



Fiscal Year Ending March 31, 2025 Q1

Financial Results

Yonex Co., Ltd.

Tokyo Stock Exchange Code: 7906

August 9, 2024

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— Highlights

Net Sales

31 billion yen

YoY

+11.0%

Operating Profit

3.3 billion yen

YoY

+19.6%

Net Profit

Attributable to owners of parent

2.7 billion yen

YoY

+15.4%

Net Sales

- Sports activity levels remained high, and we implemented grassroots initiatives and strategic communications regarding tournaments that leveraged our contracted athletes' achievements to further stimulate market growth.
- There was strong demand for Yonex products, and our new product launches performed well in the market. In China, sales surged particularly for badminton products.
- Consolidated sales reached a record high, driven in part by the positive effect of yen depreciation on overseas sales.

Operating Profit

- SGA expenses increased due to higher personnel, IT system, and advertising and marketing costs.
- Operating profit increased primarily due to a rise in gross profit made possible by higher sales and an improvement in gross profit margin.

— Consolidated Income Statement

(Million yen)

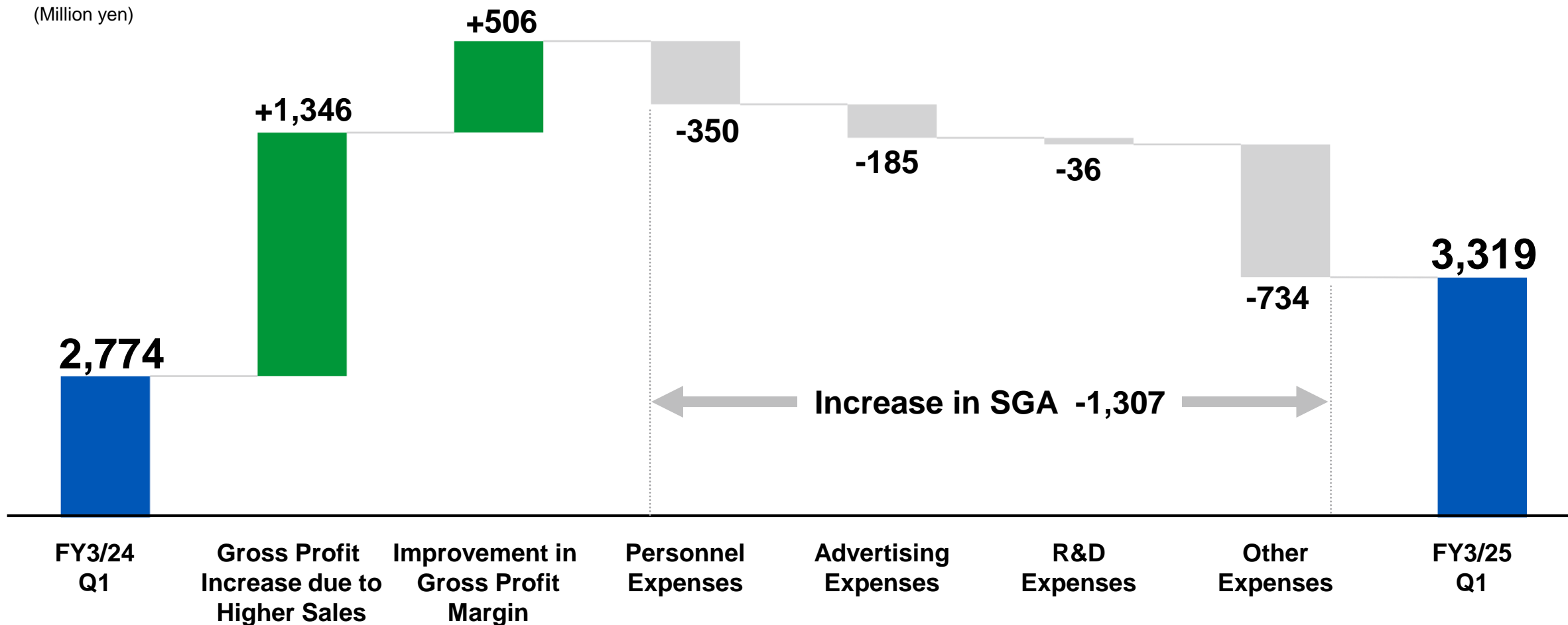
	FY3/24 Q1 Results	FY3/25 Q1		YoY	FY3/25 Forecasts*	
		Results	Margins		H1	Full Year
Net Sales	27,992	31,067	—	+11.0% (+3,074)	62,500	126,000
Gross Profit	12,255	14,107	45.4%	+15.1% (+1,852)	—	—
SGA	9,480	10,788	34.7%	+13.8% (+1,307)	—	—
Operating Profit	2,774	3,319	10.7%	+19.6% (+544)	6,200	12,500
Ordinary Profit	3,245	3,734	12.0%	+15.1% (+489)	6,200	12,500
Net Profit (Attributable to owners of parent)	2,424	2,797	9.0%	+15.4% (+373)	4,400	9,300
EPS	27.82 yen	32.33 yen	—	+4.51 yen	50.85 yen	107.49 yen

