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MEMBERSHIP

August 3, 2023

## Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

Company name: GOLDWIN INC.  
 Stock exchange listing: Tokyo  
 Securities code: 8111  
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 Scheduled date to file Quarterly Securities Report: August 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

#### (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	%
Three months ended June 30, 2023	23,150	9.7	2,263	(0.1)	4,172	23.9	3,347	28.6
June 30, 2022	21,099	23.5	2,266	99.6	3,368	98.5	2,603	110.8

Note: Comprehensive income Three months ended June 30, 2023: ¥3,267 million [(10.1)%]  
 Three months ended June 30, 2022: ¥3,636 million [99.6%]

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2023	74.30	–
June 30, 2022	57.74	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	112,512	79,382	70.5
March 31, 2023	118,517	80,056	67.4

Reference: Equity  
 As of June 30, 2023 ¥79,282 million  
 As of March 31, 2023 ¥79,914 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, 2023	–	25.00	–	85.00	110.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		30.00	–	85.00	115.00

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

## 3. Forecast of consolidated financial results for the year ending March 31, 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

Note: Revisions to the forecast of consolidated financial results most recently announced: No

**\* Notes**

(1) Changes in significant subsidiaries during the three months ended June 30, 2023 (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: No

(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 June 30, 2023	47,448,172 shares
As of March 31, 2023	47,448,172 shares

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

As of June 30, 2023	2,363,655 shares
As of March 31, 2023	2,405,807 shares

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

Three months ended June 30, 2023	45,052,883 shares
Three months ended June 30, 2022	45,096,981 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 2 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 ..... 2
- 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
    - (Segment information) ..... 8

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

### **(1) Explanation of operating results**

During the three months ended June 30, 2023, the Japanese economy continued to be characterized by uncertainties like the surge in raw material prices and inflation due to currency fluctuations, and economic activity showed signs of a full-fledged recovery as a result of the easing of restrictions on activities following the reclassification of COVID-19 as a Class V infectious disease.

Amid these conditions, sports activities that had been restricted under the COVID-19 pandemic have been restarting, and the Group's firm sales trends seen in the previous fiscal year have continued to be present since the beginning of first quarter. In particular, the recovery in inbound tourists has been ongoing, and physical stores, such as department stores, boutique stores, and outlet malls, are attracting an increasing number of customers, and as a result, sales including directly managed stores and wholesalers grew. Looking at sales by brand, outdoor brands such as THE NORTH FACE were strong contributors to overall growth. We saw some fallback in sales of gear-related products following the strong surge in demand in the previous fiscal year, but there was a full-fledged recovery for mountain climbing demand, and there is a growing trend of adopting high-performance materials for lifestyle wear. Recognizing such trends, our own brand Goldwin has not only been popular among inbound tourists, but also has been successful in capturing demand of younger segments, such as Generation Z, and is increasing the number of new customers in categories other than outdoor enthusiasts. Consequently, net sales were ¥23,150 million (up 9.7% year on year), the highest for a three-month period ended June 30.

Operating profit was ¥2,263 million (down 0.1% year on year). As a lead time of six to nine months is required for production, the gross profit margin lowered by 2.1 percentage points year on year to 50.6% due to a rise in raw material prices for the Spring-Summer collection that was ordered in Autumn of last year. Moreover, in terms of selling, general and administrative expenses, we implemented expenses with future growth in mind to enable sustainable growth during the phase of easing restrictions on activities. Ordinary profit was ¥4,172 million (up 23.9% year on year), mainly due to the strong performance of YOUNGONE OUTDOOR Corporation, an equity-method affiliate in South Korea. Also, profit attributable to owners of parent was ¥3,347 million (up 28.6% year on year), owing to the contribution of share of profit of entities accounted for using equity method.

### **(2) Explanation of financial position**

Total assets at the end of the period under review amounted to ¥112,512 million, down ¥6,005 million from the end of the previous fiscal year. The main factors were a ¥6,151 million decrease in cash and deposits and a ¥2,891 million decrease in notes and accounts receivable - trade, and contract assets, despite a ¥2,035 million increase in electronically recorded monetary claims - operating and a ¥1,709 million increase in investment securities.

Total liabilities at the end of the period under review amounted to ¥33,129 million, down ¥5,332 million from the end of the previous fiscal year. The main factors were a ¥3,035 million decrease in income taxes payable and a ¥1,861 million decrease in notes and accounts payable - trade.

Total net assets at the end of the period under review amounted to ¥79,382 million, down ¥673 million from the end of the previous fiscal year. The main factors were ¥3,953 million paid for dividends, despite the recording of ¥3,347 million in profit attributable to owners of parent and a ¥409 million increase in valuation difference on available-for-sale securities. Equity ratio was 70.5%.

