

Notice: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.



February 7, 2023

**Consolidated Financial Results  
for the Nine Months Ended December 31, 2022  
(Based on Japanese GAAP)**

Company name: GOLDWIN INC.  
 Stock exchange listing: Tokyo  
 Securities code: 8111  
 URL: <https://corp.goldwin.co.jp/eng/>  
 Representative: Takao Watanabe, President and Representative Director  
 Inquiries: Michio Shirasaki, Managing Director, Director-General Administration  
 TEL: +81-3-3481-7203  
 Scheduled date to file Quarterly Securities Report: February 14, 2023  
 Scheduled date to commence dividend payments: —  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

**1. Consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)**

**(1) Consolidated operating results (cumulative)**

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	86,746	17.6	18,281	29.1	21,924	41.9	16,268	50.8
December 31, 2021	73,782	6.6	14,157	4.3	15,453	11.3	10,789	16.8

Note: Comprehensive income  
 Nine months ended December 31, 2022: ¥17,240 million [55.6%]  
 Nine months ended December 31, 2021: ¥11,077 million [19.8%]

	Earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2022	361.12	—
December 31, 2021	237.76	—

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2022	119,084	74,649	62.6
March 31, 2022	99,085	63,411	63.9

Reference: Equity  
 As of December 31, 2022 ¥74,523 million  
 As of March 31, 2022 ¥63,278 million

## 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	20.00	–	65.00	85.00
Year ending March 31, 2023	–	25.00	–		
Year ending March 31, 2023 (Forecast)				65.00	90.00

Note: Revisions to the forecast of cash dividends most recently announced: No

## 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
Full year	113,500	15.5	20,300	23.0	26,200	29.2	20,000	39.4	443.95

Note: Revisions to the forecast of consolidated financial results most recently announced: Yes

**\* Notes**

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2022 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

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

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

As of December 31, 2022	2,413,795 shares
As of March 31, 2022	2,202,276 shares

(iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	45,049,778 shares
Nine months ended December 31, 2021	45,379,137 shares

\* Quarterly financial results reports are exempt from quarterly review 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. Qualitative Information on Financial Results for the Period under Review, (3) Explanation of consolidated financial results forecasts and other forward-looking statements” on page 3 of the attached material for the suppositions that form the assumptions for the financial forecasts and cautions regarding the use of the financial forecasts.

**Attached Material**

**Index**

- 1. Qualitative Information on Financial Results for the Period under Review ..... 2
  - (1) Explanation of operating results ..... 2
  - (2) Explanation of financial position ..... 2
  - (3) Explanation of consolidated financial results forecasts and other forward-looking statements ..... 3
- 2. Quarterly Consolidated Financial Statements and Significant Notes Thereto ..... 4
  - (1) Quarterly consolidated balance sheet ..... 4
  - (2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income ..... 6
    - Quarterly consolidated statement of income (cumulative) ..... 6
    - Quarterly consolidated statement of comprehensive income (cumulative) ..... 7
  - (3) Notes regarding quarterly consolidated financial statements ..... 8
    - (Notes regarding assumptions of going concern) ..... 8
    - (Notes on significant changes in the amount of shareholders' equity) ..... 8
    - (Changes in accounting policies) ..... 8
    - (Segment information, etc.) ..... 8

## 1. Qualitative Information on Financial Results for the Period under Review

### (1) Explanation of operating results

During the nine months ended December 31, 2022, despite the continuing circumstances of uncertainty, particularly with respect to the rise in global resource prices and the sharp fluctuations in foreign exchange rates, the Japanese economy has seen its economic activity move toward normalization under the acceptance of “living with COVID-19,” partly due to the progress made with COVID-19 vaccination and the easing of restrictions on activities.

Amid these conditions, the Company achieved its best performance ever for the nine-month period ended December 31, benefiting from the recovery in the market environment which was facilitated in part by the easing of restrictions on activities and the increase in inbound tourists. Specifically, sales of down jackets and fleece clothing remained strong right from the start of the autumn-winter season, which was driven mainly by promotion of THE NORTH FACE Nuptse Jacket, which celebrated its 30th anniversary. Moreover, at the timing when inbound tourists increased due to the relaxing of border control measures from October 11, we announced the first collection of Goldwin 0, a new eco-friendly project under our original brand Goldwin, and this also contributed to us reaching new customer target groups. From November, in spite of day after day of higher average temperature than normal, sales exceeded the level of the corresponding period of the previous fiscal year, notably with respect to THE NORTH FACE, which was due to not only the resumption of sports events such as marathon events, but also the general easing of restrictions on going out. From December, when a severe cold snap hit all of Japan, a stable supply system was maintained this year for cold weather protection products such as padded boots, which suffered delivery delays in the previous year due to the impact of lockdowns in Vietnam, and this contributed to sales growth. Consequently, net sales were ¥86,746 million (up 17.6% year on year).

