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To Our Shareholders

# Matters Subject to Measures for Electronic Provision When Convening the 74th Annual General Meeting of Shareholders

1. Notes to Consolidated Financial Statements
2. Notes to Non-consolidated Financial Statements

In accordance with laws and regulations and Article 15, paragraph (2) of the Company's Articles of Incorporation, the above matters are excluded from the paper-based documents delivered to shareholders who have made a request for delivery of such documents (documents containing matters subject to measures for electronic provision).

**Goldwin Inc.**

**Notes to Consolidated Financial Statements**

(Notes to Basis of Presenting Consolidated Financial Statements)

1. Scope of consolidation

   (1) Number of consolidated subsidiaries and names of principal consolidated subsidiaries

   Number of consolidated subsidiaries 16

   Names of consolidated subsidiaries

   GOLDWIN LOGITEM INC., GOLDWIN ENTERPRISE INC., GOLDWIN TRADING INC., BEIJING GOLDWIN CO., Ltd., nanamica inc., and per se Co., Ltd., Goldwin America, Inc., WOOLRICH JAPAN INC., Goldwin Europe GmbH, nanamica USA, INC., Goldwin China, Ltd., GOLDWIN VENTURE PARTNERS INC., GOLDWIN PLAY EARTH FUND LPS, PLAY EARTH PARK Inc., Goldwin China Enterprise Ltd., and Goldwin Korea Corporation

   Change in scope of consolidation

   Among the subsidiaries stated above, Goldwin China Enterprise Ltd. and Goldwin Korea Corporation are included in the scope of consolidation because they were established during the current fiscal year.

   (2) Names, etc. of principal non-consolidated subsidiaries

   Names of principal non-consolidated subsidiaries

   SHANGHAI GOLDWIN CO., LTD.

   Goldwin Sai Gon Vietnam Co.,Ltd.

   Reason for exclusion from scope of consolidation

   SHANGHAI GOLDWIN CO., LTD. and Goldwin Sai Gon Vietnam Co.,Ltd. are both small in size, and their total assets, net sales, net income/loss (corresponding to the Company's ownership), and retained earnings (corresponding to the Company's ownership) do not have a material impact on the consolidated financial statements.

2. Application of equity method

   (1) Number of non-consolidated subsidiaries and affiliates accounted for by the equity method and names of principal companies, etc.

   Number of affiliates accounted for by the equity method 2

   Names of principal companies, etc.

   (Affiliates)

   YOUNGONE OUTDOOR Corporation and GOLDWIN DEVELOPMENT INC.

   Change in scope of equity method

   Woolrich International Limited has been excluded from the scope of equity method due to the transfer of equity interest in November 2024.

   (2) Names, etc. of non-consolidated subsidiaries and affiliates not accounted for by the equity method

   Names of principal companies, etc.

   (Non-consolidated subsidiaries)

   SHANGHAI GOLDWIN CO., LTD.

   Goldwin Sai Gon Vietnam Co.,Ltd.

Reason not accounted for by the equity method

SHANGHAI GOLDWIN CO., LTD. and Goldwin Sai Gon Vietnam Co.,Ltd. both have no material impact on net income/loss (as calculated by the equity method), retained earnings (as calculated by the equity method), etc., and do not have a significant effect on the Company as a whole.

The fiscal year end of YOUNGONE OUTDOOR Corporation is December 31, and its financial statements as of that date are used in applying the equity method.

3. Fiscal year of consolidated subsidiaries

The fiscal year end of consolidated subsidiaries BEIJING GOLDWIN CO., Ltd., Goldwin China, Ltd., Goldwin America, Inc., Goldwin Europe GmbH, nanamica USA, INC., GOLDWIN PLAY EARTH FUND LPS, Goldwin China Enterprise Ltd., and Goldwin Korea Corporation is December 31.

In preparing the consolidated financial statements, financial statements as of the same fiscal year end are used, and adjustments necessary for consolidation are made for significant transactions that occurred during the period between the fiscal year end and the consolidated fiscal year end.

4. Accounting policies

(1) Valuation standards and methods for significant assets

(i) Securities

Available-for-sale securities

Securities other than shares, etc. that do not have market prices
Market value method (unrealized gains and losses are accounted for as a component of net assets, and the cost of securities sold is determined by the moving-average method).

Shares, etc. that do not have market price
Stated at cost determined by the moving-average method.

(ii) Inventories

Mainly stated at cost determined by the moving-average method (the amount stated in the balance sheet is calculated by writing down the book value based on a decline in profitability).

(2) Depreciation and amortization method for significant depreciable assets

(i) Property, plant, and equipment (excluding leased assets)

Buildings (excluding facilities attached to buildings)
Straight-line method is used.

Other tangible fixed assets
Declining-balance method is used.
However, one domestic consolidated subsidiary and seven overseas consolidated subsidiaries use the straight-line method.

(ii) Intangible assets (excluding leased assets)

Straight-line method is used.

Note that software for internal use is amortized by the straight-line method over the estimated useful life (five years).

(iii) Leased assets

Straight-line method is used, where the lease period is deemed as the useful life and the residual value is set as zero.

(3) Accounting for significant allowances and reserves

(i) Allowance for doubtful accounts

The allowance for doubtful accounts is provided for possible losses on receivables based on the historical write-off ratio for general receivables and on the estimated amount of uncollectible receivables based on a case-by-case determination of collectibility for specific receivables such as doubtful receivables.

