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MEMBERSHIP

May 12, 2023

## Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

Company name: GOLDWIN INC.  
 Stock exchange listing: Tokyo  
 Securities code: 8111  
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Scheduled date of annual general meeting of shareholders: June 28, 2023  
 Scheduled date to commence dividend payments: June 13, 2023  
 Scheduled date to file Securities Report: June 28, 2023  
 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, 2023 (from April 1, 2022 to March 31, 2023)

#### (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, 2023	115,052	17.1	21,904	32.7	28,083	38.4	20,977	46.2
March 31, 2022	98,235	8.6	16,501	11.2	20,285	26.9	14,350	33.7

Note: Comprehensive income Year ended March 31, 2023: ¥22,621 million [47.2%]  
 Year ended March 31, 2022: ¥15,365 million [34.0%]

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, 2023	465.69	—	29.3	25.8	19.0
March 31, 2022	316.30	—	24.7	21.3	16.8

Reference: Share of profit (loss) of entities accounted for using equity method  
 Year ended March 31, 2023: ¥5,891 million  
 Year ended March 31, 2022: ¥3,669 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, 2023	118,517	80,056	67.4	1,774.20
March 31, 2022	99,085	63,411	63.9	1,398.56

Reference: Equity

As of March 31, 2023

¥79,914 million

As of March 31, 2022

¥63,278 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, 2023	20,222	(3,381)	(7,725)	34,207
March 31, 2022	18,049	(1,567)	(11,853)	25,036

## 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, 2022	–	20.00	–	65.00	85.00	3,980	26.9	6.3
Year ended March 31, 2023	–	25.00	–	85.00	110.00	5,116	23.6	6.4
Year ending March 31, 2024 (Forecast)	–	30.00	–	85.00	115.00		23.9	

## 3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2023	48,900	7.9	5,200	(1.5)	7,300	(2.0)	5,900	1.0	130.97
Full year	123,000	6.9	22,600	3.2	28,200	0.4	21,700	3.4	481.72

**\* Notes**

- (1) Changes in significant subsidiaries during the year ended March 31, 2023 (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, 2023	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 March 31, 2023	2,405,807 shares
As of March 31, 2022	2,202,276 shares

- (iii) Average number of shares during the period

Year ended March 31, 2023	45,046,839 shares
Year ended March 31, 2022	45,370,540 shares

**[Reference] Overview of non-consolidated financial results**

**1. Non-consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)**

**(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, 2023	104,639	21.9	19,448	38.6	24,707	41.3	18,454	54.4
March 31, 2022	85,838	7.9	14,029	11.5	17,484	19.8	11,951	16.5

Year ended	Earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	409.68	—
March 31, 2022	263.41	—

## (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, 2023	90,579	54,788	60.5	1,216.37
March 31, 2022	74,543	42,065	56.4	929.71

Reference: Equity

As of March 31, 2023: ¥54,788 million

As of March 31, 2022: ¥42,065 million

## 2. Forecast of non-consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2023	44,900	9.8	4,700	6.8	5,900	(8.4)	4,600	(11.8)	102.12
Full year	113,500	8.5	20,800	6.9	24,700	(0.0)	18,700	1.3	415.12

\* 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, 2023, the Japanese economy made steady progress toward a post-COVID society, with signs of recovery in economic activity beginning to appear as a result of the easing of restrictions on activities and immigration related to COVID-19, despite the uncertainties that remain due to such factors as the surge in raw material prices and inflation due to currency fluctuations.

In this environment, the Group achieved an early recovery from the COVID-19 pandemic, and surpassed ¥100,000 million in consolidated net sales, which had been targeted since before the COVID-19 pandemic, reaching a record high of ¥115,052 million (up 17.1% from the previous fiscal year).

