

Translation

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**Summary of Consolidated Financial Results  
for the Six Months Ended May 31, 2018  
(Based on Japanese GAAP)**

July 4, 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: July 11, 2018  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended May 31, 2018 (from December 1, 2017 to May 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	%
Six months ended May 31, 2018	6,865	28.8	463	76.6	468	76.3	303	74.6
Six months ended May 31, 2017	5,329	24.0	262	6.0	265	10.3	173	(13.5)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended May 31, 2018	19.24		19.19	
Six months ended May 31, 2017	11.42		11.05	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of May 31, 2018	4,890	1,716	34.9	108.24
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				
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 six months ended May 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 May 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 May 31, 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)

Six months ended May 31, 2018	15,773,328 shares	Six months ended May 31, 2017	15,226,855 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of November 30, 2017	As of May 31, 2018
<b>Assets</b>		
Current assets		
Cash and deposits	1,240	980
Notes and accounts receivable - trade	1,565	1,838
Merchandise	18	16
Other	144	112
Allowance for doubtful accounts	(0)	(0)
Total current assets	2,969	2,947
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,026	1,357
Other, net	209	248
Total property, plant and equipment	1,235	1,605
Intangible assets	60	72
Investments and other assets		
Other	243	278
Allowance for doubtful accounts	(15)	(13)
Total investments and other assets	228	264
Total non-current assets	1,524	1,942
Total assets	4,493	4,890
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	106	121
Short-term loans payable	900	1,100
Current portion of long-term loans payable	141	109
Income taxes payable	131	155
Accrued expenses	764	839
Provision for bonuses	72	57
Provision for directors' bonuses	18	-
Other	560	423
Total current liabilities	2,695	2,806
Non-current liabilities		
Long-term loans payable	103	65
Asset retirement obligations	196	270
Other	23	31
Total non-current liabilities	324	367
Total liabilities	3,019	3,173
<b>Net assets</b>		
Shareholders' equity		
Capital stock	366	368
Capital surplus	216	218
Retained earnings	875	1,122
Treasury shares	(0)	(0)
Total shareholders' equity	1,459	1,708
Subscription rights to shares	14	8
Total net assets	1,473	1,716
Total liabilities and net assets	4,493	4,890

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended May 31, 2017	Six months ended May 31, 2018
Net sales	5,329	6,865
Cost of sales	3,916	4,986
Gross profit	1,412	1,879
Selling, general and administrative expenses	1,150	1,416
Operating profit	262	463
Non-operating income		
Interest income	0	0
Subsidy income	6	8
Other	0	0
Total non-operating income	7	9
Non-operating expenses		
Interest expenses	3	3
Share of loss of entities accounted for using equity method	0	–
Other	0	0
Total non-operating expenses	4	3
Ordinary profit	265	468
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	2
Compensation for damage	14	–
Total extraordinary losses	19	2
Profit before income taxes	273	469
Income taxes - current	69	143
Income taxes - deferred	30	23
Total income taxes	99	166
Profit	173	303
Profit attributable to owners of parent	173	303

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

(Millions of yen)

	Six months ended May 31, 2017	Six months ended May 31, 2018
Profit	173	303
Other comprehensive income		
Share of other comprehensive income of entities accounted for using equity method	0	–
Total other comprehensive income	0	–
Comprehensive income	173	303
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	173	303
Comprehensive income attributable to non-controlling interests	–	–

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended May 31, 2017	Six months ended May 31, 2018
Cash flows from operating activities		
Profit before income taxes	273	469
Depreciation	99	119
Increase (decrease) in allowance for doubtful accounts	(2)	(0)
Increase (decrease) in provision for bonuses	11	(14)
Increase (decrease) in provision for directors' bonuses	(30)	(18)
Interest and dividend income	(0)	(0)
Interest expenses	3	3
Share of (profit) loss of entities accounted for using equity method	0	–
Loss on retirement of non-current assets	4	2
Penalty income	(27)	–
Compensation for damage	14	–
Decrease (increase) in notes and accounts receivable - trade	(59)	(272)
Decrease (increase) in inventories	(4)	2
Increase (decrease) in notes and accounts payable - trade	(34)	14
Increase (decrease) in accrued expenses	18	74
Other, net	(58)	(31)
Subtotal	209	347
Interest and dividend income received	0	0
Interest expenses paid	(3)	(3)
Proceeds from penalty income	27	–
Compensation for damage paid	(14)	–
Income taxes (paid) refund	(71)	(116)
Net cash provided by (used in) operating activities	146	228
Cash flows from investing activities		
Purchase of property, plant and equipment	(237)	(503)
Purchase of intangible assets	(26)	(24)
Payments for lease and guarantee deposits	(24)	(39)
Proceeds from collection of lease and guarantee deposits	9	5
Net cash provided by (used in) investing activities	(279)	(561)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	100	200
Repayments of long-term loans payable	(81)	(70)
Proceeds from issuance of shares resulting from exercise of subscription rights to shares	31	0
Cash dividends paid	(29)	(56)
Net cash provided by (used in) financing activities	20	72
Net increase (decrease) in cash and cash equivalents	(112)	(260)
Cash and cash equivalents at beginning of period	1,074	1,240
Cash and cash equivalents at end of period	962	980