

Stock code: 7990

GLOBERIDE, Inc.

# Presentation Material

November 28, 2023

November 28, 2023



A Lifetime Sports Company

# **Overview of Financial Results for the Six Months Ended September 30, 2023**

# Highlights of Financial Results for the Six Months Ended September 30, 2023 (i) Changes from the previous fiscal year

(Million yen)

|  | 2022/9        | 2023/9        | Change             |               |
|--|---------------|---------------|--------------------|---------------|
|  |               |               | Amount             | %             |
| <b>Net sales</b>                               | <b>74,320</b> | <b>67,876</b> | <b>-6,444</b>      | <b>-8.7%</b>  |
| <b>Gross profit</b>                            | <b>27,225</b> | <b>25,260</b> | <b>-1,964</b>      | <b>-7.2%</b>  |
| <b>Gross profit margin (%)</b>                 | <b>36.6</b>   | <b>37.2</b>   | <b>+0.6 points</b> | <b>—</b>      |
| <b>Operating profit</b>                        | <b>9,423</b>  | <b>6,522</b>  | <b>-2,900</b>      | <b>-30.8%</b> |
| <b>Operating profit ratio (%)</b>              | <b>12.7</b>   | <b>9.6</b>    | <b>-3.1 points</b> | <b>—</b>      |
| <b>Ordinary profit</b>                         | <b>10,258</b> | <b>7,198</b>  | <b>-3,059</b>      | <b>-29.8%</b> |
| <b>Ordinary profit ratio (%)</b>               | <b>13.8</b>   | <b>10.6</b>   | <b>-3.2 points</b> | <b>—</b>      |
| <b>Profit attributable to owners of parent</b> | <b>7,423</b>  | <b>5,099</b>  | <b>-2,324</b>      | <b>-31.3%</b> |
| <b>Profit ratio (%)</b>                        | <b>10.0</b>   | <b>7.5</b>    | <b>-2.5 points</b> | <b>—</b>      |

- Market conditions remained weak for the outdoor, sports and leisure equipment industry, reflecting factors such as the diversification of leisure activities into travel, shopping and other sports and leisure that had been restricted, and higher prices putting a strain on family budgets.
- The Group offered appealing products and high-quality service, but experienced a decline in sales due to factors such as a decline in demand for fishing equipment and other outdoor, sports and leisure goods and an increase in stock on the market.
- Profit decreased due to a decline in gross profit attributable to the decrease in sales and an increase in personnel and other expenses.

# Highlights of Financial Results for the Six Months Ended September 30, 2023 (ii) Changes from the initial forecasts

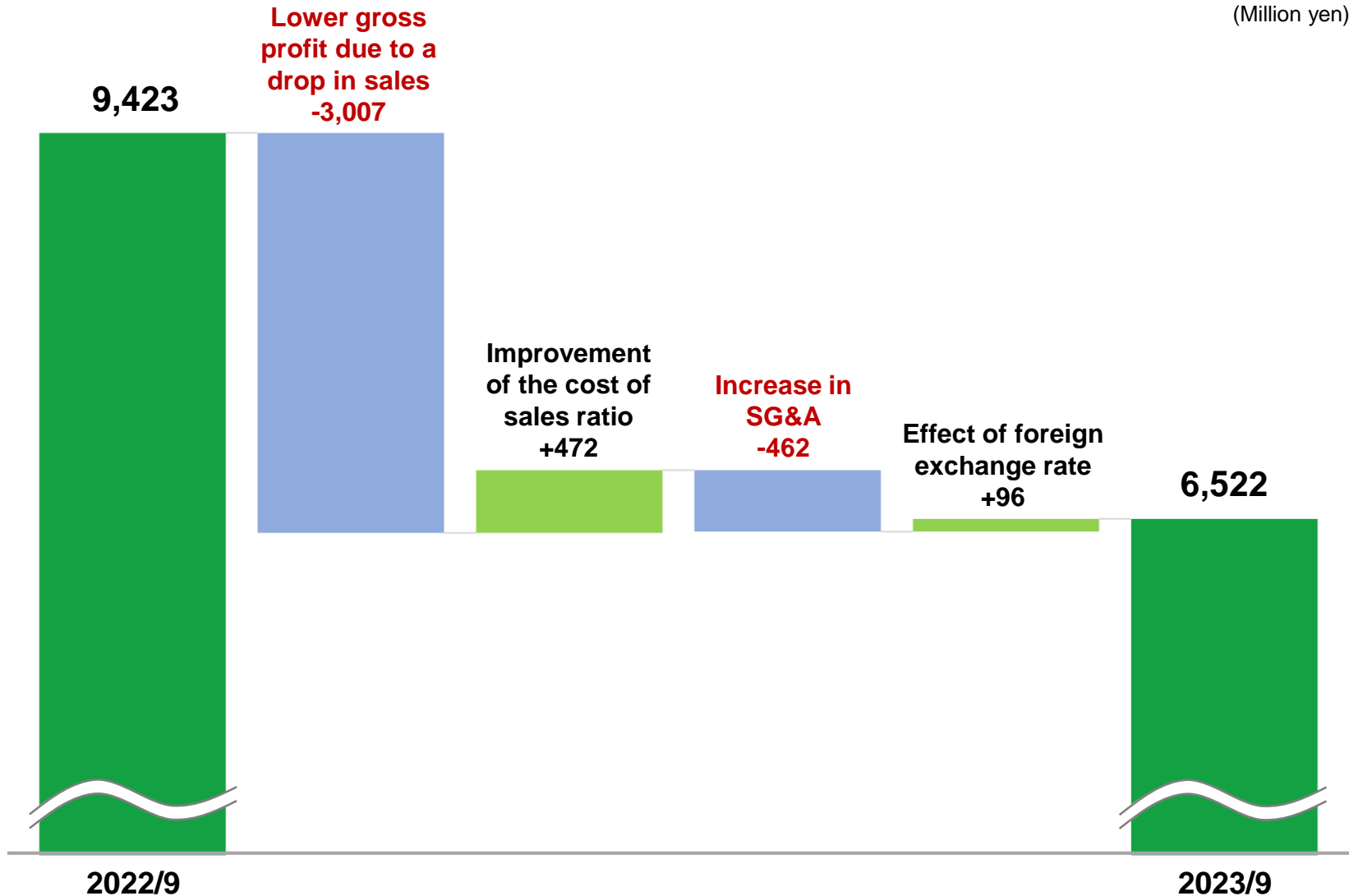
(Million yen)

|  | 2023/9                             |               | Change             |               |
|--|------------------------------------|---------------|--------------------|---------------|
|  | Forecast<br>(Revised in Aug. 2023) | Result        | Amount             | %             |
| <b>Net sales</b>                               | <b>67,500</b>                      | <b>67,876</b> | <b>+376</b>        | <b>+0.6%</b>  |
| <b>Operating profit</b>                        | <b>6,200</b>                       | <b>6,522</b>  | <b>+322</b>        | <b>+5.2%</b>  |
| <b>Operating profit ratio (%)</b>              | <b>9.2</b>                         | <b>9.6</b>    | <b>+0.4 points</b> | <b>—</b>      |
| <b>Ordinary profit</b>                         | <b>6,300</b>                       | <b>7,198</b>  | <b>+898</b>        | <b>+14.3%</b> |
| <b>Ordinary profit ratio (%)</b>               | <b>9.3</b>                         | <b>10.6</b>   | <b>+1.3 points</b> | <b>—</b>      |
| <b>Profit attributable to owners of parent</b> | <b>4,400</b>                       | <b>5,099</b>  | <b>+699</b>        | <b>+15.9%</b> |
| <b>Profit ratio (%)</b>                        | <b>6.5</b>                         | <b>7.5</b>    | <b>+1.0 points</b> | <b>—</b>      |

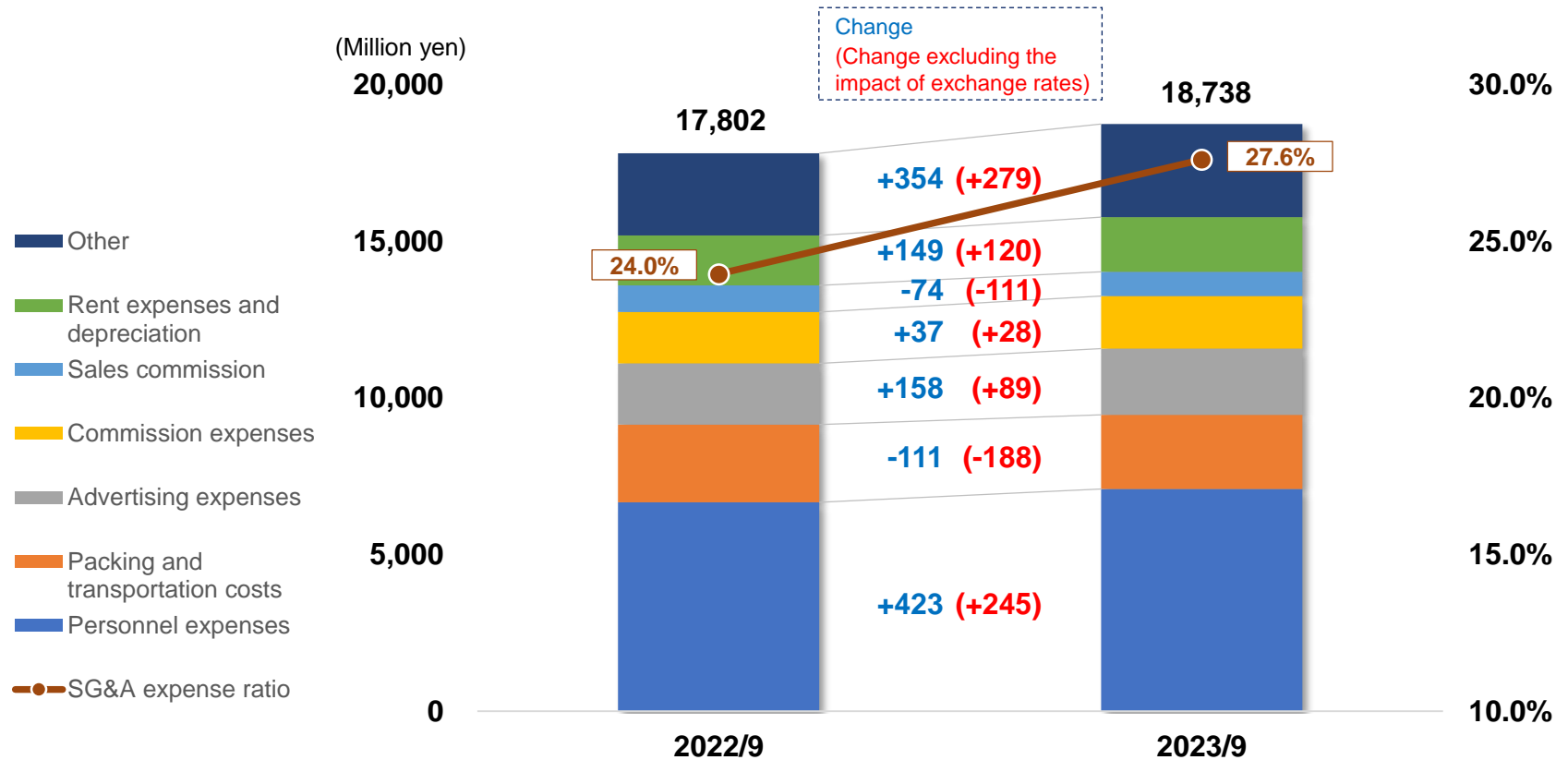
- For net sales, we achieved the revised forecast value despite the impact of slowing demand and the inflationary trend on consumption mainly in the Japanese market.
- Operating profit was greater than expected, as sales exceeded the revised forecast value and SG&A expenses were reduced.
- Ordinary profit exceeded the revised forecast due to the improvement in non-operating income and expenditure in addition to operating profit, which exceeded the revised forecast value we announced.

