

GLOBERIDE, Inc.

Stock code: 7990

Presentation Material May 23, 2024

May 23, 2024



A Lifetime Sports Company

Overview of Financial Results for the Fiscal Year Ended March 31, 2024

Highlights of Financial Results for the Fiscal Year Ended March 31, 2024 (i) Changes from the previous fiscal year

(Million yen)

	2023/3	2024/3	Change	%
Net sales	134,583	126,008	-8,575	-6.4%
Gross profit	48,987	45,993	-2,994	-6.1%
Gross profit margin	36.4%	36.5%	+0.1 point	—
Operating profit	12,125	7,496	-4,629	-38.2%
Operating profit ratio	9.0%	5.9%	-3.1 point	—
Ordinary profit	12,659	8,375	-4,284	-33.8%
Ordinary profit ratio	9.4%	6.6%	-2.8 point	—
Profit attributable to owners of parent	9,188	5,582	-3,605	-39.2%
Profit ratio	6.8%	4.4%	-2.4 point	—

- Market conditions show signs of stagnation in 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 high prices placing an increasing burden 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 adjustments 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 Fiscal Year Ended March 31, 2024 (ii) Changes from the initial forecasts

(Million yen)

	2024/3		Change	%
	Forecast	Result		
Net sales	125,000	126,008	+1,008	+0.8%
Operating profit	7,500	7,496	-3	-0.1%
Operating profit ratio	6.0%	5.9%	-0.1 point	—
Ordinary profit	7,600	8,375	+775	+10.2%
Ordinary profit ratio	6.1%	6.6%	+0.6 point	—
Profit attributable to owners of parent	5,200	5,582	+382	+7.4%
Profit ratio	4.2%	4.4%	+0.3 point	—

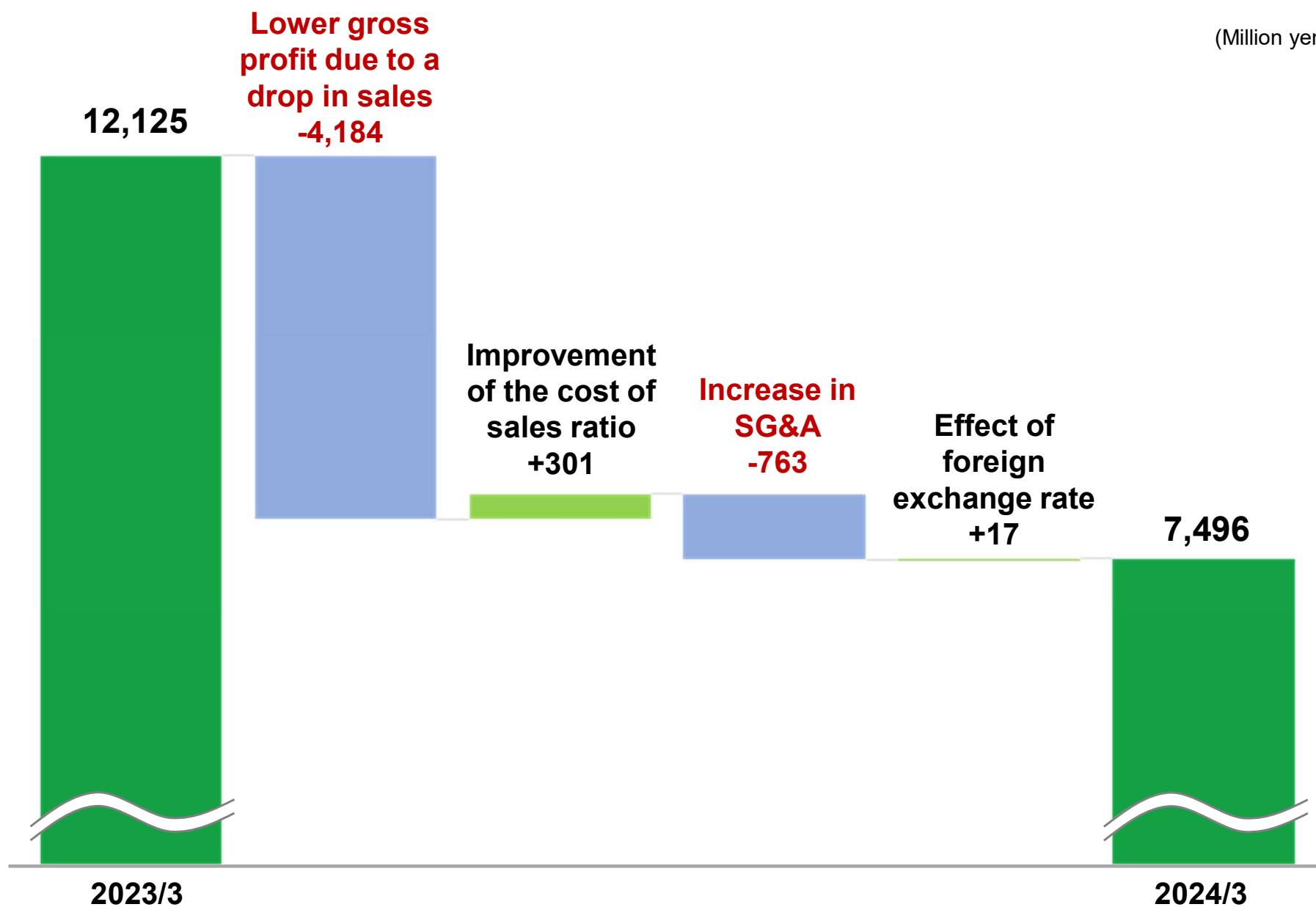
- For net sales, despite the impact of slowing demand and the inflationary trend on consumption mainly in the Japanese market, we achieved the announced forecast value, partly because the results for Golf and Sports business segments which exceeded plans
- Although the cost of sales ratio deteriorated compared to the plan, operating profit was generally in line with the announced forecast value, due to reductions in SG&A expenses.
- Ordinary profit exceeded the announced forecast value, due to the fact that operating profit was largely around the same level as the announced forecast value, coupled with improvements in non-operating income and expenditure.

Factors for Changes in Operating Profit

GLOBERIDE

A Lifetime Sports Company

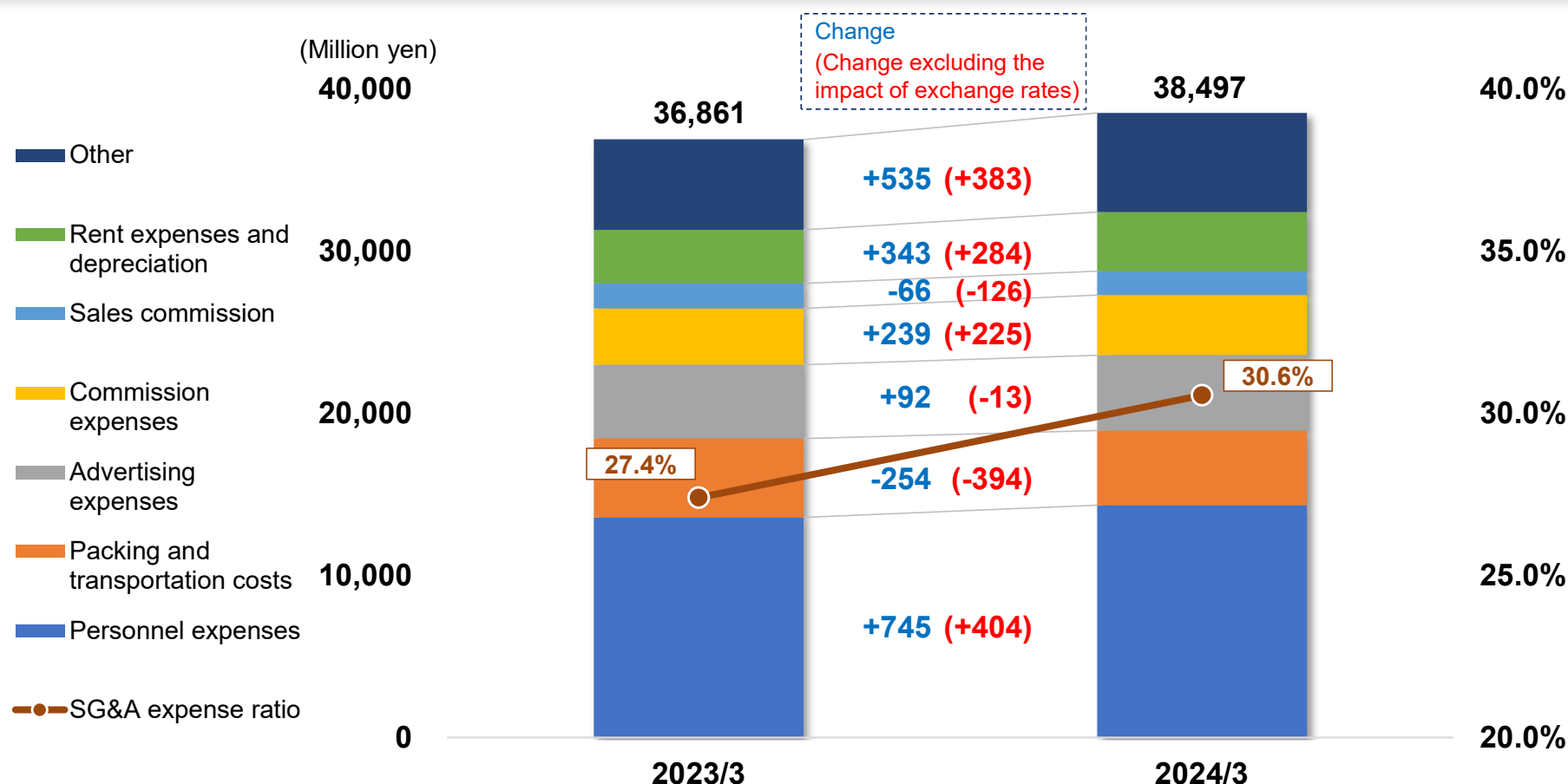
(Million yen)



Breakdown of Selling, General and Administrative Expenses

GLOBERIDE

A Lifetime Sports Company

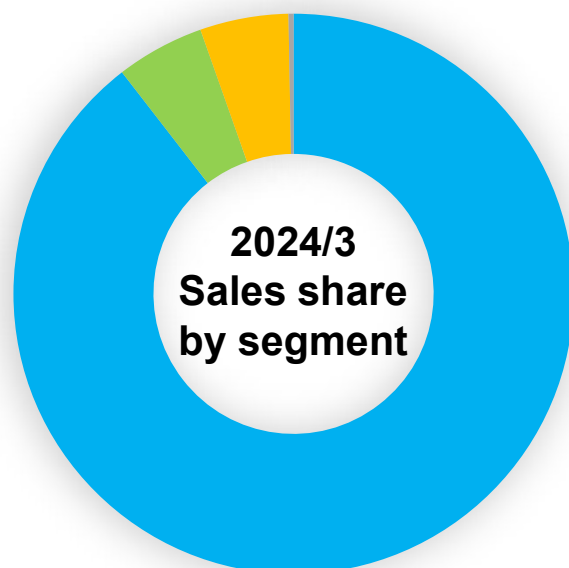


- Selling, general and administrative (SG&A) expenses increased in terms of fixed costs, including personnel expenses, commission expenses and depreciation chiefly due to a rise in wages and capital investment, coupled with the impact of currency conversions due to the weak yen. At the same time, variable expenses such as packing and transportation costs and sales commissions decreased because of the drop in sales.
- Although expenses are in a rising trend due to rising commodity and energy prices, the Group as a whole is working to achieve more balanced expenditures, in response to declining sales.

Status of Net Sales by Business

GLOBERIDE

A Lifetime Sports Company

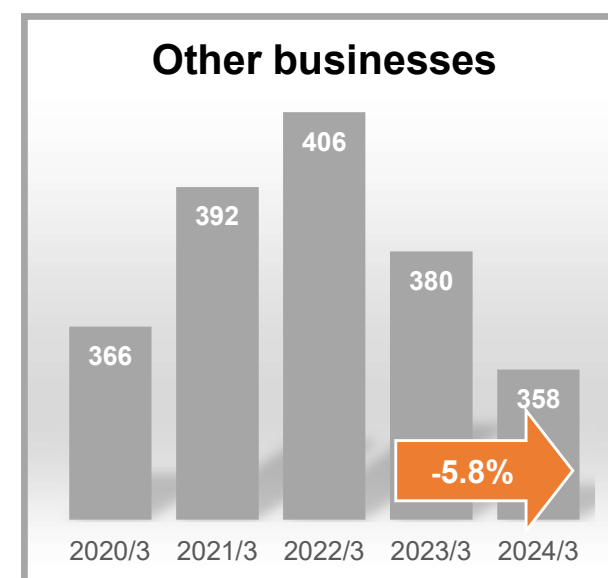
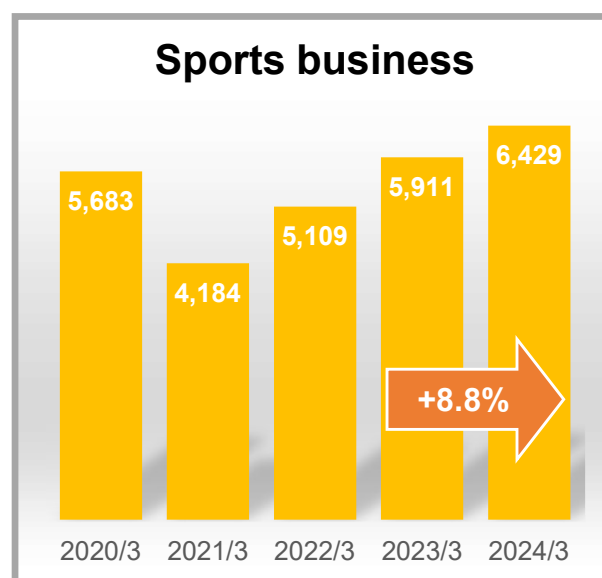
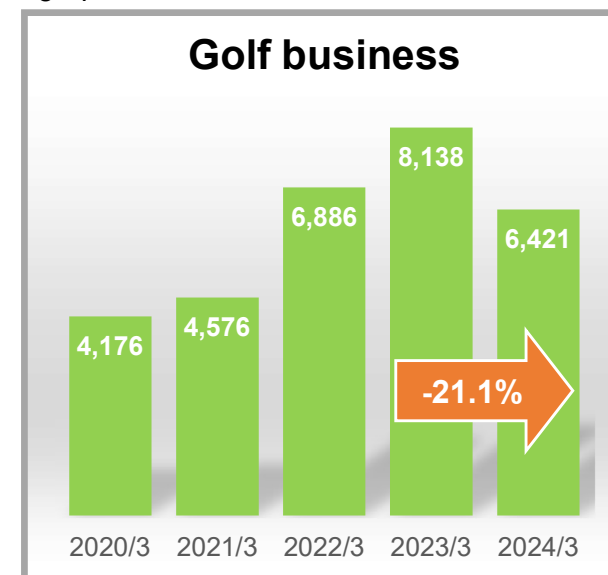
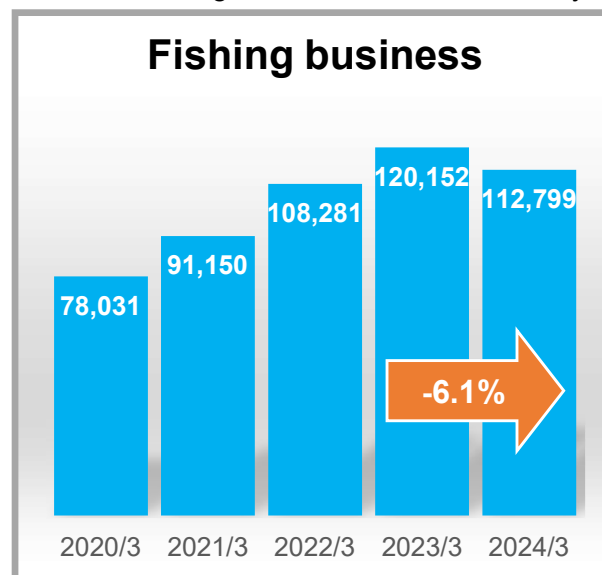


