

Goldwin Inc.  
Financial Results Briefing  
for the Fiscal Year Ending March 2024

May 14, 2024

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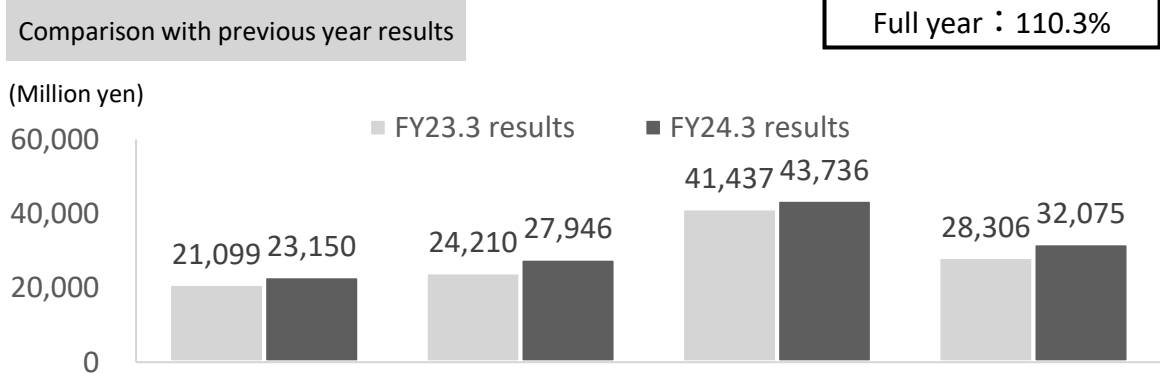
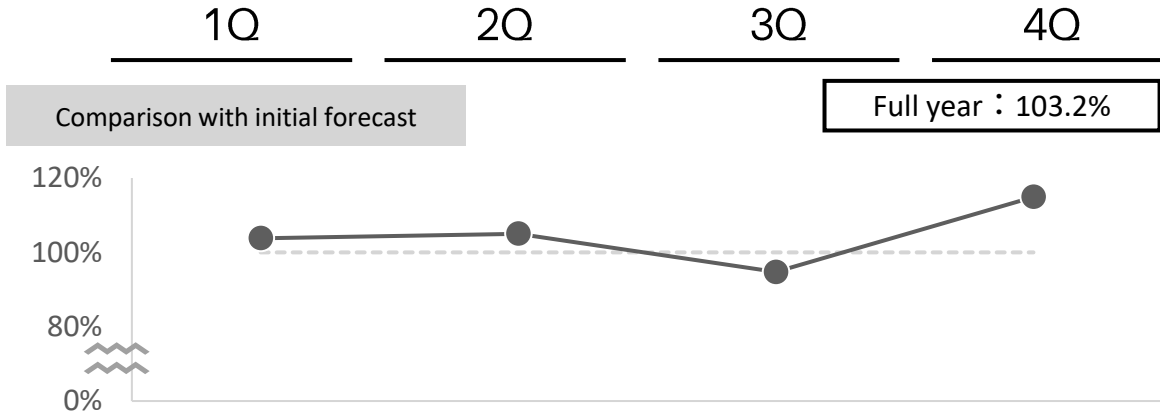


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# Key Message ~Responding to climate change with a real demand business model, achieving record high profits for the second consecutive year~

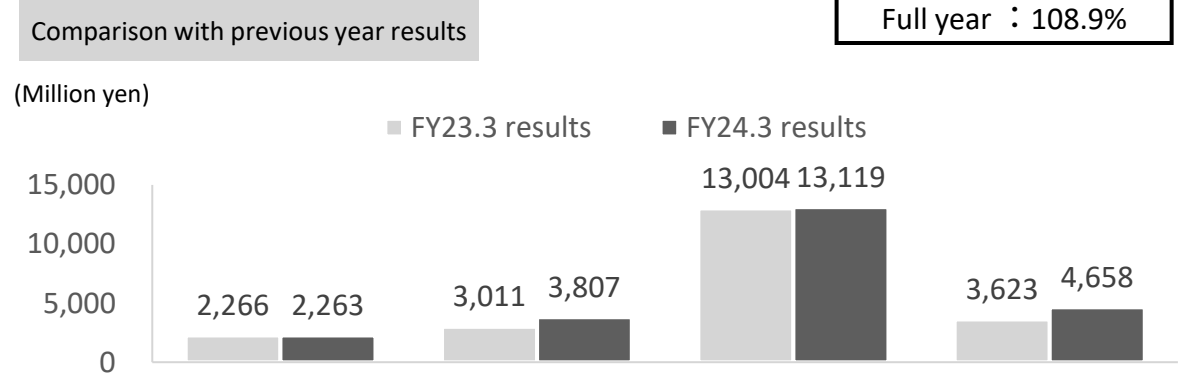
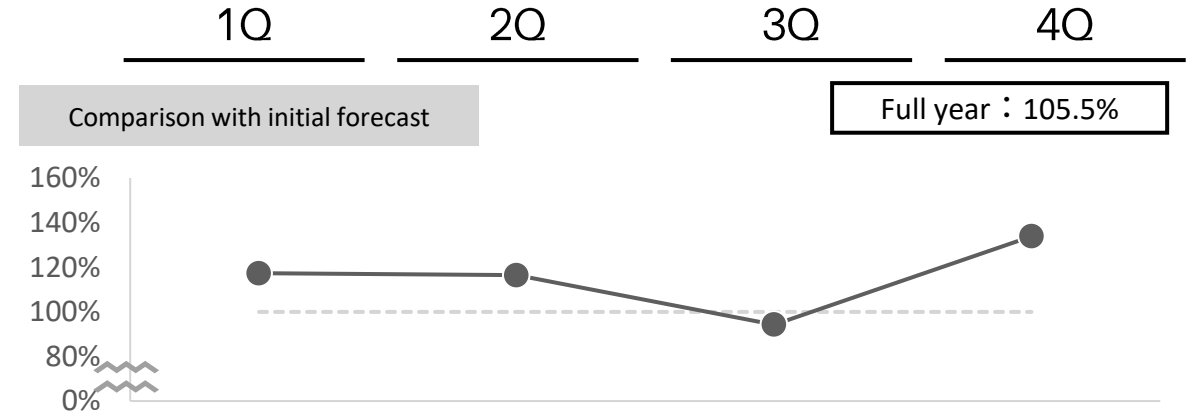


## FY24.3 Net sale



■ Although the third quarter was lower than the initial forecast due to the effects of the warm winter, regular price sales continued to be maintained in the fourth quarter, and full-year sales exceeded the initial forecast.

## FY24.3 Operating profit



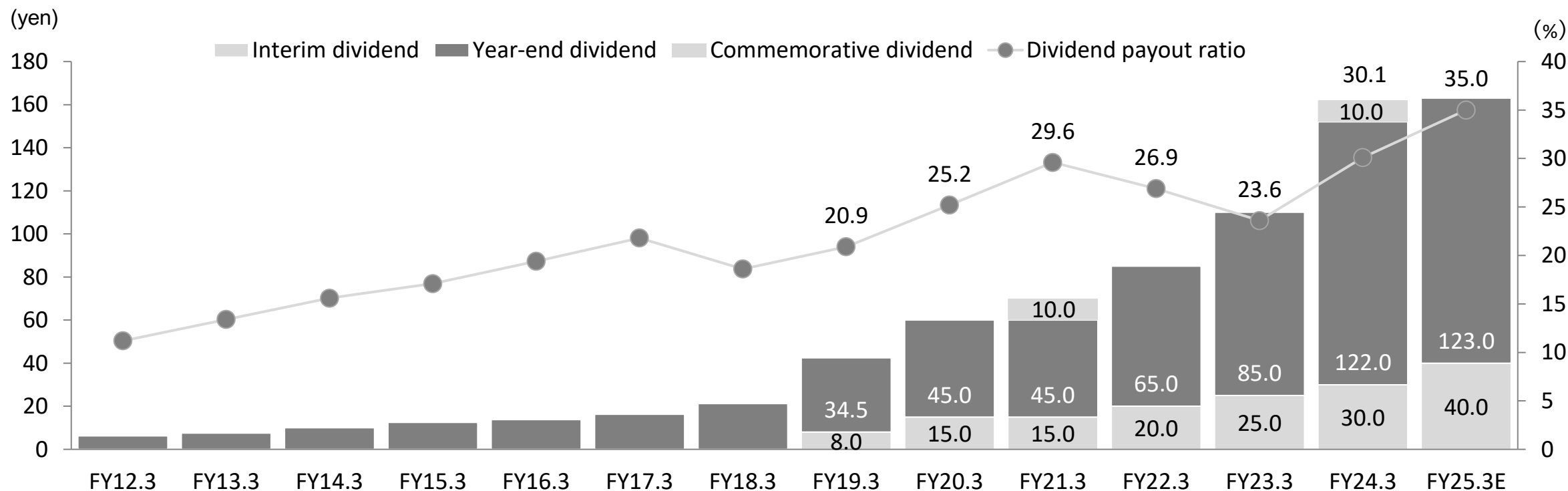
■ Full-year operating income exceeds initial plan after absorbing additional contributions from J-ESOP recorded from the second quarter.

