

Translation

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May 9, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: Yonex Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 7906
 URL: <https://www.yonex.co.jp>
 Representative: President Alyssa Yoneyama
 Inquiries: Executive Managing Director Shuichi Yoneyama
 Telephone: 03-3839-7112
 Scheduled date of annual general meeting of shareholders: June 25, 2025
 Scheduled date to commence dividend payments: June 26, 2025
 Scheduled date to file annual securities report: June 26, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025

(from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	138,276	18.8	14,176	22.1	13,964	14.5	10,591	19.6
March 31, 2024	116,442	8.8	11,611	15.4	12,195	22.4	8,859	20.8

	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
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	122.96	—	16.3	13.9	10.3
March 31, 2024	102.45	—	15.6	14.3	10.0

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2025	109,551	69,426	63.2	809.91
March 31, 2024	91,226	60,901	66.5	701.59

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	12,978	(5,765)	(2,614)	29,000
March 31, 2024	12,489	(7,373)	764	23,180

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	—	7.00	—	9.00	16.00	1,395	15.6	2.4
Fiscal year ended March 31, 2025	—	11.00	—	11.00	22.00	1,899	17.9	2.9
Fiscal year ending March 31, 2026 (Forecast)	—	12.00	—	12.00	24.00		19.0	

**3. Forecast of consolidated financial results for the year ending March 31, 2026
(from April 1, 2025 to March 31, 2026)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2025	75,000	12.0	8,600	11.8	8,500	15.7	6,300	16.1	73.73
Full year	148,000	7.0	14,800	4.4	14,600	4.5	10,800	2.0	126.40

*** Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2025	92,870,800 shares
As of March 31, 2024	92,870,800 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2025	7,427,727 shares
As of March 31, 2024	6,348,883 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	86,130,803 shares
Fiscal year ended March 31, 2024	86,474,490 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements herein are based on information currently available and certain assumptions deemed reasonable by the Company, and actual results may differ significantly from these forecasts due to various factors.

1. Overview of Operating Results and Others

(1) Overview of Operating Results for the Current Fiscal Year

During the current fiscal year, the global sporting festival that commenced in Paris in July and other international tournaments, as well as the successes of Yonex sponsored athletes, including other athletes from various countries, have revitalized the sports market and increased attention to Yonex products, leading consolidated net sales to reach a new record high. We focused on further expanding the fanbase of sports around the world by strengthening Yonex's grass roots activities in each region, as well as enhanced communication by showcasing these international tournaments and the successes of the athletes.

As for profits, despite the negative impacts of raw material price hikes, gross profit increased due to the significant increase in sales. Selling, general and administrative expenses increased due to higher advertising expenses, particularly in the second half of the fiscal year, caused by the enhancement of marketing activities showcasing international tournaments topics, as well as increased personnel expenses and system-related expenses linked to our global IT reinforcement. However, the increase in gross profit was substantial, resulting in record-high profits.

As a result of the above conditions, consolidated net sales rose 18.8% year-on-year to 138.276 billion yen and operating profit rose 22.1% year-on-year to 14.176 billion yen. Due to foreign exchange losses and other factors, ordinary profit rose 14.5% year-on-year to 13.964 billion yen and profit attributable to owners of parent grew 19.6% year-on-year to 10.591 billion yen. Because our subsidiaries included in the scope of consolidation (sales subsidiaries in China, Taiwan, North America, Germany, and the United Kingdom, and manufacturing subsidiaries in India and Thailand) end their fiscal years in December, their financial statements as of December 31, 2024 were used.

Based on our mid- to long-term Global Growth Strategy (GGS) formulated in May 2023, our Company has started to promote the following initiatives: restructuring of marketing functions, elaboration and implementation of DTC and digital strategies, IT transformation, and evolution of our craftsmanship. We are also working to evolve our corporate culture so that it may serve as a solid foundation for the implementation of our Global Growth Strategy (GGS).

As we move forward promoting our Global Growth Strategy (GGS), we have clearly identified the core that we need to keep to ensure that all Yonex employees around the world are headed in the same direction, and we revisited our Corporate Philosophy - Craft a better future with unique innovations - in April 2024 and redefined it as our Purpose. We have supplemented this Purpose with a newly defined Mission - Bring the world together by deepening people's connection to sport and to each other. Going forward, our new Purpose and Mission will be the driving force in the pursuit of our Global Growth Strategy (GGS) to realize further mid- to long-term growth.

