

July 31, 2024  
SHOEI CO., LTD.

## Consolidated Financial Results

### for the Third Quarter of the Fiscal Year Ending September 30, 2024

Name of Registrant	SHOEI CO., LTD.
Code No:	7839
Securities Traded	Tokyo Stock Exchange, Prime Market
Headquarters	Tokyo, Japan
(URL <a href="https://www.shoei.com/">https://www.shoei.com/</a> )	
Representative:	Kenichiro Ishida, President and Representative Director
Contact:	Hiroshi Yamaguchi, Director and General Manager of Business & Financial Management Headquarters

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## I . Financial Summary

### 1) Operating Performance

	Millions of Yen		
	<u>Oct.22-Jun.23</u>	<u>Oct.23-Jun.24</u>	<u>% Changes</u>
Net Sales	24,591	25,496	3.7
Operating Income	8,037	7,839	-2.5
Ordinary Income	8,128	8,061	-0.8
Profit attributable to owners of parent	5,689	5,623	-1.2
	<u>Yen</u>		
<i>Per Share Amounts</i>			
Net Income	105.99	106.49	
Net Income, Diluted	—	—	

#### Notes:

##### 1.Earnings (Losses) of Affiliates in Equity Method:

Millions of Yen	
<u>Oct.22-Jun.23</u>	<u>Oct.23-Jun.24</u>
—	—

##### 2.Average Number of Shares Outstanding During The Period (Consolidated):

Shares	
<u>Oct.22-Jun.23</u>	<u>Oct.23-Jun.24</u>
53,675,629	52,806,656

3.Number of Treasury Stocks as of Jun 30, 2024: 1,188,841

4.Change of Accounting Method: Not Applicable.

5.Percentages of net sales, operating income, ordinary income and net income show changes from those in the corresponding period of the previous year.

6.Amounts Less than ¥1million are omitted.

7.The net income per share is calculated using the weighted average number of shares (excluding treasury stock)during the period.

## 2) Financial Position

	Millions of Yen	
	<u>Sep.30,23</u>	<u>Jun.30,24</u>
Total Assets	32,805	31,967
Net Assets	27,145	27,451
	Percentage	
Net Assets to Total Assets	82.7%	85.8%
	Yen	
Net Assets per Share	506.60	522.63

### Notes:

1.Number of Shares Outstanding on September 30, 2023 and Jun 30, 2024

(Consolidated):

Shares	
<u>Sep.30,23</u>	<u>Jun.30,24</u>
53,713,716	53,713,716

## II. Consolidated Forecasts for The Fiscal Year Ending September 30, 2024

	Millions of Yen
	<u>Oct.23-Sep.24</u>
Net Sales	35,120
Operating Income	9,630
Ordinary Income	9,630
Net Income	6,770
	Yen
Net Income Per Share	126.42

## 【Qualitative Information on Performance on Consolidated Basis】

During the first nine months of the fiscal year under review (from October 1, 2023 to June 30, 2024), the global economy appeared generally firm, with a reduction in inflation making progress due to the cumulative effects of interest-rate hikes in Europe and the United States, although the conflicts in Ukraine and Gaza showed no signs of ending, created a degree of risk of economic recession. It remains uncertain whether an early economic rebound will be achieved, given the slump in the real estate sector and sluggish consumption in China and the impact of U.S. policies towards China.

In the market for high-end motorcycle helmets, demand declined with the slowdown of the motorcycle boom, which had gathered momentum during the COVID-19 pandemic, in addition to unfavorable weather conditions and other factors, reflecting the economic situation described above. On the other hand, improvements in production systems and international logistics resulted in an ample supply of products, and products had consequently remained overstocked at the distribution level until the second quarter. However, the elimination of excess channel inventory is currently underway in Europe and China with limitations on orders being placed by distributors. In China, the Company had faced challenging circumstances until the second quarter, having been dependent on new standard products launched in the current fiscal year, reflecting the impact of the excess channel inventory. However, demand began to show signs of recovery, with customer traffic to retailers recovering gradually since early spring, for example.

In the first nine months of the fiscal year under review, the total number of units sold in Japan and overseas decreased 10.8% year on year. The decline in the number of units sold in Europe was no more than 5.7% year on year, partly reflecting the effect of new products produced by launching new mainstay models, although new production volume was trending downward due to the overstocking faced by subsidiaries in Europe. In North America, the number of units sold climbed 22.9% year on year as a result of promoting sales of and increasing the quantity of models popular in the market, coupled with the country's comparatively firm economy. The number of units sold in Asia overall fell 38.8% year on year, reflecting a year-on-year decrease of 48.4% recorded in China in the circumstances described above, although the Asian market excluding China remained solid. In Japan, the number of units sold increased 4.0% year on year thanks to relatively firm demand continuing even after the COVID-19 pandemic.