# Key Message ~Achieved a dividend payout ratio of 30%. Dividend increase expected for 14th consecutive year in fiscal year ending March 2025~



Interim dividend for FY24.3 is 30 yen, year-end dividend is 132 yen including commemorative dividend of 10 yen, annual dividend is 162 yen, payout ratio 30.1%

## Trends in dividend per share and dividend payout ratio



(Note) Displayed as dividend per share based on FY20.3

## I . Results for the fiscal year ending March 2024

~ Due to expansion of customer contact, sales and profits hit record highs for second consecutive year ~

# Key points of financial results for the fiscal year ending March 2024 Goldwin

1

3 consecutive terms increase in sales and profits

2 consecutive terms new record high profit

- Led by the two brands “THE NORTH FACE” and “Goldwin”, record high sales and profits for the second consecutive year. Ordinary profit margin exceeded 25%, setting a record high for profit margin.
- “THE NORTH FACE”'s fashion wear has captured inbound demand and contributed to increased sales at both directly managed stores and wholesale stores.

2

The increase in SG&A expenses was absorbed by the effect of increased sales

- Relocated the head office to strengthen headquarters functions and made additional contributions to the J-ESOP (stock benefit trust) to strengthen human resources and return benefits to employees.
- Absorbed temporary increases due to personnel expenses, etc. and maintained an increasing trend in profits"

3

Even though inventories have increased, oversales have been controlled.

- Due to advance purchasing of spring/summer products, the inventory balance as of the end of March 2024 is 125% compared to the 2023.
- Main factors were controlled excessive sales and prioritizing stable operation of Kanto logistics.

# Summary of financial results for the fiscal year ending March 2024

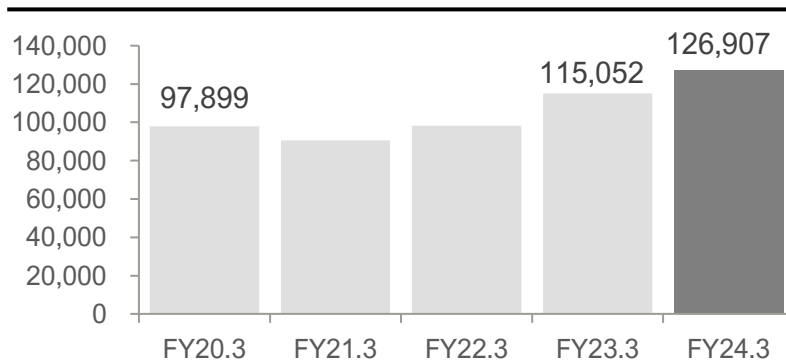


New record highs in sales and profits due to tailwinds from inbound demand, strengthening of high value-added products and price increases.

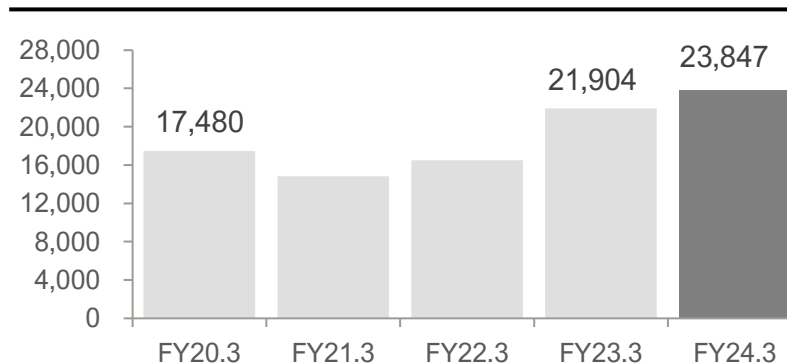
## Financial results for the fiscal year ending March 2024 (Million yen)

	Net sale	Gross profit	Operating income	Ordinary income	Net income
Result	126,907	67,173	23,847	32,601	24,281
Year-on-year	110.3%	111.9%	108.9%	116.1%	115.7%
Compared to initial plan	103.2%	—	105.5%	115.6%	111.9%
Sales composition ratio	—	52.9%	18.8%	25.7%	19.1%

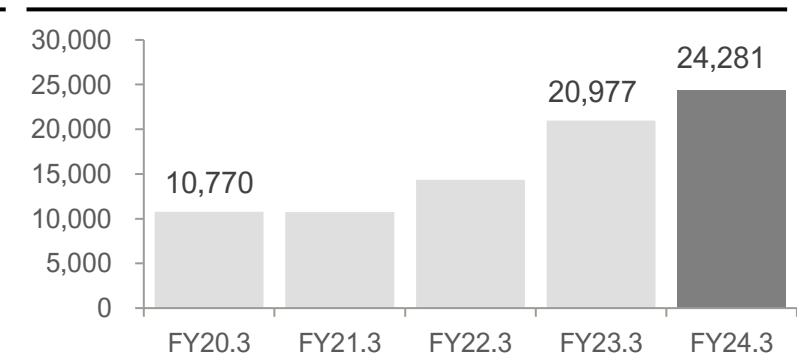
Net sale (Million yen)



Operating income (Million yen)



Net income (Million yen)



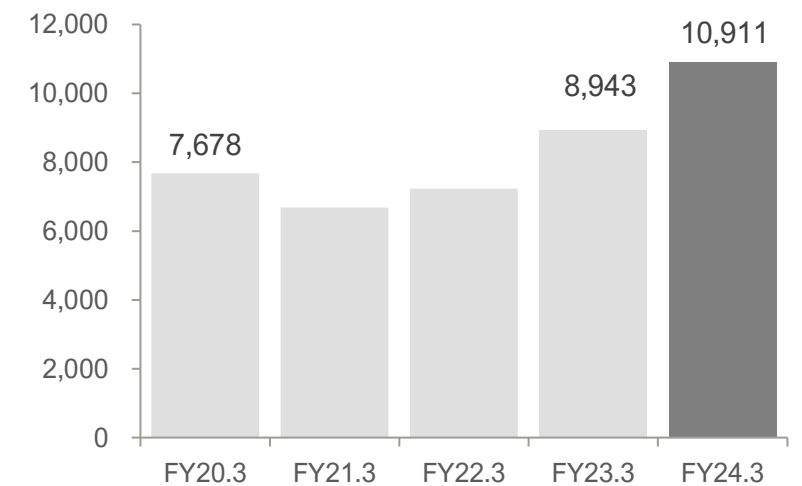
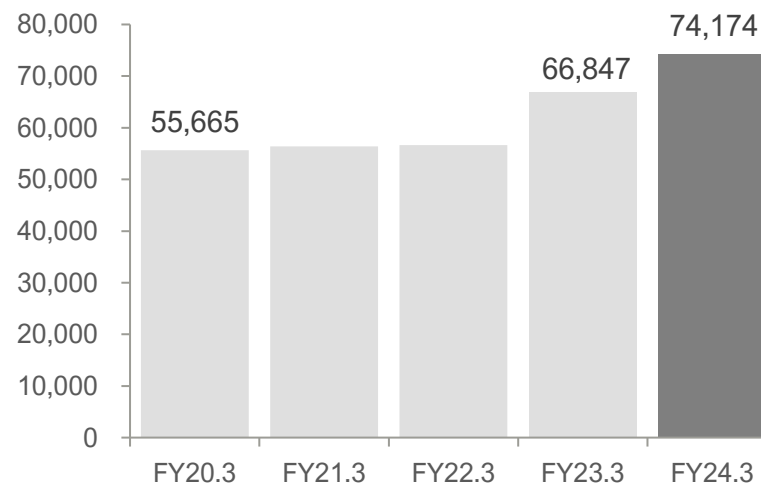
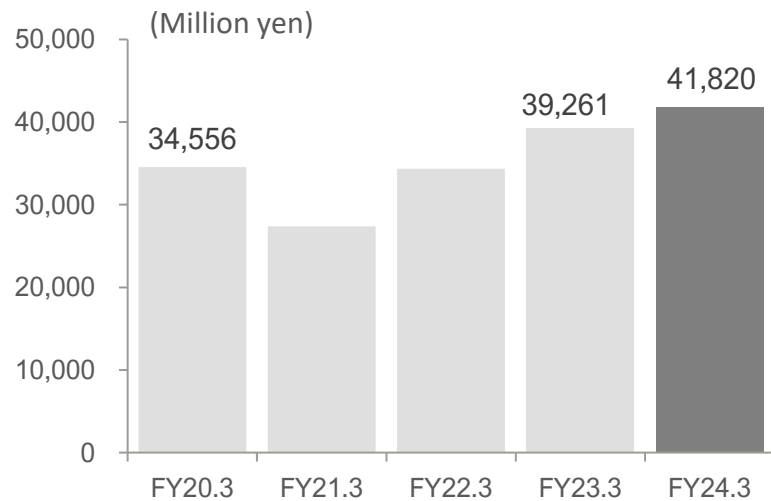
# Performance trends by business segment



Continued growth in each business segment, with fashion steadily capturing inbound demand, increasing 22% year-on-year.

