

Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2015 (Based on Japanese GAAP)

May 14, 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 of ordinary general meeting of shareholders: June 25, 2015  
 Scheduled date to file Securities Report: June 25, 2015  
 Scheduled date to commence dividend payments: June 11, 2015  
 Preparation of supplementary material on financial results: No  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated financial 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, 2015	57,417	4.6	2,414	8.8	4,089	4.8	3,471	14.9
Year ended March 31, 2014	54,869	4.5	2,218	16.6	3,901	23.1	3,021	14.5

	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, 2015	59.56	–	12.8	8.0	4.2
Year ended March 31, 2014	51.30	–	13.2	8.3	4.0

(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, 2015	53,289	29,105	54.5	505.75
As of March 31, 2014	49,342	24,376	49.3	412.13

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2015	3,108	(1,463)	(2,051)	4,308
Year ended March 31, 2014	2,409	(621)	(1,077)	4,576

2. Cash dividends

	Annual dividends per share					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, 2014	–	0.00	–	8.00	8.00	471	15.6	1.9
Year ended March 31, 2015	–	0.00	–	10.00	10.00	593	17.1	2.0
Year ending March 31, 2016 (Forecast)	–	0.00	–	10.00	10.00		16.7	

3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2015	24,600	(1.0)	0	–	365	(50.1)	170	(68.2)	2.92
Full year	58,000	1.0	2,500	3.6	4,150	1.5	3,560	2.6	61.08

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2015

(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

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 after error corrections: No

(3) Number of issued shares (common shares)

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

As of March 31, 2015	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 March 31, 2015	2,169,978 shares	As of March 31, 2014	574,523 shares
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Average number of shares during the period

Year ended March 31, 2015	58,281,942 shares	Year ended March 31, 2014	58,905,957 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	5,533	5,683
Notes and accounts receivable - trade	11,306	11,503
Merchandise and finished goods	9,773	9,135
Work in process	82	103
Raw materials and supplies	608	685
Deferred tax assets	34	611
Other	1,378	1,246
Allowance for doubtful accounts	(8)	(3)
Total current assets	28,708	28,966
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,440	1,421
Machinery, equipment and vehicles, net	52	60
Land	697	671
Leased assets, net	982	979
Other, net	170	286
Total property, plant and equipment	3,343	3,420
Intangible assets		
Trademark right	40	11
Goodwill	126	77
Other	520	521
Total intangible assets	686	609
Investments and other assets		
Investment securities	12,735	15,545
Long-term loans receivable	64	60
Net defined benefit asset	–	615
Guarantee deposits	2,126	2,568
Claims provable in bankruptcy, claims provable in rehabilitation and other	181	177
Other	1,812	1,635
Allowance for doubtful accounts	(316)	(310)
Total investments and other assets	16,603	20,292
Total non-current assets	20,634	24,323
Total assets	49,342	53,289

(Millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	13,669	12,400
Short-term loans payable	738	743
Current portion of long-term loans payable	1,218	1,121
Lease obligations	464	457
Accounts payable - other	1,323	1,395
Income taxes payable	185	270
Accrued consumption taxes	266	737
Accrued expenses	736	773
Provision for bonuses	683	786
Provision for sales returns	552	634
Other	115	115
Total current liabilities	19,953	19,436
Non-current liabilities		
Bonds payable	300	300
Long-term loans payable	1,731	1,864
Lease obligations	842	802
Deferred tax liabilities	196	756
Net defined benefit liability	905	301
Asset retirement obligations	38	39
Other	997	684
Total non-current liabilities	5,012	4,748
Total liabilities	24,966	24,184
Net assets		
Shareholders' equity		
Capital stock	7,079	7,079
Capital surplus	3,753	3,996
Retained earnings	14,271	17,937
Treasury shares	(240)	(1,352)
Total shareholders' equity	24,865	27,661
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	335	724
Deferred gains or losses on hedges	2	(3)
Foreign currency translation adjustment	959	2,098
Remeasurements of defined benefit plans	(1,853)	(1,455)
Total accumulated other comprehensive income	(555)	1,363
Minority interests	67	80
Total net assets	24,376	29,105
Total liabilities and net assets	49,342	53,289

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

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	54,869	57,417
Cost of sales	32,355	33,225
Gross profit	22,514	24,191
Provision for sales returns	44	82
Gross profit - net	22,469	24,109
Selling, general and administrative expenses	20,251	21,695
Operating income	2,218	2,414
Non-operating income		
Interest income	30	40
Dividend income	43	49
Royalty income	10	4
Share of profit of entities accounted for using equity method	1,790	1,879
Other	80	94
Total non-operating income	1,955	2,069
Non-operating expenses		
Interest expenses	149	133
Loss on sales of notes payable	57	38
Loss on valuation of investments in capital of subsidiaries and associates	–	119
Other	65	102
Total non-operating expenses	272	393
Ordinary income	3,901	4,089
Extraordinary income		
Gain on sales of non-current assets	1	4
Gain on sales of investment securities	3	12
Gain on reversal of subscription rights to shares	39	–
Total extraordinary income	44	16
Extraordinary losses		
Loss on disposal of non-current assets	1	3
Impairment loss	257	34
Loss on closing of stores	41	14
Special retirement expenses	29	58
Brand organize loss	70	–
Loss on valuation of investments in capital of subsidiaries and associates	97	–
Loss on revision of retirement benefit plan	70	–
Other	4	2
Total extraordinary losses	572	113
Income before income taxes and minority interests	3,373	3,992
Income taxes - current	351	578
Income taxes - deferred	(11)	(56)
Total income taxes	339	521
Income before minority interests	3,033	3,471
Minority interests in income	11	0
Net income	3,021	3,471

## Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	3,033	3,471
Other comprehensive income		
Valuation difference on available-for-sale securities	34	387
Deferred gains or losses on hedges	22	(5)
Foreign currency translation adjustment	265	158
Remeasurements of defined benefit plans, net of tax	–	398
Share of other comprehensive income of entities accounted for using equity method	1,745	923
Total other comprehensive income	2,068	1,862
Comprehensive income	5,102	5,333
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,090	5,342
Comprehensive income attributable to minority interests	11	(8)

## Consolidated statements of changes in net assets

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,041	3,719	11,602	(278)	22,085
Cumulative effects of changes in accounting policies					–
Restated balance	7,041	3,719	11,602	(278)	22,085
Changes of items during period					
Issuance of new shares - exercise of subscription rights to shares	38	38			77
Purchase of treasury shares				(5)	(5)
Disposal of treasury shares		(4)		43	38
Dividends of surplus			(352)		(352)
Net income			3,021		3,021
Net changes of items other than shareholders' equity					
Total changes of items during period	38	33	2,669	38	2,779
Balance at end of current period	7,079	3,753	14,271	(240)	24,865

	Accumulated other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	300	(20)	(1,051)	–	(770)	60	59	21,433
Cumulative effects of changes in accounting policies								–
Restated balance	300	(20)	(1,051)	–	(770)	60	59	21,433
Changes of items during period								
Issuance of new shares - exercise of subscription rights to shares								77
Purchase of treasury shares								(5)
Disposal of treasury shares								38
Dividends of surplus								(352)
Net income								3,021
Net changes of items other than shareholders' equity	34	22	2,011	(1,853)	215	(60)	8	163
Total changes of items during period	34	22	2,011	(1,853)	215	(60)	8	2,942
Balance at end of current period	335	2	959	(1,853)	(555)	–	67	24,376

Fiscal year ended March 31, 2015

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	7,079	3,753	14,271	(240)	24,865
Cumulative effects of changes in accounting policies			754		754
Restated balance	7,079	3,753	15,025	(240)	25,619
Changes of items during period					
Purchase of treasury shares				(1,157)	(1,157)
Disposal of treasury shares		242		44	287
Dividends of surplus			(471)		(471)
Net income			3,471		3,471
Change of scope of consolidation			(87)		(87)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	242	2,911	(1,112)	2,041
Balance at end of current period	7,079	3,996	17,937	(1,352)	27,661

	Accumulated other comprehensive income					Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of current period	335	2	959	(1,853)	(555)	67	24,376
Cumulative effects of changes in accounting policies							754
Restated balance	335	2	959	(1,853)	(555)	67	25,130
Changes of items during period							
Purchase of treasury shares							(1,157)
Disposal of treasury shares							287
Dividends of surplus							(471)
Net income							3,471
Change of scope of consolidation							(87)
Net changes of items other than shareholders' equity	388	(5)	1,138	397	1,919	13	1,932
Total changes of items during period	388	(5)	1,138	397	1,919	13	3,974
Balance at end of current period	724	(3)	2,098	(1,455)	1,363	80	29,105



## Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	3,373	3,992
Depreciation	1,024	1,026
Share of (profit) loss of entities accounted for using equity method	(1,790)	(1,879)
Amortization of goodwill	48	48
Increase (decrease) in provision for retirement benefits	(3,299)	–
Decrease(increase)in net defined benefit asset	–	(416)
Increase (decrease) in net defined benefit liability	905	(47)
Impairment loss	257	34
Increase (decrease) in allowance for doubtful accounts	(10)	(10)
Interest and dividend income	(74)	(90)
Interest expenses	149	133
Loss (gain) on disposal of non-current assets	0	(0)
Decrease (increase) in notes and accounts receivable - trade	(214)	(165)
Decrease (increase) in inventories	(685)	542
Increase (decrease) in notes and accounts payable - trade	2,625	(1,272)
Increase (decrease) in accrued consumption taxes	3	484
Other, net	(115)	714
Subtotal	2,198	3,093
Interest and dividend income received	928	645
Interest expenses paid	(148)	(134)
Income taxes paid	(428)	(496)
Career achievement bonus paid	(140)	–
Net cash provided by (used in) operating activities	2,409	3,108
Cash flows from investing activities		
Payments into time deposits	(668)	(347)
Proceeds from withdrawal of time deposits	793	300
Purchase of non-current assets	(424)	(566)
Proceeds from sales of non-current assets	5	28
Purchase of investment securities	(276)	(172)
Proceeds from sales of investment securities	120	21
Payments for guarantee deposits	(177)	(577)
Other, net	5	(150)
Net cash provided by (used in) investing activities	(621)	(1,463)

(Millions of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(300)	2
Proceeds from long-term loans payable	1,060	1,500
Repayments of long-term loans payable	(1,450)	(1,465)
Proceeds from issuance of bonds	300	–
Redemption of bonds	(36)	–
Repayments of lease obligations	(425)	(501)
Proceeds from issuance of common shares	97	–
Purchase of treasury shares	(5)	(1,157)
Cash dividends paid	(352)	(471)
Other, net	35	40
Net cash provided by (used in) financing activities	(1,077)	(2,051)
Effect of exchange rate change on cash and cash equivalents	104	54
Net increase (decrease) in cash and cash equivalents	815	(352)
Cash and cash equivalents at beginning of period	3,761	4,576
Increase in cash and cash equivalents from newly consolidated subsidiary	–	84
Cash and cash equivalents at end of period	4,576	4,308