



Fiscal Year Ending March 31, 2024 Q3

Financial Results

Yonex Co., Ltd.

Tokyo Stock Exchange Code:7906

February 8, 2024

1. Consolidated Financial Results for FY3/24 Q3	3
2. Segment Overview	7
3. Forecasts for FY3/24	14
4. Topics	15
5. Appendix	18

— Highlights

Net Sales

85.1 billion yen

YoY
+7.0%

Operating Profit

8.2 billion yen

YoY
-11.9%

Net Profit

Attributable to owners of parent

6.2 billion yen

YoY
-6.3%

Net Sales

- Demand for sports remained strong on the back of the resumption of international tournaments, our grass-roots activities, and the successes of our contracted athletes. Based on these trends, our products garnered increased attention and allowed consolidated net sales to reach a record high in the cumulative Q1-Q3 period.
- Overseas sales increased in each regional segment, due partly to the positive effect of yen depreciation.

Operating Profit

- Gross profit margin, mainly in the Japan segment, improved, and overall gross profit increased due to higher sales. However, an increase in SGA expenses, such as advertising and personnel expenses, resulted in a decrease in operating profit.
- Efforts to further expand sports and our presence in the sports market contributed to increases in advertising expenses. Also, yen depreciation led to an increase in foreign currency-denominated expenses.

— Consolidated Income Statement

(Million yen)

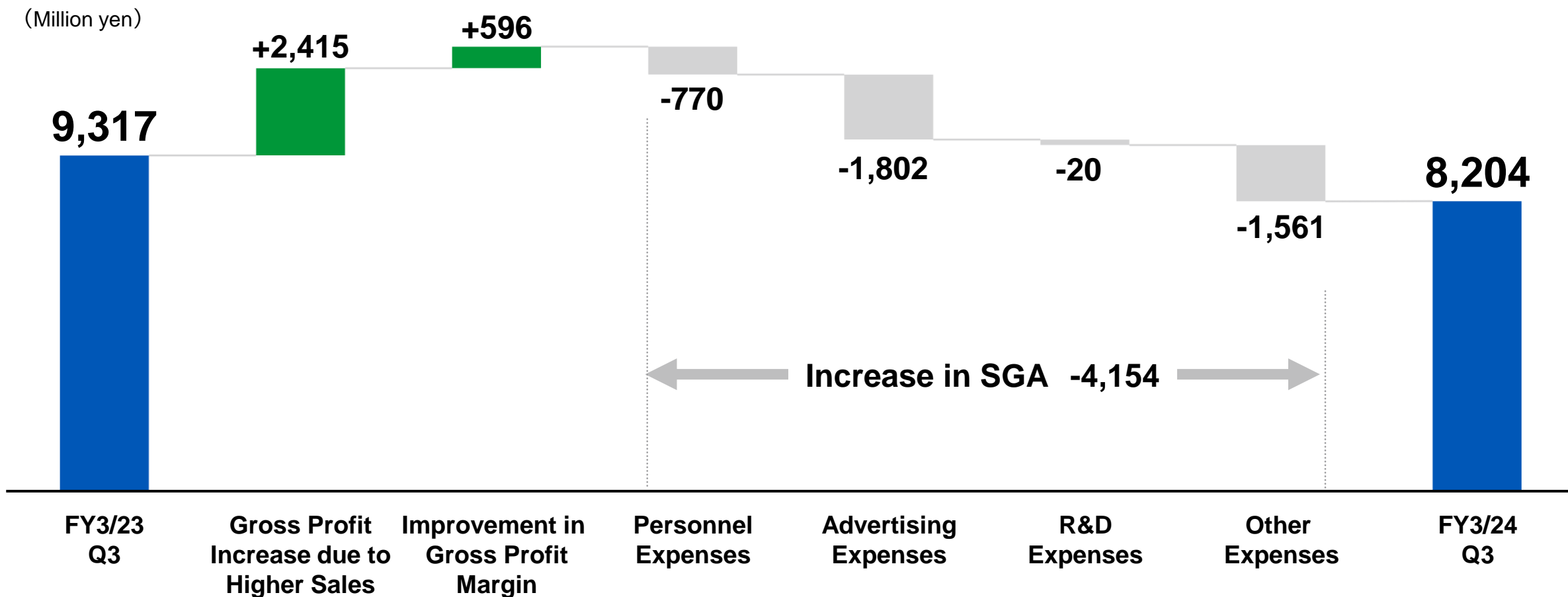
	FY3/23 Q3 Results	FY3/24 Q3		YoY	FY3/24 Full Year Forecasts*
		Results	Margins		
Net Sales	79,632	85,172	—	+7.0% (+5,539)	116,000
Gross Profit	34,696	37,738	44.3%	+8.8% (+3,041)	—
SGA	25,378	29,533	34.7%	+16.4% (+4,154)	—
Operating Profit	9,317	8,204	9.6%	-11.9% (-1,112)	10,700
Ordinary Profit	9,152	8,583	10.1%	-6.2% (-569)	10,700
Net Profit (Attributable to owners of parent)	6,703	6,279	7.4%	-6.3% (-424)	7,800
EPS	76.83 yen	72.63 yen	—	-4.20 yen	89.50 yen

