

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 [Japanese GAAP]



May 12, 2023

Company name: GLOBERIDE, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7990
 URL: <https://www.globeride.co.jp/>
 Representative: Kazunari Suzuki, Representative Director and President
 Contact: Hisaki Taniguchi, Director, Managing Executive Officer, and Division Manager, Administration Div.
 Phone: +81-42-475-2115
 Scheduled date of general shareholders' meeting: June 29, 2023
 Scheduled date of commencing dividend payments: June 8, 2023
 Scheduled date of filing securities report: June 29, 2023
 Availability of supplementary explanatory materials on annual financial results: Not available
 Schedule of annual financial results briefing session: Scheduled (for securities analysts and institutional investors)

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

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

(1) Consolidated Operating Results (% 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	%
Fiscal year ended March 31, 2023	134,583	11.5	12,125	(1.8)	12,659	(2.6)	9,188	(4.0)
March 31, 2022	120,684	20.3	12,349	66.7	12,997	81.9	9,567	99.4

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥11,373 million [4.5%]

Fiscal year ended March 31, 2022: ¥10,886 million [104.8%]

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	400.04	-	21.7	12.7	9.0
March 31, 2022	416.62	-	29.6	15.4	10.2

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2023: ¥- million

Fiscal year ended March 31, 2022: ¥- million

(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	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	109,034	47,485	43.4	2,058.92
As of March 31, 2022	90,682	37,478	41.1	1,624.71

(Reference) Equity: As of March 31, 2023: ¥47,296 million

As of March 31, 2022: ¥37,309 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2023	4,158	(3,868)	4,653	12,107
March 31, 2022	6,956	(6,847)	(2,470)	7,149

2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2022	-	40.00	-	30.00	-	1,148	12.0	3.5
March 31, 2023	-	30.00	-	30.00	60.00	1,378	15.0	3.3
March 31, 2024 (Forecast)	-	35.00	-	35.00	70.00		18.3	

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, 2024 (April 1, 2023 - March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
First half	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	76,500	2.9	9,500	0.8	9,700	(5.4)	7,000	(5.7)	304.72
	136,000	1.1	12,200	0.6	12,300	(2.8)	8,800	(4.2)	383.08

*** Notes:**

(1) Changes in significant subsidiaries during the fiscal year under review (Changes in specified subsidiaries resulting in changes in scope of consolidation): None

Newly included: -

Excluded: -

(2) 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

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the year (including treasury shares):

March 31, 2023:	24,000,000 shares
-----------------	-------------------

March 31, 2022:	24,000,000 shares
-----------------	-------------------

2) Total number of treasury shares at the end of the year:

March 31, 2023:	1,028,404 shares
-----------------	------------------

March 31, 2022:	1,036,139 shares
-----------------	------------------

3) Average number of shares outstanding during the year:

Year ended March 31, 2023:	22,968,792 shares
----------------------------	-------------------

Year ended March 31, 2022:	22,965,051 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 outstanding during the period is calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

(Reference) Summary of Non-consolidated Financial Results**1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 - March 31, 2023)****(1) Non-consolidated Operating Results** (% indicates changes from the previous corresponding period.)

Year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2023	61,712	8.6	2,249	(46.9)	5,809	(8.7)	4,491	(6.9)
March 31, 2022	56,806	18.2	4,233	105.4	6,364	100.3	4,822	209.6

Year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	195.55	-
March 31, 2022	209.98	-

(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) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2023	67,496	26,299	39.0	1,144.86
As of March 31, 2022	59,976	23,117	38.5	1,006.69

(Reference) Equity: As of March 31, 2023: ¥26,299 million

As of March 31, 2022: ¥23,117 million

* These consolidated financial results are outside the scope of audit 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 “(4) Future Outlook” in “1. Overview of Operating Results, etc.” on page 3 of the Attachments.

