

Consolidated Financial Results for The Fiscal Year Ended September 30, 2024

| | |
|--|--|
| Name of Registrant | SHOEI CO., LTD. |
| Code No: | 7839 |
| Securities Traded | Tokyo Stock Exchange, Prime Market |
| Headquarters (URL https://www.shoei.com/) | Tokyo, Japan |
| Representative: | Kenichiro Ishida, President and Representative Director |
| Contact: | Hiroshi Yamaguchi, Director and General Manager of Business & Financial Management Headquarters |
| Date of the Ordinary General Meeting of Shareholders: | Dec. 25, 2024 |
| Payment Date of Dividends: | Dec. 26, 2024 |
| Filing Date of Financial Statements: | Dec. 26, 2024 |

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I . Financial Summary

1) Operating Performance

| | Millions of Yen | | |
|------------------|-----------------------|-----------------------|------------------|
| | <u>Oct.22-Sept.23</u> | <u>Oct.23-Sept.24</u> | <u>% Changes</u> |
| Net Sales | 33,616 | 35,790 | 6.5 |
| Operating Income | 9,825 | 10,330 | 5.1 |
| Ordinary Income | 9,858 | 10,502 | 6.5 |
| Net Income | 7,068 | 7,377 | 4.4 |

| <i>Per Share Amounts</i> | Yen | |
|--------------------------|-----------------------|-----------------------|
| | <u>Oct.22-Sept.23</u> | <u>Oct.23-Sept.24</u> |
| Net Income | 131.73 | 139.90 |
| Net Income, Diluted | — | — |

Notes:

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

| | Millions of Yen | |
|--|-----------------------|-----------------------|
| | <u>Oct.22-Sept.23</u> | <u>Oct.23-Sept.24</u> |
| | — | — |

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

| | Shares | |
|--|-----------------------|-----------------------|
| | <u>Oct.22-Sept.23</u> | <u>Oct.23-Sept.24</u> |
| | 53,658,454 | 52,736,080 |

3.Number of Treasury Shares as of September 30,2024: 1,169,742

4.Change of Accounting Method: Not Applicable.

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

6.Amounts Less than \1 million are omitted.

7.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>Sept. 30, 24</u> |
| Total Assets | 32,805 | 35,085 |
| Net Assets | 27,145 | 29,545 |
| | Percent | |
| Net Assets to Total Assets | 82.7% | 84.2% |
| | Yen | |
| Net Assets per Share | 506.60 | 562.06 |

Notes:

1. Number of Shares Outstanding on September 30, 2023 and September 30, 2024

| | Shares | |
|--|---------------------|---------------------|
| | <u>Sept. 30, 23</u> | <u>Sept. 30, 24</u> |
| | 53,713,716 | 53,713,716 |

3) Cash Flow

| | Millions of Yen | |
|--|-----------------|----------------|
| | Oct.22-Sept.23 | Oct.23-Sept.24 |
| Net Cash Flow from Operating Activities | 6,354 | 9,789 |
| Net Cash Flow from Investment Activities | (2,350) | (3,275) |
| Net Cash Flow from Financial Activities | (3,461) | (5,724) |
| Cash and Cash Equivalents at the End of the Period | 14,767 | 15,352 |

4) Scope of Consolidation

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

5) 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, 2025

| | Millions of Yen |
|---|-----------------|
| | Oct.24-Sept.25 |
| Net Sales | 33,920 |
| Operating Income | 8,770 |
| Ordinary Income | 8,760 |
| Profit attributable to owners of parent | 6,220 |
| | Yen |
| Net Income Per Share | 118.38 |

【Qualitative Information on Performance on Consolidated Basis】

During the fiscal year under review (from October 1, 2023 to September 30, 2024), the global economy remained firm in general, partly reflecting the cumulative effects of interest rate increases in Europe and the United States curbing inflation. However, there was some risk of an economic recession because the end of the conflicts in Ukraine, Israel and other countries is not in sight. It remains uncertain whether an early economic rebound will be achieved, given the slump in the real estate sector and sluggish consumption in China and the impact of U.S. policies towards China.

