

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2019 (Based on Japanese GAAP)

August 2, 2019

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 9, 2019
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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, 2019 (from April 1, 2019 to June 30, 2019)

(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, 2019	18,074	22.0	1,902	61.7	1,946	81.9	1,375	133.8
Three months ended June 30, 2018	14,818	19.7	1,176	127.2	1,070	60.3	588	42.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2019	30.41	–
Three months ended June 30, 2018	12.81	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	74,490	39,008	52.3
As of March 31, 2019	77,544	39,609	51.0

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, 2019	–	16.00	–	69.00	85.00
Year ending March 31, 2020	–	–	–	–	–
Year ending March 31, 2020 (Forecast)	–	30.00	–	35.00	–

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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, 2019	40,000	19.7	3,700	18.3	3,400	25.2	2,000	27.9	44.19
Full year	92,000	8.3	12,500	5.4	13,800	6.3	9,700	4.9	214.34

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2019
 (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, 2019	23,824,086 shares	As of March 31, 2019	23,824,086 shares
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Number of treasury shares at the end of the period

As of June 30, 2019	1,187,328 shares	As of March 31, 2019	1,200,240 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, 2019	22,627,074 shares	Three months ended June 30, 2018	22,968,464 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Assets		
Current assets		
Cash and deposits	13,595	13,593
Notes and accounts receivable - trade	10,461	7,626
Electronically recorded monetary claims - operating	2,813	3,353
Merchandise and finished goods	11,688	10,866
Work in process	62	92
Raw materials and supplies	537	569
Other	830	1,350
Allowance for doubtful accounts	(17)	(12)
Total current assets	39,972	37,440
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,642	1,608
Land	951	951
Other, net	1,621	1,800
Total property, plant and equipment	4,215	4,360
Intangible assets		
Trademark right	2,374	2,300
Other	923	917
Total intangible assets	3,297	3,218
Investments and other assets		
Investment securities	23,730	23,229
Guarantee deposits	2,204	2,255
Other	4,390	4,251
Allowance for doubtful accounts	(265)	(265)
Total investments and other assets	30,058	29,470
Total non-current assets	37,571	37,050
Total assets	77,544	74,490

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,215	4,645
Electronically recorded obligations - operating	11,296	11,097
Short-term borrowings	328	3,970
Current portion of long-term borrowings	2,450	2,382
Income taxes payable	2,886	72
Provision for bonuses	2,101	1,505
Provision for sales returns	109	239
Other	6,156	5,684
Total current liabilities	31,544	29,597
Non-current liabilities		
Long-term borrowings	4,056	3,489
Retirement benefit liability	259	257
Provision for share-based remuneration	536	550
Other	1,537	1,588
Total non-current liabilities	6,390	5,884
Total liabilities	37,934	35,482
Net assets		
Shareholders' equity		
Share capital	7,079	7,079
Capital surplus	1,439	1,439
Retained earnings	35,709	35,466
Treasury shares	(4,273)	(4,251)
Total shareholders' equity	39,956	39,734
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	270	198
Deferred gains or losses on hedges	56	74
Foreign currency translation adjustment	402	4
Remeasurements of defined benefit plans	(1,144)	(1,048)
Total accumulated other comprehensive income	(414)	(771)
Non-controlling interests	67	45
Total net assets	39,609	39,008
Total liabilities and net assets	77,544	74,490

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, 2018	Three months ended June 30, 2019
Net sales	14,818	18,074
Cost of sales	7,141	8,543
Gross profit	7,677	9,530
Reversal of provision for sales returns	124	–
Provision for sales returns	–	129
Gross profit - net	7,801	9,401
Selling, general and administrative expenses	6,625	7,499
Operating profit	1,176	1,902
Non-operating income		
Interest income	1	1
Dividend income	42	40
Share of profit of entities accounted for using equity method	–	20
Other	20	19
Total non-operating income	64	81
Non-operating expenses		
Interest expenses	27	20
Loss on sales of notes receivable - trade	5	6
Share of loss of entities accounted for using equity method	121	–
Other	15	10
Total non-operating expenses	170	37
Ordinary profit	1,070	1,946
Extraordinary income		
Gain on sales of non-current assets	–	0
Total extraordinary income	–	0
Extraordinary losses		
Loss on retirement of non-current assets	0	–
Loss on valuation of investment securities	–	37
Other	0	0
Total extraordinary losses	0	37
Profit before income taxes	1,069	1,908
Income taxes - current	289	177
Income taxes - deferred	189	348
Total income taxes	478	526
Profit	590	1,382
Profit attributable to non-controlling interests	2	6
Profit attributable to owners of parent	588	1,375

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Profit	590	1,382
Other comprehensive income		
Valuation difference on available-for-sale securities	54	(72)
Deferred gains or losses on hedges	14	(15)
Foreign currency translation adjustment	(57)	38
Remeasurements of defined benefit plans, net of tax	84	93
Share of other comprehensive income of entities accounted for using equity method	(836)	(402)
Total other comprehensive income	(740)	(357)
Comprehensive income	(149)	1,024
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(151)	1,018
Comprehensive income attributable to non-controlling interests	2	6