*Announced on May 11, 2023

— Factors behind Operating Profit Changes

Gross profit increased due to improved gross profit margin in the Japan segment and higher sales. However, operating profit declined due to the SGA increase, including advertising expenses arising from international tournament sponsorships and athlete contracts, and investments in human resources and IT systems. In addition, yen depreciation caused foreign currency-dominated expenses, including advertising, to rise.

(Million yen)



— Consolidated Balance Sheets

The high levels of Inventories seen mainly in China at the end of FY3/23, caused by the spread of COVID-19, decreased due to the sales recovery recorded from February onwards. Property, plant and equipment increased mainly due to capital investments related to the start of construction of new R&D facilities.

● Assets

	End FY3/23	End FY3/24 Q3	Change
Current Assets	53,465	56,959	+3,493
Cash and deposits	16,912	20,061	+3,148
Notes and accounts receivable-trade	15,030	16,728	+1,697
Inventory	18,832	17,205	-1,627
Non-current Assets	25,955	29,067	+3,111
Property, plant and equipment	21,014	24,024	+3,010
Intangible assets	1,994	2,329	+335
Investments and other assets	2,946	2,712	-234
Total Assets	79,421	86,026	+6,604

● Liabilities

(Million yen)

	End FY3/23	End FY3/24 Q3	Change
Current Liabilities	17,342	18,491	+1,149
Notes and accounts payable- trade	7,128	6,281	-847
Current portion of long-term borrowings	705	855	+149
Non-current Liabilities	8,979	8,451	-528
Long-term borrowings	2,373	1,843	-529
Net Assets	53,099	59,083	+ 5,983
Retained earnings	40,586	45,639	+ 5,052
Total Liabilities and Net Assets	79,421	86,026	+ 6,604

— Segment Information

Our business consists of the sporting goods division, which is divided into the four regional segments of Japan, Asia, North America, and Europe, and the sports facilities division.

(Million yen)

Segment		FY3/24 Q3 Results		Sales Composition	Related Entities	
		Net Sales	Operating Profit		Sales	Manufacture
Sporting Goods Division	Japan	37,545	1,045	44.1%	<ul style="list-style-type: none"> • YONEX JAPAN (Domestic sales) • Sales to overseas distributors* 	<ul style="list-style-type: none"> • Niigata Factory • Tokyo Factory • YONEX Precision Machinery Co., Ltd.
	Asia	39,290	6,007	46.1%	<ul style="list-style-type: none"> • YONEX SPORTS (CHINA) CO., LTD. • YONEX TAIWAN CO., LTD. 	<ul style="list-style-type: none"> • YONEX TAIWAN CO., LTD. • YONEX INDIA PRIVATE LIMITED • YONEX TECNIFIBRE CO., LTD. (Thailand)
	North America	4,506	395	5.3%	<ul style="list-style-type: none"> • YONEX CORPORATION (US and Canada) 	
	Europe	3,370	427	4.0%	<ul style="list-style-type: none"> • YONEX GmbH (Germany) • YONEX U.K. LIMITED (UK) 	
Sports Facilities Division		459	57	0.5%	<ul style="list-style-type: none"> • Operation of golf courses, golf driving ranges and tennis club 	

* Main regions where our sales are conducted through distributors: Southeast Asia, India, Korea, France, Australia

— Net Sales Changes and Forex Impact (Reported Segments)