Results by Segment

1) Sporting Goods Segment

a. Japan

In Japan, domestic sales of badminton increased mainly in racquets and shoes due to the steady market as well as increased attention to new products. Tennis products sales increased due to sales growth in the fourth quarter driven by the successful launch of the new EZONE series of racquets, which was released in January 2025 and received favorable reviews. Sales of golf products increased due to the increased attention to our golf clubs resulting from Yonex athletes' successes and the effect of the new products launch.

For sales to overseas distributors, demand for badminton products remained strong supported by athletes' successes in international tournaments, and sales increased in Europe as well as in Asia, where the market is large. Tennis products also saw increased sales, mainly in Europe.

As for profits, gross profit increased mainly due to the effect of increased sales. Despite the negative impacts of raw material price hikes, the gross profit margin improved due to revisions of our sales pricing compared to the previous year, which had been affected by higher costs associated with yen depreciation. Selling, general and administrative expenses increased due to higher advertising costs for strengthening global marketing, personnel, and system-related expenses. However, the increase in gross profit exceeded these expenses, resulting in higher operating profit.

Consequently, net sales rose 13.6% year-on-year to 58.005 billion yen and operating profit rose 125.1% year-on-year to 3.694 billion yen.

b. Asia

At our Chinese subsidiary, the badminton market remained strong, boosted by the success of the Chinese national team at international team championships held in April and international sports events held in Paris in July, and sales of badminton products, apparel, bags and other products increased. The Company focused on further expanding its customer base through enhanced communication by showcasing these tournaments and the successes of the athletes, and hosting more local tournaments.

Our Taiwan subsidiary enjoyed a solid market as local athletes of badminton claimed two consecutive gold medals at the international sports event held in Paris, and the topic further energized local participation in the sport.

As for profits, marketing initiatives showcasing athletes' successes in international tournaments and strengthened Yonex's grass roots activities led to increased advertising expenses, along with rising personnel costs, resulting in increased selling,

general and administrative expenses. However, the increase in gross profit due to the stronger sales exceeded the increase in selling, general and administrative expenses and resulted in higher operating profit.

Consequently, net sales rose 24.0% year-on-year to 67.999 billion yen and operating profit rose 9.3% year-on-year to 9.712 billion yen.

c. North America

At our North American sales subsidiary, sales of tennis products, especially racquets and strings, increased, along with favorable reception of new products, due to the increased attention to our products resulting from Yonex athletes' successes in international tournaments. In badminton, participation in the sport is remaining active, and although sales declined in the first half of the year compared to the high levels of the previous fiscal year, sales recovered in the second half, and with the positive effect of currency translation, sales increased for the full year.

Although selling, general and administrative expenses, including personnel costs, increased, gross profit increased due to higher sales and an improvement in the gross profit margin resulting from a change in our sales mix. This more than offset the rise in expenses, resulting in higher operating profit.

Consequently, net sales rose 15.3% year-on-year to 6.354 billion yen and operating profit rose 123.0% year-on-year to 560 million yen.

d. Europe

Sales of badminton products increased due to continued active participation and steady demand. As for tennis products, sales increased as a result of the focus on expanding sales channels amid growing attention due to the expanded use of our tennis products by top athletes. In particular at our German sales subsidiary, sales were strong and overall sales increased due in part to the positive effect of currency translation.

While gross profit increased due to the stronger sales, selling, general and administrative expenses including advertising and personnel expenses increased, resulting in a decrease in profits.

Consequently, net sales rose 18.6% year-on-year to 5.359 billion yen and operating profit fell 10.6% year-on-year to 477 million yen.

As a result of these developments, total net sales for all geographical regions in our sporting goods segment rose 18.8% year-on-year to 137.718 billion yen and operating profit grew 27.7% year-on-year to 14.444 billion yen.

2) Sports Facilities Segment

At the Yonex Country Club, which is a core facility within our Sports Facilities Division, the Yonex Ladies Golf Tournament 2024 was held at our golf course in the first quarter for the first time in two years, creating a buzz. Although the number of visitors decreased in the second half of the year due to unfavorable weather and repairs to facilities, we attracted customers by holding various competitions and golf club fitting, resulting in a full-year on par with the previous year.

