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MEMBERSHIP

May 13, 2022

Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

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 Stock exchange listing: Tokyo
 Securities code: 8111
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Scheduled date of ordinary general meeting of shareholders: June 23, 2022
 Scheduled date to commence dividend payments: June 9, 2022
 Scheduled date to file Securities Report: June 23, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

Year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	98,235	8.6	16,501	11.2	20,285	26.9	14,350	33.7
March 31, 2021	90,479	(7.6)	14,838	(15.1)	15,984	(2.4)	10,734	(0.3)

Note: Comprehensive income Year ended March 31, 2022: ¥15,365 million [34.0%]
 Year ended March 31, 2021: ¥11,469 million [20.1%]

Year ended	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
March 31, 2022	316.30	—	24.7	21.3	16.8
March 31, 2021	236.64	—	21.6	18.4	16.4

Reference: Share of profit (loss) of entities accounted for using equity method
 Year ended March 31, 2022: ¥3,669 million
 Year ended March 31, 2021: ¥1,238 million

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	99,085	63,411	63.9	1,398.56
March 31, 2021	91,376	52,916	57.8	1,164.16

Reference: Equity

As of March 31, 2022

¥63,278 million

As of March 31, 2021

¥52,802 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2022	18,049	(1,567)	(11,853)	25,036
March 31, 2021	7,401	(3,261)	(162)	20,287

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2021	–	15.00	–	55.00	70.00	3,288	29.6	6.4
Year ended March 31, 2022	–	20.00	–	65.00	85.00	3,980	26.9	6.3
Year ending March 31, 2023 (Forecast)	–	25.00	–	65.00	90.00		25.5	

Note: Year-end dividend of ¥55 for the fiscal year ended March 31, 2021 includes commemorative dividend for 70th anniversary of foundation of ¥10

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	42,400	11.0	3,000	(9.1)	3,800	(0.9)	2,660	1.1	58.63
Full year	106,000	7.9	17,000	3.0	21,400	5.5	16,000	11.5	352.65

* **Notes**

- (1) Changes in significant subsidiaries during the year ended March 31, 2022 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: No
- (iii) Changes in accounting estimates: No
- (iv) Restatement of prior period financial statements: No
- (3) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2022	47,448,172 shares
As of March 31, 2021	47,448,172 shares

- (ii) Number of treasury shares at the end of the period

As of March 31, 2022	2,202,276 shares
As of March 31, 2021	2,091,698 shares

- (iii) Average number of shares during the period

Year ended March 31, 2022	45,370,540 shares
Year ended March 31, 2021	45,360,759 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

Year ended	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2022	85,838	7.9	14,029	11.5	17,484	19.8	11,951	16.5
March 31, 2021	79,583	(4.1)	12,587	(9.2)	14,589	(6.9)	10,259	39.2

Year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2022	263.41	—
March 31, 2021	226.17	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2022	74,543	42,065	56.4	929.71
March 31, 2021	70,388	34,896	49.6	769.37

Reference: Equity

As of March 31, 2022: ¥42,065 million

As of March 31, 2021: ¥34,896 million

2. Forecast of non-consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2022	38,800	17.1	2,550	(0.9)	4,000	(2.4)	2,800	(12.8)	61.71
Full year	98,000	14.2	15,800	12.6	19,500	11.5	14,200	18.8	312.98

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of financial forecasts, and other special matters

Descriptions of the above financial forecasts and other data are based on information currently available to the Company and certain assumptions that we consider to be reasonable. Actual financial results may differ significantly from the forecasts for various reasons. Please refer to “1. Overview of operating results, etc., (4) Future outlook” on page 4 of the attached materials for the suppositions that form the assumptions for the financial forecasts and cautions regarding the use of the financial forecasts.

Attached Material

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1. Overview of Operating Results, etc.

(1) Overview of operating results of the fiscal year under review

During the fiscal year ended March 31, 2022, the future outlook of the Japanese economy remained uncertain, with slow movement toward recovery due to the normalization of stay-home given the prolonged effects of the novel coronavirus disease (COVID-19), such as the Tokyo 2020 Olympic and Paralympic Games being held without spectators.

In the sports apparel industry, to which our Group belongs, there were some signs of a slight upturn compared to the fiscal year ended March 31, 2021, such as the absence of simultaneous closures in urban areas such as the Tokyo metropolitan area and the Kansai region, and the arrival of record cold weather from late November last year, which led to strong industry-wide sales of warm-keeping winter apparel with excellent thermal insulation properties, such as down and fleece clothing.

