

SHOEI CO., LTD.
Financial Results for the Second
Quarter of the Fiscal Year Ending
September 30, 2022



CONTENTS



I

**Financial Results for the Second Quarter of
the Fiscal Year Ending September 30, 2022**

P. 2

II

**Forecasts for the Fiscal Year Ending September 30, 2022
(At present, no changes are made.)**

P. 9

I . Financial Results for the Second Quarter of the Fiscal Year Ending September 30, 2022

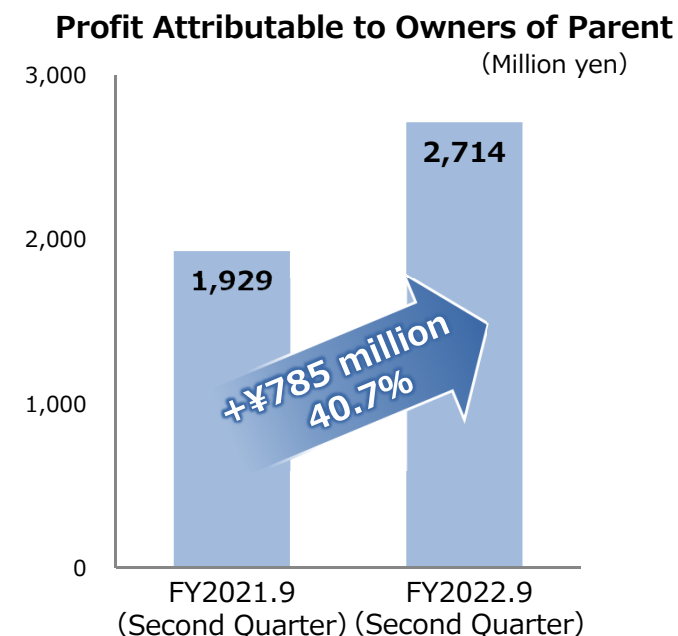
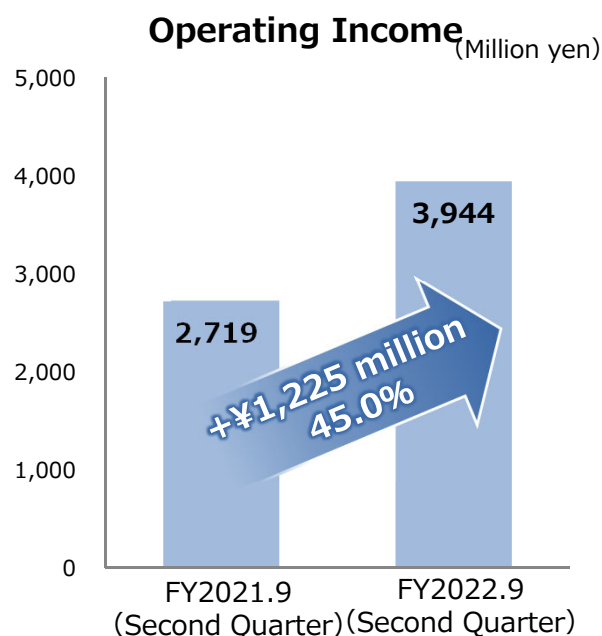
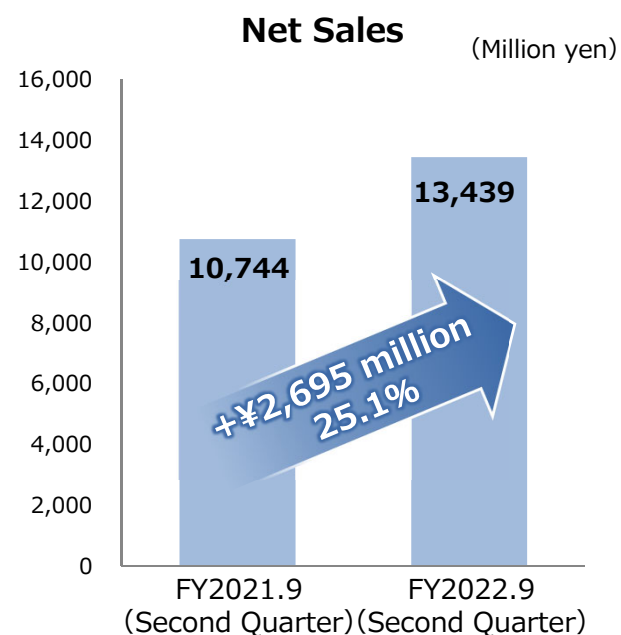