(ii) Provision for bonuses

To provide for the payment of bonuses to employees, an amount accrued for the current fiscal year is recorded based on the estimated amount of payment.

(iii) Provision for share awards

To provide for the payment of Company stock to employees in accordance with stock awards regulations, a provision for share awards is recorded based on the estimated amount of the share awards obligation as of the end of the current fiscal year.

(4) Accounting standards for revenues and expenses

The Company recognizes revenues at the time control over promised goods or services is transferred to the customers in the amount expected to be received upon the exchange of said goods or services, applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations.

(i) Information on contracts and obligations

The Group engages in sporting goods-related businesses. The Group recognizes revenues at the point where merchandise is delivered to customers, judging that obligations are fulfilled at such point. However, for domestic sales, if the period from shipment to transfer of control of goods or products is within a normal period of time, revenues are recognized at the time of shipment.

(ii) Information on the calculation of transaction prices and the amount of transaction prices allocated to obligations

The Company recognizes revenues within a scope wherein significant reversal is extremely unlikely to occur, deducting discounts calculated on the basis of results for each customer and estimates such as those for returned goods from prices established in contracts.

(iii) Information on the calculation of the amount allocated to obligations

The Group has a customer loyalty program, and offers members points according to the amount of their purchase. Granted points are identified as obligations. Transaction prices are allocated on the basis of standalone selling prices calculated by taking expected future expiration, etc. into consideration. Revenues are recognized at the point where points are used.

(5) Other important matters for the preparation of consolidated financial statements

(i) Basis of translation of significant assets or liabilities denominated in foreign currencies into Japanese yen

Monetary receivables and payables denominated in foreign currencies are translated into yen at the spot exchange rates prevailing on the consolidated closing date, with translation differences recognized as gains or losses. Assets, liabilities, revenues, and expenses of overseas subsidiaries are translated into yen at the spot exchange rates on the closing date of the overseas subsidiaries, and the translation differences are included in the foreign currency translation adjustment account under "Net assets."

(ii) Significant hedge accounting method

i) Hedge accounting method

Deferred hedge accounting is used.

However, the Company applies the special treatment for interest rate swaps that meet the requirements for special treatment and the allocation treatment for forward exchange contracts that meet the requirements for allocation treatment.

ii) Hedging instruments and hedged items

Hedging instruments
Interest rate swaps and forward exchange contracts

Hedged items
Interest on borrowings, anticipated transactions denominated in foreign currencies, receivables and payables denominated in foreign currencies

iii) Hedging policy

Hedging is conducted within the scope of the target receivables and payables to reduce interest rate risk and foreign exchange fluctuation risk.

iv) Methods of evaluating the effectiveness of hedges

The effectiveness of hedging activities is evaluated by comparing market fluctuations or cash flow fluctuations of the hedging instruments with those of the hedged items and by observing correlations.

(iii) Accounting for retirement benefits

1. Method of attributing estimated retirement benefits to periods of service

In calculating the retirement benefit obligation, the estimated amount of retirement benefits is attributed to the period up to the end of the current fiscal year based on the benefit calculation method.

2. Method of amortization of actuarial differences

Actuarial gains and losses are amortized by the straight-line method over a fixed number of years (ten years) within the average remaining service period of employees at the time of occurrence in each consolidated fiscal year, with the amount prorated from the following consolidated fiscal year of occurrence.

Unrecognized actuarial gains and losses are recorded in accumulated adjustments for retirement benefits under accumulated other comprehensive income in net assets, after adjusting for tax effects.

(iv) Accounting principles and procedures adopted in cases where the provisions of relevant accounting standards, etc. are unclear

Transfer-restricted stock compensation plan

Remuneration, etc. paid to the Company’s Directors who are not external Directors and others based on the Company’s transfer-restricted stock compensation plan are expensed over their respective service periods.

(v) Application of the group tax sharing system

The Company and some of its consolidated subsidiaries are applying the group tax sharing system.

5. Changes in accounting policies

(Application of Accounting Standard for Current Income Taxes and other relevant ASBJ regulations)

The Company has applied the “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the “Revised Accounting Standard of 2022”) and other relevant ASBJ regulations from the beginning of the current fiscal year. Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2(2) of the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022; the “Revised Implementation Guidance of 2022”). This change in the accounting policy has no impact on the consolidated financial statements.

In addition, for revisions related to the review of the treatment in consolidated financial statements when a gain or loss on sale arising from the sale of shares of subsidiaries, etc. among consolidated companies is deferred for tax purposes, the Company has applied the Revised Implementation Guidance of 2022 from the beginning of the current fiscal year. This change in the accounting policy is applied retrospectively, but there is no cumulative effect on net assets at the beginning of the current fiscal year.

6. Notes on accounting estimates

(1) Impairment of fixed assets

(i) Amounts reported in the consolidated financial statements for the current fiscal year

| | |
|---|---|
| Impairment losses | 161 million yen |
| Balance of property, plant, and equipment | 10,824 million yen |
| Balance of intangible assets | 2,808 million yen |

(ii) Other information that contributes to the understanding of users of the non-consolidated financial statements

i) Calculation method

In assessing signs of impairment, the Group mainly groups its assets in terms of operating stores and other basic units.

