

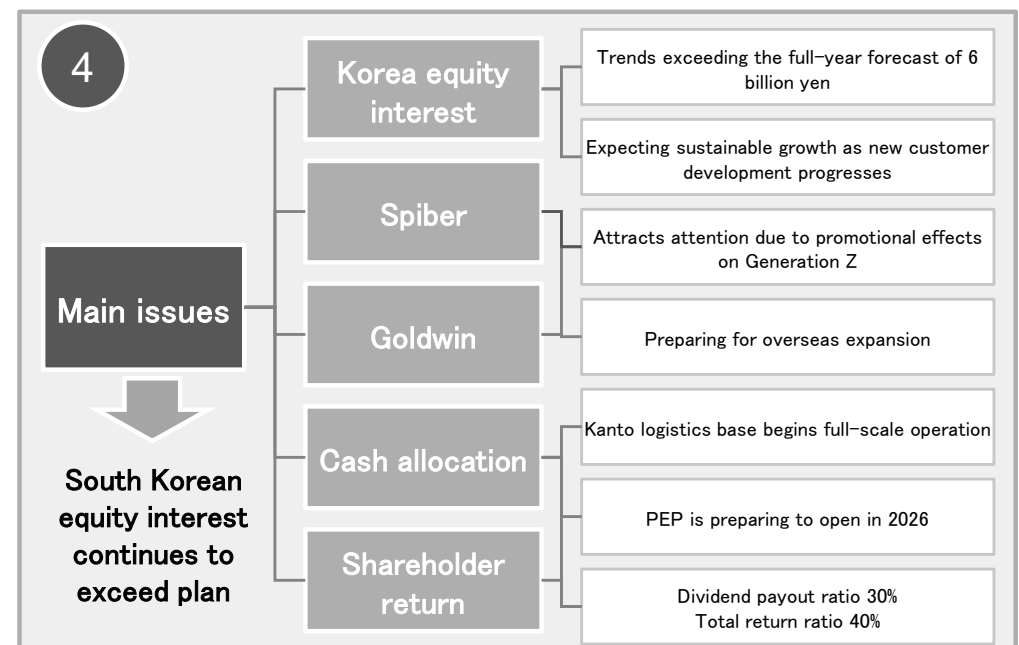
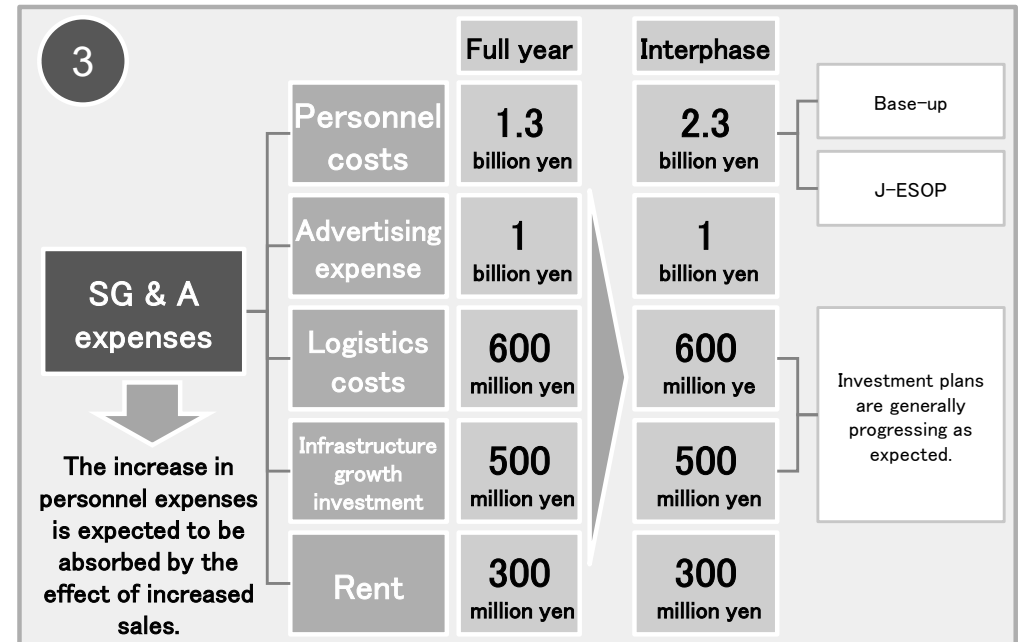
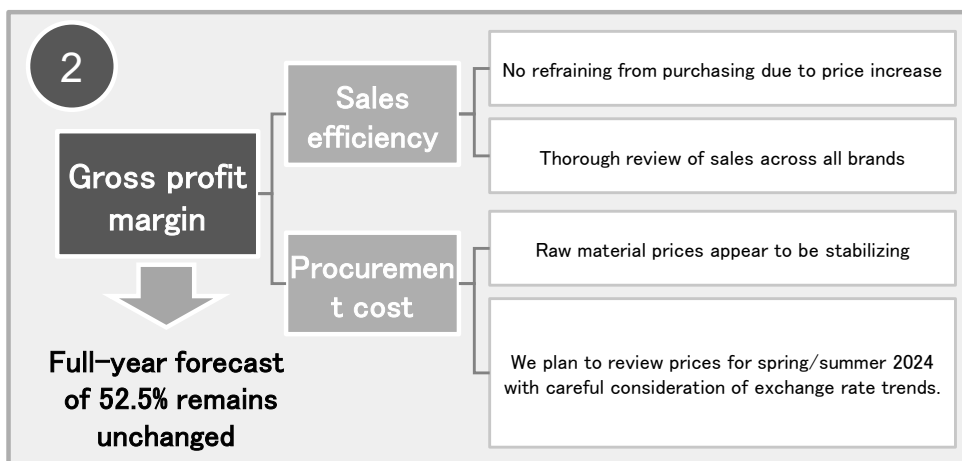
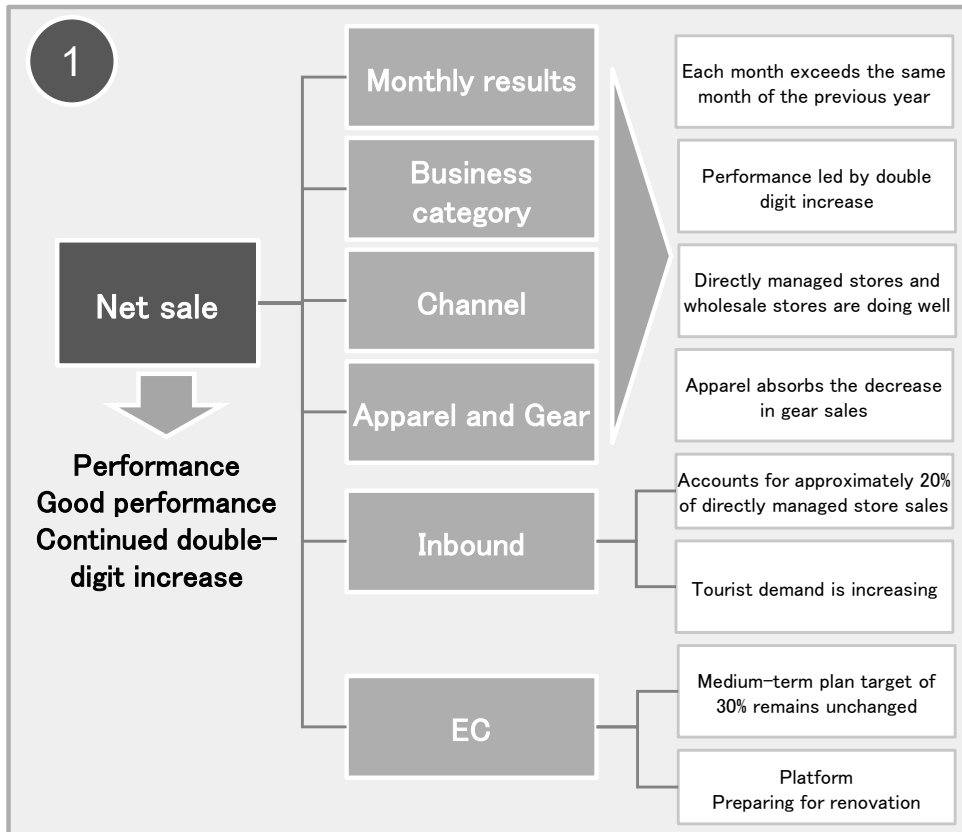


Financial Results Briefing for the second Quarter of the Fiscal Year Ending March 2024

Goldwin Inc. (8111)

November 7, 2023

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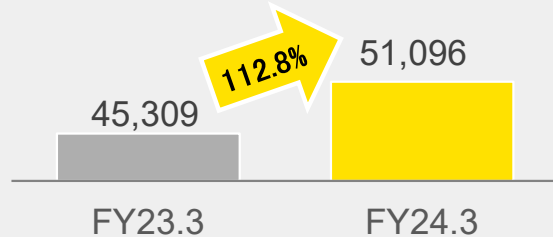
I. Second quarter results for the fiscal year ending March 2024

Both sales and profits exceeded initial forecasts due to the effects of the intense heat, inbound demand, and improved sales efficiency.

