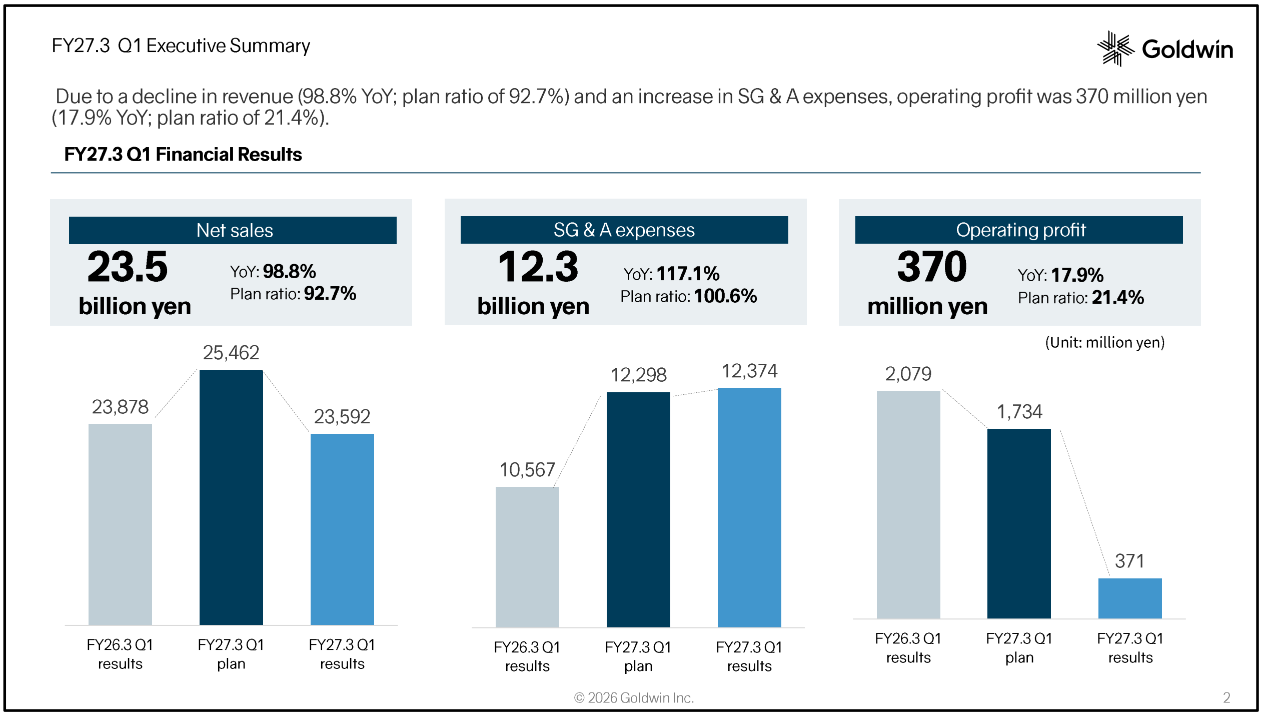
FY2027.3 Q1 Financial Results Briefing Materials

Goldwin

August 6, 2026
(Securities Code: 8111)

Thank you very much for taking the time out of your busy schedules to attend our financial results briefing today.
I will now explain our results for FY2027.3 Q1, as well as our outlook for the first half and beyond.



First is the executive summary of our Q1 results.

Net sales for April through June came in at 23.5 billion yen, falling short of both the same period last year and our internal plan.
The main factors were the weak performance of summer merchandise due to low temperatures in June and sluggish in-store sell-through in the wholesale channel.
The gap versus the internal plan was also affected by the decline in inbound demand from mainland China, which has continued since the previous fiscal year.

SG & A expenses increased by 1.8 billion yen YoY to 12.3 billion yen, as we front-loaded growth investments, including the strengthening of our retail business, the implementation of Goldwin500, and the enhancement of human capital.

In the current fiscal year, which we have positioned as “a year of front-loaded investment,” we executed growth-related expenses as planned from Q1. However, as net sales fell below plan, operating profit declined YoY, coming in at 370 million yen.

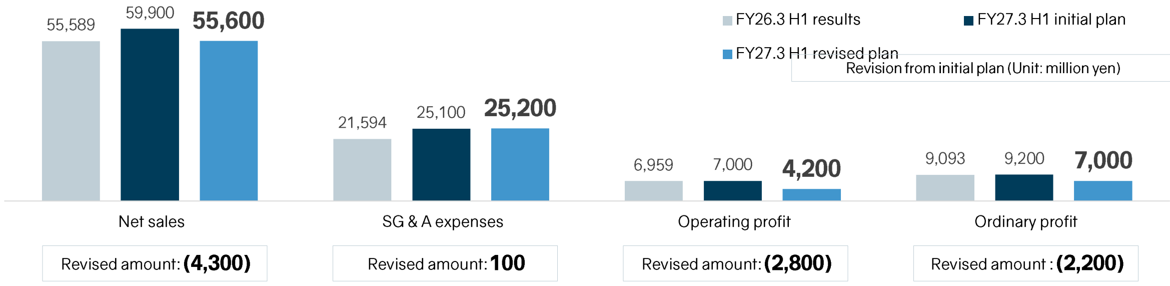
Revision of the H1 Earnings Forecast

Goldwin

As we anticipate that the factors that caused the slowdown in Q1 will continue, we have revised our earnings forecast for FY27.3 H1. Net sales have been revised downward by 4.3 billion yen, and operating profit by 2.8 billion yen.

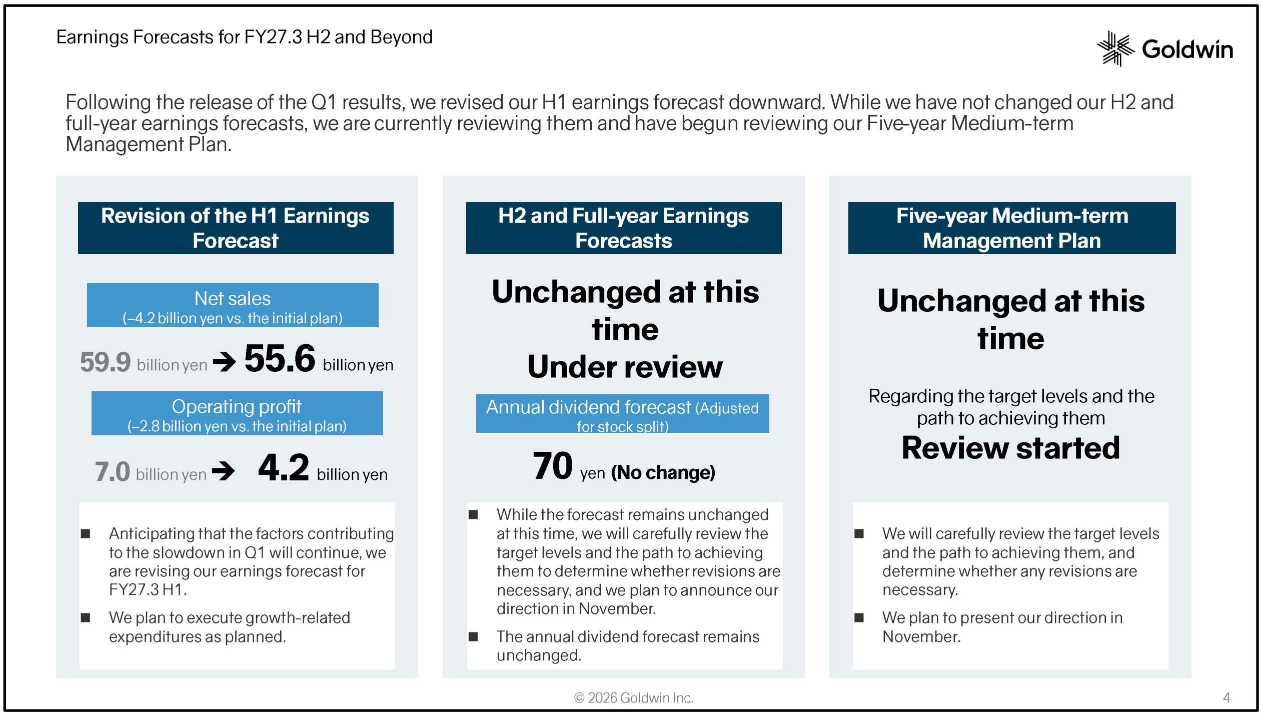
Earnings Forecast for H1 FY27.3

(Unit: million yen)	Initial plan	Revised plan	Revised amount	Compared to initial plan	Revised plan YoY
Net sales	59,900	55,600	(4,300)	92.8%	100.0%
SG & A expenses	25,100	25,200	100	100.4%	116.7%
Operating profit	7,000	4,200	(2,800)	60.0%	60.4%
Ordinary profit	9,200	7,000	(2,200)	76.1%	77.0%



Following the Q1 results, we are revising our first-half earnings forecast.