The Group determines that there is an indication of impairment loss for existing stores when operating income (loss) becomes negative for two consecutive periods or when a decision is made to close a store, and for newly opened stores when operating income (loss) significantly deviates downward from the plan.

For an asset group for which an indication of impairment has been identified, the future cash flow to be derived from the asset group is estimated, and if the sum of the undiscounted future cash flow is less than the carrying amount of the fixed assets of the asset group, impairment loss recognition is considered to be necessary. In measuring impairment losses, the carrying amount is reduced to the recoverable amount (net selling price or value in use, whichever is higher) and an impairment loss is recognized.

ii) Key assumptions

The key assumptions in the future cash flow of operating stores, etc. are the sales and operating margin of these establishments.

iii) Impact on consolidated financial statements for the next fiscal year

In addition to uncertainties based on the aforementioned assumptions, the occurrence of impairment losses may be affected by trends in consumer spending due to the economy, changes in consumer preferences, weather conditions, and other factors.

(Notes to consolidated balance sheets)

1. Accumulated depreciation of property, plant and equipment12,324 million yen

(Notes to consolidated statement of changes in equity)

1. Matters related to the total number of shares issued and outstanding

| Type of shares | Number of shares at the beginning of the current fiscal year | Increase in number of shares during the current fiscal year | Decrease in number of shares during the current fiscal year | Number of shares at the end of the current fiscal year |
|---|---|---|---|---|
| Common shares | 47,448,172 shares | – shares | – shares | 47,448,172 shares |

2. Matters concerning the number of treasury shares

| Type of shares | Number of shares at the beginning of the current fiscal year | Increase in number of shares during the current fiscal year | Decrease in number of shares during the current fiscal year | Number of shares at the end of the current fiscal year |
|---|---|---|---|---|
| Common shares | 2,535,290 shares | 710,323 shares | 128,219 shares | 3,117,394 shares |

(Notes) 1. 1,810,400 shares at the beginning of the current fiscal year and 1,694,500 shares at the end of the current fiscal year are included in the number of treasury shares for the number of shares in the trust.

2. The increase of 710,323 shares in the number of common treasury shares represents an increase of 710,000 shares due to the purchase of treasury shares in accordance with Article 459, paragraph (1) of the Companies Act and an increase of 323 shares due to the purchase of odd-lot shares.
Furthermore, the decrease of 128,219 shares represents a decrease of 115,900 shares due to the sale by the trust and a decrease of 12,319 shares due to the grant as stock-based compensation.

3. Matters related to dividends of surplus

(1) Dividends paid, etc.

| Resolution | Type of shares | Total amount of dividends (million yen) | Dividend per share (yen) | Record date | Effective date |
|---|---|---|---|---|---|
| Board of Directors meeting held on May 14, 2024 | Common shares | 6,167 | 132 | March 31, 2024 | June 11, 2024 |
| Board of Directors meeting held on November 7, 2024 | Common shares | 1,869 | 40 | September 30, 2024 | December 2, 2024 |

(Notes) 1. The total amount of dividends based on the resolution of the Board of Directors meeting held on May 14, 2024 includes 238 million yen of dividends for the Company’s shares held by the trust.

2. The total amount of dividends based on the resolution of the Board of Directors meeting held on November 7, 2024 includes 68 million yen of dividends for the Company’s shares held by the trust.

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

| Resolution | Type of shares | Total amount of dividends (million yen) | Source of dividends | Dividend per share (yen) | Record date | Effective date |
|---|---|---|---|---|---|---|
| Board of Directors meeting held on May 14, 2025 | Common shares | 5,661 | Retained earnings | 123 | March 31, 2025 | June 10, 2025 |

(Note) The total amount of dividends includes 208 million yen of dividends for the Company’s shares held by the trust.

4. Matters related to share acquisition rights

Not applicable.

(Notes on revenue recognition)

1. Information on revenue disaggregation

   Sporting goods-related businesses are the only segment for the Group. Information on the Group's disaggregated revenues from contracts with customers is as follows.

| | |
|---|---|
| Performance | 40,049 million yen |
| Lifestyles | 80,550 million yen |
| Fashion | 11,706 million yen |
| Revenues from contracts with customers | 132,305 million yen |
| Other revenues | – million yen |
| Net sales to external customers | 132,305 million yen |

2. Information that serves as the basis for understanding revenues

   Information that serves as the basis for disaggregating revenues from contracts with customers is as stated in Notes to Basis of Presenting Consolidated Financial Statements under "4. Accounting policies, (4) Accounting standards for revenues and expenses."

3. Information for understanding amounts for the current, next, and subsequent fiscal years

   (1) Balance of contract liabilities

   The balances of contract liabilities from contracts with customers at the beginning and the end of the period are as follows.

| | |
|---|---|
| Contract liabilities (balance at the beginning of period) | 908 million yen |
| Contract liabilities (balance at the end of period) | 866 million yen |

(Notes) 1. Among revenues recognized in the current fiscal year, 908 million yen is included in the balance of contract liabilities at the beginning of the period.

2. Contract liabilities are the balance of points granted by the Company for which obligations are not fulfilled at the end of the period.