In the market for high-end motorcycle helmets, demand declined with the slowdown of the motorcycle boom, which had gathered momentum during the COVID-19 pandemic, in addition to unfavorable weather conditions and other factors, reflecting the economic situation described above. On the other hand, improvements in production systems and international logistics resulted in an ample supply of products, and products had consequently remained overstocked at the distribution level until the second quarter. However, the elimination of excess channel inventory is currently underway in Europe and China with limitations on orders being placed by distributors. In China, the Company faced a difficult situation until the second quarter where it had to fall back on new standard products released in the fiscal year under review due to the effects of excess channel inventory.

However, there were signs that demand would recover, at least in the short term, reflecting the gradual recovery of the number of customers visiting retail stores since early spring, when the motorcycle riding season begins.

In the fiscal year under review, the total number of units sold in Japan and overseas decreased 8.4% year on year. The decline in the number of units sold in Europe was no more than 7.8% year on year, partly reflecting the effect of new products produced by launching new mainstay models, although new production volume was trending downward due to the overstocking faced by subsidiaries in Europe. In North America, the number of units sold climbed 34.7% year on year as a result of promoting sales of and increasing the quantity of models popular in the market, coupled with the country's comparatively firm economy. The number of units sold in Asia overall fell 28.8% year on year, reflecting a year-on-year decrease of 32.5% recorded in China in the circumstances described above, although the Asian market excluding China remained solid. The number of units sold in Japan decreased 0.4% year on year due to a slight excess of channel inventory, although demand had remained relatively solid even during the post-pandemic period.

With respect to financial results for the fiscal year under review, net sales grew 6.5%, or 2,173,997 thousand yen year on year, to 35,790,722 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 an 8.4% decline in the number of units sold year on year. With the unit price increases contributing to the improvement of profit, operating income increased 504,412 thousand yen, 5.1% year on year, to 10,330,163 thousand yen. Ordinary income rose 644,635 thousand yen, 6.5% year on year, to 10,502,792 thousand yen. Profit before income tax totaled 10,473,778 thousand yen, an increase of 614,608 thousand yen, 6.2% year on year, and profit attributable to owners of parent was 7,377,548 thousand yen, an increase of 308,871 thousand yen, 4.4% year on year.

Sales by Market

Japan : 6,921,695 thousand yen (+556,829 thousand yen (8.8%) year on year)

Europe : 16,534,248 thousand yen (+1,875,500 thousand yen (12.8%) year on year)

North America : 5,011,348 thousand yen (+1,482,327 thousand yen (42.0%) year on year)

Asia : 6,326,026 thousand yen (-1,717,350 thousand yen (-21.4%) year on year)

Others : 997,402 thousand yen (-23,308 thousand yen (-2.3%) year on year)

Foreign exchange rates applied at the Company for consolidated sales for the fiscal year under review (average rates for the period) were 150.28 yen to the U.S. dollar, a depreciation of 10.71 yen year on year, and 162.23 yen to the euro, or depreciation of 12.89 yen year on year. Looking at the Company's overseas subsidiaries, the foreign exchange rate applied (as of June 28, 2024) was 172.33 yen to the euro, which is a depreciation of 14.73 yen year on year.

【Outlook for the Next Fiscal Year】

Looking ahead, the future of the global economy is unclear due to uncertainty regarding the absence of the solid growth that had been enjoyed in the past and the unending chaotic situation attributable to the conflicts in Ukraine, Israel and other countries. Even so, with optimism starting to rise in response to generally subsiding inflation, the global economy is expected to remain solid overall. However, the situation will be different in each region. The Company believes that North America will remain relatively solid, and Europe and Japan will maintain their current levels, although they will lag behind the United States in terms of the growth rate. On the other hand, China is experiencing difficulties due to the slumps in the real estate sector and consumer spending, as well as the impact of US policy toward China. Therefore, it appears it will be some time before China's economy achieves a full recovery.

