



# **Financial Results**

# **Fiscal Year Ending March 31, 2023**

Yonex Co., Ltd.

(Tokyo Stock Exchange Code: 7906)

May 11, 2023

# Key Performance Highlights



## □ **Net Sales Increased by 43.7% Y/Y to JPY107bn**

- Achieved record-high sales due to strong demand in all regions, and despite the concerns over inflation, economic slowdown, and geopolitical risks.
- Yen depreciation contributed to sales increases in overseas subsidiaries, where sales also increased in local currency terms.

## □ **Operating Profit Increased by 49.3% Y/Y to JPY10bn**

- Achieved record-high profit due to higher sales and a subsequent increase in gross profit, which offset the negative impacts of raw material price hikes and higher purchasing costs caused by yen depreciation.
- SGA increased as we stepped up our marketing activities.

## □ **Forecasts for FY3/24**

- While lower than the growth seen in FY3/23, we expect to maintain moderate growth.
- We will invest aggressively in marketing and human resources to build the foundations that enable us to achieve mid- to long-term growth.

# Consolidated Income Statement



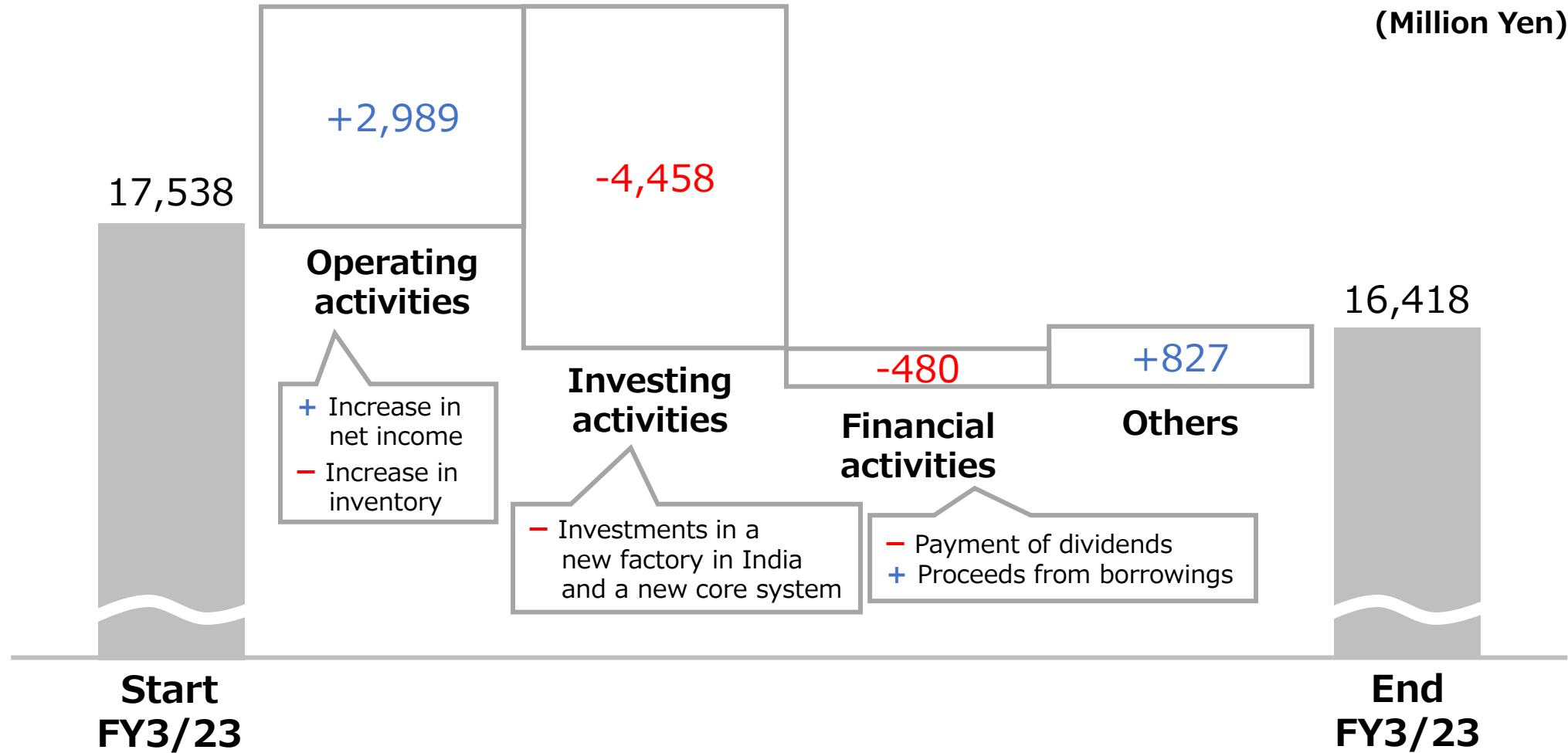
(Million yen)	FY3/22	FY3/23	Y/Y	
Net Sales	74,485	107,019	+32,534	+43.7%
Gross Profit	33,395	45,905	+12,510	+37.5%
Gross Profit Margin	44.8%	42.9%	—	-1.9%pt
SGA	26,656	35,842	+9,185	+34.5%
Operating Profit	6,738	10,063	+3,324	+49.3%
Operating Profit Margin	9.0%	9.4%	—	+0.4%pt
Ordinary Profit	7,246	9,961	+2,715	+37.5%
Net Profit	5,780	7,331	+1,551	+26.8%
EPS (Yen)	66.11	84.05	+17.94	+27.1%
ROE	13.6%	14.9%	—	+1.3%pt

