

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 5, 2021

Company name: GOLDWIN INC.
 Stock exchange listing: Tokyo
 Stock code: 8111 URL <https://www.goldwin.co.jp>
 Representative: President and Representative Director Takao Watanabe
 Vice President
 Inquiries: Administration and Human Resources and Kiyoto Futatsukawa TEL 03-3481-7203
 General Affairs
 Scheduled date to file Quarterly Securities Report: February 12, 2021
 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, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020	69,226	(8.7)	13,577	(16.2)	13,886	(15.8)	9,236	(19.4)
Nine months ended December 31, 2019	75,843	19.1	16,197	39.4	16,499	42.6	11,456	50.5

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	203.62		–	
Nine months ended December 31, 2019	253.07		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	99,058	50,686	51.1
As of March 31, 2020	82,285	46,852	56.8

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, 2020	–	30.00	–	45.00	–
Year ending March 31, 2021	–	15.00	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	45.00	60.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	88,000	(10.1)	12,500	(28.5)	13,500	(17.6)	9,000	(16.4)	198.40

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020
(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, 2020	47,448,172 shares	As of March 31, 2020	47,648,172 shares
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Number of treasury shares at the end of the period

As of December 31, 2020	2,096,898 shares	As of March 31, 2020	2,356,156 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, 2020	45,363,084 shares	Nine months ended December 31, 2019	45,269,232 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	17,649	22,010
Notes and accounts receivable - trade	8,663	15,390
Electronically recorded monetary claims - operating	3,188	5,325
Merchandise and finished goods	14,173	15,980
Work in process	54	98
Raw materials and supplies	544	612
Other	954	874
Allowance for doubtful accounts	(10)	(16)
Total current assets	45,217	60,275
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,803	1,729
Land	2,541	4,691
Other, net	1,823	1,938
Total property, plant and equipment	6,168	8,360
Intangible assets		
Trademark right	2,085	1,869
Other	1,065	1,038
Total intangible assets	3,150	2,908
Investments and other assets		
Investment securities	20,740	20,677
Guarantee deposits	2,478	2,519
Other	4,793	4,583
Allowance for doubtful accounts	(265)	(265)
Total investments and other assets	27,748	27,514
Total non-current assets	37,067	38,783
Total assets	82,285	99,058

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,641	2,971
Electronically recorded obligations - operating	12,784	18,828
Short-term borrowings	–	6,870
Current portion of long-term borrowings	1,916	2,480
Income taxes payable	3,199	2,881
Provision for bonuses	1,647	608
Provision for sales returns	34	127
Other	6,740	6,901
Total current liabilities	30,964	41,668
Non-current liabilities		
Long-term borrowings	2,109	4,296
Retirement benefit liability	204	192
Provision for share-based remuneration	664	754
Other	1,490	1,459
Total non-current liabilities	4,467	6,702
Total liabilities	35,432	48,371
Net assets		
Shareholders' equity		
Share capital	7,079	7,079
Capital surplus	1,439	264
Retained earnings	44,157	49,107
Treasury shares	(4,233)	(4,144)
Total shareholders' equity	48,443	52,306
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(60)	366
Deferred gains or losses on hedges	67	40
Foreign currency translation adjustment	(577)	(1,182)
Remeasurements of defined benefit plans	(1,114)	(958)
Total accumulated other comprehensive income	(1,686)	(1,733)
Non-controlling interests	95	113
Total net assets	46,852	50,686
Total liabilities and net assets	82,285	99,058

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, 2019	Nine months ended December 31, 2020
Net sales	75,843	69,226
Cost of sales	34,380	31,605
Gross profit	41,462	37,620
Provision for sales returns	55	92
Gross profit - net	41,406	37,527
Selling, general and administrative expenses	25,209	23,949
Operating profit	16,197	13,577
Non-operating income		
Interest income	7	6
Dividend income	60	54
Share of profit of entities accounted for using equity method	310	384
Other	51	64
Total non-operating income	429	510
Non-operating expenses		
Interest expenses	72	98
Loss on sales of notes receivable - trade	19	18
Other	36	84
Total non-operating expenses	127	201
Ordinary profit	16,499	13,886
Extraordinary income		
Gain on sales of non-current assets	35	0
Other	2	–
Total extraordinary income	38	0
Extraordinary losses		
Loss on disposal of non-current assets	39	0
Impairment loss	–	3
Loss on store closings	0	22
Loss on valuation of investment securities	33	298
Other	1	–
Total extraordinary losses	74	325
Profit before income taxes	16,462	13,561
Income taxes - current	4,503	3,825
Income taxes - deferred	440	443
Total income taxes	4,944	4,268
Profit	11,518	9,292
Profit attributable to non-controlling interests	62	55
Profit attributable to owners of parent	11,456	9,236

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	11,518	9,292
Other comprehensive income		
Valuation difference on available-for-sale securities	13	427
Deferred gains or losses on hedges	2	(14)
Foreign currency translation adjustment	(83)	2
Remeasurements of defined benefit plans, net of tax	187	158
Share of other comprehensive income of entities accounted for using equity method	(1,718)	(621)
Total other comprehensive income	(1,599)	(47)
Comprehensive income	9,919	9,245
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,856	9,189
Comprehensive income attributable to non-controlling interests	62	55