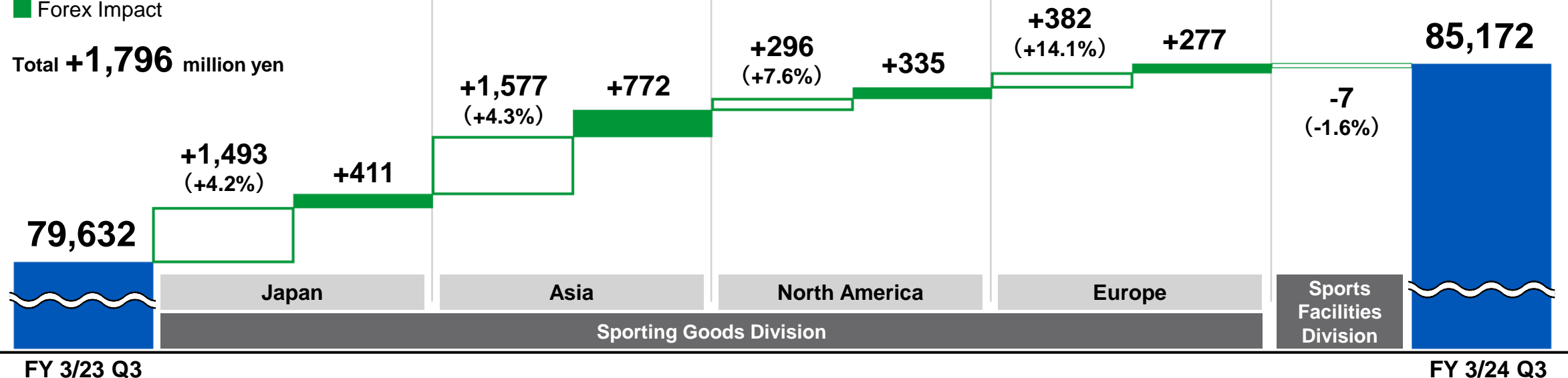
The yen depreciated against all the major currencies in regions where we operate. The increase in sales in local currency terms in all of our operating territories and the weakening of the yen contributed to the increase in consolidated sales.

● Forex Rate	1RMB	1TWD	1USD	1EUR	1GBP
FY3/23 Q3 (Jan-Sep)	19.35 yen	4.36 yen	128.04 yen	135.94 yen	160.56 yen
FY3/24 Q3 (Jan-Sep)	19.60 yen	4.45 yen	138.10 yen	149.61 yen	171.95 yen
YoY	+1.3%	+2.1%	+7.9%	+10.1%	+7.1%

(Million yen)

- Consolidated Net Sales
- Local Currency Basis (%)
- Forex Impact

Total **+1,796** million yen

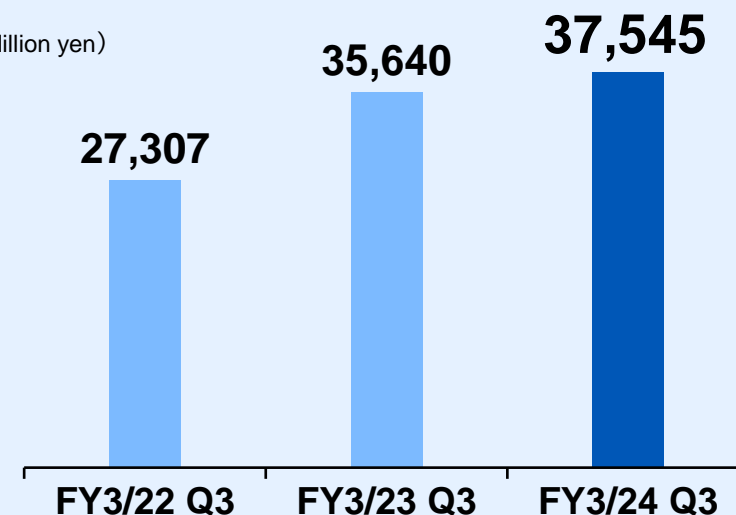


— Japan Segment

Net Sales

37,545 million yen YoY
+5.3%

(Million yen)



Domestic Sales

Tennis sales decreased as sales growth over the past few years slowed but recovered in Q3 due in part to solid sales of new-model tennis racquets. Badminton sales increased mainly in racquets on the back of continued strong demand. Overall sales increased slightly.

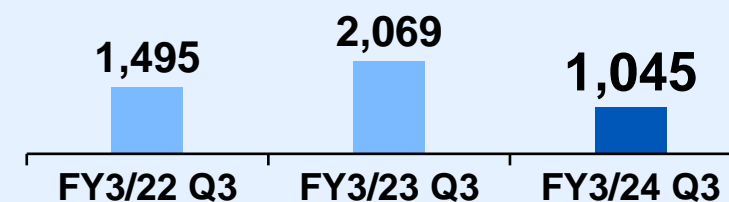
Overseas Distributors

Although the growth rate has slowed compared to the previous fiscal year, sales increased on the back of particularly strong sales in Asia, where the badminton market continues to be solid.

Operating Profit

1,045 million yen YoY
-49.5%

(Million yen)

