



**SHOEI CO., LTD.**

**Presentation**

**November 22, 2019**

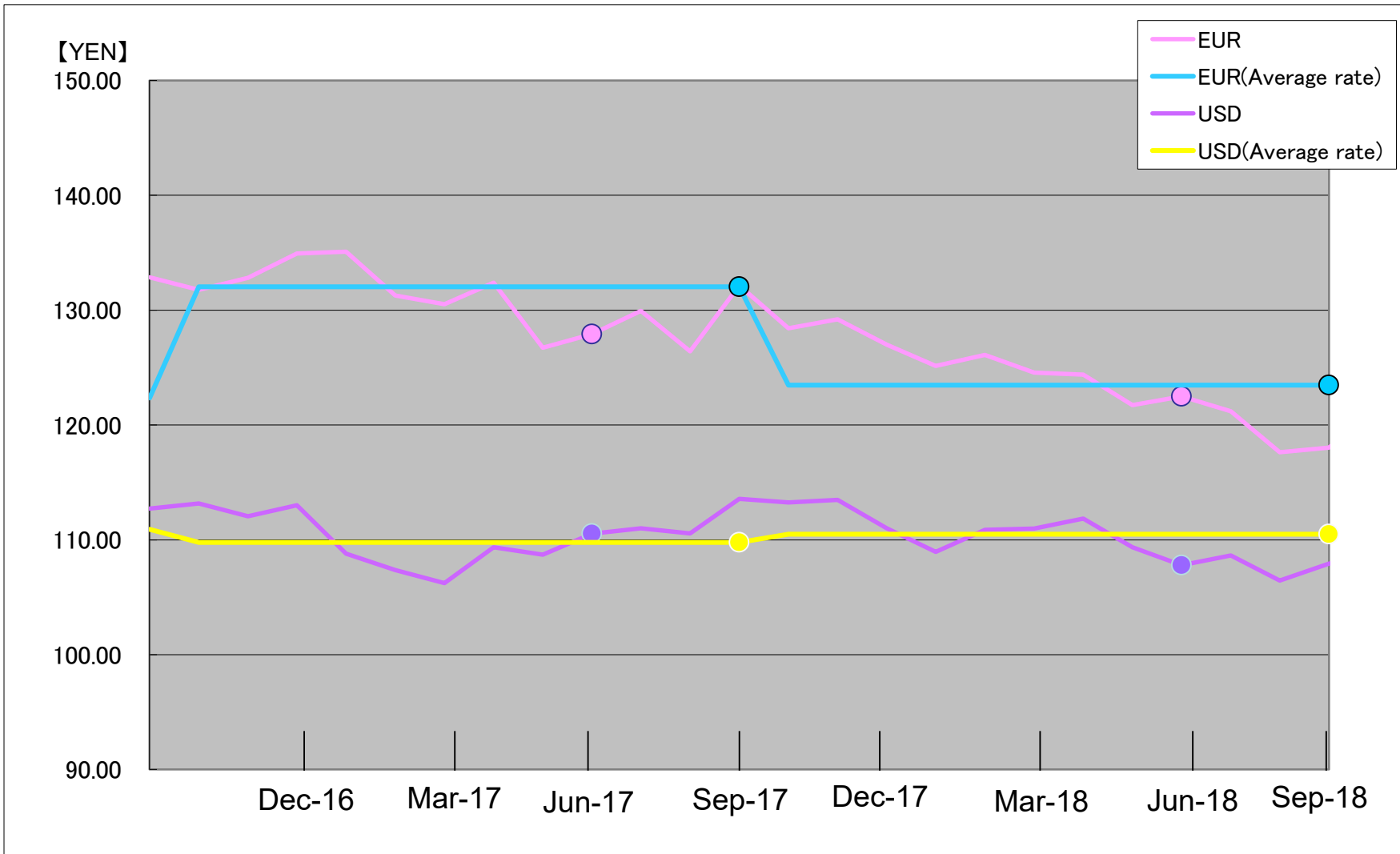
# FY 2019 Results Summary

- ☆ Sales volume rose by 37,000 units, mainly for Europe and North America.  
Brisk sales of new products and a rise in product unit prices resulted in an increase of consolidated net sales by ¥1,467 million.
- ☆ Despite a rise in manufacturing costs and SG&A expenses, a rise in selling unit prices and growth in productivity resulting from improvement activities pushed operating income up by ¥469 million.
- ☆ As a result, profit attributable to owners of parent reached a new record high at ¥2,935 million.
- ☆ As negative impacts of the rising yen (from ¥127.91 at the end of June to ¥122.49 against the euro) were covered by strong sales, profit from consolidated subsidiaries reached ¥752 million. (It stood at ¥483 million for the previous fiscal year.)

# Key Events in FY 2019

- The subsidiary in Germany started direct sales in the Swedish market.  
(Annual sales volume: Approx. 6,000; Net sales: ¥211.6 million)
- Transactions restarted after acquisition of China's CCC certification.  
(Annual volume: Approx. 17,000; Net sales: ¥525 million)
  - 4 models acquiring CCC certification
  - 12 models sold before CCC certification