- Fishing business ... 89.5%
- Golf business ... 5.1%
- Sports business ... 5.1%
- Other businesses ... 0.3%

[Market conditions]

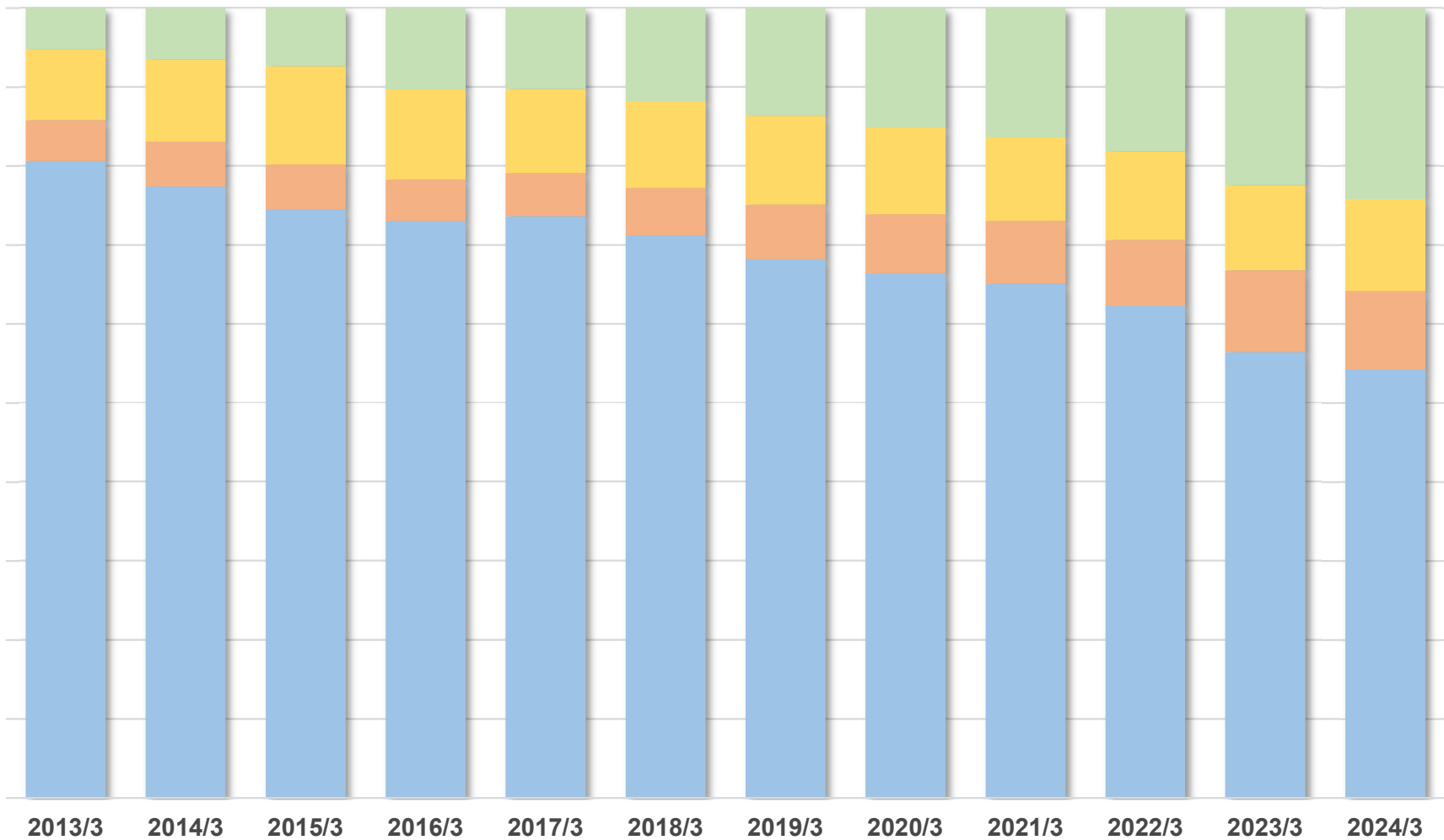
The fishing business became weak, mainly reflecting the diversification of leisure activities that has resulted from the subsidence of the COVID-19 pandemic, as well as the soaring cost of living. Even the Asian market—which until now was strong—began to show signs of slowing, resulting in a decline in revenue. The golf business also experienced a decline in revenue as a result of a rapid decline in overseas sales, primarily in the Asian market, while the sports business saw an increase in revenue due to an upturn in student demand and inbound demand.

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





Trend in Net Sales Composition by Reportable Segment



(Unit:%)

<div></div> Japan	80.6	77.4	74.5	73.1	73.6	71.2	68.3	66.4	65.1	62.3	56.5	54.3
<div></div> Americas	5.2	5.7	5.6	5.2	5.5	6.0	6.9	7.5	8.0	8.4	10.4	9.9
<div></div> Europe	9.0	10.4	12.5	11.4	10.7	11.0	11.2	11.0	10.5	11.2	10.7	11.7
<div></div> Asia & Oceania	5.2	6.5	7.4	10.3	10.2	11.8	13.6	15.1	16.4	18.1	22.4	24.1

Status of Net Sales and Profit by Reportable Segment (i)

GLOBE RIDE

A Lifetime Sports Company

Japan

[Net sales] 68,383 million yen -10.0%

Market conditions in Japan are characterized by a diversification of consumption into other leisure activities such as travel, due to the easing of movement restrictions, and soaring energy and commodity prices, which are putting a strain on family finances.

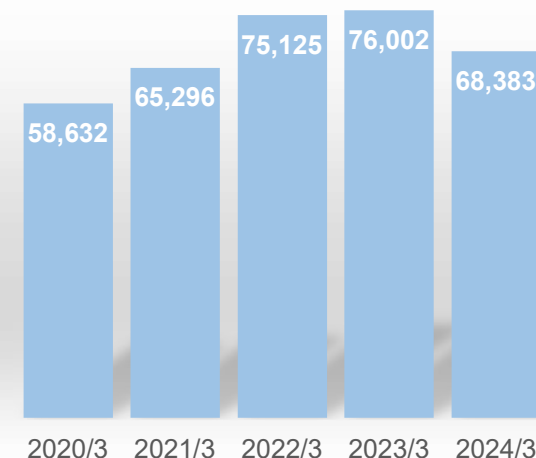
In view of these conditions, we launched new products and offered services satisfactory to customers, such as the AIRITY series of spinning reels and STEEZ RC bass rods, and the ONOFF KURO series of golf goods. Despite these efforts, net sales were 68,383 million yen, down 10.0% year on year.

[Operating profit] 4,143 million yen -43.3%

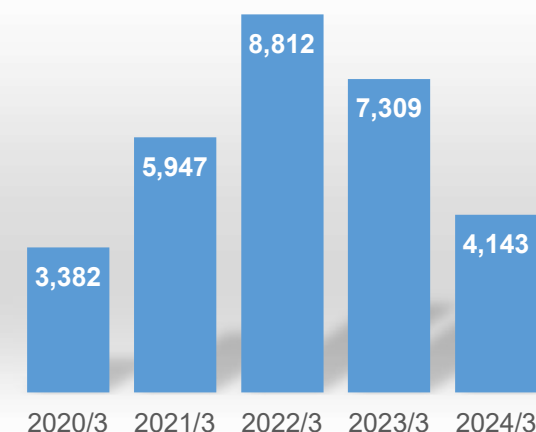
Operating profit was 4,143 million yen, down 43.3% year on year, due to factors such as a decrease in gross profit associated with a decline in revenue.

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

Net sales trend



Segment profit



Status of Net Sales and Profit by Reportable Segment (ii)

GLOBERIDE

A Lifetime Sports Company

Americas

[Net sales] 12,513 million yen -10.2%

In the US market, while the economy is normalizing, the burden of inflation remains at a high level and could adversely affect the economy.

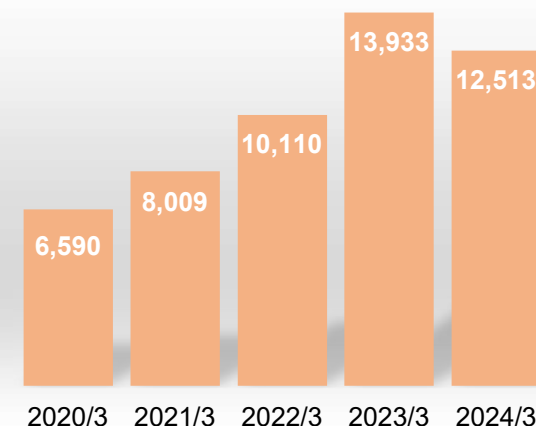
For the US market, we have sought to expand sales mainly in bass finishing goods such as the TATULA series. Net sales stood at 12,513 million yen, down 10.2% year on year.

[Operating profit] 317 million yen +33.1%

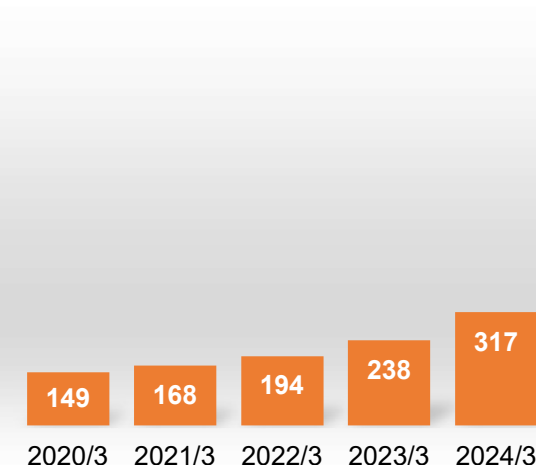
Operating profit was 317 million yen, up 33.1% year on year. This was mainly due to the impact of transfer price adjustments, despite a drop in gross profit due to a decline in sales.

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

Net sales trend



Segment profit



Status of Net Sales and Profit by Reportable Segment (iii)

GLOBERIDE

A Lifetime Sports Company

Europe

[Net sales] 14,730 million yen +1.8%

In the European market, high levels of inflation associated with the protracted Russia-Ukraine situation are putting a strain on family budgets, having an impact on consumer spending.

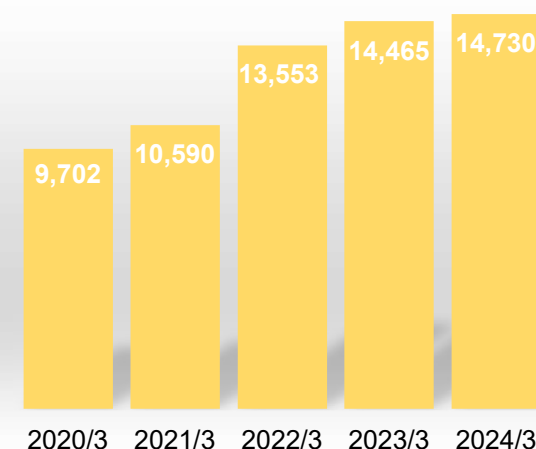
In view of these conditions, we continued to launch new products designed to meet demand in different regions, and net sales reached 14,730 million yen, up 1.8% year on year. This was also partly due to the effect of currency conversions due to the weak yen.

[Operating profit] -219 million yen ---

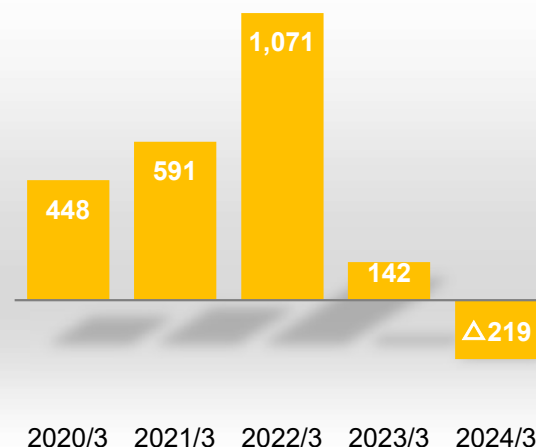
Operating loss of 219 million yen was recorded (compared with operating profit of 142 million yen in the previous year), This was mainly due to disposal costs for inventory consolidation and increases in personnel expenses and packing and transportation costs.

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

Net sales trend



Segment profit



Status of Net Sales and Profit by Reportable Segment (iv)

GLOBERIDE

A Lifetime Sports Company

Asia & Oceania

[Net sales] 30,379 million yen +0.7%

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. The outdoor, sports and leisure markets are showing signs of slowing due to a decline in the consumer spending mindset.

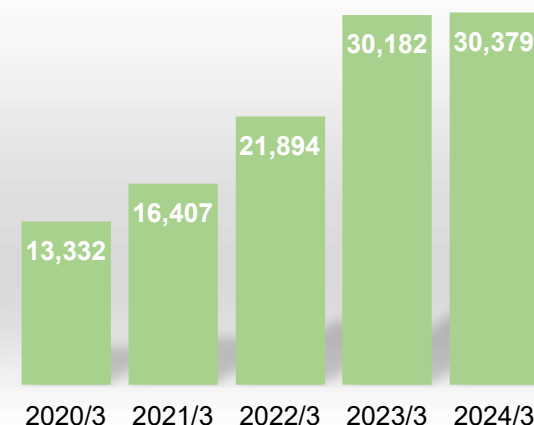
Despite this, we sought to expand sales with a focus on upmarket, made-in-Japan goods and local exclusive goods. As a result, net sales grew to 30,379 million yen, up 0.7% year on year.

[Operating profit] 6,210 million yen -25.4%

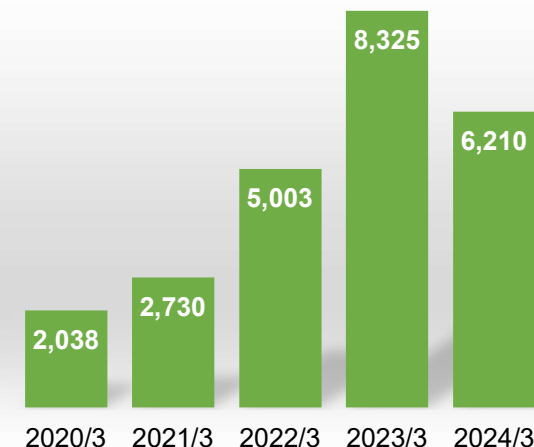
Our distributors achieved a certain amount of profit thanks to an increase in sales. Given a decrease in production output at plants, however, operating profit was 6,210 million yen, down 25.4% year on year.

