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Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]



February 13, 2025

Company name: GLOBERIDE, Inc.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 7990
 URL: <https://www.globeride.co.jp/>
 Representative: Kazunari Suzuki, Representative Director, President
 Contact: Hisaki Taniguchi, Director, Managing Executive Officer, Division Manager of Business Management Div.
 Phone: +81-42-475-2115
 Scheduled date of commencing dividend payments: –
 Availability of supplementary explanatory materials on financial results: Not available
 Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 - December 31, 2024)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------------------------|-------------|-------|------------------|--------|-----------------|--------|---|--------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Nine months ended December 31, 2024 | 94,261 | (2.3) | 6,421 | (23.4) | 6,536 | (25.8) | 4,612 | (25.9) |
| December 31, 2023 | 96,488 | (8.9) | 8,386 | (34.1) | 8,811 | (33.4) | 6,223 | (35.4) |

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥5,446 million [(48.4)%]

Nine months ended December 31, 2023: ¥10,553 million [(24.2)%]

| | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------------|----------------------------|
| | Yen | Yen |
| Nine months ended December 31, 2024 | 200.70 | - |
| December 31, 2023 | 270.90 | - |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio |
|-------------------------|--------------|-------------|--------------|
| | Million yen | Million yen | % |
| As of December 31, 2024 | 110,629 | 58,223 | 52.4 |
| As of March 31, 2024 | 108,717 | 54,488 | 49.9 |

(Reference) Equity: As of December 31, 2024: ¥57,997million

As of March 31, 2024: ¥54,261 million

2. Dividends

| | Annual dividends | | | | |
|---|--------------------|--------------------|--------------------|----------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2024 | - | 35.00 | - | 35.00 | 70.00 |
| Fiscal year ending March 31, 2025 | - | 40.00 | - | | |
| Fiscal year ending March 31, 2025 (Forecast) | | | | 40.00 | 80.00 |

(Note) Revisions to the dividend forecast most recently announced: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | Basic earnings per share |
|-----------|-------------|-----|------------------|--------|-----------------|--------|---|-----------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | Yen |
| Full year | 127,000 | 0.8 | 5,500 | (26.6) | 5,100 | (39.1) | 3,400 | (39.1) 147.96 |

(Note) Revisions to the financial results forecast most recently announced: None

*** Notes:**

- (1) Significant changes in the scope of consolidation during the period: None
Newly included: –
Excluded: –
- (2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes
(Note) For details, please refer to “(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)” on page 8 of the Attachments.
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):

| | |
|--------------------|-------------------|
| December 31, 2024: | 24,000,000 shares |
| March 31, 2024: | 24,000,000 shares |
 - 2) Total number of treasury shares at the end of the period:

| | |
|--------------------|------------------|
| December 31, 2024: | 1,010,890 shares |
| March 31, 2024: | 1,021,181 shares |
 - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year):

| | |
|--------------------------------------|-------------------|
| Nine months ended December 31, 2024: | 22,983,856 shares |
| Nine months ended December 31, 2023: | 22,975,486 shares |

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Explanation of the proper use of financial results forecast and other notes

The financial results forecast and other forward-looking statements herein are based on information that is currently available to the Company and certain assumptions that are deemed reasonable by the Company, and are not intended to guarantee the achievement. Actual business results may differ significantly due to various factors. For the conditions serving for the premise of the financial results forecast and the cautionary notes concerning the use of the financial results forecast, please refer to “Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information” on page 3 in the Attachments of the quarterly consolidated financial results.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the nine months ended December 31, 2024, the Japanese economy gradually trended toward recovery against a backdrop of normalized economic activities and an improved employment and income environment, and a rebound in inbound tourism demand. Meanwhile, the future still remains unclear due to volatile exchange rate fluctuations and high material and energy prices as well as sluggish consumer confidence associated with rises in commodity prices. Overseas, while consumer spending was recovering, mainly in the U.S. and Europe, overall, economic recovery has yet to materialize due to geopolitical risks such as the situations in Ukraine and the Middle East, interest rates in the countries of Europe as well as the U.S. that remain at a high level, and economic stagnation in China, among other factors.