# Factors for Changes in Operating Profit

(Million yen)



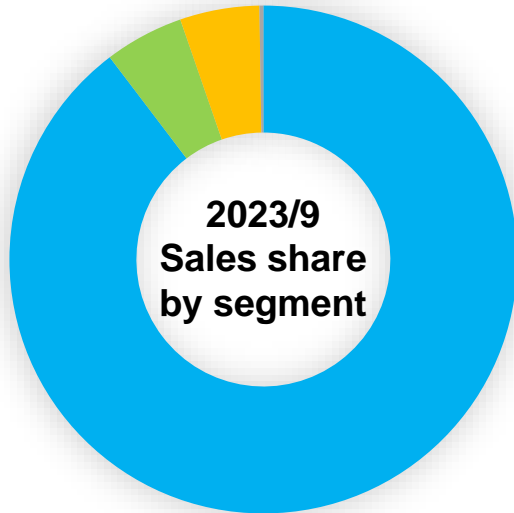
# Breakdown of Selling, General and Administrative Expenses



- SG&A expenses increased in terms of fixed costs, including personnel expenses, commission expenses and depreciation chiefly due to a rise in wages and capital investment. Variable expenses such as packing and transportation costs and sales commissions decreased because of the drop in sales.
- As our sales declined year on year, the entire Group is working to achieve a well-balanced allocation of costs.

# Status of Net Sales by Business

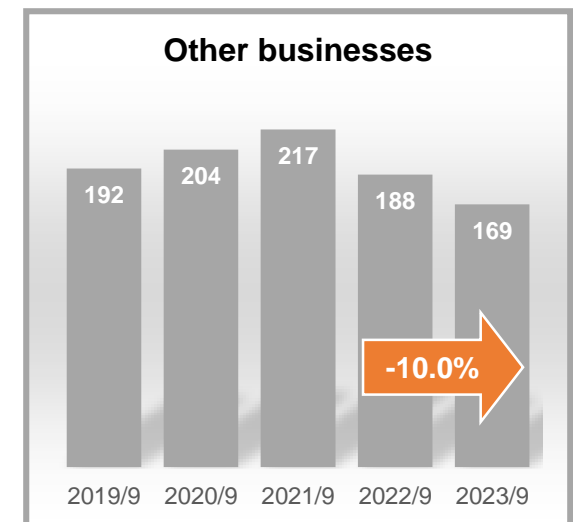
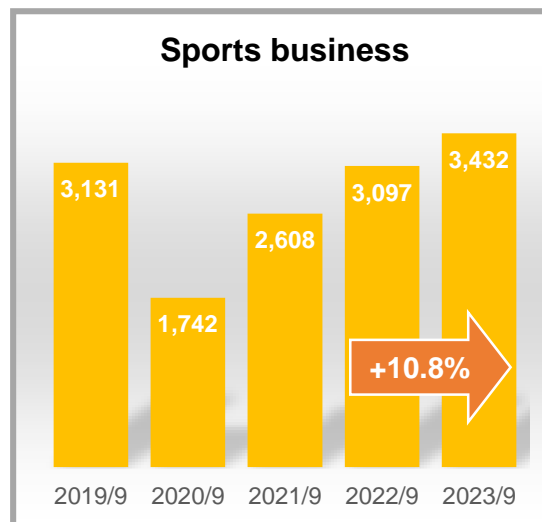
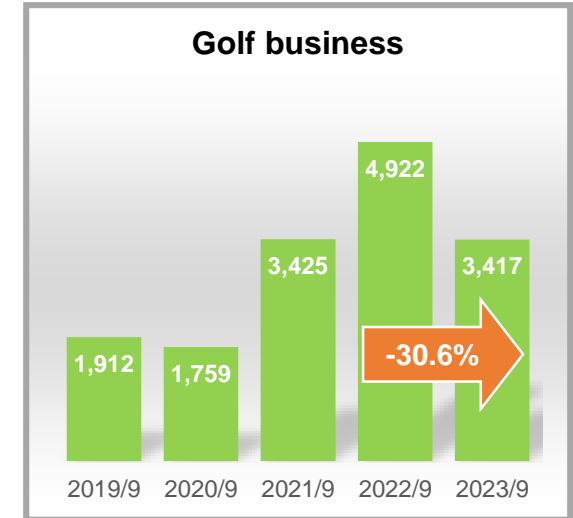
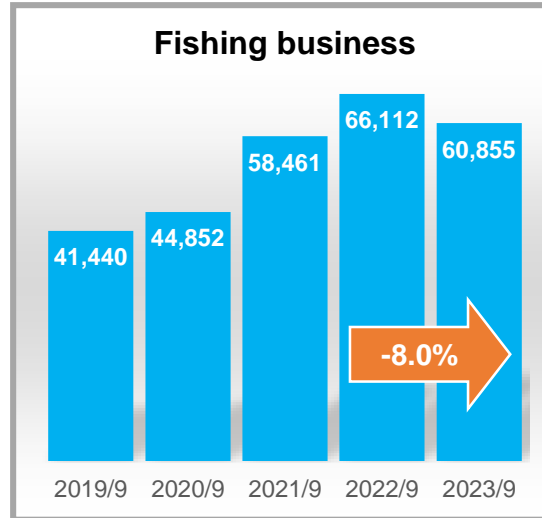
\* Numbers are given in units of one million yen in the graphs.



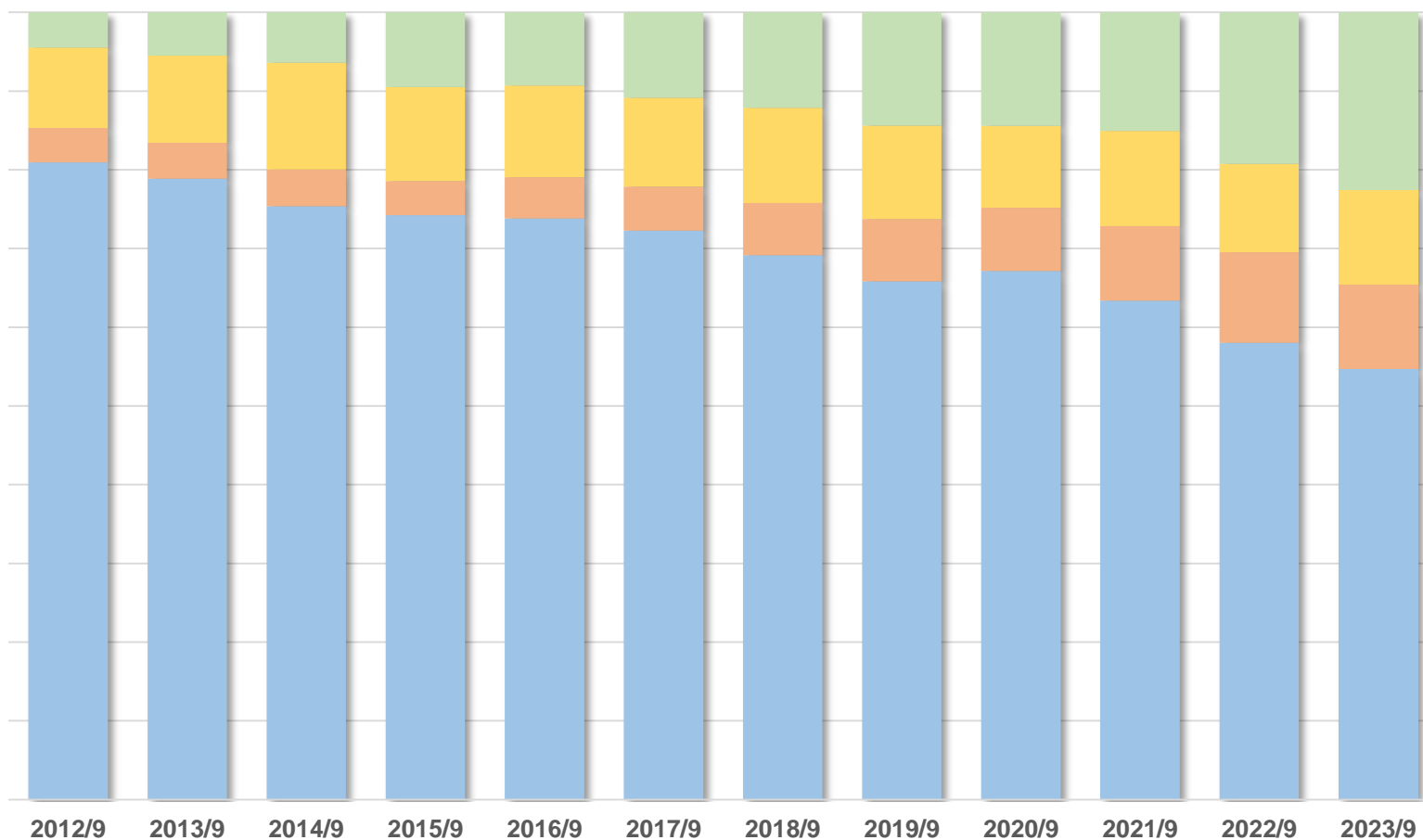
- Fishing business ... 89.7%
- Golf business ... 5.0%
- Sports business ... 5.1%
- Other businesses ... 0.3%

## [Market conditions]

The outdoor, sports and leisure markets, which had grown during the COVID-19 pandemic, weakened somewhat, reflecting the diversification of leisure activities due to the easing of movement restrictions and the acceleration of inflation. In the first half, sales of the fishing and golf businesses dropped year on year due to a decline in demand and inflation. Meanwhile, the sports business outperformed its previous year's figure, mainly in racket sports, because of the recovery of demand among students and inbound tourists.



