

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2013 (Based on Japanese GAAP)

May 14, 2013

Company name GOLDWIN INC.  
 Stock exchange listing Tokyo  
 Stock Code 8111 URL <http://www.goldwin.co.jp>  
 Representative President and Representative Director Akio Nishida  
 Director, Senior Managing Officer, Executive  
 Inquiries General Manager, General Administration Kiyoto Futatsukawa TEL 03-3481-7203  
 Headquarters  
 Scheduled date of ordinary general meeting of shareholders June 27, 2013  
 Scheduled date to file Securities Report June 27, 2013  
 Scheduled date to commence dividend payments June 13, 2013  
 Preparation of supplementary material on earnings no  
 Holding of earnings performance review no -

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2013 (from April 1, 2012 to March 31, 2013)

#### (1) Consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2013	52,510	8.0	1,902	68.2	3,168	(4.6)	2,639	1.0
Year ended March 31, 2012	48,641	14.8	1,131	87.5	3,321	20.2	2,612	75.6

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2013	44.99	44.75	13.6	7.1	3.6
Year ended March 31, 2012	44.82	-	16.1	7.9	2.3

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2013	45,176	21,433	47.2	362.81
As of March 31, 2012	43,444	17,620	40.2	297.56

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Period-end cash and cash equivalents
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
As of March 31, 2013	1,337	(754)	(1,858)	3,761
As of March 31, 2012	3,591	(1,280)	(2,750)	4,992

### 2. Cash dividends

	Annual dividends					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, 2012	-	0.00	-	5.00	5.00	293	11.2	1.7
Year ended March 31, 2013	-	0.00	-	6.00	6.00	354	13.4	1.7
Year ending March 31, 2014 (Forecast)	-	0.00	-	7.00	7.00		18.0	

3. Forecast of consolidated financial results for the year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2013	24,100	0.1	450	11.1	850	3.5	700	2.9	11.92
Full year	53,000	0.9	2,100	10.4	3,200	1.0	2,300	(12.8)	39.15

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2013

(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 after error corrections

Changes in accounting policies due to revisions to accounting standards and other regulations: no

Changes in accounting policies due to other reasons: no

Changes in accounting estimates: no

Restatement of prior period financial statements after error corrections: no

(3) Number of issued shares

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

As of March 31, 2013	59,393,218 shares	As of March 31, 2012	58,851,218 shares
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Number of shares of treasury stock at the end of the period

As of March 31, 2013	645,169 shares	As of March 31, 2012	218,068 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Year ended March 31, 2013	58,654,585 shares	Year ended March 31, 2012	58,301,764 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
Assets		
Current assets		
Cash and deposits	5,798	4,606
Notes and accounts receivable-trade	11,167	11,090
Merchandise and finished goods	8,884	9,057
Work in process	108	78
Raw materials and supplies	688	637
Other	1,513	1,239
Allowance for doubtful accounts	(20)	(8)
Total current assets	28,141	26,701
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	1,786	1,682
Machinery, equipment and vehicles, net	34	49
Land	828	755
Lease assets, net	775	1,036
Other, net	170	217
Total property, plant and equipment	3,596	3,741
Intangible assets		
Right of trademark	114	77
Goodwill	223	175
Other	591	607
Total intangible assets	929	860
Investments and other assets		
Investment securities	7,661	9,841
Long-term loans receivable	74	68
Guarantee deposits	2,156	2,114
Claims provable in bankruptcy, claims provable in rehabilitation and other	178	178
Other	1,036	1,997
Allowance for doubtful accounts	(329)	(326)
Total investments and other assets	10,776	13,873
Total noncurrent assets	15,302	18,475
Total assets	43,444	45,176

(Millions of yen)

