

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 14, 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 of ordinary general meeting of shareholders: June 24, 2021
 Scheduled date to file Securities Report: June 24, 2021
 Scheduled date to commence dividend payments: June 10, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(1) Consolidated operating results

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	%
Year ended March 31, 2021	90,479	(7.6)	14,838	(15.1)	15,984	(2.4)	10,734	(0.3)
Year ended March 31, 2020	97,899	15.3	17,480	47.4	16,375	26.1	10,770	16.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2021	236.64	–	21.6	18.4	16.4
Year ended March 31, 2020	237.89	–	25.0	20.5	17.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2021	91,376	52,916	57.8	1,164.16
As of March 31, 2020	82,285	46,852	56.8	1,032.36

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2021	7,401	(3,261)	(162)	20,287
Year ended March 31, 2020	13,650	(3,449)	(6,157)	16,391

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2020	–	30.00	–	45.00	–	2,815	25.2	6.0
Year ended March 31, 2021	–	15.00	–	55.00	70.00	3,288	29.6	6.4
Year ending March 31, 2022 (Forecast)	–	20.00	–	50.00	70.00		30.8	

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
Six months ending September 30, 2021	41,300	30.9	2,750	122.4	2,730	95.6	1,830	193.3	40.34
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 year ended March 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of March 31, 2021	47,448,172 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 March 31, 2021	2,091,698 shares	As of March 31, 2020	2,356,156 shares
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Average number of shares during the period

Year ended March 31, 2021	45,360,759 shares	Year ended March 31, 2020	45,273,820 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	17,649	21,536
Notes and accounts receivable - trade	8,663	9,281
Electronically recorded monetary claims - operating	3,188	3,175
Merchandise and finished goods	14,173	14,435
Work in process	54	199
Raw materials and supplies	544	518
Other	954	2,032
Allowance for doubtful accounts	(10)	(10)
Total current assets	45,217	51,168
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,803	1,681
Machinery, equipment and vehicles, net	118	101
Land	2,541	4,691
Leased assets, net	1,144	1,231
Other, net	560	527
Total property, plant and equipment	6,168	8,233
Intangible assets		
Software	751	731
Trademark right	2,085	1,792
Software in progress	158	318
Other	155	70
Total intangible assets	3,150	2,912
Investments and other assets		
Investment securities	20,740	21,608
Long-term loans receivable	45	46
Retirement benefit asset	1,009	1,267
Guarantee deposits	2,478	2,696
Distressed receivables	147	148
Deferred tax assets	1,589	1,449
Other	2,002	2,110
Allowance for doubtful accounts	(265)	(265)
Total investments and other assets	27,748	29,061
Total non-current assets	37,067	40,207
Total assets	82,285	91,376

(Millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,641	3,544
Electronically recorded obligations - operating	12,784	10,131
Short-term borrowings	–	3,600
Current portion of long-term borrowings	1,916	2,520
Lease obligations	530	566
Accounts payable - other	2,464	1,998
Income taxes payable	3,199	3,910
Accrued consumption taxes	1,343	1,645
Accrued expenses	1,961	1,932
Provision for bonuses	1,647	1,668
Provision for sales returns	34	51
Other	441	715
Total current liabilities	30,964	32,285
Non-current liabilities		
Long-term borrowings	2,109	3,626
Lease obligations	1,106	1,122
Retirement benefit liability	204	232
Asset retirement obligations	55	56
Provision for share awards	664	807
Other	328	329
Total non-current liabilities	4,467	6,173
Total liabilities	35,432	38,459
Net assets		
Shareholders' equity		
Share capital	7,079	7,079
Capital surplus	1,439	264
Retained earnings	44,157	50,604
Treasury shares	(4,233)	(4,138)
Total shareholders' equity	48,443	53,810
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(60)	490
Deferred gains or losses on hedges	67	27
Foreign currency translation adjustment	(577)	(457)
Remeasurements of defined benefit plans	(1,114)	(1,068)
Total accumulated other comprehensive income	(1,686)	(1,007)
Non-controlling interests	95	114
Total net assets	46,852	52,916
Total liabilities and net assets	82,285	91,376

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	97,899	90,479
Cost of sales	45,490	42,470
Gross profit	52,408	48,008
Reversal of provision for sales returns	74	–
Provision for sales returns	–	17
Gross profit - net	52,483	47,991
Selling, general and administrative expenses	35,003	33,152
Operating profit	17,480	14,838
Non-operating income		
Interest income	22	23
Dividend income	61	55
Share of profit of entities accounted for using equity method	–	1,238
Other	86	90
Total non-operating income	170	1,407
Non-operating expenses		
Interest expenses	93	129
Loss on sale of notes receivable - trade	26	22
Share of loss of entities accounted for using equity method	1,100	–
Other	56	109
Total non-operating expenses	1,275	261
Ordinary profit	16,375	15,984
Extraordinary income		
Gain on sale of non-current assets	52	0
Gain on sale of investment securities	–	33
Other	2	15
Total extraordinary income	55	49
Extraordinary losses		
Loss on disposal of non-current assets	58	0
Impairment losses	236	147
Loss on store closings	0	26
Loss on valuation of investment securities	38	278
Extra retirement payments	22	13
Other	3	9
Total extraordinary losses	359	476
Profit before income taxes	16,070	15,557
Income taxes - current	5,229	4,822
Income taxes - deferred	15	(56)
Total income taxes	5,245	4,766
Profit	10,825	10,791
Profit attributable to non-controlling interests	55	56
Profit attributable to owners of parent	10,770	10,734