# Trend in Net Sales Composition by Reportable Segment



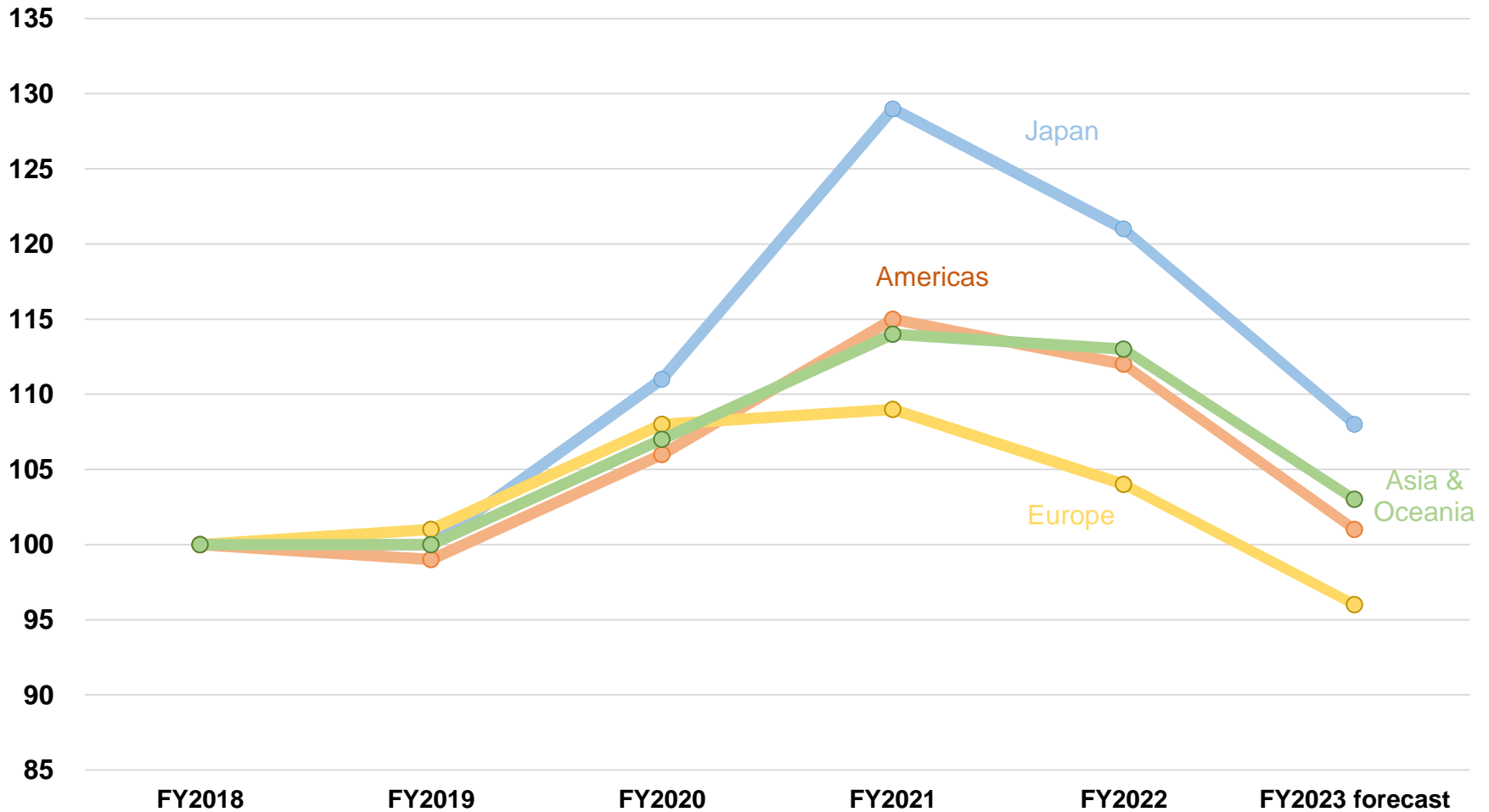
(Unit: %)

|                |      |      |      |      |      |      |      |      |      |      |      |      |
|----------------|------|------|------|------|------|------|------|------|------|------|------|------|
| Japan          | 81.0 | 78.9 | 75.4 | 74.2 | 73.8 | 72.3 | 69.2 | 65.8 | 67.1 | 63.4 | 58.0 | 54.7 |
| Americas       | 4.4  | 4.6  | 4.6  | 4.3  | 5.3  | 5.6  | 6.6  | 7.9  | 8.0  | 9.5  | 11.5 | 10.7 |
| Europe         | 10.2 | 11.1 | 13.6 | 12.0 | 11.6 | 11.3 | 12.1 | 11.9 | 10.4 | 12.1 | 11.2 | 12.0 |
| Asia & Oceania | 4.5  | 5.5  | 6.4  | 9.5  | 9.3  | 10.8 | 12.1 | 14.4 | 14.4 | 15.1 | 19.3 | 22.5 |



# Trend in Fishing Market Conditions by Region

\* For each of the regions, the stats are indexed on the assumption that the market size in FY2018 is 100  
(source: GLOBERIDE)



## Japan

**[Net sales] 37,128 million yen -13.9%**

**[Market conditions in Japan]**

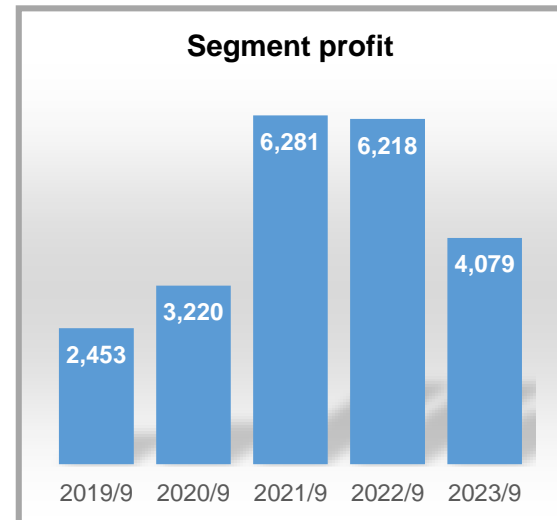
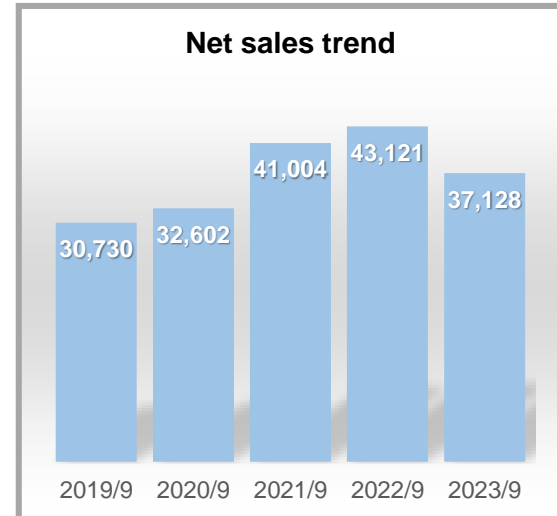
The easing of movement restrictions diversified people's consumption in leisure and the soaring energy and other prices weigh heavily on family budgets. For these and other reasons, the outdoor, sports and leisure market conditions are bearish.

In this environment, we launched new products and offered services satisfactory to customers and received many orders for fishing products, such as the AIRITY series of spinning reels and STEEZ RC bass rods, and for golf goods, including the 2023 ONOFF LADY series among others. However, net sales were 37,128 million yen, down 13.9% year on year.

**[Operating profit] 4,079 million yen -34.4%**

Operating profit was 4,079 million yen, down 34.4% year on year, given factors such as an increase in purchase prices of imported items resulting from the weaker yen.

\* Numbers are given in units of one million yen in the graphs.



## Americas

**[Net sales] 7,294 million yen -14.7%**

**[Market conditions in the Americas]**

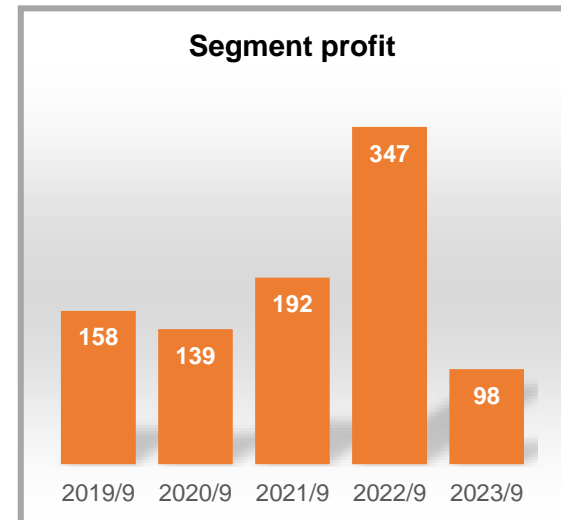
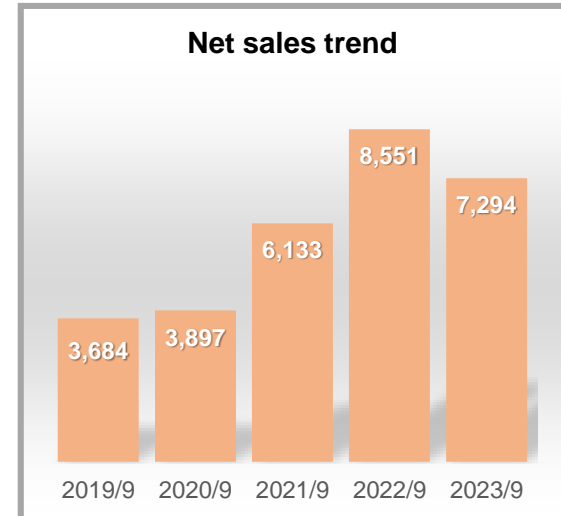
While the economy is normalizing, the burden of inflation remains at a high level and could adversely affect the economy.