* Announced on May 10, 2024

— Factors behind Operating Profit Changes

The increase in operating profit was driven by a combination of higher sales and improved gross profit margin mainly in the Japan segment. These gains more than offset the rise in SGA expenses, which included system-related expenditures and other expenses linked to global IT reinforcement, depreciation costs, and personnel costs.

(Million yen)



— Consolidated Balance Sheets

Property, plant and equipment increased primarily due to capital investments in our new tennis factory and new research and development facility (Yonex Performance Innovation Center).

● Assets

	End FY3/24	End FY3/25 Q1	Change
Cash and Deposits	23,549	26,397	+2,848
Notes and accounts receivable- trade	17,135	19,180	+2,044
Inventory	16,743	17,717	+974
Property, plant and equipment	26,109	28,324	+2,214
Intangible assets	2,333	2,019	-313
Others	5,355	6,611	+1,256
Total Assets	91,226	100,252	+9,025

● Liabilities

(Million yen)

	End FY3/24	End FY3/25 Q1	Change
Notes and accounts payable- trade	6,390	8,225	+1,834
Interest-bearing debt	7,750	8,709	+958
Others	16,184	19,371	+3,187
Total Liabilities	30,325	36,306	+5,981
Equity Capital	60,703	63,755	+3,052
Non-controlling Interests	197	189	-8
Total Net Assets	60,901	63,945	+3,044
Total Liabilities and Net Assets	91,226	100,252	+9,025

— Segment Information

Our business consists of the Sporting Goods Division, which is divided into the four regional segments of Japan, Asia, North America, and Europe, and the Sports Facilities Division.

(Million yen)