# Consolidated Balance Sheets



	(Million yen)	End FY3/22	End FY3/23	Change
Asset	Current Assets	44,841	53,465	+8,624
	Cash and Deposits	17,922	16,912	-1,010
	Notes and Accounts Receivable-Trade	12,676	15,030	+2,353
	Inventory	11,792	18,832	+7,040
	Non-Current Assets	21,457	25,955	+4,497
	<b>Total Assets</b>	<b>66,299</b>	<b>79,421</b>	<b>+13,122</b>
Liabilities	Total Liabilities	20,569	26,321	+5,752
	Debt with Interest	2,447	4,026	+1,579
	Total Net Assets	45,729	53,099	+7,370
	Equity Ratio	68.8%	66.6%	-2.2%pt
	<b>Total Liabilities and Net Assets</b>	<b>66,299</b>	<b>79,421</b>	<b>+13,122</b>

# Consolidated Cash Flow

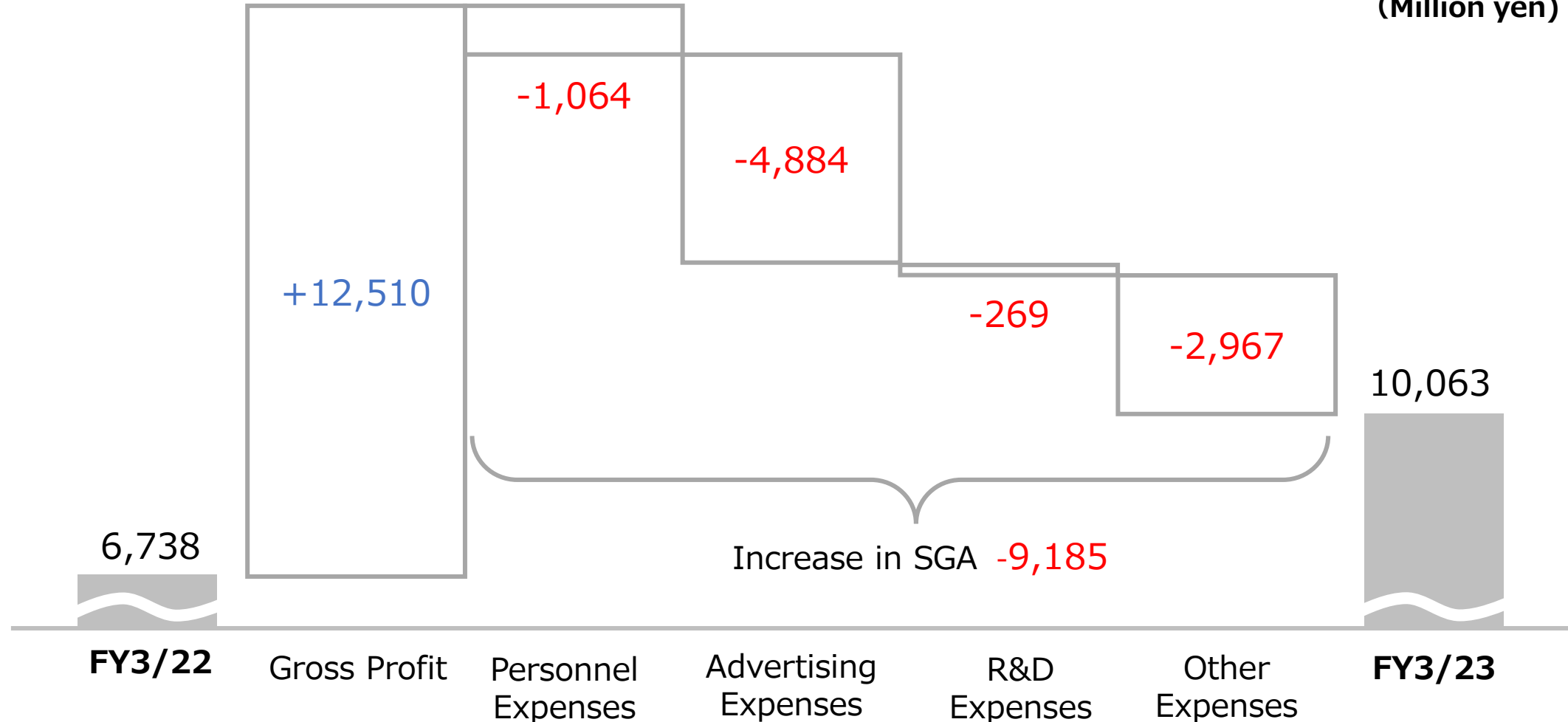


# Operating Profit Changes



Increase in gross profit offset the negative impact of the rise in SGA.

(Million yen)



# Reported Segment Information



(Million yen)		FY3/22	FY3/23	Y/Y	
Sporting Goods Division	Japan	Net Sales	37,515	47,750	+27.3%
		Operating Profit	1,494	1,478	-1.1%
	Asia	Net Sales	30,968	49,662	+60.4%
		Operating Profit	4,977	8,821	+77.2%
	North America	Net Sales	3,194	5,257	+64.6%
		Operating Profit	274	423	+54.3%
	Europe	Net Sales	2,336	3,815	+63.3%
		Operating Profit	74	171	+128.8%
Sports Facilities Division	Net Sales	469	533	+13.7%	
	Operating Profit	38	58	+53.1%	

\*From FY3/23, the Asia segment includes the results of our Thailand tennis ball manufacturer, YONEX TECNIFIBRE CO., LTD.

Japan Segment:	Domestic sales, and exports and intermediary sales to areas without subsidiaries → Southeast Asia, India, Korea, Denmark and others
Asia Segment:	China and Taiwan subsidiaries, India and Thailand subsidiaries (Manufacturing)
North America Segment:	US and Canada subsidiaries
Europe Segment:	UK and Germany subsidiaries

