

SHOEI CO., LTD.
Financial Results for the Second
Quarter of the Fiscal Year Ending
September 30, 2023



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(At present, no changes are made.)**

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I . Financial Results for the Second Quarter of the Fiscal Year Ending September 30, 2023

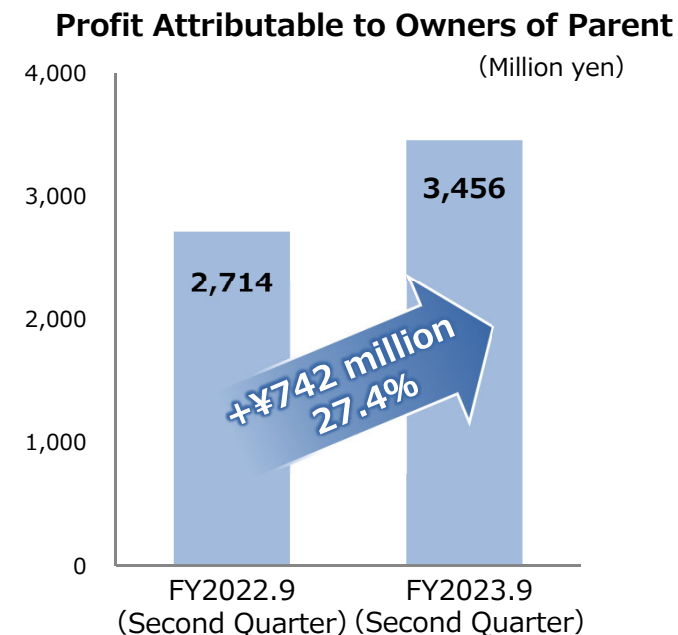
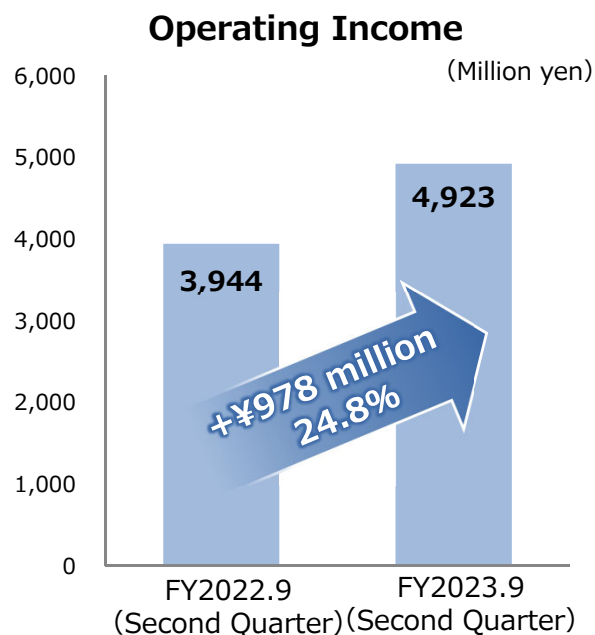
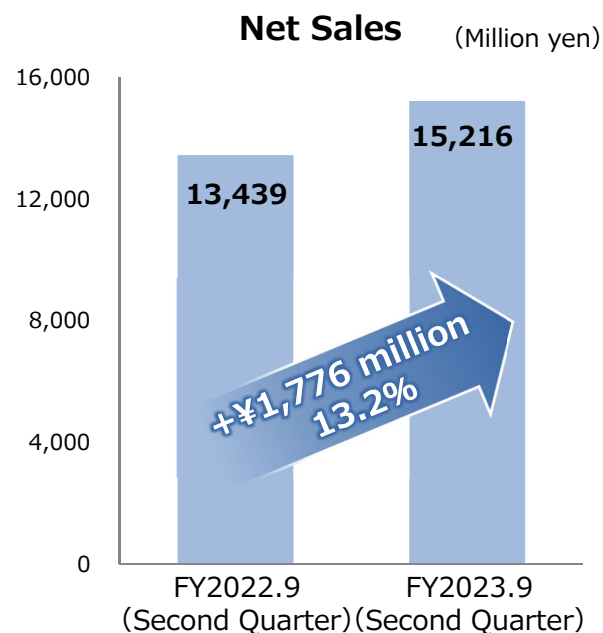