For the US market, we have sought to expand sales mainly in bass finishing goods. With the rapid cooling of the market since the end of last year, however, net sales ended up at 7,294 million yen, down 14.7% year on year.

**[Operating profit] 98 million yen -71.7%**

Operating profit was 98 million yen, down 71.7% year on year, mainly because of a drop in gross profit associated with a drop in sales.

\* Numbers are given in units of one million yen in the graphs.



## Europe

**[Net sales] 8,174 million yen) -1.9%**

**[Market conditions in Europe]**

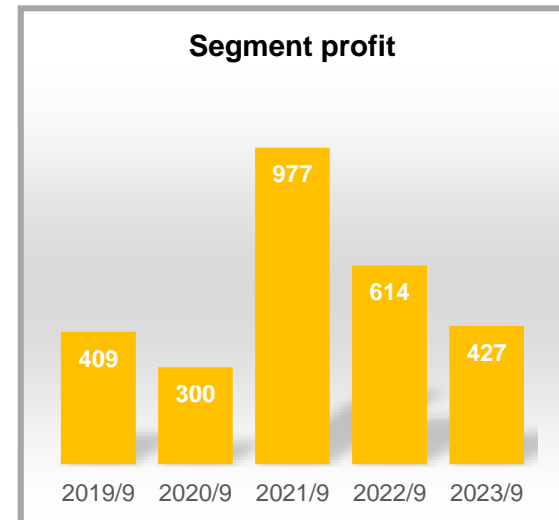
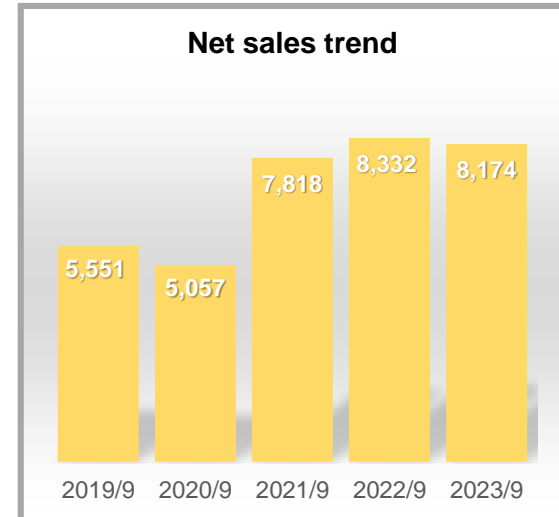
Inflation continues at a high level in Europe, indirectly attributable to the prolonged war between Russia and Ukraine. This is also having an impact on consumption behavior.

Amid this situation, we continued to launch new products designed to meet demand in different regions. However, net sales dropped 1.9% year on year, at 8,174 million yen.

**[Operating profit] 427 million yen -30.4%**

Operating profit was 427 million yen, down 30.4% year on year, given factors such as an increase in personnel expenses and other selling expenses.

\* Numbers are given in units of one million yen in the graphs.



## Asia & Oceania

**[Net sales] 15,279 million yen +6.7%**

### [Market conditions in Asia & Oceania]

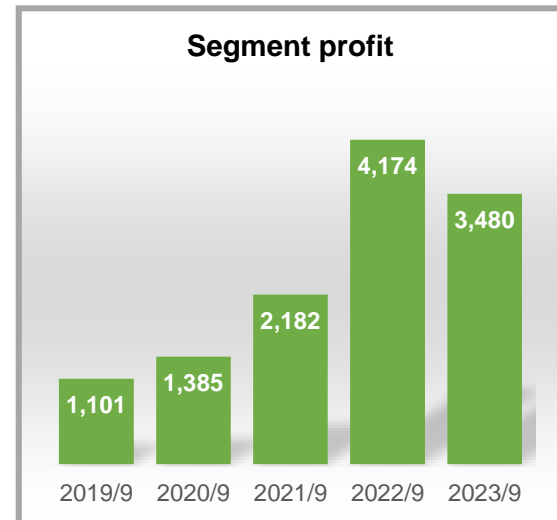
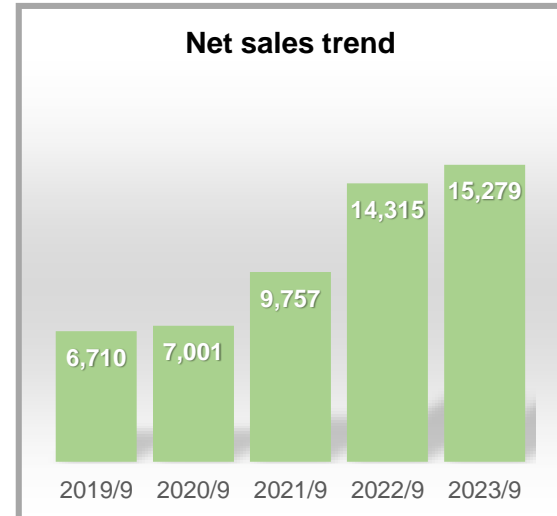
In Asia & Oceania, the socioeconomic situation varies among countries but the rise in interest rates and prices has also been marked in Asia as well. Despite having enjoyed a strong showing, the outdoor, sports and leisure markets are showing signs of slowing..

Nonetheless, we sought to expand sales with a focus on upmarket, made-in-Japan goods and local exclusive goods. As a consequence, net sales grew to 15,279 million yen, up 6.7% year on year.

**[Operating profit] 3,480 million yen -16.6%**

Our distributors achieved a certain amount of profit thanks to an increase in sales. Given a decrease in production output at plants, however, operating profit was 3,480 million yen, down 16.6% year on year.

\* Numbers are given in units of one million yen in the graphs.

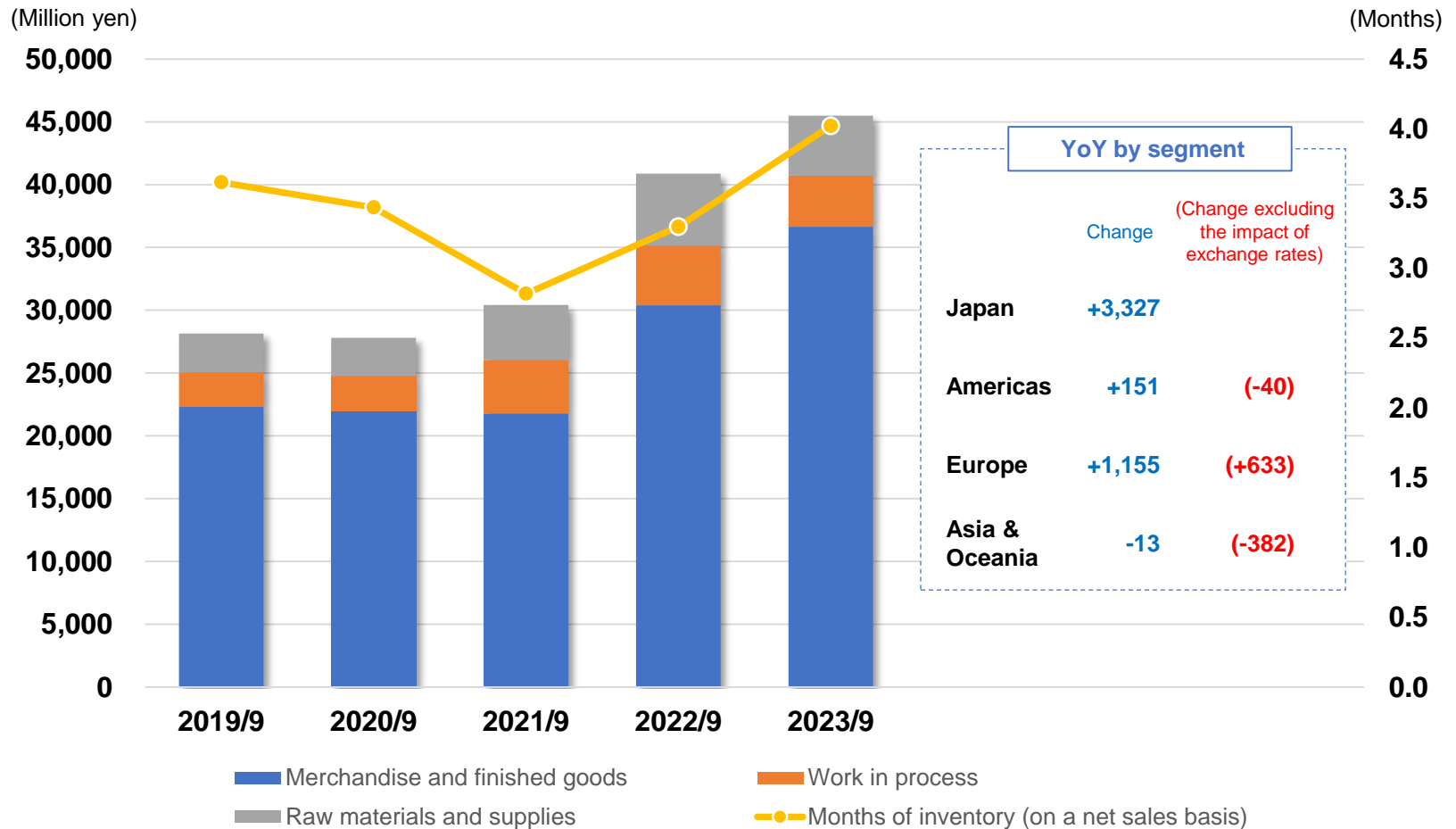


## ■ Balance Sheets

(Million yen)