# (3) The trend of Exchange Rate



# The Fiscal Year Ended Sep. 30, 2018

## (1) Consolidated Statements of Income

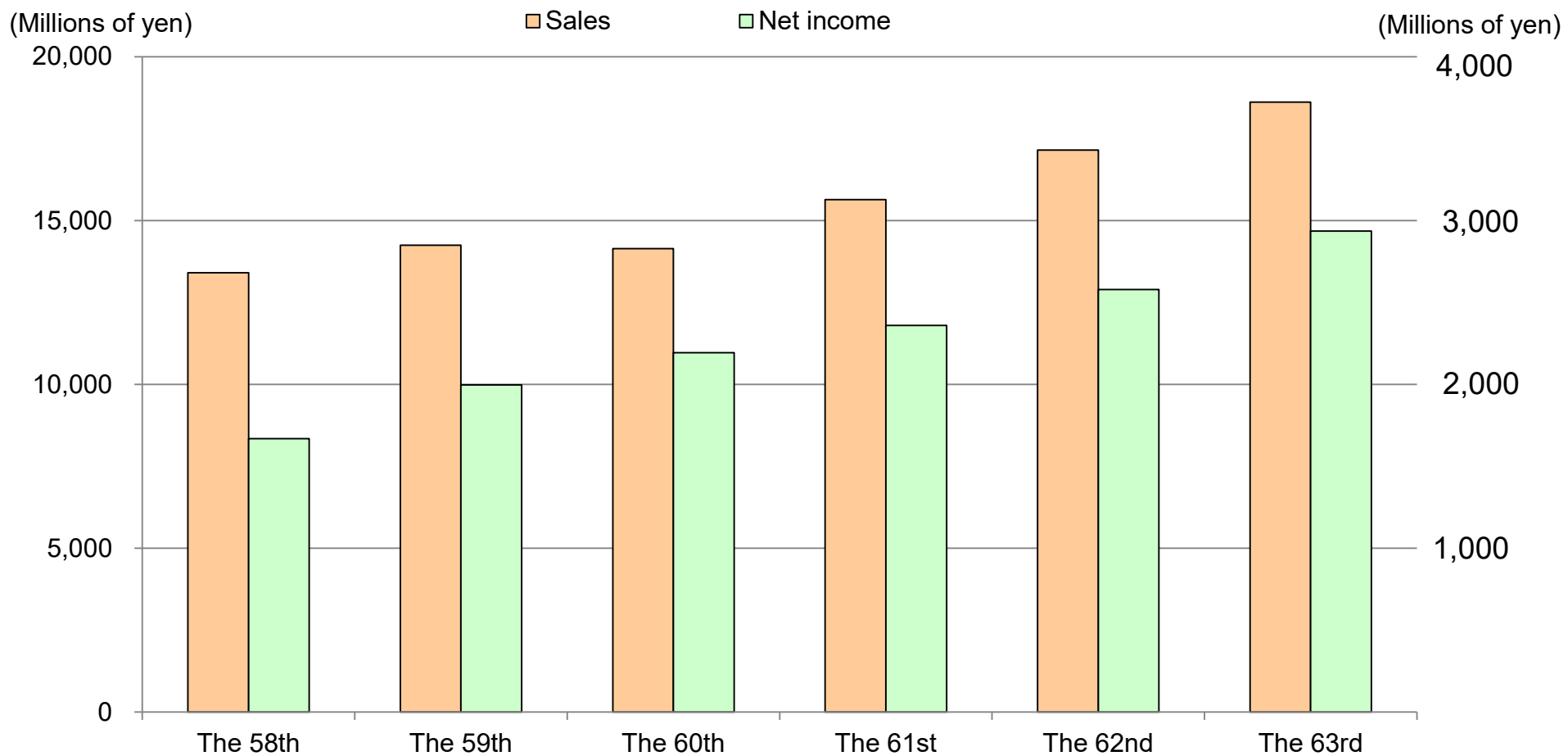
(Millions of yen)

	Oct.17 -Sept.18	Oct.18 -Sept.19	Changes from Previous year(%)
<b>Net Sales</b>	<b>17,148</b>	<b>18,616</b>	<b>+8.6</b>
<b>Operating Income</b>	<b>3,734</b>	<b>4,203</b>	<b>+12.6</b>
<b>Ordinary Income</b>	<b>3,772</b>	<b>4,179</b>	<b>+10.8</b>
<b>Profit attributable to owners of parent</b>	<b>2,578</b>	<b>2,935</b>	<b>+13.9</b>
<b>Net Income per Share</b>	<b>¥187.21</b>	<b>¥213.15</b>	<b>+13.9</b>
<b>Dividend per Share</b>	<b>¥93.00</b>	<b>¥106.00</b>	<b>+14.0</b>

### Notes:

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

## (2) Change of Sales and Net Income Indicator



# New Products during the 63rd Fiscal Year

## < EX-ZERO >

### Vintage style full-face model



**【Japan】**

**Launching in November 2018**

**Suggested Retail Price : YEN 38,000 ~ YEN 46,000  
(Excluding Sales Tax)**

# < GT-Air II >

## Full Face Helmet equipped with Sun Visor



### 【Europe】

Launching in March 2019

(Initial Shipment : January 2019)

Suggested Retail Price

Germany, France : EUR499.00

~EUR629.00(Including VAT (Tax))

GT-Air : EUR479.00 ~ EUR579.00(Including VAT(Tax))

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### 【North America】

Launching in April 2019

(Initial Shipment : January 2019 )

Suggested Retail Price : US\$599.00

~US\$699.00 (Excluding Sales Tax)

GT-Air : US\$549.99 ~ US\$670.99(Excluding Sales Tax)

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### 【Japan】

Launching in May 2019

Suggested Retail Price : YEN51,000 ~ YEN59,000

GT-Air : YEN45,000 ~ YEN56,000(Excluding Sales Tax)