In this environment, the Group promoted an actual demand-oriented business that shares the values of the brand not only with directly-managed stores but also with wholesale outlets such as large sports mass merchandisers, which led to further promotion of the brand value of our products, especially THE NORTH FACE, to a wide range of customers. In addition to our mainstay men's lineup, we also enjoyed strong sales at suburban stores mainly targeting families, which led to kids' and ladies' lineups, as well as a significant improvement in customer convenience by strengthening the link between directly managed stores and e-commerce sales. We have further promoted collaboration with directly-managed stores by opening the NORTH FACE MOUNTAIN EC site, an EC site focusing on technical products for mountaineering, last October.

Despite the uncertainties described above, the EC net sales ratio, which was set as a KPI in the Medium-term Management Plan, exceeded the first-year targets at 13.4% and self-managed net sales at 61% in the fiscal year under review. In addition, by creating attractive products that are chosen by customers, building a stable supply chain, and establishing a sales structure in cooperation with wholesale outlets, we broke the previous record set in the pre-COVID-19 fiscal year ended March 31, 2020 for the first time in two years in terms of net sales, reaching ¥98,235 million (up 8.6% from the previous year).

Operating profit was ¥16,501 million (up 11.2% from the previous year), the second highest ever following the fiscal year ended March 31, 2020. This was due to an increase in the ratio of self-managed sales. The Company's initial forecast anticipated an increase in selling, general and administrative (SG&A) expenses, mainly due to advertising expenses. However, due to the COVID-19 pandemic, many events that attracted customers were cancelled, and the Company emphasized return on investment by utilizing tools such as social media, resulting in a decrease in advertising expenses, which was a factor in the increase of profit.

Ordinary profit was ¥20,285 million (up 26.9% from the previous year), mainly due to the strong performance of YOUNGONE OUTDOOR Corporation, an equity-method affiliate in South Korea.

Profit attributable to owners of parent also reached ¥14,350 million (up 33.7% from the previous year) thanks to the success of the above efforts, and both ordinary profit and profit attributable to owners of parent reached new record highs.

The fiscal year under review was the first year of our Five-Year Medium-term Management Plan, which concludes in the fiscal year ending March 31, 2026, and we have been working towards the goal set forth in this Plan, to "balance the two sustainability goals in our business and the environment." In particular, the ratio of products using materials with reduced environmental impact was 36.0% as of the end of the fiscal year under review, far exceeding the first-year target of 30.0%. We have also utilized our expertise as a sports apparel manufacturer to promote environmental conservation activities and physical and mental development activities for children, who are the future leaders of our society. Efforts for this include signing comprehensive cooperation agreements with Shari Town in Hokkaido, Hakone Town in Kanagawa Prefecture, and other local governments. Furthermore, with the merger of our wholly-owned subsidiary CANTERBURY OF NEW ZEALAND JAPAN INC., and the establishment of the corporate venture capital GOLDWIN PLAY EARTH FUND, the Company has not only shown determination to strengthen its own business, but also to integrate and streamline its management resources, as well as to solve social issues through open innovation. In this way, the Group intends to steadily move forward in the future with policies that are based on our long-term

vision, PLAY EARTH 2030, as well as promote initiatives to address environmental challenges and structural reforms in preparation for challenges in new areas of business.

(2) Status of the financial situation of the fiscal year under review

Assets, liabilities and net assets at the end of the fiscal year under review and their factors are as follows.

(Assets)

Total assets at the end of the fiscal year under review amounted to ¥99,085 million, up ¥7,708 million from the end of the previous fiscal year. The main factors were a ¥4,870 million increase in cash and deposits, a ¥2,451 million increase in investment securities, and a ¥1,750 million increase in notes and accounts receivable - trade, despite a ¥1,881 million decrease in merchandise and finished goods.

(Liabilities)

Total liabilities at the end of the fiscal year under review amounted to ¥35,673 million, down ¥2,785 million from the end of the previous fiscal year. The main factors were a ¥2,092 million increase in electronically recorded obligations - operating, and a ¥1,360 million increase in notes and accounts payable - trade, offset by a ¥5,557 million decrease in borrowings.

(Net assets)

Total net asset at the end of the fiscal year under review amounted to ¥63,411 million, up ¥10,494 million from the end of the previous fiscal year. The main factor was a ¥10,751 million increase in retained earnings.