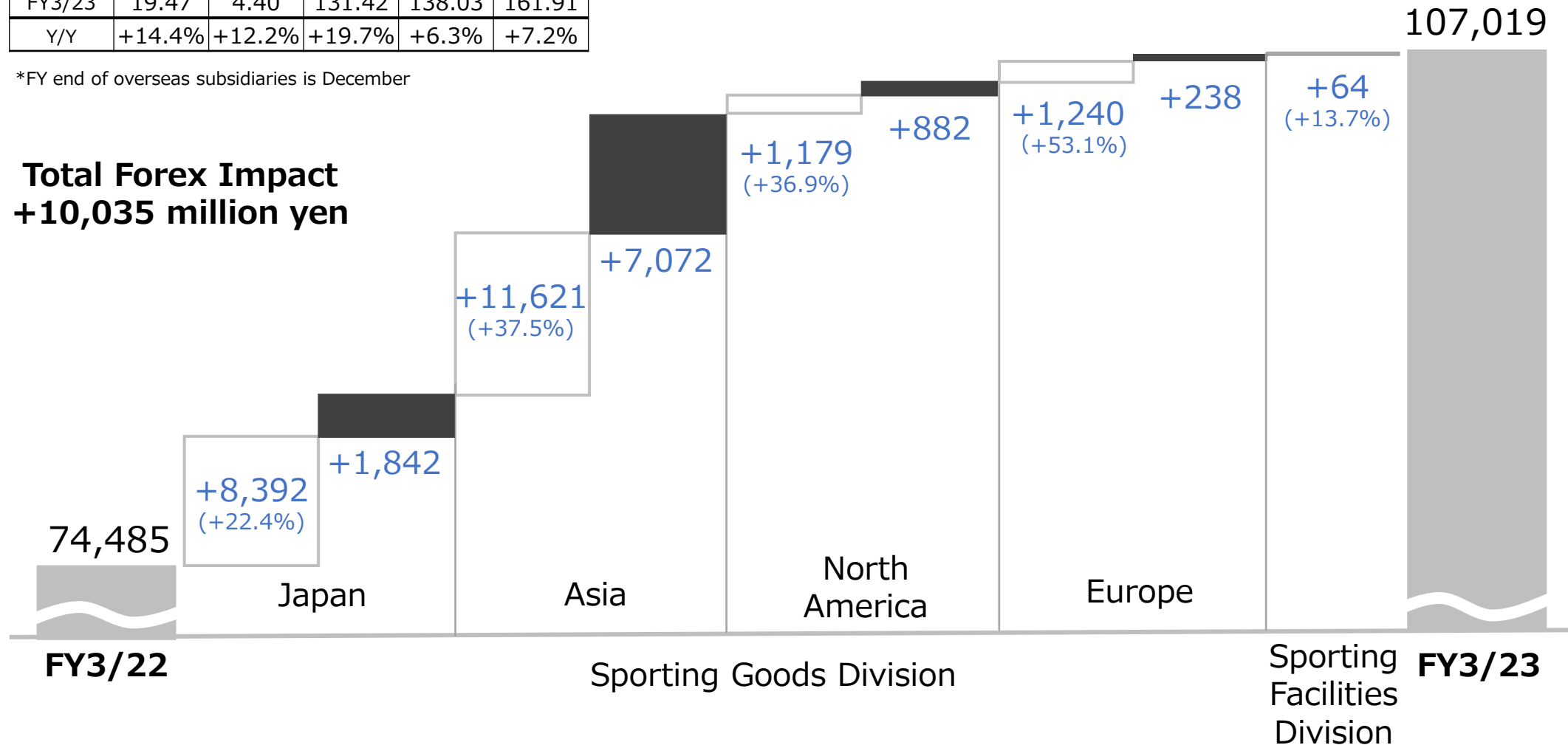
# Net Sales Change and Forex Impact (Reported Segments)



Forex Rate	RMB	TWD	USD	EUR	GBP
FY3/22	17.02	3.92	109.79	129.88	151.07
FY3/23	19.47	4.40	131.42	138.03	161.91
Y/Y	+14.4%	+12.2%	+19.7%	+6.3%	+7.2%

Local Currency Basis    Forex Impact

(Million yen)



