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Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]



February 10, 2023

Company name: GLOBERIDE, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7990
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 Scheduled date for filing of quarterly securities report: February 14, 2023
 Scheduled date of commencing dividend payments: —
 Availability of supplementary explanatory materials on quarterly financial results: Not available
 Schedule of quarterly financial results briefing session: Not Scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 1, 2022 - December 31, 2022)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2022	105,858	13.0	12,718	10.4	13,224	11.4	9,633	8.8
December 31, 2021	93,677	24.2	11,520	62.0	11,871	71.2	8,856	89.4

(Note) Comprehensive income: Nine months ended December 31, 2022: ¥13,926 million [43.5%]

Nine months ended December 31, 2021: ¥9,703 million [78.8%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	419.41	—
December 31, 2021	385.65	—

(Note) The Company conducted a stock split at a ratio of 2 shares per common share on October 1, 2021. Basic earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2022	112,493	50,039	44.3
As of March 31, 2022	90,682	37,478	41.1

(Reference) Equity: As of December 31, 2022: ¥49,842 million

As of March 31, 2022: ¥37,309 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	40.00	–	30.00	–
Fiscal year ending March 31, 2023	–	30.00	–		
Fiscal year ending March 31, 2023 (Forecast)				30.00	60.00

(Note) Revisions to the dividend forecast most recently announced: None

The Company conducted a stock split at a ratio of 2 shares per common share on October 1, 2021. For the fiscal year ended March 31, 2022, the amount of the second quarter-end dividend per share represents the actual amount of the dividend before the stock split, and the amount of the total annual dividend is not presented.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	135,000	11.9	11,900	(3.6)	12,300	(5.4)	8,700	(9.1)	378.72

(Note) Revisions to the financial results forecast most recently announced: None

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: None
(Changes in specified subsidiaries resulting in changes in scope of consolidation)
Newly included: –
Excluded: –
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
(Note) For details, please refer to “(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)” on page 8 of the Attachments.
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2022:	24,000,000 shares
March 31, 2022:	24,000,000 shares
 - 2) Total number of treasury shares at the end of the period:

December 31, 2022:	1,028,120 shares
March 31, 2022:	1,036,139 shares
 - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

Nine months ended December 31, 2022:	22,967,926 shares
Nine months ended December 31, 2021:	22,965,340 shares
- (Note) The Company conducted a stock split at a ratio of 2 shares per common share on October 1, 2021. The average number of shares during the period is calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

* These consolidated quarterly financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

The financial results forecast and other forward-looking statements herein are based on information that is currently available to the Company and certain assumptions that are deemed reasonable by the Company, and are not intended to guarantee the achievement. Actual business results may differ significantly due to various factors. For the conditions serving for the premise of the financial results forecast and the cautionary notes concerning the use of the financial results forecast, please refer to “Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information” on page 3 in the Attachments of the quarterly consolidated financial results.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the nine months ended December 31, 2022, the Japanese economy was expected to recover economic activities due to lifting of the movement restrictions amid the prolonged impact from novel coronavirus infection (COVID-19). However, the rapid yen depreciation and rising commodity prices did not allow us to be optimistic for the economic future. The overseas economy, which preceded Japan in moving forward from the COVID-19 pandemic, also had a stagnant recovery from the impact of the pandemic, due to rapid inflation in the wake of the Russia and Ukraine situation.

Under these situations, the markets of the outdoor, sports, and leisure industry, in which the Group operates, remained weak. This is due to the financial pressure on households from soaring commodity prices, as well as the increased popularity of travelling, shopping, and a variety of other leisure activities that had been restricted. In such conditions, the Group has played as “A Lifetime Sports Company” to provide attractive products and high-quality services for everyone who loves nature and sports.

As a result, for the nine months ended December 31, 2022, consolidated net sales were 105,858 million yen (up 13.0% year on year). As for profit, despite an increase in import purchasing costs partially caused by yen depreciation and soaring raw material prices, an increase in revenue resulted in operating profit of 12,718 million yen (up 10.4% year on year). Ordinary profit was 13,224 million yen (up 11.4% year on year), partially due to recording gain on valuation of receivables in foreign currencies, and profit attributable to owners of parent was 9,633 million yen (up 8.8% year on year).

