





Goldwin has grown together with skiing.

Our corporate logo represents a snow crystal.

Unique microscopic snow crystals pile up to create beautiful natural landscapes. Just as plants and animals have uniquely transformed their existence within the cycles and time of evolution, we humans have also expanded the possibilities of our existence through daily challenges.

Invisible efforts also underpin the beauty and dynamism of those striving to go faster and higher.

Thus, the crystallization of countless surmounted challenges forms both spectacular landscapes and history.

With the sustainability of the global environment in jeopardy, the logo symbolizes our sports-focused efforts to nurture numerous different crystals and steadily move toward the creation of a better nature.

Since our founding in 1950, we have engaged with nature and benefited from its bounty. People's first experiences of sports, our core business, were in natural environments. The regularity found when playing in nature became rules. Play based on rules then evolved into sports, which developed into a culture that can be shared with many people. Now, our home the earth needs new rules. Instead of clearing and exploiting natural environments, we must imagine a future of coexistence between people and nature and design new games, new relationships, and new rules. Our purpose is to create a better future in which society harmonizes with the global environment. For this reason, we will continue pursuing ambitious initiatives aimed at addressing a broad range of social and environmental issues. With the aim of earning worldwide endorsement for our vision and heightening our presence at home and abroad, we have renewed our corporate logo and reconfirmed our commitment to forging ahead with the creation of businesses that coexist with nature.

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Purpose

Envision new possibilities for humanity in nature

Goldwin's products, experiences, and opportunities are designed to elevate human potential while fostering a healthier environment. We view "play" as the foundation of all sports. This creative, expansive state of being informs our work as we honor our interconnectedness with the environment and evolve toward a brighter future for all life on earth.

Vision

- 1 To offer children opportunities to explore nature, unlocking self-discovery and empowering them to shape a bright future
- 2 To harness boundless imagination and employ innovative approaches aimed at fostering a healthier planet
- 3 To cultivate a vibrant, supportive community that extends beyond our organization as we strive to create meaningful experiences and a sustainable society

We have a responsibility to pass on a beautiful global environment to the children of today who will live in the world of tomorrow. To meet this responsibility, we must think unconventionally and commit ourselves to benefiting the world. Each of our employees will consider and love the beauty of nature and, with a focus on the future, continue moving forward to fulfill our responsibility.

Value

- | | |
|----------------|--|
| Play | We approach each task with an open and curious mind, much like the way children explore the world through play, continuously evolving and responding to changes in the world around us. |
| Imagine | We employ our collective wisdom, experience, knowledge, and our senses to envision our process holistically, recognizing how even the smallest details play a role in shaping the broader picture. |
| Engage | We strive to express our beliefs through action, and embrace difficulties, uncertainties, and ambiguous situations as a part of the process. We welcome opportunities to address society-wide challenges and instigate change in the world. |
| Create | We are continuously refining our products and methods, maintaining meticulous attention to detail while upholding a tradition of excellence. A dialogue between ideation and action allows us to craft products and experiences that inspire discovery, wonder, and joy. |
| Respect | We remain steadfast in our land-based traditions as we foster reciprocal relationships, knowing that our lives are supported by our ecosystems and extended communities. |

These are the values that Goldwin holds dear and aims to embody. To realize our purpose, each employee must expand their own potential. Embracing an altruistic perspective, we will emphasize consideration and mutual respect, not only among people but also with nature. Through creativity fostered by engaging with and enjoying the natural world, we will continue to challenge ourselves to achieve new goals.

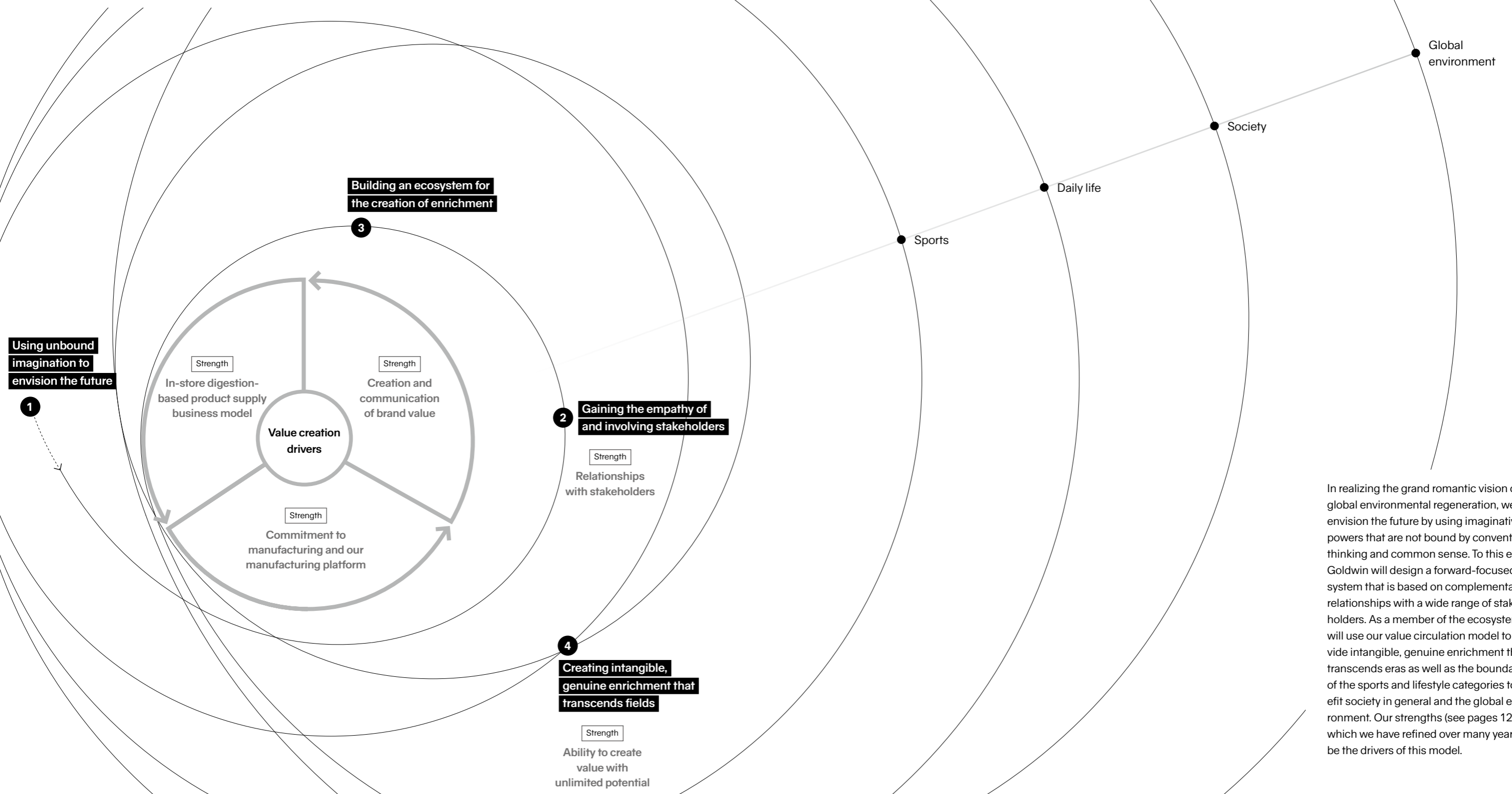


OUR VISION

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Value Circulation Model

Always remaining altruistic, Goldwin will harmonize with the circular system of the earth's biosphere by advancing business management that achieves the greatest benefit with the least amount of resources. Through this approach, we aim to regenerate the global environment and sustainably enhance our corporate value.

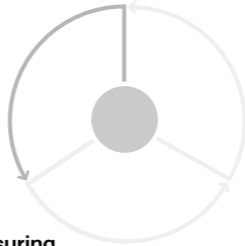


In realizing the grand romantic vision of global environmental regeneration, we must envision the future by using imaginative powers that are not bound by conventional thinking and common sense. To this end, Goldwin will design a forward-focused ecosystem that is based on complementary relationships with a wide range of stakeholders. As a member of the ecosystem, we will use our value circulation model to provide intangible, genuine enrichment that transcends eras as well as the boundaries of the sports and lifestyle categories to benefit society in general and the global environment. Our strengths (see pages 12–17), which we have refined over many years, will be the drivers of this model.

Strengths That Create New Value

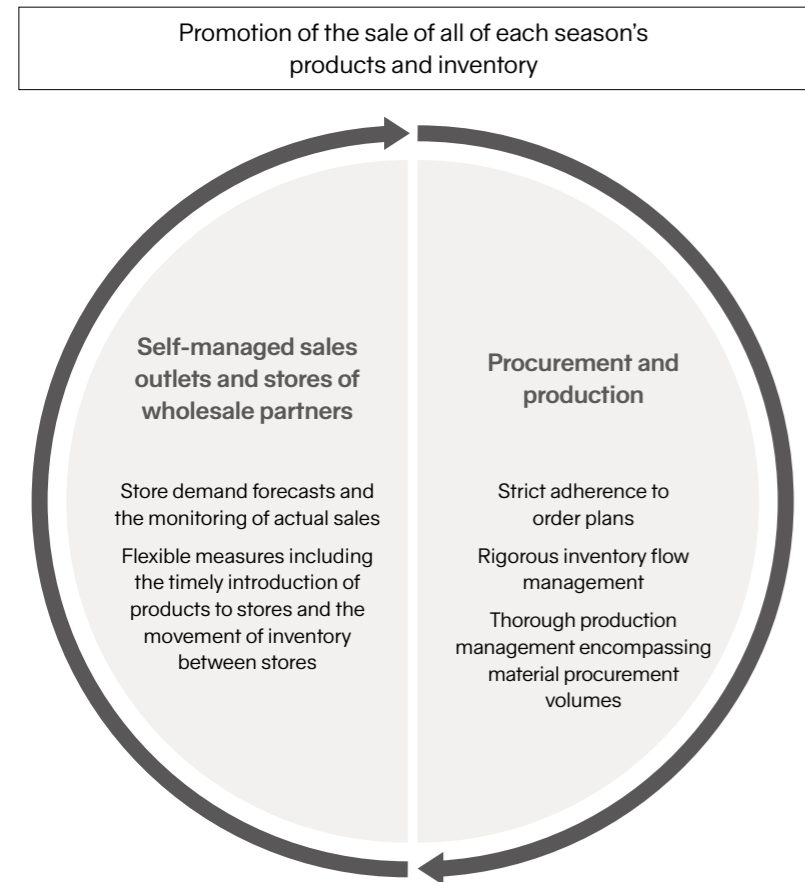
By passing down its founding spirit and advancing corporate activities consistent with its vision, Goldwin is continuously enhancing its accumulated strengths.

01 **Strength** In-store Digestion-based Product Supply Business Model



We have established robust business foundations by utilizing our in-store digestion-based product supply business model, which involves gaining direct understanding of customer needs at our stores and ensuring efficient inventory management throughout the entire process, from production planning to sales.

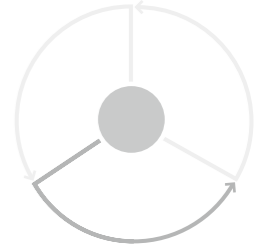
Goldwin reduces product returns and discounts through direct analysis of customer needs at self-managed sales outlets and the stores of wholesale partners and through enhanced accuracy of store demand forecasts, strict adherence to order plans, and rigorous implementation of inventory flow management. In addition, we promote the sale of all of each season's products and inventory by rigorously implementing production management that encompasses material procurement volumes, by introducing products to stores in a timely manner, and by flexibly moving inventory between stores. This in-store digestion-based product supply business model—which ensures efficient inventory management throughout the entire process, from production planning to sales—reduces the sales loss rate to an absolute minimum.



Sales loss rate
1.5%
We realize a low sales loss rate by calculating the appropriate order quantities to meet actual demand and by actively managing inventory flow in stores and moving products between stores during seasons.

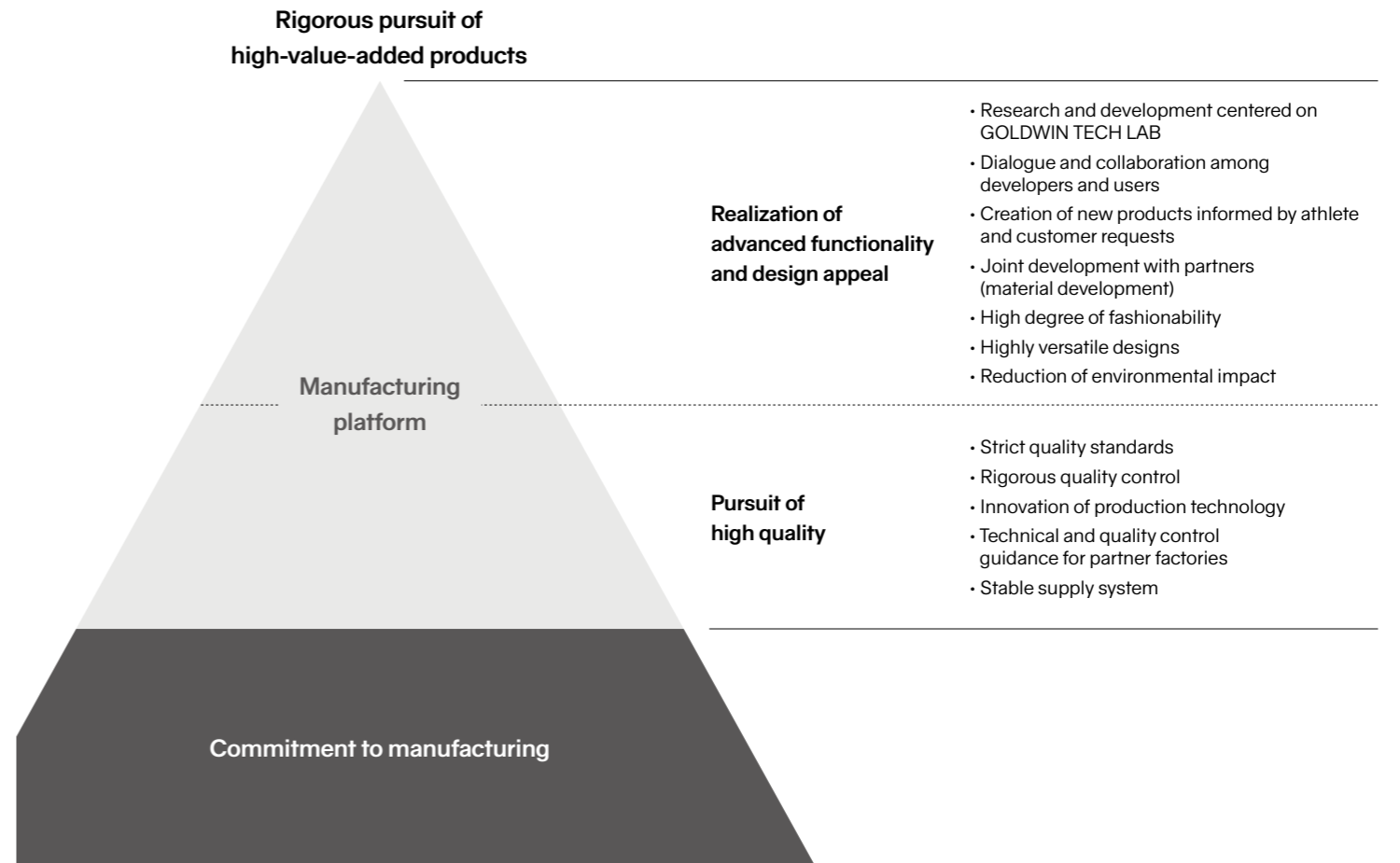
Number of directly managed stores
163
We aim to create various store formats that reflect regional characteristics and customer groups, not only through the products carried but also through the creation of spaces that appeal to customers' five senses.

02 **Strength** Commitment to Manufacturing and Our Manufacturing Platform



In manufacturing, we have an unwavering commitment to high-value-added products, which is based on our conviction that "There is true value in the invisible."

Goldwin maximizes synergies between the experience it has accumulated as a sports apparel manufacturer and the latest technologies to conduct development aimed at realizing advanced functionality and design appeal, to implement strict inspections focused on high quality, and to develop products that break the mold. Our uncompromising pursuit of high-value-added products stems from the mindset of our founder, Tosaku Nishida, who emphasized that "Everyone pays attention to what is right before their eyes. What sets a manufacturer apart is giving painstaking attention to what is not readily visible." Passed down from generation to generation, this mindset is the starting point of Goldwin's manufacturing.



02 Commitment to Manufacturing and Our Manufacturing Platform

Research and Development

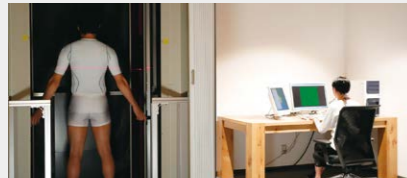
GOLDWIN TECH LAB

Realizing Goldwin's Vision through Advanced Research and Technologies

With its sights set on putting advanced manufacturing into practice, the GOLDWIN TECH LAB's research and development facility explores the manufacturing of the future.

In developing products, the facility conducts research and development aligned with our medium- to long-term business strategies. In addition, research and development results accumulated through industry-academia-government joint research partnerships as well as through cooperation with suppliers in various industries and athletes with whom Goldwin has contracts have become the Company's intellectual capital. This intellectual capital powers our creation of original, innovative products and our formulation of new concepts. We develop products that break the mold by utilizing various

technology development capabilities cultivated since our founding, product development capabilities that incorporate leading-edge equipment to merge human knowledge and IT, and an original quality inspection system that ensures the high quality of developed products. In addition, the facility's meeting and presentation section includes a virtual store, which enables practical prototyping of visual merchandising. Thus, GOLDWIN TECH LAB is an integrated facility that encompasses processes from research and development through to sales proposals. Going forward, we will enhance our corporate value by utilizing the facility to advance the development of non-apparel products, new development that uses digital technologies, and material development conducted together with suppliers.



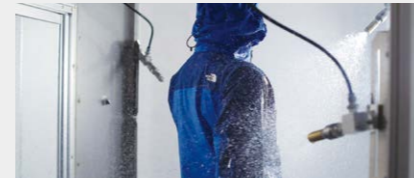
Three-dimensional scanners and CAD

We design patterns using three-dimensional measurement instruments and three-dimensional computer-aided design (CAD). We will visualize three-dimensional information to develop products that are easier for wearers to move in and more comfortable to wear.



Motion laboratory

At this laboratory, we conduct analysis based on motion dynamics, physiology, and other sciences. For example, we measure movement using motion capture. We use the analysis results to develop materials and patterns for products that improve athletic performance and comfort.



Artificial weather chamber and artificial rainfall chamber

Various weather conditions are artificially reproduced, and products are tested. Each product is tested to ensure that it meets required functions, and the results are utilized to make further improvements.



Constant temperature and humidity chamber

To maintain stable quality, the performance of materials and products is tested and evaluated under conditions of constant temperature and humidity.



Quality inspection section

The facility conducts product quality inspections and tests to ensure product quality is maintained at a level that satisfies market requirements and to support a quality assurance system that emphasizes customer satisfaction.



Prototyping section

As well as having a collection of manufacturing and processing technologies that enables the immediate realization of new ideas, this section develops new processing technologies.



Training section

This section conducts education and training focused on skills and knowledge, which includes practical training on sewing, patternmaking, and other skills. The role of the section is to develop personnel who have the capabilities to support Goldwin's manufacturing platform.



Archival exhibition

At the center of the exhibition is a representation of the future we should seek, and surrounding it are machines and products that symbolize the history of our product development. The exhibition expresses the connection of the past to the future, the harmony between technology and nature, and our aspiration to stride forward from Toyama Prefecture to the rest of Japan and then to the whole world.



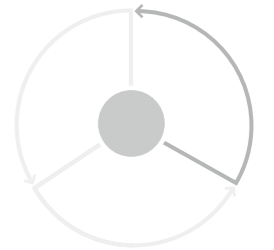
Meeting and presentation section

Located at the center of GOLDWIN TECH LAB, this section is a base for disseminating information to accelerate the development of quality, high-value-added products. A virtual store has been established to enable sales employee training and practical training on visual merchandising.

03 Strength Creation and Communication of Brand Value

We are constantly providing new value to more customers through collaboration with our wholesale partners and self-managed sales outlets, which directly communicate the worldview of our brands to customers.

In pursuit of differentiated brands that deliver as much added value as possible to customers, Goldwin has reformed its production, marketing, and sales methods to meet the needs of the times. Through our 163 directly managed stores and the brand sales areas of wholesale partners' stores in Japan and overseas, we use all available opportunities to rigorously pursue customer satisfaction while communicating our brands' worldview and added value to customers. These efforts include communication via brand websites and brand ambassadors.



Strengthening brands and increasing their penetration through enhanced customer engagement

Using all available opportunities to rigorously pursue customer satisfaction

Customer service, other services, repair, store design, and merchandising

Brand appeal (communication)

- Stores (self-managed sales outlets and brand sales areas of wholesale partners' stores)
- Store personnel (professional advice)
- Brand ambassadors
- Promotional activities (customer experience)
- Brand websites and social networking services (from stores)

Brand value components

- Brand history
- Brand worldview
- Product functionality and design
- Manufacturing background

Number of brands

20

Goldwin operates a multi-brand business. We form strategic partnerships with the global parent companies of brands and create brand value on a global scale.

Original brands (Goldwin-developed brands)



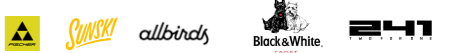
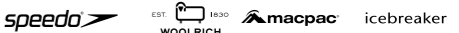
Owned brands (brands whose trademark rights Goldwin has acquired)



DANSKIN **ellesse**

Sales ending with the fall/winter 2024 season

Licensed and distributor brands

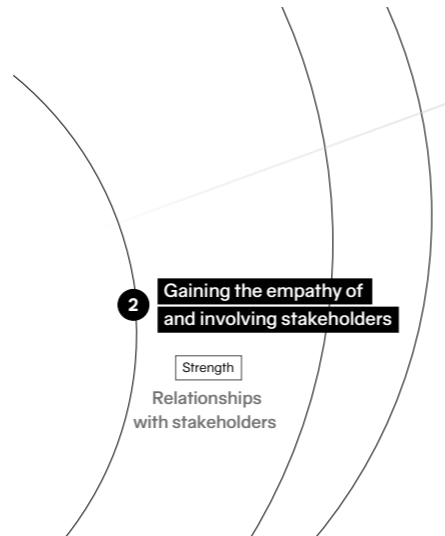


Sales ending within 2024

04 Relationships with Stakeholders

In realizing the future envisioned by Goldwin, the empathy of stakeholders is essential. The significant momentum created by involving stakeholders will transmit value far and wide.

Goldwin has always utilized collaboration and co-creation with partners to drive its transformation. These joint initiatives have included the conclusion of licensing agreements with overseas brands and the involvement of business partners in the establishment of our in-store digestion-based product supply business model. Currently, we are embarking on innovation-focused co-creation with start-ups that share our vision of improving the global environment.



Joint Development with Spiber



- 2015 Announcement of the MOON PARKA prototype
- 2018 Elucidation of the supercontraction mechanism through repeated genetic analysis
- 2019 Change in name from QMONOS to Brewed Protein™
- 2019 Launch of Planetary Equilibrium Tee (t-shirt) and MOON PARKA® (outdoor jacket)
- 2020 Launch of The Sweater
- 2022 Launch of The Earth Hoodie (fleece)
- 2023 Launch of a collection comprising the above four brands and supported by a mass production system

Reasons why the new material is attracting attention

- 1 Use of saccharide as main raw material**
(The saccharide used as a raw material is derived from renewable biomass and is not dependent on non-renewable resources such as petroleum.)
- 2 Recyclable in the biosphere**
(The material can be recycled because it is a biodegradable protein.)
- 3 Revolutionary potential comparable with that of synthetic fibers**
(It is the most revolutionary material since the invention of polyester and nylon.)

* Brewed Protein™ is a trademark or registered trademark of Spiber Inc. in Japan and other countries.

Co-creation with Bioworks

Bioworks Corporation is a biotechnology start-up engaged in the development of PlaX Fiber. The company creates this fiber, which features improved quality, functionality, and dyeability, by adding an in-house developed modifier to polylactic acid derived from plants such as sugar cane and corn. Recognizing the potential of PlaX Fiber as an environmentally friendly material that does not emit CO₂ into the atmosphere when incinerated and that is biodegradable, Goldwin has entered into a capital tie-up with the company. We are advancing collaborative efforts with a view to launching products under the Goldwin and THE NORTH FACE brands.



05 Ability to Create Value with Unlimited Potential

Goldwin offers society intangible, genuine enrichment through the provision of value that transcends products, services, and eras.

By pursuing intangible value that extends beyond products and encompasses the spiritual enrichment of users, the Company has enhanced its competence in the creation of value with unlimited potential, particularly with respect to THE NORTH FACE brand. At the same time, without restricting our target value fields, we have widened the scope of product rollouts. Setting our sights higher still, we are also pursuing the creation of intangible value in the form of a better global environment.



THE NORTH FACE's Cross-boundary Rollouts

We have enhanced the brand value of THE NORTH FACE by conveying its essential value; by carefully communicating with directly managed stores, the stores of wholesale partners, and other partners; and by ensuring that we develop store formats that reflect customer preferences. As a result, the brand has continued growing, extending from its origins in the performance category to enter the lifestyle category, which is a larger market, and then the fashion category, which is an even larger market. We are developing this success model horizontally and utilizing it for our other brands.



Message from the President



With a brand identity focused on the pursuit of intrinsic value, we will globally expand Goldwin and sustainably grow corporate value through global environmental regeneration.

Takao Watanabe
President and Representative Director

We would like to extend our deepest condolences to the families of those who lost their lives in the Noto Peninsula Earthquake of 2024, which occurred in January. Additionally, the region centered on the Noto Peninsula, which is still on the path to recovery and reconstruction from the earthquake, has suffered significant damage due to the heavy rains in September 2024.

We feel great sympathy for everyone affected by the disaster and send our best wishes for their safety. In addition to feeling great respect for those who are working hard on the relief efforts, we hope for the earliest possible restoration and recovery of the disaster-stricken areas.

Awareness of Being Part of Nature's Cycle

Yosemite National Park is about four hours by car from San Francisco, the birthplace of The North Face, Inc. In 1906, John Muir, a geologist, convinced Theodore Roosevelt, then president of the United States, to designate the area as a national park in its current form. Formed by glaciers, the park's rich natural landscape supports diverse ecosystems, with 4 million people visiting every year. The logo of THE NORTH FACE was designed with Half Dome, the park's symbol, as its motif. Due to my involvement with the brand since the 1980s, I have visited Yosemite National Park often and have fond memories of it. In June 2024, I had an opportunity to visit San Francisco on business, so I went to the park for the first time in ten years. Witnessing the beauty and grandeur of nature allows you to return to your pure, unadulterated self. My mind and body were awakened, and I felt a range of ideas about the meaning of my work and what Goldwin should accomplish welling up in me.