Table of Contents - Attachments

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	3
(3) Overview of Cash Flows for the Fiscal Year under Review	3
(4) Future Outlook	3
2. Management Policy	3
(1) Basic Policy for Corporate Management	3
(2) Target Management Indicators	4
(3) Medium- to Long-term Corporate Management Strategy	4
3. Basic Policy on Selection of Accounting Standards	5
4. Consolidated Financial Statements and Principal Notes	6
(1) Consolidated Balance Sheets	6
(2) Consolidated Statements of Income and Comprehensive Income	8
(3) Consolidated Statements of Changes in Equity	10
(4) Consolidated Statements of Cash Flows	14
(5) Notes to Consolidated Financial Statements	16
(Notes on going concern assumption)	16
(Segment information, etc.)	16
(Per share information)	19
(Significant subsequent events)	19

1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review, the Japanese economy was expected to recover economic activities due to the relaxation of the movement restrictions amid the novel coronavirus infection (COVID-19) subsiding. 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 activities after the COVID-19 pandemic, also had a stagnant recovery from the impact of the pandemic, due to rapid inflation caused by 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 sports and 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 fiscal year under review, net sales were 134,583 million yen (up 11.5% year on year). As for profit, owing to yen depreciation, rising raw material prices and an increase in selling expense, such as shipping cost, operating profit was 12,125 million yen (down 1.8% year on year), ordinary profit was 12,659 million yen (down 2.6% year on year) and profit attributable to owners of parent was 9,188 million yen (down 4.0% year on year).

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

1) 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 87,071 million yen (up 5.5% year on year). On the other hand, segment profit was 7,309 million yen (down 17.1% year on year) because of driving up import purchasing costs by rapid yen's depreciation.

2) 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, net sales were 13,945 million yen (up 37.7% year on year), partially due to positive performance of new products and yen depreciation, and segment profit was 238 million yen (up 22.5% year on year).

3) Europe

In Europe, the prolonged Russia and Ukraine situation indirectly caused rapid inflation and affected consumption patterns. Under such circumstances, launching products catered to local needs led to net sales of 14,465 million yen (up 6.7% year on year). As for profit, however, increased logistic costs, soaring energy prices, and other factors drove up selling, general and administrative expenses, and this resulted in segment profit of 142 million yen (down 86.7% year on year).

4) 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 56,847 million yen (up 32.9% year on year) and segment profit was 8,325 million yen (up 66.4% year on year).

(2) Overview of Financial Position for the Fiscal Year under Review

Total assets at the end of the fiscal year under review increased 18,351 million yen from the end of the previous fiscal year to 109,034 million yen. This is primarily due to an increase in inventories because of sale expansion and another increase in property, plant and equipment resulted from capital investment.

Total liabilities increased 8,343 million yen from the end of the previous fiscal year to 61,548 million yen. This is primarily due to an increase in borrowings.

Total net assets increased 10,007 million yen from the end of the previous year to 47,485 million yen. This is primarily due to the recording of profit attributable to owners of parent.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents at the end of the fiscal year under review increased 4,958 million yen from the end of the previous fiscal year to 12,107 million yen (7,149 million yen at the end of the previous fiscal year).

(Cash Flows from Operating Activities)

Net cash provided by operating activities was 4,158 million yen (an inflow of 6,956 million yen for the previous fiscal year). This is due to the recording of profit before income taxes and an increase in inventories.

(Cash Flows from Investing Activities)

Net cash used in investing activities was 3,868 million yen (an outflow of 6,847 million yen for the previous fiscal year). This is due to capital investment mainly in production facilities and molds for new products.

(Cash Flows from Financing Activities)

Net cash provided by financing activities was 4,653 million yen (an outflow of 2,470 million yen for the previous fiscal year). This is mainly due to an increase in borrowings.

(4) Future Outlook

Looking ahead, the situation at home and abroad remains unstable due to the prolonged Russia and Ukraine situation, though the domestic and international economies have emerged from the COVID-19 pandemic. In addition, the market environment of the outdoor, sports and leisure industry, in which the Group operates, is expected to need more strength due to the diversification of sports and leisure activities. Nonetheless, the Group will continue to adhere to “aggressive management,” and strive as one for further progress to establish a business foundation that enables sustained growth.