\*FY end of overseas subsidiaries is December

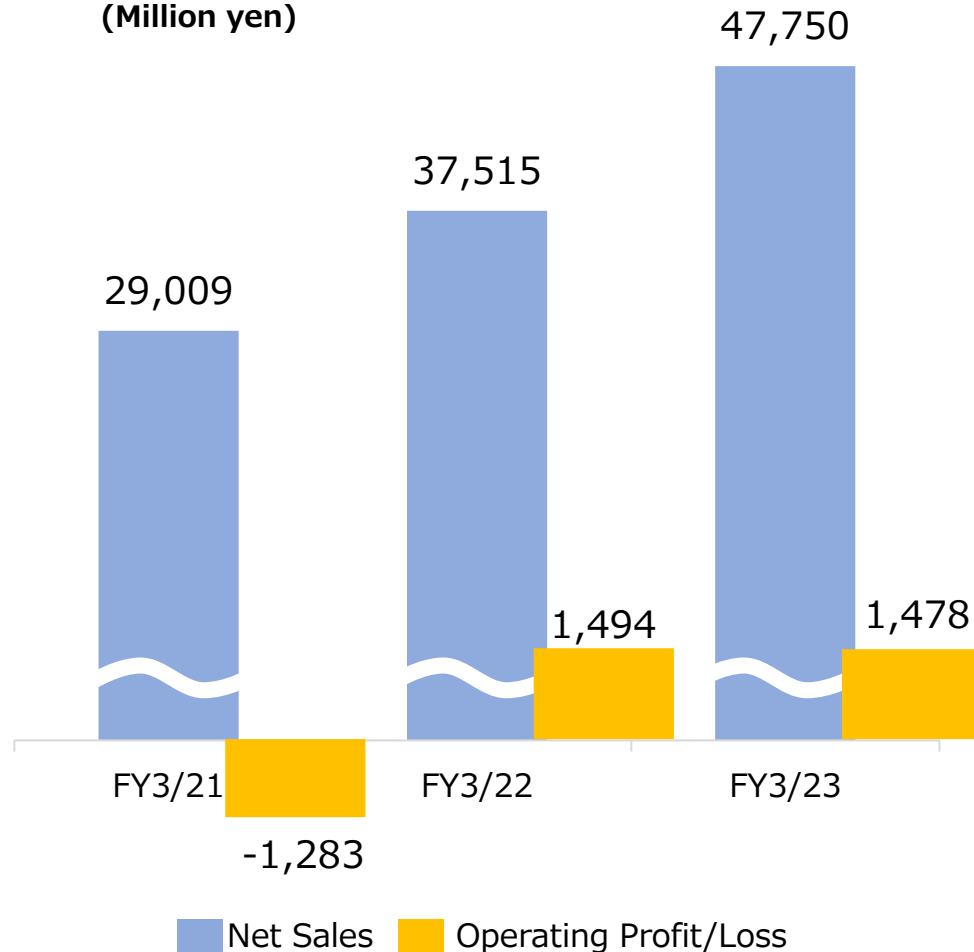


# Net Sales and Operating Profit of Sporting Goods Division (Reported Segments)



## Japan

(Million yen)



## Net Sales (+27.3% Y/Y)

- Domestic Sales
  - Demand from club activities recovered in badminton and soft tennis, and tennis sales, especially for racquets, continued to increase.
  - Sales of racquets, shoes, and apparel increased in each sport due to strong sales of new products.
- Sales to overseas distributors
  - Demand increased as sports activities fully resumed.