   (2) Transaction prices allocated to remaining obligations

   A simplified method for practical purposes is used, and information on remaining obligations is omitted because the Group had no important transaction whose individual expected contract period exceeded one year. Amounts of consideration to be received for contracts with customers contained no significant amounts of variable consideration that are not included in transaction prices.

(Notes on financial instruments)

1. Matters concerning the status of financial instruments

(1) Policy on financial instruments

The Group’s policy is to manage funds mainly through short-term deposits, etc., and to procure funds through bank borrowings or bond issues. Derivatives are used to hedge foreign exchange fluctuation risks of foreign currency-denominated operating receivables and payables and interest rate fluctuation risks of borrowings, and are not used for speculative transactions.

(2) Description of financial instruments, their risks, and risk management system

Notes and accounts receivable - trade are exposed to customer credit risk. With regard to such risks, in accordance with the Group’s credit management rules, credit limits are set for each customer, due dates and balances are managed, and the credit status of major customers is periodically monitored. In addition, some imports and exports of products, etc. are denominated in foreign currencies and are exposed to the risk of exchange rate fluctuations, but are hedged using forward exchange contracts.

Investment securities are mainly shares of companies with which the Company has business relationships and are exposed to market price fluctuation risk, but their fair value is periodically determined and reported to the Board of Directors.

Notes and accounts payable - trade, which are operating payables, are mostly due within one year. In addition, some imports of products, etc. are denominated in foreign currencies and are exposed to the risk of exchange rate fluctuations, but are hedged using forward exchange contracts.

Among borrowings, short-term borrowings and long-term borrowings (generally within five years) are mainly for financing operating transactions. Borrowings with floating interest rates are exposed to interest rate fluctuation risk. For some of these long-term borrowings, derivative transactions (interest rate swaps) are used as hedging instruments on an individual contract basis in order to avoid interest rate fluctuation risk and fix interest payments.

The execution and management of derivative transactions are conducted in accordance with internal rules that stipulate transaction authority. In addition, the Company uses derivative transactions only with highly rated financial institutions to mitigate credit risks.

In addition, operating payables and borrowings are exposed to liquidity risk. In the Group, the Company’s Finance Department prepares and updates cash management plans in a timely manner based on reports from each department, and each Group company also reviews its cash management plans on a monthly basis.

(3) Supplementary explanation of matters concerning fair value, etc. of financial instruments

For derivative transactions in “2. Matters concerning fair value, etc. of financial instruments” the amount itself does not indicate the market risk involved in derivative transactions.

2. Matters concerning fair value, etc. of financial instruments

Amounts on the consolidated balance sheet as of March 31, 2025 (consolidated closing date for the current fiscal year), market value, and the difference between the two are as follows. Shares without a readily available market price, etc. (whose amount stated in consolidated balance sheets is 29,104 million yen) are not included in the following table.

Notes on cash are omitted. Notes on deposits, notes receivable - trade, accounts receivable - trade, electronically recorded monetary claims - operating, notes and accounts payable - trade, and electronically recorded obligations - operating are also omitted because deposit settlement in a short period causes their fair value to resemble their book value closely.

(Unit: million yen)

| | Amount on the consolidated balance sheet | Fair value | Difference |
|---|---|---|---|
| (1) Investment securities<br>Available-for-sale securities | 3,910 | 3,910 | – |
| (2) Guarantee deposits | 3,201 | 2,720 | (481) |
| (3) Long-term borrowings | (354) | (350) | 3 |
| (4) Derivative transactions | | | |
| Items for which hedge accounting is applied | (8) | (8) | – |

(*1) Items recorded in liabilities are shown in parentheses.
(*2) Long-term borrowings include current portion of long-term borrowings.
(*3) Receivables and payables arising from derivative transactions are presented net.

(Notes)

1. Matters concerning derivative transactions

Items for which hedge accounting is applied

As for derivatives transactions for which hedge accounting is applied, the contracted amount or principal equivalent amounts provided in contracts on the closing date on a consolidated basis by hedge accounting method are as below.

1) Currency-related

(Unit: million yen)

| Hedge accounting method | Type of derivative transactions | Main hedged items | Contract amount, etc. | Of which, over 1 year | Fair value | Method of calculating the fair value of the hedged items |
|---|---|---|---|---|---|---|
| Principal accounting method | Forward exchange contracts<br>Long position<br>USD<br>Euro | Accounts payable - trade<br>Accounts payable - trade | 2,754<br>235 | –<br>– | (14)<br>5 | Forward exchange rates are used. |
| Total | | | 2,989 | – | (8) | |

(*) Items recorded in liabilities are shown in parentheses.

2) Interest rate-related

(Unit: million yen)

| Hedge accounting method | Type of derivative transactions | Main hedged items | Contract amount, etc. | Of which, over 1 year | Fair value | Method of calculating the fair value of the hedged items |
|---|---|---|---|---|---|---|
| Special treatment of interest rate swaps | Fixed rate paid/floating rate received for interest rate swap transactions | Long-term borrowings | 85 | – | (*) | |
| Total | | | 85 | – | – | |

(*) The fair value of interest rate swaps that qualify for special treatment is included in the fair value of the relevant long-term borrowings because they are accounted for as an integral part of the long-term borrowings that are hedged.

