

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2019 (Based on Japanese GAAP)

February 7, 2020

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: February 14, 2020
 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 nine months ended December 31, 2019 (from April 1, 2019 to December 31, 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	%
Nine months ended December 31, 2019	75,843	19.1	16,197	39.4	16,499	42.6	11,456	50.5
Nine months ended December 31, 2018	63,706	23.0	11,617	78.4	11,570	72.2	7,612	65.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2019	253.07	–
Nine months ended December 31, 2018	166.99	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2019	92,282	47,214	51.1
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	–	30.00	–	–	–
Year ending March 31, 2020 (Forecast)	–	–	–	45.00	–

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
Full year	97,000	14.2	15,000	26.5	16,000	23.2	11,100	20.1	245.23

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 2019	47,648,172 shares	As of March 31, 2019	47,648,172 shares
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Number of treasury shares at the end of the period

As of December 31, 2019	2,360,508 shares	As of March 31, 2019	2,400,480 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, 2019	45,269,232 shares	Nine months ended December 31, 2018	45,588,268 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Assets		
Current assets		
Cash and deposits	13,595	21,417
Notes and accounts receivable - trade	10,461	14,372
Electronically recorded monetary claims - operating	2,813	5,172
Merchandise and finished goods	11,688	13,025
Work in process	62	80
Raw materials and supplies	537	501
Other	830	1,031
Allowance for doubtful accounts	(17)	(12)
Total current assets	39,972	55,588
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,642	1,695
Land	951	951
Other, net	1,621	1,999
Total property, plant and equipment	4,215	4,645
Intangible assets		
Trademark right	2,374	2,158
Other	923	983
Total intangible assets	3,297	3,141
Investments and other assets		
Investment securities	23,730	22,303
Guarantee deposits	2,204	2,423
Other	4,390	4,444
Allowance for doubtful accounts	(265)	(266)
Total investments and other assets	30,058	28,906
Total non-current assets	37,571	36,693
Total assets	77,544	92,282

(Millions of yen)

	As of March 31, 2019	As of December 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,215	5,853
Electronically recorded obligations - operating	11,296	18,024
Short-term borrowings	328	3,770
Current portion of long-term borrowings	2,450	2,076
Income taxes payable	2,886	2,509
Provision for bonuses	2,101	600
Provision for sales returns	109	165
Other	6,156	7,168
Total current liabilities	31,544	40,167
Non-current liabilities		
Long-term borrowings	4,056	2,519
Retirement benefit liability	259	188
Provision for share-based remuneration	536	620
Other	1,537	1,572
Total non-current liabilities	6,390	4,900
Total liabilities	37,934	45,068
Net assets		
Shareholders' equity		
Share capital	7,079	7,079
Capital surplus	1,439	1,439
Retained earnings	35,709	44,843
Treasury shares	(4,273)	(4,237)
Total shareholders' equity	39,956	49,125
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	270	283
Deferred gains or losses on hedges	56	89
Foreign currency translation adjustment	402	(1,431)
Remeasurements of defined benefit plans	(1,144)	(955)
Total accumulated other comprehensive income	(414)	(2,013)
Non-controlling interests	67	101
Total net assets	39,609	47,214
Total liabilities and net assets	77,544	92,282

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, 2018	Nine months ended December 31, 2019
Net sales	63,706	75,843
Cost of sales	30,314	34,380
Gross profit	33,392	41,462
Provision for sales returns	65	55
Gross profit - net	33,327	41,406
Selling, general and administrative expenses	21,709	25,209
Operating profit	11,617	16,197
Non-operating income		
Interest income	7	7
Dividend income	64	60
Share of profit of entities accounted for using equity method	–	310
Other	55	51
Total non-operating income	127	429
Non-operating expenses		
Interest expenses	97	72
Loss on sales of notes receivable - trade	19	19
Share of loss of entities accounted for using equity method	20	–
Other	36	36
Total non-operating expenses	174	127
Ordinary profit	11,570	16,499
Extraordinary income		
Gain on sales of non-current assets	–	35
Other	–	2
Total extraordinary income	–	38
Extraordinary losses		
Loss on disposal of non-current assets	1	39
Impairment loss	112	–
Loss on store closings	2	0
Loss on valuation of investment securities	2	33
Other	0	1
Total extraordinary losses	119	74
Profit before income taxes	11,450	16,462
Income taxes - current	3,487	4,503
Income taxes - deferred	320	440
Total income taxes	3,808	4,944
Profit	7,642	11,518
Profit attributable to non-controlling interests	29	62
Profit attributable to owners of parent	7,612	11,456

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2018	Nine months ended December 31, 2019
Profit	7,642	11,518
Other comprehensive income		
Valuation difference on available-for-sale securities	(279)	13
Deferred gains or losses on hedges	13	2
Foreign currency translation adjustment	(54)	(83)
Remeasurements of defined benefit plans, net of tax	256	187
Share of other comprehensive income of entities accounted for using equity method	(493)	(1,718)
Total other comprehensive income	(557)	(1,599)
Comprehensive income	7,085	9,919
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,057	9,856
Comprehensive income attributable to non-controlling interests	27	62