## Sales by business category (Million yen)

	Performance	Lifestyle	Fashion
<b>Result</b>	41,820	74,174	10,911
<b>Initial outlook Year-on-year</b>	101.9%	108.5%	117.4%
<b>Result Year-on-year</b>	106.5%	111.0%	122.0%
<b>Sales composition ratio</b>	33.0%	58.4%	8.6%



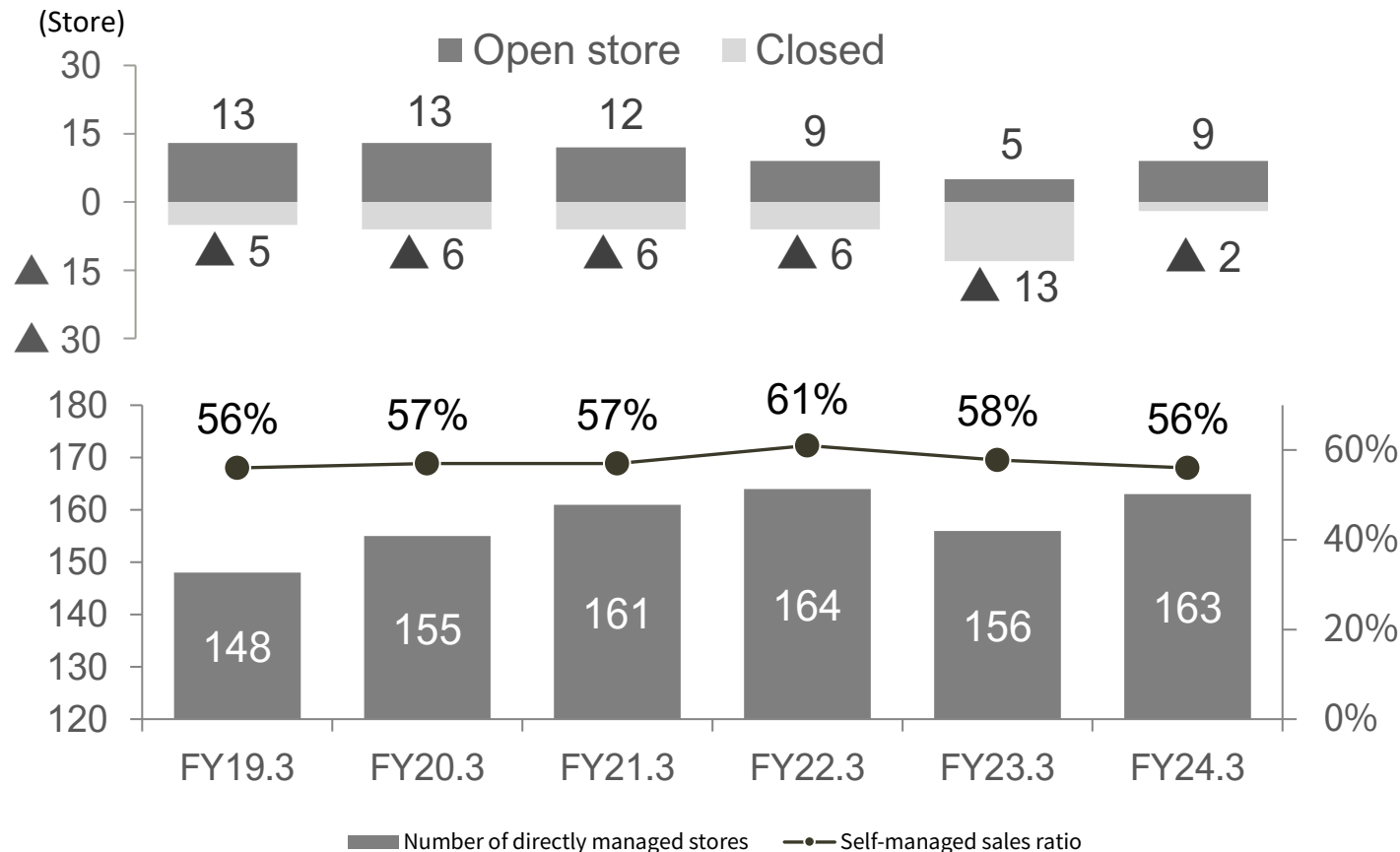


# Trends in self-managed sales ratio and directly managed stores



Sales at directly managed stores and department stores are increasing due to inbound demand, and the self-managed sales ratio continues to maintain a high level.

## Trends in self-managed sales ratio and number of directly managed stores



(Note) The number of directly managed stores for FY24.3 is adjusted due to the addition of franchise stores, does not match the total number of store openings and store closures.

### Reasons why 60% self-managed sales ratio is the optimal balance

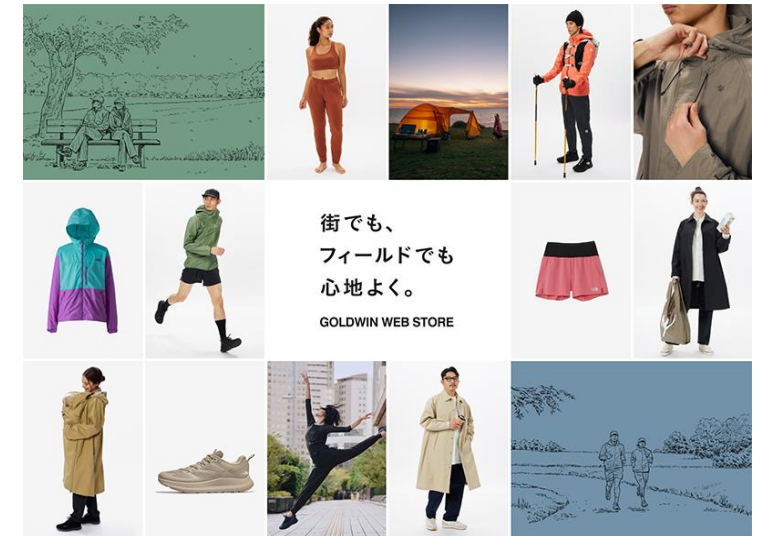
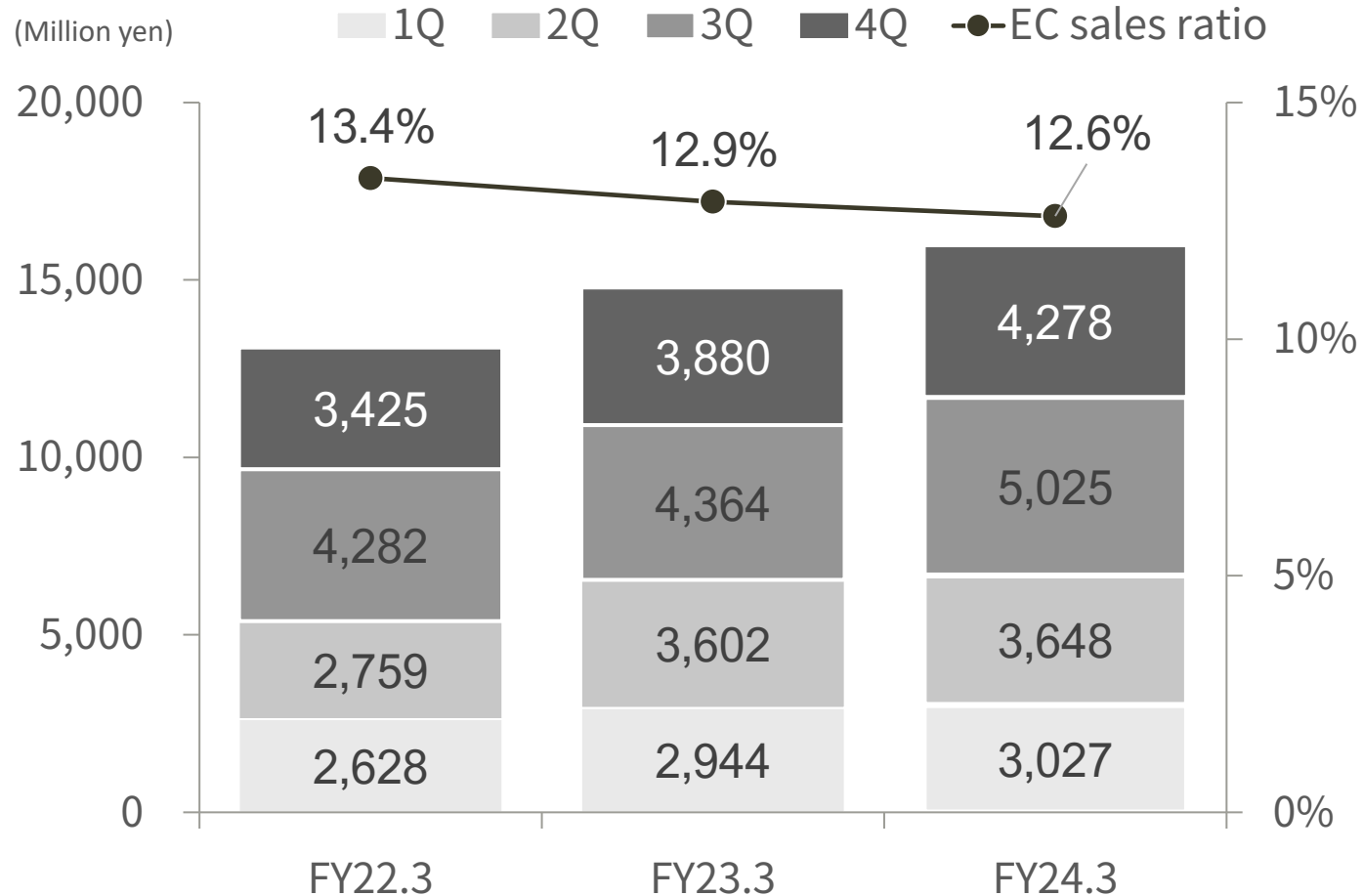
- In order to achieve both "nurturing original brands" and "diversifying sales channels," the medium-term management plan period is set at 60%.

### Future store opening outlook

- Future new store openings are expected to focus on overseas expansion under the "Goldwin" brand. Details will be disclosed in the medium-term management plan in July. Meanwhile, several domestic athletic brand stores are expected to close.