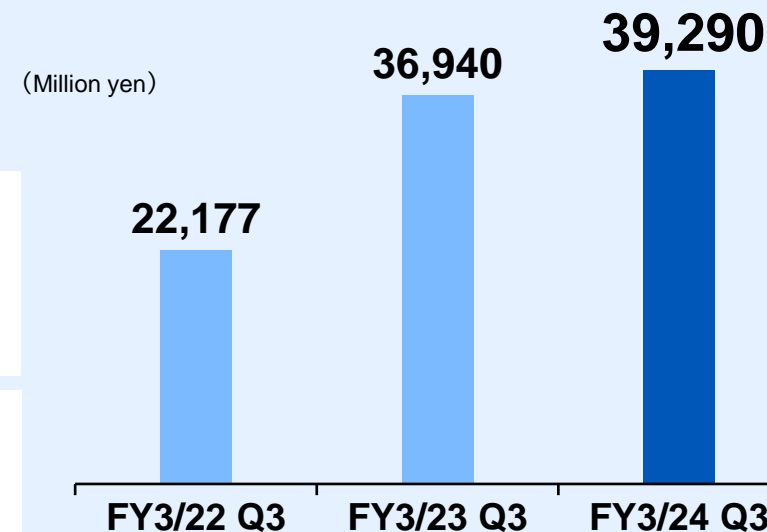


Gross profit increased due to higher sales and improved margin due to sales mix and the revision of sales price. However, operating profit decreased due to increased SGA expenses, including advertising, personnel, and IT system-related expenses. Yen depreciation also contributed to an increase in foreign currency-dominated expenses.

— Asia Segment

Net Sales

39,290 million yen YoY
+6.4%



China

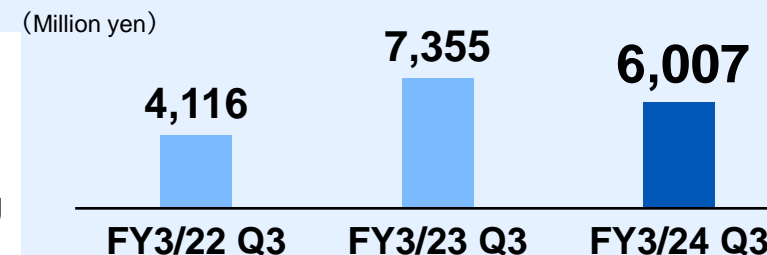
Although the spread of COVID-19 negatively impacted sales in Q1, sports activities recovered shortly thereafter, and demand for badminton and tennis trended solidly. While Q3 sales decreased, Q1-Q3 cumulative sales grew due to the increase in H1 and the boost from the yen depreciation.

Taiwan

We grew sales of badminton products by focusing on further market revitalization through our efforts in marketing and organizing tournaments that leverage the successes of local athletes in international tournaments.

Operating Profit

6,007 million yen YoY
-18.3%



In China, sales of products in a wide range of price ranges increased along with the expansion of the player base and caused a lower gross profit margin YoY. SGA expenses increased due to increased marketing activities, higher advertising, and fortification of personnel, resulting in lower operating profits.

● Forex Rate

	Jan-Sep, 2022	Jan-Sep, 2023	YoY
1RMB	19.35 yen	→ 19.60 yen	0.25 yen weaker

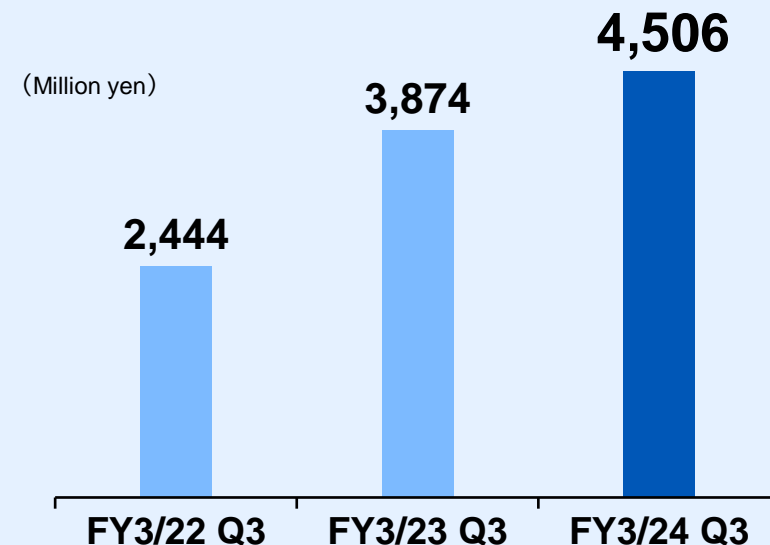
	Jan-Sep, 2022	Jan-Sep, 2023	YoY
1TWD	4.36 yen	→ 4.45 yen	0.09 yen weaker

— North America Segment

Net Sales

4,506 million yen YoY
+16.3%

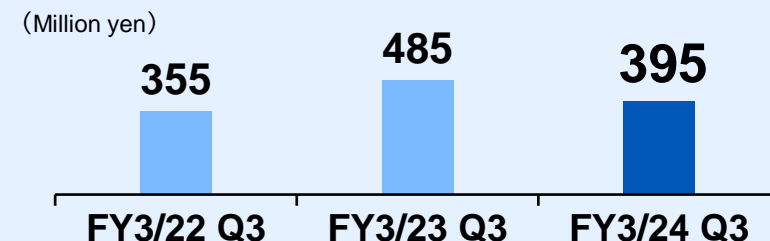
Badminton sales rose, and demand remained strong, as reflected by the increased attendance at international badminton tournaments and related events in Canada. Despite strong sales of new model racquets, tennis sales decreased YoY due to the continued issue of high inventory levels in the overall market since FY3/23 H2 and the abating of the strong sales growth seen in the last few years. The strong sales of badminton products and the effect of yen depreciation boosted overall sales.



