Goldwin

FY2026.3 Financial Results Briefing Materials

May 13, 2026

Thank you very much for taking the time out of your busy schedules to attend our financial results briefing today.

I will now provide an overview of the FY2026.3 financial results and explain the FY2027.3 plan.

Executive Summary

Goldwin

Despite challenging conditions, both net sales and operating profit reached record highs.
The operating profit margin recovered to 18.8% following the elimination of one-time expenses from the previous period.

FY26.3 Results

Net Sales	Operating Profit	Ordinary Profit	Net Profit
137.5 billion yen	**25.8 billion yen**	**33.9 billion yen**	**24.0 billion yen**
103.9% YoY	**118.0% YoY**	**110.1% YoY**	**98.6% YoY**
Despite some difficulties with the winter collection in Q3 and a decline in inbound demand from mainland China, sales reached a record high.	The gross profit margin was 53.0%, up 0.9 percentage points YoY. The operating profit margin recovered as one-time expenses from the previous period were eliminated.	Although equity method income from the South Korean business declined due to exchange rate effects, operating profit increased, resulting in double-digit growth compared to the previous period.	An extraordinary loss arising from the sale of stocks was recognized.

Assumptions for the FY27.3 Plan

- Net sales target: 145.4 billion yen (105.7% of FY26.3)
- The gross profit margin is to improve by 1.3 percentage points to 54.3%.
- Anticipating an increase in SG & A expenses due to growth investments and strengthened human capital, the operating profit margin is projected to be 18.0%.

Progress of the Five-Year Medium-Term Management Plan

- Net sales target for FY29.3: 188.5 billion yen
- Address rising SG & A expenses by driving net sales growth and maintaining the gross profit margin.
- The operating profit margin is planned to recover in the final year of the medium-term plan.

Here is the executive summary of today's presentation.

For FY2026.3, we achieved record highs in both net sales and operating profit.
Despite a decline in inbound demand from mainland China from November onwards, net sales gained 3.9% YoY, reaching 137.5 billion yen.
Operating profit reached 25.8 billion yen, up 18% YoY, supported by an improved gross profit margin and the elimination of the one-time expenses recorded in the previous year.

Ordinary profit grew to 33.9 billion yen, up 10.1% YoY, but net income declined 1.4% YoY to 24.0 billion yen due to the recording of an extraordinary loss from the sale of Spiber shares. Please note that the Spiber-related accounting treatment is now complete, and no further impact is expected.

For FY2027.3, we are targeting net sales of 145.4 billion yen, an increase of 5.7% YoY.
While we expect further improvement in gross profit margin, the operating profit margin is projected to be 18%, reflecting higher SG & A expenses driven by increased investment in growth and human capital.

Please note that the targets for the Five-Year Medium-Term Management Plan remain unchanged. To achieve the plan, we will continue to drive robust growth of THE NORTH FACE and steadily advance Goldwin500.

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I will now proceed with the presentation following the table of contents.

Goldwin

I. FY26.3 Results

Both net sales and operating profit reached record highs.
The operating profit margin recovered following the elimination of one-time expenses.

I will start with the FY2026.3 results.

FY2026 Results Summary

Net sales reached a record high of 137.5 billion yen. However, due to factors such as a decline in inbound demand from mainland China, the figure fell short of the target by approximately 3 billion yen.

Consolidated Financial Performance

(Unit: million yen)	FY24.3 results	FY25.3 results	FY26.3 plan	FY26.3 results	Compared to plan	YoY
Net sales	126,907	132,305	140,500	137,516	97.9%	103.9%
Gross profit	67,173	68,925	74,018	72,946	98.6%	105.8%
%	52.9%	52.1%	52.7%	53.0%	0.4pt	0.9pt
SG & A expenses	43,326	47,020	48,118	47,087	97.9%	100.1%
%	34.1%	35.5%	34.2%	34.2%	0.0pt	(1.3)pt
Operating profit	23,847	21,905	25,900	25,859	99.8%	118.0%
%	18.8%	16.6%	18.4%	18.8%	0.4pt	2.2pt
Ordinary profit	32,601	30,806	33,900	33,904	100.0%	110.1%
%	25.7%	23.3%	24.1%	24.7%	0.5pt	1.4pt
Net income	24,281	24,444	25,400	24,094	94.9%	98.6%
%	19.1%	18.5%	18.1%	17.5%	(0.6)pt	(1.0)pt

Here is the summary of the FY2026.3 results.

Net sales grew 3.9% to reach a record high of 137.5 billion yen.
This came in at 97.9% of the plan, falling short by approximately 3.0 billion yen. This was due to the decline in inbound demand from mainland China, which began to take effect in Q3, and sluggish sales of some winter collection items.
In Q4, we curbed short-term discount sales and shifted to spring collection items in line with actual demand. As a result, the gross profit margin reached 53.0%, up 0.9 percentage points YoY.

Although SG & A expenses increased due to growth investments—including overseas store openings, expansion of self-operated stores, and core system enhancement—the SG & A expense ratio was in line with the plan.
As a result, operating profit increased 18% YoY to reach 25.8 billion yen, and the operating profit margin came in at 18.8%.

Trend in Monthly Sales

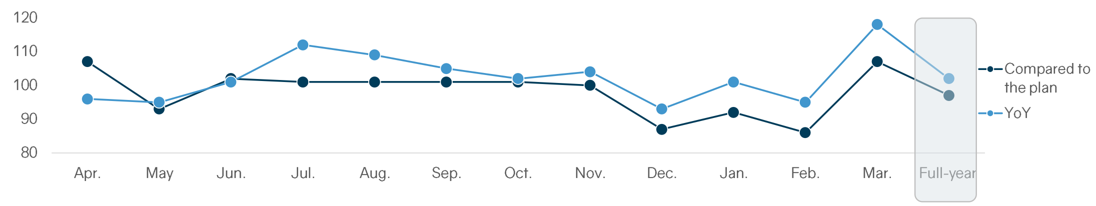
Goldwin

Although Q4 net sales reached 104% YoY, the impact of declining inbound demand from mainland China persisted, with the plan ratio coming in at 94%.

	Month	Plan ratio	YoY
Q1	Apr.	107%	96%
	May	93%	95%
	Jun.	102%	101%
	Q1 total	101%	97%
Q2	Jul.	101%	112%
	Aug.	101%	109%
	Sep.	101%	105%
	Q2 total	101%	108%
H1 total		101%	103%

	Month	Plan ratio	YoY
Q3	Oct.	101%	102%
	Nov.	100%	104%
	Dec.	87%	93%
	Q3 total	96%	99%
Q4	Jan.	92%	101%
	Feb.	86%	95%
	Mar.	107%	118%
	Q4 total	94%	104%
H2 total		95%	102%
Full-year total		97%	102%

(Note) As "monthly net sales" are used, the figures do not match the amounts or ratios of consolidated sales.



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Next, I will go over monthly net sales.
Please note that as this slide shows net sales on a monthly basis, the figures do not match the consolidated net sales figures.

As you can see, we were mostly in line with the plan through November. However, a decline in inbound demand from mainland China, combined with sluggish sales of some winter collection items, caused a deviation from the plan in December.
Although these impacts persisted in January and February, we refrained from aggressive discount-driven inventory clearance and prioritized securing gross profit. As a result, net sales fell below the plan in both January and February.
However, the spring collection launch progressed well, particularly as temperatures rose from March onwards, with results exceeding both the previous year's levels and the plan.

For Q4, which runs from January through March, we came in at 104% YoY and 94% against the plan. On a full-year basis using monthly figures, we landed at 102% YoY and 97% against the plan.

Analysis of the Q4 (Jan.–Mar.)

Goldwin

Although revenue increased by 7.3pt YoY, partly due to bringing forward the spring collection to meet actual demand, the continued poor performance of certain winter collection items meant that the Q4 target was not met.

Net Sales	Gross Profit Margin	Operating Profit Margin	Bringing Forward the Spring Collection
38.0 billion yen +7.3% YoY	**51.9%** -0.4pt YoY	**18.8%** 14.0% → 18.8% YoY	**Approx. 1.0 billion yen** Deliveries to wholesalers

Review of Q4 (Jan.–Mar.)

Jan.–Feb.
- The struggles experienced by some winter collection items since Q3 continued.
- Refrained from excessive winter collection sales, prioritizing protection of gross profit.

Mar.
- We promoted the launch of the spring collection.
- In line with actual demand, we brought forward deliveries of some spring collection items, primarily to the wholesale sector.

Q4
- The launch of the spring collection is progressing as planned.
- The SG & A ratio improved by 5.1 percentage points due to the elimination of one-time expenses and the careful review and efficient use of SG & A expenses.

(Unit: million yen)	FY23.3	FY24.4	FY25.3	FY25.3 except one-time	FY26.3
Net sales	28,305	32,074	35,472	35,472	38,044
YoY	115.8%	113.3%	110.6%	110.6%	107.3%
Gross profit	13,878	16,602	18,531	18,531	19,736
%	49.0%	51.8%	52.2%	52.2%	51.9%
SG & A expenses	10,255	11,945	13,566	11,766	12,593
%	36.2%	37.2%	38.2%	33.2%	33.1%
Operating profit	3,622	4,657	4,965	6,765	7,142
%	12.8%	14.5%	14.0%	19.1%	18.8%
Ordinary profit	6,158	9,025	8,920	10,720	12,287
%	21.8%	28.1%	25.1%	30.2%	32.3%

This slide shows only the status for Q4, which runs from January through March.

Although Q4 was a period that already saw significant sales growth in the previous year, net sales grew further by 7.3% YoY.
One factor was that in March, we pulled forward deliveries of some spring collection items in line with actual demand, while ensuring gross profit was not compromised.

However, we fell short of the internal plan by approximately 1.8 billion yen.
This reflected a decline in inbound demand from mainland China, on top of an ambitious Q4 sales plan that we set as part of our ongoing efforts to smooth out sales that had historically been weighted toward Q3.

In Q4, both operating profit and the operating profit margin reached record highs, supported by restraint on excessive discounting and efficient cost spending.
Please note that although the SG & A expense ratio came in significantly lower at 33.1% on a YoY basis, the level remained essentially unchanged when excluding the one-time expenses recorded in the previous year.