# Trends in quarterly EC sales

Renewing our own EC site and aiming to maximize the value of customer experience



## EC platform renewal

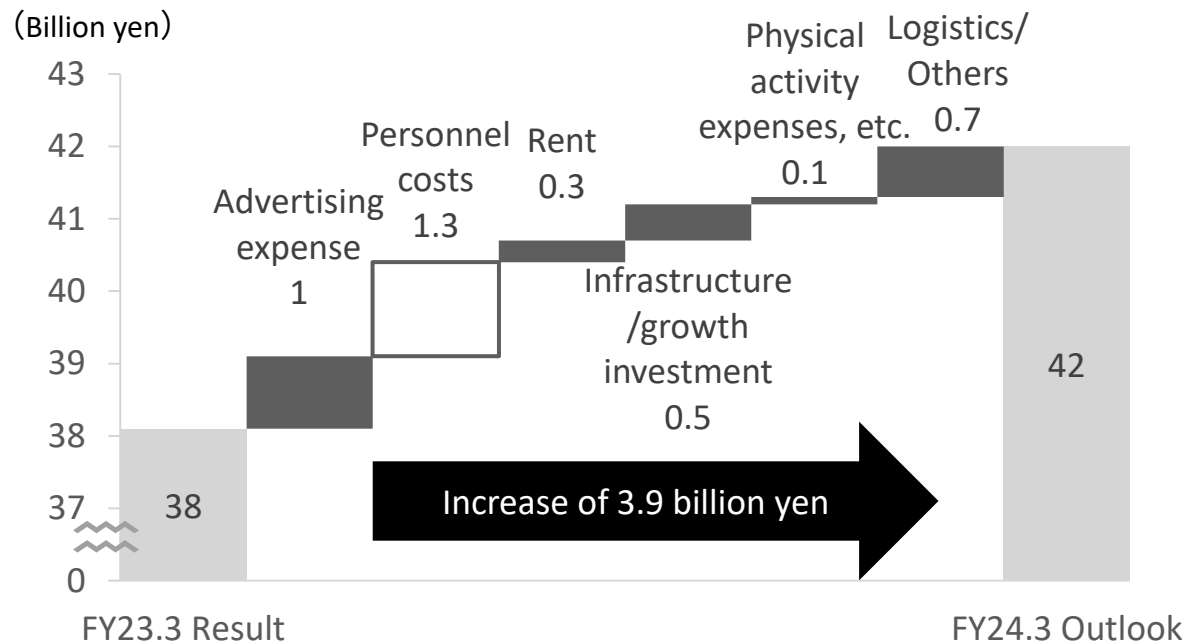
- Own EC site "GOLDWIN WEB STORE", which celebrated its 20th anniversary in 2023, will be renewed on February 20, 2024.
- 16 new activity pages have been created. We propose items and coordination suitable for sports scenes such as running and camping, disseminate ways to enjoy various sports.

# Graph of factors contributing to changes in SG&A expenses

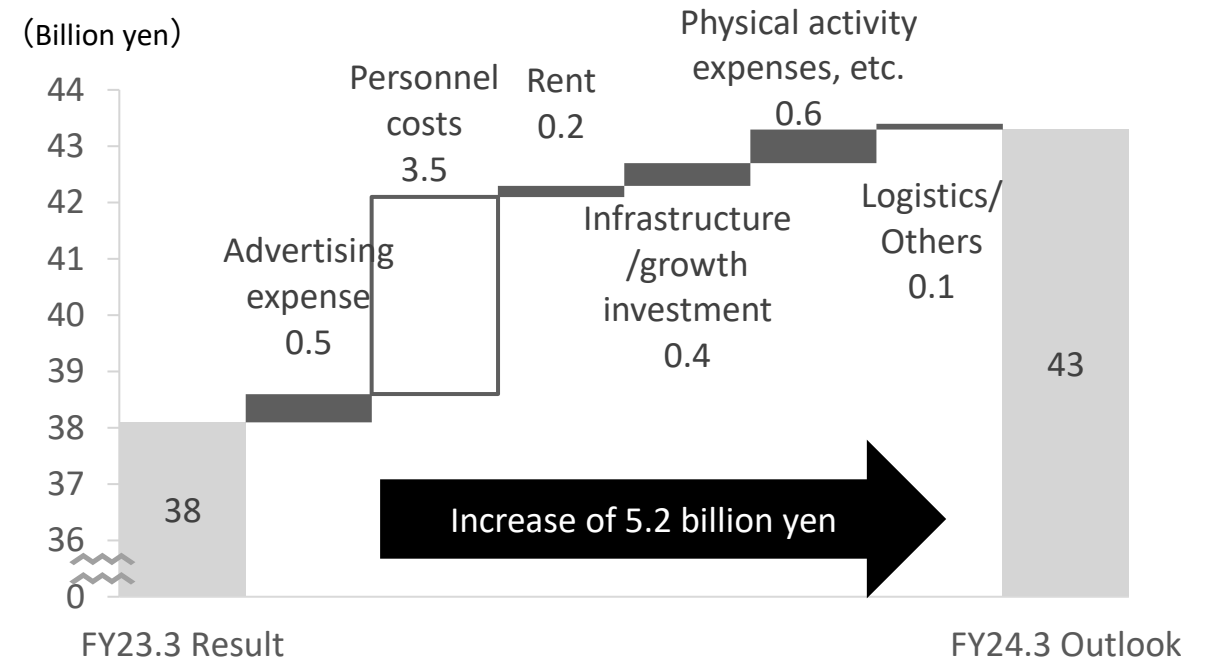


Personnel expenses increased by 2.2 billion yen from the initial forecast, including an additional 1.7 billion yen in additional burden associated with J-ESOP

Selling, general and administrative expenses initial forecast



Selling, general and administrative expenses results



■ At the initial forecasting stage, personnel expenses were expected to increase by 1.3 billion yen compared to the same period last year due to increased hiring costs, base increases, etc.

■ During the period, expenses increased by J-ESOP due to personnel expenses, resulting in an increase of 2.2 billion yen compared to the initial forecast. Of this, the J-ESOP portion is 1.7 billion yen.

# Amount affected by J-ESOP (stock benefit trust)



The system started in April 2015, and points are awarded according to position for a limited period of 10 years.

As the number of people eligible for benefits has increased beyond what was expected at the time of the introduction of the system, there will be a shortage of trust treasury stock during the fiscal year ending March 2024, and additional treasury stock will be contributed (the impact for the fiscal year ending March 2023 will be 181 million yen).

## Amount affected by J-ESOP by fiscal year

Accounting period	Personnel cost impact amount	Remarks
FY24.3 Result	1,748 million yen	Approximately 600 million yen will be recorded from the second quarter.
FY25.3 Outlook	3,601 million yen	1.2 billion yen in the first half and expected sales of 2.4 billion yen in the second half.
Total	5,349 million yen	

## Q&A regarding J-ESOP

Regarding cash contributions

This is a contribution from the treasury stock held, and there is no cash out.

Regarding the impact of J-ESOP contributions from the fiscal year ending March 2026 onwards

Although the new system has not yet been decided, we are currently considering measures to give back to our employees. We do not expect an increase in expenses on the same scale as this time.

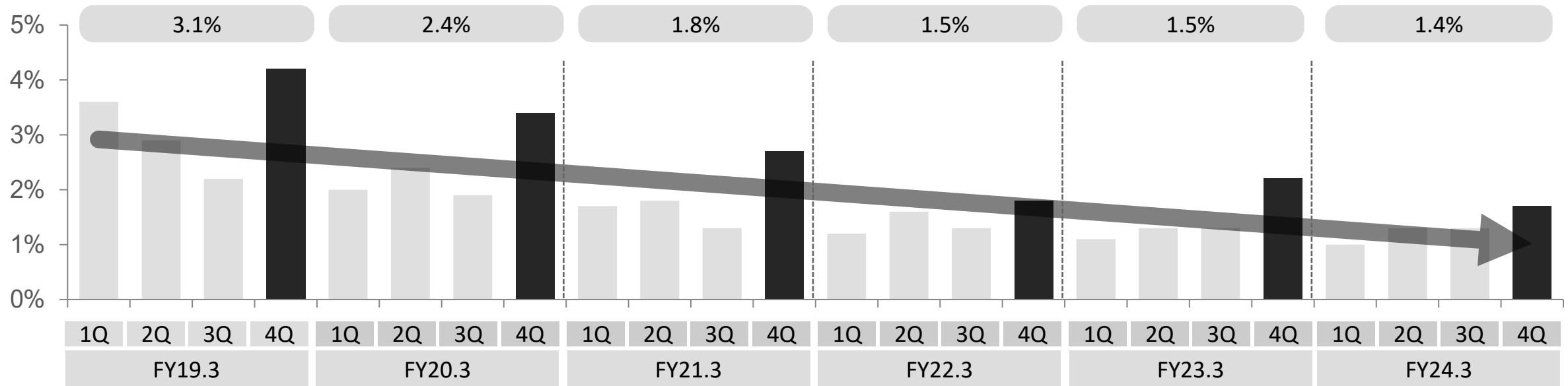
(Note) Number of people eligible for benefits: 1,735 people as of November 2014 ⇒ 2,142 people as of June 2023

# Changes in sales loss rate



The appropriate number of orders was calculated at the order flow meeting, the rate of sales loss remained stable at 1.4%.