Meanwhile, raw material price hike in the global market is expected to drive up the purchasing costs and selling and other expenses. As for the financial results forecast for the next fiscal year, the Group expects to record consolidated net sales of 136,000 million yen (up 1.1% year on year), consolidated operating profit of 12,200 million yen (up 0.6% year on year), consolidated ordinary profit of 12,300 million yen (down 2.8% year on year) and profit attributable to owners of parent of 8,800 million yen (down 4.2% year on year).

2. Management Policy

(1) Basic Policy for Corporate Management

The Group builds on the slogan of “Feel the earth,” and contributes to people around the world who love nature and sports as “A Lifetime Sports Company” that offers quality time in life through sports everywhere on the earth.

(2) Target Management Indicators

The Group announced the “New Mid-term Business Plan 2025 (FY2022-FY2025),” last year and set targets to be achieved by the final year (FY2025) as follows:

	Targets	Reference	
	FY2025 (April 1, 2025 to March 31, 2026)	FY2021 (April 1, 2021 to March 31, 2022)	Change from FY2021
Consolidated net sales	¥150.0 billion	¥120.7 billion	24% increase
Consolidated operating profit	¥14.5 billion	¥12.3 billion	17% increase
Dividend per share (annual)	¥90	¥50*	¥40 increase*

* Dividend per share reflects the impact of the stock split.

(3) Medium- to Long-term Corporate Management Strategy

After going through the harsh business environment such as the financial crisis in 2008 and the Great East Japan Earthquake in 2011, the Group shifted its pivot from defense to offense in FY2012 and has since strived to expand sales, based on the belief that downsizing will get the Group nowhere in the future.

In FY2022, market conditions in the outdoor, sports and leisure industry, in which the Group operates, remained weak, affected by the dispersion of leisure time activities to other sports and leisure activities that have been restricted, and the pressure on household budgets due to high prices.

Amid the situation, however, the Group strived to create and popularize lifetime sports (sports that enrich life). As a result of these efforts, the Company increased its sales for 11 consecutive fiscal years, reported record high profits and raised dividends for 12 consecutive fiscal years.

The future market environment is expected to remain unpredictable, as exemplified in part by the Russia and Ukraine situation, unpredictable global economy as well as the problems of the declining birthrate and aging population and a decrease in the total population in Japan. However, based on the efforts and results so far, the Group will continue to adhere to “aggressive management,” and strive as one for further progress to establish a management foundation that enables sustained growth.

(Overview of Strategy by Business)

[Fishing business]

The fishing business is the Company’s mainstay business. The Company leads the fishing industry globally.

Under the fishing brand of “DAIWA”, the fishing business develops innovative “DAIWA TECHNOLOGY” and offers products derived from the technology, creates future lifestyles where fishing and the earth are felt in daily life, and nurtures a sustainable environment, in order to help people feel the best moments, “Feel Alive.” With the “DAIWA” brand, the fishing business leads the global fishing market.

[Golf business]

The golf business aims to improve the brand value by promoting sophisticated and unique brands. The main brands of the golf business include “ONOFF”, which proposes stylish and superior golf for adults, “FOURTEEN”, which offers the best 14 golf clubs for every golfer, and “RODDIO”, which captivates all golfers that pursue their own only one.

[Sports business]

The sports business aims to improve the brand value by optimizing each brand and developing products and services that adapted to the Japanese market. The main brands of the sports business include “Prince”, which proposes racket sports life on and off the court with the integrity formed in the course of its history and innovative technology that even changes users’ play styles, “Corratec”, which proposes the joy of running and winning, and “FOCUS”, which is the core brand name of our cycle sports business.

Furthermore, the Company has set out the initiatives that are key to management strategy as follows:

1) Pursue market superiority

The Company will build a unique business foundation that can respond to market demands, aiming at increasing the planning/development capabilities for creating new excitement in life and the capabilities for offering high-quality, high-value products, and further improving the brand awareness, brand trust and brand satisfaction.

2) Invigorate the Japanese market and make it healthy

The Company will strive for invigorating the Japanese market and making it healthy by focusing on developing attractive markets and retailers, enhancing follow-up services, innovating the logistics function, and making fans that bears the next generation.