Under these situations, the markets of the outdoor, sports, and leisure industry, in which the Group (the Company and its subsidiaries) operates, remained stagnant, affected chiefly by the increased burden on households from soaring commodity prices, as well as diversifying ways to spend leisure time with the increased popularity of travelling, shopping, and a variety of other sports and leisure activities.

In such conditions, as “A Lifetime Sports Company,” the Group has been providing attractive products and high-quality services for everyone who loves nature and sports. However, with impacts including the slowing demand for outdoor, sports, and leisure goods, such as fishing goods, and an adjustment in inventory levels, for the nine months ended December 31, 2024, net sales were 94,261 million yen (down 2.3% year on year). As for profit, due to a decrease in revenue which led to a decrease in gross profit and an increase in expenses, such as personnel expenses, operating profit was 6,421 million yen (down 23.4% year on year), ordinary profit was 6,536 million yen (down 25.8% year on year), and profit attributable to owners of parent was 4,612 million yen (down 25.9% year on year).

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

Japan

In Japan, the outdoor, sports, and leisure markets still remain sluggish partially due to the situation affecting household disposable income from rising energy and commodity prices, as well as an increased variety of leisure consumption to include travel and others. Under such circumstances, the Group launched new products and provided services to satisfy our customers, for example, a spinning reel “CERTATE” and a salt lure rod “EMERALDAS AIR” in fishing, and “ONOFF AKA” in golf. However, net sales were 61,433 million yen (down 0.7% year on year), and segment profit was 4,143 million yen (down 16.9% year on year).

Americas

In the Americas, while the inventory adjustment almost calmed down, a recovery in market conditions is gradual under a level of interest rates remaining high. Under such circumstances, the Group made efforts for expanding sales mainly in bass fishing goods including the “TATULA series” for the U.S. market. As a result, net sales were 10,911 million yen (up 7.7% year on year) due to the impact of conversion on account of the weak yen, while segment profit was 86 million yen (down 68.4% year on year).

Europe

In Europe, affected by the persistently high interest rates in the region’s countries and the slow pace of overall improvement in consumer behavior, market conditions remains weak. Under such circumstances, since products that catered to local needs continued to be launched and there was the impact of conversion due to the weak yen, net sales were 12,400 million yen (up 9.0% year on year), and segment profit was 554 million yen (up 175.8% year on year).

Asia and Oceania

In the Asia and Oceania region, while the socioeconomic situation varies among countries, business generally stagnates and consumer spending is sluggish as well. Under such circumstances, although the Group worked to expand sales mainly in high-class Japanese-made products and goods exclusively for a local area, net sales were 37,065 million yen (down 0.8% year on year), and segment profit was 4,248 million yen (down 18.0% year on year).

(2) Explanation of Financial Position

Total assets at the end of the nine months ended December 31, 2024 amounted to 110,629 million yen, an increase of 1,912 million yen from 108,717 million yen at the end of the previous fiscal year. The increase is mainly due to an increase in inventories.

Net assets amounted to 58,223 million yen, an increase of 3,734 million yen from 54,488 million yen at the end of the previous fiscal year. The increase is due to recording profit attributable to owners of parent, as well as fluctuation in foreign currency translation adjustment.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

