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GOLDWIN will expand its corporate identity to the world and sustainably increase its corporate value by helping restore the planet.



Takao Watanabe
President and Representative Director

Leaving Our Beautiful Planet for Future Generations

When I became president in 2020, I added the statement “To improve the global environment through unbound imagination and breakthrough innovations that are beneficial to the world” to our corporate philosophy. This statement reflects my strong sense of urgency to ensure the sustainability of our planet.

Through my many years of working for The North Face, Inc., I learned a lot from Douglas Tompkins and Kenneth Hap Klopp, the company’s founders. When we entered into our licensing agreement in 1978, Hap shared his belief that THE NORTH FACE must use every opportunity to communicate the importance of protecting the environment. In my mind that became clear as soon as I realized coexistence with nature is a part of our business that takes precedence over everything else.

In recent years, there has been a prominent increase in the number of natural disasters, such as typhoons, floods, heat waves, wildfires, and droughts. There is no question that these disasters are all triggered by the destruction of nature due to the actions of humanity. The Earth’s ecosystem was once a well-balanced system, but the excessive use of fossil fuels by humans, along with industries that have destroyed life, have disrupted that balance. If this situation were to be ignored the very survival of humanity could soon be in jeopardy.

Plant life forms the foundation of the Earth’s cyclical systems. They provide leaves and fruits to insects and birds, supply oxygen, and are decomposed by microorganisms, returning to the soil. Like plants, humanity must fulfill its responsibility to the environment by behaving in an altruistic manner and focusing on giving back to others, rather than consuming everything for itself. The apparel industry, in particular, produces and disposes of large amounts of products. It has the second highest amount of greenhouse gas (GHG) emissions out of all industries. The industry cannot be sustained by putting the Earth’s ecosystem at risk. It is our mission at GOLDWIN and my own unwavering belief to conduct business by coexisting with nature and leaving a beautiful planet for future generations.

An altruistic business model

Since the early 2000s, we have been carrying out a shift from a conventional wholesaling business approach to an actual demand business model centering on autonomous, directly managed stores. Led by the conviction that highly functional products would become widely used in daily life, beyond the conventional boundaries of outdoor goods, we opened a directly managed store, which we designed ourselves, so that we could communicate our brands’ worldview and introduce the products we developed directly to customers. Thereafter, GOLDWIN engaged in everything from manufacturing to store operation and sales. Inevitably, the Company took on inventory risk, but our ability to directly engage with customers enabled us to increase our brand value and accumulate know-how on ways to sell out products and not produce them in unnecessary amounts. By sharing this know-how with wholesalers, our customers were able to purchase the products they wanted at any time and our business partners were able to raise their profits while avoiding inventory risk. The word “design” can be viewed as a way of devising solutions to different issues. We are proud that for the past twenty years, GOLDWIN has been designing businesses which nurture altruism, through which all related parties reap benefits through their interaction, without any single entity monopolizing profits, and which maximize benefits from minimal resources.

Emphasizing invisible value

Our long-term vision, "PLAY EARTH 2030"

Our founder left us with the phrase "There is true value in the invisible." Overseas, we refer to this as "dedication to detail," and I cherish this sentiment. The original meaning of the phrase was that we must pay careful attention to detail, beginning with the materials we use, in pursuing high levels of functionality. However, I believe the phrase has a wider meaning that goes beyond the scope of manufacturing to include the provision of spiritual enrichment, which cannot be seen, to society as a whole.

THE NORTH FACE has been steadily raising brand awareness, beginning with the performance category and expanding into the lifestyle and fashion categories, enjoying the support of a wide range of customers. The success of THE NORTH FACE brand comes from the fact that it has continued to convey its true value to customers and it has been able to detect the faintest signs of emerging market demand and provide invisible value. For example, rather than offering every single item from their product lineup, THE NORTH FACE stores cater to the tastes and preferences of their customers with the products they stock. By combining this with e-commerce, we are able to sell products that accommodate the specific needs of each customer and establish deeper relationships as we reduce sales loss rates.

I believe that if GOLDWIN can pursue this vision of "dedication to detail" and create new forms of social value, it will naturally create economic value and increase its corporate value. This belief is incorporated into our long-term vision, PLAY EARTH 2030. We are pursuing the sustainability of our business and the environment in order to restore nature, which is under threat from conventional capitalism.

GOLDWIN has continued to evolve its actual demand business model and achieved a certain level of success. That said, as we proceed under PLAY EARTH 2030 to resolve social issues from a broad perspective and create businesses that coexist with nature, innovative ideas that transcend existing values will be vital. Under PLAY EARTH 2030, we will go beyond conventional business frameworks to design an ecosystem in which we work altruistically with others who share the same vision.

The Goldwin 0 concepts of circulation, borderless, and co-creation

Led by PLAY EARTH 2030, our medium-term management plan for the five years starting with FY2021 aims to raise capital productivity and realize sustainability as well as achieve both our financial and non-financial targets. The foremost priority of this plan is to develop our original Goldwin brand.

It is vital that we take on foreign markets, towards which our approach has been lacking in the past. I would also like to see more and more people around the world resonate with the Company's vision of achieving coexistence with the global environment, driven by the Goldwin brand. In December 2021, we opened Goldwin Beijing, our third directly managed overseas store. We will make up for the delays we have suffered due to the COVID-19 pandemic and work to rapidly increase the value of the Goldwin brand around the world.

"Goldwin 0," the vision that we announced in March 2022, defines the Goldwin brand in terms of the three forward-looking concepts. The first concept is "Circulation." This concept is the main message we would like to communicate: the need for humanity to create a cycle just like the Earth's biosphere. The second concept, "Borderless," reflects our commitment to extend altruistic connections between people beyond national borders. And the third concept, "Co-Creation," is the process of working together with diverse people, cultures, and communities to achieve that concept.

Since the announcement of Goldwin 0, we have not only posted record sales but also gained the support of our younger, more-trend-conscious customers, both in Japan and overseas. We will aim to clearly express our product story and secure Goldwin as an ethical, functional, and attractive premium brand.

In 2022, after eight years of development together with biotechnology startup Spiber Inc., we established a system for mass-producing Brewed Protein™, structural protein threads made from plant-based material without relying on fossil resources. We have released a range of products made from this material across the Group's various brands and conducted a large-scale campaign around the world in September 2023. I believe that this truly embodies the three concepts of Goldwin 0. We are collaborating in creative activities with diverse partners, in addition to Spiber, and leveraging corporate venture capital (CVC) to achieve our goal of having 90% of our products made from materials with reduced environmental impact by 2030.

Striving to “Be Ambitious and Aim for the Sky”

In order to realize the sustainability of our business and the environment as set forth in PLAY EARTH 2030, we are aiming to open PLAY EARTH PARK NATURING FOREST in Toyama Prefecture, where our company was founded, in 2026. In this initiative, we will work with local communities to create a venue where people can experience the origins of sports and get in touch with nature on the expansive grounds. I believe that promoting businesses that contribute to realizing a sustainable society will naturally lead to the creation of social and economic value.

I joined the Company to fulfill my desire to be a part of THE NORTH FACE brand. Based on my love of the brand and unceasing passion for nature, I have always valued the importance of creativity. I share this value with GOLDWIN's employees through the expression “There is no boundary between work and play.” As we are earnestly taking on the challenge of restoring the global environment, the foundation of our sustainability will be ensuring that each employee unleashes their boundless creativity with imagination that breaks from the confines of conventional wisdom.

Our founder told us to “be ambitious and aim for the sky.” Although ambition may differ from reality, what he really meant was that neither people nor companies will achieve great success unless they have true ambitions. The future that GOLDWIN is striving to pursue may raise doubts about the realization of its ambitions. However, we will continue to hold on to the ambition of restoring the global environment through our business activities, earnestly striving to realize this ambition through concerted efforts with our wide range of stakeholders.

October 2023

Takao Watanabe
President and Representative Director

Approaches to Sustainability

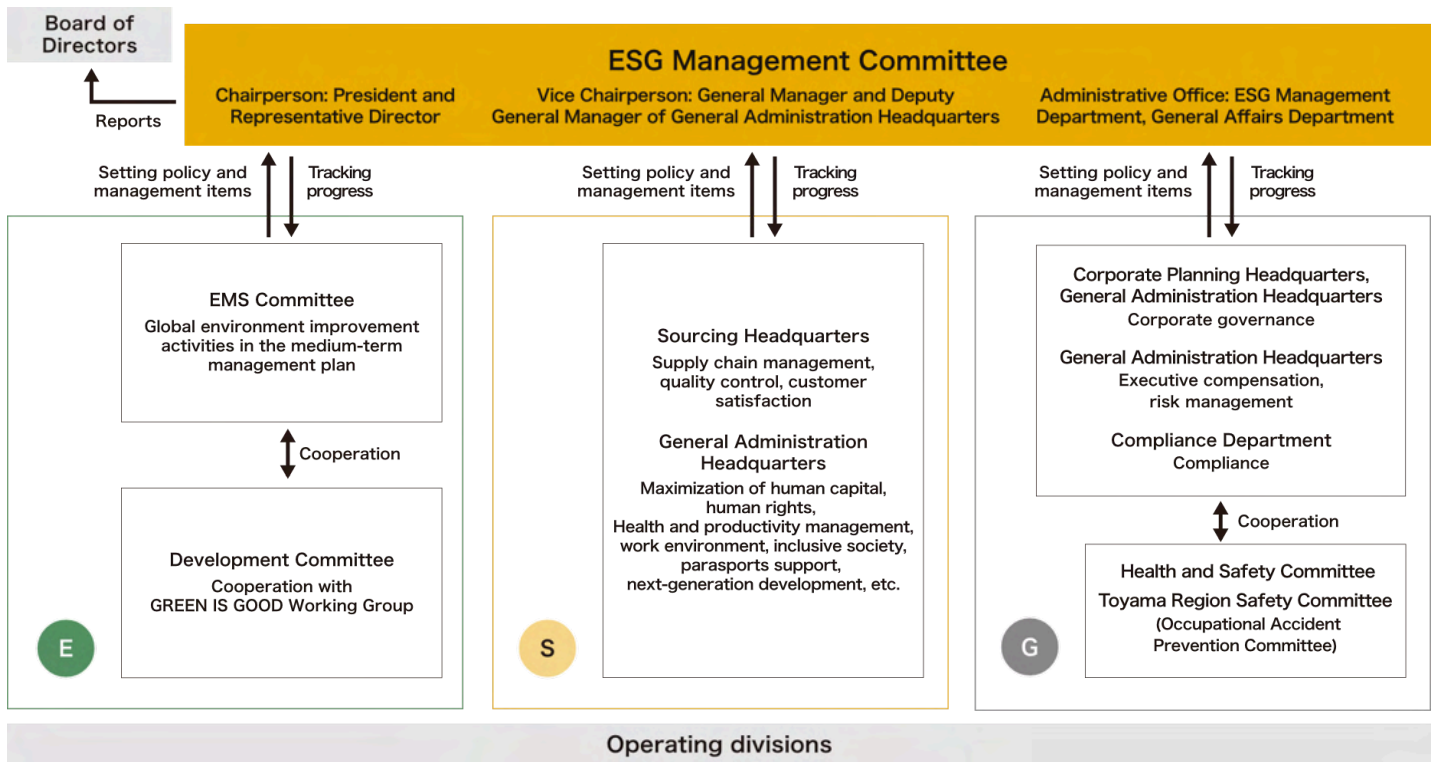
As a sports apparel manufacturer, the GOLDWIN Group's mission is to realize a fulfilling and healthy lifestyle through manufacturing and contribute to sustainability for the Earth and society. A wide range of social and environmental problems call for global action, from climate change and biodiversity loss to poverty and human rights abuses, and companies need to take steps through their activities to help solve these problems. As a company in the apparel industry, where there are concerns over environmental load and human rights problems, we too must honestly approach these concerns. In order to also fulfill our mission, we must take social and environmental problems into consideration in every stage from manufacturing to sales. We have defined these principles in our Basic Policy of ESG Management and have shared this policy throughout our Group.

Basic Policy of ESG Management

Every aspect of GOLDWIN Group's operations from manufacturing to sales is rooted in our corporate mission to "realize a fulfilling and healthy lifestyle through sports." Additionally, we will also leverage our passion and respect for sports to enhance our management transparency, create workplaces that enable employees to continue working in good health, make considerations for the global environment and biodiversity, and contribute to developing the future generation, local communities and the broader society through sports.

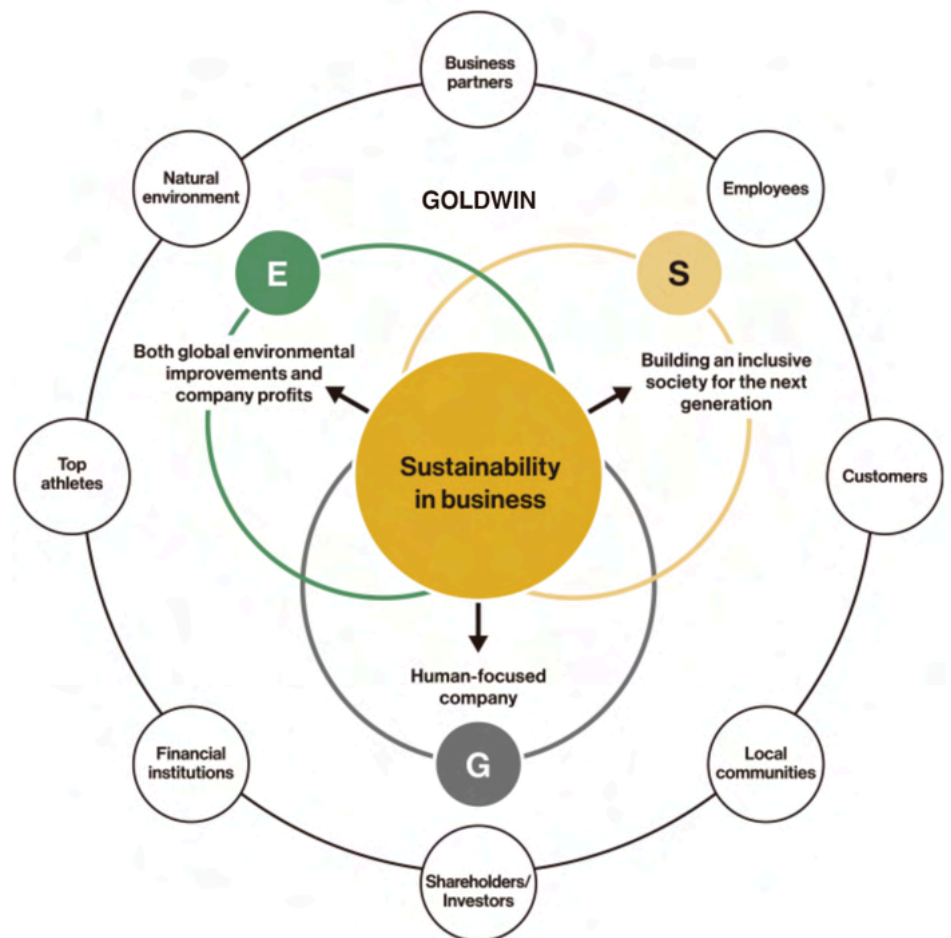
ESG management promotion framework

At GOLDWIN Group, the President and Representative Director holds the highest responsibility and authority for overall ESG management and is responsible for its effectiveness, based on the Basic Policy for ESG Management. Since April 2021, the previous CSR Committee was renamed the ESG Management Committee to promote ESG management throughout the Group. This committee has its administrative office in the ESG Management Department and the General Affairs Department, with the Business Division, the Sales Division, the Sourcing Division, the Corporate Planning Division, the Management Division, subsidiaries and others responsible for business execution participating as members to deliberate on non-financial projects and annual projects as stated in our long-term vision PLAY EARTH 2030 and to examine the quarterly status of projects and ESG management issues within the Group. The ESG Management Committee reports the status of ESG management to the Board of Directors once a year and receives approval from the Board of Directors. Regarding (E) Environment, we obtained ISO 14001 certification in 1999, the first to do so in the sports apparel industry, and have engaged in environmental conservation activities and developing environmentally friendly products while also improving our operational efficiency through conserving resources. The EMS Committee implements an environmental management system based on the ISO 14001 certification, while the Development Committee promotes the development of products with reduced environmental impact and recycling activities in the GREEN IS GOOD Working Group.



Value co-creation with stakeholders

Ever since its founding 70 years ago, GOLDWIN has been on track for growth. We believe this is a result of continuously keeping pace with our customers including top athletes, our employees and their families, business partners, financial institutions, shareholders and investors, local communities centered on our birthplace in Toyama Prefecture and our headquarters in Shibuya, and the rich natural environment that is inseparable from sports. At GOLDWIN, we always consider and value our stakeholders to achieve our legacy of creating a fuller life with sports while co-creating value with them.



Multi-stakeholder Policy

In May 2021, we announced PLAY EARTH 2030, our five-year long-term vision. We aim to take on the challenges of sustainability in both business and the environment and to achieve our mission of realizing a fulfilling and healthy lifestyle through sports by engaging in appropriate collaborations with our many stakeholders, including not only our shareholders but also our employees, partners, customers, creditors, and communities. Appropriately sharing the revenue and results that are generated by creating value and improving productivity with these stakeholders will help maintain the momentum of wage increases and the sustainable development of the economy. For these reasons, we have defined a Multi-stakeholder Policy based on the importance of providing returns to employees and giving due consideration to our partners.

See the PDF file below to see the policy itself and learn about the specific initiatives it contains.

- > Multi-stakeholder Policy (Japanese only) [PDF](#) (127KB)

Partnership-building Declaration

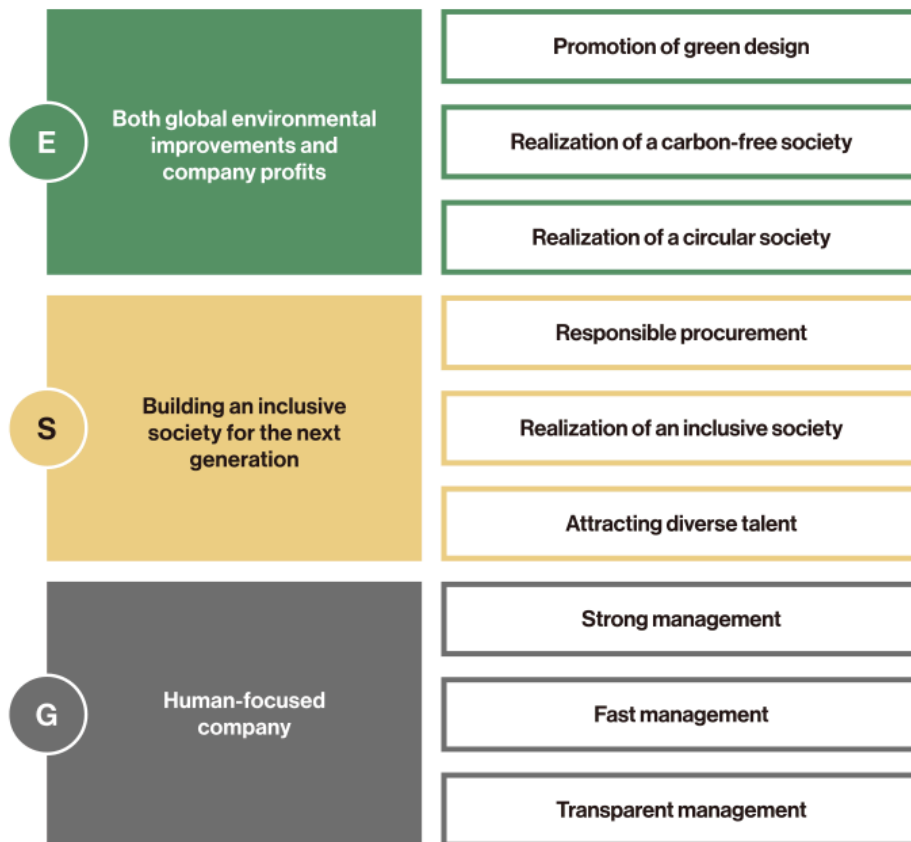
We have issued a Partnership-building Declaration that states that we will promote the creation of new value throughout our entire supply chain by continuously working to build more positive relationships with our partners and further improve the soundness of transactions.

- > Partnership-building Declaration Portal Site (Japanese only) [🔗](#)
- > Our Partnership-building Declaration (Japanese only) [PDF](#) (153KB)



ESG management key issues

We identify three themes and nine items as the GOLDWIN key issues to co-create value with stakeholders and concretely promote ESG management. At GOLDWIN, all business execution departments participate to implement initiatives for these nine key issues under the supervision of the ESG Management Committee.



Participation in Initiatives and External Organizations

GOLDWIN participates in and collaborates with sustainability-related initiatives and external organizations to achieve a sustainable society through its business activities.

The Fashion Pact

The Fashion Pact, a global initiative to reduce the environmental impact of the fashion and textile industry, was launched in August 2019 by companies in the fashion and textile industry, mainly from Europe, with a commitment to achieving specific shared objectives in the three fields of climate change, biodiversity, and ocean protection.

GOLDWIN became a member of this pact in February 2024 and will actively participate in discussions and activities with the aim of systematically transforming the entire apparel industry.

› [The Fashion Pact's official website](#)

Task Force on Climate-related Financial Disclosures (TCFD)

GOLDWIN Group considers the impact of climate change upon our business to be one of our key management issues. In June FY 2022, we declared our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, reorganized our Group initiatives to address climate change, and disclosed information based on the framework.

› For more information, please see “Information Disclosure Based on TCFD Recommendations”

Japan Sustainable Fashion Alliance (JSFA)

To reduce the negative environmental and social impacts of the fashion industry, the industry as a whole needs to strengthen cooperation and work toward a sustainable and circular society. Established in August 2021, Japan Sustainable Fashion Alliance (JSFA) discusses the various issues facing the fashion industry. GOLDWIN has participated in the JSFA since preparation of its establishment.

Together with other participating companies, we assess the impact of the fashion industry upon the environment and society, derive solutions to issues shared by the fashion and textile industries, and promote the transition to a sustainable fashion industry, with aims of zero fashion loss and carbon neutrality by 2050.

› JSFA website [🔗](#)

Basic Concept

Our Group's top priorities are sports and the environment, and we therefore aim to improve the global environment through unbound imagination and breakthrough innovations that benefit the world.

We have defined our thinking in the Basic Principles of Environmental Protection and the Basic Policy for the Environment, and provide all Group employees with an Environmental Management Card and encourage them to carry it with them. We ensure that employees understand the principles and policy through bi-annual Environmental Management Meetings and environmental education activities held in each business division.

Basic Principles of Environmental Protection

All of us should embark on the noble mission of living and prospering in harmony with nature. The GOLDWIN Group aims to reduce environmental impact through planning, manufacturing and selling of sportswear and other types of functional wear, as a comprehensive health company. We also strive to make a positive impact on the environment by offering environmentally friendly products. Below you will find the basic environmental policies we have set for ourselves.

Environmental Policies

1. Strive to prevent environmental contamination and protect the environment by complying with all environmentally related laws, regulations, and other requirements applicable to GOLDWIN's corporate activities and facilities, and to establish voluntary standards that are as extensive as possible.
2. Protect our planet by recognizing the harm our corporate activities could do to the environment and minimizing the impact of our activities through the effort of all employees.
3. Set and review targets for reducing our environmental impact and engage in activities to improve the environment on an ongoing basis.
4. Use limited natural resources effectively and reduce industrial waste with a full awareness of the energy and resources used and CO₂ emitted.
5. Advance the development of health-conscious and environmentally responsible products by gathering all available corporate resources and developing proprietary technologies.
6. Continue to be a company operating in harmony with nature and coexisting with local communities to support the health of the natural environment and of all life.

Environmental Activities Promotion Framework

The EMS Committee is responsible for managing the implementation of environmental activities. Its deputy chair is a management executive, under the ultimate responsibility of the President and Representative of Board. Based on ISO 14001, the EMS Committee oversees the results of business divisions' environmental activities on a monthly basis. The GREEN IS GOOD Working Group, a sub-committee of the Development Committee, which plays a key role in Group product and technological development, primarily promotes activities and manages the progress of environmentally friendly product development and collection of unwanted apparel.

Group-wide environmental initiatives are reported to the management team in the ESG Management Committee.

EMS Committee

Under the ultimate responsibility of the President and Representative of Board, a management executive serves as deputy chairperson. Monthly EMS Committee meetings are held to confirm the progress of each division's environmental activities and manage ISO 14001 sustainment. Progress of environmental activities is managed by an administrative office comprising members from the Internal Audit Office and General Administration Headquarters. The administrative office manages environmental activities of each division, and managers from business divisions are responsible for environmental activities. In this way, we ensure that environmental activities are conducted.

GREEN IS GOOD Working Group, Development Committee

The GREEN IS GOOD Working Group within the Development Committee, mainly comprising members from the Sourcing Headquarters, Corporate Planning Headquarters and Business Headquarters, meets monthly to develop and manage materials with reduced environmental impact, manage apparel collection and promote marketing activities that communicate our environmental activities to customers. The working group manages registration of materials with reduced environmental impact in business divisions, and works with the EMS Committee to manage the sales mix of products using materials with reduced environmental impact. It also serves to drive Group-wide activities, including sharing information on materials developed.

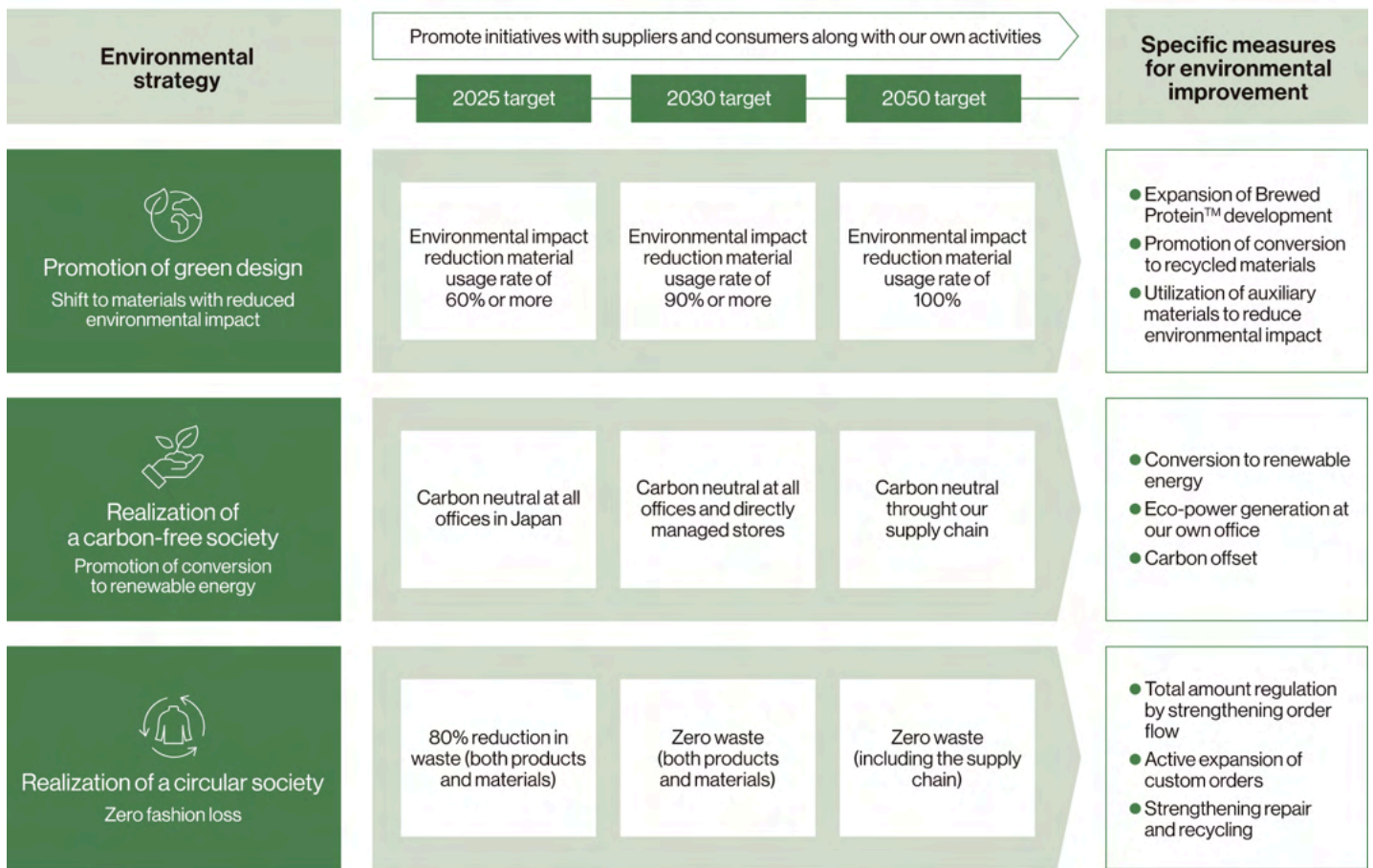
Framework



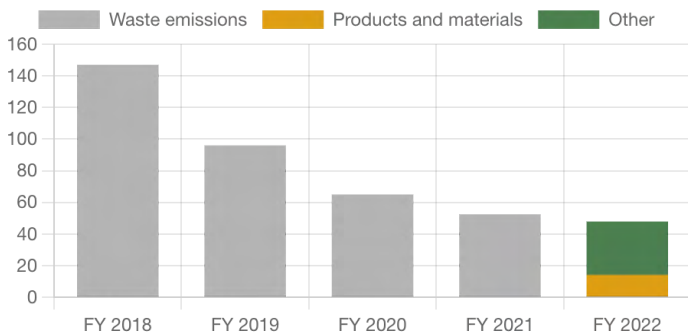
Specifying Key Environmental Issues

The apparel industry is associated with large environmental impact, and building systems for society to coexist with nature is an urgent industry issue. Also, activities in the sports and outdoor fields that form the core of our business cannot be separated from environmental problems. We aim to realize a sustainable global environment and social structure, through business activities that reduce environmental impacts by using minimal resources and energy. We specified three key environmental improvement activities within our long-term PLAY EARTH 2030 vision in May 2021 with the aim of making further improvements to the global environment.

Environmental improvement activities: strategies and specific measures



Waste emissions (t)



* Since FY 2022, waste emissions have been further classified into “products and materials” and “other.”

ISO 14001 Certification

In November 1999, GOLDWIN's Toyama facilities obtained certification under ISO 14001, the international standard for environment management systems, making GOLDWIN the first company in the sportswear industry to receive this certification. To further develop its conservation programs and environment-friendly products while improving the efficiency of its operations through energy-saving measures, all of GOLDWIN's offices obtained ISO 14001 certification in February 2006. GOLDWIN Logitem followed in July 2008, followed by Black & White Sportswear in September 2013.

GOLDWIN will continue to implement its corporate guiding principle of "Clean Management," by providing environment-friendly products and services, and will implement responsible employment and economic practices, in order to contribute to society.

ISO14001 Certified Offices



Environmental Audits

Based on ISO 14001, our Group undergoes an audit from a certified organization and conducts an annual internal audit. This internal audit focuses on the conformity of aims set each fiscal year by our business divisions with laws and regulations. In FY 2021, the audit conveyed four non-conformities and six observations. The non-conformities were found in the non-achievement of fiscal year targets set by business divisions, the causes were analyzed and corrective actions were implemented.

The examination by the certified organization found no non-conformities, but conveyed three observations. We undertook clarification of the rules in response to these observations. From FY 2021, we shifted management from the floor-level to the smaller unit of business divisions, leading to more active communication and deeper understanding of our Basic Principles of Environmental Protection and Environmental Policies.

FY 2022 audit results

	Points raised by the internal audit	Points raised by the certified organization
Non-conformities	4	0
Observations	19	4

Training of Internal Auditors

Our Group has 29 internal auditors as at the end of FY 2022. We conduct a meeting for internal auditors once a year to deepen their understanding of ISO 14001. In FY 2022, we appointed six new internal auditors. In addition to training these newcomers, we allowed them to undertake practical duties with our experienced auditors in an effort to enhance their skills.

Compliance with Environmental Laws and Regulations

In order to comply with relevant laws and regulations, and to minimize environmental risks, GOLDWIN Group checks revisions made to laws and regulations every six months, and regularly confirms their requirements. As a result, GOLDWIN Group saw no breaches of laws and ordinances, or fines, during FY 2022.

In the future, we will continue to comply with laws and regulations, and undertake Group-wide environmental risk management.

Main Environmental Laws and Regulations

Tokyo region

- Fire Service Act
- Fire Prevention Ordinance
- Electricity Business Act
- Act on the Promotion of Effective Utilization of Resources
- Act on Waste Management and Public Cleansing
- Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging
- Act on Recycling of Specified Home Appliances (Home Appliance Recycling Act)
- Act on Promotion of Recycling of Small Waste Electrical and Electronic Equipment (Small Home Appliance Recycling Act)
- Ordinance on Environment for Protection of Resident Health and Safety
- Act on Rational Use and Proper Management of Fluorocarbons

Toyama region

- Water Pollution Prevention Act
- Toyama Prefecture Pollution Prevention Ordinance
- Oyabe City Pollution Prevention Ordinance
- Sewerage Act
- Noise Regulation Act
- Vibration Regulation Act
- Fire Service Act
- High Pressure Gas Safety Act
- Electricity Business Act
- Factory Location Act
- Act on the Promotion of Effective Utilization of Resources
- Air Pollution Control Act
- Construction Material Recycling Act
- Poisonous and Deleterious Substances Control Act
- Act on Waste Management and Public Cleansing
- Act on the Promotion of Sorted Collection and Recycling of Containers and Packaging
- Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement
- Act on Rational Use and Proper Management of Fluorocarbons
- Act on Recycling of Specified Home Appliances (Home Appliance Recycling Act)
- Act on Promotion of Recycling of Small Waste Electrical and Electronic Equipment (Small Home Appliance Recycling Act)

GOLDWIN Logitem Inc.

- Act on Waste Management and Public Cleansing
- Electricity Business Act
- Act on Recycling of Specified Home Appliances (Home Appliance Recycling Act)
- Act on Promotion of Recycling of Small Waste Electrical and Electronic Equipment (Small Home Appliance Recycling Act)
- Regional Agreement, Article 6: Water Pollution Prevention Measures
- Regional Agreement, Article 7: Waste Disposal
- Act on Rational Use and Proper Management of Fluorocarbons

Information Disclosure Based on TCFD Recommendations

GOLDWIN Group considers the impact of climate change upon our business to be one of our key management issues. Under our long-term vision PLAY EARTH 2030, we are implementing business restructuring aiming to achieve sustainability in terms of both the environment and our business. As part of these efforts, in FY 2022 we declared our support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and reorganized our Group initiatives to address climate change. In the future, we will continue to promote full information disclosure based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and will respond appropriately to risks such as climate change, with the aim of realizing a sustainable society and to boost our corporate value.



I. Governance

We have established the ESG Management Committee, which deliberates on important matters related to sustainability, including climate change. The results of deliberations by the ESG Management Committee are reported to the Board of Directors, which serves as the overseeing body, once a year in light of their degree of importance. The ESG Management Committee is chaired by the President and Representative of Board and creates the basic policy and targets for sustainability including climate change as well as the implementation plans, and reviews progress toward the targets. ESG Management Committee meetings are held quarterly, with participation by company directors, auditors, officers, all employees in positions of general manager and above, and Group company presidents. Based on the basic policy for climate change and priority matters, the Board of Directors creates the business strategy and comprehensively reviews and makes decisions on investment and lending projects. The EMS Committee has been established as the body for implementing improvements to address climate change and other global environmental problems. The committee also advances initiatives for the environment throughout GOLDWIN Group in collaboration with the GREEN IS GOOD Working Group, a sub-committee of the Development Committee which plays a key role in the Group's products and technological development.

Framework



II. Strategy

We believe that the impacts of climate change pose both risks and opportunities. Our Group is implementing business restructuring aiming to achieve sustainability in terms of both the environment and business under our long-term vision PLAY EARTH 2030. In fiscal 2022, as one aspect of these initiatives, we conducted scenario analysis to evaluate the future impacts of climate change. Under PLAY EARTH 2030, we have established three key environmental issues of “promotion of green design,” referring to a shift to materials with reduced environmental impact, “realization of a carbon-free society,” by promoting carbon neutral at all offices and directly managed stores, and “realization of a circular society,” through zero waste in both products and materials. Regarding the climate change risks and opportunities we considered through our recent scenario analysis, we have confirmed that we will be able to sufficiently address these key environmental issues.

1. Scenario Analysis

(1) Scenario setting

We referenced several internationally recognized climate change scenarios in the analysis of climate-related risks and opportunities. Specially, we referenced the Net Zero Emissions by 2050 Scenario (NZE) released by the International Energy Agency (IEA) in 2021, and Representative Concentration Pathways (RCP 8.5), a greenhouse gas concentration trajectory adopted in the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) released in 2014, in identifying the risks and opportunities that climate change poses to our Group and for examining our long-term strategy.

Anticipated world	Reference scenario
1.5°C (mainly transition risks arise)	IEA : Net Zero Emissions by 2050 Scenario(NZE)
4°C (mainly physical risks arise)	IPCC : Representative Concentration Pathways (RCP8.5)

(2) Selection process of main climate-related risk and opportunity factors

We then identified transition and physical risks and opportunities based on the two climate change scenarios of temperature increases of 1.5°C and 4°C to inform our examination of business strategy feasibility and our 2030 growth strategy.

Under the 1.5°C scenario, we consider expected carbon tax and other carbon pricing, and strengthening of environmental regulations as risk factors, and construction of a circular business model, development and deployment of next-generation materials and recycled materials accompanying expansion of the sustainable fashion market as opportunity factors. Also, we believe that changes in consumer trends will be accompanied by the creation of opportunities to enter new markets, such as resale and fashion subscriptions.

Under the 4°C scenario, although there is the possibility that risks and opportunities will not significantly arise by 2030, we consider the occurrence of natural disasters such as typhoons and floods as risk factors that will impact the supply chain. Also, we believe that the increase of such extreme events risks impacting sporting events, while also leading to the creation of new needs.

1.5°C Scenario

(NZE reference scenario)

Anticipated changes	Impacts on the apparel industry
<ul style="list-style-type: none"> · Environmental policies and regulations are strengthened, and companies' greenhouse gas emissions are strictly regulated. · At the same time, use of renewable energy increases due to enhanced policies to increase its use. · Consumers are increasingly interested in sustainability, and low-carbon, circular products and services are expanded. · Disclosure of non-financial information becomes a requirement, and ESG investing becomes established. · Abnormal weather (frequent typhoons, localized torrential rains, drought, heavy snows, etc.) occurs at about the same frequency as in FY 2022 (current). 	<ul style="list-style-type: none"> · Use of recycled materials and new materials to reduce environmental impacts increases. · Sustainability is established as new brand value. · Consumers prefer and select low-carbon, circular products. · Sustainable fashion influencers appear on the scene.

Classification	Type of climate change	Category	Risks and opportunities	Main initiatives and countermeasures
Risks	Transition	Policies and regulations	Higher running costs from introduction of a carbon tax	Initiatives for carbon neutrality (switch to renewable energy, etc.)
			Higher indirect costs from tightened environmental regulations (calculating GHG emissions, carbon footprint labeling, etc.)	Creating the structure for appropriate reporting and disclosure of greenhouse gas emissions (2025 disclosure target)
		Technology	Increased production costs from switch to materials with reduced environmental impact and recycled materials	Promoting switch to next-generation and recycled materials Cost reductions through industry cooperation and collaboration

Classification	Type of climate change	Category	Risks and opportunities	Main initiatives and countermeasures
Opportunities	Transition	Increased resource efficiency	Obtaining competitive advantage by building a circular business model	Reducing fashion loss through strengthened order flow. Industry cooperation and collaboration in building a circular business model
		Products and services	Obtaining a competitive advantage by leading transition to sustainable fashion	Proactive use of materials with reduced environmental impact
			Differentiation through product development using new materials and manufacturing techniques	Launching CVC to discover next-generation materials
			Improving brand image by adapting to changes in customers' consumption behavior and awareness	Communicating information and launching new products to establish sustainable fashion
		Markets	Capturing new markets by moving into resale, fashion subscriptions, etc.	Examining new businesses including repair services, resale, fashion subscriptions, etc.