With respect to financial results for the first nine months of the fiscal year under review, net sales grew 3.7%, or 904,539 thousand yen year on year, to 25,496,135 thousand yen as a result of a significant rise in unit prices due to the effect of new model launches, price increases in the previous fiscal year and the effect of the weaker yen, despite a 10.8% decline in the number of units sold year on year. Operating income declined - 2.5%, or 197,898 thousand yen year on year, to 7,839,316 thousand yen, despite a year-on-year decrease in the amount of eliminated unrealized gains in addition to higher unit prices. The decline was attributable to an increase in manufacturing costs against a decrease in the production volume, and an

increase in selling, general and administrative expenses at overseas subsidiaries linked to the weak yen. Ordinary income declined 67,269 thousand yen, or - 0.8%, year on year, to 8,061,109 thousand yen. Profit before income taxes totaled 8,053,856 thousand yen, a year-on-year decrease of 74,717 thousand yen, or - 0.9%. Profit attributable to owners of parent was 5,623,538 thousand yen, a decrease of 65,627 thousand yen, or - 1.2%, year on year.

#### Sales by Market

Japan : 5,381,285 thousand yen ( +627,972 thousand yen (13.2%) year on year)

Europe : 11,539,795 thousand yen ( +1,476,018 thousand yen (14.7%) year on year)

North America : 3,433,799 thousand yen ( +831,469 thousand yen (32.0%) year on year)

Asia : 4,356,100 thousand yen ( -2,120,717 thousand yen (-32.7%) year on year)

Others : 785,154 thousand yen ( +89,797 thousand yen (12.9%) year on year)

Exchange rates applied to the period are as below;

For exchanging sales : 150.66 yen/US\$ (137.32 yen/US\$ year on year)

161.73 yen/Euro (145.71 yen/Euro year on year)

For exchanging result of overseas subsidiaries as of March 29, 2024:

163.24 yen/Euro (145.72 yen/Euro year on year)

#### 【Analysis of financial position】

Total assets as of the end of the first nine months of the fiscal year under review decreased 837,880 thousand yen compared to the end of the previous consolidated fiscal year, to 31,967,597 thousand yen. Major factors for the change are a decrease of 2,093,747 thousand yen in current assets, partly reflecting a decrease in cash and cash equivalents that resulted from the acquisition of land and the acquisition of treasury shares, as well as an increase of 1,255,867 thousand yen in non-current assets that resulted from capital investment including land acquisition.

Liabilities decreased 1,143,952 thousand yen compared to the end of the previous fiscal year, to 4,516,283 thousand yen. Major factors for this change are a decrease of 1,224,278 thousand yen in current liabilities, primarily reflecting a decrease in income taxes payable, and an increase of 80,326 thousand yen in non-current liabilities, which resulted mainly from an increase in lease liabilities.

Net assets increased 306,072 thousand yen compared to the end of the previous fiscal year, to 27,451,314 thousand yen. Major factors for this change are an increase of 2,156,539 thousand yen in retained earnings and an increase of 1,957,105 thousand yen in treasury shares that resulted from the purchase of treasury shares.

**【Qualitative Information on Forecast of Fiscal Year on Consolidated Basis】**

The total number of units sold was lower than the plan in the first nine months of the fiscal year under review partly because shipments to China fell short of the budget. Still, net sales and profits were almost in line with the plan, reflecting higher unit prices due to the effects of various factors including the weak yen. Looking ahead, if exchange rates remain at the current level, the Company expects to benefit from the weak yen. However, it has decided not to change the full-year consolidated financial results forecasts announced on November 15, 2023 at this point because it is likely to continue to face uncertain conditions. Going forward, if it considers results forecasts should be revised because of the Group's situation, the Company will make disclosures promptly.

