



Financial results briefing materials for the fiscal year ending March 2022

Goldwin Inc. (8111)

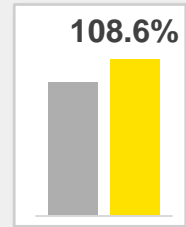
May 13, 2022

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I. Financial Results for the Fiscal Year Ending March 2022

The business model built over 20 years adapts to changes in consumer behavior due to the Corona crisis

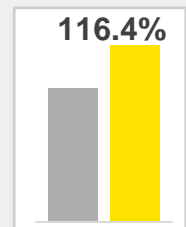
Continued to be strong from the end of last year. Wholesalers and EC sales support even while stores are closed due to Omicron variant.



Net sales
Year-on-year
108.6%

- Sales have been increasing since the latter half of the third quarter, and in the fourth quarter (three months), both sales and profits have reached record highs, and full-year sales have also reached record highs.
- The NORTH FACE down, fleece and other winter clothing are the driving force.

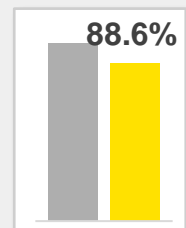
EC sales continue to be strong, and the EC sales ratio is 13.4%, up 1.0 points from the same period of the previous year.



EC sales
Year-on-year
116.4%

- EC sales have been strengthened in collaboration with directly managed stores, customer convenience has improved significantly, and sales trends have remained strong at 116.4% year-on-year.
- In October 2021, the MOUNTAIN site specializing in mountaineering was opened. Ingenuity to bring out the enjoyment of buying in EC also contributes positively.

Inventory balance is 88.7% year-on-year, continuing to stay within the plan



Inventory
Year-on-year
88.6%

- The balance of inventories was 13.4 billion yen, 88.6% of the same period of the previous year.
- We have built a management system that can respond to unforeseen circumstances such as the supply chain due to the Corona crisis and the temporary closure of directly managed stores.

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

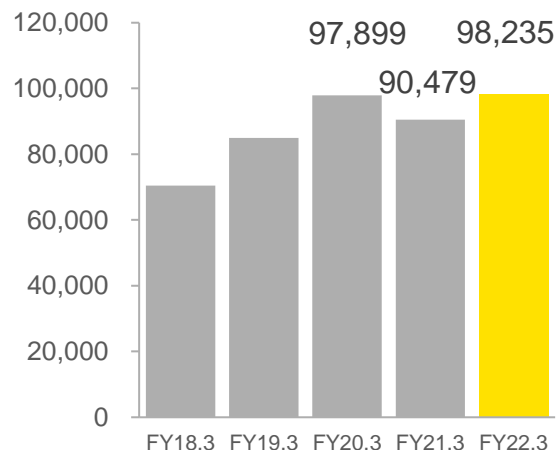
Sales are the highest ever. Ordinary income also exceeded a record high of 20 billion yen for the first time. Net income increased by 30% year-on-year

Financial results for the fiscal year ending March 2022 (Million yen)

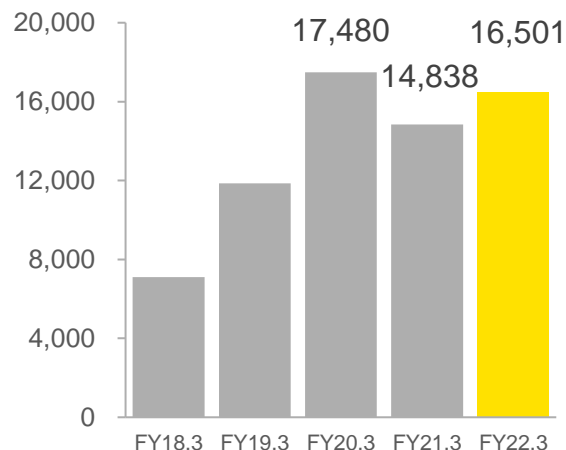
	Net sale	Gross profit	Operating income	Ordinary income	Net income
Result	98,235	51,743	16,501	20,285	14,350
Year-on-year	108.6%	107.8%	111.2%	126.9%	133.7%
Profit margin on sales <small>() is the same period of the previous year</small>	—	52.7% (53.1 %)	16.8% (16.4 %)	20.6% (17.7 %)	14.6% (11.9 %)

Net sale

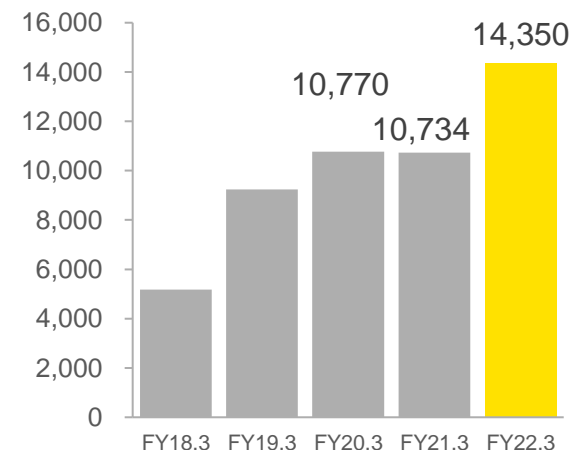
(Million yen)



Operating income



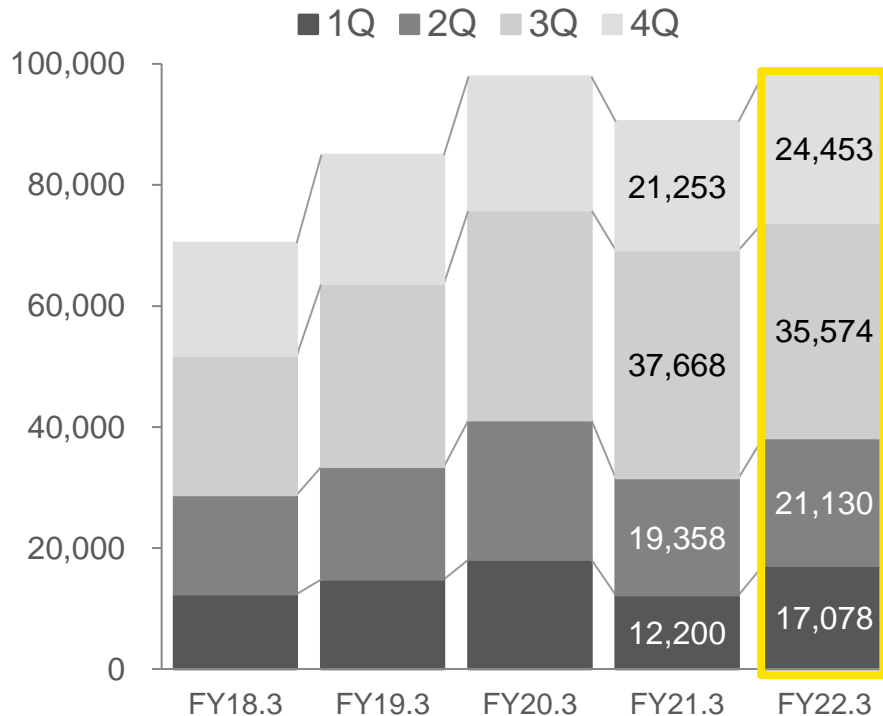
Net income



The recovery trend was strengthened from the latter half of the third quarter, and both sales and profits reached record highs in the fourth quarter (three months).