4°C Scenario

(RCP 8.5 reference scenario)

Anticipated changes	Impacts on the apparel industry
<ul style="list-style-type: none"> · Strict environmental policies and regulations are deferred, and greenhouse gas emissions increase at the current (FY 2022) rate. · Some companies introduce renewable energy, but there is strong demand for traditional energy sources. · ESG investing continues to grow, but use of non-financial information is limited to only some investors. · The frequency of abnormal weather (frequent typhoons, localized torrential rains, drought, heavy snows, etc.) and extreme weather events increases. 	<ul style="list-style-type: none"> · The supply chain suffers damage from abnormal weather, and production delays are frequent. · Demand for performance apparel increases as a result of frequent record-breaking extreme weather events, including excessive heat in summer and heavy snows in winter.

Classification	Type of climate change	Category	Risks and opportunities	Main initiatives and countermeasures
Risks	Physical	Acute physical risks	Supply chain damage from typhoons, floods and other natural disasters	Strengthened supply chain management
		Chronic physical risks	Sports events are impacted by the increase in extreme weather events (changes to where events are held, shorter periods when events can be held, fluctuations in competitor populations, etc.)	Focus on trends in competitor populations, reflect trends in production plans and product development
Opportunities	Transition	Products and services	Meet new needs (both function and fashion) arising from the increase in extreme weather events	Improve performance through use of new materials and manufacturing techniques, and offer GOLDWIN-centric fashions

2. Financial Impact Assessment

In our scenario analysis, we verified climate-related factors expected to impact on our Group in the future. In regards to financial impacts, during FY 2022, we conducted calculations limited to a portion of elements, and plan to analyze the details moving forward.

In the future, there is the possibility that expected carbon tax and other carbon pricing will impact our product procurement and store operating costs. We also expect financial impact from the effects of the occurrence of typhoons, floods and other natural disasters upon our supply chain. We considered increases in the carbon tax rate under the 1.5°C scenario. Anticipating the introduction of a carbon tax of around 15,000 yen/ t-CO₂, we believe the financial impact will be slight, under calculations based on our present GHG emissions (Scope 1, 2). Also, we are promoting the use of recycled materials in product manufacturing, which we concluded will reduce carbon pricing risks. Although we have not conducted quantitative analysis, we believe that the arrival of a society where sustainable fashion is mainstream will provide opportunities, from the perspective of market penetration of advanced environmental initiatives undertaken by our Group.

Regarding the supply chain impact anticipated under a 4°C scenario, we believe that the financial impacts upon our company will not be serious, forecasting based on the flood damage to sewing factories in Thailand in 2019. We currently consider natural disaster risks when opening new

stores, etc., and are engaged in strengthening supply chain management in an effort to minimize the potential for damage. Also, while we anticipate impact on the existing business from the increase in extreme events, we believe that market-trend focused production planning and product development will help us to reduce risks and capture opportunities.

Regarding the risks and opportunities identified through scenario analysis, the long-term vision PLAY EARTH 2030, which our Group is currently advancing, positions initiatives to tackle environmental issues as a key management issue, and we reflect this in our financial strategies. During the five-year period of our medium-term management plan, we plan to generate operating cash flow of 70-80 billion yen. Within this, we plan to invest 15-20 billion yen in new product research and development, 5-10 billion yen in initiatives to reduce environmental burden, and 10-15 billion yen in portfolio reconstruction.

III. Risk Management

We continue our efforts to enhance risk management and corporate governance by establishing various internal committees, such as the ESG Management Committee and Governance Committee, to address risks intrinsic to management issues.

Some of the risks and opportunities associated with climate change are anticipated to arise in the transition to a decarbonized society, and others from the physical impacts of climate change. We classified changes in the external environment associated with climate change, assessed impacts on the apparel industry, and then specified material risks and opportunities for our Group in light of the degree of impact on our Group's business activities. The specified risks and opportunities are reported to the ESG Management Committee, which sets the action policy, activities and targets as well as reviews the risks and opportunities. Its review is reported to the Board of Directors, which conducts oversight and makes final decisions. For risks relating to management determinations, including decision-making on management strategy, we consult with law offices and other external experts as necessary, and related departments conduct analysis and investigation.

IV. Indicators and Targets

1. Indicators and Targets for Assessing Climate-related Risks and Opportunities

In order to adapt to environmental changes in the era of VUCA (volatility, uncertainty, complexity and ambiguity), and to realize sustainable growth, our Group formulated the long-term vision PLAY EARTH 2030, aimed at the coexistence of sustainability in the two dimensions of business and the environment, leveraging our strengths while ascertaining risks and opportunities. Even within this, we established targets with 2030 and 2050 in view, considering initiatives for tackling environmental issues as one of our most important challenges.

We have set medium-term and long-term targets accordingly and are conducting specific activities to achieve environmental improvements, Promoting "green design," "realization of a carbon-free society," and "realization of a circular society" as key environmental issues for improving the global environment.

As part of our promotion of green design, specifically, we aim to use of materials with reduced environmental impact in 100% of our products by FY 2050 through development of Brewed Protein™, switching to use of recycled materials and auxiliary materials with reduced environmental impact.

Regarding realization of a carbon-free society, we are converting to use of renewable energy and aim to achieve carbon neutrality including in the supply chain in FY 2050 through enhanced supply chain management. Our plan for realizing a circular society targets zero fashion loss and includes driving total volume control through strengthened order flow and greater industry cooperation for zero fashion loss, and aims to achieve zero waste, including in the supply chain, by FY 2050.



2. Greenhouse Gas Emission Reduction Targets and Results

(1) Reduction targets

We are striving to reach targets of carbon neutrality at all offices in Japan by 2025, and at all offices and directly managed stores by 2030, with the aim of being carbon neutral throughout our supply chain by 2050.

(2) Results

Please click on the link below for the latest information on our greenhouse gas emission reductions.

› [Realization of a Carbon-free Society](#)

Basic Concept

The apparel industry is associated with large-scale negative impacts on society and the environment, including greenhouse gas emissions, water consumption and mass disposal of product. We need to shift from harmful products with short life cycles to products with greater environmental sustainability that are safe and useful to consumers over the long term.

Our product development and the services we offer are based on the idea that the products will be used for as long as possible, and we will increase our use of materials with reduced environmental impact.

Key Environmental Issues

We have proactively developed products using renewable materials with minimal environmental impact, aiming to increase environmental sustainability and provide consumers with products that are safe and useful over the long term. Our medium-term management plan made in 2021 includes promotion of green design as a priority issue.

The ratio of products that use materials with reduced environmental impact is incorporated into the key target items of each business division, and their progress is checked each month at the EMS Committee, chaired by our President and Representative Director. Progress is also reported at our ESG Management Committee, which meets each quarter.

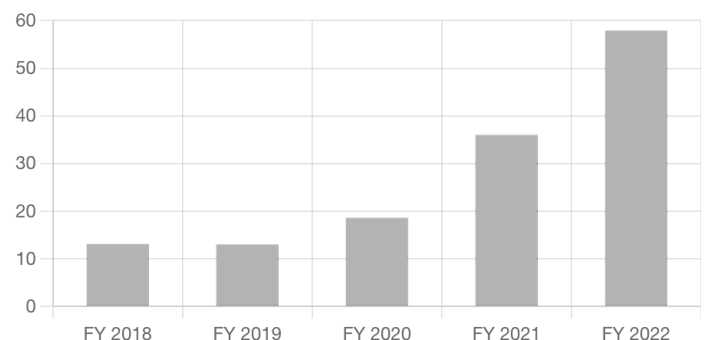
Environmental improvement activities: strategies and specific measures



Expanding Products that Use Materials with Reduced Environmental Impact

In FY 2022, we further increased our companywide use of materials with reduced environmental impact through greater sharing of information about materials across all brands. Our ratio of products that use materials with reduced environmental impact was 57.9%, exceeding our initial plan of 30%. We will continue to proactively develop products using materials with reduced environmental impact, including plant-based materials such as Brewed Protein™, a structural protein material, as well as recycled and upcycled materials.

Ratio of products that use materials with reduced environmental impact (%)



GREEN IS GOOD — Communication with Customers

This is an activity ongoing since 2008 to reduce environmental impact with the goal of achieving a sustainable society. Rooted in the concept of caring for different environments within all areas of sports, we aimed to realize a circular society by developing and manufacturing products that integrate ideas to reduce the environmental impact and taking actions with our customers who use these products. We work on initiatives based on the three keywords GREEN CYCLE (recycling), GREEN MATERIAL (selective use) and GREEN MIND (long-term use). Relevant products are marked with a special label so that customers can recognize them as environmentally friendly products. We will continue to reinforce our GREEN IS GOOD activities which will lead to the promotion of green design and zero fashion loss.



An enjoyable program for protecting our green planet
Under the concept of GREEN IS GOOD, GOLDWIN is expanding what it can do for the environment as a sporting goods manufacturer, such as the development of environmentally friendly products, and enjoyable ideas that reduce environmental burden.

> [GREEN IS GOOD website \(in Japanese\)](#)



Recycling
GREEN CYCLE

This is a recycling and reuse system to collect used products and recycle them as new products. By recycling polyester and nylon fiber products, the fiber products themselves are circulated as raw materials without relying on depleting petroleum resources. We also recycle down apparel.



Selective use
GREEN MATERIAL

When selecting materials, we prioritize minimizing our environmental impact by not using petroleum resources, choosing recycled materials, and materials derived from fast growing plants that use fewer resources.



Long-term use
GREEN MIND

We develop products that are superior in all aspects of performance, durability and design so that our customers can cherish them even longer. We also promote the repair services of our Repair Division.

Joint Development of Environmentally Friendly Next-Generation New Materials

Much sporting apparel uses polyester, nylon and other synthetic polymers, manufactured using petroleum as a raw material. The manufacturing process for these materials consumes large amounts of energy and produces greenhouse gas emissions. This has resulted in environmental problems, including climate change driven by the rapidly rising concentration of carbon dioxide in the atmosphere, and ocean pollution from petrochemical-derived microplastics. Given the concerns about petroleum depletion, as a modern society, we bear a heavy responsibility to switch to sustainable resources.

In order to tackle such global-scale environmental issues, since 2015, GOLDWIN has been promoting joint-development with Spiber of structural protein materials, launching a prototype outdoor jacket in fall 2015 made from structural protein material that mimics natural spider web. During the following four years, we repeatedly improved the material, launching a T-shirt and outdoor jacket from THE NORTH FACE made from structural protein Brewed Protein™ in 2019. Also, in 2020, Goldwin launched a sweater made from wool blended with Brewed Protein™.

In FY 2022, we announced products from the first mass production system for five brands: THE NORTH FACE, Goldwin, nanamica, THE NORTH FACE PURPLE LABEL, and WOOLRICH, and we will begin sales from fall/winter of 2023.

Through a joint research and development initiative between Goldwin and Spiber, we are striving to re-evaluate the relationship between nature and mankind. By balancing functionality with environmental considerations, and examining the role of products and the economy, we hope to create sports apparel that can support a lifestyle in harmony with nature. We believe we can thereby contribute significantly to the development of a sustainable world. This belief drives our continued effort towards this goal.

> Website for structural protein Brewed Protein™, jointly developed with Spiber Inc.



Promoting Conversion to Recycled Materials

The majority of sports apparel uses polyester, nylon and other materials derived and manufactured from petroleum. We are proactively switching to recycled materials that do not rely on depleting fossil fuel. Also, we collect garments that are no longer needed at stores to facilitate circulation of limited resources.

Utilization of Auxiliary Materials to Reduce Environmental Impact

We will improve the usage rate of materials with reduced environmental impact in primary materials for products, and promote utilization of materials that have little impact on the environment for product accessories. Also, we will further reduce environmental impacts of auxiliary materials by reducing containers, packaging and labels, and selecting recyclable materials.

Future Issues

Going forward, we will increase the ratio of existing products that use materials with reduced environmental impact, and develop new materials with reduced environmental impact. We will strive to build understanding of our Group environmental initiatives among all of our stakeholders. A challenge will be encouraging consumers to select our products not only for function and appearance but also environmental friendliness.

Concept

The apparel industry's negative environmental impact has received scrutiny over the last few years, with CO₂ emissions said to account for approximately 10% of all industrial emissions. Global warming is also an urgent problem, and our industry must take action to achieve the 1.5% target adopted in the Paris Agreement.

We analyzed the impact of climate change on our business activities using science-based scenarios and set targets to reduce greenhouse gas emissions from business activities in our medium-term management plan to protect our field and continue our business activities.

Key Environmental Issues

We have been working to reduce energy use and CO₂ emissions at our main offices for some time. To further boost these efforts and to reduce CO₂ emissions across the supply chain, we included "Realization of a carbon-free society" as a key issue in our new medium-term management plan. We will strengthen cooperation with suppliers, aiming to procure raw materials that do not come from fossil fuel sources, and to achieve carbon neutrality.

We are also promoting initiatives towards the realization of a carbon-free society, centered on our EMS Committee, chaired by our President and Representative of Board. The EMS Committee manages actual greenhouse gas emissions of each of our offices every month and strives to reduce these emissions. Progress is also reported at our ESG Management Committee, which meets each quarter.

We also began calculating Scope 3 emissions based on the GHG Protocol in FY 2022 to better understand energy use at directly managed stores, with the aim to achieve our targets.

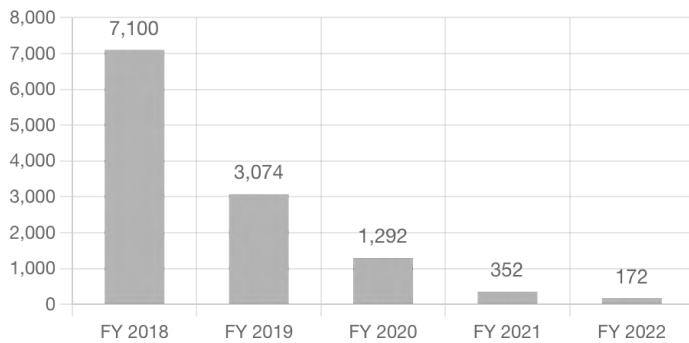
Environmental improvement activities: strategies and specific measures



Greenhouse Gas Emission Reductions

GOLDWIN Group continues to reduce greenhouse gas emissions. Emissions from our main business locations in Japan was 172 t-CO₂ in FY 2022. Until FY 2021, the majority of our emissions came from electricity used at our business premises and heavy oil used for some air conditioning. In FY 2022, we reduced our use of heavy oil and we further switched to renewable energy for electricity used at our business premises, resulting in a reduction in greenhouse gas emissions of 86.7% compared to FY 2020. In FY 2023, we will continue efforts to further reduce emissions by promoting the switch to renewable energy for electricity used at our business premises.

CO₂ emissions (t-CO₂)



The dyeing and processing business was excluded from FY 2019 calculations due to business restructuring.

Greenhouse Gas Emitted from Procurement Logistics

The GOLDWIN Group is working to understand greenhouse gas emissions related to logistics, and found that 2,747 tons were emitted in FY 2022. At the same time, we are also working on reducing emissions, purchasing the same amount of emission allowances, and completing carbon offsets.

Reduction of Energy Use

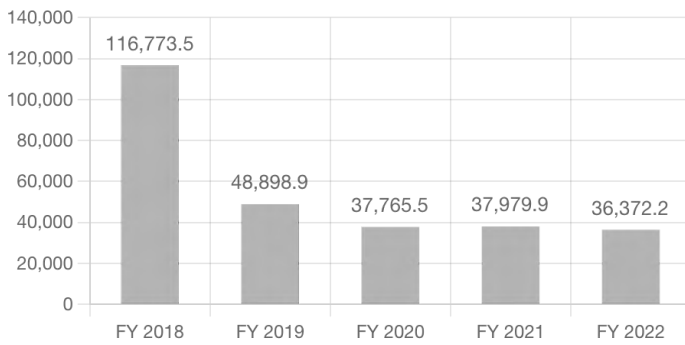
GOLDWIN Group continues working to reduce energy use. Electricity, city gas, LPG, heavy oil A, kerosene, gasoline, and diesel oil are used at our main business locations in Japan. In FY 2022, we reduced the amount of heavy oil we use by switching from heavy oil to electricity for air conditioning. However, due to increased use of employee cafeterias in both Tokyo and Toyama as the COVID-19 situation settled, our use of city gas (for onsite facilities) increased. Our use of vehicles for sales activities also increased, as did our use of gasoline, resulting in total energy consumption of 36,372.2 GJ. In FY 2023, we will continue our energy conservation efforts to achieve further reductions in consumption.

Energy consumption

		Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Electricity		1,000 kWh	58,796	3,711	3,501	3,502	3,473
City gas	For onsite facilities	1,000 m ³	6.500	5.527	3.192	2.197	3.759
LPG	For onsite facilities	t	1100.0	187.0	6.9	6.7	5.8
Heavy oil A		kL	48.4	50.4	50.8	52.0	18.4
Gasoline	For vehicles	kL	25.0	16.0	11.0	18.9	20.3
Diesel oil	For vehicles	kL				0.980	0.862
Total energy		GJ	116,773.5	48,898.9	37,765.5	37,979.9	36,372.2

Use of diesel oil has been measured since FY 2021.

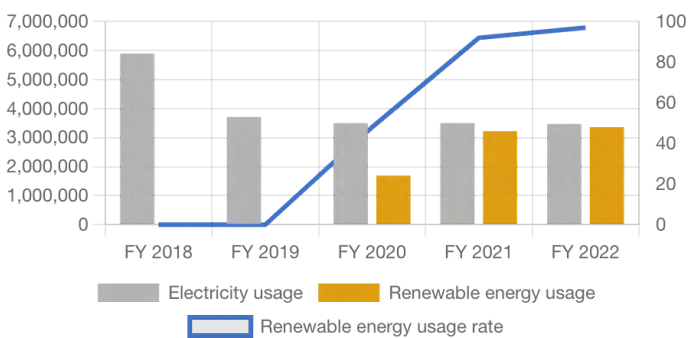
Energy consumption (GJ)



Conversion to Renewable Energy

To reduce greenhouse gas emissions, GOLDWIN Group has switched to renewable energy for the electricity used at its business locations in Japan, and has installed independent power generation systems using solar panels at its business premises in the Toyama region. As a result, renewable energy use as a ratio of total electricity use at our offices in Japan was 97% in FY 2022, a 49-point increase from 48% in FY 2020. We will continue to promote the switch to renewable energy sources for electricity used at our business premises.

Electricity usage (kWh / %)



Note: Usage at main offices in Japan (excluding some offices and stores)

Appropriate Management of Ozone-depleting Substances

GOLDWIN Group manages chlorofluorocarbon (CFC) used to fill air-conditioning units in accordance with standards set under the Act on Rational Use and Appropriate Management of Fluorocarbons. No CFC leakages were detected in FY 2022. Going forward, we will continue to comply with the law and to manage CFC emissions.

Future Issues

In FY 2022, we were able to cut greenhouse gas emissions at our Japanese offices above our targets. Going forward, we will continue to cut greenhouse gas emissions at our Japanese offices based on our Medium- to Long-term Management Plan. In the future, we must continue to calculate the greenhouse gas emissions at directly managed stores and in our supply chain, as per our targets for FY 2030 and FY 2050, and be aware of the actual emission amounts.

Basic Concept

While the apparel industry performs an important role in people’s lives, the negative impacts on society and the environment of mass production, consumption, and disposal are increasingly severe. We must build circular systems, providing products made with renewable raw materials and products that can be used over the long term.

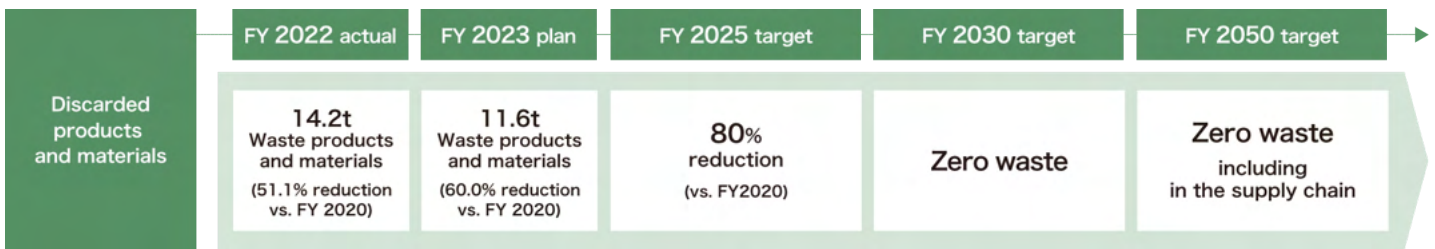
We are aiming to realize a circular society through zero fashion loss, eliminating waste, including in our business activities, extending product life, and reusing apparel that is no longer needed.

Key Environmental Issues

Until now, we have rigorously managed procurement and production plans and taken other steps to reduce material and product waste in our Group. Our new medium-term management plan includes “Realization of a circular society” as a priority issue. In cooperation with procurement partners, we are promoting in-store collection and reuse of apparel that is no longer needed, and working to reduce loss, aiming to realize a circular society to eliminate simple incineration and landfill disposal throughout the supply chain.

In addition, our EMS Committee, chaired by our President and Representative of Board, manages the actual amounts of products and materials disposed of each month, and promotes waste reduction. Progress is also reported at quarterly meetings of the ESG Management Committee.

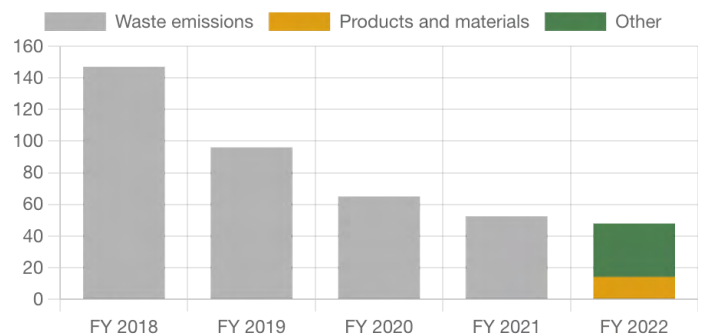
Environmental improvement activities: strategies and specific measures



Reducing Waste

Our Group’s volume of industrial waste was 47.9 tons in FY 2022. It was 52.5 tons in FY 2021. In addition to reducing product waste volumes, we are reducing waste by promoting the effective use of deadstock materials. Also, for more detailed management, we have further classified waste emissions into “products and materials” and “other” since FY 2022. Products and materials account for 30% of our total waste, and we are striving to reduce fashion waste. Future issues include further reducing waste volumes accurately grasping waste volumes in the supply chain, and examining ways to reduce waste.

Waste volume (t)



* Since FY 2022, waste emissions have been further classified into “products and materials” and “other.”

Examples of Initiatives Utilizing Leftover Textiles

Commemorative products for the Toyama Marathon

On November 5, the day before the Toyama Marathon 2022, we sold shoulder bags as commemorative products for the marathon at the GOLDWIN booth at the Toyama Marathon EXPO inside the Toyama City General Gymnasium. The bags were made from leftover fabric from the apparel production process. Many runners identified with this initiative, and about 150 bags were sold.



Workshop with Kataller Toyama “How to Make a Shoulder Bag: Using Resources with Care”

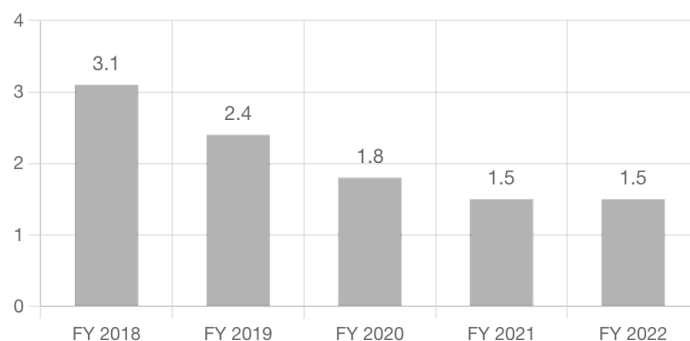
On September 24, 2022, we held a workshop called “How to Make a Shoulder Bag: Using Resources with Care.” It was held over two sessions at our GOLDWIN Toyama Office in collaboration with professional soccer team Kataller Toyama. About 40 participants, including Kataller Toyama fans and supporters as well as GOLDWIN employees, made shoulder bags using scraps and surplus fabrics generated in the apparel manufacturing process, and it was an opportunity to think about a circular society.



Reducing Product Waste by Lowering Sales Loss Rate

A major environmental issue in the apparel industry is product waste due to excess supply. With the shift to an actual demand business model from 2000, we commit to order flow management and strictly manage the total amount of procurement. Rapid inventory flow during the sales period has also helped us to reduce the sales loss rate to 1.5% in FY 2022.

Sales loss rate (%)



Conservation of Water Resources

GOLDWIN Group is committed to the conservation of water resources, including reducing water consumption through using water sparingly, wastewater treatment, and proper management of wastewater quality. Our Toyama Office and GOLDWIN Logitem use groundwater, while our other offices use tap water. Water usage in FY 2022 comprised 3,574 m³ of tap water and 159,155 m³ of groundwater. In addition, 14,259 m³ of domestic wastewater was discharged into the sewerage system, and no pollutants were observed.

Water and sewerage usage

		Unit	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Water supply	Tap water	m ³	5,167	4,920	3,065	2,723	3,574
	Groundwater	m ³	127,041	91,065	232,048	178,496	159,155
Sewerage		m ³	21,719	17,422	13,989	13,034	14,259

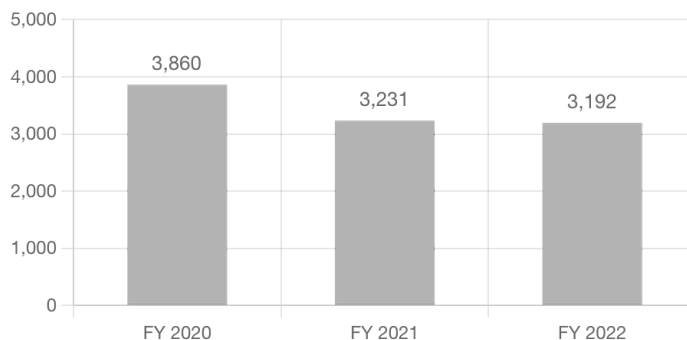
* Usage by our Tokyo Head Office, Toyama Office, and GOLDWIN Logitem.

Reduction of Paper Usage

GOLDWIN Group promotes paperless offices and is committed to reducing the amount of paper used in offices. We are working to use less copy paper such as by shifting to electronic materials and documents, introducing electronic systems for application processes, encouraging double-sided and multi-page printing, and promoting paperless meetings using notebook computers.

In FY 2022, 3,192 kg of copy paper was used at our Toyama Office. Going forward, we will track paper usage at our other business offices and work to further reduce our overall usage.

Amount of copy paper used (Toyama Office) (kg)



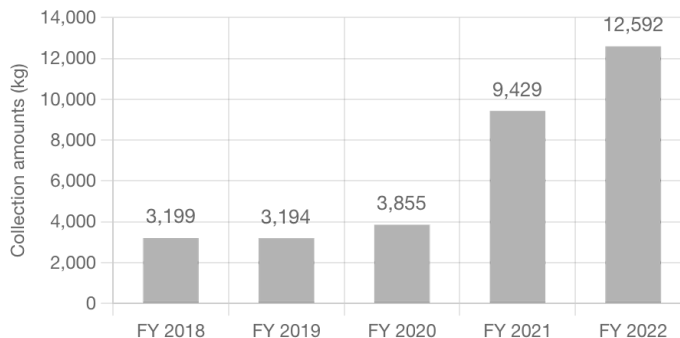
Measures for the Careful Use of Resources

Promotion of Recycling

GOLDWIN Group is also promoting initiatives to incorporate clothing into a circular model, for the careful use of our limited resources. We started recycling in collaboration with various partners in 2008, whereby we collect garments that are no longer needed regardless of the brand, quality and condition, and convert them to raw materials for new products.

In FY 2022, 12,592 kg of garments were collected. We placed recycle boxes at 167 stores across Japan (as of March 31, 2023), mainly at directly managed stores, to facilitate the collection of products from our customers. We also collect products at sports events, such as the Toyama Marathon and Kataller Toyama (professional soccer team) home matches, and facilitate recycling activities for a cyclical business in collaboration with our partners (Kawada Feather Co., Ltd., Toray Industries, Inc., Hasetora Spinning Co., Ltd., and JEPLAN, INC.).

Product collection results



Repair Service to Encourage Long-Term Use

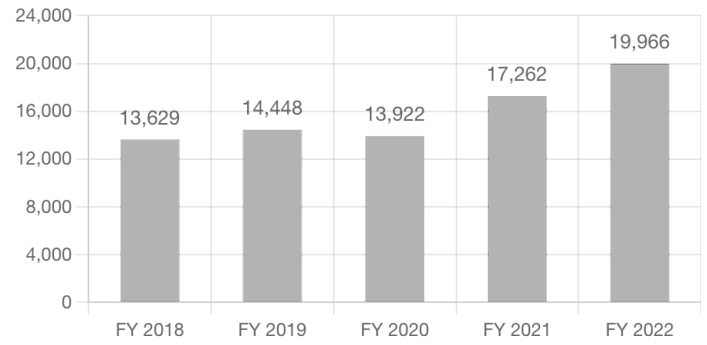
THE NORTH FACE provides repairs with a strict policy of “free repairs on items with material or manufacturing defects, and repairs on other cases for a reasonable price.” Repairs are offered for outdoor items from brands such as THE NORTH FACE, and for motorcycle, ski, and athletic apparel. The service also offers free repairs on kid’s items (exclusions apply.)

We have been receiving more repair requests as the extended use of items became more popular due to increased environmental awareness. In FY 2022, we established a permanent repair center on the first floor of the Yebisu Garden Place Center Plaza in Tokyo. In addition, since January 2023, there has been no charge for the repair of Goldwin brand products. The number of requests for repairs has increased from about 3,500 per year in 2004 to 19,966 in FY 2022.

We anticipate that demand for product repairs will continue to increase, and in addition to expanding our repair system and responding to this increase in repairs, we aim to reduce the current four-week turn-around to two weeks by 2025. We will also enhance the service by accepting online requests for repairs, which previously had to be made in-store.



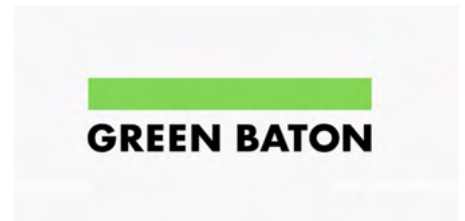
Repair results (cases)



Launch of “GREEN BATON” resale business

It is generally said that children outgrow their clothes in about two years, and according to our survey, approximately 40% of these clothes are discarded as garbage.

GREEN BATON was launched in July 2022 as an initiative to buy clothes that children have outgrown, and then repair or upcycle them before selling them as new products. Resold products are distinguished with a green zipper pull and name, resembling a relay baton, adding value to these unique, one-of-a-kind products.



> [GREEN BATON website](#)



Before upcycling → After upcycling

Future Issues

In FY 2022, we were able to steadily reduce the amount of waste we generate. The amount of collected secondhand apparel and the number of repair requests are both on the rise, and we also launched our GREEN BATON resale business. A future issue to achieve our FY 2050 target of zero waste in the supply chain is understanding and reducing waste volumes not only at our company but in the supply chain.

Basic Concept

GOLDWIN Group is advancing manufacturing with sports and the environment as our top priorities, “To improve the global environment through unbound imagination and breakthrough innovations that are beneficial to the world,” as stated in our Vision. We share these environmental initiatives and related information widely in society and enhance transparency, while promoting communication with stakeholders. Furthermore, we hold environmental education each year for employees to increase their environmental awareness.

GREEN IS GOOD

Since 2008, GOLDWIN has done all that it can as a sports apparel manufacturer, considering the environment together with consumers with the aim to realize a sustainable society, under the banner of GREEN IS GOOD.

We aimed to realize a circular society by developing and manufacturing products that integrate ideas to reduce environmental impact, while taking action with our customers who use these products, aiming to care for different environments within all areas of sports and the outdoors. We are promoting communication and activities with our customers through our stores and products, on our company website, and through events.



GREENISGOOD®

> [GREEN IS GOOD](#)

Environmental Education

GOLDWIN Group conducts semiannual environmental education for each business department, aiming to ensure awareness of our Environmental Philosophy and Environmental Policies, and to share progress on key environmental issues.

In FY 2022, all employees, excluding sales associates, were given approximately 50 minutes of environmental education each to deepen their understanding of company-wide and department-specific targets and issues. We also launched the “Sustainability Navigation” series, which aims to instill sustainability within the company, by using the intranet. In FY 2022, we posted an article on the theme “Why is sustainability needed now?” and in FY 2023, we plan to post a series of articles to encourage employees to think about sustainability in terms of themes that are familiar to them, including reasons for our commitment to sustainability, sustainability-related terms readers may not be familiar with, and ESG (environment, social, and governance).

In FY 2023, our policy will again be to provide employees with opportunities to learn about the environmental issues faced by GOLDWIN Group, as well as to ensure that they are fully aware of our Environmental Policies.

Workshop content	Participants	Workshop time	Number of workshops
Environmental education	All employees, excluding sales associates	25 minutes per person	Two per year

Environmental Communication Examples

GOLDWIN Group actively communicates our environmental initiatives, for example, through our website, our Integrated Report, and through event sponsorship.

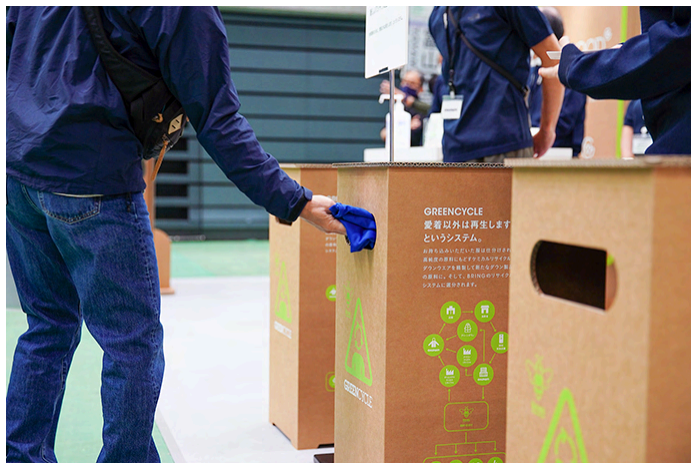
We also promote activities to improve the global environment in-store and through sporting events, together with participants in sporting and outdoor activities. In addition, we hold activities to raise interest in Earth and the environment among children, who have Earth's future in their hands, and to help them to understand the importance of working together to protect our natural environment, through experiences and fun, such as Kids Nature School and Play Earth Park.



> Developing the Next Generation

Collection of Clothing at the 2022 Toyama Marathon

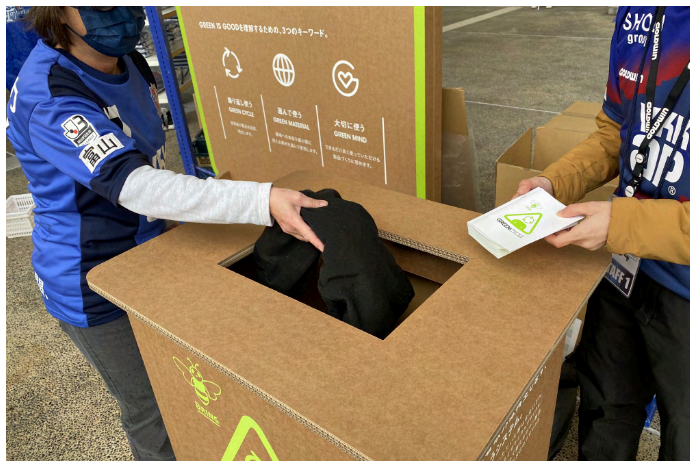
Since 2015, GOLDWIN has been a sponsor of the Toyama Marathon, which is held in Toyama Prefecture where the company was founded. At the marathon held on Sunday, November 6, 2022, we organized a booth to showcase our environmental initiatives, and we collected approximately 670 kg of clothing. Collected clothes made of polyester and nylon are chemically recycled back into high-purity raw materials that are used to make new products. Our aim is to reduce environmental impact by converting products into sustainable resources.



Collection of Clothing at Kataller Toyama Home Matches

GOLDWIN has continued to support Kataller Toyama (a professional soccer team) by supplying uniforms since the team debuted in 2008 in Toyama Prefecture where the company was founded.

During the 2022 season, we started collecting unwanted clothing from Kataller Toyama supporters at home matches. About 1,100 kg of clothes was collected. Clothes made of polyester and nylon are chemically recycled back into high-purity raw materials that are used to make new products. Our aim is to reduce environmental impact by converting products into sustainable resources.



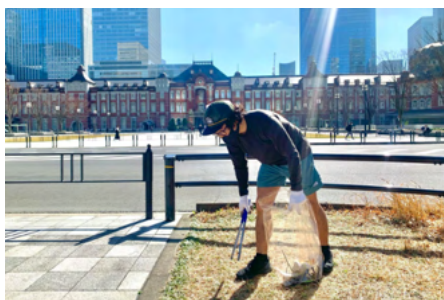
Cooperation for the Shonan International Marathon

GOLDWIN and THE NORTH FACE cooperate with the Shonan International Marathon, dubbed a “My Bottle Marathon” aimed at zero waste. Although the 2020 and 2021 marathons were cancelled due to COVID-19, at the marathon on December 4, 2022, runners were asked to bring their own drink bottles, and water tanks and jugs were set up at over 200 locations along the course. All paper cups, plastic cups, and PET bottles were completely eliminated from the event, equating to approximately 31,500 PET bottles and 500,000 paper and plastic cups that were previously needed, plus another 26,500 PET bottles that were distributed after the goal line.



Community Clean-up Activities

Each of the GOLDWIN Group’s business departments undertake community clean-up activities. In FY 2022, we conducted 133 such activities, including clean-up activities at each of our business locations and stores, as well as beach clean-up activities and clean-up mountain-climbing activities.



Tree-planting Activities

GOLDWIN's THE NORTH FACE brand is conducting the "ONE PRODUCT ONE TREE" campaign in which one tree is planted for every product sold. The aim of the campaign is to get people to think about the global environment through the act of choosing a product.

In FY 2022, approximately 4,000 larch trees were planted in the Numata Forest, one of the forests owned by Mitsui in the Uryu District of Hokkaido, and about 100 wild cherry, Japanese fir, maple, oak, and eleven other species were planted in spring and fall on the Bosatsu Pass in the Tanzawa Mountains, Kanagawa Prefecture.

We have planted approximately 8,200 trees to date and plan to continue this initiative in fiscal 2023.



Future Issues

In FY 2022, GOLDWIN's internal environmental education was provided for each business department to deepen employee understanding of company-wide and department-specific targets and issues. As the impacts of COVID-19 eased, community clean-up and other activities have increased in each region. Going forward, we will communicate our Group's environmental initiatives, including those of each department, region and stores, through various media.

Basic Concept

As the supply chain expands around the world today, striving to realize a sustainable society throughout it beyond the scope of a company's own group is an important social responsibility. The GOLDWIN Group established the GOLDWIN Group Procurement Policy, which positions mutual benefit with suppliers at its foundation, to promote sustainable and responsible procurement that takes the environment, society, and human rights into consideration with high ethical standards.

GOLDWIN Group Procurement Policy

GOLDWIN Group (hereinafter referred to as "The Group") aims to realize a sustainable society through our business activities based on our corporate philosophy "to realize a fulfilling and healthy lifestyle through sports".

With coexistence and co-prosperity with our suppliers as the basis, we established the GOLDWIN Group Procurement Policy in order to promote sustainable and responsible procurement which considers the environment, society and human rights with high ethical standards.

