

SHOEI CO., LTD.
Financial Results for the Fiscal Year
Ended September 30, 2025

December 4, 2025



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I. Financial Results for the Fiscal Year Ended September 30, 2025



① Summary of Financial Results for the Fiscal Year Ended September 30, 2025



Summary of Financial Results for the Fiscal Year Ended September 30, 2025

- ① Despite facing a more challenging business environment than initially expected at the time of preparing the beginning-of-year budget, we were forced to manage the business with persistence. Nonetheless, we managed to achieve the originally forecasted profit.
- ② Although the number of units sold decreased compared to the previous fiscal year, it remained at 636 thousand units, similar to the September 2021 period before the COVID-19 pandemic. Production volume declined by 79 thousand units year-on-year to 596 thousand units due to inventory depletion in distribution.
- ③ After the end of the outdoor boom driven by the COVID-19 pandemic, we faced a decline in sales volume and the need to clear excess inventory in the distribution channel. We can now say that the situation has finally returned to the pre-pandemic level. However, operating profit reached approximately 8.9 billion yen — 1.5 times the level of the previous fiscal year — as a result of management efforts and other initiatives.
- ④ Average employee salaries were raised by 4% for the 12th consecutive fiscal year.
- ⑤ ROE: 20.5%, Operating profit margin: 27.5%

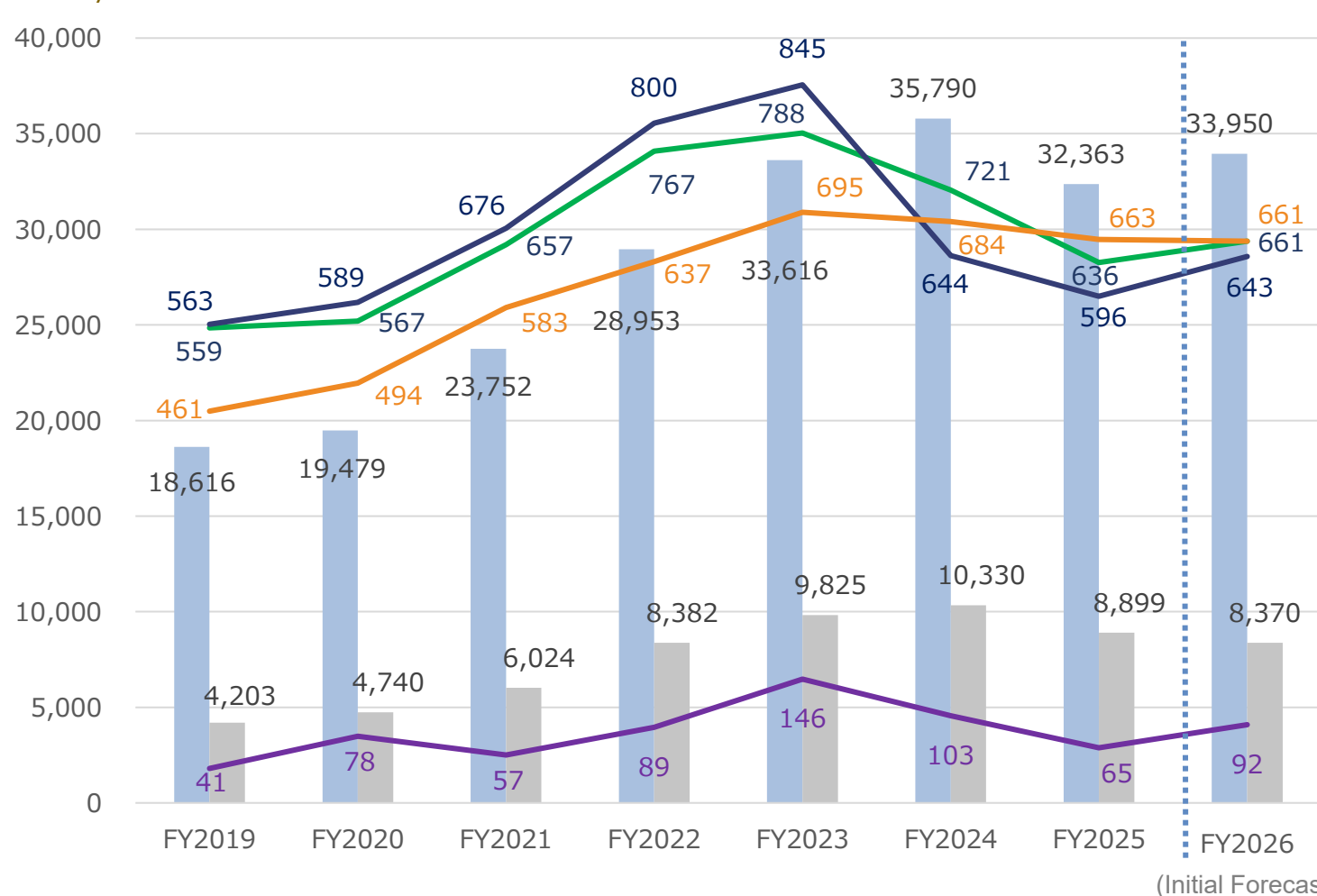
1. Financial Results for the Fiscal Year Ended September 30, 2025

② Trends in performance, sales and production volume, and factory workforce



(Million yen)

(Thousand units, Persons)



Comparison with
FY2023 (Volume Peak)

Production Volume: -29.5%
Factory Workforce: -4.6%
Net Sales: -3.7%
Operating Profit: -9.4%

Comparison with FY2021
(Pre-COVID-19)

Production Volume: -11.9%
Factory Workforce: +13.7%
Net Sales: +36.3%
Operating Profit: +47.7%

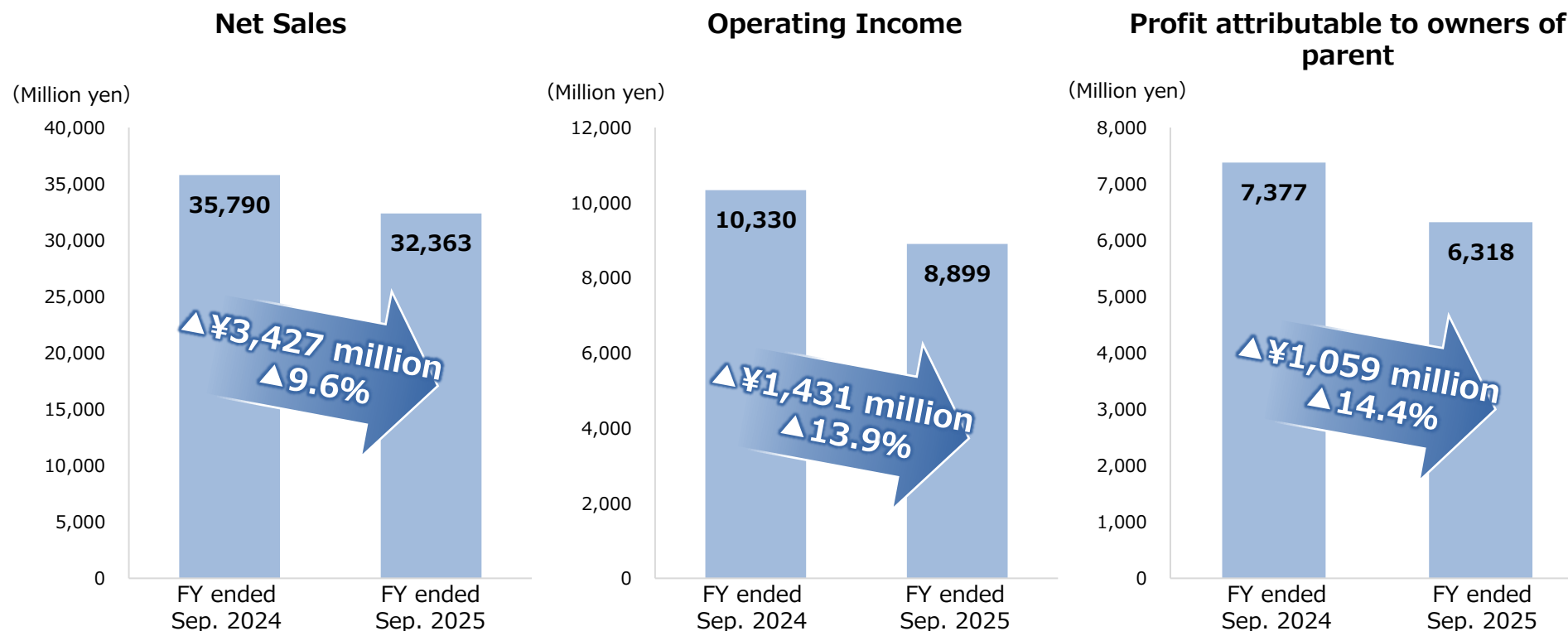
■ Consolidated Net Sales (Million yen)
 ■ Consolidated Operating Profit (Million yen)
 — Consolidated Sales Volume (Thousand units)
 — Production Volume (Thousand units)
 — Factory Workforce (Persons)
 — Consolidated Inventory Volume (Thousand units)

③ Consolidated Financial Highlights



Sales volume declined mainly in Europe and Japan. Although the average selling price increased, revenue decreased compared with the previous fiscal year. In addition, higher selling and administrative expenses, including advertising and promotion costs, resulted in lower profit.