3) Capture overseas markets

The Company will strengthen global marketing that integrates production with sale, promote the global four-bloc strategy, and strive for providing products/services suitable for individual market characteristics.

4) Sustainability initiatives

The Company will contribute to “realizing a sustainable society where people and nature coexist” by driving carbon-free business management aimed at carbon neutrality, conserving abundant forests and the water, developing sustainable products/services, providing opportunities to learn the environment through programs to feel nature, and promoting work environment where employees enjoy job satisfaction and play active roles.

3. Basic Policy on Selection of Accounting Standards

Some of the accounting standards used to describe the financial position and operating results of the Group differ between Japanese GAAP and IFRS. The Company currently regards Japanese GAAP as appropriate. Therefore, the Company intends to prepare its consolidated financial statements using Japanese GAAP for the time being.

4. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheets

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	8,165	12,875
Notes and accounts receivable - trade	11,140	12,956
Electronically recorded monetary claims - operating	377	243
Merchandise and finished goods	26,217	34,274
Work in process	4,997	4,397
Raw materials and supplies	4,848	5,487
Other	3,773	3,998
Allowance for doubtful accounts	(392)	(494)
Total current assets	59,126	73,738
Non-current assets		
Property, plant and equipment		
Buildings and structures	14,189	16,597
Accumulated depreciation	(8,287)	(9,131)
Buildings and structures, net	5,901	7,466
Machinery, equipment and vehicles	13,413	15,590
Accumulated depreciation	(8,469)	(9,651)
Machinery, equipment and vehicles, net	4,943	5,938
Land	5,348	5,484
Construction in progress	1,622	1,920
Other	17,137	18,428
Accumulated depreciation	(14,823)	(16,081)
Other, net	2,313	2,346
Total property, plant and equipment	20,129	23,156
Intangible assets		
Other	1,597	1,725
Total intangible assets	1,597	1,725
Investments and other assets		
Investment securities	4,952	5,059
Deferred tax assets	2,517	2,947
Retirement benefit asset	32	98
Other	2,366	2,349
Allowance for doubtful accounts	(39)	(39)
Total investments and other assets	9,829	10,413
Total non-current assets	31,556	35,296
Total assets	90,682	109,034

(Million yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,235	6,151
Electronically recorded obligations - operating	8,816	8,882
Short-term borrowings	15,688	18,414
Accounts payable - other	3,933	5,603
Income taxes payable	2,218	1,325
Provision for bonuses	873	927
Provision for bonuses for directors (and other officers)	27	47
Other	3,202	3,337
Total current liabilities	40,996	44,690
Non-current liabilities		
Long-term borrowings	5,017	9,599
Deferred tax liabilities for land revaluation	889	889
Retirement benefit liability	5,513	5,645
Other	787	723
Total non-current liabilities	12,207	16,857
Total liabilities	53,204	61,548
Net assets		
Shareholders' equity		
Share capital	4,184	4,184
Capital surplus	0	13
Retained earnings	30,379	38,190
Treasury shares	(889)	(884)
Total shareholders' equity	33,675	41,503
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,318	2,438
Deferred gains or losses on hedges	48	(16)
Revaluation reserve for land	1,977	1,977
Foreign currency translation adjustment	(727)	1,479
Remeasurements of defined benefit plans	17	(85)
Total accumulated other comprehensive income	3,634	5,793
Non-controlling interests	168	189
Total net assets	37,478	47,485
Total liabilities and net assets	90,682	109,034