We assume that the factors behind the slowdown from April through June, namely the weak in-store sell-through in the wholesale channel and the decline in inbound demand from mainland China, will continue into July and beyond.
We have therefore revised net sales downward by 4.3 billion yen from the initial plan of 59.9 billion yen, and our target is now 55.6 billion yen.
As for SG & A expenses, while continuing to carefully examine spending, we will proceed with investments for growth as planned.
As a result, we now target operating profit of 4.2 billion yen, revised down by 2.8 billion yen from the initial plan of 7.0 billion yen, and ordinary profit of 7.0 billion yen, revised down by 2.2 billion yen.



I will now present our current direction regarding the earnings forecast for the second half and beyond.

We are leaving the second-half and full-year earnings forecasts unchanged at this time, but we will continue to review them in light of the Q1 results.
We will carefully examine the target levels and the path to achieving them, determine whether revisions are needed, and present our direction in November.
There is no change to our shareholder return policy.

The Five-year Medium-term Management Plan, which concludes in FY29.3, also remains unchanged at this time.
We have begun reviewing it together with the full-year plan, and we will present our direction on this in November as well.

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Goldwin

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Next, I will explain each item in detail.

I. FY27.3 Q1 Results

Operating profit declined due to lower revenue and higher SG & A expenses.

First, I will explain the FY27.3 Q1 results.

Q1 Financial Results Summary

Due to a decline in revenue and an increase in SG & A expenses, operating profit was 371 million yen, achieving 21.4% of the internal plan ratio and 17.9% YoY.

Consolidated Financial Results Trend

(Unit: million yen)	FY25.3 Q1 results	FY26.3 Q1 results	FY27.3 Q1 plan	FY27.3 Q1 results	Plan ratio		YoY	
					Ratio	Difference	Ratio	Difference
Net sales	24,601	23,878	25,462	23,592	92.7%	(1,869)	98.8%	(285)
Gross profit	12,433	12,646	14,032	12,746	90.8%	(1,286)	100.8%	99
%	50.5%	53.0%	55.1%	54.0%	(1.1)pt	-	1.1pt	-
SG & A expenses	10,594	10,567	12,298	12,374	100.6%	76	117.1%	1,806
%	43.1%	44.3%	48.3%	52.4%	4.2pt	-	8.2pt	-
Operating profit	1,839	2,079	1,734	371	21.4%	(1,362)	17.9%	(1,707)
%	7.5%	8.7%	6.8%	1.6%	(5.2)pt	-	(7.1)pt	-
Ordinary profit	4,258	3,759	3,369	2,598	77.1%	(771)	69.1%	(1,160)
%	17.3%	15.7%	13.2%	11.0%	(2.2)pt	-	(4.7)pt	-
Net income	3,660	3,189	2,870	2,249	78.4%	(621)	70.5%	(939)
%	14.9%	13.4%	11.3%	9.5%	(1.7)pt	-	(3.8)pt	-

As I mentioned at the start, Q1 saw declines in both net sales and profit, with net sales and operating profit coming in at 1.8 billion yen and 1.3 billion yen below our internal plan respectively.

Our Q1 profit plan was formulated on the assumption that higher net sales would cover the increase in SG & A expenses for growth, including the strengthening of our retail business, the implementation of Goldwin500, and the enhancement of human capital.
However, the decline in net sales undermined this premise, resulting in lower operating profit.

Trend in Monthly Net Sales

Goldwin

In addition to the decline in inbound demand from mainland China that has continued since the previous fiscal year, sales fell short of internal plan due to sluggish sales of summer merchandise in June.

Monthly Net Sales for Q1

Monthly	Plan ratio	YoY	Status
Apr.	104%	92%	Despite the decline in sales, we met our internal plan, which took into account the expected decline driven by the advance shipments to our wholesale operations at the end of the previous fiscal year.
May	92%	99%	In addition to a decline in inbound demand from mainland China, we failed to meet our internal plan due to sluggish sales at retail outlets, particularly in the wholesale sector.
Jun.	84%	96%	Due to the high number of days with cool weather, sales of summer merchandise got off to a slow start. Combined with the ongoing decline in inbound demand from mainland China, we fell short of our internal plan.
Q1 Total	93%	95%	Although the retail division maintained revenue growth, primarily driven by self-operated stores, struggles in the wholesale channel weighed on results, causing revenue to fall short of internal plan and versus the same period last year.

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

I will now break down the Q1 net sales situation by month.

In April and May, although we continued to feel the impact of the decline in inbound demand from mainland China that has persisted since the previous fiscal year, results progressed roughly as expected against our internal plan, which had factored in the reactionary decline from the partial pull-forward of deliveries to the wholesale channel at the end of the previous fiscal year.

The deviation from the plan originated in June, for which we had set a high plan level, as sales of summer merchandise got off to a slower start than expected.
Sales of our core items with clearly defined use cases and functions, such as those featuring UV protection, rain resistance, and breathability, remained steady.
On the other hand, sales of general-purpose summer items such as T-shirts, shorts, and sandals were sluggish.

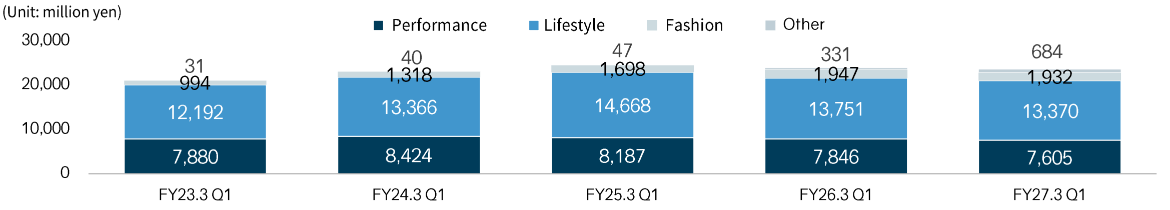
As a result, total Q1 net sales came in at 93% of the internal plan and 95% YoY.

Revenue declined across all business segments—Performance, Lifestyle, and Fashion.

Trend in Net Sales by Business Segment (Q1)

(Unit: million yen)	FY23.3 Q1		FY24.3 Q1		FY25.3 Q1		FY26.3 Q1		FY27.3 Q1	
	Results	YoY	Results	YoY	Results	YoY	Results	YoY	Results	YoY
Performance	7,880	-	8,424	106.9%	8,187	97.2%	7,846	95.8%	7,605	96.9%
Lifestyle	12,192	-	13,366	109.6%	14,668	109.7%	13,751	93.7%	13,370	97.2%
Fashion	994	-	1,318	132.6%	1,698	128.8%	1,947	114.7%	1,932	99.2%
Other	31	-	40	129.0%	47	117.5%	331	704.3%	684	206.6%
Total	21,099	-	23,150	109.7%	24,601	106.3%	23,878	97.1%	23,592	98.8%

Trend in Net Sales Composition (Q1)



This slide shows the situation by business segment.
As the slowdown factors I just explained affect our business segments across the board, net sales declined in all categories.

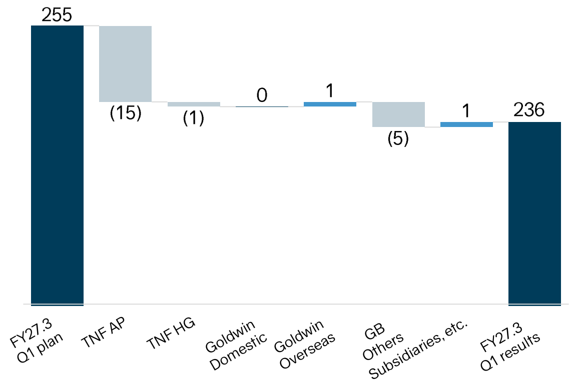
Comparisons by Brand: vs. Plan and YoY

Goldwin

The 1.8 billion yen shortfall against the plan occurred in TNF Apparel and GB (Global Brand and others). The YoY difference reflects the scenario in which Goldwin offset the decline in TNF revenue.

