

Message from the President

We will take on the challenge of global expansion while continuously pursuing value creation unique to Goldwin to realize business that coexists with nature.

Takao Watanabe
President and CEO

The Value We Can Pass On to the Future through Our Businesses

The apparel industry faces numerous social issues, including climate change and human impacts on ecosystems, resource waste resulting from mass production and mass disposal, and human rights, fair procurement, and other issues throughout global supply chains. Goldwin also faces these realities, and we take seriously the impact our business has on the environment and society.

In taking on these issues, we come up against many questions. Why continue engaging in this business? What value can the Company pass on to the future? After asking ourselves these questions time and again, the answer that emerged led to the 2024 formulation of our purpose: Envision new possibilities for humanity in nature. Our aim in business is not simply to increase our numbers. Indeed, our determination and desire to become a force in management toward regenerating the global environment, leaving our beautiful planet for future generations, is an essential part of this purpose.

In my case, the will to pursue this desire originates in the sensibilities I cultivated from a childhood spent immersed in nature. When enjoying the mountains and the seaside, when camping and fishing with friends and family, when I feel the cool morning air, hear the waves at the water's edge, and gaze up at the starry sky—I feel a connection. These moments have taught me the richness of living naturally, as well as the grace

to accept things that do not go as planned. Even now, I cherish time spent immersed in nature, where I can reset and find calm.

Many years ago, an encounter with the late photographer Michio Hoshino provided an opportunity to deepen my appreciation of nature. Mr. Hoshino taught me the importance of understanding that even though we might not personally know about it, nature is thriving everywhere out there in the world. While it is rare to actually witness a brown bear catching salmon in Alaska, simply imagining this scene unfolding far away in the wilderness is oddly reassuring and instills one with a reverence for nature. This is the insight Mr. Hoshino shared with me.

Nature is constantly changing. When we encounter nature, we have the opportunity to notice not only changes in nature, but also changes in ourselves. Experiencing nature can be an important opportunity to accept our changing selves, discover the next steps we need to take in our lives, and grow as individuals.

I always tell our employees that I want them to approach new experiences with curiosity and take on challenges, because I believe change is what truly fosters personal growth. Through our products and services, we create moments for customers to exceed their own limits and encounter nature anew, and in turn, we also achieve new growth. This is the essence behind our purpose, which ultimately connects to Goldwin's very reason for being.

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Challenges Essential for Change and Growth

Nature and people continue to change. Based on this premise, we have consistently bucked convention in our business operations to create value where none existed before. What still resonates strongly with me is what Kenneth “Hap” Klopp, one of the founders of The North Face, told me in the United States in 1985 not to imitate but to think for myself. Although many people are hesitant to take on challenges due to uncertainty of the unknown, I believed in his words, and repeatedly asked myself what kind of value is truly needed in the world.

For example, in mountain rainwear, being highly visible and easily spotted in an emergency is crucial, and it was common at the time to use bright colors. However, I thought it would be nice to have rainwear that could be worn both in the city and the outdoors. This led to our introduction of a new option, the color black. Opposition both within and outside the Company proved stronger than anticipated, with some arguing that black does not sell and bright colors are the norm in mountaineering. Nevertheless, we decided to carry it in self-operated The North Face stores at that time. As it turns out, the color that actually sold the best was black. Customer response proved that many people wanted black, and black outerwear eventually became a signature item for the brand. We take on challenges that go beyond industry conventions and give form to latent customer demands. This remains one of my most memorable experiences, and continues to teach me the importance of breaking down convention with imagination.

Alongside unbound imagination, a philosophy that we have long cherished is “dedication to detail.” In manufacturing, we have pursued craftsmanship not only in visible aesthetics and features that immediately stand out, but also in the meticulous design elements that users may never see—such as how seams are finished, where features are placed, and other aspects of fine-tuning that determine comfort and durability. This approach stems from the mindset of our founder Tosaku Nishida, who emphasized, “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.” Throughout the manufacturing process, our people engage in ongoing discussions and trial-and-error, debating whether products could be made more comfortable, and suggesting

areas for improvement even for issues that users are unlikely to notice. The accumulation of these efforts is the essence of Goldwin. Our dedication to detail has deepened over time and we are now working to sharing it internally as our Company-wide philosophy. It is not merely a slogan. It is an essential part of our identity, which permeates all our products, services, and frontline employee conduct.

