

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2014 (Based on Japanese GAAP)

February 4, 2015

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: February 13, 2015
 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 nine months ended December 31, 2014 (from April 1, 2014 to December 31, 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	%
Nine months ended December 31, 2014	41,557	2.3	2,738	22.8	3,632	14.0	3,201	12.3
Nine months ended December 31, 2013	40,631	3.5	2,230	3.5	3,186	10.7	2,852	10.1

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2014	54.69	–
Nine months ended December 31, 2013	48.44	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2014	58,357	27,839	47.5
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	–	0.00	–	–	–
Year ending March 31, 2015 (Forecast)	–	–	–	10.00	10.00

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
Full year	56,000	2.1	2,300	3.7	3,900	(0.0)	3,300	9.2	56.36

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2014	2,057,116 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)

Nine months ended December 31, 2014	58,550,788 shares	Nine months ended December 31, 2013	58,884,602 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	5,533	10,438
Notes and accounts receivable - trade	11,306	13,392
Merchandise and finished goods	9,773	9,517
Work in process	82	85
Raw materials and supplies	608	736
Other	1,412	1,295
Allowance for doubtful accounts	(8)	(7)
Total current assets	28,708	35,457
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,440	1,448
Land	697	697
Other, net	1,205	1,343
Total property, plant and equipment	3,343	3,488
Intangible assets		
Trademark right	40	13
Other	646	548
Total intangible assets	686	561
Investments and other assets		
Investment securities	12,735	14,380
Guarantee deposits	2,126	2,380
Other	2,057	2,401
Allowance for doubtful accounts	(316)	(313)
Total investments and other assets	16,603	18,849
Total non-current assets	20,634	22,900
Total assets	49,342	58,357

(Millions of yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	13,669	14,813
Short-term loans payable	738	4,915
Current portion of long-term loans payable	1,218	1,246
Income taxes payable	185	259
Provision for bonuses	683	391
Provision for sales returns	552	370
Other	2,906	3,661
Total current liabilities	19,953	25,657
Non-current liabilities		
Bonds payable	300	300
Long-term loans payable	1,731	2,110
Net defined benefit liability	905	314
Other	2,074	2,135
Total non-current liabilities	5,012	4,860
Total liabilities	24,966	30,517
Net assets		
Shareholders' equity		
Capital stock	7,079	7,079
Capital surplus	3,753	3,752
Retained earnings	14,271	17,668
Treasury shares	(240)	(1,039)
Total shareholders' equity	24,865	27,461
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	335	583
Deferred gains or losses on hedges	2	9
Foreign currency translation adjustment	959	1,374
Remeasurements of defined benefit plans	(1,853)	(1,686)
Total accumulated other comprehensive income	(555)	281
Minority interests	67	97
Total net assets	24,376	27,839
Total liabilities and net assets	49,342	58,357

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Net sales	40,631	41,557
Cost of sales	23,350	23,039
Gross profit	17,280	18,517
Reversal of provision for sales returns	–	182
Provision for sales returns	60	–
Gross profit - net	17,220	18,699
Selling, general and administrative expenses	14,989	15,961
Operating income	2,230	2,738
Non-operating income		
Interest income	11	11
Dividend income	43	49
Share of profit of entities accounted for using equity method	1,034	1,039
Other	60	74
Total non-operating income	1,150	1,175
Non-operating expenses		
Interest expenses	113	102
Loss on sales of notes payable	45	29
Other	36	150
Total non-operating expenses	195	281
Ordinary income	3,186	3,632
Extraordinary income		
Gain on sales of non-current assets	1	0
Gain on reversal of subscription rights to shares	39	–
Other	1	0
Total extraordinary income	42	1
Extraordinary losses		
Loss on disposal of non-current assets	0	3
Loss on revision of retirement benefit plan	70	–
Loss on closing of stores	38	13
Other	8	3
Total extraordinary losses	118	19
Income before income taxes and minority interests	3,109	3,614
Income taxes - current	233	427
Income taxes - deferred	3	(21)
Total income taxes	236	405
Income before minority interests	2,872	3,208
Minority interests in income	20	6
Net income	2,852	3,201

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	2,872	3,208
Other comprehensive income		
Valuation difference on available-for-sale securities	117	248
Deferred gains or losses on hedges	18	7
Foreign currency translation adjustment	164	29
Remeasurements of defined benefit plans, net of tax	–	166
Share of other comprehensive income of entities accounted for using equity method	922	338
Total other comprehensive income	1,222	790
Comprehensive income	4,095	3,998
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,074	3,992
Comprehensive income attributable to minority interests	20	5