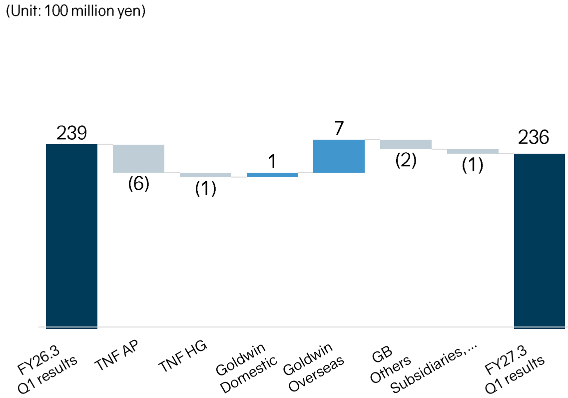
Comparison with the FY27.3 Q1 Plan (Difference vs. Plan: (1.8 billion yen))

(Unit: 100 million yen)



Comparison with the FY26.3 Q1 Results (YoY Difference: (280 million yen))

(Unit: 100 million yen)



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

This slide breaks down the net sales gaps versus the internal plan and the previous year by brand.

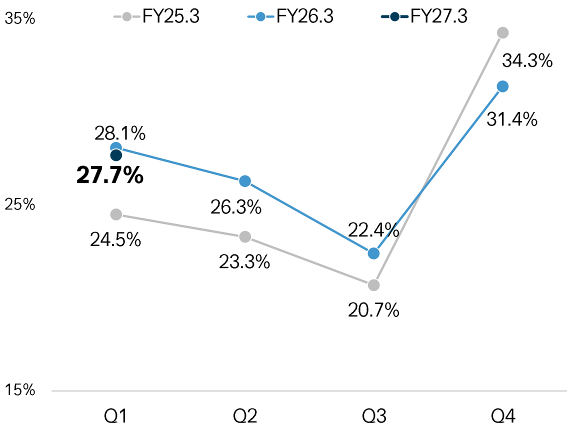
The left side shows the gap versus the internal plan.
The 1.8-billion-yen shortfall arose mainly in THE NORTH FACE apparel and in global brands such as canterbury and Allbirds.
The right side shows the gap versus the same period last year.
On a consolidated basis, net sales declined 280 million yen YoY, with Goldwin partially offsetting the decrease at THE NORTH FACE.

Against both the internal plan and the same period last year, the largest gaps are attributable to THE NORTH FACE apparel.
However, as noted in the monthly results, performance of our core functional merchandise remained steady, and we do not believe that demand for the brand itself has disappeared.

Percentage of Inbound Net Sales at Self-operated Stores

The inbound visitor ratio for Q1 was 27.7%, down 0.4 percentage points YoY. The share of inbound visitors from mainland China was 42.8%, down 13.8 percentage points YoY.

Inbound Customer Ratio by Quarter (Self-operated Stores)



Trend in Inbound Customer Ratio and Mainland China Share (Self-operated Stores)

Period	Q/Month	Inbound ratio	YoY	Mainland China share
FY26.3	Q1	28.1%	3.5pt	56.6%
	Q2	26.3%	3.0pt	60.9%
	Q3	22.4%	1.7pt	47.2%
	Q4	31.4%	(2.9)pt	40.2%
	Full year	**26.5%**	**1.1pt**	**49.6%**
FY27.3	Apr.	29.4%	(1.5)pt	38.9%
	May	25.1%	(2.3)pt	41.0%
	Jun.	29.1%	3.5pt	50.3%
	Q1	**27.7%**	**(0.4)pt**	**42.8%**

(Note) "China" refers to the People's Republic of China and Hong Kong combined.

Next, I will explain inbound net sales at our self-operated stores.

Although the decline in inbound demand from mainland China continues, inbound demand from other countries and regions, such as South Korea, Southeast Asia, Europe, and the US, remains strong, and inbound net sales accounted for 27.7% of the total in Q1.

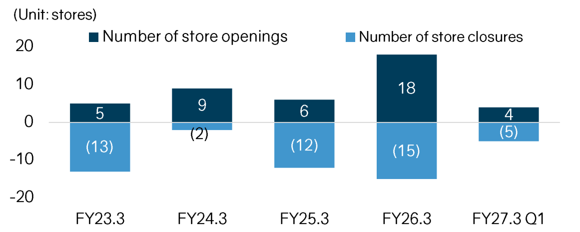
In June alone, the inbound ratio exceeded the level of the same month last year, but we regard this as a rebound from the impact of the harmful rumors that affected inbound travel last year.

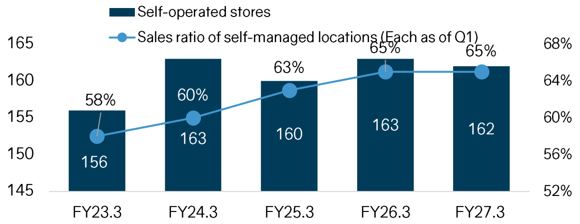
Sales Ratio of Self-managed Locations and Number of Self-operated Stores

Goldwin

In FY27.3 Q1, the net change was −1 store, with 4 new store openings and 5 store closures (including format changes). For FY27.3, we plan to expand our store network primarily through Goldwin and expect a net increase of 3 stores.

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





(Note) The number of self-operated stores for FY24.3 has been adjusted for FC store transfers and therefore does not match the total number of store openings and closures.

Self -operated Store Openings and Closures for FY27.3 Q1 (Overseas figures in parentheses.)

	As of end of FY26.3	As of FY27.3 Q1		
		Store openings	Store closures	Total
Goldwin	18 (14)	3 (3)		21 (17)
THE NORTH FACE	107	1	(2)	106
Other brands	38		(3)	35
Total	163	4	(5)	162

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

	As of FY27.3 Q1	Projections for FY27.3 Q2 and beyond		
		Store openings	Store closures	Total
Goldwin	21 (17)	7 (5)		28 (22)
THE NORTH FACE	106	3	(2)	107
Other brands	35	1	(6)	30
Total	162	11	(8)	165

(Note) Store closures include business format changes. Closures of other brands refer to WOOLRICH self-operated stores scheduled for closure.
Starting this fiscal year, the number of Goldwin's overseas outlet stores is being counted retroactively.

This slide shows our plans with regard to self-operated store openings and closures.
In Q1, we opened four stores: Goldwin stores overseas in New York City, Shanghai, and Suzhou, and a footwear-focused THE NORTH FACE concept store in Shinsaibashi.
There were five store closures in total.
This figure includes the reduction in the number of brands carried due to format changes at dual-brand stores, as well as the self-operated stores of WOOLRICH, a brand we plan to exit.

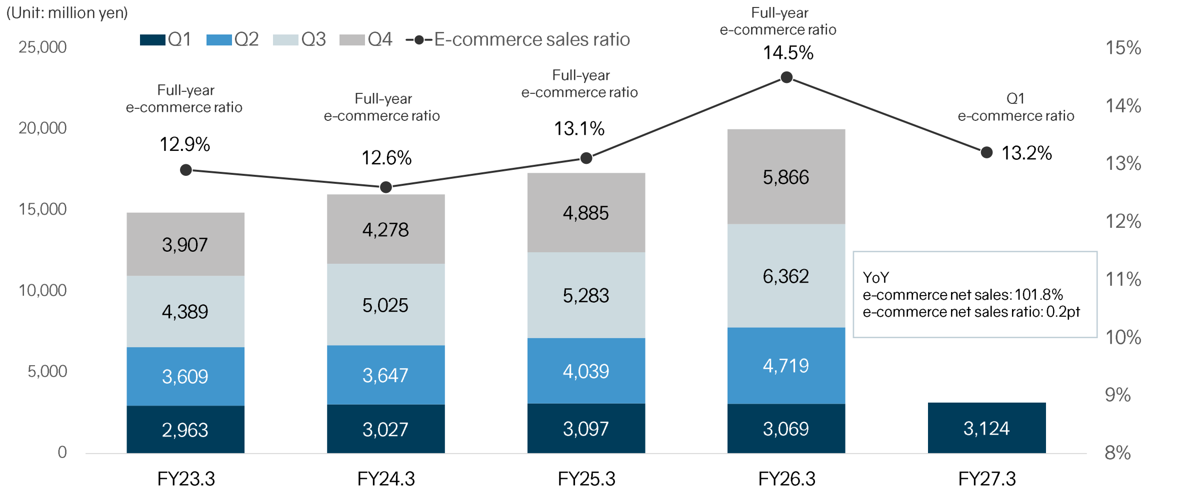
For the full year, Goldwin plans to open stores in Japan in Shinsaibashi and Fukuoka, plus seven new stores in China.
Taking into account closures due to format changes and brand exits, we are planning for a net increase of three stores.
The sales ratio of self-managed locations shows no major change from the same period last year.

