

SHOEI CO., LTD.
Financial Results for the Second
Quarter of the Fiscal Year Ending
September 30, 2024

PREMIUM × EXPERIENCE

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Antanglin

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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, 2024

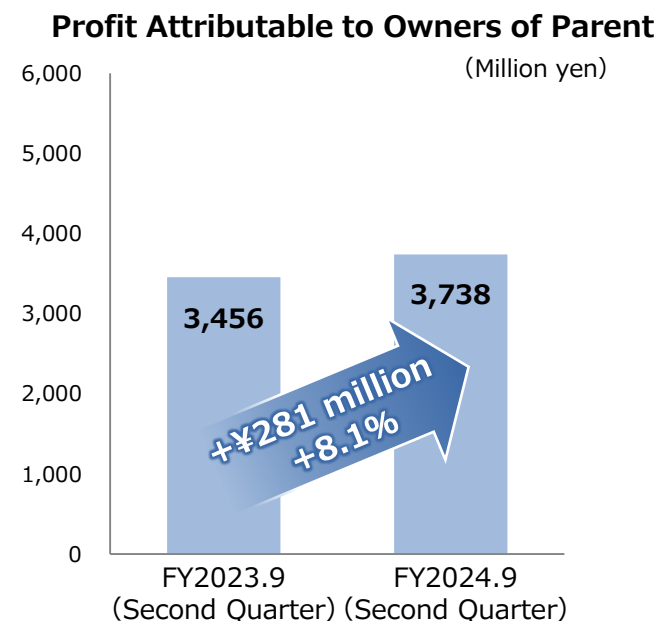
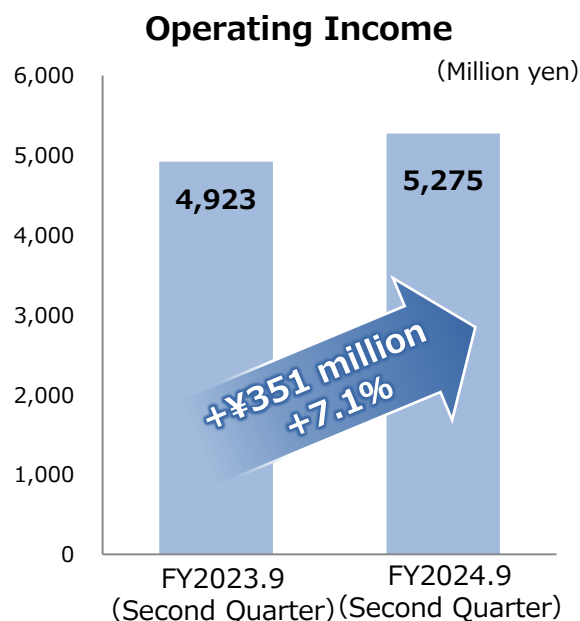
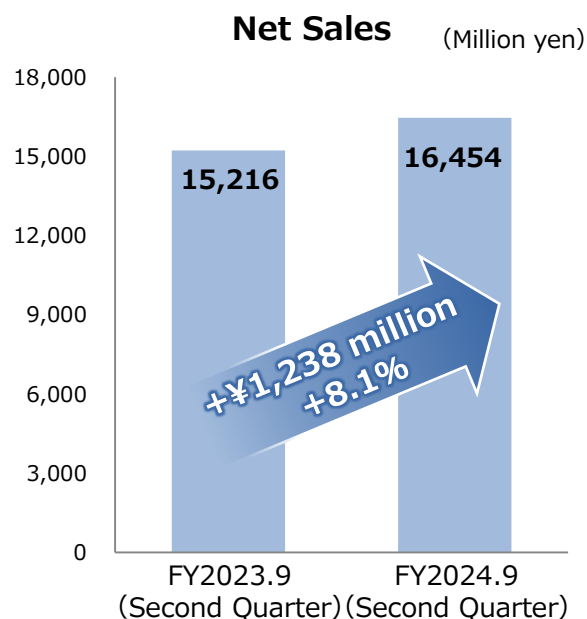


(1) Financial Highlights



Key points of the financial results for the Second Quarter of the Fiscal Year Ending September 30, 2024

- (1) The number of units sold decreased 26,000 year on year (down 6.9% year on year) on a consolidated basis due to decreased demand in China, although sales were almost in line with
- (2) Net sales increased 8.1% year on year as a result of a significant rise in unit prices due to new model launches, price increases in the previous fiscal year and the effect of a weaker yen.
- (3) Operating income rose 7.1% year on year, reflecting an increase in sales due to higher unit prices and other factors, which offset a rise in a manufacturing cost per piece associated with a decline in the production volume.