Looking at the market for high-end motorcycle helmets for the next fiscal year in the current economic situation, the motorcycle boom which was heightened by the COVID-19 pandemic is generally expected to continue to slow down and it is difficult to expect a sharp increase in demand going forward, despite the end of the previous fiscal year's adjustment phase relative to the excess channel inventory in the market. In the European market, sales are expected to slightly decline from the fiscal year under review, reflecting the fact that only minor models had model changes, instead of the mainstay models which changed in the fiscal year under review. In the North American market, the economy is relatively firm and distributors do not have excessive inventories. Therefore, sales of the Company's products are expected to remain basically at the same level as the previous fiscal year. Looking at Asia, sales are expected to just edge up from the fiscal year under review, reflecting the uncertainty regarding economic conditions, although the market emerged from the worst period in the first half of the fiscal year under review in the mainstay Chinese market. Regarding the Japan market, the Company believes that an adjustment of channel inventory is necessary as there is a slight excess. Therefore, sales are projected to fall approximately 10% from the previous fiscal year.

In this situation, for the consolidated fiscal year ending September 30, 2025 (from October 1, 2024 through September 30, 2025), the Company expects a decrease in sales and profit, with net sales of 33,920,000 thousand yen, a decrease of 1,870,722 thousand yen, or 5.2%, year on year, operating income of 8,770,000 thousand yen, a decrease of 1,560,163 thousand yen, or 15.1%, year on year, ordinary income of 8,760,000 thousand yen, a decrease of 1,742,792 thousand yen, or 16.6%, year on year, and profit attributable to owners of parent of 6,220,000 thousand yen, a decrease of 1,157,548 thousand yen, or 15.7%, year on year. The forecast is based on full-year average exchange rates of 145 yen to the US dollar and 160 yen to the euro.

* Forecasts for financial results are determined based on information available to the Company as of the date of the announcement. Actual results may differ due to a range of uncertainties embodied in the forecasts, future changes in internal or external conditions in terms of business operation, or other factors.

【Basic Principles of Profit Distribution and Dividends for the Fiscal Year under Review and for the Next Fiscal Year】

The Company positions the return of profit to shareholders as an important management issue. Specifically, its basic policy is to achieve both performance-linked dividend payments and enhancement of shareholders' equity to strengthen its financial conditions and management foundations. The Company will maintain the policy of paying year-end dividends according to the consolidated dividend payout ratio of approximately 50% as before, and will set aside the remaining 50% as retained earnings. Moreover, from the fiscal year ended September 30, 2023, the Company made an addition to its basic policy to the effect that it would implement capital measures flexibly in response to changes in the management environment in order to improve capital efficiency and enhance shareholder returns. In addition, the Company has operated a shareholders' benefit program since the fiscal year ended September 30, 2021.

Following the above basic policy, the Company intends to pay a year-end dividend of 70 yen per share (up 4 yen year on year) for the fiscal year ended September 30, 2023.

The Company seeks to use the retained earnings to reduce its dependence on borrowed capital and adopt a more flexible approach towards the expansion of production capacity, including capital investment, and research and development for the development of new products and new businesses from a medium and long term perspective, and towards advertising and other activities to further promote the Company's brand, as well as to prepare for future business expansion (including preparing for contingencies and branching out into new businesses or M&A).

With respect to a year-end dividend for the fiscal year ending September 30, 2025, the Company plans to pay 59 yen per share, or 11 yen less than the year-end dividend for the fiscal year under review.

Notes: *The Dividend per Share and weighted average number of shares (excluding treasury stock) during the period are calculated with the share split occurring at the beginning of the period.

