



Financial results briefing materials for the second quarter of the fiscal year ending March 2022

Goldwin Inc. (8111)

November 5, 2021

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I . Second quarter results for the fiscal year ending March 2022

Sales fell short of the initial forecast due to nationwide unseasonable weather and the re-expansion of new coronavirus infections. However, operating income will exceed the initial forecast due to flexible expense execution.

Sales did not reach the initial forecast due to the effects of refraining from going out due to unseasonable weather in August in addition to the corona crisis.

121%

Net sales
Year-on-year
comparison
(93% compared to the
same period last year)

- Up to 13 directly managed stores are temporarily closed during a state of emergency.
- The number of customers has not recovered since the end of the Obon holiday, and although it was 121% compared to the same period of the previous year, it was only 93% of the initial forecast.

EC sales, which are the source of demand for nesting, remained strong, maintaining a strong performance of 121% year-on-year.

121%

EC sales
Year-on-year
comparison

- EC sales were 121% year-on-year, and EC sales composition was 14%.
- Self-managed sales ratio was 58%, progress as planned.
- Among wholesalers, sports mass retailers are doing well. 130% year-on-year.

Inventory balance is 87% year-on-year, 109% compared to the same period last year. Continue to make efforts to optimize inventory

87%

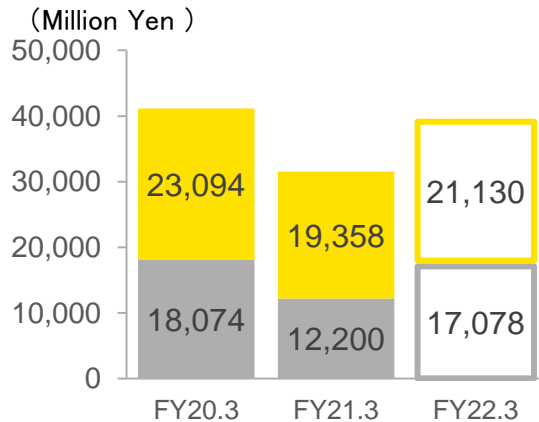
Inventory
Year-on-year
comparison
(109% compared to the
same period last year)

- Inventory balance was 87% year-on-year.
- Thorough order flow management, expected to fall below year-on-year in the second half.

Results for the second quarter of the fiscal year ending March 2022 (Million yen)

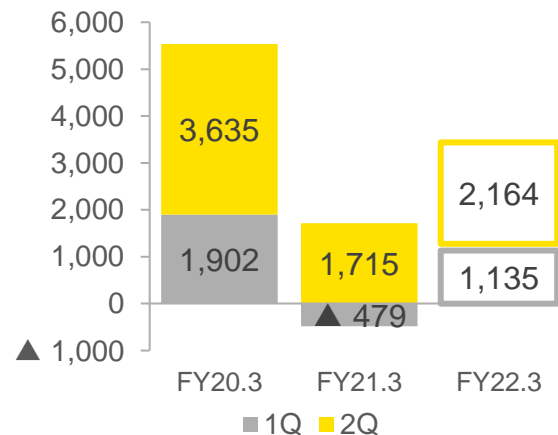
	Net sales	Gross profit	Operating income	Ordinary income	Net income
Result	38,208	19,500	3,299	3,835	2,632
Year-on-year	121.1%	120.9%	266.8%	274.8%	421.9%
Profit margin on sales	—	51.0%	8.6%	10.0%	6.9%
() The upper row shows the results FY21.3		(51.1%)	(3.9%)	(4.4%)	(2.0%)
() The lower row shows the results FY20.3		(52.3%)	(13.5%)	(12.9%)	(8.7%)

Net sales



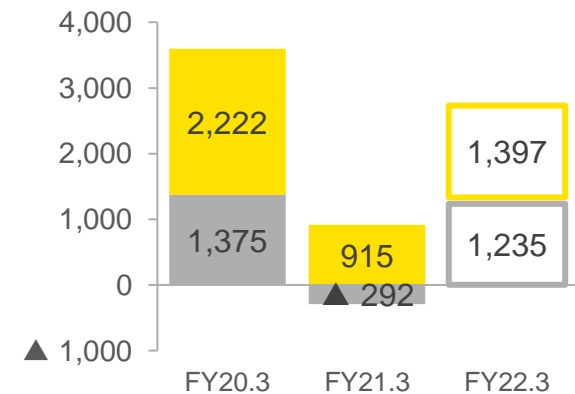
13 stores closed in August, attracting customers after the Obon holiday falls below our forecast.

Operating income



Although the reopening of directly managed stores progressed compared to the previous fiscal year, the gross profit margin remained at 51.0% due to the increase in sales at outlets, etc.

Net income



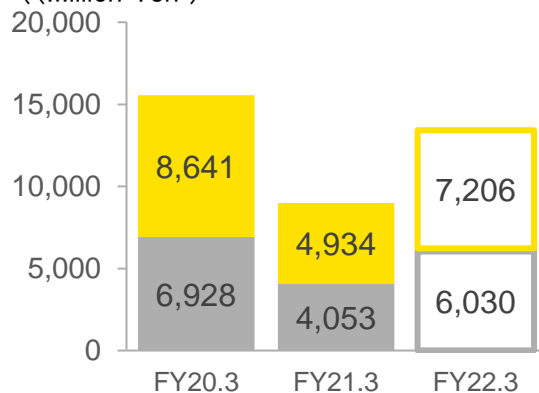
Despite the difficult situation, there was no significant extraordinary gain or loss, and it was the second highest level in the past.