By business category, net sales in the performance category significantly exceeded initial forecasts, up 14.2% from the previous fiscal year. This is mainly due to the resumption of sporting events across the country following the easing of restrictions on activities, which encouraged purchases of high-performance goods. Net sales in the lifestyle category were up 18.0% from the previous fiscal year, due to increased confidence in our brands, epitomized by THE NORTH FACE. Sales of kids' and ladies' products saw especially high growth. These results were brought about through initiatives such as GREEN BATON, in which children's clothing is reused to develop new products, as part of a way to create relationships of trust with customers. In the fashion category, net sales attributable to inbound tourists showed a sharp recovery following the easing of restrictions on immigration from October, amid growing attention regarding fashionably designed lines such as Goldwin 0, which led to significant growth, up 23.6% from the previous fiscal year. As for trends in net sales attributable to inbound tourists by area, East Asian regions such as China and South Korea used to account for the bulk of sales before the COVID-19 pandemic, but now the customer base has expanded to Southeast Asia, Europe, and the United States, contributing to higher sales.

By product, outdoor-related products, and among them, apparel products, in particular, have been performing well since before the COVID-19 pandemic, and this momentum is accelerating. Meanwhile, gear such as backpacks and shoes, for which demand was sluggish during the COVID-19 pandemic, showed strong recovery, and sales were up by more than 10% from pre-COVID-19 levels as restrictions on activities were eased. Athletic-related products also showed signs of recovery across a wide range of brands, as clubs and other sports activities resumed. In addition, sales of snow sports-related products also remained strong due to a season blessed with snowfall.

As for trends by sales channel, we proceeded with initiatives to provide new value to customers by integrating online and offline sales channels. The EC site dedicated to mountain climbing and camping, launched as a new initiative, has been recognized for its effectiveness in enhancing brand power, not only in directly managed stores but also in a wide range of sales channels including wholesalers, resulting in higher sales across all sales channels.

Operating profit was ¥21,904 million (up 32.7% from the fiscal previous year). Although SG&A expenses were scheduled to rise by ¥1.4 billion from the previous fiscal year due to the establishment of a new distribution center in Kanto with updates to the core system, capital investment in the distribution center was changed to a lease agreement, with the timing of the core system update postponed to April 2024, thereby resulting in an increase of only ¥700 million in infrastructure and growth investment expenses for the current fiscal year from the previous fiscal year.

Ordinary profit was ¥28,083 million (up 38.4% from the previous fiscal year), following the strong performance of YOUNGONE OUTDOOR Corporation, an equity-method affiliate.

Also, profit attributable to owners of parent was ¥20,977 million (up 46.2% from the previous fiscal year), thanks to the above efforts.

As a result of the above, we were able to reach new record highs for all the items of operating profit, ordinary profit, and profit.

The current fiscal year is the second year of our Medium-Term Management Plan, and given that the impact of the spread of COVID-19 and restrictions on activities that had been in place until the previous fiscal year is being mitigated, we have positioned this year as one in which we will focus on rebuilding the foundations of our management in view of the final year, the fiscal year ending March

31, 2026, and beyond, and believe we have made steady progress toward achieving the goal of making both our business and the environment sustainable.

## **(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 ¥118,517 million, up ¥19,432 million from the end of the previous fiscal year. This was mainly due to a ¥9,248 million increase in cash and deposits, a ¥4,835 million increase in investment securities, and a ¥1,505 million increase in electronically recorded monetary claims - operating.

### **(Liabilities)**

Total liabilities at the end of the fiscal year under review amounted to ¥38,461 million, up ¥2,787 million from the end of the previous fiscal year. The main factors were a ¥3,494 million increase in electronically recorded obligations - operating, and a ¥432 million increase in income taxes payable, despite a ¥1,602 million decrease in borrowings.

### **(Net assets)**

Total net assets at the end of the fiscal year under review amounted to ¥80,056 million, up ¥16,644 million from the end of the previous fiscal year. The main factor was a ¥16,773 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 ¥34,207 million, up ¥9,170 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 ¥20,222 million (up ¥2,173 million in revenue from the previous fiscal year). The main factors were a ¥27,892 million in profit before income taxes and an increase of ¥3,701 million in trade payables, which offset the payment of ¥6,233 million in income taxes - current and ¥5,891 million in share of profit of entities accounted for using equity method.

