

## Consolidated Financial Results

### for the First Quarter of the Fiscal Year Ending September 30, 2024

Name of Registrant	SHOEI CO., LTD.
Code No:	7839
Securities Traded	Tokyo Stock Exchange, Prime Market
Headquarters	Tokyo, Japan
(URL <a href="https://www.shoei.com/">https://www.shoei.com/</a> )	
Representative:	Kenichiro Ishida, President and Representative Director
Contact:	Hiroshi Yamaguchi, Director and General Manager of Business & Financial Management Headquarters

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## I . Financial Summary

### 1) Operating Performance

	Millions of Yen		
	Oct.22-Dec.22	Oct.23-Dec.23	% Changes
Net Sales	8,117	8,145	0.4
Operating Income	2,581	2,835	9.9
Ordinary Income	2,444	2,727	11.6
Profit attributable to owners of parent	1,712	1,913	11.7

	Yen	
	Oct.22-Dec.22	Oct.23-Dec.23
<i>Per Share Amounts</i>		
Net Income	31.92	35.88
Net Income, Diluted	—	—

#### Notes:

#### 1. Earnings (Losses) of Affiliates in Equity Method:

Millions of Yen	
Oct.22-Dec.22	Oct.23-Dec.23
—	—

#### 2. Average Number of Shares Outstanding During The Period (Consolidated):

Shares	
Oct.22-Dec.22	Oct.23-Dec.23
53,661,714	53,332,870

#### 3. On April 1st, 2023, the Company conducted a two-for-one stock split of common stock.

Concerning the number of shares for the previous fiscal year,

“average number of shares outstanding during the period”

have been calculated and presented as if the split was conducted at beginning of the previous fiscal year.

#### 4. Number of Treasury Stocks as of December 31, 2023: 921,508

#### 5. Change of Accounting Method: Not Applicable.

#### 6. Percentages of net sales, operating income, ordinary income and net income show changes from those in the corresponding period of the previous year.

#### 7. Amounts Less than \1million are omitted.

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

## 2) Financial Position

	Millions of Yen	
	<u>Sept. 30, 23</u>	<u>Dec.31,23</u>
Total Assets	32,805	29,177
Net Assets	27,145	24,060
	Percentage	
Shareholders' equity ratio	82.7%	82.4%
	Yen	
Net Assets per Share	506.60	455.76

Notes:

1.Number of Shares Outstanding on September 30, 2023 and Dec 31, 2023  
(Consolidated):

	Shares	
	<u>Sept. 30, 23</u>	<u>Dec.31,23</u>
	53,713,716	53,713,716

## 3) Scope of Consolidation

Number of Consolidated Subsidiaries	7
Number of Non-Consolidated Subsidiaries in Equity Method	0
Number of Affiliates in Equity Method	0

## 4) Change in Consolidation During the Period

Number of Newly Consolidated Subsidiaries	0
Number of Companies Excluded from Consolidation	1
Number of Subsidiaries and Affiliates Newly Consolidated in Equity Method	0
Number of Companies Excluded from Consolidation in Equity Method	0

## II. Consolidated Forecasts

for The Fiscal Year Ending September 30, 2024

	Millions of Yen
	<u>Oct.23-Sep.24</u>
Net Sales	35,120
Operating Income	9,630
Ordinary Income	9,630
Net Income	6,770
	Yen
Net Income Per Share	126.42

## 【Qualitative Information on Performance on Consolidated Basis】

During the first quarter of the fiscal year under review (from October 1, 2023 to December 31, 2023), the global economy generally slowed due to the impact of anti-inflation measures in Europe and the United States, the slump in the real estate sector and consumption in China, and rising geopolitical risks, leading to a recession in some countries and regions and a continued risk of further setbacks.

In the market for high-end motorcycle helmets, demand has been declining with the slowdown of the motorcycle boom, which was heightened by the COVID 19 pandemic, in addition to unfavorable weather conditions and other factors. Improvements in production systems and international logistics have resulted in an ample supply of products, and current distribution tends to be overstocked. However, the Company does not expect demand to decline decisively in the future, given demand from distributors and dealers for new standard products associated with model changes of mainstay models (NEOTECH 3, GT-Air 3, etc.) in line with the revision of standards in Europe and China.