III. Consolidated Financial Statements

Consolidated Statements of Income

(Thousands of yen)

| | Fiscal year ended September 30, 2023 | Fiscal year ended September 30, 2024 |
|---|---|---|
| Net sales | 33,616,724 | 35,790,722 |
| Cost of sales | 18,314,753 | 19,675,412 |
| Gross profit | 15,301,970 | 16,115,310 |
| Selling, general and administrative expenses | | |
| Sales commission | 133,102 | 165,744 |
| Packing and transportation costs | 438,388 | 428,203 |
| Advertising expenses | 1,079,418 | 1,150,332 |
| Provision of allowance for doubtful accounts | 6,510 | 481 |
| Remuneration for directors (and other officers) | 194,800 | 237,689 |
| Salaries and bonuses | 1,061,259 | 1,128,135 |
| Provision for bonuses | 17,600 | 20,000 |
| Retirement benefit expenses | 35,274 | 33,253 |
| Share-based payment expenses | 124,966 | 119,092 |
| Insurance expenses | 115,058 | 139,235 |
| Depreciation | 204,667 | 239,440 |
| Commission expenses | 618,000 | 727,944 |
| Other | 1,447,173 | 1,395,593 |
| Total selling, general and administrative expenses | 5,476,220 | 5,785,146 |
| Operating profit | 9,825,750 | 10,330,163 |
| Non-operating income | | |
| Interest income | 8,819 | 8,618 |
| Foreign exchange gains | - | 164,875 |
| Insurance claim income | - | 20 |
| Subsidy income | 10,631 | 10,108 |
| Patent Settlement | 11,364 | - |
| Miscellaneous income | 25,933 | 30,609 |
| Total non-operating income | 56,749 | 214,231 |
| Non-operating expenses | | |
| Interest expenses | 8,944 | 23,079 |
| Payments for employment of persons with disabilities | 2,500 | 2,150 |
| Commission expenses | - | 5,999 |
| Provision for loss on litigation | - | 7,410 |
| Foreign exchange losses | 6,819 | - |
| Miscellaneous losses | 6,079 | 2,963 |
| Total non-operating expenses | 24,343 | 41,602 |
| Ordinary profit | 9,858,156 | 10,502,792 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 1,892 | 780 |
| Total extraordinary income | 1,892 | 780 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 878 | 0 |
| Loss on retirement of non-current assets | - | 12,143 |
| Impairment losses | - | 17,650 |
| Total extraordinary losses | 878 | 29,795 |
| Profit before income taxes | 9,859,169 | 10,473,778 |
| Income taxes - current | 3,329,509 | 2,713,222 |
| Income taxes - deferred | -539,016 | 383,007 |
| Total income taxes | 2,790,492 | 3,096,229 |
| Profit | 7,068,677 | 7,377,548 |
| Profit (loss) attributable to non-controlling interests | - | - |
| Profit attributable to owners of parent | 7,068,677 | 7,377,548 |

Consolidated Statements of Comprehensive Income

(Thousands of yen)

| | Fiscal year ended September 30, 2023 | Fiscal year ended September 30, 2024 |
|--|---|---|
| Profit | 7,068,677 | 7,377,548 |
| Other comprehensive income | | |
| Deferred gains or losses on hedges | - | 1,382 |
| Foreign currency translation adjustment | 378,688 | 488,267 |
| Remeasurements of defined benefit plans, net of tax | 75,070 | 23,482 |
| Total other comprehensive income | 453,758 | 513,132 |
| Comprehensive income | 7,522,435 | 7,890,680 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 7,525,534 | 7,892,621 |
| Comprehensive income attributable to non-controlling interests | -3,099 | -1,940 |

Consolidated Balance Sheets

(Thousands of yen)

