

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2018 (Based on Japanese GAAP)

August 3, 2018

Company name: GOLDWIN INC.  
 Stock exchange listing: Tokyo  
 Stock code: 8111 URL <http://www.goldwin.co.jp>  
 Representative: President and Representative Director Akio Nishida  
 Vice President Administration HQ Human Resources and General Affairs HQ Kiyoto Futatsukawa  
 Inquiries: TEL 03-3481-7203  
 Scheduled date to file Quarterly Securities Report: August 10, 2018  
 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, 2018 (from April 1, 2018 to June 30, 2018)

#### (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, 2018	14,818	19.7	1,176	127.2	1,070	60.3	588	42.8
Three months ended June 30, 2017	12,381	16.0	517	–	667	–	412	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2018	25.62		–	
Three months ended June 30, 2017	17.97		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	67,449	34,260	50.7
As of March 31, 2018	70,713	35,425	50.0

### 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, 2018	–	0.00	–	85.00	85.00
Year ending March 31, 2019	–	–	–	–	–
Year ending March 31, 2019 (Forecast)	–	16.00	–	37.00	53.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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, 2018	32,800	14.0	2,100	49.8	1,900	23.7	1,150	8.0	50.07
Full year	75,000	6.5	7,500	5.6	8,000	2.1	5,300	2.4	230.75

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2018  
 (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, 2018	23,824,086 shares	As of March 31, 2018	23,824,086 shares
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Number of treasury shares at the end of the period

As of June 30, 2018	849,642 shares	As of March 31, 2018	857,602 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, 2018	22,968,464 shares	Three months ended June 30, 2017	22,933,186 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
Assets		
Current assets		
Cash and deposits	10,542	11,268
Notes and accounts receivable - trade	10,118	7,609
Electronically recorded monetary claims - operating	1,887	1,909
Merchandise and finished goods	10,912	9,800
Work in process	55	88
Raw materials and supplies	550	563
Other	748	1,165
Allowance for doubtful accounts	(13)	(11)
Total current assets	34,802	32,393
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,669	1,714
Land	951	951
Other, net	1,544	1,611
Total property, plant and equipment	4,165	4,277
Intangible assets		
Trademark right	2,659	2,592
Other	965	907
Total intangible assets	3,624	3,500
Investments and other assets		
Investment securities	23,614	22,717
Guarantee deposits	1,981	2,066
Other	2,792	2,761
Allowance for doubtful accounts	(267)	(266)
Total investments and other assets	28,121	27,279
Total non-current assets	35,911	35,056
Total assets	70,713	67,449

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	5,272	4,035
Electronically recorded obligations - operating	9,038	8,918
Short-term loans payable	328	2,750
Current portion of long-term loans payable	2,661	2,636
Income taxes payable	2,242	267
Provision for bonuses	1,323	1,303
Provision for sales returns	300	176
Other	5,041	4,624
<b>Total current liabilities</b>	<b>26,208</b>	<b>24,712</b>
<b>Non-current liabilities</b>		
Long-term loans payable	6,790	6,142
Net defined benefit liability	272	267
Provision for stocks payment	404	427
Other	1,612	1,638
<b>Total non-current liabilities</b>	<b>9,080</b>	<b>8,476</b>
<b>Total liabilities</b>	<b>35,288</b>	<b>33,189</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	7,079	7,079
Capital surplus	1,439	1,439
Retained earnings	27,854	27,430
Treasury shares	(1,438)	(1,423)
<b>Total shareholders' equity</b>	<b>34,934</b>	<b>34,526</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	595	650
Deferred gains or losses on hedges	(16)	(1)
Foreign currency translation adjustment	1,497	603
Remeasurements of defined benefit plans	(1,632)	(1,547)
<b>Total accumulated other comprehensive income</b>	<b>444</b>	<b>(295)</b>
<b>Non-controlling interests</b>	<b>45</b>	<b>30</b>
<b>Total net assets</b>	<b>35,425</b>	<b>34,260</b>
<b>Total liabilities and net assets</b>	<b>70,713</b>	<b>67,449</b>

**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, 2017	Three months ended June 30, 2018
Net sales	12,381	14,818
Cost of sales	6,113	7,141
Gross profit	6,267	7,677
Reversal of provision for sales returns	321	124
Gross profit - net	6,588	7,801
Selling, general and administrative expenses	6,070	6,625
Operating profit	517	1,176
Non-operating income		
Interest income	1	1
Dividend income	38	42
Share of profit of entities accounted for using equity method	131	–
Other	17	20
Total non-operating income	188	64
Non-operating expenses		
Interest expenses	21	27
Loss on sales of notes receivable - trade	5	5
Share of loss of entities accounted for using equity method	–	121
Other	11	15
Total non-operating expenses	39	170
Ordinary profit	667	1,070
Extraordinary income		
Gain on sales of non-current assets	0	–
Other	0	–
Total extraordinary income	0	–
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Other	–	0
Total extraordinary losses	0	0
Profit before income taxes	668	1,069
Income taxes - current	188	289
Income taxes - deferred	65	189
Total income taxes	254	478
Profit	413	590
Profit attributable to non-controlling interests	1	2
Profit attributable to owners of parent	412	588

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2017	Three months ended June 30, 2018
Profit	413	590
Other comprehensive income		
Valuation difference on available-for-sale securities	30	54
Deferred gains or losses on hedges	10	14
Foreign currency translation adjustment	(44)	(57)
Remeasurements of defined benefit plans, net of tax	110	84
Share of other comprehensive income of entities accounted for using equity method	449	(836)
Total other comprehensive income	556	(740)
Comprehensive income	969	(149)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	968	(151)
Comprehensive income attributable to non-controlling interests	1	2