	As of March 31, 2012	As of March 31, 2013
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	13,011	11,037
Short-term loans payable	646	1,028
Current portion of bonds	32	36
Current portion of long-term loans payable	1,898	1,398
Lease obligations	270	417
Accounts payable-other	1,083	1,178
Income taxes payable	139	268
Accrued consumption taxes	201	247
Accrued expenses	621	729
Provision for bonuses	676	660
Provision for sales returns	497	507
Other	102	343
<b>Total current liabilities</b>	<b>19,181</b>	<b>17,853</b>
<b>Noncurrent liabilities</b>		
Bonds payable	36	-
Long-term loans payable	3,093	1,982
Lease obligations	660	920
Deferred tax liabilities	107	179
Provision for retirement benefits	2,145	2,351
Asset retirement obligations	49	48
Other	549	407
<b>Total noncurrent liabilities</b>	<b>6,642</b>	<b>5,889</b>
<b>Total liabilities</b>	<b>25,823</b>	<b>23,742</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	10,416	7,041
Capital surplus	94	3,719
Retained earnings	9,256	11,602
Treasury stock	(51)	(278)
<b>Total shareholders' equity</b>	<b>19,715</b>	<b>22,085</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	59	300
Deferred gains or losses on hedges	3	(20)
Foreign currency translation adjustment	(2,331)	(1,051)
<b>Total accumulated other comprehensive income</b>	<b>(2,268)</b>	<b>(770)</b>
Subscription rights to shares	128	60
Minority interests	45	59
<b>Total net assets</b>	<b>17,620</b>	<b>21,433</b>
<b>Total liabilities and net assets</b>	<b>43,444</b>	<b>45,176</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net sales	48,641	52,510
Cost of sales	28,755	30,822
Gross profit	19,886	21,688
Provision for sales returns	112	10
Gross profit-net	19,773	21,677
Selling, general and administrative expenses	18,642	19,775
Operating income	1,131	1,902
Non-operating income		
Interest income	40	25
Dividends income	42	42
Royalty income	18	15
Equity in earnings of affiliates	2,328	1,408
Other	121	138
Total non-operating income	2,551	1,629
Non-operating expenses		
Interest expenses	260	193
Loss on sales of notes payable	50	51
Other	50	118
Total non-operating expenses	361	364
Ordinary income	3,321	3,168
Extraordinary income		
Gain on sales of noncurrent assets	1	183
Gain on sales of investment securities	3	2
Gain on donation of noncurrent assets	-	26
Gain on reversal of subscription rights to shares	4	-
Other	-	0
Total extraordinary income	8	213
Extraordinary loss		
Loss on disposal of noncurrent assets	2	10
Impairment loss	202	7
Loss on closing of stores	15	12
Special retirement expenses	103	32
Career achievement bonus	-	140
Company funeral expense	-	25
termination fee	-	28
Other	21	7
Total extraordinary losses	345	264
Income before income taxes and minority interests	2,984	3,116
Income taxes-current	376	472
Income taxes-deferred	(4)	(9)
Total income taxes	371	462
Income before minority interests	2,613	2,653
Minority interests in income	0	14
Net income	2,612	2,639

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Income before minority interests	2,613	2,653
Other comprehensive income		
Valuation difference on available-for-sale securities	31	241
Deferred gains or losses on hedges	14	(23)
Foreign currency translation adjustment	31	102
Share of other comprehensive income of associates accounted for using equity method	(121)	1,178
Total other comprehensive income	(43)	1,498
Comprehensive income	2,570	4,151
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,570	4,136
Comprehensive income attributable to minority interests	(0)	14

## Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	10,329	10,416
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	86	125
Capital reduction	-	(3,500)
Total changes of items during the period	86	(3,374)
Balance at the end of current period	10,416	7,041
Capital surplus		
Balance at the beginning of current period	8	94
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	86	125
Capital reduction	-	3,500
Disposal of treasury stock	-	0
Total changes of items during the period	86	3,625
Balance at the end of current period	94	3,719
Retained earnings		
Balance at the beginning of current period	6,942	9,256
Changes of items during the period		
Dividends from surplus	(233)	(293)
Net income	2,612	2,639
Decrease from newly consolidated subsidiary	(66)	-
Total changes of items during the period	2,313	2,345
Balance at the end of current period	9,256	11,602
Treasury stock		
Balance at the beginning of current period	(44)	(51)
Changes of items during the period		
Purchase of treasury stock	(6)	(231)
Disposal of treasury stock	-	5
Total changes of items during the period	(6)	(226)
Balance at the end of current period	(51)	(278)
Total shareholders' equity		
Balance at the beginning of current period	17,236	19,715
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	172	250
Purchase of treasury stock	(6)	(231)
Disposal of treasury stock	-	5
Dividends from surplus	(233)	(293)
Net income	2,612	2,639
Decrease from newly consolidated subsidiary	(66)	-
Total changes of items during the period	2,479	2,369
Balance at the end of current period	19,715	22,085