Consequently, net sales in the Sports Facilities segment increased 6.6% year-on-year to 557 million yen and operating profit decreased 24.1% year-on-year to 16 million yen.

(Note) In the aforementioned analysis by business segment, net sales refers to external customer sales, while operating profit or loss refers to the amount of profit before adjustments.

(2) Future Outlook

The global economic outlook remains uncertain amid U.S. tariff policies and exchange rate fluctuations. In addition, we recognize that the business environment will continue to require caution due to geopolitical risks and persistently high raw material prices. Even in this environment, we expect the sports market to continue to be firm to a certain degree. Based on our Global Growth Strategy (GGS), we will continue to strengthen our business foundation for mid- to long-term growth, while focusing on activities to attract more customers around the world and further development of the competition activities, aiming for sustainable growth.

The consolidated earnings forecast for the fiscal year ending March 31, 2026 is as follows, reflecting the strong yen exchange rate and the business environment described above, as well as anticipated proactive marketing investments and increased personnel expenses.

	Earnings forecasts for fiscal year ending March 31, 2026	Change
Net sales	148,000 million yen	7.0% increase
Operating profit	14,800 million yen	4.4% increase
Ordinary profit	14,600 million yen	4.5% increase
Profit attributable to owners of parent	10,800 million yen	2.0% increase

(Reference) Main exchange rate assumptions

	Actual results for the fiscal year ended March 31, 2025	Forecast for the fiscal year ending March 31, 2026
USD	151.57 yen	140 yen
RMB	21.01 yen	19.5 yen
EUR	163.94 yen	160 yen

(3) Overview of Financial Position for Current Fiscal Year

1) Assets, Liabilities, and Net Assets

Consolidated total assets increased by 18.324 billion yen from the previous fiscal year-end to 109.551 billion yen at the end of the current fiscal year. The main factors influencing this increase included rises in cash and deposits, property, plant and equipment, and merchandise and finished goods.

Consolidated liabilities rose by 9.798 billion yen from the previous fiscal year-end to 40.124 billion yen at the end of the current fiscal year. The main factors influencing this increase included increases in long-term borrowings, notes and accounts payable - trade and accounts payable - other.

Consolidated net assets grew by 8.525 billion yen from the previous fiscal year-end to 69.426 billion yen at the end of the current fiscal year. This growth was due mainly to increases in retained earnings and foreign currency translation adjustment.

2) Cash Flows

Cash and cash equivalents (hereinafter called “cash”) stood at 29.000 billion yen at the fiscal year-end, posting an increase of 5.820 billion yen from the previous fiscal year-end.

The status of our cash flows and the underlying activities for the current fiscal year are outlined as follows.

Operating Cash Flow

Operating activities generated a net cash inflow of 12.978 billion yen, up 3.9% from the previous term. This mainly consisted of 14.892 billion yen of profit before income taxes and an increase of 3.681 billion yen in trade payables. At the same time, an outflow of 4.946 billion yen for income taxes paid was recorded.

Investing Cash Flow

Investing activities generated a net cash outflow of 5.765 billion yen, down 21.8% from the previous term. The main factor influencing this net outflow was 5.801 billion yen for purchase of property, plant and equipment.

Financing Cash Flow

Financing activities generated a net cash outflow of 2.614 billion yen, compared to a net cash inflow of 764 million yen for the previous fiscal year. The main factors influencing this net inflow included proceeds from long-term borrowings of 5.560 billion yen, purchase of treasury shares of 2.400 billion yen, a net decrease in short-term borrowings of 2.303 billion yen, dividends paid by parent company of 1.720 billion yen, and repayments of long-term borrowings of 982 million yen.

2. Basic Approach to the Selection of Accounting Standards

The Yonex Group prepares its consolidated financial statements in accordance with Japanese accounting standards for better comparability over time and between companies. IFRS standards may be adopted in the future as necessary, depending on various factors in Japan and overseas.

Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	23,549	29,478
Notes receivable - trade	4,689	5,585
Accounts receivable - trade	12,446	14,417
Merchandise and finished goods	12,290	14,467
Work in process	2,157	2,701
Raw materials and supplies	2,295	2,836
Other	2,614	3,804
Allowance for doubtful accounts	(89)	(75)
Total current assets	59,952	73,216
Non-current assets		
Property, plant and equipment		
Buildings and structures	16,225	20,973
Accumulated depreciation	(10,369)	(11,067)
Buildings and structures, net	5,855	9,905
Machinery, equipment and vehicles	8,927	9,690
Accumulated depreciation	(6,599)	(7,267)
Machinery, equipment and vehicles, net	2,327	2,422
Tools, furniture and fixtures	4,020	4,462
Accumulated depreciation	(3,391)	(3,702)
Tools, furniture and fixtures, net	628	760
Golf courses	189	189
Trees	7	7
Land	11,942	12,080
Leased assets	92	96
Accumulated depreciation	(41)	(35)
Leased assets, net	50	60
Right of use asset	2,848	3,179
Accumulated depreciation	(949)	(1,197)
Right of use asset, net	1,899	1,982
Construction in progress	3,207	3,197
Total property, plant and equipment	26,109	30,607
Intangible assets		
Software	2,098	1,651
Software in progress	219	58
Other	15	15
Total intangible assets	2,333	1,725
Investments and other assets		
Investment securities	219	276
Long-term time deposits	400	400
Deferred tax assets	1,550	2,571
Other	661	754
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	2,830	4,002
Total non-current assets	31,273	36,334
Total assets	91,226	109,551

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,390	10,402
Accounts payable - other	3,544	4,969
Short-term borrowings	2,283	—
Current portion of long-term borrowings	972	829
Lease liabilities	759	695
Income taxes payable	1,531	1,800
Accrued consumption taxes	—	4
Provision for bonuses	1,470	1,926
Provision for bonuses for directors (and other officers)	47	55
Provision for point card certificates	7	7
Other	3,309	4,239
Total current liabilities	20,318	24,931
Non-current liabilities		
Long-term borrowings	3,542	8,272
Lease liabilities	1,240	1,410
Retirement benefit liability	2,750	3,118
Provision for share awards	145	167
Asset retirement obligations	59	154
Long-term guarantee deposits	1,985	1,951
Other	282	118
Total non-current liabilities	10,007	15,193
Total liabilities	30,325	40,124
Net assets		
Shareholders' equity		
Share capital	4,706	4,706
Capital surplus	7,945	7,992
Retained earnings	48,218	57,071
Treasury shares	(2,837)	(5,126)
Total shareholders' equity	58,033	64,643
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	29	69
Foreign currency translation adjustment	2,860	4,900
Remeasurements of defined benefit plans	(219)	(412)
Total accumulated other comprehensive income	2,669	4,558
Non-controlling interests	197	224
Total net assets	60,901	69,426
Total liabilities and net assets	91,226	109,551

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Net sales	116,442	138,276
Cost of sales	64,830	76,214
Gross profit	51,611	62,061
Selling, general and administrative expenses		
Advertising expenses	17,482	21,608
Provision of allowance for doubtful accounts	31	10
Salaries and allowances	6,401	7,492
Provision for bonuses	935	1,274
Provision for bonuses for directors (and other officers)	47	55
Retirement benefit expenses	249	363
Provision for retirement benefits for directors (and other officers)	5	—
Depreciation	1,405	1,643
Research and development expenses	1,720	2,185
Provision for point card certificates	3	0
Amortization of goodwill	43	—
Other	11,672	13,251
Total selling, general and administrative expenses	40,000	47,884
Operating profit	11,611	14,176
Non-operating income		
Interest income	97	149
Rental income	9	11
Foreign exchange gains	438	—
Gain on sale of non-current assets	32	46
Other	113	103
Total non-operating income	691	310
Non-operating expenses		
Interest expenses	92	148
Commission expenses	8	40
Foreign exchange losses	—	322
Other	6	11
Total non-operating expenses	107	522
Ordinary profit	12,195	13,964
Extraordinary income		
National subsidies	515	927
Total extraordinary income	515	927
Profit before income taxes	12,710	14,892
Income taxes - current	3,285	5,148
Income taxes for prior periods	296	—
Income taxes - deferred	238	(865)
Total income taxes	3,820	4,282
Profit	8,890	10,610
Profit attributable to non-controlling interests	31	18
Profit attributable to owners of parent	8,859	10,591