(3) Overview of cash flow of the fiscal year under review

Cash and cash equivalents at the end of the fiscal year under review amounted to ¥25,036 million, up ¥4,748 million from the end of the previous fiscal year. The status of each cash flow and their factors are as follows.

(Cash flow from operating activities)

Cash flow gained as a result of operating activities amounted to ¥18,049 million (up ¥10,647 million in revenue from the previous fiscal year). The main factors were a ¥20,131 million profit before income taxes and an increase of ¥3,447 million in trade payables, which offset the payment of ¥6,728 million in income taxes - current.

(Cash flow from investment activities)

Cash flow used as a result of investment activities amounted to ¥1,567 million (down ¥1,694 million in expenses from the previous fiscal year). This was mainly due to expenses of ¥1,722 million for the acquisition of non-current assets.

(Cash flow from financing activities)

Cash flow used as a result of financing activities amounted to ¥11,853 million (up ¥11,691 million in expenses from the previous fiscal year). This was mainly due to a net decrease of ¥5,557 million in borrowings, ¥3,520 million paid for dividends, and ¥2,140 million paid for the acquisition of treasury shares.

(Reference) Trends in cash flow indicators

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Equity ratio (%)	49.6	51.0	56.8	57.8	63.9
Equity ratio based on fair value (%)	205.5	470.3	331.4	351.4	283.6
Debt repayment period (years)	1.1	0.5	0.3	1.3	0.2
Interest coverage ratio (times)	72.5	105.4	148.8	57.1	223.8

Equity ratio: Equity/total assets

Equity ratio based on fair value: Market capitalization/total assets

Debt repayment period: Interest-bearing debt/cash flow

Interest coverage ratio: Cash flow/interest payments

- (Notes) 1. All indicators are calculated based on consolidated financial figures.
2. Market capitalization is calculated based on the number of issued shares excluding treasury shares.
 3. For cash flow, cash flow from operating activities is used.
 4. Interest-bearing debt covers short-term loans payable, long-term loans payable (including current portion) and bonds payable (including current portion) on which interest is paid out of the liabilities recorded on the consolidated balance sheet. For interest payments, the amount of interest paid as recorded in the consolidated statements of cash flows is used.

(4) Future outlook

The Group has formulated a Medium-term Management Plan that looks five years into the future and has set targets of ¥125,000 million in net sales and ¥21,000 million in operating profit for the fiscal year ending March 31, 2026, the final year of the Plan. In the first fiscal year, sales fell short of the initial forecast amid a challenging external environment, but maintained the solid sales from the latter half of the third quarter onward into the fourth quarter, and sales reached a new record high. In addition, the figures exceeded initial forecasts in operating profit and other lower levels of profit. In this context, in the second year of the Medium-term Management Plan that was formulated in May last year, we will continue to develop infrastructure such as core systems and distribution systems to build a logistics system that can handle the expansion of EC sales. The Company also intends to promote initiatives to reduce environmental impact as we did in the first fiscal year. Although the prices of raw materials as well as costs in logistics, labor and others have been rising compared to the time when the Medium-term Management Plan was formulated, we will continue to promote systematic production, mainly of staple products, and will also consider reviewing the prices of some products. With regard to the investment plan, although the external environment is changing drastically, we are committed to executing investments in growth areas.

For financial results of the fiscal year ending March 31, 2023, net sales are forecast to be ¥106,000 million, an increase of 7.9% from the previous fiscal year. We aim to achieve a record-high performance in terms of both net sales and each profit while offsetting increases in depreciation and labor costs associated with investments for growth, with operating profit to increase by 3.0% year-on-year to ¥17,000 million, ordinary profit by 5.5% year-on-year to ¥21,400 million given the expected increase in share of profit of entities accounted for using equity method, and profit attributable to owners of parent to increase by 11.5% year-on-year to ¥16,000 million. For dividends in the fiscal year ending March 31, 2023, we plan to increase the dividend per share by ¥5, to ¥90 (interim dividend: ¥25 and year-end dividend: ¥65) from the dividend per share in the fiscal year ended March 31, 2022, marking the 12th consecutive year of dividend increase.

If the spread of COVID-19 becomes more serious, it could have an impact on our financial results. However, since it is difficult to foresee future trends at this point, we do not anticipate any impact from this in our forecast of financial results. If it is deemed necessary to revise the forecast of financial results due to future trends in financial results or other factors, we will disclose the revised forecast promptly.