Ironically, the end of the battle against COVID-19 has brought to light various human conflicts, such as the invasion of Ukraine—a situation that remains deadlocked with no resolution in sight—and the growing geopolitical risks in the Middle East and East Asia. Such power-driven relationships of exploitation and submission, in other words, the dualism described by

Descartes, have been repeated throughout history, from the Age of Discovery through to colonialism and the present-day problems of the Global South. This type of relationship is also clearly emerging between humanity and nature.

To ensure the preservation of their DNA, flowering plants produce more flowers than necessary, and their colors make them easy for pollinators to find. Flowering plants provide oxygen to other organisms, and after the plants die, they provide nourishment for microorganisms, which in turn sustain new life. As Richard Buckminster Fuller emphasized in his book *Operating Manual for Spaceship Earth*, the earth's resources are finite, and all ecosystems are based on an elaborate cycle of resources. What about humans? Human beings, who have built advanced civilizations, are also essentially part of nature, being formed almost entirely of four elements: oxygen, hydrogen, carbon, and nitrogen. However, humans view matter dualistically: seeing nature and humans as separate entities. We selfishly understand nature as something that humans can freely utilize and exploit.

The time has come for us to change the aforementioned way of thinking, realize that we are part of the cycle, and reform our existing behavior in the spirit of altruism. Of course, such a course correction is a major undertaking that cannot be realized without the

cooperation of all humankind. Nonetheless, as a sports apparel manufacturer, there are things that we can do to help.

Regeneration

In the 1980s, the founder of THE NORTH FACE taught me to “make a difference.” This mindset focuses on continuously pursuing differentiated value in order to avoid homogenization that leads to elimination.

In 2020, the year of our 70th anniversary, we gathered our junior employees to seriously discuss what they wanted Goldwin to be in 30 years, when we celebrate our centennial. The conclusion reached was that we would conduct business that regenerates the global environment and achieve overwhelming differentiation. This goal is reflected in our long-term vision PLAY EARTH 2030. The origin of sports can be traced back to people’s first experiences of playing in nature, in other words, walking in the mountains, swimming in the ocean, and throwing stones as far as possible. The phrase “PLAY EARTH” expresses our desire to return to such play in nature, where there are no language barriers or conflicts, and to link this experience with the development of a common understanding and global cooperation to resolve social and environmental issues.

The first step on the road to the realization of our long-term vision was the establishment of our previous medium-term management plan (fiscal 2021 to fiscal 2025). THE NORTH FACE brand has driven our growth to date and will continue to be our core brand. However, our sales in countries other than Japan and South Korea are restricted due to trademark rights. To continuously heighten our corporate value, we must take on the challenge of expanding our businesses overseas, something we have not done to any great extent thus far. The medium-term management plan positioned rolling out our original Goldwin brand in overseas markets as the highest priority. Further, the Goldwin 0 project demonstrates the potential we have for achieving differentiation in competitive overseas markets. Associated with limitlessness, the number 0 represents our steadfast commitment to restoring the ecological cycle with the aim of realizing global environmental regeneration. Through development of this brand, our goal is to convey three concepts that show the way forward to Goldwin’s future. The first concept is “circulation,” since

human society is part of the earth’s biosphere. The second is to reach a widespread “borderless” consensus regarding the first concept. Thirdly, we must realize the first two concepts in order to develop “co-creation” ecosystems in a spirit of altruism.

In giving concrete form to the aforementioned concepts, our collaboration with biotechnology start-up Spiber Inc. is an extremely important initiative. For six years, beginning from 2015, we jointly developed Brewed Protein™, a new recyclable material made through a process called microbial fermentation (brewing), which was inspired by spider silk. Spiber began mass production of the material at its plant in Thailand in March 2021. In the fall of 2023, eight years after beginning joint development, we cooperated with partners to achieve a simultaneous overseas launch of products made of Brewed Protein™ under four different brands. This was the largest sales campaign in our history and marked the realization of our three concepts.

Clothes that have not undergone waste disposal treatment in developed countries are then exported as used clothing to countries in Africa, South America, and other regions. If these used clothes remain unsold in such developing countries, they are dumped and form mountainous piles that spontaneously combust and emit toxic substances, while clothes discarded in rivers discharge microplastics into the ocean. As this state of affairs has been widely reported around the world through the media and documentaries, a movement has emerged among Generation Z aimed at changing the practices of mass production and disposal through their own actions. The apparel industry is becoming increasingly polarized based on whether or not companies understand the values of this generation and take action to garner their support. Against this backdrop, Goldwin 0 has been able to earn strong endorsement from the public.

Goldwin500

In fiscal 2023, which ended on March 31, 2024 and was the third year of our previous medium-term management plan, we achieved record highs for net sales and operating profit for the second consecutive fiscal year. We believe that this performance is the result of the widespread support for our brands that investments to date have established. Our performance also reflected efforts to improve and increase the sophistication of our

in-store digestion-based product supply business model even further.

The apparent pickup in the apparel market at the moment is largely attributable to the impact of higher spending per customer in certain consumer groups, such as visitors to Japan. However, the recovery in consumption by the general public remains sluggish, as evidenced by existing stores whose customer numbers and sales are below their pre-COVID-19 levels. In response to these business conditions, in July 2024 we announced a new medium-term management plan, which covers the period of fiscal 2024 to fiscal 2028 and sets out the management tasks that need to be tackled in order to continuously heighten corporate value. The main pillar of the plan is to accelerate the expansion of the Goldwin brand on a global scale in line with the way forward shown by the development of the Goldwin 0 project. This global strategy, titled the Goldwin500 project, aims to increase the Goldwin brand’s sales to ¥50 billion—more than 15 times their current level—during the coming decade.

In China, a sense of crisis over environmental issues has led to the advancement of climate change countermeasures as a national policy, and consumer awareness of environmental issues is rapidly increasing. The large number of people from not only the fashion industry but also environment-related and media fields who attended the Brewed Protein™ product launch in Shanghai gave us firsthand experience of the high level of interest in environmental issues in the country. Due to its extremely fast adoption of new technologies and having one of the highest numbers of affluent people globally, China’s market offers substantial growth potential for premium brands. Under the Goldwin500 strategy, we aim to increase the overseas sales ratio of the Goldwin brand to 80% of total sales, with China making up the largest portion and generating 60% of overseas sales. We will accelerate store openings in China, South Korea, and Japan, which have a strong sense of fashion and market characteristics amenable to the Goldwin brand, with the aim of rapidly establishing brand positions in these three markets. In Europe and North America, on the other hand, we intend to proceed cautiously, focusing first on brand recognition and establishing understanding of the brand’s worldview.

To concentrate human resources and other management resources on the Goldwin brand, we have decided

to withdraw from the DANSKIN, ellesse, 241, and BLACK & WHITE SPORT businesses. Meanwhile, we have concluded an exclusive distribution agreement for Japan with Allbirds, Inc., which globally markets the Allbirds® brand. We share many of the values associated with this brand. The company rigorously pursues environmentally friendly manufacturing. For example, it has midsole technology based on sugarcane and utilizes such materials as eucalyptus tree fiber and merino wool. By taking advantage of our business infrastructure, I believe we can create significant synergies with this brand. Going forward, with our purpose firmly in mind, we intend to continue enhancing the quality of our business portfolio. Also, we will strengthen recruitment and personnel training to advance our overseas operations. As the localization of operations is a basic policy, we will actively hire locally. At the same time, we will introduce in-house programs to support personnel who want to work overseas.

With a view to expanding the global recognition and presence of the Goldwin brand, the Company has integrated its corporate identity and brand identity and renewed its purpose. The new identity and purpose express our strong commitment to upholding our founding spirit.

Intrinsic Value

“Everyone pays attention to what is right before their eyes. What sets a manufacturer apart is giving painstaking attention to what is not readily visible.” I place great importance on this quote from our founder Tosaku Nishida. True value lies precisely in the things that cannot be seen. As a new iteration of this readily understandable idea and with an eye to our overseas development, I have advocated “dedication to detail” as a motto. In essence, the motto is about the pursuit of intrinsic value. One aspect of intrinsic value is derived from manufacturing in the sense of the accumulation of meticulous, careful work on parts that are not visible from the surface, such as the attention paid to materials as well as careful sewing and processing techniques for long-lasting product use. For us, another form of intrinsic value is the invisible value created by supporting customers who are improving themselves by taking on new challenges or seeking environmentally conscious lifestyles. Added value, such as performance, can only be



achieved through the pursuit of intrinsic value.

The in-store digestion-based product supply business model is a strength that has supported our robust profitability by facilitating efficient inventory management throughout the entire process from production planning to sales. In fact, our fundamental objective is to create products and stores that match customer needs. The in-store digestion-based product supply business model is both a means of achieving and a result of this objective. THE NORTH FACE and our other brands have earned customer support because we have offered intrinsic value through attentive communication with customers at points of contact with them, namely, our 163 directly managed stores and other self-managed sales outlets. If products have intrinsic value, we do not need to offer an excessive number of product varieties, and customers can use the products for long periods without being influenced by trends. These attributes are beneficial for both the customer and the environment. Moreover, such products allow us to sell products year-round, keep inventories at low levels, and curb sales at discount prices. In other words, the pursuit of intrinsic value leads to both business and environmental sustainability.

In the global market, we aim to build a position for ourselves in the niche category of premium sports brands that provide intrinsic value. By taking “harmony with nature” as our theme and expressing through our sports apparel such traditional virtues of the Japanese aesthetic as delicacy, detail, precision, and conciseness, we will create a brand identity that is in tune with those who take on challenges.

Given the favorable response to the opening of the Goldwin Beijing store in 2021 and from visitors to Japan, we are confident that such intrinsic value will garner support in many different countries.

Creativity

Seeing a certain pair of shoes from THE NORTH FACE unveiled at the spring/summer 2025 trade show gave me even greater confidence in the brand’s further growth.

Although THE NORTH FACE sales have grown by a factor of approximately five in the last 10 years, there is still a lot of room for growth, for example,

in lifestyle, women’s, and children’s products. In particular, I believe that the shoes category has significant growth potential. In Japan alone, the sports shoes market is estimated to be worth at least ¥400 billion, of which the Company’s sales only account for about ¥6 billion. This limited presence makes shoes an almost untapped market for us. We intend to pursue differentiation in this field by offering intrinsic value that others cannot match. Shoes must not only have appealing designs but also possess performance characteristics such as walking comfort and fatigue mitigation. I believe we can greatly enlarge our presence in the category by marketing products featuring THE NORTH FACE brand’s signature mix of sophisticated designs that are tailored to suit various lifestyles and advanced performance that solves problems even customers themselves may be unaware of. The shoes I mentioned embody our approach of combining design and performance. I believe these shoes are among the finest in the brand’s history, and I am very much looking forward to their launch in the spring of 2025.

Realization of the kind of intrinsic value that I have been discussing calls for creativity that questions common sense and adopts innovative viewpoints. As many of our employees are earnest, we have outstanding operational capabilities, which underpin our in-store digestion-based product supply business model. By the same token, we have room for improvement with respect to creativity. Creativity is sometimes said to depend on individual aptitude, but I believe that an individual’s creativity can be enhanced. Product design requires a talent for integrating advanced performance with sophisticated design, while a feeling for remodeling and presentation is essential to store design and the development of optimal sales areas that appropriately convey a brand’s worldview. If we can increase the number of personnel who combine skills in these two areas and demonstrate a high degree of creativity, we can continuously enhance the Goldwin brand’s intrinsic value. With this in mind, we are in the process of building a system for the enhancement of creativity, which we view as the most important goal of our human resource strategy.

Similarly, creativity is the focus of our recruitment activities. Regardless of educational background,

nationality, or gender, we are looking for people who are able to think differently from others and translate ideas into businesses. Goldwin must develop a corporate culture in which unique ideas are not excluded but are instead valued as being interesting. We should become a company that uses abundant creativity to produce differentiated value. By establishing such a culture, we will realize real diversity in line with our business strategy.

Restoration of the Global Environment as a Corporate Responsibility

I spend most weekends in the countryside. In recent years, I have experienced firsthand the changes in nature, especially those due to climate change. Not long ago, I went fishing in Okinawa. I realized that the high water temperature was making the fish inactive. I feel that nature has been issuing various warnings to mankind, as seen in the recent problem of damage caused by bears coming down into human habitats. Destruction of the global environment has reached the point where it can no longer be improved through sustainability that is based on a human-centric standpoint, such as endeavors to make humans’ management and development of nature sustainable. We want to give the word “sustainability” a soul by clearly showing that our goal is to help restore the global environment in a positive way, rather than just curbing negative aspects through the reduction of our environmental impact.

This commitment is symbolized by the GOLDWIN PLAY EARTH PARK Business Concept project. We want the park to serve as a commons where anyone can experience the wonders of nature in a vast natural setting and develop a greater sense of kinship with other generations. The creation of the park also stems from a desire to fulfill our responsibilities in relation to the natural environment and the future prosperity of local communities. Japan is a beautiful country with abundant nature and four distinct seasons, but many Japanese people are unaware of the charms of their own country. If we can stimulate demand for the enjoyment of nature’s beauty among the Japanese public as well as among visitors to Japan, new economic benefits are likely to follow.

In realizing global environmental regeneration, we must achieve co-creation through the cultivation of



partnerships, not only with business counterparts but also with customers, shareholders, and investors who share our values. Mindful of this, we will widen our circle of partners by earning even more trust through the unwavering implementation of the Goldwin500 strategy and other growth strategies and the steady accumulation of further performance achievements and by inspiring stakeholders to share our serious commitment to taking on the challenge of global environmental regeneration.

Takao Watanabe
President and Representative Director

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The New Medium-term Management Plan (Fiscal 2024 to Fiscal 2028)

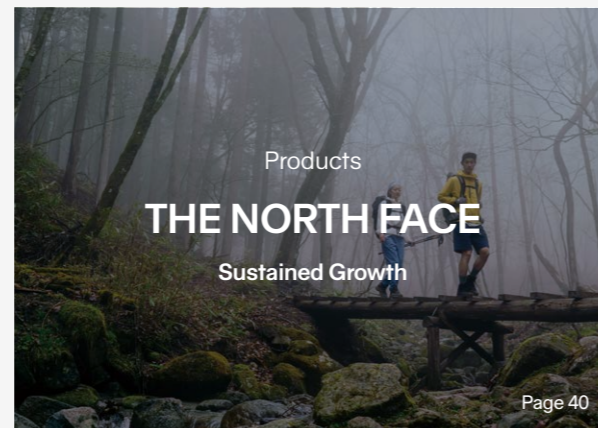
In July 2024, we announced our new medium-term management plan. We have established four main goals for our businesses over the coming five years with the aim of enhancing our corporate value while promoting the improvement of the global environment. To support efforts focused on these goals, we will communicate our philosophy to the world and heighten recognition of the Goldwin brand by integrating our corporate and brand identities, undertake cash allocation, and achieve high standards of corporate governance and sustainability. Also, Goldwin will invest in strengthening the brand portfolios of its businesses and Group companies.

PLAY EARTH 2030

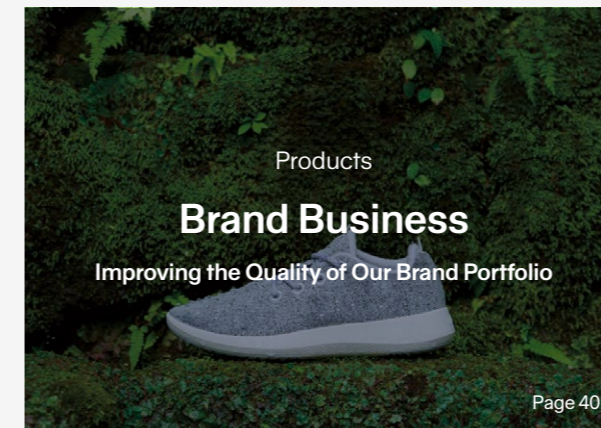
A period of change as we become a 100-year-old company



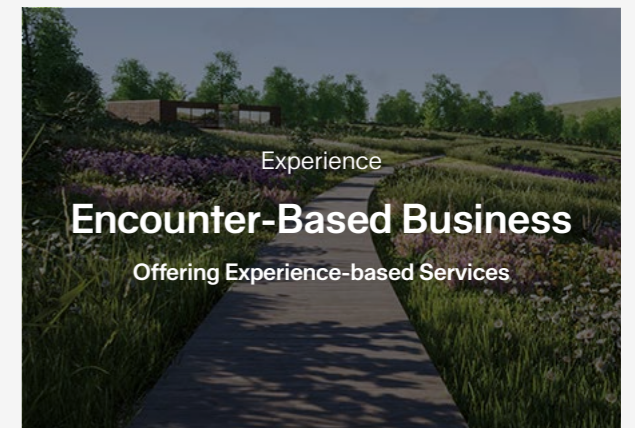
In the new medium-term management plan, we have made strengthening the global rollout of the Goldwin brand a priority. We aim to increase business scale and achieve Goldwin brand sales of approximately ¥50.0 billion by fiscal 2032. However, we will not simply expand our operations. We will also communicate our brand value by developing stores that match the characteristics and demand of each region.



THE NORTH FACE is about to begin its next phase of growth. The value of the brand is built not only on the appeal of its products but also on its entire supply chain, including planning capabilities, production infrastructure, collaboration with directly managed stores and wholesale partners, and repair services. By strengthening these advantages even further, we will continue to create new markets.



To achieve continuous growth, we are rebuilding our brand portfolio. Specifically, we are promoting the growth of each brand business and acquiring new brands. In June 2024, we added the Allbirds® brand to our portfolio, strengthening our lineup in the footwear market. We will continue to improve the quality of our portfolio by evaluating each brand from multiple perspectives and seeking synergies among brands.



Entering a new field, we will promote the encounter-based business by advancing the development of the PLAY EARTH PARK NATURING FOREST project. The aim of this project is to encourage endorsement of our philosophy by providing opportunities for customers to experience and enjoy the richness of nature. Through these experience-based services we also aim to allow customers to rediscover the appeal of THE NORTH FACE and our other brands. Going forward, we intend to focus even more on this encounter-based business.

Increase Goldwin brand recognition worldwide through integration of corporate identity and brand identity

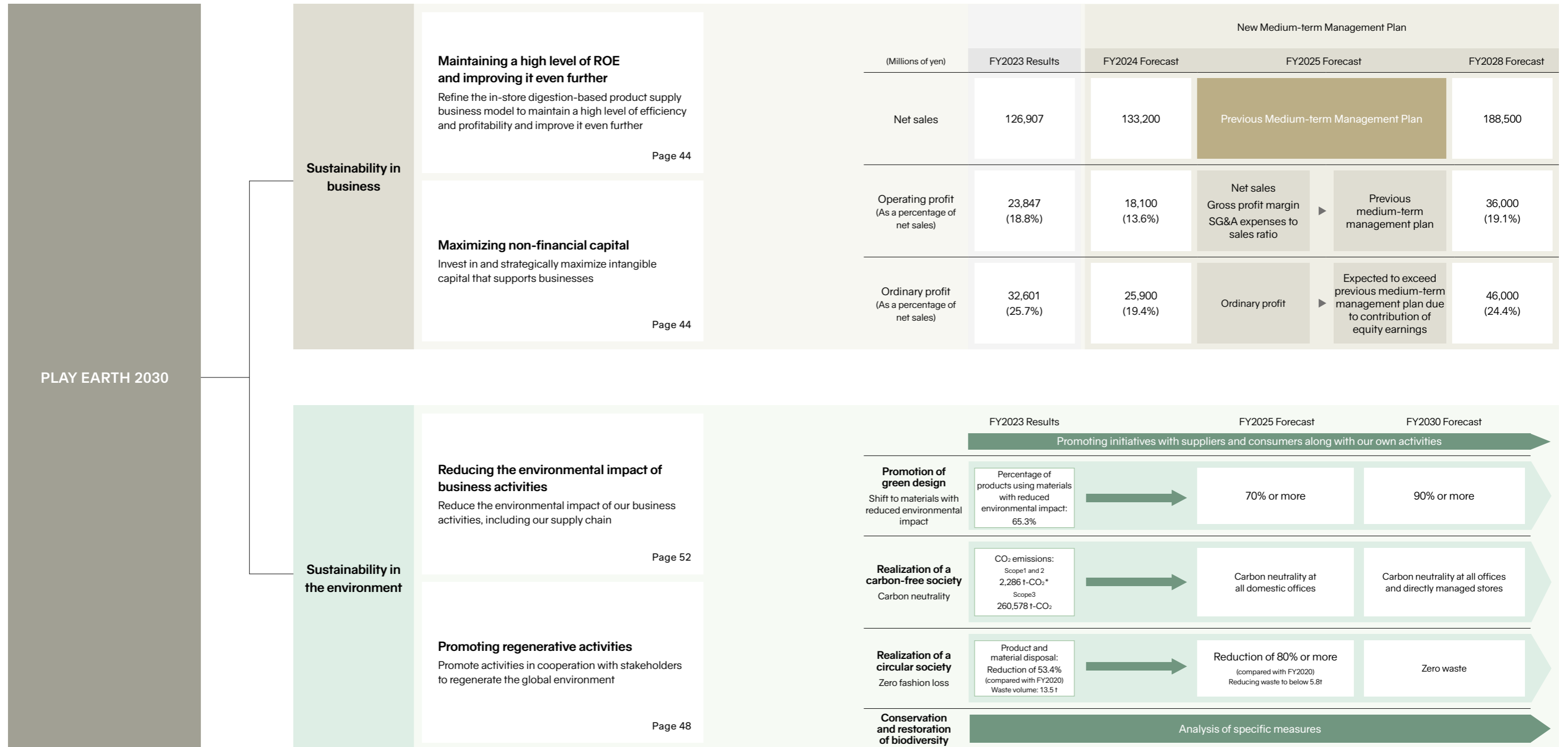
Undertake cash allocation

Page 44

Achieve high standards of corporate governance and sustainability

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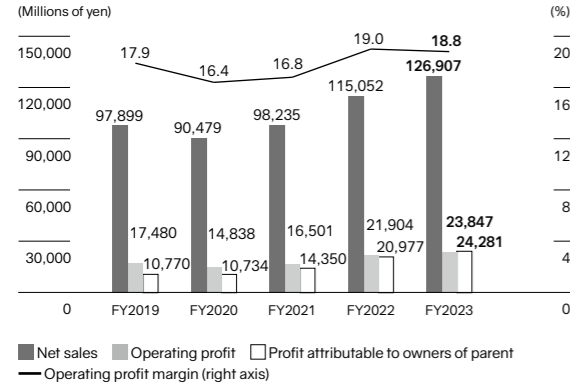
Under the new medium-term management plan, we will continue to set targets and manage progress with the aim of achieving both corporate and environmental sustainability. With respect to environmental sustainability, we will take steps aimed at promoting regenerative activities, which we have set as a new goal.



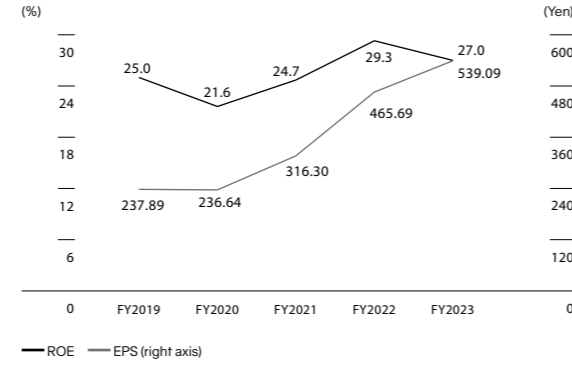
* Total for all offices and directly managed stores in Japan (market-based)

Financial and Non-financial Highlights

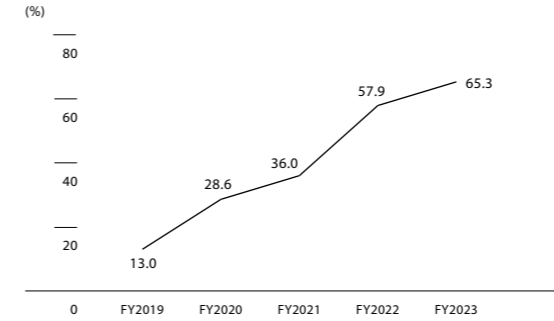
Net Sales / Operating Profit / Profit Attributable to Owners of Parent / Operating Profit Margin



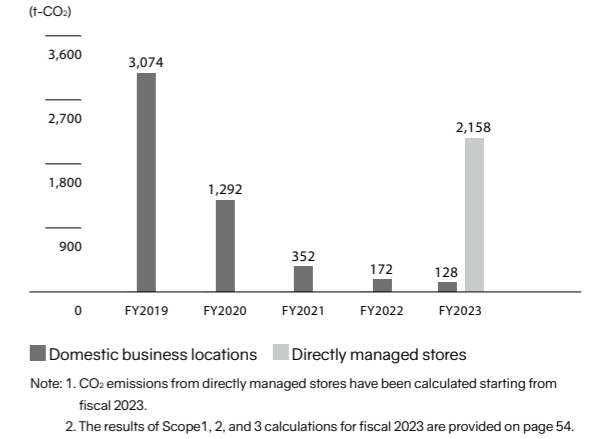
ROE / Earnings per Share (EPS)



Sales Rate of Products Using Materials with Reduced Environmental Impact



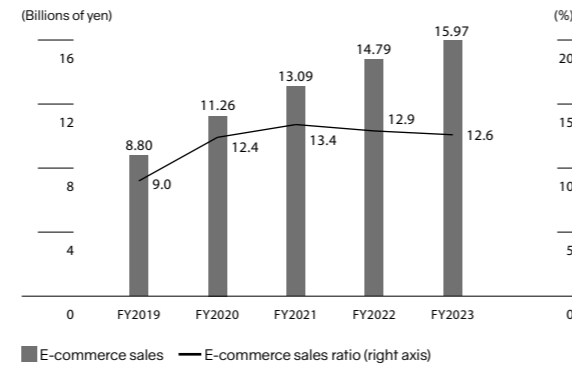
CO₂ Emissions (Domestic Offices and Directly Managed Stores)



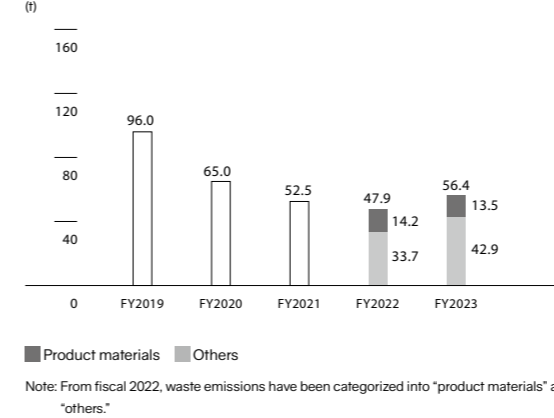
Number of Directly Managed Stores / Self-managed Sales Ratio



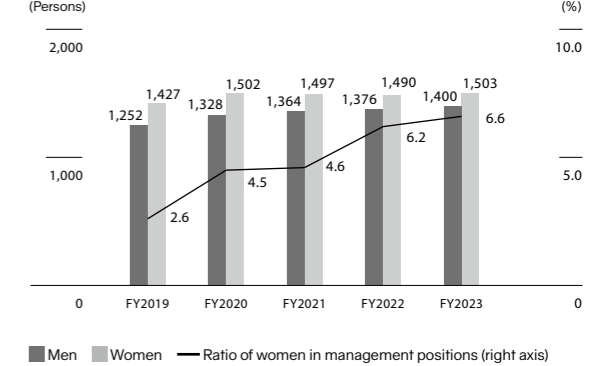
E-commerce Sales / E-commerce Sales Ratio



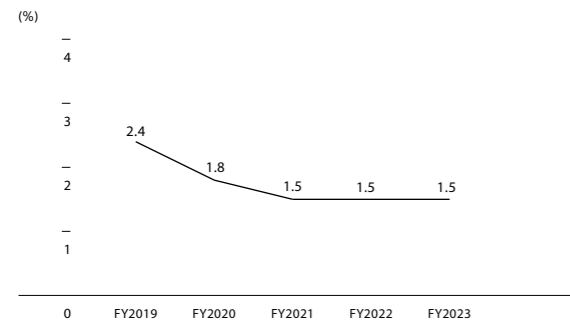
Waste Emissions



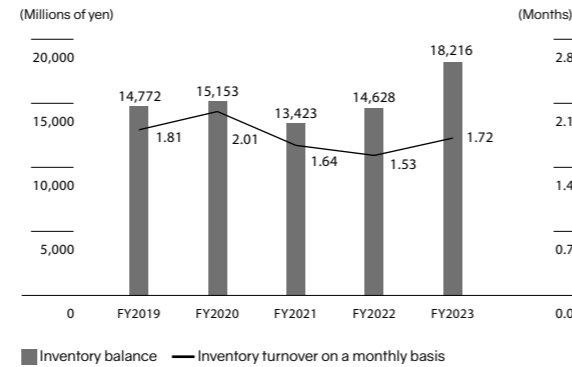
Number of Employees by Gender / Ratio of Women in Management Positions



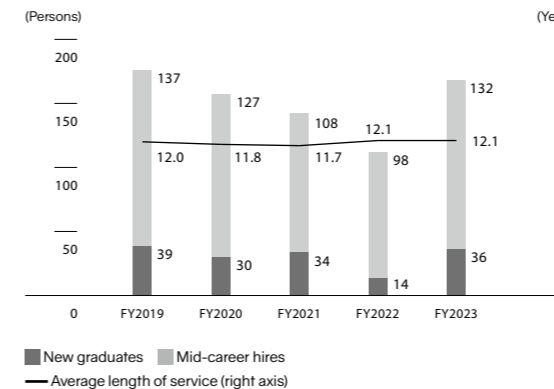
Sales Loss Rate



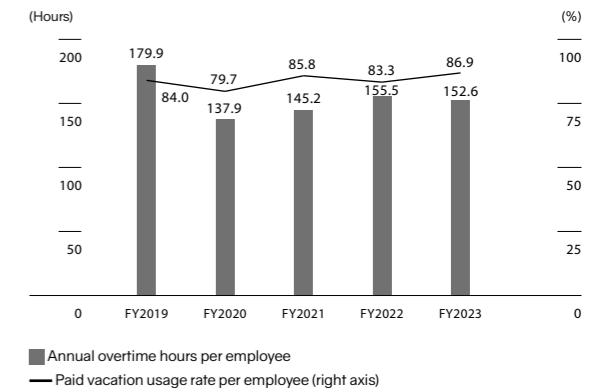
Inventory Balance / Inventory Turnover on a Monthly Basis



New Employees (New Graduates / Mid-career Hires) / Average Length of Service



Annual Overtime Hours per Employee / Paid Vacation Usage Rate per Employee



Overseas Strategy



Eiichiro Homma
Director and Executive Vice President

We will steadily implement the Goldwin500 strategy to establish Goldwin as a premium sports brand.