Sales by business category (Million yen)

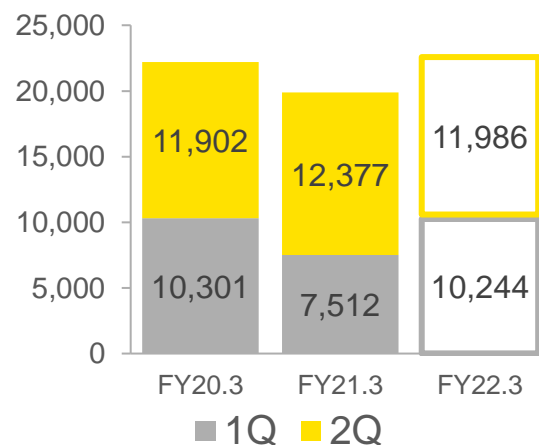
	Performance	Lifestyle	Fashion
Result	13,236	22,230	2,742
Year-on-year	147.3%	111.8%	102.2%
Year-on-year amount	+4,249	+2,342	+59
Sales composition ratio	34.6%	58.2%	7.2%

Performance

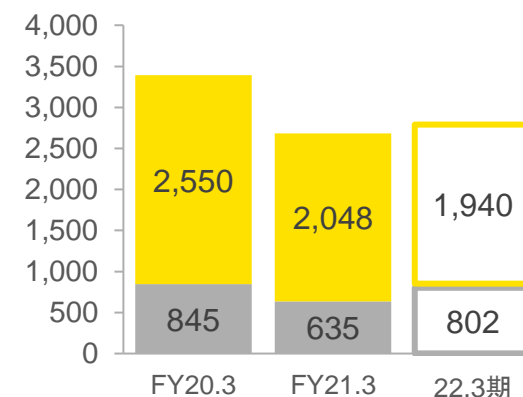
((Million Yen))



Lifestyle



Fashion



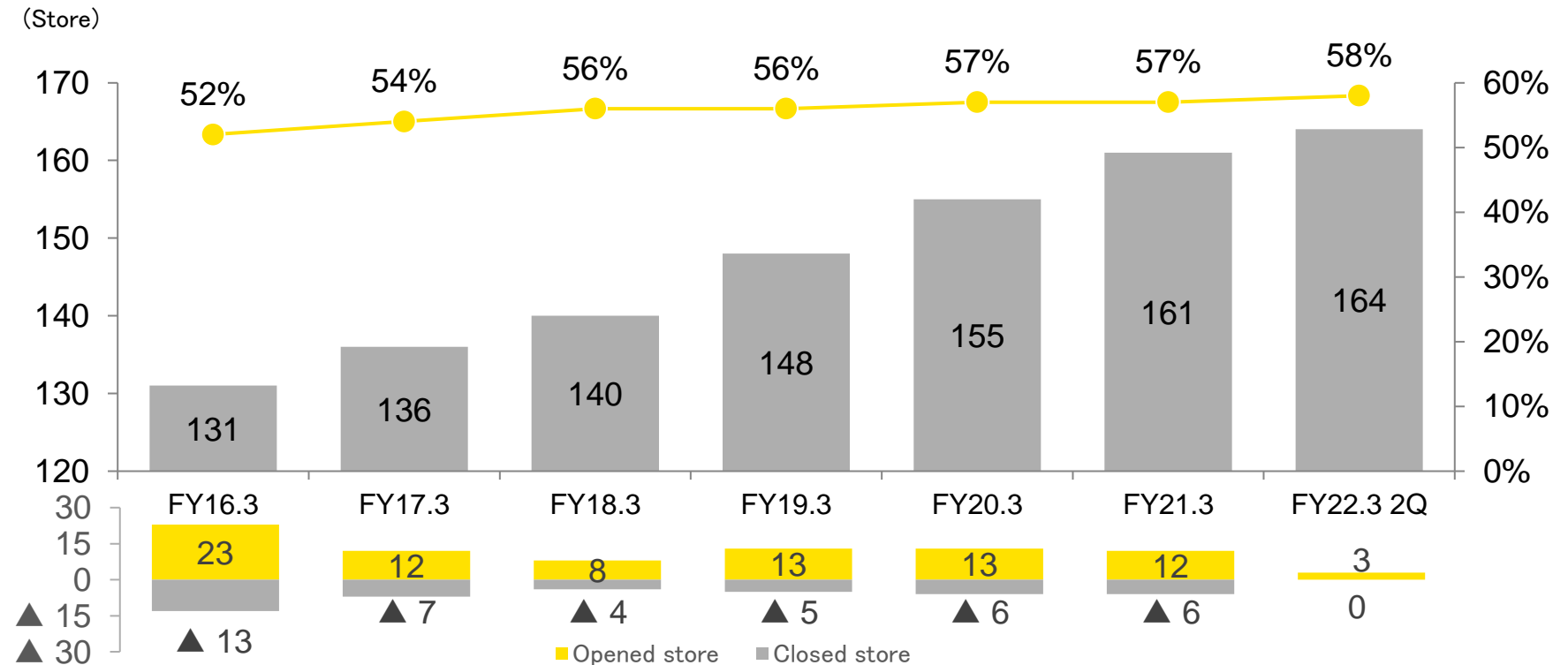
Mountaineering, marathon competitions, have tended to refrain from the second quarter, but the recovery trend continues.

Increased opportunities to wear high-performance wear in daily life, renewing the highest price two terms ago.

Steady trend due to expansion of sales channels even when inbound demand disappears.

Policy to focus on renewal of existing stores, floor expansion, to improve sales efficiency.

Changes in the self-managed sales ratio and the number of directly managed stores.



