Goldwin Inc.

Financial Results Briefing for the Fiscal Year Ending March 2025

May 14, 2025

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Key Message Basic policy of PLAY EARTH 2030 in response to climate change

- PLAY EARTH 2030 is a long-term vision that aims to transform into a structure that continues to be chosen by customers.
- By responding to climate change, we aim to achieve high ROE management by rebuilding our business foundation from the perspectives of "demand-driven," "multi-layered value," and "circularity," and by increasing both profit margins and capital turnover.

1 **Product Value**	**Improving adaptability**	Behavioral design allows for both comfort and adaptability to regional and climatic differences
2 **Experience value**	**Deepening customer contact points**	One item can be used for multiple occasions, providing an experience that leads to repeat purchases and trust.
3 **Environmental Impact**	**Improving profitability and efficiency**	In addition to inventory adjustments, promoting the shift from "ownership to utilization" will achieve both reduced environmental impact and capital efficiency.

We view climate change as an "opportunity" rather than a "risk," and achieve profit margins and high ROE management through action-oriented design and inventory control.

I. Results for the fiscal year ending March 2025

~ Brand value backed by functionality remains unchanged. Progress is being made in "reconstructing the business foundation" with regard to gross profit margins, inventory management, etc. ~

Overview of the fiscal year ending March 2025.

Sales are progressing in line with plans both domestically and internationally, supported by inbound tourism from mainland China	Profitability was supported by maintaining gross profit margin and healthy expansion of direct management and EC.	Costs are being managed efficiently and within expectations, while also making strategic investments.
■ Maintained a high level of inbound sales from visitors to Japan from mainland China. ■ Steady recovery in domestic consumption centered on urban flagship stores. ■ Sales growth that captures tourist flow lines in the Kansai and Kyushu areas.	■ Gross profit margin is on a recovery trend due to an increase in the self-managed sales ratio and strengthened channel control. ■ In EC sales, the complementary relationship between real and digital is deepening. ■ In light of the issues with summer products in the Korean market, we will further strengthen collaboration with local partners.	■ Increase in personnel costs mainly due to temporary costs associated with additional J-ESOP contributions. ■ Emphasizes promoting brand value at directly managed stores, and appropriately invests in sales promotion and advertising expenses. ■ Continue to respond to inbound demand in an environment of price increases and reduce sales loss rate through inventory optimization.
Inbound sales ratio at directly managed stores **25.5%**	Full-year gross profit margin **52.1%**	Temporary costs **3.5 billion yen**

Summary of financial results for the fiscal year ending March 2025

Sales generally remained in line with plan. Profit level remains steady excluding temporary costs

Fiscal year end	FY24.3	FY25.3						
		May 14, 2024		March 25, 2025	May 14, 2025			
Item	Results	Initial outlook	Year-on-year change	Revised outlook	Results	Year-on-year change	Results excluding temporary costs	Left Year-on-year change
Net sale	126,907	133,200	105.0%	132,000	132,305	104.3%	132,305	104.3%
Gross profit	67,173	69,930	104.1%	69,300	68,925	102.6%	68,925	102.6%
%	52.9%	52.5%	▲0.4pt	52.5%	52.1%	▲0.8pt	52.1%	▲0.8pt
SG&A expenses (temporary costs)	43,326	51,346 (4,500)	118.5%	51,346 (4,100)	47,020 (3,500)	108.5%	43,520	100.4%
%	34.1%	38.5%	4.4pt	38.9%	35.5%	1.4pt	32.9%	▲1.2pt
Operating profit	23,847	18,100	75.9%	21,000	21,905	91.9%	25,405	106.5%
%	18.8%	13.6%	▲5.2pt	15.9%	16.6%	▲2.2pt	19.2%	0.4pt
Ordinary profit	32,601	25,900	79.4%	32,000	30,806	94.5%	34,306	105.2%
%	25.7%	19.4%	▲6.3pt	24.2%	23.3%	▲2.4pt	25.9%	0.2pt
Net income	24,281	21,000	86.5%	24,000	24,444	100.7%	26,894	110.8%
%	19.1%	15.8%	▲3.3pt	18.2%	18.5%	▲0.6pt	20.3%	1.2Pt

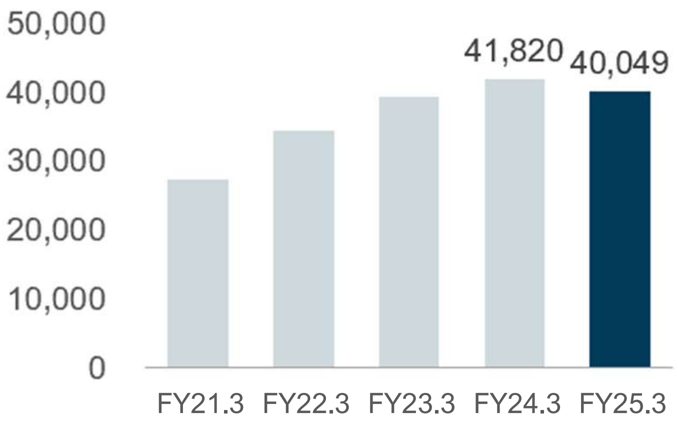
(Note) Temporary costs are assumed to be 900 million yen for head office relocation costs and 3.6 billion yen for J-ESOP costs at the beginning of the period. At the time of revision, the head office relocation cost was reduced from 900 million yen to 500 million yen. Temporary costs at the end of the period totaled 3.5 billion yen, including 500 million yen for head office relocation expenses and 3 billion yen for J-ESOP expenses.

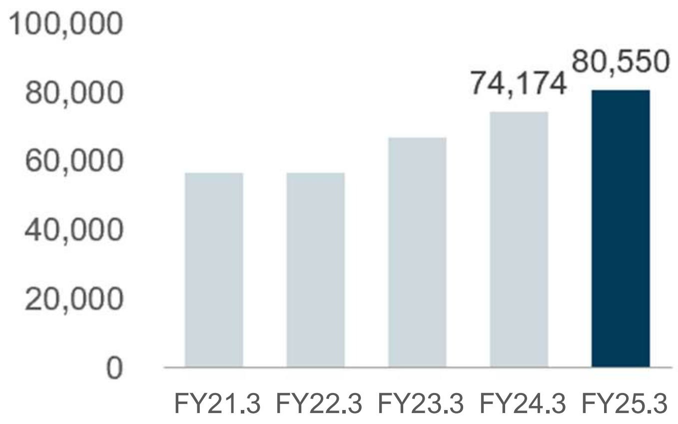
Continued growth in each business segment, with fashion steadily capturing inbound demand, increasing 7.3% year-on-year

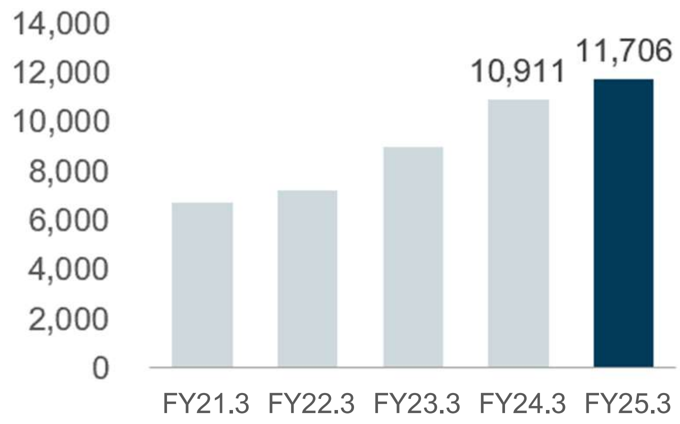
Sales by business segment (Million yen)

		Performance		Lifestyle		Fashion	
Results		40,049		80,550		11,706	
Initial outlook Year-on-year change	Results Year-on-year change	98.0%	95.8%	109.2%	108.6%	102.6%	107.3%
Sales composition ratio		30.3%		60.9%		8.8%	

(Million yen)







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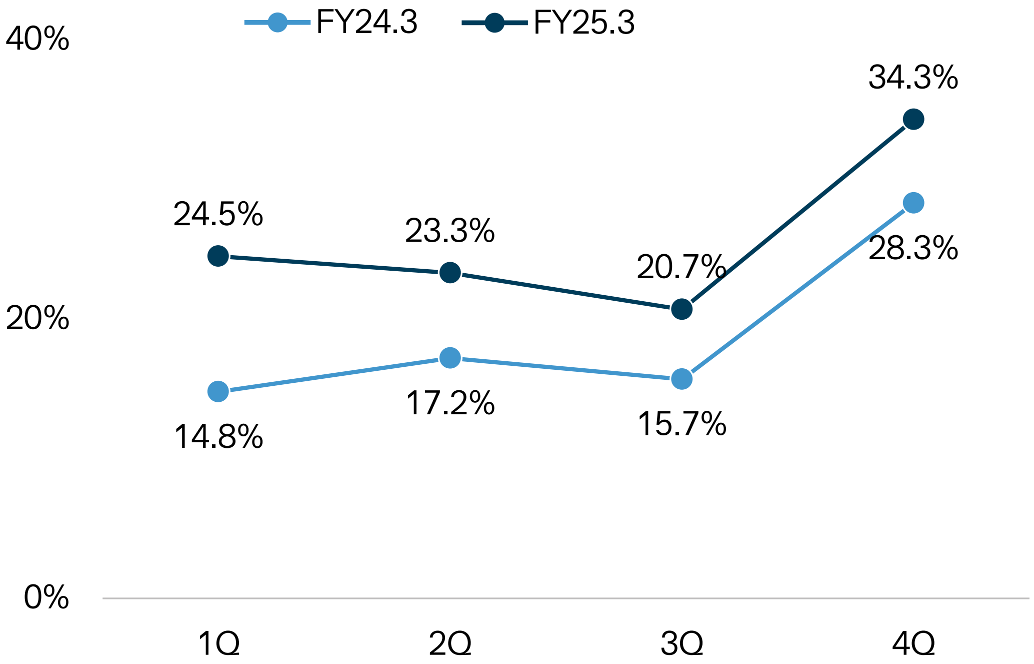
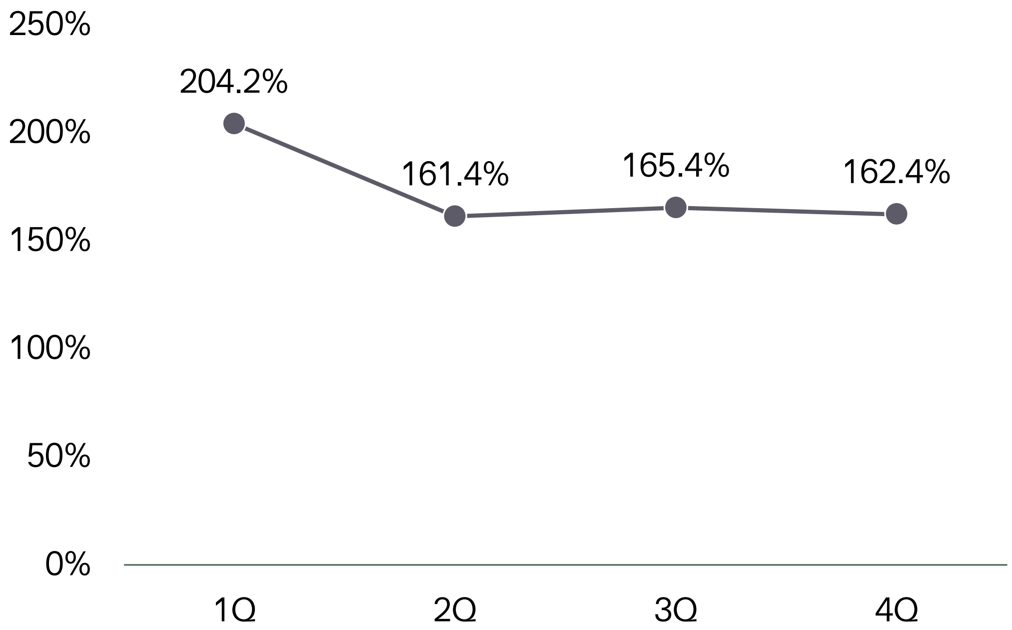
Inbound demand continued to be strong from the 4th quarter onward. Inbound sales ratio at directly managed stores was 25.5% for the full year (17.3% for the previous year)

Inbound sales composition ratio (directly managed stores)



- In the 4Q, tourism to Japan from mainland China gained momentum and the composition ratio increased. As a result, the inbound composition ratio for the full year will be 25.5%.