|                                | End of Mar. 2023 | End of Sep. 2023 | Change             |               |
|--------------------------------|------------------|------------------|--------------------|---------------|
|                                |                  |                  | Amount             | %             |
| <b>Total assets</b>            | <b>109,034</b>   | <b>112,433</b>   | <b>+3,398</b>      | <b>+3.1%</b>  |
| <b>Current assets</b>          | <b>73,738</b>    | <b>74,241</b>    | <b>+502</b>        | <b>+0.7%</b>  |
| <b>Cash and deposits</b>       | <b>12,875</b>    | <b>9,227</b>     | <b>-3,648</b>      | <b>-28.3%</b> |
| <b>Inventories</b>             | <b>44,158</b>    | <b>45,487</b>    | <b>+1,329</b>      | <b>+3.0%</b>  |
| <b>Non-current assets</b>      | <b>35,296</b>    | <b>38,192</b>    | <b>+2,896</b>      | <b>+8.2%</b>  |
| <b>Total liabilities</b>       | <b>61,548</b>    | <b>57,419</b>    | <b>-4,128</b>      | <b>-6.7%</b>  |
| <b>Current liabilities</b>     | <b>44,690</b>    | <b>41,026</b>    | <b>-3,664</b>      | <b>-8.2%</b>  |
| <b>Short-term borrowings</b>   | <b>18,414</b>    | <b>15,923</b>    | <b>-2,491</b>      | <b>-13.5%</b> |
| <b>Non-current liabilities</b> | <b>16,857</b>    | <b>16,393</b>    | <b>-464</b>        | <b>-2.8%</b>  |
| <b>Long-term borrowings</b>    | <b>9,599</b>     | <b>7,959</b>     | <b>-1,640</b>      | <b>-17.1%</b> |
| <b>Net assets</b>              | <b>47,485</b>    | <b>55,013</b>    | <b>+7,527</b>      | <b>+15.9%</b> |
| <b>Equity ratio (%)</b>        | <b>43.4</b>      | <b>48.7</b>      | <b>+5.4 points</b> | <b>—</b>      |

# Inventories Trend

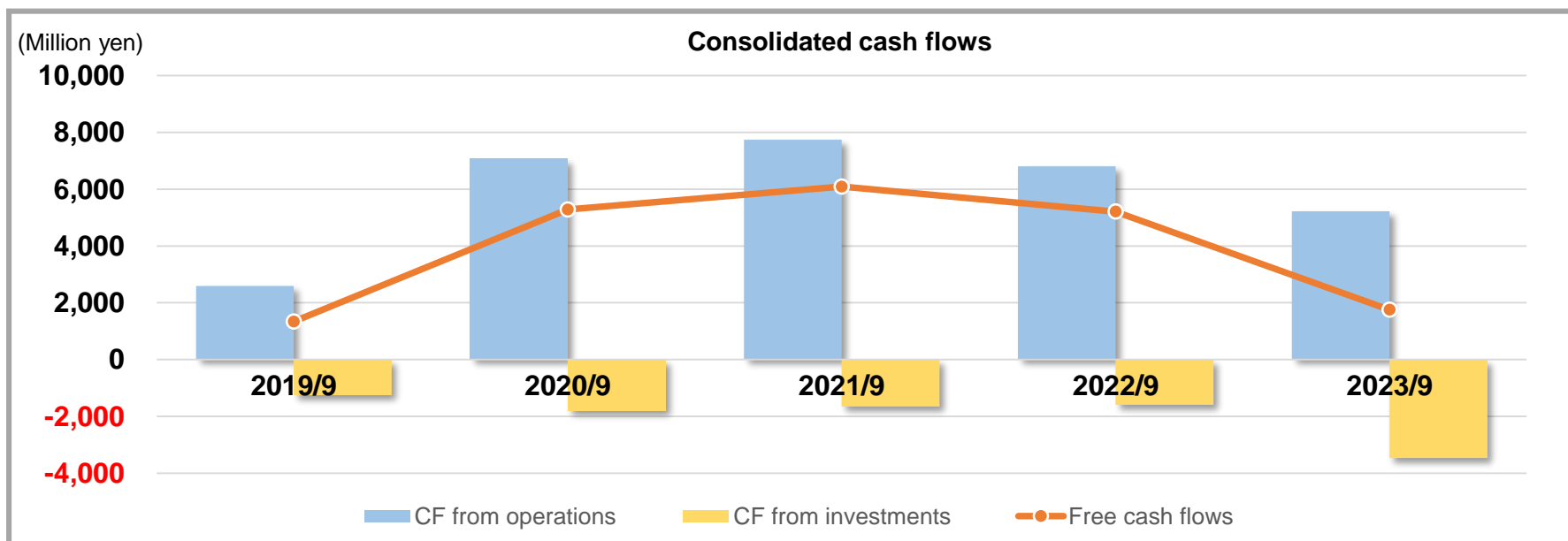


- The Group's stock level remains high, especially in Japan. Currently, we are making efforts to optimize the level.

## ■ Status of Cash Flows

(Million yen)

|  | 2022/9       | 2023/9       | Change        |               |
|--|--------------|--------------|---------------|---------------|
|  |              |              | Amount        | %             |
| CF from operations                         | 6,805        | 5,218        | -1,587        | -23.3%        |
| CF from investments                        | -1,593       | -3,465       | -1,871        | —             |
| CF from financing                          | -1,762       | -5,621       | -3,858        | —             |
| Cash and cash equivalents at end of period | 11,186       | 8,280        | -2,905        | -26.0%        |
| <b>Free cash flows (FCF)</b>               | <b>5,211</b> | <b>1,753</b> | <b>-3,458</b> | <b>-66.4%</b> |





# Forecast for the Fiscal Year Ending March 31, 2024

(Million yen)

|  | 2023/3<br>(Actual) | 2024/3<br>(Forecast) | Change             |               |
|--|--------------------|----------------------|--------------------|---------------|
|  |                    |                      | Amount             | %             |
| <b>Net sales</b>                               | <b>134,583</b>     | <b>125,000</b>       | <b>-9,583</b>      | <b>-7.1%</b>  |
| <b>Operating profit</b>                        | <b>12,125</b>      | <b>7,500</b>         | <b>-4,625</b>      | <b>-38.1%</b> |
| <b>Operating profit ratio (%)</b>              | <b>9.0</b>         | <b>6.0</b>           | <b>-3.0 points</b> | <b>—</b>      |
| <b>Ordinary profit</b>                         | <b>12,659</b>      | <b>7,600</b>         | <b>-5,059</b>      | <b>-40.0%</b> |
| <b>Ordinary profit ratio (%)</b>               | <b>9.4</b>         | <b>6.1</b>           | <b>-3.3 points</b> | <b>—</b>      |
| <b>Profit attributable to owners of parent</b> | <b>9,188</b>       | <b>5,200</b>         | <b>-3,988</b>      | <b>-43.4%</b> |
| <b>Profit margin (%)</b>                       | <b>6.8</b>         | <b>4.2</b>           | <b>-2.6 points</b> | <b>—</b>      |

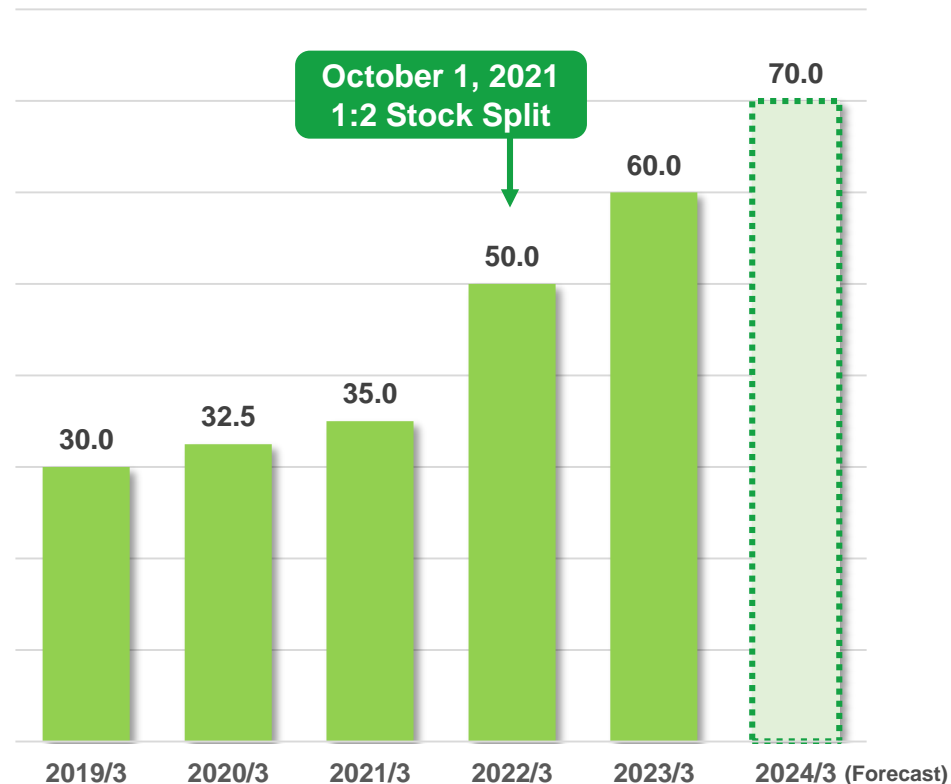
- Concerns about a recession are growing due to the diversification of consumption in travel and leisure resulting from the global easing of COVID-related movement restrictions, and given worries about the expansion of geopolitical risks.
- Reflecting these circumstances, the outdoor, sports and leisure equipment industry in which the Group operates is also facing bearish market conditions.
- For the full-year forecast, the revised forecast value is maintained as the slowing of demand and the clearance of stock in the market are expected to continue for the rest of this fiscal year.

It is expected that dividends for the fiscal year ending March 31, 2024 will increase for the 13th consecutive fiscal year.