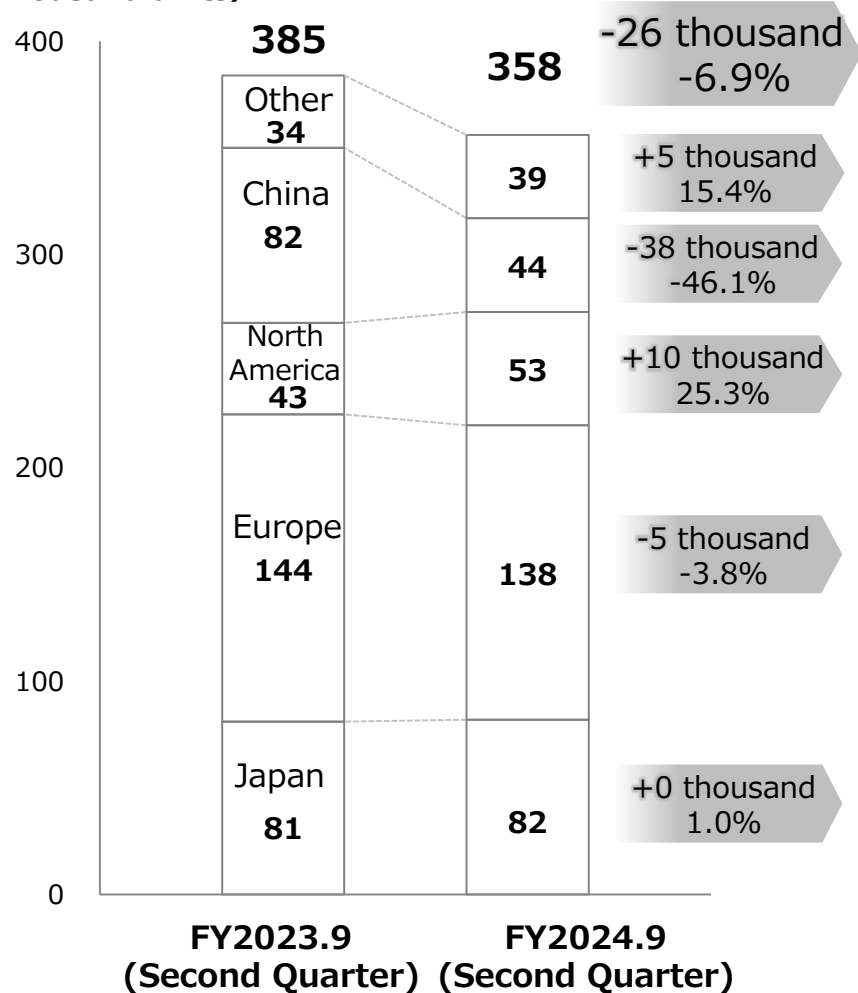
Average foreign exchange rates for the term (the Second Quarter of the FY ending Mar. 2024) US\$/JPY=149.06, EUR/JPY=159.55
Overseas subsidiary conversion rates (end of December 2023) EUR/JPY=157.12