### **(Cash flow from investment activities)**

Cash flow used as a result of investment activities amounted to ¥3,381 million (up ¥1,813 million in expenses from the previous fiscal year). This was mainly due to expenses of ¥1,770 million for the acquisition of non-current assets.

### **(Cash flow from financing activities)**

Cash flow used as a result of financing activities amounted to ¥7,725 million (down ¥4,128 million in expenses from the previous fiscal year). This was mainly due to ¥4,204 million paid for dividends, a net decrease of ¥1,602 million in borrowings, and ¥1,431 million paid for the acquisition of treasury shares.

(Reference) Trends in cash flow indicators

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Equity ratio (%)	51.0	56.8	57.8	63.9	67.4
Equity ratio based on fair value (%)	470.3	331.4	351.4	283.6	478.9
Debt repayment period (years)	0.5	0.3	1.3	0.2	0.1
Interest coverage ratio (times)	105.4	148.8	57.1	223.8	474.0

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

For the fiscal year ending March 31, 2024, we anticipate net sales of ¥123,000 million, operating profit of ¥22,600 million, ordinary profit of ¥28,200 million, and profit attributable to owners of parent of ¥21,700 million. With the spread of COVID-19 coming to becoming settled down and the easing of restrictions on activities, we expect a full-fledged recovery in inbound demand. Since, at this point of the end of the second year of the Medium-Term Management Plan, we have exceeded the profit targets for the final year, we have decided to revise our targets upward for the final year, the fiscal year ending March 31, 2026, from ¥125,000 million to ¥149,000 million for net sales, from ¥21,000 million to ¥26,800 million for operating profit, and from ¥22,500 million to ¥33,400 million for ordinary profit.

While the basic philosophy behind the long-term vision PLAY EARTH 2030 remains unchanged, we established a new GOLDWIN Business Division, and transferred the GOLDWIN Business Department and Overseas Sales Department to the GOLDWIN Business Division as of April 2023, with the aim of improving the competitiveness of the Goldwin brand in the global market and achieving the next leap forward in growth. We aim to build a stronger presence for the Company in the global market through the establishment of this organizational structure.



## **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, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	26,406	35,654
Notes receivable - trade	630	524
Electronically recorded monetary claims - operating	2,797	4,302
Accounts receivable - trade	10,402	11,474
Merchandise and finished goods	12,554	13,550
Work in process	326	352
Raw materials and supplies	542	725
Other	1,841	2,610
Allowance for doubtful accounts	(13)	(11)
Total current assets	55,486	69,184
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,718	2,160
Machinery, equipment and vehicles, net	269	281
Land	4,691	4,691
Leased assets, net	1,138	1,281
Other, net	823	429
Total property, plant and equipment	8,642	8,844
Intangible assets		
Software	912	877
Trademark right	1,490	1,205
Software in progress	635	1,135
Other	54	72
Total intangible assets	3,093	3,290
Investments and other assets		
Investment securities	24,060	28,895
Long-term loans receivable	45	45
Retirement benefit asset	1,637	1,470
Guarantee deposits	2,708	2,849
Distressed receivables	70	19
Deferred tax assets	1,608	1,342
Other	1,920	2,712
Allowance for doubtful accounts	(188)	(137)
Total investments and other assets	31,862	37,197
Total non-current assets	43,598	49,332
Total assets	99,085	118,517

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	4,904	5,116
Electronically recorded obligations - operating	12,223	15,717
Current portion of long-term borrowings	1,437	940
Lease liabilities	566	494
Accounts payable - other	2,359	2,382
Income taxes payable	3,112	3,544
Accrued consumption taxes	1,428	1,697
Accrued expenses	1,424	1,473
Contract liabilities	556	727
Provision for bonuses	1,648	889
Other	725	1,098
Total current liabilities	30,386	34,082
Non-current liabilities		
Long-term borrowings	2,751	1,645
Lease liabilities	901	922
Retirement benefit liability	217	229
Asset retirement obligations	57	57
Provision for share awards	947	1,074
Other	412	449
Total non-current liabilities	5,287	4,378
Total liabilities	35,673	38,461
Net assets		
Shareholders' equity		
Share capital	7,079	7,079
Capital surplus	276	297
Retained earnings	61,356	78,129
Treasury shares	(5,377)	(7,127)
Total shareholders' equity	63,335	78,379
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	480	728
Deferred gains or losses on hedges	98	55
Foreign currency translation adjustment	196	1,855
Remeasurements of defined benefit plans	(830)	(1,105)
Total accumulated other comprehensive income	(56)	1,534
Non-controlling interests	132	141
Total net assets	63,411	80,056
Total liabilities and net assets	99,085	118,517