Inbound sales year-on-year change (directly managed stores)

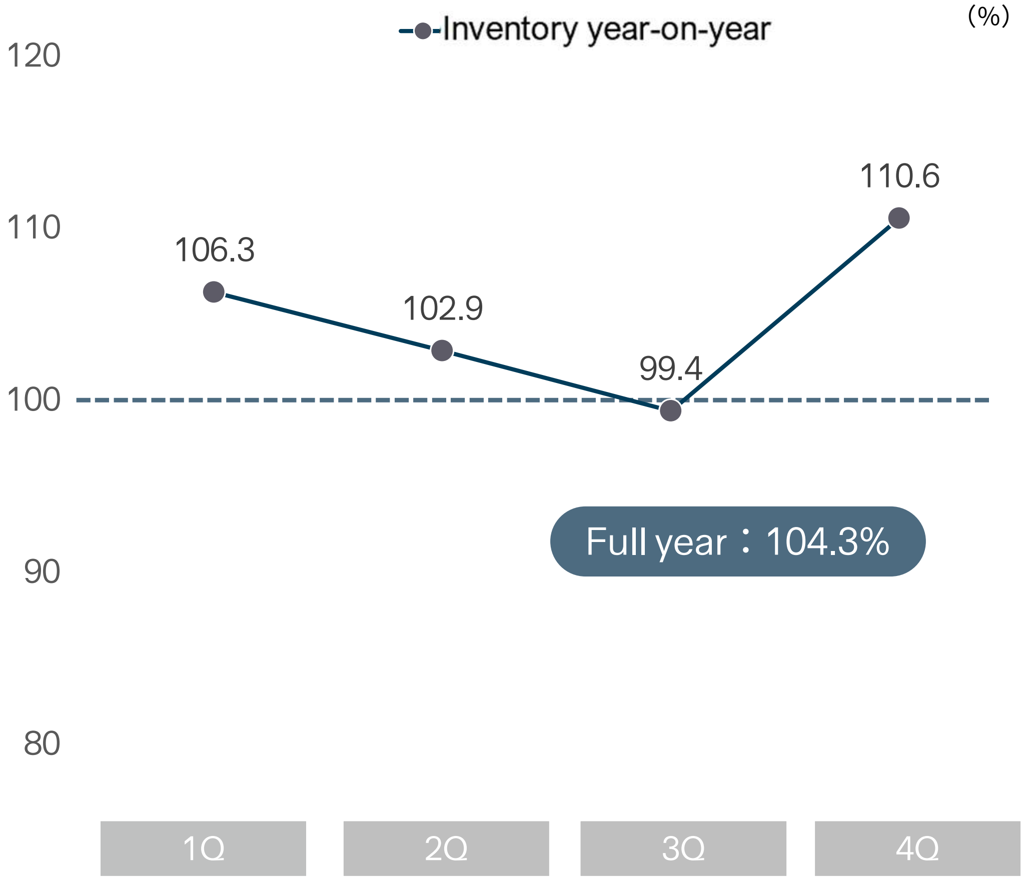


- Inbound demand expanded with the resumption of group travel. It has remained at a high level since then (over 160% compared to the previous year), and the steady growth trend continues, rather than being a short-term boom.

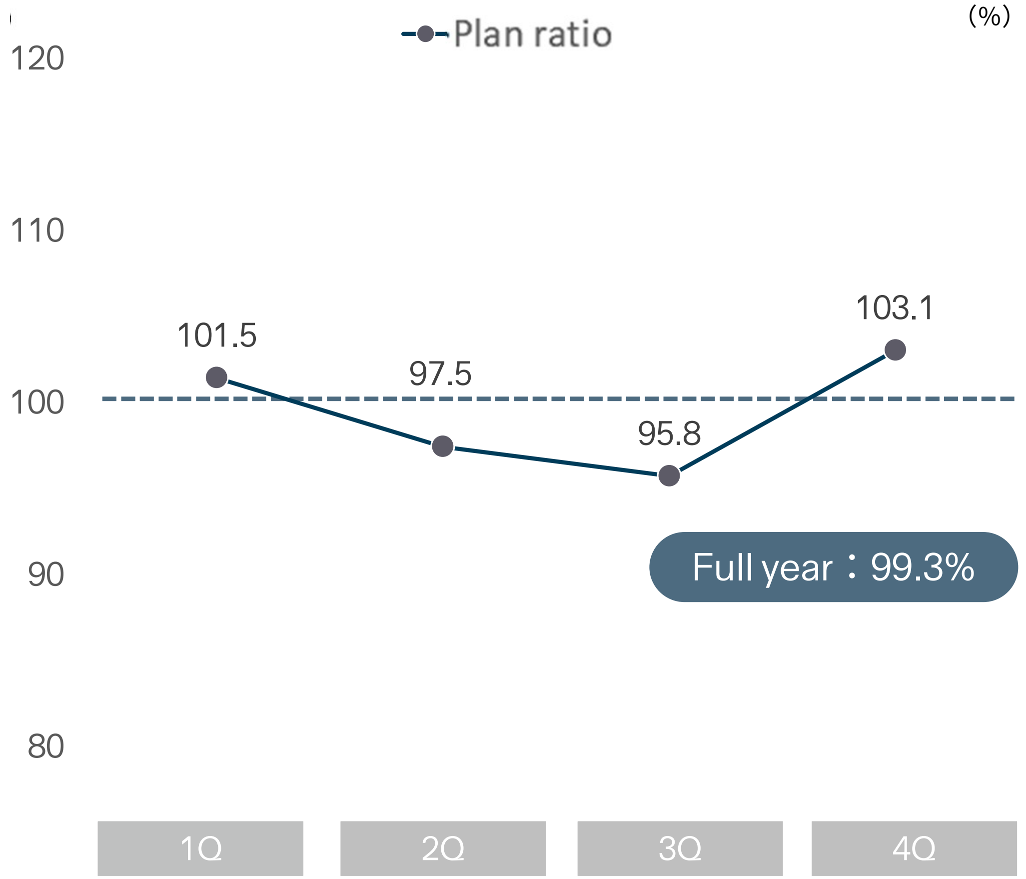
Monthly sales trends for the fiscal year ending March 2025

Sales were steady after peaking in December, and even exceeded the previous year's sales for the full year, but sales in March were due to product launches in line with sales trends for spring items.

Year-on-year sales change



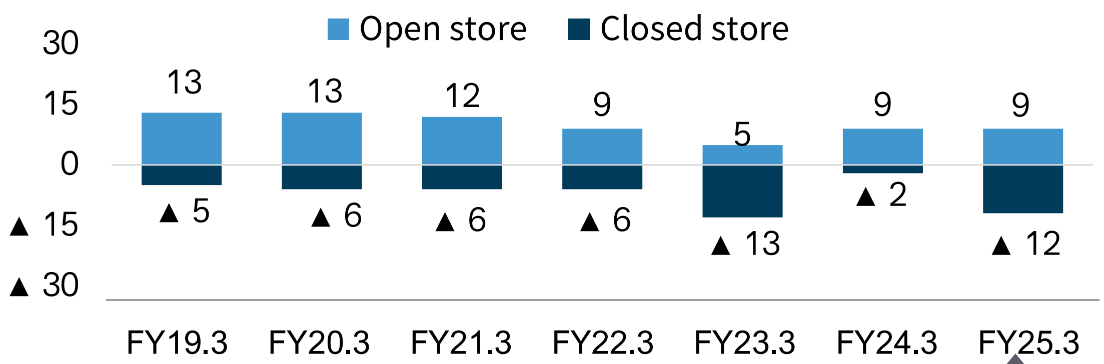
Sales vs plan



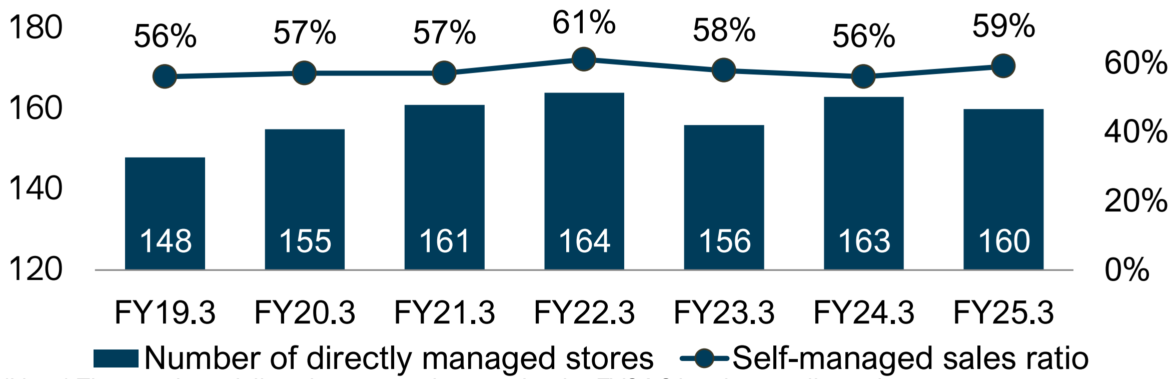
(Note) Sales figures are the sum of self-managed sales and wholesale sales.

In the FY25.3, we will carry out structural restructuring in the athletic area. In the FY26.3, we plan to have a 175-store structure with 15 new stores, mainly 10 Goldwin stores.

Self-managed sales ratio and number of directly managed stores



8 canterbury stores closed in FY25.3



(Note) The number of directly managed stores for the FY24.3 has been adjusted due to the addition of franchise stores.
It does not match the total number of store openings and store closings.

Reasons why 60% self-managed sales ratio is the optimal balance

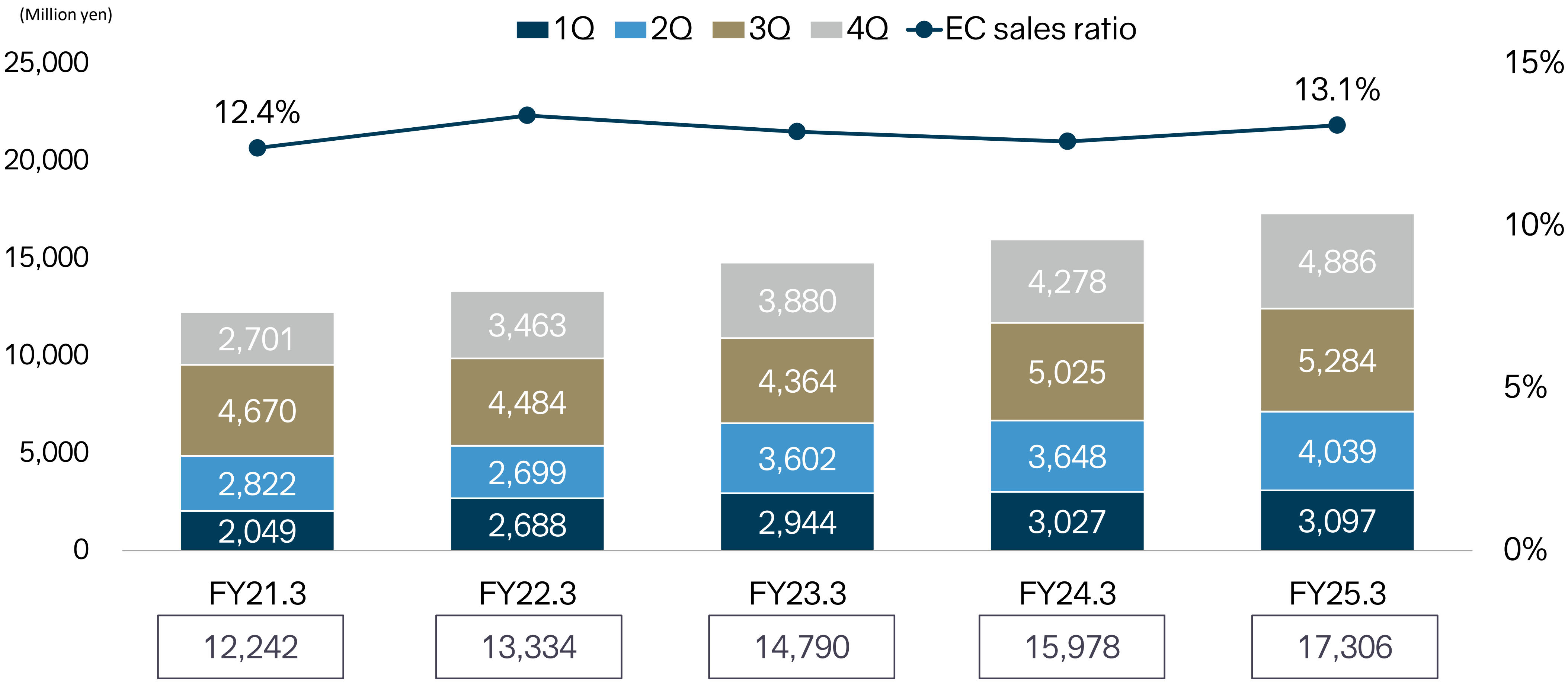
The medium-term management plan period is set at 60% in order to achieve both "nurturing original brands" and "diversifying sales channels"

Plans to open 15 stores in the FY26.3, mainly in China

In FY26.3, 15 new stores were opened (Goldwin10, THE NORTH FACE2, HELLY HANSEN1, NEUTRALWORKS.1, nanamica1).
Goldwin's 10 stores are planned to include 7 overseas (5 in China, London and New York) and 3 in Japan.