Net Sales/Operating Income/Profit attributable to owners of parent



Average foreign exchange rates for the term (FY ended Sep. 2025)

US \$ = 149.63

EUR = 164.34

ROE 26.0% ► 20.5%

Overseas subsidiary conversion rates (end of June 2025)

EUR = 169.66

④ Market Environment and Topics in the Fiscal Year Ended September 30, 2025



Key points of the financial results for the fiscal year ended September 30, 2025

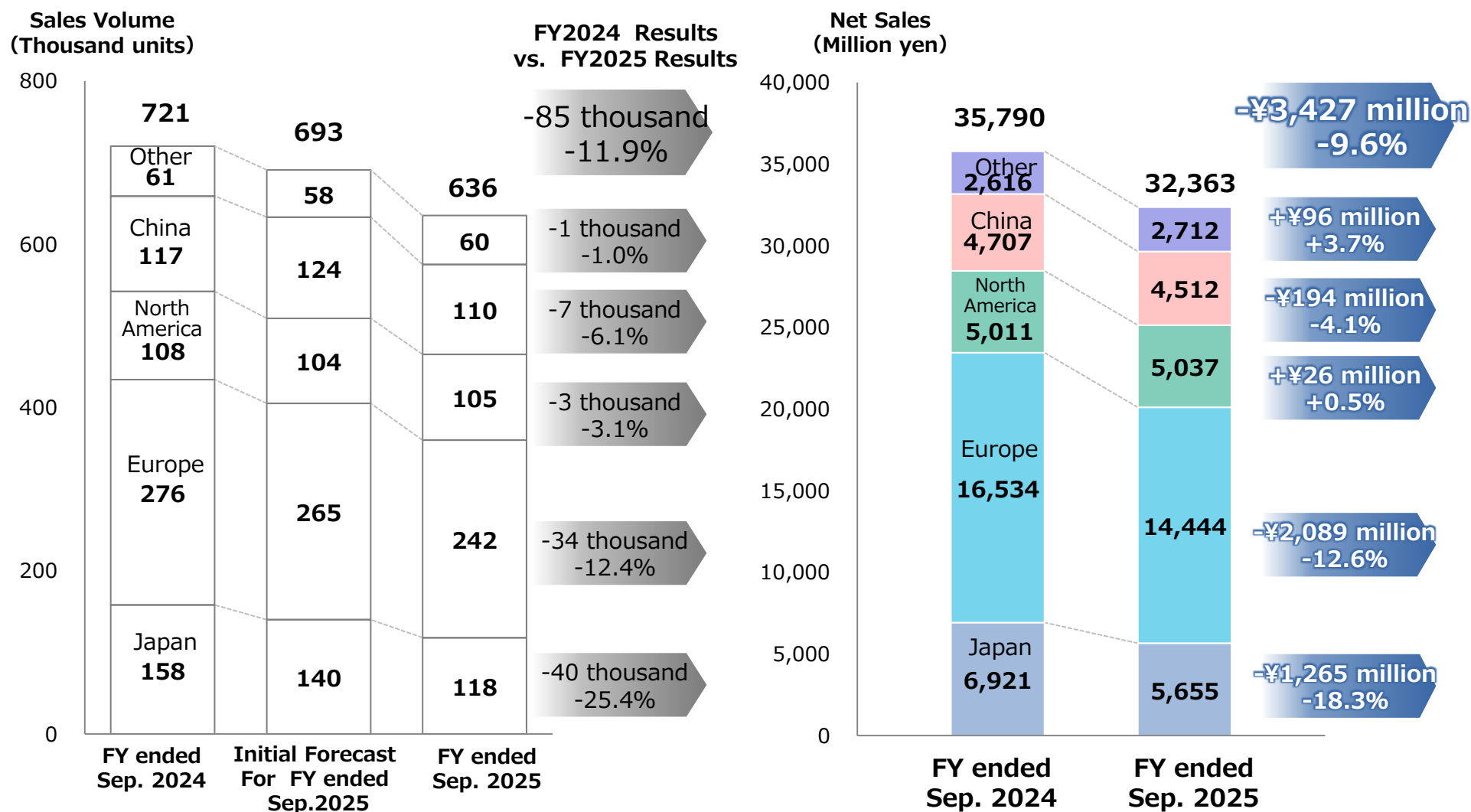
- ① During the fiscal year, sales volumes in both the European and domestic markets declined by double digits year-on-year. In Europe, unfavorable weather conditions and an unstable political and economic environment negatively impacted demand. In Japan, the slowdown in the motorcycle-related market and prolonged adjustments of excess inventory in the distribution channel contributed to the decline. Additionally, the global transition period between major model renewals also had a significant impact.
- ② Meanwhile, in North America, although orders were temporarily held back by distributors in the third quarter due to trade negotiations related to tariff increases, sales volume ultimately recorded only a slight decrease year-on-year. In China, orders also declined significantly on a temporary basis in the second quarter; however, demand remained resilient from the third quarter onward, supported by the strong brand power. As a result, sales volume in China also ended with only a slight decrease from the previous fiscal year.
- ③ Although consolidated sales volume declined by 11.9% year-on-year to about 640,000 units, consolidated net sales decreased by only 9.6% year-on-year, supported by higher average selling prices driven by price revisions in the second half of the previous fiscal year and an increase in graphic model offerings. The impact of foreign exchange rates was nearly neutral compared with the previous fiscal year.
- ④ Consolidated operating profit decreased by 13.9% year-on-year. In addition to the decline in net sales, manufacturing costs increased because production costs were calculated based on a workforce level that remained only slightly lower than during the peak production period in FY2023, despite the reduction in production volume. Moreover, selling, general and administrative expenses — including advertising and promotion costs — also increased, further weighing on profitability.

⑤ Consolidated Sales Volume and Net Sales by Region



Sales volume decreased by 11.9% year on year, mainly due to a decline in Japan, where adjustments of excessive distribution inventories continued, and in Europe, where there was a reactionary impact from the absence of model changes for key products.

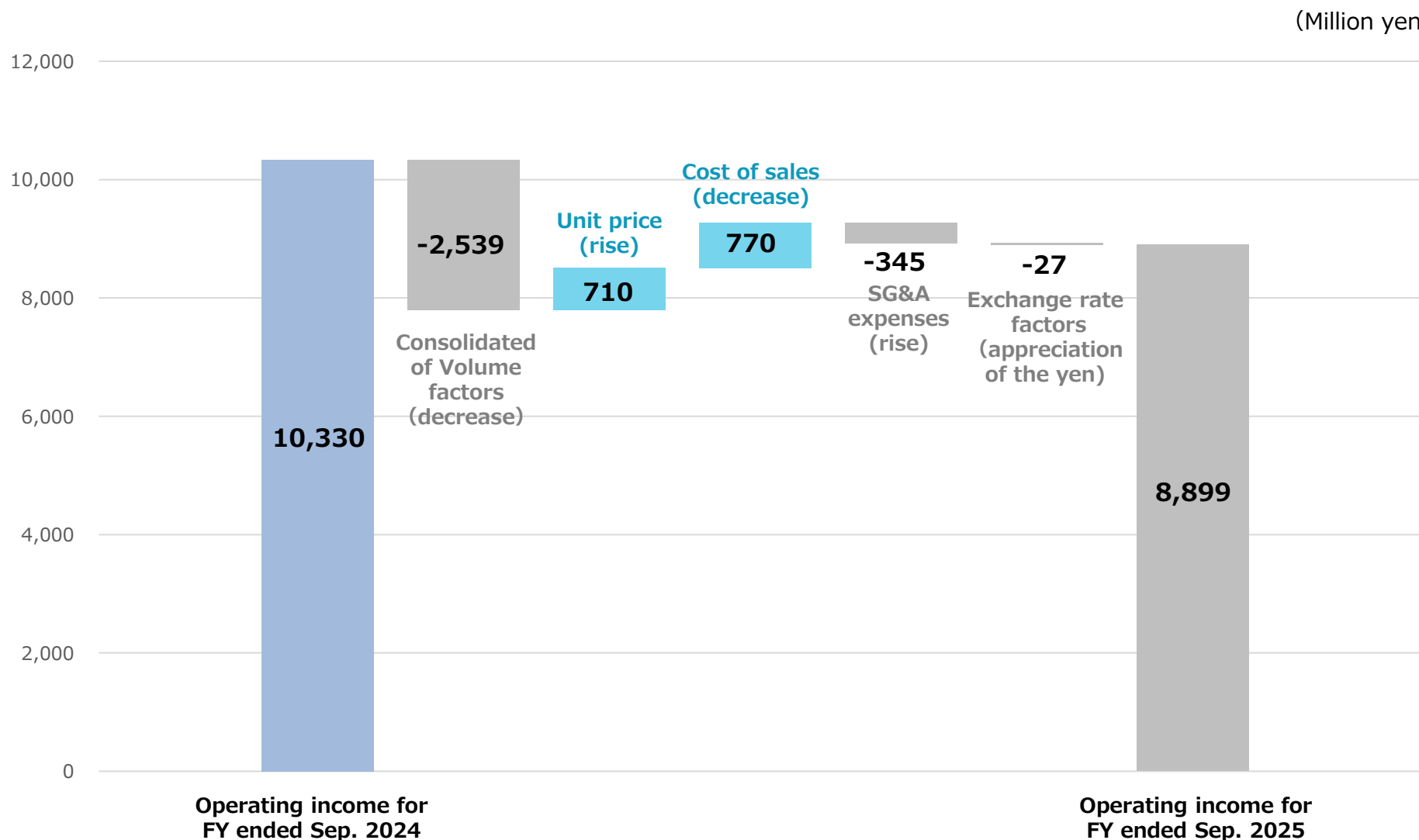
Consolidated Sales Volume and Net Sales by Region



⑥ Variance Analysis of Operating Income (Actual)



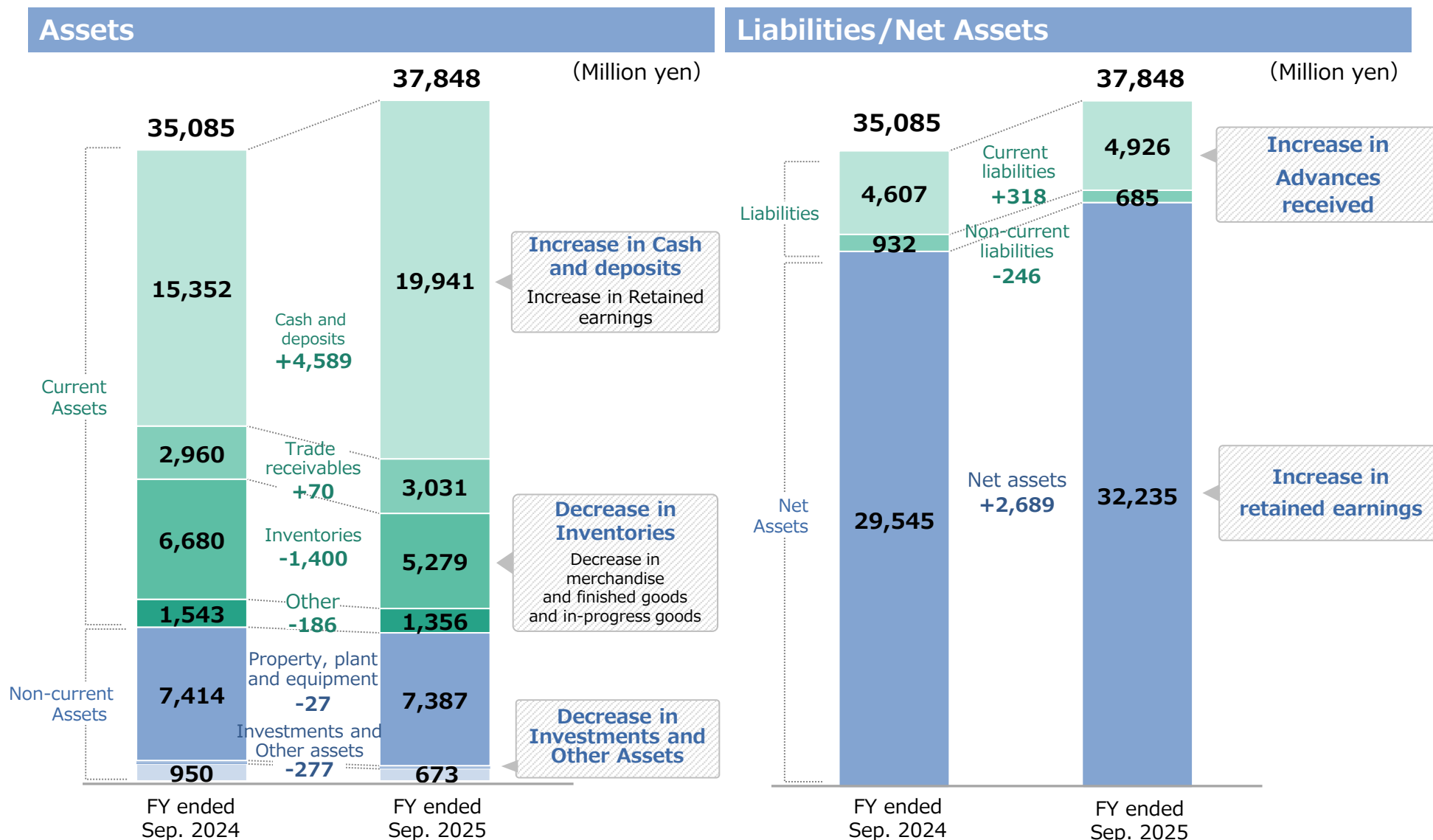
The significant negative impact on profit caused by the decline in sales volume could not be fully offset by higher unit prices and improvements in cost of goods sold. As a result, operating profit decreased compared with the previous fiscal year.