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

Net sales trend



Segment profit



■ Balance Sheets

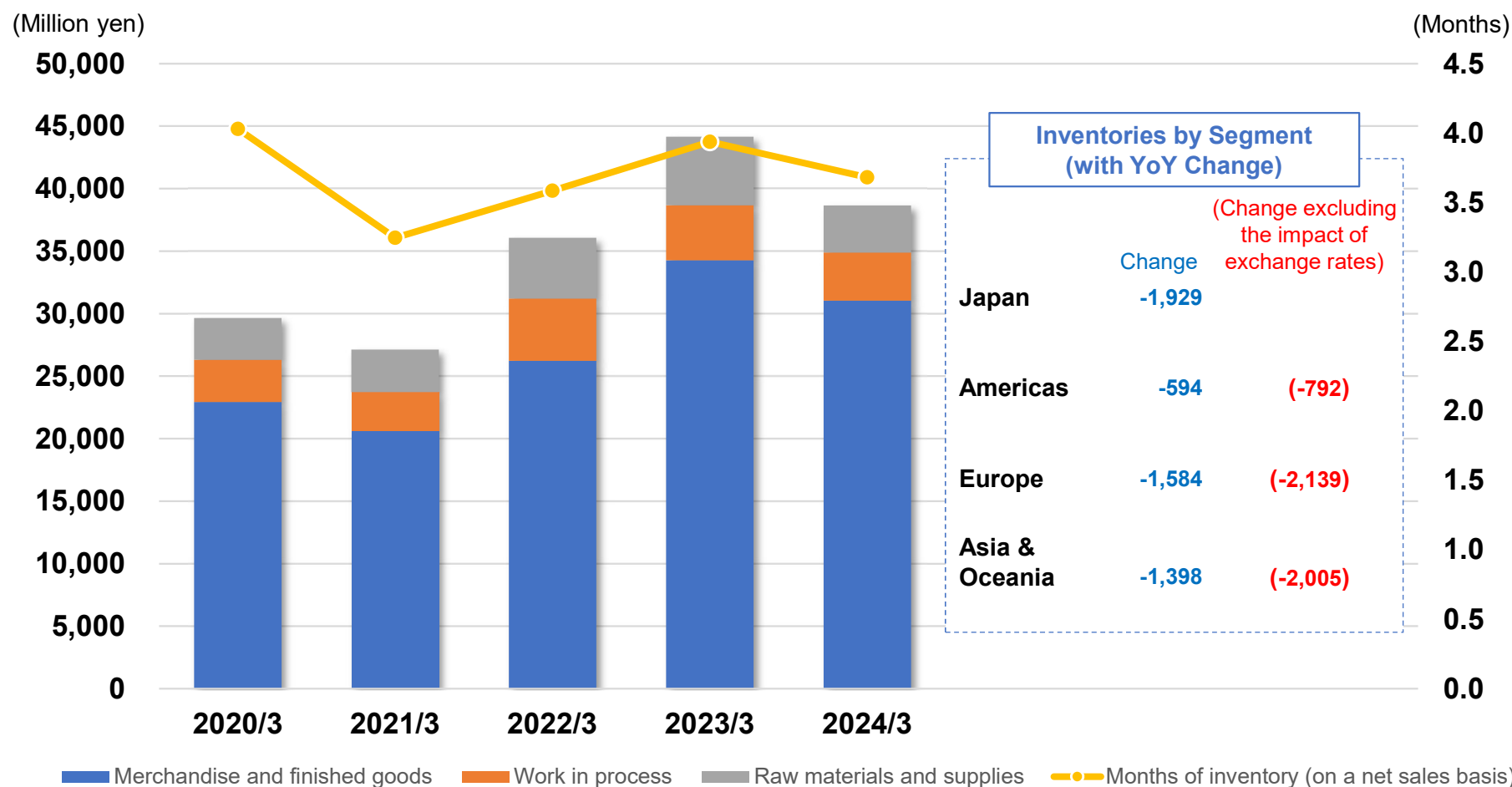
(Million yen)

	End of Mar. 2023	End of Mar. 2024	Change	%
Total assets	109,034	108,717	-316	-0.3%
Current assets	73,738	69,110	-4,627	-6.3%
Cash and deposits	12,875	12,979	+103	+0.8%
Inventories	44,158	38,653	-5,505	-12.5%
Non-current assets	35,296	39,606	+4,310	+12.2%
Total liabilities	61,548	54,229	-7,319	-11.9%
Current liabilities	44,690	33,651	-11,038	-24.7%
Short-term borrowings	18,414	12,682	-5,732	-31.1%
Non-current liabilities	16,857	20,577	+3,719	+22.1%
Long-term borrowings	9,599	11,645	+2,046	+21.3%
Net assets	47,485	54,488	+7,002	+14.7%
Equity ratio	43.4%	49.9%	+6.5point	—

Inventories Trend

GLOBERIDE

A Lifetime Sports Company



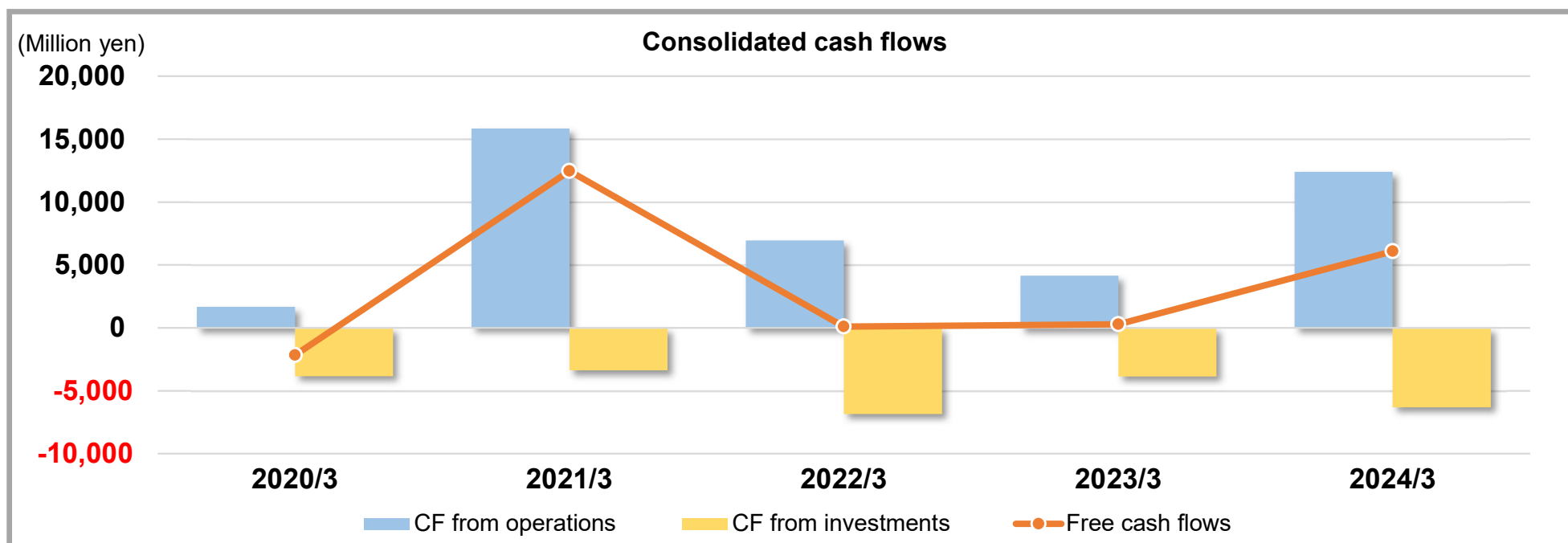
- The Group's stock level was largely at appropriate levels, as a result of efforts to optimize inventory levels in FY2024/3.

Status of Cash Flows

(Million yen)

	2023/3	2024/3	Change	%
CF from operations	4,158	12,405	+8,246	+198.3%
CF from investments	-3,868	-6,314	-2,445	—
CF from financing	4,653	-6,376	-11,029	—
Cash and cash equivalents at end of period	12,107	12,031	-76	-0.6%
Free cash flows (FCF)	290	6,091	+5,801	— (*)

(Note) Because the percentage change in FCF (free cash flow) exceeded 1000%, it is shown as “-.”



Forecast for the Fiscal Year Ending March 31, 2025

GLOBERIDE

A Lifetime Sports Company

(Million yen)

	2024/3 (Actual)	2025/3 (Forecast)	Change	%
Net sales	126,008	127,000	+991	+0.8%
Operating profit	7,496	5,500	-1,996	-26.6%
Operating profit ratio	5.9%	4.3%	-1.6 point	—
Ordinary profit	8,375	5,100	-3,275	-39.1%
Ordinary profit ratio	6.6%	4.0%	-2.6 point	—
Profit attributable to owners of parent	5,582	3,400	-2,182	-39.1%
Profit ratio	4.4%	2.7%	-1.8 point	—

- Although the Japanese and overseas economies have emerged from the pandemic, the future outlook remains uncertain due to factors such as monetary tightening in the US and European countries, heightened geopolitical risks, and the slowdown of the Chinese economy.
- Reflecting these circumstances, the outdoor, sports and leisure equipment industry in which the Group operates is expected to continue to lack strength in the short term, followed by a gradual recovery.
- The full-year forecast is based on the above figures, since market recovery is expected to vary from region to region, and SG&A expenses, including personnel costs, are expected to increase due to high commodity prices and energy costs.

**Action to Implement Management that is Conscious
of Cost of Capital and Stock Price and Revisions to
the Medium-term Management Plan**

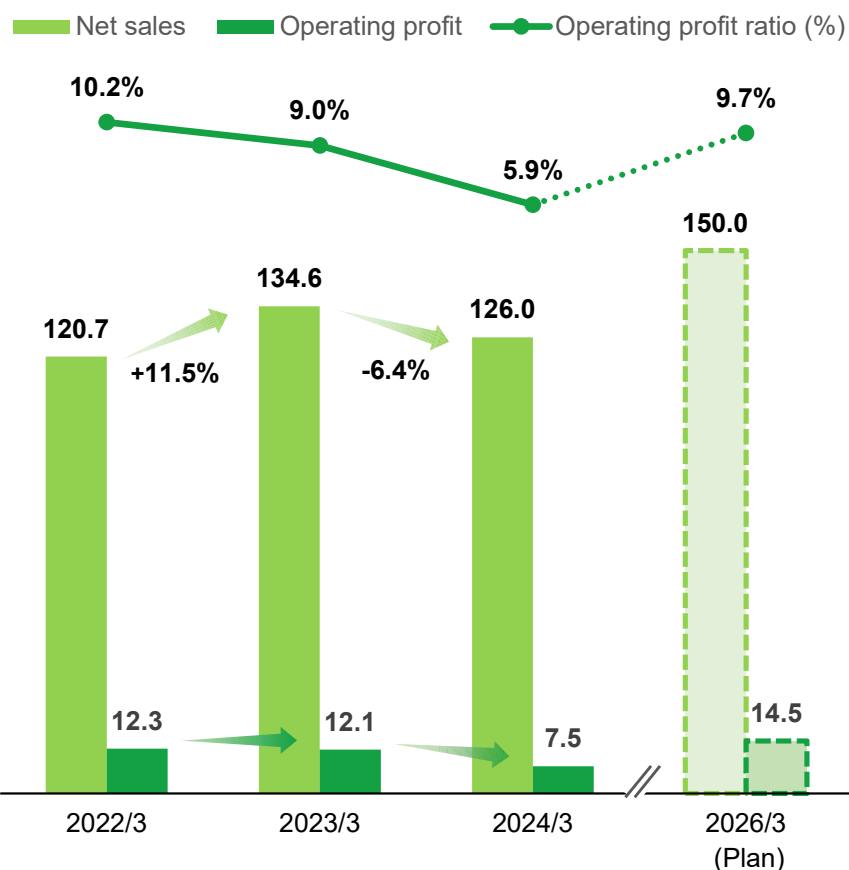
Review of the Medium-Term Management Plan 2025

GLOBERIDE

A Lifetime Sports Company

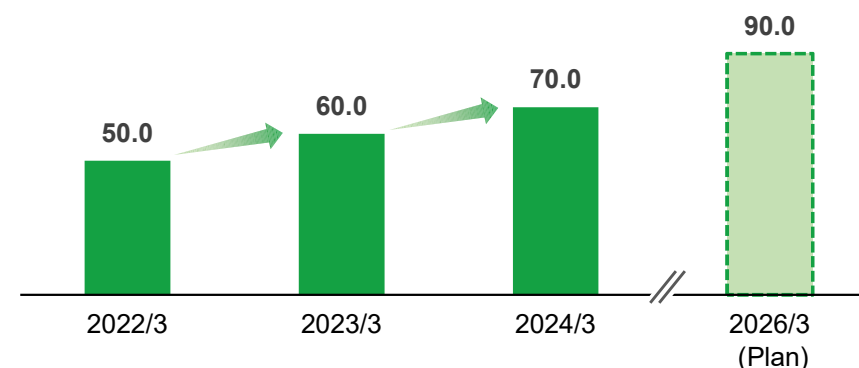
In FY2023/3, we achieved growth of 11.5%, but sales and profits declined year on year. Steady dividend increases were made to return profits to shareholders. Capital investments progressed mostly as planned.

Trends in net sales and operating profit (billion yen)



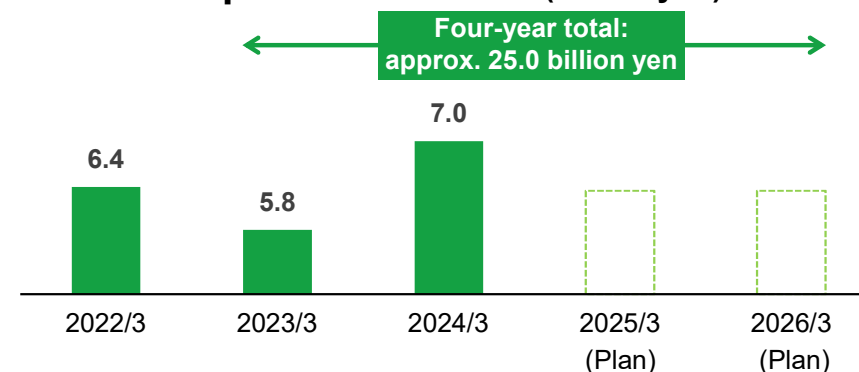
New Medium-Term Management Plan 2025

Trends in dividends per share (Yen)



Medium-Term Management Plan 2025

Capital investment (billion yen)



New Medium-Term Management Plan 2025

Conditions surrounding the Company have changed dramatically since Medium-Term Management Plan 2025 (FY2023/3–2026/3) was formulated. After re-examining both opportunities and threats, we decided to revise the plan.

Awareness of outdoor, sports, and leisure

- With the easing of restrictions on behavior imposed during the pandemic, consumer behavior patterns have shifted from outdoor, sports, and leisure activities to travel, sightseeing, and shopping, etc.
- Consumer spending on outdoor, sports, and leisure equipment is now in a downward trend due to changes in the economic environment, such as high energy costs and high prices in each country.

Fishing market

- The global fishing market has changed significantly due to the **cooling of demand generated by the pandemic**.
- In particular, due to the **slowdown in overseas markets**, which were expected to grow, it has become necessary to revise the level of market growth envisioned under the initial plan.