## Trends in quarterly sales loss rate



**Total amount regulation**

Set the "total quantity limit" at the time of ordering according to sales performance and sales loss

**Order flow management**

Manage in-store inventory flow weekly during the season to improve efficiency

**Moving between stores**

Improve consumption rate during the period by actively moving products between stores

**Correction of quarterly disparity**

Maintain the same level of sales loss rate in all quarters and correct seasonal disparities

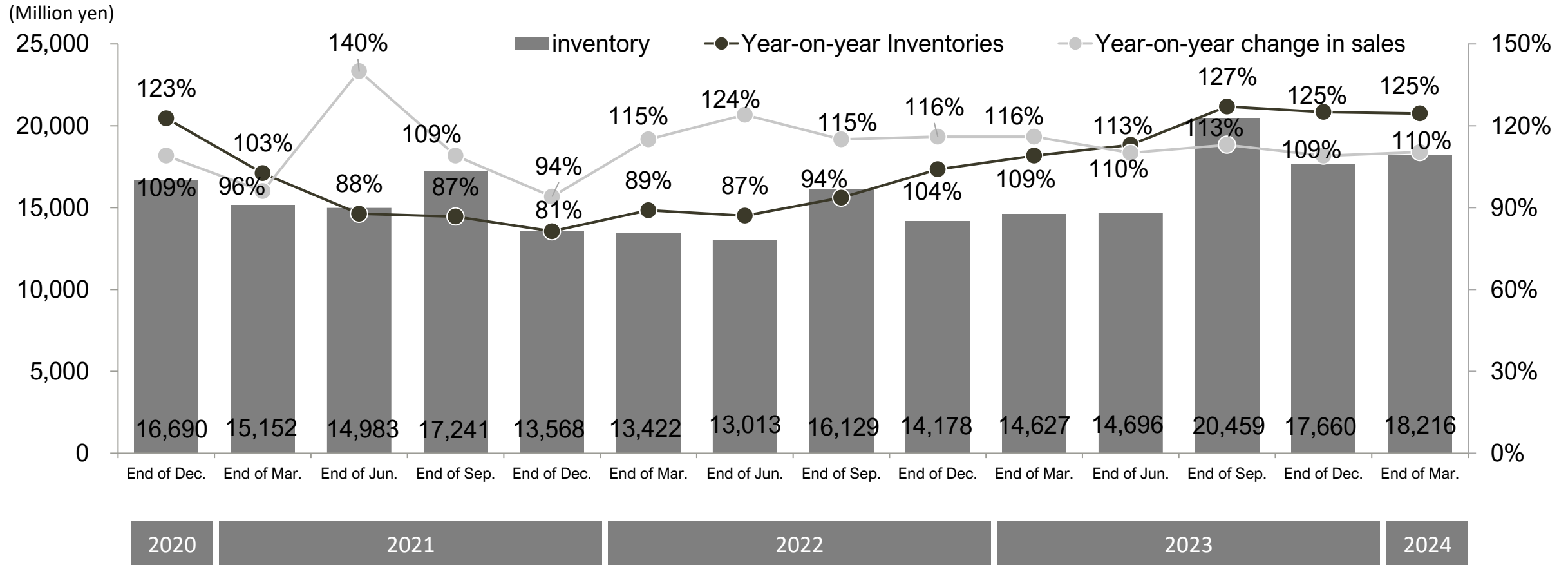
(Note) Sales loss rate (returns + discounts)/total sales The numbers in the box above are the average values for each period.

# Changes in inventory balance



Inventory balance at the end of March 2024 is 125% compared to the same period last year.

## Trends in inventory balance by quarter



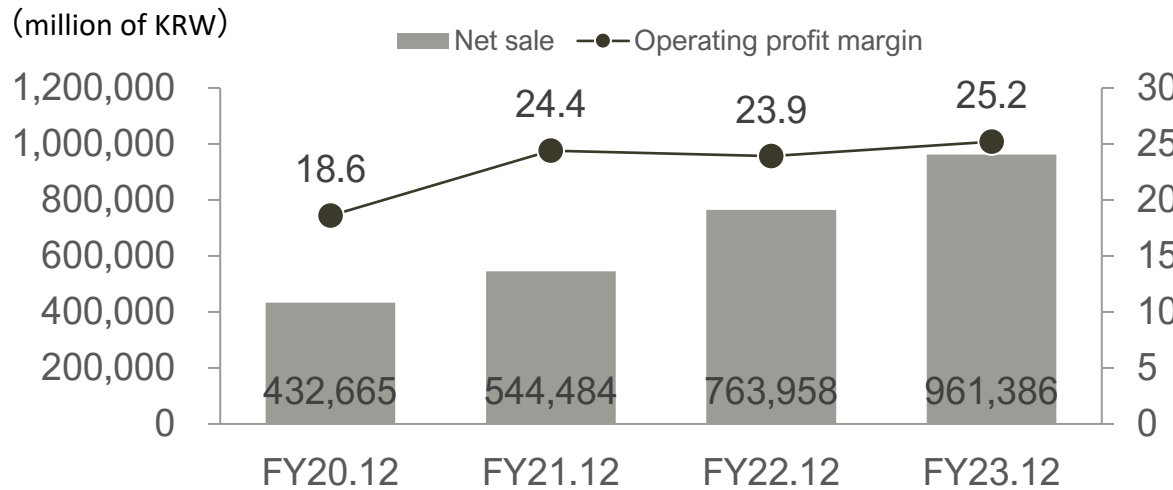
(Note) Inventories are the total balance of merchandise and finished products, work in progress, raw materials, and supplies.

# YOUNGONE OUTDOOR Corporation (YOC) performance trends

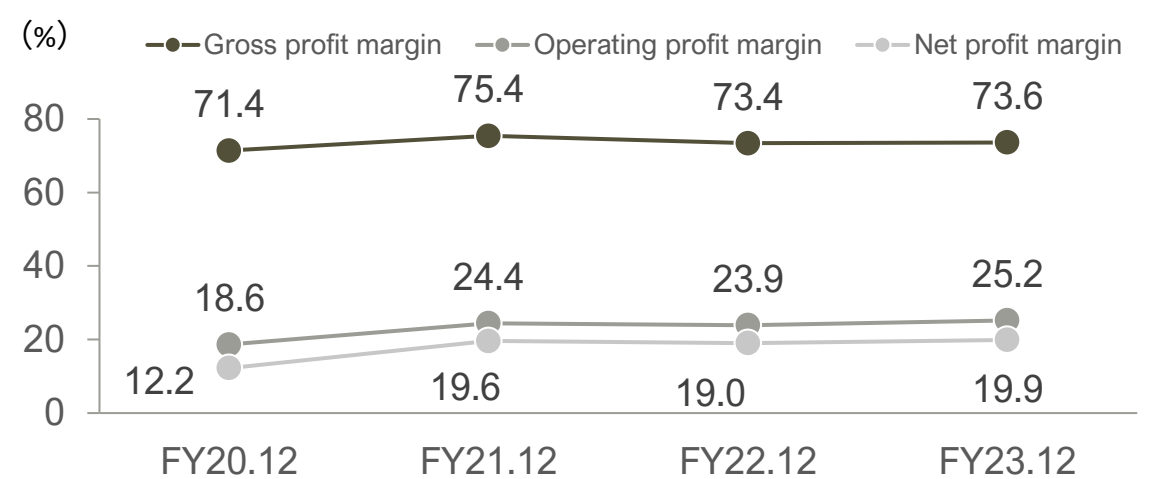


The sales amount exceeded that of “THE NORTH FACE” in Japan. Capturing inbound demand backed by flexible product supply capabilities.

### Trends in sales and operating profit margin



### Trends in each sales profit margin



## Key points of financial results for the fiscal year ending December 2023

First time to exceed 1 trillion won

Achieved sales of 1 trillion won (tax included) for the first time since its founding (961,386 million KRW excluding tax)

Rapid increase in Japanese tourists

The Myeong-dong flagship store's inbound sales composition ratio is 70%, with Japanese as the top nationality, followed by Chinese.

A solid supply chain

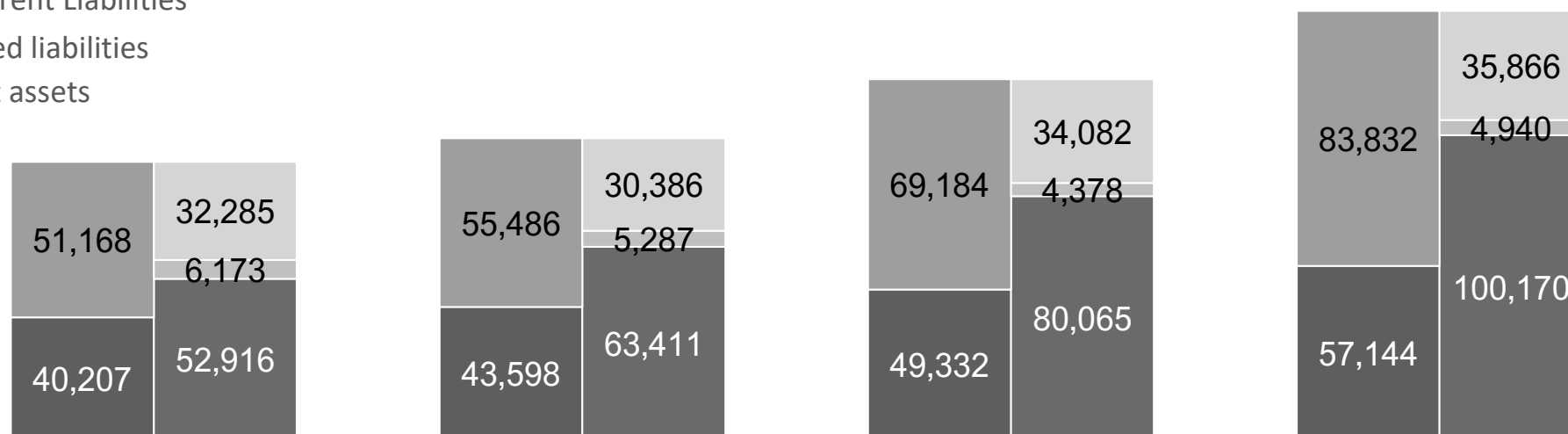
Building a solid supply chain through the YOUNGONE Group and promoting reductions in manufacturing cost rates

# Balance sheet for the fiscal year ending March 2024



Net assets increased by 20.1 billion yen compared to the same period last year. Build a solid financial foundation

## Consolidated balance sheet (Million yen)



	FY21.3	FY22.3	FY23.3	FY24.3
Net assets (million yen)	52,916	63,411	80,056	100,170
Capital adequacy ratio	57.8%	63.9%	67.4%	70.9%
Interest-bearing debt(million yen)	9,746	4,188	2,585	1,372
D / E ratio (double)	0.18	0.07	0.03	0.01



## II . Outlook for the fiscal year ending March 2025

~Return to track to double-digit growth after a temporary decline in profits~

## Preconditions for financial results for the fiscal year ending March 2025

## Future outlook

Net sale

Capture inbound demand and expect sales to increase by more than 5% compared to the same period last year.