(1) Financial Highlights



Key points of the financial results for the Second Quarter of the Fiscal Year Ending September 30, 2023

- (1) We achieved the production and sales plans laid out at the beginning of the fiscal year. Sales recorded by our subsidiaries were also generally in line with the plans. The number of units sold increased 1.6% year on year, to 5,000.
- (2) Net sales increased 13.2% year on year, reflecting across-the-board price increases in October 2022 and rises in unit prices resulting from the launch of new models, as well as the weakening of the yen.
- (3) Operating income climbed 24.8% year on year, reflecting lower-than-expected general and administrative expenses on top of (ii) above, more than offsetting increases in the costs of materials and electricity, among other costs.



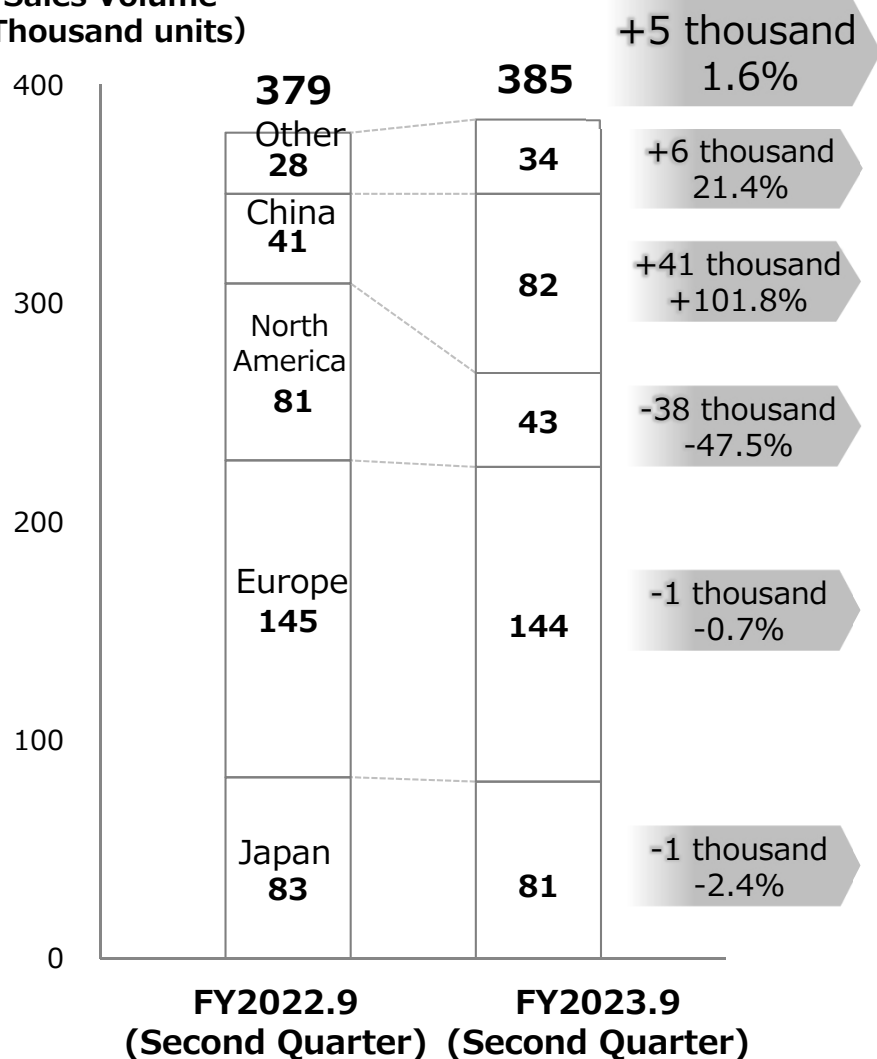
Average foreign exchange rates for the term (the Second Quarter of the FY ending Sep. 2023) US\$/JPY=137.81, EUR/JPY=143.48
Overseas subsidiary conversion rates (end of December 2022) US\$/JPY=132.70, EUR/JPY=141.47