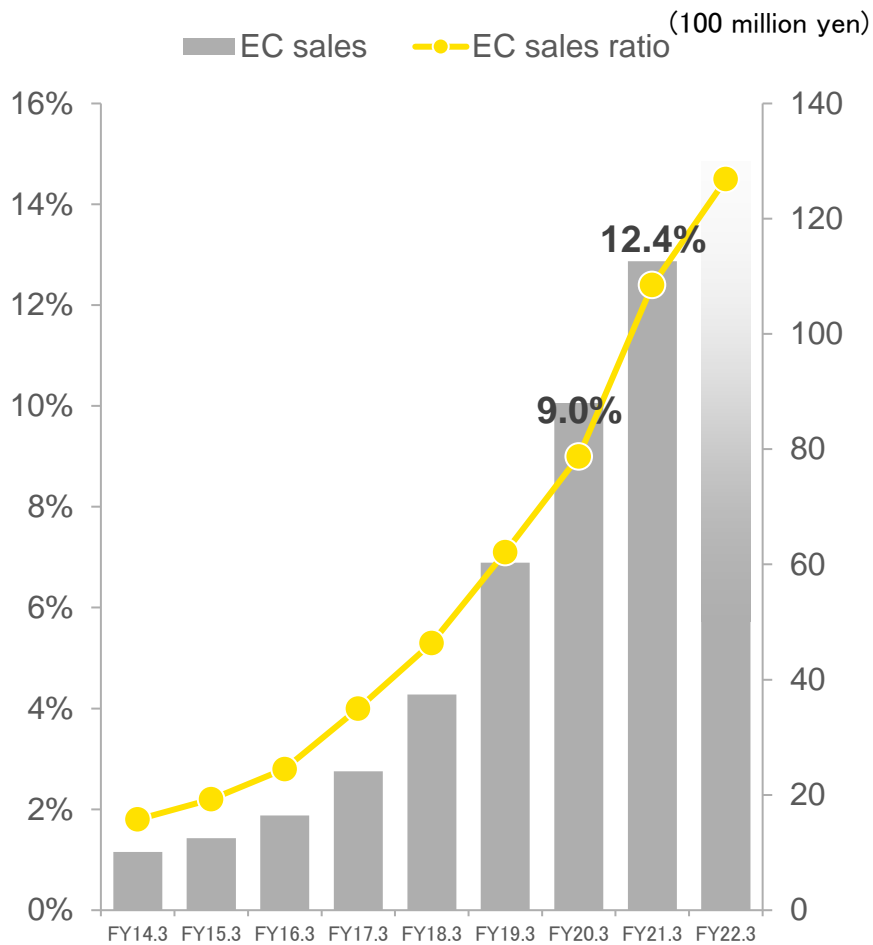
(Note) Transferred 10 stores due to the transfer of the champion brand business in 16.3 period.

■ The number of directly managed stores up to the second quarter was 3 stores opened, 0 stores closed, 3 net increase stores, and 164 stores.

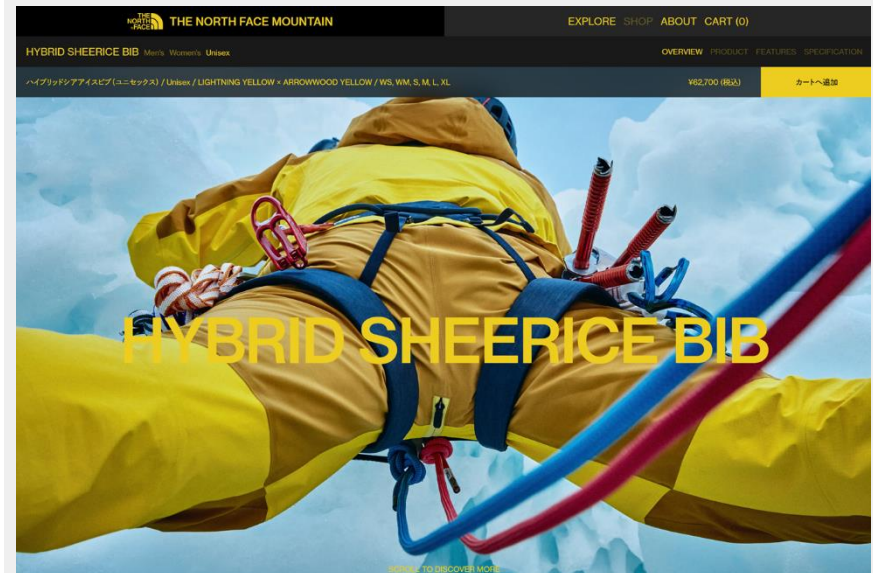
■ Self-managed sales ratio in the second quarter was 58%.
 ■ Record high due to reopening of directly managed stores.

EC sales in the first half were affected by the temporary closure of directly managed stores, but increased by 20.8% from the previous year and the ratio of EC sales was 14.1%.

Changes in EC sales and EC sales ratio.