Gross profit margin

Despite being affected by exchange rates, sales prices have been revised and are expected to remain at the same level as the previous fiscal year.

SG&A expenses

Assuming a 4.5 billion yen increase in temporary expenses such as J-ESOP and head office relocation expenses.

Capital investment

Approximately 1.5 billion yen will be spent mainly on the renewal of existing stores, and the renewal of the core system is scheduled to begin operations in April 2026.

South Korea equity interest

Expecting equity profit of 8 billion yen, the same amount as the previous year's results.

Strengthen area marketing.  
Accelerating expansion into Asia through Chinese JV.

We will continue to review the sales price from the current situation and expect it to increase by 0.5~1.0 points each fiscal year.

From the fiscal year ending March 2026, the SG&A expense ratio is expected to remain in the mid-30% range.

Capital investment associated with PLAY EARTH PARK construction is expected to begin in the fiscal year ending March 2026.

Inbound demand from mainland China continues, and sales and profits are expected to continue increasing.

# Summary of financial forecast for the fiscal year ending March 2025

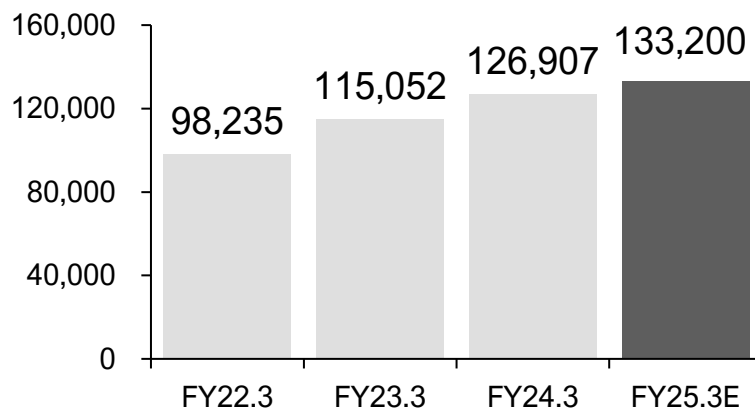


Although sales are expected to increase and profits are expected to decrease, operating profit margin will remain in the 15% range excluding one-time expenses of 2.8 billion yen.

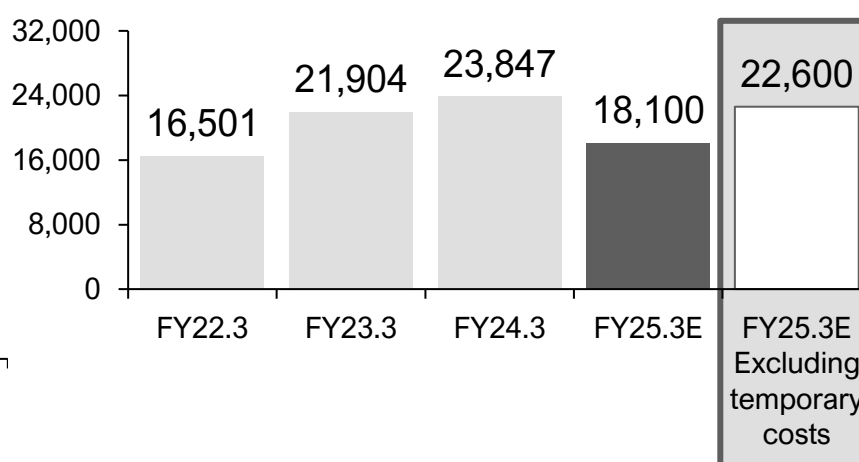
## Financial forecast for the fiscal year ending March 2025 (Million yen)

	Net sales	Gross profit		Ordinary income	Net income
	Financial forecast for the fiscal year ending March 2025				
		(Disclosure materials)	(Excluding temporary costs)		
Plan	133,200	18,100	22,600	25,900	21,000
Year-on-year	105.0%	75.9%	94.8%	79.4%	86.5%
Sales composition ratio	—	13.6%	17.0%	19.4%	15.8%

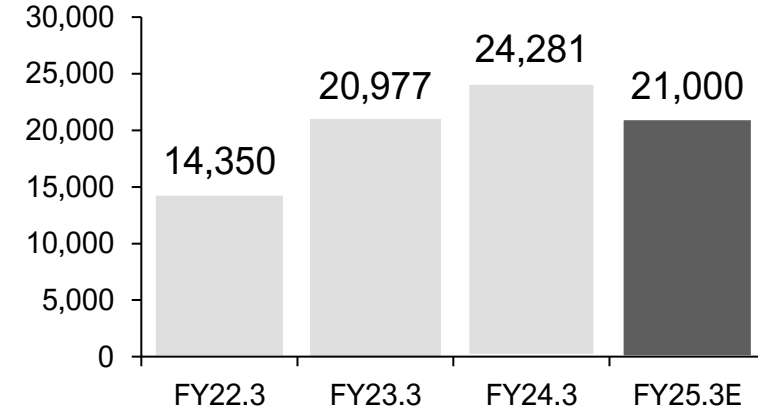
Net sales (Million yen)



Gross profit (Million yen)



Net income (Million yen)

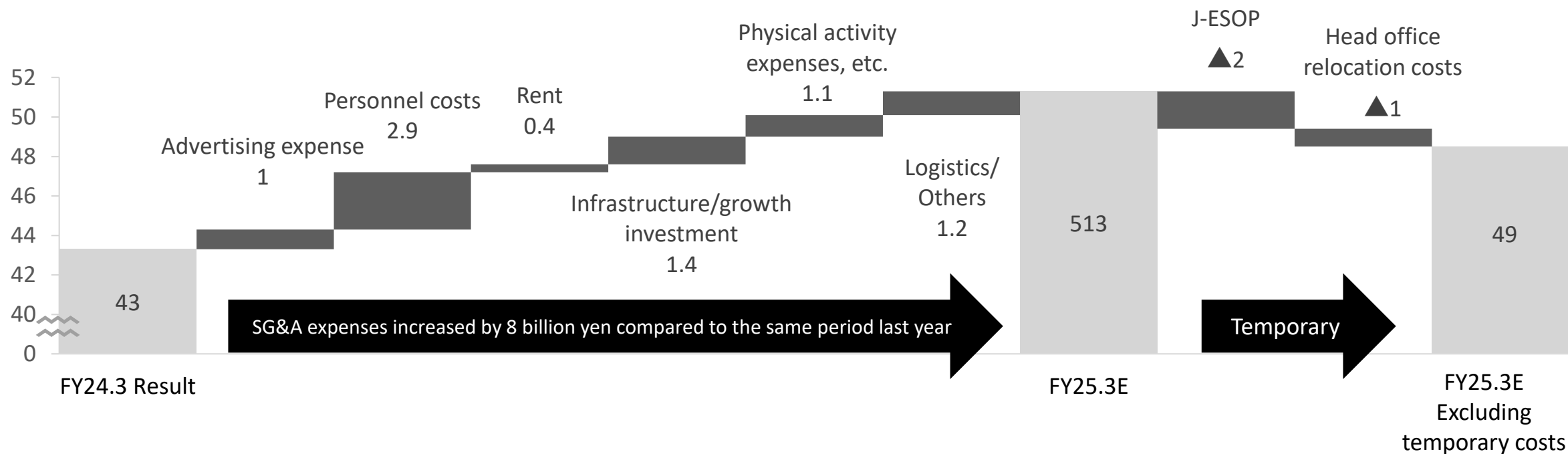


# Outlook for selling, general and administrative expenses



The one-time expenses listed below are expected to disappear from the fiscal year ending March 2026 onwards.

## Analysis of factors behind changes in selling, general and administrative expenses (Billion yen)



- Personnel expenses are expected to increase by 2.9 billion yen compared to the same period last year, of which additional contribution costs associated with J-ESOP will increase by 1.9 billion yen (1.7 billion yen for the fiscal year ending March 2024 → 3.6 billion yen for the fiscal year ending March 2025) compared to the same period last year, and head office relocation costs of 0.9 billion yen, a total of 2.8 billion yen, will not be recorded as expenses for the fiscal year ending March 2026.