The financial results forecast for the fiscal year ending March 31, 2025 has not been revised from the forecast announced on May 13, 2024.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

| | As of March 31, 2024 | As of December 31, 2024 |
|---|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 12,979 | 11,573 |
| Notes and accounts receivable - trade | 13,995 | 13,193 |
| Electronically recorded monetary claims - operating | 391 | 638 |
| Merchandise and finished goods | 31,036 | 34,930 |
| Work in process | 3,856 | 4,256 |
| Raw materials and supplies | 3,761 | 4,215 |
| Other | 3,650 | 3,488 |
| Allowance for doubtful accounts | (559) | (603) |
| Total current assets | 69,110 | 71,692 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Land | 5,511 | 6,012 |
| Other, net | 21,120 | 20,341 |
| Total property, plant and equipment | 26,631 | 26,353 |
| Intangible assets | | |
| Other | 1,505 | 1,467 |
| Total intangible assets | 1,505 | 1,467 |
| Investments and other assets | | |
| Investment securities | 6,476 | 6,677 |
| Retirement benefit asset | 133 | 140 |
| Other | 4,899 | 4,338 |
| Allowance for doubtful accounts | (39) | (39) |
| Total investments and other assets | 11,470 | 11,116 |
| Total non-current assets | 39,606 | 38,937 |
| Total assets | 108,717 | 110,629 |

(Million yen)

| | As of March 31, 2024 | As of December 31, 2024 |
|--|----------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 4,897 | 5,694 |
| Electronically recorded obligations - operating | 6,806 | 1,115 |
| Short-term borrowings | 12,682 | 14,440 |
| Income taxes payable | 550 | 743 |
| Provision for bonuses | 932 | 508 |
| Provision for bonuses for directors (and other officers) | 35 | 49 |
| Other | 7,746 | 8,287 |
| Total current liabilities | 33,651 | 30,839 |
| Non-current liabilities | | |
| Long-term borrowings | 11,645 | 12,843 |
| Retirement benefit liability | 5,580 | 5,551 |
| Other | 3,350 | 3,172 |
| Total non-current liabilities | 20,577 | 21,567 |
| Total liabilities | 54,229 | 52,406 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 4,184 | 4,184 |
| Capital surplus | 27 | 41 |
| Retained earnings | 42,279 | 45,168 |
| Treasury shares | (881) | (874) |
| Total shareholders' equity | 45,609 | 48,519 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,492 | 3,664 |
| Deferred gains or losses on hedges | 18 | 141 |
| Revaluation reserve for land | 1,977 | 1,977 |
| Foreign currency translation adjustment | 3,201 | 3,728 |
| Remeasurements of defined benefit plans | (38) | (34) |
| Total accumulated other comprehensive income | 8,652 | 9,477 |
| Non-controlling interests | 226 | 226 |
| Total net assets | 54,488 | 58,223 |
| Total liabilities and net assets | 108,717 | 110,629 |

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended December 31

(Million yen)

| | For the nine months ended December 31, 2023 | For the nine months ended December 31, 2024 |
|--|--|--|
| Net sales | 96,488 | 94,261 |
| Cost of sales | 60,041 | 58,318 |
| Gross profit | 36,446 | 35,943 |
| Selling, general and administrative expenses | 28,060 | 29,521 |
| Operating profit | 8,386 | 6,421 |
| Non-operating income | | |
| Interest income | 44 | 59 |
| Dividend income | 106 | 129 |
| Rental income from real estate | 4 | 6 |
| Foreign exchange gains | 473 | 65 |
| Other | 332 | 383 |
| Total non-operating income | 962 | 644 |
| Non-operating expenses | | |
| Interest expenses | 363 | 371 |
| Loss on retirement of non-current assets | 24 | 50 |
| Other | 148 | 107 |
| Total non-operating expenses | 536 | 529 |
| Ordinary profit | 8,811 | 6,536 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 1 | 19 |
| Gain on sale of investment securities | - | 3 |
| Total extraordinary income | 1 | 22 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 10 | 5 |
| Impairment losses | 2 | - |
| Other | 0 | - |
| Total extraordinary losses | 12 | 5 |
| Profit before income taxes | 8,800 | 6,554 |
| Income taxes - current | 2,548 | 1,929 |
| Profit | 6,252 | 4,624 |
| Profit attributable to non-controlling interests | 28 | 11 |
| Profit attributable to owners of parent | 6,223 | 4,612 |