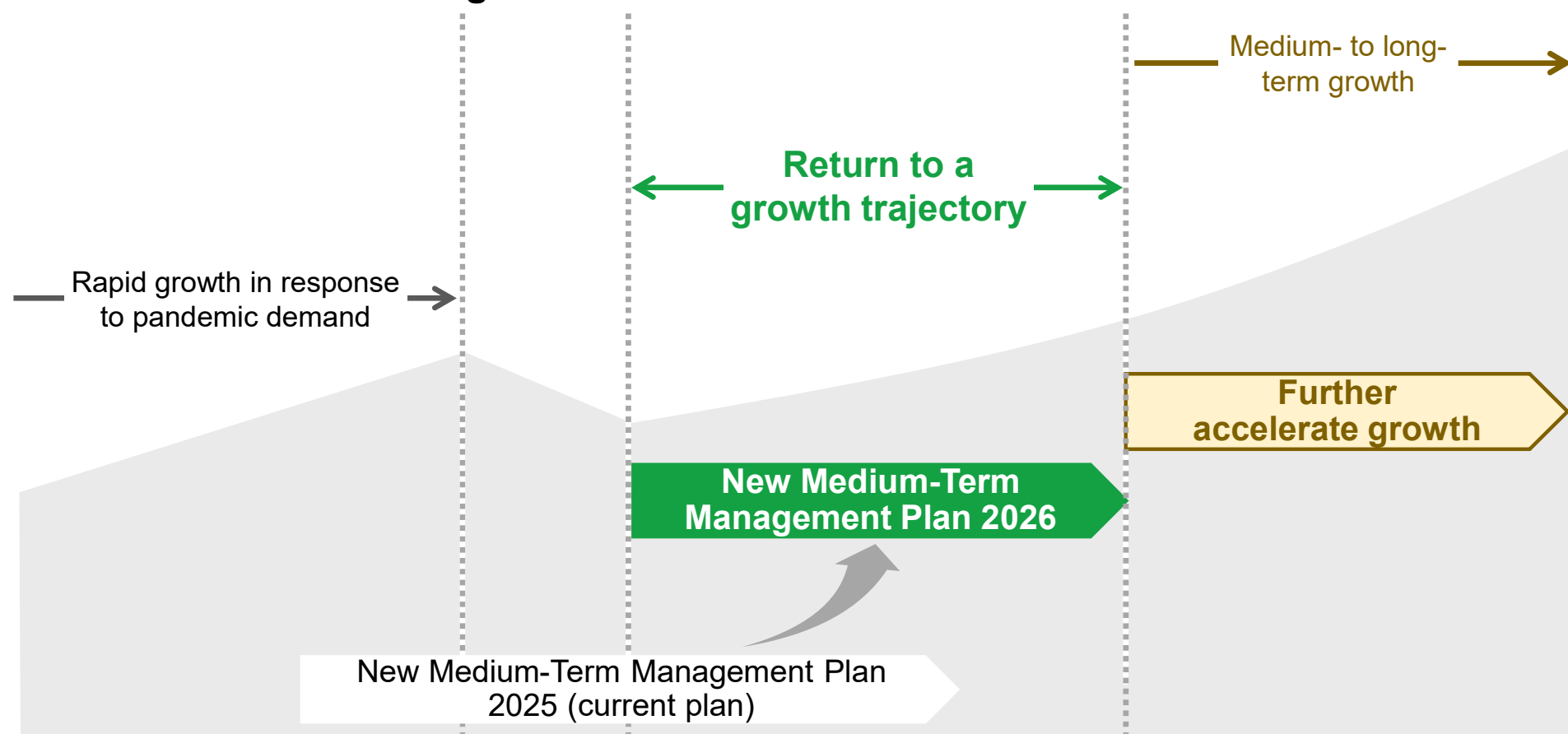
Management that is conscious of cost of capital and stock price

- Share prices rose significantly in 2021, when the market grew due to pandemic-related demand, but current **PBR is below 1.0x**.
- We reaffirmed the need to change management awareness in order to achieve management with awareness cost of capital and share prices.

Based on changes in the business environment,
we formulated the New Medium-Term Management Plan 2026

We formulated the New Medium-Term Management Plan 2026 for a three-year period (FY2025/3–2027/3), to respond to changes in the business environment and get back on track for future growth.

Relationship between Medium-Term Management Plan 2025 and New Medium-Term Management Plan 2026



Under the New Medium-Term Management Plan 2026, we will implement priority strategies based on our basic management policy, and link them to growth.

[Basic management policy]

1
Firmly maintain
aggressive
management

2
Build business
foundations which
enable sustainable
growth



[Key policies]

1
Business strategy

2
Financial strategy
& capital policy

3
Strengthening our
business foundations

Initiatives to return to a growth trajectory and sustainably increase corporate value

Key strategies	Outline	Aims
1 Business strategy	<ul style="list-style-type: none"> In the fishing business, we will implement a four-block strategy that divides the global market into four segments, and aim to further increase our market share by <u>developing products and providing services tailored to each region.</u> In the golf / sports business, we will aim to <u>further enhance our brand power with a unique worldview.</u> 	Pursue market dominance to return to a growth trajectory
2 Financial strategy & capital policy	<ul style="list-style-type: none"> Achieve an <u>ROE of 12% or higher</u> by FY2027/3, exceeding the cost of capital. Steadily execute business strategies to meet market <u>growth expectations.</u> Engage in dialogues with the market to <u>reduce the cost of capital.</u> 	Implement management that is conscious of cost of capital and stock price
3 Reinforcing management foundation	<ul style="list-style-type: none"> We will increase employee engagement and enhance corporate value through <u>active investment in human resources,</u> such as by strengthening and enhancing our education / training system. We will strive to evolve and develop a lifetime sports culture and contribute to the creation of a sustainable society in which people live in harmony with the earth through our business activities. 	Strengthening the management foundation to support sustainable growth

Numerical Targets of New Medium-Term Management Plan 2026

GLOBERIDE

A Lifetime Sports Company

Under the New Medium-Term Management Plan 2026, we will work to grow sales and improve profitability.

In terms of shareholder returns, we will aim to increase dividends in a stable and continuous manner.

■ Forecast for the current year and numerical targets for FY2027/3 (million yen)

	2024/3 Result	2025/3 Forecast	2027/3 Plan	CAGR (compound annual growth rate)
Net sales	126,008	127,000	140,000	3.6%
Operating profit	7,496	5,500	10,000	10.1%
<i>Operating profit ratio</i>	<i>5.9%</i>	<i>4.3%</i>	<i>7.1%</i>	-
Ordinary profit	8,375	5,100	9,800	5.4%
<i>Ordinary profit ratio</i>	<i>6.6%</i>	<i>4.0%</i>	<i>7.0%</i>	-
Profit attributable to owners of parent	5,582	3,400	7,000	7.8%
<i>Profit ratio</i>	<i>4.4%</i>	<i>2.7%</i>	<i>5.0%</i>	-
Dividends per share	70	80	100	Dividend increase of 30 yen (compared with FY2024/3)

We have established three key management indicators to enhance shareholder value. By improving ROE and enhancing shareholder returns, we aim to continuously achieve a PBR of at least 1.0x.

■ Key management indicators

Capital profitability

ROE

12% or higher
by FY2027/3

Market evaluation

PBR

Continuously
1.0x or higher

Shareholder returns

Payout ratio

30% or higher

Stable and continuous
dividend increases

Business Strategies

In order to further consolidate our position as the world's top player, we will seek to further promote the DAIWA brand and lead the global fishing market.





DAIWA, a fishing equipment brand

**Relentless pursuit
of the vision**



Feel Alive.

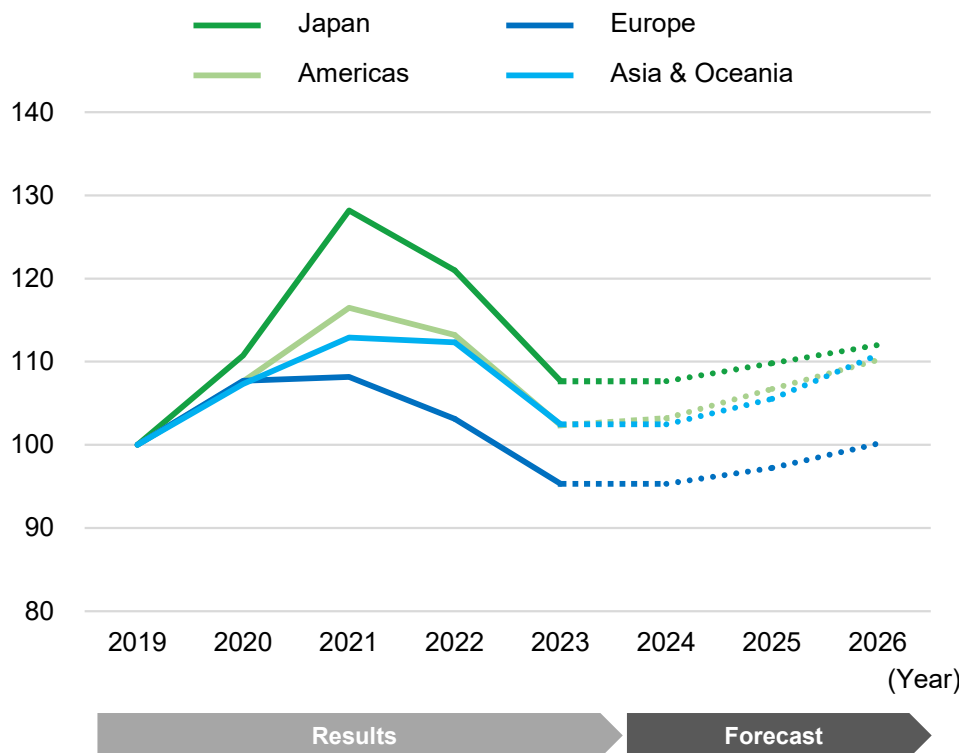
The experience of a great moment.

- 
- Development of innovative Daiwa Technology and product deployment
 - Creation of a lifestyle under which people feel closer to fishing and environmental issues.
 - Fostering a sustainable environment
- 

Leading the global fishing equipment market

The global fishing market is currently in an adjustment phase due to the cooling of pandemic-related demand, but is expected to grow moderately toward FY2027/3.

Trend in Fishing Market Conditions by Region (Anticipated)



* For each of the regions, the stats are indexed on the assumption that the market size in 2019 is 100 (source: GLOBERIDE)

Perceived environmental changes

Japan

- Although the increase in participants triggered by the pandemic has subsided, we expect to see a step-up in demand from entry models to the intermediate and advanced models.

Americas

- Demand has returned to pre-pandemic levels, and the forecast for FY2025/3 is expected to show the same, or a slight increase.
- The market is then expected to recover moderately as the economy grows.

Europe

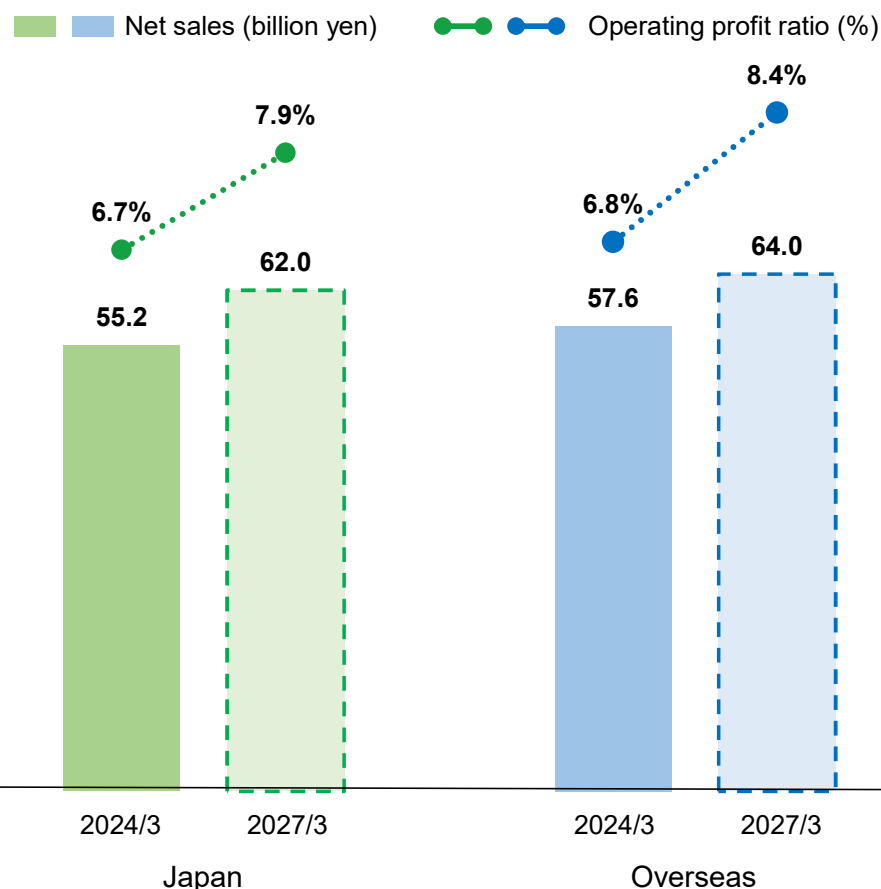
- The economy will remain sluggish due to prolonged surge in commodity and energy prices, but we expect the market to recover gradually toward FY2027/3.

Asia & Oceania

- Although demand is currently in decline due to the slowdown in the Chinese economy, the market has high potential and is expected to grow in the medium term.
- We expect to see steady growth in Southeast Asia and Australia.

Under this strategy, we will divide the world into four blocks and implement strategies according to the characteristics of each region. We will work to grow net sales and improve profit margins.

Net sales and operating profit margin targets



Global 4 block strategy

Japan

- Steadily increase sales by providing market-dominant products and services.
- Work to stimulate demand by creating opportunities for DAIWA fans to experience products and communicate the joy of being one with nature through D.Y.F.C. activities.

Americas

- In addition to our mainstay bass fishing supplies, we will also roll out sea fishing equipment and other products, as we work to expand our share of core products and strengthen our sales base.
- We will also implement channel-specific strategies focused on expanding specialized store transactions.

Europe

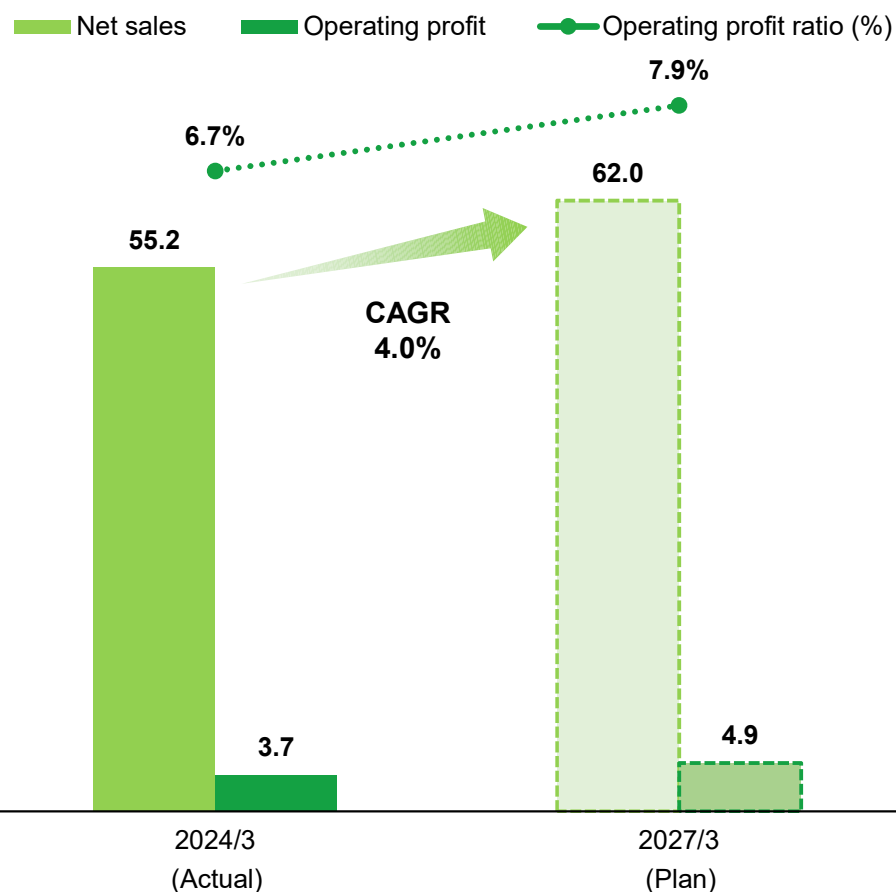
- Increase our presence in the traditional fishing market.
- Work to expand sales in priority areas such as Eastern Europe.

Asia & Oceania

- In addition to supplying Japanese-made products mainly in China and South Korea, we will also aim to expand our market share by introducing specialized products suitable for local fishing.
- Work to create a sports fishing culture and develop and nurture channels in Southeast Asia.

By building a business foundation with market dominance, we will aim to steadily increase net sales and improve operating profit ratio.

