

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2013 (Based on Japanese GAAP)

November 13, 2013

Company name GOLDWIN INC.  
 Stock exchange listing Tokyo  
 Stock Code 8111 URL <http://www.goldwin.co.jp>  
 Representative President and Representative Director Akio Nishida  
 Director, Senior Managing Officer, Executive  
 Inquiries General Manager, General Administration Kiyoto Futatsukawa TEL 03-3481-7203  
 Headquarters  
 Scheduled date to file Quarterly Securities Report November 14, 2013  
 Scheduled date to commence dividend payments -  
 Preparation of supplementary material on quarterly earnings no  
 Holding of quarterly earnings performance review no -

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2013 (from April 1, 2013 to September 30, 2013)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2013	24,473	1.6	526	30.0	873	6.3	708	4.1
Six months ended September 30, 2012	24,086	17.2	404	-	821	36.7	680	79.2

	Net income per share		Diluted net income per share	
	Yen		Yen	
Six months ended September 30, 2013	12.03		-	
Six months ended September 30, 2012	11.59		11.54	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2013	49,482		22,559		45.5	
As of March 31, 2013	45,176		21,433		47.2	

2. Cash dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2013	-	0.00	-	6.00	6.00
Year ending March 31, 2014	-	0.00			
Year ending March 31, 2014 (Forecast)			-	7.00	7.00

3. Forecast for the year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	53,000	0.9	2,100	10.4	3,200	1.0	2,300	(12.8)	39.15

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2013  
(changes in specified subsidiaries resulting in the change in scope of consolidation): no
- (2) Application of special accounting for preparing quarterly consolidated financial statements: no
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- 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 after error corrections: no

(4) Number of issued shares

Total number of issued shares at the end of the period (including treasury stock)

As of September 30, 2013	59,560,218 shares	As of March 31, 2013	59,393,218 shares
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Number of shares of treasury stock at the end of the period

As of September 30, 2013	610,334 shares	As of March 31, 2013	645,169 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, 2013	58,853,522 shares	Six months ended September 30, 2012	58,688,286 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
Assets		
Current assets		
Cash and deposits	4,606	5,942
Notes and accounts receivable-trade	11,090	11,882
Merchandise and finished goods	9,057	10,387
Work in process	78	130
Raw materials and supplies	637	621
Other	1,239	1,150
Allowance for doubtful accounts	(8)	(18)
Total current assets	26,701	30,096
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	1,682	1,638
Land	755	757
Other, net	1,303	1,254
Total property, plant and equipment	3,741	3,649
Intangible assets		
Right of trademark	77	58
Other	782	676
Total intangible assets	860	735
Investments and other assets		
Investment securities	9,841	11,013
Guarantee deposits	2,114	2,073
Other	2,244	2,233
Allowance for doubtful accounts	(326)	(319)
Total investments and other assets	13,873	15,000
Total noncurrent assets	18,475	19,385
Total assets	45,176	49,482