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

Regarding our consolidated financial results forecasts for the six months ending September 30, 2023 and the fiscal year ending March 31, 2024, we have made no changes from our financial results forecasts announced on May 12, 2023.

If the spread of COVID-19 becomes serious again, 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. Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly consolidated balance sheet

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	35,654	29,502
Notes and accounts receivable - trade, and contract assets	11,999	9,108
Electronically recorded monetary claims - operating	4,302	6,338
Merchandise and finished goods	13,550	13,723
Work in process	352	194
Raw materials and supplies	725	779
Other	2,610	2,107
Allowance for doubtful accounts	(11)	(7)
Total current assets	69,184	61,746
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,160	2,155
Land	4,691	4,691
Other, net	1,991	2,055
Total property, plant and equipment	8,844	8,902
Intangible assets		
Trademark right	1,205	1,144
Other	2,085	2,128
Total intangible assets	3,290	3,272
Investments and other assets		
Investment securities	28,895	30,604
Guarantee deposits	2,849	2,711
Other	5,589	5,411
Allowance for doubtful accounts	(137)	(137)
Total investments and other assets	37,197	38,590
Total non-current assets	49,332	50,765
<b>Total assets</b>	<b>118,517</b>	<b>112,512</b>

(Millions of yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,116	3,255
Electronically recorded obligations - operating	15,717	16,089
Current portion of long-term borrowings	940	940
Income taxes payable	3,544	509
Provision for bonuses	889	1,319
Other	7,873	6,811
<b>Total current liabilities</b>	<b>34,082</b>	<b>28,925</b>
Non-current liabilities		
Long-term borrowings	1,645	1,372
Retirement benefit liability	229	230
Provision for share awards	1,074	1,087
Other	1,429	1,512
<b>Total non-current liabilities</b>	<b>4,378</b>	<b>4,203</b>
<b>Total liabilities</b>	<b>38,461</b>	<b>33,129</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,079	7,079
Capital surplus	297	297
Retained earnings	78,129	77,523
Treasury shares	(7,127)	(7,066)
<b>Total shareholders' equity</b>	<b>78,379</b>	<b>77,833</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	728	1,138
Deferred gains or losses on hedges	55	127
Foreign currency translation adjustment	1,855	1,234
Remeasurements of defined benefit plans	(1,105)	(1,052)
<b>Total accumulated other comprehensive income</b>	<b>1,534</b>	<b>1,448</b>
Non-controlling interests	141	100
<b>Total net assets</b>	<b>80,056</b>	<b>79,382</b>
<b>Total liabilities and net assets</b>	<b>118,517</b>	<b>112,512</b>



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

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

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	21,099	23,150
Cost of sales	9,976	11,440
Gross profit	11,122	11,710
Selling, general and administrative expenses	8,855	9,446
Operating profit	2,266	2,263
Non-operating income		
Interest income	1	4
Dividend income	41	52
Share of profit of entities accounted for using equity method	1,080	1,830
Other	34	45
Total non-operating income	1,157	1,932
Non-operating expenses		
Interest expenses	9	9
Loss on sale of notes receivable - trade	4	-
Other	41	14
Total non-operating expenses	55	24
Ordinary profit	3,368	4,172
Extraordinary income		
Gain on sale of investment securities	5	-
Gain on liquidation of subsidiaries	80	-
Total extraordinary income	85	-
Extraordinary losses		
Loss on store closings	1	-
Loss on disposal of non-current assets	-	21
Loss on valuation of investment securities	-	19
Total extraordinary losses	1	40
Profit before income taxes	3,452	4,131
Income taxes - current	658	663
Income taxes - deferred	182	114
Total income taxes	841	777
Profit	2,610	3,353
Profit attributable to non-controlling interests	6	5
Profit attributable to owners of parent	2,603	3,347

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

(Millions of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	2,610	3,353
Other comprehensive income		
Valuation difference on available-for-sale securities	41	409
Deferred gains or losses on hedges	47	54
Foreign currency translation adjustment	72	21
Remeasurements of defined benefit plans, net of tax	44	52
Share of other comprehensive income of entities accounted for using equity method	820	(624)
Total other comprehensive income	1,025	(85)
Comprehensive income	3,636	3,267
Comprehensive income attributable to:		
Owners of parent	3,629	3,261
Non-controlling interests	6	5

**(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)**

Not applicable.

**(Segment information)**

Three months ended June 30, 2022 (April 1, 2022 to June 30, 2022) and three months ended June 30, 2023 (April 1, 2023 to June 30, 2023)

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