Both sales and profits reached record highs for the second quarter

(Million yen)

Sales

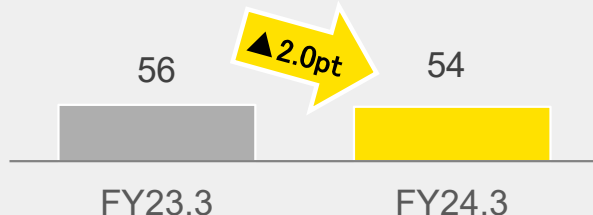


- THE NORTH FACE is experiencing growth in demand due to the resumption of events such as travel, sports, and outdoor festivals, in addition to the recovery in mountaineering demand.
- Inbound demand is on the rise.
Due to the rapid increase in the number of Chinese tourists following the long holidays starting in late September, the inbound sales ratio accounts for approximately 20% of directly managed store sales (the average for the second quarter was 18%).

Wholesale customers such as department stores and select shops are doing well due to an increase in customers, and EC sales also maintain year-on-year growth.

(%)

Self-managed sales ratio

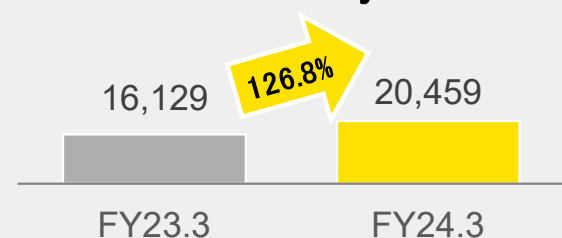


- The self-managed sales ratio was 54%, which is in line with the medium-term management plan.
- By channel, sales at directly managed stores increased by double digits due to an increase in the number of customers.
- As for wholesale customers, department stores, select shops, etc. continued to see double-digit growth.
- EC sales were 102.4% compared to the same period last year, and the EC sales ratio was 13.0%.

Regarding the inventory balance, popular items were brought in ahead of schedule for the fall/winter season. Progress as planned

(Million yen)

Inventory

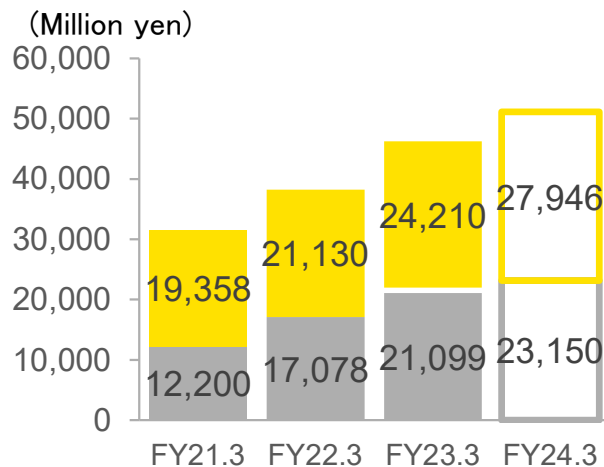


- Inventory balance was 126.8% compared to the same period last year, an increase of 4.3 billion yen compared to the same period last year, and an increase of 2 billion yen compared to the internal plan, mainly due to the early arrival of autumn and winter products.
- The sales loss rate was 1.1%, down 0.1 points from the same period last year. Accurately understand actual needs and maintain a highly accurate inventory management system.

Second Quarter Results (Million yen)

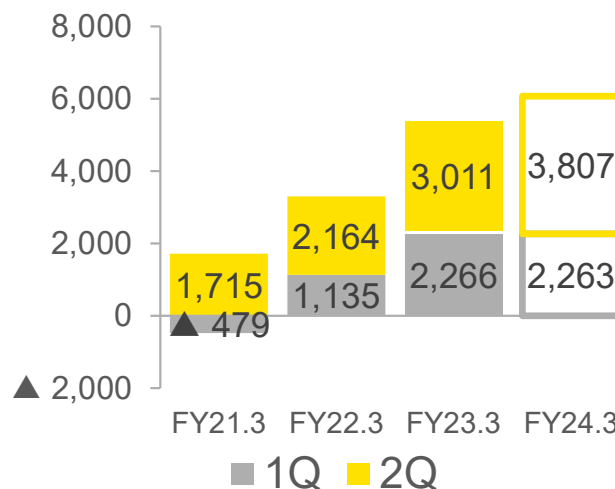
	Net sale	Gross profit	Operating income	Ordinary income	Net income
Result	51,096	25,959	6,070	9,180	7,323
Year-on-year	112.8%	112.9%	115.0%	123.2%	125.3%
Profit margin on sales () indicates previous year results	—	50.8% (50.7%)	11.9% (11.6%)	18.0% (16.4%)	14.3% (12.9%)

Net sale



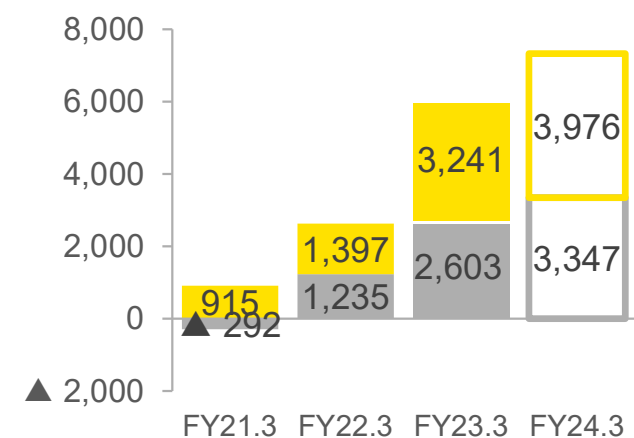
Increased 12.8% year-on-year by improving brand value and minimizing the impact of purchasing restraints due to sales price increases

Operating income



Maintain increasing profit trend
Maintained sales efficiency even after entering the clearance period, increasing 15.0% compared to the same period last year

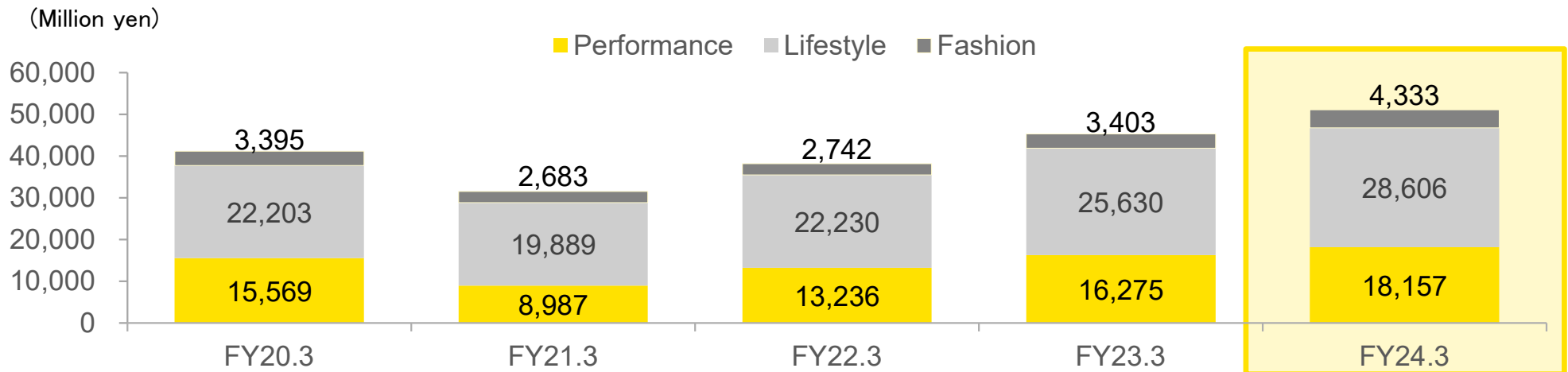
Net income



25.3% increase compared to the same period last year, mainly due to the contribution of equity interest from Youngone Outdoor Corporation in South Korea

Sales by business category (Million yen)

	Performance	Lifestyle	Fashion
Result	18,157	28,606	4,333
Year-on-year comparison	111.6%	111.6%	127.3%
Year-on-year amount	+1,882	+2,976	+930
Sales composition ratio	35.5%	56.0%	8.5%



Performance

Although the camping market is sluggish, demand for sports such as mountain climbing, trail running, and swimming is making a full-scale recovery. Replica jerseys for the Japanese national team from the Rugby World Cup also contributed to sales.