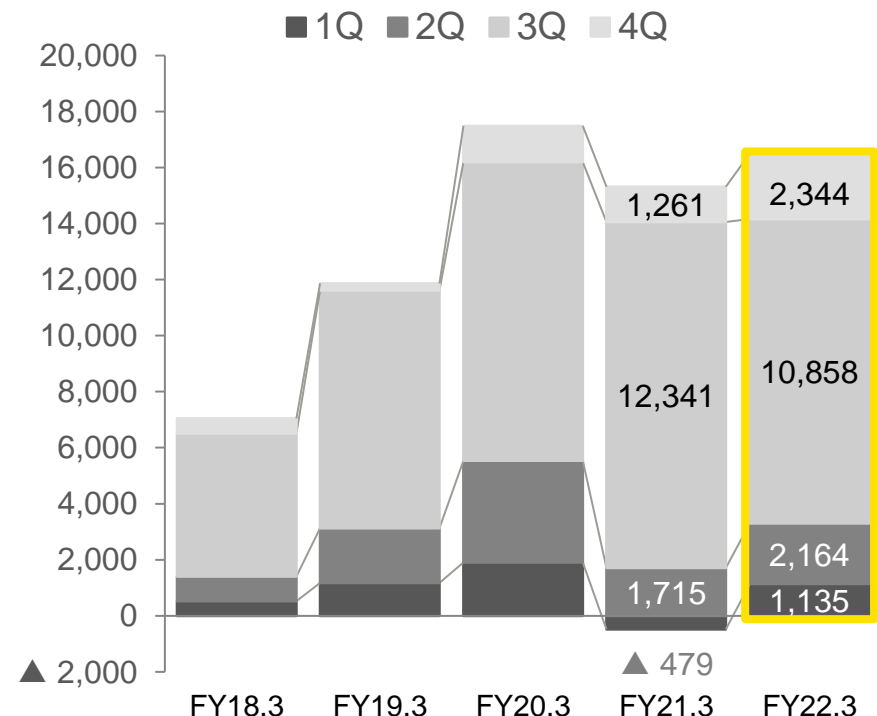
Net sale (quarterly)

(Million yen)



Operating profit (quarterly)

(Million yen)



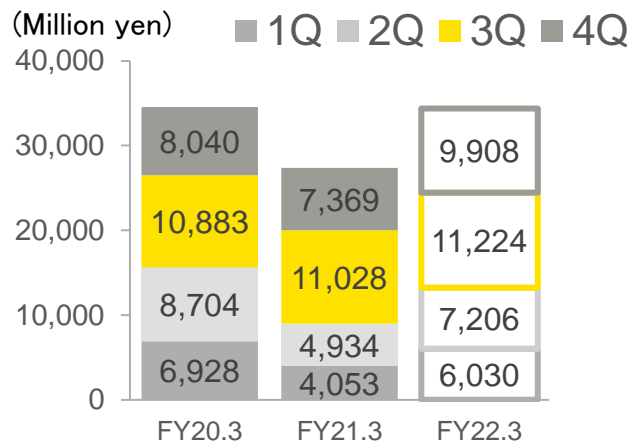
**THE NORTH FACE performance (down, fleece), etc.
Winter clothing-related products continue to drive business performance**

**Record high for the 4th quarter (3 months).
Toward a management structure that can reliably record profits in each quarter**

Sales by business category (Million yen)

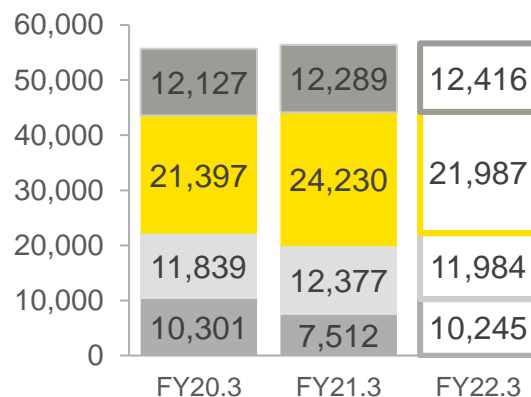
	Performance	Lifestyle	Fashion
Result	34,369	56,633	7,233
Year-on-year comparison	125.5%	100.4%	108.2%
Year-on-year amount	+6,984	+225	+546
Sales composition ratio	35.0%	57.7%	7.3%

Performance



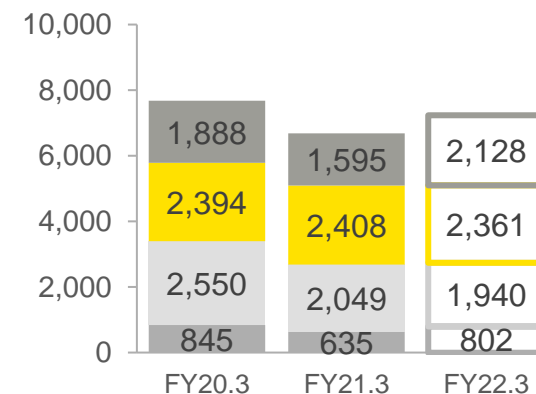
THE NORTH FACE growsNot only mountaineering but also athletic use such as running contributes throughout the year

Lifestyle



The impact of Vietnam's lockdown is minor. Standard products such as T-shirts and pants spread to kids and ladies in addition to men's

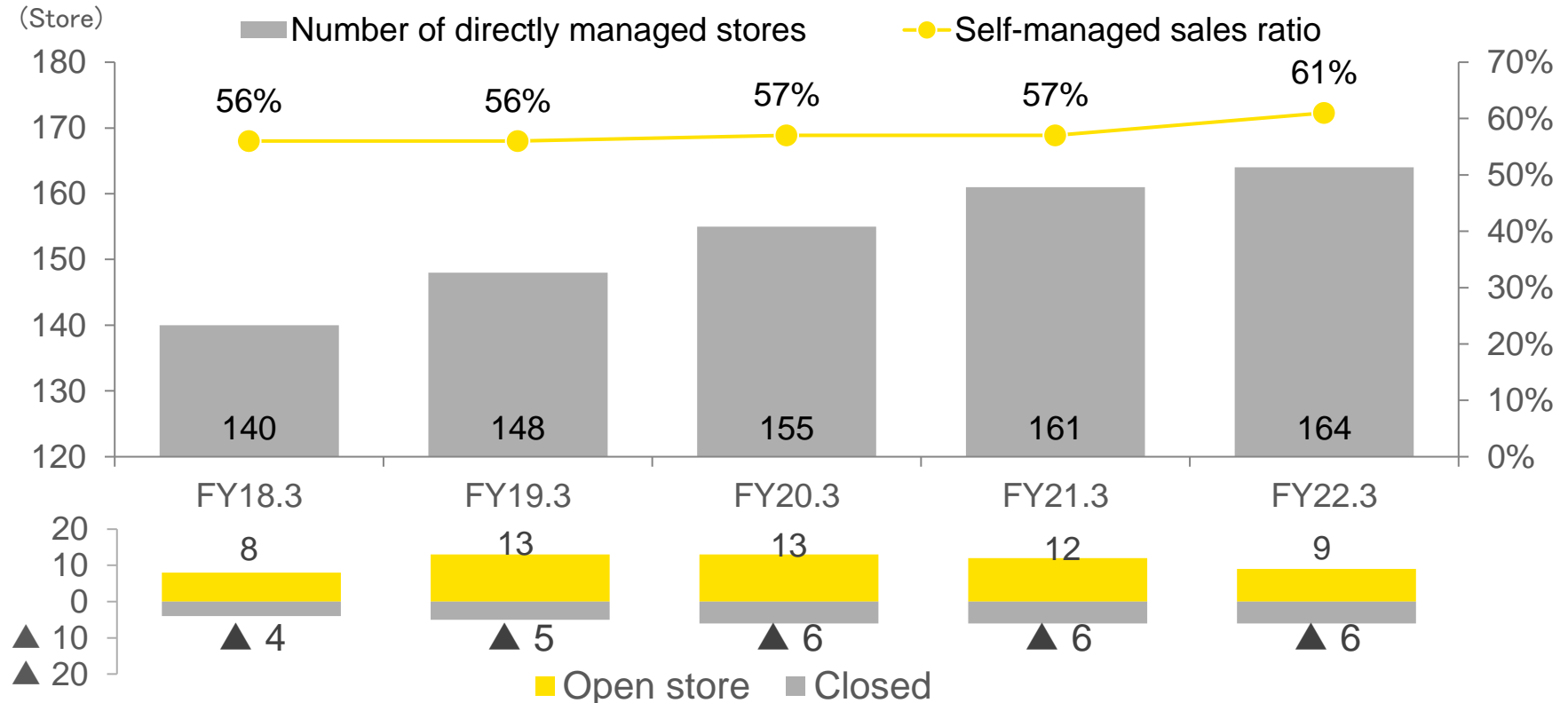
Fashion



THE NORTH FACE PURPLE LABEL expands to a wide range of channels such as EC sales

Shop-in-shop raises self-managed sales ratio to 61%, the highest ever. 22.3 is mainly for floor expansion