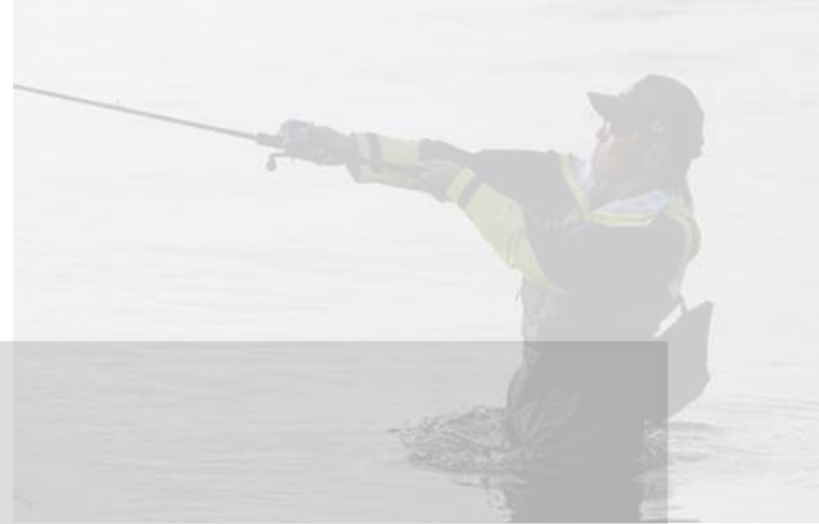
## ■ Dividends per share

|           | 2023/3 Result | 2024/3 Forecast |
|-----------|---------------|-----------------|
| End of Q2 | 30 yen        | 35 yen          |
| Year end  | 30 yen        | 35 yen          |
| Annual    | 60 yen        | 70 yen          |

## ■ Trends in dividends per share (Yen)



Note: The Company conducted a two-for-one common stock split on October 1, 2021. Retroactive corrections have been made to previous dividends to reflect this split.



# Examples of Our Technological Innovations



# VISION

## A Lifetime Sports Company

**Sports to enrich your life**

**Feel the earth everyday, feel the transformation, the new nature of life, the way we live.**

**We will draw a new horizon for sports.**

**We will build the richness, which enable people to live exhilarating lives.**

# PROMISE

## 5 Key Promises

### 5 Key Promises

#### **Make it Wow!**

**Feel the nature of life, provide life's new and exciting "Wow!" to the world.**

#### **Open Our Minds**

**Transformation of positive richness will be created by thinking freely and valuing diversity.**

#### **Be Innovative**

**Design the future with technologies, ideas and sensibilities without limit.**

#### **Be Earth-Friendly**

**Care for the earth, connect people around world, protect the rich nature, and bring them to our future.**

#### **Play Fair**

**Always be fair to diversity, contribute to the people and society.**

Add new value  
to fishing.



# The Ever-improving Reel Embodies the New Era



**IM Z**  
IM Z LIMITBREAKER TW HD-C

The ever-improving reel  
embodies the new era.

Reels and smartphones  
are finally connected  
with each other



Linked with a DAIWAapp.  
The fun of fishing expands infinitely.



## MyHistory

Analyze daily fishing data such as the total number of casts and top 5 flying distances.



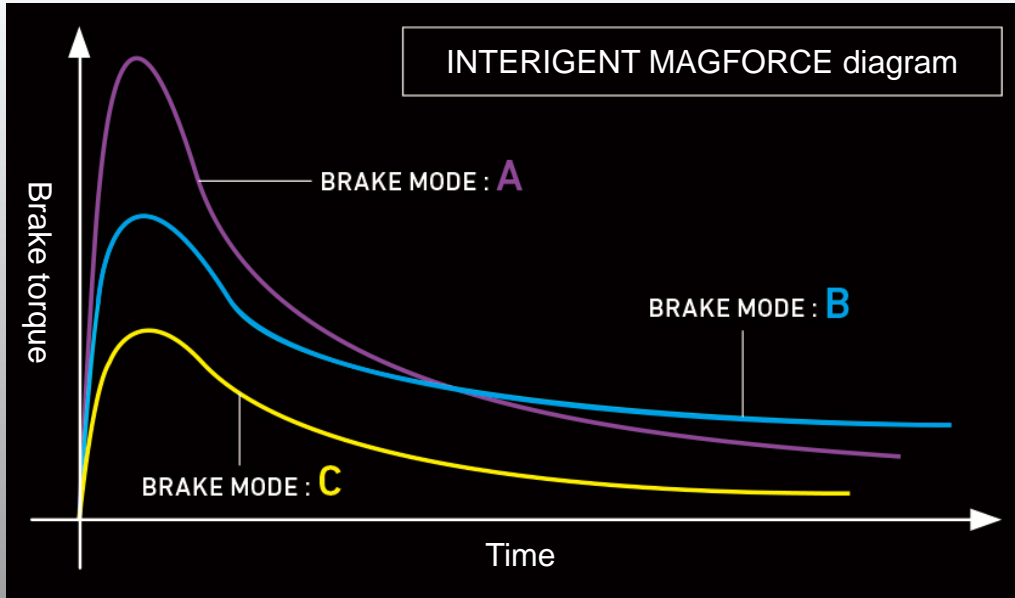
## MyData

Analyze your improvement on the basis of accumulated data such as the total number of casts and the maximum flying distance.





# What You Can Do with the DAIWA App (ii)



**Setting**

Updating software also keeps reel data updated.