Lifestyle

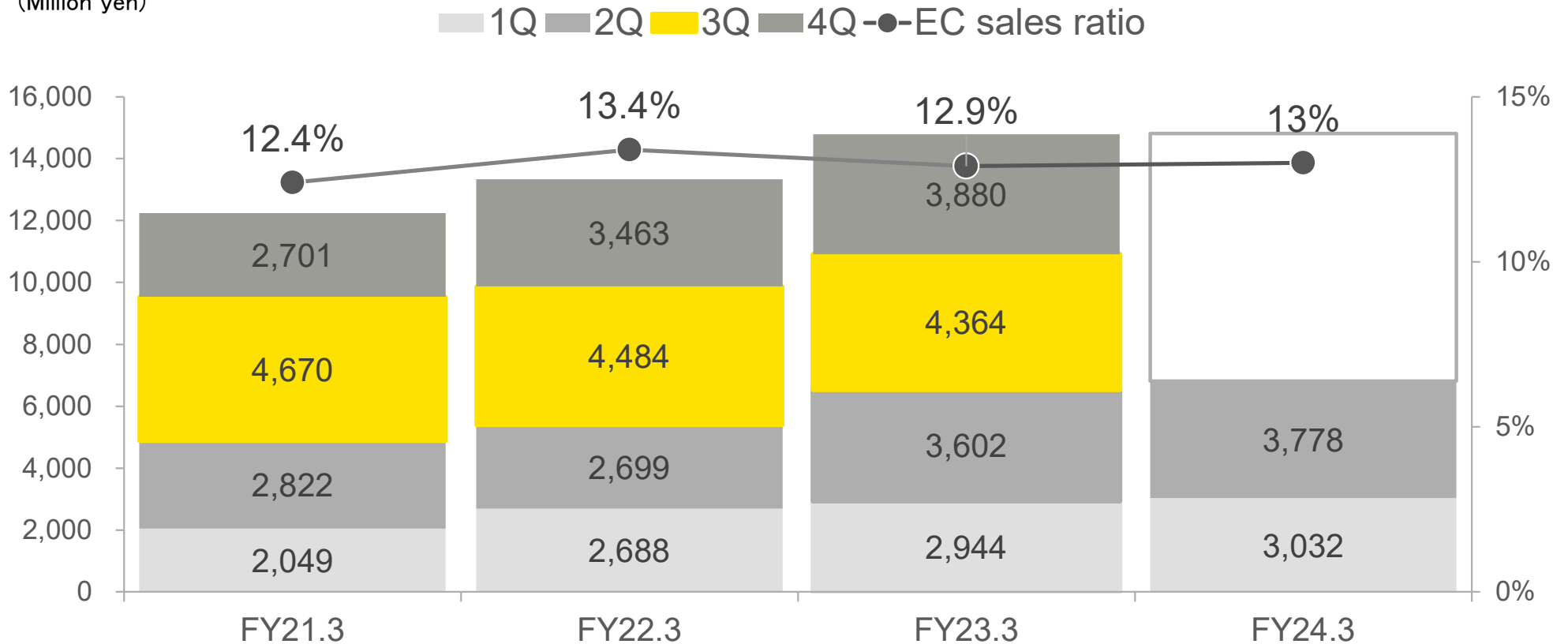
Due to the intense heat, highly functional clothing such as quick-drying and deodorizing properties has become popular in lifestyle. Items that are widely accepted by men and women of all ages are expanding.

Fashion

Goldwin and THE NORTH FACE PURPLE LABEL's fashion items are highly supported by inbound customers and are selling well.

While directly managed stores are expected to see double-digit growth, EC sales are expected to remain flat. However, there has been significant progress in collaboration between directly managed stores and EC.

(Million yen)



EC sales initiatives

1 The EC site is scheduled to be renewed during the fiscal year ending March 2024.
 Increase in orders due to EC x store experience
 Store pickup is 131% compared to the same period last year.
 Staff orders increased 21% compared to the same period last year

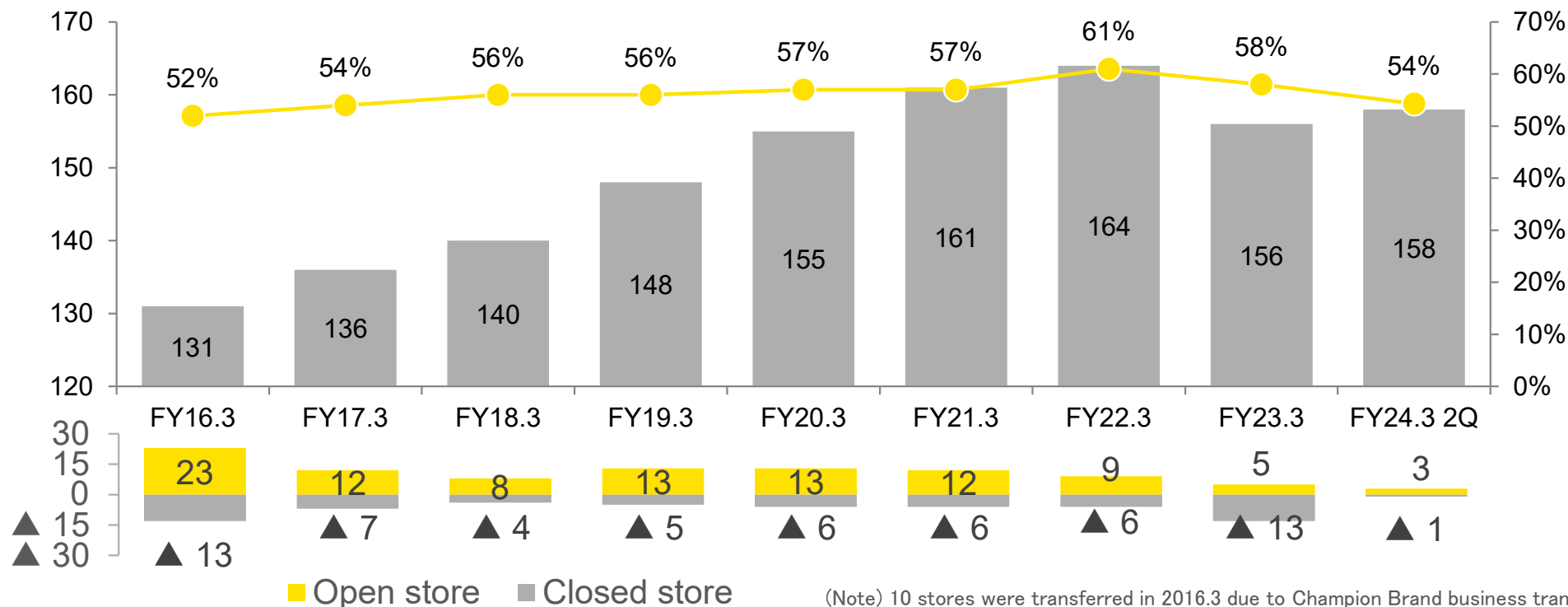
2 Sales via STAFF START (*)
 2nd quarter cumulative 50.1%
 (*) Web proposal by sales staff

Maintain stable trends in line with the self-managed sales ratio of 60%, which is the target in the medium-term management plan

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

(store)

■ Number of directly managed stores
● Self-managed sales ratio



(Note) 10 stores were transferred in 2016.3 due to Champion Brand business transfer.