(2) Consolidated Statements of Income and Comprehensive Income
 Consolidated Statements of Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	120,684	134,583
Cost of sales	74,971	85,596
Gross profit	45,712	48,987
Selling, general and administrative expenses	33,363	36,861
Operating profit	12,349	12,125
Non-operating income		
Interest income	28	70
Dividend income	87	100
Rental income from real estate	6	6
Foreign exchange gains	430	283
Royalty income	75	103
Other	411	544
Total non-operating income	1,039	1,108
Non-operating expenses		
Interest expenses	207	290
Loss on retirement of non-current assets	114	92
Loss on valuation of derivatives	-	73
Other	69	117
Total non-operating expenses	391	574
Ordinary profit	12,997	12,659
Extraordinary income		
Gain on sale of non-current assets	8	6
Gain on sale of investment securities	1	18
Total extraordinary income	10	24
Extraordinary losses		
Loss on sale of non-current assets	6	11
Loss on sale of investment securities	1	0
Impairment losses	0	21
Total extraordinary losses	8	33
Profit before income taxes	13,000	12,650
Income taxes - current	3,566	3,771
Income taxes - deferred	(145)	(329)
Total income taxes	3,420	3,442
Profit	9,579	9,208
Profit attributable to non-controlling interests	11	19
Profit attributable to owners of parent	9,567	9,188

Consolidated Statements of Comprehensive Income

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	9,579	9,208
Other comprehensive income		
Valuation difference on available-for-sale securities	(381)	120
Deferred gains or losses on hedges	18	(65)
Foreign currency translation adjustment	1,586	2,212
Remeasurements of defined benefit plans, net of tax	82	(102)
Total other comprehensive income	1,307	2,165
Comprehensive income	10,886	11,373
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,856	11,347
Comprehensive income attributable to non-controlling interests	29	25

(3) Consolidated Statements of Changes in Equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,184	-	21,791	(881)	25,093
Cumulative effects of changes in accounting policies			(60)		(60)
Restated balance	4,184	-	21,730	(881)	25,033
Changes during period					
Dividends of surplus			(918)		(918)
Profit attributable to owners of parent			9,567		9,567
Purchase of treasury shares				(7)	(7)
Disposal of treasury shares		0		0	1
Net changes in items other than shareholders' equity					
Total changes during period	-	0	8,649	(7)	8,642
Balance at end of period	4,184	0	30,379	(889)	33,675

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	2,699	30	1,977	(2,296)	(65)	2,345
Cumulative effects of changes in accounting policies						
Restated balance	2,699	30	1,977	(2,296)	(65)	2,345
Changes during period						
Dividends of surplus						
Profit attributable to owners of parent						
Purchase of treasury shares						
Disposal of treasury shares						
Net changes in items other than shareholders' equity	(381)	18	-	1,568	82	1,288
Total changes during period	(381)	18	-	1,568	82	1,288
Balance at end of period	2,318	48	1,977	(727)	17	3,634

	Non-controlling interests	Total net assets
Balance at beginning of period	138	27,577
Cumulative effects of changes in accounting policies		(60)
Restated balance	138	27,517
Changes during period		
Dividends of surplus		(918)
Profit attributable to owners of parent		9,567
Purchase of treasury shares		(7)
Disposal of treasury shares		1
Net changes in items other than shareholders' equity	29	1,318
Total changes during period	29	9,960
Balance at end of period	168	37,478

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,184	0	30,379	(889)	33,675
Cumulative effects of changes in accounting policies					-
Restated balance	4,184	0	30,379	(889)	33,675
Changes during period					
Dividends of surplus			(1,378)		(1,378)
Profit attributable to owners of parent			9,188		9,188
Purchase of treasury shares				(3)	(3)
Disposal of treasury shares		13		7	20
Net changes in items other than shareholders' equity					
Total changes during period	-	13	7,810	4	7,827
Balance at end of period	4,184	13	38,190	(884)	41,503

	Accumulated other comprehensive income					
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income
Balance at beginning of period	2,318	48	1,977	(727)	17	3,634
Cumulative effects of changes in accounting policies						
Restated balance	2,318	48	1,977	(727)	17	3,634
Changes during period						
Dividends of surplus						
Profit attributable to owners of parent						
Purchase of treasury shares						
Disposal of treasury shares						
Net changes in items other than shareholders' equity	120	(65)	-	2,206	(102)	2,159
Total changes during period	120	(65)	-	2,206	(102)	2,159
Balance at end of period	2,438	(16)	1,977	1,479	(85)	5,793