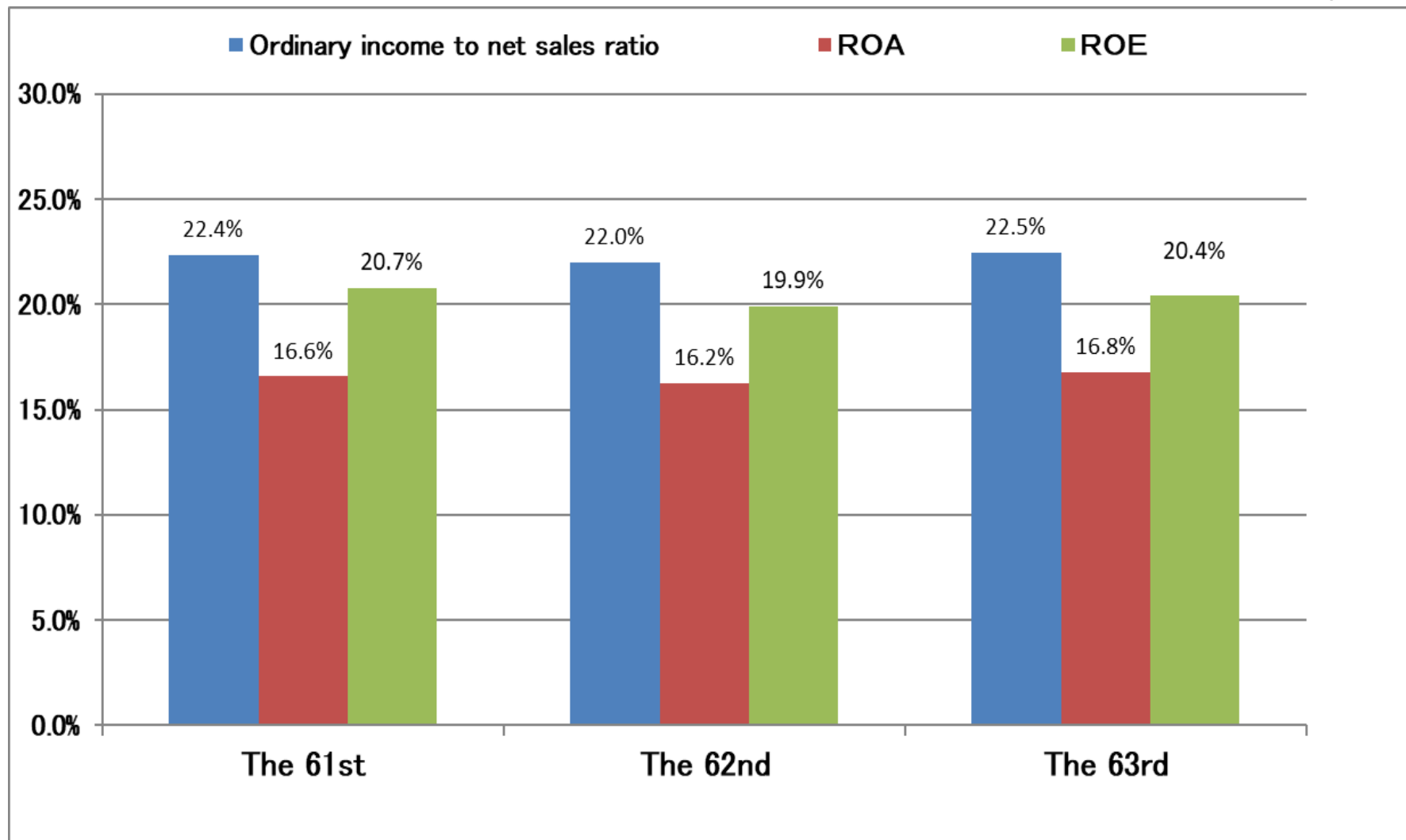
## (4) Consolidated Balance Sheets

(Millions of Yen)

	<b>Sept.30,2018</b>	<b>Sept.30,2019</b>	
Cash and Deposits	8,115	9,018	( +903)
Account Receivable	2,179	2,233	( +54)
Inventory	2,508	2,592	( +84)
Other Current Assets	713	834	( +120)
<b>Total Current Assets</b>	<b>13,516</b>	<b>14,679</b>	<b>(+1,162)</b>
<b>Total Fixed Assets</b>	<b>3,238</b>	<b>3,572</b>	<b>( +333)</b>
<b>Total Assets</b>	<b>16,755</b>	<b>18,252</b>	<b>(+1,469)</b>
Current Liabilities	2,296	2,240	( -56)
Fixed Liabilities	799	946	( +146)
<b>Total Liabilities</b>	<b>3,096</b>	<b>3,186</b>	<b>( +90)</b>
Shareholders' Equity	14,111	15,765	(+1,654)
(Capital Stock)	(1,394)	(1,394)	( - )
(Treasury Stock)	(- 1)	(- 1)	( - 0)
<b>Total Net Assets</b>	<b>13,659</b>	<b>15,065</b>	<b>(+1,406)</b>
	<b>(- 278)</b>	<b>(- 511)</b>	<b>( -233)</b>
<b>Total Liabilities and Total Net Assets</b>	<b>16,755</b>	<b>18,252</b>	<b>(+1,496)</b>
<b>Shareholder's Equity Ratio</b>	<b>81.5%</b>	<b>82.5%</b>	

## (5) Financial Indicator

(Millions of yen)



# FY 2020 Forecast Summary

- ☆ The helmet sales volume target is set at 576,000 units, up 16,000 from the previous fiscal year. In view of current strong orders and a scheduled launch of a promising new model this fiscal year, this target is considered attainable.
- ☆ Meanwhile, SG&A expenses are forecast to grow on the whole and profit from consolidated subsidiaries was firmly estimated (down from ¥752 million to ¥597 million). Consequently, a 9.1% profit slide is forecast.
- ☆ While minimizing sales expenses, we will carry out measures to be explained later with a view toward narrowing the profit decline and achieving a profit increase.
- ☆ Foreign exchange sensitivity:
  - ¥24 million in consolidated net sales, ¥9 million in profit for each movement of one yen against the US dollar
  - ¥62 million in consolidated net sales, ¥30 million in profit for each movement of one yen against the euro

\* The figures above are presented as rough guides only. Actual figures may differ.