(1) Financial Highlights



Key points of the financial results for the Second Quarter of the Fiscal Year Ending September 30, 2022

- (1) In the favorable order situation, sales volume increased by 69 thousand units (+22.3%) year on year due to enhanced production capacity.
- (2) Sales to China decreased significantly year on year due to the delayed order placement by the local distributors when compared with the distributors in other regions. However, sales to advanced countries were good and generally saw double-digit percentage increases.
- (3) Operating income rose 45% year on year, primarily because of the impact of the weak yen and a more limited increase in SG&A expenses than forecast, in addition to the increased sales volume.



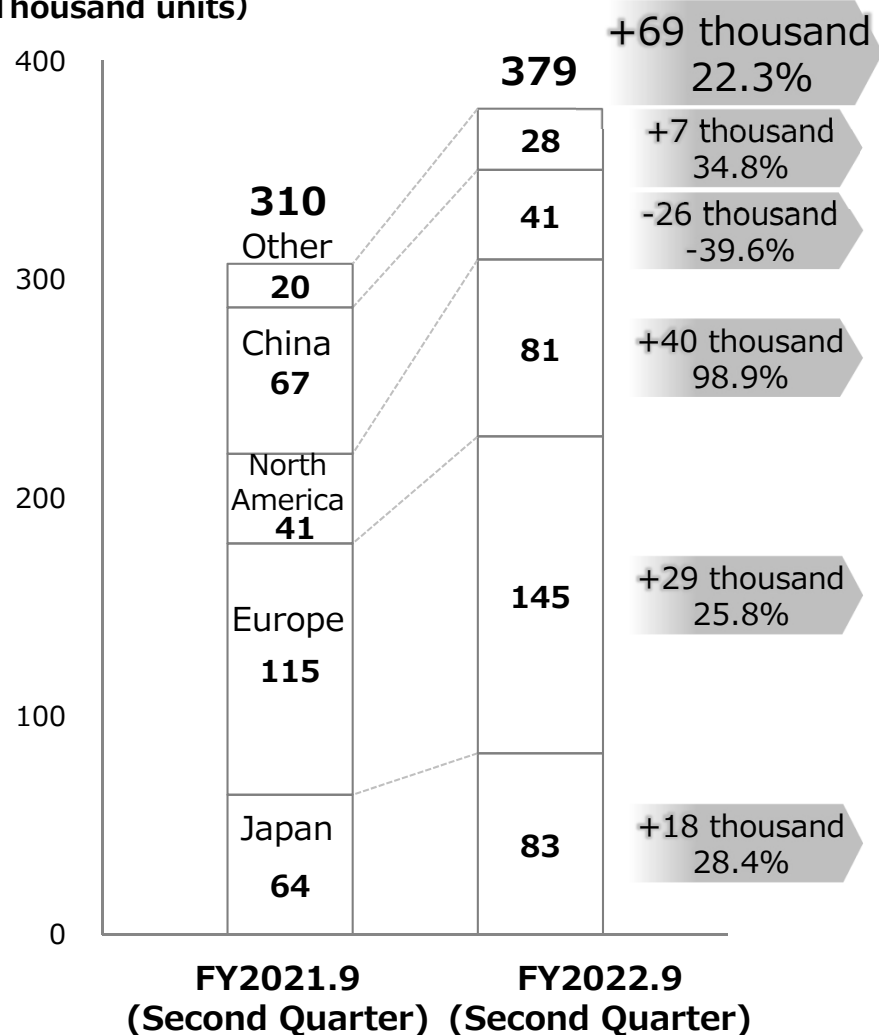
Average foreign exchange rates for the term (the Second Quarter of the FY ending Sep. 2022) US\$/JPY=114.83, EUR/JPY=130.05
Overseas subsidiary conversion rates (end of December 2021) US\$/JPY=115.02, EUR/JPY=130.51

