

Securities Code: 7839
Tokyo Stock Exchange, 1st Section

SHOEI CO., LTD.

Financial Results Briefing for the Fiscal Year Ended September 30, 2021

December 2, 2021





Financial Results for the Fiscal Year Ended September 30, 2021 P. 2



Forecasts for the Fiscal Year Ending September 30, 2022 P. 12



Growth Strategies P. 18

I. Financial Results for the Fiscal Year Ended September 30, 2021



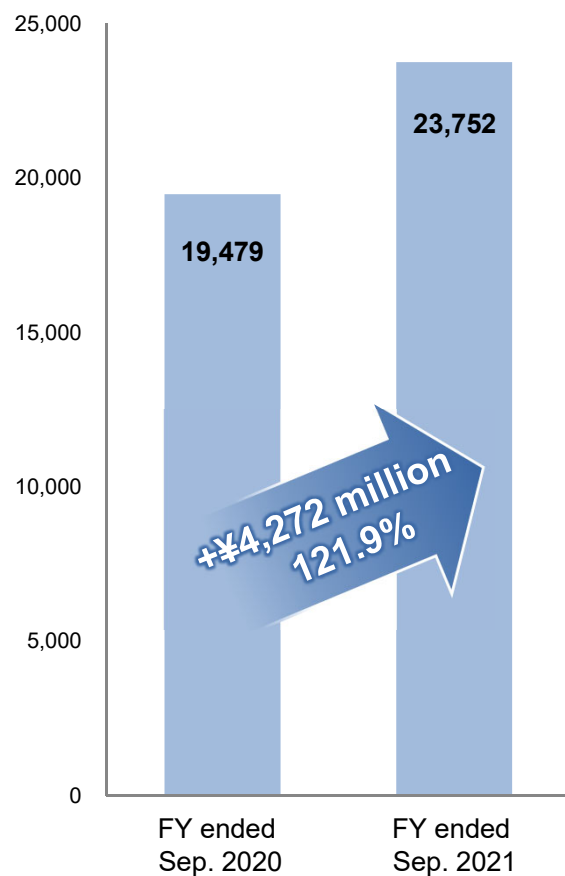
(1) Financial Highlights



Net Sales/Operating Income/Profit Attributable to Owners of Parent

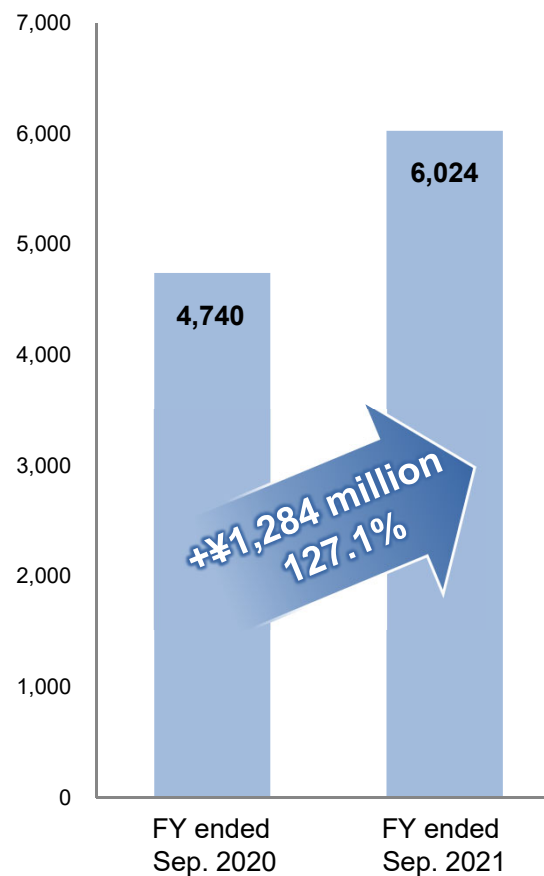
Net Sales

(Million yen)



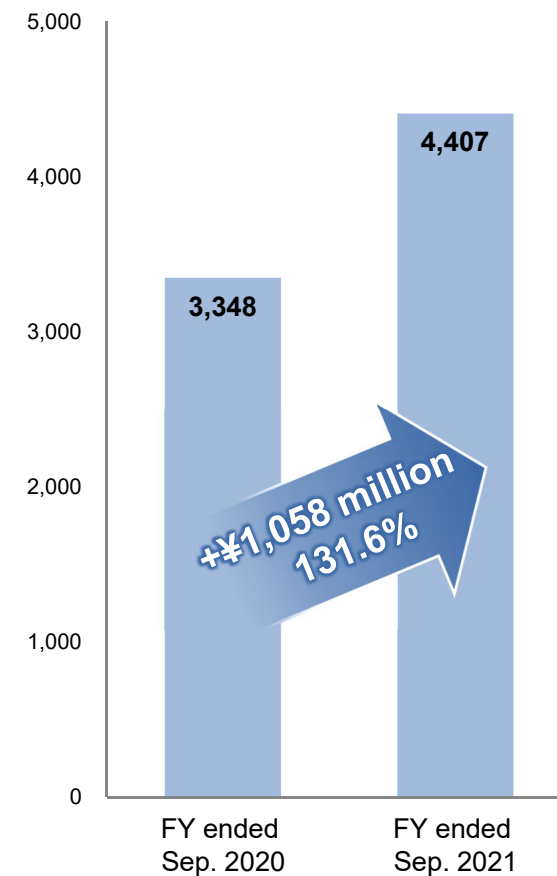
Operating Income

(Million yen)



Profit Attributable to Owners of Parent

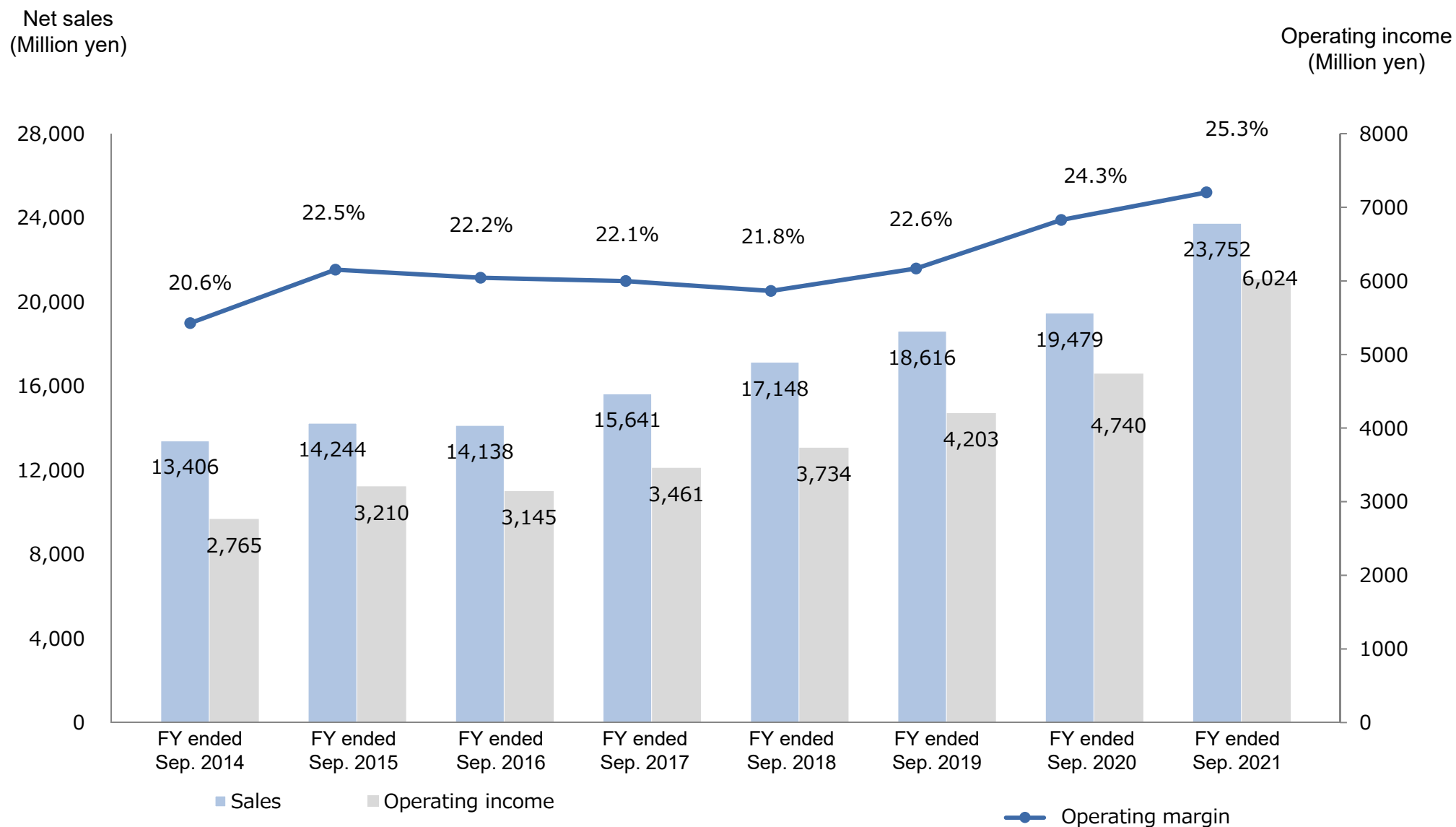
(Million yen)



ROE 21.8% ▶ 25.8%

Average foreign exchange rates for the term (FY ended Sep. 2021) US\$/JPY=107.56, EUR/JPY=128.31
Overseas subsidiary conversion rates (end of June 2021) US\$/JPY=110.58, EUR/JPY=131.58