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



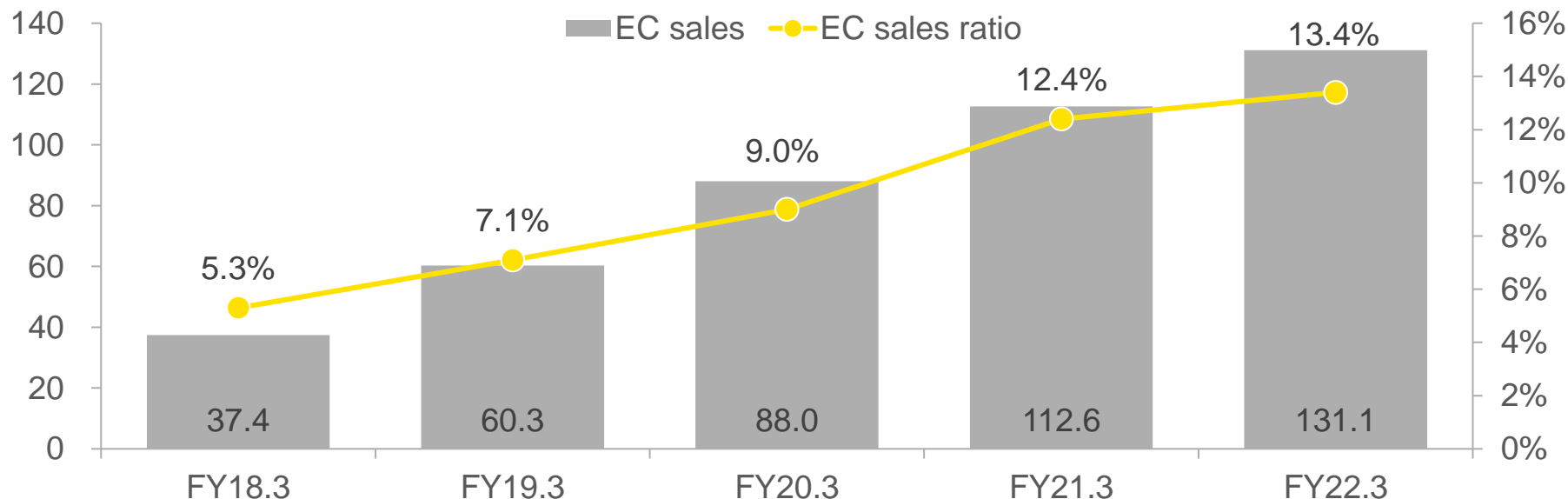
The number of directly managed stores is 9 stores opened, 6 stores closed, and 3 stores net increase, 164 stores as of the end of March 2022.

Self-managed sales ratio is 61% as of the end of March
Voluntary management of wholesalers continues to grow. Record high

EC sales remained strong, up 16.4% year-on-year. EC sales ratio is 13.4%, up 1.0 points from the same period of the previous year

Changes in EC sales and EC sales ratio

(100 million yen)



Promotion of inventory circulation between directly managed stores and EC by utilizing OMO tools

EC collect

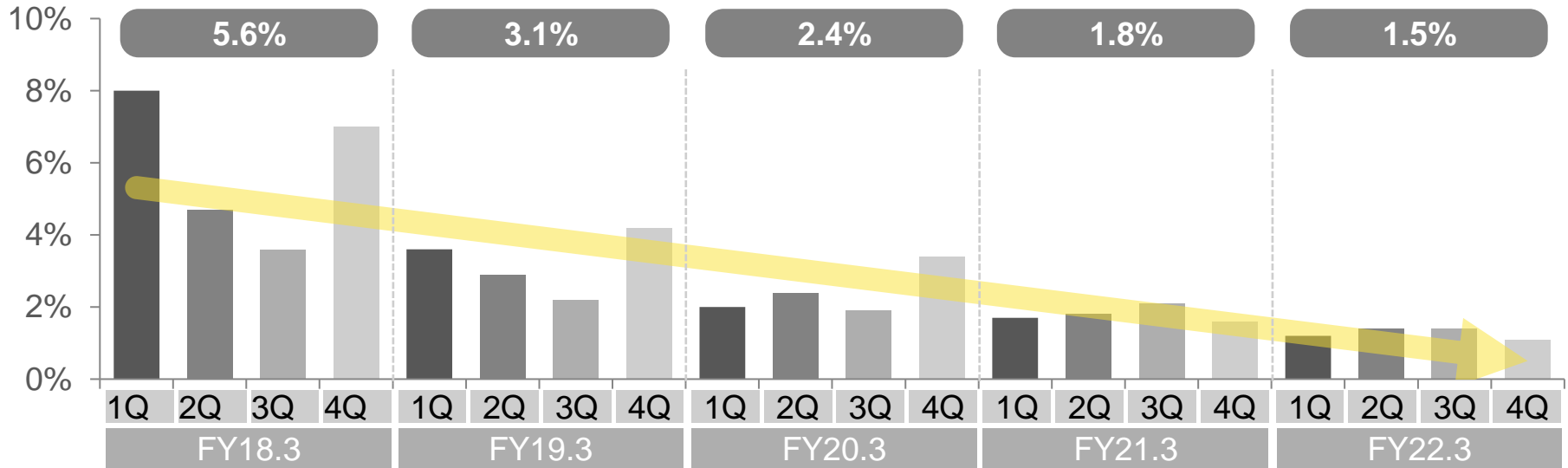
A service that ships products in directly managed stores to the customer's home by cash on delivery (recorded as store sales)

Staff order

If there are no products in the store, the shop staff will place an order from the app and ship it to the customer's home (recorded as store sales).

Sales loss rate continues to be in the single digit range throughout the period due to the penetration of actual demand business

Quarterly sales loss rate trends



Total amount regulation

Set a "total amount frame" at the time of ordering according to sales performance and sales loss

Order flow management

Weekly management of in-store inventory flow during the season to improve efficiency

Moving between stores

Improve the digestibility during the period by actively moving products between stores

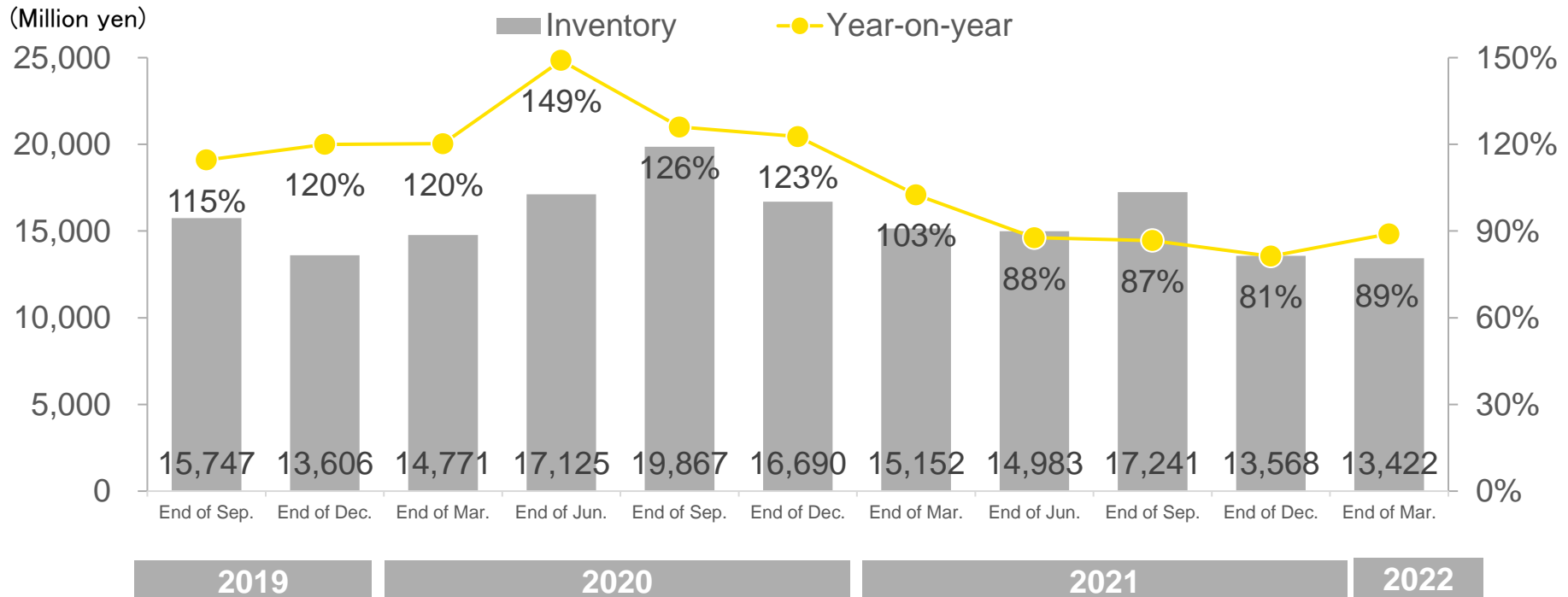
Correcting quarterly disparities

Maintaining the same level of sales loss rate in all quarters and closing season gaps

(Note) Sales loss rate (returns + discounts) / Total sales The figures in the upper row are the average values for each period.

At the end of March, it was 89% compared to the same period of the previous year. 91% compared to the same period last year. Promote steady digestion without excessive discount sales

Quarterly inventory balance trends



Factor analysis of inventory decrease

Changing the delivery date of some products to the next fiscal year due to lockdown in Vietnam will cause inventory reduction, but we will build a stable inventory management system through continuous efforts for order flow management.