Quarterly Progress and Full-year Forecast by Business Segment

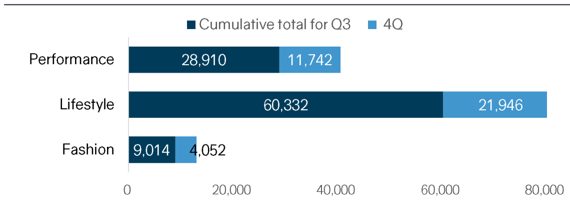
Goldwin

In Q4 (Jan.–Mar.), all business segments grew due to the launch of the spring collection, and revenue increased across all business segments for the full year.

Net Sales by Business Segment (Unit: million yen) * The "Other" segment includes net sales from travel agencies, cafes, and similar businesses.

Business segment	Q1-Q3 net sales	Q1-Q3 YoY	Q4 net sales	Q4 YoY	Full-year net sales	Full-year YoY	Full-year share	Trend change in Q4
Performance	28,910	99.3%	11,742	107.5%	40,652	101.5%	29.6%	Recovery
Lifestyle	60,332	100.7%	21,946	106.4%	82,279	102.1%	59.8%	Stable
Fashion	9,014	118.3%	4,052	104.0%	13,066	113.4%	9.5%	Stable
Other	1,215	758.8%	303	1,131.3%	1,518	812.2%	1.1%	Growth
Company total	99,472	102.7%	38,044	107.3%	137,516	103.9%	100.0%	Stable

Breakdown of Full-year Net Sales by Business Segment (Q3 Cumulative + Q4) Unit: million yen



- **Performance and Lifestyle saw growth in Q4 due to the progress of the spring collection launch and bringing forward deliveries, resulting in full-year net sales growth.**
- **Fashion revenue increased despite being affected by a decline in inbound demand.**

Next, I will explain the progress and results by business segment.
In Q4, which runs from January through March, all business segments posted profit growth, driven by the strong launch of the spring collection and accelerated deliveries in line with actual demand.

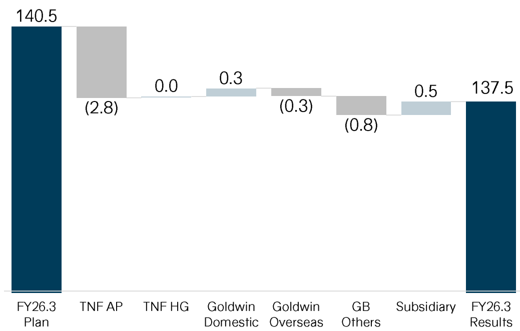
Change in Sales by Brand for FY26.3

Goldwin

The 3.0-billion-yen shortfall against the plan occurred in "THE NORTH FACE Apparel," "Global Brand (and others)," and Goldwin Overseas. The difference versus the previous fiscal year arose from discontinued brands within Global Brand.

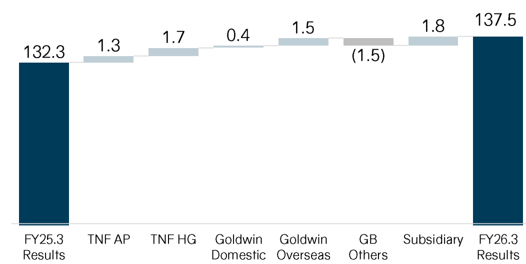
Comparison with the FY26.3 Plan (-3.0 billion yen)

(Unit : billion yen)



Comparison with the FY25.3 Results (+5.1 billion yen)

(Unit : billion yen)



(Note) TNF AP: THE NORTH FACE Apparel TNF HG: THE NORTH FACE Gear (Bags, Shoes, and Other Items)
GB: Global Brand (HELLY HANSEN, canterbury, NEUTRALWORKS., Speedo, Hi-Tec, Allbirds, licensed and distributor brands, and others)
Subsidiary: Includes the difference from the consolidated results.

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This slide shows the gaps versus the FY2026.3 plan and the previous year by brand.

The graph on the left shows the differences between the FY2026.3 plan and the results.
The 3.0-billion-yen shortfall versus the plan is attributable to underperformance in THE NORTH FACE apparel and global brands, including HELLY HANSEN.
THE NORTH FACE apparel was affected by the decline in inbound demand, as well as by shortfalls in high-loft outerwear and repriced items—the same factors we cited as challenges in Q3.
For the Goldwin brand, although results exceeded the plan in Japan, overseas performance fell short, partly due to delayed store openings.

Next, the graph on the right side shows the differences versus the previous year's results.
Net sales grew by 5.1 billion yen YoY, with all brands except global brands achieving higher net sales. The 1.5-billion-yen decline is mostly attributable to the four brands that were discontinued at the end of the previous fiscal year.

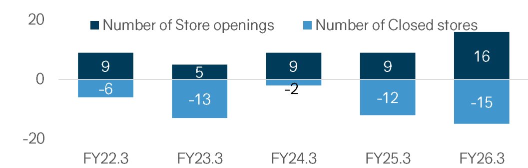
Trend in the Sales Ratio of Self-managed Locations and Number of Self-operated Stores

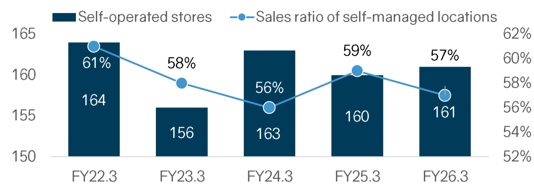
Goldwin

In FY2026, we opened 16 new stores and closed 15 stores (net: +1 store). In FY2027, we plan to expand primarily through the Goldwin brand and expect a net increase of 8 stores.

Change in the Number of Self-operated Stores and Trend in the Number of Self-operated Stores and the Sales Ratio of Self-managed Locations

(Unit: stores)





Self-operated Store Openings and Closures for FY26.3 (Overseas figures in parentheses.)

	As of March 2025	FY26.3		
		Openings	Closures	**Total**
Goldwin	8 [6]	9 [7]	(1) [(1)]	16 [12]
THE NORTH FACE	102	3	-	105
Other brands	50	4	(14)	40
Total	160	16	(15)	161

Scheduled Store Openings and Closures for FY27.3 (Overseas figures in parentheses.)

	As of March 2026	FY27.3 forecast		
		Openings	Closures	**Total**
Goldwin	16 [12]	10[8]	-	26[20]
THE NORTH FACE	105	4	(2)	107
Other brands	40	1	(5)	36
Total	161	15	(7)	169

(Note) Changes in business format are included in store openings and closures.
(Note) The number of self-operated stores for FY2024.3 does not match the sum of openings and closures due to adjustments for FC store transfers.

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This slide shows the current sales ratio of self-managed locations and our store operation policy.

The sales ratio of self-managed locations has remained stable at 57%, a level we consider appropriate.
In FY2026.3, we closed 15 stores of brands such as canterbury and WOOLRICH, but we opened 16 new stores, including seven Goldwin stores overseas.
In FY2027.3, we plan to open 15 stores in total, including 10 under the Goldwin brand. In addition, we are planning to expand eight existing stores and open four limited-time pop-up stores, which we expect to be one of our sales drivers.

Inbound Sales Ratio at Self-operated Stores

Goldwin

Inbound sales accounted for 26.5% of total sales in FY26.3 (+1.1pt). Growth compared with the previous year was maintained thanks to the increase in H1 and rising inbound demand from markets other than mainland China.

(Note) China refers to the total of the People's Republic of China and Hong Kong

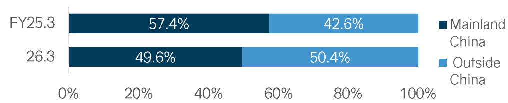
Inbound ratio	YoY	Mainland China share	Assessment for FY2026
26.5%	+1.1pt	49.6% (57.4% YoY)	Although inbound demand from mainland China declined from the latter half of November, the increase in H1 as well as demand from South Korea, Southeast Asia, Europe and the US compensated for this, resulting in the inbound ratio exceeding the previous year.

Quarterly Trend in the Inbound Ratio (Self-operated stores)

	FY25.3	FY26.3	YoY	Mainland China share	Outside China share
Q1	24.5%	28.1%	3.5pt	56.6%	43.4%
Q2	23.3%	26.3%	3.0pt	60.9%	39.1%
Q3	20.7%	22.4%	1.7pt	47.2%	52.8%
Q4	34.3%	31.4%	(2.9)pt	40.2%	59.8%
Full year	**25.5%**	**26.5%**	**1.1pt**	**49.6%**	**50.4%**

Growth outside mainland China

Trend in Mainland China's Share (Full year)



Monthly Inbound Ratio (FY26.3 vs. FY25.3)

	Monthly	FY25.3	FY26.3	YoY
Q1	Apr.	25.5%	30.9%	**5.3pt**
	May	24.2%	27.4%	**3.2pt**
	Jun.	23.9%	25.6%	**1.7pt**
Q2	Jul.	24.8%	24.3%	**(0.5)pt**
	Aug.	23.2%	28.3%	**5.1pt**
	Sep.	22.0%	26.3%	**4.3pt**
Q3	Oct.	24.6%	27.9%	**3.3pt**
	Nov.	17.8%	18.9%	**1.1pt**
	Dec.	20.9%	22.2%	**1.3pt**
Q4	Jan.	31.6%	27.0%	**(4.6)pt**
	Feb.	41.6%	40.7%	**(0.9)pt**
	Mar.	30.7%	28.3%	**(2.3)pt**

This slide details inbound net sales at our self-operated stores.

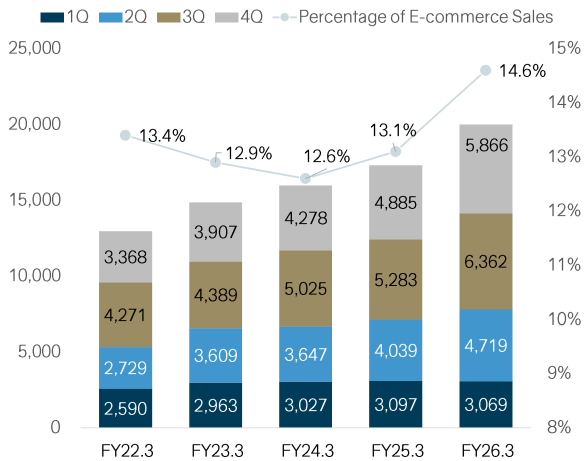
For FY2026.3, despite the impact of the decline in inbound demand from mainland China, the share of inbound net sales came in at 26.5%, up 1.1 percentage points YoY.
The share of mainland China decreased from 57.4% in the previous year to just under 50%. However, demand from South Korea, Southeast Asia, Europe, and the US grew, helping to offset the revenue decline.

We expect the outlook for inbound demand to remain uncertain.
Since this is likely to have lingering effects on our outlook from this fiscal year onwards, we will continue to monitor the trends.

