

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2016 (Based on Japanese GAAP)

February 3, 2017

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: February 14, 2017
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 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, 2016 (from April 1, 2016 to December 31, 2016)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2016	44,703	3.1	3,661	27.4	3,848	19.6	2,979	22.9
Nine months ended December 31, 2015	43,339	4.3	2,874	4.9	3,216	(11.4)	2,423	(24.3)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2016	259.29		–	
Nine months ended December 31, 2015	211.09		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	66,511	31,079	46.7
As of March 31, 2016	57,315	29,614	51.6

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, 2016	–	0.00	–	55.00	55.00
Year ending March 31, 2017	–	0.00	–		
Year ending March 31, 2017 (Forecast)				60.00	60.00

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	60,400	1.1	3,700	18.2	4,300	2.9	3,400	0.9	295.93

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2016
(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, 2016	11,912,043 shares	As of March 31, 2016	11,912,043 shares
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Number of treasury shares at the end of the period

As of December 31, 2016	418,459 shares	As of March 31, 2016	425,398 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, 2016	11,489,278 shares	Nine months ended December 31, 2015	11,480,706 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Assets		
Current assets		
Cash and deposits	7,388	13,935
Notes and accounts receivable - trade	11,180	13,078
Merchandise and finished goods	9,348	9,274
Work in process	142	72
Raw materials and supplies	619	677
Other	2,426	1,649
Allowance for doubtful accounts	(4)	(4)
Total current assets	31,101	38,683
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,483	1,466
Land	671	671
Other, net	1,418	1,464
Total property, plant and equipment	3,573	3,603
Intangible assets		
Trademark right	19	3,009
Other	1,015	964
Total intangible assets	1,034	3,973
Investments and other assets		
Investment securities	17,776	16,968
Guarantee deposits	2,548	1,796
Other	1,587	1,789
Allowance for doubtful accounts	(306)	(303)
Total investments and other assets	21,606	20,251
Total non-current assets	26,214	27,828
Total assets	57,315	66,511

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,251	3,977
Electronically recorded obligations - operating	7,140	10,863
Short-term loans payable	668	7,600
Current portion of bonds	300	300
Current portion of long-term loans payable	1,475	1,158
Income taxes payable	394	263
Provision for bonuses	738	431
Provision for sales returns	654	378
Other	3,812	4,758
Total current liabilities	21,435	29,732
Non-current liabilities		
Long-term loans payable	3,219	2,606
Net defined benefit liability	461	291
Provision for stocks payment	139	239
Other	2,445	2,562
Total non-current liabilities	6,265	5,699
Total liabilities	27,700	35,432
Net assets		
Shareholders' equity		
Capital stock	7,079	7,079
Capital surplus	4,023	4,042
Retained earnings	20,713	23,008
Treasury shares	(1,333)	(1,319)
Total shareholders' equity	30,482	32,811
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	200	628
Deferred gains or losses on hedges	(16)	15
Foreign currency translation adjustment	1,239	(415)
Remeasurements of defined benefit plans	(2,325)	(1,992)
Total accumulated other comprehensive income	(901)	(1,764)
Non-controlling interests	34	32
Total net assets	29,614	31,079
Total liabilities and net assets	57,315	66,511

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, 2015	Nine months ended December 31, 2016
Net sales	43,339	44,703
Cost of sales	23,542	23,341
Gross profit	19,797	21,362
Reversal of provision for sales returns	293	276
Gross profit - net	20,090	21,638
Selling, general and administrative expenses	17,216	17,976
Operating income	2,874	3,661
Non-operating income		
Interest income	11	8
Dividend income	53	54
Share of profit of entities accounted for using equity method	352	189
Other	80	60
Total non-operating income	498	313
Non-operating expenses		
Interest expenses	92	73
Loss on sales of notes receivable - trade	22	17
Other	40	35
Total non-operating expenses	155	127
Ordinary income	3,216	3,848
Extraordinary income		
Gain on sales of non-current assets	0	1
Gain on sales of investment securities	0	-
Total extraordinary income	1	1
Extraordinary losses		
Loss on disposal of non-current assets	7	1
Impairment loss	23	27
Loss on closing of stores	62	4
Special retirement expenses	160	-
Other	1	4
Total extraordinary losses	255	38
Profit before income taxes	2,961	3,810
Income taxes - current	477	529
Income taxes - deferred	39	288
Total income taxes	517	817
Profit	2,444	2,993
Profit attributable to non-controlling interests	20	14
Profit attributable to owners of parent	2,423	2,979

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2015	Nine months ended December 31, 2016
Profit	2,444	2,993
Other comprehensive income		
Valuation difference on available-for-sale securities	(0)	427
Deferred gains or losses on hedges	2	31
Foreign currency translation adjustment	(43)	(281)
Remeasurements of defined benefit plans, net of tax	270	331
Share of other comprehensive income of entities accounted for using equity method	(1,049)	(1,398)
Total other comprehensive income	(820)	(888)
Comprehensive income	1,624	2,104
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,603	2,090
Comprehensive income attributable to non-controlling interests	20	14