Net sales and operating profit targets (billion yen)



Regional strategies

1. Building a business foundation with market dominance

- Planning, development, sales promotion, and sales capabilities with top creativity in fishing
- First-class manufacturing capabilities backed by quality
- Creating mechanisms for global growth (raising the level of our production management and inventory management capabilities)

2. Seek to create and revitalize the domestic market

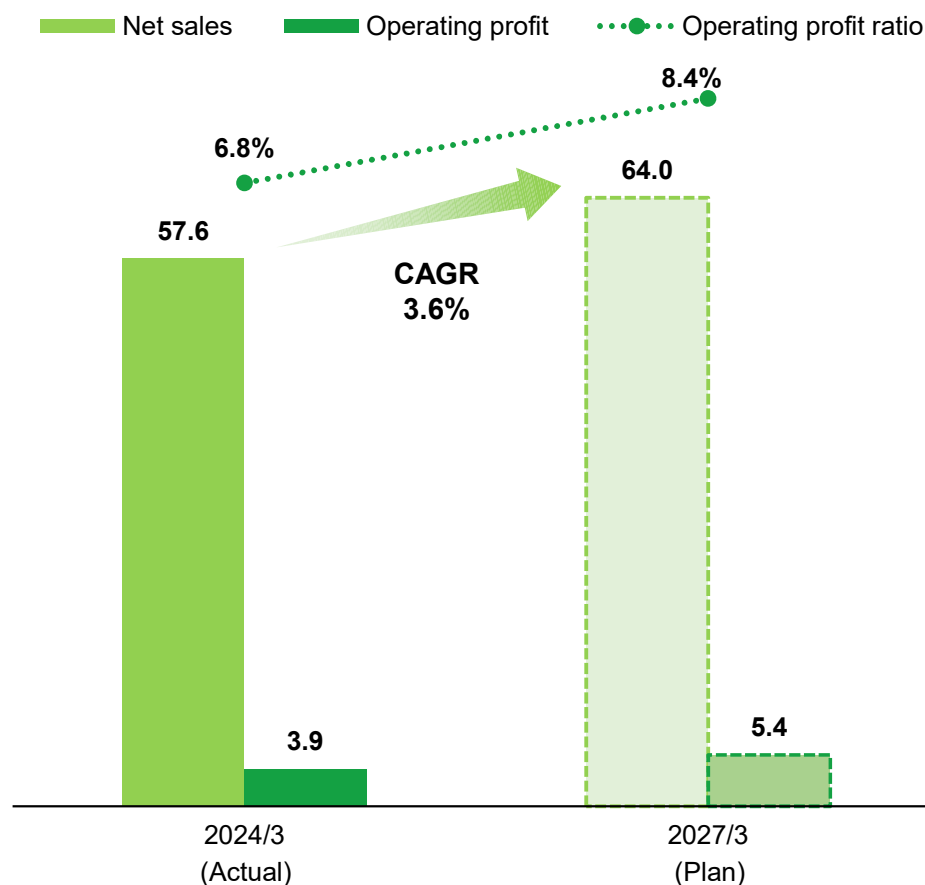
- Uncover demand through attractive fishing and retail development.
- Strengthen the business structure through innovation in logistics functions.

3. Fostering and deepening exchanges among fishing fans

- Deepen the level of our interactions with fans through the web, apps, and after-sales service, etc.
- Foster fishing fans through D.Y.F.C. activities.

We will implement strategies tailored to each region to increase our market share and improve sales growth and profitability.

Net sales and operating profit targets (billion yen)



Regional strategies

1. Americas

- Expand our share of the world's largest fishing market, while expanding our transaction stores.
- Engage in promotions utilizing professional anglers who are active in Japan and the US, and develop products focused on bass fishing, which is the main type of sport fishing in the region.

2. Europe

- Establish and implement sales measures for each transaction store size category based on each country and channel.
- Expand sales in priority areas such as Eastern Europe.

3. Asia & Oceania

- Expand sales of high-value-added products equipped with Daiwa Technology.
- Strengthen sales of area-specific products.
- Strengthen our profit structure by improving productivity and streamlining at production sites.

We will propose high-quality products and services and secure stable sales and profits by enhancing brand value, while maintaining our unique worldview.

Promoting brands highlighting unique worldviews

Promoting sophisticated brands featuring unique worldviews, with a focus on three brands

ONOFF

Suggesting the stylish, high-quality golf equipment for adults

FOURTEEN

Suggesting the best fourteen clubs for all golfers

RODDIO

Attracting selective golfers who pursue one-of-a-kind equipment

Improving the value of diverse sports brands further

Driving the optimization of the promotion of each brand and the development of products and services tailored to the Japanese market

[Racquet sports]

Prince

Suggesting a life with racquet sports with the dignity cultivated through our history and our innovative technologies that will even change playing styles

[Cycling sports]

corratec

FOCUS

Suggesting the joy of riding and winning

Improving the brand value

Main brands



RODDIO

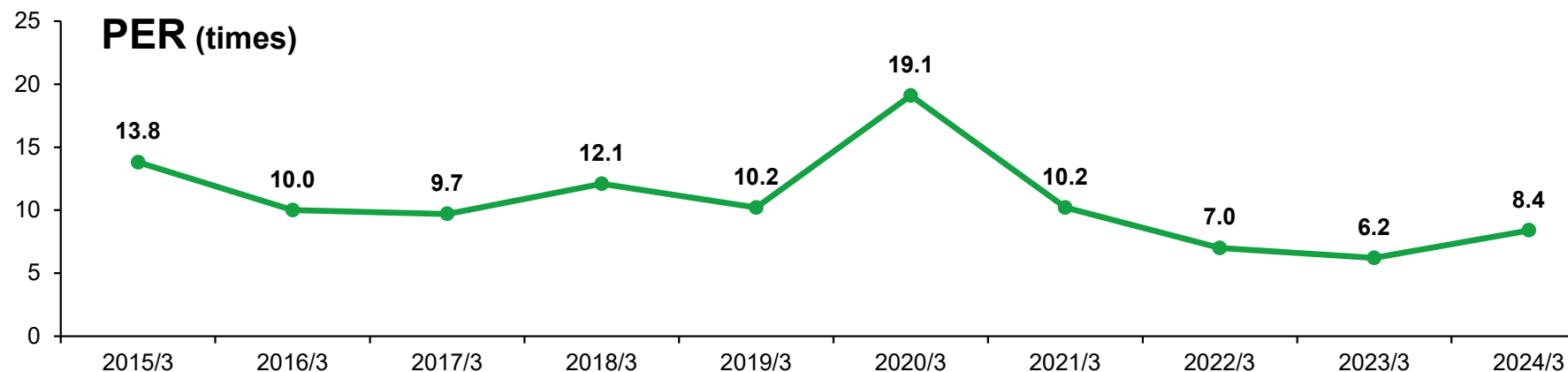
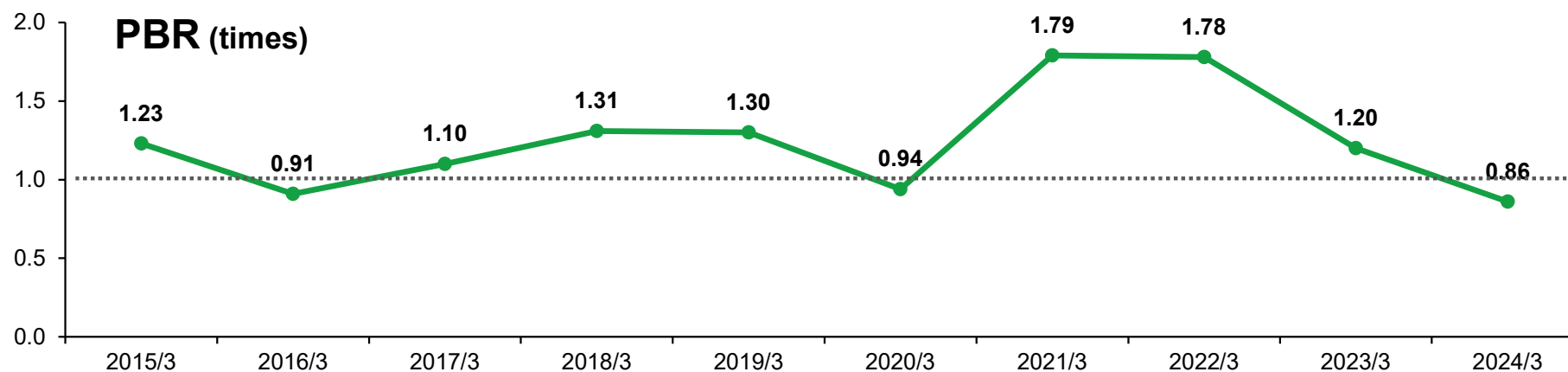
Main brands



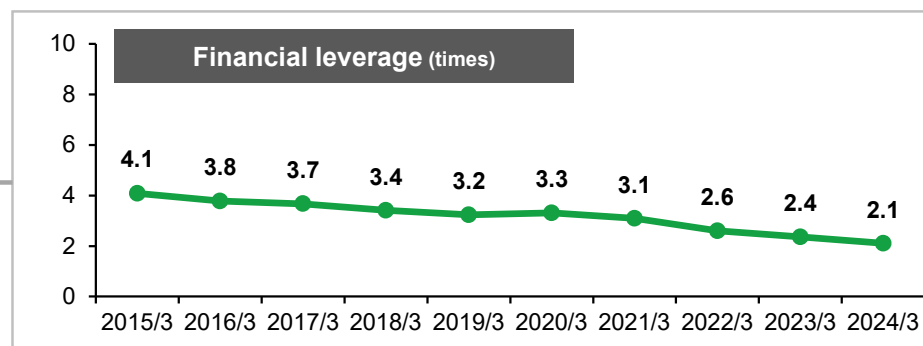
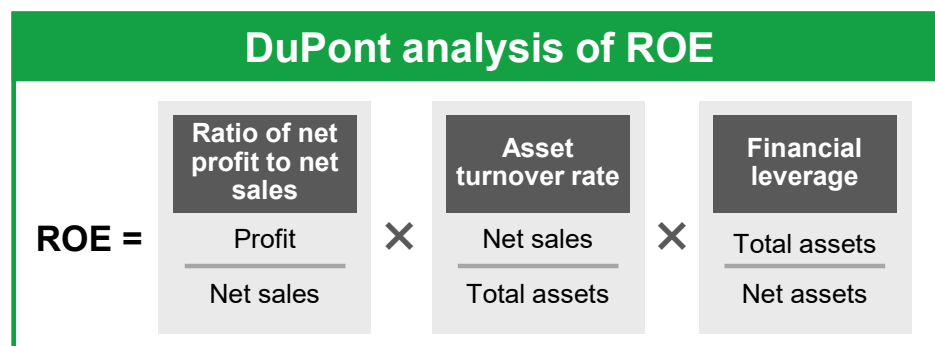
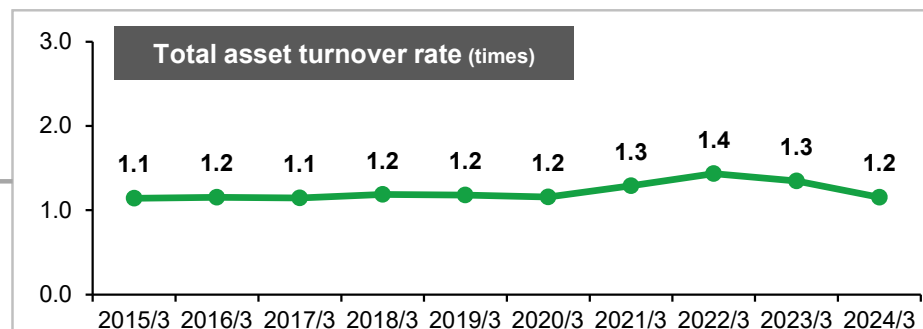
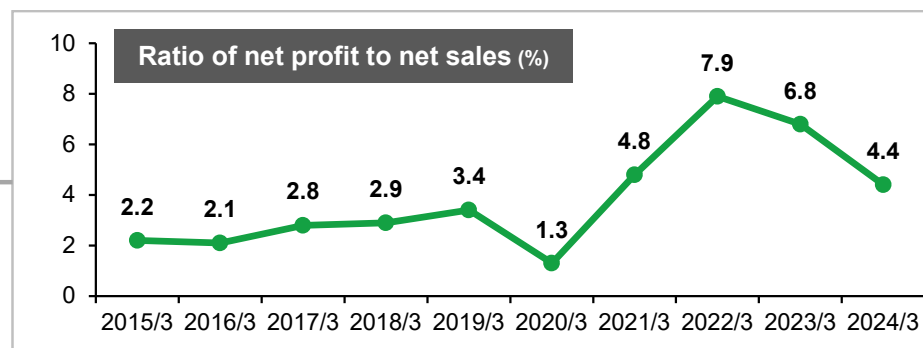
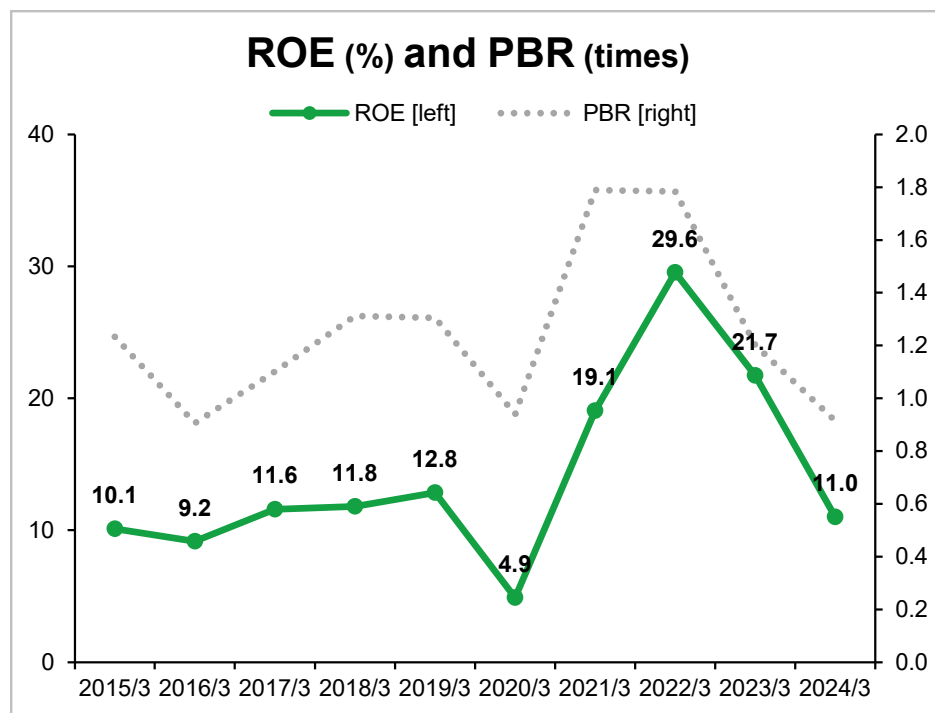
FOCUS

Financial Strategy and Capital Policy
(Implement management that is conscious of
cost of capital and stock price)

In FY2021/3, when the market grew due to the pandemic, PBR rose significantly. It is currently below 1.0x, and PER is also low.



ROE has declined due to lower profit ratio and lower financial leverage due to deteriorating market conditions in the outdoor, sports, and leisure equipment industry.



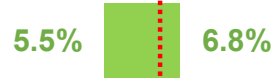



Cost of Capital: Cost of Shareholders' Equity / WACC

GLOBE RIDE

A Lifetime Sports Company

The cost of shareholders' equity under the CAPM standard is expected to be around 8–10%.