Quarterly Trend in EC Sales

Goldwin

Full-year e-commerce sales rose by 15.7%, with the e-commerce ratio increasing to 14.6%, accelerating the structural shift in sales channels.



Full-year e-commerce sales	E-commerce sales YoY	E-commerce ratio
20,017 million yen	115.7%	14.6%

	FY22.3	FY23.3	FY24.3	FY25.3	FY26.3
Net sales	98,235	115,052	126,907	132,305	137,516
E-commerce sales	12,960	14,870	15,978	17,306	20,017
YoY	-	114.7%	107.5%	108.3%	115.7%
E-commerce ratio	13.4%	12.9%	12.6%	13.1%	14.6%
Q1 share	20%	20%	19%	18%	15%
Q2 share	21%	24%	23%	23%	24%
Q3 share	33%	30%	31%	31%	32%
Q4 share	26%	26%	27%	28%	29%

(Note) Due to differences in calculation methods, the e-commerce ratio for FY22.3 differs from the figure calculated from "e-commerce sales / total sales."

Next is the trend in e-commerce net sales. In FY2026.3, e-commerce net sales surpassed 20.0 billion yen, and e-commerce's share of total net sales grew to 14.6%.

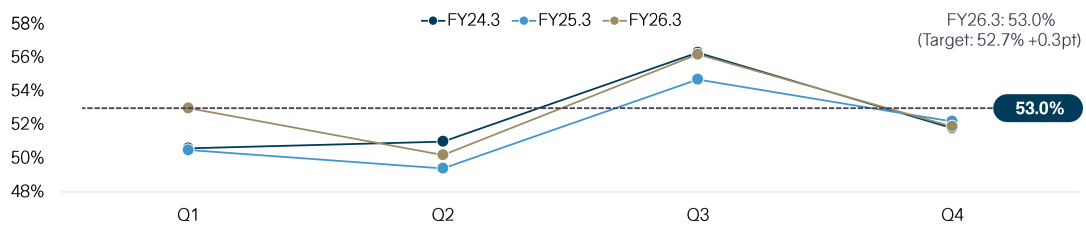
Amid the uncertain outlook for inbound demand, capturing domestic demand is crucial to support our business performance.
We will continue to strengthen measures such as our member engagement initiatives and the enhancement of products that are exclusively sold via our e-commerce site.

Gross Profit Margin

Goldwin

The gross profit margin for FY26.3 was 53.0%, which came in 0.3pt above the planned gross profit margin of 52.7%.

Trend in Gross Profit Margin



	Q1	Q2	Q3	Q4	Full year
FY22.3	52.6%	49.8%	56.6%	49.5%	52.7%
FY23.3	52.7%	49.0%	55.9%	49.0%	52.2%
FY24.3	50.6%	51.0%	56.3%	51.8%	52.9%
FY25.3	50.5%	49.4%	54.7%	52.2%	52.1%
FY26.3	53.0%	50.2%	56.2%	51.9%	53.0%
YoY	2.5pt	0.8pt	1.5pt	(0.3)pt	0.9pt

Next is the trend in the gross profit margin.

The full-year gross profit margin for FY2026.3 was 53.0%, exceeding the plan by 0.3 percentage points. On a YoY basis, this represents an improvement of 0.9 percentage points. On a quarterly basis, the figure came in at 53.0% in Q1, 50.2% in Q2, and 56.2% in Q3, consistently outperforming the previous year's levels.
In Q4, the figure came in at 51.9%, lower than the previous quarter's level but still at a high level.

On a full-year basis, the gross profit margin reached its highest level in the past five fiscal years, indicating that disciplined gross profit management has taken hold.

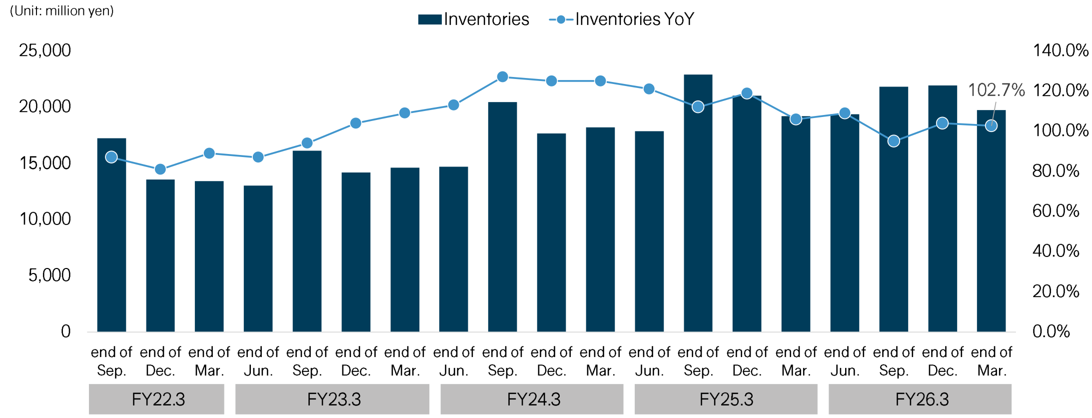
Trend in Inventories Balance

Goldwin

We continued to align the inventory with actual demand.
The inventory as of the end of FY26.3 stood at 102.7% YoY.

Quarterly Trend in Inventories Balance

(Unit: million yen)



(Note) Inventories represent the total balance of merchandise and finished goods, work in progress, and raw materials and supplies.

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Next is the trend in inventory balance.

The inventory balance at the end of FY2026.3 (March 31) was 102.7% YoY. This is roughly in line with the 103.9% YoY net sales growth, indicating that growth in inventory is being controlled to stay within the range of sales growth.
Although the inventory level had ticked up to 104% at the end of December, it followed the typical seasonal drawdown pattern toward the end of March and returned to an appropriate level by fiscal year-end.
These results reflect our policy of moving fall/winter inventory through actual demand rather than markdowns, alongside our Q4 focus on protecting gross margin. As a result, we have preserved both inventory health and brand equity.

Selling, General and Administrative Expenses

Goldwin

Full-year SG & A expenses amounted to 47 billion yen, on par with the previous fiscal year, which included one-time expenses. Although SG & A expenses are structurally on an upward trend, we managed to keep them 1 billion yen below plan by adhering to hiring standards and carefully reviewing consulting contracts.

YoY Increase Excluding One-time Expenses (Unit: 100 million yen)

Item	Initial plan ①	H1 results ②	H2 Results ③	Full-year total (Results) ④ = ② + ③	Difference from plan ⑤ = ④ - ①	Factors contributing to the difference
Advertising expenses	7	3	4	7	0	EC enhancement and the SUMMIT 25th Anniversary exhibition are progressing as planned for the full year
Personnel expenses	18	5	4	9	(9)	SG & A expenses are on a structural upward trend. We reviewed the number and timing of mid-career hires, and the second half is expected to come in below the plan.
Rent fee	6	4	4	8	2	Planned excess due to the opening of new self-operated overseas stores (e.g., London and New York)
Depreciation	1	1	0	1	0	Came in on plan (full contribution from investment expected from the 76th period onwards)
Operating expenses	10	4	7	11	1	Consulting contracts were reviewed in Q4 and came in within plan
Logistics costs	1	0	1	1	0	Came in on plan
Other	3	3	(4)	(1)	(4)	Following a detailed review, came in below plan
Total	46	20	25	36	(10)	Full-year SG & A expenses are expected to be on par with the previous fiscal year at 47 billion yen

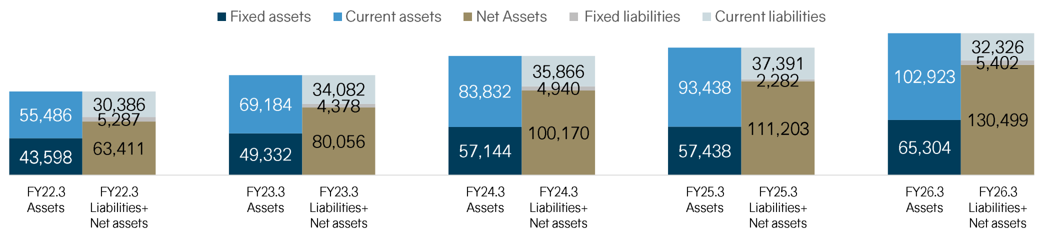
This slide shows the drivers of SG & A expenses.

Full-year SG & A expenses came in at 47.0 billion yen, which was similar to the level of the previous year, though that year included one-time expenses.
While expenses are on a structural upward trend reflecting increased investment in growth and human capital, mid-career hiring came in below the plan as we maintained our talent standards. Combined with a careful review of consulting contracts, this resulted in expenses being 1.0 billion yen below the plan.
Going forward, we will continue to scrutinize expenditures closely and drive lean, efficient operations.

Consolidated Balance Sheet

Goldwin

We maintained an equity ratio of 76.9% and an effectively debt-free status. ROE remains in the 20% range.



	FY22.3	FY23.3	FY24.3	FY25.3	FY26.3
ROE	24.7%	29.3%	27.0%	23.2%	20.1%
Equity ratio	63.9%	67.4%	70.9%	73.2%	76.9%
Interest-bearing debt	2,585	4,188	1,372	354	1,070
D/E ratio (times)	0.04	0.05	0.01	0.003	0.008

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This slide shows the trends in our consolidated balance sheet.

As of the end of March 2026, net assets stood at 130.4 billion yen, up 19.2 billion yen YoY, and the equity ratio had also risen to 76.9%.
We will continue to balance profitability and financial soundness while strictly managing internal reserves and cash flows, thereby building a robust financial foundation.

Progress of the South Korea Business (YOC)

Goldwin

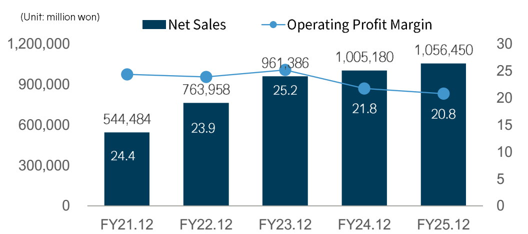
Despite sluggish domestic consumption in South Korea, YOC's turnover remained robust, rising to 105% YoY.

YOUNGONE OUTDOOR Corporation (YOC)

(Note) YOC's fiscal year runs from January to December, which is three months out of sync with our fiscal year.