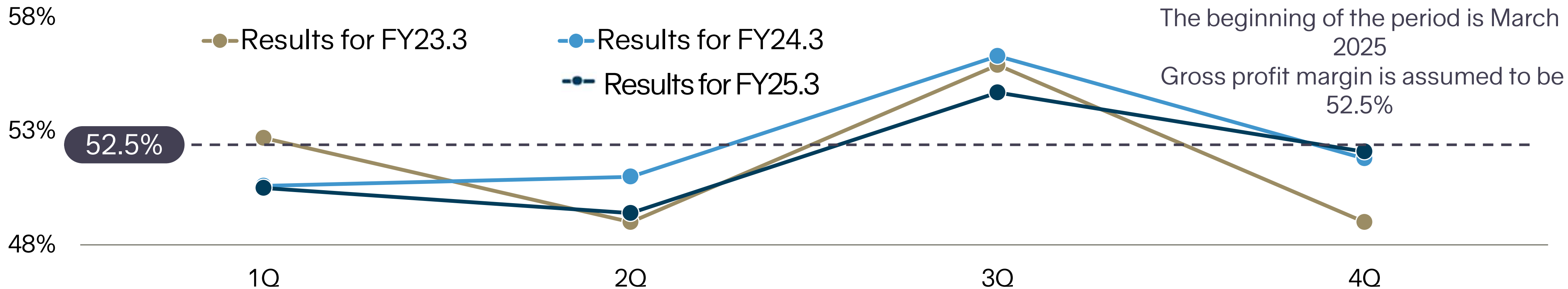
Quarterly trends in EC sales

EC sales in FY25.3 were 108% compared to the previous quarter, and 114% compared to the same period last year in the 4th quarter.
Promote the influx of new customers by launching EC-only products



Gross Profit Margin Initiatives

Gross profit margin for the FY25.3 was 52.1%. Although it is a decrease of 0.8 points compared to the previous term, we aim to achieve 52.7% of the response in the fourth quarter for the term ending March 2026.



	1Q	2Q	3Q	4Q	Full year
Results for FY22.3	52.6%	49.8%	56.6%	49.5%	52.7%
Results for FY23.3	52.7%	49.0%	55.9%	49.0%	52.2%
Results for FY24.3	50.6%	51.0%	56.3%	51.8%	52.9%
Results for FY25.3	50.5%	49.4%	54.7%	52.1%	52.1%
Year-on-year change	▲0.1pt	▲1.6pt	▲1.6pt	0.3pt	▲0.8pt

4th quarter trends

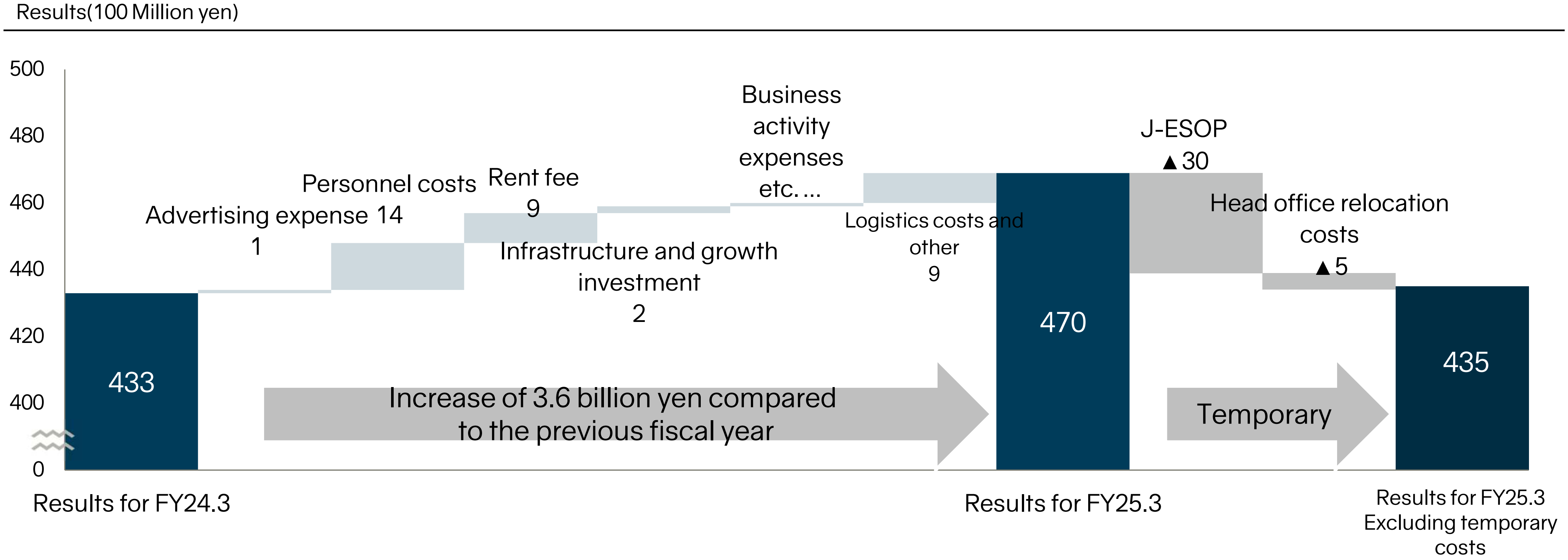
Despite the impact of the warm winter, we achieved a 0.3pt improvement compared to the same period of the previous year in the fourth quarter, as we continued to sell items such as down jackets at regular prices, and the cost rate reduction for spring/summer items contributed.

Outlook for the fiscal year ending March 2026

We believe that the improved exchange rate assumption is a factor in improving gross profit margins for both spring/summer and fall/winter products. Furthermore, by continuing to raise sales prices by around 10% for 30% of product numbers, we aim for a full-year sales price of 52.7%.

Graph of factors contributing to changes in selling, general and administrative expenses

SG&A expenses for FY25.3 were 47 billion yen. If temporary costs of J-ESOP and head office relocation costs of 3.5 billion yen are excluded, the total amount will be 43.5 billion yen.



- Regarding advertising expenses, the expected expenditure of approximately 500 million yen related to the membership system was postponed to the next fiscal year, so results for the current fiscal year were lower than expected.Additionally, the core system investment project itself is progressing as expected.Furthermore, in accounting terms, this was treated as an asset (capital investment) rather than a selling, general and administrative expense, so it was not reflected in the costs for the current period.

Changes in selling, general and administrative expenses compared to the same period last year

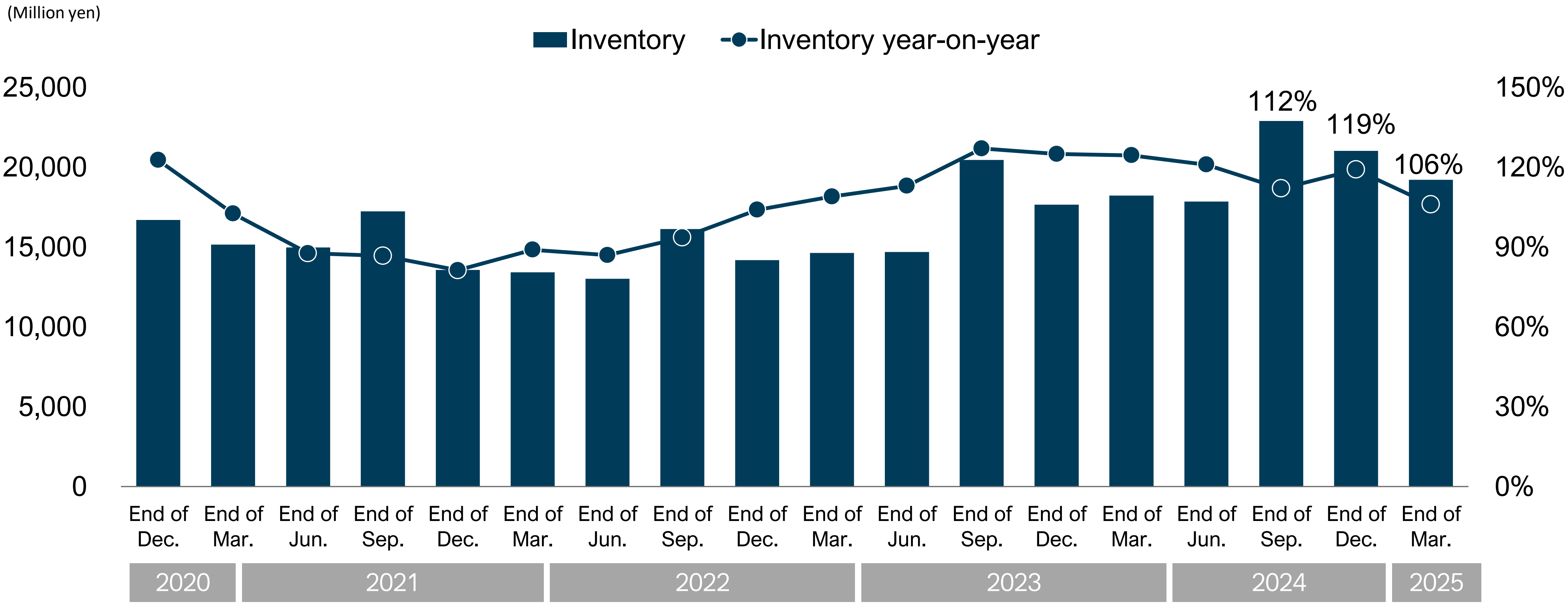
Unused expenditures of 4.4 billion yen compared to the initial plan.

Item name	Initial plan increase from previous fiscal year	Results (first half)	Results (second half)	Results (full year)	Difference (compared to initial plan)	Initial Plan Progress and Policy
Advertising expense	+1billion yen	0billion yen	+0.1billion yen	+0.1billion yen	▲0.9billion yen	Promotions for winter products and the launch of spring items are planned for the 4th quarter. Delay in launching membership system, etc. (500 million yen)
Personnel costs	+2.9billion yen	+1billion yen	+0.4billion yen	+1.4billion yen	▲1.5billion yen	J-ESOP was 3.6 billion yen at the beginning of the period → Actual results 3 billion yen
Rent fee	+0.4billion yen	+0.3billion yen	+0.6billion yen	+0.9billion yen	+0.5billion yen	The head office relocation cost was 900 million yen at the beginning of the period →Actual cost 500 million yen.The increase is sales-linked rent.
Infrastructure growth investment	+1.4billion yen	+0.2billion yen	0billion yen	+0.2billion yen	▲1.2billion yen	The project is progressing according to plan and will be expensed as depreciation in the future
Business activity expenses, etc.	+1.1billion yen	+0.2billion yen	▲0.1billion yen	+0.1billion yen	▲1.0billion yen	Unused preparation costs for overseas expansion
Logistics costs and other	+1.2billion yen	0billion yen	+0.9billion yen	+0.9billion yen	▲0.3billion yen	Reduction by improving operational efficiency through logistics efficiency, outsourcing, etc.
total	+8billion yen	+1.7billion yen	+1.9billion yen	+3.6billion yen	▲4.4billion yen	

Changes in inventory balance

In FY25.3, inventory balance temporarily increased to around 120% compared to the previous quarter due to the impact of the warm winter, but by the end of March it had reached 106%.