Operating profit was ¥18,281 million (up 29.1% year on year), the highest for a nine-month period ended December 31, exceeding the ¥16,197 million recorded for the corresponding period in the fiscal year ended March 31, 2020. Although we revised sales prices of some products to reflect the impact of rise in cost of raw materials and the trend toward a weaker yen, no impact like restrained purchasing due to higher prices was observed, and sales volumes exceeding initial estimates were achieved. As a result, we maintained a gross profit margin, which was 53.2%, of about the same level with the corresponding period of the previous fiscal year. As for selling, general and administrative expenses, although some projects among the capital investment plans anticipated at the beginning of the period were delayed, business expenditure was generally carried out as planned.

Ordinary profit was ¥21,924 million (up 41.9% year on year), mainly due to the strong performance of YOUNGONE OUTDOOR Corporation, an affiliate in South Korea accounted for under the equity method, in cold weather protective clothing such as down jackets, under the impact of the record-breaking cold snap in South Korea like the one in Japan. As for the performance of YOUNGONE OUTDOOR Corporation, it continued achieving record high levels of both sales and profit even in the autumn-winter season due to its efforts to tightly manage inventory to improve the percentage of the items sold.

Consequently, for the nine months ended December 31, 2022, net sales were ¥86,746 million (up 17.6% year on year), operating profit was ¥18,281 million (up 29.1% year on year), ordinary profit was ¥21,924 million (up 41.9% year on year), and profit attributable to owners of parent was ¥16,268 million (up 50.8% year on year).

In other news, the Company decided on January 18, 2023 to choose Nanto City as the planned location for the first GOLDWIN PLAY EARTH PARK, a project being promoted with the aim of launching operations in Toyama Prefecture, the region where the Company was founded, in 2026. Under this plan, we are conducting initiatives aimed at the achievement of our long-term vision PLAY EARTH 2030.

### (2) Explanation of financial position

Total assets at the end of the period under review amounted to ¥119,084 million, up ¥19,999 million from the end of the previous fiscal year. The main factors were a ¥6,306 million increase in notes and

accounts receivable - trade, and contract assets, a ¥3,943 million increase in investment securities, and a ¥2,858 million increase in cash and deposits.

Total liabilities at the end of the period under review amounted to ¥44,434 million, up ¥8,761 million from the end of the previous fiscal year. The main factors were a ¥10,199 million increase in electronically recorded obligations - operating, despite a ¥1,120 million decrease in provision for bonuses.

Total net assets at the end of the period under review amounted to ¥74,649 million, up ¥11,237 million from the end of the previous fiscal year. This was mainly due to a ¥12,063 million increase in retained earnings. As a result, equity ratio was 62.6%.

### **(3) Explanation of consolidated financial results forecasts and other forward-looking statements**

Regarding our full-year consolidated financial results forecasts for the fiscal year ending March 31, 2023, we have revised our forecasts to net sales of ¥113,500 million (initial forecast was ¥106,000 million), operating profit of ¥20,300 million (initial forecast was ¥17,000 million), ordinary profit of ¥26,200 million (initial forecast was ¥21,400 million), and profit attributable to owners of parent of ¥20,000 million (initial forecast was ¥16,000 million). These revisions were made in response to the results for the nine months ended December 31, 2022 exceeding the forecasts.

Although it remains unclear on when we can expect an end to the COVID-19 pandemic, we are seeing positive signs including that sales of products in our high-end price range in both THE NORTH FACE and Goldwin are performing strongly due to a recovery of inbound demand, and we are expecting the recovery in economic activity to continue.