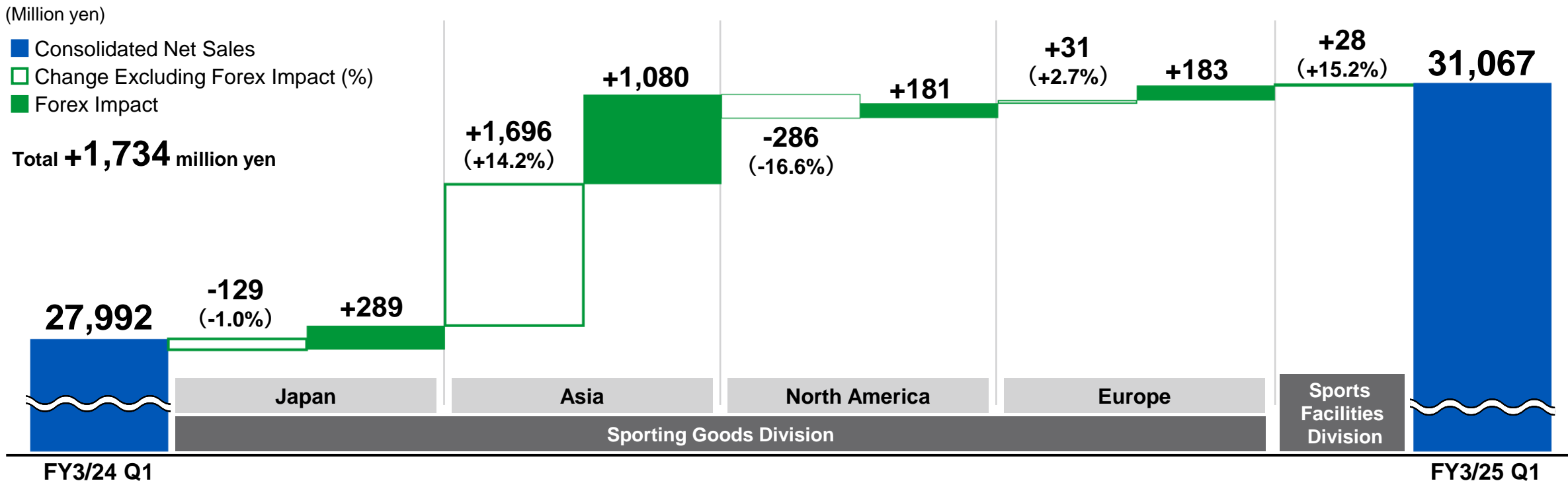
Segment		FY3/25 Q1 Results		Sales Composition	Related Entities	
		Net Sales	Operating Profit		Sales	Manufacture
Sporting Goods Division	Japan	13,133	604	42.3%	<ul style="list-style-type: none"> • YONEX JAPAN (Domestic sales) • Sales to overseas distributors※ 	<ul style="list-style-type: none"> • Niigata Factory • Tokyo Factory • YONEX Precision Machinery Co., Ltd.
	Asia	14,685	2,350	47.3%	<ul style="list-style-type: none"> • YONEX SPORTS (CHINA) CO., LTD. • YONEX TAIWAN CO., LTD. 	<ul style="list-style-type: none"> • YONEX TAIWAN CO., LTD. • YONEX INDIA PRIVATE LIMITED • YONEX TECNIFIBRE CO., LTD. (Thailand)
	North America	1,627	225	5.2%	<ul style="list-style-type: none"> • YONEX CORPORATION (US and Canada) 	
	Europe	1,406	135	4.5%	<ul style="list-style-type: none"> • YONEX GmbH (Germany) • YONEX U.K. LIMITED (UK) 	
Sports Facilities Division		214	71	0.7%	<ul style="list-style-type: none"> • Operation of golf courses, golf driving ranges, and tennis club 	

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

— Net Sales Changes and Forex Impact (Reported Segments)

The yen depreciated against all major currencies and contributed to an overall increase in consolidated sales. Overall sales in our Japan segment declined prior to factoring in the forex impact but were boosted by the favorable impact of yen depreciation on sales to overseas distributors.

● Forex Rate	1RMB	1TWD	1USD	1EUR	1GBP
FY3/24 Q1 (Jan-Mar)	19.34 yen	4.34 yen	132.33 yen	142.09 yen	160.88 yen
FY3/25 Q1 (Jan-Mar)	20.62 yen	4.72 yen	148.60 yen	161.30 yen	188.48 yen
YoY	+6.6%	+8.8%	+12.3%	+13.5%	+17.2%