Quarterly inventory balance

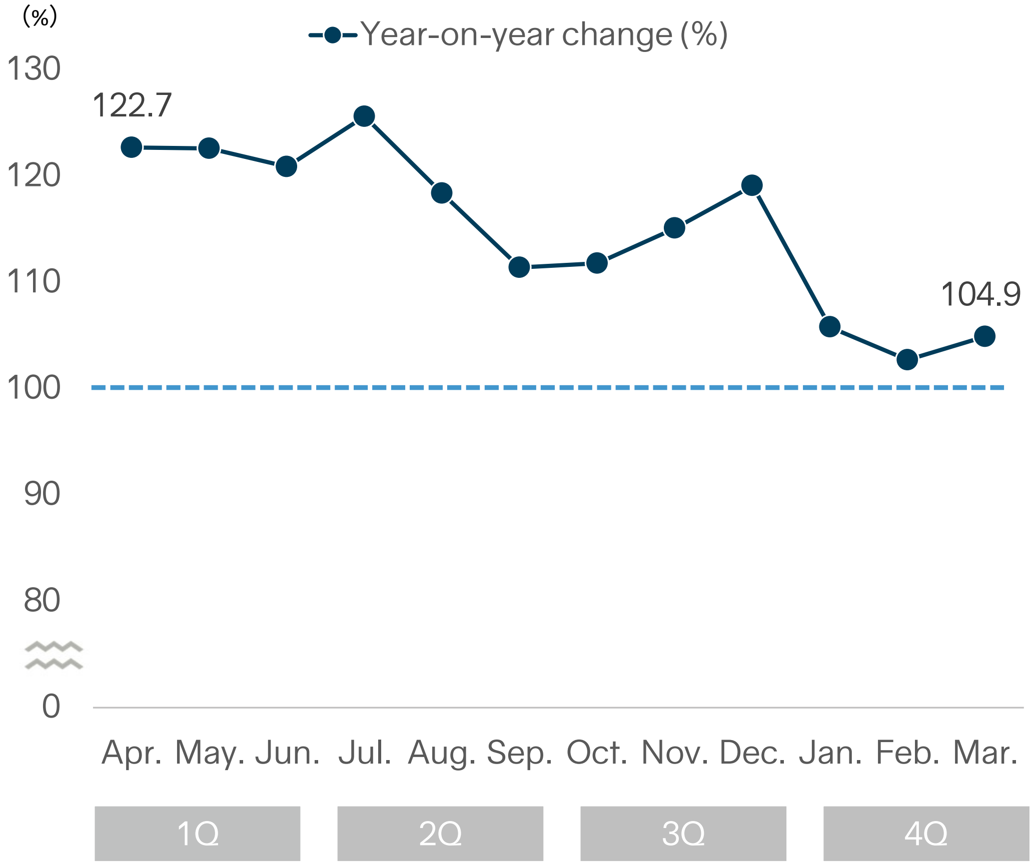


(Note) Inventories are the total balance of merchandise and finished products, work in process, raw materials, and supplies.

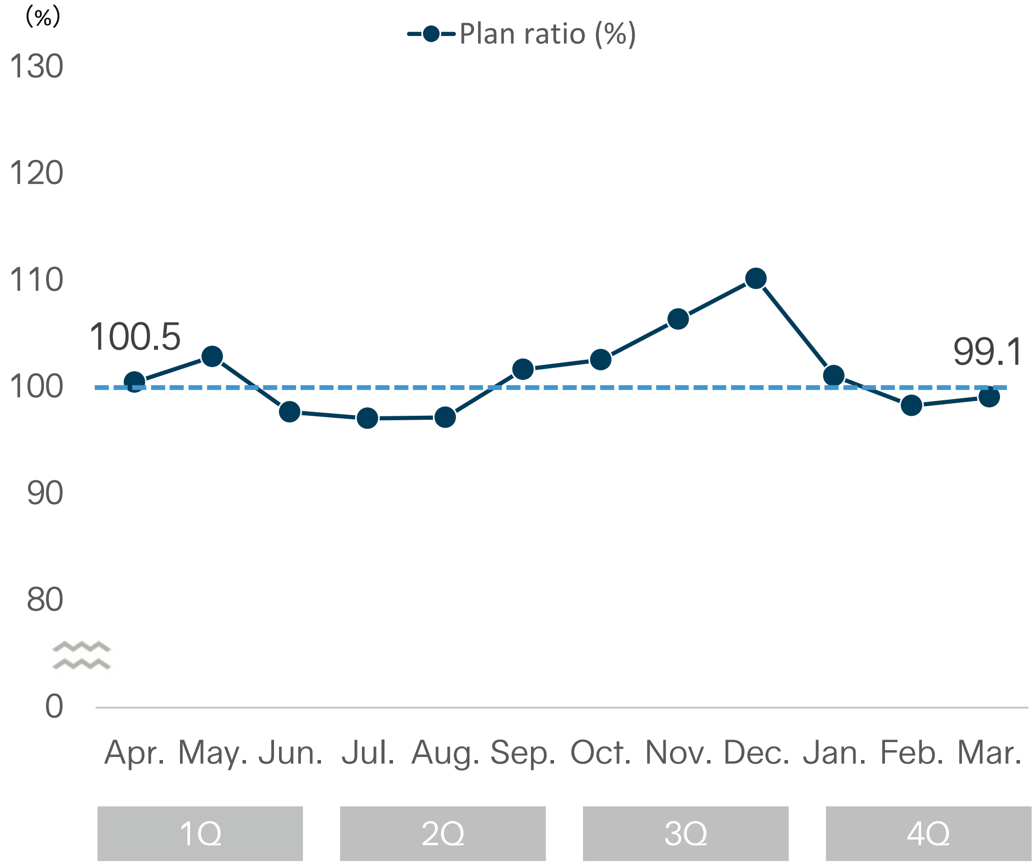
(Non-consolidated) Changes in inventory balance compared to the same period last year and compared to the plan

Inventories for FY25.3 temporarily increased by 122% compared to the previous fiscal year, but it was largely controlled compared to the plan, and the end of the period was within the plan.

(Non-consolidated) Inventory compared to same month last year



(Non-consolidated) Inventory compared to plan



Changes in sales loss rate

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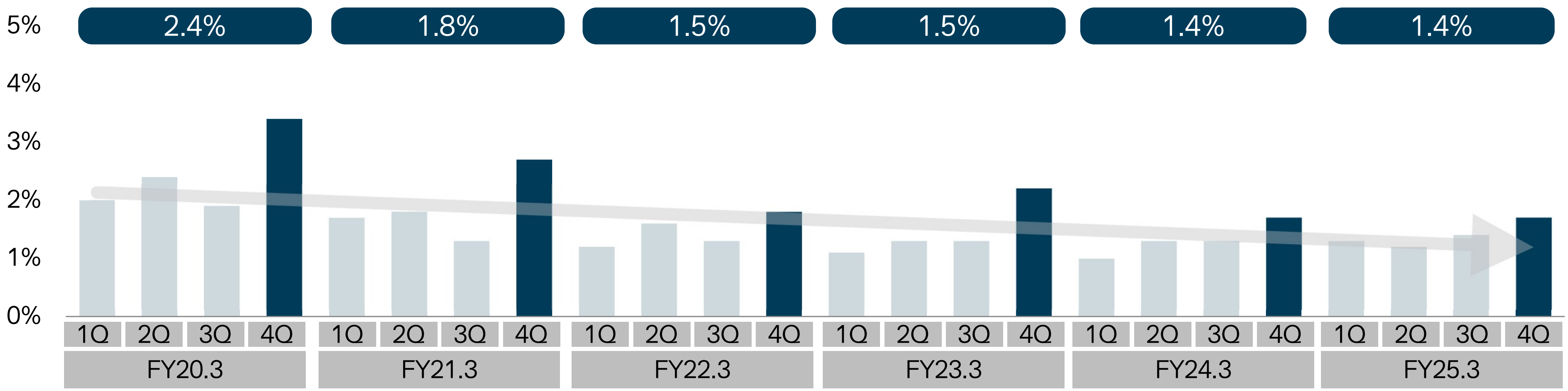
By thoroughly managing order flow, we calculate the appropriate order quantity, and the sales loss rate has remained stable at 1.4%.

Trends in quarterly sales loss rate



Total amount regulation

Set the "total quantity limit" at the time of ordering according to sales performance and sales loss

Order flow management

Manage in-store inventory flow on a weekly basis during the season to improve efficiency.

Moving between stores

Improved consumption rate during the period by proactively moving products between stores

Correction of quarterly disparity

Maintain the same level of sales loss rate in all quarters and correct seasonal disparities

(Note) Sales loss rate (returns + discounts)/total sales The numbers in the box above are the average values for each period.

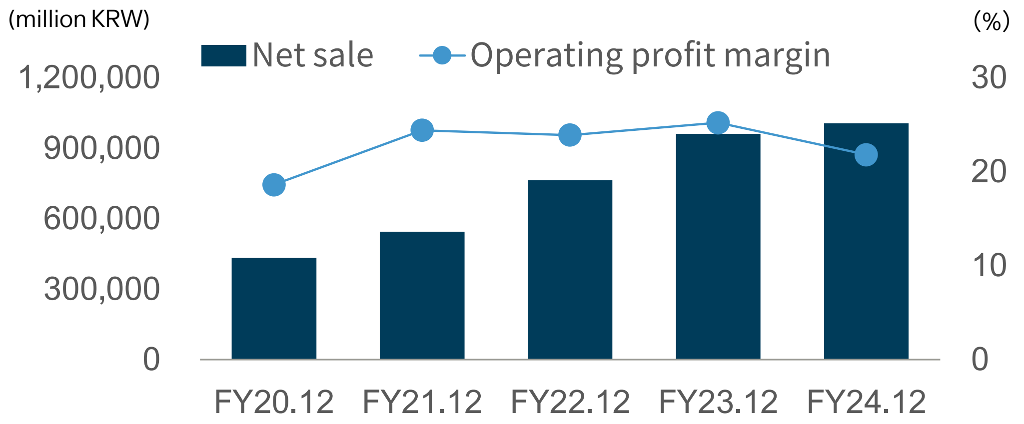
Initiatives of YOUNGONE OUTDOOR Corporation (YOC) in Korea

Sales exceeded 1 trillion won (approximately 100 billion yen). Expected to remain steady in the FY25.12

YOUNGONE OUTDOOR Corporation（YOC）

	2024 Apr.	May.	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	2025年 Jan.	Feb.	Mar.
Goldwin (Apr.-Mar. period)	1Q Sales are strong due to increased demand for going out and inbound sales			2Q Sales driven by demand for mountain climbing and resumption of events such as outdoor festivals			3Q Due to the warm winter, peak sales of fall and winter items have been pushed back			4Q Cold waves arrive later than usual, leading to demand for cold weather gear		
YOUNGONE OUTDOOR Corporation（Jan.-Dec. period）	2Q Sales are strong due to stable product supply and SNS effects			3Q Autumn item sales are sluggish due to the effects of the intense heat.			4Q Although affected by the warm winter, sales recovered as temperatures dropped from December onwards.			1Q Although "Umeharu products" struggled due to continued low temperatures in February and March, sales remained on par with the same period of the previous year.		

*YOC's fiscal year-end period is from January to December, which is a three-month difference from our company's fiscal year-end period. In South Korea, the overall apparel market temporarily slumped due to the intense heat from July to September.



Sales status and progress

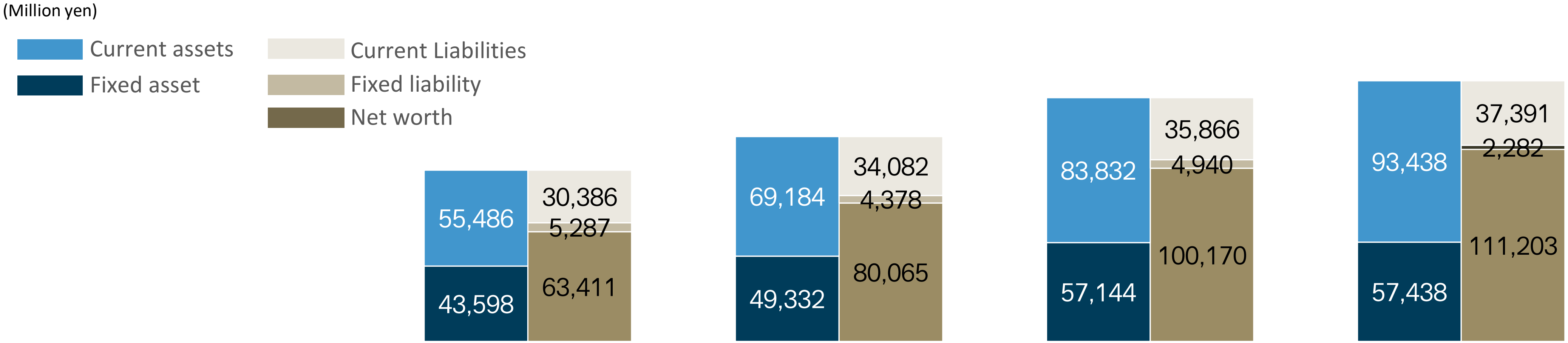
- In 2024, sales exceeded 1 trillion won for the second consecutive year
- Remains number one in outdoor brand ranking in South Korea
- TNF White Label appoints Korean professional soccer players as ambassadors to strengthen promotions for men
- Promoting the global expansion of the VECTIV collection and accelerating

  full-scale entry into the running market
- Consumers continue to refrain from purchasing due to political instability, price hikes, and tariff concerns since December last year.

