

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 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  
 Executive Officer  
 Inquiries: Director -Finance Dept. Junzo Shirai TEL 03-3481-7203  
 Scheduled date to file Quarterly Securities Report: November 12, 2021  
 Scheduled date to commence dividend payments: December 6, 2021  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

#### (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	%
Six months ended September 30, 2021	38,208	21.1	3,299	166.8	3,835	174.8	2,632	321.9
Six months ended September 30, 2020	31,558	(23.3)	1,236	(77.7)	1,395	(73.6)	623	(82.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	58.01		-	
Six months ended September 30, 2020	13.77		-	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	86,931	53,173	61.0
As of March 31, 2021	91,376	52,916	57.8

### 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, 2021	-	15.00	-	55.00	70.00
Year ending March 31, 2022	-	20.00	-	-	-
Year ending March 31, 2022 (Forecast)	-	-	-	50.00	70.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	100,000	10.5	14,000	(5.7)	15,200	(4.9)	10,300	(4.0)	227.07

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021  
(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: Yes
- 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 September 30, 2021	47,448,172 shares	As of March 31, 2021	47,448,172 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	2,068,800 shares	As of March 31, 2021	2,091,698 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	45,377,536 shares	Six months ended September 30, 2020	45,323,807 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	21,536	13,372
Notes and accounts receivable - trade	9,281	–
Notes and accounts receivable - trade, and contract assets	–	11,906
Electronically recorded monetary claims - operating	3,175	1,896
Merchandise and finished goods	14,435	16,165
Work in process	199	543
Raw materials and supplies	518	533
Other	2,032	1,471
Allowance for doubtful accounts	(10)	(14)
Total current assets	51,168	45,875
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,681	1,722
Land	4,691	4,691
Other, net	1,860	1,896
Total property, plant and equipment	8,233	8,310
Intangible assets		
Trademark right	1,792	1,640
Other	1,120	1,175
Total intangible assets	2,912	2,815
Investments and other assets		
Investment securities	21,608	22,462
Guarantee deposits	2,696	2,697
Other	5,021	5,068
Allowance for doubtful accounts	(265)	(297)
Total investments and other assets	29,061	29,930
Total non-current assets	40,207	41,056
Total assets	91,376	86,931

(Millions of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,544	6,688
Electronically recorded obligations - operating	10,131	7,977
Short-term borrowings	3,600	3,428
Current portion of long-term borrowings	2,520	2,230
Income taxes payable	3,910	863
Provision for bonuses	1,668	1,078
Provision for sales returns	51	–
Other	6,859	5,679
<b>Total current liabilities</b>	<b>32,285</b>	<b>27,945</b>
<b>Non-current liabilities</b>		
Long-term borrowings	3,626	3,298
Retirement benefit liability	232	219
Provision for share awards	807	843
Other	1,508	1,451
<b>Total non-current liabilities</b>	<b>6,173</b>	<b>5,812</b>
<b>Total liabilities</b>	<b>38,459</b>	<b>33,758</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	7,079	7,079
Capital surplus	264	276
Retained earnings	50,604	50,576
Treasury shares	(4,138)	(4,569)
<b>Total shareholders' equity</b>	<b>53,810</b>	<b>53,363</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	490	335
Deferred gains or losses on hedges	27	52
Foreign currency translation adjustment	(457)	195
Remeasurements of defined benefit plans	(1,068)	(877)
<b>Total accumulated other comprehensive income</b>	<b>(1,007)</b>	<b>(294)</b>
<b>Non-controlling interests</b>	<b>114</b>	<b>104</b>
<b>Total net assets</b>	<b>52,916</b>	<b>53,173</b>
<b>Total liabilities and net assets</b>	<b>91,376</b>	<b>86,931</b>

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	31,558	38,208
Cost of sales	15,429	18,708
Gross profit	16,129	19,500
Provision for sales returns	24	–
Gross profit - net	16,105	19,500
Selling, general and administrative expenses	14,868	16,200
Operating profit	1,236	3,299
Non-operating income		
Interest income	4	4
Dividend income	37	36
Share of profit of entities accounted for using equity method	197	540
Other	43	60
Total non-operating income	282	641
Non-operating expenses		
Interest expenses	57	46
Loss on sale of notes receivable - trade	9	11
Loss on cancellation of insurance policies	18	17
Other	38	29
Total non-operating expenses	123	105
Ordinary profit	1,395	3,835
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	–	14
Total extraordinary income	0	15
Extraordinary losses		
Loss on disposal of non-current assets	0	0
Loss on valuation of investment securities	267	–
Loss on store closings	19	1
Other	3	0
Total extraordinary losses	290	2
Profit before income taxes	1,105	3,848
Income taxes - current	365	1,174
Income taxes - deferred	84	8
Total income taxes	450	1,183
Profit	655	2,665
Profit attributable to non-controlling interests	31	32
Profit attributable to owners of parent	623	2,632

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

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	655	2,665
Other comprehensive income		
Valuation difference on available-for-sale securities	444	(155)
Deferred gains or losses on hedges	(8)	(10)
Foreign currency translation adjustment	(23)	191
Remeasurements of defined benefit plans, net of tax	100	189
Share of other comprehensive income of entities accounted for using equity method	(717)	499
Total other comprehensive income	(204)	713
Comprehensive income	451	3,378
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	419	3,345
Comprehensive income attributable to non-controlling interests	31	32

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	1,105	3,848
Depreciation	822	788
Decrease(increase)in net defined benefit asset	(211)	(244)
Increase (decrease) in retirement benefit liability	(13)	(2)
Impairment losses	3	–
Increase (decrease) in allowance for doubtful accounts	5	36
Interest and dividend income	(41)	(40)
Interest expenses	57	46
Share of loss (profit) of entities accounted for using equity method	(197)	(540)
Loss (gain) on disposal of non-current assets	(0)	0
Decrease (increase) in trade receivables	(533)	(1,344)
Decrease (increase) in inventories	(5,085)	(2,082)
Increase (decrease) in trade payables	(3,973)	986
Decrease (increase) in accounts receivable - other	(255)	732
Increase (decrease) in accounts payable - other	(799)	(280)
Increase (decrease) in accrued consumption taxes	(1,285)	(1,416)
Decrease (increase) in prepaid expenses	(176)	(98)
Other, net	150	130
Subtotal	(10,428)	520
Interest and dividends received	41	40
Interest paid	(68)	(44)
Income taxes paid	(3,253)	(4,206)
Net cash provided by (used in) operating activities	(13,708)	(3,689)
Cash flows from investing activities		
Payments into time deposits	(159)	(152)
Proceeds from withdrawal of time deposits	178	157
Purchase of property, plant and equipment and intangible assets	(2,765)	(528)
Purchase of investment securities	(24)	–
Proceeds from sale of investment securities	–	34
Payments of guarantee deposits	(88)	(93)
Proceeds from refund of guarantee deposits	10	10
Other, net	35	200
Net cash provided by (used in) investing activities	(2,814)	(370)

(Millions of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	11,378	(172)
Proceeds from long-term borrowings	4,600	643
Repayments of long-term borrowings	(1,219)	(1,260)
Repayments of lease obligations	(390)	(294)
Purchase of treasury shares	(1,008)	(642)
Dividends paid	(2,111)	(2,581)
Other, net	1	61
Net cash provided by (used in) financing activities	11,249	(4,246)
Effect of exchange rate change on cash and cash equivalents	(19)	86
Net increase (decrease) in cash and cash equivalents	(5,292)	(8,219)
Cash and cash equivalents at beginning of period	16,391	20,287
Cash and cash equivalents at end of period	11,099	12,067