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

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	98,235	115,052
Cost of sales	46,491	55,016
Gross profit	51,743	60,035
Selling, general and administrative expenses	35,241	38,130
Operating profit	16,501	21,904
Non-operating income		
Interest income	25	28
Dividend income	59	68
Share of profit of entities accounted for using equity method	3,669	5,891
Other	241	340
Total non-operating income	3,996	6,328
Non-operating expenses		
Interest expenses	83	42
Loss on sale of notes receivable - trade	27	4
Loss on cancellation of insurance policies	22	10
Commitment fees	20	16
Other	57	76
Total non-operating expenses	212	150
Ordinary profit	20,285	28,083
Extraordinary income		
Gain on sale of non-current assets	0	–
Gain on sale of investment securities	51	18
Gain on liquidation of subsidiaries	–	80
Income from subsidiaries	–	45
Total extraordinary income	51	144
Extraordinary losses		
Loss on disposal of non-current assets	6	95
Impairment losses	180	21
Loss on store closings	8	38
Loss on valuation of investment securities	–	94
Extra retirement payments	7	21
Loss on tax purpose reduction entry of non-current assets	–	45
Other	4	17
Total extraordinary losses	206	334
Profit before income taxes	20,131	27,892
Income taxes - current	5,938	6,528
Income taxes - deferred	(221)	332
Total income taxes	5,717	6,861
Profit	14,413	21,030
Profit attributable to non-controlling interests	62	52
Profit attributable to owners of parent	14,350	20,977

**(Consolidated statement of comprehensive income)**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Profit	14,413	21,030
Other comprehensive income		
Valuation difference on available-for-sale securities	(10)	248
Deferred gains or losses on hedges	12	(36)
Foreign currency translation adjustment	264	109
Remeasurements of defined benefit plans, net of tax	236	(268)
Share of other comprehensive income of entities accounted for using equity method	449	1,537
Total other comprehensive income	951	1,590
Comprehensive income	15,365	22,621
Comprehensive income attributable to:		
Owners of parent	15,302	22,568
Non-controlling interests	62	52

**(3) Consolidated statement of changes in equity**

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
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
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

Fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,079	276	61,356	(5,377)	63,335
Changes during period					
Purchase of treasury shares				(2,027)	(2,027)
Disposal of treasury shares		21		277	298
Dividends of surplus			(4,204)		(4,204)
Profit attributable to owners of parent			20,977		20,977
Net changes in items other than shareholders' equity					
Total changes during period	–	21	16,773	(1,749)	15,044
Balance at end of period	7,079	297	78,129	(7,127)	78,379

	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	480	98	196	(830)	(56)	132	63,411
Changes during period							
Purchase of treasury shares							(2,027)
Disposal of treasury shares							298
Dividends of surplus							(4,204)
Profit attributable to owners of parent							20,977
Net changes in items other than shareholders' equity	248	(42)	1,659	(274)	1,590	9	1,600
Total changes during period	248	(42)	1,659	(274)	1,590	9	16,644
Balance at end of period	728	55	1,855	(1,105)	1,534	141	80,056