Balance sheet for the fiscal year ending March 2025

Equity ratio 73.2%.Build a solid financial foundation

Consolidated balance sheet



	FY22.3	FY23.3	FY24.3	FY25.3
ROE	24.7%	29.3%	27.0%	23.2%
Capital adequacy ratio	63.9%	67.4%	70.9%	73.2%
Interest-bearing debt	4,188 million yen	2,585 million yen	1,372 million yen	354 million yen
D/E ratio (times)	0.07	0.03	0.01	0.003

II. Outlook for the fiscal year ending March 2026

~ A growth trajectory with profitability and efficiency, continuing to thoroughly control expenses during the period ~

Summary of financial results for the fiscal year ending March 2026

FY26.3 was the final year of the previous medium-term management plan. Although sales will be lower than planned due to the discontinuation of 4 brands, each profit margin is expected to be maintained.

(Million yen)

Fiscal year end	FY24.3	FY25.3		Outlook for FY26.3				
Item	Results	Results	Results excluding temporary costs	Outlook this time	Compared to previous period	Percentage excluding temporary costs	(Reference) Previous interim financial results May 12, 2023	Difference from the previous mid-term management plan
Net sale	126,907	132,305	132,305	140,500	106.2%	106.2%	149,000	▲8,500
Gross profit	67,173	68,925	68,925	-	-	-	-	-
%	52.9%	52.1%	52.1%	52.7%	0.6pt	-	-	-
Operating profit	23,847	21,905	25,405	25,900	118.2%	101.9%	26,800	▲900
%	18.8%	16.6%	19.2%	18.4%	1.8pt	▲0.8pt	18.0%	0.4pt
Ordinary profit	32,601	30,806	34,306	33,900	110.0%	98.8%	33,400	500
%	25.7%	23.3%	25.9%	24.1%	▲0.1pt	▲1.8pt	22.4%	1.7pt
Net income	24,281	24,444	26,894	25,400	103.9%	94.4%	-	-
%	19.1%	18.5%	20.3%	18.1%	▲0.2pt	▲2.2pt	-	-

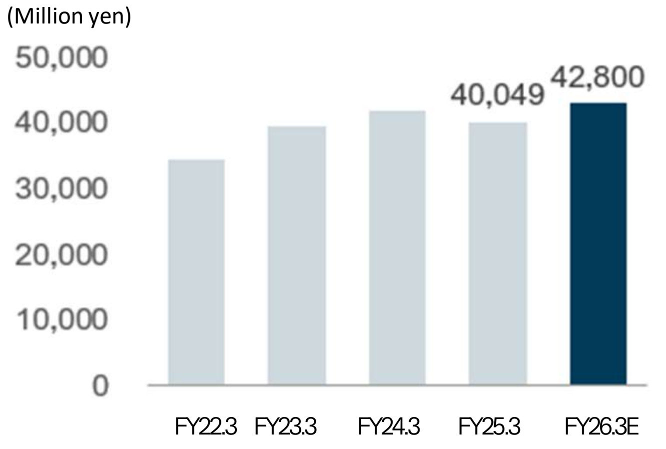
Earnings forecast by business segment

Further improve quality in the performance area and develop new customer bases in lifestyle and fashion.

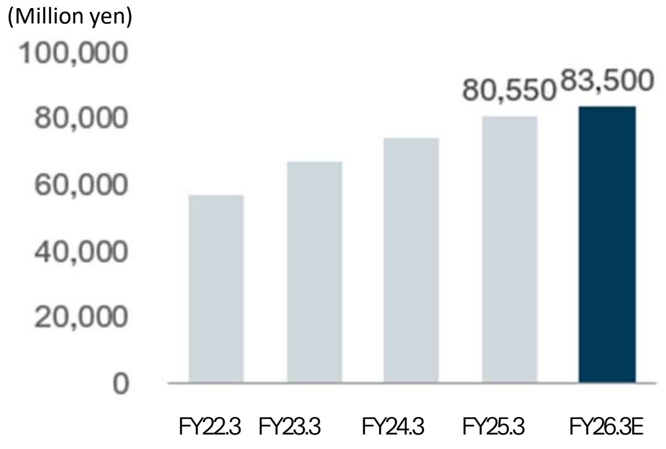
Sales by business segment (Million yen)

	Performance	Lifestyle	Fashion・Other
Outlook	42,800	83,500	14,200
Year-on-year	106.9%	103.7%	121.3%
Sales composition ratio	30.5%	59.4%	10.1%

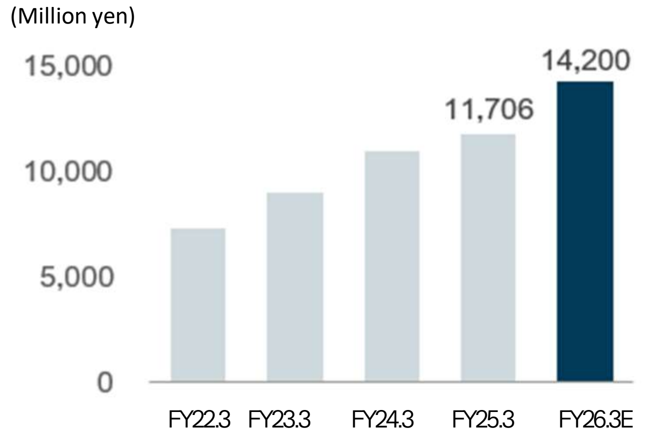
Performance



Lifestyle



Fashion



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Chain of growth led by expansion through 3 business areas and 4 competitive strengths

Ripple effects by business segment

	Performance	Lifestyle	Fashion
Pursuit of functionality	High functionality, technological innovation, outdoor and sports fields Everyday use/casual, fusion of function and design Highly sensitive design, responsive to the premium market		
Environmental awareness	Strengthen development of environmentally regenerative products Extending product life through repair and recycling Reducing waste through a design that never becomes obsolete		
Cross-sectional organization	A cross-sectional organization that can integrate technology and design Actual demand model for high value-added products reduces inventory risk		

4 forces that enable sustainable spread

Material development ability

Functional design ability

Development driving force

Market adaptability

Possibility of market expansion due to ripple effects

Region	Transformation of added value	Possibility of market expansion
Performance	Provides high reliability, high functionality and practicality in harsh natural conditions, gaining solid trust from competitors and mountain climbers.	Mountain/ trail running/ expedition market
Lifestyle	By optimizing performance technology to be lightweight and comfortable, we realize practicality and comfort in the daily lives of city dwellers.	Products for daily activities/urban hiking
Fashion	Adding design sophistication to technical materials and redefining them as "functional beauty." Create a new market category by fostering empathy with highly sensitive customers	Select shop/ Goldwin 0/ Urban fashion market

Assumptions for gross profit margin

For FY26.3, the gross profit margin is expected to improve by 0.6pt for the full year.
Stable costs and mitigation of the impact of the strong yen in the first half, and improvements in pricing policy and inventory accuracy contributed in the second half

Assumptions for gross profit margin

FY25.3

52.1%

Outlook for FY26.3

52.7%
(0.6pt increase year-on-year)

First half	Second half
49.9% →50.2% (0.3pt increase)	53.6% → 54.3% (0.7pt increase)

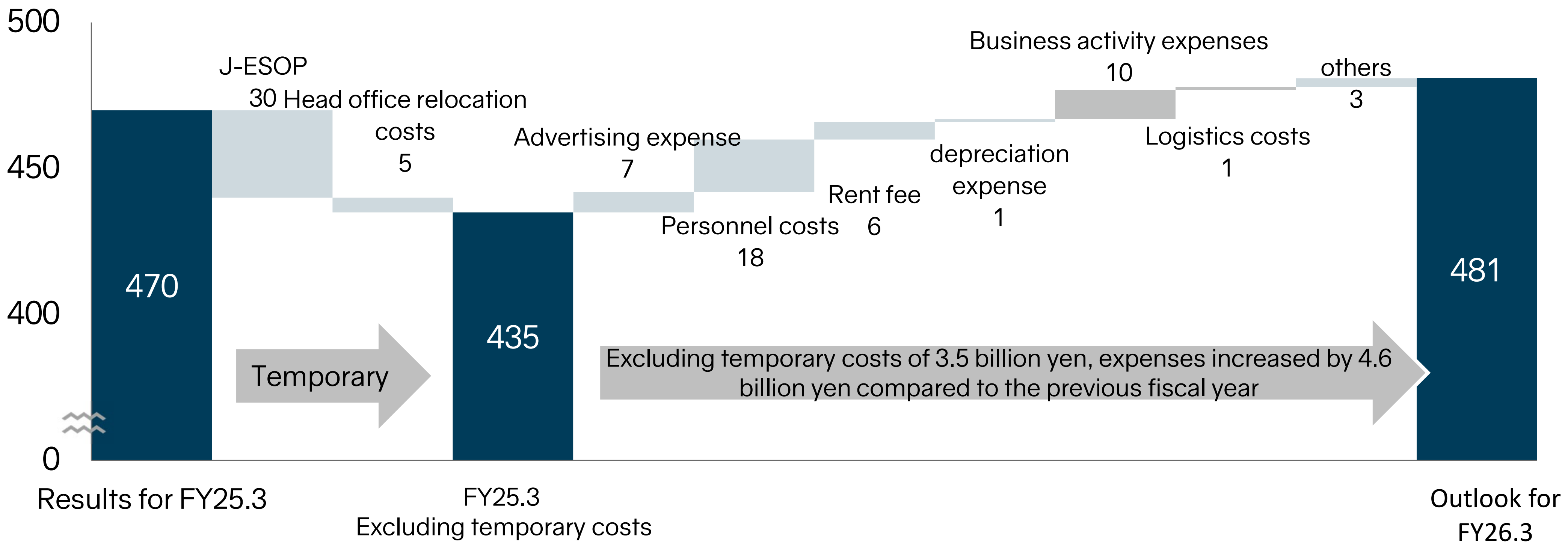
Factors contributing to changes in gross profit margin

Item	Element	Remarks
Sales factors	Full Price sales ratio	If there are many discounted sales, the gross profit margin will drop significantly.
Distribution channel	Self-managed sales ratio	Direct management/ EC ratio has a big influence
Inventory management	Inventory turnover rate/valuation loss	Slower turnover = discounted sales/increased valuation losses/Accuracy of inventory management is the key
Manufacturing cost	Fabric/Sewing/Parts costs	Highly functional materials and complex specifications drive up costs
Exchange rate impact	Increase in import costs due to yen depreciation	High overseas OEM ratio, mainly yen payments with trading companies
Logistics	Logistics costs	Overseas transportation/ warehousing/domestic delivery/ susceptible to crude oil prices

Graph of factors contributing to changes in selling, general and administrative expenses

SG&A expenses are expected to increase by 4.6 billion yen, excluding temporary costs. The main reason is the increase in personnel costs to strengthen sales capabilities.

Initial outlook(100 Million yen)



- Personnel costs increased by 1.8 billion yen, including converting sales employees to full-time employees and hiring mid-career employees at subsidiaries.
- Business activity expenses are consulting costs associated with strengthening brand power and building a business foundation.

Assuming a system design in which no temporary costs will occur in the fiscal year FY26.3

J-ESOP expense burden by quarter (100 Million yen)

	1Q Result	2Q Result	3Q Result	4Q Result	Total
FY24.3	0	6	6	6	18
FY25.3	6	6	6	12	30
FY26.3E	0	0	0	0	0

J-ESOP related Q&A

Reason why the outlook of 3.6 billion yen at the beginning of the fiscal year FY2025.3 was changed to 3.0 billion yen at the end of the fiscal year.	This is because the stock price at the end of March was lower than our expectations, as it is calculated based on the stock price at the end of March.
Outlook for recording temporary costs related to personnel systems in FY2026.3	We are currently considering an incentive system for employees from FY26.3 onwards, but we do not expect to record related expenses during FY26.3.