Trend in E-commerce Net Sales

Goldwin

As of Q1, e-commerce net sales totaled 3,124 million yen (101.8% YoY), while the e-commerce net sales ratio stood at 13.2% (up 0.2pt YoY).

Quarterly Trend in E-commerce Net Sales

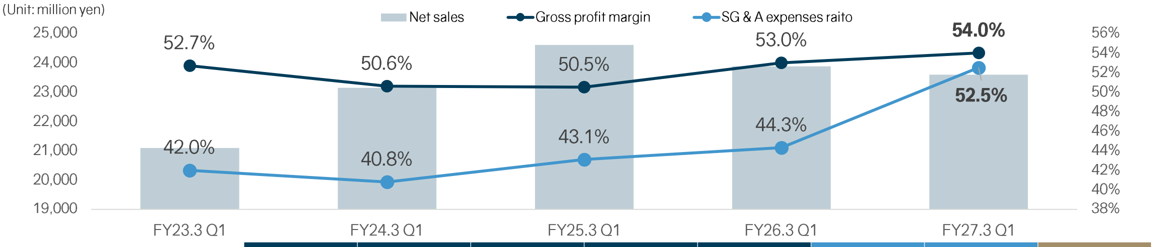


Next is the trend in the e-commerce net sales ratio.
E-commerce net sales, when combining our own and third-party e-commerce sites, came in at 3.1 billion yen, and the ratio to net sales as of Q1 rose 0.2 percentage points YoY to 13.2%.
Our own e-commerce site, in particular, achieved higher net sales, helped by the strong performance of the corporate uniform business.

Gross Profit Margin and SG & A Expense Ratio

The gross profit margin was 54.0%, up 1.1 percentage points YoY, while the SG & A expense ratio was 52.5%, up 8.2 percentage points YoY.

Trend in Gross Profit Margin and SG & A Expenses for Q1



(Unit: million yen)	FY23.3 Q1 results	FY24.3 Q1 results	FY25.3 Q1 results	FY26.3 Q1 results	FY27.3 Q1 results	FY27.3 Q1 plan ratio	FY27.3 Q1 YoY	FY27.3 Q1 Former standard*①
Net sales	21,099	23,150	24,601	23,878	23,592	92.7%	98.8%	23,592
Gross profit margin	52.7%	50.6%	50.5%	53.0%	54.0%	*②(1.1)pt	1.1pt	52.9%
SG & A expense ratio	42.0%	40.8%	43.1%	44.3%	52.5%	4.2pt	8.2pt	51.3%
Operating profit margin	10.7%	9.8%	7.5%	8.7%	1.6%	(5.2)%	(7.1)pt	1.6%

(Note) *①: Starting in FY27.3, R&D-related expenses of 1.1 billion yen (Full year) were reclassified from cost of sales to SG & A expenses. Figures calculated based on the pre-reclassification categories are presented as the "former standard."
*②: The 1.1-point decrease versus the internal plan is not due to a deterioration in the profitability of individual business segments, but rather to a discrepancy between the consolidation adjustments assumed at the time of plan formulation versus the actual figures.

Next, I will explain the gross profit margin and the SG & A expense ratio.

The gross profit margin for Q1 rose 1.1 percentage points YoY to 54%.
As we explained at the end of the previous fiscal year, the R&D-related expenses that were reclassified from cost of sales to SG & A expenses this fiscal year are pushing up both the gross profit margin and the SG & A expense ratio.
Calculated under the former standard, excluding this impact, the gross profit margin would be 52.9%, on par with the same period last year, and the SG & A expense ratio would be 51.3%.

Please note that the gross profit margin is 1.1 percentage points below the internal plan.
This is due to the difference between the consolidation adjustments assumed when the plan was formulated and the actual amounts; it does not stem from deteriorating profitability in any of our businesses.

(Repost) Selling, General and Administrative Expenses (Full Year)

Goldwin

Full-year SG & A expenses are projected to increase by 5.7 billion yen from the previous fiscal year due to investments in strengthening the retail business, the Goldwin500 project, and human capital development.

Full-year Plan for SG & A Expenses

(Unit: million yen)

Functional expense category	Growth investments			Human capital	Research and development	PLAY EARTH PARK-related		Total
	Retail strengthening	GW500 strategic investment	CX/DX strengthening	HR strategy strengthening	Costs → SG & A expenses *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 expenses	200							200
Operating expenses, etc.		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: System changes [illegible] million yen, Regular pay raises [illegible] million yen, Hiring [illegible] million yen
(Of the 1,400 million yen total, the 400 million yen due to system changes is a one-time increase.)
*②) Starting in FY27.3, R&D-related expenses of 1.1 billion yen (full year) were reclassified from cost of sales to SG & A expenses.
While this change is neutral to operating profit, it tends to push up the SG & A expense ratio (approximately 0.8pt on a full-year basis).

Next, I will explain SG & A expenses.
This slide shows the breakdown of the full-year increase in SG & A expenses, which we already disclosed in May.

Selling, General and Administrative Expenses | Q1 Results and Progress Toward Full-year Targets

Goldwin

SG & A expenses for Q1 were 12.3 billion yen, up 17.1% YoY. Progress toward the full-year increase of 5.7 billion yen stands at 31.7%, which is generally in line with the plan.

Breakdown of Profitability and Position Relative to Plan

(Unit: million yen)	FY26.3 Q1	FY27.3 Q1	YoY
Net sales	23,878	23,592	(1.2)%
Gross profit margin	53.0%	54.0%	1.1pt
SG & A expense ratio	44.3%	52.5%	8.2pt
Operating profit margin	8.7%	1.6%	(7.1)pt

Change in SG & A Expenses (YoY)

(Unit: million yen)

Category	Q1 change	Full year plan increase	Progress rate
Same Period Last Year (FY26.3 Q1)	**10,567**	—	—
① Strengthening of Retail Operations	110	1,000	11%
② Goldwin500 Strategic Investment	284	1,000	28%
③ CX/DX Enhancement	30	300	10%
④ Strengthening of the HR Strategy	435	1,400	31%
⑤ Transfer from Cost of Sale to SG & A expenses	275	1,100	25%
⑥ PEP Business Operations	33	500	7%
⑦ PEP Infrastructure Development	174	400	44%
⑧ Other	466		
Change Total	**1,807**	**5,700**	**31.7%**
Current Q1 (FY27.3 Q1)	**12,374**	—	—

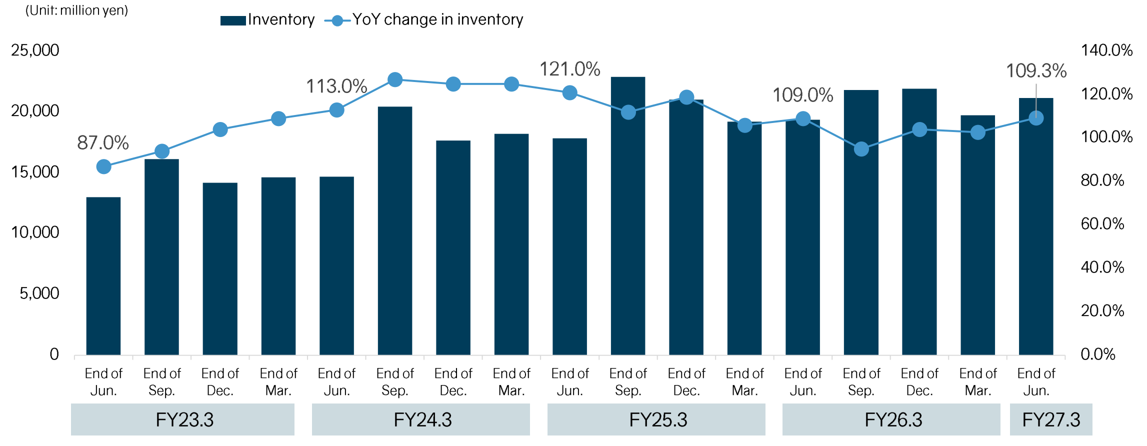
This slide shows the Q1 situation. SG & A expenses came in at 12.3 billion yen, up 17.1% YoY.
While net sales declined 1.2%, expenses increased, and the SG & A expense ratio therefore rose 8.1 percentage points YoY to 52.4%.
Although the gross profit margin improved 1.0 percentage point to 54.0%, the rise in the SG & A expense ratio exceeded this improvement, and the operating profit margin fell 7.1 percentage points YoY to 1.6%.