# Forecasts for the Fiscal Year Ending Sep. 30, 2020

## (1) Consolidated Statements of Income

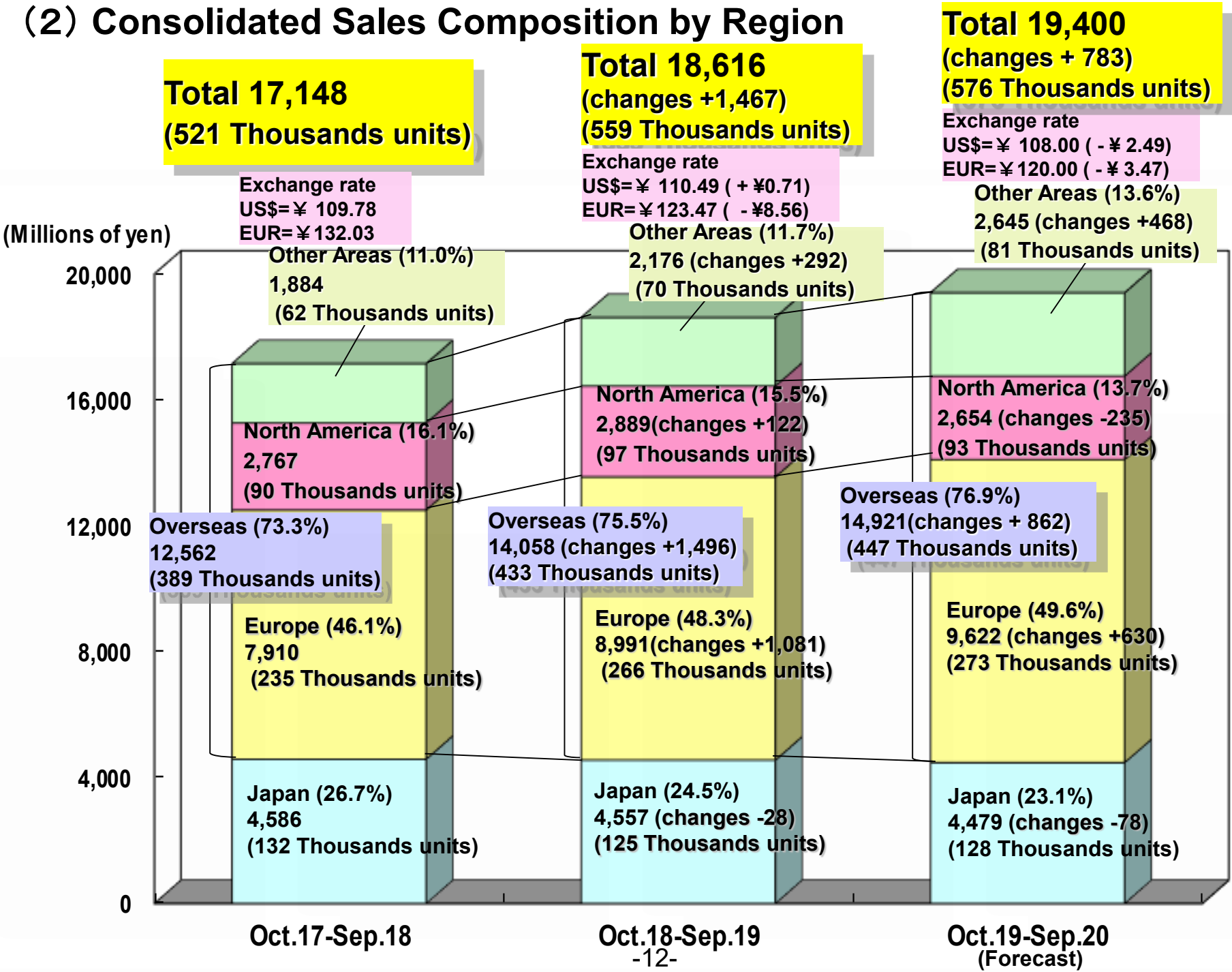
(Millions of yen)

	Oct.18 -Sept.19	Oct.19 -Sept.20	Changes from Previous year(%)
Net Sales	18,616	19,400	+4.2
Operating Income	4,203	3,870	-7.9
Ordinary Income	4,179	3,880	-7.2
Profit attributable to owners of parent	2,935	2,670	-9.0
Net Income per Share	¥213.15	¥193.88	-9.0
Dividend per Share	¥106.00	¥96.00	-9.4

### Notes:

1. The net income per share is calculated using the weighted average number of shares (excluding treasury stock) during the period.
2. The assumed exchange rates for the 2019 fiscal year are USD/JPY = 110.00 and EUR/JPY = 125.00.

## (2) Consolidated Sales Composition by Region



# Events due in FY 2020

☆ Launch of the company's online store, which will not deal with helmets in the foreseeable future.

(Annual sales target: ¥22 million)

☆ Setup of a sales subsidiary in Thailand.

(Annual targets: 4,000 units in sales volume, ¥197 million in sales)

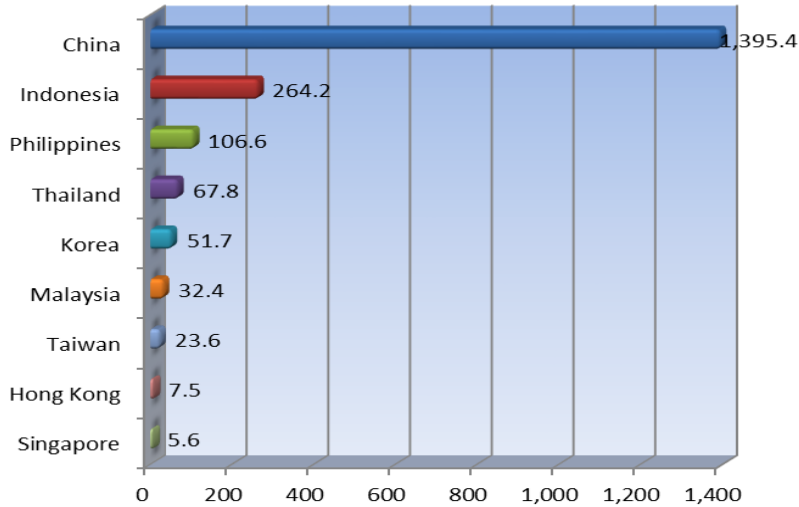
☆ Launch of a showroom

☆ Active promotion of PFS

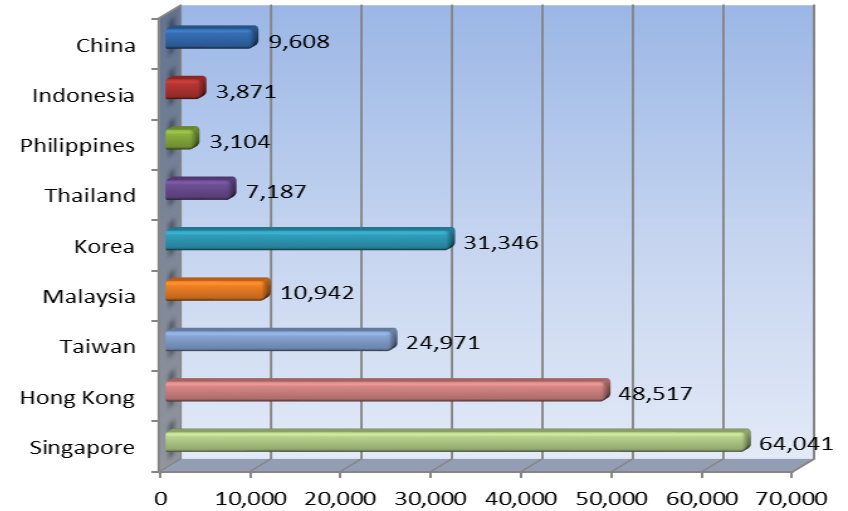
☆ Check process for release of HUD helmets