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	10,825	10,791
Other comprehensive income		
Valuation difference on available-for-sale securities	(331)	551
Deferred gains or losses on hedges	10	10
Foreign currency translation adjustment	(30)	(3)
Remeasurements of defined benefit plans, net of tax	27	44
Share of other comprehensive income of entities accounted for using equity method	(948)	74
Total other comprehensive income	(1,272)	678
Comprehensive income	9,553	11,469
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,498	11,412
Comprehensive income attributable to non-controlling interests	55	56

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,079	1,439	35,709	(4,273)	39,956
Changes during period					
Purchase of treasury shares				(4)	(4)
Disposal of treasury shares				44	44
Cancellation of treasury shares					–
Dividends of surplus			(2,322)		(2,322)
Profit attributable to owners of parent			10,770		10,770
Net changes in items other than shareholders' equity					–
Total changes during period	–	–	8,447	39	8,487
Balance at end of period	7,079	1,439	44,157	(4,233)	48,443

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	270	56	402	(1,144)	(414)	67	39,609
Changes during period							
Purchase of treasury shares							(4)
Disposal of treasury shares							44
Cancellation of treasury shares							–
Dividends of surplus							(2,322)
Profit attributable to owners of parent							10,770
Net changes in items other than shareholders' equity	(331)	10	(980)	29	(1,272)	27	(1,244)
Total changes during period	(331)	10	(980)	29	(1,272)	27	7,242
Balance at end of period	(60)	67	(577)	(1,114)	(1,686)	95	46,852

Fiscal year ended March 31, 2021

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	7,079	1,439	44,157	(4,233)	48,443
Changes during period					
Purchase of treasury shares				(2,602)	(2,602)
Disposal of treasury shares		(294)	(1,467)	1,815	53
Cancellation of treasury shares		(881)		881	–
Dividends of surplus			(2,818)		(2,818)
Profit attributable to owners of parent			10,734		10,734
Net changes in items other than shareholders' equity					
Total changes during period	–	(1,175)	6,447	94	5,366
Balance at end of period	7,079	264	50,604	(4,138)	53,810

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(60)	67	(577)	(1,114)	(1,686)	95	46,852
Changes during period							
Purchase of treasury shares							(2,602)
Disposal of treasury shares							53
Cancellation of treasury shares							–
Dividends of surplus							(2,818)
Profit attributable to owners of parent							10,734
Net changes in items other than shareholders' equity	551	(39)	120	46	678	19	697
Total changes during period	551	(39)	120	46	678	19	6,064
Balance at end of period	490	27	(457)	(1,068)	(1,007)	114	52,916

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	16,070	15,557
Depreciation	1,722	1,669
Share of loss (profit) of entities accounted for using equity method	1,100	(1,238)
Decrease (increase) in retirement benefit asset	(127)	(427)
Increase (decrease) in retirement benefit liability	(55)	28
Impairment losses	236	147
Increase (decrease) in allowance for doubtful accounts	(6)	0
Increase (decrease) in provision for bonuses	(454)	21
Interest and dividend income	(83)	(78)
Interest expenses	93	129
Loss (gain) on disposal of non-current assets	5	(0)
Decrease (increase) in trade receivables	1,421	(604)
Decrease (increase) in inventories	(2,485)	(368)
Increase (decrease) in trade payables	(86)	(3,749)
Increase (decrease) in accounts payable - other	90	(465)
Increase (decrease) in accrued consumption taxes	366	301
Decrease (increase) in prepaid expenses	48	(264)
Other, net	262	179
Subtotal	18,119	10,838
Interest and dividends received	610	810
Interest paid	(91)	(129)
Income taxes paid	(4,988)	(4,117)
Net cash provided by (used in) operating activities	13,650	7,401
Cash flows from investing activities		
Payments into time deposits	(340)	(249)
Proceeds from withdrawal of time deposits	332	342
Purchase of non-current assets	(2,972)	(3,195)
Proceeds from sale of non-current assets	54	-
Purchase of investment securities	(3)	(1)
Proceeds from sale of investment securities	1	88
Payments of guarantee deposits	(384)	(164)
Proceeds from refund of guarantee deposits	66	14
Other, net	(203)	(96)
Net cash provided by (used in) investing activities	(3,449)	(3,261)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(328)	3,600
Proceeds from long-term borrowings	50	4,600
Repayments of long-term borrowings	(2,531)	(2,479)
Repayments of lease obligations	(1,037)	(478)
Purchase of treasury shares	(4)	(2,602)
Dividends paid	(2,322)	(2,818)
Other, net	17	16
Net cash provided by (used in) financing activities	(6,157)	(162)
Effect of exchange rate change on cash and cash equivalents	(8)	(81)
Net increase (decrease) in cash and cash equivalents	4,035	3,895
Cash and cash equivalents at beginning of period	12,356	16,391
Cash and cash equivalents at end of period	16,391	20,287