(2) Trends of Consolidated Business Results



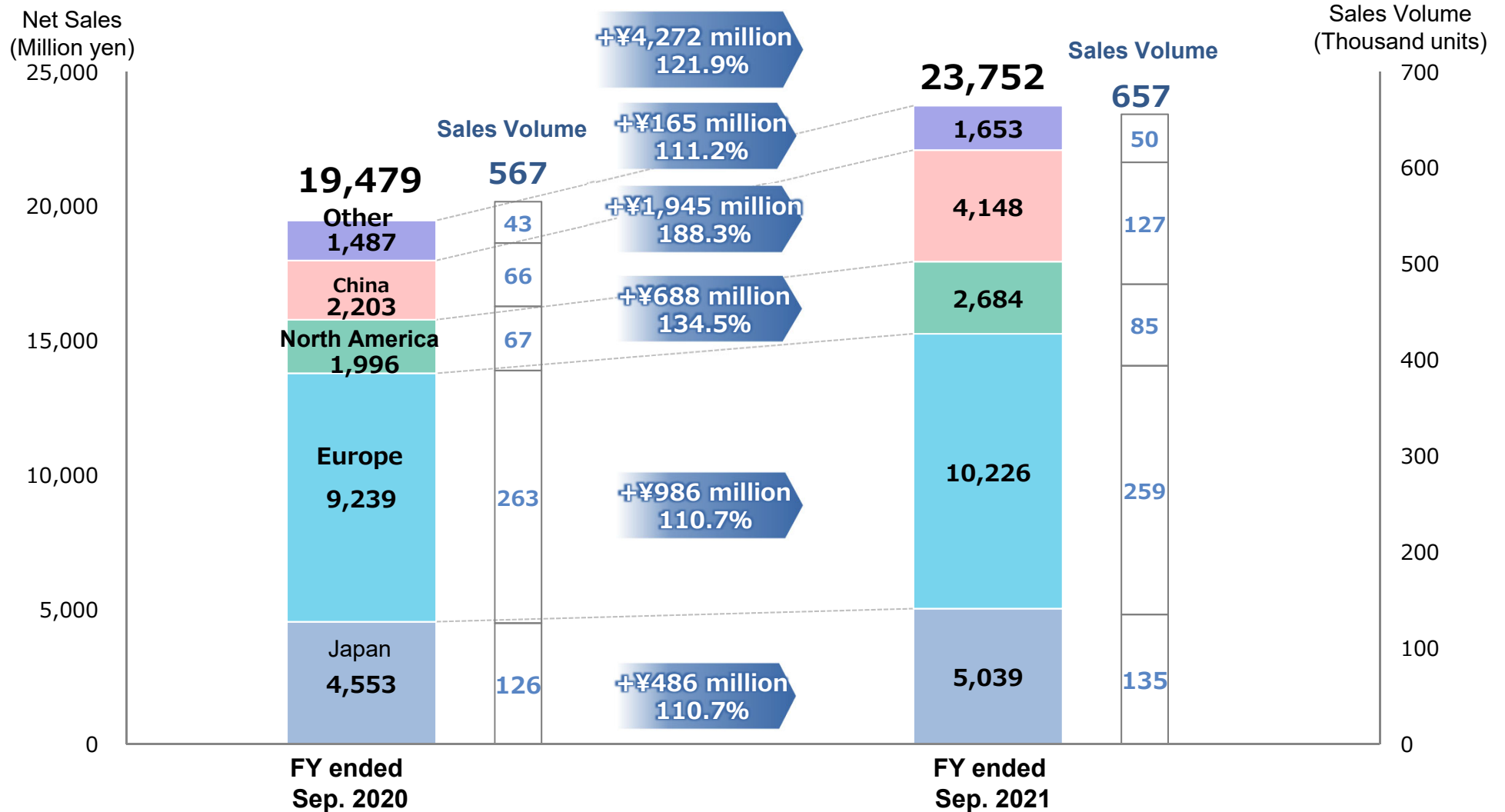
Key points of the financial results for the fiscal year ended September 30, 2021

- (1) Feared drop in sales due to COVID-19 was limited
Sales in fact going up in Japan, the US, etc.
- (2) Excluding some regions, national distributors first developed pessimistic purchase plans, and while demand quickly recovered this term, that demand could not be fully met due to plant production bottlenecks and the worldwide container shortage.
- (3) Sales to China increased by 61,000 units (1,945 million yen), accounting for more than half of the total increase in volume.
- (4) Plants tried to increased production this term, but output ended at 676,000 units for the year, meaning a 86,000 increase on the previous year.
- (5) Exchange rates were stable throughout the term.

(4) Consolidated Net Sales and Sales Volume by Region



Consolidated Net Sales and Sales Volume by Region



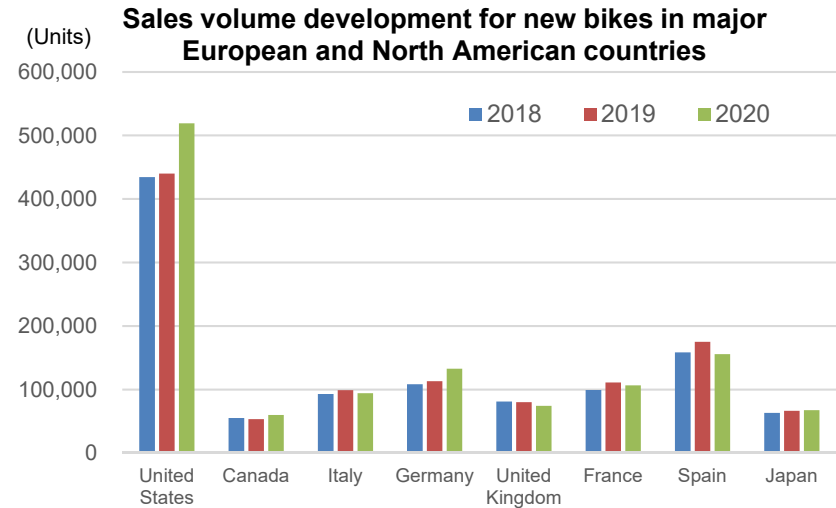
(5) Market Environment and Topics in the Fiscal Year Ended September 30, 2021 (Region)



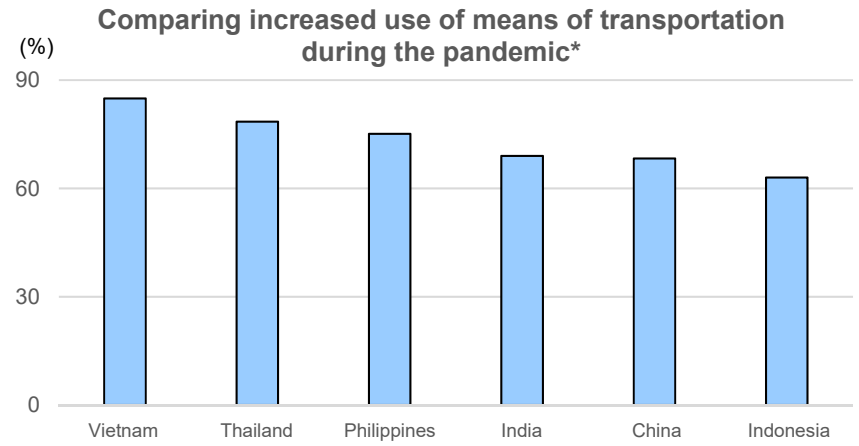
Regional strategies

Europe	Sales volumes decreased slightly for the above reasons, but sales increased on a yen base because of the weak euro.
North America	The new RF1400 model was a hit and active sales by the management of the new US distributor were successful, resulting in a considerable increase in sales volumes (+26.7%).
Asia	Continuing favorable orders in China with significant growth on the previous year throughout the term, although it seems to have slowed recently. Southeast Asia has been struggling due to COVID-19.
Japan	Bike supply stores have largely not been subject to business restrictions and have benefited from special cash payments, so we have maintained strong sales.

Bike sales were favorable in all countries as well during the pandemic.



Source: compiled by us based on statistics from each country

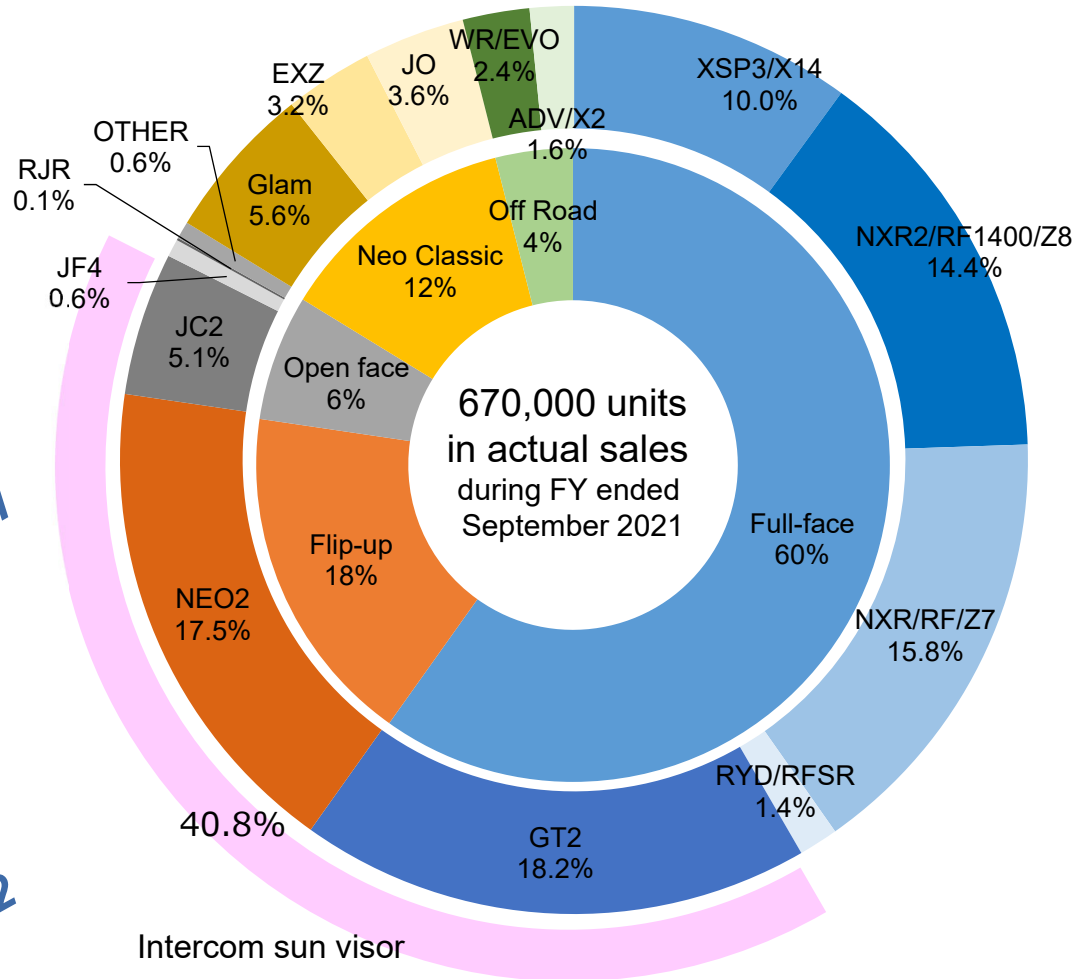
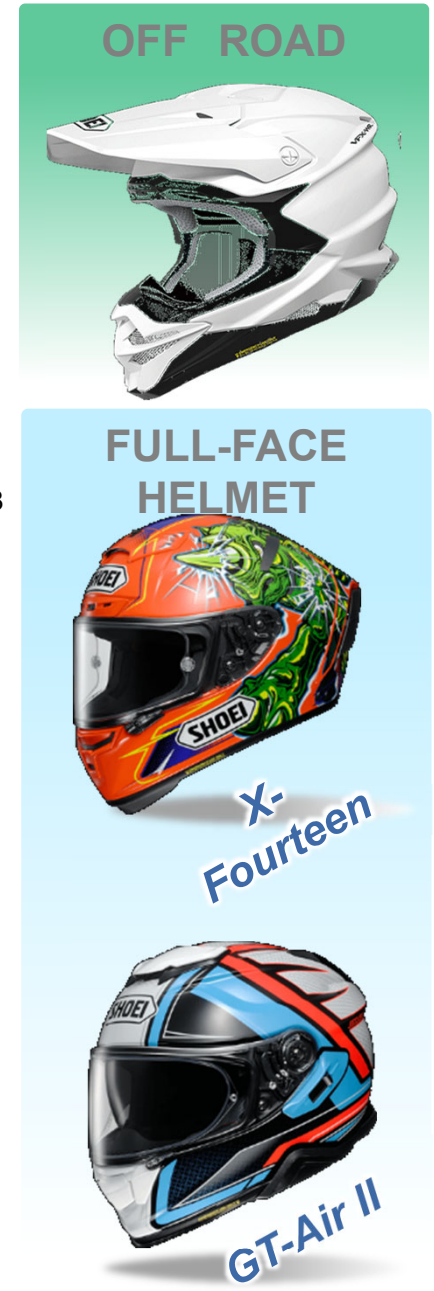


