

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2014 (Based on Japanese GAAP)

August 5, 2014

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 to file Quarterly Securities Report: August 8, 2014
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 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, 2014 (from April 1, 2014 to June 30, 2014)

(1) Consolidated financial results (cumulative)

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	%
Three months ended June 30, 2014	9,239	(1.8)	(763)	–	(256)	–	(280)	–
Three months ended June 30, 2013	9,412	(2.4)	(574)	–	(210)	–	(217)	–

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2014	(4.76)	–
Three months ended June 30, 2013	(3.70)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2014	50,031	24,095	48.0
As of March 31, 2014	49,342	24,376	49.3

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, 2014	–	0.00	–	8.00	8.00
Year ending March 31, 2015	–	–	–	–	–
Year ending March 31, 2015 (Forecast)	–	0.00	–	8.00	8.00

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

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, 2014	24,000	(1.9)	100	(81.0)	300	(65.7)	100	(85.9)	1.70
Full year	55,000	0.2	2,000	(9.9)	3,600	(7.7)	3,000	(0.7)	50.86

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2014
 (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
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of June 30, 2014	59,560,218 shares	As of March 31, 2014	59,560,218 shares
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Number of treasury shares at the end of the period

As of June 30, 2014	552,504 shares	As of March 31, 2014	574,523 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2014	58,990,754 shares	Three months ended June 30, 2013	58,793,038 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Assets		
Current assets		
Cash and deposits	5,533	8,016
Notes and accounts receivable - trade	11,306	9,302
Merchandise and finished goods	9,773	9,481
Work in process	82	148
Raw materials and supplies	608	666
Other	1,412	1,513
Allowance for doubtful accounts	(8)	(5)
Total current assets	28,708	29,122
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,440	1,428
Land	697	697
Other, net	1,205	1,151
Total property, plant and equipment	3,343	3,276
Intangible assets		
Trademark right	40	31
Other	646	620
Total intangible assets	686	651
Investments and other assets		
Investment securities	12,735	12,871
Guarantee deposits	2,126	2,231
Other	2,057	2,192
Allowance for doubtful accounts	(316)	(314)
Total investments and other assets	16,603	16,980
Total non-current assets	20,634	20,909
Total assets	49,342	50,031

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,669	12,311
Short-term loans payable	738	3,700
Current portion of long-term loans payable	1,218	1,245
Income taxes payable	185	40
Provision for bonuses	683	1,034
Provision for sales returns	552	235
Other	2,906	3,005
Total current liabilities	19,953	21,572
Non-current liabilities		
Bonds payable	300	300
Long-term loans payable	1,731	1,756
Net defined benefit liability	905	312
Other	2,074	1,994
Total non-current liabilities	5,012	4,363
Total liabilities	24,966	25,936
Net assets		
Shareholders' equity		
Capital stock	7,079	7,079
Capital surplus	3,753	3,752
Retained earnings	14,271	14,185
Treasury shares	(240)	(228)
Total shareholders' equity	24,865	24,789
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	335	441
Deferred gains or losses on hedges	2	(2)
Foreign currency translation adjustment	959	582
Remeasurements of defined benefit plans	(1,853)	(1,801)
Total accumulated other comprehensive income	(555)	(781)
Minority interests	67	87
Total net assets	24,376	24,095
Total liabilities and net assets	49,342	50,031

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Net sales	9,412	9,239
Cost of sales	5,432	5,152
Gross profit	3,980	4,086
Reversal of provision for sales returns	226	316
Gross profit - net	4,207	4,402
Selling, general and administrative expenses	4,781	5,166
Operating loss	(574)	(763)
Non-operating income		
Interest income	3	2
Dividend income	28	33
Share of profit of entities accounted for using equity method	372	504
Other	26	39
Total non-operating income	430	579
Non-operating expenses		
Interest expenses	34	26
Loss on sales of notes payable	14	9
Condolence money	-	30
Other	17	7
Total non-operating expenses	66	72
Ordinary loss	(210)	(256)
Extraordinary income		
Gain on sales of non-current assets	1	0
Gain on reversal of subscription rights to shares	39	-
Total extraordinary income	40	0
Extraordinary losses		
Loss on disposal of non-current assets	0	-
Loss on valuation of investment securities	-	8
Other	0	-
Total extraordinary losses	0	8
Loss before income taxes and minority interests	(170)	(264)
Income taxes - current	34	28
Income taxes - deferred	5	(9)
Total income taxes	39	19
Loss before minority interests	(209)	(284)
Minority interests in income (loss)	7	(3)
Net loss	(217)	(280)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Loss before minority interests	(209)	(284)
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	105
Deferred gains or losses on hedges	1	(5)
Foreign currency translation adjustment	99	(47)
Remeasurements of defined benefit plans, net of tax	-	51
Share of other comprehensive income of entities accounted for using equity method	352	(376)
Total other comprehensive income	453	(271)
Comprehensive income	243	(555)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	235	(552)
Comprehensive income attributable to minority interests	7	(3)