THE NORTH FACE MOUNTAIN EC Site

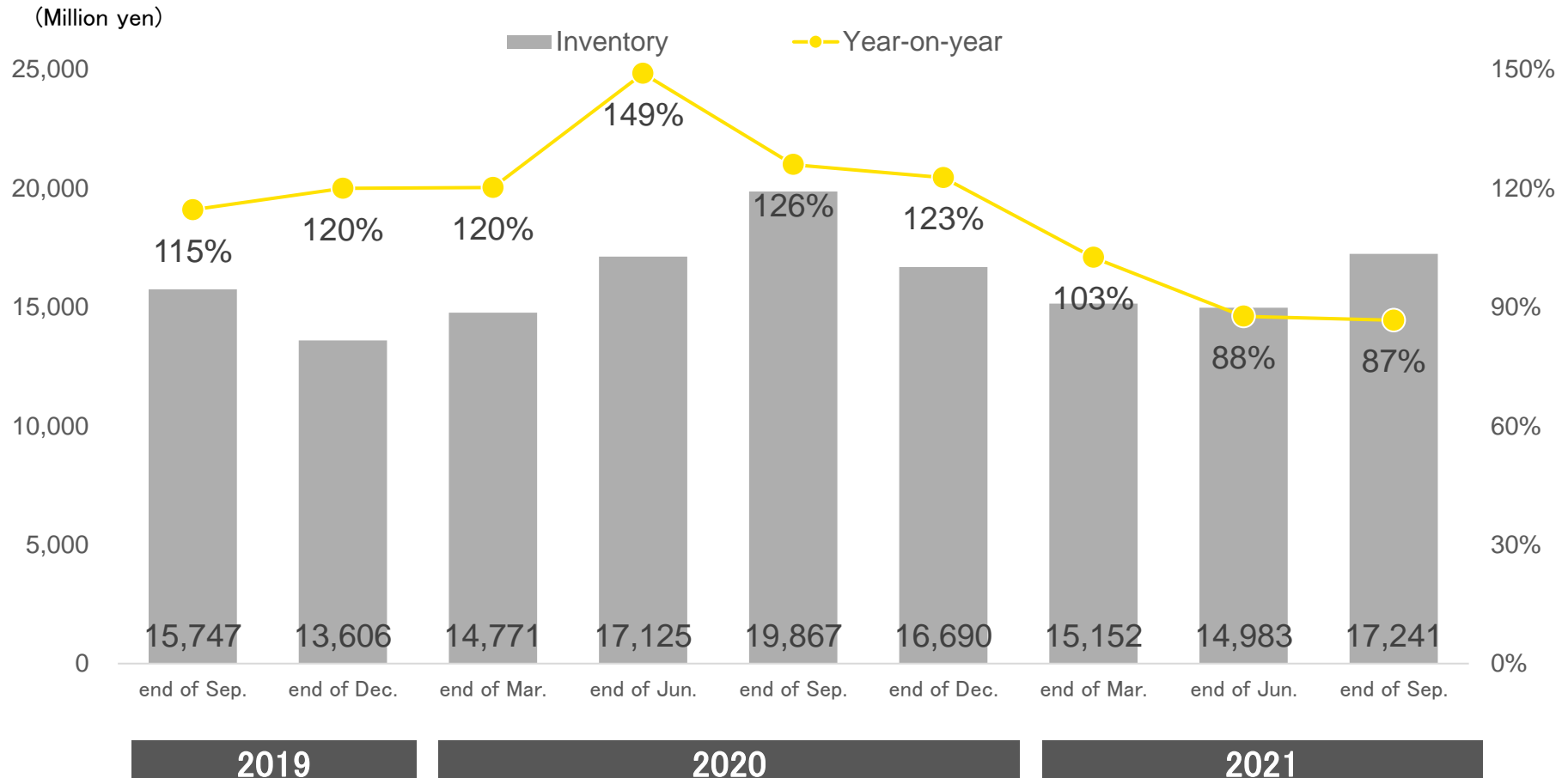


Realizing a new purchasing experience by linking physical stores and EC Expansion of the community.

Seamless purchasing experience both online and offline & expanding the community beyond geographical limits with a worldview and cultural experience.

At the end of September, it was 87% compared to the same period of the previous year. In the second half of the year, we will control the order volume and expect it to remain below the previous year's level.

Quarterly inventory balance trends

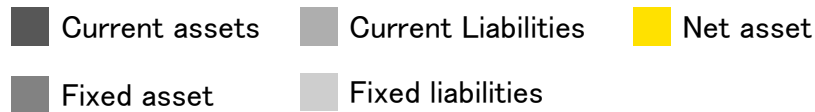


(Note) Inventories are the total balance of goods and products, work in process, raw materials and stored goods.

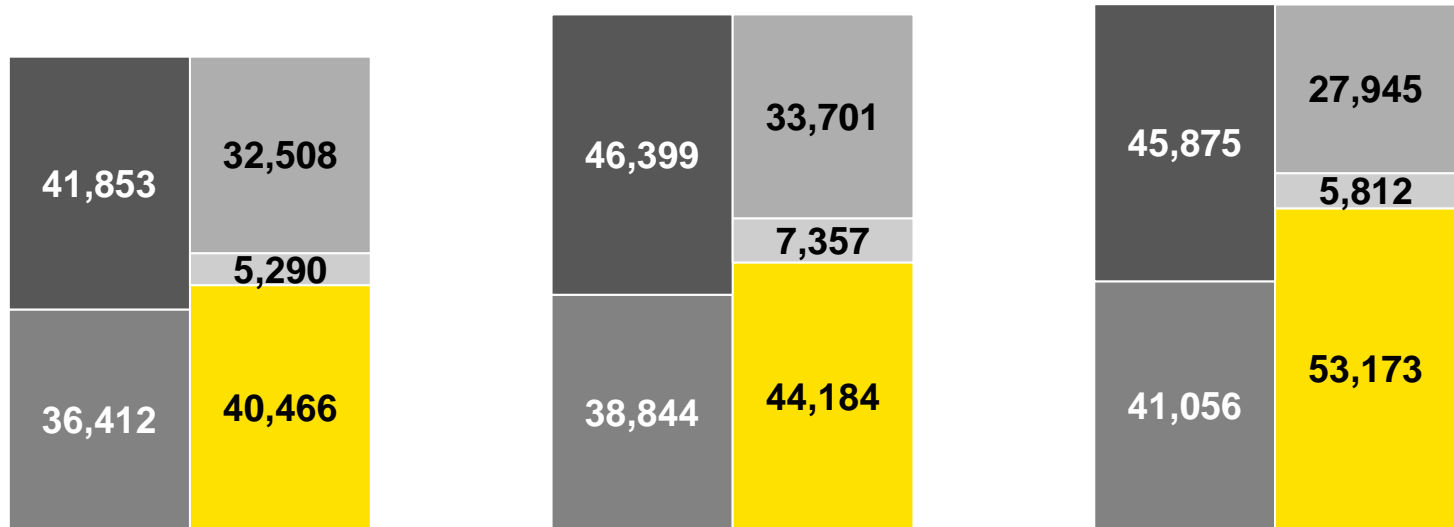
Second quarter balance sheet of the fiscal year ending March 2022.



The capital adequacy ratio increased by 9.3pt by reducing interest-bearing debt. Achieve both a strong financial position and high capital efficiency.



(Million yen)



(Million yen)

	Second quarter of the fiscal year ending March 2020	Second quarter of the fiscal year ending March 2021	Second quarter of the fiscal year ending March 2022
Net asset	40,466	44,184	53,173
Capital adequacy ratio	51.6%	51.7%	61.0%

II . Full year outlook for the fiscal year ending March 2022

The third quarter has arrived when economic activity resumes. Despite being affected by the lockdown in Vietnam, we will face the autumn / winter sales season through three sales channels by EC in addition to directly managed stores and wholesale stores.