1.Considerations for the environment, society and human rights

- To achieve prosperity in harmony with nature, we provide environmentally friendly products and services based on The Group's "Basic Principles of Environmental Protection" and "GOLDWIN's Environmental Policies".
- We respect human rights of employees and local communities in accordance with the "GOLDWIN Group Policy on Human Rights".
- With continuous improvements, we promote procurements with respect to working environment and occupational health and safety.
- Through our corporate activities, we live in harmony with local communities and promote social contribution.
- We ensure traceability of materials and processes within procurement.
- Considering the impact on society, we purchase raw materials that are not involved in conflicts or crimes.
- We respect The Five Freedoms for Animals and use materials that are treated ethically.

2.Ensuring transparency and fairness

- We conduct our procurement with integrity, respecting not only the laws and regulations of each country, but also the international code of conduct and ethics.
- When selecting suppliers, in addition to ensuring quality, cost, and delivery, activities regarding the environment, society and human rights are evaluated fairly and impartially to promote honest transactions.
- We manage confidential and personal information obtained through procurement securely. We will not conduct procurements that infringe intellectual property of third parties.

3.Ensuring quality and safety

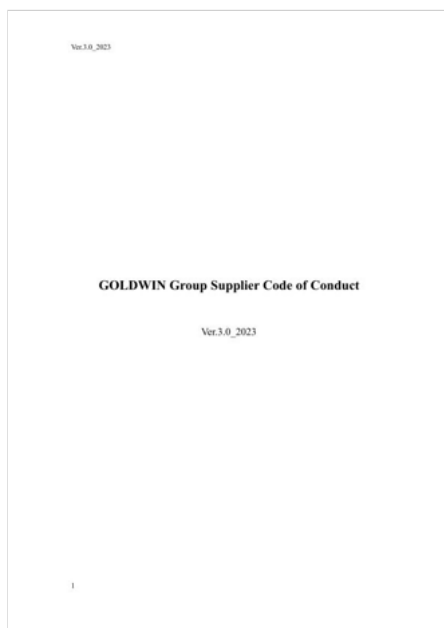
- To provide valuable products and services, we will work with suppliers to maintain and improve the quality and safety.

GOLDWIN Group Supplier Code of Conduct

The Group established the GOLDWIN Group Supplier Code of Conduct as a set of fundamental principles for suppliers to be followed when conducting transactions with the Group and seeks their understanding of and compliance with the Code. In fiscal 2022, we revised the Code to clarify the conduct norms that all suppliers are required to follow (including labor and human rights, the environment, and safety and hygiene) as well as management structures (including management systems, grievance mechanisms, and disclosures). In fiscal 2023, we will seek the understanding of suppliers regarding the revised Code, re-request that suppliers sign memoranda of consent, and contribute to the development of a sustainable society by conducting supply chain management that emphasizes transparency.

Main Items of the Supplier Code of Conduct

Category		Main Items
1	Corporate Governance	Create structures to fulfill social responsibilities and achieve business continuity as a company
2	Legal Compliance	In addition to complying with relevant laws and regulations, conduct business ethically
3	Labor and Human Rights	Comply with the GOLDWIN Group Policy on Human Rights and comply with prohibitions of child labor and forced labor and other requirements
4	Safety and Hygiene	Maintain environments where employees can work in a safe, hygienic, and healthy manner
5	Environment	Collaborate in accordance with the Group's environmental strategy and strive to minimize environmental impacts
6	Fair Corporate Activities	Do not engage in illegal acts and conduct corporate activities based on fair and free competition
7	Responsible Procurement	Conduct procurement with consideration for human rights, the environment, and animal welfare and endeavor to ensure traceability
8	Communities	Reduce negative impacts on local communities and work toward the development of local communities
9	Monitoring Compliance	Cooperate with retention of records and audits to confirm the status of compliance with the Code of Conduct; if any instances of nonconformity are discovered, work to correct them
10	Product Quality and Safety	Comply with the GOLDWIN Products Quality Standard to produce safe and secure products; when problems occur, respond appropriately

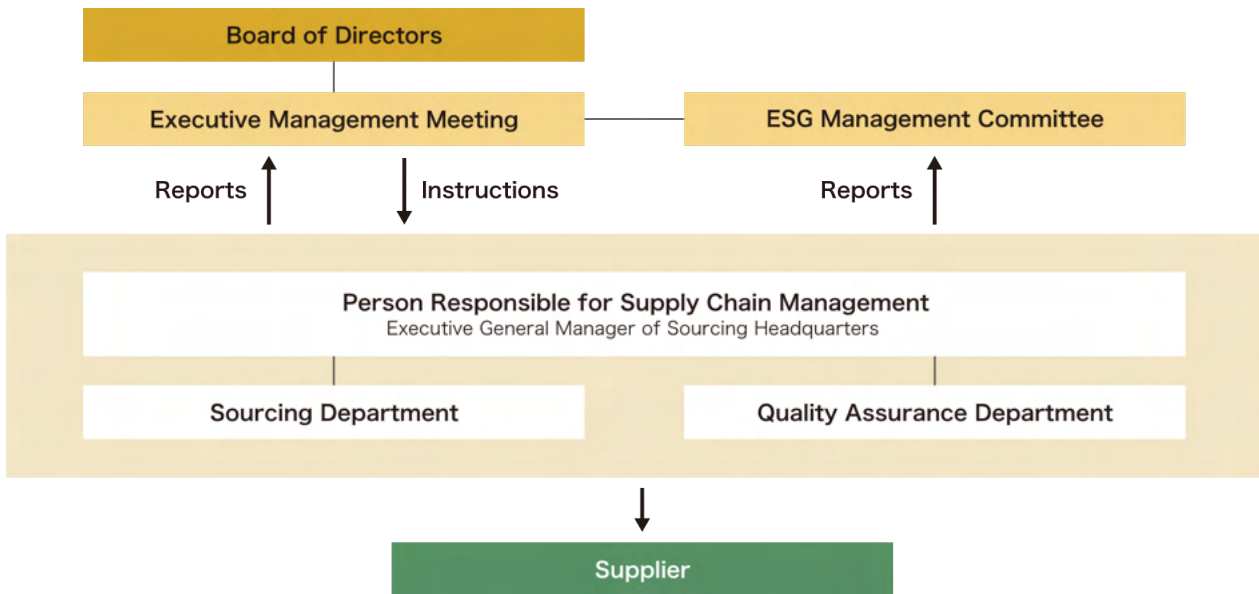


THE GOLDWIN Group Supplier Code of Conduct can be accessed here.

Download [PDF](#) (366KB)

Promotion Framework and Person Responsible

We have built a supply chain management system led by the Sourcing Department and Quality Assurance Department, with the Executive General Manager of the Sourcing Headquarters having responsibility. We maintain communications with suppliers in Japan and overseas, and ask for their understanding and cooperation with our company policies. Activities are reported to the ESG Management Committee and Executive Management Meeting, with oversight and guidance received from the Board of Directors through the Executive Management Meeting.



GOLDWIN's Supply Chain

We conduct direct and indirect procurement activities with a wide range of suppliers inside and outside Japan.

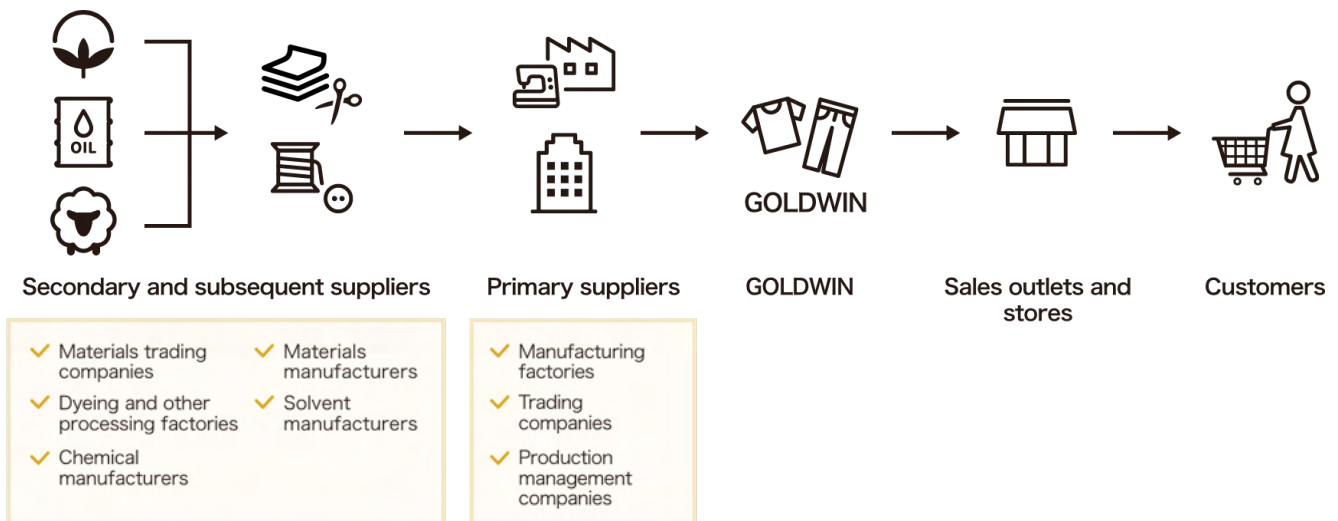
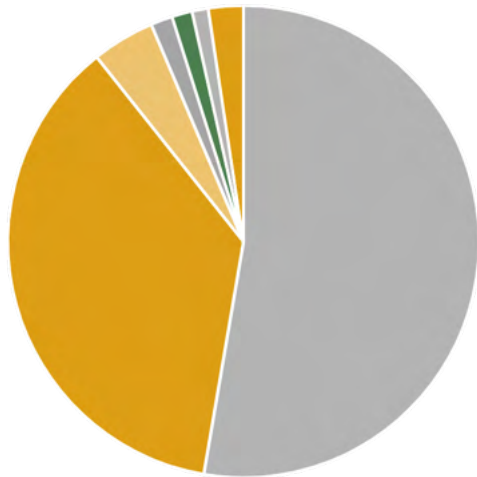
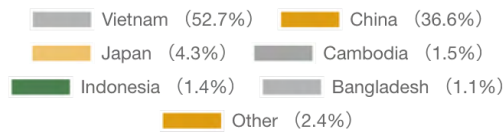
We take a broad view of our supply chain as encompassing primary suppliers that deliver finished products to our Group and secondary and subsequent suppliers that supply materials, chemical substances and raw materials for our products through primary suppliers.

Primary suppliers comprise manufacturing factories for our products and trading companies and production management companies involved in the manufacturing. Along with quality guidance and other direct communication, we have also started conducting desktop audits of all manufacturing factories since FY 2021. Approximately 90% of these manufacturing factories (on an order value basis) are located outside Japan.

Secondary suppliers refer to materials manufacturers that manufacture materials (fabrics, auxiliary materials, etc.) after raw materials procurement, dyeing, and other processing, as well as trading companies.

We require that our primary suppliers and main secondary suppliers sign a memorandum of understanding for the Code of Conduct for GOLDWIN Suppliers and the GOLDWIN Restricted Substance Management Regulations.

Country of origin ratio



Selection of New Suppliers

Prior to beginning transactions between the GOLDWIN Group and new suppliers, we ensure that they meet all of our standards, including the Code of Conduct for GOLDWIN Suppliers and the GOLDWIN Restricted Substance Management Regulations. We only begin transactions after confirming that all documents have been received and that the supplier is found to be conforming through a desktop audit. In FY 2022, we started dealing with 98 new suppliers.

Documents required prior to entering a supplier contract

- Memorandum of understanding for the Code of Conduct for GOLDWIN Suppliers
- Corporate data sheet
- Company confirmation documents (business license, factory registry)
- Desktop audit report (manufacturing companies only)
- List of affiliated companies (subcontractors, processing factories, etc.)
- Memorandum of understanding for the GOLDWIN Restricted Substance Management Regulations
- Hazardous materials management survey

› [Click here for the GOLDWIN Restricted Substance Management Regulations](#)

CSR-Based Procurement

To build a healthy supply chain, improve product quality, and strengthen initiatives for human rights, the environment, and safety, we ask suppliers to cooperate with audits, both desktop and on-site, and make continuous improvements. We request that the necessary paperwork is updated each year.

We have established an internal operational flow for the Code of Conduct for GOLDWIN Suppliers, and conduct management with clearly defined roles and responsibilities among the Business Department, Sourcing Department and Quality Assurance Department. We aim to increase corporate value for both GOLDWIN and suppliers through CSR-based procurement incorporating sustainability criteria.

Supplier Audits

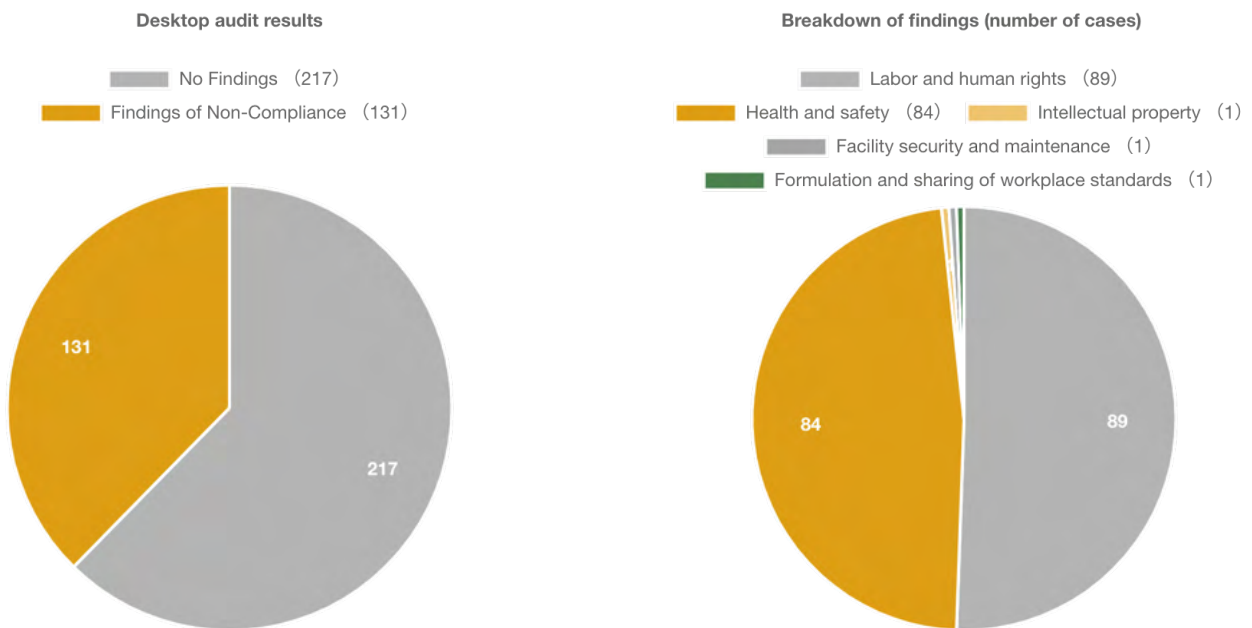
Since FY 2021, our Group has been conducting desktop audits (self-assessment questionnaire) and on-site audits by third-party auditors at all manufacturing factories with which we do business to monitor their compliance with the legal, social, and ethical requirements defined in the GOLDWIN Group Supplier Code of Conduct.

Desktop audits are conducted simultaneously once a year. In FY 2022, suppliers shared their answers with us on a total of 107 questions in 11 categories. In addition, any suppliers whose responses indicate a risk are asked to make improvements on a case-by-case basis. In FY 2022, 348 companies were subject to desktop audits, and responses were collected from all companies.

Desktop audit details

1. Compliance with laws and regulations, and acquisition of business license
2. Labor and human rights
3. Health and safety
4. Use of subcontractors
5. Compliance with environment-related laws and regulations
6. Intellectual property and duty of confidentiality
7. Facility security and maintenance
8. Confirmation of compliance
9. Production of safe and reliable productions
10. Fair trade
11. Coexistence with local communities

FY 2022 desktop audits (348 companies)

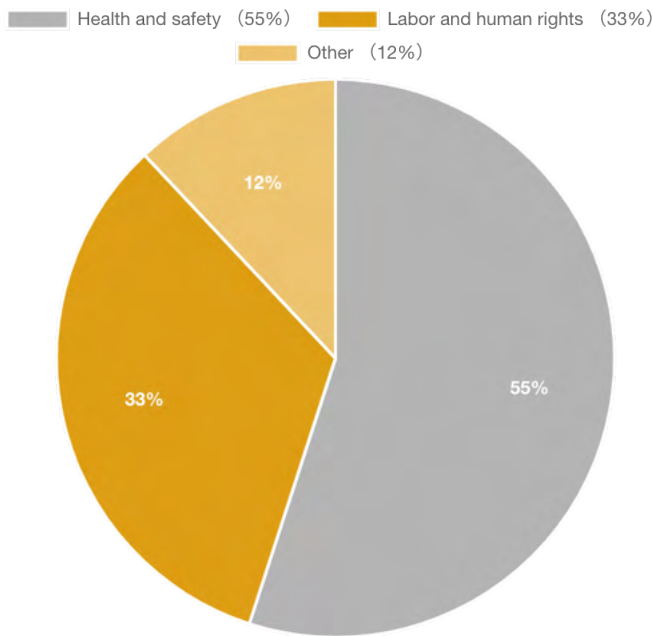


Desktop audits in FY 2022 produced a 437% increase in findings of non-compliance compared to FY 2021. Reasons for this increase include a partial revision and addition to the questions in FY 2022 as well as a revision of some of the criteria in accordance with the GOLDWIN Group Policy on Human Rights which was established in December 2021. We will continue to ask suppliers for whom findings have been identified to make improvements on a case-by-case basis, and we will strengthen our efforts.

As of FY 2022, we had also conducted on-site audits at 158 companies, primarily at our main manufacturing factories. In FY 2022, we conducted initial audits at 101 companies and follow-up audits at 40 companies. We continue to build our monitoring system, conducting on-site audits at manufacturing factories that have not yet been audited and gradually conducting periodic follow-up audits at manufacturing factories that have. The main issues identified from on-site audits related to workplace health and safety (55%, including inadequate safety devices such as finger guards on sewing machines, inadequate safety and protective equipment such as masks, gloves and goggles, and inadequate documentation for buildings and structures) and labor and human rights (33%, including excessive overtime hours and partially inadequate social insurance). Audit results are provided to suppliers as feedback, and factories requiring corrective measures are asked to implement such measures and submit corrective action reports. In FY 2023, we are expanding the scope of monitoring by asking trading companies, management companies, main materials-related companies, and other suppliers, in addition to manufacturing factories, to complete the desktop audit. We are also taking steps to

request that some of our business partners provide us with environmental data. As well as asking our suppliers for their understanding that the number of checked items is expanding each year, we are carefully explaining our efforts to build further relationships of co-creation with them.

Issues identified through on-site audits (141 factories)



Communication with Suppliers

Our business would not be possible without the cooperation of suppliers that produce products and deliver products and materials to us. We broadly share our principles for promoting sustainability through business activities with our supply chain, and focus on communication with suppliers on an individual basis to build a cooperative framework based on mutual trust.

GOLDWIN Supplier Summit

Once every two years, GOLDWIN hosts a two-day supplier summit—a meeting that brings together its major suppliers (trading companies, materials manufacturers) under the one roof. Our representative directors and general managers of each business division also participate, and on the first day, they present our management and business policies. On the second day, we venture out into nature in an effort to build partnerships through communication, such as by actually using GOLDWIN products while trekking or trying marine sports.

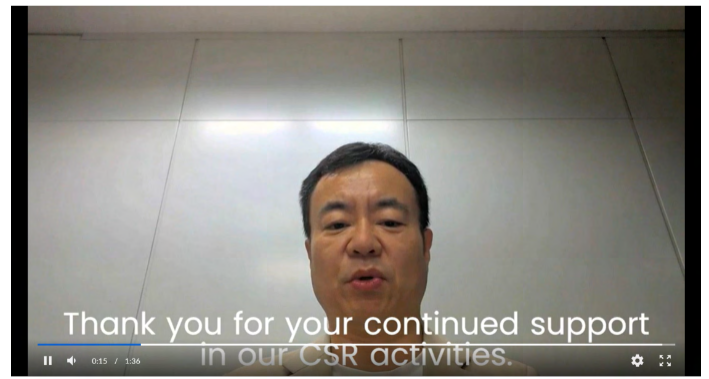
In FY 2022, 38 representatives from 29 suppliers participated in the summit. First, they visited the “PLAY EARTH PARK” event being held at Fugan Unga Kansui Park, Toyama Prefecture, before attending a meeting at our Toyama Office. On the next day, the summit moved to Tateyama, where participants experienced hiking and other activities.



Briefings for Business Partners

GOLDWIN holds briefing sessions for its suppliers on its CSR framework for the supply chain. In the briefing, suppliers are asked for their understanding and compliance with the Code of Conduct for GOLDWIN Suppliers, and we explain the background and specific revisions to the Code, as well as practical aspects of the paperwork that needs to be submitted.

In FY 2023, we formulated a Procurement Policy, updated the Code of Conduct for GOLDWIN Suppliers, and revised the desktop audit questions accordingly, so at the briefing session, we explained the key points of the update and reiterated our Group's approach to building a sustainable supply chain. The briefing was conducted in the form of a video distributed to 453 companies from among manufacturing factories, trading companies, production management companies, and materials-related companies. As of the end of July 2023, 134 companies had viewed the video. In addition, efforts are being made for some factories to improve their understanding with the cooperation of trading companies and production management companies.



Meetings with Main Suppliers (Trading Companies)

GOLDWIN holds separate regular monthly meetings with each of its major suppliers (trading companies). The meetings are a place to exchange information on quality, cost, delivery schedules, and other matters as well as to discuss issues that arise from time to time and resolve them together. Engaging in communication helps deepen our cooperation and build better partnerships.

Internal Education

We provide regular education to internal persons in charge of procurement to enhance our CSR framework for the supply chain.

In FY 2022, in promoting the CSR framework for the supply chain, we invited outside instructors to speak to our employees. They gave a seminar on sustainable management and restricted substance management in the supply chain from a global perspective, and encouraged understanding and awareness among our employees. We also carefully explain our review of the Code of Conduct for GOLDWIN Suppliers, its content, and approaches for promoting the current system, and share information so that we can respond appropriately when performing our role as a point of contact with suppliers.

Subcontract Act Training

Internal training is regularly provided on the Act against Delay in Payment of Subcontract Proceeds, etc. to Subcontractors (Subcontract Act), which is a law that helps ensure that transactions are fair. In addition to explaining things like the purpose of the Subcontract Act, as well as relevant conditions and obligations of procuring companies, we discuss information that is required on order forms to ensure compliance with the act when company employees place orders.

Future Issues

The GOLDWIN Group will continue to deepen collaborations with suppliers to fulfill its social responsibility through the entire supply chain.

In FY 2023, we will work to instill our newly formulated Procurement Policy both internally and externally, and to promote responsible procurement activities. In addition, following the update of our Code of Conduct for GOLDWIN Suppliers and revision of the desktop audit questions, we will carefully explain the changes to our suppliers to gain their understanding and cooperation, and we will work to build a highly transparent supply chain.

Basic Concept

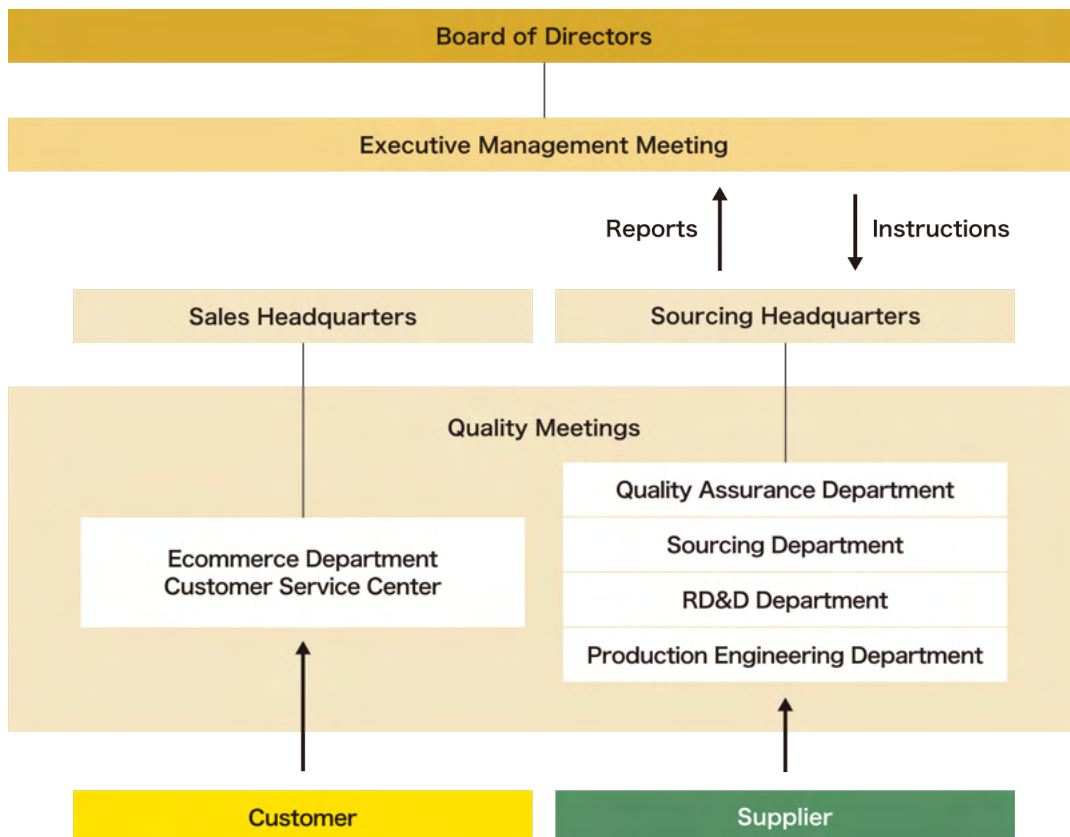
At GOLDWIN, we aim to create products and services of value that benefit customers based on our corporate mission to “realize a fulfilling and healthy lifestyle through sports.” As part of this, we strive to ensure product safety and improve quality. From the design process to ordering materials, production, and inspections of finished products, we comply with relevant laws and regulations, and pursue a level of quality that ensures customer satisfaction. At the same time, we reflect point-of-sale customer feedback in our product manufacturing activities. With the belief that “there is true value in the invisible,” we feel a responsibility for ensuring the peace of mind and comfort of people who enjoy sport, and for providing products that can even improve competitive performance. Our aim is to continue delivering high-quality sports-oriented products.

Promotion Framework and Person Responsible

Our Quality Assurance Department, with the General Manager of the Quality Assurance Department having responsibility, oversees quality control initiatives for the entire group. In addition to formulating rules of operation and managing numerical targets, the Quality Assurance Department also holds monthly Quality Meetings while working to deepen collaborations with the Sourcing Department, RD&D Department, Production Engineering Department, and Customer Service Center. The Sourcing Department is in charge of sharing and requesting quality-related information from suppliers.

Each of these measures are reported on to management at monthly meetings of the Sourcing Headquarters, which are attended by the President and Representative of Board, and the Senior Managing Director. Information on quality-related claims lodged with the Customer Service Center is also distributed as needed to all managers, from general managers and up, including management executives.

Framework



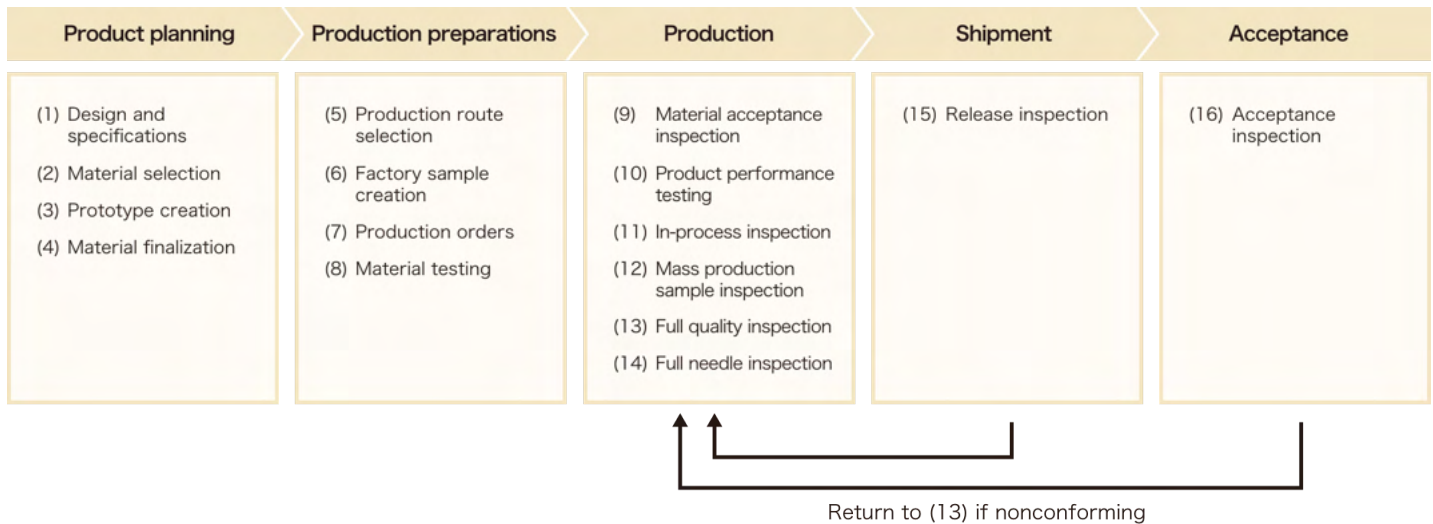
Quality Control System

At GOLDWIN, we have established original Quality Standards that define uniform quality standards for our Group, which suppliers are required to understand with an in-depth level of knowledge. The Quality Standards comprise the four areas of Product Quality Control Guidelines, Product Quality Inspection Guidelines, Materials Quality Control Guidelines, and Materials Quality Inspection Guidelines, and apply to all products we carry. We have established a management system able to deliver high quality to customers with verifications and inspections based on these standards in each process of product planning, production preparation, production, shipment, and acceptance. Based on our Code of Conduct for GOLDWIN Suppliers, we asked more than 300 partner factories to comply with these standards by FY 2022. In FY 2022, we reviewed some of the Quality Standards and reworded expressions that were ambiguous.

Guidelines and Concepts for Quality Standards

Guidelines	Concept
Product Quality Control Guidelines	Guidelines for operation of product quality control. Rules for all aspects of manufacturing, from materials and selection of production factories to quality and safety control during manufacturing.
Product Quality Inspection Guidelines	Guidelines for product quality inspections. Rules for inspection practices, from manufacturing to shipment and delivery.
Materials Quality Control Guidelines	Guidelines for operation of materials quality control. Rules for overall operations regarding the inspection and safety of fabric and other materials.
Materials Quality Inspection Guidelines	Guidelines for materials quality inspections based on standards. Rules for visual inspection and performance testing of materials.

Quality control diagram



Product Safety

GOLDWIN has established the following four quality standards for managing the safety of its products.

Quality Standards and Concepts for Safety

Quality standards for safety	Concept
1. The GOLDWIN Restricted Substance Management Regulations and related laws and regulations must be observed.	In complying strictly with laws and regulations, we strive to provide safe products by incorporating not only Japanese laws and regulations but also overseas regulations.
2. No substances are used that may cause skin irritation, eczema or rashes due to physical, chemical or other factors.	Since our products are sportswear and outdoor wear, we consider it our mission to ensure that they are always comfortable to use, taking into consideration that they can be used in harsh conditions, such as prolonged use or wet or sweaty conditions, during which skin lesions or other affections may easily occur.
3. Hazardous objects such as scissors, needles, metal fragments, and other items that may cause harm to the human body are strictly controlled.	We consider that preventing contamination by scissors, needles, metal fragments, and other foreign objects is the most important requirement in maintaining confidence. Our thorough controls to prevent such contamination also leads to improvement of quality.
4. The safety of children's clothing is thoroughly controlled.	The safety of children's clothing is a matter of course for us as a manufacturer. Given that incidents involving children's clothing may be serious more often than clothing for adults, we thoroughly collect, recognize, and share information on safety control that is specific to children's clothing.

Strengthened Quality Control at Supplier Factories

We send specialists to our supplier factories inside and outside Japan to improve quality while providing direct instruction on quality control and production engineering.

In FY 2022, we sent specialists to four factories a total of 12 times. Quality meetings are held every season, where we describe inspection defects and returns and ask for improvements. In terms of production technology too, we check and develop processing methods for new materials at our "mother" factory in Toyama, and based on that expertise, we provide guidance and technology to our production factories. We also field requests from our suppliers for guidance on difficult materials, and we work closely with them. With our rate of overseas production currently at more than 90%, the importance of global quality control measures is increasing. We continue to hold regular quality meetings with our main supplier factories outside Japan, with a total of 14 meetings held with eight companies in FY 2022. We aim to increase corporate value for both GOLDWIN and supplier companies by providing products that customers can feel reassured using through strengthened quality management in cooperation with supplier factories.



Recall handling in the event of product defects

At GOLDWIN, we follow the recall handling procedure below to minimize the possibility of incidents occurring or increasing due to product defects.

- Cease sales and withdraw products from distribution channels and stores
- Provide appropriate information on risks to consumers

- Replace, rectify (inspect, repair, etc.), or accept products already purchased by consumers

In the event of a recognized product defect or incident, the relevant department and Quality Assurance Department collaborate to respond promptly while prioritizing the prevention of harm to customers in line with the Recall Procedure shared companywide.

Overview of Recall Procedure

1. The person who receives a report of a product defect communicates promptly with the relevant department.
2. The relevant department gathers facts on the incident and shares the information with the Quality Assurance Department.
3. A decision is made to recall products in line with the Recall Decision Guidelines and, in the case of a serious incident, a Recall Headquarters is established.
4. Products are recalled (the relevant department prepares the response, notifies everyone at once, and the whole company implements the recall).
5. The progress of product recovery is monitored and reports are created.
6. The relevant department and Sourcing Department collaborate to investigate the cause and formulate measures to prevent recurrence.
7. The results of the recall and measures to prevent recurrence are communicated throughout the company.
8. The recall is discontinued when the product recovery rate reaches 100%.

In FY 2022, a total of 17 recalls were implemented. None of them were recognized as a serious incident.

Employee Education on Quality Control

With the understanding that employees are the ones who maintain the high quality of products, we provide employees with ongoing education on quality control. We provide a full range of programs tailored to the occupation level, with a focus on people engaged in procurement.

Training conducted in FY 2022

Training	Applicability	Training hours per person (minutes)	Participants (persons)	Training purpose and content
Basic knowledge of quality labeling (composition labeling & handling labeling)	Sourcing Headquarters employees	40 mins	81	Explanation of basic labeling methods according to the textile goods quality labeling regulations under the Household Goods Quality Labeling Act
Examples of complaints and how they are dealt with	Sourcing Headquarters employees	50 mins	44	Explanation of quality control procedures based on the Quality Standards flow chart and sharing of complaint details
Product inspection workshop	Labeling managers	450 mins	14	Explanation of manufacturing and the role of product inspection based on the Quality Standards flow chart

Training	Applicability	Training hours per person (minutes)	Participants (persons)	Training purpose and content
Product inspection workshop	Persons in charge of inspecting recycled products	300 mins	8	Explanation of defective items and measurement methods for product inspections and education on inspection procedures and standards
Quality control and testing standards	Sourcing Department employees	660 mins	2	Explanation of quality standards and GOLDWIN's approach to quality
JIS regulations	GOLDWIN TECH LAB employees	240 mins	3	Explanation about JIS applications
Testing method for waterproof shoes	Sourcing Department employees	60 mins	2	Sharing of information on testing methods

Restricted Substance Management

The GOLDWIN Group strives to protect customer and employee safety, and reduce impacts on the global environment, in every one of our products. When using the chemical substances that play essential roles in product manufacturing, we thoroughly manage the substances in every process to prevent contamination with harmful substances.

To strengthen our management globally, we formulated the GOLDWIN Restricted Substance List Compliance in April 2021 in consideration of the laws and regulations of each country where we do business, from Europe and beyond. This list clarifies the restricted substances and restriction levels in all products handled by our group and the materials used in their manufacture. We require suppliers, who deliver products and materials to us, to understand these regulations, and ask that they comply with them and manage their subcontractors accordingly. We have established a management framework in the supply chain, and by FY 2022, we had signed a Memorandum of Understanding for the GOLDWIN Restricted Substance Management Regulations with more than 300 suppliers. The Quality Assurance Department also arbitrarily conducts spot verification testing by a third-party organization to periodically check the status of restricted substance management by our suppliers, and recommends corrective measures if any restricted substances are detected.

GOLDWIN Restricted Substance List (RSL)

The following GOLDWIN Restricted Substance List (RSL) applies to all products supplied to GOLDWIN and our Group companies and to the materials, components, and raw materials used in those products. We share this list within our company and our supply chain to ensure proper management and inspection for compliance with the GOLDWIN Restricted Substance Management Regulations and the RSL.

The RSL is updated as needed in light of social trends and regulatory trends in each country. As far as our supply chain is concerned, we always keep informed of the latest version, and we comply with the limits and other requirements specified in the RSL as well as all relevant laws and regulations required for our products in each country.

> [GOLDWIN Restricted Substance List](#) 

Responsible Product Labeling and Advertising Initiatives

It is essential that we provide accurate product information so that our customers can be confident that they are buying quality products and services. The GOLDWIN Group complies with all relevant laws and regulations, and is committed to product labeling and advertising that does not cause misunderstandings.

In terms of the Act against Unjustifiable Premiums and Misleading Representations in particular, which applies to all products, we are working to assign a person in charge of labeling in every department. The Quality Assurance Department has created a Collection of Important Labeling

Examples that promotes awareness of specific expressions and terminology. It has distributed this collection to persons in charge of labeling for them to use as guidelines when creating documents for external use in each department.

We comply with the following laws and regulations.

- Household Goods Quality Labeling Act
- Act against Unjustifiable Premiums and Misleading Representations
- Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices
- Act on the Promotion of Effective Utilization of Resources
- Food Sanitation Act
- JIS standards
- Association of Japan Sporting Goods Industries (JASPO) guidelines
- Guidelines for Environmental Representations

Future Issues

Our unending objective is to deliver higher and higher quality, which we will achieve by continuing to implement quality control initiatives and fulfilling our corporate social responsibility. Our constant aim is to become a trusted company for our customers around the world through the provision of safe and reliable products.

As part of efforts to strengthen our global response, the Code of Conduct for GOLDWIN Suppliers—the global standard we launched in FY 2021—is on track, and we aim to continue its stable operation. We will also continue efforts to reduce complaints and the defect product return rate, and to lower the environmental impact of the supply chain.

In recent years, progress has been made in the development of new products and new materials, and we pursue quality on a daily basis, including by conducting our own original testing in addition to conventional quality inspections.

Basic Concept

At GOLDWIN Group, we build and maintain relationships of trust with customers even after they purchase our products. This is achieved through running stores that maximize brand value, holding events, and operating our Customer Service Center and Repair Center, with a focus on dialogue with customers.

Promotion Framework

The GOLDWIN Group has created a framework for managing safety and quality in every process, from development to production, and from sales through to customer use. Our Sales Headquarters oversees operation of our stores, while our Ecommerce Department is in charge of the Customer Service Center and other operations. In collaboration with all relevant departments, including the Merchandise Department, Quality Assurance Department, and GOLDWIN TECH LAB, we employ the valued opinions of our customers in subsequent product development and service improvement.

Stores that Maximize Brand Value

We believe that our stores are the frontline in communicating brand value to our customers. We operate a range of shops in different styles according to the area and the customer demographic we are addressing, from highly specialized shops to family-oriented shops, and lifestyle shops. Our aim is to create shops that make customers feel comfortable, and where they are happy to spend time, by focusing not only on our product ranges, but on appealing to the senses of our customers through store interiors, textures, music, and smells.