(2) Consolidated Sales Volume and Net Sales by Region

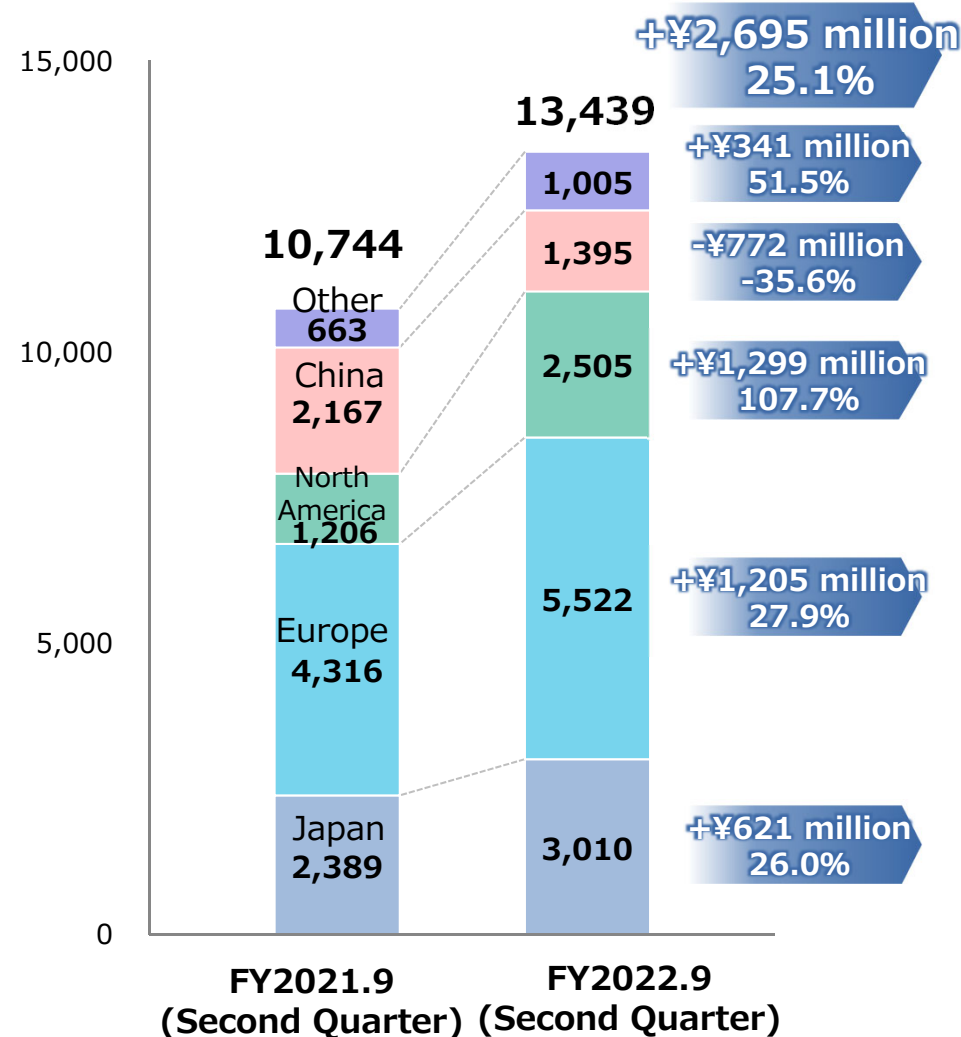