Quarterly Consolidated Statements of Comprehensive Income
Nine Months Ended December 31

(Million yen)

| | For the nine months ended December 31, 2023 | For the nine months ended December 31, 2024 |
|--|--|--|
| Profit | 6,252 | 4,624 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 733 | 172 |
| Deferred gains or losses on hedges | 58 | 123 |
| Foreign currency translation adjustment | 3,500 | 522 |
| Remeasurements of defined benefit plans, net of tax | 9 | 3 |
| Total other comprehensive income | 4,301 | 821 |
| Comprehensive income | 10,553 | 5,446 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 10,510 | 5,438 |
| Comprehensive income attributable to non-controlling interests | 43 | 8 |

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

For the nine months period ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

Not applicable.

(Accounting policies adopted specially for the preparation of quarterly consolidated financial statements)

Calculation of tax expense

The Company calculates tax expense by multiplying profit before income taxes by an effective tax rate that was reasonably estimated after applying tax effect accounting to profit before income taxes for the fiscal year under review.

(Segment information, etc.)

[Segment information]

For the nine months period ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

1. Information on net sales and profit (loss) and information on disaggregation of revenue by reportable segment (Million yen)

| | Reportable segment | | | | Total |
|---------------------------------------|--------------------|----------|--------|------------------|---------|
| | Japan | Americas | Europe | Asia and Oceania | |
| Net sales | | | | | |
| Revenue from contracts with customers | 52,345 | 10,127 | 11,367 | 22,647 | 96,488 |
| Other revenue | — | — | — | — | — |
| Net sales to outside customers | 52,345 | 10,127 | 11,367 | 22,647 | 96,488 |
| Inter-segment net sales or transfers | 9,496 | 6 | 10 | 14,710 | 24,224 |
| Total | 61,841 | 10,134 | 11,378 | 37,357 | 120,712 |
| Segment profit | 4,985 | 272 | 201 | 5,181 | 10,641 |

2. Difference between total amount of profit (loss) of reportable segments and amounts recorded in quarterly consolidated statements of income, and content thereof (matters related to difference adjustment)

(Million yen)

| Profit | Amount |
|---|---------|
| Reportable segment total | 10,641 |
| Inter-segment elimination and company-wide expenses (Note) | (2,254) |
| Operating profit in the quarterly consolidated statements of income | 8,386 |

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

For the nine months period ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

1. Information on net sales and profit (loss) and information on disaggregation of revenue by reportable segment
(Million yen)

| | Reportable segment | | | | Total |
|---------------------------------------|--------------------|----------|--------|------------------|---------|
| | Japan | Americas | Europe | Asia and Oceania | |
| Net sales | | | | | |
| Revenue from contracts with customers | 50,344 | 10,900 | 12,388 | 20,628 | 94,261 |
| Other revenue | — | — | — | — | — |
| Net sales to outside customers | 50,344 | 10,900 | 12,388 | 20,628 | 94,261 |
| Inter-segment net sales or transfers | 11,089 | 11 | 11 | 16,437 | 27,549 |
| Total | 61,433 | 10,911 | 12,400 | 37,065 | 121,811 |
| Segment profit | 4,143 | 86 | 554 | 4,248 | 9,033 |

2. Difference between total amount of profit (loss) of reportable segments and amounts recorded in quarterly consolidated statements of income, and content thereof (matters related to difference adjustment)

(Million yen)

| Profit | Amount |
|---|---------|
| Reportable segment total | 9,033 |
| Inter-segment elimination and company-wide expenses (Note) | (2,611) |
| Operating profit in the quarterly consolidated statements of income | 6,421 |

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

(Notes to statements of cash flows)

Quarterly Consolidated Statements of Cash Flows for the nine months ended December 31, 2024 have not been prepared.

Depreciation (including amortization of intangible assets) for the nine months ended December 31, 2024 is as follows.

(Million yen)

| | For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023) | For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024) |
|--------------|--|--|
| Depreciation | 3,003 | 3,364 |