THE NORTH FACE Sphere
(New athletics and sports store format)



THE NORTH FACE CAMP Yebisu
Garden Place, PLAY EARTH KIDS
Yebisu Garden Place,
NEUTRALWORKS. EBISU



THE NORTH FACE STANDARD
(For urban outdoor enthusiasts)



THE NORTH FACE GRAVITY
(High-performance running gear)

Sales Convention (Sales Staff Training)

The GOLDWIN Group provides a range of information directly to customers through our directly managed stores, from the functions and applications of planned and developed products to usage scenarios and cautions. We are focused on two-way communication as a new customer experience.

Although the convention was postponed in FY 2022 due to COVID-19, we plan to resume it as soon as possible depending on circumstances.



Communicating with Customers

Our stores are also places that proactively show the attraction of sport, providing customers with opportunities to experience different sports. They are not only places to offer our products though. They are also where we hold various events and workshops, providing opportunities for valuable communication with customers.

We are also strengthening two-way communication with customers, not only in our stores, but also via the Internet. We are promoting online-merge-offline (OMO) retail, providing optimal purchasing experiences and information at all points of contact with customers, including our stores, website, e-commerce sites, social media, blogs, and e-newsletters. We believe that providing customers with the same information at the same time will lead to customer trust.

We also offer extra added value in the form of experiences, discoveries, and adventures, such as at the PLAY EARTH PARK event where participants create new ways of playing. The knowledge we gain from such communication with customers is fed back into the company and constantly linked to developing new products and services.



Live commerce on the GOLDWIN WEB STORE

Sales employees introduce products live via social media. User comments are replied to on the spot, facilitating two-way communication.



Events and workshops

Stores host a variety of events and workshops. The valuable insight we gain from interactions with our customers is used as internal feedback.

Customer Support Services

We have established the following three channels for responding to customer inquiries, depending on the nature of the query. In addition to responding in good faith to customer comments and requests, we are also deeply interested in their unspoken feelings as we work to build relationships of trust with customers. We employ the valued opinions of our customers as internal feedback to improve our products and services.

Support service	Overview
Customer Service Center	Inquiries, comments, and requests about brands and products
GOLDWIN WEB STORE Support	All inquiries about the GOLDWIN WEB STORE
Repair Center	Queries about product repairs

> Inquiries

Support service	Total number of inquiries	Number of telephone inquiries	Number of email inquiries	Details	Number of inquiries
CSC	16,447	10,957	5,490	Inquiries	8,033
				Complaints	183
				Comments and requests	1,830
				Praise	15
				Stock inquiries	4,487
				Other	1,899
EC	19,368	1,932	17,436	Order-related inquiries	10,267
				Website and ID inquiries	1,549
				Product arrivals	1,936
				Product-related inquiries	2,905
				Product complaints	2,711
Repairs	13,940	3,950	9,990	Checking possibility of repairs	6,122
				Repair application procedure	3,444
				Checking details and delivery	4,082
				Other	292

Improving Customer Service Quality

After customers engage with our Customer Service Center or GOLDWIN WEB STORE Support services, we ask them to complete a survey. In addition to feeding the survey results back to the relevant employees, we listen to recordings of the customer interaction to share positive comments

and areas of concern with trainers so that the results can be utilized in future calls.

Mechanisms for Utilizing Customer Feedback

Once a month, details of inquiries received by our customer support services are digitized and compiled into a report, which is shared with all department managers. We also provide feedback on product quality-related issues to all relevant departments, including the Merchandise Department, Quality Assurance Department, and GOLDWIN TECH LAB, for use in efforts to prevent recurrence and improve quality.

Main Improvements in FY 2022

Improvement of THE NORTH FACE Baltro Light Jacket

We received complaints about the older style of jacket causing fabric to fluff or scuff due to the friction of the hook-and-loop fastener. We responded by changing to a softer hook-and-loop fastener. As a result, fewer complaints about this have been received from customers.



Product Improvements through the Repair Center

Growing concern for the environment and other factors have led to a trend of products being used for longer periods of time. Consequently, the number of repair requests at our Repair Center has also increased. In 2004, we received around 3,500 requests per year, and in FY 2022, this had increased to 19,966. Customers who have requested a repair are asked to complete a questionnaire once their product has been repaired. The results of the questionnaires are provided as feedback to the relevant employees and used for new product development and improvement.

[Examples of Repair Improvements]

Product: THE NORTH FACE Drizzle Jacket

Details: The front zipper is a narrow double zipper, so its slider comes off easily

Improvement: The zipper on the existing product was changed to an open zipper. Customers requesting a repair will have the zipper changed to an open zipper free of charge.

Product: THE NORTH FACE Climb Light Jacket

Details: The slider on the front zipper comes off easily and is easily damaged

Improvement: The same zipper was used for the repair the first time, but on the second request, it was changed to a thicker specification zipper.

UI/UX Improvements on the GOLDWIN WEB STORE

Reflecting customer feedback on our e-commerce website, we are making improvements to the user interface (UI), such as layout, fonts, color scheme, and button placement, as well as the user experience (UX), which is the user's sense of whether their experience using the website is pleasant.

Employee Education on Improving Customer Satisfaction

Recognizing that our employees are the first point of contact in customer satisfaction, we continuously provide various education programs to our employees.

Call Quality Training

Call quality training is provided every year at our customer support services. Each of the 23 staff members listen to about 40 minutes of randomly selected recordings of their phone calls, and together with a trainer, share what areas were good and what areas need improvement. Improvements are then implemented.

Style Photography Training for the GOLDWIN WEB STORE

More and more customers on our e-commerce website are making purchases after viewing “Staff Style” photos of our store staff wearing Goldwin products. We provide staff with training sessions on how to take more intuitive styling photos and videos. In FY 2022, two training sessions were held which were attended by a total of 62 employees.



Future Issues

To grow the GOLDWIN fan base, we will focus our efforts on activities that arise from dialogue with our customers. In particular, we will listen to the valuable opinions of our customers and continue to improve the quality of customer service in our stores, e-commerce website, and customer services, which act as customer contact points. We will also revise our internal systems to enhance information sharing, including with management, so that we can use the valued opinions of our customers not only in improving quality but also in developing future products and services. In FY 2023, we also plan to renew our e-commerce website based on customer feedback to make it even easier and more rewarding for users.

Basic concept

We conduct a wide range of R&D, primarily at Goldwin Tech Lab, in service of our corporate mission to “realize a fulfilling and healthy lifestyle through sports.” Our wide-ranging intellectual capital consists of many elements that comprise our corporate value, including trademark and licensing rights to high added-value sports brands, outstanding creativity to deliver brand value, planning and development capabilities, manufacturing know-how, systems that uphold high quality, store design communicating brand value to customers and sales expertise. Using this intellectual capital, we will continue striving to improve the global environment through unbound imagination and breakthrough innovations that are beneficial to the world, in order to not only develop products in the short term but also to increase our corporate value in the mid- to long term.

Framework for intellectual capital activities in our business

Development Committee

Our Development Committee meets six times a year in pursuit of developing high value-added products specifically with our original technologies and functions. The meetings comprise members selected from across our company and are held for the purpose of maximizing use of our human capital, intellectual capital and other internal resources. The committee also reviews product commercialization, marketing strategy and sales promotions to bring higher-level insights and efficiencies to product planning, and shares know-how across organizations. KODENSHI[®], which was developed in the committee, was used in products worn by Yuichiro Miura in his ascent of Mt. Everest. KODENSHI[®] is now being deployed in development, promotions and other areas across our brands.



KODENSHI[®] fabric offers advanced heat retention performance. It is blended with ultra-fine ceramic particles that absorb far-infrared radiation (body heat) emitted from the skin of the person wearing it and returns the heat to their body.

Patent and Design Subcommittee, Patent and Design Working Group

The Patent and Design Subcommittee meets twice a year to establish our policy and strategy for effectively utilizing our Group's intellectual property. Under it, the Patent and Design Working Group meets four times a year and holds more detailed discussions. The subcommittee and working group share intellectual property information on patents, designs, utility models, know-how and so on, and deliver our distinctive high added-value to customers through our various brand offerings. Through their discussions, the subcommittee and working group strive to effectively and efficiently obtain exclusive rights and protections on intellectual property by making decisions on applying for patents and other actions. This serves to prevent other companies from obtaining the rights and to curtail the availability of imitations.



SMART SEAM® is an original GOLDWIN technology. Creating flat seams to reduce seams' stress on the skin

Service invention program




We have created an incentive program for intellectual property encompassing inventions, original works, ideas and know-how created by employees in the course of their work. Employees who have created intellectual property designated in the Patent and Design Subcommittee are given a cash reward corresponding to the evaluation of the intellectual property. The contribution to our business is also regularly assessed, with cash rewards given accordingly. This program greatly contributes to increasing employee motivation to develop high value-added products specifically with our original technologies and functions, not just functions based simply on relevant laws and regulations.



Motorcycle jacket with air intake at the chest. The jacket is constructed with two layers of zippers at the chest to deliver waterproof performance in the rain as well as ventilation when it's not raining. The jacket brings in a larger volume of air than before to reduce perspiration under clothing.

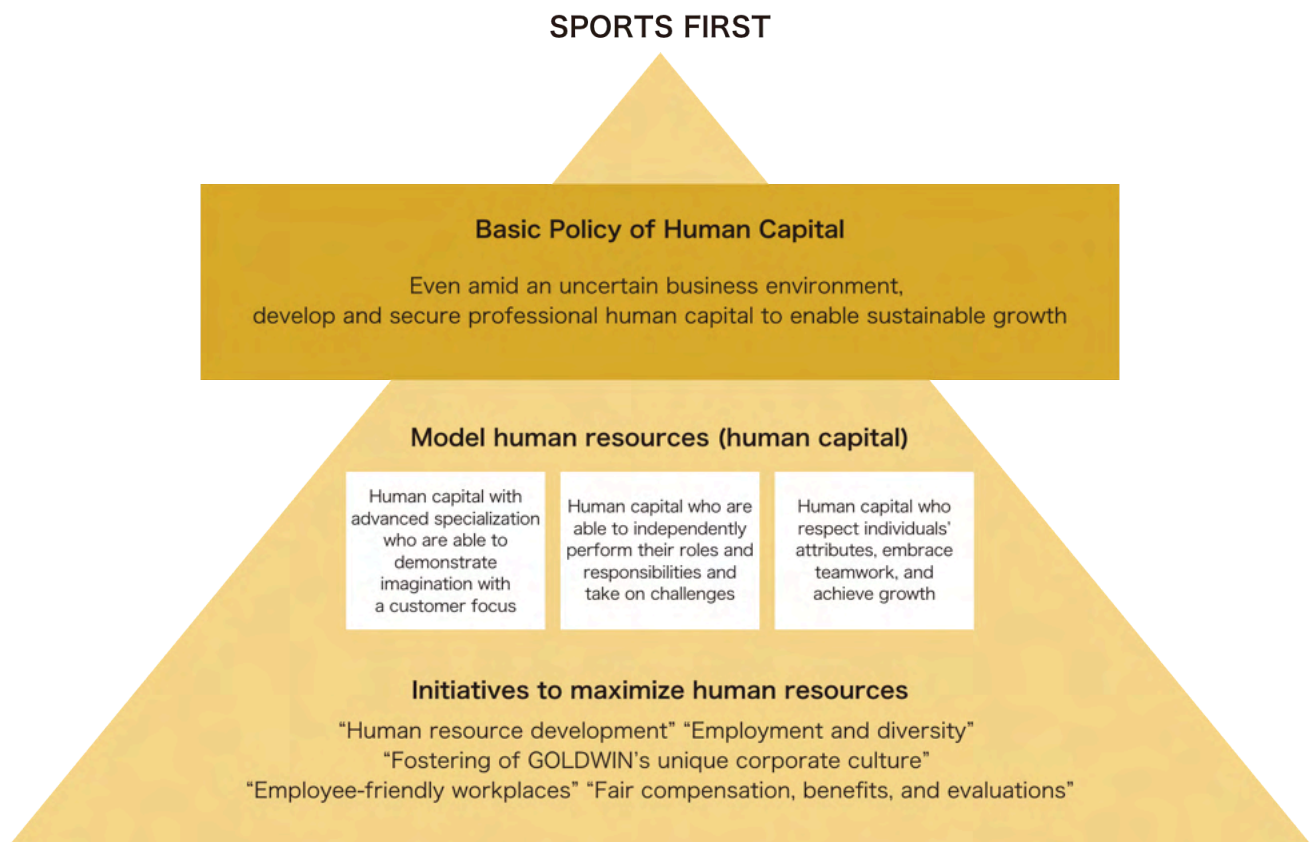
List of our brands

In addition to our original brands, we also operate a multi-brand business that includes brands whose trademark rights we have acquired and licensed and distributor brands. We have formed strategic partnerships with the global parent companies of these brands and operate our business to create brand value on a global scale and further increase this value.

<p>Original brands (GOLDWIN-developed brands)</p>	
<p>Owned brands (brands whose trademark rights we have acquired)</p>	
<p>Licensed/ distributor brands</p>	

Basic Concept

SPORTS FIRST with all employees who work at GOLDWIN—we love sports, understand the power of sports, and share the desire to deliver the appeal of sports to as many people as possible. Our corporate value is achieved through every one of our employees realizing SPORTS FIRST, and this is why aiming to maximize human capital is one of our highest-priority management issues. Even amid drastic social change and a challenging management environment, our Basic Policy of Human Capital aimed at achieving sustainable growth sets forth that, even when conditions are uncertain, we will develop and secure professional human capital to allow us to achieve sustainable growth. The Human Resources Department that leads these efforts aims to achieve the management strategy and vision in terms of utilizing human capital as a strategic partner. In addition, the HR Department aims to be a partner for employees and officers who give comprehensive and attentive support for their self-actualization. In the area of HR management operations, the department conducts various programs with the mindset of seeking higher-level performance and greater efficiency in its managers.



Model HR

To realize our Basic Policy of Human Capital, we have established a set of “model human resources,” which we share throughout the company. Recognizing that these model human resources are the human capital that underpins our corporate value, we are engaged in various measures to maximize them.

1

Human capital with advanced specialization able to demonstrate imagination with a customer focus

Human resources capable of seeing things from the perspectives of others and conceptualizing and promoting new businesses by thinking differently to others and applying high levels of expertise (knowledge and skills)

2

Human capital able to independently perform their roles and responsibilities and take on challenges

Human resources who have a keen awareness of the roles and responsibilities required of them in order to achieve results as a team (organization), who take responsibility for their actions, and who are willing to take on new challenges.

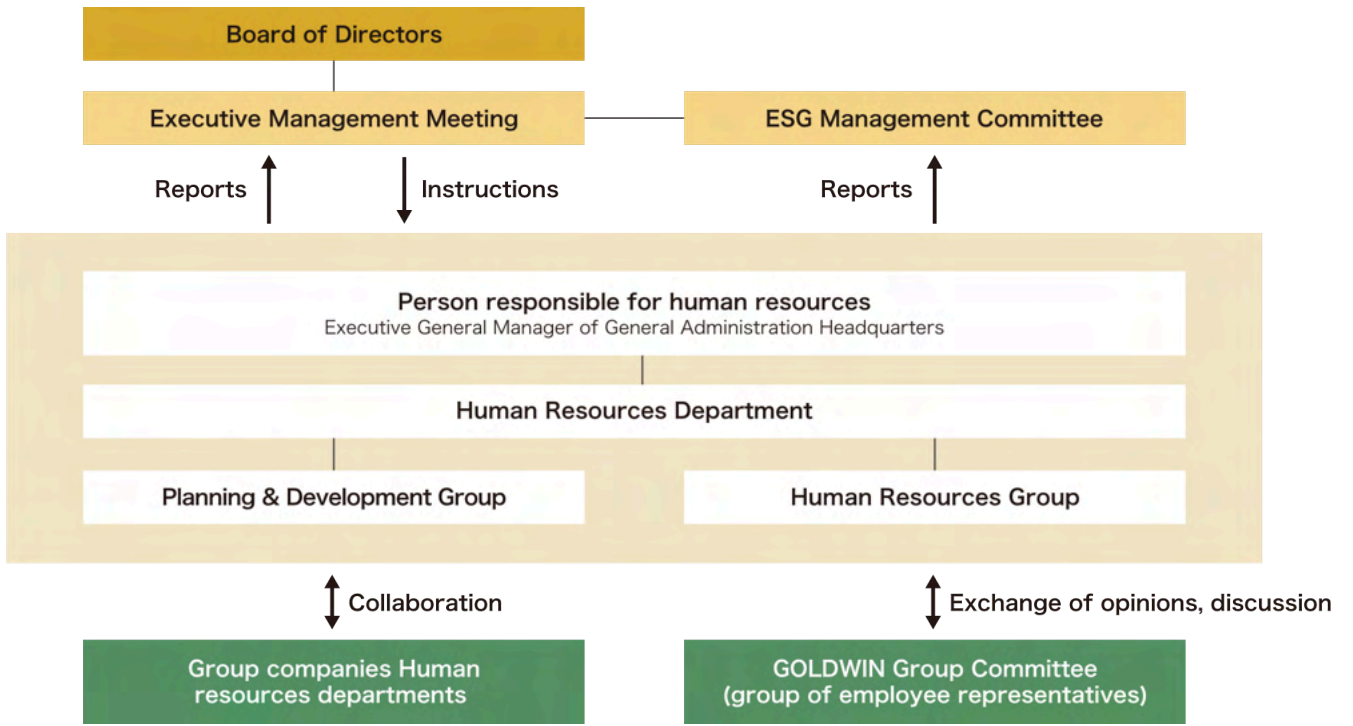
3

Human capital who respect individuals' attributes, embrace teamwork, and achieve growth

Human resources who, in addition to maximizing their individual abilities, take full advantage of the resources of the team (organization), and who promote business from the optimal company-wide perspective

Promotion Framework and Person Responsible

Under the responsibility of the Executive General Manager of the General Administration Headquarters, the Human Resources Department is the main department in charge of the various measures based on the Basic Policy of Human Capital. Each measure is reported to the ESG Management Committee and to the Executive Management Meeting, and oversight and instruction are received from the Board of Directors via the Executive Management Meeting. As well as coordinating with the human resources departments of Group companies, we also consult with the Goldwin Committee—a group of employee representatives—exchanging opinions and discussing improvement plans on working conditions, workplace environments, and employment conditions.



For more details about each measure, see the following pages.

- › Employment and Diversity
- › Employee-Friendly Workplace
- › Talent Development
- › Fair compensation, benefits and evaluations

GOLDWIN's Corporate Culture and Legacy

We are proud of the technical mastery and know-how we have inherited from our predecessors, and preserve their legacy while engaging in our current corporate activities. Our commitment to SPORTS FIRST runs through everything we do, and our employees' lived experience of sports informs our products and services. Since FY 2022, we have been holding President Talk & Training sessions (meetings with small groups of 20–25 employees) where the president and employees engage in direct dialogue to deepen understanding of the company's vision and provide guidelines for action, as well as Chairman Training sessions for mid-career recruits to learn about the company's history and gain awareness. A total of 773 and 211 employees have participated in the sessions, respectively.

Monument Honoring Our Predecessors

GOLDWIN founder Tosaku Nishida raised the Remembrance Monument in Oyabe City, Toyama Prefecture, Japan to honor the accomplishments and memory of our predecessors who overcame many obstacles to build GOLDWIN. Our management team has a tradition of visiting the Remembrance Monument to pay their respects to these predecessors after the shareholders' meeting every year. This tradition not only honors their memory but nourishes in our current leaders the same spirit of determination and passion our predecessors had as we look ahead to our future.



Putting Sharing Information, Sharing Goals, and Sharing the Company into Practice

In past years, we held multi-day training intensives for new employees and senior management at important Shinto shrines and Buddhist temples in Toyama Prefecture, Japan. Traditions at these trainings included early morning cleaning sessions and forging mental strength through lectures and meditation. They were opportunities to focus intently on problems and future issues and how to address them as well as to unite hearts and minds. Today, these trainings take the form of an annual senior management conference to share our management policy, company goals, and other key information. In FY 2022, the conference was held online due to COVID-19, and in FY 2023, a hybrid conference was held on-site and online.



Visits to Ise-jingu Shrine to Give Thanks, Learn Cultural Continuity

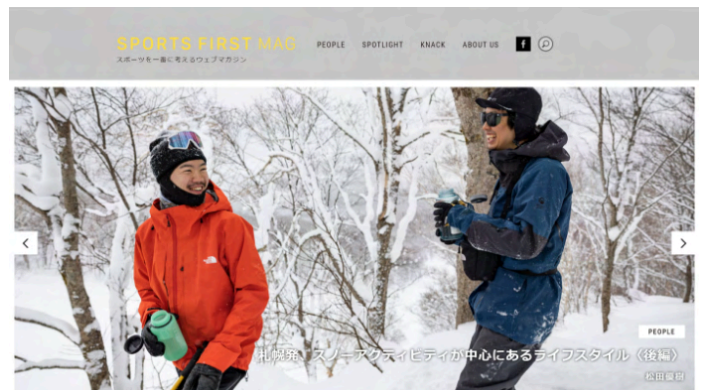
In the words of GOLDWIN founder Tosaku Nishida, “There are things in this world that are greater than any human power. When you feel lost, cleans your soul, banish evil thoughts, and think seriously about what you should do with a pure heart before the gods and Buddha. When you do, you will instinctively see the path forward.” Every year, employees who have reached specific years of age considered unlucky in Japan pay a visit to Ise-jingu Shrine. This is an opportunity for employees to give thanks to their ancestors and family, pray for good health, and learn about the importance of preserving continuity through the history of Ise-jingu Shrine being rebuilt every 20 years. In FY 2021, 51 employees visited the shrine. In FY 2022, 33 employees visited the shrine.



SPORTS FIRST MAG: New Type of Online Media

SPORTS FIRST MAG publishes interviews with GOLDWIN employees and sponsored athletes, profiles of people who live a SPORTS FIRST lifestyle, and articles about the intersection of sports and work and useful information in the world of sports. This new type of sports media highlights people, goods, lifestyles, and work that place top priority on a love of sports instead of ability or physical strength. In FY 2022, the sporting lives of 15 employees were introduced.

> [SPORTS FIRST MAG](#)



Participation of Employees in Various Sports Events

GOLDWIN sponsors events including the ULTRA-TRAIL Mt. FUJI, an international trail running race over 160 km long, and the Toyama Marathon held in Toyama Prefecture. Many of our employees enter these events as competitors and participate as staff and volunteers helping to run the events. These are just a few examples of how we are committed to implementing SPORTS FIRST in our business operations as well.

Achievements in FY 2022

Event	Number of employees participating
Hokuriku Welfare Golf Tournament	24
Toyama Marathon	27
ULTRA-TRAIL Mt.FUJI	42



> [SPORTS FIRST MAG](#) 

SPORTS FIRST AWARDS

The SPORTS FIRST AWARDS program recognizes employees who epitomize SPORTS FIRST, which is both our tagline and our employee code of conduct. Every year, employees vote for the colleagues featured in SPORTS FIRST MAG over the previous year who they feel most personify SPORTS FIRST, with the top three receiving an award plus a cash prize and a special holiday.

In FY 2022, the Gold Award went to Junji Goshima for a magnificent run in the ULTRA-TRAIL Mt. FUJI, an international trail running race that he had always dreamed of running. The Silver Award went to Taishi Goto and the Bronze Award to Shunsuke Moriyama.



Sports Cheer program

The Sports Cheer program is one that provides support for employees involved in sports so that they can set ambitious goals and continue to challenge themselves, rather than simply participating in a one-time event.

The program covers not only sports tournaments, but also employees participating as volunteers or coaches.

Support is provided in the form of financial assistance, products, special leave, and so on, depending on the level of each employee. In FY 2022, 29 employees took advantage of this program.

Goldwin Group Committee (Group of Employee Representatives)

With the exception of stores, a representative employee is appointed at each Goldwin Group business location. The Goldwin Group Committee, whose executives comprise employee representatives, has been established to engage in legally required labor-management consultations as an alternative to a labor union, and has concluded necessary labor-management agreements, including agreements on overtime and holiday work (based on Article 36 of the Labor Standards Act)

Employee representatives are appointed once a year by a vote of all employees (including part-time employees) excluding managers. When implementing major changes that may significantly affect employees, prior notice is given to employees and employee representatives, and decisions are made in consultation with employee representatives.

In FY 2022, as well as providing prior briefing on the evaluation guidelines in the HR system, seven meetings were held to discuss such topics as information dissemination through the COMPASS internal media, support for childcare and nursing care leave, sports events, and sustainability promotion. The Toyama area also held 10 meetings of its own, with discussions on occupational safety and health, community events, and other topics in addition to the above themes.

Future Issues

We will continue to implement various measures based on the Basic Policy of Human Capital, aiming to maximize our human capital. Following operation of the new HR system that launched in FY 2022, from next fiscal year onward, we will focus on ensuring a smooth transition to the new system and promoting better understanding among employees. We aim to improve productivity through the new system, and together with the various system reforms, we will conduct employee satisfaction surveys and revitalize the organization. We also aim to maximize human capital by developing global human resources and promoting diversity based on our management policy.

Basic Concept

We share our prized values of prioritizing sports and the environment, and living life without a boundary between work and play, as we engage in our day-to-day work. These values are connected to the accepting how employees live their lives, work, and think, as well as respecting the unique characteristics of individuals. We have defined this way of thinking in the GOLDWIN Group Policy on Human Rights, and are working to secure diverse human capital with zero discrimination based on sex, nationality, ethnicity, ability or disability, sexual orientation, or other characteristics. Our transition to a job-type HR system in FY 2022 enabled us to operate our HR system with greater fairness, impartiality, and transparency regardless of how long the employee has worked at GOLDWIN, their age, or whether they joined GOLDWIN straight from school or mid-career. We will strive to create an environment in which diverse human capital can utilize their own abilities and experience and make contributions. In FY 2023, we will launch a task force to plan and introduce various systems for implementing human capital management, which is essential for a company's sustainable growth.

Approaches to Ensuring Diversity

The diverse experiences and backgrounds of each employee are what drive the support and growth of our business. In order to achieve sustainable growth and improve corporate value, we believe that it is important to respect the diverse viewpoints and values of our employees, and we actively recruit people with different experiences, skills, and careers, while actively promoting them to core positions, such as managers, area managers, and store managers, without distinction as to whether they are women, non-Japanese, or mid-career hires. We will promote initiatives steadily while establishing specific targets and KPIs and communicating their progress both internally and externally. In FY 2022, we held a briefing session on securing global human resources, and we hired technical personnel with a view to training future leaders at our overseas factories.

Employee data (consolidated)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
No. of employees (persons)	Total	2,526	2,679	2,830	2,861	2,866
	Male	1,174	1,252	1,328	1,364	1,376
	Female	1,352	1,427	1,502	1,497	1,490
No. of non-Japanese employees (persons)		9	9	13	21	22
Average age (years)		39.6	39.7	39.7	39.8	40.5
Average length of service (years)		12.4	12	11.8	11.7	12.1
Ratio of managerial positions (%)	Male	99.3	97.4	95.5	95.4	93.8
	Female	0.7	2.6	4.5	4.6	6.2
Percentage of female executives (%)		7.7	14.3	15.4	16.7	14.3

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
No. of new graduate hires (persons)	Total	31	39	30	34	14
	Male	14	19	18	20	8
	Female	17	20	12	14	6
No. of mid-career hires (persons)	Total	173	137	127	108	33
	Male	96	65	58	48	18
	Female	77	72	69	59	15
3-year retention rate for graduate employees (%)	Total	76.1	71	85.3	80.7	97.4
	Male	81.8	71.4	81.8	71.4	100
	Female	70.8	70.6	87	88.2	95
Number of resignees	Total	215	252	175	214	240
	Personal reasons	197	214	144	186	201
	End of contract term	13	19	22	21	34
	Mandatory retirement age	1	2	1	2	2
	Company reasons	4	17	8	5	3
Turnover rate (%)		7.8	8.6	5.8	7.0	7.7

Employee data by employment contract type (consolidated)

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Ratio of non-regular employees (%)		62.9	64.7	65.7	64.4	65.1
Regular employees (persons)	Total	936	947	970	1,019	1,001
	Male	483	492	503	524	521
	Female	453	455	467	495	480
Contract employees (apart from sales associate positions) (persons)	Total	338	393	433	463	493
	Male	188	207	239	254	262
	Female	150	186	194	209	231
Contract employees (sales associate positions) (persons)	Total	820	905	978	997	972
	Male	399	442	467	474	465
	Female	421	463	511	523	507
Part-time employees (persons)	Total	432	434	449	382	400
	Male	104	111	119	112	128
	Female	328	323	330	270	272
No. of employees (persons)	Total	2,526	2,679	2,830	2,861	2,866

Other

Temporary employees	Total	37	33	44	35	32
	Male	5	2	4	0	1
	Female	32	31	40	35	31

Recruitment Policy

In terms of our recruitment policy, we are looking for a wide range of colleagues who share our values, regardless of gender, nationality, and disability and whether they are a new graduate hire or mid-career hire. “Even amid an uncertain business environment, develop and secure professional human capital to enable sustainable company growth”: having established this as our Basic Policy of Human Capital, to achieve this, we share our “model human resource” throughout the company. Recognizing that these model human resources are the human capital that underpins our corporate value, we are engaged in various measures to maximize them.

1

Human capital with advanced specialization able to demonstrate imagination with a customer focus

Human resources capable of seeing things from the perspectives of others and conceptualizing and promoting new businesses by thinking differently to others and applying high levels of expertise (knowledge and skills)

2

Human capital able to independently perform their roles and responsibilities and take on challenges

Human resources who have a keen awareness of the roles and responsibilities required of them in order to achieve results as a team (organization), who take responsibility for their actions, and who are willing to take on new challenges.

3

Human capital who respect individuals' attributes, embrace teamwork, and achieve growth

Human resources who, in addition to maximizing their individual abilities, take full advantage of the resources of the team (organization), and who promote business from the optimal company-wide perspective

Promotion Screenings

We engage in equal opportunity hiring with a focus on work experience and without distinguishing between the sexes or between new graduates and people in the middle of their career. From our focus on having employees understand our company culture and atmosphere, we have a policy of hiring people in the middle of their careers as contract employees. If they decide in the course of their employment that they would like to work for GOLDWIN long term, they undergo a promotion screening to become a regular, full-time employee. The system enables them to take on this challenge while considering what they want in their career. Promotion screenings involve a recommendation from the employee's boss, followed by submission of a report, a written test, and an interview with corporate officers. Screenings used to be held once a year, but since FY 2022, they have been twice a year, and 71 employees received a change of employment status through the promotion screening system.

Internships

GOLDWIN offers internships as one of its educational support activities for university and high school students aspiring to enter the sports or apparel industries. As well as improving the social issue of youth unemployment, we aim to revitalize the industry by getting them to experience our business, and at the same time, realize that their work creates the future. In the Tokyo area, students spend five days gaining an understanding of the company as well as practical training in sales and manufacturing, and in the Toyama area, students spend three days gaining work experience in production (mainly in the Printing Division).

In FY 2022, 143 students in the Tokyo area and two students in the Toyama area participated in internships.

Women's Advancement in the Workplace

Our SPORTS FIRST philosophy is achieved when our employees' lived experience of sports informs to our products and services. Women's ideas and values are also key to this, and we are focusing in particular on women's advancement in the workplace within our push to create a company atmosphere and conditions that allow all employees to fully unleash their potential. In promoting women's advancement in the workplace, we recognize the issue of a gender gap in terms of aspiring for higher positions. In addition to improving the ratio of women in managerial positions, we are working toward our priority goal of actively promoting women to leadership positions, area managers and store managers, which in turn become

candidates for management positions. In addition, through the development of employee-friendly workplaces, we are promoting flexible work styles so that employees can return to fulltime work after taking childcare leave.

Action Plan for Women’s Advancement in the Workplace

We established an action plan in 2020 based on the Act on the Promotion of Women’s Active Engagement in Professional Life. In FY 2021, we conducted informational interviews based on the work–life balance sheet with women employees who are raising children. As of March 2022, 100% of women employees had taken the interview. In FY 2022, we created a new action plan to further expand opportunities for women’s advancement in the workplace during the three years until FY 2024. We are making additional environmental improvements based on the following three targets.

1. Conduct follow-up interviews with employees returning to work after childcare leave and their managers 100% of the time
2. Increase awareness for career advancement among female employees by 10%
3. Aim for 30% of male employees to take childcare leave through promotion efforts

Results for FY 2022

Target	FY 2022
1. Conduct follow-up interviews with employees returning to work after childcare leave and their managers 100% of the time	Conducted 100% of interviews with employees returning to work after childcare leave; interviews with managers not yet conducted; aim for 100% in FY 2023
2. Increase awareness for career advancement among female employees by 10%	First survey conducted in FY 2022 (36% of respondents had awareness for career advancement (aspiration for management position)); second survey to be conducted in FY 2023 for comparison
3. Aim for 30% of male employees to take childcare leave through promotion efforts	Number of male employees taking childcare leave: 31 Percentage of male employees taking childcare leave: 67.4% Average number of days taken: 18.6 days

› General employer action plan

Career Planning Support for Female Employees

With a view to expanding the number of women in managerial positions, we have held the Women's Chat Meeting for female managers since 2021 to understand the current issues and draw lessons for the future. In the first year, 20 female managers working at GOLDWIN participated online. The workshop started with an explanation by the Human Resources Department on the background and approach to promoting the advancement of women in the workplace, followed by the results of a questionnaire that participants had answered earlier. Group discussions were then held on two topics: How do you feel about being in a managerial position? What do you think is needed to make it easier for female managers to work at the company? and there was a lively exchange of opinions. In FY 2022, two of our external directors, Yuko Moriguchi and Rie Akiyama, were welcomed to the workshop and spoke about how women live their lives, their thoughts on work, balancing work and raising children, and the significance of women working in society. We also shared the results of an earlier questionnaire and asked the two directors their views on job satisfaction, issues in career development, and concerns and difficulties. On the day of the workshop, 14 people participated in person, and 193 online, with many male employees also viewing the event. We will continue to hold training and seminars for female employees to support them in developing their careers.



Results of the questionnaire

Issues in career development (485 responses)

Balancing work and family	24.9 %
Childbirth and childcare	23.5 %
Gender inequality, etc.	17.5 %
Irregular menstruation, menopause, and other changes in hormonal balance	9.9 %
Conception	9.7 %
Nursing care	9.1 %
Inequality based on educational background	5.4 %

Creating Conditions Where Employees with Disabilities Can Make Contributions

We aim to realize an inclusive society where diverse human capital can make contributions regardless of handicapped status. We are working to improve workplace environments so that employees with disabilities have flexibility and can continue working according to the circumstances of

their disability. In FY 2022, 2.42% of our employees had a disability. We also provided Universal Manners training for employees to gain understanding and basic knowledge about not only people with disabilities, but also LGBTQ and other diverse people, and to learn how to support them.

We plan to develop workspaces including at stores and expand employment of people with disabilities. As the groundwork for this, we are holding trainings for managers in phases to build understanding for employing people with disabilities.

Ratio of employees with disabilities (consolidated)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Ratio of employees with disabilities (%)	1.72	2.46	2.63	2.33	2.42

GOLDWIN KAWAGOE FARM and GOLDWIN HANNO FARM Initiatives

With the aim of realizing fulfilling lifestyles through sports and contributing to the development of society, at GOLDWIN, we are committed to the employment and retention of people with disabilities. As part of these initiatives, we opened GOLDWIN KAWAGOE FARM in Kawagoe City and GOLDWIN HANNO FARM in Hanno City, Saitama Prefecture, leveraging the IBUKI service developed by Startline Co., Ltd. providing employment support in indoor farming to people with disabilities. As of March 2023, there are 15 people with disabilities at KAWAGOE and nine people with disabilities at HANNO, who are engaged in growing and processing crops at the farms. At work, staff members wear uniforms made at NEUTRALWORKS. and feel a sense of unity as employees of GOLDWIN Group. The herbs produced at the farms are processed into herb tea and served in the staff canteen at the Tokyo Head Office. They are also used as novelty items at various events and at NEUTRALWORKS. Since 2022, the herb tea has also been on the summer menu at the GOLF CLUB GOLDWIN restaurant. Our human resources staff actively participate in the operation of the farms, providing support and assistance so that employees with disabilities can become get used to their work and remain in their jobs. Going forward, we will promote greater awareness and understanding of these activities within the company, and heighten awareness among employees of the importance of employing people with disabilities.



Reemployment Program for Older Workers

Amid a declining labor force, society as a whole needs to create an environment in which many people can continue to actively work for a long time, regardless of their age. At GOLDWIN, we have established a reemployment program for older workers, rehiring any employees who reach the age of retirement but want to keep working from the end of the fiscal year in which they turn 60 until the end of the fiscal year in which they turn 65. In FY 2022, the number of rehired employees was 158 and the reemployment rate was 82.3%.

Number of rehired older workers and reemployment rate

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Number of rehired employees (persons)	12	29	75	84	158
Reemployment rate (%)	41.3%	54.7%	64.6%	71.7%	82.3%

LGBTQ (Sexual Minority) Initiatives

As part of creating workplaces where individuals are respected and diversity is encouraged, we are focusing on creating an environment that is open and friendly to LGBTQ employees. Our Group policy explicitly prohibits any language or action that is discriminatory on the basis of sexual orientation or gender identity, and we are building understanding for this internally through trainings and other efforts. We make accommodations for LGBTQ employees who express preferences for their work mode, and plan to develop ways for same-sex partners of employees to receive the same treatment as spouses in our HR-related programs.

Future Issues

To be a company that is inclusive and values the individuality of each and every person, we will continue striving to create workplace environments that enable the employment and work of diverse human resources and make the most of their abilities.

An important key to promoting diversity is changing the mindset of employees. Going forward, we will encourage employees to obtain Universal Manners Certification and conduct seminars that include an understanding of LGBTQ issues.

Basic Concept

People are one of our greatest assets, and the growth of our human capital is the source of our company growth. We conduct a broad range of HR development programs based on the belief that developing employees to have high-level perspectives, innovative qualities, and imagination, and sharing a diverse range of knowledge creates a strong organization.

We launched a new HR system in FY 2022 to pass down the GOLDWIN DNA that has become our legacy over more than 70 years and produce human capital to drive business growth. Our newly established HR Management Policy sets forth “Even amid an uncertain business environment, develop and secure professional human capital to enable sustainable company growth” as our Basic Policy of Human Capital. We have defined our model HR based on this, and it also forms the cornerstone of our HR development.

1

Human capital with advanced specialization able to demonstrate imagination with a customer focus

Human resources capable of seeing things from the perspectives of others and conceptualizing and promoting new businesses by thinking differently to others and applying high levels of expertise (knowledge and skills)

2

Human capital able to independently perform their roles and responsibilities and take on challenges

Human resources who have a keen awareness of the roles and responsibilities required of them in order to achieve results as a team (organization), who take responsibility for their actions, and who are willing to take on new challenges.

3

Human capital who respect individuals' attributes, embrace teamwork, and achieve growth

Human resources who, in addition to maximizing their individual abilities, take full advantage of the resources of the team (organization), and who promote business from the optimal company-wide perspective

Talent Development

To support the individual growth of employees, we have established our training system from a long-term perspective. It comprises four main types of training: level-based training, management-level training, selective training, and companywide training. Our HR development programs use a combination of internal and outside instructors and aim to create various opportunities that spark imagination and innovation. In FY 2022, we focused on implementing training for a wide range of employees with the aim of increasing engagement through direct dialogue between top management and employees in order to foster a corporate culture. This included Chairman Training and President Talk & Training sessions. We also launched a new supply chain management training program for select employees to nurture leaders capable of efficiently managing the entire supply chain. In FY 2023, we will expand the program to include a wider range of employees.