Summary of full year financial results forecast for the fiscal year ending March 2022 **GOLDWIN**

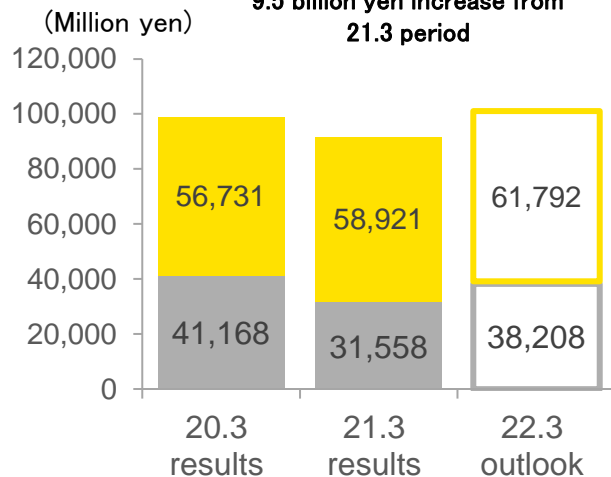
No change from the initial outlook. Sales of 100 billion yen. Aiming for an operating margin of 14% while continuing to invest in growth.

Forecast of financial results for the fiscal year ending March 2022 (Million yen) (Note) The figures on the left are the results for the previous term, and the figures on the right are the outlook for this time.

	Net sales		Gross profit		Ordinary income		Net income	
Previous term results / This term outlook	90,479	100,000	14,838	14,000	15,984	15,200	10,734	10,300
Year-on-year comparison	110.5%		94.3%		95.1%		96.0%	
Profit margin on sales	—		14.0%		15.2%		10.3%	

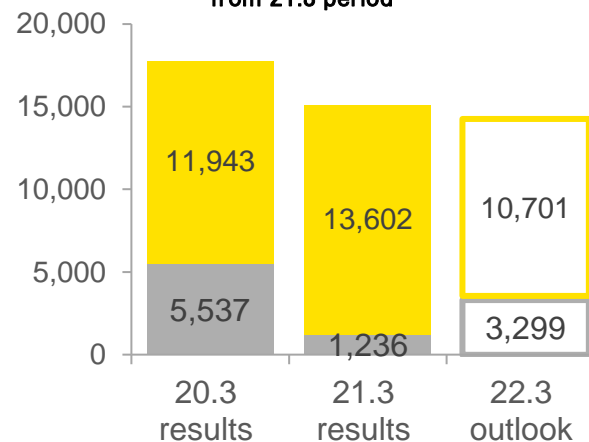
Net sales

9.5 billion yen increase from 21.3 period



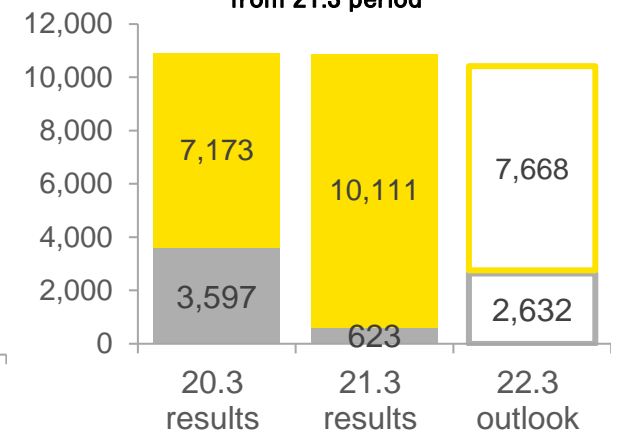
Ordinary income

800 million yen decrease from 21.3 period



Net income

400 million yen decrease from 21.3 period



■ 1st half ■ 2nd half

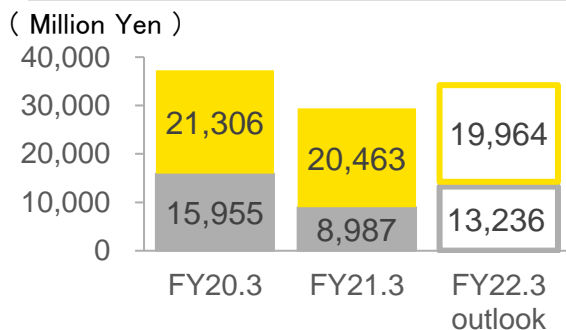
Sales are expected to increase in all business categories. Aiming to acquire customers in a wide range of customers and channels.

Sales forecast by business category (Million yen)

(Note) The figures on the left are the results for the previous term, and the figures on the right are the outlook for this time.

	Performance		Lifestyle		Fashion	
Previous term results / Forecast for this term	29,450	33,200	54,420	58,800	6,608	8,000
Year-on-year	79.0%	112.7%	102.1%	108.0%	90.3%	121.1%
Sales composition ratio	32.5%	33.2%	60.1%	58.8%	7.3%	8.0%

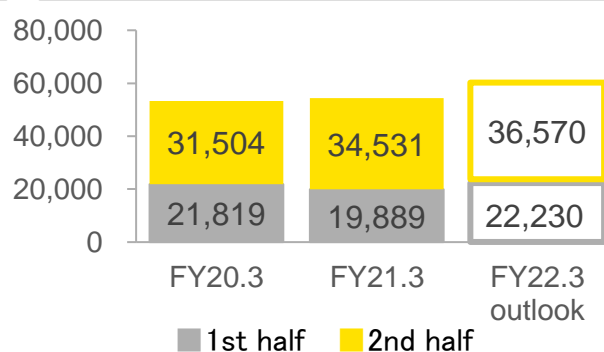
Performance



112.7% year-on-year

Mountaineering, resumption of hiking, double-digit increase outlook

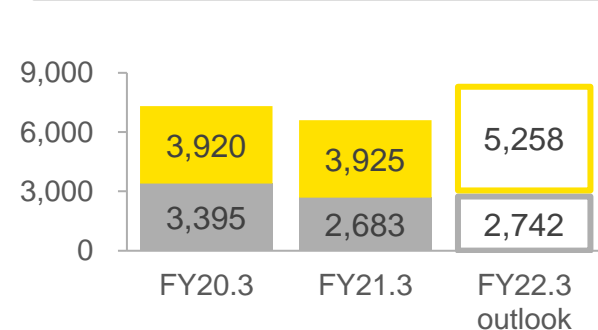
Lifestyle



108.0% year-on-year

Camping demand is expected to remain strong
Expected to recover demand after vaccination.