In the first quarter under review, the total number of units sold in Japan and overseas decreased 15.7% year on year. In Europe, the number of units sold declined 15.6% year on year due to our postponement of sales of old standard products given that it became clear that there was no specific sell-by date for sales of old standard products, and a decline in overall demand. However, the number of units sold is expected to recover in the second quarter of the current fiscal year as we launched two new main models in September 2023 and the delayed sales of old standard products has gradually become a reality (the number of units sold by our subsidiaries, which account for approximately 70% of the number of units sold in Europe, was in October 2023 to December 2023). In North America, although the number of units sold decreased 8.5% year on year, reflecting that the first quarter of the previous fiscal year was comparatively longer, it progressed as expected given that the economy remained relatively firm and that distributors were not in a situation of excessive inventory. In Asia, the number of units sold declined 32.5% year on year as the full-scale shipment of new standard products began in December 2023 because of the time taken for certification procedures for new standards, in addition to increasingly uncertain business conditions in the Chinese market, although Asian markets other than China were strong. In Japan, the number of units sold increased 5.2% year on year thanks to relatively firm demand continuing even after the COVID-19 pandemic.

With respect to financial results for the first quarter under review, net sales grew 0.4%, or 28,484 thousand yen year on year, to 8,145,797 thousand yen as a result of a significant rise in unit prices due to the effect of new model launches, price increases and the effect of weaker yen in the previous fiscal year, despite a 15.7% decline in the number of units sold year on year. Operating income came to 2,835,892 thousand yen, a year-on-year increase of 9.9%, or 254,879 thousand yen, reflecting an increase in gross profit reflecting a year-on-year decrease in the amount of eliminated unrealized gains, despite an increase in manufacturing costs in comparison with a decrease in production volume. Ordinary income rose 282,909 thousand yen, or 11.6%, year on year, to 2,727,344 thousand yen. Profit before income tax totaled 2,727,318 thousand yen, a year-on-

year increase of 282,748 thousand yen, or 11.6%. Profit attributable to owners of parent was 1,913,492 thousand yen, an increase of 200,868 thousand yen, or 11.7%, year on year.

#### Sales by Market

Japan : 1,829,508 thousand yen ( +290,491 thousand yen (18.9%) year on year)

Europe : 3,460,388 thousand yen ( +91,716 thousand yen (2.7%) year on year)

North America : 1,192,540 thousand yen ( +163,979 thousand yen (15.9%) year on year)

Asia : 1,460,965 thousand yen ( -475,683 thousand yen (-24.6%) year on year)

Others : 202,393 thousand yen ( -42,019 thousand yen (-17.2%) year on year)

Exchange rates applied to the period are as below:

For exchanging sales : 149.14 yen/US\$ (141.86 yen/US\$ year on year)

158.90 yen/Euro (145.02 yen/Euro year on year)

For exchanging result of overseas subsidiaries as of September 29, 2023:

158.00 yen/Euro (142.32 yen/Euro year on)

#### **【Qualitative Information on Forecast of Fiscal Year on Consolidated Basis】**

Original forecast published on November 15, 2023 is not changed. When revision is required, it will be published timely and proper

### III. Consolidated Financial Statements

#### Consolidated Statements of Income

(Thousands of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Net sales	8,117,312	8,145,797
Cost of sales	4,372,447	4,062,688
Gross profit	3,744,864	4,083,108
Selling, general and administrative expenses	1,163,851	1,247,215
Operating profit	2,581,013	2,835,892
Non-operating income		
Interest income	28	14
Subsidy income	105	566
Patent Settlement	11,364	-
Other	2,257	2,693
Total non-operating income	13,755	3,274
Non-operating expenses		
Interest expenses	1,789	8,472
Foreign exchange losses	147,835	96,943
Other	709	6,407
Total non-operating expenses	150,334	111,822
Ordinary profit	2,444,434	2,727,344
Extraordinary income		
Gain on sale of non-current assets	134	-
Total extraordinary income	134	-
Extraordinary losses		
Loss on retirement of non-current assets	-	25
Total extraordinary losses	-	25
Profit before income taxes	2,444,569	2,727,318
Income taxes - current	753,389	694,985
Income taxes - deferred	△21,443	118,840
Total income taxes	731,945	813,825
Profit	1,712,624	1,913,492
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	1,712,624	1,913,492

# Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Profit	1,712,624	1,913,492
Other comprehensive income		
Foreign currency translation adjustment	3,088	11,655
Remeasurements of defined benefit plans, net of tax	7,545	5,712
Total other comprehensive income	10,633	17,368
Comprehensive income	1,723,257	1,930,860
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,722,983	1,930,994
Quarterly comprehensive income for non- controlling interests	274	-133

# Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	14,767,282	7,673,309
Notes receivable - trade	92,392	103,456
Accounts receivable - trade	2,545,443	3,244,260
Merchandise and finished goods	3,278,479	4,889,476
Work in process	1,557,250	1,841,099
Raw materials and supplies	1,385,679	1,428,264
Other	1,937,070	2,741,493
Allowance for doubtful accounts	-5,394	-5,408
<b>Total current assets</b>	<b>25,558,203</b>	<b>21,915,953</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,642,333	4,664,987
Accumulated depreciation	-2,447,042	-2,485,788
Buildings and structures, net	2,195,290	2,179,199
Machinery, equipment and vehicles	5,082,595	5,093,131
Accumulated depreciation	-3,383,417	-3,500,444
Machinery, equipment and vehicles, net	1,699,178	1,592,687
Tools, furniture and fixtures	5,956,817	6,056,764
Accumulated depreciation	-5,204,798	-5,355,903
Tools, furniture and fixtures, net	752,018	700,861
Land	257,294	257,294
Leased assets	83,121	83,121
Accumulated depreciation	-54,028	-58,184
Leased assets, net	29,092	24,936
Construction in progress	181,930	336,897
Right-of-use assets	615,363	757,652
accumulated depreciation	-164,247	-164,788
right-of-use assets, net	451,116	592,864
<b>Total property, plant and equipment</b>	<b>5,565,922</b>	<b>5,684,740</b>
Intangible assets	159,761	169,416
Investments and other assets		
Deferred tax assets	1,106,455	984,101
Other	415,135	423,664
<b>Total investments and other assets</b>	<b>1,521,591</b>	<b>1,407,765</b>
<b>Total non-current assets</b>	<b>7,247,274</b>	<b>7,261,922</b>
<b>Total assets</b>	<b>32,805,478</b>	<b>29,177,875</b>



(Thousands of yen)

	As of September 30, 2023	As of December 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	485,929	1,171,241
Lease liabilities	100,734	90,832
Accounts payable - other	471,020	528,147
Income taxes payable	2,071,269	770,292
Provision for bonuses	355,700	149,100
Other	1,221,005	1,321,804
<b>Total current liabilities</b>	<b>4,705,659</b>	<b>4,031,418</b>
Non-current liabilities		
Lease liabilities	358,422	517,720
Retirement benefit liability	507,203	479,287
Asset retirement obligations	41,605	41,623
Other	47,345	47,345
<b>Total non-current liabilities</b>	<b>954,576</b>	<b>1,085,976</b>
<b>Total liabilities</b>	<b>5,660,235</b>	<b>5,117,395</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,421,929	1,421,929
Capital surplus	418,773	418,773
Retained earnings	25,162,393	23,611,351
Treasury shares	-382,888	-1,831,942
<b>Total shareholders' equity</b>	<b>26,620,208</b>	<b>23,620,111</b>
Accumulated other comprehensive income		
Foreign currency translation adjustment	582,826	492,582
Remeasurements of defined benefit plans	-72,695	-66,983
<b>Total accumulated other comprehensive income</b>	<b>510,130</b>	<b>425,598</b>
Non-controlling interests	14,903	14,770
<b>Total net assets</b>	<b>27,145,242</b>	<b>24,060,480</b>
<b>Total liabilities and net assets</b>	<b>32,805,478</b>	<b>29,177,875</b>