Status of taking trainings and total hours of trainings (non-consolidated)

	FY 2019	FY 2020	FY 2021	FY 2022
Annual hours of companywide education and trainings taken	Total of 218 people	Total of 399 people	Total of 309 people	Total of 1,246 people
Total cost of companywide education and trainings	74.51 million yen	77.34 million yen	46.67 million yen	50.25 million yen
Training hours per employee (average)	2.01 hours	2.64 hours	2.39 hours	3.64 hours

Company Level-based Trainings

We provide trainings corresponding to different company levels, from new employees to mid-level employees and managers. We support employees so that they can acquire the skills they need to perform their current job duties with the aim of raising the level of our organization.

Main level-based trainings

Training	Training hours per person (hours)	Participants (person)				Training purpose and content
		FY 2019	FY 2020	FY 2021	FY 2022	
New employee training	78 hours	40	29	34	13	This training is designed to have talent engaged in processes from planning and production to sales at a sports manufacturer, experience jobs other than their own, and leverage this experience in their work. New graduate employees and mid-career hires regularly participate in this training at Goldwin Tech Lab, our R&D center. New employees learn about our corporate history in the archive corner, and learn the basics of manufacturing by practicing sewing to create their own sports apparel.
Mid-level employee training	Not held	22	19	14	Not held	Employees gain an understanding of their own interpersonal style, and study key points in deepening ties with others (social skills in interpersonal relations). Employees gain experience-based understanding of model ways to have a team with strong ties.
Post-promotion training	4 hours	60	49	38	58	Training to improve mindset and motivation, targeting employees promoted from part-time sales positions
Mid-career sales employee training	3 hours	11	43	28	25	Training to improve mindset and motivation, targeting mid-career sales recruits
Basic sales training	38 hours	11	15	15	7	Basic sales training for new graduate sales associates

Management-level Training

Employees in managerial positions receive training to improve the management skills they need to have when managing an organization. With the introduction of the new HR system in FY 2022, we have held evaluator study sessions and feedback interview briefing sessions to ensure a better understanding of the system and to share the evaluation axes.

Key management-level training

Training	Training hours per person (hours)	Participants (person)				Training purpose and content
		FY 2019	FY 2020	FY 2021	FY 2022	
New leader training	Not held	24	23	30	Not held	This training creates the foundational knowledge and base for GOLDWIN managerial positions for employees assuming their first managerial position.
New manager training	21 hours	13	25	16	90	The following three areas form the training curriculum designed to have employees make contributions as managers leading the future of GOLDWIN. (1) The basic roles managers are expected to perform (2) Skills to get the most out of teams, and skills to direct and support team members (3) Self-understanding as a manager
Basic management training	15 hours	—	85	27	21	Training to understand the role of store managers
Middle management training	36 hours	4	0	10	15	A program of 12 training sessions for general managers and above to systematically acquire the management skills needed as business leaders and to cultivate a companywide management perspective
New area manager training	0 hours	0	20	6	0	Training for recognizing the role of area managers in achieving sound store operations
New supervisor training	3 hours	26	30	19	21	Training to learn the supervisor duties of new store managers
Management training	11 hours	Not held	Not held	Not held	126	Training for employees in positions of general manager to improve their management skills (7 sessions in 2022)
Evaluator training for the new HR system	2 hours				126	Evaluator study sessions and feedback interview briefing sessions following the introduction of the new HR system, to ensure a better understanding of the system and to share the evaluation axes

Selective Trainings

We select high-performing employees for strategic development as future management candidates. We encourage them to acquire practical knowledge and specialized skills through various trainings. In FY 2022, we held a two-day, one-night Chairman Training program for mid-career recruits in the Toyama area, where the Toyama Office is located, to better foster a corporate culture. We also held a Supply Chain Management Training program for select employees to nurture leaders capable of efficiently managing the entire supply chain. In FY 2023, we will expand the program to include a wider range of employees.

Key selective training programs

Training	Training hours per person (hours)	Participants (person)				Training purpose and content
		FY 2019	FY 2020	FY 2021	FY 2022	
Selected young employee training	20 hours	6	0	18	6	Program designed to train selected employees in the logical thinking skills that businesspeople should acquire in order to continue to achieve results (problem-solving, communication, decision-making skills, etc.)
IFI training	Not held	1	1	7	Not held	(MD course) Program to acquire knowledge on marketing, branding, merchandising, etc., as well as to learn practical information linked to sales, such as strengthening sales skills, VMD, and inventory control (Store operations course) Program designed to develop store personnel capable of increasing brand assets, including sales promotion, strengthening sales skills, store operations, and VMD
Customer service training	14 hours	0	60	40	80	Training program to learn service styles and to acquire customer service skills that inspire customers
Leader development training	14 hours	0	0	7	19	Training for leaders to learn how to effectively nurture subordinates

Training	Training hours per person (hours)	Participants (person)				Training purpose and content
		FY 2019	FY 2020	FY 2021	FY 2022	
Chairman Training	13 hours				211	<p>A two-day, one-night Chairman Training program is held for mid-career recruits in the Toyama area, where the Toyama Office is located. On the first day, participants listen to a lecture from the Chairman about GOLDWIN's history, before visiting the Remembrance Monument, which honors our predecessors who played a supporting role in the company's development, as well as GOLF CLUB GOLDWIN. On the second day of training, after visiting GOLDWIN Logitem, which is responsible for our Group's logistics function, participants listen to a lecture about manufacturing with top athletes, before taking part in technical training on printing and sewing at GOLDWIN TECH LAB as an opportunity to get firsthand experience in manufacturing. The training program is designed to allow employees to experience GOLDWIN's history and corporate culture, and to understand our technological strengths.</p>

Companywide Trainings

We have developed various training programs for all employees. We encourage employees to take these trainings to help strengthen our HR capabilities. In FY 2022, the president of GOLDWIN held President Talk & Training sessions to heighten engagement through direct dialogue and exchange of opinions with employees. Training was held in groups of 20–25 and targeted employees in non-sales positions. In FY 2023, the training program will be expanded to include sales associates.

Companywide Trainings

Training	Training hours per person (hours)	Participants (person)	Training purpose and content
		FY 2022	
President Talk & Training	2 hours	773	A program designed to instill GOLDWIN's philosophy by having the president communicate and share the company's philosophy and vision for the future directly with employees

Other Training Programs

School of S²AT

GOLDWIN has been running the School of S²AT since November 2020. S²AT stands for Sports, Science, Art, and Technology. Described as an in-house university for all employees, the aim of this original training program is to nurture the creativity of each and every employee. The program regularly invites people who are active at the forefront of their respective fields, and is facilitated by employees to refine their intuition and sensitivity through various hands-on experiences in the field. In FY 2022, a total of six online training sessions were held.



Overseas language training

To develop global human resources who will support our business overseas, we invite regular employees and contract employees (including sales associates) who have been with GOLDWIN for three or more years to participate in our overseas language training program. Applicants need to be recommended by their supervisors to apply, and following a document screening and interview process, final selections are made by the Executive Management Meeting. The departments to which selected employees will be assigned upon their return to Japan are decided in advance. They then spend six months living with a local family while improving their language skills and gaining experience working at a local Goldwin store. Between FY 2018 and FY 2020, two employees took advantage of this training program. So far, the program has been implemented in the US. The program has been suspended since FY 2022 due to the COVID-19 pandemic, but is scheduled to resume as soon as the situation allows.

“GREEN IS GOOD” sustainability workshop

Under a banner of “GREEN IS GOOD,” GOLDWIN aims to reduce its environmental impact and develop environmentally friendly products. By developing products and adopting mechanisms that are considerate to the environment, we strive to make contributions, however small, to the creation of a sustainable society. We hold regular sustainability workshops to unify our approach toward the environment and to proactively apply it to our future product planning. In addition to holding lectures on environmental issues, we also run workshops on different themes each time to raise awareness for the environment. In FY 2022, a lecture and workshop on GREEN IS GOOD was led by the GOLDWIN Group Committee, a group of GOLDWIN employee representatives. Kenji Takasugi of JEPLAN, INC. was invited to talk about environmental issues related to clothing and about the process from collection to recycling. In the workshop, based on the content of Takasugi’s lecture, participants experienced the task of sorting

clothes by looking at the composition labels of actual clothing placed in the collection boxes set up in our stores. The COVID-19 pandemic meant in-person participation was limited to 19 sales associates and 17 office workers, with other employees participating online or watching the archived workshop after the event.



Universal Manners training

The diverse experiences and backgrounds of individual employees are the driving force supporting and growing business. At GOLDWIN, we have been promoting diversity inclusion based on the belief that respecting diverse perspectives and values is important to achieving sustainable growth and improving corporate value. As part of our efforts in FY 2022, we held training in universal manners for participants to gain understanding and basic knowledge of people with disabilities, LGBTQ people, and people from other diverse groups, and to learn how to support them. Toshiya Kakiuchi, Representative Director of the Japan Universal Manners Association, was invited to present a lecture to all employees on the theme “Barrier Value: Transforming Barriers into Value.” The talk was presented online and archived for viewing later. In FY 2023, we will also be subsidizing employees to take the Universal Manners Certification Level 3 course.

“Sales Convention” customer service role-playing contest

The GOLDWIN Group has placed a strong emphasis on interactive communication, proposing new experiences to customers by directly informing them through point-of-sale interactions at directly managed and self-managed stores about the functions and uses of the products it plans and develops, as well as about situations in which its products should be worn and precautions that should be taken. One way that we aim to improve the customer service skills of our sales staff is through our annual “Sales Convention” customer service role-playing contest. The convention was shelved in FY 2022 because of the COVID-19 pandemic, but is scheduled for resumption as soon as the situation allows.



Training for overseas assignees

GOLDWIN Group provides pre-deployment training for employees who have been selected for overseas assignment. Apart from language training, participants undertake comprehensive learning about the various procedures for passports, visas, insurance, medical checkups, and so on, as well as about life in general on assignment, such as housing and education for children. There were no overseas assignments in FY 2022 because of the COVID-19 pandemic, but they will be resumed as circumstances allow.

Career Development Support for Employees

GOLDWIN provides a variety of support, such as through workshops and interviews, as well as assistance for skills testing, to help employees develop their diverse talents and achieve their career aspirations. We also have a system in place that makes it easier to reflect the wishes of employees when deciding where they are assigned. Another way we support the further career development of our employees is by subsidizing their fees for various certifications and qualifications aimed at improving their manufacturing techniques and skills and improving the quality and performance of our textile products. In FY 2023, we also plan to establish a system that backs up the career development of employees by increasing the number of interviews employees have with their supervisors each year from two to four.

Career and Development (C&D)

Once a year, GOLDWIN has all employees in positions of general manager and below (including contract employees) fill out a career development card. It is an online questionnaire that asks employees about their views on their own careers and about work-related challenges. The questionnaire also includes items related to staff transfer requests, which are used as a basis for companywide personnel allocations. Career development cards allow employees to tell the company how they want to work in the future and to be proactively involved in selecting the department and location where they work.

In FY 2022, 103 office workers and 161 sales staff put in transfer requests, of which 17 were relocated to the department of their choice.

Internal Recruitment System

When launching a new department, we conduct internal recruiting as required so that the desired personnel can be assigned to it. Applicant employees are rigorously selected from among those who are determined to meet the necessary criteria for the work following a screening by the new department and by the Human Resources Headquarters. Internal recruiting occurs irregularly and was not conducted during FY 2022. As a transfer mechanism that places emphasis on the wishes of employees, we plan to conduct internal recruiting from FY 2023 onward, depending on circumstances.

Assistance with skill tests, etc.

GOLDWIN supports the further career advancement of its employees by subsidizing the examination fees for various examinations and qualifications with the aim of improving their manufacturing abilities and skills and the quality and performance of fiber products.

List of subsidized certifications and qualifications

Certification/qualification	Frequency	Subsidy	Number of currently certified employees	Employees certified in FY 2022
Ready-Made Womenswear and Childrenswear, Grade 1 and Grade 2	Once every year	Company subsidizes 50% of the examination fee	23	2 x Grade 1, 1 x Grade 2
Textiles Evaluation Specialist (TES) examination		Company subsidizes 100% of the examination fee	90	7
Ready-Made Womenswear and Childrenswear Pattern Making, Grade 1 and Grade 2	Once every 2 years	Company subsidizes 50% of the examination fee	10	0
Sewing Machine Maintenance, Grade 1 and Grade 2		Company subsidizes 50% of the examination fee	41	2 x Grade 1, 3 x Grade 2

Career Counseling Office and Career Workshops

Employees are given regular career consultations in order to 1) be able to objectively view their own situation in the context of social changes, 2) become aware of and understand the changes and apply them to their own situation, and 3) have opportunities to consider their own strengths and skills to survive and thrive in the future.

We also hold age-specific career workshops once a year for employees aged 50 and 55, 40 and 45, and 30 and 35, providing them with an opportunity to reflect on their own careers according to their specific stage in life.

In FY 2022, 32 50-year-old and 15 55-year-old employees attended the 50s Career Workshop (32 50-year-old and nine 55-year-old employees attended the follow-up session); 20 40-year-old and 14 45-year-old employees attended the 40s Career Workshop (14 40-year-old and 10 45-year-old employees attended the follow-up session); and 17 30-year-old and 12 35-year-old employees attended the 30s Career Workshop. Furthermore, the Career Counseling Office offers individual meetings with career consultants throughout the year for anyone interested.

Feedback from users

(Helpful comments)

Comments from employees in their 30s

- With more and more people working remotely and joining the company mid-career, it was nice to be able to connect with people about my age from other departments.
- It was useful to learn about the attitudes and approaches to work by people of the same age.
- I was able to get my head around my own career, not only by input, but also by output, especially in group work, and through feedback from the instructors and other participants. I feel that the output was especially good.

Comments from employees in their 40s

- Looking back on my career, I was able to rediscover my own strengths. I gained new perspectives by talking to people with various different careers and to similarly aged people from other divisions within the company.
- It was good that I could reframe and reflect on my own career through communicating with the group. It was also good to learn about people from my generation.
- At this age, we are not new graduate hires, so there were many things I could relate to, realize, and learn from.

Comments from employees in their 50s

- It was an opportunity to think about how I work and how I feel in my 50s.
- It was a good opportunity for me to re-examine my own past career and to think about how I will spend the next 10 years from various perspectives.
- I was able to reaffirm my own past career. Also, hearing about the concerns and thoughts of others in my generation was both reassuring and helpful to me.

Future Issues

Under the new HR system that we started in FY 2022, we are putting effort into presenting the company's development policy and model HR more clearly to employees. In order to maximize human capital, we aim to run a system that accelerates the self-development of employees and inspires them to take on challenges, by proactively providing training designed to develop potential and creating an environment in which individual employees can consider their own career development. We will also inform every employee in a clear and simple manner what support measures are available for them.

Basic Concept

Viewing human capital as one of our greatest assets, we have shared our prized values of prioritizing sports and the environment and living life without a boundary between work and play. We must continuously provide support along with the times so that all of our employees can evolve while mobilizing their talents to the fullest and continuing to work with a sense of satisfaction. Based on the fact that employees are in different stages of life and have different needs for how they work, we are focusing on developing and operating programs that offer employees a high degree of freedom. By creating an environment in which employees can concentrate on their work with peace of mind, we aim to increase the overall productivity and performance of our workplaces.

Promotion of Work-life Balance

We are committed to preventing overwork and increasing the rate at which employees take annual paid leave in order for them to achieve work-life balance and appropriate working hours that allow them to work in good health and with a sense of fulfillment.

Preventing Excessive Work

Starting in FY 2020, we conducted a review to drive work efficiency improvements. Through the introduction of network restrictions and a telework program, we are taking steps to reduce overtime work for all employees. In terms of managing working hours, PC startup and shutdown times are recorded daily, and the log data is delivered to supervisors automatically to raise their awareness of how their subordinates work. If any employees work in excess of a certain benchmark, the Human Resources Department reaches out to the managers and supervisors of the relevant department and requests that they establish remedial measures.

To develop a flexible work environment and promote the prevention of overwork, we introduced staggered working hours in FY 2021 and launched part-day paid leave in FY 2022. Also in FY 2022, despite efforts to reduce annual overtime hours for all employees, working hours increased as our business expanded, resulting in annual overtime of 155.5 hours per employee. In view of this, we are promoting further efforts to reduce working hours in FY 2023. Specific measures include integrating computer login times with time and attendance (time card) times and rendering a visual representation of the results.

Trends in employee overtime hours are also reported once every three months to the ESG Management Committee.

Annual working hours per employee

	FY 2019	FY 2020	FY 2021	FY 2022
Annual total working hours per employee	1,829.0 hours/year	1,830.9 hours/year	1,788.9 hours/year	1,802.8 hours/year
Annual hours of overtime work per employee	179.9 hours/year	137.9 hours/year	145.2 hours/year	155.5 hours/year

Improving the annual paid leave utilization rate

We are working to improve the rate of annual paid leave taken in order to maintain and improve employee health and to create employee-friendly workplaces. Each department has set a target of achieving an annual leave utilization rate of at least 75%, with the head of the department taking responsibility for promoting the use of paid leave. A list of annual leave utilization by department is circulated every month, and the rate of progress is shared companywide. The annual paid leave utilization rate for FY 2022 was 83.3%.

Annual paid leave utilization rate (non-consolidated)

	FY 2019	FY 2020	FY 2021	FY 2022
Paid leave utilization rate	84.0%	79.7%	85.8%	83.3%

Support for Balancing Work and Childcare/Caregiving

We provide employees with various kinds of support so that they can balance work and childcare and/or family caregiving. In terms support for childcare in particular, we have enhanced systems beyond statutory requirements, including allowing employees to work shorter hours until their children start fourth grade at elementary school. In addition, regarding childcare leave and other programs, we ensure that each employee who is pregnant or whose spouse is pregnant is familiar with these programs and we confirm their intentions. In FY 2022, following revision of the Childcare and Caregiver Leave Act, we introduced a leave program for childcare at birth from October. Prior to the start of the program, to help expand the program and create a culture within the company, we held two separate seminars encouraging male employees to take childcare leave, one seminar for managers and one seminar for all employees. Since the new system limits employees as to when and how long they can take leave, it offers employees more options, such as taking regular childcare leave beyond the limits of the childcare leave at birth program, and contributes to an increase in the number of employees taking childcare leave. In FY 2023, we will also conduct an employee survey on work comfort and use that feedback to further improve the workplace environment for employees.

Use of programs

Program		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
No. of employees using childcare leave program (persons)	Male	0	3	7	13	31
	Female	24	28	33	52	44
Average length of childcare leave taken (days)	Male	0	111	33	26	19
	Female	337	324	351	238	372
Percentage of employees returning to work after childcare leave (%)	Male	0	100	100	100	100
	Female	95.8	96.4	94.7	96.8	94.6
No. of people using shortened work hours for childrearing program (persons)	Male	0	0	0	2	1
	Female	9	20	26	26	35
No. of employees using the short-term caregiving leave program (persons)	Male	5	7	11	10	10
	Female	7	9	13	20	18
No. of people using caregiving leave program (persons)	Male	0	0	0	2	0
	Female	1	0	0	0	1
No. of people using shortened work hours for caregiving program (persons)	Male	0	0	0	0	0
	Female	0	0	0	0	0
Number of employees using the short-term nursing care leave program (persons)	Male	9	20	24	53	71
	Female	41	58	97	96	117

Other support programs and number of users

Program	Overview	No. of people using the program in FY 2020 (persons)	No. of people using the program in FY 2021 (persons)	No. of people using the program in FY 2022 (persons)
Maternity leave	Leave program for the period from 46 days before the due date to 56 days after the birth	28	51	33
Spousal labor leave	Program to grant special leave to attend spouse's labor	22	21	14
Childcare leave at time of birth	A separate system than the childcare leave program that allows employees to take leave of up to four weeks within the eight-week period after the birth of their child	-	-	6
Support for daycare fees paid to more than one provider	Program to subsidize daycare fees so that parents can continue to work full-time	0	0	0
Parking fee assistance	Program to assist with parking fees for daycare drop-off and pick-up	1	0	1

Seminars Encouraging Men to Take Childcare Leave

In FY 2022, following revision of the Childcare and Caregiver Leave Act, we held two separate seminars encouraging male employees to take childcare leave, one for managers and one for all employees. Designed to help expand our childcare leave programs and create a culture of childcare leave within the company, the hybrid seminars were held in April both in-person and online. Subsequently, the percentage of male employees taking childcare leave reached 67.4%. We will continue to improve the workplace environment making it easier for male employees to take childcare leave, such as by disseminating easy-to-understand information on the programs and by facilitating understanding among employees.

Past seminars

Type	Duration	Participants	Description
For managers: Seminar Encouraging Male Employees to Take Childcare Leave	About 1 hour	Approx. 400	Video promoting childcare leave; Why paternity leave?; Changing social environment; Current state of men taking childcare leave; Team management of the future; Childcare leave programs
For all employees: Seminar Encouraging Employees to Take Childcare Leave	About 45 minutes	Approx. 3,100	Video promoting childcare leave; Childcare leave programs; Impact of taking childcare leave on others; Creating a workplace that is conducive to taking childcare leave

Comments from a seminar participant

(Manager working at Tokyo Head Office)

The phrase “mandatory childcare leave for men” has been increasingly reported in the news and other media, but it was only after attending this seminar on encouraging employees to take childcare leave, that I understood that the phrase does not mean the obligation of individuals to take leave but rather the obligation of companies to explain the programs to those who are eligible.

I also understood that not everything can be solved by employees taking leave under these programs. We need to consider the best way forward in consultation with others according to the situation at work and at home.

As a manager, I will keep in mind that employees returning to work from childcare leave are a great asset, and I will continue to improve the workplace environment based on the ideas that childcare and caregiver leave programs are essential for an aging society with a declining birthrate and that good talent will be attracted to companies that provide a good environment.

Comments from a male employee who actually took childcare leave

(Sales staff)

I thought about taking childcare leave because I was concerned that, if my wife had our baby back at her parent’s hometown, it would be difficult for me to see the child every time I had time off and we would end up spending less time together. Another key factor was that I wanted to take part in caring for our baby for the limited time that they are a newborn. However, because no one around me at work had actually taken childcare leave, and because there was little information available, I was worried it might affect our finances and my career. I took the plunge to consult with my supervisor and took childcare leave. As a result, I was able to achieve work-life balance, and my vague concerns about creating a future career were allayed. And I have become more familiar with our products for kids!

I hope more employees take advantage of this program, because there are many things you do not appreciate unless you are around your family.



Seminar for managers



Seminar for all employees

Parent’s Consultation

In June 2021, we established a “Parent’s Consultation” support desk for employees who are raising children. Until now, in accordance with the Japanese Act on the Promotion of Women’s Active Engagement in Professional Life, we had been enhancing support for female employees who had reached the childbirth/childcare stage of life, and with the establishment of this support desk, one of our main objectives is to accelerate the participation of male employees in raising children. In FY 2022, we endeavored to inform employees of the programs available to them and to promote their use of the programs, such as through distribution of an internal e-newsletter and flyers and one-on-one consultations.

FY 2022 consultations

Period: April 2022 – March 2023,

Number of consultations: 240, Method of consultation: 70% by phone and 30% by email

Timing of consultation	Number of consultations	Subjects
Before maternity leave	30%	<ul style="list-style-type: none"> • Explanation about leave programs, benefits, and how to apply • What to do before maternity leave • When to start maternity leave • Paternity leave • Consultation about health problems before maternity leave
When extending childcare leave	20%	<ul style="list-style-type: none"> • Consultation about not finding an opening at daycare and extending childcare leave • Certificates of employment • Consultation about when to return to work
Before taking childcare leave, male employees	20%	<ul style="list-style-type: none"> • Programs, benefits, and applications • Childcare leave at birth • Consultation on when to take leave and for how long • Exemptions for social insurance premiums
Advice after returning to work	20%	<ul style="list-style-type: none"> • Working shorter hours • Consultation about working after children enter elementary school

Creating Rewarding Workplaces

GOLDWIN is focused on creating workplaces where employees can enjoy working and can demonstrate their abilities with pride and a sense of solidarity. In order to put into practice our policy of prioritizing sports and the environment and living life without a boundary between work and play, it is essential that we respect the values of our employees and create an environment where they can choose diverse work styles. By pursuing rewarding workplaces that reflect GOLDWIN's unique character, we will increase employee engagement which will lead to sustainable growth.

Introduction of programs that aim to improve job satisfaction

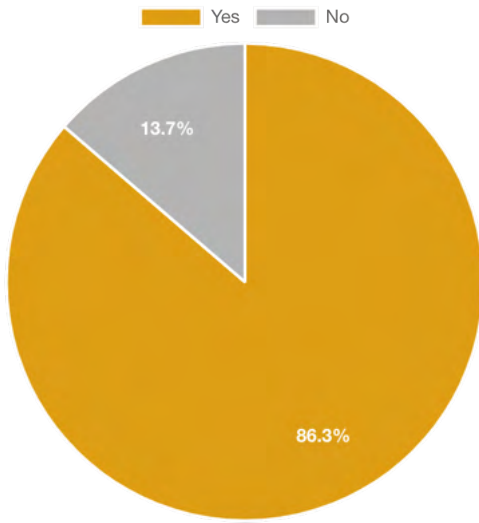
Program	Outline	FY 2022 results
Long-term service program	A program that provides time off work and cash prizes to employees who have worked for a long time. Different benefits are set for 10, 20, 30, and 40 years of service.	10 years of service: 44 employees 20 years of service: 8 employees 30 years of service: 42 employees 40 years of service: 53 employees
Vacation holiday time	A program that allows sales associates to take 10 consecutive days of leave. By combining with personal leave, employees are able to take up to 14 days of leave. Employees are encouraged to use the leave for recreation or spending time with family, etc.	Of the 867 eligible employees, 834 requested to take leave, and 830 took leave (utilization rate: 95.7% of eligible employees, 99.5% of employees who requested to take leave)
Sports Cheer program	A program that provides support in the form of financial assistance, products, special leave, etc. to employees who, rather than simply participating in one-time events, set themselves high goals and engage in sports activities or volunteer or coach at tournaments on an ongoing basis.	29 employees

Promotion of Diverse Work Styles

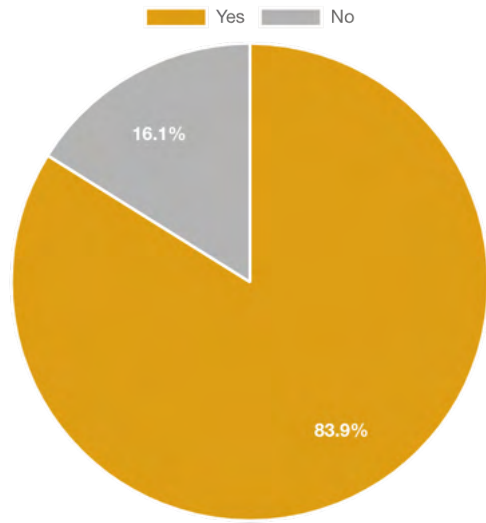
As individual employees have diverse needs in terms of work styles, we believe that giving employees greater flexibility in when and where they work will result in improved work efficiency and productivity. We have launched various programs that support diverse work styles so that all employees can have greater job satisfaction and opportunities for personal growth. In FY 2022, GOLDWIN introduced a part-day paid leave program in addition to the existing staggered working hours program. We subsequently conducted a survey of all employees, including those at Group companies, on work comfort, and received responses from 65% of employees. The results of the survey revealed various issues, such as increasing awareness of the program, creating a workplace environment that is conducive to employees taking the leave, and improving the application process. In FY 2023, we will leverage that feedback as we strive to create an even more comfortable workplace environment.

Some of the survey results

Do you think the staggered working hours program has led to greater work comfort?



Do you think the part-day paid leave program has led to greater work comfort?



If you found using the programs difficult, please tell us why.

- The advance application system is difficult to use
- I cannot use the program due to my work or job type
- The vibe in my department; No one is using the program
- There seems to be a gap with how my supervisor perceives the program
- There is no great awareness for the program itself.
- I wish time and attendance could be managed using the company smartphones.

Programs that support diverse work styles

Program	Outline	Eligibility
<p>Paid leave available in half-day and hourly increments</p>	<p>[Objective] To allow workers to flexibly take leave to accommodate various circumstances</p> <p>[Details] Workers can take paid vacation in half-day increments, and in hourly increments for up to five days per year</p>	<p>Regular, contract, and part-time employees</p>
<p>Program allowing side work</p>	<p>[Objective] 1) Employees acquire expertise and skills not obtainable within GOLDWIN 2) Employees expand business opportunities at GOLDWIN through acquisition of new expertise and information as well as personal connections created outside GOLDWIN 3) Cultivation of employees' autonomy and independence, attracting outstanding talent, and preventing them from leaving GOLDWIN</p> <p>[Details] 1) Sole proprietor-type side work 2) No possibility of leaks of confidential company information 3) No competitive relationship with GOLDWIN's business 4) For side work outside of standard working hours to be permitted, it cannot negatively impact the employee's health or work efficiency</p>	<p>Regular and contract employees who have received permission to perform side work</p>
<p>Telework</p>	<p>[Objective] For the purposes of new value creation, contributing to company revenue through improved productivity, and accommodating needs for employees to have more latitude in their daily activities and for contingencies including disasters and infectious diseases</p> <p>[Details] Employees use information and communication technology tools to perform work in locations other than GOLDWIN offices</p> <p>1) Work from home 2) Mobile work 3) Satellite offices</p>	<p>Of regular, contract and part-time employees, those persons who have received permission to perform their work via telework</p>
<p>Satellite offices</p>	<p>[Objective] Accommodate diverse working styles by providing work spaces for employees for whom telework at home is not feasible</p> <p>[Details] GOLDWIN contracts with a company that operates satellite offices, and allows employees who have made a request in advance to use them</p>	<p>Employees in certain regions</p>
<p>Staggered working hours</p>	<p>[Objective] 1) Improve work efficiency and productivity, and reduce overtime work 2) Rethink career development by expanding options for work styles.</p> <p>[Details] Prescribed working hours remain the same, but upon prior application and approval, employees are able to choose when they start and finish work within a predetermined range</p>	<p>Regular and contract employees (excluding sales associates, GOLDWIN Development Inc., GWL, nanamica)</p>

Program	Outline	Eligibility
Part-day paid leave	<p>[Objective]</p> <p>1) Improve work efficiency and productivity * Part-day paid leave can be taken during prescribed working hours without using one-day or half-day paid leave 2) More options for work styles</p> <p>[Details]</p> <p>Instead of just the existing arrangements of taking time off from the start of the day or before the end of the day, employees will also be able to take paid leave at any time during work hours. Paid leave will still be able to be taken for 1 or 2 hours per day.</p>	Regular and contract employees (excluding BW)

Introduction of Robotic Process Automation (RPA)

With an aim of improving work-life balance, GOLDWIN is proceeding with the automation of work that can be replaced with robotic process automation (RPA) to reduce overtime hours and alleviate long working hours, creating a workplace for employees that is more comfortable than ever before. RPA is a technology that uses software robots instead of human workers to automatically process standard computer-based business processes that were previously performed manually by people. This drastically reduces human error in simple or high-volume routine work, and leads to an alleviation of long working hours and a reduction in the psychological burden on employees. In addition, any time saved from the introduction of RPA can be applied to high-value-added work that can only be performed by people, resulting in an expected increase in productivity. Led by our Information Technology Department, we are holding regular meetings with RPA personnel from human resources, finance, accounting, production management, ecommerce, general affairs, and other departments to discuss the introduction of RPA. Since beginning to introduce RPA in FY 2019, the number of departments adopting the technology (1) has tripled from four to 12, and the number of business operations using RPA (2) has increased from 12 to 40, a 330% increase. The number of people involved in RPA training to support this technology adoption (3) has increased from 12 to 29, a 240% increase, and the scale of activities is steadily expanding. In addition, the number of hours saved per adoptive department (4) has increased from 200 hours to 719 hours, a 350% increase, and the total number of hours saved has increased from 800 hours to 8,941 hours, an 11-fold increase.

Key indicators	FY 2019	FY 2020	FY 2021	FY 2022
(1) Number of departments adopting RPA	4	7	9	12
(2) Number of RPA business operations	12	22	31	40
(3) Number of people in RPA training	12	17	20	29
(4) Number of hours saved per adoptive department	200 hours/dept.	641 hours/dept.	830 hours/dept.	719 hours/dept.
Total number of hours saved	800 hours	4,491 hours	7,471 hours	8,941 hours

Main examples

(1) Aggregation of orders received after exhibitions

The aggregation of orders received after the end of our semiannual exhibitions used to be entered manually. The person in charge had to aggregate about 50,000 lines of data while performing their regular duties, so it took about four months to complete and caused an increase in workload. By adopting RPA for the order data retrieval and aggregation processes, the person's workload has been reduced, in effect, saving about 400 hours per year.

(2) Confirmation of work attendance

Teleworking was recommended due to the impact of COVID-19, but in order to manage attendance properly, it was necessary to check the

discrepancies between each employee's computer login and logout times and their individually reported work start and finish times. Using RPA enabled the Human Resources Department to manage attendance this way, which had not been done before, and to confirm each employee's exact start and finish times. Adopting this technology had the effect of saving about 1,700 hours per year.

Support for Planning Life after Retirement

In this era of 100-year life expectancy, planning for life and putting that plan into practice is important in order to maintain a fulfilling lifestyle after retirement. At GOLDWIN, based on this belief, we regularly hold Life Plan Seminars for employees in their 50s and older.

Life Plan Seminars

These workshop-style seminars are designed to help participants understand their current financial situation and to think about and implement lifestyle planning for the future. In addition to an explanation about our company pension plan and other systems, as well an overview about social insurance, public pensions, and their procedures, participants calculate a post-retirement family budget. We calculate the money needed to lead a fulfilling lifestyle, and provide support for lifestyle planning for the future while employees are still working. In FY 2022, the seminar was held in an online format. It was attended by 50 participants, and archived for streaming.

Other Welfare Benefits, etc.

Initiatives of the GOLDWIN Health Insurance Society

The GOLDWIN Health Insurance Society also provides a variety of welfare benefits and health services to support insured employees and their families in maintaining and promoting good health and in improving their lives.

Assistance for vaccinations

Vaccinations for influenza have been subsidized, and from FY 2022, assistance has been expanded to cover vaccinations for diseases provided for in the Immunization Act. One subsidy is available for each disease per year.

Influenza, diphtheria, tuberculosis, polio (poliomyelitis), Hib infection (Hemophilus influenza type B), measles, pneumococcal infectious disease, rubella, human papilloma virus infection, Japanese encephalitis, chicken pox (varicella), tetanus, rotavirus, whooping cough (pertussis), and hepatitis B

Assistance for household medicines

50% subsidies (up to 5,000 yen) are provided for discounted household medicines (pharmaceuticals excluding nutritional supplements, sanitary products, health foods, cooling materials, adhesive plasters, etc.). Subsidies are available twice per year.

Assistance for infertility treatment costs

From FY 2022, out-of-pocket expenses for infertility treatment are fully subsidized. Subsidies are available six times for women under 40 years of age and three times for women aged 40 to 42.

Launch of HELPO online health consultation service

The HELPO online health consultation service was launched in FY 2022. Free advice from doctors, pharmacists, and other medical experts is available 24 hours a day 365 days a year. Employees can also search for basic information on nearby medical institutions and use the online treatment services of medical institutions.

Health guidance for young adults

From FY 2022, health guidance is available specifically for employees (aged 35–39) who are eligible for lifestyle-related disease screening at the time of health checkups.

Assistance for using sports facilities

From FY 2022, 50% subsidies (up to 3,000 yen) are provided for using sports facilities nationwide. Subsidies are available twice per year.

Assistance for using recreational facilities

From FY 2022, subsidies (up to 5,000 yen per person) are provided for using rest and recreation facilities nationwide. Subsidies are available once per year.

Future Issues

GOLDWIN will continue to strengthen its efforts to create employee-friendly workplaces for its diverse workforce. We believe it is important to present to our employees what we value and what support activities we focus on by clarifying our KPIs and specific goals. We will disseminate the programs we have developed in a way that is easy to understand, establish operational systems to ensure that eligible employees can make use of the programs when necessary, and expand the number of users.

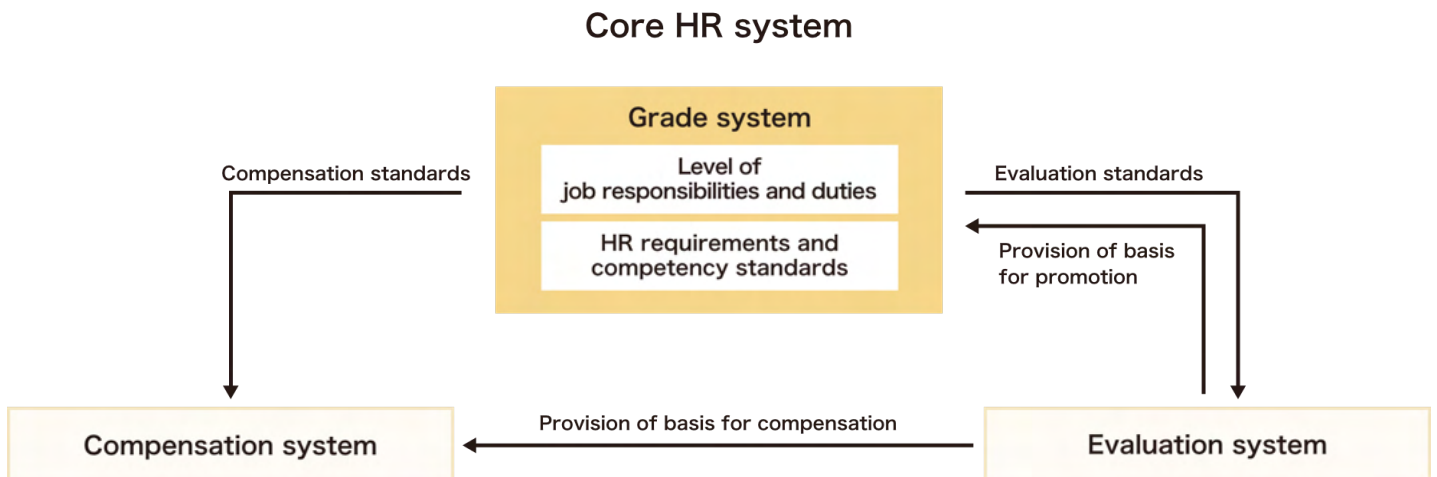
Basic Concept

Aiming to maximize human capital is one of our highest-priority management issues. It is important that all employees who work at GOLDWIN firmly understand the roles that they are expected to perform, and that there are means for them to contribute to achieving our organizational goals through execution of their job duties. We have a core HR system for conducting fair evaluations and determining compensation and benefits, and operate it with a high degree of transparency through communication with employees. We also prohibit all forms of discrimination based on the GOLDWIN Group Policy on Human Rights. In our wage system as well, gender-based discrimination is prohibited, with compensation determined in compliance with laws related to equal pay for equal work.

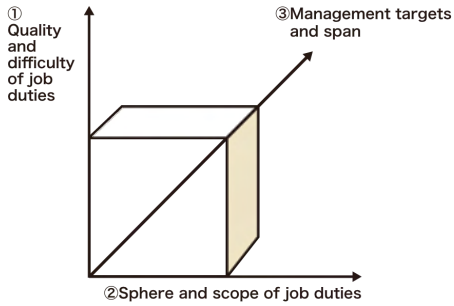
New HR system

We introduced a new HR system in FY 2022. The new HR system is based on the concepts of being a simple and compelling framework for producing human resources to drive business growth as well as to activate and pass down GOLDWIN DNA. As a job-type HR system, it focuses on having the company clearly present to employees what is expected of them, and presenting career paths based on this. The new HR system comprises three core HR systems. These are the grade system, which defines the job duties, competencies, experience and other attributes expected of each grade, the evaluation system defining the evaluation criteria, and the compensation system that determines compensation from the results of the grade-based evaluation of job performance. As a job-type HR system, the HR system is based on the job duties that make up the assigned work and roles. We define the grades, evaluation criteria and compensation scheme based on the three pillars of 1) quality and difficulty of the job duties, 2) sphere and scope of the job duties, and 3) management targets and span. Implementing the new HR system allows us to clearly define the roles for job duties and conduct evaluations that earn employee support as well as enable strategic HR rotations and HR development. Furthermore, rehired employees aged 60 years or older were previously paid a uniform wage, but with the shift to a job-type HR system, they are now evaluated according to their duties. The system complies with equal pay for equal work without any discrimination based on gender or age. With the introduction of the new HR system in FY 2022, we held online evaluator briefings and feedback interview briefings to ensure a better understanding of the system and to share the evaluation axes. All eligible employees attended, with follow-up also conducted later in an archived session. These evaluator briefings will be held annually. From FY 2023, we will establish a system that backs up the career development of employees by increasing the number of interviews employees have with their supervisors each year from two to four. We will also conduct employee satisfaction surveys to identify any areas of concern in the new system. Improvements will then be made to increase the transparency and acceptability of evaluations, with the aim of achieving stable operation of the new system.