⑦ Consolidated Balance Sheets



Equity Ratio **84.2%** ► **85.1%**



⑧ Market Environment and Highlights (New Products) for FY2025



In addition to launching the J·O2 model in Europe, we unveiled the WYVERN ∅ (Zero), a revival of the popular WYVERN series from the 1990s–2000s. We also actively expanded our lineup of collaboration helmets with Japan Culture and racer replica helmets, which received favorable feedback both domestically and internationally.

Product Strategy

〈Collaboration Helmets (Limited Edition)〉

Gundam Series – All 6 Types



Z-8 MS-06S
Char's Zaku II



Z-8 RX-78-02
Gundam



Z-8 Hatsune Miku

Hatsune Miku

〈For Europe〉 J·O2



J·O2
Matte Black



J·O2
AVENTURE

〈New Graphics〉



Z-8
ORIGAMI2



VFX-WR
SPARKLE

〈Replica Helmet〉



X-Fifteen MARQUEZ
MOTEGI5

WYVERN ∅ (ZERO)



WYVERN ∅
White



WYVERN ∅
REBOOT

II. Forecasts for the Fiscal Year Ending September 30, 2026



2. Forecasts for the Fiscal Year Ending September 30, 2026

① Key Factors Affecting Forecasts for the Fiscal Year Ending September 30, 2026



Key Factors Affecting Forecasts for the Fiscal Year Ending September 30, 2026

- ① Excess inventory observed in the previous period at certain European and Japanese distributors has been largely normalized. Although the economic conditions in Europe and China show no clear signs of significant improvement, there are indications that the market has bottomed out. With model changes for key products, consolidated unit sales are expected to increase by 4.0% year-on-year, and consolidated net sales are projected to grow by 4.9%.
- ② Although sales volume in North America is forecast to decrease by 6.9% year-on-year, it is expected to remain at a high level. In Europe, sales volume is projected to increase by 3.2%, supported by a market recovery and the introduction of new minor models. In Japan, with inventory adjustments in the distribution channel largely completed, sales volume is expected to rise by 7.7%. In China, sales volume is forecast to grow by 18.6%, partly due to timing differences in shipments. These forecasts assume that mutual tariffs between the U.S. and China and current political tensions will not worsen from the present situation.
- ③ Although consolidated unit sales and consolidated net sales are expected to increase year-on-year, the reduction of inventory at subsidiaries will result in a decrease in the impact of unrealized profit compared with the previous period. In addition, taking into account the impact of the U.S. tariff increase, consolidated operating profit is projected to decline 5.9% year-on-year.
- ④ Foreign exchange rates are assumed at JPY 145 per USD and JPY 174 per EUR.

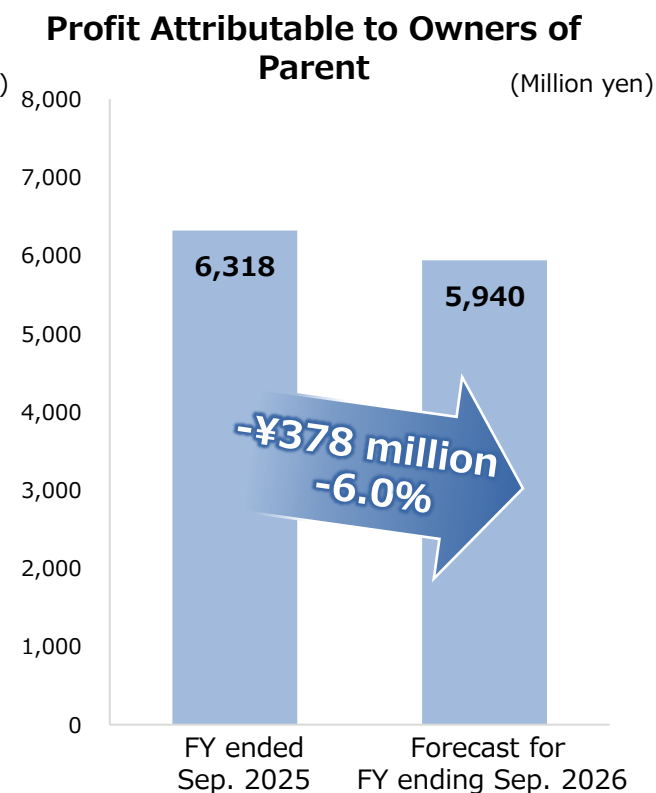
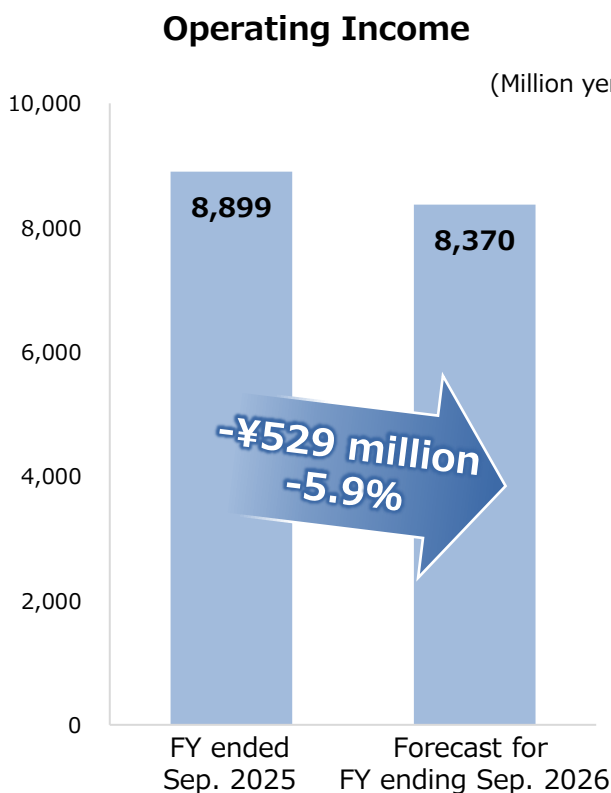
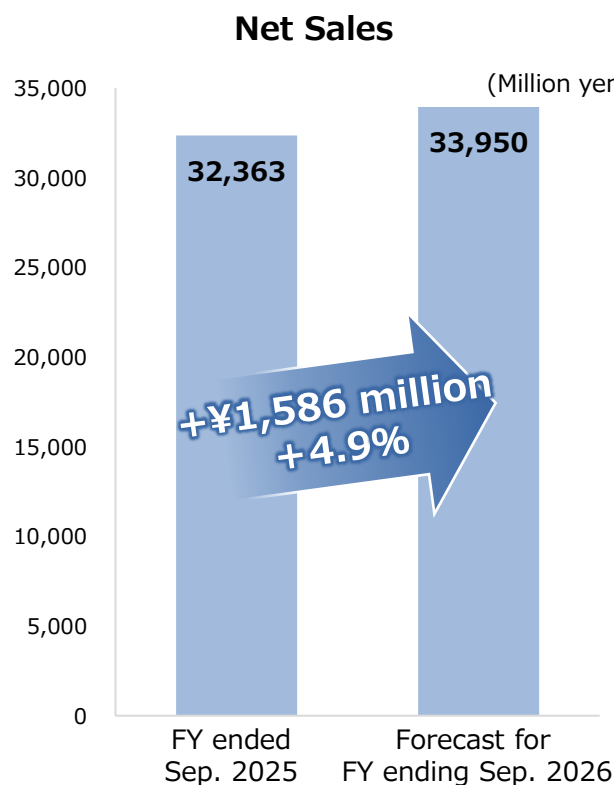
2. Forecasts for the Fiscal Year Ending September 30, 2026

② Consolidated Sales and Profit Forecasts



Sales volume is expected to increase compared to the previous period, resulting in a 4.9% year-on-year increase in net sales. However, due to increased expenses such as selling, general, and administrative expenses, operating profit is projected to decrease by 5.9% and net income by 6.0% year-on-year.

Net Sales/Operating Income/Profit Attributable to Owners of Parent



Foreign exchange
rate sensitivity*

US\$: 30.6
EUR : 72.3

US\$: 22.8
EUR : 43.1

US\$: 15.9
EUR : 41.6

*Estimated impacts of a one yen-fall of the yen against US\$ or EUR.
We do not provide any guarantee of results.