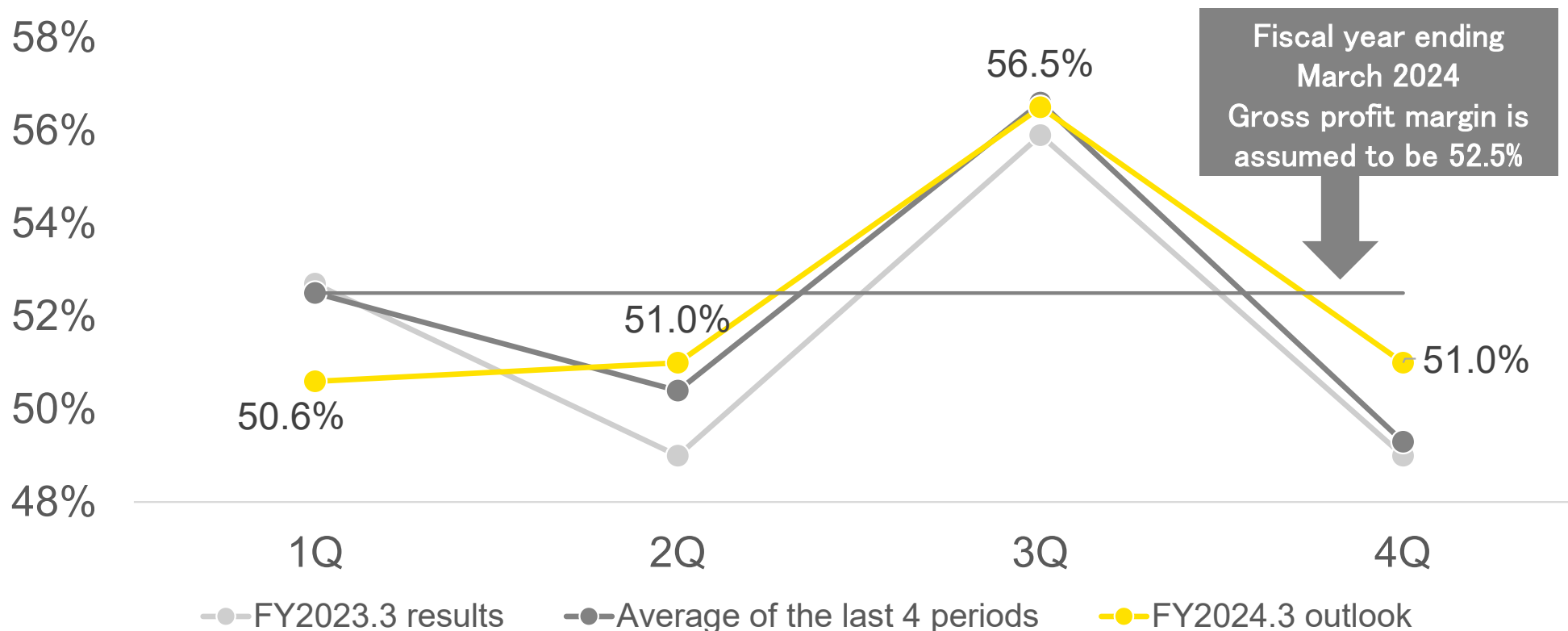
■ The number of directly managed stores in the second quarter is expected to be 158, with 3 openings and 1 closure, and 5 openings and 3 closures for the full year.

■ Self-managed sales ratio in the second quarter was 54%
■ The main reason was the recovery of wholesale customers such as department stores and select shops.

After bottoming out in the first quarter, we expect a full-year gross profit margin of 52.5% by promoting measures to improve the gross profit margin.

	Initiatives until the Second Quarter	Results and prospects
Cost price <ul style="list-style-type: none"> Raw material price outlook Outlook for incidental costs Manufacturing/production efficiency 	<ul style="list-style-type: none"> We reduce the risk of price fluctuations through long-term partnerships with material manufacturers. Promote cost reduction effects by carefully selecting and consolidating suppliers and strengthening relationships with them. Improved productivity due to stable factory operation reduces the transfer of increased labor costs to costs. 	<p>High costs and incidental costs appear to be stabilizing, and the impact will become minor from 2Q onwards.</p>
Increase in sales price <ul style="list-style-type: none"> Spring/summer season results Fall/winter season outlook 	<ul style="list-style-type: none"> For the 2023 spring/summer season, prices will be increased by 5-10% for approximately 30% of product numbers. For the 2023 fall/winter season, prices will be increased by 5-10% for approximately 30% of product numbers. 	<p>We plan to implement the same price increase in the 2024 spring/summer season as in the previous year.</p>
Impact of sales price increase <ul style="list-style-type: none"> Trends in directly managed stores EC sales trends 	<ul style="list-style-type: none"> During the spring/summer season, the rate of price increases for our products was not as high as that of our competitors, so we did not notice any impact on sales. In the fall/winter season, we expect sales to continue to be strong, especially for outdoor-related products, driven by inbound demand. Regarding EC sales, the promotion of membership programs has been recognized as improving customer loyalty, and the company plans to strengthen its customer service and other responses. 	<p>Even after the price increase is implemented, the impact on sales will be minimal</p>
Outlook for future gross profit margin <ul style="list-style-type: none"> Full-year outlook 	<ul style="list-style-type: none"> Despite the impact of rising raw material prices for spring/summer products ordered around fall last year, the gross profit margin for the fiscal year ending March 2024 is expected to be 52.5% due to the effect of increased selling prices for the fall/winter season. 	<p>Expected full-year gross profit margin of 52.5% unchanged</p>

Outlook for full-year gross profit margin of 52.5% remains unchanged

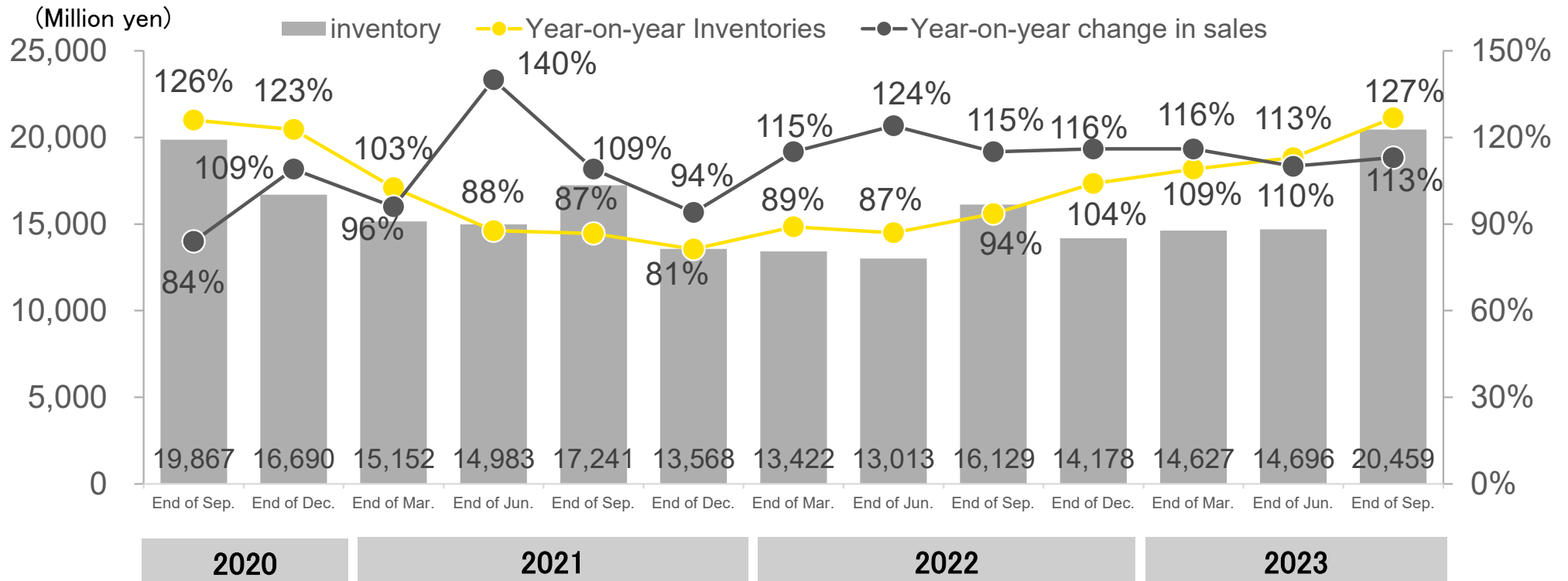


	1Q	2Q	3Q	4Q	Full year
FY2023.3 results	52.7%	49.0%	55.9%	49.0%	52.2%
FY2024.3 outlook	50.6%	51.0%	E 56.5%	E 51.0%	E 52.5%
Average of the last 4 periods	52.5%	50.4%	56.8%	49.3%	52.9%

(Note) The most recent four periods are from March 2020 to March 2023. E=Estimate

The main reason for this was early inventory arrivals in preparation for the fall/winter season. Furthermore, the increase was due to the full-scale operation of the Kanto logistics base.

Quarterly inventory balance trends



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

Factors behind inventory balance being 127% compared to the same period last year

1

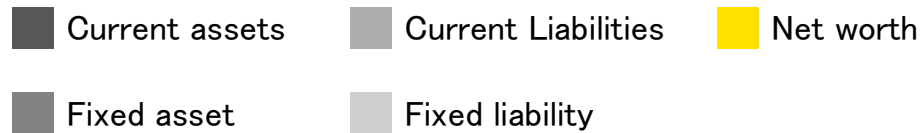
Proceeded with advance inventory in preparation for the fall/winter season