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit	8,890	10,610
Other comprehensive income		
Valuation difference on available-for-sale securities	2	40
Foreign currency translation adjustment	1,189	2,065
Remeasurements of defined benefit plans, net of tax	(129)	(193)
Total other comprehensive income	1,062	1,913
Comprehensive income	9,952	12,523
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,908	12,479
Comprehensive income attributable to non-controlling interests	44	43

Consolidated statements of changes in equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,706	8,202	40,586	(2,190)	51,305
Changes during period					
Dividends of surplus			(1,227)		(1,227)
Profit attributable to owners of parent			8,859		8,859
Purchase of treasury shares				(1,061)	(1,061)
Disposal of treasury shares		37		119	157
Cancellation of treasury shares		(294)		294	—
Net changes in items other than shareholders' equity					
Total changes during period	—	(256)	7,631	(647)	6,727
Balance at end of period	4,706	7,945	48,218	(2,837)	58,033

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	26	1,686	(92)	1,619	174	53,099
Changes during period						
Dividends of surplus						(1,227)
Profit attributable to owners of parent						8,859
Purchase of treasury shares						(1,061)
Disposal of treasury shares						157
Cancellation of treasury shares						—
Net changes in items other than shareholders' equity	2	1,173	(127)	1,049	23	1,073
Total changes during period	2	1,173	(127)	1,049	23	7,801
Balance at end of period	29	2,860	(219)	2,669	197	60,901

YONEX CO., LTD.

Fiscal year ended March 31,2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	4,706	7,945	48,218	(2,837)	58,033
Changes during period					
Dividends of surplus			(1,738)		(1,738)
Profit attributable to owners of parent			10,591		10,591
Purchase of treasury shares				(2,400)	(2,400)
Disposal of treasury shares		46		111	157
Net changes in items other than shareholders' equity					
Total changes during period	—	46	8,852	(2,289)	6,609
Balance at end of period	4,706	7,992	57,071	(5,126)	64,643

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	29	2,860	(219)	2,669	197	60,901
Changes during period						
Dividends of surplus						(1,738)
Profit attributable to owners of parent						10,591
Purchase of treasury shares						(2,400)
Disposal of treasury shares						157
Net changes in items other than shareholders' equity	40	2,040	(192)	1,888	26	1,915
Total changes during period	40	2,040	(192)	1,888	26	8,525
Balance at end of period	69	4,900	(412)	4,558	224	69,426

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	12,710	14,892
Depreciation	2,677	3,275
State subsidy	(515)	(927)
Amortization of goodwill	43	—
Increase (decrease) in allowance for doubtful accounts	18	(21)
Increase (decrease) in provision for bonuses	250	414
Increase (decrease) in retirement benefit liability	(137)	71
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(209)	—
Increase (decrease) in other provisions	7	7
Interest and dividend income	(103)	(156)
Interest expenses	92	148
Foreign exchange losses (gains)	(698)	(178)
Loss (gain) on sale of non-current assets	(31)	(45)
Loss on retirement of non-current assets	5	9
Decrease (increase) in trade receivables	(1,859)	(2,239)
Decrease (increase) in inventories	2,870	(2,328)
Increase (decrease) in trade payables	(804)	3,681
Increase (decrease) in accrued consumption taxes	314	(487)
Other, net	243	1,054
Subtotal	14,874	17,171
Interest and dividends received	97	167
Interest paid	(78)	(160)
Subsidies received	515	662
Income taxes refund (paid)	(3,008)	(4,946)
Other, net	90	83
Net cash provided by (used in) operating activities	12,489	12,978
Cash flows from investing activities		
Payments into time deposits	(491)	(459)
Proceeds from withdrawal of time deposits	619	369
Purchase of property, plant and equipment	(6,574)	(5,801)
Proceeds from sale of property, plant and equipment	43	68
Proceeds from State Subsidy	—	264
Purchase of intangible assets	(901)	(149)
Other, net	(69)	(56)
Net cash provided by (used in) investing activities	(7,373)	(5,765)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,281	(2,303)
Proceeds from long-term borrowings	2,140	5,560
Repayments of long-term borrowings	(705)	(982)
Repayments of lease liabilities	(632)	(712)
Purchase of treasury shares	(1,061)	(2,400)
Dividends paid	(1,228)	(1,720)
Dividends paid to non-controlling interests	(20)	(16)
Other, net	(8)	(38)
Net cash provided by (used in) financing activities	764	(2,614)
Effect of exchange rate change on cash and cash equivalents	880	1,220
Net increase (decrease) in cash and cash equivalents	6,761	5,820
Cash and cash equivalents at beginning of period	16,418	23,180
Cash and cash equivalents at end of period	23,180	29,000