(2) Consolidated Sales Volume and Net Sales by Region

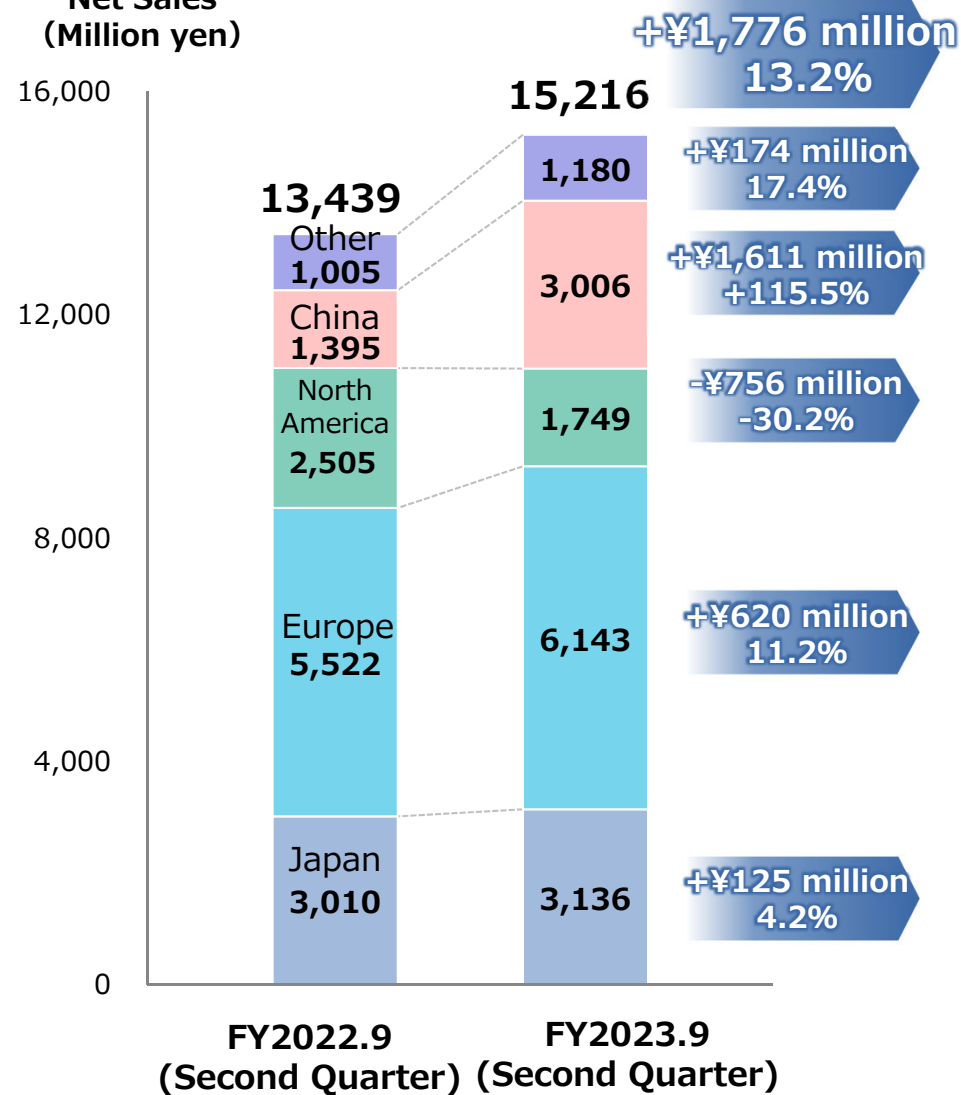


Consolidated Sales Volume and Net Sales by Region

Sales Volume
(Thousand units)