2

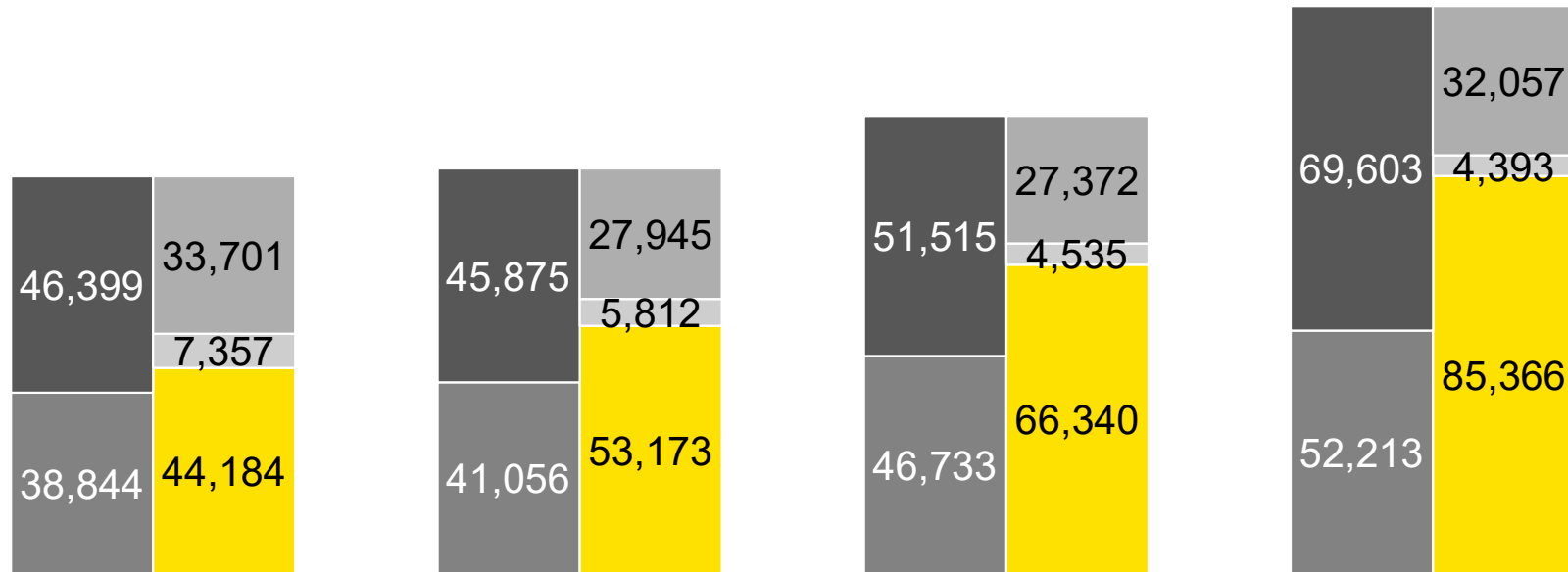
Increasing inventory in preparation for full-scale operation of Kanto logistics base

Initiatives to optimize the supply chain

Equity ratio increased by 2.6 points year-on-year due to stable profit growth



(Million yen)



	FY21.3 2Q	FY22.3 2Q	FY23.3 2Q	FY24.3 2Q
Net worth (Million yen)	44,184	53,173	66,340	85,366
Capital adequacy ratio(%)	51.7%	61.0%	67.4%	70.0%

II. Full year outlook for the fiscal year ending March 2024

Maintaining sales trend until second quarter

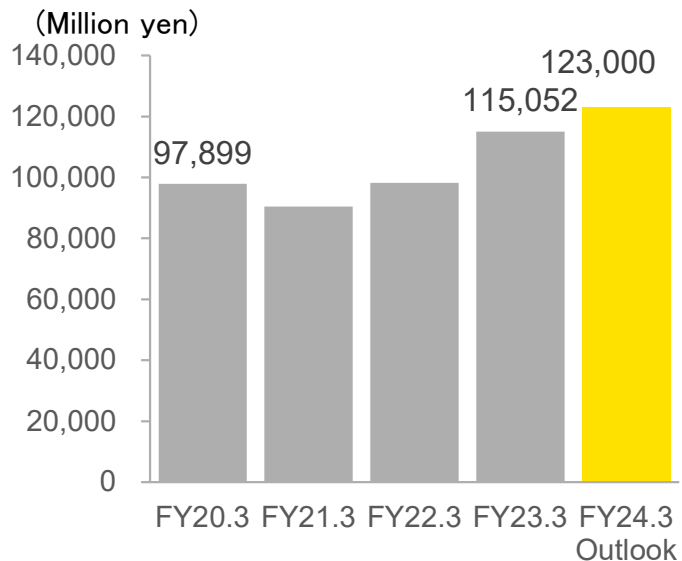
Considering revisions to full-year forecasts based on third quarter results

Aiming for long-term growth by achieving sales of over 120 billion yen and at the same time striving to maintain and improve profitability.

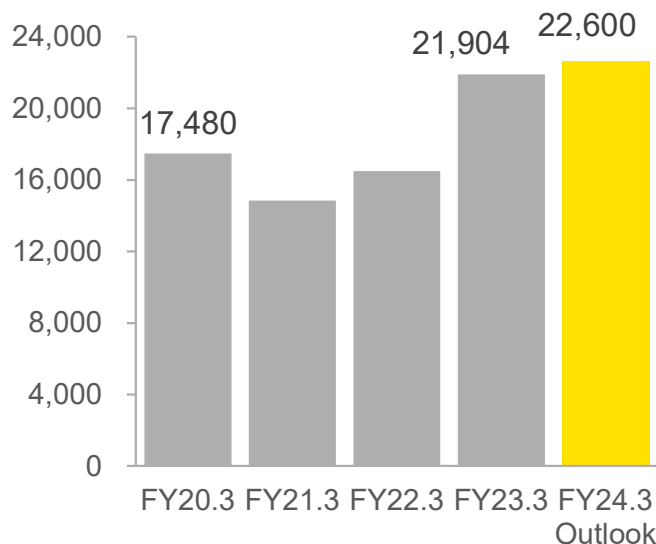
Financial forecast for the fiscal year ending March 2024 (Million yen)

	Net sale	Operating income	Ordinary income	Net income
Plan	123,000	22,600	28,200	21,700
Year-on-year	106.9%	103.2%	100.4%	103.4%
Sales composition ratio	—	18.4%	22.9%	17.6%

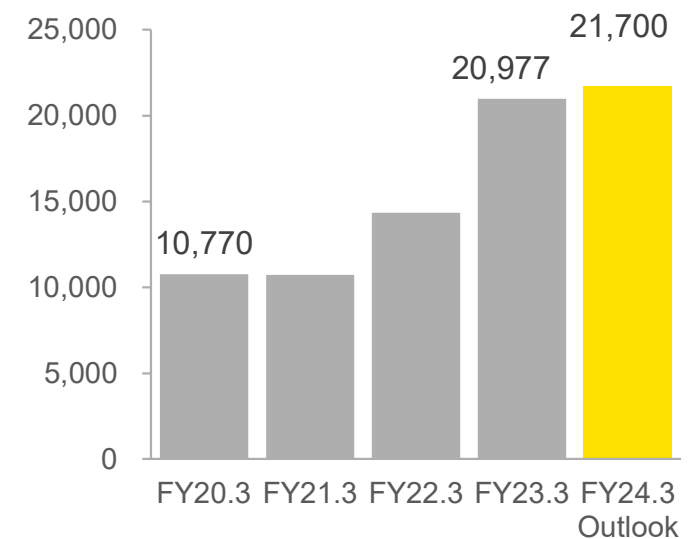
Net sale



Operating income



Net income



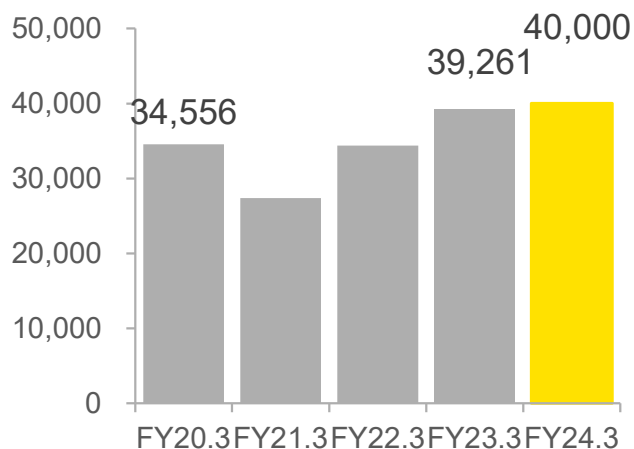
Sales are expected to increase in all business segments. Anticipating a full-fledged recovery in inbound demand, we expect double-digit sales growth in fashion.