Operating Profit

395 million yen YoY
-18.6%

The increase in SGA expenses due to investments in advertising and human resources exceeded the increase in gross profit derived from the higher sales and margin improvement and caused operating profit to decline.



● Forex Rate

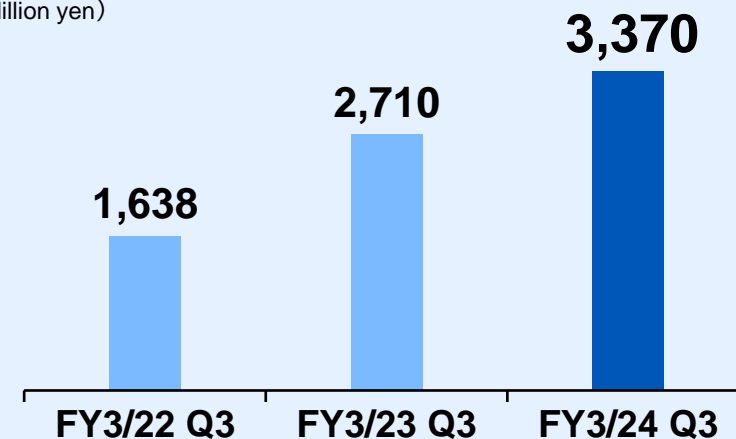
	Jan-Sep, 2022	Jan-Sep, 2023	YoY
1USD	128.04 yen	138.10 yen	10.06 yen weaker

— Europe Segment

Net Sales

3,370 million yen ^{YoY} **+24.3%**

(Million yen)



Germany

Strong sales of tennis equipment, including new model racquets, contributed to an increase in overall sales.

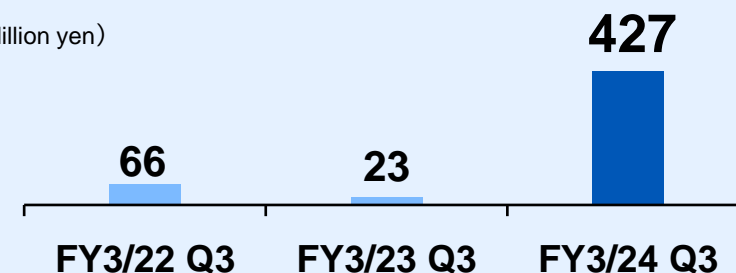
UK

Sales increased, boosted by the strong sales of badminton on the back of the success of the All England Open Badminton Championships held in Q1 and the record attendance numbers at the tournament.

Operating Profit

427 million yen ^{YoY} **+1,709.7%**

(Million yen)