2. Valuation methods used for calculating fair values and input explanations

The fair values of financial instruments are classified into the following three levels according to the observability and importance of inputs related to their calculation.

| | |
|---|---|
| Fair values on Level 1: | among inputs related to the calculation of observable fair values, fair values calculated with the use of market prices related to assets or liabilities subject to the calculation of the concerned fair values formed in active markets |
| Fair values on Level 2: | among inputs related to the calculation of observable fair values, fair values calculated with the use of inputs related to the calculation of the fair values of inputs other than Level 1 inputs |
| Fair values on Level 3: | fair values calculated with the use of inputs related to the calculation of unobservable fair values |

Fair values are classified into the level lowest in the order of priority among levels to which respective inputs belong in cases where multiple inputs that significantly affect the calculation of fair values are used.

(1) Investment securities

The fair value of these shares is based on the price on the stock exchange. The fair values of listed shares are classified into Level 1 because such shares are traded in active markets. Also, investment trusts are classified as Level 2, with the constant value being used as fair value, because transaction prices in the market do not exist and there are no material restrictions regarding cancellation or repurchase requests that may lead market participants to demand compensation for risk.

(2) Guarantee deposits

The fair value of guarantee deposits is calculated based on the present value of future cash flows discounted at an appropriate index such as the yield of government bonds plus a credit spread. Their fair values are classified into Level 2.

(3) Long-term borrowings

The fair values of long-term borrowings are calculated with use of their present value obtained by discounting the sum of principal and interest by the interest rate estimated in cases where a similar new loan is made. Their fair values are classified into Level 2.

(4) Derivative transactions

The fair values of forward exchange contracts are calculated in the discounted present value method using observable inputs such as interest rates and exchange rates. Their fair values are classified into Level 2.

(Notes to per share information)

1. Net assets per share 2,489.98 yen
2. Net income per share 545.97 yen

(Note) Basis for calculation is as follows.

(1) Basis for calculation of net assets per share

| | |
|---|---|
| Total net assets | 111,203 million yen |
| Amount deducted from total net assets | 820 million yen |
| (Of which, non-controlling interests) | (820 million yen) |
| Net assets related to common shares at the end of the period | 110,382 million yen |
| Number of common shares used in the calculation of net assets per share at the end of the period | 44,330,778 shares |

(2) Basis for calculation of net income per share

| | |
|---|---|
| Profit attributable to owners of parent | 24,444 million yen |
| Amount not attributable to common shareholders | – million yen |
| Profit attributable to owners of parent related to common shares | 24,444 million yen |
| Average number of common shares during the period | 44,772,223 shares |

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 net income per share, and are also included in the number of treasury shares deducted from the total number of shares outstanding at the end of the period for the calculation of net assets per share.

The average number of such treasury shares during the period deducted in the calculation of net income per share is 2,675,949 shares for the current fiscal year, and the number of such treasury shares at the end of the period deducted in the calculation of net assets per share is 3,117,394 shares for the current fiscal year.

(Notes on significant subsequent events)

(Stock split and partial amendment to the Articles of Incorporation associated with the stock split)

At the Board of Directors meeting held on May 14, 2025, the Company resolved to implement a stock split and partial amendment to the Articles of Incorporation associated with the stock split.

1. Stock split

(1) Purpose of the stock split

The purpose of the stock split is to create a more accessible investment environment by lowering the investment amount per trading unit, thereby improving the liquidity of the Company’s stock and expanding the investor base.

(2) Overview of the stock split

(i) Method of the split

The stock will be split at a ratio of three shares for every one share of common stock held by shareholders recorded in the final shareholder registry as of Tuesday, September 30, 2025.

(ii) Number of shares increased by the split

| | |
|---|---|
| Total number of issued shares before the stock split | 47,448,172 shares |
| Number of shares to be increased through the stock split | 94,896,344 shares |
| Total number of issued shares after the stock split | 142,344,516 shares |
| Total number of authorized shares after the stock split | 552,000,000 shares |

(iii) Schedule of the stock split

| | |
|---|---|
| Public notice date of record date | Friday, September 12, 2025 |
| Record date | Tuesday, September 30, 2025 |
| Effective date | Wednesday, October 1, 2025 |

2. Partial amendment to the Articles of Incorporation associated with the stock split

(1) Reason for the amendment

In conjunction with the stock split, pursuant to Article 184, paragraph (2) of the Companies Act, the Company will amend Article 7 of its Articles of Incorporation to change the total number of authorized shares effective Wednesday, October 1, 2025.

(2) Details of the amendment

The details of the amendment are as follows. (Underlines indicate amendments.)

| Current Articles of Incorporation | Amended Articles of Incorporation |
|---|---|
| Article 7 (Total Number of Authorized Shares)<br>The total number of shares authorized to be issued by the Company shall be <u>184,000,000 shares</u>. | Article 7 (Total Number of Authorized Shares)<br>The total number of shares authorized to be issued by the Company shall be <u>552,000,000 shares</u>. |

(3) Schedule for the amendment to the Articles of Incorporation

Effective date Wednesday, October 1, 2025

**Notes to Non-consolidated Financial Statements**

1. Notes to significant accounting policies

   (1) Valuation standards and methods for assets

   (i) Securities

   Shares of subsidiaries and affiliates

   Stated at cost determined by the moving-average method.

   Available-for-sale securities

   Securities other than shares, etc. that do not have market prices

   Market value method (unrealized gains and losses are accounted for as a component of net assets, and the cost of securities sold is determined by the moving-average method).

