation of rental contracts	–	14
Decrease (increase) in notes and accounts receivable - trade	(300)	(528)
Decrease (increase) in inventories	4	10
Increase (decrease) in notes and accounts payable - trade	(25)	(16)
Increase (decrease) in accrued expenses	212	195
Other, net	127	40
Subtotal	952	970
Interest and dividend income received	0	1
Interest expenses paid	(6)	(6)
Proceeds from penalty income	27	–
Compensation for damage paid	(14)	–
Payments for cancellation of leasehold contrasts	–	(5)
Income taxes (paid) refund	(156)	(235)
Net cash provided by (used in) operating activities	801	724
Cash flows from investing activities		
Purchase of property, plant and equipment	(489)	(769)
Purchase of intangible assets	(28)	(47)
Payments for lease and guarantee deposits	(70)	(67)
Proceeds from collection of lease and guarantee deposits	11	6
Other, net	0	–
Net cash provided by (used in) investing activities	(577)	(878)
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	100	200
Repayments of long-term loans payable	(159)	(141)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	31	0
Purchase of treasury shares	–	(0)
Cash dividends paid	(29)	(56)
Net cash provided by (used in) financing activities	(58)	1
Net increase (decrease) in cash and cash equivalents	165	(152)
Cash and cash equivalents at beginning of period	1,074	1,240
Cash and cash equivalents at end of period	1,240	1,087