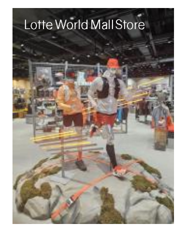
	Jan.–Mar. 2025	Apr.–Jun. 2025	Jul.–Sep. 2025	Oct.–Dec. 2025	Jan.–Mar. 2026
Goldwin	FY25.3 Q4	FY26.3 Q1	Q2	Q3	Q4
YOUNGONE OUTDOOR Corporation (Jan.–Dec.)	FY25.12 Q1	Q2	Q3	Q4	FY26.12 Q1
	Low temperatures persisted throughout February and March, and although early spring collection items struggled, sales remained on par with the same period last year.	Thanks to stable product supply and the impact of social media, sales remained in line with the plan.	The sale triggered strong performance; the business achieved double-digit growth YoY.	Lightweight down outerwear and padded jackets performed solidly.	Performed well, buoyed by the increase in inbound tourism across all channels.

Trend in YOC's Net Sales and Operating Profit Margin



Plans and Initiatives for FY26.12

- New second stores will open in Myeong-dong and Seongsu. The number of self-operated stores will increase from 16 to 18.
- Department stores, the channel with the largest number of stores, will see a new store open in Lotte World Mall, which is maintaining double-digit growth. Also, relocations at top-performing stores will be promoted.
- Our own e-commerce site will improve customer convenience through more advanced UI and UX. We will strengthen the visibility of strong-performing brands such as THE NORTH FACE WHITE LABEL.



This slide shows the sales performance of THE NORTH FACE at YOC in South Korea. Since the South Korean fiscal year runs from January to December, we have again summarized the quarterly status for FY2025.12.

Despite some challenging periods due to temperature and other factors, performance remained robust throughout the year, coming in at 105% YoY and meeting the plan.
In South Korea, even though the industry as a whole contracted due to persistently sluggish consumer spending, THE NORTH FACE sustained its sales growth.
The operating profit margin was 20.8%, down 1.0 percentage point YoY, as gross profit fell short of the plan, partly due to discount sales in the first half of the year. However, in the second half, gross profit began to recover as full-price sales increased.

In FY2026.12, we forecast net sales for the South Korean business at 110% of the previous year.
In the most recent quarter, which ran from January to March, performance remained robust across all channels, driven by higher inbound demand. By achieving double-digit growth, primarily in self-operated stores and e-commerce, we will maintain our position as the number one brand in the fashion industry.

Goldwin

II. FY27.3 Plan

The net sales target is 105.7% YoY. We are promoting both growth investments and shareholder returns.

Next, I will go over our plan for FY2027.3.

Summary of Assumptions for the FY27.3 Plan

Goldwin

Taking into account the challenges and structural changes observed in FY26.3, we have outlined the key priorities for THE NORTH FACE, Goldwin and financial strategy.

THE NORTH FACE

110.6 billion yen

105.7% YoY

Important points

- Apparel sales will recover, centered on performance and lifestyle categories, with revenue at 106.0% of the prior year.
- Gear will maintain steady performance in both bags and footwear, with revenue at 104.8% of the prior year.
- Strengthen promotional activities for THE NORTH FACE's 60th anniversary.

Goldwin

10.1 billion yen

+53.6% YoY

Important points

- Open 2 new stores in Japan.
- Overseas: Open 6 new stores in China and 2 new stores in other regions.
- As store openings in Europe and the US have been postponed from the initial plan, the timing for turning profitable has been pushed back to FY28.3.

Financial Strategy

DOE **6.9%**

+0.4pt YoY

Important points

- Continue expense outlays and investment in business growth.
- DOE is projected at 6.9% (the medium-term management plan KPI is 6% or more).
- The target total payout ratios guideline is approximately 40%. Share buybacks will be implemented flexibly.

For FY2027.3, we have established three priority themes.

First is THE NORTH FACE. We project net sales of 110.6 billion yen, up 5.7% YoY, driven by 6.0% growth in apparel and 4.8% growth in gear.
As this fiscal year marks the 60th anniversary of THE NORTH FACE, we have prepared promotional campaigns to reinforce the brand's equity.

Second is Goldwin. To achieve net sales of 10.1 billion yen, up 53.6% YoY, we are planning to open two stores in Japan, six in China, and two in other regions.
Due to delays in store openings in Europe and the US, the business is now expected to turn profitable in FY2028.3, but our global expansion remains on track.

Third is financial strategy. As indicated in our Five-Year Medium-Term Management Plan, we aim to keep DOE at 6% or higher. In addition, we are targeting a total payout ratio of 40%, ensuring disciplined returns through flexible share buybacks.
We have positioned FY2027.3 as a year for laying the foundation for structural growth. The following slides go into more detail.

Full-year Plan

Goldwin

For FY27.3, revenue and profit are expected to increase in line with the medium-term management plan.

Consolidated Financial Results (Unit: million yen)

Fiscal year	FY25.3 results	FY26.3 results	FY27.3 plan	YoY (%)	YoY (amount)	FY29.3 Final year of the medium-term plan
Net sales	132,305	137,516	145,400	105.7%	7,884	188,500
Gross profit	68,925	72,946	78,900	108.2%	5,954	101,409
%	52.1%	53.0%	54.3%	1.2pt	-	53.8%
SG & A expenses	47,020	47,087	52,800	112.1%	5,713	65,409
%	35.5%	34.2%	36.3%	2.1pt	-	34.7%
Operating profit	21,905	25,859	26,100	100.9%	241	36,000
%	16.6%	18.8%	18.0%	(0.8)pt	-	19.1%
Ordinary profit	30,806	33,904	34,100	100.6%	196	46,000
%	23.3%	24.7%	23.5%	(1.2)pt	-	24.4%
Net income	24,444	24,094	25,600	106.3%	1,506	-
%	18.5%	17.5%	17.6%	0.1pt	-	-

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This is the FY2027.3 full-year plan.

In FY2027.3, we expect revenue and profit growth in line with our Five-Year Medium-Term Management plan.
Net sales are forecast to reach 145.4 billion yen, up 5.7% YoY (an increase of 7.8 billion yen), driven primarily by the growth of THE NORTH FACE and Goldwin500.
The gross profit margin is forecast to grow by 1.2 percentage points to 54.3%, supported by improved cost management as well as the optimization of our channels and product mix.
The SG & A expense ratio is projected to reach 36.3%, up 2.1 percentage points YoY, reflecting a structural increase.

As the increase in the SG & A expense ratio exceeds the improvement in gross profit margin, operating profit is projected to remain largely unchanged YoY at 26.1 billion yen, and the operating profit margin is expected to come in at 18.0%, down 0.8 percentage points YoY.
Ordinary profit and net income are forecast to be 34.1 billion yen and 25.6 billion yen, respectively.

Results and Forecasts by Business Segment

Goldwin

In FY27.3, Lifestyle will drive growth. Fashion is projected to see a decline in revenue due to the exclusion of sales from subsidiary brands.

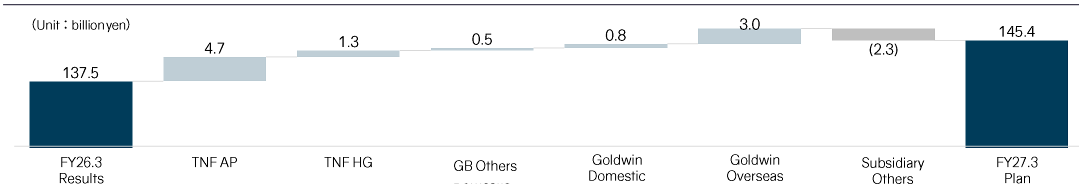
Trends by Business Segment (Unit: million yen)

(Note) The WOOLRICH brand within the Fashion category is in the final stages of being phased out, and the previous period's actual sales of 1.5 billion yen have been excluded from the plan.

	FY23.3		FY24.3		FY25.3		FY26.3		FY27.3	
	Net sales	YoY	Net sales	YoY	Net sales	YoY	Net sales	YoY	Net sales	YoY
Performance	39,261	114.2%	41,820	106.5%	40,049	95.8%	40,652	101.5%	40,900	100.6%
Lifestyle	66,847	118.0%	74,174	111.0%	80,550	108.6%	82,279	102.1%	89,400	108.7%
Fashion	8,822	124.0%	10,776	122.1%	11,519	106.9%	13,066	113.4%	12,300	94.1%
Other	120	103.2%	135	112.5%	186	137.8%	1,518	816.1%	2,800	184.5%
Total	115,052	117.1%	126,907	110.3%	132,305	104.3%	137,516	103.9%	145,400	105.7%

<Reference>Breakdown of Net Sales

(Note) Since business division plans are subject to change and adjustment, they are provided for reference only.



This slide shows the FY2027.3 forecast figures by segment and brand.

The table on top shows historical trends by segment.
The Performance segment, which continues to grow robustly, is planned to maintain the previous year's level, while we drive significant growth in the Lifestyle segment.
In the Fashion segment, we forecast higher revenue for THE NORTH FACE Purple Label, but segment-level revenue is projected to decline because we have excluded WOOLRICH net sales from the plan as are in the final stage of exiting the brand.
The Other business segment, which includes Alpine Tour Service (acquired as a subsidiary in the previous fiscal year), is still limited in scale but is expected to grow going forward.

The bottom graph shows the projected changes versus the FY2026.3 results by brand for reference.
These figures are subject to change depending on the internal plans of each business segment. We aim to meet the plan, supported primarily by growth of THE NORTH FACE and the overseas expansion of the Goldwin brand.

Goldwin

III. THE NORTH FACE Initiatives

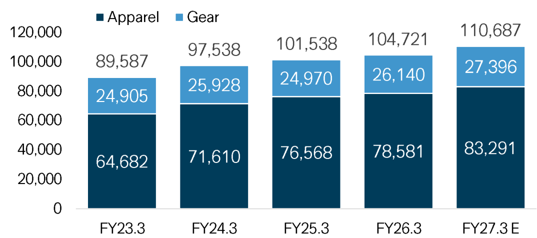
The company aims to achieve sales at 105.7% YoY. It is strengthening its all-season offering.

The following slides cover our initiatives for THE NORTH FACE.

Growth and Marketing Initiatives of THE NORTH FACE

For FY27.3, which marks the brand's 60th anniversary, we aim for sales at 106.0% of the prior year in apparel, 104.8% in gear, and 105.7% overall

THE NORTH FACE Sales Trends and Plan (Unit: million yen)



<Reference> YoY

	FY24.3	FY25.3	FY26.3	FY27.3 E
Apparel	110.7%	106.9%	102.6%	106.0%
Gear	104.1%	96.3%	104.7%	104.8%
Total TNF	108.9%	104.1%	103.1%	105.7%

(Note) Starting in FY27.3, the headwear (caps) category has been moved from Apparel to Gear. Historical data and FY27.3 estimates have been restated to reflect the new classification.