(4) Notes on Consolidated Financial Statements **(Notes Regarding Going Concern Assumptions)**

Not applicable

(Notes on Significant Fluctuations in Shareholders' Equity) **(Purchase of Treasury Shares)**

The Company acquired 1,184,000 shares as treasury shares on a resolution passed at the Board of Directors meeting held on November 14, 2024. As a result, treasury shares increased by 2.399 billion yen with treasury shares at 5.126 billion yen at the end of the current fiscal year.

(Note on changes in accounting policies)

(Application of the "Accounting Standard for Current Income Taxes," Etc.)

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022"), etc. from the beginning of the fiscal year ended March 31, 2025.

Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and to the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Guidance of 2022"). This change in accounting policies has no impact on the consolidated financial statements.

In addition, for changes related to the revised treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Revised Guidance of 2022 has been applied from the beginning of the fiscal year ended March 31, 2025. This change in accounting policies has been applied retrospectively, and is reflected in the consolidated financial statements for the previous fiscal year. This change in accounting policies has no impact on the consolidated financial statements for the previous fiscal year.

(Notes on Additional Information)

(Changes in Presentation)

(Consolidated Statements of cash flows)

Consolidated statements of cash flows have been reclassified from the previous fiscal year in order to reflect the following changes in presentation.

1) "Increase (decrease) in other provisions" in "Cash flows from operating activities"

"Increase (decrease) in provision for bonuses for directors (and other officers)" and "Increase (decrease) in provision for point card certificates," which were presented individually under "Cash flows from operating activities" in the previous fiscal year, are included in "Increase (decrease) in other provisions" for the sake of monetary importance and clarity of presentation.

As a result, "Increase (decrease) in provision for bonuses for directors (and other officers)" of 4 million yen and "Increase (decrease) in provision for point card certificates" of 2 million yen, which were presented in "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year, have been reclassified as "Increase (decrease) in other provisions."

2) "Other, net" before "Subtotal" column of "Cash flows from operating activities"

"Amortization of long-term prepaid expenses," "Subsidy income," "Other non-operating expenses (income)," "Decrease (increase) in return assets," "Increase (decrease) in refund liabilities," "Increase (decrease) in contract liabilities," "Decrease (increase) in other assets," and "Increase (decrease) in other liabilities," which were presented individually under "Cash flows from operating activities" in the previous fiscal year, are included in "Other, net" before "Subtotal" column for the sake of monetary importance and clarity of presentation.

As a result, "Amortization of long-term prepaid expenses" of 77 million yen, "Subsidy income" of negative 0 million yen, "Other non-operating expenses (income)" of negative 105 million yen, "Decrease (increase) in return assets" of 56 million yen, "Increase (decrease) in refund liabilities" of negative 18 million yen, "Increase (decrease) in contract liabilities" of 1 million yen, "Decrease (increase) in other assets" of negative 268 million yen, and "Increase (decrease) in other liabilities" of 501 million yen, which were presented in "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year, have been reclassified as "Other, net" before "Subtotal" column in "Cash flows from operating activities."

3) “Other, net” under the “Subtotal” column of “Cash flows from operating activities”

“Other proceeds,” “Other payments,” and “Subsidies received” under “Cash flows from operating activities,” which were presented individually under “Cash flows from operating activities” in the previous fiscal year, are included in “Other, net” under the “Subtotal” column for the sake of monetary importance and clarity of presentation.

As a result, “Other proceeds” of 94 million yen, “Other payments” of negative 5 million yen, and “Subsidies received” of 0 million yen, which were presented in “Cash flows from operating activities” in the consolidated statements of cash flows for the previous fiscal year, have been reclassified as “Other, net” under “Subtotal” column in “Cash flows from operating activities.”

4) “Other, net” in “Cash flows from investing activities”

“Loan advances” and “Proceeds from collection of loans receivable” which were presented individually under “Cash flows from investing activities” in the previous fiscal year, have been included in “Other, net” in the current fiscal year since their materiality in terms of value has decreased.