Fashion



121.1% year-on-year

Expected to increase the number of items handled in addition to the reopening of directly managed stores in the same period of the previous year.

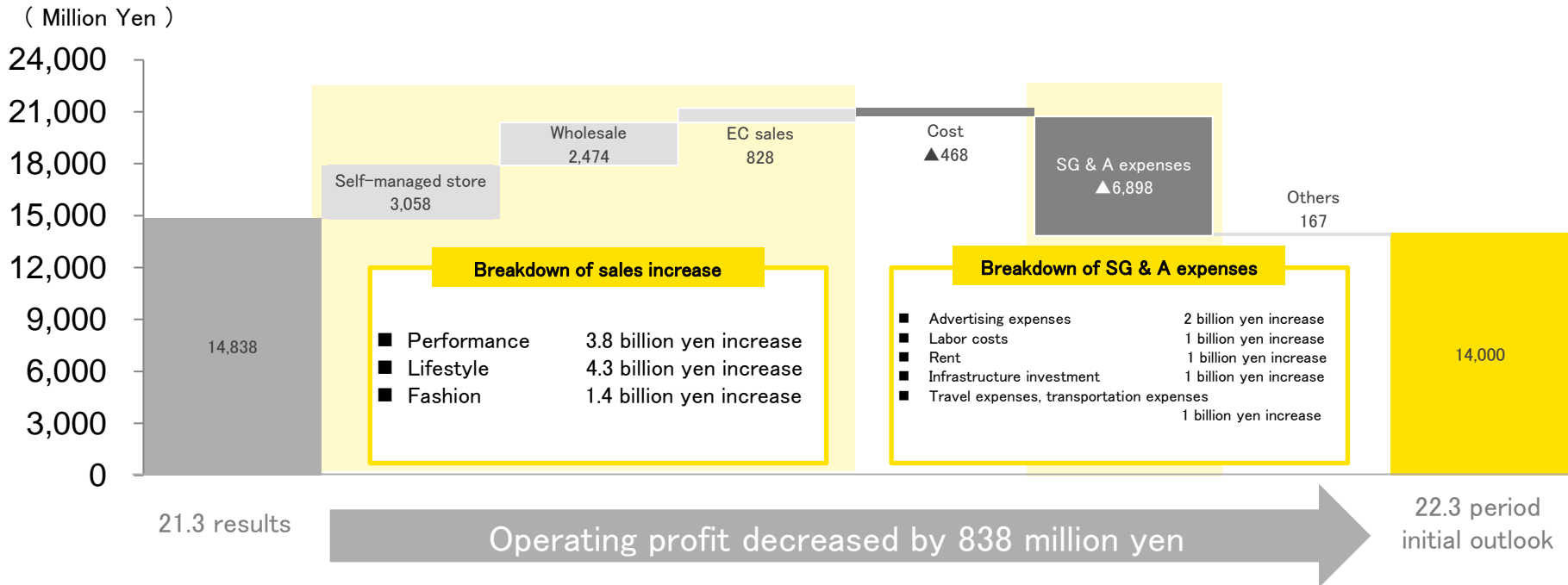
Expect a tailwind for Lifestyle and Fashion as deregulation progresses.

	Performance	Lifestyle	Fashion
Sales composition ratio (Forecast for the fiscal year ending March 2010)	33.2%	58.8%	8.0%
Value provision	Ultimate high functionality	Daily support for outdoor items	Fusion of high functionality and fashion
Target	Mountaineering and running fans	Ripple for kids and ladies	Fashion layer
Sales channel	Directly managed store (city center) specialty shop	Directly managed store (suburban mall) Sports mass retailer	Directly managed store (city center) Select shop
Seasonal sales trends	Year-round sale	3Q volume is large	Year-round sale
The influence of corona crisis	Open air Camping demand	Stress Free Re-Pose is strong	Home office wear demand
Growth driver Investment effect	Introduction of high-spec products	Expanding the lineup of products for kids and ladies	Expansion of sales channels to suburban stores

Graph of factors for increase / decrease in operating income **GOLDWIN**

It is expected that the increase in SG & A expenses will be covered by the actual demand business model through directly managed stores, wholesale, and EC sales.

Operating income for the fiscal year ending March 2022 First outlook (May 14, 2021)



Forecast of sales for the fiscal year ending March 2022 by business category

Performance

Sales: 33.2 billion yen
(113% compared to the previous term)