Consolidated Sales Volume and Net Sales by Region

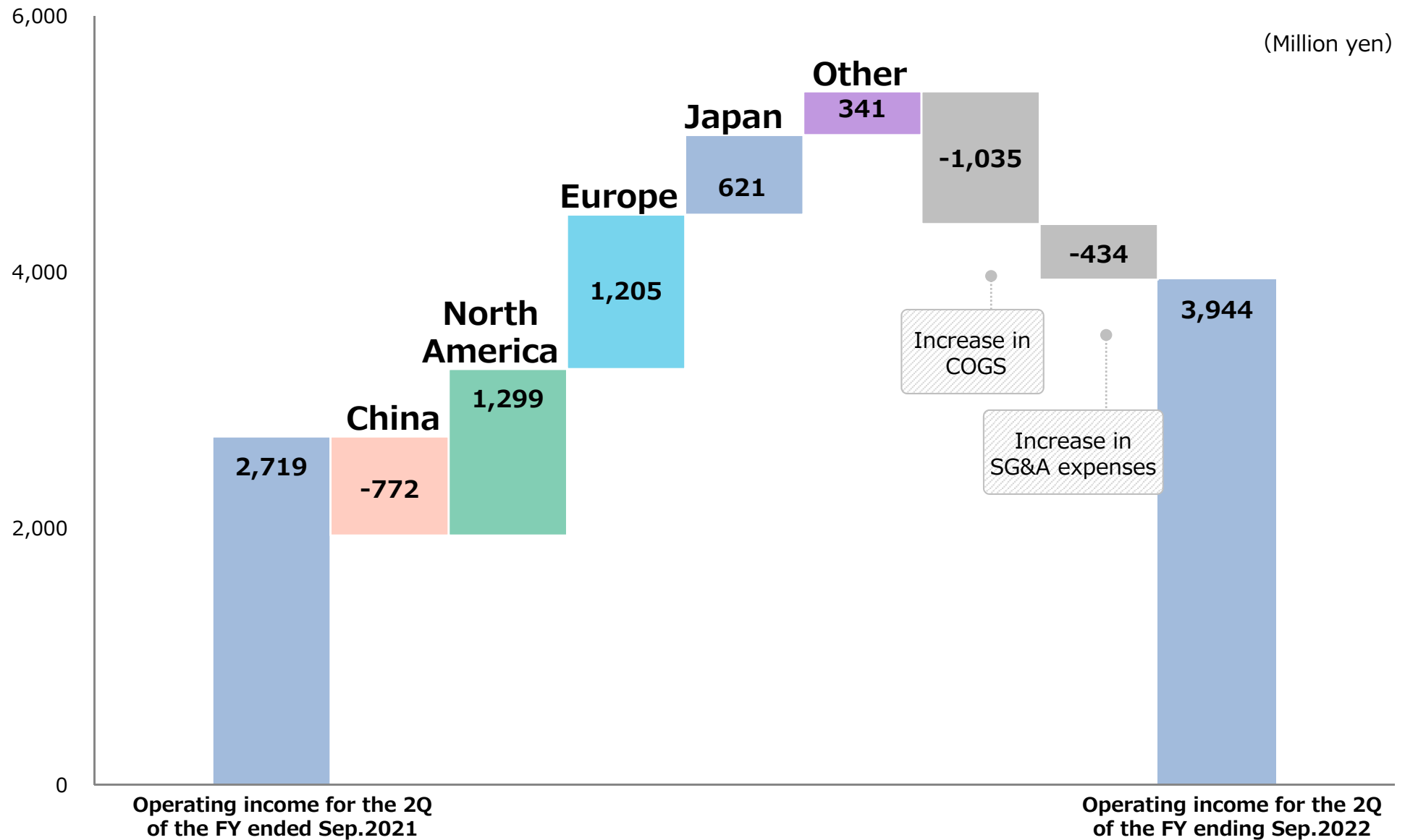
Sales Volume
(Thousand units)