**(4) Consolidated statement of cash flows**

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	20,131	27,892
Depreciation	1,646	1,762
Share of loss (profit) of entities accounted for using equity method	(3,669)	(5,891)
Decrease (increase) in retirement benefit asset	(370)	166
Increase (decrease) in retirement benefit liability	(4)	12
Impairment losses	180	21
Increase (decrease) in allowance for doubtful accounts	(73)	(54)
Increase (decrease) in provision for bonuses	(20)	(758)
Interest and dividend income	(85)	(96)
Interest expenses	83	42
Loss (gain) on disposal of non-current assets	0	95
Decrease (increase) in trade receivables	(1,368)	(2,467)
Decrease (increase) in inventories	1,741	(1,196)
Increase (decrease) in trade payables	3,447	3,701
Increase (decrease) in accounts payable - other	356	228
Increase (decrease) in accrued consumption taxes	(216)	269
Decrease (increase) in prepaid expenses	126	(217)
Other, net	378	(552)
Subtotal	22,284	22,958
Interest and dividends received	2,573	3,539
Interest paid	(80)	(42)
Income taxes paid	(6,728)	(6,233)
Net cash provided by (used in) operating activities	18,049	20,222
<b>Cash flows from investing activities</b>		
Payments into time deposits	(102)	(730)
Proceeds from withdrawal of time deposits	121	718
Purchase of non-current assets	(1,722)	(1,770)
Proceeds from sale of non-current assets	1	-
Purchase of investment securities	(101)	(659)
Proceeds from sale of investment securities	90	40
Payment of reservation deposit based on lease agreement	-	(681)
Payments of guarantee deposits	(104)	(280)
Proceeds from refund of guarantee deposits	66	135
Other, net	182	(151)
Net cash provided by (used in) investing activities	(1,567)	(3,381)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(3,600)	-
Proceeds from long-term borrowings	643	50
Repayments of long-term borrowings	(2,600)	(1,652)
Repayments of lease liabilities	(785)	(611)
Purchase of treasury shares	(2,140)	(1,431)
Dividends paid	(3,520)	(4,204)
Other, net	150	125
Net cash provided by (used in) financing activities	(11,853)	(7,725)
Effect of exchange rate change on cash and cash equivalents	120	55
Net increase (decrease) in cash and cash equivalents	4,748	9,170
Cash and cash equivalents at beginning of period	20,287	25,036
Cash and cash equivalents at end of period	25,036	34,207



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

Not applicable.

**(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]

Previous fiscal year (April 1, 2021 to March 31, 2022) and fiscal year under review (April 1, 2022 to March 31, 2023)

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

[Relevant information]

Previous fiscal year (April 1, 2021 to March 31, 2022) and fiscal year under review (April 1, 2022 to March 31, 2023)

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, 2021 to March 31, 2022) and fiscal year under review (April 1, 2022 to March 31, 2023)

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, 2021 to March 31, 2022) and fiscal year under review (April 1, 2022 to March 31, 2023)

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, 2021 to March 31, 2022) and fiscal year under review (April 1, 2022 to March 31, 2023)

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

**(Per share information)**

	Previous fiscal year (April 1, 2021 to March 31, 2022)	Fiscal year under review (April 1, 2022 to March 31, 2023)
Net assets per share	¥1,398.56	¥1,774.20
Earnings per share	¥316.30	¥465.69

(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, 2022)	Fiscal year under review (As of March 31, 2023)
Total net assets (Millions of yen)	63,411	80,056
Amount deducted from total net assets (Millions of yen)	132	141
[Non-controlling interests]	[132]	[141]
Net assets related to common shares at the end of the fiscal year (Millions of yen)	63,278	79,914
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)	45,245	45,042

## Earnings per share

	Previous fiscal year (April 1, 2021 to March 31, 2022)	Fiscal year under review (April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent (Millions of yen)	14,350	20,977
Amount not attributable to common shareholders (Millions of yen)	–	–
Profit attributable to owners of parent related to common shares (Millions of yen)	14,350	20,977
Average number of shares during the period (Thousands of shares)	45,370	45,046

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 2,077,632 shares in the previous fiscal year, and 2,401,333 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 2,202,276 shares in the previous fiscal year, and 2,405,807 shares in the fiscal year under review.

### **(Significant subsequent events)**

Not applicable.

#### **4. Other**

##### Changes in officers

(1) Change in representative

Not applicable.

(2) Changes in officers (scheduled to take effect on June 28, 2023)

- Candidate for new Auditor  
Osamu Sato (currently Auditor, formerly General Manager of Accounting Department)
- Retiring Director  
Masaaki Kondo (currently full-time Auditor)