2. Basic Approach to the Selection of Accounting Standards

For the time being, the Group's policy is to prepare its consolidated financial statements in accordance with JGAAP, taking into consideration the comparability of the consolidated financial statements between periods and between companies. As for the application of International Financial Reporting Standards (IFRS), the Company's policy is to respond appropriately to this taking into consideration various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Significant Notes Thereto

(1) Consolidated balance sheet

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	21,536	26,406
Notes and accounts receivable - trade	9,281	–
Notes receivable - trade	–	630
Accounts receivable - trade	–	10,402
Electronically recorded monetary claims - operating	3,175	2,797
Merchandise and finished goods	14,435	12,554
Work in process	199	326
Raw materials and supplies	518	542
Other	2,032	1,841
Allowance for doubtful accounts	(10)	(13)
Total current assets	51,168	55,486
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,681	1,718
Machinery, equipment and vehicles, net	101	269
Land	4,691	4,691
Leased assets, net	1,231	1,138
Other, net	527	823
Total property, plant and equipment	8,233	8,642
Intangible assets		
Software	731	912
Trademark right	1,792	1,490
Software in progress	318	635
Other	70	54
Total intangible assets	2,912	3,093
Investments and other assets		
Investment securities	21,608	24,060
Long-term loans receivable	46	45
Retirement benefit asset	1,267	1,637
Guarantee deposits	2,696	2,708
Distressed receivables	148	70
Deferred tax assets	1,449	1,608
Other	2,110	1,920
Allowance for doubtful accounts	(265)	(188)
Total investments and other assets	29,061	31,862
Total non-current assets	40,207	43,598
Total assets	91,376	99,085

(Millions of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,544	4,904
Electronically recorded obligations - operating	10,131	12,223
Short-term borrowings	3,600	–
Current portion of long-term borrowings	2,520	1,437
Lease liabilities	566	566
Accounts payable - other	1,998	2,359
Income taxes payable	3,910	3,112
Accrued consumption taxes	1,645	1,428
Accrued expenses	1,932	1,424
Contract liabilities	–	556
Provision for bonuses	1,668	1,648
Provision for sales returns	51	–
Other	715	725
Total current liabilities	32,285	30,386
Non-current liabilities		
Long-term borrowings	3,626	2,751
Lease liabilities	1,122	901
Retirement benefit liability	232	217
Asset retirement obligations	56	57
Provision for share awards	807	947
Other	329	412
Total non-current liabilities	6,173	5,287
Total liabilities	38,459	35,673
Net assets		
Shareholders' equity		
Share capital	7,079	7,079
Capital surplus	264	276
Retained earnings	50,604	61,356
Treasury shares	(4,138)	(5,377)
Total shareholders' equity	53,810	63,335
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	490	480
Deferred gains or losses on hedges	27	98
Foreign currency translation adjustment	(457)	196
Remeasurements of defined benefit plans	(1,068)	(830)
Total accumulated other comprehensive income	(1,007)	(56)
Non-controlling interests	114	132
Total net assets	52,916	63,411
Total liabilities and net assets	91,376	99,085

(2) Consolidated statement of income and consolidated statement of comprehensive income
(Consolidated statement of income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	90,479	98,235
Cost of sales	42,470	46,491
Gross profit	48,008	51,743
Provision for sales returns	17	-
Gross profit - net	47,991	51,743
Selling, general and administrative expenses	33,152	35,241
Operating profit	14,838	16,501
Non-operating income		
Interest income	23	25
Dividend income	55	59
Share of profit of entities accounted for using equity method	1,238	3,669
Other	90	241
Total non-operating income	1,407	3,996
Non-operating expenses		
Interest expenses	129	83
Loss on sale of notes receivable - trade	22	27
Loss on cancellation of insurance policies	18	22
Other	91	78
Total non-operating expenses	261	212
Ordinary profit	15,984	20,285
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	33	51
Gain on transfer of non-current assets	15	-
Total extraordinary income	49	51
Extraordinary losses		
Loss on disposal of non-current assets	0	6
Impairment losses	147	180
Loss on store closings	26	8
Loss on valuation of investment securities	278	-
Extra retirement payments	13	7
Other	9	4
Total extraordinary losses	476	206
Profit before income taxes	15,557	20,131
Income taxes - current	4,822	5,938
Income taxes - deferred	(56)	(221)
Total income taxes	4,766	5,717
Profit	10,791	14,413
Profit attributable to non-controlling interests	56	62
Profit attributable to owners of parent	10,734	14,350