(2) Consolidated Sales Volume and Net Sales by Region

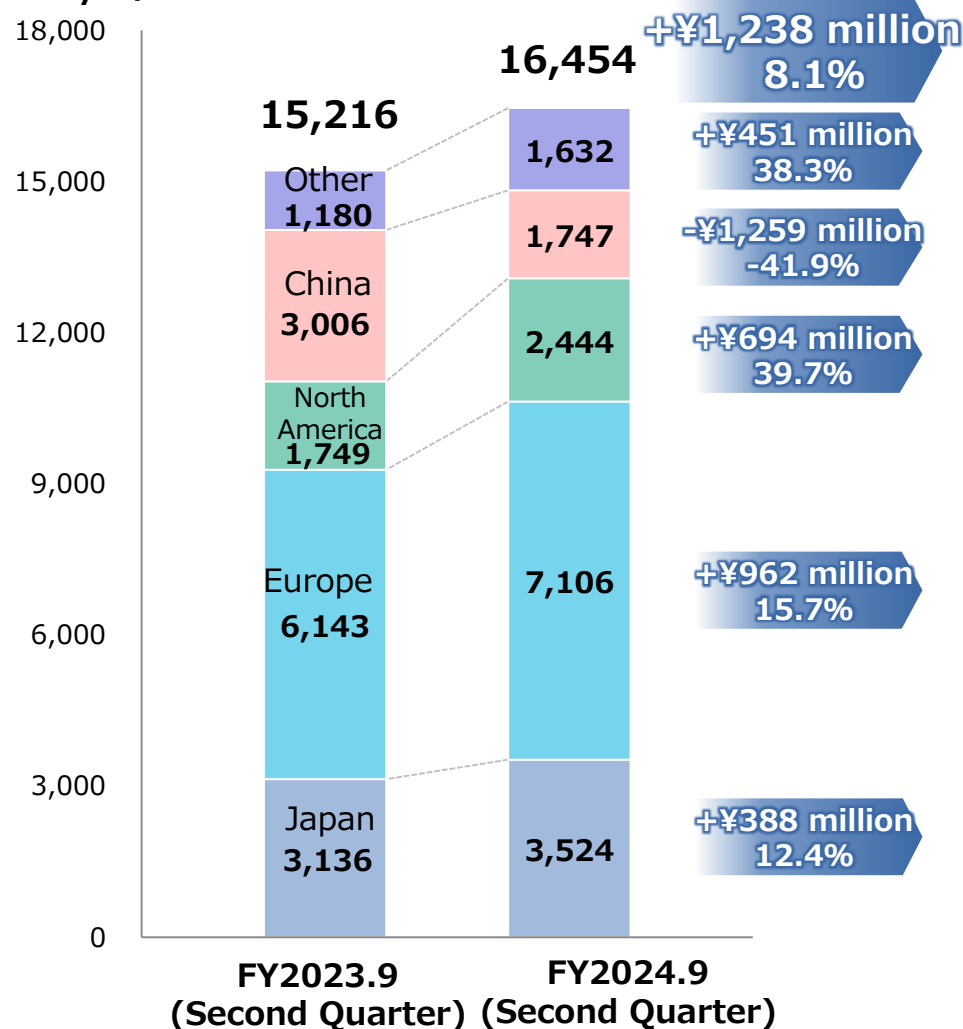


Consolidated Sales Volume