Net Sales
(Million yen)



(3) Variance Analysis of Operating Income



(4) Consolidated Balance Sheets

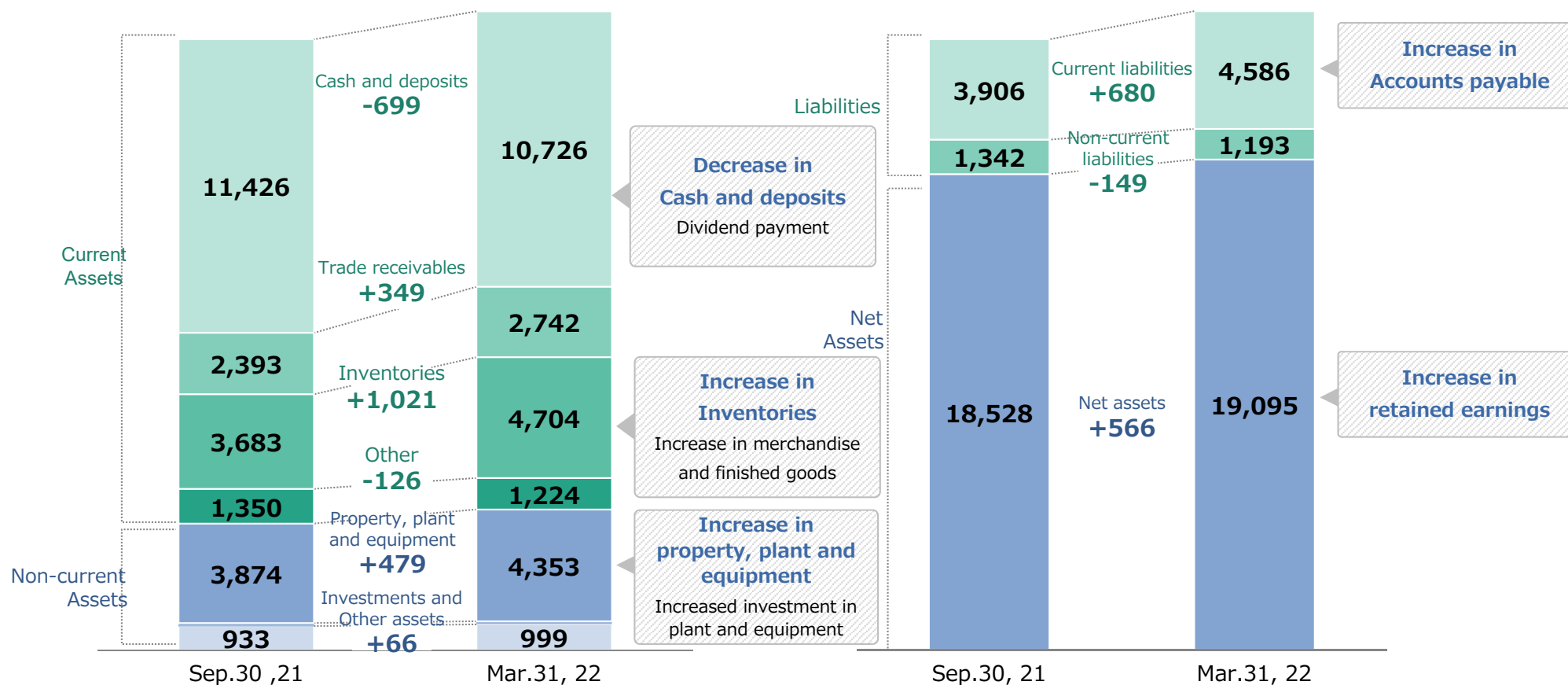


Assets

(Unit : Million yen)

Liabilities/Net Assets

(Unit : Million yen)