Core HR system



Components of duties

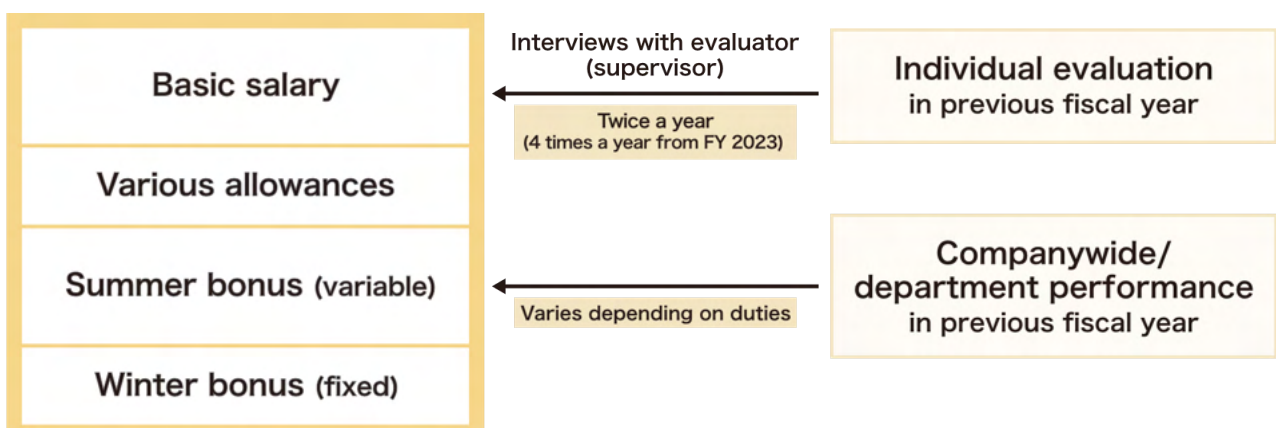


<p>1) Quality and difficulty of job duties</p>	<p>Differences in the quality of outcomes created in the course of work</p> <ul style="list-style-type: none"> Examples: Stable and reliable performance of work; efficient performance of work; creation of new value, etc. <p>Difficulty of work</p> <ul style="list-style-type: none"> Examples: Able to be easily performed by anyone; able to be performed after several years of training; able to be performed only by a limited number of people within the company
<p>2) Sphere and scope of job duties</p>	<p>Spheres (expertise) and scope of work</p> <ul style="list-style-type: none"> Examples of spheres of work: Development, design, manufacturing, sales, accounting, HR, etc. Examples of scope: Existing routine work; existing non-routine work (troubleshooting, etc.); new, non-routine work
<p>3) Management targets and span</p>	<p>Items that need to be managed in fulfilling job responsibilities and the scope of those items</p> <ul style="list-style-type: none"> Examples of management targets: Own work; work of subordinates; work conditions of subordinates, etc. Examples of management span: Self; team of several people; team of dozens of people, etc.

Deciding Fair and Competitive Compensation and Benefits

We prohibit all forms of discrimination based on the Goldwin Group Policy on Human Rights. In our wage system as well, sex-based discrimination is prohibited, with compensation determined in compliance with laws related to equal pay for equal work. Compensation and benefits are determined not only in terms of compliance with legally mandated minimum wages. The trends in labor wages in each region and the wage levels of competitors in the same industry are fully understood, and decisions are made while taking into account our business performance, to provide competitive pay above the level of living wages.

Process for determining compensation



Average salary (yen) (non-consolidated)

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Average salary	6,483,984	6,810,469	6,072,614	6,377,448	6,958,261
Regular employees	7,357,982	7,849,157	6,513,754	6,860,204	7,393,948
Contract employees (office workers)	4,859,125	5,342,443	5,418,713	5,680,879	6,484,777
Contract employees (sales associate positions)	3,966,186	4,143,953	3,859,979	3,916,816	4,041,056

Wage disparity between men and women (ratio of men's wages vs. women's wages) (non-consolidated)

	FY 2021	FY 2022
All employees	62.0%	65.4%
Regular workers (regular employees)	59.1%	64.4%
Irregular workers (part-time and contract employees)	73.5%	75.1%

* Based on "Methods of Calculating and Disclosing Wage Disparity Between Men and Women" (Ministry of Health, Labour and Welfare of Japan)

Corporate Pension Plan

Our Group operates a corporate pension plan with the aim of ensuring a stable lifestyle for employees after retirement. The plan consists of a defined benefit (DB) pension plan and a defined contribution (DC) pension plan, with monthly contributions being made according to the grade of each employee. With respect to the defined contribution (DC) pension plan, we have adopted a matching contribution plan (employee contributions) up to an amount equivalent to our contribution.

Status of corporate pension plan

	Number of participants	Contributions in FY 2021	Number of participants	Contributions in FY 2022
Defined benefit (DB) pension	912	547,317,540	888	544,738,080
Defined contribution (DC) pension	912	59,610,243	887	58,969,843

Employee Stock Ownership Plan

GOLDWIN has introduced a stock ownership program for employees (the GOLDWIN Employee Stock Ownership Plan).

The GOLDWIN Employee Stock Ownership Plan was established as part of our welfare program to help employees (regular and contract employees, including at Group companies) build up financial assets over the medium to long term. Employees who participate in the stock ownership plan contribute a certain amount of money (any number of 1,000-yen units from 1 to 50) to the plan by having it deducted from their salaries and bonuses. Boosted by a 10% incentive from GOLDWIN, employees can then purchase GOLDWIN shares without any difficulty. In addition, we expect that a heightened awareness for our company's management will translate into an improvement in corporate value. When employees want to sell the shares, in accordance with the Insider Trading Regulations, they must complete an Application to Sell Company Stock and obtain approval from the general manager of the General Affairs Department. As of March 2023, 947 employees were participating in the plan.

Future Issues

We will continue to make fair evaluations and decisions on compensation and benefits, while operating with a high degree of transparency through communication with employees. In FY 2022, we introduced a new HR system and focused on transitioning smoothly to the new system and building understanding among employees. From FY 2023 onward, we will conduct employee satisfaction surveys to identify any areas of concern in the new system. Improvements will then be made to increase the transparency and acceptability of evaluations, with the aim of achieving stable operation of the new system. Our aim is to improve productivity through the new system, and together with reforms of each system, we will work to improve employee satisfaction and revitalize the organization.

Basic Concept

GOLDWIN believes that maintaining and improving employee health is essential for sustainable corporate growth. Protecting the physical and mental health and well-being of employees forms the foundation for securing a stable workforce. It also enhances individual performance, productivity, and engagement with the company, leading to revitalization of the organization. Based on our corporate mission to “realize a fulfilling and healthy lifestyle through sports,” we focus on keeping our employees active and energetic outside of work and keeping their families healthy as well. This philosophy was expressed in the GOLDWIN Group Health Management Declaration in March 2021, and we have since been strengthening a range of initiatives under the leadership of top management.

GOLDWIN Group Health Management Declaration

Our corporate mission is to “realize a fulfilling and healthy lifestyle through sports.” Employees’ physical and mental health and safety is absolutely essential for both the company and employees to achieve growth. We pledge to proactively work together with employees, their families and health insurance associations to create conditions so that all employees are able to work safely and maintain and improve their health.

March 2021

Message from the President on Health Management



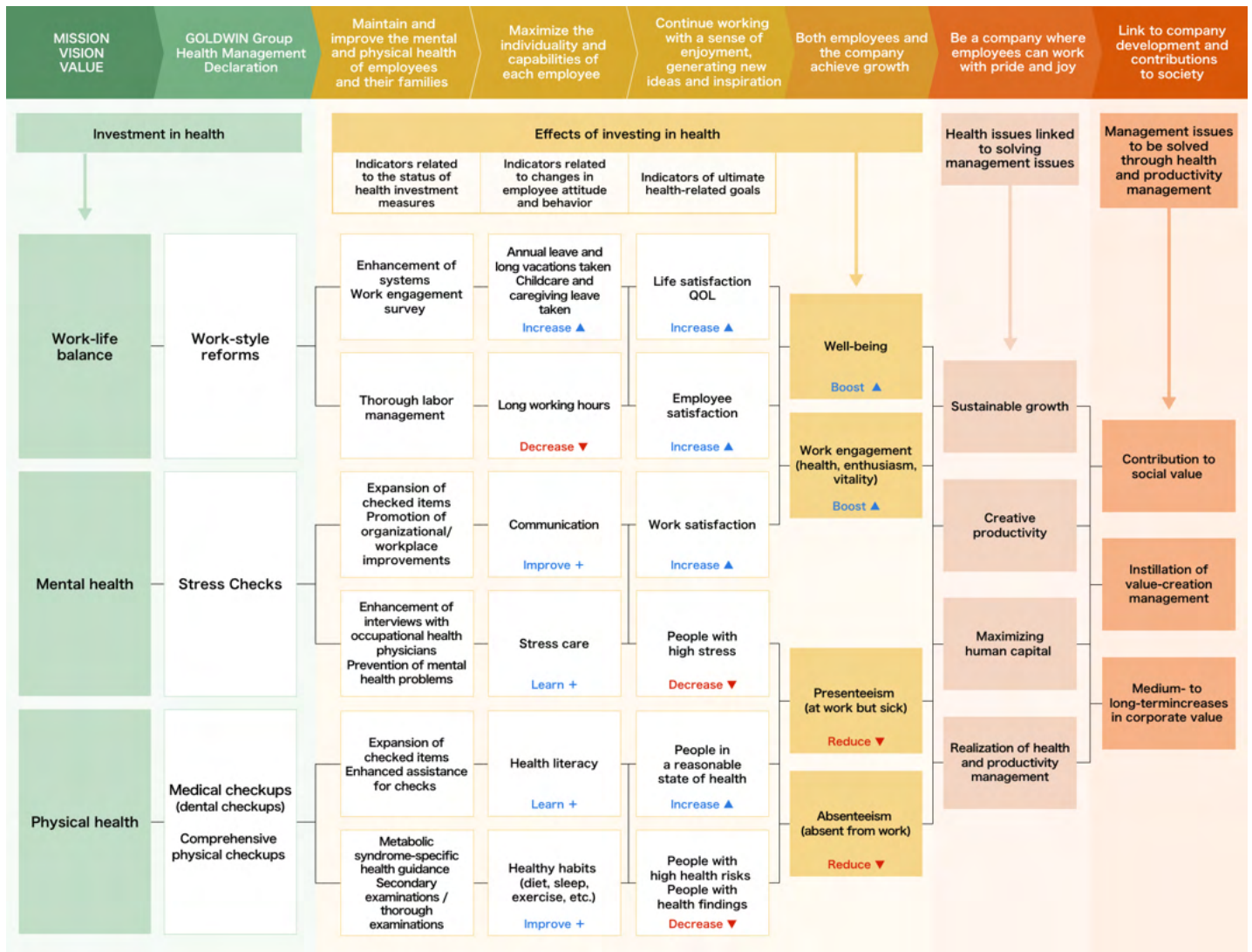
At GOLDWIN, we want to be a company where employees are able to work with pride and enthusiasm. Based on this premise, we believe that when employees and their families are able to maintain and improve their physical and mental health and well-being, and employees can continue working with a sense of enjoyment, new ideas and inspiration will be born. What’s more, everyone’s individual aptitudes and capabilities will be fully unleashed, leading to company development and contributions to society. We will promote the improvement of health as a company in concert with the health insurance associations, employees, and their families so that we are able to prioritize sports and the environment as well as live life without a boundary between work and play.

Takao Watanabe
President and Representative of Board

GOLDWIN Group Health and Productivity Management Strategy Map

With reference to the “Strategy Map” published using the Ministry of Economy, Trade and Industry’s (METI) *Guidelines for Administrative Accounting of Investment in Health and Productivity Management*, the GOLDWIN Group identifies issues to be resolved through the promotion of health and productivity management and implements initiatives for resolving those issues.

By presenting a story of our health and productivity management strategy from issues to initiatives, we are strengthening various initiatives to protect the mental and physical health of our employees and for the good health of their families.



Evaluation and Analysis of Employee Work Performance

At GOLDWIN, we quantitatively evaluate and analyze the work performance of our employees, such as through medical checkups and stress checks, and we use this information to promote health and productivity management.

In FY 2022, we added “work engagement” (positive and satisfied psychological state toward work) to the quantitative indicators we measure, in addition to “presenteeism” (the state of being at work but being unable to perform at full capacity due to health problems) and “absenteeism” (being absent from work due to injury or illness).

By producing these indicators every year, we analyze the evaluations and continuously implement measures to protect the mental and physical health of our employees.

Indicators of employee work performance

	FY 2020	FY 2021	FY 2022
Work engagement (points) *1	-	-	2.70
Presenteeism (points) *2			17.71
Absenteeism (days) *3	1.45	1.43	2.95

*1 New Brief Job Stress Questionnaire (shorter 80-question version)

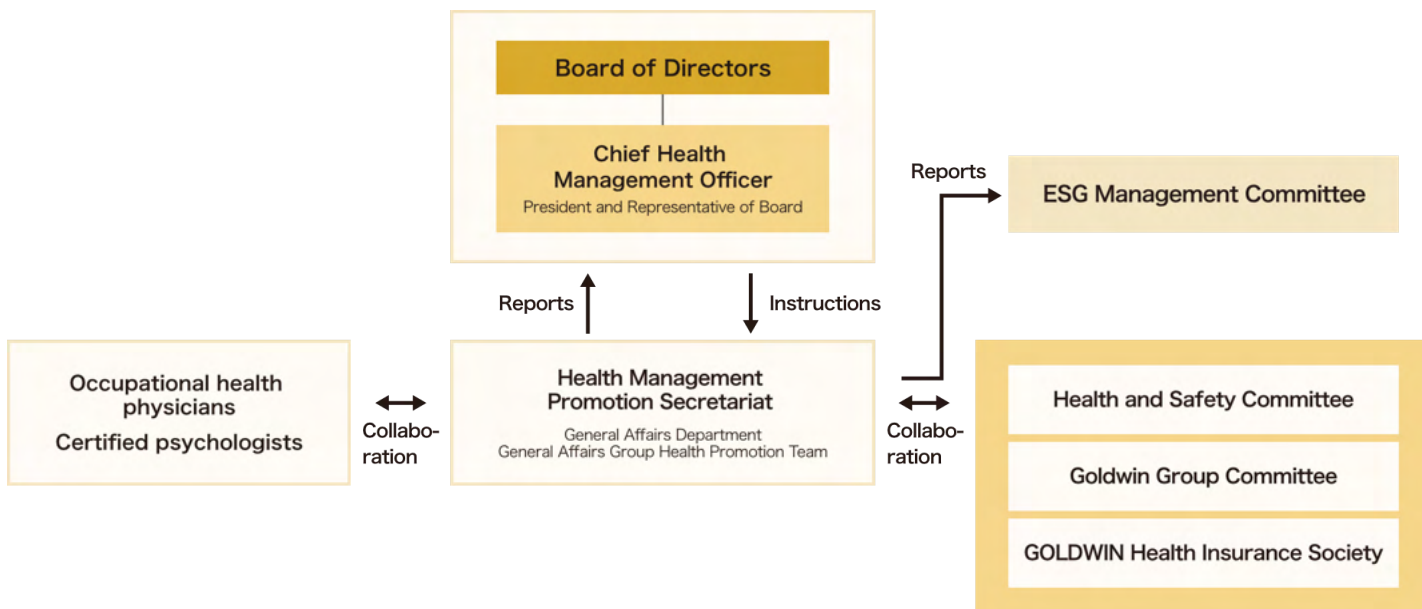
*2 Questionnaire survey using the Single-Item Presenteeism Question (SPQ, University of Tokyo)

*3 Average number of days of sick leave reported by all employees

Promotion Framework

We have established a system to promote health management, with the President and Representative of Board serving as the Chief Health Management Officer, and the Health Promotion Team in the General Affairs Group, General Affairs Department, serving as the secretariat. We will implement a variety of measures in collaboration with the Health and Safety Committee, the Goldwin Group Committee (group of employee representatives), and the GOLDWIN Health Insurance Society, and in consultation with occupational health physicians and certified psychologists. Each measure is also reported to management via the ESG Management Committee.

System for the promotion of health management



Specific Initiatives

GOLDWIN promotes the following initiatives throughout the Group to create environments where employees can work in good physical and mental health.

Interviews, Counseling with Occupational Health Physicians

As a way of supporting the mental health of each and every employee, we have systems in place for employees to seek advice from occupational health physicians and certified psychologists. We are working to expand opportunities for interviews and counseling for the purpose of preventing mental health problems and providing appropriate follow-up. These interviews and counseling help to prevent mental health problems by putting restrictions on work before having to take leave. We also have systems in place for employees to consult with their supervisors so that their mental health problems do not end up being the sole problem of the employee.



	FY 2020	FY 2021	FY 2022
Number of interviews with occupational health physicians	291	357	394
Number of interviews with counselors	19	19	19

FY 2022 measures

Measures	Details
Offer combined in-person and online counseling services nationwide	In addition to in-person interviews that had previously been offered in Tokyo, Toyama, and Osaka, we introduced online interviews, thereby establishing an environment in which Group employees across Japan are able to seek advice regardless of where they are located.
Encourage supervisors of employees with mental health problems to see an occupational health physician	We established a consultation system with supervisors so that mental health problems do not end up being the sole problem of those concerned.
Establish a return-to-work support program	We clarified our follow-up system for employees with mental health problems. We maintain support after the employee returns to work in cooperation with occupational health physicians and the Human Resources Department.

Smoking Cessation Measures

Smoking can lead to lifestyle-related diseases. It affects not only the individual smokers but also others around them through passive smoking. GOLDWIN believes that quitting smoking is fundamental to protecting health, and fully supports employees who want to quit. In FY 2022, 100% of the employees we supported quit smoking.

Furthermore, since April 2022, smoking has been prohibited during working hours for all Group employees (including during breaks, on business trips, and while at work outside of prescribed working hours).

FY 2022 measures

Measures	Details
Establish an online quit smoking clinic*	We provide step-by-step support for quitting smoking via online treatment and aids to stop smoking.
Provide support for smoking cessation treatment*	We provide support for smoking cessation treatment at authorized medical institutions.
Provide free nicotine patches*	We provide support for those who want to quit smoking without receiving treatment at authorized medical institutions.
Distribute an e-newsletter*	We are improving health literacy by distributing an e-newsletter on issues such as passive smoking to all Group employees. In FY 2022, we distributed four e-newsletters.

* Employees who have insurance with the GOLDWIN Health Insurance Society are eligible for these programs. There are no out-of-pocket costs for these programs.

Stress Checks

Every year, we encourage all Group employees to take a stress check to promote their awareness for stress and to help improve workplaces. Following the stress checks, employees with high levels of stress are instructed to see an occupational health physician. Group analysis of each division is also used to determine the degree of stress and any trends, and interviews for workplace improvements are conducted by counselors and department managers.

	FY 2020	FY 2021	FY 2022
Percentage of employees taking stress checks (%)	97.8	98.6	96.5
Percentage of employees with high levels of stress (%)	8.8	10.5	9.7

Medical Checkups

In addition to the annual mandatory medical checkups for all employees, we offer comprehensive physical checkups for employees aged 40 and older as well as lifestyle-related disease screening for employees aged 35–39. We also pay for a full range of optional examinations for those who so wish, including gastroscopy (for those eligible for the comprehensive physical checkups), brain checkups (employees aged 48 and 54), and gynecological examinations (uterine cancer: employees aged 18 and older, breast cancer: employees aged 30 and over). Moreover, the time required for these medical checkups is treated as work hours.

	FY 2020	FY 2021	FY 2022
Percentage of employees receiving medical checkups (%)	100	100	100
Percentage of employees receiving thorough examinations (%)	28.2	28.3	26.8
Percentage of employees receiving metabolic syndrome-specific medical checkups (%)	88.9	88	90.3
Percentage of employees receiving metabolic syndrome-specific health guidance (%)	43.9	45.8	42.5

Employee Health Promotion Programs

Wellness points

To help employees improve their health literacy and choose and practice behaviors that are good for their own health, since FY 2019, we have adopted a wellness point system as part of our welfare program. The system allows employees to earn wellness points on a dedicated app as they take actions that lead to better health. Employees can then exchange accumulated points for products of their choice. This benefit allows employees to have fun incorporating healthy habits in their daily lives. As of FY 2022, 78% of all Group employees had joined the system. We are also rolling out a variety of events through which employees can earn points. From FY 2023, we are considering strengthening and revising the programs to better promote employee health.



Events conducted in FY 2022

- Walking campaigns (twice a year)
- Posting of dietary columns (15 columns)
- Distribution of information on dental health (once)

Corporate contract with yoga studio

Increasingly more people are suffering from a lack of exercise and stress due to changes in work styles and lifestyles during the COVID-19 pandemic. At GOLDWIN, we signed a corporate contract with a yoga studio in January 2023 to help employees relax their bodies and minds and improve their concentration and motivation. Group employees and those who have insurance with the GOLDWIN Health Insurance Society can join the studio as corporate members.

Sports days

Every year, we hold company sports days at two locations in Tokyo and Toyama. They are large-scale events with employees and their families participating in hotly contested activities and given MVP awards and “hustle” awards at the end of the event.

In FY 2022, approximately 400 people participated in the sports day in Tokyo. Although the sports day in Toyama was not held because of the spread of COVID-19, going forward, we will continue this event to provide more opportunities for exercise and to deepen the sense of solidarity within the company.



Encouragement of club activities

Based on the spirit of “SPORTS FIRST,” we actively encourage employees to participate in club activities. There are about 30 active clubs, including baseball, soccer, walking, fishing, water sports, and golf. Through sport, a total of about 620 employees (FY 2022, including members of multiple clubs) are expanding their communication network beyond the boundaries of their departments and positions.



Initiatives of the GOLDWIN Health Insurance Society

The GOLDWIN Health Insurance Society also provides a variety of welfare benefits and health services to support insured employees and their families in maintaining and promoting good health and in improving their lives.

Assistance for vaccinations

Vaccinations for influenza have been subsidized, and from FY 2022, assistance has been expanded to cover vaccinations for diseases provided for in the Immunization Act. One subsidy is available for each disease per year.

- Influenza
- Diphtheria
- Tuberculosis
- Polio (poliomyelitis)
- Hib infection (Hemophilus influenza type B)
- Measles
- Pneumococcal infectious disease
- Rubella
- Human papilloma virus infection
- Japanese encephalitis
- Chicken pox (varicella)
- Tetanus
- Rotavirus
- Whooping cough (pertussis)
- Hepatitis B

Assistance for household medicines

50% subsidies (up to 5,000 yen) are provided for discounted household medicines (pharmaceuticals excluding nutritional supplements, sanitary products, health foods, cooling materials, adhesive plasters, etc.). Subsidies are available twice per year.

Assistance for infertility treatment costs

From FY 2022, out-of-pocket expenses for infertility treatment are fully subsidized. Subsidies are available six times for women under 40 years of age and three times for women aged 40 to 42.

Launch of HELPO online health consultation service

The HELPO online health consultation service was introduced in FY 2022. Free advice from doctors, pharmacists, and other medical experts is available 24 hours a day 365 days a year. Employees can also search for basic information on nearby medical institutions and use the online treatment services of medical institutions.

Health guidance for young adults

From FY 2022, health guidance is available specifically for employees (aged 35–39) who are eligible for lifestyle-related disease screening at the time of health checkups.

Assistance for using sports facilities

From FY 2022, 50% subsidies (up to 3,000 yen) are provided for using sports facilities nationwide. Subsidies are available twice per year.

Eligible facilities:

Gym swimming pools, gymnasiums, sports stadiums, ski resorts (lift tickets), golf courses, golf driving ranges, bowling alleys, skating rinks, batting centers, tennis courts, campgrounds, and other facilities for playing sports

Infection Control Measures

Amid the ongoing impact of COVID-19, we implemented the following infection control measures in FY 2022.

- Distribution of masks to all employees
- Installation of hand sanitizer alcohol and thermometers at all offices and at all stores
- Temperature checks of all employees every morning
- Promotion of teleworking
- Workplace vaccinations for COVID-19
- Securing of PCR testing facilities and early testing
- Antigen testing and PCR testing to allay concerns
- Installation of partitions to prevent droplet infection
- Prompt disinfection in the case of suspected infections

External Evaluation and Certification for Health Management

GOLDWIN has been evaluated highly by several external organizations as a company that actively promotes health management.

Health & Productivity Stock Selection 2023

GOLDWIN was selected for the second consecutive year in the Health & Productivity Stock Selection 2023. The Health & Productivity Stock Selection is a joint selection by the Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE) of listed enterprises recognized as strategically engaging in the health and productivity management of employees from a management perspective.

GOLDWIN was recognized for promoting greater awareness for time management among individual employees, reducing working hours to reasonable levels, and achieving its targets for annual paid leave utilization, thereby also increasing opportunities to do sports, leading to better physical and mental health.



2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program, White 500

The Certified Health & Productivity Management Outstanding Organizations Recognition Program is one established by METI to publicly honor particularly outstanding large enterprises, SMEs, and other corporations implementing health and productivity management, based on initiatives that address health-related challenges in communities and initiatives to improve health led by the Nippon Kenko Kaigi (Japan Health Council). In the large enterprise category, the top corporations are recognized as “White 500” enterprises.

GOLDWIN has been recognized as a Certified Health & Productivity Management Outstanding Organization six times in total since the inception of the program in 2017. We were also selected as a White 500 enterprise for the fifth time.



Certification as a Sports Yell Company

The Sports Yell Company program is administered by the Japan Sports Agency and recognizes companies that are actively engaged in improving employee health through sport.

GOLDWIN has been certified as a Sports Yell Company for six consecutive years since the program was launched in FY 2017.



Certification as a Tokyo Sports Promotion Company

Under the Tokyo Sports Promotion Company Certification Program, the Tokyo Metropolitan Government (TMG) certifies companies which promote sports activities among their employees and which are engaged in social activities in the area of sports.

GOLDWIN has been certified as a Tokyo Sports Promotion Company for eight consecutive years since the program started in FY 2015.



Future Issues

We will maintain and develop our efforts to further promote employee health and deepen our health management. Based on the analysis of various indicators and data, we will proceed to establish numerical targets for each measure, aiming to implement them more effectively. We emphasize a two-pronged approach, that is, a “high-risk approach” that addresses high health risk individuals and a “population approach” that strives to prevent health risks for the organization as a whole.

Initiatives to be strengthened

- Penetration of health and productivity management throughout the company via training and seminars
- Making the menu in the staff canteen more health-oriented
- Introduction of a new health management app
- Measurement of presenteeism in stress checks and strengthening our follow-up actions
- Strengthening efforts to reduce smoking rates
- Digitization of medical checkup and stress check results
- Employee satisfaction survey for health and productivity management

Basic Concept

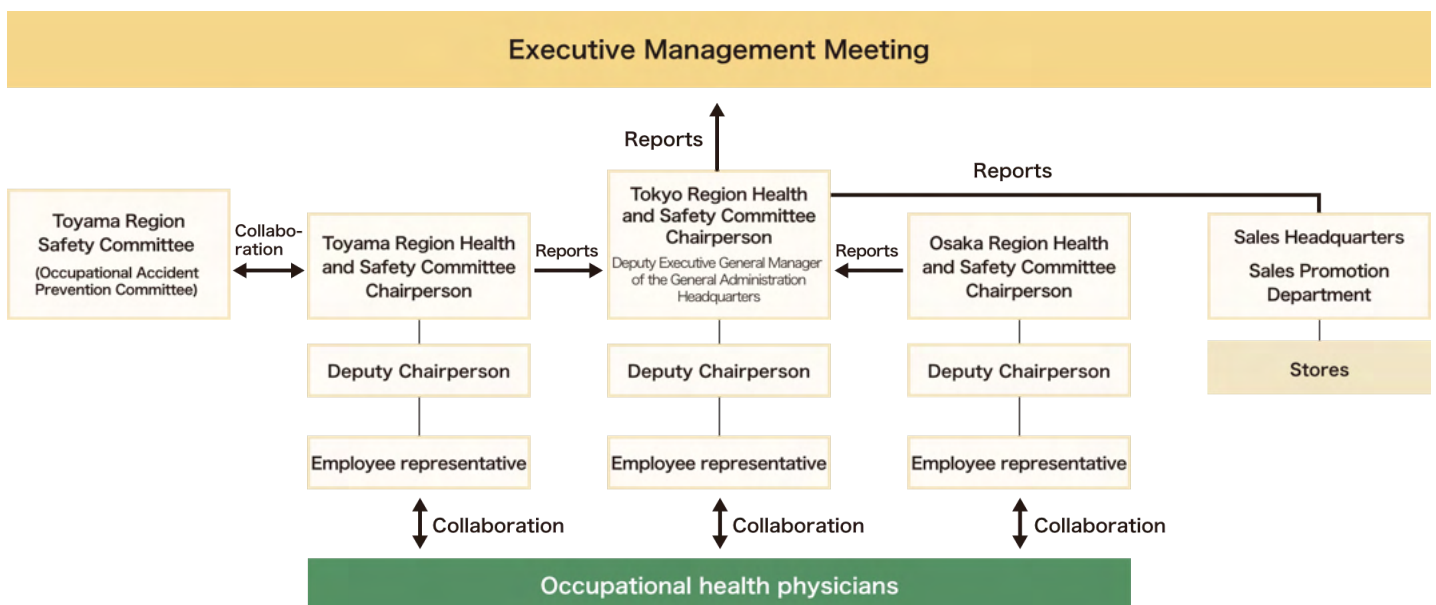
We are committed to upholding management that places first priority on employee health and safety. We have established occupational health and safety regulations, and in addition to preventing work-related accidents and illnesses among employees, we actively ensure their safety and health, and we promote the creation of comfortable, employee-friendly workplaces.

Promotion Framework

We have established Health and Safety Committees for the purpose of holding discussions to ensure our employees can work safely and securely. In addition to improving the workplace environment and preventing occupational accidents from occurring, the Committees protect the health of employees and serve as a forum for employees to actively think about their own health and propose improvements. In accordance with the Industrial Safety and Health Act, we have established committees in the Tokyo, Toyama, and Osaka regions where we have offices with 50 or more employees. One committee member is selected from each department, and meetings are held once a month.

Furthermore, since there are facilities in the Toyama area for production, development, and distribution of products, a new Safety Committee was established here in FY 2022 to inspect equipment in the Toyama area and to identify and improve hazardous areas. (The committee was renamed the Occupational Accident Prevention Committee in FY 2023.) Occupational health and safety at stores across Japan is overseen by the Sales Promotion Department. Information on accidents and incidents at stores is compiled by the General Affairs Department, and reported to the Executive Management Meeting by the Deputy Director of the General Administration Headquarters, who chairs the Tokyo Region Health and Safety Committee.

Framework



Committee	Meeting frequency	Composition	Description
Health and Safety Committees	Tokyo Region Toyama Region Osaka Region Monthly meetings	Chairperson (Deputy Director of the General Administration Headquarters), Vice Chairperson (General Manager of the General Affairs Department), Administrative Office (General Affairs Department), Employee Representative Members (persons in charge from each division)	Conducts adequate investigation and deliberation on important matters, including fundamental measures for preventing danger or health hazards to workers (causes of occupational accidents and measures for preventing their recurrence, etc.)
Safety Committees(since FY 2023, Occupational Accident Prevention Committees)	Monthly meetings	Chairperson (General Manager of the General Affairs Department), Vice Chairperson (Manager of the General Affairs Department), Administrative Office (General Affairs Department, Human Resources Department), Employee Representative Members (persons in charge from each division)	Matters related to the preparation of safety regulations Matters related to the investigation of dangers or hazards and measures to be implemented based on the results of that investigation, which relate to safety Matters related to the preparation, implementation, evaluation, and improvement of safety plans Matters related to the preparation of plans for safety education

Initiatives for the Prevention of Occupational Accidents

At GOLDWIN, the Health and Safety Committee in each region plays a central role in preventing occupational accidents. Given the nature of our business, we have had no fatal accidents since our founding, and the majority of occupational accidents are those involving vehicles while commuting to and from work. As the number of directly managed stores increases, information on hazardous areas identified in stores and near misses is shared among those involved to help prevent accidents.

In the Toyama area, we have been practicing thorough safety management by providing regular practical training on hazardous operations, such as for compressors, automatic cutting machines, grinders, organic solvents, boilers, and forklifts. In FY 2022, we established a new Safety Committee for conducting inspections of equipment in the Toyama area and identifying and improving hazardous areas. (The committee was renamed the Occupational Accident Prevention Committee in FY 2023.)

Health and Safety Inspections

GOLDWIN has established a Safety Committee in the Toyama area. (The committee was renamed the Occupational Accident Prevention Committee in FY 2023.) The committee met five times in FY 2023 for the purpose of inspecting equipment in the Toyama area and identifying and improving hazardous areas. Through the committee's activities 36 hazardous areas were identified in FY 2022. Improvements had been implemented for 34 of the areas by May 2023, with the remaining two areas still being addressed.

In the Toyama area, the General Affairs Department serves as the administrative office for both the Occupational Accident Prevention Committee and the Health and Safety Committee. When an employee discovers a potentially hazardous area, the Health and Safety Committee receives a report via a committee member, and the Occupational Accident Prevention Committee considers how to respond. Events discussed by the Occupational Accident Prevention Committee are reported to the Health and Safety Committee via the Administrative Office and shared with employees. We also provide education to and share information with employees, and further strengthen safety inspections.

Initiatives for the Prevention of Occupational Accidents

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
No. of occupational accidents (incidents)	Work-related accidents	11	9	8	5	9
	Commuting accidents	0	4	0	7	3
	Total	11	13	8	12	12
Number of occupational accidents resulting in lost time (persons)		4	0	3	1	4
Number of occupational accidents not resulting in lost time (persons)		7	13	5	11	8
Number of fatalities due to occupational accidents (persons)		0	0	0	0	0
Lost-time accident frequency rate (%)		1.17	0.00	0.68	0.23	0.87
Lost-time accident severity rate (%)		0.01	0.00	0.01	0.01	0.04

Future Issues

We will continue to prioritize employee health and safety, and strive to prevent occupational accidents from occurring or reoccurring. Currently, information is appropriately shared among those concerned, but going forward, in order to raise the awareness of each and every employee, information managed on an office basis will be shared across offices to help prevent any accidents from reoccurring.

Basic Concept

In the GOLDWIN Group, we conduct a range of activities that contribute to local communities, primarily those in Toyama Prefecture where we were founded, and in the Shibuya neighborhood of Tokyo where our Head Office is currently located. With the technology and expertise we have developed over many years as a sports wear manufacturer, and in line with our corporate philosophy, we offer ways for children and adults to lead a fulfilling and healthy lifestyle through sports.

Shibuya Social Action Partner Agreement with Shibuya Ward (Tokyo)

We have concluded a Shibuya Social Action Partner Agreement (hereinafter referred to as S-SAP Agreement) with Shibuya Ward in Tokyo. S-SAP Agreement is a public-private partnership framework concluded between Shibuya Ward and companies, universities and other organizations with a physical presence in Shibuya Ward for the purpose of solving local community challenges.

Together with Shibuya Ward, we provide various opportunities to engage in activities through sports primarily aimed at children based on our shared goal of realizing an inclusive society.

GOLDWIN and Shibuya Ward have entered a partner agreement to provide the following.

1. Support for creating an inclusive society through sport
2. Support for developing the next generation
3. Support for preserving the environment
4. Support for disaster mitigation
5. Other support deemed necessary for the partnership agreement

There were no activities in FY 2022 due to the COVID-19 pandemic. We will continue to provide support again in the future.

Past activities



Special Sponsor of the Toyama Marathon

The Toyama Marathon is held in Toyama Prefecture, where GOLDWIN was founded, and we have served as a Gold Partner. The marathon enjoys a large number of runners spanning all generations and levels, since it was first held in 2015. In addition to our employees volunteering to help put on the marathon, we conduct activities through the marathon to raise awareness among locals for improving the environment, including collecting old clothes and providing participation award tee-shirts made with recycled materials.



Kataller Toyama - Support and Collaboration

Kataller Toyama is a professional soccer team located in Toyama Prefecture, where GOLDWIN was founded. Its aim is to contribute to the healthy development of young people, the growth of sports, and stimulation of the region through soccer, and to make "Hometown Toyama" an exciting place to live. GOLDWIN has supported the team as an official uniform supplier since the team was first launched in 2008.

From the 2022 season, we have also been collecting unwanted clothes from supporters at Kataller Toyama home games. We have been working with the local community to improve the environment with the aim of creating a circular society.

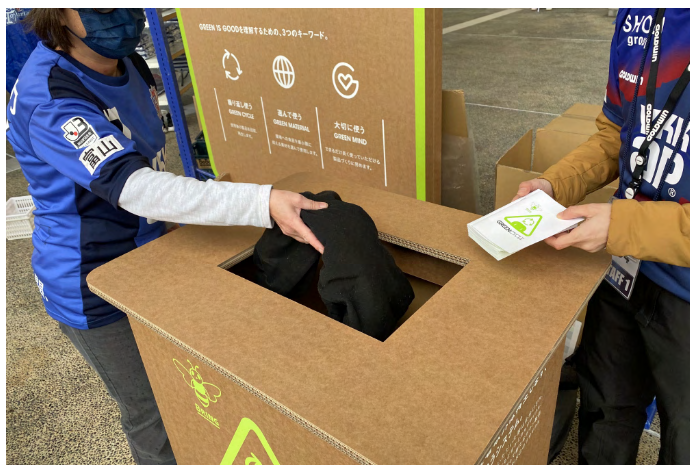



Photo : ©KATALLER TOYAMA

Cooperation with the Prince Tomohito Memorial Cup Hokuriku Welfare Golf Tournament

We have provided support for the Prince Tomohito Memorial Cup Hokuriku Welfare Golf Tournament held at GOLF CLUB GOLDWIN in Oyabe, Toyama Prefecture, every year since the first tournament in 1999.

Many of our employees assist in running the tournament as volunteer staff with the purpose of helping people correctly, and better, understand welfare for people with disabilities. Four of the course's short holes have been designated as "welfare holes," with donations received according to the players' scores and net profits from the tournament being used in welfare activities for people with disabilities living in the Hokuriku region.

> [Prince Tomohito Memorial Cup Hokuriku Welfare Golf Tournament](#) 



National Park Official Partnership Program of the Ministry of the Environment

In 2020, GOLDWIN joined the Ministry of the Environment's National Park Official Partnership Program. The program was established to help people in Japan and overseas to better understand natural environment preservation efforts and to stimulate the regions that are home to the country's national parks. Through the program, participants globally publicize the world-class scenic beauty of Japanese national parks, and the appeal of staying within a local national park, to raise the number of national park visitors from Japan and abroad.

By leveraging the knowledge we have built up through our directly managed stores and events focused on outdoor sports throughout Japan, we help increase awareness and promote use of Japan's national parks.

> [National Parks of Japan official website](#) 



In FY 2022, we launched the National Parks of Japan project in July with the aim of realizing sustainable “protection and use” of Japan’s national parks. We sold original limited-edition goods from the National Park Collection, with part of the proceeds being donated for the conservation and management of national park areas. We also organized eight PLAY EARTH ADVENTURE tours on seven different courses in national parks to learn about the history and culture of each region and to interact with the local people. In addition, we also promoted the appeal of Japan’s world-class national parks by organizing two “National Parks of Japan” photography exhibitions at the Shinjuku Gyoen Art Gallery and holding three online seminars to raise awareness for our national parks.