Operating results by segment are shown as follows. Net sales of each segment include inter-segment sales and transfers.

Japan

In Japan, the outdoor, sports, and leisure markets remain weak partially due to financial pressure on households from rising energy and commodity prices, as well as an increased variety of leisure consumption to include travel and others caused by the relaxation of movement restrictions. In such a circumstance, the Group launched new products and provided services to satisfy customers. This led to net sales of 67,399 million yen (up 5.4% year on year). On the other hand, segment profit was 7,878 million yen (down 6.3% year on year) because of the yen’s rapid depreciation that drove up import purchasing costs.

Americas

In the Americas, the rapid inflation has caused concerns about economic impact amid the normalization of economy. While such conditions have come to affect the current outdoor, sports, and leisure markets, the Group’s net sales were 11,447 million yen (up 34.7% year on year), partially due to positive performance of new products and yen depreciation, and segment profit was 272 million yen (up 37.2% year on year).

Europe

In Europe, the prolonged Russia and Ukraine situation indirectly caused rapid inflation and affected consumption patterns. Under such circumstances, continuing to launch products catered to local needs led to net sales of 11,170 million yen (up 6.0% year on year). As for profit, however, increased logistic costs, soaring energy prices, and other factors drove up SG&A expenses, and this resulted in segment profit of 535 million yen (down 51.9% year on year).

Asia and Oceania

In the Asia and Oceania region, the socioeconomic situation varies among countries due to different handling of the COVID-19 pandemic, but generally, the outdoor, sports, and leisure markets have been resilient for the period under review. The Group’s sales kept a positive performance especially in China and South Korea. As a result, net sales were 43,571 million yen (up 40.8% year on year) and segment profit was 6,998 million yen (up 86.1% year on year).

(2) Explanation of Financial Position

Total assets at the end of the nine months ended December 31, 2022, amounted to 112,493 million yen, an increase of 21,811 million yen from 90,682 million yen at the end of the previous fiscal year. The increase is mainly due to an increase in inventories associated with sales expansion and an increase in non-current assets resulting from capital investment.

Net assets amounted to 50,039 million yen, an increase of 12,561 million yen from 37,478 million yen at the end of the previous fiscal year. The increase is due to recording profit attributable to owners of parent and changes in foreign currency translation adjustment.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

The financial results forecast for the fiscal year ending March 31, 2023 has not been revised from the forecast announced on November 8, 2022.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	8,165	12,920
Notes and accounts receivable - trade	11,140	13,226
Electronically recorded monetary claims - operating	377	459
Merchandise and finished goods	26,217	36,177
Work in process	4,997	4,495
Raw materials and supplies	4,848	6,446
Other	3,773	4,559
Allowance for doubtful accounts	(392)	(484)
Total current assets	59,126	77,802
Non-current assets		
Property, plant and equipment		
Land	5,348	5,488
Other, net	14,781	17,502
Total property, plant and equipment	20,129	22,991
Intangible assets		
Other	1,597	1,652
Total intangible assets	1,597	1,652
Investments and other assets		
Investment securities	4,952	4,782
Retirement benefit asset	32	32
Other	4,883	5,272
Allowance for doubtful accounts	(39)	(39)
Total investments and other assets	9,829	10,048
Total non-current assets	31,556	34,691
Total assets	90,682	112,493

(Million yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,235	8,601
Electronically recorded obligations - operating	8,816	9,749
Short-term borrowings	15,688	18,397
Income taxes payable	2,218	1,322
Provision for bonuses	873	512
Provision for bonuses for directors (and other officers)	27	35
Other	7,135	10,688
Total current liabilities	40,996	49,307
Non-current liabilities		
Long-term borrowings	5,017	6,034
Retirement benefit liability	5,513	5,478
Other	1,677	1,633
Total non-current liabilities	12,207	13,146
Total liabilities	53,204	62,454
Net assets		
Shareholders' equity		
Share capital	4,184	4,184
Capital surplus	0	13
Retained earnings	30,379	38,634
Treasury shares	(889)	(884)
Total shareholders' equity	33,675	41,948
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,318	2,242
Deferred gains or losses on hedges	48	(25)
Revaluation reserve for land	1,977	1,977
Foreign currency translation adjustment	(727)	3,681
Remeasurements of defined benefit plans	17	17
Total accumulated other comprehensive income	3,634	7,894
Non-controlling interests	168	196
Total net assets	37,478	50,039
Total liabilities and net assets	90,682	112,493