and Net Sales by Region

Sales Volume
(Thousand units)



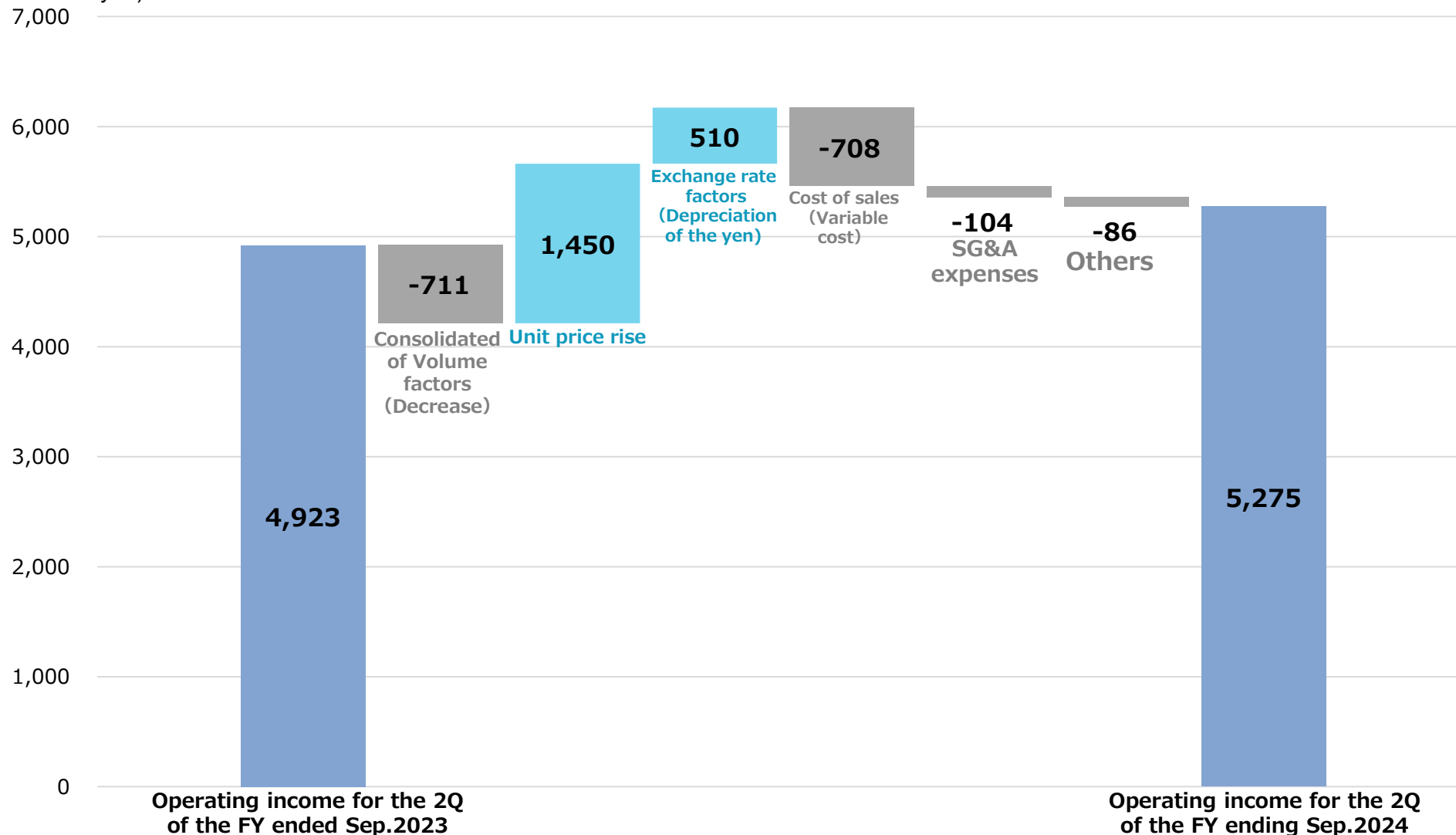
Net Sales
(Million yen)