Marketing initiatives to mark the brand's 60th anniversary

- 2026 marks the brand's 60th anniversary. We are preparing several initiatives to showcase the brand's history and future potential.
- The Tokyo Head Office will host the "NEVER STOP EXPLORING EXHIBITION" for approximately one month in October.
- Shops are planning to sell limited-edition items to mark the 60th anniversary.

First, I will explain the net sales trend of THE NORTH FACE by category, specifically apparel and gear.

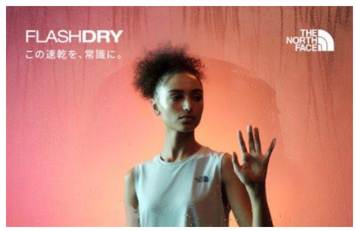
In apparel, in FY2026.3, the brand's net sales grew 2.6% YoY, affected by weak sales of some winter collection items in Q3.
In gear, both bags and shoes grew 4% YoY. Particularly in the bag subcategory, performance has remained solid, supported by improved wholesale deliveries and the launch of new products, among other factors.

In FY2027.3, we project a YoY increase of 6.0% in apparel and 4.8% in gear.
To coincide with the 60th anniversary of THE NORTH FACE, we will undertake renewed branding initiatives, including launching limited-edition products and organizing events.
Brand awareness of THE NORTH FACE already exceeds 80%, but we will roll out marketing initiatives to help more people understand the brand and cultivate a loyal fan base.

THE NORTH FACE Newa

Creating a new athletic market and transitioning to an all-season range through measures that address climate change

Creating a new athletic market	Addressing climate change	
General Athletic Recreation (GAR)	Spring/Summer: Enhancing the Extreme Heat Series	Autumn/Winter: Addressing global warming with reversible functionality



General Athletic Recreation (GAR)

- Launch of a new style of recreational wear that blends outdoor functionality with the lightness of athletic wear
- Strengthening our approach to the expanding athletic and running market, targeting specifically younger consumers and women

Spring/Summer: Enhancing the Extreme Heat Series

- "BREEZERANGE" features "high breathability," "UV protection" and "heat shielding" to efficiently circulate air within the garment
- "Flashdry Cool" keeps the skin cool and maintains a dry feel

Autumn/Winter: Addressing global warming with reversible functionality

- Polyester and wool insulation are positioned on opposite sides (front and back), allowing users to switch between enhanced heat retention and humidity control functions depending on the situation
- Can be used as either an outer layer or a mid-layer, making it usable across a long season

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Here are our specific initiatives for THE NORTH FACE.

Two themes will guide these initiatives throughout the year.
The first theme is to create a new athletic market. We have already established our presence as an athletic brand in trail running and road running, and we will expand into the Lifestyle segment by blending athletic elements with outdoor elements.
In February, we launched a collection called "General Athletic Recreation (GAR)." This collection features innovative recreation wear that combines the functionality of outdoor apparel with the lightness of athletic clothing, aiming primarily to expand touchpoints with young customers and female customers. The collection has gotten off to a strong start, producing hits such as softshell jackets and helping us achieve our Q4 plan for the Lifestyle segment.

The second theme is adaptation to climate change.
For spring and summer, in response to the extreme heat, we will mainly offer products that leverage the functional expertise that THE NORTH FACE has cultivated in the outdoor field. Specifically, we will offer products that help people stay comfortable through the increasingly harsh summers, focusing on the BREEZERANGE series, which provides breathability and UV protection, and Flashdry Cool, which keeps the skin cool with a long-lasting dry feel.

For fall and winter, we will reinforce our offerings that help people flexibly adapt to various climate conditions.
For example, to prepare for warmer winters, we plan to offer new reversible apparel. This product layers two different insulations—polyester and wool—on each side, enabling users to choose between enhanced thermal retention and moisture control inside the garment depending on conditions. Additionally, with its mid-weight insulation, the jacket works as both an outerwear piece and a mid-layer.
In this way, we will expand and strengthen our lineup of versatile products designed for use across extended seasons.

THE NORTH FACE News

Goldwin

Driving new initiatives to further strengthen footwear, which is positioned as a key pillar for customer acquisition and growth in the athletic market

Opening of a footwear concept shop (April 25)

- In Shinsaibashi, THE NORTH FACE opened a footwear-focused concept store, the first of its kind in the world for the brand.
- 3D foot scanners are permanently installed. Staff who are certified to fit shoes recommend footwear suited to customers' lifestyles.
- The self-operated store, which features a dedicated footwear section, saw sales grow by approximately 20% YoY.

VECTIV Forward

Under the medium-term management plan, with the VECTIV collection as its core product, the company aims to increase sales by 4 billion yen by the fiscal year ending March 2029, the final year of the plan.

FY25.3	FY26.3	FY27.3 E
5.9 billion yen	6.2 billion yen	7.0 billion yen

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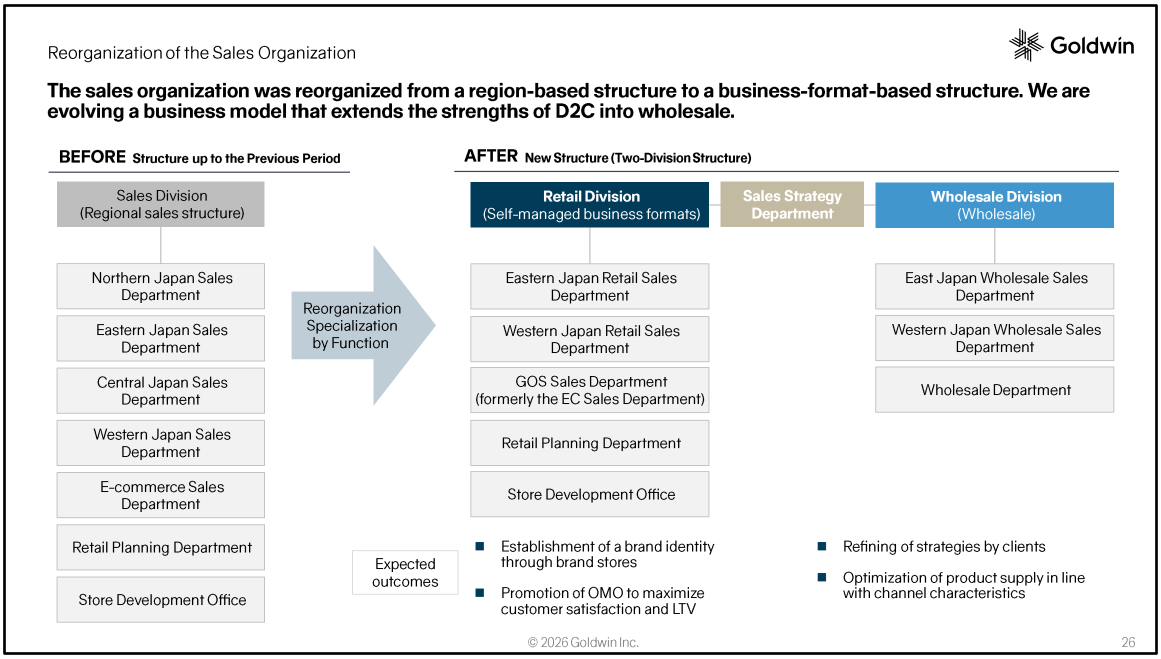
Next, I will introduce our gear initiatives, which are also expected to contribute to sales throughout the year.

In footwear, which is positioned as the main growth driver in our Five-Year Medium-Term Management Plan, under our distribution strategy, we have been enhancing our presence through self-operated stores.
At our footwear-focused stores, including Ebisu, LAZONA Kawasaki, and GRAND FRONT OSAKA, we have renovated the sales floors and installed dedicated footwear corners, which have driven YoY growth of nearly 20%.
We have also launched our first road running shoes in the VECTIV series, which feature our flagship sole technology, and our exhibit at the Tokyo Marathon EXPO attracted significant attention.
Last month, we opened the world's first footwear-focused THE NORTH FACE concept store. Located on the fourth floor of QUARTZ SHINSAIBASHI, a commercial complex that opened on April 25, the store offers an extensive footwear lineup, including the VECTIV collection.

Although footwear still accounts for a small share of our sales, the FY2026.3 result exceeded 6.0 billion yen, demonstrating steady growth.
To reach the revenue growth target of 4.0 billion yen set in our Medium-Term Management Plan, we will further expand our lineup and develop touchpoints.



Now I will explain the sales organization reorganization. Effective this fiscal year, we have reorganized the previous Sales Division and its four-area structure into two independent organizations: the Retail Division and the Wholesale Division.

The Retail Division comprises the Eastern and Western Japan Retail Sales Departments, the GOS Sales Department, the Retail Planning Department, and the Store Development Office. The purpose of this restructuring is to reinforce brand communication through our brand stores, which constitute the strategic core of our brand business. In addition, we will deliver seamless services that integrate GOS (our e-commerce site) and self-operated stores. We have appointed Takanashi, who has led the TNF Business Division for many years, as General Manager of the Retail Division. We will strengthen collaboration between the *monozukuri* and sales teams.

The Wholesale Division has been restructured into two areas to further refine our major account strategies and optimize product supply according to wholesale channels' characteristics. To serve as a liaison between the Retail and Wholesale Divisions, we have newly established the Sales Strategy Department.
This new structure will help us leverage our strengths at brand stores and in D2C, further evolving a business model whose benefits extend to our wholesale partners as well.

IV. Progress of Goldwin500

Store openings are proceeding according to plan.
We are accelerating global expansion and aim to turn profitable in FY28.3.

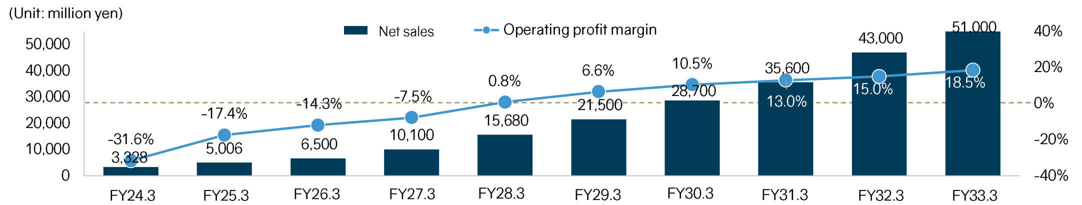
Next, I will cover the progress of Goldwin500.