Estimated Foreign exchange rate: US\$=¥145.00 EUR=¥174.00

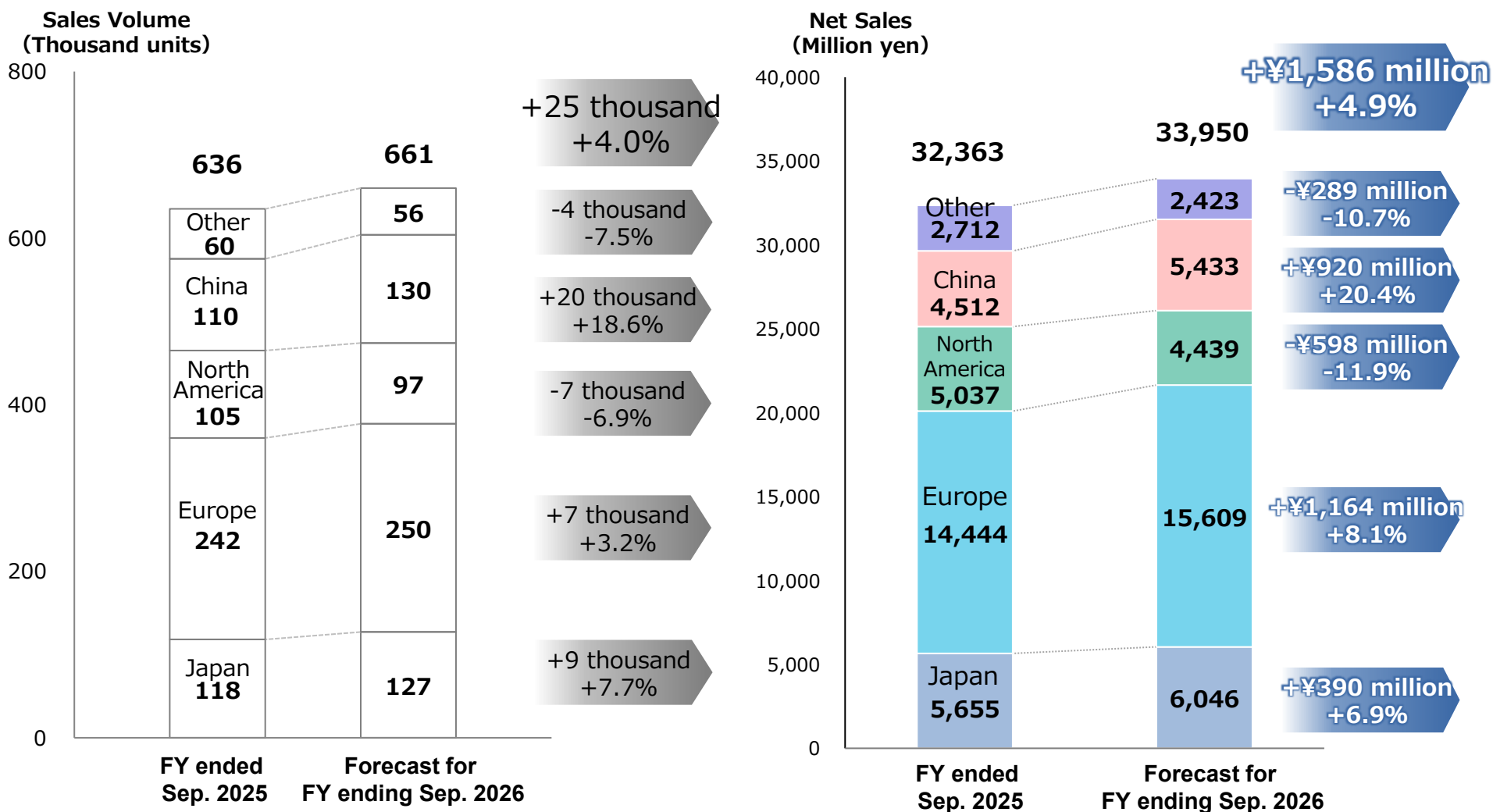
2. Forecasts for the Fiscal Year Ending September 30, 2026

③ Consolidated Sales Volume and Net Sales by Region(Forecast)



The number of units sold is expected to increase year on year in Japan, Europe, and China, with a total increase of about 25,000 units. As a result of this increase in sales volume, net sales are projected to rise by ¥1,586 million.

Consolidated Sales Volume and Net Sales by Region



④ Market Environment and Topics in the Fiscal Year Ending September 30, 2026 (Region)



Regional strategies

Europe

Although political and economic uncertainties persist, inventory adjustments at subsidiaries have been completed, and current inventory levels are appropriate. With the planned introduction of new models this fiscal year, unit sales are expected to increase 3.2% year-on-year.

North America

Although some impact from tariff increases is expected, overall market conditions remain stable. With the planned introduction of new models in the second half of the fiscal year, unit sales are projected to decline 6.9% year-on-year, yet remain at levels comparable to the high performance of the past two fiscal years.

Asia

In China, our key market in Asia, unit sales are expected to increase 18.6% year-on-year, including some shipment timing differences from the previous period. Through the brand strategy implemented since the previous period, we aim to create a market where dealers can confidently build up inventory. In addition, we will promote PFS across the entire Asian region to strengthen customer loyalty and enhance brand value.

Japan

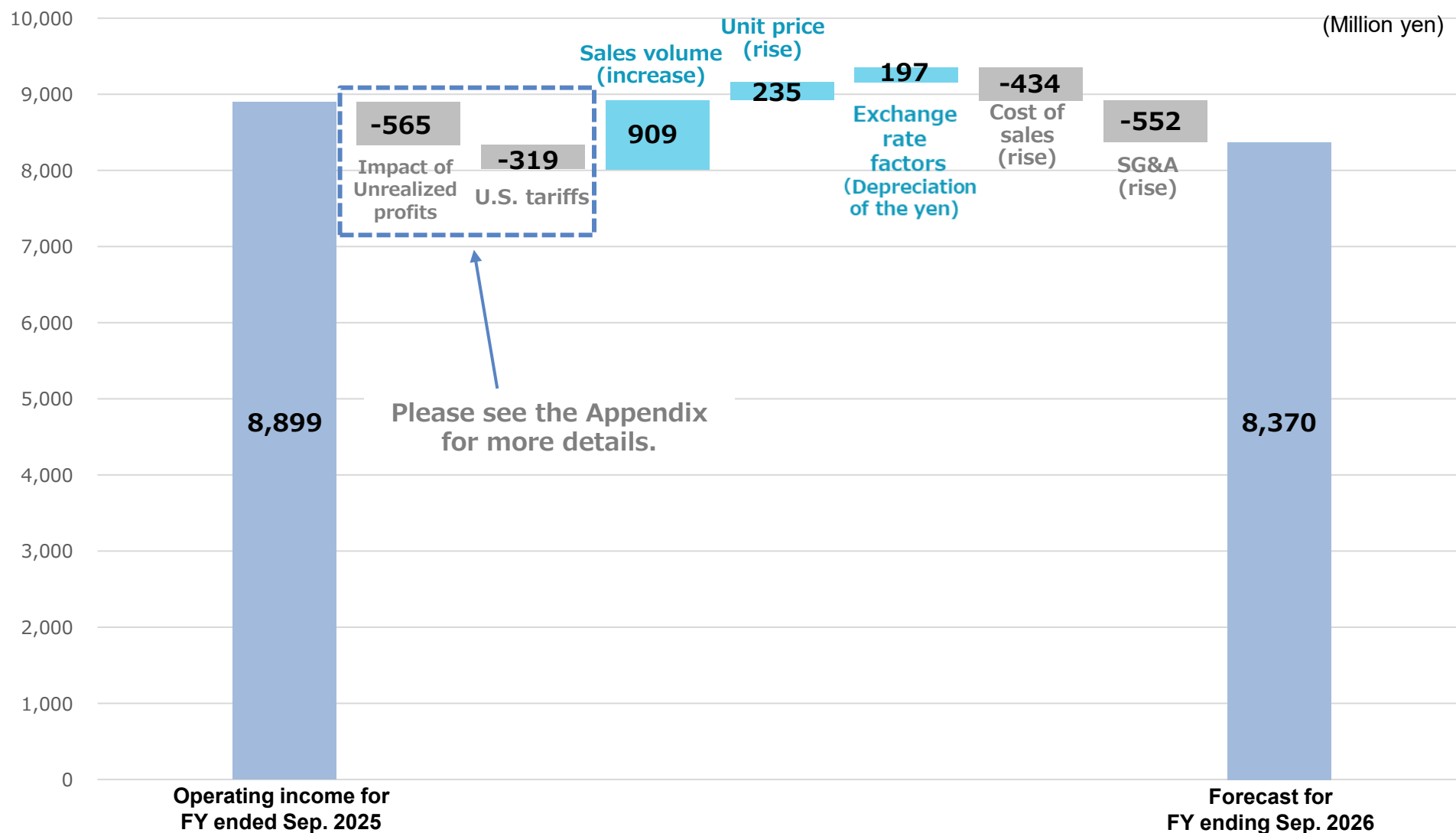
With the completion of inventory adjustments carried out throughout the previous period and the introduction of new models such as carbon helmets, a new material, unit sales are expected to increase 7.7% year-on-year. We will continue our efforts to bring the PFS implementation rate close to 100%.

2. Forecasts for the Fiscal Year Ending September 30, 2026

⑤ Variance Analysis of Operating Income(Forecast)



Although an increase in sales volume and unit prices is expected, operating income is projected to decrease year on year, mainly due to impact of unrealized profits, impact of U.S. tariffs, and increased selling, general and administrative expenses.



⑥ Expected Opportunities and Risks

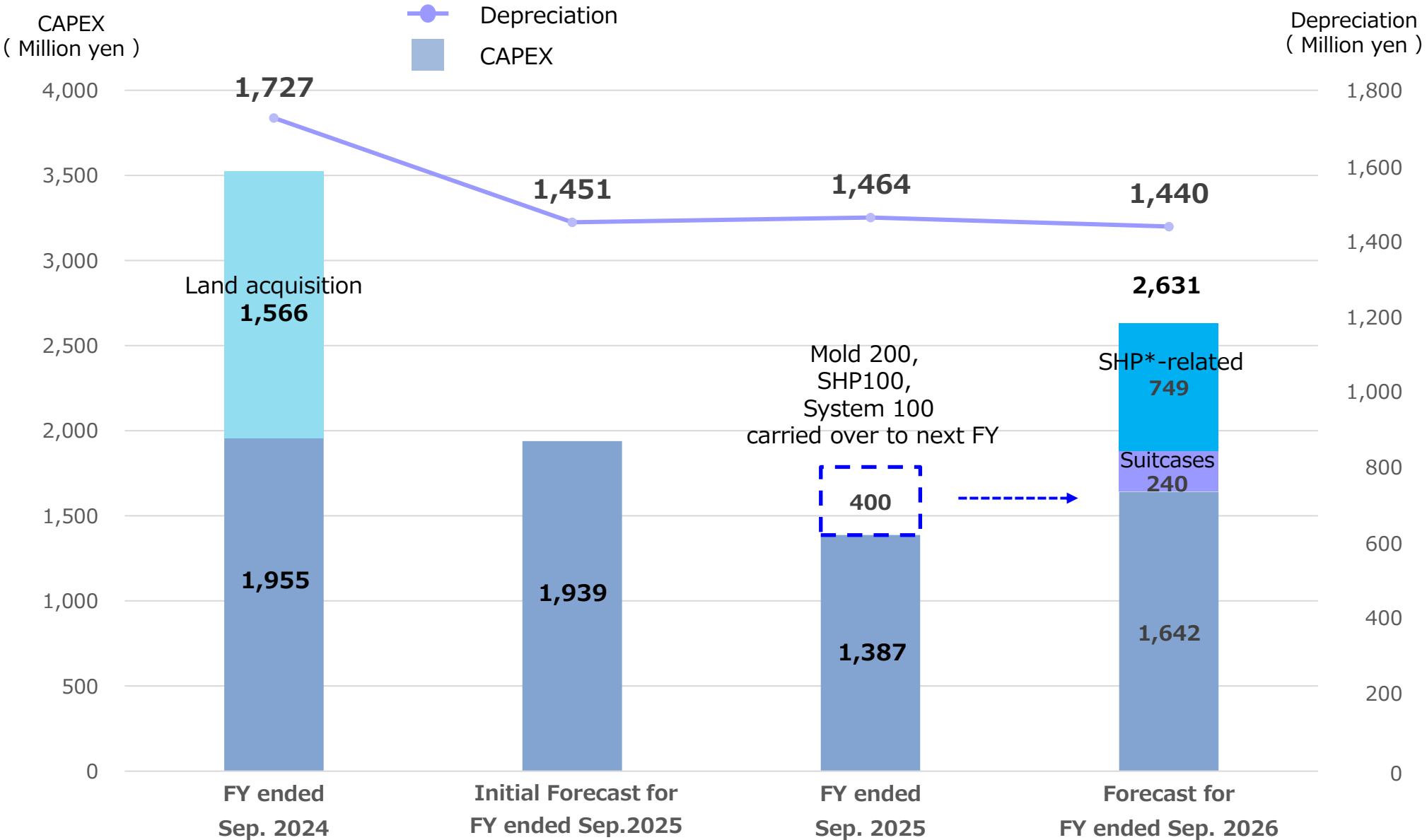


The earnings forecasts have been formulated based on certain assumptions. We will make every effort to improve profitability by seizing a variety of opportunities while also preparing for diverse risks.