(3) Variance Analysis of Operating Income



(Unit: Million yen)

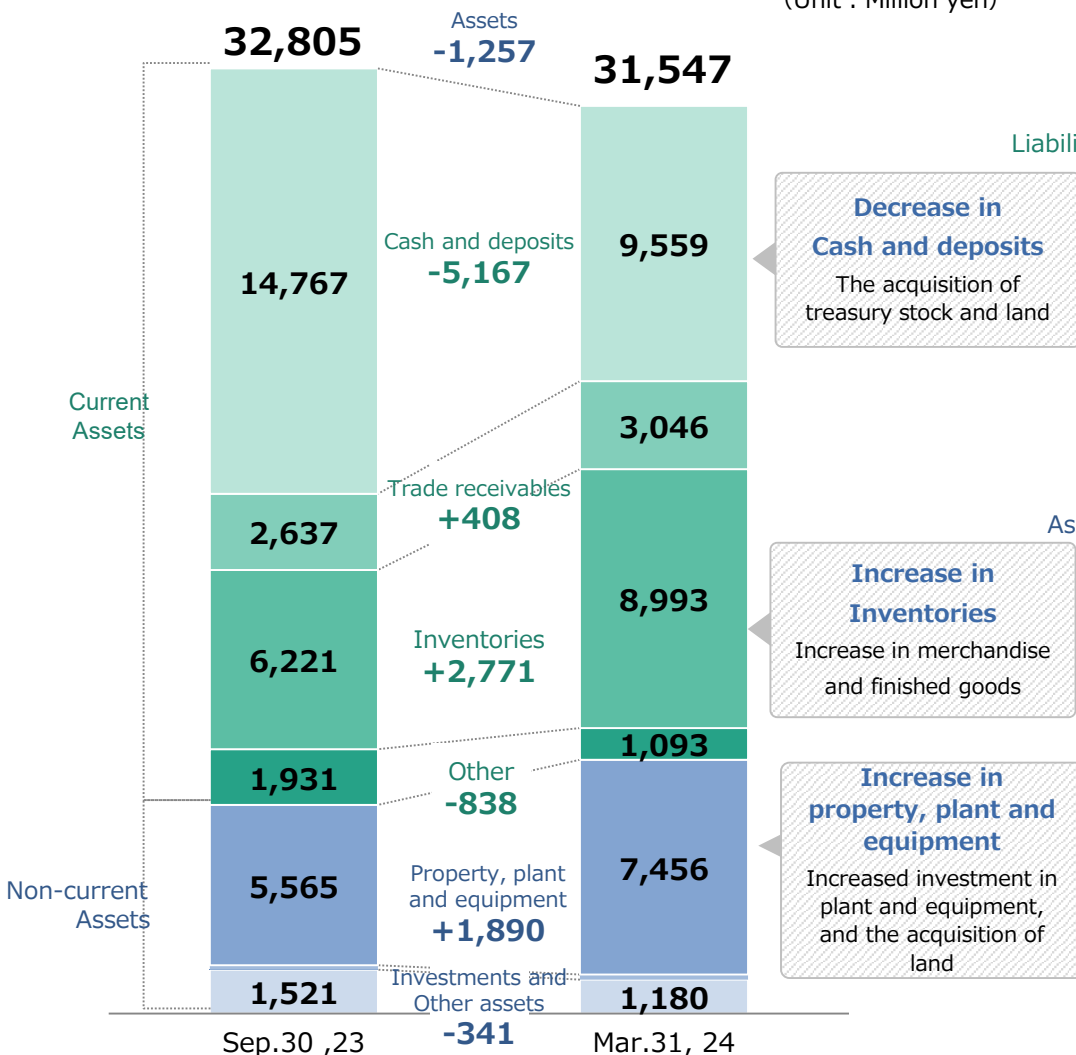


(4) Consolidated Balance Sheets



Assets

(Unit : Million yen)



Liabilities/Net Assets

(Unit : Million yen)



Shareholder
Equity ratio

82.7%

80.3%

(5) Topics in the Second Quarter of the Fiscal Year Ending September 30, 2024

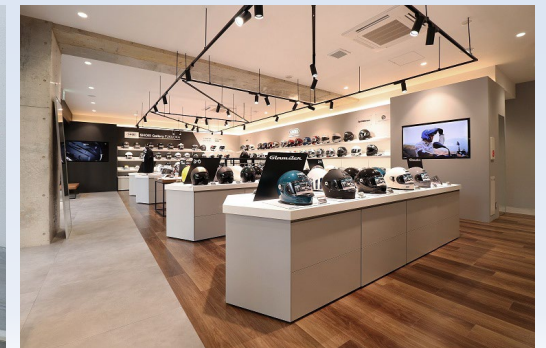


- We opened the SHOEI Gallery FUKUOKA, the Sixth directly managed showroom, to increase the point of contact with customers.
- As in last year, we ran a booth at the Osaka/Tokyo Motorcycle Show. The booth was as busy and crowded as last year.

Opening Direct Sales Showroom SHOEI Gallery FUKUOKA

The SHOEI Gallery FUKUOKA was opened as the 6th store of the SHOEI Group on October 20, 2023 following the four stores in Japan (Tokyo, Osaka, Yokohama and Kyoto) and the one in Paris, France. (nearest stations: Watanabe-dori Station and Yakuin Station/Fukuoka City 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 2024)

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 new versions of two mainstay models (NEOTEC 3 and GT-Air 3) were displayed and, in addition, new products featuring collaboration with the Baribari Densetsu anime were announced. These activities drew many visitors to our booth.