— Japan Segment

Net Sales

13,133 million yen ^{YoY} **+1.2%**

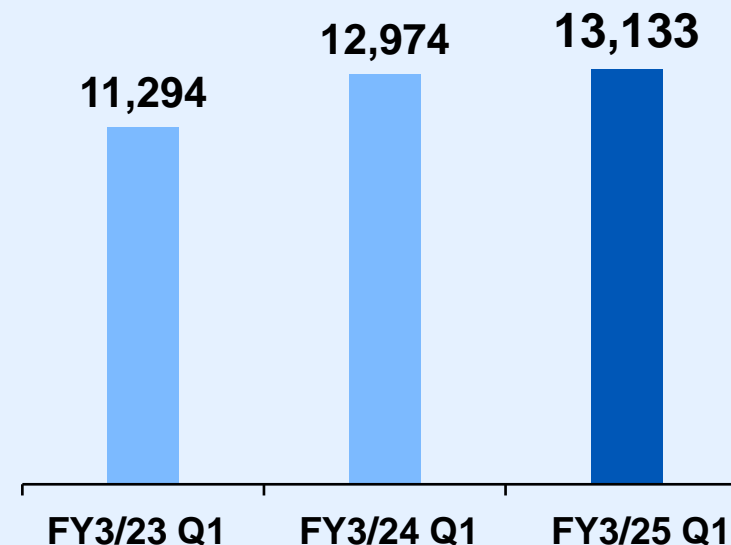
Domestic Sales

Badminton sales rose on the back of sustained strong demand and increased sales of Taiwan-made racquets. Despite the favorable performance of new-model soft tennis racquets, tennis sales declined due to a slowdown in the strong demand of recent years. Subsequently, overall domestic sales increased.

Overseas Distributors

Although the market continued to trend solidly, sales declined from the prior year, which had seen a significant surge in sales. Overall results were boosted by the effect of yen depreciation.

(Million yen)

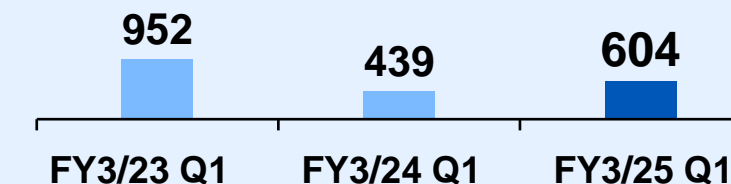


Operating Profit

604 million yen ^{YoY} **+37.6%**

Gross profit increased, thanks to higher sales and improvement in gross profit margin driven by revisions to international wholesale prices, and despite the decline in domestic gross profit margin resulting from higher material and product purchase prices caused by yen depreciation. SGA expenses rose due to spending on IT systems, personnel, and global advertising and marketing activities, but were offset by the increase in gross profit and resulted in higher operating profit.

(Million yen)



— Asia Segment

Net Sales

14,685 million yen YoY
+23.3%

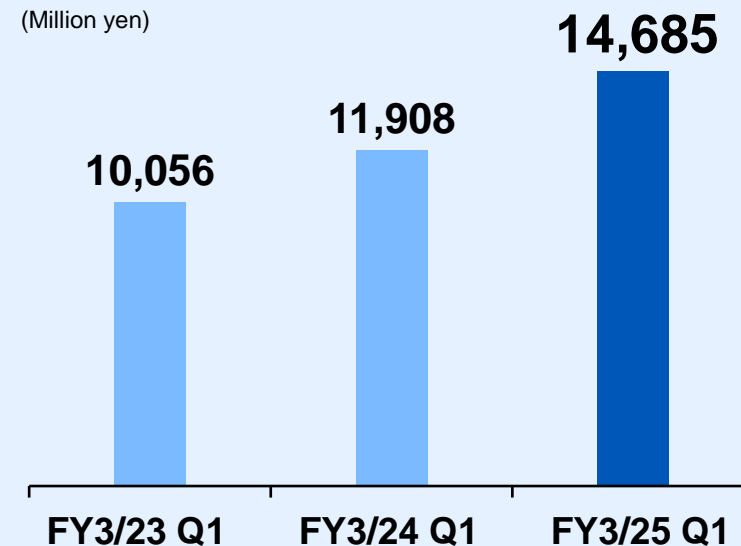
China

Demand continued to trend strongly, with badminton product sales experiencing an uptick driven by strong sales of newly launched racquet models. Overall sales increased thanks also to the favorable impact of yen depreciation and a comparative advantage over the prior year's performance, which was adversely impacted by COVID-19.

Taiwan

The badminton market remained firm, driven by the successes of the Taiwan national team and an increase in the number of local tournaments, with sales growth primarily in racquets.