Opportunities	Risks
<ul style="list-style-type: none">✓ Weaker yen compared to the assumed exchange rate✓ Increased production volume due to stronger demand✓ Price increases reflecting higher added value and market trends✓ Improved productivity, mainly at factories✓ Cost reduction through various efficiency measures and initiatives	<ul style="list-style-type: none">✓ Stronger yen than the assumed exchange rate✓ Economic slowdown due to rising geopolitical risks✓ Weak sales of new models and new graphics✓ Increased risk of natural disasters✓ Decline in demand due to tariff increases✓ Boycott of Japanese products in the Chinese market

2. Forecasts for the Fiscal Year Ending September 30, 2026

⑦ Capital Expenditures and Depreciation



*SHP is an abbreviation for SHOEI HELMET PARK. 18

⑧ Capital Strategy (Part 1)

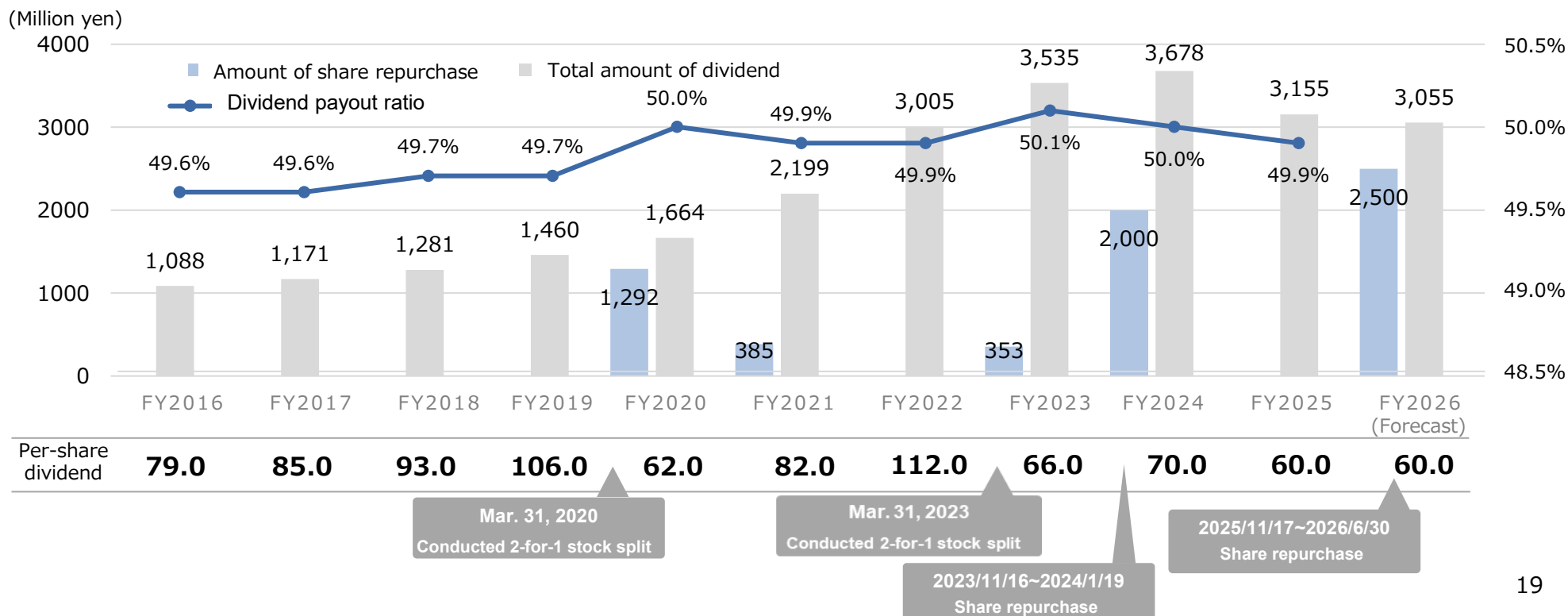


Basic Policy

- The Company regards returning profits to shareholders as a key management priority. Its basic policy is to distribute profits in line with business performance, targeting a consolidated payout ratio of 50%, and to implement capital policies flexibly in response to changes in the business environment, in order to improve capital efficiency and enhance shareholder returns.
- The dividend for the fiscal year ending September 2025 is set at ¥60, up ¥1 from the initial forecast. For the fiscal year ending September 2026, although revenue is expected to decline, the dividend is projected to remain at ¥60, unchanged from the previous year, due to a reduction in the number of shares following the share buyback. Despite the anticipated decrease in profit for FY2026, we are determined to take all possible measures to increase profits.

Trend of dividend payout ratio and acquisition of treasury stock

- Maintaining a 50% dividend payout ratio. Announcement in November 2025 of the implementation of a share repurchase program of up to 1.7 million shares (¥2.5 billion)

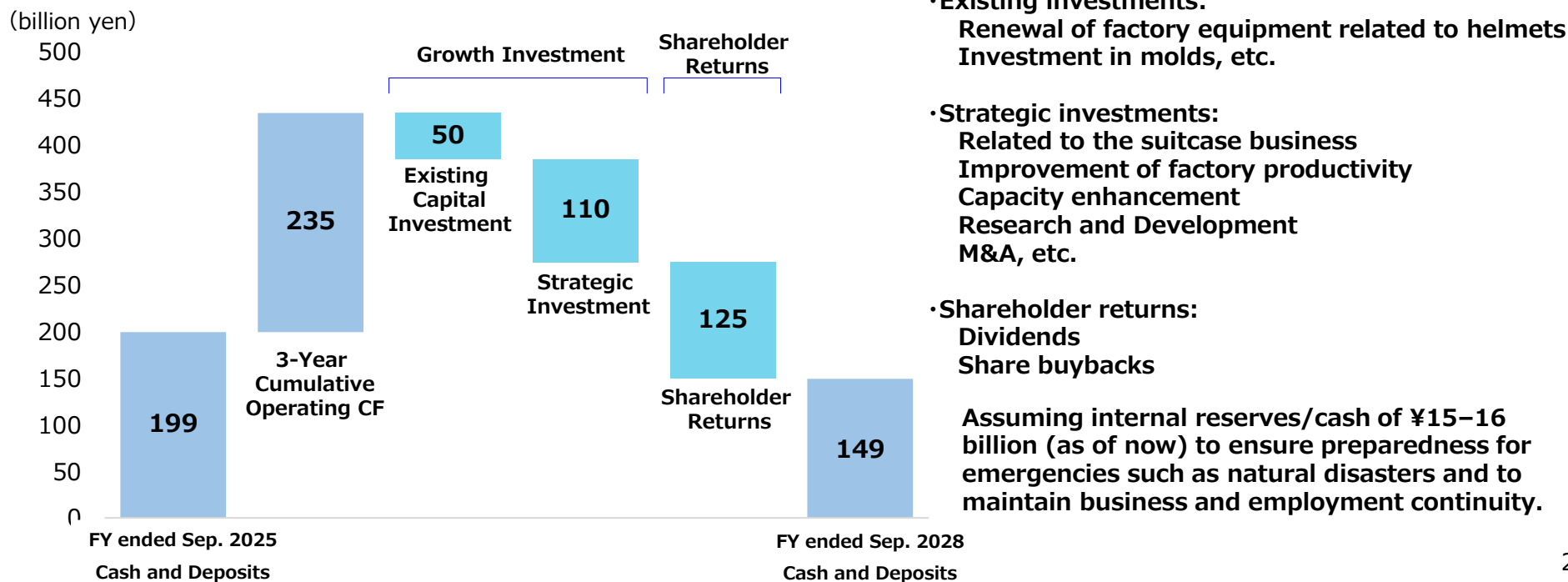


⑧ Capital Strategy (Part 2)



Management Focused on Capital Efficiency and Shareholder Value

- The Company's primary management focus is: (1) enabling long-term-oriented management to continuously enhance corporate value, and (2) ensuring financial independence. To this end, we remain committed to expanding corporate earnings and maintaining a sound financial foundation, while placing strong emphasis on returning profits to stakeholders.
 - In order to sustainably enhance corporate value, expanding and maintaining strong profitability is essential. We therefore regard ROE (Return on Equity) as a key management indicator and strive to maintain and improve it. Over the past ten years, the Company's ROE has remained in the range of 20–29%, and we aim to continue maintaining and further improving ROE in the 20% range going forward.
 - Maintaining a sound financial structure requires securing sufficient retained earnings. While continuing to adhere to our current shareholder return policy, we believe it is essential to accumulate sufficient internal reserves to strengthen competitiveness, invest in future new businesses, prepare for emergencies such as natural disasters, and ensure business continuity and employment stability — all of which are vital for long-term operational stability.
- The capital allocation targets for the next three years are outlined in the chart below. These figures represent our current assumptions and are subject to change.



⑨ Market Environment and Product Highlights for the Fiscal Year Ending September 2026



■ Global Expansion of WYVERN ∅ (ZERO)

Sales were launched in the Japanese market in September 2025, and we will also expand sales in the Asian market.



WYVERN ∅
White



WYVERN ∅
REBOOT

■ Further enhancement of the graphic models

We will continue to launch graphic models that meet market needs.



NEOTEC 3
BREEZE



Glamster
BLAST



X-Fifteen
VALION

■ Market penetration of carbon helmets

Limited sales started in October 2025 at SHOEI Gallery stores. This helmet, made with a new material and featuring an attractive design, has attracted attention. Going forward, we will expand the variations and continue further research and development to establish it as a standard model.