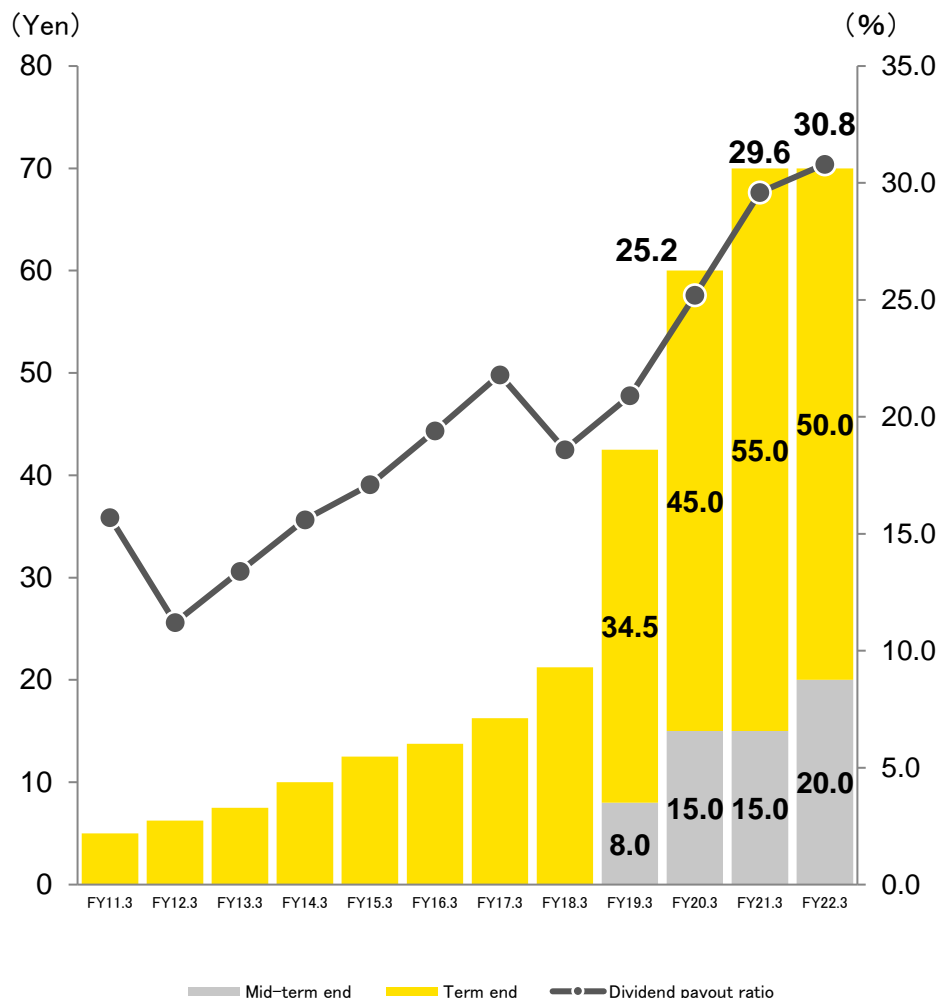
Lifestyle

Sales: 58.8 billion yen
(108% compared to the previous term)

Fashion

Sales: 8 billion yen
(121% compared to the previous term)

Dividends will increase for 10 consecutive terms in 21.3. The year-end dividend of 55 yen includes a dividend of 10 yen to commemorate the 70th anniversary of the company's founding.
For the 22.3 fiscal year, the interim dividend will be 20 yen, the year-end dividend will be 50 yen, and the full year dividend will be 70 yen, with a dividend payout ratio of 30.8%.



(Note) Indicated as a dividend per share based on the 20.3 period.

Basic policy

We will always recognize that returning profits to shareholders is one of the most important issues for a company, strengthen our financial position and management base, and continue to pay stable dividends.

Dividend record

Interim dividend will be paid from the fiscal year ending March 2019. Dividend increase for 10 consecutive years in the fiscal year ending March 2021.

Dividend forecast

In the fiscal year ending March 2022, in addition to the interim dividend of 20 yen, the year-end dividend will be 50 yen, the same amount as the previous fiscal year.

Reverse stock split / split

On October 1, 2015, 5 shares were consolidated into 1 share, and the number of shares constituting one unit was changed from 1,000 shares to 100 shares.

Split 1 share into 2 shares with March 31, 2018 as the record date.
Split 1 share into 2 shares with September 30, 2019 as the record date.

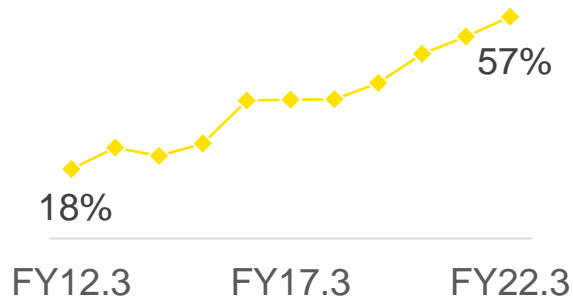
III. Priority measures to achieve the full-year outlook

Build a product development and sales system that maximizes competitive advantage by accepting changes in the external environment as a tailwind.

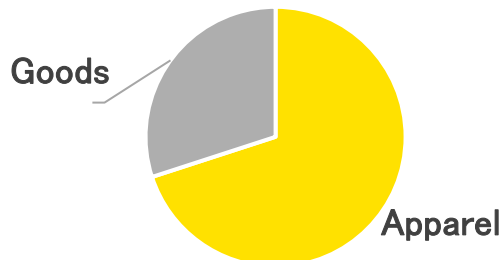
Although we anticipate an impact of approximately 3 billion yen on a sales basis, we will make efforts to sell without affecting the delivery date of our main down jackets.

Trends in Vietnamese production over the last 10 years.

Moved production area from China, and now Vietnam production is about 50%. Mainly apparel production.



Breakdown of Vietnamese production in 2021



Impact of this lockdown

Negative impact of about 3 billion yen as a selling price. Aim for recovery with the main down jacket.

Goods

Nupsi booties have a big impact on down wear merchandise.



Apparel

Delivered with almost no effect on the main down jacket.



Future countermeasures

Currently, the lockdown has been released and delivery is proceeding at a rapid pace.

1

Factory production in Ho Chi Minh will be delivered sequentially from November.

2

Policy to carry over to the next term and advance the arrival of other products ahead of schedule.

Medium- to long-term countermeasures

We will proceed with consideration of production area diversification as a risk hedge from now.

Balancing the two directions of differentiation and cost competitiveness at a high level.