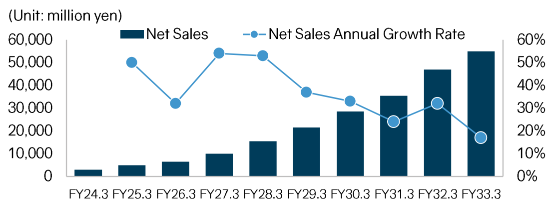
Progress of the Goldwin500 Project Based on Actual Figures

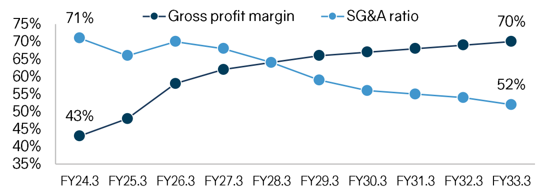
Goldwin

Although net sales are generally tracking in line with plan, primarily in Japan and China, because of delays in opening stores in London and New York as well as increased costs due to higher raw material prices and exchange rate fluctuations, the forecast for FY27.3 is net sales of 10 billion yen and an operating loss of approximately 0.7 billion yen.

Overview of the Goldwin500 Project







(Note) Figures are for reference only as they are based on internal estimates (including projections and rounding).

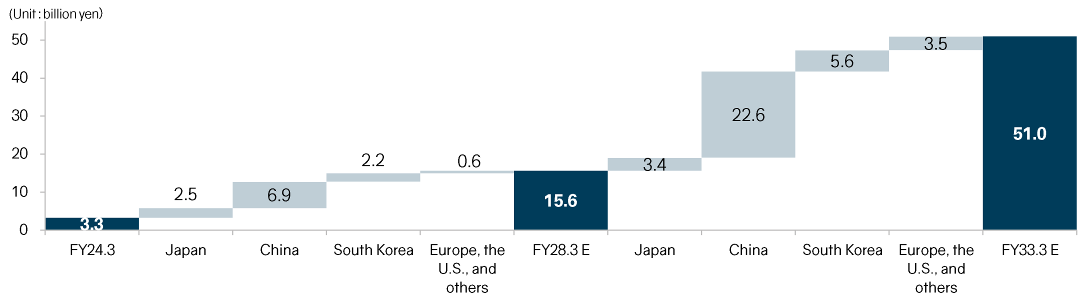
I will now go over the progress of Goldwin500.

For FY2027.3, we project net sales of 10.0 billion yen and an operating loss of approximately 0.7 billion yen.
I will take you through the breakdown. Net sales have remained roughly in line with the plan, driven mainly by Japan and China. However, due to the delayed openings of the London and New York stores, as well as cost increases driven by higher material prices and currency fluctuations, we anticipate an operating loss.
To give you the overall picture of our 10-year plan, we are targeting net sales of 51.0 billion yen and an operating profit margin of 18.5% for FY2033.3. We aim to achieve a gradual shift in the profit structure, improving the gross profit margin from around 58% to 70% and reducing the SG & A expense ratio from around 71% to 52%.
We view the FY2027.3 operating loss as a necessary investment phase for the Goldwin brand's global expansion. We ask that you evaluate our progress within the context of this phased 10-year plan.

Medium-term Management Plan: Goldwin500

Goldwin

FY24.3: 3.3 billion yen → FY28.3: 15.7 billion yen → FY33.3: 51.0 billion yen



Region	CAGR 24–28	CAGR 28–33	Growth drivers
Japan	18.3%	10.8%	Expansion of GW brand-owned stores, 10-store network
China	107.1%	32.4%	Accelerated expansion in megacities, 25-store network, D2C as core focus
South Korea	-	29.0%	Expansion into department stores, 6-store network, differentiation strategy
Europe, the US, and others	33.7%	36.2%	UK: Independent management, US: Shift to e-commerce Europe: Consideration of new store openings

(Note) Figures are internal estimates (including projections and rounding) and totals may not add up.

Next, I will detail our plans by region through FY2033.3.

We plan to grow from 3.3 billion yen in FY2024.3 to 15.7 billion yen by FY2028.3, and to 51.0 billion yen by FY2033.3.
I will now go over CAGR figures and growth drivers by region.
In Japan, we aim to achieve a CAGR of 10.8% and build a network of 10 Goldwin self-operated stores.
For China, which we view as the biggest growth driver, we project a CAGR of 32.4%. We aim to establish a 25-store network by accelerating openings in megacities and focusing on D2C as our main channel.
By steadily implementing strategies tailored to each region's characteristics, we aim to achieve net sales of 51.0 billion yen.

Goldwin News

Goldwin

Accelerating global marketing through new store openings in London, Seoul, and New York

Goldwin London Opened Jan. 31, 2026

Goldwin Seoul Opened Feb. 14, 2026

Goldwin New York Opened Apr. 24, 2026

- Lafayette Street, situated on the border between SoHo and Nolita in Manhattan
- An iconic area where diverse cultures—including sports, the outdoors, street and luxury—intersect, transmitting new values and styles to the world
- The store has an area of approximately 163 m^2. It stocks the full range of categories, including ski, outdoor, athletic and lifestyle wear, as well as accessories and bags.

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This slide covers the news on the latest store openings for the Goldwin brand.

In January this year, we opened a self-operated store in London, which was followed by another in Seoul in February, and another in New York last month on April 24.
The New York store sits at the border of SoHo and Nolita in Manhattan, an iconic neighborhood where diverse cultures—sports, outdoor, street and luxury—intersect, transmitting new values and styles to the world.
This opening will accelerate brand penetration on the US East Coast. Alongside our London store, it will serve as a global communication hub, strengthening our presence in Europe and the US while creating ripple effects into East Asia.

Goldwin's Store Openings and Plans by Region

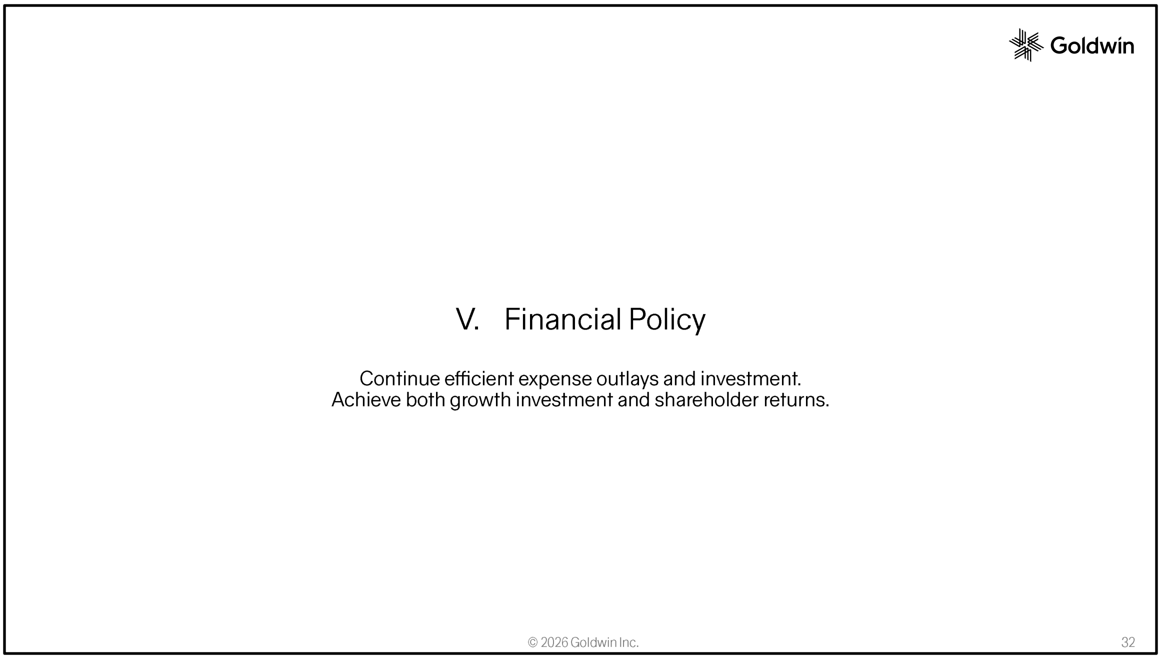
Goldwin

Store opening plans are progressing largely as scheduled. By FY27.3, we plan to open 2 stores in Japan and 6 more stores in mainland China.

	Up to FY25.3	FY26.3	FY27.3	From FY28.3	FY33.3 Number of stores
Japan	2 stores Marunouchi Harajuku	2 stores Kyoto Sapporo	2 stores Shinsaibashi (Aug.) Tenjin (Nov.)	Harajuku	15
China Mainland	4 stores Beijing Chengdu Shanghai Hangzhou	5 stores Nanjing Shenyang Shenzhen Xi'an Zhengzhou	6 stores Shanghai ② (May) Hangzhou ② Guangzhou (May) Dalian Ningbo (Sep.) Beijing ②		70
South Korea		1 store Seoul	1 store Seoul ②		20
Europe and the US	1 store Munich	1 store London	1 store New York City (Apr.)	Paris	8

I will now explain the Goldwin brand's store openings to date and plans by region.
Our store openings are generally proceeding as planned.

In FY2027.3, we will open two stores in Japan, six in mainland China, one in South Korea, and one in Europe and the US.
Here is the breakdown by region. In Japan, we will open a store in Shinsaibashi in August and another in Tenjin in November.
In mainland China, we will open stores in six cities—Shanghai, Hangzhou, Guangzhou, Dalian, Ningbo, and Beijing—as we continue to accelerate openings, primarily in megacities.
In South Korea, we plan to open our second store in Seoul. In Europe and the US, we already opened a store in New York City in April.
Over the long term, by FY2033.3, we plan to establish 113 stores—15 in Japan, 70 in mainland China, 20 in South Korea, and 8 in Europe and the US.



Finally, I will explain our financial policy.

Full-year Plan (Again)

For FY27.3, revenue and profit are expected to increase in line with the medium-term management plan.