	Estimated cost of capital		Remarks
Cost of shareholder's equity	CAPM standard	 <p>8.0% ROE 11.0% (2024/3) 10.0%</p>	<ul style="list-style-type: none"> • Risk-free rate: 10-year Japanese government bond interest, 0.73%^{*1} • Market risk premium: 6.0% • Beta: 1.38^{*2} sensitivity to TOPIX over the past 5 years • The cost of capital is regarded as being in the range of 9% ±1% of the cost of shareholders' equity calculated from the above.
	Market expectations	 <p>8.0%</p>	<ul style="list-style-type: none"> • PER at the end of March 2024: 8.4 times • PER = 1/(r – g). When the Company's growth rate (g) is taken into account, the market's perceived cost of capital (r) is higher than the CAPM standard.
WACC	CAPM standard	 <p>5.5% ROIC 6.5% (2024/3) 6.8%</p>	<ul style="list-style-type: none"> • Cost of debt: average interest rate for the FY2024/3: 1.8% • Interest-bearing debt ratio: 36.4% • Cost of shareholders' equity: 8–10% of the above • Shareholders' equity ratio: 63.6%
	Market expectations	 <p>5.5%</p>	<ul style="list-style-type: none"> • Based on the above cost of shareholders' equity, WACC is also rising

^{*1} As of the end of March 2024. ^{*2} Calculated from the end of March 2024, on a weekly basis.

Summary of Current Situation and Policy for Improving Corporate Value

GLOBERIDE

A Lifetime Sports Company

Achieve an ROE of 12% or more, meet market growth expectations, and reduce cost of capital to increase corporate value (achieve a PBR of 1.0x or more).

Summary of current situation

ROE	Ratio of net profit to net sales	Peaked at 7.9% in FY2022/3 and then declined <ul style="list-style-type: none">Profit rate has declined for the second consecutive fiscal year due to deteriorating market conditions.
	Total asset turnover rate	Peaked at 1.4x in FY2022/3, and is now in a slight declining trend. <ul style="list-style-type: none">Capital efficiency also declined slightly with the decline in sales.
	Financial leverage	In a downward trend as a result of improving financial soundness. <ul style="list-style-type: none">Equity ratio improved from 26.2% in FY2015/3 to 49.9% in FY2024/3.



PER	Growth expectations (g)	Post-pandemic growth strategy is unclear <ul style="list-style-type: none">Recognize the need to enhance disclosure of growth strategies.
	Cost of capital (r)	Business performance fluctuates greatly due to the business environment. <ul style="list-style-type: none">Recognize that high cost of capital also impacts low PER.

Response policy

1. Achieve ROE of 12% or more

- Achieve ROE of 12% or more by FY2027/3, the final year of the New Medium-Term Management Plan 2026.
- Aim to further widen equity spread in the medium to long term.

2. Meet growth expectations

- Based on changes in the business environment, we formulated the New Medium-Term Management Plan 2026, and will steadily implement it.

3. Lower the cost of capital

- Seek to enhance opportunities for information disclosure and dialogue with shareholders and investors.
- Minimize uncertainty in the Company's management.

Achieving ROE of 12% or More: Overview of Initiatives

GLOBE RIDE

A Lifetime Sports Company

We have broken down this issue into three elements—ratio of net profit to net sales, total asset turnover ratio, and financial leverage—and implemented various initiatives.

Ratio of net profit to net sales	① Optimizing sales prices	<ul style="list-style-type: none">Establish appropriate selling prices for each area through marketing.
	② Sales revenue	<ul style="list-style-type: none">Japan: Development of attractive new productsOverseas: Capturing growth markets
	③ Improving cost of sales	<ul style="list-style-type: none">Enhance revenue management by itemEnhance cost managementEnhance production capabilities
	④ SG&A expense ratio	<ul style="list-style-type: none">Expense management by improving operational efficiency through digital transformation (DX), etc.
X		
Total asset turnover rate	⑤ Reducing the number of days of turnover of accounts receivable	<ul style="list-style-type: none">Optimal management of payment collection conditions for each customer
	⑥ Reducing number of days for inventory turnover	<ul style="list-style-type: none">Optimal management of inventory by improving the accuracy of demand forecasts
	⑦ Reducing non-current asset turnover days	<ul style="list-style-type: none">Improvement of production technologies using DX and AI
X		
Financial leverage	⑧ Pursuing optimal capital structure	<ul style="list-style-type: none">Pursuing an optimal capital structure that considers the balance between financial soundness and shareholder returns.

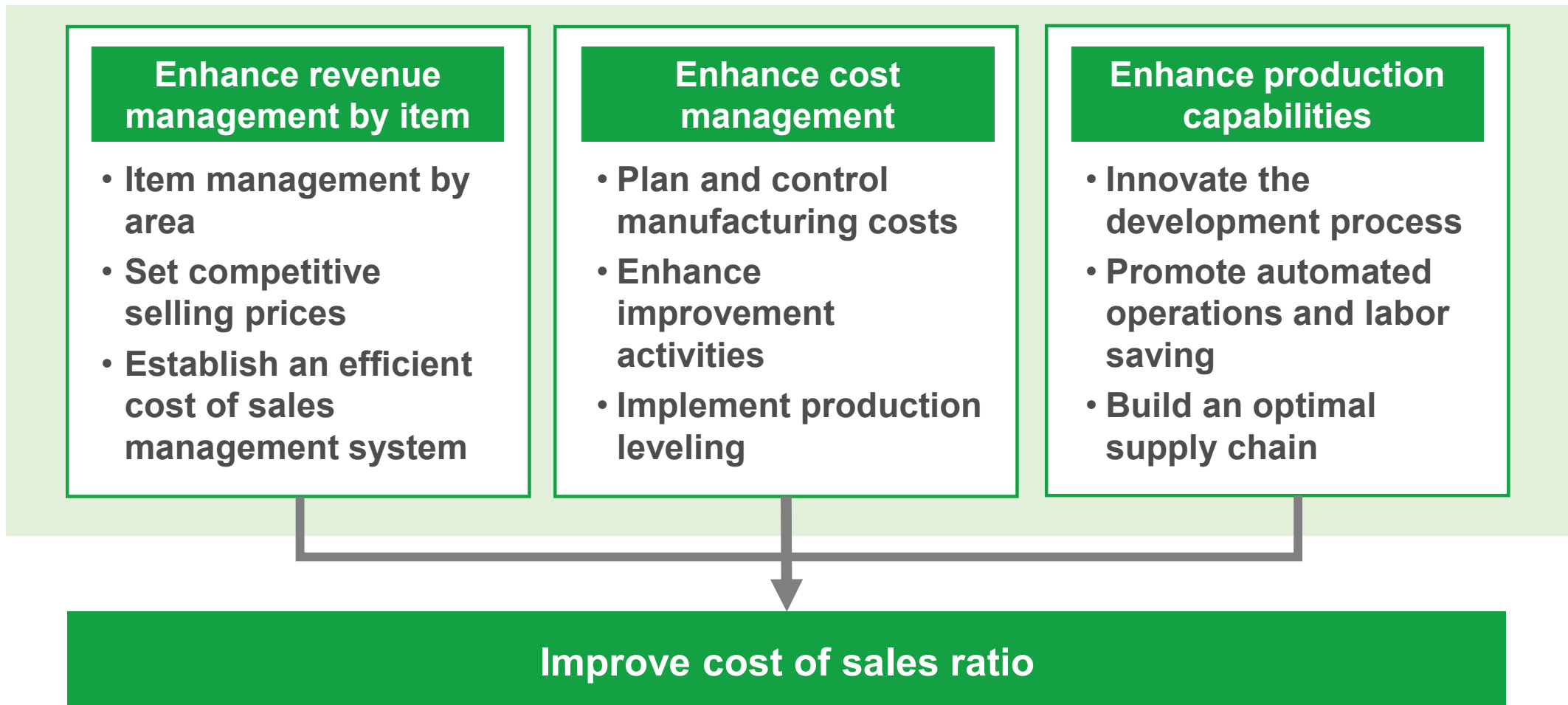
Achieving ROE of 12% or More: Priority Initiatives

GLOBE RIDE

A Lifetime Sports Company

We will enhance our profit structure through a wide range of initiatives in line with the New Medium-Term Management Plan 2026, as we seek to improve our net profit to net sales ratio.

Examples of priority initiatives:



Achieving ROE of 12% or More: Capital Policy (Shareholder Returns)

GLOBE RIDE

A Lifetime Sports Company

We will achieve an ROE of at least 12% by FY2027/3 through profit growth and improvements to our capital structure.
We will aim for a dividend payout ratio of 30% or more and pursue an optimal capital structure.

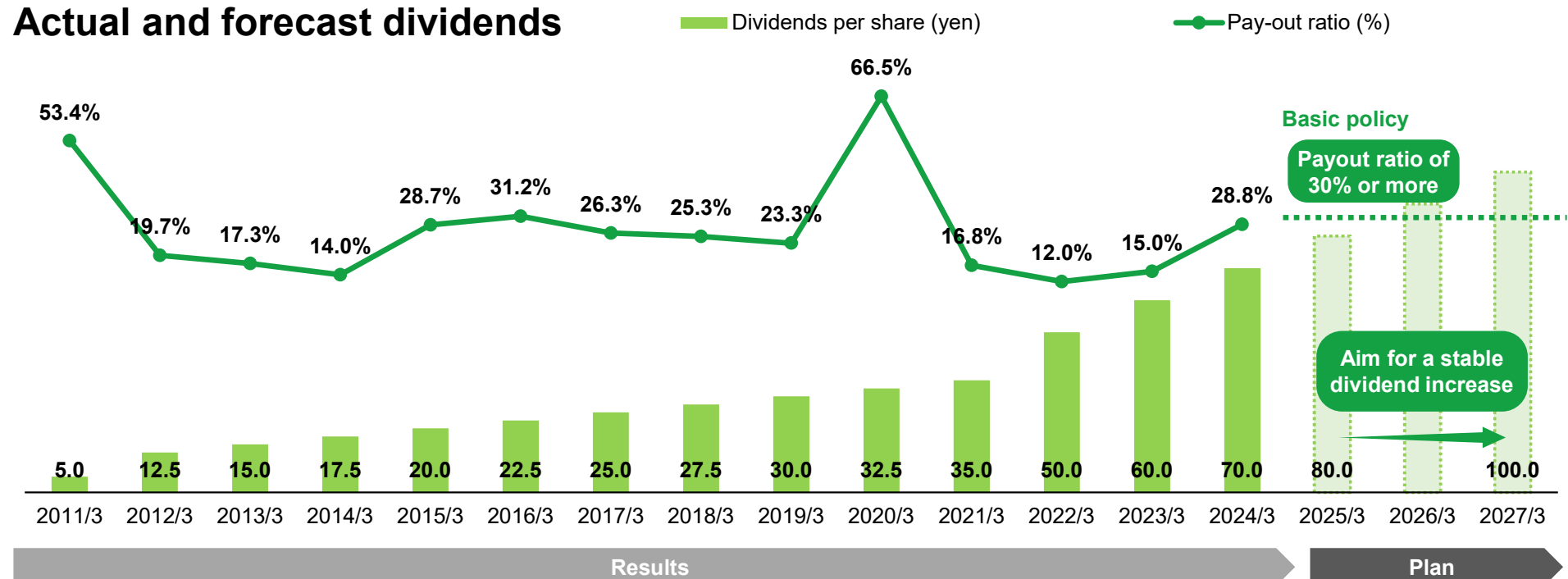
Basic
policy
regarding
capital
measures

Aim for a target ROE of 12% or higher and continuously check the optimal capital structure.

Basic
shareholder
return
policy

Aim for a dividend payout ratio of 30% or higher and pursue an optimal capital structure.

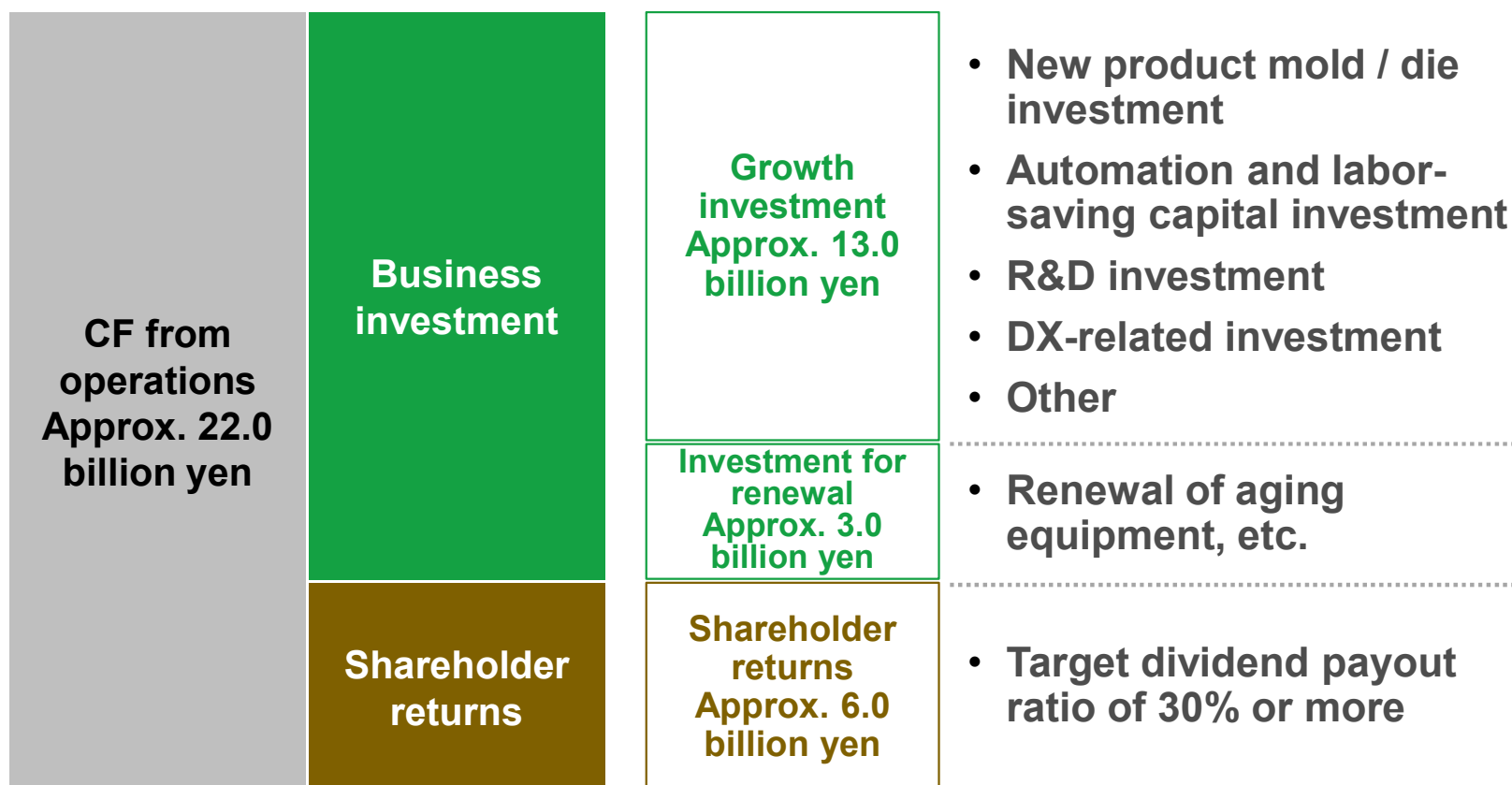
Actual and forecast dividends



Note: TheCompany conducted a ten-for-one common stock consolidation on October 1, 2015 and a two-for-one common stock split on October 1, 2021.
Past dividend values are after retroactive adjustments.

We will make business investments to increase corporate value over the medium to long term, and make shareholder returns with a dividend payout ratio of 30% or more.

Cash inflows Cash outflows



Reduction of Cost of Capital: Strengthening Engagement with Shareholders and Investors

We will strengthen our engagement with shareholders and investors to reduce the cost of capital.