X-Fifteen
Carbon



III. Growth Strategies



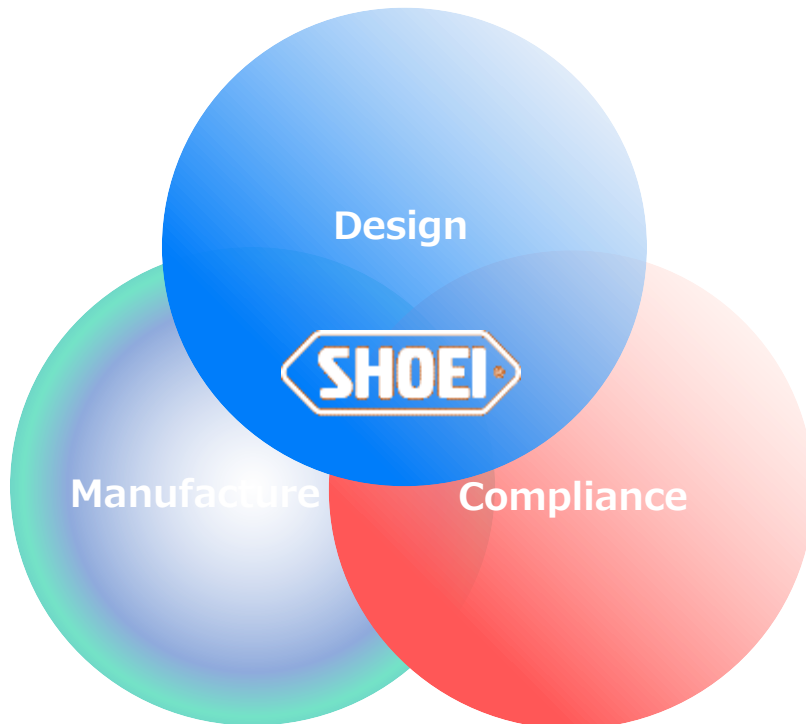
1. SHOEI's strengths



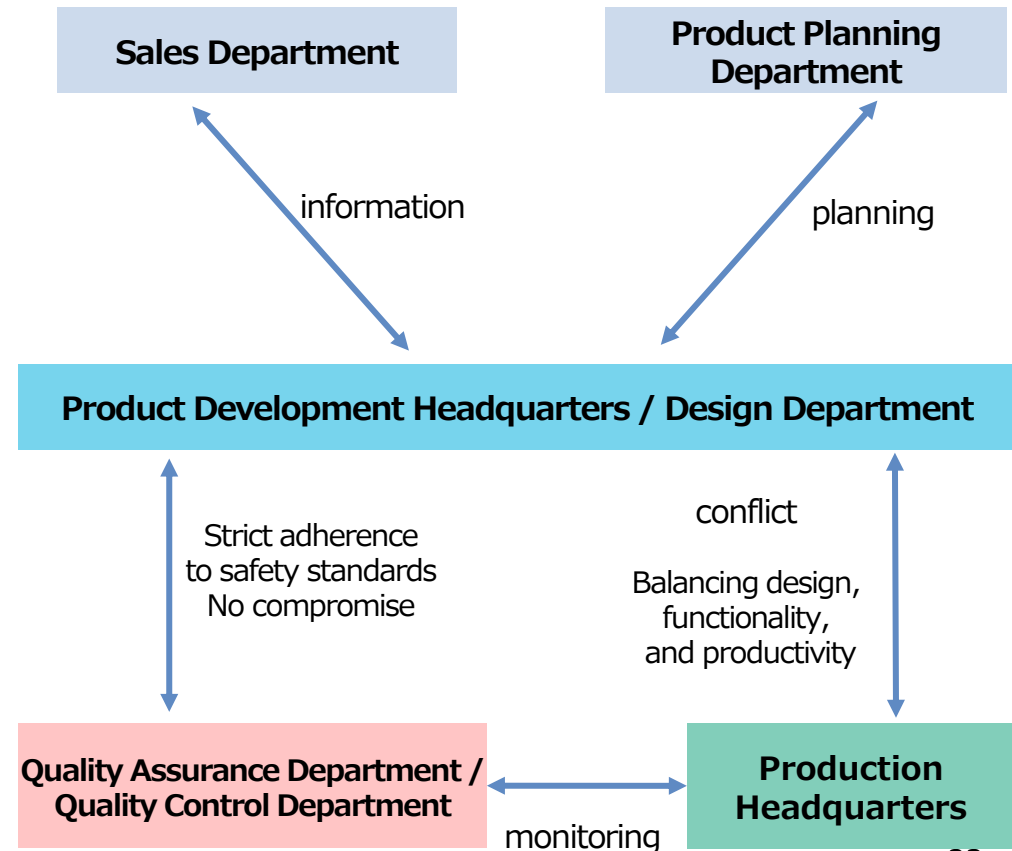
Maintaining Made in Japan with the twin axes of high added value and rational production

- Resilience that skillfully combines the three elements indispensable to premium helmet production, which have mutual trade offs
- Integrated production systems at our two plants in Japan, with flexible systems to enable production at either plant
- Through JIT improvement activities and other initiatives, we are pursuing reforms to boost productivity and reduce manufacturing costs, leaving nothing untouched

Three Essential Elements for the Manufacturing of Premium Helmets



Roles of each business division and an overview of their workflow



2. Sales strategy

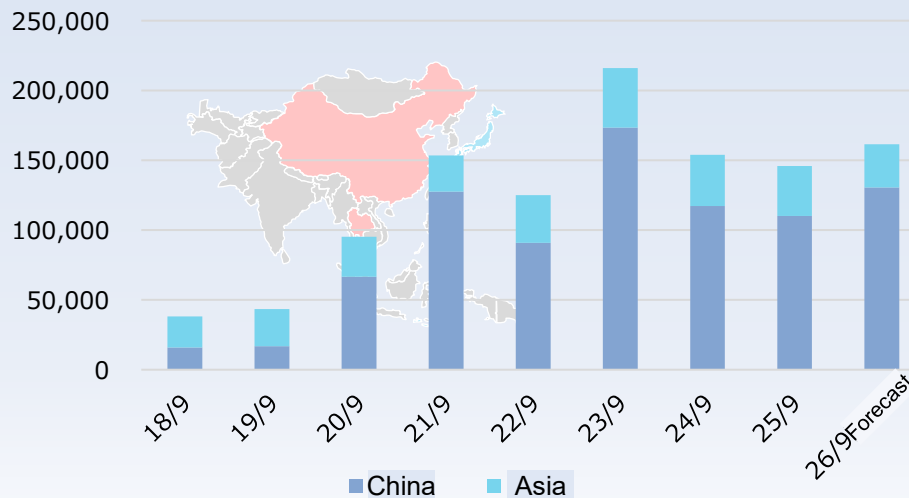


- In developed markets such as Europe, the United States, and Japan, significant future growth cannot be expected due to the aging of riders and the diversification of hobbies among younger generations.
- On the other hand, while growth in China has shown signs of leveling off, the ASEAN market is expected to grow. After the stagnation and disruption caused by the end of the COVID-19 pandemic, signs of renewed expansion have begun to emerge. Although the sales volume in the Chinese market has already reached a level comparable to those of Japan and the United States, market research indicates that there is still room for further growth, albeit limited. We will expand our sales volume by establishing a more robust sales structure.

Increase of sales in Asia

Trend of sales volume in Asia market

Sales volume (units)



Sales Promotion in Asia (Establishment/Enhancement of Local Subsidiaries)



- By stationing Japanese personnel at the local subsidiary in China and actively collecting information as well as supervising and guiding dealers, we were able to gain a clearer understanding of the market and almost fully grasp its size.
- It was revealed that during the COVID-19 pandemic, indiscriminate sales expansion had damaged the brand value. By ensuring that dealers recognized the value of the SHOEI brand and deepening collaboration so that they could carefully sell products through in-store PFS and product explanations, the brand's strength has been successfully restored.

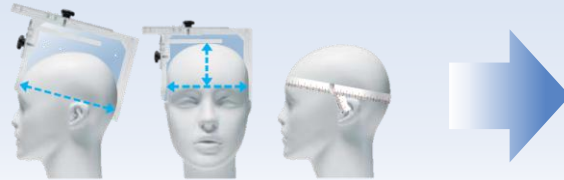
2. Sales strategy - Promoting Widespread Adoption of the PFS Service -



- PFS provides “My Helmet,” which perfectly fits the diverse shapes of customers’ heads, ensuring both comfort and safety. In Japan, approximately half of SHOEI helmets are sold after undergoing the PFS fitting process.

1) Measurement

Staff who are highly skilled in assessing individual differences in head shape use dedicated measurement equipment to take detailed measurements

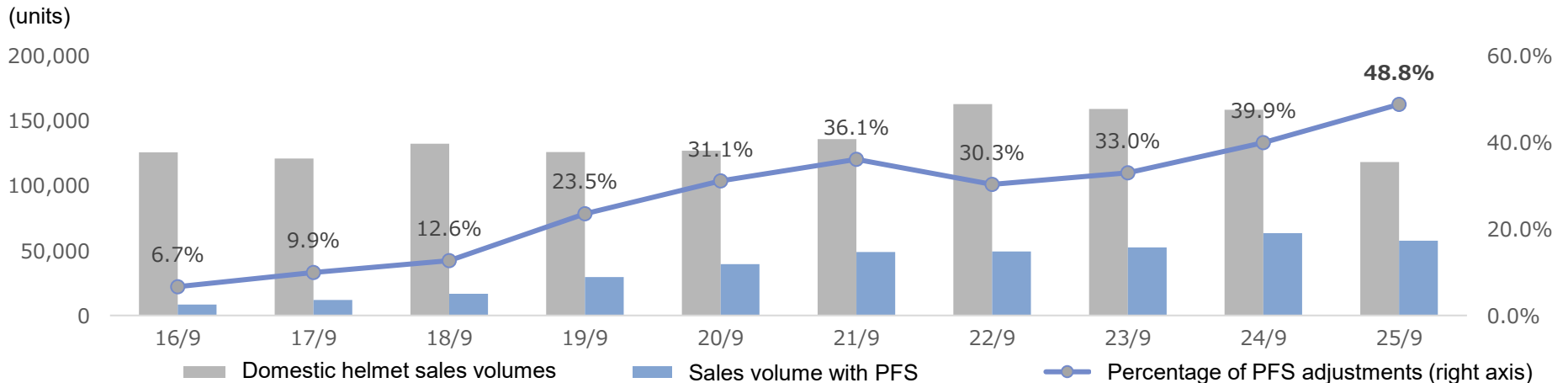


2) Adjustment

The sense of hold and fit is adjusted through a combination of finely divided pads



Changes in sales with PFS in Domestic helmet sales



Adoption Status of PFS in Overseas Markets (July 2024 – June 2025)

