Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 11, 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:

Junzo Shirai TEL 03-3481-7203

Director -Finance Dept.

Scheduled date to file Quarterly Securities Report: August 13, 2021

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, 2021 (from April 1, 2021 to June 30, 2021)

(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, 2021 | 17,078 | 40.0 | 1,135 | - | 1,696 | _ | 1,235 | _ |
| Three months ended June 30, 2020 | 12,200 | (32.5) | (479) | _ | (76) | _ | (292) | _ |

| | Earnings per share | Diluted earnings per share |
|----------------------------------|--------------------|----------------------------|
| | Yen | Yen |
| Three months ended June 30, 2021 | 27.23 | - |
| Three months ended June 30, 2020 | (6.46) | - |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of June 30, 2021 | 86,485 | 52,065 | 60.1 |
| As of March 31, 2021 | 91,376 | 52,916 | 57.8 |

2. Cash dividends

| | | Annual dividends per share | | | | | | |
|---------------------------------------|-----------------|---|-----|-------|-------|--|--|--|
| | 1st quarter-end | 1st quarter-end 2nd quarter-end 3rd quarter-end Fiscal year-end Total | | | | | | |
| | Yen | Yen | Yen | Yen | Yen | | | |
| Year ended March 31, 2021 | _ | 15.00 | _ | 55.00 | 70.00 | | | |
| Year ending March 31, 2022 | _ | | | | | | | |
| Year ending March 31, 2022 (Forecast) | | 20.00 | - | 50.00 | 70.00 | | | |

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 three months ended June 30, 2021 (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: Yes Changes in accounting policies due to other reasons: No Changes in accounting estimates: No No

Restatement of prior period financial statements:

(4) Number of issued shares (common shares)

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

| Total named of issued shares at the end of | tine period (merading treat | our y shares) | |
|---|-----------------------------|----------------------------------|-------------------|
| As of June 30, 2021 | 47,448,172 shares | As of March 31, 2021 | 47,448,172 shares |
| Number of treasury shares at the end of the | period | | |
| As of June 30, 2021 | 2,054,898 shares | As of March 31, 2021 | 2,091,698 shares |
| Average number of shares during the perio | d (cumulative from the beg | ginning of the fiscal year) | |
| Three months ended June 30, 2021 | 45,365,674 shares | Three months ended June 30, 2020 | 45,300,191 shares |

Quarterly consolidated financial statements Consolidated balance sheets

| | · · · · | | | |
|---|---------|--------|------|-------|
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| | | | | |

| | As of March 31, 2021 | As of June 30, 2021 |
|--|----------------------|---------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 21,536 | 18,741 |
| Notes and accounts receivable - trade | 9,281 | _ |
| Notes and accounts receivable - trade, and contract assets | - | 7,345 |
| Electronically recorded monetary claims - operating | 3,175 | 2,787 |
| Merchandise and finished goods | 14,435 | 14,341 |
| Work in process | 199 | 168 |
| Raw materials and supplies | 518 | 473 |
| Other | 2,032 | 1,671 |
| Allowance for doubtful accounts | (10) | (4) |
| Total current assets | 51,168 | 45,525 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 1,681 | 1,665 |
| Land | 4,691 | 4,691 |
| Other, net | 1,860 | 1,929 |
| Total property, plant and equipment | 8,233 | 8,287 |
| Intangible assets | | |
| Trademark right | 1,792 | 1,716 |
| Other | 1,120 | 1,161 |
| Total intangible assets | 2,912 | 2,877 |
| Investments and other assets | | |
| Investment securities | 21,608 | 22,456 |
| Guarantee deposits | 2,696 | 2,731 |
| Other | 5,021 | 4,872 |
| Allowance for doubtful accounts | (265) | (265) |
| Total investments and other assets | 29,061 | 29,794 |
| Total non-current assets | 40,207 | 40,959 |
| Total assets | 91,376 | 86,485 |

