

For Immediate Release

Notice Concerning Start of New Business

SHOEI CO., LTD. (“the Company”) announces that, at the Board of Directors’ meeting held today, it passed resolutions for starting a new business. Details are as follows.

Details

1. Aims of this initiative

For the past 30 years, we have been expanding our business as a manufacturer specializing in motorcycle helmets, with the exception of some products developed to meet public demand. Indeed, there is no change in our policy of continuing to strengthen our core and most important business. However, it is clear that riders are aging and young people around the world are diversifying their hobbies. As such, we recognize that in order for our company to continue to grow, it is very important to stabilize by diversifying risks through the development of new businesses, rather than relying only on the high-end helmet business for motorcyclists. For this reason, we have been in the process of examining for several years whether there is a new business that is worth trying and that is very much fitting for our Company.

Based on this background, we have decided to enter the BMX (Bicycle Motocross) competition helmet field as the first step of our business diversification. We chose a BMX competition helmet for the following three reasons

- ① First, existing off-road motorcycle helmet technology can be applied. In BMX racing, up to eight riders start simultaneously from a gate on a starting hill 5 to 8 meters high and compete on a 400-meter-long course with alternating jumps and banked corners at speeds of up to 60 km/h. It is a thrilling competition. We believe that this BMX competition helmet will fully utilize the safety and comfort performance that we have achieved in the development and manufacture of off-road motorcycle helmets. In fact, we have experience in providing the VFX-WR, an off-road motorcycle helmet, to some athletes, including Olympic athletes.
- ② We also believe that the market price of the higher-priced BMX competition helmets is relatively close to the price of our high-end helmets for motorcycle riders and is unlikely to significantly dilute our ROE for now.
- ③ Moreover, BMX competitions are rapidly attracting attention, with BMX racing being adopted as an official sport for the first time at the 2008 Beijing Olympics, and then expanding to include events at the Tokyo 2020 Olympics and the 2024 Paris Olympics. The number of BMX competitors worldwide is estimated at 2 million (with tens of thousands in Japan), and the growing number of competitors, especially among the younger generation, is also appealing.

2. Overview of new business

(1) Description of new business

The company manufactures and sells helmets for BMX competition. We will begin with the Japanese market, but are we looking to expand into Europe in the future.

(2) Amount and details of special expenditure for the launch of the business

The Company plans to invest approximately 100 million yen in molds for helmet, etc.

3. Schedule

(1)	Date of resolution by the Board of Directors	November 15, 2023
(2)	Date of business commencement	Around September 2024 (Scheduled to launch)

4. Future outlook

The impact on the business result for the fiscal year ending September 30, 2024, is insignificant. The impact on our business performance from the next fiscal year is undetermined at this time, as it is expected to increase or decrease depending on production conditions and changes in the external environment, among other factors. However, we believe that this will contribute to improving our business performance over the medium to long terms. If it becomes necessary to disclose this information in the future, we will do so promptly.

(Reference) Consolidated Forecasts for the Fiscal Year Ending September 30, 2024 (announced November 15, 2023) and Results for the Previous Fiscal Year

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent
Forecast for FY ending September 30, 2024	Million yen 35,120	Million yen 9,630	Million yen 9,630	Million yen 6,770
Actual results for FY ended September 30, 2023 (Previous fiscal year)	33,616	9,825	9,858	7,068