Average Among Participating Countries: Approximately 8%

Country	PFS Implementation Rate	Country	PFS Implementation Rate	Country	PFS Implementation Rate	Country	PFS Implementation Rate
Germany	1%	U.K.	7%	Romania	8%	Malaysia	30%
France	2%	Spain	4%	China	3%	Thailand	27%
Netherlands	5%	Poland	2%	Taiwan	12%	U.S.A	0.4%
Belgium	1%	Austria	9%	South Korea	10%		

3. Production Strategy

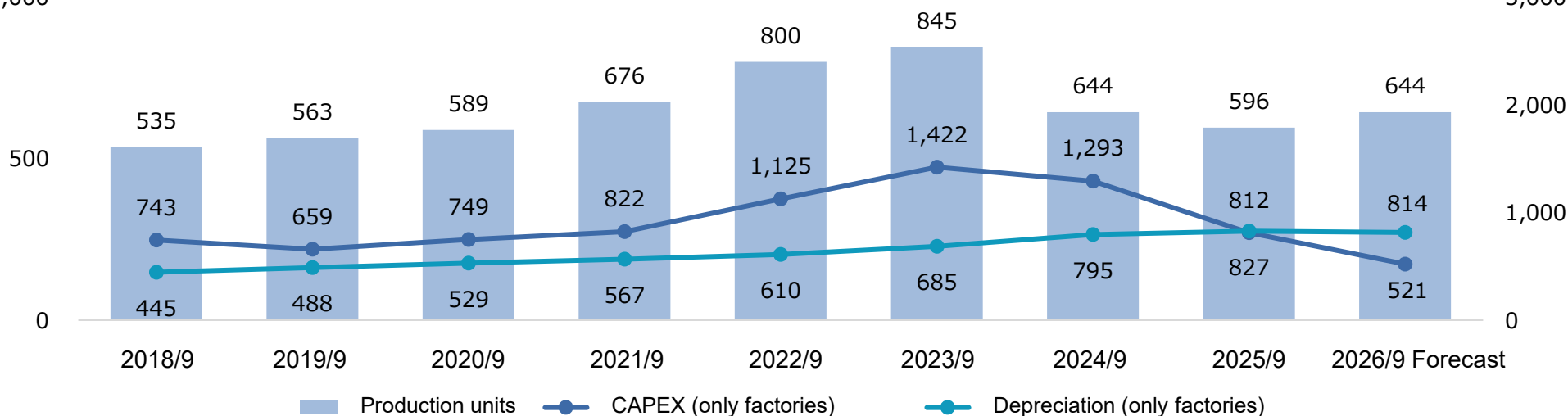


- We are a Kaizen-oriented company and put Genchigenbutsu, the underlying concept that emphasizes the importance of frontline operations, into practice. In other words, we will make capital investments speedily to respond to an increase in the volume of sales after we actually recognize demand instead of making them based on estimates and wishful thinking. Even at this point as we deal with excess production capacity, we will pursue improved productivity without compromise through JIT improvement activities and other measures.

- Production targets for FY2026 : 640,000

Production units
(Thousand units)
1,000

Capital expenditures
Depreciation
(Million yen)
3,000



The production system in the future

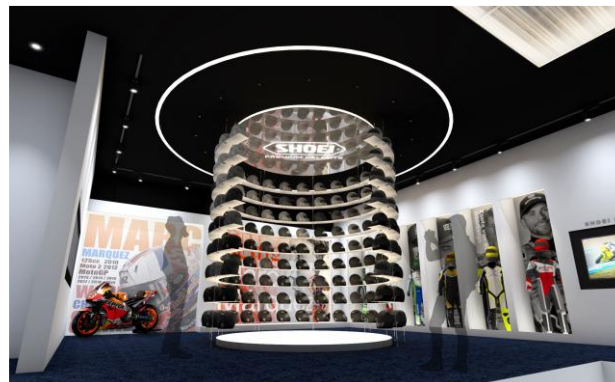
- In April 2024, we acquired a new site adjacent to the Ibaraki factory and constructed a new warehouse on this site. This has allowed us to consolidate products and work-in-progress from leased and existing warehouses, thereby improving the efficiency of our production system.
- In addition, with production volumes relatively stable, we are strengthening employee training and further enhancing multi-skilled capabilities, including for personnel hired in recent years, to develop each employee into a highly skilled professional.
- Furthermore, as the buildings and infrastructure at the Ibaraki factory have aged, we have begun investigating ways to improve productivity and expand capacity using the new site, exploring effective utilization of the available space.

4. Brand strategy



SHOEI HELMET PARK Project

- We will utilize part of the newly acquired land adjacent to the Ibaraki factory to develop a museum, showroom, merchandise shop, dining spaces, and more. We expect this to further strengthen our brand power and enhance promotional effects for our products in the medium to long term. We warmly welcome your visit.
- The park is scheduled to open in spring 2026. (Photos are for illustrative purposes only)



Contract Renewal with the Márquez Brothers

- We have renewed the contracts with riders Marc Márquez and Álex Márquez for an additional two years, through 2026.
- Both riders are performing exceptionally well in the 2025 season, and with both set to remain with the Ducati factory team in 2026, continued strong results are expected.



X-Fifteen
MARQUEZ MOTEIG15



5. Challenge in New Business



- Amid the aging of riders and the diversification of hobbies among younger generations worldwide, our company recognizes the need not only to rely on the premium motorcycle helmet business but also to secure growth and stabilize operations by diversifying business risks through the development of new ventures. In light of this background, we have decided to launch the suitcase business as a full-scale step toward business diversification.

Reasons for Choosing the Suitcase Business

- We identified similarities and commonalities with premium motorcycle helmets mainly in the following four areas, and based on this, we believe the business has potential for global growth.
 - 1. Similarity in product concept and manufacturing methods**
 - 2. Commonality as a B2C business**
 - 3. Global growth potential of the suitcase market, not limited by age or gender**
 - 4. Possibility of pursuing a high value-added strategy**

Overview and Future Outlook of the Suitcase Business

- The first model is scheduled to be sold on MAKUAKE in January 2026, with a planned price of ¥49,500 (tax included).
- The material will start with the same GFRP (glass fiber reinforced plastic) as used for helmets, with advanced materials also under consideration.
- Like the helmets, it will be Made in Japan and positioned as a high value-added product.
- Approximately ¥1 billion investment is planned within three years, mainly for production equipment.
- Target: ¥3 billion in sales and several hundred million yen in operating profit within three years.

Image sources: Official websites of each company
RIMOWA (Left image) : <https://www.rimowa.com/jp/ja/home>
TUMI (Right image) : <https://www.tumi.co.jp/>



6. ESG Management



The ESG rating (MSCI) has improved for three consecutive years.

We have received a new BBB rating from the US-based ESG rating organization MSCI. In recognition of our ESG initiatives, the rating was increased from the B rating received two years ago. We will continue to pursue ESG initiatives going forward, aiming to continually improve the rating.

Environment

Preventing global warming

- Ascertaining what suits SHOEI and promptly promote what we can
 - All employees of head office commute by public transportation.
 - Company cars will gradually be replaced with hybrid vehicles.
 - The two plants have already installed EV charging equipment, and are replacing employees' private cars with eco-friendly vehicles for commuting.
 - Improve green efficiency of power purchased for plant production (currently approx. 13%)
 - Decision to introduce solar power generation (PPA)

Rich imagination and a product quality to be proud of



Governance

Corporate governance and compliance

- Respond to required governance items when moving to the prime market
- Appropriately respond to revised CGC
 - We will aim to improve the diversity among members of the Board of Directors (Percentage of female officers: approx. 30%*1)
- Board of Directors (planned)
 - Six Directors in total, two of whom are Outside Directors (including one female director)
- Auditors and Board of Auditors
 - Three Auditors in total, two of whom are Outside Auditors (including one female auditor)
- Nomination and Remuneration Committee
 - Three Director in total, two of whom are Outside Directors (chaired by an outside director)

*1: As of December 4, 2025, the ratio is 22%. However, following the resolution at the Annual General Meeting of Shareholders scheduled for December 24, 2025, a new female outside director is expected to be appointed.

Society - Contributing to social issues through business activities

Harmony with local communities

- 100 million yen each donated to Inashiki City (Ibaraki) and Ichinoseki City (Iwate) in our own version of the hometown tax donation program
- Donating tax for hometown assistance

Giving back to employees

- Employee salary increase by 4% for the 12th term in a row
- Giving more back to our employees by creating a system for granting restricted stock

Development and contribution of safety technology

- Promotion of the safety and health of consumers through the development of safe and comfortable helmets and business activities



Appendix. Company Profile



1. Company Profile



Company Name	SHOEI Co., Ltd.
Head Office	1-31-7 Taito, Taito-ku Tokyo
Established on	March 17, 1959
Business description	Manufacture and sale of motorcycle helmets and other helmets for government and other public offices (including some government-use products for the Ministry of Defense, National Policy Agency and other government agencies)
Net Sales	32,363 million yen (Consolidated/Fiscal year ended September 30, 2025)
Ordinary Income	8,900 million yen (Consolidated/Fiscal year ended September 30, 2025)
Profit Attributable to Owners of Parent	6,318 million yen (Consolidated/Fiscal year ended September 30, 2025)
Paid-up Capital	1,421 million yen (Consolidated/as of September 30, 2025)
Number of Employees	817※ (Consolidated/as of September 30, 2025) <small>* Including 147 contract and part-time workers</small>
Securities Code	7839 Tokyo Stock Exchange, Prime Market

2. Business Description



- We manufacture mainly motorcycle helmets as well as some other helmets for aircraft and armored vehicles.
- Our sales network encompasses more than 60 countries extending from Japan to Europe, North and South America, Oceania and Asia. We command the largest share of the premium helmet market in most countries.