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	11,037	12,135
Short-term loans payable	1,028	4,368
Current portion of bonds	36	20
Current portion of long-term loans payable	1,398	1,321
Income taxes payable	268	217
Provision for bonuses	660	696
Provision for sales returns	507	373
Other	2,916	2,419
<b>Total current liabilities</b>	<b>17,853</b>	<b>21,552</b>
<b>Noncurrent liabilities</b>		
Long-term loans payable	1,982	1,617
Provision for retirement benefits	2,351	2,289
Other	1,555	1,463
<b>Total noncurrent liabilities</b>	<b>5,889</b>	<b>5,370</b>
<b>Total liabilities</b>	<b>23,742</b>	<b>26,923</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	7,041	7,079
Capital surplus	3,719	3,756
Retained earnings	11,602	11,957
Treasury stock	(278)	(259)
<b>Total shareholders' equity</b>	<b>22,085</b>	<b>22,534</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	300	383
Deferred gains or losses on hedges	(20)	(25)
Foreign currency translation adjustment	(1,051)	(395)
<b>Total accumulated other comprehensive income</b>	<b>(770)</b>	<b>(37)</b>
Subscription rights to shares	60	-
Minority interests	59	62
<b>Total net assets</b>	<b>21,433</b>	<b>22,559</b>
<b>Total liabilities and net assets</b>	<b>45,176</b>	<b>49,482</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, 2012	Six months ended September 30, 2013
Net sales	24,086	24,473
Cost of sales	14,183	14,288
Gross profit	9,902	10,185
Reversal of provision for sales returns	85	134
Gross profit-net	9,987	10,320
Selling, general and administrative expenses	9,582	9,794
Operating income	404	526
Non-operating income		
Interest income	5	6
Dividends income	29	29
Equity in earnings of affiliates	492	395
Other	57	41
Total non-operating income	584	473
Non-operating expenses		
Interest expenses	99	73
Other	68	52
Total non-operating expenses	167	125
Ordinary income	821	873
Extraordinary income		
Gain on reversal of subscription rights to shares	-	39
Gain on donation of noncurrent assets	26	-
Other	0	1
Total extraordinary income	27	40
Extraordinary loss		
Loss on disposal of noncurrent assets	7	0
Loss on closing of stores	1	34
Loss on valuation of investment securities	11	-
Other	0	4
Total extraordinary losses	21	39
Income before income taxes and minority interests	827	874
Income taxes-current	143	160
Income taxes-deferred	(3)	(1)
Total income taxes	140	159
Income before minority interests	687	715
Minority interests in income	6	7
Net income	680	708

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

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Income before minority interests	687	715
Other comprehensive income		
Valuation difference on available-for-sale securities	(222)	82
Deferred gains or losses on hedges	(5)	(5)
Foreign currency translation adjustment	17	167
Share of other comprehensive income of associates accounted for using equity method	180	488
Total other comprehensive income	(29)	733
Comprehensive income	657	1,448
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	650	1,441
Comprehensive income attributable to minority interests	7	7

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	827	874
Depreciation and amortization	401	492
Loss (gain) on valuation of investment securities	11	-
Increase (decrease) in provision for retirement benefits	120	(61)
Amortization of goodwill	24	24
Increase (decrease) in allowance for doubtful accounts	(3)	2
Interest and dividends income	(34)	(36)
Interest expenses	99	73
Equity in (earnings) losses of affiliates	(492)	(395)
Loss (gain) on disposal of noncurrent assets	7	(0)
Decrease (increase) in notes and accounts receivable-trade	(976)	(791)
Decrease (increase) in inventories	(1,527)	(1,362)
Increase (decrease) in notes and accounts payable-trade	(944)	1,093
Other, net	282	(463)
Subtotal	(2,202)	(549)
Interest and dividends income received	34	36
Interest expenses paid	(110)	(80)
Income taxes paid	(153)	(204)
It is the amount of payment of service money specially	-	(140)
Net cash provided by (used in) operating activities	(2,431)	(939)
Net cash provided by (used in) investing activities		
Payments into time deposits	(670)	(419)
Proceeds from withdrawal of time deposits	367	441
Purchase of property, plant and equipment and intangible assets	(133)	(150)
Proceeds from sales of property, plant and equipment and intangible assets	-	4
Purchase of investment securities	(11)	(159)
Proceeds from sales of investment securities	8	4
Payments for guarantee deposits	(73)	(59)
Other, net	23	66
Net cash provided by (used in) investing activities	(490)	(271)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	4,009	3,333
Proceeds from long-term loans payable	200	320
Repayment of long-term loans payable	(1,056)	(761)
Redemption of bonds	(16)	(16)
Proceeds from exercise of stock option	127	97
Cash dividends paid	(293)	(352)
Other, net	(131)	(201)
Net cash provided by (used in) financing activities	2,838	2,419
Effect of exchange rate change on cash and cash equivalents	4	57
Net increase (decrease) in cash and cash equivalents	(78)	1,265
Cash and cash equivalents at beginning of period	4,992	3,761
Cash and cash equivalents at end of period	4,913	5,026