(Million yen)

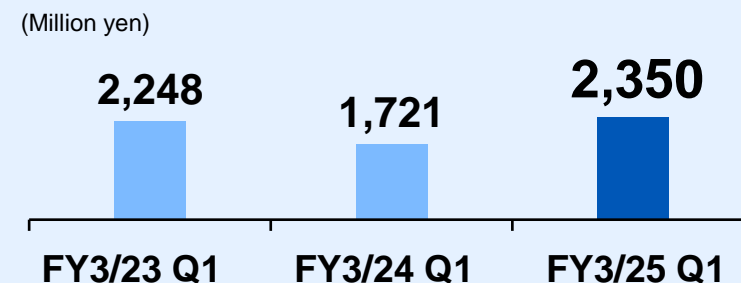


Operating Profit

2,350 million yen YoY
+36.5%

Gross profit increased on the back of higher sales. The rise in SGA expenses linked to personnel costs and the launch of the new ERP in January 2024 was more than offset by the increase in gross profit, resulting in higher operating profit.

(Million yen)



● Forex Rate

	Jan-Mar, 2023	Jan-Mar, 2024	YoY
1RMB	19.34 yen	20.62 yen	1.28 yen weaker

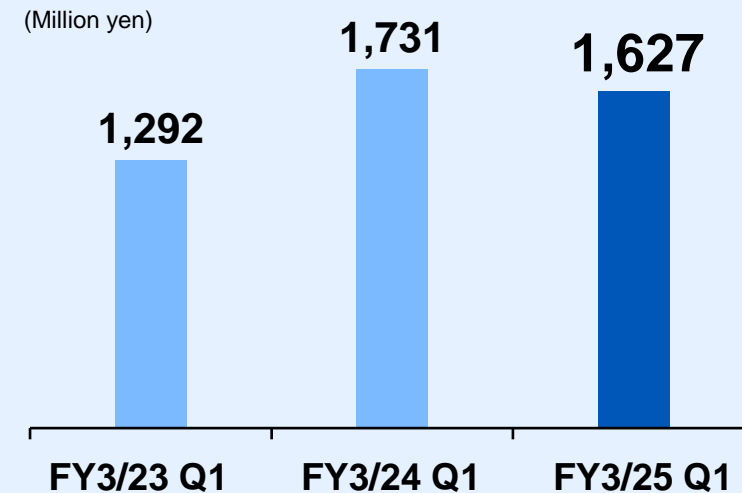
	Jan-Mar, 2023	Jan-Mar, 2024	YoY
1TWD	4.34 yen	4.72 yen	0.38 yen weaker

— North America Segment

Net Sales

1,627 million yen YoY
-6.1%

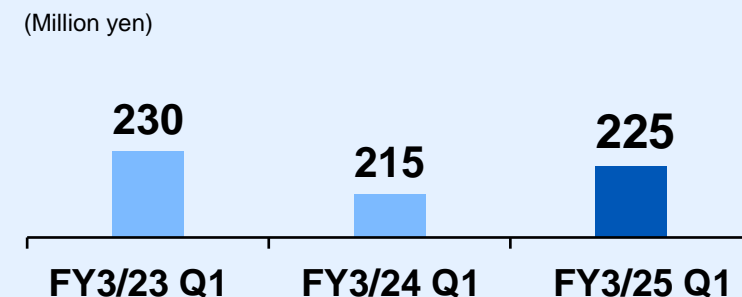
Badminton activities remained solid, particularly in Canada, where many new badminton clubs have been opening. However, sales declined year-on-year, following the strong performance in the prior year driven by post-COVID recovery. Tennis sales increased due to improved inventory levels and the favorable impact of yen depreciation. Consequently, overall sales declined.



Operating Profit

225 million yen YoY
+4.9%

Operating profit increased due to an improved gross profit margin and the positive effect of yen depreciation, which offset the increase in personnel and other SGA expenses.