		CORE	MORE
Basic policy	Basic policy	Protecting the lives of people who are active outdoors and pursuing quality to move more comfortably.	Utilizing the functions and materials developed by CORE, we will expand to various customer groups and usage scenes beyond the outdoor area.
		Creating brand value ~ Pursuit of functional beauty ~	Ripple of brand value ~ Routine function ~
Two business activities, planning and development and sales	① Planning and development (Tech Lab)	Practice of advanced manufacturing that transcends brand boundaries.	Promotion of store starting points through virtual store space
	② Sales	<ul style="list-style-type: none"> Develop directly managed stores specializing in specialized fields Build an in-house EC site that enables customer service and purchasing experiences that can be obtained at stores. Reduction of sales loss rate by thorough order flow management 	<ul style="list-style-type: none"> Opening a store in a large-scale commercial facility Sharing brand value with wholesale stores Cultivating new customer base by developing stores that match values and lifestyles
Development after corona crisis.	Development after corona crisis.	Creating brand value	Ripple of brand value
		<ul style="list-style-type: none"> Introduction of high-spec products "Advanced Mountain Kit ™" sold from SUMMIT SERIES Concluded a comprehensive cooperation agreement with Hokuto City, Yamanashi Prefecture 	<ul style="list-style-type: none"> Expanding the lineup of products for kids and ladies THE NORTH FACE maternity line released Jointly planned THE NORTH FACE x Hoshino Resort "Forest Play Debut Program"

Promote the development of an environment where employees with disabilities can play an active role

SPORTS FIRST

Since its founding, GOLDWIN has continued to look at society through sports, pursue people's happiness, and release products that enrich people's lives.

At the core of our activities, from product planning / development to production and sales, is SPORTS FIRST—the desire to love and understand sports and to deliver its appeal to as many people as possible.

Maximize human capital

Efforts to maximize human capital

Securing diverse human resources

Employee health and safety

Human resource development and career development of employees

Creating a comfortable working environment

GOLDWIN's corporate culture that has been passed down since its founding

Imagination that breaks through common sense

Design power to create functions

Overwhelming technological capabilities to achieve high quality

Store development and sales force to enhance brand value

Goldwin's human capital

Realization of a symbiotic society

As an environment for employees with disabilities to play an active role, we have set "realization of a symbiotic society" as an important ESG management issue, and have created a work environment where employees with and without handicaps can play an active role.

Takayuki Suzuki, who joined the company in 2009, has achieved excellent results in various competitions as a Paralympic swimmer, and is currently studying sports management at a graduate school in the United Kingdom.



Employment rate of people with disabilities

2016	2017	2018	2019	2020
2.16%	1.95%	1.72%	2.46%	2.63%

In the second quarter of the fiscal year ending March 2022, profits have landed above the harsh environment.

Due to the impact of the re-expansion of the new coronavirus infectious disease in a harsh environment, sales in the second quarter fell slightly, but each profits has landed above due to flexible expense execution. In particular, Korean holding companies performed well, and ordinary income was 140% of the initial forecast.

The full-year outlook for the fiscal year ending March 2022 will be disclosed after assessing the third quarter.

From October, due to the impact of deregulation of behavior, it is expected to recover even at stores in central Tokyo. The full-year outlook will be disclosed promptly if it is deemed necessary to review the results of the third quarter, which has a large composition ratio of sales and profits.

Due to the impact of lockdown in Vietnam, sales price decreased by about 3 billion yen.

Delivery delays, mainly for boots, are expected to be around 3 billion yen at the selling price. There is no effect on the delivery date of the main down jacket. We will proceed with measures such as carrying over to the next term.

Company name	GOLDWIN INC.
Location	Tokyo Head Office: 150-8517, Japan 2-20-6 Shoto, Shibuya-ku, Tokyo 03-3481-7201 (Representative) Toyama Head Office: Kiyozawa 210, Oyabe-shi, Toyama 932-0112, Japan 0766-61-4800 (Representative)
Establishment	December 22, 1951
Capital stock	¥7,079 million
Net sales	Consolidated: ¥90,400 million, Non-consolidated: ¥795,00million
Employee	2,322 (2,830 group-wide)
Offices	Tokyo Head Office, Toyama Head Office, Osaka Branch, Sapporo Sales Office, and Fukuoka Sales Office (As of March 31, 2021)
Stock listings	Tokyo Stock Exchange, First Section (Stock Code: 8111)

(As of March 31, 2021)

Precautions regarding business outlook. This document contains plans and outlooks related to the future performance of the Group, such as sales and profits. Please note that these are based on the assumptions that the Group has grasped, judged from available information, and based on assumptions, and actual business results may differ significantly.

Providing uniforms to the 8th Japanese national team and players

Providing uniforms to the Japanese national team



THE NORTH FACE
Sport climbing



Speedo
Swimming, swimming for people with disabilities



ellesse
Wheelchair tennis



HELLY HANSEN
Sailing



CANTERBURY
Rugby sevens, wheelchair rugby



GOLDWIN
Boccia

Second Quarter Income Statement Summary



	1Q			2Q			Cumulative first half		
	FY20.3	FY21.3	FY22.3	FY20.3	FY21.3	FY22.3	FY20.3	FY21.3	FY22.3
Net sales	18,074	12,200	17,078	23,094	19,358	21,130	41,168	31,558	38,208
Gross profit	9,531	6,330	8,986	12,019	9,799	10,514	21,550	16,129	19,500
(%)	52.7%	51.9%	52.6%	52.0%	50.6%	49.8%	52.3%	51.1%	51.0%
SG & A expenses	7,499	6,770	7,851	8,514	8,098	8,349	16,013	14,868	16,200
(%)	41.5%	55.5%	46.0%	36.9%	41.8%	39.5%	38.9%	47.1%	42.4%
Operating income	1,902	▲479	1,135	3,635	1,715	2,164	5,537	1,236	3,299
(%)	10.5%	-	6.6%	15.7%	8.9%	10.2%	13.4%	3.9%	8.6%
Ordinary income	1,946	▲76	1,696	3,346	1,471	2,139	5,292	1,395	3,835
(%)	10.8%	-	9.9%	14.5%	7.6%	10.1%	12.9%	4.4%	10.0%
Net income	1,375	▲292	1,235	2,222	915	1,397	3,597	623	2,632
(%)	7.6%	-	7.2%	9.6%	4.7%	6.6%	8.7%	2.0%	6.9%

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