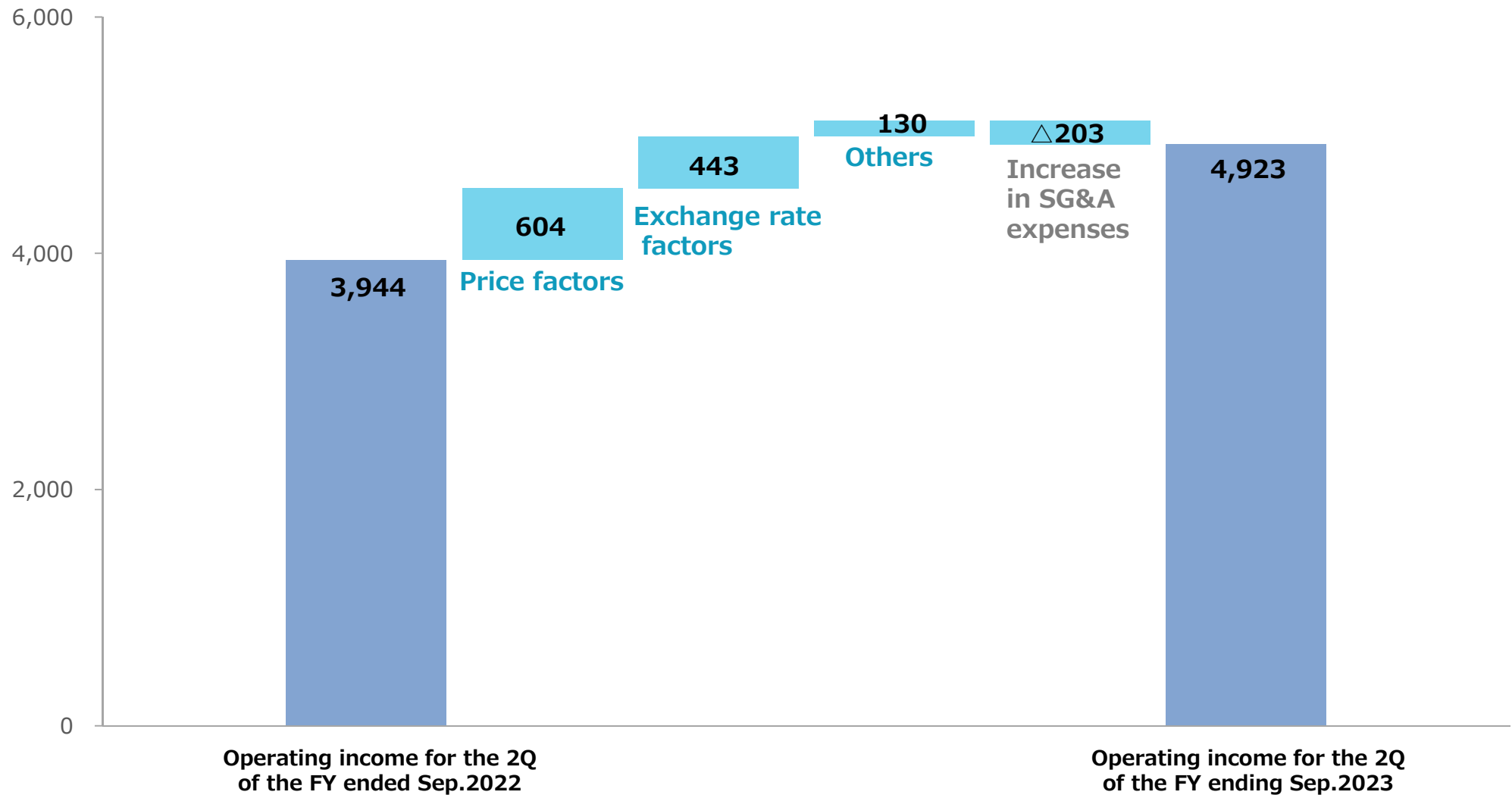
Net Sales
(Million yen)