The table on the right breaks down the increase.
The increase from the same period last year is 1,807 million yen.
Of this amount, the 275 million yen in item ⑤, which was transferred from the cost of sales to SG & A expenses, is purely an accounting reclassification and has no impact on operating profit.
The effective increase in expenses is therefore approximately 1,532 million yen.
The full-year SG & A expense plan calls for an increase of 5.7 billion yen from the previous fiscal year, and the amount incurred in Q1 accounts for 31.7% of that.
Given the quarterly pattern of our sales, the SG & A expense ratio tends to run high relative to the full year in Q1, but in monetary terms, expenses are tracking in line with the plan.

Status of Inventory Balance

Inventory stood at 21,172 million yen, representing 109.3% of the balance as of the end of June the previous fiscal year.

Trend in Inventory Balances



Next is the status of our inventory balance.

As of the end of June, inventories stood at 21.1 billion yen, or 109.3% of the level at the end of June last year.
Although the balance has increased, we consider it to be within the range of seasonal fluctuation.
For spring/summer items, we will appropriately sell through inventory from Q2 onwards while minimizing the erosion of gross profit.

Progress of the South Korea Business (YOC)

Goldwin

Supported by robust inbound demand, net sales remained steady, on par with the same period last year.
The launch of new collections and the opening of a megastore also contributed to net sales.

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

Net Sales Performance of YOUNGONE OUTDOOR Corporation (YOC)

	Jan.–Mar. 2026	Apr.–Jun. 2026	Jan.–Jun. 2026
Goldwin	FY26.3 Q4	FY27.3 Q1	-
YOUNGONE OUTDOOR Corporation (Jan.–Dec.)	FY26.12 Q1	FY26.12 Q2	FY26.12 H1
	Performed well, buoyed by an increase in inbound tourism across all channels.	Remained steady, driven by strong sales of running-related items and the opening of a megastore.	Supported by inbound tourism, net sales remained steady at the same level as the same period last year.

Latest Topics (Apr.–Jun. 2026)

- Although a general trend of restrained spending took hold across the entire South Korean market due to the situation in the Middle East, YOC maintained net sales on par with the same period last year.
- Lightweight windbreakers and running-related items are selling well.
  A new "Trail Collection" has been launched, centered on the high-performance "VECTIV" footwear series and the "SUMMIT" series.
- At the end of April, a new "THE NORTH FACE Lotte World Mall Megastore," spanning over 100 *tsubo*, opened at Lotte World Mall in Jamsil, Seoul. Also, TNF's second self-operated store had a soft opening in Myeongdong at the end of July.
- THE NORTH FACE WHITE LABEL has released "CLYFFE LOW SNEAKERS," a line of low-profile sneakers for women. This collection is part of a lineup that balances functionality with style.

TNF's second Myeongdong store

(Note) The grand opening is scheduled for September.

This slide shows the sales performance of THE NORTH FACE at YOC in South Korea.
The results of the South Korean business are reflected in our financial results with a three-month lag as share of profit (loss) of entities accounted for using the equity method.

For January through June, which corresponds to YOC's first half, net sales came in on par with the same period last year, underpinned by resilient inbound demand.
In addition, as the US dollar strengthened against the won during the first half and boosted non-operating income, YOC's net income is expected to exceed the level of the same period last year.
Equity method profit for January through March, which is recorded in our Q1 results, also exceeded the year-earlier level.

In the most recent period, from April through June, although purchasing appetite in the Korean market as a whole was somewhat stagnant, partly due to the situation in the Middle East, YOC secured net sales on par with the same period last year, supported by sustained stability in inbound demand and strong sales of running-related items.
Sales were also supported by the new Trail Collection launched this season and by the megastore that opened in May at Lotte World Mall in Jamsil, Seoul.
At the end of last month, THE NORTH FACE's second self-operated store had a soft opening in Myeongdong.

From the WHITE LABEL line, we launched CLYFFE LOW, a low-profile sneaker for women, as part of our continued focus on expanding our footwear lineup.

Goldwin

II. Revision of the H1 Earnings Forecast for FY27.3

Downward Revision of the H1 Earnings Forecast Based on Q1 Results

In the following section, I will explain the revisions to our first-half earnings forecast.

Revision of the H1 Earnings Forecast

Goldwin

Following the Q1 results, we have revised our H1 earnings forecast. Net sales have been revised downward by 4.3 billion yen and operating profit by 2.8 billion yen from the initial plan.

Revised H1 (Apr.–Sep.) Plan

(Unit: million yen)	FY25.3 H1 results	FY26.3 H1 results	FY27.3 H1 initial plan	FY27.3 H1 revised plan	Compared to initial plan		Revised plan YoY	
					Ratio	Difference	Ratio	Difference
Net sales	53,367	55,589	59,900	55,600	92.8%	(4,300)	100.0%	11
Gross profit	26,638	28,554	32,100	29,400	91.6%	(2,700)	103.0%	846
%	49.9%	51.4%	53.6%	52.9%	(0.7)pt	-	1.5pt	-
SG & A expenses	21,424	21,594	25,100	25,200	100.4%	100	116.7%	3,606
%	40.1%	38.8%	41.9%	45.3%	3.4pt	-	6.5pt	-
Operating profit	5,214	6,959	7,000	4,200	60.0%	(2,800)	60.4%	(2,759)
%	9.8%	12.5%	11.7%	7.6%	(4.1)pt	-	(5.0)pt	-
Ordinary profit	9,917	9,093	9,200	7,000	76.1%	(2,200)	77.0%	(2,093)
%	18.6%	16.4%	15.4%	12.6%	(2.8)%	-	(3.8)pt	-

In light of the Q1 results, we are revising first-half net sales downward by 4.3 billion yen from the initial plan to 55.6 billion yen, and operating profit downward by 2.8 billion yen to 4.2 billion yen.

Revision of the H1 Earnings Forecast | Breakdown by Quarter

For Q2 (Jul.–Sep.), net sales were revised downward by 2.4 billion yen and operating profit by 1.4 billion yen from the initial forecast.

Revised H1 (Apr.–Sep.) Plan (Breakdown by Q1/Q2)

(Unit: million yen)	Initial plan			Actual results and revised plan					
	Q1 plan	Q2 plan	H1 plan	Q1 results	Q1 difference	Q2 revised plan	Q2 revised plan difference	H1 revised plan	H1 revised plan difference
Net sales	25,462	34,437	59,900	23,592	(1,869)	32,007	(2,430)	55,600	(4,300)
Gross profit	14,032	18,067	32,100	12,746	(1,286)	16,653	(1,413)	29,400	(2,700)
%	55.1%	52.5%	53.6%	54.0%	(1.1)pt	52.0%	(0.4)pt	52.9%	(0.7)pt
SG & A expenses	12,298	12,801	25,100	12,374	76	12,825	23	25,200	100
%	48.3%	37.2%	41.9%	52.4%	4.2pt	40.1%	2.9pt	45.3%	3.4pt
Operating profit	1,734	5,265	7,000	371	(1,362)	3,828	(1,437)	4,200	(2,800)
%	6.8%	15.3%	11.7%	1.6%	(5.2)pt	12.0%	(3.3)pt	7.6%	(4.1)pt
Ordinary profit	3,369	5,830	9,200	2,598	(771)	4,401	(1,428)	7,000	(2,200)
%	13.2%	16.9%	15.4%	11.0%	(2.2)pt	13.8%	(3.2)pt	12.6%	(2.8)pt

This slide breaks down the first-half earnings forecast by quarter.

For the second quarter, which runs from July through September, net sales have been revised downward by 2.4 billion yen and operating profit by 1.4 billion yen.

We will continue to carefully examine SG & A expenses as needed, but in principle we intend to execute them in line with the plan.