Ⅱ. Forecasts for the Fiscal Year Ending September 30, 2024

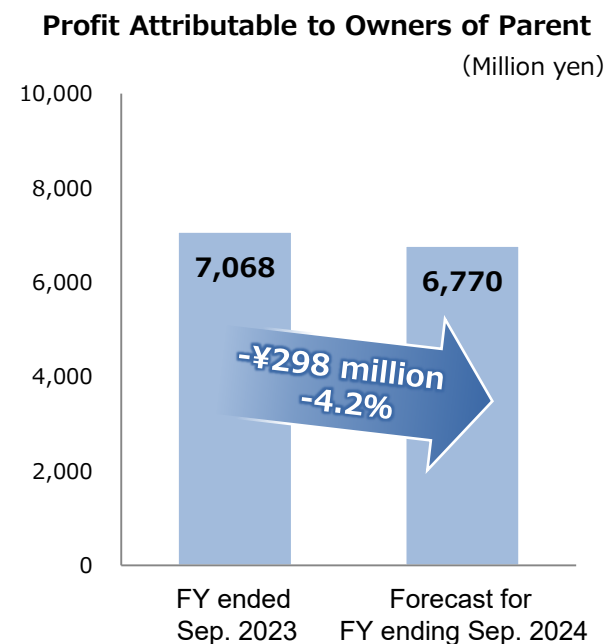
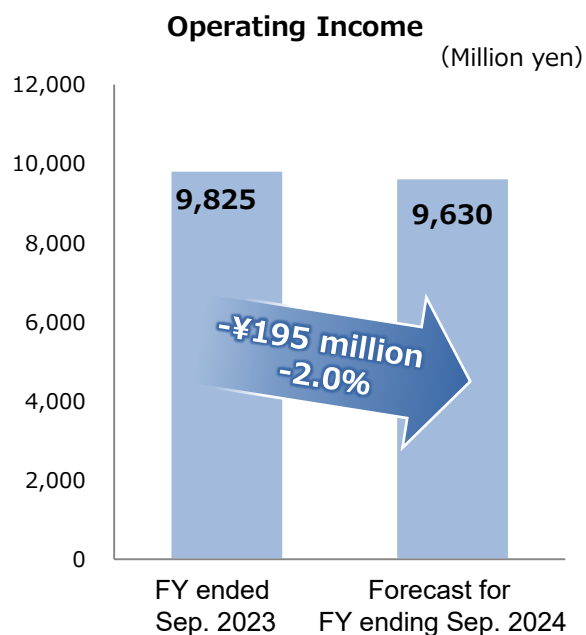
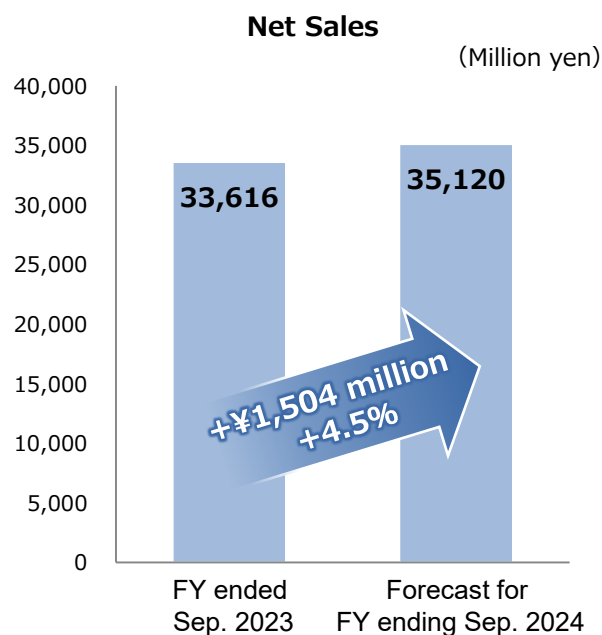


(1) Sales and Profit Forecasts (At present, no changes are made)

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) Risk of sales to China lower than the plan due to a decline in demand
- (2) Risk related to rapid exchange rate fluctuations
- (3) The risk of an economic downturn and decline in consumer confidence due to the rise of geopolitical risks, among other factors