As of September 30, 2023 As of September 30, 2024

| Assets | | |
|--|-------------------|-------------------|
| Current assets | | |
| Cash and deposits | 14,767,282 | 15,352,423 |
| Notes receivable - trade | 92,392 | 117,947 |
| Accounts receivable - trade | 2,545,443 | 2,842,406 |
| Merchandise and finished goods | 3,278,479 | 3,618,130 |
| Work in process | 1,557,250 | 1,881,152 |
| Raw materials and supplies | 1,385,679 | 1,180,769 |
| Other | 1,937,070 | 1,548,570 |
| Allowance for doubtful accounts | -5,394 | -5,238 |
| Total current assets | 25,558,203 | 26,536,162 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 4,642,333 | 5,508,335 |
| Accumulated depreciation | -2,447,042 | -2,611,094 |
| Buildings and structures, net | 2,195,290 | 2,897,241 |
| Machinery, equipment and vehicles | 5,082,595 | 5,348,898 |
| Accumulated depreciation | -3,383,417 | -3,782,488 |
| Machinery, equipment and vehicles, net | 1,699,178 | 1,566,409 |
| Tools, furniture and fixtures | 5,956,817 | 6,083,524 |
| Accumulated depreciation | -5,204,798 | -5,525,417 |
| Tools, furniture and fixtures, net | 752,018 | 558,107 |
| Land | 257,294 | 1,430,276 |
| Leased assets | 83,121 | 83,121 |
| Accumulated depreciation | -54,028 | -70,653 |
| Leased assets, net | 29,092 | 12,468 |
| Construction in progress | 181,930 | 438,958 |
| Right-of-use assets | 615,363 | 833,759 |
| Accumulated depreciation | -164,247 | -322,514 |
| Right-of-use assets, net | 451,116 | 511,244 |
| Total property, plant and equipment | 5,565,922 | 7,414,705 |
| Intangible assets | 159,761 | 184,008 |
| Investments and other assets | | |
| Deferred tax assets | 1,106,455 | 712,605 |
| Other | 415,135 | 238,181 |
| Total investments and other assets | 1,521,591 | 950,786 |
| Total non-current assets | 7,247,274 | 8,549,501 |
| Total assets | 32,805,478 | 35,085,664 |

(Thousands of yen)

As of September 30, 2023 As of September 30, 2024

| Liabilities | | |
|--|------------|------------|
| Current liabilities | | |
| Accounts payable - trade | 485,929 | 1,167,558 |
| Lease liabilities | 100,734 | 86,660 |
| Accounts payable - other | 471,020 | 535,887 |
| Income taxes payable | 2,071,269 | 860,971 |
| Provision for bonuses | 355,700 | 341,100 |
| Other | 1,221,005 | 1,615,572 |
| Total current liabilities | 4,705,659 | 4,607,751 |
| Non-current liabilities | | |
| Lease liabilities | 358,422 | 426,263 |
| Retirement benefit liability | 507,203 | 392,043 |
| Asset retirement obligations | 41,605 | 66,468 |
| Other | 47,345 | 47,345 |
| Total non-current liabilities | 954,576 | 932,119 |
| Total liabilities | 5,660,235 | 5,539,870 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,421,929 | 1,421,929 |
| Capital surplus | 418,773 | 418,773 |
| Retained earnings | 25,162,393 | 29,070,594 |
| Treasury shares | -382,888 | -2,301,636 |
| Total shareholders' equity | 26,620,208 | 28,609,660 |
| Accumulated other comprehensive income | | |
| Deferred gains or losses on hedges | - | 1,382 |
| Foreign currency translation adjustment | 582,826 | 971,000 |
| Remeasurements of defined benefit plans | -72,695 | -49,213 |
| Total accumulated other comprehensive income | 510,130 | 923,169 |
| Non-controlling interests | 14,903 | 12,963 |
| Total net assets | 27,145,242 | 29,545,793 |
| Total liabilities and net assets | 32,805,478 | 35,085,664 |