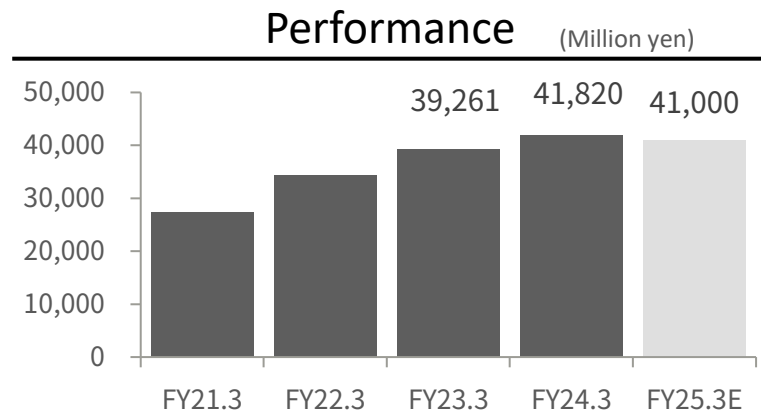
# Earnings forecast by business segment



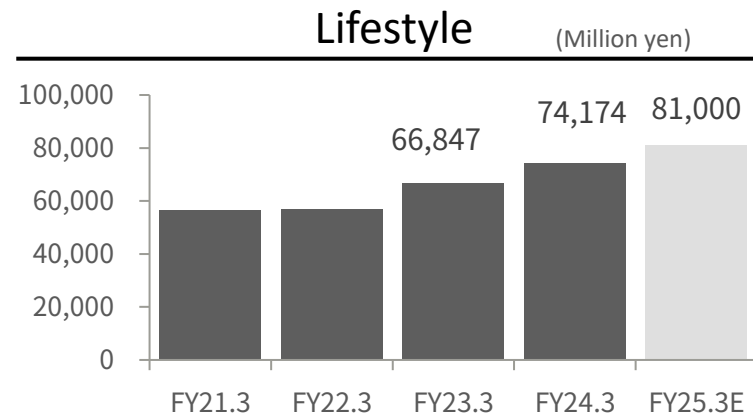
Further improve quality in the performance area and develop new customer bases in lifestyle and fashion.

## Sales by business category (Million yen)

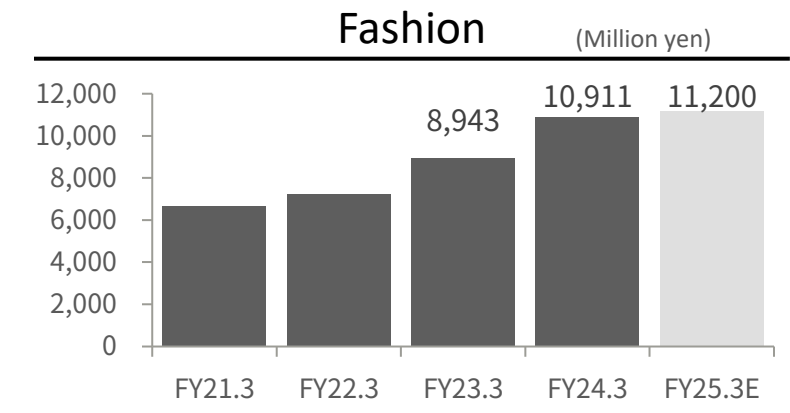
	Performance	Lifestyle	Fashion
Outlook	41,000	81,000	11,200
Year-on-year	98.0%	109.2%	102.6%
Sales composition ratio	30.8%	60.8%	8.4%



Solid trend



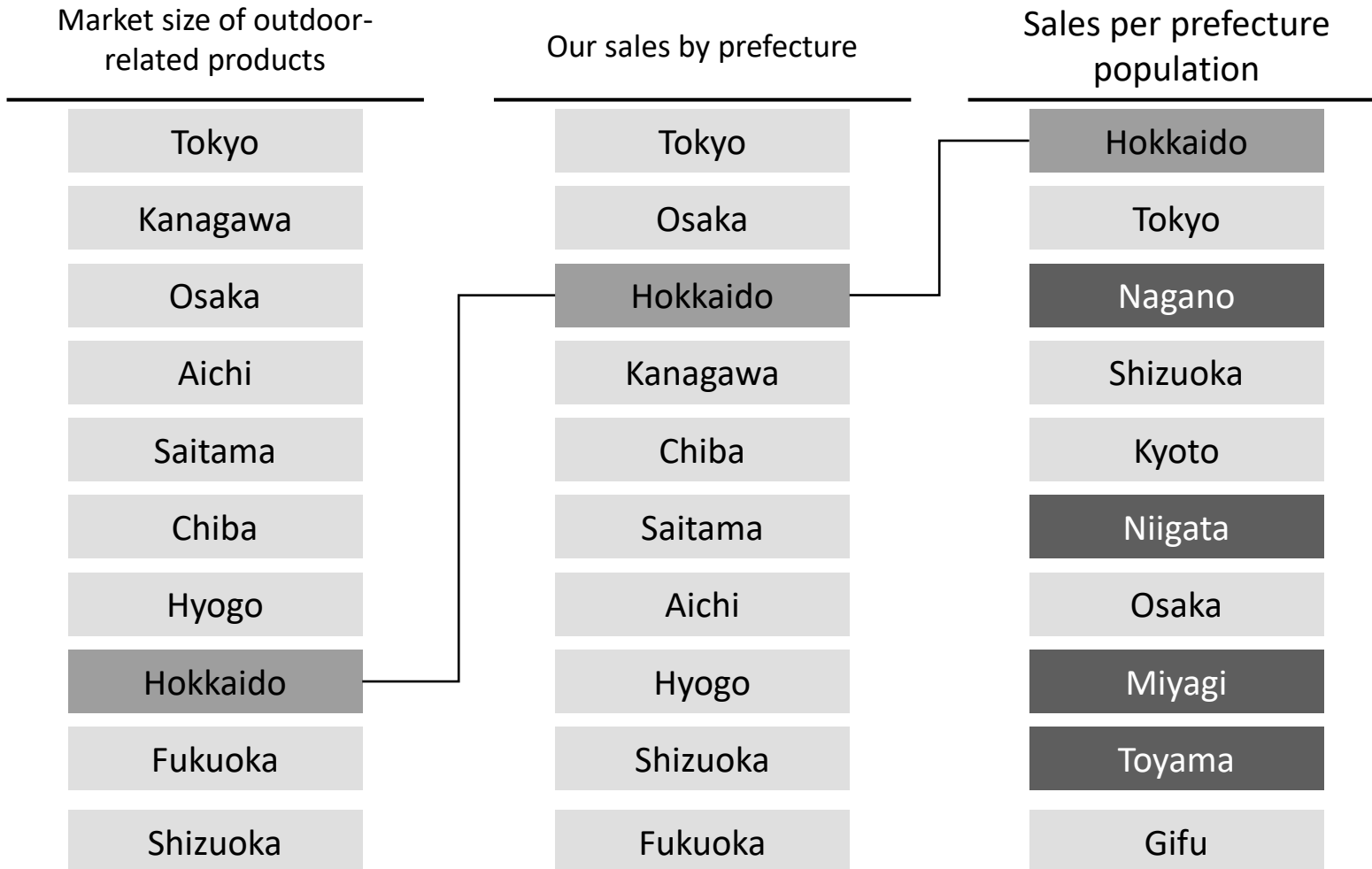
Steady trend



Capturing inbound demand

# (Reference) Sales ranking by prefecture

Developing area marketing rooted in the region.



THE NORTH FACE + SAPPORO factory store



THE NORTH FACE F VILLAGE store

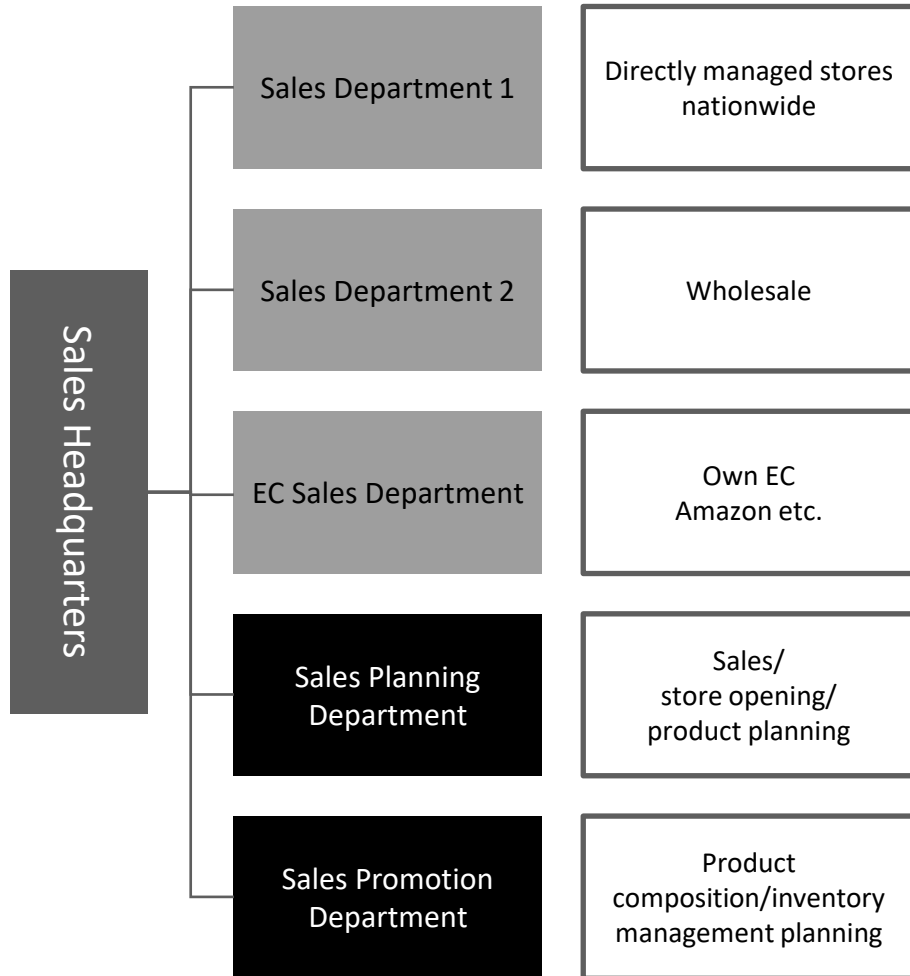
(Source) Estimated based on total sales of all our brands

