

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2017 (Based on Japanese GAAP)

August 3, 2017

Company name: GOLDWIN INC.
 Stock exchange listing: Tokyo
 Stock code: 8111 URL <http://www.goldwin.co.jp>
 Representative: President and Representative Director Akio Nishida
 Inquiries: Vice President Administration HQ Kiyoto Futatsukawa TEL 03-3481-7203
 Scheduled date to file Quarterly Securities Report: August 10, 2017
 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, 2017 (from April 1, 2017 to June 30, 2017)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2017	12,381	16.0	517	–	667	–	412	–
Three months ended June 30, 2016	10,676	6.6	(263)	–	(40)	–	(62)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2017	35.95		–	
Three months ended June 30, 2016	(5.46)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2017	61,362	32,114	52.3
As of March 31, 2017	60,572	31,918	52.6

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, 2017	–	0.00	–	65.00	65.00
Year ending March 31, 2018	–	–	–	–	–
Year ending March 31, 2018 (Forecast)	–	0.00	–	65.00	65.00

3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		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, 2017	28,600	8.0	1,000	46.3	1,150	32.3	750	26.7	65.41
Full year	65,000	6.7	4,000	2.3	4,600	0.5	3,500	2.2	304.64

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2017
 (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, 2017	11,912,043 shares	As of March 31, 2017	11,912,043 shares
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Number of treasury shares at the end of the period

As of June 30, 2017	443,224 shares	As of March 31, 2017	446,192 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, 2017	11,466,593 shares	Three months ended June 30, 2016	11,487,259 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Assets		
Current assets		
Cash and deposits	8,735	10,399
Notes and accounts receivable - trade	9,330	7,102
Electronically recorded monetary claims - operating	1,322	2,198
Merchandise and finished goods	10,318	9,981
Work in process	115	78
Raw materials and supplies	651	622
Other	1,529	1,753
Allowance for doubtful accounts	(5)	(22)
Total current assets	31,998	32,115
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,422	1,397
Land	671	671
Other, net	1,393	1,410
Total property, plant and equipment	3,487	3,479
Intangible assets		
Trademark right	2,931	2,870
Other	1,032	987
Total intangible assets	3,964	3,857
Investments and other assets		
Investment securities	17,824	18,448
Guarantee deposits	1,844	1,866
Other	1,752	1,866
Allowance for doubtful accounts	(299)	(271)
Total investments and other assets	21,122	21,910
Total non-current assets	28,573	29,247
Total assets	60,572	61,362

(Millions of yen)

	As of March 31, 2017	As of June 30, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,077	3,440
Electronically recorded obligations - operating	7,711	8,416
Short-term loans payable	528	3,020
Current portion of long-term loans payable	1,694	1,649
Income taxes payable	457	138
Provision for bonuses	872	1,169
Provision for sales returns	557	236
Other	3,811	3,642
Total current liabilities	20,710	21,713
Non-current liabilities		
Long-term loans payable	4,887	4,477
Net defined benefit liability	288	286
Provision for stocks payment	273	300
Other	2,494	2,470
Total non-current liabilities	7,943	7,534
Total liabilities	28,654	29,248
Net assets		
Shareholders' equity		
Capital stock	7,079	7,079
Capital surplus	4,066	4,066
Retained earnings	23,453	23,092
Treasury shares	(1,514)	(1,498)
Total shareholders' equity	33,085	32,740
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	543	574
Deferred gains or losses on hedges	(0)	9
Foreign currency translation adjustment	331	735
Remeasurements of defined benefit plans	(2,079)	(1,968)
Total accumulated other comprehensive income	(1,205)	(648)
Non-controlling interests	37	22
Total net assets	31,918	32,114
Total liabilities and net assets	60,572	61,362

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, 2016	Three months ended June 30, 2017
Net sales	10,676	12,381
Cost of sales	5,606	6,113
Gross profit	5,070	6,267
Reversal of provision for sales returns	385	321
Gross profit - net	5,455	6,588
Selling, general and administrative expenses	5,719	6,070
Operating profit (loss)	(263)	517
Non-operating income		
Interest income	1	1
Dividend income	35	38
Share of profit of entities accounted for using equity method	202	131
Other	31	17
Total non-operating income	272	188
Non-operating expenses		
Interest expenses	22	21
Loss on sales of notes receivable - trade	5	5
Other	20	11
Total non-operating expenses	49	39
Ordinary profit (loss)	(40)	667
Extraordinary income		
Gain on sales of non-current assets	1	0
Other	–	0
Total extraordinary income	1	0
Extraordinary losses		
Loss on retirement of non-current assets	1	0
Loss on closing of stores	4	–
Other	0	–
Total extraordinary losses	6	0
Profit (loss) before income taxes	(45)	668
Income taxes - current	19	188
Income taxes - deferred	(3)	65
Total income taxes	16	254
Profit (loss)	(62)	413
Profit attributable to non-controlling interests	0	1
Profit (loss) attributable to owners of parent	(62)	412

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2016	Three months ended June 30, 2017
Profit (loss)	(62)	413
Other comprehensive income		
Valuation difference on available-for-sale securities	(219)	30
Deferred gains or losses on hedges	(55)	10
Foreign currency translation adjustment	(97)	(44)
Remeasurements of defined benefit plans, net of tax	110	110
Share of other comprehensive income of entities accounted for using equity method	(593)	449
Total other comprehensive income	(855)	556
Comprehensive income	(917)	969
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(918)	968
Comprehensive income attributable to non-controlling interests	0	1