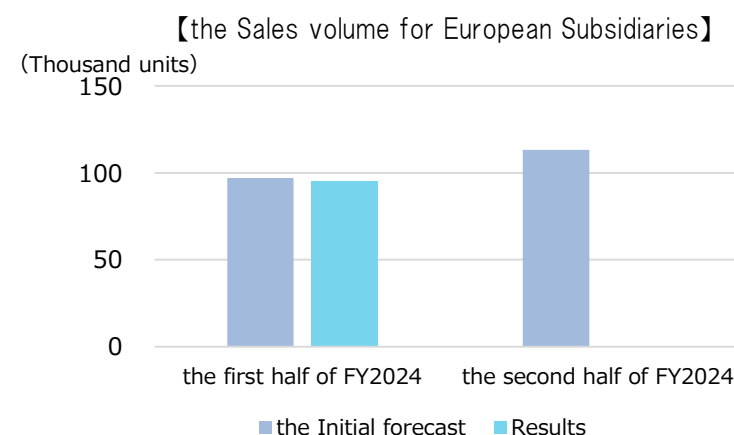
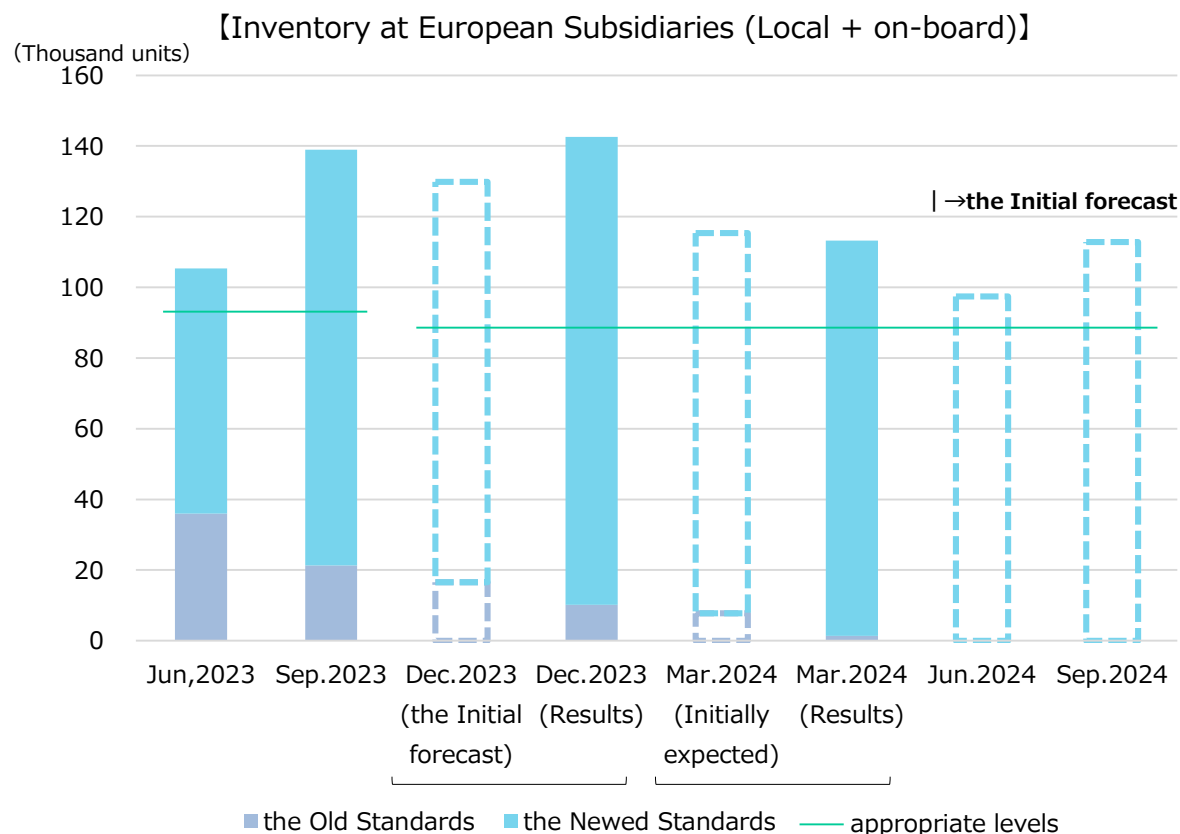


(2) Inventory at European Subsidiaries



Inventory at European Subsidiaries (Local + on-board)

- Inventory at European subsidiaries (local and on-board) is expected to adjust to appropriate levels up to the end of June 2024 after peaking at the end of September 2023. Inventories of products based on the old standards had all been sold as of the end of March 2024.
- Inventories at the European subsidiary as of March 31, 2024 are moving almost as initially expected. The volume of sales recorded by the European subsidiaries has basically been showing the results initially expected, and the decrease in production due to the adjustment of inventories is expected to be normalized from around June.