**Create the new fishing market**

**Thank you for your attention.**

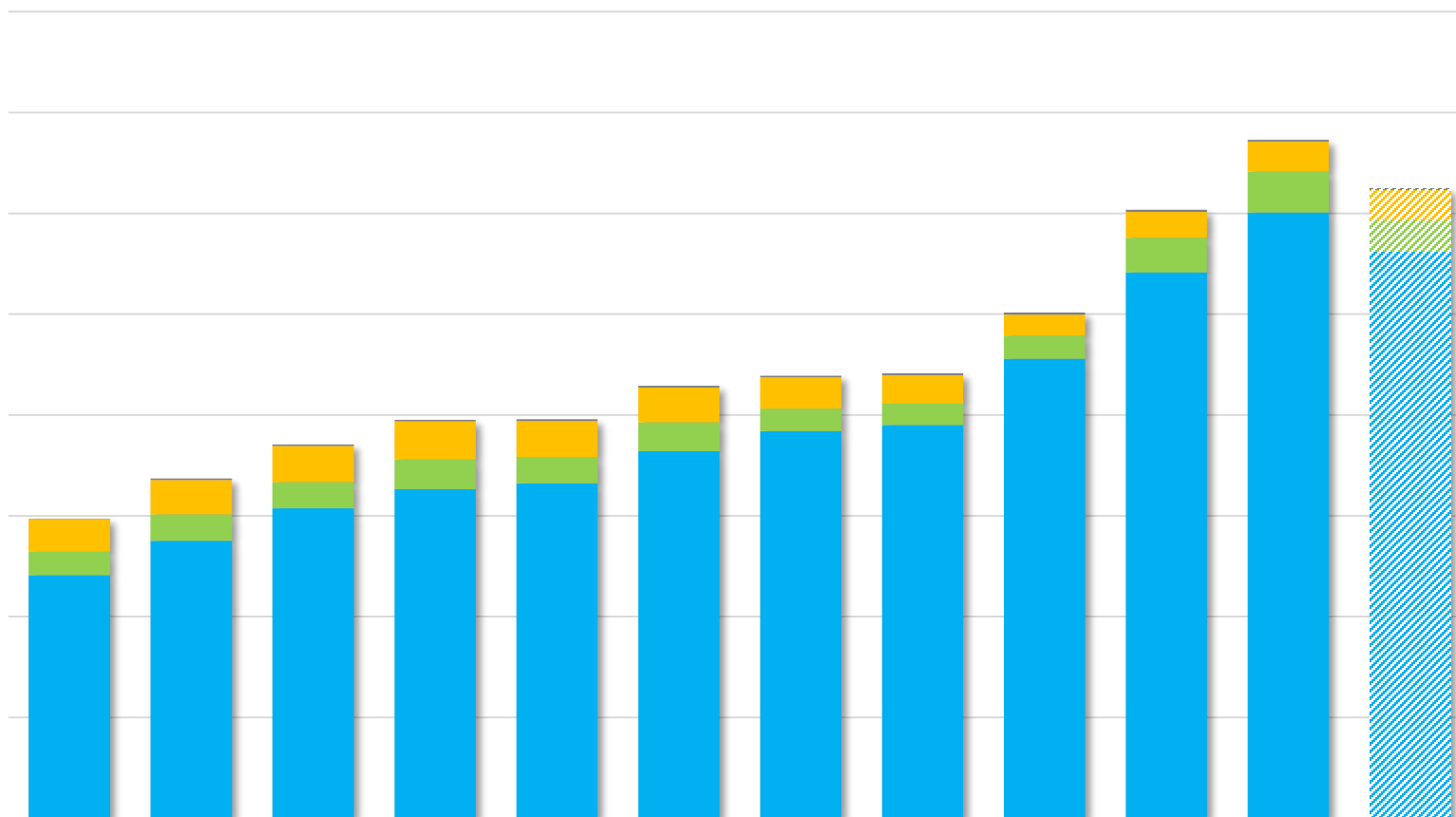


**IMZ**

 **GOOD DESIGN AWARD**  
**2023年度受賞**

**Reference (1):  
Data on financial results over the past years**

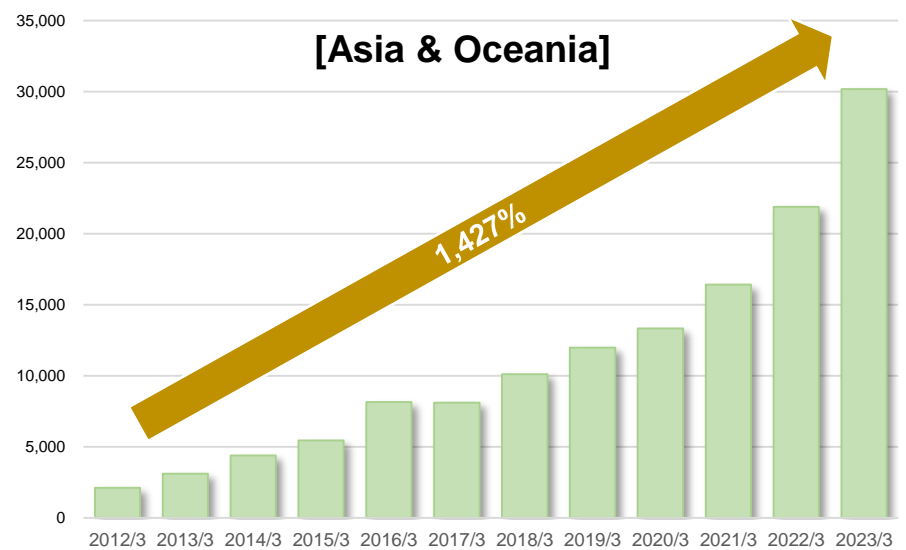
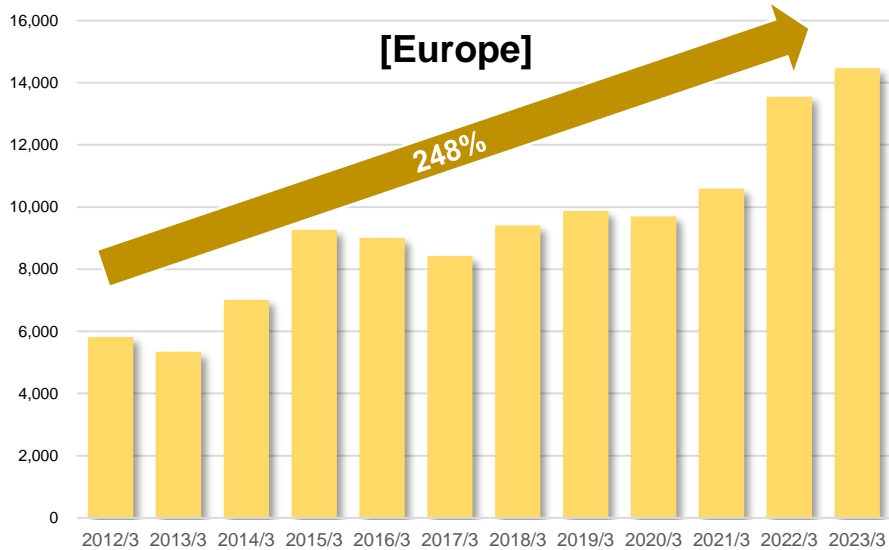
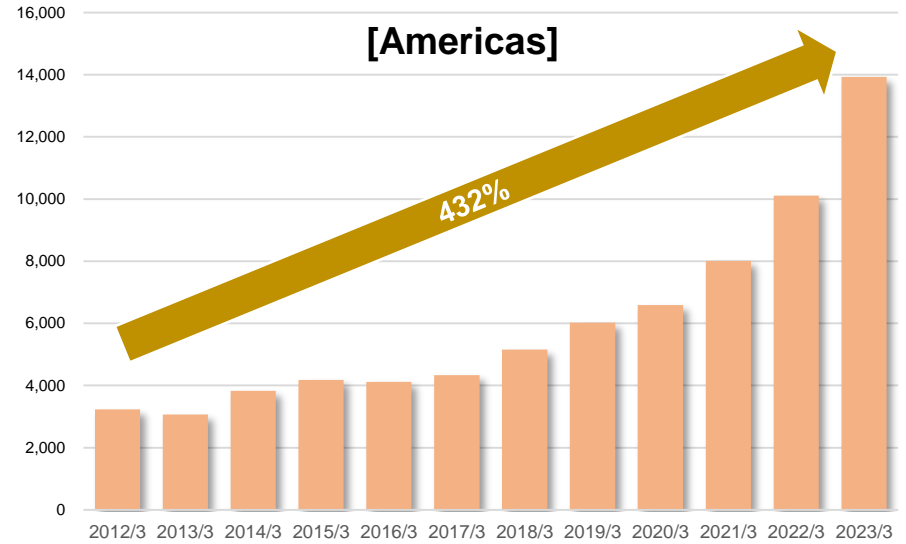
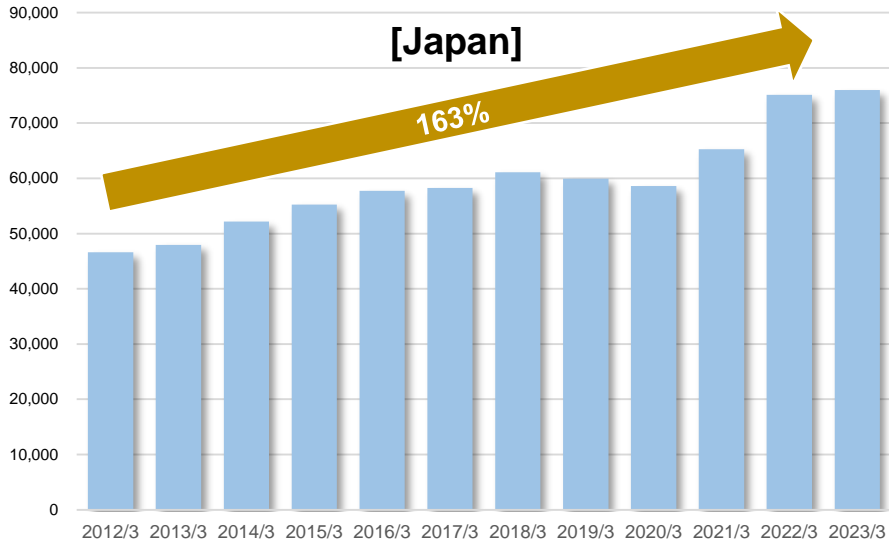
# Net Sales Trend by Business



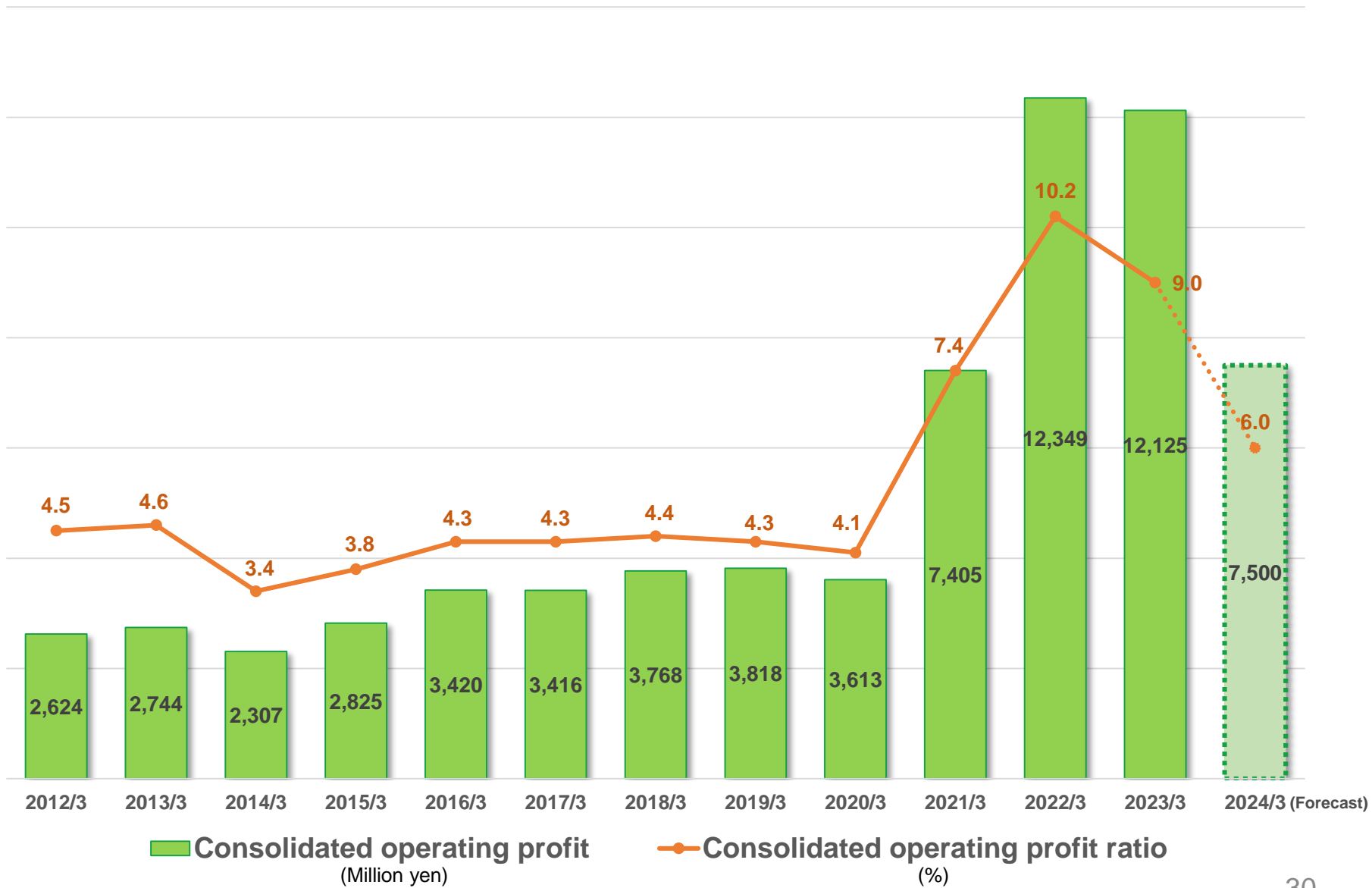
(Million yen)

|                  | 2013/3 | 2014/3 | 2015/3 | 2016/3 | 2017/3 | 2018/3 | 2019/3 | 2020/3 | 2021/3  | 2022/3  | 2023/3  | 2024/3  |
|------------------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|---------|---------|
| Fishing business | 48,202 | 55,012 | 61,473 | 65,318 | 66,461 | 72,824 | 76,827 | 78,031 | 91,150  | 108,281 | 120,152 | 112,500 |
| Golf business    | 4,662  | 5,293  | 5,210  | 5,852  | 5,247  | 5,760  | 4,471  | 4,176  | 4,576   | 6,886   | 8,138   | 6,200   |
| Sports business  | 6,505  | 6,763  | 7,191  | 7,556  | 7,108  | 6,845  | 6,169  | 5,683  | 4,184   | 5,109   | 5,911   | 6,000   |
| Other businesses | 90     | 314    | 278    | 298    | 324    | 355    | 343    | 366    | 392     | 406     | 380     | 300     |
| Annual           | 59,460 | 67,383 | 74,153 | 79,026 | 79,142 | 85,785 | 87,811 | 88,258 | 100,304 | 120,684 | 134,583 | 125,000 |