# Asian Market Trends

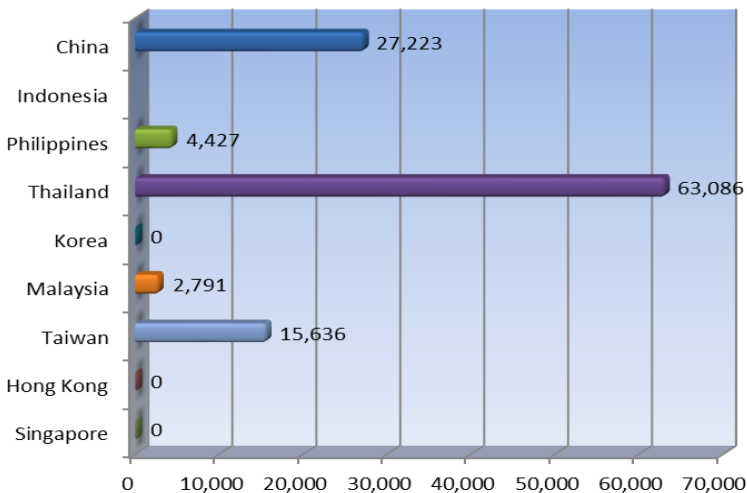
## Population (1 million people)



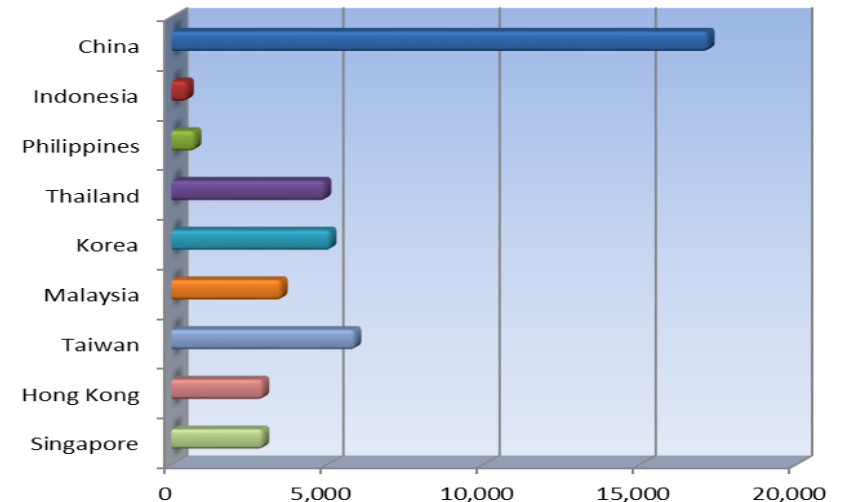
## GDP/capita (US\$)



## Sales units of large sized motorcycles

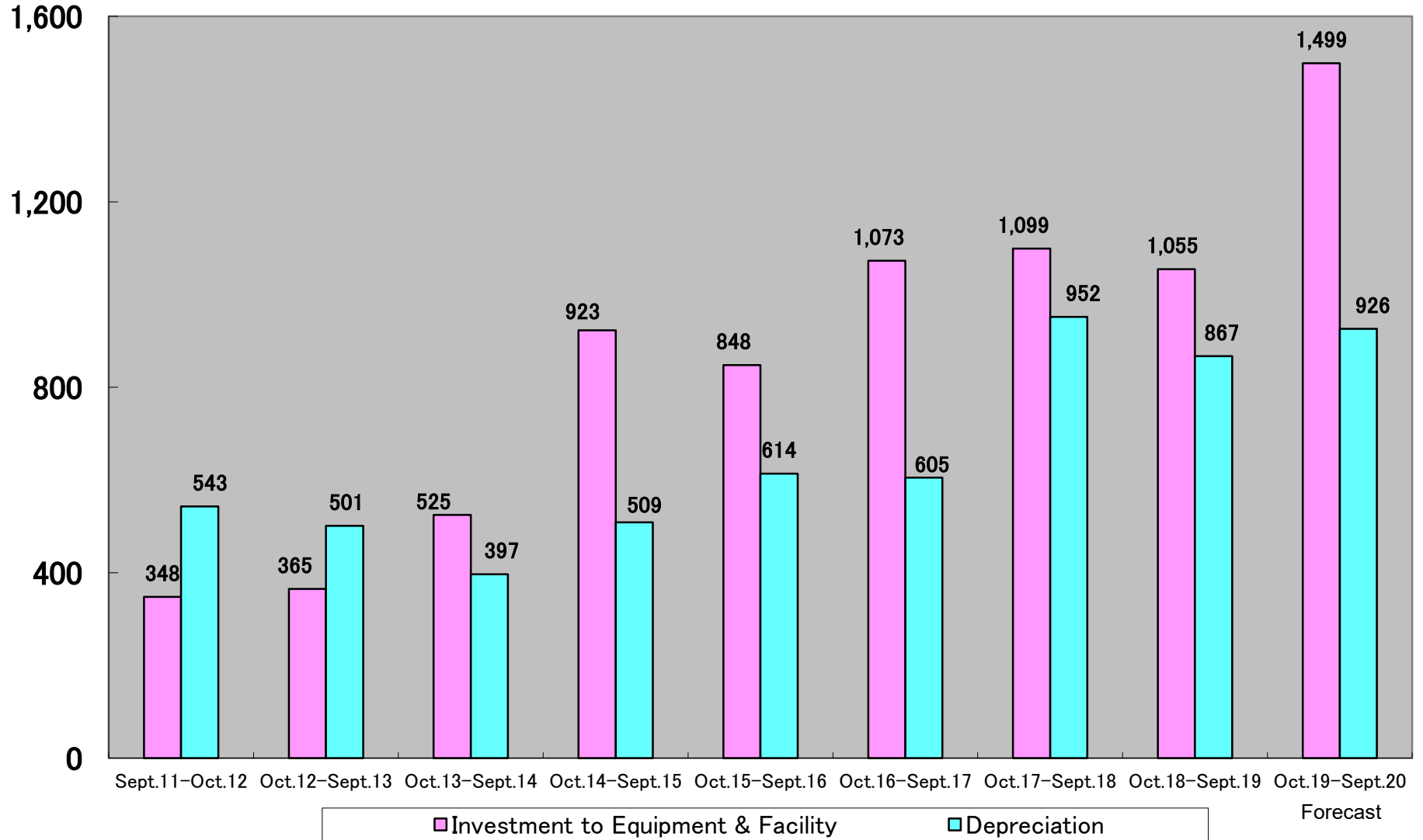


## The Company's sales volume for the 63<sup>rd</sup> term



# Capital Expenditures and Depreciation

(Millions of Yen)