● Forex Rate

	Jan-Mar, 2023	Jan-Mar, 2024	YoY
1USD	132.33 yen	148.60 yen	16.27 yen weaker

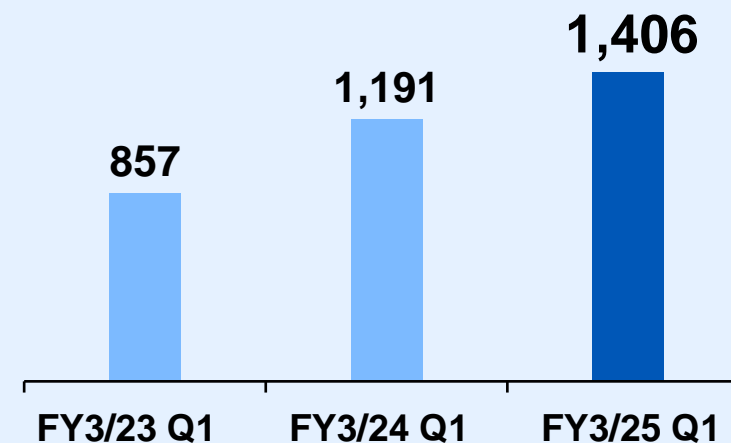
— Europe Segment

Net Sales

1,406 million yen

YoY
+18.0%

(Million yen)



Germany

Sales of both badminton and tennis increased. Badminton continued to garner attention due to international tournaments. Also, Yonex tennis racquets continued to be appreciated for their performance and received accolades from a prominent tennis journal for the second year running.

UK

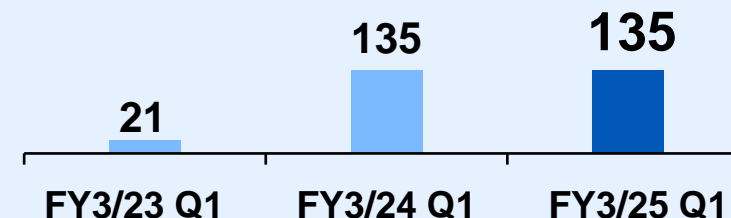
Both the badminton and tennis markets trended solidly, and sales increased due in part to the favorable effects of yen depreciation.

Operating Profit

135 million yen

YoY
-0.4%

(Million yen)



Gross profit rose due to higher sales, but SGA expenses such as personnel and advertising and marketing costs also increased, resulting in a slight net decline.