Shareholder
Equity ratio

77.9%

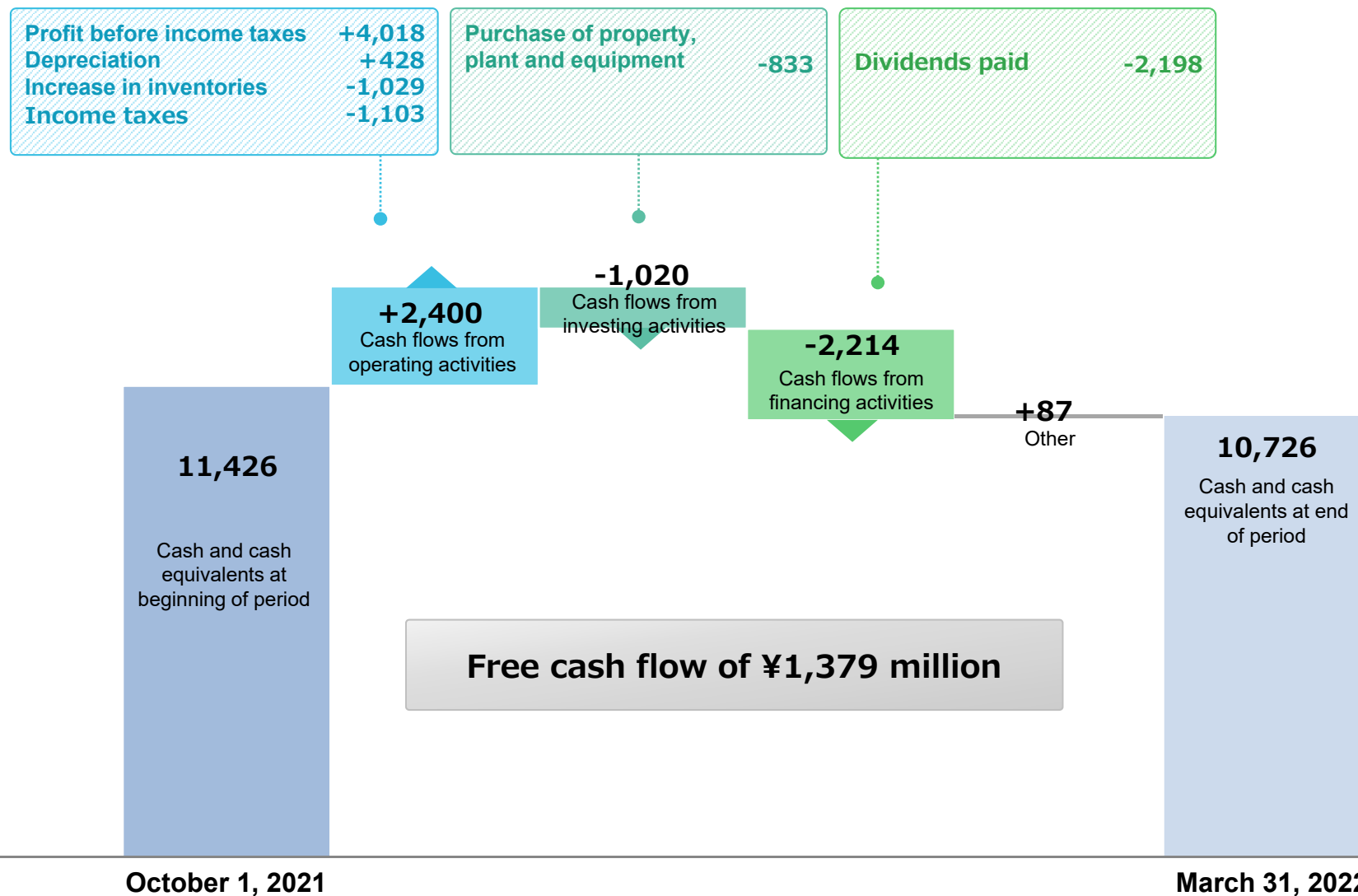


76.7%

(5) Consolidated Statements of Cashflow



(Unit : Million yen)