| As of March 31, 2021 As of June 30, 2021 Liabilities Current liabilities Notes and accounts payable - trade 3,544 2,515 Electronically recorded obligations - operating 10,131 11,115 Short-term borrowings 3,600 4,370 Current portion of long-term borrowings 2,520 2,375 Income taxes payable 3,910 115 Provision for bonuses 1,668 2,192 Provision for sales returns 51 Other 6,859 6,091 Total current liabilities 32,285 28,766 Non-current liabilities 36,26 3,141 Retirement benefit liability 232 222 Provision for share awards 807 821 Other 1,508 1,459 Total non-current liabilities 38,459 3,442 Total share awards 807 3,42 Total share awards 807 82 Total share awards 807 3,42 Total sharehold | | | (Millions of yen) |
|--|---|----------------------|---------------------|
| Current liabilities 3,544 2,515 Notes and accounts payable - trade 3,544 2,515 Electronically recorded obligations - operating 10,131 11,155 Short-term borrowings 3,600 4,370 Current portion of long-term borrowings 2,520 2,375 Income taxes payable 3,910 115 Provision for bonuses 1,668 2,192 Provision for bonuses 1,668 2,192 Other 6,859 6,091 Total current liabilities 32,285 28,776 Non-current liabilities 3,626 3,141 Retirement benefit liability 232 222 Provision for share awards 807 821 Other 1,508 1,459 Total non-current liabilities 38,459 34,420 Net assets Share capital 7,079 7,079 Capital surplus 264 264 Retained earnings 50,604 49,179 Treasury shares (4,138) (4,106) | | As of March 31, 2021 | As of June 30, 2021 |
| Notes and accounts payable - trade 3,544 2,515 Electronically recorded obligations - operating 10,131 11,115 Short-term borrowings 3,600 4,370 Current portion of long-term borrowings 2,520 2,375 Income taxes payable 3,910 115 Provision for bonuses 1,668 2,192 Provision for sales returns 51 - Other 6,859 6,091 Total current liabilities 32,285 28,776 Non-current liabilities 3,626 3,141 Retirement benefit liability 232 222 Provision for share awards 807 821 Other 1,508 1,459 Total non-current liabilities 6,173 5,644 Total liabilities 38,459 34,420 Net assets Share capital 7,079 7,079 Capital surplus 264 264 Retained earnings 50,604 49,179 Treasury shares (4,138) (4,106) | Liabilities | | |
| Electronically recorded obligations - operating 10,131 11,115 Short-term borrowings 3,600 4,370 Current portion of long-term borrowings 2,520 2,375 Income taxes payable 3,910 115 Provision for bonuses 1,668 2,192 Provision for sales returns 51 - Other 6,859 6,091 Total current liabilities 3,2285 28,776 Non-current liabilities 3,626 3,141 Retirement benefit liability 232 222 Provision for share awards 807 821 Other 1,508 1,459 Total non-current liabilities 38,459 34,420 Net assets 38,459 34,420 Net assets Share capital 7,079 7,079 Share capital 7,079 7,079 Capital surplus 264 264 Retained earnings 50,604 49,179 Treasury shares (4,138) (4,106) Total shareholders' equity | Current liabilities | | |
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| Provision for bonuses 1,668 2,192 Provision for sales returns 51 — Other 6,859 6,091 Total current liabilities 32,285 28,776 Non-current liabilities 3,626 3,141 Retirement benefit liability 232 222 Provision for share awards 807 821 Other 1,508 1,459 Total non-current liabilities 6,173 5,644 Total liabilities 38,459 34,220 Net assets Share capital 7,079 7,079 Capital surplus 264 264 Retained earnings 50,604 49,179 Treasury shares (4,138) (4,106) Total shareholders' equity 53,810 52,417 Accumulated other comprehensive income 490 311 Valuation difference on available-for-sale securities 490 311 Deferred gains or losses on hedges 27 56 Foreign currency translation adjustment (4,57) 145 < | Current portion of long-term borrowings | 2,520 | 2,375 |
| Provision for sales returns 51 — Other 6,859 6,091 Total current liabilities 32,285 28,776 Non-current liabilities 3,626 3,141 Retirement benefit liability 232 222 Provision for share awards 807 821 Other 1,508 1,459 Total non-current liabilities 6,173 5,644 Total liabilities 38,459 34,420 Net assets Share capital 7,079 7,079 Capital surplus 264 264 Retained earnings 50,604 49,179 Treasury shares (4,138) (4,106) Total shareholders' equity 53,810 52,417 Accumulated other comprehensive income Valuation difference on available-for-sale securities 490 311 Deferred gains or losses on hedges 27 56 Foreign currency translation adjustment (457) 145 Remeasurements of defined benefit plans (1,068) 9441 Total accumulated other com | Income taxes payable | 3,910 | 115 |