Launch of the Goldwin500 Strategy Following a Series of Transformative Changes

The Goldwin500 strategy calls for a more than 15-fold increase in Goldwin brand sales to ¥50 billion. Given the steady progress of Goldwin's preparations to date, this target is by no means unrealistic for the Company.

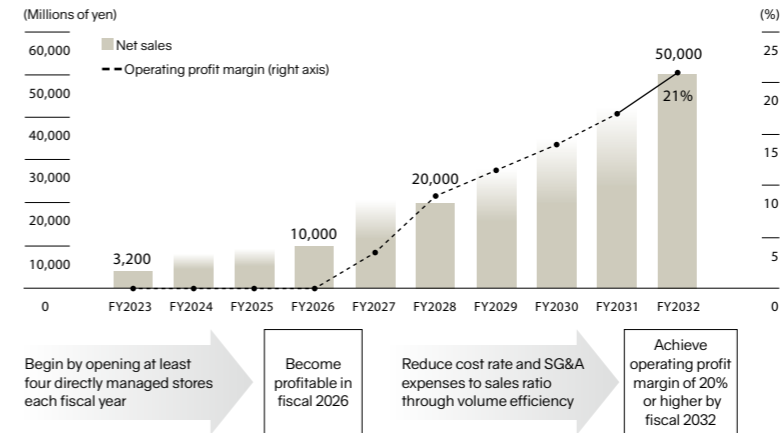
In the past, the Company did not have the ability to develop globally. This was because we mainly engaged in domestic rollouts of licensed brands and lacked the know-how to market our own brands overseas. However, the situation has changed dramatically over the past

decade or so. Previously, the Company was organized vertically by product category, with separate supply chains and distribution measures for each brand. As a result, we were unable to optimize the overall utilization of human resources and other management resources. The establishment of four business headquarters has made our organization more integrated. Takao Watanabe, who is now our president, became the director of the new business headquarter. By consolidating business headquarters, we improved the efficiency of management resources and facilitated greater mobility of personnel between divisions. Watanabe's subsequent appointment as president changed

the Company into an organization that promotes the sharing of common goals and concentrates management resources on the businesses that must be given higher priority if the target corporate profile is to be realized. We leveraged our experience of transforming the business model of THE NORTH FACE over nearly 35 years, growing it from a modest sales scale of around ¥3 billion in the 1990s to nearly ¥100 billion, to inform and enhance our new business strategy. This experience has enabled us to identify which processes lead to the achievement of lofty targets. Additionally, we engage in information sharing with VF Corporation, the U.S.-based company that operates THE NORTH FACE in regions outside Japan and South Korea, and through the overseas expansion of the nanamica brand launched by our subsidiary in 2010.

The success we achieved with the "Goldwin 0" project, which launched in October 2022, provided solid confidence in our global expansion and helped drive

Performance Outlook by Goldwin500 (Global)



the decision for full-scale development. For one year beginning from April 2023, the entire Company, not just the Goldwin Business Department, worked as a team to advance the Goldwin Business Strategy Project, which prepared concrete action plans for all processes, from planning and production through to sales, marketing, and human resource development. We incorporated these action plans into a highly feasible scenario for achieving the goal of ¥50 billion in sales, which we call the "Goldwin500 strategy."

Our Differentiating Factors in the Global Market

I frequently travel overseas as the president of nanamica inc., which operates in 24 countries. I have come to realize that the world wants Japan-based companies to offer "Japaneseness" rather than "Americanness" or "Frenchness."

In designing the Goldwin Beijing store, which opened in December 2021 as our first flagship store in China, we focused on "Japaneseness." What we adopted is a high-quality spatial design that

incorporates materials symbolizing Japanese aesthetics, creating a space that gains depth and character over time. Also, the products carried by the store showcase the Goldwin brand's signature simplicity and attention to detail. In Japan, there is generally a preconceived idea that products with an emphasis on brand logos and eye-catching colors gain traction in China's consumer culture. However, we found that many customers prefer to purchase simple products with understated logos. This, combined with the achievement of over ¥200 million in sales and an average customer spend exceeding ¥60,000 at the same store in 2023, became a significant success.

In addition to such design elements, functionality serves as a key differentiating factor for Goldwin in the global market. For instance, compared to athletic wear, our core business of outdoor apparel demands exceptionally high functionality. To meet these demands, the materials and sewing techniques required are held to a completely different standard. We take pride in the fact that Goldwin possesses world-class competitiveness in the know-how that creates

Key Points in the Goldwin Brand's Overseas Expansion

- Emphasis on expansion in Asia, mainly in China, and opening of directly managed stores initially
- Aiming to expand to 100 stores (including franchise stores) in Asia in 10 years
- Establishment of a joint venture with the Youngone Holdings Co., Ltd. in South Korea
- Aiming for sales of ¥6 billion in the South Korean market in 10 years
- Increased efforts to capture demand from visitors to Japan and Japan-led construction of infrastructure for catering to overseas demand
- Aiming for sales of ¥10 billion in Japan's market in 10 years

differences in physical functionality and quality.

Materials are another competitive advantage. Alliances with the world's leading textile manufacturers give us access to information on progress in the development of materials before competitors and enable us to be the first to market leading-edge materials. The foundation of our differentiation is manufacturing with the attention to detail that I mentioned earlier. A further differentiating factor is environmental friendliness. In the apparel industry, companies cannot survive without initiatives to develop environmentally friendly products. Accordingly, we have strengthened our business foundation and accumulated expertise with the aim of achieving both business and environmental sustainability. For instance, we have developed new materials, such as Brewed Protein™, a structural protein material jointly developed with and manufactured by Spiber Inc.

Instead of relying solely on the common sports apparel strategy of "athlete endorsement," which connects consumer purchases to famous athletes'



Goldwin Chengdu

usage, we assigned world-class creatives to develop a multifaceted value proposition. This approach combines cutting-edge design, functionality, and environmental consciousness at a highly advanced level. After we began this approach, our product lineups developed a reputational strength that was unprecedented among sportswear brands. By leveraging the aforementioned differentiating factors, Goldwin will heighten its presence as a premium sportswear brand worldwide.

Emphasis on China, South Korea, and Japan

Under the Goldwin500 strategy, we aim to increase Goldwin brand sales from ¥3.2 billion in fiscal 2023 to ¥10 billion in fiscal 2026, ¥20 billion in fiscal 2028—the final year of the new medium-term management plan (fiscal 2024 to fiscal 2028)—and ¥50 billion in fiscal 2032, in 10 years.

Breaking down the ¥50 billion target, we envision Japan, South Korea, and China accounting for approximately 90% of sales, with approximately 60% being generated in China, the world's second largest fashion market. We aim to expedite the establishment of a brand position by initially opening directly managed stores and then accelerating store

openings so that in 10 years we will have established a network of 100 stores in Asia, including franchises.

We believe that Europe is a market where the value of the Goldwin brand will be appropriately appreciated since the region has historically been a source of global fashion trends. However, as the region's consumption is sluggish due to severe inflation driven by soaring energy prices, market conditions are such that appreciation of our brand may not necessarily translate into business. With this in mind, our first priority is to establish our brand's reputation in Europe by opening directly managed stores in trend-conscious cities.

As for the U.S. market, in addition to product reputation, sales growth requires overwhelming brand recognition. Establishing the business scale needed for such recognition requires enormous investment. Therefore, we intend to proceed cautiously in this region. As in Europe, we will give priority to establishing our brand reputation by opening directly managed stores in trend-conscious cities.

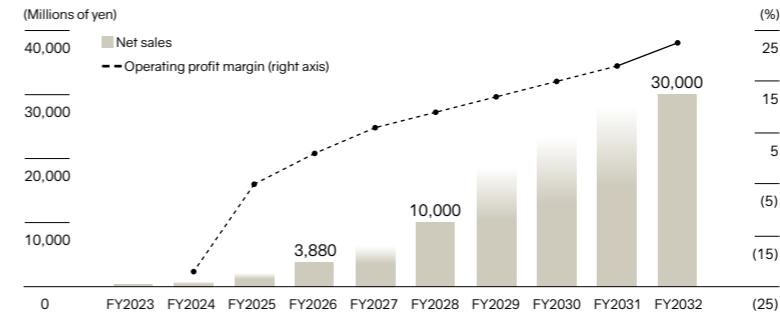
The strength of China's consumption is astonishing. A sales area in China generates twice the revenue volume of a sales area of the same size in Japan. In China, most of the vehicles on the streets

are electric, another feature that makes the country distinct from Japan. Given that environmental friendliness is becoming an important factor in business at a remarkable speed due to government policies, conditions are suited to winning acceptance for the Goldwin brand. Our basic policy is to localize operations in the country through partnerships with trusted companies that have the resources we lack. In April 2024, we established a joint venture, Goldwin China Enterprise Ltd., with Suzhou Gold Aspiration Retail (SGAR). We are advancing a business alliance in which we are responsible for product planning, production, and marketing, while SGAR is in charge of opening stores, managing stores and e-commerce, developing franchises, and negotiating with the government and municipal authorities.

Our initial strategy is to open three stores, one in North America, one in Europe, and one in Asia. Once we verify that our operations are compatible with each market and that we will be able to establish a certain level of recognition, we will expand operations laterally. In China, we will use our success in Beijing as a foothold to open directly managed stores in prime locations in first-tier cities at a pace of four stores per year, aiming for 70 stores and a 70% directly managed store percentage by fiscal 2032. In August 2024, we opened a store in Chengdu and another in Shanghai in September. We will also aggressively invest in online business and digital marketing.

In South Korea, we have a long-standing partnership with Youngone Holdings Co., Ltd., which is engaged in the manufacture and sale of outdoor wear and sportswear. Our joint venture with the company, Youngone Outdoor Corporation, handles THE NORTH FACE, which has the largest share of the country's outdoor wear market. In October

Outlook for Net Sales and Operating Profit Margin in China's Market



2024, Goldwin and Youngone Holdings established a joint venture, Goldwin Korea Corporation, which is engaged in the sale of Goldwin brand products. We are in charge of manufacturing, sales, and marketing, while the Youngone Holdings is in charge of logistics and systems. Through this partnership, we will reposition the Goldwin brand and shift to a retail-focused business model.

South Korea is a trend-sensitive market. The pace of consumer purchasing, including that of Generation Z, tends to be much higher than in Japan. For this reason, we will promote the dissemination of fresh information through social networking services. In addition, since department store distribution is firmly rooted in the country, we will enhance brand recognition by opening a directly operated flagship store in Seoul, while also promoting store expansion in major department stores.

In Japan, visitors to the country are boosting demand, as indicated by the fact that Tokyo accounts for 50% of our sales. Therefore, in addition to cities such as Tokyo, Osaka, Kyoto, and Sapporo, we will open directly managed stores in field locations such as Niseko in Hokkaido Prefecture and Yuzawa in Niigata Prefecture, where we are sure to capture

demand from visitors to Japan. In this way, we will increase the number of stores that are able to evoke the brand's worldview for customers.

Under the Goldwin500 strategy, we aim to realize profitability by fiscal 2026 and achieve a 21% operating profit margin by fiscal 2032. This is a large profit margin for apparel. However, we arrived at this target after carefully examining specific business structures and measures in light of our experience with THE NORTH FACE and nanamica, which have already achieved this level of profitability.

Assuming that we provide products that earn customer endorsement, appropriate cost management is an important task, including sales at fair prices and reductions in the cost rate and SG&A expenses to sales ratio. Therefore, we must optimize inventory levels. In Japan, through our development of the in-store digestion-based product supply business model, we have honed our ability to minimize inventory and curb loss on discount sales. On the other hand, in China sales opportunity losses could occur due to inventory shortages. In recent years, we have shifted our overseas production bases from China, where labor costs are rising sharply, to Vietnam and Thailand. Through this supply chain, we basically

supply the Chinese market through planned production twice a year. However, if inventory shortages are anticipated due to unexpectedly strong sales, we can prevent sales opportunity losses by quickly producing and delivering additional products. For this reason, in China we are rebuilding our supply chain with a focus on items that can be produced with short lead times.

From Dream to Reality: The Goldwin Brand's Overseas Journey

We are also transforming our human resource strategy. To ensure localization of operations, we aim to proactively recruit locally and hire people who can work in the global market. To this end, we have revised our compensation system from one based on domestic operations to one that is globally competitive. We are in the process of developing a training program to foster globally competent personnel through study abroad at business schools and experience in overseas businesses, with language proficiency being a prerequisite.

While admiring European and U.S. brands and using them to expand our business, we have always dreamed of someday marketing our original Goldwin brand overseas. Now that full-fledged efforts to achieve this dream are underway, Goldwin will steadily advance its strategy to ensure the Company can be passed on to future generations.

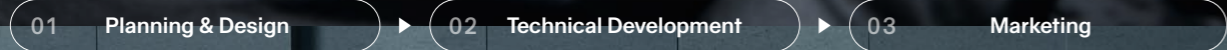
SPECIAL FEATURE

Dedication to Detail

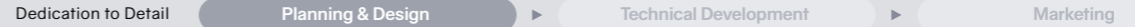
Combining Performance and Design Manufacturing To Open Up a New World of Apparel

Goldwin 0
Three-Dimensional
Down Jacket

True to its unique “dedication to detail” aesthetic, which holds that true value lies in the unseen, Goldwin places emphasis on invisible value, pursuing uncompromising quality in all stages of product development. In 2023, we launched a lineup of Goldwin brand down jackets featuring a newly developed 3D Box Baffle down structure that offers enhanced warmth and lightness. Five employees, who perform different roles in the areas of planning and design, technology development, and marketing, discuss their passion for manufacturing.



- Yu Kuroda**
Manager
Lifestyle Product Design Group
Goldwin Dept.
Goldwin Brand Business
Headquarters
- Ryu Nakaoka**
Managing Director
Lifestyle Product Design Group
Goldwin Dept.
Goldwin Brand Business
Headquarters
- Soichi Hirayama**
General Manager
Technology Research Laboratory
Research and Development
Headquarters
- Ryota Ito**
Manager
Performance Group
Product Development Dept.
Research and Development
Headquarters
- Jun Kurita**
Manager
Brand Marketing Group
Goldwin Brand Marketing Dept.
Goldwin Brand Business
Headquarters



01 Manufacturing Something from Nothing by Leading Cross-divisional Co-creation

Innovation Aimed at Realizing a Lighter, Warmer Down Structure

A lead time of more than a year and a half is required from the planning of a single garment through to sample production and revision, mass production, and sale in stores. Engaged in the product creation process from the initial market analysis and conceptualization through to manufacturing, the Goldwin Business Department leads projects that advance in-house and external collaborations. Yu Kuroda, who works as a manager in the department, summarizes her role. “The Lifestyle Product Design Group is responsible for all product-related work. As we coordinate with many different people, the establishment of trust is the most important thing. I focus on understanding the other person’s point of view and communicating with them flexibly.”

One example of a new product that has emerged from such multifaceted collaboration is the Three-Dimensional Down Jacket, launched as part of the Goldwin 0 project. Kuroda recalls the product’s development. “Our goal was to create an innovative down product. The

development of a lightweight down jacket with high heat retention and low down volume was something we had discussed with the Product Development Department and the Technology Research Laboratory for a long time.”

In 2021, the Technology Development Team in Toyama Headquarters proposed the idea of making the baffles—which are internal partitions to prevent feathers from being unevenly distributed—three-dimensional to create a box shape. Following a series of measures, we successfully realized the 3D Box Baffle structure. Inspired by traditional Japanese origami paper, this structure improves thermal insulation and reduces the penetration of external cold air.

The product’s design is also innovative. Ryu Nakaoka, who works as a merchandiser in the Goldwin Business Department, explains the novelty of the design. “Baffles were originally developed for use inside products. The concept of a design that reverses this approach and makes the new structure visible came from Nur Abbas, who has been the design director of Goldwin 0 since 2023.” The Three-Dimensional Down Jacket is a good example of how product development efforts focused on performance can inspire new designs.



The jacket incorporates an advanced structure that varies the height of the baffles to maintain appropriate warmth throughout the garment.

focus on creating new things ‘from zero.’ We are constantly pursuing innovation and taking on new challenges.” Kuroda agrees. “In a sense, the brand offers freedom, but this freedom also makes the development of the brand’s products difficult.”

Unveiled in 2022, the Goldwin 0 project has been tasked with looking further into the future than even the initiatives that develop other Goldwin brand products. With “circulation,” “borderless,” and “co-creation” as its three basic concepts, the project aims to create products that tap latent demand and stimulate curiosity. Nakaoka describes the project’s distinctive approach. “We set aside all preconceived notions and fundamentally rethink traditional materials and structures. In design, we draw inspiration from all manner of things in fields outside apparel, such as the forms and laws of nature, artwork, mathematical theories, and AI.”

By fusing functionality with design, we aim to deliver beautiful products that combine performance and fashionability that will be loved by the market for many years. Kuroda emphasizes the critical role of teamwork in achieving such products. “Everyone involved in the project needs to adopt the same frame of mind. In addition to working closely with the Technology Development Team, we engage in discussions with the marketing managers from the initial planning stages. With a view to overseas rollouts, we also hold global meetings to get many different opinions from managers in charge of various regions. I feel that the Goldwin 0 project has increased the willingness of personnel to embrace integrated approaches to manufacturing.”

Goldwin 0 Project: Discovering New Frontiers in Apparel

“Innovation is integral to the Goldwin brand’s identity,” says Nakaoka. “The difference between the Goldwin brand and our other brands is that in developing Goldwin brand products we are not bound by conventional wisdom and can

Dedication to Detail

Planning & Design

Technical Development

Marketing

02 Developing Technologies That Underpin Advanced Performance and Elegance

Realization of the 3D Box Baffle Structure

The Research and Development Headquarters supports the technical aspects of Goldwin's manufacturing. The Technology Research Laboratory, which develops materials and optimizes performance; the Product Research Department, which prepares patterns and examines processes; and the Production Engineering Department, which handles mass production technology, coordinate to tackle new development projects together.

Soichi Hirayama, the general manager of the Technology Research Laboratory, explains the motivation for developing the 3D Box Baffle structure. "An issue in the heat retention of down jackets is cold spots caused by the penetration of outside air via seams, where there is no down. We went through a long process of trial and error to find a way to rectify this issue." After repeated analysis, we arrived at the idea of adding tucks and darts to the baffle

fabric to loft and expand the down in a three-dimensional manner. This improved heat retention by improving insulation properties compared with those of normal stitching and by allowing the down to conform to movements of the body and adhere to it without forming gaps.

Ryota Ito, who belongs to the Product Development Department, explains other challenges faced by the development team. "We paid as much attention to lightness as to heat retention. The 3D Box Baffle structure lifts and expands small amounts of down efficiently and three-dimensionally, but the special structure requires numerous stitches, which increases the amount of fabric used. We had many discussions with the Goldwin Department about the selection of fabric."

Both Hirayama and Ito are proud that Goldwin's successful in-house pursuit of technologies is a major advantage. Located at the Toyama Headquarters, the GOLDWIN TECH LAB is a pivotal manufacturing base equipped with extensive research facilities, along with the

personnel and expertise to handle every stage from material development to product commercialization. "Goldwin is unique in its ability to move forward with professionals who understand upstream designs and bring a cohesive approach to manufacturing," comments Hirayama. Ito agrees, adding, "This approach shortens lead times and fosters a steady flow of new ideas in our day-to-day work."

Acceleration of Global Expansion through Responsiveness to Local Demand

Ito and Hirayama point out that, as Goldwin 0 is currently being developed as an experimental platform on a Companywide basis, the Research and Development Headquarters must increase its focus on this initiative and actively explore the possibilities of new technologies and materials. Hirayama explains why. "If we can increase the number of technology-driven projects, such as the development of the environmentally friendly material Brewed Protein™, we will be able to make a greater contribution to the growth of the brand."

The Research and Development Headquarters will also play a greater role in global expansion, which is key to achieving the Goldwin500 strategy. "Preferences with respect to colors, materials, and silhouettes differ in each country and region. The creation of patterns that accommodate these differences is a challenge but is also interesting," explains Ito. Hirayama, on the other hand, stresses that certain

attributes should not change. "While catering to diverse demand, we must never lose sight of the core value of Goldwin products. I want us to always offer intrinsic value. We will embody 'dedication to detail' through manufacturing focused on products that offer both elegance and advanced performance."

Environmental friendliness is also an extremely important focus of our technology development efforts. In addition to increasing the percentage of environmentally friendly materials that we use, in the world of today it is essential to design products with their entire life cycles in mind so that products last longer, are not

discarded, and can be recycled. Ito points out the importance of environmental efforts. "We offer free repair services for Goldwin brand products. We are able to do this because we manufacture products that are durable and easily repairable. I think the cumulative effect of such attributes gives the brand an advantage."

Dedication to Detail

Planning & Design

Technical Development

Marketing

03 Communicating Goldwin's Distinctive Values and the Japanese Aesthetic to the Global Market

"As the Goldwin brand bears the Company's name, its mission is to show the world what the Company has developed," says Jun Kurita, a manager in the Goldwin Brand Marketing Department. In the Goldwin Business Headquarters, the department is responsible for building the brand's value, promotion, and image strategy.

The Goldwin brand lies at the intersection of high-performance clothing and fashion apparel. Kurita elaborates on these two facets of the brand. "With respect to fashionability, we pursue aesthetically pleasing features, with Goldwin 0 being a representative example of such efforts. Our performance-related initiatives advance scientific exploration through collaboration with athletes. The goal is to create a one-of-a-kind premium brand that simultaneously realizes even higher levels of performance and aesthetic appeal."

The Three-Dimensional Down Jacket and other products that incorporate the 3D Box Baffle structure will be marketed globally as part of the fall/winter 2024 collection. Kurita is eager to bring the jacket's features to the attention of the world.

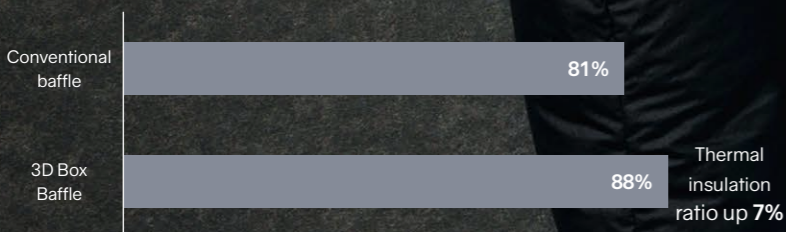
"There is no other product in which origami-style pleats in regular square baffles create a three-dimensional structure. In a sense, the jacket reflects a typical Japanese way of thinking. Many non-Japanese buyers place their trust in Japan's manufacturing. We would like to enhance our efforts to convey Goldwin's 'dedication to detail' aesthetic in the wider context of the Japanese aesthetic, in which delicacy, painstaking effort, precision, and simplicity are valued."