# (Reference) Sales per prefecture population

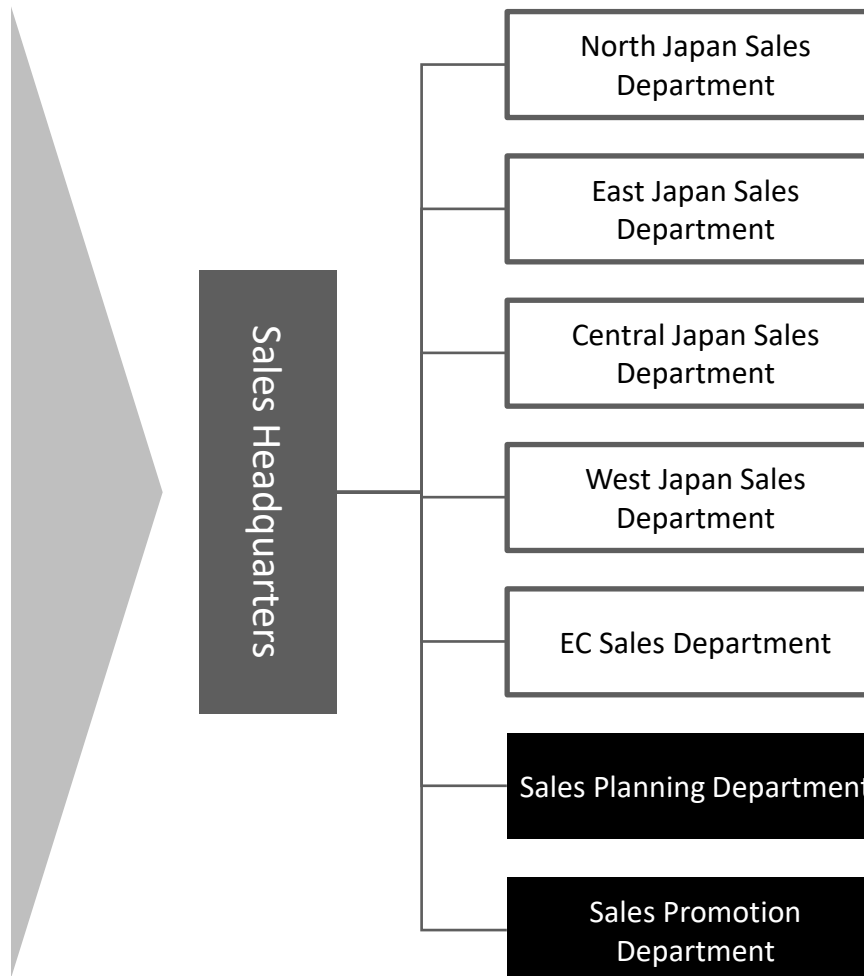


Promote collaboration with community-based wholesalers and create new business styles.

Until the fiscal year ending March 2024



From the fiscal year ending March 2025



Point

Reconsider the structure based on market rather than sales style.

By coordinating directly managed stores and wholesale operations, we aim to offer more locally-based proposals and merchandising.

### III. Dividend status and overview of medium-term management plan, etc.

~Achieved the 30% dividend payout ratio targeted in the medium-term management plan~

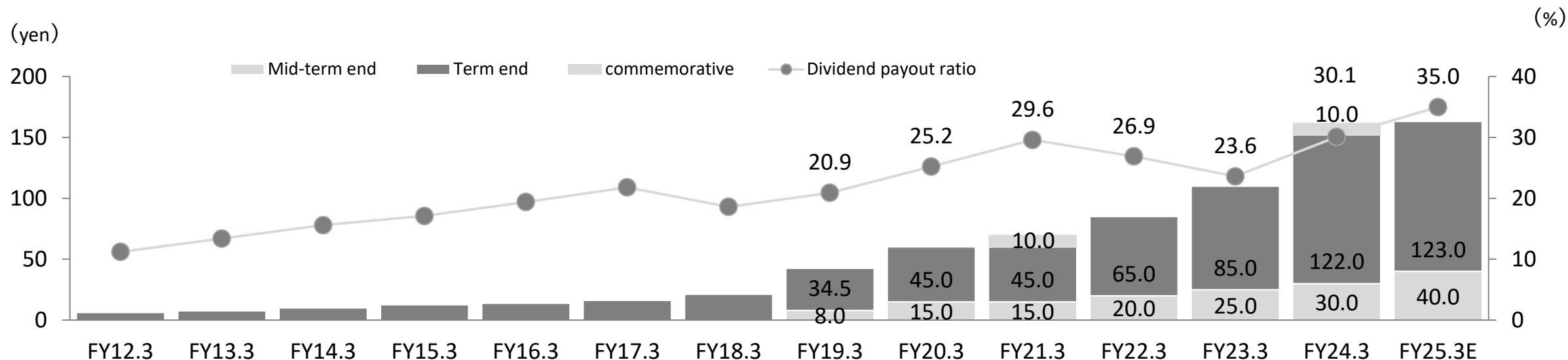


# Changes in shareholder returns and dividend payout ratio



Interim dividend for FY24.3 is 30 yen, year-end dividend is 132 yen including commemorative dividend of 10 yen, annual dividend is 162 yen, payout ratio 30.1%

## Trends in dividend per share and dividend payout ratio



FY24.3 end of term:  
132 yen including  
commemorative  
dividend of 10 yen

To commemorate the relocation of the Tokyo headquarters, in the fiscal year ending March 31, 2024, in addition to the ordinary dividend of 122 yen per share, a commemorative dividend of 10 yen per share was paid, and the year-end dividend was 132 yen per share (annual dividend gold 162 yen)

Stock  
consolidation/split

On October 1, 2015, we consolidated 5 shares into 1 share and changed the number of shares per unit from 1,000 shares to 100 shares.  
Split 1 share into 2 shares with March 31, 2018 as the record date.  
Split 1 share into 2 shares with September 30, 2019 as the record date.

(Note) Displayed as dividend per share based on FY20.3

# Overview of PLAY EARTH 2030

## PLAY EARTH 2030

A period of change towards becoming a 100-year-old company



Increase Goldwin brand recognition worldwide through integration of CI (Corporate Identity) and BI (Brand Identity)

Cash Allocation

Achieving high standards of corporate governance and sustainability

# (Reference) Quarterly performance trends



(Million yen)	1Q			2Q			3Q			4Q			Full year		
Fiscal year end	FY22.3	FY23.3	FY24.3	FY22.3	FY23.3	FY24.3	FY22.3	FY23.3	FY24.3	FY22.3	FY23.3	FY24.3	FY22.3	FY23.3	FY24.3
Net sale	17,078	21,099	23,150	21,130	24,210	27,946	35,574	41,437	43,736	24,453	28,306	32,075	98,235	115,052	126,907
Gross profit	8,986	11,122	11,710	10,514	11,865	14,249	20,147	23,169	24,611	12,096	13,879	16,603	51,743	60,035	67,173
%	52.6%	52.7%	50.6%	49.8%	49.0%	51.0%	56.6%	55.9%	56.3%	49.5%	49.0%	51.8%	52.7%	52.2%	52.9%
SG&A expenses	7,851	8,855	9,446	8,349	8,855	10,442	9,289	10,164	11,493	9,752	10,256	11,945	35,241	38,130	43,326
%	46.0%	42.0%	40.8%	39.5%	36.6%	37.4%	26.1%	24.5%	26.3%	39.9%	36.2%	37.2%	35.8%	33.1%	34.1%
Operating income	1,135	2,266	2,263	2,164	3,011	3,807	10,858	13,004	13,119	2,344	3,623	4,658	16,501	21,904	23,847
%	6.6%	10.7%	9.8%	10.2%	12.4%	13.6%	30.5%	31.4%	30.0%	9.6%	12.8%	14.5%	16.8%	19.0%	18.8%
Ordinary income	1,696	3,368	4,172	2,139	4,084	5,008	11,618	14,472	14,396	4,832	6,159	9,025	20,285	28,083	32,601
%	9.9%	16.0%	18.0%	10.1%	16.9%	17.9%	32.7%	34.9%	32.9%	19.8%	21.8%	28.1%	20.6%	24.4%	25.7%
Net income	1,235	2,603	3,347	1,397	3,241	3,976	8,157	10,424	10,251	3,561	4,709	6,707	14,350	20,977	24,281
%	7.2%	12.3%	14.5%	6.6%	13.4%	14.2%	22.9%	25.2%	23.4%	14.6%	16.6%	20.9%	14.6%	18.2%	19.1%

# (Reference) IR schedule and explanations



Tue Apr 30 15:00 ~ 16:00

Mid-term vision briefing

CI/BI integration

Overview of Goldwin500

PLAY EARTH PARK progress

Due to the silent period, questions will only be answered during the briefing session

Tue May 14 11:00~12:00

Financial results briefing for the fiscal year ending March 2024

Financial results for the fiscal year ending March 2024

Financial results forecast for the fiscal year ending March 2025

Dividend status  
(for the two periods ending March 2024 and March 2025)

As usual, we will answer questions in individual interviews and small meetings  
We will also answer questions from the mid-term vision briefing in April

Wed Jul 3 13:00 ~ 15:00

IR Day (Medium-term Management Plan Briefing)  
(FY2025.3-FY2029.3)

New KPIs for numerical targets and key initiatives

Global expansion of Goldwin500

Room for growth at THE NORTH FACE

PLAY EARTH 2030 initiatives

New value creation through SX  
(Sustainability Transformation)

Redesign of cash allocation

New shareholder return policy

During the silent period, individual interviews will be available until early July, limited to the contents of the medium-term management plan