| Other 6,859 6,091 Total current liabilities 32,285 28,776 Non-current liabilities 3,626 3,141 Retirement benefit liability 232 222 Provision for share awards 807 821 Other 1,508 1,459 Total non-current liabilities 6,173 5,644 Total liabilities 38,459 34,420 Net assets 807 7,079 7,079 Capital surplus 264 264 264 Retained earnings 50,604 49,179 49,179 Treasury shares (4,138) (4,106) 52,417 Accumulated other comprehensive income 490 311 52,417 Deferred gains or losses on hedges 27 56 56 Foreign currency translation adjustment (457) 145 64 Remeasurements of defined benefit plans (1,008) (944) Total accumulated other comprehensive income (1,007) (431) Non-controlling interests 114 | Provision for bonuses | 1,668 | 2,192 |
| Total current liabilities 32,285 28,776 Non-current liabilities 3,626 3,141 Retirement benefit liability 232 222 Provision for share awards 807 821 Other 1,508 1,459 Total non-current liabilities 6,173 5,644 Total liabilities 38,459 34,420 Net assets Share capital 7,079 7,079 Capital surplus 264 264 Retained earnings 50,604 49,179 Treasury shares (4,138) (4,106) Total shareholders' equity 53,810 52,417 Accumulated other comprehensive income Valuation difference on available-for-sale securities 490 311 Deferred gains or losses on hedges 27 56 Foreign currency translation adjustment (457) 145 Remeasurements of defined benefit plans (1,068) (944) Total accumulated other comprehensive income (1,007) (431) Non-controlling interests 114 79 <t< td=""><td>Provision for sales returns</td><td>51</td><td>=</td></t<> | Provision for sales returns | 51 | = |
| Non-current liabilities 3,626 3,141 Retirement benefit liability 232 222 Provision for share awards 807 821 Other 1,508 1,459 Total non-current liabilities 6,173 5,644 Total liabilities 38,459 34,420 Net assets 807 7,079 7,079 Share capital 7,079 7,079 7,079 7,079 Capital surplus 264 264 264 Retained earnings 50,604 49,179 49,179 41,179 17 casury shares (4,138) (4,106) 52,417 Accumulated other comprehensive income Valuation difference on available-for-sale securities 490 311 311 Deferred gains or losses on hedges 27 56 56 Foreign currency translation adjustment (457) 145 Remeasurements of defined benefit plans (1,068) (944) 79 101 net assets 52,916 52,065 52,065 52,065 52,065 52,065 52,065 52,065 52,065 52,065 52,065 | Other | 6,859 | 6,091 |
| Long-term borrowings 3,626 3,141 Retirement benefit liability 232 222 Provision for share awards 807 821 Other 1,508 1,459 Total non-current liabilities 6,173 5,644 Total liabilities 38,459 34,420 Net assets Share capital 7,079 7,079 Capital surplus 264 264 Retained earnings 50,604 49,179 Treasury shares (4,138) (4,106) Total shareholders' equity 53,810 52,417 Accumulated other comprehensive income 490 311 Deferred gains or losses on hedges 27 56 Foreign currency translation adjustment (457) 145 Remeasurements of defined benefit plans (1,068) (944) Total accumulated other comprehensive income (1,007) (431) Non-controlling interests 114 79 Total net assets 52,916 52,065 | Total current liabilities | 32,285 | 28,776 |
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| Other 1,508 1,459 Total non-current liabilities 6,173 5,644 Total liabilities 38,459 34,420 Net assets Shareholders' equity Share capital 7,079 7,079 Capital surplus 264 264 Retained earnings 50,604 49,179 Treasury shares (4,138) (4,106) Total shareholders' equity 53,810 52,417 Accumulated other comprehensive income 490 311 Deferred gains or losses on hedges 27 56 Foreign currency translation adjustment (457) 145 Remeasurements of defined benefit plans (1,068) (944) Total accumulated other comprehensive income (1,007) (431) Non-controlling interests 114 79 Total net assets 52,916 52,065 | Retirement benefit liability | 232 | 222 |
| Total non-current liabilities 6,173 5,644 Total liabilities 38,459 34,420 Net assets Shareholders' equity Share capital 7,079 7,079 Capital surplus 264 264 Retained earnings 50,604 49,179 Treasury shares (4,138) (4,106) Total shareholders' equity 53,810 52,417 Accumulated other comprehensive income 490 311 Valuation difference on available-for-sale securities 490 311 Deferred gains or losses on hedges 27 56 Foreign currency translation adjustment (457) 145 Remeasurements of defined benefit plans (1,068) (944) Total accumulated other comprehensive income (1,007) (431) Non-controlling interests 114 79 Total net assets 52,916 52,065 | Provision for share awards | 807 | 821 |