(3) Variance Analysis of Operating Income



(単位：百万円)



(3) Consolidated Balance Sheets

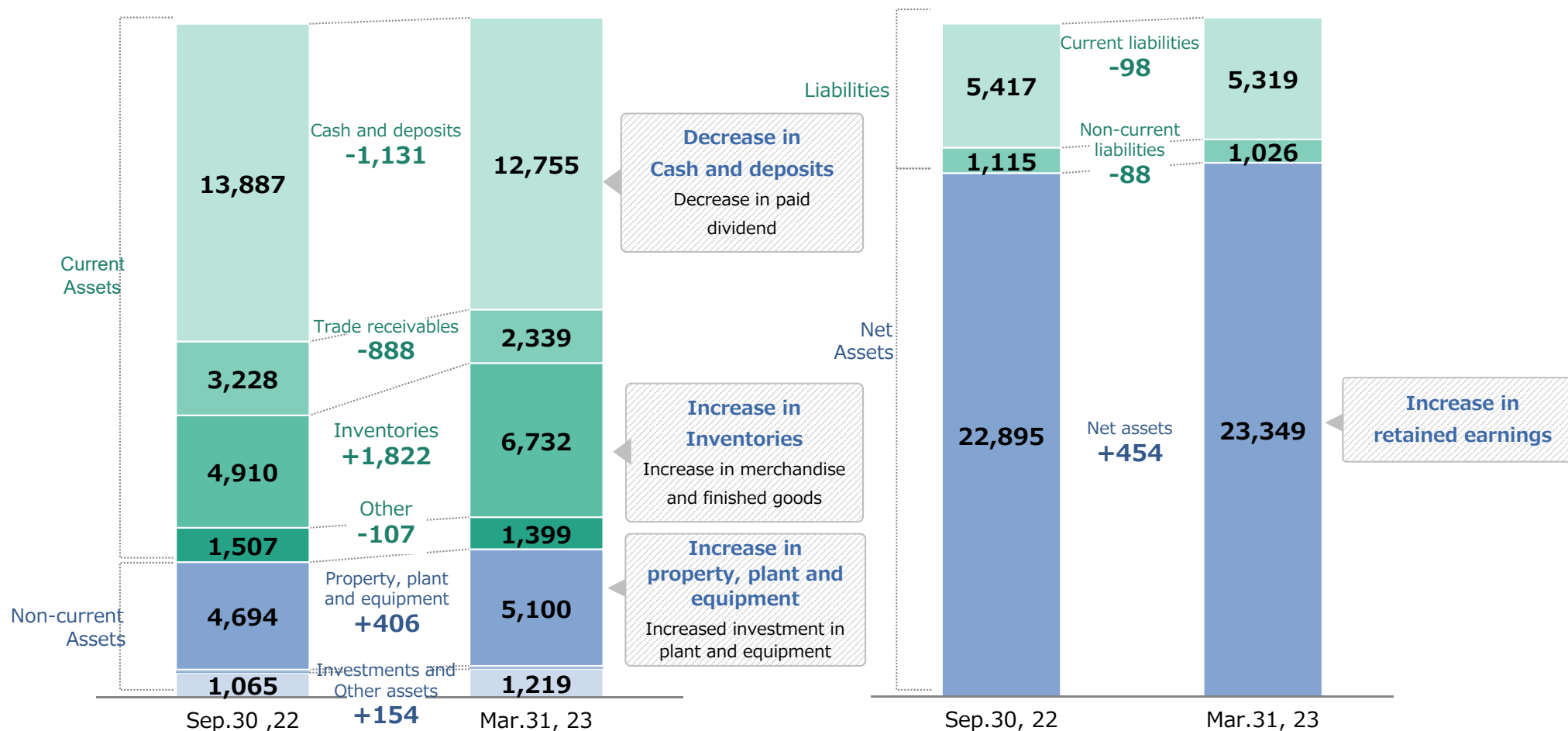


Assets

(Unit : Million yen)