● Forex Rate

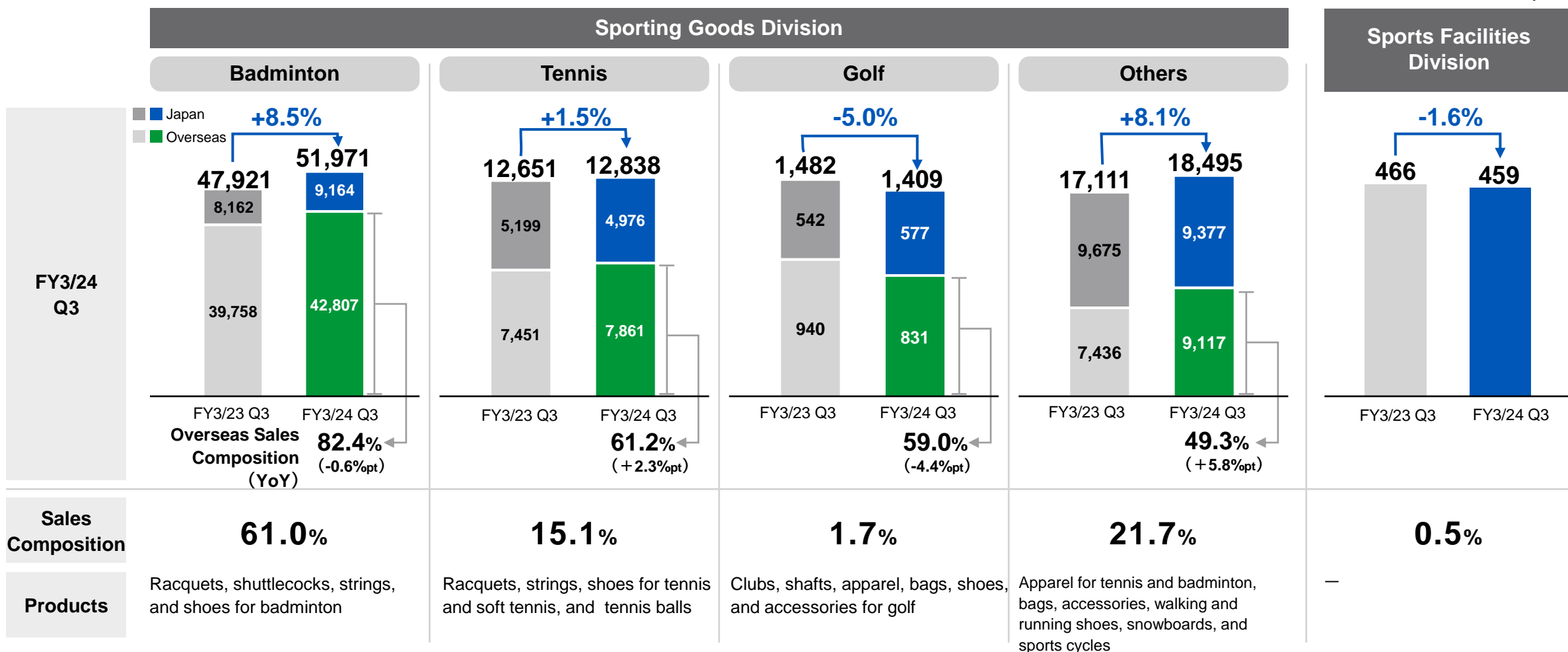
	Jan-Sep, 2022	Jan-Sep, 2023	YoY
1EUR	135.94 yen	→ 149.61 yen	13.67 yen weaker

	Jan-Sep, 2022	Jan-Sep, 2023	YoY
1GBP	160.56 yen	→ 171.95 yen	11.39 yen weaker

— Consolidated Net Sales by Sports Categories

Demand for badminton remained solid, bolstered by sales growth in both Japan and overseas. Tennis sales increased in China and Europe, while they decreased in Japan and North America, despite the recovery trend in demand in Q3.

(Million yen)



*Sales to overseas distributors are included in "Overseas".

— Earnings Forecasts for FY3/24

Earnings have generally been in line with expectations, and our full-year forecasts remain unchanged from the previous forecasts announced in May. We will continue to focus on achieving our forecasts while continuing to invest in personnel, IT, and other areas.

(Million yen)	FY3/23 Full Year Results	FY3/24 Full Year Forecasts	VS FY3/23 Results	
Net Sales	107,019	116,000	+8.4%	+8,980
Operating Profit	10,063	10,700	+6.3%	+636
Operating Profit Margin	9.4%	9.2%	-0.2%pt	—
Ordinary Profit	9,961	10,700	+7.4%	+738
Net Profit (Attributable to owners of parent)	7,331	7,800	+6.4%	+468

● Forex Rate

(Yen)	FY3/23 Results	FY3/24 Forecasts *Revised on Nov 9
1RMB	19.47	19.7
1TWD	4.4	4.5
1USD	131.42	140
1EUR	138.03	150
1GBP	161.91	170

— Tennis Australian Open 2024: Strong Performance of “Head-to-Toe” Yonex Athletes

The great success of “head-to-toe” Yonex athletes drew significant attention to Yonex apparel and shoes, in addition to our racquets. The wave-inspired apparel design captures the drama, sounds, and emotions at the games, and the colors match the shoes.



Women’s Singles TOP4

Dayana Yastremska(UKR)

Became the first woman's singles qualifier to reach the semifinals at the Australian Open in 46 years.



Women’s Singles TOP8

Linda Noskova(CZE)



Boy’s Singles Champion

Rei Sakamoto(JPN)

Became the first Japanese junior to win an AO title.

Yonex's Growing Presence in Juniors

- No.1 Usage rate for both boys and girls
*Total junior usage: **31%(40/128 players)**
- 3 of the semifinalists in boy's singles are “head-to-toe” Yonex contracted athletes.

