

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2016 (Based on Japanese GAAP)

August 2, 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: August 10, 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 three months ended June 30, 2016 (from April 1, 2016 to June 30, 2016)

(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, 2016	10,676	6.6	(263)	–	(40)	–	(62)	–
Three months ended June 30, 2015	10,015	8.4	(528)	–	(138)	–	(215)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2016	(5.46)		–	
Three months ended June 30, 2015	(18.77)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	56,596	28,035	49.5
As of March 31, 2016	57,315	29,614	51.6

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, 2016	–	0.00	–	55.00	55.00
Year ending March 31, 2017	–	–	–	–	–
Year ending March 31, 2017 (Forecast)	–	0.00	–	55.00	55.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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, 2016	25,200	(3.2)	340	(20.8)	670	(12.3)	250	(13.9)	21.77
Full year	59,200	(0.9)	2,950	(5.7)	3,950	(5.5)	3,000	(11.0)	261.28

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2016
 (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: No
- 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, 2016	11,912,043 shares	As of March 31, 2016	11,912,043 shares
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Number of treasury shares at the end of the period

As of June 30, 2016	422,854 shares	As of March 31, 2016	425,398 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, 2016	11,487,259 shares	Three months ended June 30, 2015	11,478,513 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Assets		
Current assets		
Cash and deposits	7,388	10,940
Notes and accounts receivable - trade	11,180	8,490
Merchandise and finished goods	9,348	9,216
Work in process	142	85
Raw materials and supplies	619	624
Other	2,426	2,359
Allowance for doubtful accounts	(4)	(3)
Total current assets	31,101	31,715
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,483	1,455
Land	671	671
Other, net	1,418	1,615
Total property, plant and equipment	3,573	3,742
Intangible assets		
Trademark right	19	23
Other	1,015	1,003
Total intangible assets	1,034	1,026
Investments and other assets		
Investment securities	17,776	16,997
Guarantee deposits	2,548	1,770
Other	1,587	1,648
Allowance for doubtful accounts	(306)	(305)
Total investments and other assets	21,606	20,110
Total non-current assets	26,214	24,880
Total assets	57,315	56,596

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,251	3,613
Electronically recorded obligations - operating	7,140	8,713
Short-term loans payable	668	3,460
Current portion of bonds	300	300
Current portion of long-term loans payable	1,475	1,377
Income taxes payable	394	77
Provision for bonuses	738	1,155
Provision for sales returns	654	269
Other	3,812	3,610
Total current liabilities	21,435	22,577
Non-current liabilities		
Long-term loans payable	3,219	2,920
Net defined benefit liability	461	391
Provision for stocks payment	139	172
Other	2,445	2,499
Total non-current liabilities	6,265	5,983
Total liabilities	27,700	28,560
Net assets		
Shareholders' equity		
Capital stock	7,079	7,079
Capital surplus	4,023	4,028
Retained earnings	20,713	19,966
Treasury shares	(1,333)	(1,327)
Total shareholders' equity	30,482	29,747
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	200	(18)
Deferred gains or losses on hedges	(16)	(71)
Foreign currency translation adjustment	1,239	574
Remeasurements of defined benefit plans	(2,325)	(2,214)
Total accumulated other comprehensive income	(901)	(1,731)
Non-controlling interests	34	18
Total net assets	29,614	28,035
Total liabilities and net assets	57,315	56,596

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, 2015	Three months ended June 30, 2016
Net sales	10,015	10,676
Cost of sales	5,385	5,606
Gross profit	4,629	5,070
Reversal of provision for sales returns	326	385
Gross profit - net	4,955	5,455
Selling, general and administrative expenses	5,483	5,719
Operating loss	(528)	(263)
Non-operating income		
Interest income	3	1
Dividend income	35	35
Share of profit of entities accounted for using equity method	355	202
Other	42	31
Total non-operating income	436	272
Non-operating expenses		
Interest expenses	24	22
Loss on sales of notes receivable - trade	9	5
Other	13	20
Total non-operating expenses	47	49
Ordinary loss	(138)	(40)
Extraordinary income		
Gain on sales of non-current assets	0	1
Total extraordinary income	0	1
Extraordinary losses		
Loss on valuation of investment securities	0	-
Loss on closing of stores	26	4
Other	1	1
Total extraordinary losses	28	6
Loss before income taxes	(167)	(45)
Income taxes - current	31	19
Income taxes - deferred	15	(3)
Total income taxes	47	16
Loss	(214)	(62)
Profit attributable to non-controlling interests	0	0
Loss attributable to owners of parent	(215)	(62)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2015	Three months ended June 30, 2016
Loss	(214)	(62)
Other comprehensive income		
Valuation difference on available-for-sale securities	150	(219)
Deferred gains or losses on hedges	9	(55)
Foreign currency translation adjustment	4	(97)
Remeasurements of defined benefit plans, net of tax	150	110
Share of other comprehensive income of entities accounted for using equity method	(137)	(593)
Total other comprehensive income	177	(855)
Comprehensive income	(37)	(917)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(38)	(918)
Comprehensive income attributable to non-controlling interests	0	0