Source: Yano Research Institute Ltd., "Questionnaire to Motorbike Users in 7 Asian Countries 2021 (2021)" (published September 13, 2021)

* Note 1: Out of several means of transportation whose use increased prior to the COVID-19 pandemic (before January 2020), only the proportion who replied "motorcycle" (multiple-choice) were excerpted (excl. Japan)

Note 2: Survey period: December 2020 to February 2021; Participants: motorcyclists in Japan (n=328), India (n=352), China (n=342), Indonesia (n=357), Vietnam (n=344), Thailand (n=340), and the Philippines (n=321), total of 2,383 (men and women between 18 and 69 years from all countries); Survey method: Online questionnaire

(6) Sales by model



(7) Market Environment and Topics in the Fiscal Year Ended September 30, 2021 (Product)



- Glamster launched in September 2020/leading model Z8 launched in March 2021

Glamster



Europe

Launch: March 2020

RRP

Germany and France: EUR 449.00-549.00 (incl. tax)

Japan

Launch: September 2020

RRP: JPY 47,300-56,100 (incl. tax)

Z8



North America (RF-1400)

Launch: December 2020

RRP: US\$ 499.99-599.99

Europe (NXR2)

Launch: September 2021

RRP: EUR 479.00-639.00

Japan (Z-8)

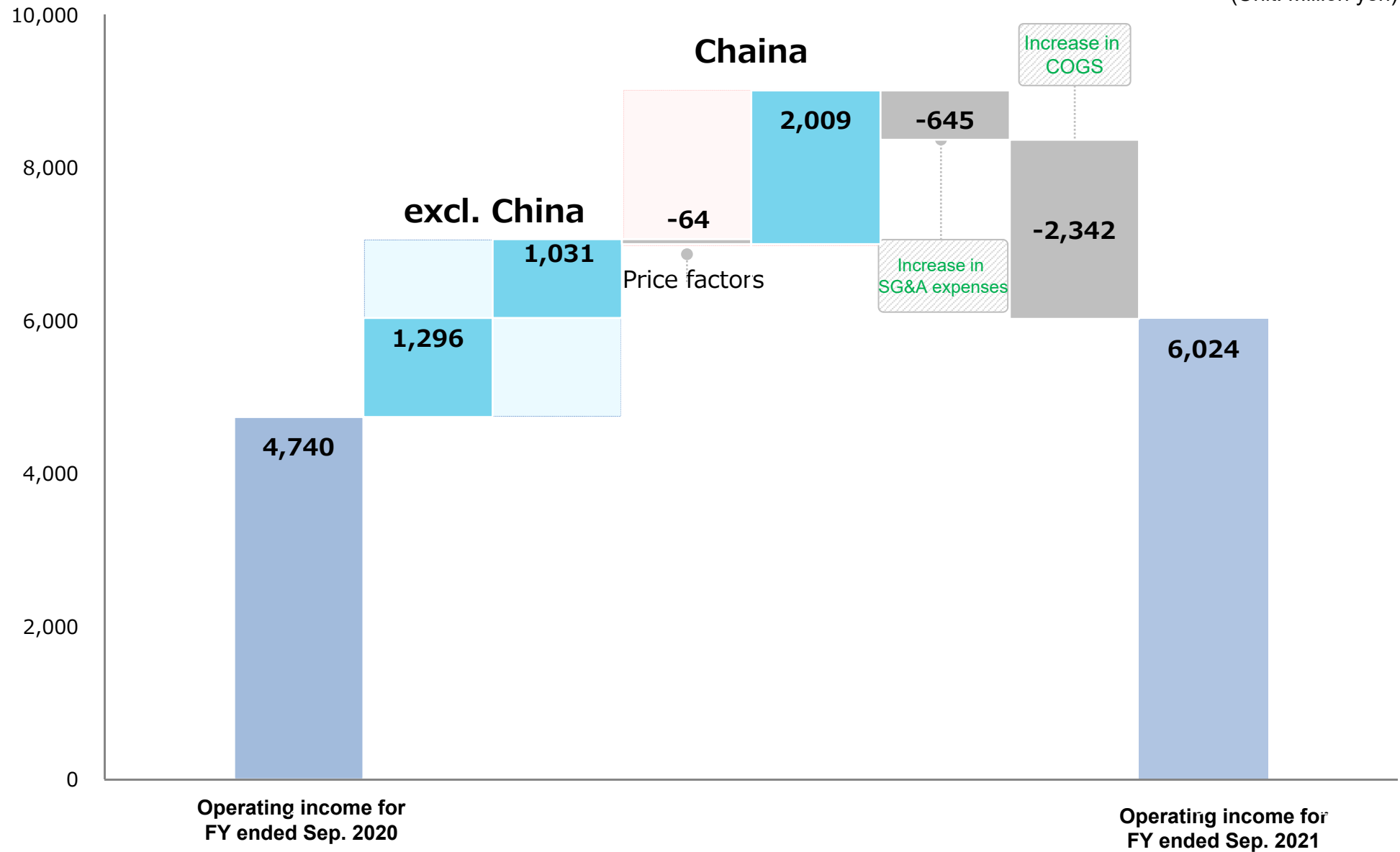
Launch: March 2021

RRP: JPY 56,100-66,000 (incl. tax)

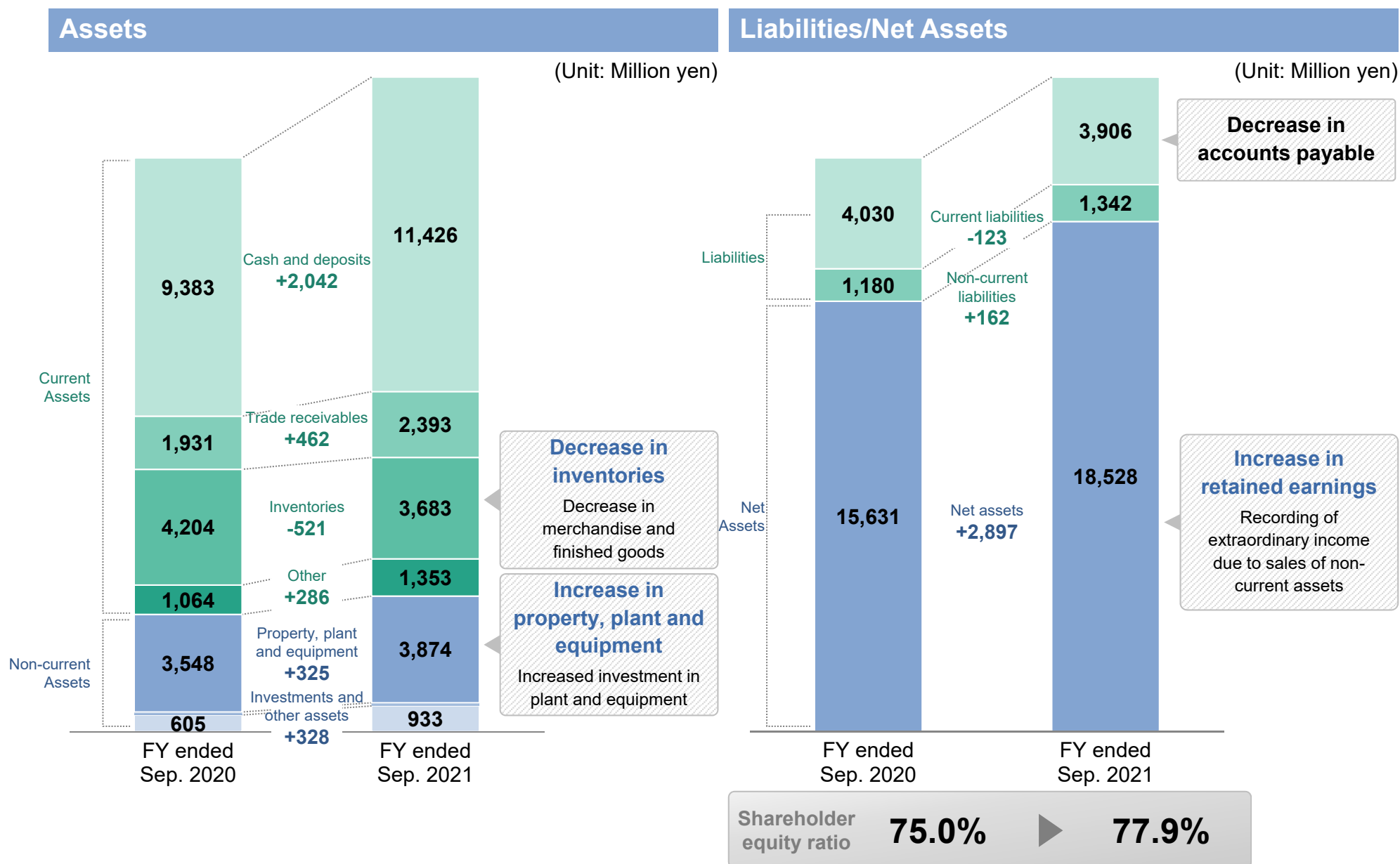
(8) Variance Analysis of Operating Income



(Unit: Million yen)