  - Resumption of international badminton tournaments and remarkable results of Yonex sponsored athletes also led to significant sales growth.

## Operating Profit (-1.1% Y/Y)

- Lower gross profit margin due to raw material price hikes and higher costs of imports caused by yen depreciation.
- Higher SGA expenses, including advertising and personnel expenses also contributed to the lower profit.

\*Reference Forex Rate Average (USD) FY3/22 ¥ 112.37 → FY3/23 ¥ 136.46

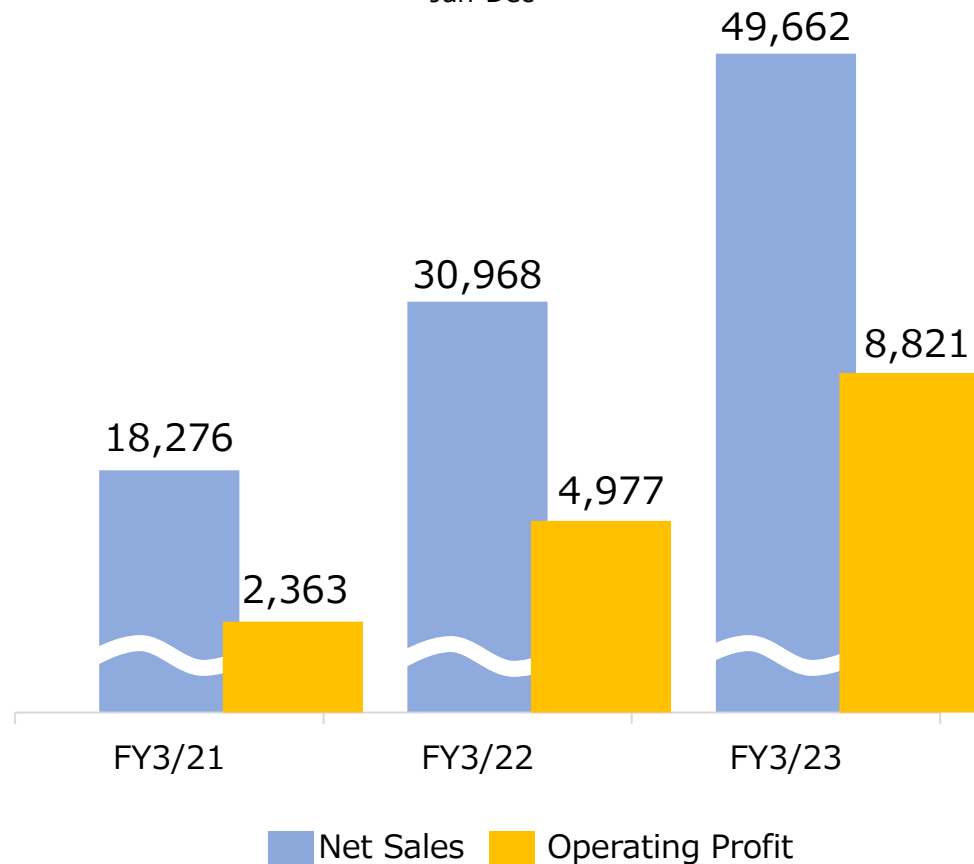
# Net Sales and Operating Profit of Sporting Goods Division (Reported Segments)