Factors causing increase in selling, general and administrative expenses for FY26.3

Expected to increase by 4.6 billion yen from the previous fiscal year after deducting temporary costs.Business activity expenses are scheduled to be used to improve brand value and build business infrastructure.

Item name	FY26.3E Increase from previous period after deducting temporary expenses	Main use of funds
Advertising expense	+0.7billion yen	■ Brand promotion expenses/sustainability related expenses (400 million yen) ■ Brand promotion expenses in China, South Korea, and other subsidiaries (300 million yen)
Personnel costs	+1.8billion yen	■ Turning sales employees into regular employees, strengthening the production department structure, increasing salaries and staffing (1.3 billion yen) ■ Career recruitment costs in China, Korea and other subsidiaries (500 million yen)
Rent fee	+0.6billion yen	■ Plans to open 15 new stores mainly under the Goldwin brand
depreciation expense	+0.1billion yen	■ In the 26th fiscal year, depreciation expenses associated with capital investment were 2 billion yen, the same as the previous fiscal year. ■ Furthermore, depreciation costs associated with the operation of the core system are expected to be approximately 400 million yen each fiscal year from FY27.3.
Business activity expenses	+1billion yen	■ Goldwin consulting costs and business infrastructure construction costs (700 million yen), other (200 million yen) ■ Consulting expenses at subsidiary (100 million yen)
Logistics costs	+0.1billion yen	■ Expected to maintain cost levels due to continued logistics efficiency improvements from the previous fiscal year
others	+0.3billion yen	-
total	+4.6billion yen	-

III. Progress status of medium-term management plan

～The North Face and Goldwin are progressing in line with the Five-Year Medium-Term Management Plan～

Overall picture of PLAY EARTH 2030

PLAY EARTH 2030

A period of change towards becoming a 100-year company

	Products Goldwin500	Products THE NORTH FACE	Products Brand Business	Experiences Experience Business
Results for FY25.3	Growing response in China's premium sports market	CAGR4% Prompt for recovery in gear area	Athletic brand selection and concentration	Alpine Tour Service becomes a subsidiary

Increase Goldwin brand awareness by integrating CI (Corporate Identity) and BI (Brand Identity)

Cash-Allocation

Achieving high standards of corporate governance and sustainability

Progress status of medium-term management plan

“Stability and challenge” through brand portfolio“Two-axis development” of THE NORTH FACE and Goldwin brand

- THE NORTH FACE realizes that there is room for growth in both apparel and gear, and maintains high profitability.
- We aim to achieve both profitability and growth through the two wheels of "stability" and "challenge“.

THE NORTH FACE
sales growth rate
104.1%

The “brand of choice” in the premium sports market is growing

- Goldwin has established a unique position in the premium market with a focus on "functionality x aesthetics.“
- In Goldwin's first year of global expansion, sales increased 138% year on year.
- Achieving sustainable growth and breaking away from price competition through a high unit price x high royalty model.

Goldwin
sales growth rate
145.5%

Transition to a phase of “selection and concentration” starting with China

- Based on its track record in Shanghai and Hangzhou, Goldwin China is accelerating its expansion into urban and high-end markets.
- Store development based on regional characteristics such as purchasing power and brand understanding.
- In the current fiscal year, we have shifted our focus from "opening" to "penetration" and promoting an approach to establishment.

5 new stores opened in mainland China

(Already published) Future information disclosure policy in line with the five-year medium-term management plan

Goldwin

	Disclosure Cycle	Disclosure
1. THE NORTH FACE	2Q、4Q	Apparel and gear sales disclosure
	4Q	Disclosure of sales for kids/baby, shoes, etc.
	4Q	Disclosure of sales forecast for next fiscal year
2. Goldwin	2Q、4Q	Store opening plan progress
	4Q	Disclosure of brand sales and operating profit
	4Q	Disclosure of sales forecast for next fiscal year
3. Cash allocation	4Q	Disclosure of growth investments, business foundation investments, etc.
	4Q	DOE Outlook Disclosure

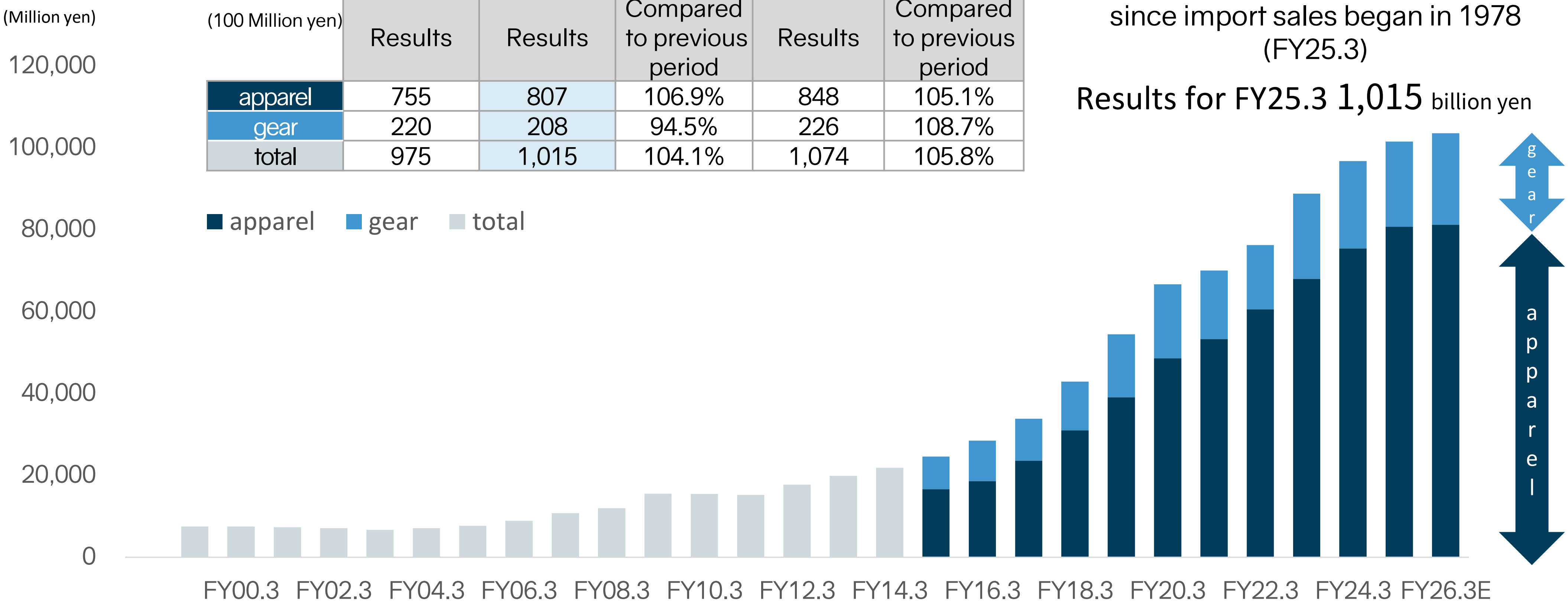
①THE NORTH FACE's growth potential

THE NORTH FACE sales trends

(100 Million yen)	FY24.3	FY25.3		FY26.3E	
	Results	Results	Compared to previous period	Results	Compared to previous period
apparel	755	807	106.9%	848	105.1%
gear	220	208	94.5%	226	108.7%
total	975	1,015	104.1%	1,074	105.8%

First time to exceed 100 billion yen since import sales began in 1978 (FY25.3)

Results for FY25.3 1,015 billion yen



(Note) For the fiscal year ending March 2014 and earlier, the total of apparel and gear is disclosed.

①THE NORTH FACE brand awareness survey

While maintaining high awareness and purchase intent, there are issues with purchase results and the level of continued purchases.
Going forward, we plan to strengthen product development and rebuild customer contact points.

Recognition rate	Favorability level	Purchase intention rate	past 3 years Purchase experience rate
85%	**63%**	**60%**	**26%**

(Source) Cross Marketing Brand Awareness Survey Survey period: January 18, 2025 - January 21, 2025

Current situation analysis

- An extremely high level has been reached in the upper reaches of the brand funnel (awareness to purchase intention).
- Awareness rate: 85%, favorability transfer rate: 74%, purchase intention rate: 60%, intention transfer rate: 95%　On the other hand, there were issues between purchase intention and actual purchase (60% → 26%).
- Promote the formation of brand loyalty to increase consumers' understanding of why they continue to buy

Future approach

- Strengthen the points of contact that connect the brand's "worldview/philosophy" and the "practical value of the product."
- Improving purchasing convenience centered on directly managed stores and our own EC site
- Enhance post-purchase satisfaction and increase brand loyalty.

①THE NORTH FACE Environmental analysis of the kids market and priority measures

THE NORTH FACE Kids is a category that maximizes the brand's LTV based on "family trust" rather than a "children's clothing business."

Performance trends and environmental awareness

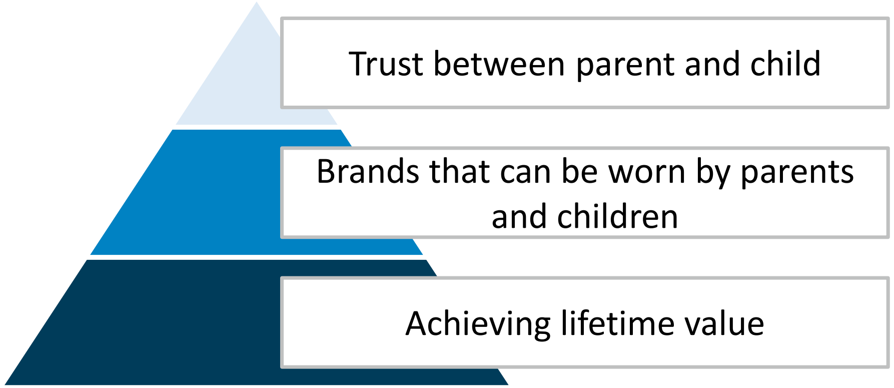
THE NORTH FACE Kids Sales

	FY24.3	FY25.3
apparel	7 billion yen	7.6 billion yen
gear	2 billion yen	1.6 billion yen
total	9 billion yen	9.2 billion yen

Factor analysis

Kids apparel grew 8% compared to the same period last year. Although gear sales for kids are struggling as well as sales for adults, overall sales for kids are increasing.

Background of THE NORTH FACE's efforts in the kids market



№	point of view	Initiative policy
1	sales growth	Sustaining growth in apparel and strengthening response to gear issues.
2	Kids solo development	We will strengthen the provision of brand experiences that combine parent and child together rather than independent development. Emphasizes "family empathy" in the design of sales floors, products, and customer service.
3	Channel Configuration changes	Proceeding with channel optimization in the lifestyle market. This includes strengthening children's and EC expressions at existing stores.
4	Deepening customer contact points	Promote deepening of brand contacts starting from LTV. Implemented a succession strategy by appealing to both parents and children and strengthening common products.
5	Future prospects	Kids = positioned as a source of LTV creation. In addition to sales growth, we have integrated brand inheritance and expansion of market share within the family into our strategy.

①THE NORTH FACE Growth potential of the footwear category

The footwear business is expected to become the second growth axis as a strategic category that involves experience design and profit structure reform.

The latest model of "VECTIV" will be on sale from March.

THE NORTH FACE shoes sales

FY24.3	FY25.3
6 billion yen	5.9 billion yen

Reasons why sales are flat

"Structural transition period" from Nuptse Booty (winter product) to year-round items such as VECTIV

VECTIV is the core product responsible for CORE&MORE

№	point of view	Initiative policy
1	brand positioning	VECTIV is not a single product, but it is positioned as a "core technology platform" that symbolizes the brand's top technology.
2	Linkage with CORE & MORE strategy	As a system that plays the core of the "CORE (performance) x MORE (lifestyle)" strategy, it supports the transition to a year-round product group.
3	Alignment with shoe trends	Consistent with the global trend of incorporating high-performance shoes into everyday life, we propose VECTIV as the solution to THE NORTH FACE.
4	Global development system	Designed through a global joint development system with VF Corporation of the United States. VECTIV is a "world standard design concept" that goes beyond being a local product.
5	Growth potential from a medium-to long-term perspective	Although sales are currently flat, we are promoting a structural shift from a seasonal model to a year-round model by developing VECTIV as the core. Growth recovery in the medium term is in sight.

①THE NORTH FACE Environmental analysis of the women's market and priority measures

The Japanese outdoor women's market has a large untapped potential, and we will make it a pillar of medium- to long-term growth through a three-pronged strategy of products, channels, and marketing.