(6) Topics in the Second Quarter of the Fiscal Year Ending September 30, 2022

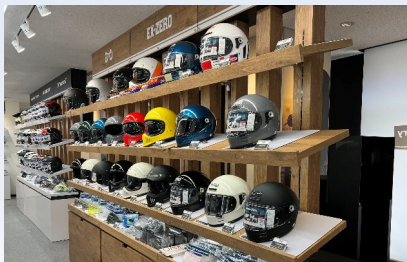


- Exhibited previous models and graphics of the current lineup, responding to requests for trial fitting and questions about products from customers, and directly contacting with customers' needs, to help us improve product quality and develop new products
- Exhibited at Osaka/Tokyo Motorcycle Show, held for the first time in three years

Opening Direct Sales Showroom SHOEI Gallery OSAKA

We opened SHOEI Gallery OSAKA, an exhibition space for SHOEI products, as the second shop following Tokyo shop on December 10, 2021 (nearest station: Shin-Osaka Station).

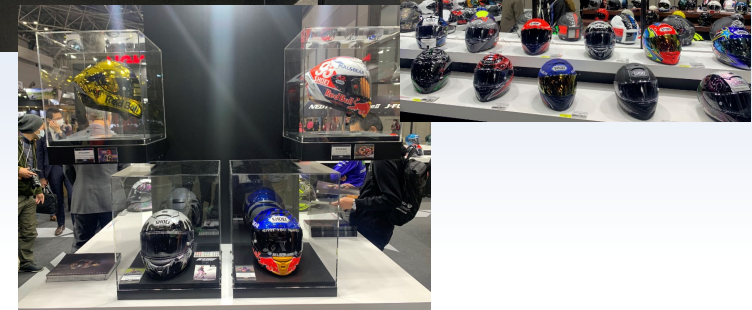
The products available as the current lineup are displayed and sold. All can be tried on.
The PFS service is provided.



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.

We set up an experience corner for OPTICSON, the smart helmet to be released in 2022.