## Asia (Million yen)

Forex Rate	FY3/21	FY3/22	FY3/23
RMB	15.47	17.02	19.47
TWD	3.61	3.92	4.40

\*Jan-Dec



## Net Sales (+60.4% Y/Y)

- China
  - People's interest in participating in sports and the popularity of badminton remained strong from the last fiscal year.
  - Implementation of product trial events and competitions led to the expansion of the player base.
  - COVID-19 outbreaks occurred in April-May (2Q) and December (4Q) 2022, but their impacts were limited.
  - Yen depreciation also contributed to sales growth.
- Taiwan
  - Sales grew due to strong popularity of badminton on the back of resumption of domestic tournaments and strong performances of local athletes in international competitions held in Taiwan.

## Operating Profit (+77.2% Y/Y)

- SGA increased due to higher advertising expenses for marketing investments in China.
- The higher gross profit accompanying sales growth contributed significantly to operating profit growth.

\*From FY3/23, the Asia segment includes the results of our Thailand tennis ball manufacturer, YONEX TECNIFIBRE CO., LTD.

# Net Sales and Operating Profit of Sporting Goods Division (Reported Segments)

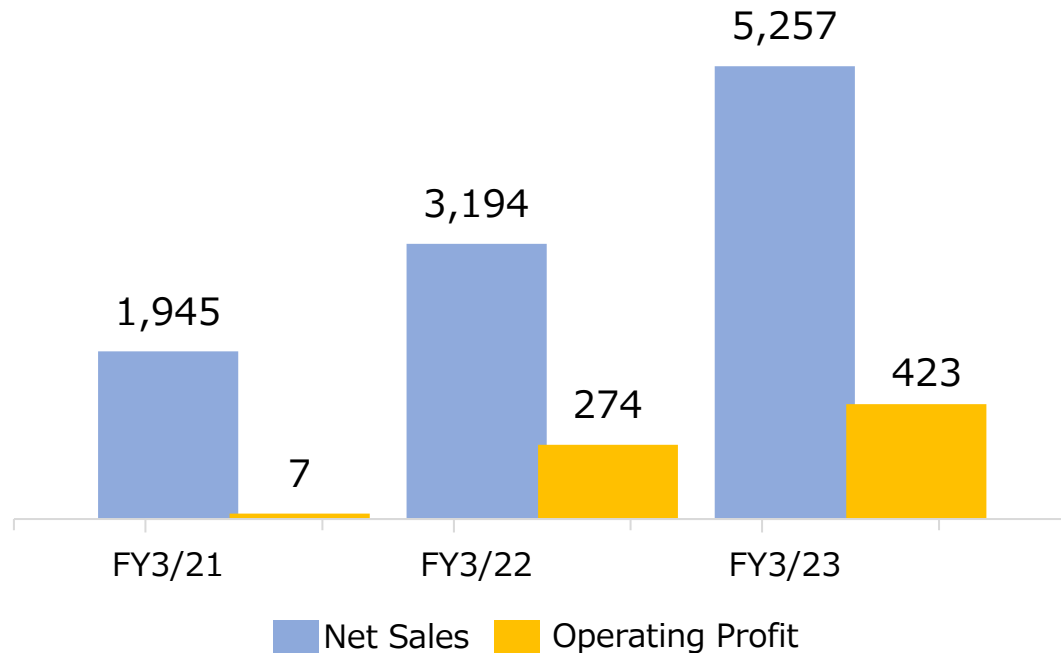


## North America

(Million yen)

Forex Rate	FY3/21	FY3/22	FY3/23
USD	106.81	109.79	131.42

\*Jan-Dec



## Net Sales (+64.6% Y/Y)

- Badminton sales grew due to the reopening of sports facilities and restart of sports club activities.
- Tennis sales remained strong, although the growth rate weakened slightly from the last fiscal year due to industry-wide inventory increases.
- Yen depreciation also contributed to sales growth.

## Operating Profit (+54.3% Y/Y)

- The increase in gross profit due to higher sales offset the increase in SGA including advertising and personnel expenses.