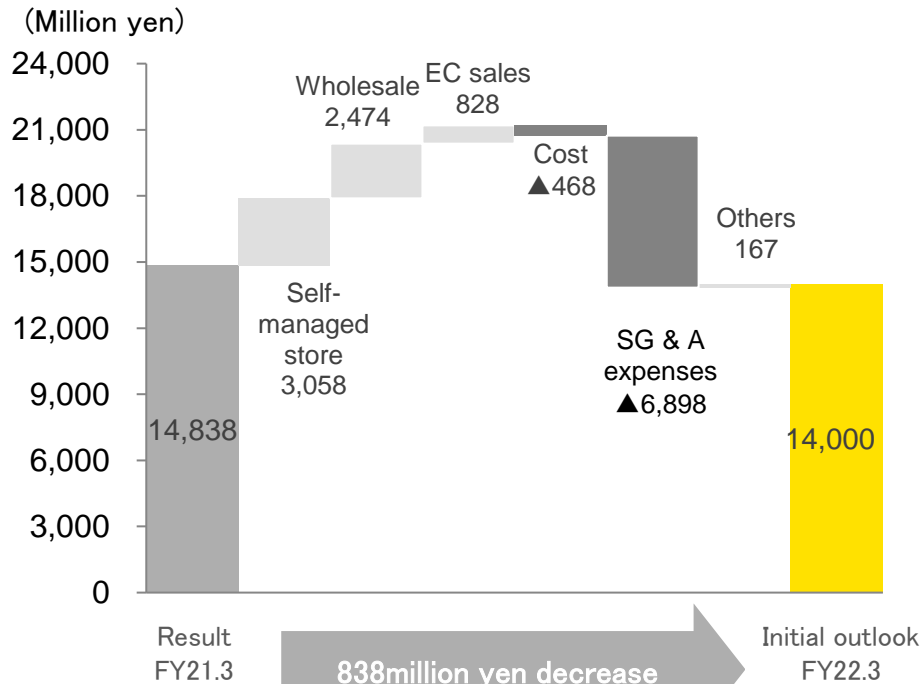
Management policy for Inventory control

We will not offer significant discounts during the sale period, effectively utilize directly managed outlets, etc., and promote steady digestion without damaging the brand value.

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

Although sales have not reached the initial forecast compared to the initial plan, profits increased year-on-year mainly due to the restraint of SG & A expenses.

Initial outlook



(Note) Sales loss rate is calculated within the cost

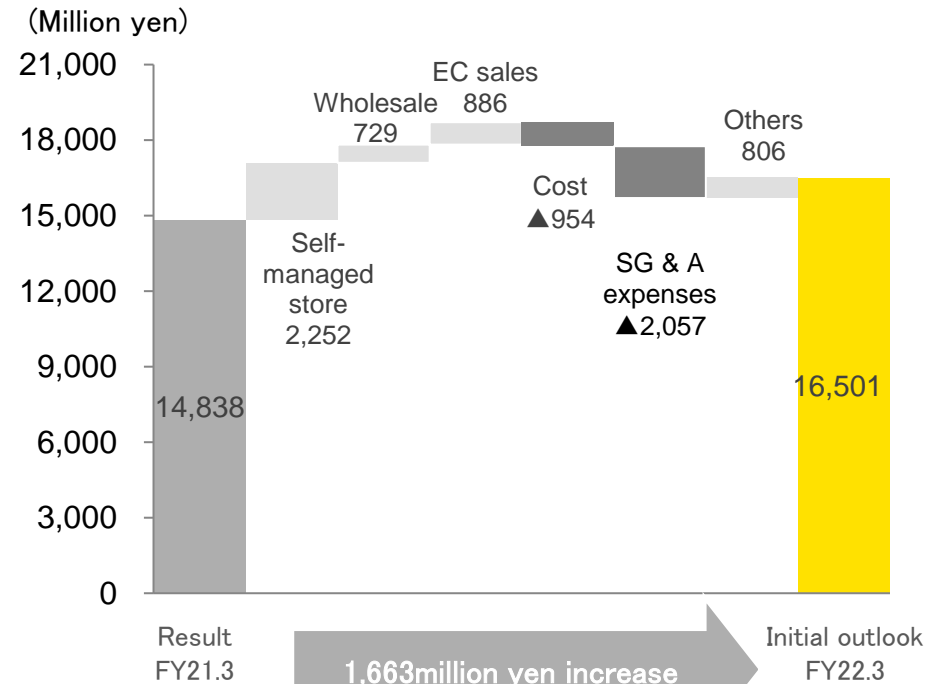
Breakdown of sales increase

Performance	3.8billion yen increase
Lifestyle	4.3billion yen increase
Fashion	1.4billion yen increase

Breakdown of SG & A expenses

Advertising expenses	2billion yen increase
Labor costs	1billion yen increase
Rent	1billion yen increase
Infrastructure investment	1billion yen increase
Travel expenses, transportation expenses	1billion yen increase

Result



Breakdown of sales increase

Performance	7.0billion yen increase
Lifestyle	0.2billion yen increase
Fashion	0.2billion yen increase

Breakdown of SG & A expenses

Advertising expenses	0.1billion yen increase
Labor costs	0.5billion yen increase
Rent	0.6billion yen increase
Infrastructure investment	0.5billion yen increase
Travel expenses, transportation expenses	0.3billion yen increase

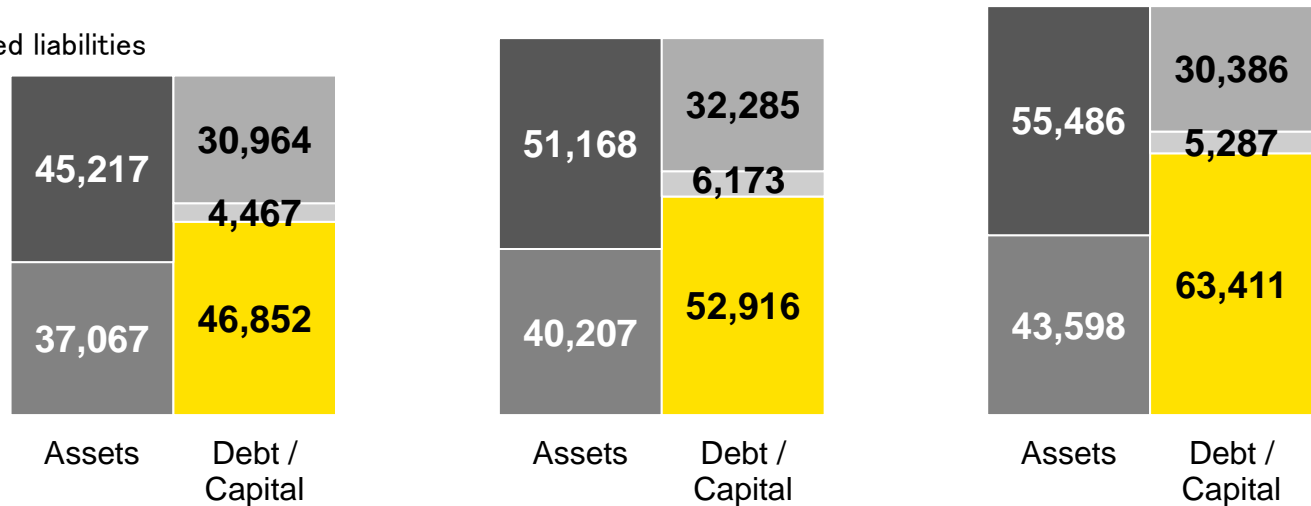
Improve the high ROE management structure by thoroughly improving the efficiency of operations at the company-wide level.

		Improved driver	KPI	Progress	Policy
ROE 22.7%	Expansion of sales	1 Improvement of self-managed sales ratio	Self-managed sales ratio	61%	Voluntary management in the final year of the medium-term management plan Aim for a sales ratio of 60%
		2 Improvement of wholesale sales	Wholesale sales ratio	39%	Promote collaboration with wholesalers in areas that are difficult to cover at directly managed stores
		3 Improvement of EC ratio	EC sales ratio	13.4%	Aim for an EC sales ratio of 30% in the final year of the medium-term management plan
	Improved sales efficiency	4 Inventory balance control	Inventory balance	13.4 billion yen	Controlling order volume and ensuring liquid inventory during the season
		5 Decrease in sales loss rate	Sales loss rate	1.5%	Aim to maintain the 2% level for the full year during the medium-term management plan
		6 Cost control	SG & A rate	35.8%	Maintaining the 30% level while continuing to invest in growth
	Optimization of capital structure	7 Control of interest-bearing debt	D / E ratio	0.07	Aim to maintain 0.3 times or less

Net assets increased by 10.5billion yen year-on-year. Equity ratio exceeds 60%, building a solid financial base

Consolidated balance sheet (Million yen)

Current assets
 Current Liabilities
 Net assets
 Fixed asset
 Fixed liabilities



	FY2020.3	FY2021.3	FY2022.3
Net assets (million yen)	46,852	52,916	63,411
Capital adequacy ratio	56.8%	57.8%	63.9%
Interest-bearing debt (million yen)	4,025	9,746	4,188
D / E ratio (double)	0.09	0.18	0.07

II. Forecast for the fiscal year ending March 2023

The second year of the medium-term management plan. Efforts to improve infrastructure for sustainable growth.