Liabilities/Net Assets

(Unit : Million yen)

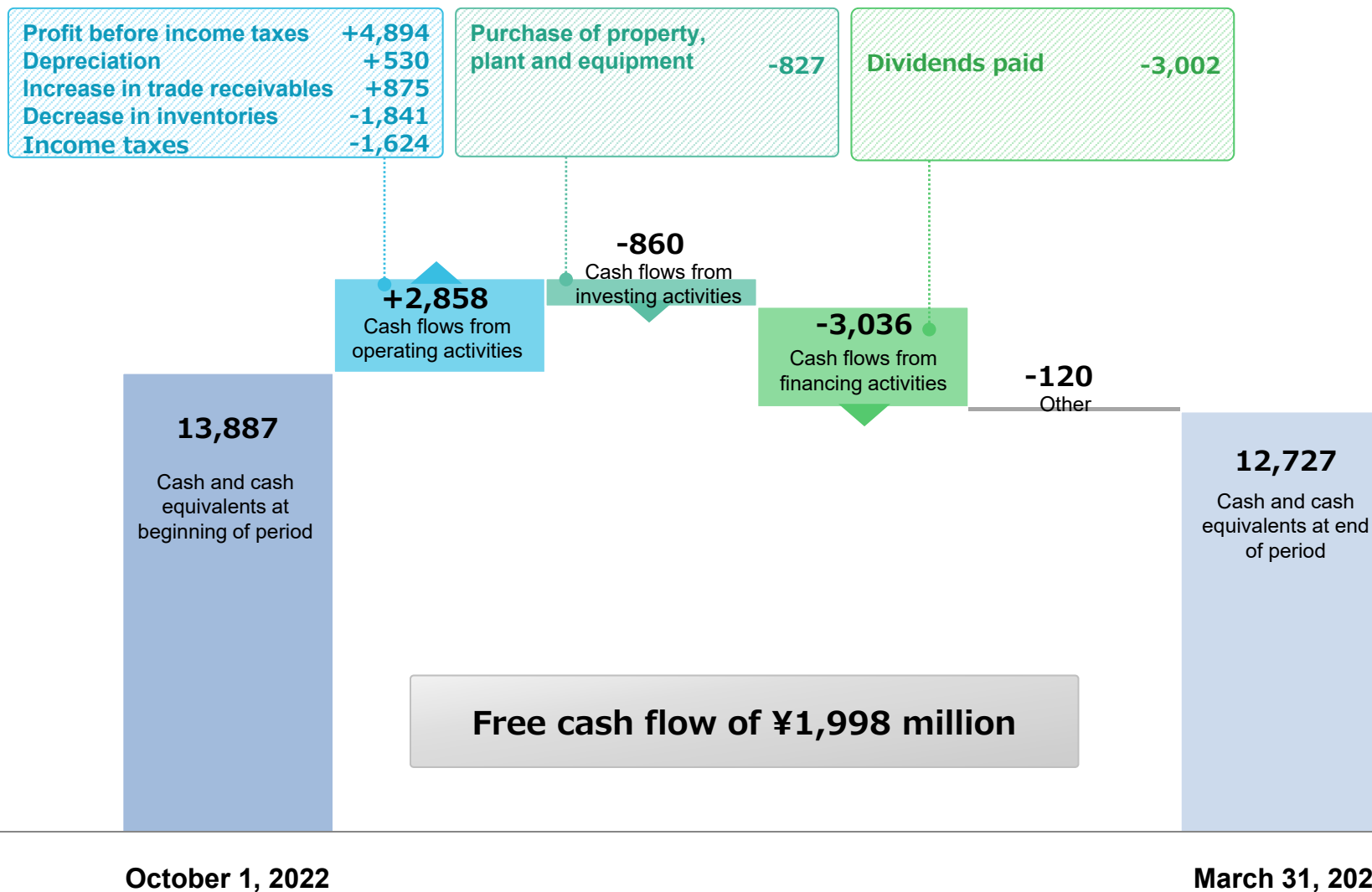


Shareholder Equity ratio **77.7%** ▶ **78.6%**

(5) Consolidated Statements of Cashflow



(Unit : Million yen)