3 "Shares" to expand the women's market

3 "Shares" for CAGR of 10%

- "Sharing success stories" in the overseas women's market
- Unisex "sharing of values"
- "Sharing product development capabilities" cultivated through outdoor wear

Maximize value by "sharing" rather than "exclusively for women"

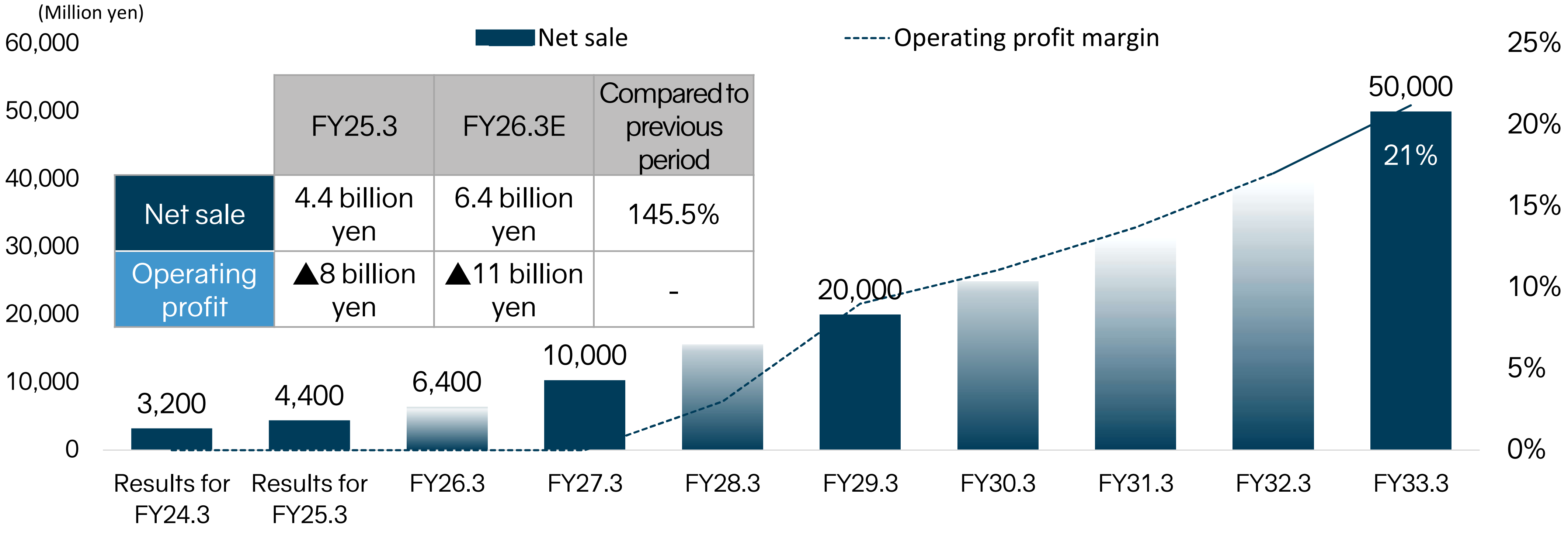
Specific measures

№	point of view	Initiative policy
1	store strategy	The core of the growth strategy is not to expand women's-only stores, but to "increase the proportion of women's wear in common spaces."By designing natural points of contact within the store, we create a brand experience that is gender-neutral.
2	Sales floor composition and growth strategy	Expansion of women's departments within existing stores is underway. Sales growth has been achieved by increasing floor space and reviewing the composition ratio.
3	SKU operation policy	Keep the number of product numbers (SKU) within +5% per year. We place emphasis on gross profit margin and efficiency, and aim to grow through "quality" rather than forced expansion.
4	Methodology for expansion	Natural market capture through "female expansion" from unisex products.Rather than introducing a large number of dedicated product numbers, increase the proportion of women by promoting the penetration of existing core products.
5	Fusion with emotional value	We promote functionality and lifestyle value through collaborations such as collaborations with fashion brands.

②Overall picture of Goldwin500 project

Goldwin

Goldwin500 roadmap



	FY25.3	FY26.3E	Compared to previous period
Net sale	4.4 billion yen	6.4 billion yen	145.5%
Operating profit	▲8 billion yen	▲11 billion yen	-

Start by opening 4 or more directly managed stores each fiscal year

Turned into surplus in FY27.3

Promote reduction of cost rate and SG&A expense rate through mass production effects

Operating profit margin to be in the 20% range in FY33.3

②Reactivation of inbound demand in China's premium sports market

Goldwin

Rather than viewing the Chinese market simply as a destination for local expansion, we position it as a "starting market" that generates expansion and circulation of brand value.

1 Development according to the maturity level of each city

Point of view	Features
Meaningful urban development	We aim to maximize LTV by dividing cities into "introduction phase," "expansion phase," and "deepening phase," depending on the maturity, sensitivity, and orientation of the city.

2 Product development that meets local needs

Point of view	Features
Asian circular market	Product development that reflects local purchasing and experience data in product development in Japan and Asia

3 Circulation model starting from the experience of visiting Japan

Point of view	Features
Expansion into Asia based on inbound tourism	A circular model of continuous purchasing through cross-border EC and CRM, starting from the experience of visiting Japan

Currently, through city selection, product design, and experience design before and after visiting Japan in the Chinese market, we are building a long-term relationship with the Goldwin brand and achieving sustainable growth.

② Environmental awareness of the Goldwin brand and results of the first year of “Goldwin500”

Goldwin500 is steadily progressing through brand development that combines functional beauty and aesthetics for the urban premium demographic.

Changes in the environment and expectations for brands

Adaptation to market and environmental changes

- The limits of seasonal models are becoming clear as temperature differences and extreme weather become the norm.
- In an era where design and sales that utilize behavioral and weather data are required.
- Environmental response will also permeate society as a prerequisite for social trust.

Changes in consumer values

- Why are consumers choosing Goldwin based on its values?
- We are moving into an era where differentiation based on functionality is necessary.

Results of the first year of “Goldwin500”

High accuracy of target	Developing measures that resonate with sensitivity and meaningful consumption in the urban premium market.
Product structure transformation	Compatible with "behavior x climate" through layering.Towards a design that is resistant to environmental changes.
Sales channel	Strengthen the link between direct management and EC, and establish a profit structure that corresponds to purchasing behavior.
Global competition	Assess the culture and competition in each country and balance worldview and locality.
Sustainability	We place recycling support, such as repairs and material traceability, at the core of our business.

②Goldwin brand store opening plans in each region

Goldwin

The store opening plan is currently progressing as planned.

	current	2025	2026	2027	No. of stores in 2033
Japan	6 stores	5/23 **Kyoto** Aug. **Sapporo** Jun. **Marunouchi**	Sep. **Shinsaibashi** Oct. **Fukuoka** (under consideration) **Aoyama**		15
China	5 stores	Jun. **Shenzhen** Aug. **Xi'an** Jun. **Shenyang**	**Shanghai②** **Shenzhen②** **Zhengzhou** **Beijing②** **Wuhan**	**Suzhou** **Sanya (Hainan Island))**	70
Korea	-	Nov. **Seoul**			20
Europe/America	2 stores	Oct. **LONDON**	Feb. **NYC**	(under consideration) **PARIS**	8

②Goldwin Nanjing opens on April 19, 2025

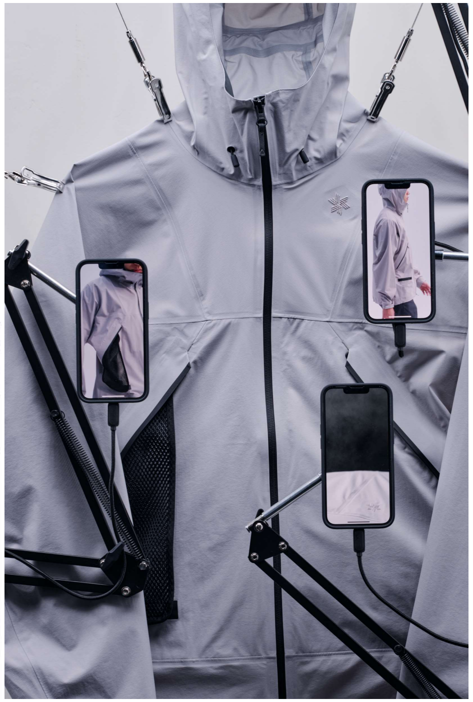
Strengthening penetration into China's premium market - Goldwin Nanjing opens next-generation model of urban customer contact points

Nov. 2019	Opened first overseas directly managed store “Goldwin San Francisco” (USA)
Oct. 2020	Opened the first directly managed store in Europe, “Goldwin Munich” (Germany)
Dec. 2021	Opened the first directly managed store in mainland China, “Goldwin Beijing” (mainland China)
Apr. 2024	Established Gaoyun (Suzhou) Trading Co., Ltd. as a joint venture (consolidated subsidiary) with the aim of expanding the "Goldwin" brand business in mainland China.
Aug. 2024	Opened 2nd directly managed store in mainland China “Goldwin Chengdu” (mainland China)
Sep. 2024	Opened "Goldwin Shanghai" (Mainland China), the largest directly managed store in Japan and overseas
Oct. 2024	Established Goldwin Korea Corporation as a joint venture (consolidated subsidiary) for the purpose of expanding the "Goldwin" brand business in Korea.
Jan. 2025	Opened 4th store “Goldwin Hangzhou” (Mainland China)
Apr. 2025	Opened "Goldwin Nanjing" (Mainland China), the 5th store in Mainland China.

Preparing to open flagship store within 2025

- S25 Pop-up stores open at Shinsegae Department Store Gangnam and Hyundai Department Store Pangyo
- Preparing to open the 1st flagship store within 2025

Shinsegae Department Store Gangnam	Hyundai Department Store Pangyo



Maintaining and improving high ROE management system

	ROE							
	Expand sales		Improving sales efficiency			Optimization of capital structure	
Improved driver	Improving self-managed sales ratio	Improving overseas sales ratio	Cost control	Reduced sales loss rate	Control of inventory balance	Shareholder return	Control of interest-bearing debt
KPI	Self-managed sales ratio	Overseas sales ratio	SG&A expense ratio	Sales loss ratio	Inventory balance	DOE total return ratio	D/E ratio
FY24.3	56%	4.7%	34.1%	1.4%	18.2 billion yen	8.1% 40.7%	0.01 times
FY25.3	59%	5.1%	35.5%	1.4%	19.2 billion yen	6.9% 55.4%	0.003 times
FY29.3E	60%	10%	32.0～37.0%	1.5%	23 billion to 27 billion yen	6% or more 40% approximately	0.3 times or less
Policy	Self-management in the final year of the medium-term plan Aiming for a sales ratio of 60%	Aiming for an overseas sales ratio of 10% in the final year of the medium-term plan	Maintain 30% level while continuing growth investment	Aim to maintain the current level during the medium-term plan period	Limiting order volume and thoroughly managing inventory flow during the season	Aim for DOE of 6% or more during the medium-term plan period Flexible share buybacks with a total return ratio of 40%	maintain financial discipline

③Cash allocation focuses on brand growth investment

Goldwin

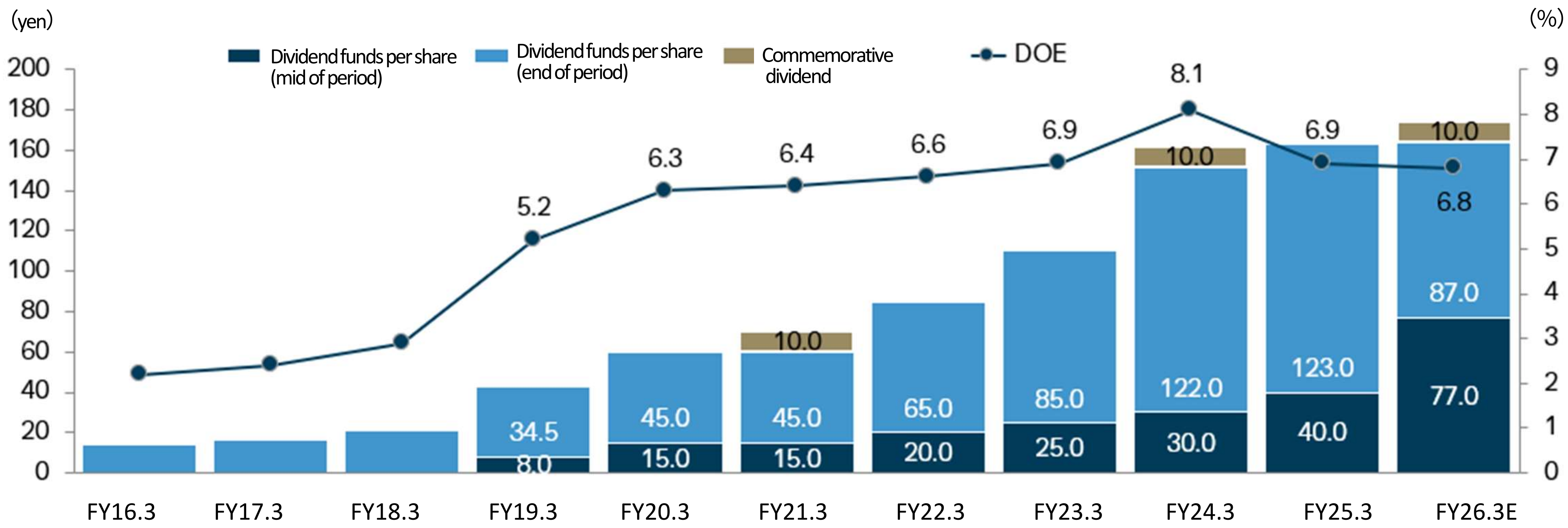
Creation of operating cash flow 120 billion yen to 130 billion yen over 5 periods → 24.4 billion yen for FY25.3