	Non-controlling interests	Total net assets
Balance at beginning of period	168	37,478
Cumulative effects of changes in accounting policies		-
Restated balance	168	37,478
Changes during period		
Dividends of surplus		(1,378)
Profit attributable to owners of parent		9,188
Purchase of treasury shares		(3)
Disposal of treasury shares		20
Net changes in items other than shareholders' equity	20	2,179
Total changes during period	20	10,007
Balance at end of period	189	47,485

(4) Consolidated Statements of Cash Flows

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	13,000	12,650
Depreciation	2,997	3,495
Impairment losses	0	21
Increase (decrease) in allowance for doubtful accounts	(97)	55
Increase (decrease) in provision for bonuses	103	49
Increase (decrease) in provision for bonuses for directors (and other officers)	4	19
Increase (decrease) in retirement benefit liability	(107)	(98)
Interest and dividend income	(116)	(170)
Interest expenses	207	290
Foreign exchange losses (gains)	(111)	(118)
Loss (gain) on sale of property, plant and equipment	(2)	5
Loss on retirement of property, plant and equipment	114	92
Decrease (increase) in trade receivables	(17)	(745)
Decrease (increase) in inventories	(7,754)	(6,036)
Decrease (increase) in other current assets	(652)	(91)
Increase (decrease) in trade payables	1,219	(685)
Increase (decrease) in accounts payable - other	634	173
Increase (decrease) in other current liabilities	176	56
Increase (decrease) in guarantee deposits received	21	11
Other non-operating expenses (income)	(6)	(6)
Loss (gain) on sale of investment securities	(0)	(18)
Other, net	61	11
Subtotal	9,674	8,963
Interest and dividends received	116	170
Interest paid	(218)	(284)
Income taxes paid	(2,622)	(4,696)
Other proceeds	6	6
Net cash provided by (used in) operating activities	6,956	4,158

(Million yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Cash flows from investing activities		
Payments into time deposits	(580)	(612)
Proceeds from withdrawal of time deposits	33	929
Purchase of securities	(6,600)	-
Proceeds from sale and redemption of securities	6,600	-
Purchase of property, plant and equipment	(5,663)	(3,765)
Proceeds from sale of property, plant and equipment	46	20
Purchase of intangible assets	(495)	(511)
Purchase of investment securities	(5)	(4)
Proceeds from sale of investment securities	33	31
Loan advances	(2)	(6)
Proceeds from collection of loans receivable	31	4
Other, net	(245)	44
Net cash provided by (used in) investing activities	(6,847)	(3,868)
Cash flows from financing activities		
Proceeds from short-term borrowings	47,111	217,300
Repayments of short-term borrowings	(43,606)	(216,222)
Proceeds from long-term borrowings	-	9,500
Repayments of long-term borrowings	(4,793)	(4,068)
Purchase of treasury shares	(7)	(3)
Proceeds from sale of treasury shares	1	0
Dividends paid	(917)	(1,374)
Dividends paid to non-controlling interests	-	(5)
Other, net	(257)	(474)
Net cash provided by (used in) financing activities	(2,470)	4,653
Effect of exchange rate change on cash and cash equivalents	353	14
Net increase (decrease) in cash and cash equivalents	(2,008)	4,958
Cash and cash equivalents at beginning of period	9,157	7,149
Cash and cash equivalents at end of period	7,149	12,107

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Segment information, etc.)

[Segment information]

1. Overview of reportable segments

Reportable segments of the Group are components of the Group for which separate financial information is available and are subject to periodic review by the Board of Directors for the purpose of determining allocation of management resources and evaluating business performance.

The Group primarily produces and sells fishing goods, golf goods and racket sports goods. The Company and its consolidated subsidiaries are responsible for business in Japan, while each independent local arm is responsible for each region overseas, formulating comprehensive regional strategies as to what products to handle, and operating business activities in the region.

Therefore, the Group is composed of regional segments based on the production and sale system, and has the four reportable segments of Japan, Americas, Europe and Asia and Oceania.

2. Method of calculating net sales, profit (loss), assets, liabilities and other components by reportable segment

Profits from reportable segments are figures based on operating profit. Intersegment sales and transfers are based on actual market pricing.