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



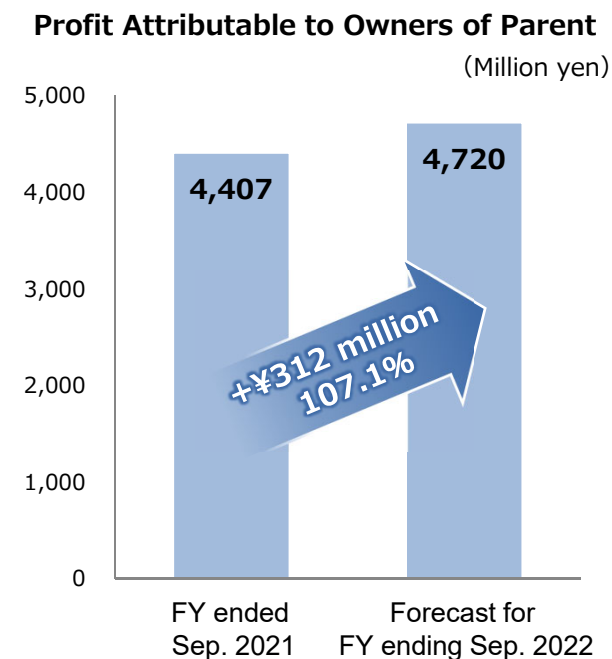
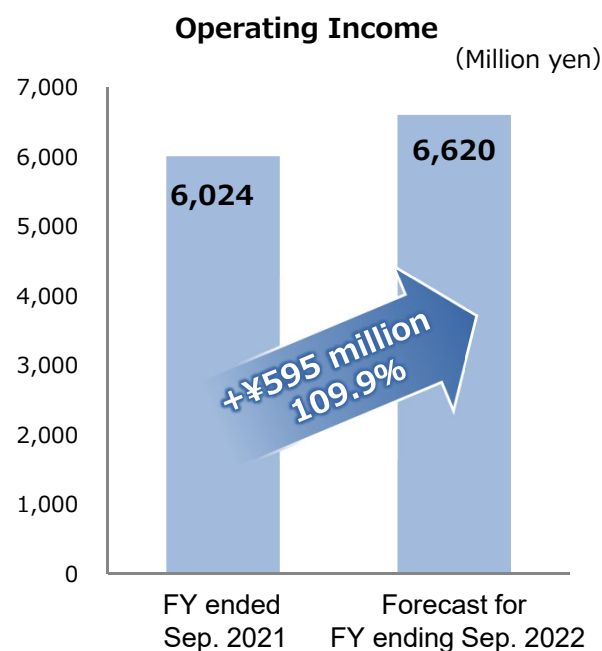
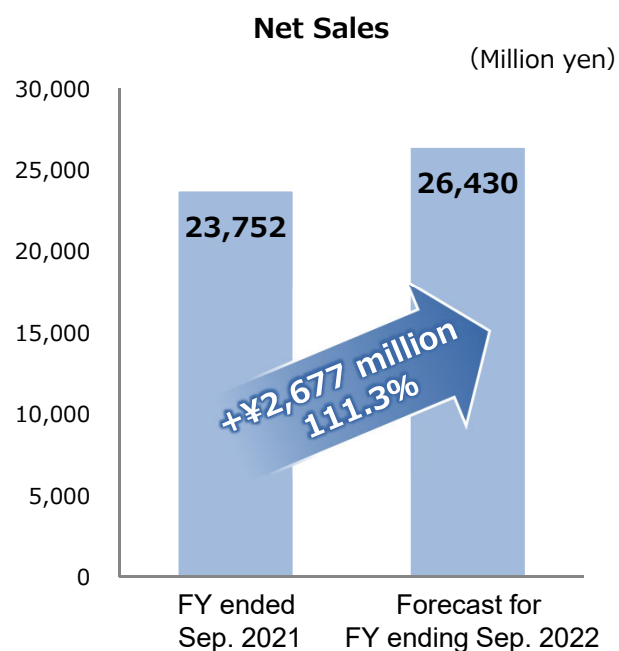
(1) Sales and Profit Forecasts (At present, no changes are made)



Main points of sales and profit forecasts

The Group's financial results for the first half of the fiscal year exceeded forecasts in terms of both net sales and profits. However, taking into consideration uncertainties (see below), the Company has decided at this point not to change the full-year consolidated financial forecasts.

- (1) Changes in demands for bike supplies in the market at post-corona
- (2) Unstable international logistics conditions
- (3) Risk related to a rise of raw materials prices
- (4) Risk related to rapid exchange fluctuations
- (5) Rise of geopolitical risks



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



Sales strategy

General	Though we welcome future order placements for the stable operation of factories, they will also increase the risk of dead stock at distributors. We are therefore controlling monthly order receipt volume this year.
Europe	We will actively collect information about compatibility with the new ECE06 standard and the impact of the conflict between Russia and Ukraine.
North America	The performance of the bike-related market has been firm in the United States.
Asia	Although demand on the Chinese market remains high, the Japanese shipping base is lower than the previous year because local distributors' orders to SHOEI were delayed compared to other regions. However, as a result of the above order receipt control, recent orders placed by local distributors have been improving.
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 smart helmet OPTICSON



- Strengthen the replica helmet strategy



**X-Fourteen
MARQUEZ 6**



**X-Fourteen
MORI**

- While realizing both assured certification by the European new safety standard (ECE06) and the pursuit of SHOEI's unique whimsy, we will remodel our major products on a timely basis.

Production Strategy

- Production system for the FY ending September 2022: We are promoting expansion of annual capacity to 770,000 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 summer of 2023.)