	Growth investment	Business infrastructure	ESG investment	Shareholder return
Investment policy	30%～35%	20%～25%	10%～15%	30%～40%
Initiatives	■ **Goldwin 500** (Establishment of overseas corporations, store openings, branding, supply chainconstruction) ■ **TNF market expansion** (Strengthen development of core products, develop shoes, expand youth and kids market) ■ Investing in new businesses and collaborative businesses	■ Renovation of core systems and efficiency improvement through DX ■ **Promotion of experience business.** (Development of PLAY EARTH PARK, expansion into tour business) ■ Membership system renewal/strengthening ■ Strengthening research and development capabilities and promoting material development ■ Investing in human capital	■ Environmental protection and conservation activities (Holding environmental education programs) ■ Promoting a recycling-oriented society (Resale, repair, and collection of unnecessary clothing) ■ Startup investment ■ Initiatives with local governments and national parks	■ Dividend ■ **Treasury stock acquisition**

③Shareholder return policy

FY26.3 is expected to be the 15th consecutive year of dividend increase.
The dividend balance will shift from 25:75 in FY25.3 to 50:50 in FY26.3, and to a year-round dividend structure

Dividend per share and DOE(Dividend on equity ratio)



(Note) Commemorative dividends of 10 yen will be implemented in FY21.3 and FY24.3.
The interim dividend (forecast) of 87 yen for the fiscal year ending March 2026 includes a 10 yen commemorative dividend for the 75th anniversary of the company's founding.
If the year-end dividend for the fiscal year ending March 2026 were converted to the pre-split amount, it would be ¥87, and the total annual dividend would be 174 yen.

Key points of financial results for the fiscal year ending March 2025

Goldwin

1	Leveraging the strength of a “actual demand business model” that responds to uncertainty	■ In response to uncertainties such as climate change and inbound demand, we have achieved stable profitability through flexible adjustment of product introduction and shipping timing, and precise inventory management. ■ This is a sign of our competitive advantage, and our demand-oriented business model allows us to flexibly respond to climate change, which will become the norm in the future.
2	Inbound demand continues to grow Providing experiential value drives growth	■ Inbound sales exceeded the previous year in all quarters. Duty-free stores can accommodate demand. Demand from Japanese customers is also strong. ■ We expect to deepen the purchasing experience by strengthening the "experiential consumption'' area starting with the integration of Alpine Tours.
3	Acceleration of expansion in China: Full-scale penetration into urban and high-sensitivity groups	■ In the Chinese market, the company is promoting store openings targeting high-end urban consumers in cities such as Shanghai and Hangzhou. Sales have exceeded plans in the first year despite the high price range. ■ The company is shifting its focus from "store openings" to "penetration," and will use its expansion based on regional characteristics as a growth engine for global expansion.

(Reference) IR schedule for the fiscal year ending March 2026

Starting from the fiscal year ending March 2026, we will also hold financial results briefings (online) in the first and third quarters.The third quarter assumes IR Day.

	Scheduled date	Event format	Speaker
1Q financial results briefing	Scheduled for Aug. 6	Web event	General Planning Headquarters
2Q financial results briefing	Scheduled for Nov. 6	Financial results briefing and web event	President Watanabe and the management team
3Q financial results briefing	Scheduled for Feb. 5	IR Day(Financial results briefing and web event)	President Watanabe and the management team
Financial results briefing for the fiscal year ending Mar. 2026	Scheduled for mid-May	Financial results briefing and web event	President Watanabe and the management team

(Reference) IR activity initiatives in 2024

Content	Our correspondent	2024 results	**How to hold**
Ordinary general meeting of shareholders	All directors, all auditors	1 time (June)	Held at Toyama main store
Financial results briefing	President Watanabe, Executive Managing Director Shirasaki, Executive Managing Director Mori, Managing Director Kaneda	2 times (2Q, 4Q)	Held online and in a hybrid format.Presentation materials and summaries of Q&A sessions published on the website.
Medium-term vision briefing session	President Watanabe, Executive Managing Director Shirasaki, Executive Managing Director Mori, Managing Director Kaneda	1 time (April)	Held online and in a hybrid format.Presentation materials and summaries of Q&A sessions published on the website.
Medium-term management plan	President Watanabe, Executive Managing Director Shirasaki, Executive Managing Director Mori, Managing Director Kaneda	1 time (July)	Held online and in a hybrid format.Presentation materials and summaries of Q&A sessions published on the website.
Individual interview	Executive Managing Director Shirasaki, Deputy General Manager Ishii, CC Office	310 times	Individual interviews online or in person (April 2023 to end of March 2025)
Facility tour	CC Office (IR Office from FY26.3)	3 times	Held at Toyama Main Store, Tech Lab (Institutional investors, securities companies)
Store tour for individual shareholders	CC Office (IR Office from FY26.3)	2 times	Held at THE NORTH FACE Sphere
Inquiry response	CC Office (IR Office from FY26.3)	As needed	Correspondence via HP, telephone, email, etc. Approximately 200 cases per year, including shareholder benefits, etc.

(Reference) Quarterly performance trends

(Million yen)	1Q			2Q			3Q			4Q			Full year		
Fiscal year end	FY23.3	FY24.3	**FY25.3**	FY23.3	FY24.3	**FY25.3**	FY23.3	FY24.3	**FY25.3**	FY23.3	FY24.3	**FY25.3**	FY23.3	FY24.3	**FY25.3**
Net sale	21,099	23,150	**24,601**	24,210	27,946	**28,766**	41,437	43,736	**43,466**	28,306	32,075	**35,472**	115,052	126,907	**132,305**
Gross profit	11,122	11,710	**12,433**	11,865	14,249	**14,205**	23,169	24,611	**23,755**	13,879	16,603	**18,533**	60,035	67,173	**68,925**
%	52.7%	50.6%	**50.5%**	49.0%	51.0%	**49.4%**	55.9%	56.3%	**54.7%**	49.0%	51.8%	**52.2%**	52.2%	52.9%	**52.1%**
SG&A expenses	8,855	9,446	**10,594**	8,855	10,442	**10,830**	10,164	11,493	**12,030**	10,256	11,945	**13,566**	38,130	43,326	**47,020**
%	42.0%	40.8%	**43.1%**	36.6%	37.4%	**37.6%**	24.5%	26.3%	**27.7%**	36.2%	37.2%	**38.2%**	33.1%	34.1%	**35.5%**
Operating profit	2,266	2,263	**1,839**	3,011	3,807	**3,375**	13,004	13,119	**11,725**	3,623	4,658	**4,966**	21,904	23,847	**21,905**
%	10.7%	9.8%	**7.5%**	12.4%	13.6%	**11.7%**	31.4%	30.0%	**27.0%**	12.8%	14.5%	**14.0%**	19.0%	18.8%	**16.6%**
Ordinary profit	3,368	4,172	**4,258**	4,084	5,008	**5,659**	14,472	14,396	**11,968**	6,159	9,025	**8,921**	28,083	32,601	**30,806**
%	16.0%	18.0%	**17.3%**	16.9%	17.9%	**19.7%**	34.9%	32.9%	**27.5%**	21.8%	28.1%	**25.1%**	24.4%	25.7%	**23.3%**
Net income	2,603	3,347	**3,660**	3,241	3,976	**4,205**	10,424	10,251	**9,830**	4,709	6,707	**6,749**	20,977	24,281	**24,444**
%	12.3%	14.5%	**14.9%**	13.4%	14.2%	**14.6%**	25.2%	23.4%	**22.6%**	16.6%	20.9%	**19.0%**	18.2%	19.1%	**18.5%**

(Reference) Summary of the 4Q of the fiscal year ending March 2025

Goldwin

Sales increased by double digits compared to the previous year. Operating income and net income increased year on year after absorbing temporary costs.

(Million yen)	FY23.3	FY24.3	FY25.3	Compared to previous period
Net sale	28,306	32,075	35,472	110.6%
gross profit	13,839	16,603	18,533	111.6%
%	49.0%	51.8%	52.2%	0.4pt
SG&A expenses	10,256	11,945	13,566	113.6%
%	36.2%	37.2%	38.2%	1.0pt
Operating profit	3,623	4,658	4,966	106.6%
%	12.8%	14.5%	14.0%	▲0.6pt
Ordinary profit	6,159	9,025	8,921	98.8%
%	21.8%	28.1%	25.1%	▲3.0pt
Net income	4,709	6,707	6,749	100.6%
%	16.6%	20.9%	19.0%	▲1.9pt

Net sale

110.6% compared to the same period last year. Cold waves arrive later than usual, leading to demand for cold weather gear.

Gross profit

52.2%, an increase of 0.4Pt compared to the same period last year. This was also due to the postponement of sales and the moderate exchange rate effects on spring/summer items.

SG & A expenses

Although this was an increase of 113.6% compared to the same period last year, J-ESOP was the main factor.

Equity interest

South Korean equity profit in the fourth quarter, 3.9 billion yen.

(Reference) Subsidiary of Alpine Tour Service as an initiative for “Experience Business”

Accelerate the promotion of the experience business and provide Goldwin's unique "customer experience value" that is linked to goods and experience.

Significance of subsidiary and position within portfolio

■ By maximizing the value of the customer experience by solidifying communication in the three areas of product, store, and experience business, we aim to deepen relationships with customers and improve brand value

■ Obtaining “non-linked revenue sources” in cash allocation strategy

Direction of tour business

■Further expansion of our core outbound business

■ Building a new business for inbound tourists: Providing tours based on domestic nature/activities/cultural experiences

■ Expanding the base of domestic outdoor enthusiasts: Strengthening original tours in collaboration with brands/stores, promoting national park projects, working on BtoB businesses such as corporate training, etc.

Effects on tour business initiatives

point of view	effect
customer experience	Improving brand/direct store value, improving LTV/NPS
inventory rotation	Increase in “purchases based on usage” and “purchases after experience” linked to stores and tours
PEP measures	Integration and cycle of “promotion, sales, and experiences” through tour operations
D2C measures	In addition to traditional product purchasing data, “actual experience” is integrated into the CRM platform

(Reference) PLAY EARTH 2030 FY2024 results and future goals for important environmental issues

Goldwin

Promoting initiatives with suppliers and consumers in addition to our own activities

Important environmental issues	FY2024 plan	FY2024 results	FY2025 target	FY2030 target	FY2050 target
Promotion of green design ⇒Transition to materials with reduced environmental impact	68.0%	71.5%	Ratio of products using materials with reduced environmental impact70% or more	Ratio of products using materials with reduced environmental impact90% or more	Ratio of products using materials with reduced environmental impact100%
Achieving a carbon-free society ⇒ Carbon neutral	CO_2 emissions 110t-CO_2 (91.5% reduction compared to FY2020)	CO_2 emissions 84.7t-CO_2 (93.4% reduction compared to FY2020))	All domestic officesCarbon neutral	All offices/directly managed storescarbon neutral	supply chaincarbon neutral
Realizing a recycling-oriented society ⇒Zero fashion loss	Amount of product/material waste: 10.2t (65.0% reduction compared to FY2020)	Amount of product/material waste: 10.5t (63.9% reduction compared to FY2020)	Product and material waste80% reduction (Compared to FY2020) Waste volume to 5.8t	Zero product/material waste	Zero waste including in the supply chain