By leveraging the knowledge we have built up through our directly managed stores and events focused on outdoor sports throughout Japan, we help increase awareness and promote use of Japan’s national parks.



Comprehensive Partnership Agreement with Shari Town in Shari District, Hokkaido Prefecture

On October 9, 2021, GOLDWIN and Shari Town signed a Comprehensive Partnership Agreement on Regional Revitalization with the aim of sharing a sense of direction for the future and driving initiatives that have made the Shiretoko area a field for outdoor activities. Goals of the agreement include continuing the philosophy of creating an outdoors culture, increasing the appeal of the Shiretoko National Park, creating an abundance of nature experiences for children as custodians of the future, and pursuing sustainability.

In 2019, prior to this agreement, we opened THE NORTH FACE / HELLY HANSEN Shiretoko, a directly managed store, within the Shiretoko National Park Nature Center. In addition to selling sports wear and gear to travelers and locals, we also collaborated with Shari Town, and local organizations and businesses, to develop outdoor activities, develop industry, and conserve nature.

In FY 2022, we held the Athletes Summit in September—a gathering of The North Face athletes—and in October, we organized an environmental training program for our business partners. Activities included programs to experience the nature of Shiretoko and picking up trash on the beach. We will continue to promote collaborations with Shari Town, providing support for the promotion of outdoor activities and creating nature experiences for children in the diverse and open outdoor fields of Shiretoko.



Comprehensive Partnership Agreement with Hakone Town , Kanagawa Prefecture

On March 9, 2022, GOLDWIN and Hakone Town signed a Comprehensive Partnership Agreement on Regional Vitalization with the aim of energizing the region through collaborative projects, preserving the natural environment, and realizing a bright future for children as custodians of the future. This agreement will enable each of us to effectively utilize our resources, from the knowledge we have gained about experiences and lessons in the outdoors, to the natural environment in Hakone Town.

In FY 2022, we hosted HAKONE TOWN × GOLDWIN KIDS SUMMER CAMP 2022 in July. Sixteen participants, including local children, took part in the camp, going on a night walk, attending workshops on nature, and trying their hand at parquetry work. In September, HAKONE TOWN × GOLDWIN HAKONE Outdoor Experience Class Vol. 1 was held. Forty-four children from kindergartens, nursery schools, and early learning and care centers in Hakone Town participated and enjoyed cooking over an open-air fire using wood from thinned forests in Hakone.

Other activities include an initiative with a local fishermen's cooperative, repairing and improving mountain trails, and support for a day camp demonstration experiment at the Hakone Woodland Museum. We plan to continue these efforts in partnership with Hakone DMO (Hakone Tourist Association), including more broadly communicating the natural attractions and potential that Hakone has to offer.



Three-way Comprehensive Regional Partnership Agreement with Hayama Town (Kanagawa Prefecture) and Hayama Marina

On March 29, 2023, we signed a Comprehensive Agreement for Collaboration and Cooperation with Hayama Town and Hayama Marina to promote greater understanding of the importance of getting close to, protecting, and nurturing the natural environment of Hayama Town, including the sea and mountain forests, for the next generation.

Matters for collaboration are:

- (1) Promotion of projects for greater familiarity with marine life, etc.
- (2) Promotion of projects for managing satoyama and greater familiarity with mountain flora and fauna, etc.
- (3) Promotion of projects for the conservation of Hayama's natural environment
- (4) Other activities deemed necessary to achieve the objectives of the agreement.

The purpose of the agreement is to improve the quality of life for local residents and to revitalize the community by promoting projects that make effective use of their respective resources through close collaboration and cooperation. The aim of the agreement is to increase understanding of the importance of getting close to, protecting, and nurturing the natural environment such as the sea and mountain forests, which are two of the attractions of Hayama Town. Going forward, we will organize events for the local Hayama children to familiarize them with the local sea and mountains, providing an opportunity for the next generation of leaders to learn about the asset that is Hayama's natural environment.



Comprehensive Partnership Agreement Between THE NORTH FACE and Hokuto City in Yamanashi Prefecture

In January 2020, GOLDWIN's "THE NORTH FACE" brand and Hokuto City in Yamanashi Prefecture signed a comprehensive partnership agreement. Through this comprehensive partnership agreement, both parties plan to implement problem-solving activities such as teaching children about the appeal of Hokuto City, improving mountain trails and other environmental protection measures and improving access to outdoor fields from train stations. From July 2021, we started providing support for the operation of the Mountain Taxi service linking JR Kobuchizawa Station with the start of mountain trails in the Yatsugatake Mountains, Mount Kaikoma in the Southern Alps, and other areas. In FY 2022, the number of events and other activities had to be reduced due to the COVID-19 pandemic, but going forward, we will continue to implement a range of initiatives, including maintenance of mountain trails by our employees.



Sponsored the International Trail Running Association ULTRA-TRAIL Mt. FUJI

GOLDWIN sponsors ULTRA-TRAIL Mt. FUJI (UTMF), which is an international trail running race of more than 160 km, covering the base, trail paths, walking paths, and woodland paths of Mt. Fuji. We have been sponsoring this event since its first year.

Although it had to be canceled in 2020 and 2021 to help stop the spread of COVID-19, it was held again this year, from April 22 to 24, 2022, with our employees helping out as ground staff in various roles, from supporting the athletes to checking equipment, operating the water stations, and providing guidance.

[UTMF Participation T-shirt Recycling Project]

Through a partnership between GOLDWIN, JEPLAN, INC., and the UTMF Executive Committee, we carried out efforts to collect participation T-shirts from past events and other events. The materials from the collected T-shirts will be re-used for the next UTMF participation prize T-shirts.



Basic Concept

At GOLDWIN Group, we aim to realize a world in which people's differences are accepted, including attributes of sex, nationality, social status and physical ability or disability, and in which everyone can lead their life as they see fit and is respected as a member of their community. Based on the engineering and experience we have built up as a sports apparel manufacturer, we are making contributions through sports aiming to have these principles of an inclusive society become widely understood.

GOLDWIN Supports Para-Sports by Encouraging “Doers,” “Audiences,” and “Supporters”

GOLDWIN has been actively supporting para-sports with the technology and expertise it has developed over many years as a sports wear manufacturer. Our ultimate goal is to help create an inclusive society where everyone with different capabilities can live a healthy life together. Toward this goal, we encourage “doers,” “audiences” and “supporters” of para-sports so that all may enjoy sports.

Outfitting “Doers”

Love sports, play sports, and believe in the power of sports. With “SPORTS FIRST” as our slogan, GOLDWIN contributes to the fulfillment of a meaningful life and the development of a healthy society by supporting the development of sports doers and contributing to local communities. In this spirit, we signed an official partnership agreement with the Japanese Para-Sports Association in April 2015, and we have been supporting its efforts to create an enjoyable environment where everyone can continue to participate in sports activities.

We have also concluded contracts with various sports leagues and associations, and we provide apparel for Japanese national teams by brands that we plan and produce.

In FY 2022, Japanese national teams in various sports gave good performances in the new uniforms we provided. These uniforms were developed in line with athletes' requests after multiple rounds of meetings and tests wearing the uniforms, and they played a supporting role in helping the athletes perform. From FY 2022, we have also worked with some of the sports bodies to collect old uniforms and sports wear for recycling in the Green Cycle program that we launched.



Supporting Wheelchair Rugby Team Japan



GOLDWIN employee Takayuki Suzuki competing for Japan at a Paralympics swimming event



Providing uniforms for Hinotama Japan, the Japan national boccia team



Supporting the five Japanese national teams of the JAPAN Para-Ski Federation (alpine, Nordic, and snowboard)



Supporting visually impaired climbers through Monkey Magic NPO

Educating and Inspiring “Audiences”

As a part of our efforts to help para-sports succeed, we actively encourage our employees and their families to attend and watch para-sports events. By promoting attendance among family members, including children, we hope to foster a better understanding of and familiarity with para-sports, which we believe is important for realizing an inclusive society. Various events are being held with spectators again, and we are continuing to create opportunities, having resumed mobilizing events and rallying employees and their families to watch.



Employees watching and supporting events at the Japan Para Swimming Championships



GOLDWIN employee team enters a boccia tournament

Aiding “Supporters”

A framework for assisting “supporters” is essential for para-athletes to succeed in realizing an inclusive society. We provide staff uniforms to various organizations and associations.

In FY 2022, GOLDWIN employee and para-swimmer Takayuki Suzuki appeared at a number of symposiums and talk shows to speak about the concept of an inclusive society and about the importance of accepting diversity to people of all ages.



GOLDWIN supports:

Monkey Magic Nonprofit Organization

> <https://www.monkeymagic.or.jp/en-us>

Japan Para Sports Association

> <https://www.parasports.or.jp/> (in Japanese)


Japan Wheelchair Rugby Federation

> <https://jwrf.jp/> (in Japanese)

Japanese Para-Swimming Federation

> <https://competition.paraswim.jp/> 

Japan Para-ski Federation

> <https://jps-ski.com/> (in Japanese) 

Japan Boccia Association

> <http://japan-boccia.net/> (in Japanese) 

Basic Concept

With technology and expertise developed over many years as a sports wear manufacturer, the GOLDWIN Group conducts a range of activities to support children as the custodians of the future. In addition to supporting the dreams of children as they take on the world through competitive sports, we provide inspiration and opportunities for children to unleash their potential and shape a beautiful future. This includes outdoor activities in the middle of nature and art classes using materials found in nature.



GOLDWIN PLAY EARTH PARK

We established the GOLDWIN PLAY EARTH PARK as an event where children take center stage to create new ways of playing with play equipment designed by five teams of architects. Using the five elements that make up the Earth—earth, water, fire, wind, and sky—as their theme, the events installed play equipment designed in collaboration with architects to allow entirely new types of play to unfold that stimulate children’s powers of imagination. Using these five elements, we also established a series of collaboration items under five brands, including THE NORTH FACE and HELLY HANSEN, and held a number of fun workshops mainly for children to think further about their relationships with nature in urban areas.

Event details

April 23 to May 29, 2022: Tokyo Midtown Grass Square

July 23 to August 14, 2022: Fugan Unga Kansui Park and Toyama Prefectural Museum of Art and Design, Toyama Prefecture



GOLDWIN FIS YOUTH JAPAN CUP

Since 2000, GOLDWIN has been a special supporter of the GOLDWIN FIS YOUTH JAPAN CUP, an alpine ski competition (organizer: National Standard Race) that lays the groundwork for youth to become alpine skiers, and expands the athlete population. Top finishers in this event earn the right to compete in the FIS WHISTLER CUP for children, and the opportunity to spread their wings on the global stage. From 2020, the GOLDWIN FIS YOUTH JAPAN CUP has become an official International Ski and Snowboard Federation (FIS) event for U14 and U16* skiers for the first time in Japan, offering opportunities for Japanese skiers to compete with others from around the world.

In FY 2022, 321 competitors took part in the GOLDWIN FIS YOUTH JAPAN CUP held at Naeba Ski Resort in Niigata Prefecture from March 9 to 12, 2023.

> National Standard Race (NASTAR) [🔗](#)



THE NORTH FACE KIDS NATURE SCHOOL: Experiencing Nature and Learning as a Family

We have held THE NORTH FACE KIDS NATURE SCHOOL, where children and their parents learn while experiencing nature, since 2014. The school awakens a sense of adventure in children, which develops experiences and knowledge through contact with nature, the joy of growing together with friends, and the curiosity to challenge their own limits. The school also provides time for many children to nurture their ability to live close to nature and connect this to their dreams for the future.

In FY 2022, despite the COVID-19 pandemic, we were able to hold two online schools and 11 field schools.

> THE NORTH FACE KIDS NATURE SCHOOL [🔗](#)



GOLDWIN Junior Challenge Golf Tournament

We have held the GOLDWIN Junior Challenge Golf Tournament since 2010 at GOLF CLUB GOLDWIN, the golf course in Oyabe City, Toyama Prefecture operated by group company GOLDWIN Development Inc. The aim of the tournament is to offer junior golfers, from elementary to high school, opportunities to not only improve their competitive golf skills but to also learn golf rules and etiquette through competition. On August 24, 2022, 19 junior golfers gathered together for an 18-hole stroke play competition. Prizes were given to the top three finishers in each age and gender class.



PLAY EARTH KIDS

PLAY EARTH KIDS is a project that aims to both investigate and create the future of children and the Earth through play. While respecting the imagination and energy of children's perceiving the world and the environment through free play, PLAY EARTH KIDS offers ideas and methodologies that bring a fresh perspective on the world.

In FY 2022, we opened PLAY EARTH KIDS on the first floor of the Yebisu Garden Place Center Plaza (Shibuya-ku, Tokyo) in November. It is our first editorial store carrying a wide range of kids' items on the theme "nature, children, play."

The store began selling the first products of GREEN BATON, a sustainable label that buys children's clothes that no longer fit or are no longer worn and repairs them as one-of-a-kind items before putting them on the shelves for sale. The store also stocks original PLAY EARTH KIDS products that create play for children and enrich and expand their relationship with nature. In the Place du Château at Yebisu Garden Place, we built a large wooden playground that creates play with sound. We also organized sound-themed workshops here where participants could make DIY musical instruments and create products for listening to the sound of nature. And on the weekend, live concerts were held where children could join in creating the music.



> <https://www.goldwin.co.jp/playearthkids/> (in Japanese) 

Goldwin Nishida Education Foundation and Goldwin Tosaku Nishida Sports Promotion Memorial Foundation

Goldwin Nishida Education Foundation

GOLDWIN decided to establish this foundation in August 2020 to provide scholarship assistance to students taking sports-related or fashion-related courses that support athletes, as well as students from Toyama, the company's home city. Through the activities of this foundation, we seek to further develop the sports apparel industry and local communities. We believe that these activities will contribute to the realization of our corporate philosophy and lead to the betterment of our industry, which in the long haul, will help enhance our corporate value in the medium- to long-term.

› [Goldwin Nishida Education Foundation](#) 

Goldwin Tosaku Nishida Sports Promotion Memorial Foundation

This foundation was established in May 2017 to advance projects that promote sports with the aim of contributing to the realization of a cohesive society in which all people can enjoy sports equally.

We are implementing the following projects to achieve this goal:

1. Subsidies for projects related to the promotion of sports for people with disabilities
2. Subsidies for projects related to the promotion of youth sports
3. Subsidies for sports promotion projects in Toyama Prefecture
4. Other projects necessary to achieve the goals of the foundation

› [Goldwin Tosaku Nishida Sports Promotion Memorial Foundation](#) 

Basic Concept

Under the tag line “SPORTS FIRST,” GOLDWIN’s mission is to realize a fulfilling and healthy lifestyle through sports. We recognize that it is essential for our business activities to fulfill our social responsibilities as a company, which include compliance with laws and regulations, establishment of internal control, improvement of customer service, emphasis on the environment, thorough occupational safety and health management, protection of human rights, and social contribution. It is also essential that we are trusted by all stakeholders, that we seek to expand our profitability, strengthen/improve our management structure, and that we maintain long-term and stable return of profits to our shareholders. With this as our foundation, we strive to improve our management fairness and transparency, make accurate and prompt decisions, and execute our businesses efficiently in order to strengthen and enhance corporate governance. We thoroughly instill these ideas in all of our officers and employees through our principle “Strong, Fast, Transparent Management.”

Strong management

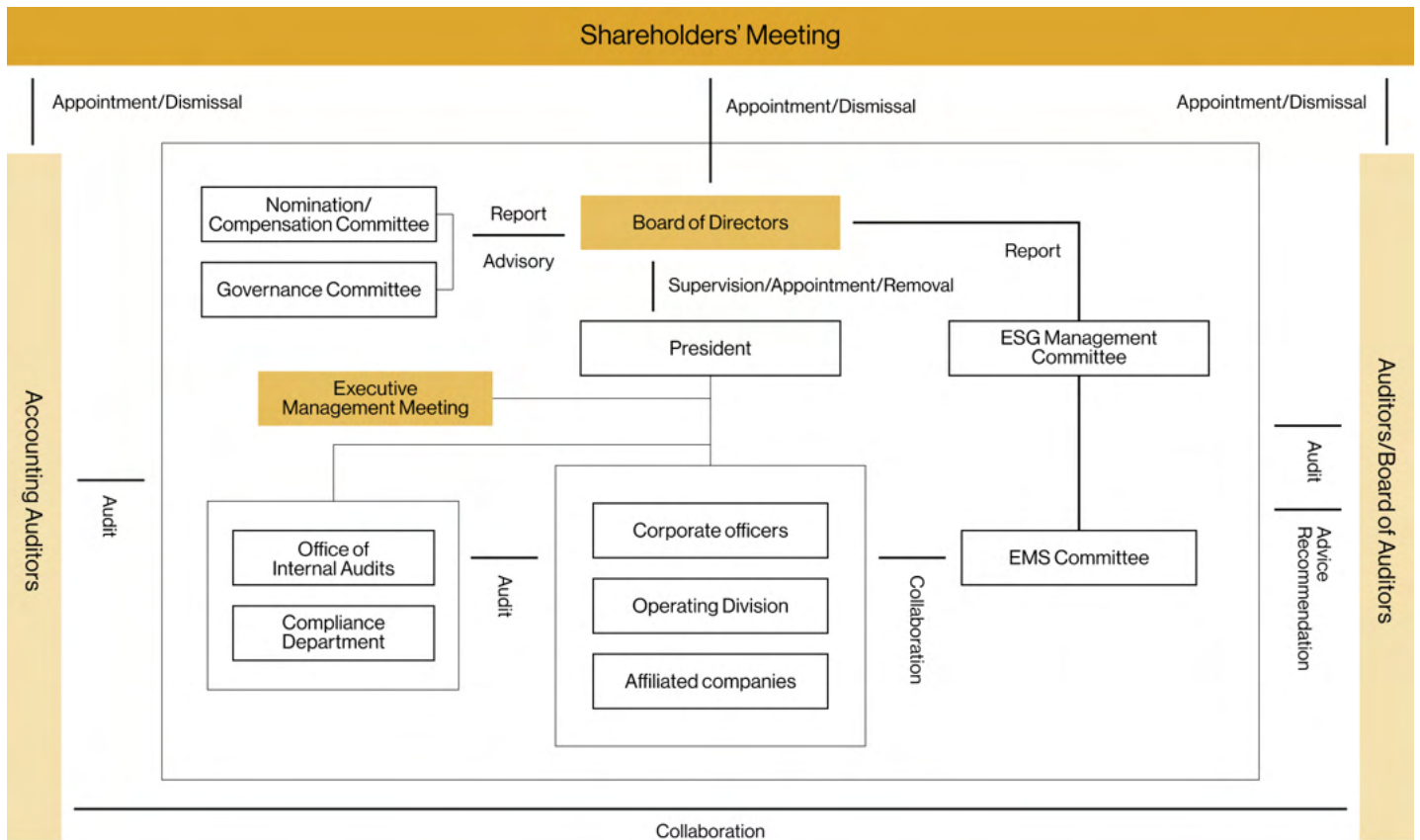
We will strengthen our financial position by bolstering our selection and focus while proactively investing for the mid- to long term to increase our corporate value.

Fast management

We will be agile in responding to changes in customer needs by optimizing product development, procurement and marketing to promote an actual demand business.

Transparent management

We will focus our attention on the balance between work and home life while operating our company in an environmentally friendly way and remaining steadfast in offering transparent information.



External directors:
4 out of 10 directors

External auditors:
3 out of 4 auditors

Female directors:
2 out of 10 directors

Overview of each institution

Institutions	Structure	Activities
Board of Directors	Chairperson: Chairman and Representative of Board 10 directors, 4 auditors	<ul style="list-style-type: none"> Deliberating important matters, auditing management and discussing management policy
Nomination / Compensation Committee	Chairperson: External director 3 internal directors, 4 external directors	<ul style="list-style-type: none"> Defining the roles, authority, and other aspects of officers (directors and auditors) and corporate officers, and appointing them Verifying incentive scheme for officers Examining succession measures for officers
Governance Committee	Chairperson: External director 3 internal directors, 2 external directors, 1 full-time corporate auditor	<ul style="list-style-type: none"> Enhancing the effectiveness of corporate governance code requirements Examining countermeasures for major governance risks

Institutions	Structure	Activities
Executive Management Meeting	Chairperson: President and Representative of Board 6 directors, 3 corporate officers, 1 full-time corporate auditor	<ul style="list-style-type: none"> Decisions on business operations and execution of operations
Board of Auditors	Chairperson: Full-time corporate auditor 1 full-time corporate auditor, 3 external auditors	<ul style="list-style-type: none"> Receiving material auditing reports, conducting consultations or decision-making
ESG Management Committee	Chairperson: President and Representative of Board Leaders from each department participate, including those of subsidiaries	<ul style="list-style-type: none"> Reviewing the status of key issues pertaining to implementation of ESG management as described in the medium-term management plan

Appointment of Directors, Auditors and Corporate Officers

In designating director and auditor candidates, their career, insights, character and other attributes are extensively reviewed by the Board of Directors, which decides the suitability of their appointment based on the content of deliberations by the Nomination/Compensation Committee, an advisory body to the Board of Directors. In the event of a director's violation of the law or articles of association or a reason deemed to make the rightful execution of other duties infeasible, the Board of Directors deliberates and decides their dismissal or other discipline.

Corporate officers are appointed by a decision of the Board of Directors to contribute to increasing our corporate value in the medium- to long term. The conditions for dismissal of corporate officers are stipulated in the Corporate Officer Guidelines. Corporate officers who meet these conditions are dismissed by a decision of the Board of Directors.

Main skills possessed by current directors

Directors	Corporate management	Finance and accounting	Human resources and career development	Governance and legal affairs	Research and development	Manufacturing technology	Sales	Marketing	Global experience	Social/Environmental	Sports literacy
Akio Nishida (Chairman and Representative Director)	○		○	○				○	○	○	○
Takao Watanabe (President and Representative Director)	○			○	○		○	○	○	○	○
Yoshiteru Nishida (Director and Senior Managing Officer)	○	○				○			○		○
Eiichiro Homma (Director and Vice President)	○	○		○			○	○	○		○
Michio Shirasaki (Director and Senior Managing Officer)	○	○	○	○					○		○
Hikari Mori (Director and Senior Managing Officer)	○				○		○	○	○	○	○
Yuko Moriguchi (External Director)			○		○				○	○	○
Rie Akiyama (External Director)				○					○		○
Ichiro Yoshimoto (External Director)	○		○				○		○		○
Dai Tamesue (External Director)	○		○		○				○	○	○

Appointment of External Officers

The Company has established criteria regarding the independence of external officers, and appoints independent external officers who have no vested interests in the Company. The Company has notified the Tokyo Stock Exchange of all external directors and external auditors as independent directors/auditors. The criteria regarding the independence of external officers require that external officers must not fall under any of the following categories.

1. A person who is not currently, or who has not in the past 10 years been, a director (excluding external directors), auditor (excluding external auditors), or employee of the Company and its consolidated subsidiaries (hereinafter collectively referred to as the “Group”).
2. A person to whom, prior to assuming their position, none of the following has applied in the past three years, including the current business year.
 - (1) A current major shareholder^{*1} of the Company or an executive^{*2} of such major shareholder
 - (2) An executive of a company or other entity that falls under either of the following
 - ① A major client^{*3} of the Group
 - ② A person in which the Group directly or indirectly holds 10% or more of the total voting rights, or an executive of such
 - (3) A person who is employed by the audit corporation that is the financial auditor of the Group
 - (4) A consultant, accountant, certified public tax accountant, attorney, judicial scrivener, patent attorney, or other professional who has received large sums of money or other assets^{*4} from the Group
 - (5) A person who has received a large donation^{*5} from the Group
 - (6) An executive of a company to which the Group’s executives are appointed as officers
3. In cases where a person who falls under any of the categories in 2 above is an important person,^{*6} the spouse or relative of that person up to the second degree of kinship
4. Notwithstanding the provisions of the preceding categories, any other person who is deemed to have to have a special reason that may cause a conflict of interest with the Company

*1. The term “major shareholder” means a shareholder who, at the end of the Company’s most recent business year, holds 10% or more of the voting rights in either their own name or in the name of another person.

*2. The term “executive” means an executive as defined in Article 2, paragraph (3), item (vi) of the Regulations for Enforcement of the Companies Act.

*3. The term “major client” means one whose transaction amounts exceed 2% of either the Company’s consolidated net sales or the client’s consolidated net sales.

*4. The phrase “large sums of money or other assets” means, in the case of an individual, an amount of 10 million yen or more per year on average for the past three business years, and in the case of a corporation, etc., 2% or more of the consolidated net sales of that corporation, etc.

*5. The term “large donation” means an amount of money or other property exceeding 10 million yen per year on average for the past three business years; provided, however, that, if the person receiving the donation is a corporation, partnership, or similar organization, the term means an amount exceeding 2% of the organization’s gross revenue or ordinary income, whichever is greater.

*6. The term “important person” means a director, executive officer, corporate officer, or other executive at or above the rank of general manager, or an executive with equivalent authority.

Activities of External Officers (year ended March 31, 2023)

Director	Yuko Moriguchi	Moriguchi attended 16 of the 17 meetings of the Board of Directors held during the business year under review, and asked questions and expressed opinions as appropriate based on her wealth of experience and insight cultivated over many years as a professional athlete. As a member of the Nomination/Compensation Committee, Moriguchi deliberated objectively on personnel matters and the compensation framework, etc. for representative directors and directors.
Director	Rie Akiyama	Akiyama attended 17 of the 17 meetings of the Board of Directors held during the business year under review, and asked questions and expressed opinions as appropriate based on her wealth of experience and deep insight primarily as a legal professional. As chair of the Governance Committee, she strengthens the governance framework. Also as a member of the Nomination/Compensation Committee, Akiyama deliberated objectively on personnel matters and the compensation framework, etc. for representative directors and directors.
Director	Ichiro Yoshimoto	Yoshimoto attended 17 of the 17 meetings of the Board of Directors held during the business year under review, and asked questions and expressed opinions as appropriate based on his wealth of experience and insight cultivated over many years as a business owner. As chair of the Nomination/Compensation Committee, Yoshimoto deliberated objectively on personnel matters and the compensation framework, etc. for representative directors and directors.
Director	Dai Tamesue	Tamesue attended 13 of the 13 meetings of the Board of Directors held during the business year under review following his appointment on June 23, 2022, and asked questions and expressed opinions as appropriate based on his wealth of experience and insight cultivated over many years as an athlete. As a member of the Nomination/Compensation Committee, Tamesue deliberated objectively on personnel matters and the compensation framework, etc. for representative directors and directors.
Auditor	Akiyuki Shiobara	Shiobara attended 16 of the 17 meetings of the Board of Directors and 17 of the 18 meetings of the Board of Auditors held during the business year under review, and asked questions and expressed opinions as appropriate based on his wealth of knowledge and experience that he accumulated primarily in related industries and originally from working at a major trading company.
Auditor	Hidenao Yoichi	Yoichi attended 17 of the 17 meetings of the Board of Directors and 18 of the 18 meetings of the Board of Auditors held during the business year under review, and asked questions and expressed opinions as appropriate based on his wealth of knowledge and experience that he accumulated primarily in related industries and originally from working at a major trading company.
Auditor	Tsutomu Morita	Morita attended 17 of the 17 meetings of the Board of Directors and 18 of the 18 meetings of the Board of Auditors held during the business year under review, and asked questions and expressed opinions as appropriate based on his wealth of knowledge and deep insight primarily as a bank executive.

Initiatives to strengthen corporate governance

Establishment of the Nomination/Compensation Committee

GOLDWIN has chosen a company with a board of company auditors as its institutional design. Currently, the Board of Directors consists of a total of 10 members, four of whom are independent external directors. In addition, by establishing a Nomination/Compensation Committee, we have ensured a mechanism for obtaining appropriate involvement and advice from independent external directors.

<Purpose of establishing the Nomination/Compensation Committee>

The Nomination/Compensation Committee has been established as a discretionary advisory body to the Board of Directors for the purpose of enhancing the independence, objectivity, and accountability of the Board of Director's functions in relation to the nomination and compensation, etc. of directors, thereby further strengthening our corporate governance.

<Authority and role of the Nomination/Compensation Committee>

The Nomination/Compensation Committee deliberates and makes draft decisions on the following matters in response to requests for advice from the Board of Directors.

- (1) Matters related to the nomination of director candidates
- (2) Matters related to the dismissal of directors
- (3) Matters related to compensation for directors
- (4) Matters related to the basic policies and standards for (1) through (3) above
- (5) Matters related to succession planning (including training) for directors
- (6) Other matters for which the Board of Directors requests advice from the Nomination/Compensation Committee

<Composition of the Nomination/Compensation Committee>

The Nomination/Compensation Committee shall consist of at least three members, the majority of whom shall be independent external directors. The Nomination/Compensation Committee for the current term consists of six members, four of whom are independent external directors.

Evaluating the Efficacy of the Board of Directors

We evaluate the efficacy of the Board of Directors annually. In FY 2022, the efficacy of the Board of Directors was evaluated under the following process. Guidance in survey analysis was obtained from an external organization to increase the transparency of the evaluation.

In FY 2022, a questionnaire survey was conducted in December 2022, and discussed by the Governance Committee in January 2023. As a result, we confirmed that while there is still some room for improvement, the efficacy of the Board of Directors is generally realized.

Evaluation process

1. Collection of surveys from all directors and auditors
2. Analysis of survey results
3. Discussions in the Governance Committee based on the analysis results

Survey items

- Composition of the Board of Directors
- Board of Director operations
- Information provision to external officers
- Improvements from the previous fiscal year
- Overall evaluation

Training for Directors and Auditors

Our internal directors and auditors attend external seminars for the purpose of self-development, including acquiring new ways of thinking and real-time information. We encourage them to join external groups and actively participate in interpersonal networks (exchanges with people in other industries) and add to their knowledge. We hold lectures for external directors and auditors when they begin their appointments to provide them with an overview of our Group, our basic mission and our management plans. After they assume their positions, they attend external seminars, we hold briefings for them on our business activities, and provide Group property and facility tours. Expenses for attending external seminars are borne by the company.

Executive Compensation

GOLDWIN's officer incentive scheme aims to provide fair compensation corresponding to each officer's role and responsibilities, with the basic policy of promoting sustainable growth and improving medium- to long-term corporate value. The compensation system and criteria are revised objectively considering economic conditions, our performance, and criteria at other companies.

The designation and dismissal of director candidates are decided by the Board of Directors after deliberation by the Nomination/Compensation Committee, which is comprised of a majority of external officers. Specifically, compensation for internal directors consists of basic compensation, performance-related compensation, and non-monetary compensation. The ratio of each is decided by the Board of Directors after deliberation by the Nomination/Compensation Committee. The guideline for the compensation ratios is basic compensation: performance-related compensation (monetary compensation): performance-related compensation (non-monetary compensation) = 70:15:15. External directors responsible for auditing functions are only paid basic compensation, in view of their duties. The amount of individual compensation is decided by the Board of Directors after deliberation by the Nomination/Compensation Committee, within the compensation limits decided at the shareholders' meeting.

Content of director compensation

Types of compensation	Payment method (fixed/variable)	Content of compensation
Basic compensation	Cash (fixed)	At GOLDWIN, basic compensation for directors is fixed monthly and paid evenly each month. Basic compensation corresponds to the position and responsibilities.
Performance-based compensation	Cash (variable)	Performance-based compensation aims to heighten awareness of yearly performance improvements by paying internal directors a uniform amount for each month of the following year. The amount of performance-based compensation is decided based on companywide performance each business year. The target performance indicators are revised as needed based on a review by the Corporate Planning Department corresponding to changes in the business environment.
Stock-based compensation	Non-monetary (variable)	Non-monetary compensation aims to incentivize sustainable growth and improved corporate value in the medium- to long term and to enhance value sharing with shareholders by granting restricted stock to internal directors. The number of shares granted is determined taking into account the position and responsibilities. After consulting the Nomination/Compensation Committee, the Board of Directors also determines the duration and terms for providing specific compensation.

FY 2022 status (April 1, 2022 to March 31, 2023)

Officer classification	Total compensation (Millions of yen)	Total of each type of compensation (Millions of yen)				Number of relevant officers (officers)
		Fixed compensation	Performance-based compensation	Retirement allowance	Non-monetary compensation in the left columns	
Directors (excluding external directors)	330	276	54	—	51	6
Auditors (excluding external auditors)	18	18	—	—	—	1
External officers	66	66	—	—	—	8

Approach to Cross-shareholding

We believe that cooperative relationships with various companies in the areas of development, production, and financing is necessary to continue achieving growth in the future. We may therefore hold shares for purposes other than investment, when deemed necessary to increase corporate value in the medium- to long term, after considering the business strategy and business objectives jointly with the business partner.

At the same time, every year, the Board of Directors examines each share currently held based on our policy of reducing cross-held shares that are considered to be of little significance. As a result of that examination, we continue to hold stocks for which the purpose of holding is appropriate and the benefits and risks associated with holding are commensurate with the capital cost. For other stocks, we sell them off promptly, taking into account stock price and market trends.

Exercising voting rights pertaining to cross-shareholding is approved when the resolution being voted on is expected to help to increase our corporate value, or is expected to benefit efficient and sound management for the issuing company and increase its corporate value.

Basic Concept

GOLDWIN Group aims to be corporate group trusted by its stakeholders that fulfills its social responsibilities by conducting business activities in a sincere and fair manner while complying with laws and regulations and adhering to social standards and ethics. To realize this, we recognize that it is essential for each employee to act with a strong awareness of compliance.

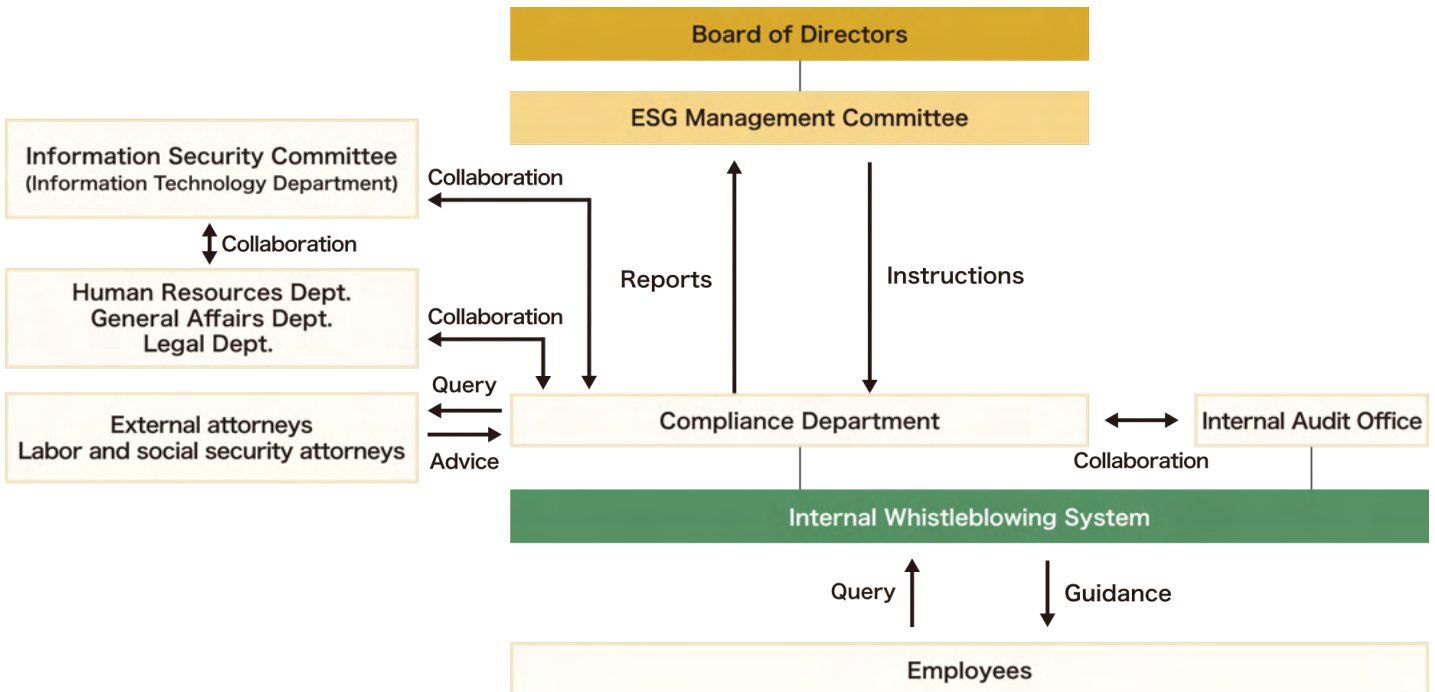
We foster a corporate culture that does not permit fraud, by establishing the Corporate Code of Conduct and Employees' Code of Conduct, both of which serve as the standards for employees to choose the appropriate action, ensuring that all employees are familiar with these standards.

Corporate Code of Conduct / Employees' Code of Conduct

Promotion Framework

We have built a compliance framework led by the Compliance Department. Compliance activities are reported to the ESG Management Committee, with oversight and guidance from the Board of Directors. The Internal Audit Office cooperates in operating the internal whistleblowing system and in activities to raise employee awareness. The Information Security Committee (Information Technology Department), HR, General Affairs and Legal Departments cooperate in planning and conducting training, and in confirming and complying with laws and regulations.

Framework



Compliance Promotion

GOLDWIN and Group companies follow our internal whistleblowing system and ensure that external directors and auditors can express independent and objective opinions at Board of Directors and Board of Auditors meetings. We thereby ensure that directors and auditors perform their duties lawfully. We provide training to ensure that all employees fully understand relevant laws, our corporate philosophy, and our code of conduct. We also

confirm compliance with business procedures and manuals at all locations through internal audits and control system assessments. We also conduct annual compliance workshops.

We distribute the Compliance Card, a guide to the internal whistleblowing system, code of conduct and standards of conduct, to all employees and instruct them to carry it always. We also strive in other ways to raise employee awareness of compliance issues.

In FY 2022, we conducted a compliance awareness survey on 1,664 people with a GOLDWIN Group email address. We have reflected the results of their responses in compliance training and other measures related to thorough compliance awareness to help foster an awareness for compliance. We also conducted a self-check survey on sales associates which included questions on compliance, and responses were received from 822 of them. Their responses showed that they are highly aware of compliance and have a deeper understanding of it. Through these activities, we will continue to keep track of compliance awareness among employees, and link the findings to training and measures.

Compliance Education

We conduct annual compliance workshops for all employees, including those at Group companies. In FY 2022, we held workshops for 2,810 employees (100% attendance) with the objective of promoting understanding and awareness of compliance and risk management, and familiarizing employees with our internal whistleblowing system.

We also published 12 issues of Compliance News, our e-newsletter that encourages employees to think about compliance in terms of themes that are familiar to them, including: *Be careful of insider trading! What is maternity and paternity discrimination? What not to do or say that hurts LGBTQ+ people.*

We also send sales associates a compliance newsletter by mail to share our approach to compliance and to nurture awareness among all employees. In FY 2022, we again shared the results of our internal audit and the increase in compliance awareness among employees, and once again requested and supported compliance promotion at each store.

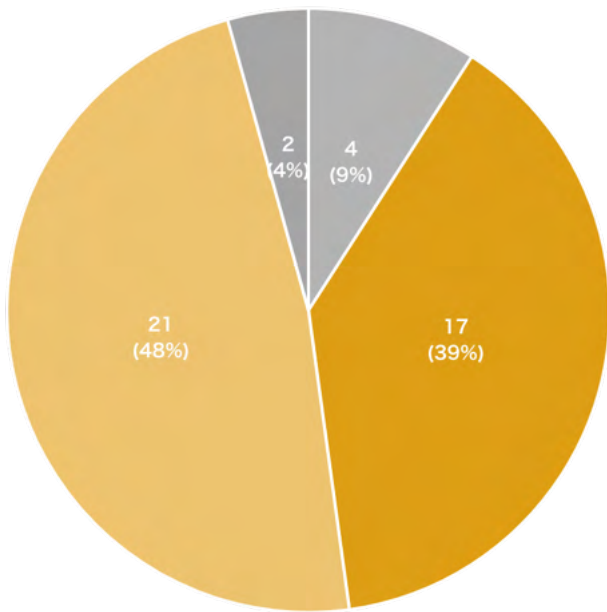
Internal Whistleblowing System

GOLDWIN Group deploys an internal whistleblowing system (corporate ethics hotline) for queries and reports on misconduct, violations of the law and corporate ethics, or any possible violation in execution of company business.