   Shares, etc. that do not have market price

   Stated at cost determined by the moving-average method.

   (ii) Inventories

   Finished goods and merchandise, raw materials, and work in process

   Stated at cost determined by the moving-average method (the amount stated in the balance sheet is calculated by writing down the book value based on a decline in profitability).

   (2) Depreciation and amortization method for fixed assets

   (i) Property, plant, and equipment (excluding leased assets)

   Buildings (excluding facilities attached to buildings)

   Straight-line method is used.

   Other tangible fixed assets

   Declining-balance method is used.

   (ii) Intangible assets (excluding leased assets)

   Straight-line method is used.

   Note that software for internal use is amortized by the straight-line method over the estimated useful life (five years).

   (iii) Leased assets

   Straight-line method is used, where the lease period is deemed as the useful life and the residual value is set as zero.

   (3) Basis for recording allowances

   (i) Allowance for doubtful accounts

   The allowance for doubtful accounts is provided for possible losses on receivables based on the historical write-off ratio for general receivables and on the estimated amount of uncollectible receivables based on a case-by-case determination of collectibility for specific receivables such as doubtful receivables.

   (ii) Provision for bonuses

   To provide for the payment of bonuses to employees, an amount accrued for the current fiscal year is recorded based on the estimated amount of payment.

(iii) Provision for retirement benefits

i) Method of attributing estimated retirement benefits to periods of service

In calculating the retirement benefit obligation, the estimated amount of retirement benefits is attributed to the period up to the end of the current fiscal year based on the benefit calculation method. In the event that the pension assets to be recognized at the end of the current fiscal year exceed the amount of the projected benefit obligation less the actuarial difference, the excess is recognized as prepaid pension cost and included in investments and other assets.

ii) Method of amortization of actuarial differences

Actuarial gains and losses are amortized by the straight-line method over a fixed number of years (ten years) within the average remaining service period of employees at the time of occurrence in each fiscal year, with the amount prorated from the following fiscal year.

(iv) Provision for share awards

To provide for the payment of Company stock to employees in accordance with stock awards regulations, a provision for share awards is recorded based on the estimated amount of the share awards obligation as of the end of the current fiscal year.

(4) Accounting standards for revenues and expenses

The Company recognizes revenues at the time control over promised goods or services is transferred to the customers in the amount expected to be received upon the exchange of said goods or services, applying the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and relevant ASBJ regulations.

(i) Information on contracts and obligations

The Company engages in sporting goods-related businesses and recognizes revenues at the point where merchandise is delivered to customers, judging that obligations are fulfilled at such point.

However, for domestic sales, if the period from shipment to transfer of control of goods or products is within a normal period of time, revenues are recognized at the time of shipment. In addition, for transactions conducted as a sales agent, such as the sale of subsidiary goods or products through directly managed stores or online stores, the transaction price is calculated based on the net amount received from the customer.

(ii) Information on the calculation of transaction prices and the amount of transaction prices allocated to obligations

The Company recognizes revenues within a scope wherein significant reversal is extremely unlikely to occur, deducting discounts calculated on the basis of results for each customer and estimates such as those for returned goods from prices established in contracts.

(iii) Information on the calculation of the amount allocated to obligations

The Company has a customer loyalty program, and offers members points according to the amount of their purchase. Granted points are identified as obligations. Transaction prices are allocated on the basis of standalone selling prices calculated by taking expected future expiration, etc. into consideration. Revenues are recognized at the point where points are used.

(5) Other important matters that serve as the basis for the preparation of financial statements

(i) Hedge accounting method

i) Hedge accounting method

Deferred hedge accounting is used.

However, the Company applies the special treatment for interest rate swaps that meet the requirements for special treatment and the allocation treatment for forward exchange contracts that meet the requirements for allocation treatment.

ii) Hedging instruments and hedged items

Hedging instruments
Interest rate swaps and forward exchange contracts

Hedged items
Interest on borrowings, anticipated transactions denominated in foreign currencies, receivables and payables denominated in foreign currencies

iii) Hedging policy

Hedging is conducted within the scope of the target receivables and payables to reduce interest rate risk and foreign exchange fluctuation risk.

iv) Methods of evaluating the effectiveness of hedges

The effectiveness of hedging activities is evaluated by comparing market fluctuations or cash flow fluctuations of the hedging instruments with those of the hedged items and by observing correlations.

(ii) Accounting for retirement benefits

The method of accounting for unrecognized actuarial differences in retirement benefits differs from the method used in the consolidated financial statements.

(iii) Accounting principles and procedures adopted in cases where the provisions of relevant accounting standards, etc. are unclear

Transfer-restricted stock compensation plan

Remuneration, etc. paid to the Company's Directors who are not external Directors and others based on the Company's transfer-restricted stock compensation plan are expensed over their respective service periods.

(iv) Application of the group tax sharing system

The Company is applying the group tax sharing system.

2. Changes in accounting policies

(Application of Accounting Standard for Current Income Taxes and other relevant ASBJ regulations)

The Company has applied the "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; the "Revised Accounting Standard of 2022") and other relevant ASBJ regulations from the beginning of the current fiscal year. Revisions to categories for recording current income taxes (taxation on other comprehensive income) conform to the transitional treatment in the proviso of paragraph 20-3 of the Revised Accounting Standard of 2022 and the transitional treatment in the proviso of paragraph 65-2(2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; the "Revised Implementation Guidance of 2022"). This change in the accounting policy has no impact on the non-consolidated financial statements.