(9) Consolidated Balance Sheets

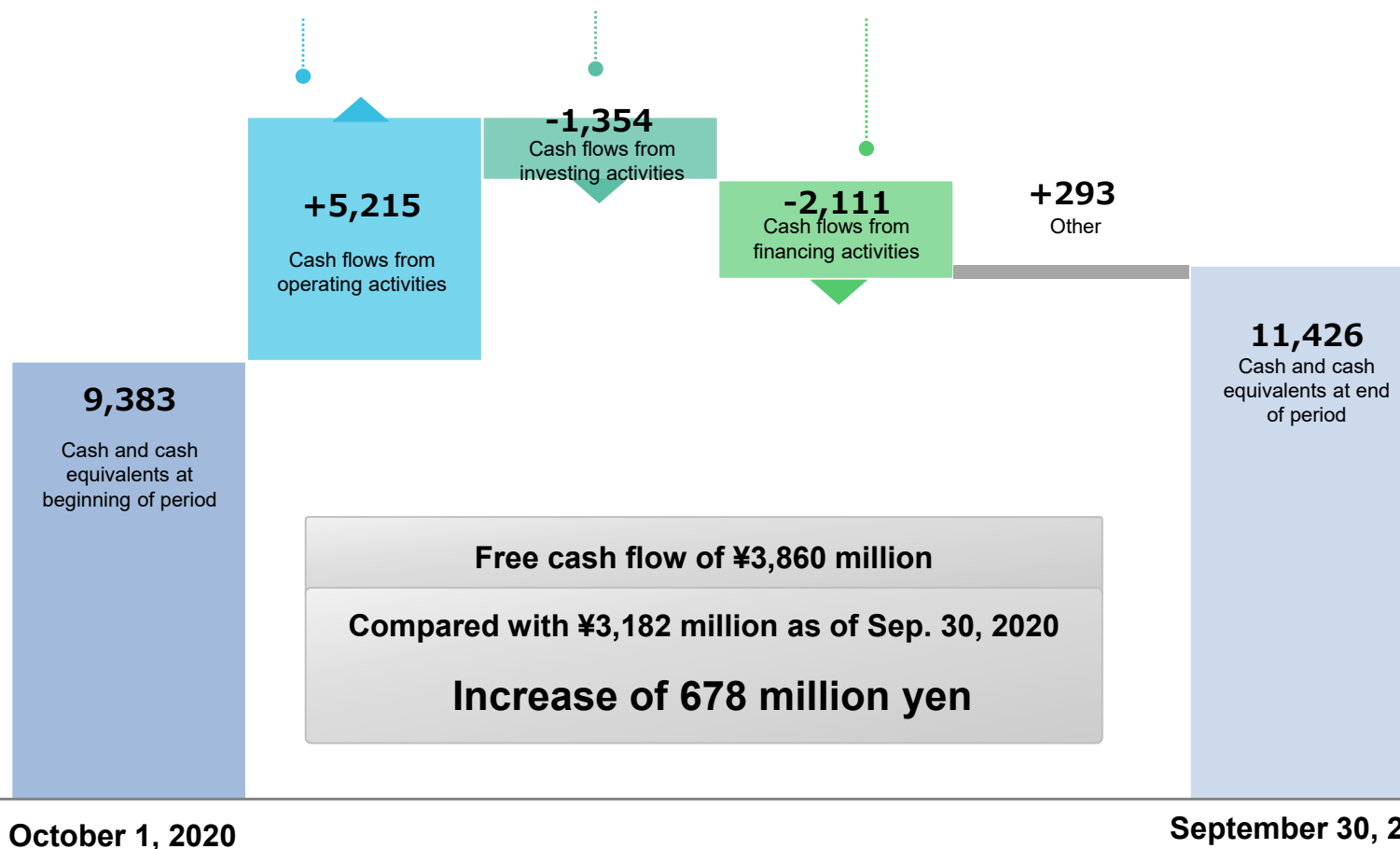


(10) Consolidated Statements of Cashflow



(Unit: Million yen)

Profit before income taxes	+6,093	Purchase of property, plant and equipment	-1,169	Purchase of treasury shares	-386
Depreciation	+1,091			Dividends paid	-1,666
Decrease in inventories	+670				
Increase in trade payables	-1,018				



II. Forecasts for the Fiscal Year Ending September 30, 2022



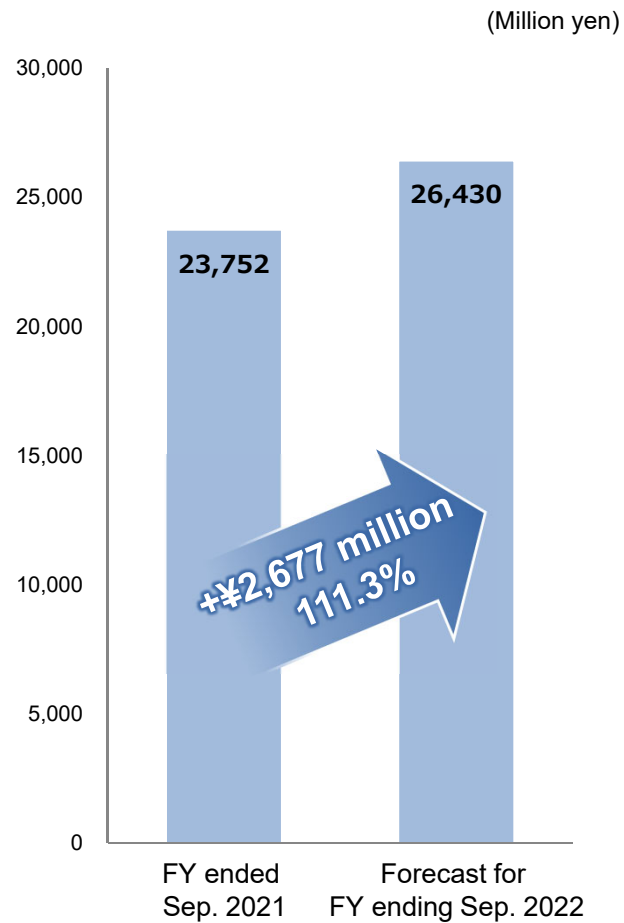
1. Result Forecasts for FY ending September 2022

(1) Sales and Profit Forecasts

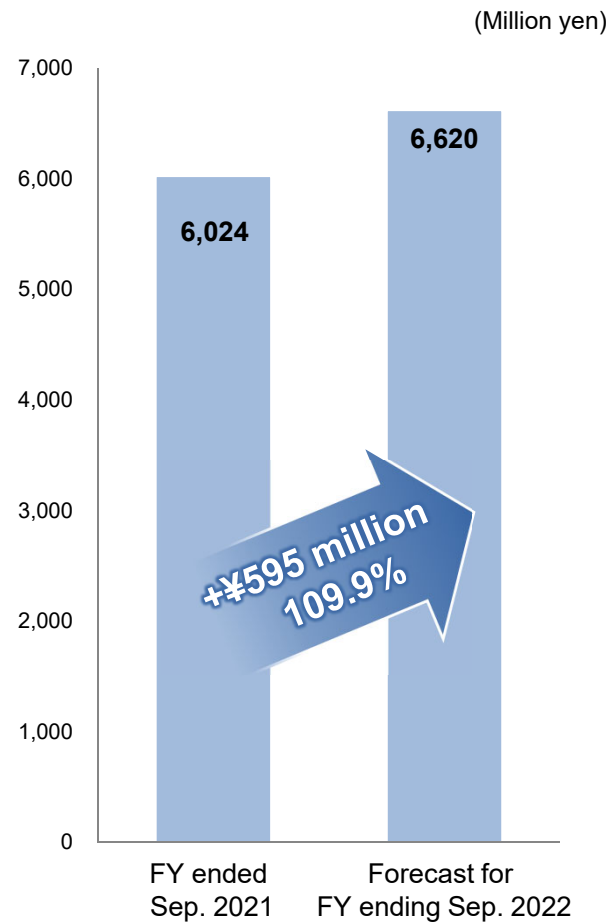


Net Sales/Operating Income/Profit Attributable to Owners of Parent

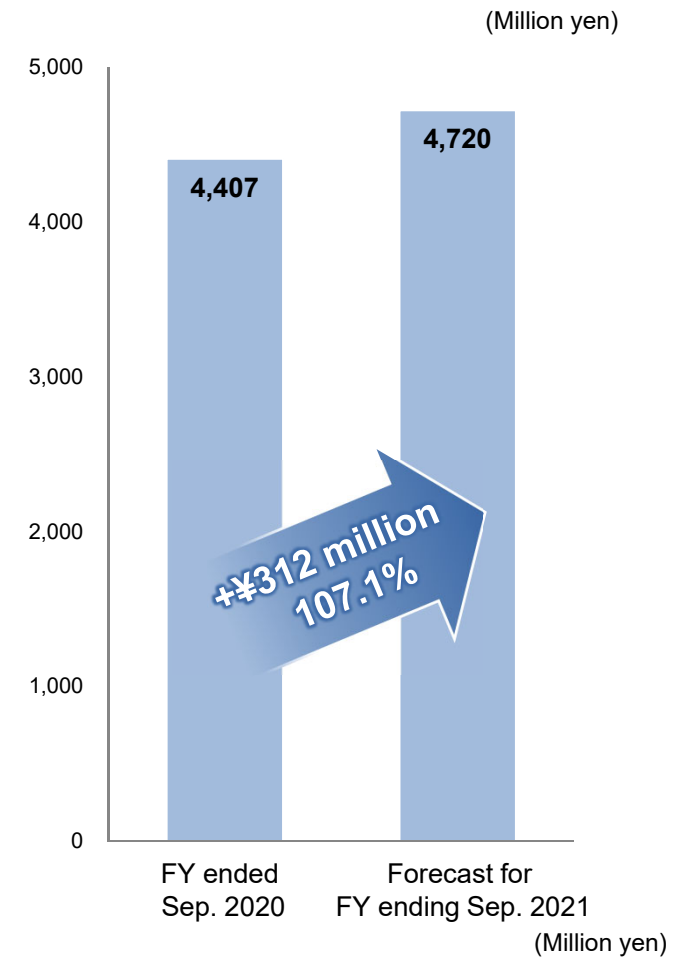
Net Sales



Operating Income



Profit Attributable to Owners of Parent



Foreign exchange rate sensitivity

US\$: 22.9
EUR: 68.7

US\$: 12.8
EUR: 44.0

US\$: 8.9
EUR: 30.2

Key Factors Affecting Forecasts for the Fiscal Year Ending September 30, 2022

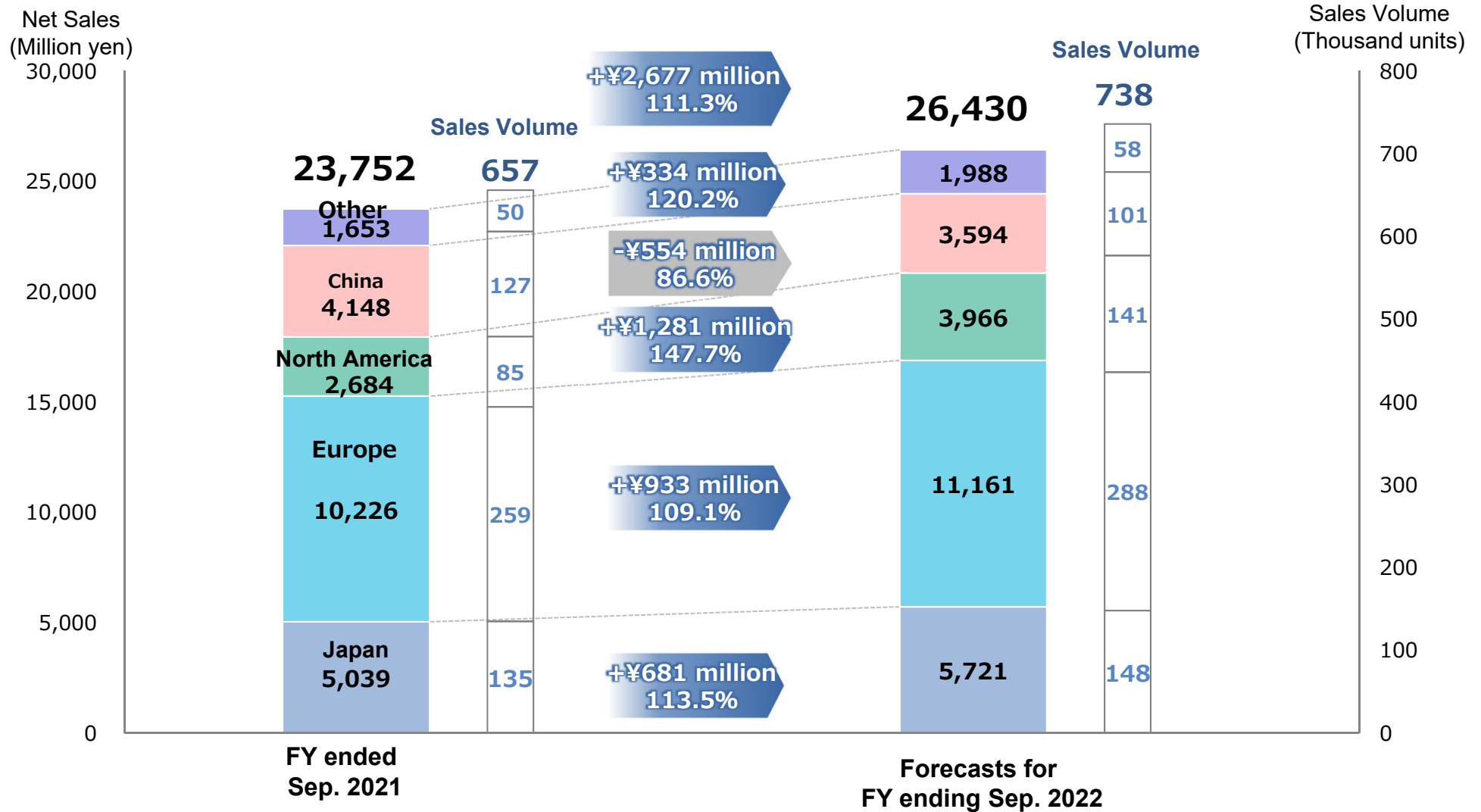
- (1) The favorable order situation will fill more or less the production quota for FY ending September 2022 (approx. 22 billion yen in orders remaining as of the end of September this year). Production capacity will increase from 680,000 to 770,000 units. We are approaching the limits of land and buildings.
- (2) Decrease in China
- (3) Global logistic chaos and new spread of COVID-19 will cause a downturn for consolidated subsidiaries.
- (4) SG&A expenses are expected to increase 972 million yen, assuming vigorous capital investment and business activities returning to pre-COVID levels.
- (5) Expected exchange at 1 US\$ = 105 JPY, 1 EUR = 125 JPY

