

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: Director -Finance Dept. Junzo Shirai TEL 03-3481-7203
 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	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	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
- 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, 2021	47,448,172 shares	As of March 31, 2021	47,448,172 shares
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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
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	45,365,674 shares	Three months ended June 30, 2020	45,300,191 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	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

(Millions of yen)

	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	28,776
Non-current liabilities		
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		
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		
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
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)

(Millions of yen)

	Three months ended June 30, 2020	Three months ended 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 June 30, 2020	Three months ended 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 for using equity method	(854)	479
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 interests	9	9