Sales by business category (Million yen)

	Performance	Lifestyle	Fashion
Outlook	40,000	72,500	10,500
Year-on-year	101.9%	108.5%	117.4%
Sales composition ratio	32.5%	58.9%	8.5%

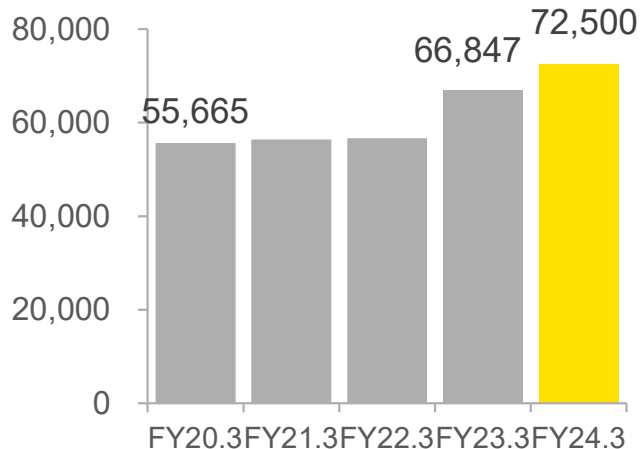
Performance

(Million yen)



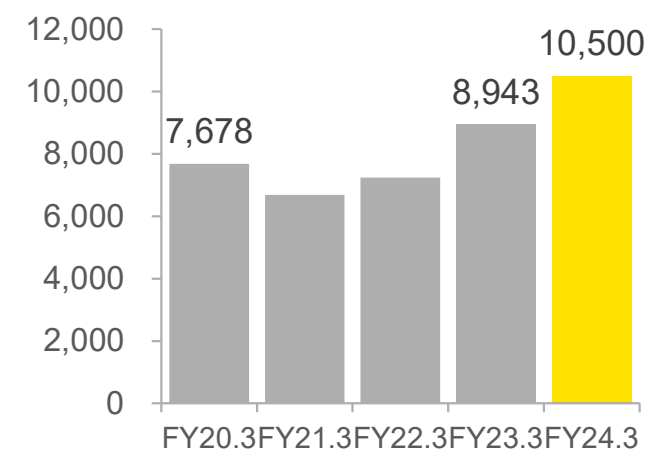
Continued trend of increase in sales due to relaxation of movement restrictions

Lifestyle



Improving the convenience of EC sites and cultivating a wide range of new customer bases

Fashion

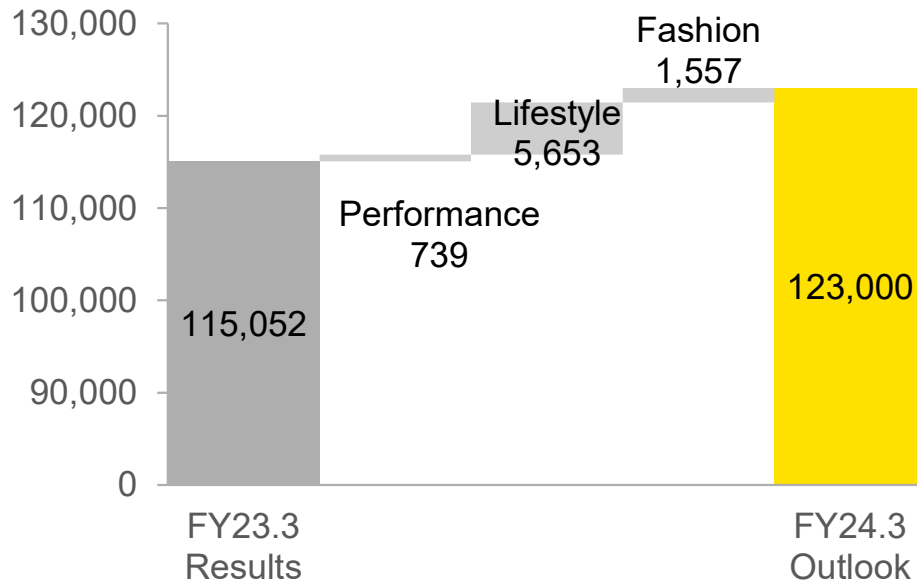


Expecting recovery in inbound demand from mainland China

Recovery in personal consumption due to relaxation of behavioral restrictions contributed to all business segments

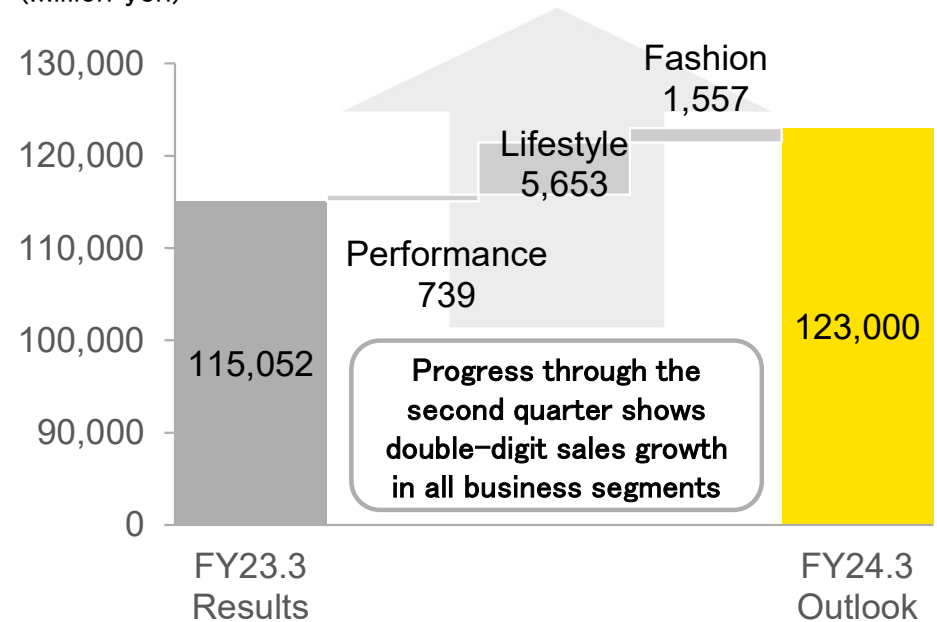
Initial outlook

(Million yen)



Current outlook

(Million yen)



Increase of 7,947 million yen

- As movement restrictions have been eased and sports tournaments have resumed across the country, demand for running and outdoor wear has recovered significantly.
- Since the third quarter, inbound demand has rapidly recovered, contributing to fashion-related sales.

Expected increase of 7,947 million yen

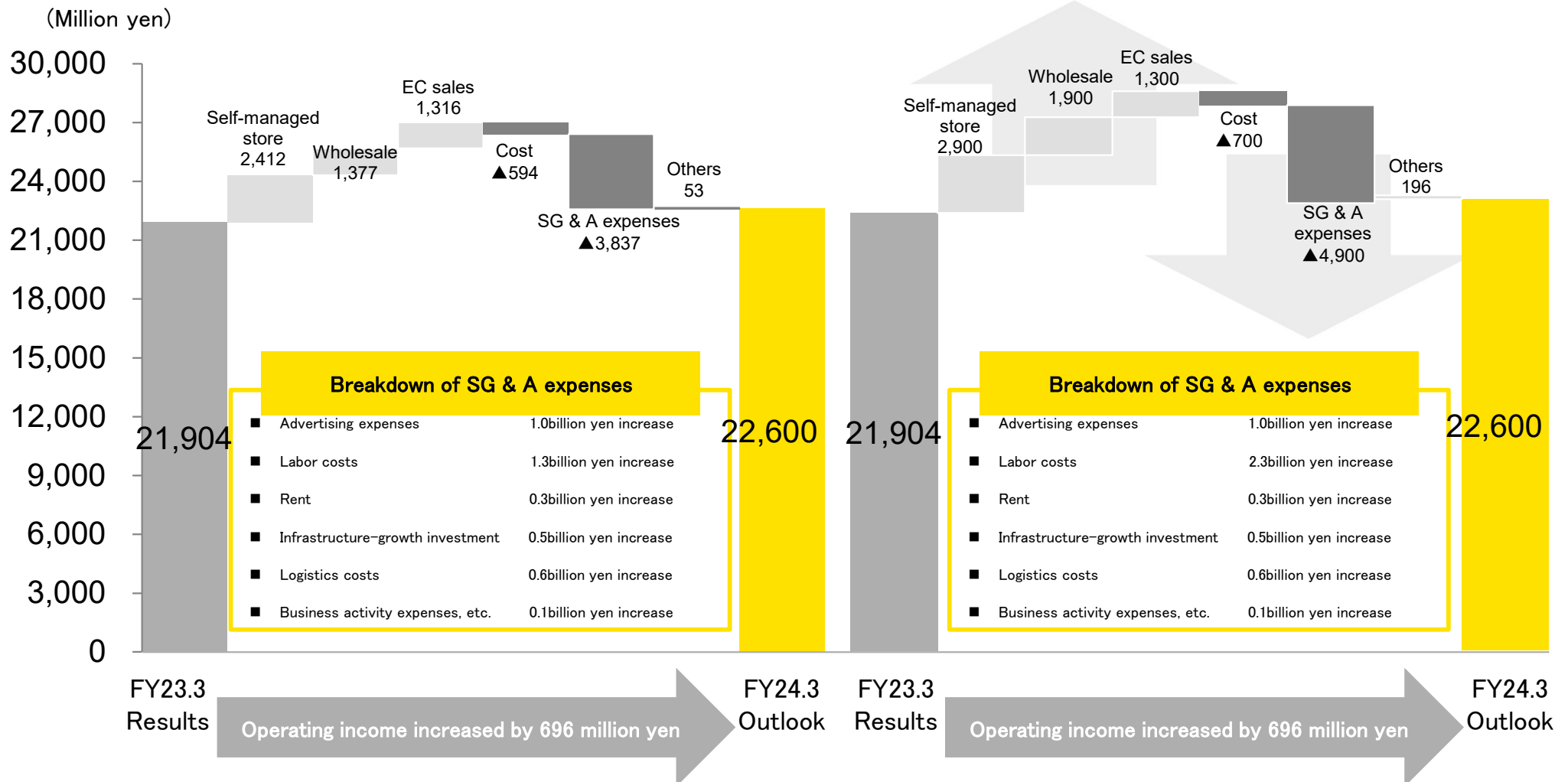
- As expected at the beginning of the fiscal year, the relaxation of behavioral regulations contributed to increased sales for many brands.
- Sales at directly managed stores and other physical stores are progressing better than expected at the beginning of the period.
- Inbound demand also remains strong. This has spread not only to directly managed stores in the city, but also to wholesale stores in rural areas.