1. Result Forecasts for FY ending September 2022

(3) Consolidated Net Sales and Sales Volume by Region



Consolidated Net Sales and Sales Volume by Region



(4)Market Environment and Topics in the Fiscal Year Ending September 30, 2022



Regional strategies

Europe Actively collecting information about compatibility with the new ECE06 standard

North America Solid development of the bike-related market in the US expected to continue

Asia Although demand on the Chinese market is expected to be high, the Japanese shipping base is expected to be lower than the previous year because local distributors' orders to SHOEI were delayed compared to other regions. We are currently discussing the best way for the distributors to place orders.

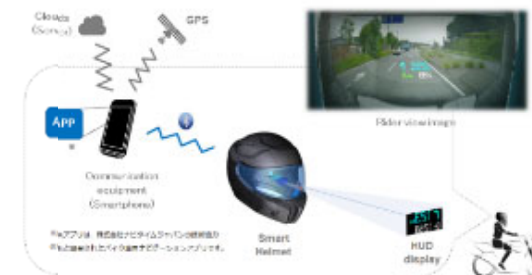
Japan Favorable demand expected to continue and the Osaka satellite shop (SHOEI Gallery) is expected to open in December.

(4) Market environment and topics (products, production) for FY ending September 2022



Product Strategy

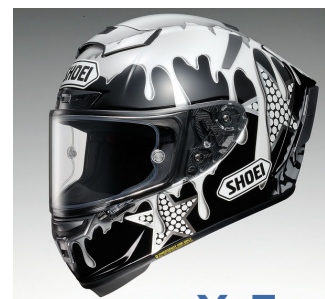
- Expected to launch smart helmets this term



- Strengthen the replica helmet strategy



**X-Fourteen
MARQUEZ 6**



**X-Fourteen
MORI**

Production Strategy

- Develop production system: Attempt to expand capacity to 770,000 units a year
 - Accelerate production capital investment and actively hire human resources
 - Move the parking lot inside the Iwate Plant to a nearby newly purchased plot to expand production space

2. Capital Strategy

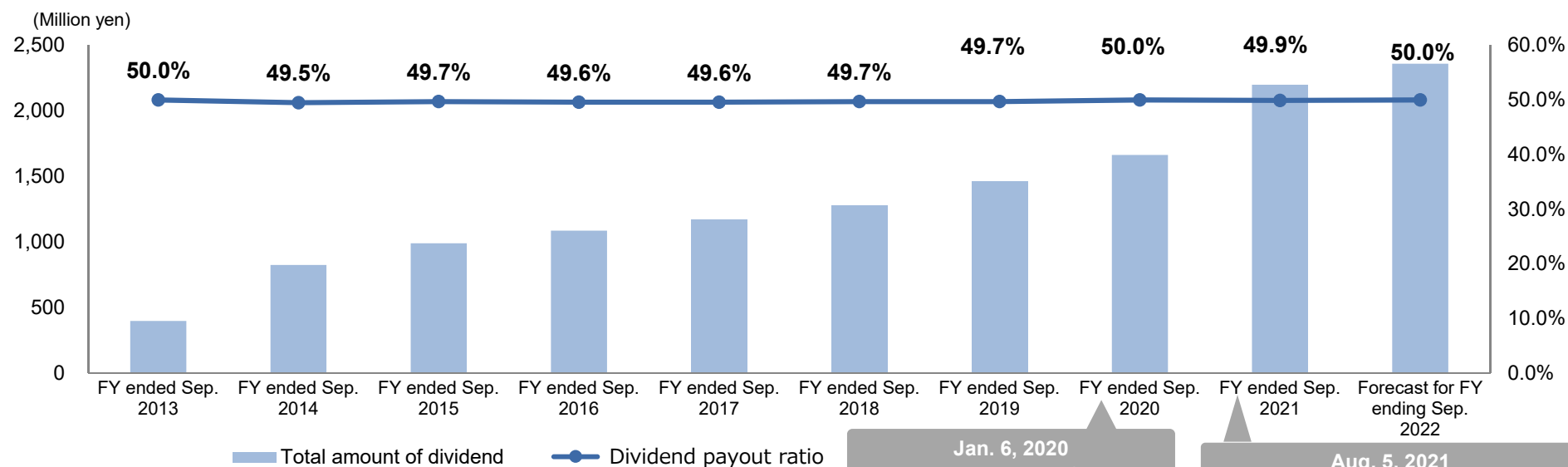


The New Market Division

- With regard to the upcoming new market division, the Tokyo Stock Exchange has notified us of the primary assessment that SHOEI fulfills the criteria for listing on the prime market in July this year, which prompted us to opt for a transfer to the prime market and submit a market selection application to the stock exchange, the results of which are expected to be announced in January next year.

Trend of Dividend Payout Ratio

- We maintain dividend payout ratio of 50% at the end of the period.



Per-share dividend (Yen)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	29.0	60.0	72.0	79.0	85.0	93.0	106.0	62.0	82.0	88.0

Jan. 6, 2020
Acquired 350K shares of treasury stock

Aug. 5, 2021
Acquired 80K shares of treasury stock

Mar. 31, 2020
Conducted 2-for-1 stock split

Shareholder Benefits

- SHOEI novelty goods or a 15% discount coupon for use in directly operated stores

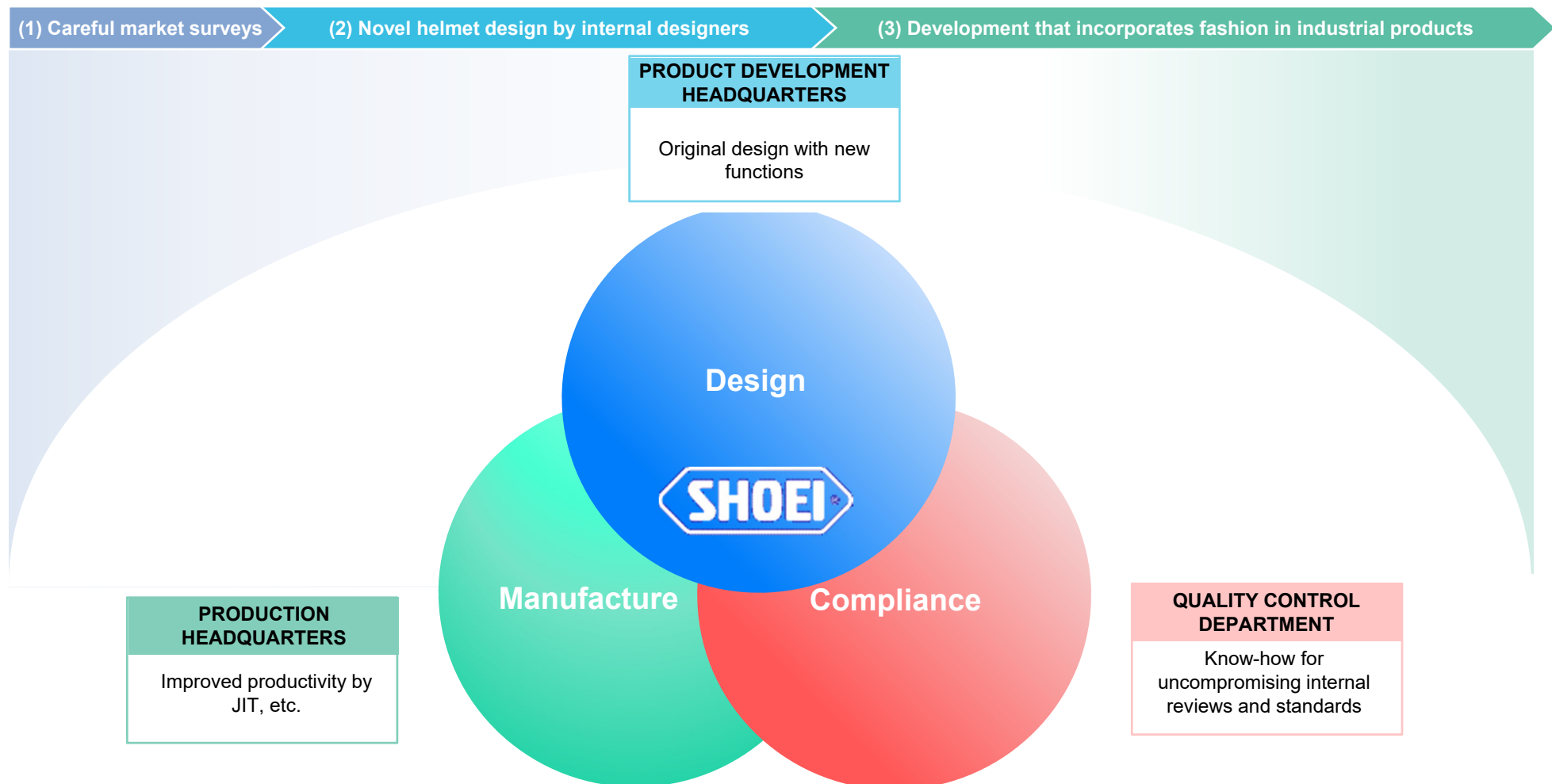


III. Growth Strategies



Maintaining Made in Japan with the twin axes of high added value and rational production