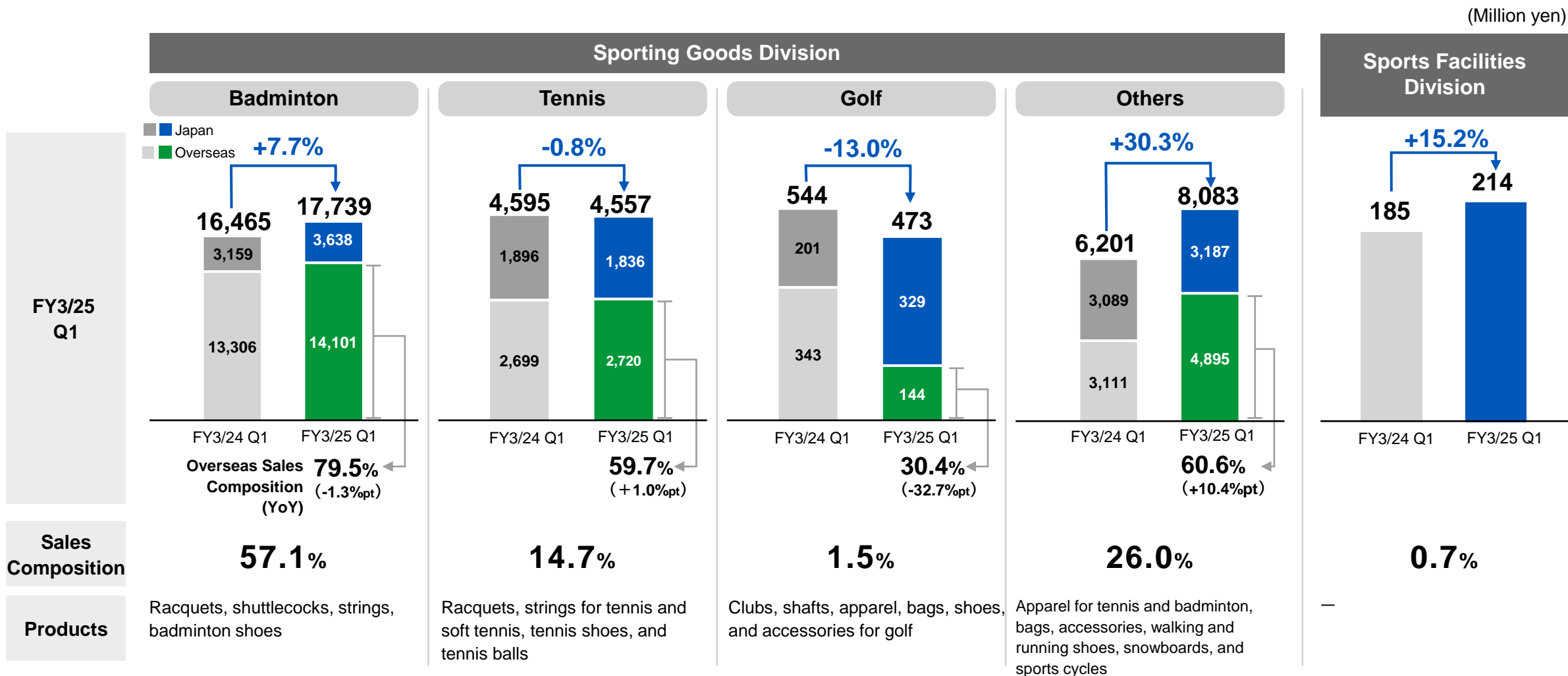
● Forex Rate

Jan-Mar, 2023 Jan-Mar, 2024 YoY
1EUR **142.09** yen → **161.30** yen **19.21** yen weaker

Jan-Mar, 2023 Jan-Mar, 2024 YoY
1GBP **160.88** yen → **188.48** yen **27.60** yen weaker

— Consolidated Net Sales by Sports Categories

Badminton sales increased both in Japan and overseas. Tennis sales decreased in Japan but saw an uptick overseas, particularly in Europe and North America.



※ Sales to overseas distributors are included in “Overseas”

— Earnings Forecasts for FY3/25 (unchanged)

We expect to maintain moderate growth and increase revenues and profits, while making investments to achieve mid- to long-term growth in line with our Global Growth Strategy (GGS).

● Assumptions

- Although the external environment remains uncertain, the number of people engaging in sports is expected to continue rising globally as people become more aware of the importance of sports in maintaining their health.
- Investments in marketing and human resources are expected to increase over the mid- to long-term, as well as amortization and depreciation of capital expenditures to reinforce our IT and manufacturing functions.

● Forex Rate (average)

(Yen)

	FY3/24 Results	FY3/25 Forecasts
1RMB	19.81	19.8
1TWD	4.50	4.5
1USD	140.55	150
1EUR	151.98	160
1GBP	174.85	185

(Million yen)	FY3/24 Results		FY3/25 Forecasts		VS FY3/24 Results	
	H1	Full Year	H1	Full Year	H1	Full Year
Net Sales	57,725	116,442	62,500	126,000	+8.3% (+4,774)	+8.2% (+9,557)
Operating Profit	5,612	11,611	6,200	12,500	+10.5% (+587)	+7.7% (+888)
Operating Profit Margin	9.7%	10.0%	9.9%	9.9%	+0.2%pt	-0.1%pt
Ordinary Profit	6,220	12,195	6,200	12,500	-0.3% (-20)	+2.5% (+304)
Net Profit (Attributable to owners of parent)	4,396	8,859	4,400	9,300	+0.1% (+3)	+5.0% (+440)

— YONEX OSAKA SHOWROOM: Our First Showroom to Open in the Kansai Region

We will open our third showroom worldwide in Osaka, the host city for Expo 2025. As we continue to enhance our global Direct-to-Consumer (DTC) capabilities, the YONEX OSAKA SHOWROOM will offer valuable insight that will help us to become more consumer-centric and improve our products and services.