3. Notes on accounting estimates

(1) Impairment of fixed assets

(i) Amounts reported in the non-consolidated financial statements for the current fiscal year

| | |
|---|---|
| Impairment losses | 161 million yen |
| Balance of property, plant, and equipment | 8,471 million yen |
| Balance of intangible assets | 2,746 million yen |

(ii) Other information that contributes to the understanding of users of the non-consolidated financial statements

i) Calculation method

The Company mainly groups its assets in terms of operating stores and other basic units.

The Group determines that there is an indication of impairment loss for existing stores when operating income (loss) becomes negative for two consecutive periods or when a decision is made to close a store, and for newly opened stores when operating income (loss) significantly deviates downward from the plan.

For an asset group for which an indication of impairment has been identified, the future cash flow to be derived from the asset group is estimated, and if the sum of the undiscounted future cash flow is less than the carrying amount of the fixed assets of the asset group, impairment loss recognition is considered to be necessary. In measuring impairment losses, the carrying amount is reduced to the recoverable amount (net selling price or value in use, whichever is higher) and an impairment loss is recognized.

ii) Key assumptions

The key assumptions in the future cash flow of operating stores, etc. are the sales and operating margin of these establishments.

iii) Impact on non-consolidated financial statements for the next fiscal year

In addition to uncertainties based on the aforementioned assumptions, the occurrence of impairment losses may be affected by trends in consumer spending due to the economy, changes in consumer preferences, weather conditions, and other factors.

4. Notes to the balance sheet

(1) Accumulated depreciation of property, plant and equipment 10,449 million yen

(2) Contingent liabilities

Guarantee obligations

The Company has guaranteed purchase obligations of the following affiliates.

| | |
|---|---|
| and per se Co., Ltd. | 413 million yen |
| WOOLRICH JAPAN INC. | 49 million yen |
| Total | 463 million yen |

(3) Monetary receivables from and payables to subsidiaries and affiliates

| | |
|---|---|
| Short-term monetary claims | 2,662 million yen |
| Long-term monetary claims | 1,410 million yen |
| Short-term monetary payables | 2,907 million yen |

5. Notes to statement of income

Transactions with affiliates

Transactions by operating transactions

| | |
|---|---|
| Net sales | 4,896 million yen |
| Purchase of goods | 3,005 million yen |
| Selling, general and administrative expenses | 4,167 million yen |
| Non-operating transactions | 10,192 million yen |

6. Notes to statement of changes in equity

Matters concerning the number of treasury shares

| Type of shares | Number of shares at the beginning of the current fiscal year | Increase in number of shares during the current fiscal year | Decrease in number of shares during the current fiscal year | Number of shares at the end of the current fiscal year |
|---|---|---|---|---|
| Common shares | 2,535,290 shares | 710,323 shares | 128,219 shares | 3,117,394 shares |

(Notes) 1. 1,810,400 shares at the beginning of the current fiscal year and 1,694,500 shares at the end of the current fiscal year are included in the number of treasury shares for the number of shares in the trust.

2. The increase of 710,323 shares in the number of common treasury shares represents an increase of 710,000 shares due to the purchase of treasury shares in accordance with Article 459, paragraph (1) of the Companies Act and an increase of 323 shares due to the purchase of odd-lot shares.
Furthermore, the decrease of 128,219 shares represents a decrease of 115,900 shares due to the sale by the trust and a decrease of 12,319 shares due to the grant as stock-based compensation.

7. Notes to tax effect accounting

(1) Breakdown of deferred tax assets and liabilities by major causes

| | |
|---|---|
| Deferred tax assets | |
| Loss on valuation of inventories | 35 million yen |
| Provision for bonuses | 246 million yen |
| Provision for share awards | 1,528 million yen |
| Loss on valuation of shares of subsidiaries and associates | 1,180 million yen |
| Loss on debt-equity swaps | 529 million yen |
| Other | 3,074 million yen |
| Deferred tax assets subtotal | 6,595 million yen |
| Valuation allowance | (2,831) million yen |
| Total deferred tax assets | 3,763 million yen |
| Deferred tax liabilities | |
| Valuation difference on available-for-sale securities | 383 million yen |
| Other | 470 million yen |
| Total deferred tax liabilities | 853 million yen |
| Net deferred tax assets | 2,910 million yen |

(2) Breakdown of major causes of differences between the statutory effective tax rate and the effective tax rate after the application of tax effect accounting

| | |
|---|---|
| Statutory effective tax rate | 30.6% |
| (Adjustments) | |
| Dividend income and other items not permanently includable in income | (10.0)% |
| Per capita inhabitant tax, etc. | 0.2% |
| Valuation allowance, etc. | (3.5)% |
| Tax credits, etc. | (1.9)% |
| Other | 1.2% |
| Effective tax rate after application of tax effect accounting | 16.6% |

(3) Adjustment of the amounts of deferred tax assets and deferred tax liabilities due to changes in income tax rates

Due to the enactment of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) in the Japanese Diet on March 31, 2025, the “Special Corporation Tax for National Defense” will be imposed from the fiscal years beginning on or after April 1, 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to be reversed in the fiscal years beginning on or after April 1, 2026 are calculated by changing the statutory effective tax rate from 30.6% to 31.5%.