As a result, “Loan advances” of negative 12 million yen and “Proceeds from collection of loans receivable” of 17 million yen, which were presented in “Cash flows from investing activities” in the consolidated statements of cash flows for the previous fiscal year, have been reclassified as “Other, net” under “Cash flows from investing activities.”

(Notes on Consolidated Statements of Income)

* Income taxes for prior periods

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

As a result of a tax audit by the Tokyo Regional Taxation Bureau on income taxes for the taxable years from the fiscal year ended March 31, 2019 to the fiscal year ended March 31, 2022, our Company recorded 296 million yen as income taxes for prior periods.

Fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

Not applicable

(Notes on Segment Information, etc.)**a. Segment Information****1. Overview of Reportable Segments**

The Yonex Group's reported segments are those business segments for which separate financial information is available, and which the Board of Directors examines regularly to determine the allocation of management resources and to assess business results.

The Yonex Group is comprised of the Sporting Goods Division, which manufactures and sells sporting goods, and the Sports Facilities Division, which mainly operates the Company's golf course.

The Sporting Goods Division manufactures and sells mainly badminton, tennis, and golf products. In addition to the Yonex Group's production facilities within Japan, goods are manufactured at local subsidiaries in Asia (Taiwan, India and Thailand). The Company conducts sales in Japan, as well as exports to and intermediary trade with overseas distributors. Outside Japan, local subsidiaries handle sales in their respective regions: North America (United States of America and Canada), Europe (United Kingdom and Germany), and Asia (Taiwan and China). Our local subsidiaries in India and Thailand are manufacturing subsidiaries, with sales conducted by local distributors.

The local subsidiaries, which are independent operating units, formulate comprehensive strategies for their respective regions and are responsible for conducting business activities within those regions.

The Sports Facilities Division operates a golf course, golf driving ranges and tennis clubs. These operations are limited to Japan.

Accordingly, the Yonex Group has five reportable segments with the Sporting Goods Division divided into four geographic segments based on sales structure including Japan, Asia, North America and Europe, and the Sports Facilities Division reported as a single segment.

2. Measurement Method for the Amounts of Net Sales, Profit or Loss, Assets, and Other Items by Reported Segments

The accounting method used for reported business segments complies with accounting policies that have been adopted in preparing the consolidated financial statements.

The profits of the reported segments are numerical values based on operating profit.

Intersegment sales and transfers are based on prevailing market prices.

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3. Information Regarding the Amounts of Net Sales, Profit or Loss, Assets, and Other Items by Reported Segments

(Millions of yen)

	Reportable Segments						Total	Adjustment (Note 2)	Amounts in the consolidated financial statements (Note 3)
	Sporting goods division					Sports facilities division			
	Japan	Asia (Note 1)	North America	Europe	Total				
Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)									
Net sales									
External customer sales	51,039	54,849	5,512	4,518	115,919	522	116,442	–	116,442
Intersegment sales and transfers	23,979	7,710	36	52	31,778	4	31,782	(31,782)	–
Total	75,018	62,560	5,549	4,570	147,698	526	148,225	(31,782)	116,442
Segment profit	1,641	8,883	251	533	11,309	21	11,331	280	11,611
Segment assets	66,499	29,029	4,306	3,825	103,661	1,975	105,636	(14,410)	91,226
Other									
Depreciation	1,617	1,001	28	17	2,665	33	2,698	(21)	2,677
Amortization of goodwill	43	–	–	–	43	–	43	–	43
Remaining goodwill	–	–	–	–	–	–	–	–	–
Extraordinary income	–	515	–	–	515	–	515	–	515
Increase in property, plant and equipment and intangible assets	6,744	1,315	29	25	8,114	75	8,190	(3)	8,186

(Note)

1. Within net sales of Asia in the sporting goods segment, net sales of China were 48.442 billion yen.

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(Millions of yen)

	Reportable Segments						Total	Adjustment (Note 2)	Amounts in the consolidated financial statements (Note 3)
	Sporting goods division					Sports facilities division			
	Japan	Asia (Note 1)	North America	Europe	Total				
Fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)									
Net sales									
External customer sales	58,005	67,999	6,354	5,359	137,718	557	138,276	–	138,276
Intersegment sales and transfers	29,287	8,994	10	45	38,337	25	38,362	(38,362)	–
Total	87,292	76,993	6,364	5,405	176,056	582	176,639	(38,362)	138,276
Segment profit	3,694	9,712	560	477	14,444	16	14,460	(283)	14,176
Segment assets	78,928	33,410	5,695	4,565	122,600	2,120	124,720	(15,169)	109,551
Other									
Depreciation	2,026	1,159	30	29	3,245	40	3,286	(10)	3,275
Extraordinary income	264	662	–	–	927	–	927	–	927
Increase in property, plant and equipment and intangible assets	6,243	1,235	27	66	7,573	86	7,659	(3)	7,655