Initiatives to reduce the cost of capital

Establish an IR promotion system

- The General Affairs Department, Accounting Department, and Public Relations Office will be responsible of IR, and engage in constructive dialogues with shareholders and investors.
- As soon as the system is in place, we will form an IR department and build a dedicated organizational framework.



Improve information disclosure

- We will strive to enhance our information disclosure and improve quality to facilitate highly transparent management and better dialogues with shareholders and investors.



Enhance internal feedback on IR activities

- We will improve our organizational framework for providing internal feedback on IR content and utilize it in management measures.
- We will also disclose the input gained from dialogues.



Work to minimize uncertainty in our management, from the perspective of shareholders and investors.

In FY2023, we held 82 dialogues and direct meetings on the themes of the outlook for the business environment and business results.

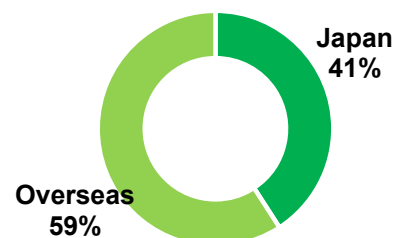
Status of direct meetings with shareholders and institutional investors

■ Dialogue and meeting results in FY2023

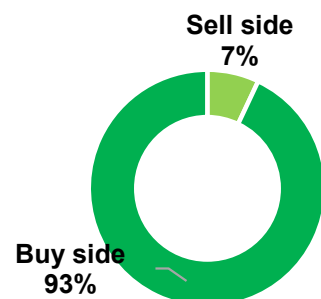
- Financial results briefing : 2 (total of 50 companies*¹)
- Small meetings : 9 (total of 78 companies*¹)
- 1on1 MTG : 71

■ Status of shareholders and institutional investors met*²

Japan / Overseas



Sell side / buy side



Main responders and dialogue themes

■ Main personnel hosting the events

- | | |
|-----------------------------------|---|
| Financial results briefing | <ul style="list-style-type: none"> • Representative Director and President • Director, Managing Executive Officer and General Manager of Administration Division |
| Small meetings | <ul style="list-style-type: none"> • Director, Managing Executive Officer and General Manager of Administration Division |
| 1-on-1 meetings | <ul style="list-style-type: none"> • Director, Managing Executive Officer and General Manager of Administration Division • General Manager of Accounting Division |

■ Main themes of dialogues and matters of interest to shareholders

- Group-wide earnings forecasts and factors for achieving plans
- Business environment and future outlook for each region
- Outlook for optimizing product inventory
- Actions to enable management with an awareness of capital costs and share price
- Initiatives to improve capital profitability
- Capital policy and shareholder return policy

*1 Some duplicate counting occurred.

*2: Based on aggregation of attributes for investors at 71 1-on-1 meetings.

Strengthening management base

To increase corporate value, we will actively invest in human resources, and strengthen our management foundation.

Develop human resources who can create added value and create a workplace where every employee can play an active role.



PROMISE

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.

Human resource development

[Education and Training] ◎Job class-specific training ◎Training for selected ◎Encouraging employees to gain public qualifications

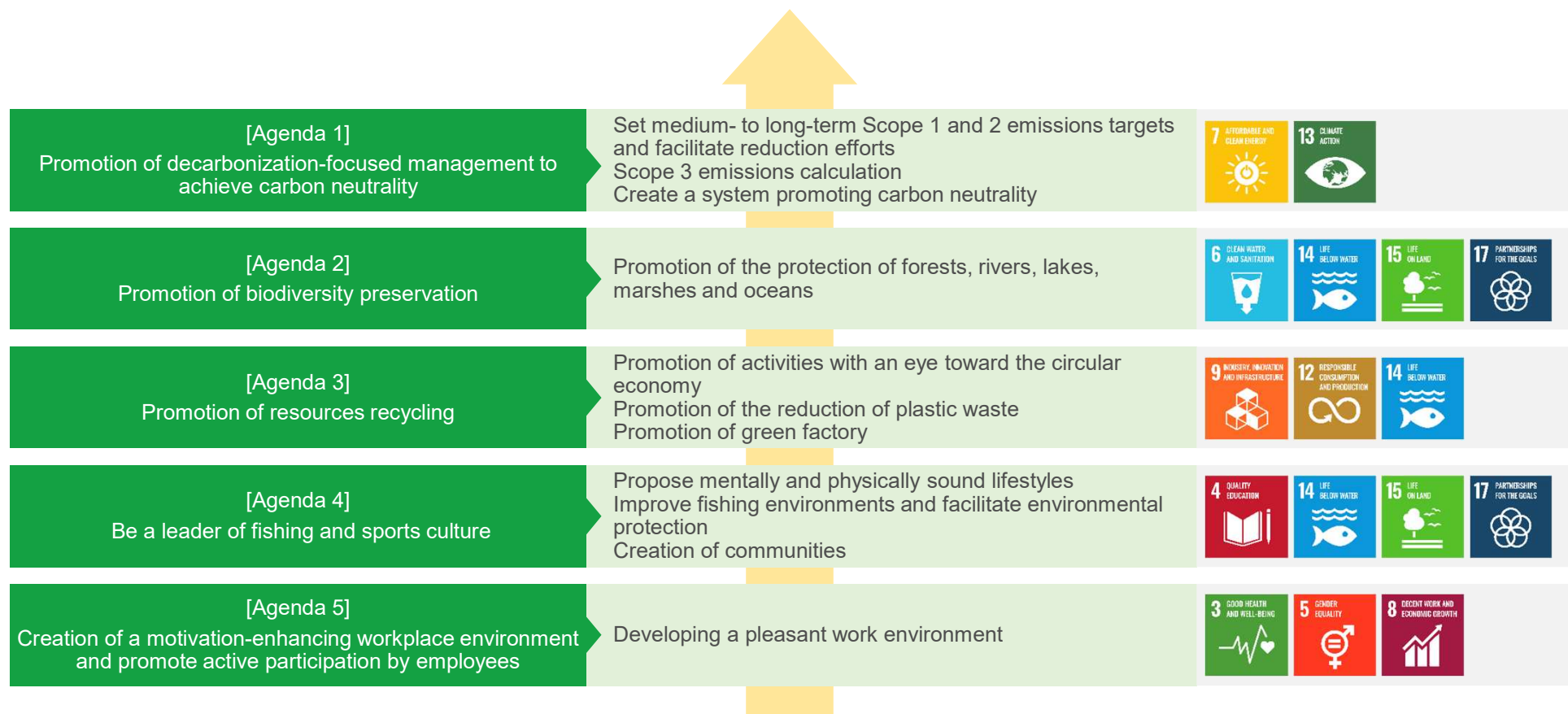
Improvement of in-house environment

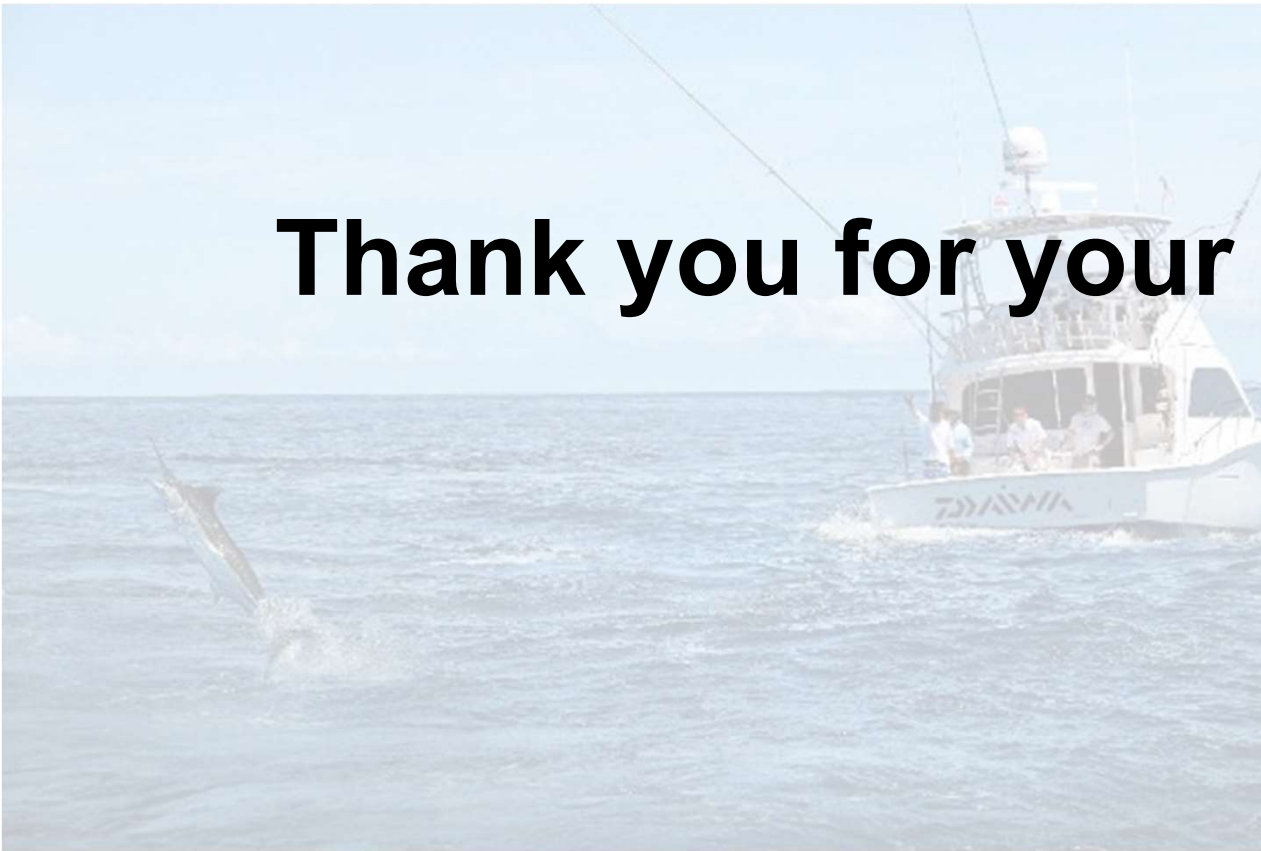
(1) Manage overtime (2) Encourage uptake of paid leave
(3) Health Management (4) Encourage involvement in lifetime sports

We recognize the importance of consideration for global environmental issues such as climate change and sustainability issues such as human capital as important management issues, and will systematically promote them.