The effect of this change is immaterial.

8. Notes on revenue recognition

(1) Information that serves as the basis for understanding revenues

Information that serves as the basis for disaggregating revenues from contracts with customers is as stated in Notes to Basis of Presenting Consolidated Financial Statements under “4. Accounting policies, (4) Accounting standards for revenues and expenses.”

9. Notes on transactions with related parties

Subsidiaries and affiliates, etc.

| Type | Name of company | Address | Capital or investment | Business or occupation | Ownership percentage of voting rights, etc. (%) | Relationship with related parties | Details of transactions | Transaction amount (million yen) | Account | Balance at end of period (million yen) |
|---|---|---|---|---|---|---|---|---|---|---|
| Subsidiary | GOLDWIN LOGITEM INC. | Oyabe City, Toyama | 50 million yen | Logistics | Direct 100.0 | Logistics management of products handled by the Company Concurrent officer | Logistics expenses*1 | 3,959 | Accounts payable - other | 723 |
| Subsidiary | nanamica inc. | Shibuya-ku, Tokyo | 60 million yen | Casual wear-related business | Direct 96.7 | Concurrent officer | Royalties*1<br>Borrowing of funds<br>Interest on borrowings*2 | 211<br>2,000<br>1 | Short-term borrowings | 2,000 |
| Subsidiary | and per se Co., Ltd. | Chiyoda-ku, Tokyo | 45 million yen | Sporting goods-related business | Direct 100.0 | Partial supply of the Company's products | Loan of funds<br>Collection of funds<br>Interest on loans *2<br>Debt guarantees *3 | 10,450<br>10,450<br>0<br>413 | Long-term loans receivable | 850 |
| Subsidiary | WOOLRICH JAPAN INC. | Shibuya-ku, Tokyo | 100 million yen | Casual wear-related business | Direct 100.0 | Partial supply of the Company's products Concurrent officer | Loan of funds<br>Collection of funds<br>Interest on loans *2<br>Debt guarantees *4 | 3,300<br>3,300<br>0<br>49 | Short-term loans receivable | 600 |
| Affiliate | YOUNGONE OUTDOOR Corporation | Seoul City, South Korea | 3,000 million won | Sporting goods-related business | Direct 40.7 | Trademark royalties in South Korea Concurrent officer | Royalties*1 | 3,780 | Accounts receivable - trade | 878 |

(Notes) Terms and conditions of transactions and policy for determining terms and conditions of transactions, etc.

*1 Transaction terms and conditions are determined by mutual consultation between the two companies.

*2 Interest rates for loans and borrowings are reasonably determined in consideration of market interest rates.

*3 The Company has guaranteed the purchase obligations.

*4 The Company guarantees obligations under fixed-term building lease contracts for directly managed stores. Although there is no outstanding debt at year-end, the total ground rent for the contract period of the directly managed stores covered by the guarantee is 49 million yen.

Officers and major shareholders (individual shareholders only)

| Type | Name of company, etc. or name | Location | Capital or investment | Business or occupation | Percentage of voting rights, etc. held (%) | Relationship with related parties | Details of transactions | Transaction amount (million yen) | Account | Balance at end of period (million yen) |
|---|---|---|---|---|---|---|---|---|---|---|
| Officers and close relatives | Akio Nishida | – | – | Chairman and Representative Director of the Company | (Owned) Direct 0.3 | – | In-kind contribution of monetary compensation claims (Note) | 11 | – | – |
| Officers and close relatives | Takao Watanabe | – | – | President and Representative Director | (Owned) Direct 0.1 | – | In-kind contribution of monetary compensation claims (Note) | 11 | – | – |

(Note) Monetary compensation claims are contributed in kind based on the transfer-restricted stock compensation plan.

10. Notes to per share information

| | |
|---|---|
| (1) Net assets per share | 1,797.43 yen |
| (2) Net income per share | 539.82 yen |

(Note) Basis for calculation is as follows.

(1) Basis for calculation of net assets per share

| | |
|---|---|
| Total net assets | 79,681 million yen |
| Amount deducted from total net assets | – million yen |
| Net assets related to common shares at the end of the period | 79,681 million yen |
| Number of common shares used in the calculation of net assets per share at the end of the period | 44,330,778 shares |

(2) Basis for calculation of net income per share

| | |
|---|---|
| Profit | 24,168 million yen |
| Amount not attributable to common shareholders | – million yen |
| Net income related to common shares | 24,168 million yen |
| Average number of common shares during the period | 44,772,223 shares |

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 net income per share, and are also included in the number of treasury shares deducted from the total number of shares outstanding at the end of the period for the calculation of net assets per share.

The average number of such treasury shares during the period deducted in the calculation of net income per share is 2,675,949 shares for the current fiscal year, and the number of such treasury shares at the end of the period deducted in the calculation of net assets per share is 3,117,394 shares for the current fiscal year.

11. Notes on significant subsequent events

The "Stock split and partial amendment to the Articles of Incorporation associated with the stock split" have not been noted here, as the same content is included in the "Notes to Consolidated Financial Statements (Notes on significant subsequent events)."

12. Notes on companies subject to consolidated dividend regulations

Not applicable.