

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 6, 2020

Company name: GOLDWIN INC.  
 Stock exchange listing: Tokyo  
 Stock code: 8111 URL <http://www.goldwin.co.jp>  
 Representative: President and Representative Director Takao Watanebe  
 Vice President  
 Inquiries: Administration and Human Resources and Kiyoto Futatsukawa TEL 03-3481-7203  
 General Affairs  
 Scheduled date to file Quarterly Securities Report: August 13, 2020  
 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 three months ended June 30, 2020 (from April 1, 2020 to June 30, 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	%
Three months ended June 30, 2020	12,200	(32.5)	(479)	–	(76)	–	(292)	–
Three months ended June 30, 2019	18,074	22.0	1,902	61.7	1,946	81.9	1,375	133.8

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	(6.46)		–	
Three months ended June 30, 2019	30.41		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	82,423	43,935	53.2
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	Yen	Yen	Yen	Yen
Year ended March 31, 2020	–	30.00	–	45.00	–
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	15.00	–	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
Six months ending September 30, 2020	27,600	(33.0)	(1,500)	–	(1,350)	–	(1,225)	–	(27.04)
Full year	84,000	(14.2)	8,100	(53.7)	9,600	(41.4)	6,400	(40.6)	141.28

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 2020	47,648,172 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 June 30, 2020	2,323,456 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)

Three months ended June 30, 2020	45,300,191 shares	Three months ended June 30, 2019	45,254,148 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	17,649	15,535
Notes and accounts receivable - trade	8,663	6,961
Electronically recorded monetary claims - operating	3,188	2,263
Merchandise and finished goods	14,173	16,451
Work in process	54	73
Raw materials and supplies	544	601
Other	954	1,515
Allowance for doubtful accounts	(10)	(8)
Total current assets	45,217	43,391
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,803	1,777
Land	2,541	4,691
Other, net	1,823	1,907
Total property, plant and equipment	6,168	8,376
Intangible assets		
Trademark right	2,085	2,014
Other	1,065	1,005
Total intangible assets	3,150	3,019
Investments and other assets		
Investment securities	20,740	20,258
Guarantee deposits	2,478	2,511
Other	4,793	5,130
Allowance for doubtful accounts	(265)	(265)
Total investments and other assets	27,748	27,635
Total non-current assets	37,067	39,032
Total assets	82,285	82,423

(Millions of yen)

	As of March 31, 2020	As of June 30, 2020
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	4,641	2,802
Electronically recorded obligations - operating	12,784	11,770
Short-term borrowings	–	9,520
Current portion of long-term borrowings	1,916	2,160
Income taxes payable	3,199	71
Provision for bonuses	1,647	1,558
Provision for sales returns	34	73
Other	6,740	4,827
<b>Total current liabilities</b>	<b>30,964</b>	<b>32,784</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,109	3,306
Retirement benefit liability	204	198
Provision for share-based remuneration	664	682
Other	1,490	1,516
<b>Total non-current liabilities</b>	<b>4,467</b>	<b>5,703</b>
<b>Total liabilities</b>	<b>35,432</b>	<b>38,488</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	7,079	7,079
Capital surplus	1,439	1,439
Retained earnings	44,157	41,753
Treasury shares	(4,233)	(4,204)
<b>Total shareholders' equity</b>	<b>48,443</b>	<b>46,068</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	(60)	264
Deferred gains or losses on hedges	67	95
Foreign currency translation adjustment	(577)	(1,478)
Remeasurements of defined benefit plans	(1,114)	(1,083)
<b>Total accumulated other comprehensive income</b>	<b>(1,686)</b>	<b>(2,201)</b>
<b>Non-controlling interests</b>	<b>95</b>	<b>67</b>
<b>Total net assets</b>	<b>46,852</b>	<b>43,935</b>
<b>Total liabilities and net assets</b>	<b>82,285</b>	<b>82,423</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	18,074	12,200
Cost of sales	8,543	5,869
Gross profit	9,530	6,330
Provision for sales returns	129	38
Gross profit - net	9,401	6,291
Selling, general and administrative expenses	7,499	6,770
Operating profit (loss)	1,902	(479)
Non-operating income		
Interest income	1	1
Dividend income	40	37
Share of profit of entities accounted for using equity method	20	374
Other	19	22
Total non-operating income	81	435
Non-operating expenses		
Interest expenses	20	18
Loss on sales of notes receivable - trade	6	5
Other	10	10
Total non-operating expenses	37	33
Ordinary profit (loss)	1,946	(76)
Extraordinary income		
Gain on sales of non-current assets	0	–
Total extraordinary income	0	–
Extraordinary losses		
Loss on valuation of investment securities	37	333
Other	0	3
Total extraordinary losses	37	336
Profit (loss) before income taxes	1,908	(413)
Income taxes - current	177	89
Income taxes - deferred	348	(220)
Total income taxes	526	(130)
Profit (loss)	1,382	(283)
Profit attributable to non-controlling interests	6	9
Profit (loss) attributable to owners of parent	1,375	(292)

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

(Millions of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit (loss)	1,382	(283)
Other comprehensive income		
Valuation difference on available-for-sale securities	(72)	325
Deferred gains or losses on hedges	(15)	(2)
Foreign currency translation adjustment	38	(16)
Remeasurements of defined benefit plans, net of tax	93	33
Share of other comprehensive income of entities accounted for using equity method	(402)	(854)
Total other comprehensive income	(357)	(514)
Comprehensive income	1,024	(797)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,018	(807)
Comprehensive income attributable to non-controlling interests	6	9