

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2018 (Based on Japanese GAAP)

February 8, 2019

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, 2019  
 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, 2018 (from April 1, 2018 to December 31, 2018)

#### (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, 2018	63,706	23.0	11,617	78.4	11,570	72.2	7,612	65.4
Nine months ended December 31, 2017	51,774	15.8	6,512	77.9	6,717	74.6	4,602	54.5

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2018	333.98	–
Nine months ended December 31, 2017	203.06	–

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	82,797	38,268	46.2
As of March 31, 2018	70,713	35,425	50.0

### 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, 2018	–	0.00	–	85.00	85.00
Year ending March 31, 2019	–	16.00	–		
Year ending March 31, 2019 (Forecast)				69.00	85.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2019 (from April 1, 2018 to March 31, 2019)

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	83,000	17.9	11,200	57.7	12,100	54.5	8,200	58.5	359.74

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2018  
(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, 2018	23,824,086 shares	As of March 31, 2018	23,824,086 shares
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Number of treasury shares at the end of the period

As of December 31, 2018	1,201,554 shares	As of March 31, 2018	857,602 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, 2018	22,794,134 shares	Nine months ended December 31, 2017	22,668,250 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
Assets		
Current assets		
Cash and deposits	10,542	16,563
Notes and accounts receivable - trade	10,118	12,970
Electronically recorded monetary claims - operating	1,887	4,701
Merchandise and finished goods	10,912	10,683
Work in process	55	73
Raw materials and supplies	550	580
Other	748	1,043
Allowance for doubtful accounts	(13)	(20)
Total current assets	34,802	46,595
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,669	1,678
Land	951	951
Other, net	1,544	1,686
Total property, plant and equipment	4,165	4,316
Intangible assets		
Trademark right	2,659	2,450
Other	965	932
Total intangible assets	3,624	3,383
Investments and other assets		
Investment securities	23,614	23,661
Guarantee deposits	1,981	2,086
Other	2,792	3,019
Allowance for doubtful accounts	(267)	(265)
Total investments and other assets	28,121	28,502
Total non-current assets	35,911	36,201
Total assets	70,713	82,797

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	5,272	5,320
Electronically recorded obligations - operating	9,038	14,793
Short-term loans payable	328	5,820
Current portion of long-term loans payable	2,661	2,604
Income taxes payable	2,242	2,337
Provision for bonuses	1,323	551
Provision for sales returns	300	365
Other	5,041	5,575
<b>Total current liabilities</b>	<b>26,208</b>	<b>37,368</b>
<b>Non-current liabilities</b>		
Long-term loans payable	6,790	4,845
Net defined benefit liability	272	259
Provision for stocks payment	404	497
Other	1,612	1,557
<b>Total non-current liabilities</b>	<b>9,080</b>	<b>7,159</b>
<b>Total liabilities</b>	<b>35,288</b>	<b>44,528</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	7,079	7,079
Capital surplus	1,439	1,439
Retained earnings	27,854	34,079
Treasury shares	(1,438)	(4,273)
<b>Total shareholders' equity</b>	<b>34,934</b>	<b>38,325</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	595	316
Deferred gains or losses on hedges	(16)	(2)
Foreign currency translation adjustment	1,497	949
Remeasurements of defined benefit plans	(1,632)	(1,376)
<b>Total accumulated other comprehensive income</b>	<b>444</b>	<b>(112)</b>
<b>Non-controlling interests</b>	<b>45</b>	<b>55</b>
<b>Total net assets</b>	<b>35,425</b>	<b>38,268</b>
<b>Total liabilities and net assets</b>	<b>70,713</b>	<b>82,797</b>

## 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, 2017	Nine months ended December 31, 2018
Net sales	51,774	63,706
Cost of sales	25,743	30,314
Gross profit	26,030	33,392
Provision for sales returns	–	65
Reversal of provision for sales returns	153	–
Gross profit - net	26,183	33,327
Selling, general and administrative expenses	19,671	21,709
Operating profit	6,512	11,617
Non-operating income		
Interest income	8	7
Dividend income	58	64
Share of profit of entities accounted for using equity method	202	–
Other	88	55
Total non-operating income	358	127
Non-operating expenses		
Interest expenses	88	97
Loss on sales of notes receivable - trade	15	19
Share of loss of entities accounted for using equity method	–	20
Other	49	36
Total non-operating expenses	153	174
Ordinary profit	6,717	11,570
Extraordinary income		
Gain on sales of non-current assets	0	–
Gain on sales of investment securities	0	–
Total extraordinary income	0	–
Extraordinary losses		
Loss on disposal of non-current assets	6	1
Impairment loss	–	112
Loss on closing of stores	22	2
Special retirement expenses	9	–
Other	0	3
Total extraordinary losses	38	119
Profit before income taxes	6,679	11,450
Income taxes - current	1,861	3,487
Income taxes - deferred	197	320
Total income taxes	2,058	3,808
Profit	4,620	7,642
Profit attributable to non-controlling interests	17	29
Profit attributable to owners of parent	4,602	7,612

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

(Millions of yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Profit	4,620	7,642
Other comprehensive income		
Valuation difference on available-for-sale securities	275	(279)
Deferred gains or losses on hedges	4	13
Foreign currency translation adjustment	23	(54)
Remeasurements of defined benefit plans, net of tax	334	256
Share of other comprehensive income of entities accounted for using equity method	214	(493)
Total other comprehensive income	852	(557)
Comprehensive income	5,473	7,085
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,455	7,057
Comprehensive income attributable to non-controlling interests	17	27