(6) Topics in the Second Quarter of the Fiscal Year Ending September 30, 2023



- We opened the SHOEI Gallery KYOTO, the fourth directly managed showroom, to increase the point of contact with customers.
- As in last year, we ran a booth at the Osaka/Tokyo Motorcycle Show. With the number of visitors rising *36.3% from the previous exhibition, the show regained liveliness for the first time in the last couple of years.

Opening Direct Sales Showroom SHOEI Gallery OSAKA

We opened the SHOEI Gallery KYOTO, the fourth exhibition and sales facility of SHOEI products subsequent to those in Tokyo, Osaka and Yokohama shop, on May 18, 2023 (nearest stations: Karasuma Station/Hankyu and Shijo Station/Kyoto Municipal Subway).

The products available as the current lineup are displayed and sold. All can be tried on.
The PFS service is provided.



Exhibiting at Osaka/Tokyo Motorcycle Show (March 2022)

We exhibited at Osaka/Tokyo Motorcycle Show, Japan's largest trade show for motorcycles and their parts and supplies, which is held over three days in the spring of each year.

The OPTICSON smart helmets released in December 2022.



Ⅱ . Forecasts for the Fiscal Year Ending September 30, 2023



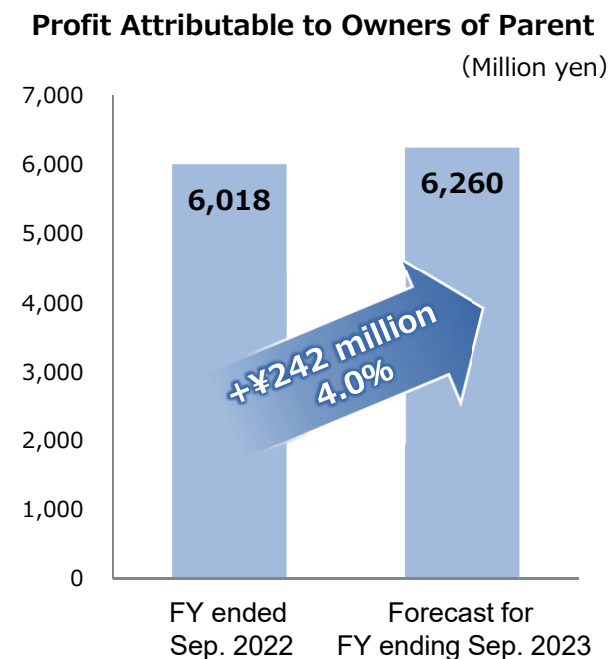
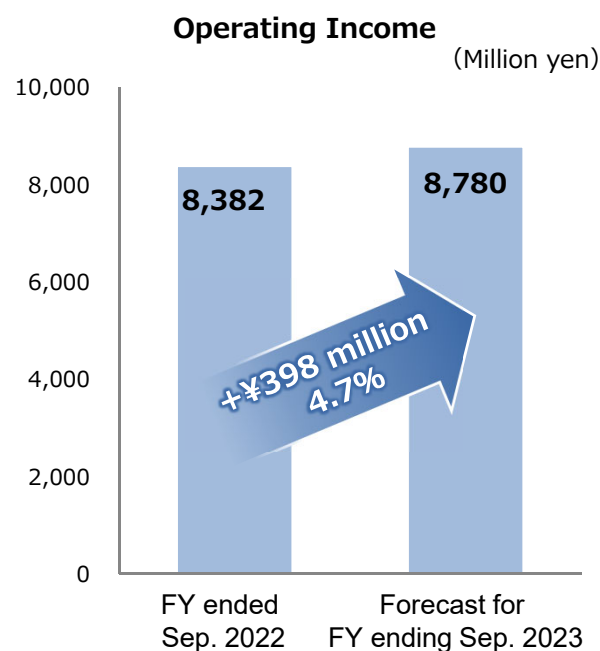
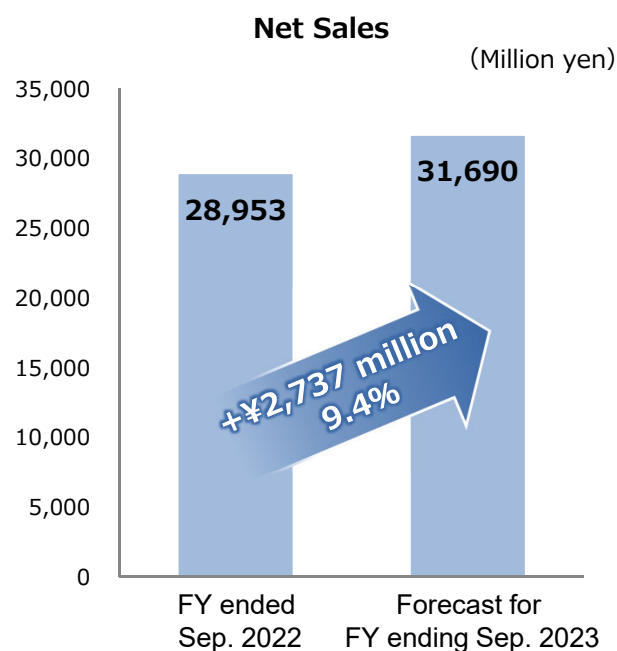
(1) Sales and Profit Forecasts (At present, no changes are made)