(Notes)

1. Within net sales of Asia in the sporting goods segment, net sales of China were 61.125 billion yen.
2. The details of adjustments are as follows.

Segment profit

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Intersegment transaction eliminations	91	97
Adjustment of inventories	172	(386)
Adjustment of non-current assets	15	5
Total	280	(283)

Segment assets

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Intersegment transaction eliminations	(14,542)	(15,955)
Overall company assets *	1,950	2,971
Adjustment of inventories	(1,792)	(2,179)
Adjustment of non-current assets	(26)	(7)
Total	(14,410)	(15,169)

* Overall company assets are comprised of deferred tax assets, deferred tax liabilities and time deposits that are not attributable to reportable segments.

3. Segment profit was adjusted with operating profit in the consolidated statements.

b. Related Information

Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)

1. Information by Product and Service

This information has been omitted as it is identical to information disclosed in the segment information.

2. Information by Geographical Area**(1) Net sales**

(Millions of yen)

Japan	Asia	North America	Europe	Other	Total
33,914	66,418	5,512	8,823	1,773	116,442

(Notes)

1. Net sales are classified by country or region based on customer location.
2. Within amounts classified as net sales to Asia, net sales to China were 48.442 billion yen.

(2) Property, Plant and Equipment

(Millions of yen)

Japan	Asia	North America	Europe	Total
20,361	4,211	1,086	450	26,109

(Note)

Property, plant and equipment are classified by country or region based its location.

3. Information by Major Customer

This information has been omitted as there are no major external customers that account for 10% or more of the net sales recorded on our consolidated statement of income.

Fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)

1. Information by Product and Service

This information has been omitted as it is identical to information disclosed in the segment information.

2. Information by Geographical Area**(1) Net sales**

(Millions of yen)

Japan	Asia	North America	Europe	Other	Total
38,217	80,677	6,354	10,936	2,089	138,276

(Notes)

1. Net sales are classified by country or region based on customer location.
2. Within amounts classified as net sales to Asia, net sales to China were 61.125 billion yen.

(2) Property, Plant and Equipment

(Millions of yen)

Japan	Asia	North America	Europe	Total
24,454	4,609	1,011	531	30,607

(Note)

Property, plant and equipment are classified by country or region based its location.

3. Information by Major Customer

This information has been omitted as there are no major external customers that account for 10% or more of the net sales recorded on our consolidated statement of income.

(Per Share Information)

(Yen)

	Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
Net assets per share	701.59	809.91
Basic earnings per share	102.45	122.96
Fully diluted earnings per share	–	–

(Note)

The basic facts underlying calculation of basic earnings per share are as follows.

(Millions of yen)

	Fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)	Fiscal year ended March 31, 2025 (April 1, 2024 – March 31, 2025)
Basic earnings per share		
Profit attributable to owners of parent	8,859	10,591
Amount not attributable to common shareholders	–	–
Amount of profit attributable to owners of parent per common share	8,859	10,591
Average number of shares outstanding during fiscal year (thousands of shares)	86,474	86,130

(Notes)

1. Fully diluted earnings per share are not presented because no latent shares exist.
2. Yonex shares held by Custody Bank of Japan, Ltd. (Trust Account) are included in the treasury shares subtracted in the calculation of the average number of shares outstanding during fiscal year, underlying the calculation of basic earnings per share. They are also included in the treasury shares subtracted from the number of issued shares at end of fiscal year, underlying the calculation of net assets per share.
Yonex's average number of shares outstanding during the fiscal year held by this trust account were 426 thousand shares in the previous fiscal year and 343 thousand shares in the current fiscal year, and the number of shares at the end of the fiscal year were 392 thousand shares in the previous fiscal year and 312 thousand shares in the current fiscal year.

(Notes on Important Matters Occurring Subsequent to Report Period)

Not applicable