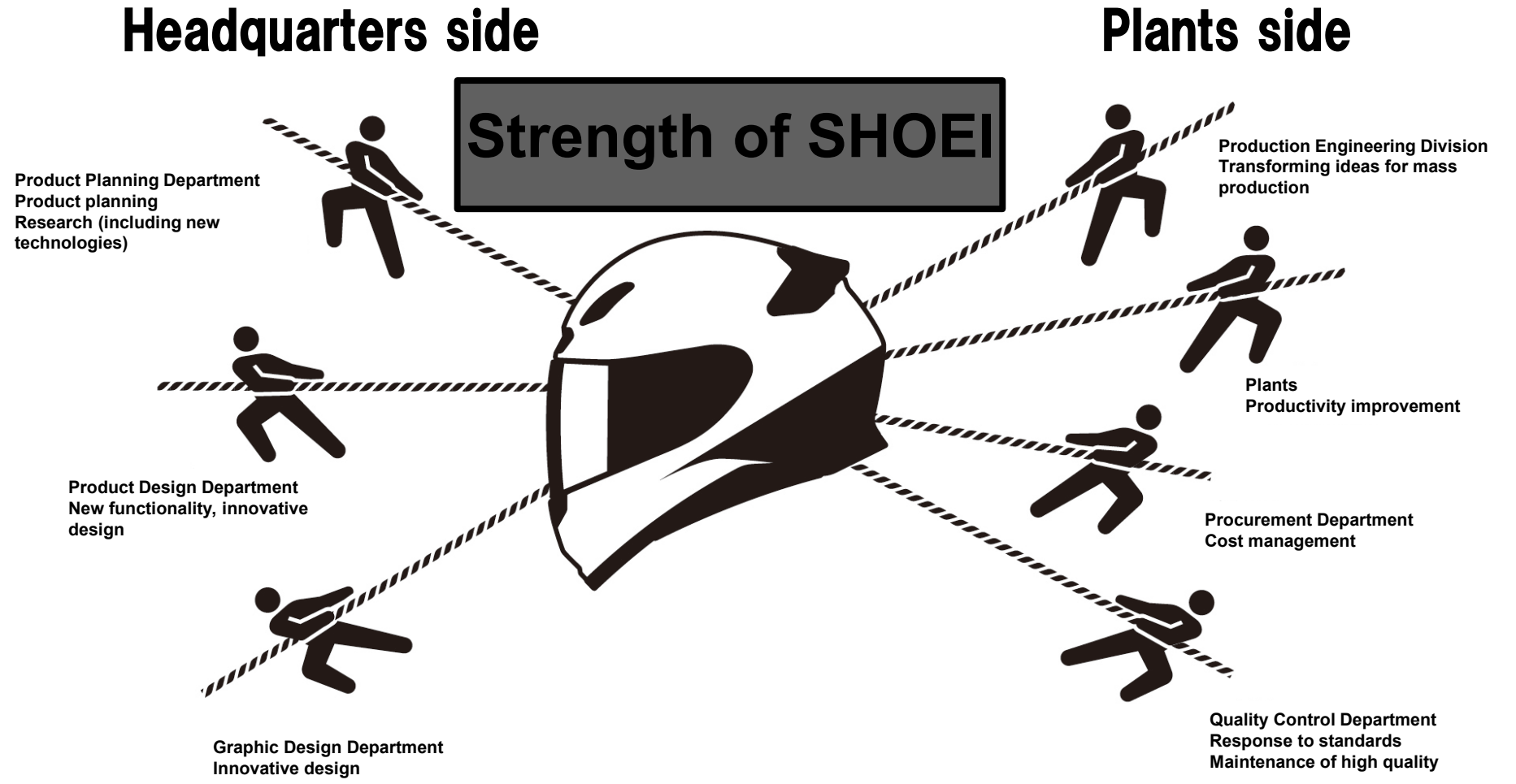
# CAPEX for the 64th Fiscal Year

**Total 1,499,059 Thousands of Yen**

## **Main capital investments**

- 1. Mold 466,300 Thousands of Yen**
- 2. Cap bodies molding presses  
104,000 Thousands of Yen**
- 3. Rebuilding of guard building  
100,000 Thousands of Yen**
- 4. Open preform machines  
68,000 Thousands of Yen**

# Increase in unit prices of products Higher added value and production streamlining are a pair of wheels for sustaining “Made in Japan.”



② Increase in unit price by developing attractive new models

## Introduction of New Products to the Market

### < J-Cruise II >

### Open Face Helmet equipped with Sun Visor



#### 【Europe】

Launching in December 2019 (\*)

(Initial Shipment : October 2019 (\*) )

Suggested Retail Price

Germany, France : EUR479.00

~EUR579.00(Including VAT (Tax))

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#### 【North America】

Launching in December 2019 (\*)

(Initial Shipment : October 2019 (\*) )

Suggested Retail Price : US\$549.00(Excluding Sales Tax)

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#### 【Japan】

Launching in July 2019

Suggested Retail Price : YEN49,000 ~ YEN56,000

(Excluding Sales Tax)

\* Launch schedules are subject to change.