3. Information on net sales, profit (loss), assets, liabilities and other components, and information on disaggregation of revenue, by reportable segment

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Million yen)

	Reportable segment				Total
	Japan	Americas	Europe	Asia and Oceania	
Net sales					
Revenue from contracts with customers	75,125	10,110	13,553	21,894	120,684
Other revenue	-	-	-	-	-
Net sales to outside customers	75,125	10,110	13,553	21,894	120,684
Inter-segment net sales or transfers	7,419	18	0	20,876	28,314
Total	82,544	10,129	13,553	42,770	148,998
Segment profit	8,812	194	1,071	5,003	15,081
Segment assets	62,118	4,431	8,704	26,722	101,977
Other components					
Depreciation	1,307	21	94	1,290	2,713
Increase in property, plant and equipment and intangible assets	3,699	13	203	2,091	6,008

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million yen)

	Reportable segment				Total
	Japan	Americas	Europe	Asia and Oceania	
Net sales					
Revenue from contracts with customers	76,002	13,933	14,465	30,182	134,583
Other revenue	-	-	-	-	-
Net sales to outside customers	76,002	13,933	14,465	30,182	134,583
Inter-segment net sales or transfers	11,069	12	-	26,664	37,746
Total	87,071	13,945	14,465	56,847	172,329
Segment profit	7,309	238	142	8,325	16,015
Segment assets	63,659	8,485	13,045	34,643	119,834
Other components					
Depreciation	1,395	21	100	1,626	3,143
Increase in property, plant and equipment and intangible assets	1,752	186	106	3,575	5,621

4. Difference between total amount of reportable segments and amounts recorded in consolidated financial statements, and content thereof (matters related to difference adjustment)

(Million yen)

Net sales	Previous fiscal year	Current fiscal year
Reportable segment total	148,998	172,329
Inter-segment elimination	(28,314)	(37,746)
Net sales in the consolidated financial statements	120,684	134,583

(Million yen)

Profit	Previous fiscal year	Current fiscal year
Reportable segment total	15,081	16,015
Inter-segment elimination and company-wide expenses (Note)	(2,732)	(3,889)
Operating profit in the consolidated financial statements	12,349	12,125

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

(Million yen)

Asset	Previous fiscal year	Current fiscal year
Reportable segment total	101,977	119,834
Elimination of inter-segment assets	(22,803)	(28,643)
Company-wide assets (Note)	11,509	17,843
Total assets in the consolidated financial statements	90,682	109,034

(Note) Company-wide assets are mainly assets related to the administration division of the headquarters that are not attributable to reportable segments.

(Million yen)

Other items	Reportable segment total		Adjustment		Amounts in consolidated financial statements	
	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year	Previous fiscal year	Current fiscal year
Depreciation	2,713	3,143	224	265	2,938	3,409
Increase in property, plant and equipment and intangible assets	6,008	5,621	400	223	6,409	5,844

(Per share information)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net assets per share	¥1,624.71	¥2,058.92
Basic earnings per share	¥416.62	¥400.04

(Notes) 1. Diluted earnings per share are not presented because there are not potentially dilutive shares.

2. The Company conducted a stock split at a ratio of 2 shares per common share on October 1, 2021. Net assets per share and basic earnings per share are calculated on the assumption that the stock split was conducted at the beginning of the previous consolidated fiscal year.

3. Basis for calculating basic earnings per share is as follows:

Item	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Basic earnings per share		
Profit attributable to owners of parent (Million yen)	9,567	9,188
Amount not attributable to common shareholders (Million yen)	-	-
Profit attributable to owners of parent relating to common shares (Million yen)	9,567	9,188
Average number of common shares outstanding during the period (Shares)	22,965,051	22,968,792

4. Basis for calculating net assets per share is as follows:

Item	As of March 31, 2022	As of March 31, 2023
Total net assets (Million yen)	37,478	47,485
Net assets at year-end relating to common shares (Million yen)	37,309	47,296
Number of common shares at year-end used to calculate net assets per share (Shares)	22,963,861	22,971,596

(Significant subsequent events)

Not applicable.