With respect to global marketing, Kurita points out that while the main marketing content and messages must be consistent, localization of in-store promotions to reflect the different cultures and climates of each region is important. He adds that these efforts must also communicate Goldwin's commitment to the environment. "As a brand from Toyama Prefecture, which has a magnificent natural environment, I think it is also essential for the brand to express a sense of coexisting with nature." We will convey to the world not only the performance and design of our product lineups but also the story and values that differentiate us and utilize this uniqueness as a fundamental



strength of the Goldwin brand. Goldwin's sights are firmly set on the Company's future in the global market.

Thermal Insulation Test



Item tested: GM23311(GORE-TEX® WINDSTOPPER Down Parka)
 Test conditions: Room temperature of 20°C, humidity of 65%, hot plate of 30°C, and wind speed of 0.3 meters per second; after being left for 60 minutes, comparison based on the average value during the 10 minutes from the 50th minute to the 60th minute.

Business and Sales Strategies



Hikari Mori
 Director and Senior Managing Officer
 General Manager of Business
 Headquarters

By advancing the “Core & More” strategy in new markets, we will build a foundation for the sustained enhancement of corporate value.

Seeking Strategies That Break with the Past

In fiscal 2023, the year ended March 31, 2024, which was the third year of the previous medium-term management plan (fiscal 2021 to fiscal 2025), we posted records for net sales and all profit categories for the second consecutive fiscal year. Also, all of our business segments—performance, lifestyle, and fashion—continued to grow. In contrast to the previous fiscal year’s business conditions, which were boosted by resurgent consumption following the end of the COVID-19 pandemic in fiscal 2022, fiscal 2023 was marked by challenging

business conditions. In recent years, climate change has blurred the four seasons, with long summers beginning soon after the weather has become springlike. This blurring has impacted the traditional apparel business, which is based on the changes of the four seasons. The impact of unseasonable weather was particularly marked in fiscal 2023. In the third quarter, we fell short of targets due to lackluster sales of fall/winter apparel. Missing targets in the third quarter, when earnings typically increase, is unprecedented. While the external tailwinds of lower temperatures in January coupled with growth in demand from visitors to Japan ultimately resulted in a favorable business

performance for the full fiscal year, we were made very much aware of the need to adjust the trajectory of our existing approach to business, which has relied on strong third-quarter earnings. In addition, the robust demand from visitors to Japan is concealing an ongoing sluggishness in the recovery of confidence among Japanese consumers.

Given such megatrends as climate change and Japan’s declining population, unfavorable business conditions are expected to continue increasing in severity. To sustain growth in corporate value, we must formulate new strategies that are not simply extensions of previous strategies. Our appreciation of the need for fresh approaches is reflected in the new medium-term management plan, which was announced in July 2024 and covers fiscal 2024 to fiscal 2028. The main pillar of the plan is the Goldwin500 strategy, which entails using the Goldwin brand to break into overseas markets. However, to realize this ambitious initiative, we must generate steady profits from our existing

businesses, centered on THE NORTH FACE business. Under the new medium-term management plan, we will further evolve our basic “Core & More” strategy with the aim of advancing it in a wide range of new markets.

Expanding THE NORTH FACE Market Even Further

THE NORTH FACE brand has seen an approximately fivefold increase in net sales over the past 10 years. The driver of this growth has been the “Core & More” strategy. Giving priority to heightening volume by establishing contact with a wider range of markets and offering lower-priced products may lead to short-term brand recognition enhancement and sales growth. However, such strategies lead to a degradation of brand value. Therefore, in marketing THE NORTH FACE brand, we have worked with athletes in pursuit of optimal materials and performance for “Core” product lineups to ensure that the brand remains a byword for quality and earns even higher levels of trust. At the same time, we have rolled out these lineups in the lifestyle and fashion markets—the “More” element of the strategy. In the “More” market, we have provided opportunities for a greater number of customers to experience the brand’s

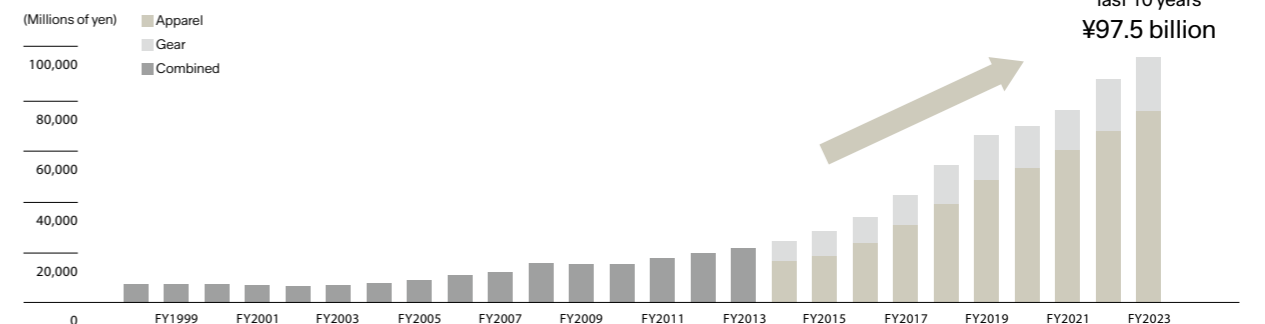
worldview through products that combine advanced levels of performance and design; store formats that feature surprises, particularly at directly managed stores; and customer service that conveys the brand’s value in an easy-to-understand manner. We have, of course, also maintained an uncompromising commitment to the manufacture of products that do not disappoint customers after purchase. As a result of continuing to steadily advance these multifaceted efforts, in all “Core & More” markets we have been able to build strong relationships with customers and create fans of THE NORTH FACE. These relationships have driven the brand’s dramatic growth. Under the new medium-term management plan, we will step up the “Core & More” strategy, focusing on markets with large growth potential that we have not yet tackled to any great extent.

In terms of products, we will focus on shoes, a market with potential that we have yet to fully tap. Recent years have seen the merging of the outdoor wear market with the lifestyle market, not only in THE NORTH FACE product lineups but also in a range of common apparel products throughout society. Meanwhile, the athletic wear market has not yet begun merging with the lifestyle market. In our view, this lack of crossover has been due

to the absence of a brand with attributes capable of driving such a crossover. Acting as a pioneer, we will expand THE NORTH FACE brand from the athletic wear market into the lifestyle market. In this expansion, we believe that shoes will be key. Currently, we do not have any “Core” footwear. For this reason, we are targeting trail running as a market where we can demonstrate our value that offers great potential for future expansion into “More” product lineups. To begin with, we are investing in the development of “Core” products. Certain leading companies have expanded from the shoes market into the lifestyle and fashion markets. However, as we have already established a presence in the apparel market and offer a variety of gear, we will be able to differentiate our products by providing completely coordinated packages that shoes brands are unable to match. VF Corporation of the United States shares our view of shoes’ potential. Accordingly, we will globally expand our business in this market in collaboration with the company.

As for the gender of target customers, we will focus on growing our share of the market for women’s products. We will also concentrate efforts on increasing our presence in the children’s products market. In these efforts, we will heighten

THE NORTH FACE Sales Trends



Note: Figures for fiscal 2013 and earlier are for apparel and gear combined.

brand recognition among adults, since children's products are purchased by them. With respect to the women's market, we have sold many unisex products to both men and women. Aiming to create new demand, we plan to take on the challenge of offering styles that express greater femininity, a product area that we have not fully developed to date.

In the lifestyle market, we have not had any top-of-the-line products equivalent to the Summit Series in the performance market. The reason for this absence is that brands established in the performance market have naturally led to purchases by lifestyle market customers. In line with the new medium-term business plan, however, for the first time we have established top-of-the-line products in the lifestyle market, which we have named the Lab Series. As it is premised on the "protection of life," the Summit Series only comprises advanced products that incorporate materials and functions with rigorously proven track records. In this series, our mission is also the continued evolution of performance in relation to lightness, thinness, and compactness. On the other hand, we believe that top-of-the-line products in the lifestyle market, which are not premised on use in extreme conditions, can

incorporate leading-edge technology while featuring substantialness and protection that differ from the characteristics of Summit Series products. In this way, by offering products in markets that we have not previously tackled, we will be able to create new demand.

Enhancing the Quality of Our Brand Portfolio

Under the new medium-term management plan, we will build an optimal brand portfolio for the future by reorganizing and replacing brands. To significantly grow our original Goldwin brand overseas and to further advance THE NORTH FACE brand's "Core & More" strategy, we intend to concentrate human resources and other in-house resources on these growth areas. As part of this strategy, we have decided to discontinue the operations of four brands, including ellesse and DANSKIN, in 2024. In addition, we have concluded an exclusive distribution agreement for a new brand: Allbirds®. These measures do not mark the end of our portfolio reweighting efforts. The Business Portfolio Management Committee will continue to monitor and analyze our portfolio, and we will conduct multifaceted evaluations of brands. As

well as profitability, we will consider design sophistication, sustainability, growth potential, and synergy with existing brands. For example, Allbirds® is a leading sustainable brand that will reinforce our shoes lineup and promises to generate synergies with our other brands.

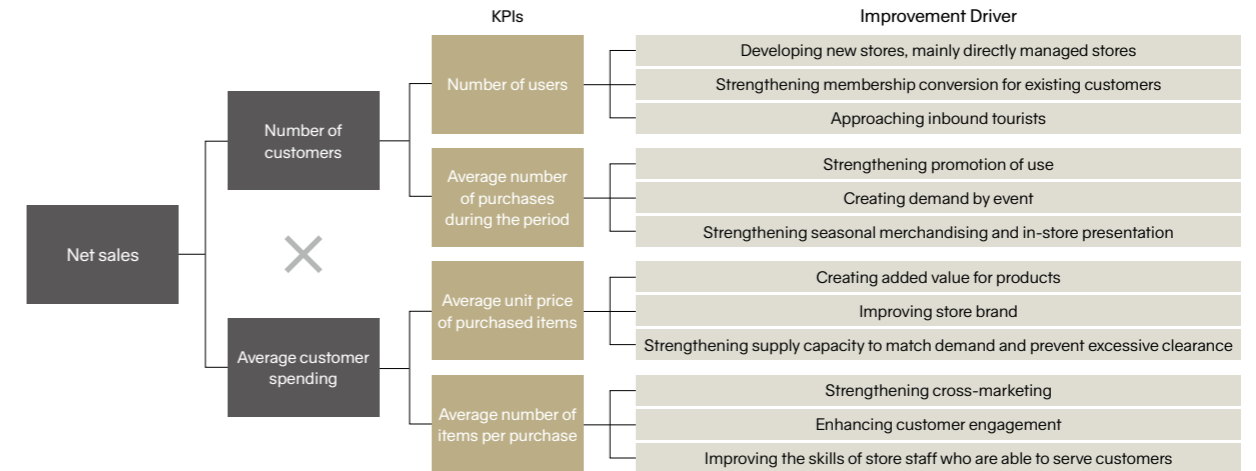
To build a strong brand portfolio through clarification of responsibility for each brand's earnings, in April 2024 we reorganized existing business divisions into the Goldwin Brand Business Headquarters, THE NORTH FACE Brand Business Headquarters, and Global Brand Headquarters. We have consolidated such brands as HELLY HANSEN; CANTERBURY and SPEEDO in the Global Brand Headquarters, which is responsible for enhancing the value of each brand.

For HELLY HANSEN, we are pursuing a strategy of decoupling it from THE NORTH FACE brand and strengthening "Core" offerings with a focus on marine sports. A common characteristic of HELLY HANSEN; CANTERBURY, which is an established brand in rugby jerseys used competitively; and SPEEDO swimwear, which has earned a strong reputation among athletes, is that, unlike outdoor apparel brands, the barrier to the incorporation of "Core" products into the lifestyle market is fairly high. The key task for the continuation of these brands is the advancement of "More" strategies that encourage as many people as possible to wear the brands in daily life.

Creating Stores That Increase Customer Engagement

We will strengthen engagement with customers at our 163 directly managed stores, which are important points of contact with customers. By realizing integration with e-commerce while providing customers who visit our stores with experiential value based on store space innovation and customer service, we will

THE NORTH FACE's measures based on customer numbers and average customer spending



THE NORTH FACE's Growth Points

1	Furthering technological advances in the performance market	<ul style="list-style-type: none"> Further promote the current "Core & More" strategy Strengthen Summit Series development in collaboration with VF Corporation (VFC)
2	Strengthening footwear development and creating new markets	<ul style="list-style-type: none"> Invest in trail running footwear development Create a lifestyle market linked to apparel and gear
3	Appealing to Generation Alpha and expanding into the children's market	<ul style="list-style-type: none"> Link with YOUNGONE OUTDOOR Corporation in South Korea to strengthen approach to Generation Alpha Expand into the children's market through the promotion of GREEN BATON
4	Selling core lifestyle products	<ul style="list-style-type: none"> Product development (Lab) incorporating cutting-edge technology cultivated through performance Incorporate cutting-edge technology cultivated through the performance market in Lab Series product development

broaden our brands' fan bases, which is critical for the advancement of our "Core & More" strategy. Our store strategy is to focus on increasing the floor space of directly managed stores and enhancing their services rather than on extending geographical coverage through the opening of numerous stores with the same format. In conjunction with these efforts, we will clearly express the characteristics of respective stores and offer different experiences at each store while establishing a common understanding of each brand's value, including an understanding among our wholesale partners. As part of our efforts to develop distinctive stores, in April 2024 we changed from an account-based sales organization to a region-based one. Under the previous account-based sales organization, in the same region different sales managers responsible for directly managed stores and wholesaler partners, respectively, tended to pursue sales through the excessive establishment of best practices. As a result, stores became homogenized, making the provision of new discoveries and value to the customers in each region a challenge. Under the

region-based sales organization, a single manager is in charge of all directly managed stores, shop-in-shops, and specialty stores in each region. This regional viewpoint will encourage managers to think about the needs of their region's customers and then cater to these needs through different marketing approaches at each store, thereby enabling the development of stores that prevent the region's customers from becoming bored.

Preventing "Global Environmental Regeneration" from Becoming an Empty Slogan

Our long-term vision PLAY EARTH 2030 declares that we will contribute to global environmental regeneration. With the increasing ubiquity of the word "sustainability," society's expectations are becoming evermore exacting. Calls are growing for clear evidence of sustainability. For example, attention is focusing on the degree to which various aspects of product life cycles impact the environment, including environmental impacts at the development and production stages and the recyclability of materials. Thanks to

our pioneering initiatives to reduce environmental impact, including the development and introduction of Brewed Protein™ and various other environment-friendly materials, we have not only accumulated business know-how but also enhanced our methods of presenting evidence. However, we must remain alert to the risk of being criticized for greenwashing and incurring damage to our corporate brand—which is the foundation of our business—if we once fail to take appropriate measures. To ensure that "global environmental regeneration" does not become an empty slogan, all our employees must think seriously and concretely about what needs to be done and then put their ideas into action. As more employees think and act in this way, we will realize sustainability in business and sustainability in the environment and thereby steadily progress toward the target corporate profile set out in our long-term vision PLAY EARTH 2030.

Financial Capital Strategy



Michio Shirasaki
Board Member
CFO
Senior Managing Director

Even as it expands its business globally, Goldwin will leverage its strengths and achieve high levels of capital efficiency.

Review of the Medium-term Management Plan (Fiscal 2021 to Fiscal 2025)

In fiscal 2023, the year ended March 31, 2024, and the third year of the previous medium-term management plan, the whole apparel industry was affected by climate change. While a warm winter caused sales of fall apparel to struggle in the third quarter, fourth-quarter sales benefited from a period of unseasonably cold weather and purchases by visitors to Japan, which accounted for a record 28% of total sales. As a result, fiscal 2023 saw the absorption of one-time increases in selling, general and administrative expenses (SG&As) from additional non-cash contributions to a Japanese employee stock ownership plan (J-ESOP, a stock benefit trust), achieving three

consecutive years of revenue growth and two consecutive years of record profits. The robust profitability of South Korean equity-method affiliate YOUNGONE OUTDOOR Corporation continues to contribute to growth in both ordinary profit and profit attributable to owners of parent. On the other hand, excluding demand from visitors to Japan, we recognize that domestic business conditions in Japan were less than favorable. We believe that the achievement of record profits in such conditions demonstrates the effectiveness of our strategy to respond flexibly to changes in market conditions through our operations.

In addition, the breadth of support for THE NORTH FACE and Goldwin brands expanded, with general customers who mainly use products in daily life as well as for outdoor pursuits accounting for

approximately 70% of purchases. We believe that this expansion partly reflected the fruition of our ongoing investment in the brands in response to growing interest in climate change, including investment in the development of products and materials. The Company's performance, lifestyle, and fashion business segments all achieved robust growth. In other words, we are seeing an overall increase in loyalty to our brands, rather than a concentration of support on individual offerings of specific brands. THE NORTH FACE Purple Label and nanamica, in particular, achieved significant growth in sales at brick-and-mortar stores as visitors to Japan embraced the concept of sportswear that combines high levels of quality and fashionability. Efforts to directly communicate the world views and added value of brands to consumers globally also contributed to Goldwin's performance in fiscal 2023.

The Company's ability to maintain a high level of return on equity (ROE) is another important achievement. We have been able to realize favorable management efficiency, posting ROE of 24.7%, 29.3%, and 27.0% over the most recent three fiscal years. The sportswear industry

has always been characterized by a high percentage of perennial mainstay products, which enables the curbing of year-end inventory write-downs and discount sales. By entering this industry without leverage, Goldwin has been able to maintain a high level of ROE.

Although the fiscal 2024 targets for net sales and all profit categories had been upwardly revised to record levels, we were able to surpass them. We also achieved capital efficiency far exceeding our core ROE target of 18.0% or more. This record-breaking performance, as our management indicators clearly show, resulted from the further refinement of our in-store digestion-based product supply business model. Enhancements included the simultaneous achievement of improvements in gross profit through a higher self-managed sales ratio, a lower SG&A expenses to sales ratio, and a stronger inventory turnover ratio, even amid revenue growth. Having achieved our numerical targets ahead of schedule, we concluded the previous medium-term management plan and, in April 2024, launched a new one (fiscal 2024 to fiscal 2028). The goals in this new plan are not merely an extension of those set by the previous plan; reaching them will require bold initiatives and financial and capital strategies that are more challenging than ever.

High-level ROE Management under the New Medium-term Management Plan

During the new medium-term management plan, we aim to position Goldwin as our core brand, expand our business globally, and grow net sales at a compound annual growth rate (CAGR) of 8%, which is the same pace as that of the previous medium-term management plan. Operating profit is also expected to follow the same trajectory as in the previous plan, with a target increase from fiscal 2023's ¥23.8 billion to ¥36.0 billion in the final fiscal year, fiscal 2028. For fiscal 2028, we aim to achieve an operating profit margin of 19.1%. To maintain and further heighten profitability as the scale of its business increases, the Company will continue to pursue high-level ROE management. In fiscal 2024, we plan to capture demand from visitors to Japan and increase revenues by 5%. Operating profit is expected to show a temporary decline due to an increase in one-time expenses, such as costs related to additional J-ESOP contributions and headquarters relocation. However, we intend to improve profitability by rigorously controlling costs while revising selling prices with a focus on mainstay products.

Our new medium-term management plan sets out gross profit growth as one

of the strategies for maintaining high-level ROE management. In terms of sales, we will focus on product-related initiatives, such as extending the success model developed for THE NORTH FACE to other brands and increasing the percentage of sales accounted for by other year-round products. In addition, our basic strategy is to achieve an optimal balance among diverse sales channels by consistently realizing a self-managed sales ratio of 60%. To this end, we will increase the self-managed sales ratio, which comprises the sales of directly managed stores and shop-in-shops. At the same time, we will further strengthen cooperation with regional wholesalers. We will utilize self-managed sales outlets to directly identify customer needs, enhance the accuracy of store demand forecasts, and rigorously manage order flows, thereby reducing returns and improving the regular price sales ratio. In this way, we plan to maintain fiscal 2023's 1.5% sales loss rate. In addition to these measures, the Company will endeavor to increase gross profit by reinforcing an integrated system of planning and production through measures to reduce production costs, such as production planning that utilizes off-peak periods mainly for mainstay products.

In fiscal 2023, the inventory balance increased during the second half of the year and at the end of March 2024 was 25% higher than at the previous fiscal year-end. Additionally, a new logistics base was established in Chiba Prefecture, which is in the Kanto region, and began operations in April 2023. Previously, a supply chain originating from our logistics base in Toyama Prefecture catered to the Kanto region, which as a region accounts for a high percentage of sales, including sales at brick-and-mortar stores and e-commerce. We established the new logistics base to shorten lead times from the shipment of products to their delivery to stores, thereby ensuring that we are able to seize business opportunities. We believe that improved distribution efficiency will reduce both the size

Basic Policy for Capital Strategy in the New Medium-term Management Plan

Primary KPIs

Capital efficiency	Shareholder returns		Financial discipline
ROE 20.0% or more	Shares DOE: 6% or more	Treasury stock repurchases Target total return ratio of around 40%	D/E ratio 0.3 times or less

Basic Policy of Cap Table

Capital efficiency	Shareholder returns	Financial discipline
<ul style="list-style-type: none"> Sustain growth of THE NORTH FACE Accelerate expansion into overseas growth markets Reform brand portfolio Improve customer satisfaction through membership programs Conduct management with awareness of capital costs 	<ul style="list-style-type: none"> Adopt DOE as a dividend indicator and aim for continuous stable dividends Consider flexible repurchase of treasury stock and effective use of treasury stock 	<ul style="list-style-type: none"> Review and implement investment and return opportunities while maintaining a sound financial base

Promotion of High-level ROE Management

		Improvement drivers	KPIs	FY2023 (results)	FY2028 (forecast)	Policies
ROE	Expansion of sales	1 Improvement in self-managed sales ratio	Self-managed sales ratio	56%	60%	Target a self-managed sales ratio of 60% in the final year of the medium-term management plan
		2 Improvement in overseas sales ratio	Overseas sales ratio	4.7%	10%	Target an overseas sales ratio of 10% in the final year of the medium-term management plan
	Improvement in sales efficiency	3 Cost control	SG&A expenses to sales ratio	34.1%	32.0%–37.0%	Maintain the 30% level while continuing to invest in growth
		4 Decrease in sales loss rate	Sales loss rate	1.5%	1.5%	Aim to maintain current level during the medium-term management plan period
		5 Inventory balance control	Control of inventory balance	¥18.2 billion	¥23.0–¥27.0 billion	Control order volume and ensure liquid inventory on a seasonal basis
	Optimization of capital structure	6 Shareholder returns	DOE Target total return ratio	8.4% 40.7%	6% or more Approximately 40%	Aim for DOE of 6% or more during the medium-term management plan period and flexibly repurchase treasury stock with a target total return ratio of around 40%
		7 Control of interest-bearing debt	D/E ratio	0.01 times	0.3 times or less	Maintain financial discipline

of non-sales areas at the rear of stores as well as the number of tasks personnel have to perform in these areas, enabling them to spend more time engaged in their primary duty of providing attentive customer service. In this way, we hope to enhance customer satisfaction. The main reason for the increase in the inventory balance is that, rather than being overly concerned about the balance at the end of the fiscal year, we gave priority to the benefits of having higher inventory levels. As a result, in some cases the two logistics bases had the same product varieties in their inventory. However, we have no intention of neglecting inventory management. We will continue to monitor our inventory turnover ratio as a key performance indicator. In light of the lessons learned from the management crisis previously experienced due to surplus inventory, the Order Flow Meeting, whose members include the president and other members of the senior management team, takes a Companywide approach to order placement to avoid the pitfall of optimizing individual operations, which can result from the pursuit of respective performance targets. We promote inventory flow across the entire operational process. For example, we improve consumption rates during certain periods

by setting a total volume limit for orders, managing inventory flow on a weekly basis, and moving products to locations where they are most likely to sell. This system allows us to ensure that all aspects of operations are focused on both keeping inventory at a consistently low level and selling out products. Through the implementation and strengthening of this system, we intend to increase the inventory turnover ratio and rigorously manage inventory.

We will also work to control the SG&A expenses to sales ratio. We intend to keep this ratio at approximately the same level as fiscal 2023's ratio of 34.1% by continuing to reform our brand portfolio, improving the profitability of each store, and optimizing sales promotion expenses. As evidenced by our decision to discontinue four brands, including ellese and DANSKIN, in the fiscal year under review, brand portfolio reform efforts are ongoing. We aim to achieve our ROE target of 20% or more through sales growth, centered on an increase in the overseas sales ratio; rigorous pursuit of the aforementioned management efficiency efforts; and measures to optimize our capital structure, which are explained in the following paragraphs.

Redesign of Cash Allocation

We will use the cash generated through the pursuit of high levels of capital efficiency to invest in growth, especially in the global market. Meanwhile, we understand that shareholders and other investors are interested in the certainty of our strategy. Until now, we have been able to achieve our targets with a high degree of certainty by taking advantage of the strengths in our existing businesses in Japan. However, we are aware that some shareholders and other investors may have doubts about whether we will achieve our targets when we venture into the global market. To address these concerns, we have redesigned our cash allocation and set it out transparently in the new medium-term management plan.

We expect to generate operating cash flows of between ¥120.0 billion and ¥130.0 billion over the coming five fiscal years, of which we will invest between 30% and 35% in growth. Our focus will be on the Goldwin500 strategy. We will concentrate investment on establishing bases and opening new stores in Japan, China, and South Korea—our highest priority markets. As we expand globally, our supply chain will become longer and more complex, which may give rise to concerns

about capital efficiency. Therefore, rather than handling the entire supply chain on our own, we will collaborate with leading local partners to reduce costs and risks, premised on the reliable generation of cash and the maintenance of a high level of ROE. In April 2024, we established a joint venture with Suzhou Gold Aspiration Retail, a local partner in China, and in October we established a sales joint venture, Goldwin Korea Corporation, with Youngone Holdings Co., Ltd., our longtime local business partner in South Korea. Through such collaborations, in China we will open stores in prime locations in first-tier cities at a pace of four stores per year, aiming to increase from the current one store to 70 stores by fiscal 2032. In South Korea, we plan to open about 20 stores by fiscal 2032, focusing on brand promotion through directly managed stores and franchise development at department stores. In conjunction with this development of stores, we will invest in marketing, supply chain development, human resources, and other areas. As for THE NORTH FACE, we will also give priority to investing in new product development and promotions in the footwear market, where there is significant scope for growth.

Further, we have earmarked between 20% and 25% of the aforementioned operating cash flows for investment in business infrastructure. With the aim of heightening management efficiency even further, we will emphasize investment in

the renewal of core systems and digital transformation. We will also invest in the encounter-based business, including the preparatory development of the PLAY EARTH PARK NATURING FOREST, the opening of which has been postponed from 2026 to 2027 due to the 2024 Noto Peninsula Earthquake. We intend to maintain a high level of capital efficiency by investing with an awareness of the cost of capital in conjunction with the aforementioned further heightening of management efficiency.