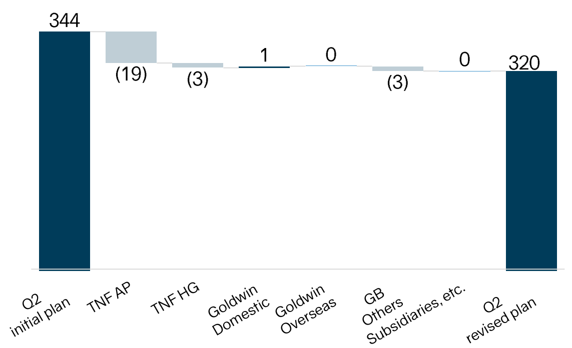
Revised Plan Levels by Brand (Q2 and H1)

Goldwin

For both Q2 (Jul.–Sep.) and H1, variances from plan are expected to occur in TNF Apparel and GB (Global Brand and others).

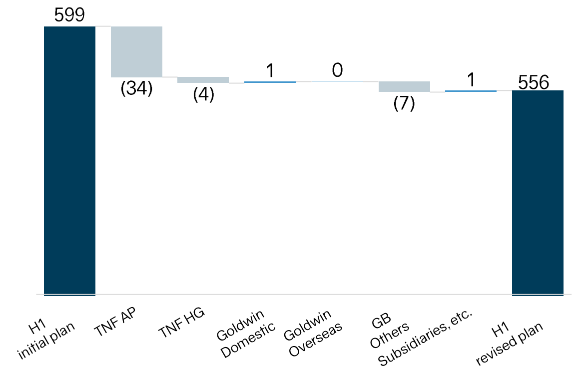
Q2 (Jul.–Sep.) Net Sales Revision (Revision: (2.4 billion yen))

(Unit: 100 million yen)



H1 (Apr.–Sep.) Net Sales Revision (Revision: (4.2 billion yen))

(Unit: 100 million yen)



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

This slide breaks down the revisions to the net sales plan by brand.

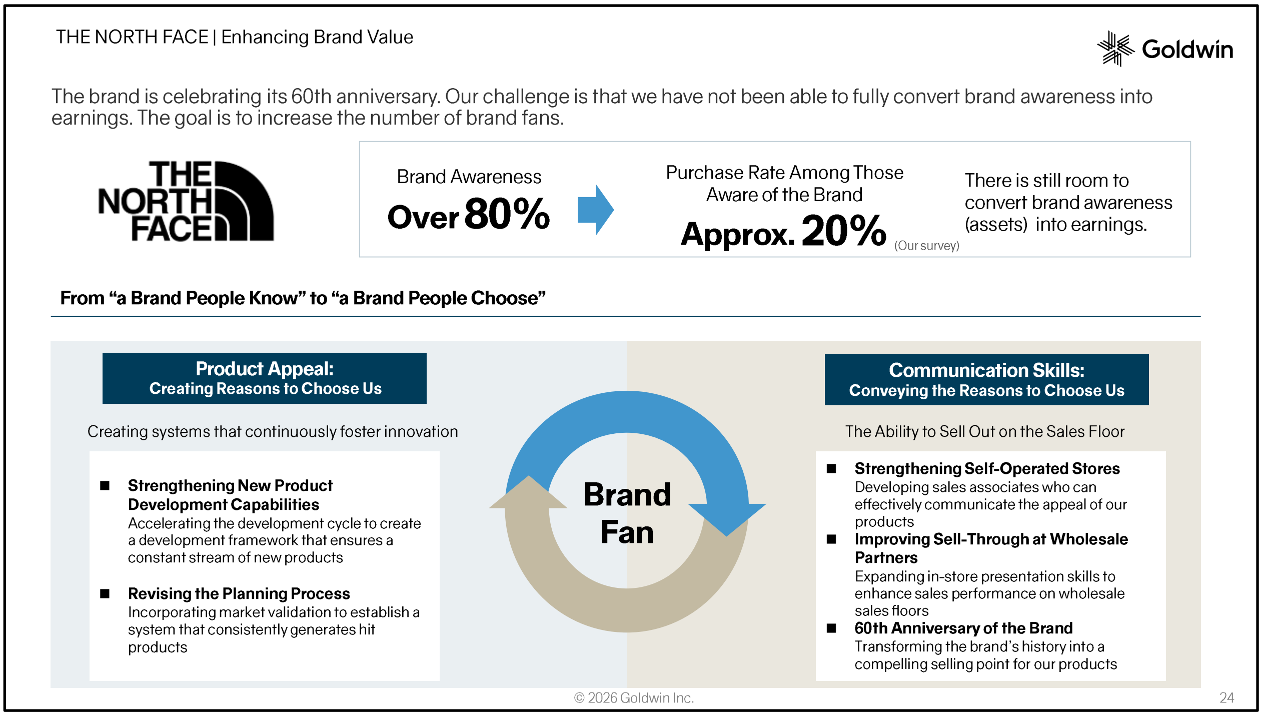
The left side shows the revisions for Q2, which runs from July through September, while the right side shows the revisions for the first half of the year, which runs from April through September.

In both cases, THE NORTH FACE, which accounts for a large share of sales, makes up most of the revisions.
There are no major changes to the plan for the Goldwin brand.

III. Progress of Major Businesses

Future Initiatives for THE NORTH FACE and Goldwin

In the following section, I will explain the progress of our major businesses.



First is THE NORTH FACE.
Let me begin by revisiting how we are working to enhance the value of the THE NORTH FACE brand.
THE NORTH FACE, which marks its 60th anniversary this year, has maintained a high growth rate, but we also recognize some challenges.
While our survey shows brand awareness exceeds 80%, only about 20% of those who know the brand actually purchase its products.
In other words, we see our challenge as having not yet fully converted the asset of brand awareness into earnings.
We aim to shift from being "a brand people know" to "a brand people choose."
Put simply, we believe it all comes down to increasing the number of brand fans.

Broadly speaking, we have two measures to achieve this.
The first is product appeal: creating reasons to choose the brand.
We will accelerate the development cycle and shift to a structure that keeps new products flowing. We will also build market validation into the planning process, aiming to generate hits not by chance but through a repeatable system.
The second is communication skills: conveying those reasons to choose the brand.
Starting with our self-operated stores, we will hone our strength on the sales floor.
We will train more sales staff to speak compellingly about our products, transforming our stores into places that create fans. We will also extend the in-store presentation skills developed in our own stores to the wholesale channel, improving sell-through.
This year marks the 60th anniversary of THE NORTH FACE brand.
We will take this milestone as an opportunity to re-examine our longstanding product and communication strengths, and translate brand awareness into earnings.

THE NORTH FACE | Highlights from Q2 Onward: Apparel

Goldwin

We are expanding our lineup of materials and items designed for the changing climate throughout the year, solidifying our position as a year-round brand.

Seasonal Product Lineup (Examples)

Q2	Q3	Q4
		
New Materials to Help You Stay Comfortable During the Extreme Heat Through September	Outerwear for Mild Winters	Jacket for Long Seasons
■ High-performance fabric that combines moisture-wicking and quick-drying properties with high thermal conductivity to provide a cooling sensation on the skin ■ By reducing discomfort caused by sweat and regulating the temperature inside the garment, a comfortable fit is ensured even during the hot season	■ Outerwear featuring TWINSULATE, a reversible design that lets you adjust warmth according to the temperature for an extended wearing season ■ The "Baltro Sleek Jacket," a lightweight version of the staple "Baltro Light Jacket," is now available	■ A windshell collection that strikes a balance between durable water repellency and breathability, positioned between rain jackets and windbreakers ■ Highly portable and suitable for the extended season stretching from early spring through the rainy season

In apparel, we will continue to strengthen year-round items.
In Q2, when extreme heat is expected to persist into late summer, we will expand functional items such as moisture-wicking, quick-drying apparel.
We have also expanded the FLASHDRY series with the launch of FLASHDRY COOL, which features a cool-to-the-touch function.

In Q3, in anticipation of a mild winter, we will launch new items including a reversible outerwear collection offering two levels of warmth to suit the temperature, and the Baltro Sleek Jacket, a lighter version of our popular staple Baltro Light Jacket.
While carrying over the concepts of our staple items, we will update them for everyday urban settings, adjusting length and volume based on lessons learned last year.

As the changing climate reshapes traditional notions of seasonality in apparel, in Q4 we also plan to roll out high-performance wind shells designed for extended-season wear.
Building on the high functionality cultivated in the outdoors, we will establish a position as a year-round brand.