▲ Entrance Image of YONEX OSAKA SHOWROOM



▲ Grand Front Osaka, where the showroom will be located

About YONEX OSAKA SHOWROOM

With a floor space of 1,000m², this will be the largest Yonex showroom to date, featuring an extensive product lineup, engaging displays, and immersive experiences. We will showcase our dedication to craftsmanship and innovation through in-store experiences, gather customer feedback, and enhance communication with our customers.

Store Details

- **Store Name:** YONEX OSAKA SHOWROOM
- **Address:** Grand Front Osaka South Building B1 Floor
4-20 Ofukacho, Kita-ku, Osaka
- **Floor Area:** 1,001m²



Click here for more details

▶ <https://www.yonex.co.jp/en/news/2024/97.html>

— Support for Athletes and International Tournaments

We supply equipment and services to both athletes and international tournaments in badminton, tennis, and other sports.

● Supply of Equipment and Services to Tournaments

Badminton

Official BWF* supplier for shuttlecocks, court mats, nets, poles, stringing services

*Badminton World Federation

Tennis

Official stringer for the Australian Open since 2016

We are also the sole supplier at the badminton and tennis events of the Paris 2024 Olympic and Paralympic Games.



◀ Introducing the first-ever gray-colored court mats at the YONEX All England Open Badminton Championships 2024

● National Team Uniforms (Badminton)

We provide functional sportswear that are specifically designed to enhance athletes' physical movement and performance.



Japan



China



Korea



Germany



Chinese Taipei

▶ Stringing service at the Australian Open using Yonex stringing machines





Appendix

— Reference: Fiscal Year End for Domestic and Overseas Businesses

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

- Period Covered in Consolidated Financial Results for FY3/25 Q1

	2024												2025		
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Japan Segment (Domestic sales and sales to overseas distributors)				Q1			Q2			Q3			Q4		
Asia, North America, Europe Segments (Overseas Subsidiaries)	Q1			Q2			Q3			Q4					

— Net Sales by Reported Segments

(Million yen)

	FY3/21 Q1	FY3/22 Q1	FY3/23 Q1	FY3/24 Q1	FY3/25 Q1
Japan (Domestic sales and sales to overseas distributors)	3,353	9,522	11,294	12,974	13,133
Asia (Subsidiaries)	3,428	5,524	10,056	11,908	14,685
North America (Subsidiaries)	679	642	1,292	1,731	1,627
Europe (Subsidiaries)	639	344	857	1,191	1,406
Sports Facilities	98	144	192	185	214
Consolidated Sales	8,199	16,178	23,694	27,992	31,067

Japan

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

North America

US and Canada subsidiaries

Asia

China, Taiwan, India, and Thailand subsidiaries

Europe

UK and Germany subsidiaries

— Net Sales by Geographic Region

(Million yen)

	FY3/21 Q1	FY3/22 Q1	FY3/23 Q1	FY3/24 Q1	FY3/25 Q1
Japan	2,352	7,360	8,388	8,532	9,206
Overseas	5,846	8,818	15,306	19,460	21,860
Asia	4,073	7,334	11,620	14,982	17,261
North America	679	642	1,292	1,731	1,627
Europe	1,024	514	1,988	2,318	2,534
Others	69	327	405	426	437
Total	8,199	16,178	23,694	27,992	31,067
Overseas Sales Composition	71.3%	54.5%	64.5%	69.5%	70.4%

Japan

Domestic sales including the Sports Facilities Division

Europe

Germany, UK, Denmark, France, others

Asia

China, Taiwan, Southeast Asia, Korea, India, others

Others

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

North America

US and Canada

*Sales to overseas distributors are included in "Overseas"

Statements made in these materials with respect to plans, strategies and future performances are forward-looking statements based on information and assumptions available to Yonex when these materials were prepared. Investors are cautioned that various unforeseen factors could cause actual results to differ materially from those discussed in these forward-looking statements.