Consolidated Statements of Changes in Net Assets

Fiscal year ended September 30, 2023

(Thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 1,421,929 | 418,773 | 21,103,439 | -120,030 | 22,824,112 |
| Changes during period | | | | | |
| Dividends of surplus | | | -3,005,059 | | -3,005,059 |
| Profit attributable to owners of parent | | | 7,068,677 | | 7,068,677 |
| Purchase of treasury shares | | | | -353,599 | -353,599 |
| Disposal of treasury shares | | -4,663 | | 90,741 | 86,077 |
| Transfer of loss on disposal of treasury shares | | 4,663 | -4,663 | | - |
| Change in scope of consolidation | | | | | - |
| Net changes in items other than shareholders' equity | | | | | - |
| Total changes during period | - | - | 4,058,954 | -262,858 | 3,796,096 |
| Balance at end of period | 1,421,929 | 418,773 | 25,162,393 | -382,888 | 26,620,208 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|--|--|---|---|--|---------------------------|------------------|
| | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | - | 201,039 | -147,766 | 53,272 | 18,003 | 22,895,387 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | -3,005,059 |
| Profit attributable to owners of parent | | | | | | 7,068,677 |
| Purchase of treasury shares | | | | | | -353,599 |
| Disposal of treasury shares | | | | | | 86,077 |
| Transfer of loss on disposal of treasury shares | | | | | | - |
| Change in scope of consolidation | | | | | | - |
| Net changes in items other than shareholders' equity | - | 381,787 | 75,070 | 456,857 | -3,099 | 453,758 |
| Total changes during period | - | 381,787 | 75,070 | 456,857 | -3,099 | 4,249,854 |
| Balance at end of period | - | 582,826 | -72,695 | 510,130 | 14,903 | 27,145,242 |

Fiscal year ended September 30, 2024

(Thousands of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 1,421,929 | 418,773 | 25,162,393 | -382,888 | 26,620,208 |
| Changes during period | | | | | |
| Dividends of surplus | | | -3,534,538 | | -3,534,538 |
| Profit attributable to owners of parent | | | 7,377,548 | | 7,377,548 |
| Purchase of treasury shares | | | | -2,000,288 | -2,000,288 |
| Disposal of treasury shares | | -1,934 | | 81,540 | 79,606 |
| Transfer of loss on disposal of treasury shares | | 1,934 | -1,934 | | - |
| Change in scope of consolidation | | | 67,123 | | 67,123 |
| Net changes in items other than shareholders' equity | | | | | - |
| Total changes during period | - | - | 3,908,200 | -1,918,748 | 1,989,451 |
| Balance at end of period | 1,421,929 | 418,773 | 29,070,594 | -2,301,636 | 28,609,660 |

| | Accumulated other comprehensive income | | | | Non-controlling interests | Total net assets |
|--|--|---|---|--|---------------------------|------------------|
| | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | - | 582,826 | -72,695 | 510,130 | 14,903 | 27,145,242 |
| Changes during period | | | | | | |
| Dividends of surplus | | | | | | -3,534,538 |
| Profit attributable to owners of parent | | | | | | 7,377,548 |
| Purchase of treasury shares | | | | | | -2,000,288 |
| Disposal of treasury shares | | | | | | 79,606 |
| Transfer of loss on disposal of treasury shares | | | | | | - |
| Change in scope of consolidation | | | | | | 67,123 |
| Net changes in items other than shareholders' equity | 1,382 | 388,174 | 23,482 | 413,039 | -1,940 | 411,098 |
| Total changes during period | 1,382 | 388,174 | 23,482 | 413,039 | -1,940 | 2,400,550 |
| Balance at end of period | 1,382 | 971,000 | △49,213 | 923,169 | 12,963 | 29,545,793 |