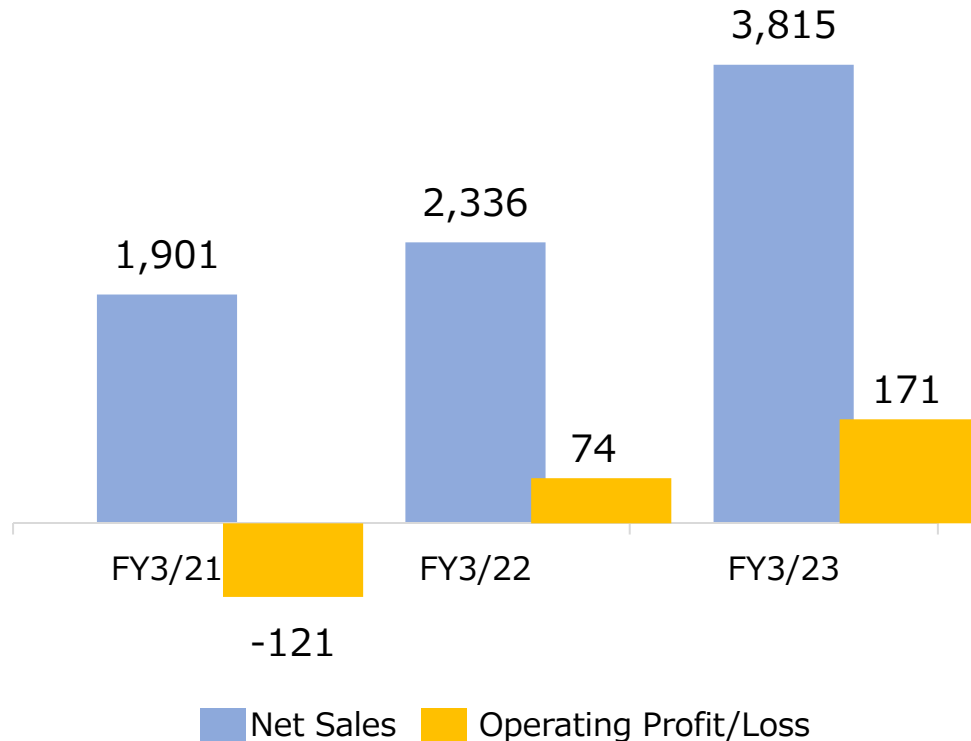
# Net Sales and Operating Profit of Sporting Goods Division (Reported Segments)



## Europe (Million yen)

Forex Rate	FY3/21	FY3/22	FY3/23
EUR	121.80	129.88	138.03
GBP	137.07	151.07	161.91

\*Jan-Dec



## Net Sales (+63.3% Y/Y)

- Badminton sales increased as the market was revitalized by the reopening of badminton facilities, restart of international tournaments, and our successful marketing activities.
- Strong popularity of tennis led to a sales increase of racquets and other tennis equipment.

## Operating Profit (+128.8% Y/Y)

- The increase in gross profit due to higher sales offset the increase in SGA including advertising and personnel expenses.

# Consolidated Net Sales by Sports Categories



		FY3/23									
(Million yen)		Japan	Y/Y		Overseas	Y/Y		Total	Y/Y		Sales Composition
Sporting Goods Division	Badminton Overseas sales composition: Y/Y	11,393	+2,133	+23.0%	53,899 82.6%: +4.0%pt	+19,858	+58.3%	65,292	+21,991	+50.8%	61.0%
	Tennis Overseas sales composition: Y/Y	7,291	+676	+10.2%	10,204 58.3%: +15.8%pt	+5,320	+108.9%	17,495	+5,997	+52.2%	16.3%
	Golf Overseas sales composition: Y/Y	814	+104	+14.8%	1,189 59.4%: +6.2%pt	+383	+47.5%	2,004	+487	+32.2%	1.9%
	Others Apparel and accessories Overseas sales composition: Y/Y	12,113	+914	+8.2%	9,580 44.2%: +7.5%pt	+3,078	+47.4%	21,694	+3,993	+22.6%	20.3%
Sports Facilities Division		533	+64	+13.7%	—	—	—	533	+64	+13.7%	0.5%
Total Overseas Sales Composition: Y/Y		32,146	+3,893	+13.8%	74,873 70.0%: +7.9%pt	+28,640	+61.9%	107,019	+32,534	+43.7%	100.0%

Badminton: Racquets, shuttlecocks, strings and shoes for badminton  
 Tennis: Racquets, strings, shoes and balls for both tennis and soft tennis  
 Golf: Clubs, shafts, apparel, bags, shoes and other accessories for golf  
 Others: Tennis and badminton apparel, bags, accessories, walking and running shoes, snowboards, athletic apparel and sports cycles

\*"Overseas" include exports and intermediary sales from Japan to areas without subsidiaries.