THE NORTH FACE | Highlights from Q2 Onward: Gear (Footwear)

We will expand the successful VECTIV series into the lifestyle sector and increase footwear net sales to 7 billion yen in FY27.3.

VECTIV Series to Expand from 4 Models (S26 Season) to 7 Models (F26 Season)

- "VECTIV," a unique sole technology developed through grueling trail running
- A collection of high-performance shoes designed for everyday urban wear and active lifestyles. They minimize instability while walking and provides a light, responsive walking experience where "every step propels you forward" through natural propulsion.

Pop-up at the sneaker select shop atmos

Next, turning to gear, I would like to talk about our footwear initiatives.

In footwear, we are targeting net sales of 7.0 billion yen this fiscal year, led by strong sales of our VECTIV series of trail running shoes.

In addition to the road running items we rolled out last fiscal year, this fiscal year we launched the VECTIV lifestyle collection, which is comfortable enough for everyday wear around town.
While retaining the high functionality that characterizes the VECTIV series, the collection offers a varied lineup that customers can choose from to match their daily style and the weather.

Since the end of last month, we have also been operating a pop-up at the sneaker select shop atmos. We will continue to focus on further expanding awareness in the sneaker market and growing our footwear business.

We are currently operating a pop-up store in Guangzhou, a Tier 1 city in China (to become a permanent store starting in September).
In Japan, we opened a new store in Shinsaibashi, Osaka, as our second store in the Kansai region.

Self-operated Store Openings in Accordance with the Plan

Goldwin Guangzhou Pop-Up
(To become a permanent store from September 2026)

- Although Guangzhou is a Tier 1 city representative of southern China, it is also blessed with a natural environment—including parks and mountains—and is a place where outdoor activities are deeply embedded in daily life.
- We are currently operating a pop-up store at the "Parc Central" shopping mall. We plan to transition to a self-operated store from September 2026.

Goldwin Shinsaibashi (To open July 31)

- This is our second self-operated store in the Kansai region, following the Kyoto store that opened in 2025.
- The store is located in Shinsaibashi PARCO, a leading commercial district in Osaka's Minami area where diverse sensibilities converge across fashion, culture, art, and food.

This slide introduces recent topics for the Goldwin brand.

As you already know, we opened a store in New York City in April and our second store in Shanghai in May.
Currently, we are operating a pop-up store at Parc Central, a shopping mall in Guangzhou, a Tier 1 city in China.
Located in southern China, Guangzhou is a Tier 1 city where outdoor activities such as trekking and rafting have taken root, and nature and everyday life intersect.
With its large inbound tourist traffic and a growing outdoor culture, we expect Guangzhou to contribute to raising brand awareness and expanding our customer base.
The store currently operates as a pop-up, but it is scheduled to become a permanent self-operated store in September.

In Japan, at the end of last month, we opened a self-operated store in Shinsaibashi PARCO in Osaka.
This is our second store in the Kansai region, following the Kyoto store that opened in 2025.

Goldwin Brand Store Openings and Plans by Region

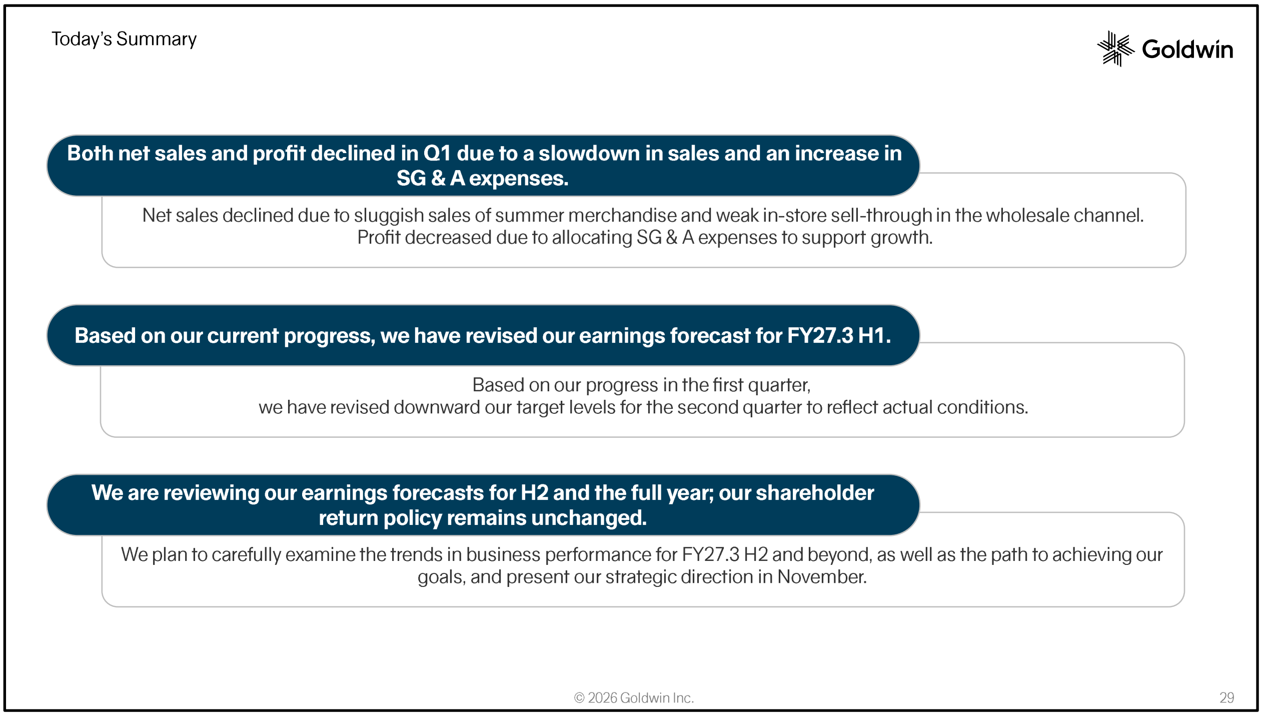
Goldwin

Store openings are progressing largely as planned; by FY27.3, we plan to open 2 stores in Japan and 6 stores in mainland China.

	Up to FY25.3	FY26.3	FY27.3	FY28.3	FY29.3–	FY33.3 Target / Required Annual
Japan	2 stores Marunouchi Harajuku	2 stores Kyoto Sapporo	2 stores Shinsaibashi (Aug.) Tenjin (Nov.)	Nagoya Hakuba	Harajuku	15 (1.5 stores per year)
Mainland China	4 stores Beijing Chengdu Shanghai Hangzhou	7 stores Nanjing Shenyang Shenzhen Xi’an Zhengzhou Beijing OL Shanghai OL	6 stores Shanghai ② (May) Beijing ② (Sep.) Suzhou OL (Jun.) Guangzhou (Sep.) Shanghai OL ② (Sep.) Wuhan (Dec.)	Hangzhou ② Suzhou Wuxi Hong Kong		70 (9.2 stores per year)
South Korea		1 store Seoul	1 store Seoul ②	* SIS Department Store Enhancements		20 (3.0 stores per year)
Europe and the US	1 store Munich	1 store London	1 store New York City (Apr.)		Milan Paris	8 (0.8 stores per year)

Finally, this slide summarizes the Goldwin brand’s store openings to date and our plans for the future.
Note that while we previously listed only full-price stores, from this fiscal year we are also including outlet stores in mainland China.

Store openings are progressing largely as planned in each country.
For this fiscal year, including stores that have already opened, we are planning for a total of 10 store openings: two in Japan, six in mainland China, one in South Korea, and one in the Europe and US region.



Here is today's summary.

Following the decline in revenue and profit in Q1, we have revised our first-half earnings forecast, but the second-half and full-year forecasts remain unchanged at this time. We will carefully examine the target levels and the path to achieving them, determine whether revisions are needed, and present our direction in November.

This concludes today's presentation.
Thank you very much for your participation.