- Resilience that skillfully combines the three elements indispensable to premium helmet production, which have mutual trade-offs
- Integrated production systems at our two plants in Japan, with flexible systems to enable production at either plant
- Maintaining superiority as well as strengthening information management to keep high technologies and expertise confidential



Business Concept

Quality & Value

Management Policies

- 1 Commit to ensuring business continuity in the long term through a sound financial position
- 2 Compete with “Made in Japan” products
- 3 Listen to consumer feedback

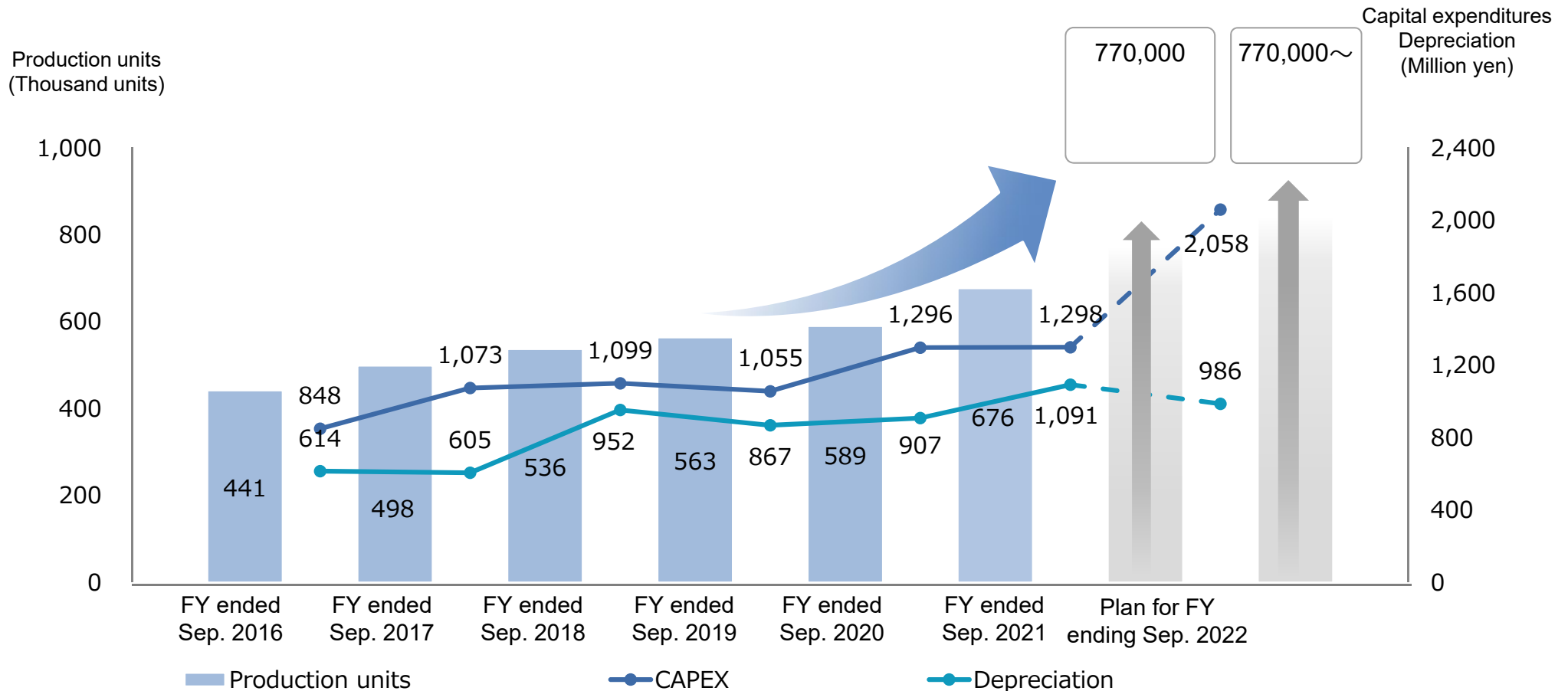
Management Strategies

- 1 Production Strategy
- 2 Product Strategy
- 3 Sales strategy
- 4 Brand strategy
- 5 ESG management

1. Production Strategy (1)



- Respond to increases in sales volume through continuous expansion of production capacity by continued capital investment and hiring more staff, while also calmly dealing with risks of downturn from the end of the pandemic and riders becoming older.



The production system in the future

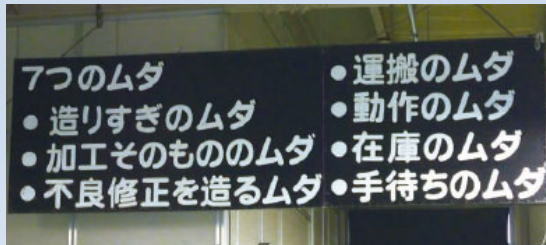
- We will execute the following measures in anticipation of considerable demand growth and enhanced production capacity.
 - It is difficult to increase capacity to 771,000 units a year or more with current land and buildings.
 - As such, we secured 7.2 ha of land next to the Ibaraki Plant (currently 3.3 ha). Development is expected to be complete by mid-2023.
 - We will ascertain future trends in demand to decide concrete uses of new plant land at the right timing.

1. Product Strategy (2)

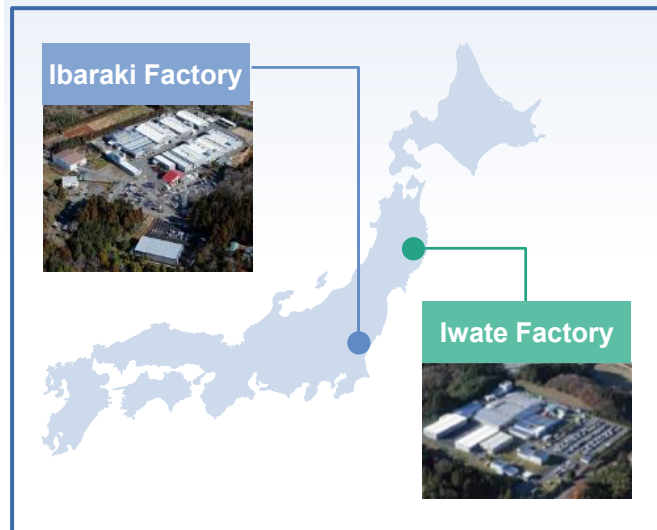


- Continuously strengthen competitiveness of both factories in Japan through improvement activities using just-in-time system

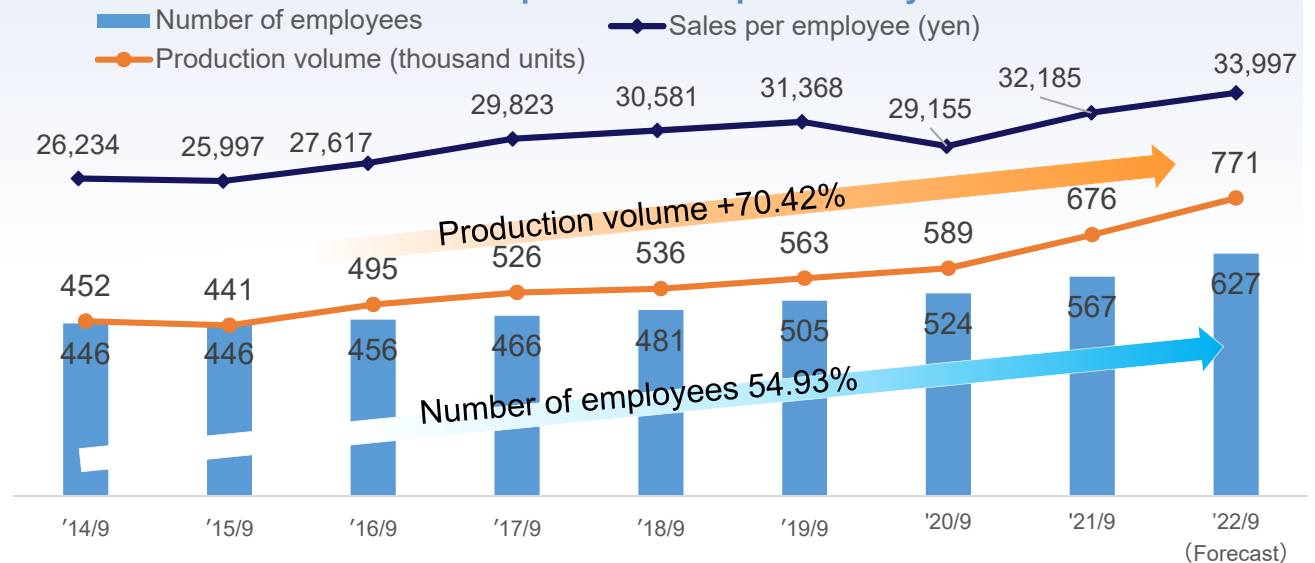
Pursuit of efficiency through “just-in-time” system



- Production improvement system used for more than 20 years
 - Improvement of quality
 - Elimination of waste
 - Strict cost control
 - Rationalization of production process, with the right people in the right place



Trend of improvement in productivity



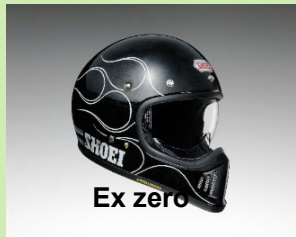
2. Product Strategy



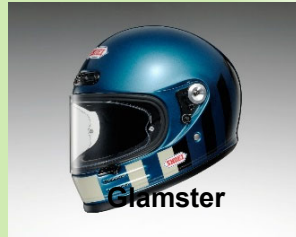
- Initiatives in advanced areas in each field
- Based on a policy of "Listen to customer feedback," we will pursue innovative approaches to improve customer satisfaction while also emphasizing safety, comfort, and excitement.