The 1 billion yen increase in personnel costs is mainly due to J-ESOP additions. The increase in SG&A expenses is expected to be absorbed by the effect of increased sales.

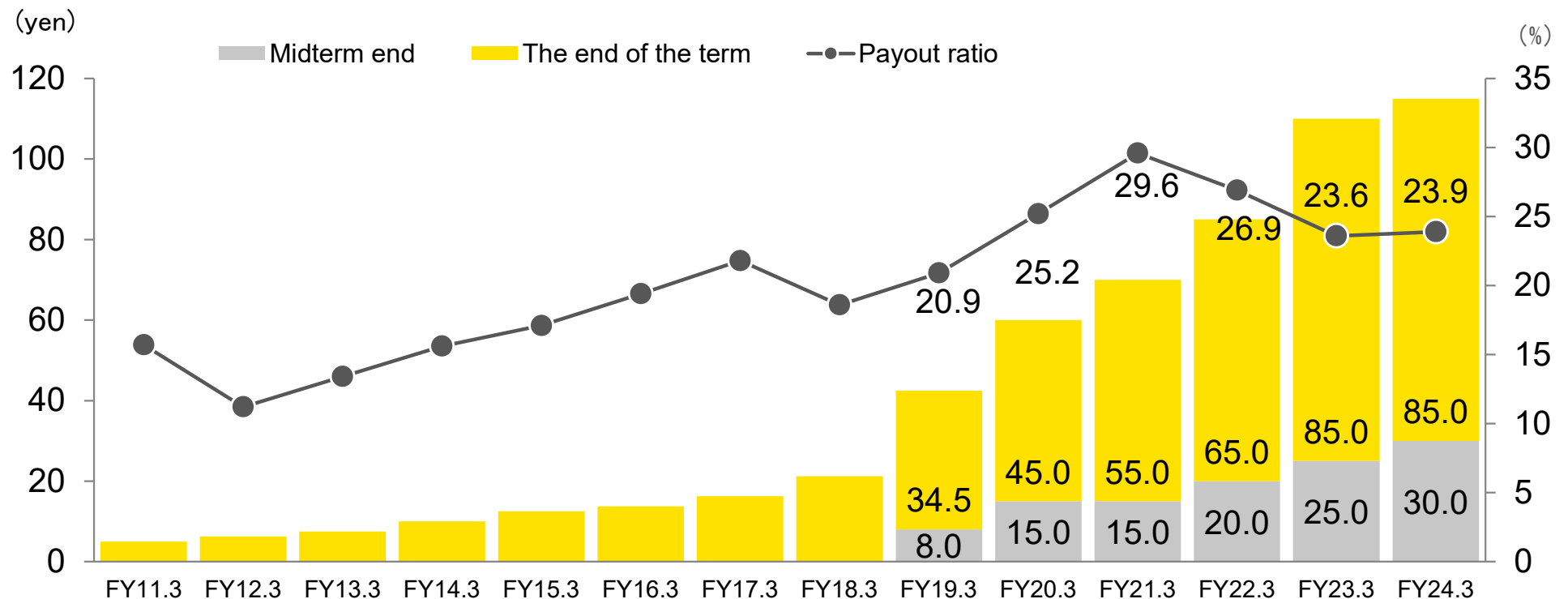
Operating profit outlook

Initial outlook

Current outlook



For FY2024.3, the interim dividend will be 30 yen, the year-end dividend will be 85 yen, and the full year dividend will be 115 yen, with a payout ratio of 23.9%.



(Note) Displayed as dividend per share based on FY2020.3

Dividend policy

We always recognize that returning profits to our shareholders is one of our most important issues as a company, and strive to strengthen our financial position and management base while continuing to pay stable dividends.

Stock consolidation/split

On October 1, 2015, we consolidated 5 shares into 1 share and changed the number of shares per unit from 1,000 shares to 100 shares.

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

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

III. Main issues towards achieving full year forecasts

Sales are trending higher than the initial forecast, and we are accelerating investment to build a management foundation from both an offensive and defensive perspective.

South Korean YOC sales are significantly exceeding initial forecasts, and other progress is generally as expected.

Prerequisites		Second Quarter results	Full year outlook
Net sale	① Trends in directly managed stores	The trend is within expectations. Promote digestion during the season.	The number of customers visiting stores, mainly in urban areas, has recovered and remained steady. Visits by foreign tourists to stores in regional cities are also on a recovery trend.
	② Wholesaler trends	Products related to outdoor festivals are selling well during the summer mountain season.	Fashion-related businesses such as department stores and select shops are expected to perform well. Although camping-related sales continue to be weak, apparel-related sales are showing signs of recovery.
	③ Inbound trends	Directly managed store sales trend above 10%. Demand from Korean tourists is strong.	In the Second Quarter, directly managed stores accounted for approximately 20% of sales. Interest in the Goldwin brand is increasing.
Gross profit margin	④ Responding to high costs	We believe that the impact of refraining from purchasing due to price increases is minor.	Approximately 30% of the 23 fall/winter items will have their prices increased by 5-10%. Approximately 30% of the 24 Spring/Summer products are scheduled to have their prices increased by approximately 10%.
	⑤ Self managed sales ratio	The trend is within expectations.	It is expected to remain at the target of around 60%.
SG & A expenses	⑥ Personnel costs	The degree of execution against the 1Q plan was around 90%.	1 billion yen will be added as an increase in personnel costs including J-ESOP additions.
	⑦ Advertising expense	The trend is within expectations. Spiber events will be held in Beijing, Tokyo, and London in September.	The project has been thoroughly scrutinized, and the result is expected to be slightly lower than the initial forecast.
	⑧ Depreciation expense	The trend is within expectations.	Depreciation expenses are expected to remain at the same level as the previous fiscal year.
Equity interest	⑨ Situation in South Korea	Sales exceeded initial forecast. Continue to strengthen inventory management.	We are progressing well ahead of plan. Equity income is expected to exceed the initial estimate of 6 billion yen.

The flagship store in Myeong-dong, which was renovated at the end of March 2023, is driving sales. TNF White Label promotion measures were successful, the number of Generation Z customers is increasing, and we are developing a stable supply by leveraging Youngone's supply chain.

situation underfoot

Continues to perform well

- Sales and profits continued to significantly exceed initial plans.
- Overseas travel to South Korea is rapidly increasing, driving demand.

Inbound and EC sales ratio

White Label purchases by Japanese female customers are also noticeable

- Inbound composition ratio is 20% (estimate).
- The flagship store in Myeong-dong is over 50% (estimate).
- Regarding sales channels, department stores were the most common, accounting for over 30% of sales. Capturing tourist demand after the coronavirus pandemic subsides.
- EC sales ratio is 30%.

Customer attributes

The proportion of women under the age of 20 is increasing

- Generation Z accounts for about 20% of customer attributes.
- The male to female ratio is 50:50.
- Launched a mobile app at the same time as fall/winter product sales to further strengthen his online presence and promote using SNS.