Consolidated Statements of Cash Flow

(Thousands of yen)

| | Fiscal year ended September 30, 2023 | Fiscal year ended September 30, 2024 |
|---|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 9,859,169 | 10,473,778 |
| Depreciation | 1,486,429 | 1,737,346 |
| Impairment losses | - | 17,650 |
| Increase (decrease) in allowance for doubtful accounts | 2,188 | -660 |
| Increase (decrease) in provision for bonuses | 50,700 | -14,600 |
| Increase (decrease) in retirement benefit liability | -69,810 | -87,019 |
| Interest and dividend income | -8,819 | -8,618 |
| Insurance claim income | - | -20 |
| Subsidy income | -10,631 | -10,108 |
| Interest expenses | 8,944 | 23,079 |
| Foreign exchange losses (gains) | -183,186 | 16,879 |
| Commission expenses | - | 5,999 |
| Provision for loss on litigation | - | 7,410 |
| Loss on retirement of non-current assets | - | 12,143 |
| Loss (gain) on sale of non-current assets | -1,013 | -779 |
| Decrease (increase) in trade receivables | 743,933 | -249,560 |
| Decrease (increase) in inventories | -1,081,709 | -33,343 |
| Increase (decrease) in trade payables | -970,079 | 539,740 |
| Decrease (increase) in other current assets | -211,947 | 388,875 |
| Increase (decrease) in other current liabilities | -385,605 | 527,480 |
| Other, net | 119,814 | 35,130 |
| Subtotal | 9,348,378 | 13,380,802 |
| Interest and dividends received | 8,819 | 277,862 |
| Proceeds from insurance income | - | 20 |
| Subsidies received | 10,631 | 10,108 |
| Interest paid | -8,944 | -23,079 |
| Income taxes paid | -3,004,117 | -3,855,916 |
| Net cash provided by (used in) operating activities | 6,354,767 | 9,789,797 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | -2,237,150 | -3,155,113 |
| Proceeds from sale of property, plant and equipment | 2,037 | 780 |
| Purchase of intangible assets | -59,520 | -75,888 |
| Other, net | -55,873 | -45,512 |
| Net cash provided by (used in) investing activities | -2,350,506 | -3,275,733 |
| Cash flows from financing activities | | |
| Purchase of treasury shares | -353,599 | -2,000,288 |
| Commission paid | - | -5,999 |
| Dividends paid | -3,002,990 | -3,603,911 |
| Repayments of lease liabilities | -105,272 | -114,033 |
| Net cash provided by (used in) financing activities | -3,461,862 | -5,724,233 |
| Effect of exchange rate change on cash and cash equivalents | 337,666 | 115,944 |
| Net increase (decrease) in cash and cash equivalents | 880,064 | 905,774 |
| Cash and cash equivalents at beginning of period | 13,887,217 | 14,767,282 |
| Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation | - | -320,633 |
| Cash and cash equivalents at end of period | 14,767,282 | 15,352,423 |

IV. Segment Information

(1) Business Segment Information

This section is not applicable because business of our group is limited to manufacture and sale of helmets.

(2) Overseas Sales

| | Oct.2022-Sept.2023 | | Oct.2023-Sept.2024 | |
|--------------------------|---------------------|-----------------------------------|---------------------|-----------------------------------|
| | Sales | Percentage | Sales | Percentage |
| | Thousands of Yen | Overseas Sales to Net Sales | Thousands of Yen | Overseas Sales to Net Sales |
| Europe | | | | |
| France | 2,773,483 | 8.3 | 3,429,565 | 9.6 |
| Germany | 3,518,052 | 10.5 | 4,129,105 | 11.5 |
| Other Europe | 8,367,212 | 24.9 | 8,975,577 | 25.1 |
| North America | | | | |
| United States of America | 3,156,720 | 9.4 | 4,731,298 | 13.2 |
| Other North America | 372,300 | 1.1 | 280,050 | 0.8 |
| Asia | | | | |
| China | 6,314,314 | 18.8 | 4,707,265 | 13.2 |
| Other Asia | 1,729,061 | 5.1 | 1,618,761 | 4.5 |
| Other Areas | 1,020,711 | 3.0 | 997,402 | 2.8 |
| Overseas Sales Total | 27,251,857 | 81.1 | 27,251,857 | 80.7 |
| Total including Japan | 33,616,724 | 100.0 | 35,790,722 | 100.0 |