Team Yonex Won 7 Titles

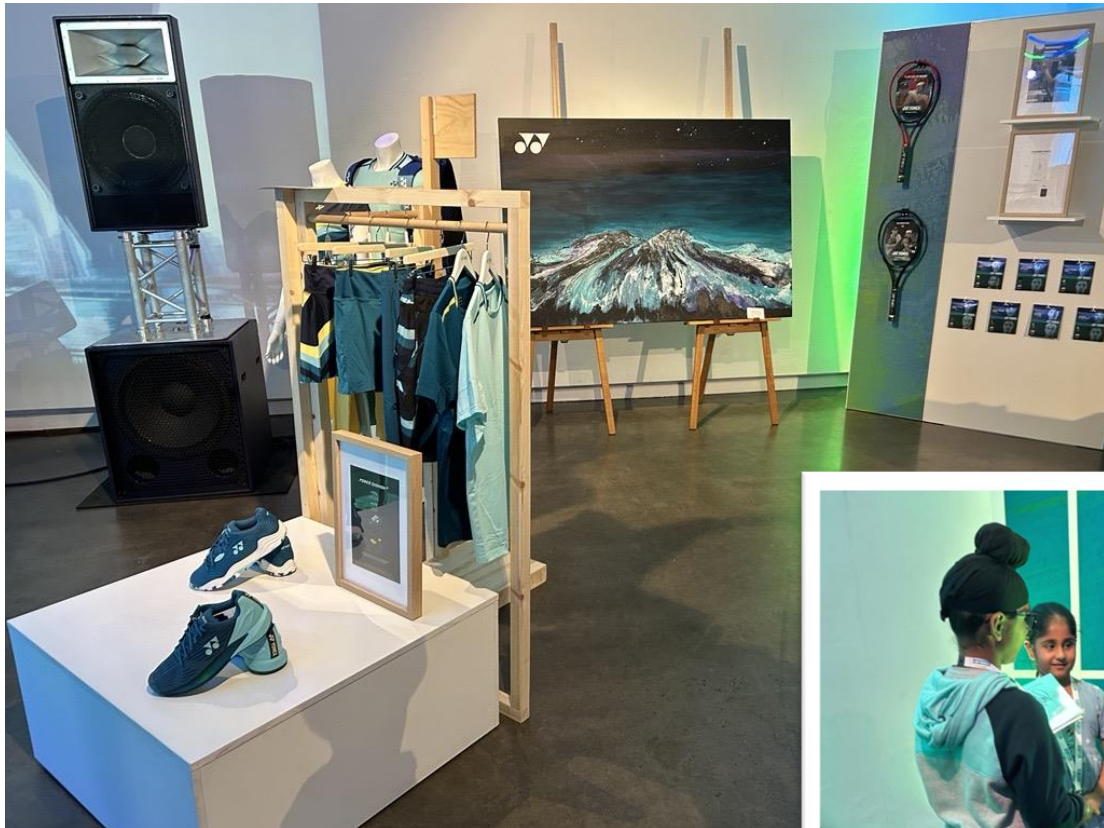
Boy's Singles	Rei Sakamoto (JPN)
Girl's Doubles	Tyra Caterina Grant (USA) Iva Jovic (USA)
Mixed Doubles	Jan Zielinski (POL)
Men's Wheelchair Singles	Tokito Oda (JPN)
Women's Wheelchair Singles	Diede de Groot (NED)
Women's Wheelchair Doubles	Diede de Groot (NED)
Quad Wheelchair Doubles	David Wagner (USA)

— Tennis Australian Open 2024: Pop-up Shop “CLUB YONEX”

Opened the first pop-up shop in Melbourne to connect with Team Yonex athletes and fans during the Australian Open.

CLUB YONEX 1,500+ people visited over 5 days (January 11-15)

While enjoying art, music, and snacks, players and fans interacted with each other and explored the history and products of Yonex.
(Click here for details: [Yonex Tennis Official Instagram](#))



▶ Marketa Vondrousova, reigning Wimbledon Champion, chatting with fans



◀ Stringing service by the AO official stringer

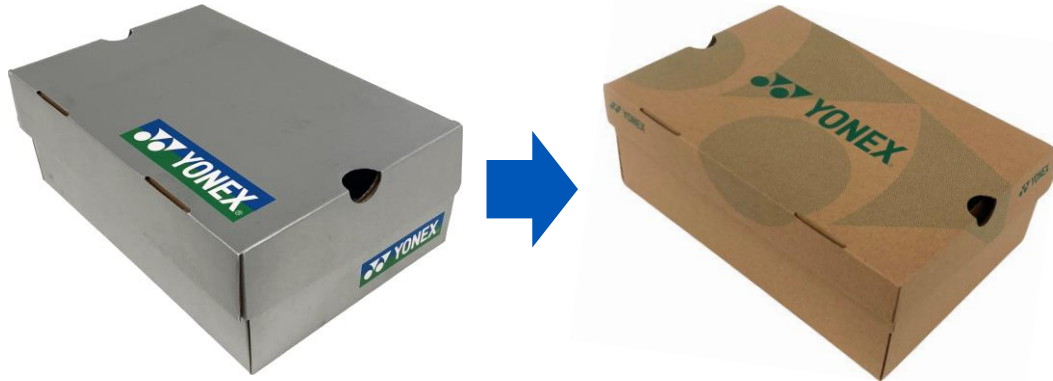


— Sustainability: Environmentally Friendly Manufacturing

Yonex is implementing initiatives to reduce packaging for various products while examining the impact on transportation and maintenance of product quality.

