

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 3, 2016

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 12, 2016
 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, 2015 (from April 1, 2015 to December 31, 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	%
Nine months ended December 31, 2015	43,339	4.3	2,874	4.9	3,216	(11.4)	2,423	(24.3)
Nine months ended December 31, 2014	41,557	2.3	2,738	22.8	3,632	14.0	3,201	12.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	211.09		–	
Nine months ended December 31, 2014	273.43		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2015	63,732	30,100	47.2
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	–	0.00	–		
Year ending March 31, 2016 (Forecast)				55.00	55.00

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
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 nine months ended December 31, 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 December 31, 2015	11,912,043 shares	As of March 31, 2015	11,912,043 shares
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Number of treasury shares at the end of the period

As of December 31, 2015	426,988 shares	As of March 31, 2015	433,995 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, 2015	11,480,706 shares	Nine months ended December 31, 2014	11,710,158 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	5,683	11,612
Notes and accounts receivable - trade	11,503	13,160
Merchandise and finished goods	9,135	9,513
Work in process	103	77
Raw materials and supplies	685	703
Other	1,858	1,713
Allowance for doubtful accounts	(3)	(4)
Total current assets	28,966	36,775
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,421	1,581
Land	671	671
Other, net	1,327	1,473
Total property, plant and equipment	3,420	3,727
Intangible assets		
Trademark right	11	7
Other	598	600
Total intangible assets	609	607
Investments and other assets		
Investment securities	15,545	17,876
Guarantee deposits	2,568	2,539
Other	2,488	2,515
Allowance for doubtful accounts	(310)	(310)
Total investments and other assets	20,292	22,621
Total non-current assets	24,323	26,956
Total assets	53,289	63,732

(Millions of yen)

	As of March 31, 2015	As of December 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	12,400	7,459
Electronically recorded obligations - operating	–	7,879
Short-term loans payable	743	5,160
Current portion of long-term loans payable	1,121	1,534
Income taxes payable	270	256
Provision for bonuses	786	415
Provision for sales returns	634	341
Other	3,479	3,837
Total current liabilities	19,436	26,884
Non-current liabilities		
Bonds payable	300	300
Long-term loans payable	1,864	3,569
Net defined benefit liability	301	292
Other	2,282	2,585
Total non-current liabilities	4,748	6,748
Total liabilities	24,184	33,632
Net assets		
Shareholders' equity		
Capital stock	7,079	7,079
Capital surplus	3,996	4,019
Retained earnings	17,937	19,766
Treasury shares	(1,352)	(1,337)
Total shareholders' equity	27,661	29,528
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	724	723
Deferred gains or losses on hedges	(3)	(0)
Foreign currency translation adjustment	2,098	1,005
Remeasurements of defined benefit plans	(1,455)	(1,184)
Total accumulated other comprehensive income	1,363	543
Non-controlling interests	80	28
Total net assets	29,105	30,100
Total liabilities and net assets	53,289	63,732

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, 2014	Nine months ended December 31, 2015
Net sales	41,557	43,339
Cost of sales	23,039	23,542
Gross profit	18,517	19,797
Reversal of provision for sales returns	182	293
Gross profit - net	18,699	20,090
Selling, general and administrative expenses	15,961	17,216
Operating income	2,738	2,874
Non-operating income		
Interest income	11	11
Dividend income	49	53
Share of profit of entities accounted for using equity method	1,039	352
Other	74	80
Total non-operating income	1,175	498
Non-operating expenses		
Interest expenses	102	92
Loss on sales of notes payable	29	22
Loss on valuation of investments in capital of subsidiaries and associates	75	–
Other	74	40
Total non-operating expenses	281	155
Ordinary income	3,632	3,216
Extraordinary income		
Gain on sales of investment securities	0	0
Other	0	0
Total extraordinary income	1	1
Extraordinary losses		
Loss on disposal of non-current assets	3	7
Impairment loss	–	23
Loss on closing of stores	13	62
Special retirement expenses	–	160
Other	3	1
Total extraordinary losses	19	255
Income before income taxes and minority interests	3,614	2,961
Income taxes - current	427	477
Income taxes - deferred	(21)	39
Total income taxes	405	517
Profit	3,208	2,444
Profit attributable to non-controlling interests	6	20
Profit attributable to owners of parent	3,201	2,423

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit	3,208	2,444
Other comprehensive income		
Valuation difference on available-for-sale securities	248	(0)
Deferred gains or losses on hedges	7	2
Foreign currency translation adjustment	29	(43)
Remeasurements of defined benefit plans, net of tax	166	270
Share of other comprehensive income of entities accounted for using equity method	338	(1,049)
Total other comprehensive income	790	(820)
Comprehensive income	3,998	1,624
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,992	1,603
Comprehensive income attributable to non-controlling interests	5	20