Neo Classic

Classic exterior, the latest SHOEI technology inside



Ex zero



Glamster

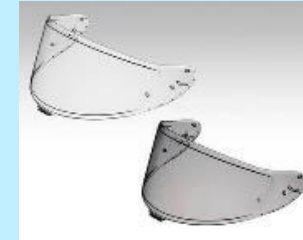


Optional parts

Optional parts to meet diverse rider needs

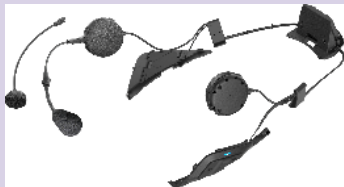


Goggles (Yamamoto Kogaku)



Photochromic shield

IT compatible



Helmet compatible with internal intercom and recommended intercom SRL2



Planned launch of world-first helmet with a navigation system (smart helmet) in 2022

Satellite shop

(SHOEI Gallery)



Direct contact with customers will help us improve product quality and develop new products

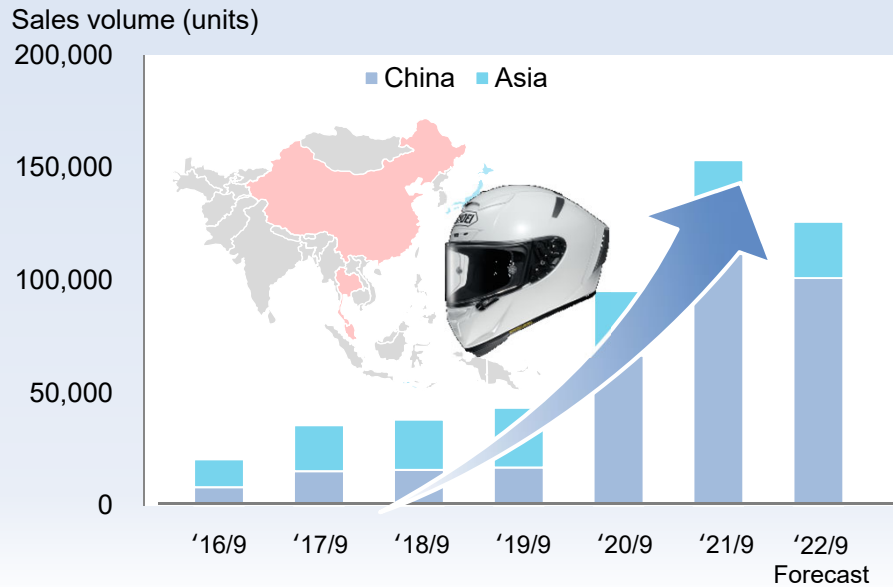
3. Sales strategy (1)



- Strengthen sales and expand promotional activities with a focus on Asia and China, where rider population growth and a bike boom driven by the younger generation is expected in the future

Increase of sales in Asia

Trend of sales volume in Asia market



Promote sales in Asia (develop sales hubs)

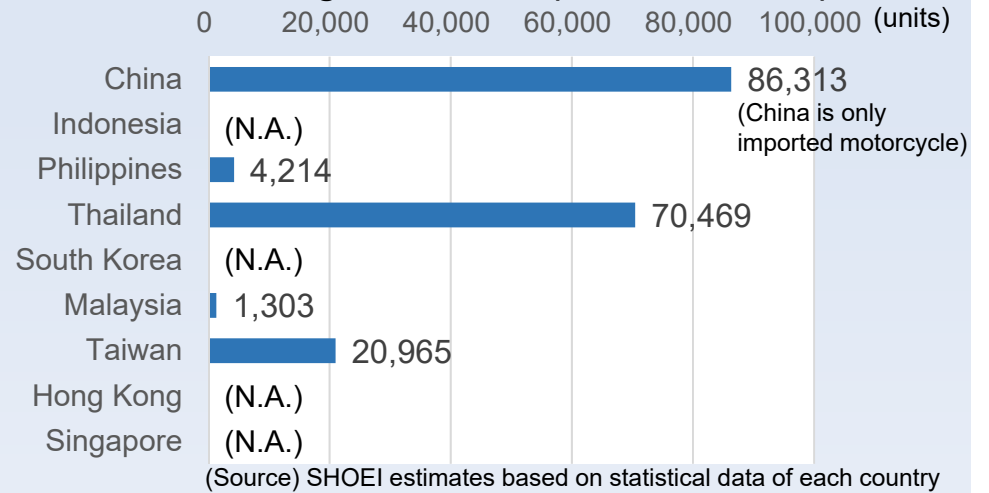


2019 SHOEI ASIA CO., LTD.
Established (Thailand)

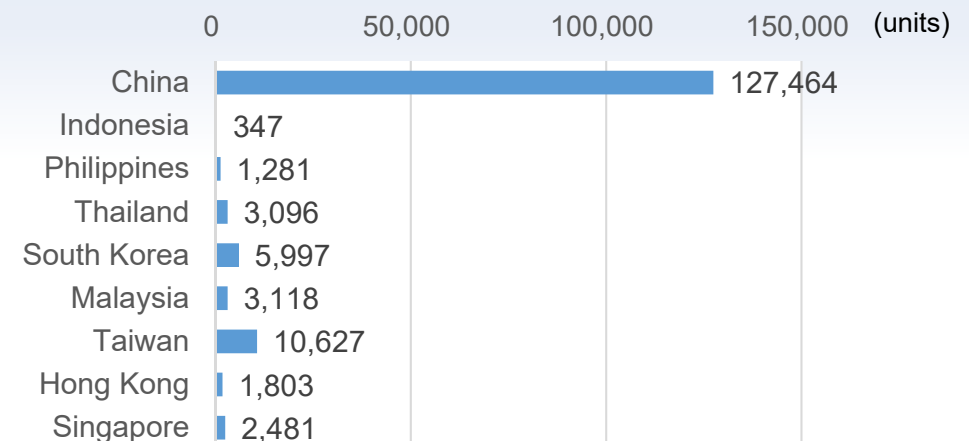
2021 SHOEI (SHANGHAI) CO., LTD.
Established (Preparing offices)

Overview of Asia market

Sales volume of large motorbikes (more than 250cc) in 2020



SHOEI shipments from Oct. 2020 to Sep. 2021



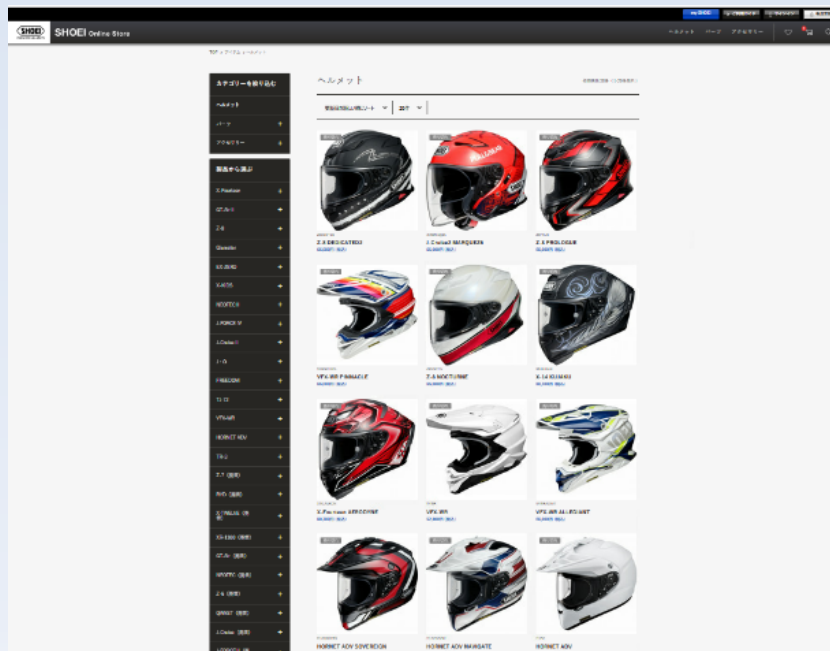
3. Sales strategy (2)



- Start e-commerce sales for customers without any licensed store nearby
- Since direct contact with customer needs will help us improve product quality and develop new products, we plan on opening our second satellite shop (SHOEI Gallery) in Osaka in December this year.

EC market development

The e-commerce website will help us follow up on customers without a store nearby.
Sales of actual helmets started in FY ended September 2021.



Direct sales showroom SHOEI Gallery Tokyo

Exhibition space for SHOEI products
Used to display existing line-up of products, launch new products and provide PFS services which give customers the opportunity to try all products on



Open in December 2021



Opened in March 2020



3. Sales strategy (3)



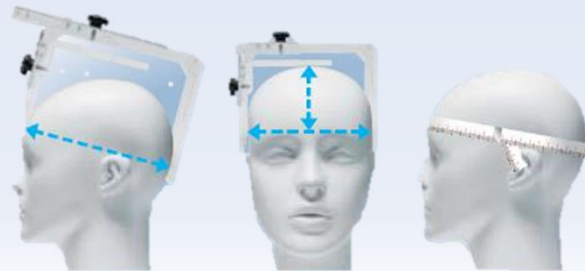
- At SHOEI Gallery Tokyo and all our SHOEI technical shops across Japan and the world, we offer PFS and premium services for custom-made interiors that fit the customers perfectly.
- About half of the helmets on the Japanese market are sold with PFS, so we aim to expand this worldwide.

“SHOEI Personal Fitting System” helmet interior adjustment service

- Each part of the head is measured in detail to determine the optimal helmet size for the user based on the measurement data
- Special pads are used to create a perfectly fitting helmet interior with a made-to-order feel

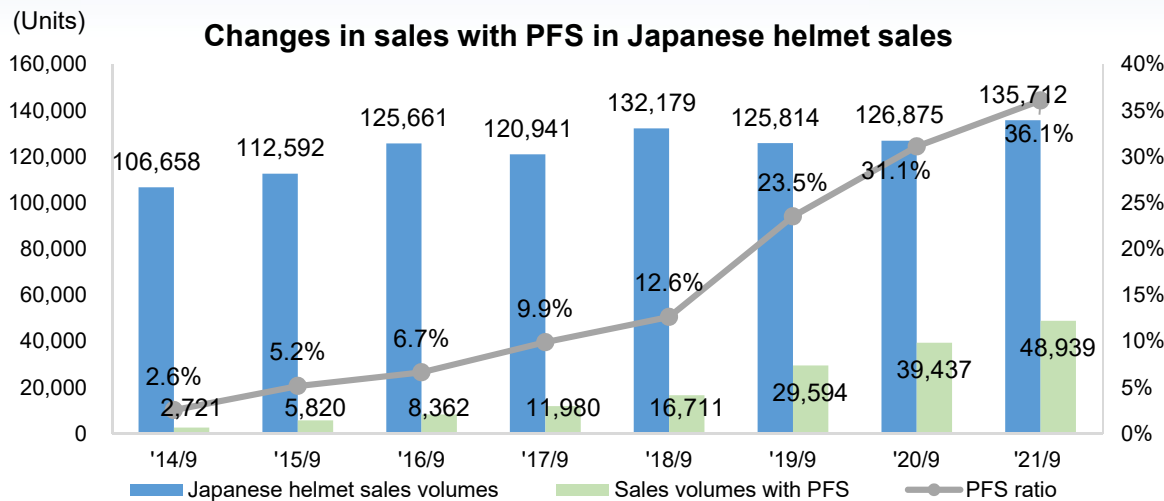
(1) Measurement

Trained staff use a special measuring device to measure the shape of the head which is unique to each individual



(2) Adjustment

A combination of separate small pads is used to adjust the feel and fit of the helmet



PFS at overseas store

4. Brand strategy

Premium helmet market size and SHOEI share by region



- Motorcycle helmets which offer the ultimate in cool appearance, safety and functionality
- Premium helmets which are favored by the world's top racers and which meet the demanding requirements of riders in more than 50 countries around the globe
- Commands a 60% share of the global premium helmets market and market leader in most countries and regions
- Synonym for high quality and safety - SHOEI's helmets are the pride and status symbol of riders who wear them

Boasts more than 60% share of global premium helmets market

Global premium helmets market

Approx. 80 bn yen*



* Based on SHOEI estimates



4. Brand strategy

Promotion through sponsor activities



- Extend racer agreement with brothers Marc Márquez and Alex Márquez, both Spanish MotoGP drivers, until the end of 2024