In frontline operations today, the concepts of unbound imagination and dedication to detail work together symbiotically, and serve as the driving force for creating new value. A great example of this is our structural protein material, Brewed Protein™ fiber.* Drawing inspiration from the natural ingenuity of spider silk, this fiber is a world first, created from scratch as a protein-based material through microbial fermentation (i.e., brewing). It is produced through sustainable manufacturing that does not rely on petroleum- or animal-derived materials, and its various properties, from strength to flexibility, have been meticulously refined through countless prototypes and rigorous testing. Driving our pursuit of future materials is our uncompromising commitment to user comfort, fueled by the passion and dedication of frontline employees who confront environmental challenges head-on.

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

Areas of Tangible Success Will Be the Driving Forces of the Future

Looking back at fiscal 2024 (ended March 31, 2025), the first year of our current five-year medium-term management plan, although sales fell slightly short of plan, I feel it was a year in which we steadily enhanced our foundation for overall corporate growth.

The Goldwin500 project, in particular, has generated tangible successes based on our willingness to take on challenges. By brand, sales for the Goldwin brand increased substantially to ¥4.4 billion, up from ¥3.2 billion in the previous year. Listening to the comments of salespeople and frontline employees who engage directly with customers, as well as feedback from overseas locations, makes it clearer than ever that the value we provide—high functionality, aesthetic beauty, and universal designs that stand the test of time—is being recognized. The goal of achieving ¥10.0 billion



in sales by fiscal 2026 is now well within our reach.

Meanwhile, The North Face will continue to be a pillar of our growth and profitability. The expansion of flagship stores in urban areas and demand from inbound visitors to Japan have provided a tailwind, and I feel that customer response on the salesfloor, as well as trust in the functionality and design of our products, have never been stronger. One challenge we faced in the first half of fiscal 2024 was that demand for winter clothing was significantly delayed due to record-high temperatures during the fall/winter sales season. Although demand recovered when temperatures dropped sharply from late November, I was made keenly aware of the difficulty in responding to sudden market changes. We must further refine our in-store digestion-based product supply business model to swiftly adapt to sudden changes, accelerate decision-making in frontline operations, and quickly respond to actual market movements and customer feedback.

Regardless of how well planned or intentioned, efforts are

meaningless unless they are realized in frontline operations. Goldwin's unique strength lies in its in-store digestion-based product supply business model, which flexibly responds to sudden changes in the climate and market environment while continuously meeting genuine customer needs. Going forward, we will continue to closely monitor changes and customer feedback in frontline operations, while striving to build a system that empowers each member of our team to think and act independently.

Bringing Fresh Creativity to Products and Stores

In fiscal 2025, we are targeting sales of ¥140.5 billion as we enter an action phase on the path to realizing our long-term vision, PLAY EARTH 2030.

In our overseas operations, we will accelerate the global expansion of the Goldwin brand. In the Chinese, Korean, and European markets, we will proactively engage in dialogue

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with local partners and personnel, while strengthening measures that deliver brand value more directly to customers through store spaces, visual merchandising, and customer service and communications. We are also expanding our operational structure and promotional activities tailored to regional characteristics, among other efforts aimed at proactively promoting brand development unique to Goldwin. We plan to establish a total of 10 new bases during fiscal 2025, including seven overseas stores and three stores in Japan. The question going forward is how best to implement our domestic in-store digestion-based product supply business model in markets outside Japan. A critical issue to resolve in order to advance to the next stage will be sharing our achievements and expertise across cultures and among global talent, and then building further upon them.

In our domestic operations, we will focus on deepening brand experiences centered on The North Face, as well as expanding our value propositions for everyday life. To do so, we will increase the share of accessories, backpacks, footwear, and other products less susceptible to seasonal fluctuations in our lineup, thereby stabilizing earnings. In the footwear category, we will promote new offerings, such as the VECTIV collection, which is positioned as a future growth area. The women’s and children’s categories also represent markets with significant potential. For children’s products in particular, brand communication that resonates with parents and guardians will be key. To this end, so far we have rolled out 10 large-size base stores across Japan. These experiential stores, where adults and children can browse and shop together, as well as dedicated sales areas and event planning, enable the whole family to experience our brand worldview.

Based on this strategy, we plan to open an additional 15 stores in Japan and overseas during fiscal 2025, this time focusing on the Goldwin brand. The expansion of experiential channels centered on self-operated stores is more than simply an increase in store numbers, it is an important opportunity for our customers to experience the worldview and values we represent.