# < Glamster >

## New Classic style Full Face Helmet



### **【Europe】**

Launching in March 2020 (\*)

(Initial Shipment : January 2020 (\*) )

Suggested Retail Price

Germany, France : EUR449.00

~EUR549.00(Including VAT (Tax))

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### **【Japan】**

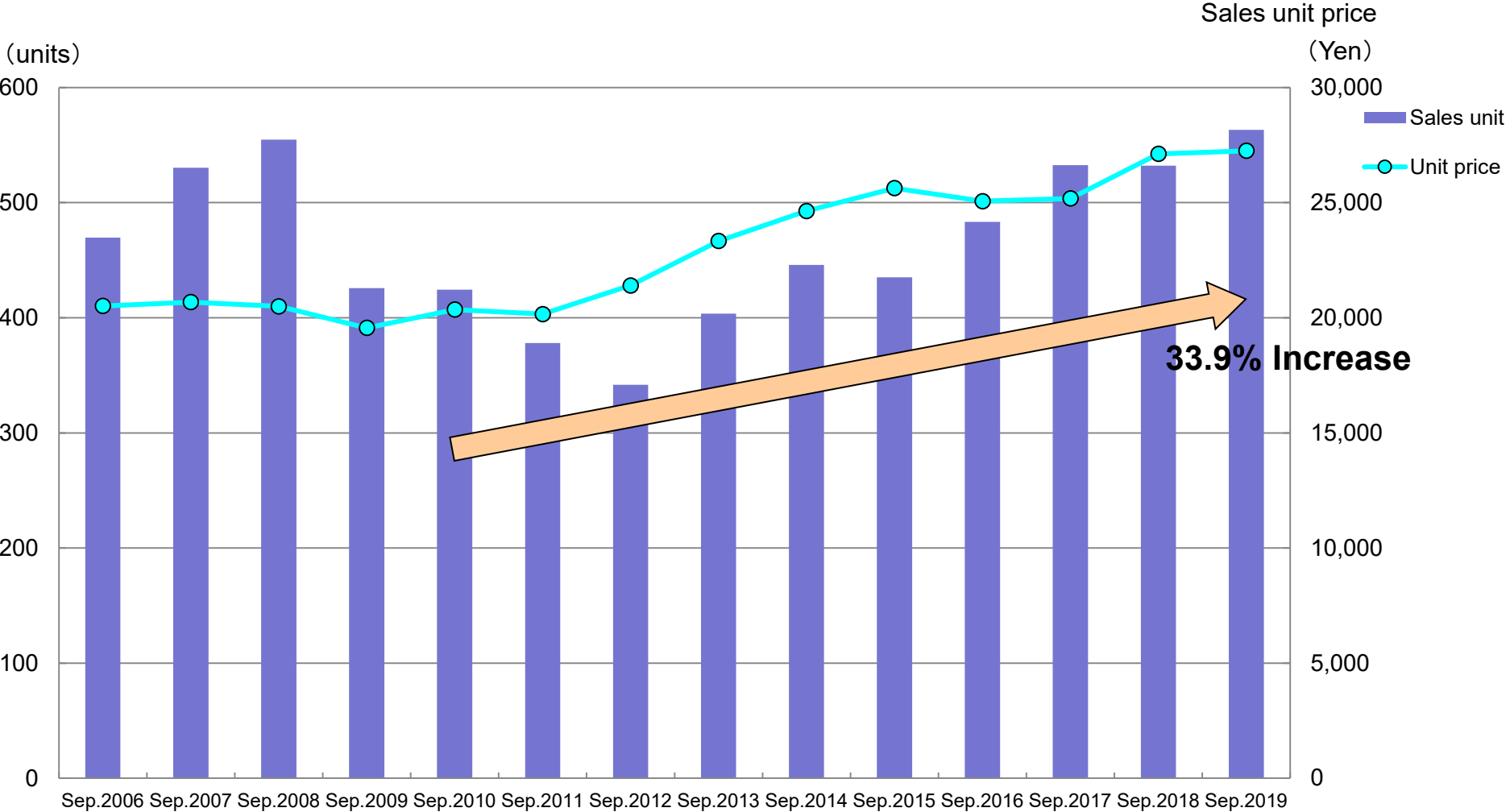
Launching in 2020 (To be announced)

(Initial Shipment : To be announced )

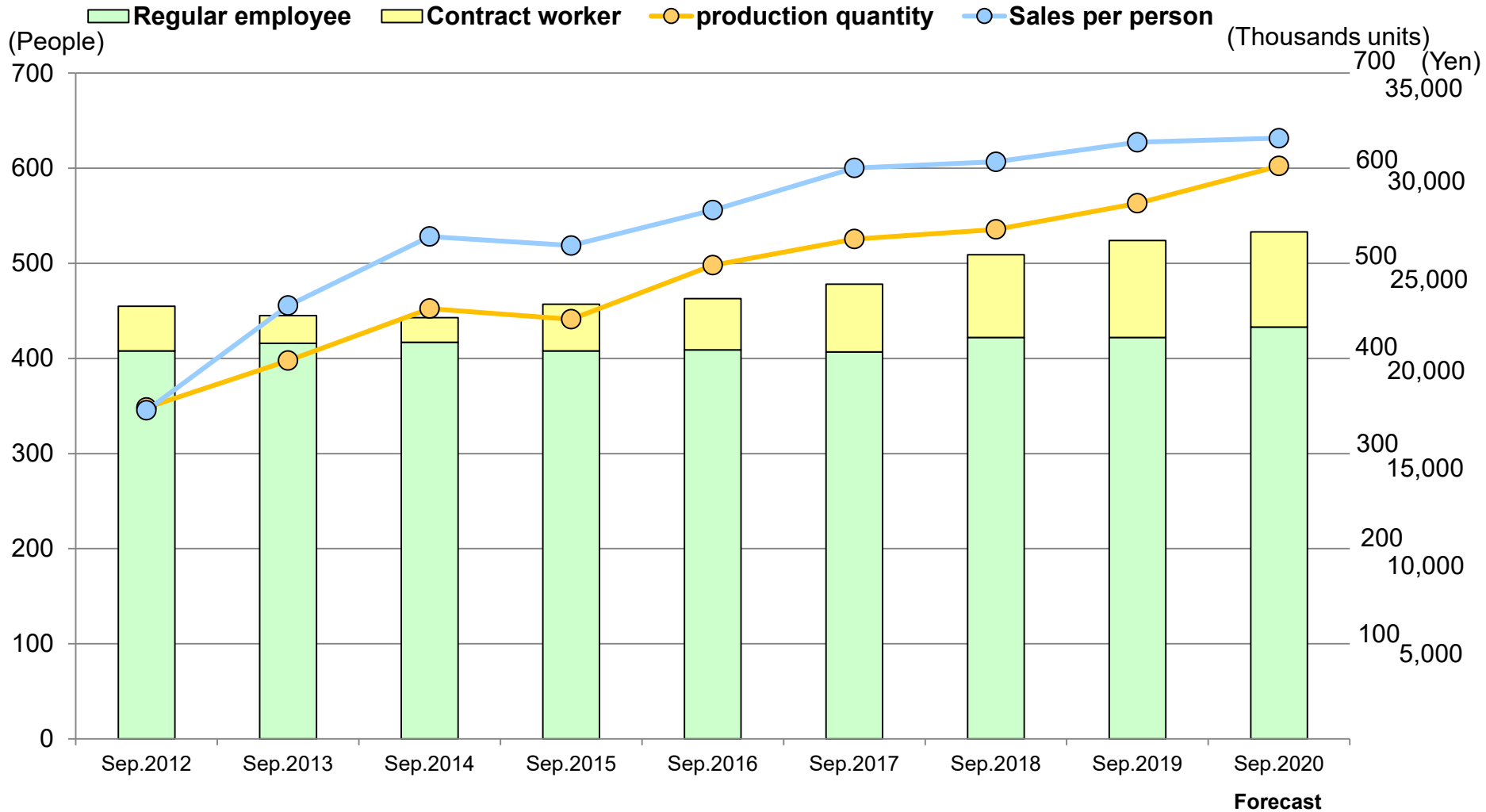
Suggested Retail Price : To be announced