### III. Consolidated Financial Statements

#### Consolidated Statements of Income

(Thousands of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Net sales	24,591,595	25,496,135
Cost of sales	12,878,730	13,675,958
Gross profit	11,712,865	11,820,177
Selling, general and administrative expenses	3,675,650	3,980,860
Operating profit	8,037,215	7,839,316
Non-operating income		
Interest income	5,129	3,269
Foreign exchange gains	58,019	219,552
Subsidy income	8,099	10,036
Patent Settlement	11,364	-
Other	20,399	25,426
Total non-operating income	103,011	258,285
Non-operating expenses		
Interest expenses	5,857	26,078
Payments for employment of persons with disabilities	2,500	2,150
Commission expenses	-	5,999
Other	3,491	2,264
Total non-operating expenses	11,848	36,492
Ordinary profit	8,128,378	8,061,109
Extraordinary income		
Gain on sale of non-current assets	134	203
Other	61	-
Total extraordinary income	196	203
Extraordinary losses		
Loss on sale of non-current assets	-	0
Loss on retirement of non-current assets	-	7,454
Total extraordinary losses	-	7,455
Profit before income taxes	8,128,574	8,053,856
Income taxes - current	2,575,196	2,013,910
Income taxes - deferred	-135,787	416,408
Total income taxes	2,439,408	2,430,318
Profit	5,689,166	5,623,538
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	5,689,166	5,623,538

# Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Profit	5,689,166	5,623,538
Other comprehensive income		
Deferred gains or losses on hedges	-34,594	-
Foreign currency translation adjustment	40,273	191,534
Remeasurements of defined benefit plans, net of tax	22,635	17,137
Total other comprehensive income	28,313	208,671
Comprehensive income	5,717,479	5,832,209
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,717,891	5,832,812
Comprehensive income attributable to non-controlling interests	-411	-602



# Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2023	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	14,767,282	10,773,100
Notes receivable - trade	92,392	89,177
Accounts receivable - trade	2,545,443	3,117,942
Merchandise and finished goods	3,278,479	4,736,258
Work in process	1,557,250	2,339,911
Raw materials and supplies	1,385,679	1,209,623
Other	1,937,070	1,202,581
Allowance for doubtful accounts	-5,394	-4,139
<b>Total current assets</b>	<b>25,558,203</b>	<b>23,464,455</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,642,333	5,149,397
Accumulated depreciation	-2,447,042	-2,575,628
Buildings and structures, net	2,195,290	2,573,769
Machinery, equipment and vehicles	5,082,595	5,229,240
Accumulated depreciation	-3,383,417	-3,683,880
Machinery, equipment and vehicles, net	1,699,178	1,545,359
Tools, furniture and fixtures	5,956,817	6,305,764
Accumulated depreciation	-5,204,798	-5,746,011
Tools, furniture and fixtures, net	752,018	559,753
Land	257,294	1,429,893
Leased assets	83,121	83,121
Accumulated depreciation	-54,028	-66,497
Leased assets, net	29,092	16,624
Construction in progress	181,930	703,575
Right-of-use assets	615,363	789,395
Accumulated depreciation	-164,247	-202,543
Right-of-use-assets, net	451,116	586,852
<b>Total property, plant and equipment</b>	<b>5,565,922</b>	<b>7,415,827</b>
Intangible assets	159,761	170,290
Investments and other assets		
Deferred tax assets	1,106,455	681,940
Other	415,135	235,083
<b>Total investments and other assets</b>	<b>1,521,591</b>	<b>917,023</b>
<b>Total non-current assets</b>	<b>7,247,274</b>	<b>8,503,142</b>
<b>Total assets</b>	<b>32,805,478</b>	<b>31,967,597</b>

(Thousands of yen)

	As of September 30, 2023	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	485,929	1,544,208
Lease liabilities	100,734	85,137
Accounts payable - other	471,020	397,443
Income taxes payable	2,071,269	293,319
Provision for bonuses	355,700	141,100
Other	1,221,005	1,020,172
<b>Total current liabilities</b>	<b>4,705,659</b>	<b>3,481,380</b>
Non-current liabilities		
Lease liabilities	358,422	515,656
Retirement benefit liability	507,203	430,239
Asset retirement obligations	41,605	41,661
Other	47,345	47,345
<b>Total non-current liabilities</b>	<b>954,576</b>	<b>1,034,902</b>
<b>Total liabilities</b>	<b>5,660,235</b>	<b>4,516,283</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,421,929	1,421,929
Capital surplus	418,773	418,773
Retained earnings	25,162,393	27,318,933
Treasury shares	-382,888	-2,339,993
<b>Total shareholders' equity</b>	<b>26,620,208</b>	<b>26,819,642</b>
Accumulated other comprehensive income		
Foreign currency translation adjustment	582,826	672,929
Remeasurements of defined benefit plans	-72,695	-55,558
<b>Total accumulated other comprehensive income</b>	<b>510,130</b>	<b>617,370</b>
Non-controlling interests	14,903	14,301
<b>Total net assets</b>	<b>27,145,242</b>	<b>27,451,314</b>
<b>Total liabilities and net assets</b>	<b>32,805,478</b>	<b>31,967,597</b>