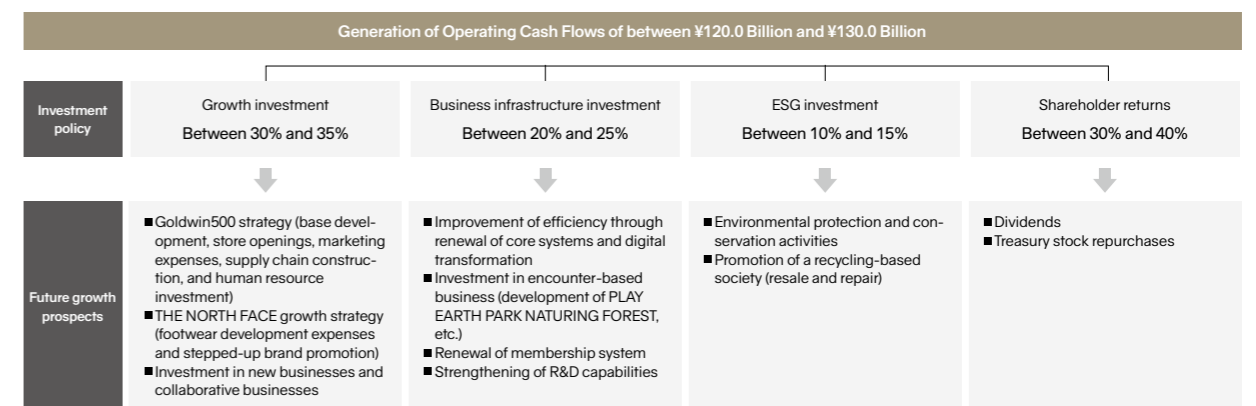
In earning the medium- to long-term support of our shareholders for these ambitious initiatives, we believe that stably increasing total return in line with profit growth is important. Accordingly, we have adopted a policy of balancing investment in growth with shareholder returns. We have adopted a dividend on equity (DOE) of 6% or more as our dividend indicator, and our policy is to pay stable dividends each fiscal year and use a total return ratio of around 40% as a target in relation to our flexible repurchase of treasury stock.

Investment in Global Environmental Regeneration

Given the significant impact that the apparel industry has on the environment, Goldwin must gain recognition as a sustainable company by reducing this negative impact through business

operations. With this in mind, we are not simply taking a token or stopgap approach to the environment but have made it a cornerstone of our strategy, as evidenced by our new medium-term management plan, which calls for the simultaneous achievement of business and environmental sustainability. From a financial viewpoint, this means integrally managing the financial capital and non-financial capital that comprise the market value added portion above a price book-value ratio (PBR) of one time. Within non-financial capital, growth investment for the enhancement of natural capital and brands is also extremely important. One result of such investment is Brewed Protein™, which was realized through a development initiative that entailed risk but which ultimately led to the full-fledged launch of the material in the fall/winter of 2023. With a view to garnering broad-based endorsement for our brands, in the five-year medium-term management plan we emphasize global environmental regeneration rather than just the halting of the global environment's deterioration. From a financial perspective, in addition to continued investment in Brewed Protein™, we will explore a range of possibilities, including investment of corporate venture capital for the development of other innovative materials, and achieve sustained growth in corporate value.

Cash Allocation





Our Efforts to “Envision New Possibilities for Humanity in Nature” Will Integrate Ambitious Environmental and Social Initiatives with Corporate Value

Mari Yoshitaka (left)
Fellow (Sustainability)
Mitsubishi UFJ Research and Consulting Co., Ltd.

Takeru Kaneda (right)
Director and Managing Officer
General Manager of General Planning Division

By incorporating outside expertise into its business management, Goldwin aims to address environmental and social issues through its businesses and promote sustainability. In July 2024, Mari Yoshitaka, who is an expert in environmental finance and environmental, social, and governance (ESG) investment; participates in our Sustainability Advisory Committee; and belongs to Mitsubishi UFJ Research and Consulting Co., Ltd., joined Takeru Kaneda, who is the general manager of the General Planning Division, for a wide-ranging discussion about recent societal trends related to sustainability, efforts to enhance corporate value, and the ideal approach to information disclosure.

Simultaneously Achieving Business and Environmental Sustainability

—What type of commitment is expressed by “envision new possibilities for humanity in nature,” Goldwin’s newly formulated purpose?

Kaneda: For many years, Goldwin has been developing brands with a focus on outdoor sports and has fostered a corporate culture of caring about nature. As an even greater emphasis is being placed on global environmental initiatives in response to society’s current expectations, we established a new purpose in May 2024. If the environment continues to deteriorate, the world will eventually become a place where our beloved sports and outdoor activities are no longer possible. Based on this sense of crisis, we will involve various parties and raise awareness of the need to coexist with nature while embodying this ideal ourselves. The new purpose encapsulates our determination in this regard.

Yoshitaka: Economic activities tend to accompany the ambitious initiatives of humans. I was struck by the new purpose’s synthesis of human endeavor and nature, ideas that are seemingly at odds with each other in corporate management. I feel that the new purpose expresses this double materiality, which takes into account the sustainability of the Company as well as that of society and the environment in a way that is easy for investors to understand.

Kaneda: Our long-term vision PLAY EARTH 2030 calls for both sustainability in the environment and sustainability in business. As you say, these two types of sustainability are often seen as being in opposition to one another. However, Goldwin’s basic stance is that the simultaneous realization of both forms of sustainability is paramount.

—How do you view the recent trends in the financial sector regarding sustainability?

Yoshitaka: In Europe, sustainability evaluation criteria for the investees are becoming stricter by the year. This reflects the introduction of European Green Deal policies, which resulted from the Paris Agreement and the adoption of the Sustainable Development Goals (SDGs) in 2015. Initially, the focus was on regulations for CO₂ emissions and fossil fuels, but recently the focus has shifted to resource-recycling initiatives and other areas.

Kaneda: We also have a tangible sense of the trend toward stricter regulations overseas. Europe is one of our major markets. We must understand and analyze such trends and thoroughly check whether our products are compliant with such regulations.

Yoshitaka: The apparel industry is under particular scrutiny. Fast fashion is already subject to regulations, and materials such as synthetic fibers are expected to be called into question. Following the regulatory tightening in Europe, Japanese investors are also paying more attention to sustainability.

Kaneda: As apparel production increases, so does the environmental impact. In-house, we are very aware of the negative impact the apparel industry has on nature. However, since clothing is indispensable in day-to-day life, the best path we can choose is to provide people with products that have as low an environmental impact as possible. By aiming to be a leading manufacturer of such products, Goldwin hopes to achieve both corporate growth and a sustainable global environment.

Yoshitaka: I fully understand your point. Goldwin’s commitment to environmental initiatives is apparent. Japan’s full-fledged commencement of CO₂ emissions trading in fiscal 2026 is becoming one of the focal points. The country has long been significantly affected by energy price fluctuations due to its significant dependence on fossil fuels. In this context, attention will be paid to the degree to which CO₂ emissions trading increases corporate costs. Goldwin’s

emissions are low for an apparel manufacturer. If it makes further progress with decarbonization, the Company will be able to lower the financial impact related to energy and CO₂ emissions.

Developing a Brand Story That Reflects Sustainability Initiatives

—What specific measures will Goldwin take to simultaneously realize business and environmental sustainability?

Kaneda: We are proceeding through a process of trial and error for many different initiatives. However, one initiative that is already underway is our collaboration with Spiber Inc. For a long time, we have been working with the company on the joint development of the structural protein material Brewed Protein™, which is not dependent on fossil resources. In 2023, we finally used the material in mass production for the fall/winter collections of four brands.

Yoshitaka: You deserve credit for identifying the potential of Brewed Protein™ at quite an early stage, in 2015, and for continuously investing in it since then. Quantification of the extent to which the use of this material reduces environmental impact compared with conventional materials and the presentation of the resulting information to investors is important. A good place to start would be with measurement on a single product basis, with the aim of quantifying the entire supply chain in the future.

Kaneda: I think quantification of the positive impact on the environment is also important because it will motivate employees. As it is a new material, Brewed Protein™ currently has high costs that are challenging to manage. To reduce costs, I believe we must promote further mass production. In addition, we are currently focusing on developing additional partnerships with venture companies through our corporate venture capital fund, Goldwin Play Earth Fund.



—What is required to transform sustainability into brand value?

Yoshitaka: In general, sports brands are characterized by stronger consumer loyalty than other types of apparel. With this loyalty in mind, Goldwin must reflect its concept of sustainability in the Company’s brand story to expand the market. Another key factor is marketing that targets Generation Z, who are generally highly environmentally conscious and are known as being digital natives. As a tremendous amount of information is available to this generation, Goldwin should strategically communicate a story that resonates with them, rather than explaining in detail the initiatives the Company is undertaking.

Kaneda: The Goldwin Online Store currently has about 2 million members. You may well be right that sports brands inspire strong loyalty. I believe that we can use our connection with sports competitions as a strength and deepen consumers’ understanding of our environmental activities. For example, the CANTERBURY brand’s manufacture of the jerseys for Japan’s national rugby team from recycled clothing collected from fans heightens awareness of clothing’s recyclability. Further, to cater to those who want to continue using beloved items of clothing, we offer repair services for some of our brand products. At the moment, however, the economic rationale for providing such services has

yet to become robust. The challenge going forward is how to gain the understanding of consumers.

Yoshitaka: One possible business model for the circular economy is a business for brand fans that has low membership fees and a wide membership base. If these fees were used as a source of funds to enhance and expand repair services and other services, Goldwin could then tell investors about the opportunity it has to grow a business that addresses environmental issues.

Kaneda: You are right. I believe that subscription-type membership services are an option. In addition to recycling and repair services, we have already begun ski and camping equipment rental services, which will also increase points of contact with customers. Further, as part of our zero fashion loss (elimination of apparel wastage) initiative, we are promoting the sale of upcycled children’s products under our GREEN BATON sustainable label. The used products market is widely established in Japan and offers a broad range of possibilities for new businesses.

Entering a New Phase of Restoring the Natural Environment

—Why did you decide to include “conservation and restoration of biodiversity” in the newly announced medium-term management plan?

Kaneda: An ambitious initiative of the new medium-term management plan (fiscal 2024 to fiscal 2028) is to go beyond the concept of minimizing environmental impact and begin to create a positive impact on the global environment. In addition to our three existing key environmental challenges of “promotion of green design,” “realization of a carbon-free society,” and “realization of a circular society,” we added “conservation and restoration of biodiversity” as a new goal to clearly show our commitment to activities aimed at

regenerating the natural environment. Having set this major new goal, we are now at the stage of holding in-house discussions on concrete measures toward its realization.

Yoshitaka: Trends toward nature positivity and negative emissions have been spreading among companies in recent years. If a company is going to invest capital in such initiatives, it must ascertain that they are in line with the company’s essential growth story. I think the PLAY EARTH PARK NATURING FOREST project in Toyama Prefecture is a unique example of this type of initiative.

Kaneda: The project is an initiative on which we are focusing efforts, and we are preparing for the park’s opening in 2027. The park will include children’s playgrounds, campsites, a farm, and restaurants that use produce from the farm. Our aim is to provide opportunities for people to experience the abundance of nature in their day-to-day lives. Another major aim is to contribute to the regeneration of nature while preserving the local *satoyama** culture of village forests. For example, we plan to transform part of a paved road into a green space.

* Japan’s *satoyama* are rural areas where nature and people have traditionally coexisted through sustainable management of rice fields, ponds, mountains, woods, and meadows.

Yoshitaka: How people understand regeneration differs depending on their generation or cultural background. While senior citizens focus on nature’s connection with longevity, the younger generation tends to think of nature in terms of mental health, diet, and other aspects more closely related to daily life. Also, compared with the West, Japan has long placed more emphasis on biodiversity and the preservation of natural capital. Therefore, approaches that incorporate Japanese traditions and culture are also a possibility. The communication of messages that match the values of the target audience is important.

Kaneda: For the park to succeed as a profitable business, we must incorporate our

brand value into efforts to attract visitors. Also, as a member of the Ministry of the Environment’s National Park Official Partnership Program, we are currently contributing to initiatives that utilize Japan’s 35 national parks to make nature more inviting. In relation to the PLAY EARTH PARK NATURING FOREST project, we are exploring the opening of stores as well as product development and rental. As in other business areas, our goal is to simultaneously realize business and environmental sustainability. In accordance with our new purpose, we will “envision new possibilities for humanity in nature” and move forward with ambitious initiatives.

Aiming to Maximize Non-financial Capital

—Other than the environment, what aspects of non-financial capital are attracting attention?

Yoshitaka: In Japan’s financial sector, as the working population continues to decline, emphasis is being placed on efforts surrounding human capital. In particular, with revision of the Act on the Promotion of Women’s Active Engagement in Professional Life being discussed, the empowerment of women is one area on which investors are focusing.

Kaneda: Human capital management is extremely important to us as well. Two years ago, we introduced a human resource system based on clearly defined jobs. In fiscal 2023, we conducted a large-scale engagement survey as a follow-up to this, and we are currently analyzing the results. Intensive discussions on the theme of human capital are scheduled for the Board of Directors’ retreat in fiscal 2024. Also, the office to which we relocated in May 2024 has been designed to enable combinations of remote working and hot desking, thereby allowing employees to work more flexibly.

On the other hand, with respect to the

empowerment of women, the low percentage of female managers remains an issue. In fiscal 2024, Goldwin appointed another female outside director. However, we have received feedback to the effect that we should clarify why we are working on the empowerment of women as a company, rather than simply setting numerical targets that are in line with social expectations. I believe the Company must remain steadfast in its approach to the empowerment of women.

Yoshitaka: Women are susceptible to the impact of such life events as pregnancy and childbirth and can be disadvantaged by health issues. Goldwin must reform its systems to address these factors. I would like the Company to show how the introduction of clearly defined jobs and office relocation have changed employee mindsets. Disclosure of what you are thinking as well as the process by which issues are being addressed and presentation of the details of non-financial information that is difficult to quantify is important.

—Are there different trends in the financial sector overseas?

Yoshitaka: In contrast to Japan, where human capital is being emphasized in response to labor shortages, Western investors are paying attention to human rights risks. With the issue of cotton from the Xinjiang Uygur Autonomous Region still fresh in people’s minds, the apparel industry is subject to particular scrutiny in relation to human rights issues in the supply chain.

Kaneda: The apparel industry’s supply chain is extremely complex. Although ensuring traceability is by no means easy, we believe that addressing human rights is essential from the perspective of risk management. We have established our own auditing standards, and our policy is basically to do business only with suppliers that conform to them. However, rather than immediately terminating business with a supplier if a factory we have a relationship with does not



meet our standards, we persistently encourage improvements through cooperation where possible.

Yoshitaka: Periodic disclosure on the progress of such initiatives is advisable. Management based on your own audit standards is a good system. Therefore, clearly showing that you are aware of the risks and are building a system, even if all the audits have not yet been completed, is worthwhile.

Also, in terms of governance, Western investors are very concerned about cybersecurity measures. As with human rights due diligence, Japanese companies are seen as vulnerable in this respect. Once an information leak occurs, the impact is immeasurable. No matter how many precautions you take, there is no such thing as doing too much.

Kaneda: I completely agree with you. We have established the Information Security Committee, which is advancing measures. We are currently in the process of renewing our core systems and are revamping their security with particular rigor. In fiscal 2024, we appointed an outside director who is an IT systems specialist, from whom we plan to seek advice on a variety of matters. In advancing sustainability initiatives, there are many challenges to overcome. Nonetheless, we will continue moving forward one step at a time with the aim of building a sustainable business model.

The Environment

Basic Concept

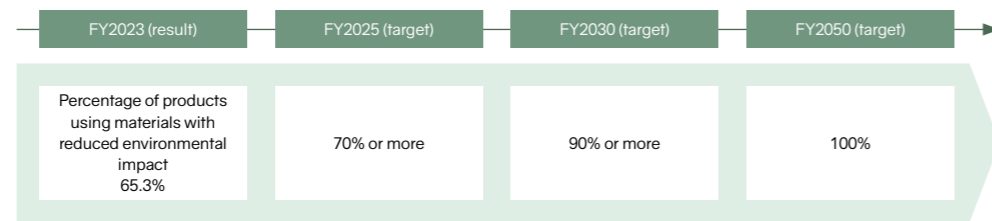
The apparel industry is known for causing a substantial burden on the environment, and building systems for society to coexist with nature is an urgent industry issue. Further, activities in the sports and outdoor fields, which are the core of our business, cannot be disengaged from environmental problems. Goldwin aims to preserve a sustainable global environment and build social structures through business activities that reduce environmental impact by using minimal amounts of resources and energy.

As part of our long-term vision PLAY EARTH 2030, we have set “promotion of green design,” “realization of a carbon-free society,” and “realization of a circular society” as key environmental issues to improve the global environment, and we have adopted medium- and long-term targets accordingly and are taking concrete measures to reduce our environmental impact. In fiscal 2023, we made substantial progress in addressing each of these issues while strengthening internal systems and taking measures with our suppliers to achieve our medium- and long-term targets. In July 2024, as an addition to the three aforementioned key environmental issues, we newly identified “conservation and restoration of biodiversity” as an issue with the aim of contributing to the regeneration of the earth. With a focus on conserving and restoring biodiversity in regions that are involved in our businesses and in the apparel industry, we are analyzing the current situation and considering measures.

Promotion of Green Design

The apparel industry is said to have a significantly negative impact on society and the environment in terms of greenhouse gas (GHG) emissions, water use, and mass disposal of products. For this reason, the industry must shift from products with short life cycles and high environmental impact to products that consumers can use with peace of mind for many years. Aiming to provide such products and enhance environmental sustainability, the Goldwin Group is actively developing products that use renewable raw materials with low environmental impact.

Shift to Materials with Reduced Environmental Impact



Launch of an Apparel Collection Made of Brewed Protein™ Fiber

A great deal of sportswear, including Goldwin’s products, is made from petroleum-based fibers such as polyester and nylon. However, the negative impact of these materials on the natural environment is a concern. As part of our efforts to promote the transition to materials with a lower environmental impact, since 2015 we have been working with Yamagata Prefecture-based biotechnology start-up Spiber Inc. to develop sustainable alternative materials. The production of Brewed Protein™ fiber uses plant-derived biomass as a raw material and a process called microbial fermentation (brewing). Consequently, it is possible to significantly reduce environmental impact compared with conventional materials.

For example, compared with cashmere fiber, which poses various environmental risks despite being a high-grade wool, Brewed Protein™ fiber promises to significantly reduce greenhouse gas emissions and use less land and water. In addition, as it is a biodegradable next-generation material, Brewed Protein™ fiber is expected to enable solutions by providing an alternative to conventional animal-derived, plant-derived, and synthetic materials. Depending on the design of products incorporating Brewed Protein™, potential solutions include helping to address the problem of microplastic, which results from the disposal of petroleum-derived products.

Initially, realizing a stable supply of Brewed Protein™ fiber was challenging. Consequently, we began by selling Brewed Protein™ T-shirts and other products in limited quantities. The establishment of a mass production system facilitated our simultaneous multi-country launch of Brewed Protein™ fiber products in September 2023, under the REGENERATIVE CIRCLE collection. Pop-up stores that we opened in Tokyo and London were met with an overwhelming response. In addition, we have received a lot of positive feedback from buyers across Japan, reaffirming the growing interest in the future of sustainable fashion. As we are still in the process of ramping up production volume for the new fiber, we have been forced to set product prices higher than those of our existing product lineups, which is an issue. Goldwin will continue to advance this initiative based on the belief that offering products made of this fiber that are affordable for as many customers as possible will help address environmental issues.

Note: Brewed Protein™ is a trademark or registered trademark of Spiber Inc. in Japan and other countries.

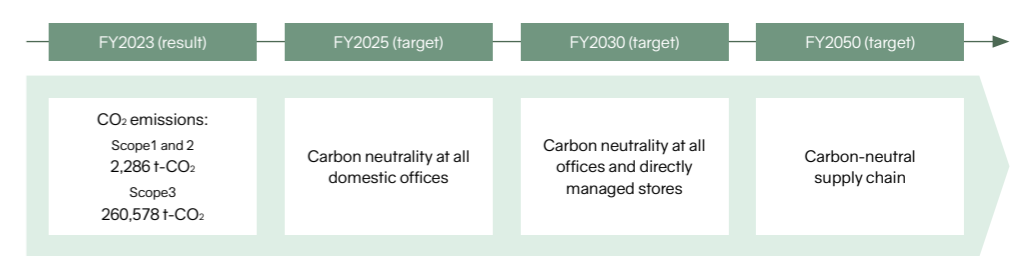


A pop-up store we opened in Tokyo

Realization of a Carbon-free Society

The apparel industry emits an extremely large amount of CO₂. Climate change is an urgent issue, and the apparel industry needs to take proactive measures to help achieve the 1.5°C target set by the Paris Agreement. The Goldwin Group is engaged in ongoing efforts to reduce its greenhouse gas emissions. Going forward, we aim to achieve carbon neutrality by reducing emissions at our directly managed stores, strengthening cooperation with suppliers to procure raw materials that are not reliant on fossil fuels, and revamping our manufacturing processes.

Carbon Neutrality



Note: Total for all offices and directly managed stores in Japan (market-based)

FY2023 Results

FY2023 Results

Calculation and Reduction of GHG Emissions

In fiscal 2023, for the first time we calculated our Scope 1, Scope 2, and Scope 3 emissions based on the GHG Protocol. Based on the results of these calculations, we will step up efforts to reduce GHG emissions. Specifically, as well as reducing Scope 1 emissions, which are directly emitted by Goldwin, the Company will reduce Scope 2 emissions by converting directly managed stores to renewable energy. In reducing Scope 3, category 1, emissions, which account for most of our GHG emissions, we will develop products with low CO₂ emissions and strengthen cooperation with suppliers.

Fiscal 2023 GHG Emissions (t-CO₂) *1

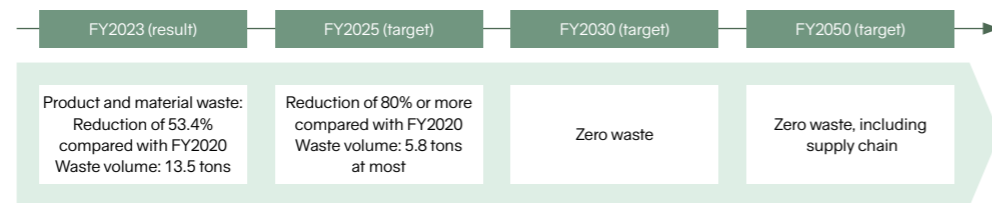
Scope1,2, and 3	262,864
Scope1	312
Scope2	1,974
Scope3	260,578
Category 1 *2	245,008
Category 3	633
Category 4	3,491
Category 5 *3	41
Category 6	850
Category 7	941
Category 12	9,614

*1 Calculations include the parent company and its consolidated subsidiaries in Japan but exclude the Company's overseas consolidated subsidiaries.
 *2 Calculation based on procured products
 *3 Calculation based on industrial waste
 Third-party verification report for fiscal 2023:
https://about.goldwin.co.jp/eng/cms/wp-content/uploads/2024/12/sgs2024_en.pdf

Realization of a Circular Society

The negative impact of mass production, mass consumption, and mass disposal associated with the apparel industry on society and the environment is becoming increasingly serious. We must make effective use of resources by, for example, using recyclable raw materials and lengthening product service lives. The Goldwin Group has reduced in-house disposal of materials and products by rigorously managing procurement and production plans. Ultimately, by eliminating material and product waste throughout our supply chain and by promoting in-store collection of unneeded apparel and its reuse, we aim to help realize a circular society.

Zero Fashion Loss

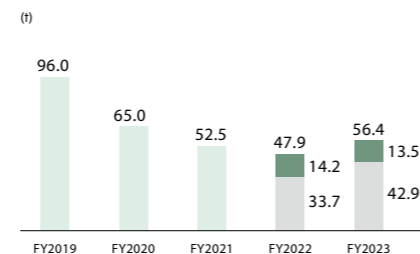


FY2023 Results

Waste Reduction

In fiscal 2023, the Group emitted 56.4 tons of industrial waste, an increase attributable to the relocation of our headquarters in May 2024. Product and material waste accounted for about 24% of our total industrial waste emissions. However, we are striving to achieve zero-waste fashion by using digital technologies to curb the generation of waste fabric in manufacturing processes. We will continue to study ways of reducing and effectively utilizing product and material waste, with our sights set on zero waste in the future.

Industrial Waste Emissions



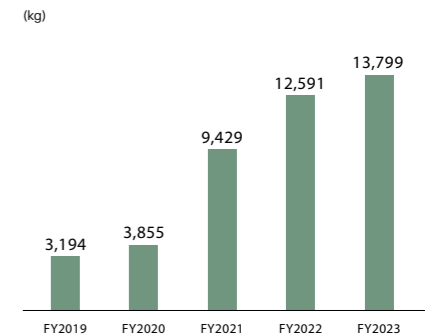
Note: From fiscal 2022, waste emissions have been categorized as "product materials" and "others."

Initiatives for Zero Fashion Loss

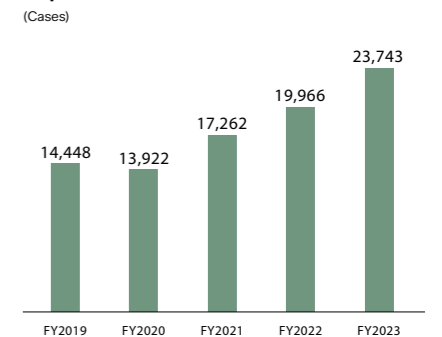
Viewing apparel as a resource, we are working to incorporate it into a circular model. Approximately 70% of unneeded apparel is disposed of as combustible waste. We collect such apparel, regardless of brand, quality, or condition, at recycling bins located in our directly managed stores nationwide. We also promote apparel collection at sporting events such as the Toyama Marathon. In fiscal 2023, we collected 13,799.5 kilograms of unneeded apparel.

In addition, to reduce the disposal of apparel, we offer a repair service with the aim of encouraging customers to use products for many years. As well as a permanent repair service center at our directly managed store in Yebisu Garden Place Center Plaza in Tokyo, we accept repair orders on our website. We offer free repair services for Goldwin brand products, and in fiscal 2023 we repaired 23,743 garments. Going forward, we expect to handle even more repairs. In a separate initiative, our resale business is marketing upcycled children's apparel under the sustainable label GREEN BATON. We will continue to develop initiatives and services in collaboration with our customers to achieve zero fashion loss.

Product Recovery Volume



Repair Performance



Future Issues

While continuing to focus on our three established key environmental issues, we will analyze the new key environmental issue of "conservation and restoration of biodiversity" and consider related measures. Our goal for fiscal 2050 is not only to reduce the environmental impact of our business activities but also to transform the entire value chain into a sustainable social structure with a low environmental impact. To that end, we will continue to implement our own activities, collaborate with customers and suppliers, and promote initiatives through industry collaboration.