Eco-friendly shoe box and trimmings

(from Aug 2023)



▲ Before

▲ New design

Shoe box

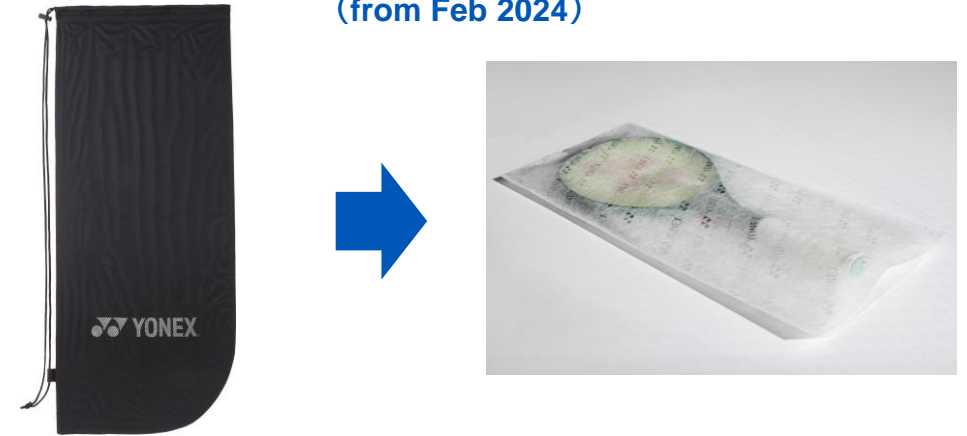
- Reduce material weight by **20%**
- Less ink usage

Trimmings

- Eliminate A4 size instruction manuals resulting in a **70%** paper usage reduction
- Change the fasteners on shoe tags from plastic materials to natural cotton

Shifting to biodegradable tennis racquet covers

(from Feb 2024)



▲ Eliminated racquet case

▲ Introduce eco-friendly cover

Reduce the use of petroleum-based materials by eliminating the nylon racquet cases and shifting to eco-friendly plant-based covers.

Eco-friendly non-woven fabric covers

- Biodegradable and compostable under specified conditions
- Avoid using adhesives or printing inks for bag-making and logo printing on the cover



Appendix

— Reference: Fiscal Year End for Domestic and Overseas Businesses

Our Japan segment, including domestic sales and sales to overseas distributors, closes their fiscal year in March, while our overseas subsidiaries close their fiscal year in December.

● Period Covered in FY3/24 Q3

	2023												2024		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Japan Segment (Domestic sales and sales to overseas distributors)				Q1			Q2			Q3			Q4		
Asia, North America, Europe Segments (Overseas Subsidiaries)	Q1			Q2			Q3			Q4					

— Net Sales by Reported Segments

(Million yen)

	FY3/20 Q3	FY3/21 Q3	FY3/22 Q3	FY3/23 Q3	FY3/24 Q3
Japan (Domestic sales and sales to overseas distributors)	29,018	19,911	27,307	35,640	37,545
Asia (Subsidiaries)	13,652	12,488	22,177	36,940	39,290
North America (Subsidiaries)	1,731	1,511	2,444	3,874	4,506
Europe (Subsidiaries)	1,737	1,438	1,638	2,710	3,370
Sports Facilities	449	365	407	466	459
Consolidated Sales	46,589	35,715	53,975	79,632	85,172

Japan

Domestic sales and sales to overseas distributors
(Southeast Asia, India, Korea, France, and Australia, others)

North America

US and Canada subsidiaries

Asia

China, Taiwan, India, and Thailand subsidiaries

Europe

UK and Germany subsidiaries

— Net Sales by Geographic Region

(Million yen)

	FY3/20 Q3	FY3/21 Q3	FY3/22 Q3	FY3/23 Q3	FY3/24 Q3
Japan	21,957	15,732	20,447	24,045	24,554
Overseas	24,632	19,982	33,528	55,587	60,617
Asia	19,462	15,654	27,529	43,839	48,054
North America	1,731	1,511	2,444	3,874	4,506
Europe	2,954	2,447	2,455	6,366	6,734
Others	482	370	1,099	1,506	1,323
Total	46,589	35,715	53,975	79,632	85,172
Overseas Sales Composition	52.9%	56.0%	62.1%	69.8%	71.1%

Japan

Domestic sales includes sports facilities division

Asia

China, Taiwan, South-East Asia, Korea, India, others

North America

US and Canada

Europe

Germany, UK, Denmark, France, others

Others

Australia, the Middle and Near East, South and Central America, others

* Sales to overseas distributors are included in overseas sales.

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. We would like to remind investors that various unforeseen factors could cause our actual results to differ materially from those discussed in these forward-looking statements.