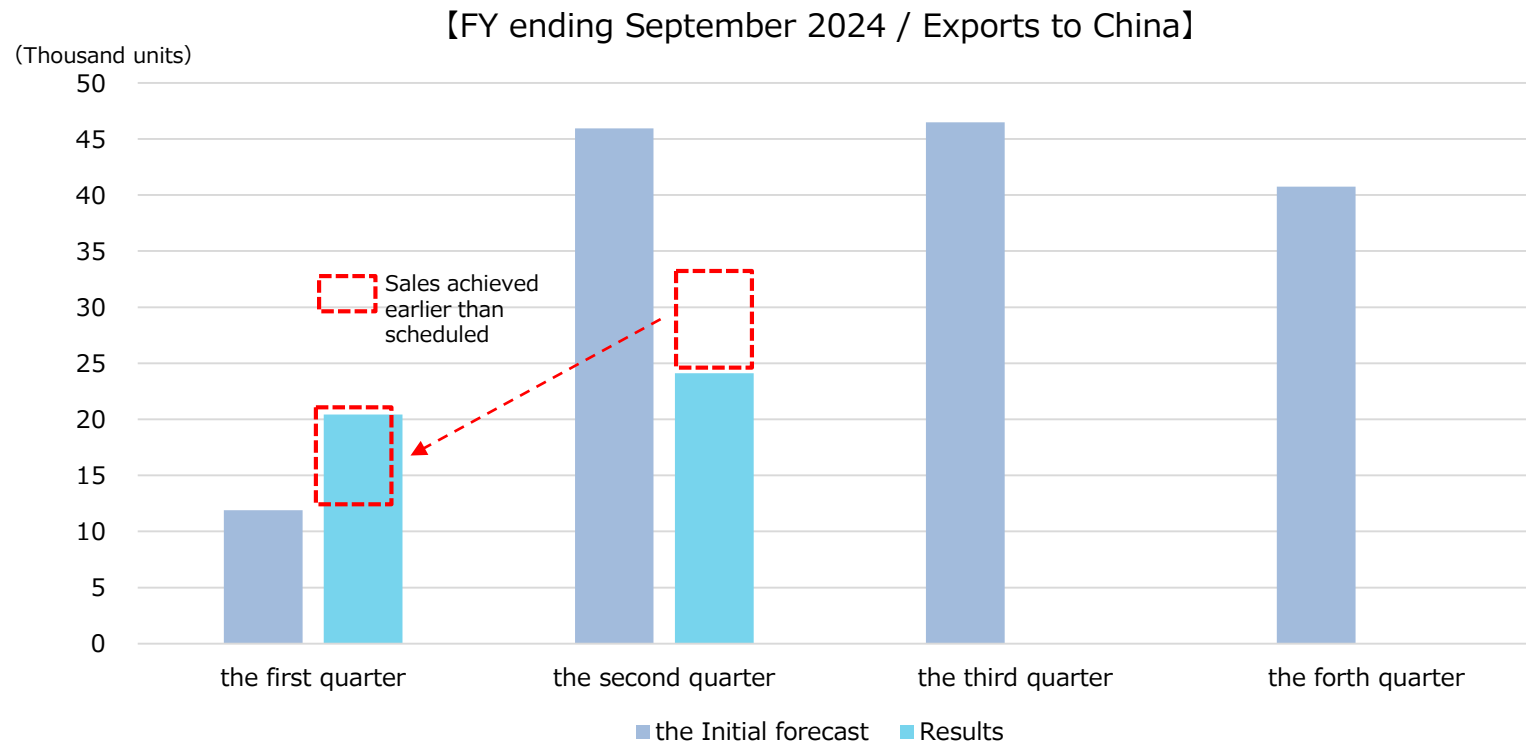


(3) Exports to China



Exports to China and order status

- Regarding exports to China for the fiscal year ending September 2024, we will start exporting products compliant with the new standards from December 2023. It is expected by the beginning of the fiscal year that stable sales will continue to be achieved in the second quarter and beyond.
- Actual exports to China for the first six months of the fiscal year ending September, 2024 fell short of the initial forecast. We expect a recovery in the fourth quarter partly, given recent signs of a rebound in the number of customers visiting stores. However, sales may continue to fall short of the initial forecast even in the third quarter.



(4) Market environment and topics (sales, products, production) for FY ending September 2024



Sales strategy

Europe	Although sales are almost within the expected range, we still see a overstocking situation in the distribution stage. We are therefore in the process of diligently promoting sales activities to resolve the situation as soon as possible.
North America	With the economy remaining relatively firm, sales of our helmets are expected to be steady.
Asia	Demand remains firm except China. Regarding China, we are in the process of diligently gathering information on future demand trends.
Japan	Since demand continues to be relatively solid even in the post-COVID-19 situation, we will boost demand by offering new versions of mainstay models and products featuring collaboration with the Baribari Densetsu anime, among other products.

Product Strategy

- Worldwide rollout of the new two leading models (NEOTEC, GT-Air)



NEOTEC 3



GT-Air 3

- The enhance of new line up to products featuring collaboration with the Baribari Densetsu anime, among other products



X-Fifteen GUN



Z-8 BariBari Legend

- New entry into helmets for BMX competition



Production Strategy

- In light of declining orders, we will continue to change our production system flexibly by implementing a range of measures such as reducing work on holidays to zero, insourcing some of the outsourced work and adjusting daily production volumes. At the same time, efforts will be made to take advantage of spare time to further promote activities to improve productivity and the skills of each member of staff.
- The process of handing over the new site for the Ibaraki Plant was completed in April 2024. We will decide what will be transferred to the new site from the existing plants and whether or not facilities should be expanded will be determined while carefully considering future demand trends. As the first step, we are in the process of constructing a new warehouse.