(Consolidated statement of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	10,791	14,413
Other comprehensive income		
Valuation difference on available-for-sale securities	551	(10)
Deferred gains or losses on hedges	10	12
Foreign currency translation adjustment	(3)	264
Remeasurements of defined benefit plans, net of tax	44	236
Share of other comprehensive income of entities accounted for using equity method	74	449
Total other comprehensive income	678	951
Comprehensive income	11,469	15,365
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,412	15,302
Comprehensive income attributable to non-controlling interests	56	62

(3) Consolidated statement of changes in equity

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,079	1,439	44,157	(4,233)	48,443
Cumulative effects of changes in accounting policies					
Restated balance	7,079	1,439	44,157	(4,233)	48,443
Changes during period					
Purchase of treasury shares				(2,602)	(2,602)
Disposal of treasury shares		(294)	(1,467)	1,815	53
Cancellation of treasury shares		(881)		881	-
Dividends of surplus			(2,818)		(2,818)
Profit attributable to owners of parent			10,734		10,734
Net changes in items other than shareholders' equity					
Total changes during period	-	(1,175)	6,447	94	5,366
Balance at end of period	7,079	264	50,604	(4,138)	53,810

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(60)	67	(577)	(1,114)	(1,686)	95	46,852
Cumulative effects of changes in accounting policies							
Restated balance	(60)	67	(577)	(1,114)	(1,686)	95	46,852
Changes during period							
Purchase of treasury shares							(2,602)
Disposal of treasury shares							53
Cancellation of treasury shares							-
Dividends of surplus							(2,818)
Profit attributable to owners of parent							10,734
Net changes in items other than shareholders' equity	551	(39)	120	46	678	19	697
Total changes during period	551	(39)	120	46	678	19	6,064
Balance at end of period	490	27	(457)	(1,068)	(1,007)	114	52,916

Fiscal year ended March 31, 2022 (From April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,079	264	50,604	(4,138)	53,810
Cumulative effects of changes in accounting policies			(79)		(79)
Restated balance	7,079	264	50,525	(4,138)	53,731
Changes during period					
Purchase of treasury shares				(1,544)	(1,544)
Disposal of treasury shares		12		305	317
Cancellation of treasury shares					-
Dividends of surplus			(3,520)		(3,520)
Profit attributable to owners of parent			14,350		14,350
Net changes in items other than shareholders' equity					
Total changes during period	-	12	10,830	(1,238)	9,604
Balance at end of period	7,079	276	61,356	(5,377)	63,335

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	490	27	(457)	(1,068)	(1,007)	114	52,916
Cumulative effects of changes in accounting policies							(79)
Restated balance	490	27	(457)	(1,068)	(1,007)	114	52,837
Changes during period							
Purchase of treasury shares							(1,544)
Disposal of treasury shares							317
Cancellation of treasury shares							-
Dividends of surplus							(3,520)
Profit attributable to owners of parent							14,350
Net changes in items other than shareholders' equity	(10)	71	653	237	951	18	969
Total changes during period	(10)	71	653	237	951	18	10,573
Balance at end of period	480	98	196	(830)	(56)	132	63,411