FULL-FACE HELMET



Z8



Glamster



X-Fifteen

SYSTEM HELMET



NEOTECH 3

JET HELMET



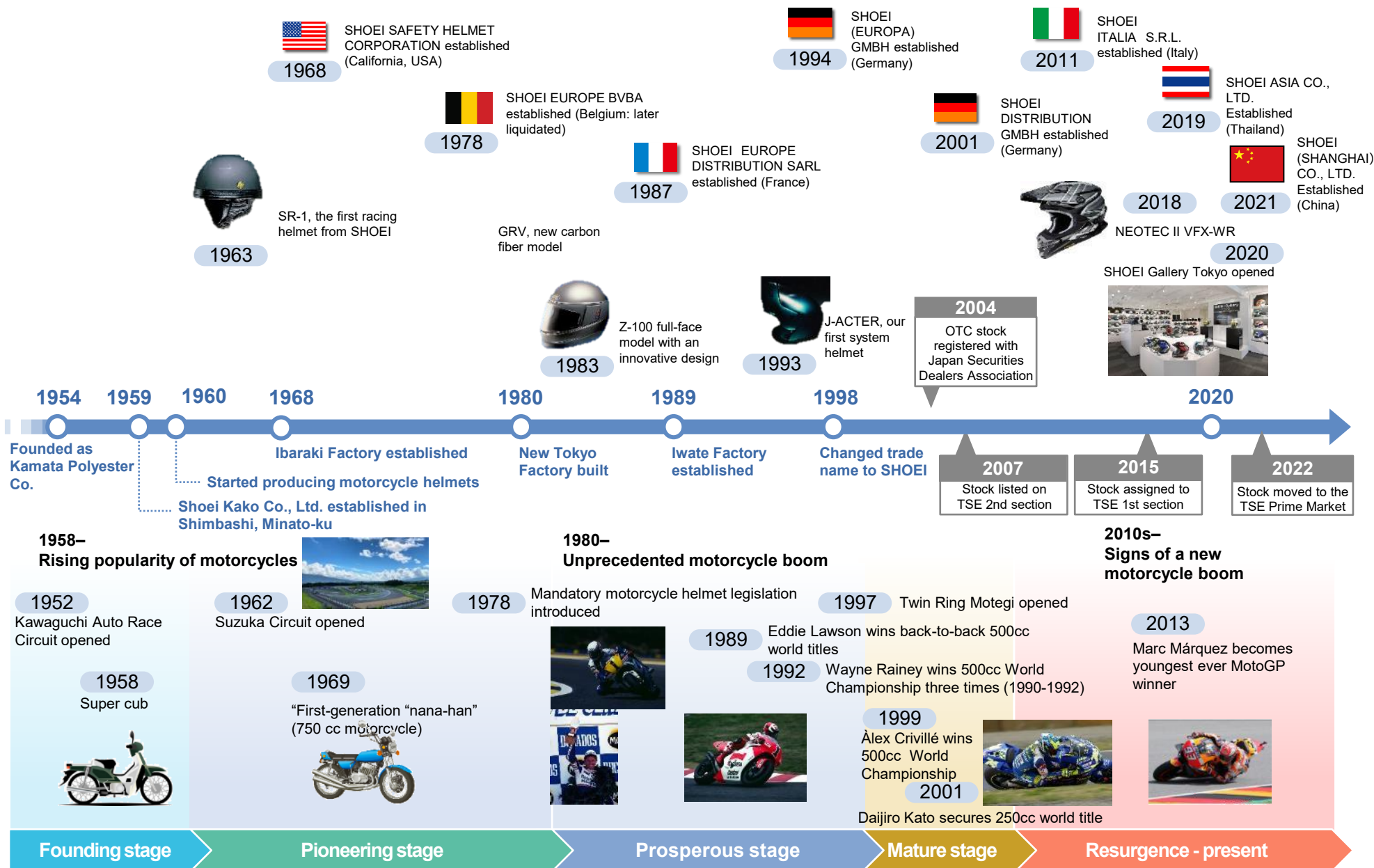
J-Cruise 3

OFF-ROAD HELMET



VFX-WR
JAMMER

3. History



4. Basic Management Policies and Key Measures



Business Concept

Quality & Value

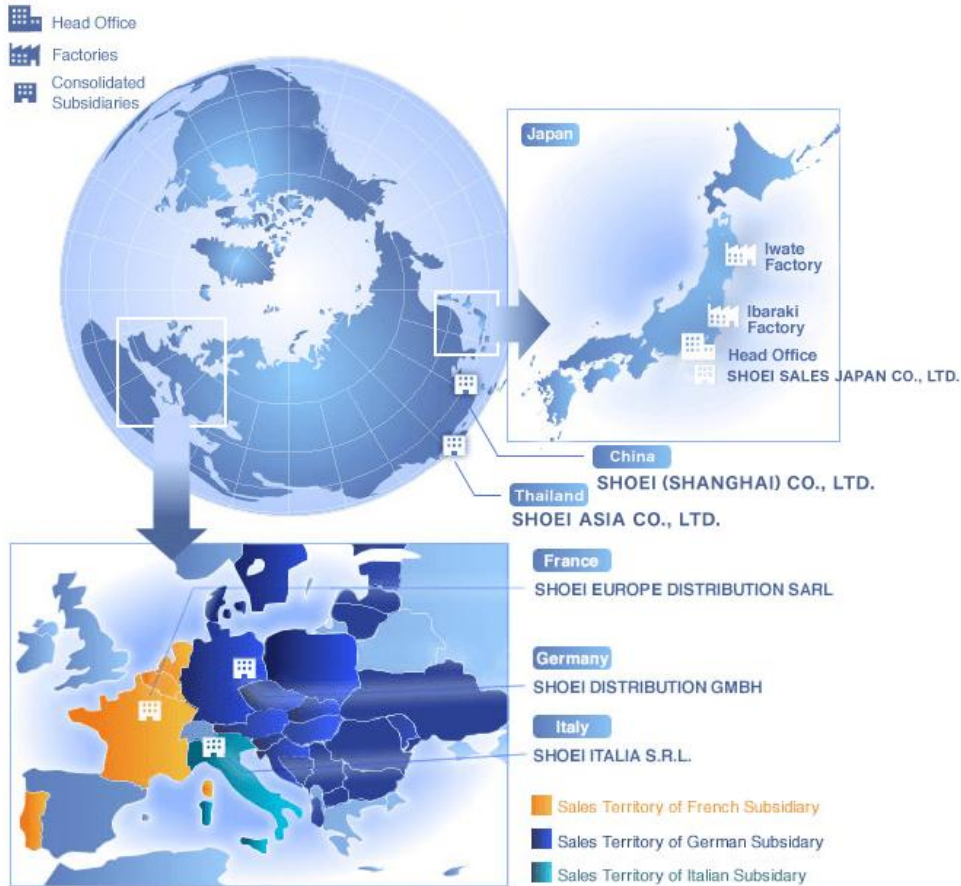
Management Policies

- 1 Commit to ensuring business continuity in the long term through a sound financial position
- 2 Compete with “Made in Japan” products
- 3 Listen to consumer feedback

Management Strategies

- 1 Sales Strategy
- 2 Production strategy
- 3 Brand strategy
- 4 ESG management & New business challenges

5. Global Network



Iwate Factory



Head Office



Ibaraki Factory



SHOEI Gallery

6. Premium helmet market size and SHOEI share by region



- Motorcycle helmets which offer the ultimate in cool appearance, safety and functionality
- Premium helmets which are favored by the world's top racers and which meet the demanding requirements of riders in more than 50 countries around the globe
- Commands a 60% share of the global premium helmets market and market leader in most countries and regions
- Synonym for high quality and safety - SHOEI's helmets are the pride and status symbol of riders who wear them

Boasts more than 60% share of global premium helmets market

Global premium
helmets market

Approx. 120 bn yen*



*Based on SHOEI estimates
(November, 2024)



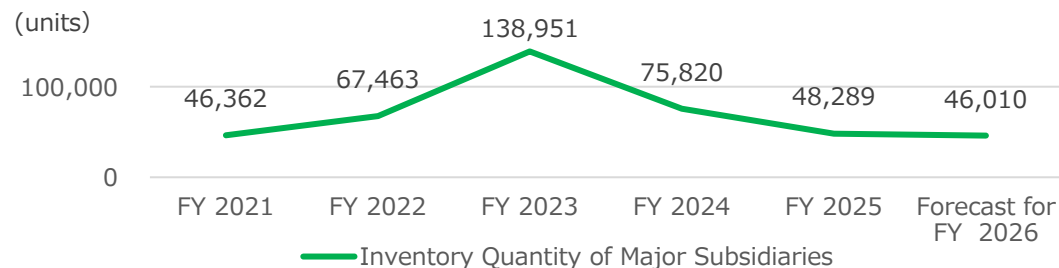
7. Supplementary Materials: Forecast of Consolidated Operating Profit Variance Factors



Among the negative factors affecting the forecasted operating profit compared with the previous fiscal year, the impact of unrealized profits and U.S. tariffs is limited to FY 2026.

Impact of Unrealized Profits

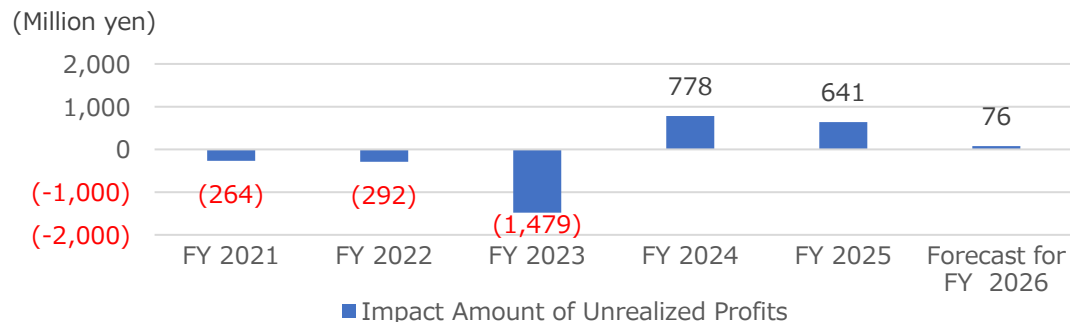
Changes in Inventory Levels of Major Subsidiaries



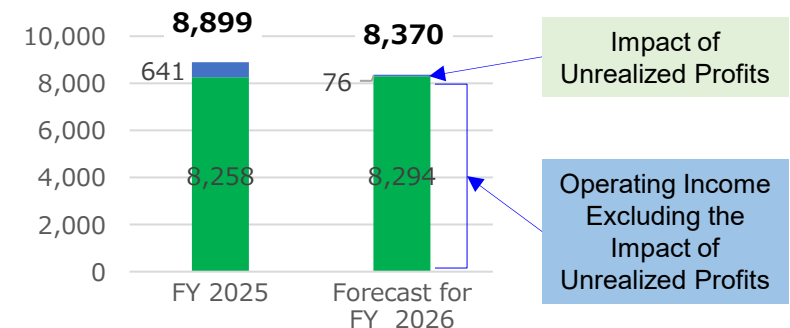
In FY 2024 and FY 2025, as the European subsidiaries reduced the inventories that had increased in FY 2023, the impact of unrealized profits turned positive and contributed to higher operating income.

In contrast, in FY 2026, as inventories at the European subsidiaries have stabilized, the positive impact from unrealized profits is expected to decline significantly.

Changes in the Impact of Unrealized Profits



Accordingly, although the consolidated operating income for FY 2026 is expected to decline compared with FY 2025, excluding the impact of unrealized profits mentioned above, it is expected to remain almost flat (see chart below).



Regarding U.S. Tariffs

- Based on the U.S. presidential executive order announced in September 2025, a reciprocal tariff rate of 15% has been imposed on helmets. Accordingly, we are currently discussing our response with the local distributor.
- Considering the current status of these discussions, we estimate the impact on our company to be approximately 300 million yen, which has been incorporated into the budget for FY 2026.