Corona crisis is expected to be on par with the previous term, but gaining knowledge of crisis management and producing results in the supply chain

Prerequisites

① Inbound demand

The recovery of inbound demand is not factored in.

② Directly managed store

Temporary closure of directly managed stores is expected to be about the same as the fiscal year ending March 2022.

③ Overseas sewing factory

The closure of overseas garment factories will promote the diversification of suppliers, and the impact is expected to be minor.

④ New store opening

For new store openings, we will thoroughly manage profitability and prioritize measures to increase floor space.

⑤ Selling, general and administrative expenses

The event that has been postponed for the last two periods is expected to recover to the level before Corona.

⑥ Capital investment

The renewal of distribution bases and core systems is scheduled to start operations in the second half of 2022.
Depreciation expenses will be recorded from the second half.

Summary of full-year financial results forecast for the fiscal year ending March 2023

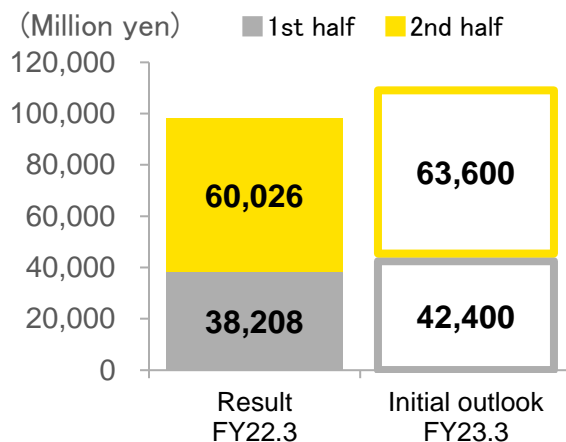


Sales exceed 100 billion yen, aiming to achieve both investment for growth and a highly profitable structure

Forecast of financial results for the fiscal year ending March 2023 (Million yen)

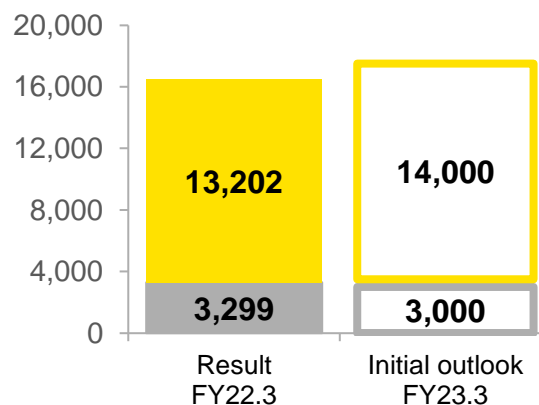
	Net sales	Gross profit	Ordinary income	Net income
Plan	106,000	17,000	21,400	16,000
Year-on-year	107.9%	103.0%	105.5%	111.5%
Sales composition ratio	—	16.0%	20.2%	15.1%

Net sales



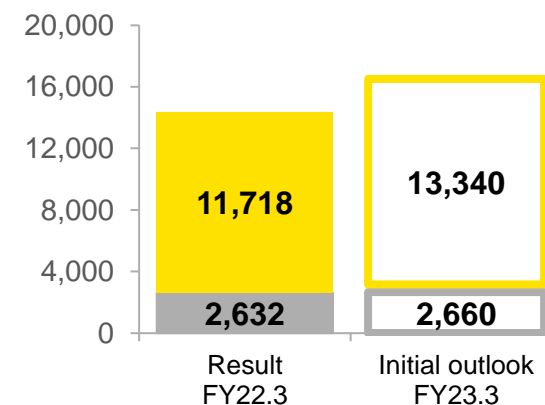
7.8 billion yen increase from FY22.3 period

Gross profit



500 million yen increase from FY22.3 period

Net income



1.7 billion yen increase from FY22.3 period

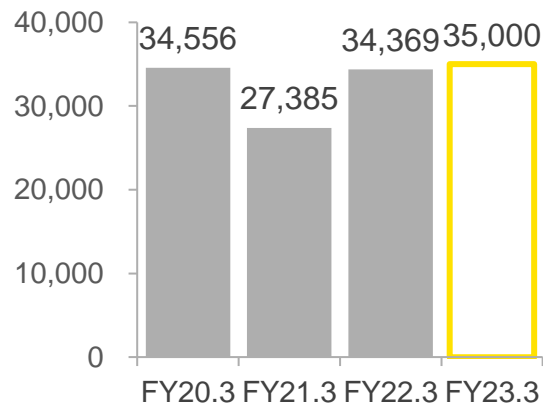
Sales are expected to increase in all business categories. Performance will be strengthened in the athletic field in addition to the outdoors.

Sales by business category (Million yen)

	Performance	Lifestyle	Fashion
Outlook	35,000	63,500	7,500
Year-on-year	101.8%	112.1%	103.7%
Sales composition ratio	33.0%	59.9%	7.1%

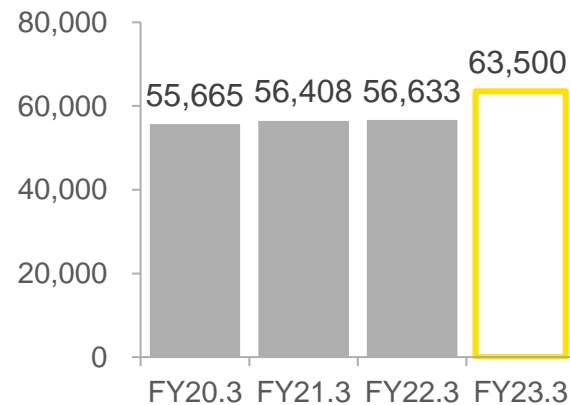
Performance

(Million yen)



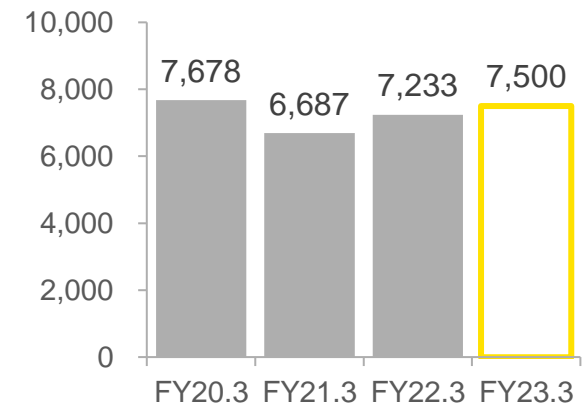
Expanding the outdoor population and strengthening promotion. Expansion of services provided by flagship stores.

Lifestyle



Increased reaction from Vietnam lockdown. Launched a special camp EC site and rebuilt the brand image in the camp market.