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Net sales	93,677	105,858
Cost of sales	57,944	66,514
Gross profit	35,733	39,344
Selling, general and administrative expenses	24,212	26,625
Operating profit	11,520	12,718
Non-operating income		
Interest income	15	26
Dividend income	78	92
Rental income from real estate	4	4
Foreign exchange gains	214	265
Other	266	506
Total non-operating income	579	895
Non-operating expenses		
Interest expenses	152	194
Loss on retirement of non-current assets	75	77
Other	0	117
Total non-operating expenses	228	389
Ordinary profit	11,871	13,224
Extraordinary income		
Gain on sale of non-current assets	3	5
Gain on sale of investment securities	–	18
Total extraordinary income	3	23
Extraordinary losses		
Loss on sale of non-current assets	4	9
Impairment losses	0	1
Other	1	0
Total extraordinary losses	6	11
Profit before income taxes	11,868	13,236
Income taxes - current	3,000	3,587
Profit	8,868	9,649
Profit attributable to non-controlling interests	11	16
Profit attributable to owners of parent	8,856	9,633

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended December 31

(Million yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Profit	8,868	9,649
Other comprehensive income		
Valuation difference on available-for-sale securities	(158)	(75)
Deferred gains or losses on hedges	(13)	(74)
Foreign currency translation adjustment	991	4,426
Remeasurements of defined benefit plans, net of tax	16	0
Total other comprehensive income	835	4,276
Comprehensive income	9,703	13,926
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,678	13,892
Comprehensive income attributable to non-controlling interests	24	33

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

For the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

Not applicable.

(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)

Calculation of tax expense

The Company calculates tax expense by multiplying profit before income taxes by an effective tax rate that was reasonably estimated after applying tax effect accounting to profit before income taxes for the fiscal year under review.

(Segment information, etc.)

[Segment information]

For the nine months ended December 31, 2021 (from April 1, 2021 to December 31, 2021)

1. Information on net sales and profit (loss) and information on disaggregation of revenue by reportable segment (Million yen)

	Reportable segment				Total
	Japan	Americas	Europe	Asia and Oceania	
Net sales					
Revenue from contracts with customers	58,840	8,481	10,538	15,816	93,677
Other revenue	—	—	—	—	—
Net sales to outside customers	58,840	8,481	10,538	15,816	93,677
Inter-segment net sales or transfers	5,094	13	0	15,136	20,245
Total	63,935	8,495	10,538	30,952	113,922
Segment profit	8,405	198	1,113	3,761	13,478

2. Difference between total amount of profit (loss) of reportable segments and amounts recorded in quarterly consolidated statements of income, and content thereof (matters related to difference adjustment)

(Million yen)

Profit	Amount
Reportable segment total	13,478
Company-wide expenses (Note)	(1,957)
Operating profit in the quarterly consolidated statements of income	11,520

(Note) Company-wide expenses are mainly general and administrative expenses that are not attributable to reportable segments.

For the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

1. Information on net sales and profit (loss) and information on disaggregation of revenue by reportable segment
(Million yen)

	Reportable segment				Total
	Japan	Americas	Europe	Asia and Oceania	
Net sales					
Revenue from contracts with customers	60,304	11,438	11,170	22,944	105,858
Other revenue	—	—	—	—	—
Net sales to outside customers	60,304	11,438	11,170	22,944	105,858
Inter-segment net sales or transfers	7,094	9	—	20,627	27,731
Total	67,399	11,447	11,170	43,571	133,589
Segment profit	7,878	272	535	6,998	15,685

2. Difference between total amount of profit (loss) of reportable segments and amounts recorded in quarterly consolidated statements of income, and content thereof (matters related to difference adjustment)

(Million yen)

Profit	Amount
Reportable segment total	15,685
Company-wide expenses (Note)	(2,966)
Operating profit in the quarterly consolidated statements of income	12,718

(Note) Company-wide expenses are mainly general and administrative expenses that are not attributable to reportable segments.

(Matters related to revenue recognition)

The information on disaggregation of revenue from contracts with customers is described in “(Segment information, etc.)” of the notes.