Consolidated Financial Results (Unit: million yen)

Fiscal year	FY25.3 results	FY26.3 results	FY27.3 Plan	YoY (%)	YoY (amount)	FY29.3 Final year of the medium-term plan
Net sales	132,305	137,516	145,400	105.7%	7,884	188,500
Gross profit	68,925	72,946	78,900	108.2%	5,954	101,409
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%	35.5%	34.2%	36.3%	2.1pt	-	34.7%
Operating profit	21,905	25,859	26,100	100.9%	241	36,000
%	16.6%	18.8%	18.0%	(0.8)pt	-	19.1%
Ordinary profit	30,806	33,904	34,100	100.6%	196	46,000
%	23.3%	24.7%	23.5%	(1.2)pt	-	24.4%
Net income	24,444	24,094	25,600	106.3%	1,506	-
%	18.5%	17.5%	17.6%	0.1pt	-	-

To recap, here is our plan for FY2027.3. I will go into further detail on the following slides.

FY27.3 Financial Plan

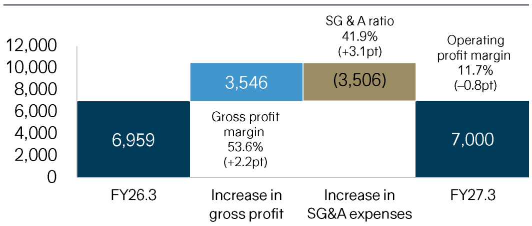
Goldwin

Net sales plan: 59.9 billion yen for H1, 85.5 billion yen for H2
Although SG & A expenses will increase, we expect to secure an increase in operating profit in absolute terms, driven by higher revenue and an improved gross profit margin.

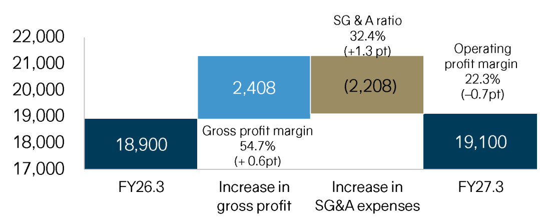
Breakdown of Net Sales by H1/H2 and Trend in Composition Ratio

		FY22.3 results	FY23.3 results	FY24.3 results	FY25.3 results	FY26.3 results	FY27.3 plan
Net sales	H1	38,208	45,309	51,096	53,367	55,589	**59,900**
	H2	60,027	69,743	75,811	78,938	81,927	**85,500**
%	H1	38.9%	39.4%	40.3%	40.3%	40.4%	**41.2%**
	H2	61.1%	60.6%	59.7%	59.7%	59.6%	**58.8%**

H1 (Apr.-Sep.) Operating profit: 6,959 → 7,000(+41 YoY)



H2 (Oct.-Mar.) Operating profit: 18,900 → 19,100(+200 YoY)



This slide shows our plan for FY2027.3, broken down into H1 and H2.

Our net sales forecast of 145.4 billion yen consists of 59.9 billion yen in H1 and 85.5 billion yen in H2.
Due to the nature of our product portfolio, our net sales tend to be weighted toward H2, but we have been gradually smoothing this out by strengthening year-round items and running promotional campaigns.

Next, I will break down operating profit into H1 and H2.
Of the 240 million yen full-year operating profit increase, 41 million yen is attributable to H1 and 200 million yen to H2.
Full-year SG & A expenses are forecast to increase by 5.71 billion yen, of which 3.5 billion yen will be allocated to H1 and 2.2 billion yen to H2, reflecting front-loaded SG & A investment.
As a result, the operating profit margin is projected to decrease YoY, slipping from 12.5% to 11.7% in H1 and from 23.1% to 22.3% in H2. However, through higher revenue and improved gross profit margin, we plan to achieve operating profit growth in absolute terms.

Selling and General Administrative Expenses

Goldwin

SG & A expenses for FY27.3 will increase by 5.7 billion yen versus the previous year, reflecting strengthened retail operations, growth investment in Goldwin500, and increased investment in human capital. From FY27.3 onwards, 1.1 billion yen of R&D-related costs will be reclassified from cost of sales to SG & A expenses.

(Unit: million yen)

Functional expense category	Growth investment			Human capital	R&D	PLAY EARTH PARK-related		Total
	Retail strengthening	GW500 strategic investment	CX/DX strengthening	HR strategy strengthening	Costs → SG & A *②	Business operations	Infrastructure development	
Personnel expenses/Sales staff salaries	500	250		1,400 *①	800	250		3,200
Advertising expenses		250				100		350
Rent fee	300	250						550
Depreciation		70						70
Logistics costs	200							200
Operating expenses and other		180	300		300	150	400	1,330
Total	1,000	1,000	300	1,400	1,100	500	400	5,700

(Note) *① Breakdown of the increase in personnel expenses: compensation system revision +400 million yen, regular salary increases +400 million yen, and hiring +600 million yen. Of the total 1.4 billion yen increase, the 400 million yen related to the compensation system revision is a one-time increase.

(Note) *②	FY26.3 results (Former standard)	FY27.3 E plan (Former standard: Reference)	FY27.3 E plan (New standard)	Explanation of discrepancies
Gross profit margin	53.0%	53.5%	54.3%	Up 0.5 pt vs. the former standard
SG&A ratio	34.2%	35.5%	36.3%	Up 1.3 pt vs. the former standard
Operating profit margin	18.8%	18.0%	18.0%	Down 0.8 pt vs. the former standard (no impact from the change in standard)

35

Next is a function-based breakdown of SG & A expenses.
In FY2027.3, SG & A expenses are projected to increase by 5.7 billion yen YoY.

This increase consists of 2.3 billion yen of growth investment, primarily for strengthened retail and Goldwin500; 1.4 billion yen for human capital; 1.1 billion yen reclassified from cost of sales to SG & A expenses as part of our efforts to reinforce R&D; and 0.9 billion yen related to PLAY EARTH PARK.
The 1.4 billion yen increase in personnel expenses comprises a one-time 0.4-billion-yen increase resulting from the shift to the new HR system, and a 1.0-billion-yen permanent increase related to regular wage increases, new graduate recruitment, and mid-career recruitment.

Moving on to the table at the bottom, the 1.1 billion yen reclassified from cost of sales to SG & A expenses is attributable to labor costs at the Toyama manufacturing site, which will continue to be recorded as SG & A expenses from FY2027.3 onward. The impact on operating profit is neutral.
This reclassification affects R&D indirect labor costs, reflecting the reorganization of mid-sized production departments into R&D-focused functions. To accommodate this change, we have reclassified the personnel expenses of these departments from cost of sales to SG & A expenses.

All of these expenditures are aligned with our Medium-Term Management Plan.

Cash Allocation

Goldwin

Building on our ability to generate cumulative operating cash flow of approximately 96 billion yen over the past five years, we will allocate, in a disciplined manner, the 120–130 billion yen targeted over five years in the medium-term management plan, designing a virtuous cycle of growth investment and ROE improvement.

Operating cash flow generation capacity:
Cumulative total over 5 periods: 120–130 billion yen (FY25.3: 24.4 billion yen → annual average of 26.0 billion yen)

	Allocation ratio	Amount (5-year period)	Key initiatives
Growth investment	30–35%	36–45.5 billion yen	Goldwin500 (Overseas subsidiaries and store openings) TNF market expansion, Shoes & Kids roll-out
Investment in business infrastructure	20–25%	24–32.5 billion yen	Core system overhaul/DX, PLAY EARTH PARK Strengthening of membership systems, materials and R&D
ESG investment	10–15%	12–19.5 billion yen	Environmental conservation and circular economy initiatives (resale and repair) Start-up investment
Shareholder returns	30–40%	36–52 billion Yen	Dividends (DOE of 6% or more) Flexible share buybacks (target total payout ratio: 40%)

Cash Flow Trends over Five Years (Unit: million yen)

Fiscal year	Net sales	Operating cash flow	Operating cash flow margin	FCF	FCF margin	Depreciation
FY22.3	98,235	7,401	7.5%	5,834	5.9%	1,646
FY23.3	115,052	18,049	15.7%	14,668	12.7%	1,762
FY24.3	126,907	20,222	15.9%	18,734	14.8%	2,046
FY25.3	132,305	24,437	18.5%	24,645	18.6%	2,299
FY26.3	137,516	26,257	19.1%	12,789	9.3%	2,529

Now, please take a look at our cash allocation policy.

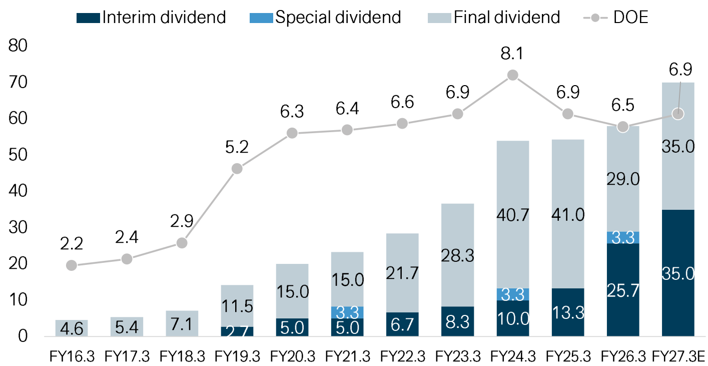
During the five-year period covered by our Medium-Term Management Plan, we anticipate generating a cumulative total of 120 to 130 billion yen in operating cash flow. Starting from the 24.4 billion yen generated in FY2025.3, we plan to achieve average annual operating cash flow of 26.0 billion yen.
This cash will be strategically allocated across four categories.

Through growth investments, we will drive the expansion of overseas subsidiaries and store openings for Goldwin500, expand the market for THE NORTH FACE, and grow our footwear and kids categories.
As part of business foundation investments, we will allocate cash to core system overhauls, DX, PLAY EARTH PARK, materials, and R&D.
We will continue ESG investment in environmental conservation and circular economy businesses, as well as in startups.
For shareholder returns, we will pay dividends at a DOE of 6% or higher and execute flexible share buybacks, targeting a total payout ratio of approximately 40%.

Shareholder Return Policy

In FY27.3, we plan to increase dividends for the 16th consecutive term.
The dividend balance (interim: year-end) will shift to a 50:50 split for the full year.

Trend in Dividends per Share and DOE (Dividend on Equity) * After the share split



Dividend payout ratio	FY26.3: 33.0% FY27.3E: 37.5%
Total amount of dividends	FY26.3: 8.0 billion yen FY27.3E: 9.5 billion yen* * Rough calculation based on a dividend increase from 58 yen to 70 yen
Share buybacks	FY26.3: 3.7 billion yen FY27.3E: To be implemented flexibly
Total payout ratio	FY26.3: 48.6%

(Note) As a share split of 3 shares for every 1 ordinary share was implemented effective October 1, 2025, the dividend amounts shown are those after the split. For FY21.3 and FY24.3, a commemorative dividend of 3.3 yen (10 yen before the split) was paid.
The interim dividend for FY26.3 includes a 75th-anniversary commemorative dividend of 3.3 yen (pre-split: 10 yen). The final dividend is expected to be a regular dividend of 29 yen per share, bringing the total annual dividend to 58 yen.