For more information on the Goldwin Group's environmental activities, please visit the Goldwin website.
<https://corp.goldwin.co.jp/eng/sustainability/environment>

Supply Chain Management

Basic Concept

Going beyond the scope of the Goldwin Group and promoting initiatives throughout the Group's globally expanding supply chain to help realize a sustainable society is an important aspect of our corporate social responsibility (CSR) activities. For this reason, the Group conducts sustainable and responsible procurement activities that take into account the environment, society, and human rights, with high ethical standards based on the principle of a mutually prosperous coexistence with suppliers.

Specifically, we maintain continuous communications with our domestic and overseas suppliers and ask for their understanding and cooperation in the implementation of our policies. Further, our business transactions with suppliers are contingent on their compliance with our standards, including the Goldwin Group Supplier Code of Conduct and the Goldwin Restricted Substances Management Regulations.

FY2023 Results

To build a sound supply chain, improve product quality, and strengthen our commitment to human rights, the environment, and safety, we ask suppliers to update required documents every year. In fiscal 2023, we continued to monitor compliance with the legal, social, and ethical requirements stipulated by the Goldwin Group Supplier Code of Conduct through document-based audits and on-site audits conducted by third-party auditors.

Document-based Audits

The Goldwin Group sends the self-assessment questionnaires used as the basis of audits to all suppliers once a year, asking them to check their progress in advancing CSR activities. We check the responses and ask individual suppliers identified as posing a risk to make improvements. In fiscal 2023, we sent questionnaires to 442 companies and received responses from 438.

In fiscal 2023, we expanded the scope of document-based audits to include not only factories but also primary supplier management companies, trading companies, and certain major materials companies that are secondary suppliers. In addition, we updated document-based audits in conjunction with a revision of the Goldwin Group Supplier Code of Conduct in fiscal 2023. These changes allow the setting of scores for suppliers that enable us to monitor their progress in advancing CSR activities. The results for fiscal 2023 show that 68% of suppliers are implementing environmental measures and that the environmental category has more issues that need to be addressed than other categories. Based on these results, we will strengthen collaboration with the aim of helping to advance suppliers' CSR activities.

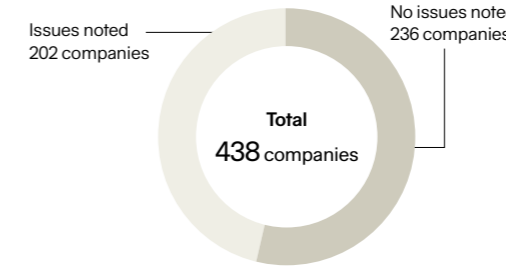
In addition to being used to monitor and manage the overall advancement of CSR activities, the document-based audits include questions on specific high-risk issues. With reference to the responses to such questions, we provide our findings to suppliers. If there are issues noted, we request that suppliers give priority to achieving improvements, and we confirm their progress by communicating with individual suppliers. In fiscal 2023, 202 suppliers had issues noted. In particular, many of the issues noted were related to labor and human rights, which we have designated as a high-risk category. With this in mind, we will continue to focus on tackling these issues in cooperation with our suppliers.

Suppliers' CSR Activity Achievement Levels

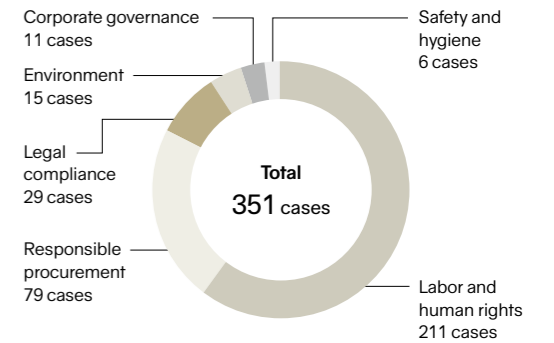


Note: *Product quality and safety* is only applicable to factories.

Fiscal 2023 Document-based Audit Results



Breakdown of Findings



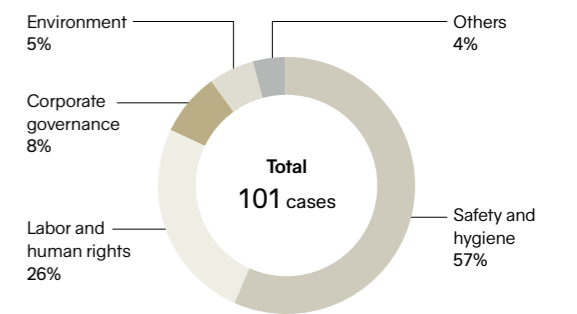
On-site Audits

The Goldwin Group asks its suppliers to conduct on-site CSR audits. To engage in business transactions with the Group, suppliers are required to comply with international audit programs such as Sedex Members Ethical Trade Audit (SMETA) and the Business Social Compliance Initiative (BSCI). Moreover, certain factories are required to undergo periodic on-site inspections conducted directly by our employees.

In fiscal 2023, 244 on-site factory audits were conducted. Specifically, 113 initial audits and 131 follow-up audits were conducted, and we requested corrective actions for all issues identified. For issues deemed to be of high importance, we request the submission of corrective action plans and confirm the progress of corrective actions after the audits.

More than 80% of all issues came under two main categories, with "safety and hygiene" (for example, sewing machine safety equipment not installed and risk assessments of work safety not conducted) accounting for 57% of issues and "labor and human rights" (for example, exceeding legal working hours and a lack of social insurance coverage) accounting for 26%. In addition, with reference to the aforementioned on-site factory audits, 40 companies were identified as high-risk suppliers. Of these, suppliers that did not pay the regional minimum wage or did not keep work attendance records were considered particularly high-risk. We requested such companies to submit corrective action plans, and we are confirming the implementation of said plans. Specifically, we are recommending investigations of the causes of issues, measures to remedy issues (for example, paying the shortfall in wages at a later date), and measures to prevent recurrence.

Fiscal 2023 On-site Audit Issues



Future Issues

We will continue to increase cooperation with suppliers and meet our social responsibilities throughout the supply chain. In fiscal 2024 and beyond, we will conduct document-based and on-site audits and confirm the progress of efforts to rectify issues, prompting continuous improvement in our suppliers' fulfillment of social responsibilities. Further, we will focus on providing detailed explanations to suppliers and strengthen engagement with them to gain their understanding of and cooperation with our initiatives.

For more information on the Goldwin Group's supply chain management, please visit the Goldwin website.
<https://corp.goldwin.co.jp/eng/sustainability/scm>



DIALOGUE # 2

Hirokatsu Saito
 Manager
 Human Capital Development Group
 Human Resources Department
 General Administration
 Headquarters

Junmi Bun
 Human Capital Development Group
 Human Resources Department
 General Administration
 Headquarters

Ayako Komatsu
 Human Capital Development Group
 Human Resources Department
 General Administration
 Headquarters

Toward Maximizing Human Capital

For Goldwin to achieve its long-term vision PLAY EARTH 2030 and achieve sustained growth, maximization of the human capital that supports businesses is of paramount importance. In fiscal 2024, as the Company began taking its first steps under a new medium-term management plan (fiscal 2024 to fiscal 2028), the Human Resources Department established the Human Capital Development Group, which is dedicated to maximizing human capital. How will we strengthen our human capital to facilitate our management strategies? What are the keys to promoting the success of all personnel? Three employees who belong to the new group shared their perspectives.

Launch of an Organization Specializing in Human Capital

—How did the establishment of the Human Capital Development Group come about?

Saito: Until now, Goldwin has not had many opportunities to openly communicate about human resources. In recent years, however, requests for disclosure on human capital have been increasing. In response, in fiscal 2023 we established the Human Capital Management Development Task Force, which enabled in-depth discussions on human capital among the general managers of the Human Resources Department, ESG Management Department (now the Sustainability Development Department), Corporate Planning Department, General Affairs Department, and other departments. In addition, to reflect the opinions of employees who are closer to frontline operations, two working groups were established as subordinate organizations: the Talent Development and Women's Advancement in the Workplace working groups. As these activities progressed, it became increasingly obvious that human resource operations needed a dedicated human capital department. This realization led to the establishment of the Human Capital Development Group.

Bun: In fiscal 2023, I participated in the Talent Development working group. As I talked with the members of various departments, I realized that each person had their own goals and was keen on learning and skills development. If the right environment is created, people, the organization will grow, and the Company will grow. This was a valuable opportunity that enabled me to see this linkage. To give concrete form to this idea, I am now working on initiatives in the Human Capital Development Group.

Komatsu: I belonged to the Women's Advancement in the Workplace working group. Women and men working in various positions gathered to discuss the issue of women's advancement in the workplace. When we delved deeper into what women's advancement meant, we eventually came to the conclusion that creating an environment where everyone can work comfortably is essential. Like Ms. Bun, I am now working in

the newly established group to realize the policy ideas we came up with in the working group.

Saito: The Human Capital Development Group is divided into an in-house advancement team for office employees and a store advancement team for store personnel. The two teams work together on hiring, training, and planning. Particularly in terms of human resource development, office employees and store personnel have many points in common. The aim of also establishing a specialized group within the Human Resources Department was to ensure a sense of unity between the two teams. Currently, four of the five members of the store advancement team are former sales personnel. Having personnel with store experience working on human resource matters is also significant in that it allows store personnel to feel that the Company is closer and more in touch with them.

—What was the thinking behind the establishment of a mission, vision, and core value for the Human Capital Development Group when it was launched?

Saito: The mission of "creating a work environment where what is important to each individual is respected and opportunities are equally available" is a philosophy that was originally developed and passed on to us by the working group for Women's Advancement in the Workplace. As Ms. Komatsu said, the mission that we set ourselves is the result of coming to the conclusion that what we were thinking about when focusing on women's advancement in the workplace is actually universally important regardless of gender.

Komatsu: Meanwhile, after serious consideration and discussion among the 10 members of the group, it was decided to set forth "becoming a corporate group that achieves balances between the individual and the team and sustains corporate growth in an era of volatility, uncertainty, complexity, and ambiguity (VUCA)" as our vision and to establish "being a partner and supporter of all people engaged in Goldwin's businesses" as the core of the Human Capital Development Group value. I am very attached to this vision and core value

because they were the first things we worked on as a united team. They clarify priorities and provide action guidelines for us when we are considering how best to enhance the capabilities of each employee and maximize human capital in accordance with our mission.

Bun: The mission states that opportunities should be "equally available" rather than "given," which I believe to be a critical distinction. The wording suggests the importance of putting yourself forward and seizing opportunities, something I agree with wholeheartedly. In addition, the Human Capital Development Group's tripartite philosophical framework emphasizes the importance of balancing the requests of employees with the needs of the Company.

Of course, employees' requests and employee-friendly conditions are important. But from the viewpoint of the Human Resources Department, we cannot accommodate all requests unconditionally. Instead, our basic principle must be to analyze human capital measures without deviating from the trajectories of the Company's growth-focused strategies and policies.

Integration of Human Resource Development with Management Strategy

—How do you view the relationship between human capital and management strategy?

Saito: The role of our group is to maximize human capital, which is indispensable for the realization of management strategies, by enhancing the capabilities of each individual. To advance the Goldwin500 strategy, we urgently need to develop personnel who can support our global expansion. In fiscal 2024, we have launched an educational program to provide language and business skill training in Japan and overseas. Meanwhile, as communication issues exist between managers and their subordinates, enhancing management skills is essential. In fiscal 2024, we have also introduced a new training program for managers that is focused on coaching skills and the development of subordinates.

Bun: The development of human resources takes time. Achieving the goal of

“contributing to sustainable growth” calls for a medium- to long-term perspective. Our In-House Academy, which began in fiscal 2024, offers training that, even if not immediately applicable to employees’ current work, provides opportunities for employees to acquire highly versatile business skills and learn about diversity concepts. Moreover, the academy enhances communication among departments. Right now, we are also putting in place a strategic job rotation system for junior employees that entails career planning for the coming 10 years.



Saito: Securing human resources is also indispensable for the advancement of such encounter-based business projects as the PLAY EARTH PARK NATURING FOREST, due to open in 2027. With respect to this project, the Human Resources Department is in the process of working with the local community to finalize the personnel requirements and schedules. We will always assign our store personnel to stores within the park’s facilities. Since fiscal 2023, we have been increasing the number of personnel with expertise in nature and outdoor activities through the provision of training in the field for such sports as mountaineering. In the future, we want to meet the expectations of our customers by producing personnel with instructor-level qualifications.

—How do you plan to develop human resources to support the in-store digestion-based product supply business model?

Saito: The in-store digestion-based product supply business model is one of Goldwin’s

advantages. The model is characterized by the fact that the managers of each store develop an understanding of customer needs in their area and conduct procurement and sales based on those needs. As store managers are allowed a great deal of discretion, it can be challenging for the Human Resources Department at headquarters to enhance the skills of managers through training. However, I hope that in the future, as more people with experience working in stores join the Human Resources Department, we will be able to take a different approach to on-the-job training. The impact of our brand is greatly influenced by store personnel, who have direct contact with customers. Maintaining and enhancing their skills is always important.

Bun: Considering that customer service and communication based on understanding customers and meeting their expectations is the foundation of our in-store digestion-based product supply business model, I think that our resumption of the Sales Convention in 2023 was very significant. This event, in which personnel selected from sales personnel nationwide compete in customer service role-playing, has a history in the Company stretching back more than 20 years. However, it was interrupted by the COVID-19 pandemic, and 2023 was the first time in four years that the convention was held. The event has become a valuable opportunity for Goldwin to showcase examples of best practice in customer service as well as for the winners to receive official recognition from the Company.

Komatsu: In 2023, we did not hold preliminary rounds, only the finals, but in 2024, as in the past, finalists were selected from four regions: northern Japan, eastern Japan, central Japan, and western Japan. In September, 11 finalists competed in Toyama Prefecture, where the Company was founded.

Bun: Yes, that is right. We filmed each preliminary round, and all personnel from the regions watched them and participated in voting. The event serves an educational purpose by enabling personnel to learn from the outstanding skills of the other personnel and by encouraging personnel to proactively improve their own skills. This time, we greatly revamped the prizes, which used to be money. With the goal of developing

personnel who can support our global expansion in mind, the winner was awarded training at an overseas store and a field trip. We hope to motivate the winners and provide them with experiences that will prompt career advancement.

Workplaces Where Everyone Can Contribute, Regardless of Gender

—In human capital management, how best to empower women has become a focus of attention both inside and outside the Company.

Komatsu: I am currently responsible for helping employees take maternity and childcare leave and managing the Parent’s Consultation Support Desk. However, I feel that many issues remain to be addressed. Given that women are greatly affected by life events such as pregnancy, childbirth, and childcare, we must find ways of making it easier for them to work. The development of parent-friendly workstyles is an issue that is inseparable from the issue of women’s career advancement, and we are developing measures to address them both through trial-and-error processes.

Bun: The percentage of female managers is still low at 6.6%. Due to the nature of sportswear, our corporate culture has always been male-dominated. Important meetings in which all the participants are male are not uncommon. A large difference in the number of men and women makes the culture prone to bias. Immediate action is required to address this issue.



Komatsu: Many women are keen to advance their careers while raising children. However, in workplaces where long working hours are the norm for managers, women assume that they cannot simultaneously hold managerial positions and have short working hours. If women decide not to overexert themselves at work for a time and then think about promotion only when their family life becomes less demanding, a several-year gap opens up in their careers. The creation of an environment where people do not have to choose between children or their career but can choose both is essential. I believe it is imperative not only to reduce working hours but also to introduce a flextime system.

—What steps are you taking to increase the number of female managers?

Bun: Until now, women’s skill sets have not been sufficiently developed. To address this issue, we began a new female leader development program in the fiscal 2024. In consultation with the heads of each division, we have selected about 20 female candidates for managerial positions for the three-month training program, and we will continue to support them after the training is completed. There are some who argue that giving opportunities only to women is unfair. However, given that the environment has been male-dominated until now, we believe that we should intentionally focus on increasing the number of women.

Saito: Based on the premise that Goldwin should be an equitable, nonhierarchical company, our stance is that we should put the necessary foundations in place now to eliminate the bias that currently exists and truly give everyone equal opportunities to play important roles in our operations. We have begun working to foster 10 to 20 new female managers in 3 years.

Bun: Having more female role models will allow us to clearly show other women the path to future management positions and make it easier for them to envision themselves also working as managers. In fiscal 2024, our first In-House Academy was themed on unconscious bias. Many employees participated in the program, which was a great success. We made one of the program’s sessions exclusively for women. Our

goal is to help women who are considering career advancement to eliminate unconscious assumptions that limit their potential.

—You have existing measures aimed at empowering women in the workplace. Do you feel that these measures are producing results?

Saito: Although the situation is still far from ideal, we have definitely seen changes over the past few years. While there used to be very few women in leadership positions, the number of women in positions such as store managers and area managers has increased significantly. This increase is likely due in part to a growing awareness among those who appoint personnel that there should be more women in management positions. This trend is particularly marked in sales-related work, where women have long accounted for a relatively high percentage of personnel.

Komatsu: Much progress has also been made in the number of male employees taking childcare leave, with 72.5% of them using it in fiscal 2023. More male employees are deciding to take childcare leave because male coworkers who have already taken childcare leave are recommending it to them as a really worthwhile experience. In stores, male store managers are leading the way in taking childcare leave, resulting in a growing trend toward personnel feeling able to follow their example. On the other hand, some supervisors and coworkers find accepting the idea challenging. My goal is to persist with efforts aimed at persuading them to adopt a new approach to the matter.

Cultivation of Trust in the Human Resources Department

—Please tell us about your future plans, what you want to emphasize, and what message you would like to send to employees.

Saito: The large-scale engagement survey conducted in fiscal 2023 clarified Companywide issues. We need to make steady progress in strengthening training for managers, which was initiated in response to the survey results. We also need to further

standardize personnel evaluations to reduce their inconsistency, which stems from the discretion that managers are given with respect to their subordinates. In addition, we plan to verify progress in relation to each division’s particular issues by visualizing them. To make the Human Resources Department a trusted group, we will respond sincerely to the feedback we receive and increase our ability to communicate in-house.

Komatsu: With its sights set on the future, Goldwin established the Human Capital Development Group to help employees enhance their skills and careers. While keeping this original objective in mind, the Human Resources Department will actively seek feedback on employees’ aspirations for the Company and do whatever it can to realize them. There really are so many things that we need and want to do. I would like to develop rigorous measures to tackle each of these tasks.



Bun: I believe that we in the Human Resources Department exist to provide a nexus between management’s intentions and employees’ aspirations. We must accurately grasp the thinking of management and at the same time deepen our understanding of the personnel in each department. In my view, we can increase two-way communication between the Human Resources Department and respective departments and also bridge gaps between departments. While ensuring that we fulfill our role as an in-house connector, I would like to provide employees with all the support they need.

Maximizing Human Capital

Basic Concept

At Goldwin, we view maximizing human capital as the first priority in business management. Focused on realizing continuous corporate growth against a backdrop of dramatic social change and a challenging management conditions, our Basic Policy of Human Capital states: "Even amid an uncertain business environment, develop and secure professional human capital to enable sustainable growth." As it has primary responsibility for human capital, the Human Resources Department will play a central role in promoting human capital management. The department is conducting human resource management with an emphasizes on increasing corporate value and thereby achieving our long-term vision PLAY EARTH 2030. In addition, to build business systems that encourage employees to maximize their abilities, we are improving employee engagement, investing in human resources, and promoting appropriate assignment. In conjunction with these efforts, we are stepping up the recruitment and development of personnel to support overseas business expansion.

FY2023 Results

We believe that employee performance is maximized in work environments where the values of individuals are respected and opportunities are available equally. To realize such environments, we are implementing concrete measures with an emphasis on human resource development and diversity.

Developing Human Resources

We have established a range of training programs aimed at enabling continuous business development that results in the achievement of our long-term vision PLAY EARTH 2030.

In fiscal 2023, we conducted our first employee engagement survey. Based on the results, communication between managers and general employees was identified as an issue. By fiscal 2028, we aim to become a highly agile organization that can grow continuously and maximize corporate value. To this end, we have begun new training programs for managers. Specifically, we are expanding training programs focused on coaching skills and ensuring widespread compliance with rules on the management of interviews between evaluators and those being evaluated.

While in the past training mainly comprised predetermined participation in programs by employees of specific ranks, beginning from fiscal 2024 we introduced training programs in which employees participate voluntarily. Each employee will develop their abilities according to their interests and aptitudes through the In-House Academy, where employees acquire business skills in a wide range of areas through discussion, and the In-House Internship, designed to improve the skills of individuals and broaden knowledge. These new approaches to training will maximize the human capital of the Company as a whole.

Voluntary Training Programs

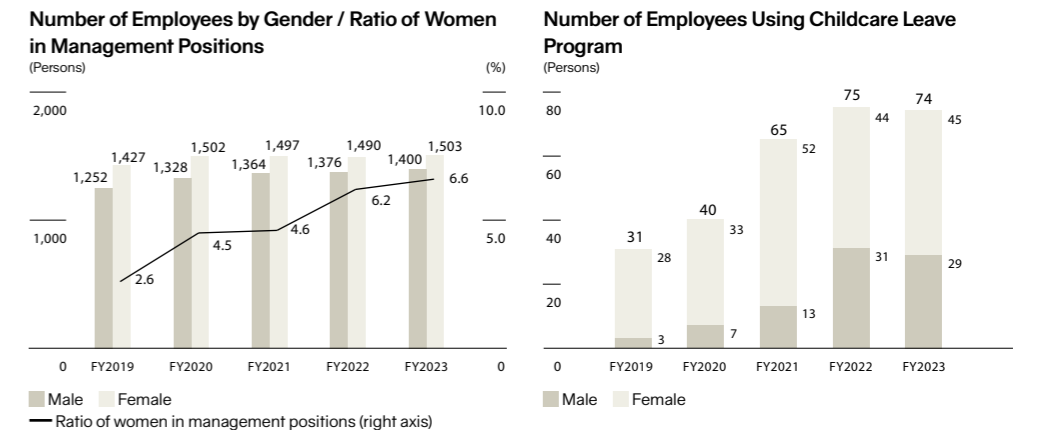
Program	Purpose and content
Women's Leadership Program	Develop female employees who will become candidates for senior management positions and support Goldwin
In-House Internship	Provide a job trial system that offers employees opportunities to try various duties and positions, improve their own skills, broaden their scope of knowledge, and create a network of contacts
In-House Academy	Create opportunities for cross-divisional communication among employees and enhance business skills and sensitivity to diversity through themed discussions
Field Training	Share a sense of transcending divisional boundaries to benefit society through work that puts sports and the environment first. Also, deepen brand insight and improve work quality by using the Company's products

Ensuring Diversity

In driving and sustaining business growth and enhancing our corporate value, we believe that the diverse experiences, backgrounds, viewpoints, and values of our employees are essential. Accordingly, we emphasize respect for such diversity and actively recruit people with different experiences, skills, and careers. At the same time, we promote personnel to key positions, such as manager, area manager, and store manager, regardless of their gender, nationality, or career stage when hired.

Between October 2023 and January 2024, the 13 members of a working group tasked with Women's Advancement in the Workplace, who were diverse in terms of gender, position, and age group, convened to discuss issues pertaining to women's empowerment. The issues raised included the fact that women are rarely assigned to management and senior management positions and that a male-centered culture has resulted in the skill sets of female employees being underdeveloped or underutilized. With reference to these issues, in fiscal 2024 the Human Resources Department's Human Capital Development Group began advancing initiatives such as the training of female employees selected for leadership positions and the introduction of unconscious bias training aimed at helping employees develop an awareness of their own unconscious biases and assumptions. Going forward, we will increase the number of employees participating in such training programs and broaden the range of skills and knowledge covered by them.

The establishment of workplace environments that facilitate various workstyles is an important issue not only for female employees but for all employees. As well as providing explanations of the childcare and nursing care leave programs during management training in order to create an atmosphere conducive to the use of these programs, we are encouraging male employees to use the childcare leave program. To complement the programs already in place, we are considering the introduction of flextime. We will move forward with a variety of initiatives to enable workstyles that can be adapted to suit many different lifestyles.



Future Issues

We will continue implementing various measures in line with our Basic Policy of Human Capital. With the aim of tackling the issues identified in the fiscal 2023 employee engagement survey and invigorating our organization, from the current fiscal year onward we will implement measures that are even more concrete. In accordance with our overall management strategy, we will maximize our human capital by developing human resources and increasing diversity.

For more information on the Goldwin Group's maximization of human capital, please visit the Goldwin website.
<https://corp.goldwin.co.jp/eng/sustainability/employee>

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Founding Spirit



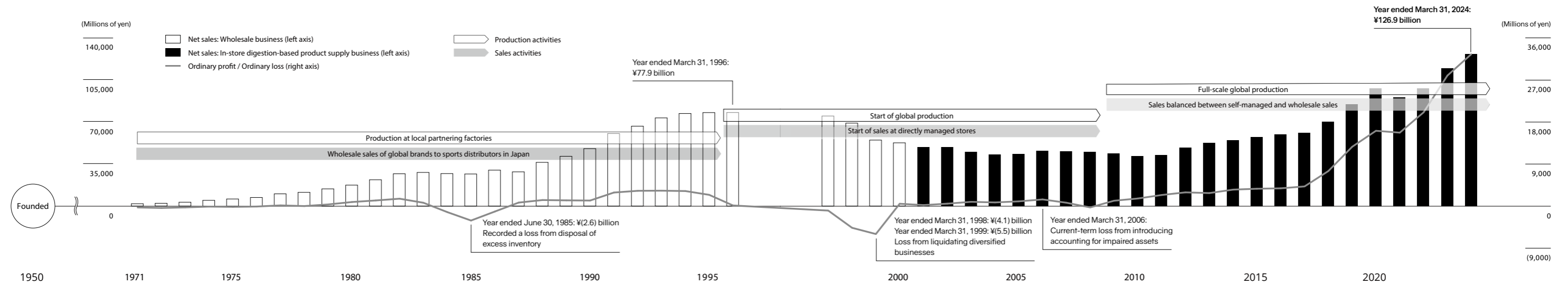
If I don't do it, who will?

In 1950, Tosaku Nishida, who had lost two brothers in World War II and needed to support his family, founded Tsuzawa Knit Fabric Manufacturer in Tsuzawa (now Oyabe), Toyama Prefecture. At the time, his mindset was "If I don't do it, who will?" With his brother-in-law, he established a business, incorporating it the following year. They named the company Tsuzawa Knit Fabric Co., Ltd. Exhibiting tremendous drive, they laid the foundation for the present-day Goldwin.

There is true value in the invisible.

Goldwin launched the manufacture of original climbing socks. This was a time when almost all hiking socks were imported, and Japan-made socks were considered inferior. After closely analyzing the imported products, Tosaku Nishida decided the difference laid in the threads. So Goldwin set about using wool from Shetland sheep raised in the cold climate of the United Kingdom. The improved socks earned a good reputation for being durable and warm. Instead of relying on yarn manufacturers for the raw material, Goldwin developed the materials it wanted based on the product's purpose. The yarn was created for a specific reason. The words of Tosaku Nishida, that "Everyone pays attention to what is right before their eyes. What sets a manufacturer apart is giving painstaking attention to what is not readily visible," are the inspiration for Goldwin's focus on functional performance.