Fashion

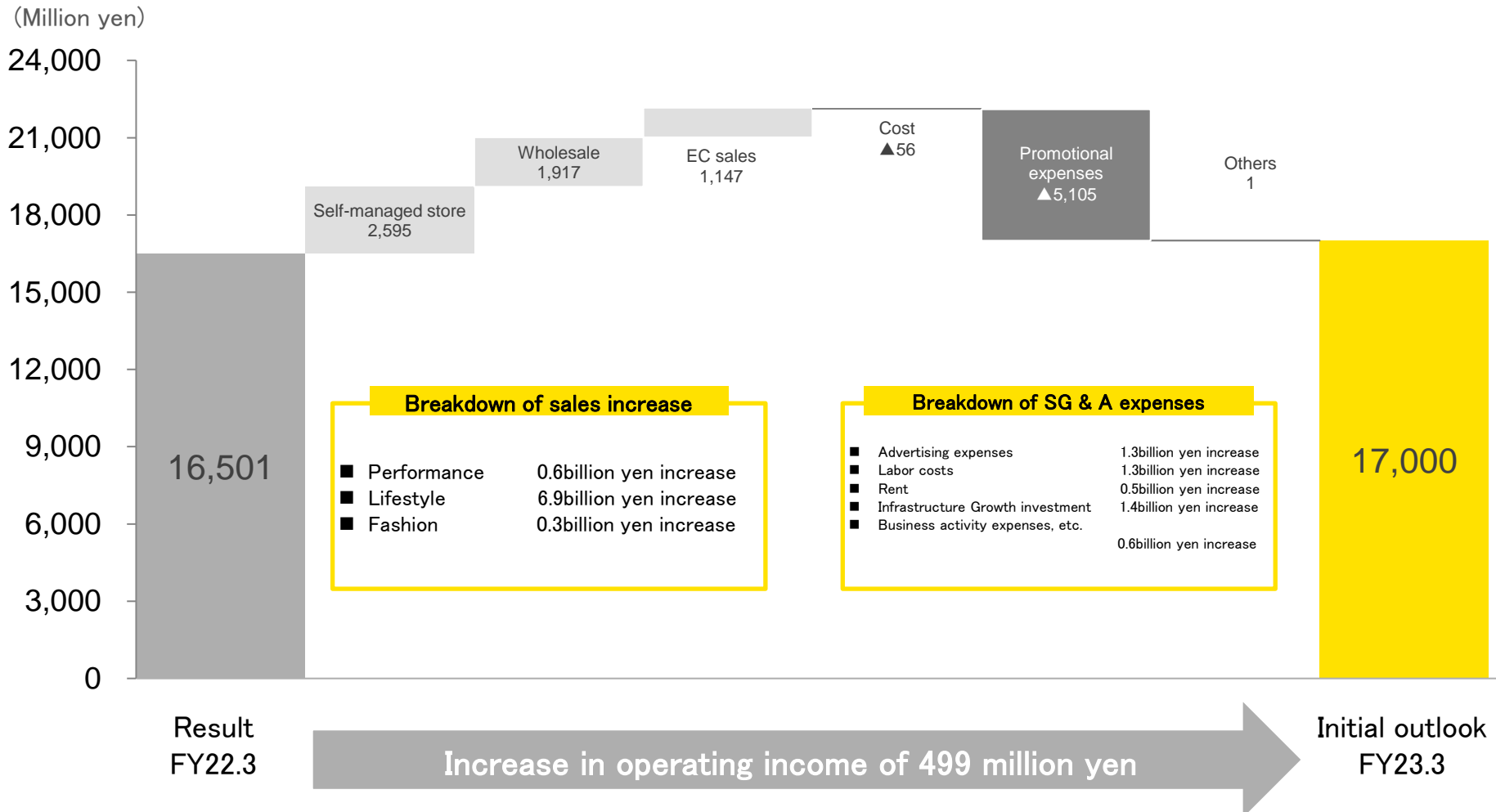


Strengthening digital content to expand EC. Continued development of collaboration with fashion brands.

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

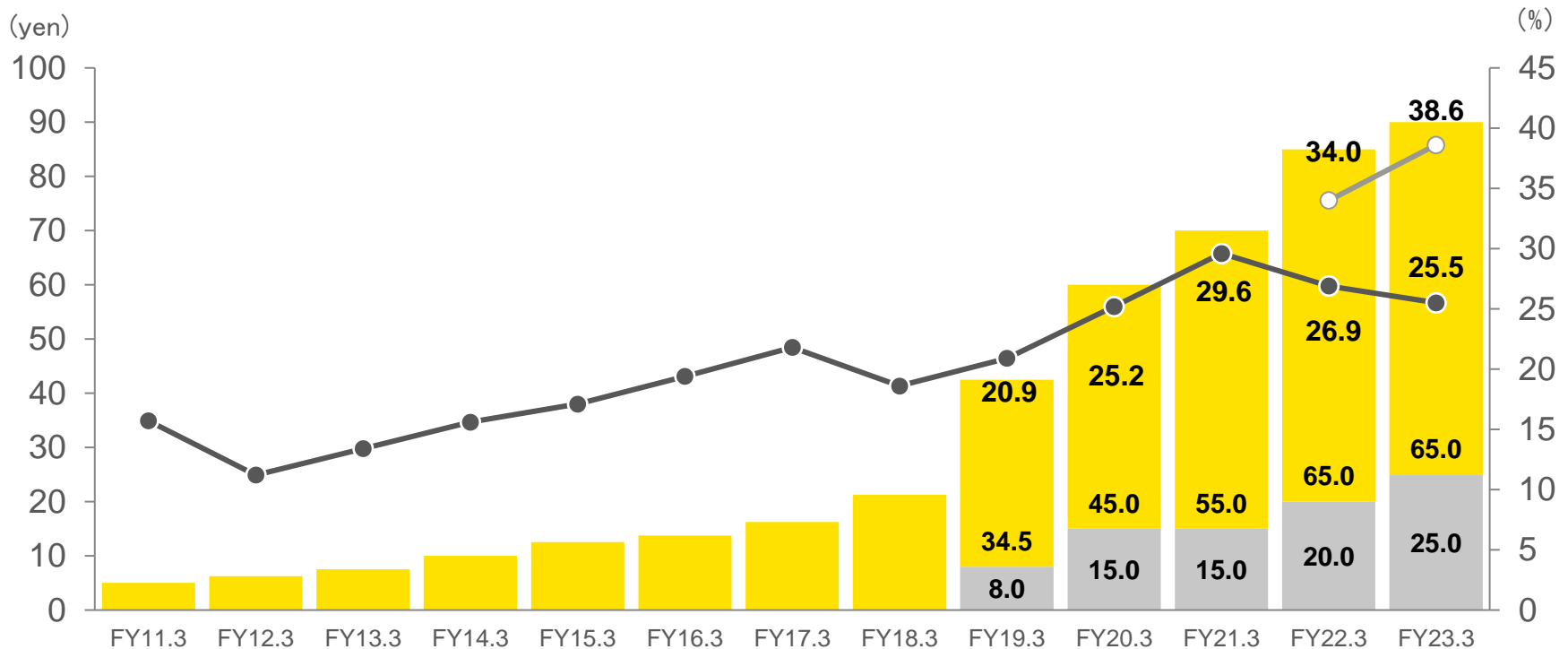
Expected to cover the increase in SG & A with a business model of actual demand through directly managed stores, wholesale, and EC sales.

Operating profit for the fiscal year ending March 2023 Initial outlook



Changes in shareholder returns and dividend payout ratio **GOLDWIN**

For the 23.3 fiscal year, the interim dividend is 25 yen, the year-end dividend is 65 yen, and the full-year dividend is 90 yen. The dividend payout ratio is expected to be 25.5%.



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

Mid-term end

Term end

Dividend payout ratio

Total reduction

Dividend policy

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

Reverse stock split / split

5 shares were consolidated into 1 share on October 1, 2015, 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. Progress report for the first year of the medium-term management plan

Evolved into a company that clearly shows the corporate attitude and meaningful story

Progress beyond plan. In particular, the transition to environmentally friendly materials has been achieved significantly ahead of schedule.

Promote both “development of environmentally friendly materials” and “building a resilient management base”

Medium-term management plan (5 years)

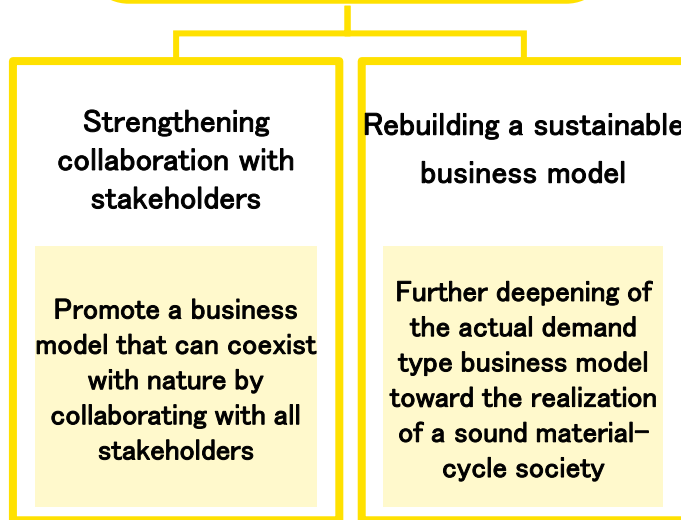
Ripple of success model	Exploring room for growth and spreading the success model of THE NORTH FACE
Diversification of sales channels	Aiming to refine the actual demand type business model corresponding to the VUCA era
Transition to environmentally friendly materials	Promote aggressive conversion to environmentally friendly materials for all brands and strengthen product development
Promotion of high ROE management	Aim to balance investment in growth areas while building solid internal reserves