Appendix

Background Data and Supplementary Materials

Q1 Results Trend

(Unit: million yen)	FY23.3 Q1	FY24.3 Q1	FY25.3 Q1	FY26.3 Q1	FY27.3 Q1	YoY
Net sales	21,099	23,150	24,601	23,878	23,592	98.8%
Gross profit	11,122	11,710	12,433	12,646	12,746	100.8%
%	52.7%	50.6%	50.5%	53.0%	54.0%	1.1pt
SG & A expenses	8,855	9,446	10,594	10,567	12,374	117.1%
%	42.0%	40.8%	43.1%	44.3%	52.4%	8.2pt
Operating profit	2,266	2,263	1,839	2,079	371	17.9%
%	10.7%	9.8%	7.5%	8.7%	1.6%	(7.1)pt
Ordinary profit	3,368	4,172	4,258	3,759	2,598	69.1%
%	16.0%	18.0%	17.3%	15.7%	11.0%	(4.7)pt
Net income	2,603	3,347	3,660	3,189	2,249	70.5%
%	12.3%	14.5%	14.9%	13.4%	9.5%	(3.8)pt

(Note) Starting in FY27.3, R&D-related expenses of 1.1 billion yen (full year) were reclassified from cost of sales to SG & A expenses. While this change has a neutral effect on operating profit, it tends to push up both the gross profit margin and the SG & A expense ratio (approximately 0.8pt on a full-year basis).

Income Statement Summary | Q1 Trends (Comparison after adjusting for one-time expenses)

Q1 Results Trend (Excluding One-time expenses)

(Unit: million yen)	FY25.3 Q1	FY25.3 Q1 excluding one-time expenses	FY26.3 Q1	FY27.3 Q1	Compared to FY26.3	Compared to FY25.3	Compared to FY25.3 excluding one-time expenses
Net sales	24,601	24,601	23,878	23,592	98.8%	95.9%	95.9%
Gross profit	12,433	12,433	12,646	12,746	100.8%	102.5%	102.5%
%	50.5%	50.5%	53.0%	54.0%	1.1pt	3.5pt	3.5pt
SG & A expenses	10,594	9,994	10,567	12,374	117.1%	116.8%	123.8%
%	43.1%	40.6%	44.3%	52.4%	8.2pt	9.4pt	11.8pt
Operating profit	1,839	2,439	2,079	371	17.8%	20.2%	15.2%
%	7.5%	9.9%	8.7%	1.6%	(7.1)pt	(5.9)pt	(8.3)pt
Ordinary profit	4,258	4,858	3,759	2,598	69.1%	61.0%	53.5%
%	17.3%	19.7%	15.7%	11.0%	(4.7)pt	(6.3)pt	(8.7)pt
Net income	3,660	-	3,189	2,249	70.5%	61.4%	-
%	14.9%	-	13.4%	9.5%	(3.8)pt	(5.3)pt	-

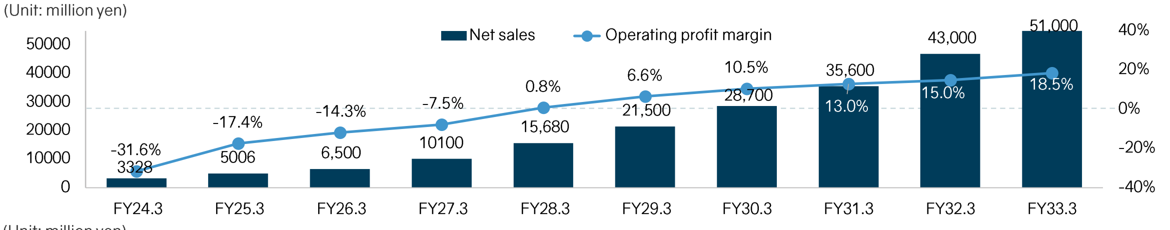
(Note) One-time expenses for the first quarter of FY25.3 were J-ESOP-related expenses: 600 million yen
Starting in FY27.3, R&D-related expenses of 1.1 billion yen (full year) were reclassified from cost of sales to SG & A expenses. While this change has a neutral effect on operating profit, it tends to push up both the gross profit margin and the SG & A expense ratio (approximately 0.8pt on a full-year basis).

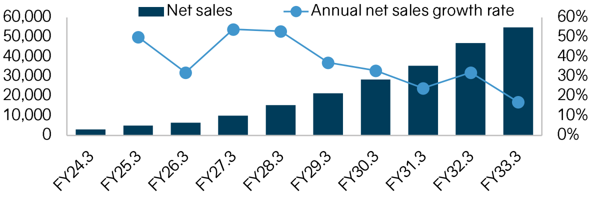
FY27.3 Full-year Plan (Initial Plan vs. FY26.3 Results)

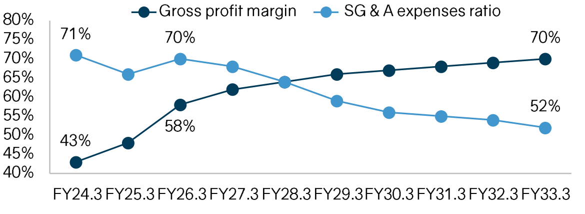
(Unit: million yen)	Q1 results		Initial Q2 plan		Initial H1 plan		Initial H2 plan		Initial full-year plan	
	FY27.3	YoY	FY27.3	YoY	FY27.3	YoY	FY27.3	YoY	FY27.3	YoY
Net sales	23,592	98.8%	34,437	108.6%	59,900	107.8%	85,500	104.4%	145,400	105.7%
Gross profit	12,746	100.8%	18,067	113.6%	32,100	112.4%	46,800	105.4%	78,900	108.2%
%	54.0%	1.1pt	52.5%	2.3pt	53.6%	2.2pt	54.7%	0.6pt	54.3%	1.2pt
SG & A expenses	12,374	117.1%	12,801	116.1%	25,100	116.2%	27,700	108.7%	52,800	112.1%
%	52.4%	8.2pt	37.2%	2.4pt	41.9%	3.1pt	32.4%	1.3pt	36.3%	2.1pt
Operating profit	371	17.9%	5,265	107.9%	7,000	100.6%	19,100	101.1%	26,100	100.9%
%	1.6%	(7.1)pt	15.3%	(0.1)pt	11.7%	(0.8)pt	22.3%	(0.7)pt	18.0%	(0.9)pt
Ordinary profit	2,598	69.1%	5,830	109.3%	9,200	101.2%	24,900	100.4%	34,100	100.6%
%	11.0%	(4.7)pt	16.9%	0.1pt	15.4%	(1.0)pt	29.1%	(1.2)pt	23.5%	(1.2)pt

Although net sales are generally in line with projections, primarily in Japan and China, due to delays in store openings in London and New York, as well as increased costs resulting from high raw material prices and exchange rate fluctuations, for FY27.3 we forecast net sales of 10 billion yen and an operating loss of approximately 700 million yen.

Overview of the Goldwin500 Project







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

Goldwin

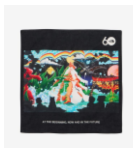
60th Anniversary Graphic Collection

THE NORTH FACE is celebrating its 60th anniversary since its 1966 founding.

We are launching a commemorative collection centered on Long Distance Hiking—the brand's origins (a return to nature and the pursuit of self-discovery)—and the 60th-anniversary key graphic owned by Kenneth "Hap" Klopp (artwork themed around balance and coexistence with nature).
The brand's cherished philosophy and worldview are expressed through contemporary products.

60th SPECIAL GRAPHIC PRODUCTS

The collection features graphic designs incorporating artwork owned by "Hap" Klopp, which symbolizes the balance between nature and humanity.



60th LONG DISTANCE HIKING PRODUCTS

A project designed to reaffirm the brand's identity, centered on the theme of "Long Distance Hiking"—a movement born from young people seeking freedom in the 1960s and 1970s.

Investor Relations Events for Retail Investors

August 28–29 : Nikkei/TSE IR Fair 2026

We will be exhibiting at the “Nikkei/TSE IR Fair 2026,” one of Japan’s largest events for retail investors, to be held at Tokyo Big Sight. We will showcase our products, host a special talk session at our booth, and give away novelties, so please be sure to stop by.

* Booth design and content are subject to change.
* Advance registration is required to attend. Please check the dedicated website
https://event.nikkei.com/irfair/

October 16: Goldwin Event for Retail Investors

In October, to coincide with THE NORTH FACE’s 60th anniversary event, we plan to hold an IR event for retail investors at Goldwin’s Aoyama headquarters. We will announce the details around September on our IR website and via our IR email newsletter.

* We will announce the details around September on our IR website (planned page for announcement: https://about.goldwin.co.jp/ir/individuals) and via our IR email newsletter.

IR Email Distribution Service and Investor Relations Site

IR Email Distribution Service

This IR email service has been designed to deliver our disclosure information, event updates, and other news to our shareholders and investors as quickly as possible.
We encourage you to register for this service.

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

Goldwin Investor Relations Site

In addition to financial results and financial data, we provide a variety of 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