History and Growth



Transforms from a general knitwear manufacturer into a specialized sportswear manufacturer and builds relationships with overseas brands

In 1950, Tsuzawa Knit Fabric Manufacturer, the predecessor of Goldwin, was founded, and it was incorporated the following year. With "There is true value in the invisible" as its motto, the Company pursued manufacturing with a focus on functional performance. Three years after its founding, the Company transformed into a specialized sportswear manufacturer. In 1963, the Company changed its name to Goldwin Inc. At the Tokyo Olympics in 1964, Goldwin products were used for competition uniforms, thereby laying the foundations for joint development with athletes. Around this time, founder Tosaku Nishida went to Europe and was inspired by the functional beauty of the region's skiwear. As a result, Goldwin formed a technical alliance with French skiwear brand Fusalp in 1970. This alliance marked the beginning of our multi-brand business, through which we have entered into licensing agreements with overseas brands and introduced some of the world's most advanced technologies to new markets.

Overcomes a management crisis brought on by excess inventory in the wholesale business and embarks on a growth track with the new-found popularity of skiing

Goldwin broadened its sales channels to sports retailers nationwide and steadily expanded its wholesale business. However, oversupply to sales outlets led to large volumes of inventory, which continued increasing. Consequently, a loss due to excess inventory was recorded in 1984. This loss prompted us to analyze store inventory and strong sellers in order to become more intentional about delivering the right volume of popular products at the right time, and to create systems that moved us away from a manufacturer-centric way of doing things. Thanks to these efforts, we recovered from the management crisis in the following year. Also, we began the development of the GOAL service, which uses S-NET to support the store management and sales strategies of customers, and launched the service in 1988. Skiing enjoyed a wave of popularity in the late 1980s, and the purchase of new skiwear each season became a trend. With its ski-related sales surpassing ¥26.0 billion, Goldwin embarked on a growth trajectory. Moreover, we engaged in product development with athletes and became the official supplier of the Swedish national ski team.

Streamlines multifaceted business segments and shifts from a wholesale business model to an in-store digestion-based product supply business model with self-managed sales outlets

After Japan's economic bubble burst around 1990, the lifestyles and values of individuals changed and people's ways of enjoying sports diversified. Goldwin broadened its management foundations by buying the trademarks of ellese and THE NORTH FACE in Japan. The Company decisively executed a three-year plan (1997-1999), which rationalized management through the streamlining of multifaceted business segments and brands. As a result, a loss accompanying the liquidation of diversified businesses was recorded in 1999. However, we achieved profitability in the next fiscal year through the concentration of management resources and a stronger financial position. In the same fiscal year, we reopened our Weather Station store in Tokyo's Aoyama district as THE NORTH FACE Harajuku, signaling the beginning of our full-fledged development of self-managed sales outlets. Further, we shifted from a wholesale business model to one based on actual demand, developing a range of store formats suited to specific markets. For example, we opened THE NORTH FACE+ stores, which offer a curated selection of the outdoor brands carried by Goldwin.

Establishes an in-store digestion-based product supply business model and supports fulfilling and healthy lifestyles through sports products

Under the medium-term management plan that began in 2007, we sought to fundamentally improve operating profit through improvement in the gross profit margin and a reduction in distribution costs. We improved the gross profit margin by lowering the cost rate through a reduction in the product varieties we carried, the introduction of common materials, and the reform of procurement methods as well as by reducing returns and discounts through the improved accuracy of our demand forecasts. Meanwhile, we reduced distribution costs by curbing total inventory volumes and enhancing inventory turnover. Since the 2010s, Goldwin has been leveraging the functionality of sportswear to offer products for various types of users and a diverse range of usage scenarios. In addition to apparel, Goldwin is exploring new sports-related value and offering associated products and services. Further, given the diversification of avenues for customers to buy products, the Company is not only developing directly managed stores but also opening shop-in-shops through collaborations with wholesale partners and strengthening e-commerce, such as the general shopping website Goldwin Online Store.

Message from the Chairman



**In keeping with our founding spirit,
we will continue ambitious
initiatives with our sights set on
the next 100 years.**

Akio Nishida
Chairman and Representative Director

Changing What Needs to Be Changed

The relocation of our headquarters in May 2024 was both exciting and emotional. A whirlwind of memories crossed my mind as we vacated the building that had been our headquarters for 32 years.

In 1958, our founder Tosaku Nishida left his hometown in Toyama Prefecture and moved to Tokyo. After many years of hard work, the construction of the long awaited corporate headquarters was completed in Tokyo's Shibuya Ward in 1993. I still remember how proud he looked at that time.

However, when I took over the business management in 2000, the company was struggling to survive. We had just recorded a huge loss due to a combination of sluggish demand following the 1990s ski boom and the failure of investments in diverse overseas businesses. We also downsized our workforce by soliciting voluntary retirement. As company president at that time it was a very heartbreaking experience for me.

Furthermore, reducing the debt burden associated with the construction of the company headquarters was essential. The only option that I had was to sell the building. When I discussed this with our founder, he agreed, saying, "I have no objection to this course of action as the survival of the company is our first priority." At the same time, we began a partial shift from traditional wholesale to in-store digestion-based product supply business model. It was a difficult decision for my predecessor to part with the comfortable relationship with his valued wholesale partners but nonetheless, he did not oppose the decision for change and entrusted everything to me. Letting go of the building meant that Goldwin was ready to leave the past behind and start over from scratch.

Our founder often said, "If I don't do it, who will?" This mindset created a sense of unity among employees and that in the end, helped to overcome the crisis.

Goldwin is what it is today thanks to the founder's integrity. Thus I had no hesitation in relocating to the new headquarters.

Similarly, we have discontinued two of our core brands, elleste and DANSKIN. For many years, both brands have helped our growth, but now it was time for us to move ahead to the next phase of our development. I believe that our ambitious initiative will be for Goldwin to expand in the global market.

Taking on the Challenge of the Global Market

After its founding in 1950 as a knitwear manufacturer, Goldwin became a sportswear manufacturer. Subsequently, the Company entered into licensing agreements and introduced leading non-Japanese brands. Rather than investing in the Goldwin brand, the introduction of brands that were already highly regarded overseas was more rational in terms of curbing investments and risk and shortening development lead times. We then proceeded to advance a multi-brand approach in the domestic market.

Until now, we have consistently followed a growth trajectory driven by brands introduced into Japan from overseas, such as THE NORTH FACE. Going forward, however, we will reverse this trend and expand our original Goldwin brand globally. This ambitious initiative involves taking on significant risks to achieve a 15-fold increase in Goldwin's global sales over the next 10 years. That said, our president, Takao Watanabe, does not believe in setting unattainable targets. Like me, having experienced the challenging period around 2000, he is a very cautious. I believe that he has established a certain degree of confidence, and then set the target. Ensuring that all members of the management team concentrate their efforts on the Company's new goals is also critical.

As we move toward globalization, the augmentation of corporate governance will be necessary. Appointed as an external director in June 2024, Akira Tsuchiya has long worked in the IT industry. We hope that he will contribute to the upgrading of our domestic and overseas systems. Naoko Imoto, another newly appointed director, has approximately 20 years of experience working for international organizations and has expertise in understanding Sustainable Development Goals (SDGs), gender equality, and environment and climate change. We look forward to her solid advice.

Preserving the Lessons of Our Predecessors

On stage, one of Japan's most famous singers in the postwar music world would start by saying quietly to himself "The customer is God" before his shows. He explained that the real meaning of the phrase was spiritual because to achieve a perfect singing performance he had to clear his mind of unnecessary thoughts and achieve the purity of spirit of someone praying before God. I believe that the same sentiment is expressed in our founder's words: "Everyone pays attention to what is right before their eyes. What sets a manufacturer apart is giving painstaking attention to what is not readily visible." In other words, whole-hearted devotion to customers and painstaking attention to detail lead to differentiated manufacturing. In product development, the pursuit of performance down to the level of materials is only a means of expressing this commitment to customers, with products being nothing more than the results.

Concepts such as "purpose" and "vision" have been imported from overseas as if these words have the power to renew corporate

philosophies. If these words are consistent with the traditions and DNA of a company and can be instilled in its employees, it can work wonders. However, if the concepts are simply trendy superficial words, I believe we need to seriously think deeper. At Ise Shrine in Mie Prefecture, the Shikinen Sengu Ritual which entails the reconstruction and relocation of the shrine has been carried out once every twenty years for the past 1,300 years. This remarkable tradition ensures a sustainable cycle that pass down the rebuilding techniques and Ise Shrine's way of life that coexists in harmony with nature. In this way, Ise Shrine's environment is protected for generations to come. As this tradition illustrates, Japanese people have a culture that has been passed down from generation to generation, and embedded in this culture is wisdom inherited from our predecessors concerning continuous development in harmony with society. In modern parlance, we would refer to this wisdom as "sustainability." In recent years, the importance of stakeholder capitalism has been advocated as a form of business management that benefits many different stakeholders from a long-term perspective. In fact, this is a philosophy many Japanese companies, including our

own, have been practicing in business management for a long time.

Times are changing rapidly, and as I mentioned earlier, we must also quickly change what needs to be changed so that we are not left behind by changes in society. Even in such circumstances, Goldwin should preserve the cornerstone of the founding spirit that Tosaku Nishida arrived at after taking on many ambitious initiatives and disappointing failures. In recent years, our business and workforce have expanded. An increasing number of employees did not experience the Company's previous challenging times or are unfamiliar with our founder. To further ensure the success of our ambitious initiatives aimed at advancing into a new phase, I will do my utmost to pass on our founding spirit and corporate culture through dialogue with employees.

Setting Our Sights on Generations 100 Years from Now

The Yoyogi area of Shibuya Ward in Tokyo has a lush forest that one would not expect to find in the heart of a city. Known affectionately as "Yoyogi Forest," this man-made forest surrounds Meiji Shrine, which was built in 1920 dedicated to Emperor Meiji and Empress Dowager Shoken. Originally, the plan was to build the shrine in an undeveloped area in central Tokyo. However, there were calls for a forest to protect the shrine. As a result, over 100,000 saplings donated by people from all over Japan were planted. Three renowned foresters used their combined expertise to formulate a precise plan, based on a vision of what the forest would look like a hundred years in the future. The establishment of the forest was realized thanks to the voluntary work of approximately 100,000 young men and women from all over Japan—from Hokkaido in the north to Kyushu in the south. In an age when information was not transmitted

instantaneously, one cannot help but be amazed at how this was organized only by word of mouth. I can vividly picture the young people at that time who responded to their leader's vision and enthusiastically set about establishing something for not only their own era but also the future of Japan.

Today, roughly 100 years later, the center of the city has a forest surrounding the shrine that looks untouched and repeatedly regenerated by the power of nature. For the generations 100 years from now, we too must protect the nature that has been handed down to us by our predecessors. Positioning our long-term vision PLAY EARTH 2030 as a period of change on the way to becoming a 100-year-old company, we will pursue business and environmental sustainability to realize a sustainable society and further raise our environmental awareness as we go along. Our vision is grand, but I believe it is achievable if each of our employees recognizes the importance of nature and spreads support for this recognition worldwide through our products and services. As we move forward with initiatives based on a long-term perspective, I would like to ask all of our stakeholders for their understanding and support.

Akio Nishida

Chairman and Representative Director



Messages from External Directors

With a view to continued growth, Goldwin asked its five external directors to summarize the role of external directors, their assessments of governance and general business management, and their expectations of the Company.

Messages from External Directors



Rie Akiyama
External Director

Valuing a Culture of Ambitious Initiatives and Leading the Industry in Sustainability

Compared with five years ago, when I first became an external director, Goldwin's Board of Directors has become much more active. I believe this is due to the increase in the number of external directors and the fact that we have narrowed down the agenda items by revising regulations and taking other measures. The increased time and opportunities for exchanges of opinions has created a positive cycle in which each director's perspective is better understood and discussions are deepened.

The Governance Committee, which I chair, has been working to evolve governance by sharing information on the Tokyo Stock Exchange's Corporate Governance Code and trends in discussions at the Ministry of Economy, Trade and Industry and the Financial Services Agency. Compared with the Board of Directors, the number of participants is smaller, allowing for more in-depth discussions. When a proposal is submitted to the Board of

Directors, we support the Board's discussions by reporting on the committee's discussions of the matter. In fiscal 2023, one of the main topics of discussion was the continuation of measures that use stock acquisition rights to protect shareholder interests. Although there were various opinions on this topic, we were able to submit the proposal and obtain shareholder approval.

The Governance Committee also compiled the results of an evaluation of the Board of Directors' effectiveness. The results of the evaluation led to the initiation of a Board of Directors' retreat, where we are able to take time to discuss major issues, which I believe has strengthened governance.

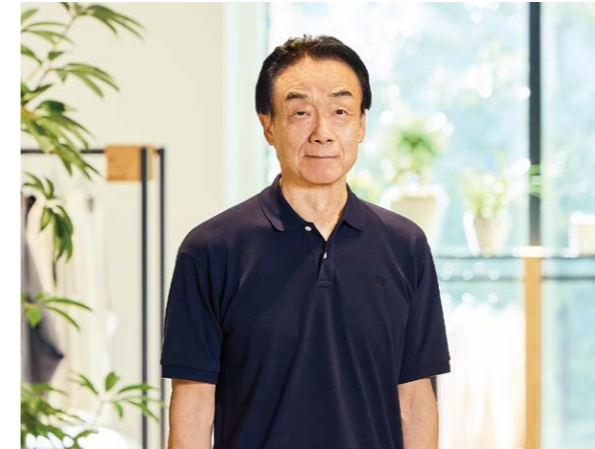
The Goldwin brand, which is the cornerstone of the Goldwin500 strategy, is entering a period of growth. Global expansion will force the Company to face geopolitical risks and differences in cultures, markets, and supply chains. Despite such factors,

the Goldwin500 strategy will contribute greatly to the Company's future growth, and I will continue to support this ambitious initiative. In taking on new challenges such as overseas expansion and businesses related to encounters and occasions, building an organizational culture that makes these initiatives possible is essential. Goldwin must have a system and culture that provides employees with opportunities for growth, encourages them to take on positive challenges, and attracts talented people from outside the Company.

Recently, sustainability has become widely recognized as an important management issue. Even before the term "sustainability" became a focus of attention, Goldwin had set the achievement of continuous growth based on its in-store digestion-based product supply business model as a goal and was steadily pursuing environmentally conscious business practices. Precisely because the apparel industry has a significant environmental impact, working to reduce this impact is all the more meaningful. I hope that Goldwin will demonstrate its unique capabilities and lead the industry in sustainability. I personally look forward to the creation of products with Brewed Protein™, and I fully support global environmental regeneration as an important value.

Goldwin has set out a grand vision of enriching people's lives through sports and outdoor experiences and creating a recycling-based society. While many shareholders share this vision, balancing a long-term vision with the realization of earnings every fiscal year is extremely difficult for companies. Nonetheless, I am convinced that this is what stakeholders really want companies to do in the current era.

Messages from External Directors



Ichiro Yoshimoto
External Director

Supporting Corporate Growth through Offensive Corporate Governance

I believe that corporate governance has two components, a defensive one, which entails compliance with laws and social rules, and an offensive one, whereby the systems that have been put in place are effectively operated. Considering that the goal of corporate governance is to facilitate corporate activities and provide sufficient value to stakeholders, the offensive component is important. However, quite a few companies believe that ensuring the accomplishment of the defensive component alone is enough.

Against this backdrop, Goldwin's senior management team has taken considerable offensive measures over the past year. Forward-looking proposals on important management issues have increased and are a testament to the team's awareness of the need for change, and open discussions are progressing. Frank exchanges of opinions are being held at meetings of the Governance Committee and the Nomination/Compensation Committee,

which are playing important roles in maintaining corporate governance. I believe that both committees can take credit for the recent change to a more offensive approach to governance.

The Nomination/Compensation Committee comprises four internal directors and five external directors. Thoughtfulness is often called for as discussions and advisory decisions relate to matters concerning directors themselves, such as the appointment, compensation, and retirement age of directors. Therefore, the establishment of a body such as the aforementioned committee that is distinct from the Board of Directors is needed to enable the exploration of optimal solutions and ensure transparency. As chairperson of the committee, I have made every effort to hold discussions without creating sacred cows and to conduct the committee in light of current social trends.

Goldwin made the wise decision to establish this committee in 2019. I believe that

everyone is well aware of the purpose of the committee and that we are moving in the right direction.

In fiscal 2023, we discussed and decided on discontinuing several brands. Deciding to terminate brands that the Company has been marketing for many years was not easy. When we considered the feelings of customers, stakeholders, and the employees who had supported the brands, we were at times hesitant. However, the maintenance of an appropriate brand portfolio is part of our corporate mission and is in the best interest of our stakeholders. Although there were many different opinions, I believe the Board of Directors was able to fulfill its responsibilities through fair and honest discussions.

The management of human resources is critical to the success of medium- to long-term plans. Goldwin's new medium-term management plan (fiscal 2024 to fiscal 2028) has already begun its first year, and the Company must meet its human resources needs for both the near term and the coming five years. As the Company expands, the number of employees is also increasing. The new generation of employees has a different view of work compared with previous generations. Increasing their engagement is also a task that senior management must seriously consider. Additionally, overseas expansion requires a different level of preparedness than in the past in terms of dealing with diverse cultures and values and strengthening relationships of trust with employees.

The greatest strength of Goldwin is the pride that employees take in its brands and products. I believe that raising the level of engagement even further and heightening the synergy between the Company and its employees will lead to the success of the medium-term management plan.



Dai Tamesue
External Director

Fulfilling Environmental and Social Responsibilities and Revolutionizing the Apparel Industry

Goldwin is a company with a rich manufacturing spirit, supported by an honest and serious corporate culture. I am very excited that the Company is now entering a phase in which it will continue to foster this culture while turning its attention to the world and further developing a global brand that originates in Japan. Overseas businesses are difficult to predict; however, showing a willingness to take on challenges is essential in order to gain the understanding and endorsement of employees with respect to the Company's overall goals. We must be aware of the risks involved in global expansion and continue to assume these risks. Success will depend on how many specialists there are in the organization who are familiar with the culture of each country and whether all personnel are able to align their efforts to pursue shared goals.

This is my third year as an external director. In terms of governance, a variety of opinions are raised at meetings of the

Board of Directors and other meetings, and discussions are lively. I also feel that the opinions expressed at these meetings are adequately reflected in business management. However, the percentage of female directors is still low. The resulting difficulty in incorporating women's perspectives in business management is an issue that should be addressed going forward.

The newly formulated purpose, "envision new possibilities for humanity in nature," conjures up images of interaction between people and nature while realizing the potential of both. Given that Goldwin has developed a strong focus on both people and nature, I think this is a wonderful purpose that effectively expresses the Company's overall goal.

The apparel industry has a significant environmental impact. In contrast, Goldwin's business field is sports and outdoor activities, which have a strong affinity with the natural environment. I hope that

as more people wear Goldwin products and come into contact with nature, society as a whole will become more aware of the natural environment. I also hope that the Company realizes innovations that reduce environmental impact, such as the reworking of manufacturing processes in relation to materials, and revolutionizes the apparel industry.

In today's world, a company is not preferred simply because it has high profits. This is a global trend that is likely to become more pronounced in the next generation. A traditional profit-focused approach will not attract talented people, nor will it win the sympathy of customers. Continuing to demonstrate commitment to the fulfillment of environmental and social responsibilities is important. In this regard, initiatives such as the GOLDWIN PLAY EARTH PARK Business Concept project will be extremely effective.

There are two types of sports: those played inside stadiums and those played in natural environments. The latter in particular is expected to grow into an increasingly large market. Sports that involve direct contact with nature inevitably raise people's awareness of the natural environment. I would like Goldwin to extend the boundaries of conventional sports and become a culture-creating company that uses sports to change how people interact with the natural environment.



Akira Tsuchiya
External Director

Further Enhancing Corporate Value by Utilizing IT and Strengthening Human Capital

In fiscal 2024, I joined Goldwin as an external director. In the field of IT services, I have been involved in overseas expansion and providing solutions to the issues of client companies. I believe that my role now is to contribute to the creation of new corporate value by incorporating digital technology into Goldwin's vision for the future.

While IT services are already indispensable for business expansion and the enhancement of operational efficiency, the recent emergence of generative AI has made possible the convenient performance of tasks that were previously impossible. It is essential that the senior management team and frontline personnel have a correct understanding of why digital transformation is being advanced and that the Company has an organizational culture that enables it to act flexibly under strong leadership. I will use my experience in the IT industry to help as many people as possible understand the

ways in which various technologies work and to enhance IT literacy throughout the Company.

In addition to IT-related human resource development, I will pay particular attention to human capital initiatives, including the methods of personnel evaluation and health and productivity management. In a human resource strategy, personnel rotation is indispensable for the revitalization of an organization. The development and securement of personnel and specialists who can work across business divisions both in Japan and overseas has become an issue. Investing in human resources to address this issue will be the key to sustained corporate growth.

For the Goldwin500 strategy to succeed, all employees involved must become the Goldwin brand's biggest fans and advance activities based on common objectives and policies. When expanding globally, it is also essential to understand and respect the cultures of

the countries where businesses are established as well as the values of local personnel. Further, in such areas as compliance, human resources, evaluations, and systems, global standards that conform to Goldwin's IT policies must be established.

In terms of governance, Goldwin has clear mechanisms and processes for management supervision and control and appropriate systems for disclosure and manages these governance-related systems transparently and fairly. To maintain and enhance these systems going forward, strengthening cybersecurity and information management will be important. Specific examples of cyberattacks, information leaks, and data falsification should be highlighted, and compliance education for employees and related companies should be bolstered.

In addition, Goldwin has unique initiatives, such as the PLAY EARTH PARK NATURING FOREST project. Providing places where children can experience nature and give free reign to their imagination as they use playground equipment will lead to the realization of a society where children can grow up together with their communities and families while feeling close to the earth. Moreover, we can create a cycle in which children who have grown up in this way pass on their experiences to the next generation.

I resonate deeply with the future-oriented approach Goldwin has adopted as it takes on the challenge of business innovation without being bound by preconceived ideas. I would like Goldwin to rethink its products down to the level of raw materials and seek carbon neutrality with the aim of creating an environment in which not only human beings but all of the animals and plants on earth can continue living. I look forward to ambitious initiatives for the manufacture of products that are kind to both the earth and people.



Naoko Imoto
External Director

Working Together to Take on the Challenge of Realizing Harmony with Nature in Line with the Company's Purpose

I was appointed as an external director of Goldwin in fiscal 2024. Goldwin's new purpose calls on us to "envision new possibilities for humanity in nature," which I deeply resonate with. The overlap of this purpose with my own personal purpose was the deciding factor in my acceptance of the position as an external director. As long as we are sustained by nature, our daily lives and economic activities must not be destructive to it. I am honored and excited to take on the challenge of working together in pursuit of a purpose that reflects a strong belief in being an apparel company that passes on the bounty of nature to our children.

I have high expectations for the GOLDWIN PLAY EARTH PARK Business Concept project, which embodies the Company's purpose. The goal is to use magnificent natural surroundings to nurture children's innate sense of wonder and foster an appreciation of nature's abundance. I hope the project will develop into

a business that allows children to have fun through sports and play that is integrated with nature and that inspires people to leave a better global environment by fundamentally rethinking how they live. Especially in urban areas, where children and adults have fewer opportunities to interact with nature, I see great value in a growing company like Goldwin providing such opportunities.

I want to do everything in my power to ensure that Goldwin continues to lead Japan's apparel industry in reducing environmental impact and creating a circular society. This will require new ideas that change the way we think and act. No single brand can accomplish this on its own; a cross-industry effort is required. In this process, Goldwin has an increasingly significant role to play.

The Company's business management is robust and vigorous. With that said, tasks going forward are the development of a human resource strategy and

governance capabilities, both of which will serve as the drivers of business management. In particular, in order for Goldwin to increase its international competitiveness and grow globally, discussion of issues from diverse perspectives is essential. Placing the promotion of diversity at the core decision-making level will also be a major key. Currently, the senior management team is dominated by Japanese men. This must be rectified. I will focus on using my long experience in international bodies to support the creation of an organization in which diverse personnel can play active roles and the development and utilization of globally competent personnel who can take on the world. In particular, I am determined to make progress in increasing the diversity of the senior management team.

An important responsibility of external directors is to take a bird's-eye view of the organization from the outside and introduce different values. At the same time, it is also important to be familiar with current initiatives and opinions within the Company. With this in mind, I hope to visit frontline operations and engage in dialogue with as many employees as possible. From my perspective as an athlete, I will continue to support Goldwin so that the Company continues to be loved for its commitment to competitive sports and works in partnership with athletes to help realize a sustainable society.

Corporate Governance

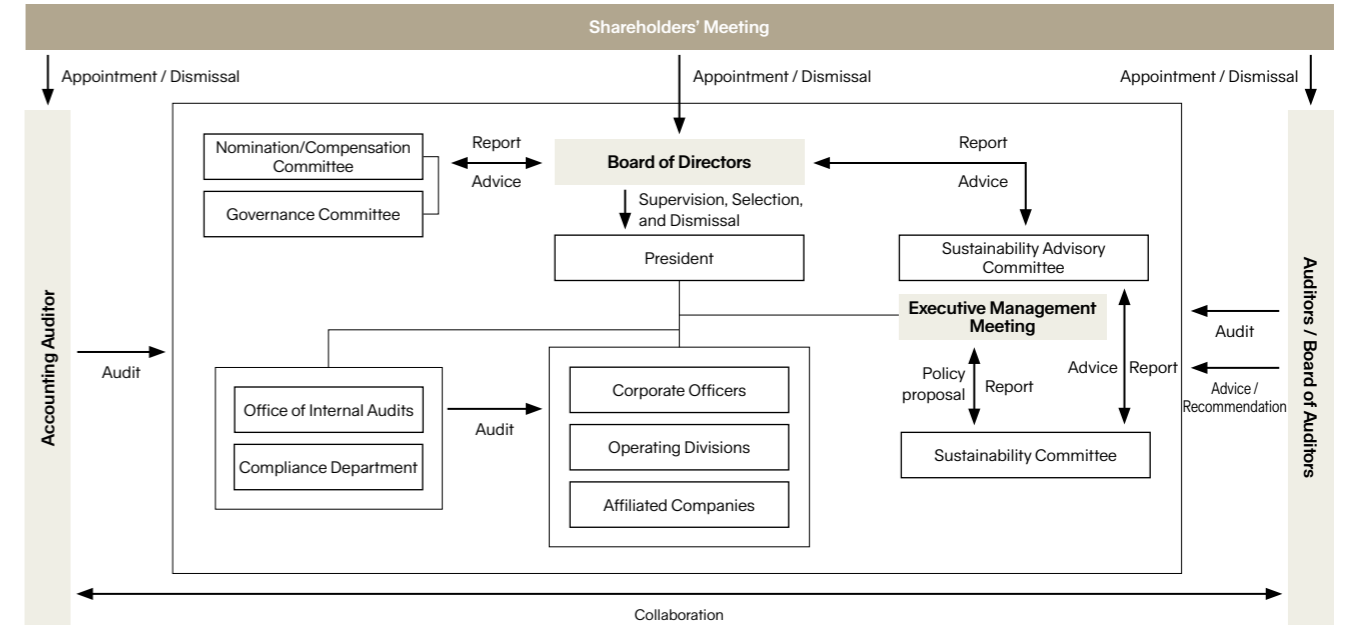
Basic Concept

Goldwin recognizes 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 systems, improvement of customer service, emphasis on the environment, thorough management of occupational safety and health, protection of human rights, and contributions to society. It is also essential that we are trusted by all stakeholders, seek to expand our profitability and strengthen and improve our management structure, and maintain the long-term and stable return of profits to our shareholders. Based on this fundamental principle, we strive to enhance and reinforce our corporate governance by improving management fairness and transparency, making accurate and prompt decisions, and executing efficient business operations. These ideas are thoroughly instilled in all of our officers and employees through our guiding principle of "strong, fast, and transparent management."