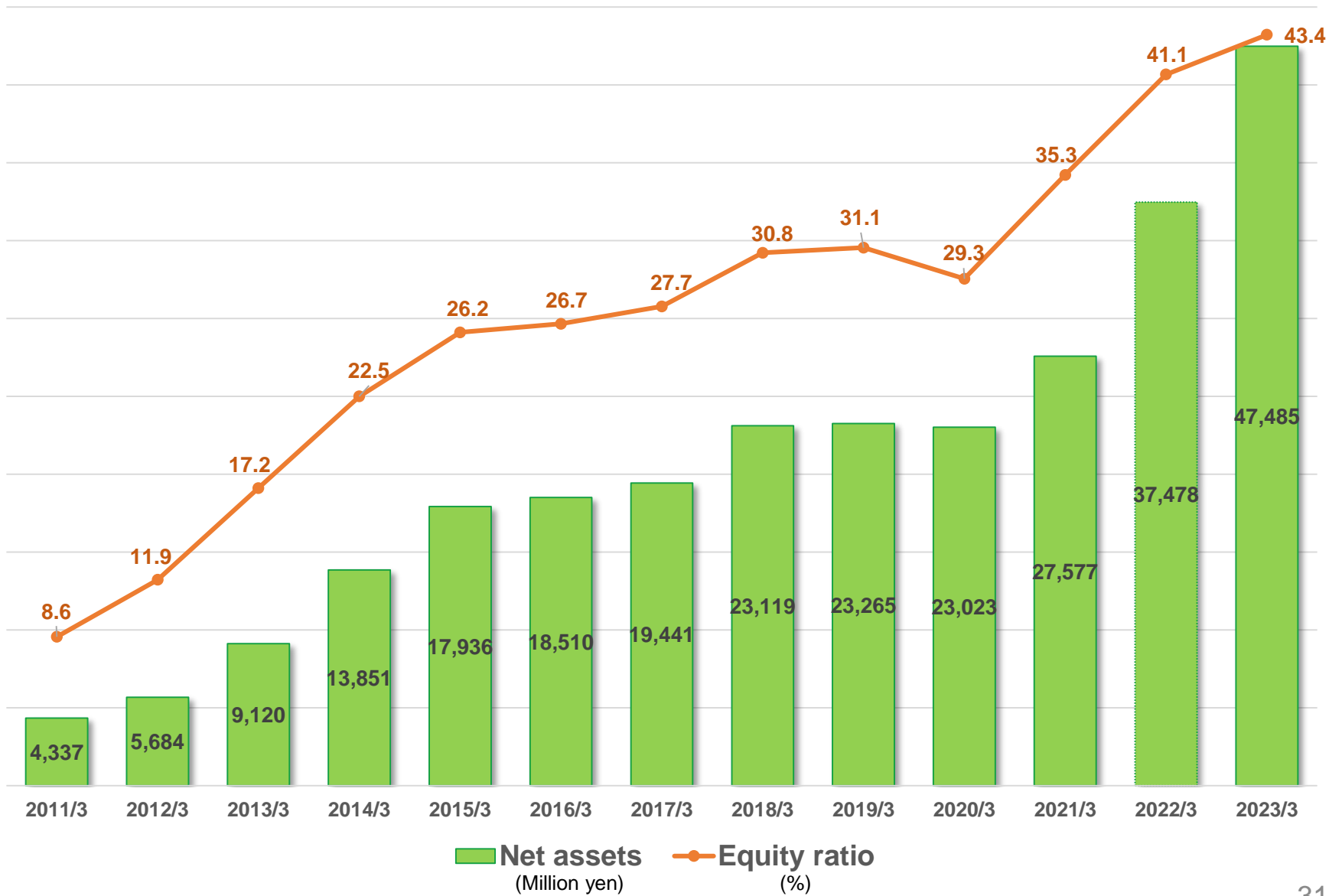
# Segment Sales Trend (by region)



# Operating Profit and Operating Profit Ratio Trends



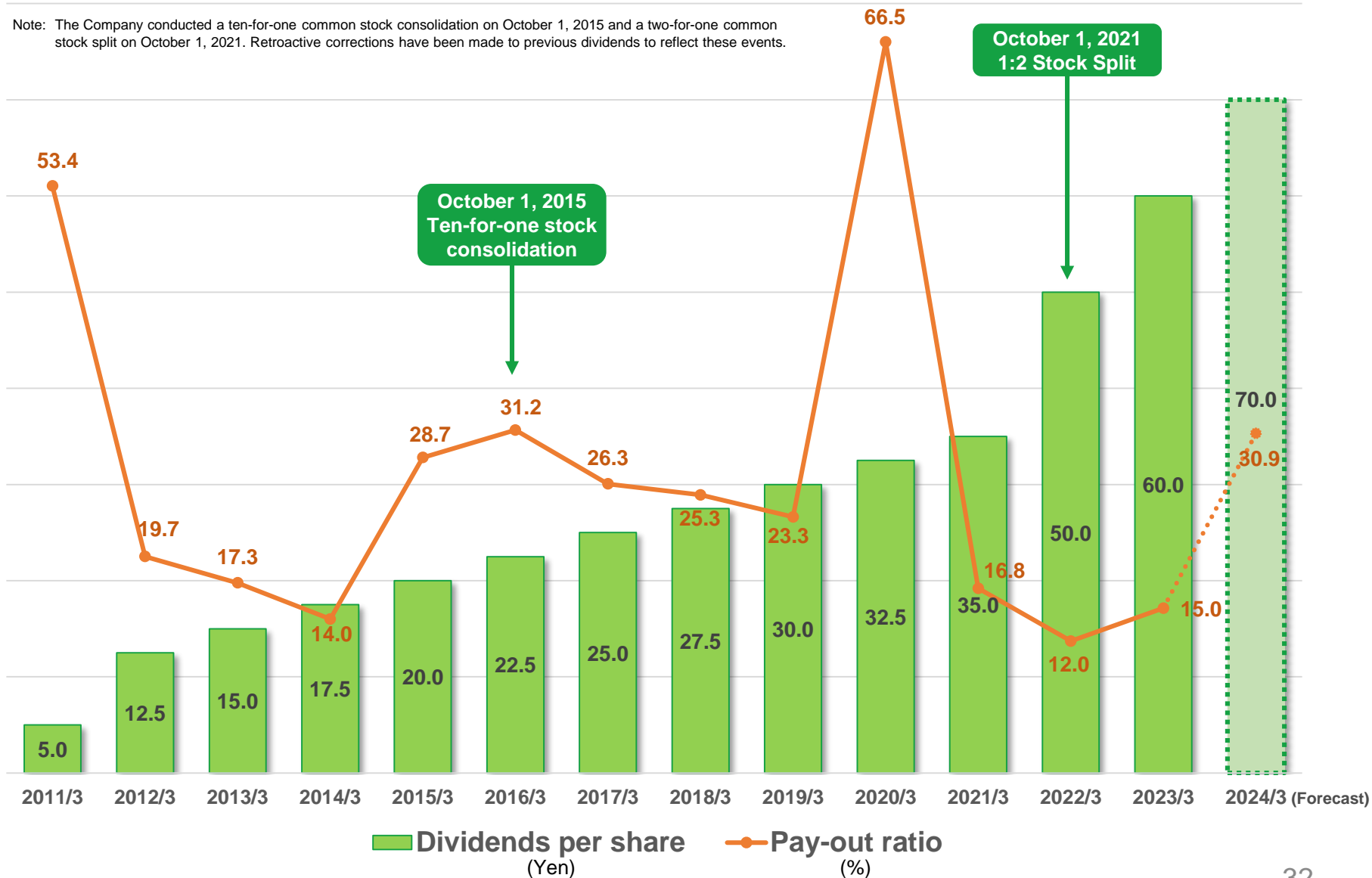
# Changes in Net Assets and Equity Ratio





# Changes in Dividends and Dividend Payout Ratio

Note: The Company conducted a ten-for-one common stock consolidation on October 1, 2015 and a two-for-one common stock split on October 1, 2021. Retroactive corrections have been made to previous dividends to reflect these events.



## **Reference (ii): Basic information**

## Towards Being a Global Lifetime Sports Company

|                                |   |
|--------------------------------|---|
| <b>Company name</b>            | GLOBERIDE, Inc.   |
| <b>Head office</b>             | 14-16, Maesawa 3-chome, Higashikurume-shi, Tokyo                |
| <b>Established</b>             | July 29, 1958 * Registered on December 26, 1945                 |
| <b>Representative Director</b> | Kazunari Susuki, Representative Director and President          |
| <b>Share capital</b>           | 4,184.11 million yen (September 30, 2023)                       |
| <b>Employees</b>               | Consolidated: 6,970/ Non-consolidated: 841 (September 30, 2023) |
| <b>Group companies</b>         | Japan: 8 companies / Overseas: 21 companies                     |

- 1955 Commences the production of reels (mainly for export, the company name was Matsui Seisakusho)
- 1958 Establishes Yamato Seiko, Inc. in Nakano-ku, Tokyo
- 1960 Builds a new reel production factory in the current headquarters location
- 1962 Commences the sale of reels in Japan
- 1964 Builds a new rod production factory
- 1969 Changes the trade name to Daiwa Seiko, Inc.
- 1972 Expands into a golf equipment business
- 1980 Expands into a tennis equipment business
- 1991 Expands into a cycling sports business
- 2008 Acquires Windsor Trading Co., Ltd and Fourteen Co., Ltd as subsidiaries
- 2009 Changes the trade name to **GLOBERIDE, Inc.**
- 2011 The domestic fishing market seriously affected by the Great East Japan Earthquake.
- 2012- Accelerates global expansion with a focus on the overseas fishing equipment market

## Promoting brands featuring a unique worldview in each business

### Fishing business

- The world's top-ranking general fishing equipment company  
The Company has a diverse lineup of products.
- It seeks to develop innovative technologies by leveraging its highly competitive Daiwa Technology.

#### Main brands



### Golf business

- Promoting brands featuring a unique worldview under the high quality golf equipment for adults concept

#### Main brands



### Sports business

- Promoting racket and cycling sports brands that have fans globally

#### Main brands



## Our strengths

Marketing capability



Product development capability



Pursuit of CS (customer satisfaction)



Market creation-oriented innovative products



High-level brand awareness



Sustainable management

**Leading the world as a lifetime sports company**





**[Disclaimer]**

\* Results forecasts presented in these materials have been prepared based on the information available to the Company at the present time, and actual results may differ from the forecasts due to a range of future factors.