| Total liabilities 38,459 34,420 Net assets Shareholders' equity Share capital 7,079 7,079 Capital surplus 264 264 Retained earnings 50,604 49,179 Treasury shares (4,138) (4,106) Total shareholders' equity 53,810 52,417 Accumulated other comprehensive income 490 311 Deferred gains or losses on hedges 27 56 Foreign currency translation adjustment (457) 145 Remeasurements of defined benefit plans (1,068) (944) Total accumulated other comprehensive income (1,007) (431) Non-controlling interests 114 79 Total net assets 52,916 52,065 | Other | 1,508 | 1,459 |
| Net assets Shareholders' equity 7,079 7,079 Capital surplus 264 264 Retained earnings 50,604 49,179 Treasury shares (4,138) (4,106) Total shareholders' equity 53,810 52,417 Accumulated other comprehensive income 490 311 Deferred gains or losses on hedges 27 56 Foreign currency translation adjustment (457) 145 Remeasurements of defined benefit plans (1,068) (944) Total accumulated other comprehensive income (1,007) (431) Non-controlling interests 114 79 Total net assets 52,916 52,065 | Total non-current liabilities | 6,173 | 5,644 |
| Shareholders' equity 7,079 7,079 Capital surplus 264 264 Retained earnings 50,604 49,179 Treasury shares (4,138) (4,106) Total shareholders' equity 53,810 52,417 Accumulated other comprehensive income 490 311 Deferred gains or losses on hedges 27 56 Foreign currency translation adjustment (457) 145 Remeasurements of defined benefit plans (1,068) (944) Total accumulated other comprehensive income (1,007) (431) Non-controlling interests 114 79 Total net assets 52,916 52,065 | Total liabilities | 38,459 | 34,420 |
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| Treasury shares (4,138) (4,106) Total shareholders' equity 53,810 52,417 Accumulated other comprehensive income Valuation difference on available-for-sale securities 490 311 Deferred gains or losses on hedges 27 56 Foreign currency translation adjustment (457) 145 Remeasurements of defined benefit plans (1,068) (944) Total accumulated other comprehensive income (1,007) (431) Non-controlling interests 114 79 Total net assets 52,916 52,065 | Capital surplus | 264 | 264 |
| Total shareholders' equity 53,810 52,417 Accumulated other comprehensive income Valuation difference on available-for-sale securities 490 311 Deferred gains or losses on hedges 27 56 Foreign currency translation adjustment (457) 145 Remeasurements of defined benefit plans (1,068) (944) Total accumulated other comprehensive income (1,007) (431) Non-controlling interests 114 79 Total net assets 52,916 52,065 | Retained earnings | 50,604 | 49,179 |
| Accumulated other comprehensive income 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 (1,068) Non-controlling interests 114 79 Total net assets 52,916 52,065 | Treasury shares | (4,138) | (4,106) |
| Valuation difference on available-for-sale securities490311Deferred gains or losses on hedges2756Foreign currency translation adjustment(457)145Remeasurements of defined benefit plans(1,068)(944)Total accumulated other comprehensive income(1,007)(431)Non-controlling interests11479Total net assets52,91652,065 | Total shareholders' equity | 53,810 | 52,417 |
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| Foreign currency translation adjustment (457) 145 Remeasurements of defined benefit plans (1,068) (944) Total accumulated other comprehensive income (1,007) (431) Non-controlling interests 114 79 Total net assets 52,916 52,065 | Valuation difference on available-for-sale securities | 490 | 311 |
| Remeasurements of defined benefit plans(1,068)(944)Total accumulated other comprehensive income(1,007)(431)Non-controlling interests11479Total net assets52,91652,065 | Deferred gains or losses on hedges | 27 | 56 |
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| Non-controlling interests 114 79 Total net assets 52,916 52,065 | Remeasurements of defined benefit plans | (1,068) | (944) |
| Total net assets 52,916 52,065 | Total accumulated other comprehensive income | (1,007) | (431) |
| Total net assets 52,916 52,065 | Non-controlling interests | 114 | 79 |
| | | 52,916 | 52,065 |
| | Total liabilities and net assets | 91,376 | 86,485 |