<p style="text-align: center;">Strong management</p> <p style="text-align: center;">We will strengthen our financial position by bolstering our selection and concentration a medium to long term to increase our corporate value.</p>	<p style="text-align: center;">Fast management</p> <p style="text-align: center;">We will be agile in responding to changes in customer needs by optimizing product development, procurement, and marketing to promote an in-store digestion-based product supply business.</p>	<p style="text-align: center;">Transparent management</p> <p style="text-align: center;">We will focus our attention on the balance between work and home life while operating the Company in an environmentally friendly way and remaining steadfast in offering transparent information.</p>
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Corporate Governance Framework

Note: The Company's institutional design is a Company with Audit and Supervisory Board organizational structure. (As of June 26, 2024)



<p>External directors: 5 out of 12 directors</p>	<p>External auditors: 3 out of 4 directors</p>	<p>Female directors: 2 out of 12 directors</p>
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Overview of Each Organization

Organizations	Structure	Activities
Board of Directors	Chairperson: Chairman and representative director 12 directors and four auditors	<ul style="list-style-type: none"> Deliberating important matters, auditing management, and discussing management policy
Nomination/Compensation Committee	Chairperson: External director Four internal directors and five external directors	<ul style="list-style-type: none"> Defining the roles, authority, and other responsibilities of officers (directors and auditors) and corporate officers and their appointment and dismissal Verifying the incentive scheme for officers Examining succession measures for officers
Governance Committee	Chairperson: External director Four internal directors, two external directors, and one full-time corporate auditor	<ul style="list-style-type: none"> Enhancing the effectiveness of Corporate Governance Code requirements Examining countermeasures for major governance risks
Executive Management Meeting	Chairperson: President and representative director Five directors, four corporate officers, and one full-time corporate auditor	<ul style="list-style-type: none"> Making decisions on business operations and execution of operations
Board of Auditors	Chairperson: Full-time corporate auditor One full-time corporate auditor and three external auditors	<ul style="list-style-type: none"> Receiving reports of material auditing matters and engaging in consultations and decision-making
Sustainability Advisory Committee	12 directors, four auditors, two corporate officers, and two advisory committee members (external experts)	<ul style="list-style-type: none"> Discussing and reviewing key issues related to the promotion of sustainability management outlined in the medium-term management plan and monitoring progress

Appointment of Directors, Auditors, and Corporate Officers

In designating director and auditor candidates, their careers, insight, character, and other attributes are extensively reviewed by the Board of Directors, and the suitability of their appointment is decided by the Board of Directors based on the content of deliberations by the Nomination/Compensation Committee, which is an advisory body to the Board of Directors. In the event of a violation of the law or articles of association by a director or a reason deemed to make the rightful execution of other duties infeasible, the Board of Directors deliberates and decides on their dismissal or other punishment. Corporate officers are appointed by a decision of the Board of Directors as persons who contribute to increasing 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 the Board of Directors.

Nomination/Compensation Committee

Goldwin has selected the Company with Audit and Supervisory Board organizational structure as its institutional design. The Company's Board of Directors is currently composed of 12 members, five of whom are independent external directors.

By establishing the Nomination/Compensation Committee, we have ensured a system for obtaining appropriate involvement and advice from independent external directors.

Purpose of Establishing the Nomination/Compensation Committee

In order to strengthen the independence, objectivity, and accountability of the Board of Directors' functions related to matters such as director nominations and compensation and to further strengthen corporate governance, we have established the Nomination/Compensation Committee as a voluntary advisory body to the Board of Directors.

Authority and Role of the Nomination/Compensation Committee

The Nomination/Compensation Committee will deliberate on the following matters in response to inquiries from the Board of Directors and decide on draft proposals.

- ① Matters related to the nomination of director candidates
- ② Matters related to the dismissal of directors
- ③ Matters related to director compensation
- ④ Matters related to basic policies and standards with regard to ① to ③ above
- ⑤ Matters related to director succession planning (including training)
- ⑥ In addition to the above, matters referred by the Board of Directors to the Nomination/Compensation Committee for consultation

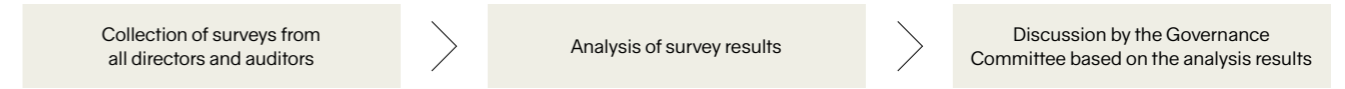
Composition of the Nomination/Compensation Committee

The Nomination/Compensation Committee shall consist of three or more members, the majority of whom will be independent external directors. The Nomination/Compensation Committee in fiscal 2024 comprised nine members, five of whom were independent external directors.

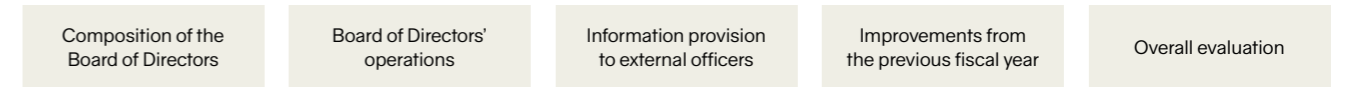
Evaluating the Efficacy of the Board of Directors

We evaluate the efficacy of the Board of Directors annually. In fiscal 2023, the efficacy of the Board of Directors was evaluated in accordance with the following process. Guidance in survey analysis was obtained from an external organization to increase the transparency of the evaluation. We conducted the fiscal 2023 survey in December 2023 and the Governance Committee held discussions in January 2024. 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



Main Evaluation Items



Executive Compensation

The officer incentive scheme at Goldwin is designed to be a fair compensation system corresponding to each officer's role and responsibilities, with the basic policy of promoting our sustainable growth and improving our medium- to long-term corporate value. The compensation system and criteria are revised from an objective perspective, 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 comprises a majority of external directors. Specifically, compensation for internal directors consists of basic compensation, performance-based compensation, and non-monetary compensation. The ratio of each type of compensation is decided by the Board of Directors after deliberation by the Nomination/Compensation Committee. The guideline for the compensation ratios is basic compensation: performance-based compensation (monetary compensation): performance-based compensation (non-monetary compensation) = 70:15:15. Only basic compensation is paid to external directors responsible for auditing functions, taking into account their duties. The amount of individual compensation is decided by the Board of Directors after deliberation by the Nomination/Compensation Committee, within the scope of the limits on compensation as 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 a monthly fixed compensation and is paid evenly each month. Basic compensation is an amount corresponding to one's 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 Strategy and Planning Office 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 by taking into account each director's position and responsibilities. Additionally, after consulting the Nomination/Compensation Committee, the Board of Directors also determines the duration and terms for providing specific compensation.

Fiscal 2023 Status (April 1, 2023 to March 31, 2024)

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	Non-monetary compensation in the left columns	
Directors (excluding external directors)	364	300	64	53	6
Auditors (excluding external auditors)	18	18	—	—	2
External directors	66	66	—	—	7

For more information on the Company's corporate governance, please visit the Goldwin website. <https://about.goldwin.co.jp/eng/sustainability/governance>

List of Executives (As of June 26, 2024)





Directors						Directors					
											
Akio Nishida Chairman and Representative Director	Takao Watanabe President and Representative Director	Yoshiteru Nishida Director and Advisor	Eiichiro Homma Director and Executive Vice President	Michio Shirasaki Director and Senior Managing Officer	Hikari Mori Director and Senior Managing Officer	Takero Kaneda Senior Corporate Officer	Rie Akiyama External Director	Ichiro Yoshimoto External Director	Dai Tamesue External Director	Akira Tsuchiya External Director	Naoko Imoto External Director
October 1977 Joined Goldwin June 1989 Director June 1992 Managing Director June 1994 Senior Managing Director May 1999 Managing Director June 2000 President and Representative Director April 2020 Chairman and Representative Director (current)	April 1982 Joined Goldwin June 2005 Director and Corporate Officer, Manager of THE NORTH FACE Department June 2006 Director, General Manager of Outdoor Style Division, Manager of THE NORTH FACE Department April 2007 Director and Corporate Officer, General Manager of Outdoor Style Division, Manager of THE NORTH FACE Department April 2010 Director and Managing Officer, Deputy General Manager of Business Administration Division, General Manager of Outdoor Style Division April 2012 Director and Senior Managing Officer, General Manager of Business Administration Division April 2015 Director and Senior Managing Officer, General Manager of Business Administration Division April 2017 Director and Executive Vice President, General Manager of Business Administration Division April 2020 President and CEO, Representative Executive Officer (current)	April 1978 Joined Goldwin April 2003 Manager of Procurement Management Department June 2004 Corporate Officer, Manager of Procurement Management Department June 2010 Director and Corporate Officer, Manager of Procurement Management Department April 2012 Director and Managing Officer, responsible for procurement in General Planning Division April 2013 Director and Managing Officer, responsible for affiliated companies in the Toyama area and responsible for suppliers in General Planning Division April 2017 Director and Senior Managing Officer, responsible for affiliated companies in the Toyama area and responsible for suppliers April 2020 Director and Senior Managing Officer, responsible for merchandise, procurement, and affiliated companies in the Toyama area April 2022 Director and Senior Managing Officer, responsible for merchandise, procurement, and affiliated companies in the Toyama area and representative for the PLAY EARTH project in the Toyama area April 2023 Director and Advisor (current)	April 1982 Joined Goldwin April 2003 President and Managing Director of nanamica inc. (current) April 2006 Manager of Marketing Office April 2007 Manager of Corporate Strategy and Planning Office April 2010 Corporate Officer, Manager of Corporate Strategy and Planning Office June 2012 Director and Corporate Officer, Manager of Corporate Strategy and Planning Division April 2014 Director and Managing Officer, General Manager of General Planning Division, Manager of Corporate Strategy and Planning Office April 2017 Director and Senior Managing Officer, General Manager of General Administration Headquarters (current)	June 2019 Corporate Officer, General Manager of Corporate Strategy and Planning Division, Manager of Corporate Strategy and Planning Office in the General Planning Division April 2020 Corporate Officer, General Manager of Corporate Strategy and Planning Division April 2021 Managing Officer, General Manager of Corporate Strategy and Planning Division April 2022 Managing Officer, General Manager of Management Division June 2022 Director and Managing Officer, General Manager of Management Division April 2023 Director and Senior Managing Officer, General Manager of General Administration Headquarters (current)	January 2015 Manager in charge of THE NORTH FACE Department April 2015 General Manager of THE NORTH FACE Department April 2016 Corporate Officer, General Manager of THE NORTH FACE Department April 2017 Corporate Officer, General Manager of THE NORTH FACE Department, Business Administration Division April 2018 Corporate Officer, Deputy General Manager of Business Administration Division, and General Manager of THE NORTH FACE Department April 2019 Managing Officer, Deputy General Manager of Business Administration Division April 2020 Managing Officer, General Manager of Business Division April 2021 Managing Officer, General Manager of Business Division June 2022 Director and Managing Officer, General Manager of Business Division April 2023 Director and Senior Managing Officer, General Manager of Business Division April 2024 Director and Senior Managing Officer, General Director of THE NORTH FACE Business Division and Global Brand Business Division (current)	July 2020 Deputy General Manager of Global Business Division April 2021 Executive Officer, Deputy General Manager of Corporate Strategy and Planning Division, Manager of Corporate Strategy and Planning Office April 2022 Corporate Officer, General Manager of Corporate Strategy and Planning Office April 2023 Managing Officer, General Manager of Corporate Strategy and Planning Division April 2024 Managing Officer, General Manager of General Planning Division June 2024 Director and Managing Officer, General Manager of General Planning Division (current)	April 1999 Qualified Attorney (Tokyo Bar Association) Affiliated with Baba Law Office (currently: Baba & Sawada) June 2019 External Director of the Company (current) June 2023 External Director of Astellas Pharma Inc. Audit & Supervisory Member of the Company (current)	April 1978 Joined Nippon Telegraph and Telephone Public Corporation (currently: NTT corporation) December 1998 Representative Director and Chief Operating Officer of Starbucks Coffee Japan, Ltd. May 2005 Senior Executive Officer and Chief Administrative Officer of McDonald's Company (Japan), Ltd. October 2014 President and CEO of CMIC Co., Ltd. August 2018 Representative Trustee of Tokyo University Warriors Club April 2021 External Director of Nobitel Co., Ltd. (current) June 2021 External Director of the Company (current)	August 2010 Representative Director of Athlete Society (general incorporated association) (current) October 2015 External Director of COLOPL, Inc. (current) July 2018 Representative Director of Deportare Partners Co., Ltd. (current) June 2022 External Director of the Company (current) September 2022 Auditor, General Incorporated Association Japan Women's Football League (current) Committees, etc. 2015– Goodwill Ambassador to the Bhutan Olympic Committee 2020– Laureus Sport for Good Ambassador 2021– United Nations Institute for Training and Research (UNITAR) Goodwill Ambassador	April 1983 Joined INFORMATION DEVELOPMENT CO., LTD. June 2019 Executive Managing Officer, ID Holdings Corporation (current) June 2024 External Director of the Company (current)	September 2004 Planning and Research Officer (Peacebuilding), Japan International Cooperation Agency (JICA) September 2007 Chief of Education, UNICEF, and Education Specialist July 2021 Representative Director, General Incorporated Association SDGs in Sports June 2024 External Director of the Company (current) Committees, etc. 2023– Director, Nippon Badminton Association (Public Interest Foundation)
Number of shares held						Number of shares held					
153,250 shares	44,794 shares	342,122 shares	34,510 shares	2,587 shares	7,087 shares	988 shares	—	—	—	—	—
Attendance record at Board of Directors' meetings (FY2023)						Attendance record at Board of Directors' meetings (FY2023)					
17 times / 17 times	17 times / 17 times	17 times / 17 times	17 times / 17 times	17 times / 17 times	17 times / 17 times	—	17 times / 17 times	17 times / 17 times	17 times / 17 times	—	—
Affiliated committees						Affiliated committees					
N G S	N G S	S	G S	N G S	S	N S	N G S	N G S	N S	N S	N S

N Nomination/Compensation Committee G Governance Committee S Sustainability Advisory Committee
 Chairperson

Skills Matrix

	Corporate management	Finance and accounting	Human resources and career development	Governance and legal affairs	Research and development	Manufacturing technology	Sales	Marketing	Global experience	Social and environmental initiatives	IT	Sports literacy
Akio Nishida Chairman and Representative Director	○		○	○				○	○	○		○
Takao Watanabe President and Representative Director	○			○	○		○	○	○	○		○
Yoshiteru Nishida Director and Advisor	○	○				○			○			○
Eiichiro Homma Director and Executive Vice President	○	○		○			○	○	○			○
Michio Shirasaki Director and Senior Managing Officer	○	○	○	○					○			○
Hikari Mori Director and Senior Managing Officer	○				○		○	○	○	○		○
Takero Kaneda Senior Corporate Officer	○	○		○				○	○		○	○
Rie Akiyama External Director				○					○			○
Ichiro Yoshimoto External Director	○		○				○		○			○
Dai Tamesue External Director	○		○		○				○	○		○
Akira Tsuchiya External Director	○			○					○		○	○
Naoko Imoto External Director					○				○	○		○

Auditors

			
Osamu Sato Full-time Corporate Auditor	Akiyuki Shiobara External Auditor	Hidenao Yoichi External Auditor	Tsutomu Morita External Auditor
<p>April 1987 Joined Goldwin</p> <p>April 2006 Sales, Sales Department of Active Division (Tokyo)</p> <p>April 2011 Corporate Planning Group, Corporate Strategy and Planning Office, General Planning Division</p> <p>April 2015 Corporate Planning Group, Corporate Strategy and Planning Office, General Planning Division</p> <p>April 2019 Deputy Manager of Corporate Strategy and Planning Office, Corporate Planning and Strategy Division, General Planning Administration Division</p> <p>April 2022 General Manager of Accounting Department, Management Division</p> <p>April 2023 Auditor</p> <p>June 2023 Audit & Supervisory Board Member of the Company (current)</p>	<p>April 1977 Joined Mitsui & Co., Ltd.</p> <p>June 2005 Manager of Chubu Chemicals Department</p> <p>April 2006 Manager of Industrial Materials Business Department</p> <p>April 2008 Internal Audit Inspector</p> <p>June 2013 Full-time Corporate Auditor of Mitsui Bussan Inter-Fashion Ltd.</p> <p>October 2016 Deputy Corporate Auditor of Mitsui Bussan I-Fashion Ltd.</p> <p>June 2017 External Auditor of the Company (current)</p> <p>April 2022 General Manager of Accounting Department, Management Division</p> <p>April 2023 Auditor</p> <p>June 2023 Audit & Supervisory Board Member of the Company (current)</p>	<p>April 1977 Joined Marubeni Corporation</p> <p>April 1999 President and Representative Director of Marubeni Textile Asia Pacific Ltd. (Hong Kong)</p> <p>April 2003 Manager of Textile Business Department at Marubeni Corporation</p> <p>April 2006 Executive Assistant of Textile Section</p> <p>April 2008 Corporate Officer and Osaka Branch Manager</p> <p>April 2010 Corporate Officer, Vice President of Chinese Company, President of Shanghai Company</p> <p>April 2012 President of Marubeni Intex Co., Ltd.</p> <p>June 2018 External Auditor of the Company (current)</p>	<p>April 1977 Joined The Hokuriku Bank, Ltd.</p> <p>June 2010 Corporate Officer and Manager of First Loans Department</p> <p>January 2012 Managing Officer</p> <p>June 2013 Director of Hokuhoku Financial Group, Inc.</p> <p>June 2013 Director and Managing Officer of The Hokuriku Bank, Ltd.</p> <p>June 2016 President and Representative Director of Hokuhoku Services Co., Ltd.</p> <p>June 2019 External Auditor of the Company (current)</p>
<p>Mr. Shiobara attended 17 of the 17 Board of Directors' meetings and 16 of the 16 Audit & Supervisory Board meetings held in fiscal 2023, providing advice and recommendations to ensure the appropriateness and soundness of the Board's decision-making, including offering opinions from his perspective as an individual with experience in management and corporate oversight both domestically and internationally in the trading industry.</p>			
<p>Mr. Yoichi attended 17 of the 17 Board of Directors' meetings and 16 of the 16 Audit & Supervisory Board meetings held in fiscal 2023, providing advice and recommendations to ensure the appropriateness and soundness of the Board's decision-making. He offered opinions based on his extensive experience in textile product procurement at trading companies, as well as his broad insight from long involvement in management operations both domestically and internationally.</p>			
<p>Mr. Morita attended 17 of the 17 Board of Directors' meetings and 16 of the 16 Audit & Supervisory Board meetings held in fiscal 2023, providing advice and recommendations to ensure the appropriateness and soundness of the Board's decision-making. He offered opinions based on his many years of experience in financial institutions and his extensive knowledge of finance and related areas.</p>			
Number of shares held			
8,200 shares	—	—	—
Attendance record at Board of Directors' meetings (FY2023)			
12 times / 12 times	17 times / 17 times	17 times / 17 times	17 times / 17 times
Affiliated committees			
G S	S	S	S

N Nomination/Compensation Committee G Governance Committee S Sustainability Advisory Committee

Corporate Officers

- Takao Watanabe**
President and Corporate Officer
- Eiichiro Homma**
Executive Vice President
- Michio Shirasaki**
Senior Managing Officer
(General Manager of Management Division)
- Hikari Mori**
Senior Managing Officer
(Director of Business Headquarters)
- Takero Kaneda**
Managing Officer
(Director of Corporate and Planning Headquarters)
- Gen Arai**
Managing Director
(Director of Research and Development Headquarters)
- Tamotsu Oi**
Managing Director
(Director of Sourcing Headquarters)
- Shinji Kawada**
Corporate Officer
(Director of Goldwin Brand Business Headquarters)
- Yutaka Imai**
Corporate Officer
(Director of Sales Headquarters)

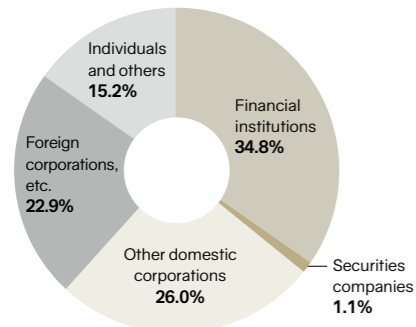
Corporate Information (As of March 31, 2024)

Corporate Data

Company name	Goldwin Inc.	
Location	Tokyo head office address	Seihou Building, 3-5-6, Kita-Aoyama, Minato-ku, Tokyo 107-8570, Japan
	Legal address	210, Kiyosawa, Oyabe-city, Toyama 932-0193, Japan
Establishment	December 1951	
Capital stock	¥7,079 million	
Employees	2,578 people (non-consolidated)	
Stock listing	Tokyo Stock Exchange, Prime Market	
Total number of authorized shares	184,000,000 shares	
Total number of outstanding shares	47,448,172 shares	
Number of shareholders	9,803 shareholders	

Stock Information

Composition of Shareholders and Status of Main Shareholders

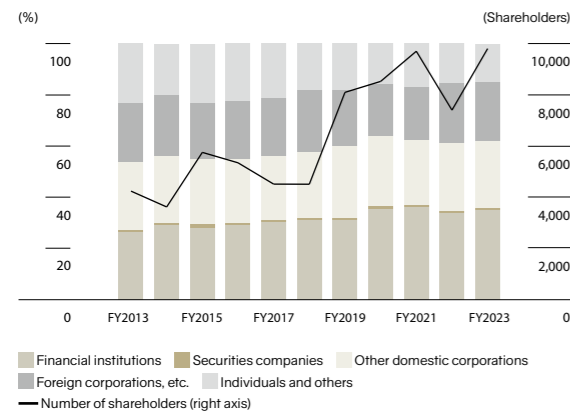


Note: Shares held in connection with trust business are included in the number of shares held by financial institutions.

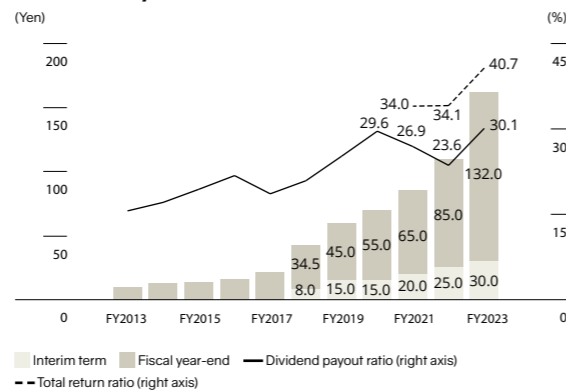
Shareholders	Number of shares held (thousand shares)	Shareholding percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	4,809	10.29
Mitsui & Co., Ltd.	4,367	9.35
Korea Securities Depository-Samsung	3,378	7.23
Korea Securities Depository-Shinhan Investment	2,109	4.51
The Hokuriku Bank, Ltd.	1,980	4.24
Custody Bank of Japan, Ltd. (Trust Account E)	1,810	3.87
Goldwin Nishida Tosaku Sports Promotion Memorial Foundation	1,692	3.62
Custody Bank of Japan, Ltd. (Trust Account)	1,628	3.49
Nishida Corporation	1,624	3.48
The Hokkoku Bank, Ltd.	1,565	3.35

Note: The shareholding percentage is calculated after deducting treasury stock (724,890 shares). Our shares owned by Custody Bank of Japan, Ltd. (Trust account E) as trust assets in connection with J-ESOP are not included in said treasury stock.

Changes in Composition of Shareholders



Changes in Shareholder Returns and Dividend Payout Ratio



Note: Indicated as a dividend per share based on fiscal 2019. For fiscal 2023, a commemorative dividend of ¥10 per share will be paid, taking into account the consolidated results and marking the relocation of the Tokyo headquarters.

Editorial Policy

This report is produced for the purposes of gaining public trust and encouraging dialogue with shareholders, investors, and Goldwin's many other stakeholders. The content is designed to build understanding of the Goldwin Group's thinking and activities and covers key matters in view of their importance to short-, medium-, and long-term value creation and their degree of impact on stakeholders.

Please see the Goldwin website for more detailed financial and non-financial information not contained in this report.

IR information
<https://corp.goldwin.co.jp/eng/ir>

- Five-year medium-term management plan
- Key points of latest financial results
- Earnings highlights
- Financial summaries/quarterly results
- Securities report
- IR materials

Note: Detailed information on earnings results, stock information, and other IR information is also available.

Sustainability information
<https://corp.goldwin.co.jp/eng/sustainability>

- Approaches to sustainability
- Information disclosure based on environmental and TCFD recommendations
- Maximization of human capital/human resources and human resource strategy
- Supply chain management
- Corporate governance

Note: Detailed information, including ESG information and other sustainability-related details, is also available.

Reporting Scope

The reporting scope is the activities of the Goldwin Group, primarily Goldwin Inc., and 16 subsidiaries and three affiliated companies (as of March 31, 2024); however, some content covers Goldwin Inc. on a non-consolidated basis.

Reporting Period

Fiscal 2023 (April 1, 2023–March 31, 2024)

Note: Includes some information outside of the above period

Referenced Guidelines

The International Integrated Reporting Framework of the International Integrated Reporting Council (IIRC) Guidance for Integrated Corporate Disclosure and Company–Investor Dialogues for Collaborative Value Creation 2.0 of the Ministry of Economy, Trade and Industry of Japan

Precautions Regarding Forward-looking Statements

This report contains statements on the Goldwin Group's projections, targets, plans, strategies, and other matters related to the future. These statements are based on determinations made from available information at the time this report was published. Be aware that actual performance and other metrics may differ from these forward-looking statements due to a variety of factors.

Displayed Unit

Listed monetary amounts have been rounded off to the nearest principal unit.