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	15,557	20,131
Depreciation	1,669	1,646
Share of loss (profit) of entities accounted for using equity method	(1,238)	(3,669)
Decrease (increase) in retirement benefit asset	(427)	(370)
Increase (decrease) in retirement benefit liability	28	(4)
Impairment losses	147	180
Increase (decrease) in allowance for doubtful accounts	0	(73)
Increase (decrease) in provision for bonuses	21	(20)
Interest and dividend income	(78)	(85)
Interest expenses	129	83
Loss (gain) on disposal of non-current assets	(0)	0
Decrease (increase) in trade receivables	(604)	(1,368)
Decrease (increase) in inventories	(368)	1,741
Increase (decrease) in trade payables	(3,749)	3,447
Increase (decrease) in accounts payable - other	(465)	356
Increase (decrease) in accrued consumption taxes	301	(216)
Decrease (increase) in prepaid expenses	(264)	126
Other, net	179	378
Subtotal	10,838	22,284
Interest and dividends received	810	2,573
Interest paid	(129)	(80)
Income taxes paid	(4,117)	(6,728)
Net cash provided by (used in) operating activities	7,401	18,049
Cash flows from investing activities		
Payments into time deposits	(249)	(102)
Proceeds from withdrawal of time deposits	342	121
Purchase of non-current assets	(3,195)	(1,722)
Proceeds from sale of non-current assets	-	1
Purchase of investment securities	(1)	(101)
Proceeds from sale of investment securities	88	90
Payments of guarantee deposits	(164)	(104)
Proceeds from refund of guarantee deposits	14	66
Other, net	(96)	182
Net cash provided by (used in) investing activities	(3,261)	(1,567)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,600	(3,600)
Proceeds from long-term borrowings	4,600	643
Repayments of long-term borrowings	(2,479)	(2,600)
Repayments of lease liabilities	(478)	(785)
Purchase of treasury shares	(2,602)	(2,140)
Dividends paid	(2,818)	(3,520)
Other, net	16	150
Net cash provided by (used in) financing activities	(162)	(11,853)
Effect of exchange rate change on cash and cash equivalents	(81)	120
Net increase (decrease) in cash and cash equivalents	3,895	4,748
Cash and cash equivalents at beginning of period	16,391	20,287
Cash and cash equivalents at end of period	20,287	25,036

(5) Notes regarding consolidated financial statements
(Notes regarding assumptions of going concern)

Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services.

As a result, the Company recognizes revenue to the extent that it is very probable that a material reversal will not occur, and, beginning in the fiscal year under review, some of the expenses that were previously recorded as cost of sales and selling, general and administrative expenses are reduced from net sales as consideration paid to customers.

The application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations is subject to the transitional treatment provided for in the proviso to paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the fiscal year under review was added to or deducted from the opening balance of retained earnings of the fiscal year under review, and thus the new accounting policy was applied from such opening balance.

Moreover, “Notes and accounts receivable - trade” under “Current assets” of the consolidated balance sheet as of the end of the previous fiscal year has been included in “Notes receivable - trade” and “Accounts receivable - trade,” from the fiscal year under review, and “Other” under “Current liabilities” has been included in “Contract liabilities” and “Other” from the fiscal year under review. In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation. As a result of this, compared to before the application of the Accounting Standard for Revenue Recognition and relevant ASBJ regulations, for the fiscal year under review, net sales decreased by ¥487 million, cost of sales decreased by ¥57 million and selling, general and administrative expenses decreased by ¥409 million, while operating profit, ordinary profit and profit before income taxes each decreased by ¥20 million. In addition, retained earnings as of the beginning of the fiscal year under review decreased by ¥79 million.

In accordance with the transitional treatment provided for in paragraph 89-3 of the Accounting Standard for Revenue Recognition, notes to “Revenue recognition related” for the previous fiscal year are not presented.

(Application of Accounting Standard for Fair Value Measurement, etc.)

The Company has applied the “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019) and relevant ASBJ regulations from the beginning of the fiscal year under review, and it has applied the new accounting policy provided for by the Accounting Standard for Fair Value Measurement, etc. prospectively in accordance with the transitional measures provided for in paragraph 19 of the Accounting Standard For Fair Value Measurement, and paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). The application of this accounting standard has no impact on the consolidated financial statements.

Furthermore, in the notes to “Financial Instruments,” the Company has decided to provide notes on items such as the breakdown of the fair value of financial instruments by level. However, in accordance with the transitional treatment provided in paragraph 7-4 of the “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, July 4, 2019), the notes are not presented for the previous fiscal year.

(Segment information, etc.)

[Segment information]

Previous fiscal year (April 1, 2020 to March 31, 2021) and fiscal year under review (April 1, 2021 to March 31, 2022)

This information is omitted because the Group operates a single segment of sporting goods-related business.

[Relevant information]

Previous fiscal year (April 1, 2020 to March 31, 2021) and fiscal year under review (April 1, 2021 to March 31, 2022)

1. Information for each product and service

This information is omitted because sales to external customers in a single product/service category exceed 90% of net sales in the consolidated statements of income.

2. Information for each region

(1) Net sales

This information is omitted because sales to external customers in Japan exceed 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment in the consolidated balance sheet.

3. Information for each major customer

This information is omitted because there are no sales to external customers that account for 10% or more of the net sales in the consolidated statements of income.

[Information on impairment losses on non-current assets for each reportable segment]

Previous fiscal year (April 1, 2020 to March 31, 2021) and fiscal year under review (April 1, 2021 to March 31, 2022)

This information is omitted because the Group operates a single segment of sporting goods-related business.