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	28	59
Changes of items during the period		
Net changes of items other than shareholders' equity	31	241
Total changes of items during the period	31	241
Balance at the end of current period	59	300
Deferred gains or losses on hedges		
Balance at the beginning of current period	(11)	3
Changes of items during the period		
Net changes of items other than shareholders' equity	14	(23)
Total changes of items during the period	14	(23)
Balance at the end of current period	3	(20)
Foreign currency translation adjustment		
Balance at the beginning of current period	(2,242)	(2,331)
Changes of items during the period		
Net changes of items other than shareholders' equity	(89)	1,280
Total changes of items during the period	(89)	1,280
Balance at the end of current period	(2,331)	(1,051)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(2,226)	(2,268)
Changes of items during the period		
Net changes of items other than shareholders' equity	(42)	1,497
Total changes of items during the period	(42)	1,497
Balance at the end of current period	(2,268)	(770)
Subscription rights to shares		
Balance at the beginning of current period	178	128
Changes of items during the period		
Net changes of items other than shareholders' equity	(50)	(67)
Total changes of items during the period	(50)	(67)
Balance at the end of current period	128	60
Minority interests		
Balance at the beginning of current period	14	45
Changes of items during the period		
Net changes of items other than shareholders' equity	31	13
Total changes of items during the period	31	13
Balance at the end of current period	45	59



(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Total net assets		
Balance at the beginning of current period	15,203	17,620
Changes of items during the period		
Issuance of new shares-exercise of subscription rights to shares	172	250
Purchase of treasury stock	(6)	(231)
Disposal of treasury stock	-	5
Dividends from surplus	(233)	(293)
Net income	2,612	2,639
Decrease from newly consolidated subsidiary	(66)	-
Net changes of items other than shareholders' equity	(61)	1,443
Total changes of items during the period	2,417	3,812
Balance at the end of current period	17,620	21,433

## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,984	3,116
Depreciation and amortization	1,058	889
Equity in (earnings) losses of affiliates	(2,328)	(1,408)
Amortization of goodwill	20	48
Loss (gain) on valuation of investment securities	12	4
Increase (decrease) in provision for retirement benefits	135	205
Impairment loss	202	7
Increase (decrease) in allowance for doubtful accounts	38	(15)
Interest and dividends income	(83)	(67)
Interest expenses	260	193
Loss (gain) on disposal of noncurrent assets	0	(172)
Decrease (increase) in notes and accounts receivable-trade	(1,151)	84
Decrease (increase) in inventories	(1,234)	(87)
Increase (decrease) in notes and accounts payable-trade	1,913	(1,983)
Other, net	(193)	258
Subtotal	1,636	1,074
Interest and dividends income received	1,795	800
Interest expenses paid	(249)	(192)
Income taxes paid	(390)	(345)
Proceeds from operating guarantee received	800	-
Other, net	(1)	-
Net cash provided by (used in) operating activities	3,591	1,337
Net cash provided by (used in) investing activities		
Payments into time deposits	(791)	(1,210)
Proceeds from withdrawal of time deposits	403	934
Purchase of noncurrent assets	(304)	(507)
Proceeds from sales of noncurrent assets	4	326
Purchase of investment securities	(208)	(43)
Proceeds from sales of investment securities	53	26
Purchase of investments in merger of subsidiaries	(443)	-
Purchase of property for lease	-	(231)
Payments for guarantee deposits	(174)	(102)
Other, net	179	51
Net cash provided by (used in) investing activities	(1,280)	(754)

(Millions of yen)

	Fiscal year ended March 31, 2012	Fiscal year ended March 31, 2013
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	93	377
Proceeds from long-term loans payable	1,300	370
Repayment of long-term loans payable	(3,689)	(1,981)
Redemption of bonds	(32)	(32)
Repayments of lease obligations	(206)	(314)
Proceeds from issuance of common stock	-	242
Cash dividends paid	(233)	(293)
Other, net	18	(228)
Net cash provided by (used in) financing activities	(2,750)	(1,858)
Effect of exchange rate change on cash and cash equivalents	1	44
Net increase (decrease) in cash and cash equivalents	(439)	(1,231)
Cash and cash equivalents at beginning of period	5,389	4,992
Increase in cash and cash equivalents from newly consolidated subsidiary	42	-
Cash and cash equivalents at end of period	4,992	3,761