Achievements in the first year

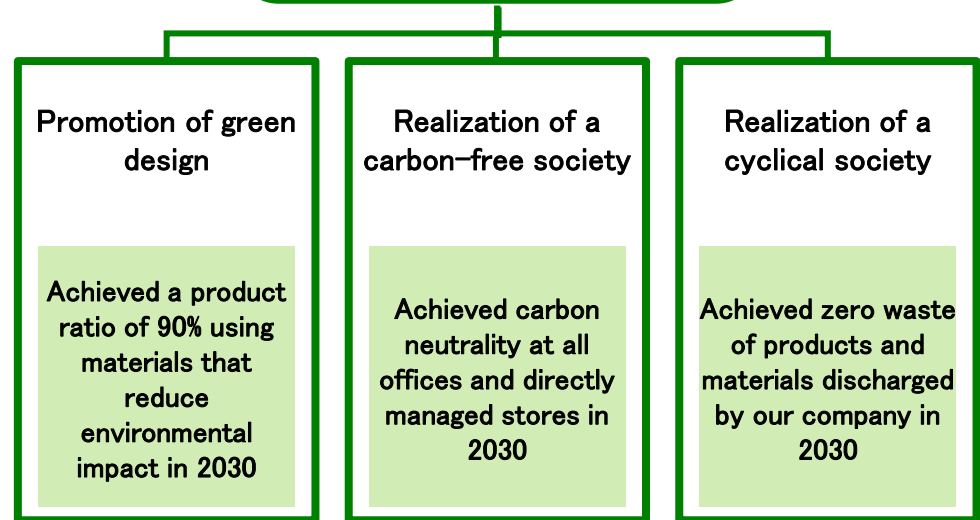
- Goldwin Beijing store opened. Start Goldwin 0.
- Speedo Creating a new pool market.
- Promote consolidation and efficiency of management resources through the absorption-type merger of CANTERBURY.
- Self-managed sales ratio 61% (progress as planned)
- EC sales ratio 13.4% (progress as planned)
- We are promoting the operation of the Kanto distribution base from the fall and winter of 2022 to expand EC.
- Achieved the target for the first year of the ratio of products using materials that reduce environmental impact. (36% compared to the initial plan of 30%)
- Driven by THE NORTH FACE, which contributes significantly to sales.
- ROE 22.7% at the end of 22.3
Promote a management system for cost rate and SG & A to maintain a high ROE system

Face two sustainability by solving environmental problems and rebuilding sustainable businesses

Business sustainability



Environmental sustainability



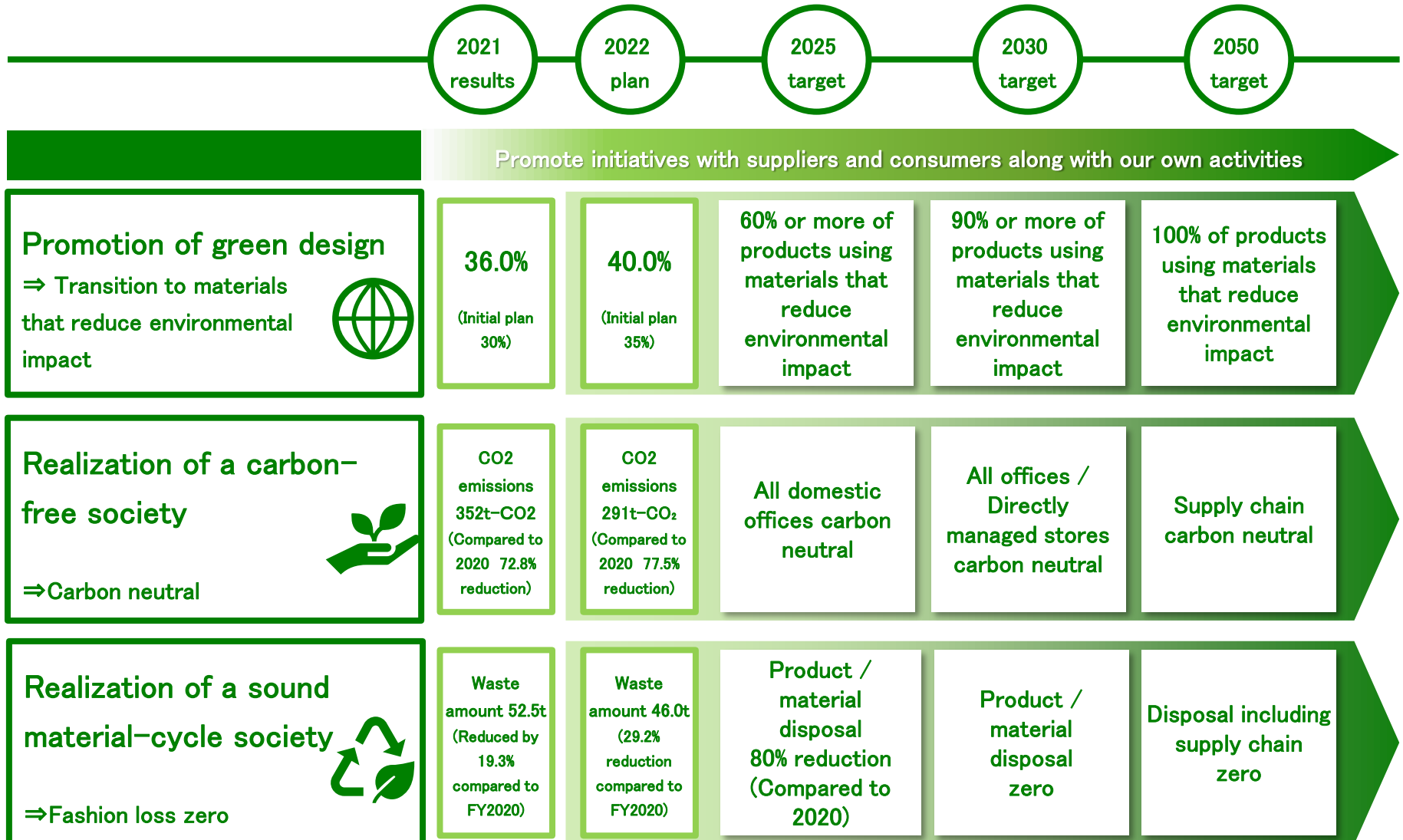
Progress of the year	Alliance founded	Japan Sustainable Fashion Alliance (JSFA)
	Established CVC	GOLDWIN PLAY EARTH FUND 3billion yen frame
	Comprehensive cooperation agreement	Shari Town, Hokkaido Hakone Town, Kanagawa Prefecture

- Efforts from the second year onward
- Established PLAY EARTH Division.
 - Selection of CVC investment destinations and investment execution.
 - Strengthening cooperation with local governments including national parks.