## 2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	26,406	29,264
Notes and accounts receivable - trade, and contract assets	11,032	17,338
Electronically recorded monetary claims - operating	2,797	5,359
Merchandise and finished goods	12,554	13,184
Work in process	326	344
Raw materials and supplies	542	649
Other	1,841	5,311
Allowance for doubtful accounts	(13)	(9)
<b>Total current assets</b>	<b>55,486</b>	<b>71,443</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,718	2,268
Land	4,691	4,691
Other, net	2,231	1,909
<b>Total property, plant and equipment</b>	<b>8,642</b>	<b>8,870</b>
Intangible assets		
Trademark right	1,490	1,276
Other	1,602	1,994
<b>Total intangible assets</b>	<b>3,093</b>	<b>3,271</b>
Investments and other assets		
Investment securities	24,060	28,003
Guarantee deposits	2,708	2,738
Other	5,282	4,946
Allowance for doubtful accounts	(188)	(188)
<b>Total investments and other assets</b>	<b>31,862</b>	<b>35,499</b>
<b>Total non-current assets</b>	<b>43,598</b>	<b>47,640</b>
<b>Total assets</b>	<b>99,085</b>	<b>119,084</b>

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,904	5,002
Electronically recorded obligations - operating	12,223	22,423
Short-term borrowings	–	620
Current portion of long-term borrowings	1,437	940
Income taxes payable	3,112	2,150
Provision for bonuses	1,648	528
Other	7,060	8,204
Total current liabilities	30,386	39,869
Non-current liabilities		
Long-term borrowings	2,751	1,947
Retirement benefit liability	217	190
Provision for share awards	947	1,034
Other	1,371	1,392
Total non-current liabilities	5,287	4,565
Total liabilities	35,673	44,434
Net assets		
Shareholders' equity		
Share capital	7,079	7,079
Capital surplus	276	297
Retained earnings	61,356	73,419
Treasury shares	(5,377)	(7,153)
Total shareholders' equity	63,335	73,643
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	480	716
Deferred gains or losses on hedges	98	222
Foreign currency translation adjustment	196	651
Remeasurements of defined benefit plans	(830)	(711)
Total accumulated other comprehensive income	(56)	879
Non-controlling interests	132	126
Total net assets	63,411	74,649
Total liabilities and net assets	99,085	119,084



**(2) Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income**

**Quarterly consolidated statement of income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	73,782	86,746
Cost of sales	34,135	40,590
Gross profit	39,647	46,156
Selling, general and administrative expenses	25,489	27,874
Operating profit	14,157	18,281
Non-operating income		
Interest income	7	8
Dividend income	58	67
Share of profit of entities accounted for using equity method	1,286	3,513
Other	99	177
Total non-operating income	1,451	3,767
Non-operating expenses		
Interest expenses	66	32
Loss on sale of notes receivable - trade	20	4
Loss on cancellation of insurance policies	22	10
Other	46	77
Total non-operating expenses	155	124
Ordinary profit	15,453	21,924
Extraordinary income		
Gain on sale of non-current assets	0	-
Gain on sale of investment securities	15	5
Gain on liquidation of subsidiaries	-	80
Total extraordinary income	15	85
Extraordinary losses		
Loss on disposal of non-current assets	6	92
Loss on store closings	5	7
Other	0	6
Total extraordinary losses	11	106
Profit before income taxes	15,457	21,903
Income taxes - current	4,338	4,995
Income taxes - deferred	266	603
Total income taxes	4,605	5,598
Profit	10,852	16,304
Profit attributable to non-controlling interests	62	36
Profit attributable to owners of parent	10,789	16,268

**Quarterly consolidated statement of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	10,852	16,304
Other comprehensive income		
Valuation difference on available-for-sale securities	(123)	236
Deferred gains or losses on hedges	(10)	(6)
Foreign currency translation adjustment	176	293
Remeasurements of defined benefit plans, net of tax	228	123
Share of other comprehensive income of entities accounted for using equity method	(46)	288
Total other comprehensive income	224	936
Comprehensive income	11,077	17,240
Comprehensive income attributable to:		
Owners of parent	11,014	17,204
Non-controlling interests	62	36

### **(3) Notes regarding quarterly consolidated financial statements**

#### **(Notes regarding assumptions of going concern)**

Not applicable.

#### **(Notes on significant changes in the amount of shareholders' equity)**

At the Board of Directors meeting held on February 8, 2022, the Company resolved to acquire treasury shares in accordance with the provisions of Article 459, paragraph 1 of the Companies Act and Article 36 of its Articles of Incorporation, and by June 30, 2022, it has completed the acquisition of 293,000 shares of treasury shares. As a result, in the nine months ended December 31, 2022, treasury shares increased by ¥1,776 million.

#### **(Changes in accounting policies)**

The Company has applied the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021) from the beginning of the first quarter of the current fiscal year, and it has applied the new accounting policy provided for by the Implementation Guidance on Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional measures provided for in paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. The application has no impact on the quarterly consolidated financial statements.

#### **(Segment information, etc.)**

[Segment information]

Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021) and nine months ended December 31, 2022 (April 1, 2022 to December 31, 2022)

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