# Consolidated Earnings Forecasts for FY3/24



**We will invest to build the foundations that will enable us to achieve mid- to long-term growth while maintaining moderate growth.**

- We expect a growing number of people around the world to enjoy sports as the awareness of the value of sports in maintaining peoples' health grows.
- The business environment is expected to remain uncertain due to fears over inflation, economic slowdown, and geopolitical risks.
- Our profit forecasts include assumptions for aggressive investments in marketing and human resources, and an increase in depreciation accompanying higher capital investments.

Forex Rate	FY3/23 Results	FY3/24 Forecasts
RMB	19.47	19.0
TWD	4.4	4.3
USD	131.42	135
EUR	138.03	140
GBP	161.91	160

(Million Yen)	FY3/23 Results		FY3/24 Forecasts		Y/Y	
	1H	Full Year	1H	Full Year	1H	Full Year
Net Sales	50,092	107,019	<b>57,000</b>	<b>116,000</b>	+13.8%	+8.4%
Operating Income	7,116	10,063	<b>6,200</b>	<b>10,700</b>	-12.9%	+6.3%
Operating Profit Ratio	14.2%	9.4%	<b>10.9%</b>	<b>9.2%</b>	-3.3%pt	-0.2%pt
Ordinary Income	7,796	9,961	<b>6,200</b>	<b>10,700</b>	-20.5%	+7.4%
Net Profit	5,595	7,331	<b>4,400</b>	<b>7,800</b>	-21.4%	+6.4%

# Dividend Policy



- **Policy:** A stable and appropriate level of dividends will be maintained.
- **FY3/23:** We plan to add an extra 2 yen to the ordinary year-end dividend of 5 yen, raising it to 7 yen per share. Consequently, our full-year dividend will be 13 yen.
- **FY3/24 (Forecast):** We expect to pay a full-year dividend of 14 yen per share.  
(Interim dividend: 7 yen, Year-end dividend: 7 yen)

	FY3/22 Results	FY3/23 Interim Dividend/ Planned Year-End Dividend	FY3/24 Forecasts
<b>1H End</b>	<b>5 yen</b>	<b>6 yen</b>	<b>7 yen</b>
Ordinary Dividend	3 yen	5 yen	7 yen
Extra Dividend	1 yen	1 yen	—
Commemorative Dividend	1 yen	—	—
<b>FY End</b>	<b>5 yen</b>	<b>7 yen</b>	<b>7 yen</b>
Ordinary Dividend	3 yen	5 yen	7 yen
Extra Dividend	2 yen	2 yen	—
<b>Total</b>	<b>10 yen</b>	<b>13 yen</b>	<b>14 yen</b>

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# Reference Information



# Net Sales (Reported Segments)



(Million yen)	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23
Japan	38,742	38,119	29,009	37,515	47,750
Asia	17,231	18,835	18,276	30,968	49,662
North America	2,205	2,212	1,945	3,194	5,257
Europe	2,418	2,286	1,901	2,336	3,815
Sports Facilities	500	512	422	469	533
Total	61,097	61,967	51,554	74,485	107,019

Japan Segment:	Domestic sales, and exports and intermediary sales to areas without subsidiaries → Southeast Asia, India, Korea, Denmark and others
Asia Segment:	China and Taiwan subsidiaries, India and Thailand subsidiaries (Manufacturing)
North America Segment:	US and Canada subsidiaries
Europe Segment:	UK and Germany subsidiaries

# Regional Sales by Destination



(Million yen)	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23
Japan	29,990	29,350	22,766	28,252	32,146
Overseas	31,107	32,616	28,787	46,232	74,873
Asia	24,488	26,009	23,181	38,095	59,122
North America	2,205	2,212	1,945	3,194	5,263
Europe	3,877	3,760	3,131	3,484	8,662
Others	536	633	529	1,458	1,824
Total	61,097	61,967	51,554	74,485	107,019
Overseas Sales Composition	50.9%	52.6%	55.8%	62.1%	70.0%

Japan:	Domestic sales includes the sports facilities division
Asia:	China, Taiwan, Southeast Asia, Korea, India, others.
North America:	USA and Canada
Europe:	Germany, UK, France, others



Statements made in these materials with respect to plans, strategies and future performances are forward-looking statements based on information and assumptions available to Yonex when these materials were prepared. Investors are cautioned that various unforeseen factors could cause actual results to differ materially from those discussed in these forward-looking statements.