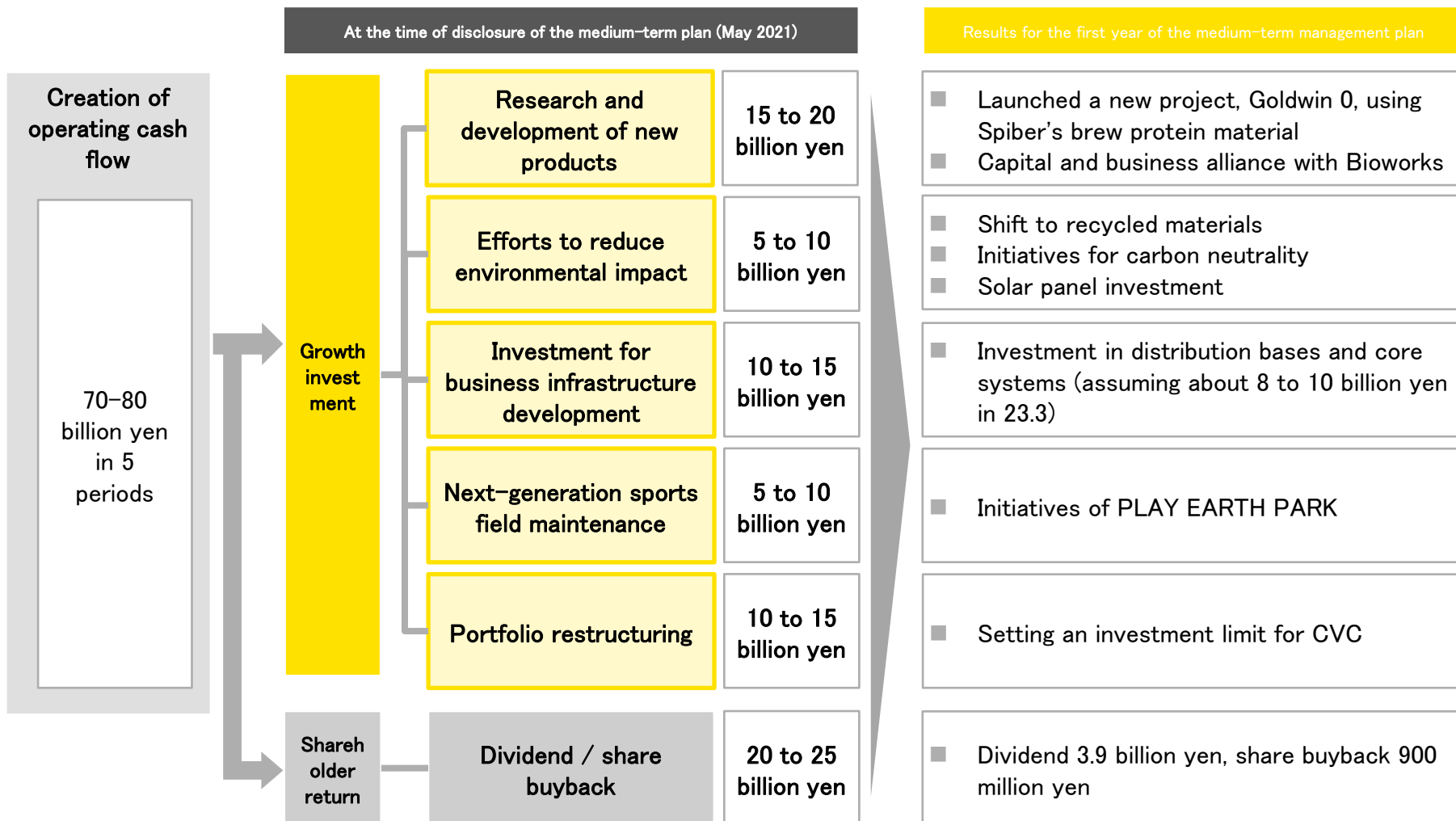
Ratio of products using materials that reduce environmental impact	Achievement of 36.0%, exceeding the plan of 30% (achieving the initial plan of 35% in 2022 ahead of schedule)
CO2 emissions	72.8% reduction compared to 2020 (Converting major offices such as the Tokyo head office and Toyama head office to renewable energy)
Waste amount	19.3% reduction compared to 2020 (Reducing domestic raw material waste)

- Focus on developing materials and products that reduce environmental impact.
- Promotion of energy saving in the installation of solar panels and business activities.
- Promote waste reduction, such as reuse of materials.

We will make steady progress toward achieving our goals for 2050 and continue to take on new challenges.



Generate operating cash flow of 70–80 billion yen during the five periods of the medium-term management plan and invest in growth areas



(Note)The total value of each item does not match the total operating cash flow, but the total investment is within the range of operating cash flow.

Financial results for the fiscal year ending March 2022

Sales, ordinary income, and net income reached record highs, operating income was second to record.

Build a flexible sales channel system with brand equity that switches the harshness of the external environment to positive.

Forecast for the fiscal year ending March 2023

“The year to put the investment plan into practice.

In addition to investment for growth to strengthen brand value, we are investing in infrastructure development for distribution bases, core systems, etc.

Aiming for full-scale operation from the next fiscal year.”

Progress in the first year of the medium-term management plan.

The vision set forth in PLAY EARTH 2030 is steadily advancing

“Sustainability in business” starts collaboration with stakeholders

In “Sustainability in the environment”, all three indicators set as targets exceed the target.

IV. Supplementary material

Received the New Face Award at the "Nikkei Integrated Report Award 2021"

Our first integrated report won the New Face Award at the "1st Nikkei Integrated Report Award 2021"

"Goldwin Integrated Report 2021" won the "1st Nikkei Integrated Report Award" New Face Award

First selected as a health management brand 2022 4th election for White 500



Three points of award

- References to past management reforms, new value creation, and environmental measures by top management
- Value creation through the two wheels of a sports manufacturing platform and a brand value appeal system
- Corresponds to the contents of the revised Corporate Governance Code

Six measures to promote health management

Medical examination

Corona crisis measures

Occupational physician counseling

Wellness point

Smoking cessation measures

Health education

Creating a park space for a limited time in the lawn plaza of Tokyo Midtown for children who will create the future



Implementation outline

- Implementation period: April 23, 2022 ~ May 29, 2022
- Place: Tokyo Midtown Lawn Square
- Organizer: Goldwin, THE NORTH FACE, HELLY HANSEN, CANTERBURY, Speedo Speed
- Co-sponsored: Tokyo Midtown Design Touch

Free workshops to encourage children's curiosity and imagination during the period

- The concept of "PLAY EARTH" (playing with the earth) in 2020, the 70th anniversary of our founding.
- During the period, in addition to playset, collaboration products, souvenir sales, and various workshops that work on children's curiosity and imagination will be held free of charge.

Effectively utilize the assets of the local government that owns the national park, such as the natural environment, and the knowledge of Goldwin.



Hokuto City

Operates "MOUNTAIN TAXI" that connects the station and the trailhead



Providing HELLY HANSEN wear from Ashinoko Fisheries Cooperative

Creating a business model through comprehensive collaboration with national parks

Possibility of opening new suburban stores not only in central Tokyo

Strengthening the business with an eye on after-Corona crisis.

- Concluded comprehensive cooperation agreements with Hokuto City (Yamanashi Prefecture) in January 2020, Shari Town (Shari District, Hokkaido) in October 2021, and Hakone Town (Ashigarashimo District, Kanagawa Prefecture) in March 2022.
- As of April 2022, there are 34 national parks nationwide, of which Shiretoko National Park including Shari Town and Fuji Hakone Izu National Park including Hakone Town are national parks including world heritage areas and foreign tourists expect to visit. In particular, Hakone Town is visited by more than 500,000 foreign tourists before the Corona crisis, and the policy is to promote the strengthening of the business with an eye on after-Corona crisis.

(Reference) Quarterly business performance trends



(Million yen)	1Q			2Q			3Q			4Q			Full year		
Fiscal year	20.3	21.3	22.3	20.3	21.3	22.3	20.3	21.3	22.3	20.3	21.3	22.3	20.3	21.3	22.3
Net sales	18,074	12,200	17,078	23,094	19,358	21,130	34,675	37,668	35,574	22,056	21,253	24,453	97,899	90,479	98,235
Gross profit	9,531	6,330	8,986	12,019	9,799	10,514	19,912	21,491	20,147	10,946	10,388	12,096	52,408	48,008	51,743
%	52.7%	51.9%	52.6%	52.0%	50.6%	49.8%	57.4%	57.1%	56.6%	49.6%	48.9%	49.5%	53.5%	53.1%	52.7%
SG & A expenses	7,499	6,770	7,851	8,514	8,098	8,349	9,196	9,081	9,289	9,794	9,203	9,752	35,003	33,152	35,241
%	41.5%	55.5%	46.0%	36.9%	41.8%	39.5%	26.5%	24.1%	26.1%	44.4%	43.3%	39.9%	35.8%	36.6%	35.8%
Operating income	1,902	▲479	1,135	3,635	1,715	2,164	10,660	12,341	10,858	1,283	1,261	2,344	17,480	14,838	16,501
%	10.5%	-	6.6%	15.7%	8.9%	10.2%	30.7%	32.8%	30.5%	5.8%	5.9%	9.6%	17.9%	16.4%	16.8%
Ordinary income	1,946	▲76	1,696	3,346	1,471	2,139	11,207	12,491	11,618	▲124	2,098	4,832	16,375	15,984	20,285
%	10.8%	-	9.9%	14.5%	7.6%	10.1%	32.3%	33.2%	32.7%	-	9.9%	19.8%	16.7%	17.7%	20.6%
Net income	1,375	▲292	1,235	2,222	915	1,397	7,859	8,613	8,157	▲686	1,498	3,561	10,770	10,734	14,350
%	7.6%	-	7.2%	9.6%	4.7%	6.6%	22.7%	22.9%	22.9%	-	7.0%	14.6%	11.0%	11.9%	14.6%

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 yen
Net sales	Consolidated: 98.2 billion yen, Non-consolidated: 85.8 billion yen
Employee	2,451 people (2,996 people for the entire group)
Offices	Tokyo Head Office, Toyama Head Office, Osaka Branch, Sapporo Sales Office, and Fukuoka Sales Office
Stock listings	Tokyo Stock Exchange Prime Market (Securities Code: 8111)

(As of March 31, 2022)

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 assumption that the Group has grasped, judged from the available information and the outlook based on assumptions, and the actual business results may differ significantly.