

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2015 (Based on Japanese GAAP)

August 5, 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: August 10, 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 three months ended June 30, 2015 (from April 1, 2015 to June 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2015	10,015	8.4	(528)	–	(138)	–	(215)	–
Three months ended June 30, 2014	9,239	(1.8)	(763)	–	(256)	–	(280)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2015	(3.75)		–	
Three months ended June 30, 2014	(4.76)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2015	54,498	28,476	52.1
As of March 31, 2015	53,289	29,105	54.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2015	–	0.00	–	10.00	10.00
Year ending March 31, 2016	–	–	–	–	–
Year ending March 31, 2016 (Forecast)	–	0.00	–	50.00	50.00

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		Earnings 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	305.41

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2015
 (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, 2015	59,560,218 shares	As of March 31, 2015	59,560,218 shares
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Number of treasury shares at the end of the period

As of June 30, 2015	2,158,952 shares	As of March 31, 2015	2,169,978 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, 2015	57,392,566 shares	Three months ended June 30, 2014	58,990,754 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
Assets		
Current assets		
Cash and deposits	5,683	8,738
Notes and accounts receivable - trade	11,503	8,585
Merchandise and finished goods	9,135	8,684
Work in process	103	62
Raw materials and supplies	685	684
Other	1,858	2,424
Allowance for doubtful accounts	(3)	(2)
Total current assets	28,966	29,176
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,421	1,420
Land	671	671
Other, net	1,327	1,568
Total property, plant and equipment	3,420	3,660
Intangible assets		
Trademark right	11	7
Other	598	678
Total intangible assets	609	686
Investments and other assets		
Investment securities	15,545	16,005
Guarantee deposits	2,568	2,579
Other	2,488	2,697
Allowance for doubtful accounts	(310)	(309)
Total investments and other assets	20,292	20,974
Total non-current assets	24,323	25,321
Total assets	53,289	54,498

(Millions of yen)

	As of March 31, 2015	As of June 30, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,400	11,728
Short-term loans payable	743	3,905
Current portion of long-term loans payable	1,121	994
Income taxes payable	270	53
Provision for bonuses	786	1,099
Provision for sales returns	634	308
Other	3,479	3,086
Total current liabilities	19,436	21,175
Non-current liabilities		
Bonds payable	300	300
Long-term loans payable	1,864	1,628
Net defined benefit liability	301	300
Other	2,282	2,618
Total non-current liabilities	4,748	4,846
Total liabilities	24,184	26,022
Net assets		
Shareholders' equity		
Capital stock	7,079	7,079
Capital surplus	3,996	4,001
Retained earnings	17,937	17,128
Treasury shares	(1,352)	(1,347)
Total shareholders' equity	27,661	26,861
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	724	875
Deferred gains or losses on hedges	(3)	5
Foreign currency translation adjustment	2,098	1,964
Remeasurements of defined benefit plans	(1,455)	(1,304)
Total accumulated other comprehensive income	1,363	1,540
Non-controlling interests	80	73
Total net assets	29,105	28,476
Total liabilities and net assets	53,289	54,498

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, 2014	Three months ended June 30, 2015
Net sales	9,239	10,015
Cost of sales	5,152	5,385
Gross profit	4,086	4,629
Reversal of provision for sales returns	316	326
Gross profit - net	4,402	4,955
Selling, general and administrative expenses	5,166	5,483
Operating loss	(763)	(528)
Non-operating income		
Interest income	2	3
Dividend income	33	35
Share of profit of entities accounted for using equity method	504	355
Other	39	42
Total non-operating income	579	436
Non-operating expenses		
Interest expenses	26	24
Loss on sales of notes payable	9	9
Condolence money	30	-
Other	7	13
Total non-operating expenses	72	47
Ordinary loss	(256)	(138)
Extraordinary income		
Gain on sales of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on valuation of investment securities	8	0
Loss on closing of stores	-	26
Other	-	1
Total extraordinary losses	8	28
Loss before income taxes and minority interests	(264)	(167)
Income taxes - current	28	31
Income taxes - deferred	(9)	15
Total income taxes	19	47
Loss	(284)	(214)
Profit (loss) attributable to non-controlling interests	(3)	0
Loss attributable to owners of parent	(280)	(215)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Loss	(284)	(214)
Other comprehensive income		
Valuation difference on available-for-sale securities	105	150
Deferred gains or losses on hedges	(5)	9
Foreign currency translation adjustment	(47)	4
Remeasurements of defined benefit plans, net of tax	51	150
Share of other comprehensive income of entities accounted for using equity method	(376)	(137)
Total other comprehensive income	(271)	177
Comprehensive income	(555)	(37)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(552)	(38)
Comprehensive income attributable to non-controlling interests	(3)	0