Finally, allow me to explain our shareholder return policy.
We plan to increase dividends for the 16th consecutive year, with the dividend payout ratio for FY2026.3 reaching 32.8%.
In line with the targets set under our Five-Year Medium-Term Management Plan, namely a DOE of 6% or higher and a total payout ratio of 40%, we will flexibly execute share buybacks.

Summary of the Financial Results Briefing for FY26.3

Goldwin

Both net sales and operating profit reached record highs, with the operating profit margin recovering to 18.8%.

Net sales and profit both increased, driven by revenue growth and an improved gross profit margin. The operating profit margin recovered as one-time expenses from FY25.3 were eliminated.

We will continue to make targeted investments to drive business growth and strengthen human capital.

We are strengthening investments in our product-based businesses—including THE NORTH FACE and Goldwin—as well as our service-based businesses and human capital, which will drive the next generation of growth.

Goldwin is the growth engine for overseas expansion.

We expanded from 9 to 15 stores in China; our Chinese subsidiary has achieved profitability.
We have established a foundation for achieving profitability globally at an early stage.

This concludes today's briefing. Thank you for attending.

VI. APPENDIX

Background Data and Supplementary Materials

The operating profit margin recovered to 18.8% as the one-time expenses incurred in FY25.3 were eliminated, but the structural increase in SG & A expenses is expected to continue.

Trends in Consolidated Financial Results

(Unit: million yen)	FY25.3 result	FY25.3 excluding one-time expenses	FY26.3 results	YoY	YoY excluding one-time expenses
Net sales	132,305	132,305	137,516	103.9%	103.9%
Gross profit	68,925	68,925	72,946	105.8%	105.8%
%	52.1%	52.1%	53.0%	0.9pt	0.9pt
SG & A expenses	47,020	43,520	47,087	100.1%	108.2%
%	35.5%	32.9%	34.2%	(1.3)pt	1.3pt
Operating profit	21,905	25,405	25,859	118.0%	101.8%
%	16.6%	19.2%	18.8%	2.2pt	(0.4)pt
Ordinary profit	30,806	34,306	33,904	110.1%	98.8%
%	23.3%	25.9%	24.7%	1.4pt	(1.3)pt
Net income	24,444	26,894	24,094	98.6%	89.6%
%	18.5%	20.3%	17.5%	(1.0)pt	(2.8)pt

(Note) One-time expenses for FY2025.3: J-ESOP 3.0 billion yen + Head office relocation 500 million yen = 3.5 billion yen in total.

Summary of the Income Statement (Quarterly)

Goldwin

	Q1			Q2			Q3			Q4			Full year		
(Unit: million yen)	FY24.3	FY25.3	FY26.3	FY24.3	FY25.3	FY26.3	FY24.3	FY25.3	FY26.3	FY24.3	FY25.3	FY26.3	FY24.3	FY25.3	FY26.3
Net sales	23,150	24,601	23,878	27,946	28,766	31,711	43,736	43,465	43,882	32,075	35,472	38,044	126,907	132,305	137,516
Gross profit	11,710	12,433	12,646	14,249	14,205	15,907	24,611	23,755	24,656	16,603	18,531	19,736	67,173	68,925	72,946
%	50.6%	50.5%	53.0%	51.0%	49.4%	50.2%	56.3%	54.7%	56.2%	51.8%	52.2%	51.9%	52.9%	52.1%	53.0%
SG & A expenses	9,446	10,594	10,567	10,442	10,830	11,027	11,493	12,029	12,898	11.945	13,566	12,593	43,326	47,020	47,087
%	40.8%	43.1%	44.3%	37.4%	37.6%	34.8%	26.3%	27.7%	29.4%	37.2%	38.2%	33.1%	34.1%	35.5%	34.2%
Operating profit	2,263	1,839	2,079	3,807	3,375	4,880	13,119	11,725	11,758	4,658	4,965	7,142	23,847	21,905	25,859
%	9.8%	7.5%	8.7%	13.6%	11.7%	15.4%	30.0%	27.0%	26.8%	14.5%	14.0%	18.8%	18.8%	16.6%	18.8%
Ordinary profit	4,172	4,258	3,759	5,008	5,659	5,334	14,396	11,968	12,523	9,025	8,920	12,287	32,601	30,806	33,904
%	18.0%	17.3%	15.7%	17.9%	19.7%	16.8%	32.9%	27.5%	28.5%	28.1%	25.1%	32.3%	25.7%	23.3%	24.7%
Net income	3,347	3,660	3,189	3,976	4,205	3,609	10,251	9,829	8,453	6,707	6,748	8,842	24,281	24,444	24,094
%	14.5%	14.9%	13.4%	14.2%	14.6%	11.4%	23.4%	22.6%	19.3%	20.9%	19.0%	23.2%	19.1%	18.5%	17.5%

Summary of the Income Statement (YoY / Plan Ratio)

(Unit: million yen)	Q1		Q2		H1			Q3		Q4		H2			Full year		
	FY26.3	YoY	FY26.3	YoY	FY26.3	YoY	Plan ratio	FY26.3	YoY	FY26.3	YoY	FY26.3	YoY	Plan ratio	FY26.3	YoY	Plan ratio
Net sales	23,878	97%	31,711	110%	55,589	104%	101%	43,882	101%	38,044	107%	81,926	104%	96%	137,516	104%	98%
Gross profit	12,646	102%	15,907	112%	28,553	107%	103%	24,656	104%	19,736	107%	44,392	105%	96%	72,946	106%	99%
%	53.0%	2.4pt	50.2%	0.8pt	51.4%	1.4pt	1.2pt	56.2%	1.5pt	51.9%	(0.4)pt	54.2%	0.6pt	(0.1)pt	53.0%	0.9pt	0.4pt
SG & A expenses	10,567	100%	11,027	102%	21,594	101%	98%	12,898	107%	12,593	93%	25,491	100%	98%	47,087	100%	98%
%	44.3%	1.2pt	34.8%	(2.9)pt	38.8%	(1.3)pt	(1.1)pt	29.4%	1.7pt	33.1%	(5.1)pt	31.1%	(1.3)pt	0.0pt	34.2%	(1.3)pt	0.0pt
Operating profit	2,079	113%	4,880	145%	6,959	133%	124%	11,758	100%	7,142	144%	18,900	113%	93%	25,859	118%	100%
%	8.7%	1.2pt	15.4%	3.7pt	12.5%	2.7pt	2.3pt	26.8%	(0.2)pt	18.8%	4.8pt	23.1%	1.9pt	(0.7)pt	18.8%	2.2pt	0.4pt
Ordinary profit	3,759	88%	5,334	94%	9,093	92%	97%	12,523	105%	12,287	138%	24,810	119%	101%	33,904	110%	100%
%	15.7%	(1.6)pt	16.8%	(2.8)pt	16.4%	(2.2)pt	(0.7)pt	28.5%	1.0pt	32.3%	7.2pt	30.3%	3.8pt	1.6pt	24.7%	1.4pt	0.5pt
Net income	3,189	87%	3,609	86%	6,798	86%	103%	8,453	86%	8,842	131%	17,295	104%	92%	24,094	99%	95%
%	13.4%	(1.5)pt	11.4%	(3.2)pt	12.2%	(2.5)pt	(0.2)pt	19.3%	(3.4)pt	23.2%	4.2pt	21.1%	0.1pt	(0.9)pt	17.5%	(1.0)pt	(0.6)pt

Results by Business Segment

Q4 (Jan.–Mar.) (Unit: million yen)

Q4	FY22.3 Q4	FY23.3 Q4	FY24.3 Q4	FY25.3 Q4	FY26.3 Q4	YoY
Performance	9,908	9,939	10,478	10,920	11,742	107.5%
Lifestyle	12,415	15,534	18,148	20,627	21,946	106.4%
Fashion	2,111	2,810	3,422	3,897	4,052	104.0%
Other	16	20	25	26	303	1165.4%
Total	24,452	28,305	32,074	35,472	38,044	107.3%

Quarterly Trends (Unit: million yen)

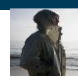
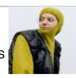
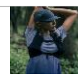
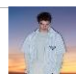
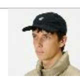
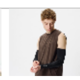
FY26.3	Q1	Q2	Q3	Q4	Full year
Performance	7,846	8,805	12,257	11,742	40,652
Lifestyle	13,751	18,837	27,743	21,946	82,279
Fashion	1,947	3,435	3,630	4,052	13,066
Other	331	632	250	303	1,518
Total	23,878	31,711	43,882	38,044	137,516

Goldwin Brand Product Lineup

Goldwin

The Goldwin Brand has established a price premium of 1.7 to 2.0 times that of THE NORTH FACE.
With an estimated gross profit margin (GPM) of over 70%, this structurally boosts the profit margin of the entire portfolio.

(Unit: Thousand yen)

Category	%	Flagship item		Goldwin price range	TNF price range (Reference)	Multiplier	Description
Outerwear	48%	Down jackets, rain jackets, etc.	 	68–130	35–75	1.7–1.9x	High unit price x highest mix. Maximum contribution to GPM.
Pants	21%	Tapered pants, shorts, stretch pants	 	32–42	15–25	1.7–2.1x	Largest price premium versus TNF. High repeat purchase rate.
T-shirts	10%	Sunshades, WAFFLE LIGHT hoodies	 	16–38	6–15	2.0–2.7x	Highest markup multiple. The gateway to acquiring new customers.
Shirts	5%	Comfortable shirts, light hiking shirts	 	23–38	10–20	1.9–2.3x	Targeting lifestyle-oriented consumers with products suitable for both work and leisure.
Other (e.g., accessories)	16%	Backpacks, caps, shoes	 	5–45	3–25	1.5–1.8x	Promoting cross-selling. A lever for increasing average transaction value.
Total	**100%**	-	-	-	-	**1.7–2.0x**	-

Goldwin

Launch of IR email distribution service and enhancement of Investors Relations website

IR email distribution service

We have launched an IR email distribution service to deliver company information to shareholders and investors as quickly as possible. We encourage you to register for this service.

https://about.goldwin.co.jp/ir/mail

Investor relations site

In addition to financial statements and information, we also provide content to help you gain a deeper understanding of our company. Our interview series is also now available.

https://about.goldwin.co.jp/eng/ir