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

Consolidated statements of income (cumulative)

| | Three months ended | Three months ended |
|---|--------------------|--------------------|
| | June 30, 2020 | June 30, 2021 |
| Net sales | 12,200 | 17,078 |
| Cost of sales | 5,869 | 8,091 |
| Gross profit | 6,330 | 8,986 |
| Provision for sales returns | 38 | = |
| Gross profit - net | 6,291 | 8,986 |
| Selling, general and administrative expenses | 6,770 | 7,851 |
| Operating profit (loss) | (479) | 1,135 |
| Non-operating income | . , | · |
| Interest income | 1 | 1 |
| Dividend income | 37 | 35 |
| Share of profit of entities accounted for using equity method | 374 | 558 |
| Other | 22 | 31 |
| Total non-operating income | 435 | 627 |
| Non-operating expenses | | |
| Interest expenses | 18 | 23 |
| Loss on sale of notes receivable - trade | 5 | 8 |
| Loss on cancellation of insurance policies | 2 | 17 |
| Other | 8 | 17 |
| Total non-operating expenses | 33 | 66 |
| Ordinary profit (loss) | (76) | 1,696 |
| Extraordinary income | | |
| Gain on sale of non-current assets | _ | 0 |
| Gain on sale of investment securities | = | 14 |
| Total extraordinary income | - | 15 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | 333 | - |
| Loss on store closings | | 0 |
| Other | 3 | 0 |
| Total extraordinary losses | 336 | 0 |
| Profit (loss) before income taxes | (413) | 1,711 |
| Income taxes - current | 89 | 449 |
| Income taxes - deferred | (220) | 16 |
| Total income taxes | (130) | 466 |
| Profit (loss) | (283) | 1,244 |
| Profit attributable to non-controlling interests | 9 | 9 |
| Profit (loss) attributable to owners of parent | (292) | 1,235 |

Consolidated statements of comprehensive income (cumulative)

| | | (Millions of yen) |
|---|--------------------|--------------------|
| | Three months ended | Three months ended |
| | June 30, 2020 | June 30, 2021 |
| Profit (loss) | (283) | 1,244 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 325 | (179) |
| Deferred gains or losses on hedges | (2) | (8) |
| Foreign currency translation adjustment | (16) | 157 |
| Remeasurements of defined benefit plans, net of tax | 33 | 127 |
| Share of other comprehensive income of entities accounted | (854) | 479 |
| for using equity method | (634) | |
| Total other comprehensive income | (514) | 576 |
| Comprehensive income | (797) | 1,821 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | (807) | 1,811 |
| Comprehensive income attributable to non-controlling | 9 | 9 |
| interests | 9 | 9 |