\* Launch schedules are subject to change.

# The trend of average unit price for motorcycles helmets



# Change of Employee



# Marc Marquez



# **Marc Marquez racing results & sales volume of the replica model**

## **MotoGP**

**2019 season      1st place**

**2018 season      1st place**

**2017 season      1st place**

**2016 season      1st place**

**2015 season      3rd place**

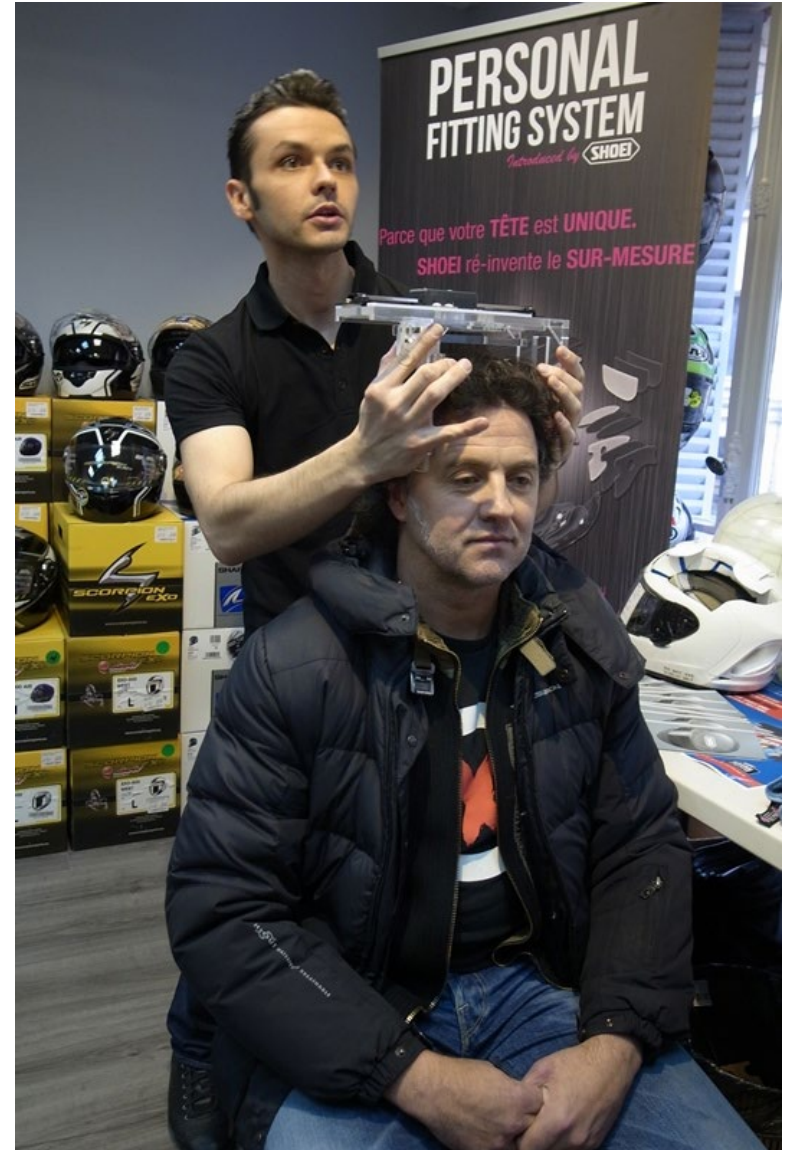
**2014 season      1st place**

**2013 season      1st place**

**Sales volume of the replica model  
for 63rd : 22.8 thousands units**



# Retain consumers by PFS



# Conclusion Summary

## ***Maintaining Basic Policy for Medium and Long Term Stable Growth and Stable Profit***

1. **Maintaining Healthy Financial Positions (Protect Own Company by Ourselves)**
2. **We will develop and manufacture ultra first-class helmets that meet customers' needs. A company moving contrary to customer needs would be pushed out of the market.**
3. **Maintain "Made in Japan," focusing on higher value-added products and production rationalization.**
4. **Brand maintenance**
5. **Continuation of Investment**
6. **It takes 10 years to build a castle, but just one day for it to fall. We will not assign an irrational quota that could cause injustice.**

**Move forward steadily in a simple, honest manner, but without sidestepping the challenges in front of us.**

7. **Fair distribution of retained earnings**
  - **50% dividend of profit after tax**
  - **Distribution to employees**
  - **Distribution to company (proper retained earnings kept)**
8. **We will study new businesses**