[Information on amortization of goodwill and unamortized balance for each reportable segment]

Previous fiscal year (April 1, 2020 to March 31, 2021) and fiscal year under review (April 1, 2021 to March 31, 2022)

This information is omitted because the Group operates a single segment of sporting goods-related business.

[Information on gain on negative goodwill for each reportable segment]

Previous fiscal year (April 1, 2020 to March 31, 2021) and fiscal year under review (April 1, 2021 to March 31, 2022)

This information is omitted because the Group operates a single segment of sporting goods-related business.

(Per share information)

	Previous fiscal year (April 1, 2020 to March 31, 2021)	Fiscal year under review (April 1, 2021 to March 31, 2022)
Net assets per share	¥1,164.16	¥1,398.56
Earnings per share	¥236.64	¥316.30

(Notes) 1. Diluted earnings per share is not shown because there are no dilutive shares.

2. The basis for the calculation is as follows.

Net assets per share

	Previous fiscal year (As of March 31, 2021)	Fiscal year under review (As of March 31, 2022)
Total net assets (Millions of yen)	52,916	63,411
Amount deducted from total net assets (Millions of yen)	114	132
[Non-controlling interests]	[114]	[132]
Net assets related to common shares at the end of the fiscal year (Millions of yen)	52,802	63,278
Number of shares of common shares used in the calculation of net assets per share at the end of the fiscal year (Thousands of shares)	45,356	45,245

Earnings per share

	Previous fiscal year (April 1, 2020 to March 31, 2021)	Fiscal year under review (April 1, 2021 to March 31, 2022)
Profit attributable to owners of parent (Millions of yen)	10,734	14,350
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	10,734	14,350
Average number of shares during the period (Thousands of shares)	45,360	45,370

The company's shares remaining in the trust, which are recorded as treasury shares in shareholders' equity, are included in the number of treasury shares deducted from the average number of shares during the period for the calculation of earnings per share, and are also included in the number of treasury shares deducted from the total number of issued shares at the end of the period for the calculation of net assets per share.

The number of such treasury shares deducted from the average number of shares during the period for the calculation of earnings per share was 2,179,721 shares in the previous fiscal year, and 2,077,632 shares in the fiscal year under review. Meanwhile, the number of such treasury shares deducted from the total number of issued shares at the end of the period for the calculation of net assets per share was 2,091,698 shares in the previous fiscal year, and 2,202,276 shares in the fiscal year under review.

(Significant subsequent events)

At the Board of Directors meeting held on February 8, 2022, the Company resolved to acquire treasury shares in accordance with the provisions of its Articles of Incorporation pursuant to Article 459, paragraph 1 of the Companies Act, and implemented the acquisition as follows.

Acquisition of treasury shares

- (1) Type of shares acquired: Common shares of the Company
- (2) Acquisition period: April 1, 2022 - April 30, 2022 (contract basis)
- (3) Total number of shares acquired: 124,600 shares
- (4) Total acquisition price of shares: ¥772,793,996
- (5) Method of acquisition: Purchase on the Tokyo Stock Exchange

(Reference)

1. Resolution at the Board of Directors meeting held on February 8, 2022
 - (1) Type of shares to be acquired: Common shares of the Company
 - (2) Total number of shares to be acquired: 460,000 shares (maximum)
(Ratio to the total number of issued shares (excluding treasury shares): approximately 0.98%)
 - (3) Total acquisition price of shares: ¥3,000,000,000 (maximum)
 - (4) Acquisition period: March 1, 2022 - June 30, 2022

2. Cumulative total of treasury shares acquired pursuant to the above Board of Directors resolution (as of April 30, 2022)
 - (1) Total number of shares acquired: 275,800 shares
 - (2) Total acquisition price of shares: ¥1,673,527,986

4. Other

Changes in officers

(1) Change in representative

Not applicable.

(2) Changes in officers (scheduled to take effect on June 23, 2022)

- Candidates for new Directors

Director	Michio Shirasaki
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Director	Hikari Mori
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Director	Dai Tamesue
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- Retiring Directors

Director	Masatoshi Suzuki
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(Note) The candidate for new Director, Dai Tamesue, is an Outside Director as stipulated in Article 2, item (xv) of the Companies Act and will be reported to the Tokyo Stock Exchange as an Independent Director.