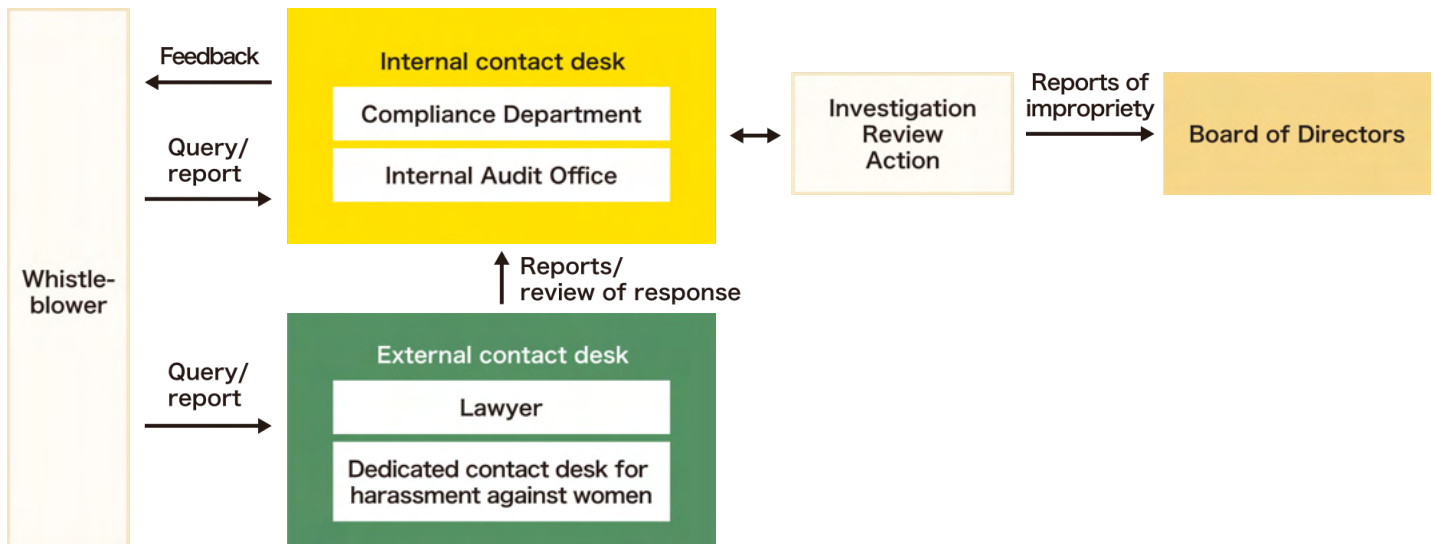
Queries and reports can be made anonymously, either to an internal contact desk or externally to a lawyer or a labor and social security attorney's office. We conduct thorough investigations and reviews based on the content of the reports or queries, respond to the person who raised the issue, and take action accordingly. Personal information is protected and kept confidential in accordance with the Whistleblower Protection Act, so that no one suffers any consequences in raising a query.

In FY 2022, we revised our Whistleblower Protection Regulations in accordance with the June 2022 revisions of the Whistleblower Protection Act, and worked to strengthen awareness of our internal whistleblowing system and the contact points. We received a total of 44 consultations and reports in the four categories of suspected compliance violation, suspected harassment, personal relations in the workplace, and other, all of which have been dealt with appropriately.

Suspected compliance violation
 Suspected harassment
 Personal relations in the workplace
 Other



Internal whistleblowing system mechanism



Future Issues

We will continue to comply with laws and regulations, to observe social norms and ethics, and to meet societal expectations. To this end, we will share information about relevant laws, our corporate philosophy, and our code of conduct, conduct internal audits and internal control system assessments, operate our internal whistleblowing system, take rigorous efforts to prevent corruption, hold compliance training, and strive to foster compliance awareness among all employees.

Corporate Code of Conduct

1. GOLDWIN will endeavor to comply with laws and social conventions and undertake sound corporate activities in the spirit of fair play.
2. GOLDWIN will disclose its corporate information in a proactive and fair manner to its shareholders, investors, customers, and business partners in its effort to increase transparency in management. GOLDWIN will ensure that a wide range of information, including personal and customer information, is protected and controlled.
3. GOLDWIN will develop and provide products and services that are socially meaningful and safe in order to secure the satisfaction and trust of consumers and customers.
4. GOLDWIN will respect the diversity, personality, and individuality of employees, secure a safe and accessible working environment, and provide comfort and economic well-being.
5. GOLDWIN will contribute to the development of the sporting culture through its corporate activities and actively engage in activities that will benefit communities.
6. In overseas business activities, GOLDWIN will not only adhere to the international rules and local laws, but also respect the local culture and customs and operate in such a manner as to contribute to their preservation and promotion.
7. GOLDWIN's top executives are aware that they are responsible for carrying out the spirit of the Code of Conduct and will act accordingly to demonstrate the spirit. They will communicate the importance of the Code of Conduct not only internally within the Group but also to its business partners. They will also ensure that they pay attention to the voices inside and outside the company so that it can evolve to become a more efficient and effective organization.
8. In the event of a situation involving a violation of this Code of Conduct, the top executives of GOLDWIN will personally take steps to resolve the problem and strive to identify the causes and prevent a recurrence. GOLDWIN's top executives will make a prompt and accurate disclosure and assume full accountability, clarify the scope of the relevant authority and responsibility, and take strict actions against the persons involved, including his or her self.
9. GOLDWIN recognizes that environmental issues are common to all humanity and that the development of environmental programs is a vital part of a corporation's identity and activities. GOLDWIN will strive to protect the environment and promote the efficient use and conservation of natural resources.
10. GOLDWIN will be resolute in opposing anti-social forces and groups that threaten to disrupt the order and safety of civil society, and will reject any relationships whatsoever with them.

Code of Conduct for Employees

1. Compliant business activities

- (1) GOLDWIN's employees will observe the Anti-monopoly Act and will not engage in any unfair practices such as cartel, price fixing, or abuse of superior bargaining position.
- (2) GOLDWIN's employees will ensure that procurement is conducted in a fair and transparent manner, observe the Subcontract Act and the Industrial Homework Act and its internal regulations, and pay attention to such issues as legal compliance, quality, safety, environmental conservation, information security, fair trade, ethics, safety and hygiene, human rights and labor rights so as to encourage its suppliers to fulfill their social responsibility.
- (3) GOLDWIN's employees will respect intellectual property rights and seek to create a corporate culture that values intellectual property rights. They will use their best efforts to maximize corporate value in the creation, protection, and utilization of intellectual property rights while observing laws and regulations and facilitating fair and free competition.

- (4) In international trade, GOLDWIN's employees will observe the applicable laws and regulations of the trading country as well as Japan's Unfair Competition Prevention Act and other related import and export laws. In investing overseas, GOLDWIN's employees will comply with the laws and regulations of the host country.
- (5) GOLDWIN's employees will neither offer to nor receive from GOLDWIN's customers and vendors entertainment, gift, or money that exceeds the bounds of social conventions. In particular, when dealing with public servants in Japan or overseas, GOLDWIN's employees will not only ensure full compliance to relevant laws and regulations, but also refrain from any conduct that may appear suspicious.
- (6) Should GOLDWIN's employees gain any material information regarding GOLDWIN or its business partners, they will not engage in any insider trading involving transactions of shares or securities prior to the publication of such material facts.

2. Active information disclosure and protection of personal information

- (1) GOLDWIN will provide timely and appropriate information disclosure to shareholders and investors to facilitate the understanding of its corporate activities.
- (2) GOLDWIN recognizes that not only management and financial information that is useful to stakeholders but also non-financial information related to the environment and society information is material to its corporate activities and should be made available to the public includes, and strives to voluntarily disclose such information.
- (3) Recognizing the importance of protecting personal information, GOLDWIN will adhere to the relevant laws and internal regulations. Confidential information will be strictly controlled.

3. Improvement in product quality and service

- (1) GOLDWIN will coordinate its product development, marketing (including that of distributors and retailers) and customer services in order to develop and offer products and services that are based on customer needs and friendliness to the global environment.
- (2) To ensure product safety and quality, GOLDWIN will establish standards and procedures to be followed in all processes of development, sales, and consumption and develop a quality and safety management regime so that any defects, if found, can be addressed appropriately and quickly.
- (3) GOLDWIN will ensure appropriate labeling in accordance with the Act Against Unjustifiable Premiums and Misleading Representations and other relevant laws and regulations so that consumers are able to choose products and services in an objective manner.

4. Securing job satisfaction and fundamental rights for workers

- (1) GOLDWIN will promote a workplace where employees can find job satisfaction and a sense of purpose, and expand employment opportunities without prejudice to nationality, gender, age, religion, or disabilities. And the company develops a personnel management and compensation framework that is reasonable and fair.
- (2) GOLDWIN will strive to secure safety and hygiene at workplace, actively support a healthy lifestyle, maintain appropriate working hours, and to create a comfortable work environment.
- (3) GOLDWIN will respect the individuality and the fundamental rights of employees, and support their career and skill development. In addition, GOLDWIN will introduce a wide range of employment modes so that its employees can maintain a balance between work and personal life.
- (4) GOLDWIN provides its employees with appropriate information on its operation status, economic environment, and challenges in order to work toward the growth of company operations by sharing common understanding of company's stands.
- (5) GOLDWIN will respect the basic labor rights of employees and under no circumstances will employ forced or child labor, or engage in any other inhumane treatment of workers.

5. Society and Environment

- (1) GOLDWIN will fulfill its corporate citizenship by making community contributions on a consistent basis through such means as supporting cultural and artistic activities, collaborating with local communities, leading volunteer activities, and participating in international cooperation, thereby advancing the growth and prosperity of society.
- (2) When conducting business activities overseas, GOLDWIN will respect the laws, cultures, and customs of the host country.
- (3) GOLDWIN will have no dealings whatsoever with any anti-social forces or organizations and will absolutely refuse any unreasonable demands made by them.
- (4) In decision-making, GOLDWIN will take into consideration factors that impact the environment, including energy efficiency, resource savings, and protection of biodiversity. GOLDWIN will do so in order to facilitate the creation of a low-carbon society and to develop products and business models that are conducive to environmental conservation in an effort to build a sustainable society.

Basic Concept

There is the risk that a crisis could materially impact our company activities, and we view risk management as an extremely important activity. We have established our Risk Management Guidelines and prepare for various risks for the purpose of preventing crises before they arise and minimizing the impacts on our company if a crisis does arise.

In FY 2023, we revised our Risk Management Guidelines, redefining the risk classifications in line with recent social circumstances and adding content following formulation of our business continuity plan (BCP). The guidelines were shared within the company.

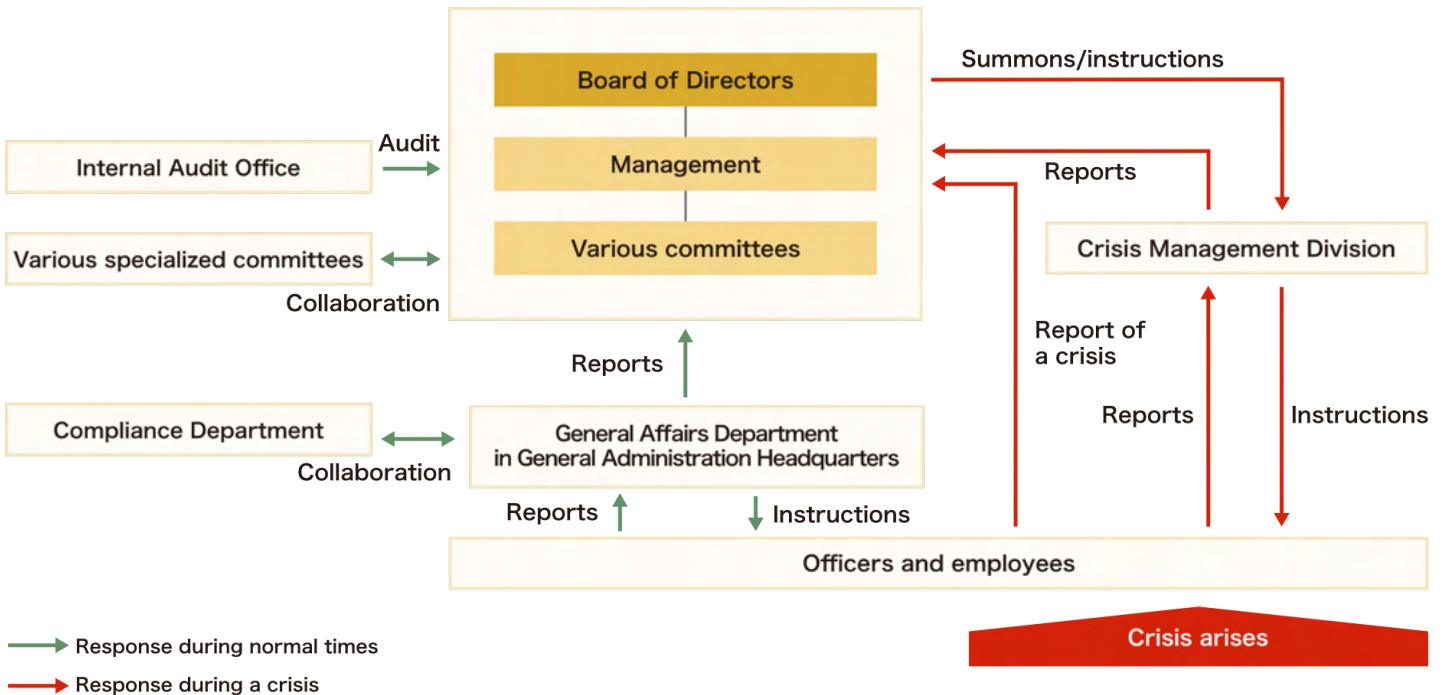
Promotion Framework

We have established various internal committees, including the BCM Committee and the Information Security Committee, and we are constantly striving to manage risk by anticipating potential risks. It is also important to uniformly collect information on crisis management and make decisions comprehensively. We have therefore made the General Administration Headquarters the managing headquarters for crisis management, with the General Affairs Department executing these duties in normal times.

The BCM Committee is chaired by the Director of the General Administration Headquarters, and members are appointed from each headquarters. Committee meetings are held twice a year, where the status of BCP operations, drills, and confirmation of measures are shared with members and necessary measures are discussed.

In the event of a crisis, it is promptly reported to management, primarily to directors, and a Crisis Management Division is set up to deal with the crisis. The Crisis Management Division gathers and analyzes information, examines countermeasures and the policy to prevent reoccurrences, and establishes the structure to give instructions and orders to officers and employees on the actions required to resolve the crisis.

Framework



Business Continuity Management (BCM)

If a natural disaster occurred such as an earthquake, large typhoon, or volcanic eruption, or an event such as an infectious disease or large-scale prolonged power outage that would impact the continuity of economic activity, or an incident such as an information leak, it could exert enormous impacts on our business activities in the medium- to long term.

We have implemented a business continuity plan (BCP) since formulating it in FY 2021. It is designed to anticipate these kinds of emergencies in advance and to ensure the safety of employees and their families as the top priority in the event of a crisis, while contributing to the stability of society and the community, and fulfilling our social responsibility through business continuity. A business continuity management (BCM) framework has been established under management for formulating the BCP, promoting preemptive measures, promoting education and training, and conducting periodic inspections and corrective actions during normal times. The BCP Promotion Administrative Office serves as the secretariat for the operational framework during normal times. The President and Representative of Board is responsible for BCM, and the Director of the General Administration Headquarters is responsible for the BCM Promotion Administrative Office. The BCM Committee keeps track of progress in BCM, reports to management, follows up on preventive measures and corrective actions, and plans and implements education and training.

In FY 2022, based on the business continuity plan, hearings were held four times with each division to examine the measures of each division and for each business under their jurisdiction and to prepare both tangible and intangible aspects. BCP drills have also been conducted in accordance with the manual.

[Basic policy]

Our highest priority is the life and safety of our employees. We also fulfill our responsibility to supply our customers and fulfill our social responsibility in order to continue being a sports apparel manufacturer trusted and counted on by all people who love sports.

In addition, as a member of society, we collaborate with the national and local governments and cooperate as much as possible in supporting the livelihoods of our employees and their families as well as in rescue and relief efforts for community residents. Furthermore, we contribute to society by continuously working to strengthen our business continuity capabilities for achieving sustainable growth and development, aiming to increase our corporate value.

[Objectives]

1. Human life is our highest priority, so the safety of our employees, their families, and society is first and foremost (including measures to prevent infection and the spread of infection, etc. in the case of infectious diseases).
2. We contribute to the safety of local communities. (Prevention of social and economic disruption) We will resume the provision of products and services as quickly as possible to minimize the impact on customers and society. We will consciously conduct support activities as a sports apparel manufacturer as part of manufacturing, sales, and public relations, which will lead to the maintenance and improvement of our corporate value.
3. By deciding on contingency plans, we can delegate authority and respond quickly in the event of an emergency, thereby ensuring the survival of the company and organization, maintaining management, and securing earnings.

Preparing for Threats and Anticipated Risks

Among various threats such as large-scale earthquakes, infectious diseases, volcanic eruptions, fire, and terrorist attacks, our risk assessments are focused on large-scale earthquakes and infectious diseases as the highest priority threats we need to prepare for. We do, however, continue to consider other threats as required in the course of continuous improvement. In addition, we organize and analyze the risk situation at each of our relevant locations, and prepare issue management charts and manage progress in terms of issues, necessary preemptive measures, and improvement status.

Response to COVID-19

In response to the rise in COVID-19 cases, we established the COVID-19 Countermeasure Committee in March 2020. Chaired by the Director of the General Administration Headquarters, the committee promptly issues instructions and makes decisions to prevent serious incidents and the spread of infection. In light of the reclassification of COVID-19 as a Class V infectious disease in May 2023, the COVID-19 Countermeasure Committee has been dissolved, and efforts are continuing as infection control measures within the normal risk management system.

Refer to the following for information on our infection control measures.

- › Health management infection control measures

Future Issues

We will strengthen collaboration with various internal committees and divisions with the aim of establishing a company-wide risk management system. We will also consider incorporating subsidiaries into BCM, with the ultimate goal of establishing a risk management system for the entire GOLDWIN Group. In terms of concrete measures, in addition to conducting drills and internal education, we will revise our BCM framework and update our guidelines and regulations as necessary.

Basic Concept

The information assets of any company are a constant security risk, with exposure potentially impacting many stakeholders. Recognizing that ensuring information security is an important social responsibility of companies, GOLDWIN formulated and implemented its Basic Policy on Information Security in March 2008. In view of current trends such as accelerating globalization of business and expansion of e-commerce channels, we revised this policy in October 2021 and developed a management framework that is more in tune with these changes. Our aim is to increase awareness of these diverse risks among all officers and employees, to maintain and improve information security, and to become a more trusted company in society.

Basic Policy on Information Security

Recognizing that ensuring information security is an important issue in the delivery of accurate and efficient business operations, GOLDWIN formulated and implemented this Basic Policy on Information Security with the aim of protecting the company's information assets.

1. Establishment of an information security framework

To maintain and improve information security, we will secure the required resources and establish a promotional framework for information security activities.

2. Protection of information assets

We will appropriately manage information assets to ensure confidentiality, integrity, and availability, and strive to protect our information assets from all these related threats.

3. Compliance with laws and regulations

We will comply with laws and regulations related to information security.

4. Education and training

We will provide regular education and training to ensure our officers and employees are sufficiently aware of their responsibilities and obligations to ensure information security.

5. Continuous improvement

To respond to changes in risk associated with revisions to laws and regulations related to information security, and technical innovations, we will regularly evaluate and revise this Basic Policy on Information Security, our other related policies, and management systems, as we strive to continually improve our information security.

6. Incident handling

We will work to prevent incidents related to information security and, in the event that an incident occurs, we will not only respond to the incident but also take prompt and appropriate measures, including measures to prevent recurrence.

Established: March 17, 2008

Revised: October 1, 2021

Promotion Framework and Person Responsible

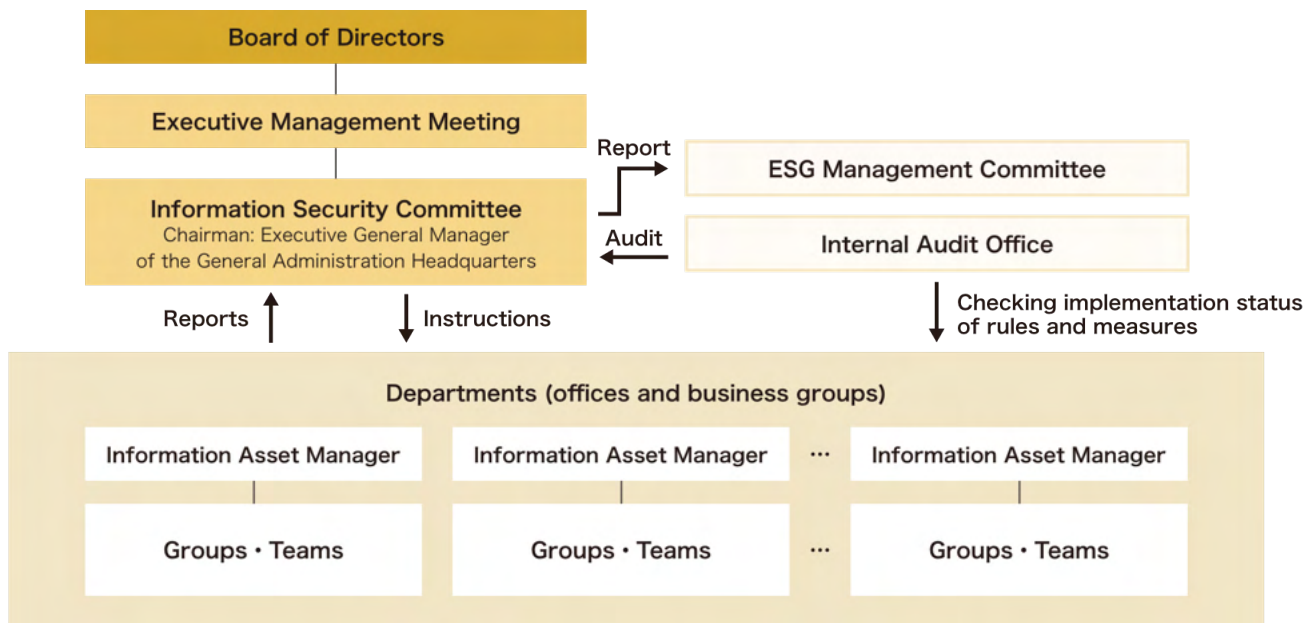
GOLDWIN operates an information security promotion framework with the Information Security Committee, which was established in October 2021, having responsibility.

The Information Security Committee is chaired by the Executive General Manager of the General Administration Headquarters, who oversees the Information Systems Division, with oversight and guidance on important matters received from the Board of Directors through the Executive Management Meeting. The committee meets twice a year as a rule, but the chairman may convene a meeting at any time if necessary.

The General Manager of each department, office, or business group is in charge of managing information assets and works as liaison between the

division and the Information Security Committee. The General Manager is in charge of communicating instructions from the Information Security Committee to the employees, and implementing those instructions.

Framework



Information Security Education

With human error being the cause of many security incidents, including information leaks, improving the information security awareness and literacy of every employees is essential for preventing incidents from occurring.

In FY 2022, we conducted a series of e-learning and group training programs to educate employees on a range of related matters, including our approach to information security, case studies of incidents and related measures, as well as internal systems and rules. All 1,494 applicable employees (office workers) participated in the programs. As for sales staff, training materials are sent to each store and training is provided by each store manager. All 244 relevant stores have completed the training.

We will revise the content of our curriculum as needed and update details in light of the current state of rapidly changing information technology.

Training for Targeted Email Attacks

In FY 2022, we conducted two drills for targeted email attacks to raise employee perception of cyberattacks as being a risk that can affect them. In recent years, there has been a spate of cases in which important information has been stolen or ransom money demanded from specific companies and organizations through targeted email attacks, as well as cases in which money has been extracted through scam business emails. We have also received similar emails. As a measure to combat this, the Information Security Committee Administrative Office sent a mock email attack to employees as a training exercise. By actually exposing employees to targeted email attacks, they will learn not to open suspicious emails, not to click on URLs in the body of suspicious emails, and not to open attachments, thereby reducing the risk of virus infection, information leaks, and other problems. Employees who opened the attached files during both drills are required to retake the e-learning course and undertake other education.

Commitment to Information Asset Management

To strengthen companywide management of information assets under this new framework, it is important that we restructure our management rules. In FY 2021, we began working to understand the situation with internal management of information assets as the first step toward achieving this goal. After asking each division about which information assets they hold and how they are currently managing them, we have been analyzing the

status of operations.

Under the GOLDWIN document handling rules, we have defined three standards: Strictly Confidential, Confidential, and For Internal Use Only. In FY 2021, we conducted a survey of personal information and other information classified as Strictly Confidential, which requires the highest level of control, and in FY 2022, we conducted an inventory of information assets by expanding the scope to include Group companies. Going forward, we will clearly identify our information assets to ensure documentation, companywide uniformity, and compliance with the management rules. Furthermore, in addition to our commitment to information asset management, we are also working to strengthen restrictions on the use of USB memory devices. We clarified the criteria for approved use, and we reexamined devices that have already been approved. In FY 2023 onward, restrictions on USB use will be further strengthened, including limiting PCs to which USB memory devices can be connected.

Information Security Incident Support Center

When information security incidents occur, it is extremely important to receive a prompt report from the relevant person, and to respond as an organization. In August 2021, we established and began operating a new Information Security Incident Support Center in preparation for such a situation. In FY 2022, there were 25 inquiries, of which 21 were about spam emails. We are also explaining to all employees that if they find an incident potentially leading to an information leak, they must report it to their division superior and contact the support center immediately.

Examples of information security incidents

- Losing a computer or other information device
- Opening an attached file or accessing a URL in an unsolicited or spam email
- Installing a file infected with a virus
- Having an ID to the company social media, etc. hacked
- Disclosing personal information accidentally

Future Issues

With the importance of information security continuing to increase, we will improve the level of management in terms of technologies, operations, systems, and education going forward. We will also establish appropriate management indicators as we steadily advance our objectives. From next fiscal year, we plan to assess risks related to the essential computers, networks, and other devices we use for business, and to investigate priority measures. In addition, we plan to further strengthen our systems by securing specialists in information security management and establishing a dedicated organization.

Basic Concept

As the GOLDWIN Group, we recognize the significant implications that business has on human rights, and in order to conduct activities with consideration for human rights, advance initiatives for respecting human rights in accordance with international standards including the UN Guiding Principles on Business and Human Rights.

We have established the Goldwin Group Policy on Human Rights as our shared values in advancing our initiatives and share it with all officers and employees of our Group as well as with related suppliers.

GOLDWIN Group Policy on Human Rights

The mission of the GOLDWIN Group (“The Group”) is to realize a fulfilling and healthy lifestyle through sports. Our aim is to build a sustainable society as we raise our corporate value through our business activities while respecting every facet of people’s diversity. Recognizing that respect for human rights is indispensable to realizing our mission, we have implemented the GOLDWIN Group Policy on Human Rights (“The Policy”), based on the United Nations Guiding Principles on Business and Human Rights. Our approach is specifically described in our compliance guidelines: our Corporate Code of Conduct, Code of Conduct for Employees, and Code of Conduct for GOLDWIN Suppliers.

Compliance with Global Human Rights

The Group is committed to respecting the laws and regulations of every nation in which it operates while also complying with the International Bill of Human Rights and the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work. Should the laws and regulations of a nation conflict with internationally recognized human rights standards, the Group will seek ways to honor the principles of international standards in its conduct.

Scope of Compliance

The Policy applies to all directors and employees of The Group. Suppliers are also expected to support The Policy and share our commitment to respect human rights globally.

Human Rights in Practice

To secure the human rights of all stakeholders, The Group prohibits any engagement that contributes to human trafficking, forced labor, child labor, and all types of discrimination or harassment. The Group also guarantees the right to freedom of association and collective bargaining.

We continue to conduct due diligence to ensure compliance with human rights standards throughout The Group’s value chain and to prevent or reduce actual or potential risks of violation.

The Group’s President and Representative Director has ultimate responsibility for effective deployment and implementation of The Policy throughout The Group’s operations.

The Group recognizes the importance of seeing potential human rights infringement from the viewpoints of stakeholders liable to be victimized. Therefore, The Group retains external, independent expertise in this field and confers with relevant stakeholders in the course of implementing The Policy.

The Group also conducts educational programs on implementing The Policy for its directors and employees, and organizes activities to raise awareness and understanding of The Policy among its suppliers.

Remediation

The Group maintains a procedure for stakeholders to consult on or report acts that have a negative impact on human rights. Should The Group realize that any part of its operation has caused or contributed to an adverse effect on human rights, we will initiate corrective action(s) necessary as remediation.

Progress Reports

Progress on implementation of The Policy is reported on The Group’s website.

December 13, 2021
Takao Watanabe
Representative Director, President, and Chief Executive Officer
GOLDWIN Inc.

Editorial Policy

The GOLDWIN Group actively discloses financial and non-financial information to enable all stakeholders to understand the sustainability activities of the group.

The sustainability website is reviewed annually in accordance with the Global Reporting Initiative (GRI) Standards and international guidelines such as the SASB Standards.

Reporting Period

April 1, 2022–March 31, 2023

Note: Includes some information outside of the above period.

Reporting Scope

This report contains information on the activities of GOLDWIN Group, its 15 subsidiaries and three affiliated companies (as of March 31, 2023), with a focus on GOLDWIN Inc.; however, some content covers GOLDWIN Inc. on a non-consolidated basis.

Material Changes to the Organization During the Reporting Period

Nothing in particular

Updates

October 2023 (previous update: December 2022/ next update: October 2024, planned)

Referenced Guidelines

Global Reporting Initiative (GRI) Standards

ISO 26000 (Guidance on social responsibility)

Sustainability Accounting Standards Board (SASB) Standards

Contact Information for All Inquiries on This Report

> Inquiries

General Disclosures

GRI standards	Disclosure	Location	
102 General Disclosures	Organizational profile		
	102-1	Name of the organization	ABOUT US
	102-2	Activities, brands, products, and services	Brands
	102-3	Location of headquarters	ABOUT US
	102-4	Location of operations	Offices / Group Companies / Overseas
	102-5	Ownership and legal form	ABOUT US
	102-6	Markets served	ABOUT US
	102-7	Scale of the organization	ABOUT US
	102-8	Information on employees and other workers	Employment and Diversity
	102-9	Supply chain	Supply Chain Management
	102-10	Significant changes to the organization and its supply chain	Editorial Policy
	102-11	Precautionary Principle or approach	Information Disclosure Based on TCFD Recommendations Compliance Risk Management
	102-12	External initiatives	Information Disclosure Based on TCFD Recommendations
	102-13	Membership of associations	Environmental Communication
Strategy			
102-14	Statement from senior decision-maker	Top Message	

GRI standards	Requirements	References	
102 General Disclosures	Strategy		
	102-15	Key impacts, risks, and opportunities	Top Message Environmental Management System Information Disclosure Based on TCFD Recommendations Risk Management
	Ethics and integrity		
	102-16	Values, principles, standards, and norms of behavior	MISSION · VISION · VALUE · TAGLINE Corporate Code of Conduct / Employees' Code of Conduct
	102-17	Mechanisms for advice and concerns about ethics	Compliance
	Governance		
	102-18	Governance structure	Corporate Governance
	102-19	Delegating authority	Approaches to Sustainability
	102-20	Executive-level responsibility for economic, environmental, and social topics	Approaches to Sustainability Environmental Management System
	102-21	Consulting stakeholders on economic, environmental, and social topics	Environmental Communication Supply Chain Management Improving Customer Satisfaction Human Resources and HR Strategy
	102-22	Composition of the highest governance body and its committees	Corporate Governance
	102-23	Chair of the highest governance body	Corporate Governance
	102-24	Nominating and selecting the highest governance body	Corporate Governance
	102-25	Conflicts of interest	Corporate Governance
	102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Approaches to Sustainability
	102-27	Collective knowledge of the highest governance body	Corporate Governance
102-28	Evaluation of the performance of the highest governance body	Corporate Governance	

GRI standards	Requirements	References	
102 General Disclosures	Governance		
	102-29	Identifying and managing economic, environmental, and social impacts	Approaches to Sustainability Information Disclosure Based on TCFD Recommendations
	102-30	Effectiveness of risk management processes	Risk Management
	102-31	Review of economic, environmental, and social topics	Approaches to Sustainability Information Disclosure Based on TCFD Recommendations
	102-32	Role of the highest governance body in sustainability reporting	
	102-33	Communication of critical concerns	Corporate Governance Risk Management
	102-34	Nature and total number of critical concerns	
	102-35	Remuneration policies	Corporate Governance
	102-36	Process to determine remuneration	Corporate Governance
	102-37	Stakeholders' involvement in remuneration	Corporate Governance
	102-38	Annual total compensation ratio	
	102-39	Percentage increase in annual total compensation ratio	
	Stakeholder engagement		
	102-40	List of stakeholder groups	Approaches to Sustainability.
	102-41	Collective bargaining agreements	Human Resources and HR Strategy.
	102-42	Identifying and selecting stakeholders	Approaches to Sustainability.
	102-43	Approach to stakeholder engagement	
	102-44	Key topics and concerns raised	
	Reporting practice		
	102-45	Entities included in the consolidated financial statements	Editorial Policy.

GRI standards	Requirements	References	
102 General Disclosures	Reporting practice		
	102-46	Defining report content and topic boundaries	Editorial Policy
	102-47	List of material topics	Environmental Management System
	102-48	Restatements of information	N/A
	102-49	Changes in reporting	N/A
	102-50	Reporting period	Editorial Policy
	102-51	Date of most recent report	Editorial Policy
	102-52	Reporting cycle	Editorial Policy
	102-53	Contact point for questions regarding the report	Editorial Policy
	102-54	Claims of reporting in accordance with the GRI Standards	Editorial Policy
	102-55	GRI content index	GRI Standards Content Index
	102-56	External assurance	
	103 Management Approach	103-1	Explanation of the material topic and its Boundary
103-2		The management approach and its components	Environmental Management System
103-3		Evaluation of the management approach	

Economic

GRI standards		Disclosure	Location
201 Economic Performance	201-1	Direct economic value generated and distributed	
	201-2	Financial implications and other risks and opportunities due to climate change	Information Disclosure Based on TCFD Recommendations
	201-3	Defined benefit plan obligations and other retirement plans	Fair Compensation, Benefits and Evaluations
	201-4	Financial assistance received from government	
202 Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Fair Compensation, Benefits and Evaluations
	202-2	Proportion of senior management hired from the local community	
203 Indirect Economic Impacts	203-1	Infrastructure investments and services supported	Contributing to Local Communities An Inclusive Society Through Sports Developing the Next Generation
	203-2	Significant indirect economic impacts	
204 Procurement Practices	204-1	Proportion of spending on local suppliers	
205 Anti-corruption	205-1	Operations assessed for risks related to corruption	Compliance
	205-2	Communication and training about anti-corruption policies and procedures	Compliance
	205-3	Confirmed incidents of corruption and actions taken	
206 Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A
207 Tax	207-1	Approach to tax	
	207-2	Tax governance, control, and risk management	
	207-3	Stakeholder engagement and management of concerns related to tax	
	207-4	Country-by-country reporting	

Environmental

GRI standards		Disclosure	Location
301 Materials	301-1	Materials used by weight or volume	
	301-2	Recycled input materials used	
	301-3	Reclaimed products and their packaging materials	
302 Energy	302-1	Energy consumption within the organization	<u>Realization of a Carbon-free Society.</u>
	302-2	Energy consumption outside of the organization	
	302-3	Energy intensity	
	302-4	Reduction of energy consumption	<u>Realization of a Carbon-free Society.</u>
	302-5	Reductions in energy requirements of products and services	
303 Water and Effluents	303-1	Interactions with water as a shared resource	
	303-2	Management of water discharge-related impacts	
	303-3	Water withdrawal	<u>Realization of a Circular Society.</u>
	303-4	Water discharge	<u>Realization of a Circular Society.</u>
	303-5	Water consumption	<u>Realization of a Circular Society.</u>
304 Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	
	304-2	Significant impacts of activities, products and services on biodiversity	
	304-3	Habitats protected or restored	
	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	

GRI standards		Requirements	References
305 Emissions	305-1	Direct (Scope 1) GHG emissions	<u>Realization of a Carbon-free Society</u>
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG emissions	<u>Realization of a Carbon-free Society</u>
	305-6	Emissions of ozone-depleting substances (ODS)	<u>Realization of a Carbon-free Society</u>
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A
306 Waste	306-1	Waste generation and significant waste-related impacts	
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	<u>Realization of a Circular Society</u>
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	
307 Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	<u>Environmental Management System</u>
308 Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	<u>Supply Chain Management</u>
	308-2	Negative environmental impacts in the supply chain and actions taken	<u>Supply Chain Management</u>

Social

GRI standards		Disclosure	Location
401 Employment	401-1	New employee hires and employee turnover	Employment and Diversity
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee-Friendly Workplace Fair Compensation, Benefits and Evaluations
	401-3	Parental leave	Employee-Friendly Workplace
402 Labor / Management Relations	402-1	Minimum notice periods regarding operational changes	
403 Occupational Health and Safety	403-1	Occupational health and safety management system	Occupational Health and Safety
	403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
	403-5	Worker training on occupational health and safety	Health Management Occupational Health and Safety
	403-6	Promotion of worker health	Health Management
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
	403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety
	403-9	Work-related injuries	Occupational Health and Safety
	403-10	Work-related ill health	Occupational Health and Safety Health Management

GRI standards		Disclosure	Location
404 Training and Education	404-1	Average hours of training per year per employee	<u>Talent Development</u>
	404-2	Programs for upgrading employee skills and transition assistance programs	<u>Talent Development</u>
	404-3	Percentage of employees receiving regular performance and career development reviews	<u>Talent Development</u>
405 Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	<u>Employment and Diversity</u>
	405-2	Ratio of basic salary and remuneration of women to men	<u>Fair Compensation, Benefits and Evaluations</u>
406 Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	
407 Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	
408 Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	<u>Supply Chain Management</u>
409 Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<u>Supply Chain Management</u>
410 Security Practices	410-1	Security personnel trained in human rights policies or procedures	
411 Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	
412 Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	
	412-2	Employee training on human rights policies or procedures	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	
413 Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	
	413-2	Operations with significant actual and potential negative impacts on local communities	
414 Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	<u>Supply Chain Management</u>
	414-2	Negative social impacts in the supply chain and actions taken	<u>Supply Chain Management</u>

GRI standards		Disclosure	Location
415 Public Policy	415-1	Political contributions	
416 Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Quality Control
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Control
417 Marketing and Labeling	417-1	Requirements for product and service information and labeling	Quality Control
	417-2	Incidents of non-compliance concerning product and service information and labeling	Quality Control
	417-3	Incidents of non-compliance concerning marketing communications	Quality Control
418 Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	
419 Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	N/A

GRI standards		Requirements	References
415 Public Policy	415-1	Political contributions	
416 Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Quality Control
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Quality Control
417 Marketing and Labeling	417-1	Requirements for product and service information and labeling	Quality Control
	417-2	Incidents of non-compliance concerning product and service information and labeling	Quality Control
	417-3	Incidents of non-compliance concerning marketing communications	Quality Control
418 Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	
419 Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	N/A