Promotion through sponsor activities



Lukasz Swiderek @Photosp

Marc Marquez



X-Fourteen
MARQUEZ6_TC-1



2016~2019 Season **No.1**

2015 Season **No.3**

2013~2014 Season **No.1**

Sales volume of replica model
in FY ended Sep. 30, 2021

64.1 thousand units



X-Fourteen
AM73_TC-2



Lukasz Swiderek @Photosp

Alex Marquez

SUPERBIKE
FIM WORLD CHAMPIONSHIP

WSB 2021 Season **No.1**



Toprak Razgatlioglu (Turkey)

5. ESG Management

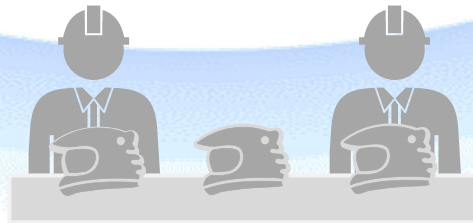


Environment

Preventing global warming

- Ascertaining what suits SHOEI and promptly promote what we can
 - All employees of head office commute by public transportation.
 - Company cars will gradually be replaced with hybrid vehicles.
 - Improve green efficiency of power purchased for plant production (currently approx. 13%)
 - Specifically discuss assistance, etc. to plant employees who buy a green car to commute to work. Decide.
- Promote spread of bikes with little CO2 emissions

Rich imagination and a product quality to be proud of



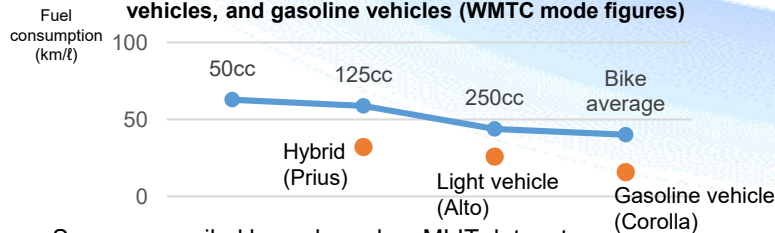
Governance

Corporate governance and compliance

- Respond to required governance items when moving to the prime market
- Appropriately respond to revised CGC
- Board of Directors
 - Six Directors in total, two of whom are Outside Directors
- Auditors and Board of Auditors
 - Three Auditors in total, two of whom are Outside Auditors



Comparison of fuel consumption between bikes, hybrid vehicles, and gasoline vehicles (WMTC mode figures)



Source: compiled by us based on MLIT data, etc.

Society - Contributing to social issues through business activities

Harmony with local communities

- 100 million yen each donated to Inashiki City (Ibaraki) and Ichinoseki City (Iwate) in our own version of the hometown tax donation program
- Donating tax for hometown assistance



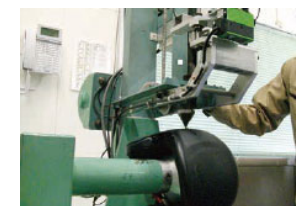
Giving back to employees

- Employee salary increase by 4% for the 8th term in a row
- Giving more back to our employees by creating a system for granting restricted stock



Development and contribution of safety technology

- Promotion of the safety and health of consumers through the development of safe and comfortable helmets and business activities



Appendix: Company Profile



1. Company Profile



Company Name	SHOEI Co., Ltd.
Head Office	1-31-7 Taito, Taito-ku Tokyo
Established on	March 17, 1959
Business description	Manufacture and sale of motorcycle helmets and other helmets for government and other public offices (for the Ministry of Defense and the National Police Agency)
Net Sales	23,752 million yen (Consolidated/Fiscal year ended September 30, 2021)
Ordinary Income	6,024 million yen (Consolidated/Fiscal year ended September 30, 2021)
Profit Attributable to Owners of Parent	4,407 million yen (Consolidated/Fiscal year ended September 30, 2021)
Paid-up Capital	1,421 million yen (Consolidated/as of September 30, 2021)
Number of Employees	696* (Consolidated/as of September 30, 2021) <small>* Including 193 contract and part-time workers</small>
Securities Code	7839 Tokyo Stock Exchange, 1st Section

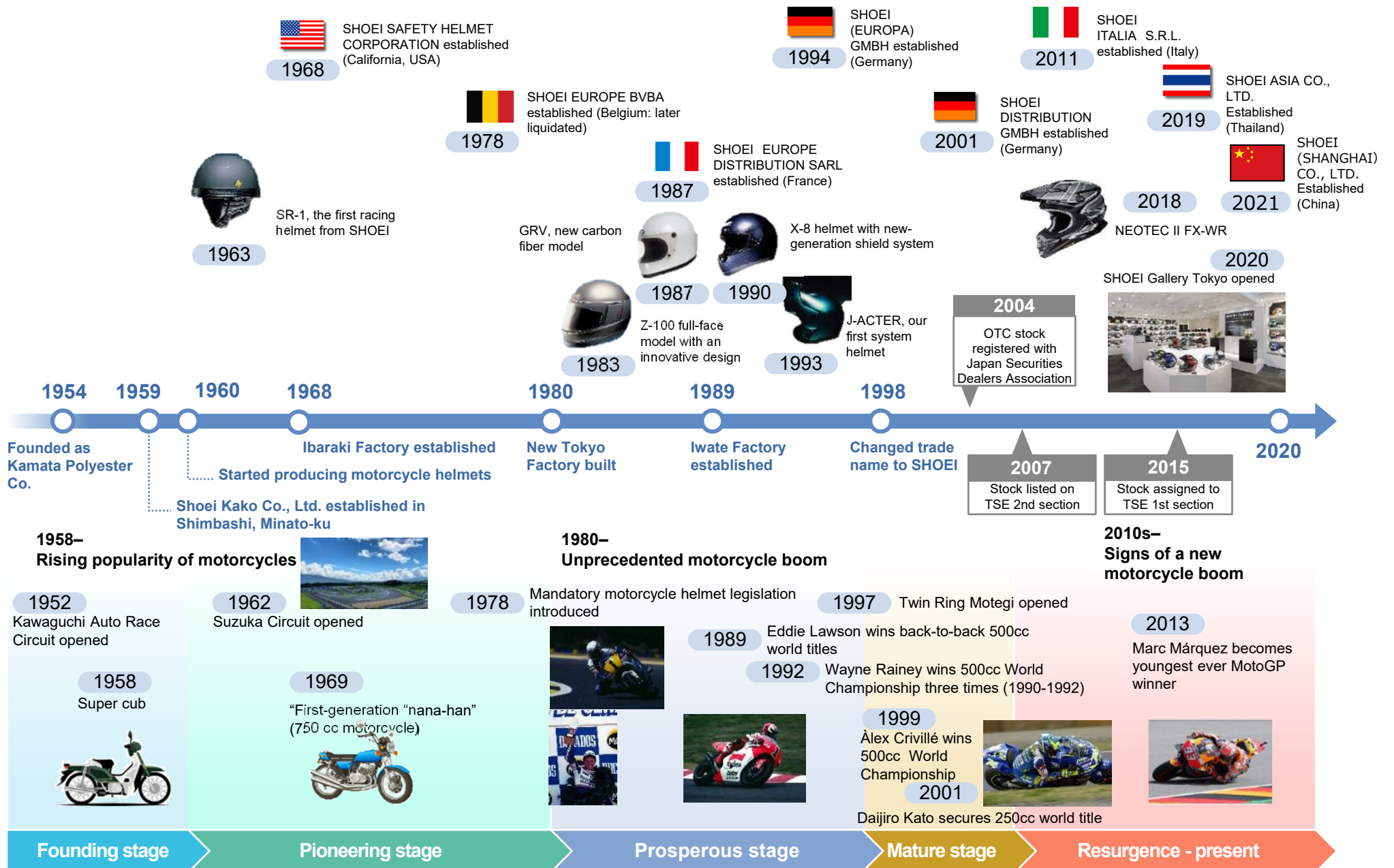
2. Business Description



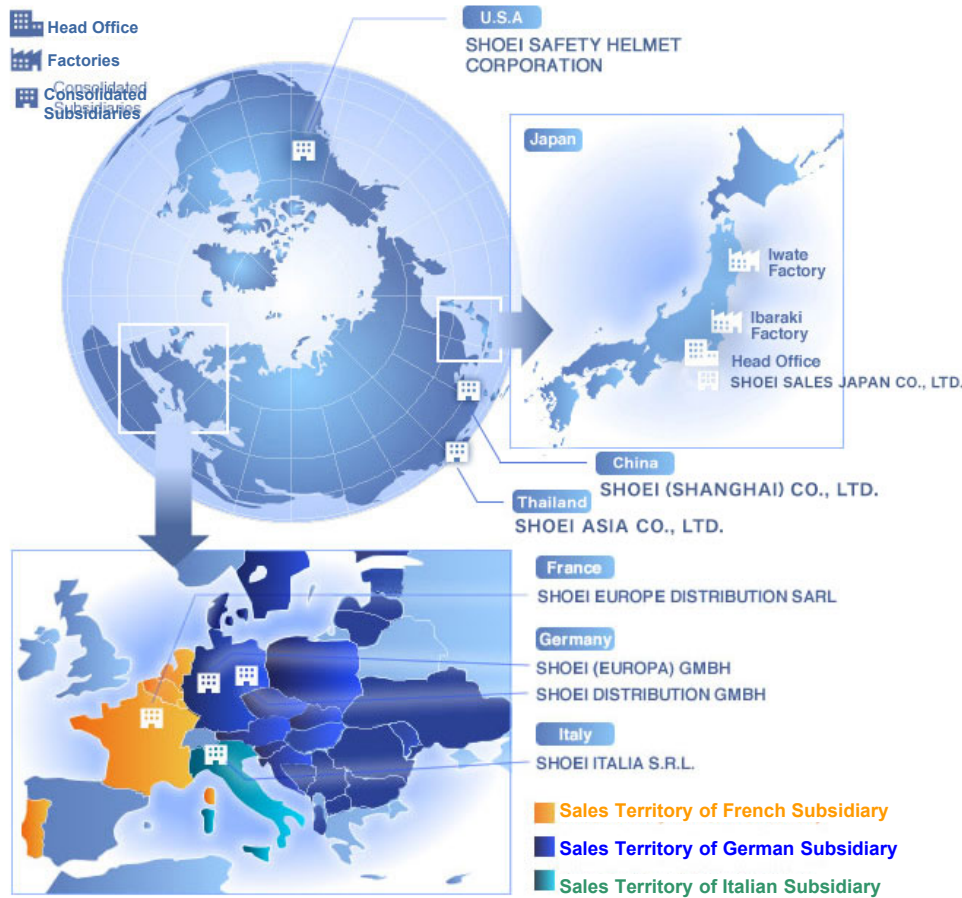
- We manufacture mainly motorcycle helmets as well as some other helmets for aircraft and armored vehicles.
- Our sales network encompasses more than 60 countries extending from Japan to Europe, North and South America, Oceania and Asia. We command the largest share of the premium helmet market in most countries.



3. History



4. Global Network



Iwate Factory



Head Office



Ibaraki Factory



<RF-1400 / NXR2 / Z-8>

Sporty, lightweight, compact
advanced helmet

North America (RF-1400)

Launch: Dec. 2020

RRP: US\$499.99-US\$599.99

Europe (NXR2)

Launch: Sep. 2021

RRP: EUR479.00~EUR639.00

Japan (Z-8)

Launch: Mar. 2021

RRP: ¥56,000~¥66,000