At Goldwin Kyoto, which opened in May 2025 as our first flagship store in the Kansai region, specially trained personnel convey the stories behind our meticulously designed products. The moment a customer picks up a product, they can feel the passion and worldview behind it. As someone who has thoroughly pursued excellence in manufacturing, seeing that

happen gives me tremendous joy. As we accelerate new store openings, I have personally visited stores in China, Korea, and Europe, engaging in direct dialogue with local personnel and customers. Through my experiences across various regions, I witnessed firsthand how the value of Goldwin as a premium sports brand is steadily gaining traction among discerning customers in urban areas.

In Japan, we currently have a total of 160 self-operated stores and franchise locations for major outdoor brands (as of March 31, 2025). I believe that the salesfloor is where a company’s stance is most clearly on display. This is why we are committed to the self-operated and franchise model, as well as why we aim to carefully nurture a corporate culture where every single member of our team can embody the brand philosophy. For this reason, the quality of expression projected by the store itself, starting with its design, is crucial. Anyone visiting will surely get a feel for the values woven throughout the new Goldwin store. Designing a store that fully reflects our brand worldview has also been a new challenge for us in terms of breaking free from past conventions.

Creating Nature for the Future

The Goldwin Play Earth Park Business Concept project underway in Nanto City, Toyama Prefecture, is also something that would never have emerged from the approach of a conventional apparel company. This approximately 40-hectare field is being developed into a space where people can play, learn, and co-create the future. When people hear the phrase “protecting nature,” they tend to think of restoring lost nature to its former state, or conserving existing nature to prevent its loss. However, the theme of Play Earth Park Naturing Forest, slated to open in 2027, is “creating nature” for the future. As I touched upon previously, the only universal truth in this world is that nature is constantly changing. Precisely for that reason, rather than seeking to leave nature alone, our aim is to create nature for the future, together with children.

In fiscal 2025, we will commence full-scale efforts in the experiential domain, targeting what is known as “experiential consumption” with the launch of the experience-based business. In April 2025, we entered the adventure tourism field with the addition of Alpine Tour Service Co., Ltd. to the Group. It is a company with a solid track record in mountaineering,

trekking, and other nature experience tours. Going forward, we will consider offering unprecedented customer experiences, such as enabling customers to sign up for experiential services when purchasing gear at The North Face stores, as well as implementing programs where salespeople themselves can lead tours as guides. The experiential domain business can certainly be expanded into corporate training, environmental education, and other B-to-B areas. Furthermore, based on our participation in the National Park Official Partnership Program conducted by the Ministry of the Environment, we have also been working to better utilize and promote Japan’s national parks. Going forward, we plan to design travel, learning, and experiential programs based in national parks across Japan, providing opportunities for both the people of Japan and inbound visitors to interact with nature.

Taking on challenges such as these in the experiential domain is sure to enhance corporate value beyond the expected when simply launching new businesses. Given that we are a company that is primarily focused on apparel, how should we embody our purpose of envisioning new possibilities for humanity in nature? This new endeavor seeks to answer that question. I want to strongly emphasize that our business expansion in the experiential domain is aligned with our trajectory to date, and will serve as a key driver of our growth strategy going forward as we aim to further enhance our corporate value.

Toward Co-creation with All Stakeholders

“Wealth” is often talked about in terms of economic success, but humans are not beings whose actions are driven solely by economic incentives. Understanding each other or helping to make another person’s life better—perhaps it is only in these ways that people can feel genuinely fulfilled. In observing younger generations, my sense is that an increasing number of people seek greater value in their work, both by achieving personal fulfillment, as well as by contributing to the happiness of others. In my case, such motivations have only grown stronger with age.

Our business is much more than just making and selling products. Rather than fixating solely on functionality and efficiency, we value thoughtful simplicity and universal beauty that harmonizes with nature, and fulfill our responsibility to society through manufacturing. Empowering customers,

partners, and employees to embrace challenges, and transform relationships between nature and people for the better—these aspirations have led to initiatives such as Goldwin500 and the launch of our experience-based business. Although there is still plenty of trial and error ahead, I feel we are making gradual yet steady progress alongside our colleagues and others who share in our values.

The major challenges facing society and the global environment are not something Goldwin alone can overcome. By joining with like-minded individuals and consistently making choices and taking actions with sincerity, I firmly believe we can create new value for society and nature. Moving forward, we will continue to approach everything we do with the enduring desire to envision new possibilities for humanity in nature.