Sustainability vision

Evolution and development of a lifetime sports culture



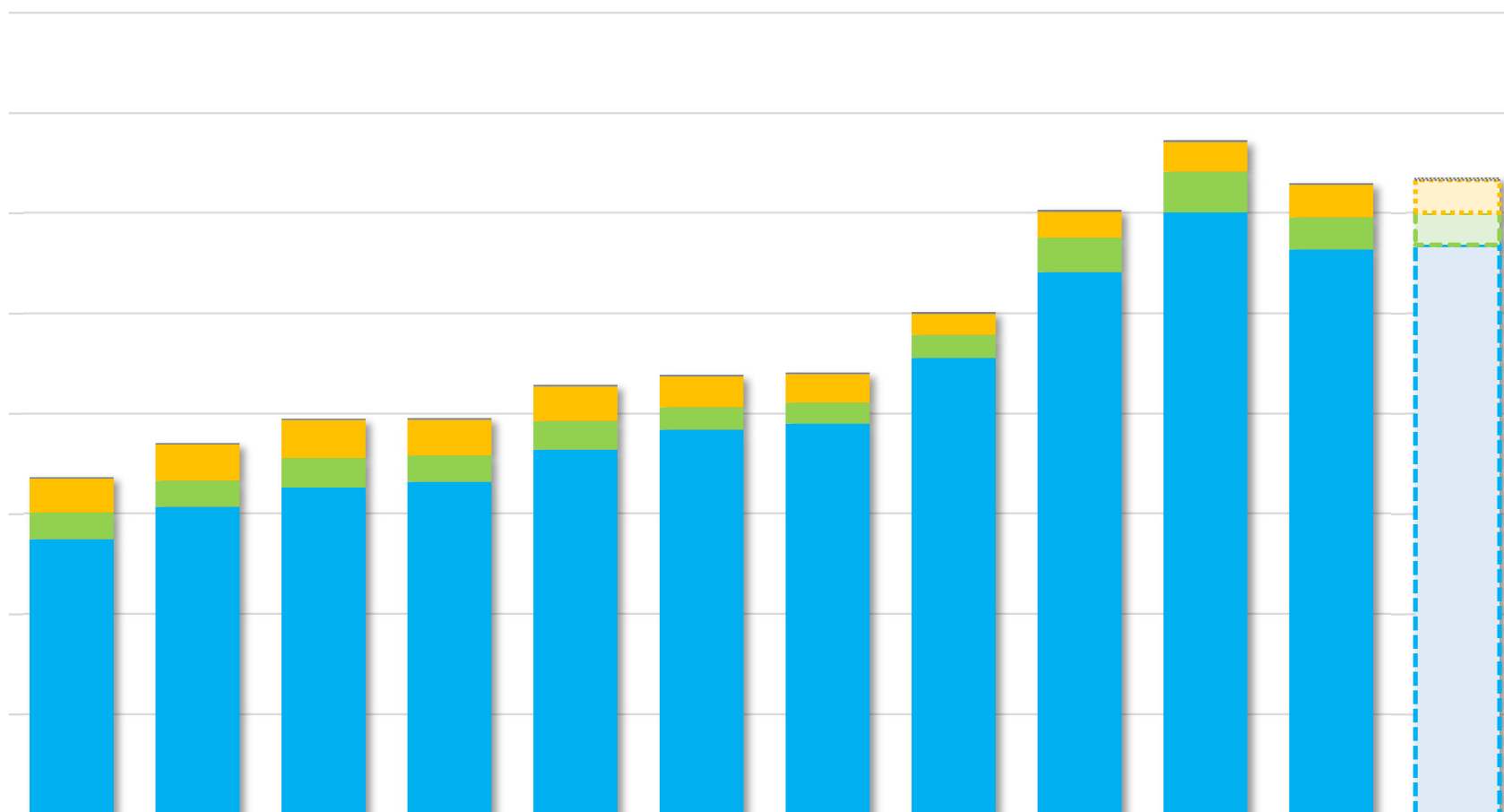


Reference (1): Data on Financial Results over the Past Years

Net Sales Trend by Business

GLOBERIDE

A Lifetime Sports Company

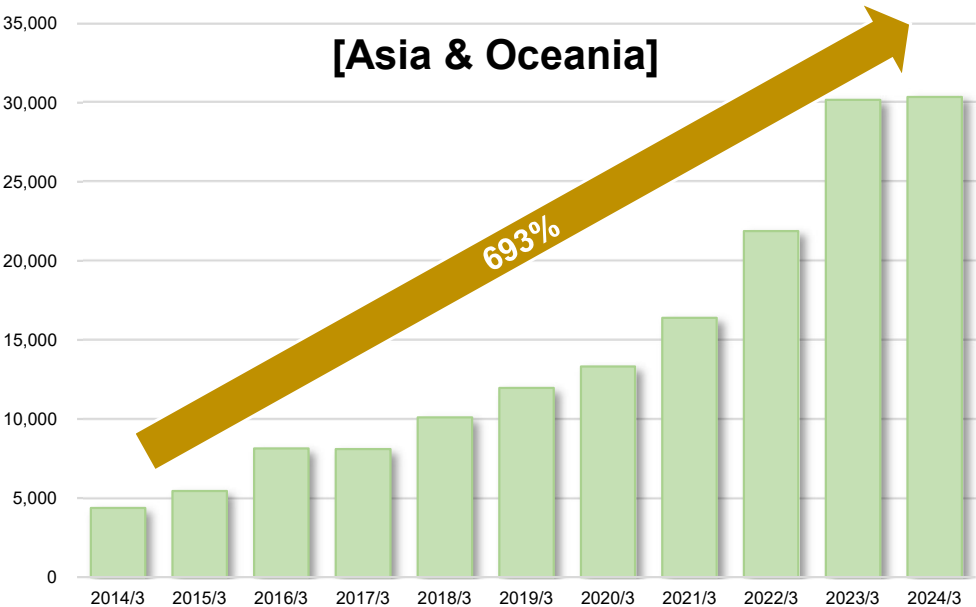
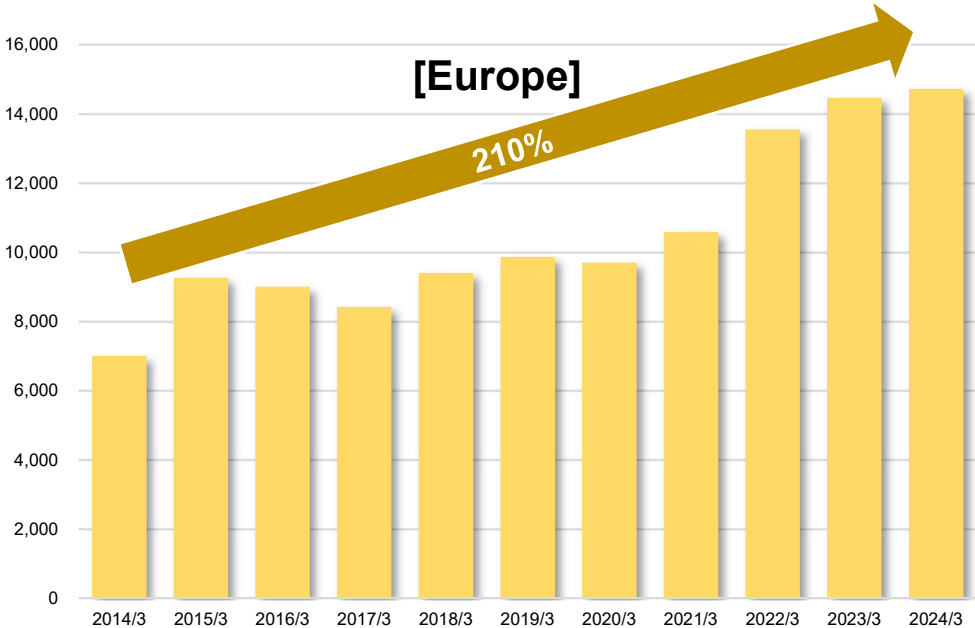
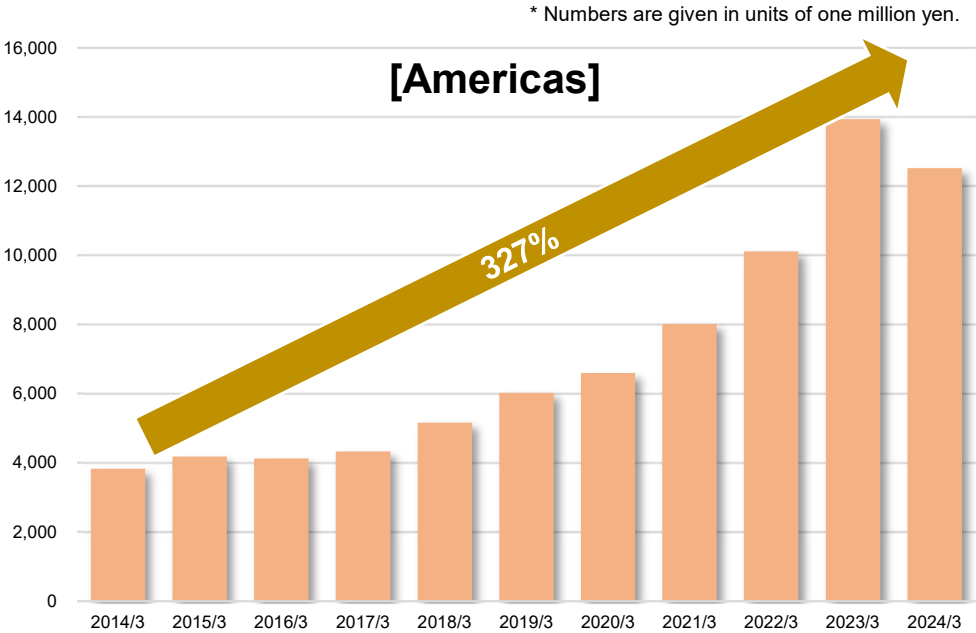
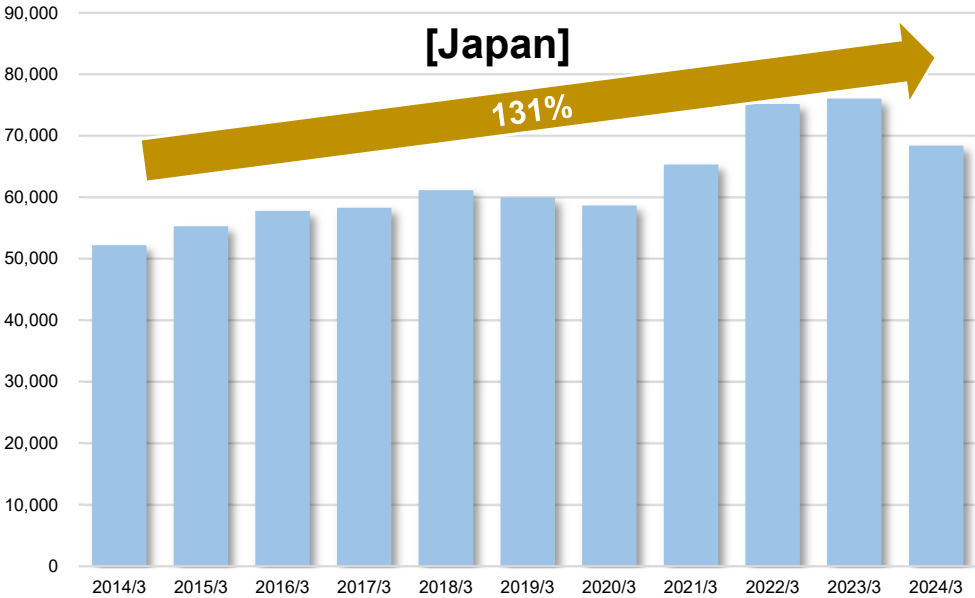


(Million yen)

	2014/3	2015/3	2016/3	2017/3	2018/3	2019/3	2020/3	2021/3	2022/3	2023/3	2024/3	2025/3 (Forecast)
Fishing business	55,012	61,473	65,318	66,461	72,824	76,827	78,031	91,150	108,281	120,152	112,799	113,700
Golf business	5,293	5,210	5,852	5,247	5,760	4,471	4,176	4,576	6,886	8,138	6,421	6,450
Sports business	6,763	7,191	7,556	7,108	6,845	6,169	5,683	4,184	5,109	5,911	6,429	6,500
Other businesses	314	278	298	324	355	343	366	392	406	380	358	350
Total	67,383	74,153	79,026	79,142	85,785	87,811	88,258	100,304	120,684	134,583	126,008	127,000



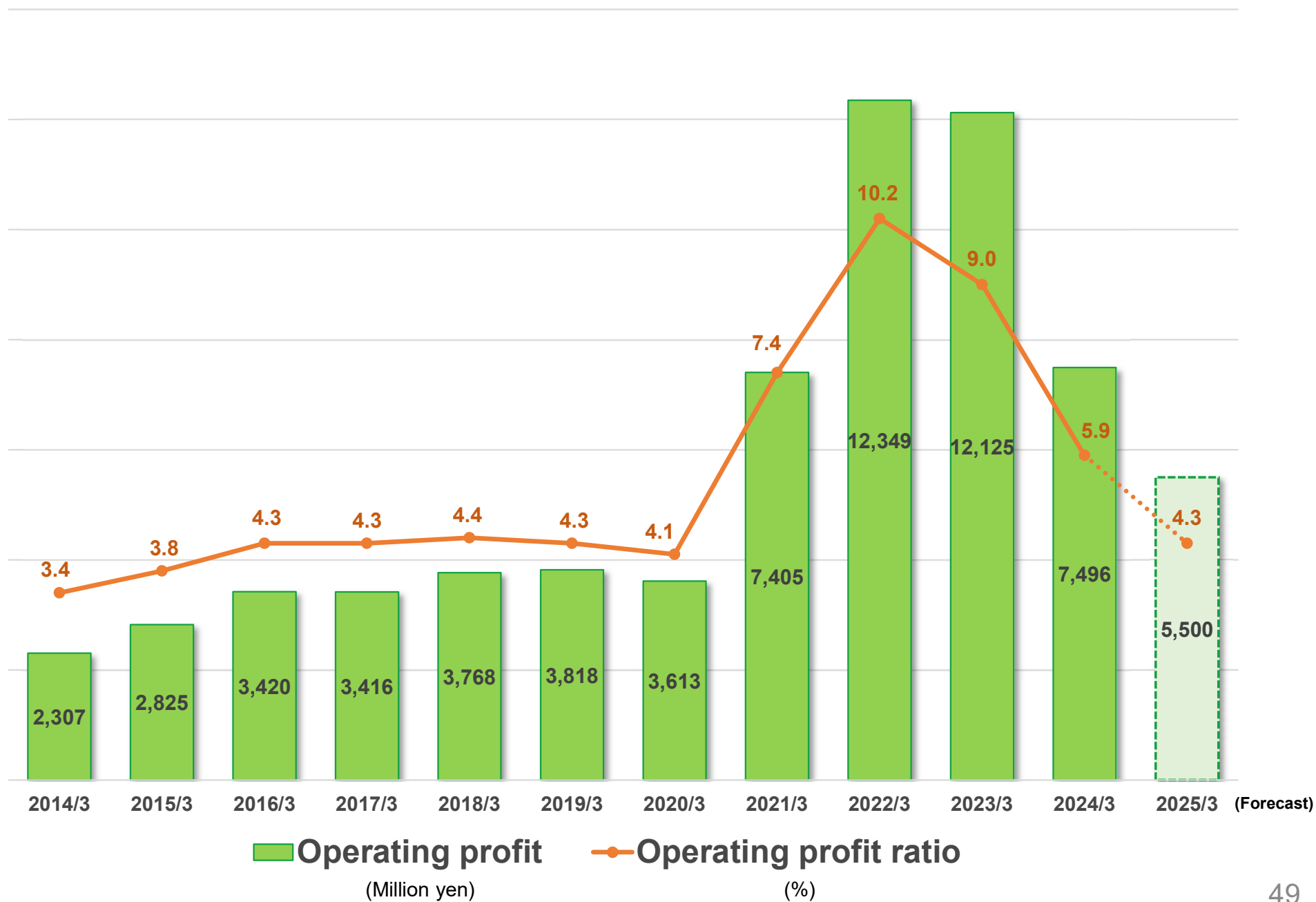
Segment Sales Trend (by region)



Operating Profit and Operating Profit Ratio Trends

GLOBERIDE

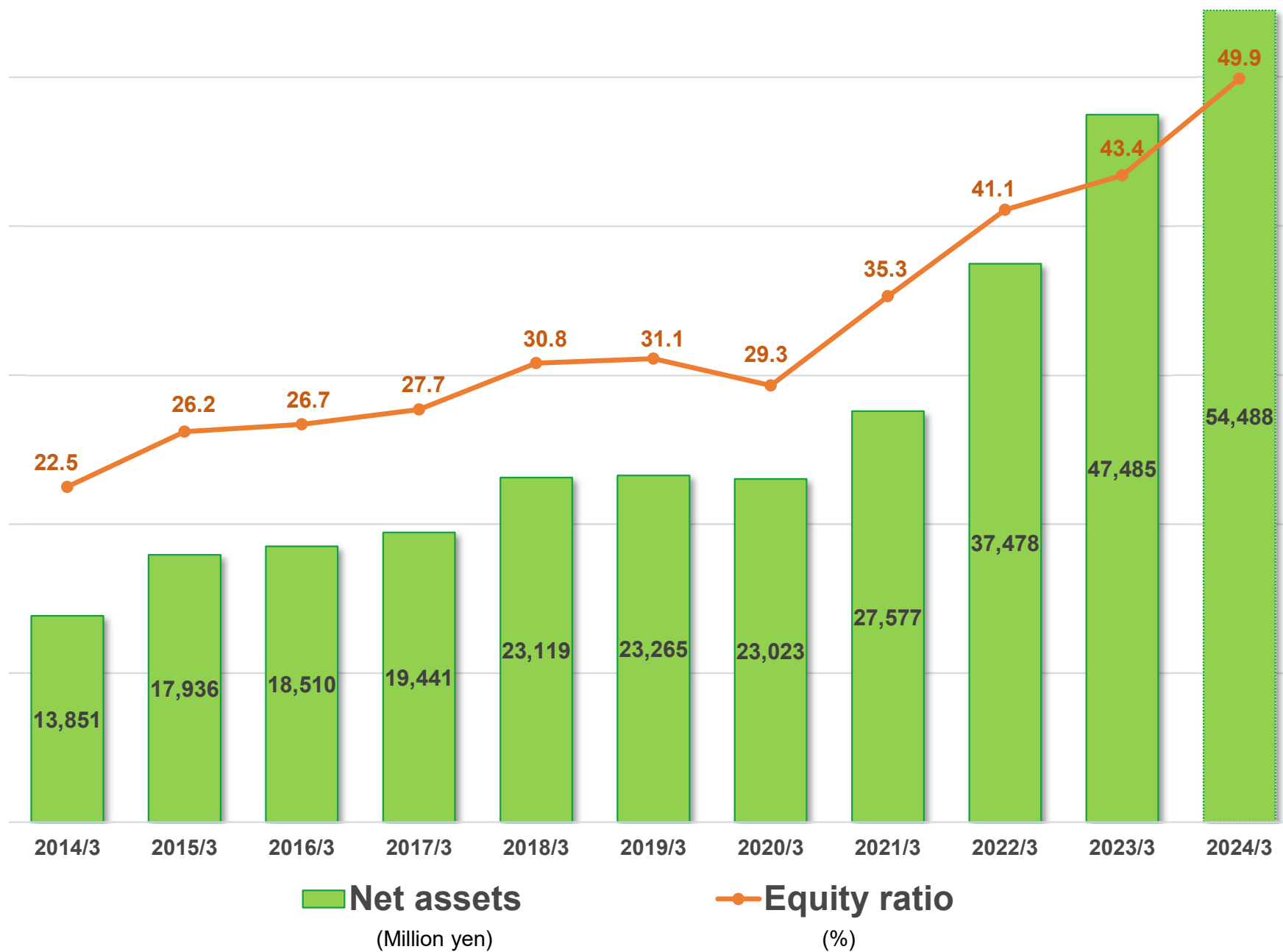
A Lifetime Sports Company



Net Assets and Equity Ratio Trends

GLOBERIDE

A Lifetime Sports Company



Reference (2): Basic Information

SLOGAN

Feel the earth.



**Feel the earth.
Feel it, live with it.**

**Feel It,
Feel what earth offers everyday.
Within it the new nature of life,
The way we live evolves,
bringing transformation,
to enrich our lives.**

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.**

Towards Being a Global Lifetime Sports Company

Company name	GLOBERIDE, Inc.
Head office	14-16, Maesawa 3-chome, Higashikurume-shi, Tokyo
Established	July 29, 1958 * Registered on December 26, 1945
Representative Director	Kazunari Susuki, Representative Director and President
Share capital	4,184.11 million yen (March 31, 2024)
Employees	Consolidated: 6,765/ Non-consolidated: 859 (March 31, 2024)
Group companies	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

[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.