Main points of sales and profit forecasts

In terms of financial results for the first half of the fiscal year, net sales were almost in line with the plan and profits exceeded forecasts at each level. However, taking into consideration uncertainties (see below), we have decided at this point not to change the full-year consolidated financial forecasts.

- (1) Impact of the diversifying purposes of consumption in the post-COVID-19 situation and a sharp increase in the cost of living, particularly in Europe and the United States.
- (2) Risk related to a rise of raw materials prices
- (3) Risk related to rapid exchange fluctuations
- (4) Rise of geopolitical risks



(2) Market environment and topics (sales, products, production) for FY ending September 2023



Sales strategy

General	The order backlog at our factories, which temporarily increased to more than one year, has now decreased to three to four months. For now, therefore, we will stop limiting the volume of orders received. The factories are expected to be operating at their full capacities for the time being due to the impact of new standards and new models adopted and released in Europe and China.
Europe	We will tackle the issue of facilitating transitions to comply with the new ECE06 standard.
North America	We will actively collect information on the sales impact of the post-COVID-19 situation, inflation and sluggish economic conditions, among other factors. Aside from purchase trends among consumers, we expect that demand will be generated as retailers try to increase inventories to maintain their product mix, including new models that will be put to market due to the enforcement of the new standard.
Asia	There is analysis concluding that demand for outdoor goods is declining significantly in China. However, sales of our products remain firm at this time.
Japan	Favorable demand is expected to continue and the Osaka direct sales showroom (SHOEI Gallery) was opened in December. To respond to needs, we are considering further showroom openings.

Product Strategy

- The X-15 Series racing helmet (our flagship model)



- We will strengthen the replica helmet strategy to enhance production lines.



**X-Fifteen
MARQUEZ 7**



**"NEXT LINE"
Z-8 IDEOGRAPH**

- We will seek to ensure that our products are fully compatible with the new European safety standard (ECE06) and new Chinese standards (GB) while making full use of the design and functionality unique to SHOEI.

Production Strategy

- Production system for the FY ending September 2023: We are promoting expansion of annual capacity to 830,000 units.
- Medium-term measures for production capacity expansion: We acquired land adjacent to Ibaraki Factory in January 2022 (Development completion and delivery are expected in the Autumn of 2023.)