Sales measures in Korea

Brand power and supply chain management ability

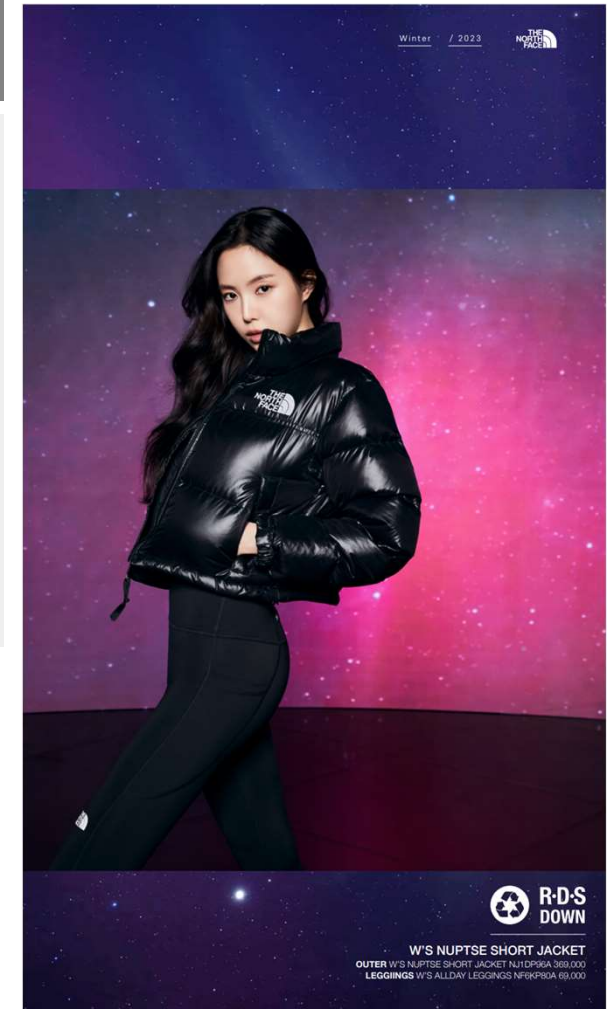
- Since the coronavirus pandemic subsided, department store interior renovations have progressed, and measures to create a premium feel have been a hit.
- Sales were driven by the Myeong-dong flagship store, which was renovated at the end of March.
- Leveraging the power of our brand, which has ranked first in recognition for 16 consecutive years, our stable supply chain system has won support from a wide range of customers.
- Since its fall/winter launch, W' s Nuptse Short Jacket and other products have received high praise from young female customers.

Future outlook

Aiming for sustainable growth

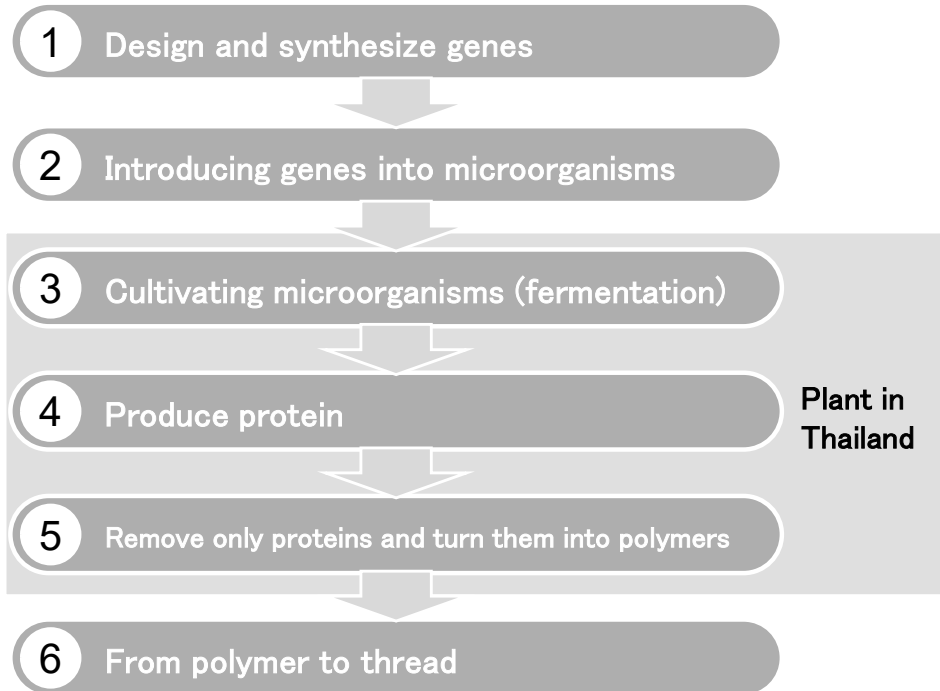
- Advance sales of down products will begin in July.
- Taking advantage of the Youngone Group's supply chain system, we have been able to establish a prompt supply system, which also contributes to our ability to respond to customer needs.

F23 W' s Nuptse Short Jacket

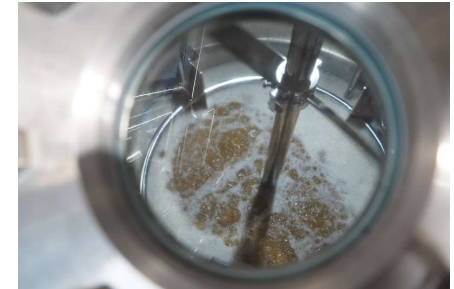


Spiber's Thailand plant begins operation

Brewed Protein™ manufacturing process



Brewing tank



Fermenting microorganisms



Check the fermentation status



Polymers exported to Japan

5 reasons why we chose Thailand

1. Origin of sugar (sugar cane), which is the energy source for protein-producing microorganisms
2. The infrastructure is well-developed, making it easy for Japanese companies to operate.
3. There are generous government systems such as the BOI (Board of Investment).
4. It is a pro-Japanese country and has good access as a commercial plant.
5. There are many university laboratories and experts in the bio field, so there is a wealth of human resources.

About the plant in Thailand

Size: Site 100,000 m² (equivalent to two Tokyo Domes),

Building 2,880m² (manufacturing building)

Production volume: 500 tons per year at full capacity

The world's first and largest structural protein plant

Second quarter results for the fiscal year ending March 2024 are record highs for both sales and profits

Relaxation of behavioral regulations will have the effect of increasing sales for many brands. In particular, directly managed stores are performing well due to a recovery in inbound demand. Improvements in sales efficiency have also progressed, greatly contributing to the improvement of gross profit margin.

The full year forecast for the fiscal year ending March 2024 will be disclosed after assessing the Third Quarter.

The full-year outlook remains unchanged. A solid start to the Third Quarter. Due to the review of sales prices for 24 spring/summer products, gross profit remains unchanged from the initial forecast.

Main issues towards achieving full-year forecasts

With sales progressing higher than initial forecasts, we are accelerating both "offensive" and "defensive" investments. Additionally, projects such as YOC and Spiber are progressing as planned.

Factors contributing to the decline in gross profit margin in the First Quarter

- The main reason for the decline in the gross profit margin in the first quarter was an increase in the cost of sales ratio due to the weaker yen. Our company takes time to prepare our products, so many of our products were prepared last fall. At that time, the yen was on a downward trend. The lead time is 6 to 9 months, with most cases being around 6 months. Since the second quarter, we have thoroughly reviewed sales efficiency, and as a result, the gross profit margin has remained unchanged from the initial estimate of 52.5%. Overseas expansion of Goldwin brand

Overseas expansion of Goldwin brand

- The Goldwin business headquarters will be launched in April 2023. Currently, domestic sales are the main focus, but in the future the company plans to operate its organization with an eye toward overseas expansion.

About stock status

- Although operations have become more complex due to diversification of sales channels and expansion of product lineup, inventory balance remains at a low level. Considering future sales trends, there is a possibility that the inventory balance will temporarily increase, but it is expected to remain at a low level throughout the year.

	1Q				2Q				First half cumulative total			
	FY21.3	FY22.3	FY23.3	FY24.3	FY21.3	FY22.3	FY23.3	FY24.3	FY21.3	FY22.3	FY23.3	FY24.3
Net sale	12,200	17,078	21,099	23,150	19,358	21,130	24,210	27,946	31,558	38,208	45,309	51,096
Gross profit	6,330	8,986	11,122	11,710	9,799	10,514	11,865	14,249	16,129	19,500	22,987	25,959
(%)	51.9%	52.6%	52.7%	50.6%	50.6%	49.8%	49.0%	51.0%	51.1%	51.0%	50.7%	50.8%
SG&A expenses	6,770	7,851	8,855	9,446	8,098	8,349	8,855	10,442	14,868	16,200	17,710	19,888
(%)	55.5%	46.0%	42.0%	40.8%	41.8%	39.5%	36.6%	37.4%	47.1%	42.4%	39.1%	38.9%
Operating income	▲479	1,135	2,266	2,263	1,715	2,164	3,011	3,807	1,236	3,299	5,277	6,070
(%)	-	6.6%	10.7%	9.8%	8.9%	10.2%	12.4%	13.6%	3.9%	8.6%	11.6%	11.9%
Ordinary income	▲76	1,696	3,368	4,172	1,471	2,139	4,084	5,008	1,395	3,835	7,452	9,180
(%)	-	9.9%	16.0%	18.0%	7.6%	10.1%	16.9%	17.9%	4.4%	10.0%	16.4%	18.0%
Net income	▲292	1,235	2,603	3,347	915	1,397	3,241	3,976	623	2,632	5,844	7,323
(%)	-	7.2%	12.3%	14.5%	4.7%	6.6%	13.4%	14.2%	2.0%	6.9%	12.9%	14.3%

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: 115 billion yen
Employee	2,555people (3,051 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, 2023)

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.